



# FOURTH QUARTER 2022

Financial and Operational Results

# 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 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, 2021 and subsequent Form 10-Q filings. AGCO disclaims any obligation to update any forward-looking statements except as required by law.







## OUR PURPOSE

Farmer-Focused Solutions to Sustainably Feed Our World

## OUR VISION

Trusted Partner for Industry-Leading, Smart Farming Solutions



## FARMER FIRST ENABLERS

Exceptional Customer Experiences  
That Reinforce Brand Promises

High Quality, Smart Solutions  
That Create Customer Value

Customer-Connected  
Distribution Digitally Enabled

### SUSTAINABILITY

## KEY INITIATIVES

### Growth

Global Fendt Full-Line  
Precision Ag  
Global Parts & Services

### Optimize

Massey Ferguson Full Potential  
Grain & Protein Transformation  
Global Distribution

### Culture

Farmer First  
Speak Up!  
Team Up!



## WINNING OUTCOMES

### Partner of Choice

Increasing Customer Net  
Promoter Score  
(NPS)

**Employer of Choice**  
Best-In-Class Employee  
Engagement

**Investment of Choice**  
Increasing Return  
on Net Assets

# FINANCIAL SUMMARY

\$M\*\*



REPORTED	<u>Q4 22</u>	<u>Q4 22 vs. Q4 21</u>	<u>FY 22</u>	<u>FY 22 vs. FY 21</u>
<b>NET SALES</b>	<b>\$3,898.9</b>	23.6%	<b>\$12,651.4</b>	13.6%
<b>GROSS MARGIN</b>	<b>24.1%</b>	250bps	<b>23.7%</b>	65bps
<b>OPERATING INCOME</b>	<b>\$465.8</b>	76.4%	<b>\$1,265.4</b>	26.4%
<b>OPERATING MARGIN</b>	<b>11.9%</b>	360bps	<b>10.0%</b>	100bps
<b>DILUTED EPS</b>	<b>\$4.29</b>	\$0.54	<b>\$11.87</b>	\$0.02



