



# STRENGTHENING OUR FINANCIAL OUTLOOK

Damon Audia | Chief Financial Officer

## 2026 TARGET



**12%**

Adj. Operating Margin  
at Mid-Cycle

## ANNUAL PERFORMANCE



**4% - 5%**

Above Industry  
Volume Growth

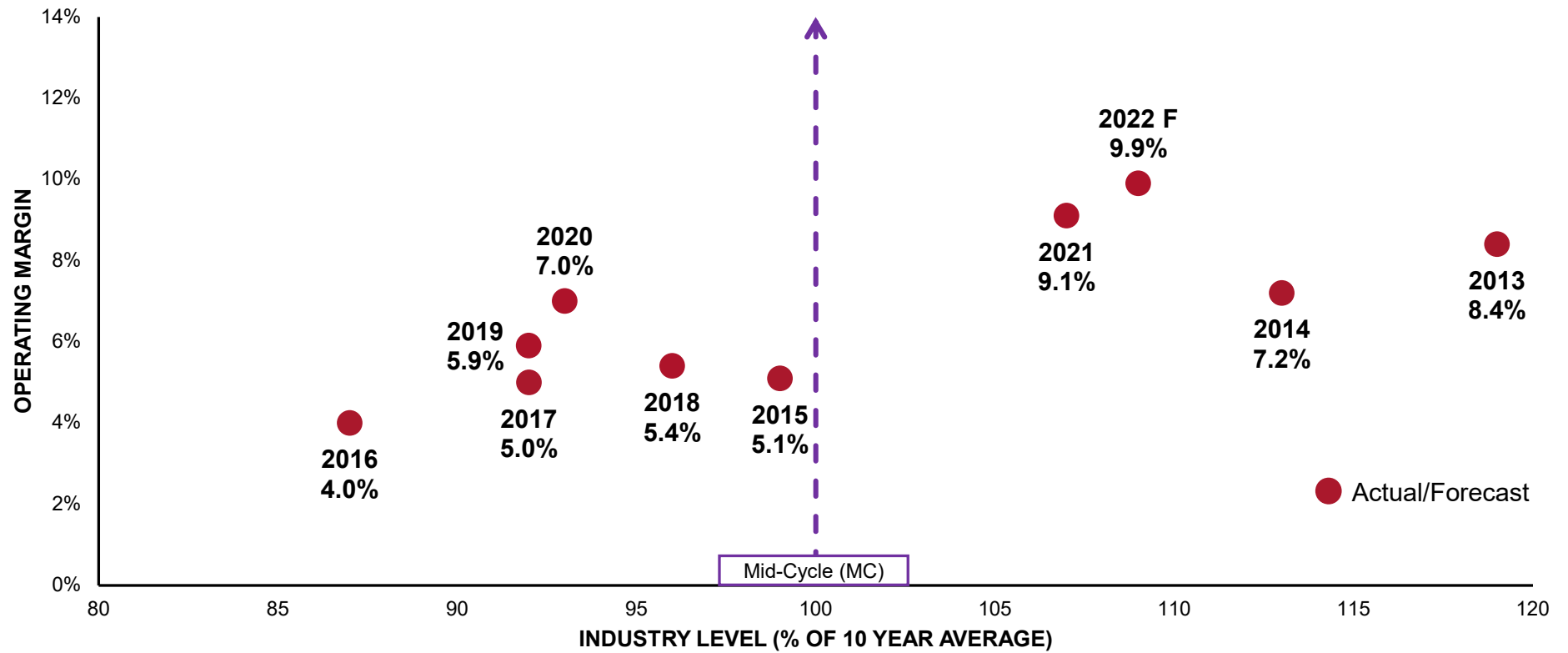


**75% - 100%**

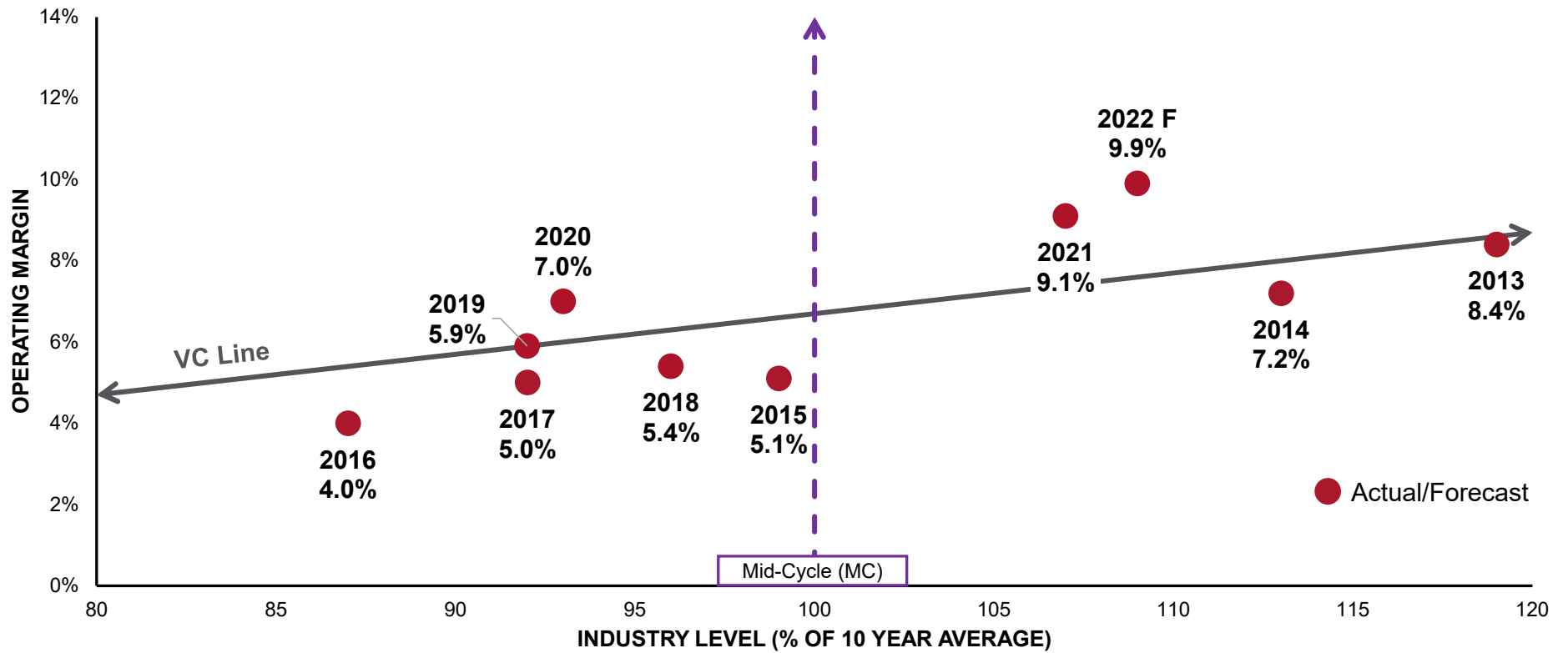
Annual Free Cash  
Flow Conversion<sup>(1)</sup>

