DEUTZ

125 YEARS STOCK MARKET

INTERIM REPORT

FIRST HALF OF 2025

DEUTZ GROUP: OVERVIEW

€ million

	H1 2025	H1 2024[1]	Change	Q2 2025	Q2 2024	Change
New orders	1,034.1	791.0	30.7%	488.0	371.8	31.3%
Unit sales (units)	67,440	74,162	-9.1%	36,177	35,920	0.7%
Revenue	1,007.1	875.5	15.0%	518.1	420.8	23.1%
EBITDA (before exceptional items)	94.5	94.3	0.2%	49.9	44.3	12.6%
EBITDA margin (before exceptional items)	9.4%	10.8%	-1.4pp	9.6%	10.5%	-0.9pp
EBITDA	65.7	83.4	-21.2%	46.1	37.3	23.6 %
Adjusted EBIT (before exceptional items)	47.1	50.1	-6.0%	26.1	22.4	16.5%
EBIT margin (before exceptional items)	4.7%	5.7%	-1.0pp	5.0%	5.3%	-0.3pp
Exceptional items	-28.8	-10.9	164.2%	-3.8	-7.0	-45.7%
EBIT	18.3	39.2	-53.3%	22.3	15.4	44.8%
Net income	7.8	25.6	-69.5%	17.8	9.1	95.6%
Earnings per share (€)	0.06	0.20	-70.0%	0.13	0.07	85.7%
Earnings per share (before exceptional items, €)	0.23	0.28	-17.9%	0.17	0.12	41.7%
Equity (Jun. 30/Dec. 31)	807.7	847.9	-4.7%			
Equity ration (Jun. 30/Dec. 31)	45.9%	50.4%	-4.5pp			
Free cash flow[2]	4.5	-35.1	–	-19.3	-40.2	52.0%
Free cash flow (before M&A)	14.4	-35.1	–	-9.0	-40.2	77.6%
Net financial position (Jun. 30/Dec. 31)[3]	-259.1	-225.6	14.8%			
Working capital (Jun. 30/Dec. 31)[4]	366.1	383.0	-4.4%			
Working capital ratio (Jun. 30/Dec. 31)[5]	18.8%	21.1%	-2.3pp			
Working capital ratio (average) (Jun. 30/Dec. 31)[6]	19.8%	22.2%	-2.4pp			
Capital expenditure (after deducting grants)[7]	35.4	45.5	-22.2%	19.0	25.7	-26.1%
R&D ratio[8]	4.5%	5.6%	-1.1pp			
R&D expenditure (after deducting grants)	45.1	49.2	-8.3%	22.5	23.8	-5.5%
Employees (number as at Jun. 30)[9]	5,571	5,043	10.5%			

DEUTZ Engines & Services

€ million	H1 2025	H1 2024	Change	Q2 2025	Q2 2024	Change
New orders	932.3	774.7	20.3 %	456.4	366.0	24.7 %
Unit sales (units)	66,147	73,570	-10.1 %	35,517	35,676	-0.4 %
Revenue	923.4	864.5	6.8 %	475.3	414.8	14.6 %
Adjusted EBIT (before exceptional items)	56.7	67.7	-16.2 %	28.0	30.5	-8.2 %
EBIT margin (before exceptional items)	6.1%	7.8%	-1.7pp	5.9%	7.4%	-1.5pp

DEUTZ Solutions

€ million	H1 2025	H1 2024	Change	Q2 2025	Q2 2024	Change
New orders	101.8	16.3	524.5 %	31.6	5.8	444.8 %
Unit sales (units)	1,293	592	118.4 %	660	244	170.5 %
Revenue	83.7	11.0	660.9 %	42.8	6.0	613.3 %
Adjusted EBIT (before exceptional items)	-10.2	-17.8	42.7 %	-2.7	-8.2	67.1 %
thereof DEUTZ Energy	8.0	0.0	–	4.5	0.1	4,400.0 %
thereof DEUTZ New Technology	-18.2	-17.8	-2.2 %	-7.2	-8.3	13.3 %
EBIT margin (before exceptional items)	-12.2%	-161.8%	+149.6pp	-6.3%	-136.7%	+130.4pp

[1] In 2024, the activities of the Torqeedo Group had, in accordance with IFRS 5, been reported as discontinued operations up to the point of deconsolidation. The comparative key figures for the prior-year period that relate to the income statement, the cash flow statement, capital expenditure, R&D expenditure, and the number of employees only include continuing operations.
[2] Cash flow from operating and investing activities less interest expense..
[3] Cash and cash equivalents less current and non-current interest-bearing financial debt.
[4] Inventories plus trade receivable less trade payables.
[5] Working capital (inventories plus trade receivables less trade payables) as at the balance sheet date divided by revenue for the previous twelve months.
[6] Average working capital at the 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] Research and development expenditure (after deducting grants) as a percentage of revenue.
[9] Full-time equivalents (FTEs).

CONTENTS

4 **About this report**

Interim management report

5 **Fundamental features of the Group**

5 Business model and segments
5 Market and competitive environment

6 **Macroeconomic and industry-specific environment**

6 Economic environment
6 Proceruement market
7 Sales market

8 **Business performance in the DEUTZ Group**

8 New orders
9 Unit sales
10 Revenue
11 Earnings

14 **Business performance in the segments**

14 DEUTZ Engines & Services
17 DEUTZ Solutions

20 **Financial position**

20 Funding
20 Cash flow
21 Capital expenditure

21 **Net assets**

23 **Research and development**

23 **Employees**

24 **Risk and opportunity report**

25 **Opportunity report 2025**

25 Economic outlook
25 Procurement market
25 Diesel engine market
25 Business outlook

26 **Outlook for the period to 2028**

Interim consolidated financial statements

27 **Condensed interim consolidated financial statements for the first half of 2025**

32 **Notes to the condensed interim consolidated financial statements for the first half of 2025**

50 **Additional information**

About this report

This interim report takes a look at the business performance of the DEUTZ Group and DEUTZ AG.

REPORTING STRUCTURE

This report covers the reporting period from January 1 to June 30, 2025. To ensure that it is as up to date as possible, this report also contains any relevant information that was available by the time that the responsibility statement was issued on July 30, 2025. The consolidated financial statements and group management report have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), and with the additional requirements pursuant to the German Commercial Code (HGB). Consequently, these interim consolidated financial statements do not contain all the information and notes required by IFRS for consolidated financial statements for a full financial year and should therefore be read in conjunction with the IFRS consolidated financial statements published for the 2024 financial year.

AUDITOR'S REVIEW

The condensed interim consolidated financial statements prepared by DEUTZ AG – comprising the balance sheet, income statement, statement of comprehensive income, statement of changes in equity, cash flow statement, and selected notes to the consolidated financial statements – and the interim group management report for the period from January 1 to June 30, 2025, which are part of the half-year financial report pursuant to section 115 of the German Securities Trading Act (WpHG), have been reviewed by the auditor BDO AG Wirtschaftsprüfungsgesellschaft (BDO). See 'Report on audit review', p. 51 onward.

FORWARD-LOOKING STATEMENTS

This report includes certain statements and assumptions about future events and developments. Such forward-looking statements include known and unknown risks, uncertainties, and other factors. This means that the actual future performance, development, and results of the Company, and of sectors important to the Company, may be significantly different – in particular, may differ negatively – from those expressly or implicitly assumed in these statements. It is therefore not possible to make any guarantees with regard to the forward-looking statements made in this report.

FURTHER INFORMATION

In this report, references to further information are highlighted in the text and the relevant page number is given.

MISCELLANEOUS

This interim report for the first half of 2025 is available in German and English. To improve readability, we do not indicate rounding differences in this report.

Fundamental features of the Group

Business model and segments

DEUTZ is one of the world's leading manufacturers of drive systems for off-highway applications in the power range up to 620 kW. Through its subsidiary Blue Star Power Systems, Inc. (»Blue Star Power Systems«), which was acquired in 2024, the Company also operates in the field of decentralized energy supply and is increasingly positioning itself as a system provider.

The current portfolio ranges from diesel, gas, and electric drive systems to hydrogen-based solutions. These drives are used in various applications, including construction equipment, agricultural machinery, material handling equipment such as forklift trucks and lifting platforms, stationary equipment such as gensets, commercial vehicles, and rail vehicles. DEUTZ also offers a comprehensive range of digital and analog services through around 1,000 sales and service partners in over 120 countries.

Since the start of 2025, the Company's operating activities have been organized in the segments DEUTZ Engines & Services and DEUTZ Solutions:

The DEUTZ Engines & Services segment, which accounted for 91.7% of total revenue in the first half of 2025, encompasses the development, production, distribution, maintenance, and servicing of diesel and gas engines, including the nascent defense business. This segment comprises the DEUTZ Classic and DEUTZ Service business units. The DEUTZ Solutions segment includes alternative drives as well as business activities that go beyond engine manufacturing and service. It is subdivided into the two business units DEUTZ New Technology and DEUTZ Energy. DEUTZ New Technology covers the former DEUTZ Green portfolio, i.e. electrified products, hydrogen combustion engines, battery management specialist Futavis, and the associated service business. At the core of the Energy business unit, which will focus on decentralized energy supply, will be the business of genset manufacturer Blue Star Power Systems, which was acquired in 2024.

Market and competitive environment

From a regional perspective, sales of engines of the DEUTZ Group, are focused on the Europe, North America, and Asia regions. The Group faces competition from rival engine suppliers, mainly in Germany, Italy, the UK, Japan, and the USA.

DEUTZ´s main competitors by application segment[10,11]

Application segment	Applications	Main competitors[12]
Combustion engines	Excavators Wheel loaders Forklift trucks Telehandlers Tractors & harvesters	Cummins, USA Isuzu, Japan John Deere, USA Kubota, Japan Perkins, UK Yanmar, Japan
Defense	Special vehicles Military power supply	Caterpillar, USA Cummins, USA Fiat Powertrain, Italy MTU, Germany Scania, Sweden
Service	Maintenance Repairs Remanufacturing	Cummins, USA John Deere, USA Kubota, Japan Perkins, USA
New Technology	Excavators Bulldozers Cranes Trucks, vans Ground support equipment	Hydac, Germany Kreisel, Germany Moog, USA Suncar,Switzerland Webasto, Germany
Energy	Gensets Stationary equipment	Atlas Copco, Sweden Caterpillar, USA Cummins, USA Generac, USA Rhelko, USA

[10] Power Systems Research, January 2025, power output from 15 to 620 kW.
[11] With the exception of Weichai, Chinese competitors are not listed here due to the lack of comparable quality standards and the significantly lower cost structures.
[12] In alphabetical order.

Macroeconomic and industry-specific environment

Economic environment

Global trade grows despite geopolitical tensions and ongoing uncertainty According to recent figures from the United Nations Conference on Trade and Development (UNCTAD)[13] global trade, which can be considered an early indicator of global economic growth, continued its uptrend in the first half of 2025. The global trade in goods in the first quarter of 2025 increased by around 1.5% on the previous quarter, while the second quarter of 2025 is expected to see a rise of around 2% on the previous quarter. In contrast with the trend in preceding quarters, industrialized countries experienced much stronger growth in trade in the first quarter of 2025 than developing countries. Notable drivers in this regard were the sharp rise in imports to the US and strong exports from EU member states. This trend continued against a backdrop of considerable uncertainty about future trade policy, in particular the USA's approach to trade tariffs. The rise in US imports in the first quarter of 2025 is the result of spending brought forward in anticipation of higher trade tariffs in the future. According to UNCTAD, a countervailing effect, that is to say a significant drop in US imports, was noticeable in the second quarter of 2025.

