

AGCO Technology Event – Investor Session, October 6, 2026

GREG PETERSON: Welcome everyone to AGCO's 2026 Technology Event. My name is Greg Peterson, head of Investor Relations for AGCO. Our aim tonight is to give you a clear vision on AGCO's long term strategy, focusing on how we are competing for precision agriculture, and how that translates into growth opportunities and shareholder value.

Damon and Eric will spend time talking about our strategy, talking about the value we're providing to our shareholders, and talking about growth opportunities. We'll finish tonight with a Q&A session. And in advance, I'll just, and we'll remind you again later, when you ask questions, we'll have to have you wait for the mic and so that the folks listening on the internet can appreciate that.

I'll also need to remind you that tonight we will make forward-looking statements, and there are risks associated with relying on those forward-looking statements. We have a listing of those risks in our Securities and Exchange filings, and we'll update those Securities and Exchange filings as we go through the year. So let me now go ahead and introduce Eric Hansotia, AGCO Chairman, President, and Chief Executive Officer.

ERIC HANSOTIA: Welcome, everybody. This is the 7th Technology Day that we've had for AGCO, and I've seen some of you for all of those seven. It's one of the most exciting times to be able to really share our strategy and have it come to life for our investor community.

I'm going to set the stage here in this opening section with the key messages. And essentially that is that at our foundation, we're a machinery company, and many of you see us as a machinery company. Our machinery, I would put it up against anybody's in the world, really proud of what we're developing there. But that's become more and more the foundation. Where our investment is, where our value is, is the things that sit on top of that machinery. And we're transitioning rapidly into becoming a technology company.

And so what does that mean? It means several things, and you're going to see all of these come to life tomorrow and hear about them today.

But it means a technology business that is different than anybody else's. A portion of that technology business goes to the market in a retrofit way, meaning it'll sit on top of existing machines out in the marketplace to give them new capability, automating a feature that the farmer would like to have, but doesn't want to have to wait to buy a new machine. We have a whole separate channel on that. So there's a whole business around technology that's very different than anybody else's.

Secondly is our data strategy. Once again, mixed fleet, open data platform, most open of anybody else in the industry. It's solving a big farmer problem of, I've got all this information, but I need to know what to do differently on my farm.

And finally is our support strategy. Fundamentally different than anybody else's in the industry. We go out to the farm instead of having the farmer come to the business.

And so you add all those things up. We're the most open machinery platform, most open technology, most open data, and most open service business. All of that is generating the value in such a way that we're becoming much more of a technology company, solving problems through technology and doing it in a different way, most farmer focused in the industry.

And that's what we say. We want to put the farmer at the core of everything that we do. And I've been saying this for ever since we launched the strategy, and I don't think people really appreciate the depth of what this means. It means that we're daring to do things differently than anyone else in our industry and anyone else in most industries.

Mercedes engineers are not designing technology for a BMW car. But our engineers are designing technologies for any brand of equipment. Most of our competitors have a technology strategy that only goes on products for customers they've already sold to. Similar with data. Most of our competitors have a data platform strategy that only manages the data off the machines of their brand. We said that's not what farmers want. Farmers want something that solves the problems for all of their data. And so that's what we've created.

And then finally is the data platform, I mean a service platform, where farmers don't want to come to a brick and mortar store and have to do business that way. That's like going to the mall. They want to do business directly. They want the business to come to them. And so we've redefined how we do that.

All of those are driven by us constantly asking the question, if the farmer were at the center and we had to do the very best job for them, regardless of how we've done it or anybody else has done it in this industry, how do we do it? And we have the boldness to redesign all the work that we do.

So, the problems that we hear when we talk to farmers, and you'll hear this out in the field tomorrow, if you simplify it down, it's three things. When I go to visit farmers all around the world, they talk to me about three things.

I can't find skilled labor on the farm. So we've invested in autonomy. Take the labor issue away.

I got all this data. I've got as planted data. I've got as sprayed data. I've got as harvested data. I got all this data. But I don't know what to do. Where are my variations? But more importantly, what should I change in my farming operation? So we've got this mixed fleet data platform.

Sorry, I jumped in. And then input costs and profitability. You know, I don't have as much control as I thought I had on my markets, but for sure what I see is higher diesel prices, higher fertilizer prices, and all those types of things. Please help me solve those problems. You're going to see a lot of solutions tomorrow at helping with technology do a better job of managing inputs.

So those are the simple problems, if you simplified it down, and here's where we're making investments. We feel like with our mixed brand strategy, we go to market with different brands going after different customer groups with different value propositions. We're able to serve customers in a different way than our competition.

Secondly, with service, I've talked about that. We've got the 180 degree different model than anybody else. We want to go do the service on the farm.

And then finally is our technology. Very, very different. Solving for the retrofit and solving for all brands.

I'm going to unpack machines and a little bit of technology. Damon's going to do a lot on technology. So I'm just going to mention a little bit on service right now.

Our service model, we call it FarmerCore. It's where we remotely monitor the equipment. We look for when there's a maintenance issue or a repair issue that's coming up. And then we shift from reactive to proactive. We shift from having them come to the

dealership versus we go to them. So we call them up and we say, hey, we see you've got an issue coming up. It's going to rain next Tuesday. How about we take care of that for you? Out on your farm. Great. The convenience comes to them. So we get out on the farm, we either maintain or repair the AGCO piece of equipment, and here's the magic of the second part. Then the dealer is supposed to say, and what else can I help you with? Now that I'm here, I've solved these issues on this brand, can I solve everything else? And what our dealers are finding is 85% of the issues on all the other brands of equipment, our dealers can maintain or repair. So now the farmer's like, wow, you came to me and you served my farm, not the product. And so in each of these cases, you're seeing the shift from a product-focused company to a farmer-focused company, one that solves whatever the farmer needs, regardless of brand, regardless of all of the rest of it.

So, what's happening? We've been in this about two years, you folks are results-oriented people. The results are, though, we've gotten already in North America, a little over two years, we've gotten our dealers to be doing 65% of the work out on the farm. And our lead dealers are doing 75% of the work out on the farm. Massive amount of change in a short amount of time. Very capable. So, what we're helping them do is invest in service trucks, not brick and mortar. Doing all the work out on the farm. Those dealers that are on the front of the pack doing the most service work out on the farm are seeing a Net Promoter Score, that's a survey we send to our customers and say, did you have a good experience? The Net Promoter Score is 4 1/2 points higher. That's a big difference. And our market share for those dealers are 1 1/2 points higher. So farmers like it. They're telling us through their surveys, but more importantly, they're telling us through their purchases.

So I wanted to cover our service differentiation. We're actually going to talk about that tomorrow as well. But let's talk a little bit then about technology. I'm just going to tease this. Damon is going to do a much better job of it. But I want to just talk about the mindset of what happens when you focus on retrofit. Because a lot of people ask, well, why go through that complexity? There's a number of reasons. Number one, farmers want the chance to get at the latest technology. If they have to wait for the buying the new machine cycle, that's like a 10 or 12 year, depending on what you're doing. That's a lot of waiting. Whereas technology is moving really, really fast now. And so the retrofit allows them to get it much quicker and inject that into their farm at a much lower cost.

So here's how it goes. They say, I want that new technology. I want to be able to buy just the technology, not have to buy the whole machine. I'm going to upgrade my machine. And so that's the, that's step one. The equipment gets upgraded on the farm. Then that's, and what we have is a strategy that is retrofit first. So the newest thing that the engineers come up with, we put it in the retrofit market first. We don't put it on our own machines. We put it out in the retrofit market first. That's where the cutting edge new stuff happens.

