DEUTZ

Results for 9M 2024

November 7, 2024

160 YEARS | DEUTZ®

Disclaimer

Unless stated otherwise, all the figures given in this presentation refer to continuing operations.

The details given in this document are based on the information available at the time it was prepared. This presents the risk that actual figures may differ from forward-looking statements. Such discrepancies may be caused by changes in political, economic, or business conditions, a decrease in the technological lead of DEUTZ's products, changes in competition, the effects of movements in interest rates or exchange rates, the pricing of parts supplied, and other risks and uncertainties not identified at the time this document was prepared.

The forward-looking statements made in this document will not be updated.

Overview 9M 2024 & current development

Dr. Sebastian C. Schulte

9M 2024: DEUTZ remains profitable after a difficult Q3

New orders

€1,346 million

-3.8% on prior-year, positive effect in Q3 from **strategic portfolio development**

Revenue

€1,306 million

-13.4% on prior-year, decline in Q3 not least due to **three-week production break**

EBIT margin[1]

4.4%

Margin decline to 1.7% in Q3 particularly due to **volume effects**, 9M in line with adjusted forecast

Note: Relates to continuing operations only. [1] Before exceptional items.

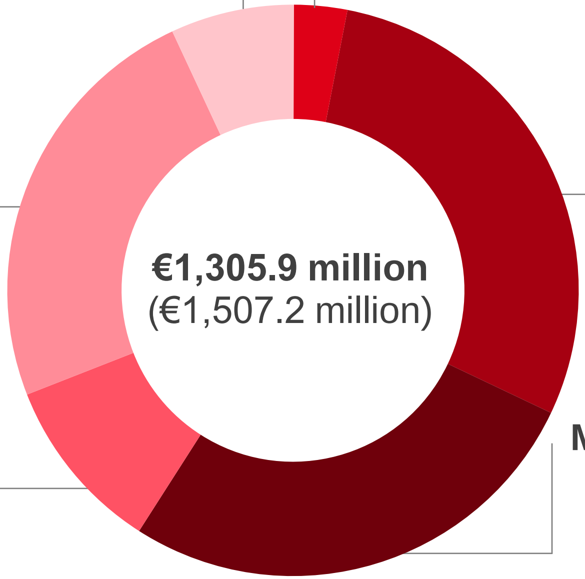
Revenue: Service continues to grow, Americas stable

Revenue breakdown by application segment[1]
9M 2024 (9M 2023)

Stationary Equipment
7% (9%)
€97.8 million
-28.5%

Construction Equipment
24% (29%)
€308.4 million
-28.1%

Agricultural Machinery
10% (13%)
€134.2 million
-31.4%



Miscellaneous
3% (3%)
€37.4 million
-23.2%

Service
29% (24%)
€379.4 million
+5.2%

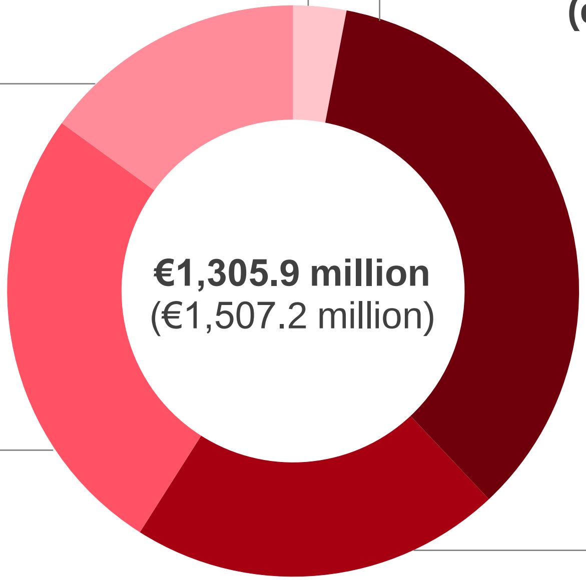
Material Handling
27% (22%)
€348.7 million
+3.6%

Revenue breakdown by region[1]
9M 2024 (9M 2023)

Africa/Middle East
4% (4%)
€51.7 million
-8.3%

Asia-Pacific
14% (14%)
€185,5 million
-15.0%

Americas
29% (25%)
€375,7 million
-0.1%



Europe (excl. Germany)
35% (38%)
€425.5 million
-19.8%

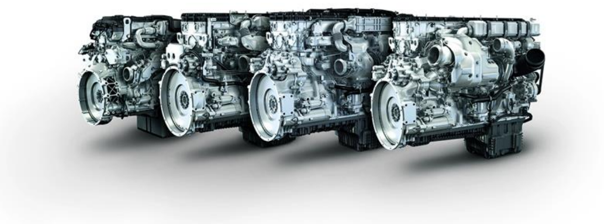
Germany
18% (19%)
€240.5 million
-17.8%

[1] Relates to continuing operations only.

