



**125**  
YEARS  
**STOCK**  
MARKET

# DEUTZ

## Q1 2025 results

April 30, 2025

# Disclaimer

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Unless stated otherwise, all the figures given in this presentation refer to continuing operations.

The details given in this document are based on the information available at the time it was prepared. This presents the risk that actual figures may differ from forward-looking statements. Such discrepancies may be caused by changes in political, economic, or business conditions, a decrease in the technological lead of DEUTZ's products, changes in competition, the effects of movements in interest rates or exchange rates, the pricing of parts supplied, and other risks and uncertainties not identified at the time this document was prepared.

The forward-looking statements made in this document will not be updated.



# Overview & current development

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Dr. Sebastian C. Schulte

# Q1 2025: Robust performance in continuously challenging environment



## New orders

**€546.1 million**

+30.3% year-on-year,  
driven by contribution of  
recent M&A, flat organic  
order development

## Revenue

**€489.0 million**

+7.5% y-o-y  
due to strong service  
business and M&A –  
organic growth slightly  
negative

## EBIT margin<sup>1</sup>

**4.3%**

-1.8pp y-o-y, negative scale  
effects significantly  
mitigated by profitable  
acquisitions, service  
business and cost  
discipline

## FCF<sup>2</sup>

**€23.4 million**

+€18.3 million y-o-y,  
exceptional strong  
operating cash flow





## Dual+ strategy progressing – environment remains volatile



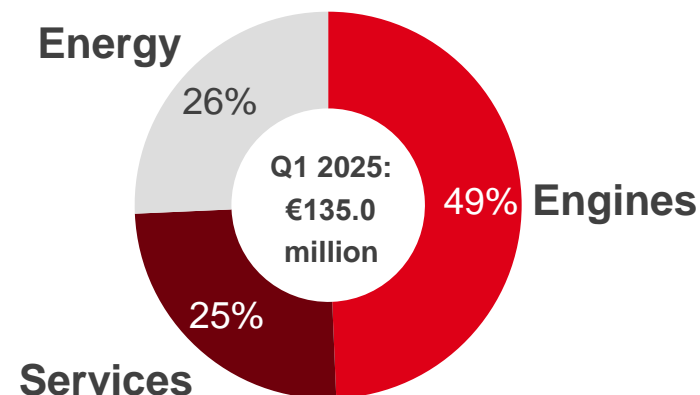
- Business Unit **Energy** continues excellent performance driven by Blue Star Power Systems
- Acquisition of **UMS**, announced beginning of Q2, will substantially broaden the footprint of the New Technology business
- **HJS Emission Technology** consolidated since January, securing supply chain with innovative aftertreatment systems
- Successful **bauma 2025** trade fair with positive customer sentiment, but still cautious ordering behavior for new engines
- Cost program **Future Fit** on track, lowering cost base by €50 million until end of FY 2026

# US business is a cornerstone of our Dual+ strategy



- DEUTZ' US business expected to show significant continuing growth in the upcoming years
- Longer-lasting need for combustion engines in US work equipment to prevail due to large geography, partially remote operations, heavy-duty use cases and different regulatory framework than in Europe
- About half of US business more locally driven (Services and Energy) whilst Classic engines mainly import
- Largest application segments for Classic engines: Material Handling (~52%), Stationary Equipment (~14%), Construction (~11%)
- Current tariff situation fuels uncertainty & affects order behavior
- High tariffs expected to also impact our competitors – leading to overall higher prices/inflationary pressure in our customer industries

## DEUTZ revenues in the USA



# Acquisition of Urban Mobility Systems – UMS



## Application examples

- Innovation leader in battery-electric drives primarily for the off-highway sector
- Purchase of 100% stake in UMS by DEUTZ signed on April 6, 2025; closing expected in Q2 – all regulatory approvals granted
- Dutch company, founded in 2016 by Lars Kool in Oss, The Netherlands, currently privately owned
- DEUTZ as ideal partner to scale-up UMS technology and support go-to-market in DEUTZ core customer segments

**Excavators & Articulated Loaders**



**Asphalt & Rollers**



**Crawler Cranes & Special Equipment**



# UMS enables electrification in on- and off-road applications



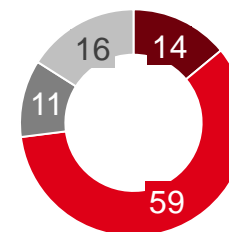
## Overview

- Development and assembly of electrification solutions for on- and off-highway vehicles
- >200 machines such as excavators, wheel loaders and cranes already successfully electrified
- Successful market access via distributors
- 2024 revenue: approx. €10 million
- Order book and LOI in the high double-digit million-euro range



