

DRIVING

POWER

INTERIM MANAGEMENT STATEMENT
1ST TO 3RD QUARTER OF 2019



DEUTZ AT A GLANCE

DEUTZ is one of the world's leading manufacturers of innovative drive systems. It employs more than 4,700 people worldwide and its core competencies are the development, production, and distribution of diesel, gas, and electric drive systems with a power output of up to 620 kW that are used in construction equipment, agricultural machinery, material handling equipment, stationary equipment, commercial vehicles, rail vehicles, and other applications. The engine specialist also offers a comprehensive range of services through more than 800 sales and service partners in over 130 countries.

DEUTZ Group: Overview

€ million	7-9/2019	7-9/2018	1-9/2019	1-9/2018
New orders	361.9	452.2	1,315.2	1,548.7
Unit sales (units)	54,189	51,303	155,780	156,504
Revenue	450.1	419.7	1,379.9	1,297.3
EBITDA	43.0	31.2	138.1	104.9
EBITDA before exceptional items	43.0	31.2	128.8	104.9
EBIT	22.0	12.5	78.5	45.9
EBIT before exceptional items	22.0	12.5	69.2	45.9
EBIT margin (%)	4.9	3.0	5.7	3.5
EBIT margin before exceptional items (%)	4.9	3.0	5.0	3.5
Net income	9.4	10.3	54.7	35.6
Net income (before exceptional items)	9.3	10.3	46.8	35.6
Earnings per share (€)	0.08	0.08	0.45	0.29
Earnings per share (before exceptional items, €)	0.08	0.08	0.39	0.29
Total assets	1,290.8	1,215.3	1,290.8	1,215.3
Non-current assets	554.4	490.6	554.4	490.6
Equity	650.4	601.4	650.4	601.4
Equity ratio (%)	50.4	49.5	50.4	49.5
Cash flow from operating activities	51.8	32.3	52.7	55.5
Free cash flow ¹⁾	13.3	11.3	-32.9	-0.8
Net financial position ²⁾	-7.1	78.8	-7.1	78.8
Working capital ³⁾	328.5	296.3	328.5	296.3
Working capital ratio (average, %) ⁴⁾	16.9	15.9	16.9	15.9
Capital expenditure (after deducting grants) ⁵⁾	18.4	16.1	60.6	40.3
Depreciation and amortization	21.0	18.7	59.6	59.0
Research and development expenditure (after deducting grants)	26.3	21.4	71.0	59.1
thereof capitalized	5.3	5.2	14.9	13.4
Employees ⁶⁾ (number as at Sep. 30)	4,843	4,546	4,843	4,546

¹⁾ Free cash flow: cash flow from operating and investing activities less interest expense.

²⁾ Net financial position: cash and cash equivalents less current and non-current interest-bearing financial debt.

³⁾ Working capital: inventories plus trade receivables less trade payables.

⁴⁾ Working capital ratio (average, %): average working capital at the four quarterly reporting dates divided by revenue for the previous twelve months.

⁵⁾ Capital expenditure: capital expenditure on property, plant and equipment (including right-of-use assets in connection with leases) and intangible assets, excluding capitalization of R&D.

⁶⁾ From 2019 onward, the number of employees is expressed in FTEs (full-time equivalents). The figures for the prior-year period have been restated accordingly.

The Company's operating activities are divided into three segments: DEUTZ Compact Engines (DCE), DEUTZ Customised Solutions (DCS), and Other. The DCE segment comprises liquid-cooled engines with capacities of up to 8 liters. Air-cooled engines, large liquid-cooled engines with capacities of more than 8 liters, and models that are soon to be discontinued are assigned to the DCS segment, which also includes reconditioned engines and parts produced under the name DEUTZ Xchange. The Torqueedo subsidiary is included in the Other segment. It manufactures electric drives for boats and has extensive expertise in the electrification of drive systems.

DEUTZ Group: Segments

€ million	7-9/2019	7-9/2018	1-9/2019	1-9/2018
New orders				
DEUTZ Compact Engines	263.3	381.8	1,019.5	1,312.2
DEUTZ Customised Solutions	86.7	63.9	267.2	215.3
Other	12.7	7.2	31.3	22.2
Consolidation	-0.8	-0.7	-2.8	-1.0
Total	361.9	452.2	1,315.2	1,548.7
Unit sales (units)				
DEUTZ Compact Engines	40,714	46,571	122,638	141,034
DEUTZ Customised Solutions	6,643	2,100	20,152	6,493
Other	6,832	2,632	12,990	8,977
Consolidation	0	0	0	0
Total	54,189	51,303	155,780	156,504
Revenue				
DEUTZ Compact Engines	349.9	347.5	1,079.7	1,085.2
DEUTZ Customised Solutions	91.5	66.0	276.5	191.8
Other	9.5	6.9	26.5	21.3
Consolidation	-0.8	-0.7	-2.8	-1.0
Total	450.1	419.7	1,379.9	1,297.3
EBIT before exceptional items				
DEUTZ Compact Engines	10.9	7.5	45.8	28.2
DEUTZ Customised Solutions	14.0	8.4	37.6	26.3
Other	-2.9	-3.4	-14.2	-8.6
Consolidation	0.0	0.0	0.0	0.0
Total	22.0	12.5	69.2	45.9

