



# 2013 Investor Meeting

December 17, 2013



# Key Messages Today

## Committed to Improving Shareholder Returns



## Positioned for Growth in Attractive Markets



## Executing a Successful Strategy



# Agenda

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**Greg Peterson** | Director – Investor Relations

- Introduction
- AGCO today

**Martin Richenhagen** | Chairman, President & CEO

- Growth opportunities
- Strategic update

Break – 5 minutes

**Andy Beck** | Senior Vice President & CFO

- Margin improvement plans
- Cashflow allocation
- 2014 targets



# Forward Looking Statements

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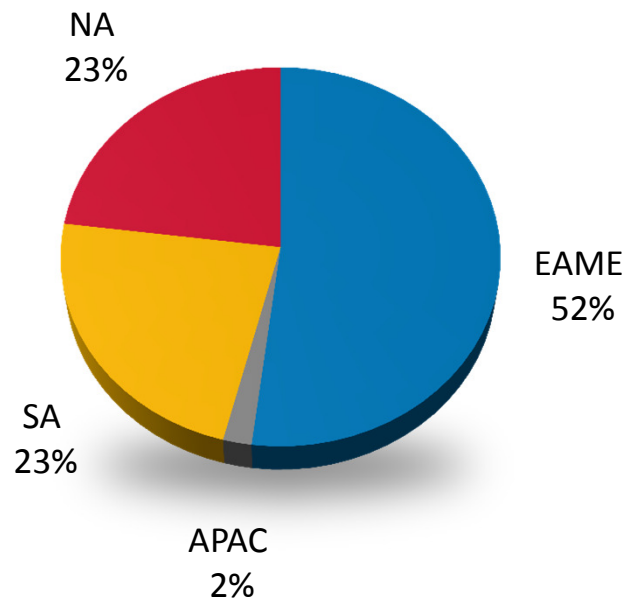


Forward-looking statements in this presentation, including statements regarding demand for our products and the economic and other factors that drive that demand, product development plans and timing of those plans, acquisition, expansion and modernization plans and our expectations with respect to the 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, 2012. AGCO disclaims any obligation to update any forward-looking statements except as required by law.

# Leading “Pure Play” Global Ag Equipment Company



## E2013 Sales ~\$11B



## Valuable Global Platform

Range of products

Full

Brands

Leading

Markets

Growing

Dealers

>3,100

Countries

>140



# Leading Brands



*Challenger*

Serious machinery  
for professional  
producers



**FENDT**

Premium reputation  
for high tech  
solutions



**MASSEY FERGUSON®**

One of the most  
widely distributed  
ag brands



**VALTRA**

Completely  
customized  
performance



Grain storage and  
protein production  
solutions





# Martin Richenhagen

Chairman, President & CEO



# Agenda

## Committed to Improving Shareholder Returns



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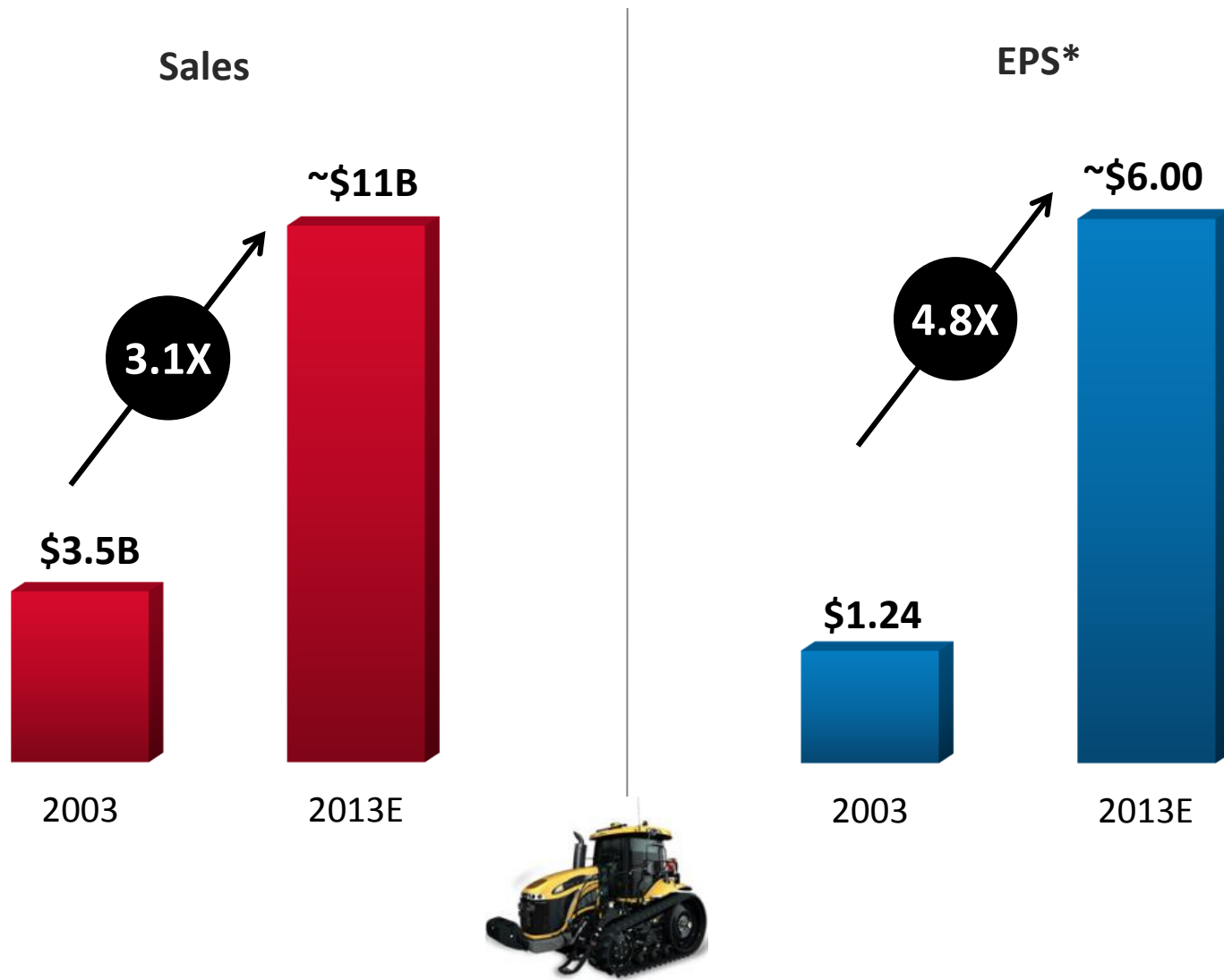


