

Chairman's Message
and 2022 Highlights
Notice of Annual Meeting
Proxy Statement for the
Annual Meeting of Stockholders
Annual Report on Form 10-K



Farmer First

2022 Annual Report

INNOVATING FOR FARMERS
IN A CHANGING WORLD





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Dear fellow shareholders, employees, customers, and partners:



Eric P. Hansotia

Chairman, President, and
Chief Executive Officer

PRESSURE ON THE WORLD'S FARMERS

has never been greater. Our population continues to grow towards ten billion people by 2050; demand for animal protein is rising which requires more feed production; biofuel demand is also increasing; and the acreage available for farming is decreasing. This pressure is compounded by the higher cost of inputs and societal demand for more sustainable farming practices and outcomes.

Technological innovation and adoption are the solution to alleviating the enormous pressure farmers face. AGCO and its brands are laser focused on delivering innovative solutions that alleviate farmer pain points while simultaneously contributing to a more sustainable future.

2022 Performance

As farmer demand for AGCO technology remained high across the crop cycle, our focus throughout 2022 was maximizing production to support our farmers. Helping farmers sustainably feed our world is core to our purpose. The urgency of that purpose was underscored by the war in Ukraine and its resulting impact on the global food supply.

Although our production was temporarily affected by a ransomware cyber attack in May, our team worked around the clock to restore operations and minimize disruptions. Thanks to our team's efforts, commitment, and resiliency, we delivered record volumes to farmers in 2022.

AGCO achieved record results in 2022 supported by demand for our new technology to replace aging fleets, favorable farm economics and constrained industry production. During 2022, AGCO reported net sales of approximately \$12.7 billion, an increase of approximately 13.6% compared to 2021. Adjusted operating margins expanded over 120 basis points to 10.3%, due to robust demand and favorable pricing that helped to offset significant inflationary pressures. Reported net income per share was \$11.87 and adjusted net income per share was \$12.42, an increase of approximately 0.2% and 19.7%, respectively, from 2021. Free cash flow was approximately \$450 million, as compared to \$390 million in 2021. Given these strong results, we



In 2022, our precision agriculture sales grew to approximately \$700 million, which was a 29% increase over the prior year. We are well on track to achieve our recently increased goal of \$1 billion in revenue by 2025.

increased our quarterly dividend 20% to \$0.24 per share per quarter, and we paid our second special variable dividend of \$4.50 per share. These results are further evidence that our farmer-first strategy and accelerated investment in precision ag technology are providing meaningful results for farmers and shareholders.

Farmer-First Strategy Execution

Our strategy is simple: deliver exceptional customer experiences that align with brand promises; empower farmers to interact with our brands at every stage of the customer journey online, at a dealer, or both; and deliver high quality, smart solutions that produce sustainable agronomic and economic value to farmers.

Seeking and responding to farmers' feedback is the foundation of creating exceptional customer experiences that meet and exceed their expectations. One tool we have implemented across our global brands is Net Promoter Score (NPS). NPS measures whether a customer would recommend AGCO to others and includes additional questions to understand the factors that impact their answers. We are actively leveraging this farmer feedback to make improvements across our business which resulted in a 2022 NPS that improved over 10% versus 2021 and was well beyond our target.

Our dealers are essential partners in delivering the customer experiences our farmers require. We have raised performance expectations across our global network and have implemented a global standard scorecard to increase accountability. Recognizing that farmers want to perform an increasing number of activities online, we have continued to deploy digital tools across parts, service and financing while digitizing the customer experience. Together, these activities are changing the game—enabling us to serve farmers wherever and however they prefer.

Farmers play an essential role in addressing ongoing food security and the effects of climate change. Technological innovation and adoption are key to meeting current and future farming challenges, and AGCO's vision is to be farmers' most trusted partner for industry-leading, smart farming solutions.

We are continuing to innovate and grow our business in those areas that deliver significant value to farmers and margin-rich growth to our shareholders:

- Expanding Fendt in North and South America brings a world-class, full line product portfolio to the world's most demanding farmers. Fendt innovation was recognized across the crop cycle, including tractors, planters, sprayers, and hay equipment. Leveraging the new AGCO Power CORE engine, the new Fendt 700 Vario Gen 7 was named Tractor of the Year at EIMA, one of the major agricultural trade shows in the EME region.
- Global parts and services innovation increases parts availability and enables proactive service while delivering high margins and reducing cyclicity. AGCO is an industry leader in parts fill rate, which helps keep farmers in the field farming.
- Precision agriculture innovation delivers meaningful economic and agronomic value to farmers, enabling a more sustainable future by increasing yield while minimizing inputs and impact. Turbocharged by our 2021 acquisitions, our precision agriculture

business continues to be one of our key innovation engines, delivering retrofit solutions across the crop cycle that make machines from any brand and almost any vintage smarter today, while enabling new capabilities in our brand portfolio. Expanding their farmer-first mindset beyond retrofit, Precision Planting announced Radicle Agronomics™. Radicle Agronomics™ brings a new generation of tools to professional agronomists that enables accelerated, automated soil sampling on the farm. This game-changing innovation enables better nutrient management, environmental stewardship, and farmer profitability. In 2022, our precision agriculture sales grew to approximately \$700 million, which was a 29% increase over the prior year. We are well on track to achieve our recently increased goal of \$1 billion in revenue by 2025.

Ongoing Commitment to Governance

We welcomed one new director to our Board of Directors in 2022, further progressing our Board refreshment program. David Sagehorn, retired Chief Financial Officer at Oshkosh Corporation, brings extensive experience in technology-rich vehicle production to our Board. We also established a Board committee focused on sustainability. Chaired by Bob De Lange, Group President, Services, Distribution and Digital at Caterpillar, Inc., this dedicated Committee acknowledges the positive impact the agriculture industry and AGCO can make in addressing global climate change and food security. This new Committee will provide keen input on environmental and social matters.

Accelerating Impact

We are focused on delivering winning outcomes for our farmers, our shareholders, and our employees. We are transforming our culture and employee experience to make AGCO the employer of choice in the agriculture industry. Just as we listen and respond to customer feedback, we listen and act on employee feedback. In 2022, more than 19,000 AGCO employees shared their voice on how to make AGCO the best place to grow a meaningful career.

Fortune favors the bold, and now is the time to accelerate our impact. Farmers face immense challenges, and technological innovation is the best opportunity to address them. We are innovating across our brand portfolio to enable farmer success today while providing sustainable outcomes for future generations.

I am proud of how the AGCO team has achieved another year of record results for our farmers, their fellow employees, and our shareholders. Together, we are advancing the future of AGCO and agriculture.

Thank you for your ongoing trust and partnership.

Sincerely,



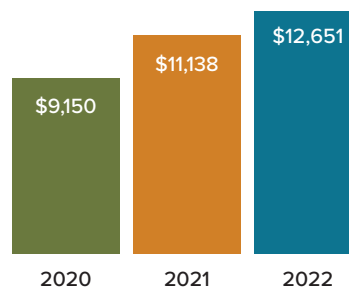
Eric Hansotia

Chairman, President and
Chief Executive Officer

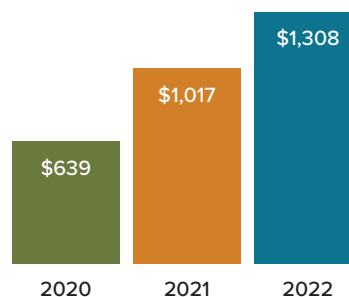
Financial Highlights

(In millions, except for share amounts)

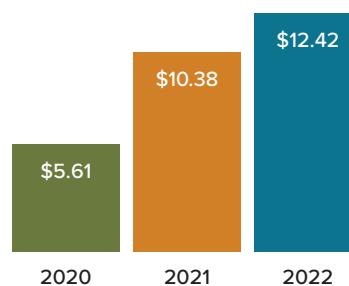
NET SALES



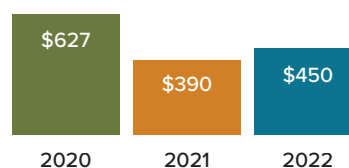
ADJUSTED OPERATING INCOME*



ADJUSTED EARNINGS PER SHARE*



FREE CASH FLOW*



*See reconciliations of non-GAAP measures on p4.

Reconciliation of Non-GAAP Measures (In millions, except per share amounts)

	2022			2021			2020		
	Income from Operations	Net Income ⁽¹⁾⁽²⁾	Net Income per Share ⁽¹⁾⁽²⁾	Income from Operations	Net Income ⁽¹⁾⁽²⁾	Net Income per Share ⁽¹⁾	Income from Operations	Net Income ⁽¹⁾⁽²⁾	Net Income per Share ⁽¹⁾
As reported	\$ 1,265.4	\$ 889.6	\$ 11.87	\$ 1,001.4	\$ 897.0	\$ 11.85	\$ 599.7	\$ 427.1	\$ 5.65
Impairment of Russian joint ventures	36.0	23.8	0.32	–	–	–	–	–	–
Impairment charge—tillage joint venture	–	–	–	–	–	–	20.0	10.0	0.13
Restructuring expenses	6.1	4.8	0.06	15.3	11.8	0.16	19.7	19.5	0.26
Gain on full acquisition of IAS joint venture	–	(3.4)	(0.05)	–	–	–	–	–	–
Write-down of investment in Russian finance joint venture	–	4.8	0.06	–	–	–	–	–	–
Divestiture-related foreign currency translation release	–	11.4	0.15	–	–	–	–	–	–
Gain on sale of investment in affiliate	–	–	–	–	–	–	–	(32.5)	(0.43)
Deferred income tax adjustments	–	–	–	–	(123.4)	(1.63)	–	–	–
As adjusted	<u>\$ 1,307.5</u>	<u>\$ 930.9</u>	<u>\$ 12.42</u>	<u>\$ 1,016.7</u>	<u>\$ 785.4</u>	<u>\$ 10.38</u>	<u>\$ 639.4</u>	<u>\$ 424.2</u>	<u>\$ 5.61</u>

(1) Net income and net income per share amounts are after tax.

(2) Rounding may impact summation of amounts.

	2022	2021	2020
Net cash provided by operating activities	\$ 838.2	\$ 660.2	\$ 896.5
Less: capital expenditures	(388.3)	(269.8)	(269.9)
Free cash flow	<u>\$ 449.9</u>	<u>\$ 390.4</u>	<u>\$ 626.6</u>

Forward-looking Statements

This annual report includes forward-looking statements, including the statements in the Chairman's Message and other statements in this report, regarding market demand, strategic initiatives, commitments and their effects, and general economic conditions. These statements are subject to risks that could cause actual results to differ materially from those suggested by the statements, including:

Our financial results depend entirely upon the agricultural industry, and factors that adversely affect the agricultural industry generally, including declines in the general economy, adverse weather, increases in farm input costs, and lower commodity prices, will adversely affect us. In addition, it is unclear at this point what the impact upon us will be from the recent significant increases in energy costs. We face significant competition, and if we are unable to compete successfully against other agricultural equipment manufacturers, we would lose our customers and our net sales would decline.

Our success depends on the introduction of new products, which requires substantial expenditures and may not be well-received in the marketplace. In addition, if we are unable to deliver precision agriculture and high-tech solutions to our customers, it could have material adverse effects on our performance.

Most of our sales depend on retail customers obtaining financing, and any disruption in their ability to obtain financing, whether due to economic downturns or otherwise, will result in the sale of fewer products by us.

A majority of the retail sales of our products is financed by our retail finance joint ventures with Rabobank, and any interruption or decrease on Rabobank's part in funding the venture would adversely impact net sales.

We depend on suppliers for raw materials, components, and parts for our products, and any failure by our suppliers to provide products as needed, whether due to the coronavirus or otherwise, or by us to promptly address supplier issues, will adversely impact our ability to timely and efficiently manufacture and sell products. Recently, we have experienced significant supply chain issues with respect to a wide range of parts and components with a portion arising from the global semiconductor shortage. We may continue to face supplier bottlenecks

and delays in all regions, as well as continued challenges with freight logistics, and we continue to work to mitigate the impact of these issues in order to meet end-market demand.

A majority of our sales and manufacturing take place outside the United States, and many of our sales involve products that are manufactured in one country and sold in a different country; as a result, we are exposed to risks related to foreign laws, taxes and tariffs, trade restrictions, economic conditions, labor supply and relations, political conditions and governmental policies.

These risks may delay or reduce our realization of value from our international operations. Among these risks are the uncertain consequences of Brexit, Russia's invasion of Ukraine, and tariffs imposed on exports to and imports from China. In particular, we sell a meaningful quantity of products in Ukraine (which is a significant grain producer), and while it is clear that the Russian invasion of Ukraine has and will impact our business, the extent of that impact currently is unclear.

Volatility with respect to currency exchange rates and interest rates can adversely affect our reported results of operations and the competitiveness of our products.

We are subject to extensive environmental laws and regulations, and our compliance with, or our failure to comply with, existing or future laws and regulations could delay production of our products or otherwise adversely affect our business.

We are subject to raw material price fluctuations, which can adversely affect our manufacturing costs. We disclaim any obligation to update forward-looking statements except as required by law.

We expect COVID-19 to continue to impact our business, although the manner and extent to which it impacts us will depend on future developments, including the duration of the pandemic, the timing, distribution and impact of vaccinations, and possible mutations of the virus that are more contagious or resistant to current vaccines.



2023 Proxy Statement and Notice of Annual Meeting of Stockholders

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Notice of Annual Meeting of Stockholders

**TIME AND DATE**

9:00 a.m., Eastern Time, on Thursday, April 27, 2023

**PLACE**

AGCO Corporation, 4205 River Green Parkway, Duluth, Georgia 30096

**RECORD DATE**

Only stockholders of record as of the close of business on March 17, 2023 are entitled to notice of and to vote at the Annual Meeting or any postponement or adjournment thereof. Attendance at the Annual Meeting is limited to stockholders of record at the close of business on March 17, 2023, and to any invitees of the Company.

**INSPECTION OF LIST OF STOCKHOLDERS OF RECORD**

A list of stockholders as of the close of business on March 17, 2023 will be available for examination by any stockholder for a period of ten days prior to the Annual Meeting at our offices at the above address during normal business hours.

ITEMS OF BUSINESS:

1. To elect ten directors to the Board of Directors for terms expiring at the Annual Meeting in 2024;
2. To consider a non-binding advisory vote relating to the frequency (every one, two or three years) of the non-binding stockholder vote relating to the compensation of the Company's named executive officers;
3. To consider a non-binding advisory resolution to approve the compensation of the Company's named executive officers ("NEOs");
4. To ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for 2023; and
5. To transact any other business that may properly be brought before the meeting.

We urge you to mark and execute your proxy card and return it promptly in the enclosed envelope or vote by telephone or electronically. In the event you are able to attend the meeting, you may revoke your proxy and vote your shares in person.

We intend to hold our annual meeting in person. However, we are actively monitoring the COVID-19 pandemic, and we are sensitive to the public health and travel concerns our stockholders may have and the protocols that federal, state and local government may impose. In the event it is not possible or advisable to hold our annual meeting in person, we will announce alternative arrangements for the meeting as promptly as practicable, which may include holding the meeting solely by means of remote communication. Please monitor our annual meeting website at www.envisionreports.com/AGCO for updated information. If you are planning to attend our meeting, please check the website one week prior to the meeting date. As always, we encourage you to vote your shares prior to the annual meeting.

By Order of the Board of Directors





ROGER N. BATKIN
Corporate Secretary

Atlanta, Georgia
March 27, 2023





Summary

This summary highlights information contained elsewhere in this proxy statement. Since this summary does not contain all of that information, we encourage you to read the entire proxy statement before voting.

ANNUAL MEETING OF STOCKHOLDERS











 TIME AND DATE 9:00 a.m., Eastern Time, on Thursday, April 27, 2023	 PLACE AGCO Corporation, 4205 River Green Parkway, Duluth, Georgia 30096
 RECORD DATE March 17, 2023	 VOTING Stockholders as of the record date are entitled to vote. Each share of common stock is entitled to one vote for each director nominee and one vote for each of the proposals to be voted on.

VOTING RECOMMENDATIONS

Proposal	Board Vote Recommendation
Election of directors	 FOR EACH NOMINEE
Advisory vote on frequency of executive compensation advisory vote	 FOR ANNUAL CONSIDERATION
Advisory vote on executive compensation	 FOR
Ratification of the selection of KPMG LLP	 FOR

DIRECTOR NOMINEES

The following table provides summary information about each nominee. Directors are elected annually. AGCO has majority voting in uncontested elections of directors, such as this election. In the event that a nominee does not receive the affirmative vote of a majority of the votes cast in person or by proxy, he or she is required to tender his or her resignation.

Name	Age	Director		Brief Biography	Independent	Committee Membership						
		Since				EC	AC	TC	FC	GC	SC	
 Michael C. Arnold	66	2013		Lead Director of AGCO Corporation, Former President and CEO, Ryerson Inc.	✓	●					●	
 Sondra L. Barbour	60	2019		Former Executive Vice President, Lockheed Martin Corporation	✓	●	●	●	●			
 Suzanne P. Clark	55	2017		Chief Executive Officer, U.S. Chamber of Commerce	✓	●		●				●
 Bob De Lange	53	2021		Group President, Services, Distribution and Digital, Caterpillar Inc.	✓	●					●	●
 Eric P. Hansotia	54	2020		Chairman, President and CEO, AGCO Corporation						●		
 George E. Minnich	73	2008		Former Senior Vice President and CFO, ITT Corporation	✓	●	●		●	●		
 Niels Pörksen	59	2021		Chief Executive Officer, Südzucker AG	✓				●	●		
 David Sagehorn	59	2022		Former Executive Vice President and CFO, Oshkosh Corporation	✓		●	●				
 Mallika Srinivasan	63	2011		Chairperson and Managing Director, Tractors and Farm Equipment Limited (India)								●
 Matthew Tsien	62	2021		Former Executive Vice President and Chief Technology Officer, General Motors, and Former President of General Motors Ventures	✓		●	●				

EC Executive Committee

TC Talent and Compensation Committee

GC Governance Committee

● Chair

AC Audit Committee

FC Finance Committee

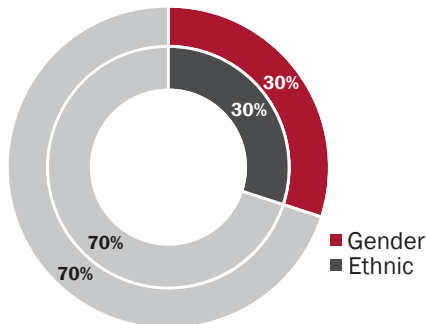
SC Sustainability Committee

● Member

SUMMARY

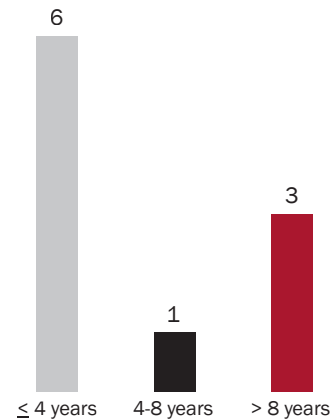
Board Diversity Matrix (As of March 17, 2023)										
Total Number of Directors: 10										
	Arnold	Barbour	Clark	De Lange	Hansotia	Minnich	Pörksen	Sagehorn	Srinivasan	Tsien
Demographic Background										
African American or Black										
Asian										✓
Indian									✓	
White	✓	✓	✓	✓		✓	✓	✓		
Hispanic or Latinx										
Alaskan Native or Native American										
Two or More Race or Ethnicity					✓					
LGBTQ+										
Did Not Disclose Demographic Background										
Gender Identity										
Male	✓			✓	✓	✓	✓	✓		✓
Female		✓	✓						✓	
Non-Binary										
Did Not Disclose Gender										

DIVERSITY OF NOMINEES



⁽¹⁾ As of March 17, 2023.

BOARD TENURE OF NOMINEES⁽¹⁾



GOVERNANCE UPDATE

Commencing in 2020, we have focused significant attention on a systematic and comprehensive review of our governance practices. Changes to-date include:

- Adoption of a five-year term limit for chairs of our Audit, Governance and Talent and Compensation Committees;
- A general refresh of committee assignments in order to bring fresh perspectives;
- A strengthening of our Lead Director Duties;
- Adoption of a five-year term limit for our Lead Director;
- An increase in the share ownership requirements for our directors and CEO;
- Continuation of our board refresh process, with the addition of six new independent members within the last four years; and
- A tightening of our hedging and pledging policy.

The Governance Committee will continue to review and update our governance practices to serve the best interests of all of our shareholders.

FREQUENCY OF EXECUTIVE COMPENSATION ADVISORY VOTE

We are asking stockholders to vote and advise as to whether the stockholders believe the non-binding vote relating to the compensation of the Company's named executive officers should occur every one, two or three years.

EXECUTIVE COMPENSATION ADVISORY VOTE

We are asking stockholders to approve on an advisory basis our named executive officer compensation.

Commencing in 2020, in response to shareholder feedback, the Talent and Compensation Committee implemented significant changes to the performance-based aspects of our executive compensation, including:

- Changing the Chair of the Talent and Compensation Committee;
- Engaging a new independent compensation consultant;
- Significantly modifying executive retirement benefits;
- Refreshing the peer group of companies used for comparative purposes; and
- Implementing a system that increases and decreases key incentive compensation goals to reflect overall industry performance.

For more information on the Company's executive compensation programs, please see "Proposal 3 — Non-Binding Advisory Resolution to Approve the Compensation of the Company's NEOs" and "Compensation Discussion and Analysis" in this proxy statement.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

As a matter of good corporate governance, we are asking our stockholders to ratify the Audit Committee's appointment of KPMG LLP as our independent registered public accounting firm for 2023. KPMG LLP served as the Company's independent registered public accounting firm for 2022 and is considered to be well-qualified. The Company's Audit Committee considered a number of factors when selecting KPMG LLP, including qualifications, staffing considerations, and independence and quality controls.

Set forth below is summary information with respect to KPMG LLP's fees for services provided in 2022 and 2021.

Type of Fees	2022		2021	
	(in thousands)			
Audit Fees	\$	7,741	\$	7,211
Audit-Related Fees		62		41
Tax Fees		—		—
Other Fees		—		—
Total	\$	7,803	\$	7,252

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Information Regarding the Annual Meeting

INFORMATION REGARDING PROXIES

This proxy solicitation is made by the Board of Directors of AGCO Corporation, which has its principal executive offices at 4205 River Green Parkway, Duluth, Georgia 30096. By signing and returning the enclosed proxy card, you authorize the persons named as proxies on the proxy card to represent you at the meeting and vote your shares.

If you attend the meeting, you may vote by ballot. If you do not attend the meeting, your shares can be voted only when represented by a proxy either pursuant to the enclosed proxy card or otherwise. You also may vote over the telephone or electronically via the internet as described on the proxy card provided to you. You may indicate a vote on the enclosed proxy card in connection with any of the listed proposals, and your shares will be voted accordingly. If you indicate a preference to abstain from voting, no vote will be cast. You may revoke your proxy card before balloting begins by notifying the Corporate Secretary in writing at 4205 River Green Parkway, Duluth, Georgia 30096. In addition, you may revoke your proxy card before it is voted by signing and delivering prior to the voting a proxy card bearing a later date. You may also revoke your proxy card by attending the meeting and voting in person. If you return a signed proxy card that does not indicate your voting preferences, the persons named as proxies on the proxy card will vote your shares (i) in favor of all of the ten director nominees described below; (ii) in favor of the one-year frequency for the non-binding stockholder vote relating to the compensation of the Company's "Named Executive Officers" ("NEOs"); (iii) in favor of the non-binding advisory resolution to approve the compensation of the Company's NEOs; (iv) in favor of ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for 2023; and (v) in their best judgment with respect to any other business brought before the Annual Meeting.

The enclosed proxy card is solicited by the Board, and the cost of solicitation of proxy cards will be borne by the Company. The Company may retain an outside firm to aid in the solicitation of proxy cards, the cost of which the Company expects would not exceed \$25,000. Proxy solicitation also may be made personally or by telephone by directors, officers or employees of the Company, without added compensation. The Company will reimburse brokers, custodians and nominees for their customary expenses in forwarding proxy material to beneficial owners.

This proxy statement and the enclosed proxy card are first being sent to stockholders on or about March 27, 2023. The Company's 2022 Annual Report on Form 10-K is also enclosed and should be read in conjunction with the matters set forth herein.

INFORMATION REGARDING VOTING

Only stockholders of record as of the close of business on March 17, 2023, are entitled to notice of and to vote at the Annual Meeting. On March 17, 2023, the Company had outstanding 74,846,197 shares of common stock, each of which is entitled to one vote on each matter coming before the meeting. No cumulative voting rights exist, and dissenters' rights for stockholders are not applicable to the matters being proposed. For directions to the offices of the Company where the Annual Meeting will be held, you may contact our corporate office at (770) 813-9200.

QUORUM REQUIREMENT

A quorum of the Company's stockholders is necessary to hold a valid meeting. The Company's By-Laws provide that a quorum is present if a majority of the outstanding shares of common stock of the Company entitled to vote at the meeting are present in person or represented by proxy. Votes cast by proxy or in person at the Annual Meeting will be tabulated by the inspector of elections appointed for the meeting, who will also determine whether a quorum is present for the transaction of business. Abstentions and "broker non-votes" will be treated as shares that are present and entitled to vote for purposes of determining whether a quorum is present. A broker non-vote occurs on an item when a broker or other nominee is not permitted to vote on that item without instruction from the beneficial owner of the shares and the beneficial owner did not give instruction.

VOTE NECESSARY FOR THE ELECTION OF DIRECTORS

Directors are elected by a majority of the votes cast in person or by proxy at the Annual Meeting. See “Proposal 1 — Election of Directors” in this proxy statement for a more detailed description of the majority voting procedures in our By-Laws.

Under the New York Stock Exchange (“NYSE”) rules, if your broker holds your shares in its name, your broker is not permitted to vote your shares with respect to the election of directors if your broker does not receive voting instructions from you. Abstentions and broker non-votes will not affect the election outcome.

VOTE NECESSARY RELATING TO THE NON-BINDING ADVISORY VOTE RELATING TO THE FREQUENCY (EVERY ONE, TWO OR THREE YEARS) OF THE NON-BINDING STOCKHOLDER VOTE RELATING TO COMPENSATION OF THE COMPANY’S NEOs

The non-binding advisory vote relating to the frequency of the non-binding stockholder vote to approve the compensation of the Company’s NEOs will require stockholders to choose between a frequency of every one, two or three years or abstain from voting. Because the stockholders vote on this proposal is advisory only, it will not be binding on the Company or the Board of Directors. However, the Board of Directors will review the voting results and take them into consideration when making future decisions regarding the frequency of the advisory vote on executive compensation as it deems appropriate.

Under the NYSE rules, if your broker holds your shares in its name, your broker is not permitted to vote your shares with respect to the frequency of the advisory vote on the compensation of the Company’s NEOs if your broker does not receive voting instructions from you. Abstentions and broker non-votes will not affect the vote on this proposal.

VOTE NECESSARY TO ADOPT THE NON-BINDING ADVISORY RESOLUTION TO APPROVE THE COMPENSATION OF THE COMPANY’S NEOs

Adoption of the non-binding advisory resolution to approve the compensation of the Company’s NEOs requires the affirmative vote of a majority of the votes cast in person or by proxy at the Annual Meeting. Because the stockholder vote on this proposal is advisory only, it will not be binding on the Company or the Board. However, the Talent and Compensation Committee will review the voting results and take them into consideration when making future decisions regarding executive compensation as the Talent and Compensation Committee deems appropriate.

Under the NYSE rules, if your broker holds your shares in its name, your broker is not permitted to vote your shares with respect to the non-binding advisory resolution to approve the compensation of the Company’s NEOs if your broker does not receive voting instructions from you. Abstentions and broker non-votes will not affect the vote on this proposal.

VOTE NECESSARY TO RATIFY THE APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ratification of the appointment of KPMG LLP as the Company’s independent registered public accounting firm for 2023 requires the affirmative vote of a majority of the votes cast in person or by proxy at the Annual Meeting.

Under the NYSE rules, if your broker holds your shares in its name, your broker is permitted to vote your shares with respect to the ratification of the appointment of KPMG LLP as the Company’s independent registered public accounting firm for 2023 even if your broker does not receive voting instructions from you. Abstentions and broker non-votes will not affect the vote on this proposal.

OTHER MATTERS

With respect to any other matter that may properly come before the Annual Meeting for stockholder consideration, a matter generally will be approved by the affirmative vote of a majority of the votes cast in person or by proxy at the Annual Meeting unless the question is one upon which a different vote is required by express provision of the laws of Delaware, federal law, the Company’s Certificate of Incorporation or the Company’s By-Laws or, to the extent permitted by the laws of Delaware, the Board has expressly provided that some other vote shall be required, in which case such express provisions shall govern.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS

As required by rules adopted by the United States Securities and Exchange Commission, the Company is making this proxy statement and its annual report available to stockholders electronically via the Internet. The proxy statement and annual report to stockholders are available at www.agcocorp.com. The proxy statement is available under the heading “SEC Filings” in our website’s “Investors” section located under “Company,” and the annual report to stockholders is available under the heading “Annual Reports” in our “Investors” section.



PROPOSAL

1

ELECTION OF DIRECTORS



The Board recommends a vote “FOR” the nominees.

The Company’s By-Laws provide for a “majority voting” standard for the election of directors in uncontested elections. If an incumbent director does not receive the requisite majority vote, he or she would continue as a “carry over” director, but is required to tender his or her resignation. In that event, the Governance Committee will determine whether to accept the director’s resignation and will submit its recommendation to the Board. In deciding whether to accept a director’s resignation, our Governance Committee and the Board may consider any factors that they deem relevant. Our By-Laws also provide that the director whose resignation is under consideration will abstain from the deliberation process with respect to his or her resignation.

In the event that a stockholder proposes a nominee to stand for election with nominees selected by the Board, and the stockholder does not withdraw the nomination prior to the tenth day preceding our mailing the notice of the stockholders meeting (i.e., a “contested election”), then our By-Laws provide that directors will be elected by a plurality vote.

For this year’s Annual Meeting, the Governance Committee has recommended, and the Board has nominated, the ten individuals named below to serve as directors until the Annual Meeting in 2024 or until their successors have been duly elected and qualified. The following is a brief description of the business experience, qualifications and skills of each of the nominees:



MICHAEL C. ARNOLD

Age: **66**

Director since **October 2013**
Lead Director since **January 2021**

- Former President and Chief Executive Officer of Ryerson Inc.
- Various senior management positions with The Timken Company from 1979 to 2010 including Executive Vice President; President, Bearings and Power Transmission Group; President, Industrial Group; Vice President, Bearings and Business Process Advancement; Director, Bearings and Business Process Advancement; Director, Manufacturing and Technology, Europe, Africa and West Asia (Europe)
- Lead Independent Director of the Board of Directors of Kaiser Aluminum Corporation, where he also serves on the Compensation Committee and is Chairman of the Nominating and Governance Committee
- Former member of the Board of Directors of Gardner Denver, Inc.

Qualifications and Skills:

As CEO of Ryerson, Mr. Arnold led the transformation of the business under private equity ownership into a leader in its industry, and then through its successful initial public offering in 2014. At Ryerson and previously Timken, Mr. Arnold was a supplier to the agricultural industry, and at both developed extensive manufacturing and distribution expertise. As an independent director at Gardner Denver, he had an integral role in the sale of Gardner Denver to KKR. Mr. Arnold brings public company board and management, M&A, capital allocation, manufacturing, distribution, supply chain, strategy and technology expertise to the Board. In addition, Mr. Arnold has significant international experience, having been responsible for global businesses with facilities worldwide.



SONDRA L. BARBOUR

Age: **60**

Director since **April 2019**

- Former Executive Vice President, Leidos Holdings, Inc. from August 2016 to January 2017
- Former Executive Vice President, Information Systems & Global Solutions, Lockheed Martin Corporation from April 2013 to August 2016
- Various leadership positions at Lockheed Martin Corporation from 1986 to 2013, including Chief Information Officer, Vice President of Corporate Internal Audit, Business Area Chief Information Officer and Vice President of Operations
- Member of the Board of Directors of Nisource, Inc., where she serves on the Audit and Finance Committees
- Former member of the Board of Directors of 3M Company and Perspecta Inc.
- Member of the Fox School of Business Management Information Systems Advisory Board

Qualifications and Skills:

During her 30-year career with Lockheed Martin, retiring as Executive Vice President of Information Systems & Global Solutions, Ms. Barbour oversaw one of the largest and most sophisticated information technology functions in the world, involving not just the routine IT functions of a 110,000+ employee business, but also supporting the design and manufacturing of fighter jets and other complex defense hardware and the provision of a broad range of technical, scientific, logistics, system integration and cybersecurity services to customers. She also managed Lockheed's internal audit function. Ms. Barbour brings to the Board substantial information technology, internal control and international experience.



SUZANNE P. CLARK

Age: **55**
Director since **April 2017**

- Chief Executive Officer of the U.S. Chamber of Commerce since March 2021
- President of the U.S. Chamber of Commerce since June 2019
- Former Senior Executive Vice President and former Chief Operating Officer of the U.S. Chamber of Commerce
- Led a prominent financial information boutique, Potomac Research Group (PRG), from 2010 through September 2014
- Formerly with the Atlantic Media Company as President of the National Journal Group, a premier provider of information, news and analysis for Washington’s policy and political communities
- Member of the Board of So Others Might Eat, a Washington, D.C. support system for the homeless
- Former President of International Women’s Forum (Washington Chapter), a global group of leading women in business, law, government, technology and the arts
- Member of the Board of Directors of Transunion, where she serves as the Chair of the Risk and Compliance Committee and serves on the Audit Committee

Qualifications and Skills:

As Chief Executive Officer of the U.S. Chamber of Commerce, Ms. Clark has unequaled insight into American industry and commerce as well as the international interests of the Chamber’s 300,000 members. Ms. Clark brings to the Board the ability to provide real-time guidance on many of the critical issues being considered in Washington and elsewhere, which could affect AGCO’s strategy and operations including sustainability, government regulation and trade and commerce.



BOB De LANGE

Age: **53**
Director since **January 2021**

- Group President, Services, Distribution and Digital of Caterpillar Inc., responsible for management of the Caterpillar brand and distribution network.
- Various leadership positions since joining Caterpillar Inc. in 1993, including Group President of Construction Industries, Vice President, Excavation Division, and Worldwide Product Manager, Earthmoving Division.

Qualifications and Skills:

As a senior executive at Caterpillar, Mr. De Lange has unique experience from working at an international business that bears many similarities to AGCO in the issues that it faces as a result of its manufacture and distribution of highly-engineered equipment through a global manufacturing base and a broad network of distributors. Mr. De Lange brings to the Board direct experience and expertise in digitalization and the development of dealer capability against a background of the product design, supply chain, manufacturing and distribution issues experienced by AGCO. Mr. De Lange’s global experience includes world-wide product management responsibilities with significant work assignments in Europe and Asia.



ERIC P. HANSOTIA

Age: **54**

Director since **October 2020**

- Chairman, President and Chief Executive Officer since January 1, 2021
- Senior Vice President — Chief Operating Officer of AGCO from January 2019 to December 2020; Senior Vice President, Global Crop Cycle and Fuse Connected Services, from 2015 to January 2019; and Senior Vice President, Global Harvesting and Advanced Technology Solutions, from 2013 to 2015.
- Prior to joining AGCO, Mr. Hansotia held several positions within John Deere including Senior Vice President, Global Harvesting, from 2012 to 2013, and Vice President, Global Crop Care based in Mannheim, Germany from 2009 to 2012. Prior positions with John Deere included General Manager, Harvester Works from 2005 to 2009; Vice President, Global Forestry from 2004 to 2005; and various roles at John Deere from 1993 to 2004.
- Member of the Board of Directors of Toro Co., where he serves on the Nominating and Governance and Compensation and Human Resources Committees

Qualifications and Skills:

With almost 30 years of experience in the agricultural equipment industry, including working in Europe, Mr. Hansotia has direct and extensive experience in almost every aspect of our business and has broad industry knowledge in order to be able to address the needs of farmers throughout the world. Mr. Hansotia has extensive experience in the agricultural equipment industry in the areas of engineering, quality, advanced technology, manufacturing and product management. More recently, he has led AGCO’s growing focus on precision agriculture, which we view as critical to the success of our farmers and the long-term sustainability of our food supply. Mr. Hansotia brings to the Board a strong strategic view on the future trends in global agriculture, proven global leadership experience as well as valuable subject matter expertise.



GEORGE E. MINNICH

Age: **73**

Director since **January 2008**

- Former Senior Vice President and Chief Financial Officer of ITT Corporation from 2005 to 2007
- Several senior finance positions at United Technologies Corporation, including Vice President and Chief Financial Officer of Otis Elevator from 2001 to 2005 and Vice President and Chief Financial Officer of Carrier Corporation from 1996 to 2001
- Various positions within Price Waterhouse (now PricewaterhouseCoopers LLP) from 1971 to 1993, serving as an audit partner from 1984 to 1993
- Formerly served as a member of the Board of Belden Inc. and Kaman Corporation

Qualifications and Skills:

Through his service as the Chief Financial Officer of a leading corporation and a former audit partner, Mr. Minnich has broad experience in a range of important issues that face every public company, including capital structure and allocation, accounting, internal control environment and risk management. Mr. Minnich also has had substantial experience on the audit committees of three publicly-traded companies, having chaired two of them. Mr. Minnich brings to the Board expertise that enables the Board to fulfill several different critical functions.



NIELS PÖRKSEN

Age: **59**
 Director since **October 2021**

- Chief Executive Officer at Südzucker AG since 2020; Südzucker AG (SZU: GR Xetra) is based in Germany and is one of the world’s largest sugar producers.
- Former Group Executive of Portfolio Solutions at Nufarm, a leading agricultural chemical company based in Australia.
- Former member of the Executive Board of Nordzucker.
- Former Chairman of the Board of Industrieverband Agrar, a European agriculture industry association.
- Various leadership positions with German-based BASF in various countries including Divisional Head of Global Strategic Marketing, Managing Director for Plant Protection and Head of Product Development, Consulting and Registration.

Qualifications and Skills:

As a senior executive in the agricultural chemicals and commodities industries for over 20 years, Mr. Pörksen brings first-hand experience of many of the issues that farmers face throughout the world. Mr. Pörksen has deep strategy experience combined with operational expertise in agricultural engineering, quality, manufacturing, sales, marketing and product management. He also brings a wealth of knowledge and involvement in international agricultural and commodity markets, especially in EME, from which 51% of AGCO’s sales are derived.



DAVID SAGEHORN

Age: **59**
 Director since **March 2022**

- Former Executive Vice President and Chief Financial Officer of Oshkosh Corporation.
- Various other management positions with Oshkosh Corporation from 2000 to 2007, including Vice President and Treasurer, Vice President, Business Development, and Vice President, Defense Segment.
- Member of the Board of Directors of Chart Industries, Inc., where he serves on the Compensation Committee and is Chair of the Audit Committee.

Qualifications and Skills:

Through his service for 13 years as the Chief Financial Officer of a large, multi-national manufacturer of construction, defense and other heavy equipment, Mr. Sagehorn has first-hand experience with many of the finance and accounting issues faced by AGCO, as well as with the global compliance environment. His prior experience in business development adds value as AGCO continues to consider expansion through acquisitions, particularly in the precision farming area. His expertise also adds depth to the Board’s expertise with audit, public-company disclosure and related functions.



MALLIKA SRINIVASAN

Age: **63**
 Director since **July 2011**

- Chairperson and Managing Director of Tractors and Farm Equipment Limited, the second largest agricultural tractor manufacturer in India, since December 2019 and previously held various progressing positions at TAFE since 1986
- Chairperson of the Indian Government’s Public Enterprises Selection Board
- Member of the Global Board of the U.S. India Business Council and the BRICS Women’s Alliance
- Former member of the Board of Directors of Tata Steel Limited (India) and Tata Consumer Products Limited (India)
- Former President of the Tractor Manufacturers Association of India
- Former member of the Board of Governors of the Indian Institute of Technology, Madras, and the Indian Institute of Management, Tiruchirappalli

Qualifications and Skills:

As the leader of India’s second largest tractor manufacturer, Ms. Srinivasan has over 36 years of first-hand experience in the agricultural farm machinery industry in India, emerging markets, and several of other markets served by AGCO. Ms. Srinivasan also has expertise in strategy and works in policy formulation and leadership development at corporate, state and national levels. Ms. Srinivasan brings to the Board both agricultural equipment and distribution knowledge and expertise together with public company board service.



MATTHEW TSIEN

Age: **62**
 Director since **January 2021**

- Former Executive Vice President and Chief Technology Officer, General Motors
- Former President, General Motors Ventures, 2020 to 2021
- Former President of General Motors China 2014 to 2020
- Various other leadership positions since joining General Motors in 1976, including Executive Vice President and President of GM China; Vice President Planning, Program Management and Strategic Alliances, China; Executive Vice President, SAIC-GM-Wuling Automotive; Executive Director, Global Technology Engineering; Executive Director, Vehicle Systems, North America Product Development; Chief Technology Officer and Director, Business Planning, GM China

Qualifications and Skills:

Through his 40-year career with General Motors prior to his recent retirement, including in his roles as Executive Vice President and Chief Technology Officer, Mr. Tsien helped lead one of the largest manufacturers in the U.S. evolve through successive generations of technology and performance requirements. He also has exceptional international experience, including his service as President of GM China, where he held profit and loss responsibility and led 50,000 workers producing automobiles for both the Chinese market and export. Mr. Tsien brings to the Board years of experience in engineering, electrification, connectivity, manufacturing, supply chain management and product design. Mr. Tsien has significant expertise in the management of, and investment in, evolving technologies.

DIRECTOR RECRUITMENT

On an ongoing basis, we actively are seeking potential director candidates. Our Governance Committee, working with its independent advisors, identifies the skills that are desirable in light of the skills of our existing directors, particularly those who are expected to retire in the near-term, and regularly interviews potential candidates. As an example, David Sagehorn, who joined the Board in 2022, brought experience in finance and accounting, both of which were skills that the Governance Committee identified as important for a future director.

Board of Directors and Corporate Governance

DIRECTOR INDEPENDENCE

In accordance with the rules of the NYSE, the Board has adopted categorical standards to assist it in making determinations of its directors' independence. The Board has determined that in order to be considered independent, a director must not:

- be an employee of the Company or have an "immediate family member," as that term is defined in the General Commentary to Section 303A.02(b) of the NYSE rules, who is an executive officer of the Company at any time during the preceding three years;
- receive or have an immediate family member who receives or solely own any business that receives during any twelve-month period within the preceding three years direct compensation from the Company or any subsidiary or other affiliate in excess of \$120,000, other than for director and committee fees and pension or other forms of deferred compensation for prior service to the Company or, solely in the case of an immediate family member, compensation for services to the Company as a non-executive employee;
- be a current partner or current employee of a firm that is the internal or external auditor of the Company or any subsidiary or other affiliate, or have an immediate family member that is a current partner or current employee of such a firm who personally works on an audit of the Company or any subsidiary or other affiliate;
- have been or have an immediate family member who was at any time during the preceding three years a partner or employee of such an auditing firm who personally worked on an audit of the Company or any subsidiary or other affiliate within that time;
- be employed or have an immediate family member that is employed either currently or at any time within the preceding three years as an executive officer of another company in which any present executive officers of the Company or any subsidiary or other affiliate serve or served at the same time on the other company's Talent and Compensation Committee; or
- be a current employee or have an immediate family member that is a current executive officer of a company that has made payments to or received payments from the Company or any subsidiary or other affiliate for property or services in an amount which, in any of the preceding three years of such other company, exceeds (or in the current year of such other company is likely to exceed) the greater of \$1.0 million or two percent of the other company's consolidated gross revenues for that respective year.

In addition, in order to be independent for purposes of serving on the Audit Committee, a director may not:

- accept any consulting, advisory or other compensatory fee from the Company or any subsidiary; or
- be an "affiliated person," as that term is used in Section 10A(m)(3)(B)(ii) of the Securities Exchange Act of 1934 (the "Exchange Act"), of the Company or any of its subsidiaries.

Finally, in order to be independent for purposes of serving on the Talent and Compensation Committee, a director may not:

- be a current or former employee or former officer of the Company or an affiliate or receive any compensation from the Company other than for services as a director;
- receive remuneration from the Company or an affiliate, either directly or indirectly, in any capacity other than as a "director," as that term is defined in Section 162(m) of the Internal Revenue Code; or
- have an interest in a transaction required under SEC rules to be described in the Company's proxy statement.

These standards are consistent with the standards set forth in the NYSE rules, the Internal Revenue Code and the Exchange Act. In applying these standards, the Company takes into account the interpretations of, and the other guidance available from, the NYSE. In affirmatively determining the independence of any director who will serve on the Talent and Compensation Committee, the Board of Directors considers all factors specifically relevant to determining whether such director has a relationship to the Company which is material to that director's ability to be independent from management in connection with the duties of the Talent and Compensation Committee member, including the independence factors set forth in the NYSE rules.

Based upon the foregoing standards, the Board has determined that all of its directors are independent in accordance with these standards except for Mr. Hansotia and Ms. Srinivasan, and that none of the independent directors has any material relationship with the Company, other than as a director or stockholder of the Company.

The Company and Tractors and Farm Equipment Limited (“TAFE”) are parties to a Letter Agreement, dated April 24, 2019, regarding the current and future accumulation by TAFE of shares of the Company’s common stock and certain governance matters, including the Company’s nomination of a director candidate selected by TAFE. TAFE’s proposed director candidate for 2023 is Ms. Srinivasan, TAFE’s Chairperson and Managing Director, and Ms. Srinivasan will be nominated for election by the Company’s Board of Directors. The Company and TAFE have several commercial relationships that are material to TAFE. See “Certain Relationships and Related Party Transactions” below for additional information.

COMMITTEES OF THE BOARD OF DIRECTORS

The Board has delegated certain functions to six standing committees: an Executive Committee, an Audit Committee, a Talent and Compensation Committee, a Finance Committee, a Governance Committee, and a Sustainability Committee. Each of the committees has a written charter. The Board has determined that each member of the Audit, Compensation and Governance Committees is an independent director under the applicable rules of the Internal Revenue Code, NYSE and SEC with respect to such committees. The following is a summary of the principal responsibilities and other information regarding each of the committees:

EXECUTIVE COMMITTEE

Chair:

Eric P. Hansotia

Other Members:

Michael C. Arnold
Sondra L. Barbour
Bob De Lange
Suzanne P. Clark
George E. Minnich

AUDIT COMMITTEE

Chair:

Sondra L. Barbour

Other Members:

George E. Minnich
David Sagehorn
Matthew Tsien

Principal Responsibilities

- Is authorized, between meetings of the Board, to take such actions in the management of the business and affairs of the Company which, in the opinion of the Executive Committee, should not be postponed until the next scheduled meeting of the Board, except as limited by the General Corporation Law of the State of Delaware, the rules of the NYSE, the Company’s Certificate of Incorporation or By-Laws or other applicable laws or regulations.

Principal Responsibilities

- Assists the Board in its oversight of the integrity of the Company’s consolidated financial statements, the Company’s compliance with legal and regulatory requirements, the independent registered public accounting firm’s qualifications and independence and the performance of the Company’s internal audit function and independent registered public accounting firm.
- Reviews the Company’s internal accounting and financial controls, considers other matters relating to the financial reporting process and safeguards of the Company’s assets and produces an annual report of the Audit Committee for inclusion in the Company’s proxy statement.
- Reviews with management the Company’s risk assessment and risk management framework as well as relevant mitigation strategies.
- Reviews information technology system controls and cybersecurity risks, along with measures to mitigate these risks.
- The Board has determined that Ms. Barbour and Messrs. Minnich and Sagehorn are “audit committee financial experts,” as that term is defined under regulations of the SEC.
- The report of the Audit Committee for 2022 is set forth under the caption “Audit Committee Report.”

TALENT AND COMPENSATION COMMITTEE

Chair:

Suzanne P. Clark

Other Members:

Sondra L. Barbour
David Sagehorn
Matthew Tsien

Principal Responsibilities

- Assists the Board with respect to the Company's compensation programs and compensation of the Company's executives.
- Responsible for the succession process for the Chief Executive Officer and other executive officers, including assisting the Board with respect to selecting, developing, evaluating, and retaining the Chief Executive Officer, other executive officers and key talent.
- Has retained Korn Ferry to advise on current trends and best practices in compensation.
- The report of the Talent and Compensation Committee for 2022 is set forth under the caption "Talent and Compensation Committee Report."

FINANCE COMMITTEE

Chair:

George E. Minnich

Other Members:

Sondra L. Barbour
Niels Pörksen

Principal Responsibilities

- Assists the Board in the oversight of the financial management of the Company including:
 - the capital structure of the Company;
 - the Company's global financing strategies, objectives and plans;
 - the Company's credit profile and ratings;
 - capital expenditure and investment programs of the Company;
 - the Company's interests in finance joint ventures; and
 - the Company's annual budget process and review.

GOVERNANCE COMMITTEE

Chair:

Michael C. Arnold

Other Members:

Bob De Lange
George E. Minnich
Niels Pörksen

Principal Responsibilities

- Assists the Board in fulfilling its responsibilities to stockholders by:
 - identifying and screening individuals qualified to become directors of the Company, consistent with independence, diversity and other criteria approved by the Board, and recommending candidates to the Board for all directorships and for service on the committees of the Board;
 - developing and recommending to the Board a set of corporate governance principles and guidelines applicable to the Company;
 - overseeing the evaluation of the Board; and
 - overseeing and providing input to management on the Company's identification, assessment and management of risks associated with sustainability issues, including, but not limited to, climate-related risks.

SUSTAINABILITY COMMITTEE

Chair:

Bob De Lange

Other Members:

Suzanne P. Clark
Mallika Srinivasan

Principal Responsibilities

- Assists the Board in the oversight of:
 - the Company's policies, strategies and practices related to environmental matters, namely climate change, greenhouse gas emissions, natural resource management, waste and environmental opportunities;
 - the Company's workplace safety and human rights policies, practices, and strategies; and
 - the Company's public disclosure of its sustainability posture and stockholder engagement related to the Company's environmental and social footprint activities.

COMMITTEE COMPOSITION AND MEETINGS

The following table shows the current membership of each committee and the number of meetings held by each committee during 2022. The Company will determine the composition and chair positions of the respective committees for the remainder of 2023 following the Annual Meeting.

Director	Executive	Audit	Talent and Compensation	Finance	Governance	Sustainability ⁽²⁾
Michael C. Arnold	●				●	
Sondra L. Barbour	●	●	●	●		
Suzanne P. Clark	●		●			●
Bob De Lange	●				●	●
Eric P. Hansotia	●					
George E. Minnich	●	●		●	●	
Niels Pörksen				●	●	
David Sagehorn ⁽¹⁾		●	●			
Mallika Srinivasan						●
Matthew Tsien		●	●			
Total meetings in 2022	1	13	7	6	6	2

● Committee Chair ● Member

⁽¹⁾ Mr. Sagehorn joined the Board on March 15, 2022.

⁽²⁾ The Sustainability Committee was established in 2022.

During 2022, the Board held seven meetings, and each director attended at least 75% of the aggregate number of meetings of the Board and respective committees on which he or she served while a member thereof.

IDENTIFICATION AND EVALUATION OF DIRECTOR NOMINEES

The Governance Committee has an ongoing process in place to identify potential Board candidates who possess the skills and personal characteristics that will allow the Board and its committees to best fulfill their responsibilities. As part of this process, the Governance Committee develops specific candidate profiles to guide Board refreshment as needs arise. It has retained a leading global search firm to assist in identifying candidates where appropriate. Since 2017, the Board has added seven independent directors who each possess the desired expertise and meet the candidate profiles developed by the Committee.

In addition to the specific profiles established for individual searches, there are a number of factors that the Committee generally views as relevant and is likely to consider to ensure the entire Board, collectively, embraces a wide variety of characteristics. These include:

- career experience, particularly experience that is germane to the Company's business, such as with agricultural products and services, international operations, technology, distribution, product development and worldwide product management, sales, marketing, sustainability, legal, human resources and finance experience;
- experience serving on other boards of directors or in the senior management of companies that have faced issues generally of the level of sophistication that the Company faces;
- contribution to diversity of the Board and a commitment to furthering diversity;
- integrity and reputation;
- wisdom and judgment;
- independence;
- willingness and ability to participate fully in the work of the Board and to attend meetings in person; and
- current membership on the Company's Board — our Board values continuity (but not entrenchment).

The Governance Committee does not assign a particular weight to these individual factors. Similarly, the Committee does not expect to see all (or even more than a few) of these factors in any individual candidate. Rather, the Committee looks

for a mix of factors that, when considered along with the experience and credentials of the other candidates and existing directors, will provide stockholders with a diverse and experienced Board.

The Committee strives to recommend candidates who bring a unique perspective to the Board in order to contribute to the collective diversity of the Board. The Board believes that a diversity of experience, gender, race, ethnicity (national origin), age and other factors contributes to effective governance over the affairs of the Company for the benefit of its stockholders. The Governance Committee reviews potential Board candidates against the criteria it has established, develops a short list of candidates to recommend to the Board, obtains Board input on the candidates, arranges interviews, and ultimately makes final recommendations to the Board for consideration. The Committee closely monitors the size and composition of the Board and makes recommendations as to the pace of Board refreshment so that it has the benefit of both fresh perspectives and the knowledge that tenure and experience with the Company provide.

The Governance Committee welcomes recommendations for nominations from the Company's stockholders and evaluates stockholder nominees in the same manner that it evaluates a candidate recommended by other means. In order to make a recommendation, the Committee requires that a stockholder send the Committee:

- a resume for the candidate detailing the candidate's work experience and academic credentials;
- written confirmation from the candidate that he or she (i) would like to be considered as a candidate and would serve if nominated and elected, (ii) consents to the disclosure of his or her name, (iii) has read the Company's Global Code of Conduct (the "Code") and that during the prior three years has not engaged in any conduct that, had he or she been a director, would have violated the Code or required a waiver, (iv) is, or is not, "independent" as that term is defined in the committee's charter, and (v) has no plans to change or influence the control of the Company;
- the name of the recommending stockholder as it appears in the Company's books, the number of shares of common stock that are owned by the stockholder and written confirmation that the stockholder consents to the disclosure of his or her name. (If the recommending person is not a stockholder of record, he or she should provide proof of share ownership);
- personal and professional references for the candidate, including contact information; and
- any other information relating to the candidate required to be disclosed in solicitations of proxies for election of directors or as otherwise required, in each case, pursuant to Regulation 14A of the Exchange Act.

The foregoing information should be sent to the Governance Committee, c/o Corporate Secretary, AGCO Corporation, 4205 River Green Parkway, Duluth, Georgia 30096, who will forward it to the chair of the Committee. The advance notice provisions of the Company's By-Laws provide that for a proposal to be properly brought before a meeting by a stockholder, such stockholder must disclose certain information and give the Company timely notice of such proposal in written form meeting the requirements of the Company's By-Laws no later than 60 days and no earlier than 90 days prior to the anniversary date of the immediately preceding Annual Meeting of stockholders. The Committee does not necessarily respond directly to a submitting stockholder regarding recommendations.

In the event that a stockholder decides to formally nominate an individual for election as a director, as contrasted with recommending an individual to the Governance Committee, the process for such nomination is described in the By-Laws of the Company.

STOCKHOLDER OUTREACH AND GOVERNANCE UPDATE

STOCKHOLDER OUTREACH

During 2023 we continued an active stockholder outreach process. The outreach was broad:

- We contacted our largest stockholders representing approximately 62% of our shares, and requested the opportunity to discuss AGCO with them.
- We held discussions with each stockholder who requested a meeting. Our Lead Director and Chief Financial Officer participated in all of these discussions.
- Some large stockholders are passive investment funds that do not generally meet with stockholders.

We also talked with over 100 other stockholders during the course of 2022 as part of regular engagement with our investor relations team. The discussions were candid, and the feedback was consistently supportive. The principal topics of discussion related to AGCO's performance generally, sustainability and, to a much lesser extent, compensation. Generally stockholders recognized and appreciated the efforts by the Board beginning in 2020 to update our governance and compensation approaches.

The second page of the Summary section of this proxy statement contains a chart that emphasizes tenure and enables shareholders to assess diversity on their own.

The feedback was shared with our Governance Committee, our Talent and Compensation Committee, and our Board, and reflected in our approach to these issues. The topics raised by shareholders are addressed below and elsewhere in this Proxy Statement, with sustainability and human capital addressed in our Annual Report on Form 10-K.

GOVERNANCE UPDATE

In the summer of 2020, our Governance Committee began a systematic and comprehensive review of governance practices with the objective being to consider topics at each meeting and, over a reasonable time, to update our practices where the Committee concluded that there were alternative or additional practices that are in the best interests of our stockholders. To assist it in this process, the independent directors identified and retained a recognized independent expert. Subsequently, the Governance Committee considered in depth various governance topics, including:

- *Committee Chair Rotation.* The Governance Committee implemented a term limit of five years for the Chairs of the Audit, Governance and Talent and Compensation Committees. While many companies do not have term limits for committee chairs – less than 20% of the S&P 500 have a policy on this – for those that do, almost 60% apply a five-year limit. We believe that the limit will better assure fresh perspectives in each committee's consideration of appropriate topics. The two chairs who had served more than five years as committee chairs were replaced at year-end. We believe that a five-year limit is a best practice.
- *Committee Structure and Refreshment.* We reviewed the board committee structure and considered the suggestion that there be a separate Strategy Committee. That suggestion was not adopted based on the strong belief of our directors that strategy is the responsibility of all directors and should not be delegated. We also reviewed board committee membership and rotated committee members to enhance Board knowledge and continue to bring fresh perspectives. In 2021, the Succession Planning Committee was terminated, and its succession planning and talent development roles were moved to the Talent and Compensation Committee. In 2022, we added a Sustainability Committee.
- *Lead Director Duties.* When the Lead Director role initially was implemented, the Company adopted broad duties for the Lead Director consistent with those of other large publicly-traded companies and the views at the time of the largest proxy advisors. The Governance Committee expanded those duties to reflect evolving practice in the area. The expanded duties include, among other things, a clearer role in overseeing meetings of non-management and independent directors, authority to implement decisions and recommendations of independent directors, authority to retain advisors and consultants with respect to all board functions (and not just with respect to compensation and recruiting), and a broader role in reviewing the performance of the Board. We believe that our revised Lead Director duties provide a robust role and reflect best practices.
- *Lead Director Rotation.* Consistent with the discussion above of committee chair rotation, the Governance Committee implemented a limit for the Lead Director role, in the absence of exceptional circumstances, of five years. Almost no data is available with respect to practices elsewhere, but we believe that this is a prudent practice.
- *Share Ownership Requirements.* The Governance Committee reviewed the share ownership requirements for directors at 17 peer companies. The requirement generally ranged from 3-times to 8-times a director's cash retainer, with 11 companies applying a 5-times requirement and, the next most common, four companies applying a 3-times requirement. Based upon this review, the Governance Committee increased the requirement for our directors from 4-times to 5-times.

At the same time, consistent with data on share ownership policies with respect to executive officers, the Governance Committee increased the share ownership requirement for our CEO from 5-times to 6-times base compensation. We believe that the revised ownership requirements reflect best practices.

- *Board Size and Composition.* Consistent with its annual practice, the Governance Committee reviewed the Board's size and structure and considered it relative to the extensive ongoing Board refresh process the Board is pursuing. The Board has added seven new independent members since 2017 and believes that the refreshment process should proceed in a manner that gives new Board members the benefit of interacting with those having longer tenure. In addition, with the assistance of a third-party advisor, we completed a comprehensive refreshment of our strategy that was reviewed and adopted by the full Board. The Governance Committee determined that the specific expertise it had identified for its ongoing Board search was consistent with the strategic plan and would best serve the Company.
- *Hedging and Pledging.* While we already had a policy prohibiting hedging and limiting pledging, the Governance Committee concluded that a stronger prohibition on pledging was appropriate. Previously, the policy prohibited only the pledging of a "significant" number of shares, which was defined as the lesser of 1% of the Company's outstanding equity securities and 50% of the equity securities of the Company owned by the officer or director. As revised, the policy now prohibits all pledging. At the request of Ms. Srinivasan, as a result of her role at TAFE, the policy was narrowed to cover only securities where the director or officer directly or indirectly controls a majority of the equity securities of the owner of the AGCO securities or otherwise directly controls the equity securities of the Company. We believe that these prohibitions are best practices and, with the exception of the narrowing requested by Ms. Srinivasan, are the most stringent possible.

Independent of the systematic process of considering governance updates, the Governance Committee also considered the separation of the Chairman and CEO roles in connection with the retirement of our Chairman and CEO at the end of 2020. Although the Committee considers the Board and executive leadership structure regularly, in this instance, the specific consideration of the combination/separation of the Chairman and CEO roles took place at no fewer than six different Committee meetings over ten months, as well as at executive sessions, full-Board meetings and meetings of the independent directors only. We also solicited input of stockholders with respect to retaining the combined role, and more stockholders were supportive of retaining the combined role than not. The Committee, and ultimately the full Board, considered an extensive range of issues and factors and unanimously concluded, other than Ms. Srinivasan, that it was in the best interests of stockholders to continue with a robust Lead Director structure. The process followed with respect to whether to separate the CEO and Chairman roles was careful, well-considered, and lengthy, with all directors having numerous opportunities to join meetings and share their views. The Governance Committee will continue to review this topic on an annual basis.

As time permits at future meetings the Governance Committee will continue its review of governance practices, which may include director term limits, director mandatory retirement age, stockholder requirements for calling special meetings, stockholder ability to act by written consent, clawbacks, limitations on other board service (overboarding), proxy access, and other appropriate topics that are brought to the Committee's attention.

BOARD LEADERSHIP STRUCTURE

Mr. Hansotia, who is also the Chief Executive Officer of the Company, serves as Chairman of the Board, Mr. Arnold serves as Lead Director of the Board. The Company holds executive sessions of its non-management directors at each regular meeting of its Board. The Lead Director presides over executive sessions and at all meetings of the Board in the absence of the Chairman, provides input to the Chairman on setting Board agendas, generally approves information sent to the Board (including meeting schedules to assure sufficient discussion time for all agenda items), ensures that he is available for consultation and direct communication at the request of major stockholders, leads the performance evaluation process of the Chief Executive Officer and has the authority to call meetings of the independent directors.

The Board reviews the Company's board leadership structure annually. As part of this process, the Board considered the structures used by peer companies, alternative structures and the effectiveness of the Company's current structure. The Board believes that having the Chief Executive Officer serve as Chairman is important because it best reflects the Board's intent that the Chief Executive Officer function as the Company's overall leader, while the Lead Director provides independent leadership to the directors and serves as an intermediary between the independent directors and the Chairman. The resulting structure sends a message to our employees, customers and stockholders that we believe in having strong, unifying leadership at the highest levels of management. At the same time, having a Lead Director with a well-defined role provides an appropriate level of independent oversight and an effective channel for communications when needed.

RISK OVERSIGHT

The Company's management maintains a risk assessment process that considers the risks that face the Company that management has identified as the most significant. The risk assessment process also considers appropriate strategies to mitigate those risks. In addition, using an outline provided by the Center on Executive Compensation ("CEC"), in 2022 we commenced an assessment to determine whether our compensation programs discourage plan participants from taking "excessive risks." The assessment was completed in early 2023 and confirmed, using the CEC criteria, that our compensation program discourages taking excessive risks. Management periodically meets with the Company's Audit Committee and Talent and Compensation Committee and reviews such risks and relevant strategies.

CORPORATE GOVERNANCE PRINCIPLES, COMMITTEE CHARTERS AND GLOBAL CODE OF CONDUCT

The Company provides various corporate governance and other information on its website. This information, which is also available in printed form to any stockholder of the Company upon request to the Corporate Secretary, includes the following:

- our corporate governance principles and charters for the Audit, Executive, Finance, Governance, Sustainability and Talent and Compensation Committees of the Board, are available under the headings "Governance Principles" and "Charters of the Committees of the Board," respectively, in the "Corporate Governance" section of our website located under "Investors;" and
- the Company's Global Code of Conduct, is available under the heading "Global Code of Conduct" in the "Corporate Governance" section of our website located under "Investors."

In the event of any waivers of the Global Code of Conduct with respect to certain executive officers, those waivers will be available in the "Corporate Governance" section of our website.

In addition, the Board also has a set of "Roles, Responsibilities and Expectations" designed to provide for a uniform understanding of the operation and functioning of the Board and its collegial operations.

TALENT AND COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

During 2022, Messrs. Sagehorn and Tsien and Meses. Barbour and Clark (Chair) served as members of the Talent and Compensation Committee. No member of the Talent and Compensation Committee was an officer or employee of the Company or any of its subsidiaries during 2022. None of the Company's executive officers serve on the board of directors of any company of which any director of the Company serves as executive officer.

DIRECTOR COMPENSATION

The following table provides information concerning the compensation of the members of the Board for the most recently completed year. As reflected in the table, each non-employee director received an annual base retainer of \$120,000 plus \$165,000 in restricted shares of the Company's common stock for Board service. Committee chairs received an additional annual retainer of \$15,000 (or \$25,000 for the chair of the Audit Committee and \$20,000 for the chair of the Talent and Compensation Committee). Mr. Arnold, who was the Lead Director in 2022, also received an additional annual \$40,000 Lead Director's fee. Each non-employee director received an additional annual retainer of \$6,000 if they served on three or more board committees (excluding the executive committee). The Company does not have any consulting arrangements with any of its directors. In 2022, the Talent and Compensation Committee reviewed board compensation with its independent compensation consultants and concluded that the current compensation levels reflected market practice.

2022 DIRECTOR COMPENSATION

Name ⁽¹⁾	Fees Earned or Paid in Cash (\$)	Stock Awards ⁽²⁾ (\$)	All Other Compensation (\$)	Total (\$)
Michael C. Arnold	175,000	165,000	—	340,000
Sondra L. Barbour	151,000	165,000	—	316,000
P. George Benson ⁽³⁾	39,231	—	—	39,231
Suzanne P. Clark	140,000	165,000	—	305,000
Bob De Lange	130,137	165,000	—	295,137
George E. Minnich	141,000	165,000	—	306,000
Niels Pörksen	120,000	165,000	—	285,000
David Sagehorn	95,667	165,000	—	260,667
Mallika Srinivasan	120,000	165,000	—	285,000
Matthew Tsien	120,000	165,000	—	285,000
Total	1,232,035	1,485,000	—	2,717,035

⁽¹⁾ Mr. Hansotia, as an employee of the Company, was not compensated for his service on the Board. Mr. Sagehorn joined the Board effective March 15, 2022.

⁽²⁾ The Long-Term Incentive Plan provides for annual restricted stock grants of the Company's common stock to all non-employee directors. For 2022, each non-employee director was granted \$165,000 in restricted stock. All restricted stock grants are restricted as to transferability for a period of one year following the award. In the event a director departs from the Board, the non-transferability period expires immediately. The 2022 annual grant occurred on April 28, 2022. The total grant on April 28, 2022 was 11,664 shares, or 1,296 shares per director. The amounts above reflect the aggregate grant date fair value computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, "Compensation-Stock Compensation" ("ASC 718").

After shares were withheld for income tax purposes, each director held the following shares as of December 31, 2022 related to this grant: Mr. Arnold — 1,036 shares; Ms. Barbour — 1,296 shares; Ms. Clark — 1,296 shares; Mr. De Lange — 1,296 shares; Mr. Minnich — 777 shares; Mr. Pörksen — 1,101 shares; Mr. Sagehorn — 1,296 shares; Ms. Srinivasan — 907 shares; and Mr. Tsien — 1,296 shares.

⁽³⁾ Mr. Benson retired from the Board upon the expiration of his term on April 28, 2022.

DIRECTOR ATTENDANCE AT THE ANNUAL MEETING

The Board has adopted a policy that all directors on the Board are expected to attend Annual Meetings of the Company's stockholders. All of the incumbent directors on the Board, except for Mallika Srinivasan who attended virtually, attended the Company's Annual Meeting held in April 2022 in person.

STOCKHOLDER COMMUNICATION WITH THE BOARD OF DIRECTORS

The Company encourages stockholders and other interested persons to communicate with members of the Board. Any person who wishes to communicate with a particular director or the Board as a whole, including the Lead Director or any other independent director, may write to those directors in care of Corporate Secretary, AGCO Corporation, 4205 River Green Parkway, Duluth, Georgia 30096. The correspondence should indicate the writer's interest in the Company and clearly specify whether it is intended to be forwarded to the entire Board or to one or more particular directors. The Corporate Secretary will forward all correspondence satisfying these criteria.



PROPOSAL

2

PROPOSAL REGARDING THE FREQUENCY (ONE, TWO OR THREE YEARS) OF THE NON-BINDING STOCKHOLDER VOTE RELATING TO THE COMPENSATION OF THE COMPANY'S NEOs

- The Board recommends a vote **“FOR”** a **“ONE-YEAR”** frequency for the non-binding stockholder vote relating to the compensation of the Company's NEOs.

Consistent with SEC rules, we will include not less frequently than once every three years in our proxy statement for a meeting of stockholders where executive compensation disclosure is required, an advisory resolution such as Proposal 3 for a non-binding stockholder vote relating to the compensation of the Company's NEOs that is often referred to as a “say-on-pay” proposal. We are requesting your vote to advise us of whether you believe future say-on-pay proposals should occur every one, two or three years. The last time that our stockholders voted on a similar proposal, a majority voted to hold the say-on-pay vote every year. The Board of Directors recommends that we continue to conduct say-on-pay votes every year so that our stockholders may annually express their views on our executive compensation program.

Note that stockholders are not voting to approve or disapprove the recommendation of the Board of Directors with respect to this proposal. Instead, each proxy card provides for four choices with respect to this proposal: a one, two or three-year frequency or an opportunity to abstain from voting on the proposal. Your vote on this proposal will be non-binding on us and the Board. However, the Board values the opinions that our stockholders express in their votes and will consider the outcome of the vote when making future decisions on the inclusion of such proposals in the proxy materials as it deems appropriate.



PROPOSAL

3

NON-BINDING ADVISORY RESOLUTION TO APPROVE THE COMPENSATION OF THE COMPANY'S NEOs



The Board recommends a vote **"FOR"** the non-binding advisory resolution to approve the compensation of the Company's NEOs.

The Board is submitting a "say-on-pay" proposal for stockholder consideration. While the vote on executive compensation is non-binding and solely advisory in nature, the Board and the Talent and Compensation Committee will review the voting results and seek to determine the causes of any negative voting result to better understand any issues and concerns that our stockholders may have. We intend to hold annual say-on-pay votes. Stockholders who want to communicate with the Board or management regarding compensation-related matters should refer to "Stockholder Communication with the Board of Directors" in this proxy statement for additional information.

