



Fourth 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 and subsequent 10-Q filings. AGCO disclaims any obligation to update any forward-looking statements except as required by law.

Financial Summary

\$M**

	Q4 14	Q4 14 v Q4 13	YTD 2014	YTD 14 vs YTD 13
Net Sales	\$2,485.2	-13.1%	\$9,723.7	-9.9%
Gross margin	20.0%	-65 bps	21.3%	-90bps
Adj. Operating income*	\$158.9	-19.4%	\$692.9	-23.1%
Adj. Operating margin*	6.4%	-50bps	7.1%	-120bps
Diluted Adjusted EPS*	\$1.18	-\$0.22	\$4.70	-\$1.31










**Except per share amounts

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



Industry Overview

December Year-to-Date Retail Units

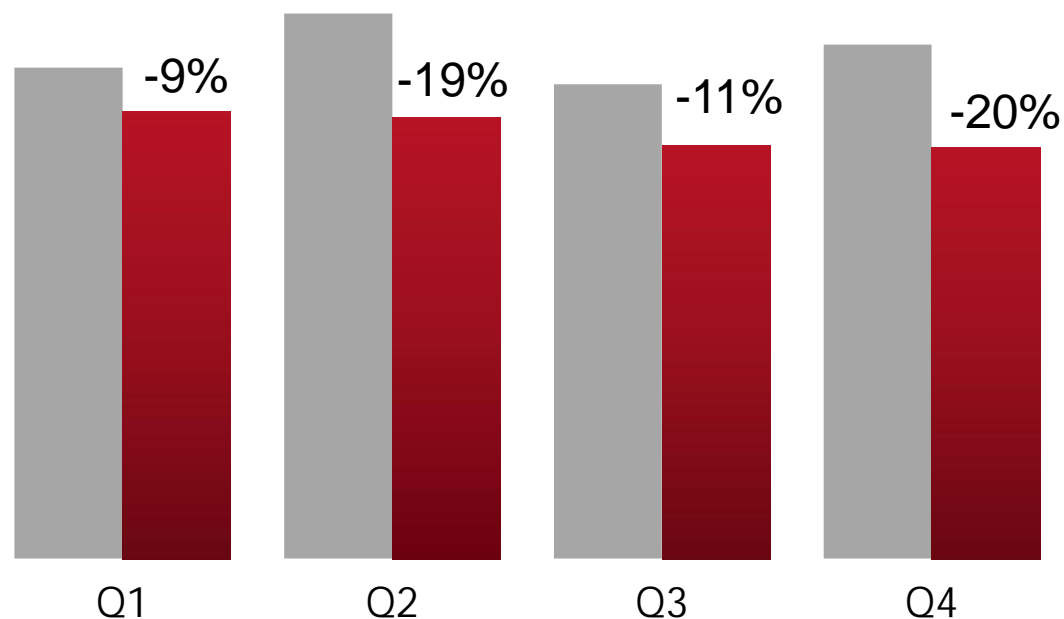
North America		2014 vs. 2013	
	 Tractors*	• Industry	(2%)
	 Combines	• Industry	(25%)
Western Europe		2014 vs. 2013	
	 Tractors	• Industry	(9%)
	 Combines	• Industry	(11%)
South America		2014 vs. 2013	
	 Tractors	• Industry	(15%)
	 Combines	• Industry	(24%)

