



# Third Quarter 2012 Financial and Operational Results

**October 31, 2012**



# 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, acquisitions, 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, 2011. AGCO disclaims any obligation to update any forward-looking statements except as required by law.

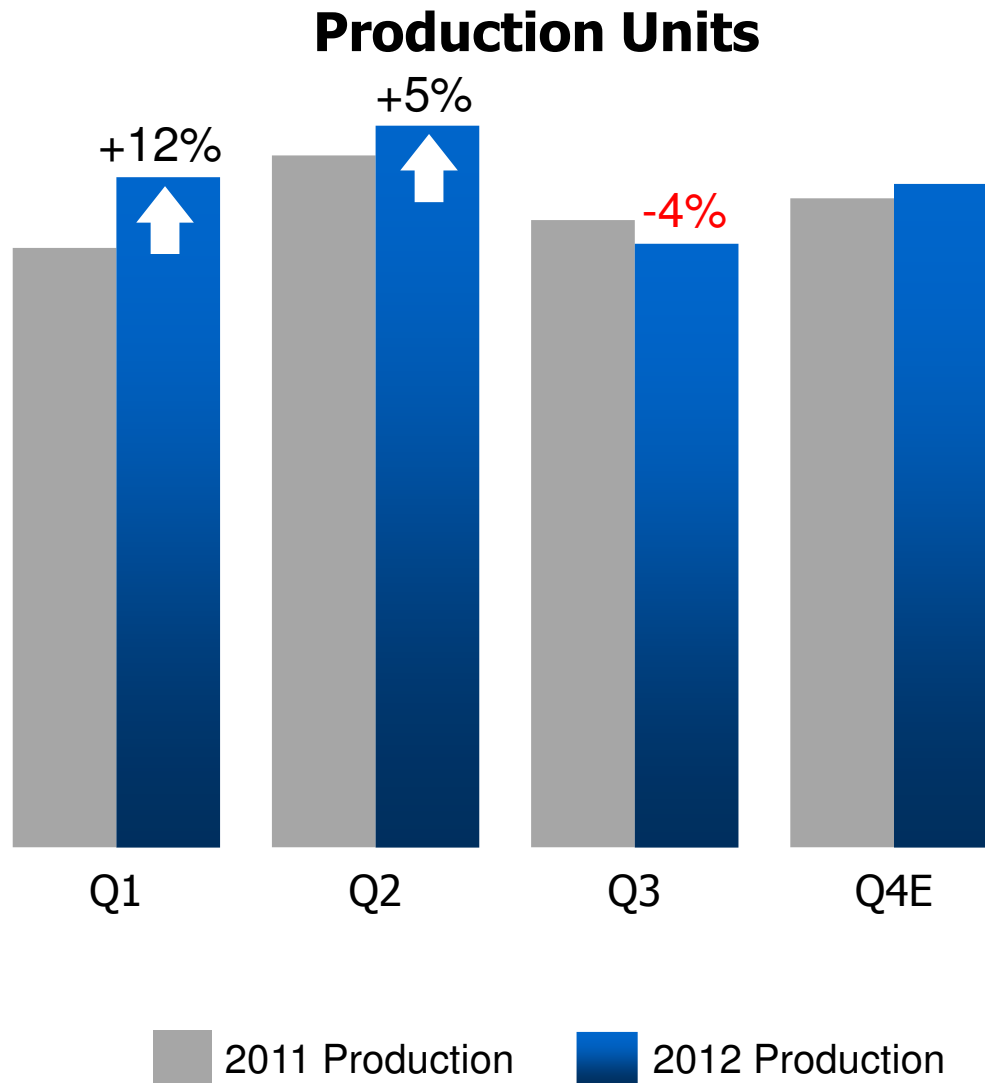
# Financial Summary



	Q3 12	Q3 12 vs Q3 11	YTD 2012	YTD12 vs YTD11
<b>Net Sales</b>	<b>2,295.0</b>	<b>+9.3%</b>	<b>7,258.8</b>	<b>+16.0%</b>
<b>Gross margin</b>	<b>21.4%</b>	<b>+197 bps</b>	<b>22.0%</b>	<b>+196 bps</b>
<b>Adj. op. income*</b>	<b>139.6</b>	<b>+22.1%</b>	<b>574.3</b>	<b>+35.5%</b>
<b>Adj. op. margin*</b>	<b>6.1%</b>	<b>+64bps</b>	<b>7.9%</b>	<b>+112 bps</b>
<b>Adj. diluted EPS*</b>	<b>\$0.96</b>	<b>+\$0.09</b>	<b>\$4.25</b>	<b>+\$1.21</b>

\* Reflects adjusted results, which exclude restructuring and other infrequent items. Please see reconciliations to GAAP metrics provided in the appendix to this presentation.










