

# DEUTZ

## H1 2025 results

August 7, 2025



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

# Disclaimer

---



Unless stated otherwise, all 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

---

Dr. Sebastian C. Schulte

# H1 2025: Portfolio development pays off with profitable growth



## New orders

**€1,034 million**

+30.7% y-o-y,  
latest acquisitions and  
business unit Energy  
overcompensates weak  
engine demand due to  
economic conditions

## Revenue

**€1,007 million**

+15.0% y-o-y  
due to contribution from  
M&A and healthy service  
business

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

**4.7%**

-1.0pp y-o-y, still impacted  
by low production volumes,  
but positive trend in Q2  
and mitigated by profitable  
M&A and cost program

## FCF<sup>2</sup>

**€14.4 million**

+€49.5 million y-o-y,  
FCF with normalization in  
Q2 after very strong Q1



# Highlights Engines: Strong interest for new engine and TAFE cooperation preparing for production



## Launch of DEUTZ TCD 3.9 engine

- **New engine with state-of-the-art technical concept** (one engine platform from 75kW up to 130kW, better peak performance) launched this year
- Developed in cooperation with **John Deere**
- **High demand from various international OEMs**, large-scale contract with leading European construction machinery company recently signed



## Status TAFE cooperation

- Important milestone for TAFE cooperation: **ground-breaking for production line** in new plant (July 2025)
- Project on track for **start of production in 2027**
  - **2025**: Conclusion of supplier nomination and Design Approval Process, finalization of IT interfaces
  - **2026**: C-sample readiness, engine validation, inauguration assembly line
  - **Early 2027**: start of series production (up to 30k engines p.a.)

# Highlights Services: Organic and inorganic growth continues



## Strengthening of industrial fleet service

- Appointed as **Authorized Technical Service Partner for JLG in Spain**, one of the world's leading manufacturers of aerial work platforms and telehandlers
  - One-stop shop solution for all customer needs
  - Comprehensive service offerings for JLG equipment both for built-in DEUTZ engines and entire machine
- Additionally **continued expansion of network of Authorized JLG Service Providers in the US** – most recently in Nevada



## Acquisition of service company in Turkey

- Signing of acquisition of **Turkish DEUTZ distributor** and service partner **Catalkaya Makina** to secure and grow successful business in the region (June 2025)
- Revenues of almost €10 million with a double-digit EBIT margin, achieved by around 50 employees
- Main application areas: Mining, construction, power generation



## Highlights New Technology: UMS acquisition completed



- **Acquisition of UMS** (Urban Mobility Systems), the Dutch specialist for the electrification of off-highway vehicles, closed beginning of June 2025
- **Integration approach** similar to Blue Star Power Systems: Focus on keeping entrepreneurial spirit and strengths
- **Founder Lars Kool** integrated into BU leadership and now leading Technology
- **Strong business trajectory** at UMS with ongoing deliveries
  - Electrified Liebherr 916 e excavator for German construction company
  - Hyundai HX85 compact excavator with modular drivetrain by UMS for Danish customer
  - More to come...





## Highlights Energy: Blue Star Power Systems with continued strong growth



- **Continued profitable growth** of Blue Star Power Systems (BSPS)
  - H1 2025 EBIT margin of ~20% before PPA
  - BSPS key dealer secured contract with major US retailer, adding to its already very successful business with another retail leader
  - Creating synergies and growth opportunities with DEUTZ service network: **DEUTZ Power Center technicians** from all over the US visited BSPS for genset training
- **MAGIDEUTZ transformation** continues
  - New Managing Director since April 2025, new Technical Director about to start
  - Adding new dealers in Northern Africa





## **Business Unit Defense established: Provide power for those who protect**



- New business unit **Defense** bundles DEUTZ's technology and offerings for a targeted market exploitation in the defense sector
- **Focus markets:**
  - Mobility and energy solutions for the European defense segment
  - Strong service and spare part business to ensure operational readiness
- **Ambition:** We merge our different technologies to deliver specific customer solutions and thus become a recognized market participant among all defense stakeholders
- **Current projects:**
  - V8 Powerpack together with RENK for repowering project
  - Engine for power supply of air defense system
  - Engine deliveries for military vehicles in Ukraine



