

# GSI Acquisition

October 3, 2011

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# Forward Looking Statements



Statements that are not historical facts, including statements regarding the proposed transaction between AGCO and GSI Holdings (GSI), the expected timetable for completing the transaction, the growth prospects in GSI's served markets, GSI's industry positioning and advantages, future financial and operating results, anticipated benefits and synergies of the transaction, future opportunities for the combined businesses, the anticipated impact of the acquisition on AGCO's earnings per share and other statements, are forward-looking and subject to risks that could cause actual results to differ materially from those suggested by the statements as a result of governmental action, challenges with business integration and the factors that impact GSI product sales generally. Further information concerning these and other factors is included in AGCO's filings with the Securities and Exchange Commission, including its Form 10-K for the year ended December 31, 2010. AGCO disclaims any obligation to update any forward-looking statements except as required by law.

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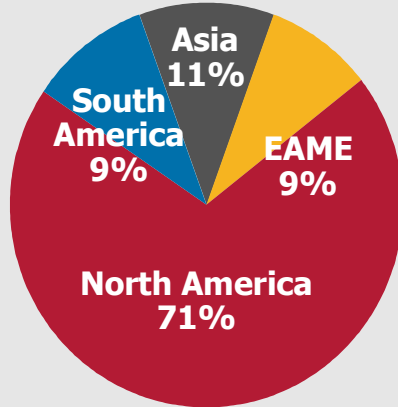
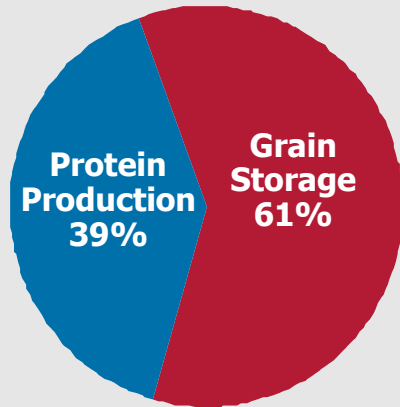


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# GSI Overview

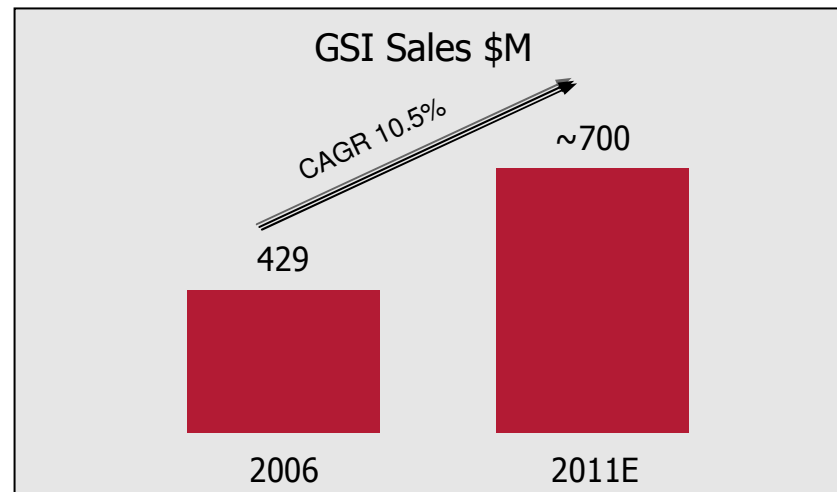


## 2011E Sales ~\$700M



- GSI is a leading global manufacturer of grain storage and protein production systems
- Leading brands / market positions in North and South America
- Privately held, based in Assumption, Illinois
- 2011E revenues over \$700M with operating margins of ~15%\*
- 2,400 Employees
- Over 500 independent dealers

\* Before intangible amortization



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# GSI End Market Fundamentals



## Global Food Demand

- Population and per capita GDP growth creating higher demand for protein
- Food security driving more local grain and protein production and storage

## Commodity Volatility

- Farmers investing in more on-farm storage to weather price volatility
- Grain processors increasing storage capacity to capture grain value

## Export Activities

- Increased protein demand drives consolidation of production in geographically advantaged regions
- Grain travels further and takes more steps before reaching final destination

## Farm & Producer Consolidation

- Trend toward larger scale grain and protein production operations
- Consolidated farms/protein producers can afford state-of-the art systems

## Technology Adoption

- Health standards, and global restaurant chains driving the need for safe, efficient protein production equipment

## Pent-up Demand

- Latent storage demand is still to be realized, domestically and internationally
- Protein margin pressure has deferred equipment capital investment cycle over the past three years – investment required to make up the gap

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# Acquisition Rationale



## Strong Business Model

- Leading market positions and brands in grain and protein systems
- Industry's strongest North American distribution network

## Synergies

- Manufacturing productivity and purchasing scale advantages
- Facilitate international growth

## Attractive Industry Fundamentals

- Similar market drivers to AGCO
- Pent-up demand for products, especially in emerging markets

## Common End-Market Focus

- Distribution synergies
- Development of integrated systems for farmers (seeding to storing)