In the eurozone, the rates of inflation and the base rate of the European Central Bank (ECB) continued to converge in the first half of 2025, with both at around 2%[14] at the midway point of 2025. According to Eurostat, inflation in the eurozone was 2.0% in June 2025[15] and thus within the ECB's target range, while the ECB lowered its base rate (main refinancing rate) in two stages in the first half of 2025, most recently to 2.15%[16] in June 2025. With inflation slightly higher in the USA at 2.7%[17] in June 2025, the US Federal Reserve (Fed) has maintained the base rate at 4.5% so far this year.

Proceruement market

Energy prices[18] Electricity prices were higher year-on-year in the first quarter of 2025. A fall in electricity prices in the second quarter brought them into line with those in the second quarter of 2024.

Raw material prices Prices for foundry scrap[19] and wrought iron scrap[20] fell by 7.3% and 7.8% respectively in the first half of 2025, while prices for the non-ferrous metals aluminum and copper, for example, rose by 4.1% and 2.2% respectively.

Transportation market The prices for sea freight fell year-on-year in the first half of 2025[21] despite the ongoing attacks by Houthi rebels on container ships on the approaches to the Suez Canal and almost all shipping companies taking a different route. As a result of US trade tariff policy, there is currently strong demand for sea freight routes between Asia and the US, which puts pressure on sea freight rates in Europe as vessels are redirected onto the significantly more attractive Asia-US routes and container equipment becomes scarcer as a consequence.

The market was also unsettled by the worldwide discussion of trade tariffs, which impacts on the availability of rare earths, in particular, and causes further uncertainty and increases expense on bills of lading.

[13] UNCTAD, Global Trade Update, July 2025
[14] ft.com, inflation and interest rates tracker.
[15] www.ec.europa.eu/eurostat/
[16] www.ecb.europa.eu, Key ECB interest rates
[17] https://fred.stlouisfed.org/, Federal Reserve Bank of St. Louis Economic Data
[18] European Energy Exchange (EEX) forward market energy prices (NUS Consulting market analysis).
[19] German Foundry Industry Association (BDG).
[20] Federal Association of German Steel Recycling and Waste Management Companies (BDSV).
[21] European Energy Exchange (EEX) forward market energy prices (NUS Consulting market analysis).

Sales market

Diesel engine market Based on currently available figures, the individual off-highway markets served by DEUTZ – for construction equipment, material handling equipment, and agricultural machinery – largely saw a decline over the course of the first six months of 2025. The low level of economic growth worldwide, the protracted geopolitical crises, and, in particular, the impact of the current US administration's tariff and trade policy led to a fall in unit sales in nearly all regions and operating segments.

In the reporting period, unit sales of construction equipment appear to have declined compared with the prior-year period, especially in Europe, North America, and parts of Asia. Manufacturers have largely worked through their order books. The large-scale infrastructure investment programs recently adopted by the European Commission and NATO member states have not had any notable impact to date.[22]

Demand for material handling equipment followed the trend in the construction industry. Unit sales fell year on year in the first half of 2025, particularly for the major manufacturers in Europe and North America. In this sector too, companies continued to work through their orders on hand. With major leasing companies having already made substantial investments in their fleets in recent years, there was a notable lack of positive growth impetus from them.[23]

The market for agricultural machinery in Europe and, notably, in North America continued to record declining unit sales.[24] Agricultural machinery dealers still have a high level of inventories and have not generated any additional demand so far this year. In China, the market for agricultural machinery continues to be characterized by the technological shift in the agricultural sector toward large-scale farming with powerful tractors. This modernization is being heavily subsidized by the Chinese government.[25]

[22] VDMA 'Construction equipment and building material machinery', June 2025.
[23] Quarterly reports of manufacturers and leasing companies such as Ashtead and Herc Rentals.
[24] Association of Equipment Manufacturers (AEM), 'United States Ag Tractor and Combine Report', May 2025.
[25] Power Systems Research 'OE Link Update Bulletin Q2 2025', July 2025.

Business performance in the DEUTZ Group

DEUTZ continually analyzes its existing portfolio of products and services in order to ensure that it is properly prepared for the future.

At the start of April 2024, DEUTZ completed the sale of Torqeedo, its subsidiary specializing in electric boat drives. In 2024, the activities of the Torqeedo Group had, in accordance with IFRS 5, been reported as discontinued operations up to the point of deconsolidation at the start of April 2024. Unless otherwise indicated, the comparative figures presented below for the prior-year period are for continuing operations only.

As part of its endeavor to develop the portfolio, DEUTZ also completed its purchase of all the shares in Blue Star Power Systems, Inc. (»Blue Star Power Systems«) at the start of August 2024.[26] The US company develops, manufactures, and sells electricity generators (gensets) and is one of the leading manufacturers in the US market. Blue Star Power Systems' business is assigned to the DEUTZ Solutions segment, where it forms the core of the DEUTZ Energy business unit. Also at the start of August 2024, DEUTZ took over the sales and service activities for various Daimler Truck industrial engines from Rolls-Royce's Power Systems division.[27] These activities have, regardless of the service business, primarily been assigned to the Construction Equipment and Agricultural Machinery application segments in the DEUTZ Engines & Services segment. At the beginning of November 2024, DEUTZ completed the purchase of all the shares in the Polish DEUTZ dealer Biuro Techniczno-Handlowe FAST Sp.z.o.o. (»BTH FAST«), headquartered in Nadarzyn (Poland),[28] thereby strengthening its sales and service network in eastern Europe. The business activities of BTH FAST mainly serve the markets for mining equipment, industrial applications, railway systems, and agricultural machinery, and have therefore primarily been assigned to the Construction Equipment and Agricultural Machinery application segments in the Classic segment. At the start of January 2025, DEUTZ acquired a 50% stake in exhaust aftertreatment specialist HJS Emission Technology GmbH & Co. KG (»HJS Emission Technology«) in order to boost its technological and production-related expertise in the field of efficient internal combustion engines. The consolidated new orders and revenue of HJS Emission Technology are included in the figures for the Construction Equipment and Miscellaneous application segments. At the start of April 2025, DEUTZ acquired all the shares in UMS Holding B.V. (»UMS«), a specialist in the electrification of off-highway vehicles. The acquisition will step up the innovative strength of the DEUTZ Solutions segment and of the DEUTZ New Technology business unit in particular. UMS has been consolidated since the acquisition was completed on June 2, 2025, with its new orders and revenue allocated to the Miscellaneous application segment.

[26] See the press release dated August 8, 2024.
[27] See the press release dated August 1, 2024.
[28] See the press release dated September 6, 2024.

New orders

DEUTZ Group: New orders

€ million

New orders received by the DEUTZ Group in the first six months of 2025 amounted to €1,034.1 million, which was 30.7% higher than in the prior-year period. The level of new orders increased primarily because the aforementioned acquisitions' business significantly outweighed the previous quarters' downturn in demand in the engine business, which had been due to the economic situation.

DEUTZ Group: New orders by application segment

€ million

	H1 2025	H1 2024	Change
Service	274.2	257.2	6.6%
Construction Equipment	243.4	171.4	42.0%
Material Handling	195.4	212.0	-7.8%
Stationary Equipment	121.8	51.3	137.4%
Miscellaneous	115.6	26.5	336.2%
Agricultural Machinery	83.7	72.6	15.3%
Total	**1,034.1**	**791.0**	**30.7%**

DEUTZ Group: New orders by region

€ million

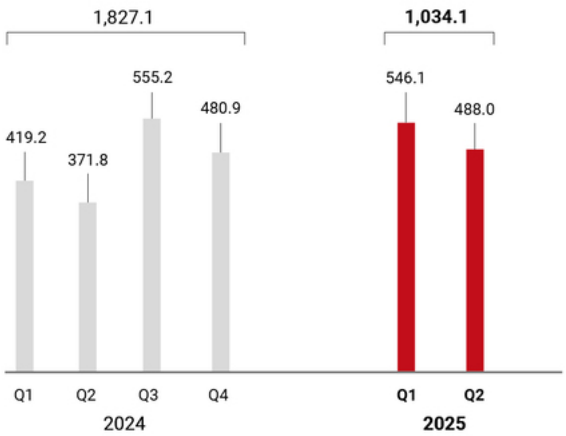
	H1 2025	H1 2024	Change
EMEA	627.8	501.0	25.3%
Americas	291.3	201.5	44.6%
Asia-Pacific	69.3	56.0	23.8%
China	45.7	32.5	40.6%
Total	**1,034.1**	**791.0**	**30.7%**

Thanks to the successful adjustments to the portfolio, nearly all application segments recorded considerable growth in the reporting period, albeit in differing areas. In the service business, new orders rose by 6.6%. This was driven in roughly equal parts by organic growth and growth by acquisition. The ongoing expansion of service activities validates the strategic decision to focus on this largely non-cyclical business, which is playing a major role in the DEUTZ Group's increasing resilience. The decline in new orders in the Material Handling application segment was due to a significant fall in demand across all regions. This fall in demand can be explained by economic factors and, increasingly, technology-based structural changes that include the growing substitution of diesel engines with electric drive systems.

All regions contributed to the rise in new orders, although the Americas – as a result of the acquisition of Blue Star Power Systems – and China recorded the biggest increases in percentage terms. China's growth, and EMEA's too, stemmed from the aforementioned takeover of activities for various Daimler Truck industrial engines from Rolls-Royce Power Systems.

DEUTZ Group: New orders by quarter

€ million



DEUTZ Group: New orders by application segment

€ million

	Q2 2025	Q2 2024	Change
Service	128.7	128.1	0.5%
Construction Equipment	119.8	83.2	44.0%
Material Handling	92.6	90.8	2.0%
Agricultural Machinery	58.1	37.2	56.2%
Miscellaneous	50.5	10.3	390.3%
Stationary Equipment	38.3	22.2	72.5%
Total	**488.0**	**371.8**	**31.3%**

DEUTZ Group: New orders by region

€ million

	Q2 2025	Q2 2024	Change
EMEA	299.6	239.9	24.9%
Americas	115.4	91.6	26.0%
Asia-Pacific	35.4	25.1	41.0%
China	37.6	15.2	147.4%
Total	**488.0**	**371.8**	**31.3%**

In the second quarter of 2025, DEUTZ's new orders rose by 31.3% compared with the corresponding period of 2024 to reach €488.0 million. All regions and all application segments contributed to this growth.

As at June 30, 2025, orders on hand stood at €490.9 million, which was 34.2% higher than a year earlier (June 30, 2024: €365.9 million).

Unit sales

DEUTZ Group: Unit sales

Units

Following a decline in new orders in previous quarters owing to the economic downturn, DEUTZ's unit sales fell by (9.1%) year on year to 67,440 units in the first half of 2025.