# H1 2025 in numbers

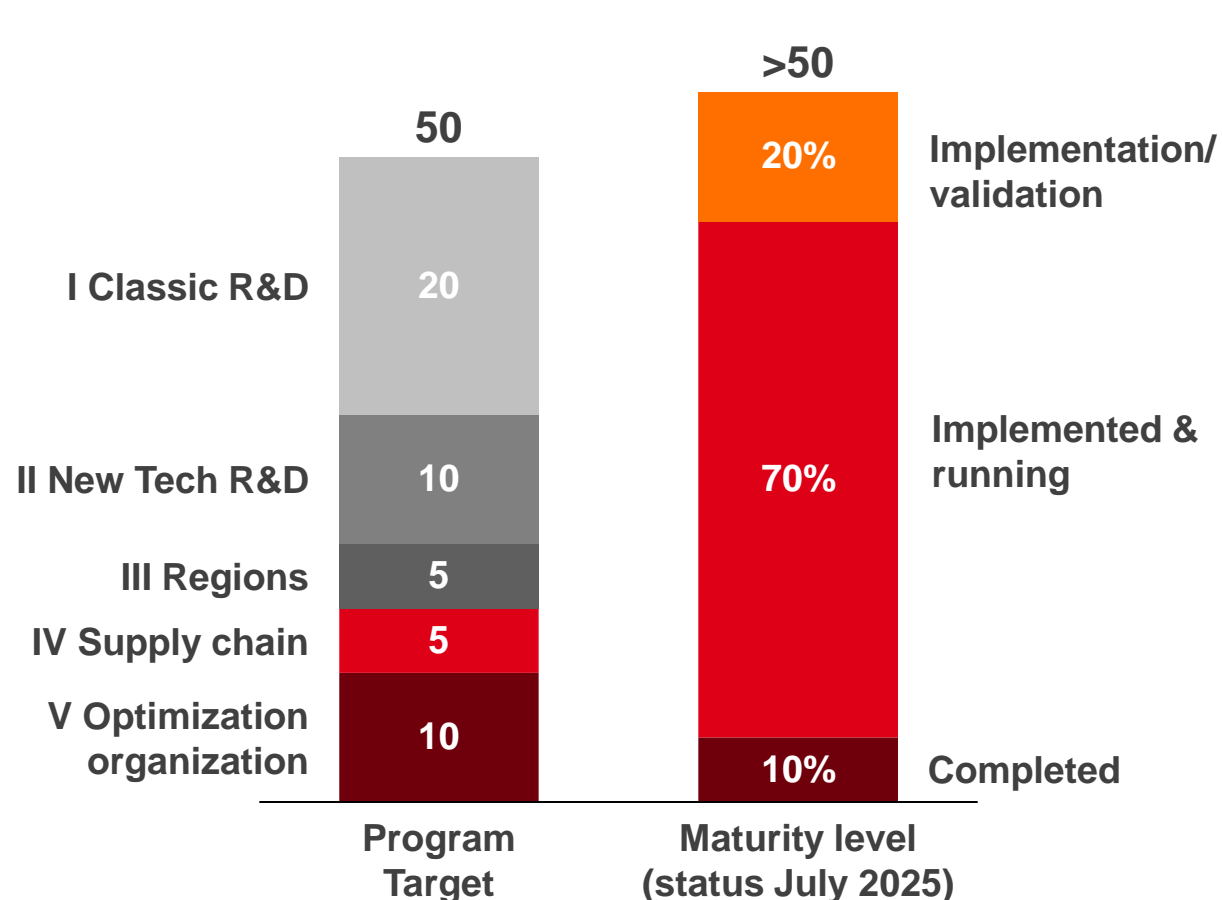
---

Oliver Neu

# Future Fit: Expected savings for FY 2025 increased to >€25 million



## Future Fit cost program (in € million)



- Program fully on track, sustainable savings of >€50 million from end of 2026 onwards
- Savings target for 2025 increased to >€25 million (from >€20 million)
- Reduction target of 300 FTE reconfirmed: 225 in Germany<sup>1</sup> and 75 in rest of world
  - 90 FTE left already, further 120 until year-end, remainder in 2026
- Majority of 2025 savings in H2, when further FTE with termination contracts leaving DEUTZ
- Provisions for Future Fit of €25 million booked in Q1 2025 as exceptional item expected to fully cover program costs

