

# FIRST QUARTER 2024

Financial and Operational Results



May 2, 2024





# 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, crop production and farm income, production levels, price levels, margins, earnings, operating income, cash flow, engineering expense, 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 any resurgence in COVID-19, 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, difficulties in integrating the PTx Trimble businesses in a manner that produces the expected financial results, reactions by customers and competitors to the transaction, including the rate at which PTx Trimble's largest OEM customer reduces purchases of PTx Trimble equipment and the rate of replacement by the Joint Venture of those sales, 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, 2023 and subsequent Form 10-Q filings. AGCO disclaims any obligation to update any forward-looking statements except as required by law.

# FINANCIAL SUMMARY

\$M\*\*\*



<b>REPORTED</b>	<b>Q1 24</b>	<b>Q1 24 vs. Q1 23</b>
<b>NET SALES</b>	\$2,928.7	(12.1)%
<b>GROSS MARGIN</b>	26.3%	70bps
<b>OPERATING INCOME</b>	\$273.6	(29.4)%
<b>OPERATING MARGIN</b>	9.3%	(230)bps
<b>DILUTED EPS</b>	\$2.25	\$(0.85)



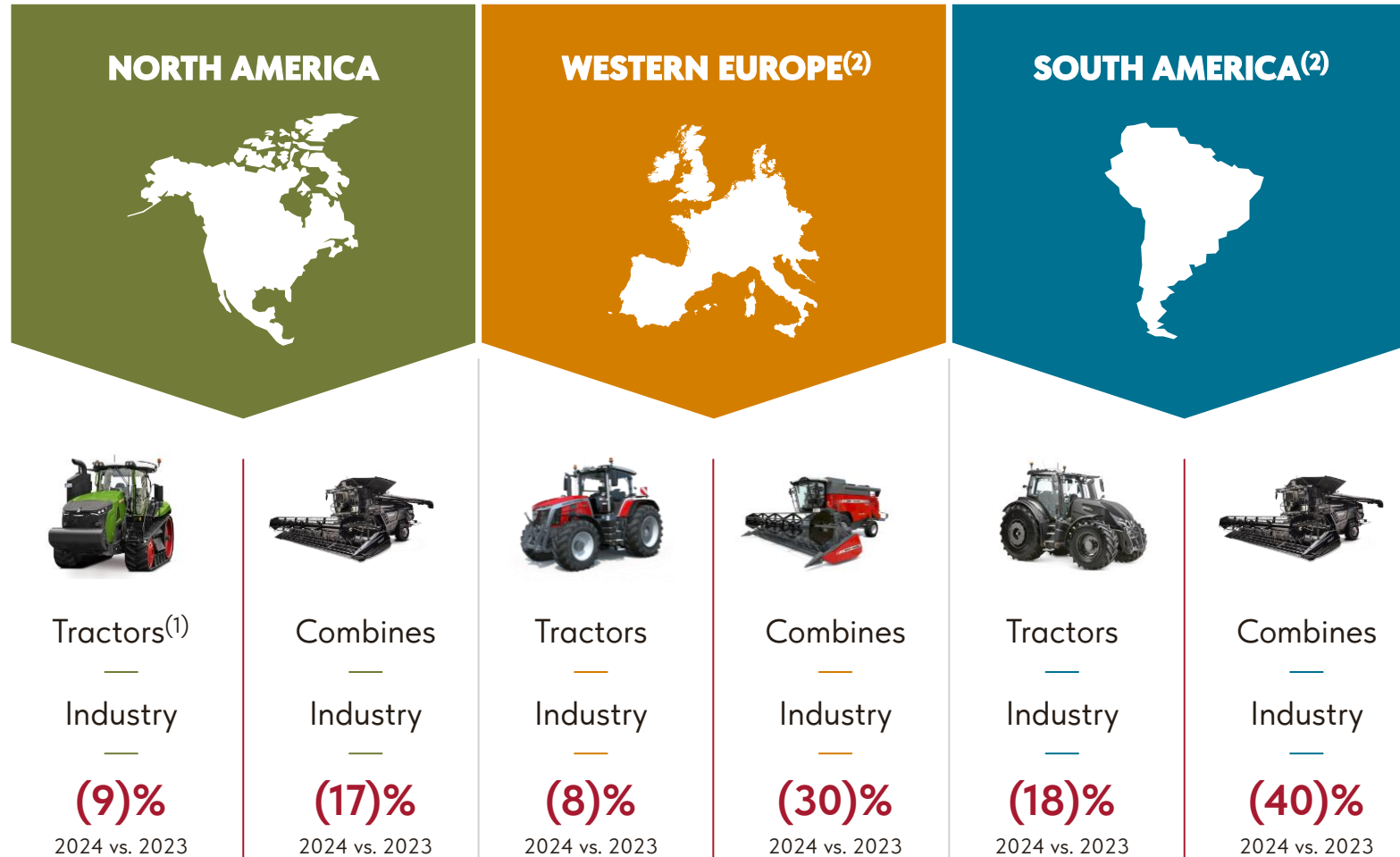
<b>ADJUSTED</b>	<b>Q1 24</b>	<b>Q1 24 vs. Q1 23</b>
<b>ADJ. OPERATING INCOME*</b>	\$280.8	(27.8)%
<b>ADJ. OPERATING MARGIN*</b>	9.6%	(210)bps
<b>DILUTED ADJUSTED EPS*</b>	\$2.32	\$(1.19)

