

First Quarter 2013  
Financial and Operational Results



# Forward Looking Statements



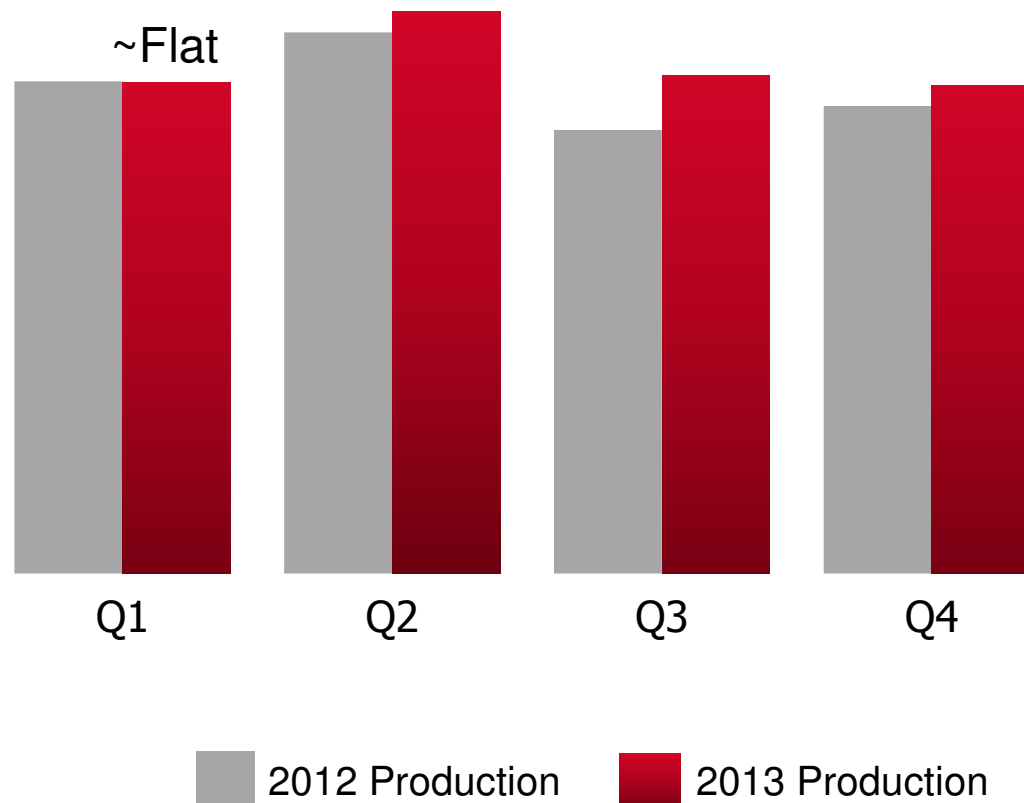
Forward-looking statements in this presentation, including statements regarding demand for our products and the economic and other factors that drive that demand, product development plans and timing of those plans, acquisitions, expansion and modernization plans and our expectations with respect to the costs and benefits of those plans and timing of those benefits, and our future revenue, earnings and other financial metrics, 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 weather, commodity prices, and changes in product demand, the possible failure by us to develop new and improved products on time, within budget and with the expected performance and price benefits, introduction of new or improved products by our competitors and reductions in pricing by them, difficulties in integrating acquired businesses and in completing expansion and modernization plans on time and in a manner that produces the expected financial results, and adverse changes in the financial and foreign exchange markets. 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, 2012. AGCO disclaims any obligation to update any forward-looking statements except as required by law.

