

160
YEARS



QUARTERLY
STATEMENT
Q1/2024

DEUTZ GROUP: OVERVIEW (continued operations)¹

€ million

	Q1 2024	Q1 2023 ²	Change
New orders	419.2	515.8	-18.7%
Unit sales (units)	38,242	46,110	-17.1%
Revenue	454.7	507.0	-10.3%
EBITDA	46.1	59.2	-22.1%
EBITDA (before exceptional items)	50.0	59.2	-15.5%
EBIT	23.8	36.8	-35.3%
thereof exceptional items	-3.9	0.0	-
EBIT margin (%)	5.2	7.3	-2.1 pp
Adjusted EBIT margin (before exceptional items)	27.7	36.8	-24.7%
EBIT margin (before exceptional items, %)	6.1	7.3	-1.2 pp
Net income	16.5	28.8	-42.7%
Earnings per share (€)	0.13	0.24	-45.8%
Earnings per share (before exceptional items, €)	0.16	0.24	-33.3%
Free cash flow ³	5.1	14.3	-64.3%
Net financial position (March 31/ December 31) ⁴	-171.9	-163.4	-5.2%
Working capital ⁵	389.9	328.5	18.7%
Working capital ratio (average, %) ⁶	18.9	16.1	+2.8 pp
Capital expenditure (after deducting grants) ⁷	19.8	67.5	-70.7%
Employees (number as at March 31) ⁸	5,122	4,835	5.9%

DEUTZ GROUP: OVERVIEW (Overall view - management view)

Revenue	462.4	517.2	-10.6%
Adjusted EBIT margin (before exceptional items)	27.7	32.1	-13.7%
EBIT margin (before exceptional items, %)	6.0	6.2	-0.2 pp
Net income	8.8	23.8	-63.0%
Earnings per share (€)	0.07	0.20	-65.0%
Equity (March 31/December 31)	752.8	743.2	1.3%
Equity ratio (%)	47.3	46.7	+0.6 pp
Free cash flow	-1.4	10.8	-
Working capital	415.4	359.1	15.7%
Working capital ratio (average, %)	19.9	17.2	+2.7 pp
Employees (number as at March 31)	5,322	5,029	5.8%

DEUTZ Classic (continued operations)

	Q1 2024	Q1 2023	Change
New orders (€ million)	418.3	515.0	-18.8%
Unit sales (units)	38,054	46,104	-17.5%
Revenue (€ million)	453.5	506.1	-10.4%
Adjusted EBIT (€ million)	37.2	44.4	-16.2%
Adjusted EBIT margin (%)	8.2	8.8	-0.6 pp

DEUTZ Green (continued operations)

	Q1 2024	Q1 2023	Change
New orders (€ million)	0.9	0.8	12.5%
Unit sales (units)	188	6	3,033.3%
Revenue (€ million)	1.2	0.9	33.3%
Adjusted EBIT (€ million)	-9.6	-7.4	-29.7%
Adjusted EBIT margin (%)	-800.0	-822.2	+22.2 pp

¹ In accordance with IFRS 5, continuing operations do not include the Torgeedo Group.

² The figures for the prior year have been restated in accordance with the provisions of IFRS 5.

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 debt.

⁵ Inventories plus trade receivables less trade payables.

⁶ Average working capital at the last 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 capitalized development expenditure.

⁸ Full-time equivalents (FTEs).

Note regarding DEUTZ AG

DEUTZ AG is continuously analyzing its portfolio and focusing on the fast-growing core business. For this reason, in January 2024, the Company signed an agreement regarding the sale of its subsidiary Torqeedo, which specializes in electric drives for boats. The transaction was completed on April 3, 2024, i.e. after the reporting period. In accordance with IFRS 5, the activities of the Torqeedo Group therefore continue to be reported as discontinued operations. Unless otherwise indicated, the figures that follow for the Group and for the segments DEUTZ Classic and DEUTZ Green are reported solely as continuing operations. To ensure comparability, the figures for the prior year have been restated accordingly. Only where figures for the entire Group are disclosed does this include the Torqeedo Group, which was still part of the Company up to the point of deconsolidation.

BUSINESS PERFORMANCE IN THE DEUTZ GROUP

In the first quarter of 2024, in a market environment that remained challenging and beset by weak economic conditions in most application segments and regions, the DEUTZ Group succeeded in generating a profit despite revenue and new orders falling year on year. The DEUTZ Group is therefore proving to be increasingly resilient in times of economic weakness when sales decline. The progress resulting from implementation of the Dual+ strategy and, in particular, the related positive impact from cost reductions and improvements in performance are increasingly evident. Meanwhile, the price adjustments made in the previous months continue to have a positive effect.

