

# Investor Presentation

Fiscal 2022



JOHN DEERE

# Safe Harbor Statement & Disclosures

This presentation includes forward-looking comments subject to important risks and uncertainties. It may also contain financial measures that are not in conformance with accounting principles generally accepted in the United States of America (GAAP).

Refer to Deere's reports filed on Forms 8-K (current), 10-Q (quarterly), and 10-K (annual) for information on factors that could cause actual results to differ materially from information in this presentation and for information reconciling financial measures to GAAP. Past performance may not be representative of future results.

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An aerial photograph of a John Deere precision agriculture model. A green John Deere tractor with a white tank and a long green boom sprayer is positioned on a grid of colorful, textured squares representing different soil types or crop health. The tractor is moving from left to right. In the background, another John Deere tractor is visible, and a black line with the word "PLANTED" is visible on the right side of the image.

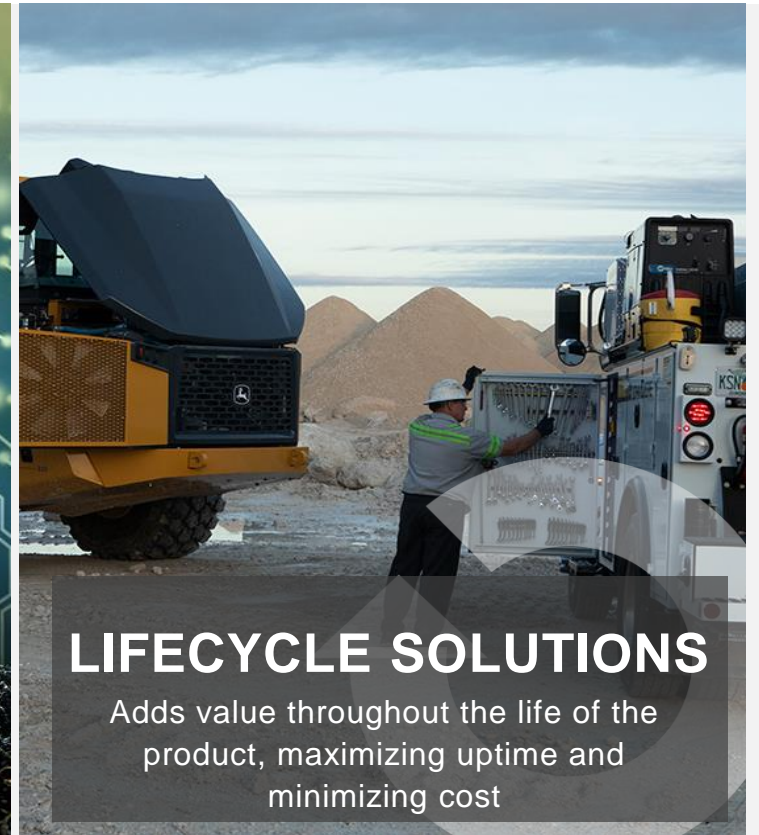
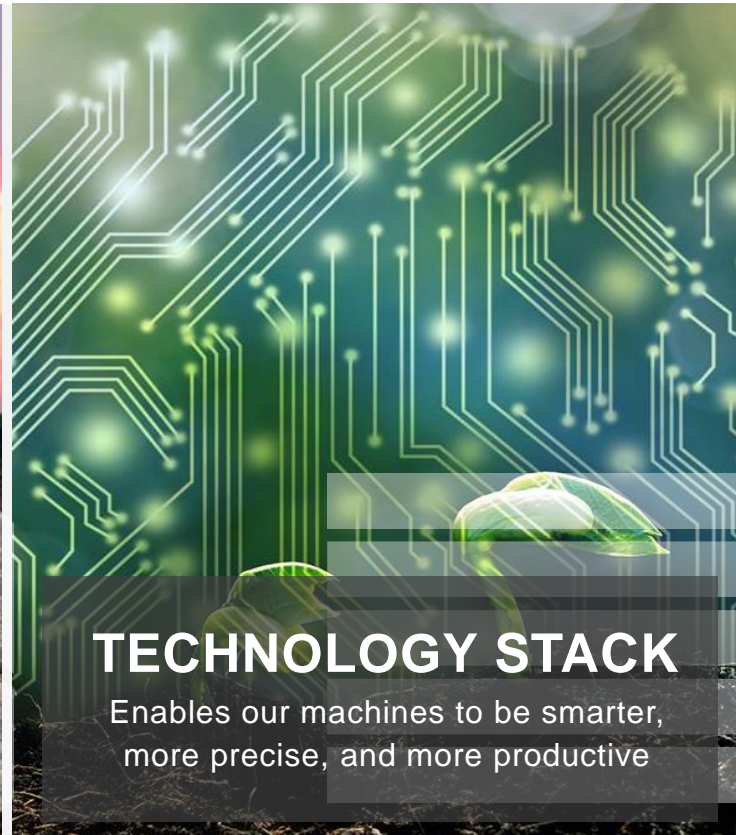
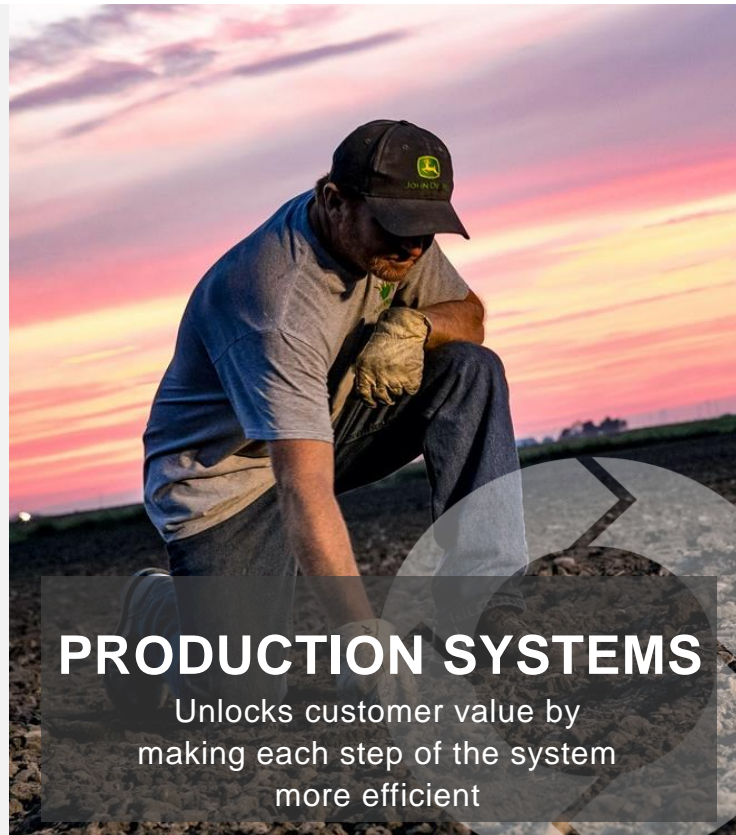
# John Deere Strategy