# FINANCIAL GOALS

## HISTORICAL OPERATING MARGINS

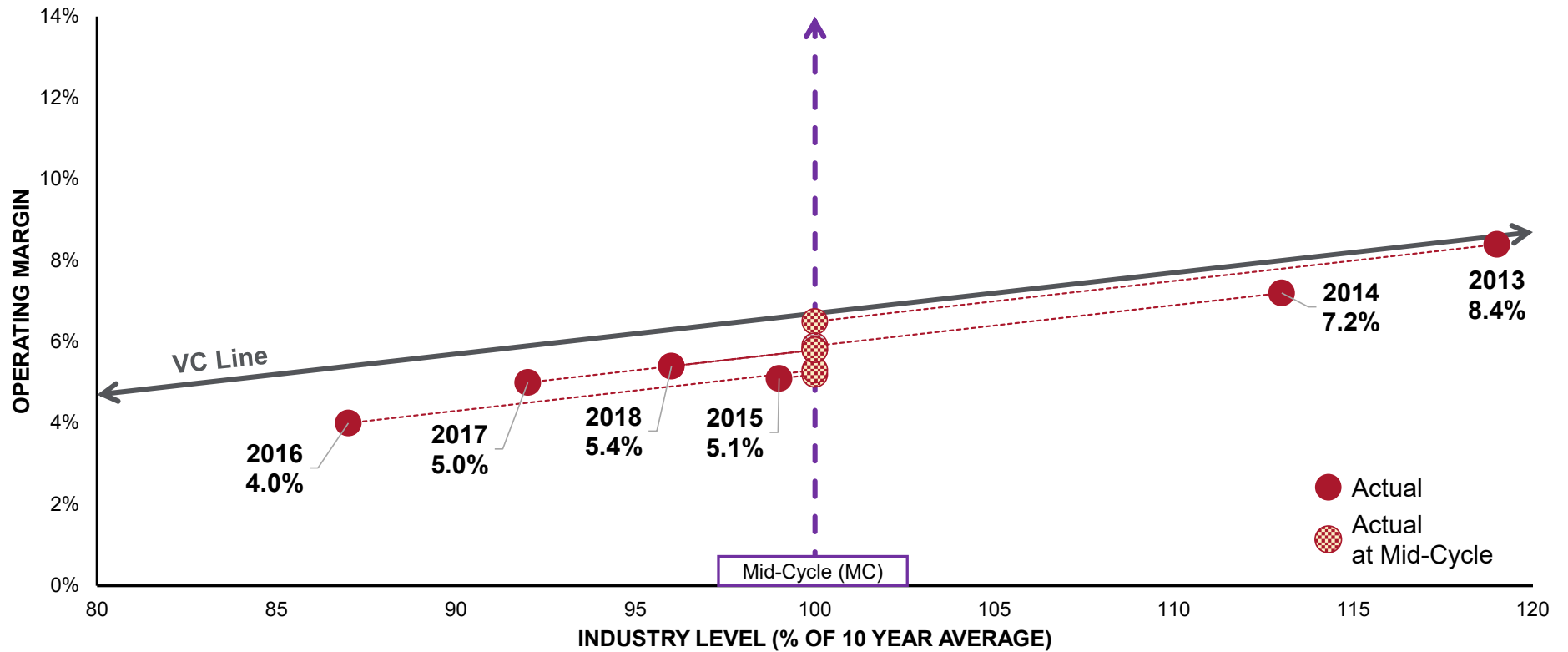


## VALUE CREATION (VC) LINE



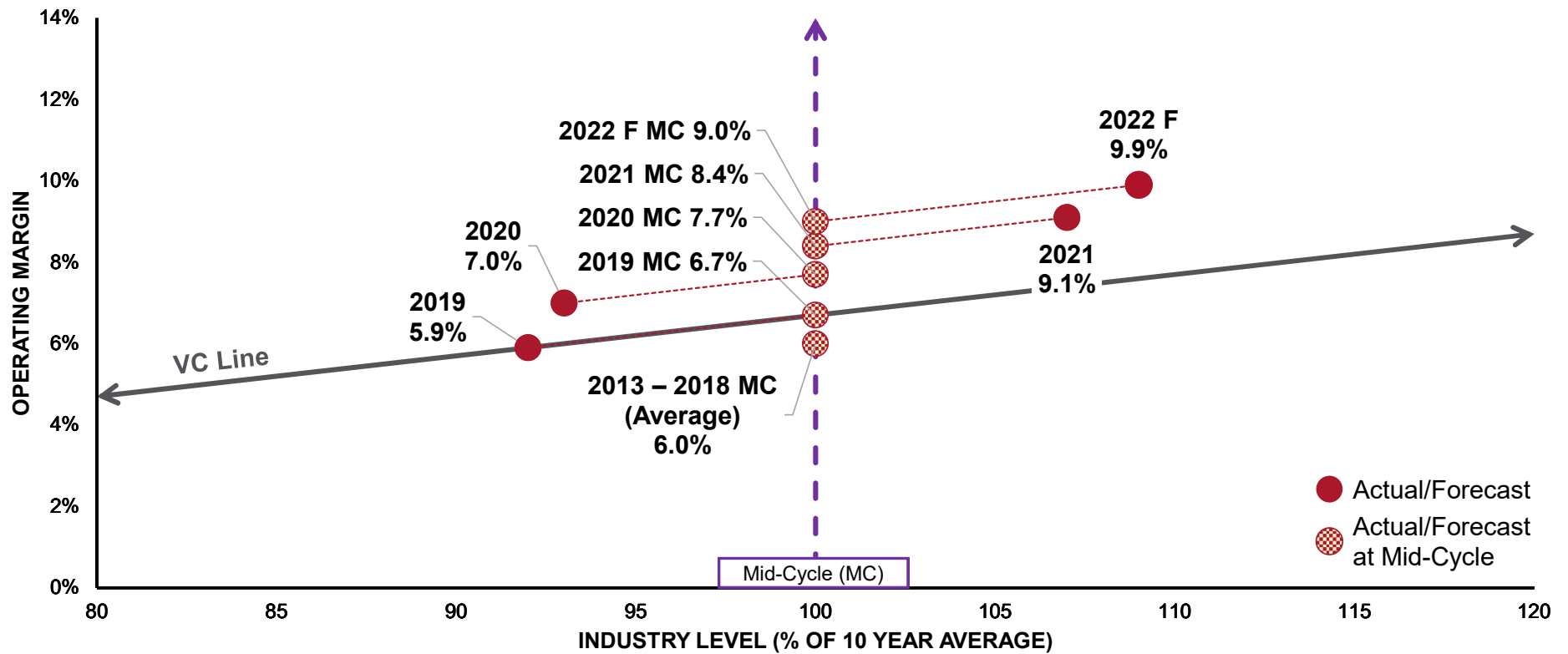
REFLECTS 10-YEAR AVERAGE OPERATING MARGINS ACROSS CYCLES

