



# Tom Welke

Senior Vice President,  
GSI Global Grain and Protein



# Agenda



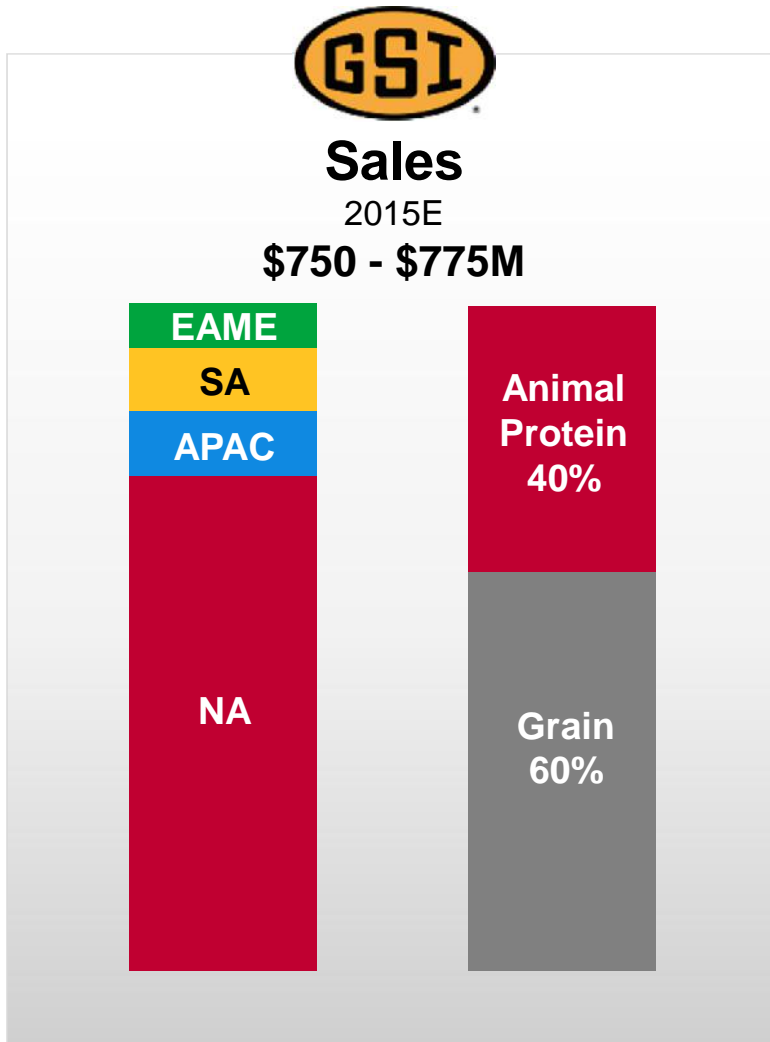
▶ GSI Overview

▶ Market Dynamics

▶ Growth Opportunities



# At a Glance



- Leading global manufacturer of grain storage equipment as well as animal protein production systems
- Purchased 2011
- 2,800 employees, >500 independent dealers
- Strong cash flow generation in U.S.
- Attractive mid-teen margins
- Longer term:
  - macro trends driving growth in demand for grain storage and protein production
  - increases exposure to counter-cyclical protein sector



