



125
YEARS
STOCK
MARKET

DEUTZ

Q1 2025 results

April 30, 2025

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.

Q1 2025: Robust performance in continuously challenging environment



New orders

€546.1 million

+30.3% year-on-year, driven by contribution of recent M&A, flat organic order development

Revenue

€489.0 million

+7.5% y-o-y due to strong service business and M&A – organic growth slightly negative

EBIT margin¹

4.3%

-1.8pp y-o-y, negative scale effects significantly mitigated by profitable acquisitions, service business and cost discipline

FCF²

€23.4 million

+€18.3 million y-o-y, exceptional strong operating cash flow

³ Note: Relates to continuing operations only. ¹ Before exceptional items. ² Before M&A.



Dual+ strategy progressing – environment remains volatile

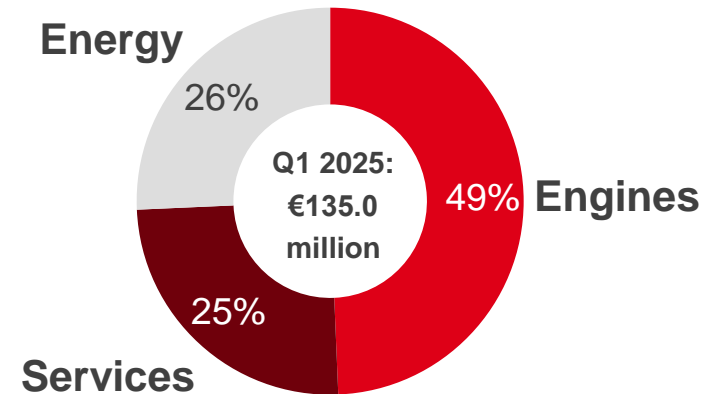


- Business Unit **Energy** continues excellent performance driven by Blue Star Power Systems
- Acquisition of **UMS**, announced beginning of Q2, will substantially broaden the footprint of the New Technology business
- **HJS Emission Technology** consolidated since January, securing supply chain with innovative aftertreatment systems
- Successful **bauma 2025** trade fair with positive customer sentiment, but still cautious ordering behavior for new engines
- Cost program **Future Fit** on track, lowering cost base by €50 million until end of FY 2026

US business is a cornerstone of our Dual+ strategy

- DEUTZ' US business expected to show significant continuing growth in the upcoming years
- Longer-lasting need for combustion engines in US work equipment to prevail due to large geography, partially remote operations, heavy-duty use cases and different regulatory framework than in Europe
- About half of US business more locally driven (Services and Energy) whilst Classic engines mainly import
- Largest application segments for Classic engines: Material Handling (~52%), Stationary Equipment (~14%), Construction (~11%)
- Current tariff situation fuels uncertainty & affects order behavior
- High tariffs expected to also impact our competitors – leading to overall higher prices/inflationary pressure in our customer industries

DEUTZ revenues in the USA



Acquisition of Urban Mobility Systems – UMS



Application examples

- Innovation leader in battery-electric drives primarily for the off-highway sector
- Purchase of 100% stake in UMS by DEUTZ signed on April 6, 2025; closing expected in Q2 – all regulatory approvals granted
- Dutch company, founded in 2016 by Lars Kool in Oss, The Netherlands, currently privately owned
- DEUTZ as ideal partner to scale-up UMS technology and support go-to-market in DEUTZ core customer segments

Excavators & Articulated Loaders



Asphalt & Rollers



Crawler Cranes & Special Equipment



UMS enables electrification in on- and off-road applications

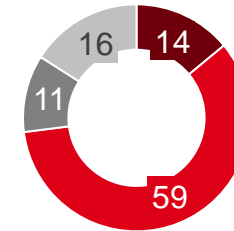


Overview

- Development and assembly of electrification solutions for on- and off-highway vehicles
- >200 machines such as excavators, wheel loaders and cranes already successfully electrified
- Successful market access via distributors
- 2024 revenue: approx. €10 million
- Order book and LOI in the high double-digit million-euro range

