

As at May 2, 2025

Speech by DEUTZ CEO Dr. Sebastian C. Schulte

for the virtual Annual General Meeting of DEUTZ AG on May 8, 2025

– Check against delivery –

Ladies and gentlemen,
shareholders,
colleagues,

You will have just seen in the short video that, 161 years after DEUTZ was founded, we are marking the 125th anniversary of our flotation on the stock market. This means that DEUTZ has been a listed company for 125 years, and we have had 125 years of transparency, modern corporate governance, and access to capital. DEUTZ's history shows how important these factors are when it comes to seizing opportunities in times of significant change and achieving long-term success.

Our Company is currently undergoing such change or, as it is often referred to, a transformation. And we are also seeing quite a shift in our wider environment:

Here in Germany, we have a new federal government, which we can confidently say has made an emphatic start by announcing plans for huge investments in defense and infrastructure.

And on the international stage, we find ourselves in a political situation that some analysts are describing as the most challenging since the end of the Second World War.

The new US administration is not only putting Europe's military protection up for debate but is also unleashing a trade war on the world that will have huge

As at May 2, 2025

repercussions for Germany and the rest of Europe, especially in our industry. There is a great deal of uncertainty about how this will unfold.

A year ago, I said that, in five years' time, DEUTZ would be a different company from the one that it is today, and that our challenge would be to shape this change. At its core, this message remains unchanged, but the latest developments show that we have to accelerate the pace of our transformation even more. It is clear to us that we remain in a state of transition and need to be flexible. This is exactly what we did in the past year. As I look back at 2024, I would like to share five thoughts with you. Here is my first thought:

Course maintained, despite strong headwinds

2024 was not an easy year. A very weak level of orders due to the economic situation meant that we sold around 24 percent fewer engines. Demand fell across all regions and sales markets, with the European markets and the Construction Equipment and Agricultural Machinery application segments registering the biggest year-on-year decreases.

This was also reflected in our revenue. At just over €1.8 billion, revenue for 2024 was around 12 percent lower than in the prior year. But the good news is that – unlike in the past, when weak economic conditions put us straight in the red – we earned money in 2024. EBIT before exceptional items of almost €77 million and an adjusted EBIT margin of 4.2 percent show this very clearly. That is a level of margin that DEUTZ had previously achieved only when the engine factories were running at very high capacity utilization.

This was partly due to the rigorous implementation of our Dual+ strategy, which saw us play an active role in the consolidation of the engine market, expand our profitable service business – which is so crucial to our customers – around the world, enter new markets, and implement various cost and performance measures to improve our efficiency and flexibility. All of us at DEUTZ can be proud of this.

As at May 2, 2025

And of course we would like you, our shareholders, to also reap the benefits. The Board of Management and the Supervisory Board are therefore proposing today that a dividend of €0.17 per share be paid, the same as in the prior year. This would equate to a dividend ratio of more than 40 percent. Our aim is to keep the dividend at a stable level and, if possible, to increase it in the future.

Over the past year, we also laid strong foundations for the coming years and updated and added more detail to our Dual+ growth strategy. This takes me to my second thought:

We are ready to reinvent ourselves

I believe it is important to stress that we were both reactive and proactive in the past twelve months. We are moving ahead with clarity of purpose and shaping our future ourselves with structure, courage, and confidence. To this end, we updated our Dual+ strategy, in line with the approach that we said we would take when we unveiled the strategy at the start of 2022, i.e. to implement it systematically but regularly take a moment to compare our assumptions with reality and then make adjustments where needed. This approach is essential in today's world.

It always starts with the same question: How can we become even better at meeting the needs of our customers and the demand in our main markets? Everything we do is geared toward this. We want to offer products that are sought after now and will continue to be so in the future. That is the key. But at the same time, we want to make ourselves less dependent on the highly cyclical markets that we have long considered our natural home.

So the core of our updated strategy is to put ourselves on a broader and more resilient footing. We will be doing much more to position DEUTZ as a provider of solutions. And in all areas where our experience and expertise means that we are already ahead of the field or have the potential to get there. It also means that we have to be prepared to reinvent ourselves and get rid of the things that are not working. This is something we have learned over our 160-year history and is illustrated by the difficult chapter with Torqueedo, which was concluded when we sold

As at May 2, 2025

Torqueedo to Yamaha Motors. Yamaha offers the Torqeedo team a much better home than we would have been able to provide.

