JOHN DEERE

"Nothing Runs Like a Deere"

Deere Ecosystem

Deere & Company
One John Deere Place, Moline, Illinois 61265
Phone: (309) 765-8000: Website: www.deere.com

Outside Relationships

Regulators	Capital	Suppliers	Customers
Subjects of Business Regulation U.S. & Other Environmental Protection Agencies (Clean Air, Water, Soil, and GHG Emissions Regulation) U.S. Department of Labor (Labor and Employment Requirements) U.S. Department of the Treasury (Restricted Parties and Transactions) California Attorney General, European Commission and Others (Data Protection) U.S. Consumer Product Safety Commission (Consumer Protection and Product Safety) U.S. Dept. of Homeland Security (Cyber Security)	Financial Institutions Public Debt Holders Commercial Banks	**Labor Unions** United Automobile and Aerospace and Agricultural Implement Workers of America (UAW) United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (USW) International Association of Machinists and Aerospace Workers (IAM)	

Interest Rates, Commodity Prices, and Foreign Currency Hedging Services
Bond Financing
Working Capital Financing
Union Representation and Collective Bargaining Negotiations
Business Regulation

Deere & Company (a Delaware Corporation)

Debt Structure

Debt ($32.734B) — Credit Ratings: Senior Long-Term Debt—A2 (Moody's). A (S&P), A (Fitch); Short-Term—Prime-1 (Moody's), A (S&P), F1 (Fitch)

Worldwide Lines of Credit: $8.413B (11/1/2020)	Commercial Paper Outstanding: $1.238B (11/1/2020)	Long-Term Credit Facility Agreements: $2.5B (expire April 2024); $2.5B (expire April 2025)	Equipment Operations Bonds	U.S. Dollar Debentures Due 2022-2030 $3.2B at 2.6 – 8.5 %	U.S. Dollar Debentures Due 2031-2050 $2.9B at 2.875 – 7.125 %	Euro Debentures Due 2022-2030 €1.9B at 0.5 – 2.2 %	Euro Debentures Due 2031-2039 €1.46B at 1.65 – 2.2 %

Equity Structure

Equity ($12.944B as of 11/1/2020)

Preferred Stock Authorized: 9.0M Shares Issued: 0 Recordholders: 0	Common Stock Authorized: 1.2B Outstanding: 314M Recordholders: 19,226	Common Stock Repurchase Plans Authorized: $16B (2013 and 2019 Plans) Expiration: None Remaining Authority: $8.339B

Governance

Board of Directors

John C. May (Chair, E)	Charles O. (Chad) Holliday, Jr. (C, G)	Gregory R. Page (E, A, F)	Committees Executive (E), Audit Review (A), Compensation (C), Corporate Governance (G), and Finance (F)
Tamra A. Erwin (C, G)		Sherry M. Smith (E,A,F)	
Alan C. Heuberger (A, F)	Michael O. Johanns (C, G)	Dmitri L. Stockton (E,C)	
Dipak C. Jain (C, F)	Clayton M. Jones (E, A, G)	Sheila G. Talton (A,G)	

Management Team

John C. May: CEO	Cory J. Reed: President, Ag & Turf Division, Large & Precision Ag, and Americas and Australia	John H. Stone: President, Construction & Forestry Division and Power Systems
Ryan Campbell: CFO	Rajesh Kalathur: President, John Deere Financial & Chief Information Officer	Mark von Pentz: President, Ag & Turf Division, Small Ag & Turf, and Europe, CIS, Asia and Africa
Jahmy J. Hindman: CTO	Mary K. W. Jones: General Counsel & Worldwide Public Affairs	
Marc A. Howze: Group President, Lifecycle Solutions & Chief Administrative Officer		

Finance and Accounting

Financial Services	Global Information Services
Accounting	IT Systems
Business Economics	Cybersecurity
Real Estate and Facilities	IT Transformation
O & E Model Governance	
Competitive Analysis	
Enterprise Finance	
Indirect Procurement	
Financial Products	
Insurance Services	
Financial Services	

Human Resources

- Talent Acquisition and Management
- Learning and Development
- Diversity and Inclusion
- Compensation and Benefits
- Shared Services
- Employee and Labor Relations

Services, Distribution & Digital

Services: Product Support and Logistics
- Business Strategy
- Product Management, Development, and Support
- Manufacturing and Sourcing

Distribution
- Regional Distribution (Americas, Asia Pacific, Europe, Middle East, Africa)
- Parts Distribution
- Integrated Logistics Solutions
- Dealer Development and Administration
- Dealer Portfolio Management
- Efficient Distribution of Machines, Engines and Parts

Corporate Matters

Legal
- Law, Security and Public Policy
- Global Legal Services
- Compliance
- Global Trade
- Global Security