INTERIM MANAGEMENT STATEMENT OF THE DEUTZ GROUP FOR THE 1ST TO 3RD QUARTER OF 2019

DEUTZ records growth in revenue and earnings

OVERVIEW OF THE 1ST TO 3RD QUARTER OF 2019

- New orders reflect weakening of demand as a result of the economic climate; at €1,315.2 million, new orders are down by 15.1 percent on the strong prior-year period, which had been positively influenced by a change in customers' ordering patterns
- Unit sales of 155,780 engines close to the level of the prior-year period – sales of Torqeedo's electric drives rise by 44.7 percent to 12,990
- Consolidated revenue up by 6.4 percent to €1,379.9 million; revenue growth in all regions and major application segments, as well as a 7.3 percent increase in the high-margin service business
- Sharp increase in operating profit even before exceptional items: EBIT before exceptional items jumps by 50.8 percent on the prior-year period to €69.2 million; corresponding EBIT margin improves from 3.5 percent to 5.0 percent
- Earnings per share advances from €0.29 to €0.45; adjusted earnings per share of €0.39
- Further milestone reached in the implementation of the China strategy: DEUTZ signs an agreement on the future location of the SANY joint venture with the Chinese city of Changsha at a ceremony to lay the foundation stone for the new high-performance assembly plant
- Full-year revenue guidance for 2019 (increase to more than €1.8 billion) confirmed despite a persistently challenging macro-economic and geopolitical environment; guidance for EBIT margin before exceptional items adjusted from its previous level of at least 5.0 percent to a range of 4.0 to 5.0 percent due to the insolvency of a major supplier; free cash flow guidance updated following a delay in the payment of the final installment for the sale of the Cologne-Deutz site

EVENTS AT THE START OF THE 4TH QUARTER OF 2019

- Expertise in high-voltage battery management systems enhances E-DEUTZ strategy: DEUTZ acquires battery specialist Futavis, which has extensive technical expertise in electronics, software, battery technology, and battery testing and in matters of functional safety

BUSINESS PERFORMANCE IN THE DEUTZ GROUP

In the first quarter of 2019, DEUTZ changed the regional assignment of one of its big-ticket customers in order to standardize how the regional breakdown of revenue is disclosed. Business with this customer is no longer allocated exclusively to the EMEA region (Europe, Middle East, and Africa). Instead, it can now also be allocated to the Americas and Asia-Pacific regions, depending on the location of the local subsidiary's registered office. The figures for the prior-year period have been restated accordingly.

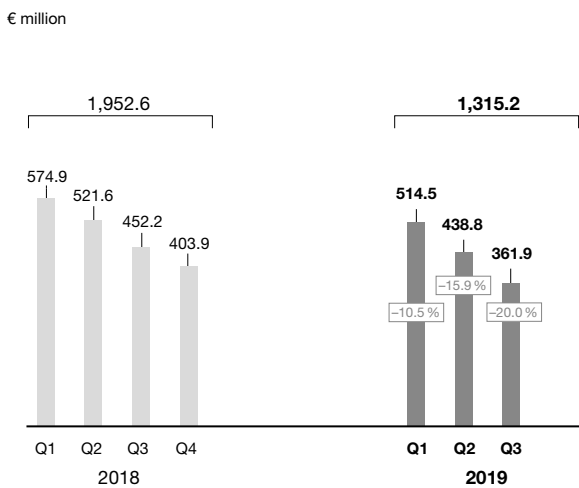
NEW ORDERS

New orders reflect weakening of demand as a result of the economic climate In the first nine months of 2019, DEUTZ received orders worth €1,315.2 million. This was 15.1 percent lower than the robust volume reported for the prior-year period, which had been positively influenced by a change in customers' ordering patterns. In addition, a weakening of demand as a result of the economic climate had an adverse impact from the end of the second quarter of 2019.

Looking at the third quarter of 2019 in isolation, the value of new orders received by DEUTZ fell by 20.0 percent year on year to €361.9 million. Demand was down in all application segments; only the high-margin service business grew, by 12.0 percent.