## Executing a Successful Strategy





# Strong Performance Record – Last 10 Years

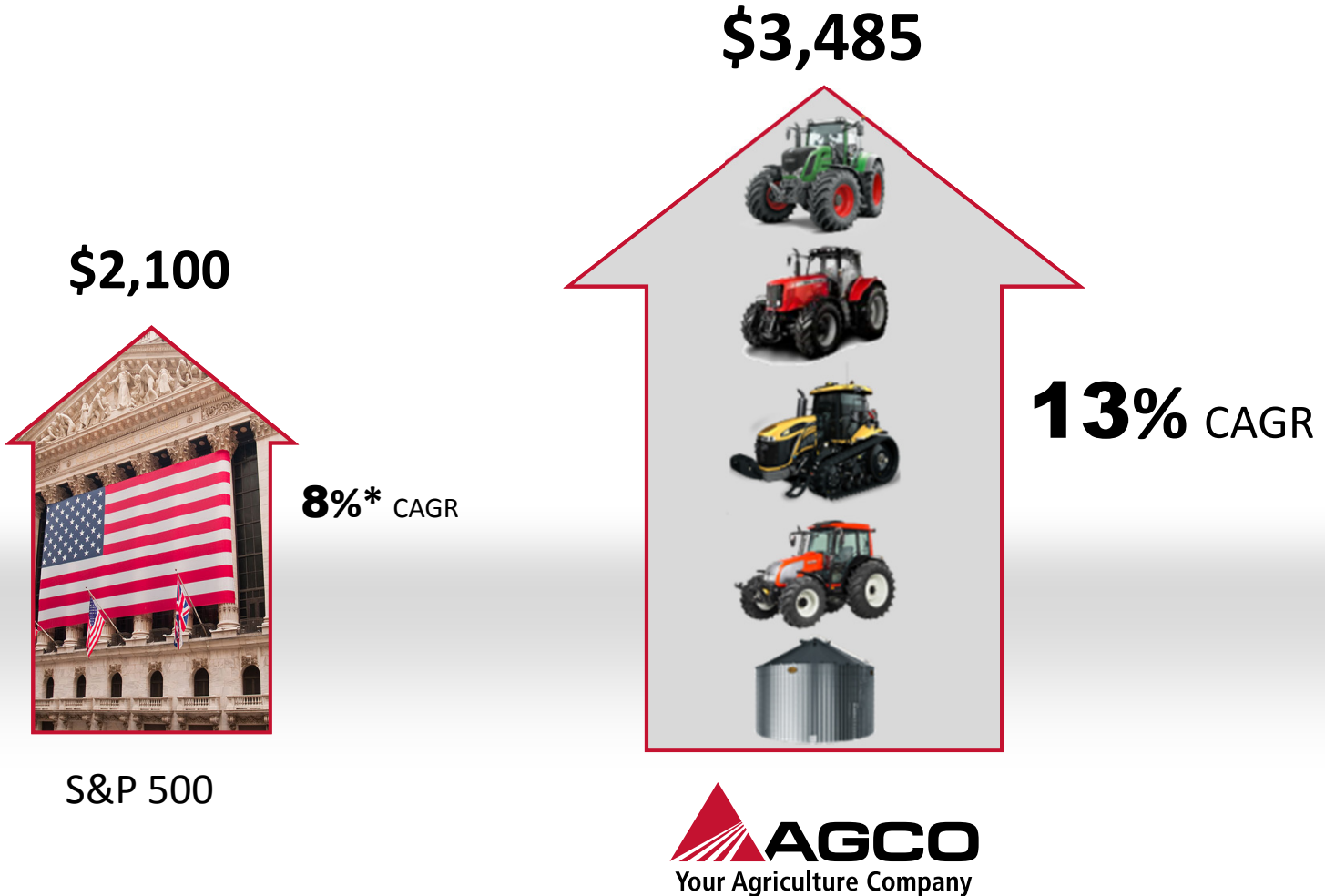


\* Reflects adjusted EPS. See reconciliation to GAAP EPS in the appendix to this presentation.

# Last 10 Years – Strong Returns



\$1,000 invested Nov. 2003 until Nov. 2013



\* Includes re-invested dividends

# New \$500 Million Share Repurchase Program

## Share Repurchase



- New \$500 million share repurchase facilitated by tax efficient repatriation of cash
- Repurchase program expected to be completed by June 2015
- Committed to dividend growth

# Agenda

## Committed to Improving Shareholder Returns



## Positioned for Growth in Attractive Markets

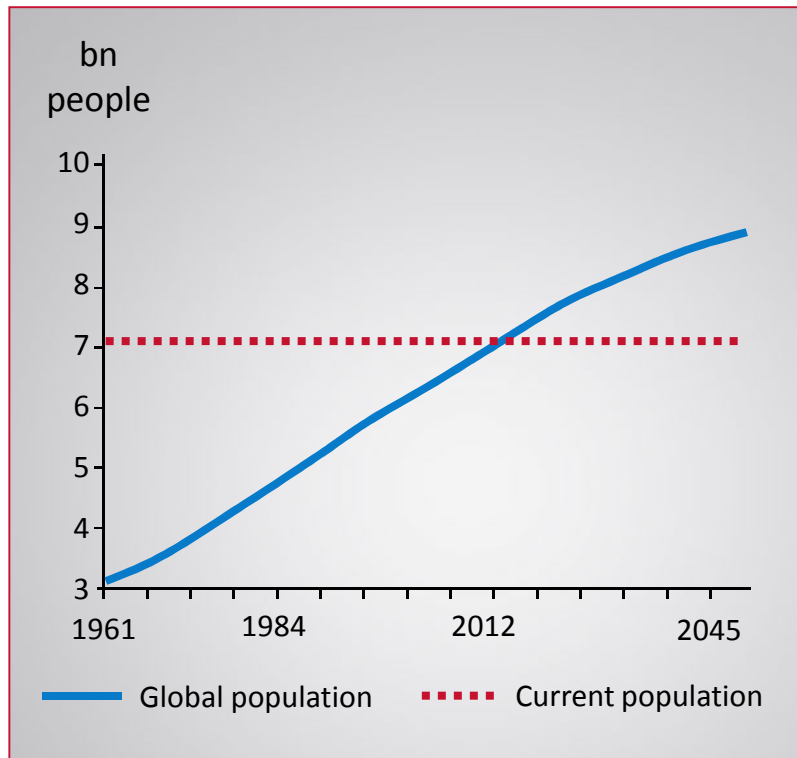


## Executing a Successful Strategy



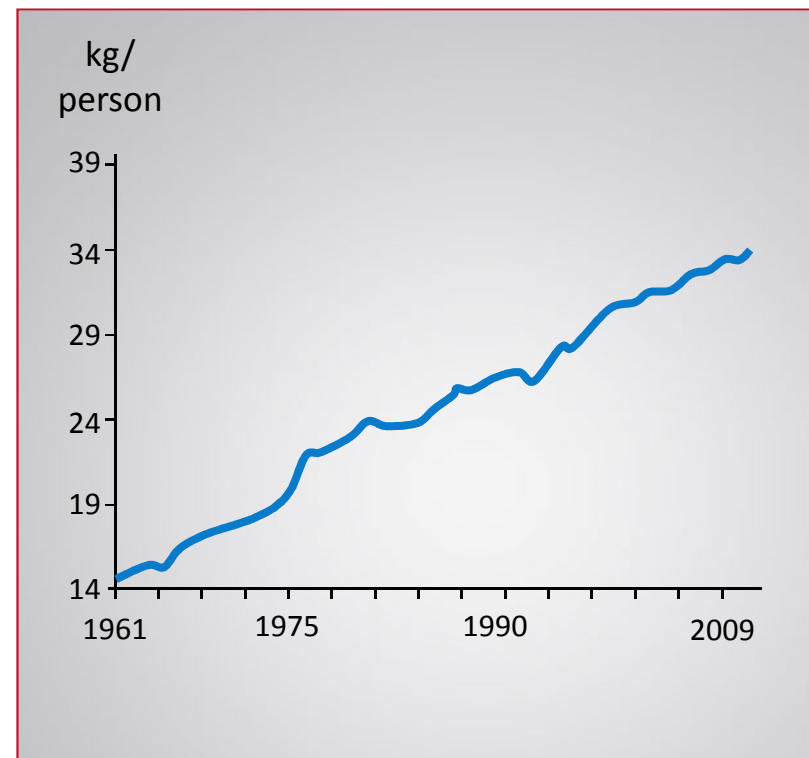
# Positive Industry Fundamentals Will Support Growth