## Improves AGCO Scale in NA

- Increased North America profitability base
- Accelerates use of \$400 million in accumulated U.S. NOLs

## Strong Earnings and FCF Contribution

- Immediately accretive to earnings and cash flow in year one
- GSI has historically converted ~90% of EBITDA to pre-tax FCF

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# Transaction Overview



## Purchase of GSI Holding Corp. (GSI)

<b>Purchase Price</b>	\$940 Million 7.8x 2011E EBITDA <sup>(1)</sup>
<b>Expected Close Date</b>	Q4 2011
<b>Financing</b>	100% Debt
- Committed financing from Rabobank	

(1) See reconciliation to GAAP metric in appendix

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# GSI Summary Financial Information



## 2011E Key Statistics

<b>Sales</b>	~ \$700 million
<b>Adjusted EBITDA (1)</b>	~ \$120 million
<b>Pre-Tax FCF (1)</b>	~ \$ 80 million(2)
<b>Pro Forma EPS Accretion</b>	~ \$0.30 per share

(1) See reconciliation to GAAP metric in appendix

(2) Included acquisition Interest cost

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# Products and Brands



## Segments

## Equipment

## Brands and Markets

Grain Storage

Grain Bins



Material Handling



Conditioning



- Storage
- Drying
- Material Handling



- Material Handling
- Accessories



- Drying



- Poultry



- Swine
- Dairy
- Horticulture



- Poultry
- Swine



- Poultry
- Dairy
- Horticulture

Protein Production

Feed / Watering Systems



Climate Control



Confinement Nesting



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# Customer Segmentation and Value Offer

**Grain  
Customer  
Spectrum**

**Multinational Corporations**



**Large Comm. Farms**



**Individual Farmers**



**Protein  
Customer  
Spectrum**

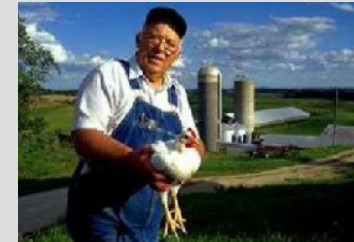
**Multinational Corporations**



**Large Comm. Producers**



**Indep. Producers**



**GSI Value Offer**

- State-of-the-art, technologically advanced systems
- Partner for growth in developing and new markets
- Strong management team

- Large scale, fully integrated, high quality systems
- Superior customer service

- Quality brand name products at competitive prices

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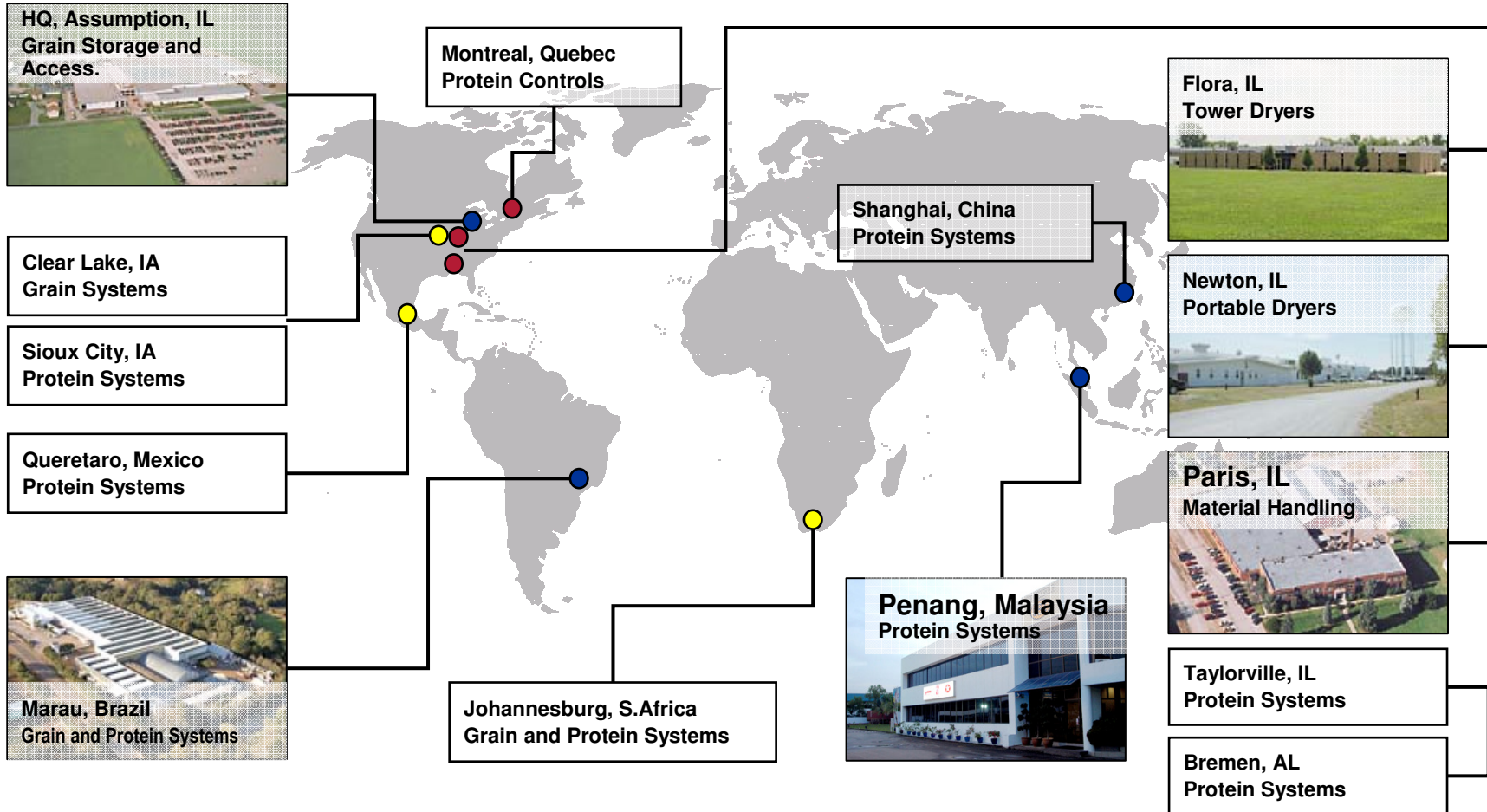


