



WE KEEP
THE WORLD
MOVING

DEUTZ 2023



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<< HIGHLIGHTS OF 2023

WE KEEP THE WORLD MOVING

DEUTZ supplies drives that power vehicles and machinery on construction sites, on highways, and in agriculture around the world. That is our core business and our passion.

We are working with our customers to make our product ecosystem climate-neutral by supplying sustainable drive systems, providing intelligent maintenance, and developing innovative solutions.

Our technology-neutral approach ensures the world keeps moving.

HIGHLIGHTS OF 2023

€ **2,063.2** M

IN REVENUE



7%

ADJUSTED EBIT MARGIN

79%

OF THE PARTICIPATING DEUTZ EMPLOYEES WOULD RECOMMEND DEUTZ TO OTHERS AS A GOOD EMPLOYER

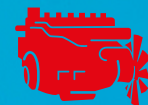


€ **483.8** M

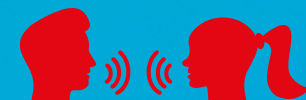
REVENUE IN THE SERVICE BUSINESS

OVER **5,000**

PEOPLE CELEBRATED DEUTZ FAMILY DAY



15



TANDEMS STARTED IN OUR NEW MENTORING SCHEME

187,116

DEUTZ ENGINES SOLD

5,084

EMPLOYEES



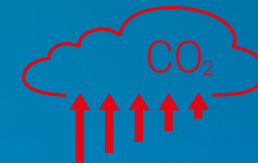
BY 2030

DEUTZ AIMS TO BE AMONG THE TOP THREE INDEPENDENT DRIVE MANUFACTURERS



€ **300** M

ADDITIONAL ANNUAL REVENUE EXPECTED FROM THE TAKEOVER OF THE SALES AND SERVICE ACTIVITIES OF ROLLS-ROYCE POWER SYSTEMS (RRPS)



2023 ————— 2050

<< HIGHLIGHTS OF 2023

1ST **H2**

TO GO INTO VOLUME PRODUCTION OF HYDROGEN ENGINES (PRODUCTION RUN OF 100)

BY 2050

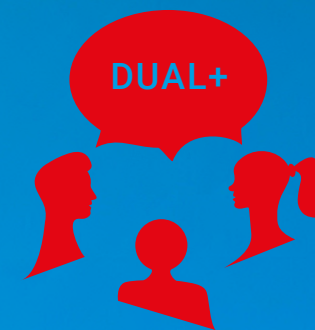
DEUTZ AIMS TO OFFER A CLIMATE-NEUTRAL PRODUCT AND TECHNOLOGY PORTFOLIO

26.2%

REDUCTION IN CO₂ EMISSIONS (SCOPES 1 & 2) PER MANUFACTURED ENGINE COMPARED WITH 2022

OVER **2,000**

EMPLOYEES GOT TO GRIPS WITH THE NEW DUAL+ STRATEGY AT MORE THAN 55 WORKSHOPS



WE KEEP THE WORLD MOVING

DEUTZ supplies drives that power vehicles and machinery on construction sites, on highways, and in agriculture around the world. That is our core business and our passion.

We are working with our customers to make our product ecosystem climate-neutral by supplying sustainable drive systems, providing intelligent maintenance, and developing innovative solutions.

Our technology-neutral approach ensures the world keeps moving.

Message from the CEO

Dear friends of the company,

We keep the world moving – on construction sites, on roads, and in agriculture. This is what DEUTZ has been all about for 160 years. To ensure that this continues, we also kept ourselves moving forward in 2023 with the introduction of our new Dual+ strategy. This focuses on internal combustion engines, green technologies that meet the needs of the market, and the global expansion of our service business. We are thus laying solid foundations for the future of DEUTZ, and the figures for 2023 clearly show that we are on the right path. We achieved record figures despite challenging macroeconomic conditions, while once again proving our reliability by meeting our guidance – which we raised twice during the year – for the third year in a row.

Unit sales for our continuing operations rose by 3 percent, while revenue climbed by 9 percent to just under €2.1 billion. Profitability also improved significantly, with adjusted EBIT up almost 40 percent and our margin rising by 1.5 percentage points to 7 percent. Of course, we would like you, our shareholders, to also reap the benefit of last year's positive business performance. The Supervisory Board and the Board of Management will propose to the Annual General Meeting on May 8, 2024 that the dividend be increased by around 13 percent to €0.17 per share. This would equate to a dividend ratio of around 26 percent.

We enjoyed further organic growth in our business with conventional internal combustion engines, selling more than 187,000 units. Not only did we sell more engines than the year before, we also did so much more profitably, as the margin of 8.8 percent in our Classic segment clearly shows. The groundwork has been laid for expanding the business in the future. The alliance with Daimler Truck, combined with the planned takeover of the sales and service activities for selected mtu engines, puts us in a strong position to achieve our goal of being among the top three independent drive manufacturers by 2030.

We are also working with our customers to make our product ecosystem climate-neutral, and our first major order for hydrogen engines shows that the internal combustion engine is far from obsolete, particularly in the off-highway segment. We find ourselves very well positioned in this respect. The ongoing reorganization of the Green segment and the sale of Torqeedo will enable us to develop alternative drives much more rapidly and with a stronger focus on the market and customers.

In the service business, we were able to further increase our revenue to €483 million and expand our regional presence with two acquisitions on two continents. Our service offering is not only broader now, it is also smarter thanks to intelligent maintenance and innovative solutions that go beyond our physical products. This opens up further opportunities for growth beyond the powertrain.



»We laid the foundations for becoming one of the top three independent drive manufacturers by 2030.«

We stabilized and improved our business over the course of last year, and we also focused on our culture and the way we work together. In a number of workshops attended by more than 2,000 employees, we jointly developed clear guiding principles – trust, transparency, truth, team, and tenacity – that provide a solid basis for effective and successful collaboration. This has already had a noticeable impact in many areas across the business.

In 2023, we became faster, more diverse, and more international, and we adapted our regional structures. These changes put us in a good position to maintain our upward trajectory in the year ahead. A year in which we will be holding various events to commemorate 160 years of DEUTZ with both pride and gratitude. We will also continue to do our utmost to add another chapter to the Company's success story.

Cologne, March 2024

Dr. Sebastian C. Schulte
CHIEF EXECUTIVE OFFICER

The Board of Management



TIMO KRUTOFF

Member of the Board of Management, responsible for finance, human resources, and information services

Member of the Board of Management since December 1, 2022, appointed until November 30, 2025



DR. SEBASTIAN C. SCHULTE

Chairman of the Board of Management, responsible for head-office and technical functions and for sustainability

Member of the Board of Management since January 1, 2021, appointed until December 31, 2028



DR. ING. PETRA MAYER

Member of the Board of Management, responsible for production and purchasing

Member of the Board of Management since November 1, 2022, appointed until October 31, 2025



DR. ING. MARKUS MÜLLER

Member of the Board of Management, responsible for research and development, sales, and service

Member of the Board of Management since March 15, 2021, appointed until March 14, 2029

The CEO interview

DEUTZ's engines and drive systems help keep the world moving. And the Company itself is moving forward to ensure that this remains the case. CEO Dr. Sebastian C. Schulte reflects on a successful year and looks ahead to a promising future.

At the beginning of 2023, the Board of Management presented a new strategy – called Dual+. What's the thinking behind it?

Dr. Sebastian C. Schulte: Everything we do is based on the demands and requirements of our customers and the markets. They guide our actions, but they are changing quite substantially. The sectors that make up our customer base are in the middle of a fundamental shift toward greater climate neutrality. Irrespective of whether they produce construction equipment, combine harvesters, or forklift trucks, manufacturers are facing the same challenges across the board: They need to transition to climate-friendly drive systems and digital business models. This transformation is a huge task, but it also represents a tremendous economic opportunity for us. Dual+ provides a framework that will allow DEUTZ to fully capitalize on this potential in the years ahead.

What will that look like in practice?

Dr. Sebastian C. Schulte: Whereas some industries have already reached consensus about how they will achieve carbon-neutrality, the situation is different in the sectors we supply. We have to be honest about this. If you want an electric combine harvester, for example, well the battery

alone would weigh over 15 tonnes. So for machines that move heavy loads and are constantly in use, we also need to think about technologies other than pure electrification. And we're still going to need the combustion engine. In the way that we use it today, but also powered by alternative fuels and with hydrogen. Taking the combustion engine forward is therefore also part of our new strategy.

You have already notched up your first successes this year.

Dr. Sebastian C. Schulte: We follow through on our commitments and are delivering, step by step. And the approach we've taken appears to be working. We grew organically in the Classic segment, selling over 187,000 of DEUTZ's conventional internal combustion engines that are now powering machines on construction sites, in agriculture, and in logistics all over the world. That's a year-on-year increase of 3.2 percent. Our profit margin in the Classic segment went up as well, to 8.8 percent. This is the result of our excellent teamwork and shows that the steps taken to improve performance over the last 18 months are bearing fruit.

As well as optimizing its own production, DEUTZ entered into various alliances in 2023. What are you hoping to achieve from these?

Dr. Sebastian C. Schulte: We want to be among the top three independent drive manufacturers by 2030. That's something we will only achieve if we play an active role in the nascent consolidation of the engine market. The partnership agreed with Daimler Truck at the start of the year is an important first step in this direction. It gives us access to state-of-the-art internal combustion engines that perfectly complement our own models, and that, for certain engine sizes, will also allow a leap forward in terms of modernization. As a result, DEUTZ will be able to attract new customer groups, save on development costs, and expand its range of modern internal combustion engines.



» Everything we do is based on the demands and requirements of our customers and the markets.«

DR. SEBASTIAN C. SCHULTE

Chairman of the Board of Management, responsible for head-office and technical functions and for sustainability

But the Daimler Truck engine variants that will be sold by DEUTZ are not scheduled to go into production until 2028. When are you expecting to see the first results?

Dr. Sebastian C. Schulte: We have entered into a long-term partnership with Daimler Truck. Indeed, the agreement means that Daimler Truck has become one of the largest shareholders in DEUTZ AG. And this has put us in an excellent position to drive further consolidation in the market, as the collaboration with Rolls-Royce Power Systems announced at the end of last year makes clear.

What can you tell us about that?

Dr. Sebastian C. Schulte: The agreement in principle reached in December will see us take over – provisionally from mid-2024 – the sales and servicing of engines that Daimler Truck supplies to Rolls-Royce Power Systems for use in off-highway applications. DEUTZ will also take over the servicing of the engines already in operation. Overall, we expect these activities to generate additional revenue of €300 million a year.