# Broad Range of Products and Brands

## Grain

### GRAIN BINS

Farm



Commercial



Material Handling



Conditioning



Structures



## Animal Protein

Housing



Feed / Watering Systems



Climate Control



Nesting



Egg Collection



# Global Footprint



**2015: Sales into 85 countries from 13 manufacturing locations**

# Agenda



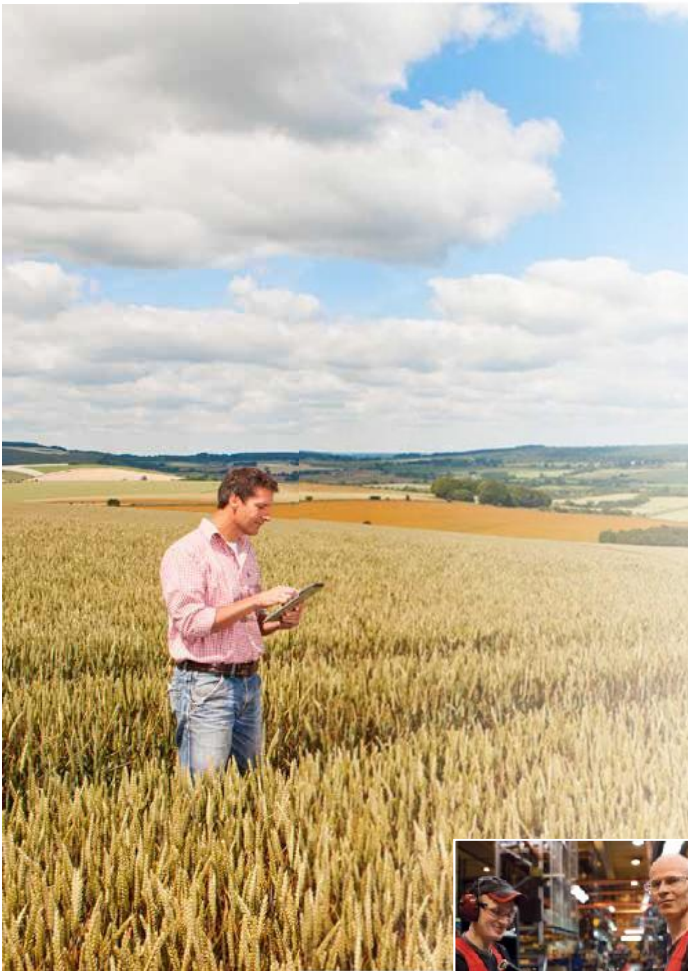
GSI Overview



Market Dynamics



Growth Opportunities



# Positive Long-Term Trends

## Growing Population

- Increasing need for grain storage



## Growing Middle Class

- Increasing demand for animal protein production



## Growing Grain Exports

- Grain movement from local production to overseas consumers
- Increasing handling speeds