John Deere's Smart  
Industrial strategy will  
revolutionize agriculture  
and construction

John Deere will deliver  
intelligent, connected  
machines and applications  
that will revolutionize  
production systems in  
agriculture and construction  
to **unlock customer  
economic value** across the  
lifecycle in ways that are  
**sustainable for all**

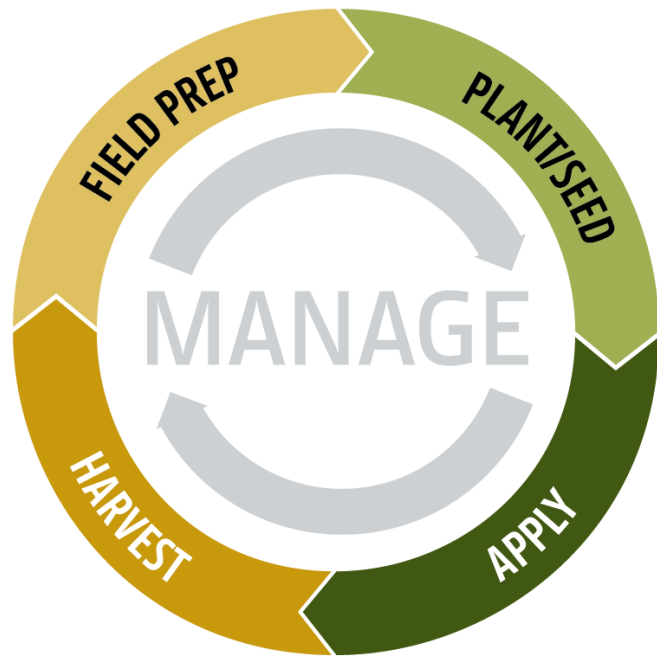
# Execution of the strategy is focused on three key areas