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# GSI Global Footprint



● Manufacturing/Corporate ● Manufacturing/Assembly ● Distribution Centers



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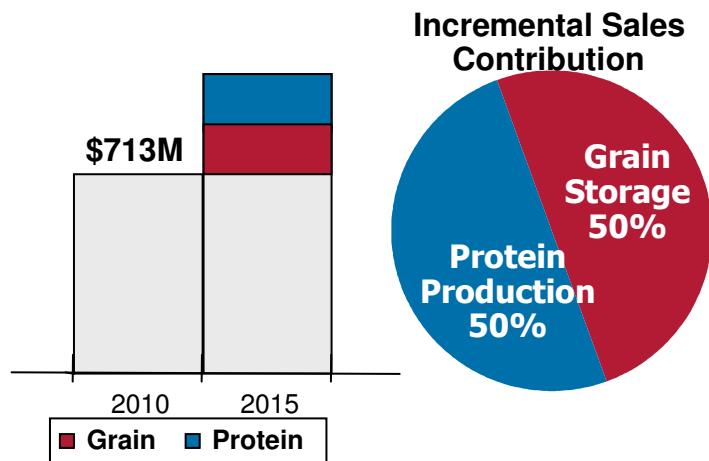
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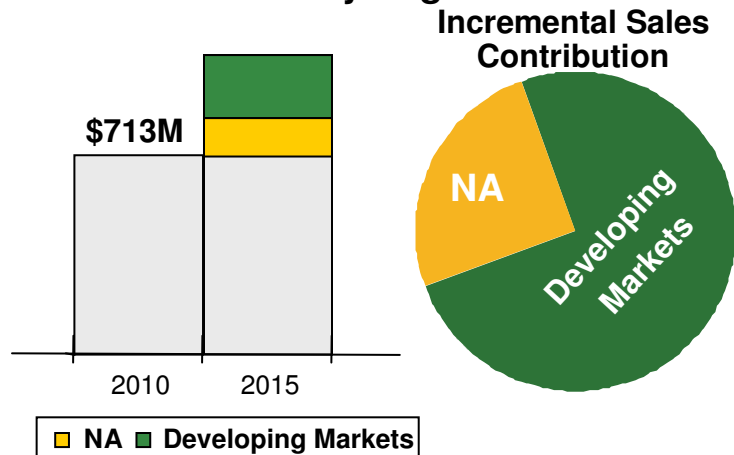
# GSI - Positioned for Growth

## Sales Growth by Product Type



- Leading brands
- Industry's largest distribution network
- Comprehensive product offering
- Benefit of AGCO's international presence
- Macro demographic trends
- Technology adoption in emerging markets

## Sales Growth by Region



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# Transaction Recap



- Strong strategic fit in important Ag markets
- Complementary businesses offering with significant growth potential
- Attractive margins and cash generation
- Immediately accretive to EPS

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# Non-GAAP To GAAP Reconciliation



## GSI EBITDA

\$M

	Estimated Twelve months ended December 31, 2011
Income from operations as reported	\$ 81.1
Add:	
Depreciation and Amortization	27.8
EBITDA as reported	<u>\$ 108.9</u>
Add(Deduct):	
Non recurring expenses	3.3
Sponsor costs	2.0
Special Incentive costs	5.8
Proforma adjusted EBITDA	<u><u>\$ 120.0</u></u>

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

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# Non-GAAP To GAAP Reconciliation



## GSI Free Cash Flow

\$M

	Estimated Twelve months ended December 31, 2011
Proforma Operating Cash Flow	\$ 120.8
Less:	
Capital expenditures	(10.2)
Acquisition interest costs	(31.0)
Free cash flow	<u>\$ 79.6</u>

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

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