



# Second Quarter 2012 Financial and Operational Results

**July 26, 2012**

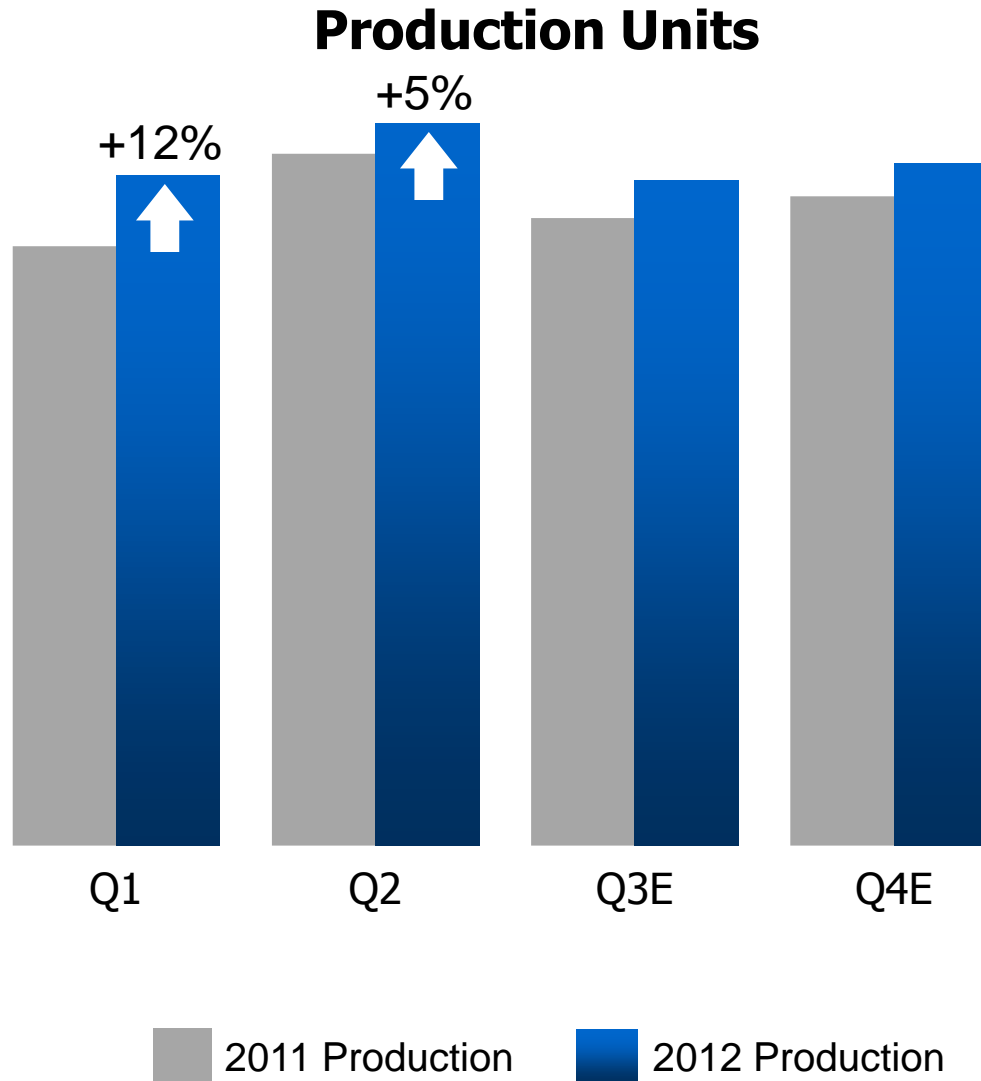


# Forward Looking Statements

Statements that are not historical facts, including the projections of earnings per share, sales, demand, government financing programs, market conditions, farm incomes and production, commodity prices, margins, currency translation, pricing increases, productivity, investments in product development, facilities and expanding markets, inventory and production levels, acquisition impacts, completion of facility construction and upgrades, industry demand, general economic conditions, engineering efforts, depreciation, free cashflow, supplier issues and capital expenditures are forward-looking and subject to risks that could cause actual results to differ materially from those suggested by the statements. 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, 2011. AGCO disclaims any obligation to update any forward-looking statements except as required by law.