Orders on hand amounted to €375.2 million as at September 30, 2019.

DEUTZ Group: New orders by quarter



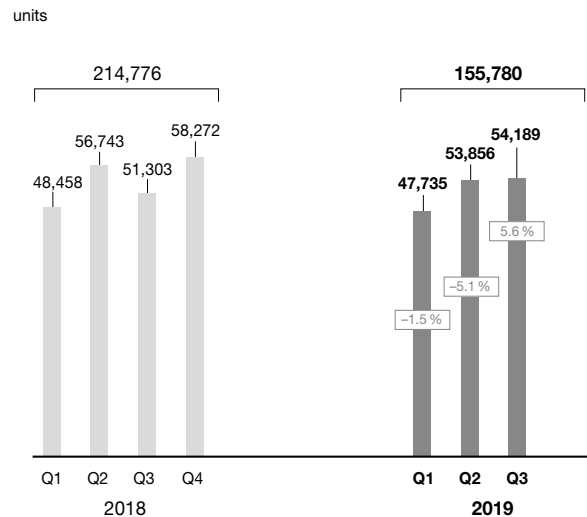
UNIT SALES

Unit sales close to the level of the prior-year period The DEUTZ Group's unit sales for the first nine months of 2019 totaled 155,780 engines, which was close to the level of the prior-year period. Within that figure, unit sales of Torqeedo's electric drives rose by a significant 44.7 percent to reach 12,990.

In the EMEA region, DEUTZ's biggest sales market, DEUTZ sold 84,901 engines, down by 6.7 percent on the prior-year period. This decline was partly due to lower demand from one large customer. By contrast, unit sales in the Americas and Asia-Pacific regions grew by 5.7 percent and 12.1 percent respectively.

Looking at the third quarter of 2019 in isolation, the Group's unit sales rose by 5.6 percent year on year to 54,189 engines. Within that figure, Torqeedo's unit sales more than doubled to 6,832 due to an increase in demand for smaller outboard motors. The Agricultural Machinery application segment also recorded a high double-digit increase in unit sales that contributed to the Group's overall growth in unit sales in the third quarter of 2019.

DEUTZ Group: Consolidated unit sales by quarter

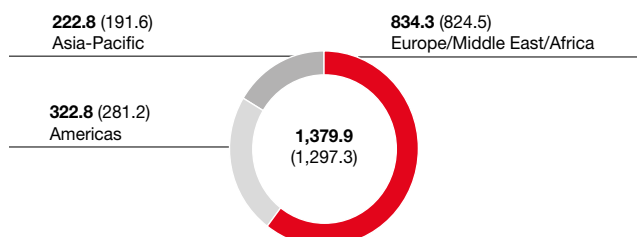


RESULTS OF OPERATIONS

REVENUE

DEUTZ Group: Revenue by region

€ million (2018 figures¹⁾)



¹⁾Adjusted due to a change in the regional allocation of the revenue of one big-ticket customer.

Revenue growth in all regions and major application segments

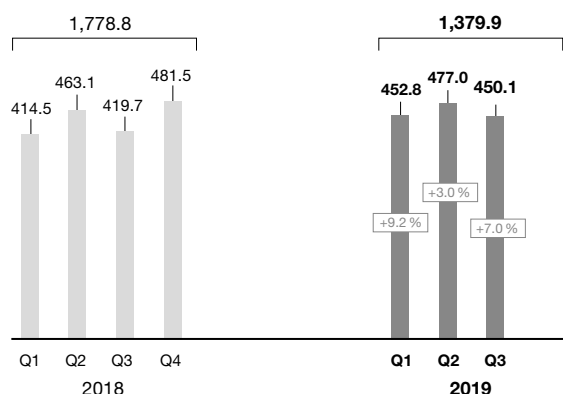
In the first three quarters of 2019, DEUTZ's revenue grew by 6.4 percent to €1,379.9 million. All regions and major application segments contributed to this increase. The Material Handling application segment performed particularly strongly, delivering double-digit revenue growth of 11.3 percent, as did the Agricultural Machinery application segment and high-margin service business, whose revenues were up by 9.5 percent and 7.3 percent respectively.

In the regional breakdown, the largest revenue increases were again recorded in the Americas (up by 14.8 percent) and in Asia-Pacific (up by 16.3 percent). In the Americas region, DEUTZ particularly benefited from the ramp-up of new engine series, the service business with Xchange products, and higher demand for electric boat drives. The main factors in the substantial increase in revenue generated in the Asia-Pacific region were revenue growth in China and the expansion of business with new customers.

Revenue in the third quarter of 2019 rose by 7.2 percent year on year to €450.1 million.