**CAPITAL ALLOCATION**

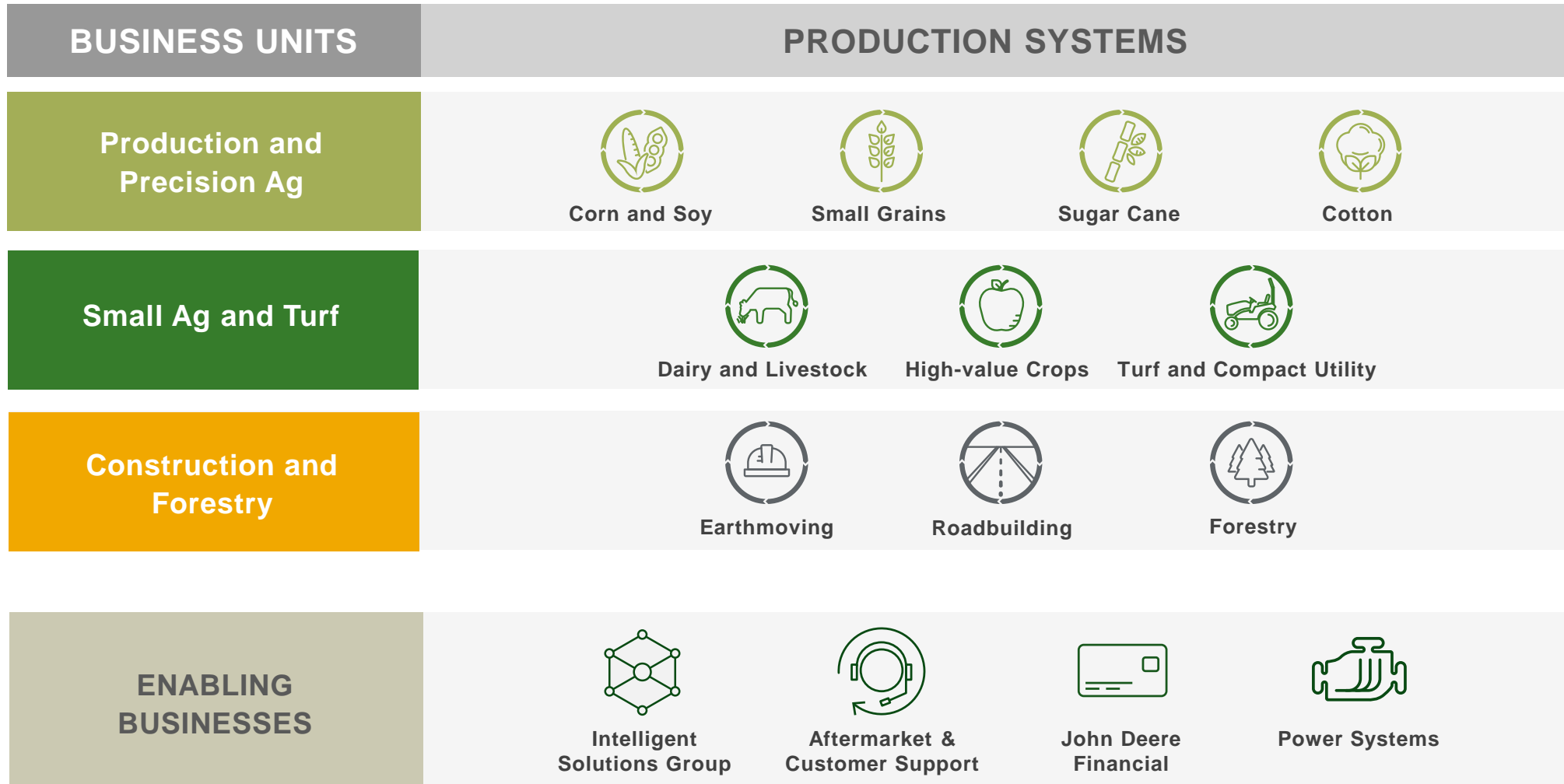
**DIVERSE TALENT**

# Production systems approach leads to customer-focused innovation



- ✓ Unlock economic value
- ✓ Deliver sustainable outcomes

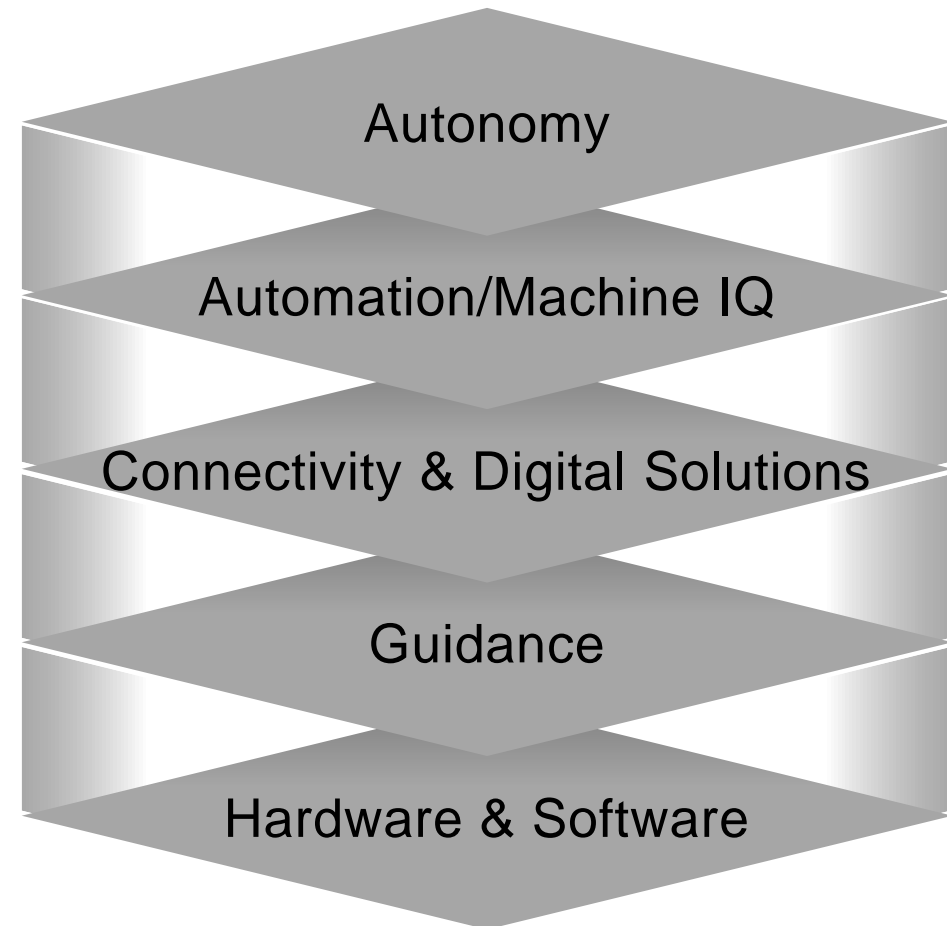
# Organizational design aligns with our customers' business



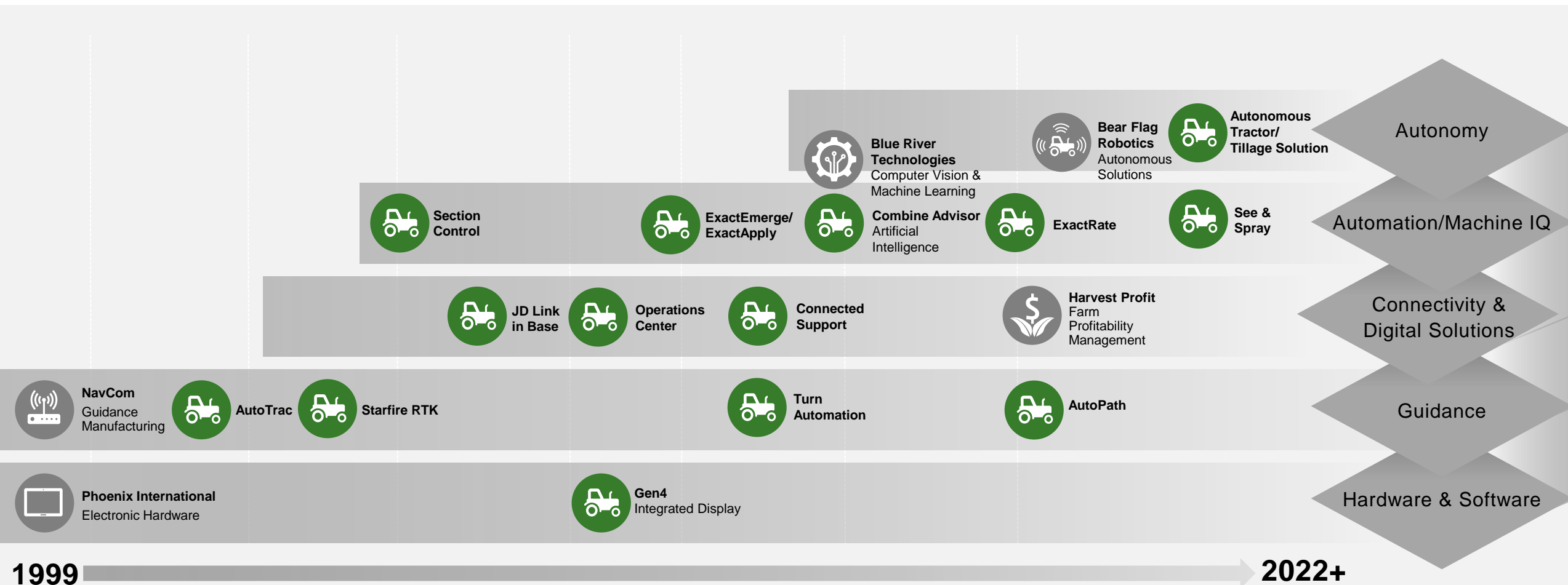


# Technology stack accelerates precision & automation while driving efficiency

Full set of technology required to help customers increase their productivity, profitability and sustainability

