



2011 Analyst Briefing

# AGCO Corporation

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Senior Vice President and CFO



- 
- Growth opportunities (cont'd)
  - Investing in the business
  - AGCO Finance JV performance
  - 2012 preliminary targets



<b>Purchase of GSI Holding Corp. (GSI)</b>	
<b>Purchase price</b>	\$928M 7.8x 2011E EBITDA <sup>(1)</sup>
<b>Close date</b>	December 1, 2011
<b>Financing</b>	100% debt



## Grain Storage

### Equipment

Grain Bins



Material Handling



Conditioning



### Brands



## Protein Production

### Equipment

Feed / Watering Systems



Climate Control



Confinement Nesting



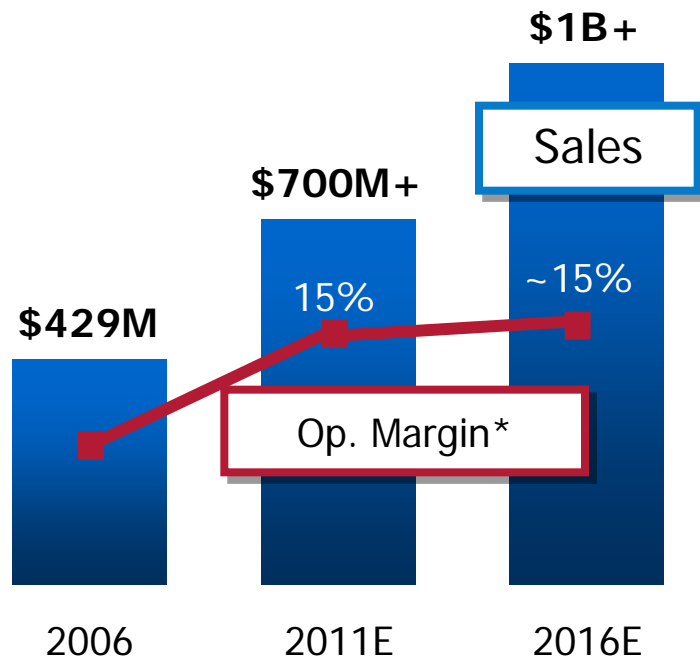
### Brands



HIRED-HAND®



## GSI Sales and Margins



- Leading market positions and brands
- Attractive industry fundamentals
- Common end-market focus
- Improves AGCO scale in North America
- Strong earnings and FCF contribution
- Improves AGCO's geographic mix of profit and cash flow

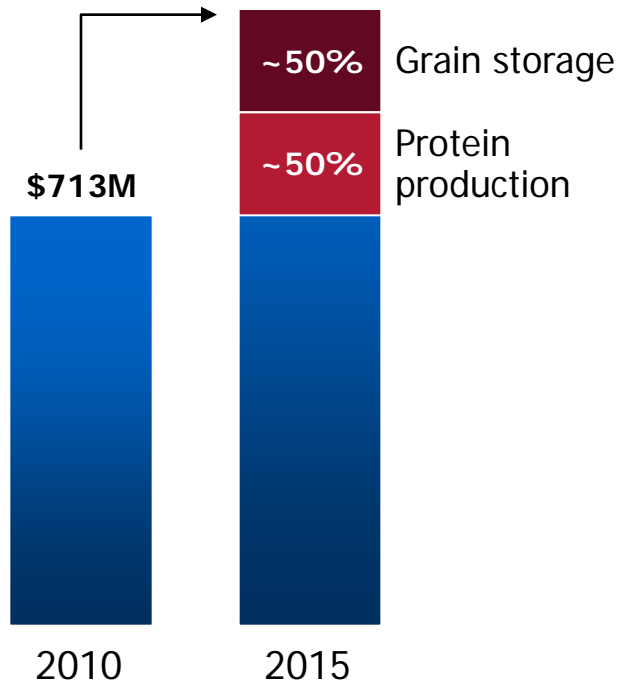
Significant opportunity for long term growth