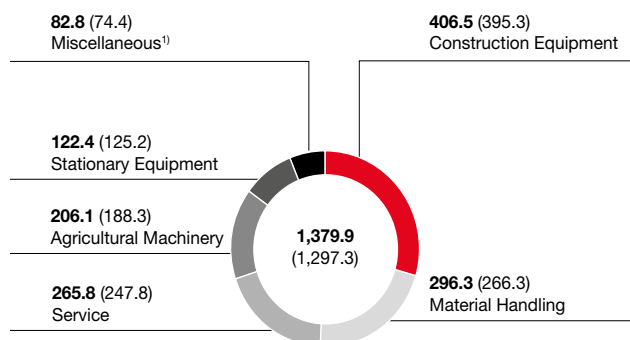
DEUTZ Group: Revenue by quarter

€ million



DEUTZ Group: Revenue by application segment

€ million (2018 figures)



¹⁾From 2019 onward, the revenue from automotive business is included in the Miscellaneous application segment. Up to and including 2018, it was shown separately. The figures for the prior-year period have been restated accordingly.

EARNINGS

Overview of the DEUTZ Group's results of operations

€ million

	1-9/2019	1-9/2018	Change (%)
Revenue	1,379.9	1,297.3	6.4
Cost of sales	-1,126.3	-1,057.3	6.5
Research and development costs	-68.2	-71.5	-4.6
Selling and administrative expenses	-114.9	-108.2	6.2
Other operating income	25.8	16.5	56.4
Other operating expenses	-17.7	-16.1	9.9
Write-downs of financial assets	-0.5	-0.9	-44.4
Profit/loss on equity-accounted investments	0.4	-2.6	-115.4
Write-downs of equity-accounted investments	0.0	-11.3	-100.0
Operating profit (EBIT)	78.5	45.9	71.0
thereof exceptional items	9.3	0.0	-
EBIT (before exceptional items)	69.2	45.9	50.8
Interest income	0.7	0.2	250.0
Interest expense	-2.4	-1.9	26.3
Other financial income	-9.4	0.0	-
Financial income, net	-11.1	-1.7	552.9
Income taxes	-12.7	-8.6	47.7
Net income	54.7	35.6	53.7

Sharp increase in operating profit even before exceptional items

In the first three quarters of 2019, operating profit (EBIT before exceptional items) went up by 50.8 percent year on year to reach €69.2 million. In addition to the growth in revenue, this substantial increase was due in particular to a low figure being reported for the prior-year period, which had been significantly affected by a drag on earnings resulting from the joint venture DEUTZ Dalian Engine Co., Ltd., Dalian, China. The stake in this Chinese

joint venture was sold at the end of 2018. The deconsolidation of DEUTZ AGCO Motores S.A., Haedo, Argentina, had a negative impact, as did the recognition of provisions in the first half of 2019 due to a product recall involving Torqeedo companies. There was also a drag on operating profit in the third quarter of 2019 because of the opening of insolvency proceedings at a major supplier. The corresponding EBIT margin before exceptional items improved from 3.5 percent to 5.0 percent during the reporting period.

In accordance with the agreement from 2017 regarding the sale of the land at the former Cologne-Deutz site, the proceeds of €9.3 million from the sale of a small part of this land were recognized in the second quarter of 2019. After taking these exceptional items into account, operating profit (EBIT) came to €78.5 million, which was 71.0 percent higher than in the comparable period of 2018. The corresponding EBIT margin thus increased from 3.5 percent in the prior-year period to 5.7 percent.

Net financial income deteriorated by €9.4 million year on year due to the write-down on a loan granted to a supplier at the end of 2018. The corresponding asset was written down by €9.4 million after insolvency proceedings opened at the supplier in September 2019.

Despite the deterioration in net financial income, net income rose by 53.7 percent year on year to €54.7 million because of the increase in operating profit. Earnings per share improved from €0.29 to €0.45 as a result. Adjusted for exceptional items, net income rose by 31.5 percent to €46.8 million, which caused adjusted earnings per share to rise from €0.29 to €0.39.

BUSINESS PERFORMANCE IN THE SEGMENTS

BUSINESS PERFORMANCE IN THE DEUTZ COMPACT ENGINES (DCE) SEGMENT

Due to the relocation of production of the 2011 engine series from Cologne-Porz to Ulm, this engine series was reassigned from the DEUTZ Compact Engines segment to the DEUTZ Customised Solutions segment with effect from January 1, 2019. This explains why the following key figures for the segment compare unfavorably with the equivalent figures for the prior-year period.

