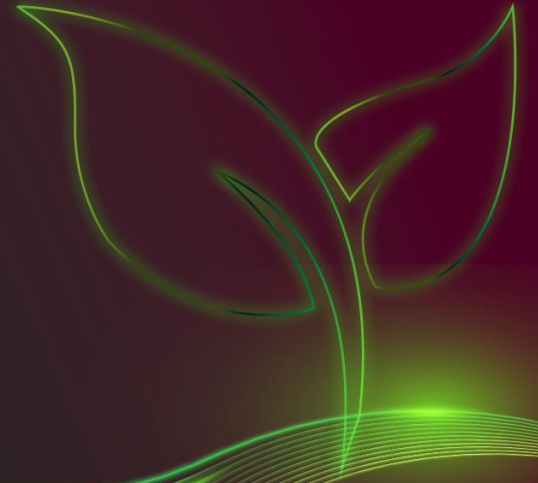


# DEUTZ DAYS 21



## Strategy Update

  moving the world sustainably

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Dr. Frank Hiller, CEO  
November 17, 2021 | Coreum



# Disclaimer

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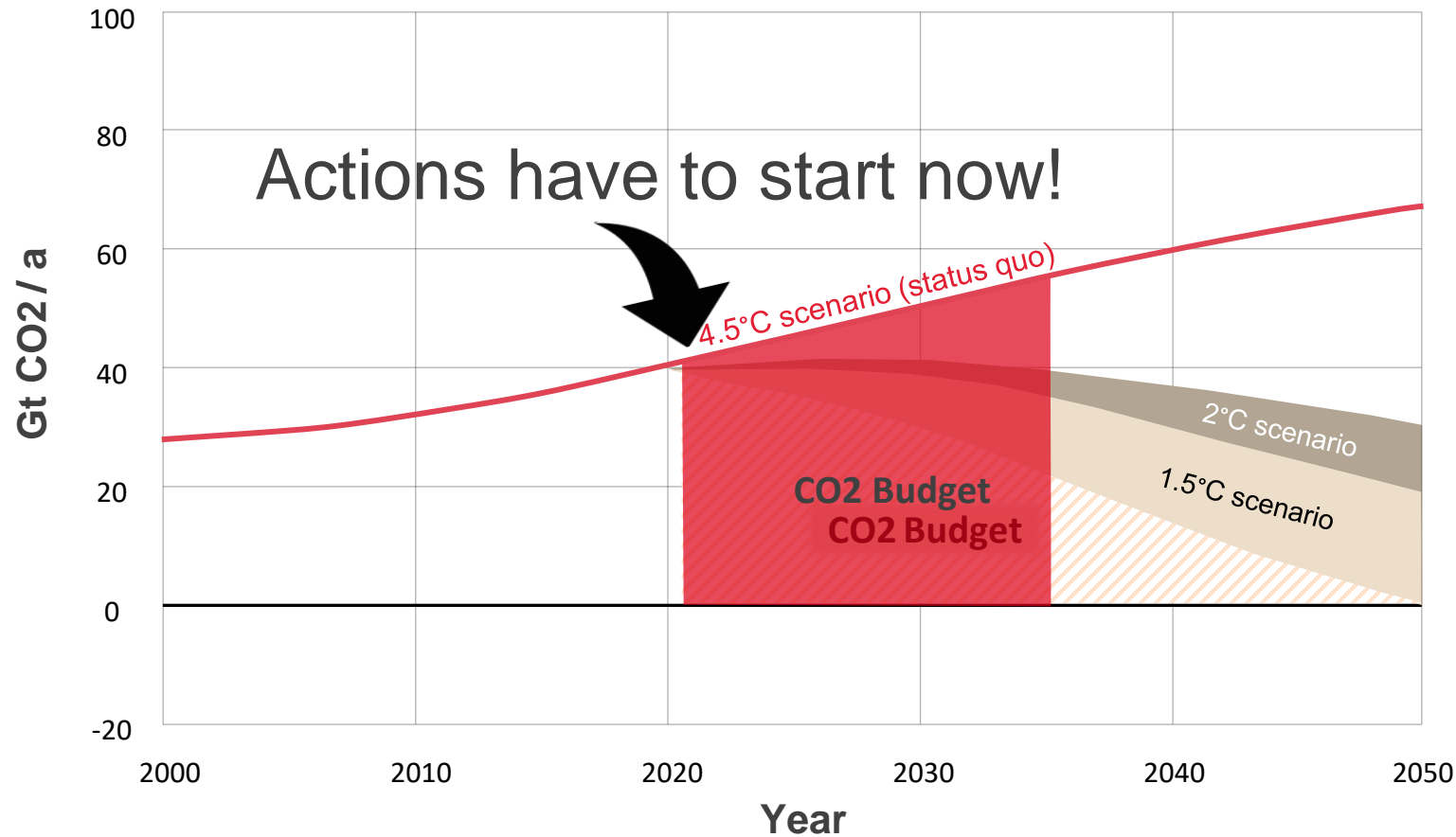