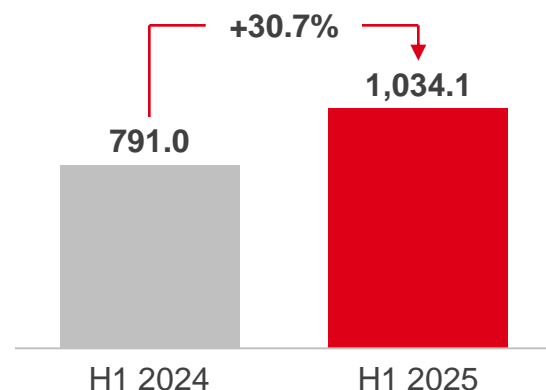


# DEUTZ Group – H1 2025 business figures



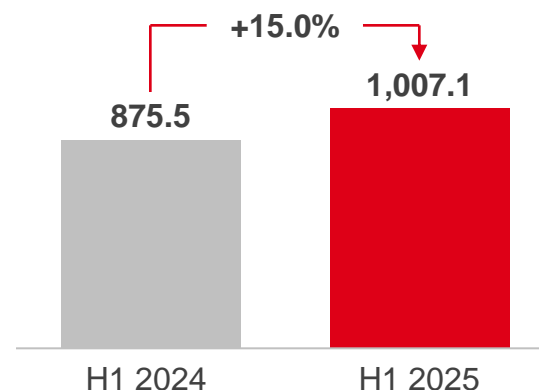
## New orders

in € million



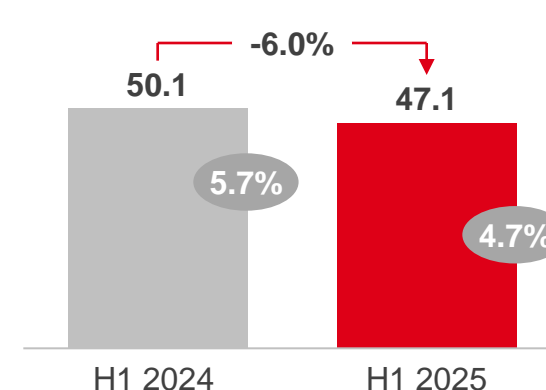
## Revenue

In € million



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

in € million (margin in %)



- **New orders** rose significantly due to portfolio development; book-to-bill ratio at 1.0 (H1 2024: 0.9) and order backlog at €490.9 million (H1 2024: €365.9 million)
- **Revenue:** Application areas Construction (+4%) and Agricultural Machinery (+16%) increased H1 revenues y-o-y due to positive trend in Q2, Material Handling (-15%) suffers from low US business; Service +9%
- **Earnings:** Lack of fix cost absorption due to low production volume, but positive trend in Q2 q-o-q; net income of €7.8m (H1 2024: €25.6 million), despite Future Fit provisions of €25.0m booked in Q1

# Segment DEUTZ Engines & Services



## Engines & Services

in € million	H1 2024	H1 2025
<b>New orders</b>	774.7	<b>932.2</b>
<b>Revenue</b>	864.5	<b>923.4</b>
<b>Adjusted EBIT<sup>1</sup></b>	67.7 (margin 7.8%)	<b>56.7</b> (margin 6.1%)

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

### ■ Business Unit Engines

- 66,148 units sold (-10.1% y-o-y)
- H1 2025 production still 14.6% below previous year, leading to negative economies of scale, but production volume slightly increased in Q2 q-o-q
- HJS<sup>2</sup> consolidated from beginning of January 2025

### ■ Business Unit Services

- Revenues of €268.6 million (+8.0% 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	H1 2024	H1 2025
<b>New orders</b>	16.3	<b>101.8</b>
<b>Revenue</b>	11.0	<b>83.7</b>
<b>Adjusted EBIT<sup>1</sup></b>	-17.8	<b>-10.2</b>

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

## ■ Business Unit Energy

- Book-to-bill ratio of 1.1, solid order momentum in Q2 after major order booked in Q1
- Revenue of €79.3 million
- Adj. EBIT of €8.0 million<sup>2</sup>