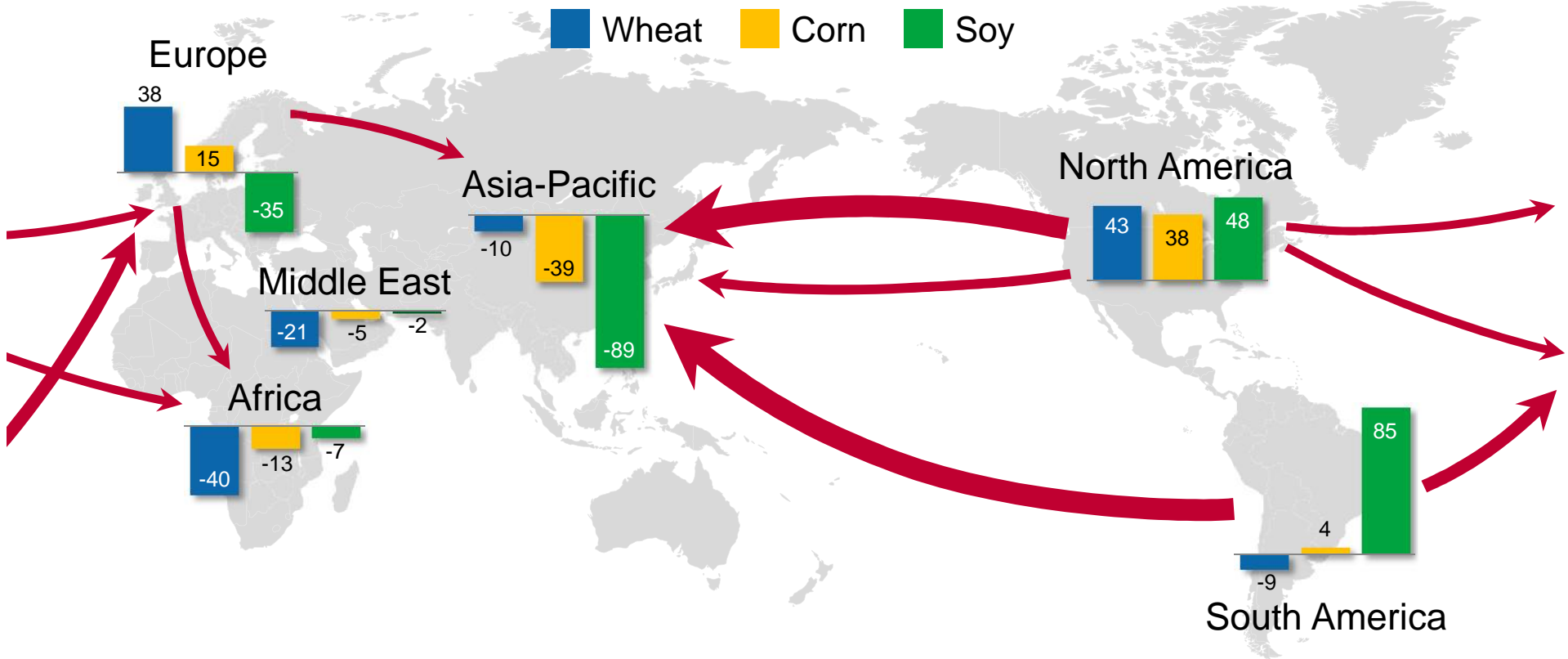


## Reducing Post-Harvest Loss

- Increasing demand for grain and protein infrastructure



# Global Grain Flow Needs Efficient Storage

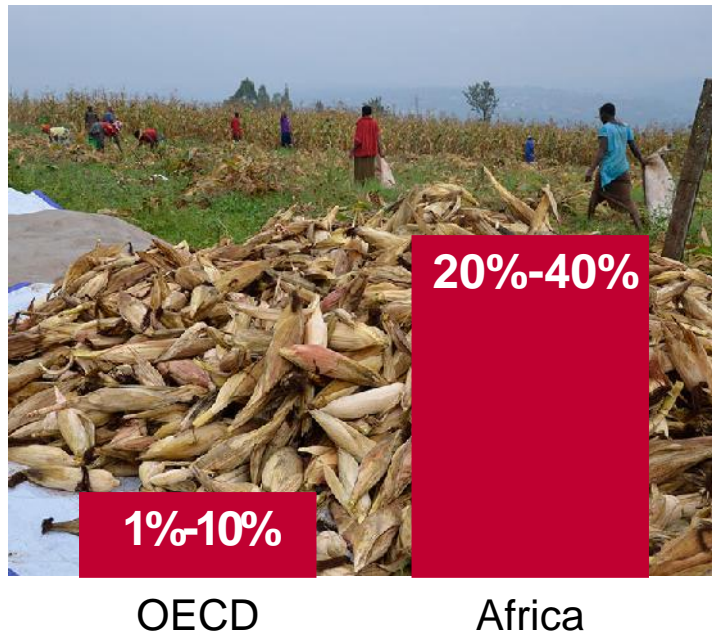


Source: <http://www.ft.com/cms/s/0/dc1a8b88-1fd7-11e3-aa36-00144feab7de.html>



# Lack of Infrastructure in Developing Markets Causes High Losses

## Post-Harvest Loss Estimates



- Perishables have a higher loss percentage than grain
- Loss occurs though improper handling, conditioning and storage
- Need to improve knowledge and infrastructure

**GSI's Grain Equipment Systems will reduce post-harvest loss globally, particularly in emerging economies in APAC, Africa, and Latin America**