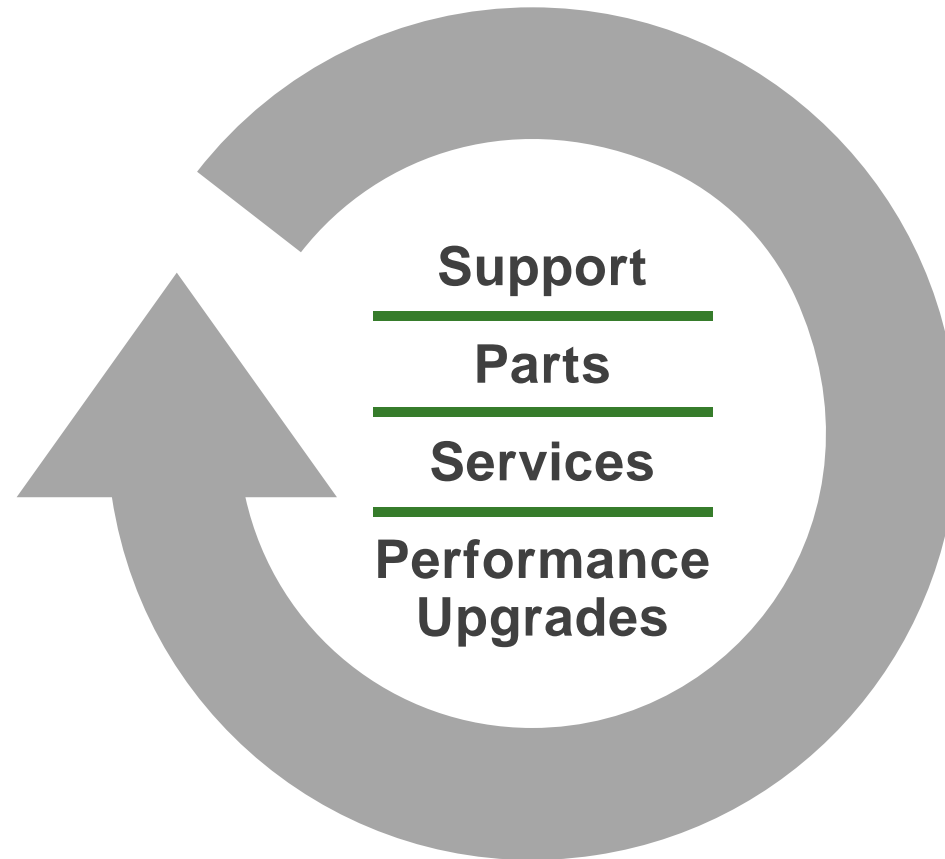


# Our technology stack continues to evolve





# Lifecycle solutions enhance customer experience and extend product value



# Our Leap Ambitions measure our ability to execute this Smart Industrial strategy



**JOHN DEERE is uniquely positioned to deliver both  
ECONOMIC and SUSTAINABLE VALUE for our customers  
through ADVANCED TECHNOLOGY and SOLUTIONS.**



## INCREMENTAL ADDRESSABLE MARKET OPPORTUNITY

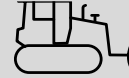
# >\$150 BILLION



### PRODUCTION & PRECISION AG



### SMALL AG & TURF



### CONSTRUCTION & FORESTRY

## EXECUTING OUR STRATEGY

### By 2026

- Reach 500 million engaged acres with 50% highly engaged

### By 2030

- Ensure 75% of engaged acres are sustainably engaged acres

### By 2026

- Ensure 100% of new Small Ag equipment is connectivity enabled
- Offer an electric option in each Turf and Compact Utility Tractor product family
- Deliver a fully autonomous, battery-powered electric ag tractor

### By 2026

- Deliver 20+ electric and hybrid-electric product models
- Increase precision tech adoption
  - Smart Grade™ grade control to 50%
  - Intelligent Boom Control to 100%
  - Precision Roadbuilding Solutions to 85%

**DELIVER ONGOING VALUE  
TO CUSTOMERS IN ALL THREE  
BUSINESS SEGMENTS**

*Connect 1.5 million machines by 2026*

*Demonstrate viable low/no carbon alternative power solutions by 2026*

*Grow enterprise recurring revenue to 10% by 2030*

## FINANCIAL & SUSTAINABLE OUTCOMES

### Equipment Operations OROS at 20% by 2030



### Enhance Ag Customer Outcomes by 2030

- Improve nitrogen use efficiency 20%
- Increase crop protection efficiency 20%
- Reduce 15% of customer CO<sub>2</sub>e emissions



### Safety by 2026

- Improve Total Recordable Incident Rate 20%



### Product Circularity by 2030

- Achieve 95% recyclable product content
- Ensure 65% of product content is sustainable material
- Grow 50% in remanufacturing revenue



### Reduce Environmental Footprint by 2030

- 50% of operational CO<sub>2</sub>e emissions (Scope 1 & 2)
- 30% of upstream and downstream CO<sub>2</sub>e emissions (Scope 3)\*
- 15% of waste intensity
- 10% freshwater consumption intensity at water-stressed manufacturing locations

