

## AGCO REPORTS FIRST-QUARTER RESULTS

- Net sales of \$2.3 billion, up 14.3% year-over-year
- Reported earnings per share of \$0.76 and adjusted earnings per share<sup>(1)</sup> of \$0.94
- Full-year adjusted earnings per share outlook increased to approximately \$6.00
- Regular quarterly dividend increased to \$0.30 per share
- \$350 million in share repurchases to commence in the second quarter of 2026

DULUTH, Ga., May 5, 2026 /PRNewswire/ -- AGCO (NYSE: AGCO) reported net sales of \$2.3 billion for the first quarter ended March 31, 2026, an increase of 14.3% compared to the first quarter of 2025. Reported net income was \$0.76 per share for the quarter and adjusted net income<sup>(1)</sup> was \$0.94 per share. These results compare to reported net income of \$0.14 per share and adjusted net income<sup>(1)</sup> of \$0.41 per share for the first quarter of 2025. Excluding favorable foreign currency translation of 9.6%, net sales in the quarter increased 4.7% compared to the first quarter of 2025.

"AGCO delivered healthy first-quarter sales and margin results, reflecting disciplined execution in a demanding agricultural market and dynamic global environment," said Eric Hansotia, AGCO's Chairman, President and CEO. "We outpaced the market, particularly in high-horsepower equipment and precision agriculture, underscoring the strength of our differentiated portfolio and Farmer-First approach. We stayed focused on supporting customers while maintaining operational flexibility with continued production alignment delivering further progress on dealer and company inventories. We achieved near-record first-quarter margins in Europe and continued to grow market share in high-horsepower offerings in North America."

Hansotia continued, "The first quarter results demonstrate a resilient earnings profile, a solid margin structure and positive momentum from our multi-year structural transformation that reinforce our confidence in our strategy which is delivering increased value to our shareholders underscored by our increased quarterly dividend and next phase of share repurchases. As we progress through 2026, we remain firmly focused on executing our Farmer-First strategy with a strong innovation pipeline and continued cost discipline to support healthy cash generation, positioning AGCO to navigate ongoing subdued demand and deliver improved performance as market fundamentals recover while keeping farmers at the center of everything we do."

### First Quarter Highlights

- Reported regional sales results<sup>(2)</sup>: Europe/Middle East ("EME") +20.3%, North America +10.0%, Latin America ("LATAM") (17.3)%, Asia/Pacific/Africa ("APA") +31.2%
- Constant currency regional sales results<sup>(1)(2)(3)</sup>: EME +9.0%, North America +9.0%, LATAM (30.3)%, APA +20.9%
- Regional operating margin performance: EME 16.2%, North America (12.5)%, LATAM (19.3)%, APA 3.2%
- The Company plans to initiate \$350 million in share repurchases in the second quarter of 2026
- The Company's Board of Directors approved an increase in the Company's regular quarterly dividend to \$0.30 per share, from \$0.29 per share

<sup>(1)</sup> See reconciliation of non-GAAP measures in appendix.

<sup>(2)</sup> As compared to first quarter 2025.

<sup>(3)</sup> Excludes currency translation impact.

Today the Company is also announcing the strategic evolution of its long-standing AGCO Finance U.S. and Canada joint ventures to better align with evolving market dynamics and increasing regulatory and compliance requirements. The new framework will optimize regulatory capital efficiency and capital deployment while strengthening AGCO's strategic partnership with Rabobank and its commitment to providing competitive financing solutions to farmers and dealers. On April 30, 2026, the Company executed two purchase agreements with wholly owned subsidiaries of Rabobank to sell its 49% equity interests in the joint ventures in the U.S. and Canada, AGCO Finance LLC and AGCO Finance Canada, Ltd., respectively, for approximately \$190.0 million. The proceeds will be utilized towards share repurchases. In connection with the purchase agreements, the Company entered into Financing Framework Agreements with wholly owned subsidiaries of Rabobank that establish the commercial terms governing the future provision of financing solutions. The Company will continue to evaluate similar agreements in respect of other joint ventures with wholly owned subsidiaries of Rabobank in the future.

### Market Update

	Industry Unit Retail Sales	
	Tractors	Combines
	Change from Prior Year Period	Change from Prior Year Period
Three Months Ended March 31, 2026		
North America <sup>(4)</sup>	(8) %	(7) %
Brazil <sup>(5)</sup>	(10) %	(38) %
Western Europe <sup>(5)</sup>	7 %	(5) %

<sup>(4)</sup> Excludes compact tractors.

<sup>(5)</sup> Based on Company estimates.

Hansotia concluded, "Global agricultural markets entered 2026 with heightened focus on cost management and productivity, particularly for crop-focused producers operating with tight margins as corn, soybean and wheat prices are near breakeven levels amid ample global supplies and evolving geopolitical and trade dynamics. Developments in the Middle East increased volatility across global energy, logistics and input markets, resulting in higher fuel, fertilizer and transportation costs that reinforced the importance of operational efficiency. In the U.S., strong harvests continued to shape grain pricing and farm profitability, while livestock producers benefited from firmer pricing and improved cash receipts, supporting a more favorable backdrop in that sector. Overall sentiment among crop producers remains cautious as input costs stay elevated and government programs continue to play an important role in supporting farm income. While demand for new equipment remains measured across many markets, it has largely aligned with current farm economics. Adoption of smart farming technologies continues to advance as farmers emphasize productivity, efficiency and returns on invested capital, even as near-term demand across several equipment categories remains selective."

North American industry retail tractor sales were 8% lower in the first three months of 2026 compared to the same period in 2025 with the most pronounced declines occurring in higher horsepower categories. Combine unit sales were 7% lower year-over-year during the same period. Current farm economics, evolving grain export demand and elevated input costs are expected to continue to pressure industry demand throughout 2026, particularly for larger equipment.

Brazil industry retail tractor sales were 10% lower in the first three months of 2026 compared to the same period in 2025 reflecting softer demand for larger tractors partially offset by improved demand for smaller and mid-size equipment. Brazil is producing near-record crops, but profitability is under pressure due to high production costs, particularly for imported fertilizer and demand for larger equipment has not yet shown renewed growth. High financing costs, tight credit and broader political dynamics are expected to continue to constrain demand in 2026.

Western Europe industry retail tractor sales were 7% higher during the first three months of 2026 compared to the same period in 2025 with growth across most of the Western European markets. Farm income levels in 2025, supported primarily by dairy and livestock producers, together with an aging equipment fleet, provides a foundation for 2026 industry demand to remain modestly above 2025 levels.

## Regional Results

### AGCO Regional Net Sales (in millions)

Three Months Ended March 31,	2026	2025	% change from 2025	% change from 2025 due to currency translation <sup>(6)</sup>	% change excluding currency translation
North America	\$ 406.4	\$ 369.5	10.0 %	1.0 %	9.0 %
LATAM <sup>(7)</sup>	211.7	256.0	(17.3) %	13.0 %	(30.3) %
EME	1,600.8	1,330.5	20.3 %	11.3 %	9.0 %
APA	124.0	94.5	31.2 %	10.3 %	20.9 %
Total	<u>\$ 2,342.9</u>	<u>\$ 2,050.5</u>	<u>14.3 %</u>	<u>9.6 %</u>	<u>4.7 %</u>

<sup>(6)</sup> See footnotes for additional disclosures.

<sup>(7)</sup> Note: Effective January 1, 2026, the Company realigned its organizational structure to support its Farmer-First transformation initiatives in North America. As a result, the Company's Mexico operations were transferred from the North America segment to the South America segment, which was renamed Latin America. Segment information for all prior periods presented has been retrospectively adjusted to reflect this change.

### North America

North American net sales increased 9.0% during the first quarter of 2026 compared to the first quarter of 2025, excluding the impact of favorable currency translation. Higher unit sales compared to the prior year supported the increase in sales. The most significant sales increases occurred in high-horsepower tractors, hay tools and sprayers. Income from operations for the first quarter of 2026 was \$26.8 million lower compared to the same period in 2025 and operating margins remained negative. This decrease was primarily a result of higher tariff-related input costs.

### Latin America

Net sales in the Latin American region were 30.3% lower during the first quarter of 2026 compared to the first quarter of 2025, excluding the impact of favorable currency translation. Softer industry demand resulted in lower sales across all product categories. Income from operations for the first quarter of 2026 was \$47.4 million lower compared to the same period in 2025. This decrease was primarily the result of significantly lower sales and negative pricing.

### Europe/Middle East

Net sales in the Europe/Middle East region increased 9.0% during the first quarter of 2026 compared to the first quarter of 2025, excluding the impact of favorable currency translation. The increased sales resulted from increased unit volumes compared to the first

quarter of 2025 which included dealer inventory de-stocking. Sales growth in Germany and the United Kingdom was partially offset by declines in Turkey and France. Growth in high-horsepower tractor sales drove most of the increase. Income from operations increased \$104.6 million in the first quarter of 2026 compared to the same period in 2025. This increase was primarily a result of sales growth, favorable product mix and increased production volumes.

### **Asia/Pacific/Africa**

Asia/Pacific/Africa region net sales increased 20.9% during the first quarter of 2026 compared to the first quarter of 2025, excluding favorable currency translation impacts. Higher sales in Australia and South Africa were partially offset by lower sales across most of the Asian markets. Income from operations increased \$6.7 million in the first quarter of 2026 compared to the same period in 2025 primarily due to higher levels of sales and production volumes.