## ■ Business Unit New Technology

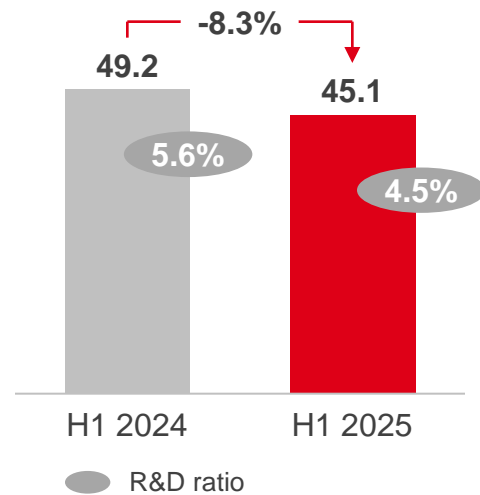
- New orders of €12.2 million (H1 2024: €2.7 million), driven by first time consolidation of new subsidiary UMS in June 2025
- Revenue of €4.4 million (H1 2024: €2.2 million)
- Adj. EBIT of €-18.2 million (H1 2024: €-17.8 million), successful cost reduction in Q2



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

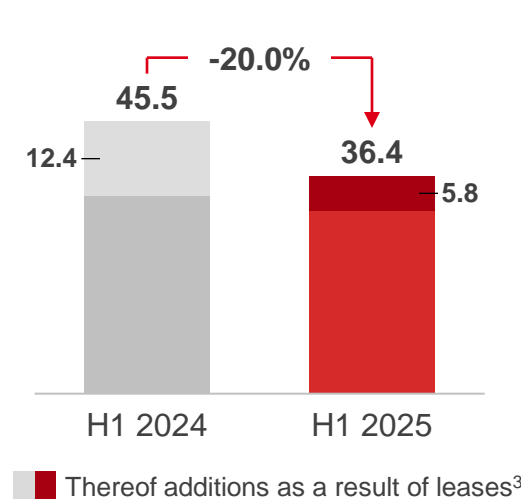
## Net R&D spending<sup>1</sup>

in € million



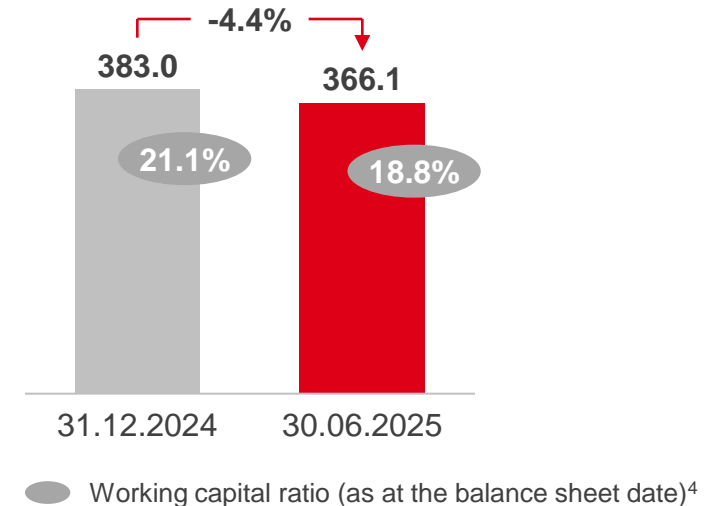
## Capital expenditure<sup>1,2</sup>

in € million



## Working capital

in € million

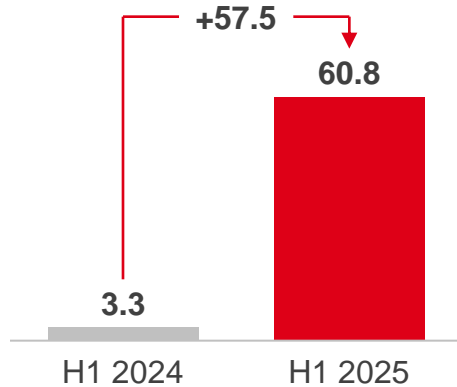


- **R&D spending** for Engines & Services of €31.3 million and for Solutions of €13.8 million, first impact of cost reduction program
- **Capex** predominantly for adjustments of assembly lines, replacement procurements, logistic facilities and IT
- **Working capital** reduced, increase in inventories and trade receivables offset by higher trade payables