# GSI – Well-Positioned for Growth

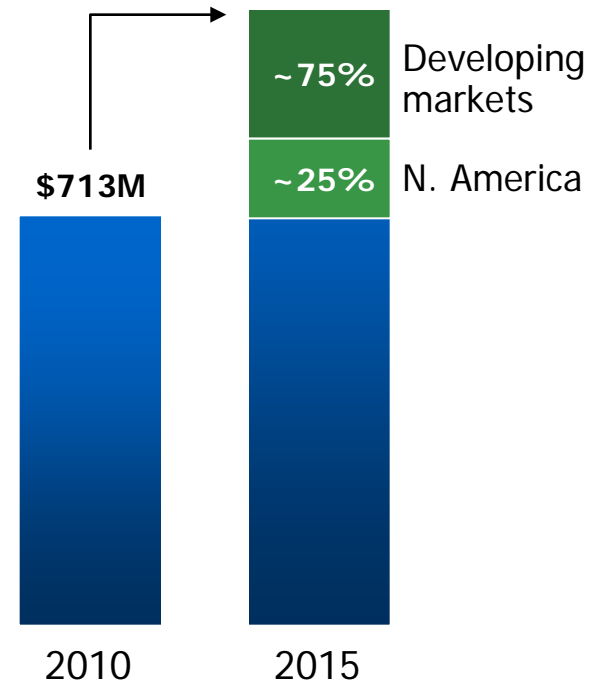
## Sales Growth by Product Type

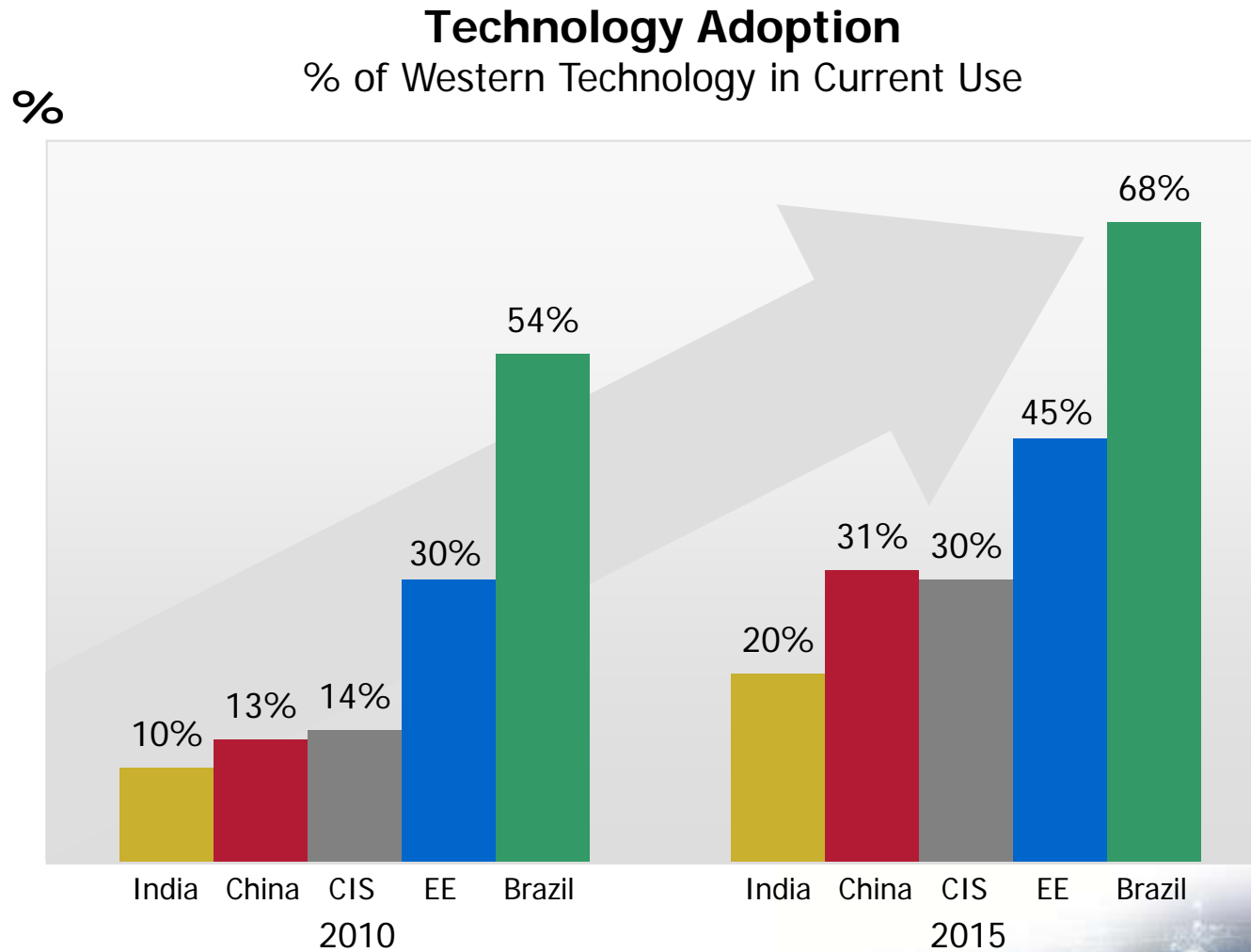
(% contribution to Incremental Sales)



