



## AGCO Responds to TAFE's Amended 13D Filing

August 7, 2024

*Reiterates confidence in company's Board and management team to execute Farmer-First strategy; Challenges TAFE's self-serving campaign*

DULUTH, Ga., Aug. 7, 2024 /PRNewswire/ -- AGCO (NYSE: AGCO), a global leader in the design, manufacture and distribution of agricultural machinery and precision ag technology, today issued the following statement in response to TAFE's amended 13D filing:



AGCO maintains an open dialogue with all stockholders and welcomes constructive input toward the shared goal of maximizing stockholder value. The Board of Directors is committed to acting in the best interests of all AGCO stockholders and will continue to take actions to deliver returns on their behalf. To that end, AGCO regularly engages with TAFE, whose Chairman and Managing Director, Mallika Srinivasan, serves as a non-independent director of AGCO.

As part of the company's continuing review of its business and operations, the company filed notice of termination of certain commercial agreements with TAFE in April 2024. This decision followed extensive discussions with TAFE over multiple years concerning TAFE's continued poor operational performance as a supplier, brand licensee and distributor to AGCO, as well as TAFE's continued lack of focus on AGCO customers in several key markets. These discussions were held at multiple levels of the organization, including with Ms. Srinivasan over the past several years. Despite assurances from TAFE that these issues would be addressed, there continued to be a lack of meaningful progress. As a result of the termination notices, TAFE subsequently commenced litigation against AGCO in India, which remains ongoing today.

AGCO and TAFE have always treated the commercial and business relationship as separate from the TAFE investment in AGCO and its representation on AGCO's Board. TAFE agreed to renew the limited standstill agreement with AGCO without conditioning it on the continuation of the commercial agreements, as it has always done since 2014 and notwithstanding the ongoing commercial issues being discussed.

It is disappointing that it appears that TAFE has now chosen to respond to a commercial decision by threatening the use of the consent solicitation process in an attempt to pressure AGCO. AGCO's Board and management team remain focused on executing its Farmer-First strategy to drive continued value creation for all its stockholders. Replacing AGCO's independent directors with TAFE's hand-picked nominees would serve only to assist in prioritizing the interests of TAFE and its operations above the interests of AGCO's other stockholders.

AGCO's Board is comprised of directors with diverse skills and experiences that are highly relevant to the business needs and current strategy. Over the last five years, AGCO has refreshed its Board with five new independent directors, each bringing select, complementary skillsets. Additionally, AGCO has significantly enhanced its governance practices, including adopting term limits for the lead director and committee chairs, strengthening lead director duties, and increasing the share ownership requirements for its directors and CEO.

The Board works closely with Chairman, President & CEO Eric Hansotia, who has pioneered AGCO's Farmer-First strategy – a strategy the Board remains confident will maximize long-term value creation for stockholders. AGCO has achieved several milestones as part of its strategy to deliver stockholder value:

- Record 2023 full-year financial results, including \$14.4 billion in net sales, which outperformed a global market that was down for the year; record adjusted operating margin of 12%, which reflects an increase of 170 basis points compared to 2022 and nearly delivered on AGCO's previously stated 2026 target; record Earnings Per Share (EPS) of \$15.63. These results are just the latest successes of the Farmer-First strategy, which also yielded record results in 2021 and 2022.
- The recently formed joint venture with Trimble, which is expected to be accretive to revenue growth, adjusted operating

margin and adjusted EPS in the first full year following closing and will create an industry leader in mixed fleet precision ag solutions, and significantly enhances AGCO's technology stack offering to better serve farmers worldwide.

- Significant capital return to stockholders of over \$1.6 billion since 2021, including the special variable dividends totaling \$16.00 per share, which is incremental to AGCO's quarterly dividend, which was increased by 20% in both 2022 and 2023.
- Consistent portfolio evaluation, including the recently announced sale of the Grain & Protein business for approximately \$700 million, which supports AGCO's strategic transformation, allowing the company to streamline and sharpen its focus on a portfolio of award-winning agricultural machinery and precision ag technology products.

Given the current agricultural equipment environment, AGCO also is taking aggressive actions, including the recently announced restructuring program, to control expenses, reduce production levels and lower investments in working capital. Also, the company is balancing these near-term cost reductions with continued investment in longer-term, high-margin growth initiatives designed to deliver more sustainable results through economic cycles. AGCO is committed to maintaining a constructive dialogue with all stockholders and will listen carefully to their perspectives.

## About AGCO

AGCO (NYSE: AGCO) is a global leader in the design, manufacture and distribution of agricultural machinery and precision ag technology. AGCO delivers value to farmers and OEM customers through its differentiated brand portfolio including core brands like Fendt®, GSI®, Massey Ferguson®, PTx and Valtra®. AGCO's full line of equipment, smart farming solutions and services helps farmers sustainably feed our world. Founded in 1990 and headquartered in Duluth, Georgia, USA, AGCO had net sales of approximately \$14.4 billion in 2023. For more information, visit [www.agcocorp.com](http://www.agcocorp.com). For company news, information, and events, please follow us on X: @AGCOCorp. For financial news on X, please follow the hashtag #AGCOIR.

## Safe Harbor Statement

Statements that are not historical facts, including statements regarding the amended Schedule 13D filing by TAFE, the joint venture with Trimble and any anticipated benefits resulting from that transaction, the recently announced sale of our Grain and Protein business and any anticipated benefits from that transaction, our previously announced restructuring and our efforts to control expenses, industry demand, market conditions, our ongoing strategy, investments in product and technology development, new product introductions, restructuring and other cost reduction initiatives and general economic conditions, are forward-looking and subject to risks that could cause actual results to differ materially from those suggested by the statements. The factors that could cause actual results to differ materially from the results discussed in or implied by the forward-looking statements are included in AGCO's filings with the Securities and Exchange Commission, including its Form 10-K for the year ended December 31, 2023, and subsequent Form 10-Qs. AGCO disclaims any obligation to update any forward-looking statements except as required by law.

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