



Second Quarter 2014

Financial and Operational Results



Forward Looking Statements



Forward-looking statements in this presentation, including statements regarding demand for our products and the economic and other factors that drive that demand, product development plans and timing of those plans, acquisition, expansion and modernization plans and our expectations with respect to the costs and benefits of those plans and timing of those benefits, and our future revenue, earnings and other financial metrics, are subject to risks that could cause actual results to differ materially from those suggested by the statements. These risks include, but are not limited to, adverse developments in the agricultural industry, including those resulting from weather, commodity prices, and changes in product demand, the possible failure by us to develop new and improved products on time, within budget and with the expected performance and price benefits, introduction of new or improved products by our competitors and reductions in pricing by them, difficulties in integrating acquired businesses and in completing expansion and modernization plans on time and in a manner that produces the expected financial results, and adverse changes in the financial and foreign exchange markets. Further information concerning these and other risks is included in AGCO's filings with the SEC, including its Form 10-K for the year ended December 31, 2013. AGCO disclaims any obligation to update any forward-looking statements except as required by law.

Financial Summary



\$M*










	Q2 14	Q2 14 v Q2 13	YTD 2014	YTD 14 vs YTD 13
Net Sales	\$2,750.3	-9.8%	\$5,083.7	-6.7%
Gross margin	23.0%	-30 bps	22.6%	-30bps
Operating income	\$266.7	-18.5%	\$422.4	-16.3%
Operating margin	9.7%	-100bps	8.3%	-100bps
Diluted EPS	\$1.77	-\$0.38	\$2.79	-\$0.55

*Except per share amounts

Industry Overview



June Year-to-Date Retail Units

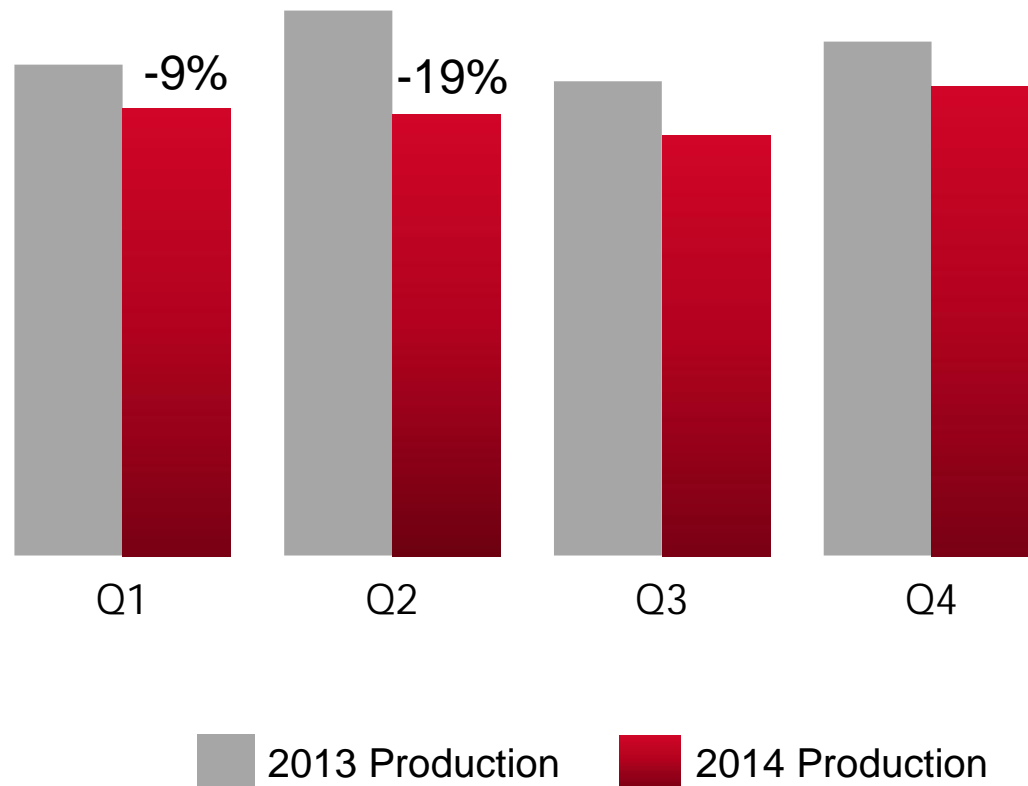
North America		2014 vs. 2013	
	 Tractors*	• Industry	(2%)
	 Combines	• Industry	(15%)
Western Europe		2014 vs. 2013	
	 Tractors	• Industry	(6%)
	 Combines	• Industry	(4%)
South America		2014 vs. 2013	
	 Tractors	• Industry	(18%)
	 Combines	• Industry	(25%)

