

AGCO Corporation (AGCO)

Industrials – Agricultural Manufacturing

November 10, 2023

Investment Thesis

The Henry Fund is recommending a **BUY** rating for AGCO Corporation with a target share price of \$120-\$153 per share, which represents a 31% upside based on the current share price and the high end of the target range. We feel that AGCO will benefit from reduced interest rates and differentiate itself through innovation and strategic joint ventures to expand its reach.

Drivers of Thesis

- Technology advancements will lead to new revenue sources for AGCO. The company will also benefit from access to new end markets after the completion of the joint venture with Trimble.
- Over the last year, high crop prices have helped the agriculture industry recover from downturns experienced during the COVID-19 pandemic. While crop prices are expected to fall in the short term, decreased interest rates will encourage farmers to make equipment purchases in the future.
- AGCO serves a geographically diverse market with strong growth stemming from South America, Europe, and the Middle East.

Risks to Thesis

- AGCO has a net margin of 8.0% compared to the industry average of 11.2%. If margins continue to diverge and fall further below average, this could be a sign of operational inefficiency.
- While the Henry Fund anticipates rates will fall in 2024, interest rate increase could prohibit farmers from purchasing new equipment.

Earnings Estimates						
Year	2019	2020	2021	2022	2023E	2024E
EPS	\$-0.60	\$3.26	\$9.17	\$9.12	\$15.81	\$14.55
HF est.					\$9.79	\$6.36
Growth	-455%	643.3%	181.2%	-0.5%	73.3%	-7.9%

12 Month Performance



Stock Rating

BUY

Target Price

\$120-153

Henry Fund DCF	\$153
Henry Fund DDM	\$38
Relative Multiple	\$119

Price Data

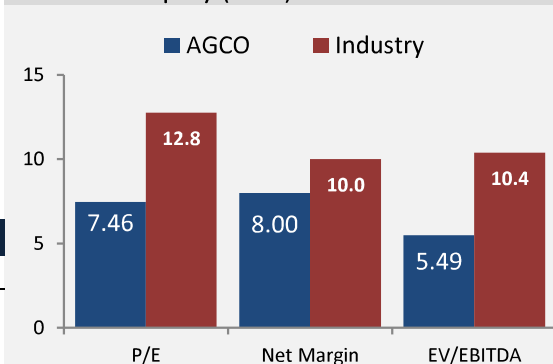
Current Price	\$116.00
52wk Range	\$109.81 - \$145.53
Consensus 1yr Target	\$146.54

Key Statistics

Market Cap (B)	\$8.8
Shares Outstanding (M)	\$74.8
Institutional Ownership	80.0%
Beta	1.35
Dividend Yield	0.9%
Est. 5yr Growth	38.6%
Price/Earnings (TTM)	7.7x
Price/Earnings (FY1)	8.0x
Price/Sales (TTM)	0.6x
Price/Book (mrq)	2.0x

Profitability

Operating Margin	12.2%
Profit Margin	7.9%
Return on Assets (TTM)	10.5%
Return on Equity (TTM)	29.3%



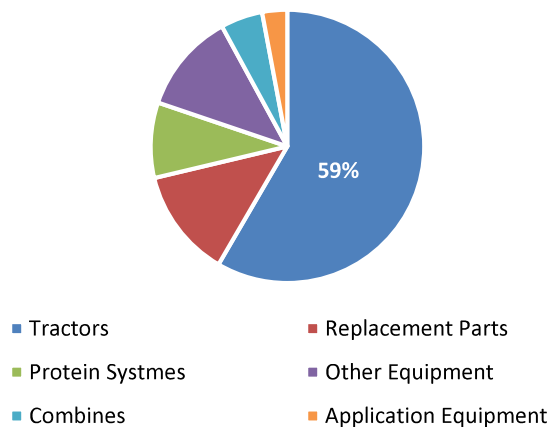
Company Description

AGCO Corporation is a global manufacturer and distributor of agricultural equipment and related replacement parts. The company's mission is to provide farmer-focused solutions to sustainably feed the world. The offered products include tractors, combines, self-propelled sprayers, hay tools, forage equipment, seeding and tillage equipment, implements, and grain storage and protein production systems. These products are marketed under well-known names including Fendt®, GSI®, Massey Ferguson®, Precision Planting® and Valtra®.

COMPANY DESCRIPTION

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2022 Net Sales



Tractors

Over 59% of AGCO's net sales are from tractors, which have varying degrees of horsepower and farm applications. First are the high horsepower (140-650 horsepower) tractors. These are typically used on high acreage farms for row crop production, soil cultivation, planting, leveling, deeding and commercial hay operations. Slightly smaller utility tractors (40-130 horsepower) are utilized on small and medium size farms and specialty agriculture industries such as dairy, livestock, orchards, and vineyard operations. Finally, AGCO manufacturers and markets compact tractors (under 40 horsepower), which are used on both small and specialty farms as well as for landscaping, equestrian and residential uses. The share of income from tractors in 2022 is 2% higher than it was in 2021 and 2020.

Replacement Parts

The second largest segment for AGCO is replacement parts, which makes up a significantly smaller portion of net sales at 13%. Replacement parts are provided for all the products sold by AGCO in addition to parts for machines that are no longer produced. With the use of replacement parts most of the tractors and equipment can be economically maintained for ten to twenty years. To efficiently distribute these parts to customers, the company maintains inventories through a network of warehouses throughout North and South America, Europe, Africa, China, and Australia to ensure that customers can receive them in a timely manner.

Hay Tools & Forage Equipment, Planters, Implementation & Other Equipment

This segment accounted for 12% of total revenue in 2022, unchanged from the prior year. The equipment includes round and square hay balers, loader-wagons, self-propelled windrowers, forage harvesters, disc mowers. Spreaders, rakes, tedders, and mower conditioners. These tools are used to harvest and package feeds used for livestock and in renewable fuels. Planting equipment includes both tools for planting seeds and applying fertilizer on fields. Additionally, this segment covers the technology that monitors and measures application and liquid control delivery.

Grain Storage & Protein Production Systems

Grain storage bins and related equipment include systems used to deliver feed to swine and poultry, ventilation and watering systems, egg production system and broiler production equipment. This segment shifts the focus from grain production equipment to tools used in livestock and other animal production.

Combines

AGCO sells combines with a combination of harvesting heads to allow for production of corn, wheat, soybeans, and rice. This segment represented 5% of total net sales in 2022 and has seen a 1% increase from 2021 and 2% increase from 2020.

Application Equipment

The final segment is Application Equipment, which includes self-propelled three and four wheeled vehicles for the application of liquid and dry fertilizers and crop production chemicals in both the pre-emergence and post-emergence stage in the crop lifecycle.

Cost Structure Analysis

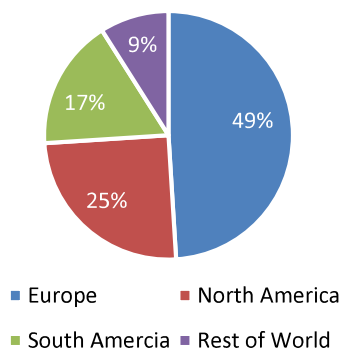
AGCO manufactures and assembles the equipment in 44 locations around the world, which includes four locations that are operated under a joint venture agreement. The company utilized both their own manufacturing capabilities as well as external components to have optimal cost control and inventory levels. AGCO purchases some fully manufactured tractors from Tractors and Farm Equipment Limited, Carraro S.p.A and Iseki & Company, Limited. The company identifies and selects third party suppliers that it believes are low cost and high quality. We forecast that the costs of production will remain in line with historical averages.¹

Additional Company Analysis

Geographic Regions

AGCO operates and sells their equipment around the globe. The company breaks their geographic footprint into 4 segments: Europe, North America, South America, and Rest of World. Since 2020, there has been a noticeable shift away from European sales, down from 57% to 49%. The South American segment has increased from 9% of net sales by region in 2020 to 17% in 2022. This growth could be because South America is one of the only countries where there is new land to be developed by farmers.¹

2022 Net Sales by Region



Source: AGCO 10-K

Retail Financing

AGCO Finance joint venture offers financing to dealers in the United States and Canada for their inventories of farm equipment. Wholesaler terms to dealers vary based on the product line and region; however, all are based on fixed payment schedules ranging from one to twelve months. It is common practice in the US and Canada that dealers are not required to make an initial down payment, and AGCO allows dealers an interest free period. Distributors must pay back AGCO immediately upon retail sale of the underlying piece of equipment, except for when the sale item is a grain storage or protein production item. This is because these items delay customer acceptance until after installation has been completed. In other countries, sale terms are shorter, spanning for 30 to 180 days. AGCO also retains a security interest in the equipment being sold on extended terms. Occasionally, sales are backed by letter, credit or credit insurance to help protect themselves.¹

Seasonality

All agricultural companies, including AGCO, are impacted by seasonality. Retail sales by dealers are typically a function of planting and harvesting seasons. Retail sales can also be impacted by year-end tax planning impacts.¹

Debt Maturity Analysis

Based on our analysis, we feel that AGCO should be able to meet all its debt obligations over the coming years. The table below shows the debt maturity schedule for AGCO in millions. The largest principal payment will come due in 2025. We believe the company will have enough cash flow to make these payments.

Five-Year Debt Maturity Schedule

Fiscal Year	Coupon (%)	Payment (\$mil)
2024		2.2
2025		334.7
2026		56.3
2027		200.2
Thereafter		671.4
Total		\$1,264.8

Source AGCO 10-K

ESG Analysis

More than 1/5 of the world's greenhouse gas emissions are from the food sector, positioning AGCO to have a large impact on helping reduce emissions associated with agriculture. AGCO focuses on reducing their own production emissions while also working to reduce the impact from agriculture while simultaneously increasing crop yields.¹

AGCO has implemented the Task Force on Climate-Related Financial Disclosures (TCFD) to guide their progress towards the Climate Disclosure Project. The company has implemented this framework into its sustainability program and has started to benchmark itself against industry peers to enhance their sustainability efforts. However, the impacts on farmers themselves will provide the biggest impact to the business as they are required to implement more sustainable practices. AGCO centers their sustainability efforts around four key areas:

- Decarbonizing operations and products
- Advancing soil health & soil carbon sequestration through smart solutions
- Prioritizing animal welfare in food production
- Elevating employee health, safety, and well-being

Decarbonizing operations for farmers is a key goal, which can be done through increasing the carbon dioxide equivalent efficiency of current machines while introducing and increasing the adoption of low carbon powertrains and fuel emissions. The company has a zero-carbon emission goal, which has inspired the development of an all-electric tractor. This machine is currently still in the advanced pilot stage but is expected to be ready for commercialization in 2024. Other new technologies include a prototype tractor powered by a carbon-free, hydrogen-based fuel cell, and research for a biomethane and natural gas-powered tractor.¹ If these tractors can perform at the same capacity of their fossil fuel equivalents, then this could be a significant breakthrough for the agriculture industry. However, it may be difficult to convince the farming community to switch away from the diesel-powered equipment that they have been using all their lives. However, it would be interesting to see if governmental incentives could help foster this transition like they have in the automotive industry.

