



# TECHNOLOGY EVENT

WELCOME & AGENDA

# 2023

# AGENDA

Wednesday, June 28, 2023

Start Time	Presenter	Topic
5:30 PM	Eric Hansotia	Welcome & Strategy Recap
5:40 PM	Kelvin Bennett	Powertrain Development & Sustainability Impact
5:55 PM	Seth Crawford	Precision Technology Update and Field Event Preview
6:15 PM	All	Q&A

# SAFE HARBOR

Forward-looking statements in this presentation, including statements about our strategic plans and initiatives as well as their financial impacts, demand, product development, technology development and capital expenditure plans and timing of those plans and our expectations with respect to the costs and benefits of those plans and timing of those benefits, future revenue, price levels, margins, earnings, cash flow, 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 COVID-19 (including plant closings, workforce availability, and product demand), supply chain disruption, inflation, weather, commodity prices, changes in product demand, interruptions in supply of parts and products, the possible failure by us to develop new and improved products on time, including premium technology and smart farming solutions, 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, the war in the Ukraine, 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. Actual results could differ materially from those suggested in these statements. 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, 2022 and subsequent Form 10-Q filings. AGCO disclaims any obligation to update any forward-looking statements except as required by law.



# WINNING OUTCOMES

Exceptional customer experiences that reinforce brand promises

Unbeatable culture that enhances farmer outcomes

Capitalize on three growth levers to grow top-line and expand margin

## Partner of choice

- Be the most farmer-focused OEM
- Leading Customer Net Promoter Score (NPS)

## Employer of choice

- Best-in-class Employee Engagement by 2025

## Investment of choice

- 12% Adj. Operating Margin at Mid-Cycle by 2026
- 75% - 100% Annual Free Cash Flow Conversion
- Strong Return on Net Assets