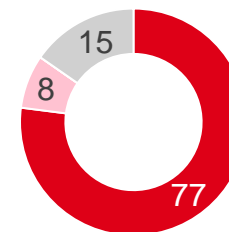
## Revenue breakdown 2024, in %

Business area



- Prototyping
- Conversion/ Pilot Series
- Electrification kits
- Others

Product category



- Excavators
- Telehandlers
- Lkw
- Components & miscellaneous





## UMS offers opportunities in the defense sector



- Opportunity for new defense applications
- Initial feasibility studies launched with relevant partners
- Idea: Equipping military vehicles like the Bushmaster troop transporter with a hybrid solution for tactical reasons – electric drive allows for lower noise signature



# Q1 2025 in numbers

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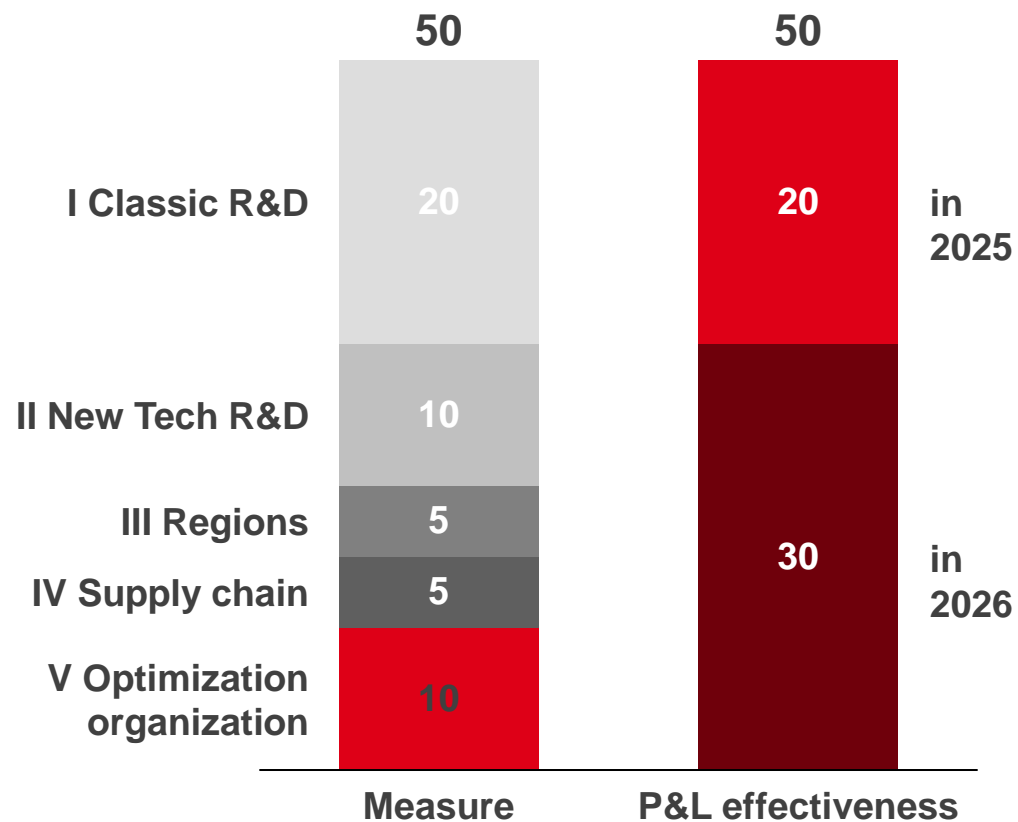
Oliver Neu



# Future Fit cost program: >€20 million to be achieved in current year



## Cost program (in € million)



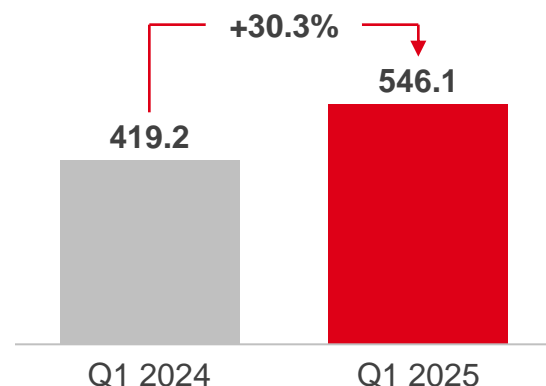
- On track in measure implementation
- Overall reduction of ~300 FTE planned, thereof ~50 FTE outside Germany
- As of now, already ~75 termination contracts in Germany and ~30 abroad signed or clearly agreed on, reduction of ~75 FTE via fluctuation; advanced discussions on remaining ~120 FTE
- Total costs for Future Fit expected at €25 million, respective provisions booked in Q1 2025 as exceptional item
- Attractive payback period