## MID-CYCLE OPERATING MARGINS 2013-2018



HISTORICAL MID-CYCLE MARGINS RELATIVELY CONSISTENT

## DEMONSTRATED OPERATING MARGIN IMPROVEMENT THROUGH STRATEGY EXECUTION



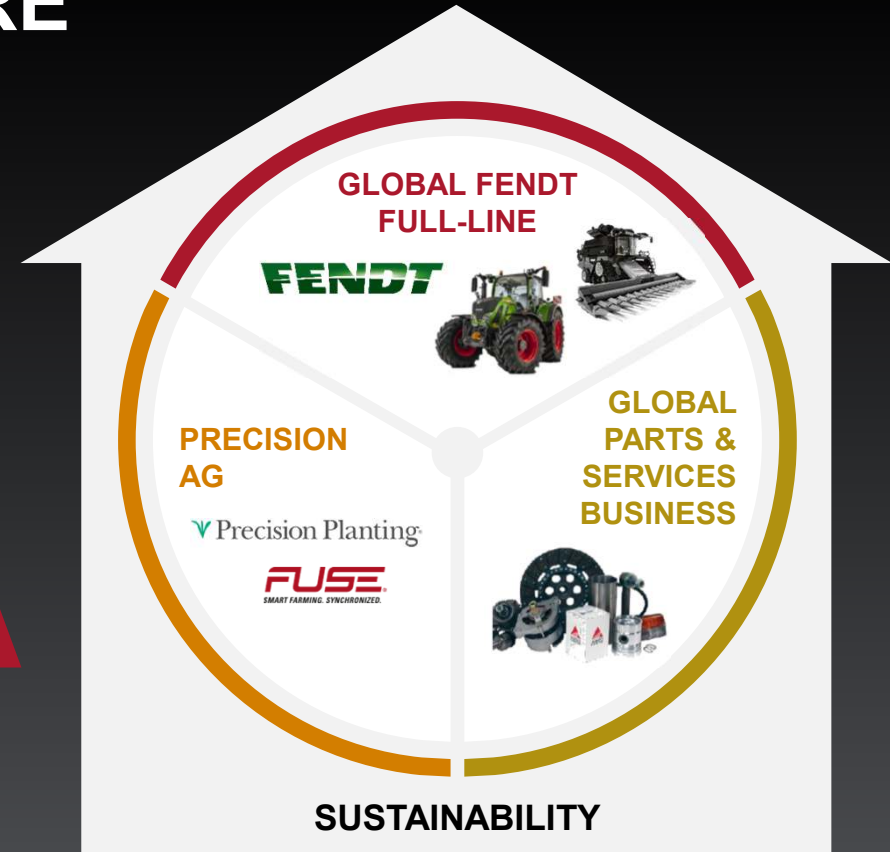
300 BPS MID-CYCLE MARGIN IMPROVEMENT OVER THE LAST 4 YEARS

