

3Q 2019 Earnings Call

16 August 2019



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. 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.

Non-GAAP Financial Measures

This presentation includes the following non-GAAP financial measures on an historical basis: adjusted net income and adjusted diluted EPS. Please refer to the supplemental information located at the end of this presentation for a reconciliation of these historical non-GAAP financial measures to the most directly comparable historical and forecasted GAAP financial measures and other important information.

3Q 2019 Overview

(\$ millions except where noted)	3Q 2019	3Q 2018	3Q 2019 vs. 3Q 2018	
Net Sales & Revenues	\$10,036	\$10,308		3%
Net Sales (equipment operations)	\$8,969	\$9,286		3%
Net Income (attributable to Deere & Company)	\$899	\$910		1%
Adjusted Net Income (attributable to Deere & Company)	\$867*	\$849**		2%
Diluted EPS (\$ per share)	\$2.81	\$2.78		
Adjusted Diluted EPS (\$ per share)	\$2.71*	\$2.59**		

*Excludes tax reform related net deferred tax asset remeasurement and deemed earnings repatriation tax of ~ \$32 million.

**Excludes tax reform related net deferred tax asset remeasurement and deemed earnings repatriation tax of ~ \$61 million.

Note: Wirtgen's results are incorporated with the Company's results using a 30-day lag period and are included in the construction and forestry segment.

3Q 2019 Overview

Equipment Operations

		3Q 2019 vs. 3Q 2018
Net Sales		 3%
Price realization		 3 points
Currency translation		 2 points