# DEUTZ Group – Q1 2025 business figures



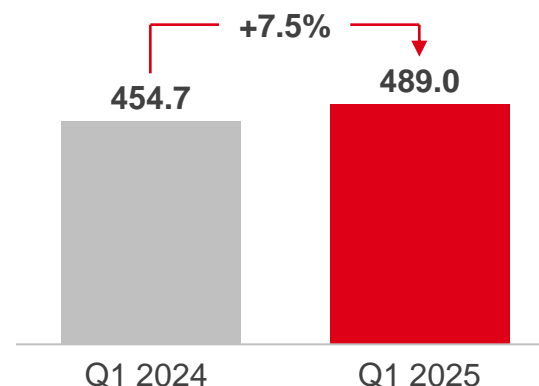
## New orders

in € million



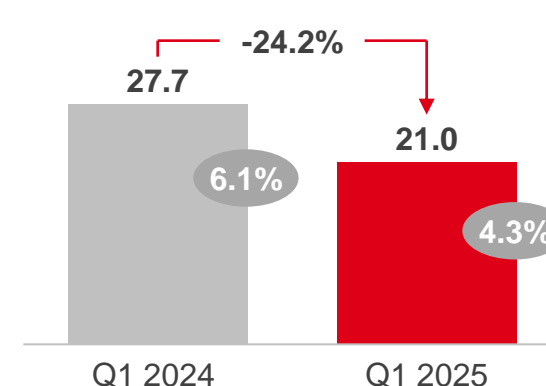
## Revenue

In € million



## Adjusted EBIT<sup>1</sup>

in € million (margin in %)



- **New orders** driven by portfolio development; book-to-bill ratio at 1.1 (Q1 2024: 0.9) and order backlog at €521.0 million (Q1 2024: €414.9 million)
- **Revenue:** decline in application segments Construction (-14%) and Material Handling (-20%); Stationary Equipment reflecting M&A (+103%), Agricultural Machinery flat (+1%), Service +12%,
- **Earnings:** ~-25% lower inhouse production resulting in lack of fix cost absorption even at reduced shift pattern, mitigated by profitable M&A, growth of service business and Future Fit; net income of €-10.0m due to Future Fit provisions (€25.0m)



# Segment DEUTZ Engines & Services



## Engines & Services

| in € million                     | Q1 2024               | Q1 2025                      |
|----------------------------------|-----------------------|------------------------------|
| <b>New orders</b>                | 408.7                 | <b>475.9</b>                 |
| <b>Revenue</b>                   | 449.7                 | <b>448.1</b>                 |
| <b>Adjusted EBIT<sup>1</sup></b> | 37.2<br>(margin 8.3%) | <b>28.7</b><br>(margin 6.4%) |

Segment comprises Business Units **Classic** (combustion engines) **and Service** (for Classic engines)

### Engines

- 30,630 units sold (-19.2% y-o-y)
- Significantly lower production volume (-25.7% y-o-y) resulting into negative economies of scale
- HJS<sup>2</sup> consolidated from beginning of January 2025

### Services

- Revenues of €137.6 million (+10.7% y-o-y)
- Service for Daimler Truck off-highway engines fully established

<sup>13</sup> Note: Relates to continuing operations only. <sup>1</sup> Before exceptional items. <sup>2</sup> DEUTZ owns 50% stake in HJS Emission Technology GmbH & Co. KG and fully consolidates HJS due to governance structure in place.

# Segment DEUTZ Solutions



## Solutions

| in € million                     | Q1 2024 | Q1 2025     |
|----------------------------------|---------|-------------|
| <b>New orders</b>                | 10.5    | <b>70.2</b> |
| <b>Revenue</b>                   | 5.0     | <b>40.9</b> |
| <b>Adjusted EBIT<sup>1</sup></b> | -9.6    | <b>-7.5</b> |

Newly established segment comprises Business Units **Energy** (decentralized energy/ gensets) and **New Technology** (alternative drive systems/ formerly “Green”)

### ■ Energy

- Positive order momentum, including major order, resulting in book-to-bill ratio for Energy of 1.7
- Revenue of €38.9 million (Q1 2024: €3.9 million)
- Adjusted EBIT of €3.5 million<sup>2</sup>

