

ERIC HANSOTIA
SVP & COO



AGENDA

▶ Equipping the professional farmer

- Smart machines
- Smart distribution

▶ Operational improvement

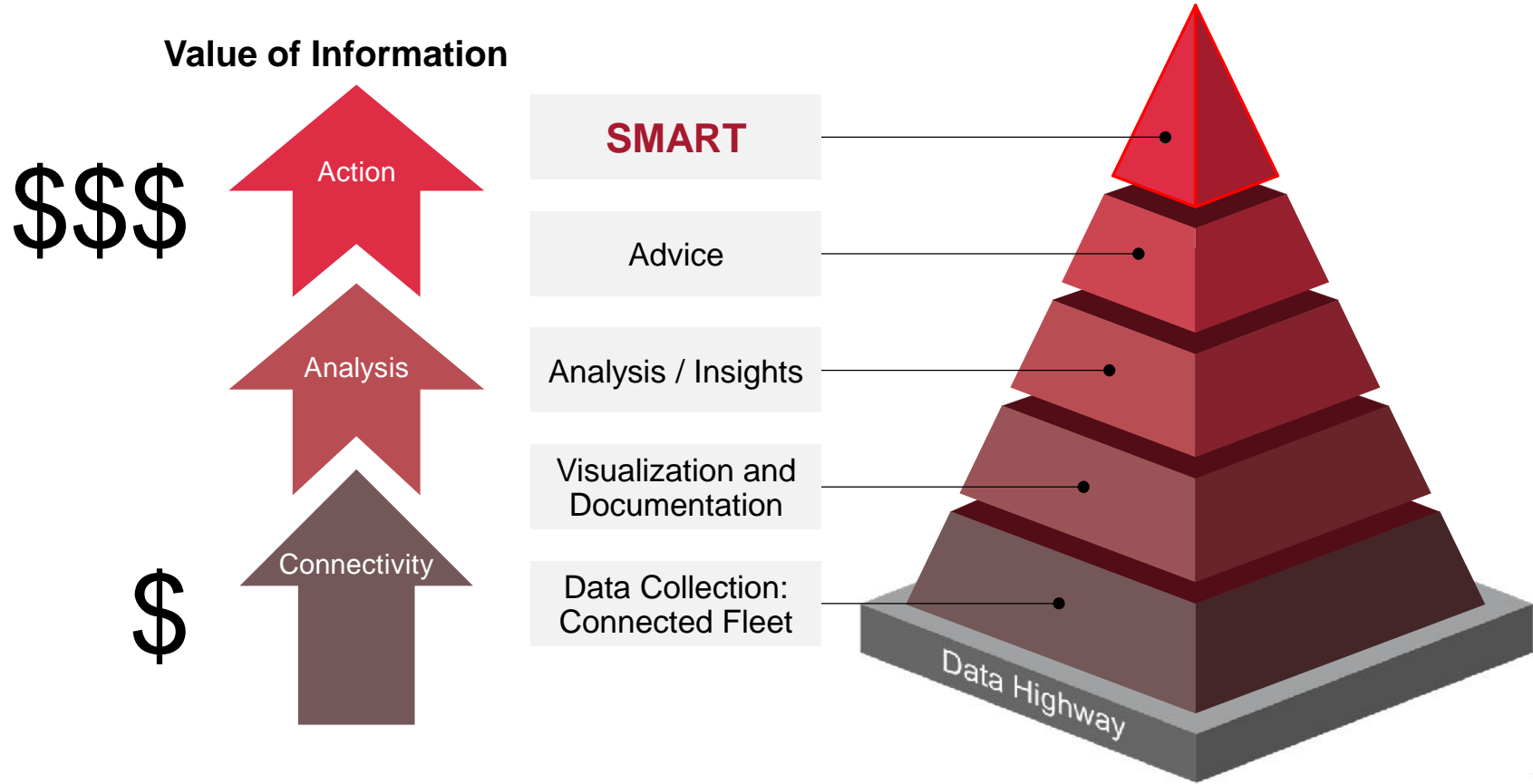


OUR PURPOSE: SATISFYING FARMERS' NEEDS – IMPROVING THEIR INCOME