# Cash flow and net debt

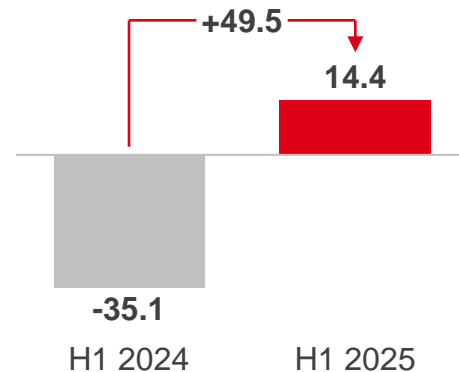
## Cash flow from operating activities

in € million



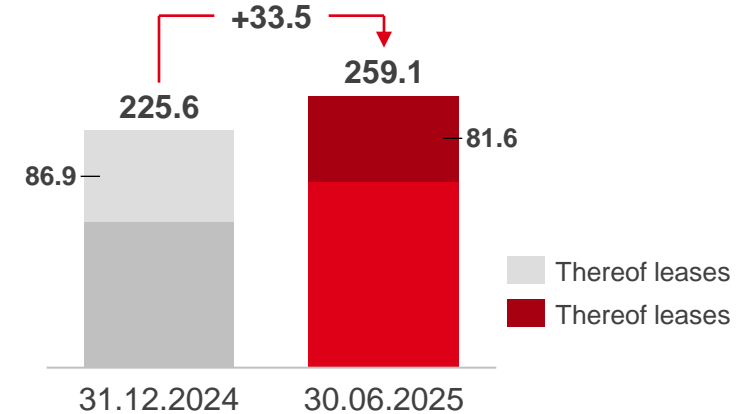
## Free cash flow<sup>1</sup>

in € million



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

in € million

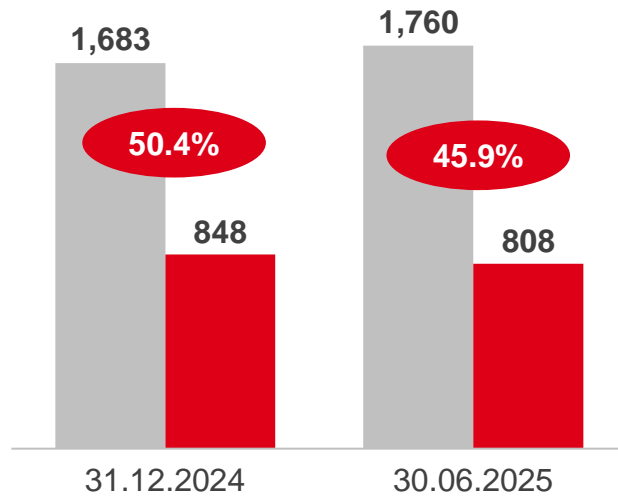


- **Operating cash flow:** Primarily working capital development and provisions offset lower earnings
- **FCF<sup>1</sup>** improvement mainly reflects higher operating cash flow
- **Net debt** increased compared to year-end 2024 due to slightly negative cashflow from financing activities