# REDUCING CYCLE EXPOSURE

Strong Market Positioning and Attractive Strategic Initiatives

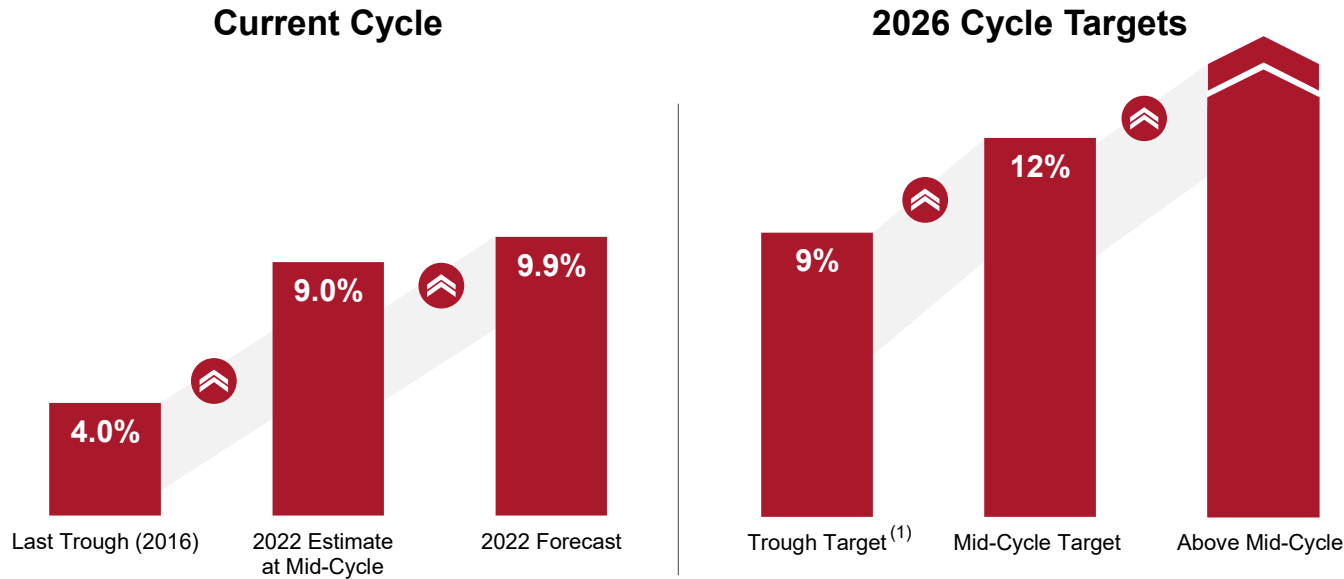
TARGETING 4% - 5% ANNUAL GROWTH ABOVE INDUSTRY