	<b>Q2 12</b>	<b>Q2 12 vs Q2 11</b>	<b>YTD 2012</b>	<b>YTD12 vs YTD11</b>
<b>Net Sales</b>	<b>2,690.1</b>	<b>+14.1%</b>	<b>4,963.8</b>	<b>+19.4%</b>
<b>Gross margin</b>	<b>22.7%</b>	<b>+200 bps</b>	<b>22.2%</b>	<b>+194 bps</b>
<b>Adj. op. income*</b>	<b>264.8</b>	<b>+31.9%</b>	<b>434.6</b>	<b>+40.4%</b>
<b>Adj. op. margin*</b>	<b>9.8%</b>	<b>+133 bps</b>	<b>8.8%</b>	<b>+131 bps</b>
<b>Adj. diluted EPS*</b>	<b>\$2.08</b>	<b>+\$0.73</b>	<b>\$3.29</b>	<b>+\$1.12</b>

\* Reflects adjusted results, which exclude restructuring and other infrequent items. Please see reconciliations to GAAP metrics provided in the appendix to this presentation.

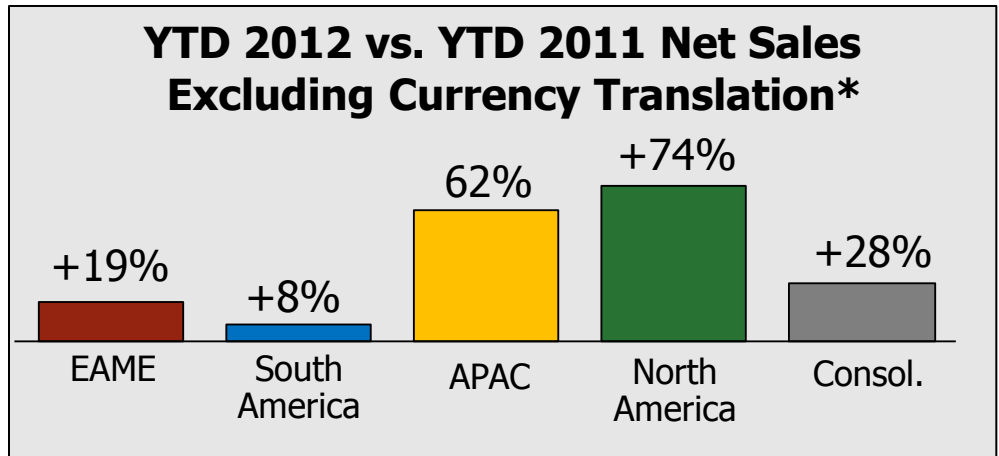
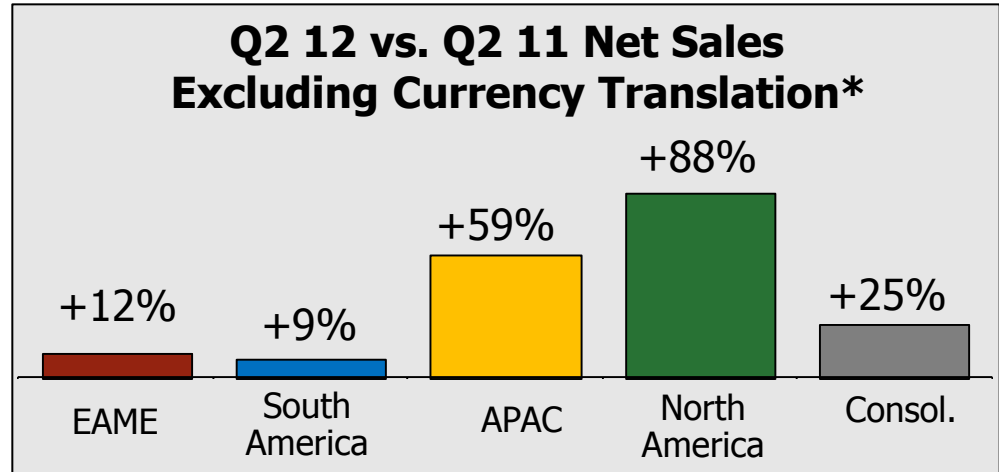
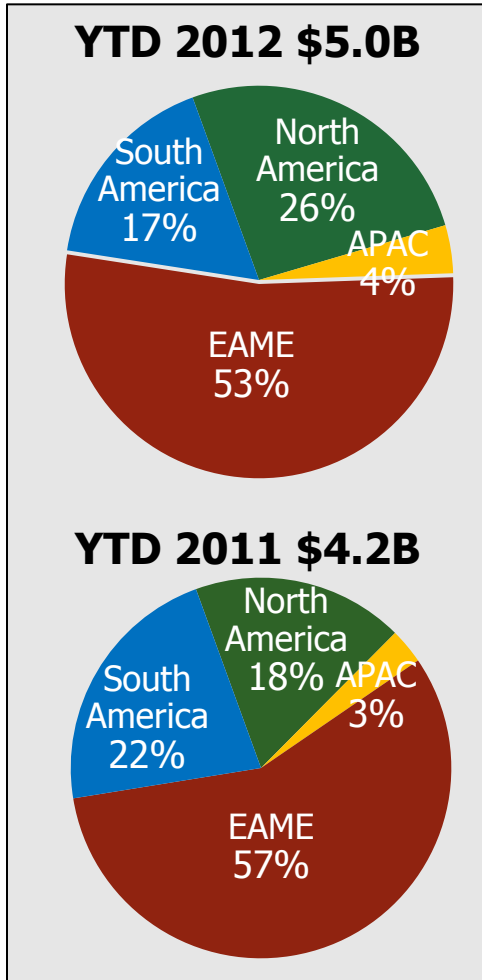