The second pillar of the new strategy is the development of a Green product portfolio. What are your plans here?

Dr. Sebastian C. Schulte: Our Green segment focuses on the development of alternative drives. This means improving the carbon footprint of the internal combustion engine, for example through the use of hydrogen or synthetic fuels, and developing alternative drive systems such as electric drives. To reflect the changing demands on the infrastructure that is required to keep an engine running, we plan to extend our service offering across the entire product ecosystem. The aim is to harness new value chains, for example when it comes to charging electric machines or supplying the fuel for hydrogen engines.

So where does DEUTZ currently stand with the development of its green product portfolio?

Dr. Sebastian C. Schulte: We already have a great deal of expertise that we are able to build on. And that is precisely what we are doing, for example with the hydrogen combustion engine. While the objectives and development paths are relatively straightforward in the Classic segment, our Green segment has to contend with several unknowns. For example, what is the optimum climate-friendly drive technology for the various fields of application? But also where is the demand in the market and which new partners should we choose when creating a green ecosystem?

» There are lots of different areas where we can see that the way we work together is changing and improving. I take a lot of personal pleasure in that.«

How are you dealing with these challenges?

Dr. Sebastian C. Schulte: We need to do some things differently, and so in 2023 we began to reorganize the segment and to give Green an independent structure. The aim is to become more agile and accelerate our business development. If we want to target new customer groups, create new business models, and make our Green business profitable, we need to systematically align our activities and development work with the market and the needs of our customers. This reorganization has not yet been completed, but it has already started to bear fruit.

Are you referring to the first major order for a DEUTZ hydrogen engine?

Dr. Sebastian C. Schulte: For example. In September, we booked our first large order, for 100 hydrogen-powered gensets, from China, and the first engine in the series rolled off the production line in Cologne-Porz in February 2024. The order represents a major strategic milestone in many regards, as it shows that we can fulfill market requirements with our full range of products, and not just with our technology-neutral drive portfolio. This will allow us, and our customers, to gain invaluable experience with this pioneering technology. And, looking forward, it brings us another step closer to becoming climate-neutral.

Where do you see the Green segment achieving further success?

Dr. Sebastian C. Schulte: In the middle of last year, we announced that we would be discontinuing our investment in Torqeedo. In January 2024, we signed the contract of sale with Yamaha Motors. Now, Torqeedo has its real 'best owner', and we have given ourselves more freedom to properly develop our green product portfolio and align it more closely with the market. Unfortunately, Torqeedo's performance proved disappointing from the start. Nevertheless, the transfer of technology that we were also looking for has largely been realized and completed. We can now put the resources freed up by the sale to use in the Green segment, where DEUTZ has greater potential and can be profitable. The sale of Torqeedo is an important step for us in the restructuring of this business.

The third pillar of the new strategy is the service business – the plus in Dual+. Are you satisfied with how things are going here?

Dr. Sebastian C. Schulte: A clear target that we have set ourselves under the strategy is for the service business, over the coming years, to be generating around €600 million in revenue annually, while maintaining at least the same level of profitability. We took an important step toward achieving this in 2023, with our revenue rising by 7.6 percent to €484 million. The global expansion of our service outlets was the main factor here and included acquisitions on two continents. But it's not just in terms of volume that the service business is becoming ever more important for us. Because in the future we want to focus even more on selling an engine lifecycle rather than just the engine itself, and service is of course key to this. It's why we put so much emphasis on intelligent maintenance and smart services.

You say that DEUTZ also needs to move forward as an organization in order to be successful in the future. What do you mean by that?

Dr. Sebastian C. Schulte: We want to improve the way we work together. This is just as much a part of the new strategy as the evolution of our business. One example is the cascade of workshops that we held last year to present our new strategy.

Across more than 55 workshops, we have already given well over 2,000 employees worldwide the opportunity to translate the strategy into actionable steps for their own area of work and provide us – the Board of Management – with important feedback. We will ultimately only be successful if everyone at DEUTZ understands the direction we want to take as a Company and how each one of us can play our part.

Can you summarize or describe this new way of working together?

Dr. Sebastian C. Schulte: There are lots of different areas where we can see that the way we work together is changing and improving. I take a lot of personal pleasure in that, and much of it is down to the 5 Ts – trust, transparency, truth, team, and tenacity. These are the principles that we believe define good working relationships and should therefore guide our actions. They are themselves the product of a collaborative process and are how we want to become more successful and effective together at DEUTZ.

Do you think these values can also be applied to the current debate around democracy, diversity, and tolerance?

Dr. Sebastian C. Schulte: We defined our 5 Ts together, internally. For DEUTZ, for our organization. It would be presumptuous of us to go any further than that. But I personally believe that we have a duty to stand up and speak out in support of openness and tolerance. And for remembering what history teaches us. To make it clear that a diverse Germany is one that benefits us all.



See a video of the interview with Dr. Sebastian C. Schulte here:



WE KEEP THE WORLD MOVING

CLASSIC | GREEN | SERVICE | TRANSFORMATION
1 | 2 | 3 | 4

CLASSIC
takes a big
step forward.

IONUT GLAVAN
DIRECTOR SALES & SERVICE EASTERN EUROPE
& BALKANS AT DEUTZ



WE KEEP THE WORLD MOVING

CLASSIC 1 | GREEN 2 | SERVICE 3 | TRANSFORMATION 4

CLASSIC
takes a
step for

>>

Our generators provide reliable power wherever it is needed. Many countries have areas that are not connected to the grid. These have a high demand for a decentralized energy supply.

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Efficiency enhancements in the shaft center

Manufacturing at DEUTZ is now even cleaner and more efficient thanks to extensive automation

Crankshafts and camshafts for DEUTZ engines are manufactured at the 13,500m² shaft center in Cologne-Porz. The center has three production lines for each component, enabling us to produce up to 165,000 crankshafts and up to 230,000 camshafts for various engine series each year. A maximum of 16 different processing steps are needed to produce each shaft, carried out by a total of 120 machines.

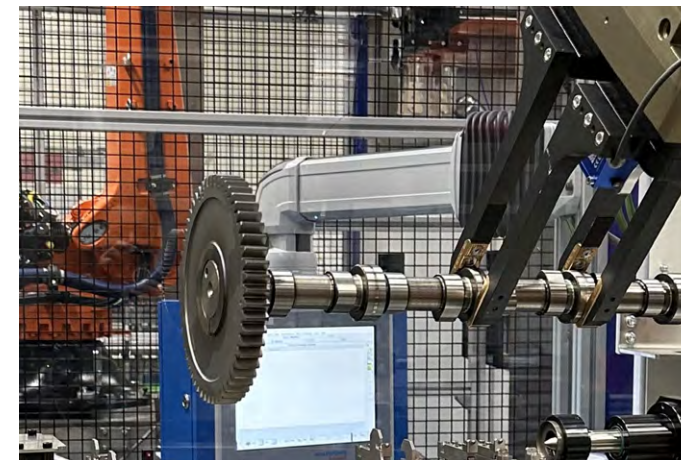
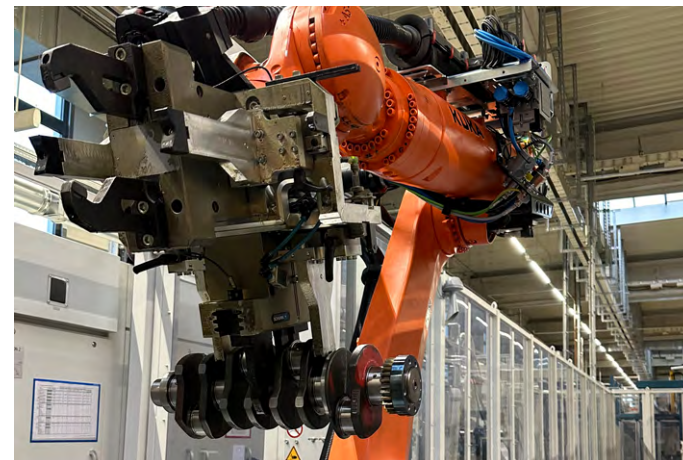
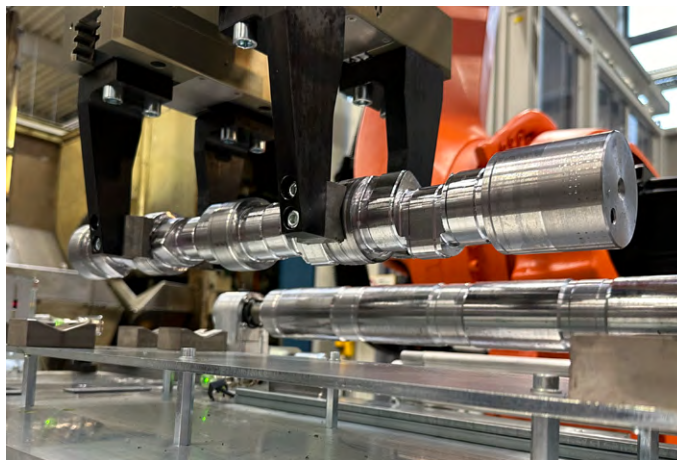
When the plans for the shaft center were drawn up in 2014, lean principles aimed at optimizing the value chain were taken into consideration. The production-line-based design, which reduces the distances that items need to be moved, has already made production much more efficient and transparent. Since 2020, we have also increasingly been focusing on automation in order to boost productivity and make employees' jobs less physically demanding.

Three new automated processes with robot loading went into operation in our shaft center in 2023. Implementing new automation technology takes around ten months and involves many different steps, starting with an analysis of commercial viability. The processes and software solutions are then modified, the occupational health and safety concept is drawn up and implemented, and employees undergo training. "In one of our production lines, we linked three machines from three different manufacturers thanks to automation, achieving a productivity gain of 20 percent," reports Gerhard Fischer, who served as plant manager for the shaft center for many years until his retirement in February 2024.

October 2023 saw the start of the first automation project for camshaft production, which is even more advanced. The entire pre-production process has now been automated in one production line, enabling different variants to be processed in parallel. Camera visualization is used to automatically remove the shafts from the transportation containers and put them back in again after processing.

In addition to efficiency, sustainability also plays a major role in all automation projects. We are taking steps to improve our ecological footprint, such as by implementing a new cleaning system that uses solvent-free cleaning products without any loss of quality. This is much better for environment.