* Excludes compact tractors

Tractor/Combine Production

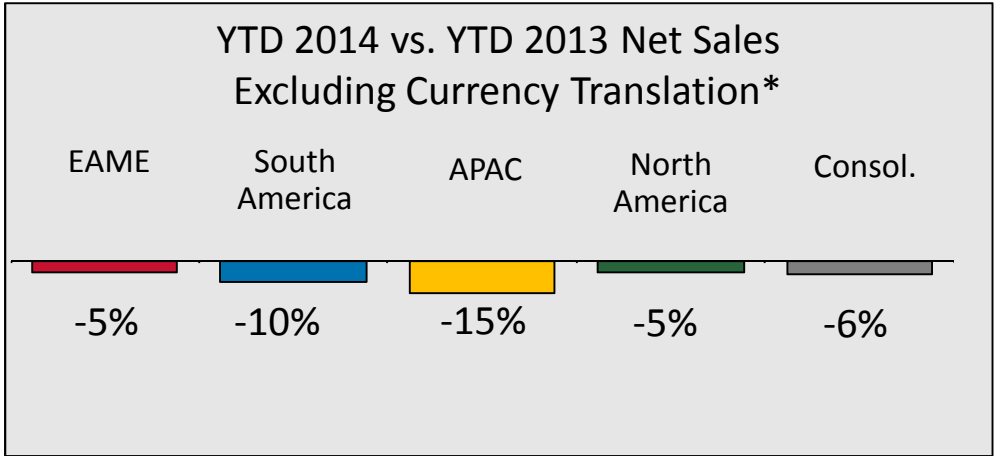
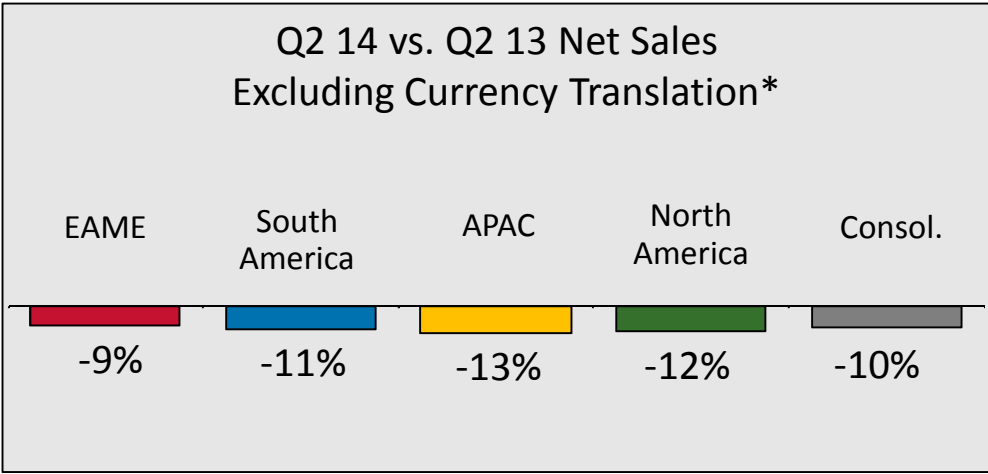
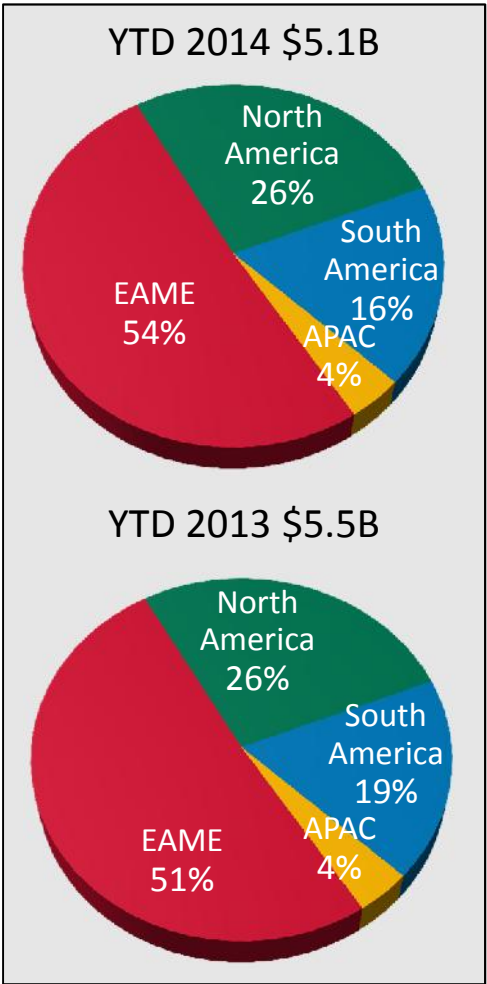