Third quarter 2024 with important strategic steps

CLASSIC

- Closing of the takeover of sales and service activities for Daimer Truck engines from RRPS[1]
  - Revenue and earnings contribution since August 1, first-time consolidation of orders in Q3 (high double-digit million-euro amount)
  - Further progress in the implementation of the purchasing program



SOLUTIONS

- DEUTZ New Tech organization set up under new leadership; evaluation of technology paths for e-products and hydrogen engines
- Closing of the acquisition of Blue Star Power Systems
  - Revenue and earnings contribution since August 1, first-time consolidation of orders in Q3 (~€100 million)
- Set-up of BU Energy and further development of growth strategy

SERVICE

- Takeover of the central Polish DEUTZ dealer BTH FAST – with expandable business in the defense sector
  - Strengthening our business in Poland - now with our own service and sales organization
  - Closing was beginning of November

[1] Rolls-Royce Power Systems.

€10-15 million savings in Q4 2024 through consistent implementation of cost measures

Since Q1

Flexibilization of "Classic" production costs (esp. personnel)
- Reduction in shifts, working hours (including short-time working in Spain) and temporary workers
- Savings in purchasing
- Reduction of investments and inventories

Stabilization of the result Q1-Q3

Additional measures with impact in Q4

Short-term reduction in costs and expenses
- Freezing of budgets in core areas (e.g. R&D)
- Strict expenditure controls
- Reduction of overtime/holidays

€10-15 million additional savings

Guidance 2024 adjusted due to weak market environment

Weak market environment

Cost measures

Implementation of Dual+ strategy (Classic, Service, Solutions)

Guidance adjustment of October 3, 2024

Guidance	2024
Unit sales	Less than 150,000 engines *(previously: max. of 160,000 engines)*
Revenue	Around €1.8 billion *(previously: €1.9 to €2.1 billion)*
Adjusted EBIT margin[1]	4.0 bis 5.0% *(previously: 5.0 to 6.5%)*
Free cash flow[2]	At least balanced *(previously: mid-double-digit million-euro amount)*

[1] Before exceptional items. [2] Before M&A.

In addition, structural cost program of €50 million to increase competitiveness in the long term

Holistic

	Savings	€ million
I	R&D costs in the **Classic** segment	~20
II	More focused spending on **R&D in New Tech**	~10
III	Adjustment of the **positioning in the regions**	~5
IV	Optimization of **supply chain** in Classic & Service	~5
V	Optimization of **central functions**	~10
	Total	**~50**

Quick ramp-up

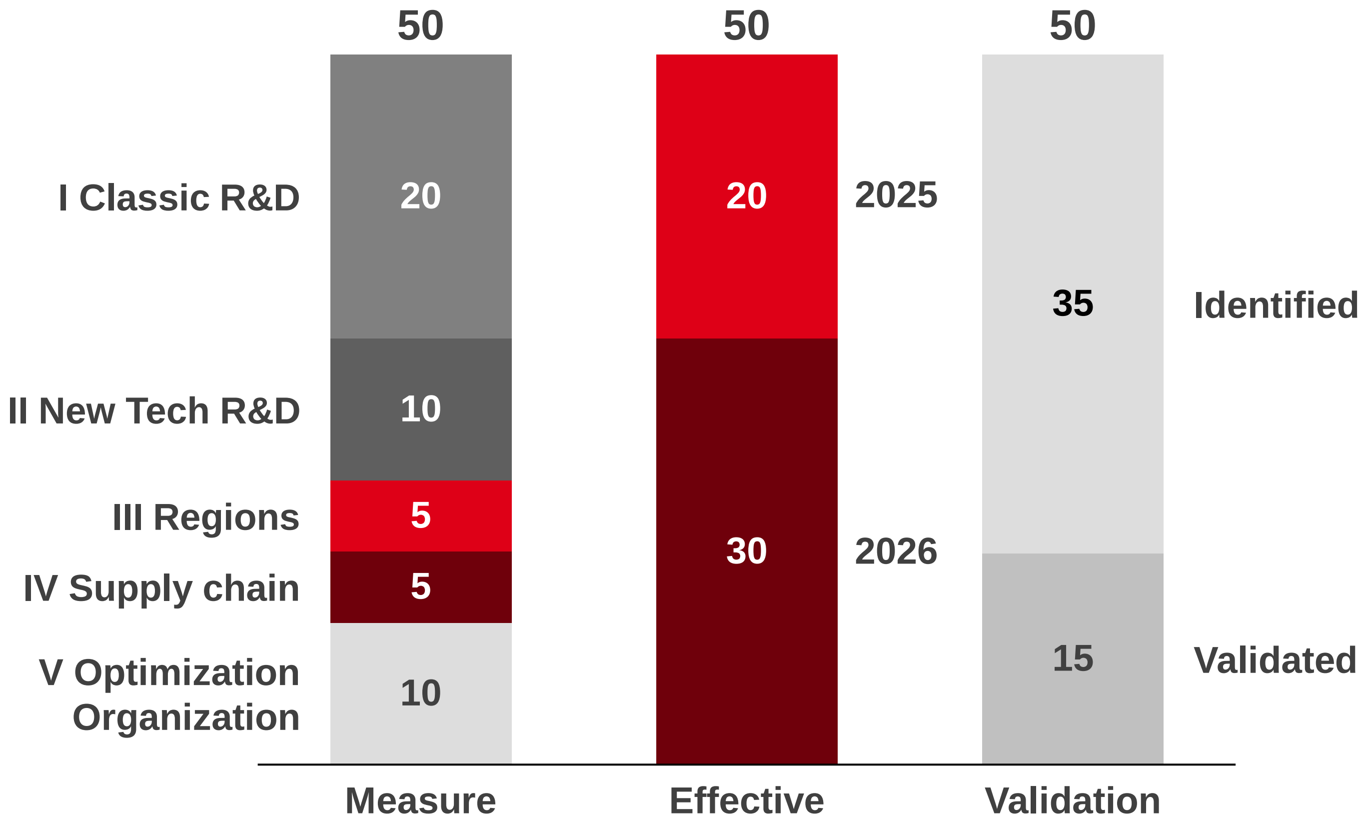
- Sustainable **savings in 2025 and 2026** – at least 40% of the defined savings volume already fully impacting earnings in 2025
- Total of **€50 million validated at measure level** since the beginning of October
- Approx. **30%** of the savings already **at maturity level "validated"**