DEUTZ is refining shaft production on an ongoing basis. For example, digital process monitoring is helping us to further improve the first-time quality metric. Going forward, an AI-based notification system should help us to respond and intervene quickly in the event of process deviations. We are therefore well equipped for the years ahead.



CUTTING-EDGE ROBOTS COMMUNICATING WITH VERY HEAVY PROCESSING MACHINERY are now a reality at our shaft center in Cologne. The work carried out by the robots includes loading and unloading three crankshaft processing machines. The crankshafts, which can weigh up to 50kg, are automatically transported to the next machine in a fully automated process. A remarkable technological achievement!

See the robot in action here:



A strong position in the rapidly growing genset market

With the world requiring an ever-increasing amount of electricity, demand for DEUTZ gensets is on the rise

From the rural regions of the USA, Australia, and Canada to the rapidly developing economic areas of Africa and South East Asia – whether for use in continuous power generation or as a backup for telecommunications systems, data centers, power plants, or production sites – global demand for a supply of uninterrupted and reliable power is increasing, and will continue to rise over the coming years.

With its range of gensets, DEUTZ has positioned itself successfully in this growing market. In addition to our traditional diesel generators we also offer zero-carbon alternatives that are powered by hydrogen. This new solution extends the DEUTZ portfolio of low-carbon microgrid systems and offers the highest level of efficiency currently available for this technology. Our hybrid variants, fitted with either a battery or a solar module, are also extremely efficient.

They work on a very simple principle. Our diesel generator-battery hybrid systems use an intelligent energy management system. This stores surplus energy in the batteries when consumption is lower than the output available from the generator. As soon as the storage systems are fully charged, the generator switches to standby mode, which saves up to 65 percent of fuel and thus reduces carbon dioxide emissions.

The solar-diesel hybrid variant has a solar collector, which in particularly sunny parts of the world provides most of the power needed by itself. The generator remains the most reliable energy source within the microgrid, but is only

activated occasionally, during spikes in demand or on days without sun – depending on the relevant usage profile and geographical location. When our new hydrogen engines are integrated into microgrids with renewable energy sources they not only save fuel but can be operated entirely carbon-free.

Wherever generators with DEUTZ engines are deployed, our customers can be sure that they can rely on a DEUTZ engine. No matter how challenging the requirements are. No matter at what latitude the customer happens to be. No matter whether they need an emergency power supply or require continuous power generation. No matter if the generator is located indoors or outside. And should there ever be a problem, we will be there without delay. DEUTZ always aims to minimize downtime by making service – such as the regular maintenance of generators and the global availability of spare parts – part of the package from the very outset.

Well positioned

Ionut, why are gensets so popular at the moment?

Ionut Glavan: Basically, you might say that our gensets are supplying reliable power in the sort of places where there aren't any electrical sockets, or where the power supply repeatedly fails because of unstable grids. The future belongs to microgrids that use decentralized sources of energy. The genset market is driven by three factors. Firstly, traditional power grids are coming under increasing pressure in many regions. They need to be expanded. The more expansive the country, the greater the need for gensets, because many countries – such as the USA and Canada – have areas that are not connected to the grid. These have a high demand for a decentralized energy supply. Another factor is stability of supply. In many places, power grids continue to suffer outages. Gensets provide an uninterrupted, reliable energy supply, which is very important for power plants, server farms, and mobile phone stations, for example.

And the third driver?

Ionut Glavan: The third driver is the growing demand for energy. The global population is expanding, the number of devices powered by electricity is rising continuously and the digital revolution is creating a steadily increasing demand for ever-larger data centers. The global process of electrification currently under way is as important for our civilization as industrialization was in centuries gone by. The transformation of the economy has consequences for the way in which power is generated.

Which genset systems are particularly popular?

Ionut Glavan: At the moment, we see the largest growth in diesel and gas-powered gensets. Their great reliability has long made combustion-based generators the backbone of electricity generation. Hybrid microgrids are coming – they enhance genset technology by adding the options of solar and wind, storage capacity, and intelligent energy management. DEUTZ is continually developing more sophisticated solutions, and with our hydrogen engines and our solar and battery solutions we are already very well positioned in this segment. In 2023, we won our first volume order for hydrogen gensets. This will enable us to gather even more valuable experience that will equip us to play an important role in the market for off-grid energy resources.



IONUT GLAVAN
Director Sales & Service
Eastern Europe & Balkans
at DEUTZ



DEUTZ IS SYNONYMOUS WITH PASSION, PIONEERING SPIRIT, AND A CULTURE OF INNOVATION.

As an independent supplier of diesel, gas, and electric drives, we are developing the technologies today that will meet the challenges of tomorrow. We are a pioneer in high-quality, environmentally friendly, and efficient drive systems for off-highway applications, for example in agriculture. This Fendt Vario 500 is powered by a DEUTZ TCD 4.1 engine.

Highlights from our sites

DEUTZ continues to develop its sites, teams, and technology worldwide.

The first stage of the maintenance digitalization strategy was the mobile collection and centralization of data in SAP, which was implemented in 2022. This was followed in 2023 by the next stage, the installation of a maintenance board that allows the transparent visualization of availability, fault reports, maintenance activities, official inspections, and budgets for the Cologne, Ulm, and Herschbach plants. There have also been a number of other changes at our sites:

DEUTZ ULM

A new CNC turning machine and several new measuring machines went into operation at the Ulm production site in 2023. Crankshaft production was also reconfigured to achieve better machine availability, and a new tool management system was established. The development of the new PowerTree generation has begun, and the focus of shopfloor management on key figures helps to optimize processes.

DEUTZ HERSCHBACH

In Herschbach, a total of five new milling machines for inhouse production have gone into operation, allowing for more efficient component processing. Another new addition is a special indexing machine for rocker arms, which reduces takt time by up to 50 percent and ensures even better quality and process stability. A new logistics concept using a block storage system will further improve logistics processes.

DEUTZ COLOGNE

In Porz, the upgrade of core assembly on assembly line 3, with new tightening technology, measuring stations, and sealant application units, marks the first step toward the installation of assembly line 6. New automated guided

vehicle systems were installed for the engine assembly in hall 41. Some crankshaft production processes have been automated by introducing a robot, which has resulted in increased productivity and greater efficiency. Automation has also reduced the physical strain on employees. In camshaft production, two automated processes have taken over component handling, successfully supporting production operations. The concept of 'bin picking' is also being used at DEUTZ for the first time.

DEUTZ AMERICAS

In 2023, DEUTZ achieved record revenue of just under US\$ 500 million in the Americas region. Growth in the service business has been particularly strong. The ninth DEUTZ Power Center site was opened in Michigan, and the service team has continued to expand. The acquisition of our former service partner, Mauricio Hochschild, in Chile and Peru has been completed. The integration is proceeding smoothly and initial synergies have been identified to further accelerate growth in the region.

DEUTZ ZAFRA

The DEUTZ plant in Zafra, Spain, has expanded its smart factory concept in the production line for engine components for the 3.6L series. The first phase of the Shared Service Center in Zafra has been concluded successfully, the second phase of extending the Global Service Center has been approved. DEUTZ SPAIN also received a national award from AERCE, the Spanish Association of Procurement, for the best purchasing strategy, as well as a national award for a project by a female vocational student in production.

On the big stage

DEUTZ presents itself as a fully integrated solution provider, offering innovative drives and digital services at CONEXPO and AGRITECHNICA international trade fairs

CONEXPO in Las Vegas is North America's largest construction industry trade fair, while AGRITECHNICA in Hannover, Germany, is the world's leading trade fair for agricultural machinery. They are essential showcases for international visitors from the respective industries, and DEUTZ presented its efficient drive solutions as well as a broad range of professional and digital services at both events.

At AGRITECHNICA, which is held annually in November, DEUTZ showcased two new engines in the Classic segment. The TCD 5.1 will be available from mid-2028. Featuring a power range of up to 170 kW and maximum torque of 950 Nm, this engine combines the power of six cylinders with the efficiency of four, thus providing the flexibility needed for a

wide range of industrial applications. The second engine introduced at the trade fair was the high-performance DEUTZ TCD 7.7. Also available from mid-2028, it boasts a power range of up to 280 kW and maximum torque of 1,550 Nm. It can be deployed in numerous off-highway and industrial applications. This engine will also be offered with an Agri Performance Concept designed specifically for agricultural machinery, providing a power range of up to 300 kW and torque of up to 1,700 Nm.

We firmly believe that clean and efficient internal combustion engines will continue to be required to ensure a seamless transition to the technologies of the future. Our plan for the years ahead is therefore not only to enhance our climate-neutral product portfolio but also to further expand our classic engine business. Based on the significant amount of interest we received at CONEXPO and AGRITECHNICA, we are certain that we have gauged the requirements of our target audience correctly.

»We ensure the world keeps moving.«



WE KEEP THE WORLD MOVING

CLASSIC | GREEN | SERVICE | TRANSFORMATION
1 | 2 | 3 | 4

GREEN

on the path
to success.

BERT VAN HASSELT
HEAD OF SALES & SERVICE AT DEUTZ GREEN



WE KEEP THE WORLD MOVING

CLASSIC | GREEN | SERVICE | TRANSFORMATION
1 | 2 | 3 | 4

GREEN
on the path
to success

>>

The first large order for our new hydrogen-powered gensets is a strategic milestone – and brings us a big step closer to becoming climate-neutral.

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Hydrogen drive with huge potential for success

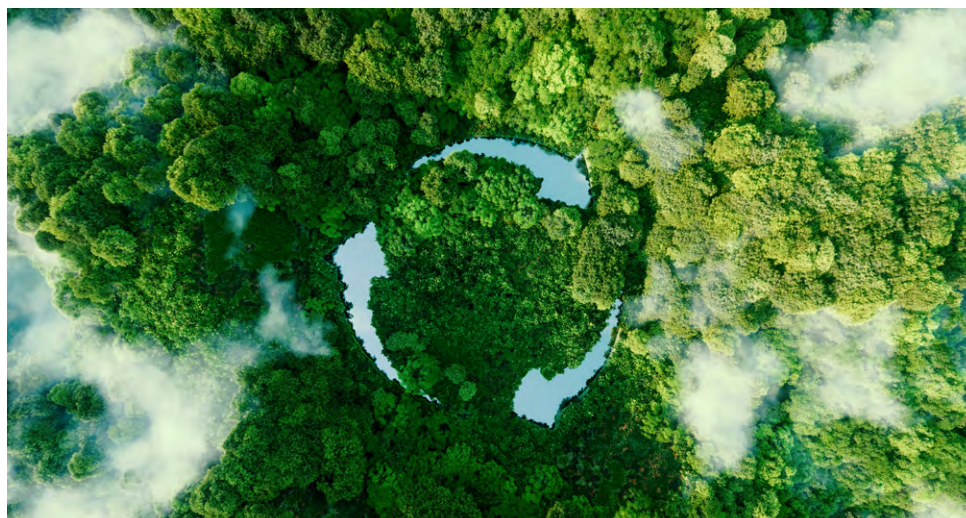
DEUTZ begins commercial production of hydrogen engines – a strategic milestone on the road to success for the Company's Green portfolio.

