Africa - Emerging Market
Lessons for an Entire World
June 20, 2013
Agenda

- AGCO – who are we?
- Challenge
- Opportunity
AGCO Today
Leading “Pure Play” Global Ag Equipment Company

2012 Sales = $10B

Valuable Global Platform

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Range of products</td>
<td>Full</td>
</tr>
<tr>
<td>Brands</td>
<td>Leading</td>
</tr>
<tr>
<td>Markets</td>
<td>Growing</td>
</tr>
<tr>
<td>Dealers</td>
<td>&gt;3,100</td>
</tr>
<tr>
<td>Countries</td>
<td>&gt;140</td>
</tr>
<tr>
<td>Employees</td>
<td>&gt;21,000</td>
</tr>
</tbody>
</table>
Leading Brands

- **FENDT**: Premium reputation for high tech solutions
- **GSI**: Grain storage and protein production solutions
- **MASSEY FERGUSON**: One of the most widely distributed ag brands
- **Challenger**: Serious machinery for professional producers
- **VALTRA**: Completely customized performance

Your Agriculture Company
Industry-Leading High Tech Solutions

Best-in-Class Ag Equipment Solutions
“Connecting” AGCO Products

1. Efficient Harvesting
2. Precise Application Control
3. Grain Storage
4. Planting
5. Enterprise Planning
6. Field Preparation
Fleet and Asset Tracking and Data Management

- Location and asset management
  
  **AgCommand**
  - Complete fleet management aimed at fleet owners
  - Theft deterrence
  - Machine performance reports
  - Wireless communication
  - Web-based application to view data
  - Mobile App using Apple iOS Platform

- Remote data access and transfer
  
  **Fendt VarioDoc**
  - Complete field documentation system aimed at farmer/growers
  - Wireless communication
  - Export of data to 3rd party FMIS applications
AGCO leading in vehicle autonomy

**Fendt GuideConnect**
- Leader / follower unmanned tractor approach
- Gold Medal at Agritechnica 2011
Service for Our Customers
Agenda

- AGCO – who are we?
- Challenge – people must eat!
- Opportunity
Growing demand for food...

**Food Production**

(Indexed)

100

Today

70-150

2050

2X

+~100%

**Population Growth**

- Growing world population from 7 bn to 9 bn
- Increased consumption:
  - growing population
  - protein consumption

Source: European Commission, World Resource Institute, World Bank, estimates
... but growing wealth to pay for it.

Real GDP growth (2013)
Source: World Economic Outlook (October 2012)
Agenda

- AGCO – who are we?
- Challenge – people must eat!
- Opportunity – let’s focus on Africa...
Africa is truly a continent of enormous scope
The available cropland potential in Africa

Potentially Available Cropland, 2009, in million hectares

- Total of ~970 million hectares

- Sub-Saharan-Africa:
  - 590 million hectares
  - Sudan: 72
  - DRC: 66
  - Angola: 53
  - Zambia: 53
  - Mozambique: 49
  - Central Afr. Rep.: 45
  - Tanzania: 38
  - Others: 80

- Latin America:
  - 300 million hectares
  - Brazil: 155
  - Argentina: 39
  - Venezuela: 31
  - Others: 75

- Others:
  - 80 million hectares

Source: World Bank/Food and Agriculture Organization, Awakening Africa’s sleeping giant; McKinsey Global Institute
## Mechanization Level Comparison

(unit of tractor/1,000 farmers & ag. industry workers)

<table>
<thead>
<tr>
<th>Country</th>
<th>Mechanization Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>1,824</td>
</tr>
<tr>
<td>USA</td>
<td>1,586</td>
</tr>
<tr>
<td>France</td>
<td>1,406</td>
</tr>
<tr>
<td>Germany</td>
<td>1,018</td>
</tr>
<tr>
<td>UK</td>
<td>932</td>
</tr>
<tr>
<td>Japan</td>
<td>732</td>
</tr>
<tr>
<td>Australia</td>
<td>705</td>
</tr>
<tr>
<td>Russia</td>
<td>96</td>
</tr>
<tr>
<td>Brazil</td>
<td>61</td>
</tr>
<tr>
<td>Pakistan</td>
<td>13</td>
</tr>
<tr>
<td>India</td>
<td>6</td>
</tr>
<tr>
<td>Africa</td>
<td>5</td>
</tr>
<tr>
<td>China</td>
<td>3</td>
</tr>
<tr>
<td>Indonesia</td>
<td>1</td>
</tr>
</tbody>
</table>

Farm power in African agriculture relies on manual labor, hand tools and animal power.

Source: World Development Indicators, World Bank
INVEST IN DEVELOPING MARKETS

Increased Commitment to Africa

- Recognize
  - Africa can not only feed itself; it will be a net exporter of food
  - Africa is a continent, not a country
  - indigenous farmers and commercial operations must exist symbiotically
  - sustainability serves our environment and our businesses
  - we must “live” in the market and not just “visit”
  - Conversation without action is pointless
Hosted inaugural Africa Summit in Berlin, January 2012
Established Future Farm in Zambia
Opened Technology Training Centre
Established tractor assembly venture in Algeria
Opened new parts warehouse in Johannesburg
INVEST IN DEVELOPING MARKETS

Increased Commitment to Africa

- AGCO Zambia Model Farm – YouTube
• Atomic Farm Model
  • Addresses need to increase rural wealth for Africans via Small holders
  • Addresses the need to rapidly advance mechanization via Corporate farms
  • Creates a symbiotic relationship that fosters growth, routes to markets and profit
Agenda

- AGCO – who are we?
- Challenge – people must eat!
- Opportunity – let’s focus on Africa...
- Finally – how about you?
Opportunities abound in agriculture

- Agriculture – youth can be “out standing” in their field
- Agriculture – more disciplines can be utilized than most any other sector
- Agriculture – not a dirty word (or job)!
- Agriculture – noble, sustainable, exciting, GLOBAL!

- Even with today’s sporadic economy and variable employment levels, people have not and will not stop eating and therefore, agriculture leads the way in career opportunities for the graduates of today and tomorrow.
- Our collective challenge is engaging effectively and consistently with our youth at every possible opportunity – today and tomorrow
- Market Agriculture – feeds, fulfills, future
Thank You.