



FOURTH QUARTER 2018

FINANCIAL AND OPERATIONAL RESULTS

FORWARD LOOKING STATEMENTS

Forward-looking statements in this presentation, including statements regarding demand, product development and capital expenditure plans and timing of those plans, acquisition, expansion and modernization plans and our expectations with respect to the costs and benefits of those plans and timing of those benefits, production levels, share repurchases, and our future revenue, price levels, earnings, cash flow, tax rates 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, 2017 and subsequent form 10-Q filings. AGCO disclaims any obligation to update any forward-looking statements except as required by law.

FINANCIAL SUMMARY

\$M**










	Q4 18	Q4 18 v Q4 17	YTD 2018	YTD 18 vs YTD 17
Net Sales	\$2,592.2	+2.6%	\$9,352.0	+12.6%
Gross margin	20.8%	-20 bps	21.4%	+10bps
Operating income	\$159.1	+11.0%	\$489.0	+20.9%
Adj. Operating income*	\$161.0	+10.3%	\$501.0	+19.2%
Adj. Operating margin*	6.2%	+40bps	5.4%	+30bps
Diluted EPS	\$1.26	+\$0.71	\$2.32	+\$1.26
Diluted Adjusted EPS*	\$1.31	+\$0.21	\$3.89	+\$0.87

* Reflects adjusted results. Please see reconciliations provided in the appendix to this presentation.

**Except per share amounts

INDUSTRY OVERVIEW

December 2018 Year-to-Date Retail Units

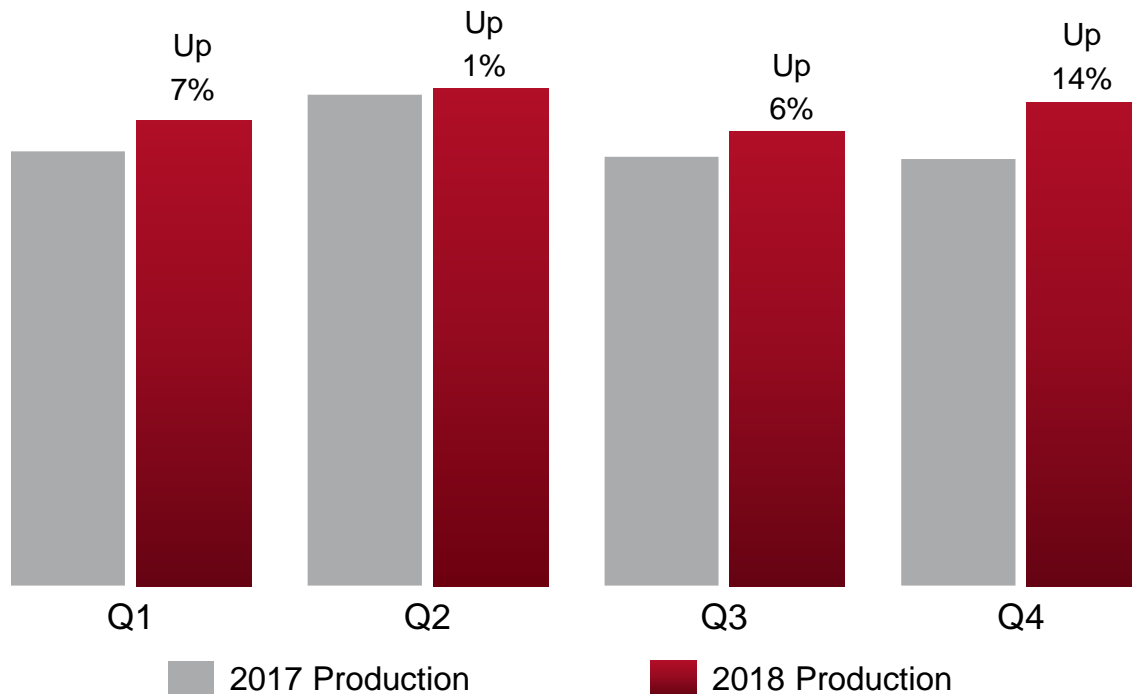
North America		2018 vs. 2017	
	 Tractors*	• Industry	2%
	 Combines	• Industry	10%
Western Europe		2018 vs. 2017	
	 Tractors	• Industry	(2%)**
	 Combines	• Industry	13%
South America		2018 vs. 2017	
	 Tractors	• Industry	Flat
	 Combines	• Industry	9%