## Growing Global Population



Source: World Bank

## Growing Global Protein Consumption per Capita

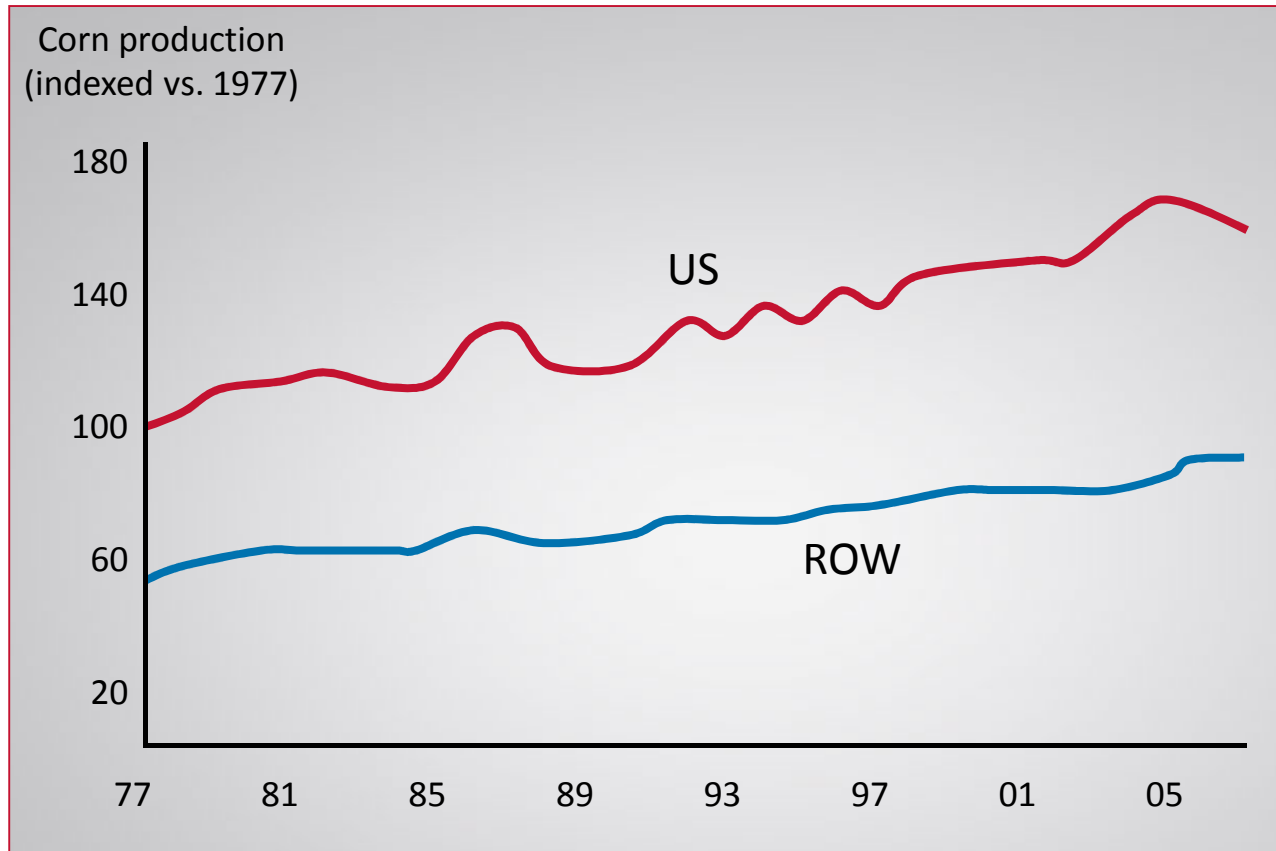


Source: USDA, World Bank



# Drive to Improve Yields in Developing Markets

## Corn Yields – US vs. Rest of World (Bu/Acre)



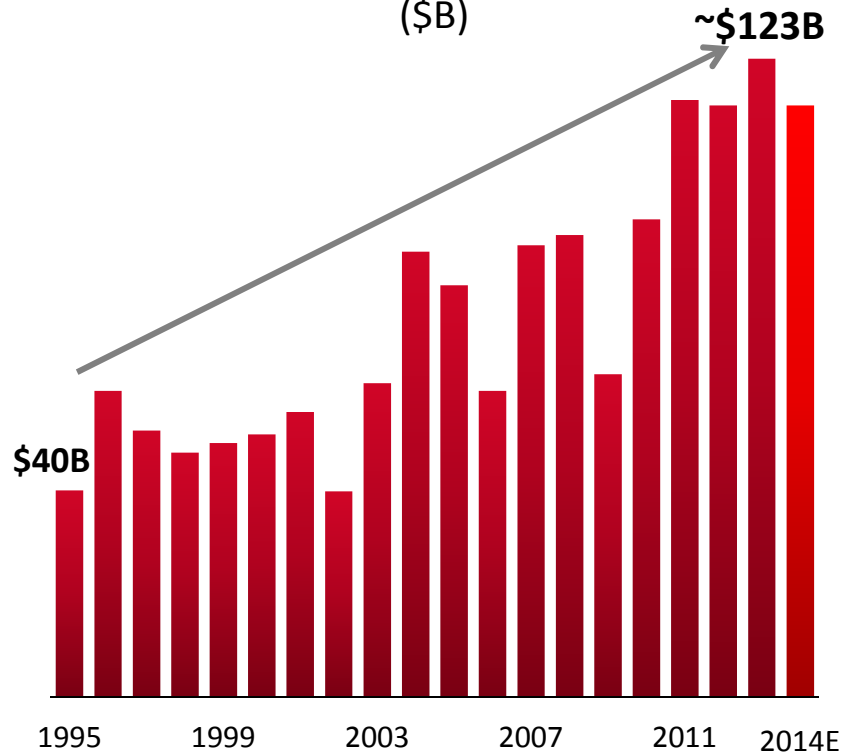
Source: USDA Foreign Agricultural Service



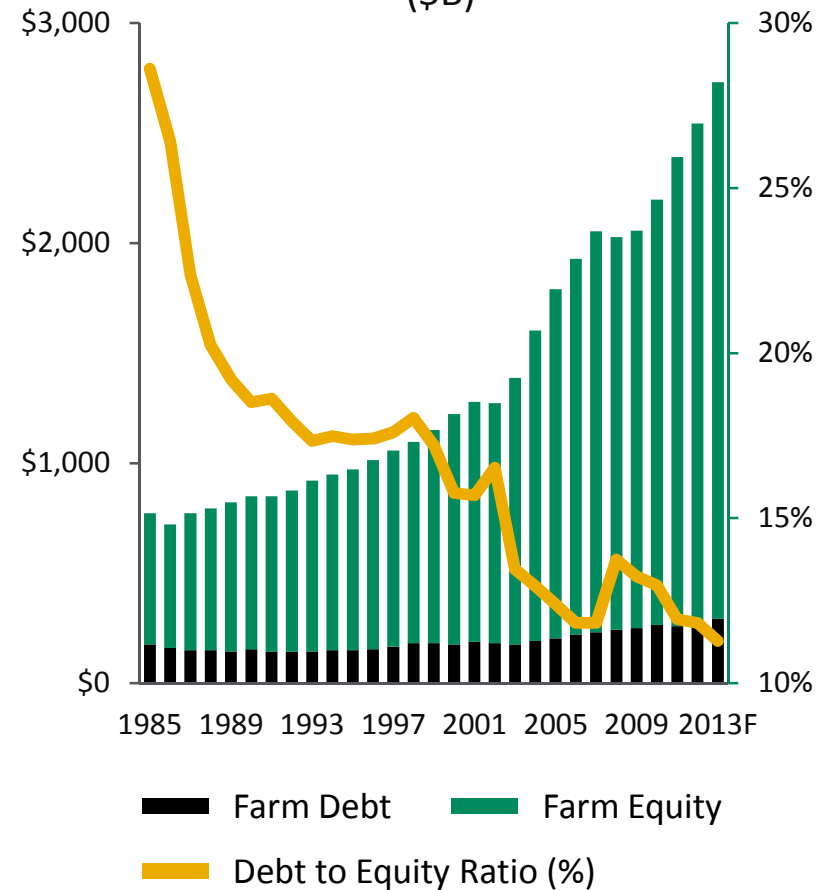
# Farmer's Financial Condition – Best in History



**Strong US Farm Income (\$B)**



**US Farm Balance Sheets in Good Condition (\$B)**



Source: USDA, Citi.