DELIVERING MORE CONSISTENT EARNINGS THROUGHOUT THE CYCLES



# RAISING THE BAR

## Increasing Operating Margins Throughout the Cycle

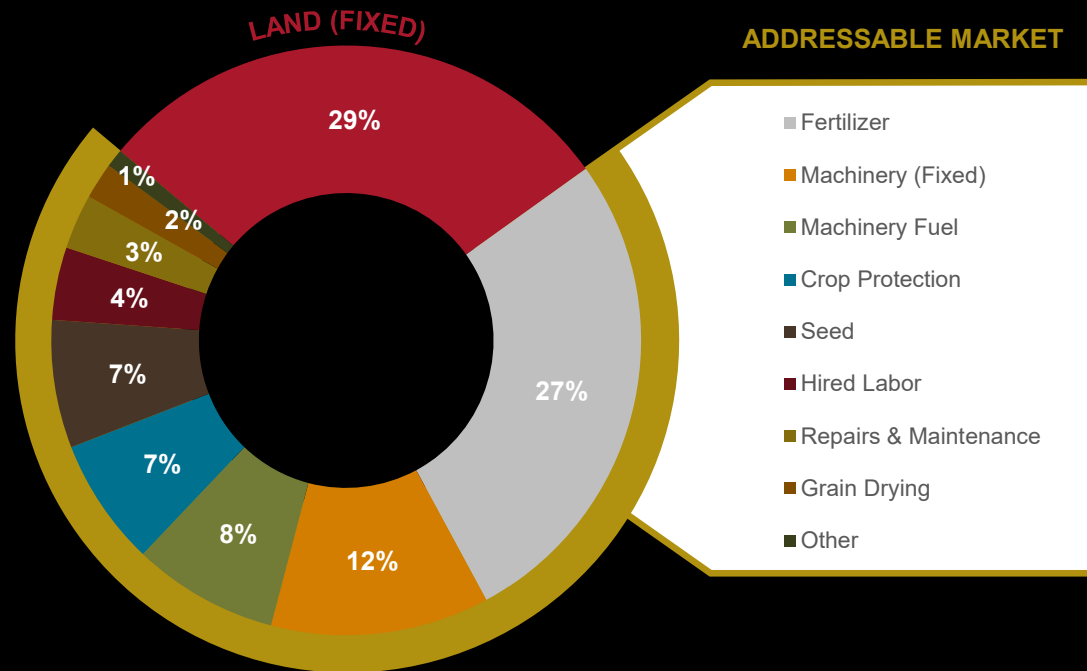


12% OPERATING MARGINS COULD BE ACCELERATED IF INDUSTRY REMAINS ABOVE MID-CYCLE





# FARMER-FIRST FOCUS IS EXPANDING ADDRESSABLE MARKET AND SHARE OF FARMERS' SPEND



# STRONG BALANCE SHEET AND FREE CASH FLOW

## Supports Investment Through the Cycle

### Balanced Capital Allocation Priorities



#### FULLY FUNDED

Engineering and Technology Investment



#### CAPITAL EXPENDITURES

Increasing Capacity while Modernizing Operations



#### ESTABLISHED DIVIDEND

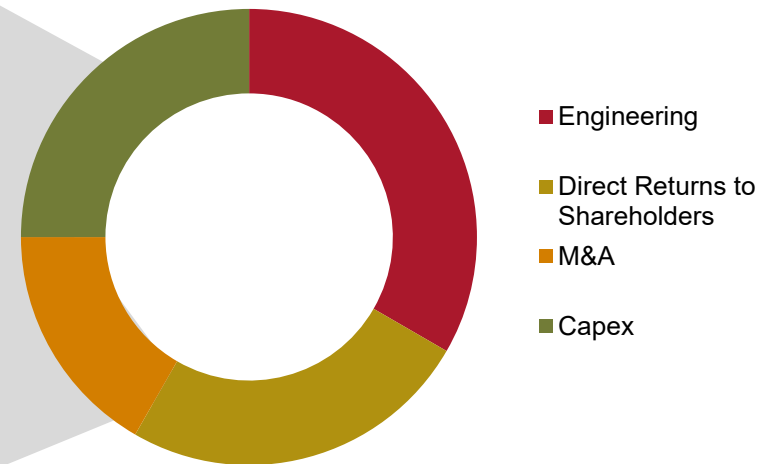
Reflective of Quarterly and Variable Special Dividend



