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Trimble and AGCO embarks Joint Venture to thrive into mixed fleet precision agriculture globally

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Joint Venture to Accelerate Innovation in Factory-Fit and Aftermarket Solutions to Benefit Farmers Across the Globe

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Trimble announced today a definitive agreement to form a joint venture (JV) with AGCO to better serve farmers with factory fit and aftermarket applications in the mixed fleet precision agriculture market. Trimble and AGCO's shared vision is to create a global leader in mixed fleet smart farming and autonomy solutions.

In aggregate, Trimble expects approximately $3 billion in value from the transaction from pre-tax cash proceeds, Trimble's 15 percent stake in the joint venture, and the related commercial agreements.

Under the terms of the JV, Trimble will contribute its precision agriculture business (Trimble Ag) excluding certain Global Navigation Satellite System (GNSS) and guidance technologies and AGCO will contribute its JCA Technologies business, which is a leader in the development of autonomous software for agricultural machines, implement controls and electronic system components.

Trimble will receive $2 billion in pre-tax cash proceeds plus a 15% stake in the JV. In addition, the parties will enter into (i) a long-term Supply Agreement through which Trimble will provide the JV with key GNSS and guidance technologies (Supply Agreement), (ii) a Technology Transfer and License Agreement (TTLA) to govern the licensing of Trimble trademarks and technology for use by the JV after the expiration of the Supply Agreement and (iii) a Positioning Services Agreement through which the JV will serve as a channel partner to Trimble for its positioning services in the agriculture market.

Following completion of the transaction, Trimble will continue to deliver its differentiated technologies at the intersection of the physical and digital worlds across its core businesses.

The transaction is expected to result in significant benefits to Trimble, including '*Connect and Scale Strategies*" such as 'Streamlines portfolio and increases focus on priority growth areas', 'Reduces exposure to hardware-centric agriculture market while retaining highly recurring revenue Positioning Services business' and 'Retains core GNSS IP and will continue to innovate and offer across served markets, including the JV".

Further, it will enhances Financial Profile and Flexibility and De-risks Trimble's Channel Transition in the Agriculture Market.