For example, at €1,019.5 million, new orders were down by 22.3 percent year on year in the first nine months of 2019; unit sales fell by 13.0 percent to 122,638 engines. However, revenue, at €1,079.7 million, was close to the level of the prior-year period, despite the reassignment of the engine series. This was mainly due to a favorable shift in the product mix toward higher-value engines.

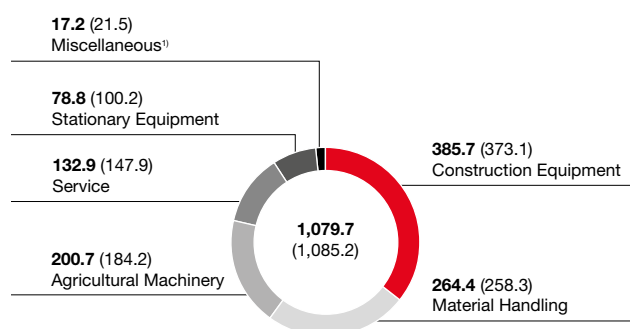
Operating profit for the segment improved by 62.4 percent to €45.8 million in the reporting period despite the reassignment of the engine series. This sharp increase was primarily due to a low figure being reported in the prior-year period, which had been heavily affected by a drag on earnings resulting from the joint venture DEUTZ Dalian Engine Co., Ltd., Dalian, China. The EBIT margin improved from 2.6 percent in the first three quarters of 2018 to 4.2 percent.

DEUTZ Compact Engines

	1-9/2019	1-9/2018	Change (%)
New orders (€ million)	1,019.5	1,312.2	-22.3
Unit sales (units)	122,638	141,034	-13.0
Revenue (€ million)	1,079.7	1,085.2	-0.5
EBIT (€ million)	45.8	28.2	62.4
EBIT margin (%)	4.2	2.6	-

DEUTZ Compact Engines: Revenue by application segment

€ million (2018 figures)



¹⁾ From 2019 onward, the revenue from automotive business is included in the Miscellaneous application segment. Up to and including 2018, it was shown separately. The figures for the prior-year period have been restated accordingly.

BUSINESS PERFORMANCE IN THE DEUTZ CUSTOMISED SOLUTIONS (DCS) SEGMENT

The DEUTZ Customised Solutions segment performed exceptionally well in the reporting period, primarily because the 2011 engine series has been reassigned to this segment and because of unit sales of higher-value engines.

New orders advanced by a substantial 24.1 percent to €267.2 million in the first nine months of 2019, while the unit sales figure of 20,152 engines was more than three times the amount recorded in the prior-year period. Revenue rose by an impressive 44.2 percent year on year to reach €276.5 million.

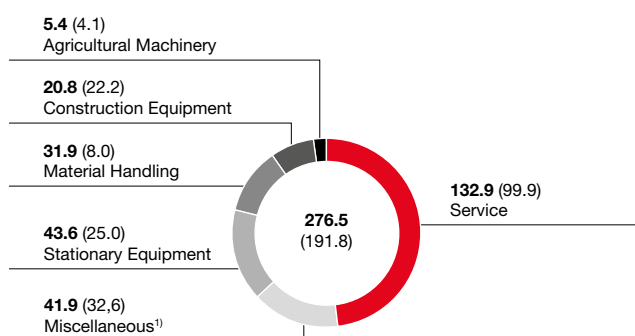
Operating profit for the segment was significantly higher than in the first three quarters of 2018, jumping by 43.0 percent to €37.6 million. A key factor in this increase besides the reassignment of the engine series was the greater proportion of high-margin service business. However, because the profit margin of the 2011 engine series is lower than that of other series, the EBIT margin of 13.6 percent was close to the level of the prior-year period (Q1–Q3 2018: 13.7 percent).

DEUTZ Customised Solutions

	1–9/2019	1–9/2018	Change (%)
New orders (€ million)	267.2	215.3	24.1
Unit sales (units)	20,152	6,493	210.4
Revenue (€ million)	276.5	191.8	44.2
EBIT (€ million)	37.6	26.3	43.0
EBIT margin (%)	13.6	13.7	–

DEUTZ Customised Solutions: Revenue by application segment

€ million (2018 figures)



¹ From 2019 onward, the revenue from automotive business is included in the Miscellaneous application segment. Up to and including 2018, it was shown separately. The figures for the prior-year period have been restated accordingly.

OTHER

The Other segment reported an operating loss of €14.2 million in the period under review (Q1–Q3 2018: operating loss of €8.6 million). One reason for this change was the deconsolidation of the joint venture DEUTZ AGCO Motores S.A., Haedo, Argentina, in the first quarter of 2019 for reasons of materiality, as a result of which cumulative negative exchange differences of €2.9 million were reclassified from equity to the income statement. In addition, a product recall that began in June 2019 and the associated recognition of provisions caused Torquedo's operating loss to deteriorate from €8.7 million in the first nine months of 2018 to €11.6 million in the reporting period.