Building on the success of several pilot projects, DEUTZ has become one of the first engine manufacturers in the world to begin commercial production of a hydrogen engine. The background to this is a big-ticket order from China: DEUTZ is supplying 100 hydrogen-powered electricity generators, or H2 gensets, based on its TCG 7.8 H2 engine to the Chinese state innovation zone Zhongguancun Summit Enviro-Protection Co., Ltd (ZGC). The Zhongguancun technology hub in Beijing is sometimes called China's Silicon Valley.

The collaboration in China will demonstrate the potential of hydrogen combustion technology, with the 100 hydrogen gensets to be deployed in the immediate vicinity of coking plants. The waste gases produced by these plants are currently all burned off. Hydrogen accounts for around a quarter of them, and going forward it will be separated out and used to generate electricity on site with the gensets supplied by DEUTZ – with no additional carbon emissions. This means that the hydrogen engines will still reduce emissions

even if the hydrogen itself is not green. By using this 'gray hydrogen' byproduct of coking plants, each H2 genset is, even now, able to prevent up to 800 tonnes of CO₂ from being released into the atmosphere every year. And, of course, the gensets can be operated on a climate-neutral basis at a later stage, using green hydrogen.

The new engine uses conventional combustion technology but runs on hydrogen instead of fossil fuels. Burning hydrogen produces water (H₂O) rather than carbon dioxide (CO₂). The fact that the gensets can be scaled up or down flexibly depending on the needs at the location is another key advantage. Production of the hydrogen engines will commence at the Cologne-Porz site in 2024.



GREEN IS TAKING US IN A DIFFERENT DIRECTION
and helping us to reap new commercial potential beyond just the engine business.

Momentum for the Green segment

Bert, DEUTZ has defined three clear directions along which it will continue to develop, namely Classic, Service, and Green. How is it looking at Green?

Bert van Hasselt: Well, while the objectives and development paths are relatively straightforward in the Classic and Service segments, we at Green have to contend with several unknowns. By that I mean what is the optimum climate-friendly drive technology for the various fields of application? But also where is the demand in the market and which new partners should we choose when creating a green ecosystem? There's a lot that we can already build on at Green, but we will also be making some changes and restructuring in order to become more agile and accelerate our business development.

How important for DEUTZ Green is the order for 100 hydrogen engines?

Bert van Hasselt: The first large order for our new hydrogen-powered gensets is a strategic milestone – and brings us a big step closer to becoming climate-neutral. And going into production with these engines will help us to build even further on our expertise in hydrogen technology, and that will make DEUTZ more competitive.

Aside from this major order, are there any other important developments to report at DEUTZ Green?

Bert van Hasselt: Yes, absolutely. We also have other green solutions ready for commercial production in our electric business, namely the PowerTree, our proprietary DEUTZ battery, and our 360-volt drive system. These are all products that we have developed and brought to production readiness so that we can now offer our customers environmentally friendly solutions that emit no CO₂.

Can you tell us a little more about the 360-volt system?

Bert van Hasselt: Of course. Our 360-volt system is robust and specially designed for use in off-road or on-road applications that put high demands on the drive system. The basic platform is now ready to roll off the production lines and we will continue to develop it in the future so that we can offer a range of different systems. This 'e-system' also gives us an excellent solution for retrofits of existing diesel-powered applications. All in all, the key benefit for the customer is that we are able to offer a complete system from a single source as well as global service coverage.

So, what does the future hold for DEUTZ Green?

Bert van Hasselt: 2023 was a very good year for the Green segment, in which we continuously added to our project pipeline. As well as the big order from China and other hydrogen projects, we are delighted to be involved in ten projects with OEM partners in the field of battery-electric systems and in a maiden production program for battery systems with Kärcher. We are very confident that the future looks just as positive, not least because the restructuring of Green as a standalone organization in 2024 will give it even greater momentum. And we will continue to invest. Indeed, our aim is to have spent a total of €100 million on driving forward our Green activities in the period 2023 through 2025.



BERT VAN HASSELT
Head of Sales & Service at DEUTZ Green

Power boost for Green

DEUTZ is setting up a separate Green organization and thus accelerating its transformation.

Agility, market focus, and speed are the hallmarks of the new Green organization, which DEUTZ is establishing as a separate unit with its own CEO in 2024. Green remains part of DEUTZ, but the new organizational structure gives it a high degree of independence and momentum. In Green, we are creating a space that combines DEUTZ's 160 years of expertise with a radical customer focus in the green tech field. With a team that demonstrates innovation, resilience, and modern working methods as it designs the solutions of tomorrow.

Green takes an agile, customer-focused approach and is always on the lookout for new business potential beyond just the engine business. In this area, we are focusing on innovative and carbon-neutral drive systems based on a variety of technologies, including electric and hydrogen power.

Our strategic objective is to establish Green as an ecosystem for customer solutions. This ecosystem will encompass all relevant solutions and technologies that will be needed to keep the world moving in the future. Where beneficial, Green will continue to form alliances, forge partnerships, and acquire companies. The Green team thinks outside the box, works collaboratively, and can test disruptive business models. The spirit that motivates the team is a unique blend of agile technology development, the long-term expansion of our green business, and a focus on the needs of customers and markets. The CEO of Green reports directly to the DEUTZ Board of Management.



Making rapid progress

Thanks to Futavis, DEUTZ can offer state-of-the-art battery technology solutions to its customers.

The market for electric drives is evolving extremely rapidly at present, and many sectors are turning to electrification. DEUTZ is very well positioned when it comes to electric technologies, not least thanks to its subsidiary Futavis. Part of the DEUTZ Group, Futavis combines the flexibility of a start-up with the security and structures of a medium-sized group of companies. DEUTZ customers benefit from the highly specialized knowledge of the around 60-strong team of engineers and developers based in Aachen, Germany. And the advantage for Futavis is that it has DEUTZ as a "strong partner at our side, boasting an excellent reputation, a global customer base, a good image, and very high quality standards," says Martin Treiber, Managing Director of Futavis.

Futavis, which celebrated its tenth anniversary in 2023, is now a popular supplier and development partner for customers looking for bespoke battery systems, battery management systems, battery components, and battery services. Working closely with customers to ensure their needs are met, the battery specialist either develops customized solutions or integrates existing solutions into customers' systems.



MARTIN TREIBER
Managing Director of Futavis

A project with a big-name customer from the logistics industry went particularly well in 2023. It involved developing a customized high-voltage vehicle battery and having it certified in accordance with automotive standards. Futavis then signed a contract to supply the batteries for a future small-scale production run. The speed at which the market is moving means that Futavis is generally seeing strong demand for innovative battery technology developments.

"DEUTZ and Futavis forged even closer ties in 2023, stepping up their collaboration," reports Treiber. The long-established company and the start-up each learn from one another and benefit from their partnership. This win-win situation will undoubtedly continue in the year ahead, as Treiber explains: "We're delighted that the Green organization with its new structures will now be more prominent again and we will build up further momentum. We see this as great news for Futavis." Futavis is part of the Green organization and plays a key role in the new organizational structure.



THERE IS GREAT DEMAND
for innovative developments in battery technology. And we can deliver.



YOU CAN ALWAYS RELY ON A DEUTZ ENGINE.
We want to supply the best and cleanest engines, of course, but we also want to keep them up and running. That is why we are developing new digital services and expanding our global network of highly qualified service technicians. This Wacker Neuson dumper is powered by a DEUTZ TCD 2.9L engine.

Becoming climate-neutral by 2050

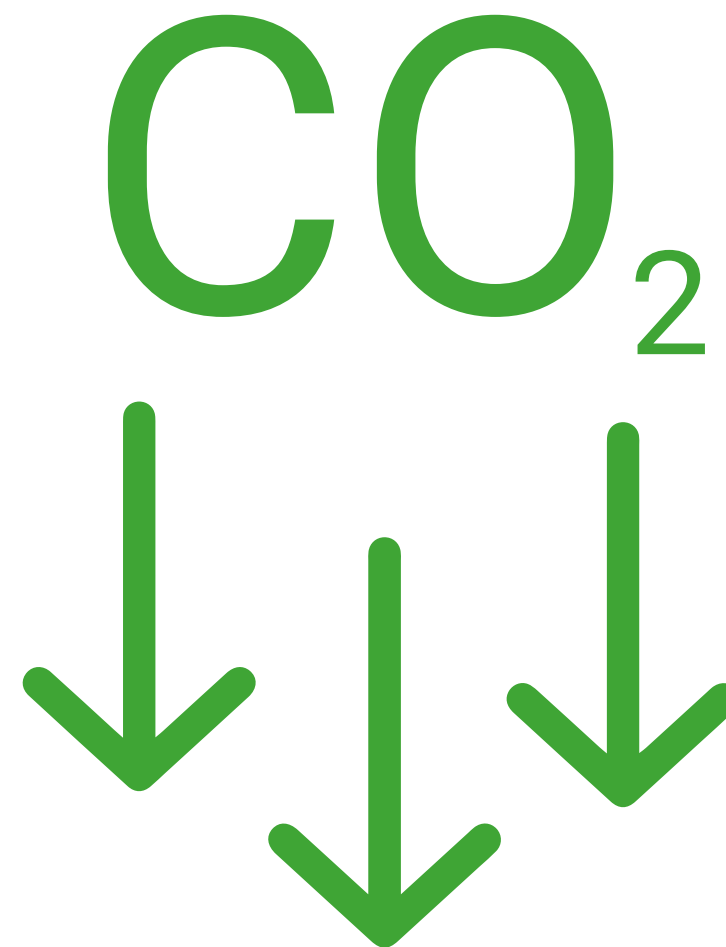
DEUTZ has set its sights on becoming a climate-neutral company by no later than 2050.