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

\*\*Except per share amounts

# INDUSTRY OVERVIEW

March 2024 Year-to-Date Retail Units



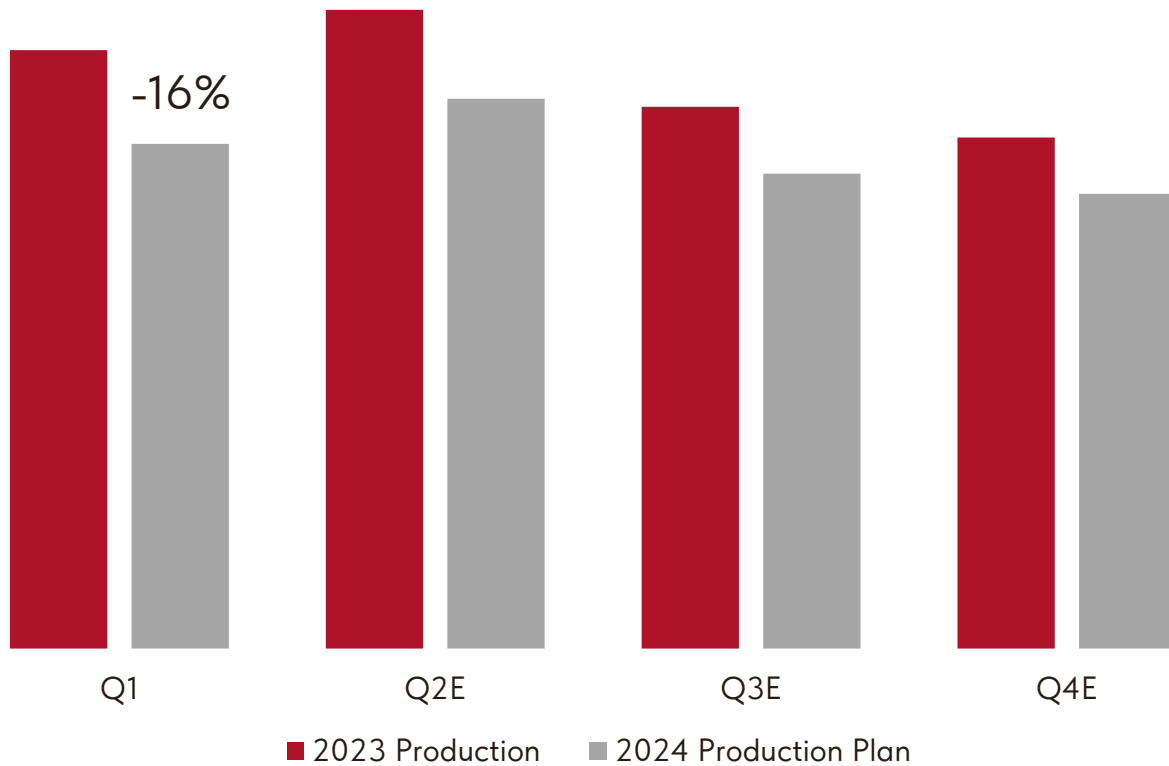
(1) Excludes compact tractors

(2) Amounts based on Company estimates



# PRODUCTION

AGCO Production Hours

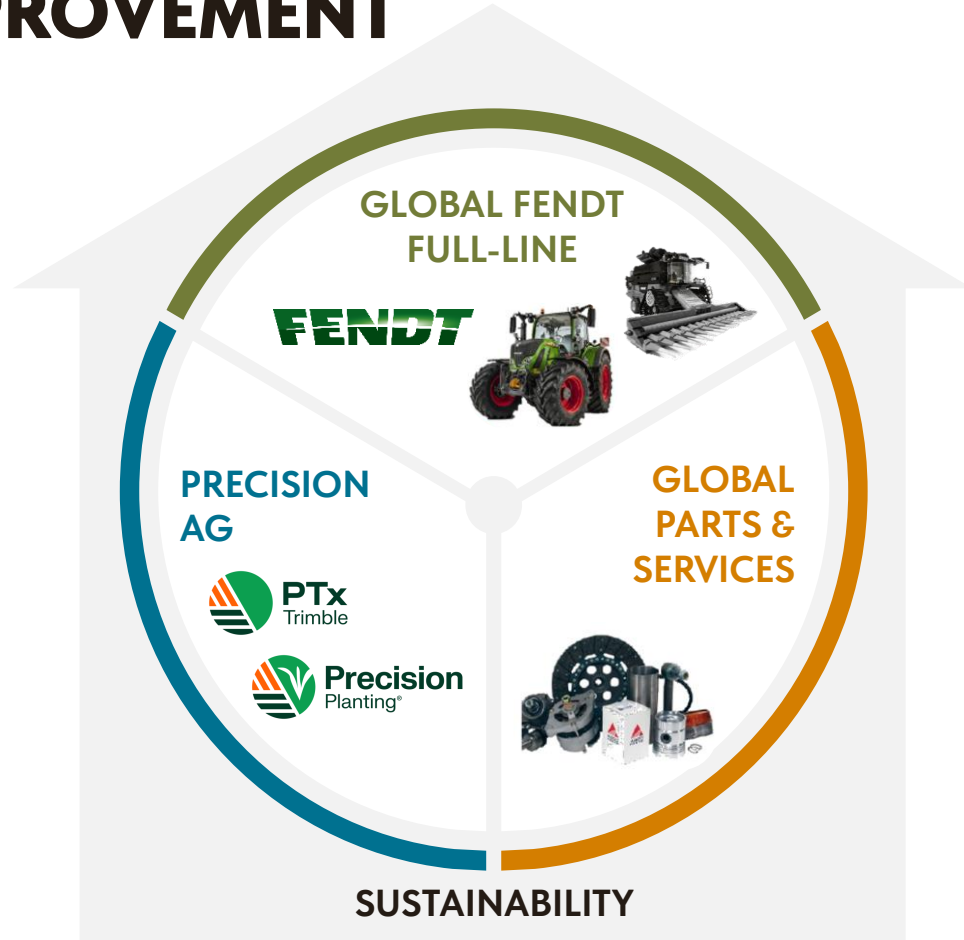


Q1 2024 Production  
**DOWN ~16%** vs. 2023



Projected Full-Year 2024  
Production  
**DOWN 12% - 15%** vs.  
2023

# 3 GROWTH LEVERS WILL DRIVE VOLUME AND MARGIN IMPROVEMENT



**12% ADJUSTED OPERATING MARGIN AT MIDCYCLE BY YEAR 2026<sup>(1)</sup>**



**4% - 5% ABOVE INDUSTRY VOLUME GROWTH**



**75% - 100% ANNUAL FREE CASH FLOW CONVERSION<sup>(2)</sup>**

- (1) Adjusted operating margins are adjusted to midcycle based on a comparison of the current agricultural equipment industry sales to the industry's 10-year historical average. If industry sales are above the 10-year average, margins are normalized down to midcycle using a best-fit line equation. Conversely, in years with sales below the 10-year average, margins are normalized up to midcycle using the same equation. This approach aims to align operating margins with historical patterns, considering the cyclicality of the industry.
- (2) Free Cash Flow is a non-GAAP measure and is defined as net cash (used in) provided by operating activities less purchases of property, plant and equipment. Free Cash Flow Conversion is a non-GAAP term defined as (Cash Flow from Operations less purchases of property, plant and equipment) / Adjusted Net Income. See reconciliations provided in the appendix to this presentation.



P

Precision  
agriculture

T

Advanced  
technologies

X

Multiplication

We're increasing the impact we create by bringing our technologies and solutions together in seamless, intelligent and farmer-centric ways.