FINANCIAL POSITION

Overview of the DEUTZ Group's financial position

€ million	1–9/2019	1–9/2018	Change (%)
Cash flow from operating activities	52.7	55.5	–5.0
Cash flow from investing activities	–83.4	–54.0	54.4
Cash flow from financing activities	–41.2	–23.7	73.8
Change in cash and cash equivalents	–71.9	–22.2	223.9
Free cash flow ¹ from continuing operations	–32.9	–0.8	4,012.5
Cash and cash equivalents at Sep. 30/Dec. 31	61.5	132.8	–53.7
Current and non-current interest-bearing financial debt at Sep. 30/Dec. 31	68.6	39.1	75.4
Net financial position ² at Sep. 30/Dec. 31	–7.1	93.7	–107.6

¹ Free cash flow: cash flow from operating and investing activities less interest expense.

² Net financial position: cash and cash equivalents less current and non-current interest-bearing financial debt.

Cash flow from operating activities amounted to minus €52.7 million in the first three quarters of 2019 (Q1–Q3 2018: minus €55.5 million). The main factors weighing on cash flow were the repayment of current liabilities to factoring companies and the increase in prepayments for income taxes. These effects were largely offset by the smaller increase in working capital compared with the prior-year period and the higher volume of business in the first three quarters of 2019. Net cash used for investing activities was significantly higher than in the prior-year period because of the increase in cash payments for capital spending on property, plant and equipment and intangible assets and the payment into a trust account of the first installment for the purchase of shares in the joint venture with SANY.

Cash flow from financing activities amounted to minus €41.2 million in the reporting period (Q1–Q3 2018: minus €23.7 million). Included in this figure were the payments of interest and principal in connection with leases, which totaled €0.6 million and €9.5 million respectively. Leases have been accounted for in accordance with IFRS 16 'Leases' since January 1, 2019. As a result of this change in accounting treatment, lease payments are now shown as payments of interest and principal under cash flow from financing activities instead of under cash flow from operating activities. The change in cash flow from financing activities during the period under review was due to the introduction of IFRS 16 and, in particular, the increase in the repayment of financial debt.

Due to the increase in net cash used for investing activities, free cash flow deteriorated to minus €32.9 million (Q1–Q3 2018: minus €0.8 million). The change of accounting treatment to comply with IFRS 16 boosted free cash flow by €9.5 million.

These changes in cash flow during the reporting period caused a decrease in cash and cash equivalents and a deterioration in the net financial position. The change in the net financial position was also attributable to the initial application of IFRS 16, a new

accounting standard concerning leases, on January 1, 2019, as a result of which lease liabilities totaling €40.3 million were included in current and non-current financial debt as at September 30, 2019.

NET ASSETS

Due to initial application of IFRS 16 with effect from January 1, 2019, non-current assets included right-of-use assets of €39.8 million in connection with leases as at September 30, 2019. These leased assets predominantly relate to leased property. The change in current assets was primarily attributable to the deterioration in cash and cash equivalents and to seasonal and demand-driven growth of inventories. This increase in inventories was the main reason that working capital advanced to €328.5 million as at the reporting date.

Non-current and current liabilities rose by a total of €40.3 million, also as a result of lease liabilities being recognized following initial application of IFRS 16.

RESEARCH AND DEVELOPMENT

R&D ratio increases as expected The DEUTZ Group's expenditure on research and development (after reimbursements) went up by 20.1 percent year on year to €71.0 million. This was due not only to projects for new engines but also to development activities under the E-DEUTZ strategy that will lead to the expansion of the engine portfolio. The corresponding R&D ratio increased, as expected, from 4.6 percent in the prior-year period to 5.1 percent.

Research and development

	1-9/2019	1-9/2018	Change (%)
R&D expenditure (after deducting grants, € million)	71.0	59.1	20.1
thereof DCE (€ million)	57.4	50.7	13.2
thereof DCS (€ million)	8.7	4.5	93.3
thereof Other/Torqeedo (€ million)	4.9	3.9	25.6
R&D ratio (as a percentage of revenue)	5.1	4.6	-

EMPLOYEES

DEUTZ Group increases its headcount As at September 30, 2019, DEUTZ employed 4,843 people (excluding temporary workers). This year-on-year increase of 297 in the number of employees is primarily due to the rise in the volume of business and to some temporary workers being given fixed-term employment contracts. At 299, the number of temporary workers was down by 136 compared with the end of the prior-year period.