### **Outlook**

AGCO's net sales for 2026 are expected to range from \$10.5 to \$10.7 billion. Adjusted operating margins are projected to range from 7.5% - 8.0% reflecting continued emphasis on pricing discipline, cost management and operational alignment. Production volumes are expected to remain relatively flat to slightly lower, with cost controls and positive pricing contributing to performance. Based on these assumptions, 2026 earnings per share are targeted at approximately \$6.00. These estimates reflect tariff policies as of May 5, 2026, together with AGCO's established mitigation actions and sourcing strategies. Any changes to tariff policies or related responses could affect these projections.

\* \* \* \* \*

AGCO will host a conference call for this earnings announcement at 10 a.m. Eastern Time on Tuesday, May 5. The Company will refer to slides on its conference call. Interested persons can access the conference call and slide presentation via AGCO's website at [www.agcocorp.com](http://www.agcocorp.com) under the "Investors" section. The webcast will also be archived immediately afterward for 12 months. A copy of this press release will be available on AGCO's website for at least 12 months following the call.

\* \* \* \* \*

### **Safe Harbor Statement**

Statements that are not historical facts, including the projections of earnings per share, production levels, sales, industry demand, market conditions, commodity prices, currency translation, farm income levels, margin levels, strategy, investments in product and technology development, new product introductions, restructuring and other cost reduction initiatives, production volumes, tax rates and general economic conditions, are forward-looking and subject to risks that could cause actual results to differ materially from those suggested by the statements. The following are among the factors that could cause actual results to differ materially from the results discussed in or implied by the forward-looking statements.

- Our financial results depend entirely upon the agricultural industry, and factors that adversely affect the agricultural industry generally, including declines in the general economy, adverse weather, tariffs, increases in farm input costs, lower commodity prices, lower farm income and changes in the availability of credit for our retail customers, will adversely affect us.
- We maintain an independent dealer and distribution network in the markets where we sell products. The financial and operational capabilities of our dealers and distributors are critical to our ability to compete in these markets. Higher inventory levels at our dealers and high utilization of dealer credit limits as well as the financial health of our dealers could negatively impact future sales and adversely impact our performance.
- On April 1, 2024, we completed the acquisition of the ag assets and technologies of Trimble through the formation of a joint venture, PTx Trimble, of which we own 85%. Financing the PTx Trimble transaction significantly increased our indebtedness and interest expense. We also have made various assumptions relating to the acquisition that may not prove to be correct, and we may fail to realize all of the anticipated benefits of the acquisition. All acquisitions involve risk, and there is no certainty that the acquired business will operate as expected. Each of these items, as well as similar acquisition-related items, would adversely impact our performance.
- A majority of our sales and manufacturing takes place outside the United States, and many of our sales involve products that are manufactured in one country and sold in a different country. As a result, we are exposed to risks related to foreign laws, taxes and tariffs, trade restrictions, economic conditions, labor supply and relations, political conditions and governmental policies. The global trade landscape continues to be highly volatile. In 2025, the U.S. government implemented a series of tariffs on goods imported into the United States from various countries, and in many cases these measures resulted in reciprocal tariffs and other actions on goods exported from the United States. These tariffs and related actions are complex and continue to evolve as trade negotiations occur. In February 2026, the U.S. Supreme Court ruled that the International Emergency Economic Powers Act ("IEEPA"), which the U.S. government had relied on to impose certain tariffs, does not authorize the administration to impose such tariffs. Following that decision, on March 4, 2026, the U.S. Court of International Trade ("CIT") ordered U.S. Customs and Border Protection ("CBP") to process refunds of tariffs imposed under IEEPA, and on March 27, 2026, the CIT issued an amended order expanding the scope of entries subject to reliquidation. On April 20, 2026, the Consolidated Administration and Processing of Entries system opened for the first phase of refund filings. We have submitted certain refund claims under this initial phase; however, these claims remain subject to CBP review, and we cannot predict the timing, amount or ultimate collectability of any refunds to which we may be entitled. The IEEPA tariffs remain subject to ongoing litigation, and the administration has announced plans to implement new tariffs under alternative statutory authority. As a result, the timing and extent of any refunds, the structure and scope of any new tariffs and the overall tariff framework remain uncertain and could create significant risks for our business. Depending on the countries affected, increases in tariffs have raised, and may continue to raise, the costs of inputs used in manufacturing our products, which in turn has impacted, and may further impact, our cost of goods sold. In addition, higher tariffs may lead to increased after-tariff sales prices for the products we sell. Additionally, the economic uncertainty caused by the tariffs may result in customers delaying planned purchases of products and services. While impacts of the tariffs may be partially mitigated by the fact that a majority of our sales and manufacturing takes place outside the

United States, there can be no guarantee that we will be able to fully offset the impact of existing or future tariffs through pricing, sourcing changes or other measures. Furthermore, retaliatory tariffs imposed by other countries on our exported products could negatively affect our sales and marketplace access in those countries. The economic uncertainty caused by these tariffs and related trade policy developments, together with uncertainty regarding their enforceability, continuation or modification, has adversely impacted, and is expected to continue to adversely impact, our sales.

- We cannot predict or control the impact of the conflict in Ukraine or the Middle East on our business. These conflicts have already driven increased volatility across global energy, logistics and input markets, leading to higher fuel, fertilizer, transportation and input costs, as well as general uncertainty for farmers. There is a potential for natural gas shortages, as well as shortages in other energy sources, throughout Europe, which could negatively impact our production in Europe both directly and through interrupting the supply of parts and components that we use. It is unclear how long these conditions will continue, or whether they will worsen, and what the ultimate impact on our performance will be. In addition, AGCO sells products in, and purchases parts and components from, other regions where there could be hostilities. Any hostilities likely would adversely impact our performance.
- Most retail sales of the products that we manufacture are financed, either by our joint ventures with Rabobank or by a bank or other private lender. Our joint ventures with Rabobank, which are controlled by Rabobank and are dependent upon Rabobank for financing as well, finance approximately 50% of the retail sales of our tractors and combines in the markets where the joint ventures operate. Any difficulty by Rabobank to continue to provide that financing, or any business decision by Rabobank as the controlling member not to fund the business or particular aspects of it (for example, a particular country or region), would require the joint ventures to find other sources of financing (which may be difficult to obtain), or us to find another source of retail financing for our customers, or our customers would be required to utilize other retail financing providers. As a result of the recent economic downturn, financing for capital equipment purchases generally has become more difficult in certain regions and in some cases, can be expensive to obtain. To the extent that financing is not available or available only at unattractive prices, our sales would be negatively impacted. In addition, Rabobank also is the lead lender in our revolving credit facility and term loans and for many years has been an important financing partner for us. Any interruption or other challenges in that relationship would require us to obtain alternative financing, which could be difficult.
- Both AGCO and our finance joint ventures have substantial accounts receivable from dealers and end customers, and we would be adversely impacted if the collectability of these receivables was less than optimal; this collectability is dependent upon the financial strength of the farm industry, which in turn is dependent upon the general economy and commodity prices, as well as several of the other factors listed in this section.
- We can experience substantial and sustained volatility with respect to currency exchange rate and interest rate changes, which can adversely affect our reported results of operations and the competitiveness of our products.
- Our success depends on the introduction of new products, particularly engines that comply with emission requirements and sustainable smart farming technology, which require substantial expenditures; there is no certainty that we can develop the necessary technology or that the technology that we develop will be attractive to farmers or available at competitive prices.
- Our expansion plans in emerging markets, including establishing a greater manufacturing and marketing presence and growing our use of component suppliers, could entail significant risks.
- Our business is increasingly subject to regulations relating to privacy and data protection, and if we violate any of those regulations, or otherwise are the victim of a cyberattack, we could be subject to significant claims, penalties and damages.
- Cybersecurity breaches including ransomware attacks and other means are rapidly increasing. We continue to review and improve our safeguards to minimize our exposure to future attacks. However, there always will be the potential of the risk that a cyberattack will be successful and will disrupt our business, either through shutting down our operations, destroying data, exfiltrating data or otherwise.
- We depend on suppliers for components, parts and raw materials for our products, and any failure by our suppliers to provide products as needed, or by us to promptly address supplier issues, will adversely impact our ability to timely and efficiently manufacture and sell products. In addition, the potential of future natural gas shortages in Europe, as well as predicted overall shortages in other energy sources, could also negatively impact our production and that of our supply chain in the future. There can be no assurance that there will not be future disruptions.
- Any future pandemics could negatively impact our business through reduced sales, facilities closures, higher absentee rates and reduced production at both our plants and the plants that supply us with parts and components. In addition, logistical and transportation-related issues and similar problems may also arise.
- We have previously experienced significant inflation in a range of costs, including for parts and components, shipping and energy. While we have been able to pass along most of those costs through increased prices, there can be no assurance that we will be able to continue to do so. If we are not, it will adversely impact our performance.
- We face significant competition, and if we are unable to compete successfully against other agricultural equipment manufacturers, we would lose customers and our net sales and performance would decline.
- We have a substantial amount of indebtedness (and have incurred additional indebtedness as part of the PTx Trimble joint venture transaction), and, as a result, we are subject to certain restrictive covenants and payment obligations, as well as increased leverage generally, that may adversely affect our ability to operate and expand our business.

