



Andy Beck
SVP & CFO



Agenda



▶ Priority Remains on Cost Management

▶ AGCO Finance Update

▶ Capital Allocation Update

▶ 2016 Preliminary Outlook



Focused Cost Management



Focused
Cost
Management

Material

**Global Purchasing
Excellence**



Direct Labor

**AGCO Production
Systems**



Engineering

**Maintain Strategic
Investment**



SG&A

Targeted Actions



Material Cost Improvement: Global Purchasing Excellence + Best-Cost Country Sourcing



Key Initiatives

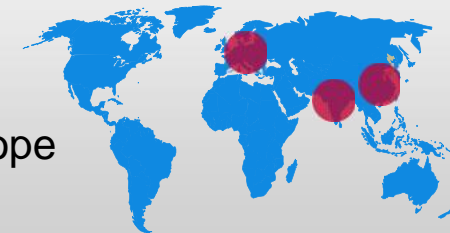
The Global Purchasing Excellence (GPE) program

- Common components
- Common suppliers



Best-Cost Country Sourcing

- China
- Eastern Europe
- India



Savings

Incremental annual material savings in 2016:

~\$50M



Productivity – Manufacturing Optimization



Key Initiatives

- Utilizing six sigma and lean manufacturing
- Implementing lean office for:
 - sales
 - administration
 - back office



Savings

AGCO Production Systems incremental annual savings:

~\$15M



Progress on SG&A and Mfg Support Costs



SG&A Expenses and Mfg. Support Costs Reductions (\$M)

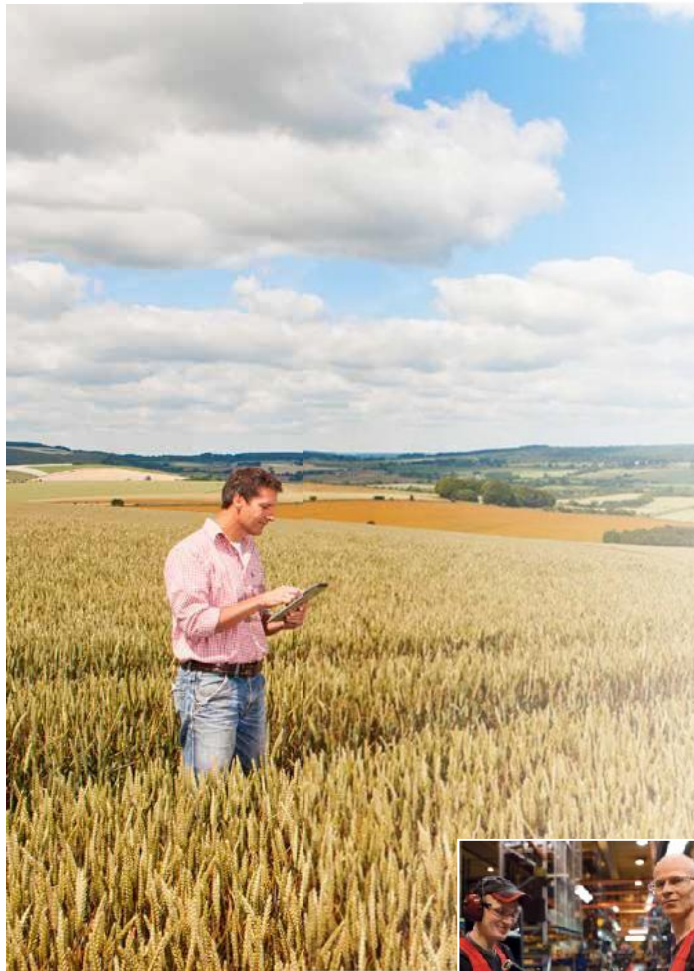


2015 Actions

- Organizational rightsizing
- Process streamlining
- Span of control optimization
- More targeted marketing and promotional campaigns
- 2016 → continued cost reduction efforts



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Priority Remains on Cost Management