Worldwide Agriculture & Turf

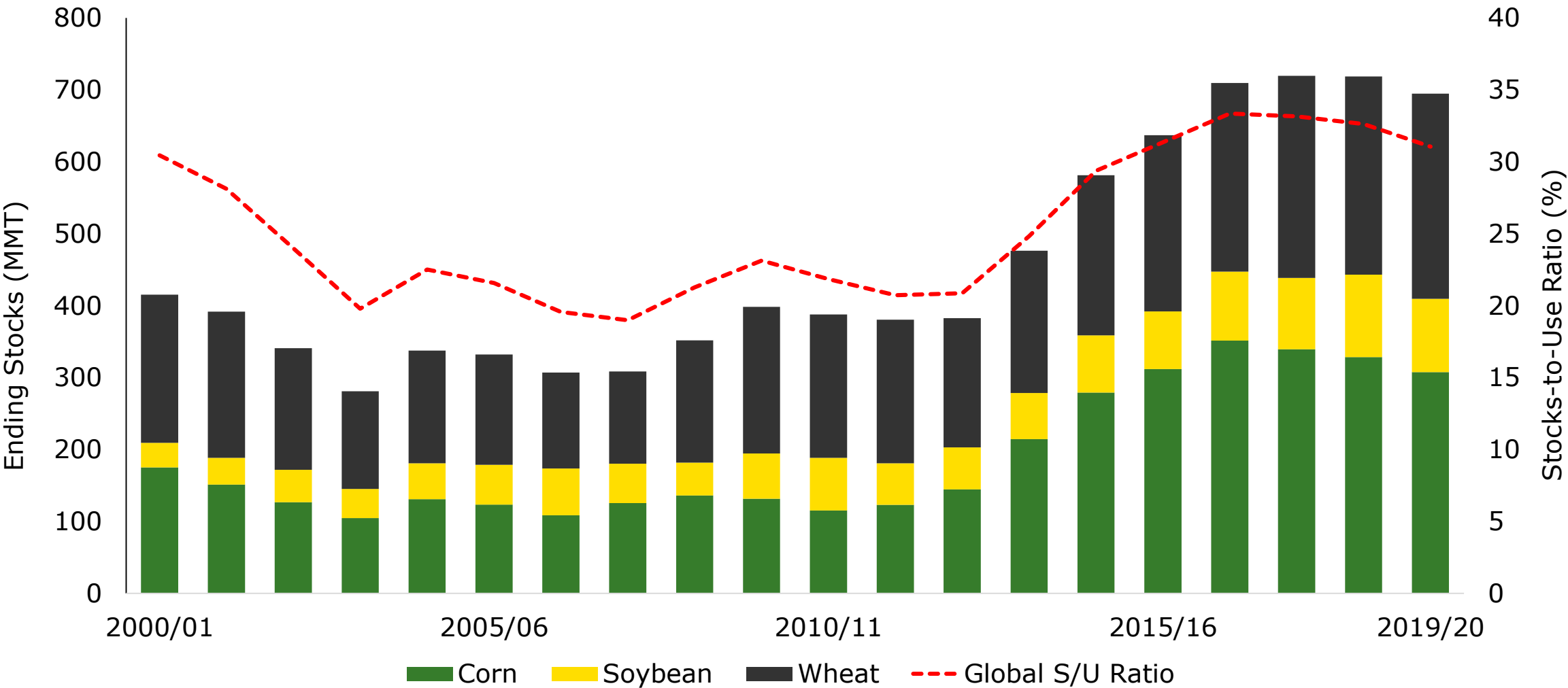
3Q 2019 Overview

(\$ millions)	3Q 2019	3Q 2019 vs. 3Q 2018
Net Sales	\$5,946	 6%
Operating Profit*	\$612	 24%

*3Q 2019 operating profit impacted by:

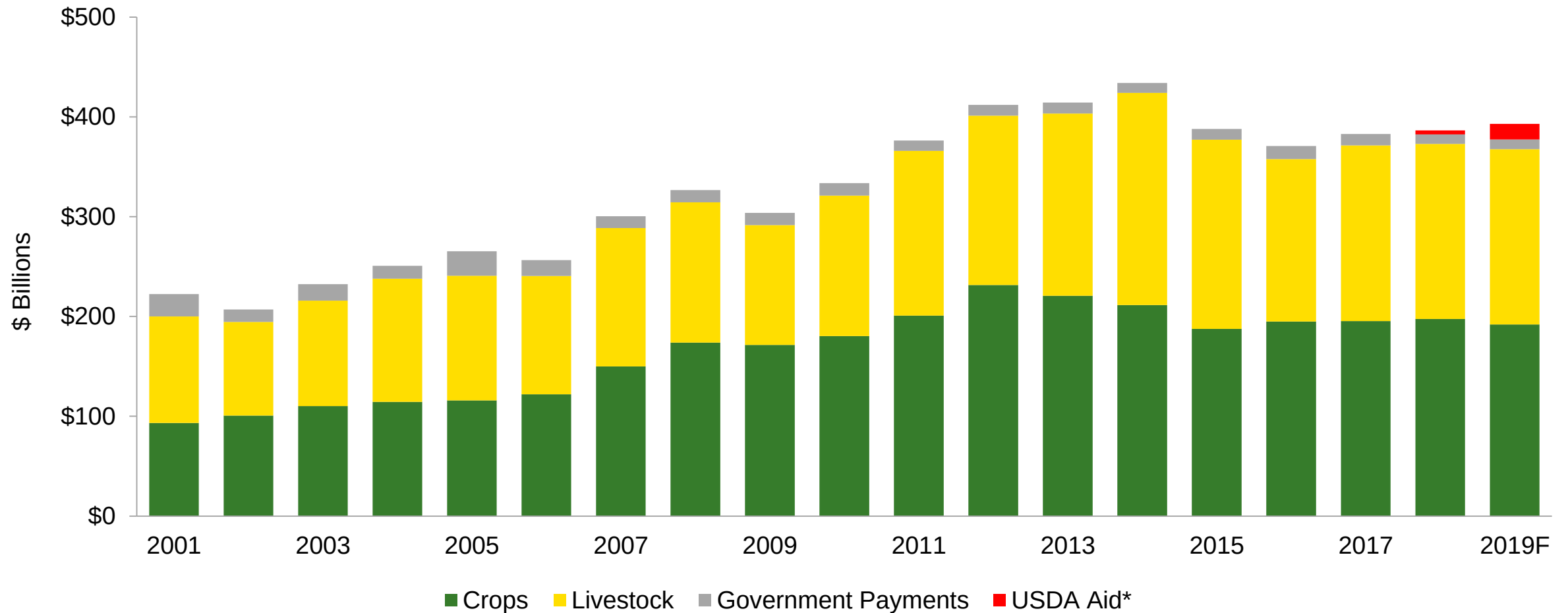
- Shipment volumes
- Production costs
- Foreign currency exchange
- + Price realization