Unless stated otherwise, all the figures given in this presentation refer to continuing operations.

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, decreases 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.

# Global warming: a carbon dioxide problem



- The 2015 Paris Agreement demands immediate action: Our CO2 budget is limited!
- It needs global action now – otherwise the budget will be dried up in the mid 30s

**The off-highway industry has to contribute, too.**

# Our answer: an open-minded approach to technology



Biodiesel



Multi-fuel



Hydrogen



Synthetic fuels



Sustainable fuels



48V systems



360V systems



Modular battery systems

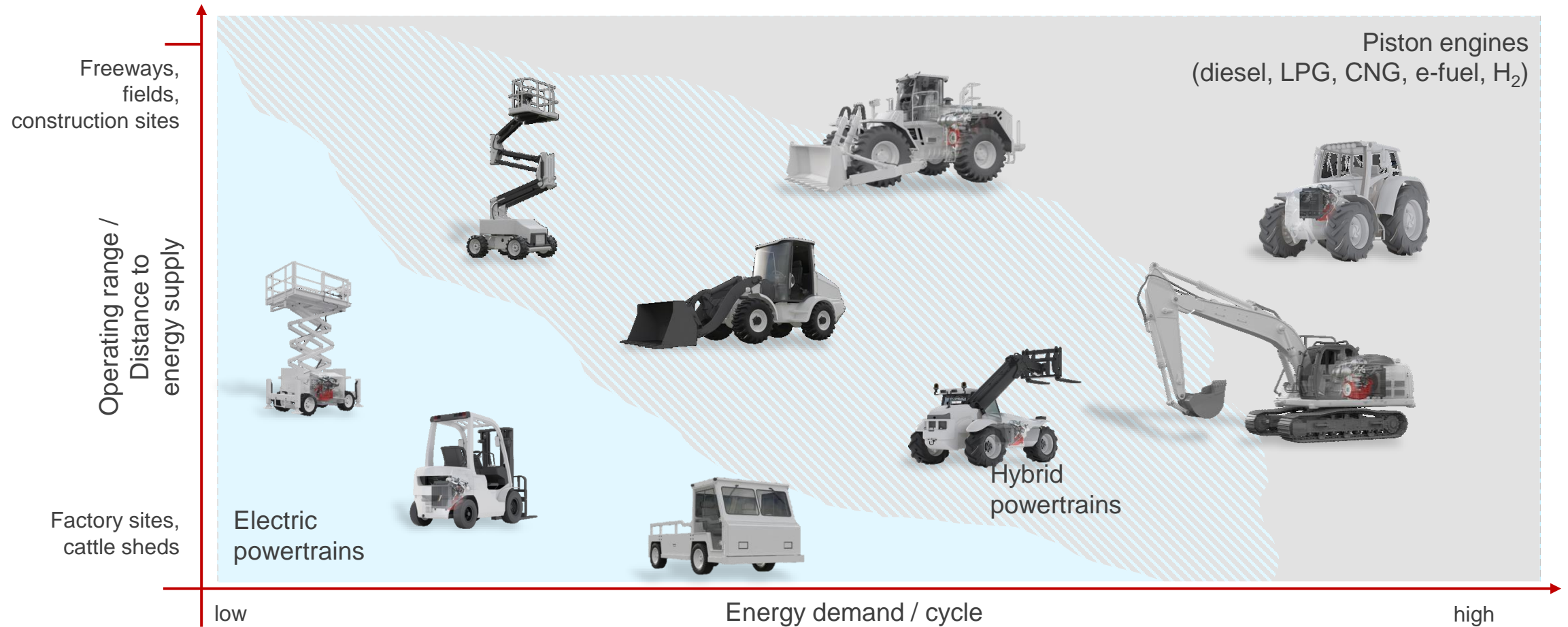


Fuel cell

Green electricity

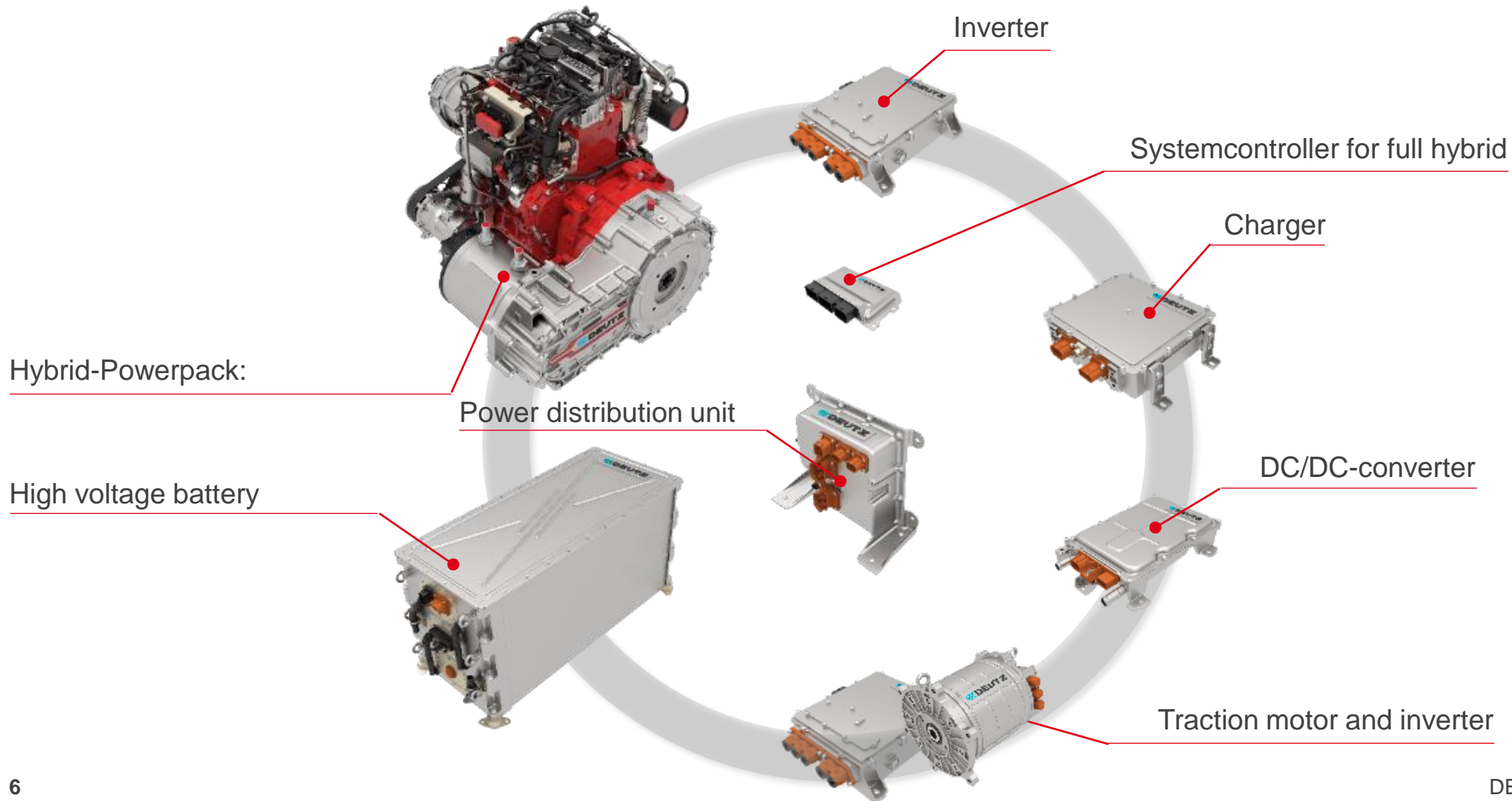
DEUTZ is tackling the challenges in off-highway applications by ensuring compatibility with different technologies