* Excludes compact tractors

** Based on Company estimates

2018 PRODUCTION

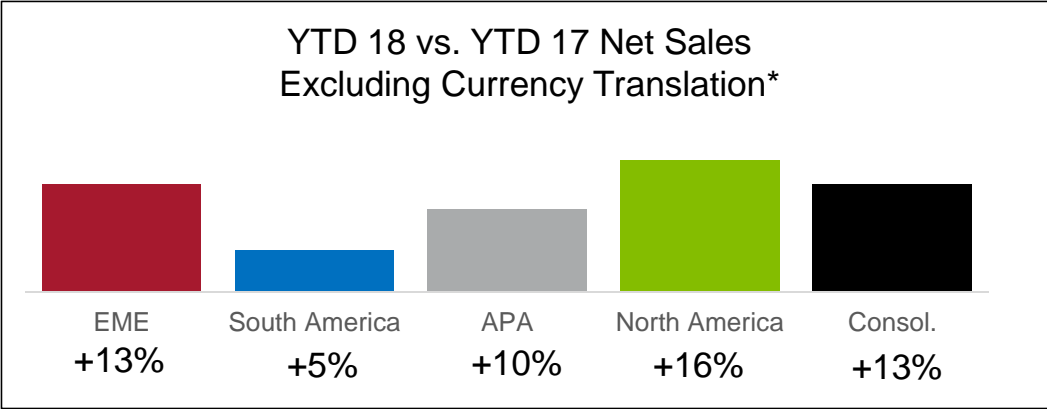
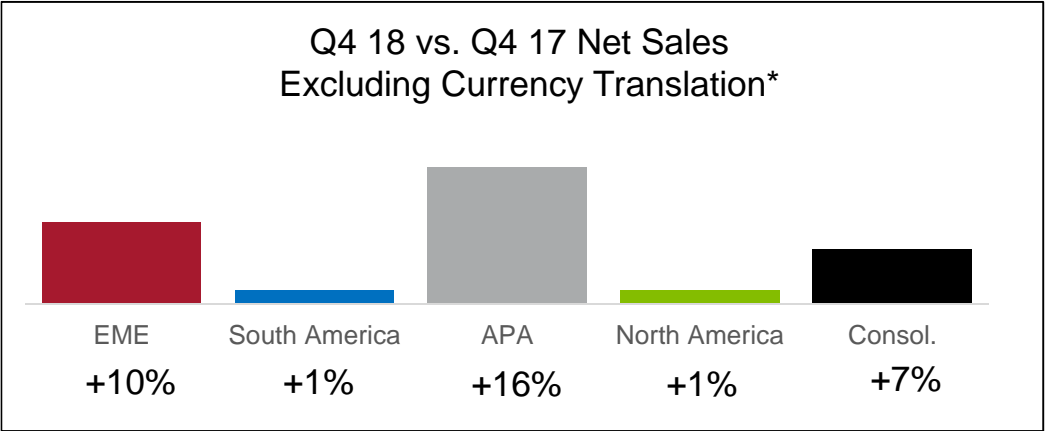
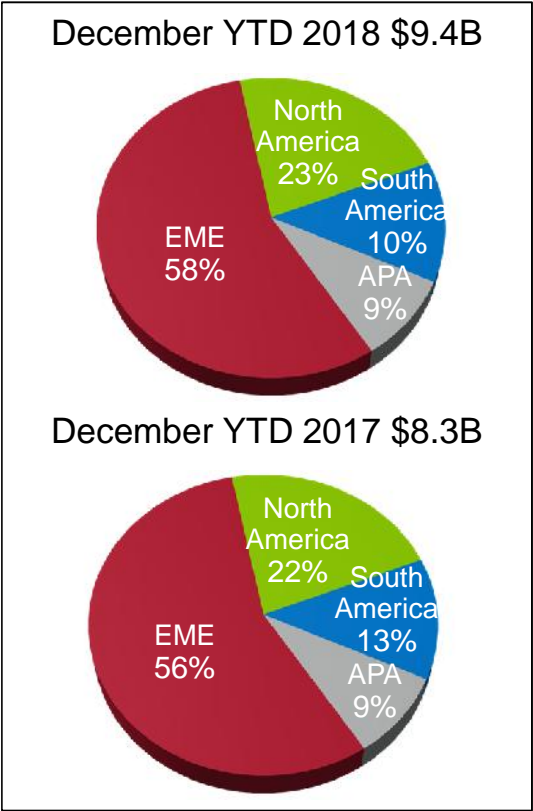
AGCO Production Hours