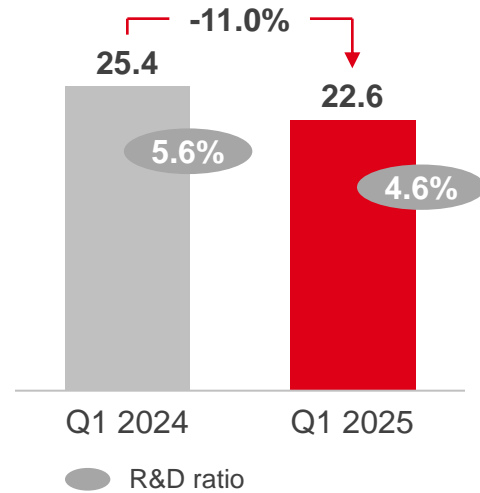
### ■ New Technology

- Revenue of €2.0 million (Q1 2024: €1.1 million)
- Adjusted EBIT of €-11.0 million, with frontloaded R&D spendings in Q1

# R&D spending, capital expenditure, and working capital

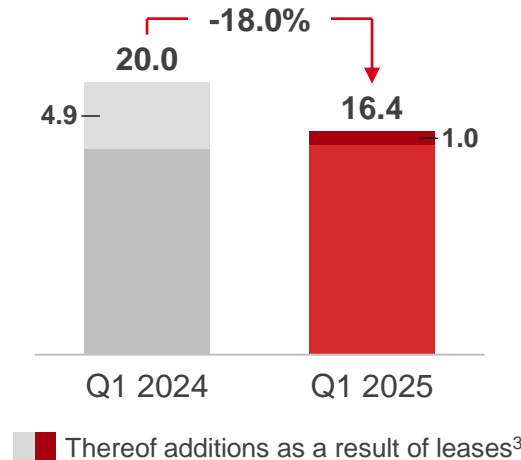
## Net R&D spending<sup>1</sup>

in € million



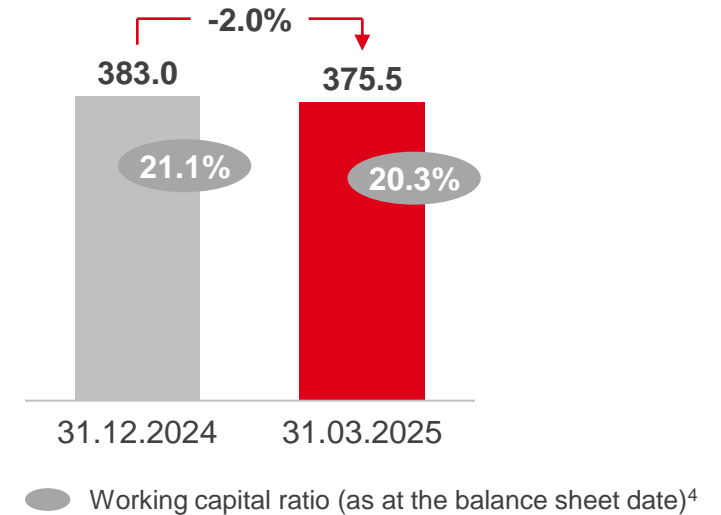
## Capital expenditure<sup>1,2</sup>

in € million



## Working capital

in € million

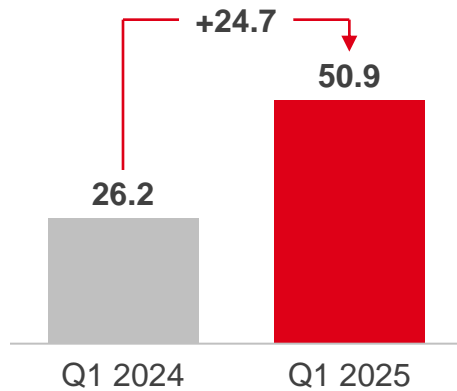


- **R&D spending** allocated to Engines & Services segment of €14.6 million and to Solutions segment of €8.0 million
- **Capex**, amongst others, for adjustments of assembly lines, logistic facilities and IT
- **Working capital** slightly reduced, increase in inventories and trade receivables offset by higher trade payables due to material purchases at the end of the quarter