Status cost program & 9M 2024 in figures

Oliver Neu

Cost program launched and savings target underpinned with measures

Cost program (in € million)



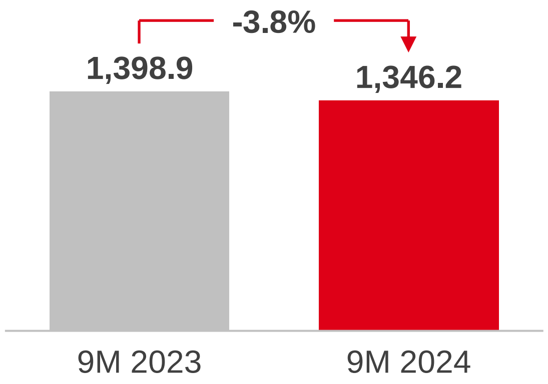
- Cross-departmental team set up to identify and track the measures
- Defined measures include structural measures such as job cuts as well as the sustainable reduction of material costs
- Close dialogue with employee representatives in order to enter into negotiations promptly and create clarity for all employees as quickly as possible

Potential confirmed in all areas

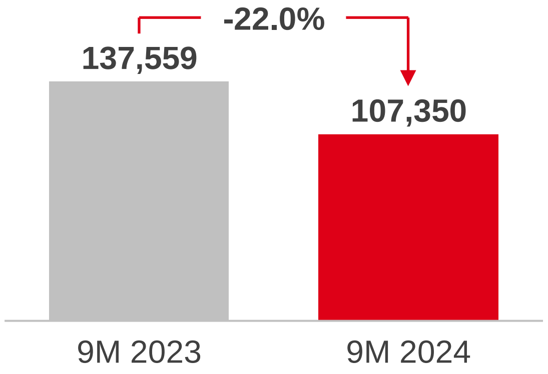
Field		Details
I	R&D costs in the **Classic segment** **(€20 million)**	Flexibilization and reduction of capacities and costs due to delays in the introduction of new emission standards – through offshoring, nearshoring and reduction of jobs in Cologne
II	More focused spending on **R&D in New Tech** **(€10 million)**	Alignment of product development budgets with market development and reduction of effort by approximately 30% – external and personnel costs
III	Adjustment of the **positioning in the regions** **(€5 million)**	Review of the structures in the country organizations – especially at the sites in Shanghai and Beijing, where a reduction of approx. 20% of jobs is planned
IV	Optimization of **supply chain** in Classic & Service **(€5 million)**	Synergies through joint optimisation of the supply chain – from order acceptance to delivery, e.g. through outsourcing, improved cross-functional cooperation
V	Optimization of **central functions** **(€10 million)**	More efficient positioning, among other things through streamlining of management structures (already largely implemented), efficiency in sales and sustainable reduction of costs in the IT area (more than €5 million)

Results for 9M 2024[1]

