



# AGCO to Acquire Trimble Ag Assets and Technologies Through a Joint Venture Focused on Next-Generation Precision Ag Technology

September 28th, 2023



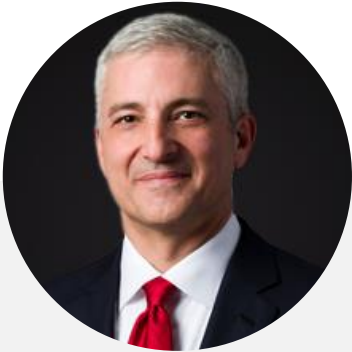
# Legal Disclaimer

---

Forward-looking statements in this presentation, including statements about the transaction and our strategic plans as well as synergies, growth in revenue and EBITDA, accretion of the transaction to growth, margin and earnings, and our ability to close the transaction and the timing of the closing, are subject to risks that could cause actual results to differ materially from those suggested by the statements. These risks include, but are not limited to, adverse developments in the agricultural industry, including those resulting from COVID-19, supply chain disruption, inflation, weather, commodity prices, changes in product demand, interruptions in supply of parts and products, difficulties in integrating the Trimble Ag businesses in a manner that produces the expected financial results, reactions by customers and competitors to the transaction, including the rate at which Trimble Ag's largest OEM customer reduces purchases of Trimble Ag equipment and the rate of replacement by the Joint Venture of those sales, and adverse changes in the financial and foreign exchange markets, including increases in interest rates. Actual results could differ materially from those suggested in these statements. Further information concerning these and other risks is included in AGCO's filings with the SEC, including its Form 10-K for the year ended December 31, 2022 and subsequent Form 10-Q filings. AGCO disclaims any obligation to update any forward-looking statements except as required by law.

# Today's Participants

---



**Eric Hansotia**

Chairman, President  
and Chief Executive  
Officer



**Damon Audia**

Chief Financial  
Officer



**Rob Painter**

President and Chief  
Executive Officer

# Landmark Transaction Further Transforming AGCO

## Advances Farmer-First Technology Strategy

- AGCO has agreed to acquire an 85% interest in Trimble's portfolio of Ag assets and technologies through a joint venture that will create a market leading mixed-fleet focused Precision Ag platform
- Joint venture to be exclusive provider of Trimble Ag's comprehensive technology offering and will support future development and distribution of next-gen Ag technologies
- Multi-prong channel strategy across Trimble Ag, AGCO OEM & Aftermarket, other OEMs, and Precision Planting dealers designed to drive outsized growth and meaningfully expand the global market opportunity
- Transaction enhances AGCO's innovation and technology ambitions around guidance autonomy, precision spraying, connected farm, data management and sustainability
- Strong cultural alignment and vision between both organizations and experienced technology talent base from Trimble to join the joint venture
- **Transformational transaction will create a market leader in mixed-fleet Precision Ag solutions and accelerate disruptive technologies across the crop cycle to address farmers' needs of tomorrow**

***AGCO and Trimble to create a joint venture to form a market leading mixed-fleet focused Precision Ag platform***

***Transaction significantly enhances AGCO's technology offering***

***Accretive to AGCO's revenue growth, operating margin profile and earnings per share in the first full year post-close***

# Trimble Ag is A Leading Precision Ag Provider Globally

Trimble Ag Has Been an Ag Market Innovator Since 1978



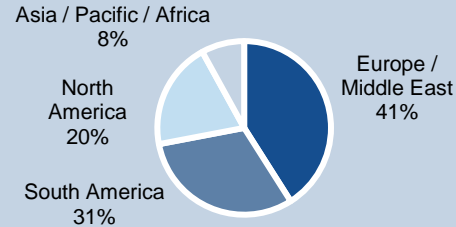
HQ: Westminster, CO

- Trimble and its global network of dealers designs, engineers, and distributes market-leading Precision Ag hardware, software, and cloud-based platforms that are **designed to meet the needs of farmers around the world**
- With greater precision, farmers are able to use their resources more efficiently while producing a **safe, reliable food supply in a profitable and environmentally sustainable manner**