Our new DEUTZ Solutions segment therefore includes not only alternative drives but also business activities that go beyond engine manufacturing and service and are located in markets in which DEUTZ is already familiar with the technology and associated service business. We want to align this offering even more closely with the market and are concentrating on electrified products and hydrogen combustion engines and on breaking into new markets.

A good example of this is the acquisition of Blue Star Power Systems. We have entered a market that is new to us, but not entirely foreign. After all, engines are a core component of electricity generators (gensets). Furthermore, we have been producing engines used in gensets for a long time and, by acquiring one of the leading manufacturers of power generators in the USA, we are operating in familiar value chains. We have thus tapped into a fast-growing and less cyclical market.

This is because global demand for electricity will double by 2050. But the grids are not expanding at anything like the same pace, especially in many of the more highly developed, industrialized countries. Moreover, the share of renewables in the electricity mix is growing rapidly. The net effect is a discrepancy between demand and grid capacity. This is creating instabilities that hit not only households but also system-critical infrastructure such as server farms and hospitals. Extreme weather factors such as storms and earthquakes only compound the problem. This phenomenon is apparent not just in developing countries but increasingly also in highly developed countries, particularly the USA. The solution lies in a more decentralized energy supply system and in microgrids, which reduce fluctuations and outages by linking consumption, storage, and production smartly and at local level. We are reckoning on power generators playing a key role in both these areas. And this paid off in 2024, in the form of a significant contribution to earnings.

The takeover of Urban Mobility Systems, which was agreed at the start of April, clearly shows that we are forging ahead with our strategy. The purchase of this Dutch innovation leader in battery-powered drives for off-highway applications has given us

As at May 2, 2025

a technological advantage in the NewTech field and provided us with much broader access to the market.

Buying in innovative technology and using our expertise in industrialization to scale it up are vital to us if we are to increase the pace of change.

At the same time, the market for traditional internal combustion engines is continuing to consolidate. This business predominantly relates to off-highway application segments that are still reliant on internal combustion technology. Last year, we successfully demonstrated what we mean by an active role. For example, we acquired the Daimler Truck engine portfolio from Rolls-Royce Power Systems.

Another important aspect is that we are readying ourselves for the new momentum in the defense sector, in which we want to play a part. Given its knowledge and expertise, DEUTZ can make a substantial contribution to strengthening Germany's and Europe's defense capabilities. This is a key political aim and something that is urgently required in view of the global situation. We must not shut ourselves off from this task and from the related business opportunities.

Rather than a risk, this transformation represents a gigantic opportunity for us from a technological, economic, and societal perspective because the world needs intelligent energy and drive solutions. And it needs them to come from Europe. This provides the background for my third thought:

We are concentrating on our strengths

Last year, we consciously built up our strategic partnerships, not only in Europe but at global level too. This represents another dimension of our Dual+ strategy.

The takeover of Daimler Truck engines from Rolls-Royce Power Systems was another major step forward in our consolidation strategy. We gained access to important customers that we had not served before and thereby further strengthened our position in higher power output ranges.

As at May 2, 2025

We also acquired 50 percent of the shares in Sauerland-based HJS Emission Technology, a company whose name may not be particularly well known but that is a global market leader in exhaust aftertreatment, in other words a 'hidden champion'. In doing so, we protected our supply chain for critical combustion engine components and are ensuring that important industrial expertise is retained in Germany. After all, this technology is still a long way from being consigned to the museum.

We also began to make our production even more flexible so that we can respond to market changes with maximum agility. The alliance that we entered into last year with India's TAFE Group represented a huge step in this direction.

In addition, we are systematically expanding our service business, which generated revenue of more than €500 million in 2024 and therefore once again proved to be a pillar of stability that continues to offer growth potential. Our intention is to increase service revenue to €1 billion by 2030. We are doing this through targeted acquisitions in regions where we have not yet made sufficient inroads and by making better use of the existing service portfolio. This includes extending the network of locations and expanding into new business models, such as smart, digital services.