- Global Government and Corporate Affairs
- Federal and State Government Affairs and Lobbying
- International Government and Public Affairs
- Corporate Communications
- Philanthropy
- Sustainability
- Enterprise Reputation

Digital Investments
- New Customer and Dealer Solutions
- Data Analytics
- Digital Technologies for Customer Experience

Operations

Equipment

Agriculture & Turf
(2020 Revenue: $22.325B)

Manufactures and distributes a full line of agriculture and turf equipment to customers, including (a) for the Production and Precision Ag segment, large and mid tractors, combines, cotton pickers, harvesting equipment, and loading equipment, and (b) for the Small Ag and Turf segment, small and mid tractors, lawnmowers, utilities vehicles, hay and forage equipment, and more.

Facilities

16 U.S. & Canada Facilities: 13 Agriculture & Turf; 1 Engine; and 2 Engine & Component Remanufacturing Facilities	*Non-U.S./Canada Facilities*: 47	*Agriculture & Turf Factory Locations*: Argentina, Brazil, China, France, Germany, India, Israel, Italy, Mexico, the Netherlands, Russia, & Spain

Products

Production and Precision Ag	Nutrient Management & Soil Preparation Machinery	Hay & Forage Equipment
Medium Utility Tractors	Agricultural Solutions & Technologies	Balers & Mowers
Large Utility Tractors	Small Ag and Turf	Tillage, Seeding, & Application Equipment
Utility Tractor Attachments	Commercial Mowing Equipment	Riding Lawn Equipment
Tractor Loaders	Golf Course Equipment	Implements for Mowing, Tilling, Snow & Debris Handling
Combines	Utility Vehicles	Aerating & Other Residential, Commercial, Golf & Sports Turf Care Applications
Cotton Pickers	Outdoor Power Products	
Cotton Strippers	Medium Utility Tractors	
Sugarcane Harvesters	Turf & Utility Equipment	
Sprayers	Self-Propelled Forage Harvesters & Attachments	
Harvesting Front-End Equipment		
Sugarcane Loaders		
Pull-Behind Scrapers		

Key Financial Metrics
- Operating Profit: $2.969B
- Operating Margin: 13.3%
- Operating Return on Assets: 25.9%
- Shareholder Value Added: 1.594B

Key Brands: HAGIE, UNIMIL, MAZZOTTI, FRONTIER, MONOSEM, kemper, AGRO KING, PLA

Competitors

AGCO Corporation	Kubota Tractor Corporation
CLAAS KGaA mbH	Mahindra
CNH Industrial N.V.	Regional & Local Competitors
The Toro Company	

Construction & Forestry
(2020 Revenue: $8.947B; $6.023B Excluding Road Building)

Manufactures and distributes a broad range of machines and service parts used in construction, earthmoving, roadbuilding, material handling, and timber harvesting; also manufactures and sells diesel engines, including original equipment manufacturers, for thousands of applications, e.g., agriculture, construction, forestry, mining, generator drives, and marine equipment.

Facilities

7 U.S. & Canada Facilities: 4 Construction & Forestry; 2 Hydraulic & Power Train Components; 1 Electronic Components Facilities	*Earth-Moving Factory Locations*: Brazil & China	*Roadbuilding Equipment Factory Locations*: Brazil, China, Germany, & India	*Forestry Equipment Factory Locations*: Finland & New Zealand	*Engine, Engine/Power Train, Hydraulic, or Electronic Component Factory Locations*: Argentina, China, France, India, & Mexico

Products

Backhoe Loaders	Compactors	Advanced Connectivity & Telematics Solutions
Crawler Dozers and Loaders	Rollers	Roadbuilding Equipment (sold through wholly-owned subsidiaries of Deere's Wirtgen Group business unit)
4WD Loaders	Crushers	
Excavators	Screens	
Motor Graders	Asphalt Plants	
Articulated Dump Trucks	Log Skidders	
Landscape Loaders	Log Feller Bunchers	
Skid-Steer Loaders	Log Loaders	
Milling Machines	Log Forwarders	
Pavers	Log Harvesters	
	Attachments	

Financial Data
- Operating Profit: $590M; $320M (Excluding Road Building)
- Operating Margin: 5.31% (Excluding Road Building)
- Operating Return on Assets: 8.9% (Excluding Road Building)
- Shareholder Value Added: -$111M

Key Brands: KLEEMANN, waratah, BENNINGHOVEN, WIRTGEN, CIBER, VÖGELE, HAMM, KRAMER, WACKER NEUSON

Competitors

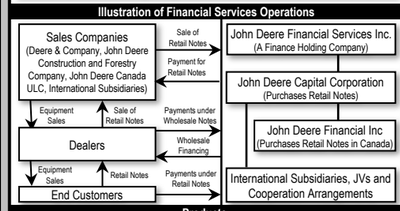
Caterpillar	Doosan Bobcat	Kubota Tractor
CNH Industrial	Volvo Construction Equipment	Tigercat Industries
Doosan Infacore		SANY Group
XCMG	Ponsse	Terex
Fayat Group	Komatsu	

Financial Services

Financial Products
(2020 Revenue: $566M)

Finances sales and leases by John Deere dealers of new/used agriculture, turf, construction, and forestry equipment. Provides wholesale financing to dealers, finances retail revolving charge accounts, and offers extended warranties.