# Balance sheet, financing and dividend

## Equity<sup>1</sup>

in € million

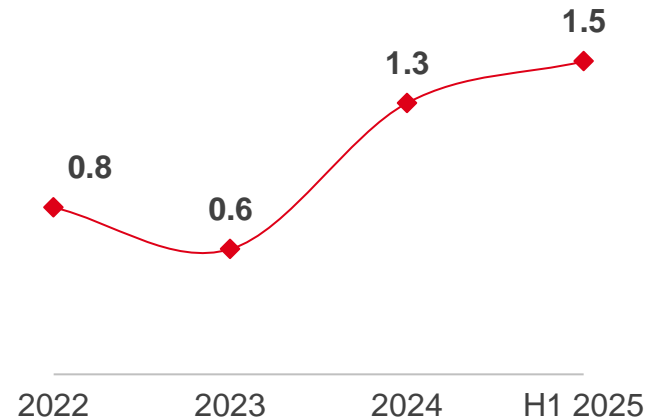


■ Total assets ■ Equity

○ % Equity ratio

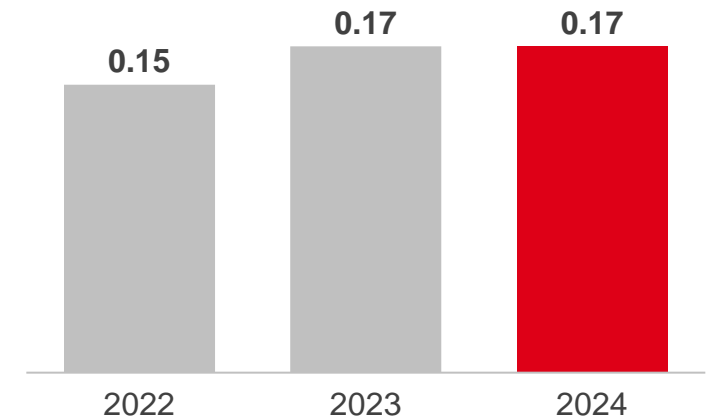
## Leverage<sup>2</sup>

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



## Dividend per share

in €



- **Equity ratio** at 45.9%, impacted by negative exchange rate effects and dividend payment
- **Leverage** increased to still moderate 1.5x
- **Dividend payout** of €23.6 million in Q2 following Annual General Meeting (May 8, 2025)

<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.





# Guidance for 2025

---

Dr. Sebastian C. Schulte

# Guidance 2025 confirmed



- Economic recovery expected in the second half of 2025
- Sustainable cost savings of at least €25 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**





## Transformation into a more broadly positioned and resilient company



- Good progress in all businesses – supported by our portfolio moves and partnerships
  - Engines: **Cooperation with TAFE** progressing with start of series production in India in 2027
  - Service: Continued **growth trajectory**, e.g. with signed acquisition of service company in Turkey
  - New Tech: Acquisition of **UMS**, an innovation leader in battery-electric drives for the off-highway sector, closed beginning of June 2025 with founder **Lars Kool** leading Technology in the business unit
  - **Energy: Continued strength** of Blue Star Power Systems
  - **Defense:** Establishment of new business unit to strategically expand footprint in the defense sector
- Cost program **Future Fit** ahead of plan, sustainably lowering cost base by >€50 million until end of FY 2026

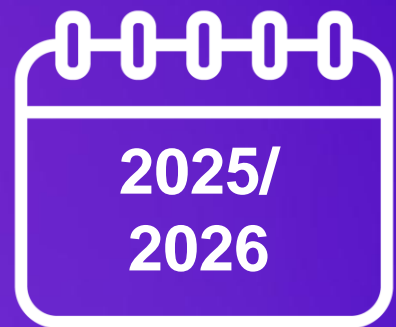


**Thank you for  
your attention!**

Any questions?



# Financial calendar and contact details



## Financial calendar

Q3 2025 quarterly statement	November 6, 2025
2025 annual report	March 26, 2026

## Contact

Investor Relations  
+49 (0) 221 822-3600  
[ir@deutz.com](mailto:ir@deutz.com)

Follow us on



**ANNUAL REPORT 2024**

[www.deutz.com/en/annualreport2024](http://www.deutz.com/en/annualreport2024)



