

PRESS RELEASE

DEUTZ creates new Green segment

- New growth strategy drives transformation to sustainable mobility
- CEO Dr. Frank Hiller: “We are reinventing the engine”

Cologne/Stockstadt, November 17, 2021 – DEUTZ AG is creating a new reporting structure and introducing the segments ‘Classic’ and ‘Green’. With effect from January 1, 2022, all activities connected with the development and production of new non-diesel drives will be assigned to the Green segment. This includes electric drives, the subsidiary Torqeedo, and the battery management specialist Futavis. Through the new reporting structure, DEUTZ is giving much greater visibility to the development of hydrogen-powered engines and fuel cells. Activities related to the development, production, sales and service of diesel engines will be combined under the Classic segment.

Dr. Frank Hiller, CEO of DEUTZ: “The new segmentation of our commercial operations will, above all, provide the capital markets with a more transparent picture of our work on off-highway technology for a carbon-neutral future. It is backed by a growth strategy that very clearly sets out our milestones and activities in the period up to 2031. At the same time, the new strategy leaves DEUTZ’s employees in no doubt that the Company is fully committed to the transformation of its product portfolio.”

The activities in the Green segment currently generate around €60 million per year, equivalent to around 4 percent of DEUTZ’s revenue. The intention is to increase this proportion to more than 50 percent by 2031, both through organic growth and through targeted acquisitions and takeovers focused on the new technologies. DEUTZ aims for the new segment to reach break-even in 2027.

Strategic investments will also be included in the Green segment, for example the planned investment in Blue World Technologies, a leading manufacturer of fuel cells.

The engine company.



Up to 2026, investment in the growth strategy for the Green segment will mainly be funded by the traditional business with diesel engines. Frank Hiller: “Internal combustion engines will be in demand in our application areas for many years yet. We are a global leader in agricultural machinery and construction equipment, and more and more of our customers are showing interest in long-term partnerships.”

For example, DEUTZ recently announced new alliances with John Deere, SDF and AGCO that will see DEUTZ either develop or manufacture entire engine series for these leading players in the world of agricultural machinery. “DEUTZ is getting greener, there is no doubt about that. The switch to new drives is on its way in all customer groups. We want to be – and will be – at the forefront of this transformation. Whether diesel, gas, synthetic fuels, electricity, or hydrogen, we are reinventing the engine. Today, there are all kinds of different drive systems, all with the aim of movement. The era of fossil fuels is coming to an end, but the need for mobility will remain.”

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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 diesel, gas, and electric drive systems for professional applications. It offers a broad range of engines delivering up to 620 kW that are used in construction equipment, agricultural machinery, material handling equipment, stationary equipment, commercial vehicles, rail vehicles, and other applications. DEUTZ has around 4,600 employees worldwide and over 800 sales and service partners in more than 130 countries. It generated revenue of almost €1.3 billion in 2020. Further information is available at www.deutz.com.