* Excludes compact tractors



Tractor/Combine Production

AGCO Production Units

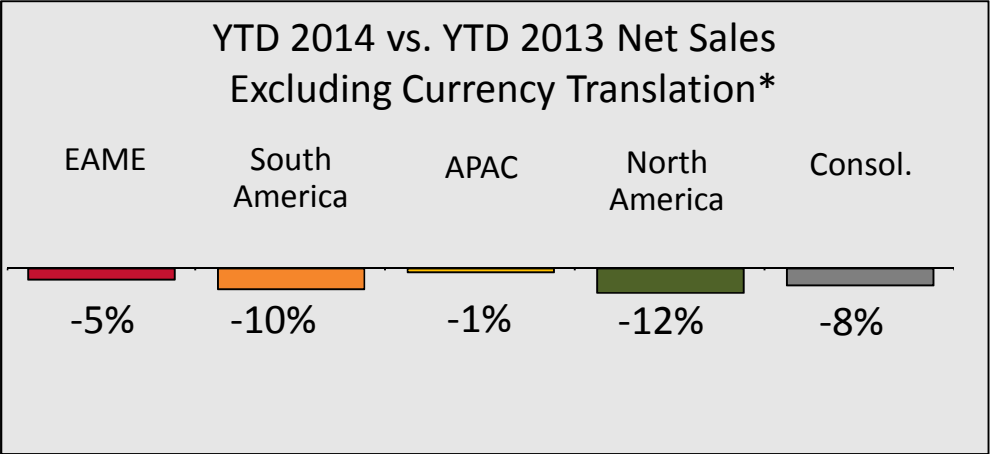
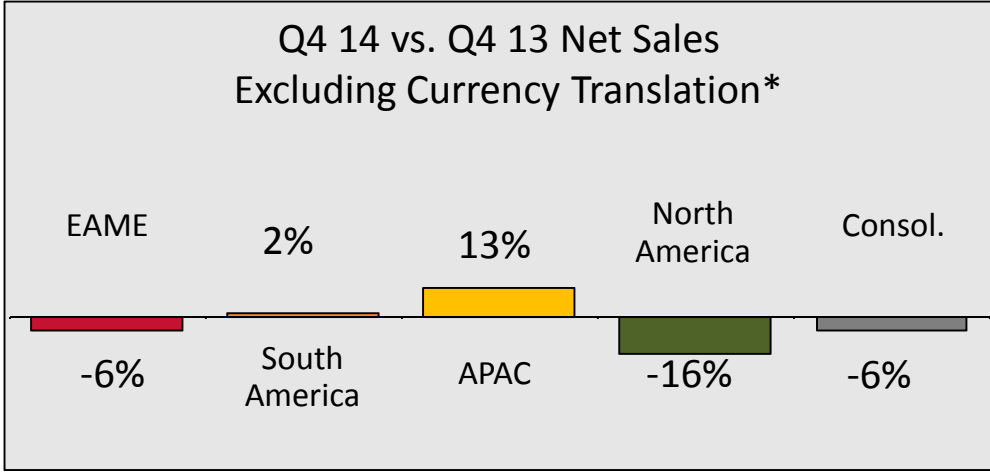
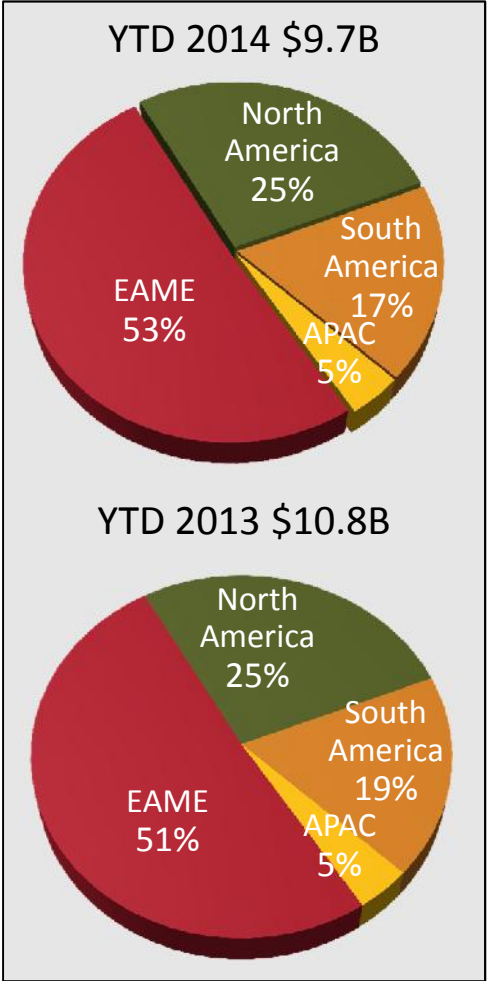