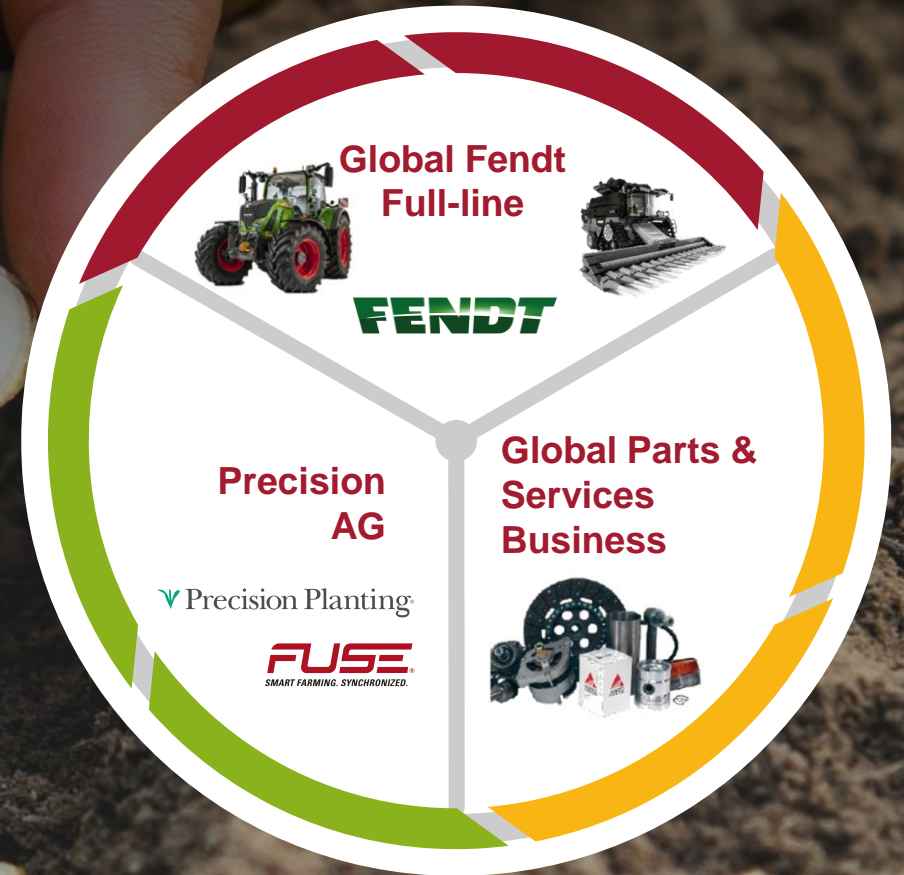
# REDUCING CYCLE EXPOSURE

Strong Market Positioning and Attractive Strategic Initiatives

**TARGETING 4% - 5% ANNUAL GROWTH ABOVE INDUSTRY**

Delivering More Consistent Earnings throughout the Cycles

## SUSTAINABILITY



# DISRUPTIVE TECHNOLOGY

Delivering better results for farmers



**FARMER-  
FOCUSED  
INNOVATION**



## First retrofit autonomous offerings

- Grain Cart and Tillage in 2025
- Full Crop Cycle Autonomy by 2030

## Targeted spraying

- Retrofit Offering in 2024
- OEM Offering in 2026

## CLEAN EMISSIONS

**Fendt e100 – Fully Electric  
Tractor – Launching 2024**

**New AGCO CORE Engines –  
alternative fuel capable  
(e.g., bio-diesel)**

### Advanced R&D Efforts:

- Alternative Fuels
- Bio-methane
- Hydrogen
- Electric Drivetrains



# TECHNOLOGY EVENT

CLEAN ENERGY PRODUCT STRATEGY

# 2023

# AGCO'S CLEAN ENERGY APPROACH

## SITUATION

Farmers and regulators are increasingly asking for **new technologies** that reduce input costs and harmful emissions, while also adding value to agricultural operations

## KEY CHALLENGES

**Availability and affordability** of “clean fuel” on rural farms

Long-term **Total Cost of Ownership** uncertainty for customers in various markets without mandatory regulations, incentives, etc.

**High complexity** with multiple different types of energy systems

## KEY QUESTION

How is **AGCO focusing** its resources **to help** meet these complex changing demands?



# AGCO CLEAN ENERGY PRODUCT STRATEGY

- Innovation-based strategies for decarbonizing our products while focusing on customer total cost of ownership
- AGCO's products will continue to achieve equal-to-or-better sustainability scores compared to similar agricultural products offered by our competitors



## 1. Battery electric solutions (< 150 hp)

- Fully capable products with zero tailpipe emissions
- e100 electric tractor publicly launched in 2024
- Multiple new products through 2030 and beyond