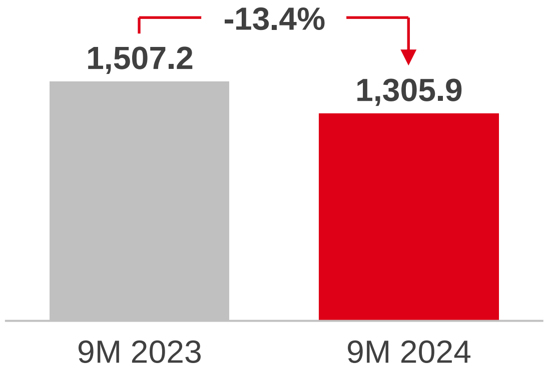
New orders
€ million



Unit sales
Units



Revenue
€ million

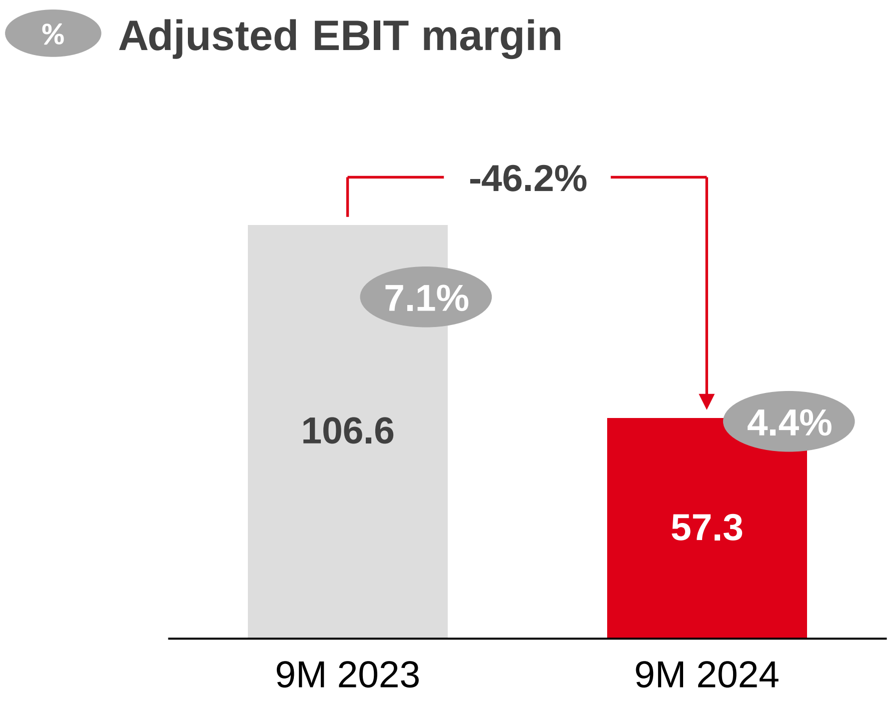


- Order intake benefits from first-time consolidation of BSPS[2] and RRPS[3] business in Q3, Book-to-bill ratio at 1.03 (9M 2023: 0.93) and orders on hand at €490.7 million (December 31, 2023: €450.4 million)
- Q3 unit sales of 33,188 engines, down 28% year-on-year, due not only to low demand caused by the economic situation but also to a scheduled three-week production break in Cologne in August for maintenance work
- Rising service revenues and acquisitions dampen decline in sales compared to engine sales

[1] Relates to continuing operations only. [2] Blue Star Power Systems. [3] Rolls-Royce Power Systems.

Earnings Q3 2024 characterized by volume effects

EBIT before exceptional items[1] (€ million)



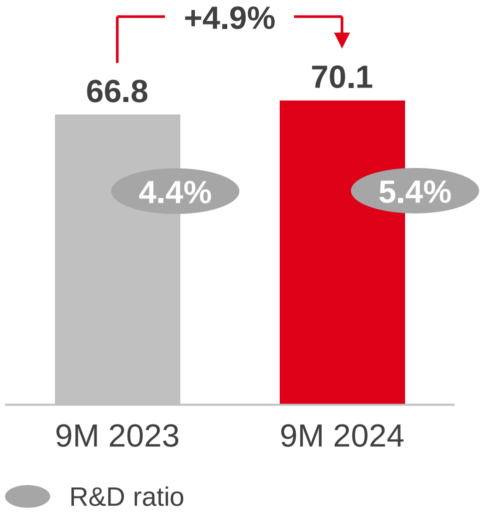
- EBIT before exceptional items[1] in Q3 2024 at €7.2 million (Q3 2023: €35.2 million), margin at 1.7% (Q3 2023: 7.0%)
  - In particular, negative volume effects due to low engine sales and higher selling and administrative expenses affected profitability
- EBIT margin before special items[1] in 9M 2024 at 4.4%, thus within the adjusted guidance range for the 2024 financial year
- Net income[1] in 9M 2024 amounted to €23,6 million (9M 2023: €80.9 million)
- Earnings per share[1] in 9M 2024 of €0.18 (9M 2023: €0.65)

Earnings margin remains clearly positive despite low capacity utilization

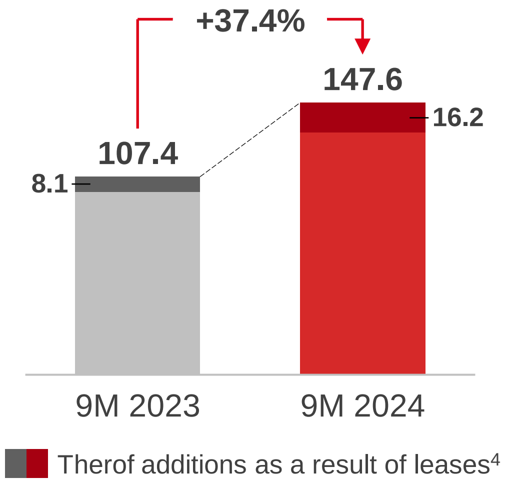
[1] Relates to continuing operations only.