I have been talking at length about everything that we are doing as part of our Dual+ strategy. But how we do this is just as important, which takes me to my fourth thought:

We will become faster and better

Change calls for speed. And as mentioned earlier, there is growing pressure to act quickly. To avoid simply being swept along by the rapid changes, we ourselves need to change rapidly as that is the only way that we can shape our own future. And we have a lot planned:

Overall, we are aiming to grow annual revenue to around €4 billion by 2030. That is double what the Company currently generates. Of course, this will demand a great deal from all of us: the courage to venture into new areas of business without sacrificing our strengths, namely clear structures and quick decisions to ensure

As at May 2, 2025

things get done. And we are working on this too. In 2024, for example, we held more than 25 workshops at 60 locations, reaching over 2,500 employees in person to talk about our Dual+ strategy – what it means for our employees and how they, in their own roles, can help to achieve our objectives.

Nonetheless, the feedback from some parts of the organization was “I’m still not sure what this means exactly and what it means for me”. That was invaluable input and, given that there are over 5,000 employees, should not be seen as unusual. We thought carefully about how to respond to this. And the outcome was that we asked three young staff members to tackle the issue. They produced a short explainer video plus a series of videos in which our experts explain the key parts of the strategy in 161 seconds. Short and to the point.

The feedback has been very positive so far, and I’m looking forward to the next episodes. One of them will focus on efficiency and costs. This is because, in 2024, we as an organization learned how to channel our energies into growth while focusing much more on our cost base. Of course, we are still learning more here every day, but that in particular was key last year.

That is why we came up with the Future Fit program, a comprehensive range of measures designed to raise efficiency with the overarching aim of making DEUTZ faster, more streamlined, and better equipped for the future. A further objective is to achieve a lasting reduction in costs of €50 million.

The necessity of this was once again made clear to us in the first quarter of this year. Although we have made a robust and comfortably profitable start to 2025, market conditions remain difficult. There are growing hopes of a trend reversal in the second half of the year, but this is still not really reflected in new orders in our engine business.

This means that we will maintain our course in the years ahead. One thing is certain after all: The future will be challenging, and more so than we could have predicted just a year ago. We are facing up to these challenges by adapting our organization to

As at May 2, 2025

what is needed. Rather than reacting and playing catch up, we are being proactive with the aim of shaping our future ourselves. This brings me to my final thought:

European sovereignty calls for strong industry

At a time when economic dependencies could become a strategic weakness, we believe it is our responsibility to be a high-performing industrial player in Germany and at European level.

Technological sovereignty starts with the question of who is actually still making engines in Europe? Who is developing the energy solutions of tomorrow here, locally, using European expertise? And who is continuing to show that they firmly believe in Europe as a manufacturing location?

The past few years have shown all too clearly what happens when Europe becomes reliant on others at a political, military and, not least, economic level. This is an error that must not and will not be repeated.

DEUTZ has a clear answer to this. We are investing in independence, value creation, and innovation in Germany and in Europe overall. This is of course not a foregone conclusion and requires from us continual effort, creativity, and innovativeness, as well as the necessary strategic foresight with regard to future political, social, and economic developments.

A strong and sovereign Europe is now more important than ever. Our products and our capabilities enable us to play our part in this endeavor, and we want to do so. In the process, we will not only become more competitive and more resilient but also strengthen trade and industry in Germany and the rest of Europe.

Ladies and gentlemen, allow me to end with the following concluding remarks:

More than ever before, these turbulent and unpredictable times call for our Company to be flexible, adaptable, and – please forgive the buzzword – agile.

As at May 2, 2025

This has always been the case. DEUTZ has experienced countless highs and lows over its more than 160-year history. And we have always successfully dealt with difficult situations by working together. This will not change either. Our heritage not only bestows a sense of duty but also spurs us on.

None of us knows exactly what the future will bring. But I firmly believe that this presents an opportunity for us too, namely the chance to make full use of our strengths. We will do so by taking even more of a technology-neutral approach based on a portfolio comprising a multitude of technologies, including hydrogen, eFuels, and battery-powered drives. We will combine this with a clear industrial policy stance and thereby play an active role in strengthening our competitiveness and independence, both as a company and with regard to business in Germany and Europe.

Industrial sovereignty starts with the ability to develop, produce, and scale up critical systems ourselves. We at DEUTZ are making a contribution through our innovative technology, entrepreneurial courage, and a clear set of European values.

Thank you for your time. And, more importantly, thank you for putting your faith in DEUTZ.