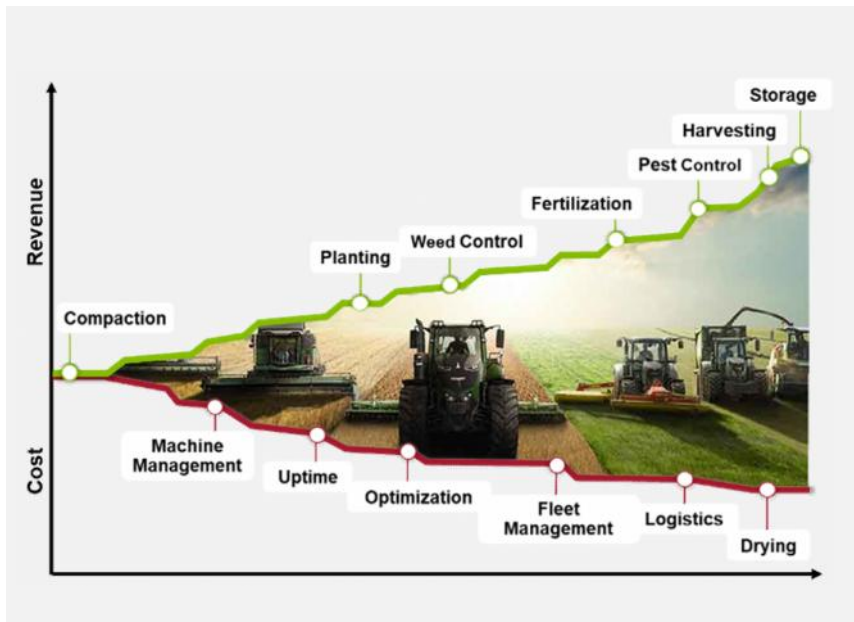
- Yield improvement
- Cost savings
- Actionable Data
- Reduced downtime

SMART MACHINES – GOAL IS TO BE MOST INNOVATIVE SMART FARMING PROVIDER



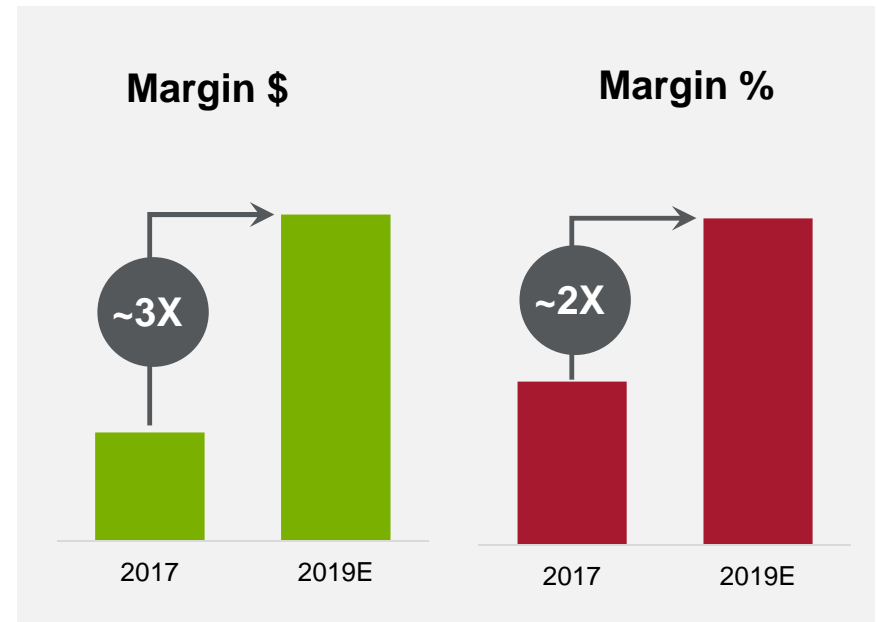
SMART MACHINES: DELIVERING IMPROVED OUTCOMES