# Tractor/Combine Production



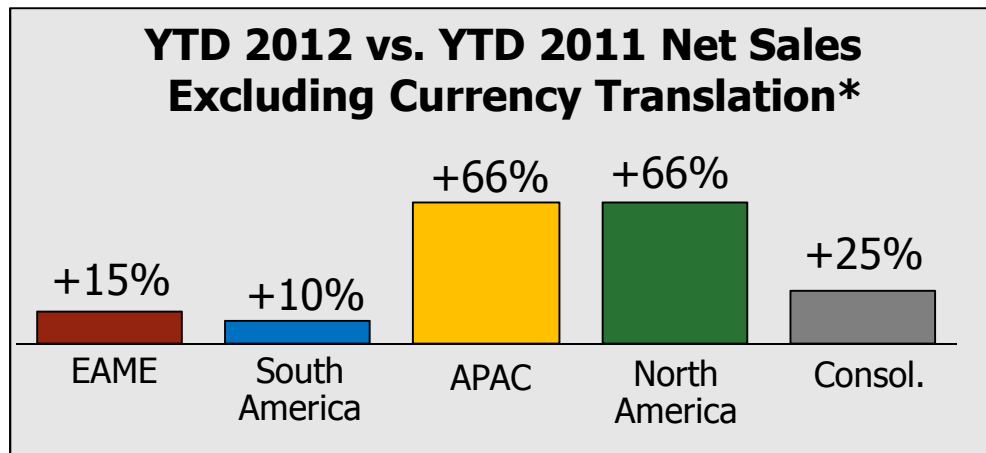
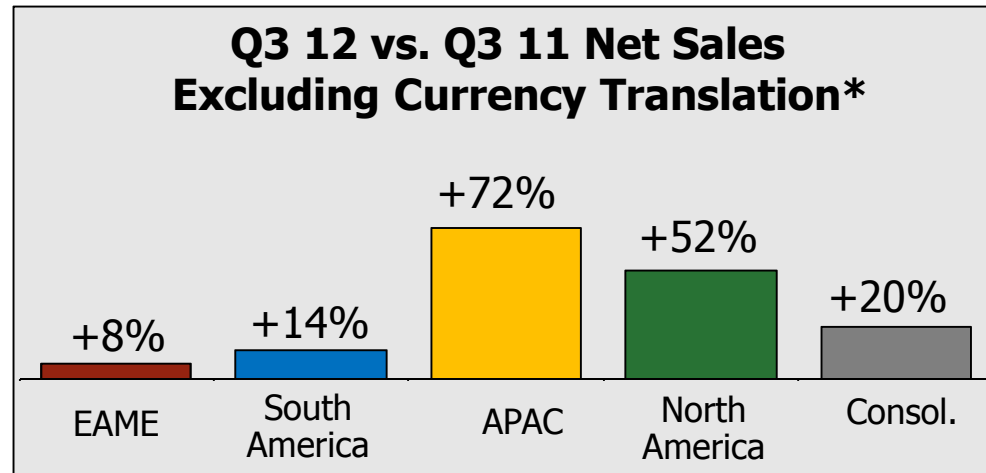
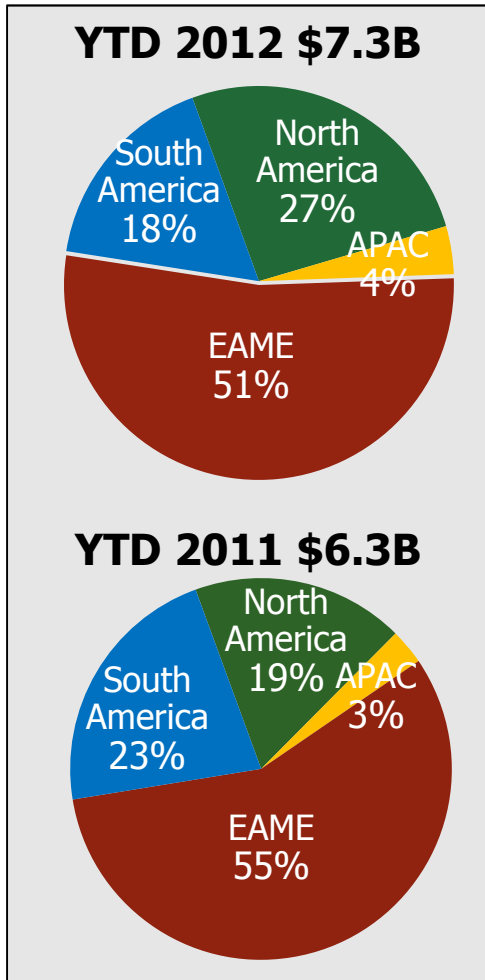
- Production down 4% in Q3 12 vs. Q3 11
- Full year 2012 production projected to increase ~4% vs. 2011