So that customer sees that, gets all excited, puts it on their machine, and then step 2 happens. That they've upgraded their machine and they start to see the value. They see the agronomic value in their crops. They see the economic value in their business. And they say, wow, this is great. And it starts maturing. So in that early cutting edge technology, we put it in that channel first, we give this customer that experience first, regardless of what their brand history has been, and that product starts maturing over time.

Once it gets more stable and mature, then we open the door to putting it on one of our other two channels that Damon will talk about. We come to the market through our own brands of equipment, so we'll put that technology on Fendt or Massey or Valtra. And we also serve lots of other, over 100 other OEMs, and we sell the technology to them to put it on their equipment and sell it to their channel.

Well, that's how kind of the process works, but what's the value in that? Not only does the farmer get that value, but we get access to a lot more farmers. Farmers are a fairly brand loyal group. And so if we didn't do this, we pretty much would just go back to our old AGCO customers and keep serving them. This allows us a whole different profile of getting in the door with predominantly competitive equipment customers, and being able to serve them, give them the wow experience, and start building a relationship from which then we can build more retrofit business and more equipment business.

So now let's talk a little bit about the machinery growth pillar. You know, we've talked steadily every year. We've got three growth engines. Growing our Fendt business in North and South America, growing our precision ag business, and growing our service and parts business.

Let me just show you some examples of how our large ag business in North America is growing. Several years ago, people said, you know, they asked me now, you know, what was different now compared to a few years ago? Lots was different. So let me unpack

that for you. From a product standpoint, this Fendt brand that was doing such an amazing job in Europe and was seen as a passionate market leader in Europe wasn't in North America. Why? It didn't fit. So the tread spacing, farmers in North America essentially plant 30 inch rows. The tread spacing for our tractors of Fendt brand was 65 or 60, they needed 60 inches. And we were 64, 65, 66 inches. It just didn't fit in our rows. So we had to completely redesign all our tractors to be awesome in Europe and awesome in North America, which we've done. We had to develop a brand new combine, a brand new planter, a brand new sprayer, which we've done. All of those now with the front user interface. So product went from not at all fitting and not existing to market leading.

Secondly is channel. We brought in and held to a very high standard our Fendt dealers and said, if you want to sell this best in the marketplace product that performs for the most demanding customers, you've got to perform a whole list of things. They've done that. They've achieved all of those performance criteria. Now we've got a great Fendt channel, that we've added FarmerCore to, where they've had these high standards, and now they've changed the game on how they perform at those standards.

Third is data platform. More and more, the customer's buying decision is, I really like that product. Can I have trust in the dealer? We had yes, yes. But then the third one was, what am I going to do with all my data? Some of the competitors have this closed system, but once you're in that closed system, you know, how do I operate so that I can bring your equipment into that system? Well, you're going to see tomorrow our answer to that. It's called FarmENGAGE, along with Panorama, a data platform that would be able to ingest data from any brand of equipment, let the farmer analyze it, and then send data to any brand of equipment. We're going to walk you through a day in the life of a farmer tomorrow and show you just how easy that is. That barrier has been removed.

And finally is access to the farms, like I talked about with PTx. We didn't have a lot of recognition of this new brand, Fendt. PTx allows us onto many more farms. We've seen our brand recognition of the Fendt brand grow from 53%, which I think was a weak 53. People knew about it. But now it's a strong 74. People have experienced it. And each year I spend time with a group of Fendt customers that we get together, and I talk about how their experience is, and wow, are they passionate. They're like, "This is the best of the best. I always had dreamed of something that was an experience like this.

This is fantastic. I'll never go back. This is the best in the marketplace." So, the passion around that awareness is way different than the awareness was before.

The results have shown up now, and we're steadily gaining market share, not only awareness, but what really matters is are we gaining market share? We've grown from about 5% large ag share to 11% on our trajectory to get to 20. And we've set 20 as, that is a sizable chunk of the market that allows everything to flow more efficiently.

We've got some great products. Right now with high diesel prices, our Fendt tractors generate 10 to 15 to 20%, and in some cases 30% better fuel savings. And boy, is there a great time to talk about fuel savings right now. It's just by far the most fuel efficient product in the marketplace.

We've got a wrapper around all of our Fendt products that say, don't have any concern about switching. We're going to cover you three years, bumper to bumper on all maintenance, all repairs. And if you do have an issue and you have a machine down more than 24 hours, we're going to bring you a loaner and stick that right into your farm and you keep going. So we've essentially eliminated the concern of trust in the channel.

And then great parts service, industry-leading parts fill rate and uptime.

And now we're starting with 2026. Every Fendt machine that goes out, all this large ag Machinery goes out with PTx technology. Guidance and telemetry and all of that, along with FarmENGAGE data platform. So whether that's the platform you want to use or you want it to integrate into a competitor's data platform, it makes all of that seamless. We'll show you that tomorrow.

So all of this investment on products, on data platforms, on technology, on channel, costs money. And so we said, we want to go fast in this area. We want to be aggressive and bold and transform the company. These transformations take a lot of effort. And so we've been funding that with an internal self-help program that we've been working on for the last two or three years. And it's got a few dimensions. I've talked to you about Re-Imagine. That was our attack on overhead costs. We looked at everything we did in the company. I'll just use payroll as an example. We did payroll eight different ways around the company. And that's ridiculous. So it was costly and ridiculous. We said, "Let's just take all that and give it to a company that does payroll for a living." And we took our cost down. 700 projects like that. Each one of them reduced the cost, saved our

ability to invest in something else, and had to make something else better. So it had to make it faster or better, better for the farmer, better for the customer. That's Re-Imagine. \$200 million, we're strongly on track to deliver that out of a little over a billion dollar base. Huge chunk out of our overhead that we can redeploy somewhere else.

Low-cost country sourcing, we haven't talked as much about that, but we're fundamentally shifting our sourcing base. We had sources around our Western manufacturing locations. And we're shifting that dramatically now to lower cost locations. What we're finding is not only lower cost, but higher quality, more capable suppliers. That takes cost out of our product.

And thirdly is quality improvements. We've hired several additions to our quality team. We've got a rigorous AGCO quality system being implemented through all of our products, all of our factories, design, manufacturing, supply-based support, very rigorous attack on quality to drive down quality issues for our farmer and also for our cost.

And finally is AI. It's hardly a meeting goes by now where I don't have an employee tell me, hey, I created this cool little thing. This agent looks out at this analysis, automates this work, and bam, we can do it a lot faster and a lot more efficient. So we're trying to inject AI. Took the whole team off site for three days, we did an immersion at MIT, and we're trying to run as fast as we can towards AI. So those are all mechanisms to fuel this transformation of the company that I highlighted in the beginning.

And with that, I wanted to turn it over to Damon to really deep dive into the value that we're generating with our PTx business that he now leads.

DAMON AUDIA: He talked about how the farmer is the center of everything we do. And I want to sort of dovetail that with the technology and how we're approaching it. Because for us, if we put the farmer at the center of what we do, we can't stop at just a new piece of equipment that AGCO sold. We've got to service the farmer. We've got to service all of the equipment on the farm. And that's what's unique about PTx. And so I'm going to spend a few minutes sort of unpacking that and our approach to how we're thinking about it.

So I'm going to be a little provocative for some of you, and I'm going to say that as I've gone into this new role, you've heard me talk about our approach to precision ag and our philosophy. And as I think about precision ag and how farmers are looking at it, it's

really becoming clearly more of a two-horse race in the precision ag business. Each of us taking a very different philosophy on how we approach the farm. One, taking a more closed loop approach, as Eric said, and us taking a little bit more of an open approach. And I want to unpack the differences and why we feel our opportunity may be more attractive for those farmers.