## Complete Precision Ag Solution

- Trimble Ag offers a **wide variety of user-friendly technologies** compatible across brands, equipment models and farm types
- Solutions **span all aspects of the crop cycle**, from land preparation to planting and seeding to harvest
- From hardware to software to cloud-based applications, Trimble products **maximize productivity and profitability while optimizing accuracy and efficiency**

## Global Market Presence



- **70+** Countries
- **>2,400** Independent Distribution Points
- **>125 Million** Acres Covered Using Trimble Ag Software

## High Quality, Engineering Focused Team

**~900**

Trimble Employees to Join the JV

Role	Number
Engineering & Software Development	~260
Operations & Product Management	~340
Customer Support & Other	~160
HQ, Sales & Admin	~140

## Compelling Financial Profile

### 2023E Financials

\$M

~\$535

Revenue

EBITDA Margin

~32%

~\$170

EBITDA

# Trimble Ag Solutions Cover the Entire Crop Production Cycle

Innovative Precision Ag Solutions Solving Complex Technology Challenges Across the Entire Farm Ecosystem

## Trimble Ag Core Product Offerings...

### Displays



- Accurately covers entire field without skips or overlaps while monitoring and mapping activities in real-time

### Steering Motors



- Delivers added precision to planters, specialty harvesters and other equipment

### Application Control



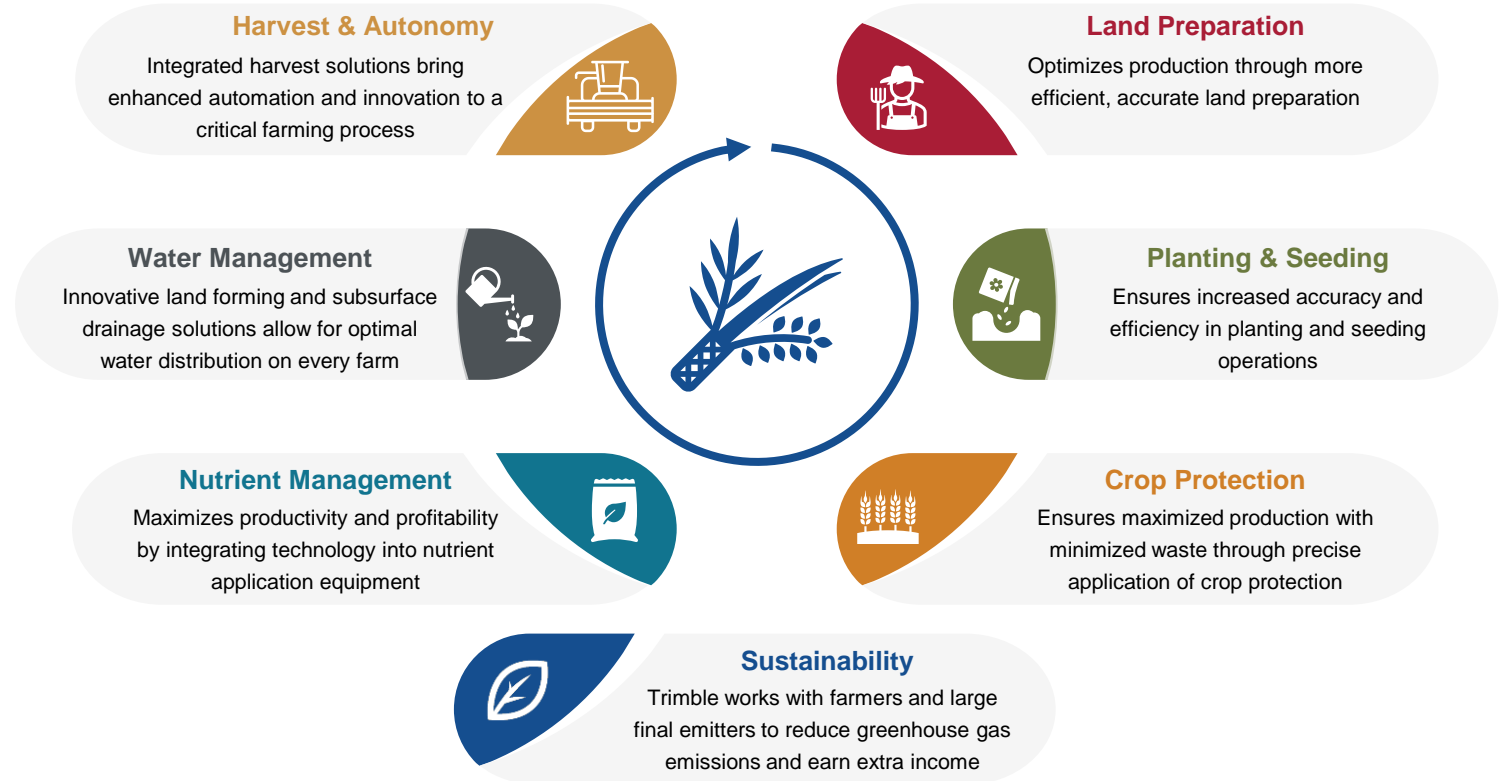
- Precisely applies inputs only where needed and monitors seeding information and fertilizer delivery in real-time