## Sales Growth by Region

(% contribution to Incremental Sales)



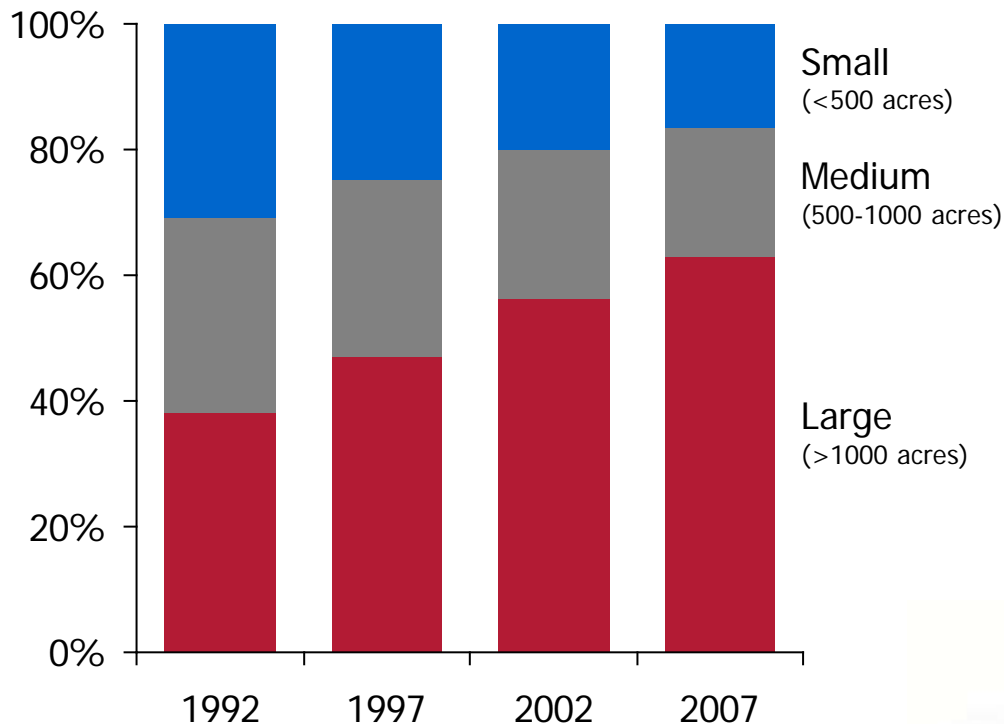


Significant industry opportunity from modernization

# Farm Consolidation is Continuing

## – Large Farms Require More Storage

### Production of Corn by Farm Size

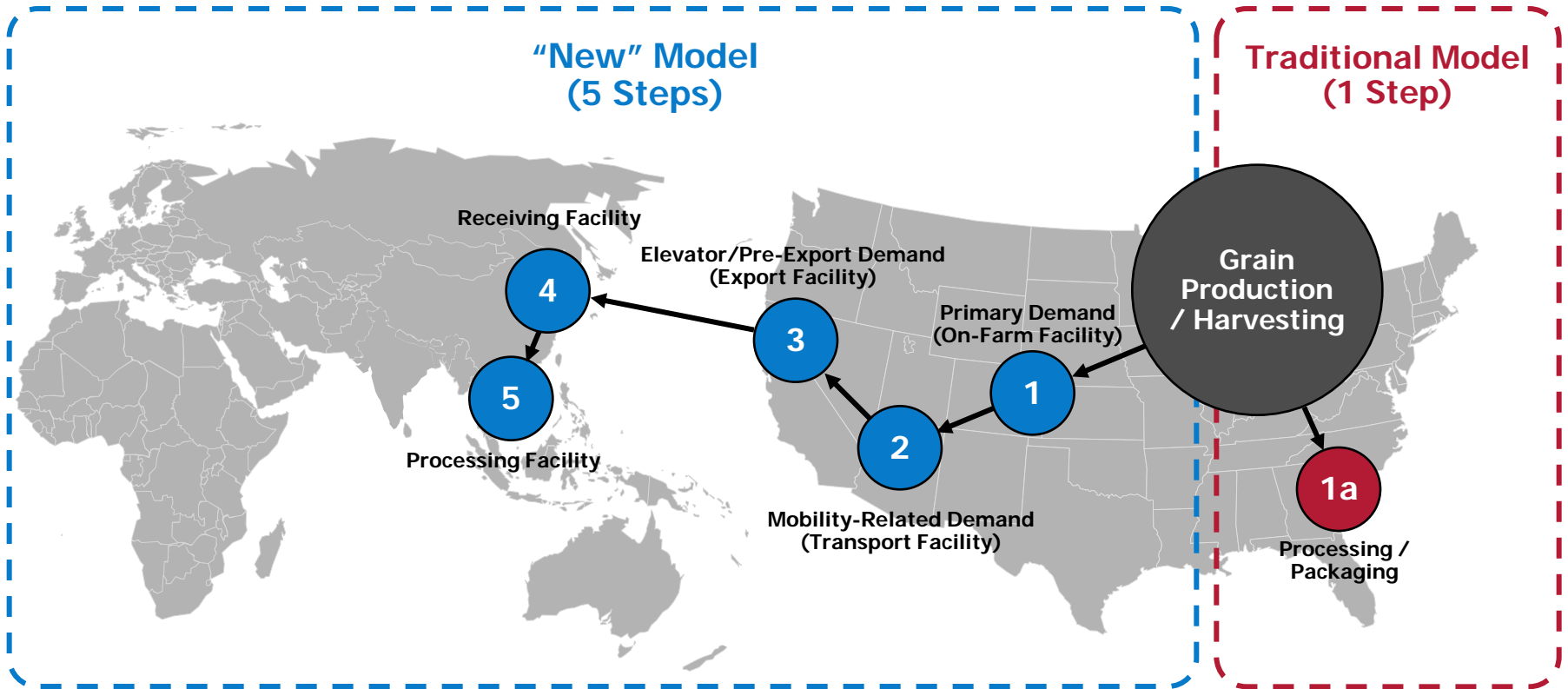


- Large farms produce majority of grain