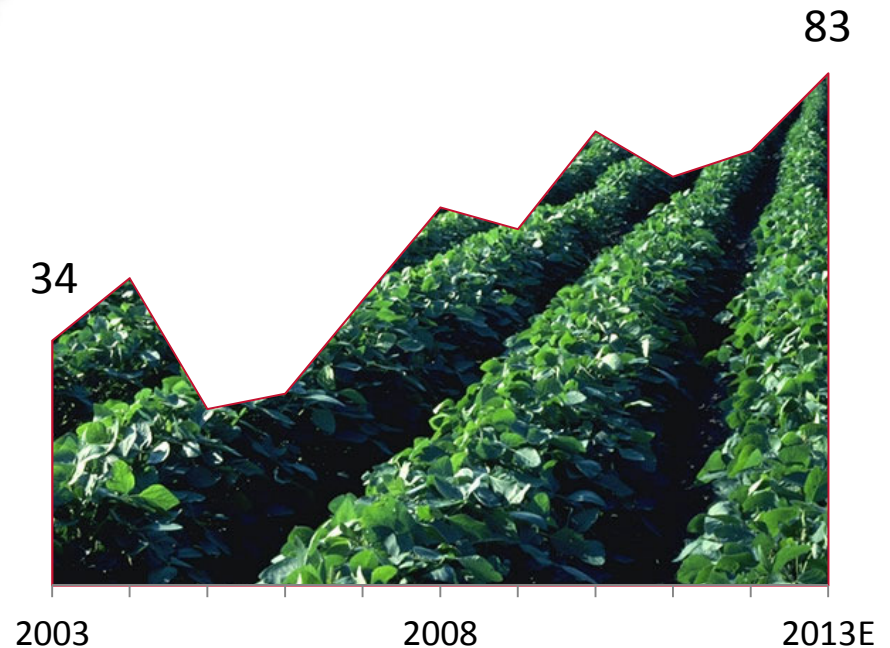
# Developing Markets

## Growth Opportunity – Brazil



- 10th largest economy in the world
  - Over 20% of GDP from agribusiness
- World's second largest soybean producer
  - Bio-diesel program will drive more production
- Robust sugar cane industry
  - Ethanol production growth
- Supportive government

**South American Industry  
Tractor Sales**  
(000's)

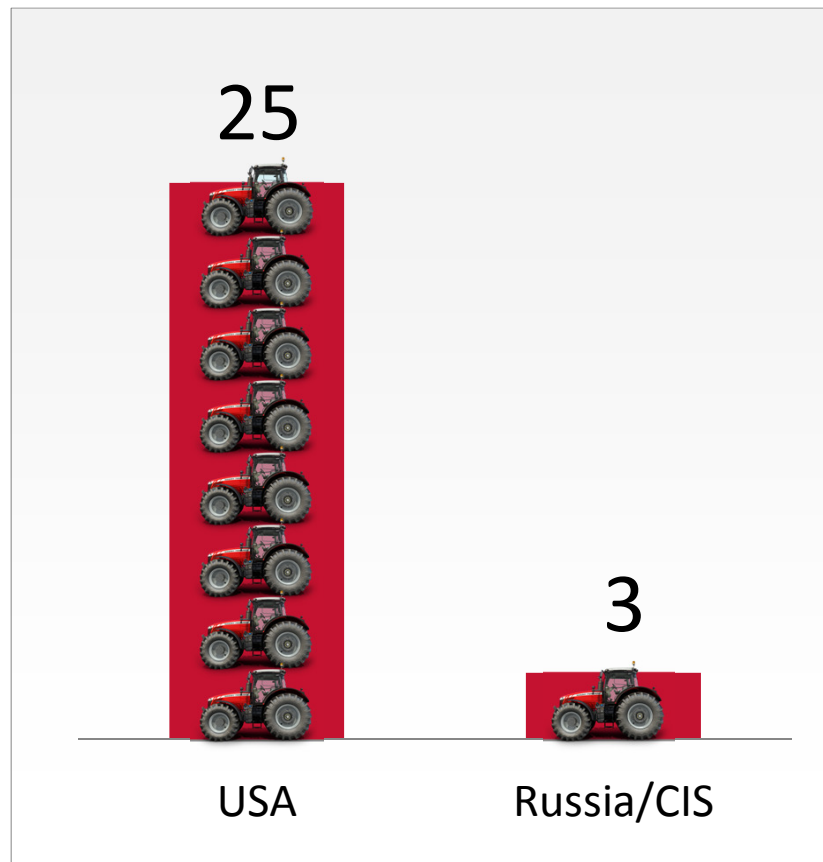




# Developing Markets

## Growth Opportunity – Eastern Europe / Russia

### Western Tractors Per 1,000 Hectares\*



### Growth Opportunity

**Ukraine + Russia + Kazakhstan**

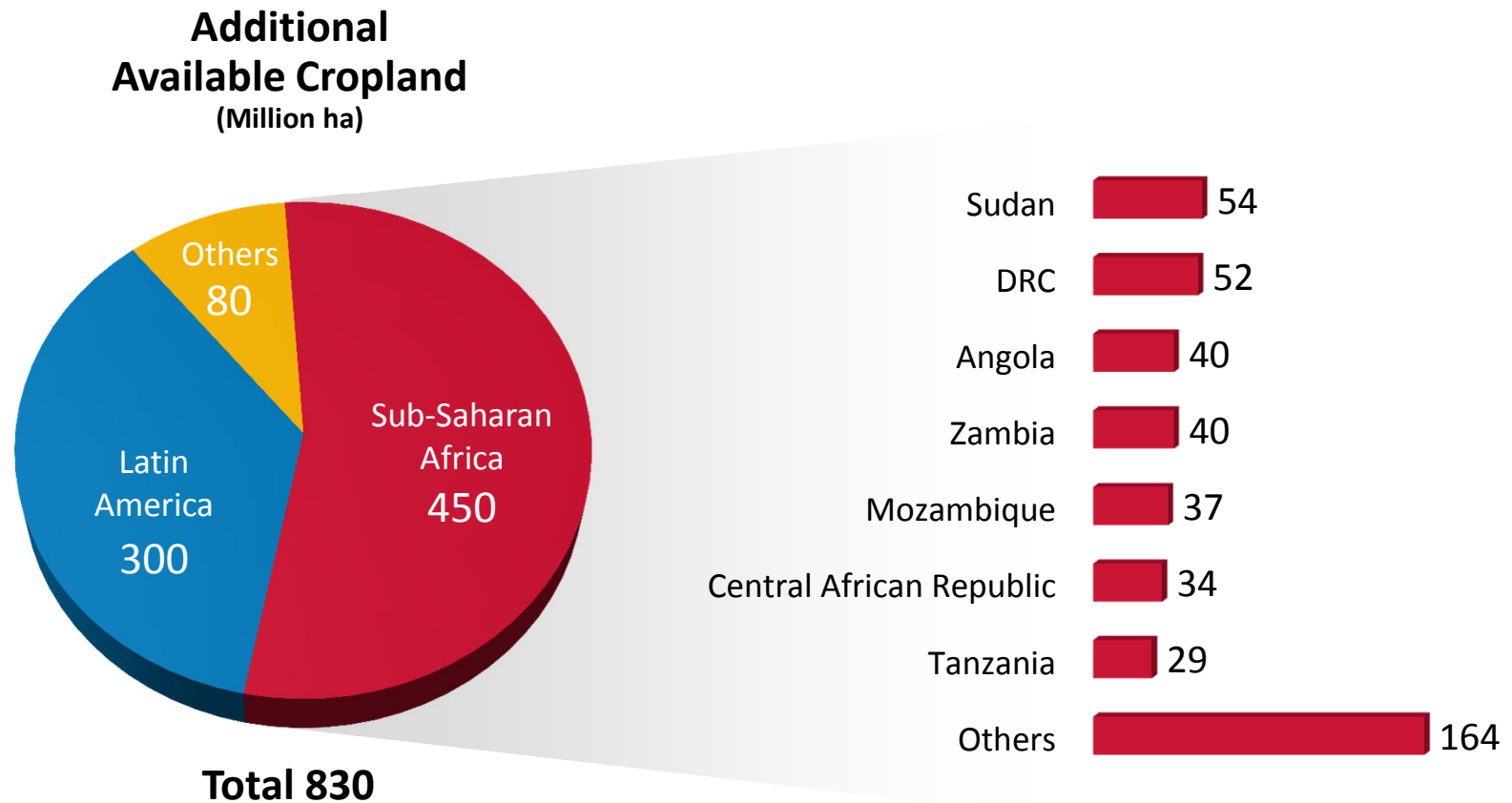


- Under-investment in farm equipment
- Millions of hectares of arable land available for production
- Yields well below Western levels
- Market remains challenged due to credit constraints