## 2. Green, gaseous fuel solutions (150 – 250 hp)

- Hydrogen combustion engine
- Biomethane tractor
- First product launch by 2027

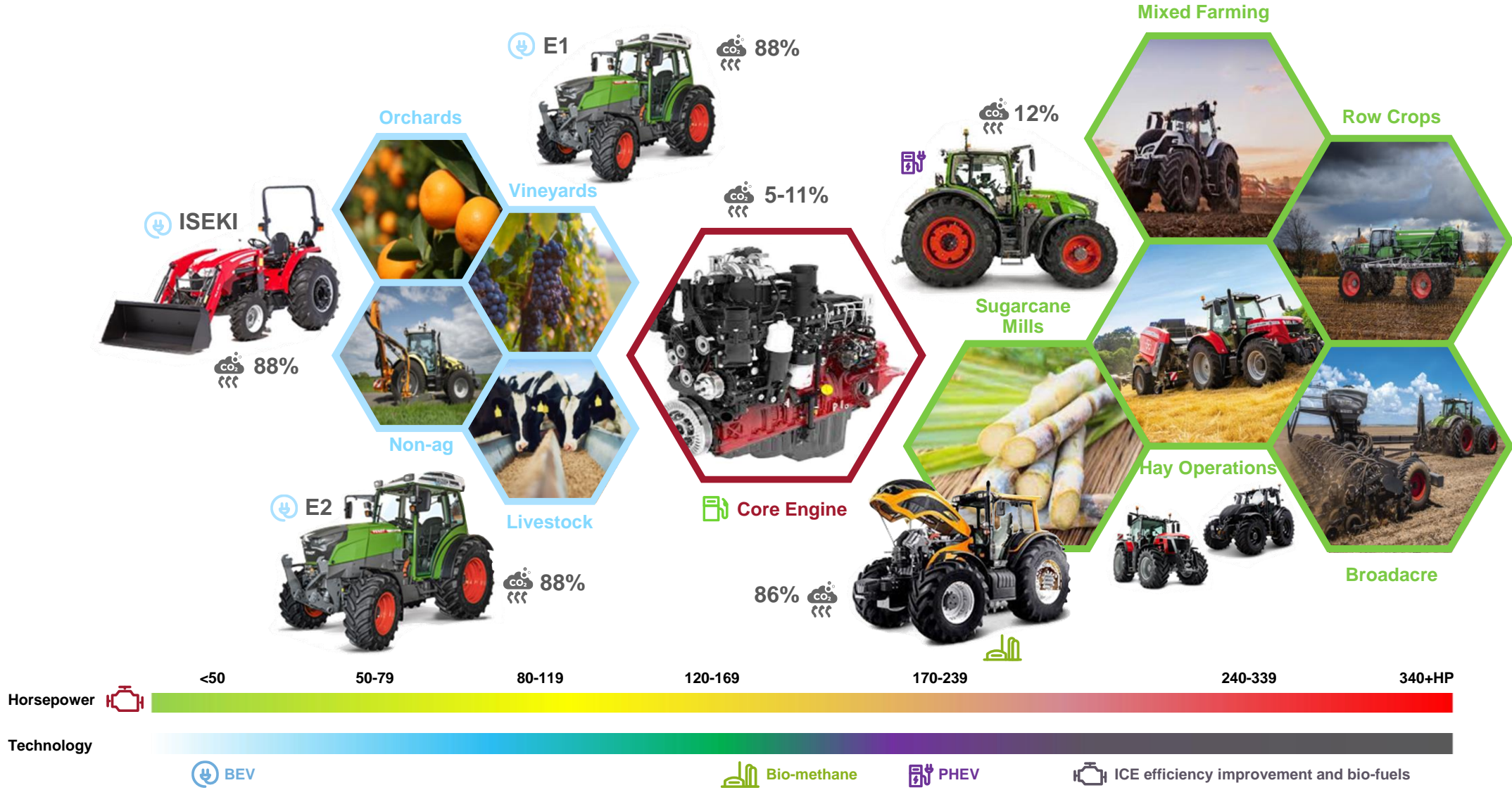


## 3. Higher efficiency powertrains (> 100 hp)

- Expanded capability for green liquid fuels
- 5 to 20% improved efficiency
- Hybrid-electric systems
- Multiple new products through 2030 and beyond

# PATH TO CLEAN ENERGY

Multi-powertrain strategy to tackle different markets and give farmers the choice



# FENDT e100

## Environmental Impact

- Contributes to zero tailpipe emission goal to combat climate change

## Farmer Impact

- Lower fuel, maintenance and service costs
- Fast vehicle response through instant torque

## Product Impact

- 70 horsepower product capable of handling all tasks and using standard implements as a comparable diesel-powered machine
- Depending on application, we estimate an average of 4-6 hours working time and an 80% recharge in about 40 minutes
- e100 product launch in Europe in 2024 and North America in 2025
- Additional platforms up to 150 horsepower to be launched through 2030



# GREEN, GASEOUS FUEL SOLUTIONS

## Biomethane

- Quickly emerging market: Opportunity for sugar cane farms
- 86% CO<sub>2</sub> reduction vs. current diesel
- First product launch in 2027

## Hydrogen

- GenSets likely first to market
- Vehicle timing later based on application(s)
- 80% CO<sub>2</sub> reduction vs. current diesel

**‘Engine Readiness’ Will Frequently Outpace  
‘Vehicle Readiness’**



# HIGHER EFFICIENCY POWERTRAINS WITH INCREASED GREEN FUEL CAPABILITY



HIGHER  
EFFICIENCY  
POWERTRAINS

## TODAY

**AGCO core series  
launched in 2023  
...compared to  
previous engine:**

- ~5 to 10% better fuel economy
- Higher power and torque
- Improved quality and reliability
- Hydrotreated Vegetable Oil (HVO) fuel capable