The Company is forging ahead with the strategic realignment of the Green segment, which began in summer 2023. The disposal of the Torqeedo Group was announced in November 2023 in this context and has now been executed. The sale of these activities to Yamaha Motor Co., Ltd., which had been announced in mid-January, was completed soon after the end of the reporting period on April 3, 2024. The effect of the disposal and deconsolidation of Torqeedo amounts to a figure in the low double-digit millions of euros and will be recognized in the second quarter of 2024. In accordance with IFRS 5, the activities of the Torqeedo Group continue to be reported as discontinued operations in the first quarter of 2024. Unless otherwise indicated, the figures that follow in relation to the Group and to the DEUTZ Green segment are for continuing operations only. The figures for the prior year have been restated in accordance with the provisions of IFRS 5.

NEW ORDERS

DEUTZ Group: New orders by application segment

€ million

	Q1 2024	Q1 2023	Change
Service	129.1	127.6	1.2%
Material Handling	121.2	130.4	-7.1%
Construction Equipment	88.2	122.8	-28.2%
Agricultural Machinery	35.4	69.1	-48.8%
Stationary Equipment	29.1	33.8	-13.9%
Miscellaneous	16.2	32.1	-49.5%
Total	419.2	515.8	-18.7%

DEUTZ Group: New orders by regions

in Mio. €

	Q1 2024	Q1 2023	Veränderung
EMEA	261.1	298.7	-12.2%
Amerika	109.9	136.3	-19.4%
Asien/Pazifik	48.2	80.8	-40.4%
Gesamt	419.2	515.8	-18.7%

New orders received by the DEUTZ Group in the first quarter of 2024 amounted to €419.2 million, which was down by 18.7 percent year on year. This decline reflects not only the aforementioned economic effects on the demand side but also the fact that the first quarter of 2024 is being compared against a very strong prior-year quarter. The first quarter of 2023 had been substantially boosted by huge demand in the Material Handling application segment and in the Americas region.

Demand remained weak in most application segments in the reporting period, but to a much lesser extent than in the final quarter of 2023 when the trend had been particularly pronounced. A positive factor for the first quarter of 2024 was the performance of the service business, whose growth during the period underlined the effectiveness of the Dual+ strategy. This concerted expansion of the service business is continuing to help stabilize the level of new orders and is making the Group more resilient to the cyclical nature of the new engine business.

In terms of regions, Asia-Pacific saw the biggest decline in new orders compared with the prior-year quarter. New orders in this region fell by around 40 percent. This was mainly due to a lower level of orders in China, most notably in the case of two major customers in the Construction Equipment application segment. The other regions – with the exception of Africa – also registered a decrease in the volume of new orders in the first quarter of 2024. Orders on hand declined overall to €414.9 million, compared with €772.5 million as at March 31, 2023 and €450.4 million as at December 31, 2023.

UNIT SALES

DEUTZ Group: Unit sales by application segment

units

	Q1 2024	Q1 2023	Change
Material Handling	17,755	15,524	14.4%
Construction Equipment	11,967	17,604	-32.0%
Agricultural Machinery	4,691	6,450	-27.3%
Stationary Equipment	3,259	4,704	-30.7%
Miscellaneous	570	1,828	-68.8%
Total	38,242	46,110	-17.1%

DEUTZ Group: Unit sales by regions

units

	Q1 2024	Q1 2023	Change
EMEA	20,996	27,300	-23.1%
Americas	10,432	11,253	-7.3%
Asia-Pacific	6,814	7,557	-9.8%
Total	38,242	46,110	-17.1%

The DEUTZ Group's unit sales fell by 17.1 percent year on year to 38,242 in the first quarter of 2024. Unit sales were down significantly in most application segments, broadly in line with the trends in new orders described above. A positive aspect to emphasize is the Material Handling application segment, which saw sharp growth in unit sales – particularly in the EMEA and Americas regions – thanks to rising demand from several big-ticket customers. Unit sales in Asia-Pacific were down slightly for this application segment, however.

