



JOHN DEERE

JOHN DEERE

4Q 2022 Earnings Call

23 November 2022

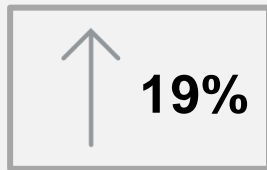
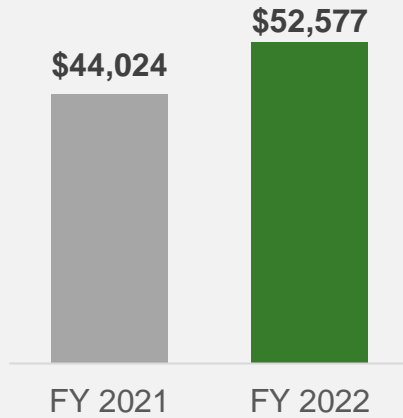
Safe Harbor Statement and Disclosures

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," "guidance," "projection," "outlook," "prospects," "expected," "estimated," "will," "plan," "anticipate," "intend," "believe," "likely," "future," "may," 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 conflict between Russia and Ukraine. 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.

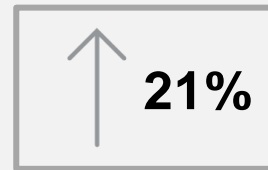
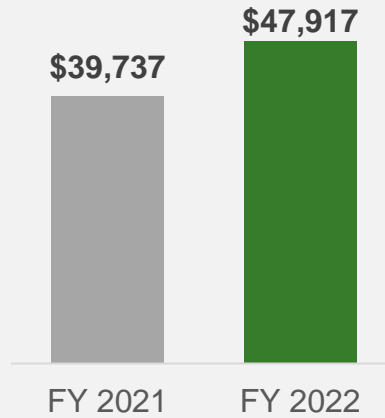
FY 2022 Results

(\$ millions except where noted)

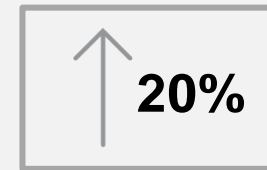
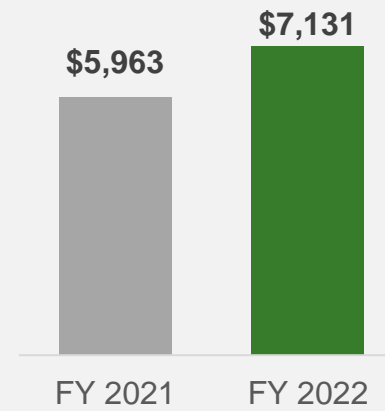
Net Sales and Revenues



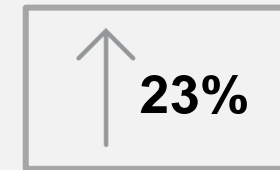
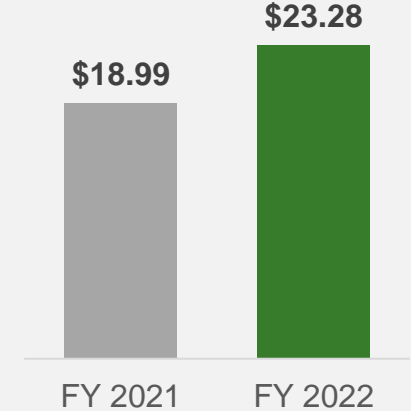
Net Sales (Equipment Operations)



Net Income (attributable to Deere & Company)