DEUTZ Group: Unit sales by application segment

Units

	H1 2025	H1 2024	Change
Material Handling	28,213	35,122	-19.7%
Construction Equipment	20,681	22,427	-7.8%
Agricultural Machinery	8,319	8,573	-3.0%
Stationary Equipment	7,268	6,713	8.3%
Miscellaneous	2,959	1,327	123.0%
Total	**67,440**	**74,162**	**-9.1%**

DEUTZ Group: Unit sales by region

Units

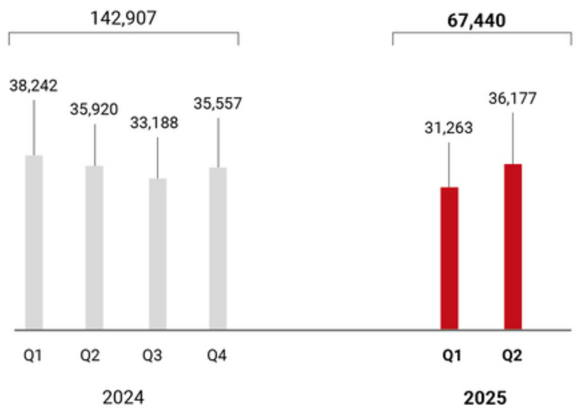
	H1 2025	H1 2024	Change
EMEA	38,647	39,687	-2.6%
Americas	19,148	21,879	-12.5%
Asia-Pacific	5,492	6,702	-18.1%
China	4,153	5,894	-29.5%
Total	**67,440**	**74,162**	**-9.1%**

In terms of application segments, Stationary Equipment and Miscellaneous were the only ones to generate growth for DEUTZ. This was predominantly attributable to Blue Star Power Systems and the Rolls-Royce Power Systems business.

In the first six months of 2025, none of the regions were able to match the unit sales that they had recorded in the prior-year period. However, the EMEA region, which is currently DEUTZ's largest sales market, accounting for around 60% of unit sales, fell only slightly short of the figure for the prior-year period thanks to a substantial rise in unit sales in the second quarter. This rise was due to higher unit sales of MagiDEUTZ gensets in addition to the business acquired from Rolls-Royce Power Systems.

DEUTZ Group: Unit sales by quarter

Units



DEUTZ Group: Unit sales by region

Units

	Q2 2025	Q2 2024	Change
EMEA	20,960	18,691	12.1%
Americas	9,684	11,447	-15.4%
Asia-Pacific	3,066	2,705	13.3%
China	2,467	3,077	-19.8%
Total	**36,177**	**35,920**	**0.7%**

DEUTZ Group: Unit sales by application segment

Units

	Q2 2025	Q2 2024	Change
Material Handling	15,154	17,367	-12.7%
Construction Equipment	11,305	10,460	8.1%
Agricultural Machinery	4,374	3,882	12.7%
Stationary Equipment	3,752	3,454	8.6%
Miscellaneous	1,592	757	110.3%
Total	**36,177**	**35,920**	**0.7%**

Unit sales stood at 36,177 units in the second quarter of 2025, which was roughly on a par with the 35,920 units sold in the second quarter of 2024 and far higher than the 31,263 units sold in the first quarter of 2025. The EMEA and Asia-Pacific regions recorded significant growth, which served to offset the decline in unit sales seen in the Americas and China. The increase in unit sales in EMEA was largely due to the business taken over from Rolls-Royce Power Systems and the higher number of MagiDEUTZ gensets that were sold.

Revenue

DEUTZ Group: Revenue

€ million

Contrary to the fall in unit sales, DEUTZ generated a substantial 15.0% increase in revenue to €1,007.1 million in the first half of 2025. This countervailing trend was largely due to higher average prices per unit sold thanks to the successful transformation of the portfolio and the M&A transactions carried out, combined with favorable pricing effects resulting from a market-oriented pricing policy. The revenue contribution of HJS also had a positive impact.

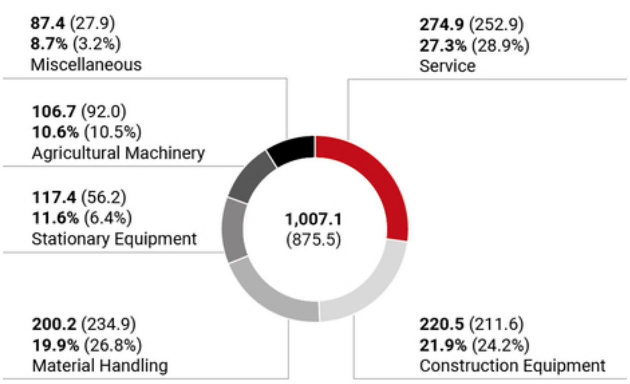
DEUTZ Group: Revenue by region

€ million

	H1 2025	H1 2024	Change
EMEA	600.1	511.0	17.4%
Americas	293.8	239.9	22.5%
Asia-Pacific	68.4	73.2	-6.6%
China	44.8	51.4	-12.8%
Total	**1,007.1**	**875.5**	**15.0%**

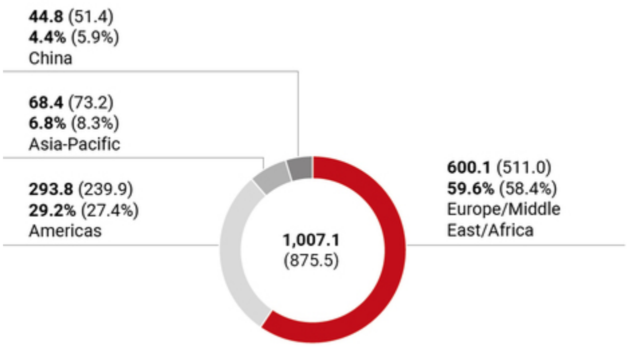
DEUTZ Group: Revenue and proportion of revenue by application segment

€ million unless indicated otherwise (H1 2024 figures in parentheses)



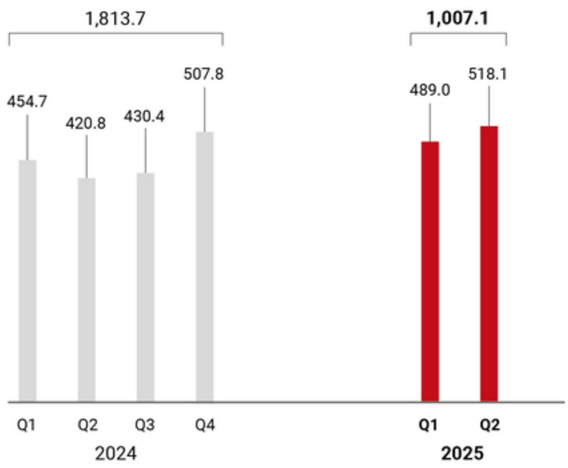
DEUTZ Group: Revenue and proportion of revenue by region

€ million unless indicated otherwise (H1 2024 figures in parentheses)



DEUTZ Group: Consolidated revenue by quarter

€ million



All application segments with the exception of Material Handling surpassed the figures for the prior-year period. Revenue in the Stationary Equipment and Miscellaneous application segments grew much more strongly than unit sales did in those segments. For Stationary Equipment, this was due to Blue Star Power Systems' genset business. The Construction Equipment application segment managed to generate revenue growth despite a decline in unit sales. This was thanks to a number of factors, including an improved product mix following portfolio adjustments and the associated increase in average revenue. The same was true of the countervailing trend seen in the Agricultural Machinery application segment.

With an increase of 8.7% to €274.9 million, the service business continued to expand. This strategically important and less cyclical business remains the Company's biggest application segment. In addition to revenue contributions from the acquisitions, this revenue growth was driven in particular by the stepping up of parts sales in EMEA and expansion of the Xchange business in the Asia-Pacific region.

DEUTZ Group: Revenue by region

€ million

	Q2 2025	Q2 2024	Change
EMEA	310.0	242.2	28.0%
Americas	146.1	121.0	20.7%
Asia-Pacific	37.2	31.1	19.6%
China	24.8	26.5	-6.4%
Total	**518.1**	**420.8**	**23.1%**

DEUTZ Group: Revenue by application segment

€ million

	Q2 2025	Q2 2024	Change
Service	134.0	127.0	5.5%
Construction Equipment	120.6	95.7	26.0%
Material Handling	104.8	115.8	-9.5%
Stationary Equipment	60.5	28.1	115.3%
Agricultural Machinery	54.8	40.6	35.0%
Miscellaneous	43.4	13.6	219.1%
Total	**518.1**	**420.8**	**23.1%**

Consolidated revenue amounted to €518.1 million in the second quarter of 2025, which was 23.1% more than in the corresponding period of 2024. All application segments contributed to this increase with the exception of Material Handling. From a regional perspective, the rise in revenue was attributable to the EMEA, Americas, and Asia-Pacific regions. In China, a lack of commercial vehicle business and lower unit sales in mining meant that revenue fell short of the figure for the prior-year period.

Earnings

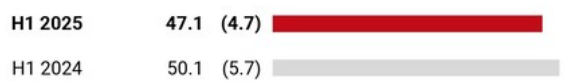
DEUTZ Group: Overview of results of operations

€ million

	H1 2025	H1 2024	Change
Revenue	**1,007.1**	**875.5**	**15.0%**
Cost of sales	-784.8	-667.3	17.6%
Research and development costs	-62.6	-49.2	27.2%
Selling and administrative expenses	-147.6	-121.4	21.6%
Other operating income	19.2	10.8	77.8%
Other operating expenses	-12.6	-9.7	29.9%
Impairment of financial assets and reversals thereof	-1.9	0.7	–
Profit/loss on equity-accounted investments	1.5	-0.2	–
EBIT	**18.3**	**39.2**	**-53.3%**
Interest income	0.5	0.8	-37.5%
Interest expense	-9.7	-9.8	-1.0%
Financial income, net	**-9.2**	**-9.0**	**-2.2%**
Income taxes	-1.3	-4.6	-71.7%
Net income continuing operations	**7.8**	**25.6**	**-69.5%**
Net income discontinued operations	**0.0**	**10.2**	**–**
Net income	**7.8**	**35.8**	**-78.2%**
Adjusted EBIT – Engines & Service (EBIT before exceptional items)	56.7	67.7	-16.2%
Adjusted EBIT – Solutions (EBIT before exceptional items)	-10.2	-17.8	42.7%
Consolidation/ Other[29]	0.6	0.2	200.0%
Adjusted EBIT (EBIT before exceptional items)	**47.1**	**50.1**	**-6.0%**
Exceptional items	-28.8	-10.9	164.2%
EBIT	**18.3**	**39.2**	**-53.3%**

DEUTZ Group: Adjusted EBIT (EBIT before exceptional items) and EBIT margin (before exceptional items)

€ million (EBIT margin, %)



Adjusted EBIT Adjusted EBIT (EBIT before exceptional items) diminished from €50.1 million in the first half of 2024 to €47.1 million in the reporting period, mainly due to lower unit sales, a reduction in the production volume, and the resulting diseconomies of scale. However, the acquisition of Blue Star Power Systems and the takeover of sales and service activities from Rolls-Royce Power Systems in the second half of 2024 had a positive impact on earnings performance. Lower research and development costs (adjusted for exceptional items), cost-cutting measures, and the first cost savings under the Future Fit cost reduction program also helped to mitigate the volume-related deterioration in earnings.