RECENT DEVELOPMENTS

Recent Earnings Announcement

AGCO released their third quarter results on October 31, 2023. The company reported record third quarter net sales of \$3.5 billion, which is a 10.7% increase compared to Q32022. Reported net income was \$3.74 per share with adjusted earnings per share of \$3.18 per share. The company cites strong demand for their technology rich products driven by health crop production. Favorable farm economic conditions along with improved supply chains have helped generate these strong results. Strong sales growth was seen throughout the world with the largest being in South America with a 26% increase followed by Europe and the Middle East at 14.2%. Overall, increased crop production, specifically in the Northern hemisphere and strong yields in Brazil has pressured crop prices. In response, farmers must be more selective about their technology and equipment investments. The company anticipates that net sales for 2023 will be approximately \$14.7 billion, which is line with the Henry Fund estimate of \$14.68 billion. We anticipate lower sales growth after a record third quarter.⁸

Mergers and Acquisitions

On September 28, 2023, AGCO announced the planned acquisition of Trimble's portfolio of agriculture assets and technologies through the formation of a joint venture. Management believes that this transaction will allow the company to strengthen the technology offerings that cover every aspect of the crop cycle. AGCO will acquire an 85% interest for cash consideration of \$2.0 billion and the contribution of JCA technologies. Together, this JV will create an industry leading global mixed-fleet precision agriculture platform. It will allow AGCO to implement their technology that is compatible across brands, equipment model and farm types to farmers around the world. This aligns with the company's "Farmer-First" approach, ensuring that high quality technology is readily available. This deal is anticipated to close in the first half of 2024, subject to satisfaction of regulatory approval and customary closing conditions.⁷

COVID-19 Impact

The agriculture industry was negatively impacted by the Covid-19 pandemic. Supply chain disruptions in conjunction with oversupply to meet foreign demand led

to low crop prices, which hurt farm incomes and decreased demand for new farm equipment. After the pandemic, increased consumer spending helped farm profits recover, yet spending on new equipment was stifled by the high-rate environment. Therefore, the farmers are managing inputs like water, fertilizers, and pesticides only where they are needed in optimal quantities, which helps solve multiple economic and environmental problems in agriculture.¹

Precision Agriculture

Precision Agriculture is an integrated crop management system that attempts to match the specific inputs with the actual crop needs across the field. While this has been a goal of farmers for a long time to reduce costs and maximize efficiency, it has become attainable due to the use of GPS technologies. Farmers utilizing precision agriculture can achieve higher returns because management is customized for small areas within the field.¹

Environmental Regulations

AGCO is subject to the evolving environmental regulations concerning air, water, and the disposal of waste material.

Engines that are manufactured by AGCO must comply with current emissions standards. As of the 2022 10-K, AGCO's engines complied with European, Brazilian and U.S. regulation standards and well as the US EPA and various state authorities. To meet evolving standards, the company will continue to implement new technology into the engines and exhaust after-treatment systems. While these technologies are necessary to sell into certain markets, it adds to the costs of production.¹

INDUSTRY TRENDS

Sustainability

As a part of the sustainability efforts, AGCO has started to partner with carbon credit registries so that farmers are able to monetize the adoption of sustainable agriculture practices. To qualify for the incentives, farmers are traditionally required to enter their farming data manually, which is time consuming and potentially challenging for the aging farming community. AGCO is helping automate this process by connecting the machines to a farm management information system. Most of AGCO's

equipment can connect to this system, which is a technology that was first introduced in 2010.¹

Soil Conservation

Improving soil health and carbon sequestration is an important component of managing carbon emissions. Farmers are encouraged to use no-till practices because the carbon stored in the ground is not released into the air if the soil is not tilled. One of the reasons that farmers may feel the need to till despite the negative environmental impacts is that soil can become compressed as equipment moves over the land. Compressed soil can decrease yields by as much as 50% in the impacted areas and can make drought or flood conditions worse. AGCO addresses this challenge by reducing the land that equipment travels on by using smart technology and precision agriculture to shorten routes and minimize turns to increase efficiency and decrease negative land impacts. Precision agriculture tools also allow farmers to cut through untilled land to place seeds into the soil without disturbing the surrounding land.¹

Animal Welfare

Concerns around animal welfare have played a significant role in the adoption of new practices and regulations in the livestock industry. This can be seen through the recent implementation of Proposition 12 in California, which prohibits the strict confinement of breeding pigs. AGCO provides technology and products that can assist farmers in using data to monitor, track and report environmental conditions for animals. This ability helps limit disease, reduce stress, and ensure optimal health for animals. Recently, AGCO has acquired a company that manufactures a robot arm that travels throughout the barn to test and track various environmental conditions such as, light, noise, air flow and temperature. AGCO emphasizes a specific focus on their already advanced aviary systems, precision-feeding systems, and organic sheds. Increasing animal welfare technology on the farm is a benefit for both the farmer and consumer. While it may be an upfront cost for farmers, they will be able to reduce animal losses and increase efficiency. Additionally, they may be able to charge a premium for the products as consumer demand ethical production practices.¹

MARKETS AND COMPETITION

There are a few indicators that help represent AGCO's market and competitive environment for Tractors & Agricultural Machinery Manufacturing in the US.

Threat of New Entrants

The threat of new entrants into this industry is low due to the high and steady barriers to entry. This industry requires large investments into production facilities and research to provide new technologies that meet the environmental regulations and support product offerings, making it challenging for new companies to enter this industry and quickly absorb market share.⁷

Bargaining Power of Supplier

As previously mentioned, AGCO relies on third party manufacturers to produce parts and fully assembled equipment. Because of this, AGCO is heavily reliant on these companies to support their production, giving their suppliers more bargaining power. However, larger players in the space may have the ability to bargain more than the smaller counterparts in this space, giving them a cost advantage.⁷

Threat of Substitutes

While there are a few different brands to choose from, there are not many substitutes for the heavy machinery needed to operate these farms. However, in the future, there could be the threat of different environmentally friendly tractors, which could take market share away from traditional fossil fuel-based tractors.⁷

Competitive Rivalry

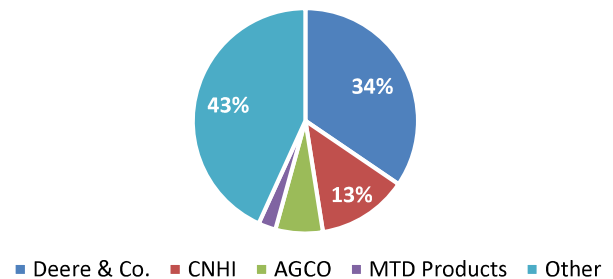
In the agricultural community, there is a bit of a sense of brand loyalty regarding the type of tractor that a farmer chooses to implement. When you look at a farm field, many people can recognize the tractor brand just from a quick glance based on the color scheme. For example, a dark green tractor is most likely to be a John Deere, Bright Red is most likely Case and bright green with red tires is most likely Fendt (an AGCO brand). This sense of brand loyalty impacts the competitive nature between the companies and forces them to introduce high quality and sophisticated technology and tractors to attract new customers that are focused on the best or most affordable

item rather than the color and the associated brand identity.⁷

Peer Comparisons

There are 4 companies that dominate tractor and agricultural machinery manufacturing in the US: Deere & Co., CNH Global, AGCO and MTD Products. The remainder of the market share is comprised of other, smaller companies.⁷

2023 Major Players



Source: IBISWorld Industry Report

Deere & Company

Deere & Company (DE) is a leading manufacturer and distributor of equipment for the agriculture, construction, forestry, and turf care industries. While Deere offers equipment outside of the scope of AGCO, their largest segment is Production and Precision agriculture accounting for 42% of total revenue. This segment competes directly with AGCO's precision agriculture technology.⁵

Caterpillar

Caterpillar (CAT) operates through the following segments: Construction Industries, Resource Industries, Energy and Transportation, Financial Products and All Other. While CAT does not directly cater to the agriculture industry, their equipment such as skid loaders and dump trucks could be utilized on a farm.⁵ Additionally, despite a slightly different application, CAT represents a heavy machinery manufacturer and distributor making it a good comparable company to AGCO.

CNH Industrial NV

CNH Industrial NV (CNHI) is an equipment and service company that manufactures and sells equipment for the

agriculture and construction industries. In the agriculture segment, the company builds and distributes a full line of farm machinery including two-wheel and four-wheel drive tractors, combines, harvesters, planting and seeding, and material handling equipment. The agriculture segment is comprised over 75% of the company's total revenue in 2022.⁵

PACCAR

PACCAR, Inc. (PCAR) is a global technology company that designs and manufactures light medium and heavy-duty vehicles for various end uses. Additionally, PCAR also has a Parts segment supporting the other product line similarly to AGCO.⁵

Cummins

Cummins (CMI) is a manufacturer and distributor of diesel and natural gas engines. It operates through the following segments: Engine, Distribution, Components, Power Systems, and New Power. The Engine segment directly serves the agriculture market among others. Cummins New Power takes a unique approach to making heavy duty equipment using hydrogen production systems rather than turning toward electrification.⁵ This segment shows the momentum in decarbonizing the agricultural and construction industries.

Lindsay Corporation

Lindsay Corporation (LNN) produces irrigation and infrastructure products. These can be used in the agriculture industry, but also serves the road construction industry and railroad structures and signals.⁵

Terex Corporation

Terex Corporation (TEX) manufactures aerial work platforms, cranes and materials processing machinery. TEX does not serve the agricultural markets; however, it does produce expensive machinery for the construction industry.⁵ While it may not be subject to the same impacts of the agriculture cycle, similar macroeconomic factors and supply chains could impact this business.

Peer Metrics

The following chart introduces the comparable peer companies mentioned in the prior sections.

Ticker	Market Cap	US Revenue %	Debt Rating
AGCO	8,955.1	20.1%	BBB-
CNHI	13,925.4	34.8%	BBB
DE	111,263.2	53.7%	A
PCAR	47,979.6	53.4%	A+
CAT	130,268.7	39.9%	A
CMI	32,297.7	55.4%	A+
LNN	1,408.5	51.5%	N/A
TEX	3,583.7	49.8%	BB-

Source: FactSet

We can compare AGCO to its competitors based on several metrics that look at leverage and profitability which are shown in the chart below:

Ticker	D/E	ROA	Net Margin
AGCO	49.4%	10.1%	7.7%
CNHI	334.7%	5.2%	9.4%
DE	269.7%	16.6%	16.8%
PCAR	80.7%	13.3%	12.9%
CAT	181.3%	15.7%	15.1%
CMI	74.8%	8.9%	8.2%
LNN	29.9%	8.8%	10.3%
TEX	53.5%	13.6%	9.3%
Average	134.2%	11.5%	11.2%

Source: FactSet

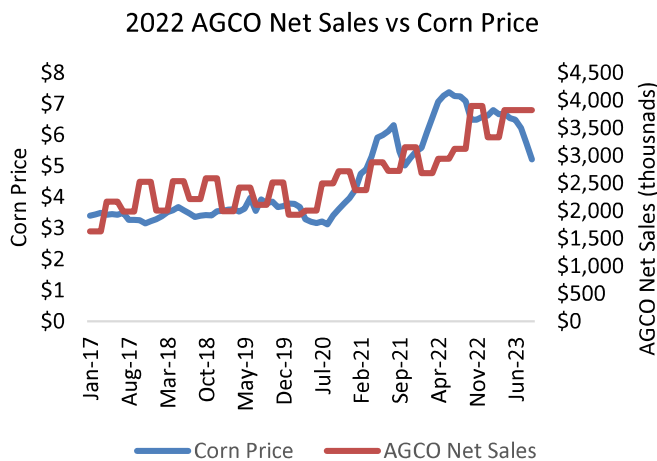
Looking at AGCO compared to its peers, the company has a significantly lower total debt to equity ratio. This means AGCO is financing their operations with its own resources rather than taking on excessive amounts of debt. This lowers the risk of not being able to make payments, but also means they may require more expensive equity funding. At the same time, they also have a slightly lower net margin than their peers. This metric could be important to monitor to ensure that AGCO does not continue to fall below the average, which could signal operational inefficiencies.