# Industry Overview

## September Year-to-Date Retail Units

North America		2012 vs. 2011	
	 <b>Tractors</b>	• Industry	+7%
	 <b>Combines</b>	• Industry	(8%)
Western Europe		2012 vs. 2011	
	 <b>Tractors</b>	• Industry	Flat
	 <b>Combines</b>	• Industry	+3%
South America		2012 vs. 2011	
	 <b>Tractors</b>	• Industry	(2%)
	 <b>Combines</b>	• Industry	(9%)

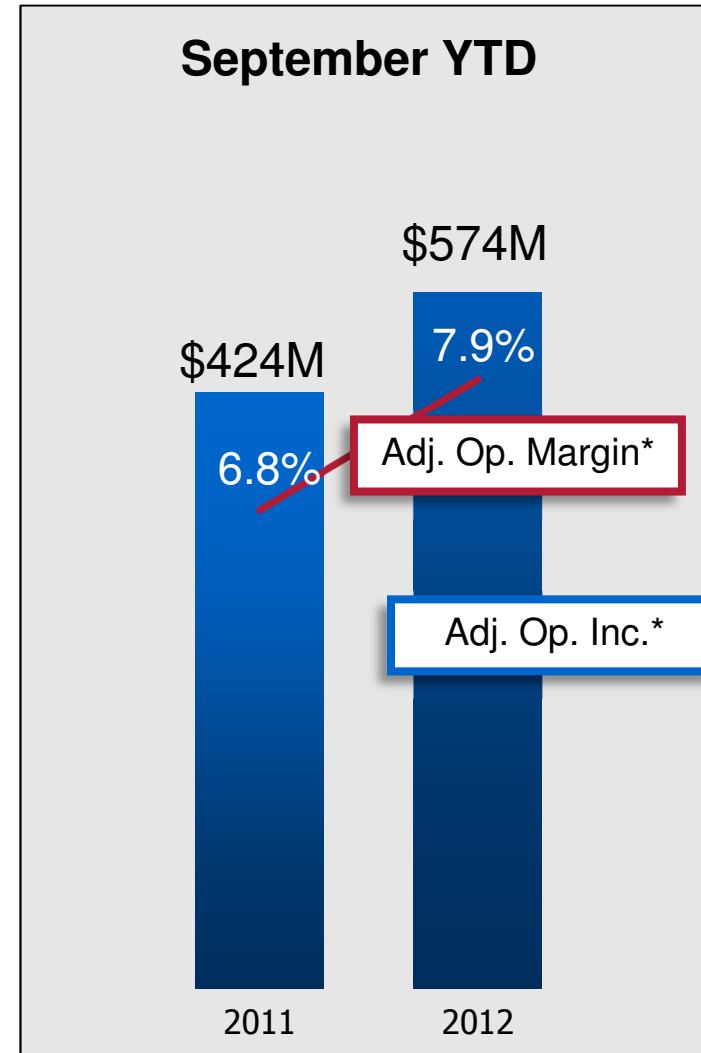