*\*Includes Deere's material categories – Category 1 and Category 11*



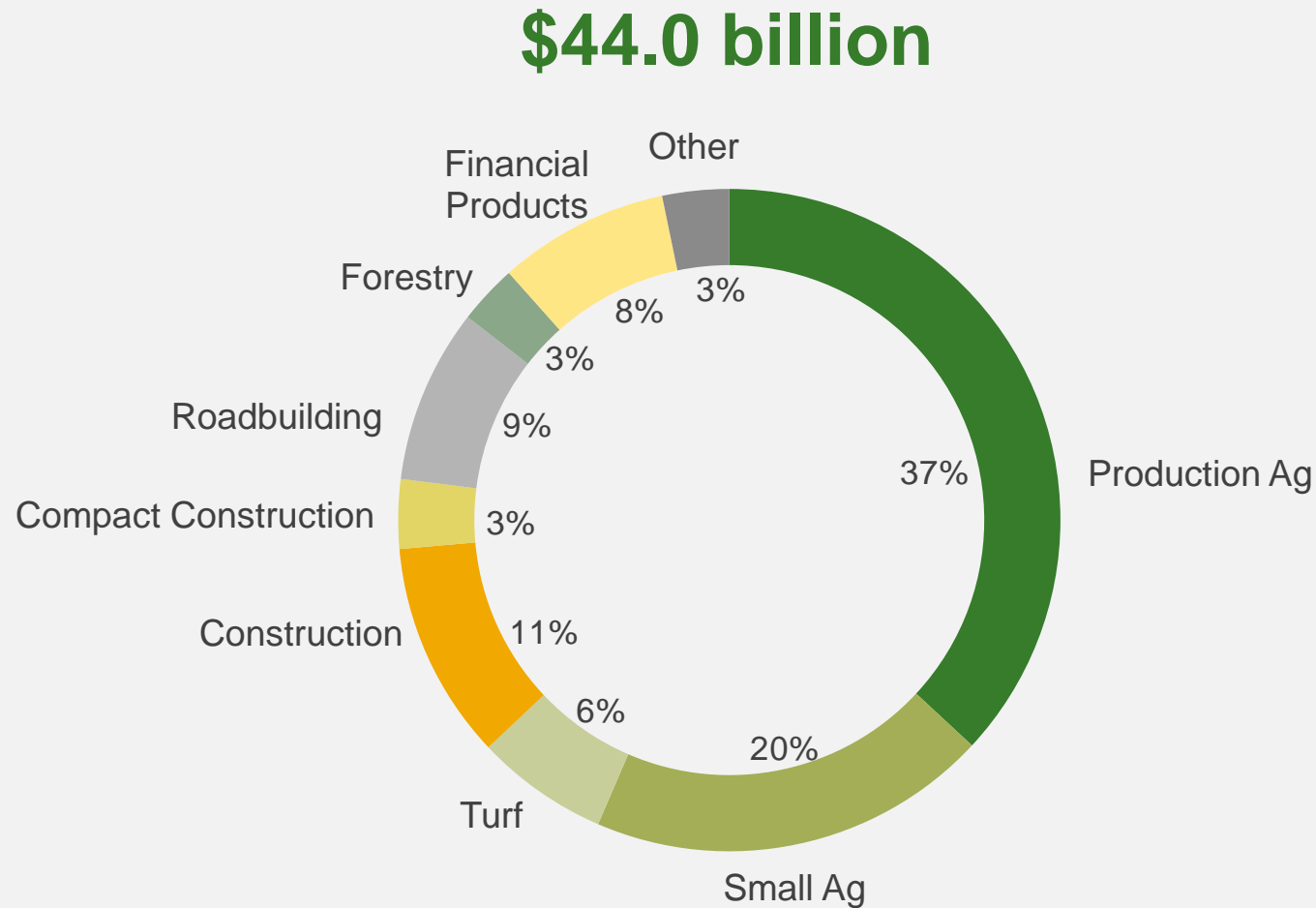


# Financial Performance



# Net Sales and Revenues by Major Product Lines

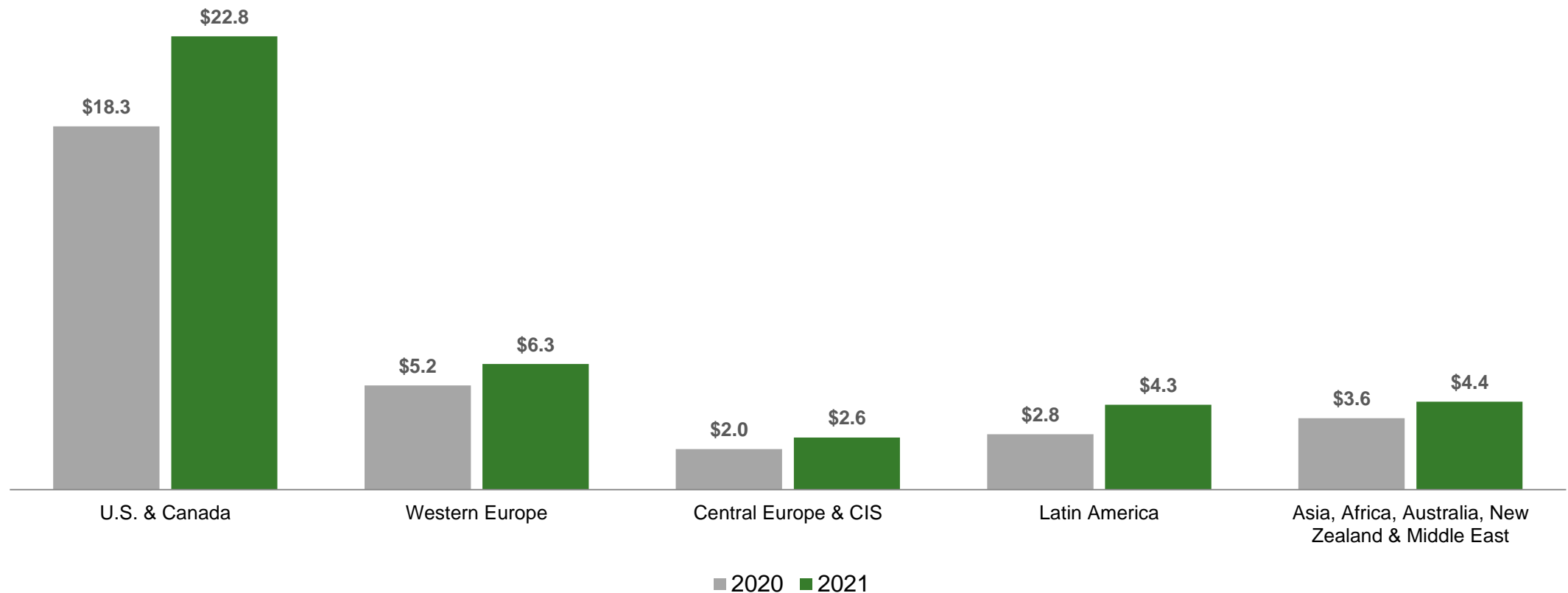
Fiscal 2021



# Net Sales and Revenues by Major Markets

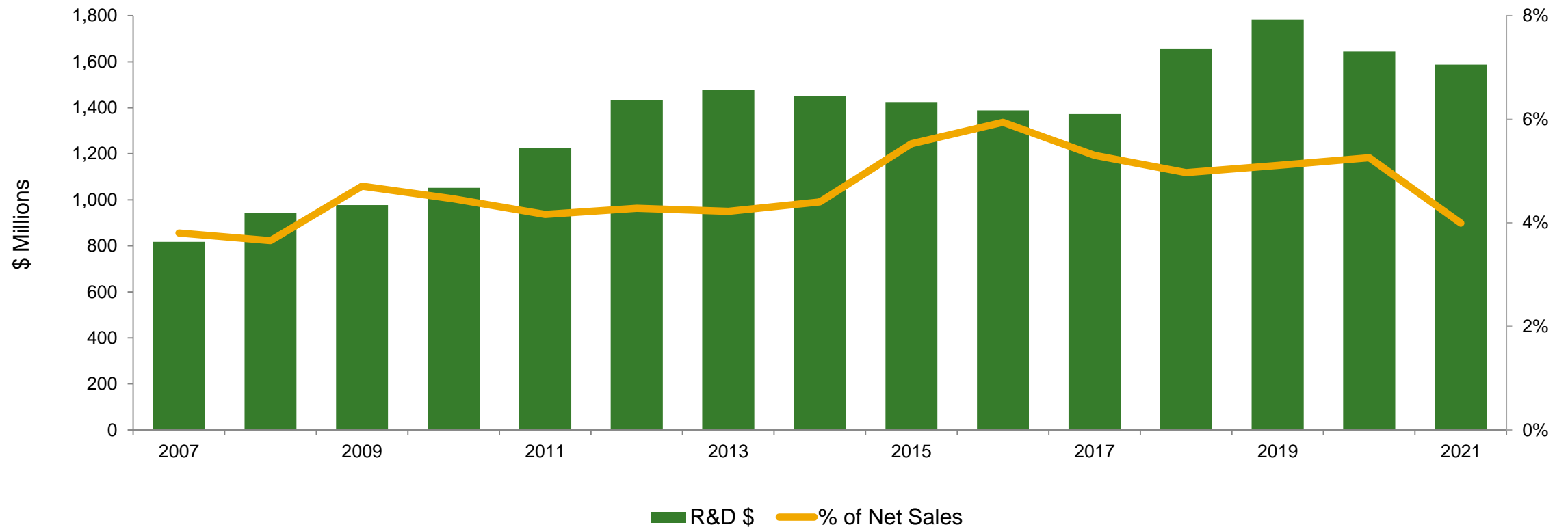
Equipment Operations (\$ Billions)