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, 2025, and subsequent Form 10-Qs. AGCO disclaims any obligation to update any forward-looking statements except as required by law.

\* \* \* \* \*

## About AGCO

AGCO (NYSE: AGCO) is a global leader in agricultural machinery and precision agriculture technologies. Driven by a Farmer-First strategy, AGCO delivers value through its differentiated leading brands, Fendt™, Massey Ferguson™, PTx™ and Valtra™. AGCO's high-performance equipment and smart farming solutions, including brand-agnostic retrofit technologies and autonomous offerings, empower farmers to drive productivity while sustainably feeding the world. For more information, visit [www.agcocorp.com](http://www.agcocorp.com).

#####

AGCO CORPORATION  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(unaudited and in millions)

	March 31, 2026	December 31, 2025
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 514.9	\$ 861.8
Accounts and notes receivable, net	1,242.3	1,079.4
Inventories, net	3,001.8	2,709.3
Other current assets	579.2	545.6
Total current assets	5,338.2	5,196.1
Property, plant and equipment, net	1,954.8	1,996.2
Right-of-use lease assets	159.4	167.3
Investments in affiliates	628.1	609.9
Deferred tax assets	932.2	905.5
Other assets	474.6	481.0
Intangible assets, net	663.0	673.0
Goodwill	1,890.6	1,898.8
Total assets	\$ 12,040.9	\$ 11,927.8

**LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND STOCKHOLDERS' EQUITY**

Current Liabilities:		
Borrowings due within one year	\$ 555.5	\$ 117.7
Accounts payable	1,121.5	951.0
Accrued expenses	2,267.2	2,538.7
Other current liabilities	184.1	121.7
Total current liabilities	4,128.3	3,729.1
Long-term debt, less current portion and debt issuance costs	2,018.7	2,323.1
Operating lease liabilities	115.9	122.1
Pension and postretirement health care benefits	167.8	169.2
Deferred tax liabilities	123.7	126.5
Other noncurrent liabilities	894.5	885.1
Total liabilities	7,448.9	7,355.1
Redeemable noncontrolling interests	295.5	299.2
Stockholders' Equity:		
Preferred stock	—	—
Common stock	0.7	0.7
Additional paid-in capital	—	0.5
Retained earnings	6,032.2	6,047.2
Accumulated other comprehensive loss	(1,736.4)	(1,774.9)
Total stockholders' equity	4,296.5	4,273.5
Total liabilities, redeemable noncontrolling interests and stockholders' equity	\$ 12,040.9	\$ 11,927.8

See accompanying notes to condensed consolidated financial statements.

AGCO CORPORATION  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(unaudited and in millions, except per share data)

	Three Months Ended March 31,	
	2026	2025
Net sales	\$ 2,342.9	\$ 2,050.5
Cost of goods sold	1,761.5	1,529.9
Gross profit	581.4	520.6
Operating expenses:		
Selling, general and administrative expenses	339.1	325.8
Engineering expenses	132.6	116.0
Amortization of intangibles	16.9	15.3
Impairment charges	2.1	1.1
Restructuring and business optimization expenses	10.0	13.0
Income from operations	80.7	49.4
Interest expense, net	15.2	18.5
Other expense, net	26.5	32.3

Income (loss) before income taxes and equity in net earnings of affiliates	39.0	(1.4)
Income tax provision	4.6	2.0
Income (loss) before equity in net earnings of affiliates	34.4	(3.4)
Equity in net earnings of affiliates	18.0	12.1
Net income	52.4	8.7
Net loss attributable to noncontrolling interests	2.6	1.8
Net income attributable to AGCO Corporation	\$ 55.0	\$ 10.5
Net income per common share attributable to AGCO Corporation		
Basic	\$ 0.76	\$ 0.14
Diluted	\$ 0.76	\$ 0.14
Cash dividends declared and paid per common share	\$ 0.29	\$ 0.29
Weighted average number of common and common equivalent shares outstanding:		
Basic	72.5	74.6
Diluted	72.7	74.7

See accompanying notes to condensed consolidated financial statements.

AGCO CORPORATION  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(unaudited and in millions)

	Three Months Ended March 31,	
	2026	2025
Cash flows from operating activities:		
Net income	\$ 52.4	\$ 8.7
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation	66.7	60.5
Amortization of intangibles	16.9	15.3
Stock compensation expense	10.4	7.3
Impairment charges	2.1	1.1
Equity in net earnings of affiliates, net of cash received	(18.0)	(12.1)
Deferred income tax benefit	(23.6)	(27.3)
Other	4.0	6.6
Changes in operating assets and liabilities:		
Accounts and notes receivable, net	(177.1)	44.7
Inventories, net	(284.1)	(149.4)
Other current and noncurrent assets	(24.0)	2.5
Accounts payable	202.3	177.9
Accrued expenses	(254.2)	(384.9)
Other current and noncurrent liabilities	15.8	36.9
Total adjustments	(462.8)	(220.9)
Net cash used in operating activities	(410.4)	(212.2)
Cash flows from investing activities:		
Purchases of property, plant and equipment	(44.6)	(48.2)
Proceeds from sale of property, plant and equipment	0.1	1.1
Investments in unconsolidated affiliates, net	(8.5)	(0.1)
Other	(12.6)	(4.1)
Net cash used in investing activities	(65.6)	(51.3)
Cash flows from financing activities:		
Proceeds from indebtedness	187.2	531.2
Repayments of indebtedness	(31.5)	(297.0)
Payment of dividends to stockholders	(21.0)	(21.6)
Payment of minimum tax withholdings on stock compensation	(4.6)	(7.4)
Net cash provided by financing activities	130.1	205.2
Effects of exchange rate changes on cash, cash equivalents and restricted cash	(1.0)	8.2
Decrease in cash, cash equivalents and restricted cash	(346.9)	(50.1)
Cash, cash equivalents and restricted cash, beginning of period	861.8	612.7
Cash, cash equivalents and restricted cash, end of period	\$ 514.9	\$ 562.6

See accompanying notes to condensed consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited, in millions)

**1. SEGMENT REPORTING**

The Company has four operating segments which are also its reportable segments which consist of the North America, Latin America, Europe/Middle East and Asia/Pacific/Africa regions. Effective January 1, 2026, the Company realigned its organizational structure to support its Farmer-First transformation initiatives in North America. As a result, the Company's Mexico operations were transferred from the North America segment to the South America segment, which was renamed Latin America. Segment information for all prior periods presented has been retrospectively adjusted to reflect this change. The Company's reportable segments are geography based and distribute a full range of agricultural machinery and precision agriculture technology. The Company's Chief Operating Decision Maker ("CODM"), Eric P. Hansotia, Chairman of the Board, President and Chief Executive Officer, evaluates segment performance primarily based on income from operations. The CODM utilizes income from operations to evaluate each segment's performance including the allocation of resources. Sales for each segment are based on the location of the third-party customer. The Company's selling, general and administrative expenses and engineering expenses are generally charged to each segment based on the region and division where the expenses are incurred. As a result, the components of income (loss) from operations for one segment may not be comparable to another segment. Segment results for the three months ended March 31, 2026 and 2025 based on the Company's reportable segments are as follows (in millions):

Three Months Ended March 31,	North America	Latin America	Europe/ Middle East	Asia/Pacific/ Africa	Total Segments
<b>2026</b>					
Net sales	\$ 406.4	\$ 211.7	\$ 1,600.8	\$ 124.0	\$ 2,342.9
Cost of goods sold	338.1	203.9	1,119.5	100.0	1,761.5
Selling, general and administrative expenses	82.2	36.0	142.1	17.4	277.7
Engineering expenses	37.1	12.7	80.2	2.6	132.6
Income (loss) from operations	<u>\$ (51.0)</u>	<u>\$ (40.9)</u>	<u>\$ 259.0</u>	<u>\$ 4.0</u>	<u>\$ 171.1</u>
<b>2025</b>					
Net sales	\$ 369.5	\$ 256.0	\$ 1,330.5	\$ 94.5	\$ 2,050.5
Cost of goods sold	275.6	205.1	970.9	78.3	1,529.9
Selling, general and administrative expenses	84.8	34.2	135.2	16.4	270.6
Engineering expenses	33.3	10.2	70.0	2.5	116.0
Income (loss) from operations	<u>\$ (24.2)</u>	<u>\$ 6.5</u>	<u>\$ 154.4</u>	<u>\$ (2.7)</u>	<u>\$ 134.0</u>

A reconciliation from the segment information to the consolidated balances for income from operations is set forth below (in millions):

	Three Months Ended March 31,	
	2026	2025
Segment income from operations	\$ 171.1	\$ 134.0
Impairment charges	(2.1)	(1.1)
Corporate expenses	(51.1)	(48.1)
Amortization of intangibles	(16.9)	(15.3)
Stock compensation expense	(10.3)	(7.1)
Restructuring and business optimization expenses	(10.0)	(13.0)
Consolidated income from operations	<u>\$ 80.7</u>	<u>\$ 49.4</u>

**RECONCILIATION OF NON-GAAP MEASURES**

This earnings release discloses adjusted income from operations, adjusted operating margin, adjusted net income, adjusted net income per share and net sales on a constant currency basis, each of which excludes amounts that are typically included in the most directly comparable measure calculated in accordance with U.S. generally accepted accounting principles ("GAAP"). A reconciliation of each of those measures to the most directly comparable GAAP measure is included below.