### Software



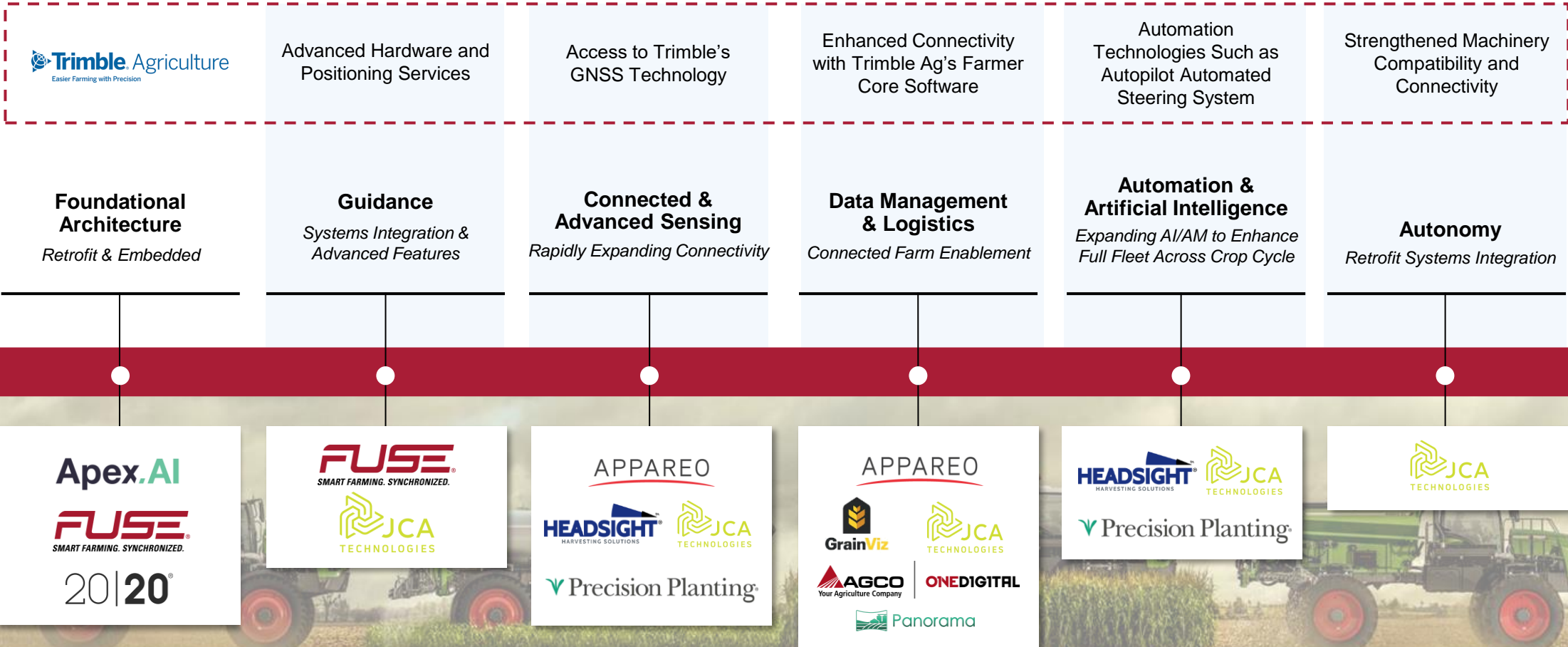
- Farm Management Software that leverages Precision Ag data, vehicle location and statistics