Climate change is a pressing matter for our industry and our customers, and of course for DEUTZ too. We have committed to becoming a climate-neutral company by 2050, and will be overhauling our entire process chain – from development and procurement to production and maintenance – as we shift to a zero-emission model. This is our contribution to achieving the 1.5 °C target set out in the Paris climate agreement.

Right now, we are working with our customers to make our product ecosystem carbon-neutral. Because our drive systems power industries that produce significant carbon emissions, this is a big challenge, but one that we also see as a big opportunity. Our aim is to harness this potential. Whereas some industries have already reached consensus about how they will achieve carbon-neutrality, it remains uncertain what a carbon-neutral truck, digger or tractor might look like. Drive systems that are constantly in use and move large loads could be based on a number of different technologies or combinations thereof.

Our experience, pioneering spirit, and strength in innovation – gained from 160 years of engine development – are giving us a head start as we pursue various approaches covering a range of technologies. These approaches include:

- Developing climate-neutral variants of the internal combustion engine, for example using hydrogen or synthetic fuels. We are making very good progress on this front. Indeed, we are among the first manufacturers worldwide to go into volume production with a hydrogen engine. And virtually all of DEUTZ's combustion engines are already approved for use with hydrotreated vegetable oils (HVO). HVO is an innovative biofuel produced from biological waste, slurry, and used cooking oils and fats, and is therefore not in competition with food production. The use of HVO fuels reduces the carbon footprint of DEUTZ's internal combustion engines by up to 90 percent.
- Developing alternative drive solutions based on electrification and fuel cell technology. Progress is encouraging here too as we steadily move toward increasingly efficient and powerful solutions.
- Developing and building integrated ecosystems that will expand our portfolio and our value chains both in the off-highway and on-highway segment. We have, for example, successfully positioned our PowerTree mobile rapid charging station in the market.



Despite all the advances being made in the field of alternative drives, it's clear that we need the internal combustion engine in order to keep the world moving, and we need it the way we use it now, at least for a transitional period. Synthetic fuels have the potential to extend this period considerably, and we aim to supply the best and cleanest engines possible – and to recycle and reuse materials in the process. To achieve this, we will be working closely with OEMs, actively contributing to the consolidation of the industry, and expanding our service offering.

No one company will be able to make the industry climate-neutral by itself. That much is clear. This is why we are relying on collaborations and partnerships within the ecosystem and leveraging our long-standing relationships as a supplier to various industries.

Our activities as a business are becoming more transparent as well. In 2024, we will be drawing up a detailed group-wide climate strategy that conforms to the EU's Corporate Sustainability Reporting Directive (CSRD). Part of the strategy involves bringing our existing environmental KPIs and objectives into line with specific requirements on environmental, social and corporate governance issues in accordance with the European Sustainability Reporting Standards (ESRS). Our shareholders will then be in a better position to gauge the progress that we are making.

WE KEEP THE WORLD MOVING

CLASSIC | GREEN | **SERVICE** | TRANSFORMATION
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SERVICE
close to
our customers.

DAMIAN WECKMANN
HEAD OF DIGITAL PROJECTS, CENTRAL SALES, AT DEUTZ



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SERVICE
close to
our cust

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Rather than just focusing on engines alone, we are expanding our service offering to include the monitoring of entire machines.

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Excellently trained and always there for our customers

DEUTZ's service technicians get engines running again

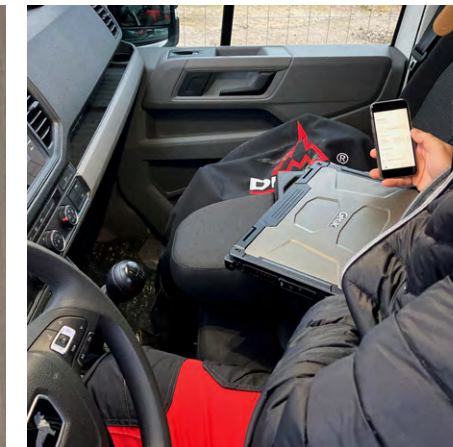
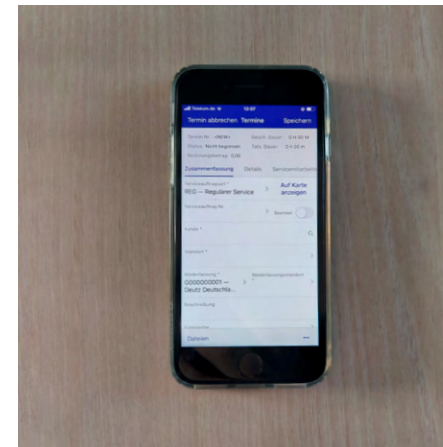


CHRISTIAN MARX is the Field Service Technical Advisor at DEUTZ Germany in Pfungstadt and ensures that our customers' broken machinery gets back up and running as quickly as possible.

In Germany alone, more than 200 DEUTZ service technicians spend a good 1,600 hours a year at our customers' premises, maintaining their machines in perfect working order or quickly and efficiently getting them up and running again. They are swiftly on site in their fully equipped DEUTZ vans.

Our service technicians are generally trained construction equipment, agricultural machinery or motor vehicle engineers. Top specialists such as Christian Marx are experienced, flexible and highly trained, and they are also excellent communicators - in stressful situations, they quickly find the right solution.

DEUTZ invests in its service network worldwide – in skilled technicians and in technology. DEUTZ's state-of-the-art vans serve as mobile workshops and are equipped with all kinds of parts and gadgetry – everything from sealing rings, bolts, and nuts to a small workbench and high-tech digital diagnostic tools such as endoscopes, which can be used to inspect engines without having to dismantle them. And because all service activities are digitally logged from start to finish, both the customer and DEUTZ have full transparency regarding the history of the product and the work that has been done on it. For many customers, this first-class and ultra-reliable service is yet another good reason to opt for DEUTZ.



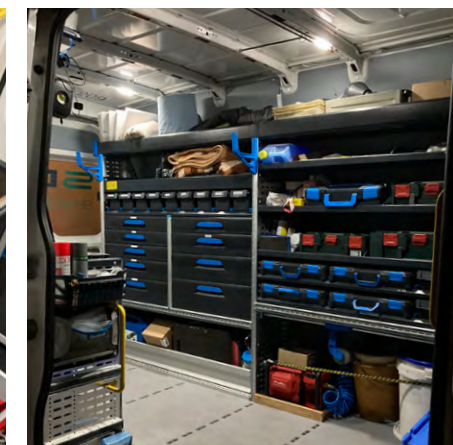
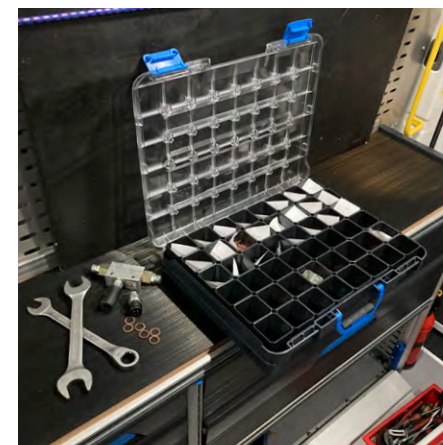
7 a.m.

After the morning briefing, the service technicians get all the details of the day's jobs sent straight to their phones. They then set off in the state-of-the-art van to wherever they are needed.



9 a.m.

Once at the customer's site, cutting-edge, digital diagnostic tools help our technicians to quickly identify the fault and work out how to get the engine running again. The tools and spare parts they need are in their DEUTZ vans.



4 p.m.

By the end of the day, all the tools are clean and neatly stowed back in the van. Our technician logs exactly what he has done and which parts he has used in the central ERP system. This creates transparency over the lifecycle of the engine.

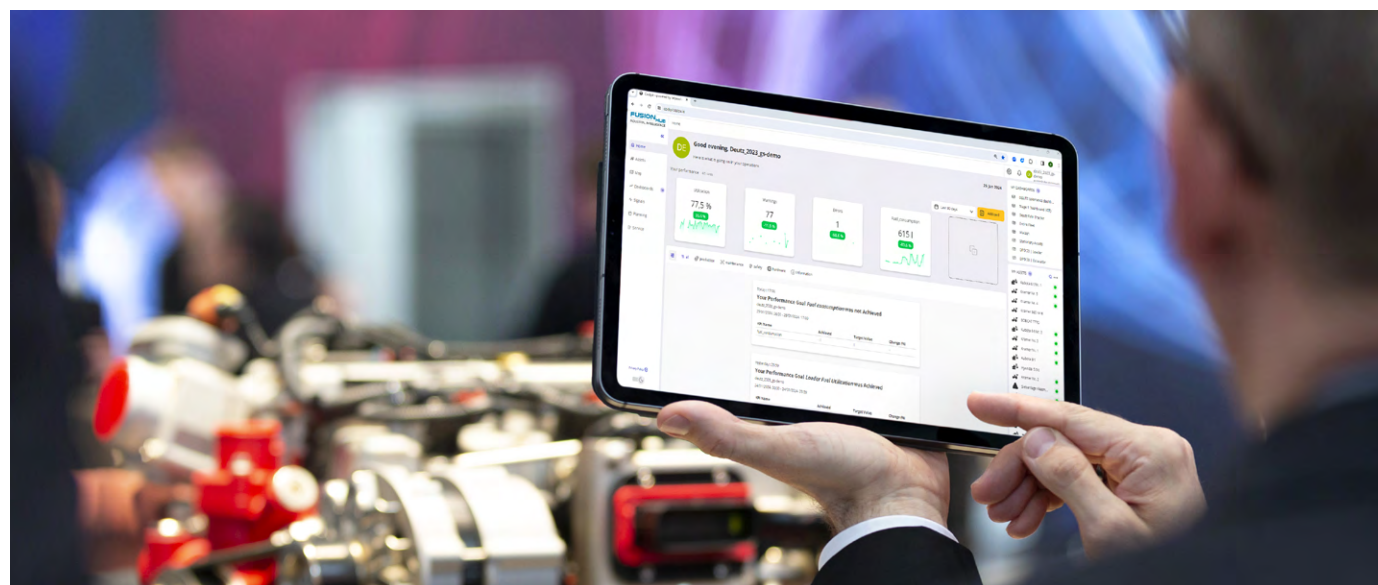
A digital efficiency booster

The FUSIONHUB digital ecosystem offers significant customer benefits while giving our digital service business a boost

The digital services provided by DEUTZ aim to keep our customers' engines and machinery working reliably. We are responding to customer demand that is steadily growing, with €6 million in new orders received in the first year.

