

PRESS RELEASE

DEUTZ acquires manufacturer of emergency power systems and further expands its energy business – new organizational structure from January

- Acquisition provides access to the rapidly growing market for emergency power systems for data centers
- Anticipated additional profitable revenue of around €100 million per year
- Establishment of dedicated business units for more speed and greater customer proximity

Cologne, December 17, 2025 – DEUTZ has signed an agreement to acquire all of the shares in Frerk Aggregatebau GmbH. The company, which has seven sites in Germany and is headquartered in Northern Germany, is a leading European provider of high-end emergency power systems that are primarily used in critical infrastructure such as data centers. This market is particularly benefiting from the rapid expansion of AI applications and the increasing use of digital technologies and is currently seeing annual growth rates of 15 to 20 percent.

“Following the successful entry into the US market, our acquisition of Frerk will establish DEUTZ as a global provider of emergency power systems with a particular focus on data centers, which are receiving a boost from the boom in AI,” explains DEUTZ CEO Dr. Sebastian Schulte. “We are thus continuing to forge ahead with our strategy of putting DEUTZ on a broader footing and making it less dependent on the cyclical internal combustion engine business. In doing so, we are maintaining a clear focus on fast-growing markets in which we can deploy our strengths and expertise.”

Frerk is a systems integrator for diesel and gas emergency power systems at the cutting-edge of technology and is particularly well established in the demanding data center segment, which accounts for around 50 percent of its revenue. The company not only supplies generator sets, but whole turnkey systems that ensure an uninterrupted power supply in the event of an outage, enabling it to meet the high standards that operators of data centers, hospitals and other critical infrastructure expect of emergency power systems.

Marc Hiller, Managing Director and a co-shareholder of Frerk, welcomes the move: "We are very positive about what we have achieved and built together at Frerk. A strong partner is needed if we are to unlock our further potential for growth as a systems integrator in the data center segment and to facilitate the increasingly important servicing of our systems. We are delighted to have found this partner in DEUTZ. Frerk will benefit from DEUTZ's strong brand, global service network, and financial strength. Together, we will globalize the DEUTZ energy business and raise ourselves to the next level." Hiller will remain with the company as Managing Director.

Following the integration of US generator sets manufacturer Blue Star Power Systems in 2024, DEUTZ will create a globally scalable portfolio for decentralized energy supply with its acquisition of Frerk. DEUTZ will contribute its unparalleled expertise in engines and systems, its industrialization capabilities, and a worldwide network of dealers and service outlets. In addition, Blue Star Power Systems provides DEUTZ with a strong manufacturing and market platform in the USA, a market that is also seeing double-digit growth rates.

Frerk will be the ideal complement to this structure in Europe as it is a one-stop shop for highly integrated emergency power systems that go far beyond an ordinary generator. Moreover, Frerk has direct access to leading European data center and network operators. This combination will give rise to substantial synergies throughout the value chain, from procurement and production to sales and the service business.

DEUTZ expects the acquisition of Frerk to provide additional profitable revenue of around €100 million. Building on this, revenue in the energy business is expected to increase to approximately €500 million by 2030 through both organic growth and growth by acquisition.

The total purchase price to be paid is in the upper-double-digit millions of euros. Completion of the transaction is subject to the usual provisos, particularly approval from the anti-trust authorities, and is expected to take place in the first quarter of 2026.

DEUTZ introduces a new organizational structure

DEUTZ also announced today that it will introduce a new organizational structure with five independent business units on January 1, 2026. The Company's entry into new markets – such as energy and defense – are resulting in growing differences between the requirements of the individual areas of business at DEUTZ. This is the reason for the new structure, which was developed and prepared by the Board of Management in close consultation with the Supervisory Board and employee representative bodies over the past few months. As well as a leaner Group headquarters, the new organizational structure will comprise five business units: Defense (headed up by Marco Herre), Energy (David Evans), Engines (Markus Villinger), NewTech (Bert van Hasselt), and Service (Andreas Schmidt).

The new organizational structure will result in changes to the way that DEUTZ is managed in the future. The Board of Management will be supported in its running of the Company by an expanded and international Executive Team, comprising the members of the Board of Management, the heads of the five business units, and Katharina Krüger, who is responsible for strategy, transformation, and HR. The business units and centralized corporate functions will therefore be much more involved in key decisions of the Company.

As operational responsibility for the different areas of business will lie with the business units themselves in the new organizational structure, the COO Dr. Petra Mayer, who has been in post for more than three years, will step down from the Board of Management on December 31, 2025 as part of the reorganization. She will focus on her supervisory board roles going forward.

"On behalf of the entire Supervisory Board, I would like to offer my sincere thanks to Petra Mayer for her dedication and invaluable input over the past three years. Her contribution to raising DEUTZ's operating performance, in particular, has helped the Company to make lasting progress. We wish her all the best and every success for the future," says Dr. Dietmar Voggenreiter, chairman of the Supervisory Board of DEUTZ AG.

The new structure will come into effect on January 1, 2026. Various formats and channels have been used since the summer to inform employees of the changes and involve them in the process.

The engine company.



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About DEUTZ AG

DEUTZ AG 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 marketing 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 1,000 sales and service locations in over 120 countries, DEUTZ offers its customers an integrated range of products and services from a single source. DEUTZ employs more than 5,500 people worldwide and generated revenue of approximately €1.8 billion in 2024. Further information is available at www.deutz.com.