## ...Connect Every Corner of the Farm Across the Crop Cycle



# Transaction Significantly Strengthens AGCO's Tech Transformation

Joint Venture Amplifies AGCO's Significant Organic and Inorganic AgTech Investments





# Trimble Ag and AGCO Combination Provides an Industry-Leading Suite of Advanced Technology Solutions for Farmers Around the World

Joint Venture Will Have Complete Suite of Mixed-Fleet Retrofit Offerings



*Marrying  
two complementary  
tech stacks to further  
expand AGCO's  
mixed-fleet solutions  
throughout the  
crop cycle*

*10,000+  
equipment  
models  
supported*

*Vastly expands  
AGCO's solutions  
and reach to  
farmers*



# Leveraging the Power of AGCO's Global Channel Access

Joint Venture Growth is Magnified via AGCO's Three Distinct Customer Channels



AGCO Channels			Trimble Ag Channels		
		Description			Description
OE-FUSE	OEM	<ul style="list-style-type: none"> <li>Large, multi-location dealerships focused on sales of new equipment with factory-installed technology</li> </ul>	Trimble OEM	OEM	<ul style="list-style-type: none"> <li>Partnerships with large, multi-location equipment manufacturers</li> <li>Includes Mueller and Bilberry</li> </ul>
	Aftermarket	<ul style="list-style-type: none"> <li>Dealer-installed technology solutions that enable recurring touchpoints with the farmer for mixed and aging fleets</li> </ul>		Vantage	<ul style="list-style-type: none"> <li>Value-added resellers and distributors that provide the full Trimble Ag portfolio to retail outlets and farmers</li> </ul>
Precision Planting	Retrofit	<ul style="list-style-type: none"> <li>Small-to-medium size dealers that sell multiple products and services and serve as trusted advisors to farmers</li> </ul>	Trimble Aftermarket	Retail Outlets	<ul style="list-style-type: none"> <li>Small-to-medium size, strategically-located, dealers</li> </ul>

*AGCO's multi-channel access will drive outsized growth for the joint venture*

*Will provide access to next-generation technologies to even more farmers around the world*