From a competitive standpoint, again, if that farmer is running the same type of machinery for a combine, a sprayer, a planter, a tractor; for them, this system, closed loop system, works quite well. Everything is seamless. The information is being shared all within a system. What we know as we look at farms around the world, most farms don't look like that. And tomorrow, when you're in the field, take a look at the brands of equipment that the Stewarts are using. And what you'll see is an array of brands. It's the mixed fleet. And that's why we've taken a much more open approach. We're already operating, and we know that we're already operating inside many of these competitive platforms already.

You can see some of the stats here, but if I think about PTx as a whole, last year we were around \$860 million in revenue. This year will be somewhere, you know, 860, maybe a little bit above. And around 65% of that comes from non-AGCO Equipment. You've heard us talk about our relationships, and I'll unpack this in a moment with our other OEMs. We have relationships with 100 different other OEMs. All of these creating opportunities for us to get onto a farm that may be one of those equipment, those AGCO equipment brands may not be on.

Eric touched, we'll talk a little bit more about it, but Eric talked about how we've approached the mixed fleet, how we've approached the data. You know, one of those big things for us is Panorama. And I'll go into a little bit more detail about that Farm Management System, the agronomic data. But when you look at some of the stats here, you'll see that more than half of the data flowing through Panorama is coming off of a competitive Farm Management System. So that's telling you that those farmers see the value of that data, they see the incremental value that they're getting, and they're providing that data into one of our systems that allows us to connect with them differently than maybe some of the other ones.

When I look at this slide, I look and I say there's really four, there's four things, there's four advantages that we have that are very hard to replicate.

One is the retrofit first. Eric talked about that. But when we think about innovation, for us, innovation has to go into the retrofit market first. We want the first mover advantage. We want these tech-seeking farmers to get that technology in the fields. We want the experiences. We want the feedback from them. We want to go through that learning cycle with them. And then as we're working at that new equipment platform, which doesn't refresh annually. It refreshes on platforms like many other industries, multiple years out. So as we're working through this retrofit, getting that data, it's allowing our engineering teams to start to embed that. So when they bring out that next generation Fendt product or Massey product or Valtra product, it's got a proven technology that's also been somewhat known in the industry. So farmers are starting to look for it, they're starting to ask about it, and then we introduce that. The competitor has to wait for that cycle. And so again, we look at that as a significant opportunity. And that retrofit market is about one-third of our sales.

If I think about the other one, it's the wholegoods, the installed base. Again, because we're approaching this from a philosophy of approaching the farm, it's not just the new equipment. When we talk about retrofit, again, we talk about the vintage of what we're able to work on, all brands, all makes. So we're looking at the installed base. We're not trying to target one specific color, one specific year, we're really looking at a much larger addressable market than what our competitors look at.

The third one is the channel. Again, you heard from Eric, we have a very unique go-to-market channel. We talked that retrofit channel. So these are generally not new equipment salespeople, new equipment dealers. They're seed salespeople, they're agronomists, they're people who are closer on the farm, and they're working to solve those farmer problems. So we have 90 plus of these Elite dealers, and those are the combination of what we used to have with our legacy Precision Planting dealers and our Trimble dealers, bringing them together now where they now have that full suite of the portfolio of all of those retrofit products that range from steering and guidance down to the legacy Precision Planting type products, but now including things like Symphony Vision, so targeted spraying, the autonomy Outrun package that we'll talk about, as well as things like Radicle Agronomics. So really giving them a full suite of technology offerings that they can go onto the farm and make that farm more productive, more profitable without making that farmer buy a new piece of equipment.

The fourth part Eric touched about, again, it's FarmerCore. So again, wrapping all of this together by servicing the farmer on how he or she wants to be serviced. So not forcing them to come into the dealers, not forcing them to come to work with us, but us sending it out to them to work on their farms to address their problems.

Now, I know I've talked to a lot of you before, and we know there's a lot of good competitors out there, and well, why can't they replicate it? I think the answer is in isolation, several of these things could be replicated. But when you think about their operating thesis, their business model, how they approach it. You know, some of these things combined are very hard because if I want to have, if a competitor wants to design for the retrofit market, they basically have to say that their premium, their brand, their technology is not a differentiator because they're going to allow it to go on multiple pieces of equipment. We've made that decision. We've said we're going to start with retrofit and we're going to develop it and make it better so that Fendt has it or that Massey has it, but we start with the aftermarket. We're not there to drive the new equipment purchase. We're there to drive technology adoption from the farmers. So as we think about these things as our competitors, again, nothing prevents them to do some of these, but it would be very hard for them to do a lot of them.

I'll give you one other example is the retrofit channel. Again, creating a new channel in this industry is extremely difficult. It takes time, it takes money, it takes all patience of getting dealers to sign up. And when you already have a well-established equipment channel, trying to build something like that is very painful and very difficult. And unlikely, and we see that even with startup companies. Why do many of these startup companies move to a large OEM? It's because they can't get the adoption they need in the channel to get the broad scale to cover their cost structure. And that's why companies like AGCO are able to be successful, because we already have these two channels and we can allocate the new equipment in one. and this retrofit adoption of technology through the second channel really helping put us on more farms and connecting with farmers differently than the others because that retrofit channel is an entry point for our equipment over time as farmers get more and more comfortable with the retrofit technology and it moves into Fendt, Massey or Valtra. As they become more familiar with it, it gives those equipment dealers that opportunity to approach those farmers with an opportunity to upgrade to something new, and that technology is already embedded. And so we look at this as a significant opportunity.

Now, the second point we would probably get is data. Again, you heard from Eric, there's a lot more data being created. Farmers are leveraging this data more than ever. And so again, as others may look at the system, the access to data becomes important. Farmers are becoming more and more vocal about controlling their own data. And as implements are becoming smarter, there's more and more data coming off the implements, not just the machine itself. And so when you look at some of these statistics, again, like Panorama, they see the value of that data and the ability for farmers to want to be able to optimize the performance of a machine. They're not looking to optimize their sort of their portfolio. They're starting to look at the data by implement, by machine, and how do they get that optimal performance for each individual one. And that's where the data matters. And so, again, our philosophy or our view is that farmers are going to continue to demand that they have access to their data, and that data is usable or portable from wherever they want it today to wherever they want to take it in order to make those best decisions for them to maximize the performance for their fields.

Let's go, let's talk a little about Panorama, because that was sort of the opening of our opening model when it comes to the foundation of having a much a mixed fleet mindset. And for those of you who aren't too familiar with it, the Panorama system really drives a significant amount of agronomic and implement data. And it's done at the point of work. And so whether that's planting, spraying, harvest, every pass that that farmer does in his or her field is creating a level of data that flows into Panorama. And the key is this is not a dashboard. Again, this is a data repository that's allowing the farmers to make real decisions. And all of this data, and again, when you see some of the statistics from the prior page, this data is helping the farmers become smarter. The key is how does it help them cut their input cost? How do they do it? How does it affect their yield loss? How do they reduce their idle time? And all of this is done in a way that allows the farmer to bring in this information from his or her farm management system, import it, use it, analyze it, but also then send it back. Again, it sits on top of whatever his or her preferred Farm Management System is. So it's a significant opportunity for us. And again, when you look at some of the statistics on the right, 60% increase in the data year over year. We know North America is down significantly from a new equipment purchase, but yet look at the level of data that farmers are generating year over year. It just reinforces the point how important the data is becoming to these farmers that more

and more are using it, more of them are analyzing it. And for us, it's how do we leverage this more?

And so for us, again, if I'm sitting there in your shoes, I say, why does this matter? It's because every acre that the farmer runs through this, it's an acre where we can add insight, we can add value, and that creates stickiness. That creates stickiness for them that allows us to potentially sell them. But more importantly, it creates another reoccurring revenue for us because every year that they renew with Panorama is, and it builds on that, we're building that stickiness and that reoccurring revenue stream for us. So, significant opportunities for the farmer to get smarter and better, but also important for us to build the connection and a stickiness with them for the longer term.

