



JOHN DEERE

4Q 2020 Earnings Call

25 November 2020

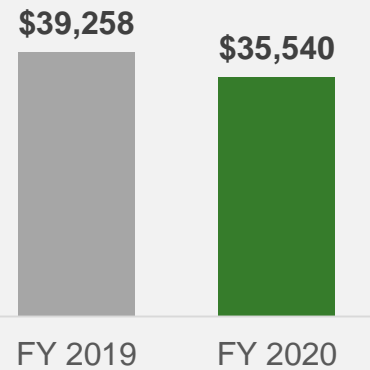
Safe Harbor Statement & Disclosures

The earnings call and accompanying material include forward-looking comments and information concerning the company's plans and projections for the future, including estimates and assumptions with respect to economic, political, technological, weather, market acceptance, acquisitions and divestitures of businesses, anticipated transaction costs, the integration of new businesses, anticipated benefits of acquisitions, and other factors that impact our businesses and customers. They also may include financial measures that are not in conformance with accounting principles generally accepted in the United States of America (GAAP). Words such as "forecast," "projection," "outlook," "prospects," "expected," "estimated," "will," "plan," "anticipate," "intend," "believe," or other similar words or phrases often identify forward-looking statements. Actual results may differ materially from those projected in these forward-looking statements based on a number of factors and uncertainties, including those related to the effects of the COVID-19 pandemic. Additional information concerning factors that could cause actual results to differ materially is contained in the company's most recent Form 8-K and periodic report filed with the U.S. Securities and Exchange Commission, and is incorporated by reference herein. Investors should refer to and consider the incorporated information on risks and uncertainties in addition to the information presented here. The company, except as required by law, undertakes no obligation to update or revise its forward-looking statements whether as a result of new developments or otherwise. The call and accompanying materials are not an offer to sell or a solicitation of offers to buy any of the company's securities.

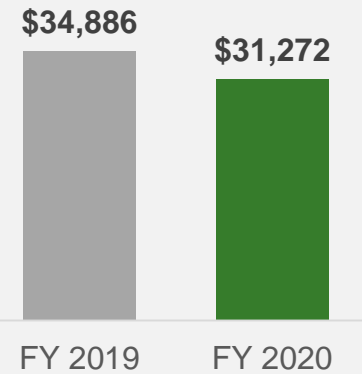
FY 2020 Results

(\$ millions except where noted)

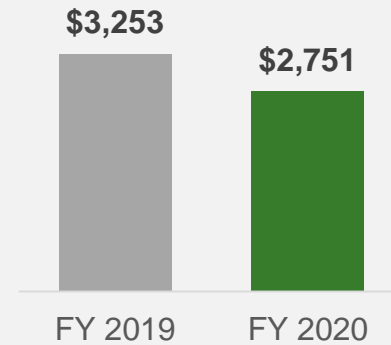
Net Sales & Revenues



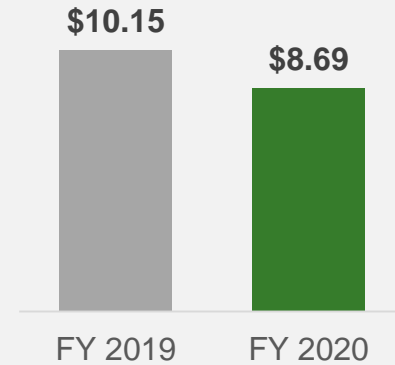
Net Sales (Equipment Operations)



Net Income (attributable to Deere & Company)



Diluted EPS (\$ per share)



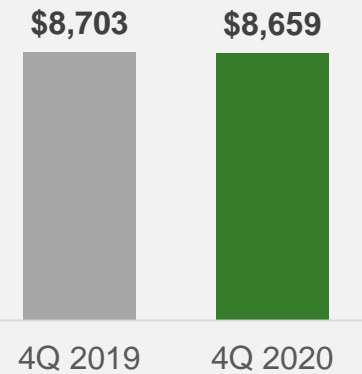
4Q 2020 Results

(\$ millions except where noted)

Net Sales & Revenues



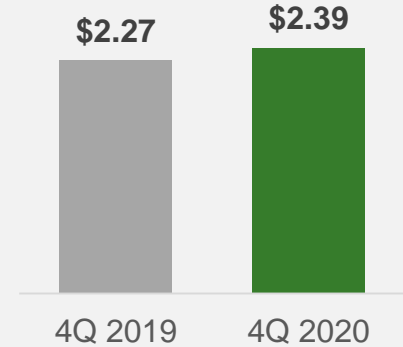
Net Sales (Equipment Operations)