**DEUTZ 2024 – THE MAGAZINE**

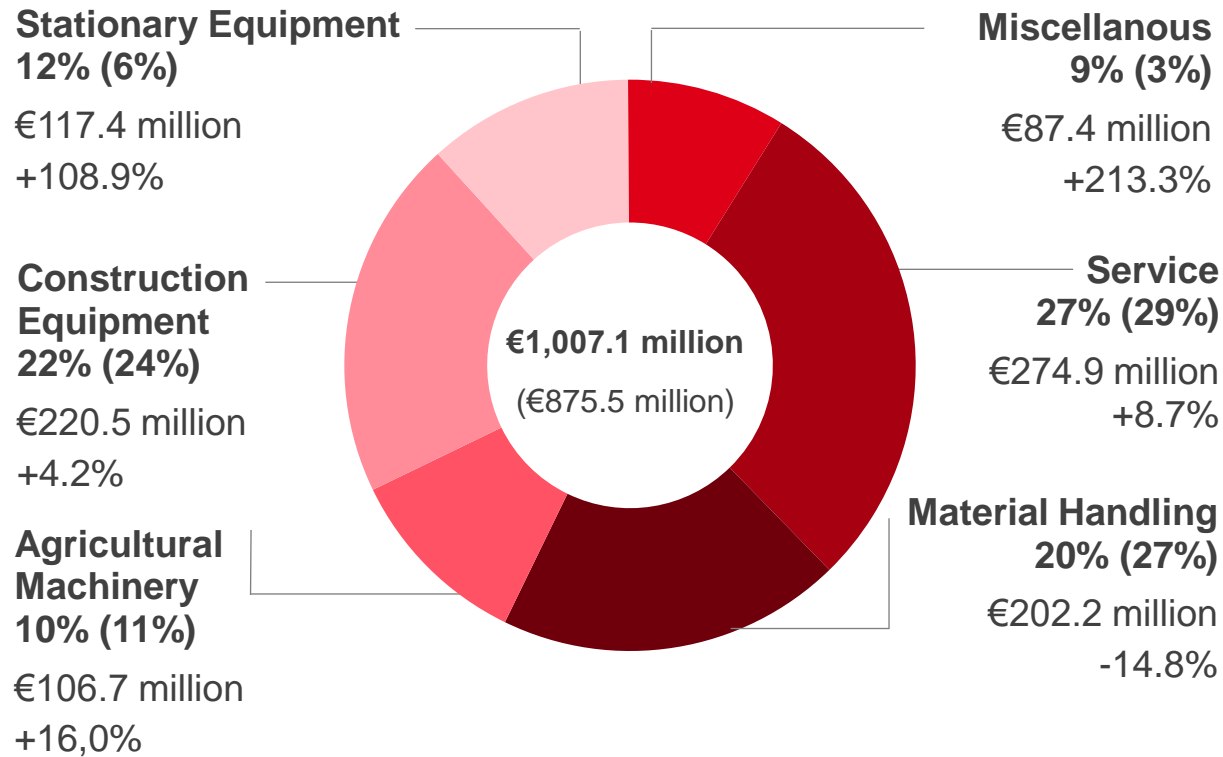
[www.deutz.com/en/magazine2024](http://www.deutz.com/en/magazine2024)