So if you were sitting in the precision, in the PTx engineering areas, you would see a tremendous amount of innovation going on. The problems that they're looking to solve, the questions that they're answering is amazing. But for it to become valuable, we know that it has to solve a farmer's problem, but it has to do it in a cost-effective way. And that's the key. Because we can introduce a lot of significant new innovations, but if it doesn't deliver real value for the farmer in a cost-effective way, it's not what he or she's going to want on their farm.

So how do we look at this? When we look at, we want to solve problems for farmers that help improve their yield, drive their input cost, and do that in a way that delivers it at the right value for them. And so for me, the key for the investors is this product innovation has to be profitable for the farmer, because that's when we can scale it. Because if we can innovate for one farmer, it's okay, but we're not going to get to the revenue, the volumes that we need, unless it's scalable. And it only becomes scalable if it delivers the return for all of these farmers.

And I'll go through four different examples here, and I'll touch on a couple key points.

So one is the Symphony Vision system. You'll see that tomorrow in action. So that is both a camera system that's led with AI Vision systems, looking at crops, looking at weeds, and only spraying the herbicides where there are the weeds, and then the Symphony nozzle system, which basically is applying the correct rate as it's going through the field. And when you look at these, these nozzles can adjust the rates by around 50% across the boom. So the level of spraying of what's going on can be adjusted across the boom. And when you complement that with the Vision system, this product saves around 70% of the herbicide used for farmers. So again, so when you

think about the cost of this system versus the chemical or the herbicide savings, the opportunity there is significant for those farmers.

When you look at the 20|20, the vDrive, the MOMENTUM Planter stuff coupled with ArrowTube, again, ArrowTube is something we just introduced here in North America. You know, the opportunities are significant because what this group of technologies do is it helps drive incremental yield.

And so if you think about the ArrowTube, which is more about seed orientation, so getting the seed tip down and helping the crops emerge at the same time with the leaves moving out, that will drive incremental yield. And when you look at these products together and the studies, we're driving about 18% higher optimal emergence. So that means more of the crops coming out at the same time, at the same day, to create more of that optimal growth and convert, and it also translates into higher yields. So when you look at this, we're talking somewhere in the range of 2 to 5% incremental yields per acre. And so again, as you think about those farmers who are trying to minimize their input, trying to get every ounce out of the acres, getting a 2 to 5% yield increase is significant.

OutRun, I won't go into a lot of details because I'm going to go into a lot more on a slide later. But again, as we think about Eric's comment about the constraints on labor and the needs to do more with less, OutRun fits the value proposition for these farmers around the world. If you just think about the average farmer who's spending here, she's spending around \$24 per acre for a grain cart operator. So as you remove him or her out of the system, that either allows that operator to go do something different on the farm, or it allows that farmer to drop that savings to the bottom line. But I'll go into more details on that in a second.

And then it all comes together with the data. Again, FarmENGAGE and Panorama, all of this mixed fleet data, excuse me, coming together really allows the farmer to decide what's best for his or her farm, how to optimize that, and make sure that they get the maximum value regardless of what type of equipment.

Now, when you see these, you'll see many of this tomorrow on the Stewart Farm. I would encourage you, if you're asked to the stations, ask the Stewarts about the decisions they made, what they went through, why they chose these, how they're using it, and what value.

Now, we also know a lot of this is new. A lot of this is challenging the status quo for many of these farmers. As you think about things like OutRun, think about the efficacy of a Vision system, spraying a crop or a weed. So we know that there's adoption questions. And so we try to make that easier for the farmers by making it a lower upfront investment. And you've heard us talk about this. Again, we're not asking them to buy a brand new piece of equipment. That Symphony Vision system can bolt onto your existing sprayer regardless of the make or the model. And that Vision system with the chemical reduction will result in a payback of one to two years. And so our whole thesis is not forcing you to buy a large new piece of equipment, a large upfront investment, but rather leveraging your existing farm, your existing asset base, and letting you do smaller upfront purchases that deliver a payback much faster than a brand new piece of equipment.

And I think when we look at some of the data, again, as I've said in the past, this part of the business, this retrofit part of the business, is significantly less cyclical than our equipment part of the business. This year, you've heard us talk about PTx revenue being relatively flat, but if I just unpack a couple pieces in here, our vDrive and our Delta Force are actually up. 7% year over year, despite the industries around the world being down. Our Symphony Vision system, the camera sales are up 400% year over year. So farmers are starting to see the value. So even in this environment, when net farm income is challenged, when farmers are struggling to meet profitability, they're still seeing the payback and the opportunities there, and they're investing in these types of products. And that's why we continue to focus on the retrofit and why we think it's a critical part for our future of getting these on the field faster.

All right, so this one is my favorite slide. This was my favorite slide in my old role, and it's even more of my favorite slide in the new role. Because you've heard me talk about the importance of autonomy. And I am more convinced today in my new role that we are the industry leader and we are setting the pace in autonomy on the farms. And why do I think that? When you think about what we have communicated, our vision is we will have an autonomous offering around the crop cycle by 2030. So we believe that we will have options for farmers across the crop cycle, and we are working on all of them. But we are already in the market, and we've already showed you three of them.

So we have OutRun Harvest already commercially available for farmers. We have farmers who are buying this, and this is multiple combines, multiple grain carts, how a real farm

runs in the field today. So, these operators are able to run multiple grain carts and multiple combines, all in the same field, leveraging the OutRun technology. It is a huge opportunity for those farmers because you heard from Eric, labor constraints are a big issue. But in the midst of harvest, it's even more difficult because you don't have a lot of excess labor. Everyone in your area is doing the same thing you're doing. So you can't share across the farms. And as farms are getting bigger, it's no longer just getting your aunt or uncle to step into the grain cart, because now you need a lot more workers. And so what the OutRun system does is it allows those operators to decide, do I want to take the cost and remove the operator? Or more importantly, can I take him or her and redeploy that worker to do something different? So I'm sort of getting two things done at one cost. And so the OutRun for harvest is a significant opportunity.

We also have tillage. Again, you'll see that tomorrow. So for us, tillage is another significant opportunity. It provides the operator the flexibility to redeploy that individual to go do something different. And again, in my old financial hat, I would argue it even adds more value. Because if you think about that tractor, today, without autonomy, you have an operator sitting in that tractor normally during the day doing the task. With OutRun tillage, that tractor goes to the field at night, hits the button, that tractor is now running and doing its task with no operator in it, and in the morning, that tractor can now be redeployed to do something else. So you start to think about the return on investment, not just what that operator and what he or she can do, but now you're getting better utilization of your existing equipment as well, driving a further return for the farmer.

And we're in alpha mode with fertilizer. So again, during one of the most critical points in the planting season or throughout the season, getting that fertilizer down at the right time is critical. So again, labor becomes another issue.

And we're actively working with spraying and planting.

If I think about where we are, as I said at Farm Progress, we are the industry leader. We already have over 300,000 acres going through an autonomous mode right now. So that's up more than 100x from where we started the year. And we're seeing real commercial sales with autonomous, with the autonomy systems and of the farmers who are using it, I think, continue to find even new and other ways to leverage this. So significant opportunity.

I think for an investor, the other part for you is this is one of our highest reoccurring revenue streams. Because when you think about this product, we sell the farmer the hardware. and then he or she then buys the annual hour package on an annual basis. So as we continue to unlock these, all of these compound. So all of those OutRun systems that I'm selling this year, plus what I sell next year, in '28 and '29, and by 2030, all of them have compounded. as a reoccurring revenue stream for all of those hours on top of the sales of the equipment that I'm making each year. So as we think about that reoccurring revenue, this is a significant opportunity for us to continue to build that part of our portfolio longer term.