- Q4 18 production up 14% vs. Q4 17
- Full year 2018 production up approximately 7% vs. 2017



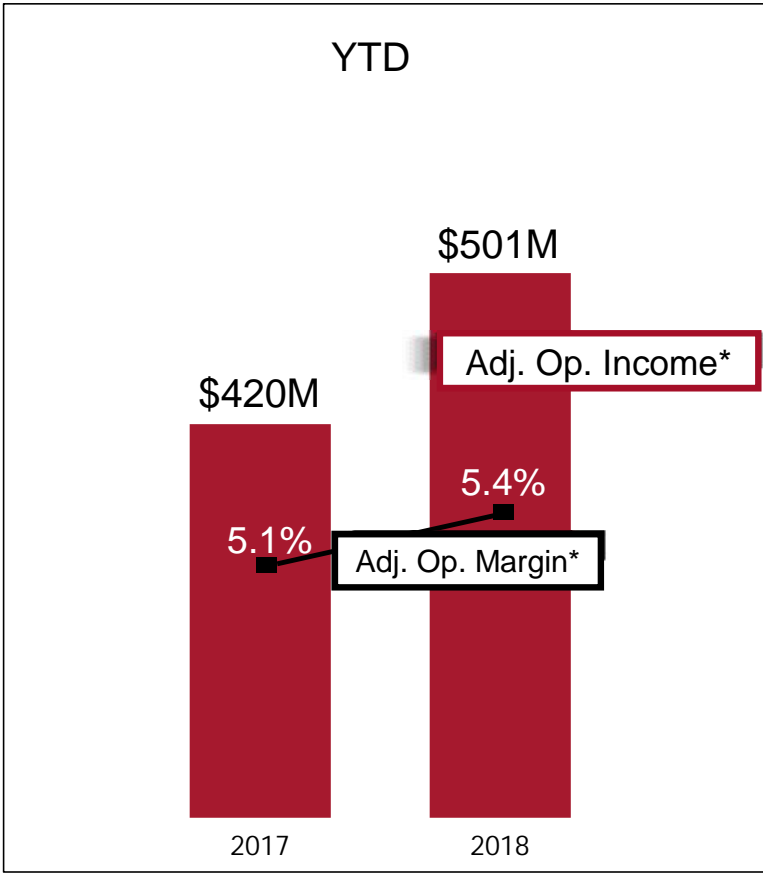
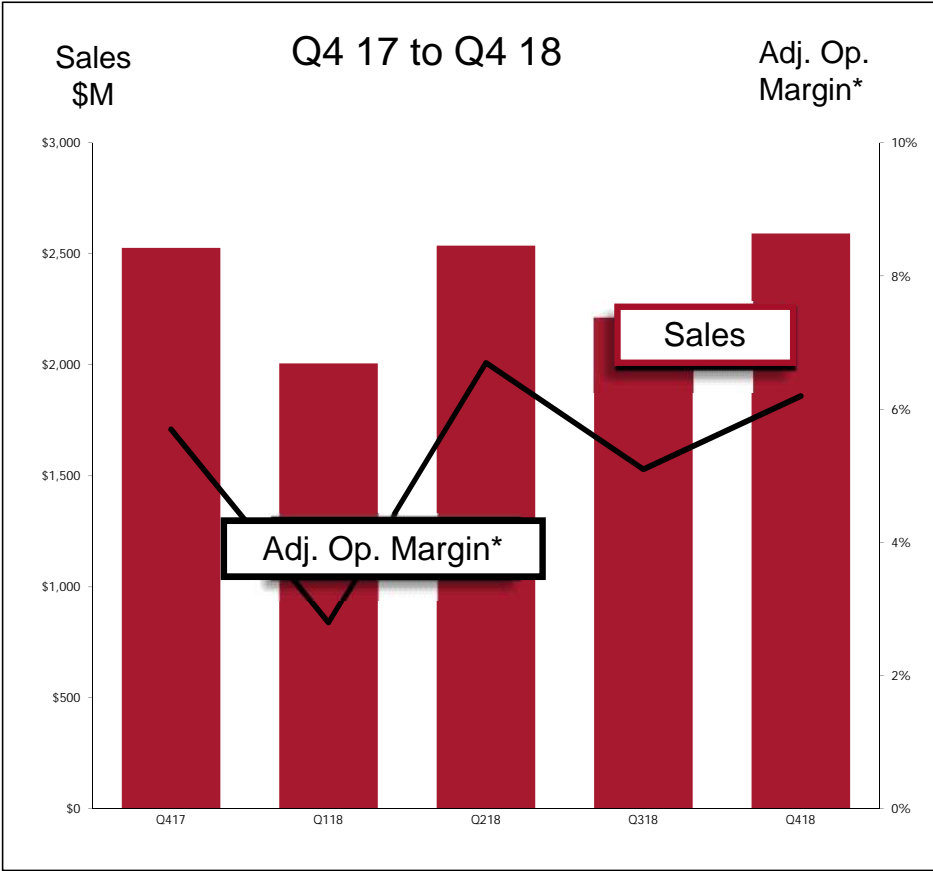
Regional Net Sales Results