Global Ending Stocks



Source: USDA FAS; 12 August 2019

U.S. Farm Cash Receipts



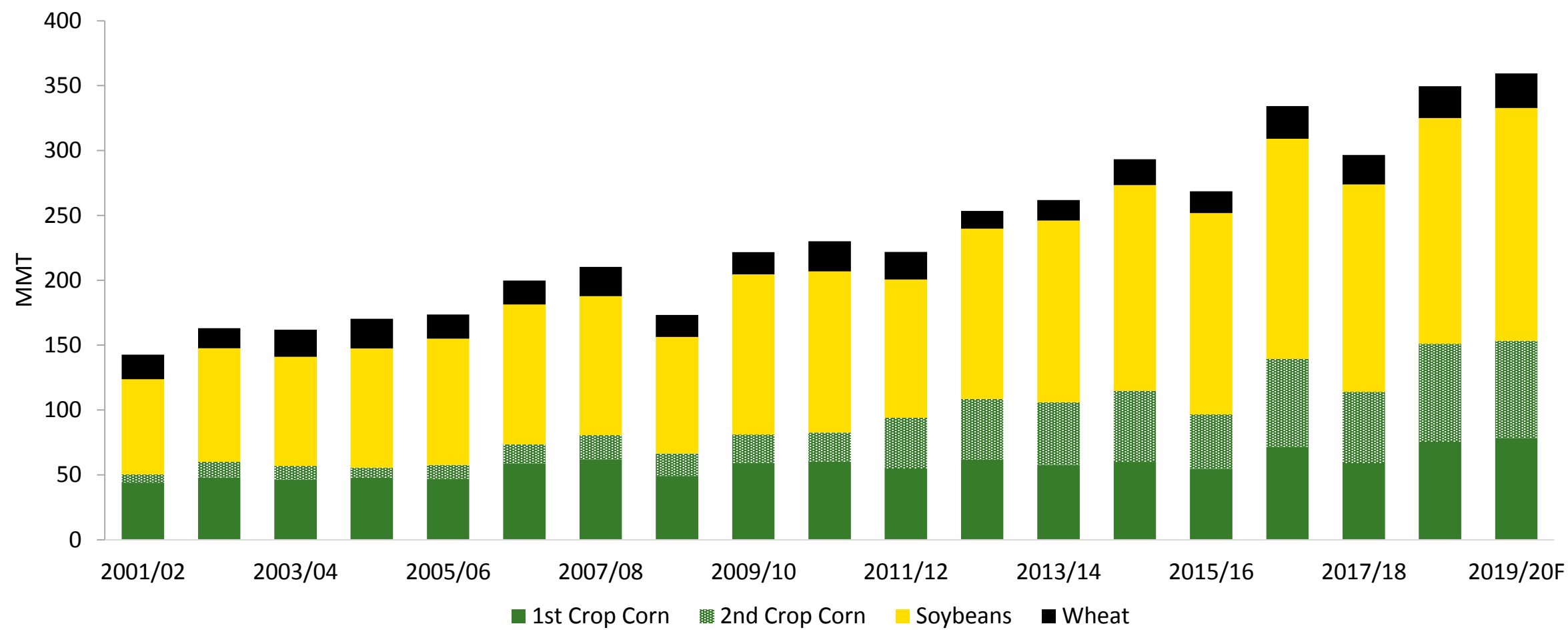
*USDA Aid includes both rounds of USDA Aid payment

Note: USDA announced trade retaliation relief packages of \$12B in 2018 and \$16B in 2019. The new \$16B package includes \$14.5B direct payment via Market Facilitation Program (MFP) which will be distributed into three separate tranches if market conditions warrant. The payment on the 1st tranche will start Aug 2019.