Production Units



- Production down ~19% in Q2 14 vs. Q2 13
 - Declines across all regions
- Full year 2014 production expected to decrease 10-12% vs. 2013

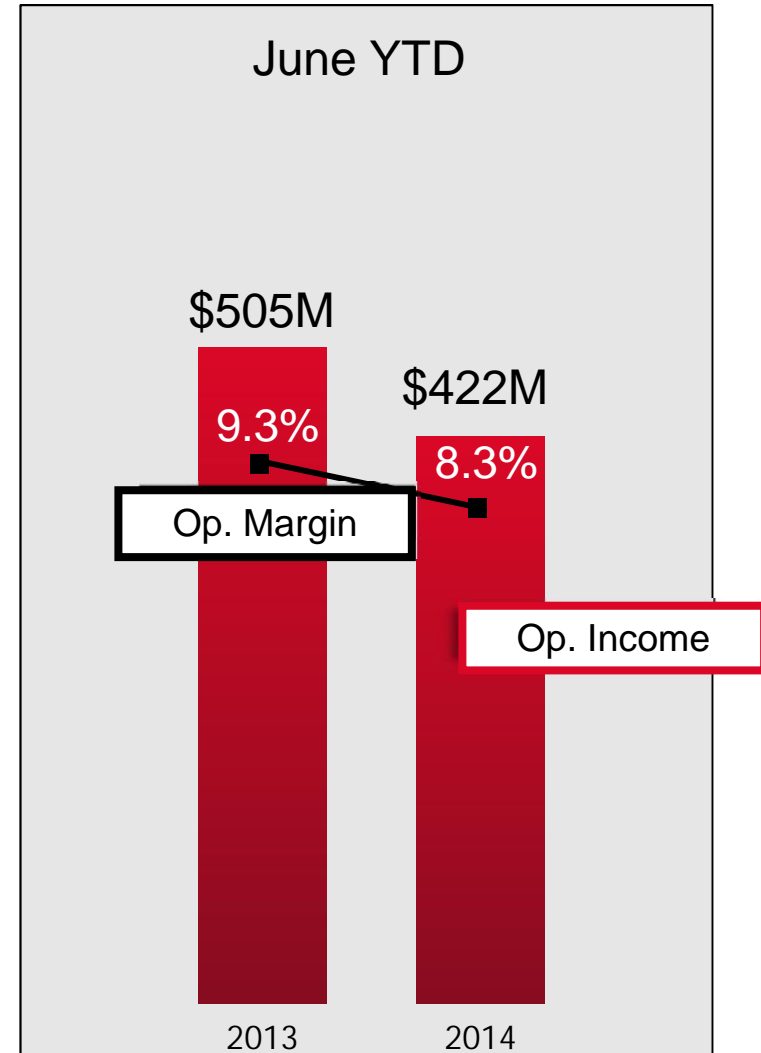
Regional Net Sales Results



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

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

Net Sales and Operating Margins