Our compensation philosophy, program design and application, and the substantive changes that we made during 2022, which were minimal, are described under "Compensation Discussion and Analysis" and the letter from our Talent and Compensation Committee that precedes that discussion.

COMPENSATION PHILOSOPHY AND PROGRAM DESIGN

The Company's compensation philosophy and program design is intended to support the Company's business strategy and align executives' interests with those of stockholders and employees (*i.e.*, pay for performance). A significant portion of the Company's executive compensation opportunity is related to factors that directly and indirectly influence stockholder value. The Company believes that as an executive's responsibilities increase, so should the proportion of his or her total pay comprised of annual incentive cash bonuses and long-term incentive ("LTI") compensation, which supports and reinforces the Company's pay for performance philosophy.

BEST PRACTICES IN EXECUTIVE COMPENSATION

The Talent and Compensation Committee regularly reviews best practices related to executive compensation to ensure alignment with the Company's compensation philosophy, business strategy and stockholder focus. The Company's executive compensation programs consist of the following, several features of which were added in response to stockholder feedback:

- A formal compensation philosophy approved by the Talent and Compensation Committee that generally targets executive's total compensation levels (including NEOs) at the median (or 50th percentile) of the market and provides opportunity for upside compensation levels for excellent performance;
- A well-defined peer group of similar and reasonably-sized industrial and manufacturing companies to benchmark NEO and other officer compensation;
- An annual incentive compensation plan ("IC Plan") that, for 2022, included targets that were 40% based upon adjusted operating margin and 40% based on return on net assets ("RONA"), both of which are adjusted on a sliding scale to address agricultural equipment industry cyclicality, as well as 10% based on "employee engagement" and 10% based on "customer satisfaction." For 2023 the targets are based on the same factors and weighting;
- A balanced long-term incentive plan ("LTI Plan") consisting of (i) a performance share plan, which comprises approximately 60% of an NEO's target LTI award and (ii) restricted stock units, which comprise approximately 40% of an NEO's target LTI award. The performance share plan, as revised in 2021, includes targets that are 50% based upon three-year revenue growth relative to industry and 50% based upon three-year RONA, both subject to a Total Shareholder Return ("TSR") modifier;
- Awards under the LTI Plan include a so-called "double trigger" equity vesting in the event of change of control;
- A clawback policy, which allows the Company to take remedial action against an executive if the Board determines that an executive's misconduct contributed to the Company having to restate its financial statements;
- Stock ownership requirements that encourage executives to own a specified level of stock, which emphasizes the alignment of their interests with those of stockholders;
- Modest perquisites for executives (including NEOs);
- A plan design that mitigates the possibility of excessive risk that could harm long-term stockholder value;

**PROPOSAL 3 NON-BINDING ADVISORY RESOLUTION TO APPROVE
THE COMPENSATION OF THE COMPANY'S NEOs**

- For new executive employment agreements beginning in 2017 (including Mr. Hansotia's 2021 employment agreement), no gross-ups for excise taxes on severance payments due to a change of control; and
- A conservative approach to share usage associated with our stock compensation plans.

When the Talent and Compensation Committee considers exceptions from these practices it does so only after careful deliberation and input from its compensation consultant. Ultimately, the Talent and Compensation Committee has and will continue to take action to structure the Company's executive compensation practices in a manner that is consistent with its compensation philosophy, business strategy and stockholder focus.

We are asking our stockholders to indicate their support for the Company's NEO compensation as described in this proxy statement. This proposal gives our stockholders the opportunity to express their views on the Company's NEO compensation. This vote is not intended to address any specific item of compensation, but rather the overall compensation of the Company's NEOs and the philosophy, policies and practices thereof described in this proxy statement. Accordingly, we ask our stockholders to vote "FOR" the following resolution at the Annual Meeting:

"RESOLVED, that the Company's stockholders approve, on an advisory basis, the compensation of the Company's named executive officers, as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the 2022 Summary Compensation Table and the other related tables and accompanying narrative set forth in this Proxy Statement."



PROPOSAL

4

RATIFICATION OF COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2023



The Board recommends a vote **"FOR"** the ratification of the Company's independent registered public accounting firm for 2023.

The Company's independent registered public accounting firm is appointed annually by the Audit Committee. The Audit Committee examined a number of factors when selecting KPMG LLP, including qualifications, staffing considerations, and independence and quality controls. The Audit Committee has appointed KPMG LLP as the Company's independent registered public accounting firm for 2023. KPMG LLP served as the Company's independent registered public accounting firm for 2022 and is considered to be well-qualified.

In view of the difficulty and expense involved in changing independent registered public accounting firms on short notice, should the stockholders not ratify the selection of KPMG LLP as the Company's independent registered public accounting firm for 2023 under this proposal, it is contemplated that the appointment of KPMG LLP for 2023 will be permitted to stand unless the Board finds other compelling reasons for making a change. Disapproval by the stockholders will be considered a recommendation that the Board select another independent registered public accounting firm for the following year.

A representative of KPMG LLP is expected to be present at the Annual Meeting and will be given the opportunity to make a statement, if they desire, and to respond to appropriate questions.

Other Business

The Board does not know of any matters to be presented for action at the Annual Meeting other than the proposals described above. If any other business should properly come before the Annual Meeting, the persons named in the accompanying proxy card intend to vote thereon in accordance with their best judgment.

Principal Holders of Common Stock

The following table sets forth certain information as of March 17, 2023, regarding persons or groups known to the Company who are, or may be deemed to be, the beneficial owner of more than five percent of the Company's common stock. This information is based upon SEC filings by the individual and entities listed below, and the percentage given is based on 74,846,197 shares outstanding.

Name and Address of Beneficial Owner	Shares of Common Stock	Percent of Class
Mallika Srinivasan Tractors and Farm Equipment Limited Old No. 35, New No. 77, Nungambakkam High Road Chennai 600 034, India	12,171,827 ⁽¹⁾	16.3 %
The Vanguard Group 100 Vanguard Boulevard Malvern, PA 19355	6,622,963 ⁽²⁾	8.8 %
BlackRock, Inc. 55 East 52nd Street New York, NY 10022	6,955,636 ⁽³⁾	9.3 %

⁽¹⁾ For Ms. Srinivasan, includes shares held individually (21,675 shares), shares held through TAFE (8,886,831 shares), and shares held through TAFE Motors and Tractors Limited (3,263,321 shares). For TAFE, includes shares held directly (8,886,831 shares) and shares held through TAFE Motors and Tractors Limited (3,263,321 shares). Ms. Srinivasan is the Chairperson and Managing Director of TAFE. The Company owns a 20.7% interest in TAFE.

⁽²⁾ The Vanguard Group has sole voting power with respect to none of its shares, shared voting power with respect to 24,960 of its shares, sole dispositive power with respect to 6,536,078 shares and shared dispositive power with respect to 86,885 of its shares.

⁽³⁾ BlackRock, Inc. has sole voting power with respect to 6,758,627 shares and sole dispositive power with respect to 6,955,636 shares.

PRINCIPAL HOLDERS OF COMMON STOCK

The following table sets forth information regarding beneficial ownership of the Company's common stock by the Company's directors, the director nominees, the Chief Executive Officer of the Company, the Chief Financial Officer of the Company, the other NEOs and all executive officers and directors as a group, all as of March 17, 2023. Except as otherwise indicated, each such individual has sole voting and investment power with respect to the shares set forth in the table.

Name of Beneficial Owner	Shares of Common Stock ⁽¹⁾	Shares That May be Acquired Within 60 Days	Percent of Class
Michael C. Arnold	16,021	—	*
Sondra L. Barbour	5,417	—	*
Suzanne P. Clark	7,571	—	*
Bob De Lange	2,420	—	*
George E. Minnich	21,040	—	*
Niels Pörksen	1,101	—	*
David Sagehorn⁽²⁾	1,296	—	*
Mallika Srinivasan⁽³⁾	12,171,827	—	16.3 %
Matthew Tsien	2,309	—	*
Damon J. Audia	6,076	—	*
Robert B. Crain	25,975	—	*
Torsten R.W. Dehner	18,475	—	*
Eric P. Hansotia	90,736	—	*
All executive officers and directors as a group (20 persons)	12,414,285	—	16.6 %

* Less than one percent

⁽¹⁾ Includes the following number of restricted shares of the Company's common stock as a result of restricted stock grants under the Company's incentive plans by the following individuals: Mr. Arnold — 1,036; Ms. Barbour — 1,296; Ms. Clark — 1,296; Mr. De Lange — 1,296; Mr. Minnich — 777; Mr. Pörksen — 1,101; Mr. Sagehorn — 1,296; Ms. Srinivasan — 907; Mr. Tsien — 1,296; All directors as a group — 10,301.

⁽²⁾ Mr. Sagehorn joined the Board on March 15, 2022.

⁽³⁾ Includes shares held individually (21,675 shares) and through TAFE (8,886,831 shares) and TAFE Motors and Tractors Limited (3,263,321 shares). Ms. Srinivasan is the Chairperson and Managing Director of TAFE. The Company owns a 20.7% interest in TAFE.

Certain Officers

Below is information as of March 17, 2023, with respect to our executive officers and certain other employees.

Name	Age	Positions
Eric P. Hansotia	54	Chairman of the Board, President and Chief Executive Officer
Damon J. Audia	52	Senior Vice President — Chief Financial Officer
Roger N. Batkin	54	Senior Vice President — General Counsel, Chief ESG Officer and Corporate Secretary
Kelvin Bennett	55	Senior Vice President — Engineering
Stefan Caspari	45	Senior Vice President and General Manager, Grain and Protein
Robert B. Crain	63	Senior Vice President — Customer Experience
Seth H. Crawford	51	Senior Vice President and General Manager, Precision Ag and Digital
Torsten R.W. Dehner	55	Senior Vice President and General Manager, Fendt/Valtra
Luis F.S. Felli	57	Senior Vice President and General Manager, Massey Ferguson
Ivory M. Harris	49	Senior Vice President — Chief Human Resources Officer
Timothy O. Millwood	53	Senior Vice President — Chief Supply Chain Officer

Damon J. Audia has been Senior Vice President — Chief Financial Officer since July 2022. Mr. Audia served as Vice President and Chief Financial Officer of Kennametal Inc. from 2018 to 2022. Prior to that, Mr. Audia served as Senior Vice President and Chief Financial Officer of Carpenter Technology Corporation from 2015 to 2018; Senior Vice President of Finance in North America Business at the Goodyear Tire & Rubber Company from 2013 to 2015.

Roger N. Batkin has been Senior Vice President — General Counsel, Chief ESG Officer and Corporate Secretary since January 2022. Mr. Batkin was Senior Vice President — General Counsel and Corporate Secretary from January 2018 to January 2022. From 2013 to 2017, Mr. Batkin was Vice President, General Counsel and Corporate Secretary. Mr. Batkin was Vice President, Legal Services and Chief Compliance Officer for Europe/Africa/Middle East and Asia/Pacific from 2010 to 2013. Mr. Batkin was also Director of AGCO's U.K. Operations between 2009 and 2013. Prior to joining AGCO, Mr. Batkin was an attorney with an international law firm.

Kelvin Bennett has been Senior Vice President — Engineering since January 2021. Mr. Bennett was Vice President, Engineering from 2013 to December 2020, Director of Engineering from 2011 to 2013, Chief Engineer from 2009 to 2011, and Engineering Manager from 2007 to 2009. Prior to joining AGCO, Mr. Bennett held various engineering supervisor and managerial position at Clarke (currently Nilfisk Advance) from 2005 to 2007, Dixon (currently Husquarna) from 2004 to 2005, and CNH Global N.V. and its predecessors from 1994 to 2004.

Stefan Caspari has been Senior Vice President and General Manager, Grain and Protein since January 2020. Mr. Caspari was Vice President and General Manager, Grain and Protein from April 2019 to December 2019, Vice President, Fuse Connected Services and Technology from 2017 to April 2019, Vice President, Global Strategy and Integration from 2015 to 2017 and Director, Strategy and Integration for Europe/Middle East from 2014 to 2016. Prior to joining AGCO, Mr. Caspari held several leadership positions at Zurich Insurance Group Ltd. and Arthur D. Little consulting firm.

Robert B. Crain has been Senior Vice President — Customer Experience since January 2022. Mr. Crain was Senior Vice President and General Manager, North America from January 2020 to January 2022, Senior Vice President and General Manager, Americas from 2015 to December 2019, and Senior Vice President and General Manager, North America from 2006 to 2014. Mr. Crain held several positions within CNH Global N.V. and its predecessors, including Vice President of New Holland's North America Agricultural Business, from 2004 to 2005, Vice President of CNH Marketing North America Agricultural business, from 2003 to 2004 and Vice President and General Manager of Worldwide Operations for the Crop Harvesting Division of CNH Global N.V. from 1999 to 2002. Mr. Crain is also Vice Chairman of the Association of Equipment Manufacturers and serves on the Board of Directors of Pacific Ag Rentals.

Seth H. Crawford has been Senior Vice President and General Manager, Precision Ag and Digital since January 2021. Mr. Crawford joined AGCO in 2019 as Vice President, FUSE Connected Services and Technology. Prior to joining AGCO, Mr. Crawford held several positions within John Deere from 1997 to 2019, including Director, Global Customer and Product Support, as well as various senior marketing roles including Worldwide Marketing Director, Construction and Forestry Division, and Marketing Director-Ag & Turf Division, Europe, Russia, North Africa and the Middle East.

Torsten R.W. Dehner has been Senior Vice President and General Manager, Fendt/Valtra since January 2022. Mr. Dehner was Senior Vice President and General Manager, Europe/Middle East from January 2020 to January 2022, Vice President,

CERTAIN OFFICERS

Global Parts and Europe/Middle East Parts and Services from 2018 to December 2019, Vice President, Purchasing and Materials, Europe/Middle East - Commodity Director Powertrain & Periphery from 2015 to 2018, and Vice President, Purchasing and Materials, Europe/Middle East from 2010 to 2015. Prior to joining AGCO, Mr. Dehner held a number of leadership positions at Behr GmbH & Co. KG.

Luis F.S. Felli has been Senior Vice President and General Manager, Massey Ferguson since January 2022. Mr. Felli was Senior Vice President and General Manager, South America from January 2020 to January 2022. Mr. Felli joined AGCO in 2018 as President, AGCO, South America. Prior to joining AGCO, Mr. Felli held several leadership positions including General Director of Unipar Indupa S.A.I.C. from February 2017 to November 2017, Commercial Operations Director for Eldorado Brasil Celulose S.A. from 2013 to 2017, Operations Vice President for Atvos Agroindustrial Investimentos S.A. from 2008 to 2013, and Executive Vice President for Braskem S.A. from 2006 to 2008. Mr. Felli began his career at FMC Corporation.

Ivory M. Harris has been Senior Vice President — Chief Human Resources Officer since May 2021. Prior to joining AGCO, Ms. Harris spent 17 years with BASF, where she held HR leadership roles of increasing scope and responsibility throughout her tenure. Her most recent role was Vice President, People Service, US. Previous roles included Vice President, Total Rewards & Corporate HR Solutions, North America and Global Director, Human Resources, Bioscience Research. Ms. Harris also previously held a Senior Project Expert, International Delegation role that was based in Ludwigshafen, Germany.

Timothy O. Millwood has been Senior Vice President — Chief Supply Chain Officer since August 2022. Prior to joining AGCO, Mr. Millwood spent over 30 years at Cummins Inc. His most recent roles were Vice President, Global Purchasing and Vice President, Global Manufacturing prior to that.

Letter from our Talent and Compensation Committee

HIGHLIGHTS FROM 2022:

- Completed the second year of implementation of new executive compensation plan developed in 2020
- Maintained metrics and weightings used in 2022
- Continued investor outreach

Dear Fellow Stockholders,

Attracting and retaining the right leadership for AGCO is one of the Board's most important responsibilities. As the Talent and Compensation Committee, we are committed to ensuring that AGCO's leadership team is incented to perform by compensation programs aligned to both our strategy and the creation of long-term stockholder value. With this as our foundation, we have taken a number of actions over recent years to refine our compensation philosophy and address more comprehensively the impact of cyclical on setting effective targets.

FRESH PERSPECTIVES. In 2020, we determined that to support an enhanced approach to executive compensation we needed to bring new views and ideas. In support of this, the Board appointed a new Talent and Compensation Committee Chair in 2020. In addition, after a thorough selection process, and consideration of several firms, we engaged Korn Ferry as our new compensation consultant in 2020. To date, the Committee, with management support and Korn Ferry consultation, has made several key changes to revise our compensation programs to reflect the refined philosophy and input from our stockholders.

STOCKHOLDER ENGAGEMENT AND FEEDBACK. Stockholders' support of our compensation program at our 2022 annual meeting increased over 2021, with 94% voting in favor of our "say-on-pay" proposal. Despite this favorable feedback and improvement, we seek continued improvement through further understanding of our stockholders' views. We contacted our largest stockholders (representing approximately 62% of our outstanding shares) and held discussions with all who requested a meeting. None of these stockholders expressed any concerns regarding our current compensation approach and our efforts to provide further alignment with our key stakeholders.

KEY COMPENSATION PROGRAM CHANGES. For 2022, we made very few changes to our compensation program. We continued our basic approach, including a sliding scale to adjust annual performance targets to reflect cyclical changes in industry conditions and a Total Shareholder Return (TSR) modifier applicable to Performance Share Units (PSUs), but adjusted the performance metrics for short-term incentive awards to include "Employee Engagement" and "Customer Satisfaction," with the possibility of a modification to the awards for these new nonfinancial metrics based upon the implementation of our recently-updated corporate strategy. We made these changes because we concluded that these particular factors aligned closely with our strategy and warranted special focus by our management team. There were no significant changes for 2023.

As we continue to review and evolve our compensation programs, we remain committed to gathering and incorporating stockholder feedback and welcome your input. We are confident that the changes we have implemented will support AGCO's attraction and retention of key talent and drive robust business results and stockholder value.

LETTER FROM OUR TALENT AND COMPENSATION COMMITTEE

DELIVERING RESULTS. AGCO's results for 2022 were significantly improved over 2021 with record net sales and earnings per share, and adjusted operating margins of 10.3% compared to 9.1% in 2021. Overall industry conditions improved from 2021 to 2022, although actual 2022 results declined relative to original expectations. We believe our new compensation program structure worked as intended. Rather than easily outperforming a fixed goal, our sliding scale approach relative to actual industry conditions utilized for target setting, resulted in targets that remained appropriately challenging to achieve. As a result, we believe that the compensation awarded to executives for their 2022 performance fairly rewards our executives and their respective teams for their achievements, as discussed in detail in our Compensation Discussion and Analysis.

The Talent and Compensation Committee looks forward to refining our compensation program and obtaining further stockholder feedback during 2023.

TALENT AND COMPENSATION COMMITTEE

Suzanne P. Clark (Chair)

Sondra L. Barbour

David Sagehorn

Matthew Tsien

Compensation Discussion & Analysis

NAMED EXECUTIVE OFFICERS (NEOs)



Damon J. Audia
Senior Vice
President, Chief
Financial Officer



Andrew H. Beck
Senior Advisor
and Former
Chief Financial
Officer



Robert B. Crain
Senior Vice
President,
Customer
Experience



Torsten R.W. Dehner
Senior Vice
President and
General
Manager, Fendt/
Valtra



Eric P. Hansotia
Chairman,
President and
Chief Executive
Officer

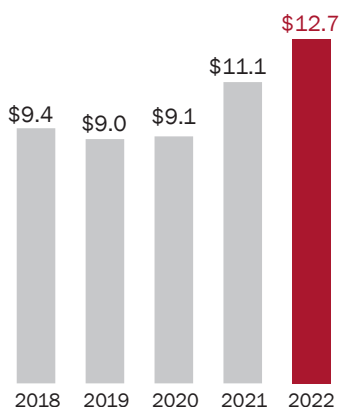


Hans-Bernd Veltmaat
Strategic Advisor
and Former Chief
Supply Chain
Officer

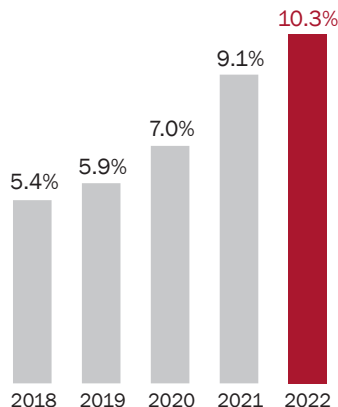
EXECUTIVE SUMMARY

OUR 2022 BUSINESS PERFORMANCE AND FINANCIAL HIGHLIGHTS

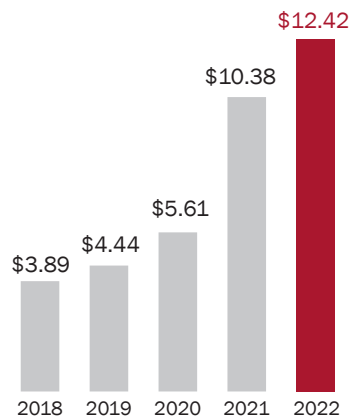
NET SALES (\$ BILLIONS)



ADJUSTED OPERATING MARGIN (%)



ADJUSTED EPS (\$)



*Refer to the Reconciliation of Non-GAAP Measures

MARKET CONDITIONS

AGCO delivered record results in 2022, underscored by net sales of approximately \$12.7 billion and adjusted operating margin of 10.3%. AGCO's performance was fueled by robust demand for our industry-leading products coupled with continued solid global industry demand. Our farmer-first focus was highlighted by our fourth quarter results that not only delivered record net sales and operating margin, but also generated substantial cash flow. These results are further evidence that our precision ag technology and premier equipment are in high demand and are driving productivity improvements for our farmers while providing us with margin-rich growth opportunities.

FINANCIAL PERFORMANCE

AGCO's 2022 results are highlighted by significantly higher net sales and operating margins compared to 2021. Net sales for 2022 were approximately \$12.7 billion, or 13.6% higher than 2021. Excluding adverse currency translation impacts of approximately 8.5%, net sales for the full year increased approximately 22.1% compared to 2021. Reported income from operations was approximately \$1.3 billion in 2022 compared to \$1.0 billion in 2021. Adjusted operating margins reached a record 10.3% of net sales in 2022 as compared to 9.1% in 2021. The increase in income from operations in 2022 was primarily the result of improved margins, which benefited from positive pricing impacts and a favorable sales mix that offset substantial inflationary cost pressures and continuing supply change challenges. Reported net income was \$11.87 per share, and adjusted net income, excluding impairment charges, restructuring expenses and other related items was \$12.42 per share. These results compare to reported net income of \$11.85 per share and adjusted net income per share of \$10.38 per share for 2021. Adjusted net income in 2021 excluded restructuring expenses and a deferred income tax adjustment.

Free cash flow, which is defined as net cash provided by operating activities less purchases of property, plant and equipment, was \$449.9 million during 2022, as compared to \$390.4 million during 2021. Supply chain disruptions resulted in higher raw material and work-in-process inventory levels during the course of 2022, although we were able to reduce work-in-process inventories during the fourth quarter of 2022. We achieved this free cash flow in 2022 even though capital expenditures increased from \$269.8 million in 2021 to \$388.3 million in 2022.

Adjusted operating margin, adjusted EPS, free cash flow and net sales excluding the impact of currency translation are all non-GAAP measures, and we provide reconciliations to the closest GAAP measures in the appendix at the end of this proxy statement.

OVERVIEW

Given the significant challenges created from the COVID-19 pandemic, including considerable supply-chain disruptions, the Talent and Compensation Committee considers AGCO's performance during 2022 to be outstanding, supported by improvement in adjusted operating margins and earnings per share. As designed under the new compensation program implemented in 2021, the performance targets for both the short-term IC plan and the LTI plan were adjusted on a "sliding scale" based upon changes in industry conditions. As a result, the performance targets remained appropriately challenging for management to achieve in contrast to fixed targets that would have been easily met given the improvement in industry conditions. The Committee considered the various challenges faced by the Company during 2022 and determined that it was not appropriate to adjust the results of the short-term incentive compensation performance metrics. Unlike 2021, for which adjustments were made, the issues that arose in 2022 were within the bounds of reasonable expectations. The Committee considers the incentive compensation awards earned by executive management during 2022 to be well aligned with our operational performance.

STOCKHOLDER ENGAGEMENT

RESPONSIVENESS TO STOCKHOLDER FEEDBACK

Institutional shareholders vary with respect to whether they want to meet with company representatives to discuss compensation and governance, with some not wanting to meet at all and others wanting to meet only when they see significant issues. Consistent with prior years, we contacted our largest stockholders (representing approximately 62% of our outstanding shares) and held discussions with all who elected to. None of these stockholders expressed any concerns regarding our current compensation approach and our efforts to provide further alignment with our key stakeholders. Our Lead Independent Director and our Chief Financial Officer participated in all of these meetings. The full Board had robust discussions and thoughtfully considered our stockholders' feedback. In addition, over the course of 2022 our management met or held briefer discussions with over 100 other shareholders. The discussions with our stockholders over the last few years have resulted in the following:

WHAT WE WERE TOLD	RESPONSE
More closely tie compensation plans to performance and business strategy	Adjusted metrics for the annual incentive and selected new metrics for the long-term incentive (LTI) emphasizing relative performance Performance share unit grants under the LTI include relative TSR as a payout modifier
Align compensation to reduce the impact of industry volatility	Established performance targets for both short-term and long-term incentives based on a new sliding scale model to account for business cyclicalities
Ensure compensation programs are within market levels	Froze the executive defined benefit retirement plan (<i>plan was closed in August 2015 to new entrants</i>) with a transition to an executive defined contribution plan
Disclose compensation plan targets	Enhanced disclosure includes STI (annual) threshold and maximum targets

2023 INCENTIVE PROGRAM OVERVIEW

In light of the changes to our short-term and long-term incentive programs for 2022, there were no significant structural changes for 2023.

	Compensation Vehicle	Measurement Period	Metric	Link to Performance and Strategy
Short-Term Incentive (STI) Program	Annual Incentives	One year	Adjusted Operating Margin (40%) (<i>sliding scale relative to industry</i>)	Aligns pay with performance and uses sliding scale approach for performance targets to manage cyclicalities
			Return on Net Assets (RONA) (40%) (<i>sliding scale relative to industry</i>)	Margin improvement and sound asset management are key to improving financial performance
			Employee Engagement (10%)	Employee engagement supports employee retention and is critical to our ability to successfully implement our strategy
			Customer Satisfaction (10%)	Improved customer experience leads to better customer retention and improved sales

COMPENSATION DISCUSSION & ANALYSIS

In addition, the Talent and Compensation Committee may modify the non-financial target awards based upon progress in the implementation of our recently-updated corporate strategy.

	Compensation Vehicle	Measurement Period	Metric	Mix	Link to Performance and Strategy
Long-Term Incentive (LTI) Program	Performance Share Units (PSUs)	Three years	3-year Revenue growth (50%) (sliding scale relative to industry)	60%	Aligns pay with performance and uses sliding scale approach for performance targets to manage cyclicity
			3-year Return on Net Assets (RONA) (50%) (sliding scale relative to industry)		Revenue and RONA metrics balance between growth and asset return discipline
			Both subject to relative TSR modifier (+/- 20%)		Relative Revenue target and TSR modifier creates stronger pay-for-performance alignment
	Restricted Stock Units (RSUs)	Three years	3-year ratable vesting period	40%	Promotes retention of key talent
	Stock Settled Stock Appreciation Rights (SSARs)	Four years	Discontinued	N/A	Moved to simpler design with two elements

RELATIONSHIP BETWEEN COMPENSATION METRICS AND FINANCIAL PERFORMANCE

DRIVERS OF OPERATING MARGIN (SHORT-TERM INCENTIVE)

- Focus on profitability
- Cost control/expense management
- Streamline operations
- Near-term business execution

DRIVERS OF RETURN ON NET ASSETS (SHORT-TERM AND LONG-TERM INCENTIVES)

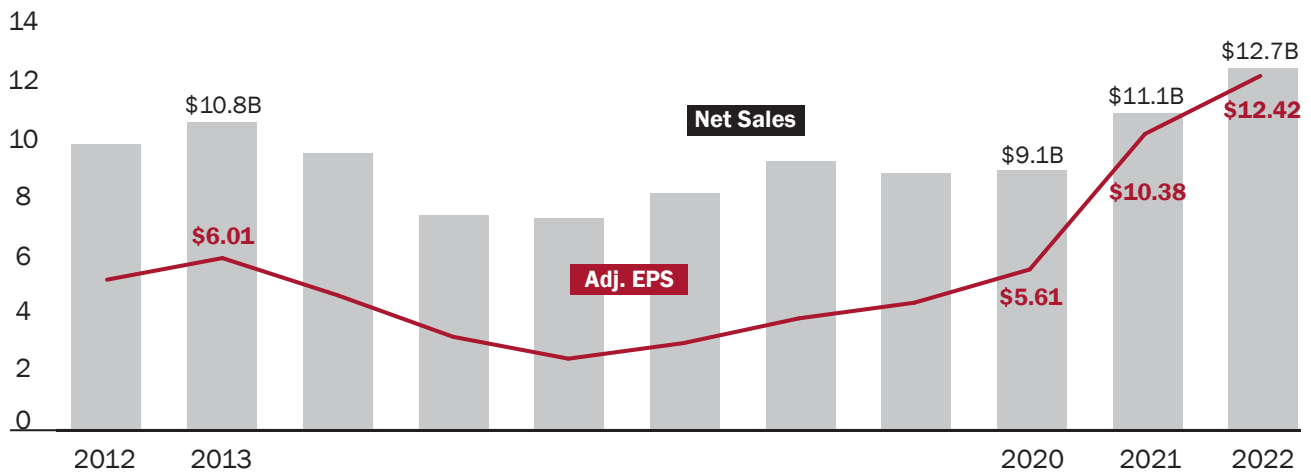
- Focus on profitability
- Efficient use of long-term assets
- Working capital efficiency
- Accountability for acquisition returns

DRIVERS OF 3-YEAR REVENUE GROWTH VS. INDUSTRY (LONG-TERM INCENTIVE, PSUs)

- Market share
- Successful execution of business strategy
- Focus on customer trends and requirements

FINANCIAL PERFORMANCE AND COMPENSATION METRICS – IMPACT OF CYCLICALITY

NET SALES AND ADJUSTED EPS



Our success depends in large part on the strength of the agricultural equipment industry. Historically, demand for agricultural equipment has been cyclical and generally reflected the economic health of the agricultural industry, which is impacted by a variety of economic and other factors such as commodity prices, farm income and government support. Accordingly, our financial results, including net sales, margins, earnings and cash flows, are heavily dependent on industry conditions in a given year. As reflected above, the global agricultural equipment cycle last peaked in 2013, declined significantly starting in 2014 and began improving in 2017. In 2022, industry conditions remained above mid-cycle levels, and even above the last peak, driven largely by increases in commodity prices.

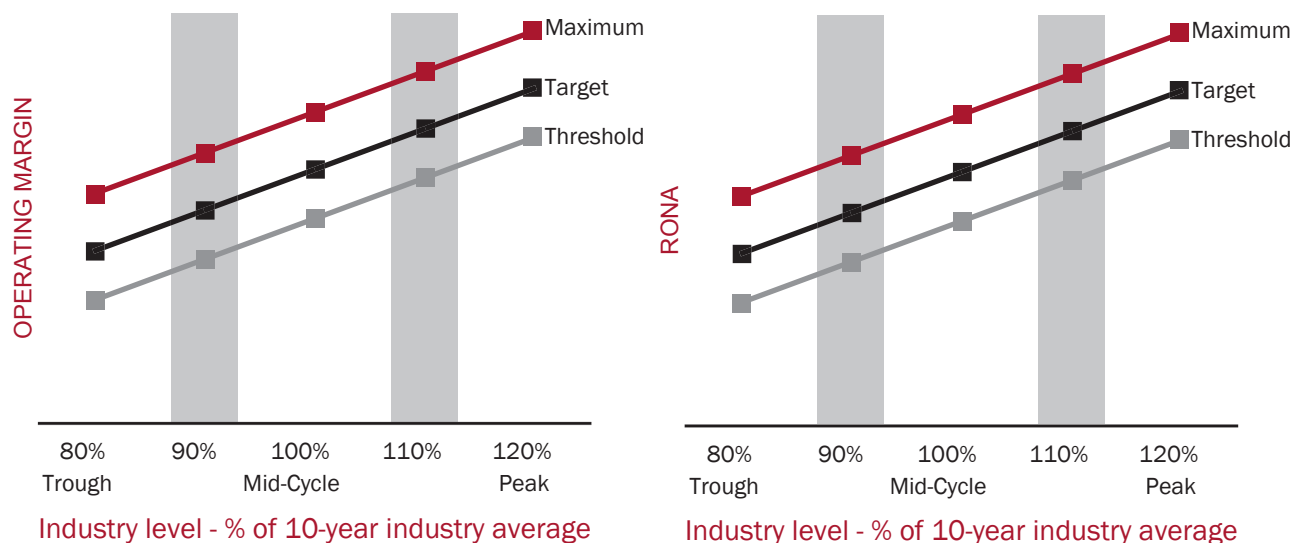
Establishing appropriate performance targets is particularly challenging due to the cyclical nature of our industry – a cyclical nature that often does not reflect the performance of the overall economy. Our objective is to provide targets that, with appropriate performance, are challenging but reasonable within the expected industry conditions over the duration of a performance period. Since industry conditions are difficult to forecast, our compensation payouts historically have varied significantly, largely due to unforeseen changes in conditions.

This is why, starting in 2021, we redesigned our compensation to better address industry cyclical nature, with several of the targets being on a sliding scale tied to the 10-year average sales data for the agricultural equipment industry. The target adjustments are based upon comparing the current fiscal year’s industry sales to the 10-year average. In periods where the industry experiences an increase in sales, our targets will shift upward to account for the industry improvement. In periods where the industry experiences a decrease in sales, our targets will shift downward to account for industry decline. By adjusting targets to changes in the industry cycle, the targets remain demanding but reasonable regardless of industry conditions, rewarding management for good decisions that take advantage of improving demand, and controlling costs and working capital when demand declines. By normalizing targets for cyclical industry conditions, executives will be rewarded for operational performance and quick response to changing demand.

ADJUSTING FOR CYCLICALITY IN GOAL-SETTING

HOW SLIDING SCALE GOALS WORK

As an example of how our sliding scale will work in practice, below are visual representations of both the Operating Margin and RONA goals as they will adjust along the 10-year industry sales average axis.



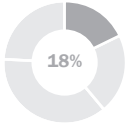
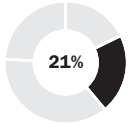
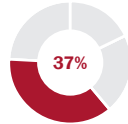

2022 PERFORMANCE EVALUATION AND COMPENSATION

AGCO entered 2022 having met and largely overcome many of the challenges that it encountered in 2020 and 2021 following the onset of COVID-19, yet still facing some challenges, such as supply chain disruption and residual COVID-19 impacts. We were able to capitalize on the introduction of new products and services as well as a healthy farm economy. As a result, our key measures of performance improved in 2022 compared to 2021. For 2022, sales increased by 13.6%, RONA improved by 320 basis points, and adjusted operating margins improved by 120 basis points, these being three of the metrics that are reflected in our incentive compensation approach. Despite these improvements, 2022 had unexpected challenges of its own, particularly with respect to a sophisticated cyber attack discovered in May 2022 and, as previously noted, continued challenges to our supply chain. The supply chain challenges resulted in the need for us to maintain higher raw material and work-in-process inventory levels. In the evaluation of our 2022 performance targets, we identified and quantified the impacts of these challenges in several different areas, and we considered whether adjustments to any of the performance metrics were warranted. In the view of our Talent and Compensation Committee, adjustments are appropriate only where the underlying cause was not reasonably foreseeable, the impact was significant despite the best efforts of our management and other employees, and it would be inequitable to our employees not to make an adjustment. Based upon this standard, the Committee determined that adjustments to the 2022 results were not warranted as more fully discussed below. Note that this contrasts with 2021, when the Talent and Compensation Committee determined that adjustments were appropriate due to COVID-19.

Our business performance results were reflected in the 2022 pay decisions made by the Talent and Compensation Committee as summarized below:

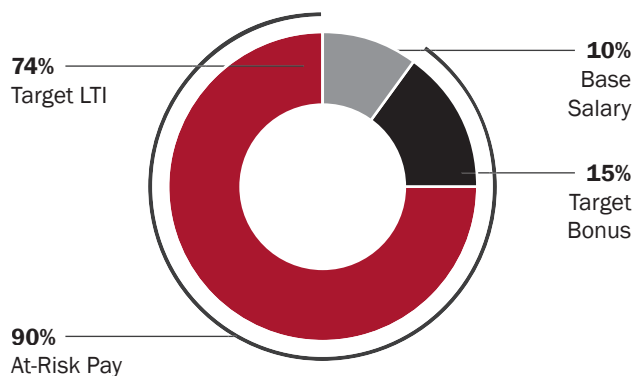
Base Salary	In 2022, the base salaries for Messrs. Beck and Hansotia were increased by 10% and 9%, respectively, in order to better align their base compensation with that of the Company's peer group. Otherwise, no increases were made to base salaries of Named Executive Officers during 2022.
Short-Term Incentive	Annual incentive awards for 2022 were paid out at 172.7% of target.
Long-Term Incentive	2022 grant was made at target levels of performance for NEOs based on midpoint of the range for each respective role.

COMPONENTS OF 2022 EXECUTIVE COMPENSATION

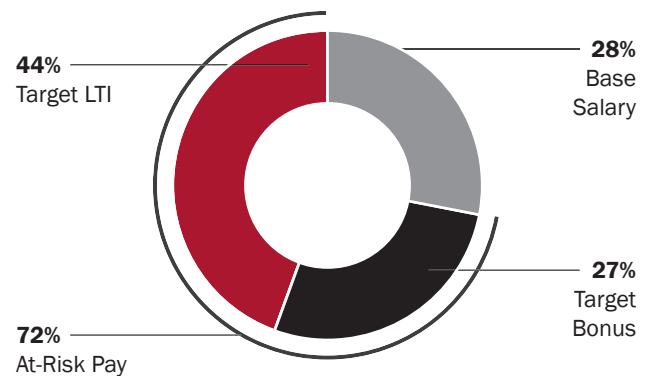
Short-Term Fixed	Mid-Term Variable	Long-Term	
Base Salary Cash 	Incentive Compensation (IC) Plan Cash 	Performance Share Units ("PSUs") Stock 	Restricted Stock Units ("RSUs") Stock 
Purpose Market-competitive base salary reflecting contribution, background, knowledge, skills and performance	Annual cash incentive based on achievements of key financial targets	Based on AGCO's performance vs. pre-established goals aligned with generating stockholder value over the long-term	Employee Retention
Performance Period N/A	1 year	3 years	3 years
Performance Measures N/A	Adjusted Operating Margin as a % of Net Sales (40%) Return on Net Assets (40%) Customer Satisfaction (10%) Employee Engagement (10%)	Revenue Growth (50%) Return on Net Assets (50%) Subject to a TSR modifier relative to an agribusiness index	Stock Price Appreciation

We believe that as an executive's responsibilities increase, so should the portion of his or her total pay comprised of incentive compensation. As illustrated below, in 2022, on average, over 70% of our NEO compensation was variable or "at risk" and tied to AGCO's performance, with the greatest portion associated with long-term incentives:

CHIEF EXECUTIVE OFFICER



OTHER NEOs



2022 BASE SALARY

Base salary for NEOs establishes the foundation of total compensation and supports attraction and retention of qualified executives. Each NEO's base salary is generally targeted at median levels of executives with similar roles and responsibilities at other industrial companies of similar revenue and complexity.

Base salary increases are primarily performance driven, but adjustments may be made to recognize additional responsibilities or market inequities. Generally, annual increases are effective on May 1st of each year, and the information below reflects base salary following any annual increase.

	2021	2022	% Change
Mr. Audia⁽¹⁾	\$ —	\$ 700,000	N/A
Mr. Beck⁽²⁾	\$ 706,777	\$ 777,454	10 %
Mr. Crain	\$ 605,986	\$ 605,986	— %
Mr. Dehner⁽³⁾	\$ 551,599	\$ 528,293	— %
Mr. Hansotia⁽⁴⁾	\$ 1,150,000	\$ 1,250,000	9 %
Mr. Veltmaat	\$ 616,177	\$ 616,177	— %

⁽¹⁾ Mr. Audia was hired on July 1, 2022. His base salary above reflects the full year.

⁽²⁾ Mr. Beck's base salary increased in May 2022. He retired in January 2023.

⁽³⁾ Mr. Dehner's base salary was unchanged in 2022 from 504,000 Swiss francs in 2021.

⁽⁴⁾ Mr. Hansotia's base salary increased in May 2022.

2022 ANNUAL INCENTIVE

Annual incentives are intended to facilitate alignment of management with corporate objectives in order to achieve outstanding performance and to meet specific AGCO financial targets. Incentive plan performance measures and targets are evaluated annually to ensure they support our strategic business objectives.

Incentive compensation is based on our performance, as well as the contribution of executive officers through the leadership of their respective regional or functional areas. For 2022, incentive compensation awards for all NEOs and senior vice presidents were based 100% on corporate goals for global alignment purposes. Incentive compensation opportunities are expressed as a percentage of each executive officer's base salary. Effective May 1, 2022, Mr. Hansotia's incentive compensation as a percentage of his base salary was changed from 125% to 150%. The annual award opportunities for the NEOs in 2022 were:

Name	Opportunity as a Percentage of Base Salary		
	Minimum Award	Target Award	Maximum Award
Mr. Audia	50 %	100 %	200 %
Mr. Beck	50 %	100 %	200 %
Mr. Crain	45 %	90 %	180 %
Mr. Dehner	45 %	90 %	180 %
Mr. Hansotia	75 %	150 %	300 %
Mr. Veltmaat	45 %	90 %	180 %

The corporate objectives and targets are set at the beginning of each year and approved by the Talent and Compensation Committee based upon the prior year results as well as a budget approved by the Finance Committee. Unless determined otherwise, the Talent and Compensation Committee excludes restructuring and certain other items from the calculation of adjusted operating margin as a percentage of net sales and return on net assets in order to ensure the calculations are equitable and reflect normalized operating results. In addition, the Talent and Compensation Committee has the ability to make adjustments based upon other appropriate circumstances.

The charts below summarize the performance measures, weightings, and results that the Talent and Compensation Committee approved for the 2022 annual incentive.

DESCRIPTION OF PERFORMANCE MEASURES

PERFORMANCE MEASURE	DEFINITION	RATIONALE
Adjusted Operating Margin as a Percentage of Net Sales	Adjusted income from operations divided by net sales. This measure excludes restructuring expenses and certain other items approved by the Talent and Compensation Committee.	Margin improvement links to earnings and is key to increasing company performance and stockholder value.
Return on Net Assets	Adjusted income from operations divided by net assets. This measure excludes restructuring expenses and certain other items approved by the Talent and Compensation Committee.	Return on net assets promotes improving returns through an efficient use of capital and is an important indicator of stockholder value.
Customer Satisfaction	Utilizes the Net Promoter Score to calculate the willingness of our customers to recommend AGCO products to others. This calculation is a proxy to gauge the customer's overall satisfaction with AGCO's products and the customer's loyalty to the AGCO brand.	Improved customer experience leads to better customer retention and improved sales
Employee Engagement	The level of our employees' commitment and connection to our organization. Employee Engagement is measured through an annual survey; the survey measures our employees' collective level of engagement via their responses to four questions that comprise our "employee engagement index."	Employee engagement supports employee retention and is critical to our ability to successfully implement our strategy

2022 ANNUAL INCENTIVE PAYOUTS

As described previously, the financial targets for the annual incentive plan are adjusted on a sliding scale relative to actual industry conditions in order to address industry cyclicality. The performance targets remained appropriately challenging for management to achieve in contrast to fixed targets that might not have been met and therefore would not have provided an appropriate incentive. In addition, during 2022, AGCO experienced two significant challenges. The first was caused by the continuing disruptions in the global supply chain. In particular, parts and components were not delivered timely, thereby disrupting production flow and delivery of our products. These challenges impacted our costs and results as we took extraordinary measures to complete production of work-in-process inventory in order to deliver equipment to farmers. These impacts included re-assembly of equipment after receipt of missing parts as well as additional logistics costs to expedite components to meet production schedules. In addition we also had to maintain higher inventory levels than targeted. The second was caused by the disruption to our operations in May 2022 from a sophisticated cyber attack.

With the assistance of its independent compensation consultants, the Talent and Compensation Committee assessed these and other factors in order to determine whether an adjustment should be made to the 2022 performance metrics. The Committee considered whether and to what extent the underlying causes were reasonably foreseeable and whether the impact was significant despite the best efforts of management and other employees. It also considered ancillary factors such as the Committee's decision to make an adjustment to 2021 performance metrics, as well as the competitiveness of the labor market. In addition, the Committee reviewed AGCO's overall 2022 financial performance in comparison to the challenging sliding scale targets. After careful review, the Committee determined not to make any allowances for the purposes of calculating the performance metrics.

As a result of the overall performance of the agricultural equipment industry and the Company's approach to align targets based upon the industry's ten year average, the targets for operating margin and return on net assets for 2022 were decreased on a sliding scale by approximately 30 basis points and 250 basis points, respectively. In future years, the targets will be increased or decreased as appropriate to reflect the industry's cyclical status at that time.

Accordingly, the Talent and Compensation Committee determined that AGCO performed at 172.7% of the established short-term incentive target for 2022.

2022 ANNUAL INCENTIVE PERFORMANCE MEASURES AND RESULTS

Measure	Weight	Bonus Objective	Percent Achieved	Earned Award
Adjusted Operating Margin as a Percentage of Net Sales	40%	Threshold: 7.2% Target: 9.2% Performance: 10.3% Maximum: 10.2%	200%	80.0%
Return on Net Assets	40%	Threshold: 25.6% Target: 31.6% Performance: 33.3% Maximum: 34.6%	156.7%	62.7%
Customer Satisfaction	10%	Threshold: 53% Target: 57% Performance: 63% Maximum: 59%	200.0%	20.0%
Employee Engagement	10%	Threshold: 68% Target: 69% Performance: 69% Maximum: 70%	100.0%	10.0%

For 2022, the goals have been increased from the goals for 2021 and new factors were added to the short-term performance. The short-term incentive payouts in 2022 were as follows:

Name	As a % of Salary	Actual Amount
Mr. Audia	173 %	\$ 609,406
Mr. Beck	173 %	\$ 1,301,977
Mr. Crain	155 %	\$ 941,884
Mr. Hansotia⁽¹⁾	245 %	\$ 2,986,271
Mr. Dehner	155 %	\$ 848,935
Mr. Veltmaat	155 %	\$ 957,724

⁽¹⁾ Effective May 1, 2022, Mr. Hansotia's incentive compensation target award as a percentage of his base salary was changed from 125% to 150%.

LONG-TERM INCENTIVE

LTI is intended to engage executives in achieving longer-term performance goals and to make decisions in the best interest of the stockholders. LTI performance goals are reviewed annually to ensure they are appropriately aligned with stockholder interests and the strategic business objectives of AGCO.

In January 2022, the Talent and Compensation Committee approved long-term incentive awards for 2022 eligible plan participants. The target award levels for each award type were set at median level of market competitiveness.

The following table summarizes the mix and performance measurements for each form of equity awarded to our NEOs for 2022 under our LTI Plan:

AWARD TYPE	MEASUREMENT	RATIONALE
Performance Share Plan (“PSP”): 60%	<ul style="list-style-type: none"> 50% 3-year Revenue Growth 50% 3-year Return on Net Assets (“RONA”) 	Both metrics are meaningful measures of our performance and have a strong correlation to generating stockholder value over the long-term
Restricted Stock Units (“RSUs”): 40%	<ul style="list-style-type: none"> Stock price appreciation 	Alignment with long-term stockholder value

2020 – 2022 PERFORMANCE SHARE PLAN

Targets set for the 2020-2022 Performance Share Plan were set at the beginning of the three-year period. At the conclusion of the cycle, the Talent and Compensation Committee determined that, based on the Company’s performance, we achieved above “target” with respect to adjusted operating margin for 2020 and “outstanding” in 2021 and 2022, and “outstanding” with respect to return on invested capital (“ROIC”) for 2020, 2021 and 2022. The Committee made no adjustments for the 2020-2022 PSU awards, as the goals were established during a lower point in the global agricultural market, and we performed above expected levels. Therefore, we outperformed the Company’s “expected results” level performance goals for the applicable metrics. Overall, the weighted average performance for the 2020-2022 three-year PSP performance cycle was 191.7%.

The target award and actual number of shares received by the NEOs for the three-year PSP performance cycle (2020-2022) are shown below:

Name	Three-Year Performance Cycle (2020-2022)	
	Target Award (100%)	Actual Award (192%)
Mr. Beck	9,100	17,441
Mr. Crain	7,300	13,991
Mr. Hansotia	9,400	18,014
Mr. Dehner	7,300	13,991
Mr. Veltmaat	7,300	13,991

2022-2024 PERFORMANCE SHARE PLAN (PSP)

Targets for the 2022-2024 performance cycle were set based upon the following:

- For RONA, the target was set on a relative industry sliding scale. This target is higher than the target set for RONA in the short-term IC plan for 2022, a result of the expectation of improvement for the three-year performance cycle compared to the one-year performance cycle used in the short-term IC plan.
- For Revenue Growth, the target was set based on achieving revenue above the relative industry performance for the three-year period.

We consider the specific target goals for PSP awards for uncompleted cycles to be confidential due to competitive harm. The Talent and Compensation Committee believes it is important to establish incentive targets that incorporate stretch

performance expectations and reward for exceeding defined performance and results. Disclosures of these goals prematurely may mislead investors as they may not fully appreciate the “stretch” nature of the goals.

MATRIX OF AWARD OPPORTUNITIES FOR AWARDS GRANTED IN 2022

	Return on Net Assets				Revenue Growth
	Below Threshold	Threshold	Target	Outstanding	
Outstanding	100.0 %	116.5 %	150.0 %	200.0 %	
Target	50.0 %	66.6 %	100.0 %	150.0 %	
Threshold	16.5 %	33.3 %	66.6 %	116.5 %	
Below Threshold	— %	16.5 %	50.0 %	100.0 %	

If the actual performance of the goal falls in between the established goals for threshold, target and outstanding performance, the associated payout factor will be calculated using a straight-line interpolation between the two goals. In addition, the shares earned are subject to a TSR modifier that is determined at the end of the three-year performance cycle, that could result in an increase or a reduction of shares earned by 20%, dependent on the quartile of performance relative to an agribusiness index. Unless determined otherwise, the Talent and Compensation Committee excludes restructuring and certain other items from the calculations of Return on Net Assets in order to ensure the calculations are equitable and reflect normalized operating results and actions are not discouraged by their projected impact on the awards (this approach also applies to annual incentive compensation calculation of margin).

THE TALENT AND COMPENSATION COMMITTEE

The Talent and Compensation Committee approves all compensation for executive officers, including the structure and design of the compensation programs. We perform competitive market analysis with respect to cash compensation, long-term equity incentives and executive retirement programs in order to enable the Committee to review, monitor and establish appropriate and competitive compensation guidelines, determine the appropriate mix of compensation programs and establish the specific compensation levels for our executives. The Talent and Compensation Committee also exercises its judgment as to what is in the best interests of the Company and its stockholders.

The process for compensation decisions made by the Talent and Compensation Committee involves:

- Reviewing the prior year say-on-pay voting results
- Considering feedback received from stockholders throughout the year
- Obtaining recommendations and market data from our independent compensation consultant
- Assessing business climate and industry factors
- Receiving input from our CEO and other senior members of management
- Evaluating NEO performance in alignment with Company goals
- Overseeing succession planning

PAY GOVERNANCE AND PAY FOR PERFORMANCE PHILOSOPHY

The compensation provided to our senior leaders is guided by pay-for-performance and the following principles:

Philosophy	Approach
Align with Stockholders Interests	Compensation paid should align directly with the long-term interests of our stockholders, and our executives should share with them in the performance and value of our common stock.
Support Business Strategy	Compensation should be based on challenging Company performance and strategic goals, which are within our executive's control and reward performance aligned with AGCO's strategy, values, and desired behaviors.
Pay for Performance	Target compensation should have an appropriate mix of short-term and long-term pay elements. In general, compensation is highly weighted - on average, over 70% - to variable or "at risk" compensation.
Encourage Executive Stock Ownership	Executives should meet minimum requirements for share ownership.
Competitive Compensation - Attract and Retain Quality Management	Executive pay is market competitive, but also performance-based and structured so that it addresses retention, recruitment, market scarcity and other business concerns.

WHAT WE DO:

- ✓ Talent and Compensation Committee composed entirely of independent directors who are advised by an independent compensation consultant
- ✓ Talent and Compensation Committee annually reviews financial performance objectives in our annual and long-term incentive plans
- ✓ Annual and long-term incentive plans with performance objectives aligned to business goals
- ✓ Long-term vesting period for equity awards
- ✓ Compensation programs support a conservative approach to share usage
- ✓ Double-trigger equity vesting in the event of change-in-control
- ✓ Require substantial stock ownership for all executive officers
- ✓ Clawback provisions in plans

WHAT WE DON'T DO:

- ✗ No tax gross-ups on change-in-control benefits (for all employment contracts since 2017 including the new CEO contract)
- ✗ Encourage excessive or unnecessary risk-taking
- ✗ Reprice equity awards without shareholder approval
- ✗ Allow directors or executives to engage in hedging or pledging of AGCO's securities

COMPENSATION CONSIDERATIONS

The Talent and Compensation Committee reviews recommendations from management, and with input from its independent compensation consultant, considers various factors when making executive compensation decisions, including:

- The cyclical nature of the business
- Agricultural equipment industry outlook
- Performance relative to peers and competitors
- Current competitive market conditions
- Key areas management can influence results over the short- and long-term
- Development and retention of top talent

CEO EMPLOYMENT AGREEMENT

In connection with his promotion to Chairman, President and Chief Executive Officer at the beginning of 2021, AGCO entered into an amended and restated employment agreement with Mr. Hansotia. The agreement generally is consistent with Mr. Hansotia's prior employment agreement, and, among other things, provides for:

- An annual base salary of \$1,250,000 for 2022 (an increase from \$1,150,000 for 2021)
- Participation in annual and long-term incentive programs
- Severance benefits of two years (three years in the event of a change in control) in the event of a termination without "cause" or by Mr. Hansotia for "good reason"
- Enhanced severance benefits in the event of a termination in the event of a change of control – a so-called "double trigger"
- Retirement benefits per the Executive Non-qualified Pension Plan (ENPP)
- A company car and reimbursement for customary expenses
- Reimbursement of the cost of one club membership
- Term life insurance equal in value to six-times his base salary
- 50 hours of flight time annually for personal use of the Company-provided aircraft.

The agreement also contains customary non-compete, non-solicitation and confidentiality provisions. In connection with the amendment and restatement of his contract, Mr. Hansotia's prior right to a tax gross-up was deleted.

In negotiating Mr. Hansotia's agreement, the Talent and Compensation Committee was assisted by its independent compensation consultant and believes that the final agreement is consistent with market practices. In addition, the Talent and Compensation Committee takes into account Mr. Hansotia's permitted use of the Company-provided aircraft in establishing his compensation.

BENCHMARKING COMPENSATION TO PEERS

The Talent and Compensation Committee's goal is to provide base salary, target total cash compensation (base salary plus target bonus opportunity) and target total direct compensation (target total cash plus target LTI opportunity) for each NEO that is competitive with the median levels of other industrial companies of similar size and complexity.

The Talent and Compensation Committee annually reviews the peer group for compensation comparisons and makes updates as needed to ensure that the included companies are appropriate comparators for determining whether total compensation for NEOs aligns with market. In determining the appropriate peer group, the Talent and Compensation Committee considers the attributes of company size as well as similarity of industry and business, as outlined in the table below.

PEER GROUP – SELECTION PROCESS

REVIEW OF CURRENT COMPENSATION PEER GROUP

REVIEW CRITERIA

Our assessment of potential peer companies involved a series of key guidelines and parameters along with sound judgment to arrive at an appropriate compensation peer group. Note that not all compensation peer companies match all criteria, and not all criteria are of equal importance.

Review Items	Review Criteria	Consideration
Size	<ul style="list-style-type: none"> Revenue falls within a range of ~0.3x to ~2x AGCO’s FY21 annual revenues 	<ul style="list-style-type: none"> For most companies, revenue is a proxy for business complexity and has the highest correlation to executive pay opportunity Market cap is also a useful reference (when combined with revenue). We typically consider potential peers that fall within a wider range of ~0.2x to ~5x of the Company market cap
Similar Industry	Compete within the following similar industries: <ul style="list-style-type: none"> Machinery Industry Building Products Industry Transportation Manufacturer/Parts & Equipment Aerospace and Defense 	<ul style="list-style-type: none"> Industry serves as a good reference for a company’s competition for business, capital, and talent For AGCO, there are a limited number of public Ag/Farm Machinery companies, so we expanded our search to include other machinery and equipment companies
Business Similarity	<ul style="list-style-type: none"> Manufacturer of heavy-duty equipment and/or parts International sales of more than 30% of total sales Digitalization as a key initiative Does not rely on one single dealer or distributor (sales no more than 10% of total sales) 	<ul style="list-style-type: none"> These factors may impact the Company’s organization structure, market risk, KPIs, sales forces, and other factors, which will eventually impact the Company’s pay program design

With the assistance of its independent consultants, the Talent and Compensation Committee reviewed our peer group in July 2022 and decided to remove Navistar, as it no longer is publicly-traded, but otherwise not to make any changes. The composition of the current peer group (16 companies) is shown below.

BorgWarner Inc.	Oshkosh Corporation	Thor Industries, Inc.
Cummins, Inc.	PACCAR Inc.	Trane Technologies Plc
Dana Incorporated	Parker Hannifin Corporation	Westinghouse Air Brake Technologies Corporation
Dover Corporation	Rockwell Automation, Inc.	Xylem Inc.
Flowserve Corporation	Stanley Black & Decker	
Illinois Tool Works Inc.	Textron Inc.	

EXECUTIVE COMPENSATION AND RISK MANAGEMENT

The Talent and Compensation Committee regularly reviews compensation plans and practices to ensure they are appropriately structured and aligned with business objectives, and not designed to encourage executives to take excessive risks. Using an outline provided by the Center on Executive Compensation (“CEC”), in 2022 we commenced an assessment to determine whether our compensation programs discourage plan participants from taking “excessive risks.” The assessment was completed in early 2023 and confirmed, using the CEC criteria, that our compensation program discourages taking excessive risks.

STOCK OWNERSHIP REQUIREMENTS

The Company requires its directors and officers to own AGCO shares as it emphasizes the alignment of their interests with those of stockholders. The ownership program covers all directors and executive officers. The requirements are as follows:

- Chief Executive Officer to own common stock, or other equity equivalents, equal in value to six times annual salary
- Other Executive Officers to own common stock, or other equity equivalents, equal in value to three times their respective annual salaries
- Non-employee directors to own common stock, or other equity equivalents, equal in value to five times the value of the annual retainer

Any person becoming a director or executive officer has five years from his or her election or promotion, or from an increase in the requirement, to comply with the stock ownership requirements. A person is considered to be in compliance once the minimum ownership level is reached (if he or she continues to hold at least the number of shares that initially was required regardless of the change in market value of the underlying equity securities). Our directors and executive officers all met the requirements that were applicable as of December 31, 2022.

OTHER COMPENSATION, BENEFITS AND CONSIDERATIONS

POST-TERMINATION AND CHANGE IN CONTROL BENEFITS

Employment agreements with the executives provide severance benefits when the termination is without “cause” or for termination with “good reason.” The size of the severance benefits depends on whether the termination involved a change of control.

SEVERANCE BENEFITS WITHOUT A CHANGE OF CONTROL

For terminations by the Company without “cause” or by an executive for “good reason” that do not involve a change of control, the severance benefit includes:

- The executive will receive his or her base salary for a period of one or two years and a pro rata portion of the annual incentive to which the executive would have been entitled for the year of termination had the executive remained employed for the entire year.
- Specifically, for the NEOs, Messrs. Audia, Crain and Dehner will receive their respective base salaries and annual incentives for one year upon termination, and Mr. Hansotia will receive his base salary and annual incentives for two years upon termination. Messrs. Beck and Veltmaat would have received their respective base salaries and annual incentives for two years and one year, respectively, upon termination.
- A terminated executive also is entitled to receive any vested benefits under the ENPP payable beginning at age 65.

SEVERANCE BENEFITS TRIGGERED ON TERMINATION FOLLOWING A CHANGE OF CONTROL

For terminations by the Company without “cause” or by an executive for “good reason” that follow a change of control the severance benefit includes:

- For Mr. Hansotia, three times, and for the other NEOs two times their respective base salaries in effect at the time of termination.
- For all NEOs, a pro-rata portion of their respective annual incentives earned for the year of termination.
- For Mr. Hansotia three times, and for the other NEOs two times, the three-year average of their respective annual incentives received during the prior two completed years and the current year’s trend.

In addition to the cash severance payments, certain vesting benefits exist:

- All unvested equity awards include a “double-trigger” provision that states that vesting is contingent on a change in control and either termination of employment or failure of the acquiring company to assume outstanding equity grants or provide participants with the value equal to that of the unvested equity grants.
- All benefits under the ENPP that have been earned based on years of service also become vested upon a change of control.

Executives with employment agreements prior to 2017 are entitled to receive a gross-up for excise taxes due on any of the change of control payments described above, other than ordinary income taxes associated with payouts from a change of control. Based upon discussions with stockholders, we eliminated the gross-up for excise taxes on severance payments due to a change in control for any executive receiving an employment agreement in 2017 and beyond. Under the provision of Messrs. Audia’s and Hansotia’s employment contracts, there are no excise tax gross-ups for severance payments.

For purposes of these benefits, a “change of control” occurs, in general, when either (i) one or more persons acquire common stock of the Company that, together with other stock owned by the acquirers, amounts to more than 50% of the total fair market value or total voting power of the stock, (ii) one or more persons acquire during a 12-month period stock of the Company that amounts to 30% or more of the total voting power of the stock, (iii) a majority of the members of our Board of Directors are replaced in any 12-month period by directors who are not endorsed by a majority of the directors then in office, or (iv) with some exceptions, one or more persons acquire assets from the Company that have a total fair market value equal to or greater than 40% of the aggregate fair market value of all of our assets.

RETIREMENT AND OTHER BENEFITS

Executive officers participate in our various employee benefit plans designed to provide retirement income. Our qualified and nonqualified pension plans provide a retirement income base, and our qualified and nonqualified 401(k) plans permit additional retirement savings. To encourage retirement savings under the qualified and nonqualified 401(k) plans, we provide an employer matching contribution (as noted below).

PLAN TYPE	DESCRIPTION	STATUS
AGCO 401(k) Plan	For the Company’s 401(k) plan, we generally contributed approximately \$13,725 to each eligible executive’s 401(k) account during 2022, which was the maximum contribution match allowable under the Company’s 401(k) plan.	Active
Executive Nonqualified Pension Plan (ENPP)	The ENPP provides the Company’s eligible US-based executives with retirement income for a period of 15 years based on a percentage of their final average compensation, including base salary and annual incentive bonus, reduced by the executive’s social security benefits and 401(k) plan benefits attributable to employer matching contributions.	ENPP frozen to future salary benefit accruals as of December 31, 2024
Executive Defined Contribution (DC)	The Company maintains a DC plan with respect to which it makes contributions for certain senior U.S.-based executives. Executives who currently participate in the ENPP will transition to the DC plan in 2025 in connection with the freeze of the ENPP. Mr. Audia was the only NEO who participated in the DC plan during 2022. For Vice Presidents and Senior Vice Presidents, we annually contribute 10% of the executive officer’s salary plus his or her annual incentive compensation, less any contributions made during the year with respect to the AGCO 401(k) plan, to the DC Plan. For the Chief Executive Officer, the annual contribution percentage is 15%, similarly adjusted.	Active

Executives also participate in our other benefit plans on the same general terms as other employees. These plans may include medical, dental and disability insurance coverage.

In addition, the ENPP will be frozen to future salary benefit accruals as of December 31, 2024. No further accruals to the executive retirement benefit for compensation or service changes will be made after that date. As of January 1, 2025, any remaining participants will be transitioned to our Executive Defined Contribution plan.

LIMITED PERQUISITES

We believe that cash and incentive compensation should be the primary focus of compensation and that perquisites should be modest.

- The primary perquisites available to executives are the use of a leased automobile and the reimbursement of dues associated with a social or athletic club.
- Supplemental life and disability insurance is also provided for executives. The life insurance generally provides for a death benefit of six times the executive officer’s base salary.
- For executives on international assignments, certain additional expatriate and relocation benefits are provided.
- Mr. Hansotia is allowed limited use of our leased aircraft for personal use. The cost of this use is taken into consideration by the Committee as part of the establishment of Mr. Hansotia’s compensation. No other executives are allowed personal use.

CLAWBACK POLICY

We have a Compensation Adjustment and Recovery Policy. Pursuant to the policy, if the Board learns of any misconduct by an officer of AGCO or one of its subsidiaries that contributed to our having to restate our published financial statements, it shall take, or direct management to take, such action as the Board deems reasonably necessary to remedy the misconduct, prevent its recurrence and, if appropriate, based on all relevant facts and circumstances, take remedial action against the individual in violation of the policy. In determining whether remedial action is appropriate, the Board will take into account such factors as it deems relevant, including whether the misconduct reflected negligence, recklessness, or intentional wrongdoing. Remedial action may include dismissal and initiating legal action against the executive officer and others.

In addition, the Board will, to the full extent permitted by governing law, in all appropriate cases, direct management to seek reimbursement of any bonus or incentive compensation awarded to an officer, or effect the cancellation of unvested, restricted or deferred equity awards previously granted to an officer, if: (i) the amount of the bonus or incentive compensation was calculated based upon the achievement of financial results that were subsequently reduced as part of a restatement; (ii) the officer engaged in intentional wrongdoing that contributed to the restatement; or (iii) the amount of the award would have been lower had the financial results been properly reported.

In determining what action to take or to require management to take, the Board may consider, among other things, penalties or punishments imposed by third parties, such as law enforcement agencies, regulators or other authorities, the impact upon us in any related proceeding or investigation of taking remedial action against an officer, and the cost and likely outcome of taking remedial action. The Board's power to determine the appropriate remedial action is in addition to, and not in replacement of, remedies imposed by or available under applicable law.

Without by implication limiting the foregoing, following a restatement of the Company's financial statements, we also shall be entitled to recover any compensation received by the Chief Executive Officer and Chief Financial Officer that is required to be recovered by Section 304 of the Sarbanes-Oxley Act of 2002.

The policy further specifies that the authority vested in the Board under the policy may be exercised by any committee thereof. In 2022 the SEC issued final rules implementing the clawback provisions set forth in the Dodd-Frank Wall Street Reform and Consumer Protection Act. These rules are more expansive than those under the rules adopted by the SEC in response to the Sarbanes-Oxley Act of 2002, but are subject, in the case of AGCO, to implementation rules being adopted by the NYSE and approved by the SEC. We will update our Clawback Rule once the NYSE rules are finalized.

HEDGING AND PLEDGING POLICY

Our Hedging and Pledging Policy prohibits Board members and officers from directly or indirectly, pledging with respect to any equity securities of the Company, or hedging with respect to any equity securities of the Company. For these purposes, "pledging" includes the intentional creation of any form of pledge, security interest, deposit, lien or other hypothecation, including the holding of shares in a margin account, that entitles a third-party to foreclose against, or otherwise sell, any equity securities, whether with or without notice, consent, default or otherwise, but does not include either the involuntary imposition of liens, such as tax liens or liens arising from legal proceedings, or customary purchase and sale agreements, such as Rule 10b5-1 plans, and "hedging" includes any instrument or transaction, including put options and forward-sale contracts, through which the Insider offsets or reduces exposure to the risk of price fluctuations in a corresponding equity security. For these purposes, "equity securities" include the Company's common stock, preferred stock and options and other securities exercisable for, or convertible into, settled in, or measured by reference to, any other equity security determined on an as-exercised and as-converted basis. The equity securities attributable to a board member or officer for these purposes shall include equity securities attributable to the board member or officer under either Section 13 or Section 16 of the Exchange Act, provided that equity securities owned by entities shall be included only if the board member or officer directly or indirectly controls a majority of the equity securities of the entity or otherwise directly controls those equity securities of the Company. Pledges of equity securities made by board members or officers prior to December 3, 2020 (each a "Grandfathered Pledge") in compliance with the Company's prior pledging policy may remain pledged until such time when the Grandfathered Pledges are terminated. Equity securities that are pledged shall not be counted toward the ownership requirements under other policies of the Company.

Summary of 2022 Compensation

The following table provides information concerning the compensation of the NEOs for the Company's three most recently completed years ended December 31, 2020, 2021 and 2022.

In the column "Salary," we disclose the amount of base salary paid to the NEO during the year.

In the columns "Stock Awards" and "SSAR Awards," we disclose the award of stock, SSARs or RSUs measured in dollars and calculated in accordance with ASC 718. For SSARs, the ASC 718 aggregate grant date fair value per share is based on certain assumptions that the Company explains in Note 10 to our Consolidated Financial Statements, which are included in our Annual Report on Form 10-K for the year ended December 31, 2022. For awards of stock, the ASC 718 aggregate grant date fair value per share is equal to the closing price of our common stock on the date of grant decreased by the present value of the future dividends estimated to be distributed. For the 2021 PSP awards that included a market condition, the company measured the fair value using a Monte Carlo simulation. The amounts disclosed as the aggregate grant date fair value of the stock awards granted under the PSP are computed at the probable outcome of the performance conditions, or "target" level. The actual amounts that will be earned are dependent upon the achievement of pre-established performance goals. Please also refer to the table below under the caption "2022 Grants of Plan-Based Awards."

In the column "Non-Equity Incentive Plan Compensation," we disclose amounts earned under our IC Plan. The amounts included with respect to any particular year are dependent on whether the achievement of the relevant performance measure was satisfied during the year.

In the column "Change in Pension Value and Non-Qualified Earnings," we disclose the aggregate change in the actuarial present value of the NEO's accumulated benefit under all defined benefit and actuarial benefit plans (including supplemental plans) in 2022.

In the column "All Other Compensation," we disclose the sum of the dollar value of all perquisites and other personal benefits, or property, unless the aggregate amount of such compensation is less than \$10,000.

