



AGCO will further expand in Beauvais, France and create 200 new jobs

January 20, 2020

BEAUVAIS, France, January 20, 2020 – AGCO (NYSE: AGCO), a global leader in the design, manufacture and distribution of agricultural machinery and solutions, confirms further expansion of its Beauvais site. This announcement has been made public today by Martin Richenhagen, Chairman, President and Chief Executive Officer of AGCO at the Choose France summit, led by French President Emmanuel Macron.

“We are delighted to keep our promise, made exactly one year ago at the Beauvais 3 Logistic Centre opening event, to announce the acquisition of the 15.7ha of the next door ex-Froneri Site, effective from 19th September 2019 to consolidate our presence in Beauvais,” said Martin Richenhagen, Chairman, President and Chief Executive Officer of AGCO Corporation.

“With this new acquisition, we are now looking at investing an additional €40 million as we develop a cutting-edge industry 4.0 site. This will add 200 new sustainable jobs to the already 100-plus jobs created with Beauvais 3, back in September 2018. At the end of this new investment programme, AGCO will have created 300 new jobs for its local Beauvais community as we intend Beauvais to become the Global Home of the Massey Ferguson Brand.”

The acquisition of the 15.7ha ex-Froneri site, which includes 4.5ha of buildings, signals AGCO’s strong appetite for continued investment, which will enable Massey Ferguson to meet growing demand for its straightforward and dependable equipment.

The expansion will support the integration of new activities through vertical integration, including:

- **Tractor customisation workshop** to offer a wider choice to our customers, fitting specific, customised equipment and accessories off the production line to meet any single customer’s needs
- **Additive manufacturing facility**, benefiting from acquired expertise on prototype parts 3D printing for manufacturing for **small series, complex and customised parts production to support the tractor customisation workshop. This activity will start in February 2020 for plastic parts and, for metal parts, during 2021**
- In-house production of hydraulics pipes, which are currently outsourced from suppliers in Europe and Asia. Our objective is to produce these hoses in Beauvais, integrating advanced technologies for production, quality control and storage – **this activity will start in April 2020**

- **Gearbox remanufacturing**, offering customers a cost-effective alternative to a brand new replacement. Remanufactured gearboxes will leave our factory as good as new and rebuilt to the same specification as the OEM (Original Equipment Manufacturer) standard.

This extra space will also allow AGCO to roll out a range of new agricultural machinery, which is a key part of the company's growth plans for Massey Ferguson. With 18 new tractor ranges launched since 2015, and a further 10 to come by 2023, Massey Ferguson is meeting the diverse requirements of farmers who are looking to invest in straightforward and dependable equipment. This project will allow AGCO to accelerate innovation by:

- **Capitalising on the local business environment**, keeping suppliers close-by will facilitate a more efficient 'just in time' approach to production, which will help drive value across the manufacturing process
- **Optimising available resources for new product design** and testing, accelerating time to market through an improved R&D centre.
- **Redefining the Beauvais complex as an expanded centre of excellence** for Massey Ferguson's tractor engineering and manufacturing by providing the necessary space to improve quality, accelerate R&D and roll out innovation from a single site
- **Driving greater value through a more efficient site structure** that enables the company to relocate its Engineering and Purchasing activities, currently in congested sites inside and outside our existing Beauvais complex.

"Massey Ferguson has been a world dominating tractor brand for more than 60 years – for as long as we have been manufacturing in Beauvais, France," comments Martin Richenhagen. "The national and local community and authorities in Beauvais, Agglo du Beauvaisis, Oise, Hauts-de-France and the Préfet Cabinet of Oise, representing locally the French government, have been a consistent source of support for AGCO and our status as the largest private employer in the Picardie region. This is no coincidence. They have created a business-friendly environment that makes it possible for large international companies such as AGCO to invest in France. This new, single unified site presents opportunities for AGCO and Massey Ferguson to implement growth plans, previously limited by a lack of space," adds Martin Richenhagen.

"After refurbishment, the newly created and unified Massey Ferguson Centre of Excellence for Engineering and Manufacturing will cover a total area of 54ha and employ up to 2,500 people, including in its GIMA and AGCO Finance joint ventures. This project will create the conditions for the revitalisation of the area's economic activity by creating new jobs. More than €250 million has been invested in Beauvais in the past eight years. Our growth strategy is gaining momentum, and the proximity and availability of a skilled workforce makes this new investment programme even more compelling," concludes Martin Richenhagen.

The single, unified Beauvais campus will encompass the full design, build, testing and manufacture of new

models, and it is the Company's intention to ramp up the site's production volumes to 18,000 tractors/year to meet market demand.

About AGCO

AGCO (NYSE:AGCO) is a global leader in the design, manufacture and distribution of agricultural solutions and delivers high-tech solutions for farmers feeding the world 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® smart farming solutions. Founded in 1990 and headquartered in Duluth, Georgia, USA, AGCO had net sales of \$9.4 billion in 2018. 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.