Deere Agrees to Acquire Wirtgen Group
1 June 2017
Safe Harbor Statement & Disclosures

This presentation contains forward-looking information related to Deere, Wirtgen, and the Acquisition that is based on current expectations and involves substantial risks and uncertainties that could cause actual results, performance, events, or transactions to differ materially from those expressed or implied by such statements.

Forward-looking statements include, among other things, statements about Deere and Wirtgen’s plans, objectives, expectations and intentions; the financial condition, results of operations and business of Wirtgen; the anticipated timing of closing of the Acquisition; the potential benefits of the proposed Acquisition; and the anticipated operating synergies. Risks and uncertainties include, among other things, risks related to the satisfaction of the conditions to closing the acquisition (including the failure to obtain necessary regulatory approvals) in the anticipated timeframe or at all, risks that the expected benefits from the proposed acquisition will not be realized or will not be realized within the expected time period; the risk that the businesses will not be integrated successfully; significant transaction costs; unknown or understated liabilities; other business risks, including the effects of industry, market, general economic, political or regulatory conditions; future currency exchange and interest rates; changes in tax and other laws, regulations, rates and policies; and future business combinations or disposals. In addition, actual results, performance, events and transactions, are subject to other risks and uncertainties that relate more broadly to Deere’s overall business, including those more fully described in Deere’s filings with the U.S. Securities and Exchange Commission (“SEC”) (including, but not limited to, the factors discussed in Item 1A. Risk Factors of Deere’s most recent annual report on Form 10-K and quarterly reports on Form 10-Q). In light of these risks, uncertainties, and other factors, you are cautioned not to place undue reliance on the forward-looking information. Deere, except as required by law, undertakes no obligation to update or revise the forward-looking statements, whether as a result of new developments or otherwise.
THE JOHN DEERE STRATEGY

OUR PURPOSE  Committed to those linked to the land

GLOBAL AGRICULTURAL EQUIPMENT SOLUTIONS PREEMINENCE
GLOBAL CONSTRUCTION EQUIPMENT SOLUTIONS
OUTPACE INDUSTRY IN GROWTH
12\% OPERATING MARGIN (AT MID-CYCLE)
2.5 ASSET TURNS (AT MID-CYCLE)

DELIVER MEASURABLE CUSTOMER VALUE
TECHNOLOGY AND ANALYTICS LEADERSHIP
BEST-IN-CLASS INTEGRATED SOLUTIONS
WORLD-CLASS DISTRIBUTION SYSTEM
WIN IN AFTERMARKET

CRITICAL SUCCESS FACTORS
Further developing the capabilities essential to reaching our goals

FOUNDATIONAL SUCCESS FACTORS
Investing in the core strengths that have guided our success

INTEGRATED ENTERPRISE
Leveraging the strengths and unique capabilities of three types of businesses through aligned, high-performance teamwork

GLOBAL GROWTH BUSINESSES
COMPLEMENTARY BUSINESSES
SUPPORTING BUSINESSES

INTEGRITY | QUALITY | COMMITMENT | INNOVATION

CORE VALUES
Unwavering adherence to the values that unite and differentiate us
## Transaction Overview

<table>
<thead>
<tr>
<th>Transaction Description</th>
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<tbody>
<tr>
<td>Deere to acquire substantially all of the Wirtgen business from Wirtgen family</td>
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<tr>
<td>Global leader in road construction equipment</td>
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<tr>
<td>EUR 2.6 billion in total sales for 2016*</td>
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<tr>
<td>Significantly enhances Deere’s C&amp;F division financial position</td>
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<table>
<thead>
<tr>
<th>Transaction Consideration</th>
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<tbody>
<tr>
<td>Estimated transaction value of ~$5.2 billion**</td>
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<tr>
<td>9.5 EV / 2017 EBITDA***</td>
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<table>
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<tr>
<th>Financing</th>
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<tr>
<td>Plan to use combination of cash and new debt</td>
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<table>
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<tr>
<th>Expected Financial Impact</th>
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<tbody>
<tr>
<td>Estimated annual run-rate synergies of EUR ~100 million by 2022</td>
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<tr>
<td>EPS accretive</td>
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<th>Closing</th>
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<tbody>
<tr>
<td>Expected 1Q FY 2018 close</td>
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*Source: Wirtgen internal data; German GAAP
**At current exchange rates (25 May 2017)
***Source: Wirtgen internal data – forecast as of March 2017; German GAAP
Strategic Rationale

1. Transaction provides greater exposure to transportation infrastructure, a faster growing, less cyclical sector than broader construction.