The Company currently has employment agreements with Messrs. Audia, Crain, Dehner and Hansotia and, prior to their retirement, Messrs. Beck and Veltmaat. The employment agreements provided for annual base salaries for 2022, following any annual adjustment, of: Mr. Audia — \$700,000; Mr. Beck — \$777,454; Mr. Crain — \$605,986; Mr. Dehner — 504,000 Swiss francs; Mr. Hansotia — \$1,250,000, and Mr. Veltmaat — \$616,177. The employment agreements of Messrs. Audia, Crain, Dehner, and Hansotia continue in effect until terminated in accordance with their terms. Actual amounts paid in the year will vary due to timing of pay periods and implementations of base salary increases. In addition to the specified base salary, the employment agreements provide that each executive officer shall be entitled to participate in benefit plans and other arrangements generally available to senior executive officers of the Company.

2022 Summary Compensation Table

Name and Principle Position ⁽¹⁾	Year	Salary (\$)	Bonus (\$)	Stock Awards ⁽²⁾ (\$)	SSAR Awards ⁽³⁾ (\$)	Non-Equity Incentive Plan Compensation ⁽⁴⁾ (\$)	Change in Pension Value and Non- Qualified Earnings ⁽⁵⁾ (\$)	All Other Compensation ⁽⁶⁾ (\$)	Total (\$)
Damon J. Audia Senior Vice President — Chief Financial Officer	2020	—	—	—	—	—	—	—	—
	2021	—	—	—	—	—	—	—	—
	2022	350,000	—	3,207,997	—	609,406	—	625,153	4,792,556
Andrew H. Beck Senior Vice President — Senior Advisor and Former Chief Financial Officer	2020	660,539	—	861,779	156,337	1,193,924	2,215,920	40,663	5,129,162
	2021	691,364	—	1,223,802	—	1,081,639	—	45,106	3,041,911
	2022	753,895	—	1,200,446	—	1,301,977	—	50,375	3,306,693
Robert B. Crain Senior Vice President — Customer Experience	2020	605,986	—	690,841	125,562	985,788	1,915,155	48,901	4,372,233
	2021	605,986	—	979,018	—	853,259	—	53,405	2,491,668
	2022	605,986	—	960,378	—	941,884	—	54,446	2,562,694
Torsten R.W. Dehner Senior Vice President and General Manager, Fendt and Valtra	2020	511,824	—	690,841	125,562	839,637	290,945	25,933	2,484,742
	2021	551,599	—	979,018	—	772,675	—	23,364	2,326,656
	2022	528,293	—	960,378	—	837,263	—	29,870	2,355,804
Eric P. Hansotia Chairman, President and Chief Executive Officer	2020	727,100	—	890,269	160,030	1,314,233	1,341,879	55,813	4,489,324
	2021	1,150,000	—	6,978,345	—	2,248,969	652,962	151,472	11,181,748
	2022	1,216,667	—	8,573,886	—	2,986,271	363,569	210,060	13,350,453
Hans-Bernd Veltmaat Senior Vice President — Chief Supply Chain Officer	2020	616,177	—	690,841	125,562	1,002,366	1,010,333	64,249	3,509,528
	2021	616,177	—	979,018	—	867,608	1,035,211	71,938	3,569,952
	2022	616,177	—	960,378	—	957,724	—	62,115	2,596,394

⁽¹⁾ Mr. Audia joined the Company as Chief Financial Officer on July 1, 2022. Mr. Beck served as Senior Vice President and Chief Financial Officer through June 30, 2022, and retired from the Company on January 31, 2023. Mr. Veltmaat retired from the Company on December 31, 2022.

⁽²⁾ Stock Awards for 2020

In 2020, awards were granted under the 2020-2022 three-year performance cycle under the PSP, where the awards earned are based on the average of each year in the three-year performance cycle, and RSUs, where the awards were granted with a three-year cliff-vesting period beginning on the date of grant, subject to adjustment based on a performance metric relative to the Company's defined peer group. The amounts above reflect the aggregate grant date fair value computed in accordance with ASC 718 in relation to the 2020-2022 three-year performance cycle at the probable outcome of the performance conditions, or "target" level, at the date of grant, and the grant date fair value of RSUs.

The values of the awards on the date at the actual performance achieved level are as follows: Mr. Beck — \$1,236,091; Mr. Crain — \$991,589; Mr. Dehner — \$991,589; Mr. Hansotia — \$1,276,841; and Mr. Veltmaat — \$991,589. The pre-established performance goals for three-year performance cycle under the PSP were achieved at 191.67% or above "target."

The following were the value of the RSUs on the date of grant: Mr. Beck — \$216,862; Mr. Crain — \$173,490; Mr. Dehner — \$173,490; Mr. Hansotia — \$224,091; and Mr. Veltmaat — \$173,490. RSUs 2020 remain to be issued as they are subject to adjustment based on a margin improvement metric relative to the Company's peer group. Mr. Veltmaat vested proratably with respect to his 2020 RSU grants through the date of his retirement on December 31, 2022 pursuant to the terms of our RSU agreements. Mr. Veltmaat forfeited 68 RSUs associated with his 2020 RSU grants due to the proration of vesting through his retirement date, representing a value of approximately \$4,819 on the date of grant.

Stock Awards for 2021

In 2021, awards were granted under the 2021-2023 three-year performance cycle under the PSP, where the awards earned are based on the average of each year in the three-year performance cycle subject to a total shareholder return modifier, and RSUs that vest in equal installments over three years from the date of grant. The amounts above reflect the aggregate grant date fair value computed in accordance with ASC 718 in relation to the 2021-2023 three-year performance cycle at the probable outcome of the performance conditions, or "target" level, at the date of grant, and the grant date fair value of RSUs.

Assuming the maximum level of performance, the following would be the values of the award on the date of grant: Mr. Beck — \$1,516,098; Mr. Crain — \$1,212,878; Mr. Dehner - \$1,212,878; Mr. Hansotia — \$8,644,224; and Mr. Veltmaat — \$1,212,878. The pre-established performance goals average for the two-year average of the three-year performance cycle under the PSP were achieved at

2022 SUMMARY COMPENSATION TABLE

110.5%, or above “target” but are not yet vested. Mr. Veltmaat vested proratably with respect to his PSU grants (two years of the 2021-2023 three-year performance cycle) through the date of his retirement on December 31, 2022. Mr. Veltmaat forfeited 1,640 PUP awards associated with PSU grants during 2021 representing a value of approximately \$404,293 on the date of grant, assuming the maximum level of performance conditions, as a result of the proration of vesting in the PSU awards through his retirement date. The number of shares that Mr. Veltmaat will ultimately receive related to these awards will depend upon the actual level of performance achieved at the end of the respective three-year performance period.

The following were the value of the RSUs on the date of grant: Mr. Beck — \$465,753; Mr. Crain — \$372,579; Mr. Dehner — \$372,579; Mr. Hansotia — \$2,656,233; and Mr. Veltmaat c \$372,579. Mr. Veltmaat vested proratably with respect to his 2021 RSU grants through the date of his retirement on December 31, 2022 pursuant to the terms of our RSU agreements. Mr. Veltmaat forfeited 1,184 RSUs associated with his 2021 RSU grants due to the proration of vesting through his retirement date, representing a value of approximately \$134,533 on the date of grant.

Stock Awards for 2022

In 2022, awards were granted under the 2022-2024 three-year performance cycle under the PSP, where the awards earned are based on the average of each year in the three-year performance cycle subject to a total shareholder return modifier, and RSU’s that vest in equal installments over three years from the date of grant. The amounts above reflect the aggregate grant date fair value computed in accordance with ASC 718 in relation to the 2022-2024 three-year performance cycle at the probable outcome of the performance conditions, or “target” level, at the date of grant, and the grant date fair value of RSUs.

Assuming the maximum level of performance, the following would be the values of the award on the date of grant: Mr. Audia — \$896,380; Mr. Beck — \$1,474,049; Mr. Crain — \$1,179,140; Mr. Dehner — \$1,179,140; Mr. Hansotia — \$10,464,802; and Mr. Veltmaat — \$1,179,140. The pre-established performance goals for the first year of the three-year performance cycle under the PSP were achieved at 148.4%, or above “target” but are not yet vested. Mr. Veltmaat vested proratably with respect to his PSU grants (one year of the 2022-2024 three-year performance cycle) through the date of his retirement on December 31, 2022. Mr. Veltmaat forfeited 3,167 PSU awards associated with PSU grants during 2022 representing a value of approximately \$786,176 on the date of grant, assuming the maximum level of performance conditions, as a result of the proration of vesting in the PSU awards through his retirement date. The number of shares that Mr. Veltmaat will ultimately receive related to these awards will depend upon the actual level of performance achieved at the end of the respective three-year performance period.

The following were the value of the RSUs on the date of grant: Mr. Audia — \$2,759,807; Mr. Beck — \$463,422; Mr. Crain — \$370,808; Mr. Dehner — \$370,808; Mr. Hansotia — \$3,341,486; and Mr. Veltmaat — \$370,808. Mr. Veltmaat forfeited 2,199 RSUs associated with his 2022 RSU grants due to the proration of vesting through his retirement date, representing a value of approximately \$256,716 on the date of grant.

In 2022, Mr. Audia received an inducement award in connection with his recruitment approximately equal in value to the in-the-money value of equity awards that he forfeited as a result of joining AGCO.

- (3) SSARs were awarded on January 22, 2020. There were no SSARs awarded in 2021 and 2022. The SSARs vest over four years from the date of grant, or 25% per year. The amounts above reflect the aggregate grant date fair value computed in accordance with ASC 718.
- (4) All annual incentive awards were performance-based. Payments were earned based upon the performance in the year of the award and paid the following February or March of each respective year.
- (5) The change in each officer’s pension value is the change in the Company’s obligation to provide pension benefits (at a future retirement date) from the beginning of the year to the end of the year. The obligation shown in the “2022 Pension Benefits Table” presented below is the value today of a benefit that will be paid at the officer’s normal retirement age, based on the benefit formula and his or her current salary and service. The values shown in the Summary Compensation Table represent the change in the pension obligation since the prior year.

Change in pension values during the year may be due to various sources such as:

- *Service accruals:* The benefits payable from the pension plans increase as participants earn additional years of service. Therefore, as each executive officer earns an additional year of service during the year, the benefit payable at retirement increases. Each of the NEOs who participate in a pension plan earned an additional year of benefit service during 2022 except for Mr. Beck who has already earned the maximum benefit service allowed under the plan.
- *Compensation increases/decreases since prior year:* The benefits payable from the pension plans are related to salary. As executive officers’ salaries increase (decrease), then the expected benefits payable from the pension plans will increase (decrease) as well.
- *Aging:* The amounts shown above are changes in the present values of retirement benefits that will be paid in the future. As the officers approach retirement, the present value of the liability increases due to the fact that the executive officer is one year closer to retirement than he was at the prior measurement date.
- *Changes in assumptions:* The amounts shown above are changes in the present values of retirement benefits that will be paid in the future. The discount rate used to determine the present value is updated each year based on current economic conditions. This assumption does not impact the actual benefits paid to participants. The discount rate increased from 2021 to 2022, which contributed to a decrease in the present value of the officers’ benefits. The change in pension value is subject to many external variables discussed above, such as discount rates, that are not related to Company performance.
- *Plan amendments:* The Company periodically amends its retirement programs in order to remain competitive locally and/or align with our global benefits strategy. During 2021, the Company amended the ENPP to freeze future salary benefit accruals as of December 31, 2024, and to eliminate a lifetime annuity feature for participants reaching age 65 subsequent to December 31, 2022.

During 2021, while the pension annuity values for Messrs. Beck and Crain increased due to service and compensation changes, the plan amendment (as described above under “Plan Amendments”) resulted in a net decrease in the present value of benefits of \$1,952,381 for Mr. Beck and \$996,545 for Mr. Crain. Similarly, for Mr. Dehner, while the total account balance under the BVG plan

2022 SUMMARY COMPENSATION TABLE

increased, changes in assumptions resulted in a net decrease in the present value of benefits of \$69,186. As a result, the change in present value of their pension benefits were reported as \$0 during 2021.

During 2022, while the pension annuity values for Messrs. Beck, Crain and Veltmaat increased due to service and compensation changes, the increase in discount rate during 2022 resulted in a net decrease in the present value of benefits of \$1,877,594 for Mr. Beck, \$619,131 for Mr. Crain and \$1,281,845 for Mr. Veltmaat. Similarly, for Mr. Dehner, while the total account balance under the BVG plan increased, changes in assumptions resulted in a net decrease in the present value of benefits of \$23,900. As a result, the change in present value of their pension benefits were reported as \$0 during 2022. The pension benefits and assumptions used to calculate these values are described in more detail under the caption "Pension Benefits."

⁽⁶⁾ The amount shown as "All Other Compensation" includes the following perquisites and personal benefits for the year ended December 31, 2022:

Name	Club Membership (\$)	Defined Contribution Match (\$)	Life Insurance ^(a) (\$)	Car Lease and Maintenance ^(b) (\$)	Other ^(c) (\$)	Total (\$)
Damon J. Audia	—	35,000	2,580	98	587,475	625,153
Andrew H. Beck	11,028	13,725	12,095	13,527	—	50,375
Robert B. Crain	14,528	13,725	11,464	13,683	1,046	54,446
Torsten R.W. Dehner	—	—	—	23,736	6,134	29,870
Eric P. Hansotia	14,528	13,725	12,429	17,730	151,648	210,060
Hans-Bernd Veltmaat	10,200	13,725	17,103	18,980	2,107	62,115

^(a) These amounts represent the value of the benefit to the executive officer for life insurance policies funded by the Company.

^(b) These amounts represent car lease payments made by the Company for cars used by executives and/or their family members, as well as payments for related gas and maintenance costs.

^(c) In 2022, in accordance with his employment contract, Mr. Hansotia used the corporate aircraft for personal use for an aggregate of approximately 40 hours for an aggregate incremental cost of \$151,648. Incremental cost for corporate aircraft includes, calculated on a per hour basis, (1) fuel and oil, (2) travel, lodging and other crew expenses, (3) landing, parking, flight planning, customs and similar fees, (4) deadhead and positioning costs, (5) catering costs, (6) maintenance (when not considered a fixed cost), and (7) other similar costs. Since our aircraft is used predominately for business travel, incremental costs exclude fixed costs such as depreciation, crew compensation, hangar rent and insurance. The amount for Mr. Crain includes commercial airfare related to attendance by Mr. Crain's wife at a business-related event — \$1,046. The amount for Mr. Dehner includes commercial airfare-related costs related to attendance by Mr. Dehner's wife at a business-related event — \$6,134. The amount for Mr. Veltmaat includes commercial airfare-related costs related to attendance by Mr. Veltmaat's wife at a business-related event — \$2,107. The amount for Mr. Audia includes a sign-on bonus of \$500,000 and relocation expenses and related costs of \$87,475.

2022 Grants of Plan-Based Awards

In this table, we provide information concerning each grant of an award made to an NEO in the most recently completed year. This includes the awards under the Company's IC Plan, as well as PSP awards and RSUs under the LTI Plan, each of which is discussed in greater detail under the caption "Compensation Discussion and Analysis." The "Threshold," "Target" and "Maximum" columns reflect the range of estimated payouts under the IC Plan and the range of number of shares to be awarded under the PSP. In the second-to-last column, we report the number of shares of common stock underlying RSUs granted in the year. In all cases, the exercise price was equal to the closing market price of the Company's common stock on the date of grant. In the last column, we report the aggregate ASC 718 grant date fair value of all stock awards made in 2022. Stock awards include the annual PSU award and the RSU award.

Name	Award Type	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾			Estimated Future Payouts Under Equity Incentive Plan Awards ⁽²⁾			All Other Stock Awards: Number of Shares of Stock or Units (#)	Grant Date Fair Value of Stock Awards (\$)
			Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (# of shares)	Target (# of shares)	Maximum (# of shares)		
Damon J. Audia	IC Plan		176,438	352,877	705,753					
	PSP	7/13/22				1,649	4,948	9,896		
	RSU	7/13/22							30,088	
Andrew H. Beck	IC Plan		376,948	753,895	1,507,790					
	PSP	1/20/22				1,979	5,938	11,876		
	RSU	1/20/22							3,958	
Robert B. Crain	IC Plan		272,694	545,387	1,090,775					
	PSP	1/20/22				1,583	4,750	9,500		
	RSU	1/20/22							3,167	
Torsten R.W. Dehner	IC Plan		242,404	484,808	969,615					
	PSP	1/20/22				1,583	4,750	9,500		
	RSU	1/20/22							3,167	
Eric P. Hansotia	IC Plan		864,583	1,729,167	3,458,333					
	PSP	1/20/22				10,972	32,917	65,834		
	PSP	7/13/22				4,220	12,660	25,320		
	RSU	1/20/22							21,945	
	RSU	7/13/22							8,440	
Hans-Bernd Veltmaat⁽³⁾	IC Plan		277,820	554,559	1,109,119					
	PSP	1/20/22				1,583	4,750	9,500		
	RSU	1/20/22							3,167	

⁽¹⁾ Amounts included in the table above represent the potential payout levels related to corporate objectives for the fiscal year 2022 under the Company's IC Plan. The payment for these awards already have been determined and were paid on February 28, 2023 to the NEOs with the exception of Mr. Dehner, who will be paid on March 31, 2023. Refer to Note 3 of the 2022 Summary Compensation Table. Mr. Audia's amounts above reflect a proration based upon the number of days he was employed in 2022.

⁽²⁾ The amounts shown represent the number of shares the executive would receive if the "Threshold," "Target" and "Maximum" levels of performance are reached. The executives will receive a lower number of shares in the event that one of the performance metrics was "Below Threshold" and the other was at "Threshold."

⁽³⁾ Mr. Veltmaat forfeited 3,167 PSP awards associated with PSU grants during 2022 representing a value of approximately \$393,088 on the date of grant, assuming the target level of performance conditions, as a result of the proration of vesting in the PSU awards through his retirement date. The number of shares that Mr. Veltmaat will ultimately receive related to these awards will depend upon the actual level of performance achieved at the end of the 2022-2024 three-year performance period. Mr. Veltmaat also forfeited 2,199 RSUs associated with his 2022 RSU grants due to the proration of vesting through his retirement date, representing a value of approximately \$256,716 on the date of grant.

Outstanding Equity Awards at Year-End 2022

The following table provides information concerning unexercised SSARs and stock (including RSUs) that has not been earned or vested for each NEO outstanding as of the end of the Company's most recently completed year.

Each outstanding award is represented by a separate row that indicates the number of securities underlying the award.

For SSAR awards, the table discloses the exercise price and the expiration date. For stock awards, the table provides the total number of shares of stock that have not vested (or have not been earned) and the aggregate market value of shares of stock that have not vested (or have not been earned).

Name	SSAR Awards					Stock Awards			
	Number of Securities Underlying Unexercised SSARs Exercisable (#)	Number of Securities Underlying Unexercised SSARs Unexercisable ⁽¹⁾ (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised SSARs (#)	SSAR Exercise Price (\$)	SSAR Expiration Date	Number of Shares or Units of Stock That Have Not Vested ⁽²⁾ (#)	Market Value of Shares or Units of Stock That Have Not Vested ⁽³⁾ (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested ⁽⁴⁾ (#)	Equity Incentive Plan Awards: Value Realized on Vesting ⁽⁶⁾ (\$)
Damon J. Audia	—	—	—	—	—	3,298	457,400	9,896	1,372,476
	—	—	—	—	—	26,790	3,715,505	—	—
Andrew H. Beck	—	4,550	—	62.85	1/22/2026	—	—	—	—
	6,350	6,350	—	72.74	1/22/2027	3,060	424,391	—	—
	—	—	—	—	—	2,732	378,901	12,300	1,705,887
	—	—	—	—	—	3,958	548,935	11,876	1,647,082
Robert B. Crain	2,675	—	—	73.14	1/23/2025	—	—	—	—
	3,650	3,650	—	62.85	1/22/2026	2,448	339,513	—	—
	2,550	5,100	—	72.74	1/22/2027	2,186	303,176	9,840	1,364,710
	—	—	—	—	—	3,167	439,231	9,500	1,317,555
Torsten R.W. Dehner	—	5,100	—	72.74	1/22/2027	2,448	339,513	—	—
	—	—	—	—	—	2,186	303,176	9,840	1,364,710
	—	—	—	—	—	3,167	439,231	9,500	1,317,555
Eric P. Hansotia	1,250	—	—	73.14	1/23/2025	—	—	—	—
	4,650	4,650	—	62.85	1/22/2026	—	—	—	—
	3,250	6,500	—	72.74	1/22/2027	3,162	438,538	—	—
	—	—	—	—	—	15,584	2,161,345	70,130	9,726,330
	—	—	—	—	—	21,945	3,043,552	91,154	12,642,148
Hans-Bernd Veltmaat	—	—	—	—	—	8,440	1,170,544	—	—
	10,700	—	—	73.14	12/31/2023	—	—	—	—
	14,296	—	—	62.85	12/31/2023	—	—	—	—
	7,438	—	—	72.74	12/31/2023	—	—	—	—

⁽¹⁾ SSAR awards vest ratably, or 25% annually, over four years beginning from the date of grant, which was January 23, 2018 for the 2018 grants, January 22, 2019 for the 2019 grants, and January 22, 2020 for the 2020 grants. There were no SSARs awarded in 2021 and 2022. Mr. Veltmaat vested proratably with respect to his SSAR grants in 2019 and 2020 through the date of his retirement on December 31, 2022. Mr. Veltmaat forfeited 304 SSARs and 2,762 SSARs, respectively, associated with SSAR grants during 2019 and 2020, due to the proration of vesting through his retirement date.

⁽²⁾ The 2020 RSU awards were granted with a three-year cliff vesting period beginning on the date of grant, January 22, 2020 subject to adjustment based on performance metric relative to the Company's defined peer group. The 2021 and 2022 RSU awards vest in equal installments over three years beginning from the dates of grants, which were January 20, 2021 and January 20, 2022, respectively.

⁽³⁾ The market value of RSU awards that have not vested is based on the closing price of the Company's common stock on December 31, 2022 which was \$138.69.

⁽⁴⁾ The amounts shown represent the number of shares awarded but unearned at "maximum" level of performance under the PSP in January 2021 and January 2022, respectively. The actual amounts that will be earned under the PSP are dependent upon the

OUTSTANDING EQUITY AWARDS AT YEAR-END 2022

achievement of pre-established performance goals during the respective performance cycles. The pre-established performance goals related to the 2021 and 2022 PSP grants were achieved above the “target” level of performance; however, the award is subject to further vesting periods and future actual levels of performance achieved for unearned one-year performance cycles with the ultimate award that is earned determined based upon the average of the three annual percentages.

⁽⁵⁾ Based on the closing price of the Company’s common stock on December 31, 2022, which was \$138.69.

SSAR Exercises and Stock Vested in 2022

The following table provides information concerning exercises of SSARs and similar instruments, and vesting of stock awards including restricted stock and similar instruments, during the most recently completed year for each of the NEOs. The table reports the number of securities acquired upon exercise of SSARs; the aggregate dollar value realized upon exercise of SSARs; the number of shares of stock that have vested; and the aggregate dollar value realized upon vesting.

Name	SSAR Awards		Stock Awards	
	Number of Shares Acquired on Exercise ⁽¹⁾ (#)	Value Realized on Exercise ⁽²⁾ (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ⁽³⁾ (\$)
Damon J. Audia	—	—	—	—
Andrew H. Beck	6,972	1,627,668	11,056	2,668,459
Robert B. Crain	—	—	9,198	2,141,416
Torsten R.W. Dehner	744	146,192	10,299	2,025,580
Eric P. Hansotia	—	—	17,764	3,511,790
Hans-Bernd Veltmaat	—	—	9,645	2,141,416

⁽¹⁾ The number of shares acquired on exercise of SSARs is computed by dividing the value realized on exercise by the market price of the underlying securities at exercise. The number of shares acquired upon exercise includes the following shares withheld for income tax purposes: Mr. Beck — 5,731 shares and Mr. Dehner — 379 shares.

⁽²⁾ The dollar amount realized upon exercise is computed by multiplying the number of shares times the difference between the market price of the underlying securities at exercise and the exercise price of the SSARs.

⁽³⁾ Shares withheld for income tax purposes related to stock vested were as follows: Mr. Beck — 9,180 shares, Mr. Crain — 7,042 shares, Mr. Dehner — 4,955 shares, Mr. Hansotia — 9,505 shares, and Mr. Veltmaat — 6,595 shares.

Pension Benefits

The “2022 Pension Benefits Table” provides further details regarding the executive officers’ defined benefit retirement plan benefits. Because the pension amounts shown in the “2022 Summary Compensation Table” and the “2022 Pension Benefits Table” are projections of future retirement benefits, numerous assumptions must be applied. In general, the assumptions should be the same as those used to calculate the pension liabilities in accordance with ASC Topic 715, “Compensation – Retirement Benefits,” on the measurement date, although the SEC specifies certain exceptions, as noted in the table below.

EXECUTIVE NONQUALIFIED PENSION PLAN

Only executives promoted or hired prior to August 1, 2015 participate in the ENPP, and executives promoted or hired on or after August 1, 2015 participate in a nonqualified defined contribution plan. During 2021, the ENPP was “frozen” and further salary benefit accruals under the ENPP will end on December 31, 2024. In addition, the lifetime annuity feature was terminated for all participants other than for two executives who will have reached age 65 prior to or in 2021. Subsequent to December 31, 2024, the remaining participants in the ENPP will transition to the nonqualified defined contribution plan.

The ENPP provides the Company’s eligible executives with retirement income for a period of 15 years based on a percentage of their final average compensation, including base salary and annual incentive bonus, reduced by the executive’s social security benefits and savings plan benefits attributable to employer matching contributions. In addition, executives who remain with AGCO until age 65 will have their benefits continue as a lifetime annuity after the 15-year certain period ends (i.e., at age 80).

The key provisions of the ENPP are as follows:

Monthly Benefit. Senior executives with a vested benefit will be eligible to receive the following retirement benefits each month for 15 years beginning on their normal retirement date (age 65): 3% of final average monthly compensation times years of service up to 20 years, reduced by each of (i) the senior executive’s U.S. social security benefit or similar government retirement program to which the senior executive is eligible, (ii) the benefits payable from the AGCO Savings Plan (payable as a life annuity) attributable to the Company’s matching contributions (at the maximum level) and earnings thereon, and (iii) the benefits payable from any retirement plan sponsored by the Company in any foreign country attributable to the Company’s contributions.

Final Average Monthly Compensation. The final average monthly compensation is the average of the three years of base salary and annual incentive payments under the IC Plan paid to the executive during the three years in which such sum was the highest from among the ten years prior to his or her death, termination or retirement.

Vesting. Participants become vested after meeting all three of the following requirements: (i) turn age 50; (ii) completing ten years of service with the Company; and (iii) achieving five years of participation in the ENPP. An executive must remain with the Company until age 65 (and must reach age 65 by December 31, 2022) with at least ten years of service (five years must include tenure as an executive officer) to vest in the life annuity portion of this benefit that begins at age 80. Alternatively, all participants will become vested in the plan in the event of a change of control.

Early Retirement Benefits. Participants do not receive benefits under the ENPP prior to normal retirement age.

NONQUALIFIED DEFINED CONTRIBUTION PLAN

The Company maintains a nonqualified defined contribution plan with respect to which it makes contributions for certain senior U.S.-based executives. Executives who currently participate in the ENPP will transition to the nonqualified defined contribution plan in 2025 in connection with the freeze of the ENPP. Mr. Audia was the only NEO who participated in the nonqualified defined contribution plan during 2022. For Vice Presidents and Senior Vice Presidents, we annually contribute 10% of the executive officer's salary plus his or her annual incentive compensation, less any contributions made during the year with respect to the AGCO 401(k) plan, to AGCO's Executive Nonqualified Defined Contribution Plan. For the Chief Executive Officer, the annual contribution percentage is 15%, similarly adjusted.

	Plan Name	Executive Contributions in Last FY ⁽¹⁾	Registrant Contributions in Last FY ⁽²⁾	Aggregate Earnings in Last FY ⁽³⁾	Aggregate Withdrawals/Distributions	Aggregate Balance at Last FYE
Damon J. Audia	Nonqualified Defined Contribution Plan	N/A	\$ 35,000	\$ —	\$ —	\$ 35,000
Andrew H Beck	N/A	N/A	N/A	N/A	N/A	N/A
Robert B Crain	N/A	N/A	N/A	N/A	N/A	N/A
Torsten R W Dehner	N/A	N/A	N/A	N/A	N/A	N/A
Eric P Hansotia	N/A	N/A	N/A	N/A	N/A	N/A
Hans-Bernd Veltmaat	N/A	N/A	N/A	N/A	N/A	N/A

⁽¹⁾ Named Executive Officers do not contribute to the Nonqualified Defined Contribution Plan.

⁽²⁾ The Company contributions shown are included in the "All Other Compensation" column of the 2022 Summary Compensation Table. Since the contribution to Mr. Audia was not made until 2023, there were no earnings reported for 2022.

⁽³⁾ The aggregate earnings represent deemed investment earnings or losses from the Company contributions. The AGCO Savings Plan does not guarantee a return on deferred amounts. For these plans, no amounts included in this column are reported in the 2022 Summary Compensation Table because the plans do not provide for above-market or preferential earnings.

SWISS LIFE COLLECTIVE "BVG" FOUNDATION

The Swiss Life Collective "BVG" Foundation ("BVG") operates a pension fund in Switzerland, for which Mr. Dehner is a participant. The BVG ensures the plan meets at least the mandated requirements for minimum pension benefits. This plan is a cash balance formula, with contributions made both by the Company and Mr. Dehner. Mr. Dehner's total account balance represents contributions and interest made by the Company, as well as from his prior employers. The amounts shown in the tables throughout this proxy reflect the portion of account balance attributable to contributions made while employed by the Company.

The key provisions of the BVG plan are as follows:

Retirement benefit. Upon retirement, participants will receive the value of their cash balance account. They may elect to receive their benefit as a lump sum or as an annuity. The cash balance account grows each year with pay credits (payable by the employee and the employer) and interest.

Pay credits. Each year, a participant's cash balance account is credited with the following percentage of pensionable pay (varies by age):

Age	Credit as a percentage of pay (paid by the Company)	Credit (category "SVP & above") as a percentage of pay (paid by employee)
25-34	5.5%	2.5%
35-44	7.5%	3.5%
45-54	11.5%	4.5%
55-65	13.5%	5.5%

Pensionable pay. Payable at the annual rate of base pay and bonus.

Normal retirement age. Age 65 for males; age 64 for females (as in accordance with Swiss law).

Early retirement benefits. Participants may elect to retire from the age of 58. Annuity benefits are converted using reduced actuarial equivalence conversion factors.

Vesting. 100% vested (i.e., should Mr. Dehner leave the Company, he will receive the amount accumulated in the capital plan at that time).

2022 Pension Benefits Table

Name	Plan Name	Number of Years of Credited Service (#)	Present Value of Accumulated Benefit ⁽¹⁾ (\$)	Payments During Last Year (\$)
Damon J. Audia⁽²⁾	N/A	N/A	N/A	N/A
Andrew H. Beck	AGCO Executive Nonqualified Pension Plan	20.00	7,122,879	—
Robert B. Crain	AGCO Executive Nonqualified Pension Plan	17.00	6,609,306	—
Torsten R.W. Dehner	Swiss Life Collective “BVG” Foundation	12.08	1,013,676	—
Eric P. Hansotia	AGCO Executive Nonqualified Pension Plan	9.50	3,675,489	—
Hans-Bernd Veltmaat	AGCO Executive Nonqualified Pension Plan	14.50	7,397,887	—

⁽¹⁾ Based on plan provisions in effect as of December 31, 2022. The executive officers' pension plan will provide a monthly annuity benefit upon retirement. The values shown in this column are the estimated lump sum value today of the monthly benefits they will receive in the future (based on their current salary and service, as well as the assumptions and methods prescribed by the SEC). These values are not the monthly or annual benefits that they would receive.

⁽²⁾ Mr. Audia is not a participant in any AGCO pension plan.

Pension values may fluctuate significantly from year to year depending on a number of factors, including age, years of service, average annual earnings, changes in plan provisions and the assumptions used to determine the present value, such as the discount rate. For 2022, the discount rate assumption used to determine the actuarial present value of accumulated pension benefits was higher than in 2021. The Company cautions that the values reported in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column in the Summary Compensation Table, as well as the amounts above in the Present Value of Accumulated Benefit column, are theoretical as those amounts are calculated pursuant to SEC requirements and are based on assumptions used in preparing the Company's audited financial statements for the applicable fiscal years. The Company's retirement plans utilize a different method of calculating actuarial present value for the purpose of determining a lump sum payment, if any. The change in pension value from year to year as reported in the table is subject to market volatility and may not represent the value that an NEO will actually accrue or receive under the Company's retirement plans during any given year.

Other Potential Post-Employment Payments

Each NEO's employment agreement with the Company includes provisions for post-employment compensation related to certain employment termination events.

All unvested equity awards became subject to a "double trigger" whereby accelerated vesting is contingent on a change in control and either termination of employment or failure of the acquiring company to assume outstanding equity grants or provide participants with the value equal to that of the unvested equity grants. The LTI Plan does not provide for accelerated vesting of equity under other employment termination events. The table below and its accompanying footnotes provide specific detail on the post-employment compensation each NEO is entitled to in the event of certain employment termination events assuming termination on the last day of the prior year (December 31, 2022).

On December 31, 2022, Mr. Veltmaat retired from the Company and received only the retirement and other benefits he was entitled to under the standard terms of the applicable Company programs. On January 31, 2023, Mr. Beck also retired from the Company and received only the retirement and other benefits he was entitled to under the standard terms of the applicable Company programs. Neither Messrs. Beck nor Veltmaat received any severance benefits.

In accordance with the SEC's rules, the remainder of this section assumes that employment for each of Messrs. Beck and Veltmaat was terminated or a change of control of the Company occurred as of December 31, 2022 and does not take into account their retirement.

Executive / Termination Scenario ⁽¹⁾	Severance	Bonus	Accelerated Vesting of Equity	Benefits	Retirement Benefits	Death Benefit	Disability Benefit	280G Tax Gross-Up	Estimated Total
Damon J. Audia									
Change in Control ⁽²⁾⁽³⁾⁽⁴⁾	\$ 2,618,813	\$ 609,406	\$ 5,545,381	\$ 91,540	\$ —	\$ —	\$ —	\$ —	\$ 8,865,140
Voluntary Termination Without Good Reason	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Retirement ⁽⁵⁾	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Death ⁽⁶⁾	\$ 233,333	\$ 609,406	\$ —	\$ —	\$ —	\$ 4,200,000	\$ —	\$ —	\$ 5,042,739
Disability ⁽⁷⁾	\$ —	\$ 609,406	\$ —	\$ —	\$ —	\$ —	\$ 345,000	\$ —	\$ 954,406
Involuntary With Cause	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Involuntary Without Cause or Good Reason	\$ 700,000	\$ 609,406	\$ —	\$ 9,000	\$ —	\$ —	\$ —	\$ —	\$ 1,318,406
Resignation ⁽⁸⁾									
Andrew H. Beck									
Change in Control ⁽²⁾⁽³⁾⁽⁴⁾	\$ 3,939,935	\$ 1,301,977	\$ 5,186,216	\$ 179,250	\$ 7,220,839 ⁽⁹⁾	\$ —	\$ —	\$ —	\$ 17,828,217
Voluntary Termination Without Good Reason	\$ —	\$ —	\$ —	\$ —	\$ 977,551 ⁽⁹⁾	\$ —	\$ —	\$ —	\$ 977,551
Retirement ⁽⁵⁾	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Death ⁽⁶⁾	\$ 194,364	\$ 1,301,977	\$ —	\$ —	\$ 977,551 ⁽⁹⁾	\$ 4,664,724	\$ —	\$ —	\$ 7,138,616
Disability ⁽⁷⁾	\$ —	\$ 1,301,977	\$ —	\$ —	\$ 977,551 ⁽⁹⁾	\$ —	\$ 1,161,000	\$ —	\$ 3,440,528
Involuntary With Cause	\$ —	\$ —	\$ —	\$ —	\$ 977,551 ⁽⁹⁾	\$ —	\$ —	\$ —	\$ 977,551
Involuntary Without Cause or Good Reason	\$ 1,554,909	\$ 1,301,977	\$ —	\$ —	\$ 977,551 ⁽⁹⁾	\$ —	\$ —	\$ —	\$ 3,834,437
Resignation ⁽⁸⁾									

OTHER POTENTIAL POST-EMPLOYMENT PAYMENTS

Executive / Termination Scenario ⁽¹⁾	Severance	Bonus	Accelerated Vesting of Equity	Benefits	Retirement Benefits	Death Benefit	Disability Benefit	280G Tax Gross-Up	Estimated Total
Robert B. Crain									
Change in Control ⁽²⁾⁽³⁾⁽⁴⁾	\$ 3,065,926	\$ 941,884	\$ 4,151,004	\$ 172,538	\$ 6,691,031 ⁽¹⁰⁾	\$ —	\$ —	\$ —	\$ 15,022,383
Voluntary Termination Without Good Reason	\$ —	\$ —	\$ —	\$ —	\$ 703,552 ⁽¹⁰⁾	\$ —	\$ —	\$ —	\$ 703,552
Retirement ⁽⁵⁾	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Death ⁽⁶⁾	\$ 151,497	\$ 941,884	\$ —	\$ —	\$ 703,552 ⁽¹⁰⁾	\$ 3,635,916	\$ —	\$ —	\$ 5,432,849
Disability ⁽⁷⁾	\$ —	\$ 941,884	\$ —	\$ —	\$ 703,552 ⁽¹⁰⁾	\$ —	\$ 915,000	\$ —	\$ 2,560,436
Involuntary With Cause	\$ —	\$ —	\$ —	\$ —	\$ 703,552 ⁽¹⁰⁾	\$ —	\$ —	\$ —	\$ 703,552
Involuntary Without Cause or Good Reason Resignation ⁽⁸⁾	\$ 605,986	\$ 941,884	\$ —	\$ —	\$ 703,552 ⁽¹⁰⁾	\$ —	\$ —	\$ —	\$ 2,251,422
Torsten R.W. Dehner									
Change in Control ⁽²⁾⁽³⁾⁽⁴⁾	\$ 2,725,924	\$ 837,263	\$ 3,706,016	\$ —	\$ 1,079,917 ⁽¹¹⁾	\$ —	\$ —	\$ —	\$ 8,349,120
Voluntary Termination Without Good Reason	\$ —	\$ —	\$ —	\$ —	\$ 1,079,917 ⁽¹¹⁾	\$ —	\$ —	\$ —	\$ 1,079,917
Retirement ⁽⁵⁾	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Death ⁽⁶⁾	\$ 136,609	\$ 837,263	\$ —	\$ —	\$ 3,161,581 ⁽¹¹⁾	\$ —	\$ —	\$ —	\$ 4,135,453
Disability ⁽⁷⁾	\$ —	\$ 837,263	\$ —	\$ —	\$ 312,250 ⁽¹¹⁾	\$ —	\$ —	\$ —	\$ 1,149,513
Involuntary With Cause	\$ —	\$ —	\$ —	\$ —	\$ 1,079,917 ⁽¹¹⁾	\$ —	\$ —	\$ —	\$ 1,079,917
Involuntary Without Cause or Good Reason Resignation ⁽⁸⁾	\$ 546,437	\$ 837,263	\$ —	\$ —	\$ 1,079,917 ⁽¹¹⁾	\$ —	\$ —	\$ —	\$ 2,463,617
Eric P. Hansotia									
Change in Control ⁽²⁾⁽³⁾⁽⁴⁾	\$ 12,708,812	\$ 2,986,271	\$ 29,671,521	\$ 186,114	\$ 3,779,973 ⁽¹²⁾	\$ —	\$ —	\$ —	\$ 49,332,691
Voluntary Termination Without Good Reason	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Retirement ⁽⁵⁾	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Death ⁽⁶⁾	\$ 312,500	\$ 2,986,271	\$ —	\$ —	\$ —	\$ 7,500,000	\$ —	\$ —	\$ 10,798,771
Disability ⁽⁷⁾	\$ —	\$ 2,986,271	\$ —	\$ —	\$ —	\$ —	\$ 2,444,400	\$ —	\$ 5,430,671
Involuntary With Cause	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Involuntary Without Cause or Good Reason Resignation ⁽⁸⁾	\$ 6,866,315	\$ 2,986,271	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 9,852,586
Hans-Bernd Veltmaat									
Change in Control ⁽²⁾⁽³⁾⁽⁴⁾	\$ 3,117,486	\$ 957,724	\$ 4,151,004	\$ 173,242	\$ 9,576,922 ⁽¹³⁾	\$ —	\$ —	\$ —	\$ 17,976,378
Voluntary Termination Without Good Reason	\$ —	\$ —	\$ —	\$ —	\$ 607,576 ⁽¹³⁾	\$ —	\$ —	\$ —	\$ 607,576
Retirement ⁽⁵⁾	\$ —	\$ —	\$ —	\$ —	\$ 607,576	\$ —	\$ —	\$ —	\$ 607,576
Death ⁽⁶⁾	\$ 154,044	\$ 957,724	\$ —	\$ —	\$ 607,576 ⁽¹³⁾	\$ 3,697,062	\$ —	\$ —	\$ 5,416,406
Disability ⁽⁷⁾	\$ —	\$ 957,724	\$ —	\$ —	\$ 607,576 ⁽¹³⁾	\$ —	\$ 933,000	\$ —	\$ 2,498,300
Involuntary With Cause	\$ —	\$ —	\$ —	\$ —	\$ 607,576 ⁽¹³⁾	\$ —	\$ —	\$ —	\$ 607,576
Involuntary Without Cause or Good Reason Resignation ⁽⁸⁾	\$ —	\$ 957,724	\$ —	\$ —	\$ 607,576 ⁽¹³⁾	\$ —	\$ —	\$ —	\$ 1,565,300

(1) All termination scenarios assume termination occurred on December 30, 2022, and a stock price of \$138.69, which was the closing price of the Company's common stock on the last trading day of the Company's year ended December 31, 2022.

The employment agreements with executives generally contain certain restrictive covenants that continue for a period of two years after termination of employment, including a non-competition covenant, a non-solicitation of customers covenant and a non-recruitment of employees covenant.

(2) Upon termination within two years following a change of control, the following provisions apply to each of the NEOs:

- Mr. Hansotia would receive a lump sum payment equal to (i) three times his base salary in effect at the time of termination, (ii) a pro-rata portion of his bonus or other incentive compensation earned for the year of termination and (iii) a bonus equal to three times the amount earned in the most recently completed fiscal year. He would continue to receive life insurance and health benefits during a three-year period. Mr. Hansotia does not have an excise tax gross-up.
- Messrs. Audia, Beck, Crain, Dehner and Veltmaat would receive payment equal to (i) two times base salary in effect at the time of termination, (ii) a pro-rata portion of bonus or other incentive compensation earned for the year of termination and (iii) a bonus equal to two times the three-year average of the NEO's awards received during the prior two completed years and the current year's trend. Each of the NEOs would continue to receive life insurance, disability and healthcare benefits during a two-year period. In the case of

OTHER POTENTIAL POST-EMPLOYMENT PAYMENTS

Messrs. Audia, Beck, Crain and Veltmaat, the payment shall be made in a lump sum. In the case of Mr. Dehner, the portion attributable to base salary will be paid in three installments and the remainder will be paid in a lump sum.

- Messrs. Beck, Crain, Hansotia and Veltmaat would receive their ENPP retirement benefit payable as a lump sum. This lump sum is calculated in a similar fashion as values disclosed in the Pension Benefits Table, except it is determined based on the plan's actuarial equivalence definition rather than the SEC prescribed assumptions. There is no enhancement to their pension benefit amount in the event of a change in control other than immediate vesting of the benefit.
- (3) All outstanding unvested equity awards are subject to a "double trigger" whereby accelerated vesting is contingent on a change in control and either termination of employment or failure of the acquiring company to assume outstanding equity grants or provide participants with the value equal to that of the unvested equity grants.
- (4) In the case of a change of control, the retirement benefits are payable as a lump sum six months after termination of employment or, if such termination occurs more than twenty-four months after the change in control, in accordance with the terms of the ENPP. The difference between the "Retirement Benefits" values shown in the table above from the ENPP and the value shown in the "2022 Pension Benefits Table" is due to the fact that the interest and mortality assumptions prescribed by the plan in the event of a change of control are different from the assumptions used in the actuarial valuation. There is no enhancement to the benefit amount under a change of control other than immediate vesting of the benefit.
- (5) As of December 31, 2022, Mr. Veltmaat was eligible for retirement benefits. Messrs. Beck and Crain are vested in their ENPP benefit, but are not eligible to commence their benefits. Mr. Hansotia is not vested in his ENPP benefits.
- (6) Upon death, the following provisions apply to each of the NEOs:
- The estate would receive the executive's base salary in effect at the time of death for a period of three months. The estate is also entitled to all sums payable to the executive through the end of the month in which death occurs, including the pro-rata portion of his bonus earned at this time. The "Death Benefit" amount represents the value of the insurance proceeds payable upon death.
- (7) Upon disability, the following provisions apply to each of the NEOs:
- Each of the NEOs would receive all sums otherwise payable to them by the Company through the date of disability, including the pro-rata portion of the bonus earned. The "Disability Benefit" amount represents the annual value of the insurance proceeds payable to the executive on a monthly basis upon disability.
- (8) Unless such termination occurs within two years following a change of control, if employment is terminated without cause or if the executive voluntarily resigns with good reason, the following provisions apply to each of the NEOs:
- For Mr. Veltmaat, he does not receive cash severance because he is over age 65. All employment agreements stipulate that no cash severance is paid when they reach the age of 65. He receives a pro-rata portion of his bonus earned for the year of termination, which is payable at the time incentive compensation is generally payable by the Company.
 - For Mr. Beck, he would receive his base salary in effect at the time of termination for a two-year severance period, paid at the same intervals as if he had remained employed with the Company. He would also receive a pro-rata portion of his bonus earned for the year of termination, which is payable at the time incentive compensation is generally payable by the Company.
 - For Messrs. Audia, Crain and Dehner, each of the NEOs would receive their base salary in effect at the time of termination for a one-year severance period, paid at the same intervals as if they had remained employed with the Company. Each NEO would also receive a pro-rata portion of their bonus earned for the year of termination, which is payable at the time incentive compensation is generally payable by the Company. Life insurance benefits are continued for Mr. Audia for the duration of the severance period.
 - For Mr. Hansotia, he would receive his base salary in effect at the time of termination for a two-year severance period, paid at the same intervals as if he had remained employed with the Company, and a bonus equal to two times the three-year average of his awards received during the prior two completed years and the current year's trend.
- (9) Mr. Beck is currently vested in his ENPP retirement benefit. In the event of Mr. Beck's termination due to a change of control, he would receive a \$7,220,839 lump sum payment. In the event of his termination due to any other cause, he would receive a \$977,551 annual annuity for 15 years beginning at age 65. The present value of this annuity equals the benefit disclosed in the Pension Benefits Table, based on the assumptions and methods defined by the SEC. In other words, there is no enhancement that would be added to his pension benefit if he had been terminated on December 31, 2022.
- (10) Mr. Crain is currently vested in his ENPP retirement benefit. In the event of Mr. Crain's termination due to a change of control, he would receive a \$6,691,031 lump sum payment. In the event of his termination due to any other cause, he would receive a \$703,552 annual annuity for 15 years beginning at age 65. The present value of this annuity equals the benefits disclosed in the Pension Benefits Table, based on the assumptions and methods defined by the SEC. In other words, there is no enhancement that would be added to his pension benefit if he had been terminated on December 31, 2022.
- (11) In the event of Mr. Dehner's termination due to a change of control, he would receive a \$1,079,917 lump sum payment from his retirement plan. In the event of his termination due to death, he would receive a \$3,161,581 lump sum payment. In the event of his termination due to disability, he would receive a \$312,250 annual annuity until age 65. In the event of his termination due to any other cause, he would receive a lump sum payment of \$1,079,917, which corresponds to his vested benefits as per December 31, 2022.
- (12) Mr. Hansotia is not currently vested in his ENPP retirement benefit. In the event of Mr. Hansotia's termination due to a change of control, he would receive a \$3,779,973 lump sum payment. In the event of his termination due to any other cause on December 31, 2022, he would not receive an ENPP retirement benefit.
- (13) Mr. Veltmaat is currently vested in his ENPP retirement benefit. In the event of Mr. Veltmaat's termination due to a change of control, he would receive a \$9,576,922 lump sum payment. In the event of his termination due to any other cause, he would receive \$607,576 annually as a 15-year certain and life annuity beginning at termination. The present value of this annuity plus the value of the life annuity beginning 15 years later equals the benefit disclosed in the Pension Benefits Table, based on the assumptions and methods defined by the SEC. In other words, there is no enhancement that would be added to his pension benefit if he had been terminated on December 31, 2022.

Pay Versus Performance

Year	Summary Compensation Table Total for PEO (\$) ⁽¹⁾	Compensation Actually Paid to PEO (\$) ⁽¹⁾	Average Summary Compensation Table Total for Non-PEO NEO (\$) ⁽¹⁾	Average Compensation Actually Paid to Non-PEO NEO (\$) ⁽¹⁾	Value of Initial Fixed \$100 Investment Based On:			
					Total Shareholder Return ⁽¹⁾	Peer Group Total Shareholder Return ⁽¹⁾	Net Income (\$) ⁽¹⁾	Company-Selected Measure (Adjusted Operating Margin) (%) ⁽²⁾
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
2022 ⁽³⁾	\$ 13,350,453	\$25,100,778	\$ 3,122,828	\$ 4,771,244	195.59	130.62	\$ 889.6	10.3 %
2021 ⁽³⁾	11,181,748	11,598,468	2,857,547	2,484,180	156.50	142.11	897.0	9.1 %
2020 ⁽³⁾	13,852,298	14,460,470	4,375,062	5,958,183	134.77	114.59	427.1	7.0 %
2019	N/A	N/A	N/A	N/A	100.00	100.00	N/A	N/A

⁽¹⁾ All balances are whole numbers except for net income, which are in millions.

⁽²⁾ Adjusted operating margin is a non-GAAP measure, and a reconciliation is provided to the closest U.S. GAAP measure in the appendix at the end of this proxy statement.

⁽³⁾ Mr. Richenhagen was the Company's PEO for the year ended December 31, 2020. Mr. Hansotia was the Company's PEO for the years ended December 31, 2021 and 2022.

Prior FYE Current FYE Fiscal Year	PEO			NEO		
	12/31/2021	12/31/2020	12/31/2019	12/31/2021	12/31/2020	12/31/2019
	12/31/2022	12/31/2021	12/31/2020	12/31/2022	12/31/2021	12/31/2020
Fiscal Year	2022	2021	2020	2022	2021	2020
SCT Total	\$13,350,453	\$11,181,748	\$13,852,298	\$ 3,122,828	\$ 2,857,547	\$ 4,375,062
- Change in Pension Value in SCT	(363,569)	(652,962)	(2,957,462)	—	(258,803)	(1,620,822)
+ Pension Service Cost	550,703	(1,406,646)	704,019	117,686	(1,177,631)	316,256
- Grant Date Fair Value of Option Awards and Stock Awards Granted in Fiscal Year	(8,573,886)	(6,978,345)	(5,842,745)	(1,457,916)	(1,040,214)	(925,305)
+ Fair Value at Fiscal Year-End of Outstanding and Unvested Option Awards and Stock Awards Granted in Fiscal Year	17,761,571	8,341,152	—	2,325,687	1,243,380	2,314,043
+ Change in Fair Value of Outstanding and Unvested Option Awards and Stock Awards Granted in Prior Fiscal Years	1,907,911	615,190	—	297,958	496,394	1,170,583
+ Fair Value at Vesting of Option Awards and Stock Awards Granted in Fiscal Year That Vested During Fiscal Year	—	—	4,549,198	121,187	—	—
+ Change in Fair Value as of Vesting Date of Option Awards and Stock Awards Granted in Prior Fiscal Years For Which Applicable Vesting Conditions Were Satisfied During Fiscal Year	467,595	498,331	9,667,832	358,552	363,507	328,366
- Fair Value as of Prior Fiscal Year-End of Option Awards and Stock Awards Granted in Prior Fiscal Years That Failed to Meet Applicable Vesting Conditions During Fiscal Year	—	—	(5,512,670)	(114,738)	—	—
Compensation Actually Paid	\$25,100,778	\$11,598,468	\$14,460,470	\$ 4,771,244	\$ 2,484,180	\$ 5,958,183

Listed below are the three performance measures for AGCO that we consider to be the most important for driving long-term returns for our stockholders. Adjusted operating margin and return on net assets “(RONA)” are both goals under our annual incentive awards and are more fully discussed under “Compensation Discussion & Analysis – Description of Performance Measures.” Revenue and RONA are both goals for the performance-based awards under our long-term incentive plan. Over time we have considered different performance measures to be the most important, and we would expect them to change in the future as well.

Most Important Company Performance Measures for Determining NEO Compensation

Adjusted operating margin ⁽¹⁾
Return on net assets (“RONA”) ⁽¹⁾
Revenue growth

⁽¹⁾ Adjusted operating margin and RONA are non-GAAP measures, and a reconciliation is provided to the closest U.S. GAAP measure in the appendix at the end of this proxy statement.

RELATIONSHIPS WITH CERTAIN PERFORMANCE MEASURES

Described below are the relationships between certain performance measures and the compensation summarized above:

Cumulative Shareholder Return. For the three years summarized above, cumulative shareholder return was 195.59%. This compares to a decrease in compensation actually paid to our CEO in 2021 of \$2,862,002 (or 19.8%) and an increase in compensation actually paid to our CEO in 2022 of \$13,502,310 (or 116.4%). Similarly, it compares to a decrease in average compensation actually paid to our other NEOs in 2021 of \$3,474,003 (or 58.3%) and an increase in average compensation actually paid to our other NEOs of \$2,287,064 (or 92.1%) in 2022. The significant increases in 2022 largely reflect the increase in cumulative shareholder return and the corresponding increase in the fair value of equity awards. The decreases in 2021 largely reflect a decrease in the fair value of equity awards. Both of these comparisons are impacted by the timing and share prices at the time of awards, the performance goals that were embedded in those awards and the Company’s financial performance during the relevant periods, as well as the share prices at the times that fair value were determined. During 2021, the compensation for our CEO and other NEOs were also impacted by negative service costs related to an amendment to the Company’s ENPP previously discussed. During the 2020 to 2022 three-year period, the cumulative shareholder return of the Company’s peer group was 130.62%. The difference between peer group performance and the Company’s largely is attributable to the Company’s improved adjusted operating margin combined with strong performance generally for the agricultural equipment industry. Also, we had a change in our CEO between 2020 and 2021, which caused a reduction in compensation actually paid to our CEO in 2021.

Net Income. During the three years summarized above, the Company’s net income declined by \$7.4 million (or 0.8%) between 2021 and 2022 and increased by \$469.9 million (or 110.0%) between 2020 and 2021. A discussion of the factors that impacted net income is contained in our Form 10-K for the year ended December 31, 2022. Actual compensation paid to and earned by our CEO and other NEOs and the primary reasons for changes between years are described above. As a percentage of net income, our CEO and the average NEO’s compensation actually paid increased in 2022 and decreased in 2021.

Company Selected Measure. The Company selected measure is adjusted operating margin. As discussed under “Compensation Discussion & Analysis – Description of Performance Measures,” this measure links to earnings and is key to increasing performance and stockholder value. This measure increased by 2.1 percentage points in 2021 and 1.2 percentage points in 2022. We believe that the increases in total shareholder return for these periods is a product of the increases in this measure, although there were other influences as well. In turn, indirectly, this measure is the driver of the increase in actual cash compensation to both our CEO’s and other NEO’s compensation increases in 2022.

2022 CEO Pay Ratio

Our analysis began by determining that we had approximately 24,853 employees as of a December 1, 2022 determination date. Although permitted by the SEC, we did not use the 5% de Minimis rule to exclude or eliminate any employee group. Based on our consistently applied compensation measure of actual total cash compensation, we identified the median employee. The median employee's total 2022 compensation, as determined in a manner consistent with our Summary Compensation Table, was \$54,990.

Based on this methodology, we estimate the ratio of CEO pay to median employee pay is 221:1. In 2021, the CEO pay to median employee pay ratio was 210:1.

THE FOLLOWING REPORTS OF THE TALENT AND COMPENSATION COMMITTEE AND THE AUDIT COMMITTEE SHALL NOT BE DEEMED TO BE SOLICITING MATERIAL OR TO BE INCORPORATED BY REFERENCE IN ANY PREVIOUS OR FUTURE DOCUMENTS FILED BY THE COMPANY WITH THE SEC UNDER THE SECURITIES ACT OF 1933 OR THE SECURITIES EXCHANGE ACT OF 1934, EXCEPT TO THE EXTENT THAT THE COMPANY EXPRESSLY INCORPORATES SAID REPORTS BY REFERENCE IN ANY SUCH DOCUMENT.

Talent and Compensation Committee Report

The Talent and Compensation Committee of the Board has reviewed and discussed the Compensation Discussion and Analysis included in this Proxy Statement with management. Based on such review and discussion, the Talent and Compensation Committee has recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement for filing with the SEC.

Commencing in 2020, the Talent and Compensation Committee engaged Korn Ferry to serve as its independent compensation adviser to advise management and the Talent and Compensation Committee with respect to the Company's compensation programs and to undertake various related studies and projects. During 2022, the Talent and Compensation Committee evaluated Korn Ferry's independence pursuant to SEC and NYSE requirements and determined that no conflicts of interest arose from the work to be performed by Korn Ferry.

The aggregate fees billed by Korn Ferry for consulting services rendered to the Talent and Compensation Committee during 2022 related to the recommendation of the amount or form of executive and director compensation were approximately \$180,250. The total amount of fees paid by the Company to Korn Ferry in 2022 for all other services, excluding Talent and Compensation Committee services, was approximately \$119,540. These other services primarily related to executive search fees and job pricing efforts. The Talent and Compensation Committee recommended and approved the provision of these additional services to the Company by Korn Ferry.

The foregoing report is submitted by the Talent and Compensation Committee of the Board.

Suzanne P. Clark, Chair

Sondra L. Barbour

David Sagehorn

Matthew Tsien

Audit Committee Report

To the Board of Directors:

The Audit Committee consists of the following members of the Board: Sondra L. Barbour (Chair), George E. Minnich, David Sagehorn and Matthew Tsien. Each of the members is “independent” as defined by the NYSE and SEC.

Management is responsible for the Company’s internal controls, financial reporting process and compliance with the laws and regulations and ethical business standards. The independent registered public accounting firm is responsible for performing an independent audit of the Company’s consolidated financial statements and an audit of the effectiveness of the Company’s internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States) and to issue reports thereon. The Audit Committee’s responsibility is to monitor and oversee these processes and to report its findings to the Board. The Audit Committee members are not professional accountants or auditors, and their functions are not intended to duplicate or to certify the activities of management and the independent registered public accounting firm, nor can the Audit Committee certify that the independent registered public accounting firm is “independent” under applicable rules. The Audit Committee serves a board-level oversight role, in which it provides advice, counsel and direction to management and the auditors on the basis of the information it receives, discussions with management and the auditors and the experience of the Audit Committee’s members in business, financial and accounting matters.

We have reviewed and discussed with management the Company’s audited consolidated financial statements as of and for the year ended December 31, 2022 and management’s assessment of the effectiveness of the Company’s internal control over financial reporting and KPMG LLP’s audit of the Company’s internal control over financial reporting as of December 31, 2022.

We have discussed with KPMG LLP the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board (United States) and the U.S. Securities and Exchange Commission.

We have received and reviewed the written disclosures from KPMG LLP required by NYSE listing standards and the applicable requirements of the Public Company Accounting Oversight Board (United States) regarding the independent registered public accounting firm’s communications with the Audit Committee and have discussed with the independent registered public accounting firm the independent registered public accounting firm’s independence.

We also have considered whether the professional services provided by KPMG LLP, not related to the audit of the consolidated financial statements and internal control over financial reporting referred to above or to the reviews of the interim consolidated financial statements included in the Company’s Forms 10-Q for the quarters ended March 31, 2022, June 30, 2022, and September 30, 2022, is compatible with maintaining KPMG LLP’s independence.

Based on the reviews and discussions referred to above, we recommended to the Board that the consolidated financial statements referred to above be included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2022.

The foregoing report has been furnished by the Audit Committee of the Board.

Sondra L. Barbour, Chair
George E. Minnich
David Sagehorn
Matthew Tsien

AUDIT FEES

The aggregate fees billed by KPMG LLP for professional services rendered for the audit of the Company's annual consolidated financial statements for 2022 and 2021, the audit of the Company's internal control over financial reporting for 2022 and 2021, subsidiary statutory audits and the reviews of the financial statements included in the Company's SEC filings on Form 10-K, Form 10-Q and Form 8-K during such years were approximately \$7,741,000 and \$7,211,000, respectively.

AUDIT-RELATED FEES

The aggregate fees billed by KPMG LLP for professional services rendered for 2022 and 2021 for audit-related fees were approximately \$62,000 and \$41,000, respectively. The amounts for 2022 and 2021 primarily represent fees for audits of employee benefit plans and required auditor certifications for various matters required in certain foreign jurisdictions.

TAX FEES

KPMG LLP did not provide any professional tax services during 2022 or 2021.

FINANCIAL AND OPERATIONAL INFORMATION SYSTEMS DESIGN AND IMPLEMENTATION FEES

KPMG LLP did not provide any information technology services related to financial and operational information systems design and implementation to the Company or its subsidiaries during 2022 or 2021.

ALL OTHER FEES OF KPMG LLP

KPMG LLP did not provide any other services during 2022 or 2021.

A representative of KPMG LLP is expected to be present at the Annual Meeting with the opportunity to make a statement and will be available to respond to appropriate questions.

All of KPMG's services and fees for services, whether audit or non-audit, are preapproved by the Audit Committee. In some instances services and fees initially are preapproved by the Chair of the Audit Committee and then re-approved subsequently by the Audit Committee. All services performed by KPMG LLP for 2022 were approved by the Chair of the Audit Committee and the Audit Committee. The Audit Committee has appointed KPMG LLP as the Company's independent registered public accounting firm for 2023, subject to stockholder ratification. KPMG LLP has served as the Company's independent registered public accounting firm since 2002.

Certain Relationships and Related Party Transactions

The Company has a written related party transaction policy pursuant to which a majority of the independent directors of an appropriate committee must approve transactions that exceed \$120,000 in amount in which any director, executive officer, significant stockholder or certain other persons has or have a material interest.

Ms. Srinivasan, who is currently a member of the Company's Board of Directors, is the Chairperson and Managing Director of TAFE. The Company owns approximately 21% of TAFE's outstanding shares. Through TAFE and TAFE Motors and Tractors Limited, Ms. Srinivasan is the beneficial owner of 12,150,152 shares of the Company's common stock, not including shares of the Company's common stock received by Ms. Srinivasan for service as a director. The Company received dividends of approximately \$2.1 million from TAFE during 2022. Pursuant to various arrangements that are terminable upon notice, TAFE manufactures and sells Massey Ferguson branded equipment (primarily in India) and also supplies tractors and components to AGCO for sale in other markets. During 2022, the Company purchased approximately \$160.5 million of tractors and components from TAFE and sold approximately \$1.2 million of parts to TAFE.

The Company and TAFE are parties to a Letter Agreement regarding the current and future accumulation by TAFE of shares of our common stock and certain governance matters. The Letter Agreement expires on April 24, 2024. Pursuant to the Letter Agreement, TAFE has agreed not to (i) purchase in excess of 12,150,152 shares of our common stock, subject to certain adjustments; (ii) subject to its rights to make a non-public offer to acquire all or a part of the Company (or propose another transaction that would result in a change of control of the Company), form or act as part of a group with respect to the ownership or voting of our common stock or to otherwise grant a third-party a proxy or other voting rights with respect to our common stock owned by TAFE or its affiliates (other than to or at the request of the Company), provided that TAFE and its affiliates are expressly permitted to act as a group; or (iii) publicly announce its intention to commence, or commence, an offer to acquire all or part of our common stock.

Pursuant to the Letter Agreement, the Company has agreed to: (i) nominate a candidate proposed by TAFE for election to our Board of Directors at each annual meeting, as long as the collective beneficial ownership by TAFE and its affiliates is 5% or more of the then outstanding common stock of the Company, subject to certain adjustments and restrictions; and (ii) provide customary assistance to TAFE in selling its shares, including filing a registration statement with the SEC, if TAFE determines to dispose of any shares of our common stock in a public distribution.

The foregoing description of the Letter Agreement is qualified in its entirety by reference to the Letter Agreement, a copy of which was included as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on April 25, 2019.

Annual Report to Stockholders

The Company's 2022 Annual Report to its stockholders and Annual Report on Form 10-K for the year ended December 31, 2022, including consolidated financial statements and schedule thereto, but excluding other exhibits, is being furnished with this proxy statement to stockholders of record as of March 17, 2023.

Annual Report on Form 10-K

We will provide without charge a copy of our Annual Report filed on Form 10-K for the year ended December 31, 2022, including the consolidated financial statements and schedule thereto, on the written request of the beneficial owner of any shares of our common stock on March 17, 2023. The written request should be directed to: Corporate Secretary, AGCO Corporation, 4205 River Green Parkway, Duluth, Georgia 30096.

Independent Registered Public Accounting Firm

A representative of KPMG LLP, our independent registered public accounting firm for 2022, is expected to attend the Annual Meeting and will have the opportunity to make a statement if he or she desires to do so. The representative also will be available to respond to appropriate questions from stockholders. The Audit Committee has appointed KPMG LLP as our independent registered public accounting firm for 2023, subject to stockholder ratification.

Stockholders' Proposals

Any stockholder of the Company who wishes to present a proposal at the 2024 Annual Meeting of stockholders of the Company, and who wishes to have such proposal included in the Company's proxy statement and form of proxy for that meeting, must deliver a copy of such proposal to the Company at its principal executive offices at 4205 River Green Parkway, Duluth, Georgia 30096, Attention: Corporate Secretary, no later than November 28, 2023; however, if next year's Annual Meeting of stockholders is held on a date more than 30 days before or after the corresponding date of the 2023 Annual Meeting, any stockholder who wishes to have a proposal included in our proxy statement for that meeting must deliver a copy of the proposal to the Company at a reasonable time before the proxy solicitation is made. We reserve the right to decline to include in our proxy statement any stockholder's proposal which does not comply with the advance notice provisions of our By-Laws or the rules of the SEC for inclusion therein.

Any stockholder of the Company who wishes to present a proposal at the 2024 Annual Meeting of stockholders of the Company, but not have such proposal included in our proxy statement and form of proxy for that meeting, must deliver a copy of such proposal to the Company at its principal executive offices at 4205 River Green Parkway, Duluth, Georgia 30096, Attention: Corporate Secretary no later than February 27, 2024 and otherwise in accordance with the advance notice provisions of our By-Laws or the persons appointed as proxies may exercise their discretionary voting authority if the proposal is considered at the meeting. The advance notice provisions of our By-Laws provide that for a proposal to be properly brought before a meeting by a stockholder, such stockholder must disclose certain information and must have given the Company notice of such proposal in written form meeting the requirements of our By-Laws no later than 60 days and no earlier than 90 days prior to the anniversary date of the immediately preceding Annual Meeting of stockholders.

Reconciliation of Non-GAAP Measures

The following is a reconciliation of reported income from operations, net income and net income per share to adjusted income from operations, net income and net income per share for the years ended December 31, 2022, 2021, 2020, 2019 and 2018 (in millions, except per share data).

	Years Ended December 31,								
	2022			2021			2020		
	Income from Operations	Net Income ⁽¹⁾⁽²⁾	Net Income per Share ⁽¹⁾⁽²⁾	Income from Operations	Net Income ⁽¹⁾	Net Income per Share ⁽¹⁾	Income from Operations	Net Income ⁽¹⁾⁽²⁾	Net Income per Share ⁽¹⁾
As reported	\$ 1,265.4	\$ 889.6	\$ 11.87	\$ 1,001.4	\$ 897.0	\$ 11.85	\$ 599.7	\$ 427.1	\$ 5.65
Impairment of Russian joint ventures	36.0	23.8	0.32	—	—	—	—	—	—
Impairment charge - tillage joint venture	—	—	—	—	—	—	20.0	10.0	0.13
Restructuring expenses	6.1	4.8	0.06	15.3	11.8	0.16	19.7	19.5	0.26
Gain on full acquisition of IAS joint venture	—	(3.4)	(0.05)	—	—	—	—	—	—
Write-down of investment in Russian finance joint venture	—	4.8	0.06	—	—	—	—	—	—
Divestiture-related foreign currency translation release	—	11.4	0.15	—	—	—	—	—	—
Deferred income tax adjustments	—	—	—	—	(123.4)	(1.63)	—	—	—
Gain on sale of investment in affiliate	—	—	—	—	—	—	—	(32.5)	(0.43)
As adjusted	\$ 1,307.5	\$ 930.9	\$ 12.42	\$ 1,016.7	\$ 785.4	\$ 10.38	\$ 639.4	\$ 424.2	\$ 5.61

	Years Ended December 31,					
	2019			2018		
	Income from Operations	Net Income ⁽¹⁾⁽²⁾	Net Income per Share ⁽¹⁾⁽²⁾	Income from Operations	Net Income ⁽¹⁾	Net Income per Share ⁽¹⁾
As reported	\$ 348.1	\$ 125.2	\$ 1.63	\$ 489.0	\$ 285.5	\$ 3.58
Goodwill impairment charge	176.6	176.6	2.29	—	—	—
Restructuring expenses	9.0	8.3	0.11	12.0	8.7	0.11
Deferred income tax adjustment	—	53.7	0.70	—	—	—
Swiss tax reform	—	(21.8)	(0.28)	—	—	—
Tax benefit associated with U.S. tax reform	—	—	—	—	(8.5)	(0.11)
Extinguishment of debt	—	—	—	—	24.5	0.31
As adjusted	\$ 533.7	\$ 341.9	\$ 4.44	\$ 501.0	\$ 310.2	\$ 3.89

⁽¹⁾ Net income and net income per share amounts are after tax.

⁽²⁾ Rounding may impact summation of amounts.