Crop Cycle Opportunities



Focus: Delivering improved customer outcomes

Results – 2017 to 2019



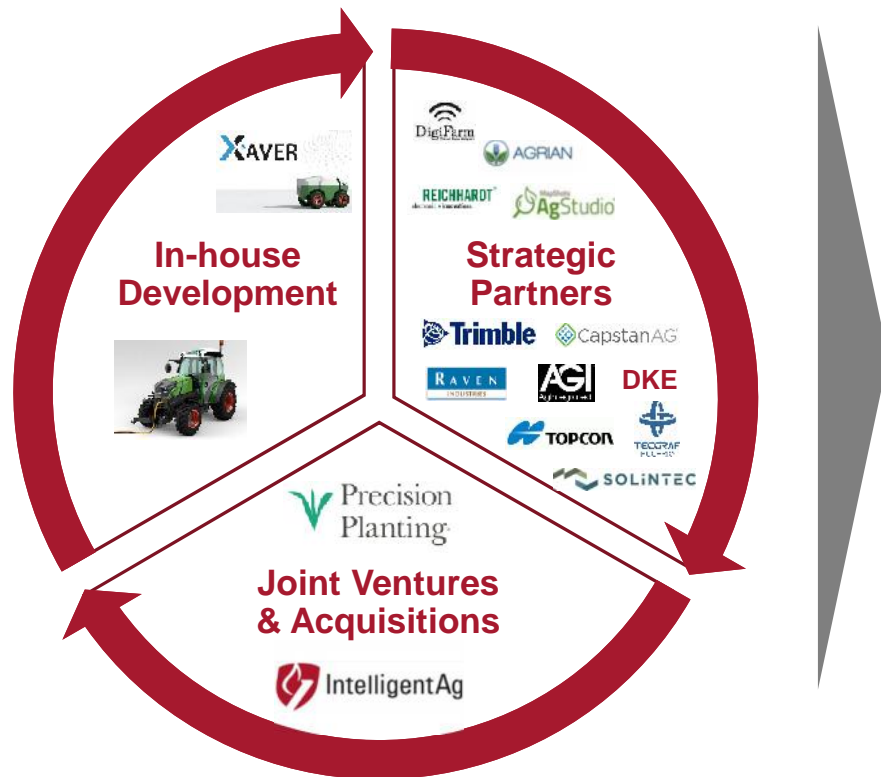
Result: Drive crop cycle & fuse margins higher

AGCO: FULL-LINE SMART FARMING SOLUTIONS THROUGH THE ENTIRE CROP CYCLE



TO REACH TOP OF SMART FARMING PYRAMID REQUIRES AN INNOVATIVE STRATEGY

Strategic Approach



Solid Foundation

- Strong in-house development on robotics and automation
- Significant innovation coming from JV's and acquisitions



Priorities Going Forward

- New process for evaluating strategic partners and leveraging 3rd party technologies
- Creating compatible architectures with strategic partners to adopt new sensing and control modules



SMART MACHINES: STRATEGY IN ACTION – EXAMPLES

Strategic Focus

- ✓ **Connectivity**
Enabling remote accessibility, visibility, and management via the Cloud
- ✓ **Autonomy/Automation**
Building out autonomous capability
- ✓ **Robotics**
Developing machine vision & spray drift management technology
- ✓ **Electrification**
Converting from mechanical to electrical power
- ✓ **Fuel (Alternative)**
Powering machines with alternative/renewable fuel sources

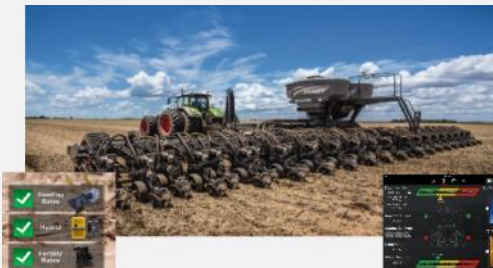
AGCO SMART Machines Examples

IDEAL Combine



Collect and process machine, agronomic and environmental data

Momentum Planter



Suggest course of action

Drive real time autonomous actions

SMART MACHINES: STRATEGY IN ACTION

PLANTER AUTOMATION



SmartFirmer



Sensing and variable planting capability

2018

SmartDepth



Automatic depth control

2019

FurrowForce



Automated closing system

Innovative
New
Products

Product Introductions

PRECISION PLANTING – A GREAT ADDITION TO AGCO, GENERATOR OF INNOVATION

Our Approach – Start with Farmer and Work Backwards

- Customer touchpoints early and often
- Fast development, fast to leave untenable projects behind
- Test Farm to run experiments, and to demonstrate product efficacy to farmers in hands-on environment
 - Additional investments made in expansion of farm to run even more programs
 - Other parts of AGCO gaining access to test farm
 - Some key external partners running in experiments
- AGCO digital development hub being grown onsite at Precision Planting headquarters



Precision Planting test farm

SMART MACHINES: STRATEGY IN ACTION – EXAMPLE FENDT NOW A GLOBAL, DIGITAL FULL-LINE BRAND



Key Initiatives

Full-line offering in Europe

New dealer network in NA

Market entry in SA

Improved customer
experience

Focused dealer support

SMART DISTRIBUTION: FARMERS EXPECTATIONS ARE CHANGING

Online Channel



Smart Connected Machines



Machine Uptime Expectations



Improved Communication



Future trends reduce distance to consumers and blur the line between OEM and dealers