ECONOMIC OUTLOOK

Commodity Prices

Commodity prices play a crucial role in farm spending. Heavy equipment sales tend to increase as crop prices

climb since farmers have stronger cash flows. Additionally, large equipment purchases may also help lower their tax burdens, which incentivize these types of purchases in this type of commodity environment.⁶ In the chart below we compare the corn price received by month in the United States according to the USDA versus AGCO quarterly net sales. While these two items are not perfectly correlated, we can see the general trend that AGCO's Net Sales increased as commodity prices climbed higher. The recent downtrend in commodity prices along with high interest rates may limit large equipment spending in the short term. However, demand in 2021 outpaced supply, which could explain why sales remained strong in 2022 and 2023 due to increased production capabilities as supply chain complications were resolved.



Source: USDA & AGCO 10-K

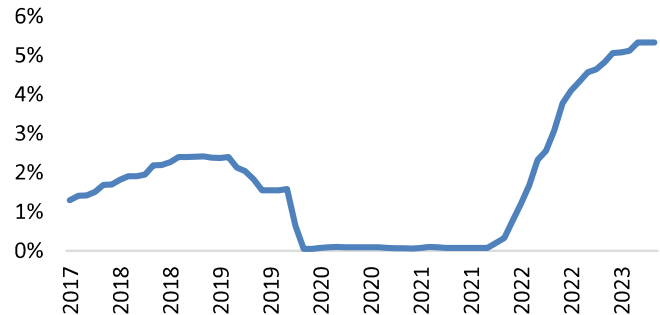
GDP Growth

According to IBIS World industry report, the Tractor and Agricultural Machinery Manufacturing in the US is considered to have revenue growth above GDP growth while having low volatility, making it a slightly defensive investment with room to grow as innovation continues to drive new growth. The current Henry Fund consensus for real GDP growth is 2.55%.⁷

Interest Rates

Over the last year the fed has raised the federal funds rate to slow inflation. These rate hikes have negatively impacted companies issuing debt and customers needing financing.¹⁰ While the Henry Fund forecasts that the Fed Funds rate will stay at 5.25-5.50% over the next six months before falling back to 4.25% by 2025.

Fed Funds Rate

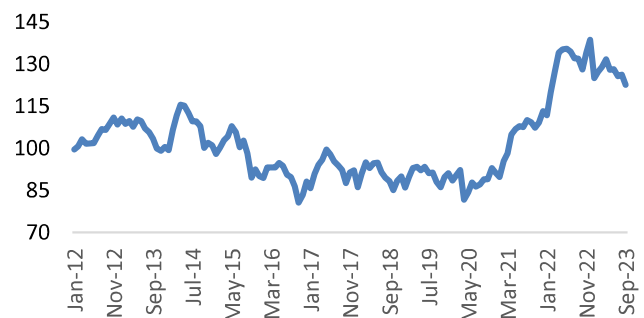


Source: Federal Reserve of St. Louis

Agriculture Price Index

The Agriculture Price Index measures prices received by farmers in the United States for their agricultural products such as livestock and crops. The base year for this index is 2011. The index is anticipated to fall in 2023 and over the next several years; however, this could be in part because overall food prices will be coming down from their recent inflation driven highs rather than shrinking farm margins. At the same time, the index is well above historical levels and may be trending downwards to more appropriate levels.

Agriculture Price Index



Source: USDA

VALUATION

Revenue Growth

The Henry Fund forecasts that the highest revenue growth will stem from both the Tractors, and Combines, Application Equipment & Other segments. AGCO has announced that recent strategic joint ventures along with strong demand will help grow these segments.

However, we anticipate Q4 2023 to deliver slightly lower growth than the previous record-breaking growth seen in Q3. Once interest rates begin to fall, we anticipate this will support a 10% and 8% growth for Combines, Application Equipment & Other, and Tractors segments, respectively, QoQ in Q12024.

Capital Expenditures

We forecast AGCO's capital expenditures will increase at a higher rate in the future than it had in the past 2 years. In both 2021 and 2022, CAPEX growth fell -1.28% and -0.04%, respectively. We feel that moving forward, AGCO will be able to grow these investments due to stronger cash flows.

WACC Assumptions

To calculate our Weighted Average Cost of Capital (WACC) we used the assumptions below. Using these, we found a WACC of 10.56% for AGCO.

Risk Free Rate: The risk-free rate of 4.58% is from the yield of a 10-year U.S. Treasury Note as of November 3, 2023.

Beta: The beta used in the model for AGCO was found using a 5Y monthly beta.

Equity Risk Premium: 5.00% is the Henry Fund's consensus for the equity risk premium.

Pre-Tax Cost of Debt: The pre-tax cost of debt for AGCO is from the yield of a 4.31% coupon bond maturing in October of 2028.

Tax Rate: We used an implied marginal tax rate of 37.67% based on AGCO's historical average.⁷

DCF Valuation Model

Our Discounted Cash Flow (DCF) and Economic Profit (EP) model represented an implied price per share of \$153 per share, which represents an upside of 27%. We utilized this value as the high end for our estimated valuation range.⁷

DDM Valuation Model

The Dividend Discount Model derives an implied price based on the discounted value of forecasted future dividends. This model gave us a share price of \$37.49 per share. This value was excluded from the target price range.

Recently, AGCO has paid a variable dividend, which was not included in forecasted dividends.

Relative Valuation Model

Our Relative Valuation Model is based on multiples from the selected peer group described earlier in the report. This generated an implied share price of \$120 per share using 2023 EPS.⁷

KEYS TO MONITOR

The Henry Fund believes that AGCO is well position to take advantage of the growth in the agriculture market with both their equipment and technology. Management has shown their commitment to their Farmer First strategy by announcing joint ventures that will deliver superior technology for farmers regardless of brand, model or farm type. However, there a few key items to monitor that could impact AGCO's performance:

- **Commodity Price Risk:** Agricultural equipment demand is sensitive to crop market conditions, which can be very volatile. When crop prices are strong, farms have more cash flow to fund these purchases. Additionally, equipment purchases can be an efficient way to minimize tax obligations. In the near term we anticipate that crop prices will decrease; however, this movement will be offset by a decline in interest rates.
- **Interest Rates:** The Henry Fund that interest rates will begin to fall in 2024, which will help encourage farmers to make large equipment purchases that they may have been hesitant to make over the last year. If rates continue to increase this could negatively impact farm spending and reduce net sales growth over the forecast period.
- **Brand Loyalty:** As mentioned before, there is an element of brand loyalty behind farm equipment purchases. If the market shifts more toward one of the competitors, this could hurt sales growth. However, we feel that AGCO has done well expanding their reach through acquisitions and joint ventures.

REFERENCES

1. AGCO 10-K
2. AGCO 10-Q
3. USDA
4. Sustainalytics
5. FactSet

6. Successful Farming
7. IBISWorld Industry Report
8. Henry Fund Model
9. AGCO New Releases
10. Federal Reserve Bank of St. Louis

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Total Sales	8,306,500	9,352,000	9,041,400	9,149,700	11,138,300	12,651,400
Revenue by Product						
Tractors	4,734,700	5,330,640	5,153,598	5,235,329	6,348,831	7,464,326
Replacement Parts	1,320,040	1,309,280	1,356,210	1,463,952	1,670,745	1,644,682
Grain Storage & Protein Protection Systems	1,079,845	1,122,240	994,554	914,970	1,113,830	1,138,626
Hay Tools and Forage Equipment, Planters, Implements and Other Equipment	581,465	595,200	904,140	1,006,467	1,138,596	1,518,168
Application Equipment	331,260	280,560	271,242	278,491	445,532	632,750
Total Equipment	249,195	280,560	271,242	274,491	334,149	379,542
Application	8,306,500	9,258,448	8,950,086	9,149,700	11,249,683	12,777,914

Growth QoQ															
Tractors	0.53%	-6.74%	-5.46%	-1.31%	-5.16%	-26.49%	28.44%	11.43%	20.28%	54.66%	5.73%	15.60%	17.40%	7.10%	11.86%
Replacement Parts	-3.42%	-1.16%	4.65%	0.30%	2.72%	4.07%	7.78%	15.33%	28.50%	20.09%	13.43%	6.14%	11.79%	-8.15%	-4.88%
Grain Storage & Protein Protection Systems	1.62%	-1.50%	-1.08%	-15.74%	-21.34%	-32.12%	30.81%	9.31%	22.17%	30.81%	9.31%	-6.31%	7.73%	-	-
Combines, application equipment & other	-1.04%	-4.45%	-5.93%	-3.25%	2.69%	-2.20%	16.21%	0.02%	28.20%	46.91%	17.98%	26.70%	2.43%	2.88%	47.21%
Total	-0.59%	-4.53%	-4.75%	-3.04%	-3.38%	-17.16%	18.40%	8.09%	23.36%	43.47%	9.14%	16.11%	12.91%	2.29%	14.53%

Tractors
Replacement Parts
Grain Storage & Protein Protection Systems
Combines, application equipment & other

Tractors
Replacement Parts
Grain Storage & Protein Protection Systems
Combines, application equipment & other

[illegible]

