



FOURTH QUARTER 2019

FINANCIAL AND OPERATIONAL RESULTS

FORWARD LOOKING STATEMENTS

Forward-looking statements in this presentation, including statements regarding demand, product development and capital expenditure 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, production levels, share repurchases, and our future revenue, price levels, earnings, cash flow, tax rates 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, interruptions in supply of parts and products, 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, 2018 and subsequent form 10-Q filings. AGCO disclaims any obligation to update any forward-looking statements except as required by law.

FINANCIAL SUMMARY

\$M**










Reported	Q4 19	Q4 19 v Q4 18	YTD 19	YTD 19 v YTD 18
Net Sales	\$2,513.6	(3.0)%	\$9,041.4	(3.3)%
Gross margin	20.4%	(35) bps	21.9%	+60 bps
Operating (loss) income	\$(49.8)	(131.3)%	\$348.1	(28.8)%
Operating margin	(2.0)%	(810) bps	3.9%	(140) bps
Diluted EPS	\$(1.17)	\$(2.43)	\$1.63	\$(1.95)
Adjusted	Q4 19	Q4 19 v Q4 18	YTD 19	YTD 19 v YTD 18
Adj. Operating income*	\$132.8	(17.5)%	\$533.7	+6.5%
Adj. Operating margin*	5.3%	(90) bps	5.9%	+55 bps
Diluted Adjusted EPS*	\$0.94	\$(0.37)	\$4.44	+\$0.55

* Reflects adjusted results. Please see reconciliations provided in the appendix to this presentation. **Except per share amounts



INDUSTRY OVERVIEW

December 2019 Year-to-Date Retail Units

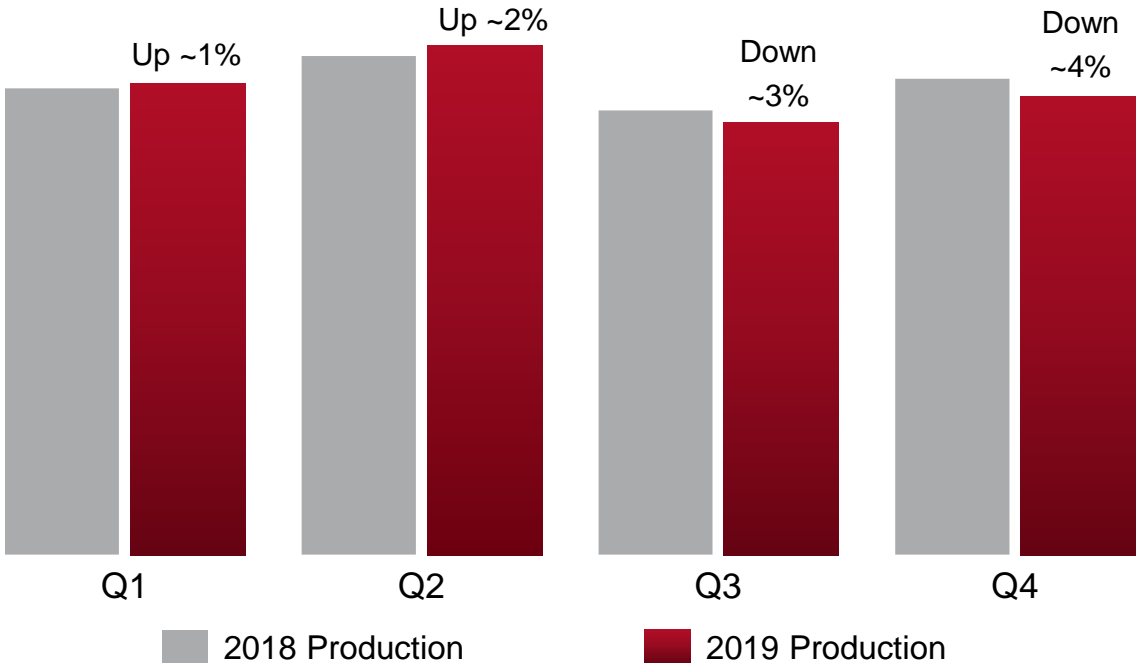
North America		2019 vs. 2018	
	 Tractors	• Industry	(1)%*
	 Combines	• Industry	(6)%
Western Europe		2019 vs. 2018	
	 Tractors	• Industry	(2)%**
	 Combines	• Industry	(18)%
South America		2019 vs. 2018	
	 Tractors	• Industry	(16)%
	 Combines	• Industry	(5)%

