

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

DR. SEBASTIAN C. SCHULTE

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 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

A handwritten signature in blue ink, appearing to read 'Sebastian C. Schulte', followed by a horizontal line.

Dr. Sebastian C. Schulte

CHIEF EXECUTIVE OFFICER