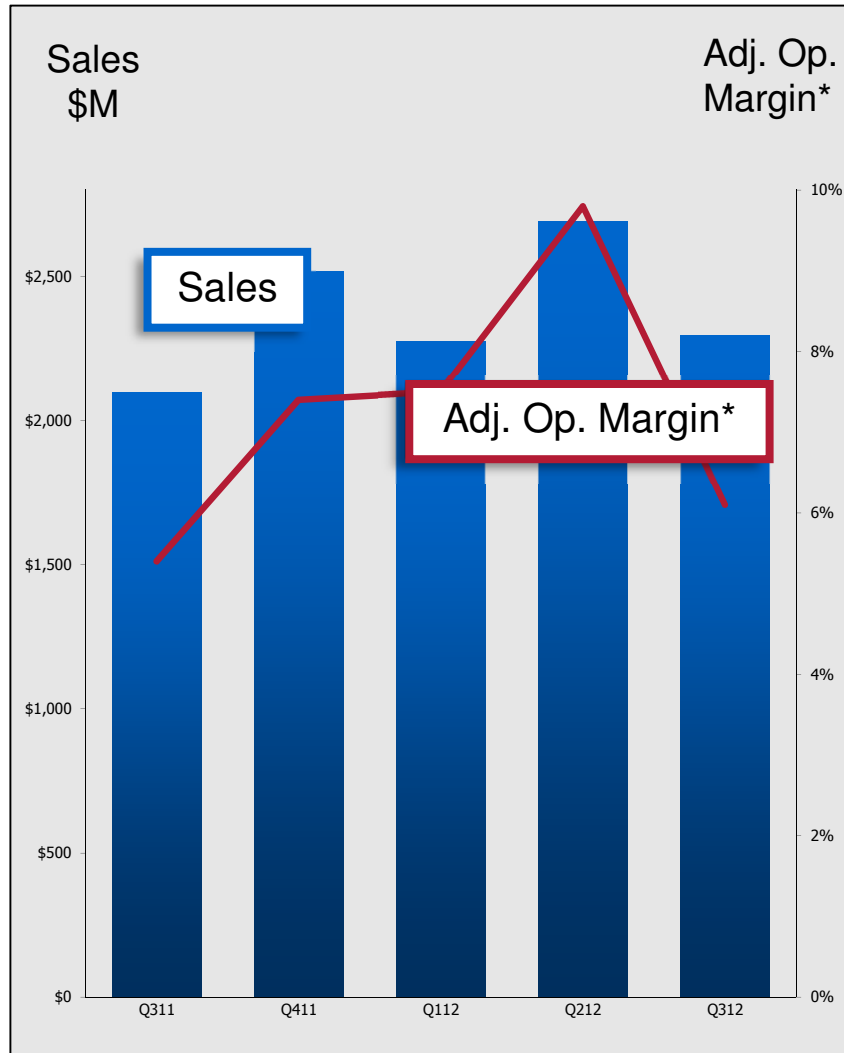
# Regional Net Sales Results



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

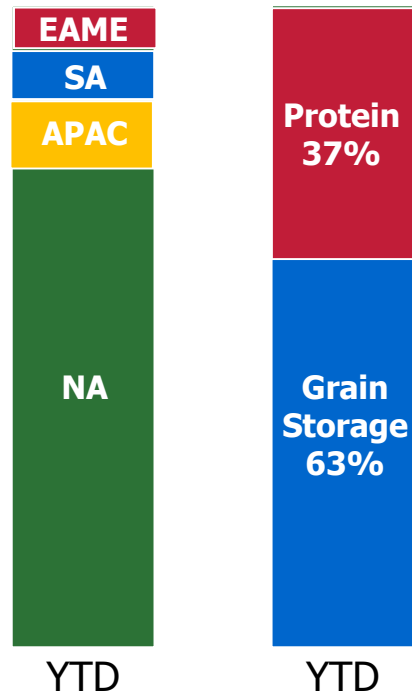


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## Sales (YTD Thru September 30, 2012)

**\$606M**



- Contributed ~\$0.50 for first nine months of '12
- Targeting 2012 EPS accretion of \$0.35-\$0.40

