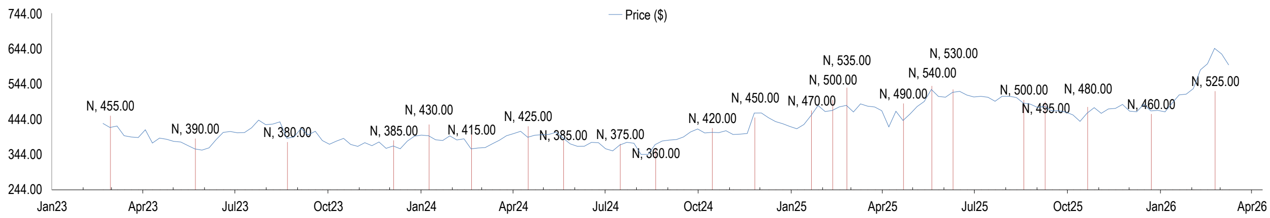
Deere & Co.

13 March 2026

Equity Research

Recommendation	Price Target	PT End Date	Price	Upside/Downside to PT
Neutral	$525.00	31-Dec-26	$577.50	-9.1%

Deere & Company manufactures and distributes a range of agricultural, construction, forestry, and commercial and consumer equipment. The Company supplies replacement parts for its own products and for those of other manufacturers. Deere also provides product and parts financing services. Deere and Company extends its services and products worldwide.



Note: All analysts forecasts are as of last note published on 04-Mar-2026

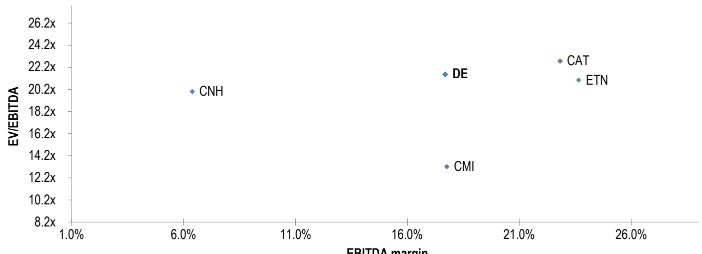
The Upside/Downside to PT is calculated based on the previous day's closing price which is quoted above.

Source: Bloomberg Finance L.P., World Trade estimates.

Key Financials ($mn, year end Oct)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	46,360	40,257	42,565	46,028	49,178
EBITDA	10,053	6,765	7,530	8,451	9,692
EBIT	8,833	5,485	6,330	7,251	8,442
Pretax Income	8,308	5,145	6,007	6,944	8,147
Net Profit	7,100	5,027	5,325	6,241	7,251
Total Assets	39,205	42,859	45,395	48,362	51,136
Shareholder Equity	15,471	18,938	21,722	23,935	25,686
Adjusted Net Debt/(Cash)	1,776	2,614	(1,183)	(3,325)	(4,946)
Capex	(1,636)	(1,358)	(1,400)	(1,470)	(1,544)
Free Cash Flow to firm	5,575	4,039	4,079	6,470	7,510
EPS ($)	25.63	18.51	19.76	23.44	27.73
DPS ($)	5.88	6.33	6.60	6.76	6.92
Key Ratios	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
EBITDA Margin	21.7%	16.8%	17.7%	18.4%	19.7%
EBIT Margin	19.1%	13.6%	14.9%	15.8%	17.2%
Net Margin	15.3%	12.5%	12.5%	13.6%	14.7%
Payout Ratio	22.9%	34.2%	33.4%	28.8%	25.0%
Net Debt/Equity (excl MI)	11.5%	13.8%	NM	NM	NM
FCF Yield	3.5%	2.6%	2.6%	4.2%	5.0%
P/E	22.5x	31.2x	29.2x	24.6x	20.8x
EV/EBITDA	16.4x	24.6x	21.6x	19.0x	16.4x
ROE	46.9%	29.2%	26.2%	27.3%	29.2%

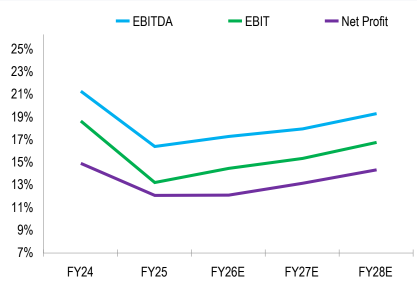
Source: Company data, Bloomberg Finance L.P., World Trade estimates.

Peer Valuation Chart FY26



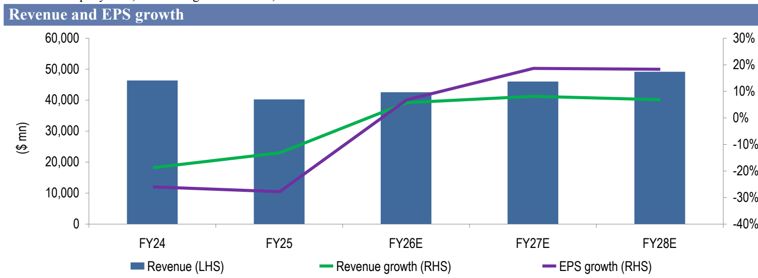
Source: Company data, Bloomberg Finance L.P., World Trade estimates.