**Focused approach to serve customers**



# Investment in New Products and Technologies

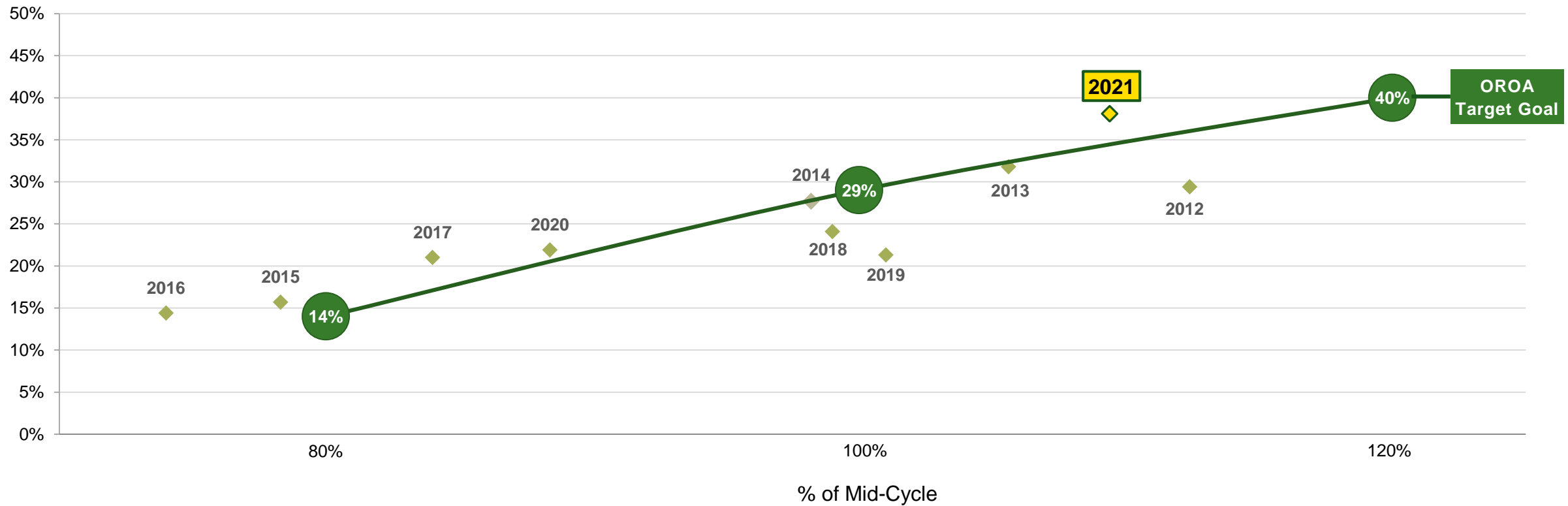
Consistent R&D investment allocated to biggest opportunities



# Exceptional Operating Performance – OROA<sup>1</sup>

## Equipment Operations

Smart Industrial strategy drove strong operating performance in 2021<sup>2</sup>



1) Operating Return on Operating Assets

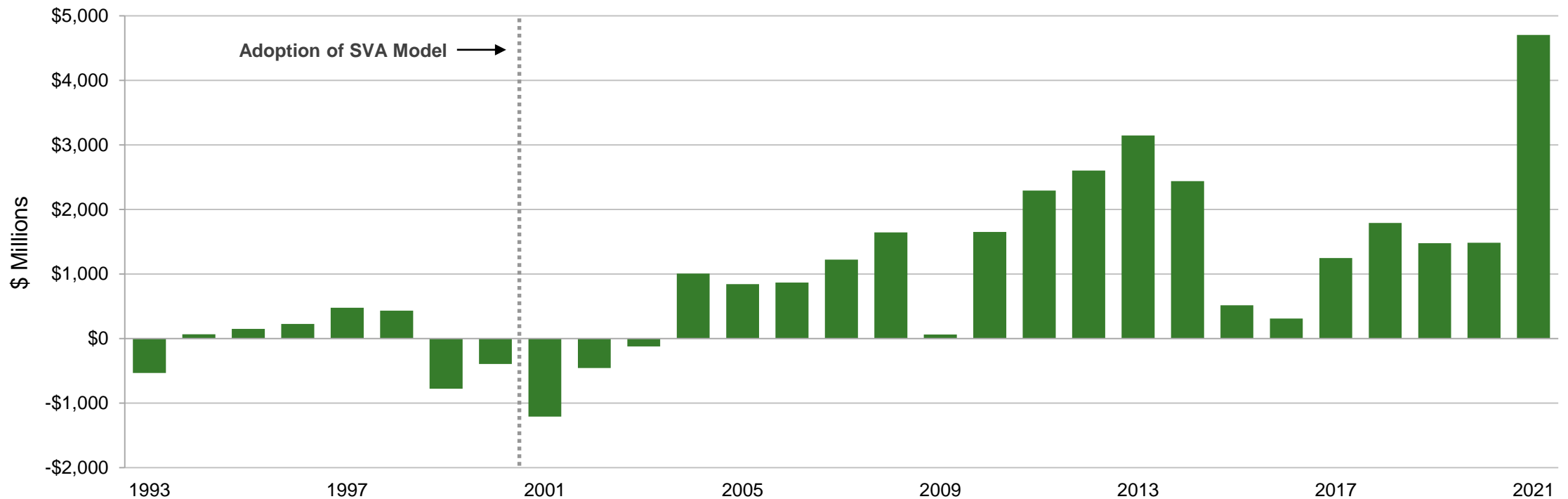
2) Beginning in fiscal year 2021, the results and assets related to the Wirtgen Group (Wirtgen) are included in the calculation of OROA and goodwill was reclassified from the Equipment Operations segments' identifiable assets to corporate assets.