I want to go a little bit deeper into AI. When we think about AI, the question we always ask is, can the AI agent or can the module, can it help change the outcome? Can it change the yield? Can it change the input? Can it change the labor?

And when we think about AI, we sort of look across the, these four pieces on the top here is it's got to be able to sense what's going on, needs to be able to understand the data that it's receiving, then it's got to decide what to do with it. And for us, the last part is very important, is it needs to act. And for us, that's a critical thing because it's not just the data. And you'll see that already in some of our products. You see that in our Symphony Vision system. The computer vision is making the decision where to spray, where not to spray. You can see that in our autonomy. You can see that in many of our other things like the Aurora AI app, and we'll talk about that in a little bit more detail here. But the clearest examples are, today, you can see where these vision systems and these AI machine learnings are. are actually making real decisions for the farmer.

Aurora AI is sitting in that Panorama app. And for us, that's where customers are getting to act with it. They're seeing this live today. They're using this. They're asking it questions. And you'll see this tomorrow firsthand. When we go through one of the stations, you'll get to see how Aurora, as an interactive AI agent, is helping answer problems for the farmer, helping bring data and provide solutions for them. And so for us, when we think about AI, how it fits into our products, whether it's in our data, whether it's in our equipment, it's all about how it's going to help drive the performance, in driving the farm performance. So it's not just about the model size, it's about what type of performance does it ultimately deliver. And we think that will be the differentiator for us as we look at AI in the future here.

So let's go a little bit deeper in Aurora here. Again, this is already available inside our Panorama app. And so this is an interactive AI agent that sits in Panorama. Again, it's not a working concept. It's real time. And it allows the farmer to ask questions in plain language by voice or by text. And unlike other systems, it just doesn't answer. It pulls up the information, it filters the data, and it helps make the changes that the farmer wants to make. And that's the difference, is because it's actually adding the value to provide insights and provide actions.

So we know that farmers are looking, more and more farmers are looking at AI. They're looking to adopt AI, but one of the studies that we saw is that farmers are hesitant to use general AI models because it's not unique to them. It's general. And this is where the Aurora AI app or agent really helps close the gap because it's looking at their fields. It's looking at their information. So as these farmers are asking the questions, it's looking at their information as the source of data in order to provide the recommendations and provide the information. For us, we think when a farmer looks at this again, they have the capability of asking this field, if the farmer wants to ask, what was my most challenging field operations last year? The Aurora AI app will go through, look at that farmer's data, bring up all those fields, analyze it, and then provide that insight to the farmers, letting him or her then act upon that information, trying to dissect where the challenges were. And so for an investor, again, the point of this is, this is another point of engagement ongoing for the farmer, because they may be using this during their planting season, using the Panorama information. But now with this agent, it allows them to go back at different points in the season, to go back into the software, ask questions, learn from it, and that creates more retention. Again, it's more of that stickiness because it's not a one-time event in their course of a planting or spraying or harvest, but it's a reoccurring opportunity for them to go into the system, learn from it, ask questions, and that stickiness now allows us to keep maintaining that revenue stream with them as part of that reoccurring revenue through the Panorama app for the Panorama system.

So now let's talk about growth. So we've talked about the technologies and all of the innovation that we're doing. We've talked about how it has to have a payback for the farmer, how he or she can get the value they need for it. And now the question for us is, how do we scale that to meet our objectives?

Because all of you know, we have a path, we have a plan, you know, we have a vision, we've communicated that our goal is to deliver \$2 billion in PTx by 2029. Now, the key for us is this is not driven by one product, one geography, or one technology. There's really four different engines that I want to spend a little time on that gives us the optionality to deliver on these numbers.

We'll talk about the dealers, the dealer expansion. Again, as you remember, as we did the joint venture with Trimble, we've created these Elite dealers. So currently we have just over 90 of them growing into several hundred over the next couple of years. But it's bringing the technologies from what was the legacy Precision Planting, coupled with the technologies from Trimble, bringing those together underneath one retrofit mindset or roof, and now adding these newer technologies like Symphony Vision, like the OutRun System, and Radicle Agronomics. So really giving these dealers the retrofit, the full portfolio to go on to any and every farm around the world to drive the penetration on the farms. And we see significant growth opportunities with those Elite dealers.

To complement that, we have the 300 plus AGCO dealers. So our Massey, Ferguson, Fendt, and Valtra dealers have a smaller selected part of that portfolio, more about servicing the equipment that's coming in, upgrading that with guidance, upgrading some of the planters, really trying to enhance the equipment and leveraging things like FarmENGAGE as they go on to those new into those new factories. And we also have those 200 plus CNH dealers.

So you have those equipment dealers that are sort of circling or surrounding these precision or these PTx Elite dealers really giving us the optionality to penetrate different farms in different ways and helping these dealers really advance or grow their businesses.

The second one is the OEMs. Again, Eric talked a lot about the investment we're doing, how much we're investing in the R&D for PTx for this new product introductions. For us, it's another way to approach farms. Again, you heard me talk about selling to one hundred other OEMs as we're able to introduce these type of technologies through those OEMs, it gives us the opportunity to scale through them, but it also gives us the opportunity to access new farms that we may not have been on with our AGCO branded products. So a significant opportunity as we increase the dollar value per OEM by looking at all of these new technologies combining what we had with PTx Trimble and with Precision Planting with these OEMs and then adding in the new technologies are

really an opportunity for us to increase our revenue per OEM and then scale as this industry starts to recover.

The third one is the new products. Again, you've heard from us, the product innovation engine is extremely strong. Last year, we introduced 14 new products through PTx. This year, we're on target to introduce about another 12. So a significant increase in that innovation flywheel from where we were a couple years ago, all of those driving significant value for us, but more importantly, solving significant problems for the farmer.

And then wrapping it all around with the data is the FarmENGAGE and Panorama data systems, the farm management systems, and the level of information that that brings to the farmers, but more importantly, the level of information it brings to them regardless of the piece of equipment that they're using. Again, that mixed fleet mindset, that data is becoming more important, but having all of that, regardless of the machine type, regardless of the brand, having all of that data in one system that allows you to do the work that you need and to do your task planning, again, regardless of the color of machine that you're choosing to run it on. All of that wrapping around these new products gives these farmers a lot more control of their data and a lot more capability to analyze that to maximize their performance on their farm.

So, let's go to the next slide. So I want to unpack the flywheel of innovation. You'll see a lot of this tomorrow. So how we approach the farmers is really across the crop cycle and the innovation flywheel continuing to hit in all of these areas. Again, you'll see this, Eric touched on this. You're going to see tomorrow during the planning and prep stage, what FarmENGAGE does, what Panorama does, how well Aurora as that interactive AI agent helps provide the farmers the insight and the data that they need for preparation for whatever stage they're going into. So again, you'll see that firsthand tomorrow.

The Precision Planting technology, all the things that you've heard from us over the years about the planting technology, understanding how we're differentiating, whether that's with the MOMENTUM planter or through the retrofit channel, driving the improvements or the enhancement from the planting side.

You get into application, you're going to see the Symphony Vision system. Again, you're going to see that in operation and how it's identifying the weeds and only spraying based on where it's identifying that weed to minimize the herbicide use for the farmer.

And then FarmerCore, again, you'll see how that's working again, servicing the farm, not there to service the piece of the equipment, but as you heard from Eric and some of his statistics of how this is enhancing the farmer's flexibility, letting them do other things while that service technician is on the farm servicing them.

So for us, when we look at some of these things, the ROI for the farmer is clear, because as they're leveraging these type of technologies, they're getting real returns to their bottom line. And you see some of that, if we look at a 6,000 acre farm here in the US, you can see 9% coming from leveraging some of these Precision Planting technologies like ArrowTube and the other ones. You can see over 9% savings with the targeted spraying coming from our Symphony Vision system. And then with OutRun and harvesting, as we talked about that, almost a 15% savings.

