**Titan Machinery**

10-K – 2023 Notes

* We believe there are many factors that influence demand for agricultural equipment, parts, and repair and maintenance services, including net farm income, commodity markets, production yields, tariffs and trade policies, interest rates, government policies, European Union subvention funds and individual European country subsidies, tax policies, local growing conditions, and general economic conditions.
* 2018 Farm Bill and its subsequent extensions, attempts to stabilize the agriculture industry through various policies including:
  + Commodity programs consisting of direct, counter-cyclical and price support payments to farmers.
  + Conservation programs.
  + Crop insurance programs.
  + Disaster relief programs.
* Growth strategies:
  + Same store sales and market share.
  + Strategic acquisition.
* Floorplan financing is important factor in financial results:
  + Provided by CNH Industrial Capital.
  + Variable interest rates based on prime.
    - 4 month interest free on new and used.
  + $275M wholesale floorplan from Bank Syndicate Agreement
  + $80M Credit facility from DLL Finance.
  + Always additional opportunities.
    - My question is, why would CNH Industrial never be enough?
* Competition:
  + Multi-location, regional operators.
    - RDO Equipment Co.
    - Butler Machinery Co.
    - Zieler Inc.
    - Brandt Holdints Co.
    - Wagner Equipment Co.
    - 21st Century Equipment, LLC
    - AKRS Equipment Solutions, Inc.
    - C&B Operations, LLC
    - Van Wall Equipment, Inc.
  + Brands: Deere, Caterpillar, Kubota, AGCO
  + Potential impacts:
    - Aggressive pricing competition by dealers/manufacturers.
    - Ability to get higher margins on service based on quality and reputation.
    - Attract new and retain customers.
* Risk Factors
  + Reliance on CNH Industrial as equip and parts inventory supplier.