# Exceptional Operating Performance – SVA<sup>1</sup>

## Equipment Operations

**\$4.7 billion SVA in 2021<sup>2</sup>**



1) Shareholder Value Added; for reconciliation to GAAP see "SVA Reconciliation to GAAP" slide in Appendix

2) Beginning in fiscal year 2021, the results and assets related to the Wirtgen Group (Wirtgen) are included in the calculation of SVA and goodwill was reclassified from the Equipment Operations segments' identifiable assets to corporate assets.

# Exceptional Operating Performance – Operating Cash Flow

## Equipment Operations

**\$5.9 billion net cash flow in 2021**



*Note: Over \$11.9 billion in Pension/OPEB contributions from 2001-2021*



Use-of-Cash

# Deere Use-of-Cash Priorities

## CASH FROM OPERATIONS

### COMMITTED TO “A” RATING

Manage the balance sheet, including liquidity, to support a rating that provides access to low-cost and readily available short- and long-term funding mechanisms *(reflects the strategic nature of our financial services operation)*

### FUND OPERATING & GROWTH NEEDS

Fund value-creating investments in our businesses

### COMMON STOCK DIVIDEND

Consistently and moderately raise dividend targeting a 25%-35% payout ratio of mid-cycle earnings

### SHARE REPURCHASE

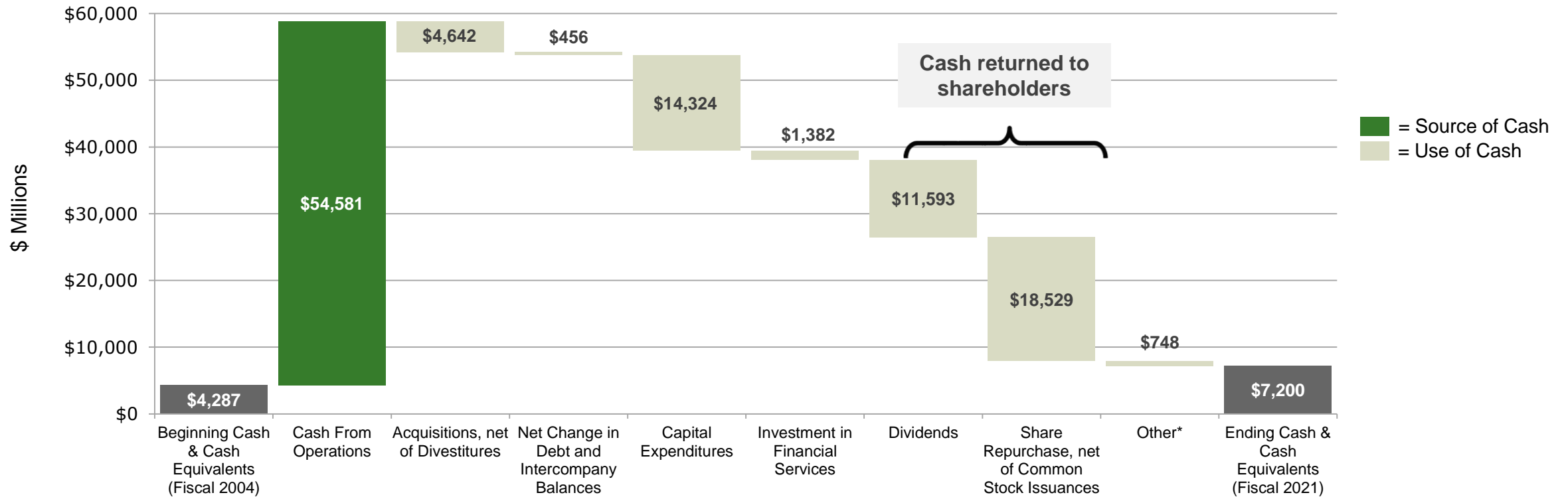
Consider share repurchase as a means to deploy excess cash to shareholders, once above requirements are met



# Sources and Uses of Cash Fiscal 2004-2021

## Equipment Operations

**~55% of cash from operations returned to shareholders**



\* Other includes proceeds from maturities and sales of marketable securities, purchases of marketable securities, collateral on derivatives and reconciliation for non-cash items including the effect of exchange rates on cash and cash equivalents

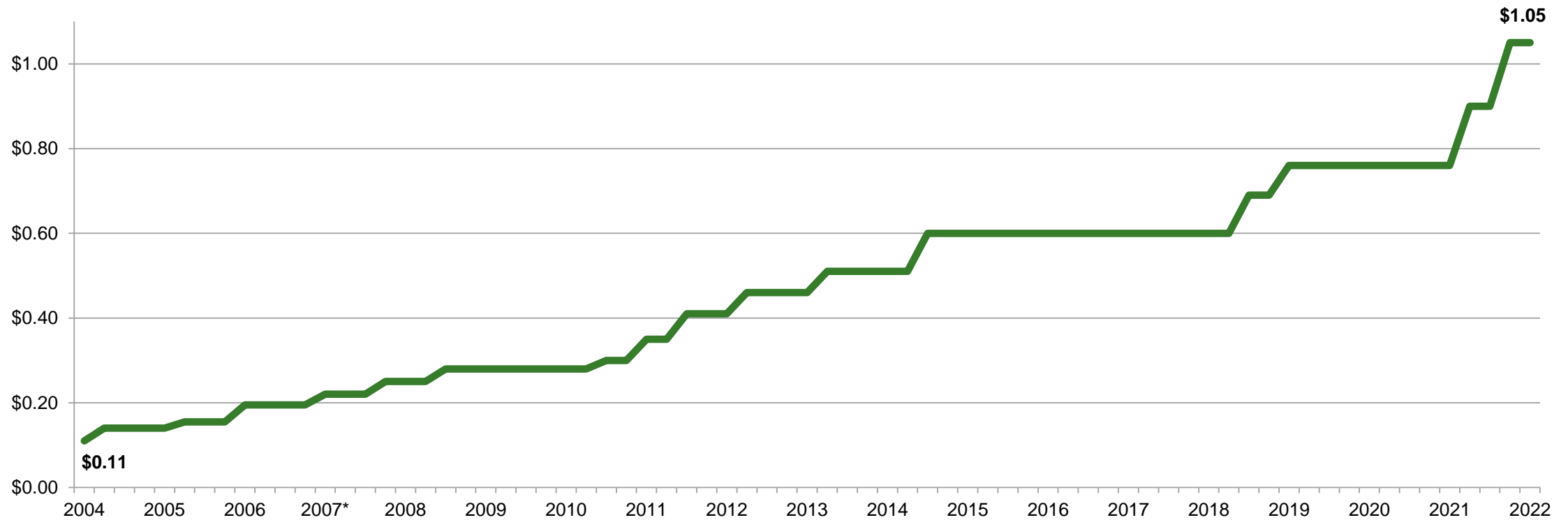
Note: "Cash from Operations" adjusted with the adoption of FASB ASU No. 2016-09 "Improvements to Employee Share-Based Payment Accounting"