AGCO Corporation

Income Statement

<i>Fiscal Years Ending Dec. 31</i>	Q42022	Q12023	Q22023	Q32023	Q42023	Q12024	Q22024	Q32024	Q42024	Q12025	Q22025	Q32025	Q42025	Q12026	Q22026	Q32026
Net sales	3,898,900	3,333,500	3,822,700	\$3,415,302	\$3,959,085	3,614,504	4,142,761	3,659,119	4,227,937	3,742,735	4,282,410	3,835,566	4,378,493	3,876,660	4,378,256	3,922,722
Cost of goods sold	3,067,100	2,425,000	2,706,900	2,686,674	3,114,445	2,843,378	3,258,935	2,878,474	3,325,940	2,944,252	3,368,791	3,017,278	3,444,376	3,049,605	3,444,190	3,085,840
Gross profit (loss)	831,800	908,500	1,115,800	728,628	844,640	771,126	883,826	780,645	901,998	798,484	913,619	818,288	934,118	827,055	934,067	836,882
Selling, general & administrative expenses	325,100	330,300	349,300	323,920	375,494	342,813	392,915	347,044	400,993	354,975	406,160	363,779	415,273	367,677	415,250	372,046
Depreciation	-108800	53600	110100	56,895	56,895	59,985	59,985	59,985	59,985	65,695	65,695	65,695	65,695	72,064	72,064	72,064
Engineering expenses	132,100	119,600	138,800	120,423	139,596	127,447	146,073	129,020	149,076	131,968	150,997	135,241	154,385	136,690	154,376	138,314
Amortization of intangibles	14,700	14,800	14,800	13,350	13,350	13,775	13,775	13,775	13,775	12,800	12,800	12,800	12,800	5,700	5,700	5,700
Impairment charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Goodwill impairment charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restructuring expenses	1,700	1,400	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100
Bad debt expense (credit)	1,200	1,500	1,000	827	958	875	1,003	886	1,023	906	1,037	928	1,060	938	1,060	949
Income (loss) from operations	465,800	387,300	495,700	207,114	252,246	220,132	263,976	223,835	271,045	226,040	270,831	233,745	278,806	237,886	279,517	241,709
Interest expense, net	(21,600)	500	5,800	9,810	9,810	6,438	6,438	6,438	6,438	6,929	6,929	6,929	6,929	9,526	9,526	9,526
Other income (expense), net	(72,900)	(50,400)	(78,000)	(78,527)	(79,057)	(79,590)	(80,127)	(80,668)	(81,213)	(81,761)	(82,313)	(82,868)	(83,428)	(83,991)	(84,558)	(85,129)
Income (loss) before income taxes & equity in net earnings of affiliates	414,500	336,400	411,900	118,778	163,380	134,104	177,411	136,729	183,395	137,350	181,589	143,947	188,449	144,369	185,433	147,054
Income tax provision (benefit)	90,700	120,200	111,000	97,055	97,055	59,492	59,492	59,492	59,492	61,347	61,347	61,347	61,347	63,031	63,031	63,031
Income (loss) before equity in net earnings of affiliates	323,800	216,200	300,900	21,722	66,325	74,612	117,919	77,237	123,903	76,003	120,242	82,600	127,102	81,338	122,402	84,023
Equity in net earnings (loss) of affiliates	24,400	16,400	17,600	17,600	17,600	17,600	17,600	17,600	17,600	17,600	17,600	17,600	17,600	17,600	17,600	17,600
Net income (loss)	348,200	232,600	318,500	39,322	83,925	92,212	135,519	94,837	141,503	93,603	137,842	100,200	144,702	98,938	140,002	101,623
Net income (loss) attributable to noncontrolling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income (loss) attributable to AGCO Corporation & subsidiaries	348,200	232,600	318,500	39,322	83,925	92,212	135,519	94,837	141,503	93,603	137,842	100,200	144,702	98,938	140,002	101,623
Weighted average shares outstanding - basic	-149200	74900	74900	74416	74900	74,900	74,900	74,900	74,900	74,900	74,900	74,900	74,900	74,900	74,900	74,900
Net income (loss) per share - basic	-2.33	3.11	4.25	0.53	1.12	1	2	1	2	1	2	1	2	1	2	1
Normal Cash Dividend Declared & Paid	0.24	0.24	0.28	0.28	0.28	0	0	0	0	0	0	0	0	0	0	0
Variable Dividend			\$5.00													
Total Dividends	\$ 0.24	\$ 0.24	\$ 5.28	\$ 0.28	\$ 0.28	0	0	0	0	0	0	0	0	0	0	0
Dividends Paid	\$ (35,808.00)	\$ 17,976.00	\$ 395,472.00	\$ 20,836.59	\$ 20,972.00	20,972	23,968	23,968	23,968	26,964	26,964	26,964	26,964	29,960	29,960	29,960

AGCO Corporation
Income Statement

Fiscal Years Ending Dec. 31	FY2019	FY2020	FY2021	FY2022	2023	2024	2025	2026	2027	2028	2029
Net sales	9,041,400	9,149,700	11,138,300	12,651,400	14,530,587	15,644,321	16,239,205	16,653,111	17,026,644	17,408,832	17,763,315
Cost of goods sold	7,057,100	7,092,200	8,566,000	9,650,100	10,933,019	12,306,727	12,774,697	13,100,299	13,394,142	13,694,793	13,973,650
Gross profit (loss)	1,984,300	2,057,500	2,572,300	3,001,300	3,597,568	3,337,594	3,464,508	3,552,812	3,632,502	3,714,039	3,789,665
Selling, general & administrative expenses	1,040,300	1,001,500	1,088,200	1,186,200	1,379,014	1,483,766	1,540,187	1,579,443	1,614,870	1,651,119	1,684,739
Depreciation	210,900	212,500	220,700	209,500	277,489	239,938	262,779	288,255	319,933	353,926	389,830
Engineering expenses	343,400	342,600	405,800	444,200	518,419	551,615	572,590	587,185	600,355	613,831	626,330
Amortization of intangibles	61,100	59,500	61,100	60,100	56,300	55,100	51,200	22,800	18,700	18,700	18,700
Impairment charges	176,600	20,000	-	36,000	-	-	-	-	-	-	-
Goodwill impairment charge	-	-	-	-	-	-	-	-	-	-	-
Restructuring expenses	9,000	19,700	15,300	6,100	19,700	24,400	24,400	24,400	24,400	24,400	24,400
Bad debt expense (credit)	5,800	14,500	500	3,300	4,285	3,787	3,931	4,031	4,121	4,214	4,300
Income (loss) from operations	137,200	387,200	780,700	1,055,900	1,342,361	978,989	1,009,421	1,046,698	1,050,122	1,047,850	1,041,367
Interest expense, net	(19,900)	(15,000)	(6,700)	(13,000)	(25,920)	(25,752)	(27,716)	(38,105)	(32,097)	(37,448)	(51,630)
Other income (expense), net	(67,100)	(22,700)	(50,400)	(145,200)	(285,983)	(321,599)	(330,370)	(339,381)	(348,637)	(358,146)	(367,915)
Income (loss) before income taxes & equity in net earnings of affiliates	90,000	379,500	737,000	897,700	1,030,457	631,639	651,336	669,212	669,387	652,255	621,822
Income tax provision (benefit)	180,800	187,700	108,400	296,600	388,221	237,968	245,388	252,123	252,189	245,735	234,269
Income (loss) before equity in net earnings of affiliates	(90,800)	191,800	628,600	601,100	642,236	393,671	405,947	417,089	417,198	406,520	387,553
Equity in net earnings (loss) of affiliates	42,500	45,500	65,600	64,100	69,200	70,400	70,400	70,400	70,400	70,400	70,400
Net income (loss)	(48,300)	237,300	694,200	665,200	711,436	464,071	476,347	487,489	487,598	476,920	457,953
Net income (loss) attributable to noncontrolling interests	2,400	7,300	(4,500)	14,900	-	-	-	-	-	-	-
Net income (loss) attributable to AGCO Corporation & subsidiaries	(45,900)	244,600	689,700	680,100	711,436	464,071	476,347	487,489	487,598	476,920	457,953
Weighted average shares outstanding - basic	76,200	75,000	75,200	74,600	74,416	74,250	74,100	73,964	73,842	73,842	73,842
Net income (loss) per share - basic	-0.60	3.26	9.17	9.12	9.56	6.25	6.43	6.59	6.60	6.46	6.20
Cash dividends declared & paid per common share	0.63	0.63	4.74	5.40	6.08	1.24	1.44	1.60	1.76	1.92	2.08
Total Dividends Paid	\$ 11,426.00	13,501	310,255	349,128	455,257	92,876	107,856	119,840	131,824	143,808	155,792

AGCO Corporation
Balance Sheet

Thousands

Fiscal Years Ending Dec. 31	2020	2021	2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E
Cash & cash equivalents	1,119,100	889,100	789,500	199,688	250,452	635,054	350,362	461,122	868,226	96,056
Accounts & notes receivable, net	856,000	991,500	1,221,300	1,341,969	1,444,827	1,499,768	1,537,994	1,572,491	1,607,788	1,640,526
Inventories, net	1,974,400	2,593,700	3,189,700	3,380,843	3,639,976	3,778,388	3,874,692	3,961,602	4,050,526	4,133,004
Other current assets	418,900	539,800	538,800	618,831	666,263	691,598	709,226	725,134	741,410	756,507
Total current assets	4,368,400	5,014,100	5,739,300	5,541,330	6,001,519	6,604,808	6,472,274	6,720,349	7,267,951	6,626,094
Gross property, plant & equipment	3,986,900	3,890,300	4,034,400	4,454,608	4,909,346	5,401,452	5,933,997	6,510,302	7,133,965	7,808,876
Accumulated depreciation & amortization	2,478,400	2,425,500	2,443,200	2,776,989	3,072,027	3,386,006	3,697,061	4,035,694	4,408,320	4,816,850
Property, plant & equipment, net	1,508,500	1,464,800	1,591,200	1,677,619	1,837,319	2,015,446	2,236,936	2,474,608	2,725,645	2,992,027
Right-of-use lease assets	165,100	154,100	163,900	172,802	189,251	207,599	230,413	254,895	280,752	308,191
Investments in affiliates	442,700	413,500	436,900	506,100	576,500	646,900	717,300	787,700	858,100	928,500
Deferred tax assets	77,600	169,300	228,500	431,450	555,851	684,133	815,935	947,771	1,076,233	1,198,702
Other assets	179,800	293,300	268,700	282,922	297,897	313,665	330,267	347,748	366,155	385,535
Intangible assets, net	455,600	392,200	364,400	308,100	253,000	201,800	179,000	160,300	141,600	122,900
Goodwill	1,306,500	1,280,800	1,310,800	1,310,800	1,310,800	1,310,800	1,310,800	1,310,800	1,310,800	1,310,800
Total assets	8,504,200	9,182,100	10,103,700	10,231,123	11,022,138	11,985,151	12,292,925	13,004,171	14,027,236	13,872,749
Current portion of long-term debt	325,900	2,100	187,100	-	2,200	334,700	56,300	200,200	671,400	-
Short-term borrowings	33,800	90,800	8,900	60,917	65,586	68,080	69,815	71,381	72,983	74,469
Accounts payable	855,100	1,078,300	1,385,300	1,434,266	1,544,199	1,602,918	1,643,773	1,680,643	1,718,368	1,753,358
Reserve for volume discounts & sales incentives	582,900	602,300	630,800	755,117	812,995	843,909	865,419	884,830	904,691	923,113
Accrued warranty reserves	431,600	492,700	546,000	634,929	683,595	709,589	727,675	743,997	760,697	776,186
Accrued employee compensation & benefits	329,200	322,300	390,200	466,505	502,261	521,360	534,648	546,640	558,911	570,291
Accrued taxes	249,600	282,500	344,800	236,856	255,010	264,707	271,454	277,543	283,772	289,551
Other accrued expenses	323,400	362,400	359,500	466,420	502,170	521,266	534,552	546,542	558,810	570,188
Accrued expenses	1,916,700	2,062,200	2,271,300	2,559,826	2,756,030	2,860,830	2,933,747	2,999,552	3,066,881	3,129,329
Other current liabilities	231,300	221,200	235,400	247,860	260,979	274,793	289,337	304,652	320,777	337,756
Total current liabilities	3,362,800	3,454,600	4,088,000	4,302,868	4,628,994	5,141,320	4,992,972	5,256,428	5,850,409	5,294,912
Long-term debt, less current portion & debt issuance costs	1,256,700	1,411,200	1,264,800	897,738	963,984	1,015,748	1,068,769	1,122,508	1,177,632	1,232,910
Operating lease liabilities	125,900	115,500	125,400	132,649	145,277	159,361	176,875	195,667	215,517	236,580
Pensions & postretirement health care benefits	253,400	209,000	158,000	142,200	126,400	110,600	94,800	79,000	63,200	47,400
Deferred tax liabilities	112,400	116,900	112,000	118,957	123,222	127,619	132,137	136,657	141,060	145,259
Other noncurrent liabilities	375,000	431,100	472,900	497,931	524,286	552,037	581,256	612,022	644,416	678,525
Total liabilities	5,486,200	5,738,300	6,221,100	6,092,343	6,512,163	7,106,685	7,046,809	7,402,282	8,092,234	7,635,586
Common Stock	31,700	4,600	30,900	30,900	30,900	30,900	30,900	30,900	30,900	30,900
Retained earnings	4,759,100	5,182,200	5,654,600	5,910,780	6,281,975	6,650,466	7,018,115	7,373,890	7,707,002	8,009,163
Accumulated other comprehensive income (loss)	(1,810,800)	(1,770,900)	(1,803,100)	(1,803,100)	(1,803,100)	(1,803,100)	(1,803,100)	(1,803,100)	(1,803,100)	(1,803,100)
Total AGCO Corporation stockholders' equity	2,980,000	3,415,900	3,882,400	4,138,580	4,509,775	4,878,266	5,245,915	5,601,690	5,934,802	6,236,963
Noncontrolling interests	38,000	27,900	200	200	200	200	200	200	200	200
Total stockholders' equity	3,018,000	3,443,800	3,882,600	4,138,780	4,509,975	4,878,466	5,246,115	5,601,890	5,935,002	6,237,163