AGCO Finance Update



Capital Allocation Update



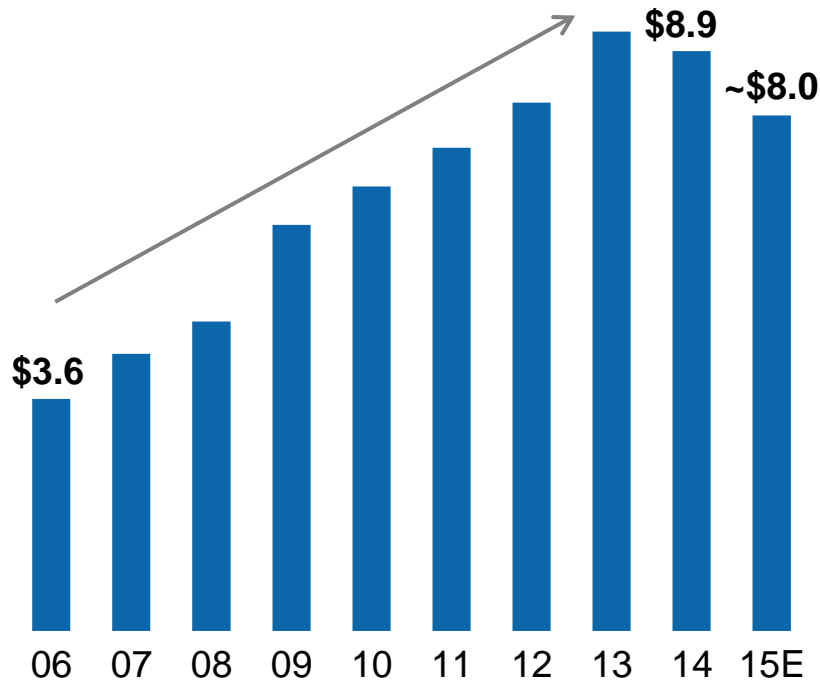
2016 Preliminary Outlook



Profitable, Stable Finance Business



Attractive Portfolio (\$B)



- JV with Rabobank
 - based in the Netherlands
 - among the world's highest rated banks
- 49% owned by AGCO
- Funded by Rabobank
- ~\$8.0 billion portfolio
- Growing market share
- Robust financial performance



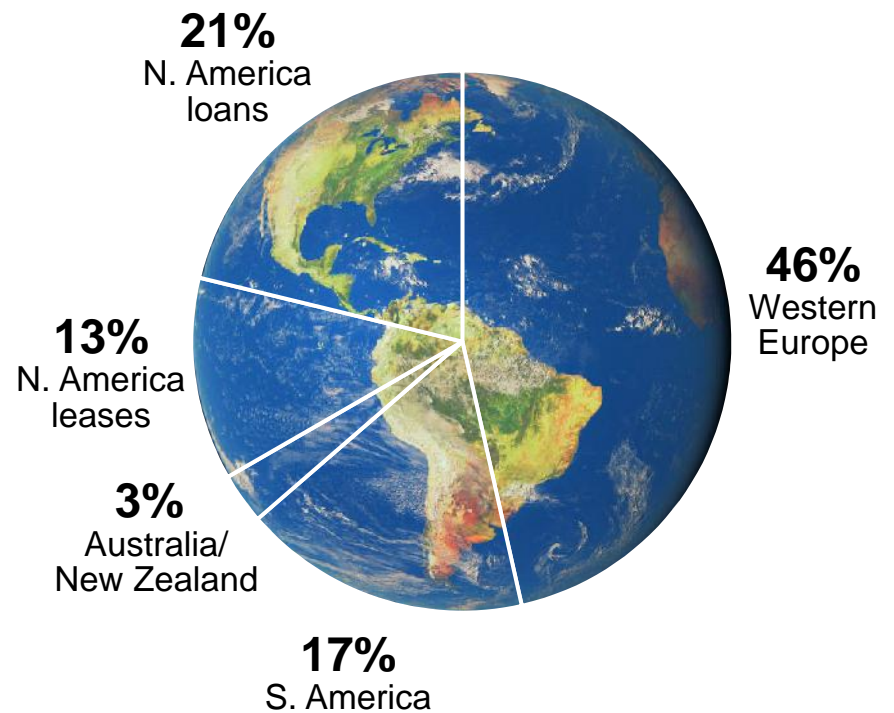
AGCO Finance – A Closer Look

Y/E 2015E

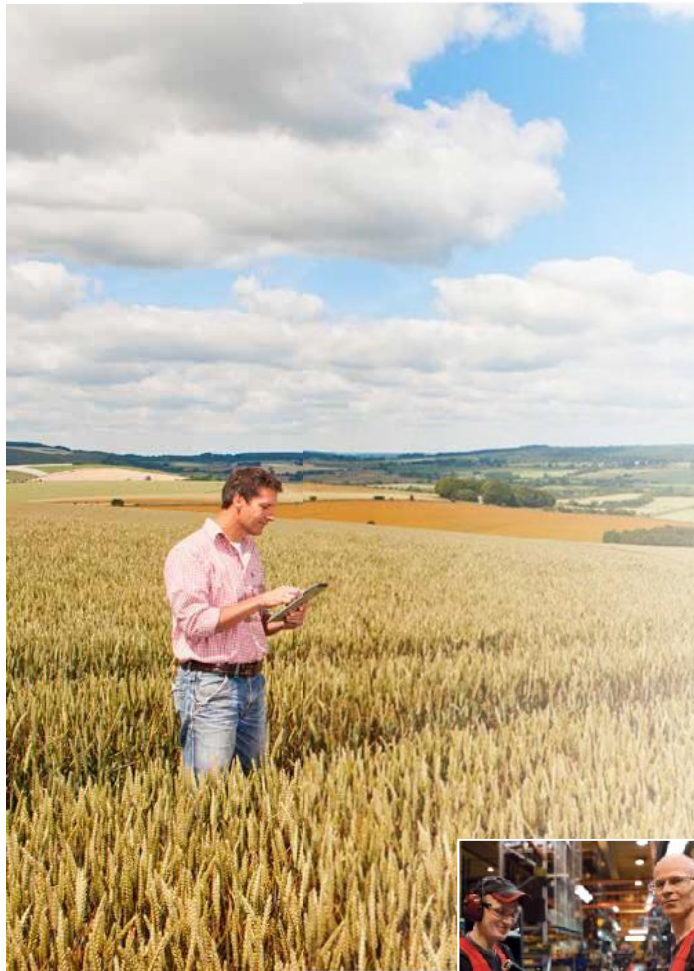
By Product



By Region



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Priority Remains on Cost Management