EME – Europe/Middle East APA – Asia/Pacific/Africa

*Please see the reconciliation in the appendix to this presentation.

NET SALES, OPERATING INCOME AND OPERATING MARGINS

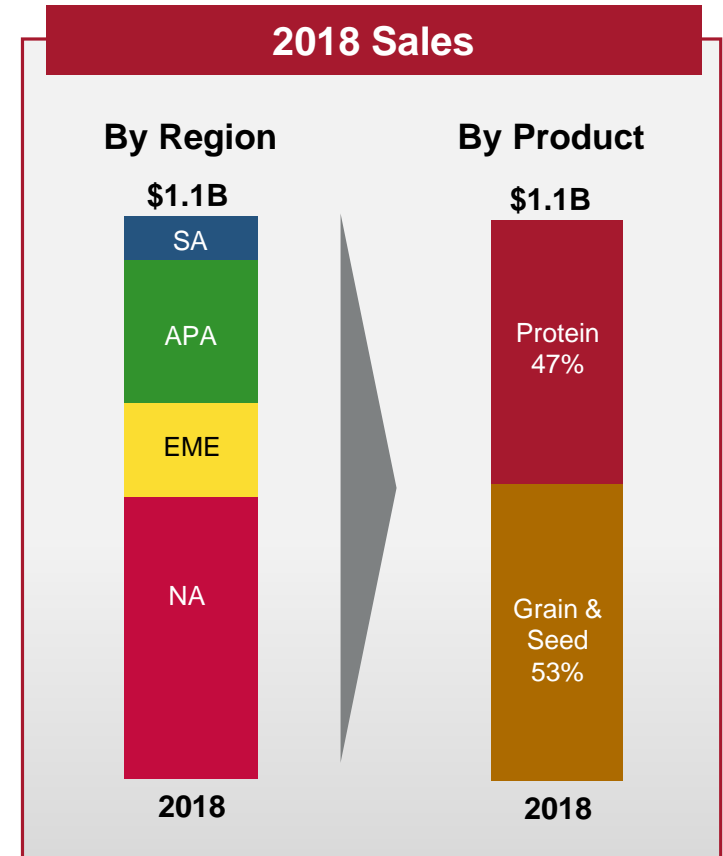


* Reflects adjusted results, which exclude restructuring expenses and a non-cash expense related to waived stock compensation. Please see reconciliations provided in the appendix to this presentation.