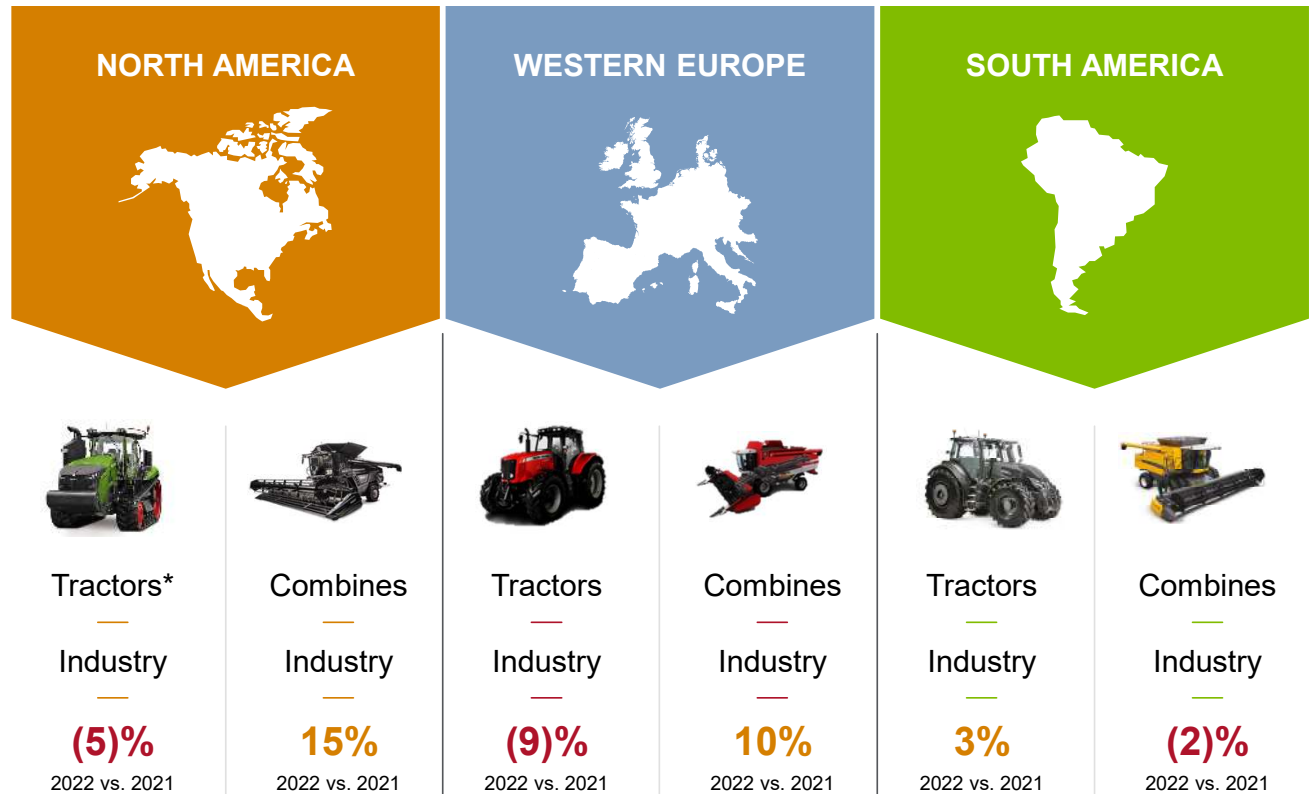
ADJUSTED	<u>Q4 22</u>	<u>Q4 22 vs. Q4 21</u>	<u>FY 22</u>	<u>FY 22 vs. FY 21</u>
<b>ADJ. OPERATING INCOME*</b>	<b>\$467.5</b>	71.9%	<b>\$1,307.5</b>	28.6%
<b>ADJ. OPERATING MARGIN*</b>	<b>12.0%</b>	340bps	<b>10.3%</b>	120bps
<b>DILUTED ADJUSTED EPS*</b>	<b>\$4.47</b>	\$1.39	<b>\$12.42</b>	\$2.04

\*Reflects non-GAAP measures. See reconciliations provided in the appendix to this presentation.