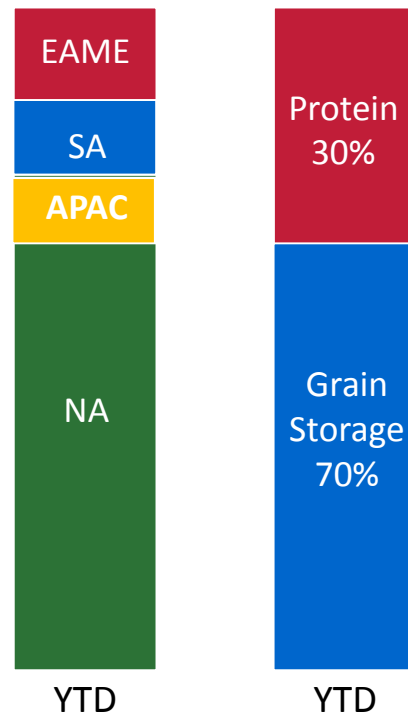




Sales

(YTD 2014)

\$416M

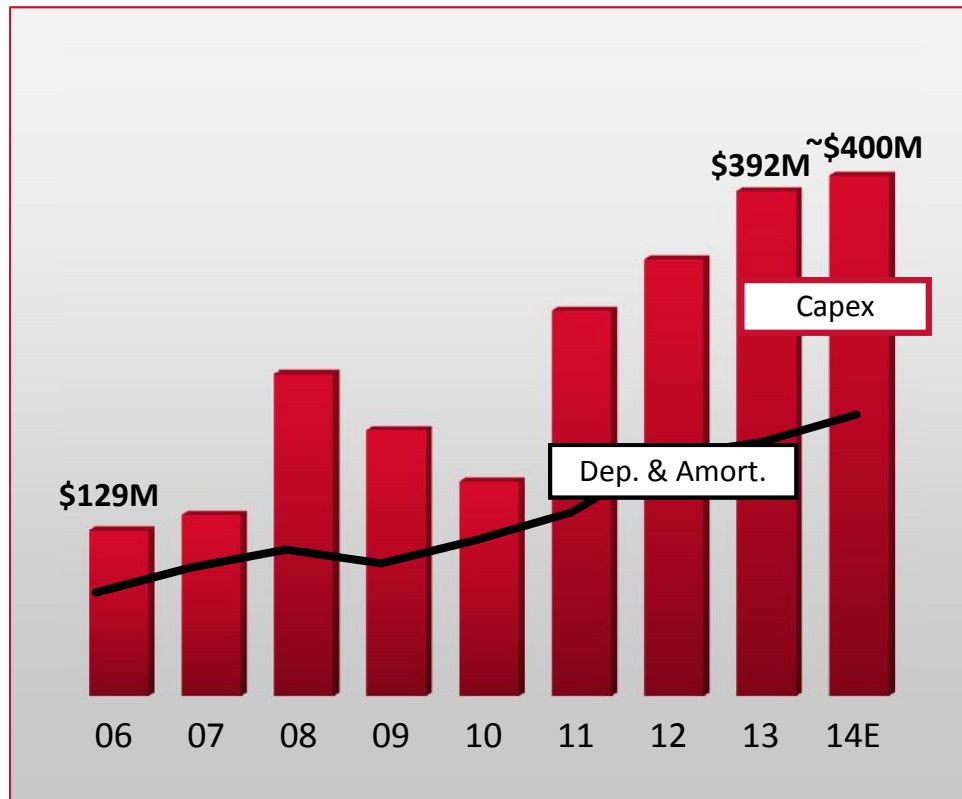


- YTD '14 sales up ~7% vs YTD 13
- 2014 GSI sales expected to be up ~10% vs 2013
- Strong cash flow generation in U.S.
- Longer term:
 - Macro trends driving growth in demand for grain storage and protein production
 - Increases exposure to counter-cyclical protein sector