The following is a reconciliation of reported income from operations, net income attributable to AGCO and net income per share attributable to AGCO to adjusted income from operations, adjusted net income and adjusted net income per share for the three months ended March 31, 2026 and 2025 (in millions, except per share data):

	Three Months Ended March 31,					
	2026			2025		
	Income From Operations	Net Income <sup>(1)</sup>	Net Income Per Share <sup>(1)</sup>	Income From Operations	Net Income <sup>(1)</sup>	Net Income Per Share <sup>(1)</sup>
As reported	\$ 80.7	\$ 55.0	\$ 0.76	\$ 49.4	\$ 10.5	\$ 0.14
Restructuring and business optimization expenses <sup>(2)</sup>	10.0	8.4	0.12	13.0	9.7	0.13
Amortization of PTx Trimble acquired intangibles <sup>(3)</sup>	14.4	11.1	0.15	12.8	7.6	0.10
Transaction-related costs <sup>(4)</sup>	0.2	—	—	7.1	2.0	0.03
Impairment charges <sup>(5)</sup>	2.1	2.1	0.03	1.1	1.1	0.01

Discrete tax items <sup>(6)</sup>	—	(8.5)	(0.12)	—	—	—
As adjusted	\$ 107.4	\$ 68.1	\$ 0.94	\$ 83.4	\$ 30.9	\$ 0.41

- (1) Net income and net income per share amounts are after tax.
- (2) The restructuring expenses recorded during the three months ended March 31, 2026 and 2025 related primarily to severance, business optimization and other related costs associated with the Company's restructuring program.
- (3) Amortization of intangibles related to intangibles acquired as part of the Company's acquisition of PTx Trimble.
- (4) The transaction-related costs recorded during the three months ended March 31, 2026 related to the Company's divestiture of the majority of its Grain & Protein ("G&P") business. The transaction-related costs recorded during the three months ended March 31, 2025 related to the Company's divestiture of the majority of its G&P business and the formation of the PTx Trimble joint venture.
- (5) The impairment charges recorded during the three months ended March 31, 2026 and 2025 primarily related to the impairment of certain other assets.
- (6) During the three months ended March 31, 2026, the Company received a refund resulting from a favorable resolution related to a prior settlement under the Brazilian government's "Litigation Zero" tax amnesty program.

The following is a reconciliation of adjusted operating margin for the three months ended March 31, 2026 and 2025 (in millions, except margin data):

	Three Months Ended March 31,	
	2026	2025
Net sales	\$ 2,342.9	\$ 2,050.5
Income from operations	80.7	49.4
Adjusted income from operations <sup>(1)</sup>	\$ 107.4	\$ 83.4
Operating margin <sup>(2)</sup>	3.4 %	2.4 %
Adjusted operating margin <sup>(2)</sup>	4.6 %	4.1 %

- (1) Refer to the previous table for the reconciliation of income from operations to adjusted income from operations.
- (2) Operating margin is defined as the ratio of income from operations divided by net sales. Adjusted operating margin is defined as the ratio of adjusted income from operations divided by net sales.

The Company does not provide a quantitative reconciliation of forward-looking, non-GAAP financial measures to the most directly comparable GAAP financial measure because it is difficult to reliably predict or estimate the relevant components without unreasonable effort due to future uncertainties that may potentially have a significant impact on such calculations and providing them may imply a degree of precision that would be confusing or potentially misleading.

The following table sets forth, for the three months ended March 31, 2026 and 2025, the impact to net sales of currency translation by geographical segment (in millions, except percentages):

	Three Months Ended March 31,			Change due to currency translation	
	2026	2025	% change from 2025	\$	%
North America	\$ 406.4	\$ 369.5	10.0 %	\$ 3.7	1.0 %
Latin America <sup>(1)</sup>	211.7	256.0	(17.3) %	33.4	13.0 %
Europe/Middle East	1,600.8	1,330.5	20.3 %	150.6	11.3 %
Asia/Pacific/Africa	124.0	94.5	31.2 %	9.7	10.3 %
	\$ 2,342.9	\$ 2,050.5	14.3 %	\$ 197.4	9.6 %

- (1) Effective January 1, 2026, the Company realigned its organizational structure to support its Farmer-First transformation initiatives in North America. As a result, the Company's Mexico operations were transferred from the North America segment to the South America segment, which was renamed Latin America. Segment information for all prior periods presented has been retrospectively adjusted to reflect this change.

INVESTOR CONTACT: Greg Peterson, VP, Investor Relations, 404-403-6042, greg.peterson@agcocorp.com;

MEDIA CONTACT: Rachel Potts, VP, Chief Communications Officer, 678-654-7719, rachel.potts@agcocorp.com

SOURCE AGCO Corporation

## AGCO First Quarter 2026 Earnings Call Transcript

The following is the official transcript from AGCO's First Quarter 2026 earnings conference call held on May 5, 2026. Prepared remarks were delivered by AGCO leadership, followed by a question-and-answer session with analysts. This transcript is provided for convenience and should be read together with the First Quarter 2026 earnings release and related materials available on AGCO's Investor Relations website.

**Corporate Speakers:**

- Greg Peterson; AGCO Corp; Head of Investor Relations
- Eric Hansotia; AGCO Corp; Chairman, President and Chief Executive Officer
- Damon Audia; AGCO Corp; Senior Vice President and Chief Financial Officer

**Operator:**

Good day. And welcome to the AGCO 2026 Q1 Earnings Call. (Operator Instructions)

Please note this event is being recorded.

I would now like to turn the conference over to Greg Peterson, AGCO Head of Investor Relations. Please go ahead.

**Greg Peterson:**

Thanks. And good morning. Welcome to those of you joining us for AGCO's first quarter 2026 earnings call.

We will refer to a slide presentation this morning that is posted on our website at [www.agcocorp.com](http://www.agcocorp.com).

The non-GAAP measures used in the slide presentation are reconciled to GAAP measures in the appendix of the presentation.

We'll make forward-looking statements this morning including statements about our strategic plans and initiatives as well as our financial impacts. We'll address demand, product development and capital expenditure plans and timing of those plans, and our expectations concerning the costs and benefits of those plans and timing of those benefits.

We'll also cover future revenue, crop production and farm income, production levels, price levels, margins, earnings, operating income, cash flow, engineering expense, tax rates and other financial metrics.

All of these forward-looking statements are subject to risks that could cause actual results to differ materially from those suggested by the statements. These risks are further described in the safe harbor included on Slide 2 in the accompanying presentation.

Actual results could differ materially from those suggested in these statements. Further information concerning these and other risks is included in AGCO's filings with the SEC including its Form 10-K for the year ended December 31, 2025, and subsequent Form 10-Q filings.

AGCO disclaims any obligation to update any forward-looking statements except as required by law.

We will make a replay of this call available on our corporate website later today.

On the call with me this morning is Eric Hansotia, our Chairman, President and Chief Executive Officer; as well as Damon Audia, Senior Vice President and Chief Financial Officer.

With that, Eric, please go ahead.

**Eric Hansotia:**

Thank you, Greg. And good morning, everyone.

AGCO delivered very solid results in the first quarter, reflecting effective execution against our strategy and the growing impact of the actions we've taken over the recent years to streamline our cost structure.

Net sales were approximately \$2.3 billion, up 14% year-over-year driven primarily by stronger performance in EME compared to the challenging prior year period.

With differing industry conditions across regions, the year-over-year improvement highlights our ability to perform consistently and deliver solid results across varied demand environments.

Operating income increased more than 60% year-over-year to \$80.7 million with reported operating margin expanding 100 basis points to 3.4%. On an adjusted basis, operating margin improved 50 basis points to 4.6%, driven by better volume leverage and ongoing benefits from business optimization initiatives, partially offset by higher cost inputs including tariffs.

These results underscore the pragmatic, focused manner in which we are operating the business. Over the past two years, we have taken deliberate actions to simplify and focus our operations, and sharpen execution, including a leaner cost structure, more disciplined production planning and improved channel alignment. The performance delivered this quarter supports the increased durability and resilience of our earnings model.

While near-term demand remains uneven across regions, we continue to believe the business is operating around the trough of the cycle, with inventories normalizing and underlying conditions beginning to set the stage for the next phase of recovery.

Adjusted operating income increased nearly 30% and adjusting EPS more than doubled year-over-year to \$0.94, highlighting the operating leverage inherent in the business from lower cycle levels as well as a lower adjusted tax rate in the quarter.

We also continue to emphasize structured working capital management and inventory alignment. Dealer inventories improved in the first quarter, positioning us in a more balanced position to support customers while maintaining better operational stability through the

remainder of the year.

We are encouraged by the progress delivered this quarter and remain fully focused on executing our plans to drive sustainable margin enhancement, cash generation and long-term value creation.

Slide 4 details industry unit retail sales by region for the first quarter. While fleet ages continue to increase, farmer purchasing activity reflects a measured and thoughtful approach shaped by the current macro environment. Trade policy dynamics, higher interest rates and input costs, tighter credit conditions and currency volatility are influencing buying decisions globally, particularly for larger equipment.

In North America, overall industry tractor volumes trended lower relative to the prior year with the most pronounced weakness in higher horsepower tractors. Farmers continue to defend more capital-intensive purchases amid current farmer economics, evolving grain export demand and elevated input costs.

In Western Europe, industry tractor sales increased compared to a softer prior year period with growth across most of Western European markets. Combine demand, however, remain cautious as farmers weigh financing conditions and capital allocation decisions.