\* Source: United Nations Food and Agriculture Organization (FAO)

# Developing Markets

## – Africa: Significant Reserves of Fertile Land



# Agenda

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## Executing a Successful Strategy

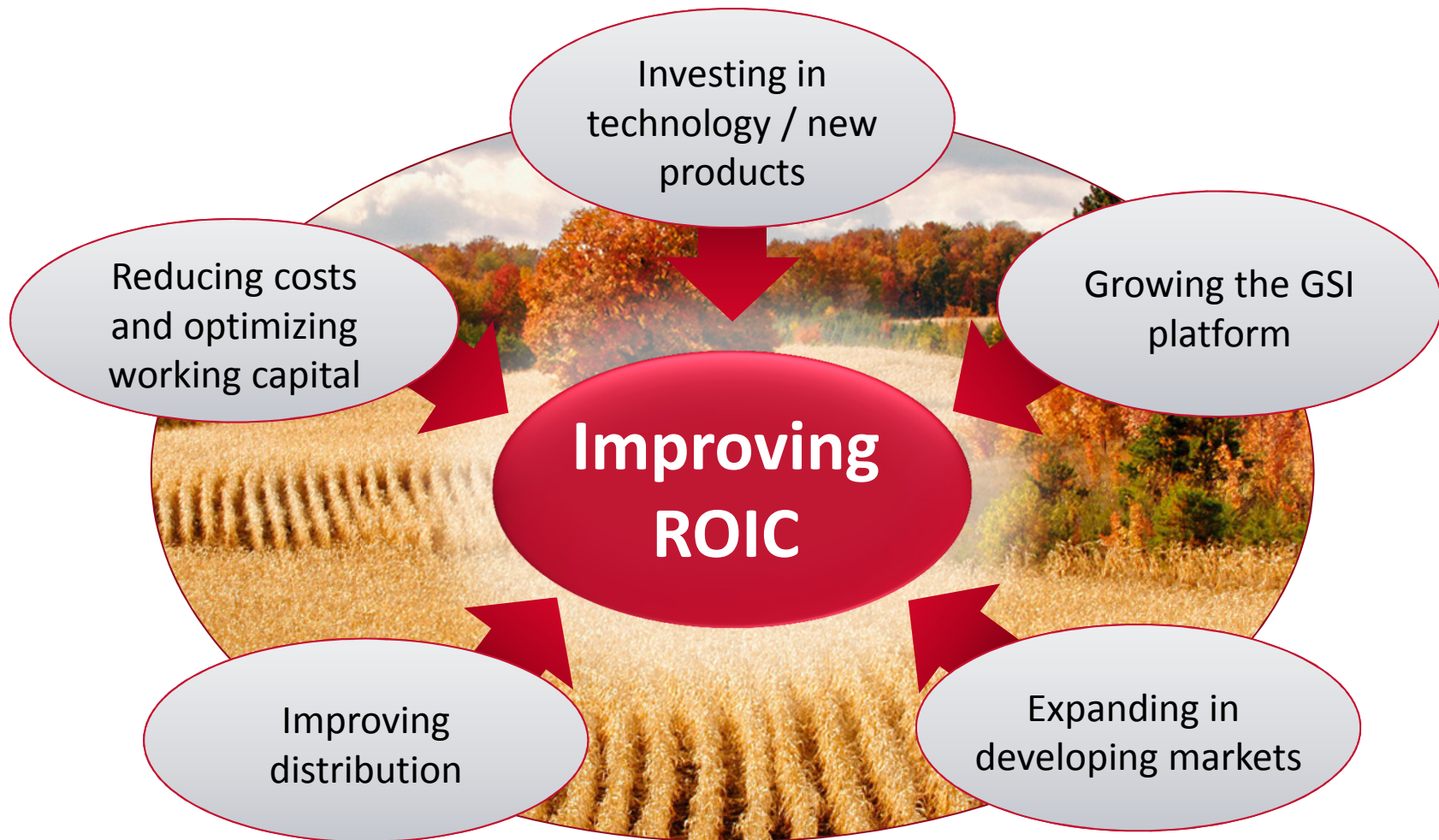


# A Company with a Clear Vision

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# Executing Consistent Strategy



# Committed to Sustainability

AGCO

## Operations



Impact  
**Cost  
Reduction**

## Customers



Impact  
**Increased  
Revenue**

## Suppliers



Impact  
**Risk  
Mitigation**

## Community



Impact  
**Brand  
Enhancement**

NEW TECHNOLOGY, PRODUCTS  
Introducing the Fused Farm



# Fuse™ Technologies – An AGCO Differentiator

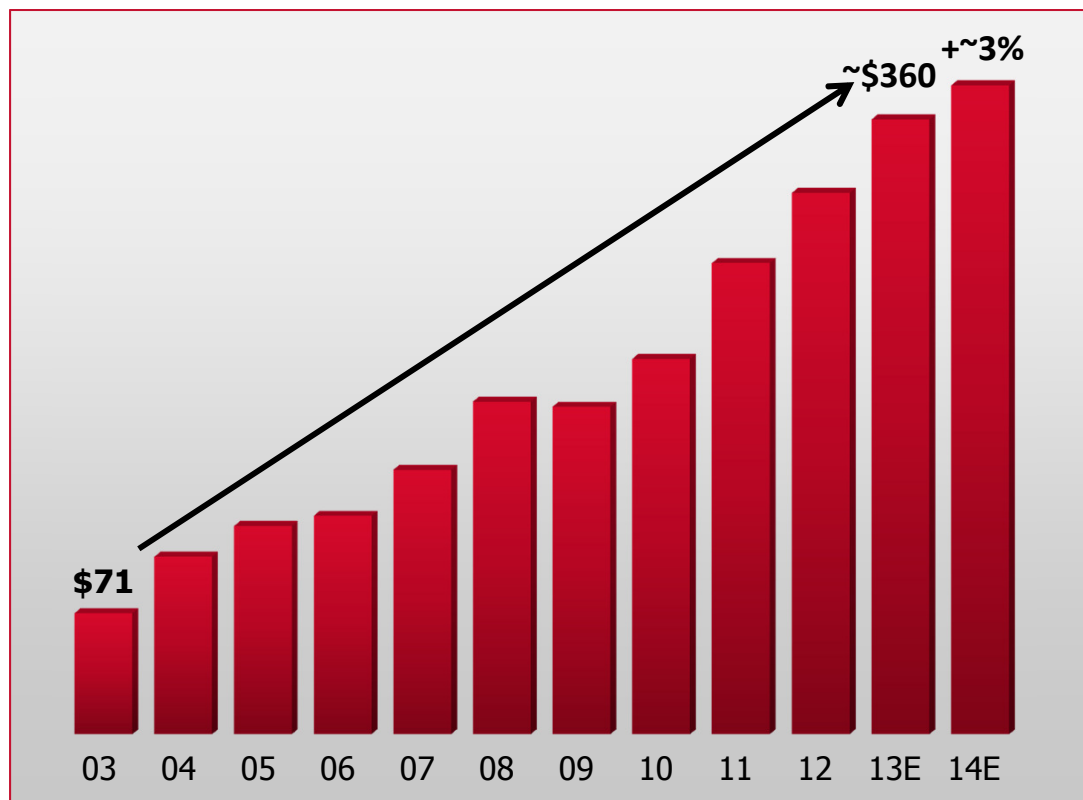


- Fuse enables farmers to seamlessly optimize their operations
- Connect to trusted decision support partners
- An offering of new and enhanced services enabled by Fuse Technologies
- Delivered through the extensive global AGCO dealer network
- New and upgraded products like:
  - Auto-Guide™ 3000
  - AgCommand and AgCommand Mobile
  - VarioGuide
  - VarioDoc
  - AgControl