# Our goal: the optimal technology for each application



Competitive powertrains for all of our current off-highway markets

# DEUTZ 360V system components for electric drivetrains



# DEUTZ electric systems for off-highway machinery



Electrip telehandler



360V E-Drive hybrid axle



48V E-DEUTZ Mini-excavator



360V E-DEUTZ Ground support vehicle



PowerTree mobile charging station



360V E-DEUTZ Crawler crane



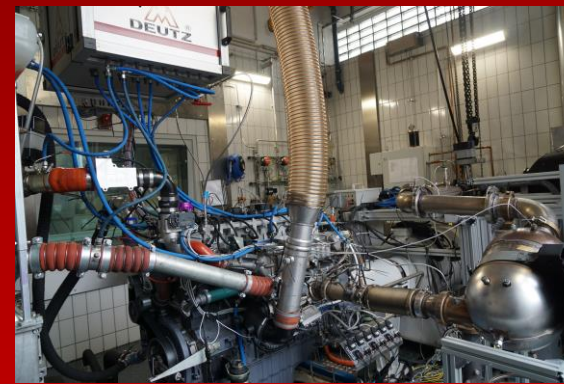
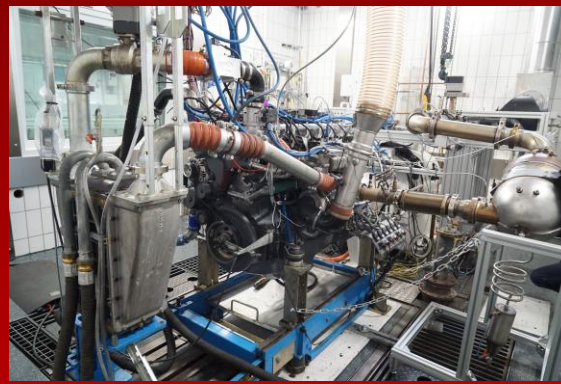
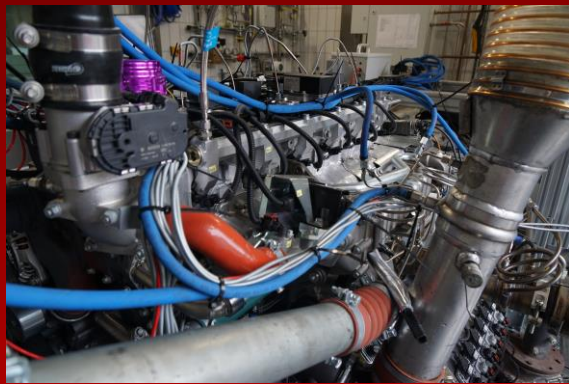
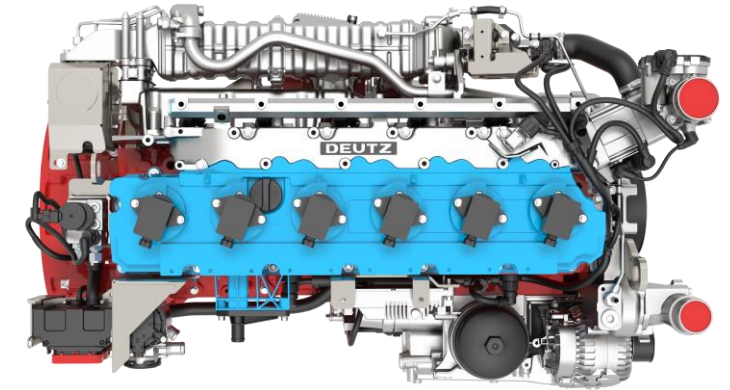
Next Gen modular E-DEUTZ battery

**Powertrains as well as charging infrastructure are required**

# Hydrogen engine ready for the market



- TCG 7.8 H2 engine meets eligibility criteria set by the EU for zero CO2 emission
- Designed for use in stationary equipment, generators and rolling stock
- Pilot application (stationary equipment for power generation) with a regional utility partner – scheduled to commence at beginning of 2022
- The engine is scheduled to go into full production in 2024