* Excludes compact tractors

** Based on Company estimates

2019 PRODUCTION

AGCO Production Hours



- Q4 19 production down ~4% vs. Q4 18
- Full year 2019 production down approximately 2% vs. 2018



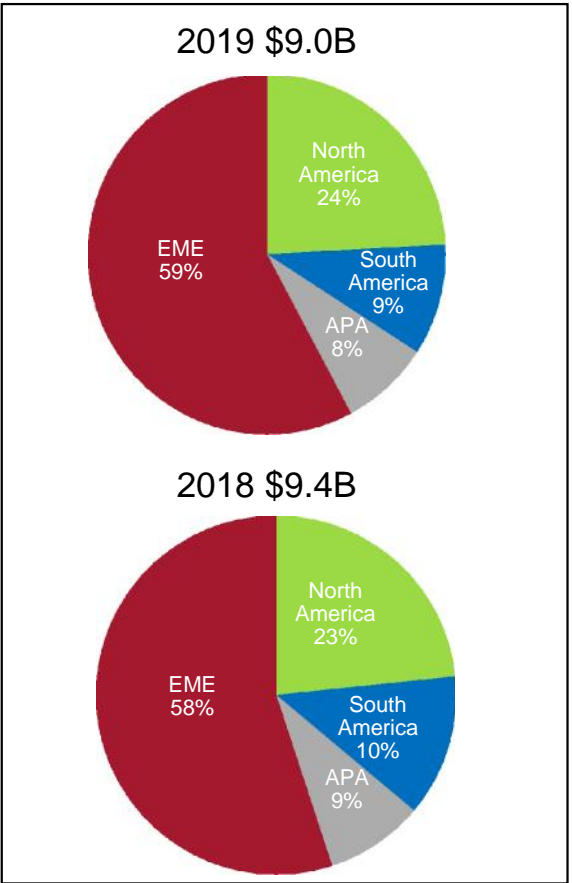
FOURTH QUARTER SUMMARY

Per Share Amounts

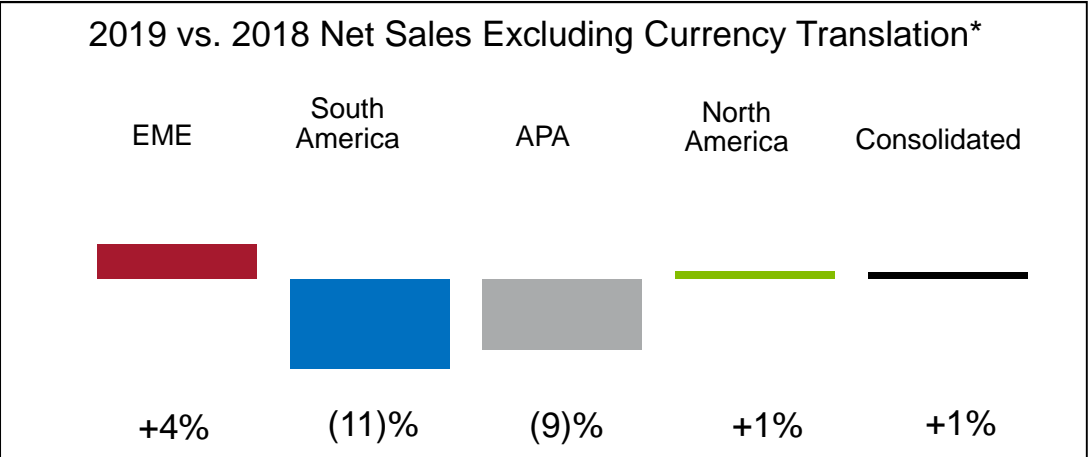
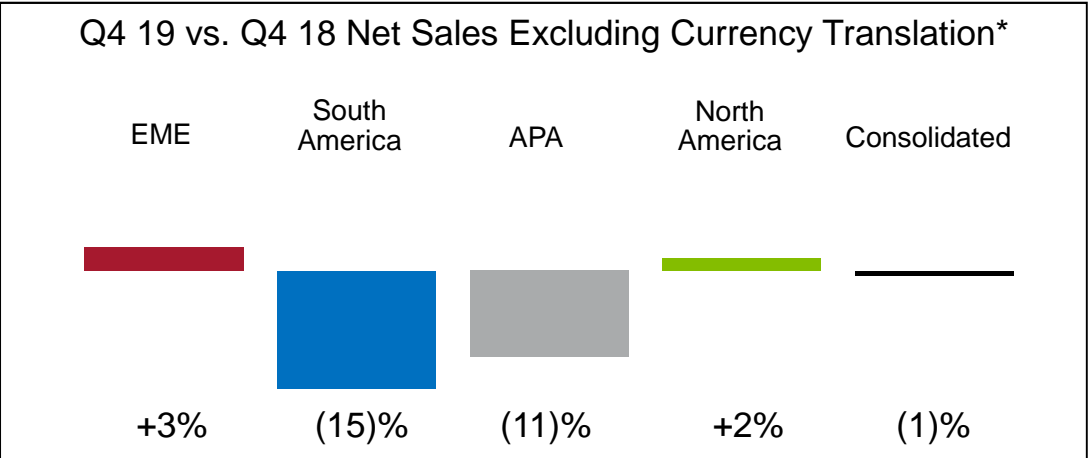
	Q4 19
Reported Diluted EPS	\$(1.17)
Goodwill and other intangible impairment charges	\$2.33
Restructuring expenses	\$0.08
Swiss tax reform	\$(0.29)
Weighed average shares impact	\$(0.01)
Adjusted Diluted EPS	\$0.94
Included in Adjusted Diluted EPS:	
Warranty expense increase vs Q4 18	~\$(0.20)
Grain & Protein brand/product rationalizations	~\$(0.07)
Sales and margin impact of Q4 market decline	~\$(0.25)
Higher effective tax rate	~\$(0.15)