All regions recorded declines in unit sales in the first quarter of 2024 compared with the first quarter of the prior year. Most of the overall double-digit percentage decline was attributable to the EMEA region. The conclusion of part of a customer project, difficult conditions in the construction equipment segment, and a general weakening of demand in the Italian market were among the factors at play here. In Asia, the downturn in unit sales was due primarily to a double-digit percentage decline in China. The Americas and Asia-Pacific regions both saw their unit sales fall by single-digit percentage figures. The Africa region, which is part of EMEA, bucked the trend with a very strong increase in unit sales of just over 50 percent, albeit from a low level due to the size of the market. The DEUTZ Group benefited here from a new project customer in Algeria that it had not yet begun supplying in the prior-year quarter.

REVENUE

DEUTZ Group: Revenue by application segment

€ million

	Q1 2024	Q1 2023	Change
Service	125.9	121.3	3.8%
Construction Equipment	115.9	144.8	-20.0%
Material Handling	119.1	110.1	8.2%
Agricultural Machinery	51.4	70.6	-27.2%
Stationary Equipment	28.1	39.7	-29.2%
Miscellaneous	14.3	20.5	-30.2%
Total	454.7	507.0	-10.3%

DEUTZ Group: Revenue by regions

€ million

	Q1 2024	Q1 2023	Change
EMEA	268.8	311.2	-13.6%
Americas	118.9	120.1	-1.0%
Asia-Pacific	67.0	75.7	-11.5%
Total	454.7	507.0	-10.3%

The decline in unit sales described above resulted in the DEUTZ Group's revenue falling by 10.3 percent year on year to €454.7 million in the first quarter of 2024. All of DEUTZ's designated regions contributed to this decrease in revenue, although the level of revenue generated in the Americas region held more or less steady compared with the prior-year quarter (down by 1.0 percent).

The fall in revenue was significantly less pronounced than the fall in unit sales. In addition to the product mix, this primarily reflected pricing effects, a result of the price adjustments that had been negotiated with customers in the preceding periods.

The decline in the Group's revenue was primarily attributable to the Construction Equipment and Agricultural Machinery application segments. The fall in revenue in the Agricultural Machinery application segment was roughly proportionate to the fall in unit sales, whereas the decrease in revenue in the Construction Equipment application segment was less pronounced, primarily due to the positive effects of the price adjustments.

Service and Material Handling - in terms of revenue the two largest applications segments - generated the biggest increases in revenue compared with the prior-year period. However, their revenue growth was unable to fully offset the decreases in revenue in the other application segments. The Service business was the biggest driver of revenue among the application segments in the first quarter of 2024, with revenue of €125.9 million (up 3.8 percent year on year). This provides further confirmation that the expansion of the service and parts business is progressing well and that DEUTZ is on track to achieve its target of growing annual revenue from service activities to around €600 million by 2025.

EARNINGS

DEUTZ Group: Overview of results of operations⁹

€ million

	Q1 2024	Q1 2023	Change
Revenue	454.7	507.0	-10.3%
Cost of sales	-344.9	-396.3	-13.0%
Research and development costs	-25.4	-22.1	14.9%
Selling and administrative expenses	-59.6	-49.7	19.9%
Other operating income	4.7	6.0	-21.7%
Other operating expenses	-5.1	-8.1	-37.0%
Impairment of financial assets and reversals thereof	0.5	0.6	-16.7%
Profit/loss on equity-accounted investments	-1.1	-0.6	-83.3%
EBIT	23.8	36.8	-35.3%
Interest income	0.3	0.3	-%
Interest expense	-4.6	-3.0	53.3%
Other financial income/finance cost	0.0	-0.1	-
Financial income, net	-4.3	-2.8	-53.6%
Income taxes	-3.0	-5.2	42.3%
Net income continuing operations	16.5	28.8	-42.7%
Net income discontinued operations	-7.7	-5.0	-54.0%
Net income	8.8	23.8	-63.0%
Adjusted EBIT – Green (EBIT before exceptional items)	-9.6	-7.4	-29.7%
Adjusted EBIT – Classic (EBIT before exceptional items)	37.2	44.4	-16.2%
Consolidation/ Other ¹⁰	0.1	-0.2	-
Adjusted EBIT (EBIT before exceptional items)	27.7	36.8	-24.7%
Exceptional items	-3.9	0.0	-
EBIT	23.8	36.8	-35.3%