\*\* Except per share amounts

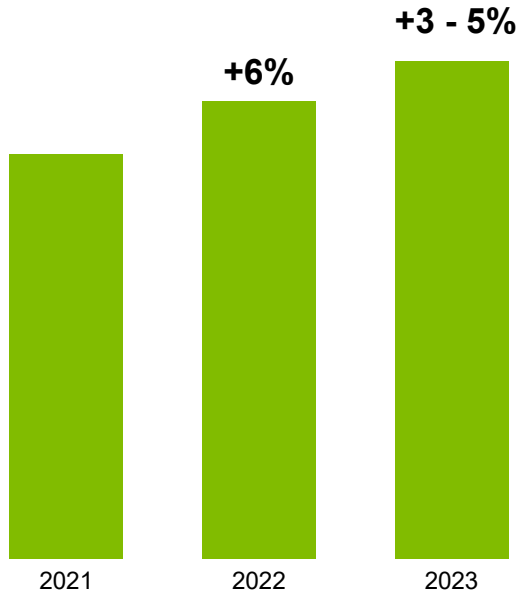
# INDUSTRY OVERVIEW

## 2022 Full Year Retail Units



# 2022 PRODUCTION

## AGCO Production Hours

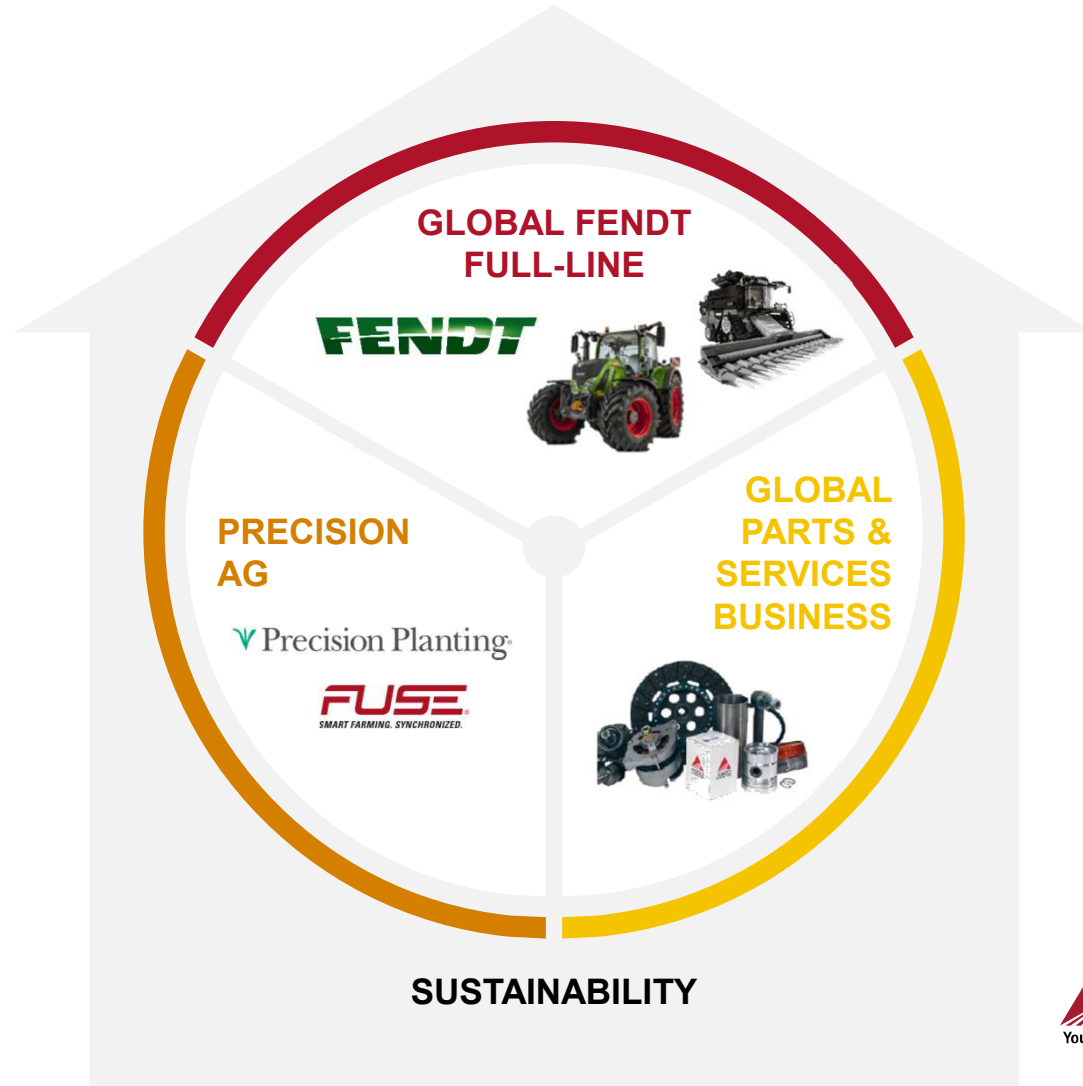


Q4 22 Production  
**UP 6%** vs. Q4 21



Full Year 2023 Production  
**UP 3-5%** vs. 2022

# FOCUS ON GROWING HIGH MARGIN BUSINESSES





# PRECISION AG UPDATE



**~7,000 Registered Attendees For Precision Planting's Winter Conference**

**New Panorama App Introduced**

**Product Roadmap Includes:**

- Retrofit Vision Spraying Products
- Radicle Agronomics™ Soil Testing
- New planting features