# Financial Summary



	Q1 13	Q1 13 v Q1 12
Net Sales	<b>\$2,403.1</b>	+5.7%
Gross margin	<b>22.2%</b>	+50 bps
Operating income	<b>\$177.4</b>	+4.5%
Operating margin	<b>7.4%</b>	(10 bps)
Diluted EPS	<b>\$1.19</b>	(\$0.02)










## Production Units



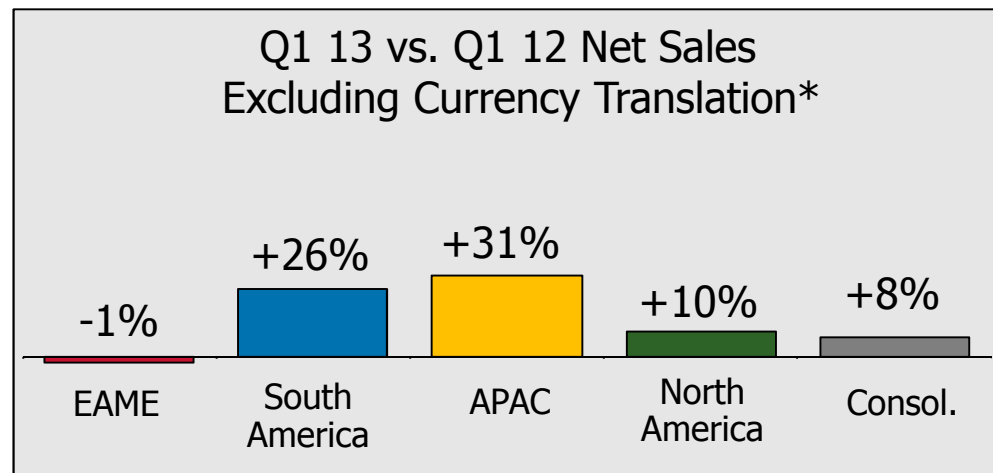
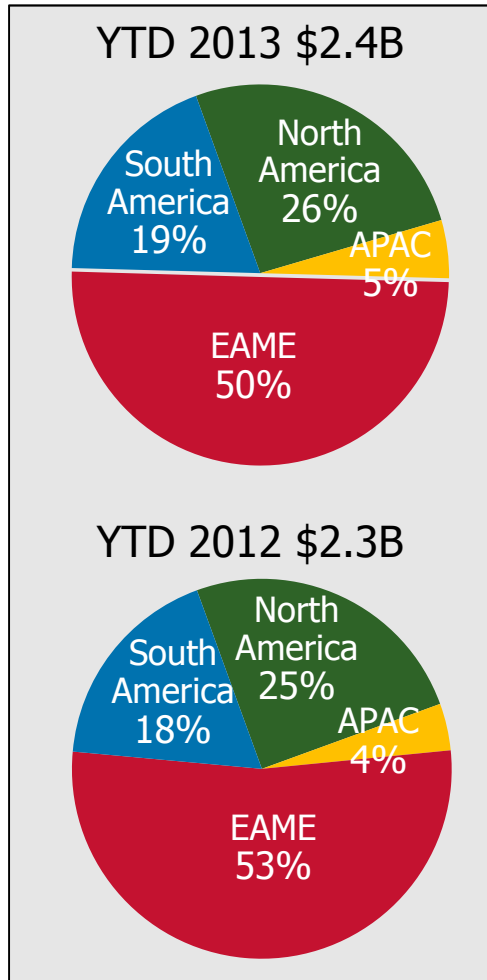
- Production ~Flat in Q1 13 vs. Q1 12
  - Growth in SA offset by decline in Europe
- Full year 2013 production expected to increase 5% to 7% vs. 2012

# Industry Overview

## March Year-to-Date Retail Units

North America		2013 vs. 2012	
	 Tractors	• Industry	+13%
	 Combines	• Industry	+ 52%
Western Europe		2013 vs. 2012	
	 Tractors	• Industry	(5%)
	 Combines	• Industry	(22%)
South America		2013 vs. 2012	
	 Tractors	• Industry	+23%
	 Combines	• Industry	+49%

