



## AGCO Smart Logistics Closes Digital Gap

June 5, 2017

### Receives European Gold Medal in Logistics and Supply Chain

DULUTH, Ga.--(BUSINESS WIRE)--Jun. 5, 2017-- AGCO's Smart Logistics initiative won the 'European Gold Medal in Logistics and Supply Chain' from The European Logistics Association (ELA) in Brussels. AGCO was recognized for its efforts in digitalization and end-to-end integration of partners within AGCO's international inbound supply chain. Late last year, AGCO also won the renowned German Supply Chain Management award by the German BVL organization for its Smart Logistics initiative.

This Smart News Release features multimedia. View the full release here: <http://www.businesswire.com/news/home/20170605005058/en/>



From left to right: Torsten Dehner (VP Purchasing & Materials, EME), Arnaud Ancy (Transport & Logistics Manager, PARTS, EME), Hans-Bernd Veltmaat (SVP & Chief Supply Chain Officer), Buelent Ileri (Director Transportation & Logistics, EME), Josip T. Tomasevic (CPO & VP Global Purchasing & Materials), Michael Buelow (Manager Transportation & Logistics, EME), Greg Toornman (Director Global Materials, Logistics, and Freight Management), Patrick Jansen (Manager Strategic Logistics, EME), Bugra Gokdogan (Supply Chain Manager Turkey) (Photo: Business Wire)

The ELA, a federation of 30 national organizations from across Europe, awards the most innovative logistics and supply chain transformation projects each year. The contest is played out amongst award-winning projects from national competitions. This year, the ELA jury selected

AGCO's initiative as the best.

Hans-Bernd Veltmaat, Senior Vice President, Chief Supply Chain Officer, said, "The AGCO supply chain team is proud of being recognized with the ELA award. The integration of our European supply network into our 4PL concept was a great achievement in cooperation with our partner 4flow. Agility, transparency, accuracy and lower cost define AGCO's Supply Chain now."

The AGCO Smart Logistics initiative consists of innovative and collaborative processes building on an integrated Supply Chain Management IT solution and by joining forces with 4flow as our neutral 4PL partner. The approach is based upon the principle of combining an intelligent transportation management system, a standardized supplier development process, and risk management into a central cloud-based IT solution. The innovative approach utilizes smart algorithms that dynamically optimize the network requirements holistically, including capacities, supplier shipping requirements, lead-times, as well as monitoring a wide range of geopolitical, weather, and economic factors on a real-time basis in order to optimize the material flow.

"The innovative collaborative approach of inbound supply chain planning and control was rolled out in 20 manufacturing and aftermarket sites worldwide," explained Josip Tomasevic, Global Vice President and Chief Purchasing Officer. "AGCO worked closely with our 4PL service provider 4flow and together we integrated more than 1,500 material suppliers and more than 70 logistics service providers as part of this initiative."

The solution enabled AGCO to reduce significantly the cost of the inbound supply chain during the past years. Furthermore, both on time delivery performance and process conformance have been enhanced with great success. Paired with significant improvements in Supply Chain agility, AGCO now has a competitive advantage in the marketplace. In addition to the significant improvements in costs, performance and quality, the initiative is reducing the CO2 footprint through improved capacity utilization and therefore it not only benefits AGCO but the environment as well.

### About AGCO

AGCO (NYSE: AGCO) is a global leader in the design, manufacture and distribution of agricultural solutions and supports more productive farming through its full line of equipment and related services. AGCO products are sold through five core brands, Challenger®, Fendt®, GSI®, Massey Ferguson® and Valtra®, supported by Fuse® precision technologies and farm optimization services, and are distributed globally through a combination of over 3,000 independent dealers and distributors in more than 150 countries. Founded in 1990, AGCO is headquartered in Duluth, GA, USA. In 2016, AGCO had net sales of \$7.4 billion. For more information, visit <http://www.AGCOcorp.com>. For company news, information and events, please follow us on Twitter: @AGCOcorp. For financial news on Twitter, please follow the hashtag #AGCOIR.



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