PRESS RELEASE

DEUTZ delivers robust performance at the start of the new year – stable margin despite a fall in demand as a result of economic conditions

- Strategic and operational measures take effect in a challenging first quarter; revenue from continuing operations reaches €454.7 million in a difficult economic environment (down by 10.3 percent on Q1 2023)
- Stable adjusted EBIT margin of 6.1 percent for continuing operations highlights the increasing robustness of the business even in a tough economic climate.
- New orders remain below the level of the first quarter of the prior year, but well above the level of the previous quarter
- Sale of Torqeedo completed and guidance for 2024 confirmed

Cologne, April 30, 2024 – In the first quarter of 2024, in a market environment that remained challenging amid difficult economic conditions, DEUTZ AG maintained its profitability and confirmed its guidance. Although new orders from continuing operations decreased, as expected, by 18.7 percent compared with the prior-year quarter due to the weak economic climate and normalization effects, they were up by nearly 20 percent on the previous quarter. However, the year-on-year fall in revenue was much lower than the fall in unit sales and new orders. The positive and stable EBIT margin of 6.1 percent for continuing operations bears out the Company's robust positioning. The corresponding adjusted EBIT figure, although down on the prior-year, remained comfortably in positive territory in the first quarter of 2024 at €27.7 million.

"As is evident in our figures for the first quarter, the much weaker economic environment is starting to have an effect on us, too. The good news is that we are considerably more robust than before," says DEUTZ CEO, Dr. Sebastian C. Schulte. "This is the result of the operational measures that have already been taken as part of our new strategy including our growing service business. The restructuring of our portfolio is also helping to ensure that we are better able to withstand a difficult economic environment than we were in the past."

After entering into an alliance with Daimler Truck last year, DEUTZ pressed ahead with the takeover – announced in December 2023 – of the sales and service activities of Rolls-Royce Power Systems that would give it access to the Daimler Truck engines. The relevant agreements were signed in the first quarter of 2024 and represent a further milestone in the implementation of DEUTZ's Dual+ strategy. The transaction, which is likely to be completed in summer 2024, is expected to generate additional annual revenue of around €300 million and an EBIT margin that is above the Group's current margin.

Meanwhile, DEUTZ is forging ahead with the strategic realignment of the Green segment, which began in summer 2023. The sale of the Torqeedo Group, which had been announced in November 2023, with a buyer confirmed in January of this year, was completed soon after the end of the first-quarter reporting period on April 3, 2024. The proceeds of the sale, amounting to a figure in the high double-digit millions of euros, are expected to result in the recognition of a book gain in the low double-digit millions of euros in the second quarter of 2024.

The robust positioning of DEUTZ AG is also underlined by the latest figures for its financial position: "Our free cash flow for continuing operations remains in positive territory, although the difficult economic conditions have left their mark," explains CFO, Timo Krutoff.

DEUTZ used the publication of the quarterly figures to confirm the guidance that it had issued previously. In 2024, on the basis of the continuing operations, the Company is expecting to achieve unit sales of between 160,000 and 180,000 DEUTZ engines, revenue of €1.9 billion to €2.1 billion, an adjusted EBIT margin of between 5.0 percent and 6.5 percent, and free cash flow (before M&A activities) in the mid-double-digit millions of euros. Based on the Company's business performance in the first quarter of 2024, as described here, and on its anticipated performance going forward, DEUTZ is convinced that it is on track to meet these targets and therefore confirms its guidance.

The Group's key figures for the first quarter of 2024 in detail
(Note: Unless otherwise indicated, all the figures disclosed below are for continuing operations only.)

New orders received by the DEUTZ Group in the first quarter of 2024 amounted to €419.2 million. This year-on-year decline of 18.7 percent reflects the aforementioned economic effects and the comparison with a strong prior-year quarter. The first quarter of 2023 had been substantially boosted by huge demand in the Material Handling application segment and in the

Americas region. A positive factor for the reporting period was the stabilization of the service business, which registered slight growth in the first quarter of 2024. Although DEUTZ’s new orders decreased year on year, they were up by just over €68 million compared with the fourth quarter of 2023.

Orders on hand amounted to €414.9 million as at March 31, 2024, compared with €772.5 million as at March 31, 2023 and €450.4 million as at December 31, 2023.

The DEUTZ Group’s unit sales fell sharply in the first quarter of 2024 to 38,242 engines sold (Q1 2023: 46,110). A positive exception was the Material Handling application segment, which – despite weaker demand in Asia-Pacific – saw strong growth in unit sales thanks mainly to an improvement in order activity among several major customers in the EMEA and Americas regions.

DEUTZ’s revenue decreased by 10.3 percent year on year to €454.7 million in the first quarter of 2024. However, the fall in revenue was significantly less pronounced than the fall in unit sales. In addition to the product mix, this primarily reflected pricing effects, for example as a result of the price adjustments that DEUTZ had been able to negotiate with customers in the preceding periods. With revenue of €125.9 million (up 3.8 percent year on year), the strategically important Service business was the most significant application segment in the first quarter of 2024 and is on track to achieve its target of generating annual revenue of around €600 million by 2025.

Adjusted EBIT (EBIT before exceptional items) came to €27.7 million in the first quarter of 2024 (Q1 2023: €36.8 million).