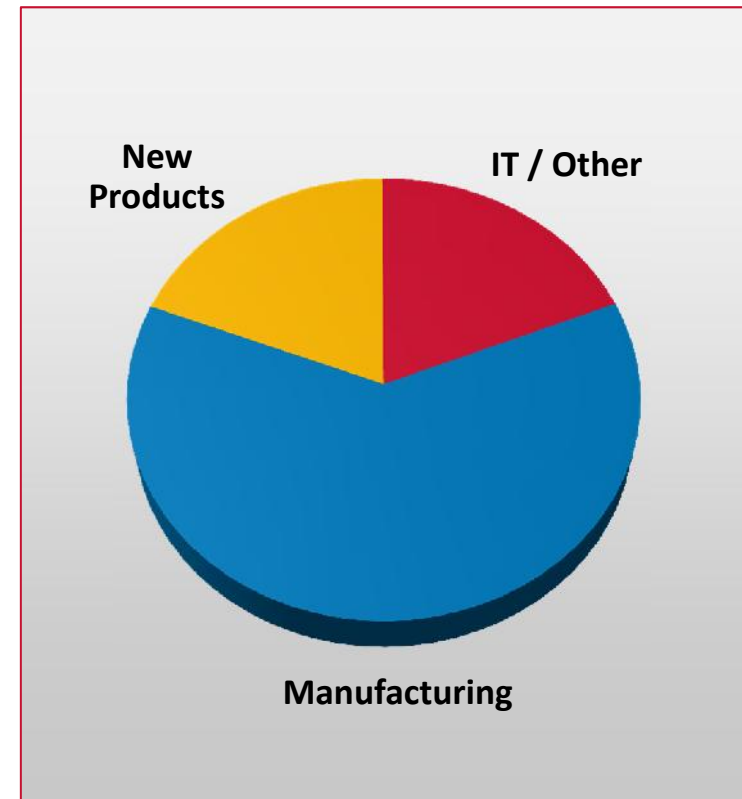


Capital Expenditures – Investing for Growth

Continuing to Invest



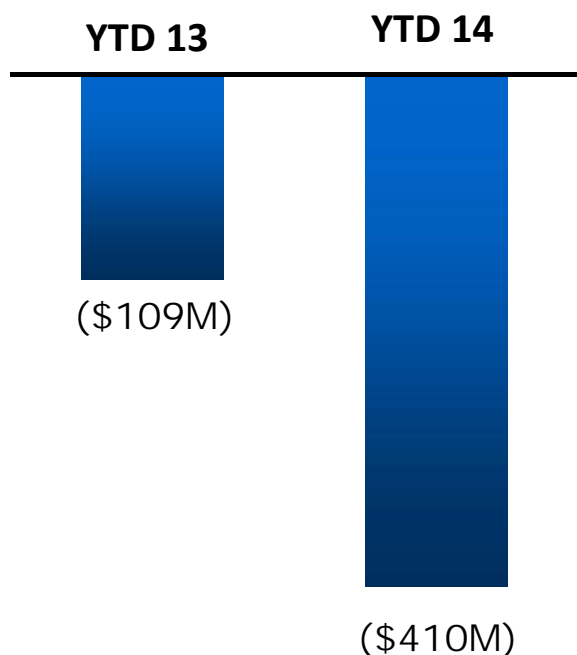
2014 Capex Components



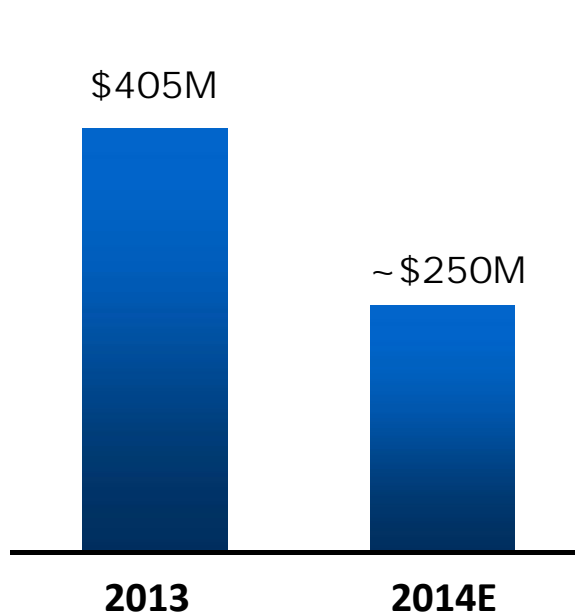
Free Cash Flow*



YTD Free Cash Flow



Full-Year Free Cash Flow



Seasonal working capital build in first half of year

Second half of year seasonally stronger for free cash flow