# Investing in New Products

### R&D Spending (\$ millions)



- Continuing to invest in new products
  - high horsepower tractors
  - harvesting products
  - common platforms
- Tier 4 final products to be launched in 2014-2015



# Award Winning New Products at Agritechnica



**Fendt X 9480  
Combine**



**Massey Ferguson  
Delta Combine**

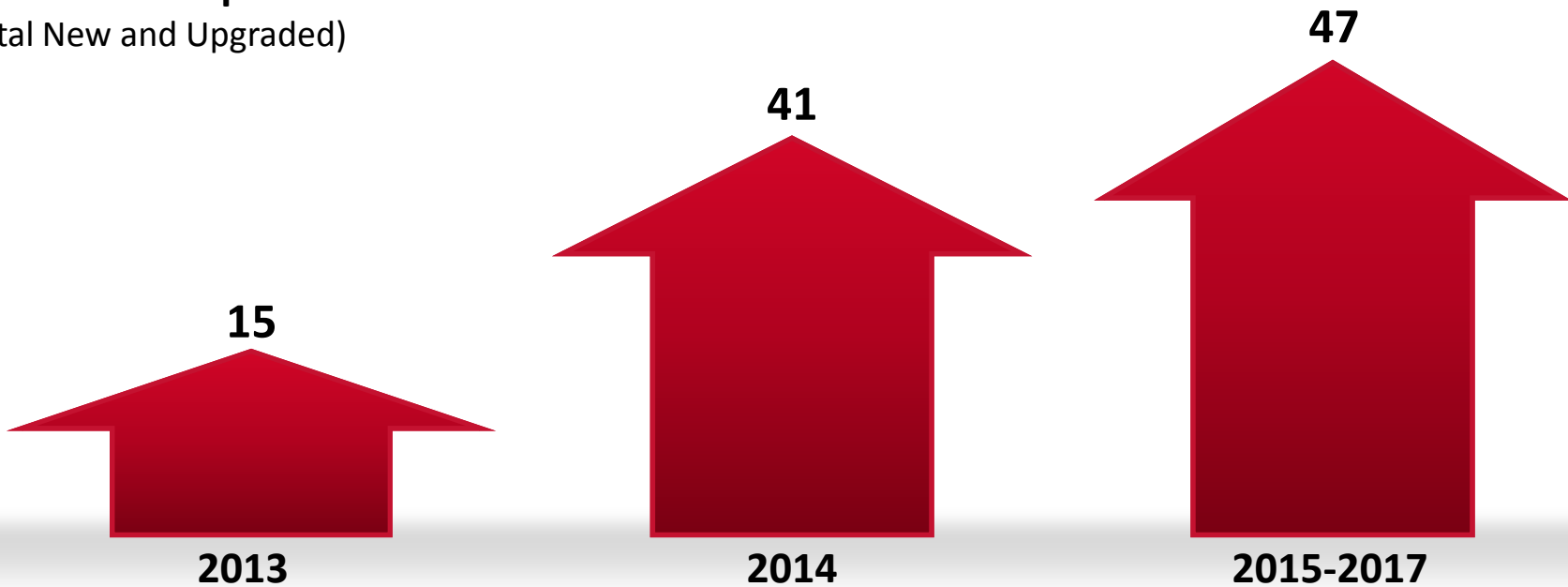


**Fendt Vario 500  
Tractor**

# Multiple New Product Launches and Upgrades

## Tractor Development Schedule

(Total New and Upgraded)



### 2014 Launches



Fendt 900 series



Massey 8700 series



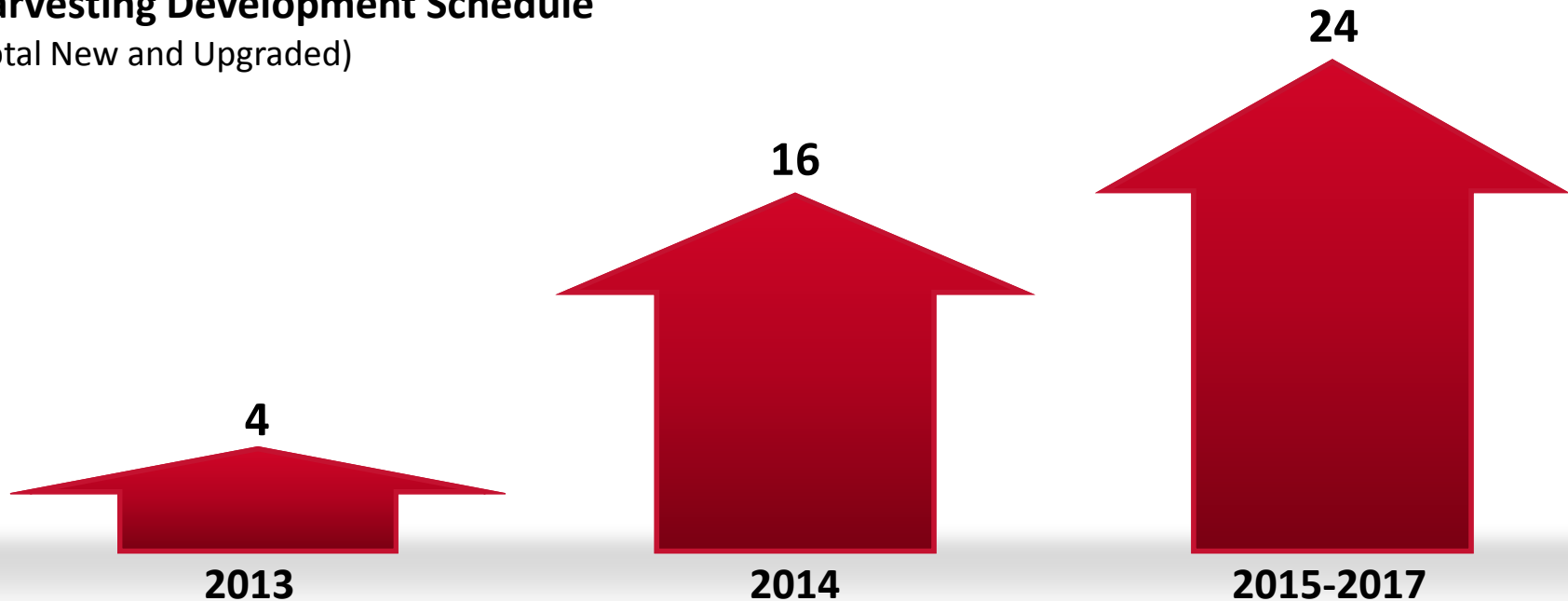
Valtra T series

# Multiple New Product Launches and Upgrades



## Harvesting Development Schedule

(Total New and Upgraded)