Net Income (attributable to Deere & Company)

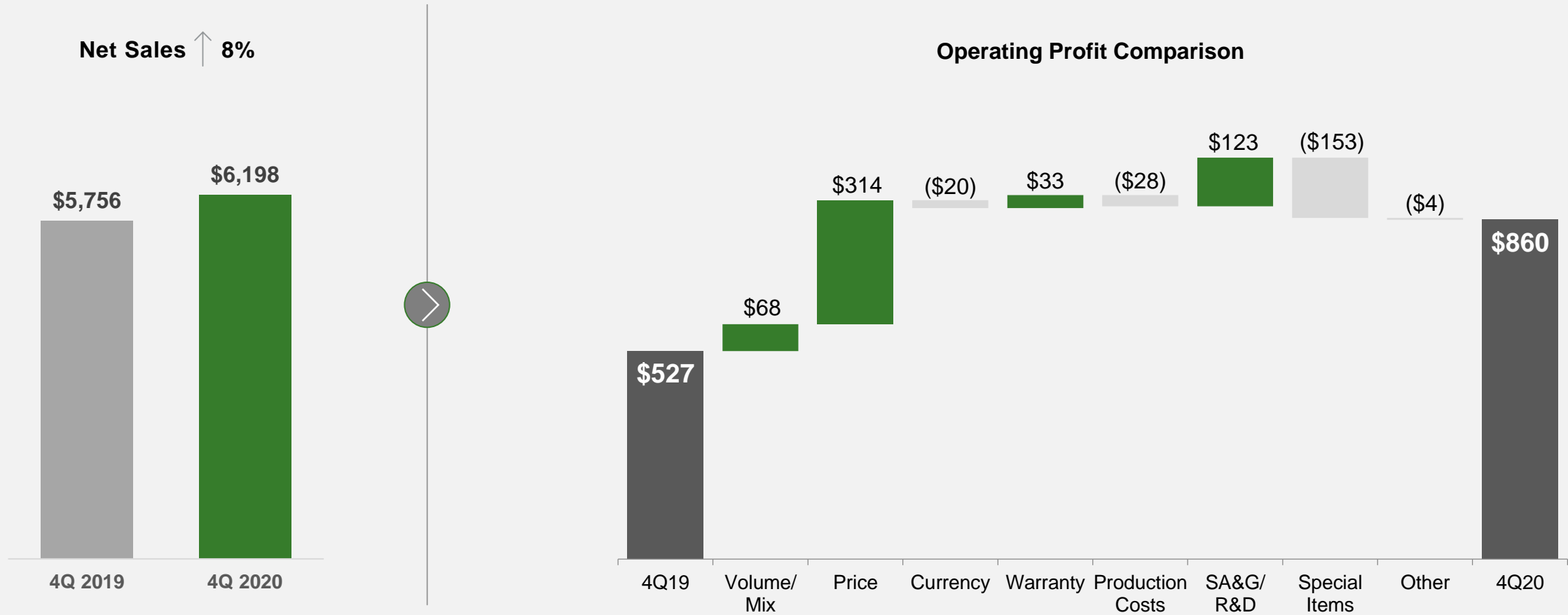


Diluted EPS (\$ per share)



Worldwide Agriculture & Turf

4Q 2020 Results *\$ in millions*



Regional Ag Commentary

NORTH AMERICA

- Improved sentiment driven by prices, market access and government support
- Lean new and healthy used inventory levels
- Order book reflects positive fundamentals

SOUTH AMERICA

- Strong grain production and profitability in Brazil
- Lean inventories and healthy order books



EUROPE

- Stable market supported by strong wheat prices
- Mixed conditions by region
- Focused strategy driving results

ASIA

- Key markets return to growth
- Results benefiting from portfolio strategy

Agriculture & Turf

Industry Outlook – FY 2021

U.S. & CANADA AG



5-10%



EUROPE AG



Flat to up 5%



SOUTH AMERICA AG

(tractors and combines)