The adjusted EBIT margin was down only moderately year on year at 4.7% in the first half of 2025 (H1 2024: 5.7%).

The gross margin decreased from 23.8% in the first half of 2024 to 22.1% in the reporting period. This was mainly attributable to negative product mix and price effects in connection with materials.

In the first half of 2025, exceptional items amounted to an expense of €(28.8) million (H1 2024: expense of €(10.9) million).

The following table provides a breakdown of the exceptional items:

DEUTZ Group: Exceptional items

€ million

	H1 2025	H1 2024
Restructuring program	-25.6	0.0
Costs of strategic projects	-3.5	-10.1
Other effects	0.3	-0.8
Total	**-28.8**	-10.9

In order to safeguard its long-term competitiveness and mitigate the economically challenging market conditions, DEUTZ has launched the Future Fit restructuring program, whose aims include permanently reducing the Company's structural costs. Future Fit includes, for example, a voluntary redundancy program for the Cologne site focusing on the Research and Development, Central Sales, Central Services, and Supply Chain Management functions.

The costs of €25.6 million in the first half of 2025 in connection with the Future Fit program resulted in a particularly significant increase in research and development costs as most of the job cuts are in Research and Development. From the second half of the year, there will be a tangibly positive impact on staff costs. After adjusting for this exceptional item, research and development costs in the first half of 2025 were already below the figure for the corresponding prior-year period at €(44.0) million (H1 2024: €(49.2) million).

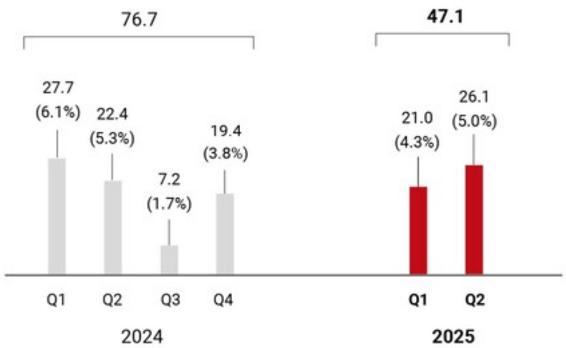
[29] »Consolidation/Other predominantly« consists of non-operating centralized activities as well as effects on earnings resulting from the elimination of intragroup transactions between the segments.

Before adjusting for the aforementioned exceptional items, EBIT for the first half of 2025 amounted to €18.3 million (H1 2024: €39.2 million). The corresponding EBIT margin was 1.8%, compared with 4.5% in the prior-year period.

Due to the decrease in operating profit (EBIT), net income fell year on year from €25.6 million to €7.8 million. As a result, earnings per share declined from €0.20 in the prior-year period to €0.06 in the first six months of 2025. Earnings per share before exceptional items decreased from €0.28 to €0.23.

DEUTZ Group: Adjusted EBIT (before exceptional items) by quarter

€ million (EBIT margin, %)



In the second quarter of 2025, adjusted EBIT increased to €26.1 million (Q2 2024: €22.4 million). The contribution to EBIT from portfolio adjustments and from cost-cutting measures more than made up for the negative impact of unit sales and employment effects.

Business performance in the segments

Since January 1, 2025, DEUTZ's reporting structure has been based on two segments: DEUTZ Engines & Services and DEUTZ Solutions. The figures for the prior-year period have been adjusted to reflect the new segment structure.

The Engines & Services segment encompasses the development, production, distribution, maintenance, and servicing of diesel and gas engines, including the nascent defense business, as well as the equity-accounted joint venture with Chinese construction equipment manufacturer SANY and the equity-accounted company D. D. Power Holdings (Pty) Ltd. (South Africa).

The DEUTZ Solutions segment is subdivided into the two business units DEUTZ New Technology and DEUTZ Energy. The Energy business unit focuses on decentralized energy supply and constitutes the business of genset manufacturer Blue Star Power Systems, which was acquired in 2024, and the rest of the DEUTZ Group's genset business. DEUTZ New Technology covers the portfolio of the former DEUTZ Green segment, i.e. electrified products, hydrogen combustion engines, battery management specialist Futavis, the business of UMS (a specialist in the electrification of off-highway vehicles), and the associated service business. Given that DEUTZ is currently only at the start of its transformation, adjusted EBIT reflects a substantial level of research and development in the field of hydrogen-powered and electric drive systems coupled with a low level of revenue at present. The DEUTZ Solutions segment also includes the equity-accounted company DEUTZ Power Solution (Xuzhou) Co., Ltd., Xuzhou (China) and the equity-accounted joint venture DEUTZ Zhongguancun Hydrogen Technology (Beijing) Co., Ltd., Beijing (China).

At the start of April 2024, DEUTZ completed the sale of Torqeedo, its subsidiary specializing in electric boat drives.[30] In 2024, the activities of the Torqeedo Group (which had been included in the consolidated accounts within the Green segment) had, in accordance with IFRS 5, been reported as discontinued operations up to the point of deconsolidation. Unless otherwise indicated, the comparative figures for the DEUTZ Solutions segment presented below for the prior-year period are for continuing operations only. The sale in 2024 had no impact on the key figures for the DEUTZ Engines & Services segment.

DEUTZ Group: Segments

€ million	**H1 2025**	H1 2024
New orders		
DEUTZ Engines & Services	932.3	774.7
DEUTZ Solutions	101.8	16.3
Total	**1,034.1**	**791.0**
Unit sales (units)		
DEUTZ Engines & Services	66,147	73,570
DEUTZ Solutions	1,293	592
Total	**67,440**	**74,162**
Revenue		
DEUTZ Engines & Services	923.4	864.5
DEUTZ Solutions	83.7	11.0
Total	**1,007.1**	**875.5**
Adjusted EBIT (EBIT before exceptional items)		
DEUTZ Engines & Services	56.7	67.7
DEUTZ Solutions	-10.2	-17.8
thereof DEUTZ Energy	8.0	0.0
thereof DEUTZ New Technology	-18.2	-17.8
Consolidation/ Other	0.6	0.2
Total	**47.1**	**50.1**

[30] See the press release dated April 3, 2024.

DEUTZ Engines & Services

New orders

DEUTZ Engines & Services: New orders by application segment

€ million

	H1 2025	H1 2024	Change
Service	267.0	251.7	6.1%
Construction Equipment	243.4	171.3	42.1%
Material Handling	195.4	212.0	-7.8%
Miscellaneous	102.0	23.9	326.8%
Agricultural Machinery	83.7	72.6	15.3%
Stationary Equipment	40.8	43.2	-5.6%
Total	**932.3**	**774.7**	**20.3%**

DEUTZ Engines & Services: New orders by region

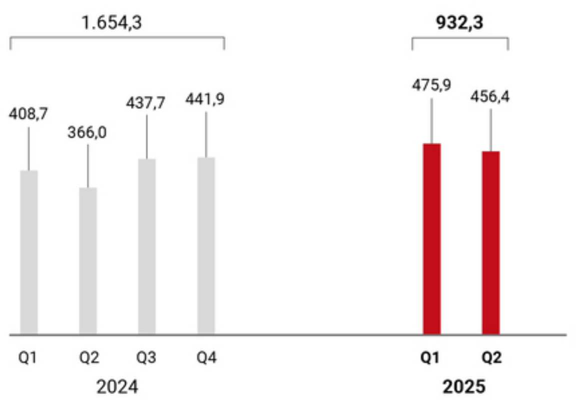
€ million

	H1 2025	H1 2024	Change
EMEA	609.3	486.1	25.3%
Americas	208.3	200.1	4.1%
Asia-Pacific	69.3	56.0	23.8%
China	45.4	32.5	39.7%
Total	**932.3**	**774.7**	**20.3%**

New orders received in the DEUTZ Engines & Services segment rose by 20.3% to €932.3 million in the first half of 2025 in spite of a persistently challenging market environment. Successful portfolio changes significantly outweighed the effects of the fall in demand caused by the economic headwinds.

DEUTZ Engines & Services: New orders by quarter

€ million



DEUTZ Engines & Services: New orders by application segment

€ million

	Q2 2025	Q2 2024	Change
Service	125.7	125.4	0.2%
Construction Equipment	119.8	83.1	44.2%
Material Handling	92.6	90.8	2.0%
Agricultural Machinery	58.1	37.2	56.2%
Miscellaneous	40.2	8.9	351.7%
Stationary Equipment	20.0	20.6	-2.9%
Total	**456.4**	**366.0**	**24.7%**

DEUTZ Engines & Services: New orders by region

€ million

	Q2 2025	Q2 2024	Change
EMEA	287.1	234.9	22.2%
Americas	96.3	90.8	6.1%
Asia-Pacific	35.4	25.1	41.0%
China	37.6	15.2	147.4%
Total	**456.4**	**366.0**	**24.7%**

In the second quarter of 2025, the segment's unit sales were up by 24.7% compared with the same quarter of the prior year. This was largely a result of mergers and acquisitions, and all application segments – with the exception of Stationary Equipment – and all regions contributed.

Orders on hand in the DEUTZ Engines & Services segment rose by 8.3% compared with a year earlier to €382.3 million.

Unit sales

DEUTZ Engines & Services: Unit sales by application segment

Units

	H1 2025	H1 2024	Change
Material Handling	28,213	35,122	-19.7%
Construction Equipment	20,673	22,418	-7.8%
Agricultural Machinery	8,319	8,573	-3.0%
Stationary Equipment	6,226	6,484	-4.0%
Miscellaneous	2,716	973	179.1%
Total	**66,147**	**73,570**	**-10.1%**

DEUTZ Engines & Services: Unit sales by region

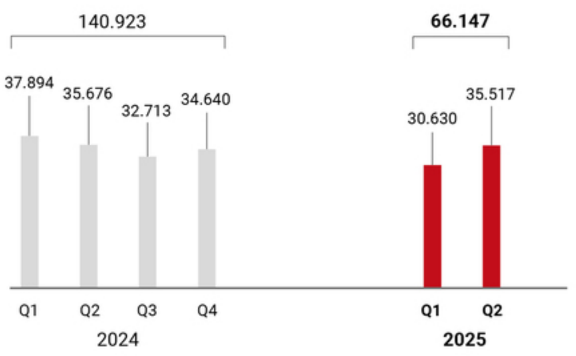
Units

	H1 2025	H1 2024	Change
EMEA	38,330	39,377	-2.7%
Americas	18,183	21,608	-15.9%
Asia-Pacific	5,485	6,691	-18.0%
China	4,149	5,894	-29.6%
Total	**66,147**	**73,570**	**-10.1%**

Compared with the equivalent quarter in 2024, the segment's unit sales fell by (10.1%) to 66,147 units. None of the main application segments or regions managed to match the unit sales achieved in the prior-year period, although the extent to which they fell short differed. For example, the EMEA region, which is currently DEUTZ's largest sales market, only saw a slight shortfall. This was attributable to substantial growth in unit sales in the second quarter, which was chiefly thanks to the activities taken over from Rolls-Royce Power Systems. As a result, unit sales in the Miscellaneous application segment more than doubled.