RECONCILIATION OF NON-GAAP MEASURES

The following is a reconciliation of operating margin and adjusted operating margin for the years ended December 31, 2022, 2021 and 2020 (in millions, except margin data):

	2022	2021	2020
Net sales	\$ 12,651.4	\$ 11,138.3	\$ 9,149.7
Reported income from operations	1,265.4	1,001.4	599.7
Adjusted income from operations	1,307.5	1,016.7	639.4
Reported operating margin	10.0 %	9.0 %	6.6 %
Adjusted operating margin	10.3 %	9.1 %	7.0 %

The following is a reconciliation of net cash provided by operating activities to free cash flow for the years ended December 31, 2022 and 2021 (in millions):

	2022	2021
Net cash provided by operating activities	\$ 838.2	\$ 660.2
Less:		
Capital expenditures	(388.3)	(269.8)
Free cash flow	\$ 449.9	\$ 390.4

The following table sets forth, for the year ended December 31, 2022, the impact to net sales of currency translation (in millions, except percentages):

Years ended December 31,			Change due to currency translation	
2022	2021	% change from 2021	\$	%
\$ 12,651.4	\$ 11,138.3	13.6 %	\$ (946.1)	(8.5)%

The following is a reconciliation of return on net assets ("RONA") for the years ended December 31, 2022, 2021 and 2020 (in millions, except RONA data):

	Years Ended December 31,		
	2022	2021	2020
Accounts receivable ⁽¹⁾	1,160.5	936.3	808.5
Inventory	3,189.7	2,593.7	1,974.4
Plant, property & equipment	1,591.2	1,464.8	1,508.5
Goodwill	1,310.8	1,280.8	1,306.5
Intangible assets	364.4	392.2	455.6
Accounts payable ⁽²⁾	(1,356.0)	(1,049.4)	(830.4)
Accrued expenses	(2,271.3)	(2,062.2)	(1,916.7)
Total net assets	3,989.3	3,556.2	3,306.4
Regional income	1,553.70	1,239.7	870.4
Corporate expenses	(153.40)	(135.3)	(134.7)
Stock compensation expense	(32.70)	(26.6)	(36.8)
Interest income	33.10	18.7	9.9
Discounts on sale of receivables	(71.10)	(24.5)	(24.1)
Return	1,329.6	1,072.0	684.7
RONA	33.3 %	30.1 %	20.7 %

⁽¹⁾ Excludes receivables from affiliates of \$60.8 million, \$55.2 million and \$47.5 million as of December 31, 2022, 2021 and 2020, respectively.

⁽²⁾ Excludes payables to affiliates of \$29.3 million, \$28.9 million and \$24.7 million as of December 31, 2022, 2021 and 2020, respectively.



A black and white photograph of two stalks of grain, likely wheat or barley, standing upright. The grain heads are in focus, showing individual grains. The background is a blurred field of similar crops under a bright sky. The image is framed by a thin red border.

Annual Report on Form 10-K

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K**

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2022
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____
Commission File Number: 001-12930

AGCO CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware **58-1960019**
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)
4205 River Green Parkway
Duluth, Georgia **30096**
(Address of principal executive offices) (Zip Code)
(770) 813-9200
(Registrants telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Class	Trading Symbol	Name of exchange on which registered
Common stock	AGCO	New York Stock Exchange

Indicate by check mark if the registrant is a well-known seasoned issuer as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to § 240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of AGCO Corporation’s Common Stock (based upon the closing sales price quoted on the New York Stock Exchange) held by non-affiliates as of June 30, 2022 was approximately \$6.1 billion. For this purpose, directors and officers and the entities that they control have been assumed to be affiliates. As of February 23, 2023, 74,845,890 shares of AGCO Corporation’s Common Stock were outstanding.

Documents Incorporated by Reference

Portions of AGCO Corporation’s Proxy Statement for the 2023 Annual Meeting of Stockholders are incorporated by reference into Part III of this Form 10-K.

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PART I

Item 1. *Business*

AGCO Corporation was incorporated in Delaware in 1991. Unless otherwise indicated, all references in this Form 10-K to “AGCO,” “we,” “us” or the “Company” include AGCO Corporation and its subsidiaries.

General

We are a leading manufacturer and distributor of agricultural equipment and related replacement parts throughout the world. Our purpose is to provide farmer-focused solutions to sustainably feed our world. We sell a full range of agricultural equipment, including tractors, combines, self-propelled sprayers, hay tools, forage equipment, seeding and tillage equipment, implements, and grain storage and protein production systems. Our products are widely recognized in the agricultural equipment industry and are marketed under a number of well-known brands, including Fendt[®], GSI[®], Massey Ferguson[®], Precision Planting[®] and Valtra[®], supported by our FUSE[®] precision agriculture solutions. We distribute most of our products through approximately 3,100 independent dealers and distributors in approximately 140 countries. We also provide retail and wholesale financing through our finance joint ventures with Coöperatieve Rabobank U.A., which, together with its affiliates, we refer to as “Rabobank.”

Products

The following table sets forth a description of the Company’s more significant products and their percentage of net sales:

Product	Product Description	Percentage of Net Sales		
		2022 ⁽¹⁾	2021 ⁽¹⁾	2020
Tractors	<ul style="list-style-type: none"> • High horsepower tractors (140 to 650 horsepower); typically used on large acreage farms, primarily for row crop production, soil cultivation, planting, land leveling, seeding and commercial hay operations • Utility tractors (40 to 130 horsepower); typically used on small- and medium-sized farms and in specialty agricultural industries, including dairy, livestock, orchards and vineyards • Compact tractors (under 40 horsepower); typically used on small farms and specialty agricultural industries, as well as for landscaping, equestrian and residential uses 	59 %	57 %	57 %
Replacement Parts	<ul style="list-style-type: none"> • Replacement parts for all of the products we sell, including products no longer in production. Most of our products can be economically maintained with parts and service for a period of ten to 20 years. Our parts inventories are maintained and distributed through a network of master and regional warehouses throughout North America, South America, Europe, Africa, China and Australia in order to provide timely response to customer demand for replacement parts 	13 %	15 %	16 %
Grain Storage and Protein Production Systems	<ul style="list-style-type: none"> • Grain storage bins and related drying and handling equipment systems; seed-processing systems; swine and poultry feed storage and delivery, ventilation and watering systems; egg production systems, and broiler production equipment 	9 %	10 %	10 %
Hay Tools and Forage Equipment, Planters, Implements & Other Equipment	<ul style="list-style-type: none"> • Round and rectangular balers, loader wagons, self-propelled windrowers, forage harvesters, disc mowers, spreaders, rakes, tedders, and mower conditioners; used for the harvesting and packaging of vegetative feeds used in the cattle, dairy, horse and renewable fuel industries • Planters and other planting equipment (including retrofit equipment); used to plant seeds and apply fertilizer in the field, typically used for row crops, including planting technologies that cover the areas of monitoring and measurement, liquid control and delivery, meter accuracy and seed delivery • Implements, including disc harrows, which cut through crop residue, leveling seed beds and mixing chemicals with the soils; heavy tillage, which break up soil and mix crop residue into topsoil, with or without prior discing; field cultivators, which prepare a smooth seed bed and destroy weeds; and drills, which are primarily used for small grain seeding • Other equipment, including loaders; used for a variety of tasks, including lifting and transporting hay crops 	12 %	12 %	11 %
Combines	<ul style="list-style-type: none"> • Combines, sold with a variety of threshing technologies and complemented by a variety of crop-harvesting heads; typically used in harvesting grain crops such as corn, wheat, soybeans and rice 	5 %	4 %	3 %
Application Equipment	<ul style="list-style-type: none"> • Self-propelled, three- and four-wheeled vehicles and related equipment; for use in the application of liquid and dry fertilizers and crop protection chemicals both prior to planting crops (“pre-emergence”) and after crops emerge from the ground (“post-emergence”) 	3 %	3 %	3 %

(1) The summation of these individual percentages does not total due to rounding.

Precision Agriculture

We offer solutions to farmers to optimize farming performance, while improving ease of use. We provide telemetry-based fleet management tools, including remote monitoring and diagnostics, which help farmers improve uptime, machine and yield optimization, mixed fleet optimization and decision support, with critical data privacy choices and convenient mobile tools that offer access to data and information. These products ultimately result in improved yields or reduced waste as well as increased profitability for farmers to help to enable sustainable farming. In addition, our precision agriculture solutions are based on connectivity, automation and digitalization and include satellite-based steering, field data collection, product self-adjustment and yield-mapping. Our Precision Planting[®], Headsight[®] and Intelligent Ag Solutions brands provide retrofit solutions to upgrade farmers' existing equipment to improve their planting, liquid application and harvest operations, resulting in yield and cost optimization. Our Precision Planting[®], Headsight[®], JCA and Intelligent Ag Solutions brands also sell precision agriculture solutions around the crop cycle to third party original equipment manufacturers ("OEMs"). Our Fuse[®] and other precision agriculture solutions support our products, brands and the aftermarket with a comprehensive and customizable suite of solutions, enabling farmers to make individual, data-based decisions in order to reduce costs and maximize efficiency, yields and profitability. These technologies are developed internally or sourced from third parties and integrated into our products. We believe that these products and related devices are highly valued by professional farmers globally and are integral to the current and future growth of our equipment sales and revenues.

Market Conditions

Demand for agricultural equipment is cyclical, influenced by, among other things, farm input costs, farm income, farm land values and debt levels, acreage planted, crop yields, weather conditions, the demand for agricultural commodities, commodity and protein prices, agricultural product demand and general economic conditions, and government policies and subsidies. The COVID-19 pandemic, the conflict in Ukraine and other economic factors continue to create volatility in the global economy, including employment disruptions, supply chain constraints and logistics interruptions. Elevated agricultural commodity prices have supported favorable farm economics resulting in farmers upgrading and replacing aging fleets. Supply chain constraints negatively affected industry production during 2022. Future demand for agricultural equipment will be influenced by the factors noted above. Despite global supply chain and logistics disruptions, farmer economics are healthy and continue to bolster market demand.

2022 Compared to 2021 Financial Highlights

Net income attributable to AGCO Corporation and subsidiaries for 2022 was \$889.6 million, or \$11.87 per diluted share, compared to \$897.0 million, or \$11.85 per diluted share for 2021.

Net sales for 2022 were approximately \$12,651.4 million, or 13.6% higher than 2021, primarily due to improved market demand and favorable pricing impacts. Income from operations was \$1,265.4 million in 2022 compared to \$1,001.4 million in 2021. The increase in income from operations in 2022 was primarily the result of higher net sales and production volumes along with significant pricing to offset inflationary cost increases. Income from operations was also impacted by impairment charges recorded during the first quarter of 2022 related to our joint ventures in Russia of approximately \$36.0 million. See "Financial Highlights" under Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," for additional information.

Competition

The agricultural industry is highly competitive. We compete with several large national and international full-line suppliers, as well as numerous short-line and specialty manufacturers with differing manufacturing and marketing methods. Our two principal competitors on a worldwide basis are Deere & Company and CNH Industrial N.V. We have regional competitors around the world that have significant market share in a single country or a group of countries.

We believe several key factors influence a buyer's choice of farm equipment, including the strength and quality of a company's dealers, the quality and pricing of products, dealer or brand loyalty, product availability, terms of financing and customer service. See "Marketing and Distribution" for additional information.

Marketing and Distribution

Dealers and Distributors

We distribute products primarily through a network of independent dealers and distributors. Our dealers are responsible for retail sales of equipment to end users and after-sales service and support. Our distributors may sell our product through networks of dealers supported by the distributors, and our distributors also may directly market our products and provide customer service support. Our sales are not dependent on any specific dealer, distributor or group of dealers. In some countries, we utilize associates and licensees to provide a distribution channel for our products and a source of low-cost production for certain products.

Geographical Region	Independent Dealers and Distributors	Percent of Net Sales⁽¹⁾		
	2022	2022	2021	2020
Europe	695	49 %	54 %	57 %
North America	1,735	25 %	24 %	24 %
South America	265	17 %	12 %	9 %
Rest of World ⁽²⁾	405	9 %	10 %	10 %

(1) The summation of these individual percentages may not total due to rounding.

(2) Consists of approximately 60 countries in Africa, the Middle East, Australia and Asia.

Dealer Support and Supervision

We believe that one of the most important criteria affecting a farmer's decision to purchase a particular brand of equipment is the quality of the dealer who sells and services the equipment. We support our dealers in order to improve the quality of our dealer network. We monitor each dealer's performance and profitability and establish programs that focus on continuous dealer improvement. Our dealers generally have sales territories for which they are responsible.

We believe that our ability to offer our dealers a full product line of agricultural equipment and related replacement parts, as well as our digital tools to support the dealer's sales, marketing, warranty and servicing efforts, helps ensure the vitality and increase the competitiveness of our dealer network. We also maintain dealer advisory groups to obtain dealer feedback on our operations.

We provide our dealers with volume sales incentives, demonstration programs and other advertising support to assist sales. We design our sales programs, including retail financing incentives, and our policies for maintaining parts and service availability with extensive product warranties to enhance our dealers' competitive position.

Resources

Manufacturing and Assembly

We manufacture and assemble our products in 44 locations worldwide, including four locations where we operate joint ventures. Our locations are intended to optimize capacity, technology and local costs. We balance our manufacturing resources with externally-sourced machinery, components and/or replacement parts to enable us to better control costs, inventory levels and our supply of components. We believe that our manufacturing facilities are sufficient to meet our needs for the foreseeable future. Refer to Item 2, "Properties," for a listing of our principal manufacturing locations.

Our AGCO Power division produces diesel engines, gears and generating sets. The diesel engines are manufactured for use in a majority of our tractors, combines and sprayers, and also are sold to third parties. AGCO Power specializes in the manufacturing of off-road engines in the 75 to 500 horsepower range.

Components and Third-Party Suppliers

We externally source some of our machinery, components and replacement parts from third-party suppliers. Our production strategy is intended to optimize our research and development and capital investment requirements and to allow us greater flexibility to respond to changes in market conditions.

We purchase some fully-manufactured tractors from Tractors and Farm Equipment Limited (“TAFE”), Carraro S.p.A. and Iseki & Company, Limited. We also purchase other tractors, implements and hay and forage equipment from various third-party suppliers. Refer to Note 14 of our Consolidated Financial Statements contained in Item 8, “Financial Statements and Supplementary Data,” for further discussion of our relationship with TAFE.

In addition to the purchase of machinery, third-party suppliers supply us with significant components used in our manufacturing operations. We select third-party suppliers that we believe are low cost and high quality and possess the most appropriate technology.

We also assist in the development of these products or component parts based upon our own design requirements. Our past experience with outside suppliers generally has been favorable, although in 2021 and 2022 we experienced supply chain disruptions for several key components such as the global semiconductor shortage.

Intellectual Property

We own and have licenses to the rights under a number of domestic and foreign patents, trademarks, trade names and brand names relating to our products and businesses. We defend our patent, trademark and trade and brand name rights primarily by monitoring competitors’ machines and industry publications and conducting other investigative work. We consider our intellectual property rights, including our right to use our trade and brand names, important in the operation of our businesses. However, we do not believe we are dependent on any single patent or group of patents, although several of our trade and brand names are internationally recognized and are vital to our operations. We intend to maintain the separate strengths and identities of our core brand names and product lines.

Engineering and Research

We make significant expenditures for engineering and applied research to improve the quality and performance of our products, to develop new products and to comply with government safety and engine emissions regulations.

Wholesale Financing, Sales Terms and Accounts Receivable Sales Agreement

Primarily in the United States and Canada, we engage in the standard industry practice of providing dealers with floor plan payment terms for their inventories of farm equipment for extended periods, generally through our AGCO Finance joint ventures. The terms of our wholesale finance agreements with our dealers vary by region and product line, with fixed payment schedules on all sales, generally ranging from one to 12 months. In the United States and Canada, dealers typically are not required to make an initial down payment, and our terms allow for an interest-free period generally ranging from one to 12 months, depending on the product. Amounts due from sales to dealers in the United States and Canada are immediately due upon a retail sale of the underlying equipment by the dealer, with the exception of sales of grain storage and protein production systems, as discussed further below. If not previously paid by the dealer, installment payments generally are required beginning after the interest-free period with the remaining outstanding equipment balance generally due within 12 months after shipment. In limited circumstances, we provide sales terms, and in some cases, interest-free periods that are longer than 12 months for certain products. These typically are specified programs, predominantly in the United States and Canada, where interest is charged after a period of up to 24 months, depending on various factors including dealers’ sales volumes during the preceding year. We also provide financing to dealers on used equipment accepted in trade. We generally obtain a security interest in the new and used equipment we finance.

Typically, sales terms outside the United States and Canada are of a shorter duration, generally ranging from 30 to 180 days. In many cases, we retain a security interest in the equipment sold on extended terms. In certain international markets, our sales often are backed by letters of credit or credit insurance.

Sales of grain storage and protein production systems both in the United States and in other countries generally are payable within 30 days of shipment. In certain countries, sales of such systems for which we are responsible for construction or installation may be contingent upon customer acceptance. Payment terms vary by market and product, with fixed payment schedules on all sales. When we are responsible for installation services, fixed payment schedules may include upfront deposits, progress payments and final payment upon customer acceptance.

We have accounts receivable sales agreements that permit transferring, on an ongoing basis, a majority of our wholesale receivables in North America, Europe and Brazil to our AGCO Finance joint ventures in the United States, Canada, Europe and Brazil. Upon transfer, the wholesale receivables maintain standard payment terms, including required regular principal payments on amounts outstanding and interest charges at market rates. Qualified dealers may obtain additional

financing through our U.S., Canadian, European and Brazilian finance joint ventures at the joint ventures' discretion. In addition, our AGCO Finance joint ventures may provide wholesale financing directly to dealers in Europe, Brazil and Australia. We also sell certain trade receivables under factoring arrangements to other third-party financial institutions around the world, and we account for the sale of such receivables as off-balance sheet transactions.

Retail Financing

Our AGCO Finance joint ventures offer financing to most of the end users of our products. Besides contributing to our overall profitability, the AGCO Finance joint ventures enhance our sales efforts by tailoring retail finance programs to prevailing market conditions. Our finance joint ventures are located in the United States, Canada, Europe, Brazil, Argentina and Australia and are owned by AGCO and by a wholly-owned subsidiary of Rabobank. Refer to "Finance Joint Ventures" within Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," for further information.

In addition, Rabobank is the primary lender with respect to our credit facility and our senior term loan, as are more fully described in "Liquidity and Capital Resources" within Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations." Our historical relationship with Rabobank has been strong, and we anticipate its continued long-term support of our business.

Seasonality

Generally, retail sales by dealers to farmers are highly seasonal and largely are a function of the timing of the planting and harvesting seasons. To the extent possible, we attempt to ship products to our dealers and distributors on a level basis throughout the year to reduce the effect of seasonal retail demands on our manufacturing operations and to minimize our investment in inventory. Our financing requirements are subject to variations due to seasonal changes in working capital levels, which typically increase in the first half of the year and then decrease in the second half of the year. The fourth quarter is also typically a period for higher retail sales because of our customers' year-end tax planning considerations, the increase in the availability of funds from completed harvests and the timing of dealer incentives.

Environmental Regulations

We are subject to environmental laws and regulations concerning emissions to the air, discharges of processed or other types of wastewater, and the generation, handling, storage, transportation, treatment and disposal of waste materials. These laws and regulations are constantly changing, and the effects that they may have on us in the future are impossible to accurately predict. We attempt to comply with all applicable environmental, health and safety laws and regulations. However, we believe that any expense or liability we may incur in connection with noncompliance with laws or regulations or the cleanup of any of our properties will not have a materially adverse effect on us.

The engines manufactured by our AGCO Power division, which specializes in the manufacturing of non-road engines in the 75 to 500 horsepower range, currently comply with emissions standards and related requirements set by European, Brazilian and U.S. regulatory authorities, including both the United States Environmental Protection Agency and various state authorities. We expect to meet future emissions requirements through the introduction of new technology to our engines and exhaust after-treatment systems, as necessary. In some markets, such as the United States, we must obtain governmental environmental approvals in order to import our products, and these approvals can be difficult and time-consuming to obtain or may not be obtainable at all. For example, our AGCO Power division and our engine suppliers are subject to air quality standards, and production at our facilities and sales of our products could be impaired if AGCO Power and these suppliers are unable to timely respond to any changes in environmental laws and regulations affecting engine emissions, including the emissions of greenhouse gases ("GHG"). Compliance with environmental and safety regulations has added, and will continue to add, to the cost of our products and increase the capital-intensive nature of our business.

Cybersecurity

We have a cybersecurity incident response plan in place that provides a documented framework for handling high severity security incidents and includes facilitated coordination across multiple functions of the Company. We invest in threat intelligence and are active participants in industry and government forums to strive to improve our overall capabilities with respect to cybersecurity. We routinely perform reviews of threat intelligence and vulnerability management capabilities, while performing simulations and drills at both technical and management levels. We incorporate external expertise in all aspects of our program utilizing best practice guidance from third-party cybersecurity advisors to provide objective assessments of our capabilities. We maintain a cyber and internet security and privacy liability insurance coverage. We also have policies and practices in place to address data privacy regulations. Our cybersecurity program is reviewed and assessed by external information security specialists or by our internal audit group at least annually. Further, we conduct annual cybersecurity awareness training for employees and targeted training for high-risk functions of the Company. We also conduct phishing exercises and correlated education with our employees. As part of its risk oversight role, our Audit Committee oversees cyber risk, information security and technology risk, including management's actions to identify, assess, mitigate and remediate material cybersecurity issues and risks. The Audit Committee receives regular reporting several times each year from our Chief Information Security Officer as well as our Chief Information Officer on our technology and cyber risk profile, enterprise cybersecurity program and key enterprise cybersecurity activities. During 2022, we established a Cybersecurity Council comprised of members of our senior management team that is regularly briefed on cybersecurity matters and provides input to our overall approach to cybersecurity. Our formal cybersecurity program is structured and governed around the National Institute of Standards and Technology ("NIST") Cybersecurity Framework, as well as other global standards and best practices.

On May 5, 2022, we discovered that we had been subject to a sophisticated cyberattack. The attack resulted in the temporary closure of most of our production sites and parts operations. A majority of the affected locations resumed operations within approximately two weeks after the attack was discovered.

There was some data exfiltration as a result of the attack, and a portion of the exfiltrated data subsequently was released publicly. We do not have significant retail operations, and we do not believe that the exfiltrated data included privacy-protected consumer data or that the exfiltration was consequential. We have invested heavily in maturing our information technology and cybersecurity operations and continue to review and improve our safeguards to minimize our exposure to future attacks. We do not believe the cost of remediation to the impacted systems will be material. To date, the cost of those efforts has not been consequential. We have cyber insurance coverage, and filed a claim associated with the attack.

Regulation and Government Policy

Domestic and foreign political developments and government regulations and policies directly affect the agricultural industry and both directly and indirectly affect the agricultural equipment business in the United States and abroad. The application, modification or adoption of laws, regulations or policies could have an adverse effect on our business.

We have manufacturing facilities or other physical presence in approximately 32 countries and sell our products in approximately 140 countries. This subjects us to a range of trade, product, foreign exchange, employment, tax and other laws and regulations, in addition to the environmental regulations discussed previously, in a significant number of jurisdictions. Many jurisdictions and a variety of laws regulate the contractual relationships with our dealers. These laws impose substantive standards on the relationships between us and our dealers, including events of default, grounds for termination, non-renewal of dealer contracts and equipment repurchase requirements. Such laws could adversely affect our ability to terminate our dealers.

In addition, each of the jurisdictions within which we operate or sell products has an important interest in the success of its agricultural industry and the consistency of the availability of reasonably priced food sources. These interests result in active political involvement in the agricultural industry, which, in turn, can impact our business in a variety of ways.

Sustainability

Our products span the entire crop cycle, from seeding to storage. We support our farmer customers with high-quality, smart tools and exceptional customer experience to grow their operations profitably and sustainably. Corporate sustainability is a core business imperative that underpins our strategy to build a more valuable enterprise through long-term economic, social and environmental sustainability initiatives in support of our key stakeholders and communities. This aligns with our purpose to provide farmer-focused solutions to sustainably feed our world. We see opportunities in every aspect of our agricultural value chain to address many of today's most significant challenges, including food security, farmer livelihood and resource efficiency. AGCO succeeds when our farmers succeed, and ensuring the sustainability of farmers' operations is essential to their long-term productivity.

We are committed to accelerating progress in integrating sustainability into the design, manufacturing and distribution of smart agricultural solutions across all of our brands and geographical regions. There are many ways we can contribute to sustainability in agriculture, as well as inside our own operations, as further highlighted below.

Governance

We believe that a successful sustainability strategy is possible only if supported by sound corporate governance. We are working to further integrate sustainability oversight across our organization as well as management processes and systems. During 2021, we established a sustainability council, which is an executive-level group charged with driving implementation of sustainability policies and initiatives across significant businesses, locations and functions. The council monitors sustainability-related operational risks, opportunities and progress and assists with the removal of any barriers of integrating sustainability into our business. The council is supported by a global sustainability core team who ensure implementation of the council's decisions and who execute initiatives and programs. "Green leaders" within the core team champion sustainability, drive knowledge and encourage the sharing of best practices throughout the business, providing expertise to sustainability workstreams and day-to-day operations.

In 2022, we established a Sustainability Committee within our Board of Directors. The committee was formed to aid the Board of Directors in overseeing the Company's sustainability strategy, policies, and programs with respect to climate change, environmental matters, workplace safety, human rights, and other sustainability matters. The Sustainability Committee also assesses current aspects of the Company's sustainability performance and monitors progress against publicly stated goals. This includes overseeing processes to ensure compliance with applicable laws and regulations and programs to identify, assess and manage risks relating to sustainability matters (including those risks that are mitigated with our enterprise risk management system and the overall risk oversight and direction provided by the Audit Committee of the Board). This significant enhancement of our sustainability governance demonstrates how we are aligning with best practices and intentionality of our governance efforts as we bring to the environmental and social aspects of our commitment to sustainability. The Sustainability Committee generally meets three times annually. In addition, the Board of Directors reviews sustainability matters at one meeting each year.

Our Planet

Farming is deeply vulnerable to the effects of climate change, which can include extreme weather events such as drought in some regions and flooding in others, rising average temperatures, and other challenges. Climate change affects where we work and live, fueled by GHGs, particularly carbon dioxide. Farmers can play a vital role in the critical challenge of reducing GHGs. More than one-fifth of the world's GHG emissions come from the food sector, and almost one-third of the world's energy usage is attributable to agriculture and the food industries.

Climate Change

The potential impacts from climate-related risks are significant to AGCO. We are focused not only on reducing the carbon footprint of our own operations and products but also innovating products for farmers to support them to sustainably increase their crop yields while at the same time reducing in-field GHG emissions and sequestering more carbon in the soil.

AGCO has adopted the Task Force on Climate-Related Financial Disclosures ("TCFD") framework to guide our approach to understanding and managing climate-related risks and opportunities and to further improve transparency in our reporting. We submitted our first full submission to the Carbon Disclosure Project ("CDP") in 2022. We continue to incorporate the TCFD framework into our sustainability program and remain committed to working towards addressing both the risks and opportunities that most materially impact us, while also increasing our preparedness for potential physical and transitional impacts associated with climate change risks. Please refer to our TCFD disclosures within our Sustainability Report and our CDP Climate Questionnaire for more information in the "Sustainability" section on our website located under "Our Commitment."

Climate change is a significant topic of discussion and will generate regulatory responses in the U.S. and around the world. It is impracticable to predict with any certainty the impact on our business of climate change or the regulatory responses to it, although we recognize that they likely will be significant. And while we are beginning to conduct scenario analyses under the TCFD framework to analyze potential impacts, it will be some time before that enables us to predict with any certainty the ultimate impact of additional regulation, either directionally or quantitatively, on our overall business, results of operations or financial condition. We assessed climate risks related to AGCO by conducting our first scenario analysis during 2021 based on guidance set forth in the recommendations from the TCFD, as well as other published frameworks.

In order to enhance our sustainability efforts, we began benchmarking ourselves against our industry peers, by gathering stakeholders and subject matter experts across various functions within our Company, in order to compile a list of potential and prioritized climate change risks and opportunities. We then conducted a scenario analysis using two scenarios to qualitatively and quantitatively assess the strategic and financial impacts of such risks, as well as their potential likelihood. After risks and opportunities were ranked with respect to risk exposure, we held further discussions with subject matter experts within our Company to determine preparedness and mitigation steps for the prioritized risks, as well as strategies with respect to potential business opportunities. Risks identified included, but were not limited to, market demand for our products, technological innovation (i.e., lower carbon, energy efficient solutions), reputation, and government policy and legal constraints. Identified possible opportunities ranged from resource efficiency, energy source alternatives, development of new products and services, development of new emerging markets and partnerships and resilience planning. Building on the work completed in 2021, during 2022 we undertook a quantitative climate risk assessment in order to develop mitigation and resilience plans to manage physical risks.

We anticipate climate-related physical risks affecting our customers to drive the highest impacts to our future business, including ultimate potential impact to our revenue growth and business operations overall. With our farmer-first strategy, we aim to drive success in partnership with our farmer customers, given they are affected first hand by climate change impacts. The agricultural industry is currently responsible for a large proportion of global GHG emissions. Farmers can potentially play a pivotal role in reducing agricultural greenhouse gas emissions through carbon sequestration. In pursuit of identified potential opportunities, our existing and future investments in precision agricultural technologies, on-site renewable energy, energy efficient projects, as well as research and development (“R&D”) activities focused on automation, robotics, electrification and future alternative fuels provide significant prospects to capitalize on climate-related opportunities. We currently spend approximately 3.5% of our net sales with respect to R&D activities, and we are prioritizing and advancing those projects that target these specific areas as further discussed below.

We believe the objectives resulting from our 2021 and 2022 assessments provide us with a better understanding on how to position AGCO to build resilience to changing climate conditions, but to also emerge as a strong partner to our customers and stakeholders in creating future value for our business and farmer customers, while contributing towards global efforts to combat climate-related impacts. Rising temperatures and extreme weather events, including drought and flooding, take a heavy toll on farming in many regions of the planet. Many farmers struggle to maintain crop yields under increasingly adverse environmental conditions. We believe that we have a responsibility to design and build machines and precision agriculture tools that help farmers operate more sustainably. We are also committed to a reduction of emissions within our own operations. Please also refer to “Climate Change and Other Environmental Risks” within Item 1A, “Risk Factors” for further information. We also publish further reporting on our corporate website at www.agcocorp.com under the heading “Our Commitment” with respect to climate risks and other sustainability program efforts.

We center our sustainability efforts around four strategic focus areas where we believe we can have the biggest impact:

- Decarbonizing our operations and products
- Advancing soil health and soil carbon sequestration through smart solutions
- Prioritizing animal welfare in food production
- Elevating employee health, safety and well-being

Decarbonizing our Operations and Products

We believe a combination of strategies will be needed to achieve AGCO’s decarbonization goals. Our reduction plans include activities to reduce the direct GHG emissions across our global operations as well as the indirect emissions from purchased energy, such as steam, natural gas and electricity, while reducing other material emissions from across our upstream and downstream value chain.

Our current product offerings of tractors and implements reduce fossil fuel consumption and GHG emissions compared to equipment of the past. The most direct and immediate way to support farmers in reducing GHGs is to increase the carbon dioxide equivalent (“CO₂e”) efficiency of current machines, introduce and increase adoption of low carbon powertrains (such as battery electric vehicles, plug-in hybrid electric vehicles, and biogas) and lower fuel emission intensity of CO₂e by replacing diesel with low or zero emission fuels.

Our aspiration is zero carbon emissions. Solutions are being developed to provide an all-electric tractor, which is in the advanced pilot stage and targeted for commercial launch in 2024. This tractor has the potential to be especially useful in the livestock, specialty crop and municipality applications. Our engineering teams also are developing a prototype tractor powered by carbon-free, hydrogen-based fuel cell technology and are experimenting and researching tractors that run on biomethane and

natural gas, which are carbon-neutral or reduced emission fuels. Our product development has been focused on reducing tractor fuel consumption without compromising performance, such as through the efficiency of our continuously variable transmissions (“CVT”s).

We also are researching ways to limit the emission of nitrogen oxides (“NOx”), gases that at high levels can be harmful to the environment and human health. We are committed in the near term to improve the efficiency of vehicles that rely on internal combustion engines. Our AGCO engines are Tier 4 compliant in the United States and Stage V compliant in Europe. We were one of the first in our industry to adopt Selective Catalytic Reduction (“SCR”) technology. SCR systems are highly efficient at treating engine-out exhaust and significantly reduce NOx emissions as well as carbon release.

Building a more circular economy is a win-win for farmers and the environment. It saves farmers money by repurposing and extending the life cycle of their existing equipment, but also reduces the use of precious resources and raw materials in manufacturing. The reuse of manufactured items is a cornerstone of sustainability. We have been active in helping move farms towards a circular economy through our remanufactured product lines. Remanufacturing promotes resource-preserving practices with energy, emission and waste savings. Across our brands many of our components in our tractors, from electronics to engines to hydraulics, are available as remanufactured items with warranties. Our precision agriculture solutions discussed further below are provided as both factory installed OEM solutions as well as through retrofit solutions that upgrade the performance of existing OEM solutions from any major manufacturer.

We are committed to achieving highly sustainable manufacturing operations by working to increase the use of renewable electricity through regional and market-specific opportunities, such as green supply contracts. We have on-site solar photovoltaic systems at a number of our facilities and are adding them to other locations. We also are increasing the use of biodiesel in our processes, applying energy and heat recovery technologies, and using biomass-based heating solutions, among other efforts.

We also are integrating sustainability into the way we manage our procurement processes. We are working closely with suppliers to assess and advance joint sustainability efforts through the use of sustainability audits and sharing practices. We encourage innovation and collaborative efforts by hosting workshops that focus on the topic of sustainability with our suppliers and have also established a supplier sustainability and resiliency awards program.

Our Farmers

Advancing Soil Health and Soil-carbon Sequestration

Everything we do revolves around what we can do for farmers, and we are committed to be an innovation leader in sustainable agriculture. Over the past several years, we have invested in both demonstration farms and agronomy research to test and demonstrate the latest technologies that support core agronomy principles. Preserving farmlands and their productivity is becoming more challenging with advancing climate change. Not only is ensuring farmlands’ resilience and adaptability in the face of climate change essential to farming profitability, it is also critical to global food security.

We are focused on supporting farmers to become more effective stewards of their land. One focus of that support is maintaining soil health. Healthy soil, rich in nutrients, is productive soil, and can serve to keep carbon harmlessly trapped within soil instead of releasing it to the atmosphere as carbon dioxide, the primary greenhouse gas. That is why we consider preserving soil health and related carbon sequestration as one of our four pillars of sustainability. Through our products, technology, research and outreach, we can help farmers protect soil by reducing compaction and disturbance, optimizing nutrients, maintaining moisture, resisting erosion and promoting carbon sequestration.

One new way we are supporting our farmers is by partnering with carbon credit registries to connect our machines and data so that farmers can more easily monetize the adoption of regenerative agriculture practices such as reducing tillage. A growing number of carbon-credit registries reward farmers for sequestering carbon through changes to farming practices. These companies typically require participating farmers to input years worth of their farming-activity data, frequently by manually entering it on a registry website, a time-consuming and error-prone process. We have been partnering with a growing number of carbon-credit registries to automate the data-entry process for farmers. The process is automated by connecting farmers’ machines to a farm management information system. The majority of AGCO machines available today are connected as a standard or optional feature, a capability first introduced in 2010.

One of the biggest challenges to protecting farm soil is avoiding soil compaction which is the compression of soil that takes place as equipment crosses the field. Yields potentially fall by as much as 50% where there is compacted soil. Additionally, compaction compromises the soil’s ability to drain, making it more vulnerable to both flooding and drought.

Waterlogged or dry soil, in turn, leads to even lower yields, and is more likely to erode. One important way to reduce compaction is to minimize the area over which the equipment travels. AGCO's smart-farming technology and precision agriculture tools provide intelligent guidance and sensing, enabling equipment to shorten routes and minimize turns. And because our precision agriculture tools place seeds, fertilizer and other inputs exactly where they are needed for optimal outcomes, they can often reduce the amount of inputs required. Reducing or even eliminating tillage can be helpful to soil and the environment. Tillage can worsen erosion, remove the protective residue from previous crops, disrupt needed organic matter and microorganisms and release carbon dioxide. Our precision agriculture tools support reduced-till and no-till farming by neatly slicing through residue and firm, untilled soil in order to place seeds and other inputs at the ideal depth, while preserving the surrounding soil's integrity and organic-matter content.

Soil characteristics such as organic matter, vital nutrients and moisture can vary from farm to farm, across a single farm from point to point, and over time at any one point. Farmers rely on soil testing, typically performed by professional agronomists. To provide farmers with repeatable, reliable, and timely soil nutrient level results, AGCO's Precision Planting® brand launched Radicle Agronomics™ in 2022, a powerful set of new soil sampling and soil-analysis tools designed for use by agronomists across the globe that produces accurate results in minutes.

Smarter interconnected equipment and the ability to gather, analyze and leverage data enables farming sustainability and improved profitability. Our FUSE® technologies allow for integration of data coming in from sensors on our equipment which can be integrated into networks that monitor how the equipment is functioning as well as crop and field conditions. Changing climate, legal requirements and labor shortages are significant challenges for farmers worldwide. Our FendtONE® solution provides software tools for planning and optimizing farm work processes. On-board diagnostics provide insights into equipment performance, so that managers can adjust the equipment and processes in real time to optimize workflow and correct problems.

Animal Welfare in Food Production

As farmers look for ways to productively raise more animals to meet rising global demands for animal protein, they also want to ensure they are raising healthy animals and doing more to protect animal welfare. AGCO actively participates in efforts to advance industry standards and academic research in animal welfare. We offer a range of products that help farmers monitor, control and accurately report environmental conditions around animals, facilitating practices that reduce stress, discomfort and disease, and promoting good nutrition and normal animal behavior. Our products include aviary climate-control, housing, biosecurity, and feeding and watering systems aimed at protecting animal welfare for poultry and egg production farms. These systems provide hens and chicks the freedom of movement along with automated watering, feeding, egg collection, ventilation and cleaning capabilities. We also recently acquired a company that develops and manufactures a robot that moves throughout the barn measuring temperature, air quality, light and noise, enlisting artificial intelligence to spot potential health, welfare and other problems. Digitalization of the farm not only provides valuable insight to inform product and service evolution to the farmer, but it also provides food transparencies that consumers care about. The foundation to our approach to animal welfare seeks to align with the five domains of animal welfare, covering nutrition, environment, health, behavior and the mental and emotional state of the animal. We continue to develop our future strategies around the design, engineering and manufacturing of industry-leading protein solutions, building upon our advanced aviary systems, precision-feeding systems and organic sheds.

During 2022, we took several significant steps to strengthen the scope and impact of our expert advisory animal welfare panel. Established in 2021, the panel brings together an array of experts to meet at least twice a year in order to advise us on how our product solutions can help prioritize animal health and welfare at animal-raising operations while supporting productivity and profitability. Composed of leading experts from outside our Company, the panel helps bring diverse, independent perspectives to AGCO's animal-welfare strategy. One of the changes we made in 2022 was to split the panel members across the species groups we serve in order to dive more deeply into the health and welfare challenges specific to each group.

Employee Health, Safety and Well-being

Safety is a top priority at AGCO, and we want to ensure that all of our workplaces protect the health and safety of our employees, as well as prevent long-term occupational health risks. We conduct occupational risk assessments regularly, leveraging our long-term shop floor experience, and are targeting improvement in our accident incident rates in our facilities. During 2021, we refreshed and started to embed a new enterprise-wide model to advance our culture of health and safety, built upon the success of our current health and safety program that was launched in 2014, and we have made further refinements of that program in 2022, including the appointment of a global director to lead our initiatives. See further discussion below on Employee Health, Safety and Well-being.

Our People and our Communities

We foster a culture centered around a simple, clear purpose: farmer-focused solutions to sustainably feed our world. Our goal is for every AGCO employee to feel connected to that purpose, as well as to each other, and to act in accordance with our core values of Integrity, Trust, Respect, Team Spirit and Accountability. We believe that working at AGCO should feel rewarding, meaningful, supportive and safe, and, that if it does, the results will translate to positive outcomes for farmers, our planet and our success.

AGCO Agriculture Foundation

As a farmer-focused, purpose-driven company, we keenly feel the value of community, and we look for ways to contribute to the many communities in which we operate. We launched the AGCO Agriculture Foundation (the “Foundation”) during 2018, as a reaffirmation of our dedication to support farmers as they strive to feed the world. The Foundation also demonstrates our support of specific United Nations Sustainable Development Goals aimed at preventing and relieving global hunger, and providing farmer-centric support to farming communities. Through the Foundation, as well as our brand and regional engagement activities, we support a variety of non-profit organizations and local community-based groups. The Foundation added an employee advisory board in 2022 made up of volunteer employees to strengthen our relationship with our AGCO communities and employees, and to guide the Foundation’s resources to promote inclusive agricultural prosperity and improved livelihood for farmers in our AGCO regions.

Human Capital

We have approximately 25,600 employees worldwide, who are guided by our Company’s clear purpose – Farmer-focused solutions to sustainably feed our world. We are committed to fostering a diverse and inclusive workplace that attracts and retains exceptional talent. Through ongoing talent development, comprehensive compensation and benefits, and a focus on health, safety and employee well-being, we strive to help our employees in all aspects of their lives so they can do their best work.

Employees are further guided by our global Code of Conduct, which builds on the foundation of our embedded core values: Integrity, Trust, Respect, Team Spirit and Accountability. We also maintain a global anonymous reporting mechanism for the receipt, retention and treatment of complaints or concerns regarding accounting or other possible violations of our global Code of Conduct.

While fluctuations may occur within our workforce from time to time, we track and attempt to manage our attrition rates, while also ensuring that key positions critical to our performance are appropriately staffed. We also analyze employee departure data so that we can continually improve upon the employee experience. During 2022, our employee turnover rate related to voluntary terminations was approximately 9.5% as compared to 7.7% in 2021.

Unions, Collective Bargaining Agreements and Work Councils

Of our worldwide employees, approximately 5,700 are located in the United States and Canada. Many of our global manufacturing employees, and some other employees, are represented by unions and works councils, and a significant number of our employees are subject to collective bargaining agreements that typically are for terms of three to five years and are renegotiated in connection with renewals. We currently do not expect any significant difficulties in renewing these agreements.

Some examples of key programs and initiatives that we are focused on to enable us to attract, retain and develop our diverse workforce are described below:

Talent

To facilitate talent attraction and retention, we strive to make AGCO an inclusive and safe workplace, with opportunities for our employees to grow and develop in their careers, supported by strong compensation, benefits and health and wellness programs, and by platforms that build connections between our employees and their communities.

Over the past year, our employees have completed online, self-directed instructor-led courses across a broad range of categories – leadership, inclusion and diversity, professional skills, technical competencies and compliance. Compliance training includes education in AGCO’s culture and values and compliance with our global Code of Conduct, which, in turn, includes compliance with anti-bribery/corruption laws and policies, compliance with data privacy and cybersecurity protocols,

conflicts of interest, discrimination and workplace harassment policies and sexual harassment policies. We are deeply committed to identifying and developing the next generation of top-tier leadership with a special focus on diverse and technologically innovative talent. We conduct annual in-depth talent and succession reviews with our senior leadership team that focus on accelerating talent development, strengthening succession pipelines, and advancing diversity representation for our most critical roles. This analysis was reviewed by our Board's Talent and Compensation Committee in 2022 and is planned for review in March 2023. Our diversity representation targets have been set for completion through 2030 with annual targets and quarterly progress reporting planned during that period. Furthermore, we have a performance management process that includes annual goal setting, mid-year reviews and annual performance appraisals. Both employees and managers play an active part in our performance management process, promoting a culture of accountability that fosters employee development.

Rewards

We regularly review surveys of market rates for jobs to ensure our compensation practices are competitive. We continue to strive to offer a variety of working arrangements, including flexible schedules, telecommuting and job sharing, to help employees manage work and life balance.

We are committed to providing total rewards that are market-competitive and performance-based, driving innovation and operational excellence. Our compensation programs, practices, and policies reflect our commitment to reward short- and long-term performance that aligns with, and drives stockholder value. Total direct compensation is generally positioned within a competitive range of the market median, with differentiation based on tenure, skills, proficiency, and performance to attract and retain key talent. In addition to salaries, our compensation programs include annual incentive bonuses, stock awards, and participation in various retirement savings plans, dependent upon the position and level of employee, and the countries in which we operate. We also invest in talent development initiatives to support the ongoing career development of all employees, including learning management and leadership programs targeted towards female and minority populations.

Health, Wellness and Safety

We are also committed to the health, safety and wellness of our employees, striving to work safe, every day in every way. As previously discussed, our health and safety program focuses on risk reduction and safety management systems that promote preventative measures. In response to the COVID-19 pandemic, we have implemented and continue to implement significant changes that we have determined were in the best interest of our employees, as well as the communities in which we operate, and which comply with government regulations. During 2020 and 2021, we ensured safety protocols were in place for employees who were required to work onsite, including partitioning screens in factories and enhanced cleaning and sanitation practices. We continued to apply these protocols during 2022 throughout our operations as conditions warranted, regularly evaluating changing conditions as a result of emerging variants of COVID-19 and adjusted government requirements to ensure we provide a safe environment for employees, visitors and third party contractors. For employees that can work from home, we have deployed new technologies to strengthen virtual connectivity across the globe. Our global safety initiative is a company core value. We continued the journey with the goal of achieving world-class health and safety results during 2022. We have implemented many leading and lagging indicators, with each being critical key performance. Indicators that are measured with goal metrics that aid in closing gaps across our global operations. Leading indicators are measured using proactive prevention programs that are designed to reduce the overall risks by implementing risk assessments, ergonomic assessments and incident investigation to include detailed root cause corrective action analysis, near-miss corrective actions, and behavioral-based safety programs. The lagging indicators are measured by each of our facilities and demonstrate the current state regarding injury rates such as total case incident rate ("TCIR"). We reported a global TCIR of 2.18 in 2022, which is a 15% decrease compared to 2021. Our global safety initiative includes the intention to add 80 AGCO sites into the program during 2023, up from 53 sites in 2022, ensuring that we are capturing and regularly reporting safety statistics to ensure a complete understanding of our global safety performance. We will continue to focus on the leading indicators in 2023 with a major emphasis on risk reduction by completing projects using tools such as risk/ergonomic assessments and behavioral-based safety programs. All sites worldwide have established objectives and targets outlined in a three-year glide path to aid in achieving a target regarding TCIR equal to 1.50 or less by 2025.

In addition, during 2021 and 2022, we designed and implemented health, safety and well-being training programs for a large portion of our employees, with most of these employees completing the assigned training.

Diversity

We believe that our employees' unique and diverse capabilities positively impact our success. While we faced numerous external and internal challenges in light of the global pandemic, we were able to effectively advance our Diversity, Equity and Inclusion ("DE&I") initiatives. We demonstrated our commitment in this regard by creating the role of global director of DE&I. This role's exclusive responsibility is to serve as the catalyst that drives our progressive DE&I footprint and best-in-class performance. Beginning in 2021 and throughout 2022, we developed and implemented training resources to ensure consistency in inclusion awareness and anti-bias principles from our executive team to the shop floor.

Our commitment to diversity and inclusion starts at the top with a highly skilled and diverse board. Three of our ten board members are women. Women represent approximately 14% of our full-time executive positions at the senior vice president and vice president levels, and approximately 17% of our overall full-time management-level employees. We have been nationally recognized in the United States as a female-friendly employer of choice. We are committed to increasing the percentage of female representation in our full time management-level employee group and our overall global employee base, as well as to further initiatives for compensation equity, employee engagement, development and inclusion. We believe that incorporating DE&I initiatives into our everyday business practices enhances innovation and enables diversity of thought.

Building upon our core values, our employees value learning from different perspectives and welcome the opportunity to work with those of diverse backgrounds. Through our global DE&I initiatives, employees take part in robust training, such as creating an inclusive environment and cultural training. We also provide our employees with employee resource groups ("ERG's"), such as AGCO's Global Women's Network and AGCO's Black Employee Network, to help foster a diverse and inclusive workplace as well as provide for the growth and development of underrepresented groups. We plan to expand our employee resource groups in the future, with executive sponsorship for each ERG. Through our DE&I initiatives, we encourage employees to become involved in their communities, contributing time and talent for the improvement of the communities in which they live and work.

During 2022, we administered a global employee engagement and experience survey for all of our employees to seek feedback on the employee experience. 79% of our workforce participated in the survey with a 69% level of favorable engagement with respect to our core employment engagement index metrics. We intend to repeat the survey on an annual basis.

Human Rights Policy

We are committed to respecting human rights in all aspects of our global operations under our global Human Rights Policy. We believe that we have a responsibility to ensure that human rights are understood and observed in every region in which we operate. We strive to foster safe, inclusive and respectful workplaces wherever we do business, including prohibiting human trafficking, slavery, child labor or any other form of forced or involuntary labor. Our commitment to human rights also includes improving agricultural prosperity and supporting marginalized farmers and vulnerable populations in developing countries where our activities contribute to addressing adverse human rights impacts. Through our AGCO Agriculture Foundation, as well as our brand and regional engagement activities, we support a variety of non-profit organizations and local community-based groups.

Available Information

Our Internet address is www.agcocorp.com. We make the following reports filed by us available, free of charge, on our website under the heading "SEC Filings" in our website's "Investors" section:

- annual reports on Form 10-K;
- quarterly reports on Form 10-Q;
- current reports on Form 8-K;
- proxy statements for the annual meetings of stockholders; and
- reports on Form SD.

These reports are made available on our website as soon as practicable after they are filed with the Securities and Exchange Commission ("SEC"). The SEC also maintains a website (www.sec.gov) that contains our reports and other information filed with the SEC.

We also provide corporate governance and other information on our website. This information includes:

- charters for the standing committees of our board of directors, which are available under the heading “Charters of the Committees of the Board” in the “Governance, Committees, & Charters” section of the “Corporate Governance” section of our website located under “Investors,” and
- our Global Code of Conduct, which is available under the heading “Global Code of Conduct” in the “Corporate Governance” section of our website located under “Investors.”

In addition, in the event of any waivers of our Global Code of Conduct, those waivers will be available under the heading “Corporate Governance” of our website.

None of these materials, including the other materials available on our website, is incorporated by reference into this Form 10-K unless expressly provided.

Item 1A. Risk Factors

We make forward-looking statements in this report, in other materials we file with the SEC, on our website, in press releases, and in materials that we otherwise share with the public. In addition, our senior management makes forward-looking statements orally to investors, analysts, the media and others. Statements, including the statements contained in Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” concerning our future operations, prospects, strategies, products, manufacturing facilities, legal proceedings, financial condition, financial performance (including sales, earnings and related growth) and demand for our products and services, as well as other statements of our beliefs or expectations of industry conditions, currency translation impacts, market demand, supply chain and logistics disruptions, farm incomes, weather conditions, commodity and protein prices, general economic conditions, availability of financing, working capital, capital expenditures, debt service requirements, margins, production volumes, cost reduction initiatives, investments in, and results of, product development, compliance with financial covenants, support from lenders, recovery of amounts under guarantee, uncertain income tax provisions, funding of our pension and postretirement benefit plans, or realization of net deferred tax assets, are forward-looking statements. The forward-looking statements we make are not guarantees of future performance and are subject to various assumptions, risks and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These factors include, among others, those set forth below and in the other documents that we file with the SEC. There also are other factors that we may not describe, generally because we currently do not perceive them to be material, or likely to become material, that also could cause actual results to differ materially from our expectations.

These risks could impact our business in a number of ways, including by negatively impacting our future results of operations, cash flows and financial condition. For simplicity, below we collectively refer to these potential impacts as impacts on our “performance.”

We expressly disclaim any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Risks Related to the COVID-19 Pandemic

Our business has been materially impacted by COVID-19, and the impacts are likely to continue for as long as COVID-19 continues to impact our supply chain, labor force and demand for our products.

COVID-19 has negatively impacted our business, initially through closures, higher absentee rates, and reduced production at both our plants and the plants that supply us with parts and components, transitioning to supply chain disruptions, including the inability of some of our suppliers to meet demand and logistics and transportation-related companies to deliver products in a timely manner. In addition, we have had to incur various costs related to preventing the spread of COVID-19, including changes to our factories and other facilities and those related to enabling remote work. We expect COVID-19 to continue to impact our business, although the manner and extent to which it impacts us will depend on future developments, including the duration of the pandemic, the timing, distribution and impact of vaccinations, and possible mutations of the virus that are more contagious or resistant to current vaccines. Measures taken by governments around the world, as well as businesses, including us, and the general public in order to limit the spread of COVID-19 will impact our business as well. These measures have included travel bans and restrictions, quarantines, shelter-in-place orders, curfews, business and government office closures, increased border controls and closures, port closures and transportation restrictions. The impacts of COVID-19 and these measures could include, but are not limited to, the following:

- Overall demand for our products could decline. While most farm-related operations have been deemed “essential” throughout the pandemic and are working to relatively normal levels, the consumption of grain for food, fuel (including ethanol) and livestock feed was negatively impacted initially during the first half of 2020 and could be impacted again. As discussed below, generally decreased demand for agricultural products negatively impacts demand for our products as well.
- To the extents that factory closures, increased absentee rates, or reduced production, whether on our part or the part of our suppliers, or the failure of our suppliers to meet demand or of shipping companies to timely deliver products, reduces our production of completed products, our sales will be less than they otherwise would have been. In addition, decreases in sales have and can result in increased inventory and related costs. Supply chain issues of particular concern include a wide range of parts and components that we use, particularly semiconductors. We may continue to face supplier bottlenecks and delays in all regions, as well as continued challenges with freight logistics, and we continue to work to mitigate the impact of these issues in order to meet end-market demand.

- We could incur additional costs due to the adherence to cleaning requirements and social distancing guidelines and increased costs of labor, parts and components and shipping.
- We severely limited travel by our employees in 2020 and 2021, and to the extent that these limitations return, it could impact our ability to efficiently manage our business and effectively market our products, including our ability to participate in trade shows.
- Declines in the general economy as a result of COVID-19 could negatively affect the value our pension plan assets, and, if this occurs, it likely will result in increased pension expenses and funding requirements.
- Declines in performance as a result of COVID-19 could require us to record significant impairment charges with respect to certain noncurrent assets (such as goodwill and other intangible assets) and equity method investments. We also may be required to write-down inventory that is deemed obsolete due to decreased sales and rising costs that we may not be able to pass on to our customers.
- Should farm economies decline, we could experience slower collections and larger write-offs of accounts receivable. In addition, our AGCO Finance joint ventures also may experience slower collections and larger write-offs of accounts receivable as well, which would result in reduced earnings, if not losses, for us from our investments in our AGCO Finance joint ventures.
- Although we currently believe we have sufficient available funding to support our business, the severity and length of the COVID-19 pandemic could impact our financial condition. This, in turn, could affect our credit ratings and borrowing costs.

Market, Economic and Geopolitical Risks

Our financial results depend entirely upon the agricultural industry, and factors that adversely affect the agricultural industry generally, including declines in the general economy, increases in farm input costs, unfavorable weather conditions and lower commodity and protein prices, adversely affect our performance.

Our success depends entirely on the vitality of the agricultural industry. Historically, the agricultural industry has been cyclical and subject to a variety of economic and other factors. Sales of agricultural equipment, in turn, also are cyclical and generally reflect the economic health of the agricultural industry. The economic health of the agricultural industry is affected by numerous factors, including farm income, farm input costs, farm land values and debt levels, all of which are influenced by levels of commodity and protein prices, acreage planted, crop yields, agricultural product demand (including crops used as renewable energy sources), government policies and government subsidies. The economic health also is influenced by general economic conditions, interest rate and exchange rate levels, and the availability of financing for retail customers, including government financing subsidies to farmers, which can be significant in countries such as Brazil, as discussed elsewhere in this “Risk Factors” section. Trends in the agricultural industry, such as farm consolidations, may affect the agricultural equipment market. In addition, weather conditions, such as floods, heat waves or droughts, and pervasive livestock or crop diseases affect farmers’ buying decisions. Downturns in the agricultural industry due to these or other factors, which could vary by market, can result in decreases in demand for agricultural equipment, which would adversely affect our performance. Moreover, the unpredictable nature of many of these factors and the resulting volatility in demand make it difficult for us to accurately predict sales and optimize production. This, in turn, can result in higher costs, including inventory carrying costs and underutilized manufacturing capacity. During previous downturns in the agricultural industry, we experienced significant and prolonged declines in our performance, and we expect our business to remain subject to similar market fluctuations in the future.

The agricultural equipment industry is highly seasonal, and seasonal fluctuations significantly impact our performance.

The agricultural equipment business is highly seasonal, which causes our quarterly results and our cash flow to fluctuate during the year. Farmers generally purchase agricultural equipment in the spring and fall in conjunction with the major planting and harvesting seasons. In addition, the fourth quarter typically is a significant period for retail sales because of year-end tax planning considerations, the increase in availability of funds from completed harvests, and the timing of dealer incentives. Our net sales and income from operations historically have been the lowest in the first quarter and have increased in subsequent quarters as dealers anticipate increased retail sales in subsequent quarters.

Most of our sales depend on the availability of financing to retail customers, and any disruption in their ability to obtain financing, whether due to economic downturns or otherwise, will result in the sale of fewer products by us. In addition, the collectability of receivables that are created from our sales, as well as from such retail financing, is critical to our business.

Most retail sales of our products are financed, either by our AGCO Finance joint ventures or by a bank or other private lender. The AGCO Finance joint ventures, which are controlled by Rabobank and are dependent upon Rabobank for financing as well, finance approximately 50% of the retail sales of our tractors and combines in the markets where the joint ventures

operate. Any difficulty by Rabobank in continuing to provide that financing, or any business decision by Rabobank as the controlling member not to fund the business or particular aspects of it (for example, a particular country or region), would require the joint ventures to find other sources of financing (which may be difficult to obtain) or would require us to find other sources of financing for our dealers and their retail customers.

If we are unable to obtain other sources of financing, our dealers and their retail customers would be required to utilize other retail financing providers, which may or may not be available. In an economic downturn, we expect that financing for capital equipment purchases generally would become more difficult and more expensive to obtain. To the extent that financing is not available, or available only at unattractive prices, it would negatively impact our performance.

Both AGCO and our AGCO Finance joint ventures have substantial accounts receivable from dealers and retail customers, and we both are adversely impacted when collectability is less than optimal. Overall collectability depends upon the financial strength of the agricultural industry, which in turn depends upon the factors discussed elsewhere in this “Risk Factors” section. The finance joint ventures lease equipment as well and also may experience residual value losses that exceed expectations caused by lower pricing for used equipment and higher than expected returns at lease maturity. AGCO guarantees minimum residual values for some of the leased equipment. To the extent that defaults and losses are higher than expected, our equity in the net earnings of the finance joint ventures would be less, or there could be losses, which could materially impact our performance.

A majority of our sales and manufacturing take place outside the United States, and, as a result, we are exposed to risks related to foreign laws, taxes, economic conditions, labor supply and relations, political conditions and governmental policies as well as U.S. laws governing who we sell to and how we conduct business. These risks may delay or reduce our realization of value from our international operations.

A majority of our sales are derived from sales outside the United States. The foreign countries in which our sales are the greatest are Germany, France, Brazil, the United Kingdom, Australia, Italy, Finland and Canada. We have significant manufacturing operations in France, Germany, Brazil, Italy and Finland, and we have established manufacturing operations in emerging markets, such as China. Many of our sales involve products that are manufactured in one country and sold in a different country, and, therefore, our performance can be adversely affected by adverse changes, in either the country of origin or the country of destination, in the factors discussed elsewhere in this “Risk Factors” section, particularly the factors that impact the delivered cost of our products. Our business practices in these foreign countries must comply with not just local law, but also U.S. law, including limitations on where and to whom we may sell products and the Foreign Corrupt Practices Act (“FCPA”). We have a compliance program in place designed to reduce the likelihood of violations of these laws, but it is difficult to identify and prevent violations. Significant violations could subject us to fines and other penalties as well as increased compliance costs. Some of our international operations also are, or might become, subject to various risks that are not present in domestic operations, including restrictions on dividends and the repatriation of funds. Foreign emerging markets may present special risks, such as unavailability of financing, inflation, slow economic growth, price controls and difficulties in complying with U.S. regulations.

Domestic and foreign political developments and government regulations and policies directly affect the international agricultural industry, which affects the demand for agricultural equipment. Declines in demand for agricultural equipment adversely affect our performance. As discussed previously in “Risks Related to the COVID-19 Pandemic,” the pandemic has caused a global recession and increased economic and demand uncertainty. The COVID-19 impacts, in addition to related or unrelated application, modification or adoption of laws, regulations, trade agreements or policies, can adversely affect the agricultural industry, including the imposition of import and export duties and quotas, expropriation and potentially burdensome taxation, and could have an adverse effect on our performance. Trade restrictions, including potential withdrawal from or modification of existing trade agreements, negotiation of new trade agreements, and imposition of new (and retaliatory) tariffs against certain countries or covering certain products, could limit our ability to capitalize on current and future growth opportunities in the international markets in which we operate and impair our ability to expand our business by offering new technologies, products and services. These changes, particularly increases in the cost of steel, also can impact the cost of the products we manufacture. Trade restrictions and changes in, or uncertainty surrounding, global trade policy also could affect our competitive position.

As previously discussed, the health of the agricultural industry and the ability of our international dealers and retail customers to operate their businesses, in general, are affected by domestic and foreign government programs that provide economic support to farmers. As a result, farm income levels and the ability of farmers to obtain advantageous financing and other protections would be reduced to the extent that any such programs are curtailed or eliminated. Any such reductions likely would result in a decrease in demand for agricultural equipment. For example, a decrease or elimination of current price

protections for commodities or of subsidy payments or financing rate subsidies for farmers in the European Union, the United States or elsewhere would negatively impact the operations of farmers in those regions, and, as a result, our sales may decline if these farmers delay, reduce or cancel purchases of our products. In emerging markets, some of these (and other) risks can be greater than they might be elsewhere. In addition, the financing provided by the AGCO Finance joint ventures or by others is supported by a government subsidy or guarantee in some markets, including financing rate subsidies. The programs under which those subsidies and guarantees are provided generally are of limited duration and subject to renewal and contain various caps and other limitations. In some markets, for example Brazil, this support is quite significant and, from time to time, has not been available. In the event the governments that provide this support elect not to renew these programs, and were financing not available on reasonable terms, whether through our AGCO Finance joint ventures or otherwise, our performance would be negatively impacted.

As of December 31, 2022, we had approximately 40 employees in Ukraine, and in 2022 and 2021, we had net sales of approximately \$76 million and \$86 million, respectively. As of December 31, 2022 and 2021, we had less than \$15 million in assets in Ukraine. It is unclear what impact the hostilities in Ukraine going forward will have on our net sales or assets, although we assume that our net sales will decline in the Ukraine, possibly significantly. We assess the fair value of our assets in Ukraine for potential impairment on a periodic basis as warranted.

In addition, AGCO sells products in, and purchase parts and components from, other regions where there could be hostilities. Should hostilities arise, we would expect our sales to decline and for our parts and component deliveries to be interrupted, which would adversely impact our performance.

As a result of the multinational nature of our business and the acquisitions that we have made over time, our corporate and tax structures are complex, with a significant portion of our operations being held through foreign holding companies. As a result, we are subject to taxation from multiple tax jurisdictions, and it can be inefficient, from a tax perspective, for us to repatriate or otherwise transfer funds. In addition, we must comply with a greater level of tax-related regulation and reviews by multiple governmental units than do companies with a more simplified structure. Our foreign and U.S. operations also routinely sell products to, and license technology to, other operations of ours. The pricing of these intra-company transactions is subject to regulation and review as well. While we make every effort to comply with all applicable tax laws, audits and other reviews by governmental units could result in our being required to pay additional taxes, interest and penalties.

We face significant competition, and, if we are unable to compete successfully against other agricultural equipment manufacturers, we will lose dealers and their retail customers and our performance will decline.

The agricultural equipment business is highly competitive, particularly in our major markets. Our two key competitors, Deere & Company and CNH Industrial N.V., are substantially larger than we are and have greater financial and other resources. In addition, in some markets, we compete with smaller regional competitors with significant market share in a single country or group of countries. Our competitors may substantially increase the resources devoted to the development and marketing, including discounting, of products that compete with our products, which would necessitate our making similar expenditures. In addition, competitive pressures in the agricultural equipment business may affect the market prices of new and used equipment, which, in turn, may adversely affect our performance.

We maintain an independent dealer and distribution network in the markets where we sell products. The financial and operational capabilities of our dealers and distributors are critical to our ability to compete in these markets. In addition, we compete with other manufacturers of agricultural equipment for dealers. If we are unable to compete successfully against other agricultural equipment manufacturers, we could lose dealers and their retail customers and performance may decline.

Our expansion plans in emerging markets entail significant risks.

Our long-term strategy includes establishing a greater manufacturing and supply-chain and/or marketing presence in emerging markets such as India, China and Africa. As we progress with these efforts, it will involve a significant investment of capital and other resources and entail various risks. These include risks attendant to obtaining necessary governmental approvals and the construction of facilities in a timely manner and within cost estimates, the establishment of supply channels, the commencement of efficient manufacturing operations, and, ultimately, the acceptance of the products by retail customers. While we expect the expansion to be successful, should we encounter difficulties involving these or similar factors, it may not be as successful as we anticipate.

Brexit and political uncertainty in the United Kingdom and the European Union could disrupt our operations and adversely affect our performance.

We have significant operations in the United Kingdom and the European Union. The United Kingdom withdrew from the European Union, in a process known as “Brexit,” effective December 31, 2020. While the United Kingdom and the European Union have agreed that there will be no taxes on goods or limits on the amount that can be traded between the two jurisdictions, new documentation requirements, safety checks and procedures at ports and new documentation requirements could lead to disruptions in trade.

Over the longer term, changes in the regulatory environment likely will increase our compliance costs. We may find it more difficult to conduct business in the United Kingdom and the European Union, as Brexit likely will result in increased regulatory complexity and increased restrictions and costs on the movement of capital, goods and personnel. We may decide to relocate or otherwise alter certain of our European or United Kingdom operations to respond to the new business, legal, regulatory, tax and trade environments. Brexit may adversely affect our relationships with our dealers and their retail customers, suppliers and employees, which could materially adversely affect our performance.

There could be a risk that other countries may leave the European Union, leaving uncertainty regarding debt burden of certain Eurozone countries and their ability to meet future financial obligations, as well as uncertainty over the long-term stability of the Euro as a single common currency. These uncertainties and implications could materially adversely impact the financial markets in Europe and globally, as well as our customers, suppliers and lenders.

Inflation can impact our costs and sales.

During 2022, we experienced significant inflation in a range of costs, including for parts and components, transportation, logistics, and energy. While we have been able to pass along these costs through increased prices, there can be no assurance that we will be able to continue to do so. If we are not, it will impact our performance.

Manufacturing and Operations

Our success depends on the introduction of new products, which requires substantial expenditures.

Our long-term results depend upon our ability to introduce and market new products successfully. The success of our new products will depend on a number of factors, including:

- innovation;
- customer acceptance;
- the efficiency of our suppliers in providing component parts and of our manufacturing facilities in producing final products; and
- the performance and quality of our products relative to those of our competitors.

As both we and our competitors continuously introduce new products or refine versions of existing products, we cannot predict the level of market acceptance or the amount of market share our new products will achieve. We have experienced delays in the introduction of new products in the past, and we may experience delays in the future. Any delays or other problems with our new product launches will adversely affect our performance. In addition, introducing new products can result in decreases in revenues from our existing products.

Consistent with our strategy of offering new products and product refinements, we expect to make substantial investments in product development and refinement. We may need more funding for product development and refinement than is readily available, which could adversely affect our business.

If we are unable to deliver precision agriculture and high-tech solutions to our customers, it could materially adversely affect our performance.

Our precision technology products include both hardware and software components that relate to guidance, telemetry, automation, autonomy and connectivity solutions. We have to be able to successfully acquire and develop and introduce new solutions that improve profitability and result in sustainable farming techniques in order to remain competitive. We expect to make significant investments in research and development expenses, acquisitions of businesses, collaborative arrangements and other sources of technology to drive these outcomes. Such investments may not produce attractive solutions for our customers.

We also may have to depend on third parties to supply certain hardware or software components or data services in our precision technology products. Our dealers ability to support such solutions also may impact our customers, acceptance and demand of such products.

Rationalization or restructuring of manufacturing facilities, and plant expansions and system upgrades at our manufacturing facilities, may cause production capacity constraints and inventory fluctuations.

The rationalization of our manufacturing facilities has at times resulted in, and similar rationalizations or restructurings (including relocating production from one facility to another) in the future may result in, temporary constraints upon our ability to produce the quantity of products necessary to fill orders and thereby complete sales in a timely manner. In addition, system upgrades at our manufacturing facilities that impact ordering, production scheduling, manufacturing and other related processes are complex, and could impact or delay production. A prolonged delay in our ability to fill orders on a timely basis could affect customer demand for our products and increase the size of our product inventories, causing future reductions in our manufacturing schedules and adversely affecting our performance. Moreover, our continuous development and production of new products often involve the retooling of existing manufacturing facilities. This retooling may limit our production capacity at certain times in the future, which could adversely affect our performance. In addition, the expansion and reconfiguration of existing manufacturing facilities, as well as new or expanded manufacturing operations in emerging markets, such as China, could increase the risk of production delays, as well as require significant investments.

We depend on suppliers for components, parts and raw materials for our products, and any failure by our suppliers to provide products as needed, or by us to promptly address supplier issues, will adversely impact our ability to timely and efficiently manufacture and sell products. We also are subject to raw material price fluctuations, which can adversely affect our manufacturing costs.

Our products include components and parts manufactured by others. As a result, our ability to timely and efficiently manufacture existing products, to introduce new products, and to shift manufacturing of products from one facility to another depends on the quality of these components and parts and the timeliness of their delivery to our facilities. During 2022, we experienced significant supply chain interruptions, including delays in timely deliveries of components. At any particular time, we depend on numerous suppliers, and the failure by one or more of our suppliers to perform as needed will result in fewer products being manufactured, shipped and sold. If the quality of the components or parts provided by our suppliers is less than required and we do not recognize that failure prior to the shipment of our products, we will incur higher warranty costs. The timely supply of component parts for our products also depends on our ability to manage our relationships with suppliers, to identify and replace suppliers that fail to meet our schedules or quality standards, and to monitor the flow of components and accurately project our needs. The shift from our existing suppliers to new suppliers, including suppliers in emerging markets, also may impact the quality and efficiency of our manufacturing capabilities, as well as warranty costs.

Changes in the availability and prices of certain raw materials, components and parts could result in production disruptions or increased costs and lower profits on the sale of our products. Changes in the availability and price of these raw materials, components and parts, which have fluctuated significantly in the past and are more likely to fluctuate during times of economic volatility, as well as regulatory instability or change in tariffs, can significantly increase the costs of production. This, in turn, could have a material negative effect on performance, particularly if, due to pricing considerations or other factors, we are unable to recover the increased costs through pricing from our dealers.