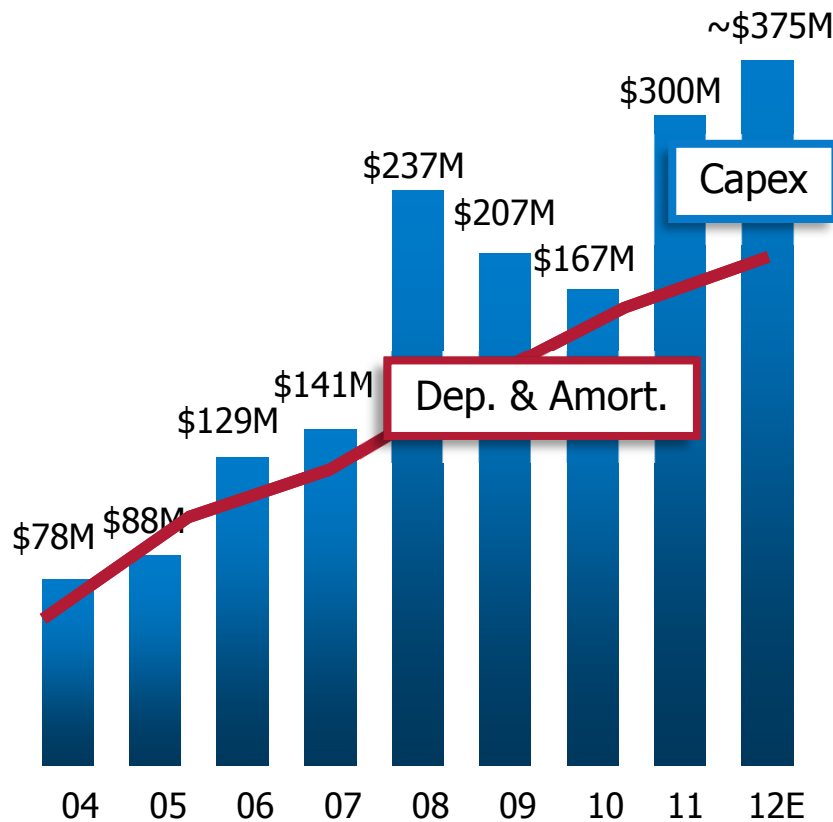




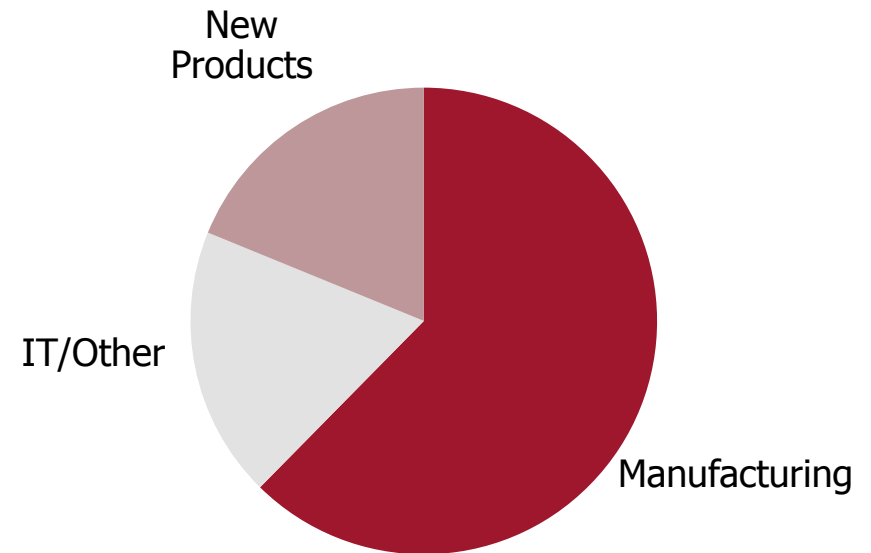
# Capital Expenditures – Investing for Growth