DEUTZ Group: Key figures for the entire Group¹¹

€ million

	Q1 2024	Q1 2023	Change
Revenue	462.4	517.2	-10.6%
EBIT	16.5	32.1	-48.6%
Net income	8.8	23.8	-63.0%
Adjusted EBIT – Green (EBIT before exceptional items)	-9.6	-12.1	20.7%
Adjusted EBIT – Classic (EBIT before exceptional items)	37.2	44.4	-16.2%
Consolidation/ Other	0.1	-0.2	-
Adjusted EBIT (EBIT before exceptional items)	27.7	32.1	-13.7%
Exceptional items ¹²	-11.2	0.0	-
EBIT	16.5	32.1	-48.6%

Adjusted EBIT (EBIT before exceptional items) fell to €27.7 million in the first quarter of 2024 (Q1 2023: €36.8 million). The decline in revenue had less of an impact on adjusted EBIT than might be expected because of the relatively sharp decrease in the cost of sales as a result of positive effects in the product mix and positive price effects. This meant the DEUTZ Group was able to improve its gross margin by more than 2 percentage points to 24.1 percent in the first quarter of 2024 (Q1 2023: 21.8 percent). On a comparable basis, operating profit was negatively impacted by higher research and development costs, particularly for new drive technologies, and by an increase in administrative and selling costs. In addition to an overall rise in headcount, the latter resulted from regional growth

⁹ Since December 2023, amortization of capitalized development expenditure has been recognized under 'cost of sales' rather than under 'research and development costs' where it had been recognized previously. The prior-year figure in the results of operations has been restated accordingly to ensure comparability.

¹⁰ Consolidation/Other predominantly consists of non-operating centralized activities as well as effects on earnings resulting from the elimination of intragroup transactions between the segments.

¹¹ The key figures for the entire Group include the continuing and discontinued operations.

¹² Exceptional items for the entire Group (including discontinued operations) include the Torqueado Group's EBIT (loss of €7.3 million) for the first quarter of 2024.

initiatives, mainly in the Americas region, and from acquisitions (Mauricio Hochschild Ingeniería y Servicios S.A., DEUTZ Nordic) made in the past two financial years. The negative effects of these factors were partly offset by positive currency effects. Consequently, the adjusted EBIT margin – despite the unfavorable revenue trend – fell only moderately by just over 1 percentage point to 6.1 percent in the first quarter of 2024 (Q1 2023: 7.3 percent).

EBIT in the reporting period amounted to €23.8 million (Q1 2023: €36.8 million). In the first quarter of 2024, there were exceptional items amounting to an expense of €3.9 million. These relate to costs for strategic projects and costs in connection with the sale of the Torqeedo Group. The corresponding EBIT margin stood at 5.2 percent compared with 7.3 percent in the first quarter of 2023. The decrease in operating profit (EBIT) resulted in net income from continuing operations falling year on year from €28.8 million to €16.5 million.

In addition, DEUTZ incurred a net loss of €7.7 million from the discontinued operations of the Torqeedo Group (Q1 2023: net loss of €5.0 million). Net income from continuing and discontinued operations ('entire Group') therefore amounted to €8.8 million compared with €23.8 million in the prior-year quarter. This brought earnings per share down year on year from €0.20 to €0.07, or from €0.24 to €0.13 for continuing operations only.

BUSINESS PERFORMANCE IN THE SEGMENTS

The DEUTZ Group's operating activities are divided into the segments Classic and Green. The Classic segment encompasses all activities related to the development, production, distribution, and maintenance of diesel and gas engines as well as the related service business. The Green segment consists of all activities related to alternative drive solutions and to the creation of a new, zero-emission product ecosystem. 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 earnings-related key figures for the Green segment strongly reflect a substantial level of research and development in the field of electric and hydrogen-powered drive systems.

In accordance with IFRS 5, and as described above in the section 'Business performance in the DEUTZ Group', the activities of the Torqeedo Group are again being reported as discontinued operations in the first quarter of 2024, which means that they are no longer reported in the Green segment. As a result, the information provided above about the unit sales and revenue data for the DEUTZ Group predominantly relate to the Classic segment, which currently accounts for nearly 100 percent of consolidated revenue.