# Cash flow and net debt

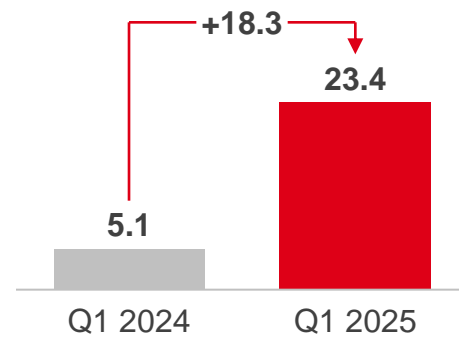
## Cash flow from operating activities

in € million



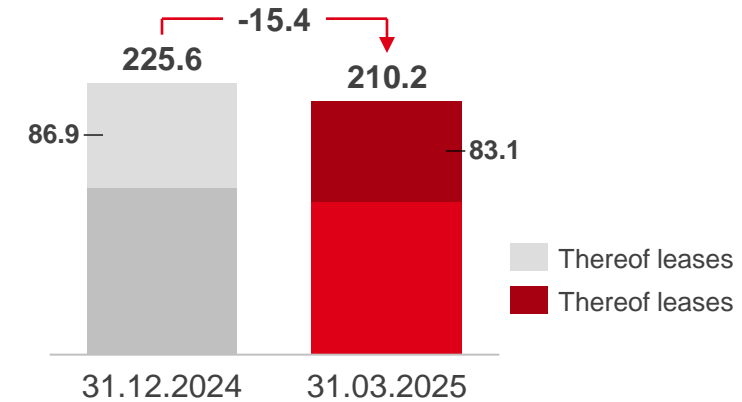
## Free cash flow<sup>1</sup>

in € million



## Net debt<sup>2</sup>

in € million



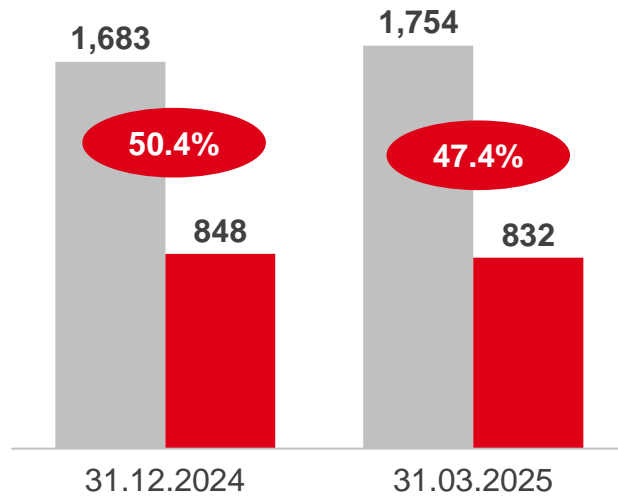
- **Operating cash flow:** Working Capital development and provisions, among others, offset lower earnings
- **FCF<sup>1</sup>** mainly reflects operating cash flow
- **Net debt** decreased in Q1 2025 compared to year-end 2024 as result of positive FCF<sup>1</sup>



# Balance sheet, financing and dividend

## Equity<sup>1</sup>

in € million

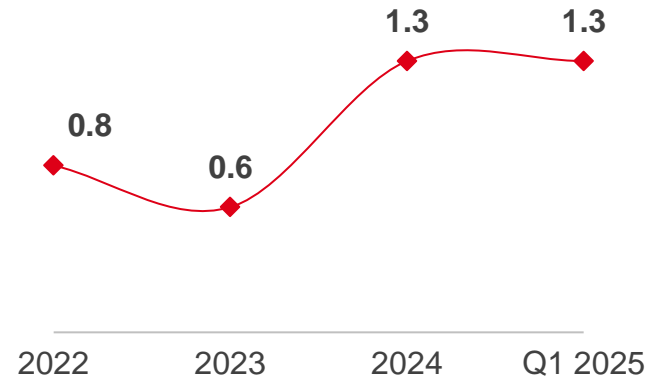


■ Total assets ■ Equity

○ % Equity ratio

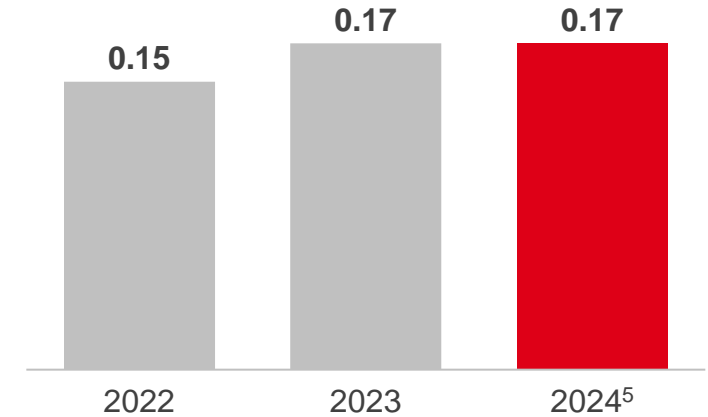
## Leverage<sup>2</sup>

Net debt<sup>3</sup>/EBITDA LTM<sup>4</sup>



## Dividend per share

in €



- **Equity ratio** lower at 47.4%, impacted by negative net result due to Future Fit provisions and increased total assets
- **Leverage** stable at moderate 1.3x compared to year-end 2024
- **Dividend proposal** of € 0.17 in line with new dividend policy (“stable or higher than previous year”)