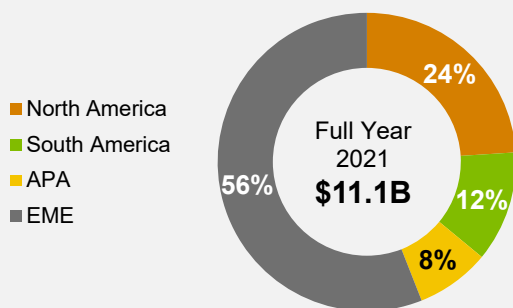
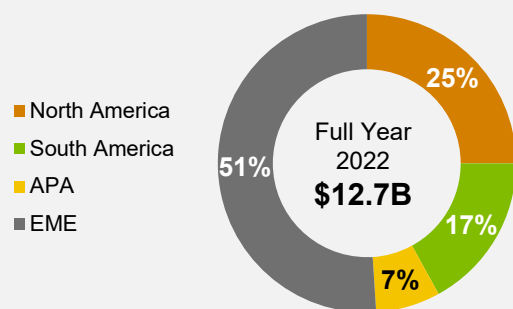


Modernize 20|20 & Fieldview Bridge  
20|20 Field Data Into Any Platform

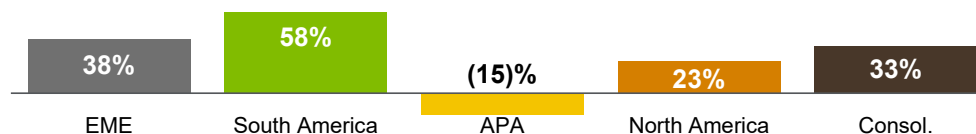


A simple phone app designed for **viewing, sharing, summarizing & analyzing** your Precision Planting 20|20 field data