DEUTZ Classic

€ million

	Q1 2024	Q1 2023	Change
New orders	418.3	515.0	-18.8%
Unit sales (units)	38,054	46,104	-17.5%
Revenue	453.5	506.1	-10.4%
EMEA	268.4	310.3	-13.5%
Americas	118.3	120.1	-1.5%
Asia-Pacific	66.8	75.7	-11.8%
Service	125.8	121.3	3.7%
Construction Equipment	115.6	144.8	-20.2%
Material Handling	119.1	110.1	8.2%
Agricultural Machinery	51.4	70.6	-27.2%
Stationary Equipment	28.1	39.7	-29.2%
Miscellaneous	13.5	19.6	-31.1%
EBIT before exceptional items	37.2	44.4	-16.2%
EBIT margin before exceptional items (%)	8.2	8.8	-0.6 pp

New orders in the Classic segment came to €418.3 million in the first quarter of 2024. This was down by 18.8 percent on the figure for the prior-year quarter, which had been exceptionally strong as described above, but nearly €70 million higher than the figure of €350.6 million for new orders in the fourth quarter of 2023. Orders on hand in the Classic segment totaled €410.6 million as at March 31, 2024 (down by 46.7 percent year on year). Of this figure, €367.2 million (down by 49.0 percent) was attributable to the engine business and €43.4 million (down by 13.7 percent) to the service business, whereby the latter typically has a low level of orders on hand because these are turned around almost immediately. At 38,054 engines sold, the Classic segment's unit sales were down by 17.5 percent on the first quarter of 2023. By contrast, revenue declined by only 10.4 percent to €453.5 million. A more favorable product mix and positive effects from the successful implementation of price increases were the main reasons why the fall in revenue was relatively low compared with the fall in unit sales.

Adjusted EBIT for the Classic segment (EBIT before exceptional items) decreased by €7.2 million year on year to €37.2 million. However, the segment's adjusted EBIT margin declined only slightly, from 8.8 percent to 8.2 percent. So despite the fall in revenue, the Classic segment maintained a very high level of profitability in the first quarter of 2024 that was close to the record high of the prior year.

DEUTZ Green

€ million

	Q1 2024	Q1 2023	Change
New orders	0.9	0.8	12.5%
Unit sales (units)	188	6	3,033.3%
Revenue	1.2	0.9	33.3%
EMEA	0.4	0.9	-55.6%
Americas	0.6	0.0	-
Asia-Pacific	0.2	0.0	-
EBIT before exceptional items	-9.6	-7.4	-29.7%
EBIT margin	-800.0	-822.2	+22.2 pp

The Green segment's contribution is currently still very small, according to plan. It excludes the activities of the Torqeedo Group, which have been reported as discontinued operations since the 2023 reporting cycle. New orders for the segment increased by 12.5 percent compared with the prior-year quarter (on a like-for-like basis); there were also significant double-digit percentage increases in unit sales and revenue (up 33.3 percent) – albeit still from a low base. Orders on hand amounted to €4.3 million as at March 31, 2024, which was well above the figure of €2.7 million for a year earlier.

Due to the start-up nature of the business activities, the Green segment's adjusted EBIT amounted to a net loss of €9.6 million, which corresponds to a decline of €2.2 million on the first quarter of 2023. This was attributable to increased development expenditure on new drive technologies, primarily in connection with the TCG 7.8 H2 hydrogen engine.

FINANCIAL POSITION

DEUTZ Group: Overview of financial position¹³

€ million

	Q1 2024	Q1 2023	Change
Cash flow from operating activities	26.2	33.4	-21.6%
Cash flow from investing activities	-16.3	-16.9	3.6%
Cash flow from financing activities	-24.7	2.4	-
Free cash flow from continuing operations¹⁴	5.1	14.3	-64.3%
Free cash flow for entire Group¹⁵	-1.4	10.8	-
Key figures for continuing operations			
Cash and cash equivalents at Mar. 31/Dec. 31	66.5	90.1	-26.2%
Current and non-current interest-bearing financial debt at Mar. 31/Dec. 31	238.4	253.5	-6.0%
thereof lease liabilities	82.0	81.5	0.6%
Net financial position at Mar. 31/Dec. 31¹⁶	-171.9	-163.4	-5.2%

Cash flow from operating activities amounted to €26.2 million in the first quarter of 2024, which was €7.2 million lower than in the prior-year period. This decrease was mainly attributable to the year-on-year decline in earnings and the decrease in other liabilities, factors that were partially offset by the smaller amount of net cash used in connection with the increase in working capital compared with the first quarter of 2023.

At minus €16.3 million, cash flow from investing activities was at more or less the same level as in the prior-year period.

Cash flow from financing activities came to a net cash outflow of minus €24.7 million in the first quarter of 2024. An increase in the repayment of loans was the main reason why this figure deteriorated compared with the net cash inflow of €2.4 million reported in the prior-year period.