### 2014 Launches



Fendt Katana 85 Forage Harvester



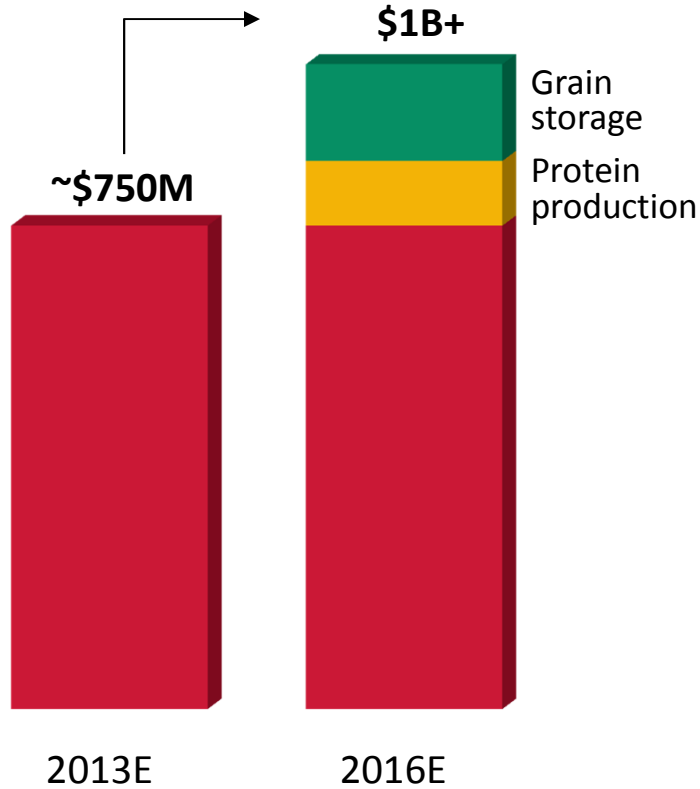
Fendt 9490X Combine



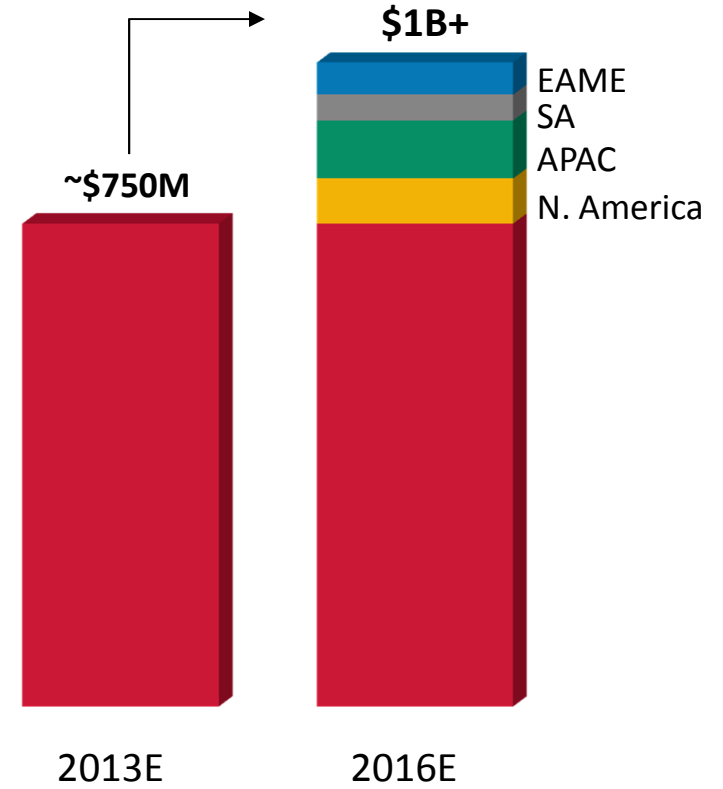
Gleaner S8 Combine



## Sales Growth by Product Type



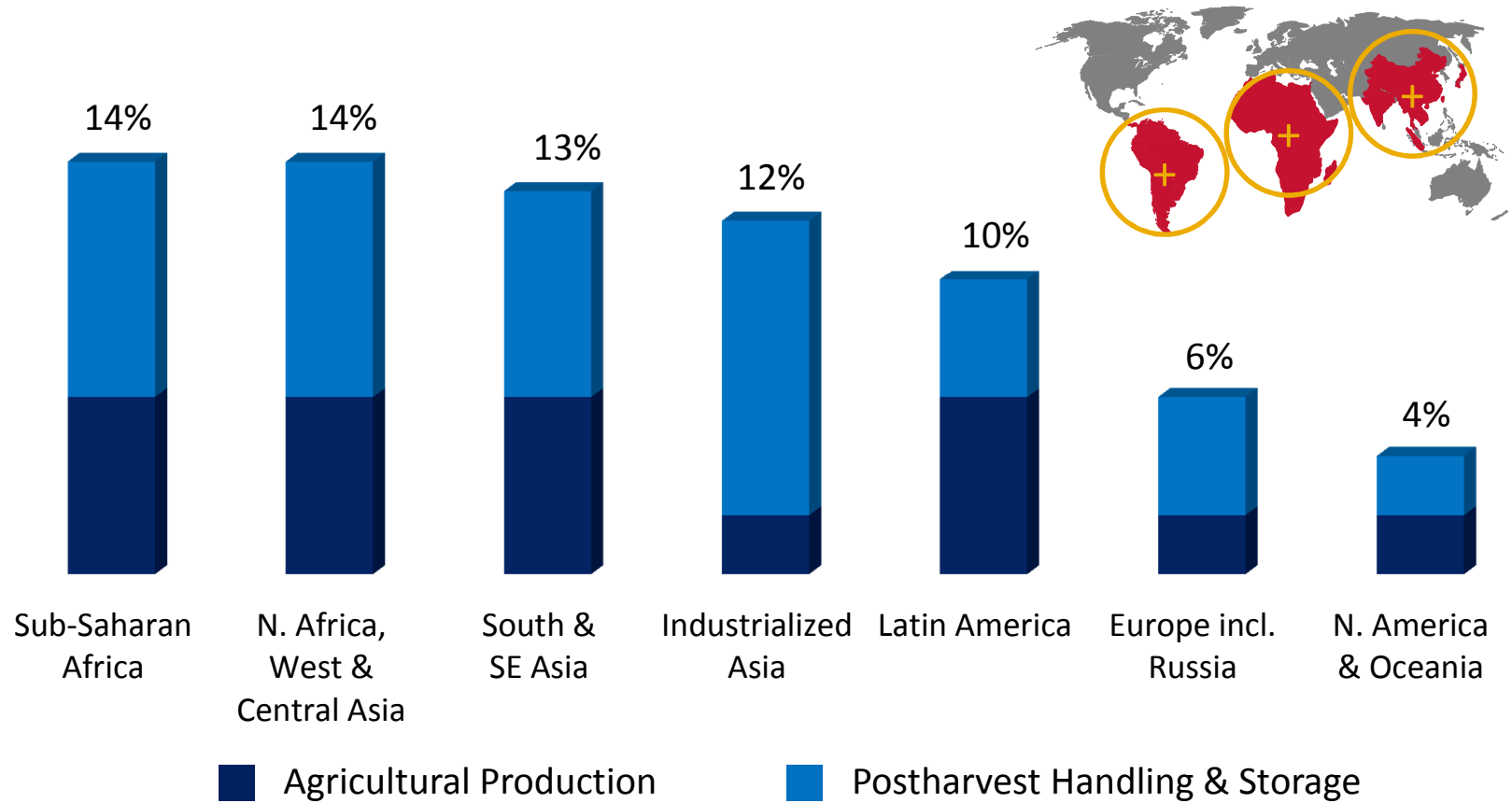
## Sales Growth by Region



# Our Focus: Reducing Post-Harvest Grain Loss



### % of Harvest Lost

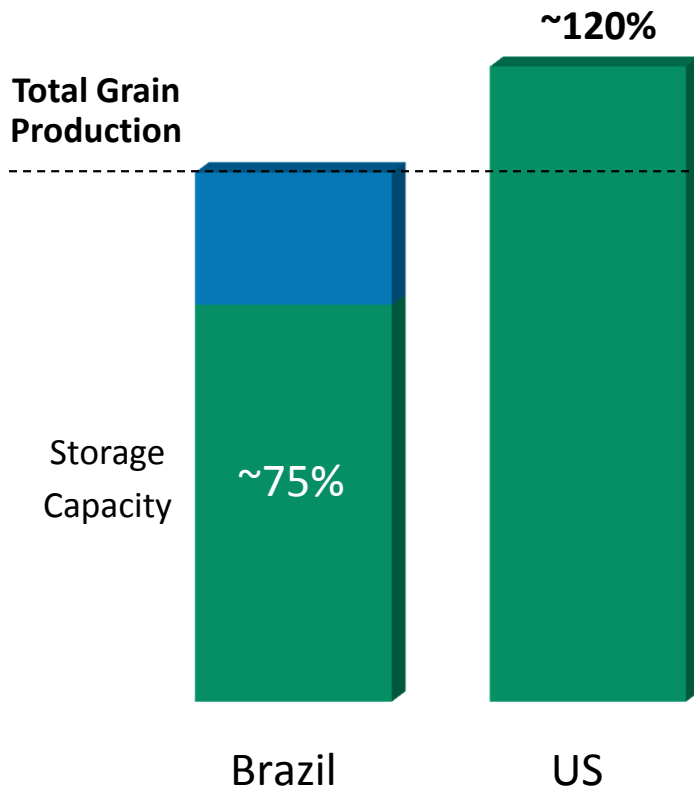


Large opportunity in Asia, Africa and South America

# Grain Storage Opportunities – Brazil



## Storage Capacity vs. Grain Production



- Storage in excess of 100% of production is needed
  - Grain is handled 2 -3 times before it reaches the end user
- Huge opportunity for both on and off-farm storage in developing markets
- Brazilian government supporting storage expansion with new financing program

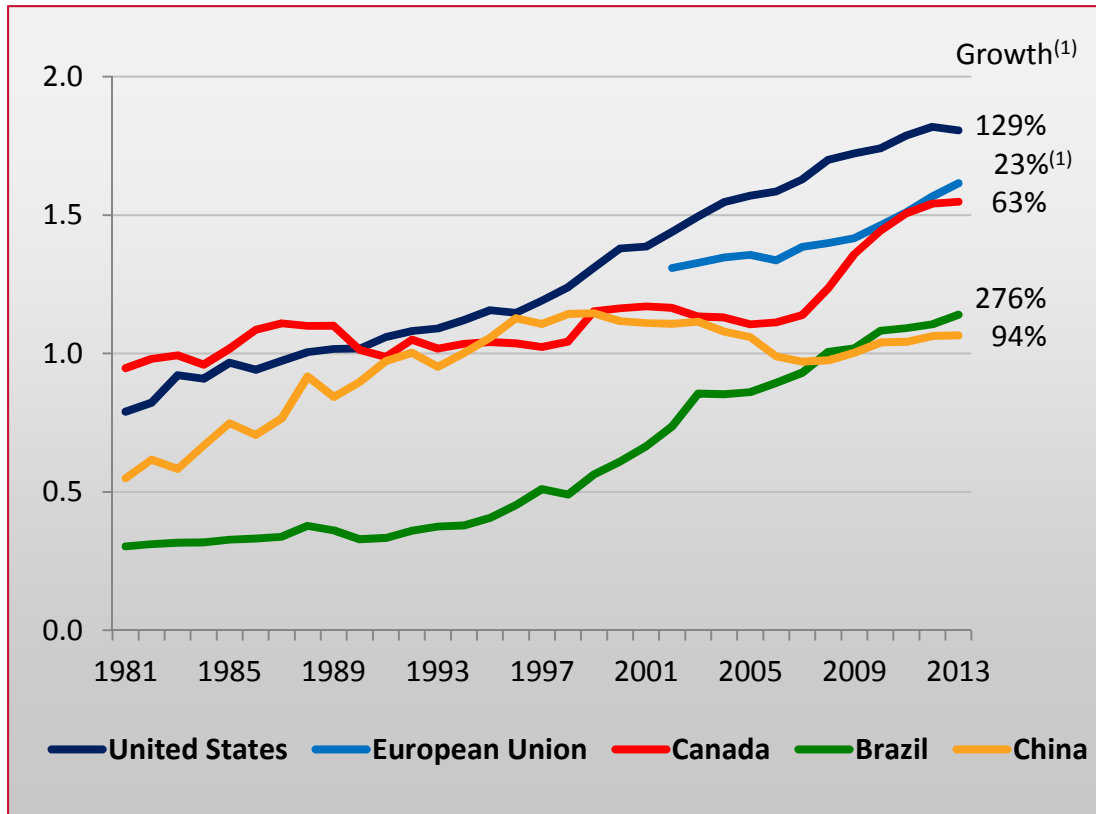


# Protein Production Opportunities



## Pork Productivity Growth 1981-2013:

(Tons of Pork Produced per Sow per Year)



- Modern production practices dramatically increase productivity levels