- Production Up 5% in Q2 12 vs. Q2 11
- Strong Increases in Q2 in EAME and NA
- Full year 2012 production projected to increase ~10% vs. 2011

## June Year-to-Date Retail Units

North America		2012 vs. 2011	
	 Tractors	• Industry	+6%
	 Combines	• Industry	(23%)
Western Europe		2012 vs. 2011	
	 Tractors	• Industry	(2%)
	 Combines	• Industry	+15%
South America		2012 vs. 2011	
	 Tractors	• Industry	(7%)
	 Combines	• Industry	(12%)

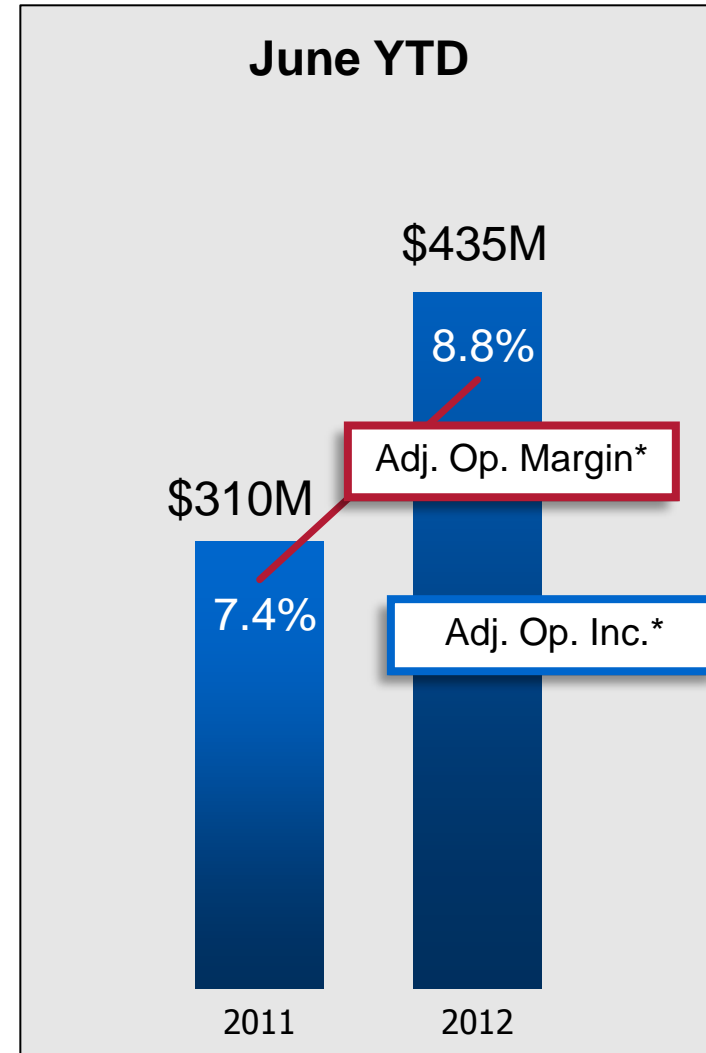
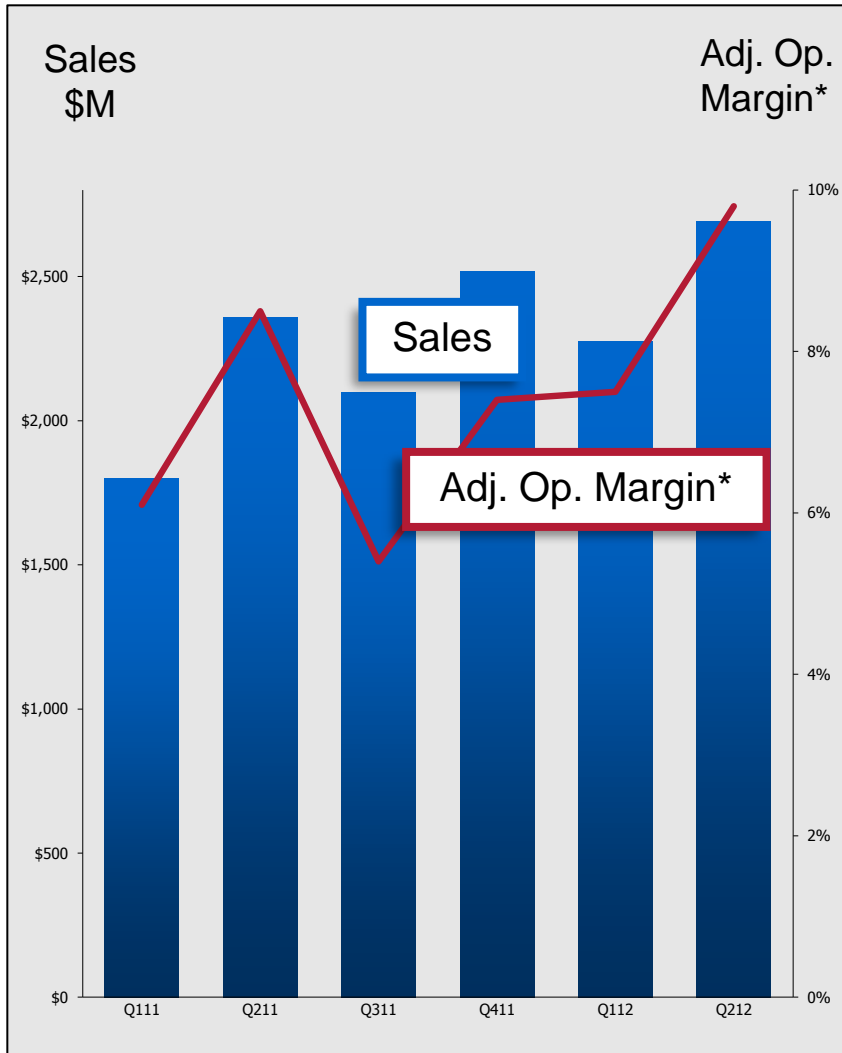
# Regional Net Sales Results