Source: Deere & Company SEC filings as of 24 November 2021

# Deere Quarterly Dividends Declared

1Q 2004 – 1Q 2022

Quarterly dividend raised 38% in 2021



\* Adjusted for 2 for 1 stock split on 26 November 2007



# Appendix

# Leap Ambitions Glossary

<b>Leap Ambitions</b>
The performance and sustainability measures of the John Deere Smart Industrial strategy.
<b>Incremental Addressable Market Opportunity</b>
The new opportunity for all stakeholders across the applicable acres and job sites that John Deere solutions operate in beyond the value creation already unlocked with solutions in the market today.
<b>Engaged Acre</b>
The number of unique acres with at least one operation pass documented in the John Deere Operations Center in the past 12 months.
<b>Highly Engaged Acre</b>
The number of unique acres with documentation of multiple production steps and the use of digital tools to complete multiple value creating activities over a 12 month period.
<b>Sustainably Engaged Acre</b>
The number of unique acres farmed with two or more sustainable John Deere technology solutions or sustainable practices over a 12 month period.
<b>Low/No Carbon Alternative Power Solutions</b>
Innovative emissions-reducing solutions that may include methane, electrification, hydrogen and alternative fuels.
<b>Nitrogen Use Efficiency</b>
The maximization of crop output from applied nitrogen, measured as the amount of nitrogen applied per unit of output (i.e. per bushel).
<b>Crop Protection</b>
Tools, products, and best agronomic practices used to protect crops from the negative impact of weeds, pests, and disease.
<b>Sustainable Material</b>
Material that contains recycled content, renewable material, or is low carbon.



# SVA Reconciliation to GAAP

## Equipment Operations

(\$ millions except where noted)	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Net Sales	6,479	7,663	8,830	9,640	11,082	11,926	9,701	11,169	11,077	11,703	13,349	17,673	19,401	19,884	21,489
Average Identifiable Assets															
With Inventories at LIFO	5,449	5,551	6,187	6,502	6,682	7,672	7,724	8,069	8,743	6,229	5,965	6,482	7,248	7,546	8,092
With Inventories at Standard Cost	6,442	6,494	7,131	7,488	7,703	8,711	8,739	9,039	9,678	7,147	6,925	7,477	8,312	8,634	9,205
Operating Profit	242	847	1,006	1,125	1,402	1,476	272	693	(46)	401	708	1,905	1,842	1,905	2,318
Percent of Net Sales	3.7%	11.1%	11.4%	11.7%	12.6%	12.4%	2.8%	6.2%	(0.4%)	3.4%	5.3%	10.8%	9.5%	9.6%	10.8%
Operating Return on Assets															
With Inventories at LIFO	4.4%	15.3%	16.3%	17.3%	21.0%	19.3%	3.5%	8.6%	(0.5%)	6.4%	11.9%	29.4%	25.4%	25.2%	28.6%
With Inventories at Standard Cost	3.8%	13.0%	14.1%	15.0%	18.2%	16.9%	3.1%	7.7%	(0.5%)	5.6%	10.2%	25.5%	22.2%	22.1%	25.2%
SVA Cost of Assets	(773)	(780)	(856)	(898)	(924)	(1,045)	(1,049)	(1,085)	(1,162)	(858)	(831)	(897)	(998)	(1,036)	(1,094)
SVA	(531)	68	150	226	477	431	(776)	(392)	(1,208)	(457)	(123)	1,008	844	869	1,224

(\$ millions except where noted)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 <sup>1</sup>	2019 <sup>1</sup>	2020 <sup>1</sup>	2021 <sup>2</sup>
Net Sales	25,803	20,756	23,573	29,466	33,501	34,998	32,961	25,775	23,387	25,885	30,324	31,693	28,348	39,737
Average Identifiable Assets														
With Inventories at LIFO	9,652	9,647	9,196	11,516	13,594	14,569	14,113	12,491	11,816	12,150	13,566	14,460	13,629	16,680
With Inventories at Standard Cost	10,812	10,950	10,494	12,875	14,965	15,924	15,493	13,840	13,092	13,421	14,825	15,838	15,046	18,045
Operating Profit	2,927	1,365	2,909	3,839	4,397	5,058	4,297	2,177	1,880	2,821	3,568	3,378	3,289	6,868
Percent of Net Sales	11.3%	6.6%	12.3%	13.0%	13.1%	14.5%	13.0%	8.4%	8.0%	10.9%	11.8%	10.7%	11.6%	17.3%
Operating Return on Assets														
With Inventories at LIFO	30.3%	14.1%	31.6%	33.3%	32.3%	34.7%	30.4%	17.4%	15.9%	23.2%	26.3%	23.4%	24.1%	41.2%
With Inventories at Standard Cost	27.1%	12.5%	27.7%	29.8%	29.4%	31.8%	27.7%	15.7%	14.4%	21.0%	24.1%	21.3%	21.9%	38.1%
SVA Cost of Assets	(1,284)	(1,301)	(1,259)	(1,545)	(1,795)	(1,911)	(1,860)	(1,661)	(1,570)	(1,611)	(1,778)	(1,900)	(1,806)	(2,165)
SVA	1,643	64	1,650	2,294	2,602	3,147	2,437	516	310	1,210	1,790	1,478	1,483	4,703

1) Excluding Wirtgen

2) Beginning in fiscal year 2021, the results and assets related to the Wirtgen Group (Wirtgen) are included in the calculation of OROA and SVA. Goodwill was reclassified from the Equipment Operations segments' identifiable assets to corporate assets.



**JOHN DEERE**