R&D spending, capital expenditure, and working capital[1]

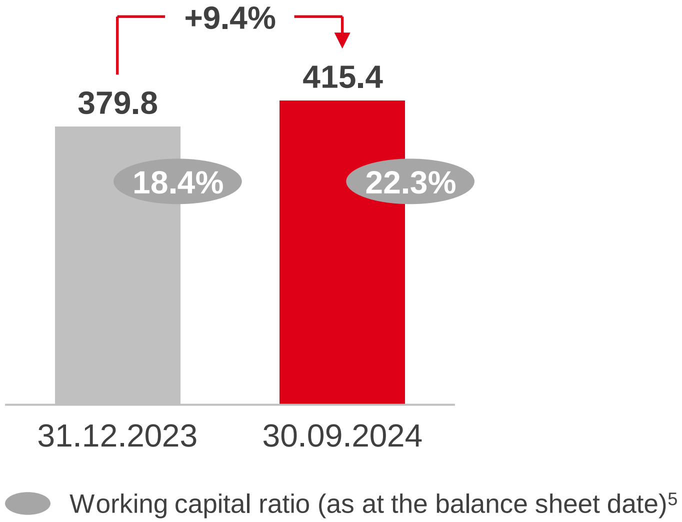
Net R&D spending[2]
€ million



Capital expenditure[2,3]
€ million



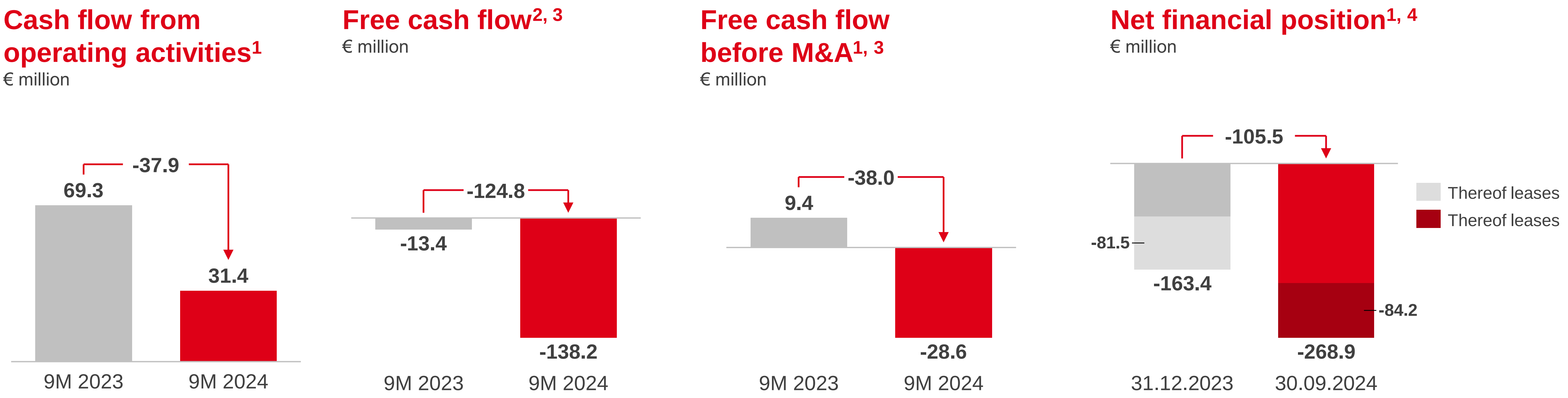
Working capital
€ million



- R&D expenditure of €47 million is attributable to the Classic segment and €23 million to the Green segment
- Investments include acquisition of the sales and service activities of RRPS in Q3 2024, previous year determined by the acquisition of license and IP rights in connection with the alliance with Daimler Truck
- Increase in working capital compared to the end of 2023, partly due to increased inventories also as a result of first-time consolidations

[1] Relates to continuing operations only. [2] After deducting grants. [3] Capital expenditure on property, plant and equipment (including right-of-use assets in connection with leases) and intangible assets, incl. capitalization of R&D. [4] Right-of-use assets for leases under IFRS 16. [5] Working capital as at the balance sheet date divided by revenue for the previous twelve months.