* Reflects adjusted results. Please see reconciliations provided in the appendix to this presentation.

Regional Net Sales Results

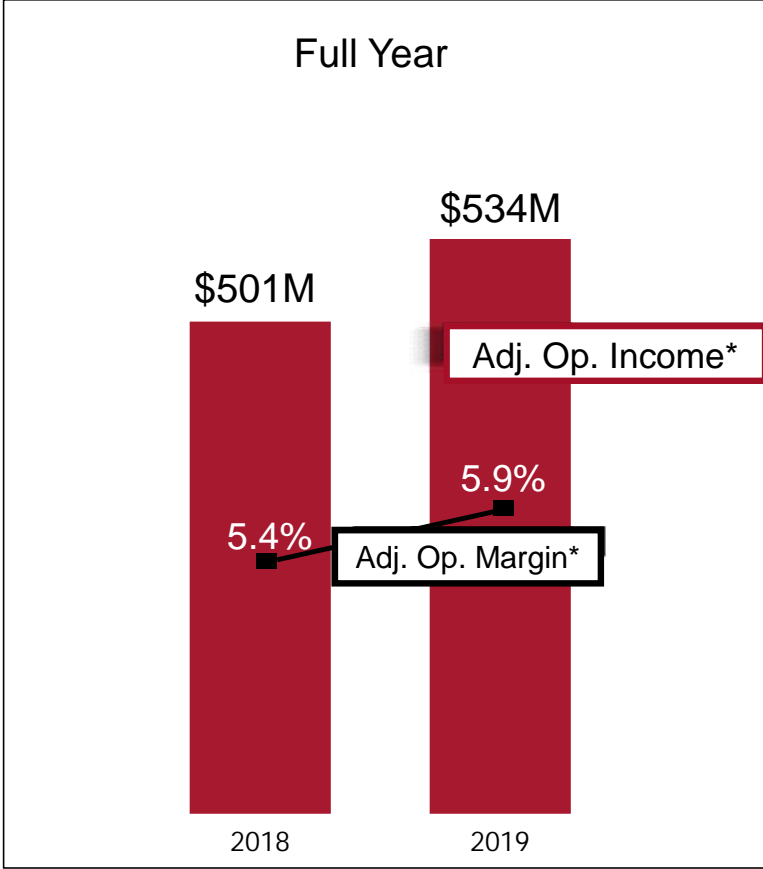
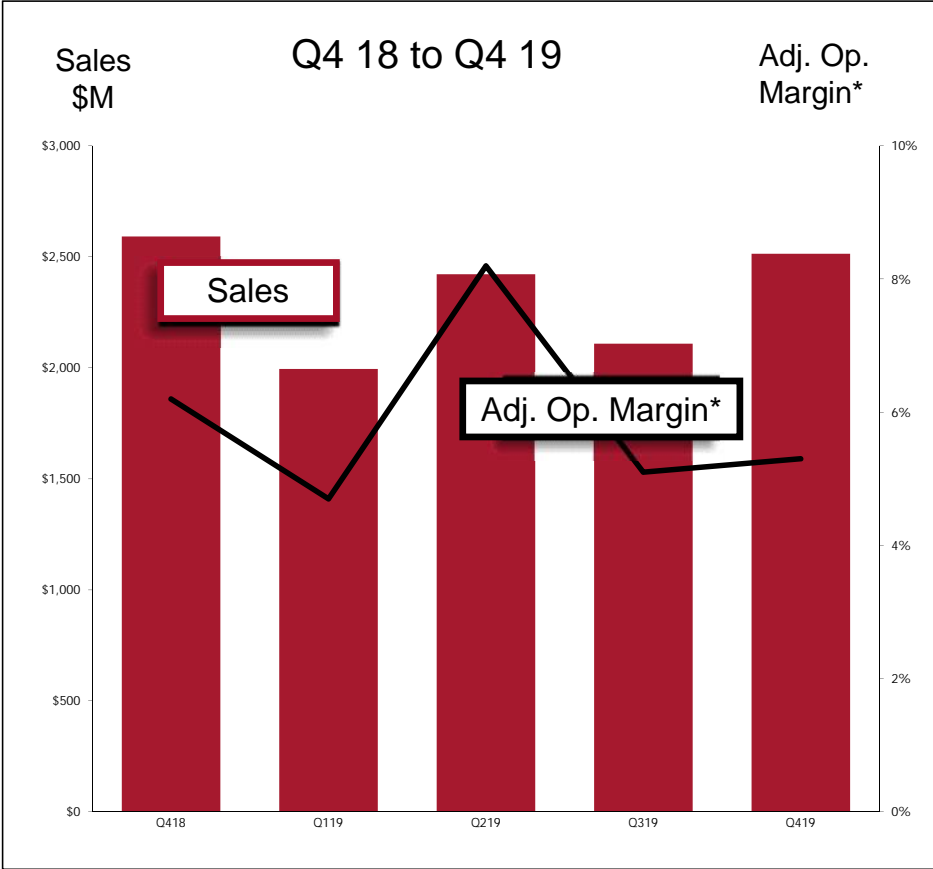