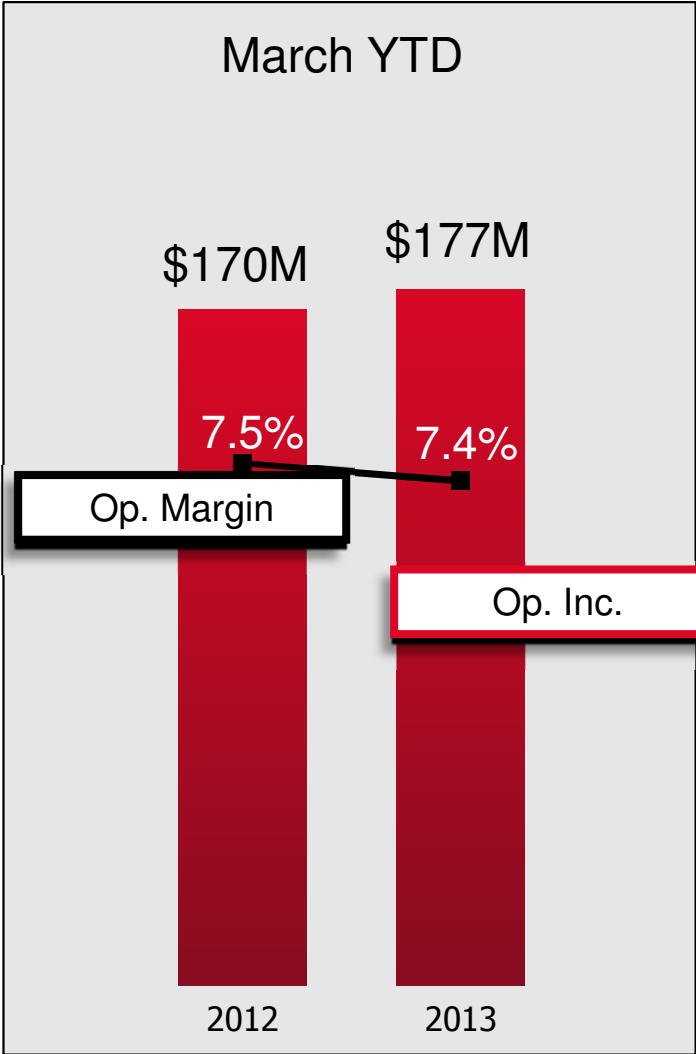
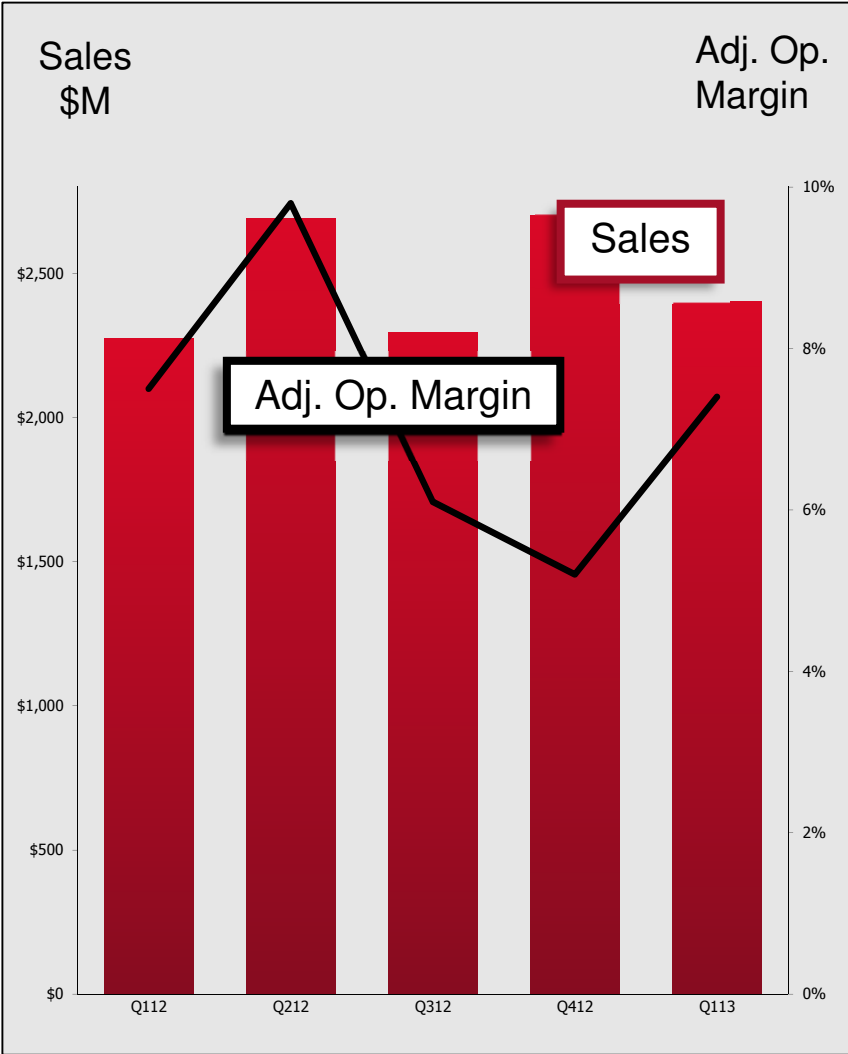
# Regional Net Sales Results