- Production down ~20% in Q4 14 vs. Q4 13
 - Declines across all major markets
- Full year 2014 production decreased 15% vs. 2013

■ 2013 Production ■ 2014 Production



Regional Net Sales Results

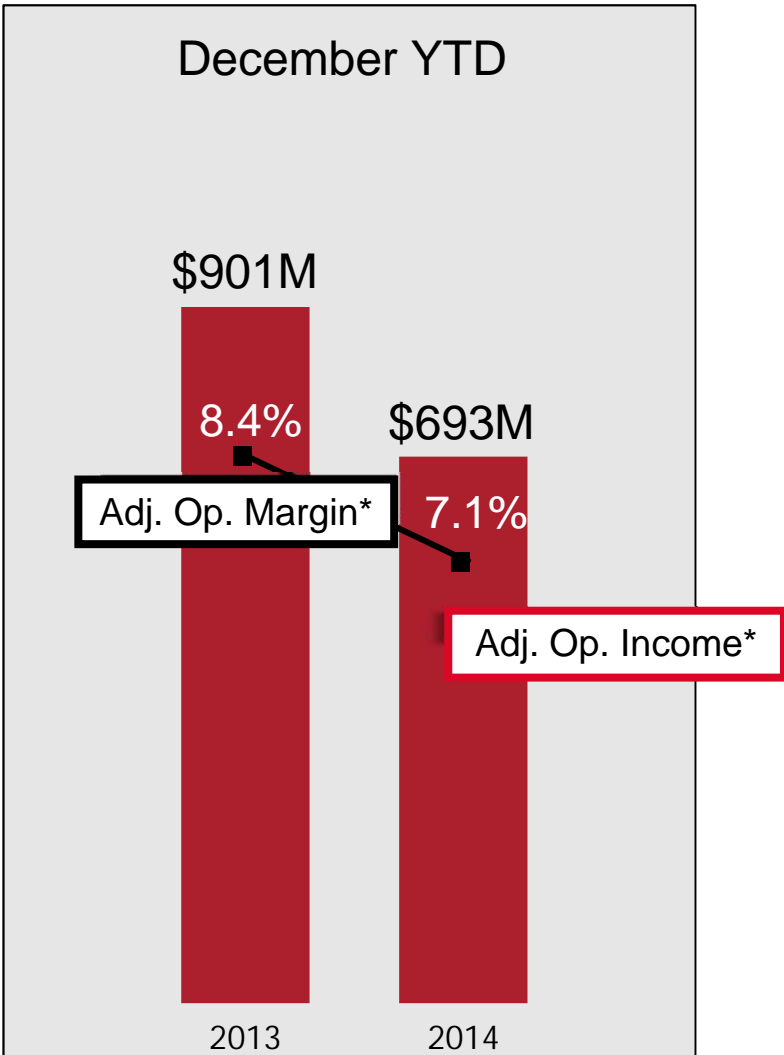
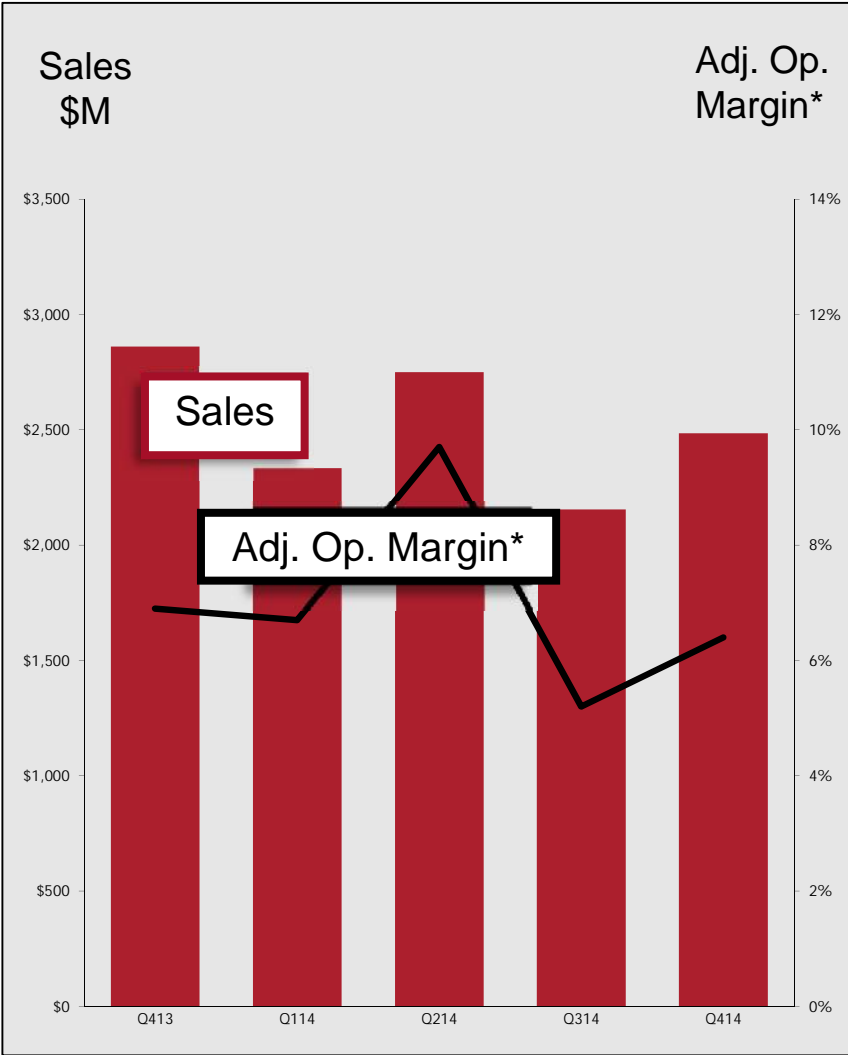