## TOMORROW

**Future-proof design  
for renewable fuels**  
(Production timing  
dependent on future  
customer demand)

- Biodiesel
- Ethanol
- Methanol

## HYBRID CAPABLE

**Future mild and plug-  
in hybrid capable**

- Allows use of smaller, more efficient engines
- Battery + electric motor can help offset peak demand loads plus provide intermittent emission free (Electric) operation
- Targeting Production ~2030

# KEY TAKEAWAYS

## AGCO is Investing in Multiple Paths

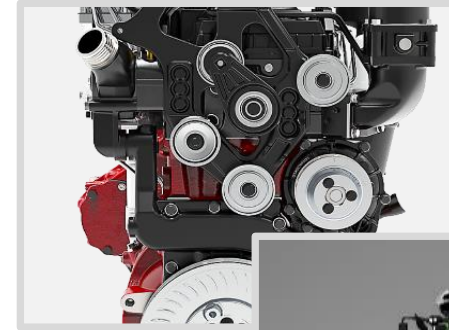
- Electrifying lower horsepower products
- Developing Hydrogen and Biomethane compatible powertrains
- Enhancing internal combustion engines with new technology and expanded clean fuel capability

## Fuel Infrastructure is a Key Piece of the Puzzle

- Product readiness will likely outpace infrastructure readiness
- Optimization of internal combustion engines along with expanded use of renewable fuels and adding additional electric models are the best near-term solutions thru 2030
- Legislation and government incentives will likely help shape adoption of future technologies

## AGCO Focus is on Sustainability and Farmer Total Cost Of Ownership

- Reduce harmful emissions of our products
- Increase circularity of the agriculture economy
- Decrease input costs and increase productivity for farmers