*Key lever for the joint venture to achieve ~2x EBITDA growth by Year 5*

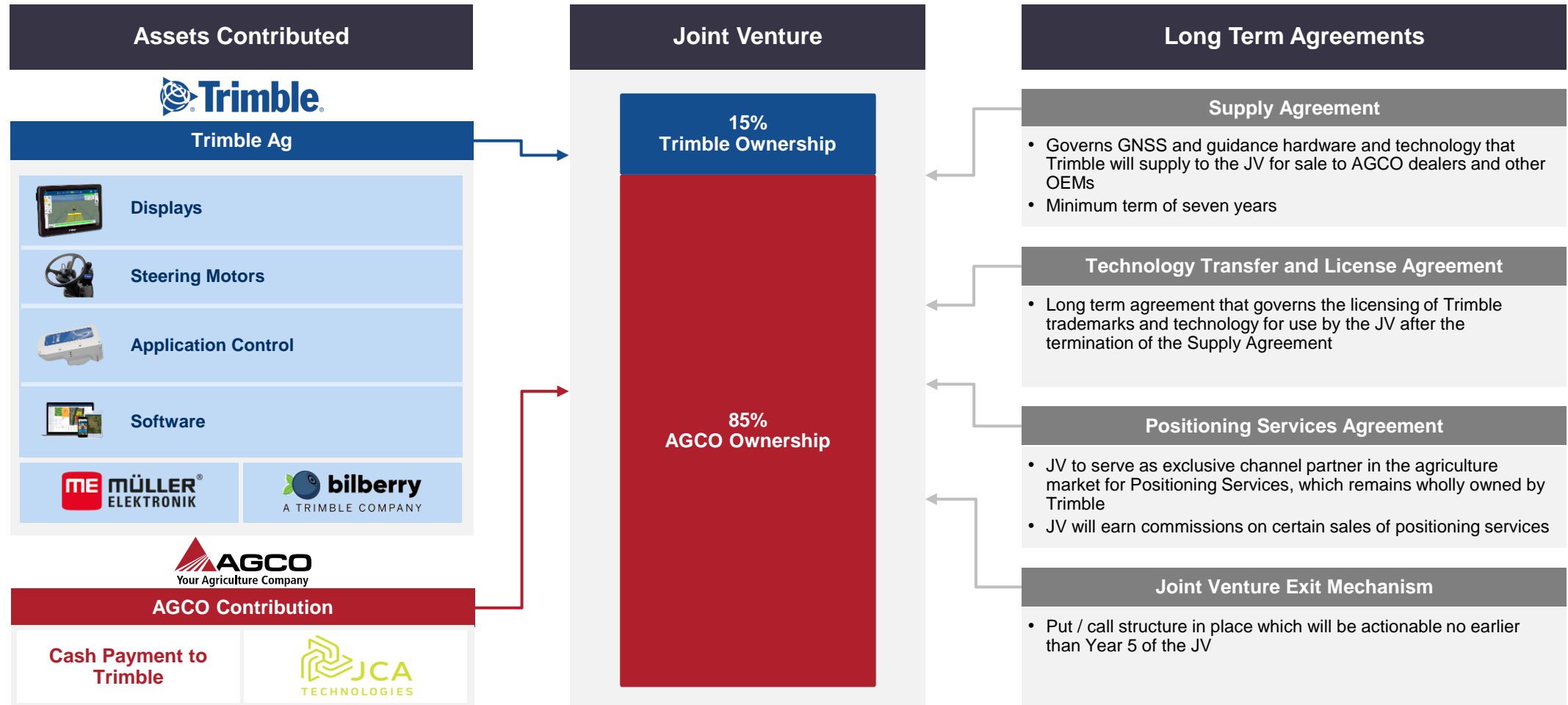
# Transaction Summary & Key Highlights

<b>Purchase Price &amp; Transaction Structure</b>	<ul style="list-style-type: none"><li>• AGCO to pay Trimble \$2.0 billion and contribute JCA Technologies for 85% ownership of the joint venture</li><li>• Trimble to contribute its portfolio of Ag assets and technologies and provide exclusivity in Ag markets globally to the joint venture; Trimble to retain 15% ownership in the joint venture</li><li>• Purchase price for the Trimble Ag business represents an implied enterprise value of approximately \$2.35 billion and implies a transaction multiple of approximately 13.8x based on 2023E EBITDA of approximately \$170 million</li><li>• Significant opportunity exists to drive commercial synergies in the JV resulting from direct access to AGCO's global OEM, aftermarket, other OEM, and retrofit channels in addition to modest run-rate cost synergies</li><li>• Inclusive of estimated revenue and run-rate cost synergies of \$100 million by Year 3 and the net present value of tax attributes in excess of \$50 million, the synergized multiple is approximately 8.5x on a 2023E basis</li><li>• Transition Services Agreement, Supply Agreement, Technology Transfer and License Agreement, Positioning Services Agreement and Year 5 exit option mechanism are part of the transaction</li></ul>
<b>Financial Impact &amp; Synergy Opportunity</b>	<ul style="list-style-type: none"><li>• Financial results of the joint venture will be consolidated into AGCO's financial statements</li><li>• Acquisition expected to be accretive to AGCO's revenue growth, operating margin profile, and earnings per share in the first full year post-close; transaction is expected to deliver a ROIC of approximately 10% by Year 5 following close <sup>(1)</sup></li></ul>
<b>Consideration &amp; Financing</b>	<ul style="list-style-type: none"><li>• Transaction supported by a fully-committed bridge facility</li><li>• Expect to fund the transaction with existing liquidity, free cash flow generation and new debt</li><li>• AGCO remains committed to maintaining its solid investment grade credit ratings</li></ul>
<b>Timing</b>	<ul style="list-style-type: none"><li>• Anticipated closing in the first half of 2024</li><li>• Transaction is subject to regulatory approval and customary closing conditions</li></ul>
<b>AGCO Portfolio</b>	<ul style="list-style-type: none"><li>• AGCO's Grain &amp; Protein business to be placed under strategic review</li></ul>