EAME – Europe/Africa/Middle East APAC – Asia/Pacific

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



Net Sales and Operating Margins



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



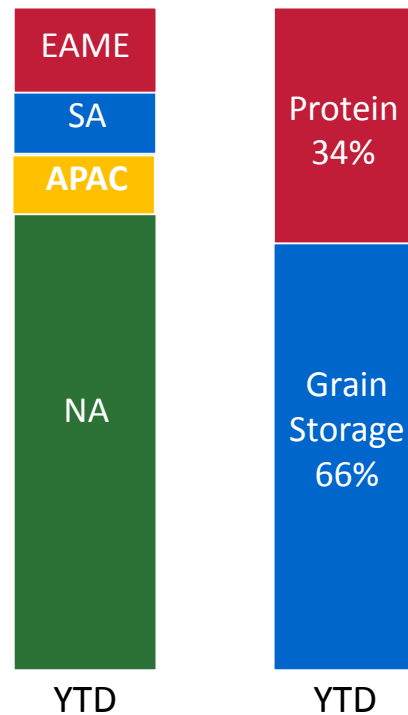


GSI Results

Sales

(YTD 2014)

\$851M

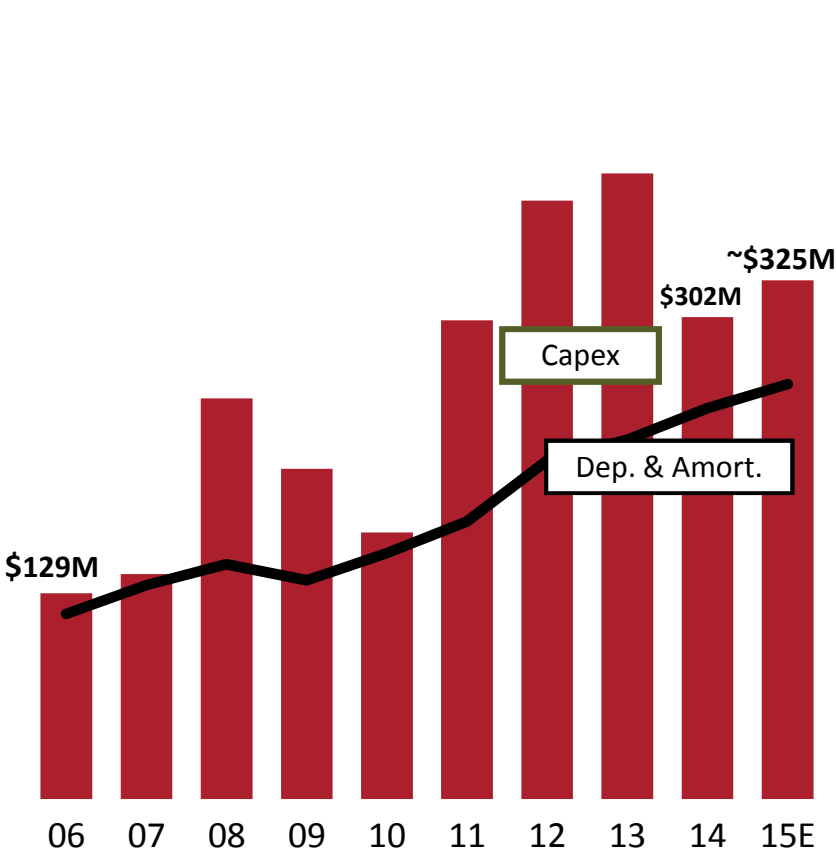


- 2014 sales up 10.2% vs 2013
- Strong cash flow generation in U.S.