Source: 2001–2017: USDA, 6 March 2019

2018F–2019F: Deere & Company forecast as of 16 August 2019

Brazil & Argentina Production



Source: Deere Forecast as of 16 August 2019

Agriculture & Turf

Industry Outlook

		Fiscal 2019 Forecast		Previous Forecast
U.S. and Canada Ag	↔	~ Flat	➔	Flat to up 5%
EU 28 Ag	↔	~ Flat	↔	~ Flat
South America Ag (tractors and combines)	↗	Flat to up 5%	➔	Flat to up 5%
Asia Ag	↘	Flat to slightly down	➔	Flat to slightly down
U.S. and Canada Turf and Utility	↗	Flat to up 5%	➔	Flat to up 5%

Source: Deere & Company forecast as of 16 August 2019 (previous forecast as of 17 May 2019)

Worldwide Agriculture & Turf

Deere & Company Outlook

	Fiscal 2019 Forecast		Previous Forecast	
Net Sales		~ 2%		~ 2%
Currency translation		~ 2%		~ 3%

Source: Deere & Company forecast as of 16 August 2019 (previous forecast as of 17 May 2019)

Worldwide Construction & Forestry

3Q 2019 Overview

(\$ millions)	3Q 2019	3Q 2019 vs. 3Q 2018	
Net Sales	\$3,023	↑	1%
Operating Profit*	\$378	↑	35%

*3Q 2019 operating profit impacted by:

- + Wirtgen operating profit
- + Price realization
- Sales mix

Worldwide Construction & Forestry

U.S. Economic Indicators

	Fiscal 2019 Forecast	Previous Forecast
GDP Growth	↔	↑
Housing Starts (thousands)	↔	↔
Total Construction Investment	↔	↔
Government Construction Investment	↑	↑
Global Transportation Investment	↑	↑
Crude Oil Price	↔	↑

Source: IHS Markit, Calendar Year Estimates – July 2019

Worldwide Construction & Forestry

Deere & Company Outlook

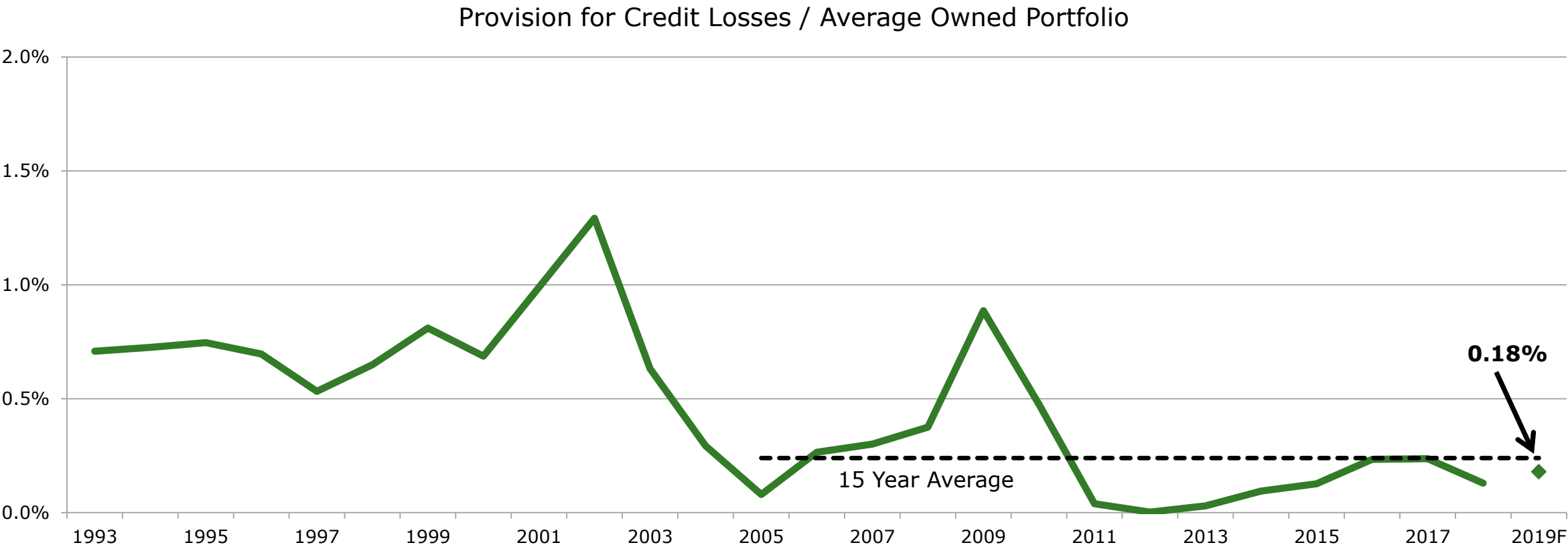
	Fiscal 2019 Forecast*	Previous Forecast*
Net Sales	 ~ 10%	 ~ 11%
Currency translation	 ~ 2 points	 ~ 2 points
Wirtgen	 ~ 4 points	 ~ 4 points