GSI RESULTS

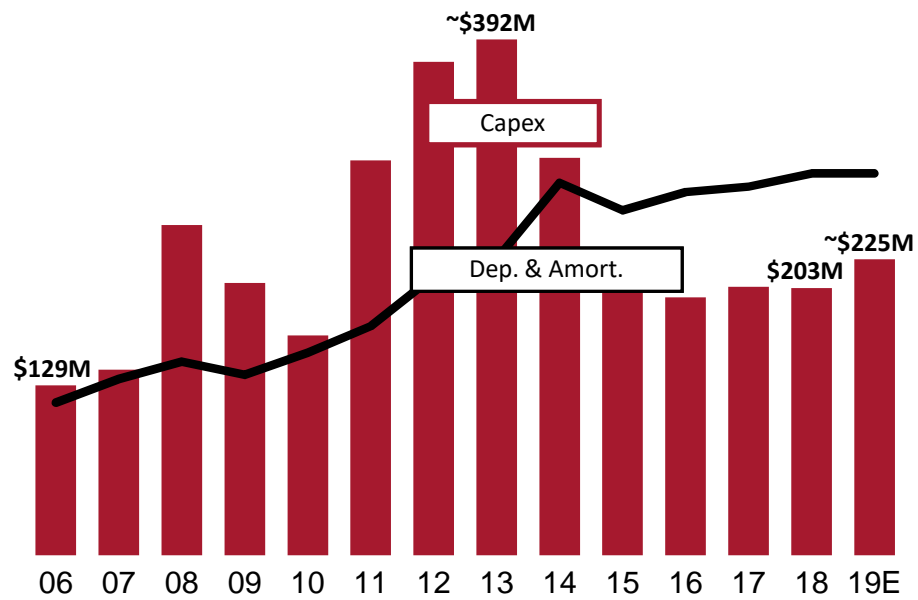


- ▶ 2018 sales up 6% vs 2017 on a constant currency basis
 - Growth in sales of grain and seed equipment of ~12%
 - Sales of protein production equipment ~Flat
- ▶ Strong cash flow generation in U.S.
- ▶ Longer term:
 - Macro trends driving growth in demand for grain storage and protein production
 - Increases exposure to counter-cyclical protein sector