AGCO Corporation
Historical Cash Flow Statement

Fiscal Years Ending Dec. 31	2016	2017	2018	2019	2020	2021	2022
Net income (loss)	160,200	189,300	283,700	122,800	419,800	901,500	874,700
Depreciation	223,400	222,800	225,200	210,900	212,500	220,700	209,500
Deferred debt issuance cost amortization	1,000	700	-	-	-	-	-
Impairment charges	-	-	-	176,600	20,000	-	36,000
Amortization of intangibles	51,200	57,000	64,700	61,100	59,500	61,100	60,100
Stock compensation expense (credit)	18,100	38,200	46,300	41,300	37,600	27,400	34,000
Proceeds from termination of hedging instrument	7,300	-	-	-	-	-	-
Equity in net losses (earnings) of affiliates, net cash received	(1,400)	41,200	(3,200)	-	(43,700)	(1,900)	(40,800)
Deferred income tax provision (benefit)	2,100	(14,100)	(14,700)	15,100	3,400	(117,900)	(58,000)
Gain (loss) on extinguishment of debt	-	-	24,500	-	-	-	-
Other adjustments	1,300	2,300	2,600	6,900	(7,400)	20,500	16,200
Accounts & notes receivable, net	(4,500)	(34,700)	63,300	63,800	(90,500)	(207,700)	(306,100)
Inventories, net	(33,100)	(196,000)	(214,300)	(216,300)	119,700	(762,600)	(668,300)
Other current & noncurrent assets	(98,700)	(36,600)	(85,600)	(14,400)	(49,800)	(268,000)	20,100
Accounts payable	62,800	123,500	(24,300)	35,700	(59,100)	292,200	322,100
Accrued expenses	47,000	149,000	161,300	114,500	185,300	241,200	282,700
Other current & noncurrent liabilities	(67,200)	35,000	66,400	77,900	89,200	253,700	56,000
Total adjustments	209,300	388,300	312,200	573,100	476,700	(241,300)	(36,500)
Net cash flows from operating activities	369,500	577,600	595,900	695,900	896,500	660,200	838,200
Purchases of property, plant & equipment	(201,000)	(203,900)	(203,300)	(273,400)	(269,900)	(269,800)	(388,300)
Proceeds from sale of property, plant & equipment	2,400	4,100	3,200	4,900	1,900	6,300	2,600
Sale (purchase) of businesses, net of cash acquired	(383,800)	(293,100)	-	-	(2,800)	(22,600)	(111,300)
Investment in consolidated affiliates, net of cash acquired	(11,800)	-	-	-	-	-	-
Sale of (investments in) unconsolidated affiliates, net	(4,500)	(800)	(5,800)	(3,100)	29,100	-	-
Sale of, distributions from (investments in) unconsolidated affiliates, net	-	-	-	-	-	13,100	4,000
Other cash flows from investing activities	-	-	400	-	-	(15,400)	(3,800)
Restricted cash & other investing activities	400	-	-	-	-	-	-
Net cash flows from investing activities	(598,300)	(493,700)	(205,500)	(271,600)	(241,700)	(288,400)	(496,800)
Proceeds from indebtedness	3,117,900	3,513,900	5,257,500	2,082,700	1,195,600	2,497,600	410,500
Repayments of indebtedness	(2,622,400)	(3,639,700)	(5,433,600)	(2,191,100)	(1,045,600)	(2,501,400)	(377,500)
Purchases & retirement of common stock	(212,500)	-	(184,300)	(130,000)	(55,000)	(135,000)	-
Payment of dividends to stockholders	(42,500)	(44,500)	(47,100)	(48,000)	(48,000)	(358,500)	(404,300)
Payment of minimum tax withholdings on stock compensation	(2,000)	(6,900)	(4,000)	(28,100)	(19,800)	(34,900)	(20,600)
Payment of debt issuance costs	(2,500)	-	(2,700)	(500)	(1,400)	(3,800)	(3,600)
Investments by (distributions to) noncontrolling interests, net	400	500	900	1,600	(3,100)	(3,500)	(11,500)
Net cash flows from financing activities	236,400	(176,700)	(413,300)	(313,400)	22,700	(539,500)	(407,000)
Effects of exchange rate changes on cash & cash equivalents	(4,600)	30,800	(18,700)	(4,200)	-	-	-
Increase (decrease) in cash & cash equivalents	3,000	(62,000)	(41,600)	106,700	-	-	-
Cash & cash equivalents, beginning of year	426,700	429,700	367,700	326,100	-	-	-
Cash & cash equivalents, end of year	429,700	367,700	326,100	432,800	-	-	-
Effect of exchange rate changes on cash, cash equivalents & restricted cash	-	-	-	-	8,800	(62,300)	(34,000)
Increase (decrease) in cash, cash equivalents & restricted cash	-	-	-	-	686,300	(230,000)	(99,600)
Cash, cash equivalents & restricted cash, beginning of year	-	-	-	-	432,800	1,119,100	889,100
Cash, cash equivalents & restricted cash, end of year	-	-	-	-	1,119,100	889,100	789,500
Cash payments for interest	58,800	51,400	35,200	26,300	23,600	23,800	45,100
Income taxes paid	106,200	111,200	101,600	-	-	247,300	304,000

AGCO Corporation
Forecasted Cash Flow Statement

Fiscal Years Ending Dec. 31	2023E	2024E	2025E	2026E	2027E	2028E	2029E
Net Income	711,436	464,071	476,347	487,489	487,598	476,920	457,953
Amortization	56,300	55,100	51,200	22,800	18,700	18,700	18,700
Depreciation	277,489	239,938	262,779	288,255	319,933	353,926	389,830
Changes in Def. Taxes	(195,992)	(120,137)	(123,884)	(127,284)	(127,317)	(124,059)	(118,270)
Adj. to Reconcile Net Income							
Accounts & notes receivable, net	(120,669)	(102,859)	(54,940)	(38,226)	(34,498)	(35,297)	(32,738)
Inventories, net	(191,143)	(259,133)	(138,412)	(96,304)	(86,910)	(88,924)	(82,478)
Accounts payable	48,966	109,933	58,719	40,855	36,870	37,724	34,990
Reserve for volume discounts & sales incentives	124,317	57,878	30,915	21,510	19,412	19,861	18,422
Accrued warranty reserves	88,929	48,666	25,994	18,086	16,322	16,700	15,489
Accrued employee compensation & benefits	76,305	35,756	19,099	13,288	11,992	12,270	11,381
Accrued taxes	(107,944)	18,154	9,697	6,747	6,089	6,230	5,778
Other accrued expenses	106,920	35,750	19,095	13,286	11,990	12,268	11,379
Net Cash From Operating Activities	874,913	583,117	636,609	650,503	680,181	706,321	730,435
ROU Assets	(8,902)	(16,450)	(18,348)	(22,814)	(24,481)	(25,858)	(27,438)
Other assets	(14,222)	(14,975)	(15,768)	(16,602)	(17,481)	(18,406)	(19,381)
Other current assets	(80,031)	(47,432)	(25,335)	(17,628)	(15,908)	(16,277)	(15,097)
Other current liabilities	12,460	13,119	13,814	14,545	15,315	16,125	16,979
Investments in affiliates	(69,200)	(70,400)	(70,400)	(70,400)	(70,400)	(70,400)	(70,400)
Other noncurrent liabilities	25,031	26,355	27,750	29,219	30,766	32,394	34,109
Intangible Assets	56,300	55,100	51,200	22,800	18,700	18,700	18,700
Accumulated Other Income	-	-	-	-	-	-	-
Accumulated Amortization							
Capex	(420,208)	(454,738)	(492,106)	(532,544)	(576,305)	(623,663)	(674,912)
Net Cash from Investing Activities	(498,773)	(509,420)	(529,192)	(593,424)	(639,795)	(687,384)	(737,440)
Current portion of long-term debt	(187,100)	2,200	332,500	(278,400)	143,900	471,200	(671,400)
Short-term borrowings	52,017	4,669	2,494	1,735	1,566	1,602	1,486
Long-term debt, less current portion & debt issuance costs	(367,062)	66,247	51,763	53,021	53,739	55,124	55,278
Pensions & postretirement health care benefits	(15,800)	(15,800)	(15,800)	(15,800)	(15,800)	(15,800)	(15,800)
Operating Lease Liabilities	7,249	12,628	14,085	17,513	18,793	19,850	21,063
Payment of Dividends	(455,257)	(92,876)	(107,856)	(119,840)	(131,824)	(143,808)	(155,792)
Cash provided by financing activities	(965,953)	(22,932)	277,186	(341,770)	70,374	388,168	(765,165)
Change in cash	(589,812)	50,764	384,602	(284,692)	110,760	407,104	(772,170)
Cash at Beginning of the Year	789,500	199,688	250,452	635,054	350,362	461,122	868,226
Cash at the End of the Year	199,688	250,452	635,054	350,362	461,122	868,226	96,056

