

PRESS RELEASE

Cologne, 23 April 2019

DEUTZ makes a successful start to 2019

- High level of new orders sustained
- Revenue even higher than in the prior-year period
- Double-digit profit increase
- Group forecast for 2019 as a whole confirmed

Preliminary results (€ million)	Q1 2019	Q1 2018	YoY change
New orders	514.5	574.9	-10.5%
Revenue	452.8	414.5	+9.2%
EBIT (before exceptional items)	25.1	21.7	+15.7%
EBIT margin (before exceptional items, %)	5.5	5.2	+30 bps

Cologne, 23 April 2019 – DEUTZ, one of the world’s leading manufacturers of innovative drive systems, has today published its preliminary results for the first quarter of 2019.

“We have succeeded in maintaining our growth trajectory and, as expected, have made a very good start to the current year,” said CEO Dr Frank Hiller, summing up DEUTZ’s positive performance in the first three months of 2019. “We exceeded the high level of revenue achieved in the prior-year period and, at the same time, significantly improved our profitability. The level of new orders also remains high, which – combined with a book-to-bill ratio of 1.1 – gives us cause for optimism about the months ahead.”

High level of new orders sustained; substantial revenue growth

DEUTZ is continuing to benefit from the sustained strength of customer demand, receiving orders worth €514.5 million in the first quarter of 2019. Although still at a high level, new orders were 10.5 per cent lower than the figure for the prior-year period, which had been positively influenced by exceptional items. Compared with the fourth quarter of 2018 (new orders of €403.9 million), new orders at DEUTZ were up by 27.4 per cent.

Consolidated revenue rose by 9.2 per cent to €452.8 million in the first quarter of 2019. All regions and application segments contributed to this growth.

Double-digit increase in operating profit

Reflecting the greater volume of business and ongoing efficiency improvements, operating profit (EBIT before exceptional items) climbed at a faster rate than revenue, advancing by 15.7 per cent year on year to reach €25.1 million. As a result, the EBIT margin before exceptional items improved by 30 basis points to 5.5 per cent.

Group forecast for 2019 confirmed

The continued strong demand from customers and the current level of orders on hand should provide a good degree of security for the DEUTZ engine business, particularly in the first half of the year. The Board of Management therefore confirms its forecast for 2019 as a whole in spite of the currently generally challenging macroeconomic and geopolitical environment. The Board of Management therefore confirms its forecast for 2019 as a whole: revenue is expected to rise to more than €1.8 billion and the EBIT margin before exceptional items to at least 5.0 per cent. The payment of the final instalment of the purchase consideration from the disposal of the Cologne-Deutz site could result in an exceptional item that would increase earnings by around €50 million this year.

Interim management statement for the first quarter of 2019 | Conference call

The full interim management statement for the first quarter of 2019, including the final results, will be published as scheduled on 7 May 2019. Dr Frank Hiller, CEO, and Dr Andreas Strecker, CFO, will explain the results to analysts and investors at a conference call on 7 May 2019, 10am CET. You can watch the live webcast on the internet: <https://www.deutz.com/en/investor-relations/>.

Upcoming financial dates

30 April 2019: Annual General Meeting in Cologne

7 May 2019: Interim management statement for the first quarter of 2019

Forward-looking statements

This press release may contain certain forward-looking statements based on current assumptions and forecasts made by the DEUTZ management team. Various known and unknown risks, uncertainties and other factors may lead to material differences between the actual results, the financial position or the performance of the DEUTZ Group and the estimates and assessments set out here. These factors include those that DEUTZ has described in published reports, which are available at www.deutz.com. The Company does not undertake to update these forward-looking statements or to change them to reflect future events or developments.

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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 competences are the development, production, distribution and servicing of diesel, gas and electric engines for professional applications. It offers a broad range of engines with capacities 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 4,700 employees worldwide and over 800 sales and service partners in more than 130 countries, and in 2018 generated revenue of €1,778.8 million.

Further information is available at www.deutz.com.

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