EME – Europe/Middle East APA – Asia/Pacific/Africa



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

NET SALES, OPERATING INCOME AND OPERATING MARGINS

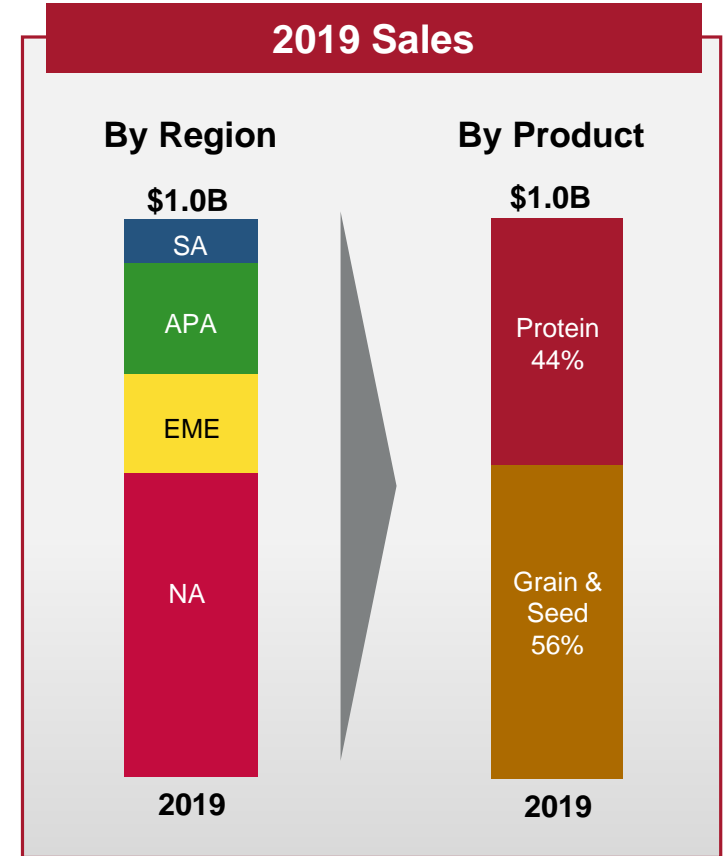


* Reflects adjusted results, which exclude restructuring expenses and impairment charges. Please see reconciliations provided in the appendix to this presentation.