Margin Analysis (DE)



Source: Company data, World Trade estimates.

Revenue and EPS growth



Source: Company data, World Trade estimates.

Company Data

Market Cap (USDmn)	159,203
Shares O/S (mn)	276
Float	92.5%
Dividend Yield	1.1%
EPS ($)	19.76
3M - Avg daily volume (mn)	1.60
52 wk High/Low ($)	674.19-404.42

WTS EPS Estimate		BBG EPS Estimate	
FY26E	FY27E	FY26E	FY27E
19.76	23.44	17.83	22.90

Source: Company data, Bloomberg Finance L.P., World Trade estimates.

Peer Valuation Analysis	Ticker	Fiscal Year End	Last Note Published	Rating	Price Target	Mkt Cap ($mn)	EV/EBITDA		P/BV		P/E		ROE	
Local peers							FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Caterpillar Inc.	CAT	2025/12	04-Mar-26	OW	$860.00	351,853	22.8x	19.7x	16.1x	13.8x	30.2x	24.5x	56.7%	59.6%
CNH Industrial	CNH	2025/12	04-Mar-26	UW	$9.50	13,419	20.0x	16.4x	2.6x	2.6x	26.8x	19.0x	9.9%	13.8%
Cummins Inc	CMI	2025/12	04-Mar-26	N	$600.00	74,196	13.2x	11.7x	5.2x	4.4x	21.0x	18.2x	26.6%	26.1%
Eaton	ETN	2025/12	04-Feb-26	OW	$406.00	141,769	21.0x	18.4x	6.2x	5.3x	26.5x	23.1x	24.9%	24.8%
Global peers														
Deere & Co.	**DE**	**2025/10**	**04-Mar-26**	**N**	**$525.00**	**159,203**	**21.6x**	**19.0x**	**7.2x**	**6.4x**	**29.2x**	**24.6x**	**26.2%**	**27.3%**
Median							21.0x	18.4x	6.2x	5.3x	26.8x	23.1x	26.2%	26.1%
Mean							19.7x	17.0x	7.4x	6.5x	26.8x	21.9x	28.9%	30.3%
High							22.8x	19.7x	16.1x	13.8x	30.2x	24.6x	56.7%	59.6%
Low							13.2x	11.7x	2.6x	2.6x	21.0x	18.2x	9.9%	13.8%

Source: Company data, World Trade estimates.

WORLD TRADE SECURITIES

13 March 2026

Equity Research

Investment Thesis

We expect another down year in North America large ag in 2026. Hence, our estimates remain below consensus for both FY25 and FY26. Overall, with DE trading at 4-5x above the smaller peers, we view the risk/reward as evenly balanced at current valuation.

Valuation

Our Dec-26 PT of $525 is based on ~22x FY1 PE, roughly in line with the S&P.

DE Valuation Matrix	FY'24	FY'25	FY'26E	FY'27E
Consolidated EPS	$25.63	$18.51	$19.76	$23.44
PE	26.3x	36.4x	34.1x	28.7x
Equipment EBITDA ($MM)	10,053	6,765	7,530	8,451
EV/EBITDA	18.6x	27.6x	24.8x	22.1x
Price Target			**$525**	
PE	20.5x	28.4x	26.6x	22.4x
PEG	-0.8x	-1.0x	3.9x	1.2x
EV/EBITDA	13.9x	20.7x	18.6x	16.5x
Upside/(Downside) to Target Price			**-22%**	

	FY'24	FY'25	FY'26E	FY'27E
Equipment Free Cash Flow ($MM)	5,269	3,742	3,806	6,198
Equipment Free Cash Flow / Share	$19.02	$13.78	$14.12	$23.28
Current Free Cash Flow Yield	2.8%	2.0%	2.1%	3.5%
Discount / Premium to Avg SPX FCF Yield (since 2008)	-2.2%	-3.0%	-2.9%	-1.5%
FY1 FCF Yield at Target Price			**4.4%**	
DE's Avg FCF Yield since 2008			5.0%	

Company reports, Bloomberg Finance L.P., World Trade estimates

Risks to Rating and Price Target

Upside risks. An increase in crop prices may lead to an upward revision to expected farmer profitability, which may limit the downturn in ag equipment. Additionally, the company continues to grow its precision agriculture capabilities, which, under a SaaS model, could help to dampen the cyclicality of earnings and result in a further re-rating of the stock.

Downside risks. In the near term, weakening demand may deepen the downside to production in the ag segment. As US farm profit margins compress from record levels and grain prices moderate, weakness in demand may persist beyond 2024.