# Developing Markets Need to Reduce Post-Harvest Losses

## The Need



India Wheat Rot



Corn Drying – Philippines



Grain Storage Waste – India



Trucks carrying soybeans line up along highway to the Port of Paranagua, Brazil

## The Solution



Small & secure storage



Solar powered Cool Box

# Growing Focus on Food Security is Driving Protein Production

## The Need



## The Solution

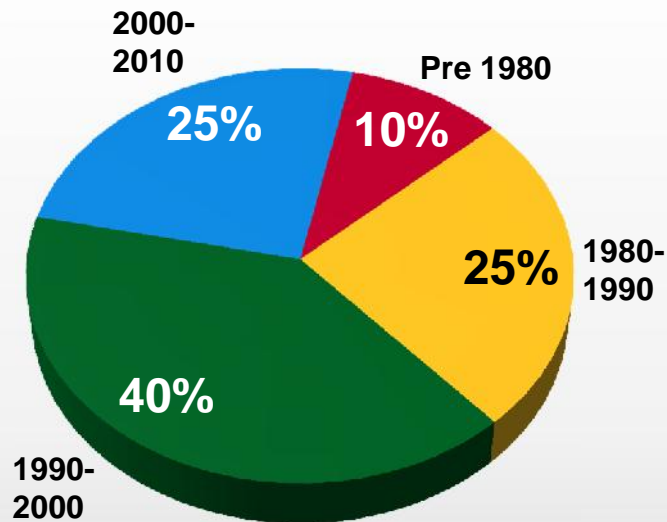


Recent Poultry Farm in Zimbabwe

# Replacement of Aging Production Facilities in Developed Markets

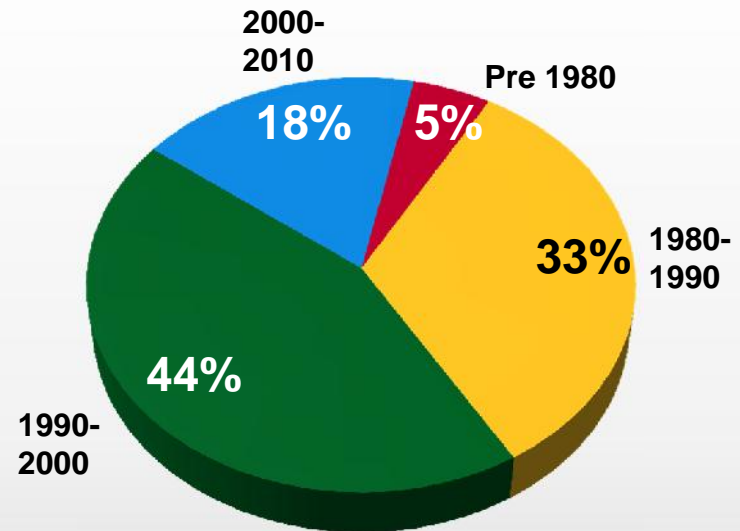