Illustration of Financial Services Operations



Products

Financing Retail Notes Acquired by Sales Companies	Financing and Servicing Revolving Charge Accounts (via Merchants)	Wholesale Notes Financing of Dealer Inventories	Extended Equipment Warranties (U.S. and Canada Only)

Domestic Financial Services: U.S. | Canada

International Financial Services

Equipment Financing (Directly or Via Joint Ventures and Cooperation Agreements)

Australia	Brazil	China	Thailand
New Zealand	Other	Russia	India

Financial Data
- Operating Profit: $746M (Reflects Tax Benefit Under U.S. Tax Reform Legislation)
- Net Income Attributable to Deere & Co.: $566M
- Average Equity: $5.099B
- Return on Equity: 11.1%
- Shareholder Value Added: $73.0M

Competitors

Commercial Banks	Financing Arm of Competing Equipment Manufacturers
Financing & Leasing Companies	

Sale of Retail Installment Sales and Loan Contracts (i.e., Retail Notes)

Outside Relationships

Customers	Suppliers	Capital	Regulators
		Significant Shareholders Cascade Investment LLC (10.06%) The Vanguard Group, Inc. (6.58%) BlackRock Fund Advisors (4.16%) SSgA Funds Management, Inc. (3.97%) Wellington Management Co. LLP (3.58%) Loomis, Sayles & Co. LP (2.69%) Institutional Ownership (80.06%)	**Securities Regulators** US Securities and Exchange Commission (SEC) (Financial Reporting and Disclosure Requirements) New York Stock Exchange (NYSE) (Listing and Maintenance Rules)
	Professional Service Firms Deloitte & Touche (Auditor) Broadridge Corporate Issuer Solutions (Transfer Agent) Signal Theory (Advertising) DLA Piper (Transactions) Sentry Insurance Group (UltraGard Physical Damage Insurance During Term of Financing; SentryGuard Physical Damage Insurance Following Repayment of Financing)		

Securities Regulation and NYSE Listing Rules
Dividends and Common Stock Repurchases
Equity Capital
Professional Services

FINANCIAL SERVICES

Cooperation Agreement (To (a) Create Customized Risk Management Plans for John Deere Dealers and Their Customers and (b) John Deere to Endorse Sentry as the Preferred Insurance Underwriter)

Deere Financing Activities
- John Deere End Customers
- Retail Equipment Sales and Leases Under Dealer Financing Program
- Independent and Franchised Dealers; and John Deere-Owned Dealers

Equipment Physical Damage Insurance

Credit Enhanced International Export Financing

Wholesale Financing of John Deere Dealers

Sales of Retail Notes to John Deere Companies

Financial Regulation

Subjects of Deere Financial Regulation
- Credit Granting and Loan Administration
- Maximum Interest Rates and Finance Charges
- Required Disclosures to Customers and Investors
- Secured Transactions
- Collection, Foreclosure, Repossession, and Other Trade Practices
- Use and Reporting of Borrower Credit Information
- Derivatives Regulation

Subjects of Business Regulation
- U.S. Department of Justice (DOJ) and SEC (Anti-Corruption Regulation)
- U.S. Internal Revenue Service (IRS) (Tax Regulation)
- U.S. Patent and Trademark Office (Intellectual Property Registrations and Renewals)
- U.S. Federal Trade Commission (FTC) and DOJ (Antitrust Regulation)
- U.S. Department of Commerce and Export Agencies (Export Licenses and Regulation)

Business Regulation

JV for the Manufacture of Hydraulic Excavators and Tracked Forestry Equipment in the U.S., Canada, and Brazil

License to Distribute Hitachi Brands of Construction and Mining Equipment in North, Central, and South America

Hitachi Construction Machinery Co.