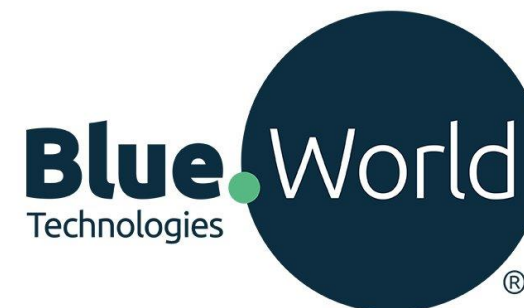




# Fuel cell partnership with Blue World Technologies



- Strategic partnership with fuel cell manufacturer Blue World Technologies
- Based on Methanol as primary energy source
- Exclusive agreement for the distribution of stationary fuel cell gensets
- Acquisition of 10 percent stake planned

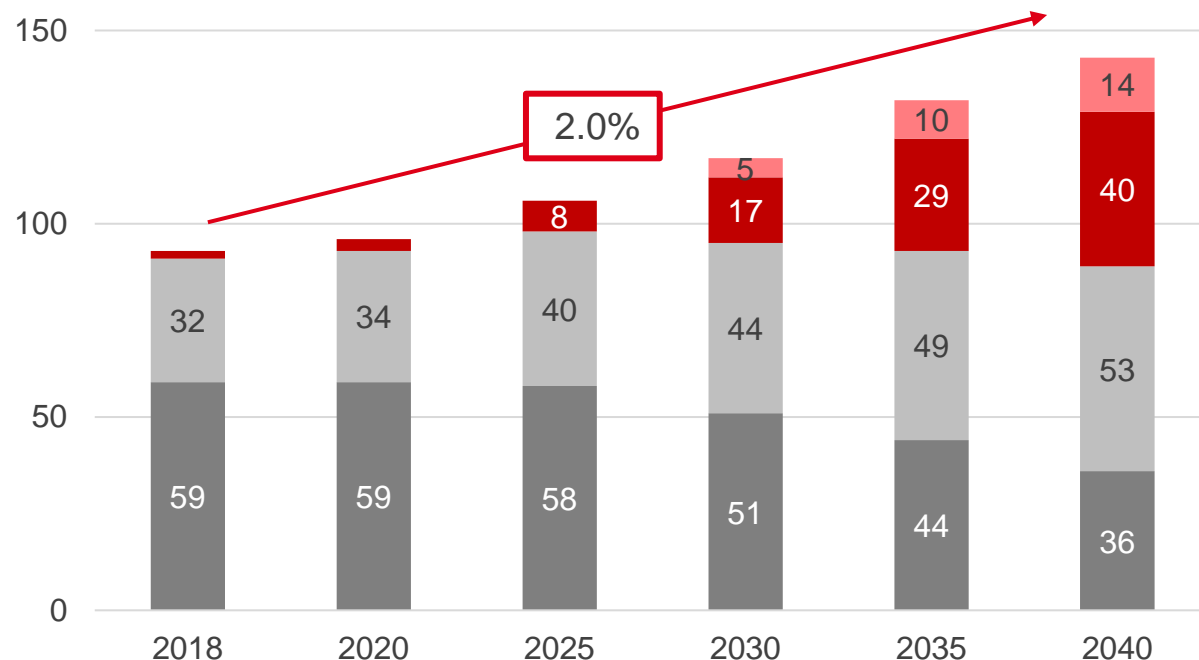


# Combustion engine technology still with a long-life expectancy



## Outlook: Global passenger car volume

Units (millions)



■ EV RoW 
 ■ EV EU, USA, China 
 ■ Vehicle w combustion engine RoW 
 ■ Vehicle w combustion engine EU, USA, China