* Includes 12 months of Wirtgen sales, vs 10 months in fiscal 2018

Source: Deere & Company forecast as of 16 August 2019 (previous forecast as of 17 May 2019)

Worldwide Financial Services

Credit Loss History



Source: Deere & Company forecast as of 16 August 2019

Worldwide Financial Services

(\$ millions)	3Q 2019	Fiscal 2019 Forecast	Previous Forecast
Net Income (attributable to Deere & Company)	\$175	~\$620	~ \$600

Source: Deere & Company forecast as of 16 August 2019 (previous forecast as of 17 May 2019)

Consolidated Trade Receivables & Inventory

(\$ millions)	3Q 2019*	Fiscal 2019 Forecast**	Previous Forecast**
Agriculture & Turf	↑ \$359	↑ ~ \$100	↓ ~ \$50
Construction & Forestry	↑ \$700	↑ ~ \$350	↑ ~ \$300
Total (as reported)	↑ \$1,059	↑ ~ \$450	↑ ~ \$250
Total (constant exchange)	↑ \$1,273	↑ ~ \$550	↑ ~ \$375

* Change at 28 July 2019 vs. 29 July 2018

**Change at 3 November 2019 vs. 28 October 2018

Note: Before the sale of receivables to John Deere Financial

Source: Deere & Company forecast as of 16 August 2019 (previous forecast as of 17 May 2019)

Cost and Expenses

Equipment Operations

(\$ millions)	3Q 2019	Fiscal 2019 Forecast	Previous Forecast
COS (percent of Net Sales)	77%	~77%	~76%
Research and Development	 4%	 ~ 6%	 ~ 6%
SA&G Expense	 2%	 ~ 4%	 ~ 6%

Source: Deere & Company forecast as of 16 August 2019 (previous forecast as of 17 May 2019)

Income Taxes

Equipment Operations

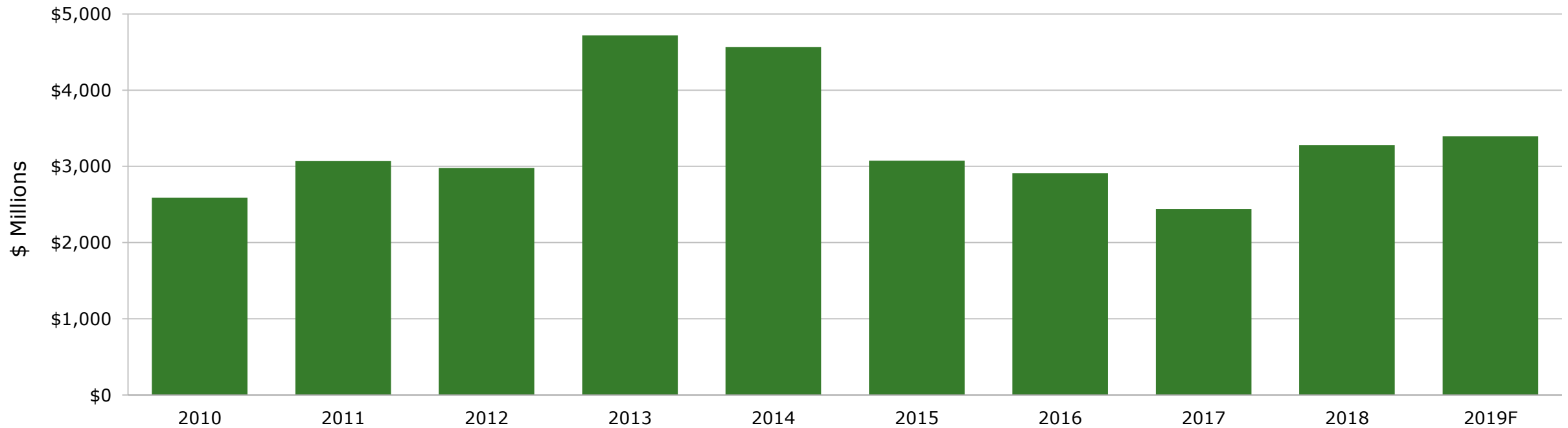
	3Q 2019	Fiscal 2019 Forecast	Previous Forecast
Effective Tax Rate	21%	23-25%	24-26%