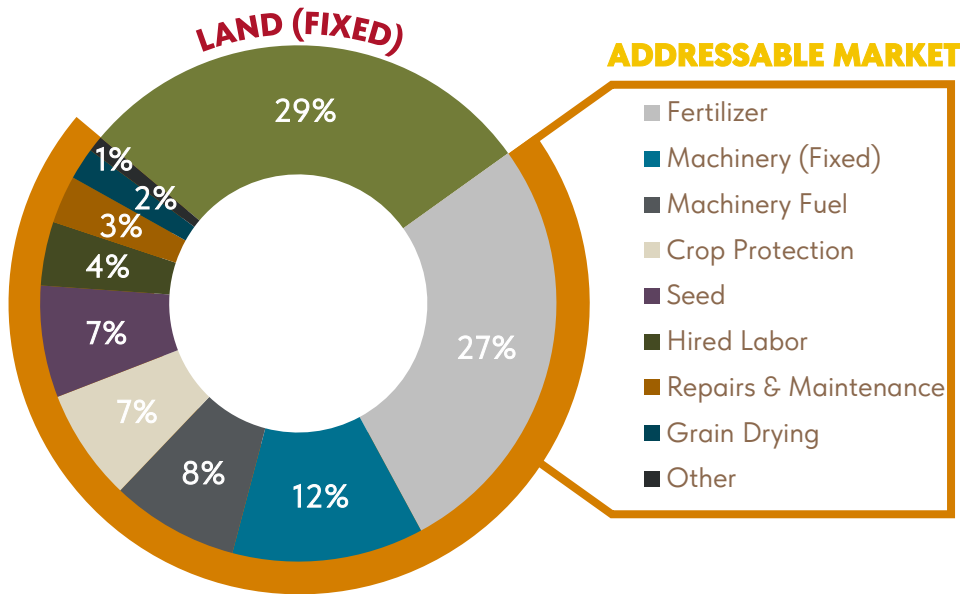
# BUILDING THE PTx BRAND





# PRECISION AG BUSINESS

## EXPANDING TOTAL ADDRESSABLE MARKET



## EXPANDING BEYOND MACHINERY

## GROWING TECHNOLOGY STACK

### PTx Trimble

Mixed Fleet  
Leader

Global  
Distribution

Technology  
Across  
the Crop Cycle

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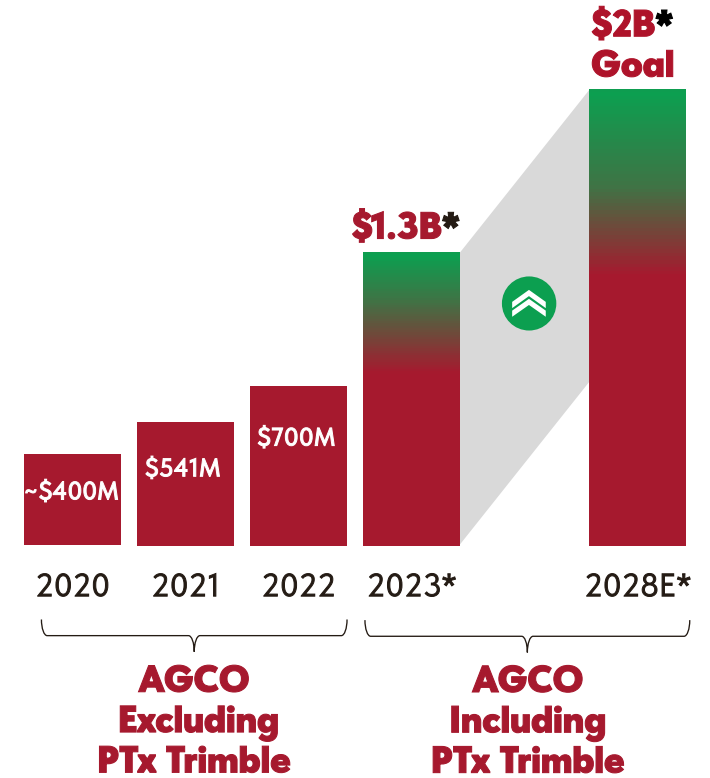
### Precision Planting®

Innovation  
Across All  
Makes

Global  
Retrofit  
Channel

Solutions for  
Every  
Season

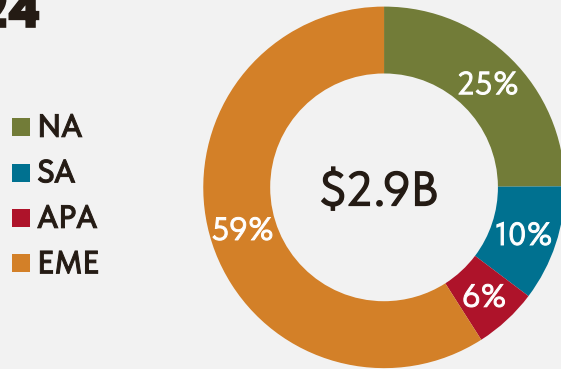
## DRIVING HIGH MARGIN REVENUE



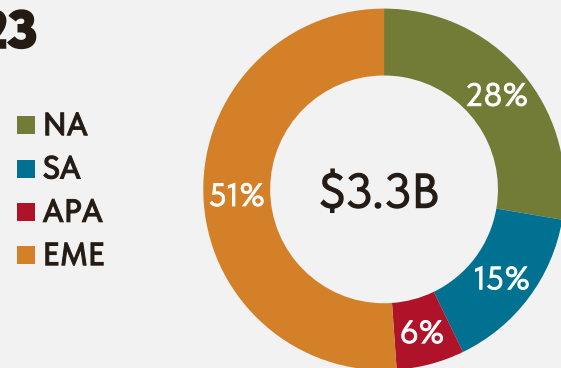
\*Revenue estimate includes pro forma impact of AGCO + PTx Trimble