EAME – Europe/Africa/Middle East    APAC – Asia/Pacific

\*Please see the reconciliation to GAAP metrics in the appendix to this presentation.

# Net Sales and Operating Margins

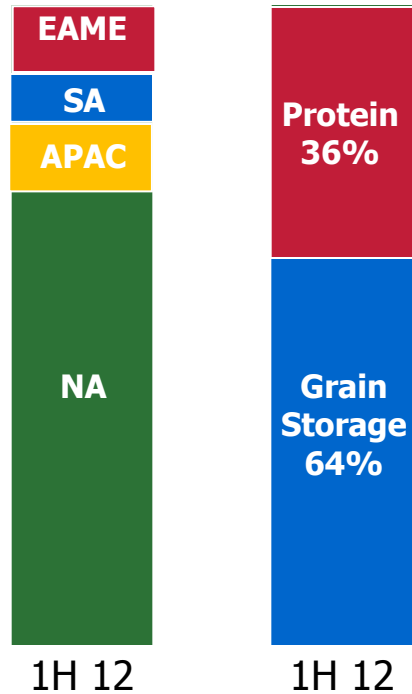


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## Sales

(YTD Thru June 30 )

**\$404M**

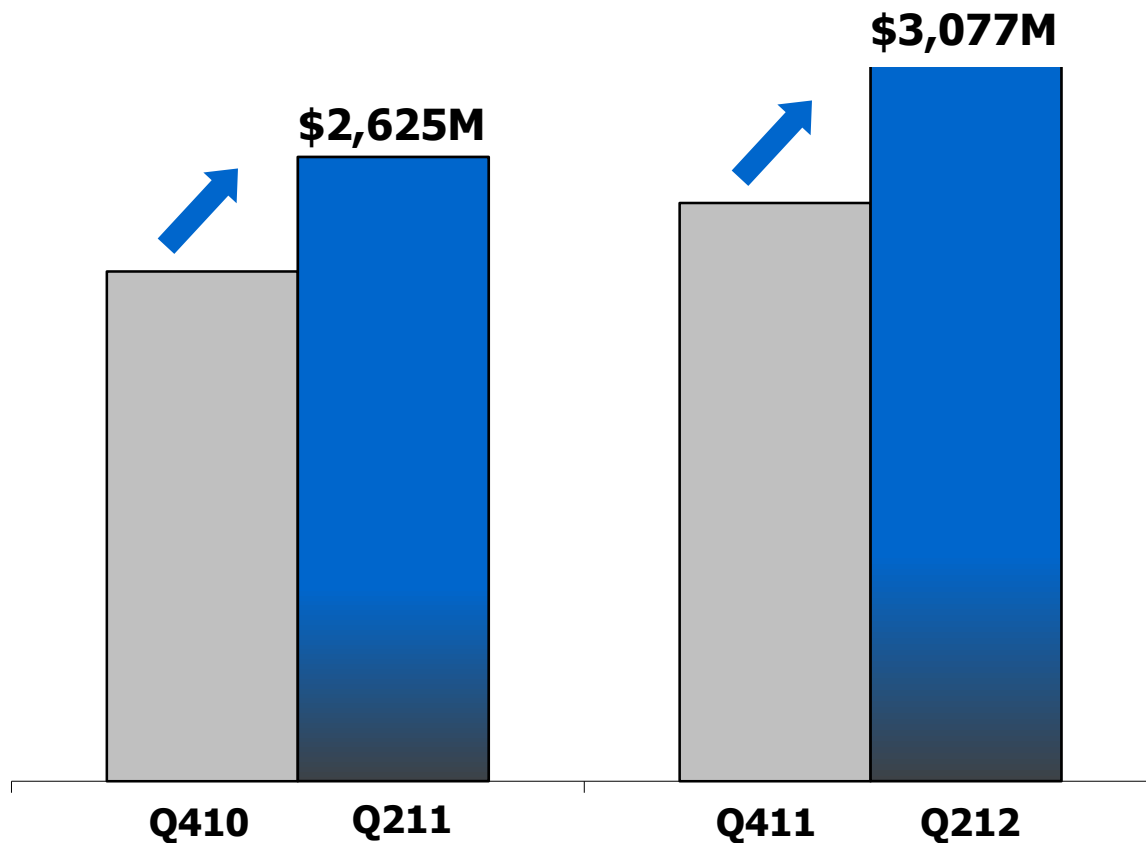


- Contributed ~\$0.30 of EPS in Q2 12, ~\$0.39 for 1H 12
- Targeting 2012 EPS accretion of \$0.45