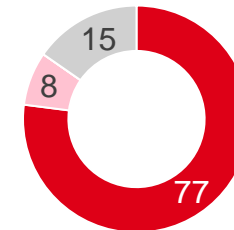
Revenue breakdown 2024, in %

Business area



- Prototyping
- Conversion/ Pilot Series
- Electrification kits
- Others

Product category



- Excavators
- Telehandlers
- Lkw
- Components & miscellaneous





UMS offers opportunities in the defense sector

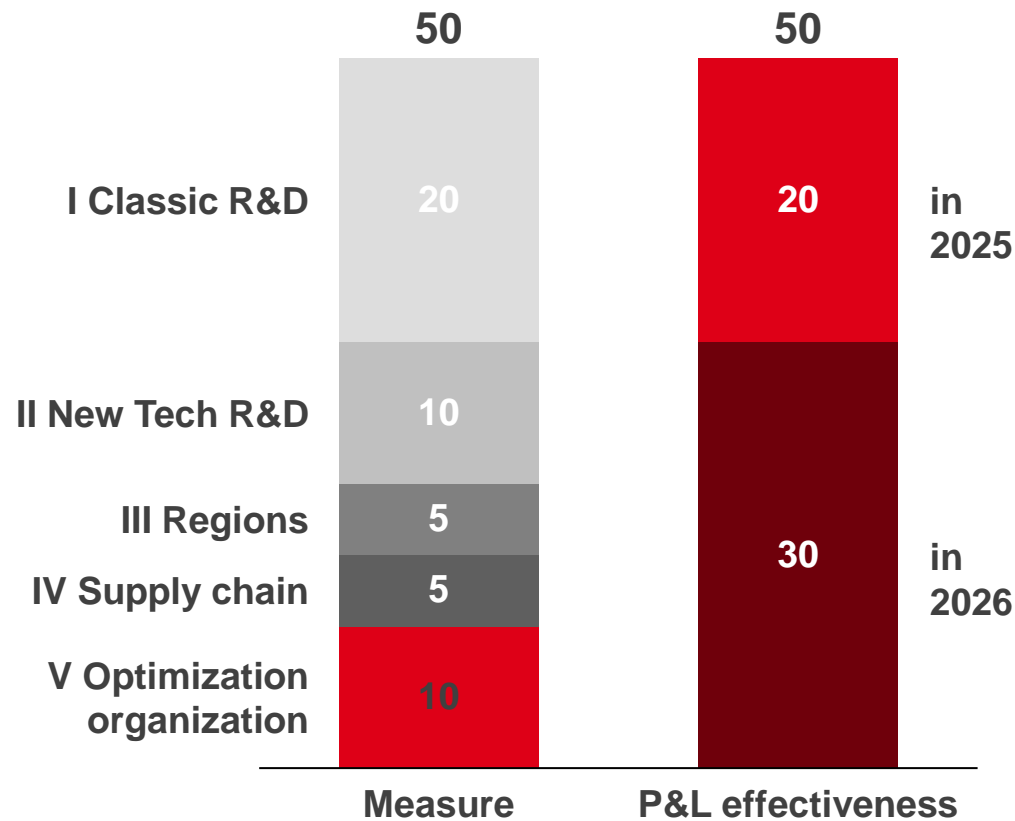


- Opportunity for new defense applications
- Initial feasibility studies launched with relevant partners
- Idea: Equipping military vehicles like the Bushmaster troop transporter with a hybrid solution for tactical reasons – electric drive allows for lower noise signature

Future Fit cost program: >€20 million to be achieved in current year



Cost program (in € million)



- On track in measure implementation
- Overall reduction of ~300 FTE planned, thereof ~50 FTE outside Germany
- As of now, already ~75 termination contracts in Germany and ~30 abroad signed or clearly agreed on, reduction of ~75 FTE via fluctuation; advanced discussions on remaining ~120 FTE
- Total costs for Future Fit expected at €25 million, respective provisions booked in Q1 2025 as exceptional item
- Attractive payback period

Segment DEUTZ Engines & Services



Engines & Services

in € million	Q1 2024	Q1 2025
New orders	408.7	475.9
Revenue	449.7	448.1
Adjusted EBIT¹	37.2 (margin 8.3%)	28.7 (margin 6.4%)

Segment comprises Business Units **Classic** (combustion engines) **and Service** (for Classic engines)

Engines

- 30,630 units sold (-19.2% y-o-y)
- Significantly lower production volume (-25.7% y-o-y) resulting into negative economies of scale
- HJS² consolidated from beginning of January 2025

Services

- Revenues of €137.6 million (+10.7% y-o-y)
- Service for Daimler Truck off-highway engines fully established

¹⁰ Note: Relates to continuing operations only. ¹ Before exceptional items. ² DEUTZ owns 50% stake in HJS Emission Technology GmbH & Co. KG and fully consolidates HJS due to governance structure in place.