We may encounter difficulties in integrating businesses we acquire and may not fully achieve, or achieve within a reasonable time frame, expected strategic objectives and other expected benefits of the acquisitions.

From time-to-time we seek to expand through acquisitions of other businesses. We expect to realize strategic and other benefits as a result of our acquisitions, including, among other things, the opportunity to extend our reach in the agricultural industry and provide our dealers and their retail customers with an even wider range of products and services. However, it is impossible to predict with certainty whether, or to what extent, these benefits will be realized or whether we will be able to integrate acquired businesses in a timely and effective manner. For example:

- the costs of integrating acquired businesses and their operations may be higher than we expect and may require significant attention from our management;
- the businesses we acquire may have undisclosed liabilities, such as environmental liabilities or liabilities for violations of laws, such as the FCPA, that we did not expect.
- our ability to successfully carry out our growth strategies for acquired businesses often will be affected by, among other things, our ability to maintain and enhance our relationships with their existing customers, our ability to

provide additional product distribution opportunities to the acquired businesses through our existing distribution channels, changes in the spending patterns and preferences of customers and potential customers, fluctuating economic and competitive conditions and our ability to retain their key personnel; and

- our approach and strategies with respect to the development and introduction of new precision technology solutions to improve the profitability and sustainability for our farmer customers, including technologies we obtain through acquisitions, investments and joint ventures, may not provide the desired results for our customers.

Our ability to address these issues will determine the extent to which we are able to successfully integrate, develop and grow acquired businesses and to realize the expected benefits of these transactions. Our failure to do so could have a material adverse effect on our performance.

Our business routinely is subject to claims and legal actions, some of which could be material.

We routinely are a party to claims and legal actions incidental to our business. These include claims for personal injuries by users of farm equipment, disputes with distributors, vendors and others with respect to commercial matters, and disputes with taxing and other governmental authorities regarding the conduct of our business, including environmental matters. While these matters generally are not material to our business, it is entirely possible that a matter will arise that is material.

In addition, we use a broad range of technology in our products. We developed some of this technology, we license some of this technology from others, and some of the technology is embedded in the components and parts that we purchase from suppliers. From time-to-time, third parties make claims that the technology that we use violates their patent rights. While to date none of these claims have been significant, we cannot provide any assurances that there will not be significant claims in the future or that currently existing claims will not prove to be more significant than anticipated.

Financial Risks

We can experience substantial and sustained volatility with respect to currency exchange rates and interest rates, which can adversely affect our performance and the competitiveness of our products.

We conduct operations in a variety of currencies. Our production costs, profit margins and competitive position are affected by the strength of the currencies in countries where we manufacture or purchase goods relative to the strength of the currencies in countries where our products are sold. We also are subject to currency exchange rate risk to the extent that our costs are denominated in currencies other than those in which we denominate sales, and to risks associated with translating the financial statements of our foreign subsidiaries from local currencies into United States dollars. Similarly, changes in interest rates affect us by increasing or decreasing borrowing costs and finance income. Our most significant transactional foreign currency exposures are the Euro, the Brazilian real and the Canadian dollar in relation to the United States dollar, and the Euro in relation to the British pound. Where naturally offsetting currency positions do not occur, we attempt to manage these risks by economically hedging some, but not necessarily all, of our exposures through the use of foreign currency forward exchange or option contracts. As with all hedging instruments, there are risks associated with the use of foreign currency forward exchange or option contracts, interest rate swap agreements and other risk management contracts. While the use of such hedging instruments provides us with protection for a finite period of time from certain fluctuations in currency exchange and interest rates, when we hedge we forego part or all the benefits that might result from favorable fluctuations in currency exchange and interest rates. In addition, any default by the counterparties to these transactions could adversely affect our performance. Despite our use of economic hedging transactions, currency exchange rate or interest rate fluctuations may adversely affect our performance.

We also are subject to the risk of the imposition of limitations by governments on international transfers of funds. For example, in recent years, the Argentine government has substantially limited the ability of companies to transfer funds out of Argentina. As a consequence of these limitations, the spread between the official government exchange rate and the exchange rates resulting implicitly from certain capital market operations, usually effected to obtain U.S. dollars, has broadened significantly. The net monetary assets of our operations in Argentina denominated in pesos at the official government rate were approximately 4.1 billion (or approximately \$23.0 million) as of December 31, 2022, inclusive of approximately 6.8 billion pesos (or approximately \$38.1 million) in cash and cash equivalents. In addition, we have an obligation to reimburse AGCO Capital Argentina S.A., one of our finance joint ventures with Rabobank, up to \$10 million under a guarantee related to the ability of AGCO Capital Argentina S.A. to transfer funds out of Argentina. The finance joint venture in Argentina has net monetary assets denominated in pesos at the official government rate of approximately 4.1 billion (or approximately

\$22.9 million) as of December 31, 2022, of which a majority is cash and cash equivalents. Future impairments and charges are possible in connection with these exposures.

We have significant pension and retiree healthcare obligations with respect to our employees, and our cash flow available for other purposes may be adversely affected in the event that payments become due under any pension plans that are unfunded or underfunded. Declines in the market value of the securities used to fund these obligations will result in increased pension expense in future periods.

A portion of our active and retired employees participate in defined benefit pension and retiree healthcare plans under which we are obligated to provide prescribed levels of benefits regardless of the value of the underlying assets, if any, of the applicable plans. To the extent that our obligations are unfunded or underfunded, we will have to use cash flow from operations and other sources to fulfill our obligations either as they become due or over some shorter funding period. In addition, since the assets that we already have provided to fund these obligations are invested in debt instruments and other securities, the value of these assets varies due to market factors. Historically, these fluctuations have been significant and sometimes adverse, and there can be no assurances that they will not be significant or adverse in the future. Similarly the amount of our obligations varies depending upon mortality assumptions, discount rates, salary growth, retirement rates and ages, inflation, changes in health care costs and similar factors, which generally are not in our control. We also are subject to laws and regulations governing the administration of our plans in certain countries, and the specific provisions, benefit formulas and related interpretations of such laws, regulations and provisions can be complex. Failure to properly administer the provisions of our plans and comply with applicable laws and regulations could have an adverse impact to our results of operations. We have unfunded or underfunded obligations related to our pension and other postretirement health care benefits. See the notes to our Consolidated Financial Statements contained in Item 8, "Financial Statements and Supplementary Data," for more information regarding our unfunded or underfunded obligations.

We have a substantial amount of indebtedness, and, as a result, we are subject to certain restrictive covenants and payment obligations that may adversely affect our ability to operate and expand our business.

Our credit facility and certain other debt agreements have various financial and other covenants that require us to maintain certain total debt to EBITDA and interest coverage ratios. In addition, the credit facility and certain other debt agreements contain other restrictive covenants, such as ones that limit the incurrence of indebtedness and the making of certain payments, including dividends, and are subject to acceleration in the event of default. If we fail to comply with these covenants and are unable to obtain a waiver or amendment, an event of default would result.

If any event of default were to occur, our lenders could, among other things, declare outstanding amounts due and payable, and our cash may become restricted. In addition, an event of default or declaration of acceleration under our credit facility or certain other debt agreements also could result in an event of default under our other financing agreements.

Our substantial indebtedness could have other important adverse consequences such as:

- requiring us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, which would reduce the availability of our cash flow to fund future working capital, capital expenditures, acquisitions and other general corporate purposes;
- increasing our vulnerability to general adverse economic and industry conditions;
- limiting our flexibility in planning for, or reacting to, changes in our business and the agricultural industry;
- restricting us from being able to introduce new products or pursuing business opportunities;
- placing us at a competitive disadvantage compared to our competitors that may have less indebtedness; and
- limiting, along with the financial and other restrictive covenants in our indebtedness, among other things, our ability to borrow additional funds, repurchase shares, pay cash dividends or engage in or enter into certain transactions.

Changes to United States tax, tariff, trade and import/export regulations may have a negative effect on global economic conditions, financial markets and our business.

There have been ongoing discussions and significant changes to United States trade policies, treaties, tariffs and taxes. Although the levels change from period to period, we generally have substantial imports into the United States of products and components that are either produced in our foreign locations or are purchased from foreign suppliers, and also have substantial exports of products and components that we manufacture in the United States. The impact of any changes to current trade, tariff

or tax policies relating to imports and exports of goods is dependent on factors such as the treatment of exports as a credit to imports, and the introduction of any tariffs or taxes relating to imports from specific countries. The most significant changes have been the imposition of tariffs by the United States on imports from China and the imposition by China of tariffs on imports from the United States. These trade restrictions include withdrawal from or modification of existing trade agreements, negotiation of new trade agreements, or tariffs on the import of agricultural commodities into China, which are critical to our customers. Policies impacting exchange rates and commodity and protein prices or limiting the export of commodities could have a material adverse impact on the international flow of agricultural and other commodities that may result in a corresponding negative impact on the demand for agricultural equipment across the world. Our sales could be negatively impacted by such policies because farm income strongly influences sales of such equipment globally.

In the past, we have had moderate amounts of imports into the U.S. from China. To date, the impact of U.S. import tariffs on China-sourced equipment has not been material to us because we have been able to redirect production and employ sourcing alternatives for products previously imported into the U.S. from our China manufacturing facility. In addition, we do not export significant amounts from the United States into China. It is unclear what other changes might be considered or implemented and what response to any such changes may be by the governments of other countries. Any changes that increase the cost of international trade or otherwise impact the global economy, including through the increase in domestic prices for raw materials, could have a material adverse effect on our performance.

Changes to income tax laws and regulations, or the interpretation of such laws, in any of the jurisdictions in which we operate could significantly increase our effective tax rate and ultimately reduce our cash flows from operating activities and otherwise have a material adverse effect on our financial condition. In 2022, the U.S. Inflation Reduction Act and the CHIPS and Science Act of 2022 (the “Acts”) were signed into law. These acts include, among other provisions, a corporate alternative minimum tax of 15%, an excise tax on the repurchase of corporate stock, various climate and energy provisions, and incentives for investment in semiconductor manufacturing. The primary provisions of the Acts are effective during 2023 and forward. The Company is evaluating the impact these acts could have on the Company’s future tax provision and the effective tax rate, as well as any other impacts on the Company’s financial position and results of operations.

Further changes in the tax laws of foreign jurisdictions could arise as a result of the base erosion and profit shifting projects, including Pillar One and Pillar Two, undertaken by the Organisation for Economic Co-operation and Development. If implemented by taxing authorities in countries where we do business, such changes, could have a material adverse effect on our business, results of operations, or financial condition.

Climate Change and Other Environmental Risks

We increasingly are subject to risks attendant to climate change. Failure to understand and prepare for the risks related to the transition to a lower-carbon economy, and risks related to the physical impacts of climate change could impact our performance.

It is widely recognized that global climate change is occurring. We are unable to predict with any certainty the impacts upon our business of climate change, although we recognize that they are likely to be significant. Among the risks that we face are (i) increased governmental regulation of both our manufacturing operations and the equipment that we produce, (ii) the possibility that we will not become as resource-efficient in our operations as we need to, both as a result of our own actions (or inactions) and those of our suppliers, (iii) that we will not be able to develop new and improved products that help our farmer customers address climate-related changes and opportunities and that keep our products competitive with the products of others, (iv) that climate change will reduce demand for our products, (v) the impacts on our physical facilities, including from increased severe weather condition risks, and (vi) the cost of complying with the SEC’s proposed climate change disclosure rules if implemented as proposed. The first three of these risks may be considered “transition” risks. Addressing each of these risks is likely to entail the incurrence of significant costs by us, although, in the case of transition risks, we already may be incurring many, if not most, of these costs through our ongoing engine development programs and our precision farming research and development. However, we may not be able to address these risks effectively and efficiently, which would impact our performance.

In addition, investors increasingly are assessing their investments and investment opportunities based upon how businesses are addressing climate change. Any failure by us to satisfy their assessments could impact the desirability of an investment in AGCO and the share price of our common stock. For a discussion of some of the actions that we have taken, see Item 1, “Business”, above.

We are subject to extensive environmental laws and regulations, including increasingly stringent engine emissions standards, and our compliance with, or our failure to comply with, existing or future laws and regulations could delay production of our products or otherwise adversely affect our business.

We are subject to increasingly stringent environmental laws and regulations in the countries in which we operate. These regulations govern, among other things, emissions into the air, discharges into water, the use, handling and disposal of hazardous substances, waste disposal and the prevention and remediation of soil and groundwater contamination. Our costs of complying with these or any other current or future environmental regulations may be significant. For example, several countries have adopted more stringent environmental regulations regarding emissions into the air, and it is possible that new emissions-related legislation or regulations will be adopted in connection with concerns regarding GHG. The regulation of GHG emissions from certain stationary or mobile sources could result in additional costs to us in the form of taxes or emission allowances, facilities improvements and energy costs, which would increase our operating costs through higher utility and transportation expenses and costs of materials. Increased input costs, such as fuel and fertilizer, and compliance-related costs also could impact retail customer operations and demand for our equipment. Because the impact of any future GHG legislative, regulatory or product standard requirements on our global businesses and products is dependent on the timing and design of mandates or standards, we are unable to predict its potential impact at this time.

We also may be subject to liability in connection with properties and businesses that we no longer own or operate. We may be adversely impacted by costs, liabilities or claims with respect to our operations under existing laws or those that may be adopted in the future that could apply to both future and prior conduct. If we fail to comply with existing or future laws and regulations, we may be subject to governmental or judicial fines or sanctions, or we may not be able to sell our products and, therefore, it could adversely affect our performance.

In addition, the products that we manufacture or sell, particularly engines, are subject to increasingly stringent environmental regulations, including those that limit GHG emissions. As a result, on an ongoing basis we incur significant engineering expenses and capital expenditures to modify our products to comply with these regulations. Further, we may experience production delays if we or our suppliers are unable to design and manufacture components for our products that comply with environmental standards. For instance, as we are required to meet more stringent engine emission reduction standards that are applicable to engines we manufacture or incorporate into our products, we expect to meet these requirements through the introduction of new technology to our products, engines and exhaust after-treatment systems, as necessary. Failure to meet applicable requirements could materially affect our performance.

We are subject to SEC disclosure obligations relating to “conflict minerals” (columbite-tantalite, cassiterite (tin), wolframite (tungsten) and gold) that are sourced from the Democratic Republic of Congo or adjacent countries. Complying with these requirements has and will require us to incur additional costs, including the costs to determine the sources of any conflict minerals used in our products and to modify our processes or products, if required. As a result, we may choose to modify the sourcing, supply and pricing of materials in our products. In addition, we may face reputational and regulatory risks if the information that we receive from our suppliers is inaccurate or inadequate, or our process for obtaining that information does not fulfill the SEC’s requirements. We have a formal policy with respect to the use of conflict minerals in our products that is intended to minimize, if not eliminate, conflict minerals sourced from the covered countries to the extent that we are unable to document that they have been obtained from conflict-free sources.

Human Capital Risks

Our labor force is heavily unionized, and our obligations under collective bargaining agreements and labor laws subject us to the risks of work interruption or stoppage and could cause our costs to be higher.

Most of our employees, most notably at our manufacturing facilities, are subject to collective bargaining agreements and union contracts with terms that expire on varying dates. Several of our collective bargaining agreements and union contracts generally are of limited duration and, therefore, must be re-negotiated frequently. As a result, we are at greater risk of work interruptions or stoppages than non-unionized companies, and any work interruption or stoppage could significantly impact the volume of products we have available for sale. In addition, collective bargaining agreements, union contracts and labor laws may impair our ability to streamline existing manufacturing facilities, restructure our business or otherwise reduce our labor costs because of limitations on personnel and salary changes and similar restrictions.

Our ability to recruit, develop, train and retain qualified and skilled employees could impact our ability to execute strategies.

Our success is dependent, in part, on our ability to recruit, develop, train and retain qualified employees with the relevant education, background and experience. Equally we must be able to retain such skilled employees through our efforts to develop, train, compensate and engage them. Failure to do so could impair our ability to execute our business strategies and could ultimately impact our performance.

Data Security, Privacy and Cybersecurity Risks

Our business increasingly is subject to regulations relating to privacy and data protection, and if we violate any of those regulations we could be subject to significant claims, penalties and damages.

Increasingly, the United States, the European Union, Brazil and other governmental entities are imposing regulations designed to protect the collection, maintenance and transfer of personal information. For example, the European Union adopted the General Data Protection Regulation (the “GDPR”) that imposed stringent data protection requirements and greater penalties for non-compliance beginning in May 2018. The GDPR also protects a broader set of personal information than traditionally has been protected in the United States and provides for a right of “erasure.” Other regulations govern the collection and transfer of financial data and data security generally. These regulations generally impose penalties in the event of violations, and private lawsuits in the event of a release of personal information are common. While we attempt to comply with all applicable privacy regulations, their implementation is complex, and, if we are not successful, we may be subject to penalties and claims for damages from regulators and the impacted parties.

Cybersecurity breaches and other disruptions to our information technology infrastructure could interfere with our operations and could compromise confidential information, exposing us to liability that could cause our business and reputation to suffer.

We rely upon information technology networks and systems, some of which are managed by third parties, to process, transmit and store electronic information, and to manage or support a variety of business processes and activities, including supply chain, manufacturing, distribution, invoicing and collection of payments from dealers or other purchasers of our equipment. We also use information technology systems to record, process and summarize financial information and results of operations for internal reporting purposes and to comply with regulatory financial reporting, legal and tax requirements. Additionally, we collect and store sensitive data, including intellectual property and proprietary business information, in data centers and on information technology networks. The secure operation of these information technology networks and the processing and maintenance of this information is critical to our business operations and strategy. Despite security measures and business continuity plans, our information technology networks and infrastructure are vulnerable to damage, disruptions or shutdowns due to attacks by cyber criminals or breaches due to employee error or malfeasance or other disruptions during the process of upgrading or replacing computer software or hardware, power outages, computer viruses, telecommunication or utility failures, terrorist acts or, natural disasters or other catastrophic events. On May 5, 2022, we discovered that we had been subject to a ransomware cyberattack. The attack resulted in the temporary closure of most of our production sites and parts operations. A majority of the affected locations resumed operations within approximately two weeks after the attack was discovered. There was some data exfiltration as a result of the attack, and a portion of the exfiltrated data subsequently was released publicly. We do not have significant retail operations, and we do not believe that the exfiltrated data included privacy-protected consumer data or that the exfiltration was consequential. We continue to review and improve our safeguards to minimize our exposure to future attacks. We do not believe the cost of remediation to the impacted systems will be material. To date, the cost of those efforts has not been consequential. We have cyber insurance coverage, and we recently have filed a claim associated with the attack. While we do not believe that the ultimate consequences of the attack were material to our performance, over the course of 2022 the occurrence of any of similar or other events in the future could compromise our networks, and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings, liability or regulatory penalties under laws protecting the privacy of personal information, and could disrupt our operations and damage our reputation, which could adversely affect our performance. In addition, as security threats continue to evolve and increase in frequency and sophistication, we increasingly are needing to invest additional resources to protect the security of our systems and likely will need to invest even more in the future.

Item 1B. *Unresolved Staff Comments*

Not applicable.

Item 2. Properties

Our principal manufacturing locations and/or properties as of January 31, 2023, were as follows:

Location	Description of Property	Leased (Sq. Ft.)	Owned (Sq. Ft.)
United States:			
Assumption, Illinois	Manufacturing/Sales and Administrative Office	—	933,900
Batavia, Illinois	Parts Distribution	522,900	—
Duluth, Georgia	Corporate Headquarters	158,900	—
Hesston, Kansas	Manufacturing	6,300	1,469,100
Jackson, Minnesota	Manufacturing	31,400	1,006,400
International:			
Beauvais, France ⁽¹⁾	Manufacturing	—	2,231,300
Breganze, Italy	Manufacturing	11,800	1,562,000
Ennery, France	Parts Distribution	931,100	360,300
Linnavuori, Finland	Manufacturing	15,900	471,900
Hohenmölsen, Germany	Manufacturing	—	437,100
Marktobendorf, Germany	Manufacturing	263,100	1,552,600
Wolfenbüttel, Germany	Manufacturing	—	546,700
Stockerau, Austria	Manufacturing	37,200	160,700
Thisted, Denmark	Manufacturing	92,400	295,300
Suolahti, Finland	Manufacturing/Parts Distribution	51,600	785,100
Canoas, Brazil	Regional Headquarters/Manufacturing	23,000	1,138,700
Mogi das Cruzes, Brazil	Manufacturing	—	793,400
Santa Rosa, Brazil	Manufacturing	—	540,600
Changzhou, China	Manufacturing	76,800	767,000

(1) Includes our joint venture, GIMA, in which we own a 50% interest.

We consider each of our facilities to be in good condition and adequate for its present use. We believe that we have sufficient capacity to meet our current and anticipated manufacturing requirements.

Item 3. *Legal Proceedings*

In 2008 and 2012, as part of routine audits, the Brazilian taxing authorities disallowed deductions relating to the amortization of certain goodwill recognized in connection with a reorganization of our Brazilian operations and the related transfer of certain assets to our Brazilian subsidiaries. The amount of the tax disallowance through December 31, 2022, not including interest and penalties, was approximately 131.5 million Brazilian reais (or approximately \$24.9 million). The amount ultimately in dispute will be significantly greater because of interest and penalties that will continue to increase as time progresses. We have been advised by our legal and tax advisors that our position with respect to the deductions is allowable under the tax laws of Brazil. We are contesting the disallowance and believe that it is not likely that the assessment, interest or penalties will be required to be paid. However, the ultimate outcome will not be determined until the Brazilian tax appeal process is complete, which could take several years.

On January 12, 2023, the Brazilian government issued a “Litigation Zero” tax amnesty program, whereby cases being disputed at the administrative court level of review for a period of more than ten years can be considered for amnesty. If companies choose to enroll in the amnesty program, it would not be considered an admission of guilt with respect to outstanding cases. We are considering whether or not to apply to enroll in the program by March 2023. The ultimate outcome of our consideration with respect to our participation in the amnesty program cannot currently be determined.

During 2017, we purchased Precision Planting, which provides precision agricultural technology solutions. In 2018, Deere & Company (“Deere”) filed separate complaints in the U.S. District Court of Delaware against us and Precision Planting alleging that certain products of those entities infringed certain patents of Deere. The two complaints subsequently were consolidated into a single case, Case No. 1:18-cv-00827-CFC. In July 2022, the case was tried before a jury, which determined that we and Precision Planting had not infringed the Deere patents. The case currently is subject to customary post-trial procedures, including the right of the parties to appeal. We have an indemnity right under the purchase agreement related to the acquisition of Precision Planting from its previous owner. Pursuant to that right, the previous owner of Precision Planting currently is responsible for the litigation costs associated with the complaint and is obligated to reimburse AGCO for some or all of the damages in the event of an adverse outcome in the litigation.

We are a party to various other legal claims and actions incidental to our business. We believe that none of these claims or actions, either individually or in the aggregate, is material to our business or financial statements as a whole, including our results of operations and financial condition.

Item 4. *Mine Safety Disclosures*

Not Applicable.

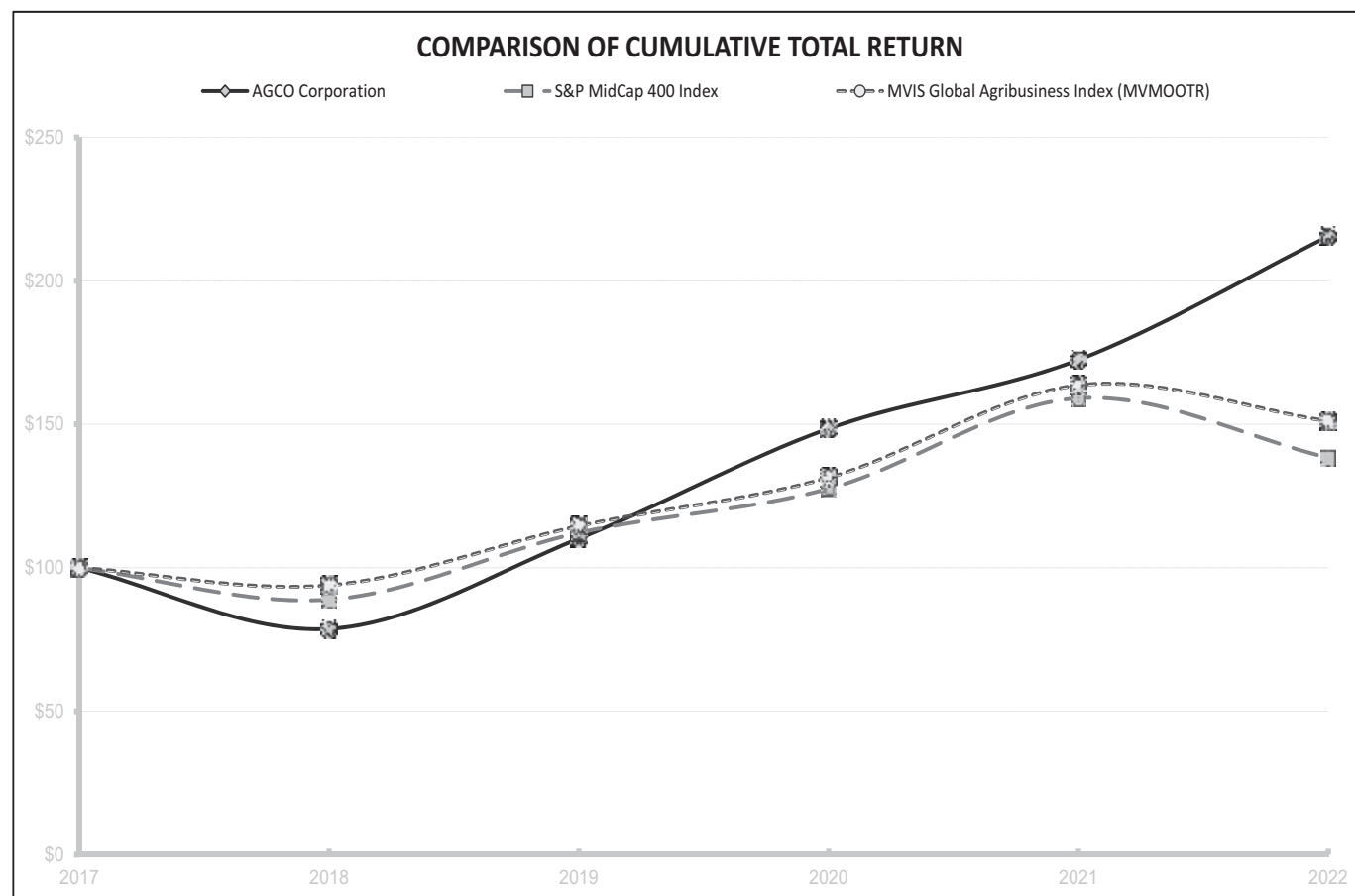
PART II

Item 5. *Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities*

Our common stock is listed on the New York Stock Exchange and trades under the symbol AGCO. As of the close of business on February 23, 2023, the closing stock price was \$141.76, and there were 429 stockholders of record (this number does not include stockholders who hold their stock through brokers, banks and other nominees).

Performance Graph

The following presentation is a line graph of our cumulative total shareholder return on our common stock on an indexed basis as compared to the cumulative total return of the S&P Mid-Cap 400 Index, the MVIS Global Agribusiness Index for the five years ended December 31, 2022. Our total returns in the graph are not necessarily indicative of future performance.



Cumulative Total Return for the Years Ended December 31,

	2017	2018	2019	2020	2021	2022
AGCO Corporation	\$ 100.00	\$ 78.70	\$ 110.20	\$ 148.51	\$ 172.46	\$ 215.50
S&P Midcap 400 Index	100.00	88.92	112.21	127.54	159.12	138.34
MVIS Global Agribusiness Index	100.00	93.01	114.56	131.40	163.61	151.11

The total return assumes that dividends were reinvested and is based on a \$100 investment on December 31, 2017.

Issuer Purchases of Equity Securities

There were no purchases of our common stock made by or on our behalf during the three months ended December 31, 2022.

Item 6. *Reserved*

The information required by Item 301 and Item 302 of Regulation S-K has been omitted as we have elected to adopt the changes to Item 301 and Item 302 of Regulation S-K contained in SEC Release No. 33-10890.

Item 7. *Management’s Discussion and Analysis of Financial Condition and Results of Operations*

We are a leading manufacturer and distributor of agricultural equipment and related replacement parts throughout the world. We sell a full range of agricultural equipment, including tractors, combines, self-propelled sprayers, hay tools, forage equipment, seeding and tillage equipment, implements, and grain storage and protein production systems. Our products are widely recognized in the agricultural equipment industry and are marketed under a number of well-known brand names, including Fendt[®], GSI[®], Massey Ferguson[®], Precision Planting[®] and Valtra[®], supported by our FUSE[®] precision agriculture solutions. We distribute most of our products through a combination of approximately 3,100 dealers and distributors as well as associates and licensees. In addition, we provide retail and wholesale financing through our finance joint ventures with Rabobank.

The COVID-19 pandemic and other economic factors continue to create volatility in the global economy, initially through government-mandated facility closures, higher absentee rates, and reduced production at both our factories and the factories that supply us with parts and components, and, more recently, through supply chain disruptions and logistical challenges. In addition, we have had to incur various costs related to preventing the spread of COVID-19, including changes to our factories and other facilities and those related to enabling remote work. We expect COVID-19 to continue to impact our business, although the manner and extent to which it impacts us will depend on future developments, including the duration of the pandemic, the timing, distribution and impact of vaccinations, and possible mutations of the virus that are more contagious or resistant to current vaccines. Measures taken by governments around the world, as well as businesses, including us, and the general public in order to limit the spread of COVID-19 will impact our business as well. These factors, along with increasing industrial demand, could negatively affect production levels, particularly caused by delays in the receipts of parts and components. Supply chain issues of particular concern include a wide range of parts and components with a portion arising from the global semiconductor shortage. We may continue to face supplier bottlenecks and delays in all regions as well as challenges with freight logistics, and we continue to work to mitigate the impact of these issues in order to meet increased end-market demand.

We sell our equipment and replacement parts to our independent dealers, distributors and other customers. A large majority of our sales are to independent dealers and distributors that sell our products to end users. To the extent practicable, we attempt to sell products to our dealers and distributors on a level basis throughout the year to reduce the effect of seasonal demands on our manufacturing operations and to minimize our investment in inventories. However, retail sales by dealers to farmers are highly seasonal and are a function of the timing the planting and harvesting seasons. In certain markets, particularly in North America, there is often a time lag, which varies based on the timing and level of retail demand, between our sale of the equipment to the dealer and the dealer’s sale to a retail customer.

Financial Highlights

The following table sets forth, for the periods indicated, the percentage relationship to net sales of certain items included in our Consolidated Statements of Operations:

	Years Ended December 31,		
	2022⁽¹⁾	2021⁽¹⁾	2020⁽¹⁾
Net sales	100.0 %	100.0 %	100.0 %
Cost of goods sold	76.3	76.9	77.5
Gross profit	23.7	23.1	22.5
Selling, general and administrative expenses	9.4	9.8	10.9
Engineering expenses	3.5	3.6	3.7
Amortization of intangibles	0.5	0.5	0.7
Impairment charges	0.3	—	0.2
Restructuring expenses	—	0.1	0.2
Bad debt expense	—	—	0.2
Income from operations	10.0	9.0	6.6
Interest expense, net	0.1	0.1	0.2
Other expense, net	1.1	0.5	0.2
Income before income taxes and equity in net earnings of affiliates	8.8	8.5	6.1
Income tax provision	2.3	1.0	2.1
Income before equity in net earnings of affiliates	6.4	7.5	4.1
Equity in net earnings of affiliates	0.5	0.6	0.5
Net income	6.9	8.1	4.6
Net (income) loss attributable to noncontrolling interests	0.1	—	0.1
Net income attributable to AGCO Corporation and subsidiaries	<u>7.0 %</u>	<u>8.1 %</u>	<u>4.7 %</u>

(1) Rounding may impact summation of amounts.

2022 Compared to 2021

Net income attributable to AGCO Corporation and subsidiaries for 2022 was \$889.6 million, or \$11.87 per diluted share, compared to \$897.0 million, or \$11.85 per diluted share, for 2021.

Net sales for 2022 were approximately \$12,651.4 million, or 13.6% higher than 2021, primarily due to robust high horsepower tractor end-market demand and favorable pricing, which helped to offset the negative impacts of currency translation, supply chain constraints and inflationary pressures. Regionally, net sales were higher in all regions during 2022 compared to 2021, excluding currency translation. Income from operations was approximately \$1,265.4 million in 2022 compared to approximately \$1,001.4 million in 2021. The increase in income from operations during 2022 was primarily the result of higher net sales and production volumes along with significant pricing to offset inflationary cost increases. Income from operations during 2022 was impacted by impairment charges recorded during the first quarter related to our joint ventures in Russia of approximately \$36.0 million. Net income per diluted share was impacted by these factors, as well as restructuring expenses.

Regionally, income from operations in Europe/Middle East (“EME”) increased by approximately \$28.7 million in 2022 compared to 2021, driven primarily by higher net sales and increased production volumes as well as positive pricing realization, which offset higher material costs and engineering expenses. In our North American region, income from operations increased by approximately \$40.7 million compared to the prior year. Higher net sales and production levels, as well as favorable net pricing impacts contributed to the improvement in the region and helped to offset higher engineering expenses and material cost inflation. In South America, income from operations increased approximately \$241.7 million in 2022 compared to 2021. The increase reflects increased net sales and production volumes, a better sales mix and significant price realization, offsetting increasing material costs. Income from operations in our Asia/Pacific/Africa (“APA”) region increased

approximately \$3.0 million in 2022 compared to 2021, primarily due to higher net sales and an improved product mix which offset higher engineering expenses and material cost inflation.

Industry Market Conditions

Supportive farm economics are resulting in robust demand for larger agricultural equipment as farmers continue to replace aging machinery. Supply chain constraints have limited global industry production and dealer inventory levels of new and used large agricultural equipment remain below normal levels across the industry. Healthy farm income from elevated crop prices helped to offset higher fuel, fertilizer and other input costs. Future demand for agricultural equipment will be influenced by farm income, which is a function of commodity and protein prices, crop yields and government support.

In North America, industry unit retail sales of utility and high horsepower tractors decreased approximately 5.0% in 2022 compared to 2021. Industry unit retail sales of combines increased approximately 14.6% in 2022 compared to 2021. Lower sales of smaller tractors, which declined from record levels in 2021, were partially offset by increased sales of higher horsepower tractors and combines.

In Western Europe, industry unit retail sales of tractors for 2022 decreased approximately 8.5% compared to 2021. Industry unit retail sales of combines for 2022 increased approximately 10.2% compared to 2021. Industry retail tractors sales were restricted by supply chain challenges during 2022. In addition, farmer sentiment in the region has been negatively impacted by the conflict in Ukraine, input cost inflation and while lessening, looming energy concerns.

In South America, industry unit retail sales of tractors for 2022 increased approximately 3.2% compared to 2021. Industry unit retail sales of combines for 2022 decreased approximately 1.6% compared to 2021. The improved demand in tractors was primarily in Argentina and smaller South American markets, offset by modestly lower sales in Brazil despite strong demand for large agricultural equipment. Healthy crop production and continued expansion in planted acreage, as well as favorable margins, driven by supportive exchange rates, continue to support farm profitability and investments in equipment.

Results of Operations

Net sales for 2022 were \$12,651.4 million compared to \$11,138.3 million for 2021, primarily as a result of improved high horsepower tractor end-market demand, which resulted in a favorable sales mix, as well as favorable pricing impacts, partially offset by unfavorable foreign currency translation. The following table sets forth, for the year ended December 31, 2022, the impact to net sales of currency translation by geographical segment (in millions, except percentages):

	2022	2021	Change		Change due to Currency Translation	
			\$	%	\$	%
EME	\$ 6,447.3	\$ 6,221.7	\$ 225.6	3.6 %	\$ (922.8)	(14.8)%
North America	3,175.1	2,659.2	515.9	19.4 %	(20.6)	(0.8)%
South America	2,121.6	1,307.7	813.9	62.2 %	73.4	5.6 %
APA	907.4	949.7	(42.3)	(4.5)%	(76.1)	(8.0)%
	<u>\$ 12,651.4</u>	<u>\$ 11,138.3</u>	<u>\$ 1,513.1</u>	<u>13.6 %</u>	<u>\$ (946.1)</u>	<u>(8.5)%</u>

Regionally, net sales in EME were higher during 2022 compared to 2021, primarily due to increased sales in most major markets in the region, with the largest increases contributed by net sales growth in both tractors and combines. These positive impacts were partially offset by negative currency translation. Net sales in North America increased in 2022 compared to 2021, as a result of strong pricing and growth in net sales of high horsepower tractors, combines and precision agricultural equipment. Net sales increased in South America in 2022 compared to 2021, primarily due to significant pricing realization and higher net sales of high horsepower tractors, combines and planting equipment. In the APA region, net sales decreased in 2022 compared to 2021, primarily due to unfavorable currency translation and delays in production and corresponding shipments from our European factories.

We estimate that worldwide average price increases were approximately 11.6% and 6.6% in 2022 and 2021, respectively. Consolidated net sales of tractors and combines, which comprised approximately 63.2% of our net sales in 2022, increased approximately 17.3% in 2022 compared to 2021. Unit sales of tractors and combines increased approximately 15.6% during 2022 compared to 2021. The difference between the unit sales change and the change in net sales was primarily the result of foreign currency translation, pricing and sales mix changes.

The following table sets forth, for the years ended December 31, 2022 and 2021, the percentage relationship to net sales of certain items included in our Consolidated Statements of Operations (in millions, except percentages):

	2022		2021	
	\$	% of Net Sales	\$	% of Net Sales ⁽¹⁾
Gross profit	\$ 3,001.3	23.7 %	\$ 2,572.3	23.1 %
Selling, general and administrative expenses	1,186.2	9.4 %	1,088.2	9.8 %
Engineering expenses	444.2	3.5 %	405.8	3.6 %
Amortization of intangibles	60.1	0.5 %	61.1	0.5 %
Impairment charge	36.0	0.3 %	—	— %
Restructuring expenses	6.1	— %	15.3	0.1 %
Bad debt expense	3.3	— %	0.5	— %
Income from operations	<u>\$ 1,265.4</u>	<u>10.0 %</u>	<u>\$ 1,001.4</u>	<u>9.0 %</u>

(1) Rounding may impact summation of amounts.

Gross profit as a percentage of net sales increased during 2022 compared to 2021 primarily due to the benefit of higher net sales and production levels, as well as positive pricing, which was partially offset by the impact of material cost inflation. Overall, global production hours increased approximately 5.5% during 2022 compared to 2021, primarily as a result of stronger market demand during 2022. Our production facilities continue to face supply chain and logistics disruptions as well as material and freight cost inflation. These disruptions impact our ability to produce and ship units, as well as contribute to labor inefficiencies, and result in carrying higher raw material and work in process inventory levels. We were able to meaningfully reduce work-in-process inventory levels during the fourth quarter of 2022 from higher levels during previous quarters. We expect these conditions to continue, which may impact production levels and net sales and margins in future periods.

Selling, general and administrative expenses (“SG&A expenses”) and engineering expenses, as a percentage of net sales, were lower during 2022 compared to 2021, primarily driven by the increase in net sales and the impact of foreign currency translation. The absolute level of SG&A expenses increased during 2022 following prior actions to lower expenses in 2021 as a result of the pandemic, such as reduced field sales and marketing activities and lower travel expenses. We recorded stock compensation expense of approximately \$32.7 million and \$26.6 million during 2022 and 2021, respectively, within SG&A expenses, as is more fully explained in Notes 1 and 10 of our Consolidated Financial Statements.

We recorded restructuring expenses of approximately \$6.1 million and \$15.3 million during 2022 and 2021, respectively. The restructuring expenses primarily related to severance and other related costs associated with the rationalization of certain U.S., China, South American and European manufacturing operations. See Note 3 of our Consolidated Financial Statements. Also, see below for discussion of impairment and other charges associated with our Russian joint ventures.

Interest expense, net was \$13.0 million for 2022 compared to \$6.7 million for 2021 resulting primarily from increased debt levels and interest rates in 2022 as compared to 2021. See “Liquidity and Capital Resources” for further information on our available funding.

Other expense, net was \$145.2 million in 2022 compared to \$50.4 million in 2021. Losses on sales of receivables, primarily related to our accounts receivable sales agreements with our finance joint ventures in North America, Europe and Brazil, were approximately \$71.1 million and \$24.5 million in 2022 and 2021, respectively. The increase in losses was primarily the result of higher interest rates in 2022 as compared to 2021. Other expense, net also increased in 2022 as compared to 2021 due to higher foreign exchange losses. See below for discussion of charges associated with the sale of our Russian joint venture.

We recorded an income tax provision of approximately \$296.6 million in 2022 compared to \$108.4 million in 2021. Our tax provision and effective tax rate are impacted by the differing tax rates of the various tax jurisdictions in which we operate, permanent differences for items treated differently for financial accounting and income tax purposes, losses in jurisdictions where no income tax benefit is recorded, and provisions for unrecognized income tax benefits related to uncertain tax positions. At December 31, 2022 and 2021, we had gross deferred tax assets of \$301.2 million and \$291.8 million, respectively, including \$45.9 million and \$69.5 million, respectively, related to net operating loss carryforwards. At December 31, 2022 and 2021, we had total valuation allowances as an offset to our gross deferred tax assets of approximately \$47.3 million and \$47.4 million, respectively. These valuation allowances included allowances against deferred tax assets (including net operating loss carryforwards) in the U.S. and certain foreign jurisdictions. As of December 31, 2021, our income tax provision included the benefit of reversals of approximately \$67.8 million and approximately \$55.6 million related to valuation allowances previously established against the Company's net deferred tax assets in the U.S. and Brazil, respectively. Improvements in income in the U.S and Brazil during 2020 and 2021, along with updated future projected income levels, supported the reversal of both of the valuation allowances. Realization of the net deferred tax assets as of December 31, 2022 will depend on generating sufficient taxable income in future periods, net of reversing deferred tax liabilities. We believe it is more likely than not that the remaining net deferred tax assets should be able to be realized. Refer to Note 6 of our Consolidated Financial Statements for further information.

Equity in net earnings of affiliates, which is primarily comprised of income from our AGCO Finance joint ventures, was \$64.1 million in 2022 compared to \$65.6 million in 2021. The decrease was primarily due to a write-down of our investment in our Russian finance joint venture of approximately \$4.8 million recorded during the first quarter of 2022. The Russian finance joint venture was sold during the three months ended December 31, 2022. See "Finance Joint Ventures" for further information regarding our finance joint ventures and their results of operations and Note 5 of our Consolidated Financial Statements for further information.

We previously invested in two joint ventures that operated in Russia primarily for the manufacture and distribution of equipment and parts. Beginning in 2018, our Russian joint venture partner became subject to sanctions by the United States. Subsequent to the commencement of these sanctions, we obtained time-limited general licenses from the Office of Foreign Assets Control ("OFAC") of the U.S. Department of Treasury that permitted us to continue our participation, which, following the most recent extension, expired on May 25, 2022. Following that expiration, we "blocked" our interest in our Russian manufacturing joint venture through a process acceptable to OFAC, which had the effect of suspending our role in that joint venture. During the three months ended March 31, 2022, we assessed the fair value of our gross assets related to the joint ventures for potential impairments and recorded asset impairment charges of approximately \$36.0 million. During the three months ended December 31, 2022, we sold our interest in the Russian distribution joint venture and, as a result, approximately \$11.4 million of foreign currency losses accumulated in the joint venture previously recognized within "Accumulated other comprehensive loss" were therefore recorded in "Other expense, net" associated with the divestiture.

2021 Compared to 2020

A comparison of the results of operations for 2021 versus that of 2020 was included in our Annual Report on Form 10-K for the year ended December 31, 2021.

AGCO Finance Joint Ventures

Our AGCO Finance joint ventures provide both retail financing and wholesale financing to our dealers in the United States, Canada, Europe, Brazil, Argentina and Australia. The joint ventures are owned by AGCO and Rabobank. The majority of the assets of the finance joint ventures consist of finance receivables. The majority of the liabilities consist of notes payable and accrued interest. Under the various joint venture agreements, Rabobank provides financing to the finance joint ventures, primarily through lines of credit. We do not guarantee the debt obligations of the joint ventures. In the United States and Canada, we guarantee certain minimum residual values to those joint ventures upon expiration of certain eligible leases between the finance joint ventures and end users. We also have other guarantees with our other finance joint ventures which are not material. See "Commitments and Off-Balance Sheet Arrangements" and Note 12 to our Consolidated Financial Statements for additional information.

As of December 31, 2022, our capital investment in the finance joint ventures, which is included in "Investment in affiliates" on our Consolidated Balance Sheets, was approximately \$390.2 million compared to approximately \$359.2 million as of December 31, 2021. The total finance portfolio in our finance joint ventures was approximately \$11.8 billion and \$10.9 billion as of December 31, 2022 and 2021, respectively. The total finance portfolio as of December 31, 2022 and 2021 included approximately \$9.5 billion and \$9.2 billion, respectively, of retail receivables and \$2.3 billion and \$1.7 billion of wholesale receivables from AGCO dealers as of December 31, 2022 and 2021, respectively. The wholesale receivables either

were sold directly to AGCO Finance without recourse from our operating companies, or AGCO Finance provided the financing directly to the dealers. During 2022, we did not make additional investments in our finance joint ventures, and we received dividends of approximately \$27.0 million from certain of our finance joint ventures. During 2021, we did not make additional investments in our finance joint ventures, and we received dividends of approximately \$84.4 million from certain of our finance joint ventures. Our share in the earnings of the finance joint ventures, included in “Equity in net earnings of affiliates” within our Consolidated Statements of Operations, was approximately \$63.0 million and \$64.4 million for the years ended December 31, 2022 and 2021, respectively. In addition, during the year ended December 31, 2022, we recorded a write-down of our investment in our Russian finance joint venture of approximately \$4.8 million, reflected within “Equity in net earnings of affiliates” in our Consolidated Statements of Operations. The Russian finance joint venture was sold during the three months ended December 31, 2022.

Outlook

Our operations are subject to the cyclical nature of the agricultural industry. Sales of our equipment are affected by, among other things, changes in net cash farm income, farm land values, weather conditions, the demand for agricultural commodities, commodity and protein prices and general economic conditions.

Global industry demand for farm equipment, driven by continued strong commodity prices and healthy farm economics, is expected to be flat to moderately higher during 2023 in most major markets. Our net sales are expected to increase in 2023 compared to 2022, resulting from improved sales volumes and pricing, partially offset by negative foreign currency translation. Gross and operating margins are expected to improve from 2022 levels, reflecting the impact of higher net sales and production volumes as well as pricing initiatives to offset material cost inflation. Engineering expenses and other technology investments are expected to increase in 2023 compared to 2022 to support our product development plans as well as our precision agriculture and digital initiatives.

Our outlook is also based on current estimates of supplier component deliveries, and the ability of the Company’s supply chain to deliver parts and components on schedule is currently difficult to predict. If supply chain performance worsens, our results of operations will be adversely impacted. Refer to “Risk Factors” for further discussion of the COVID-19 pandemic, supply chain and logistic disruptions and other factors.

Liquidity and Capital Resources

Our financing requirements are subject to variations due to seasonal changes in inventory and receivable levels. In addition, unusual events such as the recent supply chain disruptions can result in increases in inventories and, consequentially, our financing requirements. Internally generated funds are supplemented when necessary from external sources, primarily our credit facility and accounts receivable sales agreement facilities. We believe that the following facilities, together with available cash and internally generated funds, will be sufficient to support our working capital, capital expenditures and debt service requirements for the foreseeable future (in millions):

	December 31, 2022
Credit facility, expires 2027	\$ 200.0
1.002% Senior term loan due 2025 ⁽¹⁾	267.3
Senior term loans due between 2023 and 2028 ⁽¹⁾	341.6
0.800% Senior Notes Due 2028 ⁽¹⁾	641.5
Other long-term debt	5.1

(1) The amounts above are gross of debt issuance costs of an aggregate amount of approximately \$3.6 million.

In December 2022, we, certain of our subsidiaries and Rabobank, and other named lenders, entered into an amendment to our credit facility providing for a \$1.25 billion multi-currency unsecured revolving credit facility (“credit facility”), which replaced our former \$800.0 million multi-currency unsecured revolving credit facility. The amendment provided an additional \$450.0 million in borrowing capacity. An initial borrowing under the credit facility was used to repay and retire a \$240.0 million short-term multi-currency revolving credit facility with Rabobank that was due to mature on March 31, 2023. The credit facility consists of a \$325.0 million U.S. dollar tranche and a \$925.0 million multi-currency tranche for loans denominated in U.S. Dollars, Euros or other currencies to be agreed upon. The credit facility matures on December 19, 2027. Interest accrues on amounts outstanding for any borrowings denominated in U.S. dollars, at the our option, at either (1) the Secured Overnight Financing Rate (“SOFR”) plus 0.1% plus a margin ranging from 0.875% to 1.875% based on our credit rating, or (2) the base rate, which is the highest of (i) the Prime Rate, (ii) the Federal Funds Effective Rate plus 0.5%, and (iii) Term SOFR for a one-month tenor plus 1.0%, plus a margin ranging from 0.000% to 0.875% based on our credit rating. Interest accrues on amounts outstanding for any borrowings denominated in Euros at the Euro Interbank Offered Rate (“EURIBOR”) plus a margin ranging from 0.875% to 1.875% based on our credit rating. As of December 31, 2022, we had \$200.0 million outstanding borrowings under the revolving credit facility and had the ability to borrow \$1,050.0 million.

In June 2022, we entered into an uncommitted revolving credit facility that allows us to borrow up to €100.0 million (or approximately \$106.9 million as of December 31, 2022). The credit facility expires on December 31, 2026. Any loans will bear interest at the EURIBOR plus a credit spread. As of December 31, 2022, we had no outstanding borrowings under the revolving credit facility and had the ability to borrow €100.0 million (or approximately \$106.9 million).

In April 2022, we entered into a short-term multi-currency revolving credit facility of €225.0 million with Rabobank. We borrowed \$240.0 million in U.S. dollars (or approximately €225.0 million as of April 26, 2022), with a maturity date of March 31, 2023. As previously mentioned, during December 2022, we repaid the \$240.0 million outstanding borrowings under the facility in U.S. dollars.

On October 6, 2021, we issued €600.0 million (or approximately \$641.5 million as of December 31, 2022) of senior notes at an issue price of 99.993%. The notes mature on October 6, 2028, and interest is payable annually, in arrears, at 0.800%. The senior notes contain covenants restricting, among other things, the incurrence of certain secured indebtedness. The senior notes are subject to both optional and mandatory redemption in certain events.

In October 2018, we entered into a multi-currency revolving credit facility of \$800.0 million. The credit facility matures on October 17, 2023. As previously mentioned, during December 2022, we amended our credit facility agreement and replaced the \$800.0 million multi-currency revolving credit facility with a new \$1.25 billion credit facility.

On April 15, 2020, we borrowed €117.5 million and \$133.8 million under a term loan facility that had been added to our multi-currency revolving credit facility. We repaid the two loans on February 16, 2021 (for an aggregate amount of approximately \$276.0 million as of that date). The term loans matured on April 8, 2022.

On January 25, 2019, we borrowed €250.0 million (or approximately \$267.3 million as of December 31, 2022) from the European Investment Bank. The loan matures on January 24, 2025. Interest is payable on the term loan at 1.002% per annum, payable semi-annually in arrears.

In October 2016, we borrowed an aggregate amount of €375.0 million through a group of seven related term loan agreements. These agreements had maturities ranging from October 2019 to October 2026. Of the 2016 term loans, we repaid an aggregate amount of €56.0 million (or approximately \$61.1 million) of two of these term loans in October 2019. Additionally, we repaid €192.0 million (or approximately \$223.8 million) upon maturity of two 2016 senior term loans in October 2021. On April 19, 2022, we repaid €1.0 million (or approximately \$1.1 million) of one of our 2016 senior term loans due October 2023. In August 2018, we borrowed an additional aggregate amount of €338.0 million through a group of another seven related term loan agreements. In August 2021, we repaid two of our 2018 senior term loans upon maturity with an aggregate amount of €72.0 million (or approximately \$85.5 million). On February 1, 2022, we repaid an additional amount of €72.5 million (or approximately \$81.7 million) of one of our 2018 senior term loans due August 2023 with existing cash on hand. The provisions of the term loan agreements are substantially identical in nature with the exception of interest rate terms and maturities. In aggregate, as of December 31, 2022, we had indebtedness of approximately €319.5 million (or approximately \$341.6 million) under six remaining term loan agreements with remaining maturities ranging from August 2023 to August 2028. Two of the term loan agreements in the aggregate amount of €173.0 million (or approximately \$184.9 million net of debt issuance costs, as of December 31, 2022) will mature in August and October 2023. As of December 31, 2022, for the term loans with a fixed interest rate, interest is payable in arrears on an annual basis, with interest rates ranging from 0.90% to 2.26% and maturity dates between August 2023 and August 2028. For the term loan with a floating interest rate, interest is payable in arrears on a semi-annual basis, with an interest rate based on the EURIBOR plus a margin of 1.10% and a maturity date of August 2025.

As of December 31, 2022 and 2021, we had short-term borrowings due within one year of approximately \$8.9 million and \$90.8 million, respectively.

We are in compliance with the financial covenants contained in these facilities and expect to continue to maintain such compliance. Should we ever encounter difficulties, our historical relationship with our lenders has been strong and we anticipate their continued long-term support of our business. Refer to Note 7 to the Consolidated Financial Statements contained in Item 8, “Financial Statements and Supplementary Data,” for additional information regarding our current facilities, including the financial covenants contained in each debt instrument.

Our accounts receivable sales agreements in North America, Europe and Brazil permit the sale, on an ongoing basis, of a majority of our receivables to our U.S., Canadian, European and Brazilian finance joint ventures. The sales of all receivables are without recourse to us. We do not service the receivables after the sales occur, and we do not maintain any direct retained interest in the receivables. These agreements are accounted for as off-balance sheet transactions and have the effect of reducing accounts receivable and short-term liabilities by the same amount. As of December 31, 2022 and 2021, the cash received from receivables sold under the U.S., Canadian, European and Brazilian accounts receivable sales agreements for the years then ended was approximately \$1.8 billion and \$1.3 billion, respectively.

In addition, we sell certain trade receivables under factoring arrangements to other financial institutions around the world. As of December 31, 2022 and 2020, the cash received from these arrangements for the years then ended was approximately \$226.0 million and \$215.4 million, respectively.

Our finance joint ventures in Europe, Brazil and Australia also provide wholesale financing directly to our dealers. The receivables associated with these arrangements also are without recourse to us. As of December 31, 2022 and 2021, these finance joint ventures had approximately \$69.5 million and \$42.6 million, respectively, of outstanding accounts receivable associated with these arrangements. These arrangements are accounted for as off-balance sheet transactions. In addition, we sell certain trade receivables under factoring arrangements to other financial institutions around the world. These arrangements are also accounted for as off-balance sheet transactions.

In order to efficiently manage our liquidity, we generally pay vendors in accordance with negotiated terms. To enable vendors to obtain payment in advance of our payment due dates to them, we have established programs in certain markets with financial institutions under which the vendors have the option to be paid by the financial institutions earlier than the payment due dates. When vendors receive early payments, they receive discounted amounts and we then pay the financial institutions the face amounts of the invoices on the payment due dates. We do not reimburse vendors for any costs they incur for participation in the programs. Amounts owed to the financial institutions are presented as “Accounts payable” in our Consolidated Balance Sheets. Should we not be able to negotiate extended payment terms with our vendors, or should financial institutions no longer

be willing to participate in early payment programs with us, we would expect to have sufficient liquidity to timely pay our vendors without any material impact on us or our financial position.

Our debt to capitalization ratio, which is total indebtedness divided by the sum of total indebtedness and stockholders' equity, was 27.3% at December 31, 2022 compared to 29.7% at December 31, 2021.

Cash Flows

Cash flows provided by operating activities were approximately \$838.2 million during 2022 compared to approximately \$660.2 million during 2021. The increase during 2022 primarily was due to increases in accounts payable and accrued expenses compared to 2021. Supply chain disruptions resulted in higher raw material and work-in-process inventory levels during the course of 2022, although we were able to reduce work-in-process inventories during the fourth quarter of 2022 by approximately \$277.6 million. However, inventory levels as of December 31, 2022 were higher than at December 31, 2021. Free cash flow, which is defined as "Net cash provided by operating activities" less "Purchases of property, plant and equipment", was approximately \$449.9 million during 2022, as compared to approximately \$390.4 million during 2021, despite capital expenditures of approximately \$388.3 million during 2022 compared to \$269.8 million during 2021.

Our working capital requirements are seasonal, with investments in working capital typically building in the first half of the year and then reducing in the second half of the year. We had \$1,651.3 million in working capital at December 31, 2022, as compared with \$1,559.5 million at December 31, 2021. Accounts receivable and inventories, combined, at December 31, 2022 were approximately \$825.8 million higher than at December 31, 2021, primarily due to higher net sales and production levels, as well as the significant impact of supply chain constraints during 2022.

Share Repurchase Program and Dividends

We did not purchase any shares directly or enter into any accelerated share repurchase agreements during 2022. As of December 31, 2022, the remaining amount authorized to be repurchased under board-approved share repurchase authorizations was approximately \$110.0 million, which has no expiration date. In August and November 2021, we entered into two accelerated share repurchase ("ASR") agreements with financial institutions to repurchase an aggregate of \$135.0 million of shares of our common stock. We received approximately 952,204 shares in these transactions as of December 31, 2021. On January 19, 2022, we received additional 113,824 shares upon final settlement of our November 2021 ASR agreement. All shares received under the ASR agreements were retired upon receipt, and the excess of the purchase price over par value per share was recorded to a combination of "Additional paid-in capital" and "Retained earnings" within the our Consolidated Balance Sheets. In addition, on April 28, 2022, our Board of Directors approved an increase to our quarterly dividend commencing in the second quarter of 2022 by 20% to \$0.24 per common share and declared a special variable dividend of \$4.50 per common share that was paid during the second quarter of 2022. During 2021, our Board of Directors declared and we paid a special variable dividend of \$4.00 per common share.

Contractual Obligations and Cash Requirements

Our material cash requirements include the following contractual and other obligations:

Indebtedness – As of December 31, 2022, we had approximately \$194.5 million of payments due as of the year ended December 31, 2023, related to indebtedness and certain short-term obligations, in addition to approximately \$35.4 million of interest payments associated with indebtedness we expect to pay during 2023. Our projected amount of interest payments includes assumptions regarding the future fluctuations in interest rates, as well as borrowings under our revolving credit facility and other variable debt instruments. Indebtedness amounts reflect the principal amount of our senior term loan, senior notes, credit facility and certain short-term borrowings, gross of any debt issuance costs. Refer to the discussion above and Note 7 of the Consolidated Financial Statements for additional information regarding our indebtedness. In addition, we expect to pay approximately \$125.7 million of discounts on the sales of receivables related to our finance joint ventures. The projected amount of discounts paid includes significant assumptions regarding future amounts of receivables sold to our finance joint ventures as well as future fluctuations in interest rates.

Capital and operating lease obligations – As of December 31, 2022, we had approximately \$0.8 million and \$47.8 million of payments due during the year ended December 31, 2023, related to capital and operating lease obligations, respectively. Refer to Note 17 of the Consolidated Financial Statements for additional information regarding our lease obligations.

Unconditional purchase obligations – As of December 31, 2022, we had approximately \$209.2 million of outstanding purchase obligations payable during the year ended December 31, 2023. Unconditional purchase obligations generally do not vary materially year to year.

Other short-term and long-term obligations – As of December 31, 2022, we had approximately \$10.4 million of income tax liabilities related to uncertain income tax provisions connected with ongoing income tax audits in various jurisdictions that we expect to pay or settle within the next 12 months. Additionally, we had approximately \$36.3 million of estimated future minimum contribution requirements under our U.S. and non-U.S. defined benefit pension and postretirement plans due during the year ended December 31, 2023. Refer to Notes 6 and 8 of the Consolidated Financial Statements for additional information regarding our uncertain tax positions and pension and postretirement plans, respectively. These obligations comprise a majority of our other short-term and long-term obligations.

Commitments and Off-Balance Sheet Arrangements

Guarantees

We maintain a remarketing agreement with our finance joint venture in the United States, whereby we are obligated to repurchase up to \$6.0 million of repossessed equipment each calendar year. We believe any losses that might be incurred on the resale of this equipment will not materially impact our financial position or results of operations, due to the fact that the repurchase obligations would be equivalent to the fair value of the underlying equipment.

At December 31, 2022, we guaranteed indebtedness owed to third parties of approximately \$29.2 million, primarily related to dealer and end-user financing of equipment. Such guarantees generally obligate us to repay outstanding finance obligations owed to financial institutions if dealers or end users default on such loans through 2028. Losses under such guarantees historically have been insignificant. In addition, we generally would expect to be able to recover a significant portion of the amounts paid under such guarantees from the sale of the underlying financed farm equipment, as the fair value of such equipment is expected to offset a substantial portion of the amounts paid. We also guarantee indebtedness owed to certain of our finance joint ventures if dealers or end users default on loans. Losses under such guarantees historically have been insignificant and the guarantees are not material. We believe the credit risk associated with all of these guarantees is not material to our financial position or results of operations.

In addition, at December 31, 2022, we had accrued approximately \$18.6 million of outstanding guarantees of residual values that may be owed to our finance joint ventures in the United States and Canada due upon expiration of certain eligible operating leases between the finance joint ventures and end users. The maximum potential amount of future payments under the guarantee is approximately \$191.3 million.

Other

At December 31, 2022, we had outstanding designated and non-designated foreign exchange contracts with a gross notional amount of approximately \$4,318.8 million. The outstanding contracts as of December 31, 2022 range in maturity through March 2023. We also had outstanding designated steel commodity contracts with a gross notional amount of approximately \$0.9 million that range in maturity through April 2023. See Note 11 of our Consolidated Financial Statements for additional information.

As discussed in “Liquidity and Capital Resources,” we sell a majority of our wholesale accounts receivable in North America, Europe and Brazil to our U.S., Canadian, European and Brazilian finance joint ventures. We also sell certain accounts receivable under factoring arrangements to financial institutions around the world. We have determined that these facilities should be accounted for as off-balance sheet transactions.

Contingencies

We are party to various claims and lawsuits arising in the normal course of business. We closely monitor these claims and lawsuits and frequently consult with our legal counsel to determine whether they may, when resolved, have a material adverse effect on our financial position or results of operations and accrue and/or disclose loss contingencies as appropriate. See Note 12 of our Consolidated Financial Statements for further information.

Related Parties

In the ordinary course of business, we engage in transactions with related parties. See Note 14 of our Consolidated Financial Statements for information regarding related party transactions and their impact to our consolidated results of operations and financial position.

Foreign Currency Risk Management

We have significant manufacturing locations in the United States, France, Germany, Finland, Italy, China and Brazil, and we purchase a portion of our tractors, combines and components from third-party foreign suppliers, primarily in various European countries and in Japan. We also sell products in approximately 140 countries throughout the world. The majority of our net sales outside the United States are denominated in the currency of the customer location, with the exception of sales in Middle East, Africa, Asia and parts of South America, where net sales are primarily denominated in British pounds, Euros or the United States dollar.

We also are subject to the risk of the imposition of limitations by governments on international transfers of funds. For example, in recent years, the Argentine government has substantially limited the ability of companies to transfer funds out of Argentina. As a consequence of these limitations, the spread between the official government exchange rate and the exchange rates resulting implicitly from certain capital market operations, usually effected to obtain U.S. dollars, has broadened significantly. The net monetary assets of our operations in Argentina denominated in pesos at the official government rate were approximately 4.1 billion (or approximately \$23.0 million) as of December 31, 2022, inclusive of approximately 6.8 billion pesos (or approximately \$38.1 million) in cash and cash equivalents. In addition, we have an obligation to reimburse AGCO Capital Argentina S.A., one of our finance joint ventures with Rabobank, up to \$10 million under a guarantee related to the ability of AGCO Capital Argentina S.A. to transfer funds out of Argentina. The finance joint venture in Argentina has net monetary assets denominated in pesos at the official government rate of approximately 4.1 billion (or approximately \$22.9 million) as of December 31, 2022, of which a majority is cash and cash equivalents. Future impairments and charges are possible in connection with these exposures.

We manage our transactional foreign currency exposure by hedging foreign currency cash flow forecasts and commitments arising from the anticipated settlement of receivables and payables and from future purchases and sales. Where naturally offsetting currency positions do not occur, we hedge certain, but not all, of our exposures through the use of foreign currency contracts. Our translation exposure resulting from translating the financial statements of foreign subsidiaries into United States dollars may be partially hedged from time to time. When practical, this translation impact is reduced by financing local operations with local borrowings. Our hedging policy prohibits use of foreign currency contracts for speculative trading purposes.

The total notional value of our foreign currency instruments was \$4,318.8 million and \$3,981.9 million as of December 31, 2022 and 2021, respectively, inclusive of both those instruments that are designated and qualified for hedge accounting and non-designated derivative instruments. We enter into cash flow hedges to minimize the variability in cash flows of assets or liabilities or forecasted transactions caused by fluctuations in foreign currency exchange rates, and we enter into foreign currency contracts to economically hedge receivables and payables on our balance sheets that are denominated in foreign currencies other than the functional currency. In addition, we use derivative and non-derivative instruments to hedge a portion of our net investment in foreign operations against adverse movements in exchange rates. See Note 11 of our Consolidated Financial Statements for further information about our hedging transactions and derivative instruments.

Assuming a 10% change relative to the currency of the hedge contracts, the fair value of the foreign currency instruments could be negatively impacted by approximately \$18.5 million as of December 31, 2022. Due to the fact that these instruments are primarily entered into for hedging purposes, the gains or losses on the contracts would largely be offset by losses and gains on the underlying firm commitment or forecasted transaction.

Interest Rate Risk

Our interest expense is, in part, sensitive to the general level of interest rates. We manage our exposure to interest rate risk through our mix of floating rate and fixed rate debt. From time to time, we enter into interest rate swap agreements to manage our exposure to interest rate fluctuations. See Notes 7 and 11 of our Consolidated Financial Statements for additional information.

Based on our floating rate debt and our accounts receivable sales facilities outstanding at December 31, 2022, a 10% increase in interest rates, would have increased, collectively, “Interest expense, net” and “Other expense, net” for the year ended December 31, 2022 by approximately \$7.3 million.

Recent Accounting Pronouncements

See Note 1 of our Consolidated Financial Statements for information regarding recent accounting pronouncements and their impact to our consolidated results of operations and financial position.

Critical Accounting Estimates

We prepare our Consolidated Financial Statements in conformity with U.S. generally accepted accounting principles. In the preparation of these financial statements, we make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The significant accounting policies followed in the preparation of the financial statements are detailed in Note 1 of our Consolidated Financial Statements contained in Item 8, “Financial Statements and Supplementary Data.” We believe that our application of the policies discussed below involves significant levels of judgment, estimates and complexity.

Due to the levels of judgment, complexity and period of time over which many of these items are resolved, actual results could differ from those estimated at the time of preparation of the financial statements. Adjustments to these estimates would impact our financial position and future results of operations.

Discount and Sales Incentive Allowances

We provide various volume bonus and sales incentive programs with respect to our products. These sales incentive programs include reductions in invoice prices, reductions in retail financing rates, dealer commissions and dealer incentive allowances. In most cases, incentive programs are established and communicated to our dealers on a quarterly basis. The incentives are paid either at the time of the cash settlement of the receivable (which is generally at the time of retail sale), at the time of retail financing, at the time of warranty registration, or at a subsequent time based on dealer purchase volumes. The incentive programs are product line specific and generally do not vary by dealer. The cost of sales incentives associated with dealer commissions and dealer incentive allowances is estimated based upon the terms of the programs and historical experience, is based on a percentage of the sales price, and estimates for sales incentives are made and recorded at the time of sale for expected incentive programs using the expected value method. These estimates are reassessed each reporting period and are revised in the event of subsequent modifications to incentive programs, as they are communicated to dealers. The related provisions and accruals are made on a product or product-line basis and are monitored for adequacy and revised at least quarterly in the event of subsequent modifications to the programs. Interest rate subsidy payments, which are a reduction in retail financing rates, are recorded in the same manner as dealer commissions and dealer incentive allowances. Volume discounts are estimated and recognized based on historical experience, and related reserves are monitored and adjusted based on actual dealer purchase volumes and the dealers’ progress towards achieving specified cumulative target levels. Estimates of these incentives are based on the terms of the programs and historical experience. All incentive programs are recorded and presented as a reduction of revenue, due to the fact that we do not receive a distinct good or service in exchange for the consideration provided. In the United States and Canada, reserves for incentive programs related to accounts receivable not sold to our U.S. and Canadian finance joint ventures are recorded as “Accounts receivable allowances” within our Consolidated Balance Sheets due to the fact that the incentives are paid through a reduction of future cash settlement of the receivable. Globally, reserves for incentive programs that will be paid in cash or credit memos, as is the case with most of our volume discount programs, as well as sales incentives associated with accounts receivable sold to our finance joint ventures, are recorded within “Accrued expenses” within our Consolidated Balance Sheets.

At December 31, 2022, we had recorded an allowance for discounts and sales incentives of approximately \$638.4 million that will be paid either through a reduction of future cash settlements of receivables and through credit memos to our dealers or through reductions in retail financing rates paid to our finance joint ventures. If we were to allow an additional 1% of sales incentives and discounts at the time of retail sale for those sales subject to such discount programs, our reserve would increase by approximately \$28.5 million as of December 31, 2022. Conversely, if we were to decrease our sales incentives and discounts by 1% at the time of retail sale, our reserve would decrease by approximately \$28.5 million as of December 31, 2022.

Deferred Income Taxes and Uncertain Income Tax Positions

We recorded an income tax provision of approximately \$296.6 million in 2022 compared to \$108.4 million in 2021 and \$187.7 million in 2020. Our tax provision and effective tax rate are impacted by the differing tax rates of the various tax jurisdictions in which we operate, permanent differences for items treated differently for financial accounting and income tax purposes, losses in jurisdictions where no income tax benefit is recorded and provisions for unrecognized income tax benefits related to uncertain tax positions.

As of December 31, 2021, our income tax provision included the benefit of reversals of approximately \$67.8 million and approximately \$55.6 million related to valuation allowances previously established against the Company's net deferred tax assets in the U.S and Brazil, respectively. Improvements in income in the U.S and Brazil during 2020 and 2021, along with updated future projected income levels, supported the reversal of both of the valuation allowances. We maintain a valuation allowance to reserve a portion of our net deferred tax assets in the U.S. and certain foreign jurisdictions. A valuation allowance is established when it is more likely than not that some portion or all of the deferred tax assets may not be realized. We assessed the likelihood that our deferred tax assets should be recovered from estimated future taxable income and the current economic climate, as well as available tax planning strategies and determined that the adjustment to the valuation allowance was appropriate. We believe it is more likely than not that we should be able to realize our remaining net deferred tax assets, net of the valuation allowance, in future years.