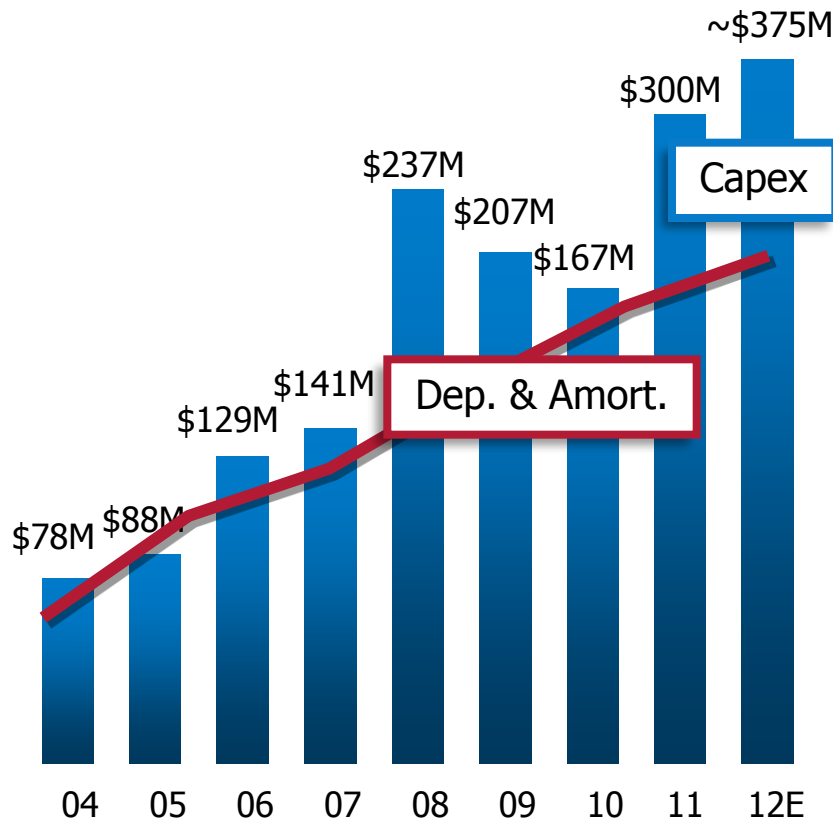


## Receivables and Inventory

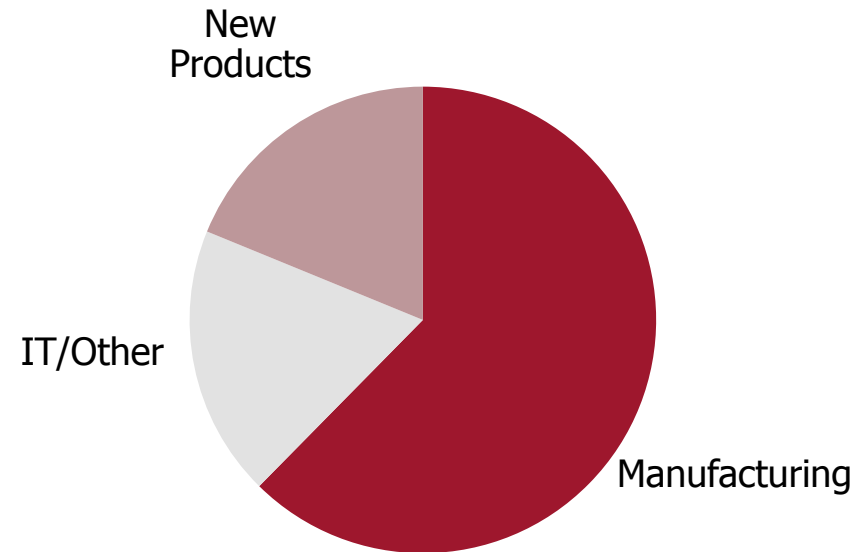


- Seasonal working capital build in 1H12
- Working capital reductions targeted in 2H12