Segment DEUTZ Solutions



Solutions

in € million	Q1 2024	Q1 2025
New orders	10.5	70.2
Revenue	5.0	40.9
Adjusted EBIT¹	-9.6	-7.5

Newly established segment comprises Business Units **Energy** (decentralized energy/ gensets) and **New Technology** (alternative drive systems/ formerly “Green”)

■ Energy

- Positive order momentum, including major order, resulting in book-to-bill ratio for Energy of 1.7
- Revenue of €38.9 million (Q1 2024: €3.9 million)
- Adjusted EBIT of €3.5 million²

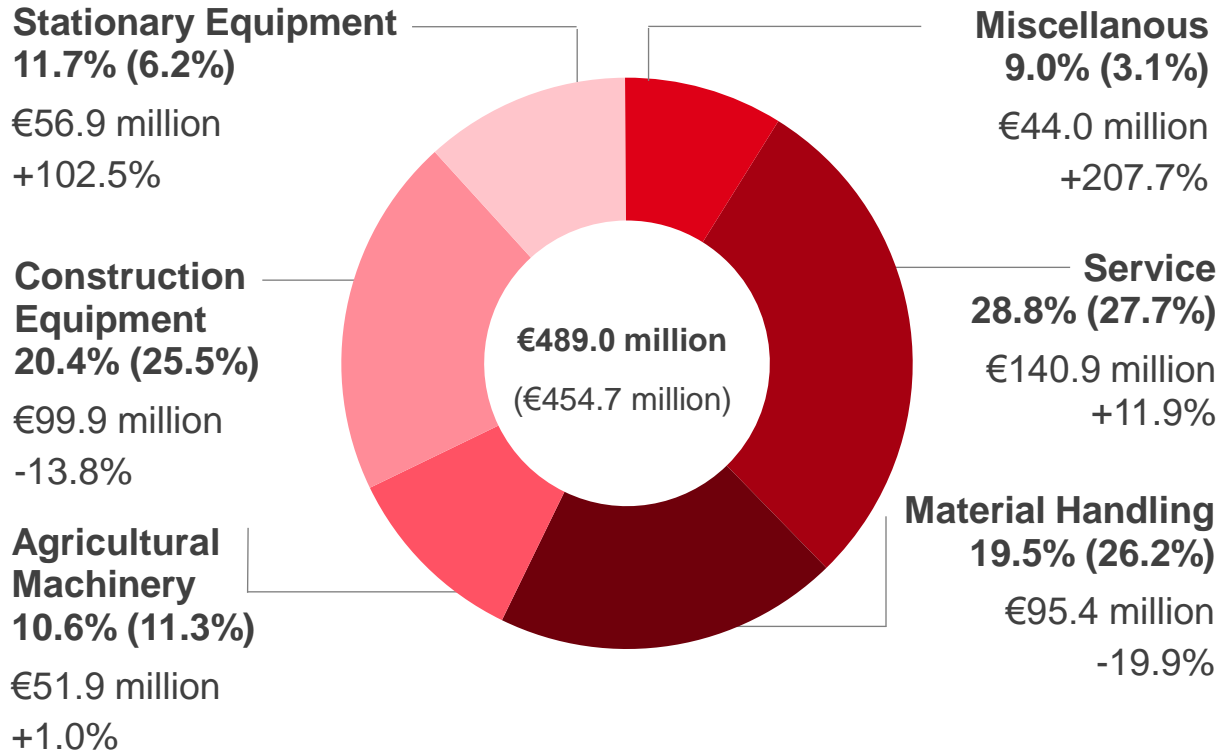
■ New Technology

- Revenue of €2.0 million (Q1 2024: €1.1 million)
- Adjusted EBIT of €-11.0 million, with frontloaded R&D spendings in Q1