# TECHNOLOGY EVENT

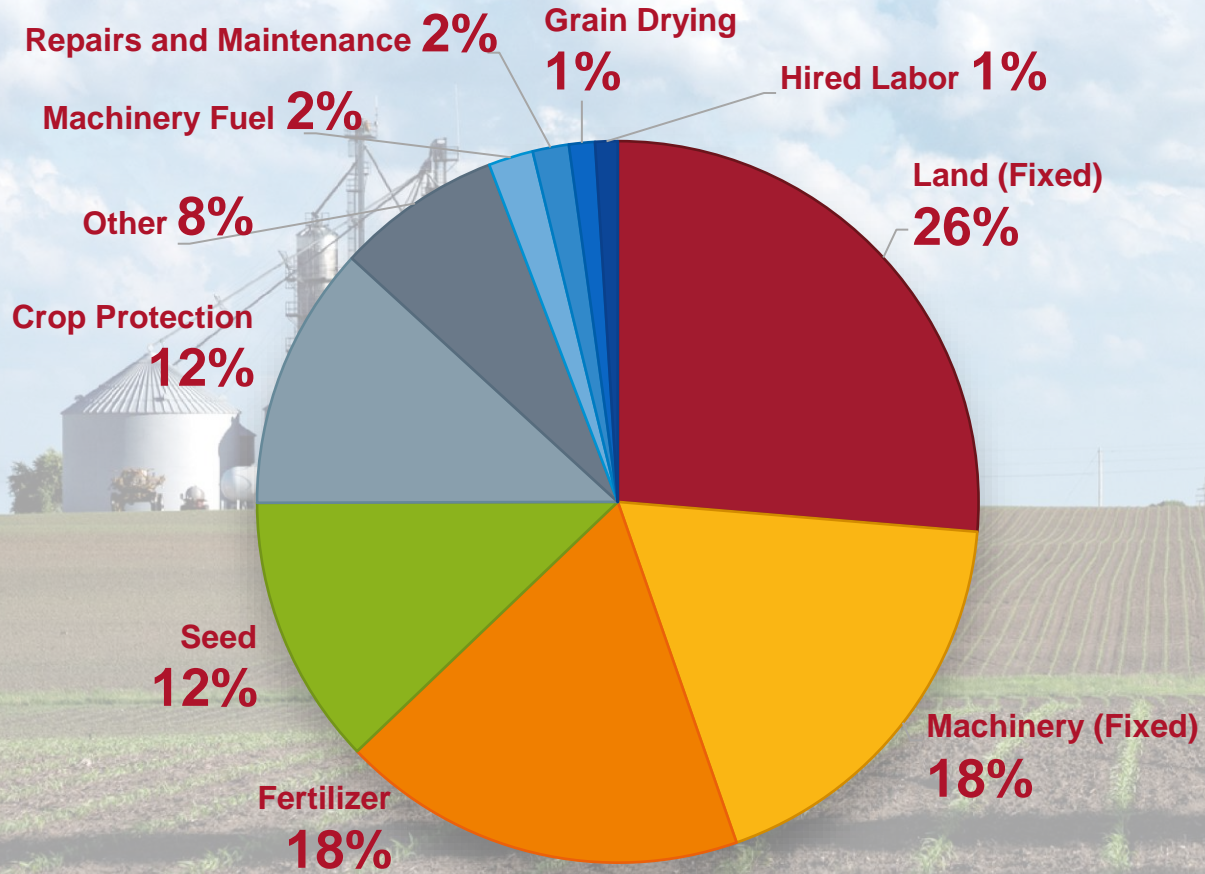
PRECISION AG OVERVIEW

**2023**



# Kentucky Model Farm

## FARM EXPENSES - KENTUCKY



**2,700 Acres**

Corn/Wheat/ Double Crop  
Soybean Rotation

**Family Farm**

Two generations provide  
management and labor

**Crop Prices**

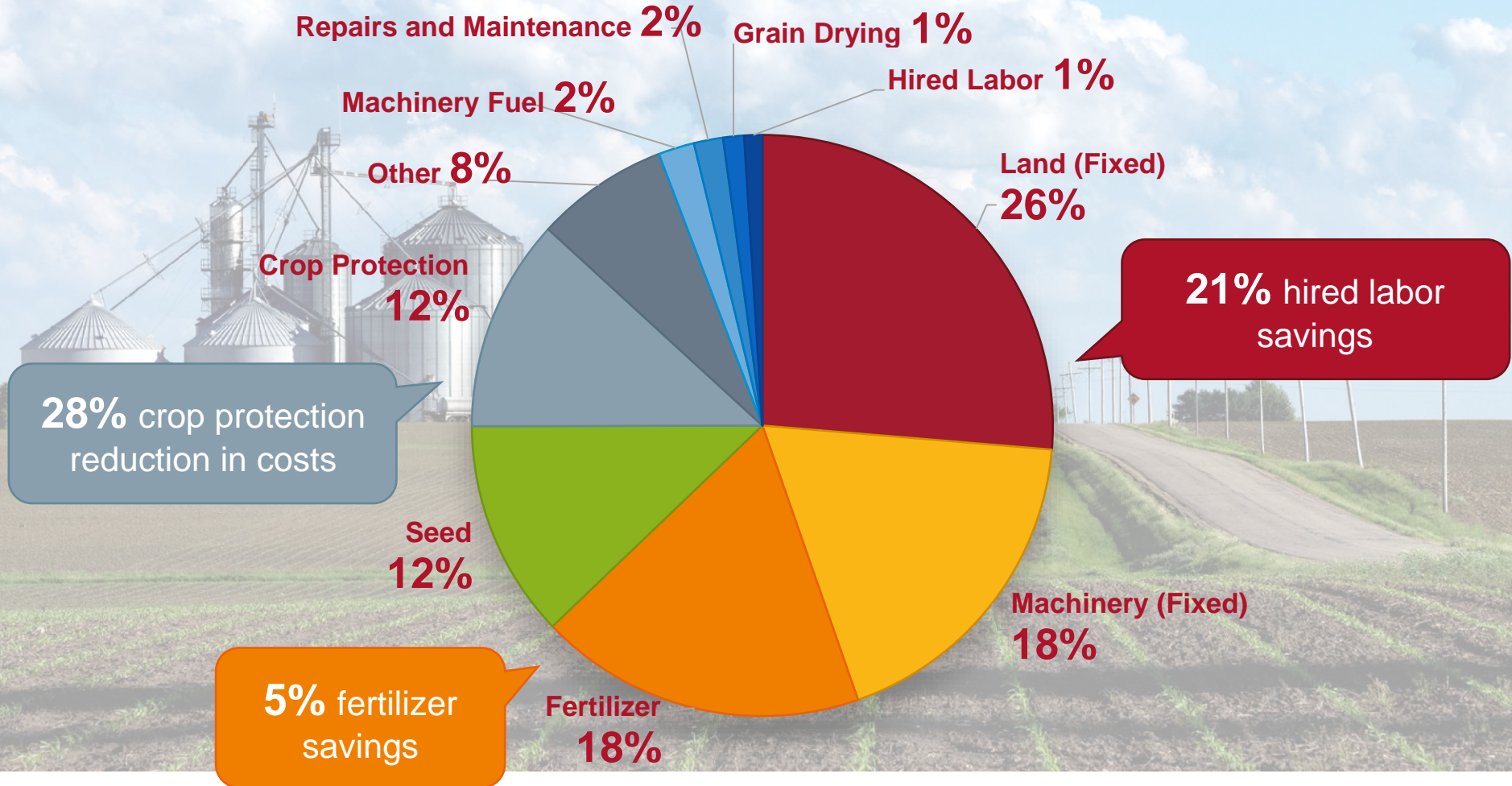
Corn: \$6.47  
Soybeans: \$14.42  
Wheat: \$6.90