# REGIONAL NET SALES RESULTS

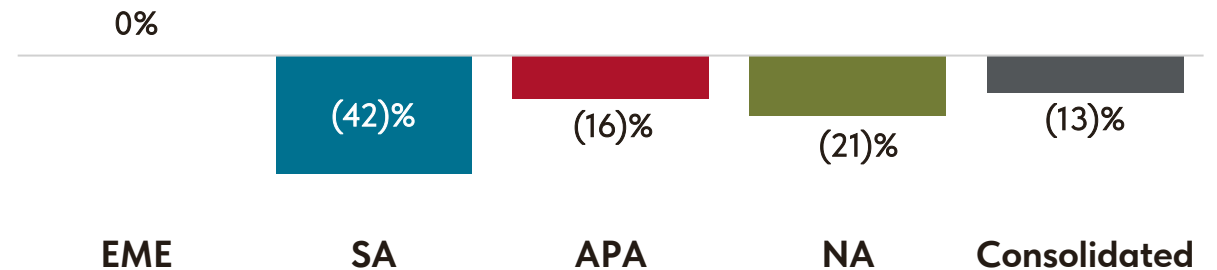
## Q1 2024



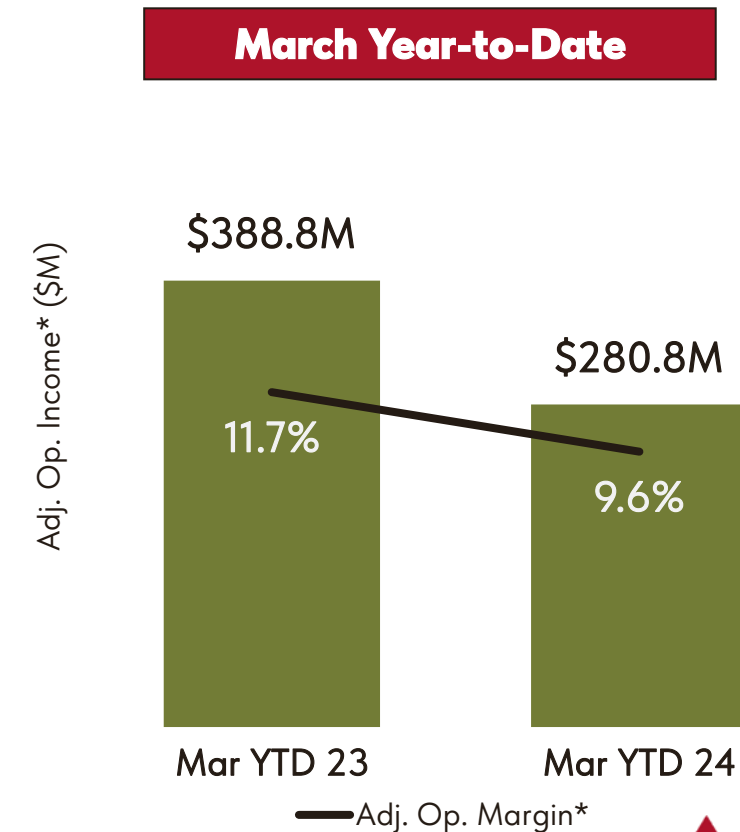
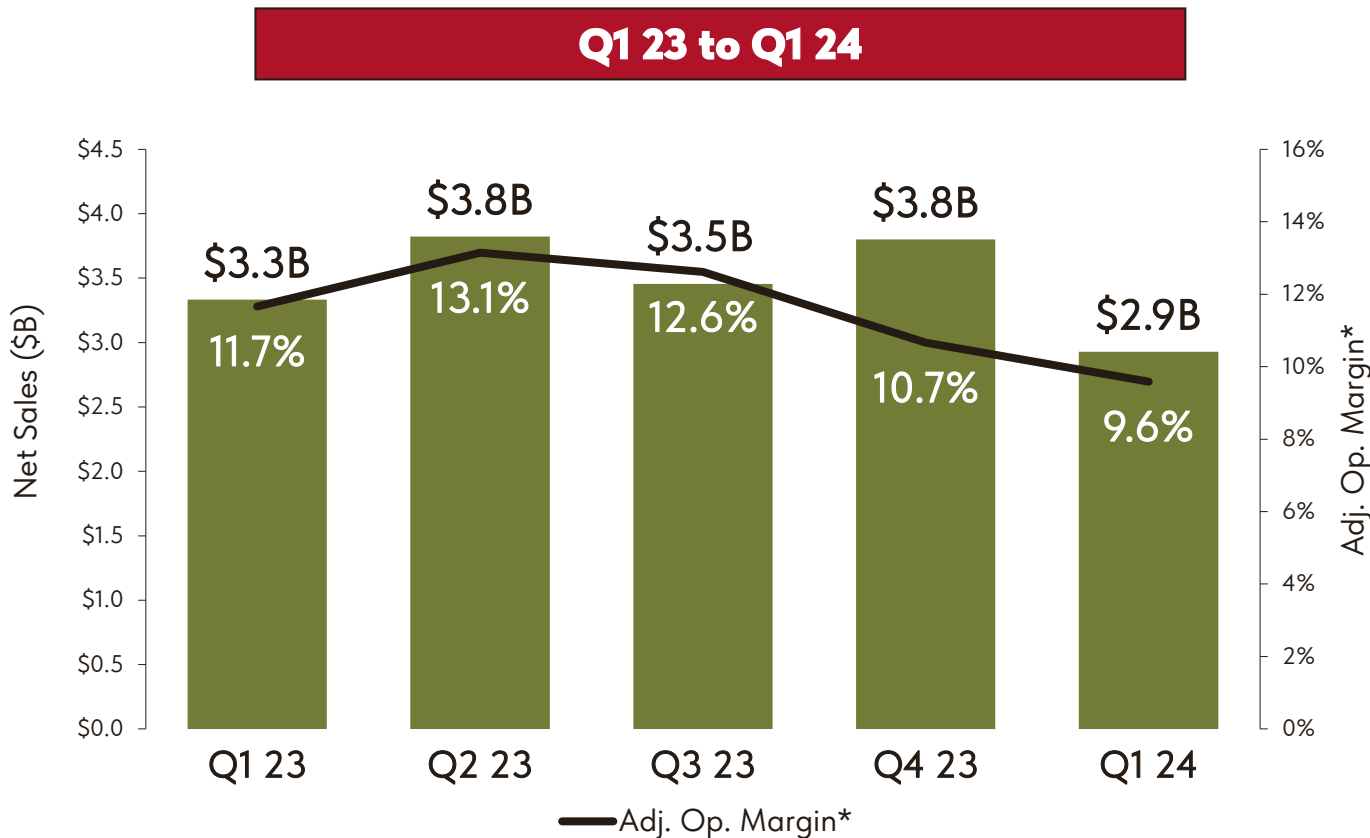
## Q1 2023