EAME – Europe/Africa/Middle East    APAC – Asia/Pacific

\*Please see the reconciliation to GAAP metrics in the appendix to this presentation.

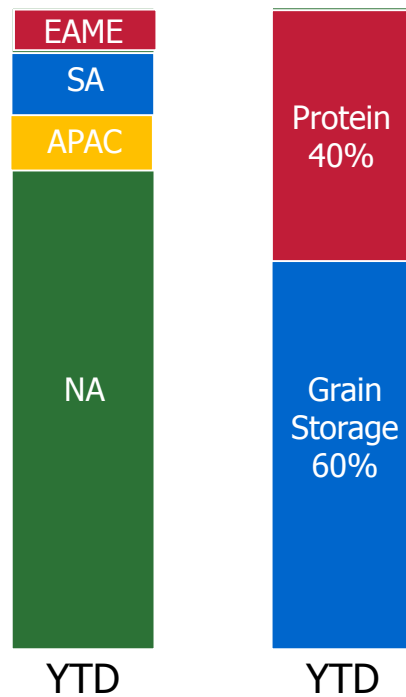
# Net Sales and Operating Margins





## Sales (YTD Thru March 31, 2013)

\$161M



- Q1 13 sales down ~5% vs Q1 12
- Full year GSI sales and income expected to be ~ flat vs 2012