<sup>1</sup> Relates to the entire Group including discontinued operations. <sup>2</sup> Relates to continuing operations only. <sup>3</sup> Cash and cash equivalents less current and non-current interest-bearing financial liabilities. <sup>4</sup> Before exceptional items. <sup>5</sup> Proposal of Supervisory Board and Board of Management to the AGM of DEUTZ AG on May 8, 2025.



# Guidance for 2025

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Dr. Sebastian C. Schulte

# Guidance 2025 confirmed despite macroeconomic uncertainty



- Economic recovery expected in the second half of 2025
- Sustainable cost savings of at least €20 million from Future Fit program already effective in 2025; contrary one-off program costs classified as exceptional items
- Further development of the portfolio planned with a focus on the profitable, stable service and energy businesses

## Guidance 2025

unchanged

### Revenue



**€2.1 to €2.3 billion**

thereof €2.0 to €2.2 billion in the DEUTZ Engines & Services segment and €150 to €200 million in the DEUTZ Solutions segment

### Adjusted EBIT margin<sup>1</sup>



**5.0 to 6.0%**

DEUTZ Engines & Services at 6 to 7%; DEUTZ Solutions at -10% to break-even overall, Energy business counteracts start-up losses in New Technology business with a margin of 10 to 13%

### Free cash flow<sup>2</sup>



**Mid-double-digit million-euro amount**

MOVING  
AHEAD

## Upcoming Annual General Meeting 2025



- Virtual AGM on May 8, 2025
- Dividend proposal of €0.17 per share (in line with new dividend policy)
- Proposals for capital authorizations largely renew previous status prior to capital increase 2024
- AGM 2026 will be held as an in-person meeting in Cologne



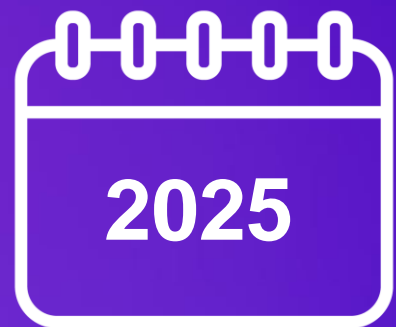




**Thank you for  
your attention!**

Any questions?

# Financial calendar and contact details



## Financial calendar

|                                  |                  |
|----------------------------------|------------------|
| Annual General Meeting (virtual) | May 8, 2025      |
| H1 2025 interim report           | August 7, 2025   |
| Q3 2025 quarterly statement      | November 6, 2025 |

## Contact

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**DEUTZ 2024 – THE MAGAZINE**