AGCO Finance Update



Capital Allocation Update



2016 Preliminary Outlook



Capital Deployment Priorities

Priorities

Capex

- Invest in facilities
- Invest in new products



Maintain Balance Sheet

- Maintain investment grade credit rating



Acquisitions

- Opportunistic approach to add to product offerings or geographic reach



Return Cash to Shareholders

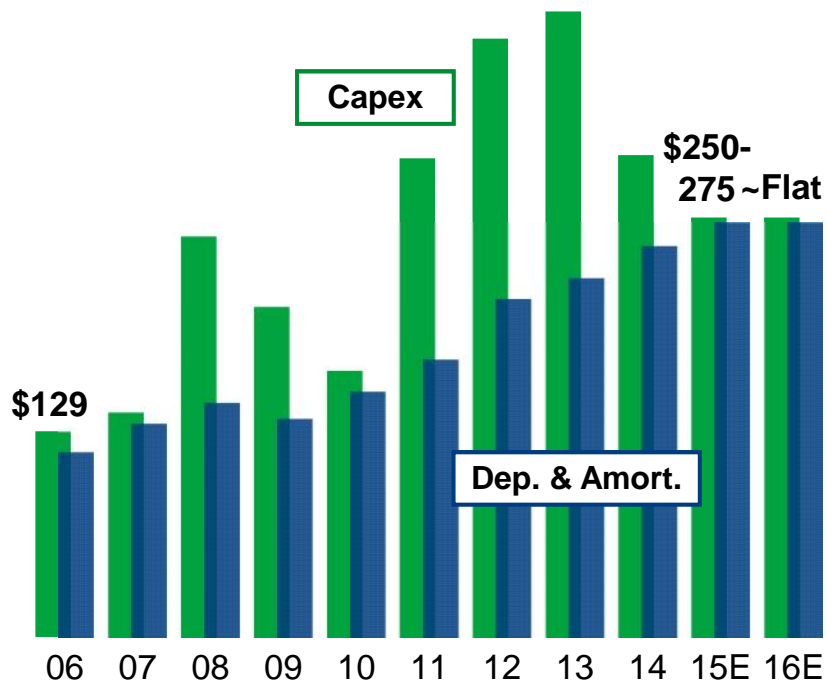
- Share repurchases
- Dividends



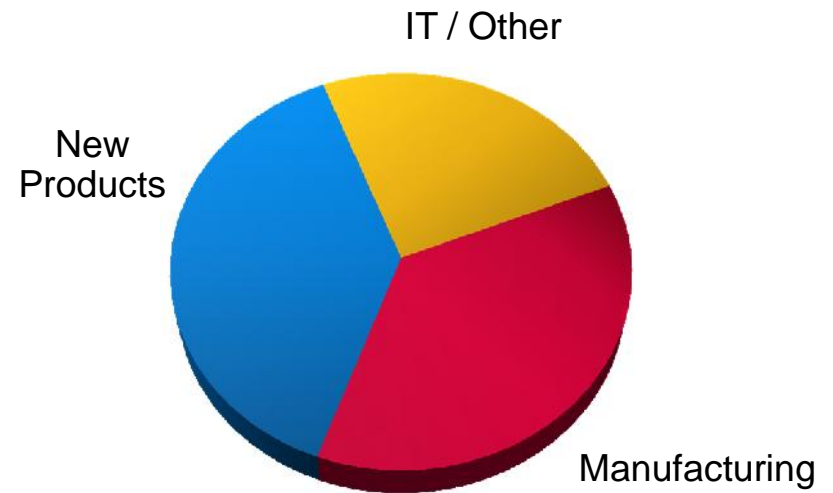
Capital Expenditures – Investing for Growth