Changes in cash flow and net financial position



- Operating cash flow decreased in 9M 2024 mainly due to lower earnings
- FCF for the entire Group incl. M&A reflects cash receipt for Torqeedo sale and purchase price payments for BSPS and RRPS business, FCF from continuing operations before M&A driven by operating cash flow
- Net debt determined by portfolio measures and capital increase, equity ratio at 47.5% as of September 30, 2024

[1] Relates to continuing operations only. [2] Relates to the entire Group including discontinued operations. [3] Cash flow from operating activities and from investing activities less interest expense. [4] Cash and cash equivalents less current and non-current interest-bearing financial liabilities.

Results for 9M 2024

Segments Classic und Green

	Classic		Green[1]	
	9M 2023	9M 2024	9M 2023	9M 2024
New orders € million	1,392.6	1,340.1	6.3	6.1
Unit sales[1] Units	137,531	106,829	28	521
Revenue € million	1,504.0	1,300.7	3.2	5.2
R&D expenditure € million	45.6	46.7	21.2	23.4
Adjusted EBIT € million	132.0	82.4	-25.6	-25.5

- Classic segment determines the Group's topline
- Sales and order intake of the Green segment remain at a very low level due to the start-up character
- Green unit sales largely accounted for by electric motors from the Chilean subsidiary Mauricio Hochschild
- Since FY 2023 reporting, Torqeedo Group's business is no longer part of the Green segment; it is reported as discontinued operations in the Group figures for the time until closing of sale of Torqeedo on April 3, 2024

[1] Relates to continuing operations only.

Mid-term outlook after Capital Markets Day

Dr. Sebastian C. Schulte

Our long-term strategic approach reflects the dynamics of our environment

DEUTZ Capital Markets Day 2024

STRENGTHEN THE BASE	BROADEN THE BASE	BECOME SUSTAINABLE

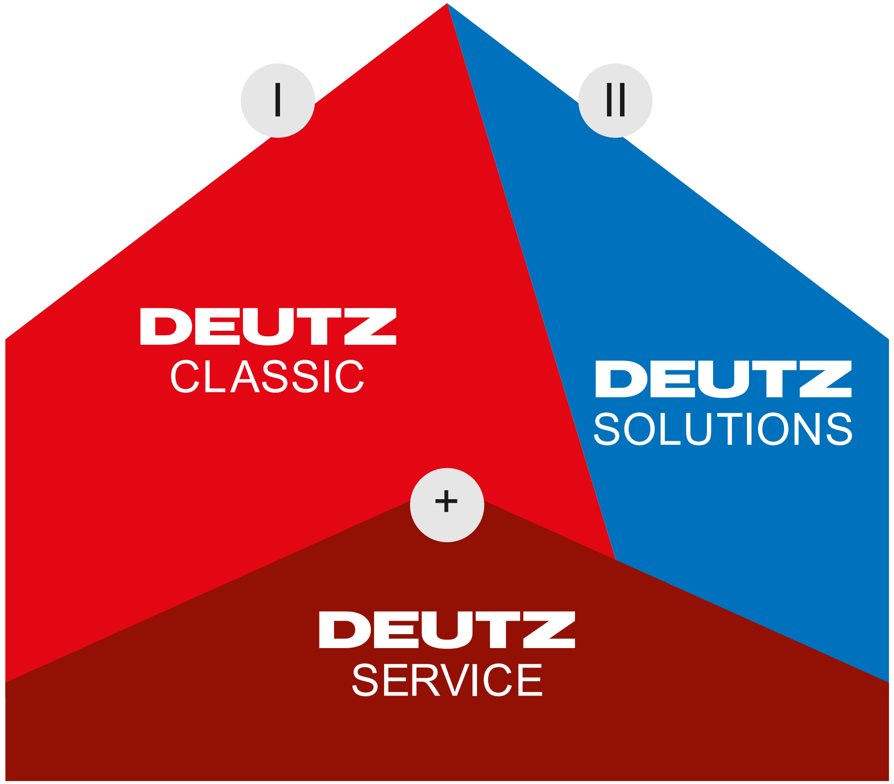
Improve performance, prepare & set right focus for investments & growth	*Continue to build the solutions business and realize M&A opportunities across portfolio*	*Unleash the full potential and achieve climate neutrality by 2050*

Our Dual+ strategy realigned for our second strategic horizon

DEUTZ Capital Markets Day 2024

Grow **Classic** business based on strong performance and consolidation

→ margin uptake & inorganic growth



Expand **Solutions** offering in Energy & New Technology (formerly “Green") and beyond, where we have a right-to-win