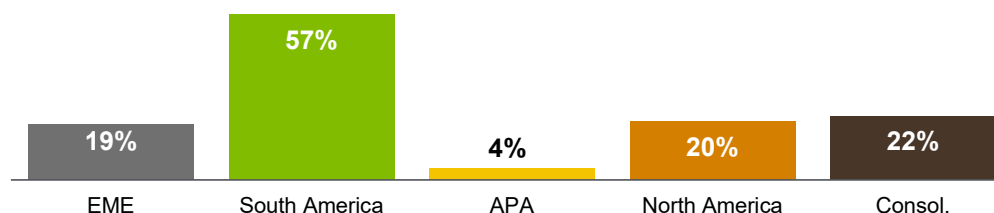
# REGIONAL NET SALES RESULTS



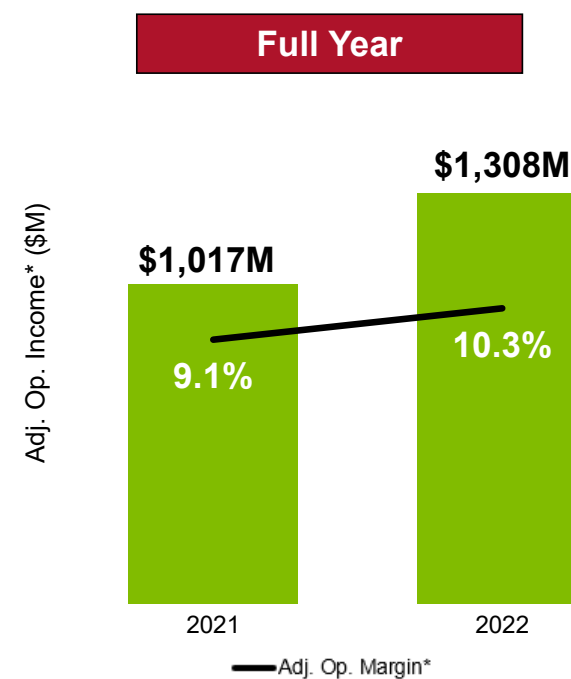
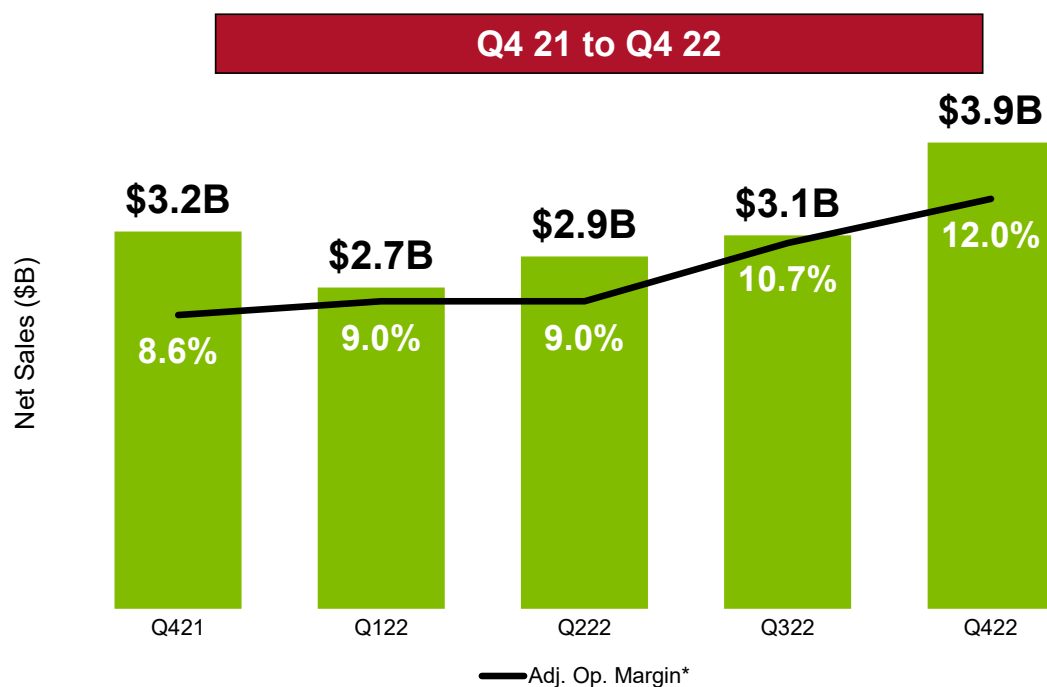
Q4 22 vs. Q4 21 Net Sales Excluding Currency Translation\*