CONSTRUCTION AND FORESTRY

AGRICULTURE AND TURF

Customers
- Production and Precision Ag
- Large Grain Producers (Corn and Soy)
- Small Grain Producers (Wheat, Oats, Barley)
- Sugar Cane Producers
- Cotton Producers
- Small Ag and Turf
- Dairy Producers and Livestock Ranchers
- High Value Crops Producers
- Commercial Mowing Companies
- Turf and Compact Utility Customers (e.g., Golf Courses)

Service, Repairs and Telematics Solutions
Direct Sales of Turf Equipment
Sales of Production and Precision Ag and Small Ag and Turf Equipment

Distributors and Retailers
- Worldwide Network of Dealers & Distributors
- Lowe's (Lawn and Garden Products)
- Home Depot (Lawn and Garden Products)

Wholesale Sales of Agriculture & Turf Equipment and Vehicles

Supplies of Vehicle Components, Control Systems, Metals, Energy, Plastics, Resins, Filters, Fluids, Sealants, Undercarriage ,and Tools

Operating and Financing Leases of John Deere Equipment and a Limited Amount of Non-Deere Equipment

Retail Customers

Wholesale Sales of Construction and Forestry Equipment

Worldwide Network of Dealers and Distributors (includes Nortrax, Deere's Wholly Owned Subsidiary and Owner of 437 Dealerships)

Sales and Rentals

Service, Repairs and Telematics Solutions

Direct Sales of Roadbuilding Equipment (Non-U.S Markets Only via Wirtgen Group Subsidiary)

Construction and Forestry Customers
- Road Builders
- Construction Companies
- Forestry and Logging Customers

License to Manufacture, Sell, and Distribute Certain Construction and Forestry Equipment in Designated African Territories

Bell Equipment Limited

Key Company Data

Share Information
- NYSE Ticker Symbol: DE
- Earnings Per Share: $8.69
- 2020 Diluted Earnings Per Share: $8.69
- Recent Share Price: $374.37 (3/16/21)
- Forward Annual Dividend: $3.04
- Market Cap.: $117.1B (3/16/21)
- 2020 Dividend: $3.04

Resources
- Total Employees: 69,600
- John Deere Dealers: 1,981 in U.S. and Canada (John Deere-Owned Nortrax Owns 437 Dealer Locations)
- Order Backlog: $8.1B
- Countries of Operations: 100+
- 70 Total Factory Locations (23 in U.S. and Canada)

Financial Highlights

Results of Operations
- Sales: $31.272B
- Cost of Good Sold: $23.677B
- Gross Profit: $11.863B
- Operating Expense: $7.98B
- Net Income: $2.753B

Financial Condition
- Total Assets: $75.091B
- Total Liabilities: $62.147B
- Long-Term Debt: $32.734B
- Total Shareholders' Equity: $12.944B

Net Cash Flows
- From Operations: $7.483B
- From Investing: ($3.319B)
- From Financing: ($980M)

Categories of Facilities
- Headquarters and Key Offices
- Technical Center, Training Centers, Demonstration Areas, and Proving Grounds
- Parts Distribution Centers
- Remanufacturing and Components Facilities
- Manufacturing Facilities

Recent Developments

John Deere has weathered the COVID-19 pandemic and economic downturn with a decline in revenues to $35.54B (down 9%) and net income of $2.75B (down 15%), while maintaining a strong cash balance of over $7.0B. The company achieved first quarter 2021 net income of $1.22B. It also parted ways with 5% of its work force, in line with the trend from other manufacturing companies.

In November 2020, the company won 5G licenses in five counties in Iowa and Illinois in the Federal Communications Commission (FCC) auction for the Citizens Broadband Radio Service (CBRS) 3.5 GHz spectrum. This will accelerate the availability of 5G in Deere's largest U.S. manufacturing facilities.

Component Suppliers

Steel Products (Kondex Corp – Steel Concaves)	Steel and Iron Castings	Forgings	Paint, Coatings & Chemicals (PPG – Paint, Coatings and Chemicals; Crown Group – Coatings Services; Valspar - Coatings)	Electronics	Ready-to-Assemble Components	Fastener Products (Bossard)	Plastics and Packaging (ORBIS – Material Handling Solutions for Reusable Packaging and Waste Reduction)	Logistics Services (EgeTrans; Carousel – European Logistics)	On-Demand Print Management Services (Elanders Americas – Manuals and Kits, End User Literature)	Precision Seals	Rolling, Linear and Plane Bearing Solutions; High Precision Components in Engine, Transmission, and Chassis Applications (Schaeffler)	Motor Graders (Topcon Positioning Systems – SmartGrade Mastless Grade Control System)	Filters and Fluids	Construction Equipment Parts (Undercarriage)	Pivot Equipment Parts (Undercarriage)	Earthworks Project Management (Kespry – Drone-Based Aerial Intelligence)	Ground Engaging Tools	Fuel Systems (DENSO International – G4 Diesel Common Rail Fuel System)	Fluid Transfer Products	Engines (Elgin Industries – Engine and Chassis Components)	Tires and Tracks (Camso – Agricultural Tracks and Track Systems)	Rubber Sealing and Connecting Components

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