## Poultry



**75% are older than 15 years.  
US-installed poultry base has  
a \$5B replacement cost**

## Swine



**80% are older than 15 years.  
US-installed swine base has  
a \$2B replacement cost**

Source: James Donald, PE, National Poultry Technology Center, Auburn University, and Management Estimates

# Agenda



▶ GSI Overview

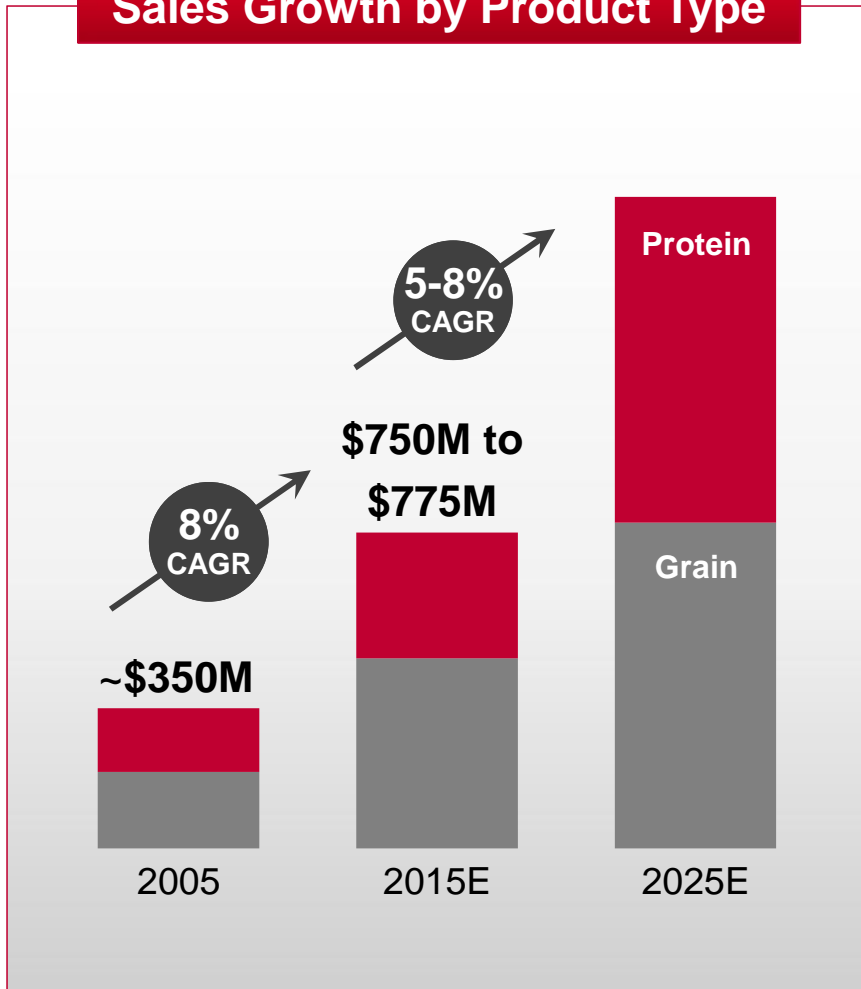
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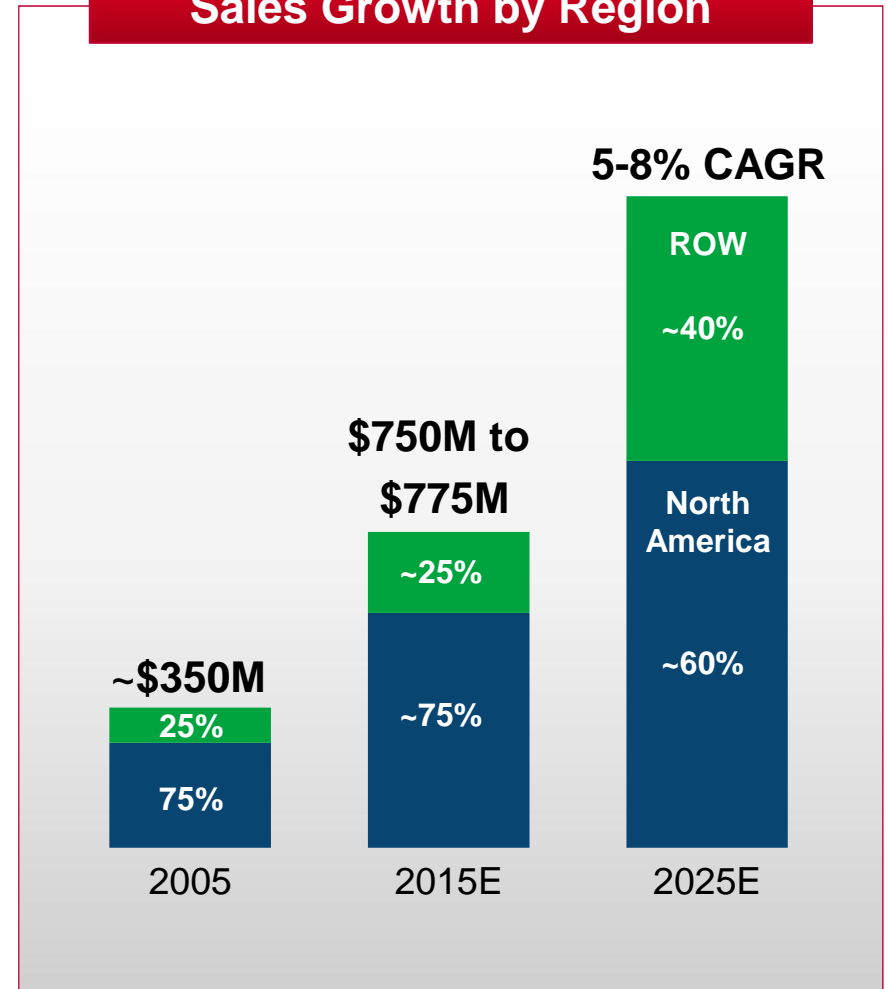