FY 22 vs. FY 21 Net Sales Excluding Currency Translation\*

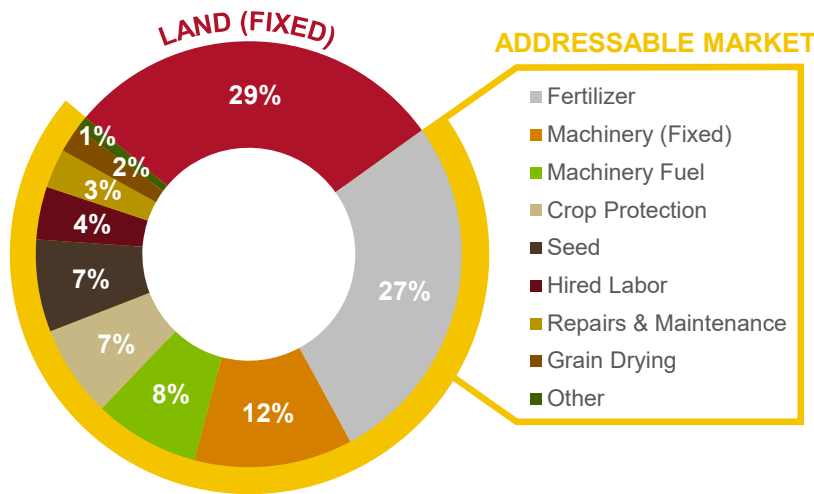


# NET SALES, ADJUSTED OPERATING INCOME AND OPERATING MARGINS



# PRECISION AG BUSINESS

## EXPANDING TOTAL ADDRESSABLE MARKET



## EXPANDING BEYOND MACHINERY

### Precision Planting

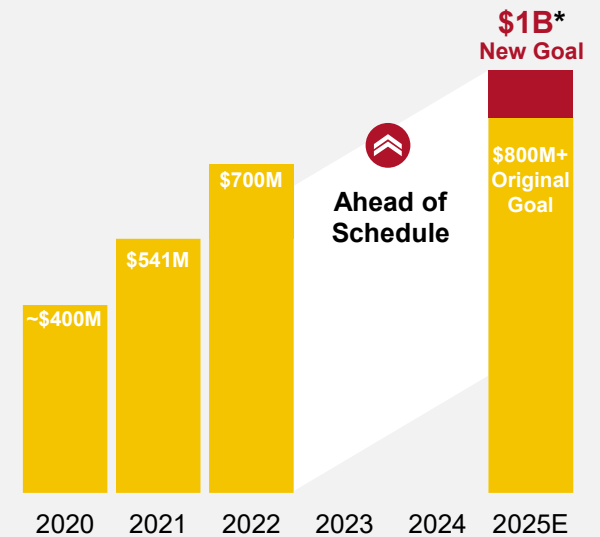


- Innovation Across All Makes
- Retrofit Channel Globally
- Expansion Across the Crop Cycle



- Expanded Portfolio
- Channel Development
- Global Penetration

## DRIVING HIGH MARGIN REVENUE GROWTH





# FREE CASH FLOW\*



**IN-LINE WITH OUTLOOK**



**FOURTH QUARTER SEASONALLY STRONGEST**  
for Free Cash Flow generation  
-- **Generated over \$1 billion in Q4 22**



**SUPPLY CHAIN CONSTRAINTS**  
Related Inventory Build



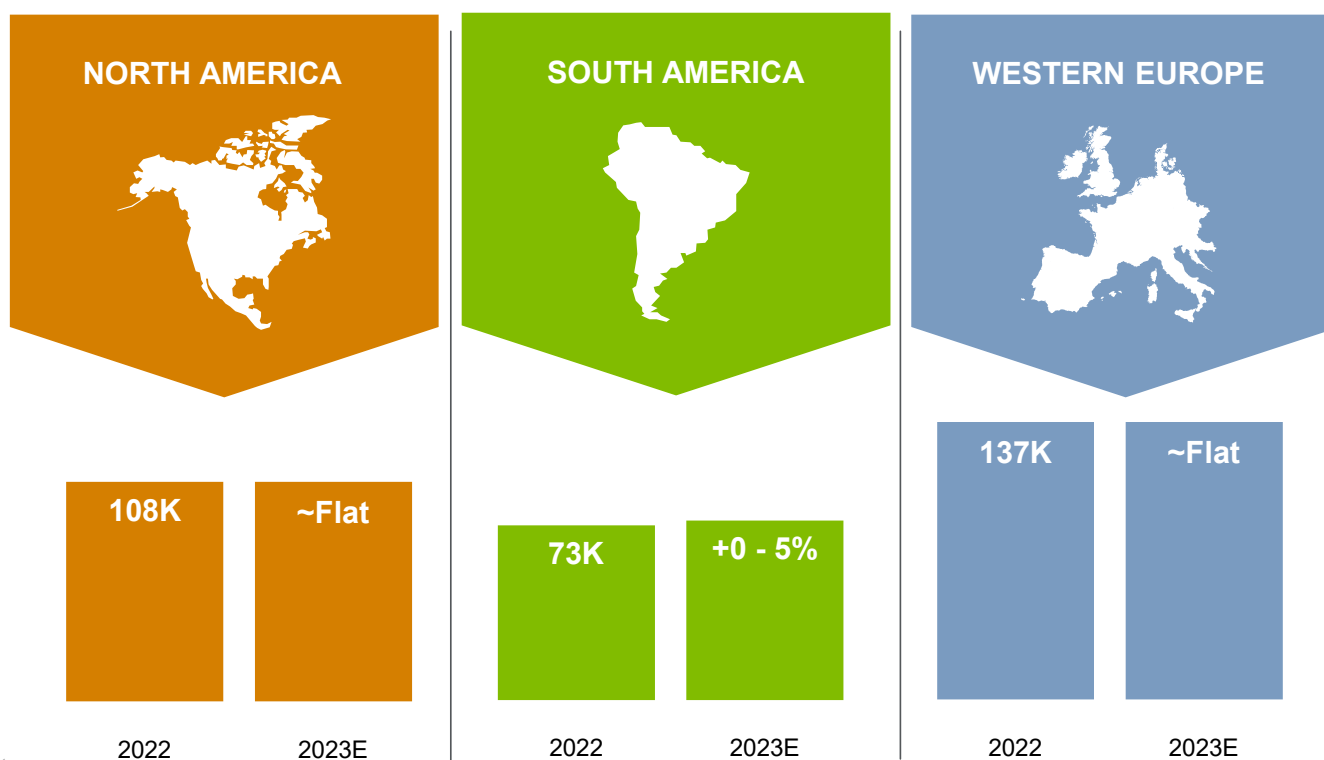
Targeting **75% - 100%** Free Cash Flow conversion in 2023