- Storage on large farms is 4x that of small farms (as % of annual production)
- Pent up demand for storage
- The shift to corn increases the demand for storage





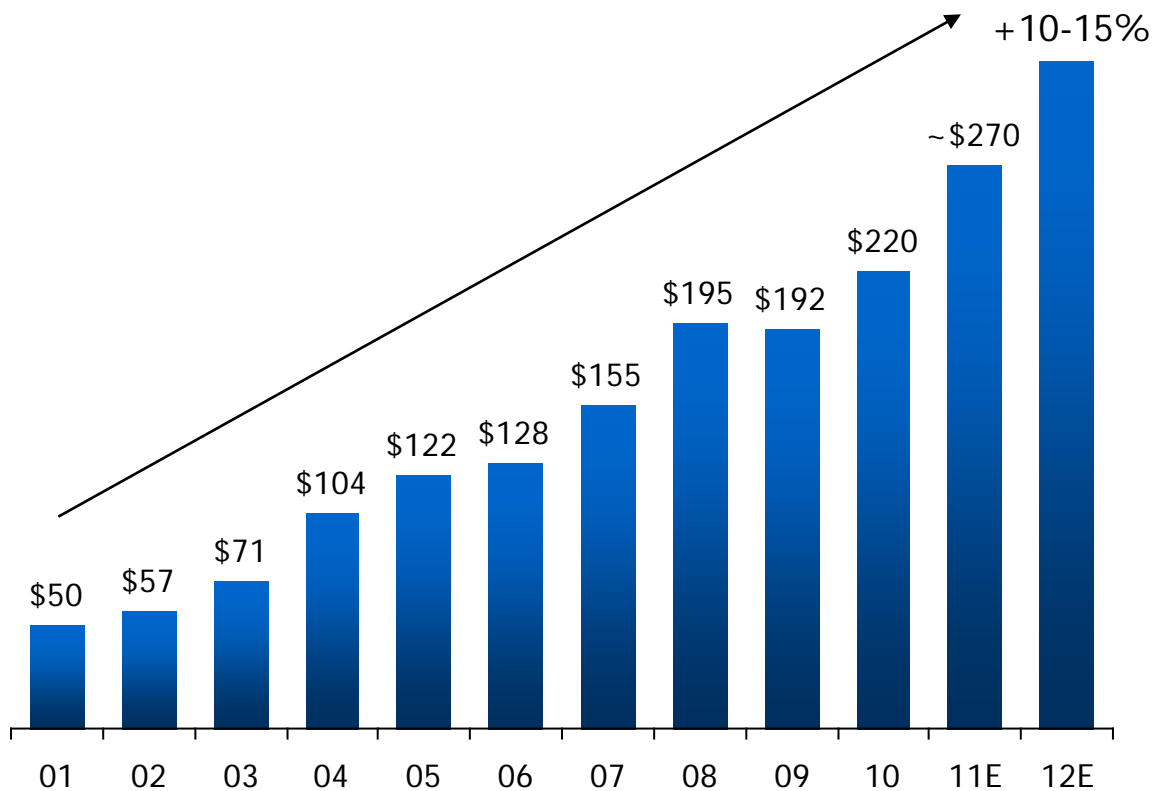
# Growing Grain Exports



- Length and complexity of value chain has changed significantly
- Expertise in export is an advantage