DEUTZ generated free cash flow from continuing operations of €5.1 million in the first quarter of 2024, down from €14.3 million in the prior-year quarter because of the decline in cash flow from operating activities. Free cash flow before mergers and acquisitions was at the same level as free cash flow in the first quarters of 2024 and 2023.

These changes in cash flow during the first quarter of 2024 brought cash and cash equivalents to €66.5 million, which was €23.6 million lower than the figure as at the end of 2023. As a result, net financial debt edged up by €8.5 million to €171.9 million as at March 31, 2024.

¹³ Unless otherwise stated, the figures are presented from the perspective of continuing operations.

¹⁴ Cash flow from operating activities and from investing activities less interest expense.

¹⁵ The key figures for the entire Group include the continuing and discontinued operations.

¹⁶ Cash and cash equivalents less current and non-current interest-bearing financial debt.

CAPITAL EXPENDITURE

DEUTZ Group: Capital expenditure (after deducting investment grants)

€ million

	Q1 2024	Q1 2023	Change
Property, plant equipment	18.9	14.5	4.4
of which right-of-use assets for leases under IFRS 16	4.9	1.1	3.8
of which property, plant and equipment (excluding right-of-use assets for leases under IFRS 16)	14.0	13.4	0.6
Intangible assets	1.1	53.8	-52.7
	20.0	68.3	-48.3

Capital expenditure on property, plant and equipment and on intangible assets after deducting grants, and including capitalization of research and development expenditure, fell by 70.7 percent to €20.0 million (Q1 2023: €68.3 million). The main reason for this decrease was the fact that capital expenditure in the corresponding period of the prior year had included DEUTZ's acquisition of intellectual property rights (IP rights) from Daimler Truck AG for the latter's MDEG medium-duty engines by way of a capital increase by contribution in kind and its acquisition of license rights for engines in Daimler Truck's HDEP engine series. Capital expenditure on property, plant and equipment primarily related to test rigs for the Green segment, the new, highly flexible production line for engines with capacities of between 4 and 8 liters, and the expansion of the logistics center. Most of the change in property, plant and equipment resulted from leased forklift trucks.

NET ASSETS

DEUTZ Group: Overview of net assets

€ million

	Mar. 31, 2024	Dec. 31, 2023	Change
Non-current assets	732.6	734.7	-0.3%
thereof right-of-use assets in connection with leases	70.8	70.8	0.0%
Current assets	781.0	779.8	0.2%
Assets classified as held for sale of discontinued operations	77.6	75.7	2.5%
Total assets	1,591.2	1,590.2	0.1%
Equity	752.8	743.2	1.3%
Non-current liabilities	196.8	202.9	-3.0%
thereof lease liabilities	66.1	65.6	0.8%
Current liabilities	621.7	625.1	-0.5%
thereof lease liabilities	15.9	15.9	0.0%
Liabilities associated with assets of discontinued operations	19.9	19.0	4.7%
Total equity and liabilities	1,591.2	1,590.2	0.1%
Key figures for continuing operations			
Working capital (€ million)	389.9	379.8	2.7%
Working capital ratio (Dec. 31, %)	19.4	18.4	+1.0 pp
Working capital ratio (average, %)	18.9	17.7	+1.2 pp
Key figures for the entire Group¹⁷			
Working capital (€ million) ¹⁸	415.4	405.7	2.4%
Working capital ratio (Dec. 31, %) ¹⁹	20.3	19.3	+1.0 pp
Working capital ratio (average, %) ²⁰	19.9	18.7	+1.2 pp
Equity ratio %²¹	47.3	46.7	+0.6 pp

Inventories had risen sharply as at March 31, 2024. This was mainly attributable to the advance production of engines at the Cologne-Porz site due to planned maintenance works in the summer of this year and the rise in inventories at the logistics center. With trade payables higher and trade receivables lower, working capital increased slightly to €10.1 million compared with the end of 2023. Because of this change and due to the decline in revenue, the corresponding working capital ratio rose to 19.4 percent as at March 31, 2024 (December 31, 2023: 18.4 percent). The increase in average working capital and the decrease in revenue in the first quarter of 2024 meant that the average working capital ratio was also higher than at the end of 2023.

Assets of discontinued operations classified as held for sale and related liabilities changed only marginally compared with the end of 2023. For further details, please refer to the notes on accounting policies under 'Non-current assets held for sale and discontinued operations' in the notes to the consolidated annual financial statements in the 2023 annual report.