AGCO Corporation
Common Size Income Statement

Fiscal Years Ending Dec. 31	Q12022	Q22022	Q32022	Q42022	Q12023	Q22023	Q32023	Q42023	Q12024	Q22024	Q32024	Q42024	Q12025	Q22025	Q32025	Q42025	Q12026	Q22026
Net sales	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Cost of goods sold	74.46%	72.94%	71.30%	78.67%	72.75%	70.81%	78.67%	78.67%	78.67%	78.67%	78.67%	78.67%	78.67%	78.67%	78.67%	78.67%	78.67%	78.67%
Gross profit (loss)	25.54%	27.06%	28.70%	21.33%	27.25%	29.19%	21.33%	21.33%	21.33%	21.33%	21.33%	21.33%	21.33%	21.33%	21.33%	21.33%	21.33%	21.33%
Selling, general & administrative expenses	10.09%	10.27%	9.21%	8.34%	9.91%	9.14%	9.48%	9.48%	9.48%	9.48%	9.48%	9.48%	9.48%	9.48%	9.48%	9.48%	9.48%	9.48%
Engineering expenses	3.73%	3.64%	3.35%	3.39%	3.59%	3.63%	3.53%	3.53%	3.53%	3.53%	3.53%	3.53%	3.53%	3.53%	3.53%	3.53%	3.53%	3.53%
Amortization of intangibles	0.57%	0.52%	0.47%	0.38%	0.44%	0.39%	0.39%	0.34%	0.38%	0.33%	0.38%	0.33%	0.34%	0.30%	0.33%	0.29%	0.15%	0.13%
Impairment charges	1.34%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Goodwill impairment charge	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Restructuring expenses	0.11%	0.01%	0.03%	0.04%	0.04%	0.16%	0.18%	0.15%	0.17%	0.15%	0.17%	0.14%	0.16%	0.14%	0.16%	0.14%	0.16%	0.14%
Bad debt expense (credit)	0.06%	0.05%	-0.04%	0.03%	0.04%	0.03%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%
Income (loss) from operations	7.60%	8.95%	10.64%	11.95%	11.62%	12.97%	6.06%	6.37%	6.09%	6.37%	6.12%	6.41%	6.04%	6.32%	6.09%	6.37%	6.14%	6.38%
Interest expense, net	0.01%	0.20%	0.07%	-0.55%	0.01%	0.15%	0.29%	0.25%	0.18%	0.16%	0.18%	0.15%	0.19%	0.16%	0.18%	0.16%	0.25%	0.22%
Other income (expense), net	-0.65%	-0.74%	-1.06%	-1.87%	-1.51%	-2.04%	-2.30%	-2.00%	-2.20%	-1.93%	-2.20%	-1.92%	-2.18%	-1.92%	-2.16%	-1.91%	-2.17%	-1.93%
Income (loss) before income taxes & equity in net earnings of affiliates	6.93%	8.01%	9.50%	10.63%	10.09%	10.78%	3.48%	4.13%	3.71%	4.28%	3.74%	4.34%	3.67%	4.24%	3.75%	4.30%	3.72%	4.24%
Income tax provision (benefit)	2.24%	2.43%	2.38%	2.33%	3.61%	2.90%	2.84%	2.45%	1.65%	1.44%	1.63%	1.41%	1.64%	1.43%	1.60%	1.40%	1.63%	1.44%
Income (loss) before equity in net earnings of affiliates	4.69%	5.58%	7.13%	8.30%	6.49%	7.87%	0.64%	1.68%	2.06%	2.85%	2.11%	2.93%	2.03%	2.81%	2.15%	2.90%	2.10%	2.80%
Equity in net earnings (loss) of affiliates	0.41%	0.45%	0.49%	0.63%	0.49%	0.46%	0.52%	0.44%	0.49%	0.42%	0.48%	0.42%	0.47%	0.41%	0.46%	0.40%	0.45%	0.40%
Net income (loss)	5.10%	6.03%	7.62%	8.93%	6.98%	8.33%	1.15%	2.12%	2.55%	3.27%	2.59%	3.35%	2.50%	3.22%	2.61%	3.30%	2.55%	3.20%
Net income (loss) attributable to noncontrolling interests	0.55%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Net income (loss) attributable to AGCO Corporation & subsidiaries	5.65%	6.03%	7.62%	8.93%	6.98%	8.33%	1.15%	2.12%	2.55%	3.27%	2.59%	3.35%	2.50%	3.22%	2.61%	3.30%	2.55%	3.20%

AGCO Corporation
Common Size Balance Sheet

Fiscal Years Ending Dec. 31	2020	2021	2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E
Cash & cash equivalents	12.23%	7.98%	6.24%	1.37%	1.60%	3.91%	2.10%	2.71%	4.99%	0.54%
Accounts & notes receivable, net	9.36%	8.90%	9.65%	9.24%	9.24%	9.24%	9.24%	9.24%	9.24%	9.24%
Inventories, net	21.58%	23.29%	25.21%	23.27%	23.27%	23.27%	23.27%	23.27%	23.27%	23.27%
Other current assets	4.58%	4.85%	4.26%	4.26%	4.26%	4.26%	4.26%	4.26%	4.26%	4.26%
Total current assets	47.74%	45.02%	45.36%	38.14%	38.36%	40.67%	38.87%	39.47%	41.75%	37.30%
Gross property, plant & equipment	43.57%	34.93%	31.89%	30.66%	31.38%	33.26%	35.63%	38.24%	40.98%	43.96%
Accumulated depreciation & amortization	27.09%	21.78%	19.31%	19.11%	19.64%	20.85%	22.20%	23.70%	25.32%	27.12%
Property, plant & equipment, net	16.49%	13.15%	12.58%	11.55%	11.74%	12.41%	13.43%	14.53%	15.66%	16.84%
Right-of-use lease assets	1.80%	1.38%	1.30%	1.19%	1.21%	1.28%	1.38%	1.50%	1.61%	1.73%
Investments in affiliates	4.84%	3.71%	3.45%	3.48%	3.69%	3.98%	4.31%	4.63%	4.93%	5.23%
Deferred tax assets	0.85%	1.52%	1.81%	2.97%	3.55%	4.21%	4.90%	5.57%	6.18%	6.75%
Other assets	1.97%	2.63%	2.12%	1.95%	1.90%	1.93%	1.98%	2.04%	2.10%	2.17%
Intangible assets, net	4.98%	3.52%	2.88%	2.12%	1.62%	1.24%	1.07%	0.94%	0.81%	0.69%
Goodwill	14.28%	11.50%	10.36%	9.02%	8.38%	8.07%	7.87%	7.70%	7.53%	7.38%
Total assets	92.95%	82.44%	79.86%	70.41%	70.45%	73.80%	73.82%	76.38%	80.58%	78.10%
Current portion of long-term debt	3.56%	0.02%	1.48%	0.00%	0.01%	2.06%	0.34%	1.18%	3.86%	0.00%
Short-term borrowings	0.37%	0.82%	0.07%	0.42%	0.42%	0.42%	0.42%	0.42%	0.42%	0.42%
Accounts payable	9.35%	9.68%	10.95%	9.87%	9.87%	9.87%	9.87%	9.87%	9.87%	9.87%
Reserve for volume discounts & sales incentives	6.37%	5.41%	4.99%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%
Accrued warranty reserves	4.72%	4.42%	4.32%	4.37%	4.37%	4.37%	4.37%	4.37%	4.37%	4.37%
Accrued employee compensation & benefits	3.60%	2.89%	3.08%	3.21%	3.21%	3.21%	3.21%	3.21%	3.21%	3.21%
Accrued taxes	2.73%	2.54%	2.73%	1.63%	1.63%	1.63%	1.63%	1.63%	1.63%	1.63%
Other accrued expenses	3.53%	3.25%	2.84%	3.21%	3.21%	3.21%	3.21%	3.21%	3.21%	3.21%
Accrued expenses	20.95%	18.51%	17.95%	17.62%	17.62%	17.62%	17.62%	17.62%	17.62%	17.62%
Other current liabilities	2.53%	1.99%	1.86%	1.71%	1.67%	1.69%	1.74%	1.79%	1.84%	1.90%
Total current liabilities	36.75%	31.02%	32.31%	29.61%	29.59%	31.66%	29.98%	30.87%	33.61%	29.81%
Long-term debt, less current portion & debt issuance costs	13.73%	12.67%	10.00%	6.18%	6.16%	6.25%	6.42%	6.59%	6.76%	6.94%
Operating lease liabilities	1.38%	1.04%	0.99%	0.91%	0.93%	0.98%	1.06%	1.15%	1.24%	1.33%
Pensions & postretirement health care benefits	2.77%	1.88%	1.25%	0.98%	0.81%	0.68%	0.57%	0.46%	0.36%	0.27%
Deferred tax liabilities	1.23%	1.05%	0.89%	0.82%	0.79%	0.79%	0.79%	0.80%	0.81%	0.82%
Other noncurrent liabilities	4.10%	3.87%	3.74%	3.43%	3.35%	3.40%	3.49%	3.59%	3.70%	3.82%
Total liabilities	59.96%	51.52%	49.17%	41.93%	41.63%	43.76%	42.32%	43.47%	46.48%	42.99%
Common stock	59.96%	51.52%	49.17%	41.93%	41.63%	43.76%	42.32%	43.47%	46.48%	42.99%
Additional paid-in capital	0.35%	0.04%	0.24%	0.21%	0.20%	0.19%	0.19%	0.18%	0.18%	0.17%
Retained earnings	52.01%	46.53%	44.70%	40.68%	40.15%	40.95%	42.14%	43.31%	44.27%	45.09%
Accumulated other comprehensive income (loss)	-19.79%	-15.90%	-14.25%	-12.41%	-11.53%	-11.10%	-10.83%	-10.59%	-10.36%	-10.15%
Total AGCO Corporation stockholders' equity	32.57%	30.67%	30.69%	28.48%	28.83%	30.04%	31.50%	32.90%	34.09%	35.11%
Noncontrolling interests	0.42%	0.25%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total stockholders' equity	32.98%	30.92%	30.69%	28.48%	28.83%	30.04%	31.50%	32.90%	34.09%	35.11%