#### STRATEGIC M&A

Focused on Technology Advancements and Portfolio Expansion

~\$3 Billion In Capex, M&A and Direct Returns Over Last 5 Years



INVESTMENT GRADE BALANCE SHEET WITH LIMITED CALLS ON CASH PROVIDE SIGNIFICANT OPPORTUNITY TO CONTINUE GROWTH

# DISCIPLINED CAPITAL ALLOCATION PRIORITIES



Maintain Investment Grade Credit Ratings



Engineering and Capital Investment Supporting Growth Pillars



Opportunistically Seek to Accelerate Technology Product Offerings



Consistent Quarterly Dividends, Special Variable Dividends, and Periodic Share Repurchases



# 2023 GUIDANCE ASSUMPTIONS

## Retail Units End-Market Growth



**North America**

~ Flat



**South America**

**0-5% GROWTH**



**Western Europe**

~ Flat

# A STRONGER BUSINESS WITH ATTRACTIVE GROWTH OPPORTUNITIES

## 2023 Guidance

**~\$14B**  
Net Sales

**~\$13.50**  
EPS

**~\$375M**  
Capex

**75% - 100%**  
Free Cash  
Flow  
Conversion<sup>(1)</sup>

## FINANCIAL GOALS

# STRONG FINANCIAL OUTLOOK

Driving Momentum Throughout the Business

### 2026 TARGET



12%

Adj. Operating Margin at Mid-Cycle

### ANNUAL PERFORMANCE



4% - 5%

Above Industry Volume Growth



75% - 100%

Annual Free Cash Flow Conversion<sup>(1)</sup>

# INVESTMENT THESIS

**LARGEST PURE PLAY FARM EQUIPMENT MANUFACTURER** with Attractive Global Market Position

Proven History of **CONSISTENT STRATEGIC EXECUTION**

Targeted Long-term Strategy **PROPELS GROWTH** and **OPTIMIZES PROFITABILITY**

Leveraged and Enhanced **PRECISION AG** Technology Within Strong Brand Portfolio **DELIVERS SUSTAINABLE AGRICULTURE SOLUTIONS**

**STRONG** Capital Allocation Framework and Consistent Free Cash Flow **GENERATION**



# APPENDIX



## Non-GAAP To GAAP Reconciliation

(In millions, except per share amounts)

	9mo Ended 9/30/2022			2022F		
	Income From Operations	Net Income <sup>(1)</sup>	Net Income Per Share	Income From Operations	Net Income	Net Income Per Share
As reported	\$ 799.6	\$ 567.4	\$ 7.58	\$ 1,284.6	\$ 852.3	\$ 11.43
Impairment of Russian Joint Ventures	36.0	23.8	0.32	36.0	23.8	0.32
Restructuring expenses	4.4	3.1	0.04	4.4	3.1	0.04
Gain on full acquisition of IAS joint venture	-	(3.4)	(0.05)	-	(3.4)	(0.05)
Write-down of investment in Russian Finance joint venture	-	4.8	0.06	-	4.8	0.06
As adjusted	\$ 840.0	\$ 595.6	\$ 7.95	\$ 1,325.0	\$ 880.6	\$ 11.80

## Non-GAAP To GAAP Reconciliation

(In millions, except per share amounts)

	Years Ended December 31,					
	2021			2020		
	Income From Operations	Net Income <sup>(1)</sup>	Net Income Per Share <sup>(1)</sup>	Income From Operations	Net Income <sup>(1)</sup>	Net Income Per Share <sup>(1)</sup>
As reported	\$ 1,001.4	\$ 897.0	\$ 11.85	\$ 599.7	\$ 427.1	\$ 5.65
Goodwill impairment charge	—	—	—	20.0	10.0	0.13
Restructuring expenses	15.3	11.8	0.16	19.7	19.5	0.26
Gain on sale of investment in affiliate	—	—	—	—	(32.5)	(0.43)
Deferred income tax adjustment	—	(123.4)	(1.63)	—	—	—
As adjusted	<u>\$ 1,016.7</u>	<u>\$ 785.4</u>	<u>\$ 10.38</u>	<u>\$ 639.4</u>	<u>\$ 424.2</u>	<u>\$ 5.61</u>