- Longer term:
 - Macro trends driving growth in demand for grain storage and protein production
 - Increases exposure to counter-cyclical protein sector

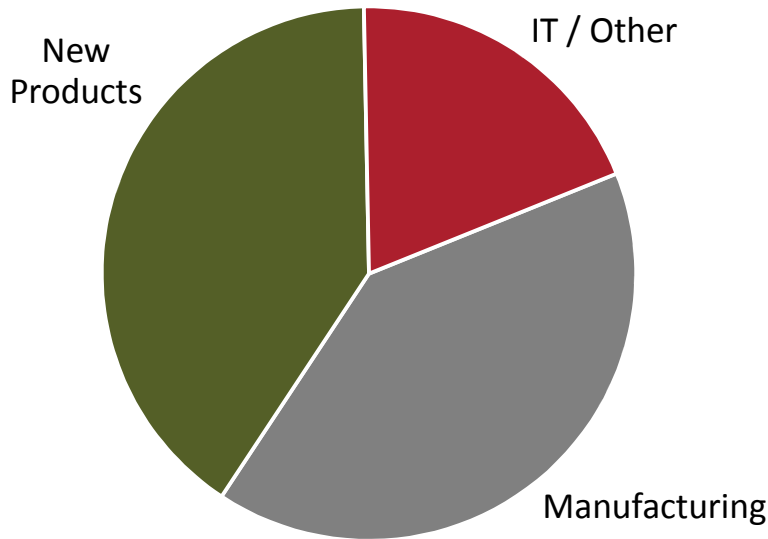


Capital Expenditures – Investing for Growth

Continuing to Invest



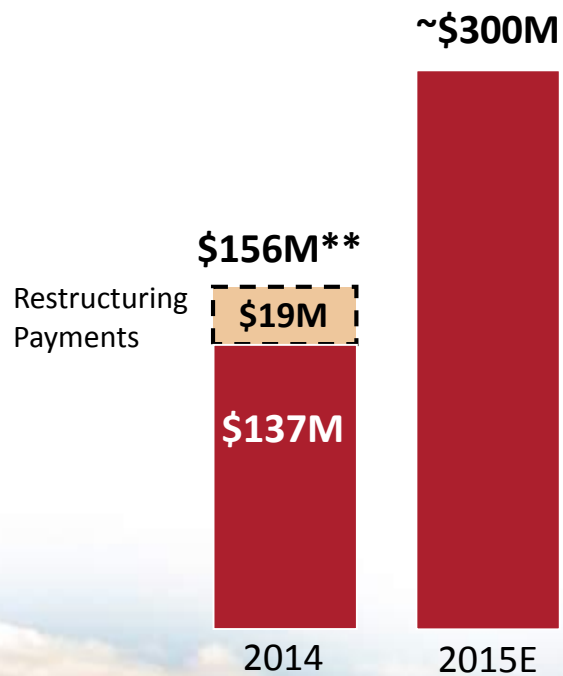
2015 Capex Components



Free Cash Flow*

Free Cash Flow

(Year Ended Dec. 31)