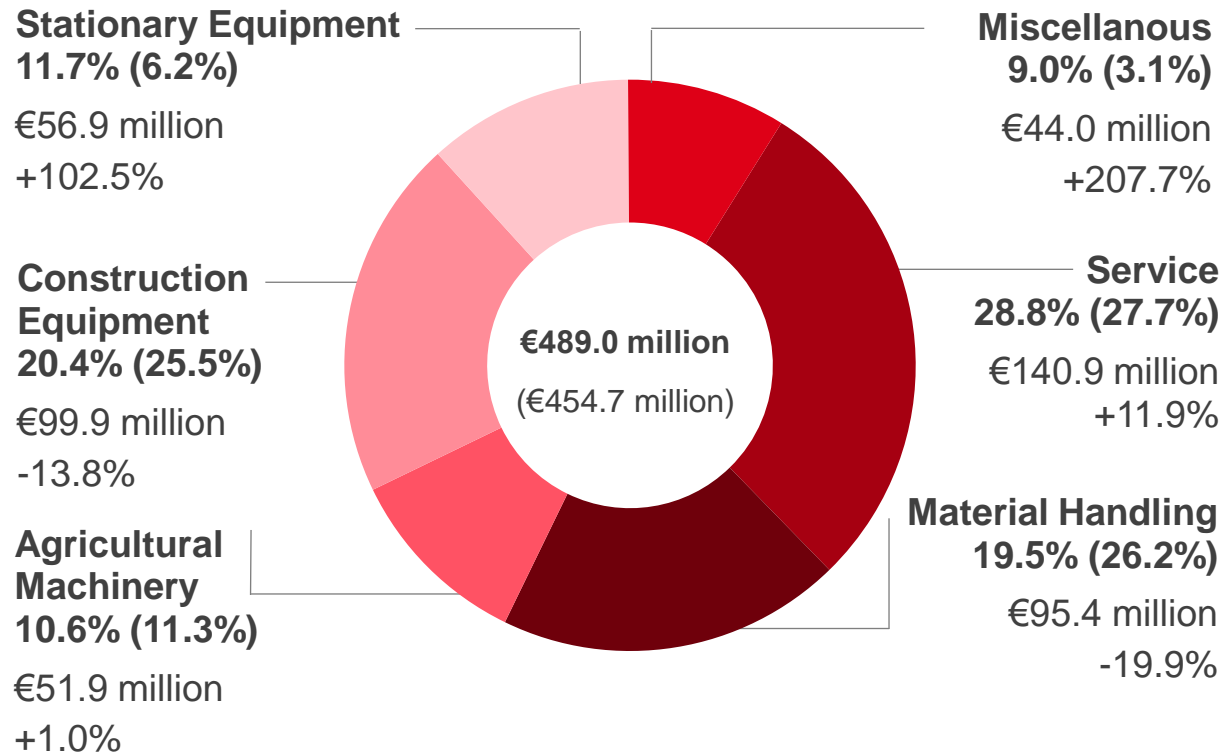
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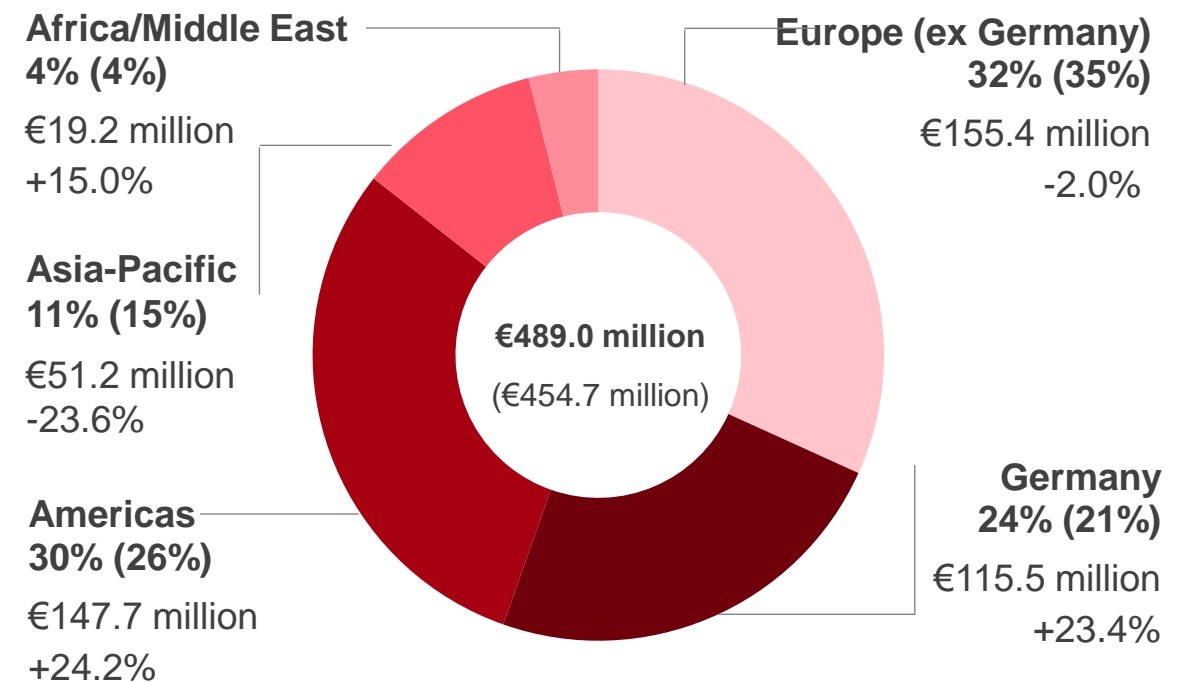
# Appendix