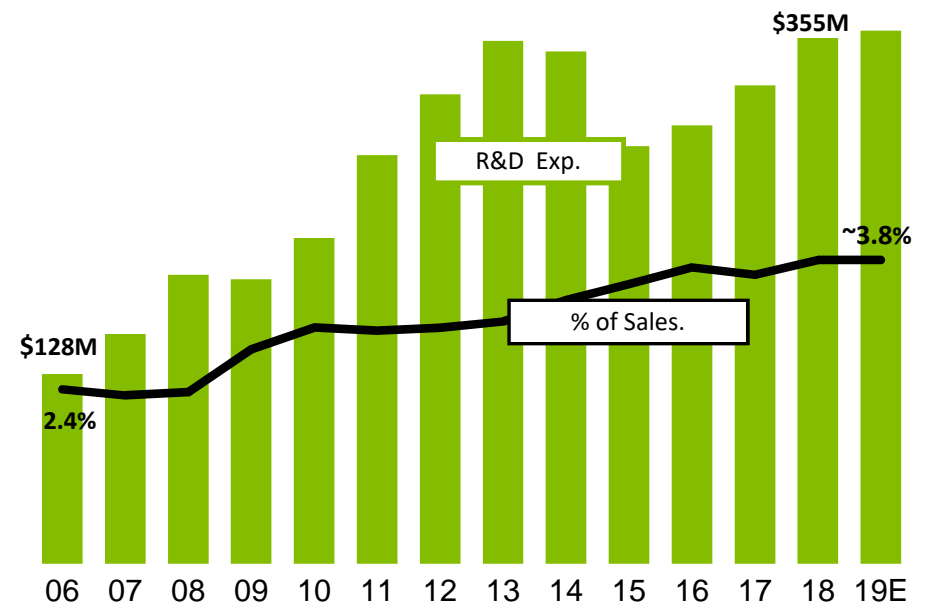


INVESTING FOR GROWTH

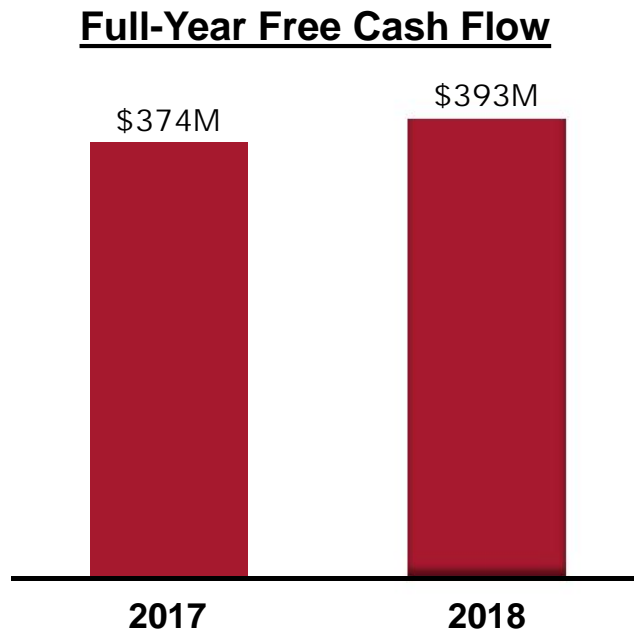
CAPEX



Engineering Expenses



FREE CASH FLOW*



\$393M of FCF in 2018

Targeting another year of strong FCF in 2019

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

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

RETURNING CASH TO SHAREHOLDERS

**Cash to be
Returned to
Shareholders**

Dividend

- ▶ Initiated in 2013
- ▶ Ambition to grow

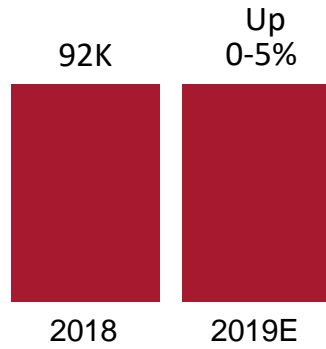
Share Repurchase

- ▶ Completed ~\$1.2B over last 6+ years
- ▶ ~\$184M completed in 2018

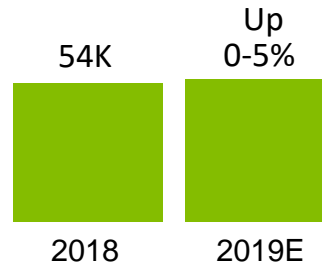
2019 MARKET OUTLOOK

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

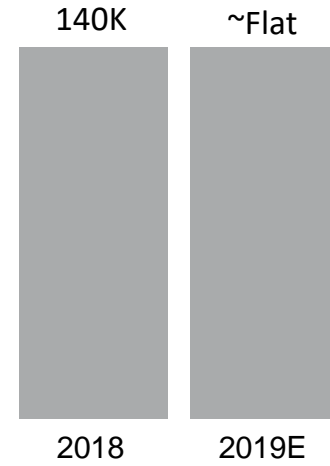
N. America*



S. America



Western Europe



*Excludes compact tractors

2019 ASSUMPTIONS: SUMMARY



- ▶ 2019 sales up ~3% vs 2018
 - Relatively stable end-market demand
 - Pricing +2.0% to 2.5%
 - Negative currency translation ~ -2.5%
- ▶ Engineering approx. flat vs 2018
- ▶ Operating margin improvement
- ▶ Effective tax rate 32-33%

2019 OUTLOOK



	2019 Estimates
Sales	~\$9.6B
EPS	~\$4.60
CAPEX	~\$225M
Free Cash Flow*	\$275M to \$300M

APPENDIX



NON-GAAP TO GAAP RECONCILIATION

Free Cash Flow

\$M

	Year ended December 31, 2017	Year ended December 31, 2018	Year ended December 31 2019
Net cash provided by operating activities	\$ 577.6	\$ 595.9	\$500 to \$525
Less:			
Capital expenditures	(203.9)	(203.3)	\$225
Free cash flow	<u>\$ 373.7</u>	<u>\$ 392.6</u>	<u>\$275 to \$300</u>