~5%



ASIA AG



Slightly



U.S. & CANADA TURF & UTILITY



Flat to up 5%

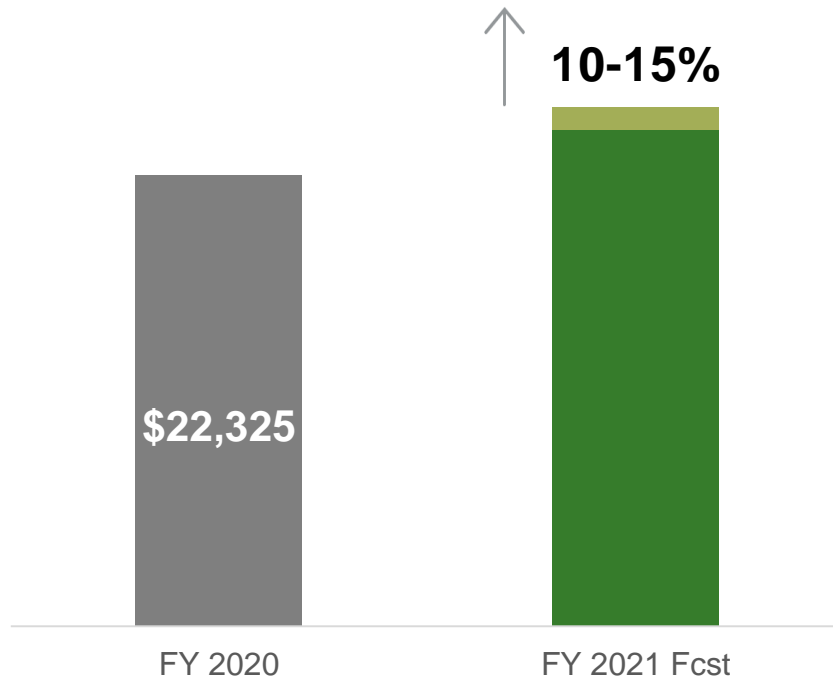


Source: Deere & Company forecast as of 25 November 2020

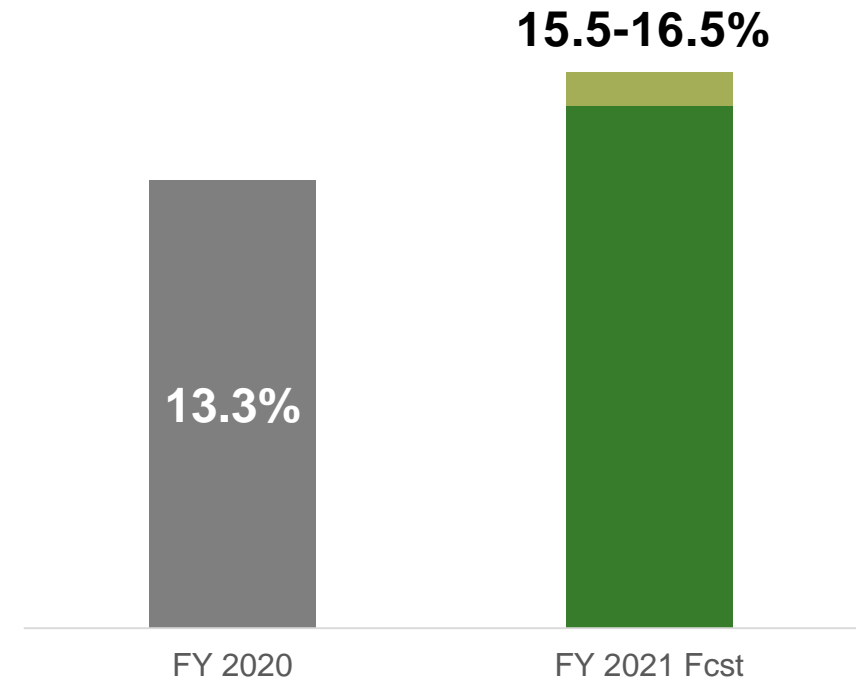
Worldwide Agriculture & Turf