AGCO Corporation
Value Driver Estimation

Fiscal Years Ending Dec. 31	2020	2021	2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E
NOPLAT:										
EBITDA:										
Revenue	9,149,700	11,138,300	12,651,400	14,530,587	15,644,321	16,239,205	16,653,111	17,026,644	17,408,832	17,763,315
Operating Expenses										
Cost of goods sold	7,092,200	8,566,000	9,650,100	10,933,019	12,306,727	12,774,697	13,100,299	13,394,142	13,694,793	13,973,650
Selling, general & administrative expenses	1,001,500	1,088,200	1,186,200	1,379,014	1,483,766	1,540,187	1,579,443	1,614,870	1,651,119	1,684,739
Engineering expenses	342,600	405,800	444,200	518,419	551,615	572,590	587,185	600,355	613,831	626,330
Amortization of intangibles	59,500	61,100	60,100	56,300	55,100	51,200	22,800	18,700	18,700	18,700
Bad debt expense (credit)	14,500	500	3,300	4,285	3,787	3,931	4,031	4,121	4,214	4,300
ADD: imputed interest on Operating Lease	5,031	4,435	4,139	4,403	4,642	5,084	5,577	6,189	6,847	7,542
EBITDA	634,369	1,012,265	1,303,361	1,635,147	1,238,685	1,291,517	1,353,777	1,388,266	1,419,328	1,448,055
Less: Adjusted Taxes										
Income Tax Provision	187,700	108,400	296,600	388,221	237,968	245,388	252,123	252,189	245,735	234,269
Add: Tax shield from restructuring expenses	7,422	5,764	2,298	7,422	9,193	9,193	9,193	9,193	9,193	9,193
Goodwill impairment charge	-	-	-	-	-	-	-	-	-	-
Impairment charges	7,535	-	13,563	-	-	-	-	-	-	-
Interest expense	5,651	2,524	4,898	9,765	9,702	10,442	14,356	12,093	14,109	19,451
Sub: Other Income (Expense)	8,552	18,988	54,704	107,743	121,161	124,466	127,860	131,348	134,930	138,610
Sub: Equity in earnings of affiliates	17,142	24,715	24,149	26,071	26,523	26,523	26,523	26,523	26,523	26,523
Total Adjusted Taxes	182,614	72,986	238,506	271,594	109,178	114,034	121,288	115,604	107,583	97,780
Add: Change in Deferred Taxes	3,400	(117,900)	(58,000)	(195,992)	(120,137)	(123,884)	(127,284)	(127,317)	(124,059)	(118,270)
NOPLAT	455,155	821,379	1,006,855	1,167,560	1,009,370	1,053,599	1,105,204	1,145,345	1,187,687	1,232,005
Invested Capital (IC):										
Net Operating Working Capital										
Operating Current Assets										
Normal Cash	39,023	31,003	27,530	6,963	8,733	22,144	12,217	16,079	30,275	3,349
Accounts & notes receivable, net	856,000	991,500	1,221,300	1,341,969	1,444,827	1,499,768	1,537,994	1,572,491	1,607,788	1,640,526
Other Current Assets	418,900	539,800	538,800	618,831	666,263	691,598	709,226	725,134	741,410	756,507
Inventories, net	1,974,400	2,593,700	3,189,700	3,380,843	3,639,976	3,778,388	3,874,692	3,961,602	4,050,526	4,133,004
Total Operating Current Assets	3,288,323	4,156,003	4,977,330	5,348,606	5,759,800	5,991,898	6,134,128	6,275,306	6,429,999	6,533,387
Operating Current Liabilities										
Accounts payable	855,100	1,078,300	1,385,300	1,434,266	1,544,199	1,602,918	1,643,773	1,680,643	1,718,368	1,753,358
Reserve for volume discounts & sales incentives	582,900	602,300	630,800	755,117	812,995	843,909	865,419	884,830	904,691	923,113
Other current liabilities	231,300	221,200	235,400	247,860	260,979	274,793	289,337	304,652	320,777	337,756
Accrued warranty reserves	431,600	492,700	546,000	634,929	683,595	709,589	727,675	743,997	760,697	776,186
Accrued employee compensation & benefits	329,200	322,300	390,200	466,505	502,261	521,360	534,648	546,640	558,911	570,291
Accrued taxes	249,600	282,500	344,800	236,856	255,010	264,707	271,454	277,543	283,772	289,551
Other accrued expenses	323,400	362,400	359,500	466,420	502,170	521,266	534,552	546,542	558,810	570,188
Total Operating Current Liabilities	3,003,100	3,361,700	3,892,000	4,241,951	4,561,208	4,738,540	4,866,857	4,984,847	5,106,026	5,220,443
Net Operating Working Capital	285,223	794,303	1,085,330	1,106,654	1,198,591	1,253,358	1,267,271	1,290,459	1,323,973	1,312,944
Net PPE:	1,508,500	1,464,800	1,591,200	1,677,619	1,837,319	2,015,446	2,236,936	2,474,608	2,725,645	2,992,027
Other Operating Assets										
Other assets	179,800	293,300	268,700	282,922	297,897	313,665	330,267	347,748	366,155	385,535
ROU Assets	165,100	154,100	163,900	172,802	189,251	207,599	230,413	254,895	280,752	308,191
Intangible assets, net	455,600	392,200	364,400	308,100	253,000	201,800	179,000	160,300	141,600	122,900
Other Operating Liabilities										
Deferred tax liabilities	112,400	116,900	112,000	118,957	123,222	127,619	132,137	136,657	141,060	145,259
INVESTED CAPITAL	2,931,423	3,449,403	3,809,530	3,904,968	4,145,724	4,374,726	4,640,299	4,937,981	5,261,307	5,557,373
Free Cash Flow (FCF):										
NOPLAT	455,155	821,379	1,006,855	1,167,560	1,009,370	1,053,599	1,105,204	1,145,345	1,187,687	1,232,005
Change in IC	(228,169)	517,980	360,127	95,439	240,756	229,001	265,574	297,681	323,326	296,066
FCF	683,324	303,399	646,728	1,072,121	768,614	824,598	839,631	847,664	864,361	935,939
Return on Invested Capital (ROIC):										
NOPLAT	455,155	821,379	1,006,855	1,167,560	1,009,370	1,053,599	1,105,204	1,145,345	1,187,687	1,232,005
Beginning IC	3,159,592	2,931,423	3,449,403	3,809,530	3,904,968	4,145,724	4,374,726	4,640,299	4,937,981	5,261,307
ROIC	14.41%	28.02%	29.19%	30.65%	25.85%	25.41%	25.26%	24.68%	24.05%	23.42%
Economic Profit (EP):										
Beginning IC	3,159,592	2,931,423	3,449,403	3,809,530	3,904,968	4,145,724	4,374,726	4,640,299	4,937,981	5,261,307
x (ROIC - WACC)	3.82%	17.44%	18.61%	20.06%	15.26%	14.83%	14.68%	14.10%	13.47%	12.83%
EP	120,738	511,112	641,764	764,352	596,061	614,808	642,175	654,207	665,042	675,138

AGCO Corporation*Weighted Average Cost of Capital (WACC) Estimation***Cost of Equity:**

Risk-Free Rate	4.58%
Beta	1.40
Equity Risk Premium	5.00%
Cost of Equity	11.58%

ASSUMPTIONS:*U.S. 10Y Treasury as of 11/3/2023**5Y Monthly Beta**Henry Fund Assumption***Cost of Debt:**

Risk-Free Rate	4.58%
Implied Default Premium	-0.27%
Pre-Tax Cost of Debt	4.31%
Marginal Tax Rate	38%
After-Tax Cost of Debt	2.69%

*YTM on AGCO bond due 10/28***Market Value of Common Equity:**

Total Shares Outstanding	74900
Current Stock Price	\$119.81
MV of Equity	8,973,769

MV Weights

88.80%

Market Value of Debt:

Short-Term Debt	60917
Current Portion of LTD	0
Long-Term Debt	897738
PV of Operating Leases	172802
MV of Total Debt	1,131,455.97

11.20%

Market Value of the Firm

10,105,224.97

100.00%

Estimated WACC

10.58%

AGCO Corporation

Discounted Cash Flow (DCF) and Economic Profit (EP) Valuation Models

Key Inputs:

CV Growth of NOPLAT	2.50%
CV Year ROIC	23.42%
WACC	10.58%
Cost of Equity	11.58%
EP	675,138
NOPLAT	1,232,005

Fiscal Years Ending Dec. 31	2023E	2024E	2025E	2026E	2027E	2028E	2029E
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DCF Model:

Free Cash Flow (FCF)	1,072,121	768,614	824,598	839,631	847,664	864,361	935,939
Continuing Value (CV)							13,612,649
PV of FCF	969,507	628,524	609,766	561,457	512,576	472,647	7,443,625
Value of Operating Assets:	11,198,102						
Non-Operating Adjustments							
Excess Cash	192,725						
Investments in affiliates	506,100						
Other assets	282,922						
Current portion of long-term debt	-						
Short-term borrowings	(60,917)						
Other current liabilities	(247,860)						
Long-term debt	(897,738)						
Other noncurrent liabilities	(497,931)						
Value of Equity	10,475,404						
Shares Outstanding	74,416						
Intrinsic Value of Last FYE	\$ 140.77						
Implied Price as of Today	\$ 153.19						

EP Model:

Economic Profit (EP)	764,352	596,061	614,808	642,175	654,207	665,042	675,138
Continuing Value (CV)							8,351,342
PV of EP	691,195	487,421	454,632	429,419	395,594	363,656	4,566,654
Total PV of EP	7388572.4						
Invested Capital (last FYE)	3809529.5						
Value of Operating Assets:	11198101.9						
Non-Operating Adjustments							
Excess Cash	192724.9						
Investments in affiliates	506,100						
Other assets	282,922						
Current portion of long-term debt	-						
Short-term borrowings	(60,917)						
Other current liabilities	(247,860)						
Long-term debt	(897,738)						
Other noncurrent liabilities	(497,931)						
Value of Equity	10,475,404						
Shares Outstanding	74,416						
Intrinsic Value of Last FYE	\$ 140.77						
Implied Price as of Today	\$ 153.19						

AGCO Corporation*Dividend Discount Model (DDM) or Fundamental P/E Valuation Model*

Fiscal Years Ending Dec. 31	2023E	2024E	2025E	2026E	2027E	2028E	2029E
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EPS	\$ 9.56	\$ 6.25	\$ 6.43	\$ 6.59	\$ 6.60	\$ 6.46	\$ 6.20
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Key Assumptions

CV growth of EPS	2.50%
CV Year ROE	7.72%
Cost of Equity	11.58%

Future Cash Flows

P/E Multiple (CV Year)							7.44
EPS (CV Year)							\$ 6.20
Future Stock Price							\$ 46.17
Dividends Per Share	6.08	1.24	1.44	1.60	1.76	1.92	
Discounted Cash Flows	5.45	1.00	1.04	1.03	1.02	0.99	\$ 23.93

Intrinsic Value as of Last FYE \$ 34.45

Implied Price as of Today **\$ 37.49**

AGCO Corporation

Relative Valuation Models

Ticker	Company	Price	EPS	EPS	P/E 23	P/E 24	Est. 5yr			EV	EBITDA	EV/EBITDA
			2023E	2024E			EPS gr.	PEG 23	PEG 24			
DE	Deere & Company	\$382.20	\$33.74	\$32.90	11.33	11.62	28.4	0.40	0.41	160,250	13,825	11.59
CAT	Caterpillar	\$240.75	\$20.58	\$20.81	11.70	11.57	58.6	0.20	0.20	151,070	14,869	10.16
CNHI	CNH Industries	\$11.58	\$1.76	\$1.77	6.58	6.54	46.6	0.14	0.14	36,595	3,229	11.33
PCAR	PACCAR	\$86.80	\$8.97	\$7.40	9.68	11.73	12.7	0.76	0.92	50,742	5,878	8.63
CMI	Cummins	\$225.50	\$11.40	11.7	19.78	19.27	20.4	0.97	0.94	34,278	5,108	6.71
LNN	Lindsay Corp.	\$126.60	\$6.40	7.1	19.78	17.93	28.3	0.70	0.63	1,363	118	11.54
TEX	Terex Corp.	\$51.38	\$7.08	7.2	7.26	7.16	46.9	0.15	0.15	3,988	715	5.58
VMI	Valmont Industries	\$213.32	\$14.97	15.3	14.25	13.99	17.9	0.80	0.78	5,343	573	9.32
Average					12.54	12.15		0.52	0.52			9.36