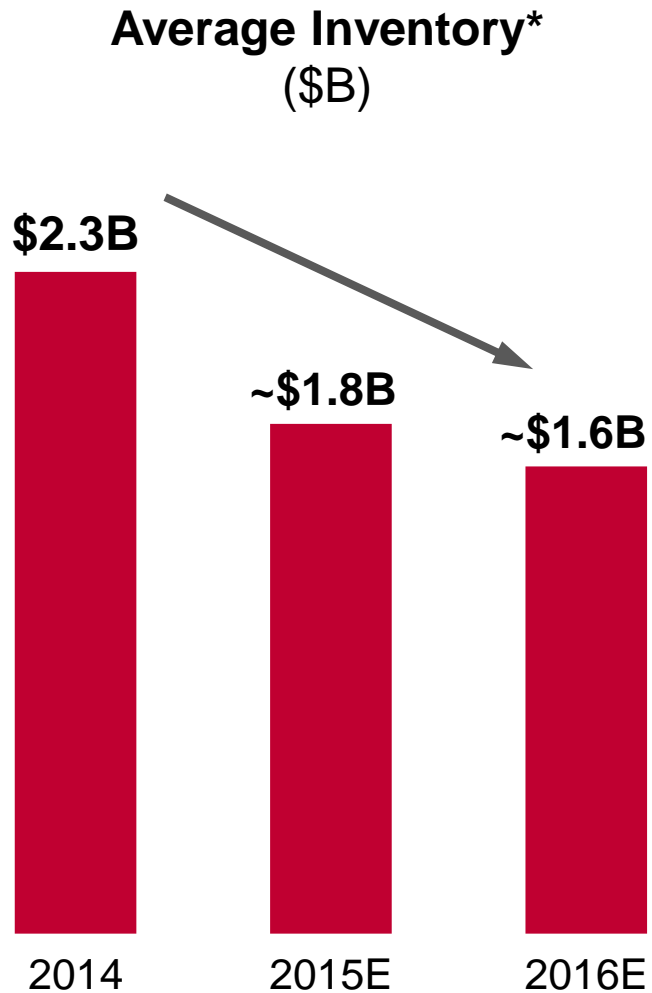
Continuing to Invest
(\$M)



2015 Capex Components



Progress on Company Inventory



- Managing seasonal build
- ~\$70M Brazil Tier 3 transition inventory to be added in 2016
- 2016E average inventory down ~\$200M from 2015



* Constant Currency

Returning Cash to Shareholders

Cash to be Returned to Shareholders

Dividend

- Initiated in 2013
- Ambition to grow

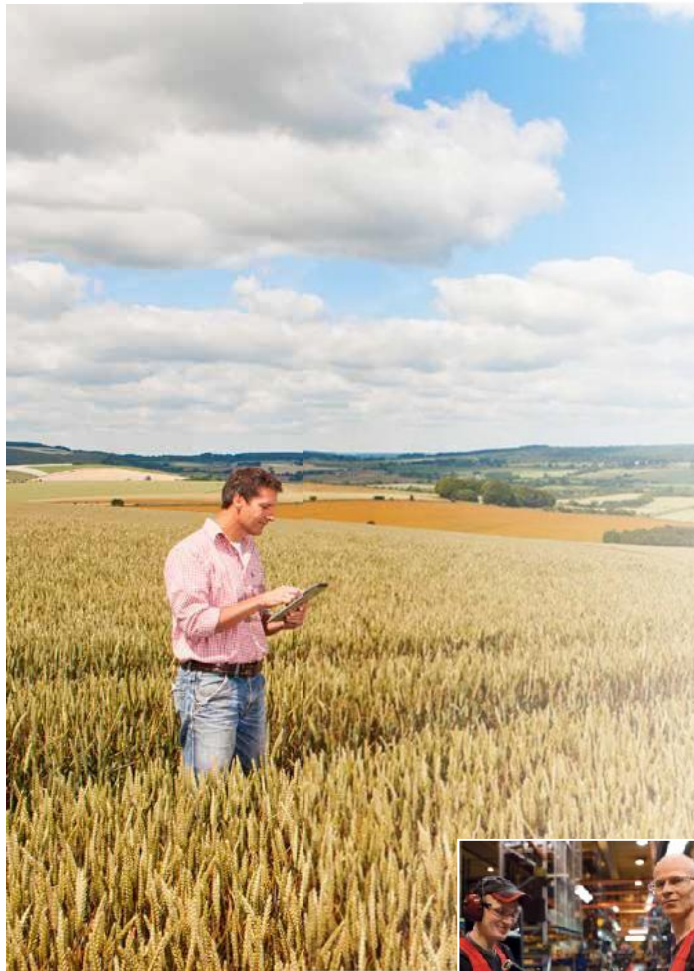


Share Repurchase

- \$300M targeted in '15
- Remainder of \$500M program to be completed in 2016



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Priority Remains on Cost Management