# Ambitious Growth Targets

## Sales Growth by Product Type



## Sales Growth by Region



# Three-Point Growth Strategy



STRATEGY #1: PRODUCT LINE EXPANSION

# Product Line Expansion to Strengthen Leadership Position

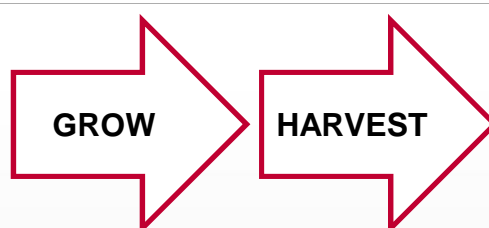
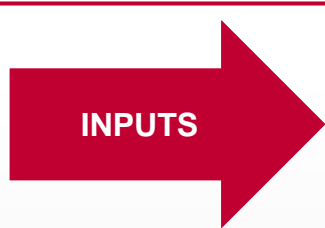


**GSI PRODUCTS**

**AGCO PRODUCTS**

**GSI PRODUCTS**

**Process**



**Actions**

- Treat seed
- Blend fertilizer

- Prepare soil
- Plant
- Apply chemicals
- Harvest
- Move

- Dry
- Store
- Move
- Feed animals
- House animals
- Grow animals

**Products**



Treater



Blender



Dryer



Convey



Silo



Tower

**NEW**



Poultry



Swine



Egg

**NEW**



STRATEGY #1: PRODUCT LINE EXPANSION

# Entering the Commercial Egg Market Completes GSI's Poultry Product Portfolio



## EXISTING PRODUCTS



US Style Fans



Cooling



Heating



Electronic Controls



Conventional nest for breeders



Storage



Watering



Broiler Feeders



Chain Feeders



Breeder Pan

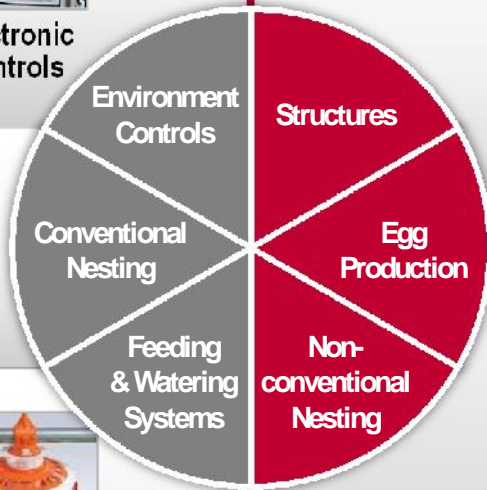
## NEW PRODUCTS



Housing Design



Customized Structures



Egg Layer Cage Enriched Nesting Cage Free

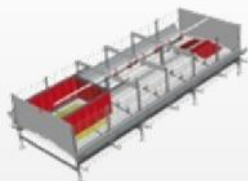



Egg Collection

# GSI is the US Market Leader for Cage Free Egg Production



## Commercial Egg Housing – AGCO the Leader

<b>Enriched Cages (Colony)</b> 	<b>Cage-free (Aviaries)</b> 
USA, Canada	Europe, USA, Canada
<b>Developed Markets</b>	

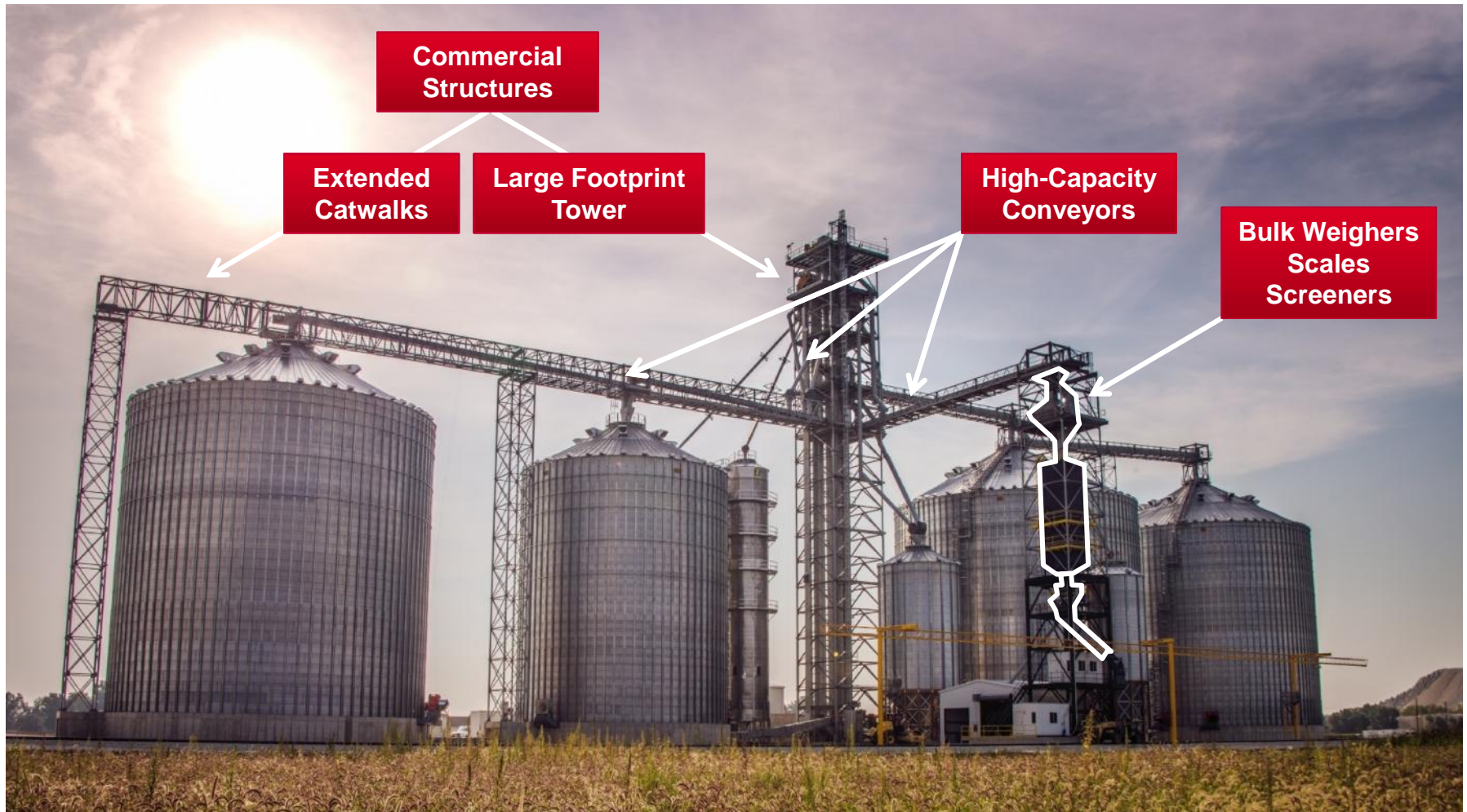
## Companies Moving to Improve Animal Welfare