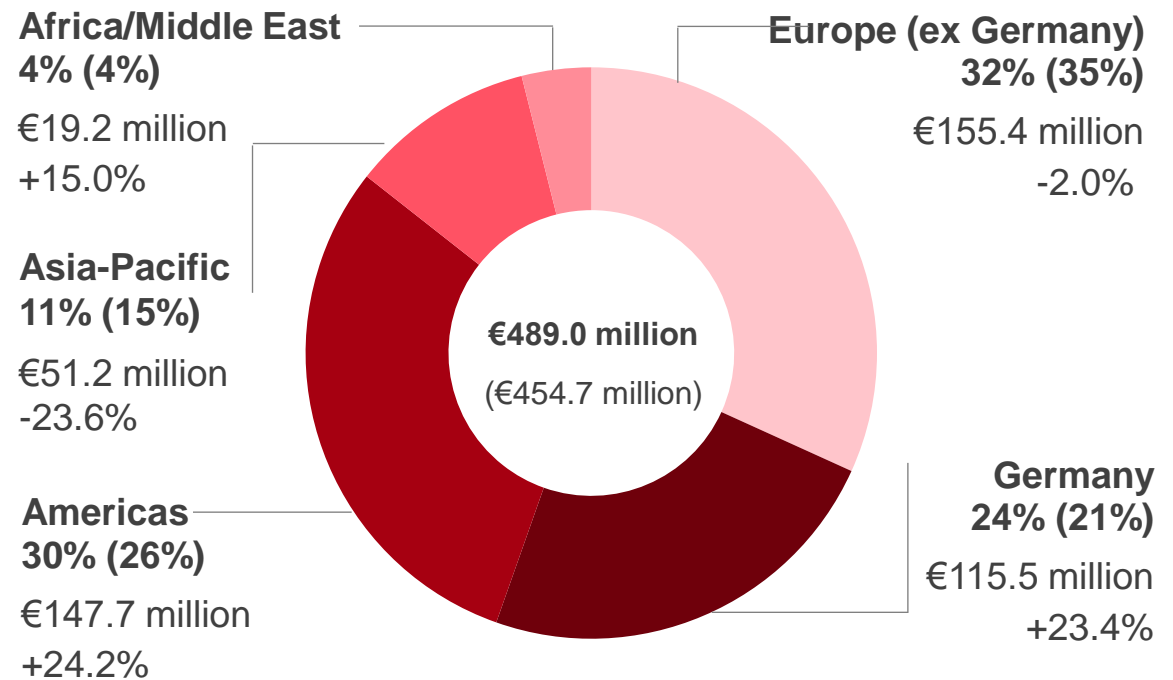
¹¹ Note: Relates to continuing operations only. ¹ Before exceptional items. ² Adjusted EBIT of €6.5 million before Purchase Price Allocation (PPA) effect on Blue Star Power Systems.

Q1 2025: Revenue breakdown by application and region

**Revenue by application segment¹
Q1 2025 (Q1 2024)**



**Revenue by region¹
Q1 2025 (Q1 2024)**



¹² ¹ Relates to continuing operations.

Guidance 2025 confirmed despite macroeconomic uncertainty



- Economic recovery expected in the second half of 2025
- Sustainable cost savings of at least €20 million from Future Fit program already effective in 2025; contrary one-off program costs classified as exceptional items
- Further development of the portfolio planned with a focus on the profitable, stable service and energy businesses

Guidance 2025

unchanged

Revenue



€2.1 to €2.3 billion

thereof €2.0 to €2.2 billion in the DEUTZ Engines & Services segment and €150 to €200 million in the DEUTZ Solutions segment

Adjusted EBIT margin¹



5.0 to 6.0%

DEUTZ Engines & Services at 6 to 7%; DEUTZ Solutions at -10% to break-even overall, Energy business counteracts start-up losses in New Technology business with a margin of 10 to 13%

Free cash flow²



Mid-double-digit million-euro amount

MOVING
AHEAD

Upcoming Annual General Meeting 2025



- Virtual AGM on May 8, 2025
- Dividend proposal of €0.17 per share (in line with new dividend policy)
- Proposals for capital authorizations largely renew previous status prior to capital increase 2024
- AGM 2026 will be held as an in-person meeting in Cologne



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