## Q1 24 vs. Q1 23 Net Sales Excluding Currency Translation\*



# NET SALES, ADJUSTED OPERATING INCOME AND ADJUSTED OPERATING MARGINS



# FREE CASH FLOW\*



## FIRST QUARTER SEASONALLY WEAKEST

- Used \$465 million in Q1 2024, \$217 million less than Q1 2023
- Normal seasonal working capital build
- Second half of year is strongest for cash flow generation



Targeting **75% - 100%** Free Cash Flow Conversion\*



## ENHANCED SHAREHOLDER RETURNS

- Special Variable Dividend of \$2.50 per share to be paid in Q2 2024
- Quarterly Dividend of \$0.29 per share

Note: Free Cash Flow is a non-GAAP measure and is defined as net cash (used in) provided by operating activities less purchases of property, plant and equipment. Free Cash Flow Conversion is a non-GAAP term defined as (Cash Flow from Operations less purchases of property, plant and equipment) / Adjusted Net Income

\* See reconciliations provided in the appendix to this presentation.

## Q1 FREE CASH FLOW



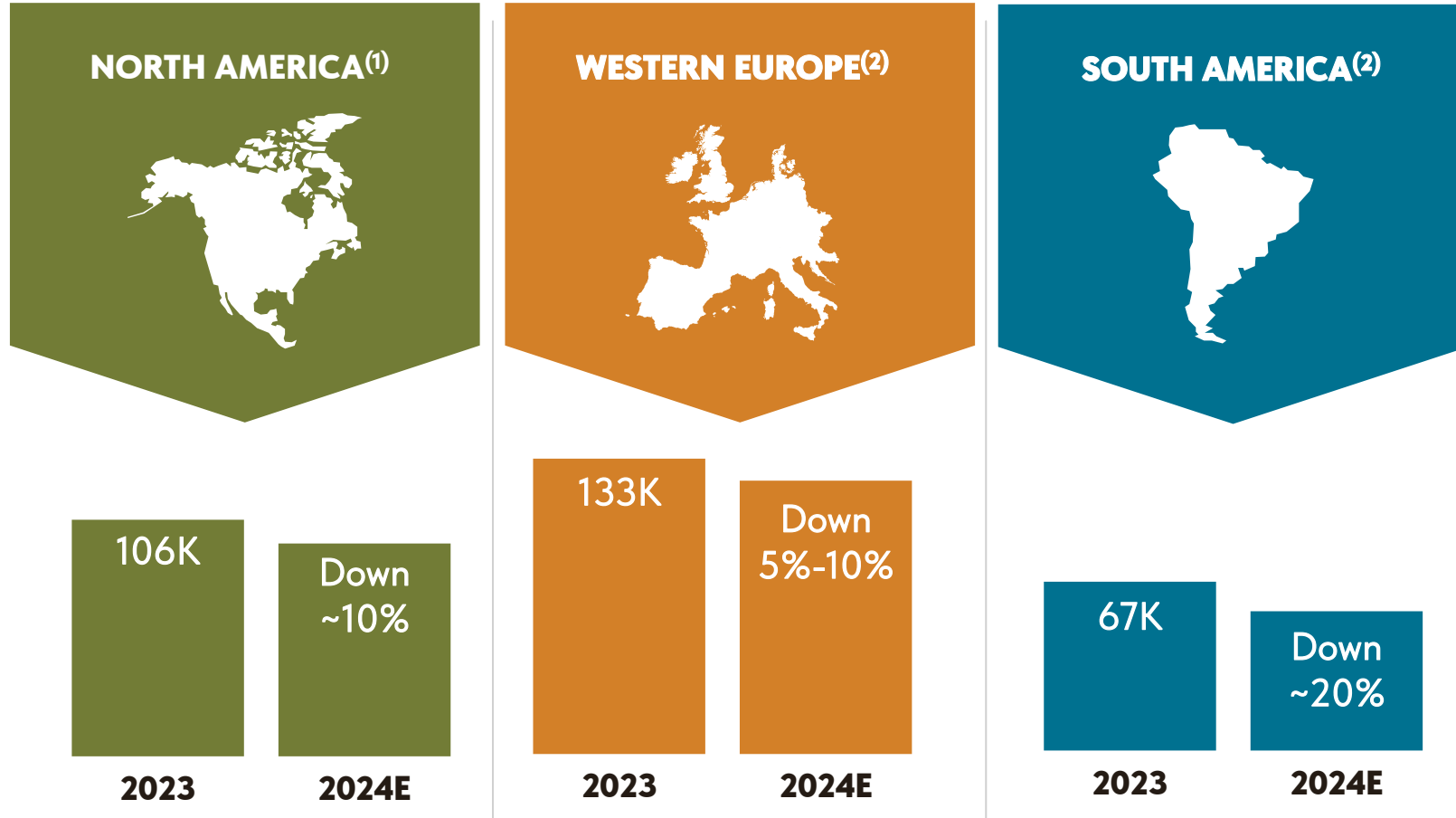
## FULL YEAR FREE CASH FLOW OUTLOOK





# 2024 MARKET OUTLOOK

Regional Market Outlook – Industry Unit Retail Tractor Sales



(1) Excludes compact tractors

(2) Amounts based on Company estimates

# 2024 OUTLOOK CHANGES VERSUS FEBRUARY 6, 2024

In Billions, Except Percentages and Per Share Amounts

	AGCO Excluding PTx Trimble Impacts				PTx Trimble Impacts		