## Continuing to Invest

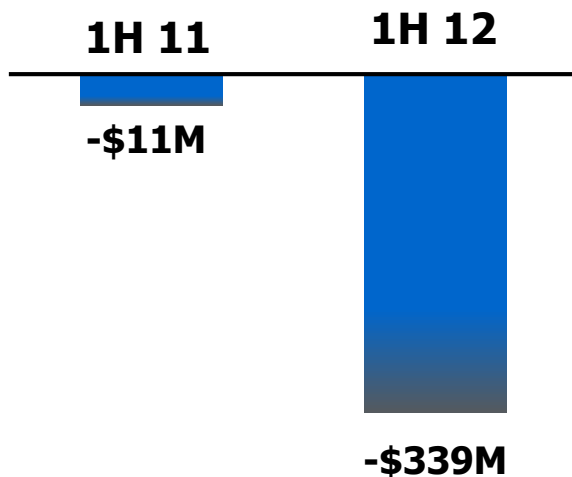


## 2012 Capex Components

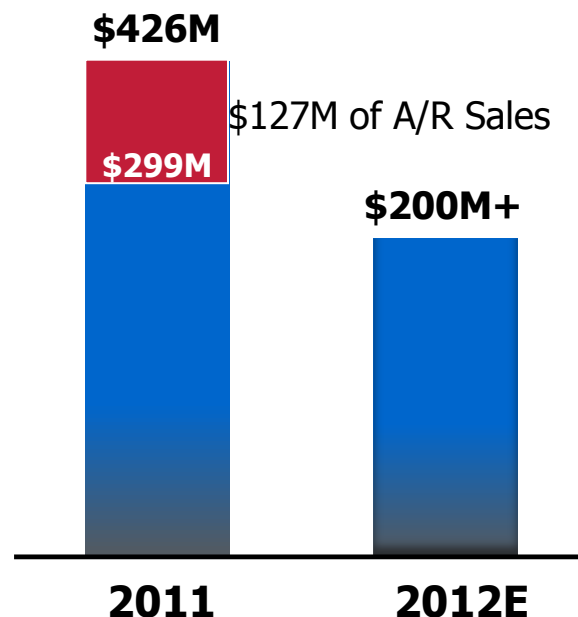


# Free Cash Flow\*

## 1H Free Cash Flow



## Full-Year Free Cash Flow

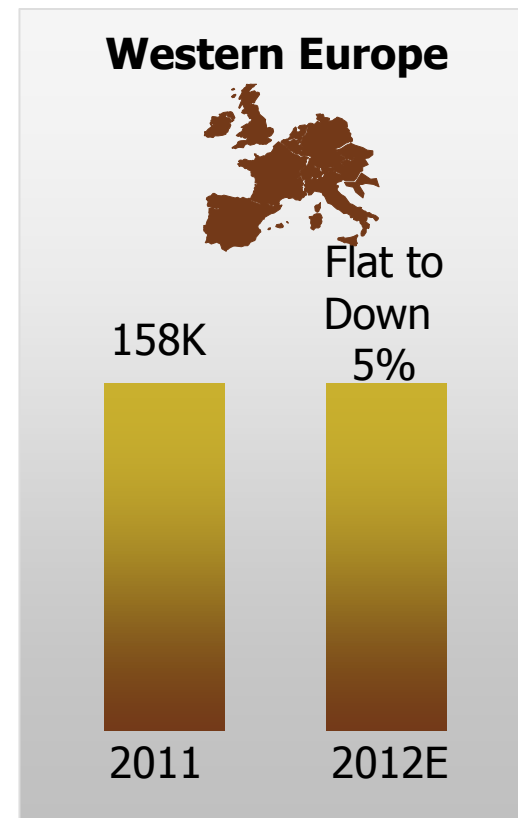
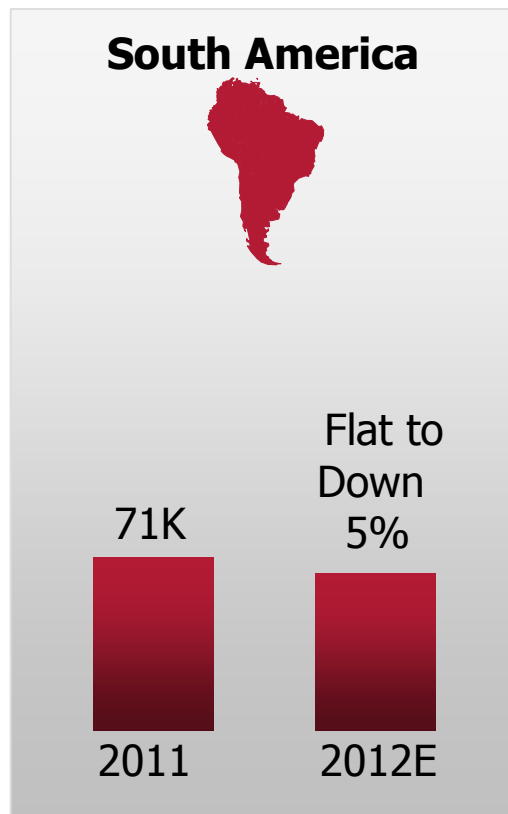
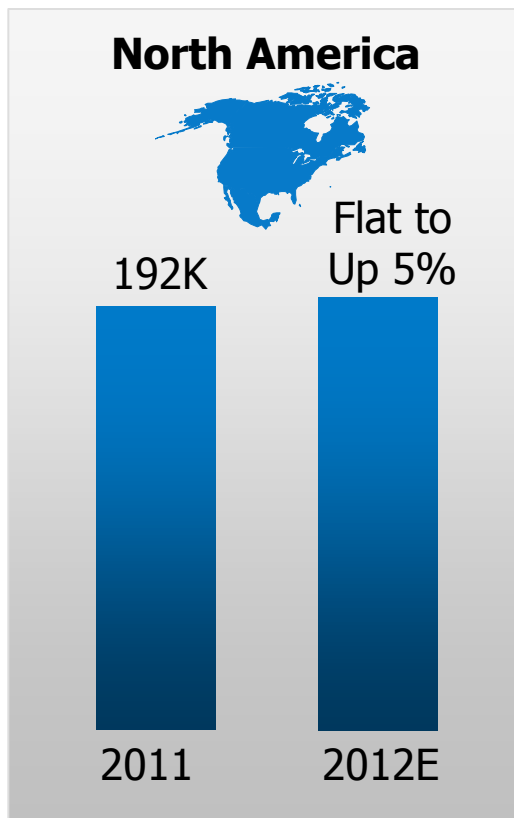


- Seasonal working capital build in first half of year
- Plant improvements and supplier constraints drove higher inventory in 1H 12
- Second half of year seasonally stronger for free cash flow
- Targeting \$200M+ free cash flow in 2012 despite increase in Capex

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

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

## Regional Market Outlook – Industry Unit Retail Tractor Sales (Volume in Units)



# 2012 Forecast Assumptions – Summary

- Sales growth from pricing, GSI acquisition and market share gains partially offset by negative impact of currency
  - +3.0% to 3.5% pricing
  - ~ (8.0%) negative impact of currency translation
- 10-15% increase in engineering expense for new product development and Tier 4 emission requirements
- Gross margin improvement
- ~\$20 million of expense associated with new Fendt assembly facility
- ~\$20-25 million of start-up expense associated with China operations
- GSI EPS impact of ~\$0.45



	2012 Estimates
<b>Sales</b>	\$10.1B-\$10.3B
<b>Operating margin</b>	+50-75 bps
<b>EPS</b>	\$5.50 to \$5.75
<b>CAPEX</b>	~\$375 Million
<b>Free Cash Flow*</b>	\$200 Million+

\* Free cash flow is defined as cash (used in) provided by operating activities less capital expenditures. Please see the reconciliations to GAAP metrics provided in the appendix to this presentation.