## R&D Spending (\$ millions)



- Continuing to invest in new products
  - high horsepower tractors
  - harvesting products
  - common platforms
- Tier 4 interim products to be launched in 2012
- Expect increased spend in 2012






# Multiple New Product Launches and Upgrades – Tractors Development Schedule

	2011		2012		2013		2014		2015	
	N	U	N	U	N	U	N	U	N	U
 40-100 hp	1	1	1	4	1	-	-	1	1	-
 100-150 hp	2	1	1	3	1	-	2	1	3	2
 150-250 hp	1	3	1	1	3	-	2	3	1	2
 250+hp	-	2	-	1	-	2	-	3	4	1

**N = New      U = Repowering/Upgrade**

**Total New and Upgraded: 56**

# Multiple New Product Launches and Upgrades – Combines Development Schedule

	2011		2012		2013		2014		2015	
	N	U	N	U	N	U	N	U	N	U
 Class VII, VIII, IX	1	2	-	1	-	1	2	6	1	1
 Class IV, V, VI	-	4	-	2	2	1	1	3	-	2
 Forage Harvesters	1	-	-	-	-	1	-	-	-	-

**N = New      u = Repowering/Upgrade**

**Total New and Upgraded: 32**



# New Tractor Products for 2012



**MASSEY FERGUSON®**



7600 series

**VALTRA®**



"T" series

**FENDT**



300-400 series

# New Harvesting and Sprayer Products for 2012



**MASSEY FERGUSON®**



5650 Combine

*Challenger*



TERRAGATOR TG845  
Sprayer



**MASSEY FERGUSON®**

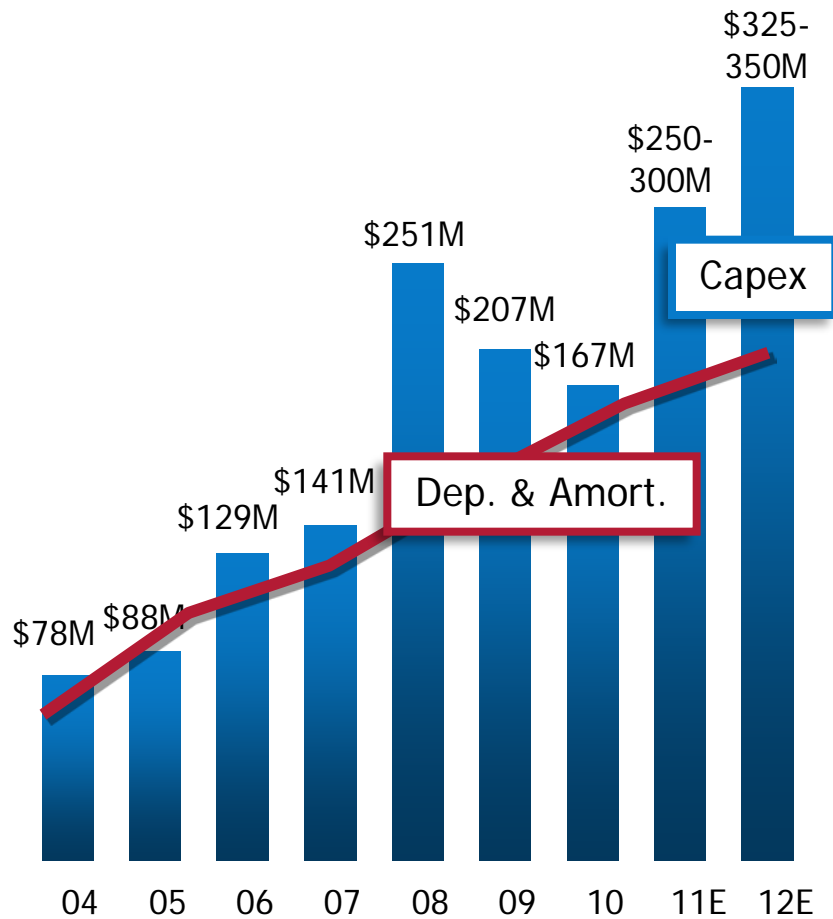


Self Propelled  
Windrower

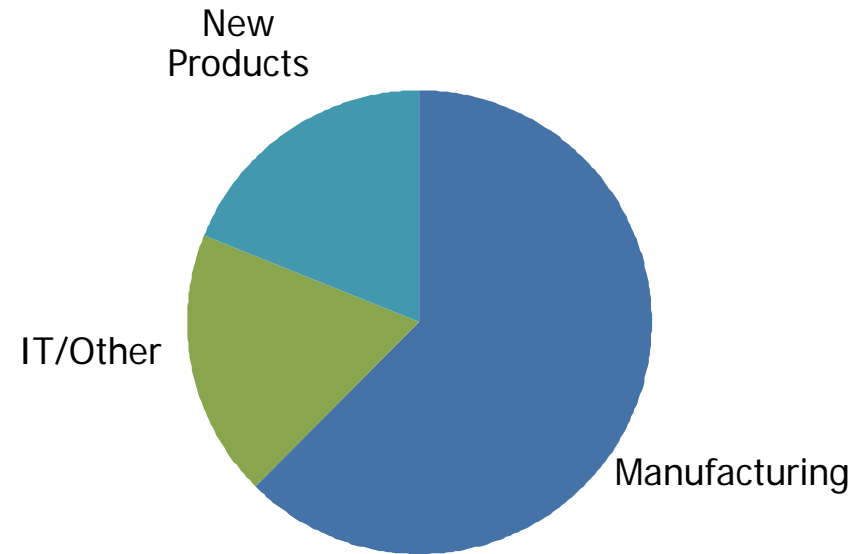
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## Continuing to Invest



## 2012 Capex Components





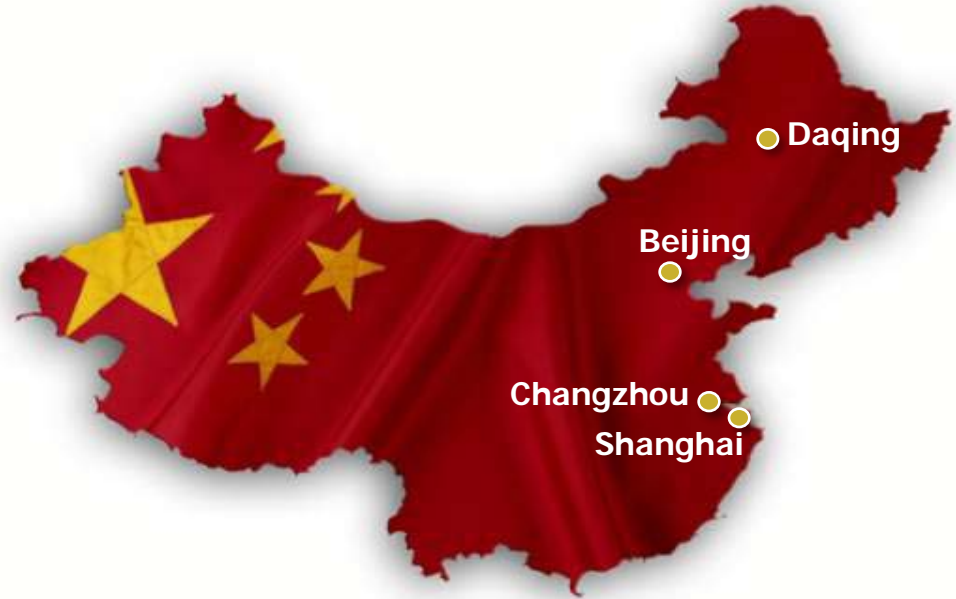


- Growth in professional farming segment driving strong Fendt growth
- Fendt continues to be technology leader
- €170M multi-year investment plan to:
  - improve manufacturing flow and efficiency
  - increase tractor assembly capacity
  - increase cvt transmission capacity