At December 31, 2022 and 2021, we had gross deferred tax assets of \$301.2 million and \$291.8 million, respectively, including \$45.9 million and \$69.5 million, respectively, related to net operating loss carryforwards. At December 31, 2022 and 2021, we had total valuation allowances as an offset to our gross deferred tax assets of \$47.3 million and \$47.4 million, respectively. These valuation allowances are held against deferred tax assets (including net operating loss carryforwards) in the U.S and certain foreign jurisdictions. Realization of the remaining deferred tax assets as of December 31, 2022 depends on generating sufficient taxable income in future periods, net of reversing deferred tax liabilities. We believe it is more likely than not that the remaining net deferred tax assets should be able to be realized.

We recognize income tax benefits from uncertain tax positions only when there is a more than 50% likelihood that the tax positions will be sustained upon examination by the taxing authorities based on the technical merits of the positions. As of December 31, 2022 and 2021, we had approximately \$281.7 million and \$246.4 million, respectively, of gross unrecognized tax benefits, all of which would impact our effective tax rate if recognized. As of December 31, 2022 and 2021, we had approximately \$10.4 million and \$40.1 million, respectively, of current accrued taxes related to uncertain income tax positions connected with ongoing tax audits in various jurisdictions that we expect to settle or pay in the next 12 months. At December 31, 2022 and 2021, the Company had approximately \$274.1 million and \$196.7 million, respectively, of accrued taxes reflected in "Other noncurrent liabilities", and approximately \$2.8 million of deferred tax assets and \$9.6 million of deferred tax liabilities, respectively, related to uncertain tax positions that it expects to settle or pay beyond 12 months, reflected in "Deferred tax assets" and "Deferred tax liabilities," respectively, in the Company's Consolidated Balance Sheets. We recognize interest and penalties related to uncertain income tax positions in income tax expense. As of December 31, 2022 and 2021, we had accrued interest and penalties related to unrecognized tax benefits of approximately \$25.8 million and \$32.7 million, respectively. See Note 6 of our Consolidated Financial Statements for further discussion of our uncertain income tax positions.

Pensions

We sponsor defined benefit pension plans covering certain employees, principally in the United Kingdom, the United States, Germany, Switzerland, Finland, France, Norway and Argentina. Our primary plans cover certain employees in the United States and the United Kingdom.

In the United States, we sponsor a funded, qualified defined benefit pension plan for our salaried employees, as well as a separate funded qualified defined benefit pension plan for our hourly employees. Both plans are closed to new entrants and frozen, and we fund at least the minimum contributions required under the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code to both plans. In addition, we maintain an unfunded, nonqualified defined benefit pension plan for certain senior executives, which is our Executive Nonqualified Pension Plan ("ENPP"). The ENPP also is closed to new entrants, and, during 2021, we amended the ENPP to freeze future salary benefit accruals as of December 31, 2024 and to eliminate a lifetime annuity feature for participants reaching age 65 subsequent to December 31, 2022.

In the United Kingdom, we sponsor a funded defined benefit pension plan that provides an annuity benefit based on participants' final average earnings and service. Participation in this plan is limited to certain older, longer service employees and existing retirees. This plan is closed to new participants.

See Note 8 of our Consolidated Financial Statements for additional information regarding costs and assumptions for employee retirement benefits.

Nature of Estimates Required. The measurement date for all of our benefit plans is December 31. The measurement of our pension obligations, costs and liabilities is dependent on a variety of assumptions provided by management and used by our actuaries. These assumptions include estimates of the present value of projected future pension payments to all plan participants, taking into consideration the likelihood of potential future events such as salary increases and demographic experience. These assumptions may have an effect on the amount and timing of future contributions.

Assumptions and Approach Used. The assumptions used in developing the required estimates include, but are not limited to, the following key factors:

- Discount rates
- Salary growth
- Retirement rates and ages
- Inflation
- Expected return on plan assets
- Mortality rates

For the years ended December 31, 2022 and 2021, we used a globally consistent methodology to set the discount rate in the countries where our largest benefit obligations exist. In the United States, the United Kingdom and the Euro Zone, we constructed a hypothetical bond portfolio of high-quality corporate bonds and then applied the cash flows of our benefit plans to those bond yields to derive a discount rate. The bond portfolio and plan-specific cash flows vary by country, but the methodology in which the portfolio is constructed is consistent. In the United States, the bond portfolio is large enough to result in taking a “settlement approach” to derive the discount rate, in which high-quality corporate bonds are assumed to be purchased and the resulting coupon payments and maturities are used to satisfy our U.S. pension plans’ projected benefit payments. In the United Kingdom and the Euro Zone, the discount rate is derived using a “yield curve approach,” in which an individual spot rate, or zero coupon bond yield, for each future annual period is developed to discount each future benefit payment and, thereby, determine the present value of all future payments. We use a spot yield curve to determine the discount rate applicable in the United Kingdom to measure the U.K. pension plan’s service cost and interest cost. Under the settlement and yield curve approaches, the discount rate is set to equal the single discount rate that produces the same present value of all future payments.

The other key assumptions and methods were set as follows:

- Our inflation assumption is based on an evaluation of external market indicators.
- The salary growth assumptions reflect our long-term actual experience, the near-term outlook and assumed inflation.
- The expected return on plan asset assumptions reflects asset allocations, investment strategy, historical experience and the views of investment managers, and reflects a projection of the expected arithmetic returns over ten years.
- Determination of retirement rates and ages as well as termination rates, based on actual plan experience, actuarial standards of practice and the manner in which our defined benefit plans are being administered.
- The mortality rates for the U.K. defined benefit pension plan were updated during 2022 to reflect the latest expected improvements in the life expectancy of the plan participants. The mortality rates for the U.S. defined benefit pension plans were unchanged from 2021, which reflected the Society of Actuaries’ most recent findings on the topic of mortality.
- The fair value of assets used to determine the expected return on assets does not reflect any delayed recognition of asset gains and losses.

The effects of actual results differing from our assumptions are accumulated and amortized over future periods and, therefore, generally affect our recognized expense in such periods.

Our U.S. and U.K. defined benefit pension plans, including our ENPP, comprised approximately 84% of our consolidated projected benefit obligation as of December 31, 2022. The effects of a 25 basis point change in certain actuarial

assumptions on the 2023 net annual pension and ENPP costs and related benefit obligations as of December 31, 2022 would be as follows:

	<u>Year-end Benefit Obligation</u>		<u>2023 Net Annual Pension Cost</u>	
	<u>25 basis point increase</u>	<u>25 basis point decrease</u>	<u>25 basis point increase</u>	<u>25 basis point decrease</u>
Discount rate:				
U.S. qualified defined benefit pension plans and ENPP	\$ (2.5)	\$ 2.6	\$ 0.1	\$ (0.1)
U.K. defined benefit pension plans	(10.5)	11.1	(0.2)	0.2
			<u>2023 Net Annual Pension Cost</u>	
			<u>25 basis point increase</u>	<u>25 basis point decrease</u>
Long-term rate of return on plan assets:				
U.S. qualified defined benefit pension plans and ENPP			\$ (0.1)	\$ 0.1
U.K. defined benefit pension plans			(1.2)	1.2

Unrecognized actuarial net losses related to our defined benefit pension plans and ENPP were \$270.0 million as of December 31, 2022 compared to \$291.7 million as of December 31, 2021. The decrease in unrecognized net actuarial losses between years primarily resulted from higher discount rates at December 31, 2022 compared to December 31, 2021. The unrecognized net actuarial losses will be impacted in future periods by actual asset returns, discount rate changes, currency exchange rate fluctuations, actual demographic experience and certain other factors. For some of our defined benefit pension plans, these losses, to the extent they exceed 10% of the greater of the plan's liabilities or the fair value of assets ("the gain/loss corridor"), will be amortized on a straight-line basis over the periods discussed as follows. For our U.S. salaried, U.S. hourly and U.K. defined benefit pension plans, the population covered is predominantly inactive participants, and losses related to those plans, to the extent they exceed the gain/loss corridor, will be amortized over the average remaining lives of those participants while covered by the respective plan. For our ENPP, the population is predominantly active participants, and losses related to the plan will be amortized over the average future working lifetime of the active participants expected to receive benefits. As of December 31, 2022, the average amortization periods were as follows:

	<u>ENPP</u>	<u>U.S. Plans</u>	<u>U.K. Plan</u>
Average amortization period of losses related to defined benefit pension plans	7 years	14 years	19 years

Unrecognized prior service cost related to our defined benefit pension plans was \$32.5 million as of December 31, 2022 compared to \$7.1 million as of December 31, 2021. During 2022, the Company updated its estimate of current assumptions, interpretations and approach affecting the Company's defined benefit pension obligations related to certain defined benefit plans resulting in a revision of its estimate of prior service cost of approximately \$25.5 million during 2022. The 2021 balance also reflects the 2021 plan amendment to the Company's ENPP, as previously discussed. The 2021 amendment resulted in both a curtailment gain and a net prior service credit.

As of December 31, 2022, our unfunded or underfunded obligations related to our defined benefit pension plans and ENPP were approximately \$82.9 million, primarily related to our defined benefit pension plans in Europe and the United States. In 2022, we contributed approximately \$34.1 million towards those obligations, and we expect to fund approximately \$34.6 million in 2023. Future funding is dependent upon compliance with local laws and regulations and changes to those laws and regulations in the future, as well as the generation of operating cash flows in the future. We currently have an agreement in place with the trustees of the U.K. defined benefit plan that obligates us to fund approximately £16.0 million per year (or approximately \$19.4 million) towards that obligation through December 2023. The funding arrangement is based upon the current funded status and could change in the future as discount rates, local laws and regulations, and other factors change.

See Note 8 of our Consolidated Financial Statements for more information regarding the investment strategy and concentration of risk.

Goodwill, Other Intangible Assets and Long-Lived Assets

We test goodwill for impairment, at the reporting unit level, annually and when events or circumstances indicate that fair value of a reporting unit may be below its carrying value. A reporting unit is an operating segment or one level below an operating segment, for example, a component. We combine and aggregate two or more components of an operating segment as a single reporting unit if the components have similar economic characteristics. Our reportable segments are not our reporting units.

Goodwill is evaluated for impairment annually as of October 1st using a qualitative assessment or a quantitative one-step assessment. If we elect to perform a qualitative assessment and determine the fair value of our reporting units more likely than not exceeds their carrying value of net assets, no further evaluation is necessary. For reporting units where we perform a one-step quantitative assessment, we compare the fair value of each reporting unit to its respective carrying value of net assets, including goodwill. If the fair value of the reporting unit exceeds its carrying value of net assets, the goodwill is not considered impaired. If the carrying value of net assets is higher than the fair value of the reporting unit, an impairment charge is recorded in the amount by which the carrying value exceeds the reporting unit's fair value.

We utilize a combination of valuation techniques, including an income approach, whereby the present value of future expected operating net cash flows are calculated using a discount rate; and a guideline public company method, whereby EBITDA and revenue multiples are derived from the market prices of stocks of companies that are engaged in the same or similar lines of business and that are actively traded on a free and open market. Assumptions included in these approaches can positively and negatively impact the results of our assessments such as interest rates, sales and margin growth rates, tax rates, cost structures, market share, pricing, capital expenditures, working capital levels and the use of control premiums. For all reporting units, a 10 percent decrease in the estimated fair value would have resulted in a \$6.8 million impairment reducing the carrying value of goodwill.

We review our long-lived assets, which include intangible assets subject to amortization, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The evaluation for recoverability is performed at a level where independent cash flows may be attributed to either an asset or asset group. If we determine that the carrying amount of an asset or asset group is not recoverable based on the expected undiscounted future cash flows of the asset or asset group, an impairment loss is recorded equal to the excess of the carrying amounts over the estimated fair value of the long-lived assets. Estimates of future cash flows are based on many factors, including current operating results, expected market trends and competitive influences. We also evaluate the amortization periods assigned to our intangible assets to determine whether events or changes in circumstances warrant revised estimates of useful lives. Assets to be disposed of by sale are reported at the lower of the carrying amount or fair value, less estimated costs to sell.

We make various assumptions, including assumptions regarding future cash flows, market multiples, growth rates and discount rates, in our assessments of the impairment of goodwill, other indefinite-lived intangible assets and long-lived assets. The assumptions about future cash flows and growth rates are based on the current and long-term business plans of the reporting unit or related to the long-lived assets. Discount rate assumptions are based on an assessment of the risk inherent in the future cash flows of the reporting unit or long-lived assets. These assumptions require significant judgments on our part, and the conclusions that we reach could vary significantly based upon these judgments.

The results of our goodwill and long-lived assets impairment analyses conducted as of October 1, 2022 and 2021 indicated that no other indicators of impairment existed and no reduction in the carrying amount of goodwill and long-lived assets was required related to our other reporting units.

Our goodwill impairment analysis conducted as of October 1, 2022 also indicated that the fair value in excess of the carrying value of our grain and protein production systems Europe/Middle East reporting unit was approximately 5.9%. In response to weakening market conditions and resulting operating results, new management was put in place over the global grain and protein systems productions systems business in 2022, and from that time, full strategic reviews and operating decisions of the business have been conducted and launched, including several restructuring initiatives aimed at lowering operating costs, improving product portfolios and enhancing customer support, which management believes will result in improved long-term operating results. If market conditions and our overall results do not improve, we may incur an impairment charge related to this reporting units in the future under the one-step process described above. The goodwill associated with these reporting units as of December 31, 2022 was approximately \$59.0 million.

Numerous facts and circumstances are considered when evaluating the carrying amount of our goodwill. The fair value of a reporting unit is impacted by the reporting unit's expected financial performance, which is dependent upon the agricultural industry and other factors that could adversely affect the agricultural industry, including but not limited to, declines in the

general economy, increases in farm input costs, weather conditions, lower commodity and protein prices and changes in the availability of credit. The estimated fair value of the individual reporting units is assessed for reasonableness by reviewing a variety of indicators evaluated over a reasonable period of time.

As of December 31, 2022, we had approximately \$1,310.8 million of goodwill. While our annual impairment testing in 2022 supported the carrying amount of this goodwill, we may be required to re-evaluate the carrying amount in future periods, thus utilizing different assumptions that reflect the then current market conditions and expectations, and, therefore, we could conclude that an impairment has occurred.

Recoverable Indirect Taxes

Our Brazilian operations incur value added taxes (“VAT”) on certain purchases of raw materials, components and services. These taxes are accumulated as tax credits and create assets that are reduced by the VAT collected from our sales in the Brazilian market. We regularly assess the recoverability of these tax credits, and establishes reserves when necessary against them, through analyses that include, amongst others, the history of realization, the transfer of tax credits to third parties as authorized by the government, anticipated changes in the supply chain and the future expectation of tax debits from our ongoing operations. We believe that these tax credits, net of established reserves are realizable. Our assessment of realization of these tax assets involves significant judgments on our part, and the conclusions that we reach could vary significantly based upon these judgments. We recorded approximately \$94.6 million and \$114.4 million, respectively, of VAT tax credits, net of reserves, as of December 31, 2022 and 2021.

Item 7A. *Quantitative and Qualitative Disclosures About Market Risk*

The Quantitative and Qualitative Disclosures about Market Risk information required by this Item set forth under the captions “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Foreign Currency Risk Management” and “Interest Rate Risk” under Item 7 of this Form 10-K are incorporated herein by reference.

Item 8. *Financial Statements and Supplementary Data*

The following Consolidated Financial Statements of AGCO and its subsidiaries for each of the years in the three-year period ended December 31, 2022 are included in this Item:

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Consolidated Statements of Comprehensive Income for the years ended December 31, 2022, 2021 and 2020	52
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Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
AGCO Corporation:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of AGCO Corporation and subsidiaries (the Company) as of December 31, 2022 and 2021, the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2022, and the related notes and financial statement Schedule II — Valuation and Qualifying Accounts (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2022, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated March 1, 2023 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Assessment of the reserve and allowance for volume discount and sales incentive programs in certain geographic regions

As discussed in Note 1 to the consolidated financial statements, the Company provides various volume discount and sales incentive programs with respect to its products. As of December 31, 2022, the Company had accrued volume discounts and sales incentives of approximately \$630.8 million and an allowance for sales incentive discounts of approximately \$7.6 million. Sales incentive programs include reductions in invoice prices, reductions in retail financial rates, dealer commissions and dealer incentive allowances. Volume discounts and sales incentives are recorded at the time of sale as a reduction of revenue using the expected value method.

We identified the assessment of the reserve and allowance for volume discount and sales incentive programs in certain geographic regions as a critical audit matter. Auditor judgment was required to evaluate certain assumptions which had a higher degree of measurement uncertainty. Significant assumptions included estimated incentive rates, which were the

estimated rates at which programs were applied to eligible products, and estimated achievement by dealers of specified cumulative targeted purchase levels.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's reserve and allowance for volume discount and sales incentive process, including controls related to the development of the significant assumptions. For certain volume discount and sales incentive programs, we compared the program details to dealer communications and the significant assumptions to historical results for similar programs. We assessed the Company's historical ability to estimate significant assumptions by comparing the prior year estimated amounts to actual discounts and sales incentives realized by the customers. We evaluated the significant assumptions by comparing them to actual results, including the results of transactions occurring after year-end.

Assessment of gross unrecognized income tax benefits in certain jurisdictions

As discussed in Note 6 to the consolidated financial statements, the Company has recorded a liability for gross unrecognized income tax benefits of approximately \$281.7 million as of December 31, 2022. The Company recognizes income tax benefits from uncertain tax positions only when there is a more than 50% likelihood that the tax positions will be sustained upon examination by the taxing authorities based on the technical merits of the positions.

We identified the assessment of gross unrecognized income tax benefits in certain jurisdictions as a critical audit matter. Complex auditor judgment and specialized skills were required in evaluating the Company's interpretation and application of tax laws and the estimate of the amount of tax benefits expected to be realized.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's gross unrecognized income tax benefit process. This included controls related to the Company's consideration of information that could affect the recognition or measurement of income tax benefits from uncertain tax positions and the interpretation and application of tax laws. We involved tax professionals with specialized skills and knowledge, who assisted in:

- inspecting correspondence and assessments from the taxing authorities
- evaluating the Company's interpretation and application of tax laws
- developing an expectation of the Company's tax positions and comparing the results to the Company's assessment

Assessment of goodwill impairment for a certain reporting unit

As discussed in Note 1 to the consolidated financial statements, the Company evaluates goodwill for impairment annually as of October 1 and when events or circumstances indicate that fair value of a reporting unit may be below its carrying value. As of December 31, 2022, the Company has \$1,310.8 million of goodwill. The Company performs its goodwill impairment analyses using either a qualitative or a quantitative assessment. The fair values of the reporting units are determined based on a combination of valuation techniques, including an income approach and guideline public company method. Based on the Company's analysis, the Company determined that the fair value of a certain reporting unit was in excess of the carrying value and therefore did not record any goodwill impairment for this reporting unit.

We identified the assessment of goodwill impairment for a certain reporting unit as a critical audit matter because a high degree of subjective auditor judgment was required to evaluate the fair value of the reporting unit. The fair value model used the following significant assumptions for which there was limited observable market information: forecasted revenue growth, forecasted gross margin, and discount rate. The determined fair value was sensitive to changes in these significant assumptions.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's goodwill impairment process, including controls over the significant assumptions. We compared the Company's forecasted revenue growth and gross margin used in the valuation model against underlying business strategies and growth plans. We compared the Company's historical revenue and gross margin forecasts to actual results to assess the Company's ability to forecast. In addition, we involved valuation professionals with specialized skills and knowledge who assisted in:

- comparing the Company's discount rate inputs to publicly available information for comparable entities to test the selected discount rate

- performing sensitivity analyses over the significant assumptions to assess the impact on the Company's fair value determination
- recomputing the estimate of fair value for the reporting unit using the Company's significant assumptions and comparing the result to the Company's fair value estimate

/s/ KPMG LLP

We have served as the Company's auditor since 2002.

Atlanta, Georgia

March 1, 2023

AGCO CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per share data)

	Years Ended December 31,		
	2022	2021	2020
Net sales	\$ 12,651.4	\$ 11,138.3	\$ 9,149.7
Cost of goods sold	9,650.1	8,566.0	7,092.2
Gross profit	3,001.3	2,572.3	2,057.5
Operating expenses:			
Selling, general and administrative expenses	1,186.2	1,088.2	1,001.5
Engineering expenses	444.2	405.8	342.6
Amortization of intangibles	60.1	61.1	59.5
Impairment charges	36.0	—	20.0
Restructuring expenses	6.1	15.3	19.7
Bad debt expense	3.3	0.5	14.5
Income from operations	1,265.4	1,001.4	599.7
Interest expense, net	13.0	6.7	15.0
Other expense, net	145.2	50.4	22.7
Income before income taxes and equity in net earnings of affiliates	1,107.2	944.3	562.0
Income tax provision	296.6	108.4	187.7
Income before equity in net earnings of affiliates	810.6	835.9	374.3
Equity in net earnings of affiliates	64.1	65.6	45.5
Net income	874.7	901.5	419.8
Net loss (income) attributable to noncontrolling interests	14.9	(4.5)	7.3
Net income attributable to AGCO Corporation and subsidiaries	<u>\$ 889.6</u>	<u>\$ 897.0</u>	<u>\$ 427.1</u>
Net income per common share attributable to AGCO Corporation and subsidiaries:			
Basic	<u>\$ 11.92</u>	<u>\$ 11.93</u>	<u>\$ 5.69</u>
Diluted	<u>\$ 11.87</u>	<u>\$ 11.85</u>	<u>\$ 5.65</u>
Cash dividends declared and paid per common share	<u>\$ 5.40</u>	<u>\$ 4.74</u>	<u>\$ 0.63</u>
Weighted average number of common and common equivalent shares outstanding:			
Basic	<u>74.6</u>	<u>75.2</u>	<u>75.0</u>
Diluted	<u>74.9</u>	<u>75.7</u>	<u>75.6</u>

See accompanying notes to Consolidated Financial Statements.

AGCO CORPORATION

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in millions)

	Years Ended December 31,		
	2022	2021	2020
Net income	\$ 874.7	\$ 901.5	\$ 419.8
Other comprehensive (loss) gain, net of reclassification adjustments:			
Defined benefit pension plans, net of taxes:			
Prior service (cost) credit arising during the year	(19.1)	10.0	0.3
Net (gain) loss recognized due to settlement	(0.4)	0.1	0.3
Net loss recognized due to curtailment	—	6.3	—
Net actuarial gain (loss) arising during the year	12.3	53.6	(32.7)
Amortization of prior service cost included in net periodic pension cost	—	0.6	2.1
Amortization of net actuarial losses included in net periodic pension cost	6.4	12.3	13.1
Derivative adjustments:			
Net changes in fair value of derivatives	(14.6)	5.1	5.1
Net losses (gains) reclassified from accumulated other comprehensive loss into income	14.1	(3.0)	(6.3)
Foreign currency translation adjustments	(30.0)	(45.5)	(201.8)
Other comprehensive (loss) gain, net of reclassification adjustments	(31.3)	39.5	(219.9)
Comprehensive income	843.4	941.0	199.9
Comprehensive loss (income) attributable to noncontrolling interests	14.0	(4.1)	11.6
Comprehensive income attributable to AGCO Corporation and subsidiaries	\$ 857.4	\$ 936.9	\$ 211.5

See accompanying notes to Consolidated Financial Statements.

AGCO CORPORATION

CONSOLIDATED BALANCE SHEETS
(in millions, except share amounts)

	December 31, 2022	December 31, 2021
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 789.5	\$ 889.1
Accounts and notes receivable, net	1,221.3	991.5
Inventories, net	3,189.7	2,593.7
Other current assets	538.8	539.8
Total current assets	5,739.3	5,014.1
Property, plant and equipment, net	1,591.2	1,464.8
Right-of-use lease assets	163.9	154.1
Investments in affiliates	436.9	413.5
Deferred tax assets	228.5	169.3
Other assets	268.7	293.3
Intangible assets, net	364.4	392.2
Goodwill	1,310.8	1,280.8
Total assets	\$ 10,103.7	\$ 9,182.1
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current portion of long-term debt	\$ 187.1	\$ 2.1
Short term borrowings	8.9	90.8
Accounts payable	1,385.3	1,078.3
Accrued expenses	2,271.3	2,062.2
Other current liabilities	235.4	221.2
Total current liabilities	4,088.0	3,454.6
Long-term debt, less current portion and debt issuance costs	1,264.8	1,411.2
Operating lease liabilities	125.4	115.5
Pensions and postretirement health care benefits	158.0	209.0
Deferred tax liabilities	112.0	116.9
Other noncurrent liabilities	472.9	431.1
Total liabilities	6,221.1	5,738.3
Commitments and contingencies (Note 12)		
Stockholders' Equity:		
AGCO Corporation stockholders' equity:		
Preferred stock; \$0.01 par value, 1,000,000 shares authorized, no shares issued or outstanding in 2022 and 2021	—	—
Common stock; \$0.01 par value, 150,000,000 shares authorized, 74,600,815 and 74,441,312 shares issued and outstanding at December 31, 2022 and 2021, respectively ..	0.7	0.7
Additional paid-in capital	30.2	3.9
Retained earnings	5,654.6	5,182.2
Accumulated other comprehensive loss	(1,803.1)	(1,770.9)
Total AGCO Corporation stockholders' equity	3,882.4	3,415.9
Noncontrolling interests	0.2	27.9
Total stockholders' equity	3,882.6	3,443.8
Total liabilities and stockholders' equity	\$ 10,103.7	\$ 9,182.1

See accompanying notes to Consolidated Financial Statements.

AGCO CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in millions, except share amounts)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss			Noncontrolling Interests	Total Stockholders' Equity	
	Shares	Amount			Defined Benefit Pension Plans	Cumulative Translation Adjustment	Deferred Gains (Losses) on Derivatives			Accumulated Other Comprehensive Loss
Balance, December 31, 2019	75,471,562	\$ 0.8	\$ 4.7	\$ 4,443.5	\$ (296.4)	\$ (1,297.5)	\$ (1.3)	\$ (1,595.2)	\$ 53.2	\$ 2,907.0
Net income (loss)	—	—	—	427.1	—	—	—	—	(7.3)	419.8
Payment of dividends to shareholders	—	—	—	(48.0)	—	—	—	—	—	(48.0)
Issuance of non-employee director restricted stock	19,862	—	1.1	—	—	—	—	—	—	1.1
Issuance of stock awards	374,212	—	(7.3)	(8.4)	—	—	—	—	—	(15.7)
SSARs exercised	66,736	—	(4.1)	(0.1)	—	—	—	—	—	(4.2)
Stock compensation	—	—	39.9	(3.4)	—	—	—	—	—	36.5
Investment by noncontrolling interests	—	—	—	—	—	—	—	—	0.2	0.2
Distribution to noncontrolling interest	—	—	—	—	—	—	—	—	(3.3)	(3.3)
Changes in noncontrolling interest	—	—	—	—	—	—	—	—	(0.5)	(0.5)
Purchases and retirement of common stock	(970,141)	—	(3.4)	(51.6)	—	—	—	—	—	(55.0)
Defined benefit pension plans, net of taxes:										
Prior service credit arising during year	—	—	—	—	0.3	—	—	0.3	—	0.3
Net loss recognized due to settlement	—	—	—	—	0.3	—	—	0.3	—	0.3
Net actuarial loss arising during year	—	—	—	—	(32.7)	—	—	(32.7)	—	(32.7)
Amortization of prior service cost included in net periodic pension cost	—	—	—	—	2.1	—	—	2.1	—	2.1
Amortization of net actuarial losses included in net periodic pension cost	—	—	—	—	13.1	—	—	13.1	—	13.1
Deferred gains and losses on derivatives, net	—	—	—	—	—	—	(1.2)	(1.2)	—	(1.2)
Change in cumulative translation adjustment	—	—	—	—	—	(197.5)	—	(197.5)	(4.3)	(201.8)
Balance, December 31, 2020	74,962,231	0.8	30.9	4,759.1	(313.3)	(1,495.0)	(2.5)	(1,810.8)	38.0	3,018.0
Net income	—	—	—	897.0	—	—	—	—	4.5	901.5
Payment of dividends to shareholders	—	—	—	(358.5)	—	—	—	—	—	(358.5)
Issuance of non-employee director restricted stock	8,912	—	1.3	—	—	—	—	—	—	1.3
Issuance of stock awards	362,034	—	(29.5)	—	—	—	—	—	—	(29.5)
SSARs exercised	60,339	—	(5.4)	—	—	—	—	—	—	(5.4)
Stock compensation	—	—	26.1	—	—	—	—	—	—	26.1
Distribution to noncontrolling interest	—	—	—	—	—	—	—	—	(3.6)	(3.6)
Sale of noncontrolling interests	—	—	—	—	—	—	—	—	(10.6)	(10.6)
Purchases and retirement of common stock	(952,204)	(0.1)	(19.5)	(115.4)	—	—	—	—	—	(135.0)
Defined benefit pension plans, net of taxes:										
Prior service credit arising during year	—	—	—	—	10.0	—	—	10.0	—	10.0
Net loss recognized due to settlement	—	—	—	—	0.1	—	—	0.1	—	0.1
Net loss recognized due to curtailment	—	—	—	—	6.3	—	—	6.3	—	6.3
Net actuarial gain arising during year	—	—	—	—	53.6	—	—	53.6	—	53.6
Amortization of prior service cost included in net periodic pension cost	—	—	—	—	0.6	—	—	0.6	—	0.6
Amortization of net actuarial losses included in net periodic pension cost	—	—	—	—	12.3	—	—	12.3	—	12.3
Deferred gains and losses on derivatives, net	—	—	—	—	—	—	2.1	2.1	—	2.1
Change in cumulative translation adjustment	—	—	—	—	—	(45.1)	—	(45.1)	(0.4)	(45.5)
Balance, December 31, 2021	74,441,312	0.7	3.9	5,182.2	(230.4)	(1,540.1)	(0.4)	(1,770.9)	27.9	3,443.8
Net income (loss)	—	—	—	889.6	—	—	—	—	(14.9)	874.7
Payment of dividends to shareholders	—	—	—	(404.3)	—	—	—	—	—	(404.3)
Issuance of non-employee director restricted stock	10,301	—	1.5	—	—	—	—	—	—	1.5
Issuance of stock awards	250,719	—	(6.5)	(12.9)	—	—	—	—	—	(19.4)
SSARs exercised	12,307	—	(1.2)	—	—	—	—	—	—	(1.2)
Stock compensation	—	—	32.5	—	—	—	—	—	—	32.5
Distributions to noncontrolling interest	—	—	—	—	—	—	—	—	(13.8)	(13.8)
Investment by noncontrolling interests	—	—	—	—	—	—	—	—	0.1	0.1
Purchases and retirement of common stock	(113,824)	—	—	—	—	—	—	—	—	—
Defined benefit pension plans, net of taxes:										
Prior service credit arising during year	—	—	—	—	(19.1)	—	—	(19.1)	—	(19.1)
Net gain recognized due to settlement	—	—	—	—	(0.4)	—	—	(0.4)	—	(0.4)
Net actuarial gain arising during year	—	—	—	—	12.3	—	—	12.3	—	12.3
Amortization of net actuarial losses included in net periodic pension cost	—	—	—	—	6.4	—	—	6.4	—	6.4
Deferred gains and losses on derivatives, net	—	—	—	—	—	—	(0.5)	(0.5)	—	(0.5)
Change in cumulative translation adjustment	—	—	—	—	—	(30.9)	—	(30.9)	0.9	(30.0)
Balance, December 31, 2022	74,600,815	\$ 0.7	\$ 30.2	\$ 5,654.6	\$ (231.2)	\$ (1,571.0)	\$ (0.9)	\$ (1,803.1)	\$ 0.2	\$ 3,882.6

See accompanying notes to Consolidated Financial Statements.

AGCO CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	Years Ended December 31,		
	2022	2021	2020
Cash flows from operating activities:			
Net income	\$ 874.7	\$ 901.5	\$ 419.8
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	209.5	220.7	212.5
Impairment charges	36.0	—	20.0
Amortization of intangibles	60.1	61.1	59.5
Stock compensation expense	34.0	27.4	37.6
Equity in net earnings of affiliates, net of cash received	(40.8)	(1.9)	(43.7)
Deferred income tax (benefit) provision	(58.0)	(117.9)	3.4
Other	16.2	20.5	(7.4)
Changes in operating assets and liabilities, net of effects from purchase of businesses:			
Accounts and notes receivable, net	(306.1)	(207.7)	(90.5)
Inventories, net	(668.3)	(762.6)	119.7
Other current and noncurrent assets	20.1	(268.0)	(49.8)
Accounts payable	322.1	292.2	(59.1)
Accrued expenses	282.7	241.2	185.3
Other current and noncurrent liabilities	56.0	253.7	89.2
Total adjustments	<u>(36.5)</u>	<u>(241.3)</u>	<u>476.7</u>
Net cash provided by operating activities	<u>838.2</u>	<u>660.2</u>	<u>896.5</u>
Cash flows from investing activities:			
Purchases of property, plant and equipment	(388.3)	(269.8)	(269.9)
Proceeds from sale of property, plant and equipment	2.6	6.3	1.9
Purchase of businesses, net of cash acquired	(111.3)	(22.6)	(2.8)
Sale of, distributions from (investments in) unconsolidated affiliates, net	4.0	13.1	29.1
Other	(3.8)	(15.4)	—
Net cash used in investing activities	<u>(496.8)</u>	<u>(288.4)</u>	<u>(241.7)</u>
Cash flows from financing activities:			
Proceeds from indebtedness	410.5	2,497.6	1,195.6
Repayments of indebtedness	(377.5)	(2,501.4)	(1,045.6)
Purchases and retirement of common stock	—	(135.0)	(55.0)
Payment of dividends to stockholders	(404.3)	(358.5)	(48.0)
Payment of minimum tax withholdings on stock compensation	(20.6)	(34.9)	(19.8)
Payment of debt issuance costs	(3.6)	(3.8)	(1.4)
Distributions to noncontrolling interests, net	(11.5)	(3.5)	(3.1)
Net cash (used in) provided by financing activities	<u>(407.0)</u>	<u>(539.5)</u>	<u>22.7</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(34.0)	(62.3)	8.8
(Decrease) increase in cash, cash equivalents and restricted cash	(99.6)	(230.0)	686.3
Cash, cash equivalents and restricted cash, beginning of year	889.1	1,119.1	432.8
Cash, cash equivalents and restricted cash, end of year	<u>\$ 789.5</u>	<u>\$ 889.1</u>	<u>\$ 1,119.1</u>

See accompanying notes to Consolidated Financial Statements.

AGCO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Operations and Summary of Significant Accounting Policies

Business

AGCO Corporation and subsidiaries (“AGCO” or the “Company”) is a leading manufacturer and distributor of agricultural equipment and related replacement parts throughout the world. The Company sells a full range of agricultural equipment, including tractors, combines, hay tools, sprayers, forage equipment, seeding and tillage equipment, implements, and grain storage and protein production systems. The Company’s products are widely recognized in the agricultural equipment industry and are marketed under a number of well-known brand names including Fendt[®], GSI[®], Massey Ferguson[®], Precision Planting[®] and Valtra[®], supported by our FUSE[®] precision agriculture solutions. The Company distributes most of its products through a combination of approximately 3,100 independent dealers and distributors as well as the Company utilizes associates and licensees to provide a distribution channel for its products. In addition, the Company provides retail financing through its finance joint ventures with Coöperatieve Rabobank U.A., or “Rabobank.”

Basis of Presentation and Consolidation

The Company’s Consolidated Financial Statements represent the consolidation of all wholly-owned companies, majority-owned companies and joint ventures in which the Company has been determined to be the primary beneficiary. The Company consolidates a variable interest entity (“VIE”) if the Company determines it is the primary beneficiary. The primary beneficiary of a VIE is the party that has both the power to direct the activities that most significantly impact the entity’s economic performance and the obligation to absorb losses or the right to receive benefits that potentially could be significant to the VIE. The Company also consolidates all entities that are not considered VIEs if it is determined that the Company has a controlling voting interest to direct the activities that most significantly impact the joint venture or entity. The Company records investments in all other affiliate companies using the equity method of accounting when it has significant influence. Other investments, including those representing an ownership interest of less than 20%, are recorded at cost. All significant intercompany balances and transactions have been eliminated in the Consolidated Financial Statements.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The estimates made by management primarily relate to accounts and notes receivable, inventories, deferred income tax valuation allowances, uncertain tax positions, goodwill and other identifiable intangible assets, and certain accrued liabilities, principally relating to reserves for volume discounts and sales incentives, warranty obligations, product liability and workers’ compensation obligations, recoverable indirect taxes and pensions and postretirement benefits.

The Company cannot predict the ongoing impact of the COVID-19 pandemic due to volatility in global economic and political environments, the cyclical nature of market demand for its products, supply chain disruptions, possible workforce unavailability, exchange rate and commodity and protein price volatility and availability of financing, and their impact to the Company’s net sales, production volumes, costs and overall financial condition and available funding.

Foreign Currency Translation

The financial statements of the Company’s foreign subsidiaries are translated into United States currency in accordance with Accounting Standards Codification (“ASC”) 830, “Foreign Currency Matters.” Assets and liabilities are translated to United States dollars at period-end exchange rates. Income and expense items are translated at average rates of exchange prevailing during the period. Translation adjustments are included in “Accumulated other comprehensive loss” in stockholders’ equity within the Company’s Consolidated Balance Sheets. Gains and losses, which result from foreign currency transactions, are included in the accompanying Consolidated Statements of Operations. The Company changed the functional currency of its wholly-owned subsidiary from the Argentinian peso to the U.S. dollar effective July 1, 2018.

The Company is subject to the risk of the imposition of limitations by governments on international transfers of funds. For example, in recent years, the Argentine government has substantially limited the ability of companies to transfer funds out of Argentina. As a consequence of these limitations, the spread between the official government exchange rate and the

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

exchange rates resulting implicitly from certain capital market operations, usually effected to obtain U.S. dollars, has broadened significantly. The net monetary assets of the Company's operations in Argentina denominated in pesos at the official government rate were approximately 4.1 billion (or approximately \$23.0 million) as of December 31, 2022, inclusive of approximately 6.8 billion pesos (or approximately \$38.1 million) in cash and cash equivalents. In addition, the Company has an obligation to reimburse AGCO Capital Argentina S.A., one of its finance joint ventures with Rabobank, up to \$10 million under a guarantee related to the ability of AGCO Capital Argentina S.A. to transfer funds out of Argentina. The finance joint venture in Argentina has net monetary assets denominated in pesos at the official government rate of approximately 4.1 billion (or approximately \$22.9 million) as of December 31, 2022, of which a majority is cash and cash equivalents. Future impairments and charges are possible in connection with these exposures.

Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents reported in the Consolidated Balance Sheets as of December 31, 2022, 2021 and 2020 and cash, cash equivalents and restricted cash shown in the Consolidated Statements of Cash Flows for the years ended December 31, 2022, 2021 and 2020 are as follows (in millions):

	December 31, 2022	December 31, 2021	December 31, 2020
Cash ⁽¹⁾	\$ 656.7	\$ 833.0	\$ 1,022.0
Cash equivalents ⁽²⁾	130.8	49.2	89.7
Restricted cash ⁽³⁾	2.0	6.9	7.4
Total	\$ 789.5	\$ 889.1	\$ 1,119.1

(1) Consisted primarily of cash on hand and bank deposits.

(2) Consisted primarily of money market deposits, certificates of deposits and overnight investments. The Company considers all investments with an original maturity of three months or less to be cash equivalents.

(3) Consisted primarily of cash in escrow or held as guarantee to support specific requirements.

Accounts and Notes Receivable

Accounts and notes receivable arise from the sale of equipment and replacement parts to independent dealers, distributors or other customers. In the United States and Canada, amounts due from sales to dealers are immediately due upon a retail sale of the underlying equipment by the dealer with the exception of sales of grain storage and protein production systems as discussed further below. If not previously paid by the dealer in the United States and Canada, installment payments are required generally beginning after the interest-free period with the remaining outstanding equipment balance generally due within 12 months after shipment or delivery. These interest-free periods vary by product and generally range from one to 12 months. In limited circumstances, the Company provides sales terms, and in some cases, interest-free periods that are longer than 12 months for certain products. These are typically specified programs predominately in the United States and Canada, that allow for interest-free periods and due dates of up to 24 months for certain products depending on the year of the sale and the dealer or distributor's ordering or sales volume during the preceding year. Interest generally is charged at or above prime lending rates on the outstanding receivable balances after shipment or delivery and after interest-free periods. Sales terms of some highly seasonal products provide for payment and due dates based on a specified date during the year regardless of the shipment date. Equipment sold to dealers in the United States and Canada is paid in full on average within 12 months of shipment. Sales of replacement parts generally are payable within 30 days of shipment, with terms for some larger, seasonal stock orders generally requiring payment within six months of shipment. Under normal circumstances, equipment may not be returned. In certain regions, with respect to most equipment sales, including the United States and Canada, the Company is obligated to repurchase equipment and replacement parts upon cancellation of a dealer or distributor contract. These obligations are required by national, state or provincial laws and require the Company to repurchase a dealer or distributor's unsold inventory, including inventories for which the receivable already has been paid. Actual interest-free periods are shorter than described above because the equipment receivable from dealers or distributors in some countries, such as in the United States and Canada, is generally due immediately upon sale of the equipment to a retail customer as discussed above. Receivables can also be paid prior to terms specified in sales agreements. Under normal circumstances, interest is not forgiven and interest-free periods are not extended.

In other international markets, equipment sales generally are payable in full within 30 days to 180 days of shipment or delivery. Payment terms for some highly seasonal products have a specified due date during the year regardless of the shipment or delivery date. For sales in most markets outside of the United States and Canada, the Company generally does not charge

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

interest on outstanding receivables with its dealers and distributors. Sales of replacement parts generally are payable within 30 days to 90 days of shipment, with terms for some larger, seasonal stock orders generally payable within six months of shipment.

In certain markets, there is a time lag, which varies based on the timing and level of retail demand, between the date the Company records a sale and when the dealer sells the equipment to a retail customer.

Sales of grain storage and protein production systems both in the United States and in other countries generally are payable within 30 days of shipment. In certain countries, sales of such systems for which the Company is responsible for construction or installation may be contingent upon customer acceptance. Payment terms vary by market and product, with fixed payment schedules on all sales. When the Company is responsible for installation services, fixed payment schedules may include upfront deposits, progress payments and final payment upon customer acceptance.

The following summarizes by geographic region, as a percentage of the Company's consolidated net sales, amounts with maximum interest-free periods as presented below (in millions):

Year Ended December 31, 2022	North America	South America	Europe/ Middle East	Asia/ Pacific/Africa	Consolidated	
0 to 6 months	\$ 2,519.6	\$ 2,023.2	\$ 6,444.6	\$ 907.4	\$11,894.8	94.0 %
7 to 12 months	650.9	96.6	2.7	—	750.2	5.9 %
13 to 24 months	4.6	1.8	—	—	6.4	0.1 %
	<u>\$ 3,175.1</u>	<u>\$ 2,121.6</u>	<u>\$ 6,447.3</u>	<u>\$ 907.4</u>	<u>\$12,651.4</u>	<u>100.0 %</u>

The Company has an agreement to permit transferring, on an ongoing basis, a majority of its wholesale interest-bearing and non-interest bearing accounts receivable in North America, Europe and Brazil to its U.S., Canadian, European and Brazilian finance joint ventures. Qualified dealers may obtain additional financing through the Company's U.S., Canadian, European and Brazilian finance joint ventures at the joint ventures' discretion.

The Company provides various volume bonus and sales incentive programs with respect to its products. These sales incentive programs include reductions in invoice prices, reductions in retail financing rates, dealer commissions and dealer incentive allowances. In most cases, incentive programs are established and communicated to the Company's dealers on a quarterly basis. The incentives are paid either at the time of the cash settlement of the receivable (which is generally at the time of retail sale), at the time of retail financing, at the time of warranty registration, or at a subsequent time based on dealer purchase volumes. The incentive programs are product-line specific and generally do not vary by dealer. The cost of sales incentives associated with dealer commissions and dealer incentive allowances is estimated based upon the terms of the programs and historical experience, is based on a percentage of the sales price, and estimates for sales incentives are made and recorded at the time of sale for expected incentive programs using the expected value method. These estimates are reassessed each reporting period and are revised in the event of subsequent modifications to incentive programs, as they are communicated to dealers. The related provisions and accruals are made on a product or product-line basis and are monitored for adequacy and revised at least quarterly in the event of subsequent modifications to the programs. Interest rate subsidy payments, which are a reduction in retail finance rates, are recorded in the same manner as dealer commissions and dealer incentive allowances. Volume discounts are estimated and recognized based on historical experience, and related reserves are monitored and adjusted based on actual dealer purchase volumes and the dealer's progress towards achieving specified cumulative target levels. All incentive programs are recorded and presented as a reduction of revenue, due to the fact that the Company does not receive a distinct good or service in exchange for the consideration provided. In the United States and Canada, reserves for incentive programs related to accounts receivable not sold to Company's U.S. and Canadian finance joint ventures are recorded as "Accounts receivable allowances" within the Company's Consolidated Balance Sheets due to the fact that the incentives are paid through a reduction of future cash settlement of the receivable. Globally, reserves for incentive programs that will be paid in cash or credit memos, as is the case with most of the Company's volume discount programs, as well as sales with incentives associated with accounts receivable sold to its finance joint ventures, are recorded within "Accrued expenses" within the Company's Consolidated Balance Sheets.

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Accounts and notes receivable are shown net of allowances for sales incentive discounts available to dealers and for doubtful accounts. Cash flows related to the collection of receivables are reported within “Cash flows from operating activities” within the Company’s Consolidated Statements of Cash Flows. Accounts and notes receivable allowances at December 31, 2022 and 2021 were as follows (in millions):

	2022	2021
Sales incentive discounts	\$ 7.6	\$ 8.0
Doubtful accounts	31.3	32.6
	\$ 38.9	\$ 40.6

The Company accounts for its provision for doubtful accounts in accordance with Accounting Standards Update (“ASU”) 2016-13, “Measurement of Credit Losses on Financial Instruments,” (“ASU 2016-13”).

In the United States and Canada, sales incentives can be paid through future cash settlements of receivables and through credit memos to Company’s dealers or through reductions in retail financing rates paid to the Company’s finance joint ventures. Outside of the United States and Canada, sales incentives can be paid through cash or credit memos to the Company’s dealers or through reductions in retail financing rates paid to the Company’s finance joint ventures. The Company transfers certain accounts receivable under its accounts receivable sales agreements with its finance joint ventures and other financial institutions (see Note 4). The Company records such transfers as sales of accounts receivable when it is considered to have surrendered control of such receivables under the provisions of ASU 2009-16, “Transfers and Servicing (Topic 860): Accounting for Transfers of Financial Assets.” Cash payments made to the Company’s finance joint ventures for sales incentive discounts provided to dealers related to outstanding accounts receivables sold are recorded within “Accrued expenses.”

Inventories

Inventories are valued at the lower of cost or net realizable value, using the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. At December 31, 2022 and 2021, the Company had recorded \$211.6 million and \$202.6 million, respectively, as an adjustment for surplus and obsolete inventories. These adjustments are reflected within “Inventories, net” within the Company’s Consolidated Balance Sheets.

Inventories, net at December 31, 2022 and 2021 were as follows (in millions):

	2022	2021
Finished goods	\$ 994.9	\$ 718.2
Repair and replacement parts	750.1	697.8
Work in process	369.8	282.8
Raw materials	1,074.9	894.9
Inventories, net	\$ 3,189.7	\$ 2,593.7

Cash flows related to the sale of inventories are reported within “Cash flows from operating activities” within the Company’s Consolidated Statements of Cash Flows.

Recoverable Indirect Taxes

The Company’s Brazilian operations incur value added taxes (“VAT”) on certain purchases of raw materials, components and services. These taxes are accumulated as tax credits and create assets that are reduced by the VAT collected from the Company’s sales in the Brazilian market. The Company regularly assesses the recoverability of these tax credits, and establishes reserves when necessary against them, through analyses that include, amongst others, the history of realization, the transfer of tax credits to third parties as authorized by the government, anticipated changes in the supply chain and the future expectation of tax debits from the Company’s ongoing operations. The Company believes that these tax credits, net of established reserves, are realizable. The Company had recorded approximately \$94.6 million and \$114.4 million, respectively, of VAT tax credits, net of reserves, as of December 31, 2022 and 2021.

AGCO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Property, Plant and Equipment

Property, plant and equipment are recorded at cost, less accumulated depreciation and amortization. Depreciation is provided on a straight-line basis over the estimated useful lives of two to 40 years for buildings and improvements, three to 20 years for machinery and equipment and three to ten years for furniture and fixtures. Expenditures for maintenance and repairs are primarily charged to expense as incurred.

Property, plant and equipment, net at December 31, 2022 and 2021 consisted of the following (in millions):

	<u>2022</u>	<u>2021</u>
Land	\$ 141.1	\$ 141.0
Buildings and improvements	920.7	875.9
Machinery and equipment	2,789.8	2,702.3
Furniture and fixtures	182.8	171.1
Gross property, plant and equipment	4,034.4	3,890.3
Accumulated depreciation and amortization	(2,443.2)	(2,425.5)
Property, plant and equipment, net	<u>\$ 1,591.2</u>	<u>\$ 1,464.8</u>

Goodwill, Other Intangible Assets and Long-Lived Assets

The Company tests goodwill for impairment, at the reporting unit level, annually and when events or circumstances indicate that fair value of a reporting unit may be below its carrying value. A reporting unit is an operating segment or one level below an operating segment, for example, a component. The Company combines and aggregates two or more components of an operating segment as a single reporting unit if the components have similar economic characteristics. The Company's reportable segments are not its reporting units.

Goodwill is evaluated annually as of October 1st for impairment using a qualitative assessment or a quantitative one-step assessment. If the Company elects to perform a qualitative assessment and determines the fair value of its reporting units more likely than not exceed the carrying value of their net assets, no further evaluation is necessary. For reporting units where the Company performs a one-step quantitative assessment, the Company compares the fair value of each reporting unit, which is determined based on a combination of a discounted cash flow valuation approach and a market multiple valuation approach, to its respective carrying value of net assets, including goodwill. If the fair value of the reporting unit exceeds its carrying value of net assets, the goodwill is not considered impaired. If the carrying value of net assets is higher than the fair value of the reporting unit, an impairment charge is recorded in the amount by which the carrying value exceeds the reporting unit's fair value in accordance with ASU 2017-04.

The Company reviews its long-lived assets, which include intangible assets subject to amortization, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The evaluation for recoverability is performed at a level where independent cash flows may be attributed to either an asset or asset group. If the Company determines that the carrying amount of an asset or asset group is not recoverable based on the expected undiscounted future cash flows of the asset or asset group, an impairment loss is recorded equal to the excess of the carrying amounts over the estimated fair value of the long-lived assets. Estimates of future cash flows are based on many factors, including current operating results, expected market trends and competitive influences. The Company also evaluates the amortization periods assigned to its intangible assets to determine whether events or changes in circumstances warrant revised estimates of useful lives. Assets to be disposed of by sale are reported at the lower of the carrying amount or fair value, less estimated costs to sell.

The results of our goodwill and long-lived assets impairment analyses conducted as of October 1, 2022, 2021 and 2020 indicated that no indicators of impairment existed and no reduction in the carrying amount of goodwill and long-lived assets was required.

The COVID-19 pandemic has adversely impacted the global economy as a whole since its inception. Based on macroeconomic conditions throughout 2020, the Company assessed its goodwill and other intangible assets for indications of impairment, and as of June 30, 2020, the Company concluded there were indicators of impairment during the three months ended June 30, 2020 related to one of its smaller reporting units, which was a 50%-owned tillage and seeding equipment joint

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

venture. As a result, the entire goodwill balance of this reporting unit was impaired, and during the three months ended June 30, 2020, the Company recorded a non-cash impairment charge of approximately \$20.0 million as “Impairment charges” within the Company’s Consolidated Statements of Operations, with an offsetting benefit of approximately \$10.0 million included within “Net (income) loss attributable to noncontrolling interests.” During the three months ended June 30, 2021, the Company sold its 50% interest in the joint venture.

The Company’s accumulated goodwill impairment is approximately \$354.1 million related to impairment charges the Company recorded during 2019, 2012 and 2006 pertaining to its grain storage and protein production systems business in Europe/Middle East, its Chinese harvesting reporting unit and its former sprayer reporting unit, respectively. The Company’s grain storage and protein production systems Europe/Middle East reporting unit operates within the Europe/Middle East geographical reportable segment. The Chinese harvesting business operates within the Asia/Pacific/Africa geographical reportable segment and the former sprayer reporting unit operates within the North American geographical reportable segment.

Changes in the carrying amount of goodwill during the years ended December 31, 2022, 2021 and 2020 are summarized as follows (in millions):

	North America	South America	Europe/ Middle East	Asia/ Pacific/Africa	Consolidated
Balance as of December 31, 2019.....	\$ 606.0	\$ 112.2	\$ 463.3	\$ 116.8	\$ 1,298.3
Acquisitions	7.2	—	—	—	7.2
Impairment charge	(20.0)	—	—	—	(20.0)
Foreign currency translation	0.2	(24.7)	38.0	7.5	21.0
Balance as of December 31, 2020.....	593.4	87.5	501.3	124.3	1,306.5
Acquisition	16.2	—	0.6	—	16.8
Foreign currency translation	—	(5.8)	(32.4)	(4.3)	(42.5)
Balance as of December 31, 2021	609.6	81.7	469.5	120.0	1,280.8
Acquisitions	59.8	—	—	—	59.8
Foreign currency translation	(2.1)	4.3	(25.2)	(6.8)	(29.8)
Balance as of December 31, 2022.....	<u>\$ 667.3</u>	<u>\$ 86.0</u>	<u>\$ 444.3</u>	<u>\$ 113.2</u>	<u>\$ 1,310.8</u>

The Company amortizes certain acquired identifiable intangible assets primarily on a straight-line basis over their estimated useful lives, which range from four to 50 years. External-use software, which is or will be marketed for sale, was approximately \$3.4 million as of December 31, 2022 and classified within “Intangible assets, net.” Amortization of external-use software has not started as the product is still being developed. The acquired intangible assets have a weighted average useful life as follows:

Intangible Assets	Weighted-Average Useful Life
Patents and technology	11 years
Customer relationships	13 years
Trademarks and trade names	19 years
Land use rights	46 years

For the years ended December 31, 2022, 2021 and 2020, acquired intangible asset amortization was \$60.1 million, \$60.9 million and \$59.5 million, respectively. The Company estimates amortization of existing intangible assets will be \$56.3 million in 2023, \$55.1 million in 2024, \$51.2 million in 2025, \$22.8 million in 2026, and \$18.7 million in 2027.

The Company has previously determined that two of its trademarks have an indefinite useful life. The Massey Ferguson trademark has been in existence since 1952 and was formed from the merger of Massey-Harris (established in the 1890’s) and Ferguson (established in the 1930’s). The Massey Ferguson brand is currently sold in approximately 110 countries worldwide, making it one of the most widely sold tractor brands in the world. The Company also has identified the Valtra trademark as an indefinite-lived asset. The Valtra trademark has been in existence since the late 1990’s, but is a derivative of the Valmet trademark which has been in existence since 1951. The Valmet name transitioned to the Valtra name over a period of time in the marketplace. The Valtra brand is currently sold in approximately 60 countries around the world. Both the Massey

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Ferguson brand and the Valtra brand are primary product lines of the Company's business, and the Company plans to use these trademarks for an indefinite period of time. The Company plans to continue to make investments in product development to enhance the value of these brands into the future. There are no legal, regulatory, contractual, competitive, economic or other factors that the Company is aware of or that the Company believes would limit the useful lives of the trademarks. The Massey Ferguson and Valtra trademark registrations can be renewed at a nominal cost in the countries in which the Company operates.

Changes in the carrying amount of acquired intangible assets during 2022 and 2021 are summarized as follows (in millions):

Gross Carrying Amounts	Trademarks and Trade Names	Customer Relationships	Patents and Technology	Land Use Rights	Total
Gross carrying amounts:					
Balance as of December 31, 2020	\$ 195.1	\$ 580.6	\$ 157.2	\$ 6.8	\$ 939.7
Acquisitions	0.7	3.2	6.1	—	10.0
Sale of business	(1.3)	(4.4)	(17.1)	—	(22.8)
Foreign currency translation	(5.5)	(10.8)	(6.3)	0.2	(22.4)
Balance as of December 31, 2021	189.0	568.6	139.9	7.0	904.5
Acquisitions	7.1	15.4	15.4	—	37.9
Foreign currency translation	(4.3)	(9.5)	(4.7)	(0.5)	(19.0)
Balance as of December 31, 2022	<u>\$ 191.8</u>	<u>\$ 574.5</u>	<u>\$ 150.6</u>	<u>\$ 6.5</u>	<u>\$ 923.4</u>

Accumulated Amortization	Trademarks and Trade Names	Customer Relationships	Patents and Technology	Land Use Rights	Total
Accumulated amortization:					
Balance as of December 31, 2020	\$ 85.3	\$ 384.7	\$ 102.4	\$ 1.1	\$ 573.5
Amortization expense	10.8	37.4	12.5	0.2	60.9
Sale of business	(1.3)	(4.4)	(15.2)	—	(20.9)
Foreign currency translation	(1.7)	(8.0)	(5.0)	0.2	(14.5)
Balance as of December 31, 2021	93.1	409.7	94.7	1.5	599.0
Amortization expense	11.7	37.9	10.4	0.1	60.1
Foreign currency translation	(1.5)	(6.8)	(3.6)	—	(11.9)
Balance as of December 31, 2022	<u>\$ 103.3</u>	<u>\$ 440.8</u>	<u>\$ 101.5</u>	<u>\$ 1.6</u>	<u>\$ 647.2</u>

Indefinite-Lived Intangible Assets	Trademarks and Trade Names
Balance as of December 31, 2020	\$ 89.4
Foreign currency translation	(2.7)
Balance as of December 31, 2021	86.7
Foreign currency translation	(1.9)
Balance as of December 31, 2022	<u>\$ 84.8</u>

During the years ended December 31, 2022 and 2021, the Company acquired approximately \$2.0 million and \$16.3 million, respectively, of functional intellectual property licenses associated with various component technology related to the Company's products. The Company is amortizing these licenses over a period of five years, and recorded amortization expense of approximately \$3.0 million during 2022 within "Engineering expenses" and \$0.2 million during 2021 within "Amortization of intangibles" in the Company's Consolidated Statements of Operations, resulting in a remaining unamortized amount of approximately \$15.1 million as of December 31, 2022, reflected within "Other assets" in the Company's Consolidated Balance Sheets.

AGCO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Accrued Expenses

Accrued expenses at December 31, 2022 and 2021 consisted of the following (in millions):

	2022	2021
Reserve for volume discounts and sales incentives	\$ 630.8	\$ 602.3
Warranty reserves	546.0	492.7
Accrued employee compensation and benefits	390.2	322.3
Accrued taxes	344.8	282.5
Other	359.5	362.4
Balance at the end of the year	<u>\$ 2,271.3</u>	<u>\$ 2,062.2</u>

Warranty Reserves

The warranty reserve activity for the years ended December 31, 2022, 2021 and 2020 consisted of the following (in millions):

	2022	2021	2020
Balance at beginning of the year	\$ 592.5	\$ 521.8	\$ 392.8
Acquisitions	—	—	0.2
Accruals for warranties issued during the year	338.8	344.9	310.2
Settlements made (in cash or in kind) during the year	(261.7)	(241.8)	(204.3)
Foreign currency translation	(29.6)	(32.4)	22.9
Balance at the end of the year	<u>\$ 640.0</u>	<u>\$ 592.5</u>	<u>\$ 521.8</u>

The Company’s agricultural equipment products generally are under warranty against defects in materials and workmanship for a period of one to four years. The Company accrues for future warranty costs at the time of sale based on historical warranty experience. Approximately \$94.0 million and \$99.8 million of warranty reserves are included in “Other noncurrent liabilities” in the Company’s Consolidated Balance Sheets as of December 31, 2022 and 2021, respectively.

The Company recognizes recoveries of the costs associated with warranties it provides when the collection is probable. When specifics of the recovery have been agreed upon with the Company’s suppliers through confirmation of liability for the recovery, the Company records the recovery within “Accounts and notes receivable, net.” Estimates of the amount of warranty claim recoveries to be received from the Company’s suppliers based upon contractual supplier arrangements are recorded within “Other current assets.”

Insurance Reserves

Under the Company’s insurance programs, coverage is obtained for significant liability limits as well as those risks required to be insured by law or contract. It is the policy of the Company to self-insure a portion of certain expected losses primarily related to workers’ compensation and comprehensive general liability, product and vehicle liability. Provisions for losses expected under these programs are recorded based on the Company’s estimates of the aggregate liabilities for the claims incurred.

Revenue

The Company accounts for revenue recognition pursuant to ASU 2014-09, “Revenue from Contracts with Customers.” Revenue is recognized when the Company satisfies the performance obligation by transferring control over goods or services to a dealer, distributor or other customer. The amount of revenue recognized is measured as the consideration the Company expects to receive in exchange for those goods or services pursuant to a contract with the customer. A contract exists once the Company receives and accepts a purchase order under a dealer sales agreement, or once the Company enters into a contract with an end user. The Company does not recognize revenue in cases where collectability is not probable, and defers the recognition until collection is probable or payment is received.

AGCO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The Company generates revenue from the manufacture and distribution of agricultural equipment and replacement parts. Sales of equipment and replacement parts, which represents a majority of the Company's net sales, are recorded by the Company at the point in time when title and control have been transferred to an independent dealer, distributor or other customer. Title generally passes to the dealer or distributor upon shipment or specified delivery, and the risk of loss upon damage, theft or destruction of the equipment is the responsibility of the dealer, distributor or designated third-party carrier. The Company believes control passes and the performance obligation is satisfied at the point of the stated shipping or delivery term with respect to such sales.

As previously discussed, the amount of consideration the Company receives and the revenue recognized varies with certain sales incentives the Company offers to dealers and distributors. Estimates for sales incentives are made at the time of sale for expected incentive programs using the expected value method. These estimates are revised in the event of subsequent modification to the incentive program. All incentive programs are recorded and presented as a reduction of revenue, due to the fact that the Company does not receive a distinct good or service in exchange for the consideration provided.

Dealers or distributors may not return equipment or replacement parts while their contract with the Company is in force, except for under established promotional and annual replacement parts return programs. At the time of sale, the Company estimates the amount of returns based on the terms of promotional and annual return programs and anticipated returns in the future.

Sales and other related taxes are excluded from the transaction price. Shipping and handling costs associated with freight activities after the customer has obtained control are accounted for as fulfillment costs and are expensed and accrued at the time revenue is recognized in "Cost of goods sold" and "Selling, general and administrative expenses" in the Company's Consolidated Statements of Operations.

As afforded under the practical expedient in ASU 2014-09, the Company does not adjust the amount of revenue to be recognized under a contract with a dealer, distributor or other customer for the time value of money when the difference between the receipt of payment and the recognition of revenue is less than one year.

Although, substantially all revenue is recognized at a point in time, a relatively insignificant amount of installation revenue associated with the sale of grain storage and protein production systems is recognized on an "over time" basis as discussed below. The Company also recognizes revenue "over time" with respect to extended warranty and maintenance contracts and certain precision technology services. Generally, almost all of the grain storage and protein production systems contracts with customers that relate to "over time" revenue recognition have contract durations of less than 12 months. Extended warranty, maintenance services contracts and certain precision technology services generally have contract durations of more than 12 months.

Grain Storage and Protein Production Systems Installation Revenue. In certain countries, the Company sells grain storage and protein production systems where the Company is responsible for construction and installation, and the sale is contingent upon customer acceptance. Under these conditions, the revenues are recognized over the term of the contract when the Company can objectively determine control has been transferred to the customer in accordance with agreed-upon specifications in the contract. For these contracts, the Company may be entitled to receive an advance payment, which is recognized as a contract liability for the amount in excess of the revenue recognized. The Company uses the input method using costs incurred to date relative to total estimated costs at completion to measure the progress toward satisfaction of the performance obligation. Revenues are recorded proportionally as costs are incurred. Costs include labor, material and overhead. The estimation of the progress toward completion is subject to various assumptions. As part of the estimation process, the Company reviews the length of time to complete the performance obligation, the cost of materials and labor productivity. If a significant change in one of the assumptions occurs, then the Company will recognize an adjustment under the cumulative catch-up method and the impact of the adjustment on the revenue recorded to date is recognized in the period the adjustment is identified.

Extended Warranty Contracts. The Company sells separately priced extended warranty contracts and maintenance contracts, which extends coverage beyond the base warranty period, or covers maintenance over a specified period. Revenue is recognized for the extended warranty contract on a straight-line basis, which the Company believes approximates the costs expected to be incurred in satisfying the obligations, over the extended warranty period. The extended warranty period ranges from one to five years. Payment is received or revenue is deferred for free contracts at the inception of the extended warranty contract or maintenance contract, which is recognized as a contract liability for the amount in excess of the revenue recognized. The revenue associated with the sale of extended warranty contracts is not significant.

AGCO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Precision Technology Services Revenue. The Company sells a combination of precision technology products and services. When the bundled package of technology products and services is sold, the portion of the consideration received related to the services component is recognized over time as the Company satisfies the future performance obligation. Revenue is recognized for the hardware component when control is transferred to the dealer or distributor. Payment is received or revenue is deferred for free subscriptions at inception of the precision technology subscription period, which is recognized as a contract liability for the amount in excess of the revenue recognized. The revenue associated with the sale of precision technology services is not significant. The costs of the software directly associated with the installation and functionality of precision technology products and services, including amortization and hosting costs, are reflected within “Cost of goods sold” and “Engineering expenses” within the Company’s Consolidated Statements of Operations.

See Note 16 for additional information regarding the Company’s sources of revenue and associated contract liabilities and performance obligations.

Stock Incentive Plans

Stock compensation expense was recorded as follows (in millions). Refer to Note 10 for additional information regarding the Company’s stock incentive plans during 2022, 2021 and 2020:

	Years Ended December 31,		
	2022	2021	2020
Cost of goods sold	\$ 1.3	\$ 1.0	\$ 1.1
Selling, general and administrative expenses	32.7	26.6	36.8
Total stock compensation expense	\$ 34.0	\$ 27.6	\$ 37.9

The Company recognizes the effect of award forfeitures as an adjustment to stock compensation expense in the period in which the forfeiture occurs.

Research and Development Expenses

Research and development expenses are expensed as incurred and are included in “Engineering expenses” in the Company’s Consolidated Statements of Operations.

Advertising Costs

The Company expenses all advertising costs as incurred. Cooperative advertising costs normally are expensed at the time the revenue is earned. Advertising expenses for the years ended December 31, 2022, 2021 and 2020 totaled approximately \$50.9 million, \$54.2 million and \$45.3 million, respectively.

Shipping and Handling Expenses

All shipping and handling fees charged to customers are included as a component of net sales, and are associated with freight activities after the customer has obtained control. Shipping and handling costs are accounted for as fulfillment costs and are expensed and accrued at the time revenue is recognized within “Cost of goods sold,” with the exception of certain handling costs included in “Selling, general and administrative expenses” in the amount of \$48.4 million, \$43.6 million and \$38.0 million for the years ended December 31, 2022, 2021 and 2020, respectively.

AGCO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Interest Expense, Net

Interest expense, net for the years ended December 31, 2022, 2021 and 2020 consisted of the following (in millions):

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Interest expense	\$ 46.0	\$ 25.4	\$ 24.9
Interest income	(33.0)	(18.7)	(9.9)
	<u>\$ 13.0</u>	<u>\$ 6.7</u>	<u>\$ 15.0</u>

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. See Note 6 for additional information regarding the Company's income taxes.

Net Income Per Common Share

Basic net income per common share is computed by dividing net income by the weighted average number of common shares outstanding during each period. Diluted net income per common share assumes the exercise of outstanding stock-settled stock appreciation rights ("SSARs") and the vesting of performance share awards and restricted stock units using the treasury stock method when the effects of such assumptions are dilutive.

A reconciliation of net income attributable to AGCO Corporation and subsidiaries and weighted average common shares outstanding for purposes of calculating basic and diluted net income per share during the years ended December 31, 2022, 2021 and 2020 is as follows (in millions, except per share data):

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Basic net income per share:			
Net income attributable to AGCO Corporation and subsidiaries	\$ 889.6	\$ 897.0	\$ 427.1
Weighted average number of common shares outstanding	74.6	75.2	75.0
Basic net income per share attributable to AGCO Corporation and subsidiaries	<u>\$ 11.92</u>	<u>\$ 11.93</u>	<u>\$ 5.69</u>
Diluted net income per share:			
Net income attributable to AGCO Corporation and subsidiaries	\$ 889.6	\$ 897.0	\$ 427.1
Weighted average number of common shares outstanding	74.6	75.2	75.0
Dilutive SSARs, performance share awards and restricted stock units	0.3	0.5	0.6
Weighted average number of common shares and common share equivalents outstanding for purposes of computing diluted net income per share	<u>74.9</u>	<u>75.7</u>	<u>75.6</u>
Diluted net income per share attributable to AGCO Corporation and subsidiaries	<u>\$ 11.87</u>	<u>\$ 11.85</u>	<u>\$ 5.65</u>

AGCO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Comprehensive Income (Loss)

The Company reports comprehensive income (loss), defined as the total of net income (loss) and all other non-owner changes in equity, and the components thereof in its Consolidated Statements of Stockholders' Equity and Consolidated Statements of Comprehensive Income. The components of other comprehensive income (loss) and the related tax effects for the years ended December 31, 2022, 2021 and 2020 are as follows (in millions):

	AGCO Corporation and Subsidiaries			Noncontrolling Interests
	2022			2022
	Before-tax Amount	Income Taxes	After-tax Amount	After-tax Amount
Defined benefit pension plans	\$ (2.0)	\$ 1.2	\$ (0.8)	\$ —
Net loss on derivatives	(0.5)	—	(0.5)	—
Foreign currency translation adjustments	(30.9)	—	(30.9)	0.9
Total components of other comprehensive income	<u>\$ (33.4)</u>	<u>\$ 1.2</u>	<u>\$ (32.2)</u>	<u>\$ 0.9</u>
	AGCO Corporation and Subsidiaries			Noncontrolling Interests
	2021			2021
	Before-tax Amount	Income Taxes	After-tax Amount	After-tax Amount
Defined benefit pension plans	\$ 110.1	\$ (27.2)	\$ 82.9	\$ —
Net gain on derivatives	2.5	(0.4)	2.1	—
Foreign currency translation adjustments	(45.1)	—	(45.1)	(0.4)
Total components of other comprehensive income	<u>\$ 67.5</u>	<u>\$ (27.6)</u>	<u>\$ 39.9</u>	<u>\$ (0.4)</u>
	AGCO Corporation and Subsidiaries			Noncontrolling Interests
	2020			2020
	Before-tax Amount	Income Taxes	After-tax Amount	After-tax Amount
Defined benefit pension plans	\$ (19.3)	\$ 2.4	\$ (16.9)	\$ —
Net loss on derivatives	(1.5)	0.3	(1.2)	—
Foreign currency translation adjustments	(197.5)	—	(197.5)	(4.3)
Total components of other comprehensive loss	<u>\$ (218.3)</u>	<u>\$ 2.7</u>	<u>\$ (215.6)</u>	<u>\$ (4.3)</u>

Derivatives

The Company uses foreign currency contracts to hedge the foreign currency exposure of certain receivables and payables. The contracts are for periods consistent with the exposure being hedged and generally have maturities of one year or less. These contracts are classified as non-designated derivative instruments. The Company also enters into foreign currency contracts designated as cash flow hedges of expected sales. The Company's foreign currency contracts mitigate risk due to exchange rate fluctuations because gains and losses on these contracts generally offset losses and gains on the exposure being hedged. The notional amounts of the foreign currency contracts do not represent amounts exchanged by the parties and, therefore, are not a measure of the Company's risk. The amounts exchanged are calculated on the basis of the notional amounts and other terms of the contracts. The credit and market risks under these contracts are not considered to be significant.