AGCO Finance Update



Capital Allocation Update



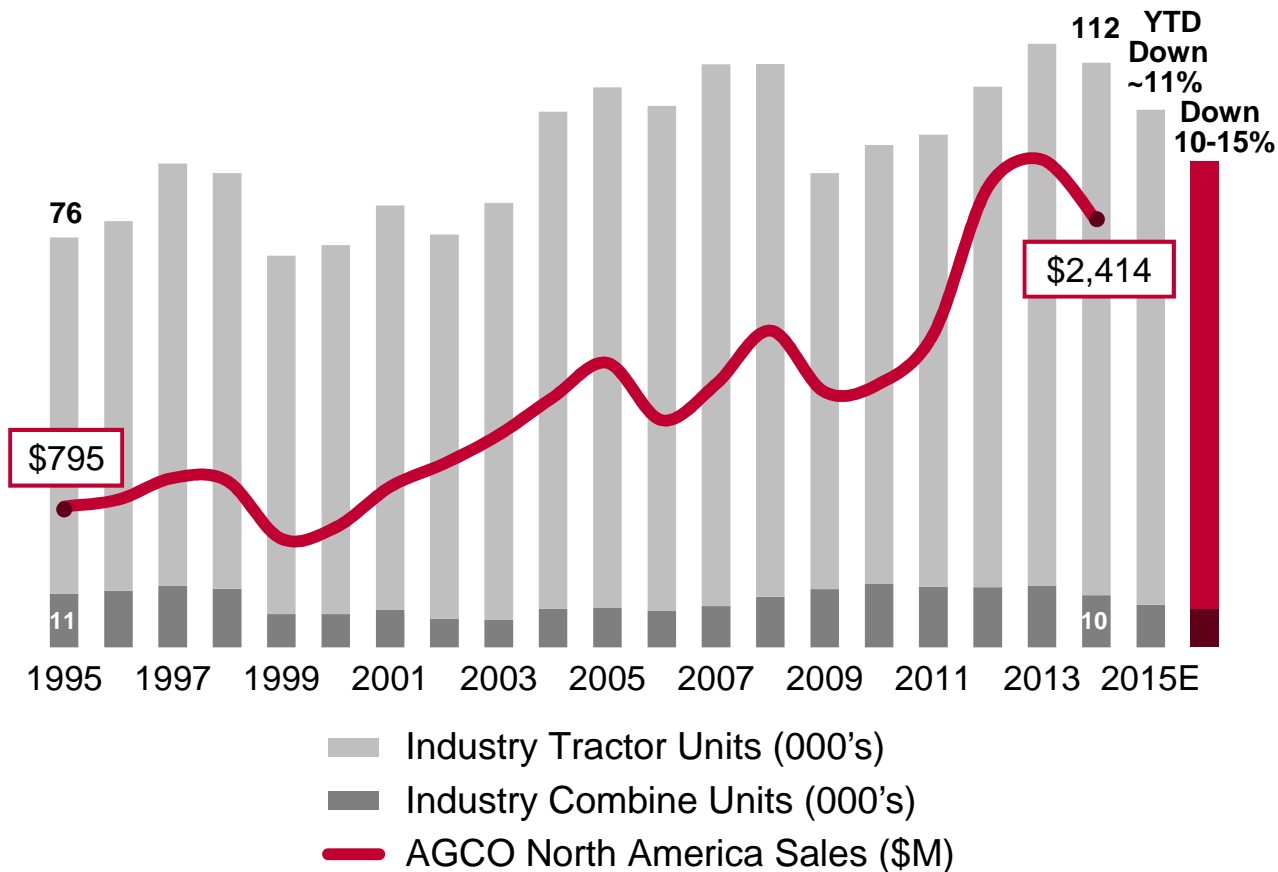
2016 Preliminary Outlook



2016 Market Outlook – Third Year of Weaker Demand



North America Industry Retail Units Tractors* and Combines (000's)



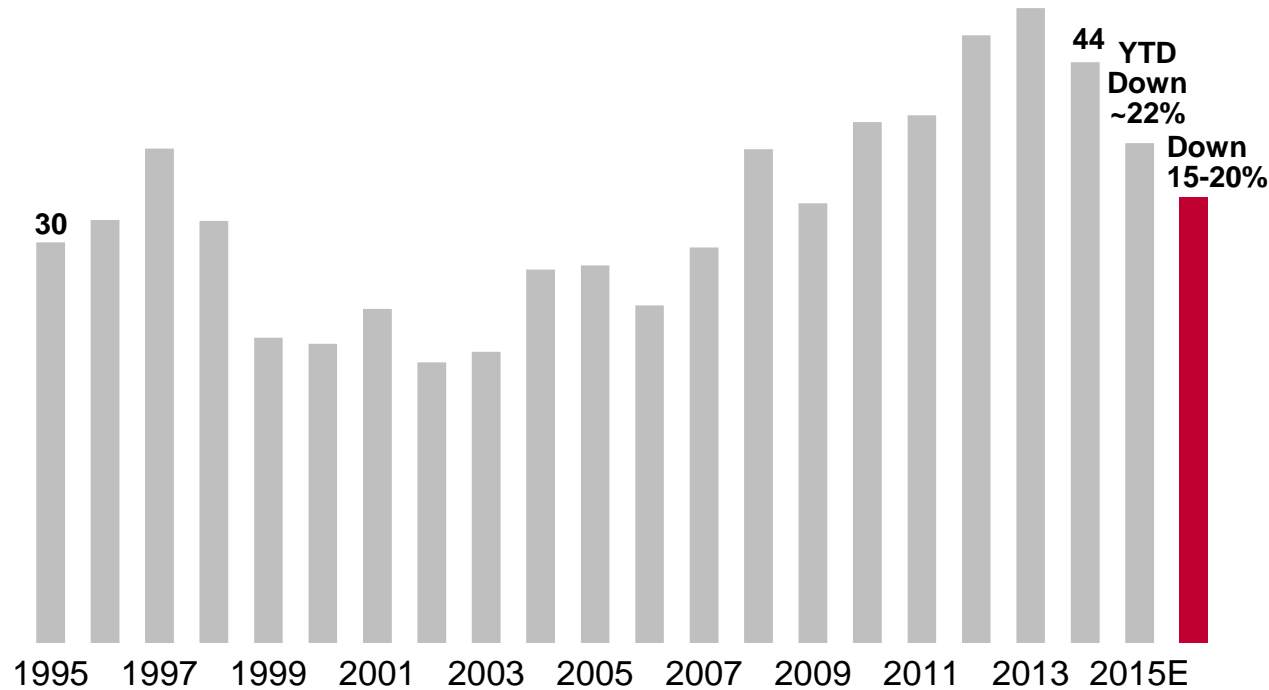
- Projected 2016 farm income lower
- Row crop remains weak
- Dairy and livestock sectors soften
- Negative mix impacts