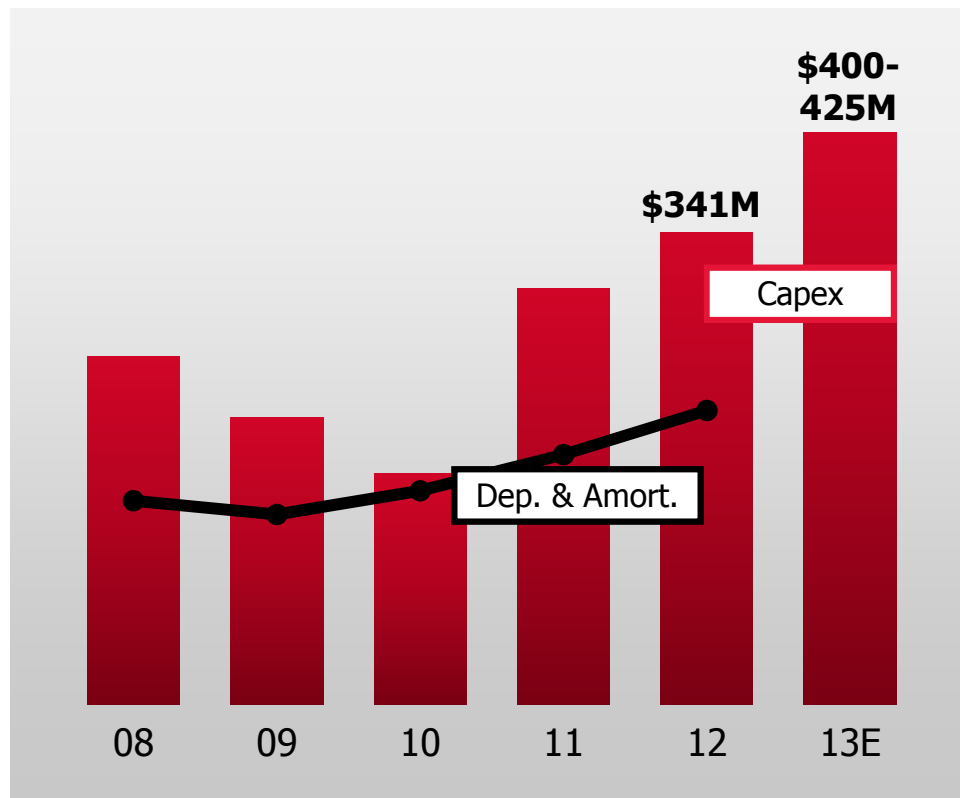




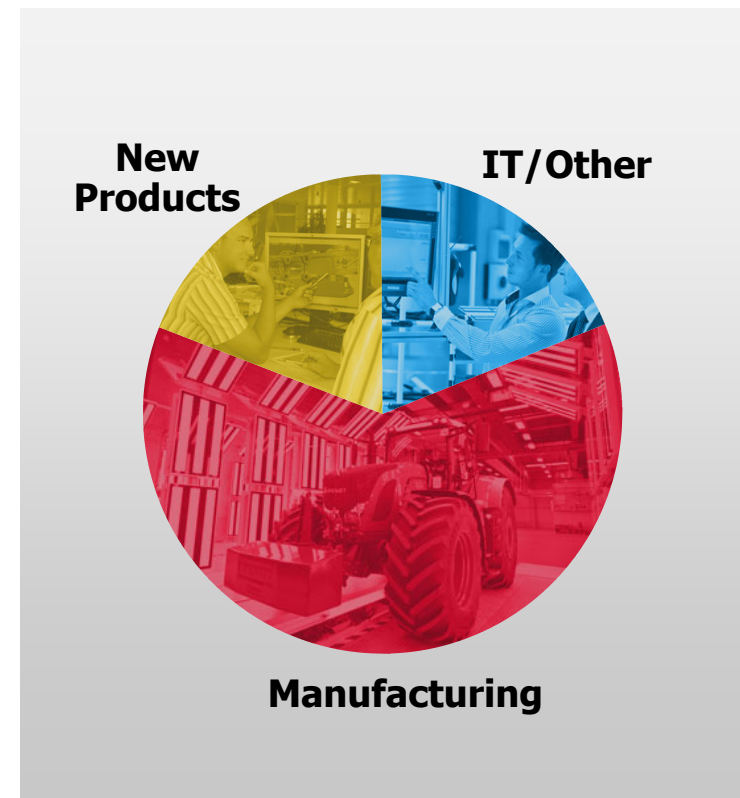
# Capital Expenditures – Investing for Growth