→ Expansion of value chain coverage, investment, growth and long-term viability

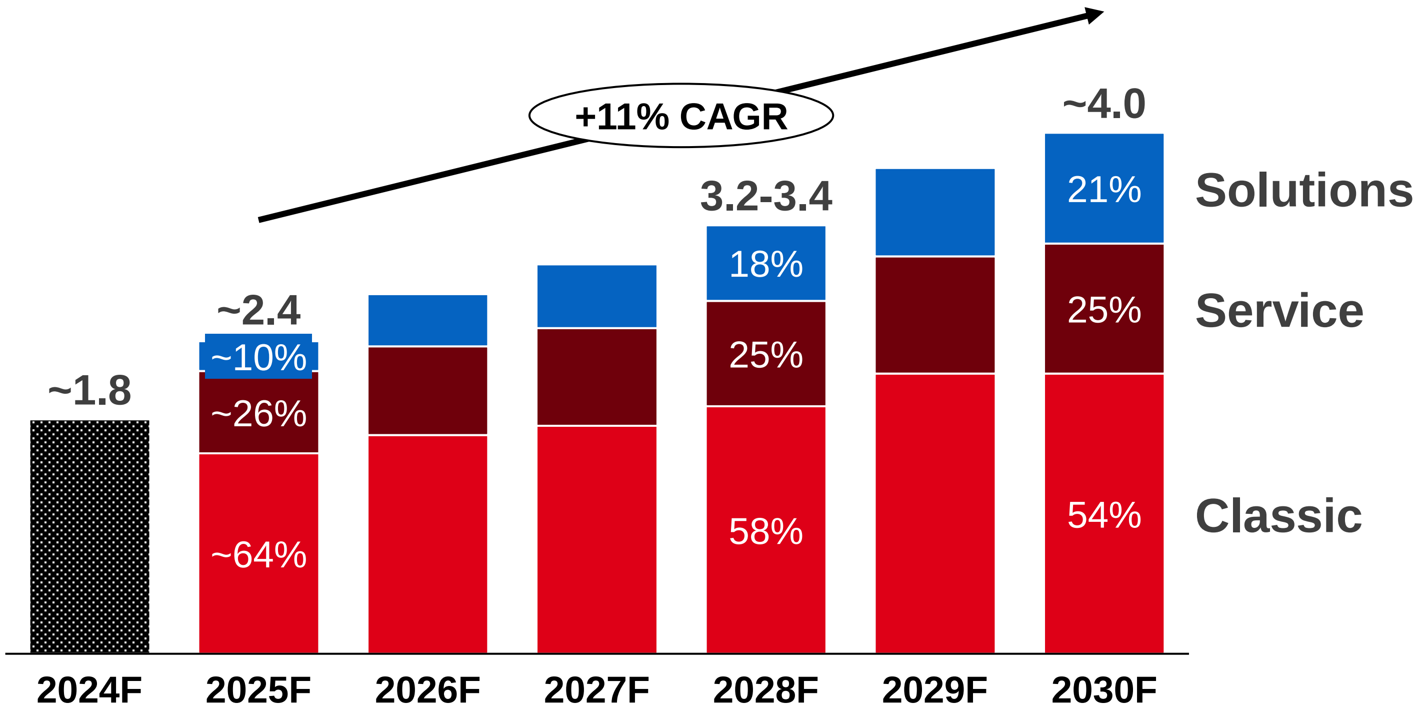
Expand profitable **Service** business around the world

→ Profitable growth and new business models, e.g. third party and digitalization

Strong 2030 revenue ambition

DEUTZ Capital Markets Day 2024

Mid-term revenue ambition (in € billion)

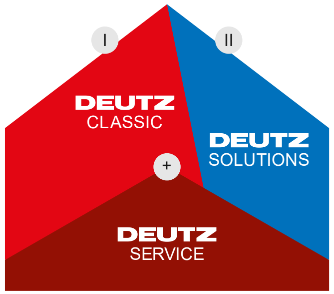


- **Solutions** expected to grow with 30% CAGR until 2030; more than €500 million revenue expected from Energy – growth driven both organically and via acquisitions and >€300 million from New Technology
- **Service growing in line with DEUTZ overall** and contributing 25% of the revenue – and even more to the EBIT
- **Classic** expected to grow in absolute terms, but overall contribution decreases

Revenue growth and changes to the business model to lead to a margin upside of 10% EBIT margin by 2030