## Continuing to Invest



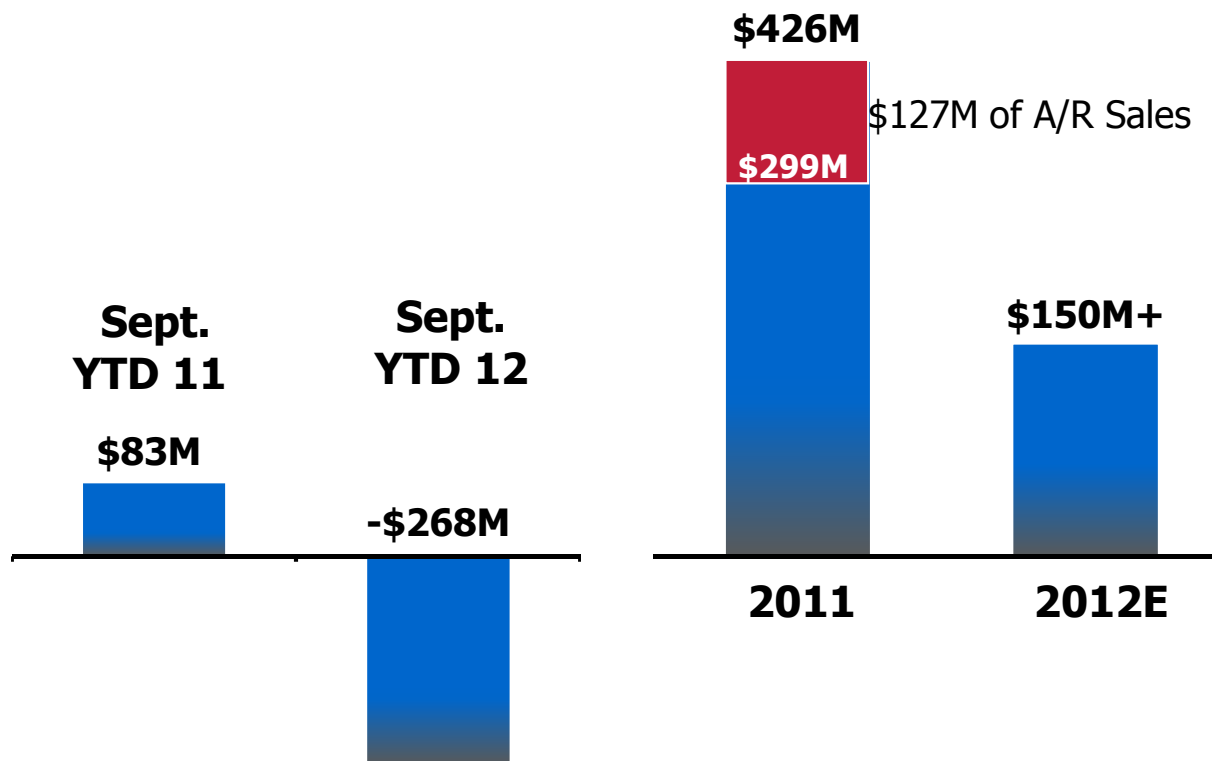
## 2012 Capex Components



# Free Cash Flow\*

## Full-Year Free Cash Flow

### YTD Free Cash Flow

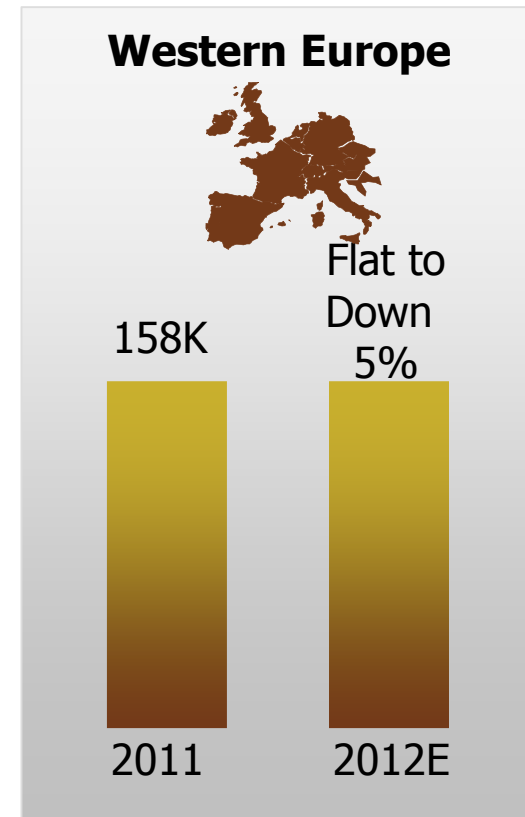
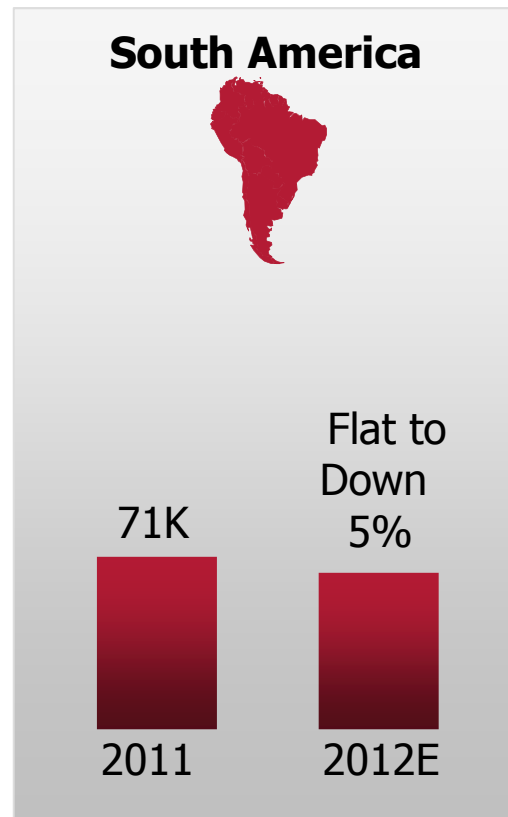
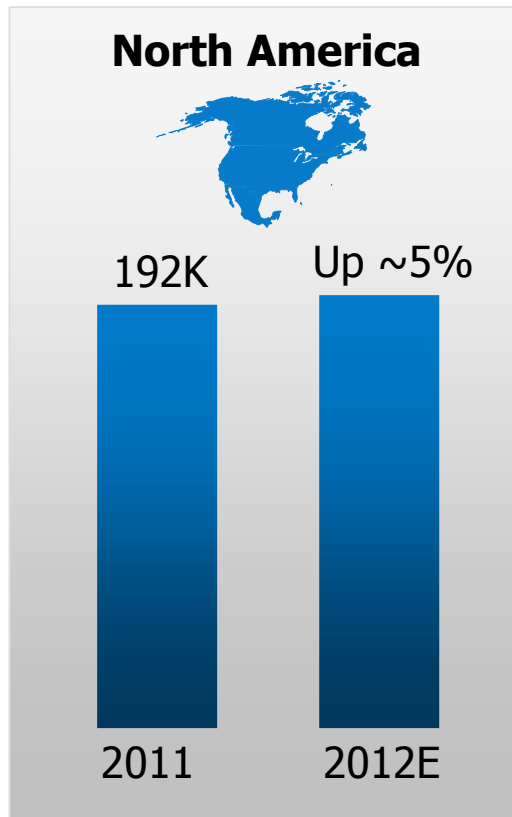


- Plant improvements and supplier constraints drove higher inventory during first nine months
- Targeting \$150M+ free cash flow in 2012 despite increase in Capex
- Repurchased \$9.5M of AGCO stock during Q3

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

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

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



# 2012 Forecast Assumptions – Summary

- Sales growth from pricing, GSI acquisition and market share gains partially offset by negative impact of currency
  - +3.0% to 3.5% pricing
  - ~ (7.0%) negative impact of currency translation
- 10-15% increase in engineering expense for new product development and Tier 4 emission requirements
- Gross margin improvement
- \$25-\$30 million of expense associated with new Fendt assembly facility
- ~\$20-25 million of start-up expense associated with China operations
- GSI EPS impact of \$0.35 to \$0.40



# 2012 Outlook

	2012 Estimates
<b>Sales</b>	\$9.8B-\$10.0B
<b>Gross margin</b>	+100 bps
<b>EPS</b>	~\$5.20
<b>CAPEX</b>	~\$375 Million
<b>Free Cash Flow*</b>	\$150 Million+

\* Free cash flow is defined as cash (used in) provided by operating activities less capital expenditures. Please see the reconciliations to GAAP metrics provided in the appendix to this presentation.