GRAIN AND PROTEIN RESULTS

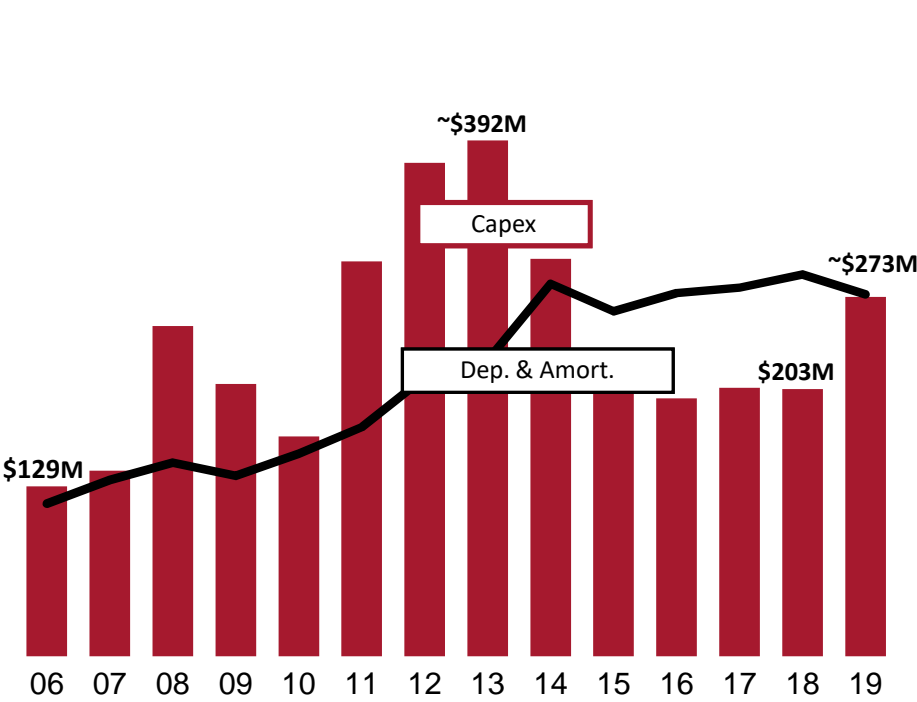


- ▶ 2019 sales decreased 5% vs 2018 on a constant currency basis
 - Decline in sales of protein production equipment of 10%
 - Growth in sales of grain and seed equipment of 1%
- ▶ Longer term:
 - Macro trends driving growth in demand for grain storage and protein production
 - Increases exposure to counter-cyclical protein sector