Our new mid-term targets

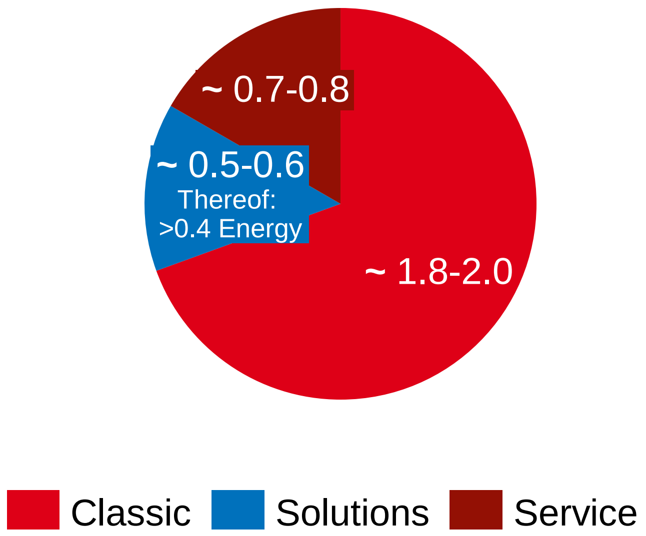
DEUTZ Capital Markets Day 2024

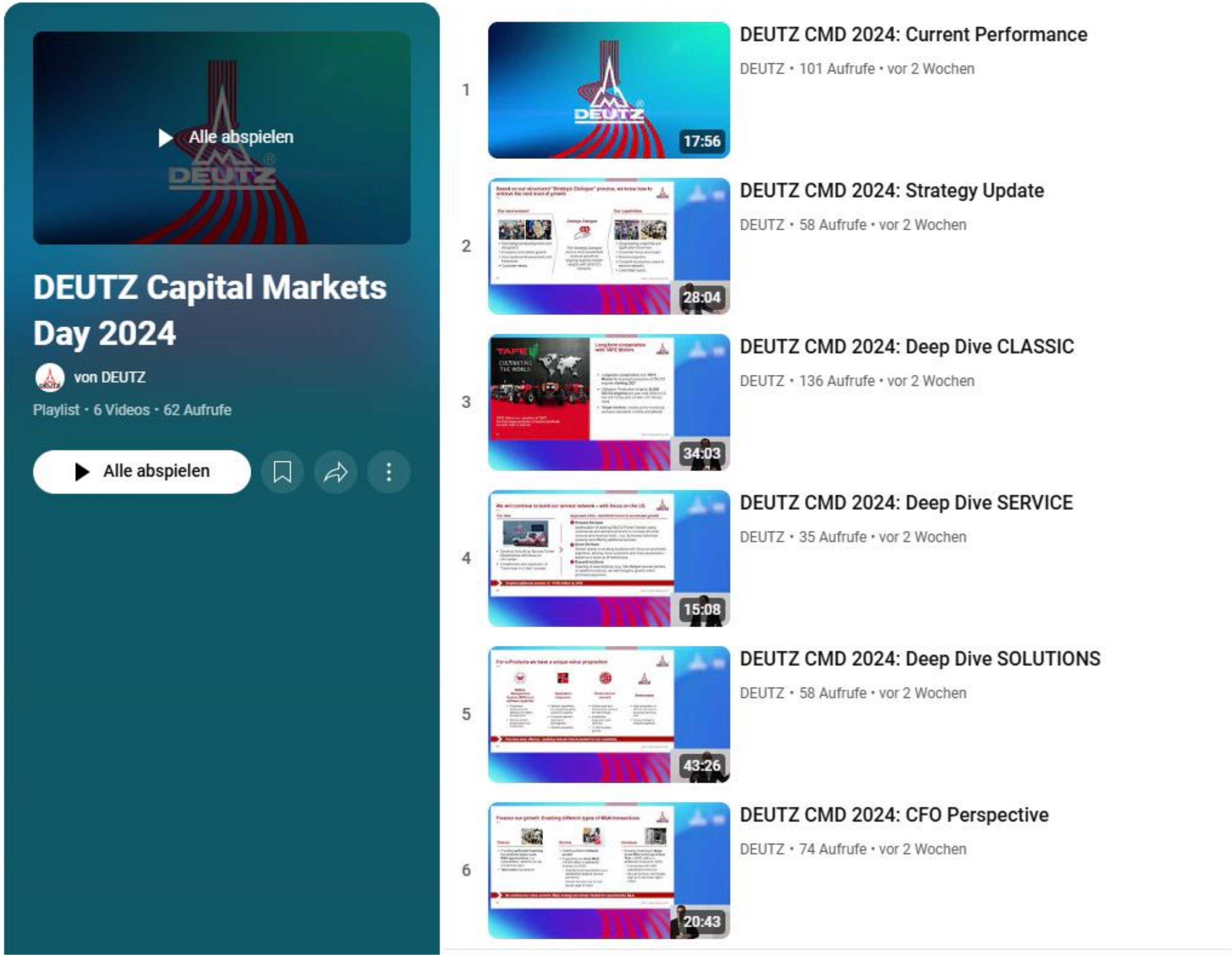


Mid-term targets 2028

Unit sales	From 2025 on, no longer part of guidance
Sales	€3.2-3.4 billion
Adjusted EBIT margin	8 to 9%
Dividend	Upward trajectory: Stable or higher than previous year

Revenue split 2028





YouTube-Link

Thank you
for your time.

Any questions?

Financial calendar and contact details

2024 / 2025

Financial calendar

Eigenkapitalforum Frankfurt	November 27, 2024
Annual Report 2024	March 20, 2025
Q1 2025 quarterly statement	April 30, 2025
Annual General Meeting	May 8, 2025

Contact

Investor Relations
+49 (0) 221 822 3600
ir@deutz.com

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