Divisional Outlook

NET SALES



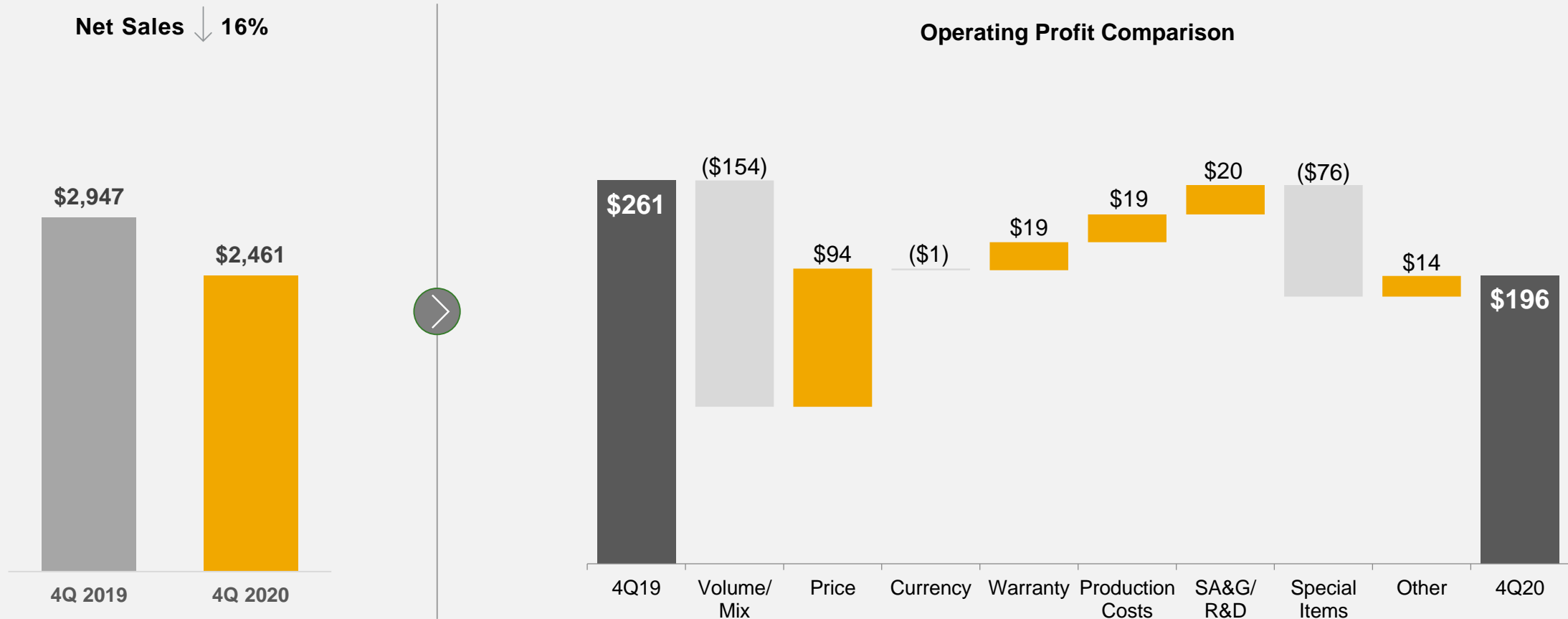
OPERATING MARGIN



Source: Deere & Company forecast as of 25 November 2020

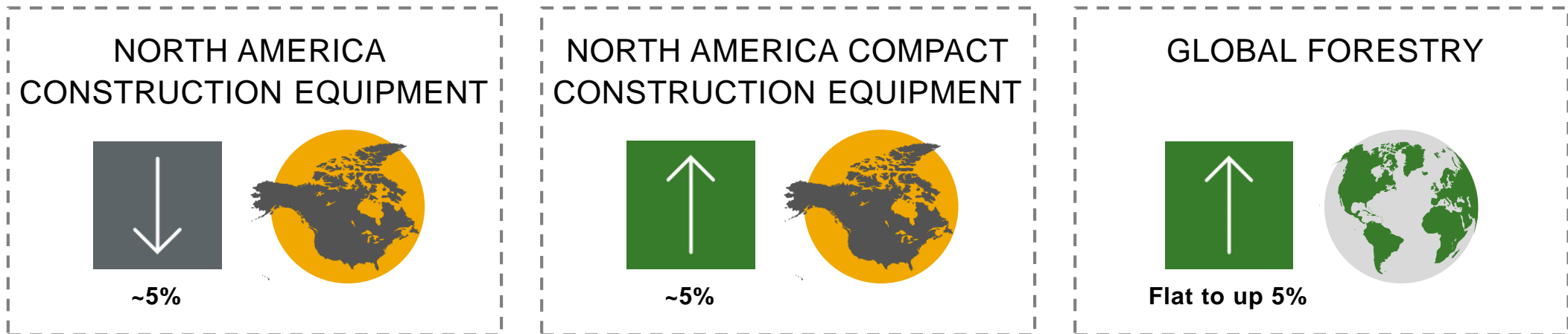
Worldwide Construction & Forestry