Rather than just focusing on engines alone, FUSIONHUB expands our service offering to include the monitoring of entire machines. The FUSIONHUB digital ecosystem gives users a detailed overview of the condition of their networked machinery, around the clock and in real time. We have joined forces with Essen-based IoT start-up talpasolutions on this innovative service. The intelligent telematics tool facilitates the monitoring and maintenance of machinery. Examples of the information provided by the user-friendly dashboards include the location, running time, capacity utilization, and fuel consumption of each machine, whether the oil levels and coolant temperatures are ok, and which part will need servicing and when.

This is of great benefit to our customers, as digital monitoring avoids unplanned downtime, thus maximizes uptime, and optimizes machine performance. It also avoids many repairs becoming necessary. And if there is a defect, repairs are usually much quicker to complete as service technicians can use digital remote diagnostics to determine which fault needs to be fixed and which tools or parts they will need. This industrial intelligence solution saves time and money, increases capacity utilization, and extends the machines' useful life, which in turn conserves resources and has a positive impact on customers' environmental footprint. FUSIONHUB meets a growing demand in the market and opens up new business models for DEUTZ and its partners.



THANKS TO OUR SERVICE PLATFORM, users can see the status of their networked machines at any time.

»Like an app on a smartphone«

Damian, you are keen to point out that FUSIONHUB is a non-captive solution. Why is that important?

Damian Weckmann: We want any company in any industry to be able to sign up, whether OEM, fleet operator, or tire manufacturer. FUSIONHUB is an open and straightforward system.

How might FUSIONHUB benefit a tire manufacturer, for example?

Damian Weckmann: It will enable the manufacturer to offer its customers tires that always work reliably. The mining industry, for example, uses machines with huge tires. If such a tire is used at too low a pressure, it is only a matter of time before it wears down more than the others and possibly even bursts. Tire manufacturers that use FUSIONHUB can monitor every tire and ensure it is serviced, repaired, or replaced in time.

How does a FUSIONHUB customer use the service on a day-to-day basis?

Damian Weckmann: Much like an app on their smartphone. If a company has a fleet of vehicles featuring engines from different manufacturers, for example, then it can order an app, just like in an app store, to gain more insights into its DEUTZ



DAMIAN WECKMANN

Head of Digital Projects, Central Sales at DEUTZ

engines. The app gives the user easy access to digital information and recommendations on what to do and which spare part is needed in the event of a fault or a maintenance visit.

Service business growing around the world

DEUTZ made good progress with the global expansion of its service and parts business in 2023. In July, we acquired our long-standing service partner **M. Hochschule S.A.** based in Chile. This was followed in October by the **Diesel Motor Nordic Group (DMN)** in Sweden, another partner of many years. As well as strengthening our regional service networks in

South America and northern Europe, these acquisitions will expand the business involving the servicing of competitors' engines. The two acquisitions should together contribute a total of around €25 million to annual consolidated revenue.



FOR 160 YEARS, DEUTZ HAS BEEN MANUFACTURING DRIVES THAT POWER VEHICLES AND MACHINERY AROUND THE WORLD, and we aim to do so in the future too. To achieve this, we and our customers must embrace change and evolve. Transforming how vehicles are powered is a huge task, but also a business opportunity for us. A Genie S-60X telescopic boom fitted with a DEUTZ 2.9 liter engine.

WE KEEP THE WORLD MOVING

CLASSIC | GREEN | SERVICE | TRANSFORMATION
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TRANS- FORMATION

for a better
future.

KATHARINA KRÜGER
HEAD OF STRATEGY & TRANSFORMATION AT DEUTZ



WE KEEP THE WORLD MOVING

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TRANS-
FORMAT
for a bet
future.

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We have managed
to create momentum!
We are reaching
people not only on
a factual level
but also emotionally.

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Transformation is all about people

The people at DEUTZ are the crucial factor when it comes to the success of our Dual+ strategy. Year one of our transformation showed that our teams are open, agile, and highly motivated to make DEUTZ fit for the future.

Dual+ is the strategy that we have formulated for DEUTZ and it clearly sets out the direction of travel for the Green and Classic segments and for the service business. At the heart of our strategy is a firm focus on the needs of our customers and the market. We are implementing our strategy in all regions and functions through our „Powering Progress“ transformation program. This calls for a structural change in how we work together and for changes to our corporate culture.

Last year, 24 different initiatives ensured that the Dual+ strategy made an impression on the hearts and minds of everyone at DEUTZ. At the same time, the organizational structures were put in place that will help us to secure DEUTZ's future. During 55 Powering the Teams workshops, more than 2,000 employees familiarized themselves with

the new strategy and the associated way of working. Team members from different functions and departments, at various locations, and across hierarchies discussed what Dual+ means for their work and what the best way is for them to incorporate the transformation-related content into their role. This resulted in some 420 ideas and suggestions for improvement that were passed on to the Board of Management, which then implemented some of them directly.

We took another major step forward in our transformation by developing our 'five Ts': trust, transparency, truth, team, and tenacity. They define how we want to work with each other, how we lead, and how we want to measure leadership. We will roll out the five Ts to all areas of the Company in 2024 and intend to put them into practice in our day-to-day work.



On the move

Katharina, what was the highlight for you in the first year of transformation?

Katharina Krüger: The fact that we managed to create momentum. Initially, only a handful of managers knew about our Dual+ strategy and the five Ts. Now, there are more colleagues every day – across different regions and functions and at every hierarchy level – who believe in this form of collaboration. They want to be a part of this movement and are doing an excellent job of communicating it. We are reaching people not only on a factual level but also emotionally. That is the absolute highlight for me because, as a company, we really rely on our teams being emotionally engaged.

What role do employees play in DEUTZ's transformation?

Katharina Krüger: They play a very key role as they are the engine driving the change process. Our employees are the ones who have to embark on the transformation journey, and it is sometimes a circuitous, rocky road that they have to take. We help them to do so as successfully and with as much clarity of purpose as possible – through honest dialogue, suitable methodologies, and networking among the departments and regions.

How does the transformation affect the corporate culture?

Katharina Krüger: The way in which we treat each other and work together is crucial in making sure that we have a clear compass for the many challenging situations that often have to be faced during a process of transformation. In recent months, we have therefore invested a lot of time, effort, and passion across all departments and regions in order to establish a common understanding of the five Ts. You can imagine it as a two-way picture: The transformation is designed to support the corporate culture but, at the same time, we are creating a culture that supports the transformation. Similarly, we want to put the organizational structures in place that are needed to provide optimum support for our corporate culture.



KATHARINA KRÜGER
Head of Strategy & Transformation at DEUTZ

How we work

Our five Ts define how we work with each other at DEUTZ

As part of DEUTZ's transformation, we have thought about which principles should guide our work with each other and, together with management, have defined a set of binding values. The result is our five Ts – Trust, Transparency, Truth, Team, and Tenacity. These five Ts form the cornerstones of our working relationships.

Trust

Trust makes everything less complex, and is a key factor in driving success, particularly when transformation is the goal. We want to work with people we trust – and for trust to be the starting point for every working relationship. We do what we say we will do, we give people freedom and flexibility in how they work, and we see mistakes as opportunities.

Transparency

Transparency is about: sharing knowledge, building stable relationships, and resolving conflict. It is important to us that this is done in good time, with precision, and in an appropriate format. The information that we share is relevant. We are transparent about our intentions, feelings, motives, and decisions. And that works in both directions.

Truth

Truth is grounded in facts and figures, not opinions. We maintain an open and respectful dialogue and give constructive feedback – regardless of what our job involves or where we stand in the hierarchy. We encourage people to have an open mind and to think flexibly so that we can come up with the best solutions together.

Team

Team for us means knowing that together we can achieve more. Each individual plays their part in achieving the common goals. We support each other, have fun with each other, and know how to celebrate success and get through difficult times together.

Tenacity

Tenacity means facing obstacles and challenges with openness and acceptance, but never giving up. We are committed and passionate, and are determined to achieve our goals and make things happen. And if the situation changes, we are happy to adapt.



In a video that's well worth watching, DEUTZ employees share their thoughts on what the five Ts mean to them personally.

Internal perspectives

What do employees particularly appreciate about DEUTZ? What do we need to change in order to become an even better employer? How satisfied are the people who work at DEUTZ with their job?

These were just some of the questions that we asked in our global employee survey in October 2023. Many colleagues worldwide seized this opportunity to tell us their views and thus exercise direct influence on their working environment. We are using the results of the digital survey to launch initiatives designed to make DEUTZ an even better employer. Employees interested in contributing to this process were able to take part in workshops in which we developed specific action steps.

84%

of the participating DEUTZ employees are proud to work at DEUTZ

The survey was available in

10 languages

4,780

DEUTZ employees were invited to participate in the online survey

68%

of those participating feel able to fully unlock their potential at DEUTZ

76%

of those participating want to remain at DEUTZ for the next five years or longer

People and teams

was the most common answer when employees were asked what aspect of DEUTZ they find great

83%

of the participating DEUTZ employees feel motivated when working for DEUTZ

79%

of the participating DEUTZ employees would recommend DEUTZ to others as a good employer

72%

of the participating DEUTZ employees have confidence in the DEUTZ Board of Management

Working in tandem

DEUTZ mentoring

Many things are easier to accomplish with two people, especially if you have an experienced colleague at your side. This is exactly what our new internal mentoring program is all about. Experienced DEUTZ managers act as mentors and share their work and career-related knowledge, networks, and expertise with young employees, the mentees. Regular tandem meetings allow mentors and mentees to compare notes in person, and they can shadow each other as they go about their day-to-day tasks at DEUTZ. 15 tandems started on a year-long program in August 2023. Initial feedback shows that the initiative has been well-received by those taking part, and there are plans to expand it to meet demand.

By the way, mentoring is not a new idea at DEUTZ, of course. Back in 2014, we joined forces with other notable companies in the region in Cologne's cross-mentoring program for female management trainees.



Award-winning Integration@Work



DEUTZ has been recognized as a 'Training provider committed to integration' by the University of Konstanz. We have been part of its 'Integration@Work: skills shortage & integration of apprentices in the workplace' research project since 2022. As part of the project, regular surveys are conducted among selected apprentices over the three years of their apprenticeship. Participation is voluntary. The researchers hope to understand when integration in the workplace – and thus the apprenticeship – is successful, and what obstacles there are, particularly for apprentices who are recent immigrants.