AGCO	AGCO Corporation	\$119.81	\$9.56	\$6.25	12.5	19.2	38.6	0.3	0.5	100,150	1,635,147	0.06
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Implied Relative Value:

P/E (EPS23)	\$	119.92
P/E (EPS24)	\$	75.92
PEG (EPS23)	\$	190.10
PEG (EPS24)	\$	126.14
EV/EBITDA	\$	143.45

AGCO Corporation*Present Value of Operating Lease Obligations**millions*

Fiscal Years Ending Dec. 31	2016	2017	2018	2019
Year 1	50,400	47,500	46,700	48,300
Year 2	33,700	30,000	39,500	40,800
Year 3	21,300	21,700	32,600	31,500
Year 4	14,700	16,300	26,000	24,100
Year 5	12,400	12,100	21,700	16,700
Thereafter	41,600	39,600	85,500	61,600
Total Minimum Payments	174,100	167,200	252,000	223,000
Less: Cumulative Interest	22831.1	22079.7	40217.6	32336.1
PV of Minimum Payments	151,269	145,120	211,782	190,664
 Implied Interest in Year 1 Payment		6,520	6,255	9,128
 Pre-Tax Cost of Debt	4.31%	4.31%	4.31%	4.31%
Years Implied by Year 6 Payment	3.35	3.27	3.94	3.69
Expected Obligation in Year 6 & Beyond	12400	12100	21700	16700
 Present Value of Lease Payments				
PV of Year 1	48,318	45,537	44,770	46,304
PV of Year 2	30,973	27,572	36,303	37,498
PV of Year 3	18,767	19,120	28,724	27,754
PV of Year 4	12,417	13,768	21,962	20,357
PV of Year 5	10,041	9,798	17,572	13,523
PV of 6 & beyond	30,753	29,324	62,451	45,227
Capitalized PV of Payments	151,269	145,120	211,782	190,664

Effects of ESOP Exercise and Share Repurchases on Common Stock Account and Number of Shares Outstanding

Average Time to Maturity (years): 0.00

0.00

\$ -

11.58%

\$119.81

[illegible]

AGCO Corporation*Valuation of Options Granted under ESOP*

Current Stock Price	\$119.81
Risk Free Rate	4.58%
Current Dividend Yield	1.00%
Annualized St. Dev. of Stock Returns	25.50%

Range of Outstanding Options	Number of Shares	Average Exercise Price	Average Remaining Life (yrs)	B-S Option Price	Value of Options Granted
Range 1					
Range 2					
Range 3					
Range 4					
Range 5					
Range 6					
Range 7					
Range 8					
Range 9					
Total					

NO ESOP

\$ -

AGCO Corporation
Key Management Ratios

Fiscal Years Ending Dec. 31		2017	2018	2019	2020	2021	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E
Liquidity Ratios:														
Current Ratio	Current Assets/Current Liabilities	1.37	1.28	1.29	1.30	1.45	1.40	1.29	1.30	1.28	1.30	1.28	1.24	1.25
Cash Ratio	Cash/Current Liabilities	0.14	0.12	0.15	0.33	0.26	0.19	0.05	0.05	0.12	0.07	0.09	0.15	0.02
Quick Ratio														
Asset-Management Ratios:														
Total Asset Turnover	Sales/Total Assets	1.04	1.23	1.17	1.08	1.21	1.25	1.42	1.42	1.35	1.35	1.31	1.24	1.28
Current Asset Turnover	Sales/Current Assets	2.29	2.64	2.42	2.09	2.22	2.20	2.62	2.61	2.46	2.57	2.53	2.40	2.68
Fixed Asset Turnover	Sales/PPE	5.59	6.81	6.38	6.07	7.60	7.95	8.66	8.51	8.06	7.44	6.88	6.39	5.94
Financial Leverage Ratios:														
LT Debt to Equity	LT debt/ Total Equity	0.55	0.49	0.41	0.52	0.41	0.37	0.22	0.21	0.28	0.21	0.24	0.31	0.20
Debt Ratio	Total Debt/Total Assets			0.17	0.19	0.16	0.14	0.09	0.09	0.12	0.10	0.11	0.14	0.09
LT Debt to Assets	LT Debt/ Total Assets	0.21	0.19	0.15	0.19	0.15	0.14	0.09	0.09	0.11	0.09	0.10	0.13	0.09
Profitability Ratios:														
Return on Equity	NI/Beg TSE		5.42%	-1.53%	8.41%	22.85%	19.75%	18.32%	11.21%	10.56%	9.99%	9.29%	8.51%	7.72%
ROA	NI/Total Assets		0.67%	2.20%	-0.59%	2.88%	7.51%	6.73%	6.95%	4.21%	3.97%	3.97%	3.75%	3.40%
Net Margin	NI/Total Revenue and Other Income		0.65%	1.80%	-0.51%	2.67%	6.19%	5.38%	4.90%	2.97%	2.93%	2.93%	2.86%	2.74%
Payout Policy Ratios:														
Dividend Payout Ratio	Dividend/EPS		82.75%	28.16%	-104.59%	19.32%	51.68%	59.23%	63.60%	19.84%	22.40%	24.28%	26.65%	29.73%

AGCO Corporation
Sensitivity Tables

CV Growth of EPS	DDM		Cost of Equity					
	37.49	10.08%	10.58%	11.08%	11.58%	12.08%	12.58%	13.08%
	1.00%	47.66	44.91	42.45	40.23	38.22	36.40	34.74
	1.50%	46.93	44.13	41.64	39.41	37.40	35.58	33.92
	2.00%	46.10	43.26	40.74	38.50	36.49	34.68	33.04
	2.50%	45.16	42.28	39.74	37.49	35.49	33.69	32.07
	3.00%	44.09	41.17	38.62	36.37	34.38	32.60	31.01
	3.50%	42.86	39.90	37.34	35.11	33.14	31.39	29.83
	4.00%	41.42	38.44	35.89	33.68	31.74	30.04	28.53

Risk Free Rate	CV of NOPLAT							
	153.19	1.75%	2.00%	2.25%	2.50%	2.75%	3.00%	3.25%
	3.08%	175.11	178.02	181.14	184.49	188.10	192.00	196.22
	3.58%	164.88	167.34	169.96	172.76	175.77	179.00	182.49
	4.08%	155.74	157.82	160.04	162.41	164.93	167.63	170.53
	4.58%	147.52	149.30	151.19	153.19	155.32	157.60	160.02
	5.08%	140.10	141.63	143.24	144.94	146.75	148.67	150.72
	5.58%	133.36	134.67	136.06	137.51	139.06	140.69	142.42
	6.08%	127.22	128.35	129.54	130.79	132.11	133.50	134.98

ERP	Beta							
	153.19	0.65	0.90	1.15	1.40	1.65	1.90	2.15
	3.50%	324.81	269.66	230.29	200.78	177.86	159.53	144.55
	4.00%	301.93	247.90	210.03	182.02	160.48	143.40	129.52
	4.50%	282.00	229.33	192.98	166.40	146.12	130.15	117.25
	5.00%	264.51	213.30	178.44	153.19	134.07	119.09	107.04
	5.50%	249.02	199.32	165.89	141.88	123.80	109.71	98.42
	6.00%	235.21	187.03	154.95	132.08	114.96	101.66	91.04
	6.50%	222.82	176.13	145.33	123.52	107.26	94.68	84.65

WACC	Depreciation							
	153.19	12.80%	13.30%	13.80%	14.30%	14.80%	15.30%	15.80%
	9.08%	187.08	188.70	190.27	191.81	193.31	194.77	196.19
	9.58%	172.63	174.16	175.65	177.10	178.52	179.90	181.25
	10.08%	160.11	161.56	162.97	164.35	165.70	167.01	168.29
	10.58%	149.15	150.53	151.88	153.19	154.48	155.73	156.95
	11.08%	139.49	140.81	142.09	143.35	144.58	145.77	146.94
	11.58%	130.90	132.17	133.40	134.60	135.78	136.93	138.05
	12.08%	123.23	124.44	125.63	126.78	127.91	129.02	130.10

CAPEX	Pre-Tax Cost of Debt							
	153.19	2.81%	3.31%	3.81%	4.31%	4.81%	5.31%	5.81%
	5.22%	156.37	155.67	154.96	154.27	153.58	152.89	152.21
	6.22%	156.04	155.33	154.62	153.92	153.23	152.54	151.85
	7.22%	155.70	154.98	154.27	153.56	152.86	152.17	151.48
	8.22%	155.34	154.62	153.90	153.19	152.49	151.79	151.10
	9.22%	154.98	154.25	153.53	152.81	152.10	151.40	150.70
	10.22%	154.60	153.87	153.14	152.42	151.71	151.00	150.30
	11.22%	154.22	153.48	152.74	152.02	151.30	150.58	149.88

Marginal Tax Rate	Cost of Good Sold %							
	153.19	77.17%	77.67%	78.17%	78.67%	79.17%	79.67%	80.17%
	36.17%	173.30	167.18	161.05	154.93	148.80	142.68	136.56
	36.67%	172.42	166.39	160.37	154.35	148.33	142.31	136.29
	37.17%	171.53	165.61	159.69	153.77	147.85	141.93	136.04
	37.67%	170.65	164.83	159.01	153.19	147.38	141.56	135.79
	38.17%	169.76	164.05	158.33	152.61	146.90	141.19	135.55
	38.67%	168.88	163.26	157.65	152.03	146.42	140.81	135.31
	39.17%	167.99	162.48	156.97	151.46	145.95	140.44	135.06

AGCO Corporation*Present Value of Operating Lease Obligations**millions*

Fiscal Years Ending Dec. 31	2016	2017	2018	2019
Year 1	50,400	47,500	46,700	48,300
Year 2	33,700	30,000	39,500	40,800
Year 3	21,300	21,700	32,600	31,500
Year 4	14,700	16,300	26,000	24,100
Year 5	12,400	12,100	21,700	16,700
Thereafter	41,600	39,600	85,500	61,600
Total Minimum Payments	174,100	167,200	252,000	223,000
Less: Cumulative Interest	22831.1	22079.7	40217.6	32336.1
PV of Minimum Payments	151,269	145,120	211,782	190,664
 Implied Interest in Year 1 Payment		6,520	6,255	9,128
 Pre-Tax Cost of Debt	4.31%	4.31%	4.31%	4.31%
Years Implied by Year 6 Payment	3.35	3.27	3.94	3.69
Expected Obligation in Year 6 & Beyond	12400	12100	21700	16700
 Present Value of Lease Payments				
PV of Year 1	48,318	45,537	44,770	46,304
PV of Year 2	30,973	27,572	36,303	37,498
PV of Year 3	18,767	19,120	28,724	27,754
PV of Year 4	12,417	13,768	21,962	20,357
PV of Year 5	10,041	9,798	17,572	13,523
PV of 6 & beyond	30,753	29,324	62,451	45,227
Capitalized PV of Payments	151,269	145,120	211,782	190,664