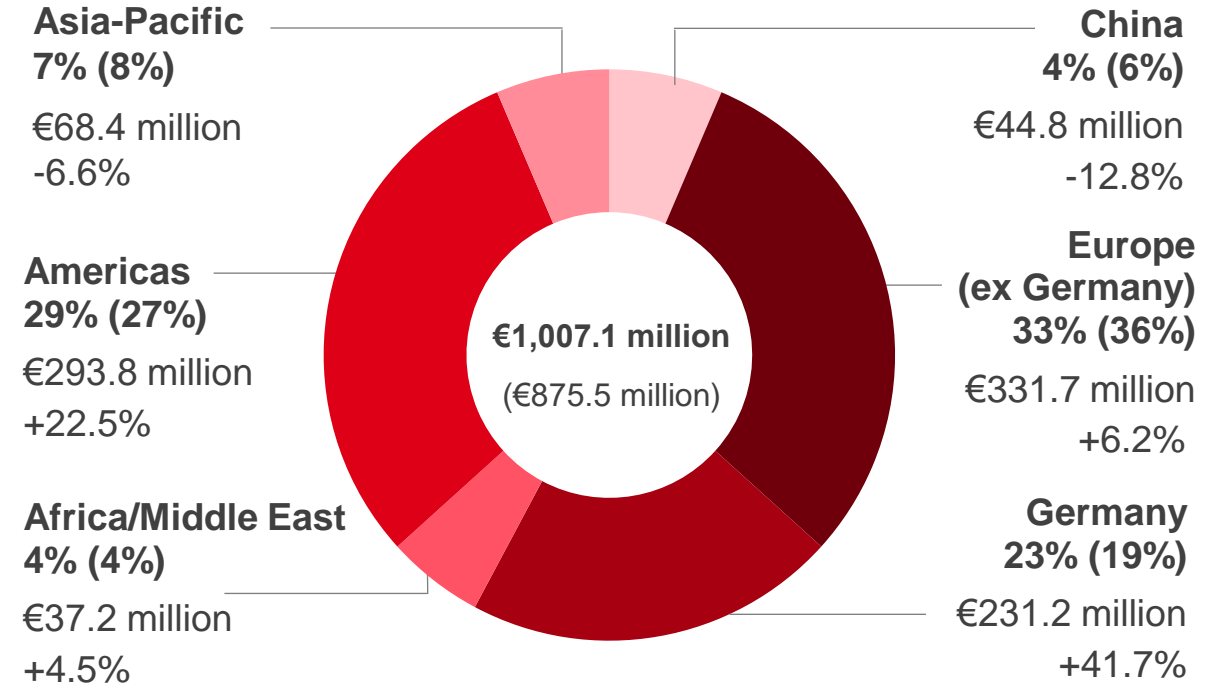
# Appendix

# H1 2025: Revenue breakdown by application and region

## Revenue by application segment<sup>1</sup> H1 2025 (H1 2024)



## Revenue by region<sup>1</sup> H1 2025 (H1 2024)



## Future Fit cost program: Potential confirmed in all areas

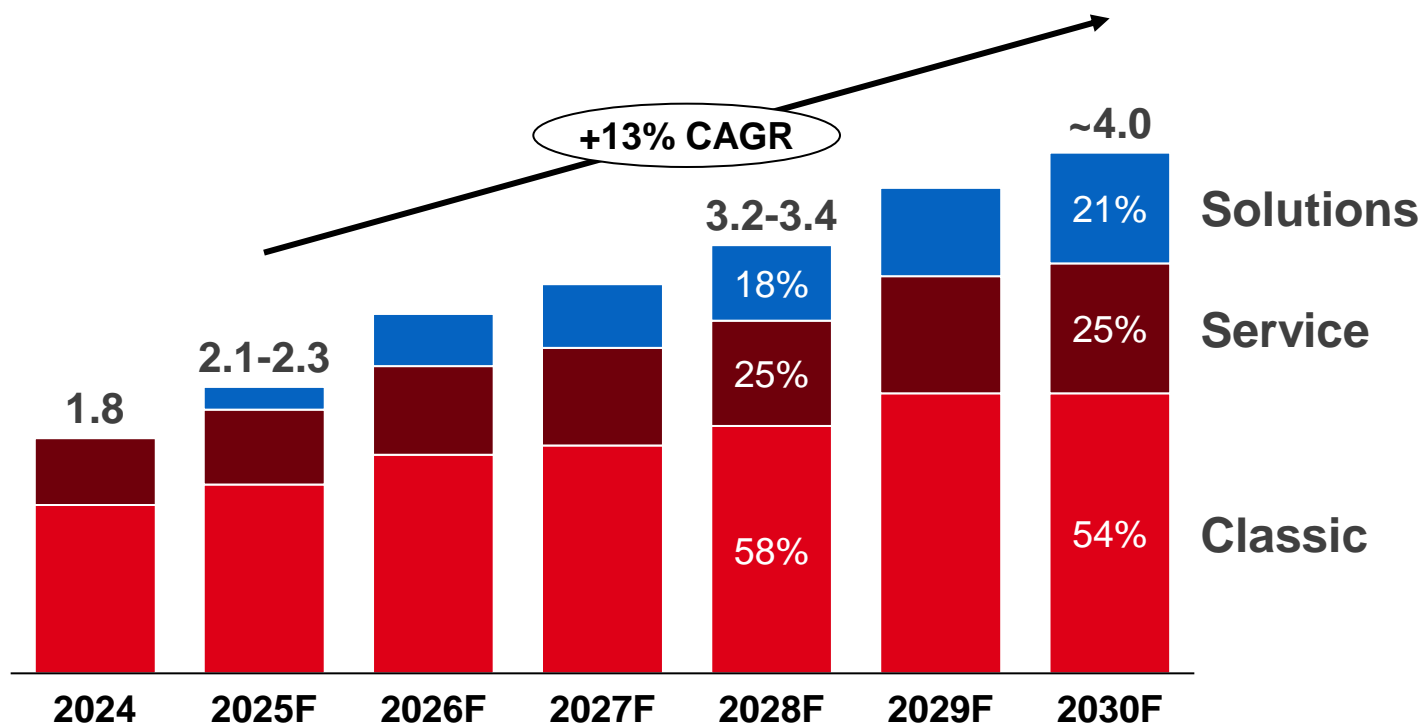
Field			Details
I	R&D costs in the <b>Classic segment</b>	<b>€20 million</b>	Flexibilization and reduction of capacities and costs – through offshoring, nearshoring and reduction of jobs in Cologne
II	More focused spending on <b>R&amp;D in New Tech</b>	<b>€10 million</b>	Alignment of product development 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



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