## Kentucky Model Farm

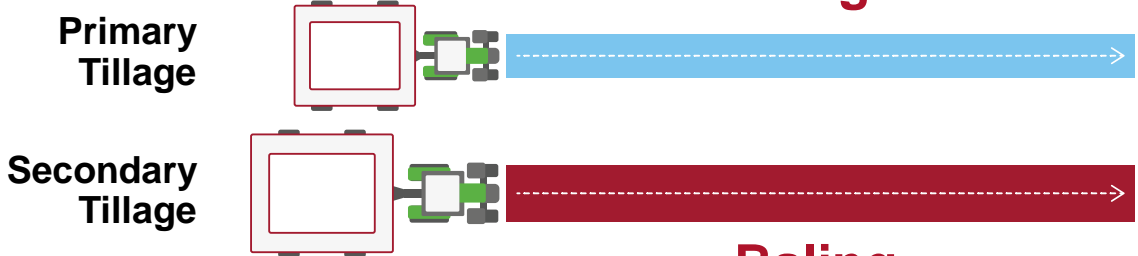
### FARM EXPENSES - KENTUCKY





# Autonomy

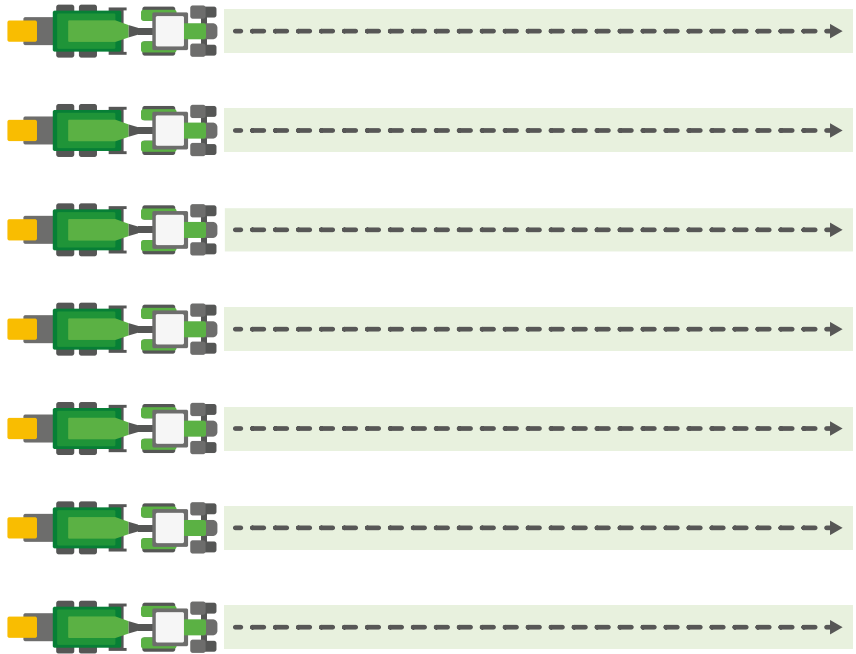
## Tillage



Different tractors & implements

Each 1x per year across field

## Baling



Same tractor & implement

Up to 12x per year across field

# On the Path from Automation to Autonomy



## Automation

Performing **a specific task** to achieve **a desired outcome** without **direct input** from a human