DEUTZ Engines & Services: Unit sales by quarter

Units



DEUTZ Engines & Services: Unit sales by application segment

Units

	Q2 2025	Q2 2024	Change
Material Handling	15,154	17,367	-12.7%
Construction Equipment	11,300	10,454	8.1%
Agricultural Machinery	4,374	3,882	12.7%
Stationary Equipment	3,213	3,384	-5.1%
Miscellaneous	1,476	589	150.6%
Total	**35,517**	**35,676**	**-0.4%**

DEUTZ Engnes & Services: Unit sales by region

Units

	Q2 2025	Q2 2024	Change
EMEA	20,811	18,547	12.2%
Americas	9,180	11,347	-19.1%
Asia-Pacific	3,059	2,705	13.1%
China	2,467	3,077	-19.8%
Total	**35,517**	**35,676**	**-0.4%**

Unit sales presented a very disparate picture in the second quarter, both at application segment level and at regional level. Due to considerable growth in the Construction Equipment, Agricultural Machinery, and Miscellaneous application segments, unit sales were nevertheless roughly on a par with the level in the second quarter of 2024 – largely owing to the acquired Rolls-Royce Power Systems business.

Revenue

DEUTZ Engines & Services: Revenue by application segment

€ million

	H1 2025	H1 2024	Change
Service	268.6	248.8	8.0%
Construction Equipment	220.3	211.3	4.3%
Material Handling	200.2	234.9	-14.8%
Agricultural Machinery	106.7	92.0	16.0%
Miscellaneous	82.9	26.2	216.4%
Stationary Equipment	44.7	51.3	-12.9%
Total	**923.4**	**864.5**	**6.8%**

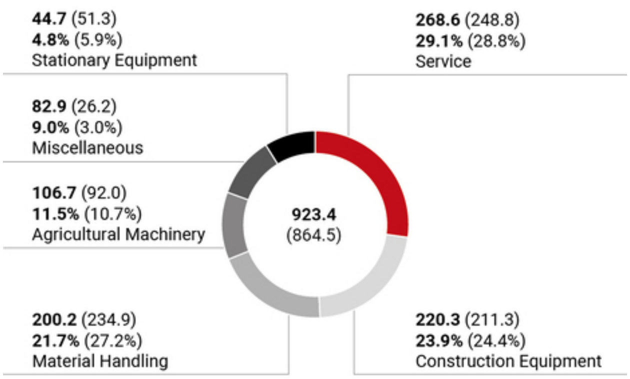
DEUTZ Engines & Services: Revenue by region

€ million

	H1 2025	H1 2024	Change
EMEA	589.2	501.2	17.6%
Americas	221.4	239.0	-7.4%
Asia-Pacific	68.3	72.9	-6.3%
China	44.5	51.4	-13.4%
Total	**923.4**	**864.5**	**6.8%**

DEUTZ Engines & Services: Revenue by application segment

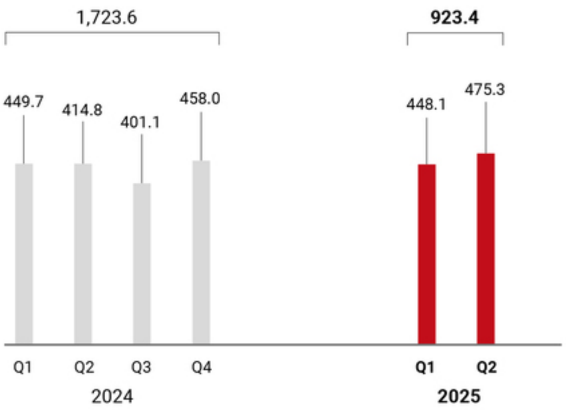
€ million (H1 2024 figures in parentheses)



Despite the drop in unit sales, segment revenue rose by 6.8% to €923.4 million in the first half of 2025 compared with the same period a year earlier. This was thanks in part to higher average revenue per unit sold, but also to the growth in service business and the acquired HJS business, for which there are no unit sales. From a regional perspective, the growth in revenue was attributable to EMEA and, specifically, to Germany.

DEUTZ Engines & Services: Consolidated revenue by quarter

€ million



DEUTZ Engigines & Services: Revenue by application segment

€ million

	Q2 2025	Q2 2024	Change
Service	131.0	124.5	5.2%
Construction Equipment	120.4	95.7	25.8%
Material Handling	104.8	115.8	-9.5%
Agricultural Machinery	54.8	40.6	35.0%
Miscellaneous	40.6	12.7	219.7%
Stationary Equipment	23.7	25.5	-7.1%
Total	**475.3**	**414.8**	**14.6%**

DEUTZ Engines & Services: Revenue by region

€ million

	Q2 2025	Q2 2024	Change
EMEA	304.4	236.6	28.7%
Americas	109.0	120.7	-9.7%
Asia-Pacific	37.1	31.0	19.7%
China	24.8	26.5	-6.4%
Total	**475.3**	**414.8**	**14.6%**

With unit sales unchanged, the DEUTZ Engines & Services segment generated an increase in revenue of 14.6% to €475.3 million. This was also primarily due to the successful development of the portfolio.

Earnings

The adjusted EBIT (EBIT before exceptional items) of the DEUTZ Engines & Services segment deteriorated by €(11.0) million compared with the prior-year period to €56.7 million in the first six months of 2025. This reduction was due, in particular, to the smaller volume of engine business, especially in the sub-4 liter engine category. The impact of this adverse development was mitigated by a favorable product mix in the above-8 liter engine category, the sale of former Daimler Truck engine variants in the off-highway segment, cost-cutting measures, the first cost savings under the Future Fit cost-cutting program, and growth in the service business. The contribution to earnings from companies accounted for using the equity method also had a marginally positive effect.

The adjusted EBIT margin of the DEUTZ Engines & Services segment stood at 6.1% in the first half of 2025, compared with 7.8% in the prior-year period. The segment thus remained comfortably profitable.

In the second quarter of 2025, adjusted EBIT for the segment amounted to €28.0 million (Q2 2024: €30.5 million), a year-on-year decrease of €(2.5) million. The adjusted EBIT margin fell to 5.9% in the second quarter of 2025 (Q2 2024: 7.4%). Again, the main factors impacting on performance in the second quarter of 2025 were higher selling and administrative expenses due to the acquisitions, and the diminishing volume of business due to macroeconomic factors.

DEUTZ Solutions

DEUTZ Solutions: Overview

€ million

	H1 2025	H1 2024	Change
New orders	**101.8**	**16.3**	**524.5%**
thereof DEUTZ Energy	89.6	13.6	558.8%
thereof DEUTZ New Technology	12.2	2.7	351.9%
Unit sales (units)	**1,293**	**592**	**118.4%**
thereof DEUTZ Energy	1,037	236	339.4%
thereof DEUTZ New Technology	256	356	-28.1%
Revenue	**83.7**	**11.0**	**660.9%**
thereof DEUTZ Energy	79.3	8.8	801.1%
thereof DEUTZ New Technology	4.4	2.2	100.0%
EBIT before exceptional items	**-10.2**	**-17.8**	**42.7%**
thereof DEUTZ Energy	8.0	0.0	–
thereof DEUTZ New Technology	-18.2	-17.8	-2.2%
EBIT margin before exceptional items	**-12.2%**	**-161.8%**	**+149.6pp**

DEUTZ Solutions: Overview

€ million

	Q2 2025	Q2 2024	Change
New orders	**31.6**	**5.8**	**444.8%**
thereof DEUTZ Energy	21.2	3.9	443.6%
thereof DEUTZ New Technology	10.4	1.9	447.4%
Unit sales (units)	**660**	**244**	**170.5%**
thereof DEUTZ Energy	538	76	607.9%
thereof DEUTZ New Technology	122	168	-27.4%
Revenue	**42.8**	**6.0**	**613.3%**
thereof DEUTZ Energy	40.4	4.9	724.5%
thereof DEUTZ New Technology	2.4	1.1	118.2%
EBIT before exceptional items	**-2.7**	**-8.2**	**67.1%**
thereof DEUTZ Energy	4.5	0.1	4,400.0%
thereof DEUTZ New Technology	-7.2	-8.3	13.3%
EBIT margin before exceptional items	**-6.3%**	**-136.7%**	**+130.4pp**

New Orders

DEUTZ Solutions: New orders by region

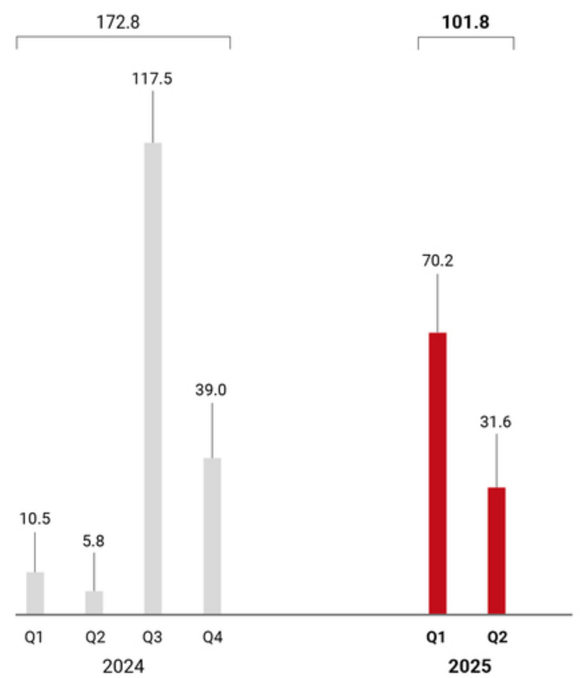
€ million

	H1 2025	H1 2024	Change
EMEA	18.5	14.9	24.2%
Americas	83.0	1.4	5,828.6%
Asia-Pacific	0.0	0.0	0.0%
China	0.3	0.0	–
Total	**101.8**	**16.3**	**524.5%**

In the first six months of 2025, new orders received by the DEUTZ Solutions segment increased by €16.3 million compared with the first six months of 2024 to €101.8 million. The main drivers behind this rise were the energy sector and the genset business of the US DEUTZ subsidiary Blue Star Power Systems. The DEUTZ New Technology business unit recorded a very sharp increase, although in absolute terms, its new orders remained at a low level. The increase was due to the first-time consolidation of UMS, which was acquired at the beginning of June 2025. UMS is a specialist in the electrification of off-highway vehicles. See also 'Business performance in the DEUTZ Group', p. 8.

DEUTZ Solutions: New orders by quarter

€ million



DEUTZ Solutions: New orders by region

€ million

	Q2 2025	Q2 2024	Change
EMEA	12.5	5.0	150.0%
Americas	19.1	0.8	2,287.5%
Asia-Pacific	0.0	0.0	0.0%
China	0.0	0.0	0.0%
Total	**31.6**	**5.8**	**444.8%**

In the second quarter of 2025, new orders in the DEUTZ Solutions segment amounted to €31.6 million. This was more than five times higher than in the equivalent quarter of the prior year. This growth is attributable to both the DEUTZ Energy and the DEUTZ New Technology business units. The rise in new orders in the Americas region is due to the Blue Star Power Systems genset business. The growth in the EMEA region stems from the first-time consolidation of UMS, which contributed just under €10 million.