In Brazil, industry retail demand moderated across both tractors and combines with larger equipment most affected by higher interest rates, credit availability and currency effects, while demand for smaller and midsize equipment remain relatively more resilient.

Against the evolving macro backdrop, farmer purchasing decisions remain deliberate with customers balancing operational requirements, alongside financing costs and broader economic conditions.

Investment activity continues to prioritize solutions that deliver clear productivity gains and cost benefits including precision agriculture and technology upgrades, while larger equipment replacement decisions are sequenced thoughtfully. This environment continues to support disciplined production planning and inventory alignment across the industry.

AGCO's factory production hours are shown on Slide 5. First quarter production hours increased 15% year-over-year, reflecting a lower level of production in the first quarter of 2025. The year-over-year increase was driven primarily by Europe, where production levels rebounded from a particularly reduced first quarter 2025 base.

Importantly, first quarter 2026 production was aligned with our operating plan and reflected intentional timing and product mix rather than a change in underlying demand trends.

Full year 2026 production hours are still planned to be broadly flat to modestly lower than 2025. We are executing a deliberate and measured step down in production as the year progresses. This approach reflects our continued focus on inventory optimization in North America and Latin America, active support of dealer destocking and close alignment of output with end market demand.

Turning to regional inventories.

In Europe, dealer inventory months of supply improved modestly to just under four months aligned with our target. This reflects effective execution across the channel with Fendt operating below the regional average and Massey Ferguson and Valtra modestly above. This well-balanced position provides operational flexibility across product categories and supports continued focus on margin quality and mix optimization in our largest and most profitable region.

In Latin America, dealer inventories moved to four months of supply from five months at year-end, continuing progress toward our three-month target. Dealer inventory units declined approximately 10% during the quarter, reflecting disciplined coordination of shipments and production with a slightly softer industry outlook.

In North America, dealer inventories closed the quarter at approximately seven months of supply, consistent with our year-end levels and slightly above our six-month target. Large ag units decreased sequentially but were offset by the normal increase in the low horsepower segment this quarter in anticipation of the spring retail selling season.

Production continues to be managed intentionally with a clear priority on channel health, and long-term stability.

Slide 6 highlights our strategy to outpace the market and drive margin improvement to our adjusted operating margin target of 14% to 15% at mid-cycle over time. What is increasingly evident is that AGCO is delivering stronger and more resilient financial outcomes across a range of demand conditions compared to prior cycles. The structural actions implemented over recent years are translating into a more durable margins, improved earnings stability and higher quality cash generation, demonstrating the effectiveness of our evolved operating model.

Our three growth levers: high-margin products, technology-driven differentiation and a growing higher-value aftermarket business, continue to provide meaningful support in the current environment. Each lever contributes distinct value, and together, they reinforce a business model that is less reliant on unit volumes and more centered on value creation.

This foundation underpins our ability to consistently deliver mid-cycle adjusted operating margins in the 14% to 15% range over time. It reflects a structurally improved AGCO, more focused on higher-value revenue streams, more disciplined on costs and investment, and increasingly driven by technology solutions and services.

Importantly, this operating model also supports strong cash generation with free cash flow conversions of approximately 75% to 100% through the cycle. That financial flexibility enables continued investment in innovation and business advancement, while supporting capital returns to shareholders as evidenced by our recent increased dividend and share repurchase announcements.

Taken together, these elements highlight why AGCO is operating today from a more favorable and resilient position and why our

business is well positioned to deliver consistent performance across future market cycles.

Turning to Slide 7, we are seeing a series of tangible strategy wins as we execute against our Farmer-First priorities. These actions demonstrate how we're building a durable competitive advantage by combining engineering leadership with increasingly advanced digital and AI-enabled capabilities.

Our approach reflects a focus on prioritizing growth while also delivering efficiency, as we apply AI where it delivers measurable value for farmers and strengthens business performance through better decisions and execution. AI is increasingly becoming a significant enabler in that roadmap and across the organization to support long-term value creation and differentiation.

AI solutions on the farm and in our products are designed to help farmers to achieve more with fewer inputs such as land, labor, fuel and chemicals. Solutions including SymphonyVision use intelligent cameras intended to optimize precision application in real time improving effectiveness and helping to reduce waste.

At our PTx Winter Conference, we introduced AI-enabled innovations including SymphonyVision Duo and ArrowTube to advance real-time precision applications and automated seed placement. These innovations reinforce our position in high-value technology-enabled solutions.

We use AI in customer support and service to connect machine data, customer needs and AGCO expertise to reduce downtime and strengthen long-term customer relationships. It is transforming how we work with thousands of parts leads generated for dealers and tools like Product Information Assistant to more closely connect dealers and farmers.

And third, AI inside AGCO is improving efficiency, quality, cost and speed. Use cases range from AI-powered financial forecasting to AI-driven market analytics that automate used equipment price analysis and free up experts to focus on more value-driven actions. These capabilities are being deployed in a structured and purposeful manner to support margin expansion and growth.

We are seeing strong and growing demand from our employees to leverage and deploy innovative AI solutions to better support our dealers and farmers. We view this momentum, along with our Project Reimagine run rate cost savings as a clear opportunity to drive measurable efficiency gains and productivity improvements across the organization over time.

In short, we are taking an enterprise view with AI using human-in-the-loop oversight and aligning with the evolving regulatory frameworks to support trusted, responsible and scalable usage.

On Slide 8, we also continue to see strong external validation of our innovation and technology leadership. Our OutRun mixed-fleet retrofit technology earned the prestigious Davidson Prize for the second consecutive year, this time for autonomous tillage, reflecting our step-by-step progress towards our ambition for full farm autonomy by 2030.

Our AGCO Parts Shop received the Digital Engineering Award for a next-generation unified B2B platform that improves dealer efficiency, order accuracy and visibility at scale, which supports aftermarket growth and reinforces our Farmer-First focus on uptime.

AGCO's -- AGCO Power's CORE80 was named Diesel Engine of the Year, reinforcing our continued leadership in efficient powertrain innovation. The family of CORE engines were designed to run on an array of fuel options, helping them deliver the performance our farmers demand around the world.

I want to recognize and thank the teams across AGCO whose work continues to set a high bar for our industry.

With that, I'll turn it over to Damon to walk through the financial results for the quarter.

**Damon Audia:**

Thank you, Eric. And good morning, everyone.

Slide 9 provides an overview of regional net sales performance for the first quarter. Net sales increased approximately 5% in the first quarter compared to the prior year period, excluding the favorable impact of currency translation.

By region, the Europe/Middle East segment delivered a 9% increase in net sales on a constant currency basis. Higher sales resulted from increased unit volumes compared to the first quarter of 2025, which included dealer inventory destocking. Sales growth in Germany and the United Kingdom was partially offset by lower activity in Turkey and France. The increase was driven by strong growth in high horsepower tractor sales.

North American net sales also increased 9%, excluding currency impacts. Higher unit sales compared to the prior year, together with positive share growth, supported the increase. The most significant gains were in high-horsepower tractors, hay equipment and sprayers highlighting continued customer investment in productivity-enhancing solutions.

Net sales in Latin America were 30% lower on a constant currency basis, reflecting very measured purchasing activity across virtually all product categories as the environment in Brazil and Argentina remain challenging in the quarter.

Asia Pacific, Africa net sales increased more than 20%, excluding currency impacts, driven by higher sales in Australia and South Africa, partially offset by lower sales across most Asian markets.

Consolidated replacement part sales were approximately \$447 million in the first quarter, increasing 3% year-over-year on a reported basis and down nearly 6%, excluding favorable currency translation. Results reflected wet weather in Europe early in the quarter that limited parts consumption. And in North America, where dealers remain focused on inventory optimization amid continued cautious farmer sentiment.

Turning to Slide 10. Adjusted operating margin was 4.6% in the first quarter, an improvement of 50 basis points year-over-year. This reflects strong execution in the Europe/Middle East region, once again, combined with continued operational and cost discipline across the broader organization.

By region, Europe/Middle East income from operations increased by over \$104 million compared to the first quarter of 2025 with operating margins exceeding 16%. These strong results were driven by sales growth, a richer mix and increased production compared to the prior period.

North America income from operations reflected an approximately \$27 million year-over-year reduction with operating margins remaining below breakeven. Results heavily reflect the year-over-year impact of tariff-related costs along with factory under-absorption associated with our disciplined approach to reduce production levels.

Latin America operating income decreased roughly \$47 million year-over-year, with results below breakeven, driven by several factors including significantly lower sales volume and negative pricing.

Asia/Pacific/Africa operating income increased about \$7 million in the first quarter, supported by higher sales and increased production during the quarter.

Slide 11 outlines our first quarter cash performance and full year estimated free cash flow. Free cash flow represents cash used in or provided by operating activities less purchases of property, plant and equipment. Free cash flow conversion is defined as free cash flow divided by adjusted net income.

We used \$455 million of cash in the first quarter of 2026, reflecting the normal seasonal inventory build, consistent with our operating cadence. The prior year quarter reflected unusually low production levels, mainly in Europe, that limited inventory investment and reduced cash usage.

Our 2026 production schedule reflects a return to our typical seasonal patterns, resulting in higher inventory investment and cash usage early in the year. This profile is fully aligned with our plan and remains consistent with achieving free cash flow in a targeted range of 75% to 100% of adjusted net income for the full year.