Operator



Interaction

Removing tasks from the operator who is in the cab

### EXAMPLES:

- Precision Planting SmartFirmer
- Targeted spraying
- TI Headland



## Autonomy

Performing **a specific task** to achieve **a desired outcome** without any **direct oversight** of a human



Operator



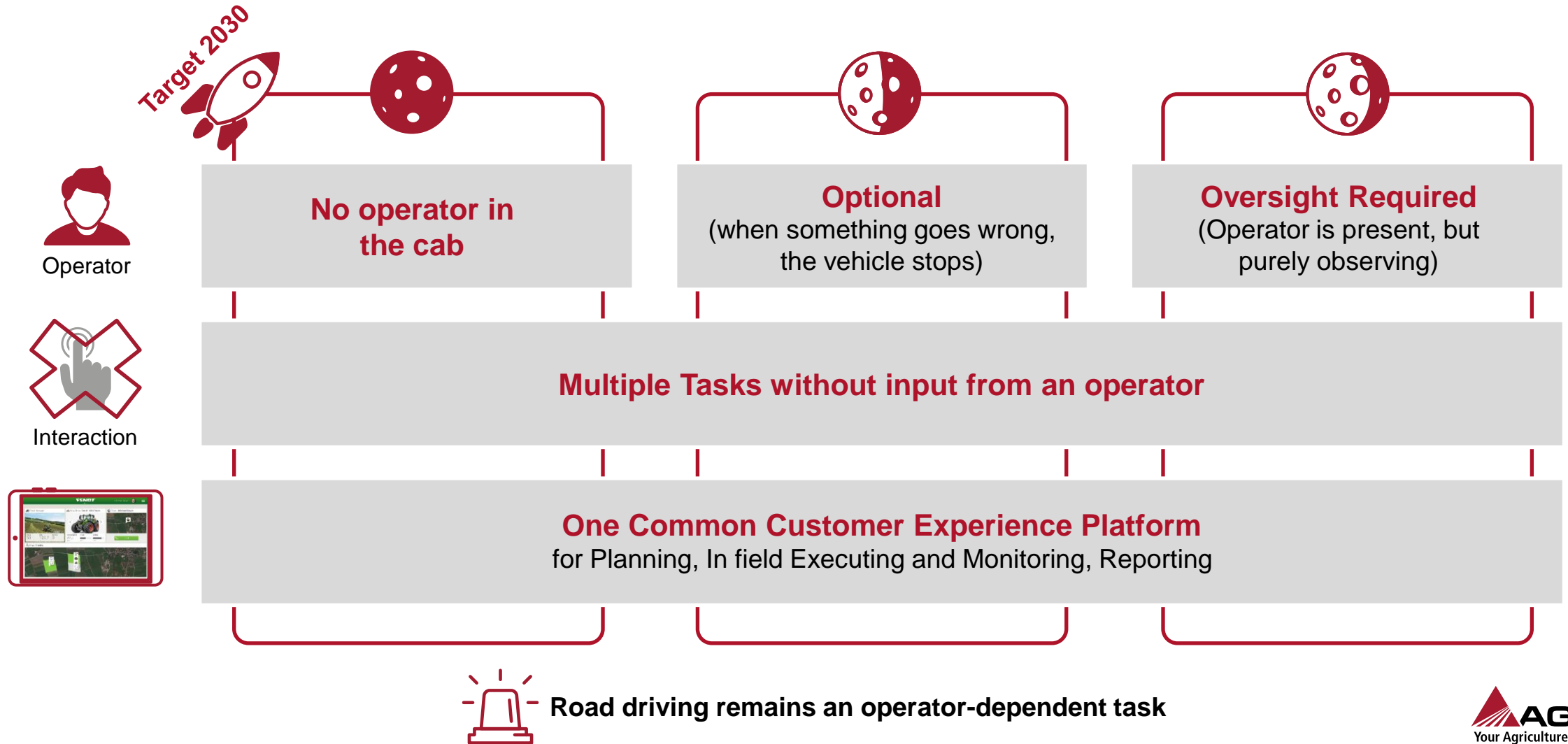
Interaction

No operator in the cab

### EXAMPLES:

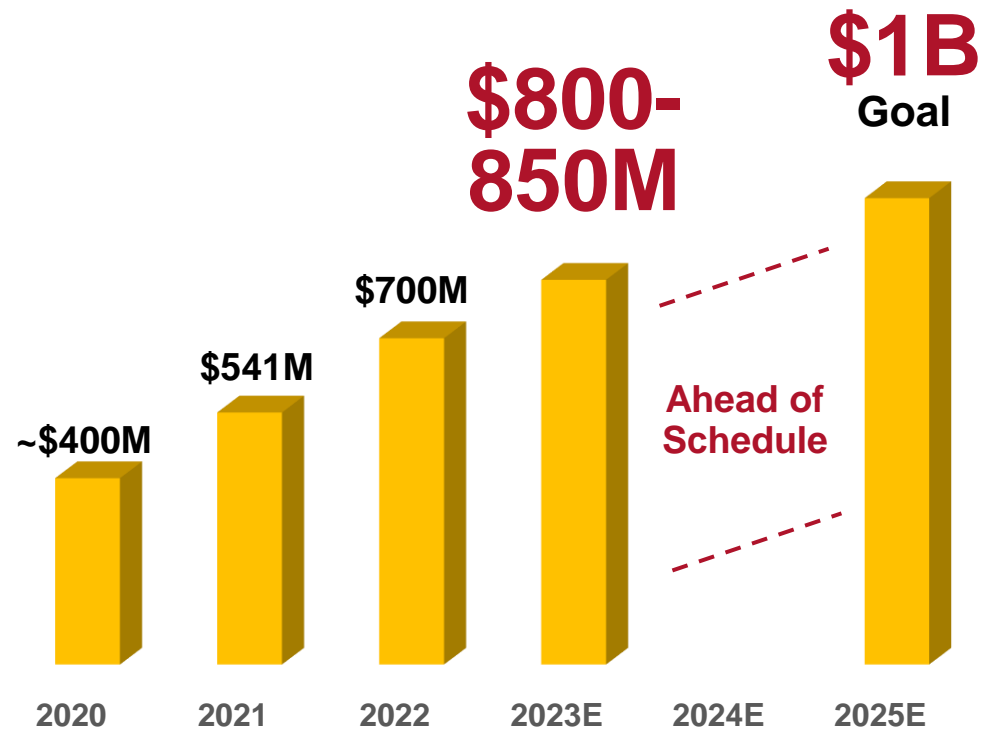
- Operator independent Grain Cart
- In-field autonomous machines

# Full Autonomous Solutions across Crop Cycle by 2030



Retrofit Increases Addressable Market

**93%** Incremental opportunity vs. **7%** of customers buying new equipment



ALL equipment brands

**BENEFIT BY PRODUCT CATEGORY**

**Alternative Propulsion**

Reduced Carbon Footprint  
Reduced Emissions

**Autonomy Baling**

↓ Labor  
↑ Timeliness  
↑ Field Efficiency

G,C,S,AM,L,AT

**+4%**  
NFI

**Targeted Spraying**

↓ Herbicide (50%)  
↑ Productivity  
Regulatory Requirement

G,C,S,AM,L

**+3%**  
NFI

**Autonomy Grain Cart**

↓ Labor  
↑ Yield

G,C,S,AM,L,AT

**+9%**  
NFI

**Soil Fertility**

↓ Fertilizer  
↑ Yield

G,C,S,AM,L

**+3%**  
NFI

**Automated Planting**

↑ Crop yield  
↑ Sustainability  
↓ Skilled labor

G,C,S,AM,L

**+6%**  
NFI

**TOTAL BENEFITS**

**Farm Profit Improvement**

**↑ \$ 275,000**

**+28%**  
NFI

**Grain Vue Monitoring**

↑ Profitability  
↑ Management  
↓ Losses

C,S,AM

**+3%**  
NFI

**Tech stack deployed:** G= Guidance, C= Connectivity, S= Sensing, AM = Automation, L= Logistics, AT = Autonomy

**NFI = Net Farm Income**



# Q & A