Unit sales

DEUTZ Solutions: Unit sales by region

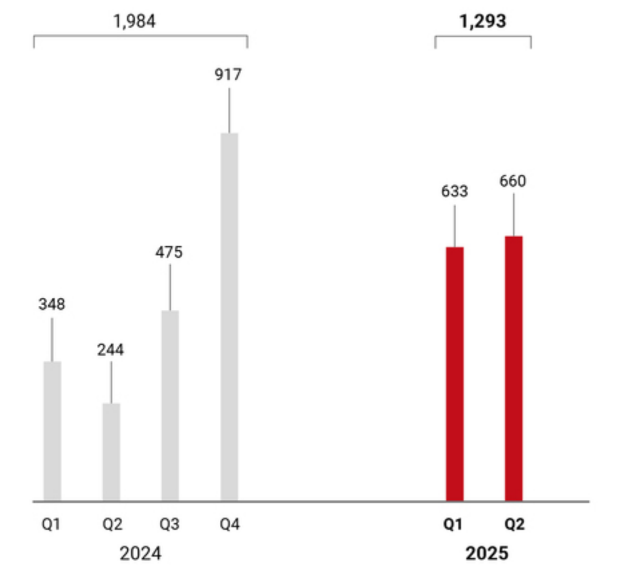
Units

	H1 2025	H1 2024	Change
EMEA	317	310	2.3%
Americas	965	271	256.1%
Asia-Pacific	7	11	-36.4%
China	4	0	–
Total	**1,293**	**592**	**118.4%**

The segment's unit sales more than doubled as a result of the acquisition of the Blue Star Power Systems genset business in the second half of 2024. This boosted the number of units sold from 592 units in the first six months of 2024 to 1,293 units in the same period of 2025.

DEUTZ Solutions: Unit sales by quarter

Units



DEUTZ Solutions: Unit sales by region

Units

	Q2 2025	Q2 2024	Change
EMEA	149	144	3.5%
Americas	504	100	404.0%
Asia-Pacific	7	0	–
China	0	0	0.0%
Total	**660**	**244**	**170.5%**

The segment's unit sales in the second quarter of 2025 compared with the second quarter of the prior year rose from 244 units to 660 units, largely as a result of the Blue Star Power Systems genset business.

Revenue

DEUTZ Solutions: Revenue by region

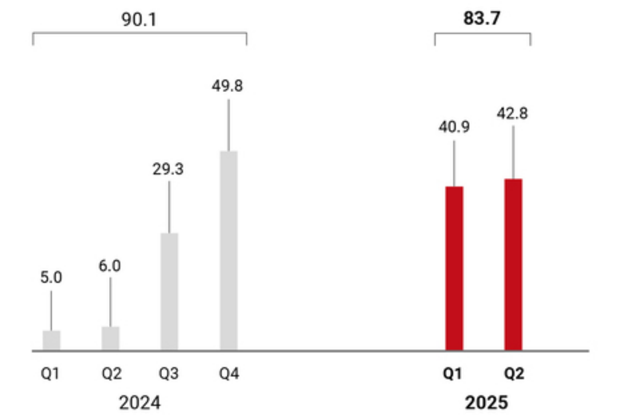
€ million

	H1 2025	H1 2024	Change
EMEA	10.9	9.8	11.2%
Americas	72.4	0.9	7,944.4%
Asia-Pacific	0.1	0.3	-66.7%
China	0.3	0.0	–
Total	**83.7**	**11.0**	**660.9%**

Segment revenue went up in the first half of 2025 to €83.7 million, an increase of €11.0 million on the same period of the prior year, mainly as a result of the genset business in the USA. The growth of revenue in EMEA was predominantly attributable to the European genset business. The revenue contribution of UMS was still negligible.

DEUTZ Solutions: Revenue by quarter

€ million



DEUTZ Solutions: Revenue by region

€ million

	Q2 2025	Q2 2024	Change
EMEA	5.6	5.6	0.0%
Americas	37.1	0.3	12,266.7%
Asia-Pacific	0.1	0.1	0.0%
China	0.0	0.0	0.0%
Total	**42.8**	**6.0**	**613.3%**

The DEUTZ Solutions segment generated a seven-fold increase in revenue in the reporting period. This revenue growth is attributable to the DEUTZ Energy business unit and to Blue Star Power Systems.

Earnings

The adjusted EBIT of the Solutions segment in the first half of 2025 amounted to a loss of €(10.2) million, which nonetheless represented an improvement of €7.6 million that was primarily due to the positive contribution to EBIT made by Blue Star Power Systems. The New Technology business again made a negative contribution to earnings owing to continued high R&D expenditure and a low volume of unit sales.

In the second quarter, the adjusted EBIT for the segment improved to a loss of €(2.7) million (Q2 2024: loss of €(8.2) million). The improvement chiefly stemmed from the positive EBIT contribution of Blue Star Power Systems.

Financial position

The purpose of financial management is to ensure the solvency of the DEUTZ Group at all times by obtaining the necessary funds, to hedge and contain interest-rate risk, currency risk, and commodities risk throughout the Group, and to optimize the cost of capital. Responsibility for groupwide financial management, including managing funds within the Group, lies with DEUTZ AG as the parent company of the Group.

Funding

Sufficient liquidity ensured DEUTZ restructured its funding in 2022. This involved increasing the volume of the existing long-term syndicated loan from €160 million to €250 million and, at the same time, extending the term of the loan by three years to May 2, 2027. The lending arrangements for this unsecured, floating-rate loan include two one-year extension options. In June 2024, DEUTZ utilized the second of these extension options, thereby extending the term to May 2, 2029. The unused volume of the syndicated loan stood at around €118 million as at June 30, 2025.

DEUTZ also had access to five bilateral credit lines with a total value of €140 million as at June 30, 2025. These five credit lines are also unsecured, floating-rate facilities. Of the aforementioned €140 million, €115 million falls due on December 31, 2026 and €25 million on June 30, 2026. None of the five credit lines were drawn down as at June 30, 2025.

In addition, DEUTZ has access to short-term credit lines and makes use of loans with subsidized interest rates.

At the start of August 2024, DEUTZ also utilized a loan that was agreed for the specific purpose of funding the takeover of sales and service for selected off-highway engines from Rolls-Royce Power Systems. The loan has a volume in the high-double-digit millions of euros and is to be repaid in annual installments until March 2029.

As part of its funding agreements, DEUTZ has undertaken to comply with certain financial and non-financial covenants. However, there is a risk of these covenants being breached in the short term if there is a dramatic deterioration in the general economic situation. The reasons for such an economic downturn have previously included – and could include in the future – the effects of the coronavirus pandemic, the fallout from the war in Ukraine, and shifts in trade policy that result in tariff changes. Should such a risk materialize, DEUTZ would approach its funding partners in advance in order to negotiate the necessary waiver and to enable further amounts to be drawn down under the syndicated loan. Compliance with the financial covenants would not place any restrictions on DEUTZ's ability to pursue growth projects.

To reduce interest-rate risk, DEUTZ AG has entered into interest-rate swaps with a total volume of €80 million. See also 'Financial risk management', Note 28, p. 41 ff.

In view of the financial instruments that it has in place and its equity ratio of 45.9%%, DEUTZ believes that it is in a strong position to continue investing in growth by acquisition.

Receivables management optimized by means of factoring and systematic improvement of payment terms The sale of receivables, known as factoring, is an important way of optimizing receivables management. It enables DEUTZ to not only ensure sufficient liquidity but also improve its working capital, which tends to be affected by large amounts of capital being tied up in the preliminary financing of engine production and in the payment terms that it has granted.

The volume of sales of receivables totaled €113 million as at June 30, 2025, which was slightly higher than at the end of last year (December 31, 2024: €103.9 million) due to the business performance.

Cash flow

DEUTZ Group: Overview of financial position

€ million	H1 2025	H1 2024	Change
Cash flow from operating activities	60.8	3.3	1,742.4%
Cash flow from investing activities	-47.1	-29.2	-61.3%
Cash flow from financing activities	-13.7	-60.6	-77.4%
Change in cash and cash equivalents	**0.0**	**-20.5**	**–**
Free cash flow from continuing operations[31]	**4.5**	**-35.1**	**–**
Free cash flow from continuing operations (before M&A)	**14.4**	**-35.1**	**–**
Free cash flow for entire Group	**4.5**	**31.2**	**-85.6%**
Key figures			
Cash and cash equivalents at Jun. 30/Dec. 31	59.4	62.0	-4.2%
Current and non-current interest-bearing financial debt at Jun. 30/Dec. 31	318.5	287.6	10.7%
thereof lease liabilities (IFRS 16)	81.6	86.9	-6.1%
Net financial position at Jun. 30/Dec. 31[32]	-259.1	-225.6	-14.8%

Cash flow from operating activities attributable to continuing operations amounted to €60.8 million in the reporting period, which was €57.5 million higher than in the first half of 2024. This increase compared with the prior-year period was primarily driven by changes to working capital.

At €(47.1) million, net cash used for investing activities was €(17.9) million higher than in the prior-year period and chiefly related to capital expenditure on intangible assets and property, plant and equipment. Cash payments for the UMS Group acquisitions – made as part of strategically important growth projects – weighed heavily on cash flow in the first six months of 2025.

Cash flow from financing activities amounted to a net outflow of €(13.7) million in the reporting period, which was lower than the net outflow in the prior-year period of €(60.6) million. This decrease was mainly attributable to lower repayments on loans.

The rise in cash flow from operating activities resulted in free cash flow from continuing operations of €4.5 million (€14.4 million before mergers and acquisitions) in the first half of 2025, compared with a net outflow of €(35.1) million in the first half of 2024.

These changes in cash flow during the first six months of 2025 decreased cash and cash equivalents by €(2.6) million overall to €59.4 million. The changes were due, in turn, to the change in cash and cash equivalents related to exchange rates.

Capital expenditure

Capital expenditure (after deducting investment grants)

€ million	H1 2025	H1 2024	Change
Property, plant and equipment	27.6	40.3	-12.7
thereof right-of-use assets for leases under IFRS 16	5.8	12.4	-6.6
thereof property, plant and equipment (excluding right-of-use assets for leases under IFRS 16)	21.8	27.9	-6.1
Intangible assets	8.8	5.2	3.6
	36.4	**45.5**	**-9.1**

Capital expenditure on property, plant and equipment and on intangible assets, including capitalization of research and development costs of €1.0 million, was down slightly year on year at €36.4 million in the first half of 2025 (H1 2024: €45.5 million). Excluding capitalized development expenditure, capital expenditure (after deducting grants) amounted to €35.4 million in the reporting period (H1 2024: €45.5 million).

Additions to property, plant and equipment mainly related to the production line for sub-4 liter engine series and further replacement purchases in production.

[31] Cash flow from operating activities and from investing activities less net interest expense.
[32] Cash and cash equivalents less current and non-current interest-bearing financial debt.

