

PRESS RELEASE

DEUTZ inks cooperation with TAFE, India's leading agricultural group

- Advantages for German locations due to broader supplier base
- Cooperation to be extended to green drives

Cologne, July 1, 2024 – DEUTZ is adding another cornerstone to its Dual+ strategy, which includes both the further development of alternative drive systems and the expansion of the internal combustion engine business. The cooperation with the Indian agricultural group TAFE Motors and Tractors Limited announced today allows DEUTZ to expand its business in India, tapping into one of the fastest growing markets worldwide. TAFE Motors is the subsidiary of TAFE, the third largest tractor manufacturer in the world. In 2023, the Indian economy grew by around 6 to 7 percent and it is expected that India's gross domestic product (GDP) will quadruple by 2050. The agricultural and construction sector will play a major role in achieving this strong growth.

As the beginning of a long-term cooperation, TAFE Motors will manufacture up to 30,000 DEUTZ-engines in 2.2 Liter (50-75 hp) and 2.9 Liter (75-100 hp) under license. The aim is to augment and complement the wide range of engines made by the Group across emission standards. TAFE Motors will produce engines to suit growing demands of the Indian market as well as for DEUTZ's requirements. The engines will be produced in TAFE Motors' modern manufacturing facility at Alwar, Rajasthan in India.

DEUTZ will use the Indian manufacturing base to market its engines in neighboring markets (esp. APAC), benefitting from advantages in production and logistics.

“The strategic cooperation with TAFE Motors secures DEUTZ access to growing markets with strong potential and long-term prospects,” explains DEUTZ CEO, Dr. Sebastian C. Schulte. “It also enables us to continue producing at competitive costs in the future and makes us less dependent on the existing supplier landscape, which is becoming increasingly challenging due to the technological shift and geopolitics”.

The engine company.



The cooperation gives DEUTZ the opportunity to expand its supplier base to ensure a more efficient and more resilient production. It will also reduce its dependence on supply chains in geopolitically tense regions - without sacrificing the corresponding cost benefits. This particularly benefits DEUTZ's German production sites.

Speaking on behalf of TAFE Motors, Sandeep Sinha, CEO of TAFE Motors said, "This strategic cooperation between TAFE Motors and DEUTZ will be mutually beneficial, as it will offer access to shared resources and technologies to produce engines that complement TAFE Motors' and the Group's existing range to meet the demand for both domestic and international markets. This cooperation will also offer DEUTZ access to high-quality engines at best cost for new applications in Indian and relevant overseas markets".

Both parties are exploring opportunities to expand the cooperation to green drives.



Caption: DEUTZ-CEO Dr. Sebastian C. Schulte and Mallika Srinivasan, Chairman & Managing Director of TAFE Motors, signing the cooperation agreement.
Credit: DEUTZ AG

The engine company.



For further information on this press release, please contact:

Mark Schneider

Head of Investor Relations, Communications & Marketing

Tel: +49 (0)221 822 3600

Email: Mark.Schneider@deutz.com

About DEUTZ AG

DEUTZ AG, a publicly traded company headquartered in Cologne, Germany, is one of the world's leading manufacturers of innovative drive systems. Its core competencies are the development, production, distribution, and servicing of drive solutions in the power range up to 620 kW for off-highway applications. The current portfolio extends from diesel, gas, and hydrogen engines to all-electric drives. DEUTZ drives are used in a wide range of applications including construction equipment, agricultural machinery, material handling equipment such as forklift trucks, stationary equipment such as generator sets (gensets) and lifting platforms as well as commercial and rail vehicles. With over 5,000 employees worldwide and around 1,000 sales and service partners in more than 120 countries, DEUTZ generated revenue of over €2.1 billion in the 2023 financial year. Further information is available at www.deutz.com.