**Note:**

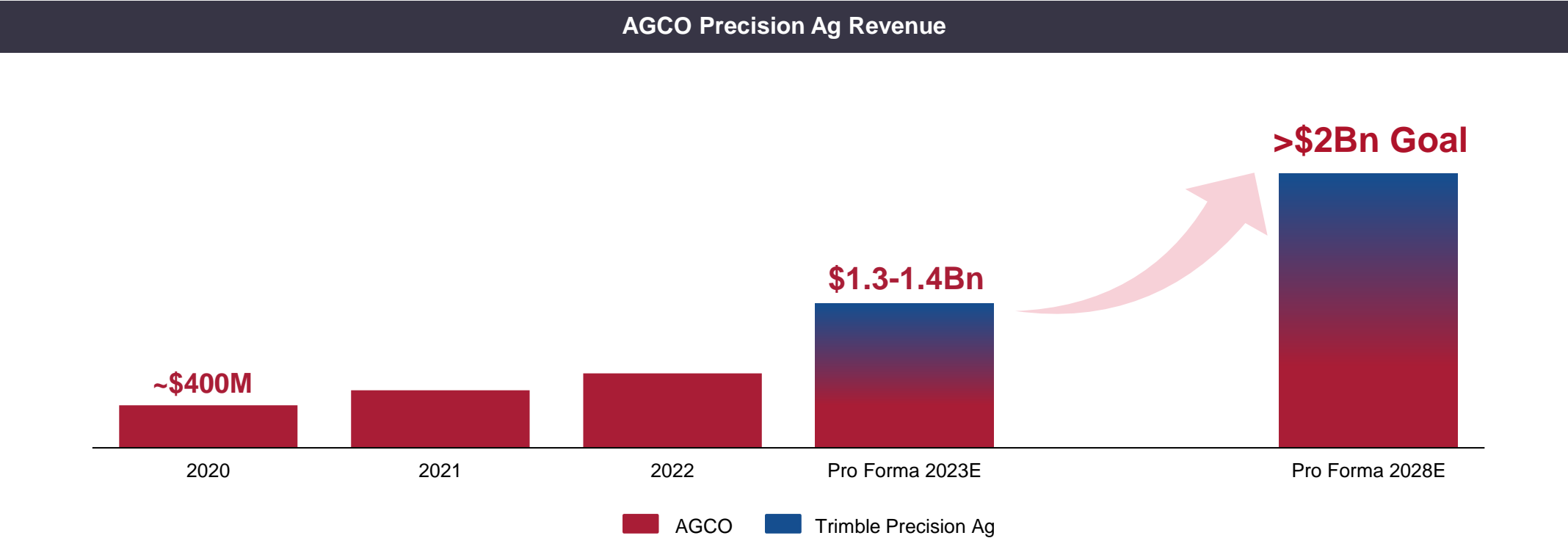
1. ROIC defined as synergized NOPAT / Total Enterprise Value of \$2.35 billion plus integration and transaction expenses