## Continuing to Invest



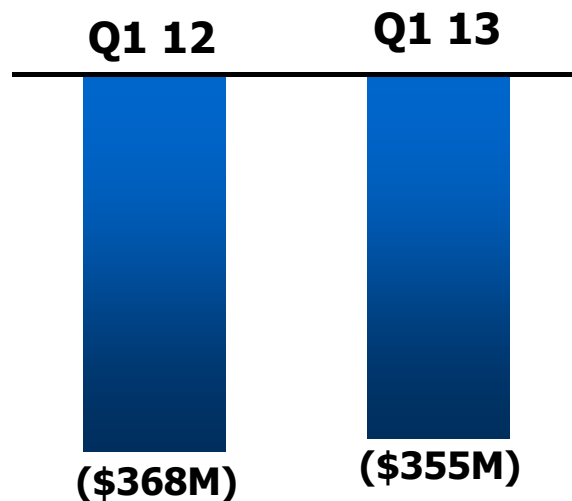
## 2013 Capex Components



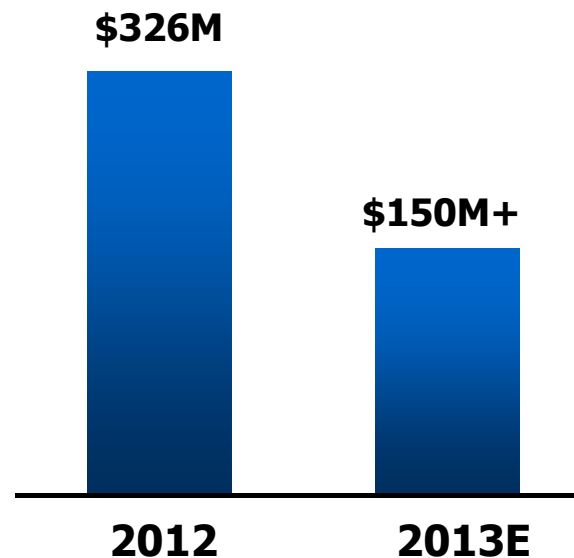
# Free Cash Flow\*



## Q1 Free Cash Flow



## Full-Year Free Cash Flow

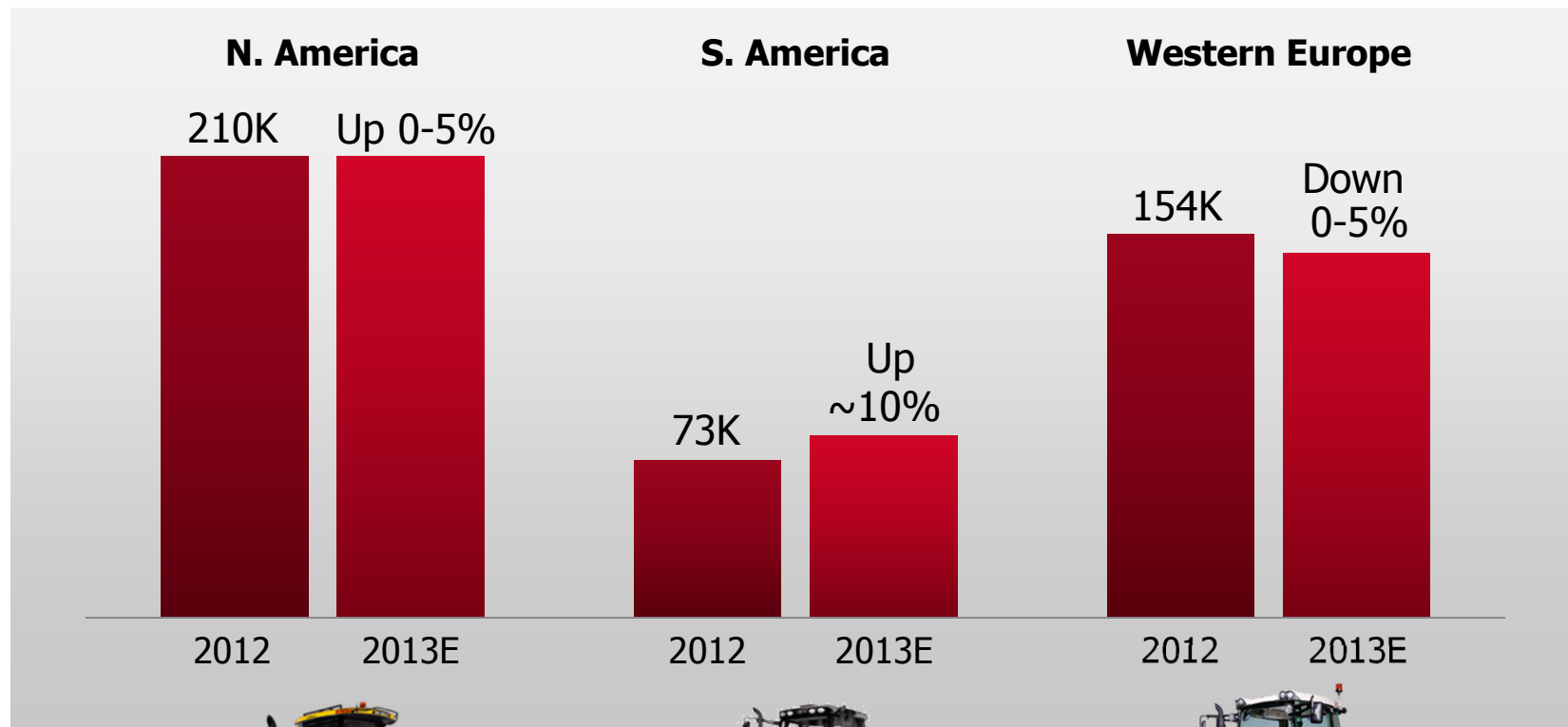


- Seasonal working capital build in first half of year
- Second half of year seasonally stronger for free cash flow
- Targeting \$150M+ free cash flow in 2013 despite increase in Capex and working capital

Note: Free cash flow is defined as net cash (used in) provided by operating activities less capital expenditures.

\* Please see reconciliations to GAAP metrics provided in the appendix to this presentation.

## Regional Market Outlook – Industry Unit Retail Tractor Sales (Volume in Units)



# 2013 Outlook Assumptions



- Consolidated pricing impact
  - ~+2.5%
- ~15% increase in engineering expense for new product development and tier 4 emission requirements
- Gross margin improvement
- ~\$10 million of start-up expense associated with China operations
- Effective tax rate 33-34% (reflects new U.S. deferred tax accounting treatment)



# 2013 Outlook



2013 Estimates	
Sales	\$10.5B to \$10.7B
Operating margin	~ 8%
EPS	\$5.50 to \$5.70
CAPEX	\$400-\$425 Million
Free Cash Flow*	\$150 Million+