Due to the rise in equity resulting from the positive earnings situation, the equity ratio increased slightly from 46.7 percent as at December 31, 2023 to 47.3 percent as at March 31, 2024.

In view of the continuing strength of the equity ratio, which is still above the target figure of more than 40 percent, the DEUTZ Group's financial position remains comfortable.

¹⁷ The key figures for the entire Group include the continuing and discontinued operations.

¹⁸ Inventories plus trade receivables less trade payables.

¹⁹ Working capital (inventories plus trade receivables less trade payables) as at the balance sheet date divided by revenue for the previous twelve months.

²⁰ Average working capital at the last four quarterly reporting dates divided by revenue for the previous twelve months.

²¹ Equity/total equity and liabilities.

EMPLOYEES

The DEUTZ Group employed 5,122 people²² worldwide as at March 31, 2024, which was 287 more than a year earlier. This increase was due in part to the significant expansion in the volume of business and regional growth initiatives in the service business, particularly in the Americas region, that had taken place in the prior year. The short-term rise in the number of temporary workers in the prior year – including at the headquarters in Cologne – was reduced again in the first quarter of 2024.

GUIDANCE FOR 2024

In keeping with the guidance published on March 19, 2024 at the same time as the financial results for 2023, DEUTZ expects to achieve unit sales of between 160,000 and 180,000 engines in the 2024 financial year, revenue within a range of €1.9 billion and €2.1 billion, an adjusted EBIT margin of between 5.0 percent and 6.5 percent, and free cash flow (before potential M&A activities) in the mid-double-digit millions of euros. Based on the DEUTZ Group's business performance in the first quarter of 2024, as described here, and on its anticipated performance going forward, DEUTZ is convinced that it is on track to meet these targets and therefore confirms its guidance.

²² Number of employees expressed in FTEs (full-time equivalents); excluding temporary workers.

FINANCIAL INFORMATION FOR THE FIRST QUARTER OF 2024

DEUTZ GROUP: INCOME STATEMENT²³

€ million

	Q1 2024	Q1 2023
Revenue	454.7	507.0
Cost of sales	-344.9	-392.5
Research and development costs	-25.4	-25.9
Selling expenses	-34.5	-31.7
General and administrative expenses	-25.1	-18.0
Other operating income	4.7	6.0
Other operating expenses	-5.1	-8.1
Impairment of financial assets and reversals thereof	0.5	0.6
Profit/loss on equity-accounted investments	-1.1	-0.6
EBIT	23.8	36.8
Interest income	0.3	0.3
Interest expense	-4.6	-3.0
Other financial income	0.0	-0.1
Financial income, net	-4.3	-2.8
Net income before income taxes	19.5	34.0
Income taxes	-3.0	-5.2
Net income of continuing operations	16.5	28.8
Net income of discontinued operations	-7.7	-5.0
Net income	8.8	23.8
thereof attributable to shareholders of DEUTZ AG	8.8	23.8
Earnings per share (basic/diluted, in €)	0.07	0.20
thereof from continuing operations	0.13	0.24
thereof from discontinued operations	-0.06	-0.04

²³ The figures for the prior year have been restated in accordance with the provisions of IFRS 5.

DEUTZ GROUP: STATEMENT OF COMPREHENSIVE INCOME

€ million

	Q1 2024	Q1 2023
Net income	8.8	23.8
Amounts that will not be reclassified to the income statement in the future	0.0	-0.7
Remeasurement of defined benefit plans	0.0	-0.7
Amounts that will be reclassified to the income statement in the future if specific conditions are met	0.8	-2.9
Currency translation differences	0.0	-2.3
thereof profit/loss on equity-accounted investments	0.2	-0.9
thereof translation differences from discontinued operations	0.0	0.0
Effective portion of change in fair value from cash flow hedges	-0.9	1.7
Fair value of financial instruments	1.7	-2.3
Other comprehensive income, net of tax	0.8	-3.6
Comprehensive income	9.6	20.2
thereof attributable to shareholders of DEUTZ AG	9.6	20.2