# Non-GAAP To GAAP Reconciliation



## Free Cash Flow

\$M

	Nine Months ended September 30, 2012	Nine Months ended September 30, 2011
Net cash (used in) provided by operating activities	\$ (33.2)	\$ 270.5
Less:		
Capital expenditures	(235.2)	(187.2)
Free cash flow	<u>\$ (268.4)</u>	<u>\$ 83.3</u>

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

# Non-GAAP To GAAP Reconciliation



\$M  
(except per share amts)

	Nine months ended September 30,					
	2012			2011		
	Income From Operations	Net Income <sup>(1)</sup>	Net Income Per Share <sup>(1)</sup>	Income From Operations	Net Income <sup>(1)</sup>	Net Income Per Share <sup>(1)</sup>
As adjusted	\$ 574.3	\$ 419.6	\$ 4.25	\$ 423.9	\$ 297.6	\$ 3.04
Restructuring and other infrequent income	—	—	—	(0.7)	(0.5)	—
As reported	<u>\$ 574.3</u>	<u>\$ 419.6</u>	<u>\$ 4.25</u>	<u>\$ 424.6</u>	<u>\$ 298.1</u>	<u>\$ 3.04</u>

(1) After tax.

See accompanying notes in the Company's press release.

# Non-GAAP To GAAP Reconciliation



## Net Sales

\$M

	Three Months Ended September 30,		% change from 2011	Change due to currency translation	
	2012	2011		\$	%
North America	\$ 632.2	\$ 417.7	51.4%	\$ (2.9)	(0.7)%
South America	479.9	515.7	(6.9)%	(106.5)	(20.7)%
Europe/Africa/Middle East	1,060.5	1,092.4	(2.9)%	(117.7)	(10.8)%
Asia/Pacific	122.4	73.3	67.0%	(3.9)	(5.3)%
	<u>\$2,295.0</u>	<u>\$2,099.1</u>	<u>9.3%</u>	<u>\$ (231.0)</u>	<u>(11.0)%</u>

	Nine Months Ended September 30,		% change from 2011	Change due to currency translation	
	2012	2011		\$	%
North America	\$1,932.1	\$1,171.9	64.9%	\$ (15.1)	(1.3)%
South America	1,343.8	1,423.0	(5.6)%	(224.4)	(15.8)%
Europe/Africa/Middle East	3,667.2	3,465.6	5.8%	(325.5)	(9.4)%
Asia/Pacific	315.7	194.9	62.0%	(7.6)	(3.9)%
	<u>\$7,258.8</u>	<u>\$6,255.4</u>	<u>16.0%</u>	<u>\$ (572.6)</u>	<u>(9.2)%</u>



# Non-GAAP To GAAP Reconciliation



## Net Sales

\$M

	Three Months Ended September 30,		% change from 2011	Change due to acquisitions	
	2012	2011		\$	%
North America	\$ 632.2	\$ 417.7	51.4%	\$ 130.9	31.3%
South America	479.9	515.7	(6.9)%	21.5	4.2%
Europe/Africa/Middle East	1,060.5	1,092.4	(2.9)%	30.0	2.7%
Asia/Pacific	122.4	73.3	67.0%	35.8	48.8%
	<u>\$2,295.0</u>	<u>\$2,099.1</u>	<u>9.3%</u>	<u>\$ 218.2</u>	<u>10.4%</u>

	Nine Months Ended September 30,		% change from 2011	Change due to acquisitions	
	2012	2011		\$	%
North America	\$1,932.1	\$1,171.9	64.9%	\$ 414.6	35.4%
South America	1,343.8	1,423.0	(5.6)%	77.7	5.5%
Europe/Africa/Middle East	3,667.2	3,465.6	5.8%	94.2	2.7%
Asia/Pacific	315.7	194.9	62.0%	86.9	44.6%
	<u>\$7,258.8</u>	<u>\$6,255.4</u>	<u>16.0%</u>	<u>\$ 673.4</u>	<u>10.8%</u>