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

RECONCILIATION OF CURRENCY TRANSLATION AND ACQUISITION IMPACTS TO NET SALES

Net Sales
\$M

	Three Months Ended December 31,		% change from 2017	Change due to currency translation		Change due to acquisitions	
	2018	2017		\$	%	\$	%
North America	\$ 531.2	\$ 531.8	(0.1)%	\$ (4.7)	(0.9)%	\$ —	—%
South America	276.2	315.9	(12.6)%	(42.8)	(13.5)%	—	—%
Europe/Middle East	1,511.7	1,434.6	5.4 %	(59.1)	(4.1)%	—	—%
Asia/Pacific/Africa	273.1	245.1	11.4 %	(12.3)	(5.0)%	—	—%
	<u>\$ 2,592.2</u>	<u>\$ 2,527.4</u>	<u>2.6 %</u>	<u>\$ (118.9)</u>	<u>(4.7)%</u>	<u>\$ —</u>	<u>—%</u>

RECONCILIATION OF CURRENCY TRANSLATION AND ACQUISITION IMPACTS TO NET SALES

Net Sales
\$M

	Years Ended December 31,		% change from 2017	Change due to currency translation		Change due to acquisitions	
	2018	2017		\$	%	\$	%
North America	\$ 2,180.1	\$ 1,876.7	16.2 %	\$ 0.9	— %	\$ 107.7	5.7%
South America	959.0	1,063.5	(9.8)%	(152.4)	(14.3)%	12.6	1.2%
Europe/Middle East	5,385.1	4,614.3	16.7 %	158.5	3.4 %	104.1	2.3%
Asia/Pacific/Africa	827.8	752.0	10.1 %	(0.6)	(0.1)%	12.6	1.7%
	<u>\$ 9,352.0</u>	<u>\$ 8,306.5</u>	<u>12.6 %</u>	<u>\$ 6.4</u>	<u>0.1 %</u>	<u>\$ 237.0</u>	<u>2.9%</u>

NON-GAAP TO GAAP RECONCILIATION

(In millions, except per share amounts)

Three Months Ended December 31,

	2018			2017		
	Income From Operations	Net Income	Net Income Per Share ⁽¹⁾	Income From Operations	Net Income	Net Income Per Share ⁽¹⁾
As reported	\$ 159.1	\$ 98.7	\$ 1.26	\$ 143.3	\$ 44.3	\$ 0.55
Restructuring expenses	1.9	1.4	0.02	2.7	2.4	0.03
Extinguishment of debt	—	11.7	0.15	—	—	—
U.S. tax reform	—	(8.5)	(0.11)	—	42.0	0.52
As adjusted	<u>\$ 161.0</u>	<u>\$ 103.3</u>	<u>\$ 1.31</u>	<u>\$ 146.0</u>	<u>\$ 88.7</u>	<u>\$ 1.10</u>

⁽¹⁾ Rounding may impact summation of amounts.

NON-GAAP TO GAAP RECONCILIATION

(In millions, except per share amounts)

	Years Ended December 31,					
	2018			2017		
	Income From Operations	Net Income ⁽¹⁾	Net Income Per Share	Income From Operations	Net Income	Net Income Per Share
As reported	\$ 489.0	\$ 285.5	\$ 3.58	\$ 404.4	\$ 186.4	\$ 2.32
Restructuring expenses	12.0	8.7	0.11	11.2	8.8	0.11
Non-cash expense related to waived stock compensation	—	—	—	4.8	4.8	0.06
Extinguishment of debt	—	24.4	0.31	—	—	—
U.S. tax reform	—	(8.5)	(0.11)	—	42.0	0.52
As adjusted	\$ 501.0	\$ 310.2	\$ 3.89	\$ 420.4	\$ 242.0	\$ 3.02

⁽¹⁾ Rounding may impact summation of amounts.