Source: Deere & Company forecast as of 16 August 2019 (previous forecast as of 17 May 2019)

Net Operating Cash Flows

Equipment Operations

Fiscal 2019 Forecast* ~ \$3.4 billion



* Previous forecast ~\$4.1 billion

Note: 2010-2016 adjusted with the adoption of FASB ASU No. 2016-09 "Improvements to Employee Share-Based Payment Accounting"

Source: Deere & Company forecast as of 16 August 2019 (previous forecast as of 17 May 2019)

Deere & Company Outlook

Fiscal 2019 Forecast

(\$ billions except where noted)	Fiscal 2019 Forecast	Previous Forecast
Net Sales (equipment operations)	 ~ 4%	 ~ 5%
Price realization	 ~ 3 points	 ~ 3 points
Currency translation	 ~ 2 points	 ~ 3 points
Wirtgen	 ~ 1 point	 ~ 1 point
Net Income (attributable to Deere & Company)	~ \$3.2	~ \$3.3

Source: Deere & Company forecast as of 16 August 2019 (previous forecast as of 17 May 2019)

Appendix



Share Repurchase

As Part of Publicly Announced Plans

37% net share reduction since 2004

3Q 2019:

Cost of repurchases	\$400.0 million
Shares repurchased	2.6 million

YTD 2019:

Cost of repurchases	\$864.0 million
Shares repurchased	5.6 million

2004-3Q 2019:

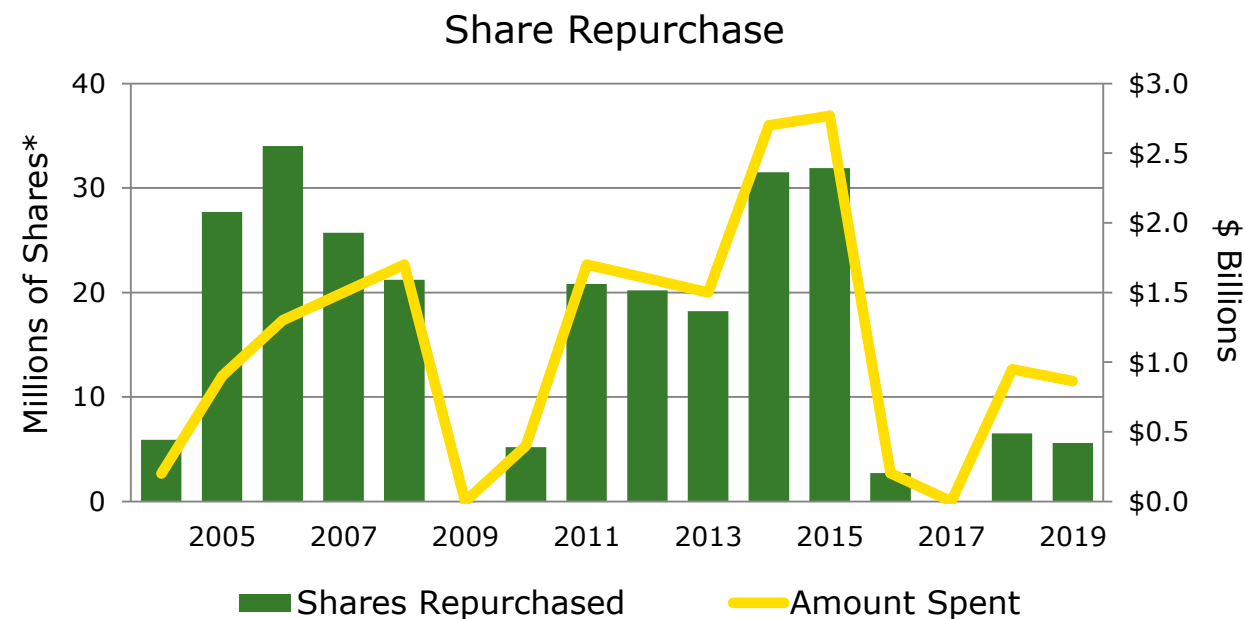
Cumulative cost of repurchases	\$18.2 billion
Shares repurchased	257.0 million

December 2013 authorization of \$8 billion:

Amount remaining	\$1.4 billion
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28 July 2019 period ended basic shares	314.9 million
3Q 2019 average diluted shares	319.8 million

* All shares adjusted for two-for-one stock split effective 26 November 2007



THE JOHN DEERE STRATEGY

OUR PURPOSE Committed to those linked to the land



OUR ASPIRATIONS

Realizing sustainable SVA growth through innovation and disciplined expansion.