# Q1 2025: Revenue breakdown by application and region

## Revenue by application segment<sup>1</sup> Q1 2025 (Q1 2024)



## Revenue by region<sup>1</sup> Q1 2025 (Q1 2024)





# Future Fit: Potential confirmed in all areas

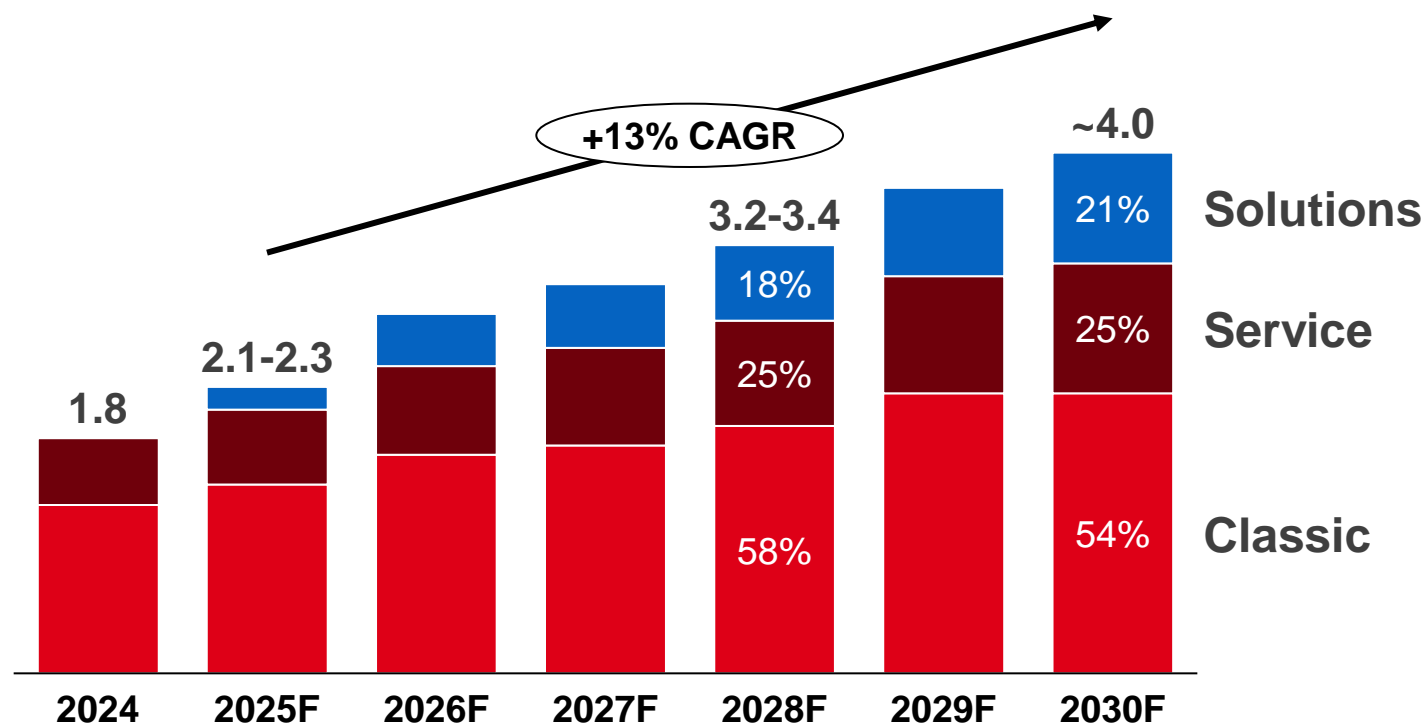


| Field |  |                    | Details   |
|-------|--|--------------------|---|
| I     | R&D costs in the <b>Classic segment</b>                    | <b>€20 million</b> | Flexibilization and reduction of capacities and costs – through offshoring, nearshoring and reduction of jobs in Cologne  |
| II    | More focused spending on <b>R&amp;D in New Tech</b>        | <b>€10 million</b> | Alignment of product development budgets with market development and reduction of effort by approximately 30%   |
| III   | Adjustment of the <b>positioning in the regions</b>        | <b>€5 million</b>  | Review of the structures in the country organizations – especially at the sites in Shanghai and Beijing   |
| IV    | Optimization of <b>supply chain</b> in Classic and Service | <b>€5 million</b>  | Synergies through joint optimization (classic and service) of the supply chain – from order acceptance to delivery  |
| V     | Optimization of <b>central functions</b>                   | <b>€10 million</b> | More efficient positioning, among other things through streamlining of management structures, efficiency in sales and sustainable reduction of costs in the IT area |

# Dual+ strategy incorporates mid-term targets 2028 and ambitions 2030



## Mid-term revenue ambition (in € billion)



- **Solutions** expected to grow at 30% CAGR until 2030; more than €500 million in revenue expected from Energy – growth driven both organically and by acquisitions and >€300 million revenue from New Technology
- **Service** growing in line with DEUTZ overall and contributing 25% to revenue – disproportionately high EBIT contribution
- **Classic** expected to grow in absolute terms, but overall contribution decreases

Sales growth and further development of the business model to lead to a 10% EBIT margin by 2030



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