- Strong fourth quarter produced full-year free cash flow of \$137 million
- Targeting \$100+ million of Inventory Reduction for 2015

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

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

* * Excludes restructuring payments

Returning Cash to Shareholders

Cash to be Returned
to Shareholders

Dividend

- Initiated in 2013
- Raised in Q1 14 and Q1 15



Share Repurchase

- New \$500M share repurchase program through 2016



2015 Assumptions – Summary

- Sales down 15-17%
 - softer end markets
 - ~2% pricing
 - impact of currency translation expected to be ~8%
- Engineering ~3.6% of sales
- Operating margins of 5.5% to 6.0%
- Pre-tax restructuring charges of \$15-20M in 2015
- Effective tax rate 36-37%



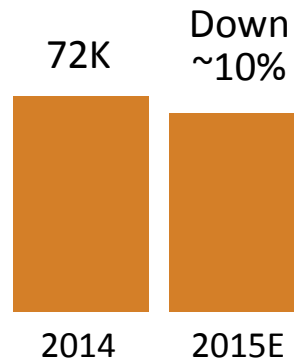
2015 Preliminary Market Outlook

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

N. America*



S. America



Western Europe



*Excludes compact tractors



2015 Preliminary Outlook

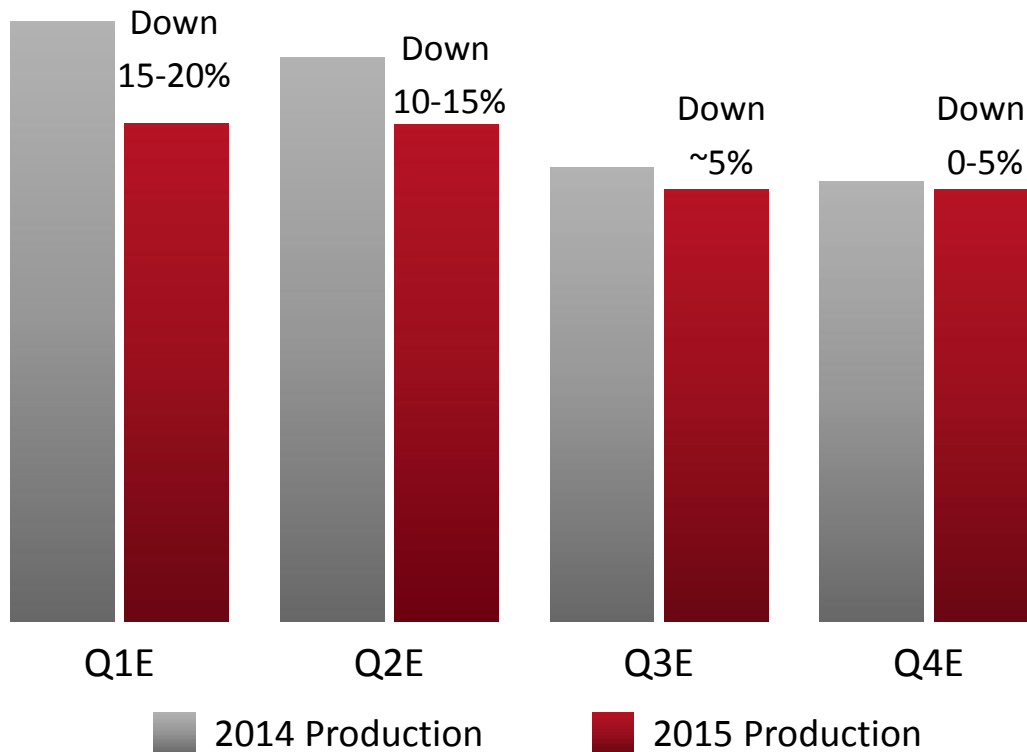
	2015 Estimates
Sales	\$8.1B to \$8.3B
Adjusted EPS	~\$3.00
CAPEX	~\$325M
Free Cash Flow*	~\$300M