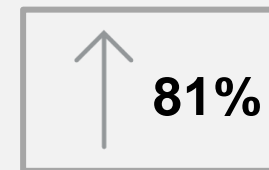
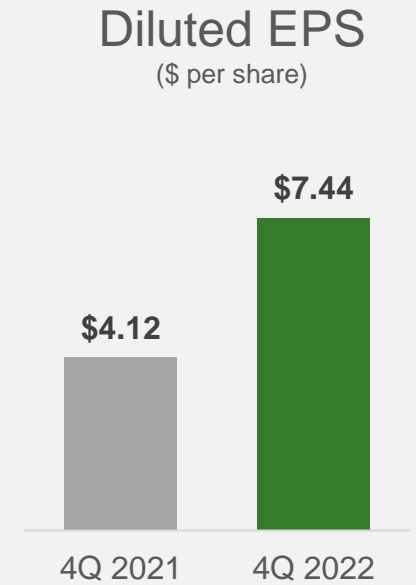
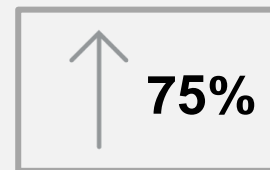
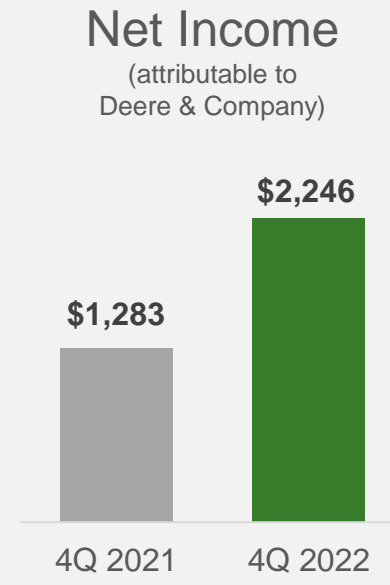
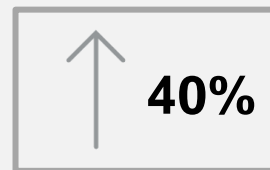
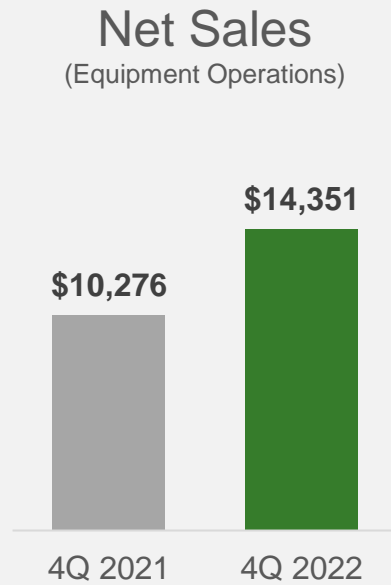
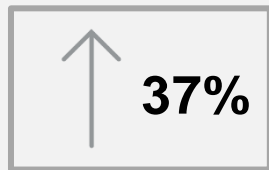
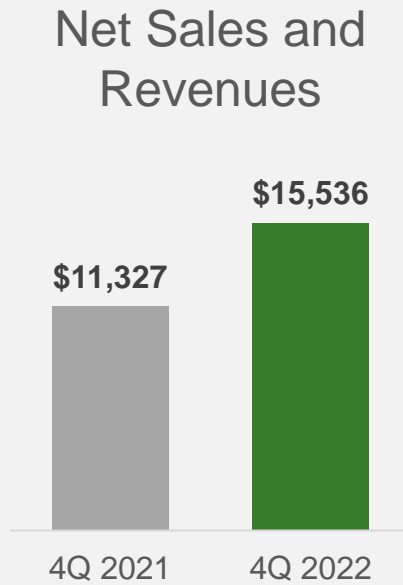


Diluted EPS (\$ per share)



4Q 2022 Results

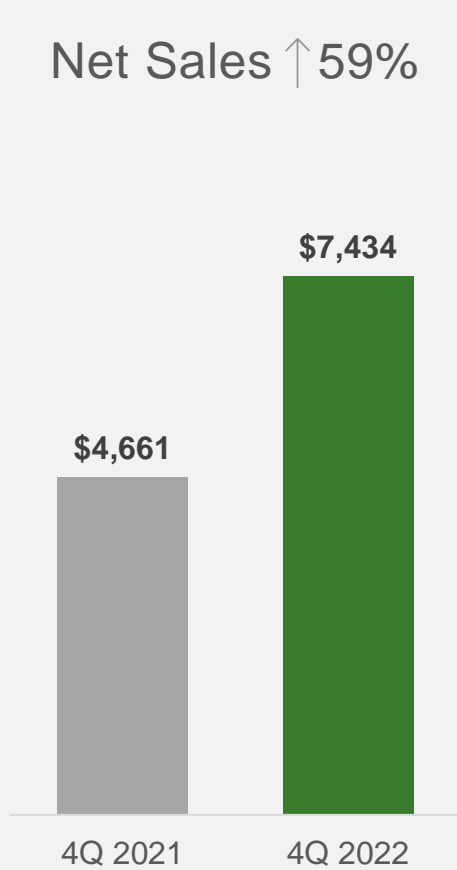
(\$ millions except where noted)