Note: Free cash flow is defined as net cash (used in) provided by operating activities less capital expenditures.  
\*See reconciliations in the appendix to this presentation.



# 2023 MARKET OUTLOOK

## Regional Market Outlook – Industry Unit Retail Tractor Sales





## 2023 KEY ASSUMPTIONS:

### 2023 SALES VS. 2022

- + Healthy Large Ag demand
- Currency Impact of ~(1)%
- + Pricing ~8%
- + Market Share Gains

### ENGINEERING EXPENSE

+ ~20% vs. '22

### OPERATING MARGIN

~10.5%

### OTHER EXPENSE

+\$50 Million

### EFFECTIVE TAX RATE

27% - 28%

# 2023 OUTLOOK

**~\$14B**  
Net Sales

**~\$13.50**  
EPS

**~\$375M**  
Capex

**75% - 100%**  
Free Cash  
Flow  
Conversion<sup>(1)</sup>





# APPENDIX

# GRAIN & PROTEIN RESULTS

## GRAIN / SEED / PROTEIN PRODUCTION EQUIPMENT



### FULL YEAR 2022 NET SALES INCREASED ~2% vs. 2021

Increase in Sales of Grain and Seed Equipment of ~18%

Decrease in Sales of Protein Production Equipment ~19%



### LONGER TERM:

Macro Trends **DRIVING GROWTH IN DEMAND** for Grain Storage and Protein Production

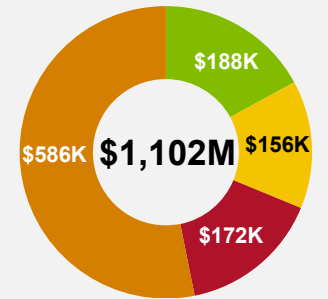
**INCREASES EXPOSURE** to Counter-Cyclical Protein Sector



## FY 2022 SALES

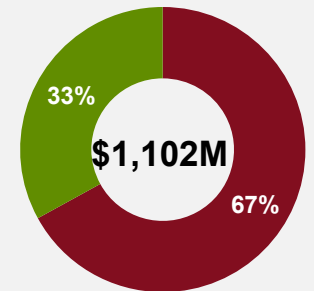
### BY REGION

- South America
- APA
- EME
- North America



### BY PRODUCT

- Grain & Seed
- Protein



# Non-GAAP To GAAP Reconciliation

## FREE CASH FLOW

\$M

	Three Months Ended December 31,		Years Ended December 31,	
	2022	2021	2022	2021
Net cash provided by operating activities	\$ 1,133.3	\$ 618.7	\$ 838.2	\$ 660.2
Less: capital expenditures	(117.8)	(71.1)	(388.3)	(269.8)
Free cash flow	<u>\$ 1,015.5</u>	<u>\$ 547.6</u>	<u>\$ 449.9</u>	<u>\$ 390.4</u>

# Non-GAAP To GAAP Reconciliation

(In millions, except per share amounts)

