

PRESS RELEASE

DEUTZ completes its acquisition of Blue Star Power Systems, becoming a system provider for decentralized electricity generation

- DEUTZ has acquired all the shares in the US manufacturer of gensets and can tap into the rapidly growing market for decentralized electricity generation in the USA
- Additional profitable revenue of more than US\$ 100 million expected per year
- Strategic expansion with new energy-related business models

Cologne, August 5, 2024 – DEUTZ completed its purchase of all the shares in Blue Star Power Systems, Inc. at the start of August, having announced the purchase on June 27 after the contract was signed. Headquartered in North Mankato, Minnesota (USA), Blue Star Power Systems develops, produces, and sells electric generators (gensets) and is one of the leading manufacturers in the USA.

“We are delighted to welcome the team at Blue Star Power Systems to our DEUTZ family,” says CEO Dr. Sebastian C. Schulte, adding: “We are strengthening our business and accelerating our efforts to build up our decentralized energy supply activities under our Dual+ strategy. This means we can put DEUTZ on a broader and more resilient footing.”

For DEUTZ, the acquisition is an important step from a component manufacturer to a solutions provider. DEUTZ engines have long been used in generator sets, and now the Company is laying the foundations for offering complete solutions for local power generation.

“We are proud of what we have built up together as a team here at Blue Star Power Systems,” says founder Doug Fahrforth, who will continue to run the firm until 2026. “We are pleased to be able to take our business to the next level as part of DEUTZ. Drawing on our extensive product range and strong branch network, we will expand globally and enhance our portfolio of sustainable products.”

DEUTZ anticipates that the acquisition of Blue Star Power Systems will provide additional profitable revenue ranging from more than US\$ 100 million to (in the medium term) more than

The engine company.



US\$ 150 million per year. Building on this, revenue in the energy business is expected to increase to approximately €500 million by 2030 through both organic growth and growth by acquisition.

By taking this step, DEUTZ is pursuing expansion in the increasingly important field of decentralized energy supply, in which gensets play a key role. The main drivers of growth in this field are the greater frequency of severe weather events, rising global demand for electricity against a backdrop of aging infrastructure, and a rapidly increasing proportion of renewables that is leading to fluctuation in electricity generation. The growing significance of data centers and micro-networks is also supporting the global market for gensets, which is predicted to increase in volume to US\$ 34.5 billion by 2030. This equates to an annual growth rate of 5.9 percent.

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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 and lifting platforms, stationary equipment such as generator sets (gensets) 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 around €2.1 billion in the 2023 financial year. Further information is available at www.deutz.com.