2. Wirtgen is the global leader in road construction equipment, enhancing Deere’s positioning with key customers.

3. Delivers complementary product line and enhances global presence for Deere Construction, improving strategic position of C&F to a global top-3 player.

4. Leverages enterprise capabilities and enhances enterprise strategy.

5. Transaction financially attractive with healthy synergy opportunities and EPS accretion.
Attractive Industry Fundamentals

1. Transaction provides greater exposure to transportation infrastructure, a *faster growing, less cyclic*al sector than broader construction

- Attractive margin opportunity with significant growth tailwinds
- Road construction AND repair emphasized in many countries, resulting in a large installed base of equipment

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**Road Construction Equipment Spend**

- +8% CAGR

**Construction vs. Transportation Spend**

Source: BCG; indexed using 2016 figures

Source: IHS Global Insight
Compelling Acquisition

2. Wirtgen is the *global leader* in road construction equipment, enhancing Deere’s positioning with key customers

- Outstanding strategic asset in growing geographies and sectors of construction equipment industry
- Superior brand reputation combined with deep customer relationships and engineering excellence
- Market positions for key products significantly above next largest competitor
- Global distribution network
The Wirtgen Group – 5 Premium Brands

Road Technologies

- **WIRTGEN**
  - Milling Machines
  - Concrete Paving

- **HAMM**
  - Compactors

- **VÖGELE**
  - Asphalt Paving

Mineral Technologies

- **KLEEMANN**
  - Crushers

- **BENNINGHOVEN**
  - Asphalt Plants
The Wirtgen Group – Global Leader in Road Construction

Company Overview & Highlights

- The global leader in road construction equipment
- Private company headquartered in Germany
- 50+ years of operating experience
- EUR 2.6 billion in total sales for 2016
- Global production footprint across:
  - Germany
  - China
  - India
  - Brazil
- 150 global authorized dealers with ~70% of sales through company owned retail
- ~8,000 employees

Source: Wirtgen internal data – forecast as of March 2017; German GAAP
Complementary Fit with C&F

Delivers *complementary product line* and *enhances global presence* for Deere Construction

- Improves C&F’s strategic position to be global top-3 player
- Enables Deere to serve the entire road construction process
- Provides construction division global distribution options and enhances emerging markets capabilities
- Offers further global scale improving longer-term overall C&F margin potential
- Enhances ability to serve key construction equipment customers
End to End Road Construction Portfolio

1. QUARRY
   Excavators, 4WD Loaders, and ADTs work together loading larger rock into crushers.

2. CRUSHER / SCREENER
   Breaks larger rock to suitable size for asphalt and concrete projects.

3. MILLING MACHINE
   Provides crushed reclaimed/recycled material from road replacement.

4. ASPHALT PLANT(S)
   Screened aggregate and reclaimed asphalt material are mixed and supply hot asphalt to the project.

5. ROAD CONSTRUCTION SITE
   Earthmoving and material handling equipment will be at the road construction site.

6. ROUGH GRADING
   Dozers will do the rough grading for the road.

7. FINISH GRADING
   Motorgraders will do the finish grading.

8. COMPACTORS
   Compactors will compact the graded road before the asphalt paver lays down hot asphalt.

9. ASPHALT PAVER
   Lays down the hot asphalt.

10. ROLLERS
    Rollers will compact road after hot asphalt has been laid.

11. CONCRETE PAVER
    A concrete slip-form paver will pave concrete roads.
## Integration Framework

<table>
<thead>
<tr>
<th>Preserve Customer Relationships</th>
<th>Continue Profitable Growth</th>
<th>Prioritize Delivery of Synergies</th>
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<tbody>
<tr>
<td>- Retain all brands</td>
<td>- Utilize existing Wirtgen management structure</td>
<td>- Integration to be selective and driven by synergy opportunities</td>
</tr>
<tr>
<td>- Utilize existing channel structure</td>
<td>- Retain existing manufacturing footprint</td>
<td>- Focus initially on supply management, vertical integration and John Deere Financial</td>
</tr>
<tr>
<td>- Customer facing functions to remain intact</td>
<td>- Continue Wirtgen’s focus on innovation, quality and market share</td>
<td>- Assessment of channel, market and parts distribution opportunities will be longer-term</td>
</tr>
</tbody>
</table>
Leveraging Enterprise Capabilities

- **Leverages enterprise capabilities** and enhances enterprise strategy

  - **Supply Base**
    - Leverage combined direct and indirect materials spend to optimize cost