* Over 40HP

2016 HHP* Industry Outlook Significantly Lower



North America Industry Retail Units High Horsepower Tractors* (000's)



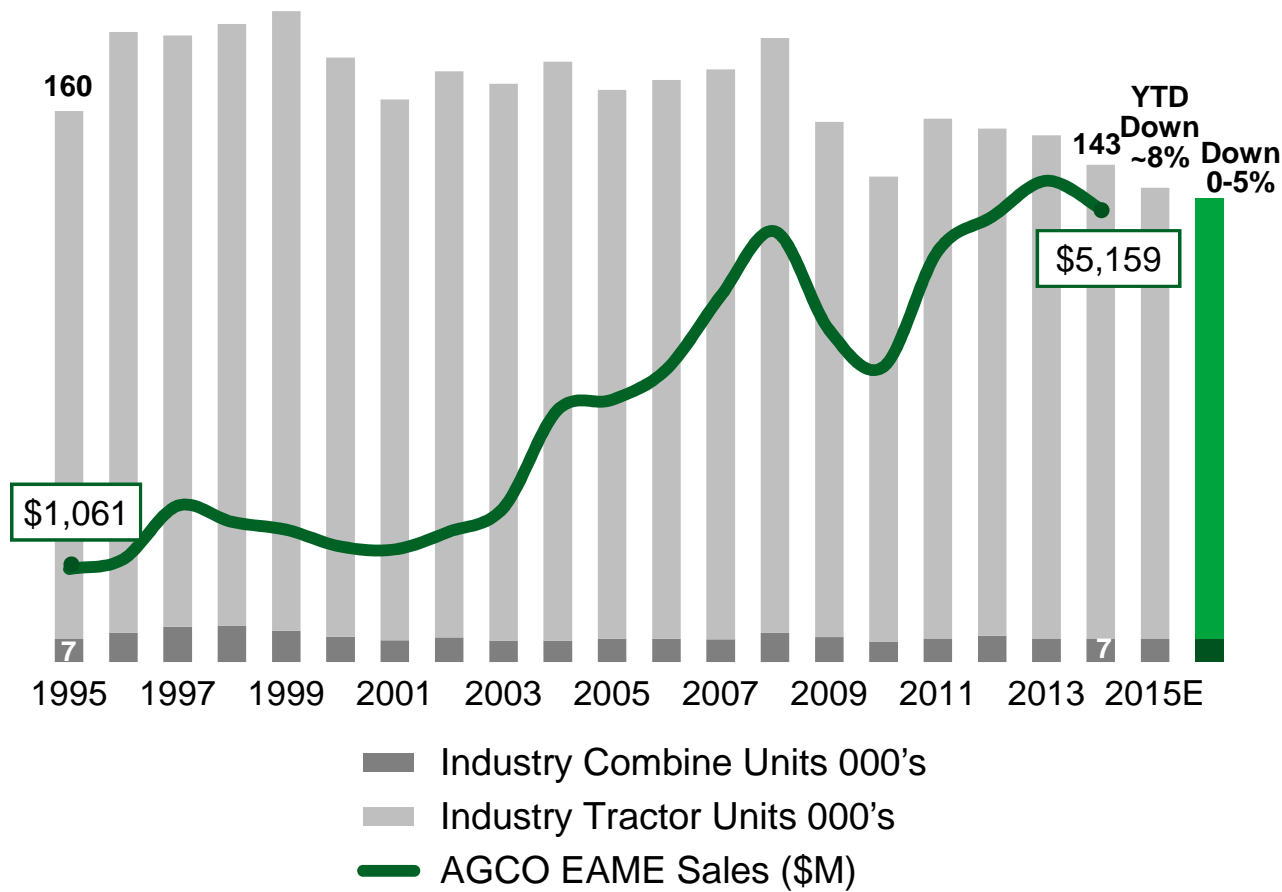
- HHP tractors good surrogate for Row Crop sector
- ~22% decline in HHP* tractors YTD in 2015
- Another 15-20% decline expected in 2016

* Includes 100+ HP and 4 WD tractors

2016 Market Outlook – Modestly Lower



Western Europe Industry Retail Units
Tractors and Combines (000's)