AGCO's digital capabilities will deliver more power to our customers and better information to AGCO



...SMART DISTRIBUTION: ROADMAP TO THE FUTURE

Digitalization



DCX
DIGITAL CUSTOMER EXPERIENCE

Strategic Evaluation



Investment



Dealer
of the
future

A New Model

Market



- Lead generation
- Farmer experience centers

Sell



- New equipment
- Used equipment

Support



- Parts
- Win with service strategy

SMART DISTRIBUTION AT AGCO: DIGITALIZATION IS GIVING POWER TO OUR CUSTOMERS

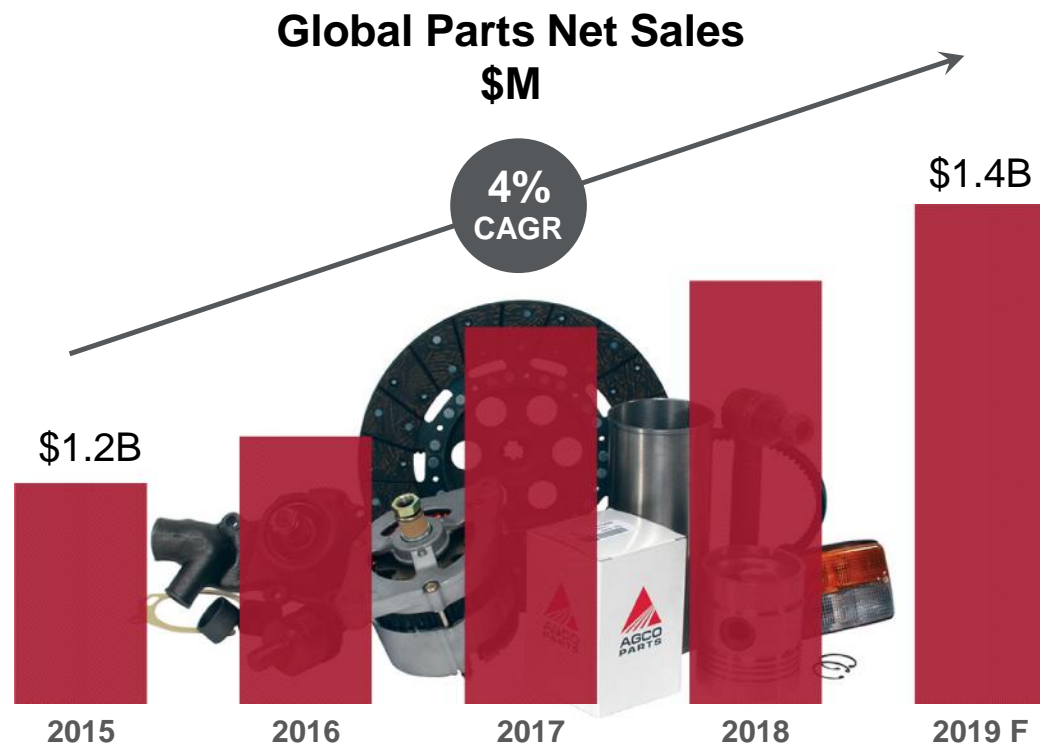


- AGCO's transformation program will be touching digital customer-facing functions across the entire customer journey

Enhancements to

- Customer portal & dealer community
- Data analytics
- Configure price and quote
- E-commerce
- CRM & marketing automation

SMART DISTRIBUTION INCLUDES A HIGH MARGIN, GROWING PARTS BUSINESS



- Providing tools to our dealers to support parts and service growth:
 - Connected machines and service model
 - Prioritizing service and parts
 - Data analytics
 - Improved dealer parts inventory management
- Optimization of global warehouse footprint and automation

CLEAR EVIDENCE DISTRIBUTION IS DRIVING GROWTH – EASTERN EUROPE

- Accelerated profitable market share growth in Eastern Europe and selected Central European markets
 - Exclusive two channel full line networks implemented in Poland and Ukraine in 2018/2019
 - AGCO Partner Excellence Program is increasing dealers' bandwidth and professionalism