- Dunkin' Donuts announced that it would use cage-free eggs  
– Sep 26, 2012
- Aramark and Unilever have announced that eventually they'll only buy cage-free eggs  
– Jun 9, 2013
- Starbucks moves to cage-free eggs, revises policies on animal products  
– Dec 23, 2014
- McDonald's plans a shift to eggs from only cage-free hens  
– Sep 9, 2015
- Panera Bread says its eggs will be cage free by 2020  
– Nov 5, 2015



STRATEGY #1: PRODUCT LINE EXPANSION

# New Grain Products Provide More Complete Product Portfolio



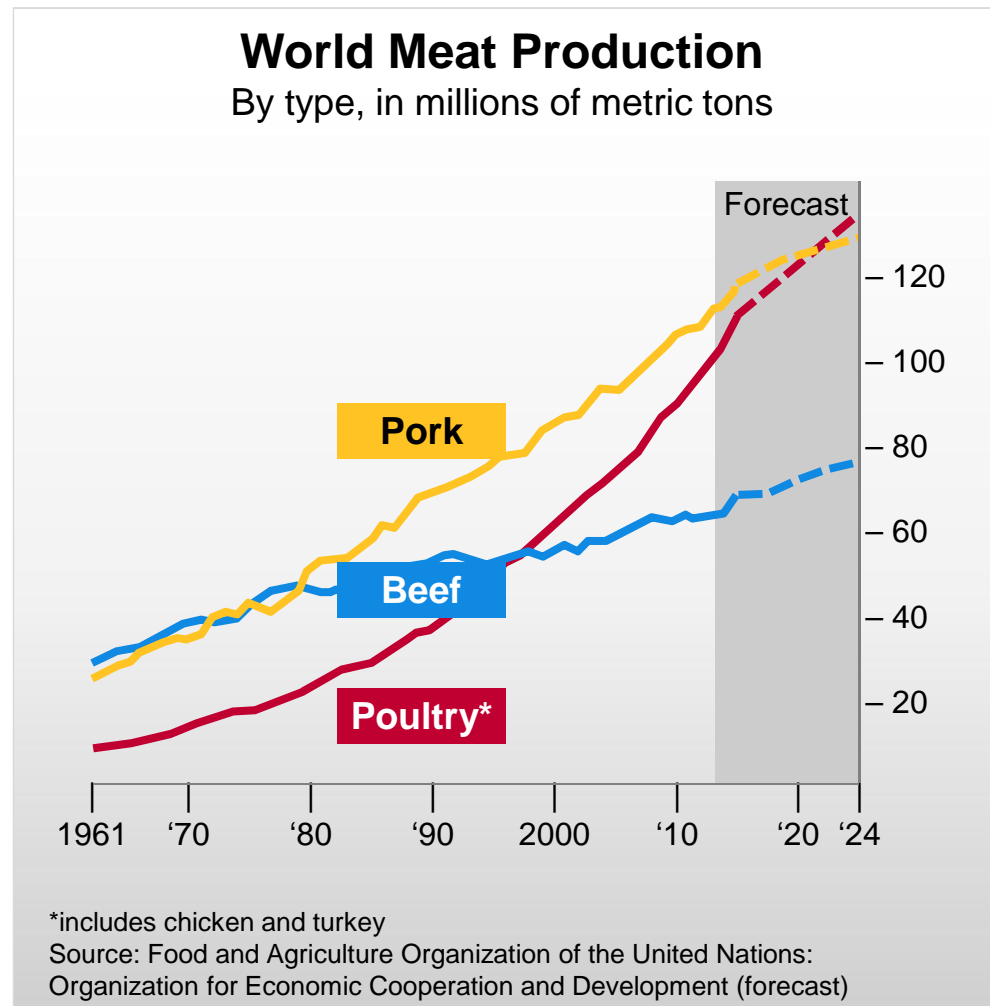
STRATEGY #2: VOLUME GROWTH

# How to Satisfy the World's Surging Appetite for Meat



Wall Street Journal Article by Jacob Bunge

- Additional 455 M metric tons of annual meat production needed by 2050
- Chicken is widely expected to be the main choice
- Over the next 35 years the world will need to increase meat production by another two-thirds
- Increasing demand for large-scale food production and technology