So in this environment, when net farm income is being extremely challenged, these type of innovations that have one to two year paybacks can drive significant value for the farmer and help them sort of weather the storm until we start to see the net farm income improve over the next year or two.

And I would encourage you, for those of you that are in the room here, tomorrow, ask these questions to the farmer. Ask these questions when you're at the stations about how is it driving the value? How are they seeing it in their farms and their operations? The Stewarts will be glad to help you understand what they see and how the value that they're coming from it.

So if I bring it together for you at the end, again, I'd say the way I look at it is really through two different lenses for AGCO. And I'd ask you to sort of review how you visit us. Two engines, two lenses.

On the left side, you have our traditional business. This is our Machinery business. This is sales based on units ships, units shipped. There's a replacement decision that every farmer goes through. And we know where we are in the industry. That's going to be cyclical, but there's one in, one out. And that's how we run the Machinery business. And again, I know that's how many of you value AGCO, because that's how that business is operating. But if you think about PTx and you think about the addressable market, right, the installed base on all of these farms is our addressable market. It's significantly larger. And our revenue comes at different stages. It doesn't just come at a point of sale, like a new piece of equipment.

It's becoming more and more reoccurring. We're creating more stickiness with these farm management systems and these OutRun systems that are creating a connectivity to that farmer, not just in the year that he or she purchased the equipment, but an ongoing annual sort of reoccurring engagement with them season after season.

When we look at that reoccurring part and we look at that retrofit, or we look at that PTx platform, remember, this is a lower price point. It's easier for farmers to get in. It's a faster payback for them. And that's what's driving this lower level of cyclical. Again, with PTx being relatively flat year over year, it's because that business has a lot lower cyclical.

And so when I look at this, it's sort of the two engines reinforce each other. We have the machinery and we know we're going to continue to grow. And as those machines are more connected than ever before, that's giving us more opportunities from a PTx standpoint to grow with them. So as Fendt, Massey, and Valtra continue to grow their market share, it's allowing us more connected machines on the field for them. And that builds the relationship because as they're using those technologies, they understand that, while that comes from PTx. The other side is, as we're looking at PTx with this retrofit, these farmers are getting more and more comfortable with our technology on their machines. And as they begin to get more comfortable seeing the value of that, as those machines come ready for upgrade and replacement, that's where we hope many of them will look at the AGCO machines that may already have those as factory offerings, and it sort of spurs the equipment sale together. And so we look at these both as a complementary two engines, sort of complementing each other.

So when I think about the takeaways for you, I would say three things. Our opportunity extends well beyond our own fleet. The addressable market is the farm. Two is we're building this very open model. We're not taking the closed loop system that I talked about. We believe in an open philosophy, as Eric talked about, because it allows us more access to the farms. It makes the farmers more open to trust or adopt because they're not having to make a large investment. It gives them more flexibility. And we're committed to the \$2 billion. We feel there's a lot of optionality through our dealers, through our products, and the adoption curve. Now, obviously, we need the industry to help us. because we're sitting below mid-cycle. So we need that. But when we look at that, we remain committed to delivering the \$2 billion target.

So a lot to the story, tremendous amounts of opportunity. Tomorrow you're going to, we've talked about it today. Tomorrow we're going to show you. Now we also know that we need to continue this. We need to report on it. We need to show you. But tomorrow is the next step of seeing this, and then we'll continue to provide that information as we go forward here. And with that, I think, Greg, let's time to open it up for Q&A.

GREG PETERSON: Thank you, Damon. As we transition to Q&A, I have a couple reminders.

The first is that we are in a quiet period with regards to our third quarter earnings. So we're not going to entertain questions with regards to our operational or financial results for the third quarter.

And then the second is, since we are webcasting, we'll ask that you wait till Steve brings you the mic before he asks your question. So with that, who wants to go first?

QUESTIONS & ANSWERS

STEVE VOLKMANN, JEFFERIES: So, it's always interesting to see sort of what's different year to year. And what stood out to me today is that both you and Damon had mentioned this recurring revenue thing multiple times. I feel like in past years, I don't want to put the words in your mouth, I guess, to get the system about whether that looks the right model and farmers can accept it. Feels like there's been an epiphany here where, this is now the right answer. Can you just tell me, has anything changed as your thinking evolved? And is this recurring revenue going to be like a significant piece of that \$2 billion when we get to 2029?

DAMON AUDIA: Yeah, so Steve, I think what we're seeing is farmers are more comfortable with a reoccurring sort of a subscription if they see where the incremental value is for them. And if you look at some of the examples of what we're charging again for things like FarmENGAGE, things like Panorama, you know, they know that their system upgrades every year and it's not a large charge for them, \$500 a year, give or take. So it's not a huge upgrade, but the value they're seeing is significant.

When you move into more of the products, the difference is what is the difference, right? And so it's like the OutRun system, the farmers understand that they are paying

for those hours. They own the hardware itself, so that's important to them. They can write that off the year they buy it, but it's those reoccurring hours, and they know that we're making refinements to the system. So there's a more of a willingness to accept the hours. Where we still see the resistance is things that are traditionally sold as a one-time purchase that have been tried to be modified into a reoccurring system. Because farmers want that flexibility to be able to use that piece of equipment or that product when it fits his or her needs. And I'll use our targeted spraying system as an example. What we've heard from farmers is, again, questions on the efficacy of that spraying, because you're now trusting that this system is only going to spot spray where the weeds are and not the rest of the field. But as you do your field walks, if you've identified maybe somewhere it didn't quite hit it or you want to do a second pass, they don't want to have to pay a second time. And that's where you're seeing some of the hesitancy, because if I have to go into that field a second or a third time, I'm going to be, in theory paying subscriptions or a reoccurring stream. So our philosophy is based on that type of feedback where that hardware is so important and how they want to use it. That's where we've opted for the one-time purchase. And so as we're moving and introducing new products into the market, where the farmers can see the value or the enhancements, they're more willing to pay for those subscriptions versus more where they want to control it. They don't want to sort of have it turned into sort of a reoccurring base just because someone's chosen to do a slightly different business model with it.

MIG DOBRE, ROBERT W BAIRD: So I want to follow up on this, \$2 billion is quite a goal to have when you look at 2029. So if we're at \$900 million today, we're talking a billion plus in the next three years. How do you think about the moving pieces here? You have \$300 million in retrofit revenue, if I understood correctly. It sounds like you're really leaning into this and you think that this might be maybe the biggest opportunity for you in terms of incremental revenue. You talk about the cycle, maybe there's a little bit of help from the cycle, but then to Steve's point, there's this aspect of recurring revenue that pairing has been introduced. So if we think about these buckets, how would you size each one of them? And I guess my follow up: you talked about valuing the Machinery business versus PTx installed base separately. So that's an interesting idea. What sort of visibility do you intend to provide the investment community to allow it?