Net assets

DEUTZ Group: Overview of net assets

€ million

	Jun. 30, 2025	Dec. 31, 2024	Change
Non-current assets	944.1	937.5	0.7%
thereof right-of-use assets in connection with leases	70.8	75.2	-5.9%
Current assets	815.4	745.8	9.3%
Total assets	1,759.5	1,683.3	**4.5%**
Equity	807.7	847.9	-4.7%
Non-current liabilities	241.6	261.1	-7.5%
thereof lease liabilities	56.3	60.1	-6.3%
Current liabilities	710.2	574.3	23.7%
thereof lease liabilities	25.3	26.8	-5.6%
Total equity and liabilities	1,759.5	1,683.3	**4.5%**
Key figures			
Working capital (€ million)	366.1	383.0	-4.4%
Working capital ratio (Jun. 30/Dec. 31)	18.8%	21.1%	-2.3pp
Working capital ratio (average)	19.8%	22.2%	-2.4pp
Equity ratio	**45.9%**	**50.4%**	**-4.5pp**

Assets As at June 30, 2025, non-current assets were higher than they had been at the end of 2024, mainly as a result of capital expenditure on intangible assets. Specifically, the increase stemmed from the provisional goodwill recognized in connection with the first-time consolidation of the UMS Group. The lower level of capital expenditure on property, plant and equipment had the opposite effect on this item.

The change in current assets was chiefly attributable to the rise in inventories and trade receivables as at June 30, 2025 compared with December 31, 2024. This was primarily due to the integration of the HJS Group and the UMS Group, which were acquired in the first half of 2025. There was also a seasonal rise in current assets due to advance production ahead of the plants closing for the 2025 summer break. The remaining increase was due to the strategic build-up of inventories to protect against supplier risk.

Working capital Despite higher inventories and trade receivables, working capital diminished to €366.1 million (down by €(16.9) million compared with December 31, 2024) as a result of an increase in trade payables. Factors such as a plant closure at the end of the year had led to very low trade payables as at December 31, 2024. By contrast, the upturn in new orders compared with the end of 2024 prompted purchases of materials in the first six months of 2025.

The decrease in working capital meant that the working capital ratio fell to 18.8% as at June 30, 2025 (December 31, 2024: 21.1%). The reduction in average working capital in the first half of 2025 meant that the average working capital ratio was also lower than at the end of 2024.

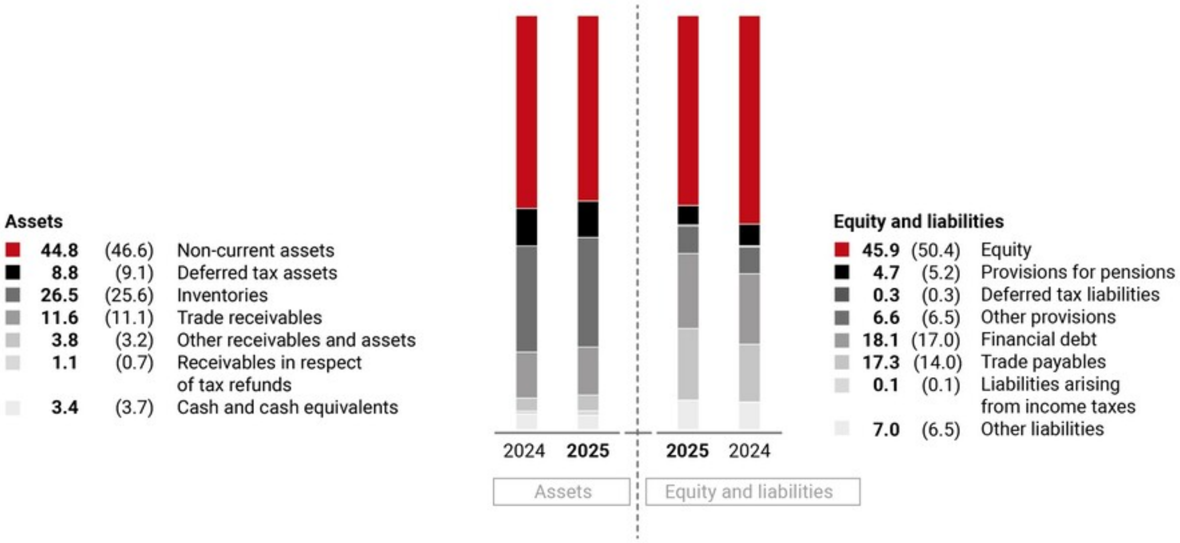
Equity As a result of the decline in equity, the equity ratio fell to 45.9% as at June 30, 2025 (December 31, 2024: 50.4%). The fall in the equity ratio mainly related to the change in other reserves as a result of currency translation effects. At the same time, total assets rose as a result of the first-time consolidation of the HJS Group and the UMS Group in the first half of 2025.

The equity ratio remains sound at well above the target figure of more than 40%, and DEUTZ therefore continues to view its financial position as comfortable.

Liabilities Current liabilities were up substantially compared with the end of 2024. The main reason for this was the rise in trade payables, as well as the increase in financial debt as a result of higher drawdowns from the credit line.

DEUTZ Group: Balance sheet structure

% (prior year figures in parantheses)



Research and development

Research and development expenditure (after deducting grants)

€ million (R&D ratio, %)

Research and development expenditure R&D expenditure amounted to €47.0 million in the first half of 2025, compared with €52.5 million in the first half of 2024. After the deduction of grants received from development partners and subsidies, R&D expenditure declined from €49.2 million in the first six months of 2024 to €45.1 million in the reporting period. Capitalized development expenditure after deducting grants stood at €1.0 million (H1 2024: €0.0 million). The R&D ratio after deducting grants rose from 5.6% in the prior-year period to 4.5% in the first half of 2025.

R&D expenditure after deducting grants came to €31.3 million in the DEUTZ Engines & Services segment (H1 2024: €41.8 million), which, alongside the ongoing development of engines in the sub-4 liter category, primarily related to the Daimler Truck engine series. In the DEUTZ Solutions segment, R&D expenditure after deducting grants amounted to €13.8 million in the first half of 2025 (H1 2024: €7.4 million). It was mainly spent on the battery toolbox and activities related to the development of the 360-volt system and the hydrogen engine.

Employees[33]

Overview of the DEUTZ Group's workforce[34]

FTEs

	Jun. 30, 2025	Jun. 30, 2024
DEUTZ Group	**5,571**	**5,043**
thereof		
In Germany	3,528	3,310
Outside Germany	2,043	1,733
thereof		
Non-salaried employees	2,714	2,588
Salaried employees	2,745	2,385
Trainees	112	70

DEUTZ employed 5,571 people worldwide as at June 30, 2025, which was 528 people (i.e. 10.5%) more than a year earlier. This increase was largely due to additions to the basis of consolidation following a number of M&A transactions.

At around 63%, the bulk of the Group's workforce was based in Germany. Of the 3,528 employees in Germany, 2,642 worked at the Company's headquarters in Cologne. The slight increase in headcount in Germany was predominantly the result of around 300 employees being taken on as part of the acquisition of HJS. Excluding the additions to the basis of consolidation, headcount in Germany would have been around 3,200. The number of people employed outside Germany rose by around 18% compared with June 30, 2024 to 2,043, primarily owing to mergers and acquisitions.

The number of temporary workers stood at 152 as at June 30, 2025, compared with 90 a year earlier. They made up around 2.7% of the total workforce as at the reporting date (June 30, 2024: 1.8%).

Risk and opportunity report

DEUTZ operates in a variety of industries and regions worldwide and manages its business through various organizational units, namely the operating segments of the Group's parent company, subsidiaries, sales offices, and authorized agents. This organizational structure presents the Company with both opportunities and business-specific risks.

In the first half of 2025, DEUTZ considered its risk situation to be stable overall. Nevertheless, new developments in operational risk meant that its risk assessment needed to be changed. In light of a growing trade dispute over rare earths, DEUTZ now categorizes the level of procurement risk with regard to the attainment of its financial targets as 'moderate' for 2025 (previously 'low'). The risk assessment was changed – despite the risk mitigation measures put in place – as the security of supply for certain critical raw materials is currently deemed to be limited. There continue to be no risks to the Company's ability to continue as a going concern.

The opportunities presented in the 2024 Annual Report essentially continue to exist and have therefore not changed significantly compared to the last status.

[33] Figures for the number of employees and temporary workers in this section are expressed as FTEs (full-time equivalents).
[34] Employee data from the perspective of continuing operations; excluding temporary workers.

Opportunity report 2025

ECONOMIC OUTLOOK

GDP growth forecast[35]

YoY change (%)

	2025	2026
Global	3.0	3.1
Industrialized countries	1.5	1.6
Eurozone	1.0	1.2
Germany	0.1	0.9
USA	1.9	2.0
Emerging markets	4.1	4.0
China	4.8	4.2

In its January 2025 forecast for this year, the International Monetary Fund (IMF) predicted that the trajectory of the global economy would remain stable compared with 2024, forecasting global GDP growth of 3.3%. This expectation was significantly lowered in the update of the World Economic Outlook (WEO) in April 2025, with the IMF now anticipating global growth of just 2.8% in 2025. It also downgraded its forecast for 2026 from 3.3% to 3.0%. This more pessimistic outlook is framed by the US administration's tariff policy involving the announcement of high tariffs, some of which have already been imposed. Key among them are a baseline tariff of 10% that came into effect in April 2025 for global trading partners that had already announced or imposed retaliatory tariffs. According to the IMF, the effective US tariff rates are now at their highest level since around 1930. Besides the direct negative impact of the tariffs, the IMF cites the accompanying uncertainty as a drag on the global economy, stating that the tariffs make it even harder to formulate fundamental assumptions for timely and coherent economic forecasts.

At the end of July 2025 the US administration and the European Commission struck a tariff deal for the two trading partners.[36] US President Trump had previously announced tariffs of 30% on European goods from August 1, 2025 in the event of no deal being reached. Those tariffs have thus been avoided. Instead, the agreed deal provides for a 15% tariff on EU exports to the USA, although lower rates are to be charged on a few product groups (e.g. aircraft) and higher rates on others (e.g. steel). In the other direction, US exports to the EU are set to be largely tariff-free. As detailed negotiations are yet to take place and the deal is yet to be ratified by the EU member states, there is still some uncertainty about the future tariff situation between the EU and the USA.

PROCUREMENT MARKET

The outlook for 2025 continues to be dominated by persistent geopolitical uncertainty in connection with the Middle East conflict and the war in Ukraine. Coupled with elevated inflation and political debate surrounding the shift toward renewable energies and a carbon-neutral economy (and, specifically, green steel), this means that conditions in the procurement market will likely remain challenging. This particularly applies to the European procurement market.

It is difficult to predict with any certainty what the consequences of the tariff dispute between the USA and China will be for rare earths in the second half of the year. Supply chains have already been disrupted as a result of export restrictions.

Furthermore, supply risks could arise due to a persistently high – or rising – number of supplier insolvencies as the result of a deteriorating market environment. Suppliers' financial reserves remain very low in the wake of the pandemic, the energy crisis, and geopolitical conflict.

Stable energy prices, particularly for electricity, are expected. Transportation costs and sea freight prices will likely decline year on year.