STRATEGY #2: VOLUME GROWTH

# Expanding Globally – Recent Projects



**Swine Farms**  
**Vertical Fertilizer Blender**  
**Poultry Farms**  
**Grain Storage**

**Two Story Poultry Layer House**  
France

**Grain Port Terminal**  
Netherlands

**Storage, Conditioning and Conveyance**  
Russia

**Swine Farm**  
China

**Poultry Broiler Farm**  
China

**Grain Port Terminal**  
Brazil

**Poultry Broiler House**  
Brazil

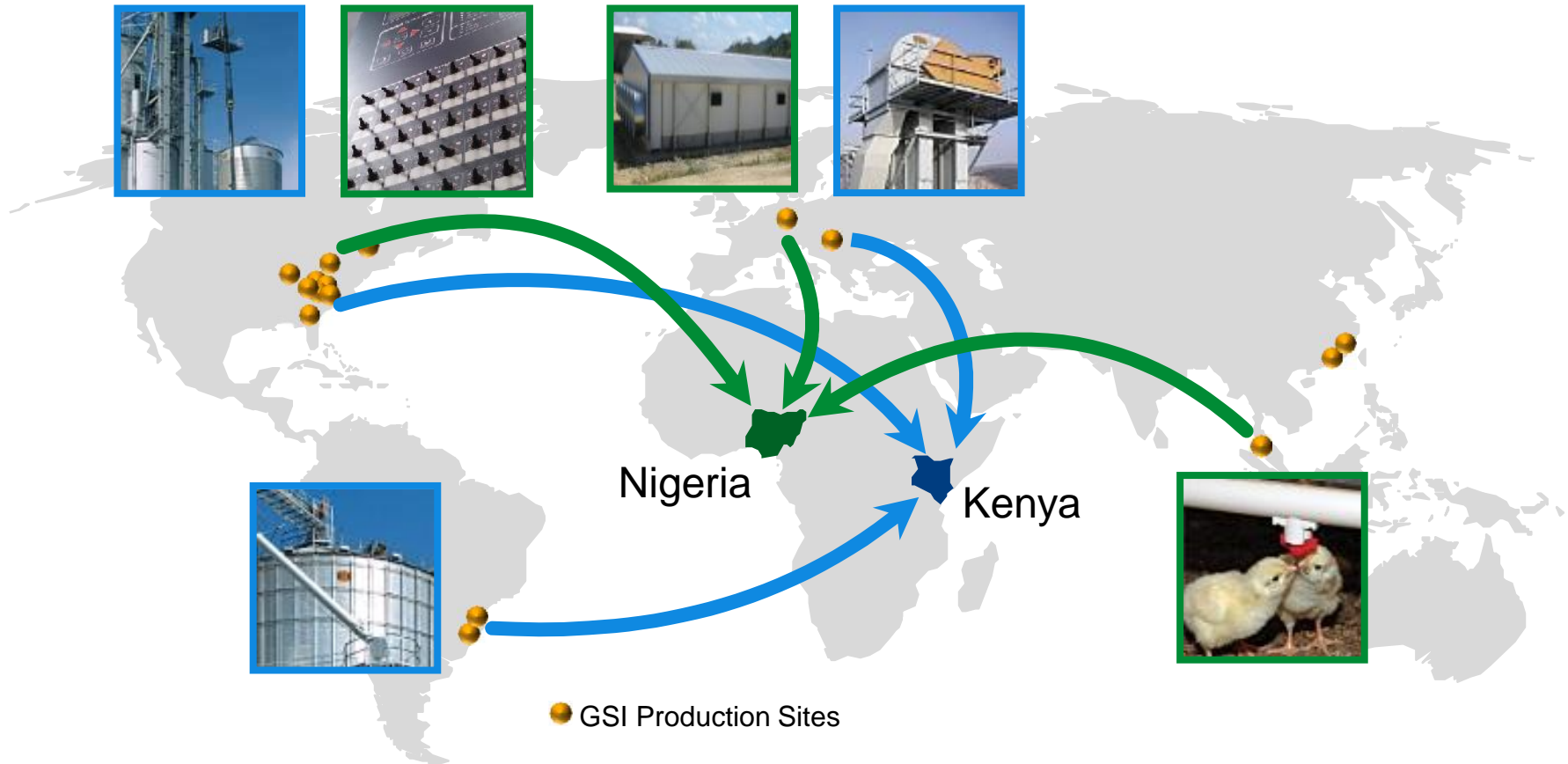
**Turnkey Poultry Farm**  
Egypt

**Turnkey Poultry Farm**  
Zambia

US

STRATEGY #3: MAINTAINING PROFITABLE MARGINS

# The Power of a Global Manufacturing Supply Chain



IN SUMMARY

## Well Positioned for Long-Term Profitable Growth



Population growth and growing middle class driving demand for grain storage and increased protein consumption



Leading market positions and brands with full product line offerings



Strong earnings and cash flow contribution