Our approach to capital allocation remains disciplined and consistent, prioritizing reinvestment in the business, maintaining an investment-grade balance sheet, pursuing targeted acquisitions that accelerate technology adoption and returning capital to shareholders. This framework continues to guide both our decision-making and the sequencing of capital deployment.

As part of this approach, today, we announced that we are evolving our long-standing AGCO Finance U.S. and Canadian joint ventures to better align with increasing regulatory and compliance requirements on enhancing capital efficiency.

On April 30<sup>th</sup>, the company executed various agreements with wholly owned subsidiaries of Rabobank to sell AGCO's 49% equity interest in its U.S. and Canadian joint ventures for approximately \$190 million, while establishing new financing framework agreements that are intended to strengthen the strategic and commercial benefits of these partnerships.

AGCO Finance remains the predominant financing partner for AGCO and our customers. This structural evolution strengthens AGCO's Farmer-First strategy by ensuring continued access to competitive finance offerings.

These actions optimize regulatory capital deployment, strengthen our commitment to providing competitive financing solutions to our farmers and dealers and bolster our financial flexibility. The proceeds from these transactions are incremental to free cash flow and are being used to support capital returns to shareholders.

Building on both our record free cash flow generation in 2025 and these proceeds AGCO has increased our capacity to return capital to shareholders. We continue to execute share repurchases under our \$1 billion authorization. Following the initial \$300 million announcement in October last year, we are initiating an additional \$350 million in repurchases during the second quarter of 2026.

In addition, the Board of Directors also improved an increase in our regular quarterly dividend to \$0.30 per share, up from \$0.29. At this rate, annualized dividends would total \$1.20 per common share. Collectively, these actions demonstrate a continued focus on disciplined capital deployment, balancing enhancing near-term shareholder returns with long-term financial flexibility.

Turning to Slide 12 which summarizes our 2026 market outlook across our three major regions. Global agricultural markets entered 2026, reflecting conservative purchasing behavior shaped by high borrowing costs, extended margin compression and evolving policy and trade dynamics.

Recently, geopolitical developments have contributed to higher fertilizer and fuel costs, reinforcing cautious behaviors across the industry. Current conditions point to a gradual and uneven recovery, rather than a near-term rebound. We are maintaining our forecast for North America and Western Europe and adjusting our Latin American forecast from flat to down modestly in 2026.

In North America, farm income dynamics and increased input costs continue to shape demand, particularly for large equipment. Dealer activity continues to focus on managing used inventories and limiting new commitments which is weighing on large tractors and combine purchases.

Higher fertilizer and diesel costs, tied to recent geopolitical developments, have added to grower caution heading into the planting season, further limiting discretionary capital spending.

Smaller equipment continues to demonstrate relatively stable demand compared to large ag, supported by livestock and hay-related demand. While performance has improved year-over-year, early year activity has been more modest than anticipated amid recent macro events, reinforcing our views that upside remains limited for the remainder of the year.

Overall, we expect the North American large ag equipment market to be down around 15% below 2025 levels with the small ag segment modestly higher.

In Western Europe, near-term demand has demonstrated select areas of strength. At the same time, confident remains fragile. Farmer profitability challenges, increased input costs, evolving regulatory uncertainty and prudent capital spending behavior continue to weigh on sentiment. Recent geopolitical developments, including the development in the Middle East, have added to this environment, particularly around energy costs, despite near-term demand strengths.

Subsidy frameworks and relatively favorable interest rate dynamics continue to provide a stabilizing foundation for the region. Taken together, we still expect Western Europe to be up modestly in 2026.

In Brazil and broader Latin American region, interest rates and tighter credit conditions continue to influence purchasing patterns, particularly for large machinery. Increasing input costs and financing dynamics are guiding investment decisions, contributing to equipment demand variability.

Brazilian retail tractor volumes in '26 are now projected modestly below 2025 levels, but with long-term fundamentals remaining relatively constructive.

Overall, the agricultural equipment cycle in '26 reflects discipline, selective purchasing and delayed replacement activity. As financing conditions normalize, input cost pressures moderate and grain prices improve, the aging fleet and structural foundation supporting recovery remain in place with regional timing varying by market and segment.

Slide 13, highlights the key elements underlying our full year 2026 outlook. Global industry demand in 2026 is now positioned in line with prior year levels, operating at approximately 86% of mid-cycle demand, consistent with the stabilization phase of the cycle.

Our sales plan reflects continued market share gains, pricing in the range of 2% to 3% and roughly a 3% foreign currency benefit. While pricing helps moderate the impact of material inflation and tariff-related costs, the incremental increases in these pressures from events in the first quarter will now more than offset pricing actions, resulting in margin dilution and lower profitability in 2026.

Inventory management remains a priority in 2026, particularly in North America and Latin America, supporting our ongoing dealer inventory alignment and a balanced demand-driven go-to-market approach.

Our outlook reflects the current tariff environment and our established mitigation actions including cost initiatives and pricing. Since the fourth quarter earnings call, the tariff environment has evolved with the Supreme Court ruling related to IEEPA tariffs as well as new guidance on the calculation methodology related to Section 232 tariffs. We now expect tariff costs of approximately \$135 million in 2026, which is around \$90 million increase from 2025 and \$25 million higher than our previous estimate. These estimates could change as things evolve during the year.

Our adjusted operating margin and earnings per share outlook do not assume any refunds related to the IEEPA tariff. We are currently evaluating the impact to our business and the ultimate timing and amount of any potential refunds remain uncertain. We are prepared to adjust our outlook should tariff or trade policy conditions change.

Engineering expense is planned at around 5% of sales in 2026, representing an increase of nearly \$40 million year-over-year, supporting innovation across the portfolio while maintaining investment discipline.

Operational efficiency initiatives are increasing and we now expect them to deliver approximately \$60 million to \$70 million of benefit in 2026, up from \$40 million to \$60 million, reinforcing our ongoing transformation progress. Production hours in 2026 are expected to be flat to slightly down compared to 2025, with a measured step down as the year progresses to support inventory normalization and demand alignment.

Based on these assumptions, adjusted operating margin is still targeted in the range of 7.5% to 8% reflecting structural portfolio improvements and cost actions, partially offset by price-cost pressures, increased tariff costs, as well as increased freight costs.

Finally, although our effective tax rate was 24% in the first quarter, we still expect our effective tax rate for 2026 to be in the range of 31% to 33%.

Turning to Slide 14 for 2026 outlook.

We have modestly tightened our full year net sales outlook to \$10.5 billion to \$10.7 billion, reflecting improved performance in certain regions slightly higher foreign exchange effects and continued execution, partially offset by ongoing market volatility.

Adjusted earnings per share are targeted at approximately \$6, supported by continued strong cost discipline and execution consistency. This revised outlook reflects our strong first quarter performance, along with the incremental tariff costs and other cost headwinds I mentioned previously. The current earnings per share outlook also assumes approximately \$0.15 per share benefit associated with the share repurchase announced today.

Capital expenditures are planned at around \$350 million, positioning the company for future demand while preserving investment discipline.

Free cash flow conversion remains targeted at 75% to 100% of adjusted net income, supported by strong working capital management and ongoing inventory efficiency.

Second quarter net sales are targeted between \$2.7 billion and \$2.8 billion. Second quarter earnings per share are targeted between \$1.35 and \$1.40, reflecting the alignment of production with demand, cost execution and timing of efficiency initiatives.

The second quarter EPS target excludes any impact from the potential IEEPA tariff refunds or the sale of our equity interest in the AGCO Finance U.S. and Canadian joint ventures.

The AGCO Finance transaction in North America will accelerate cash flows from the existing portfolio and result in a second quarter earnings benefit. However, for the full year, we do not expect a meaningful change in the portfolio's earnings contribution.

Slide 15 outlines the details for our 2026 Tech Day to be held near Chicago, Illinois. A strategic business update will be held on October 6, followed by a live field demonstration of our Precision Agricultural stack and FarmerCore initiative on October 7. We look forward to hosting you just outside of Chicago.

With that, I will turn the call over to the operator to begin the Q&A.

---

**Operator:**

(Operator Instructions) The first question is from Jamie Cook with Truist.

**Jamie Cook:**

I guess two questions. Damon, just unpacking how we think about -- I mean we had losses in North America and in Latin America in the first quarter. Just trying to understand, in particular, with like the restatement with Mexico, how do we think about the full year potential loss in cadence, I guess, of earnings throughout the year, I guess, would be my first question.

And then my second question, can you just dig a little deeper on some of the pricing commentary that you referred to like by region. You know what I mean, I guess I was impressed that we actually held the 2% to 3% price increase. Thanks.

**Damon Audia:**

Sure. Good morning Jamie. So I think if we look at the cadence here with the incremental tariff costs that we alluded to in the scripted remarks, we're going to see North America sort of stay at this sort of the mid-teens margin loss for the balance of the year here. Despite the solid pricing, that incremental \$25 million is going to really be concentrated in North America, as you would expect. It will fluctuate a little bit in the quarters with volume here, but generally, you're looking at sort of an earnings kind of in that negative 10%, negative 12% for the full year.

South America, we had a challenging first quarter -- or Latin America, excuse me, we had a challenging first quarter. We see that sort of rolling into the second quarter here with a slight breakeven, a slight loss likely in Q2. And then as we hopefully see the industry recover, we've talked about the election year, some of the incentives as we get to the FINAME funding in the middle of the year, we see that turning slightly positive.