DAMON AUDIA: Yeah, so if I think about where we sit today, just under \$900 million, it's going to, the growth will come from all of the different channels or all the different verticals that we've talked about. So we think about the dealer, the Elite dealers, you know, as we've combined the portfolio, we're still helping those educate those dealers on the new parts of the portfolio. And when we did the JV with Trimble, we talked around \$300 million of synergies, about two-thirds of that coming from revenue synergies. We still see that, but the industry's at a low point. So as these dealers become more familiar with the incremental technologies that they now have, coupled with OutRun, coupled with Symphony Vision, which are newer to their portfolio, we see the ability for them to grow the revenue per farm significantly. So you have that part, which will continue to ramp up. Geography, geographic expansion, South America, significant growth is, again, is it's more of a technology seeking, especially in that Mato Grosso region. Argentina, high technology seeking farmers there. We had very little penetration there several years ago. We'll see that growth. And then Europe as well. So you're going to see both dealer growth, you're going to see geographic growth. And then I would layer on top of that these new products. And again, these new products can be meaningful whether you look at something like OutRun. Again, today, an OutRun system for a farmer is probably in the range of \$60,000 directionally. Part of that is a reoccurring stream. Part of that is the equipment. So as you start to stack those, pick your number of how many OutRun units will be sold in '27, '28, '29, '30. All of that is incremental to the industry picking up, the geographic expansion, and the product and the dealer expansion from what was sort of that core base. You look at the Symphony Vision system, again, that targeted spraying, all of that's incremental. We didn't talk a lot about ArrowTube today, but again, that is a significant new product introduction because you think about every high-speed planter out there that is this transformed the seed orientation, there's huge volume opportunities as this starts to move into the more mainstream. And all of them are going to be incremental layers of revenue versus that original base when we sort of put the JV together.

So I think it's a combination of all three of those. And I wouldn't say one's going to outweigh the other. Again, a little bit will depend on the customer adoption on the product side and how much that can sort of be the largest part of it.

Well, that's what we're working on. Again, we understand that today it's, if you look at PTx, it's just under a \$1 billion in a \$10.5 billion business. And so we're giving you the visibility that we think is important. But as it grows in size relative to the portfolio, I think

that's what Eric and Indira need to make sure that they're providing the right level of visibility to you in order to see that value. And again, I think we've done a good job in trying to communicate the profitability, communicate the revenue, but again, today it's still a smaller part. But as that grows, that's a question of how do we want to convey that without giving up competitive related information as well. Again, there's always that balance of what you know, our competitors know, so how do we make sure that we're giving investors the right insight without revealing too much to our competitors?

STEVE FISHER, UBS: So mixed fleet is certainly a very core underlying assumption and part of your business model. What do you see as the sort of longer term trends as a mix of that mixed fleet basically is farm consolidation having any impact on it and making it more single brand versus mixed? That's the first part. And the second thing, is, you know, part of the objective here is to go from that retrofit to kind of full conversion to your brand. At what point do you think you'll have enough experience and data to have a sort of a metric or reliable conversion ratio of that retrofit to actually, you know, kind of experience on full conversion?

ERIC HANSOTIA: I mean, I'll take the first one and give Damon the second one. So mixed fleets, we think are going to grow. Europe is already predominantly a mixed fleet market, and that's our largest market. And we think that will remain. Brand loyalty continues to go down, down, down each year. It's a, historically very brand loyal, but it's getting less and less. And farmers are driving much more of the decision based on ROI: is the product, the data, and the channel better than what I have today? And I'll make my choice based on tractor may be different than combine versus different than planter. So we think mixed fleet will continue to increase. Farmers are making more decisions based on ROI.

One of the stickiness elements that was holding people to a given brand were two things. One is the mindset of a relationship with the dealer, and the second one was a contained data platform. We feel with FarmerCore and FarmENGAGE, we're going right head on at those two sticky issues to be able to allow people to just pick the best regardless of where it comes from. So FarmerCore allows us to bring the work right to the farm and do all the servicing right there and serve the whole farm, so that that whole historically emotional relational tie to a given brick and mortars is eroded. And then our data platform eliminates the need to be stuck inside of or trapped inside of one data platform. And then Damon can add the second part.

DAMON AUDIA: Yeah, as we think about the sort of the conquest or the penetration, Steve, for us, today, I would say it's something we look at, but it's more important as we go towards the future, because as farmers are getting more and more focused on their data, the FarmENGAGE mixed fleet data platform is the catalyst for them to be able to optimize by implementing by machine. And so the goal for us is that retrofit technology gets them comfortable using the technology on their existing machine. And today we know that there's some hesitation because of that data farm management system that I may love the technology, I may want it from an OEM product, but maybe the system doesn't work or I have to have two different farm management systems. As FarmENGAGE becomes more well known in the industry, farmers get much more comfortable that they can still use their legacy system coupled with the new one. It gives them a lot more optionality that when they're ready for the upgrade, they know that that factory fit option, they don't have to go through the replacement or the upgrade, gives them a lot more flexibility. And that's part of our dealers' responsibilities to make sure that those farmers are getting ready for the upgrade, they know that that Fendt tractor or that Massey planter already has a lot of these things coming from the factory. So factory installed, you know, they don't have to worry about the technician doing it on his or her farm or doing something wrong because it's coming out of that factory, likely, hopefully, with a better quality and already built to run on day one. So we see that sort of growing over time, but it's something we're watching, but not a big piece just yet today.

VRAJ PATEL, BARCLAYS: I think at your 2024 analyst meeting, you guys gave some great context on some of the engaged acre data. I actually have it in front of me. You guys report 55,000 active users, 84 million engaged acres, nearly 160,000 connected machines. I was wondering if we could get an update on how to think about that and kind of the opportunity and where we're at today.

DAMON AUDIA: Yeah, I don't, Andrew, do you? I'm gonna phone a friend on that. I don't think we have that updated right now off the tip of our off the tip of our fingers, but we can probably get that.

MIKE SHLISKY, D A DAVIDSON: Hey, guys, Mike Shlisky here, D A Davidson. So a question on the margins of all this. Broadly speaking, and as you're learning now that you're at roughly run rate today, is this business already more profitable than the tractor business. And at \$2 billion, consider to be the scaled up level where you'll have the

correct appropriate margins that you planned upon, but it's even scaled further from there. Just some goal posts, this is where our margins are now, kind of where they're going on the PTx business.

DAMON AUDIA: Yeah, so if you look at the gross margins of this business, they're significantly more profitable than the equipment business. On average, we've said more than double the company average or more than, you know, in the high 20s. When you look at the operating margins right now, they're not as attractive as the gross margins because there's a very large SG&A customer, there's a large base. And that's what we've talked about, the volume and why the incrementals are so significant, because as this industry has declined, we sort of carry a fairly large SG&A, and we have a much higher percentage of R&D as a percentage of sales in PTx. And so when you look at the operating margins, they're not where we want them to be yet currently, but when we look at that gross margins, they are significantly attractive. And so again, it's more of a volume orientated story. I would say \$2 billion is, again, we're always looking to grow. I would not say that that's the end for us, but as we think about sitting here at just under \$900 million or so, trying to set a target above \$2 billion, let's get closer to that number and then we'll reassess that. And again, as we see customers start to adopt these technologies, I think there's significant opportunity. We've got to get through some of these adoption curves with some of this newer technology, which is transformational to a lot of these farms. When you start to think about taking operators out of the cab, running in an autonomous fashion, it's a meaningful change. But as it becomes more of the norm, the adoption rate picks up and there's significant opportunities. But I think in answer to your question, we've got to get closer to that number before we start to think about what the next target is.

KRISTEN OWEN, OPPENHEIMER: [early audio lost] from PTx to Fendt because the other thing that we talked about was getting market share of Fendt and Massey from 11% to the 20%. We've been in the market with Precision Planting as the longest running technology product under your brand. How have you seen that translate into Fendt ownership, are you actually seeing that pool that you want? Because that's one of the other three vectors that we're talking about today. That's my first question. Thank you.