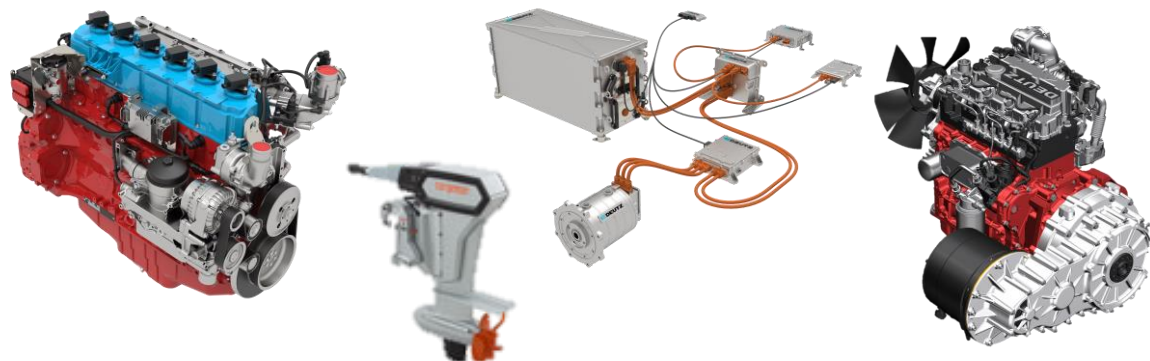
- Global production of internal combustion engines for passenger cars will not peak until 2025
- In 2030, the internal combustion engine will still have a share of 80% in the drive mix
- For commercial vehicles and especially off-road applications, we expect a slower penetration of battery-electric drives

**As an industry we have to prepare for alternative engines without leaving the customer behind**

# New segment structure from January 1, 2022



## GREEN



- Electric drivetrains, Torqeedo and Futavis, hydrogen engines, Blue World Technologies<sup>1</sup>
- Related services
- GREEN still comparatively small but strong growing
- Loss making due to high R&D expenditures and low economies of scales

## CLASSIC



- Diesel, LPG and CNG, Bifuel
- Related services
- CLASSIC as “cashcow” but still with solid growth rates

## Rational for the new segment structure

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- DEUTZ is innovation leader in its industry, it has invested in sustainable drive trains already since 2017
- New segment structure underlines our ambition to drive a new era of engine technologies
- GREEN stands for technologies and solutions that contribute to a climate-neutral mobility in the future – what we develop, and manufacture here will be emission-free and CO2-neutral
- CLASSIC reflects our still dominant business of the development and manufacture of combustion engines that will remain in high demand for years to come
- In 10 years, we expect GREEN to be bigger than CLASSIC

**Sustainability is not only a commitment to our customers and employees, but also a necessity of our time**

## Strategic partnerships

- Technology transformation impacts customer behavior – door has opened up for talks with customers
- Willingness to outsource engine business is increasing
- Long-term partnerships becoming more important for both CLASSIC and GREEN
- Many discussions ongoing



Long-term partnership



Long-term supply agreement with new customer



All new <4L engine co-development



Expansion of strategic partnership

The change in customer mindset is enabling DEUTZ to gain market share



# Sustainability Update



# Taking Responsibility – DEUTZ’s sustainability strategy



## Fields of action

### Social responsibility

### Corporate responsibility

### Environmental responsibility



## Our prioritized Sustainable Development Goals



Take Responsibility!



# Continuously improvement of ESG ratings



Corporate ESG Performance C+ (06/2021)  
RATED BY ISS ESG  
Prime

Gaia RATING 49 (05/2021)

vigeo eiris 39 (02/2021)

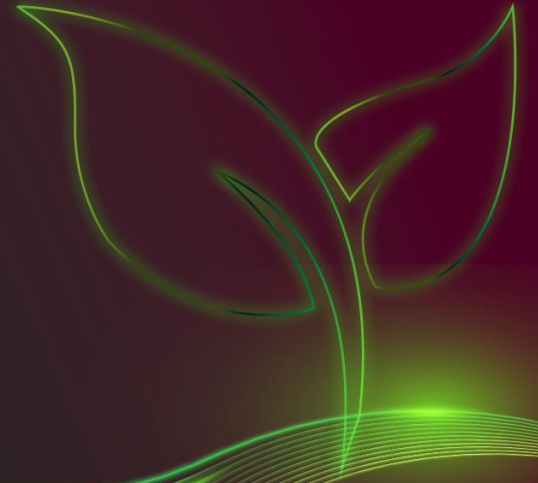
MSCI BBB (11/2020)



Sustainability efforts are paying off



# DEUTZ DAYS 21



# Thank you!

  moving the world sustainably

**DEUTZ AG**  
Ottostr. 1  
51149 Cologne, Germany  
Phone: +49 (0) 221 822-0  
E-mail: [info@deutz.com](mailto:info@deutz.com)  
[www.deutz.com](http://www.deutz.com)

Investor Relations  
Phone: +49 221 822 3600  
E-mail: [ir@deutz.com](mailto:ir@deutz.com)