I think net for the full year, when you look at the first half headwinds, second half opportunities probably closer to a breakeven business for Latin America as we look at the full year.

I think, Jamie, on the second question on pricing, again, we did reaffirm the 2% to 3%. When I look at how pricing panned out in the first quarter, overall, I would say total company, it was modestly a little bit better than what we had expected. Now we saw stronger performance in pricing in North America and in Europe and then we saw a significantly weaker pricing in the Latin American region.

So, for total company, again, I still feel good that we're in that 2% to 3% range. But as I look at how things are unfolding, so far, I would say it's going to be a little bit stronger coming from North America and Europe and a little bit weaker coming out of the Latin American region, at least to start the year.

**Operator:**

The next question is from Kristen Owen with Oppenheimer.

**Kristen Owen:**

Damon, you walked through a lot of puts and takes on the guidance. It's easy to look at it and say, okay, you beat by \$0.50 in the first quarter, so we're going to raise the guidance by \$0.50. But it sounds like there's a lot more to it than that. So maybe just help us with the bridge on the updated guidance, what got better, what got worse? And then I have a follow-up on some of the cost-related items.

**Damon Audia:**

Yes, sure. Sure, Kristen.

So I think if you look at our prior guidance, we were \$5.50 to \$6. So we'll use the midpoint there. We rolled through the \$0.50 beat in the first quarter. I alluded on the call, tariffs are around a \$25 million incremental headwind, so call that around \$0.25 of a headwind, Kristen. We tweaked our volumes, our industry outlook for South, for Latin America and a little bit, I would say, in Eastern Europe, Turkey mainly. So the industry being a little bit softer for the balance of the year, that's around a \$0.20 headwind.

We've had incremental freight costs as we look at diesel fuel, ocean freight charges, other costs that we're seeing given the Middle East conflict, that's around a \$0.20 headwind flowing into our cost of goods sold.

To offset that, we included the share repurchase. We've estimated that at around \$0.15 of a positive for the full year. And then we've also increased our restructuring savings outlook which was \$40 million to \$60 million. We now have that at \$60 million to \$70 million. So that, coupled with a little bit of other cost of goods sold savings opportunities, that's around a \$0.20 positive relative to our original

outlook. And so when you put those together, you get around \$6.

**Kristen Owen:**

Fantastic. So the restructuring savings then the \$40 million to \$60 million, now \$60 million to \$70 million. In some of the prepared remarks, you talked about some of the internal initiatives. Can you maybe help us understand how much of that is just an acceleration or maybe a pull forward of the bridge that gets us to 14% to 16% by the end of the decade? Or how much of that is sort of incremental upside that maybe gives you greater confidence in that mid-cycle margin target?

**Damon Audia:**

Yes. So I'd say, Kristen, it's probably about 50-50. So we did have some savings that was planned more into the Q3, Q4 timeframe. Given the industry, we've been able to pull, as we did a little bit last year, we pulled some of that ahead. So if you remember on the fourth quarter call we said we were run rating at around \$190 million. I would tell you now after the end of the first quarter, we're run rating just a little bit over \$200 million. So part of that was pulling some things ahead.

But in this environment, as we leverage technology, more of the teams are seeing more opportunities. So there is some incremental long-term savings. So, again, for this year, I would say it's kind of split between a pull ahead and an incremental. So that will carry over to some incremental savings as we get into 2027 given the annualization. But generally, I'd say we're run rating a little bit north of \$200 million now.

**Operator:**

The next question is from Mig Dobre with Baird.

**Peter Kalemkerian:**

This is Peter Kalemkerian on for Mig this morning.

I guess I have one on Europe here. How confident are you in the relative strength in Europe holding through the remainder of the year? It's my understanding that EU farmers maybe don't preorder their inputs to the same extent as we see in North America. So could you maybe help me understand the dynamics there, what you're seeing in terms of farmer health?

And then second part of the question on margin progression for Europe, I believe it's previously been a pretty steady mid-teens through the year. Is there any change there that we should be aware of?

**Eric Hansotia:**

Yes. I'll start off with that answer.

So if you think about the crops that are planted in Europe, the biggest crop planted is wheat, and it's often -- it's a winter wheat predominantly. So that's planted in the fall. It starts growing over the winter and then it continues to grow in the spring and in the summer and is harvested early summer.

So the cycle is a little different than what we think about in North America of most of the planting happening in the spring because of the mix of grains that they put in. So that's one dimension.

They still do prebuy a fair amount, not quite as much as North America, but a fair amount. And so I think it really comes down to how long is this war going to last and how big of an impact is the increase in cost for fertilizer.

Fertilizer is up somewhere between 35% and 50%, but it all depends on if that lasts through the rest of the year. Most predictions right now, of course, this is unpredictable, but many folks are using the assumption that this war is not going to last in terms of quarters, it's going to last in terms of several more weeks in terms of cutting off the strait.

So if that's true, then flow can normalize in time for the next big use of fertilizer in the Northern Hemisphere which is more weighted toward the fall.

**Damon Audia:**

And then, Peter, if I -- in answer to your second question about the European margins and the cadence, again, Europe continues to be very strong for us if I think about the margins. Generally speaking, likely in the mid-teens for each of the remaining three quarters, a little bit lower here in the second quarter as we'll have some of that incremental engineering expense.

Remember, we have a high concentration of engineering expense in Europe. I'd say probably closer to flat to last year's margins and then picking up modestly here in the back half of the year as we introduce some new products and some of that new product pricing kicks in.

But generally speaking, kind of in those mid-teens here for the balance of the year.

**Peter Kalemkerian:**

Awesome. And then a quick follow-up here on Latin America. How many -- do you have the pricing in place you feel to clear the channel here in the next couple of quarters? Or do you think that price will have to come down even further? And I guess, tangential to that question, how many quarters of destock do you think we have left before inventory can get down to that target level of, call it, three-ish months?

**Damon Audia:**

Yes. I think, Peter, for us, we're always looking market back from a pricing standpoint and our relative value to the farmers and also relative to the competition.

I don't see a significant change in pricing, but again, subject to market conditions. I think we're trying to be much more proactive on our side. We will have inventory -- production will come down probably around 20% year-over-year in Q2 as we look to better adjust the production schedule. We made great progress on the dealer inventories this last quarter. As I mentioned in my part of the remarks, units were down around 10%. So we are taking the units out. We're reducing the production here. We'll reduce it again another 20%, trying to get closer to that three-month target here, hopefully by the end of the second quarter.

But again, remember, for us, when we give you the dealers' month of supply, that's a 12-month forward look. So as that industry is changing either positively or negatively, that 12-month forward calculation can also influence even though the units may come down.

So I feel good about what the team is doing in managing a very challenging situation. We know South America is likely the most susceptible to the diesel fuel cost, the fertilizer increases that Eric just alluded to. So the team is doing a good job sort of managing the production schedule to try to keep the retail and production as closely aligned as possible, but at the same time getting the dealer inventory levels down, but still servicing the demand we're seeing.

So a lot of work down there, but we feel good about how the team is managing it.

**Eric Hansotia:**

Maybe one more thing on Brazil. It's a very, very tight presidential race. And last week was Agrishow. There was a lot of talk at Agrishow about favorable terms coming into the market from the government. Unfortunately, there's no detail on what those terms are going to be, but certainly a lot of talk about they're coming.

And so farmers, I think, to some degree, are a bit on hold until they get clarity on what that environment will be. But if you anticipate the chapter we're in right before an election is probably going to be something positive for farmers. Just don't have any clarity on it yet.

**Operator:**

The next question is from Steve Volkmann with Jefferies.

**Stephen Volkmann:**

I apologize if I missed this, Damon. I think you said that '26 production hours are going to be flat to slightly down, but it sounds like they're going to be down quite a bit in the second quarter, and you obviously reduced inventory in the first. So is the cadence that we're going to have like some big increases in the second half? Just how does that sort of play out?

**Damon Audia:**

Yes, Steve. So we had the big increase here in the first quarter. It was heavily in Europe because of the year-over-year comparison. It wasn't that we were running in excess. If you remember last year, we had a slow start as we were sort of destocking a little bit in Europe.

If I look at Q2 here, you're looking at North America is likely going to be relatively flat to year-over-year. The big change will be the South American market. We'll be slowing production there in Q2 and likely in Q3 based on the current industry outlook.

But as Eric just alluded to, such a volatile market or uncertain market there, we manage it one quarter at a time. But at least our outlook right now this flat to down guide assumes more underproduction in the Latin American region, but relatively stable production in Europe and in North America for the balance of the year.

**Stephen Volkmann:**

Okay. I see. And then just anything to call out relative to your view of kind of how Precision Ag sales kind of flow this year? Is there any upside or downside to your views there?

**Damon Audia:**

I don't think there's any upside or downside. Again, the first quarter was very much in line with our expectations. I think the sales for PTx as a whole were relatively flat year-over-year.

So I think, Steve, when you look at the industry being down here in North America, down in the, the challenge in South America, the fact that PTx delivered relatively flat sales year-over-year is a testament to the retrofit market and how well that business is doing.

For the full year, we still expect it to be flat to modestly up for the full year.

**Operator:**

The next question is from Joel Jackson with BMO Capital Markets.