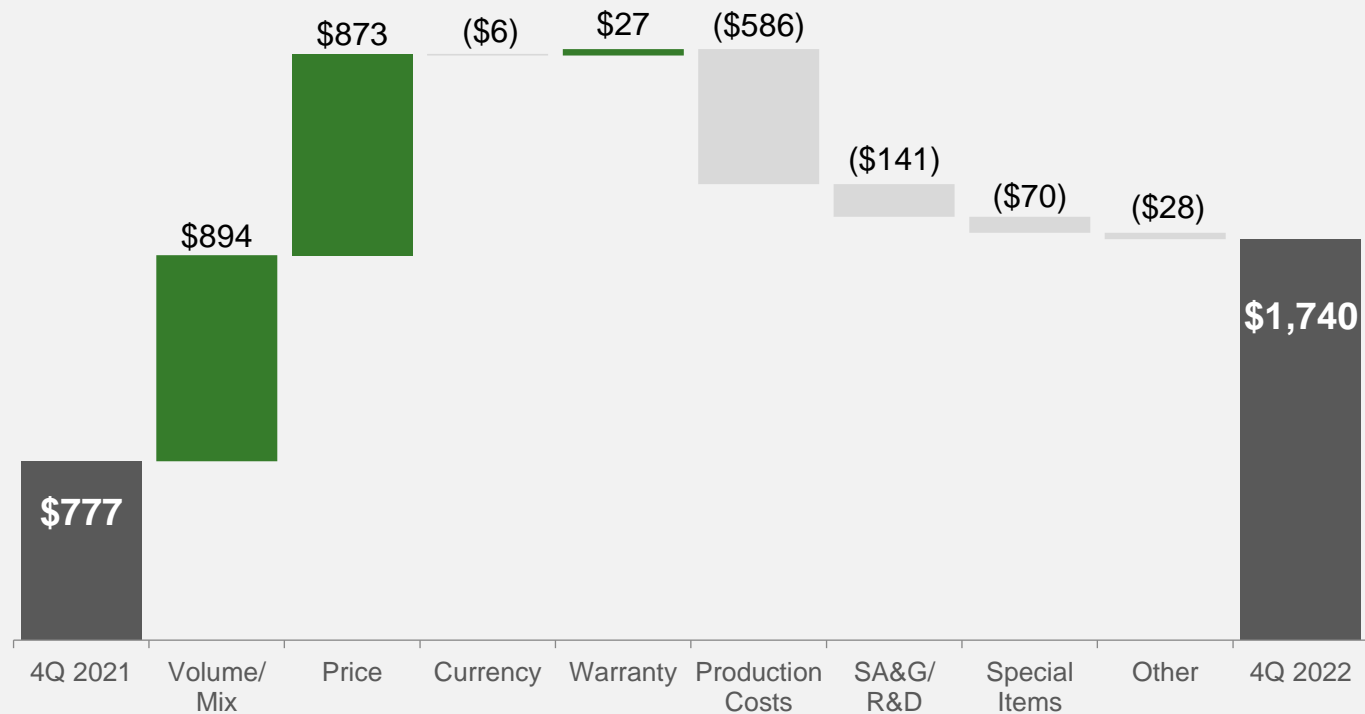
Production and Precision Ag

4Q 2022 Results *\$ in millions*

Net Sales ↑ 59%



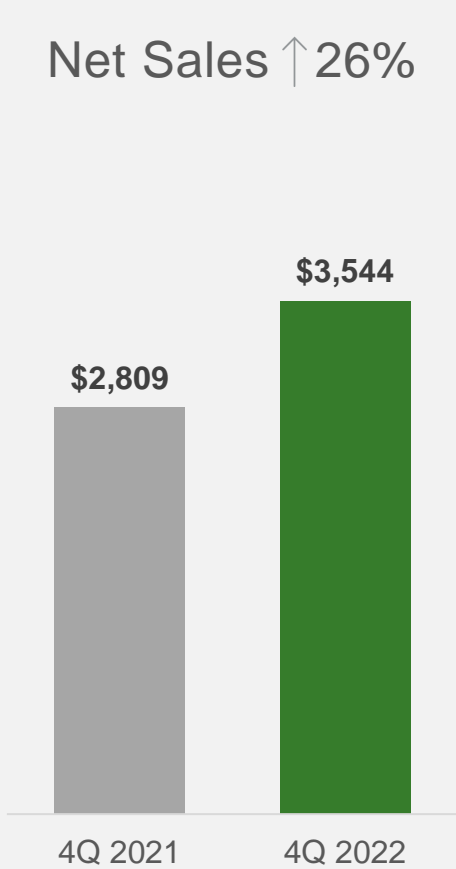
Operating Profit Comparison



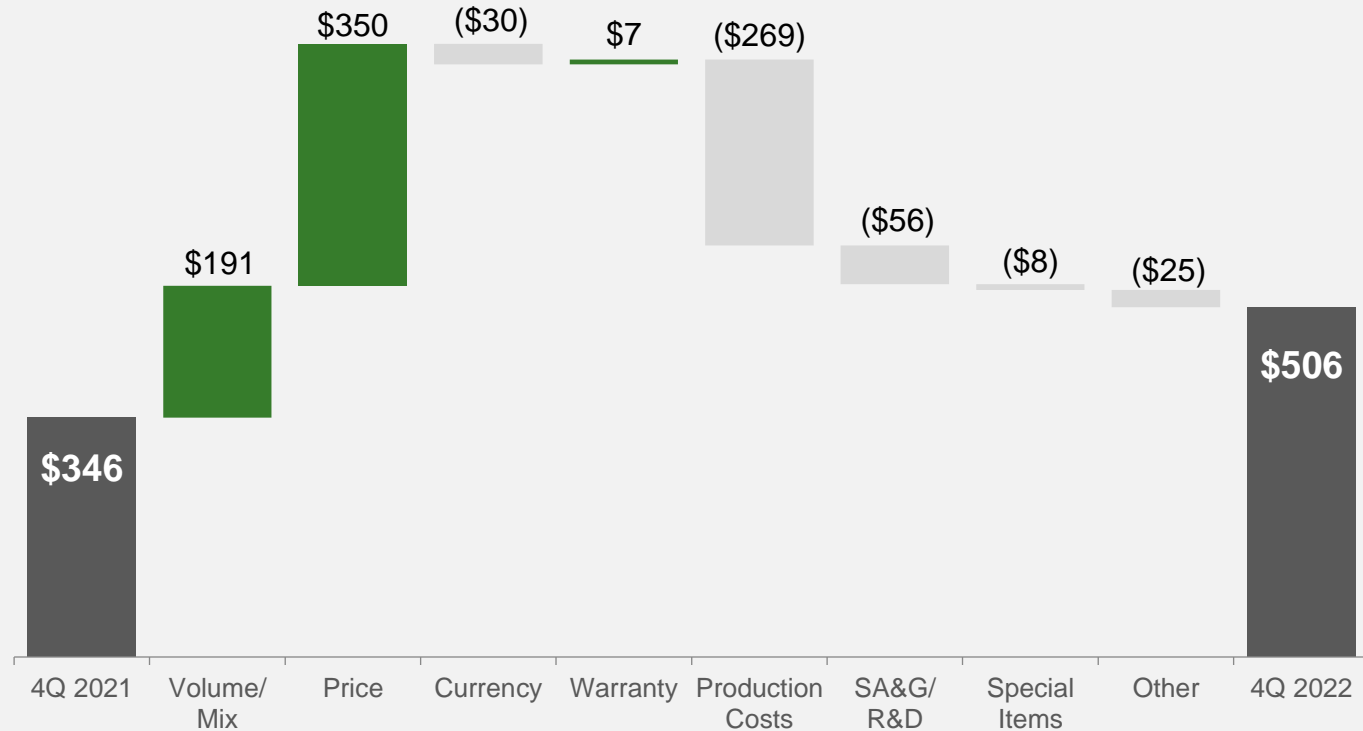
Small Ag and Turf

4Q 2022 Results *\$ in millions*

Net Sales ↑ 26%



Operating Profit Comparison



Ag and Turf

Industry Outlook (in units) – FY 2023

U.S. and CANADA
LARGE AG



5-10%

U.S. and CANADA
SMALL AG and TURF



Flat to down 5%

EUROPE AG



Flat to up 5%

SOUTH AMERICA AG
(tractors and combines)