DAMON AUDIA: So we're seeing good, I would start with the planter. Obviously a lot of legacy Precision Planting. So good, good develop, good pull there. As we think about

some of the technologies with PTx, that's where it goes first, right? It goes into Fendt because it's the industry sort of cutting-edge technology retrofit, finding its way to the most technologically advanced equipment brand, which is the Fendt brand. So we're seeing very good adoption, but it's because the farmers have already become used to the technology and they begin to expect it. So it starts there. I would tell you, we're starting to see connections even with the retrofit. Again, we were in a meeting today where a farmer running our, has purchased our OutRun systems, has been extremely pleased with them and wants them on the Fendt tractors to get maximum efficiency between the fuel efficiency coupled with the OutRun technology, literally bought two new 1100s to put the OutRun systems on because he felt they would work better there than some of the other brands of equipment that OutRun currently works on. So again, some of it is a direct because you're seeing it already coming out of the factory with this PTx technology. It's a differentiator versus some of the competition, but there's an indirect benefit because some farmers are seeing that retrofit technology, knowing that we're building these to go on to things like Fendt Equipment, as well as some other competitive brands, and wanting to expand with that brand. We're seeing it a little bit in both ways, in two ways.

KRISTEN OWEN, OPPENHEIMER: Last time we did see each other, we were an exuberant moment in the market. I think we were all getting pretty excited. So I figured I'd just ask with all of the updates on diesel prices and everything that's happening in Europe, if there were any updates qualitatively that since we last met.

INDIRA AGARWAL: So, Kristen, you called it right. We can't talk about the quarter. We can't talk about outlook or guidance, but we'll talk about the different pieces of the macro factors. So at Farm Progress, we were all feeling positive where the crop prices, commodity prices were. But the industry, looking at a macro factor perspective, it's continued to be soft, whether it's input cost, it's weather conditions or Brazil elections, all of that have weighed regionally on the farmer sentiment. So, the CEMA barometer, it declined from August to September, and that reflects the farmer sentiment. So one of the things that the farmer sentiment is reflective of is input cost in terms of what's happening with fuel prices. So the last time we had our earnings call second quarter and where we were at the end of August, diesel prices have gone up in Europe, double digits. They've gone up in US. We read about it in our news every single day. And weather conditions, European farmers have been impacted by weather conditions, whether it's Western Europe, Central Europe, Southwestern Europe. So they've been in

better, it weighs on their mind. And then we move on to Brazil, where it's that industry has been paralyzed, waiting for elections. The crop plan has come out, the FINAME funding has come out, but the take rate has been very soft because the farmers, they are in a continued wait and watch mode as to they want to see some certainty coming out after the elections. So the sentiment is still soft. It's cautious. But on the flip side, we've got a management team that executes really well. In the first half, we saw the team did a really good job at pricing, market share, and we continue to stay focused on disciplined execution at this point.

MIG DOBRE, ROBERT W BAIRD: We're taking one more here. I want to ask a little bit about Aurora. And I'm curious how you've developed this AI offering. What's internally developed versus working with third parties. And am I to understand that Aurora is agentic to the point where the farmer can have certain inquiries to it and the system can actually execute in this physical world, whether it's machine setup or various changes to, you know, the farming recipe, as it were, agronomically. And if that's the case, and that's where you sort of see this evolving, how do you think about the accuracy that needs to be embedded in this system and testing it to the point where you're actually delivering good outcomes? Because in my own experience using AI, there's a lot of hallucinations I have to [inaudible].

DAMON AUDIA: Yeah, so maybe you're going to get a lot better answer to that question tomorrow when you talk to the team who's been part of that, the development. But I would tell you more in the latter part of your question, you know, it can take actions, it can provide recommendations. The farmer still has to make the decision. So it's not a, call it a complete autonomous state. It can't analyze and do. It can analyze and recommend. And then the farmer can say, yes, I want to do that and make that. So we're not quite to the full autonomous sort of, or, you know, human not in the loop sort of process here, but it takes it a step of actually analyzing and recommending. So tomorrow, I'd say, when you're with the team, sort of ask them the data, you know, how it came about. All of this is built off of that farmer's data. So you think, and you think about the hallucinations that you're talking about, a lot of that goes out into the generic large language models. This is sort of working in his or her data, and it's analyzing that coupled with what we've learned and how do we then program it to analyze that individual farm differently. So a little bit of a data source, a data system or data source difference in helping sort of make the recommendations or drive to the recommendations to the farmer.

ERIC HANSOTIA: It's developed fully inside by our own team, by PTx team. You know, and just think about the problem it's solving. Farmers all the time complain, I've got 10 years worth of as planted data, 10 years worth of as sprayed data, 10 years worth of farm. And what do I do? Where are the variations? And if I find one, what should I change in my farming? So it's a perfect application for agentic to be able to go through and look at every spot on the field, figure out what was the issue, what was the root cause by looking at various data fields, and then recommend a change. That's the biggest problem it's solving. The second biggest problem it's solving is creating voice interaction. So you can just ask it questions. The other problem with the data systems that have farmers have to deal with, or just generally technology, is there's a whole lot of trapped value in there that the farmers don't remember how to use. But if you can use it like your iPhone or your home device, Alexa or Google, you can get way more into that technology. So those are the two things. It's being able to look at a lot of data and understand where I should be changing and then unlocking voice. And then you can also text into it if you want. But voice, I think, is going to be the big thing. So asking farm kind of questions, asking machine kinds of questions. Those are going to unlock the machine and unlock the farm trap data, trap value. You'll see it tomorrow. It's going to, once you see it for just a few seconds, it's like, okay, now I really get it. When you can interact with the system live, it's remarkable how fast it works and how it can serve up solutions.

RAQUEL BETESH, JPMORGAN: Thanks for taking the question. Just maybe curious, you know, the market's obviously been down, but, you know, PTx itself has been kind of flattish. Maybe just talking through like where the pockets of growth versus decline are, you know, how every kind of segment.

DAMON AUDIA: Yeah, I think if we look at the revenue being relatively flat, it's a little bit more product-centric. Again, if I think about PTx Trimble, Precision Planting, what we sell to the OE, to the AGCO and the other OEMs, directionally, they're all relatively flat. Again, a little bit more products, I would say. We are starting to see a little bit of price pressure on some of the lower end guidance systems in Europe. So we've seen some of that deteriorate. We've introduced a new product there. I think it was late last year. That is a much more competitive price point to try to help balance that out. But again, that comes at a little bit of a negative mix for us because I'm now trading down to compete. That's being offset by some of the products here in North America. That's helping

balance that out. So generally speaking, close to flat in most of them, but by product, by product, a little bit of give and take here.

ERIC HANSOTIA: Hey, great. We'll have a lot more chance to talk over dinner tonight and all day tomorrow. If I just kind of tie a bow around the whole program now, I'd like to just take us back up and summarize.

Fundamentally, this team is taking AGCO through a massive transformation. We're transforming our products to be able to bring Fendt globally, transforming our technology and creating a unique technology channel to be able to deliver this mixed fleet offering. It's a different wiring of our whole company than almost anybody else does. Transforming our data to be the most open data platform to serve this mixed fleet. Take down the barriers some of our competitors have built, and be able to have farmers build, buy whatever they want. Transforming our distribution so that we go to the farm, do the work on the farm, and not just solve our product, but solve the whole farmer's needs. And so all of these transformations fueled by the internal rewiring of the company in terms of cost and quality and product supply is what you've seen today. And each one of them is both differentiated, we're doing it different than any of our competitors, hard for them to follow like Damon talked about. And each one of them is actually at the very early stages of the S-curve. All this product innovation is early days, ArrowTube, autonomy, all these things haven't had a chance to really catch in the market yet. The new channel hasn't had a chance to really harvest the potential. The new data platform, the new FarmerCore, all of those are early days in terms of their value generation. But we're convinced from all the metrics that we watch that they're going to continue to grow and be a real differentiator for AGCO. We're excited to share that with you more live tomorrow and talk about it over dinner tonight. Thanks for coming in and spending a couple of days with us.

GREG PETERSON: So thanks everyone for joining us via webcast. The session is concluded. Have a good evening.