4Q 2020 Results *\$ in millions*



Construction & Forestry

Industry Outlook – FY 2021

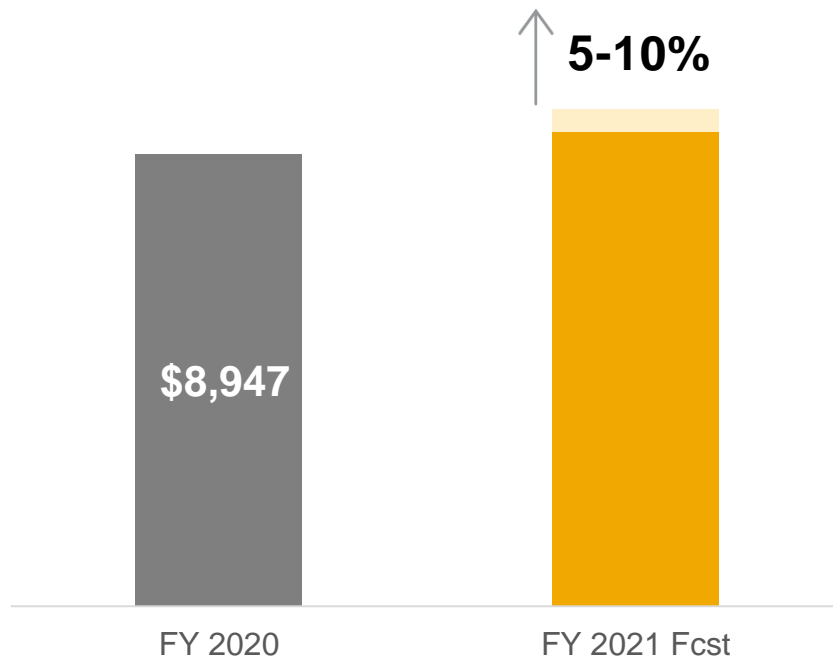


Source: Deere & Company forecast as of 25 November 2020

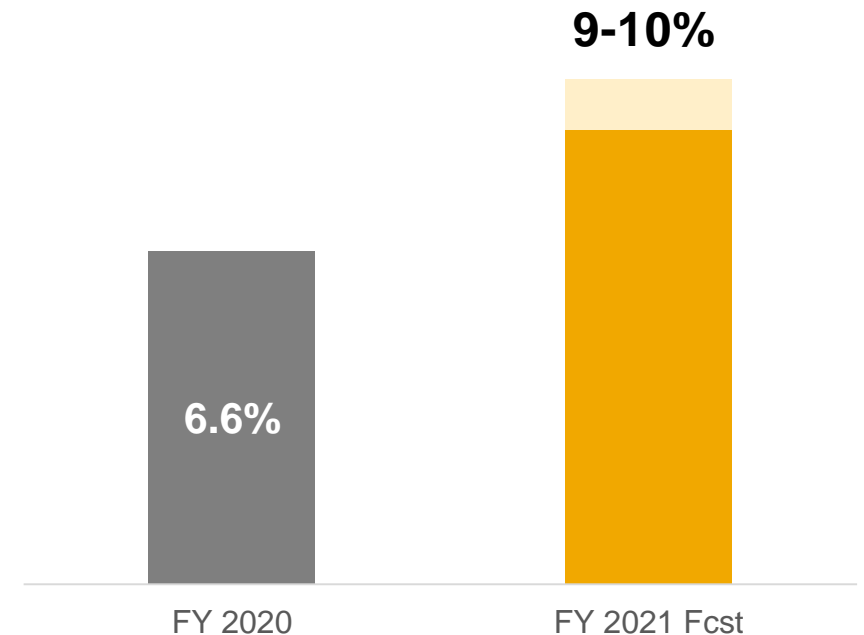
