



## AGCO Announces New Capital Allocation Framework

April 22, 2021

***Quarterly Dividend Increased to \$0.20 per share  
Special Dividend Declared of \$4.00 per share***

DULUTH, Ga.--(BUSINESS WIRE)--Apr. 22, 2021-- AGCO, Your Agriculture Company (NYSE:AGCO), a worldwide manufacturer and distributor of agricultural equipment, announced today that it is implementing a new capital return framework to enhance the Company's ability to return cash to shareholders across a variety of market conditions. The new capital return strategy will include AGCO's regular quarterly dividend payments, share repurchases and an annual variable special dividend to return excess cash. As part of this framework, AGCO's Board of Directors has increased its quarterly dividend by 25%, from \$0.16 per share to \$0.20 per share. At the new rate, regular dividends on an annual basis would total \$0.80 per common share compared to the previous \$0.64 per common share. The increased quarterly dividend was declared on April 22, 2021 and is payable on June 15, 2021 to stockholders of record as of the close of business on May 14, 2021.

AGCO reiterates its capital allocation priorities which remain focused on supporting its strategic objectives, followed by the return of cash to stockholders. As previously discussed, AGCO will be reinstating share repurchases in 2021. As of December 31, 2020, the remaining amount eligible to be repurchased under board-approved authorizations was approximately \$245.0 million, which has no expiration date. The company expects to repurchase shares opportunistically with a target amount of \$120 to \$150 million in 2021.

Additional cash available for shareholder distribution will be deployed in the form of a variable special dividend, with the amount based upon cash flow generated in the Company's prior fiscal year and the Company's expected future earnings, capital requirements, acquisition opportunities and financial conditions. The first of AGCO's variable special dividend payments was declared on April 22, 2021 in the amount of \$4.00 per share, payable on June 1, 2021 to shareholders of record at the close of business on May 10, 2021. Any future annual variable special dividends made by the Company are expected to be declared and paid in the first quarter of each year. Special dividends, as well as regular dividends and share repurchases, may be suspended, discontinued or modified at any time, for any reason and without notice.

"This new capital return framework balances AGCO's continued commitment to returning cash to shareholders while limiting shareholder concentration and supporting liquidity in the Company's common stock," said Eric Hansotia, AGCO's Chairman, President and Chief Executive Officer.

### **Safe Harbor Statement**

Statements that are not historical facts, including expectations regarding the new capital allocation framework and the timing and amount of share repurchases and dividends, are forward-looking and subject to risks and uncertainties that could cause actual results to differ materially from those suggested by the statements. These risks include declines in our sales as a result of weather, demand and other conditions that impact farm income, actions by producers of competitive products, and changes in the general economy. For more details on these and the other reasons that could cause actual results may differ materially, please see the discussion of "risk factors" contained in our Form 10-K for the year ended December 31, 2020, as filed with the Securities and Exchange Commission. AGCO disclaims any obligation to update any forward-looking statements except as required by law.

### **About AGCO**

AGCO (NYSE:AGCO) is a global leader in the design, manufacture and distribution of agricultural machinery and precision ag technology. AGCO delivers customer value through its differentiated brand portfolio including core brands like Challenger®, Fendt®, GSI®, Massey Ferguson® and Valtra®. Powered by Fuse® smart farming solutions, AGCO's full line of equipment and services help farmers sustainably feed our world. Founded in 1990 and headquartered in Duluth, Georgia, USA, AGCO had net sales of \$9.1 billion in 2020. For more information, visit [www.AGCOCorp.com](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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Greg Peterson  
Vice President, Investor Relations  
(770) 232-8229

[greg.peterson@agcocorp.com](mailto:greg.peterson@agcocorp.com)

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