## Changzhou Operation

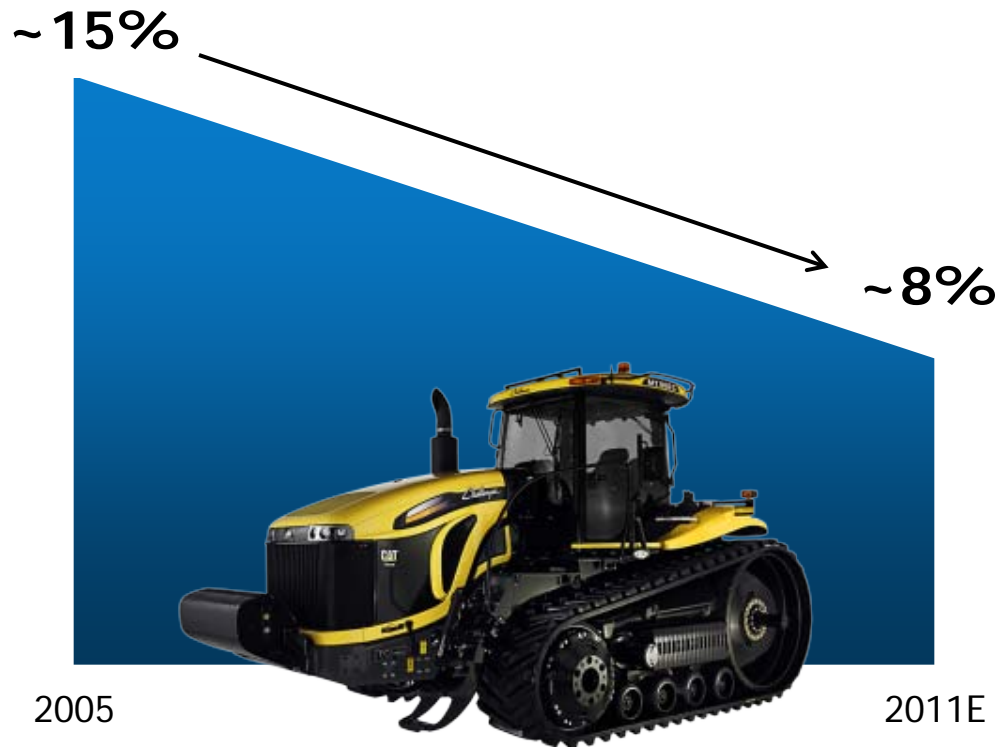
- AGCO will produce the Centurion range of tractors, engines and drivelines for domestic and global markets



Total investment of \$200M over 5 years

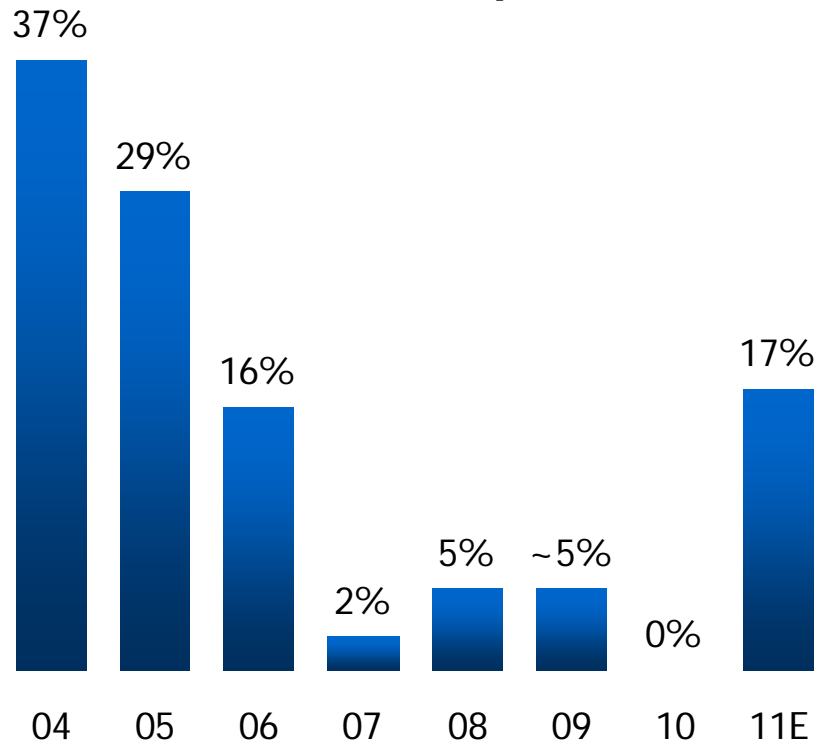
# Progress in Reducing Working Capital

## Working Capital\* /Sales



- Long-term initiatives
  - build to order
  - distribution strategies
  - lean manufacturing

## Reducing Net Debt to Total Capital\*



- Investments in production facilities
- New products
- Tier 4 transition
- Debt Reduction
- Tactical acquisitions
- Longer term – returning cash to stockholders