## NET SALES

\$M

	Three Months Ended December 31,			Change due to currency translation	
	2022	2021	% change from 2021	\$	%
North America	823.7	674.7	22.1%	(7.8)	(1.2)%
South America	674.8	405.6	66.4%	34.5	8.5%
Europe/Middle East	2,186.5	1,796.9	21.7%	(291.9)	(16.2)%
Asia/Pacific/Africa	213.9	278.0	(23.1)%	(23.9)	(8.6)%
	<u>\$ 3,898.9</u>	<u>\$ 3,155.2</u>	<u>23.6%</u>	<u>\$ (289.1)</u>	<u>(9.2)%</u>



# Non-GAAP To GAAP Reconciliation

(In millions, except per share amounts)

## NET SALES

\$M

	Years Ended December 31,			Change due to currency translation	
	2022	2021	% change from 2021	\$	%
North America	3,175.2	2,659.2	19.4%	(20.6)	(0.8)%
South America	2,121.6	1,307.7	62.2%	73.4	5.6%
Europe/Middle East	6,447.3	6,221.7	3.6%	(922.8)	(14.8)%
Asia/Pacific/Africa	907.4	949.7	(4.5)%	(76.1)	(8.0)%
	<u>\$ 12,651.4</u>	<u>\$ 11,138.3</u>	<u>13.6%</u>	<u>\$ (946.1)</u>	<u>(8.5)%</u>

# Non-GAAP To GAAP Reconciliation

(In millions, except per share amounts)

**Income From Operations**  
**Net Income**  
**Net Income Per Share**

	Three Months Ended December 31,					
	2022			2021		
	Income From Operations	Net Income <sup>(1)</sup>	Net Income Per Share <sup>(1)</sup>	Income From Operations <sup>(1)</sup>	Net Income	Net Income Per Share
As reported	\$ 465.8	\$ 322.2	\$ 4.29	\$ 264.0	\$ 282.1	\$ 3.75
Restructuring expenses	1.7	1.6	0.02	7.9	5.5	0.07
Divestiture-related foreign currency translation release	—	11.4	0.15	—	—	—
Deferred income tax adjustment	—	—	—	—	(55.6)	(0.74)
As adjusted	<u>\$ 467.5</u>	<u>\$ 335.3</u>	<u>\$ 4.47</u>	<u>\$ 272.0</u>	<u>\$ 232.0</u>	<u>\$ 3.08</u>

# Non-GAAP To GAAP Reconciliation

(In millions, except per share amounts)

## Income From Operations

### Net Income

### Net Income Per Share

	Years Ended December 31,					
	2022			2021		
	Income From Operations	Net Income <sup>(1)</sup>	Net Income Per Share <sup>(1)</sup>	Income From Operations	Net Income	Net Income Per Share
As reported	\$ 1,265.4	\$ 889.6	\$ 11.87	\$ 1,001.4	\$ 897.0	\$ 11.85
Impairment of Russian joint ventures	36.0	23.8	0.32	—	—	—
Restructuring expenses	6.1	4.8	0.06	15.3	11.8	0.16
Gain on full acquisition of IAS joint venture	—	(3.4)	(0.05)	—	—	—
Write-down of investment in Russian finance joint venture	—	4.8	0.06	—	—	—
Divestiture-related foreign currency translation release	—	11.4	0.15	—	—	—
Deferred income tax adjustment	—	—	—	—	(123.4)	(1.63)
As adjusted	<u>\$ 1,307.5</u>	<u>\$ 930.9</u>	<u>\$ 12.42</u>	<u>\$ 1,016.7</u>	<u>\$ 785.4</u>	<u>\$ 10.38</u>

# Non-GAAP To GAAP Reconciliation

(In millions, except per share amounts)

## Free Cash Flow Conversion

	<u>Projected Year Ended December 31, 2023</u>
Net cash provided by operating activities	\$1,125 to \$1,375
Less: capital expenditures	(~\$375)
Free cash flow	<u>\$750 to \$1,000</u>
Net income	~\$1 B
Free cash flow conversion	75% - 100%