The equivalent figure for the DEUTZ Classic segment was €37.2 million (Q1 2023: €44.4 million); the Green segment’s adjusted EBIT amounted to a loss of €9.6 million (Q1 2023: loss of €7.4 million).

The adjusted EBIT margin – despite the unfavorable revenue trend – fell only moderately by just over 1 percentage point to 6.1 per cent in the first quarter of 2024 (Q1 2023: 7.3 per cent).

The decrease in EBIT resulted in net income from continuing operations falling year on year from €28.8 million to €16.5 million. In addition, DEUTZ incurred a net loss of €7.7 million from discontinued operations (Q1 2023: net loss of €5.0 million). Net income from continuing and discontinued operations (‘entire Group’) therefore amounted to €8.8 million (Q1 2023: €23.8

million). This brought earnings per share down year on year from €0.20 to €0.07 for the entire Group, or from €0.24 to €0.13 for continuing operations only.

Cash flow from operating activities amounted to €26.2 million in the first quarter of 2024 (Q1 2023: €33.4 million). This decrease was mainly attributable to the year-on-year decline in earnings and the decrease in other liabilities, factors that were partially offset by the smaller rise in working capital compared with the first quarter of 2023.

Cash flow from investing activities was almost unchanged compared to the previous year's figure (Q1 2023: € -16.9 million) with € -16.3 million in the first quarter of 2024. Cash flow from financing activities came to a net cash outflow of minus €24.7 million in the first quarter of 2024 due mainly to the repayment of loans.

DEUTZ generated free cash flow of €5.1 million in the first quarter of 2024 (Q1 2023: €14.3 million). There were no changes to this figure as a result of M&A activities in the first quarter of 2024.

As at March 31, 2024, the DEUTZ Group's net financial debt had edged up by €8.5 million compared with the figure as at December 31, 2023 to €171.9 million.

The equity ratio for the entire Group improved from 46.7 percent as at December 31, 2023 to 47.3 percent as at March 31, 2024. The DEUTZ Group's financial position is therefore comfortable.

DEUTZ Group | Overview of key figures for continuing operations

€ milliom	Q1 2024	Q1 2023	Change
New orders	419.2	515.8	-18.7%
Group unit sales (units)	38,242	46,110	-17.1%
Revenue	454.7	507.0	-10.3%
EBIT	23.8	36.8	-35.3%
thereof exceptional items	-3.9	0.0	–
Adjusted EBIT (EBIT before exceptional items)	27.7	36.8	-24.7%
EBIT margin before exceptional items (%)	6.1	7.3	-1.2 pp
Net income	16.5	28.8	-42,7%
Net income before exceptional items	19.8	28.8	-31,3%
Earnings per share (€)	0.13	0.24	-45,8%
Earnings per share before exceptional items (€)	0.16	0.24	-33,3%
Equity (Mar. 31/Dec. 31)	752.8	743.2	+1,3%
Equity ratio (%)	47.3	46.7	0.6 pp
Cash flow from operating activities	26.2	33.4	-21.6%
Free cash flow	5.1	14.3	-64.3%
Net financial position (Mar. 31/Dec. 31)	-171.9	-163.4	-5.2%
Employees (Mar. 31)[1]	5,122	4,835	5,9%

[1] Number of employees expressed in FTEs (full-time equivalents); excluding temporary workers.

DEUTZ Classic segment: Overview of key figures

€ million	Q1 2024	Q1 2023	Change
New orders	418.3	515.0	-18.8 %
Unit sales (units)	38,054	46,104	-17.5 %
Revenue	453.5	506.1	-10.4 %
Adjusted EBIT (EBIT before exceptional items)	37,2	44,4	-16.2 %
EBIT margin before exceptional items (%)	8,2	8,8	-0.6 pp

DEUTZ Green segment: Overview of key figures

€ million	Q1 2024	Q1 2023	Change
New orders	0.9	0.8	12,5 %
Unit sales (units)[2]	188	6	3033.3 %
Revenue	1.2	0.9	33.3 %
Adjusted EBIT (EBIT before exceptional items)	-9.6	-7.4	-29.7 %
EBIT margin before exceptional items (%)	-800.0	-822.2	22.2 pp

The interim report is available at www.deutz.com/investor-relations.

Upcoming financial dates

August 8, 2024: Interim report for the first half of 2024

November 7, 2024: Quarterly statement for the first to third quarter of 2024

[2] Electric drives, hydrogen drives, battery systems with a motor, DEUTZ PowerTree.

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About DEUTZ AG

DEUTZ AG, a publicly traded company headquartered in Cologne, Germany, is one of the world's leading manufacturers of innovative drive systems. Its core competencies are the development, production, distribution, and servicing of drive solutions in the power range up to 620 kW for off-highway applications. The current portfolio extends from diesel, gas, and hydrogen engines to all-electric drives. DEUTZ drives are used in a wide range of applications including construction equipment, agricultural machinery, material handling equipment such as forklift trucks and lifting platforms as well as commercial and rail vehicles. With over 5,000 employees worldwide and around 1,000 sales and service partners in more than 120 countries, DEUTZ generated revenue of over €2.1 billion in the 2023 financial year. Further information is available at www.deutz.com.