The Company's interest expense is, in part, sensitive to the general level of interest rates, and the Company manages its exposure to interest rate risk through the mix of floating rate and fixed rate debt. From time to time, the Company enters into interest rate swap agreements in order to manage the Company's exposure to interest rate fluctuations.

The Company uses non-derivative and, periodically, derivative instruments to hedge a portion of the Company's net investment in foreign operations against adverse movements in exchange rates.

AGCO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The Company's gross profit is sensitive to the cost of steel and other raw materials. From time to time, the Company enters into derivative instruments to hedge a portion of its commodity purchases against adverse movements in commodity prices.

The Company's hedging policy prohibits it from entering into any foreign currency contracts for speculative trading purposes. See Note 11 for additional information regarding the Company's derivative instruments and hedging activities.

Recent Accounting Pronouncements

In November 2021, the FASB issued ASU 2021-10, "Government Assistance (Topic 832): Disclosure by Business Entities about Government Assistance," which improves the transparency of government assistance received by most business entities by requiring the disclosure of: (1) the types of government assistance received; (2) the accounting for such assistance; and (3) the effect of the assistance on a business entity's financial statements. This guidance was effective for annual periods beginning after December 15, 2021. Early adoption is permitted. The Company receives government assistance generally in the form of research and development grants and employee payroll assistance, among others. The Company's policy is to account for government assistance using guidance analogous to government grants found in International Accounting Standards ("IAS") 20, *Accounting for Government Grants and Disclosure of Government Assistance*. The Company has adopted this guidance and the adoption did not have a material impact on the Company's results of operations, financial condition and cash flows and was deemed not material for annual disclosure as of December 31, 2022.

New Accounting Pronouncements to be Adopted

In June 2016, the FASB issued ASU 2016-13 "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments," which requires measurement and recognition of expected versus incurred credit losses for financial assets. In November 2019, the FASB issued ASU 2019-10, "Financial Instruments - Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates," which delays the effective date of ASU 2016-13 for smaller reporting companies and other non-SEC reporting entities. This applies to the Company's equity method finance joint ventures, which are now required to adopt ASU 2016-13 for annual periods beginning after December 15, 2022 and interim periods within those annual periods. The standard, and its subsequent modification, impacts the results of operations and financial condition of the Company's finance joint ventures. As such, adoption of the standard by the Company's finance joint ventures on January 1, 2023 impacted the Company's "Investments in affiliates" and "Retained earnings" by an immaterial amount.

In September 2022, the FASB issued ASU 2022-04, "Liabilities-Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations." The new standard requires that a buyer in a supplier finance program disclose sufficient information about the key terms of the program, the amount of outstanding confirmed obligations at period end, where the obligations are presented in the balance sheet, and a rollforward of the obligations during the annual period. This guidance will be effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years, except for the rollforward, which is effective for fiscal years beginning after December 15, 2023. Early adoption is permitted. The adoption of ASU 2022-04 will result in disclosure of the Company's supplier financing programs.

The Company has adopted ASU 2021-08, "Business Combinations: Accounting for Contract Assets and Contract Liabilities from Contracts with Customers," effective for fiscal years beginning after December 15, 2022, which did not have a material impact on the Company's results of operations, financial condition or cash flows but is dependent on future acquisitions.

2. Acquisitions

On May 2, 2022, the Company acquired JCA Industries, Inc. ("JCA") for 63.0 million Canadian dollars (or approximately \$49.2 million as of May 2, 2022). JCA is located in Winnipeg, Manitoba, Canada, and specializes in the design of electronic systems and software development to automate and control agricultural equipment. The Company recorded approximately 43.9 million Canadian dollars (or approximately \$34.0 million) of goodwill associated with the acquisition. The associated goodwill has been included in the Company's North America geographical reportable segment.

On January 1, 2022 the Company acquired Appareo Systems, LLC ("Appareo") for approximately \$62.1 million, net of approximately \$0.5 million of cash. As a result of the acquisition of the remaining 50% interest in IAS, the Company's previous operating joint venture with Appareo, the Company recorded a gain of approximately \$3.4 million on the remeasurement of the previously held equity interest within "Other expense, net" in the Company's Consolidated Statements of

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Operations. The fair value of the previously held 50% interest in the joint venture as of the acquisition date was approximately \$11.2 million. Appareo is headquartered in Fargo, North Dakota and offers engineering, manufacturing, and technology for end-to-end product development. The Company recorded approximately \$25.8 million of goodwill associated with the acquisition. The associated goodwill has been included in the Company's North America geographical reportable segment.

The acquired identifiable intangible assets of JCA and Appareo as of the date of their respective acquisitions during 2022 are summarized in the following table (in millions):

Intangible Asset	Amount	Weighted-Average Useful Life
Customer relationships	\$ 15.4	10 years
Technology	15.4	8 years
Trademarks	5.7	10 years
Non-competition agreements	1.4	5 years
	<u>\$ 37.9</u>	

On December 1, 2021, the Company acquired Creatives Sites Media, Inc. ("CSM") for approximately \$5.7 million. CSM is headquartered in Bloomington, Illinois and creates and designs customized mobile-enabled technology applications and websites. The acquired net assets were insignificant. The Company recorded approximately \$5.7 million of goodwill associated with the acquisition. The associated goodwill was included in the Company's North American geographical reportable segment.

On September 10, 2021, the Company acquired Farm Robotics and Automation S.L. ("Faromatics") for approximately €4.6 million (or approximately \$5.5 million) net of approximately €0.1 million (or approximately \$0.1 million) of cash and €0.8 million (or approximately \$0.9 million) of escrowed cash which could be payable by the Company within 18 months of the acquisition date. Faromatics is headquartered in Barcelona, Spain, and manufactures and sells ChickenBoy®, the world's first ceiling-suspended robot that monitors broiler chickens and helps farmers increase animal welfare and farm productivity. The Company recorded approximately €4.4 million (or approximately \$5.2 million) of technology and approximately €1.8 million (or approximately \$2.2 million) of goodwill associated with the acquisition. The associated goodwill was included in the Company's North American and Europe/Middle East geographical reportable segments.

On August 13, 2021, the Company acquired Headsight, LLC ("Headsight") for approximately \$16.8 million. Headsight is headquartered in Bremen, Indiana and manufactures header height sensors used in corn and grain harvesting operations. The Company recorded approximately \$4.8 million of customer relationship, technology and trademark identifiable intangible assets and approximately \$8.9 million of goodwill associated with the acquisition. The associated goodwill was included in the Company's North American geographical reportable segment.

The acquired identifiable intangible assets of Headsight and Faromatics as of the date of their respective acquisitions during 2021 are summarized in the following table (in millions):

Intangible Asset	Amount	Weighted-Average Useful Life
Customer relationships	\$ 3.2	7 years
Technology	6.1	10 - 15 years
Trademarks	0.7	7 years
	<u>\$ 10.0</u>	

On September 10, 2020, the Company acquired 151 Research, Inc. for approximately \$2.8 million. 151 Research develops intelligent security, remote monitoring and management and enhanced imaging solutions for grain storage operations. The acquired net assets were insignificant. The Company recorded goodwill of approximately \$7.2 million associated with the acquisition. In addition, the Company agreed to further contingent consideration related to the acquisition and recorded a

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liability of approximately \$4.4 million to reflect estimated achievement of agreed-upon targets as of the acquisition date.

The Company allocated the purchase price of the assets acquired and liabilities assumed of the JCA, Appareo, CSM, Faromatics and Headsight acquisitions based on estimates of their fair values of their respective acquisition dates. The acquired net assets related to these acquisitions generally consisted of accounts receivable, inventories, other current and noncurrent assets, lease right-of-use assets and liabilities, property, plant and equipment, assets held for sale, identifiable intangibles assets, goodwill, accounts payable, accrued expenses and other current and noncurrent liabilities and deferred tax assets and liabilities. The results of operations of the acquisitions have been included in the Company's Consolidated Financial Statements as of and from the date of acquisition. Proforma financial information related to these acquisitions was not material to the Company's results of operations.

3. Restructuring Expenses and Impairment Charges

Restructuring Expenses

The Company has announced and initiated actions over the course of several years to rationalize employee headcount at various manufacturing facilities and various administrative offices located in Europe, South America, Africa, China and the United States, as well as the rationalization of its grain storage and protein production system operations. These rationalizations were taken to reduce costs in response to fluctuating global market demand. During 2022, the Company recorded severance and related costs associated with these rationalizations in connection with the termination of approximately 105 employees.

The components of the restructuring expenses are summarized as follows (in millions):

	Employee Severance	Facility Closure Costs	Write-down of Property, Plant and Equipment	Other Related Closure Costs	Loss on Sale of Joint Venture	Total
Balance as of December 31, 2019	\$ 4.8	\$ —	\$ —	\$ —	\$ —	\$ 4.8
2020 provision	11.3	4.5	2.5	1.8	—	20.1
Less: Non-cash expense	—	—	(2.5)	—	—	(2.5)
Cash expense	11.3	4.5	—	1.8	—	17.6
2020 provision reversal	(0.4)	—	—	—	—	(0.4)
2020 cash activity	(4.5)	(0.6)	—	—	—	(5.1)
Foreign currency translation	(0.1)	—	—	—	—	(0.1)
Balance as of December 31, 2020	11.1	3.9	—	1.8	—	16.8
2021 provision	18.4	—	0.2	1.5	—	20.1
Less: Non-cash expense	—	—	(0.2)	—	—	(0.2)
Cash expense	18.4	—	—	1.5	—	19.9
2021 provision reversal	(2.2)	—	—	(0.1)	(2.5)	(4.8)
2021 cash activity	(12.3)	(3.9)	—	(2.9)	2.5	(16.6)
Foreign currency translation	(0.5)	—	—	(0.1)	—	(0.6)
Balance as of December 31, 2021	14.5	—	—	0.2	—	14.7
2022 provision	6.9	—	—	—	—	6.9
2022 provision reversal	(0.8)	—	—	—	—	(0.8)
2022 cash activity	(12.6)	—	—	(0.2)	—	(12.8)
Foreign currency translation	(1.2)	—	—	—	—	(1.2)
Balance as of December 31, 2022	\$ 6.8	\$ —	\$ —	\$ —	\$ —	\$ 6.8

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During the three months ended December 31, 2019, the Company exited and sold its 50% interest in its USC, LLC joint venture to its joint venture partner for approximately \$5.1 million. The operations of the joint venture were part of the Company's grain storage and production system operations, and the decision to sell the joint venture was as a result of the overall rationalization of the business. The Company recorded a loss of approximately \$2.1 million associated with the sale, which was reflected within "Restructuring expenses" in the Company's Consolidated Statements of Operations. As a result of the final payments received from the former joint venture partner related to the sale during 2021 the Company recorded a gain of approximately \$2.5 million, also reflected within "Restructuring expenses" in the Company's Consolidated Statements of Operations.

Impairment Charges

In light of the conflict between Russia and Ukraine, during the three months ended March 31, 2022, the Company assessed the fair value of its gross assets related to the joint ventures operating in Russia for potential impairment and recorded asset impairment charges of approximately \$36.0 million, reflected as "Impairment charges" in its Consolidated Statements of Operations, with an offsetting benefit of approximately \$12.2 million included within "Net loss (income) attributable to noncontrolling interests." The Company sold its interest in its Russian distribution joint venture during the three months ended December 31, 2022. Foreign currency translation impacts since inception of the Russian joint venture previously recognized within "Accumulated other comprehensive loss" were therefore recorded within "Other expense, net" on the Company's Consolidated Statements of Operations during the three months ended December 31, 2022. In addition, during the three months ended March 31, 2022, the Company recorded a write-down of its investment in its Russian finance joint venture of approximately \$4.8 million, reflected within "Equity in net earnings of affiliates" in its Consolidated Statements of Operations. The Russian finance joint venture was sold during the three months ended December 31, 2022.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

4. Accounts Receivable Sales Agreements

The Company has accounts receivable sales agreements that permit the sale, on an ongoing basis, of a majority of its wholesale receivables in North America, Europe and Brazil to its U.S., Canadian, European and Brazilian finance joint ventures. As of December 31, 2022 and 2021, the cash received from receivables sold under the U.S., Canadian, European and Brazilian accounts receivable sales agreements was approximately \$1.8 billion and \$1.3 billion, respectively.

Under the terms of the accounts receivable sales agreements in North America, Europe and Brazil, the Company pays an annual fee related to the servicing of the receivables sold. The Company also pays the respective AGCO Finance entities a subsidized interest payment with respect to the accounts receivable sales agreements, calculated based upon the interest rate charged by Rabobank to its affiliate, and such affiliate then lends to the AGCO Finance entities plus an agreed-upon margin. These fees are reflected within losses on the sales of receivables included within “Other expense, net” in the Company’s Consolidated Statements of Operations. The Company does not service the receivables after the sale occurs and does not maintain any direct retained interest in the receivables. The Company reviewed its accounting for the accounts receivable sales agreements and determined that these facilities should be accounted for as off-balance sheet transactions.

In addition, the Company sells certain trade receivables under factoring arrangements to other financial institutions around the world. As of December 31, 2022 and 2021, the cash received from these arrangements was approximately \$226.0 million and \$215.4 million, respectively.

Losses on sales of receivables associated with the accounts receivable financing facilities discussed above, reflected within “Other expense, net” in the Company’s Consolidated Statements of Operations, were approximately \$71.1 million, \$24.5 million and \$24.1 million during 2022, 2021 and 2020, respectively.

The Company’s finance joint ventures in Europe, Brazil and Australia also provide wholesale financing directly to the Company’s dealers. The receivables associated with these arrangements are without recourse to the Company. The Company does not service the receivables after the sale occurs and does not maintain any direct retained interest in the receivables. As of December 31, 2022 and 2021, these finance joint ventures had approximately \$69.5 million and \$42.6 million, respectively, of outstanding accounts receivable associated with these arrangements. The Company reviewed its accounting for these arrangements and determined that these arrangements should be accounted for as off-balance sheet transactions.

In certain foreign countries, the Company invoices its finance joint ventures directly and the finance joint ventures retain a form of title to the goods delivered to dealers until the dealer makes payment so that the finance joint ventures can recover the goods in the event of dealer or end customer default on payment. This occurs as the laws of some foreign countries do not provide for a seller’s retention of a security interest in goods in the same manner as established in the United States Uniform Commercial Code. The only right the finance joint ventures retain with respect to the title are those enabling recovery of the goods in the event of customer default on payment. The dealer or distributor may not return equipment or replacement parts to the Company while its contract with the finance joint venture is in force, and can only return the equipment to the retail finance joint venture with penalties that would generally not make it economically beneficial to do so.

5. Investments in Affiliates

Investments in affiliates as of December 31, 2022 and 2021 were as follows (in millions):

	2022	2021
Finance joint ventures	\$ 390.2	\$ 359.2
Manufacturing joint ventures	29.9	31.0
Other affiliates	16.8	23.3
	\$ 436.9	\$ 413.5

The Company’s finance joint ventures provide retail financing and wholesale financing to its dealers. The majority of the assets of the Company’s finance joint ventures represent finance receivables. The majority of the liabilities represent notes payable and accrued interest. Under the various joint venture agreements, Rabobank or its affiliates provide financing to the joint venture companies. AGCO has a 49% interest in the Company’s finance joint ventures (Note 14).

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The Company's manufacturing joint ventures consist of Groupement International De Mecanique Agricole SA ("GIMA") (a joint venture with a third-party manufacturer to purchase, design and manufacture components for agricultural equipment in France) and a joint venture with a third-party manufacturer to manufacture protein production equipment in China. The other joint ventures represent investments in farm equipment manufacturers, an electronic and software system manufacturer, precision agriculture technology providers, distributors and licensees.

The Company's equity in net earnings of affiliates for the years ended December 31, 2022, 2021 and 2020 were as follows (in millions):

	2022	2021	2020
Finance joint ventures	\$ 63.0	\$ 64.4	\$ 45.0
Manufacturing and other joint ventures	1.1	1.2	0.5
	<u>\$ 64.1</u>	<u>\$ 65.6</u>	<u>\$ 45.5</u>

Summarized combined financial information of the Company's finance joint ventures as of December 31, 2022 and 2021 and for the years ended December 31, 2022, 2021 and 2020 were as follows (in millions):

	As of December 31,	
	2022	2021
Total assets	\$ 8,359.1	\$ 7,863.6
Total liabilities	7,562.8	7,130.5
Partners' equity	796.3	733.1

	For the Years Ended December 31,		
	2022	2021	2020
Revenues	\$ 454.6	\$ 411.1	\$ 402.2
Costs	274.9	228.1	274.0
Income before income taxes	<u>\$ 179.7</u>	<u>\$ 183.0</u>	<u>\$ 128.2</u>

At December 31, 2022 and 2021, the Company's receivables from affiliates were approximately \$60.8 million and \$55.1 million, respectively. The receivables from affiliates are reflected within "Accounts and notes receivable, net" within the Company's Consolidated Balance Sheets.

The portion of the Company's retained earnings balance that represents undistributed retained earnings of equity method investees was approximately \$401.9 million and \$365.6 million as of December 31, 2022 and 2021, respectively. The Company received dividends from certain finance joint ventures of approximately \$27.0 million and \$84.4 million during 2022 and 2021, respectively. Approximately \$5.7 million and \$22.7 million of these dividends were a return of investment in excess of earnings related to a certain finance joint venture during 2022 and 2021, respectively, and were included within "Sale of, distributions from (investments in) unconsolidated affiliates, net" within the Company's Consolidated Statements of Cash Flows. In addition, during the year ended December 31, 2022, the Company recorded a write-down of the investment in its Russian finance joint venture of approximately \$4.8 million, reflected within "Equity in net earnings of affiliates" in the Consolidated Statements of Operations. The Russian finance joint venture was sold during the three months ended December 31, 2022.

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6. Income Taxes

The sources of income before income taxes and equity in net earnings of affiliates were as follows for the years ended December 31, 2022, 2021 and 2020 (in millions):

	<u>2022</u>	<u>2021</u>	<u>2020</u>
United States.....	\$ (60.2)	\$ 46.8	\$ (73.4)
Foreign.....	1,167.4	897.5	635.4
Income before income taxes and equity in net earnings of affiliates.....	<u>\$ 1,107.2</u>	<u>\$ 944.3</u>	<u>\$ 562.0</u>

The provision for income taxes by location of the taxing jurisdiction for the years ended December 31, 2022, 2021 and 2020 consisted of the following (in millions):

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Current:			
United States.....	\$ 26.0	\$ 3.4	\$ 4.1
Foreign.....	328.6	222.9	180.2
	<u>354.6</u>	<u>226.3</u>	<u>184.3</u>
Deferred:			
United States.....	(55.3)	(70.0)	1.3
Foreign.....	(2.7)	(47.9)	2.1
	<u>(58.0)</u>	<u>(117.9)</u>	<u>3.4</u>
	<u>\$ 296.6</u>	<u>\$ 108.4</u>	<u>\$ 187.7</u>

The Company's income tax provision as of December 31, 2021 includes the benefit of the reversals of approximately \$67.8 million and \$55.6 million related to valuation allowances previously established against the Company's net deferred tax assets in the United States and Brazil, respectively. The Company recorded the reversal of a portion of the United States valuation allowance during the three months ended June 30, 2021, and the reversal of a portion of its Brazilian valuation allowance during the three months ended December 31, 2021. Improvements in income in the United States and Brazil during 2020 and 2021, along with updated future projected income levels, supported the reversal of both valuation allowances during those respective periods in 2021.

A reconciliation of income taxes computed at the United States federal statutory income tax rate (21% for 2022, 2021 and 2020) to the provision for income taxes reflected in the Company's Consolidated Statements of Operations for the years ended December 31, 2022, 2021 and 2020 is as follows (in millions):

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Provision for income taxes at United States federal statutory rate ⁽¹⁾	\$ 232.5	\$ 198.3	\$ 118.0
State and local income taxes, net of federal income tax effects ⁽¹⁾	(2.9)	2.2	(3.5)
Taxes on foreign income which differ from the United States statutory rate.....	43.6	16.2	13.9
Tax effect of permanent differences.....	(0.2)	(6.4)	13.4
Change in valuation allowance.....	0.7	(130.8)	16.3
Change in tax contingency reserves.....	25.5	36.6	37.2
Research and development tax credits.....	(6.9)	(7.4)	(9.0)
Other.....	4.3	(0.3)	1.4
	<u>\$ 296.6</u>	<u>\$ 108.4</u>	<u>\$ 187.7</u>

(1) There were no impacts related to changes in tax laws that impacted the Company in 2022, 2021 and 2020.

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The significant components of the deferred tax assets and liabilities at December 31, 2022 and 2021 were as follows (in millions):

	<u>2022</u>	<u>2021</u>
Deferred Tax Assets:		
Net operating loss carryforwards	\$ 45.9	\$ 69.5
Sales incentive discounts	46.3	40.1
Inventory valuation reserves	34.4	33.6
Pensions and postretirement health care benefits	19.7	18.5
Warranty and other reserves	127.7	102.9
Research and development tax credits	6.9	3.8
Foreign tax credits	4.7	9.4
Other	15.6	14.0
Total gross deferred tax assets	<u>301.2</u>	<u>291.8</u>
Valuation allowance	<u>(47.3)</u>	<u>(47.4)</u>
Total deferred tax assets	<u>253.9</u>	<u>244.4</u>
Deferred Tax Liabilities:		
Tax over book depreciation and amortization	123.6	159.3
Investment in affiliates	11.3	24.4
Other	2.5	8.3
Total deferred tax liabilities	<u>137.4</u>	<u>192.0</u>
Net deferred tax assets	<u>\$ 116.5</u>	<u>\$ 52.4</u>
Amounts recognized in Consolidated Balance Sheets:		
Deferred tax assets - noncurrent	\$ 228.5	\$ 169.3
Deferred tax liabilities - noncurrent	<u>(112.0)</u>	<u>(116.9)</u>
	<u>\$ 116.5</u>	<u>\$ 52.4</u>

As reflected in the preceding table, the Company recorded a net deferred tax asset of \$116.5 million and \$52.4 million as of December 31, 2022 and 2021, respectively, and had a valuation allowance against its gross deferred tax assets of approximately \$47.3 million and \$47.4 million as of December 31, 2022 and 2021, respectively.

The Company maintains a valuation allowance to reserve a portion of its net deferred tax assets in the United States and certain foreign jurisdictions. A valuation allowance is established when it is more likely than not that some portion or all of the deferred tax assets may not be realized. The Company assessed the likelihood that its deferred tax assets would be recovered from estimated future taxable income and the current economic climate, as well as available tax planning strategies, and determined that all adjustments to the valuation allowance were appropriate. The Company believes it is more likely than not that it will realize its remaining net deferred tax assets, net of the valuation allowance, in future years.

The Company had net operating loss carryforwards of \$136.3 million as of December 31, 2022, with expiration dates as follows: 2023 - \$27.2 million; 2024 - \$6.7 million; 2025 and thereafter - \$21.2 million and unlimited - \$81.2 million. The net operating loss carryforwards of \$136.3 million are entirely in tax jurisdictions outside of the United States. The amount of the Company's U.S. state net operating loss carryforwards is not material.

The Company paid income taxes of \$304.0 million, \$247.3 million and \$181.4 million for the years ended December 31, 2022, 2021 and 2020, respectively.

The Company recognizes income tax benefits from uncertain tax positions only when there is a more than 50% likelihood that the tax positions will be sustained upon examination by the taxing authorities based on the technical merits of the positions. At December 31, 2022 and 2021, the Company had approximately \$10.4 million and \$40.1 million, respectively, of accrued or deferred taxes related to uncertain income tax positions connected with ongoing income tax audits in various jurisdictions that it expects to settle or pay in the next 12 months. At December 31, 2022 and 2021, the Company had

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approximately \$274.1 million and \$196.7 million, respectively, of accrued taxes reflected in “Other noncurrent liabilities”, and approximately \$2.8 million of deferred tax assets and \$9.6 million of deferred tax liabilities, respectively, related to uncertain tax positions that it expects to settle or pay beyond 12 months, reflected in “Deferred tax assets” and “Deferred tax liabilities,” respectively, in the Company’s Consolidated Balance Sheets. The Company accrued approximately \$6.0 million and \$4.8 million of interest and penalties related to unrecognized tax benefits in its provision for income taxes during 2022 and 2021, respectively. At December 31, 2022 and 2021, the Company had accrued interest and penalties related to unrecognized tax benefits of \$25.8 million and \$32.7 million, respectively.

A reconciliation of the beginning and ending balances of the total amounts of gross unrecognized tax benefits as of and during the years ended December 31, 2022 and 2021 is as follows (in millions):

	<u>2022</u>	<u>2021</u>
Gross unrecognized income tax benefits at the beginning of the year	\$ 246.4	\$ 227.9
Additions for tax positions of the current year	51.7	43.0
Additions for tax positions of prior years	3.9	8.4
Reductions for tax positions of prior years for:		
Changes in judgments	(6.5)	3.2
Settlements during the year	(0.6)	(19.1)
Lapses of applicable statute of limitations	(1.2)	(0.6)
Foreign currency translation and other	(12.0)	(16.4)
Gross unrecognized income tax benefits at the end of the year	<u>\$ 281.7</u>	<u>\$ 246.4</u>

At December 31, 2022 and 2021, the Company had \$281.7 million and \$246.4 million, respectively, of unrecognized income tax benefits, which would affect the Company’s effective tax rate if recognized. The reconciliation of gross unrecognized income tax benefits above for 2022 and 2021 excludes certain indirect favorable effects that relate to other tax jurisdictions of approximately \$74.0 million and \$70.2 million, respectively. The change in certain indirect favorable effects between 2022 and 2021 includes approximately \$22.4 million and \$3.8 million, respectively, related to additions and reductions for tax positions of current and prior years, changes in judgments and lapses of statutes of limitations. During 2022, the Company made the determination that it will be able to utilize approximately \$15.7 million of indirect favorable benefits in the United States related to the settlement of a foreign audit examination. In addition, the gross unrecognized income tax benefits as of December 31, 2022 and 2021 exclude certain deposits made in a foreign jurisdiction of approximately \$45.1 million and \$6.7 million, respectively, associated with an ongoing audit.

The Company and its subsidiaries file income tax returns in the United States and in various state, local and foreign jurisdictions. The Company and its subsidiaries are routinely examined by tax authorities in these jurisdictions. As of December 31, 2022, a number of income tax examinations in foreign jurisdictions, as well as the United States, were ongoing. It is possible that certain of these ongoing examinations may be resolved within 12 months. Due to the potential for resolution of federal, state and foreign examinations, and the expiration of various statutes of limitation, it is reasonably possible that the Company’s gross unrecognized income tax benefits balance may materially change within the next 12 months. In certain foreign jurisdictions, there are either statutory expirations or the Company’s settlement expectations such that approximately \$10.4 million could be concluded within the next 12 months. Although there are ongoing examinations in various federal and state jurisdictions, the 2017 through 2022 tax years generally remain subject to examination in the United States by applicable authorities. In the Company’s significant foreign jurisdictions, primarily the United Kingdom, France, Germany, Switzerland, Finland and Brazil, the 2017 through 2022 tax years generally remain subject to examination by their respective tax authorities. In Brazil, the Company is contesting disallowed deductions related to amortization of certain goodwill amounts (see Note 12).

In 2022, the U.S. Inflation Reduction Act and the CHIPS and Science Act of 2022 (the “Acts”) were signed into law. These acts include, among other provisions, a corporate alternative minimum tax of 15%, an excise tax on the repurchase of corporate stock, various climate and energy provisions, and incentives for investment in semiconductor manufacturing. The primary provisions of the Acts are effective during 2023 and forward. The Company is evaluating the impact these acts could have on the Company’s future tax provision and the effective tax rate, as well as any other impacts on the Company’s financial position and results of operations.

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7. Indebtedness

Long-term debt consisted of the following at December 31, 2022 and 2021 (in millions):

	December 31, 2022	December 31, 2021
Credit facility, expires 2027	200.0	—
1.002% Senior term loan due 2025	267.3	283.7
Senior term loans due between 2023 and 2028	341.6	445.9
0.800% Senior Notes Due 2028	641.5	680.8
Other long-term debt	5.1	7.7
Debt issuance costs	(3.6)	(4.8)
	<u>1,451.9</u>	<u>1,413.3</u>
Less: Senior term loans due 2023, net of debt issuance costs	(184.9)	—
Current portion of other long-term debt	(2.2)	(2.1)
Total long-term indebtedness, less current portion	<u>\$ 1,264.8</u>	<u>\$ 1,411.2</u>

At December 31, 2022, the aggregate scheduled maturities of long-term debt, excluding the current portion of long-term debt, are as follows (in millions):

2024	\$ 2.2
2025	334.7
2026	56.3
2027	200.2
Thereafter	671.4
	<u>\$ 1,264.8</u>

Cash payments for interest were approximately \$45.1 million, \$23.8 million and \$23.6 million for the years ended December 31, 2022, 2021 and 2020, respectively.

Current Indebtedness

Credit Facility

In December 2022, the Company, certain of its subsidiaries and Rabobank, and other named lenders entered into an amendment to its credit facility providing for a \$1.25 billion multi-currency unsecured revolving credit facility (“credit facility”), which replaced the Company’s former \$800.0 million multi-currency unsecured revolving credit facility, which is discussed below. The amendment provided an additional \$450.0 million in borrowing capacity. An initial borrowing under the credit facility was used to repay and retire a \$240.0 million short-term multi-currency revolving credit facility with Rabobank that was due to mature on March 31, 2023. The credit facility consists of a \$325.0 million U.S. dollar tranche and a \$925.0 million multi-currency tranche for loans denominated in U.S. Dollars, Euros or other currencies to be agreed upon. The credit facility matures on December 19, 2027. Interest accrues on amounts outstanding for any borrowings denominated in U.S. dollars, at the Company’s option, at either (1) the Secured Overnight Financing Rate (“SOFR”) plus 0.1% plus a margin ranging from 0.875% to 1.875% based on the Company’s credit rating, or (2) the base rate, which is the highest of (i) the Prime Rate, (ii) the Federal Funds Effective Rate plus 0.5%, and (iii) Term SOFR for a one-month tenor plus 1.0%, plus a margin ranging from 0.000% to 0.875% based on the Company’s credit rating. Interest accrues on amounts outstanding for any borrowings denominated in Euros at the Euro Interbank Offered Rate (“EURIBOR”) plus a margin ranging from 0.875% to 1.875% based on the Company’s credit rating. As of December 31, 2022, the Company had \$200.0 million outstanding

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borrowings under the revolving credit facility and had the ability to borrow \$1,050.0 million.

Uncommitted Credit Facility

In June 2022, the Company entered into an uncommitted revolving credit facility that allows the Company to borrow up to €100.0 million (or approximately \$106.9 million as of December 31, 2022). The credit facility expires on December 31, 2026. Any loans will bear interest at the EURIBOR plus a credit spread. As of December 31, 2022, the Company had no outstanding borrowings under the revolving credit facility and had the ability to borrow €100.0 million (or approximately \$106.9 million).

0.800% Senior Notes Due 2028

On October 6, 2021, the Company issued €600.0 million (or approximately \$641.5 million as of December 31, 2022) of senior notes at an issue price of 99.993%. The notes mature on October 6, 2028, and interest is payable annually, in arrears, at 0.800%. The senior notes contain covenants restricting, among other things, the incurrence of certain secured indebtedness. The senior notes are subject to both optional and mandatory redemption in certain events.

1.002% Senior Term Loan Due 2025

On January 25, 2019, the Company borrowed €250.0 million (or approximately \$267.3 million as of December 31, 2022) from the European Investment Bank. The loan matures on January 24, 2025. The Company is permitted to prepay the term loan before its maturity date. Interest is payable on the term loan at 1.002% per annum, payable semi-annually in arrears.

Senior Term Loans Due Between 2023 and 2028

In October 2016, the Company borrowed an aggregate amount of €375.0 million through a group of seven related term loan agreements, and in August 2018, the Company borrowed an additional aggregate amount of €338.0 million through a group of another seven related term loan agreements. Of the 2016 term loans, an aggregate amount of €56.0 million (or approximately \$61.1 million) was repaid upon maturity of two term loan agreements in October 2019. Additionally, the Company repaid €192.0 million (or approximately \$223.8 million) upon maturity of two of the 2016 senior term loans in October 2021. On April 19, 2022, the Company repaid €1.0 million (or approximately \$1.1 million) of one of the 2016 senior term loans due October 2023. In August 2021, the Company repaid two of the 2018 senior term loans upon maturity with an aggregate amount of €72.0 million (or approximately \$85.5 million). On February 1, 2022, the Company repaid €72.5 million (or approximately \$81.7 million) of one of the 2018 senior term loans due August 2023 with existing cash on hand.

In aggregate, the Company had indebtedness of €319.5 million (or approximately \$341.6 million as of December 31, 2022) through a group of six remaining related term loan agreements. Two of the term loan agreements in the aggregate amount of €173.0 million (or approximately \$184.9 million net of debt issuance costs, as of December 31, 2022) will mature in August and October 2023. The provisions of the term loan agreements are substantially identical, with the exception of interest rate terms and maturities. As of December 31, 2022, for the term loans with a fixed interest rate, interest is payable in arrears on an annual basis, with interest rates ranging from 0.90% to 2.26% and maturity dates between August 2023 and August 2028. For the term loan with a floating interest rate, interest is payable in arrears on a semi-annual basis, with an interest rate based on the EURIBOR plus a margin of 1.10% and a maturity date of August 2025. The term loans contain covenants restricting, among other things, the incurrence of indebtedness and the making of certain payments, including dividends, and are subject to acceleration in the event of default.

Former Indebtedness

Short-term Credit Facility

In April 2022, the Company entered into a short-term multi-currency revolving credit facility of €225.0 million with Rabobank. The Company borrowed \$240.0 million in U.S. dollars (or approximately €225.0 million as of April 26, 2022), with a maturity date of March 31, 2023. Interest accrued on amounts outstanding under the short-term credit facility, at the Company's option, at either (1) SOFR for borrowings denominated in U.S. dollars or EURIBOR for borrowings denominated in Euros plus a margin of 0.75%, or (2) the base rate, which is equal to the higher of (i) the administrative agent's base lending rate for the applicable currency, (ii) the federal funds rate plus 0.5%, or (iii) one-month Adjusted Term SOFR plus 1.0%, plus a

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margin of 0.75%. The credit facility contained covenants restricting, among other things, the incurrence of indebtedness and the making of certain payments, including dividends. The Company also had to fulfill financial covenants with respect to a total debt to EBITDA ratio and an interest coverage ratio. As previously mentioned, during December 2022, the Company repaid the \$240.0 million outstanding borrowings under the facility in U.S. dollars.

Credit Facility Due 2023

In October 2018, the Company entered into a multi-currency revolving credit facility of \$800.0 million. The maturity date of the credit facility was October 17, 2023. Interest accrued on amounts outstanding under the credit facility, at the Company's option, at either (1) LIBOR plus a margin ranging from 0.875% to 1.875% based on the Company's credit rating, or (2) the base rate, which is equal to the higher of (i) the administrative agent's base lending rate for the applicable currency, (ii) the federal funds rate plus 0.5%, and (iii) one-month LIBOR for loans denominated in U.S. dollars plus 1.0%, plus a margin ranging from 0.0% to 0.875% based on the Company's credit rating. The credit facility contained covenants restricting, among other things, the incurrence of indebtedness and the making of certain payments, including dividends. The Company also had to fulfill financial covenants with respect to a total debt to EBITDA ratio and an interest coverage ratio. As previously mentioned, during December 2022, the Company amended its credit facility agreement and replaced its \$800.0 million multi-currency revolving credit facility with a new \$1.25 billion credit facility.

On April 15, 2020, the Company borrowed €117.5 million and \$133.8 million under a term loan facility that had been added to our multi-currency revolving credit facility. While outstanding, the loans bore interest at one-month LIBOR plus a margin of 1.625%. The Company repaid the two loans on February 16, 2021 (for an aggregate amount of approximately \$276.0 million as of that date). The term loans matured on April 8, 2022.

Senior Term Loan Due 2022

In October 2018, the Company entered into a term loan agreement with Rabobank in the amount of €150.0 million. The Company was permitted to prepay the term loan before its maturity date of October 28, 2022. Interest was payable on the term loan quarterly in arrears at an annual rate, equal to the EURIBOR plus a margin ranging from 0.875% to 1.875% based on the Company's credit rating. The Company had to fulfill financial covenants with respect to a total debt to EBITDA ratio and an interest coverage ratio. During October 2021, the Company repaid its senior term loan of €150.0 million (or approximately \$173.4 million as of October 8, 2021).

Short-Term Borrowings

As of December 31, 2022 and 2021, the Company had short-term borrowings due within one year of approximately \$8.9 million and \$90.8 million, respectively.

Standby Letters of Credit and Similar Instruments

The Company has arrangements with various banks to issue standby letters of credit or similar instruments, which guarantee the Company's obligations for the purchase or sale of certain inventories and for potential claims exposure for insurance coverage. At December 31, 2022 and 2021, outstanding letters of credit totaled \$14.4 million and \$14.6 million, respectively.

8. Employee Benefit Plans

The Company sponsors defined benefit pension plans covering certain employees, principally in the United Kingdom, the United States, Germany, Switzerland, Finland, France, Norway and Argentina. The Company also provides certain postretirement health care and life insurance benefits for certain employees, principally in the United States and Brazil.

The Company also maintains an Executive Nonqualified Pension Plan ("ENPP") that provides certain senior executives with retirement income for a period of 15 years or up to a lifetime annuity, if certain requirements are met. Benefits under the ENPP vest if the participant has attained age 50 and has at least ten years of service (including five years as a participant in the ENPP), but are not payable until the participant reaches age 65. The lifetime annuity benefit generally is available only to vested participants who retire on or after reaching age 65 and was eliminated during 2021 for participants reaching age 65 subsequent to December 31, 2022. The ENPP is an unfunded, nonqualified defined benefit pension plan.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Net annual pension costs for the years ended December 31, 2022, 2021 and 2020 for the Company's defined benefit pension plans and ENPP are set forth below (in millions):

Pension benefits	2022	2021	2020
Service cost	\$ 12.8	\$ 15.0	\$ 16.2
Interest cost	14.8	12.6	16.5
Expected return on plan assets	(16.9)	(31.3)	(28.4)
Amortization of net actuarial losses	8.7	16.5	15.5
Amortization of prior service cost	0.1	0.7	2.1
Net (gain) loss recognized due to settlement	(0.4)	0.1	0.2
Curtailment gain ⁽¹⁾	—	(1.2)	—
Net annual pension cost	<u>\$ 19.1</u>	<u>\$ 12.4</u>	<u>\$ 22.1</u>

(1) During 2021, the Company amended its Executive Nonqualified Pension Plan ("ENPP") to freeze the plan as of December 31, 2024 to future salary benefit accruals, and to eliminate a lifetime annuity feature for participants reaching age 65 subsequent to December 31, 2022. This amendment resulted in a curtailment gain as well as a net prior service credit.

The components of net periodic pension and postretirement benefits cost, other than the service cost component, are included in "Other expense, net" in the Company's Consolidated Statements of Operations.

The weighted average assumptions used to determine the net annual pension costs for the Company's defined benefit pension plans and ENPP for the years ended December 31, 2022, 2021 and 2020 are as follows:

	2022	2021	2020
All plans:			
Weighted average discount rate	1.9 %	1.5 %	2.0 %
Weighted average expected long-term rate of return on plan assets	2.3 %	3.9 %	4.1 %
Rate of increase in future compensation	1.5%-5.0%	1.5%-5.0%	1.8%-5.0%
U.S.-based plans:			
Weighted average discount rate	3.05 %	2.75 %	3.45 %
Weighted average expected long-term rate of return on plan assets ⁽¹⁾	4.3 %	5.0 %	5.0 %
Rate of increase in future compensation ⁽²⁾	5.0 %	5.0 %	5.0 %

(1) Applicable for U.S. funded, qualified plans.

(2) Applicable for U.S. unfunded, nonqualified plan.

For the Company's Swiss cash balance plan, the interest crediting rate of 1.0% for both 2022 and 2021 was set equal to the current annual minimum rate set by the government for the mandatory portion of the account balance. Above mandatory amounts have an interest crediting rate of 0.25% for both 2022 and 2021.

Net annual postretirement benefit costs, and the weighted average discount rate used to determine them, for the years ended December 31, 2022, 2021 and 2020 are set forth below (in millions, except percentages):

Postretirement benefits	2022	2021	2020
Service cost	\$ 0.1	\$ 0.1	\$ 0.1
Interest cost	0.9	0.9	1.2
Amortization of net actuarial losses	—	0.1	0.1
Amortization of prior service cost	0.1	0.1	0.1
Net annual postretirement benefit cost	<u>\$ 1.1</u>	<u>\$ 1.2</u>	<u>\$ 1.5</u>
Weighted average discount rate	<u>4.1 %</u>	<u>3.8 %</u>	<u>4.5 %</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The following tables set forth reconciliations of the changes in benefit obligation, plan assets and funded status as of December 31, 2022 and 2021 (in millions):

Change in benefit obligation	Pension and ENPP Benefits		Postretirement Benefits	
	2022	2021	2022	2021
Benefit obligation at beginning of year	\$ 904.8	\$ 1,033.7	\$ 22.6	\$ 26.4
Service cost	12.8	15.0	0.1	0.1
Interest cost	14.8	12.6	0.9	0.9
Plan participants' contributions	1.2	1.4	—	—
Actuarial losses (gains)	(227.2)	(70.7)	(0.9)	(3.7)
Amendments	25.5	(13.6)	—	0.4
Curtailment	—	(9.7)	—	—
Settlements	(5.0)	(0.2)	—	—
Benefits paid	(44.0)	(47.2)	(1.7)	(1.3)
Foreign currency exchange rate changes	(71.3)	(16.5)	0.2	(0.2)
Benefit obligation at end of year	<u>\$ 611.6</u>	<u>\$ 904.8</u>	<u>\$ 21.2</u>	<u>\$ 22.6</u>

Change in plan assets	Pension and ENPP Benefits		Postretirement Benefits	
	2022	2021	2022	2021
Fair value of plan assets at beginning of year	\$ 815.6	\$ 808.6	\$ —	\$ —
Actual return on plan assets	(197.1)	27.7	—	—
Employer contributions	34.1	36.0	1.7	1.3
Plan participants' contributions	1.2	1.4	—	—
Benefits paid	(44.0)	(47.2)	(1.7)	(1.3)
Settlements	(5.0)	(0.2)	—	—
Foreign currency exchange rate changes	(76.1)	(10.7)	—	—
Fair value of plan assets at end of year	<u>\$ 528.7</u>	<u>\$ 815.6</u>	<u>\$ —</u>	<u>\$ —</u>
Funded status	\$ (82.9)	\$ (89.2)	\$ (21.2)	\$ (22.6)
Unrecognized net actuarial losses (gains)	270.0	291.7	(2.0)	(1.1)
Unrecognized prior service cost	32.5	7.1	3.1	3.2
Accumulated other comprehensive loss	(302.5)	(298.8)	(1.1)	(2.1)
Net amount recognized	<u>\$ (82.9)</u>	<u>\$ (89.2)</u>	<u>\$ (21.2)</u>	<u>\$ (22.6)</u>

Amounts recognized in Consolidated Balance Sheets:

Other long-term asset	\$ 66.3	\$ 109.4	\$ —	\$ —
Other current liabilities	(7.0)	(7.1)	(1.6)	(1.5)
Accrued expenses	(3.8)	(3.6)	—	—
Pensions and postretirement health care benefits (noncurrent)	(138.4)	(187.9)	(19.6)	(21.1)
Net amount recognized	<u>\$ (82.9)</u>	<u>\$ (89.2)</u>	<u>\$ (21.2)</u>	<u>\$ (22.6)</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The following table summarizes the activity in accumulated other comprehensive loss related to the Company's ENPP and defined pension and postretirement benefit plans during the years ended December 31, 2022 and 2021 (in millions):

	Before-Tax Amount	Income Tax	After-Tax Amount
Accumulated other comprehensive loss as of December 31, 2020	\$ (412.5)	\$ (99.2)	\$ (313.3)
Prior service credit arising during the year	13.1	3.1	10.0
Net loss recognized due to settlement	0.1	—	0.1
Net loss recognized due to curtailment	8.5	2.2	6.3
Net actuarial gain arising during the year	71.0	17.4	53.6
Amortization of prior service cost	0.8	0.2	0.6
Amortization of net actuarial losses	16.6	4.3	12.3
Accumulated other comprehensive loss as of December 31, 2021	\$ (302.4)	\$ (72.0)	\$ (230.4)
Prior service credit arising during the year	(25.5)	(6.4)	(19.1)
Net (gain) loss recognized due to settlement	(0.4)	—	(0.4)
Net actuarial gain arising during the year	15.0	2.7	12.3
Amortization of prior service cost	0.2	0.2	—
Amortization of net actuarial losses	8.7	2.3	6.4
Accumulated other comprehensive loss as of December 31, 2022	\$ (304.4)	\$ (73.2)	\$ (231.2)

The unrecognized net actuarial losses included in accumulated other comprehensive loss related to the Company's defined benefit pension plans and ENPP as of December 31, 2022 and 2021 are set forth below (in millions):

	2022	2021
Unrecognized net actuarial losses	\$ 270.0	\$ 291.7

The decrease in unrecognized net actuarial losses between years primarily resulted from higher discount rates at December 31, 2022 compared to December 31, 2021. The unrecognized net actuarial losses will be impacted in future periods by actual asset returns, discount rate changes, currency exchange rate fluctuations, actual demographic experience and certain other factors. For some of the Company's defined benefit pension plans, these losses, to the extent they exceed 10% of the greater of the plan's liabilities or the fair value of assets ("the gain/loss corridor"), will be amortized on a straight-line basis over the periods discussed as follows. For the Company's U.S. salaried, U.S. hourly and U.K. defined benefit pension plans, the population covered is predominantly inactive participants, and losses related to those plans, to the extent they exceed the gain/loss corridor, will be amortized over the average remaining lives of those participants while covered by the respective plan. For the Company's ENPP, the population is predominantly active participants, and losses related to the plan will be amortized over the average future working lifetime of the active participants expected to receive benefits. As of December 31, 2022, the average amortization periods were as follows:

	ENPP	U.S. Plans	U.K. Plan
Average amortization period of losses related to defined benefit pension plans	7 years	14 years	19 years

The following table summarizes the unrecognized prior service cost related to the Company's defined benefit pension plans as of December 31, 2022 and 2021 (in millions):

	2022	2021
Unrecognized prior service cost	\$ 32.5	\$ 7.1

The increase in the unrecognized prior service cost between years is due primarily to the Company updating its estimate of current assumptions, interpretations and approach affecting the Company's defined benefit pension obligations

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related to certain defined benefit plans resulting in a revision of its estimate of prior service cost of approximately \$25.5 million. The 2021 balance also reflects the 2021 plan amendment to the Company's ENPP, as previously discussed.

The following table summarizes the unrecognized net actuarial gains included in the Company's accumulated other comprehensive loss related to the Company's U.S. and Brazilian postretirement health care benefit plans as of December 31, 2022 and 2021 (in millions):

	2022	2021
Unrecognized net actuarial gains ⁽¹⁾	\$ (2.0)	\$ (1.1)

(1) Includes a gain of approximately \$1.1 million and a loss of \$0.2 million, respectively, related to the Company's U.S. postretirement benefit plans.

The unrecognized net actuarial gains related to the Company's U.S. and Brazilian postretirement benefit plans is primarily due to liability gains due to the experience of the plans and assumption changes as of December 31, 2022 as compared to December 31, 2021 primarily resulting from higher discount rates at December 31, 2022. The unrecognized net actuarial gains or losses will be impacted in future periods by discount rate changes, actual demographic experience, actual health care inflation and certain other factors. These gains or losses, to the extent they exceed the gain/loss corridor, will be amortized on a straight-line basis over the average remaining service period of active employees expected to receive benefits, or the average remaining lives of inactive participants, covered under the postretirement benefit plans. As of December 31, 2022, the gains or losses did not exceed the corridor for the Company's U.S. postretirement benefit plan and therefore, there will be no amortization of unrecognized gains or losses during 2023.

As of December 31, 2022 and 2021, the net prior service cost related to the Company's Brazilian postretirement health care benefit plans was as follows (in millions):

	2022	2021
Net prior service cost	\$ 3.1	\$ 3.2

The following table summarizes the fair value of plan assets, aggregate projected benefit obligation and accumulated benefit obligation as of December 31, 2022 and 2021 for defined benefit pension plans, ENPP and other postretirement plans with accumulated benefit obligations in excess of plan assets (in millions):

	2022	2021
<u>All plans:</u>		
Fair value of plan assets	\$ 39.4	\$ 43.4
Projected benefit obligation	209.8	264.1
Accumulated benefit obligation	199.0	246.6
<u>U.S.-based plans and ENPP:</u>		
Fair value of plan assets	\$ 3.3	\$ 4.9
Projected benefit obligation	106.1	130.9
Accumulated benefit obligation	103.4	125.4

The amounts for 2022 and 2021 disclosed above do not include the fair value of plan assets, the projected benefit obligation or the accumulated benefit obligation related to the Company's U.K. plan. The Company's U.K. plan's fair value of plan assets was in excess of the plan's accumulated benefit obligation as of December 31, 2022 and 2021.

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The Company's accumulated comprehensive loss as of December 31, 2022 and 2021 reflects a reduction in equity related to the following items (in millions):

	2022	2021
All plans: ⁽¹⁾		
Reduction in equity, net of taxes of \$72.9 and \$71.5 at December 31, 2022 and 2021, respectively .	\$ 303.6	\$ 300.9
GIMA joint venture: ⁽²⁾		
Reduction in equity, net of taxes of \$0.3 and \$0.5 at December 31, 2022 and 2021, respectively	0.8	1.5

(1) Primarily related to the Company's U.K. pension plan, excluding the GIMA joint venture.

(2) These amounts represented 50% of GIMA's unrecognized net actuarial losses and unrecognized prior service cost associated with its pension plan.

The Company's defined benefit pension obligation has been reflected on the manner in which its defined benefit plans are being administered or expected to be administered in the future. The obligation and resulting liability or asset is calculated employing both actuarial and legal assumptions. These assumptions include, but are not limited to, future inflation, the return on pension assets, discount rates, life expectancy and potential salary increases. There are also assumptions related to the manner in which individual benefit plan benefits are calculated, some of which are legal in nature and include, but are not limited to, member eligibility, years of service, and the uniformity of both guaranteed minimum pension benefits and member normal retirement ages for men and women. Some of these assumptions also are subject to the outcome of certain legal cases, which are currently unknown. In the event that any of these assumptions or the administration approach are proven to be different from the Company's current interpretations and approach, there could be material increases or decreases in the Company's defined benefit pension obligation and related amounts such as prior service cost and actuarial gains and losses, as well as the related amount and timing of future contributions to be paid by the Company. As previously mentioned, during 2022, the Company updated its estimate of current assumptions, interpretations and approach affecting the Company's defined benefit pension obligations related to certain defined benefit plans and recorded a revision of its estimate of prior service cost of approximately \$25.5 million.

The weighted average assumptions used to determine the benefit obligation for the Company's defined benefit pension plans and ENPP as of December 31, 2022 and 2021 are as follows:

	2022	2021
All plans:		
Weighted average discount rate.....	4.9 %	1.9 %
Rate of increase in future compensation	1.75%-5.0%	1.50%-5.0%
U.S.-based plans:		
Weighted average discount rate.....	5.70 %	3.05 %
Rate of increase in future compensation ⁽¹⁾	5.00 %	5.00 %

(1) Applicable for U.S. unfunded, nonqualified plan.

The weighted average discount rate used to determine the benefit obligation for the Company's postretirement benefit plans for the years ended December 31, 2022 and 2021 was 6.6% and 4.1%, respectively.

For the years ended December 31, 2022, 2021 and 2020, the Company used a globally consistent methodology to set the discount rate in the countries where its largest benefit obligations exist. In the United States, the United Kingdom and the Euro Zone, the Company constructed a hypothetical bond portfolio of high-quality corporate bonds and then applied the cash flows of the Company's benefit plans to those bond yields to derive a discount rate. The bond portfolio and plan-specific cash flows vary by country, but the methodology in which the portfolio is constructed is consistent. In the United States, the bond portfolio is large enough to result in taking a "settlement approach" to derive the discount rate, in which high-quality corporate bonds are assumed to be purchased and the resulting coupon payments and maturities are used to satisfy the Company's U.S. pension plans' projected benefit payments. In the United Kingdom and the Euro Zone, the discount rate is derived using a "yield curve approach," in which an individual spot rate, or zero coupon bond yield, for each future annual period is developed to discount each future benefit payment and, thereby, determine the present value of all future payments. The Company uses a spot yield curve to determine the discount rate applicable in the United Kingdom to measure the U.K. pension plan's service

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cost and interest cost. Under the settlement and yield curve approaches, the discount rate is set to equal the single discount rate that produces the same present value of all future payments.

For measuring the expected U.S. postretirement benefit obligation at December 31, 2022, the Company assumed a 8.0% health care cost trend rate for 2023 decreasing to 5.0% by 2035. For measuring the expected U.S. postretirement benefit obligation at December 31, 2021, the Company assumed a 6.8% health care cost trend rate for 2022 decreasing to 5.0% by 2029. For measuring the Brazilian postretirement benefit plan obligation at December 31, 2022, the Company assumed a 10.23% health care cost trend rate for 2023, decreasing to 4.54% by 2033. For measuring the Brazilian postretirement benefit plan obligation at December 31, 2021, the Company assumed a 9.96% health care cost trend rate for 2022, decreasing to 4.28% by 2033.

The Company currently estimates its minimum contributions and benefit payments to its U.S.-based underfunded defined benefit pension plans and unfunded ENPP for 2023 will aggregate approximately \$4.8 million. The Company currently estimates its minimum contributions for underfunded plans and benefit payments for unfunded plans for 2023 to its non-U.S.-based defined benefit pension plans will aggregate approximately \$29.8 million, of which approximately \$19.4 million relates to its U.K. pension plan. The Company currently estimates its benefit payments for 2023 to its U.S.-based postretirement health care and life insurance benefit plans will aggregate approximately \$1.6 million and its benefit payments for 2023 to its Brazilian postretirement health care benefit plans will aggregate less than \$0.1 million.

During 2022, approximately \$49.0 million of benefit payments were made related to the Company's defined benefit pension plans and ENPP. At December 31, 2022, the aggregate expected benefit payments for the Company's defined benefit pension plans and ENPP are as follows (in millions):

2023	\$	47.4
2024		47.6
2025		48.3
2026		48.2
2027		49.0
2028 through 2032		260.3
	<u>\$</u>	<u>500.8</u>

During 2022, approximately \$1.7 million of benefit payments were made related to the Company's U.S. and Brazilian postretirement benefit plans. At December 31, 2022, the aggregate expected benefit payments for the Company's U.S. and Brazilian postretirement benefit plans are as follows (in millions):

2023	\$	1.7
2024		1.7
2025		1.7
2026		1.8
2027		1.8
2028 through 2032		8.6
	<u>\$</u>	<u>17.3</u>

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Investment Strategy and Concentration of Risk

The weighted average asset allocation of the Company's U.S. pension benefit plans as of December 31, 2022 and 2021 are as follows:

Asset Category	2022	2021
Equity securities	10 %	14 %
Fixed income securities	79 %	75 %
Other investments	11 %	11 %
Total	<u>100 %</u>	<u>100 %</u>

The weighted average asset allocation of the Company's non-U.S. pension benefit plans as of December 31, 2022 and 2021 are as follows:

Asset Category	2022	2021
Equity securities	11 %	14 %
Fixed income securities	80 %	80 %
Other investments	9 %	6 %
Total	<u>100 %</u>	<u>100 %</u>

The Company categorizes its pension plan assets into one of three levels based on the assumptions used in valuing the asset. See Note 13 for a discussion of the fair value hierarchy as per the guidance in ASC 820, "Fair Value Measurements" ("ASC 820"). The Company's valuation techniques are designed to maximize the use of observable inputs and minimize the use of unobservable inputs. The Company uses the following valuation methodologies to measure the fair value of its pension plan assets:

- *Equity Securities:* Equity securities are valued on the basis of the closing price per unit on each business day as reported on the applicable exchange. Equity funds are valued using the net asset value of the fund, which is based on the fair value of the underlying securities.
- *Fixed Income:* Fixed income securities are valued using the closing prices in the active market in which the fixed income investment trades. Fixed income funds are valued using the net asset value of the fund, which is based on the fair value of the underlying securities.
- *Cash:* These investments primarily consist of short-term investment funds which are valued using the net asset value.
- *Alternative Investments:* These investments are reported at fair value as determined by the general partner of the alternative investment. The "market approach" valuation technique is used to value investments in these funds. The funds typically are open-end funds as they generally offer subscription and redemption options to investors. The frequency of such subscriptions or redemptions is dictated by each fund's governing documents. The amount of liquidity provided to investors in a particular fund generally is consistent with the liquidity and risk associated with the underlying portfolio (i.e., the more liquid the investments in the portfolio, the greater the liquidity provided to investors). Liquidity of individual funds varies based on various factors and may include "gates," "holdbacks" and "side pockets" imposed by the manager of the fund, as well as redemption fees that may also apply. Investments in these funds typically are valued utilizing the net asset valuations provided by their underlying investment managers, general partners or administrators. The funds consider subscription and redemption rights, including any restrictions on the disposition of the interest, in its determination of the fair value.
- *Insurance Contracts:* Insurance contracts are valued using current prevailing interest rates.

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The fair value of the Company's pension assets as of December 31, 2022 is as follows (in millions):

	Total	Level 1	Level 2	Level 3
Equity securities:				
Global equities	\$ 50.1	\$ 8.7	\$ 41.4	\$ —
U.S. large cap equities	2.9	2.9	—	—
Total equity securities	<u>53.0</u>	<u>11.6</u>	<u>41.4</u>	<u>—</u>
Fixed income:				
Aggregate fixed income	394.1	394.1	—	—
Total fixed income share ⁽¹⁾	<u>394.1</u>	<u>394.1</u>	<u>—</u>	<u>—</u>
Alternative investments:				
Private equity fund	2.4	—	—	2.4
Hedge funds measured at net asset value ⁽⁴⁾	32.2	—	—	—
Total alternative investments ⁽²⁾	<u>34.6</u>	<u>—</u>	<u>—</u>	<u>2.4</u>
Miscellaneous funds ⁽³⁾	37.8	—	—	37.8
Cash and equivalents measured at net asset value ⁽⁴⁾	9.2	—	—	—
Total assets	<u>\$ 528.7</u>	<u>\$ 405.7</u>	<u>\$ 41.4</u>	<u>\$ 40.2</u>

- (1) 57% of "fixed income" securities are in government treasuries; 21% are in foreign securities; 14% are in investment-grade corporate bonds; 7% are in high-yield securities; and 1% are in other various fixed income securities.
- (2) 51% of "alternative investments" are in relative value funds; 23% are in long-short equity funds; 11% are in event-driven funds; 9% are in credit funds; and 6% are distributed in hedged and non-hedged funds.
- (3) "Miscellaneous funds" is comprised of insurance contracts in Finland, Norway and Switzerland.
- (4) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy.

The following is a reconciliation of Level 3 assets as of December 31, 2022 (in millions):

	Total	Alternative Investments	Miscellaneous Funds
Beginning balance as of December 31, 2021	\$ 43.7	\$ 3.5	\$ 40.2
Actual return on plan assets:			
(a) Relating to assets still held at reporting date	(0.9)	(1.1)	0.2
Purchases, sales and /or settlements	(0.2)	—	(0.2)
Foreign currency exchange rate changes	(2.4)	—	(2.4)
Ending balance as of December 31, 2022	<u>\$ 40.2</u>	<u>\$ 2.4</u>	<u>\$ 37.8</u>

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The fair value of the Company's pension assets as of December 31, 2021 is as follows (in millions):

	Total	Level 1	Level 2	Level 3
Equity securities:				
Global equities	\$ 102.5	\$ 18.2	\$ 84.3	\$ —
U.S. large cap equities	5.6	5.6	—	—
Total equity securities	108.1	23.8	84.3	—
Fixed income:				
Aggregate fixed income	615.9	615.9	—	—
Total fixed income share ⁽¹⁾	615.9	615.9	—	—
Alternative investments:				
Private equity fund	3.5	—	—	3.5
Hedge funds measured at net asset value ⁽⁴⁾	41.7	—	—	—
Total alternative investments ⁽²⁾	45.2	—	—	3.5
Miscellaneous funds ⁽³⁾	40.2	—	—	40.2
Cash and equivalents measured at net asset value ⁽⁴⁾	6.2	—	—	—
Total assets	\$ 815.6	\$ 639.7	\$ 84.3	\$ 43.7

- (1) 50% of "fixed income" securities are in government treasuries; 20% are in foreign securities; 13% are in investment-grade corporate bonds; 8% are in high-yield securities; 6% are in other various fixed income securities and 3% are in asset-backed and mortgage-backed securities.
- (2) 42% of "alternative investments" are in relative value funds; 28% are in long-short equity funds; 14% are in event-driven funds; 8% are in credit funds; and 8% are distributed in hedged and non-hedged funds.
- (3) "Miscellaneous funds" is comprised of insurance contracts in Finland, Norway and Switzerland.
- (4) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy.

The following is a reconciliation of Level 3 assets as of December 31, 2021 (in millions):

	Total	Alternative Investments	Miscellaneous Funds
Beginning balance as of December 31, 2020	\$ 38.7	\$ 2.1	\$ 36.6
Actual return on plan assets:			
(a) Relating to assets still held at reporting date	3.3	1.4	1.9
(b) Relating to assets sold during period	—	—	—
Purchases, sales and /or settlements	4.7	—	4.7
Foreign currency exchange rate changes	(3.0)	—	(3.0)
Ending balance as of December 31, 2021	\$ 43.7	\$ 3.5	\$ 40.2

All tax-qualified pension fund investments in the United States are held in the AGCO Corporation Master Pension Trust. The Company's global pension fund strategy is to diversify investments across broad categories of equity and fixed income securities with appropriate use of alternative investment categories to minimize risk and volatility. The primary investment objective of the Company's pension plans is to secure participant retirement benefits. As such, the key objective in the pension plans' financial management is to promote stability and, to the extent appropriate, growth in funded status.

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The investment strategy for the plans' portfolio of assets balances the requirement to generate returns with the need to control risk. The asset mix is recognized as the primary mechanism to influence the reward and risk structure of the pension fund investments in an effort to accomplish the plans' funding objectives. The overall investment strategies and target allocations of retirement fund investments for the Company's U.S.-based pension plans and the non-U.S. based pension plans are as follows:

	U.S. Pension Plans	Non-U.S. Pension Plans⁽¹⁾
<u>Overall investment strategies:</u> ⁽²⁾		
Assets for the near-term benefit payments	80.0 %	92.5 %
Assets for longer-term growth	20.0 %	7.5 %
Total	100.0 %	100.0 %
<u>Target allocations:</u>		
Equity securities	17.0 %	12.5 %
Fixed income securities	75.0 %	82.5 %
Alternative investments	3.0 %	5.0 %
Cash and cash equivalents	5.0 %	— %
Total	100.0 %	100.0 %

(1) The majority of the Company's non-U.S. pension fund investments are related to the Company's pension plan in the United Kingdom.

(2) The overall U.S. and non-U.S. pension funds invest in a broad diversification of asset types.

The Company has noted that over very long periods, this mix of investments would achieve an average return on its U.S.-based pension plans of approximately 6.3%. In arriving at the choice of an expected return assumption of 5.75% for its U.S. plans for the year ended December 31, 2023, the Company has tempered this historical indicator with lower expectations for returns and changes to investments in the future as well as the administrative costs of the plans. The Company has noted that over very long periods, this mix of investments would achieve an average return on its non-U.S. based pension plans of approximately 6.0%. In arriving at the choice of an expected return assumption of 5.75% for its U.K.-based plans for the year ended December 31, 2023, the Company has tempered this historical indicator with lower expectations for returns and changes to investments in the future as well as the administrative costs of the plans.

Equity securities primarily include investments in large-cap and small-cap companies located across the globe. Fixed income securities include corporate bonds of companies from diversified industries, mortgage-backed securities, agency mortgages, asset-backed securities and government securities. Alternative and other assets include investments in hedge fund of funds that follow diversified investment strategies. To date, the Company has not invested pension funds in its own stock and has no intention of doing so in the future.

Within each asset class, careful consideration is given to balancing the portfolio among industry sectors, geographies, interest rate sensitivity, dependence on economic growth, currency and other factors affecting investment returns. The assets are managed by professional investment firms, who are bound by precise mandates and are measured against specific benchmarks. Among asset managers, consideration is given, among others, to balancing security concentration, issuer concentration, investment style and reliance on particular active investment strategies.

The Company participates in a small number of multiemployer plans in the Netherlands and Sweden. The Company has assessed and determined that none of the multiemployer plans which it participates in are individually, or in the aggregate, significant to the Company's Consolidated Financial Statements. The Company does not expect to incur a withdrawal liability or expect to significantly increase its contributions over the remainder of the multiemployer plans' contract periods.

The Company maintains separate defined contribution plans covering certain employees and executives, primarily in the United States, the United Kingdom and Brazil. Under the plans, the Company contributes a specified percentage of each eligible employee's compensation. The Company contributed approximately \$17.9 million, \$16.9 million and \$15.4 million for the years ended December 31, 2022, 2021 and 2020, respectively.

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

9. Stockholders' Equity

Common Stock

At December 31, 2022, the Company had 150,000,000 authorized shares of common stock with a par value of \$0.01 per share, with approximately 74,600,815 shares of common stock outstanding and approximately 3,780,349 shares reserved for issuance under the Company's 2006 Long-Term Incentive Plan (the "Plan") (See Note 10).

Share Repurchase Program

In August and November 2021, the Company entered into two accelerated share repurchase ("ASR") agreements with financial institutions to repurchase an aggregate of \$135.0 million of shares of its common stock. The Company received approximately 952,204 shares associated with these transactions as of December 31, 2021. On January 19, 2022, the Company received additional 113,824 shares upon final settlement of its November 2021 ASR agreement. In February and March 2020, the Company entered into two ASR agreements with financial institutions to repurchase an aggregate of \$55.0 million of shares of its common stock. The Company received approximately 970,141 shares in these transactions as of December 31, 2020. All shares received under the ASR agreements were retired upon receipt, and the excess of the purchase price over par value per share was recorded to a combination of "Additional paid-in capital" and "Retained earnings" within our Consolidated Balance Sheets.

During 2022, the Company did not purchase any shares directly or enter into any accelerated share repurchase agreements. As of December 31, 2022, the remaining amount authorized to be repurchased under board-approved share repurchase authorizations was approximately \$110.0 million, which has no expiration date.

Dividends

The Company's Board of Directors has declared and the Company has paid cash dividends per common share during the following years:

	<u>2022⁽¹⁾</u>	<u>2021⁽²⁾⁽³⁾</u>	<u>2020⁽³⁾</u>
Dividends declared and paid per common share	\$ 5.40	\$ 4.74	\$ 0.63

(1) On April 28, 2022, the Company's Board of Directors approved a quarterly dividend of \$0.24 per common share outstanding commencing in the second quarter of 2022. The Company's Board of Directors declared and the Company has paid quarterly cash dividends of \$0.24 per common share beginning in the second quarter of 2022, from \$0.20 per common share in the first quarter of 2022. In addition, the Company's Board of Directors also declared and the Company paid a special variable dividend of \$4.50 per common share during 2022 totaling approximately \$335.7 million.

(2) The Company's Board of Directors declared and the Company has paid quarterly cash dividends of \$0.20 per common share beginning in the second quarter of 2021, from \$0.16 per common share in the first quarter of 2021. In addition, the Company's Board of Directors also declared and the Company paid a special variable dividend of \$4.00 per common share during 2021 totaling approximately \$301.5 million.

(3) The Company's Board of Directors declared and the Company has paid quarterly cash dividends of \$0.16 per common share, beginning in the second quarter of 2019 through the first quarter of 2021, from \$0.15 per common share in the first quarter of 2019.