Worldwide Construction & Forestry

Divisional Outlook

NET SALES



OPERATING MARGIN

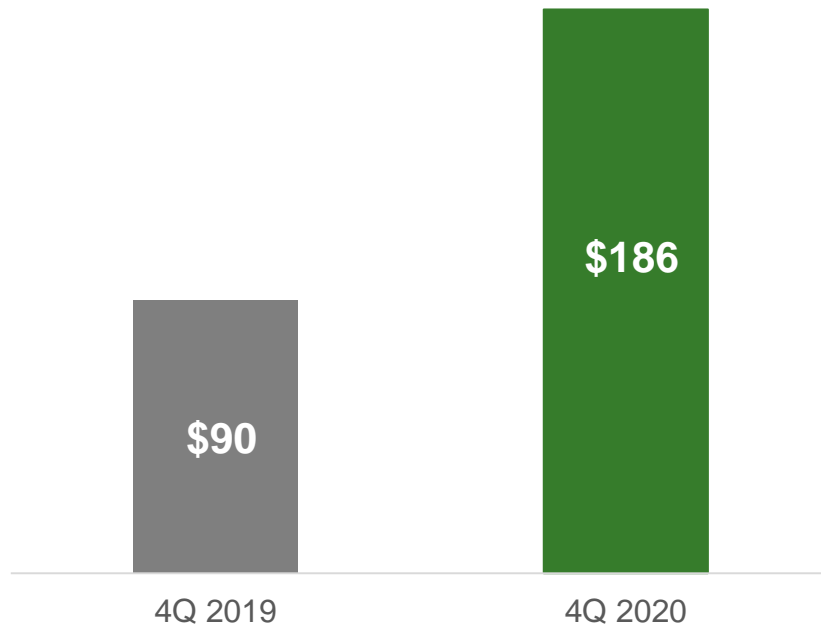


Source: Deere & Company forecast as of 25 November 2020

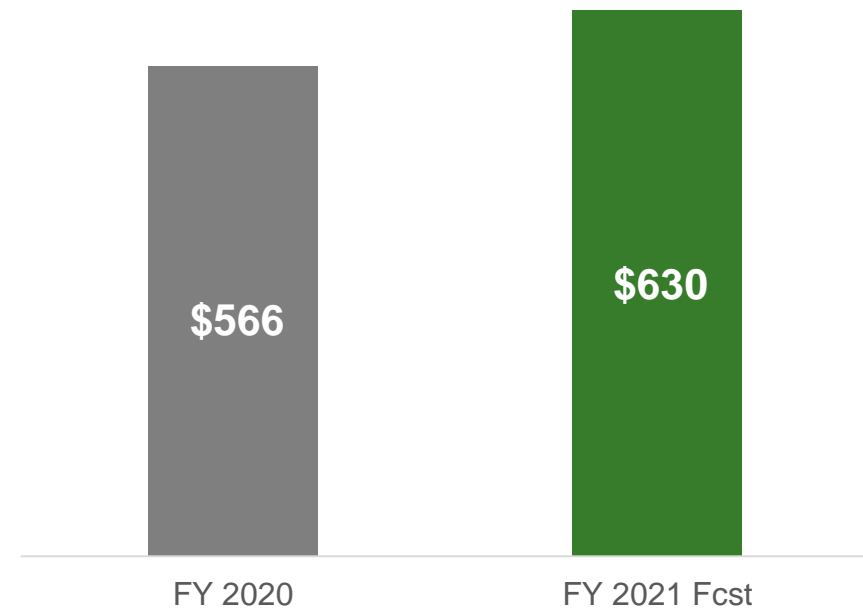
Worldwide Financial Services