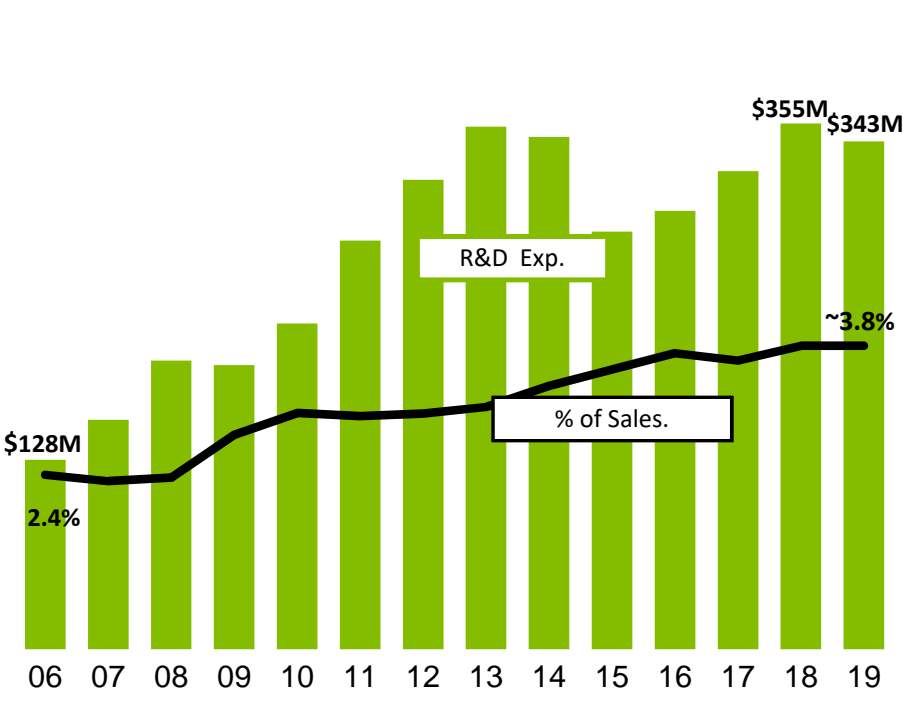


INVESTING FOR GROWTH

CAPEX

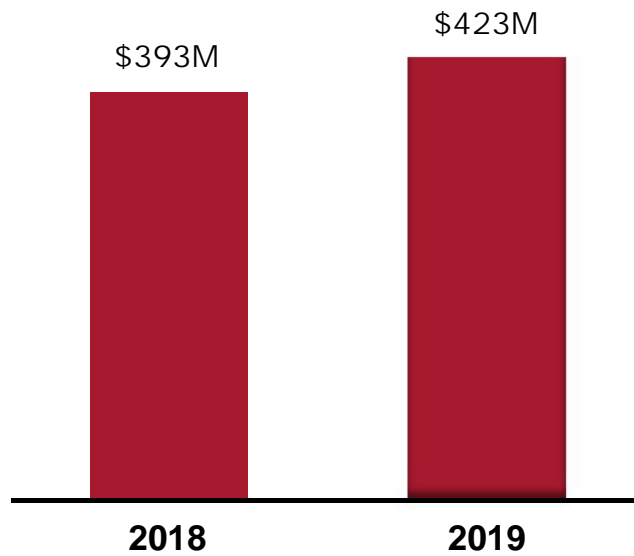


Engineering Expenses



FREE CASH FLOW*

Full-Year Free Cash Flow



\$423M of FCF in 2019

Targeting another year of strong FCF in 2020

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

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

RETURNING CASH TO SHAREHOLDERS

**Cash to be
Returned to
Shareholders**

Dividends

- ▶ Initiated in 2013
- ▶ Ambition to grow

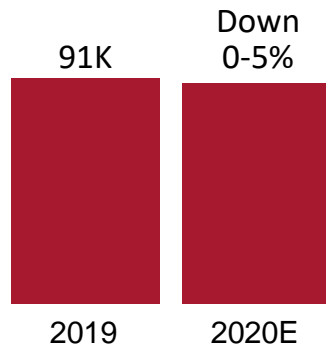
Share Repurchases

- ▶ Completed over \$1.3B in last 7+ years
- ▶ ~\$130M completed during 2019
- ▶ New \$300M authorization

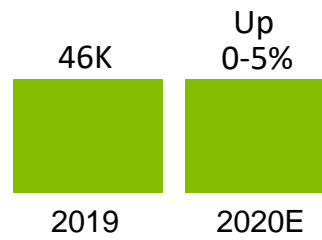
2020 MARKET OUTLOOK

Regional Market Outlook – Industry Unit Retail Tractor Sales

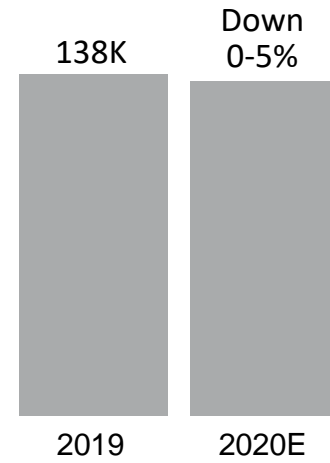
N. America*



S. America



Western Europe




*Excludes compact tractors

2020 ASSUMPTIONS: SUMMARY

- 2020 sales vs. 2019
 - Modestly lower end-market demand
 - Pricing + ~2%
 - Market share gains
- Engineering expense **~3.9% of sales**
- Operating margin **Improved vs 2019**
- Effective tax rate **~33%**



2020 OUTLOOK



	2020 Estimates
Sales	~\$9.2B
EPS	\$5.00 to \$5.20
CAPEX	~Flat vs 2019
Free Cash Flow*	\$325M to \$350M

- See reconciliation to GAAP metrics in the appendix of this presentation.
- Note: Free cash flow is defined as net cash provided by operating activities less capital expenditures.