Extended factory shutdowns in Q3 intended to reduce inventory

Targeting ~\$250M free cash flow in 2014 after funding elevated capex

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


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

Returning Cash to Shareholders



Cash to be Returned to Shareholders

Dividend

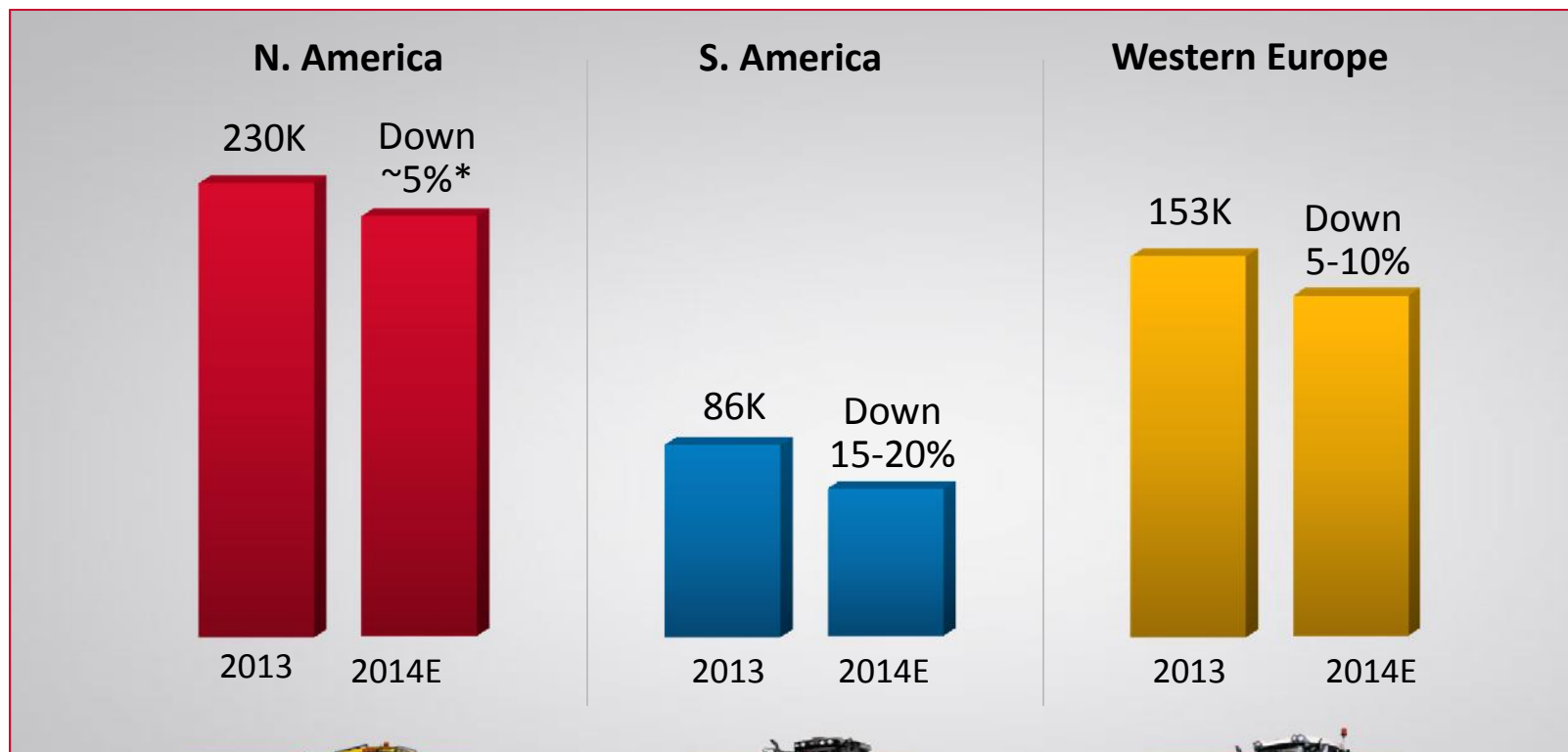
- Initiated in 2013
 - Increased 10% for 2014
- 