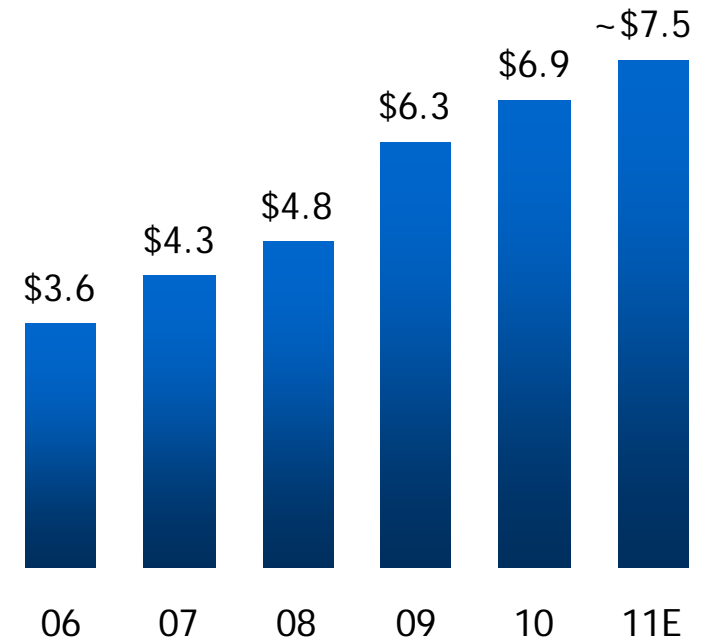


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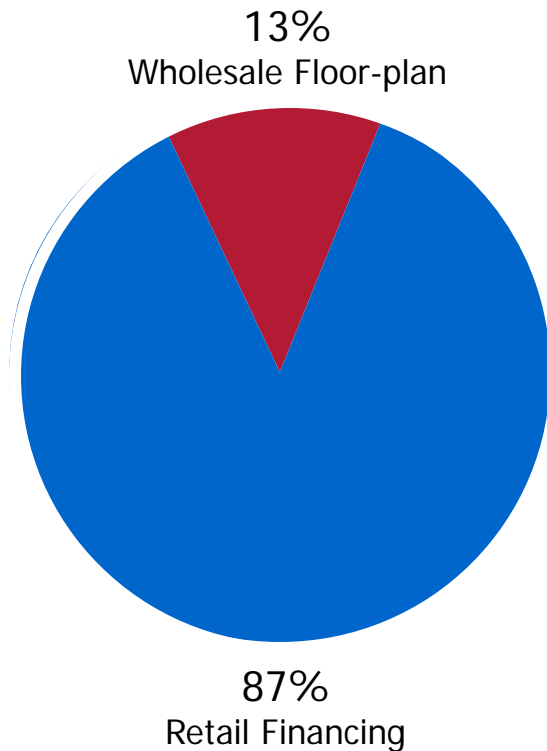


- JV with Rabobank
  - based in the Netherlands
  - among the world's highest rated banks
- 49% owned by AGCO
- Funded by Rabobank
- ~\$7.5 billion portfolio
- Growing market share
- Robust financial performance

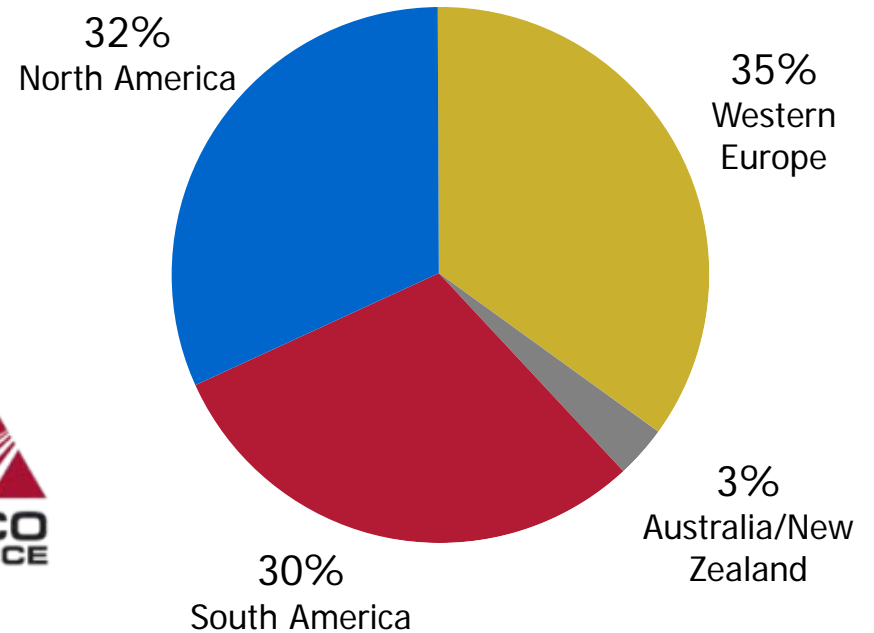
## Managed Portfolio (\$B)



## By Product



## By Region



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# Our Priorities Are Clear

1

Execute plans  
for margin  
improvement



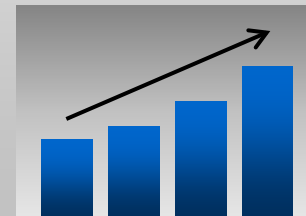
2

Capitalize on  
AGCO's growth  
opportunities



3

Achieve long-term  
earnings growth



# 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.