APPENDIX



NON-GAAP TO GAAP RECONCILIATION

Free Cash Flow

\$M

	2020E	2019	2018
Net cash provided by operating activities	\$600 to \$625	\$ 695.9	\$ 595.9
Less: capital expenditures	\$ (275)	\$ (273.4)	\$ (203.3)
Free cash flow	<u>\$325 to \$350</u>	<u>\$ 422.5</u>	<u>\$ 392.6</u>

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

RECONCILIATION OF CURRENCY TRANSLATION IMPACTS TO NET SALES

Net Sales

\$M

	Three Months Ended December 31,			Change due to currency translation	
	2019	2018	% change from 2018	\$	%
North America	\$ 540.5	\$ 531.2	1.8 %	\$ 0.6	0.1 %
South America	220.9	276.2	(20.0)%	(14.9)	(5.4)%
Europe/Middle East	1,515.3	1,511.7	0.2 %	(41.1)	(2.7)%
Asia/Pacific/Africa	236.9	273.1	(13.3)%	(6.8)	(2.5)%
	<u>\$ 2,513.6</u>	<u>\$ 2,592.2</u>	<u>(3.0)%</u>	<u>\$ (62.2)</u>	<u>(2.4)%</u>

	Years Ended December 31,			Change due to currency translation	
	2019	2018	% change from 2018	\$	%
North America	\$ 2,191.8	\$ 2,180.1	0.5 %	\$ (8.5)	(0.4)%
South America	802.2	959.0	(16.4)%	(49.9)	(5.2)%
Europe/Middle East	5,328.8	5,385.1	(1.0)%	(295.0)	(5.5)%
Asia/Pacific/Africa	718.6	827.8	(13.2)%	(35.8)	(4.3)%
	<u>\$ 9,041.4</u>	<u>\$ 9,352.0</u>	<u>(3.3)%</u>	<u>\$ (389.2)</u>	<u>(4.2)%</u>

NON-GAAP TO GAAP RECONCILIATION

(In millions, except per share amounts)

	Three Months Ended December 31,					
	2019			2018		
	Income From Operations	Net Income ⁽¹⁾	Net Income Per Share	Income From Operations	Net Income	Net Income Per Share ⁽¹⁾
As reported	\$ (49.8)	\$ (88.3)	\$ (1.17)	\$ 159.1	\$ 98.7	\$ 1.26
Impairment charges	176.6	176.6	2.33	—	—	—
Restructuring expenses	6.0	5.8	0.08	1.9	1.4	0.02
Swiss tax reform	—	(21.8)	(0.29)	—	—	—
Extinguishment of debt	—	—	—	—	11.7	0.15
U.S. tax reform	—	—	—	—	(8.5)	(0.11)
Weighted average share impact	—	—	(0.01)	—	—	—
As adjusted	\$ 132.8	\$ 72.2	\$ 0.94	\$ 161.0	\$ 103.3	\$ 1.31

⁽¹⁾ Rounding may impact summation of amounts

NON-GAAP TO GAAP RECONCILIATION

(In millions, except per share amounts)

	Years Ended December 31,					
	2019			2018		
	Income From Operations	Net Income ⁽¹⁾	Net Income Per Share ⁽¹⁾	Income From Operations	Net Income ⁽¹⁾	Net Income Per Share
As reported	\$ 348.1	\$ 125.2	\$ 1.63	\$ 489.0	\$ 285.5	\$ 3.58
Impairment charges	176.6	176.6	2.29	—	—	—
Deferred income tax adjustment	—	53.7	0.70	—	—	—
Restructuring expenses	9.0	8.3	0.11	12.0	8.7	0.11
Swiss tax reform	—	(21.8)	(0.28)	—	—	—
Extinguishment of debt	—	—	—	—	24.4	0.31
U.S. tax reform	—	—	—	—	(8.5)	(0.11)
As adjusted	<u>\$ 533.7</u>	<u>\$ 341.9</u>	<u>\$ 4.44</u>	<u>\$ 501.0</u>	<u>\$ 310.2</u>	<u>\$ 3.89</u>

⁽¹⁾ Rounding may impact summation of amounts