- U.S. productivity 50%+ greater than China and Brazil
- Consolidation of swine production in China is well underway

(1) Growth in Tons of Pork Produced per Sow 1981-2013 with exception of European Union (2002-2013)

Source: USDA Foreign Agricultural Service, GSI Analysis

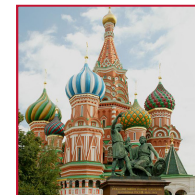




# Grow in Developing Markets – JV with Russian Machines



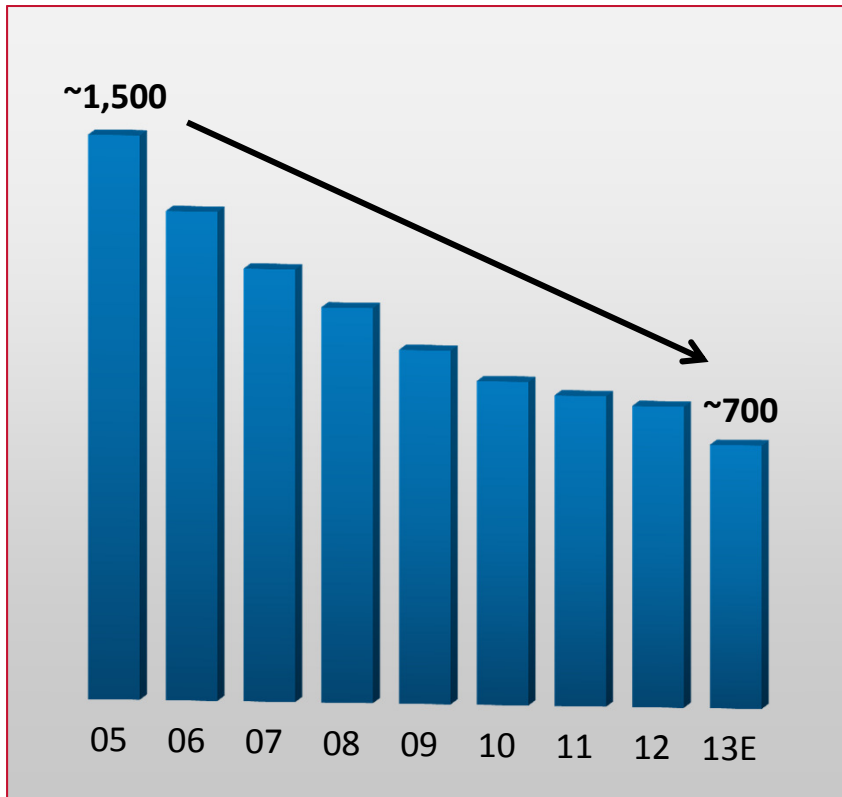
- JV with Russian Machines for manufacturing and distribution
  - ~\$50M investment over 3 years
- Access to assembly manufacturing expertise and localized content
- Gain “Made in Russia” status for locally-made products
- Develop dealer network and access to market contacts



# Improving NA Dealer Performance



## Fewer Dealers... (Number of Dealers)



## ... with Better Service Capability

- Specific district level distribution strategies
- Development team enabling dealer M&A
- 5 Star dealer excellence program



IMPROVE DISTRIBUTION

# Challenger Dealer Expansions



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**Break**