Happily, apprenticeship drop-out rates at DEUTZ are generally well below average. The vast majority of people who decide on an apprenticeship at DEUTZ remain loyal to us, many even stay for several decades. Nevertheless, we are always looking at ways to improve, which is why we are delighted to be part of the research project.

A program for brilliant minds

TALENTS@DEUTZ



Our new TALENTS@DEUTZ program gives exceptional DEUTZ employees the opportunity to work on their strengths, uncover potential, gain experience, network, learn, and pursue their career goals. The internal training program we have created is aimed at skilled employees and managers, and anyone aspiring to join their ranks. To qualify for the program, employees must have a record of strong performance and the desire to develop professionally, and they must identify strongly with our DEUTZ values. There was a two-month nomination phase during which talented DEUTZ employees could be put forward or apply themselves. This was followed by an internal selection process. TALENTS@DEUTZ will launch in the second quarter of 2024 and is scheduled to run for two years.

Record turnout

DEUTZ Family Day 2023

The DEUTZ Family Day is a big thank you to all employees for their hard work, and a welcome opportunity for family members to learn more about their loved ones' workplace. The 2023 edition of the DEUTZ Family Day saw a record turnout, with 5,000 visitors having fun at the factory site in Cologne-Porz. Themed around the event's motto, 'moving emotions', the day featured interactive engine displays, electric excavators to test drive, fabulous food trucks, a paper chase, and – for a period – the entire Board of Management serving drinks or tending to the grill. The DEUTZ road train made getting around the site easy, while Cologne-based cult band Bläck Fööss provided the entertainment, to mention just some of the highlights.



Finance

OVERVIEW OF THE SEGMENTS IN THE DEUTZ GROUP

Since January 1, 2022, the Company's operating activities have been divided into the segments Classic and Green.

DEUTZ CLASSIC

	2023	2022	Change		2023	2022	Change
New orders (€ million)	1,743.2	1,981.1	-12.0 %	New orders (€ million)	6.7	-0.3	-
Unit sales (units)	186,718	181,249	3.0 %	Unit sales (units)	398	19	1,994.7 %
Revenue (€ million)	2,058.2	1,889.4	8.9 %	Revenue (€ million)	5.0	2.7	85.2 %
EBIT ¹ (€ million)	180.1	128.1	40.6 %	EBIT ¹ (€ million)	-37.1	-25.1	-47.8 %
EBIT margin ¹ (%)	8.8	6.8	+2 pp	EBIT margin ¹ (%)	-742.0	-929.6	+187.6 pp

¹ before exceptional items.

The Classic segment encompasses all activities related to the development, production, distribution, and servicing of diesel and gas engines as well as the equity-accounted joint venture with Chinese construction equipment manufacturer SANY.

The Classic segment's share of consolidated revenue in 2023 was around 99.7 percent.

DEUTZ GREEN

The Green segment consists of all activities related to new drives. This includes hydrogen engines, electric drives, mobile rapid charging stations, the related service business, and the battery management specialist Futavis.

Given that DEUTZ is currently only at the start of its transformation, the volume of business for the Green segment is still low. The earnings-related key figures for the Green segment also reflect a substantial level of research and development in the field of electric and hydrogen-powered drive systems.

INCOME STATEMENT FOR THE DEUTZ GROUP

€ million

	2023	2022
Revenue	2,063.2	1,892.1
Cost of sales	-1,616.4	-1,524.5
Research and development costs	-109.6	-97.5
Selling expenses	-129.8	-112.3
General and administrative expenses	-77.6	-59.7
Other operating income	24.0	33.6
Other operating expenses	-25.8	-26.2
Impairment of financial assets and reversals thereof	0.4	-4.4
Profit/loss on equity-accounted investments	-5.5	-3.7
Other net investment income	0.6	0.2
EBIT	123.5	97.6
Interest income	1.8	1.3
Interest expense	-16.4	-6.3
Other financial income	-0.7	-0.9
Financial income, net	-15.3	-5.9
Net income before income taxes from continuing operations	108.2	91.7
Income taxes	-1.3	3.7
Net income from continuing operations	106.9	95.4
Net income from discontinued operations	-25.0	-15.2
Net income	81.9	80.2
thereof attributable to shareholders of DEUTZ AG	81.9	80.2
Earnings per share (basic/diluted, €)	0.66	0.66
thereof from continuing operations	0.86	0.79
thereof from discontinued operations	-0.20	-0.13

STATEMENT OF COMPREHENSIVE INCOME FOR THE DEUTZ GROUP

€ million

	2023	2022
Net income	81.9	80.2
Amounts that will not be reclassified to the income statement in the future	-6.3	21.1
Remeasurements of defined benefit plans	-6.3	21.1
Amounts that will be reclassified to the income statement in the future if specific conditions are met	-7.3	-3.1
Currency translation differences	-5.4	0.3
thereof profit/loss on equity-accounted investments	-3.2	-1.1
thereof from translation of discontinued operations	0.0	0.0
Effective portion of change in fair value from cash flow hedges	0.7	-3.7
Fair value of financial instruments	-2.6	0.3
Other comprehensive income, net of tax	-13.6	18.0
Comprehensive income	68.3	98.2
thereof attributable to shareholders of DEUTZ AG	68.3	98.2



FOR ALL THE DEUTZ GROUP'S KEY FINANCIALS FOR 2023, VISIT:
www.deutz.com/gb2023/en

¹ The key figures for 2023 and 2022 relate exclusively to the continuing operations of the DEUTZ Group. The Torquedo Group's activities are treated as a discontinued operation in accordance with IFRS 5 as the contract for its sale was signed in January 2024.

BALANCE SHEET FOR THE DEUTZ GROUP

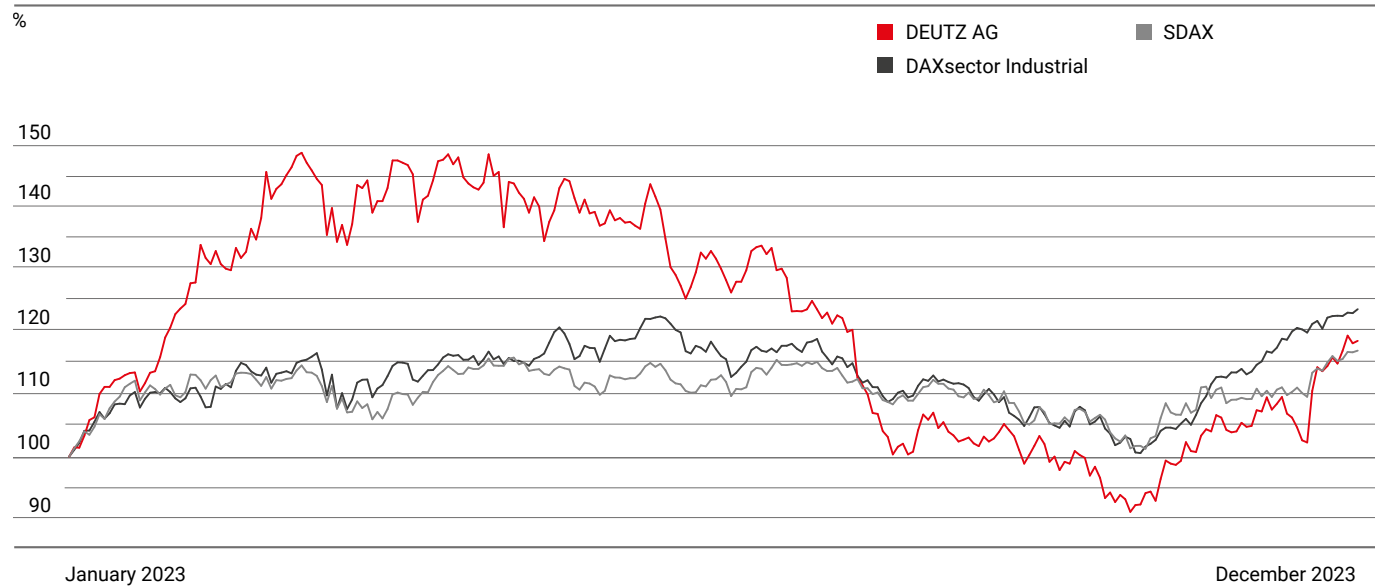
€ million		
	Dec. 31, 2023	Dec. 31, 2022
Assets		
Property, plant and equipment	379.3	394.7
Intangible assets	159.9	169.3
Equity-accounted investments	41.4	50.6
Other financial assets	26.7	14.4
Non-current assets (before deferred tax assets)	607.3	629.0
Deferred tax assets	127.4	101.3
Non-current assets	734.7	730.3
Inventories	433.9	451.6
Trade receivables	201.9	186.2
Other receivables and assets	49.8	50.7
Receivables in respect of tax refunds	4.1	1.7
Cash and cash equivalents	90.1	54.9
Assets classified as held for sale of discontinued operations	75.7	0.0
Current assets	855.5	745.1
Total assets	1,590.2	1,475.4
Equity and liabilities	Dec. 31, 2023	Dec. 31, 2022
Issued capital	322.5	309.0
Additional paid-in capital	40.3	28.8
Other reserves	-6.7	0.6
Retained earnings and accumulated income	387.1	330.4
Equity attributable to shareholders of DEUTZ AG	743.2	668.8
Equity	743.2	668.8
Provisions for pensions and other post-retirement benefits	87.7	86.0
Deferred tax liabilities	5.8	2.0
Other provisions	23.9	28.4
Financial debt	65.9	77.2
Other liabilities	19.6	2.2
Non-current liabilities	202.9	195.8
Provisions for pensions and other post-retirement benefits	10.7	11.1
Other provisions	73.8	81.7
Financial debt	187.6	141.9
Trade payables	256.0	291.5
Liabilities arising from income taxes	6.4	4.9
Other liabilities	90.6	79.7
Liabilities directly associated with assets of discontinued operations	19.0	0.0
Current liabilities	644.1	610.8
Total equity and liabilities	1,590.2	1,475.4