DEUTZ GROUP: BALANCE SHEET / ASSETS

€ million

	Mar. 31, 2024	Dec. 31, 2023
Property, plant and equipment	381.1	379.3
Intangible Assets	155.5	159.9
Equity-accounted investments	40.5	41.4
Other financial assets	27.2	26.7
Non-current assets (before deferred tax assets)	604.3	607.3
Deferred tax assets	128.3	127.4
Non-current assets	732.6	734.7
Inventories	469.6	433.9
Trade receivables	187.3	201.9
Other receivables and assets	54.1	49.8
Receivables in respect of tax refunds	3.5	4.1
Cash and cash equivalents	66.5	90.1
Assets held for sale of discontinued operations	77.6	75.7
Current Assets	858.6	855.5
Total assets	1,591.2	1,590.2

DEUTZ GROUP: BALANCE SHEET / EQUITY AND LIABILITIES

€ million

	Mar. 31, 2024	Dec. 31, 2023
Issued capital	322.5	322.5
Additional paid-in capital	40.3	40.3
Other reserves ²⁴	-5.9	-6.7
Retained earnings and accumulated income	395.9	387.1
Equity attributable to shareholders of DEUTZ AG	752.8	743.2
Equity	752.8	743.2
Provisions for pensions and other post-retirement benefits	85.5	87.7
Deferred tax liabilities	5.4	5.8
Other provisions	22.3	23.9
Financial debt	66.4	65.9
Other liabilities	17.2	19.6
Non-current liabilities	196.8	202.9
Provisions for pensions and other post-retirement benefits	10.7	10.7
Other provisions	81.6	73.8
Financial debt	172.0	187.6
Trade payables	267.0	256.0
Liabilities arising from income taxes	8.2	6.4
Other liabilities	82.2	90.6
Liabilities associated with assets of discontinued operations ^{24,7}	19.9	19.0
Current liabilities	641.6	644.1
Total equity and liabilities	1,591.2	1,590.2

²⁴ Other reserves include a currency translation adjustment from discontinued operations of minus €0.3 million.

DEUTZ GROUP: CASH FLOW STATEMENT²⁵

€ million

	Q1 2024	Q1 2023
EBIT	23.8	36.8
Income taxes paid	-2.0	-3.2
Depreciation, amortization and impairment of non-current assets	22.3	22.4
Gains/losses on the sale of non-current assets	0.1	0.0
Profit/loss and impairment on equity-accounted investments	1.1	0.6
Other non-cash income and expenses	-0.3	-0.2
Change in working capital	-7.4	-22.4
Change in inventories	-33.8	-45.5
Change in trade receivables	15.1	-8.2
Change in trade payables	11.3	31.3
Change in other receivables and other current assets	-2.0	-4.9
Change in provisions and other liabilities (excluding financial liabilities)	-9.4	4.3
Cash flow from operating activities – continuing operations	26.2	33.4
Cash flow from operating activities – discontinued operations	-5.7	-2.4
Cash flow from operating activities – total	20.5	31.0
Capital expenditure on intangible assets, property, plant and equipment	-16.2	-16.9
Expenditure on investments	0.0	-0.2
Proceeds from the sale of non-current assets	-0.1	0.2
Cash flow from investing activities – continuing operations	-16.3	-16.9
Cash flow from investing activities – discontinued operations	-0.3	-0.7
Cash flow from investing activities – total	-16.6	-17.6
Interest income	0.3	0.3
Interest expense	-5.1	-2.5
Cash receipts from borrowings	43.3	11.6
Repayment of loans	-58.8	-3.0
Principal elements of lease payments	-4.4	-4.0
Cash flow from financial activities – continuing operations	-24.7	2.4
Cash flow from financial activities – discontinued operations	-0.8	-0.7
Cash flow from financial activities – total	-25.5	1.7
Cash flow from operating activities – total	20.5	31.0
Cash flow from investing activities – total	-16.6	-17.6
Cash flow from financing activities – total	-25.5	1.7
Change in cash and cash equivalents	-21.6	15.1
Cash and cash equivalents at Jan. 1	90.1	54.9
Change in cash and cash equivalents	-21.6	15.1
Change in cash and cash equivalents related to exchange rates	0.0	-0.5
Reclassification of cash and cash equivalents to discontinued operations	-2.0	0.0
Cash and cash equivalents at Mar. 31	66.5	69.5

²⁵ The figures for the prior year have been restated in accordance with the provisions of IFRS 5.

FINANZKALENDER

2024

May 8	Annual General Meeting
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 20	2024 annual report Annual results press conference with analysts and investors
April 30	Quarterly statement for the first quarter of 2025 Conference call with analysts and investors
May	Annual General Meeting



« FURTHER INFORMATION AT
www.deutz.com/investor-relations/financial-calendar

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CREDITS

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