  - **Vertical Integration**
    - Opportunities in engines, electronics, telematics and cylinders

  - **John Deere Financial**
    - Enhanced sales prospects through use of captive financing and attractive opportunities to expand portfolio

  - **WorkSite Solutions**
    - Connected machines across the road construction process will enhance productivity and customer value
Financially Attractive Transaction

Transaction financially attractive with **healthy synergy opportunities** and **EPS accretion**

- Synergy Realization
  - EUR ~100 million
  - Phased in over 5 years

- Transaction value estimated at ~$5.2 billion*
  - 9.5 EV / 2017 EBITDA**
  - 7.9 EV / 2017 EBITDA including run-rate synergies***

- EPS Accretive, excluding purchase accounting adjustments
  - Incremental operating cash flow

* At current exchange rates (25 May 2017)
** Source: Wirtgen internal data – forecast as of March 2017; German GAAP
*** Source: Wirtgen internal data – forecast as of March 2017; German GAAP; assumes annual run-rate synergies of EUR ~100 million
Transaction Detail and Funding

Transaction Detail
- Current estimate of transaction value ~$5.2 billion*
  - Purchase price of EUR 4.357 billion
  - Assumption of debt (net of cash)
  - Ticking fee
    - 5% per year of the purchase price
    - Pro rated for period between signing and closing

Transaction Funding
- Cash
  - FY 2017 cash generation
  - Repayment of intercompany loan from John Deere Financial
- New Debt
  - Up to $1 billion in equipment operations
- Deere expects to maintain a mid-single “A” rating with this financing structure

* At current exchange rates (25 May 2017)
Pro Forma Equipment Operations Net Sales
FY 2016

Deere Equipment Operations

A&T 79%

C&F 21%

Pro Forma Deere Equipment Operations
(including Wirtgen)*

A&T 70%

C&F 30%

* Source: Wirtgen internal data; German GAAP
**Summary**

- **Rationale**
  - Road construction is a highly attractive construction equipment sector (↗ growth, ↘ cyclical)
  - Wirtgen is the global leader in road construction equipment
  - Improves C&F with complementary fit
  - Leverages Deere enterprise capabilities
  - Financially attractive transaction

- **Impact**
  - Improves existing C&F business through complementary products, global distribution and larger installed base
  - Improves competitive position by creating global #3 construction equipment player and adding industry leading product lines

- **Value Creation**
  - EPS accretive
  - Provides healthy synergies for both mid- and long-term
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OUR ASPIRATIONS
Realizing sustainable SVA growth through innovation and disciplined expansion

DELIVER MEASURABLE CUSTOMER VALUE
TECHNOLOGY AND ANALYTICS LEADERSHIP
BEST-IN-CLASS INTEGRATED SOLUTIONS
WORLD-CLASS DISTRIBUTION SYSTEM
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Transportation Spend Outpacing General Construction Spending

**Transportation Includes:**
- Roads & Bridges
- Railways
- Airports

**Transportation Spending:**
- $1.6 trillion worldwide in 2015

**Megatrend Infrastructure Drivers:**
- Rapid Urbanization
- Rising Incomes
- Capital Investment in Asia

**2015 Global Construction Spending** ($9.5 trillion)

- **17%** Transportation
- **31%** Non-Residential
- **15%** Energy & Health
- **37%** Residential

**Global Construction Spending**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Other Construction</th>
<th>Transportation</th>
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<tbody>
<tr>
<td>2000</td>
<td>86%</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>83%</td>
<td></td>
</tr>
<tr>
<td>2030</td>
<td>81%</td>
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*Source: IHS Global Insight*
Deere & Wirtgen Platforms are Complementary

<table>
<thead>
<tr>
<th>Road Construction Equipment</th>
<th>Earth Moving</th>
<th>Road Construction Technology</th>
<th>Mineral Technology</th>
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<tbody>
<tr>
<td>Dozers &amp; Graders</td>
<td></td>
<td>Milling</td>
<td></td>
</tr>
<tr>
<td>Wheel Loaders</td>
<td></td>
<td>RecyL / Soil Stabilizing</td>
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<tr>
<td>Excavators</td>
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<td>Concrete Paving</td>
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<td></td>
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<td>Asphalt Paving</td>
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<td></td>
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<td>Compacting</td>
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<td>Surface Miners</td>
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<td>Crusher</td>
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<td></td>
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<td>Asphalt Plants</td>
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Deere C&F

Wirtgen Group