# Non-GAAP To GAAP Reconciliation

## Free Cash Flow

\$M

	Six Months ended June 30, 2012	Six Months ended June 30, 2011
Net cash (used in) provided by operating activities	\$ (188.2)	\$ 101.5
Less:		
Capital expenditures	(151.1)	(112.4)
Free cash flow	<u>\$ (339.3)</u>	<u>\$ (10.9)</u>

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

# Non-GAAP To GAAP Reconciliation

\$M  
(except per share amts)

	Three months ended June 30,					
	2012			2011		
	Income From Operations	Net Income <sup>(1)</sup>	Earnings Per Share <sup>(1)</sup>	Income From Operations	Net Income <sup>(1)</sup>	Earnings Per Share <sup>(1)</sup>
As adjusted	\$ 264.8	\$ 204.8	\$ 2.08	\$ 200.7	\$ 133.1	\$ 1.35
Restructuring and other infrequent income <sup>(2)</sup>	(0.1)	(0.1)	—	(0.9)	(0.6)	(0.01)
As reported	<u>\$ 264.9</u>	<u>\$ 204.9</u>	<u>\$ 2.08</u>	<u>\$ 201.6</u>	<u>\$ 133.7</u>	<u>\$ 1.36</u>

(1) After tax.

See accompanying notes in the Company's press release.



# Non-GAAP To GAAP Reconciliation

\$M  
(except per share amts)

	Six months ended June 30,					
	2012			2011		
	Income From Operations	Net Income <sup>(1)</sup>	Earnings Per Share <sup>(1)</sup>	Income From Operations	Net Income <sup>(1)</sup>	Earnings Per Share <sup>(1)</sup>
As adjusted	\$ 434.6	\$ 325.0	\$ 3.29	\$ 309.6	\$ 213.2	\$ 2.17
Restructuring and other infrequent income <sup>(2)</sup>	(0.1)	(0.1)	—	(0.7)	(0.5)	—
As reported	<u>\$ 434.7</u>	<u>\$ 325.1</u>	<u>\$ 3.29</u>	<u>\$ 310.3</u>	<u>\$ 213.7</u>	<u>\$ 2.17</u>

(1) After tax.

See accompanying notes in the Company's press release.

# Non-GAAP To GAAP Reconciliation

## Net Sales

\$M

	Three Months Ended June 30,		% change from 2011	Change due to currency translation	
	2012	2011		\$	%
	North America	\$ 733.4		\$ 394.8	85.8%
South America	448.5	496.8	(9.7)%	(94.2)	(19.0)%
Europe/Africa/Middle East	1,406.9	1,400.2	0.5%	(157.1)	(11.2)%
Asia/Pacific	101.3	66.8	51.7%	(4.6)	(6.9)%
	<u>\$2,690.1</u>	<u>\$2,358.6</u>	<u>14.1%</u>	<u>\$ (264.5)</u>	<u>(11.2)%</u>

	Six Months Ended June 30,		% change from 2011	Change due to currency translation	
	2012	2011		\$	%
	North America	\$1,299.9		\$ 754.2	72.4%
South America	863.9	907.3	(4.8)%	(117.9)	(13.0)%
Europe/Africa/Middle East	2,606.7	2,373.2	9.8%	(207.8)	(8.8)%
Asia/Pacific	193.3	121.6	59.0%	(3.7)	(3.0)%
	<u>\$4,963.8</u>	<u>\$4,156.3</u>	<u>19.4%</u>	<u>\$ (341.6)</u>	<u>(8.2)%</u>

Note: Effective for the quarter ended March 31, 2012, the Company has realigned its business segment reporting.

# Non-GAAP To GAAP Reconciliation

## Net Sales

\$M

	Three Months Ended June 30,		% change from 2011	Change due to acquisitions	
	2012	2011		\$	%
	North America	\$ 733.4		\$ 394.8	85.8%
South America	448.5	496.8	(9.7)%	27.7	5.6%
Europe/Africa/Middle East	1,406.9	1,400.2	0.5%	25.2	1.8%
Asia/Pacific	101.3	66.8	51.7%	27.8	41.6%
	<u>\$2,690.1</u>	<u>\$2,358.6</u>	<u>14.1%</u>	<u>\$ 250.7</u>	<u>10.6%</u>

	Six Months Ended June 30,		% change from 2011	Change due to acquisitions	
	2012	2011		\$	%
	North America	\$1,299.9		\$ 754.2	72.4%
South America	863.9	907.3	(4.8)%	56.2	6.2%
Europe/Africa/Middle East	2,606.7	2,373.2	9.8%	64.2	2.7%
Asia/Pacific	193.3	121.6	59.0%	51.1	42.0%
	<u>\$4,963.8</u>	<u>\$4,156.3</u>	<u>19.4%</u>	<u>\$ 455.2</u>	<u>11.0%</u>