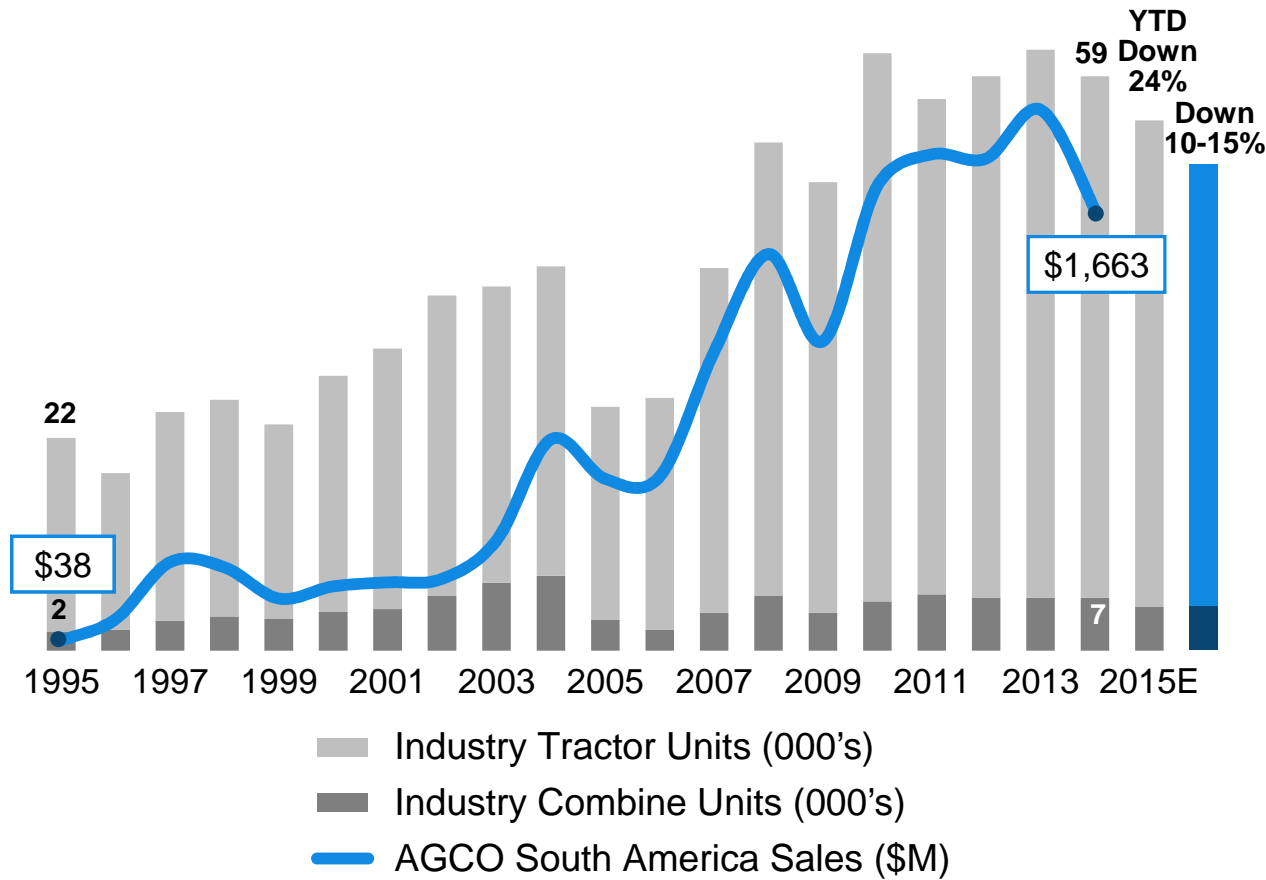
- Lower farm income impacting demand
- Ongoing weakness in CIS region
- Continued emphasis on professional farmer with new HHP tractors and harvesters