**Joel Jackson:**

I wonder if you can provide any like we're talking about traversing the bottom here, things getting better as the year progresses. Do you

have any updated views on what you think this cycle will look like in the next year or two as we get back into growth and maybe compare that to prior cycles?

**Eric Hansotia:**

Yes. It's a pretty uncertain environment we're in, but I would say we expect that -- you look at what are the drivers of cycles. And the primary one I'd look at is the age of the existing fleet in the farm. And in all of our regions, it's at peak levels.

So when the farmer looks out into their machine shed, they see old equipment and they see a lot of technology coming into the market. And so there's a draw or replacement demand that's going to happen. And there's other turbochargers that could happen and could boost that. Brazil is putting a lot more of their corn into ethanol. The U.S. ethanol blend may move from 10% to 15% may move to year around. I don't know yet, but that's under a heavy discussion. Biofuel policy and sustainable aviation fuel are getting a lot of attention right now. There's more protein demand with everybody and the GLP drugs.

So you combine all of those things, and those all give us -- those are the ones we've been talking about for several years. Those are natural tailwinds for this industry to recover tactically because of the fleet age and more strategically because of these macro drivers. And we see all of those as playing for the farmer.

They need some more certainty. They need the strait to open up. They need their cost to settle back down and they need the trade flows to open up which is a relatively short-term thing. Once that happens, I think the cycle will progress like it usually does.

We've been two to three years now at the bottom, and then it usually works its way back up. It's depending on the situation, 7- to 10-year overall cycle. So we expect a migration back up to mid-cycle volumes and then hopefully above mid-cycle after that.

**Joel Jackson:**

I apologize for the background noise. And just my second question, with the buyback just announced, would that be very upfront like the buyback last year or more spread across the year [ahead into it]?

**Damon Audia:**

Yes. Normally, we do the buyback in the form of an ASR. There is a portion that is directly done with TAFE, our largest shareholder. So you can assume that 85% of it directionally is done through the form of an ASR and then the balance comes from TAFE at a later date.

**Operator:**

The next question is from Kyle Menges with Citigroup.

**Unidentified Participant:**

This is [Randy] on for Kyle. It would just be great to get some more color on some of the changing tariff dynamics as it relates to your outlook, maybe bifurcating between impacts from the IEEPA overturn, the new Section 232 ruling. And then any color on how you're thinking about what potential Section 301 impacts could be would be helpful.

**Damon Audia:**

Yes, Randy. So with the IEEPA ruling, we have now taken that out of our guidance and factored in the new cost calculation for 232. When we look at the net of those two, that's around a \$24 million headwind relative to our prior guidance. And so that's sort of been factored into our outlook.

As I mentioned in my pre-scripted remarks, we've not assumed any refund or anything related to the IEEPA in our current EPS outlook. If something was to be monetized, that would be incremental.

As it relates to the pending 301 tariffs, again, we have not assumed anything beyond what's currently in place today into our outlook. I think it's important to remember, though, as if there is something that comes as a result of 301, the question of when do those take effect, when do they hit our inventory and then when does that flow through cost of goods sold. So as we think about something maybe coming this summer, the reality of that hitting 2026 is quite low, just given the flow of inventory and finding its time to our cost of goods sold.

So again, we're monitoring the situation. The teams are doing a great job in trying to mitigate these tariffs, looking for offsets or ways to ship directly to Canada which historically we would have flown those European products into the U.S. and then up to Canada.

So looking for ways to avoid some of these where possible to limit the impact on our dealers and our farmers. But overall, as I said, around \$25 million is the net headwind this year.

**Operator:**

The next question is from Kevin from Wells Fargo.

**Kevin Uherek:**

Can you talk about what you're seeing in terms of used inventory destocking in North America during the quarter? And what do you expect in terms of the pace going forward?

**Damon Audia:**

Yes, Kevin, I think overall, we don't have as much visibility as maybe some of our competitors do on the used. But overall, generally speaking, it's not as big of an issue for our dealers versus the new. We're probably directionally about maybe a month in a better position than we are in the news -- in the new.

So overall, not a huge issue, but something that we're watching closely.

**Kevin Uherek :**

Got it. And then maybe switching gears, how should we think about the sales of the stake in the joint ventures in terms of the impact on the equity income line on a go-forward basis?

**Damon Audia:**

Yes. I think the -- so Kevin, thanks for asking the question.

I guess the way to think about this is the \$190 million of cash that I mentioned is reflective of the equity value and the cash flow considerations of the existing portfolio as of April 30.

So if you think about that, the transaction, it's going to accelerate the cash flows from the existing portfolio, and that's what's going to result in this Q2 earnings benefit. But on the full year basis, the contribution from the portfolio hasn't really changed. So that's the way to think about it here in 2026.

As I think about '27 and beyond, what's happening is that equity and earnings is now going to disappear for those two entities, and you're going to see that show up at a smaller percentage, but show up as a reduction in sales discount. So it will be slightly accretive to the operating margin and a little bit negative from an earnings per share perspective.

**Operator:**

The next question is from Angel Castillo with Morgan Stanley.

**Esther Osinaiya:**

This is Esther on for Angel. I just had a question around North America market share. Can you unpack a bit more about what you're seeing in North America and just provide a little bit more color on the market share gains? Also curious to know if farmers are telling you anything that's driving the switch of brands and whether there are any particular regions in the U.S. where you're seeing this?

**Eric Hansotia:**

Yes. I'll take that one.

So globally, we had our highest market share. We grew again market share in quarter one. We've now got our all-time record highest market share for the company globally. And a big driver of that is North America.

We're getting market share gains in both of our brands, Massey Ferguson and Fendt, in terms of machinery brands. And essentially, we've gone through a few phases here. The first phase was getting our parts and service performing at a record level, and that's been done for several years now. Then getting our product portfolio to the best in the industry. We've got that in place solidly.

And now we're working with our dealers to really raise their performance. That's the focus of this chapter. We're working with all of our dealers to implement FarmerCore which is a changing of the distribution model where they do the work on the farm. They move from reactive to proactive, monitoring the machinery on the farm and doing everything proactively instead of having the customer having to come to the brick-and-mortar store, we come to the farmer, way more convenient, way more proactive.

So this establishment of the world's best products has been done. Now we're working on the world's best distribution and service support that can be delivered to the farmers. And we're seeing once farmers experience that, they love it. They love the convenience of having everything done with them and on their location. So that's the primary thing.

It's more of a large ag focus. You asked kind of where is it happening? It's more large ag than small ag because it's -- that's the focus of FarmerCore. But it's geographically, I wouldn't say that there's a specific area in the country.

Did I capture all your points? Or was there anything --

**Esther Osinaiya:**

Just like a quick follow-up. Just like what you laid out, is there any concerns about any like aggressive pricing from competition just due to the market share gains that you're seeing?

**Eric Hansotia:**

Well we always have to keep our eyes on that. But in general, I think we're all public companies, disciplined players and working on generating value as opposed to trying to take margin hits to go after price discounts.

We've not seen that in the past on any kind of broad scale, not saying it can't ever happen, but we haven't seen it in the past, and we're not seeing it now.

**Operator:**

The final question today is from John Peter with Bernstein.

**Unidentified Participant:**

This is Inigo filling in for John] Can we double-click on your order book by region, please?

**Damon Audia:**

Yes. Sure. I'll take care of that.

So for North America, our order board is kind of in the range of two to four months depending on the product type. I would say for the lifestyle or the rural lifestyle, so the lower horsepower, we're about two months. As I mentioned in my remarks, we're into the spring selling season right now, so very customary to see the order board at the low point.

For Fendt, we're probably closer to four months.

In Europe, we're at three to four months, so relatively consistent to where we've been for the last several quarters.

And in Latin America, if you remember, we only open the order board up one quarter in advance. And so we're sitting at around three months of orders in South America. So again, fairly consistent as to where we've been in the last few months -- last few quarters, excuse me.

**Operator:**

This concludes our question and answer session. I would like to turn the conference back over to Eric Hansotia for any closing remarks.

**Eric Hansotia:**

Thank you for joining us today for our continued -- and your continued interest in AGCO. The first quarter highlights our continued progress in building a more focused and resilient AGCO, executing with discipline and staying anchored to what we control while advancing our Farmer-First strategy. The performance delivered this quarter reflects the effectiveness of actions taken over several years including portfolio sharpening, execution enhancement and improved earnings durability.

We remain focused on delivering for all of our stakeholders. For our farmers, we continue to invest in practical innovation spanning precision agriculture and AI-enabled solutions, service and uptime, all designed to help them operate more productively and profitably.

We've achieved the highest Net Promoter Score for quarter one in the history of our company and have a record high market share globally with big gains in North America.

For shareholders, our record 2025 cash generation enables balanced capital deployment including increased dividends and ongoing share repurchases, alongside continued investment.

Looking ahead, we remain focused on cost management, production alignment, technology advancement and market share growth, positioning the company to perform effectively through the current environment and capture opportunity as demand grows over time.

Thank you for your continued support for AGCO. We value your partnership and look forward to building long-term value together.

**Operator:**

Thank you for joining the AGCO earnings call. The call has concluded. Have a nice day.

INVESTOR CONTACT: Greg Peterson, VP, Investor Relations, 404-403-6042, greg.peterson@agcocorp.com; MEDIA CONTACT: Rachel Potts, VP, Chief Communications Officer, 678-654-7719, rachel.potts@agcocorp.com