Flat to up 5%

ASIA AG

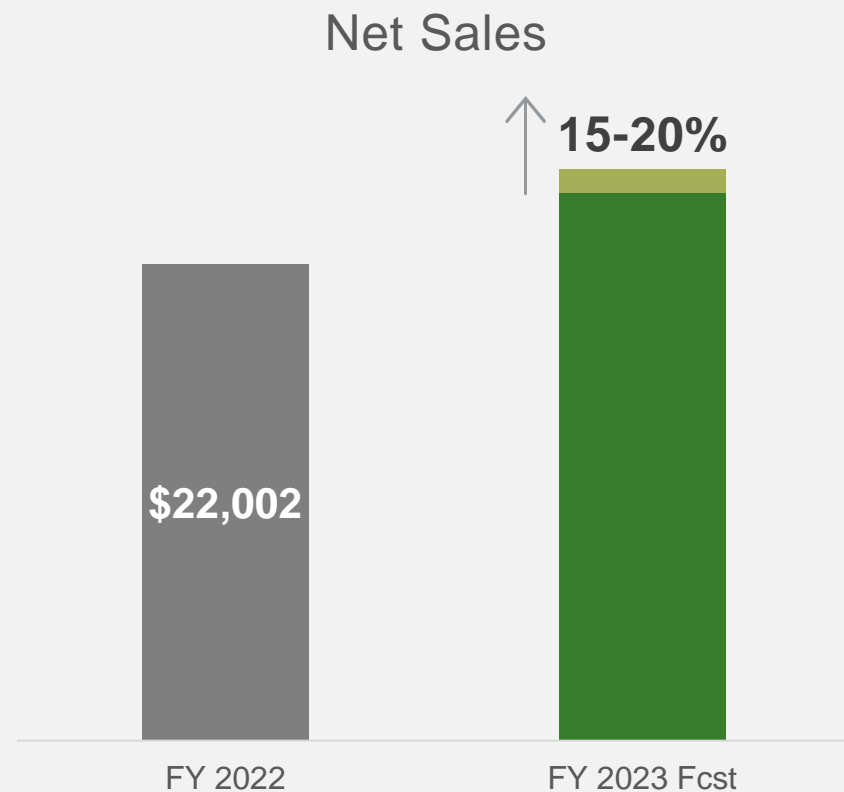


Down moderately

Source: Deere & Company forecast as of 23 November 2022

Production and Precision Ag

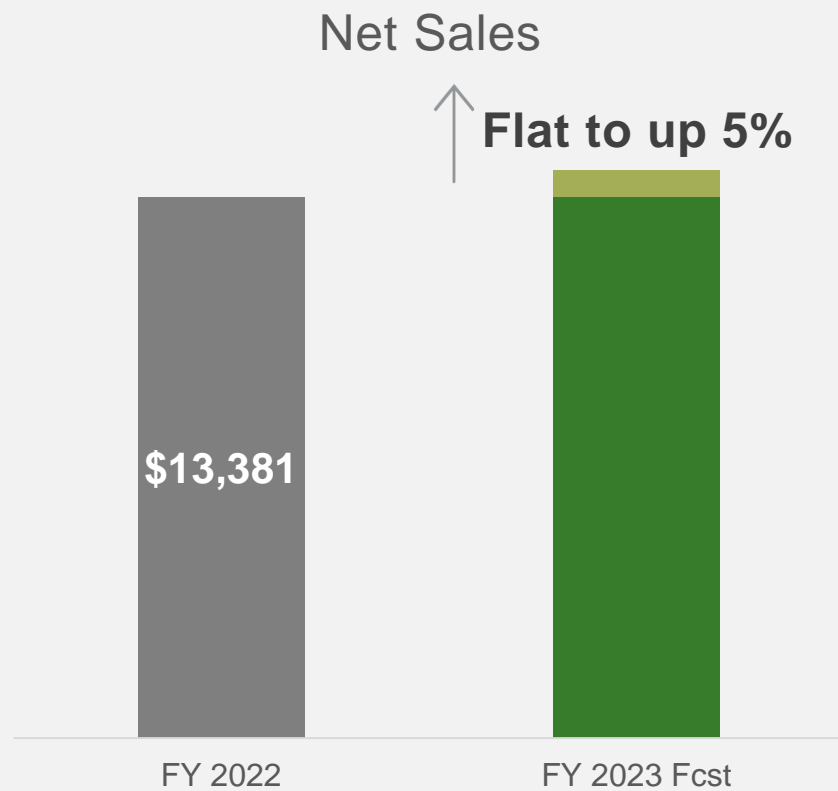
Business Segment Outlook



Source: Deere & Company forecast as of 23 November 2022

Small Ag and Turf

Business Segment Outlook

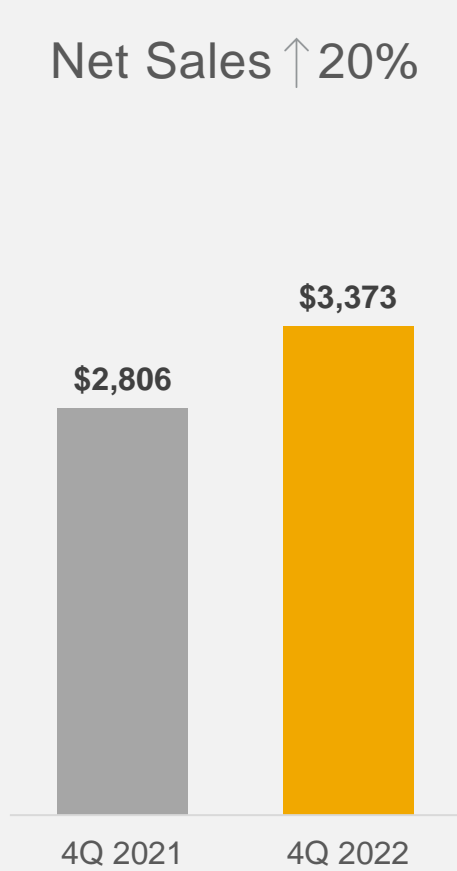


Source: Deere & Company forecast as of 23 November 2022

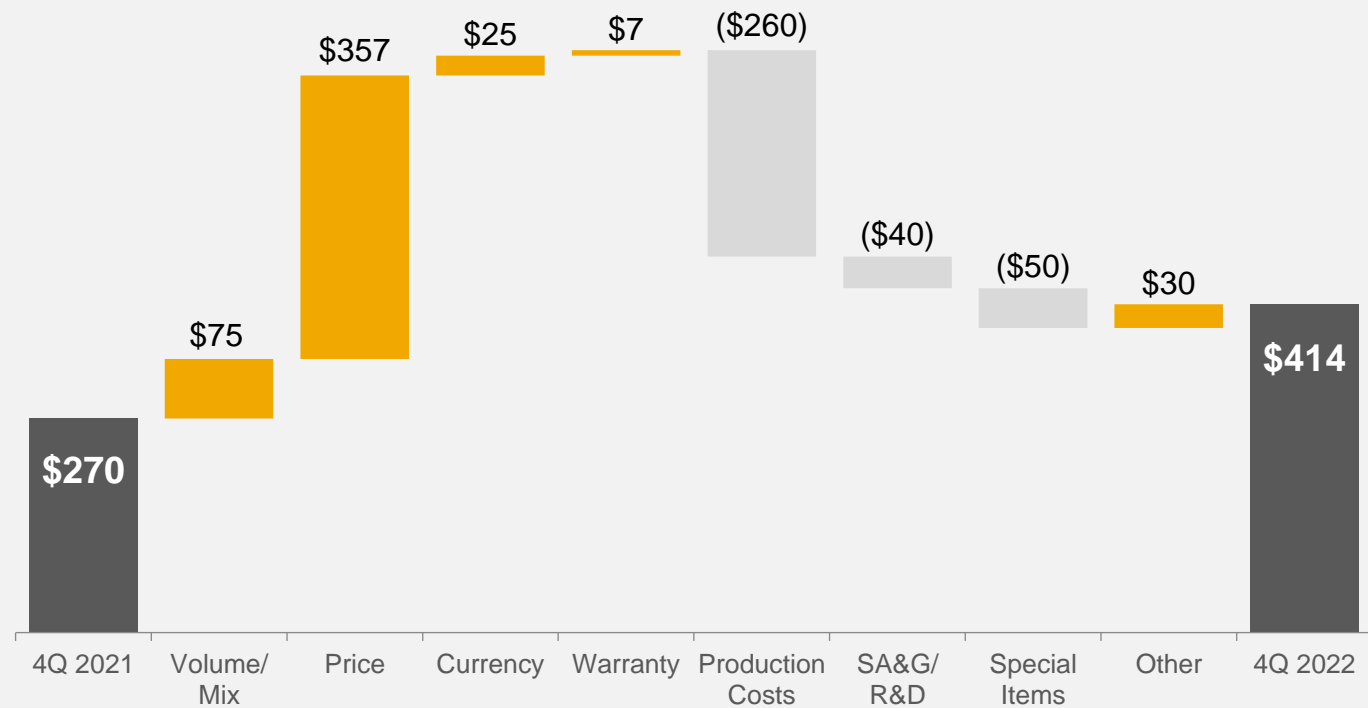
Construction and Forestry

4Q 2022 Results *\$ in millions*

Net Sales ↑ 20%





Operating Profit Comparison



Construction and Forestry



Industry Outlook (in units) – FY 2023

NORTH AMERICA
CONSTRUCTION EQUIPMENT