Net Income - Results and Outlook

Quarter Results



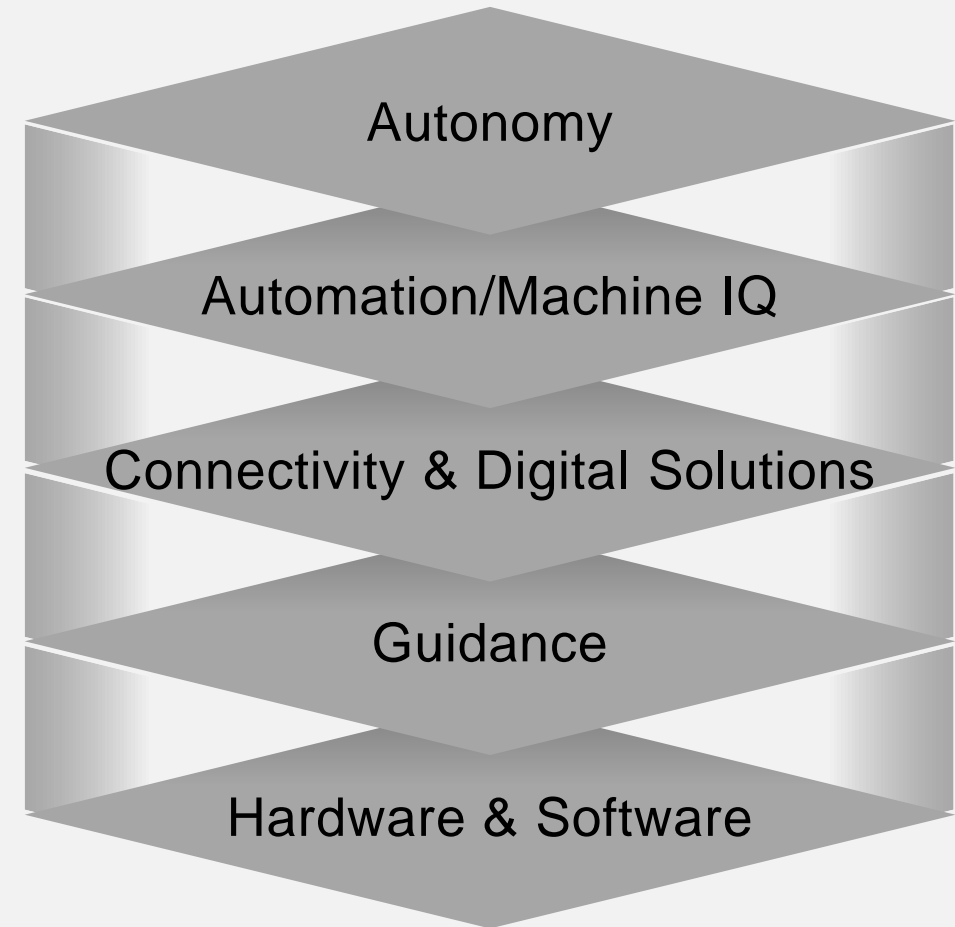
Fiscal Year Results and Outlook



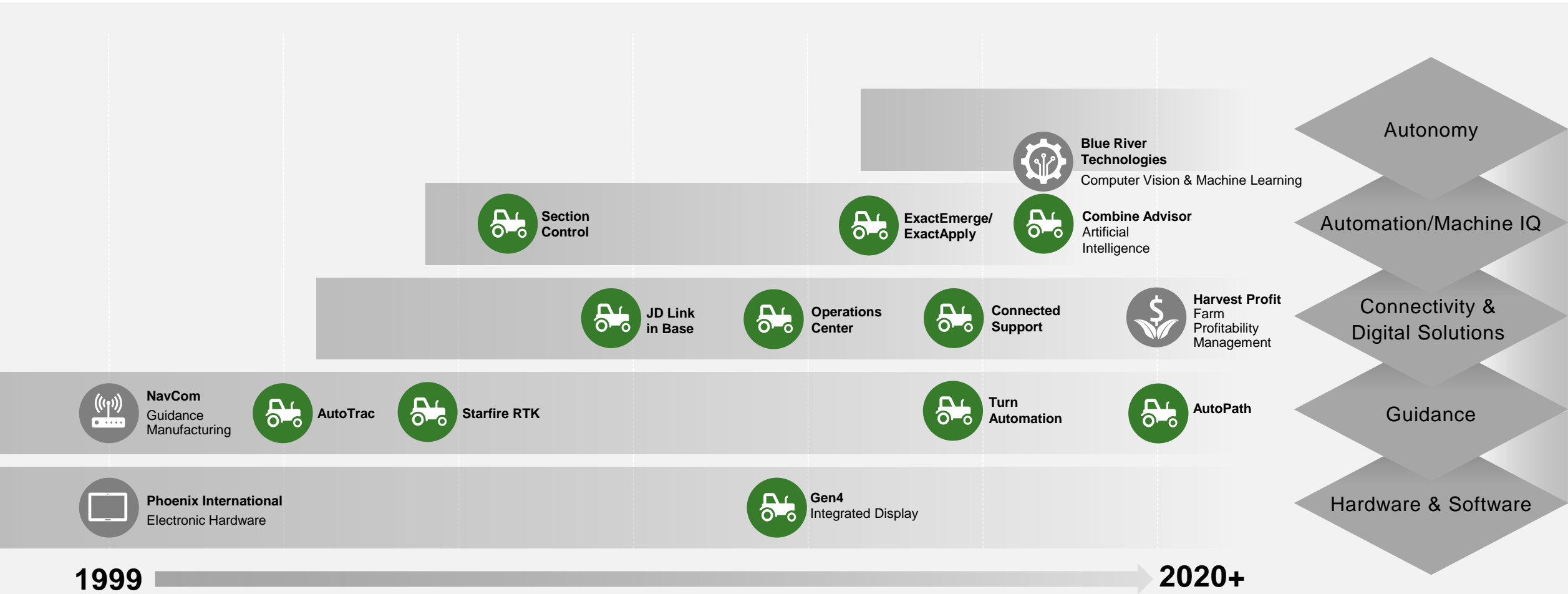
Source: Deere & Company forecast as of 25 November 2020