Note: Western Europe makes up approximately 90% of EAME sales

2016 Market Outlook – Down ~10%



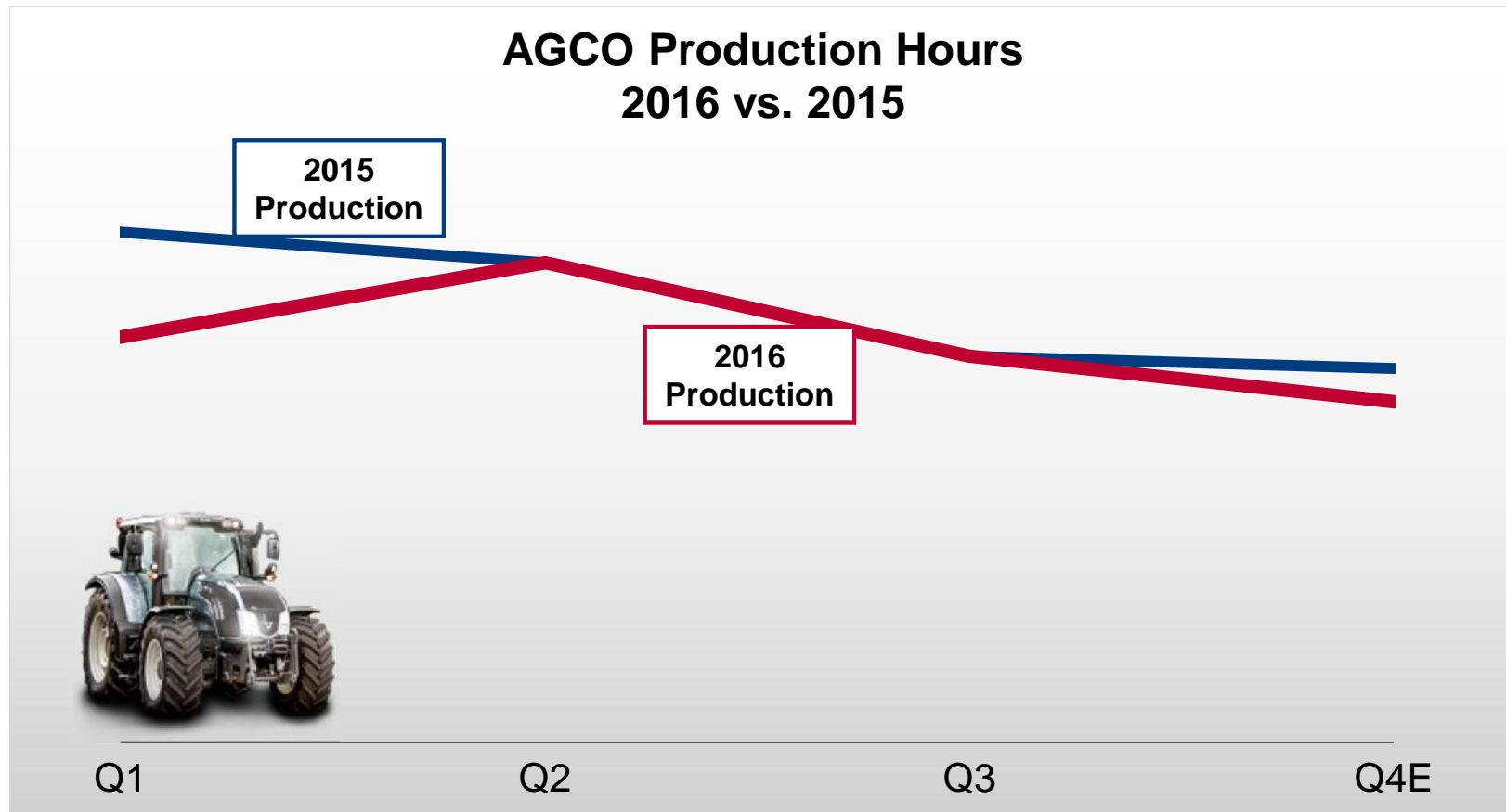
South America Industry Retail Units Tractors and Combines (000's)



- Sugar sector expected to stabilize
- Funding levels for Brazilian Government subsidized loan program unknown for 2016
- Weaker Brazilian Real supportive to farm exports

Note: Market includes Brazil + Argentina

2016 Production Down vs 2015



- Q1 16 production expected to decrease 11%-13% vs. Q1 15
- Full year 2016 production Down 3% to 5% vs 2015

2016 Preliminary Assumptions – Summary



- Sales down ~7%
 - softer end markets
 - ~2% pricing
 - impact of currency translation expected to be –3.5%
- Engineering ~4.2% of sales (up \$15M-\$20M vs '15)
- Effective tax rate ~32%



2016 Preliminary Outlook



2016 Estimates	
Sales	~\$7.0B
Adjusted EPS	~\$2.30
CAPEX	~Flat vs 2015
Free Cash Flow*	\$150-\$175M



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

Key Messages Today





Appendix



Non-GAAP To GAAP Reconciliation



\$M (except per share amts)	2006	2015E
	Earnings Per Share ⁽¹⁾	Earnings Per Share ⁽¹⁾
As adjusted	\$1.04	~\$3.20
Restructuring and other infrequent expenses / adjustments	1.83	0.13 - 0.14
As reported	(\$0.79)	\$3.06 - \$3.07

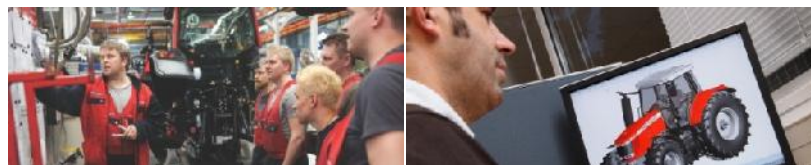


(1) After tax. Rounding may impact summation of amounts.
See accompanying notes in the Company's press release.

Non-GAAP To GAAP Reconciliation



Free Cash Flow \$M	Projected Year Ended Dec. 31, 2016
Net cash provided by operating activities	\$415 to \$440
Less: Capital expenditures	~\$(265)
	<hr/>
Net cash provided by operating activities	\$150 to \$175
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Note: Free cash flow is defined as net cash provided by operating activities less capital expenditures.