

PRESS RELEASE

DEUTZ accelerates transformation with billion-euro transaction in the defense sector

- Agreement signed for the full acquisition of FFG Flensburger Fahrzeugbau Gesellschaft mbH for around €1.6 billion
- The combination creates a new leading systems provider for military vehicles, propulsion systems, and energy solutions in Europe
- FFG will remain operationally independent and, going forward, will form the core of DEUTZ's defense activities
- Milestone for the transformation into a broad-based industrial company: Defense business to become a further cornerstone of DEUTZ
- Transaction to accelerate profitable growth: strategic 2030 revenue and margin targets (€4 billion, 10% EBIT margin) expected to be reached ahead of schedule
- Families that currently own FFG to become new, long-term anchor shareholders of DEUTZ

Cologne, July 9, 2026 – DEUTZ has entered into an agreement to acquire 100% of the shares in FFG Flensburger Fahrzeugbau Gesellschaft mbH (FFG). Headquartered in Flensburg, Germany, FFG is one of Europe's leading providers of military land and special-purpose vehicles and an established partner of the Bundeswehr and armed forces in NATO and Ukraine.

The purchase price is €1.6 billion and is to be paid partly in cash and partly in the form of newly issued DEUTZ shares. The families that currently own FFG are thus to become new, long-term anchor shareholders of DEUTZ, with a stake of up to 29.9%.

DEUTZ CEO Dr. Sebastian Schulte says: "Technological sovereignty, innovative capability, speed of execution: Joining forces with FFG, DEUTZ will become a leading national systems provider for military vehicles, propulsion systems, and energy solutions. Together, we will fulfill our responsibilities for security and future resilience in Europe, while securing value creation and high-quality jobs in Germany."



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Employing over 1,100 people, FFG produces, maintains, and modernizes wheeled and tracked military vehicles. These include armored recovery vehicles, infantry fighting vehicles, armored personnel carriers, and special-purpose vehicles. FFG also develops proprietary platforms and is a manufacturing partner for NATO multinational armaments programs.

The combination is based on a clear industrial logic: FFG will contribute the areas of expertise that will make DEUTZ a systems provider for European defense programs. DEUTZ complements this with its propulsion portfolio – ranging from conventional combustion engines and hybrid drivetrains to solutions for decentralized power supply in the field – as well as its expertise in industrialization and scaling and its global service network. FFG will form the new core of the DEUTZ Defense business unit, remaining independent from an operational perspective. The Group will provide the framework for technological, financial, and strategic scaling.

Norbert Erichsen, spokesman for FFG's shareholders, says: "With this strategic combination with DEUTZ, we are setting the course for the next generations. At the same time, it will create a German industrial group in the defense sector that combines the strengths of the two companies and provides impetus for their shared long-term development."

Rapidly scalable production capacity will enable DEUTZ and FFG to make a key contribution to the defense capabilities of Germany and Europe. This move will also strengthen German industry because strategically relevant defense technologies remain in German hands, and defense programs – with their long lifecycles of ten to 30 years – secure high-quality jobs. In terms of corporate culture, DEUTZ's acquisition of FFG brings together two long-established German industrial companies that have strong engineering skills, reliable products, and short decision-making lines.



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The transaction will accelerate the DEUTZ Group's profitable growth and is expected to bring the 2030 strategic targets (€4 billion in revenue, EBIT margin of 10%) within reach ahead of schedule. FFG is currently in a phase of strong growth and, based on its financial reporting in accordance with the German Commercial Code (HGB), generated revenue of around €760 million in 2025. The value of its orders on hand is many times higher than its current revenue.

The acquisition of FFG marks an important milestone in DEUTZ's transformation into a diversified industrial company in line with the Next DEUTZ strategy. Going forward, the Defense business unit – with FFG as the new core element – will become a further cornerstone of the DEUTZ Group alongside the established Energy, Engines and New Tech business units and the service business, which is a key driver of growth across all segments.

DEUTZ expects the combination to generate significant revenue synergies – particularly in the Engines and Service business units – as well as further opportunities through targeted cost synergies. The transaction is expected to have a significantly positive impact on the combined company's EBIT margin.

With a stake of up to 29.9%, the families that own FFG at present will become new anchor shareholders of DEUTZ and will constructively support DEUTZ over the long term as it continues with its transformation. In line with their intended investment, the families that currently own FFG are aiming to take two seats on the DEUTZ Supervisory Board once the transaction has been completed.

The parity-based composition of the Supervisory Board will be maintained; DEUTZ reaffirms its clear commitment to co-determination.



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Approval for the planned capital increase against contribution in kind is to be obtained from DEUTZ's shareholders at an Extraordinary General Meeting to be held as a virtual event on August 24, 2026. Completion of the transaction is dependent on a number of conditions, including the agreement of the shareholders at the Extraordinary General Meeting as well as the necessary approvals being granted by the relevant authorities. Once all conditions have been met, completion is expected in late 2026 or in the first quarter of 2027.

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About DEUTZ

DEUTZ has evolved in recent years from a manufacturer of conventional engines into a system provider for innovative and sustainable mobility and energy solutions. Founded in 1864 in Cologne, where it is still based today, DEUTZ is the world's oldest engine company. The development, production, and distribution of high-performance drive systems for off-highway applications remains at the heart of its operations. DEUTZ is also playing its part in the transition to more sustainable transportation and power supplies by offering alternative drive solutions and decentralized energy and power generation systems. DEUTZ solutions are used in a wide range of applications, including construction equipment, agricultural machinery, material handling equipment such as forklift trucks and lifting platforms, stationary equipment such as generator sets (gensets), and commercial and rail vehicles. The broad-based product portfolio is complemented by an extensive service offering that encompasses maintenance and repair work, the supply of spare parts, and remanufacturing. This is being continually expanded with the addition of digital, data-driven services. With around 1,250 sales and service locations in nearly 180 countries, DEUTZ offers its customers an integrated range of products and services from a single source. DEUTZ employs around 6,000 people worldwide and generated revenue of just over €2.0 billion in 2025. Further information is available at www.deutz.com.