Deere Technology Stack

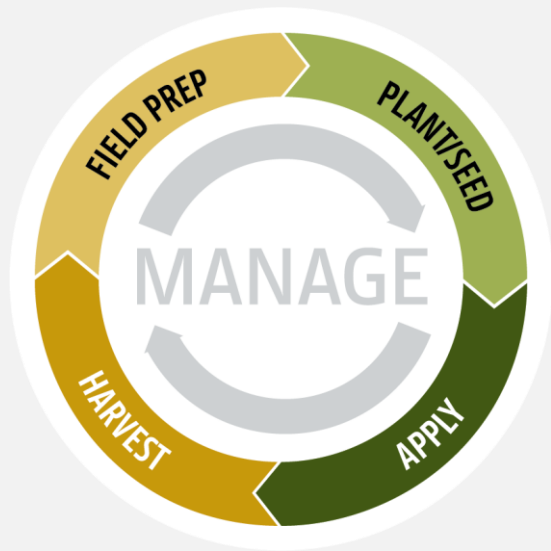
Full set of solutions, connected together and to our machines helping customers perform jobs better increasing their productivity, profitability and sustainability.



Evolution of our Technology Stack



Opportunity to Deliver Differentiated Customer Value



Deere & Company Outlook

FY 2021 FORECAST

Net Income

(attributable to Deere & Co.)

\$3.6-4.0B

Effective
Tax Rate*

26-28%

Net Operating
Cash Flow*

\$3.8-4.2B









**Equipment Operations
Source: Deere & Company forecast as of 25 November 2020*



Appendix

Other Financial Information

Equipment Operations

(\$ millions)	4Q 2020	FY 2020	FY 2021 Forecast
COS (percent of Net Sales)*	75%	76%	~74%
SA&G*	 6%	 5%	 ~3%
Research and Development*	 9%	 8%	 Flat
Capital Expenditures		\$816	~ \$900
Pension/OPEB Expense		 \$107	 ~ \$150
Pension/OPEB Contributions		\$951	~ \$950

**As reported (including Employee Separation Expense in 2020)
Source: Deere & Company forecast as of 25 November 2020*

October 2020 Retail Sales (Rolling 3 Months) and Dealer Inventories

Retail Sales U.S. and Canada Ag	Industry*		Deere**
2WD Tractors (< 40 PTO hp)	↑	22%	↓ Single digit
2WD Tractors (40 < 100 PTO hp)	↑	12%	↓ Single digit
2WD Tractors (100+ PTO hp)	↑	4%	↔ Flat
4WD Tractors	↑	19%	↑ In line with the industry
Combines	↑	9%	↓ Low single digit

Deere Dealer Inventories*** U.S. and Canada Ag	2020	2019
2WD Tractors (100+ PTO hp)	21%	27%
Combines	4%	9%

* As reported by the Association of Equipment Manufacturers

** As reported to the Association of Equipment Manufacturers

*** In units as a % of trailing 12 months retail sales, as reported to the Association of Equipment Manufacturers

October 2020 Retail Sales (Rolling 3 Months)

Retail Sales Europe Ag		Deere*
Tractors	↓	Single digit
Combines	↑	Single digit
Retail Sales U.S. and Canada		Deere*
Selected Turf & Utility Equipment	↓	Single digit
Construction & Forestry		
First-in-the-Dirt	↓	Double digits
Settlements	↓	Double digits

* Based on internal sales reports

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

Deere & Company's 1Q 2021 earnings call is scheduled for 9:00 a.m. central time on Friday, 19 February 2021.



JOHN DEERE