	Outlook Feb. 6, 2024	Industry, Currency, & Other <sup>(1)</sup>	Tax Rate	Subtotal	Interest Expense	PTx Trimble <sup>(2)</sup>	Outlook May 2, 2024
Net Sales	~\$13.6	\$(0.4)		\$13.2		\$300+ Million	~\$13.5
Adjusted Operating Margin <sup>(3)</sup>	~11.0%			11.0%		High 20%	~11.3%
Adjusted EPS <sup>(3)</sup>	~\$13.15	\$(0.71)	\$(0.29)	\$12.15	\$(0.83)	~\$0.70	~\$12.00

(1) Includes impacts of currency translation related to the Euro, weakening South American industry, Turkish Lira devaluation and pricing assumption changes

(2) Reflects 9 months of estimated PTx Trimble Results and excludes all intercompany sales to AGCO

(3) Adjusted operating margin and adjusted earnings per share exclude amortization of acquired PTx Trimble intangible assets



# 2024 KEY ASSUMPTIONS:

## 2024 SALES vs. 2023

- ↓ Softening Demand
- ↓ 1% Adverse Foreign Currency Impact
- ↑ Pricing ~1.0%
- ↑ Market Share Gains

## ENGINEERING EXPENSE

Up ~3% vs. 2023

## ADJUSTED OPERATING MARGIN

~11.3%

## EFFECTIVE TAX RATE

~28% - 29%

# 2024 OUTLOOK INCLUSIVE OF PTx TRIMBLE

**~\$13.5B**  
Net Sales

**~\$12.00**  
Adjusted Earnings  
Per Share

**~\$475M**  
Capex

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





# APPENDIX

# GRAIN & PROTEIN RESULTS

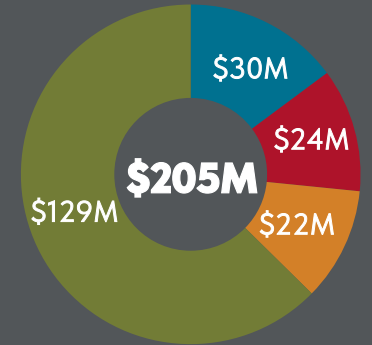
Grain / Seed / Protein Production Equipment



