

## AGCO Receives 2018 China Automotive Logistics Innovation Award

### Award Recognizes AGCO's Initiatives in Using Smart Logistics to Close Digital Gap

DULUTH, Ga., USA - [AGCO Corporation](#) (NYSE:AGCO), a worldwide distributor and manufacturer of agricultural equipment, was awarded the "China Automotive Logistics Innovation Award" for AGCO's Smart Logistics initiative by the China Federation of Logistics and Purchasing (CFLP) at its annual summit held in late November.

The 2018 National Automobile Logistics Industry Annual Conference was held in Shenzhen, China. The event was sponsored by the China Federation of Logistics and Purchasing, and was hosted by the China National Automobile Logistics Branch. The conference was attended by more than 1,200 professionals from the China Logistics and Purchasing Association, the Transportation Service Department of the Ministry of Transport, the Traffic Management Bureau of the Ministry of Public Security, the National Information Center, other Chinese government departments and related institutions, together with 480 auto manufacturers, auto parts suppliers, and logistics service providers from across China.

AGCO and its global partner [4flow](#) - a provider of supply chain consulting, software, and neutral 4PL services - won the 2018 China Automotive Logistics Innovation Award for the 2017 implementation of their collaborative inbound logistics 4PL project in China. Changan Ford Company, Anji-Ceva, and Beijing Hyundai were also considered for the award.

AGCO and 4flow were recognized for their efforts in digitalization and the end-to-end integration of network partners within AGCO's domestic Chinese inbound supply chain. The implementation of this digital supply chain program in China is part of the global rollout of the AGCO Smart Logistics initiative, a joint endeavor between AGCO and 4flow that continues to generate significant efficiencies and transportation cost savings by integrating and optimizing AGCO's supply chain structures around the world.

The AGCO Smart Logistics approach is based upon the principle of combining an intelligent transportation management system, a standardized supplier development process, and risk management into a central cloud-based IT solution. The innovative approach utilizes smart algorithms that strategically and dynamically optimize the network holistically, including capacities, supplier shipping requirements, lead-times, as well as monitoring a wide range of geopolitical, weather, and economic factors on a real-time basis in order to optimize the material flow. Additionally, the Incoterms for the vast majority of AGCO's suppliers were converted from Delivered at Place (DAP) to Free Carrier (FCA) prior to implementation, a measure that was crucial to enabling active network management.

The solution enabled AGCO to reduce significantly the cost of the inbound supply chain during the past twenty months. Furthermore, both on-time delivery performance and process conformance have been enhanced with great success. In addition to the significant improvements in Supply Chain agility, costs, increased performance, and quality levels, the initiative is reducing the CO<sub>2</sub> footprint through improved capacity utilization and, therefore, it not only benefits AGCO but the environment as well. The China implementation was led by Kathy Zhang, Logistics Manager at AGCO's Changzhou, China site. "Kathy's leadership and solution orientation has delivered great results in the areas of network performance and cost optimization," shared Greg Toornman AGCO global vice president, Materials Management, Logistics, and Freight.

This is the latest in a growing list of accolades that AGCO and 4flow have won for their collaboration on the AGCO Smart Logistics initiative. In 2017, the partners won the European Gold Medal in Logistics and Supply Chain from the European Logistics Association (ELA), and in 2016 they won the renowned German Supply Chain Management Award presented by BVL International.

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Photo caption: AGCO's Kathy Zhang, second from right, accepts the 2018 China Automotive Logistics Innovation Award from the China Federation of Logistics and Purchasing (CFLP) November 2018 in Shenzhen, China

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#### About AGCO

AGCO (NYSE:AGCO) is a global leader in the design, manufacture and distribution of agricultural solutions and supports more productive farming through its full line of equipment and related services. AGCO products are sold through five core brands, Challenger®, Fendt®, GSI®, Massey Ferguson® and Valtra®, supported by Fuse® precision technologies and farm optimization services. Founded in 1990, AGCO is headquartered in Duluth, Ga., USA. In 2017, AGCO had net sales of \$8.3 billion. For more information, visit <http://www.AGCOcorp.com>. For company news, information and events, please follow us on Twitter: @AGCOCorp. For financial news on Twitter, please follow the hashtag #AGCOIR.

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