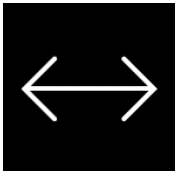
Flat to up 5%

NORTH AMERICA COMPACT
CONSTRUCTION EQUIPMENT




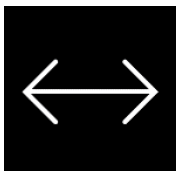
Flat to up 5%

GLOBAL FORESTRY



Flat

GLOBAL ROADBUILDING

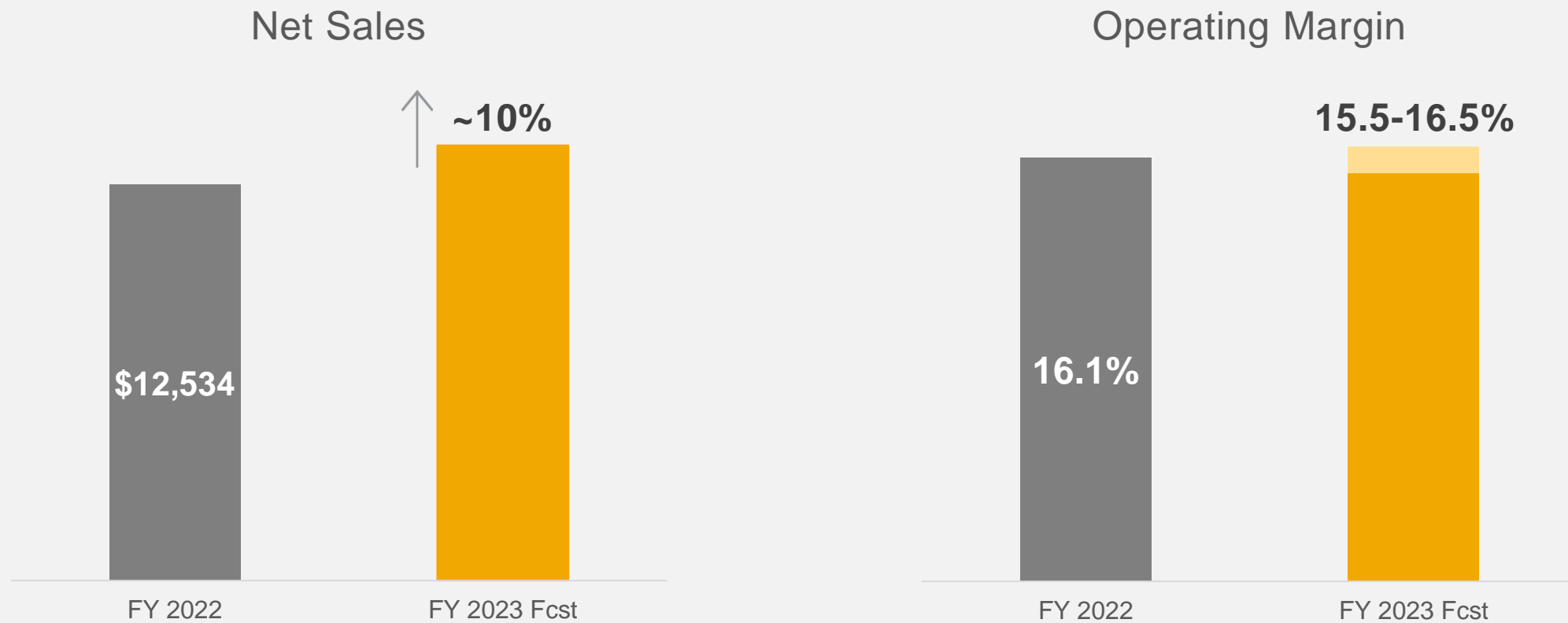


Flat

Source: Deere & Company forecast as of 23 November 2022

Construction and Forestry

Business Segment Outlook

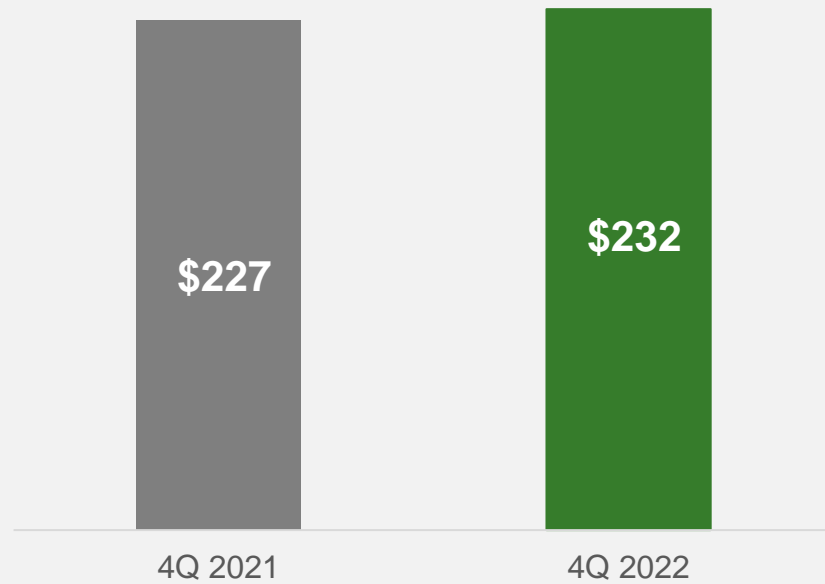


Source: Deere & Company forecast as of 23 November 2022

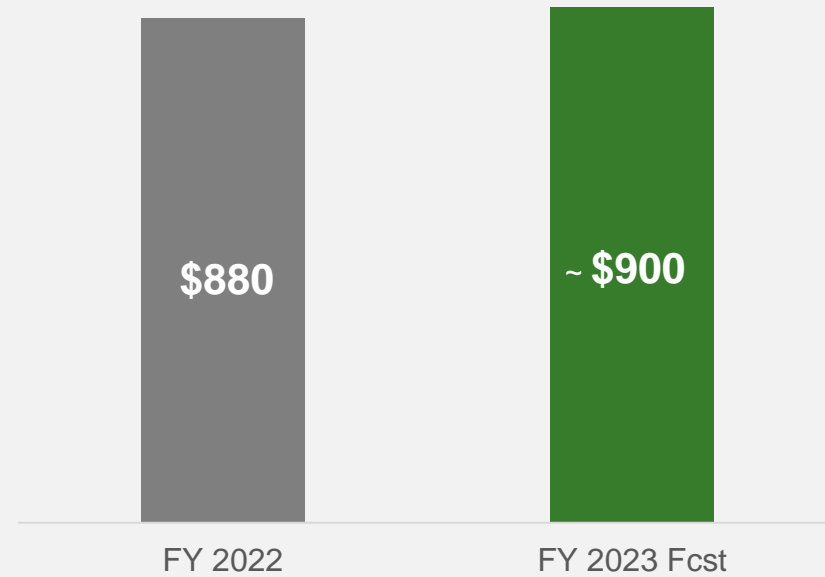
Financial Services

Net Income – Results and Outlook

Quarter Results



Fiscal Year Outlook



Source: Deere & Company forecast as of 23 November 2022

Deere & Company Outlook

FY 2023 FORECAST

Net Income