Share Repurchase

- New \$500M share repurchase program announced Dec. 2013
 - 4.2M share reduction thru June 2014
 - 1.2M reduction in July 2014
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2014 Market Outlook

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



* Excludes compact tractors

2014 Assumptions – Summary

- Sales Down ~5%
 - softer end markets
 - ~1.5% pricing
 - impact of currency translation expected to be neutral
- ~\$10M increase in engineering expense for new product development, common platform and tier 4 emission requirements
- ~\$10 million of start-up expense associated with China operations
- Effective tax rate 34-35%



2014 Outlook



2014 Estimates	
Sales	\$10.1B to \$10.3B
EPS	~\$5.00
CAPEX	~\$400M
Free Cash Flow*	~\$250M



* Free cash flow is defined as net cash from operations less capital expenditures. See reconciliation to GAAP metrics in the appendix of this presentation. 14



Appendix



Non-GAAP To GAAP Reconciliation



Free Cash Flow

\$M

	Six months ended June 30, 2013	Six months ended June 30, 2014
Net cash provided by (used in) operating activities	\$ 65.0	\$ (254.2)
Less:		
Capital expenditures	(174.2)	(155.5)
Free cash flow	<u>\$ (109.2)</u>	<u>\$ (409.7)</u>

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

Non-GAAP To GAAP Reconciliation



Free Cash Flow

\$M

	Year ended December 31, 2013	Year ended December 31, 2014
Net cash provided by operating activities	\$ 797.0	\$ 650-675
Less:		
Capital expenditures	(391.8)	(400-425)
Free cash flow	<u>\$ 405.2</u>	<u>\$ 250</u>

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

Non-GAAP To GAAP Reconciliation



Net Sales \$M

	Three Months Ended June 30,		% change from 2013	Change due to currency translation	
	2014	2013		\$	%
North America	\$ 686.2	\$ 788.9	(13.0)%	\$ (6.3)	(0.8)%
South America	440.2	540.0	(18.5)%	(42.0)	(7.8)%
Europe/Africa/Middle East	1,521.9	1,599.0	(4.8)%	59.9	3.8 %
Asia/Pacific	102.0	120.3	(15.2)%	(2.3)	(1.9)%
	<u>\$ 2,750.3</u>	<u>\$ 3,048.2</u>	<u>(9.8)%</u>	<u>\$ 9.3</u>	<u>0.3 %</u>

	Six Months Ended June 30,		% change from 2013	Change due to currency translation	
	2014	2013		\$	%
North America	\$ 1,333.7	\$ 1,413.1	(5.6)%	\$ (15.8)	(1.1)%
South America	793.8	1,005.7	(21.1)%	(110.8)	(11.0)%
Europe/Africa/Middle East	2,757.8	2,792.2	(1.2)%	92.6	3.3 %
Asia/Pacific	198.4	240.3	(17.4)%	(6.0)	(2.5)%
	<u>\$ 5,083.7</u>	<u>\$ 5,451.3</u>	<u>(6.7)%</u>	<u>\$ (40.0)</u>	<u>(0.7)%</u>