Employees¹⁾

Number	1-9/2019	1-9/2018	Change (%)
Cologne	2,776	2,605	6.6
Ulm	545	471	15.7
Other	305	275	10.9
In Germany	3,626	3,351	8.2
Outside Germany	1,217	1,195	1.8
Total	4,843	4,546	6.5

¹⁾From 2019 onward, the number of employees is expressed in full-time equivalents (FTEs). The figures for the prior-year period have been restated accordingly.

OUTLOOK

Full-year guidance for 2019 partially adjusted Despite a persistently challenging macroeconomic and geopolitical environment, DEUTZ is confirming its full-year guidance for 2019, with consolidated revenue still expected to rise to more than €1.8 billion. However, DEUTZ is expecting that the insolvency of a major supplier will have an adverse financial impact, the overall effect of which will be that DEUTZ can no longer achieve its previous forecast of at least 5.0 percent for the EBIT margin before exceptional items in the current financial year. The EBIT margin before exceptional items is now predicted to be in the range of 4.0 to 5.0 percent in 2019.¹⁾

DEUTZ assumes that supply will be maintained despite the supplier's insolvency.

DEUTZ had been expecting to register a positive exceptional item of around €50 million in 2019 once it received the final installment of the purchase price for the sale of the Cologne-Deutz site, whereby both the exact amount and the date of payment were/are dependent on the development plan for the site being formally adopted. Formal adoption has been delayed, however, and so, based on current information, the payment is now expected to be made during the course of 2020. Contrary to previous expectations, the final installment of the purchase price is now likely to be in the region of €60 million (previously around €50 million).

Moreover, it is still possible that the outstanding payments for the purchase of the shares in the joint venture with SANY could be made before the end of 2019. In this event, DEUTZ's free cash flow would, contrary to the original full-year guidance of a positive mid double-digit million euro amount, fall significantly into negative territory.

Disclaimer

This interim management statement includes certain statements about future events and developments, together with disclosures and estimates provided by the Company. Such forward-looking statements include known and unknown risks, uncertainties and other factors that may mean that the actual performances, developments and results in the Company or those in sectors important to the Company are significantly different (especially from a negative point of view) from those expressly or implicitly assumed in these statements. The Board of Management cannot therefore make any guarantees with regard to the forward-looking statements made in this interim management statement.

¹⁾See the ad-hoc disclosure from DEUTZ AG dated September 20, 2019.

FINANCIAL INFORMATION

1ST TO 3RD QUARTER OF 2019

INCOME STATEMENT FOR THE DEUTZ GROUP

€ million

	7-9/2019	7-9/2018	1-9/2019	1-9/2018
Revenue	450.1	419.7	1,379.9	1,297.3
Cost of sales	-369.3	-342.8	-1,126.3	-1,057.3
Research and development costs	-24.2	-23.7	-68.2	-71.5
Selling expenses	-26.3	-24.2	-78.1	-72.1
General and administrative expenses	-10.1	-12.9	-36.8	-36.1
Other operating income	7.6	3.2	25.8	16.5
Other operating expenses	-5.5	-6.4	-17.7	-16.1
Write-downs of financial assets	-0.3	-0.4	-0.5	-0.9
Profit/loss on equity-accounted investments	0.0	0.0	0.4	-2.6
Write-downs of equity-accounted investments	0.0	0.0	0.0	-11.3
EBIT	22.0	12.5	78.5	45.9
thereof exceptional items	0.0	0.0	9.3	0.0
thereof operating profit (EBIT before exceptional items)	22.0	12.5	69.2	45.9
Interest income	0.3	0.0	0.7	0.2
Interest expense	-0.8	-0.7	-2.4	-1.9
Other financial income	-9.4	0.0	-9.4	0.0
Financial income, net	-9.9	-0.7	-11.1	-1.7
Net income before income taxes	12.1	11.8	67.4	44.2
Income taxes	-2.7	-1.5	-12.7	-8.6
Net income	9.4	10.3	54.7	35.6
thereof attributable to shareholders of DEUTZ AG	9.4	10.3	54.7	35.6
thereof attributable to non-controlling interests	0.0	0.0	0.0	0.0
Earnings per share (basic/diluted, €)	0.08	0.08	0.45	0.29