\* Free cash flow is defined as net cash provided by operations less capital expenditures.

# Non-GAAP To GAAP Reconciliation



## Free Cash Flow

\$M

	Three Months ended March 31, 2013	Three Months ended March 31, 2012
Net cash used in operating activities	\$ (261.3)	\$ (280.5)
Less:		
Capital expenditures	(94.0)	(87.1)
Free cash flow	<u>\$ (355.3)</u>	<u>\$ (367.6)</u>

Note: Free cash flow is defined as net cash used in operating activities less capital expenditures.

# Non-GAAP To GAAP Reconciliation



## Free Cash Flow

\$M

	Projected Year ended December 31, 2013	Year ended December 31, 2012
Net cash provided by operating activities	\$550.0 – 575.0	\$ 666.4
Less:		
Capital expenditures	<u>(400.0 - 425.0)</u>	<u>(340.5)</u>
Free cash flow	<u>\$ 150.0+</u>	<u>\$ 325.9</u>

Note: Free cash flow is defined as net cash provided by operating activities less capital expenditures.

# Non-GAAP To GAAP Reconciliation



## Net Sales \$M

	Three Months Ended March 31,		% change from 2012	Change due to currency translation	
	2013	2012		\$	%
North America	\$ 624.2	\$ 566.5	10.2%	\$ (0.4)	(0.1)%
South America	465.7	415.4	12.1%	(59.4)	(14.3)%
Europe/Africa/Middle East	1,193.2	1,199.8	(0.6)%	(0.7)	(0.1)%
Asia/Pacific	120.0	92.0	30.4%	(0.4)	(0.4)%
	<u>\$2,403.1</u>	<u>\$2,273.7</u>	<u>5.7%</u>	<u>\$ (60.9)</u>	<u>(2.7)%</u>