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Accumulated Other Comprehensive Loss

The following table sets forth changes in accumulated other comprehensive loss by component, net of tax, attributed to AGCO Corporation and its subsidiaries for the years ended December 31, 2022 and 2021 (in millions):

	Defined Benefit Pension Plans	Cumulative Translation Adjustment	Deferred Net (Losses) Gains on Derivatives	Total
Accumulated other comprehensive loss, December 31, 2020	\$ (313.3)	\$ (1,495)	\$ (2.5)	\$ (1,810.8)
Other comprehensive income (loss) before reclassifications	70.0	(45.1)	5.1	30.0
Net losses (gains) reclassified from accumulated other comprehensive loss	12.9	—	(3.0)	9.9
Other comprehensive income (loss), net of reclassification adjustments	82.9	(45.1)	2.1	39.9
Accumulated other comprehensive loss, December 31, 2021	(230.4)	(1,540.1)	(0.4)	(1,770.9)
Other comprehensive loss before reclassifications	(7.2)	(30.9)	(14.6)	(52.7)
Net losses reclassified from accumulated other comprehensive loss	6.4	—	14.1	20.5
Other comprehensive loss, net of reclassification adjustments	(0.8)	(30.9)	(0.5)	(32.2)
Accumulated other comprehensive loss, December 31, 2022	<u>\$ (231.2)</u>	<u>\$ (1,571.0)</u>	<u>\$ (0.9)</u>	<u>\$ (1,803.1)</u>

AGCO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The following table sets forth reclassification adjustments out of accumulated other comprehensive loss by component attributed to AGCO Corporation and its subsidiaries for the years ended December 31, 2022 and 2021 (in millions):

Details about Accumulated Other Comprehensive Loss Components	Amount Reclassified from Accumulated Other Comprehensive Loss		Affected Line Item within the Consolidated Statements of Operations
	Year ended December 31, 2022⁽¹⁾	Year ended December 31, 2021⁽¹⁾	
Derivatives:			
Net losses on foreign currency contracts	\$ 14.5	\$ 11.4	Cost of goods sold
Net losses (gains) on commodity contracts	4.7	(17.2)	Cost of goods sold
Reclassification before tax	19.2	(5.8)	
	(5.1)	2.8	Income tax provision
Reclassification net of tax	<u>\$ 14.1</u>	<u>\$ (3.0)</u>	
Defined benefit pension plans:			
Amortization of net actuarial losses	\$ 8.7	\$ 16.6	Other expense, net ⁽²⁾
Amortization of prior service cost	0.2	0.8	Other expense, net ⁽²⁾
Reclassification before tax	8.9	17.4	
	(2.5)	(4.5)	Income tax provision
Reclassification net of tax	<u>\$ 6.4</u>	<u>\$ 12.9</u>	
Net losses reclassified from accumulated other comprehensive loss	<u>\$ 20.5</u>	<u>\$ 9.9</u>	

(1) Losses (gains) included within the Consolidated Statements of Operations for the years ended December 31, 2022 and 2021, respectively.

(2) These accumulated other comprehensive loss components are included in the computation of net periodic pension and postretirement benefit cost. See Note 8 to the Company's Consolidated Financial Statements.

10. Stock Incentive Plan

Under the Plan, up to 10,000,000 shares of AGCO's common stock may be issued. As of December 31, 2022, of the 10,000,000 shares reserved for issuance under the Plan, approximately 3,780,349 shares remained available for grant, assuming the maximum number of shares are earned related to the performance award grants discussed below. The Plan allows the Company, under the direction of the Board of Directors' Compensation Committee, to make grants of performance shares, stock appreciation rights, restricted stock units and restricted stock awards to employees, officers and non-employee directors of the Company.

Long-Term Incentive Plan and Related Performance Awards

The Company's primary long-term incentive plan is a performance share plan that provides for awards of shares of the Company's common stock based on achieving financial targets, such as targets for return on invested capital, operating margins, return on net assets and revenue growth, as determined by the Company's Board of Directors. Performance periods for the Company's primary long-term incentive plan are consecutive and overlapping three-year cycles, and performance targets are set at the beginning of each cycle. The primary long-term incentive plan provides for participants to earn 16.5% to 200% of the target awards depending on the actual performance achieved, with no shares earned if performance is below the established minimum target. Awards earned under the Plan are paid in shares of common stock at the end of each three-year performance period. The percentage level achievement is determined annually or over the three-year cycle in aggregate, with the ultimate award that is earned determined based upon the average of the three annual percentages. The 2022 grant of performance award shares is subject to a total shareholder return modifier. The compensation expense associated with these awards is amortized ratably over the vesting or performance period based on the Company's projected assessment of the level of performance that will be achieved and earned.

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

During 2022, the Company granted 320,120 performance awards if the Company were to achieve its maximum levels of performance related to varying performance periods. Compensation expense recorded during 2022, 2021 and 2020 with respect to awards granted was based upon the fair value as of the grant date. For the 2022 and 2021 awards that included a market condition, the Company measured the fair value using a Monte Carlo simulation. The weighted average grant-date fair value of performance awards granted under the Plan during 2022, 2021 and 2020 was as follows:

	Years Ended December 31,		
	2022	2021	2020
Weighted average grant-date fair value	\$ 119.35	\$ 123.33	\$ 70.84

Performance award transactions during 2022 were as follows and are presented as if the Company were to achieve its maximum levels of performance under the plan:

	Performance awards	Weighted-Average Grant Date Fair Value
Shares awarded but not earned at January 1	514,714	\$ 97.72
Shares awarded	320,120	119.35
Shares forfeited	(34,324)	108.99
Shares vested or earned	(256,606)	73.96
Shares awarded but not earned at December 31	<u>543,904</u>	<u>\$ 120.94</u>

Based on the level of performance achieved as of December 31, 2022, 289,513 shares were earned under the related performance period, including 53,681 shares vested as of December 31, 2021 related to certain retirees and other individuals. 183,431 shares were issued in February 2023, net of 106,082 shares that were withheld for taxes related to the earned awards. The Plan allows for the participant to have the option of forfeiting a portion of the shares awarded in lieu of a cash payment contributed to the participant's tax withholding to satisfy the participant's statutory minimum federal, state and employment taxes which would be payable at the time of grant. In addition, assuming the maximum target levels of performance achieved, there were 13,560 shares earned as of December 31, 2022 related to certain retirees and other individuals that will be issued at the end of the relevant performance periods based on the ultimate level of performance achieved with respect to those periods.

As of December 31, 2022, the total compensation cost related to unearned performance awards not yet recognized, assuming the Company's current projected assessment of the level of performance that will be achieved, was approximately \$30.9 million, and the weighted average period over which it is expected to be recognized is approximately two years. This estimate is based on the current projected levels of performance of outstanding awards. The compensation cost not yet recognized could be higher or lower based on actual achieved levels of performance.

Restricted Stock Units

Restricted stock unit ("RSU") awards granted under Plan do not entitle recipients to vote or receive dividends during the vesting period and will be forfeited in the event of the recipient's termination of employment, except for certain circumstances such as retirement, death or disability. The fair value of restricted stock and restricted stock units is the closing market price per share of the Company's stock on the grant date less the present value of the expected dividends not received during the vesting period.

The weighted average grant-date fair value of the RSUs granted under the Plan during 2022, 2021 and 2020 was as follows:

	Years Ended December 31,		
	2022	2021	2020
Weighted average grant-date fair value	\$ 109.09	\$ 113.91	\$ 70.83

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

During the year ended December 31, 2022, the Company granted 133,546 RSU awards. These awards entitle the participant to receive one share of the Company's common stock for each RSU granted and vest one-third per year over a three-year requisite service period. The 2020 grant of RSUs to certain executives has a three-year cliff vesting requirement subject to adjustment based on a margin improvement metric relative to the Company's defined peer group. The compensation expense associated with all RSU awards is being amortized ratably over the requisite service period for the awards that are expected to vest. RSU transactions during the year ended December 31, 2022 were as follows:

	RSUs	Weighted-Average Grant Date Fair Value
Shares awarded but not vested at January 1	159,228	\$ 93.13
Shares awarded	133,546	109.09
Shares forfeited	(9,320)	107.53
Shares vested	(70,256)	86.71
Shares awarded but not vested at December 31	213,198	\$ 104.62

A majority of the 70,256 shares vested with respect to RSU awards during 2022 were issued in January 2022. 4,380 shares vested during 2022 related to certain retirees. During January 2023, 53,637 RSUs shares were issued, net of 31,458 shares that were withheld for taxes. 22,451 RSUs 2020 remain to be issued as they are subject to adjustment based on a total margin improvement metric relative to the Company's defined peers. The Plan allows for the participant to have the option of forfeiting a portion of the shares awarded in lieu of a cash payment contributed to the participant's tax withholding to satisfy the participant's statutory minimum federal, state and employment taxes which would be payable at the time of grant. As of December 31, 2022, the total compensation cost related to the unvested RSUs not yet recognized was approximately \$13.0 million, and the weighted average period over which it is expected to be recognized is approximately one and one-half years.

2023 Awards

On January 30, 2023, the Company granted 140,042 performance award shares (subject to the Company achieving future target levels of performance) and 100,955 RSUs under the Plan. The 2023 grant of performance award shares is subject to a total shareholder return modifier.

Stock-settled Appreciation Rights

Certain executives and key managers were eligible to receive grants of SSARs through the year ended December 31, 2020. The Company did not grant any SSARs since the year ended December 31, 2020 and does not currently anticipate granting any SSARs in the future. The Company recorded stock compensation expense of approximately \$0.5 million, \$0.8 million and \$1.9 million associated with SSAR awards during 2022, 2021 and 2020, respectively. The compensation expense associated with these awards is being amortized ratably over the vesting period. The Company estimated the fair value of the grants using the Black-Scholes option pricing model.

The total fair value of SSARs vested during 2022 was approximately \$0.7 million. There were 57,300 SSARs that were not vested and 144,984 SSARs outstanding as of December 31, 2022. The total intrinsic value of outstanding and exercisable SSARs as of December 31, 2022 was \$10.1 million and \$6.2 million, respectively. The total intrinsic value of SSARs exercised during 2022 was approximately \$2.8 million.

Excess Tax Benefit

The excess tax benefit realized for tax deductions in the United States related to the exercise of SSARs, vesting of RSU awards and vesting of performance awards under the Plan was approximately \$1.9 million for the year ended December 31, 2022. The excess tax benefit realized for tax deductions in the United States related to the exercise of SSARs, vesting of RSU awards and vesting of performance awards under the Plan was approximately \$3.3 million for the year ended December 31, 2021. The excess tax benefit realized for tax deductions in the United States related to the exercise of SSARs, vesting of RSU awards and vesting of performance awards under the Plan was approximately \$2.5 million for the year

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

ended December 31, 2020. The Company realized an insignificant tax benefit from the exercise of SSARs, vesting of performance awards and vesting of RSU awards in certain foreign jurisdictions during the years ended December 31, 2022, 2021 and 2020.

Director Restricted Stock Grants

Pursuant to the Plan, all non-employee directors receive annual restricted stock grants of the Company's common stock. All restricted stock grants made to the Company's directors are restricted as to transferability for a period of one year. In the event a director departs from the Company's Board of Directors, the non-transferability period expires immediately. The plan allows each director to have the option of forfeiting a portion of the shares awarded in lieu of a cash payment contributed to the participant's tax withholding to satisfy the statutory minimum federal, state and employment taxes that would be payable at the time of grant. The 2022 grant was made on April 28, 2022 and equated to 11,664 shares of common stock, of which 10,301 shares of common stock were issued, after shares were withheld for taxes. The Company recorded stock compensation expense of approximately \$1.5 million during 2022 associated with these grants.

11. Derivative Instruments and Hedging Activities

The Company attempts to manage its transactional foreign exchange exposure by hedging foreign currency cash flow forecasts and commitments arising from the anticipated settlement of receivables and payables and from future purchases and sales. Where naturally offsetting currency positions do not occur, the Company hedges certain, but not all, of its exposures through the use of foreign currency contracts. The Company's translation exposure resulting from translating the financial statements of foreign subsidiaries into United States dollars may be partially hedged from time to time. When practical, the translation impact is reduced by financing local operations with local borrowings.

The Company uses floating rate and fixed rate debt to finance its operations. The floating rate debt obligations expose the Company to variability in interest payments due to changes in the EURIBOR, SOFR or other applicable benchmark interest rates. The Company believes it is prudent to limit the variability of a portion of its interest payments, and to meet that objective, the Company periodically enters into interest rate swaps to manage the interest rate risk associated with the Company's borrowings. The Company designates interest rate contracts used to convert the interest rate exposure on a portion of the Company's debt portfolio from a floating rate to a fixed rate as cash flow hedges, while those contracts converting the Company's interest rate exposure from a fixed rate to a floating rate are designated as fair value hedges.

To protect the value of the Company's investment in foreign operations against adverse changes in foreign currency exchange rates, the Company from time to time, may hedge a portion of the Company's net investment in the foreign subsidiaries by using a cross currency swap. The component of the gains and losses on the Company's net investment in the designated foreign operations driven by changes in foreign exchange rates are economically offset by movements in the fair value of the cross currency swap contracts.

The Company is exposed to commodity risk from steel and other raw material purchases where a portion of the contractual purchase price is linked to a variable rate based on publicly available market data. From time to time, the Company enters into cash flow hedges to mitigate its exposure to variability in commodity prices.

The Company's senior management establishes the Company's foreign currency and interest rate risk management policies. These policies are reviewed periodically by the Finance Committee of the Company's Board of Directors. The policies allow for the use of derivative instruments to hedge exposures to movements in foreign currency and interest rates. The Company's policies prohibit the use of derivative instruments for speculative purposes.

All derivatives are recognized on the Company's Consolidated Balance Sheets at fair value. On the date the derivative contract is entered into, the Company designates the derivative as either (1) a cash flow hedge of a forecasted transaction, (2) a fair value hedge of a recognized liability, (3) a hedge of a net investment in a foreign operation, or (4) a non-designated derivative instrument.

The Company categorizes its derivative assets and liabilities into one of three levels based on the assumptions used in valuing the asset or liability. See Note 13 for a discussion of the fair value hierarchy as per the guidance in ASC 820. The Company's valuation techniques are designed to maximize the use of observable inputs and minimize the use of unobservable inputs.

AGCO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Counterparty Risk

The Company regularly monitors the counterparty risk and credit ratings of all the counterparties to the derivative instruments. The Company believes that its exposures are appropriately diversified across counterparties and that these counterparties are creditworthy financial institutions. If the Company perceives any risk with a counterparty, then the Company would cease to do business with that counterparty. There have been no negative impacts to the Company from any non-performance of any counterparties.

Derivative Transactions Designated as Hedging Instruments

Cash Flow Hedges

Foreign Currency Contracts

The Company uses cash flow hedges to minimize the variability in cash flows of assets or liabilities or forecasted transactions caused by fluctuations in foreign currency exchange rates. The changes in the fair values of these cash flow hedges are recorded in accumulated other comprehensive loss and are subsequently reclassified into “Cost of goods sold” during the period the sales and purchases are recognized. These amounts offset the effect of the changes in foreign currency rates on the related sale and purchase transactions.

During 2022, 2021 and 2020, the Company designated certain foreign currency contracts as cash flow hedges of expected future sales and purchases. The total notional value of derivatives that were designated as cash flow hedges was \$364.8 million as of December 31, 2022. The Company did not have any derivatives that were designated as cash flow hedges related to foreign currency contracts as of December 31, 2021.

Steel Commodity Contracts

In December 2020, the Company designated certain steel commodity contracts as cash flow hedges of expected future purchases of steel. The total notional value of derivatives that were designated as cash flow hedges was approximately \$0.9 million and \$31.9 million as of December 31, 2022 and 2021, respectively.

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The following table summarizes the after-tax impact that changes in the fair value of derivatives designated as cash flow hedges had on accumulated other comprehensive loss and net income during 2022, 2021 and 2020 (in millions):

	Recognized in Net Income			
	Gain (Loss) Recognized in Accumulated Other Comprehensive Loss	Classification of Gain (Loss)	Gain (Loss) Reclassified from Accumulated Other Comprehensive Loss into Income	Total Amount of the Line Item in the Consolidated Statements of Operations Containing Hedge Gains (Losses)
2022				
Foreign currency contracts ⁽¹⁾	\$ (11.1)	Cost of goods sold	\$ (10.6)	\$ 9,650.1
Commodity contracts ⁽²⁾	(3.5)	Cost of goods sold	(3.5)	\$ 9,650.1
Total	<u>\$ (14.6)</u>		<u>\$ (14.1)</u>	
2021				
Foreign currency contracts	\$ (7.4)	Cost of goods sold	\$ (10.2)	\$ 8,566.0
Commodity contracts	12.5	Cost of goods sold	13.2	\$ 8,566.0
Total	<u>\$ 5.1</u>		<u>\$ 3.0</u>	
2020				
Foreign currency contracts	\$ 4.6	Cost of goods sold	\$ 6.3	\$ 7,092.2
Commodity contracts	0.5	Cost of goods sold	—	7,092.2
Total	<u>\$ 5.1</u>		<u>\$ 6.3</u>	

(1) The outstanding contracts as of December 31, 2022 range in maturity through December 2023.

(2) The outstanding contracts as of December 31, 2022 range in maturity through April 2023.

The following table summarizes the activity in accumulated other comprehensive loss related to the derivatives held by the Company during the years ended December 31, 2022, 2021 and 2020 (in millions):

	Before-Tax Amount	Income Tax	After-Tax Amount
Accumulated derivative net losses as of December 31, 2019	\$ (1.5)	\$ (0.2)	\$ (1.3)
Net changes in fair value of derivatives	4.9	(0.2)	5.1
Net gains reclassified from accumulated other comprehensive loss into income	<u>(6.4)</u>	<u>(0.1)</u>	<u>(6.3)</u>
Accumulated derivative net losses as of December 31, 2020	\$ (3.0)	\$ (0.5)	\$ (2.5)
Net changes in fair value of derivatives	8.3	3.2	5.1
Net gains reclassified from accumulated other comprehensive loss into income	<u>(5.8)</u>	<u>(2.8)</u>	<u>(3.0)</u>
Accumulated derivative net losses as of December 31, 2021	\$ (0.5)	\$ (0.1)	\$ (0.4)
Net changes in fair value of derivatives	(19.7)	(5.1)	(14.6)
Net losses reclassified from accumulated other comprehensive loss into income	<u>19.2</u>	<u>5.1</u>	<u>14.1</u>
Accumulated derivative net losses as of December 31, 2022 ⁽¹⁾	<u>\$ (1.0)</u>	<u>\$ (0.1)</u>	<u>\$ (0.9)</u>

(1) As of December 31, 2022, approximately \$0.6 million and \$0.4 million of derivative realized net losses, before taxes, remain in accumulated other comprehensive loss related to foreign currency contracts and commodity contracts, respectively, associated with inventory that had not yet been sold.

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Net Investment Hedges

The Company uses non-derivative and derivative instruments, to hedge a portion of its net investment in foreign operations against adverse movements in exchange rates. For instruments that are designated as hedges of net investments in foreign operations, changes in the fair value of the derivative instruments are recorded in foreign currency translation adjustments, a component of accumulated other comprehensive loss, to offset changes in the value of the net investments being hedged. When the net investment in foreign operations is sold or substantially liquidates, the amounts recorded in accumulated other comprehensive loss are reclassified to earnings. To the extent foreign currency denominated debt is de-designated from a net investment hedge relationship, changes in the value of the foreign currency denominated debt are recorded in earnings through the maturity date.

In January 2018, the Company entered into a cross currency swap contract as a hedge of its net investment in foreign operations to offset foreign currency translation gains or losses on the net investment. The cross currency swap expired on January 19, 2021. At maturity of the cross currency swap contract, the Company delivered the notional amount of approximately €245.7 million (or approximately \$297.1 million as of January 19, 2021) and received \$300.0 million from the counterparties, resulting in a gain of approximately \$2.9 million that was recognized in accumulated other comprehensive loss. The Company received quarterly interest payments from the counterparties based on a fixed interest rate until maturity of the cross currency swap.

On January 29, 2021, the Company entered into a new cross currency swap contract as a hedge of its net investment in foreign operations to offset foreign currency translation gains or losses on the net investment. The cross currency swap has an expiration date of January 29, 2028. At maturity of the cross currency swap contract, the Company will deliver the notional amount of approximately €247.9 million (or approximately \$265.1 million as of December 31, 2022) and will receive \$300.0 million from the counterparties. The Company will receive quarterly interest payments from the counterparties based on a fixed interest rate until maturity of the cross currency swap.

The following table summarizes the notional values of the instrument designated as a net investment hedge (in millions):

	Notional Amount as of	
	December 31, 2022	December 31, 2021
Cross currency swap contract	\$ 300.0	\$ 300.0

The following table summarizes the after-tax impact of changes in the fair value of the instrument designated as a net investment hedge (in millions):

	Gain (Loss) Recognized in Accumulated Other Comprehensive Loss for the Years Ended		
	Before-Tax Amount	Income Tax	After-Tax Amount
Foreign currency denominated debt:			
December 31, 2022	\$ —	\$ —	\$ —
December 31, 2021	—	—	—
December 31, 2020	1.7	—	1.7
Cross currency swap contract:			
December 31, 2022	20.5	5.3	15.2
December 31, 2021	11.0	3.2	7.8
December 31, 2020	(25.5)	—	(25.5)

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Derivative Transactions Not Designated as Hedging Instruments

During 2022, 2021 and 2020, the Company entered into foreign currency contracts to economically hedge receivables and payables on the Company and its subsidiaries' balance sheets that are denominated in foreign currencies other than the functional currency. These contracts were classified as non-designated derivative instruments. Gains and losses on such contracts are substantially offset by losses and gains on the remeasurement of the underlying asset or liability being hedged and are immediately recognized into earnings. As of December 31, 2022 and 2021, the Company had outstanding foreign currency contracts with a notional amount of approximately \$3,654.0 million and \$3,681.9 million, respectively.

The following table summarizes the results on net income of derivatives not designated as hedging instruments (in millions):

	Classification of Gain (Loss)	For the Years Ended		
		December 31, 2022	December 31, 2021	December 31, 2020
Foreign currency contracts.....	Other expense, net	\$ (38.2)	\$ 54.8	\$ 3.7

The table below sets forth the fair value of derivative instruments as of December 31, 2022 (in millions):

	Asset Derivatives as of December 31, 2022		Liability Derivatives as of December 31, 2022	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivative instruments designated as hedging instruments:				
Foreign currency contracts.....	Other current assets	\$ 1.3	Other current liabilities	\$ 1.3
Commodity contracts.....	Other current assets	—	Other current liabilities	—
Cross currency swap contract.....	Other noncurrent assets	33.0	Other noncurrent liabilities	—
Derivative instruments not designated as hedging instruments:				
Foreign currency contracts ⁽¹⁾	Other current assets	6.6	Other current liabilities	39.1
Total derivative instruments.....		<u>\$ 40.9</u>		<u>\$ 40.4</u>

(1) The outstanding contracts as of December 31, 2022 range in maturity through March 2023.

The table below sets forth the fair value of derivative instruments as of December 31, 2021 (in millions):

	Asset Derivatives as of December 31, 2021		Liability Derivatives as of December 31, 2021	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivative instruments designated as hedging instruments:				
Foreign currency contracts.....	Other current assets	\$ —	Other current liabilities	\$ —
Commodity contracts.....	Other current assets	0.2	Other current liabilities	2.0
Cross currency swap contract.....	Other noncurrent assets	12.5	Other noncurrent liabilities	—
Derivative instruments not designated as hedging instruments:				
Foreign currency contracts.....	Other current assets	15.1	Other current liabilities	5.1
Total derivative instruments.....		<u>\$ 27.8</u>		<u>\$ 7.1</u>

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

12. Commitments and Contingencies

The future payments required under the Company's significant commitments, excluding indebtedness, as of December 31, 2022 are as follows (in millions):

Interest payments on indebtedness – The Company expects to make interest payments of approximately \$35.4 million during the year ended December 31, 2023 related to indebtedness outstanding as of December 31, 2022. Indebtedness amounts reflect the principal amount of the Company's senior term loan, senior notes, credit facility and certain short-term borrowings, gross of any debt issuance costs. The projected amount of interest payments includes assumptions regarding the future fluctuations in interest rates, as well as borrowings under the Company's revolving credit facility and other variable debt instruments. Refer to Note 7 of the Consolidated Financial Statements for additional information regarding indebtedness. In addition, the Company expects to pay approximately \$125.7 million of discounts on the sales of receivables related to the Company's finance joint ventures. The projected amount of discounts paid includes significant assumptions regarding future amounts of receivables sold to the Company's finance joint ventures as well as future fluctuations in interest rates.

Unconditional purchase obligations – As of December 31, 2022, the Company had approximately \$209.2 million of outstanding purchase obligations payable during the year ended December 31, 2023. Unconditional purchase obligations generally do not vary materially year to year.

Other short-term and long-term obligations – As of December 31, 2022, the Company had approximately \$10.4 million of income tax liabilities related to uncertain income tax provisions connected with ongoing income tax audits in various jurisdictions that it expects to pay or settle within the next 12 months. These liabilities and related income tax audits are subject to statutory expiration. Additionally, the Company had approximately \$36.3 million of estimated future minimum contribution requirements under its U.S. and non-U.S. defined benefit pension and postretirement plans due during the year ended December 31, 2023. Refer to Notes 6 and 8 of the Consolidated Financial Statements for additional information regarding the Company's uncertain tax positions and pension and postretirement plans, respectively. These obligations comprise a majority of the Company's other short-term and long-term obligations.

Off-Balance Sheet Arrangements

Guarantees

The Company maintains a remarketing agreement with its U.S. finance joint venture, AGCO Finance LLC, whereby the Company is obligated to repurchase up to \$6.0 million of repossessed equipment each calendar year. The Company believes that any losses that might be incurred on the resale of this equipment will not materially impact the Company's financial position or results of operations, due to the fair value of the underlying equipment.

At December 31, 2022, the Company has outstanding guarantees of indebtedness owed to related and third parties of approximately \$29.2 million, primarily related to dealer and end-user financing of equipment. Such guarantees generally obligate the Company to repay outstanding finance obligations owed to financial institutions if dealers or end users default on such loans through 2028. Losses under such guarantees historically have been insignificant. In addition, the Company generally would expect to be able to recover a significant portion of the amounts paid under such guarantees from the sale of the underlying financed farm equipment, as the fair value of such equipment is expected to be sufficient to offset a substantial portion of the amounts paid. The Company also guarantees indebtedness owed to certain of its finance joint ventures if dealers or end users default on loans. Losses under such guarantees historically have been insignificant and the guarantees are not material. The Company believes the credit risk associated with these guarantees is not material.

In addition, at December 31, 2022, the Company had accrued approximately \$18.6 million of outstanding guarantees of minimum residual values that may be owed to its finance joint ventures in the United States and Canada due upon expiration of certain eligible operating leases between the finance joint ventures and end users. The maximum potential amount of future payments under the guarantee is approximately \$191.3 million.

AGCO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Other

At December 31, 2022, the Company had outstanding designated and non-designated foreign exchange contracts with a gross notional amount of approximately \$4,318.8 million. The outstanding contracts as of December 31, 2022 range in maturity through March 2023. The Company also had outstanding designated steel commodity contracts with a gross notional amount of approximately \$0.9 million that range in maturity through April 2023 (see Note 11).

The Company sells a majority of its wholesale receivables in North America, Europe and Brazil to its U.S., Canadian, European and Brazilian finance joint ventures. The Company also sells certain accounts receivable under factoring arrangements to financial institutions around the world. The Company reviewed the sale of such receivables and determined that these facilities should be accounted for as off-balance sheet transactions.

Contingencies

In 2008 and 2012, as part of routine audits, the Brazilian taxing authorities disallowed deductions relating to the amortization of certain goodwill recognized in connection with a reorganization of the Company's Brazilian operations and the related transfer of certain assets to the Company's Brazilian subsidiaries. The amount of the tax disallowance through December 31, 2022, not including interest and penalties, was approximately 131.5 million Brazilian reais (or approximately \$24.9 million). The amount ultimately in dispute will be significantly greater because of interest and penalties. The Company has been advised by its legal and tax advisors that its position with respect to the deductions is allowable under the tax laws of Brazil. The Company is contesting the disallowance and believes that it is not likely that the assessment, interest or penalties will be required to be paid. However, the ultimate outcome will not be determined until the Brazilian tax appeal process is complete, which could take several years.

On January 12, 2023, the Brazilian government issued a "Litigation Zero" tax amnesty program, whereby cases being disputed at the administrative court level of review for a period of more than ten years can be considered for amnesty. If companies choose to enroll in the amnesty program, it would not be considered an admission of guilt with respect to outstanding cases. The Company is considering whether or not to apply to enroll in the program by March 2023. The ultimate outcome of the Company's consideration with respect to its participation in the amnesty program cannot currently be determined.

During 2017, the Company purchased Precision Planting, which provides precision agricultural technology solutions. In 2018, Deere & Company ("Deere") filed separate complaints in the U.S. District Court of Delaware against the Company and Precision Planting alleging that certain products of those entities infringed certain patents of Deere. The two complaints subsequently were consolidated into a single case, Case No. 1:18-cv-00827-CFC. In July 2022, the case was tried before a jury, which determined that the Company and Precision Planting had not infringed the Deere patents. The case currently is subject to customary post-trial procedures, including the right of the parties to appeal. The Company has an indemnity right under the purchase agreement related to the acquisition of Precision Planting from its previous owner. Pursuant to that right, the previous owner of Precision Planting currently is responsible for the litigation costs associated with the complaint and is obligated to reimburse AGCO for some or all of the damages in the event of an adverse outcome in the litigation.

The Company is a party to various other legal claims and actions incidental to its business. The Company believes that none of these claims or actions, either individually or in the aggregate, is material to its business or financial statements as a whole, including its results of operations and financial condition.

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

13. Fair Value of Financial Instruments

The Company categorizes its assets and liabilities into one of three levels based on the assumptions used in valuing the asset or liability. Estimates of fair value for financial assets and liabilities are based on a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Observable inputs (highest level) reflect market data obtained from independent sources, while unobservable inputs (lowest level) reflect internally developed market assumptions. In accordance with this guidance, fair value measurements are classified under the following hierarchy:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and model-derived valuations in which all significant inputs are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 - Model-derived valuations in which one or more significant inputs are unobservable.

The Company categorizes its pension plan assets into one of the three levels of the fair value hierarchy. See Note 8 for a discussion of the valuation methods used to measure the fair value of the Company's pension plan assets.

The Company periodically enters into foreign currency, commodity and interest rate swap contracts. The fair values of the Company's derivative instruments are determined using discounted cash flow valuation models. The significant inputs used in these models are readily available in public markets, or can be derived from observable market transactions, and therefore have been classified as Level 2. Inputs used in these discounted cash flow valuation models for derivative instruments include the applicable exchange rates, forward rates or interest rates. Such models used for option contracts also use implied volatility. See Note 11 for a discussion of the Company's derivative instruments and hedging activities.

Assets and liabilities measured at fair value on a recurring basis as of December 31, 2022 and 2021 are summarized below (in millions):

	As of December 31, 2022			
	Level 1	Level 2	Level 3	Total
Derivative assets	\$ —	\$ 40.9	\$ —	\$ 40.9
Derivative liabilities	—	40.4	—	40.4

	As of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Derivative assets	\$ —	\$ 27.8	\$ —	\$ 27.8
Derivative liabilities	—	7.1	—	7.1

Cash and cash equivalents, accounts and notes receivable, net and accounts payable are valued at their carrying amounts in the Company's Consolidated Balance Sheets, due to the immediate or short-term maturity of these financial instruments.

The carrying amounts of long-term debt under the Company's 1.002% senior term loan due 2025 and senior term loans due between 2023 and 2028 approximate fair value based on the borrowing rates currently available to the Company for loans with similar terms and average maturities. At December 31, 2022, the estimated fair value of the Company's 0.800% senior notes due 2028, based on listed market values, was approximately €490.7 million (or approximately \$524.6 million as of December 31, 2022), compared to the carrying value of €600.0 million (or approximately \$641.5 million as of December 31, 2022). See Note 7 for additional information on the Company's long-term debt.

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

14. Related Party Transactions

Rabobank, a financial institution based in the Netherlands, is a 51% owner in the Company's finance joint ventures, which are located in the United States, Canada, Europe, Brazil, Argentina and Australia. Rabobank is also the principal agent and participant in the Company's revolving credit facility (see Note 7). The majority of the assets of the Company's finance joint ventures represents finance receivables. The majority of the liabilities represents notes payable and accrued interest. Under the various joint venture agreements, Rabobank or its affiliates provide financing to the joint venture companies, primarily through lines of credit. During 2022 and 2021, the Company did not make additional investments in its finance joint ventures. During 2020, the Company made a total of approximately \$1.9 million of additional investments in its finance joint venture in the Netherlands. During 2022, the Company received approximately \$27.0 million dividends from certain of its finance joint ventures. During 2021, the Company received approximately \$84.4 million dividends from certain of its finance joint ventures. During 2020, the Company did not receive dividends from its finance joint ventures.

The Company's finance joint ventures provide retail financing and wholesale financing to its dealers. The terms of the financing arrangements offered to the Company's dealers are similar to arrangements the finance joint ventures provide to unaffiliated third parties. In addition, the Company transfers, on an ongoing basis, a majority of its wholesale receivables in North America, Europe and Brazil to its U.S., Canadian, European and Brazilian finance joint ventures (see Note 4). The Company maintains a remarketing agreement with its U.S. finance joint venture and has outstanding guarantees of minimum residual values that may be owed to its finance joint ventures in the U.S. and Canada upon the expiration of certain eligible operating leases and also has guarantees with its other finance joint ventures which were not material (see Note 12). In addition, as part of sales incentives provided to end users, the Company may from time to time subsidize interest rates of retail financing provided by its finance joint ventures. The cost of those programs is recognized at the time of sale to the Company's dealers (see Note 1).

The Company has a minority equity interest in Tractors and Farm Equipment Limited ("TAFE"), which manufactures and sells Massey Ferguson-branded equipment primarily in India, and also supplies tractors and components to the Company for sale in other markets. On October 15, 2020, TAFE repurchased 461,000 shares of its common stock from the Company for approximately \$33.9 million, resulting in an approximate remaining 20.7% ownership interest. Mallika Srinivasan, who is the Chairman and Managing Director of TAFE, is currently a member of the Company's Board of Directors. As of December 31, 2022, TAFE beneficially owned 12,150,152 shares of the Company's common stock, not including shares of the Company's common stock received by Ms. Srinivasan for service as a director. The Company and TAFE are parties to an agreement pursuant to which, among other things, TAFE has agreed not to purchase in excess of 12,150,152 shares of the Company's common stock, subject to certain adjustments, and the Company has agreed to annually nominate a TAFE representative to its Board of Directors. During 2022, 2021 and 2020, the Company purchased approximately \$148.7 million, \$137.6 million and \$78.9 million, respectively, of tractors and components from TAFE. During 2022, 2021 and 2020, the Company sold approximately \$1.2 million, \$1.4 million and \$1.3 million, respectively, of parts to TAFE. The Company received dividends from TAFE of approximately \$2.1 million, \$2.0 million and \$1.8 million during 2022, 2021 and 2020, respectively.

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

15. Segment Reporting

The Company's four reportable segments distribute a full range of agricultural equipment and related replacement parts. The Company evaluates segment performance primarily based on income from operations. Sales for each segment are based on the location of the third-party customer. The Company's selling, general and administrative expenses and engineering expenses are generally charged to each segment based on the region and division where the expenses are incurred. As a result, the components of income from operations for one segment may not be comparable to another segment. Segment results for the years ended December 31, 2022, 2021 and 2020 based on the Company's reportable segments are as follows (in millions):

Years Ended December 31,	North America	South America	Europe/ Middle East	Asia/ Pacific/ Africa	Consolidated
2022					
Net sales	\$ 3,175.1	\$ 2,121.6	\$ 6,447.3	\$ 907.4	\$ 12,651.4
Income from operations	278.8	373.9	784.1	116.9	1,553.7
Depreciation	60.5	29.4	104.7	14.9	209.5
Assets	1,790.3	1,259.8	2,475.6	650.5	6,176.2
Capital expenditures	119.6	54.4	207.4	6.9	388.3
2021					
Net sales	\$ 2,659.2	\$ 1,307.7	\$ 6,221.7	\$ 949.7	\$ 11,138.3
Income from operations	238.1	132.2	755.4	113.9	1,239.6
Depreciation	60.8	26.5	116.5	16.9	220.7
Assets	1,328.1	922.7	2,348.7	610.6	5,210.1
Capital expenditures	41.2	32.5	184.6	11.5	269.8
2020					
Net sales	\$ 2,175.0	\$ 873.8	\$ 5,366.9	\$ 734.0	\$ 9,149.7
Income from operations	193.7	29.3	585.3	62.1	870.4
Depreciation	61.3	25.8	110.5	14.9	212.5
Assets	1,051.9	687.6	2,238.7	536.2	4,514.4
Capital expenditures	42.2	18.8	201.8	7.1	269.9

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

A reconciliation from the segment information to the consolidated balances for income from operations and total assets is set forth below (in millions):

	2022	2021	2020
Segment income from operations	\$ 1,553.7	\$ 1,239.6	\$ 870.4
Corporate expenses	(153.4)	(135.2)	(134.7)
Amortization of intangibles	(60.1)	(61.1)	(59.5)
Stock compensation expense	(32.7)	(26.6)	(36.8)
Impairment charges	(36.0)	—	(20.0)
Restructuring expenses	(6.1)	(15.3)	(19.7)
Consolidated income from operations	<u>\$ 1,265.4</u>	<u>\$ 1,001.4</u>	<u>\$ 599.7</u>
Segment assets	\$ 6,176.2	\$ 5,210.1	\$ 4,514.4
Cash and cash equivalents	789.5	889.1	1,119.1
Investments in affiliates	436.9	413.5	442.7
Deferred tax assets, other current and noncurrent assets	1,025.9	996.4	665.9
Intangible assets, net	364.4	392.2	455.6
Goodwill	1,310.8	1,280.8	1,306.5
Consolidated total assets	<u>\$ 10,103.7</u>	<u>\$ 9,182.1</u>	<u>\$ 8,504.2</u>

Property, plant and equipment, right-of-use lease assets and amortizable intangible assets by country as of December 31, 2022 and 2021 was as follows (in millions):

	2022	2021
United States	\$ 571.0	\$ 499.1
Germany	475.8	446.7
Brazil	206.0	144.9
Finland	192.6	189.5
France	125.8	133.2
Italy	102.7	112.7
China	77.5	91.6
Denmark	71.4	84.7
Other	211.9	222.0
	<u>\$ 2,034.7</u>	<u>\$ 1,924.4</u>

AGCO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

16. Revenue

Contract Liabilities

Contract liabilities relate to the following: (1) unrecognized revenues where advance payment of consideration precedes the Company’s performance with respect to extended warranty and maintenance contracts and where the performance obligation is satisfied over time, (2) unrecognized revenues where advance payment of consideration precedes the Company’s performance with respect to certain grain storage and protein production systems and where the performance obligation is satisfied over time and (3) unrecognized revenues where advance payment consideration precedes the Company’s performance with respect to precision technology services and where the performance obligation is satisfied over time.

Significant changes in the balance of contract liabilities for the years ended December 31, 2022 and 2021 were as follows (in millions):

	Year Ended December 31, 2022	Year Ended December 31, 2021
Balance at beginning of period	\$ 226.2	\$ 172.0
Advance consideration received	193.8	227.8
Revenue recognized during the period for extended warranty contracts, maintenance services and technology services	(82.0)	(64.0)
Revenue recognized during the period related to grain storage and protein production systems	(85.2)	(103.5)
Foreign currency translation	(13.8)	(6.1)
Balance as of December 31	<u>\$ 239.0</u>	<u>\$ 226.2</u>

The contract liabilities are classified as either “Other current liabilities” and “Other noncurrent liabilities” or “Accrued expenses” in the Company’s Consolidated Balance Sheets. In 2022, the Company recognized approximately \$115.6 million of revenue that was recorded as a contract liability at the beginning of 2022. In 2021, the Company recognized approximately \$80.7 million of revenue that was recorded as a contract liability at the beginning of 2021.

Remaining Performance Obligations

The estimated revenues expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) as of December 31, 2022 are \$83.7 million in 2023, \$68.2 million in 2024, \$38.5 million in 2025, \$19.1 million in 2026 and \$8.9 million thereafter, and relate primarily to extended warranty contracts. The Company applied the practical expedient in ASU 2014-09 and has not disclosed information about remaining performance obligations that have original expected durations of 12 months or less.

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Disaggregated Revenue

Net sales for the year ended December 31, 2022 disaggregated by primary geographical markets and major products consisted of the following (in millions):

	<u>North America</u>	<u>South America⁽¹⁾</u>	<u>Europe/ Middle East</u>	<u>Asia/ Pacific/Africa</u>	<u>Consolidated⁽¹⁾</u>
Primary geographical markets:					
United States	\$ 2,546.9	\$ —	\$ —	\$ —	\$ 2,546.9
Canada	490.2	—	—	—	490.2
Germany	—	—	1,394.9	—	1,394.9
France	—	—	1,220.1	—	1,220.1
United Kingdom and Ireland	—	—	664.1	—	664.1
Finland and Scandinavia	—	—	838.8	—	838.8
Italy	—	—	421.7	—	421.7
Other Europe	—	—	1,691.5	—	1,691.5
Brazil	—	1,748.8	—	—	1,748.8
Other South America	—	358.0	—	—	358.0
Middle East and Algeria	—	—	216.2	—	216.2
Africa	—	—	—	157.0	157.0
Asia	—	—	—	384.2	384.2
Australia and New Zealand	—	—	—	366.2	366.2
Mexico, Central America and Caribbean	138.0	14.9	—	—	152.9
	<u>\$ 3,175.1</u>	<u>\$ 2,121.6</u>	<u>\$ 6,447.3</u>	<u>\$ 907.4</u>	<u>\$ 12,651.4</u>
Major products:					
Tractors	\$ 1,191.1	\$ 1,147.2	\$ 4,607.2	\$ 478.6	\$ 7,424.1
Replacement parts	405.6	154.5	1,021.5	105.6	1,687.2
Grain storage and protein production systems	585.9	188.3	172.3	155.4	1,101.9
Combines, application equipment and other machinery	992.5	631.7	646.3	167.8	2,438.3
	<u>\$ 3,175.1</u>	<u>\$ 2,121.6</u>	<u>\$ 6,447.3</u>	<u>\$ 907.4</u>	<u>\$ 12,651.4</u>

(1) Rounding may impact the summation of amounts.

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Net sales for the year ended December 31, 2021 disaggregated by primary geographical markets and major products consisted of the following (in millions):

	<u>North America</u>	<u>South America</u>	<u>Europe/ Middle East</u>	<u>Asia/ Pacific/Africa</u>	<u>Consolidated</u>
Primary geographical markets:					
United States	\$ 2,116.2	\$ —	\$ —	\$ —	\$ 2,116.2
Canada	436.7	—	—	—	436.7
Germany	—	—	1,332.0	—	1,332.0
France	—	—	1,129.1	—	1,129.1
United Kingdom and Ireland	—	—	635.3	—	635.3
Finland and Scandinavia	—	—	836.3	—	836.3
Italy	—	—	451.6	—	451.6
Other Europe	—	—	1,653.0	—	1,653.0
Brazil	—	1,017.8	—	—	1,017.8
Other South America	—	277.0	—	—	277.0
Middle East and Algeria	—	—	184.4	—	184.4
Africa	—	—	—	152.3	152.3
Asia	—	—	—	436.5	436.5
Australia and New Zealand	—	—	—	360.9	360.9
Mexico, Central America and Caribbean	106.3	12.9	—	—	119.2
	<u>\$ 2,659.2</u>	<u>\$ 1,307.7</u>	<u>\$ 6,221.7</u>	<u>\$ 949.7</u>	<u>\$ 11,138.3</u>
Major products:					
Tractors	\$ 940.4	\$ 664.6	\$ 4,338.2	\$ 443.7	\$ 6,386.9
Replacement parts	379.1	131.8	1,070.5	106.5	1,687.9
Grain storage and protein production systems	534.9	140.1	174.0	227.1	1,076.1
Combines, application equipment and other machinery	804.8	371.2	639.0	172.4	1,987.4
	<u>\$ 2,659.2</u>	<u>\$ 1,307.7</u>	<u>\$ 6,221.7</u>	<u>\$ 949.7</u>	<u>\$ 11,138.3</u>

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Net sales for the year ended December 31, 2020 disaggregated by primary geographical markets and major products consisted of the following (in millions):

	<u>North America</u>	<u>South America</u>	<u>Europe/ Middle East</u>	<u>Asia/ Pacific/Africa</u>	<u>Consolidated</u>
Primary geographical markets:					
United States	\$ 1,763.2	\$ —	\$ —	\$ —	\$ 1,763.2
Canada	325.9	—	—	—	325.9
Germany	—	—	1,280.6	—	1,280.6
France	—	—	1,080.2	—	1,080.2
United Kingdom and Ireland	—	—	557.8	—	557.8
Finland and Scandinavia	—	—	698.5	—	698.5
Italy	—	—	322.6	—	322.6
Other Europe	—	—	1,290.5	—	1,290.5
Brazil	—	667.1	—	—	667.1
Other South America	—	198.3	—	—	198.3
Middle East and Algeria	—	—	136.7	—	136.7
Africa	—	—	—	58.3	58.3
Asia	—	—	—	373.1	373.1
Australia and New Zealand	—	—	—	302.6	302.6
Mexico, Central America and Caribbean	85.9	8.4	—	—	94.3
	<u>\$ 2,175.0</u>	<u>\$ 873.8</u>	<u>\$ 5,366.9</u>	<u>\$ 734.0</u>	<u>\$ 9,149.7</u>
Major products:					
Tractors	\$ 692.0	\$ 469.8	\$ 3,814.3	\$ 296.1	\$ 5,272.2
Replacement parts	338.4	84.0	936.1	87.2	1,445.7
Grain storage and protein production systems	471.0	82.8	122.2	226.0	902.0
Combines, application equipment and other machinery	673.6	237.2	494.3	124.7	1,529.8
	<u>\$ 2,175.0</u>	<u>\$ 873.8</u>	<u>\$ 5,366.9</u>	<u>\$ 734.0</u>	<u>\$ 9,149.7</u>

AGCO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

17. Leases

The Company leases certain land, buildings, machinery, equipment, vehicles and office and computer equipment under finance and operating leases. The Company accounts for these leases pursuant to ASU 2016-02, "Leases". Under the standard, lessees are required to record an asset (a right-of-use "ROU" asset or finance lease asset) and a lease liability. ROU assets represent the Company's right to use an underlying asset during the lease term while lease liabilities represent the Company's obligation to make lease payments during the lease term. The standard allows for two types of leases for income statement recognition purposes: operating leases and finance leases. Operating leases result in the recognition of a single lease expense on a straight-line basis over the lease term whereas finance leases result in an accelerated expense. ASU 2016-02 also contains guidance regarding the identification of embedded leases in service and supply contracts, as well as the identification of lease and nonlease components of an arrangement. All leases greater than 12 months result in the recognition of an ROU asset and liability at the lease commencement date based on the present value of the lease payments over the lease term. The present value of the lease payments is calculated using the applicable weighted-average discount rate. The weighted-average discount rate is based on the discount rate implicit in the lease, or if the implicit rate is not readily determinable from the lease, then the Company estimates an applicable incremental borrowing rate. The incremental borrowing rate is estimated using the currency denomination of the lease, the contractual lease term and the Company's applicable borrowing rate.

The Company does not recognize an ROU asset or lease liability with respect to operating leases with an initial term of 12 months or less and recognizes expense on such leases on a straight-line basis over the lease term. The Company accounts for lease components separately from nonlease components other than for real estate and office equipment. The Company evaluated its supplier agreements for the existence of leases and determined these leases comprised an insignificant portion of its supplier agreements. As such, these leases were not material to the Company's Consolidated Balance Sheets. The Company has certain leases that contain one or more options to terminate or renew that can extend the lease term up to 14 years. Options that the company is reasonably certain to exercise are included in the lease term. The depreciable life of ROU assets and leasehold improvements are limited by the expected lease term. The Company has certain lease agreements that include variable rental payments that are adjusted periodically for inflation based on the index rate as defined by the applicable government authority. Generally, the Company's lease agreements do not contain any residual value guarantees or restrictive covenants.

Total lease assets and liabilities at December 31, 2022 and 2021 were as follows (in millions):

Lease Assets	Classification	As of December 31, 2022	As of December 31, 2021
Operating ROU assets.....	Right-of-use lease assets	\$ 163.9	\$ 154.1
Finance lease assets	Property, plant and equipment, net ⁽¹⁾	6.7	10.6
Total lease assets		<u>\$ 170.6</u>	<u>\$ 164.7</u>
Lease Liabilities	Classification	As of December 31, 2022	As of December 31, 2021
Current:			
Operating	Accrued expenses	\$ 42.2	\$ 42.3
Finance	Other current liabilities	0.7	3.8
Noncurrent:			
Operating	Operating lease liabilities	125.4	115.5
Finance	Other noncurrent liabilities	5.4	6.0
Total lease liabilities		<u>\$ 173.7</u>	<u>\$ 167.6</u>

(1) Finance lease assets are recorded net of accumulated depreciation of \$5.1 million and \$7.8 million as of December 31, 2022 and 2021, respectively.

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Total lease costs for 2022 and 2021 are set forth below (in millions):

	Classification	Year Ended December 31, 2022	Year Ended December 31, 2021
Operating lease cost.....	Selling, general and administrative expenses	\$ 51.2	\$ 59.0
Variable lease cost.....	Selling, general and administrative expenses	1.7	1.0
Short-term lease cost.....	Selling, general and administrative expenses	17.5	18.7
Finance lease cost:			
Amortization of lease assets.....	Depreciation expense ⁽¹⁾	1.0	2.4
Interest on lease liabilities.....	Interest expense, net	0.2	0.3
Total lease cost.....		<u>\$ 71.6</u>	<u>\$ 81.4</u>

(1) Depreciation expense was included in both cost of goods sold and selling, general and administrative expenses.

Lease payment amounts for operating and finance leases with remaining terms greater than one year as of December 31, 2022 were as follows (in millions):

	December 31, 2022	
	Operating Leases	Finance Leases
2023.....	\$ 47.8	\$ 0.8
2024.....	36.6	0.6
2025.....	27.0	0.4
2026.....	19.1	0.2
2027.....	13.4	0.2
Thereafter.....	51.2	6.0
Total lease payments.....	195.1	8.2
Less: imputed interest ⁽¹⁾	(27.5)	(2.1)
Present value of lease liabilities.....	<u>\$ 167.6</u>	<u>\$ 6.1</u>

(1) Calculated using the implicit interest rate for each lease or the Company's incremental borrowing rate, when implicit rate is not available

Lease payment amounts for operating and finance leases with remaining terms greater than one year as of December 31, 2021 were as follows (in millions):

	December 31, 2021	
	Operating Leases	Finance Leases
2022.....	\$ 45.7	\$ 4.0
2023.....	36.2	0.9
2024.....	24.5	0.6
2025.....	17.3	0.4
2026.....	12.3	0.2
Thereafter.....	39.1	6.3
Total lease payments.....	175.1	12.4
Less: imputed interest ⁽¹⁾	(17.3)	(2.5)
Present value of lease liabilities.....	<u>\$ 157.8</u>	<u>\$ 9.9</u>

(1) Calculated using the implicit interest rate for each lease or the Company's incremental borrowing rate, when implicit rate is not available

AGCO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The following table summarizes the weighted-average remaining lease term and weighted-average discount rate:

	<u>As of December 31, 2022</u>	<u>As of December 31, 2021</u>
Weighted-average remaining lease term:		
Operating leases	7 years	7 years
Finance leases	17 years	12 years
Weighted-average discount rate:		
Operating leases	4.7 %	3.1 %
Finance leases	2.7 %	2.4 %

The following table summarizes the supplemental cash flow information for 2022 and 2021 (in millions):

	<u>Year Ended December 31, 2022</u>	<u>Year Ended December 31, 2021</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 52.3	\$ 59.8
Operating cash flows from finance leases	0.2	0.2
Financing cash flows from finance leases	1.0	2.6
Leased assets obtained in exchange for lease obligations:		
Operating leases	\$ 65.5	\$ 50.6
Finance leases	0.4	0.9

Item 9. *Changes in and Disagreements with Accountants on Accounting and Financial Disclosure*

None.

Item 9A. *Controls and Procedures*

The Company's management, including the Chief Executive Officer and the Chief Financial Officer, does not expect that the Company's disclosure controls or the Company's internal controls will prevent all errors and all fraud. However, our principal executive officer and principal financial officer have concluded the Company's disclosure controls and procedures are effective at the reasonable assurance level. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected. We will conduct periodic evaluations of our internal controls to enhance, where necessary, our procedures and controls.

Evaluation of Disclosure Controls and Procedures

Our Chief Executive Officer and Chief Financial Officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended) as of December 31, 2022, have concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control over Financial Reporting

Management of the Company is responsible for establishing and maintaining effective internal control over financial reporting as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934. The Company's internal control over financial reporting is designed to provide reasonable assurance to the Company's management and Board of Directors regarding the preparation and fair presentation of published financial statements for external purposes in accordance with generally accepted accounting principles. In assessing the effectiveness of the Company's internal control over financial reporting, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in "*Internal Control — Integrated Framework (2013)*."

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2022. Based on this assessment, management believes that, as of December 31, 2022, the Company's internal control over financial reporting is effective based on the criteria referred to above.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2022 has been audited by KPMG LLP, an independent registered public accounting firm, which also audited the Company's Consolidated Financial Statements as of and for the year ended December 31, 2022. KPMG LLP's report on internal control over financial reporting is set forth below.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. However, as a result of the Company's processes to comply with the Sarbanes-Oxley Act of 2002, enhancements to the Company's internal control over financial reporting were implemented as management addressed and remediated deficiencies that had been identified.

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
AGCO Corporation:

Opinion on Internal Control Over Financial Reporting

We have audited AGCO Corporation and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2022 and 2021, the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2022, and the related notes and financial statement Schedule II — Valuation and Qualifying Accounts (collectively, the consolidated financial statements), and our report dated March 1, 2023 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

Atlanta, Georgia
March 1, 2023

Item 9B. Other Information

None.

PART III

The information called for by Items 10, 11, 12, 13 and 14, if any, will be contained in our Proxy Statement for the 2023 Annual Meeting of Stockholders, which we intend to file in March 2023.

Item 10 Directors, Executive Officers and Corporate Governance

The information with respect to directors and committees required by this Item set forth in our Proxy Statement for the 2023 Annual Meeting of Stockholders in the sections entitled “Proposal Number 1 — Election of Directors” and “Board of Directors and Corporate Governance” is incorporated herein by reference. The information with respect to executive officers required by this Item set forth in our Proxy Statement for the 2023 Annual Meeting of Stockholders in the section entitled “Executive Compensation” is incorporated herein by reference.

See the information under the heading “Available Information” set forth in Part I of this Form 10-K. The code of conduct referenced therein applies to our principal executive officer, principal financial officer, principal accounting officer and controller and the persons performing similar functions.

Item 11. Executive Compensation

The information with respect to executive compensation and its establishment required by this Item set forth in our Proxy Statement for the 2023 Annual Meeting of Stockholders in the sections entitled “Board of Directors and Corporate Governance,” “2022 CEO Pay Ratio,” “Executive Compensation” and “Compensation Committee Report” is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**(a) Securities Authorized for Issuance Under Equity Compensation Plans**

AGCO maintains its Plan pursuant to which we may grant equity awards to eligible persons. For additional information, see Note 10, “Stock Incentive Plan,” in the Notes to Consolidated Financial Statements included in this filing. The following table gives information about equity awards under our Plan.

Plan Category	(a) Number of Securities to be Issued upon Exercise of Outstanding Awards Under the Plans	(b) Weighted-Average Exercise Price of Outstanding Awards Under the Plans	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity compensation plans approved by security holders	902,086	\$ 108.73	3,780,349
Equity compensation plans not approved by security holders	—	—	—
Total	902,086	\$ 108.73	3,780,349

(b) Security Ownership of Certain Beneficial Owners and Management

The information required by this Item set forth in our Proxy Statement for the 2023 Annual Meeting of Stockholders in the section entitled “Principal Holders of Common Stock” is incorporated herein by reference.

Item 13. Certain Relationships and Related Party Transactions, and Director Independence

The information required by this Item set forth in our Proxy Statement for the 2023 Annual Meeting of Stockholders in the section entitled “Certain Relationships and Related Party Transactions” is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services

The information required by this Item set forth in our Proxy Statement for the 2023 Annual Meeting of Stockholders in the sections entitled “Audit Committee Report” and “Board of Directors and Corporate Governance” is incorporated herein by reference.

PART IV**Item 15. Exhibits and Financial Statement Schedules**

(a) The following documents are filed as part of this Form 10-K:

(1) The Consolidated Financial Statements, Notes to Consolidated Financial Statements, Report of Independent Registered Public Accounting Firm for AGCO Corporation and its subsidiaries are presented under Item 8 of this Form 10-K.

(2) Financial Statement Schedules:

The following Consolidated Financial Statement Schedule of AGCO Corporation and its subsidiaries is included herein and follows this report.

<u>Schedule</u>	<u>Description</u>
Schedule II	Valuation and Qualifying Accounts

Schedules other than that listed above have been omitted because the required information is contained in Notes to the Consolidated Financial Statements or because such schedules are not required or are not applicable.

(3) The following exhibits are filed or incorporated by reference as part of this report. Each management contract or compensation plan required to be filed as an exhibit is identified by an asterisk (*). The exhibits below may not include all instruments defining the rights of holders of long-term debt where the debt does not exceed 10% of the Company’s total assets. The Company agrees to furnish copies of those instruments to the Commission upon request.

<u>Exhibit Number</u>	<u>Description of Exhibit</u>	<u>The Filings Referenced for Incorporation by Reference are AGCO Corporation</u>
3.1	Certificate of Incorporation	June 30, 2002, Form 10-Q, Exhibit 3.1
3.2	Bylaws	October 31, 2022, Form 8-K, Exhibit 3.1
4.1	Description of Securities	March 1, 2021, Form 10-K, Exhibit 4.1
4.2	Indenture, dated as of October 6, 2021	October 7, 2021, Form 8-K, Exhibit 4.1
10.1	2006 Long-Term Incentive Plan*	September 30, 2017, Form 10-Q, Exhibit 10.5
10.2	2006 Form of Stock Appreciation Rights Agreement*	March 31, 2006, Form 10-Q, Exhibit 10.4
10.3	2019 Form of Stock Appreciation Rights Agreement*	January 22, 2019, Form 8-K, Exhibit 10.2
10.4	2023 Form of Stock Appreciation Rights Agreement*	January 13, 2023, Form 8-K, Exhibit 10.3
10.5	2019 Form of Restricted Stock Units Agreement*	January 22, 2019, Form 8-K, Exhibit 10.1
10.60	2023 Form of Restricted Stock Units Agreement*	January 13, 2023, Form 8-K, Exhibit 10.2
10.70	2021 Form of Performance Share Agreement*	January 27, 2021, Form 8-K, Exhibit 10.1
10.8	2023 Form of Performance Share Agreement*	January 13, 2023, Form 8-K, Exhibit 10.1
10.9	Amended and Restated Executive Nonqualified Pension Plan*	April 12, 2021, Form 8-K, Exhibit 10.1
10.1	Annual Incentive Plan*	August 9, 2022, Form 10-Q, Exhibit 10.2
10.11	Executive Nonqualified Defined Contribution Plan*	December 31, 2015, Form 10-K, Exhibit 10.9
10.12	Amended and Restated Employment and Severance Agreement with Eric P. Hansotia*	February 25, 2022, Form 10-K, Exhibit 10.10
10.13	Employment and Severance Agreement with Damon J. Audia*	June 15, 2022, Form 8-K, Exhibit 10.1
10.14	<u>Employment and Severance Agreement with Robert B. Crain*</u>	December 31, 2017, Form 10-K, Exhibit 10.13

**The Filings Referenced for
Incorporation by Reference are
AGCO Corporation**

Exhibit Number	Description of Exhibit	The Filings Referenced for Incorporation by Reference are AGCO Corporation
10.15	Employment and Severance Agreement with Torsten Dehner*	February 25, 2022, Form 10-K, Exhibit 10.13
10.16	Credit Agreement dated as of June 27, 2022	August 9, 2022, Form 10-Q, Exhibit 10.1
10.17	Credit Agreement dated as of December 19, 2022	December 21, 2022, Form 8-K, Exhibit 10.1
10.18	Letter Agreement, dated November 5, 2015, between AGCO International GmbH and TAFE International LLC, Turkey and Tractors and Farm Equipment Limited	September 30, 2015, Form 10-Q, Exhibit 10.1
10.19	Amended and Restated Letter Agreement, dated April 24, 2019, between AGCO Corporation and Tractors and Farm Equipment Limited	March 31, 2019, Form 10-Q, Exhibit 10.1
10.20	Farm and Machinery Distributor Agreement, dated January 1, 2012, between AGCO International GmbH and Tractors and Farm Equipment Limited	September 4, 2014, Form 8-K, Exhibit 10.2
10.21	Letter Agreement, dated August 3, 2007, between AGCO Corporation and Tractors and Farm Equipment Limited	September 4, 2014, Form 8-K, Exhibit 10.3
10.22	Letter Agreement for Far East Markets, dated July 24, 2017, between AGCO International GmbH and Tractors and Farm Equipment Limited	July 27, 2017, Form 8-K, Exhibit 10.1
10.23	Letter Agreement for Mexico, dated July 24, 2017, between AGCO International GmbH and Tractors and Farm Equipment Limited	July 27, 2017, Form 8-K, Exhibit 10.2
10.24	Letter Agreement for Australia/New Zealand, dated July 24, 2017, between AGCO International GmbH and Tractors and Farm Equipment Limited	July 27, 2017, Form 8-K, Exhibit 10.3
10.25	Amendment to the Letter Agreement for Africa, dated July 24, 2017, between AGCO International GmbH and Tractors and Farm Equipment Limited	July 27, 2017, Form 8-K, Exhibit 10.4
10.26	Current Director Compensation*	February 25, 2022, Form 10-K, Exhibit 10.26
21.1	Subsidiaries of the Registrant	Filed herewith
23.1	Consent of KPMG LLP	Filed herewith
24.1	Powers of Attorney	Filed herewith
31.1	Certification of Eric P. Hansotia	Filed herewith
31.2	Certification of Damon Audia	Filed herewith
32.1	Certification of Eric P. Hansotia and Damon Audia	Furnished herewith

**The Filings Referenced for
Incorporation by Reference are
AGCO Corporation**

Exhibit Number	Description of Exhibit	The Filings Referenced for Incorporation by Reference are AGCO Corporation
101	The following audited financial information from this Annual Report on Form 10-K for the year ended December 31, 2022, are formatted in Inline XBRL: (i) Consolidated Statements of Operations; (ii) Consolidated Statements of Comprehensive Income; (iii) Consolidated Balance Sheets; (iv) Consolidated Statements of Stockholders' Equity; (v) Consolidated Statements of Cash Flows; and (vi) Notes to Consolidated Financial Statements.	Filed herewith
104	Cover Page Interactive Data File - the cover page from this Annual Report on Form 10-K for the year ended December 31, 2022 is formatted in Inline XBRL	Filed herewith

Item 16. *Form 10-K Summary*

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AGCO Corporation

By: _____ /s/ Eric P. Hansotia

Eric P. Hansotia
*Chairman of the Board, President
and Chief Executive Officer*

Dated: March 1, 2023

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant in the capacities and on the date indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
_____ /s/ Eric P. Hansotia Eric P. Hansotia	Chairman of the Board, President and Chief Executive Officer	March 1, 2023
_____ /s/ Damon Audia Damon Audia	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	March 1, 2023
_____ /s/ Lara T. Long Lara T. Long	Vice President, Chief Accounting Officer (Principal Accounting Officer)	March 1, 2023
_____ /s/ Michael C. Arnold Michael C. Arnold	Director	March 1, 2023
_____ /s/ Sondra L. Barbour Sondra L. Barbour	Director	March 1, 2023
_____ /s/ Suzanne P. Clark Suzanne P. Clark	Director	March 1, 2023
_____ /s/ Bob De Lange Bob De Lange	Director	March 1, 2023
_____ /s/ George E. Minnich George E. Minnich	Director	March 1, 2023
_____ /s/ Niels Pörksen Niels Pörksen	Director	March 1, 2023
_____ /s/ David Sagehorn David Sagehorn	Director	March 1, 2023
_____ /s/ Mallika Srinivasan Mallika Srinivasan	Director	March 1, 2023
_____ /s/ Matthew Tsien Matthew Tsien	Director	March 1, 2023
*By: _____ /s/ Damon Audia Damon Audia Attorney-in-Fact		March 1, 2023

AGCO CORPORATION AND SUBSIDIARIES

SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS
(in millions)

Description	Balance at Beginning of Period	Additions			Deductions	Foreign Currency Translation	Balance at End of Period
		Acquired Businesses	Charged to Costs and Expenses				
Year ended December 31, 2022							
Allowances for doubtful accounts	\$ 32.6	\$ 0.1	\$ 3.3	\$ (3.2)	\$ (1.5)	\$ 31.3	
Year ended December 31, 2021							
Allowances for doubtful accounts	\$ 36.4	\$ 0.2	\$ 0.5	\$ (2.8)	\$ (1.7)	\$ 32.6	
Year ended December 31, 2020							
Allowances for doubtful accounts	\$ 28.8	\$ —	\$ 14.5	\$ (6.8)	\$ (0.1)	\$ 36.4	

Description	Balance at Beginning of Period	Additions			Deductions	Foreign Currency Translation	Balance at End of Period
		Charged to Costs and Expenses	Reversal of Accrual				
Year ended December 31, 2022							
Accruals of severance, relocation and other closure costs	\$ 14.7	\$ 6.9	\$ (0.8)	\$ (12.8)	\$ (1.2)	\$ 6.8	
Year ended December 31, 2021							
Accruals of severance, relocation and other closure costs	\$ 16.8	\$ 19.9	\$ (2.3)	\$ (19.1)	\$ (0.6)	\$ 14.7	
Year ended December 31, 2020							
Accruals of severance, relocation and other closure costs	\$ 4.8	\$ 17.6	\$ (0.4)	\$ (5.1)	\$ (0.1)	\$ 16.8	

Description	Balance at Beginning of Period	Additions			Deductions	Foreign Currency Translation	Balance at End of Period
		Acquired Businesses	Charged (Credited) to Costs and Expenses ⁽¹⁾				
Year ended December 31, 2022							
Deferred tax valuation allowance	\$ 47.4	\$ —	\$ 0.7	\$ —	\$ (0.8)	\$ 47.3	
Year ended December 31, 2021							
Deferred tax valuation allowance	\$ 181.0	\$ 0.4	\$ (130.8)	\$ —	\$ (3.2)	\$ 47.4	
Year ended December 31, 2020							
Deferred tax valuation allowance	\$ 169.1	\$ 0.9	\$ 28.7	\$ —	\$ (17.7)	\$ 181.0	

⁽¹⁾ There were no amounts credited or charged through other comprehensive income during 2022 and 2021. Amounts credited through other comprehensive income (loss) during the year ended December 31, 2020 was approximately \$12.4 million.

Our Leadership

BOARD OF DIRECTORS

Michael C. Arnold

Former President and Chief Executive Officer, Ryerson Inc.

Sondra L. Barbour

Former Executive Vice President, Lockheed Martin Corporation

Suzanne Clark

President, Chief Executive Officer, U.S. Chamber of Commerce

Bob De Lange

Group President, Services, Distribution and Digital, Caterpillar Inc.

Eric P. Hansotia

Chairman, President and Chief Executive Officer, AGCO Corporation

George E. Minnich

Former Senior Vice President and Chief Financial Officer, ITT Corporation

Niels Pörksen

Chairman, Chief Executive Officer, Südzucker AG

David Sagehorn

Former Executive Vice President and Chief Financial Officer, Oshkosh Corporation

Mallika Srinivasan

Chairman and Managing Director, TAFE Tractors and Farm Equipment Limited

Matthew Tsien

Former Executive Vice President and Chief Technology Officer, General Motors and Former President, General Motors Ventures

SENIOR MANAGEMENT

Damon J. Audia

Senior Vice President, Chief Financial Officer

Roger N. Batkin

Senior Vice President, General Counsel, Chief ESG Officer and Corporate Secretary

Kelvin E. Bennett

Senior Vice President, Engineering

Stefan Caspari

Senior Vice President and General Manager, Grain and Protein

Robert B. Crain

Senior Vice President, Customer Experience

Seth H. Crawford

Senior Vice President and General Manager, Precision Ag and Digital

Torsten R. W. Dehner

Senior Vice President and General Manager, Fendt/Valtra

Luís F. S. Felli

Senior Vice President and General Manager, Massey Ferguson

Eric P. Hansotia

Chairman, President and Chief Executive Officer

Ivory M. Harris

Senior Vice President, Chief Human Resources Officer

Timothy O. Millwood

Senior Vice President, Chief Supply Chain Officer

SHAREHOLDER INFORMATION

CORPORATE HEADQUARTERS

4205 River Green Parkway
Duluth, Georgia 30096 U.S.
+1-770-813-9200

TRANSFER AGENT & REGISTRAR

You can contact Computershare through the following methods:

OVERNIGHT MAIL DELIVERY

150 Royall Street, Suite 101
Canton, MA 02021 U.S.

REGULAR MAIL DELIVERY

P.O. Box 43006
Providence, RI 02940-3006 U.S.

TELEPHONE

+1-800-962-4284

STOCK EXCHANGE

AGCO Corporation common stock (trading symbol is "AGCO") is traded on the New York Stock Exchange.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

KPMG LLP
Atlanta, Georgia U.S.

FORM 10-K

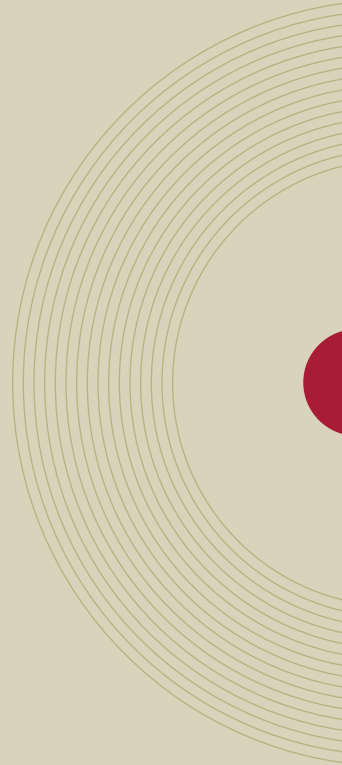
The Form 10-K Annual Report filed with the Securities and Exchange Commission is available in the "Investors" Section of our corporate website (www.agcocorp.com), under the heading "SEC Filings," or upon request from the Investor Relations Department at our corporate headquarters.

ANNUAL MEETING

The annual meeting of the Company's stockholders will be held at 9:00 a.m. ET April 27, 2023 at the offices of AGCO Corporation, 4205 River Green Parkway, Duluth, Georgia 30096 U.S.

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AGCO
4205 River Green Parkway
Duluth, GA 30096
U.S.
+1-770-813-9200

AGCOCORP.COM