## MARCH YTD 2024 SALES

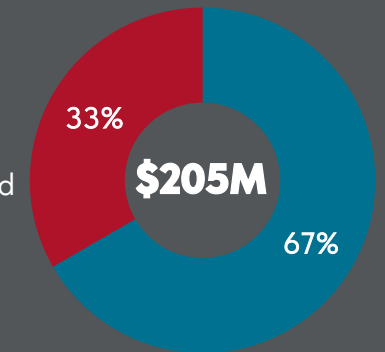
### BY REGION

- SA
- APA
- EME
- NA



### BY PRODUCT

- Grain & Seed
- Protein



### MARCH 2024 YTD NET SALES DECREASED ~20% vs. MARCH 2023

Decrease in Sales of Grain and Seed Equipment of ~19%

Decrease in Sales of Protein Production Equipment of ~21%



### LONGER TERM:

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

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

# NON-GAAP TO GAAP RECONCILIATION

In Millions

## FREE CASH FLOW

	Three Months Ended March 31,	
	2024	2023
Net cash (used in) operating activities	\$ (370.0)	\$ (557.1)
Less: purchases of property, plant and equipment	(95.0)	(125.3)
Free Cash Flow	<u>\$ (465.0)</u>	<u>\$ (682.4)</u>

# NON-GAAP TO GAAP RECONCILIATION

In Millions, Except Percentages

## NET SALES

	Three Months Ended March 31,			Change due to currency translation	
	2024	2023	% change from 2023	\$	%
North America	\$ 729.6	\$ 923.1	(21.0)%	\$ 3.1	0.3 %
South America	303.4	503.8	(39.8)%	11.4	2.3 %
Europe/Middle East	1,729.0	1,703.8	1.5 %	23.8	1.4 %
Asia/Pacific/Africa	166.7	202.8	(17.8)%	(4.6)	(2.3)%
	<u>\$ 2,928.7</u>	<u>\$ 3,333.5</u>	<u>(12.1)%</u>	<u>\$ 33.7</u>	<u>1.0 %</u>



# NON-GAAP TO GAAP RECONCILIATION

In Millions, Except Per Share Amounts

## INCOME FROM OPERATIONS NET INCOME NET INCOME PER SHARE

	Three Months Ended March 31,					
	2024			2023		
	Income From Operations	Net Income <sup>(1)</sup>	Net Income Per Share <sup>(1)</sup>	Income From Operations <sup>(2)</sup>	Net Income <sup>(1)(2)</sup>	Net Income Per Share <sup>(1)(2)</sup>
As reported	\$ 273.6	\$ 168.0	\$ 2.25	\$ 387.3	\$ 232.6	\$ 3.10
Restructuring expenses	1.0	0.7	0.01	1.4	0.9	0.01
Transaction-related costs	6.2	4.6	0.06	—	—	—
Brazilian tax amnesty program	—	—	—	—	29.5	0.39
As adjusted	\$ 280.8	\$ 173.3	\$ 2.32	\$ 388.8	\$ 263.1	\$ 3.51

# NON-GAAP TO GAAP RECONCILIATION

In Millions, Except Percentages

## OPERATING MARGIN

	Three Months Ended March 31,	
	2024	2023
Net sales	\$ 2,928.7	\$ 3,333.5
Income from operations	273.6	387.3
Adjusted income from operations <sup>(1)</sup>	\$ 280.8	\$ 388.8
Operating margin <sup>(2)</sup>	9.3 %	11.6 %
Adjusted operating margin <sup>(2)</sup>	9.6 %	11.7 %

(1) Refer to the previous table for the reconciliation of income from operations to adjusted income from operations.

(2) Operating margin is defined as the ratio of income from operations divided by net sales. Adjusted operating margin is defined as the ratio of adjusted income from operations divided by net sales.

# NON-GAAP TO GAAP RECONCILIATION

In Millions, Except Percentages

## FREE CASH FLOW CONVERSION

	Projected Year Ended December 31, 2024
Net cash provided by (used in) operating activities	\$1,150 to \$1,375
Less: capital expenditures	(~\$475)
Free Cash Flow	<u>\$675 to \$900</u>
Adj Net Income	~\$900
Free Cash Flow Conversion	75% to 100%

Note: Free Cash Flow is a non-GAAP measure and is defined as net cash (used in) provided by operating activities less purchases of property, plant and equipment. Free Cash Flow Conversion is a non-GAAP term defined as (Cash Flow from Operations less purchases of property, plant and equipment) / Adjusted Net Income