STATEMENT OF COMPREHENSIVE INCOME FOR THE DEUTZ GROUP

€ million

	7-9/2019	7-9/2018	1-9/2019	1-9/2018
Net income	9.4	10.3	54.7	35.6
Amounts that will not be reclassified to the income statement in the future	-3.2	0.8	-10.1	0.3
Remeasurements of defined benefit plans	-3.2	0.8	-10.1	0.3
Amounts that will be reclassified to the income statement in the future if specific conditions are met	0.5	0.2	4.8	-0.2
Currency translation differences	1.7	-0.2	5.4	0.6
thereof profit/loss on equity-accounted investments	0.0	-0.2	2.9	0.1
Effective portion of change in fair value from cash flow hedges	-1.3	0.3	-1.0	-1.0
Fair value of financial instruments	0.1	0.1	0.4	0.2
Other comprehensive income, net of tax	-2.7	1.0	-5.3	0.1
Comprehensive income	6.7	11.3	49.4	35.7
thereof attributable to shareholders of DEUTZ AG	6.7	11.3	49.4	35.7
thereof attributable to non-controlling interests	0.0	0.0	0.0	0.0

BALANCE SHEET FOR THE DEUTZ GROUP

€ million

	Sep. 30, 2019	Dec. 31, 2018
Assets		
Property, plant and equipment	336.5	283.8
Intangible assets	207.2	203.6
Equity-accounted investments	2.5	2.1
Other financial assets	8.2	16.7
Non-current assets (before deferred tax assets)	554.4	506.2
Deferred tax assets	81.6	75.9
Non-current assets	636.0	582.1
Inventories	387.6	333.5
Trade receivables	152.2	157.3
Other receivables and assets	53.5	43.2
Cash and cash equivalents	61.5	132.8
Current assets	654.8	666.8
Non-current assets classified as held for sale	0.0	0.4
Total assets	1,290.8	1,249.3
	Sep. 30, 2019	Dec. 31, 2018
Equity and liabilities		
Issued capital	309.0	309.0
Additional paid-in capital	28.8	28.8
Other reserves	0.1	-4.7
Retained earnings and accumulated income	312.3	285.8
Equity attributable to shareholders of DEUTZ AG	650.2	618.9
Non-controlling interests	0.2	0.2
Equity	650.4	619.1
Provisions for pensions and other post-retirement benefits	159.5	152.8
Deferred tax liabilities	0.2	0.5
Other provisions	36.6	36.2
Financial debt	35.4	19.3
Other liabilities	3.0	3.5
Non-current liabilities	234.7	212.3
Provisions for pensions and other post-retirement benefits	13.0	13.0
Provisions for current income taxes	1.8	17.9
Other provisions	70.2	65.4
Financial debt	33.2	19.8
Trade payables	211.3	214.6
Other liabilities	76.2	87.2
Current liabilities	405.7	417.9
Total equity and liabilities	1,290.8	1,249.3

CASH FLOW STATEMENT FOR THE DEUTZ GROUP

€ million

	1-9/2019	1-9/2018
EBIT	78.5	45.9
Income taxes paid	-28.1	-11.6
Depreciation, amortization and impairment of non-current assets	59.6	59.0
Gains/losses on the sale of non-current assets	-8.7	0.1
Profit/loss and impairment on equity-accounted investments	-0.4	13.9
Other non-cash income and expenses	2.9	0.0
Change in working capital	-39.6	-70.8
Change in inventories	-49.2	-44.8
Change in trade receivables	7.8	-10.6
Change in trade payables	1.8	-15.4
Change in other receivables and other current assets	4.1	0.6
Change in provisions and other liabilities (excluding financial liabilities)	-15.6	18.4
Cash flow from operating activities	52.7	55.5
Capital expenditure on intangible assets, property, plant and equipment	-72.1	-54.0
Expenditure on investments	-15.4	-0.1
Proceeds from the sale of non-current assets	4.1	0.1
Cash flow from investing activities	-83.4	-54.0
Dividend payments to shareholders	-18.1	-18.1
Interest income	0.2	0.1
Interest expense	-2.4	-2.4
Cash receipts from borrowings	4.3	11.2
Repayments of loans	-15.7	-14.5
Principal elements of lease payments	-9.5	-
Cash flow from financing activities	-41.2	-23.7
Cash flow from operating activities	52.7	55.5
Cash flow from investing activities	-83.4	-54.0
Cash flow from financing activities	-41.2	-23.7
Change in cash and cash equivalents	-71.9	-22.2
Cash and cash equivalents at Jan. 1	132.8	143.8
Change in cash and cash equivalents	-71.9	-22.2
Change in cash and cash equivalents related to exchange rates	0.6	-0.1
Cash and cash equivalents at Sep. 30	61.5	121.5

FINANCIAL CALENDAR

2020

March 12	2019 annual report Annual results press conference with analysts and investors
May 7	Interim management statement for the first quarter of 2020 Conference call with analysts and investors
May 14	Annual General Meeting in Cologne
August 11	Interim report for the first half of 2020 Conference call with analysts and investors
November 10	Interim management statement for the first to third quarter of 2020 Conference call with analysts and investors

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