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.



CORE VALUES

Unwavering adherence to the values that unite and differentiate us.

Other Information

Equipment Operations

(\$ millions)	Fiscal 2019 Forecast	Previous Forecast
Capital Expenditures	~ \$1,100	~ \$1,150
Depreciation & Amortization	~ \$1,025	~ \$1,025
Pension/OPEB Expense	 ~ \$130	 ~ \$125
Pension/OPEB Contributions	~ \$500*	~ \$200

**Includes a potential \$300 million voluntary contribution to OPEB plan
Source: Deere & Company forecast as of 16 August 2019 (previous forecast as of 17 May 2019)*

July 2019 Retail Sales (Rolling 3 Months) and Dealer Inventories

Retail Sales U.S. and Canada Ag	Industry*	Deere**
2WD Tractors (< 40 PTO hp)	↓ 1%	↓ More than the industry
2WD Tractors (40 < 100 PTO hp)	↓ 1%	↑ Single digit
2WD Tractors (100+ PTO hp)	↓ 5%	↓ In line with the industry
4WD Tractors	↓ 17%	↓ Less than the industry
Combines	↓ 27%	↓ More than the industry

Deere Dealer Inventories*** U.S. and Canada Ag	2019	2018
2WD Tractors (100+ PTO hp)	41%	37%
Combines	36%	25%

* 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

July 2019 Retail Sales (Rolling 3 Months)

Retail Sales EU 28 Ag		Deere*
Tractors	↓	Low single digit
Combines	↓	Low double digits

Retail Sales U.S. and Canada		Deere*
Selected Turf & Utility Equipment	↑	Single digit
Construction & Forestry		
First-in-the-Dirt	↑	Low double digits
Settlements	↔	Flat

* Based on internal sales reports

Supplemental Statement of Consolidated Income Information

Reconciliation of GAAP to Non-GAAP Financial Measures

In addition to reporting financial results in conformity with accounting principles generally accepted in the United States (GAAP), the company also discusses non-GAAP measures that exclude adjustments related to tax reform. Net income attributable to Deere & Company and diluted earnings per share measures that exclude this item are not in accordance with nor a substitute for GAAP measures. The company believes that discussion of results excluding this item provides a useful analysis of ongoing operating trends.

The tables below provide a reconciliation of the non-GAAP financial measure with the most directly comparable GAAP financial measure for the three months and nine months ended July 28, 2019 and July 29, 2018. (Millions, except per-share amounts) (Unaudited)

	Three Months Ended July 28, 2019		Nine Months Ended July 28, 2019	
	Net Income Attributable to Deere & Company	Diluted Earnings Per Share	Net Income Attributable to Deere & Company	Diluted Earnings Per Share
GAAP measure	\$ 899	\$ 2.81	\$ 2,532	\$ 7.87
Discrete tax reform expense (benefit)	(32)	(.10)	(27)	(.08)
Non-GAAP measure	<u>\$ 867</u>	<u>\$ 2.71</u>	<u>\$ 2,505</u>	<u>\$ 7.79</u>

	Three Months Ended July 29, 2018		Nine Months Ended July 29, 2018	
	Net Income Attributable to Deere & Company	Diluted Earnings Per Share	Net Income Attributable to Deere & Company	Diluted Earnings Per Share
GAAP measure	\$ 910	\$ 2.78	\$ 1,584	\$ 4.82
Discrete tax reform expense (benefit)	(61)	(.19)	741	2.26
Non-GAAP measure	<u>\$ 849</u>	<u>\$ 2.59</u>	<u>\$ 2,325</u>	<u>\$ 7.08</u>

**Deere & Company's 4Q 2019 earnings call is scheduled for
9:00 a.m. central time on Wednesday, 27 November 2019**



JOHN DEERE