## Non-GAAP To GAAP Reconciliation

(In millions, except per share amounts)

	Years Ended December 31,					
	2019			2018		
	Income From Operations	Net Income <sup>(1)</sup>	Net Income Per Share <sup>(1)</sup>	Income From Operations	Net Income <sup>(1)</sup>	Net Income Per Share
As reported	\$ 348.1	\$ 125.2	\$ 1.63	\$ 489.0	\$ 285.5	\$ 3.58
Impairment charges	176.6	176.6	2.29	—	—	—
Deferred income tax adjustment	—	53.7	0.70	—	—	—
Restructuring expenses	9.0	8.3	0.11	12.0	8.7	0.11
Swiss tax reform	—	(21.8)	(0.28)	—	—	—
Extinguishment of debt	—	—	—	—	24.4	0.31
U.S. tax reform	—	—	—	—	(8.5)	(0.11)
As adjusted	\$ 533.7	\$ 341.9	\$ 4.44	\$ 501.0	\$ 310.2	\$ 3.89

## Non-GAAP To GAAP Reconciliation

(In millions, except per share amounts)

	Years Ended December 31,					
	2017			2016		
	Income From Operations	Net Income	Net Income Per Share	Income From Operations	Net Income	Net Income Per Share
As reported	\$ 403.3	\$ 186.4	\$ 2.32	\$ 288.4	\$ 160.1	\$ 1.96
Restructuring expenses	11.2	8.8	0.11	11.9	9.9	0.12
Non-cash expense related to waived stock compensation	4.8	4.8	0.06	—	—	—
Deferred income tax adjustment	—	—	—	—	31.6	0.39
U.S. tax reform	—	42.0	0.52	—	—	—
As adjusted	\$ 419.3	\$ 242.0	\$ 3.02	\$ 300.3	\$ 201.6	\$ 2.47

## Non-GAAP To GAAP Reconciliation

(In millions, except per share amounts)

	Years Ended December 31,					
	2015			2014		
	Income From Operations	Net Income <sup>(1)</sup>	Earnings Per Share <sup>(1)</sup>	Income From Operations	Net Income <sup>(1)</sup>	Earnings Per Share <sup>(1)</sup>
As adjusted	\$ 383.4	\$ 282.5	\$ 3.24	\$ 692.9	\$ 442.6	\$ 4.70
Restructuring and other infrequent expenses	22.3	16.1	0.18	46.4	32.2	0.34
As reported	\$ 361.1	\$ 266.4	\$ 3.06	\$ 646.5	\$ 410.4	\$ 4.36

## Non-GAAP To GAAP Reconciliation

(In millions, except per share amounts)

	Years ended December 31,					
	2013			2012		
	Income From Operations	Net Income <sup>(1)</sup>	Net Income Per Share <sup>(1)</sup>	Income From Operations	Net Income <sup>(1)</sup>	Net Income Per Share <sup>(1)</sup>
As adjusted	\$ 900.7	\$ 597.2	\$ 6.01	\$ 715.6	\$ 517.6	\$ 5.25
Tax adjustments	—	—	—	—	(26.9)	(0.27)
Impairment charge	—	—	—	22.4	22.4	0.22
As reported	\$ 900.7	\$ 597.2	\$ 6.01	\$ 693.2	\$ 522.1	\$ 5.30

# Non-GAAP To GAAP Reconciliation

Free Cash Flow

\$M

	Nine months ended	
	<u>2021</u>	<u>9/30/2022</u>
Free Cash Flow:		
Operating Cash Flow	660	(295)
Less: Capital Expenditures	<u>(270)</u>	<u>(271)</u>
Free Cash Flow	<u>390</u>	<u>(566)</u>
Adjusted Net Income	785	596
Annual Free Cash Flow Conversion	50%	-95%

Note: Free cash flow is defined as net cash (used in) provided by operating activities less capital expenditures.