# Overview of the Joint Venture Structure



# Combination Drives Outsized Precision Ag Revenue Growth for AGCO

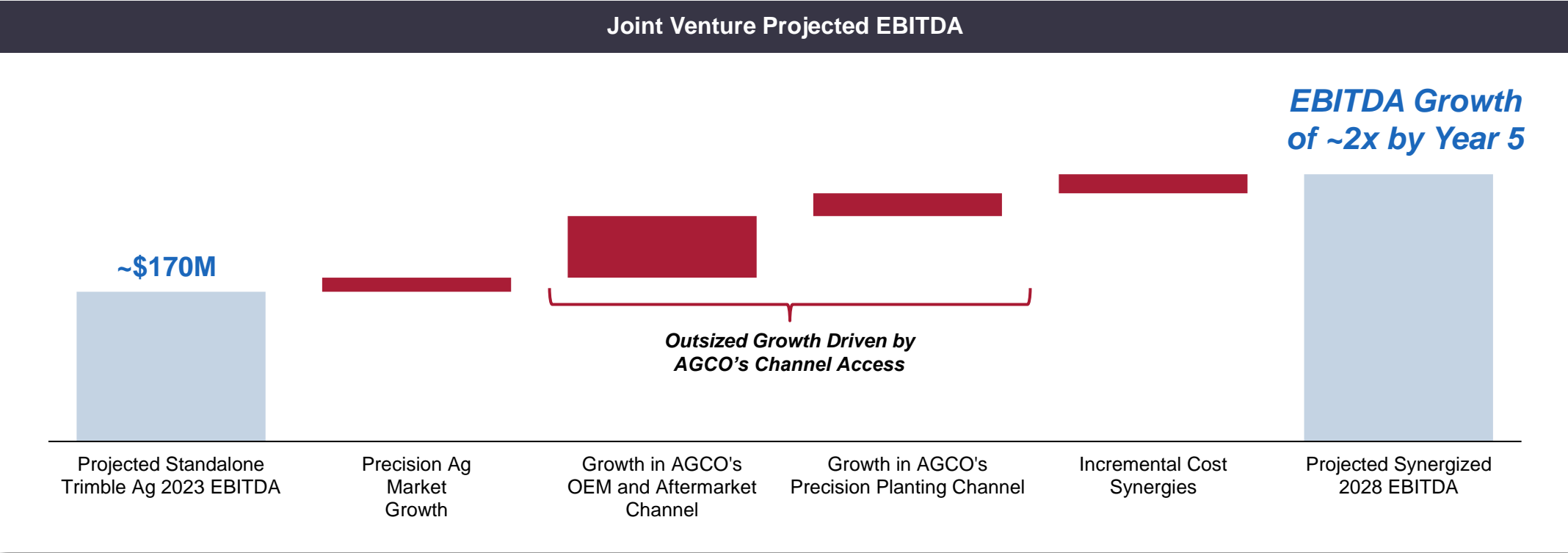
Pro Forma Precision Ag Revenue is Now Expected to Exceed \$2.0 Billion by 2028







# AGCO Channels to Accelerate the Joint Venture's EBITDA Growth

Joint Venture Projected EBITDA Expected to Grow by ~2x by 2028



# Joint Venture's Technologies Are at the Heart of Sustainability of the Farm

AGCO is Committed to Accelerating Progress By Integrating Sustainability into the Design, Manufacturing and Distribution of Smart Agricultural Solutions Across the Entire Value Chain

AGCO's Sustainability Objectives	Joint Venture Effect
 Facilitating the Path to Global Food Security	<ul style="list-style-type: none"><li>JV technology will support the farmer in generating higher yields to meet the global food challenge, while better utilizing inputs like fuel, seed, fertilizer, water and others</li></ul>
 CO <sub>2</sub> Reduction	<ul style="list-style-type: none"><li>JV technology will assist businesses in achieving their net zero goals by connecting them with farmers to champion and fund sustainable agriculture</li></ul>

# Transaction Accelerates AGCO's Strategic Transformation

Joint Venture Will Become A Market Leading Global Mixed-Fleet Precision Ag Business



- ✓ Creates a market leading mixed-fleet Precision Ag platform – transforming AGCO's technology stack and customer offering
- ✓ Enhances AGCO's comprehensive technology offering around guidance, autonomy, precision spraying, connected farming, data management and sustainability
- ✓ Creates outsized commercial opportunity to be realized by leveraging the power of AGCO's multi-channel access alongside existing Trimble channels to market
- ✓ Well aligned with AGCO's long-term sustainability objectives and ambitions
- ✓ High growth, high margin and high free cash flow generative business
- ✓ AGCO's combined Precision Ag revenue is now expected to exceed \$2.0 billion by 2028





**Q&A**