AGENDA

▶ Equipping the professional farmer

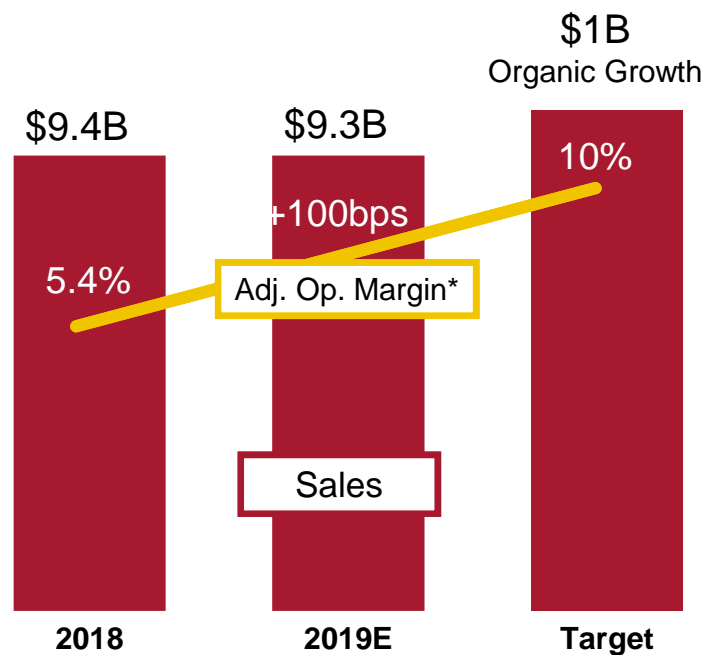
- Smart machines
- Smart distribution

▶ Operational improvement



OPERATIONAL PRIORITY: ACHIEVE MARGIN IMPROVEMENT

Sales & Adj. Operating Margins



Initiatives

Top Line

- Fendt globalization
- Full-line offering
- Parts growth
- Emerging market growth – Africa, Eastern Europe, China
- Strategic pricing

Product Cost Reduction / Operating Efficiency

- Product complexity / platform consolidation
- Product cost reductions
- Digitalization of processes
- Purchasing savings
- Manufacturing labor productivity

Culture and Compensation Change

- Campaigns and communication
- Annual incentive plan/goals tied to operating margin

DELIVERING ON OUR GLOBAL PLATFORM STRATEGY

Tractors

Crop Cycle Equipment

Mass Market Low Horsepower Platform

70-130 HP
launched 2016

VALTRA



MASSEY FERGUSON



Premium High Horsepower Platform

500+ HP
launched 2016
250-380 HP
launched 2019
180-265 HP
to be launched 2020

FENDT

Challenger



Mass Market Mid-range Platform

200-300 HP
to be launched 2020

VALTRA



MASSEY FERGUSON



Combine Harvesters

Launched 2017
Commercial production
Class 7,8,9 in 2019
Class 10 in 2020



MASSEY FERGUSON

FENDT



Hay Equipment

Square balers
Round balers
Hay tools



MASSEY FERGUSON

FENDT



Planters

Momentum Planter
Launched 2019 / 2020

FENDT



QUALITY DRIVEN ACROSS THE ORGANIZATION

1 Right-first-time in product development



➤ Quality gates in product development for prevention before launch

2 Flawless execution in manufacturing



➤ Error-proof processes for prevention after launch

3 High-speed issue detection / resolution



➤ Big data and advanced analytics for field issue identification and resolution

4 Excellence in customer experience



➤ Doing the right thing from the factory through dealer delivery



Quality culture across product lifecycle

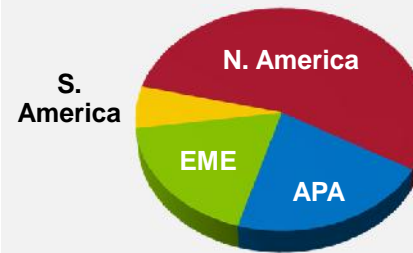
GRAIN STORAGE AND PROTEIN PRODUCTION



- Grain storage and seed processing equipment
- Commercial egg and animal protein production systems



Significant Growth Opportunity Outside NA



- Low penetration in developing markets where strong demand exists

Significant Market Challenges

- China / US trade dispute impacting NA Grain and Storage
- African swine fever disrupting global protein production equipment demand



AGCO's Response

- ✓ Continuing to infuse Smart farming technology
- ✓ Distribution expansion
- ✓ Further integrate the business after recent acquisitions
- ✓ Reviewing production footprint
- ✓ Process improvement focus
- ✓ Efficiency initiatives

IN SUMMARY

AGCO: LEADING THE WAY

Sustainably Improve AGCO's Operating Margin



**Deliver Greater
Customer Value**

Through a
Farm-Centric Mindset

**Improve Operating
Efficiency**

Product & Overhead
Cost Reduction