(attributable to Deere & Co.)

\$8.0-8.5B

Effective
Tax Rate*

23-25%

Net Operating
Cash Flow*

\$9.0-9.5B

**Equipment Operations*

Source: Deere & Company forecast as of 23 November 2022

Appendix



Other Financial Information

Equipment Operations

(\$ millions)	4Q 2022	FY 2022	FY 2023 Forecast
Cost of Sales (percent of Net Sales)	71%	74%	~71%
Selling, Administrative and General Expenses	↑ 15%	↑ 9%	↑ ~14%
Research and Development Expenses	↑ 28%	↑ 21%	↑ ~10%
Capital Expenditures		\$1,100	~ \$1,400
Pension/OPEB Expenses		↓ \$20	↓ ~ \$225
Pension/OPEB Contributions		\$1,240	~ \$200

Source: Deere & Company forecast as of 23 November 2022

October 2022 Retail Sales (Rolling 3 Months) and Dealer Inventories

Retail Sales U.S. and Canada Ag	Industry*	Deere**
2WD Tractors (< 40 PTO hp)	↓ 18%	↓ More than the industry
2WD Tractors (40 < 100 PTO hp)	↓ 4%	↑ Double digits
2WD Tractors (100+ PTO hp)	↑ 17%	↑ More than the industry
4WD Tractors	↓ 1%	↑ Single digit
Combines	↑ 41%	↑ More than the industry






Deere Dealer Inventories*** U.S. and Canada Ag	2022	2021
2WD Tractors (100+ PTO hp)	18%	12%
Combines	6%	3%

* 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 2022 Retail Sales (Rolling 3 Months)

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

* 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 2023 earnings call is scheduled for 9:00 a.m. Central Time on Friday, 17 February 2023.



JOHN DEERE