CASH FLOW STATEMENT FOR THE DEUTZ GROUP

€ million		
	2023	2022
EBIT	123.5	97.6
Income taxes paid	-21.6	-9.9
Depreciation, amortization and impairment of non-current assets	108.7	93.6
Gains/losses on the sale of non-current assets	0.0	0.4
Profit/loss and impairment on equity-accounted investments	6.1	3.7
Other non-cash income and expenses	-0.5	0.7
Change in working capital	-58.1	-81.2
Change in inventories	-9.4	-65.7
Change in trade receivables	-15.5	-48.4
Change in trade payables	-33.2	32.9
Change in other receivables and other current assets	-2.7	-7.0
Change in provisions and other liabilities (excluding financial liabilities)	-3.9	-20.2
Cash flow from operating activities – continuing operations	151.5	77.7
Cash flow from operating activities – discontinued operations	-12.7	-20.2
Cash flow from operating activities – total	138.8	57.7
Capital expenditure on intangible assets, property, plant and equipment	-65.0	-55.9
Financial investment	-0.2	-3.8
Acquisition of subsidiaries	-31.1	-5.4
Proceeds from the sale of non-current assets	0.3	0.2
Cash flow from investing activities – continuing operations	-96.0	-64.9
Cash flow from investing activities – discontinued operations	-1.9	-2.3
Cash flow from investing activities – total	-97.9	-67.2
Dividend payments to shareholders	-18.9	-18.2
Interest income	1.9	0.3
Interest expense	-15.6	-6.7
Repayment of capital contributions to non-controlling interests	0.0	0.0
Cash receipts from borrowings	55.9	89.5
Repayments of loans	-9.1	-20.0
Principal elements of lease payments	-15.3	-14.3
Cash flow from financing activities – continuing operations	-1.1	30.6
Cash flow from financing activities – discontinued operations	-3.5	-3.0
Cash flow from financing activities – total	-4.6	27.6
Cash flow from operating activities – total	138.8	57.7
Cash flow from investing activities – total	-97.9	-67.2
Cash flow from financing activities – total	-4.6	27.6
Change in cash and cash equivalents	36.3	18.1
Cash and cash equivalents at Jan. 1	54.9	36.1
Change in cash and cash equivalents	36.3	18.1
Change in cash and cash equivalents related to exchange rates	-1.1	0.1
Change in cash and cash equivalents related to the basis of consolidation	0.0	0.6
Cash and cash equivalents at Dec. 31	90.1	54.9

DEUTZ in the capital markets

DEUTZ SHARES RELATIVE TO DAXSECTOR INDUSTRIAL AND SDAX (INDEXED)

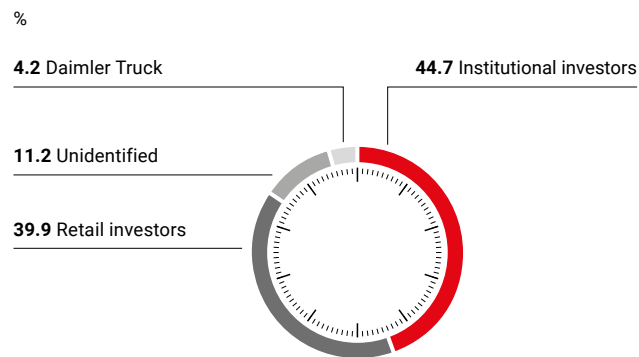


KEY FIGURES FOR DEUTZ SHARES

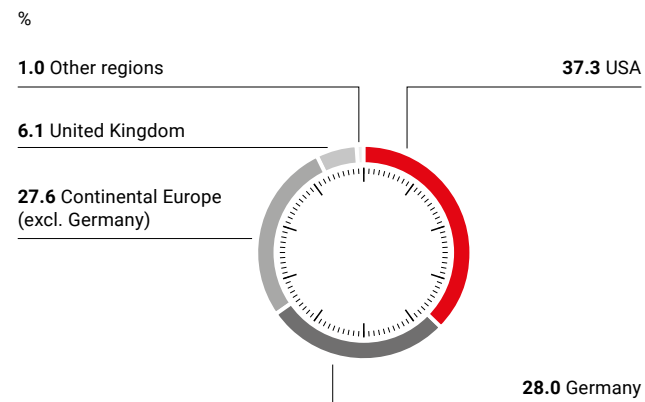
	2023	2022		2023	2022
Number of shares (Dec. 31, million)	126.1	120.9	Share price ¹ (Dec. 31, €)	4.80	4.05
Market capitalization (Dec. 31, € million)	605.5	489.0	Share price high ¹ (€)	6.03	7.00
Earnings per share (€)	0.66	0.66	Share price low ¹ (€)	3.69	3.02

¹ Xetra closing price.

SHAREHOLDER STRUCTURE¹



SHAREHOLDER STRUCTURE BY COUNTRY (INSTITUTIONAL INVESTORS)¹



¹ Nasdaq, December 2023.

¹ Nasdaq, December 2023.

The DEUTZ 2023 Annual Report

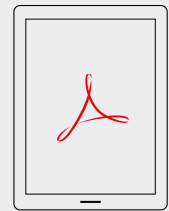
In 2020, DEUTZ decided that it would no longer print its annual reports. We are thus making a contribution to protecting the environment and mitigating climate change, as set out in our Taking Responsibility sustainability strategy.

The 2022 annual report can be found here: annualreport.deutz.com/2022



THE 2023 ONLINE ANNUAL REPORT
INCLUDING A KPI TOOL
AND INTERACTIVE FEATURES
AT:

annualreport.deutz.com/2023



THE 2023 ANNUAL REPORT AS A PDF
INCLUDING THE MANAGEMENT REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS
AT:

www.deutz.com/gb2023/en



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Financial Calendar

2024	APRIL 30	Quarterly statement for the first quarter of 2024 Conference call with analysts and investors
	MAY 8	Annual General Meeting (virtual)
	AUGUST 8	Interim report for the first half of 2024 Conference call with analysts and investors
	NOVEMBER 7	Quarterly statement for the first to third quarter of 2024 Conference call with analysts and investors

2025	MARCH	2024 annual report Annual results press conference with analysts and investors
	MAY	Annual General Meeting



ALL FINANCIAL DATES:
www.deutz.com/en/investor-relations/financial-calendar

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DEUTZ GROUP: FIVE-YEAR OVERVIEW

€ million

	2023 ¹	2022 ¹	2021	2020	2019
New orders	1,749.9	1,980.8	2,012.6	1,322.5	1,654.3
Unit sales (units)	187,116	181,268	201,283	150,928	211,667
Revenue	2,063.2	1,892.1	1,617.3	1,295.6	1,840.8
EBITDA	232.2	186.6	123.1	-0.2	175.5
EBITDA (before exceptional items)	252.3	192.5	126.2	31.7	166.2
EBIT	123.5	97.6	34.1	-106.6	88.1
thereof exceptional items	-20.1	-5.9	-3.1	-31.9	9.3
EBIT margin (%)	6.0	5.2	2.1	-8.2	4.8
Adjusted EBIT (EBIT before exceptional items)	143.6	103.5	37.2	-74.7	78.8
EBIT margin before exceptional items (%)	7.0	5.5	2.3	-5.8	4.3
Net income	106.9	95.4	38.2	-107.6	52.3
Earnings per share (€)	0.86	0.79	0.32	-0.89	0.43
ROCE ² before exceptional items (%)	14.4	11.0	4.1	-8.1	9.0
Total assets	1,590.2	1,475.4	1,290.1	1,180.5	1,301.2
Non-current assets	607.3	629.0	608.2	613.6	619.5
Equity	743.2	668.8	588.4	535.2	652.4
Equity ratio (%)	46.7	45.3	45.6	45.3	50.1
Cash flow from operating activities	138.8	57.7	93.3	44.9	115.6
Free cash flow ³	41.8	6.4	21.6	-35.8	-36.6
Net financial position ⁴	-163.4	-155.9	-79.7	-83.8	-15.2
Working capital ⁵	379.8	313.8	253.2	235.0	293.2
Working capital ratio ⁶ (average, %)	17.7	15.6	15.5	21.8	17.4
Capital expenditure (after deducting grants) ⁷	114.5	99.6	65.7	91.7	86.5
Depreciation and amortization	108.7	93.6	89.0	106.4	87.4
R&D ratio (%) ⁸	4.7	4.5	5.1	6.3	5.2
Research and development expenditure (after deducting grants)	97.9	84.7	82.3	81.4	95.8
thereof capitalized	2.6	5.3	6.8	12.6	21.7
Employees ⁹ (number as at Dec. 31)	5,084	4,773	4,751	4,586	4,906

¹ The key figures for 2023 and 2022 relate exclusively to the continuing operations of the DEUTZ Group. The Torqeedo Group's activities are treated as a discontinued operation in accordance with IFRS 5 as the contract for its sale was signed in January 2024.

² Return on capital employed

³ Cash flow from operating and investing activities less interest expense.

⁴ Cash and cash equivalents less current and non-current interest-bearing financial debt.

⁵ Inventories plus trade receivables less trade payables.

⁶ Average working capital at the four quarterly reporting dates divided by revenue for the previous twelve months.

⁷ Capital expenditure on property, plant and equipment (including right-of-use assets in connection with leases) and intangible assets, excluding capitalization of R&D.

⁸ Ratio of R&D expenditure to revenue

⁹ From 2019 onward, the number of employees is expressed in FTEs (full-time equivalents).

DEUTZ WORLDWIDE >>

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March 4, 2024

DEUTZ worldwide

DEUTZ WORLDWIDE >>



ULM
Production of DEUTZ PowerTree, Small production runs of engines, Xchange, small production runs of crankcases, crankshafts, and gearwheels



COLOGNE (HEADQUARTERS OF DEUTZ AG)
Volume production engines with capacities of less than 4 liters and between 4 and 8 liters, centers of excellence for crankcases and for camshafts and crankshafts



HERSCHBACH
Manufacture and pre-assembly of complex add-on components



TIANJIN (PARTNERSHIP WITH BEINEI)
Assembly of sub-4 liter and 6 liter engines for lifting platforms, forklift trucks, smaller construction equipment



PENDERGRASS / ATLANTA (DEUTZ CORPORATION)
Value-adding production, Xchange



SAPINO (MAGIDEUTZ)
Genset production



ZAFRA (DEUTZ SPAIN)
Center of excellence for the processing and pre-assembly of cylinder heads, crankcases for sub-4 liter engines, conrods, gearwheels

SHANGHAI (HEADQUARTERS OF DEUTZ CHINA)

SINGAPORE (HEADQUARTERS OF DEUTZ ASIA-PACIFIC)



CHANGSHA (JOINT VENTURE WITH SANY)
Engine production for SANY trucks and construction equipment, concrete pumps

- 10 production sites
- 15 affiliated companies
- 34 Service Centers/Power Centers
- 5 sales offices

DEUTZ 2023