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

2015 Production Decline is Front-End Loaded

AGCO Production Hours



- Q1 15 production expected to decrease 15-20% vs. Q1 14
- Full year 2015 production down 7-10% vs 2014





Appendix

Non-GAAP To GAAP Reconciliation

Free Cash Flow

\$M

	Year ended December 31, 2014	Year ended December 31, 2015
Net cash provided by operating activities	\$ 438.4	\$ ~625.0
Less:		
Capital expenditures	(301.5)	~ (325.0)
Free cash flow	<u>\$ 136.9</u>	<u>\$ ~300.0</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 December 31,			Change due to currency translation	
	2014	2013	% change from 2013	\$	%
	North America	\$ 549.2	\$ 658.1	(16.5)%	\$ (6.5)
South America	414.6	461.7	(10.2)%	(57.3)	(12.4)%
Europe/Africa/Middle East	1,374.7	1,602.9	(14.2)%	(129.9)	(8.1)%
Asia/Pacific	146.7	137.0	7.1 %	(7.7)	(5.6)%
	<u>\$ 2,485.2</u>	<u>\$ 2,859.7</u>	<u>(13.1)%</u>	<u>\$ (201.4)</u>	<u>(7.0)%</u>

Net Sales \$M	Years Ended December 31,			Change due to currency translation	
	2014	2013	% change from 2013	\$	%
	North America	\$ 2,414.2	\$ 2,757.8	(12.5)%	\$ (25.3)
South America	1,663.4	2,039.7	(18.4)%	(180.1)	(8.8)%
Europe/Africa/Middle East	5,158.5	5,481.5	(5.9)%	(40.0)	(0.7)%
Asia/Pacific	487.6	507.9	(4.0)%	(13.3)	(2.6)%
	<u>\$ 9,723.7</u>	<u>\$ 10,786.9</u>	<u>(9.9)%</u>	<u>\$ (258.7)</u>	<u>(2.4)%</u>

Non-GAAP To GAAP Reconciliation

	Three months ended December 31,					
	2014			2013		
	Income From Operations	Net Income (1)	Earnings Per Share (1)	Income From Operations	Net Income (1)	Earnings Per Share (1)
As adjusted	\$ 158.9	\$ 107.9	\$ 1.18	\$ 197.2	\$ 139.3	\$ 1.40
Restructuring and other infrequent expenses	43.5	30.3	0.33	—	—	—
As reported	<u>\$ 115.4</u>	<u>\$ 77.6</u>	<u>\$ 0.85</u>	<u>\$ 197.2</u>	<u>\$ 139.3</u>	<u>\$ 1.40</u>

(1) Net income and earnings per share amounts are after tax.

Non-GAAP To GAAP Reconciliation

	Years ended December 31,					
	2014			2013		
	Income From Operations	Net Income (1)	Earnings Per Share (1)	Income From Operations	Net Income (1)	Earnings Per Share (1)
As adjusted	\$ 692.9	\$ 442.6	\$ 4.70	\$ 900.7	\$ 597.2	\$ 6.01
Restructuring and other infrequent expenses	46.4	32.2	0.34	—	—	—
As reported	<u>\$ 646.5</u>	<u>\$ 410.4</u>	<u>\$ 4.36</u>	<u>\$ 900.7</u>	<u>\$ 597.2</u>	<u>\$ 6.01</u>

(1) Net income and earnings per share amounts are after tax.

Non-GAAP To GAAP Reconciliation

	December 31, 2014	December 31, 2013	Change from 2013	Change due to currency translation	Change excluding currency translation
Inventories, net	\$ 1,750.7	\$ 2,016.1	\$ (265.4)	\$ (182.0)	\$ (83.4)

Non-GAAP To GAAP Reconciliation

	2015
As adjusted	<u>Earnings Per Share ⁽¹⁾</u> \$ 3.00
Restructuring and other infrequent expenses	0.11
As targeted	<u>\$ 2.89</u>

⁽¹⁾ Earnings per share amount is after tax.