DIESEL ENGINE MARKET

Currently available figures suggest that the key industries for sales of DEUTZ diesel engines for the off-highway segment – construction equipment, material handling equipment, and agricultural machinery – will vary in terms of how they perform in 2025. The global economy is faltering, mainly because the current US administration's extensive tariff announcements have triggered tensions around trade, and the back and forth in their implementation has heightened uncertainty about economic policy. There is at least renewed cause for hope where growth in Europe and North America is concerned following the agreement reached between the EU and the USA at the end of July. Moderately rising business climate indices and a slight uptick in new orders reported by companies point in the same direction.[37] In Asia, especially China, no significant improvement is in sight given the gloomy outlook for exports amid ongoing negotiations on tariff disputes with the USA.

All in all, no significant upturn is expected for construction equipment in 2025. Europe's construction sector is battling high cost pressures, although new orders and business expectations have been on a slight but virtually continual upward trajectory since the start of the year. The European Commission's new infrastructure investment programs and large-scale oil production projects in the USA could bring about some isolated growth between now and the end of 2025. The outlooks for 2025 published by construction equipment manufacturers in their

[35] IWF, World Economic Outlook Update, April 2025.
[36] tagesschau.de, Worauf sich EU und USA geeinigt haben
[37] ifo Institute of Economic Research, ifo Business Climate Index, July 2025; S&P Global eurozone manufacturing purchasing managers' index, July 2025.

financial reporting do not anticipate any sustained growth, but the slight rise in new orders could stabilize business performance.[38]

Demand for diesel-powered material handling applications is poised to fall across all regions. This is mainly because in the material handling applications with the largest volumes – for example forklift trucks, lifting platforms, and telehandlers – customers are increasingly switching to electric-driven models. However, the recent slight growth in manufacturers' new orders gives hope that the decline in unit sales will be tempered.

Once again, no major growth impetus is on the horizon for agricultural machinery demand in 2025. In Europe, new orders could pick up once more as the significant levels of inventories built up by dealers appear to have largely been used up. Meanwhile, there are signs that the rate of growth in North America will decline further in 2025, continuing the trend from 2024, due in particular to high cost pressure from import tariffs. And in China, fresh state subsidies aimed at modernizing agriculture and revitalizing rural regions could fuel demand for agricultural machinery.[39]

BUSINESS OUTLOOK

DEUTZ continues to anticipate revenue of between €2.1 billion and €2.3 billion in 2025, along with an EBIT margin before exceptional items (adjusted EBIT margin) of between 5.0% and 6.0%. Free cash flow excluding any M&A expenditure is likely to once again be an amount in the mid-double-digit millions of euros. The aforementioned guidance assumes that the market will make a modest recovery in the second half of the year and that the prevailing uncertainties – particularly in the US end market – will dissipate now that an agreement has been reached following the many months of the tariff dispute.

Outlook for the period to 2028

DEUTZ has set itself a medium-term target of raising its revenue to between €3.2 billion and €3.4 billion by 2028 and, at the same time, achieving an EBIT margin before exceptional items of between 8% and 9%. All segments and business units are set to contribute.

DEUTZ's strategy for facilitating the continued growth of its classic internal combustion engine business is unchanged. It intends to take an active role in the consolidation of the market, to reduce its costs and enhance its competitiveness – for example, by making production more flexible – and to break into new growth markets – for example, though its alliance with the Indian agricultural machinery company TAFE.

There is also potential for organic growth and growth by acquisition as a result of the ongoing transformation of the portfolio, that is, further expansion of the resilient energy business and the New Technology business unit, along with the establishment of the defense business.

Revenue in the high-margin service business is to be increased to between €700 million and €800 million by 2028 by pursuing strategic acquisitions in regions offering further untapped potential and by developing new business models.

To further underpin the Company's earnings performance going forward, DEUTZ will continue to implement measures aimed at optimizing prices while raising efficiency. In addition, the Company initiated a cost-cutting program in 2024 in response to the softening of demand caused by the economic headwinds and in order to safeguard its long-term competitiveness. The objective is to permanently lower structural costs, among others, and to achieve a lasting reduction in the cost base of €50 million by the end of 2026.

Disclaimer This management report includes certain statements about future events and developments, together with disclosures and estimates provided by the Company. Such forward-looking statements include known and unknown risks, uncertainties, and other factors that may mean that the actual performances, developments, and results in the Company or those in sectors important to the Company are significantly different (especially from a negative point of view) from those expressly or implicitly assumed in these statements. The Board of Management cannot therefore make any guarantees with regard to the forward-looking statements made in this management report.

Auditor's review

The remit of BDO's audit engagement did not include a review of references to external sources, such as the Company's website.

[38] VDMA CECE Business Barometer, July 2025; quarterly reports by manufacturers.
[39] VDMA Agricultural Machinery Market, May 2025; quarterly reports by manufacturers.

INDEX FOR CONSOLIDATED INTERIM FINANCIAL STATEMENTS

27 Condensed interim consolidated financial statements for the first half of 2025

- 28 Income statement for the DEUTZ Group
- 28 Statement of comprehensive income for the DEUTZ Group
- 29 Balance sheet for the DEUTZ Group
- 30 Statement of changes in equity for the DEUTZ Group
- 31 Cash flow statement for the DEUTZ Group

32 Notes to the condensed interim consolidated financial statements for the first half of 2025

- 32 Basic principles
- 33 Effects of geopolitical uncertainties on the interim consolidated financial statements
- 33 Changes in the basis of consolidation
- 34 Acquisitions
- 35 Selected explanatory disclosures
  - 35 1 Revenues
  - 36 2 Other operating income
  - 36 3 Other operating expenses
  - 37 4 Other comprehensive income
  - 38 5 Property, plant and equipment
  - 39 6 Intangible assets
  - 39 7 Inventories
  - 39 8 Equity
  - 40 9 Financial debt
  - 40 10 Other provisions
  - 40 11 Other liabilities

- **41 Other information**
  - 41 Contingent liabilities
  - 41 Financial instruments
  - 46 Segment reporting
  - 48 Related party disclosures
  - 48 Events after the reporting period

50 Additional information

- 50 Responsibility statement
- 51 Report on audit review
- 52 Financial calendar

INCOME STATEMENT FOR THE DEUTZ GROUP

€ million

	Note	H1 2025	H1 2024
Revenue	1	**1,007.1**	**875.5**
Cost of sales		-784.8	-667.3
Research and development costs		-62.6	-49.2
Selling expenses		-85.4	-67.5
General and administrative expenses		-62.2	-53.9
Other operating income	2	19.2	10.8
Other operating expenses	3	-12.6	-9.7
Impairment of financial assets and reversals thereof		-1.9	0.7
Profit/loss on equity-accounted investments		1.5	-0.2
EBIT		**18.3**	**39.2**
Interest income		0.5	0.8
Interest expense		-9.7	-9.8
Financial income, net		**-9.2**	**-9.0**
Net income before income taxes from continuing operations		**9.1**	**30.2**
Income taxes		-1.3	-4.6
Net income from continuing operations		**7.8**	**25.6**
Net income from discontinued operations[40]		**0.0**	**10.2**
Net income		**7.8**	**35.8**
thereof attributable to shareholders of DEUTZ AG		7.8	35.8
Earnings per share (basic/diluted, €)		**0.06**	**0.28**
thereof from continuing operations		0.06	0.20
thereof from discontinued operations		0.00	0.08

STATEMENT OF COMPREHENSIVE INCOME FOR THE DEUTZ GROUP

€ million

	Note	H1 2025	H1 2024
Net income		**7.8**	**35.8**
Amounts that will not be reclassified to the income statement in the future		**0.3**	**0.9**
Remeasurement of defined benefit plans		0.3	0.9
Amounts that will be reclassified to the income statement in the future if specific conditions are met		**-26.1**	**2.7**
Currency translation differences		-23.4	1.5
thereof profit/loss on equity-accounted investments		-1.5	0.5
thereof translation differences from discontinued operations		0.0	0.0
Effective portion of change in fair value from cash flow hedges		4.6	-1.1
Fair value of financial instruments		-7.3	2.3
Other comprehensive income, net of tax	4	**-25.8**	**3.6**
Comprehensive income		**-18.0**	**39.4**
thereof attributable to shareholders of DEUTZ AG		-18.0	39.4

[40] For further details, please refer to the notes on accounting policies under »Non-current assets held for sale and discontinued operations« and Note 10 »Net income from discontinued operations« in the Annual Report 2024.

BALANCE SHEET FOR THE DEUTZ GROUP

€ million

Assets	Note	**Jun. 30, 2025**	Dec. 31, 2024
Property, plant and equipment	5	411.3	418.4
Intangible assets	6	319.8	303.0
Equity-accounted investments		41.1	43.8
Other financial assets		16.9	18.4
Non-current assets (before deferred tax assets)		**789.1**	**783.6**
Deferred tax assets		155.0	153.9
Non-current assets		**944.1**	**937.5**
Inventories	7	466.4	431.6
Trade receivables		204.1	186.4
Other receivables and assets		66.7	53.4
Receivables in respect of tax refunds		18.8	12.4
Cash and cash equivalents		59.4	62.0
Current Assets		**815.4**	**745.8**
Total assets		**1,759.5**	**1,683.3**

Equity and liabilities	Note	**Jun. 30, 2025**	Dec. 31, 2024
Issued capital		**355.2**	**354.7**
Additional paid-in capital		78.9	78.9
Other reserves		-32.9	-6.8
Retained earnings and accumulated income		405.6	421.1
Equity attributable to shareholders of DEUTZ AG		**806.8**	**847.9**
Non-controlling interests		**0.9**	**0.0**
Equity	8	**807.7**	**847.9**
Provisions for pensions and other post-retirement benefits		72.3	77.3
Deferred tax liabilities		5.4	5.6
Other provisions	10	29.6	26.5
Financial debt	9	115.9	131.7
Other liabilities	11	18.4	20.0
Non-current liabilities		**241.6**	**261.1**
Provisions for pensions and other post-retirement benefits		9.7	9.8
Other provisions	10	87.3	82.5
Financial debt	9	202.6	155.9
Trade payables		304.4	235.0
Liabilities arising from income taxes		1.7	1.5
Other liabilities	11	104.5	89.6
Current liabilities		**710.2**	**574.3**
Total equity and liabilities		**1,759.5**	**1,683.3**

STATEMENT OF CHANGES IN EQUITY FOR THE DEUTZ GROUP

€ million

	Issued capital	Additional paid-in capital	Retained earnings & accumulated income	Fair value reserve[41,42]	Currency translation reserve[43]	Equity attributable to shareholders of DEUTZ AG	Non-controlling interests	Total
Balance at Jan. 1, 2024	**322.5**	**40.3**	**387.1**	**-6.3**	**-0.4**	**743.2**	**0.0**	**743.2**
Dividend payments to shareholders			-21.4			-21.4		-21.4
Net income			35.8			35.8		35.8
Other comprehensive income			0.9	1.2	1.5	3.6		3.6
Comprehensive income			36.7	1.2	1.5	39.4	0.0	39.4
Balance at Jun. 30,2024	**322.5**	**40.3**	**402.4**	**-5.1**	**1.1**	**761.2**	**0.0**	**761.2**
Balance at Jan. 1, 2025	**354.7**	**78.9**	**421.1**	**-11.1**	**4.3**	**847.9**	**0.0**	**847.9**
Dividend payments to shareholders			-23.6			-23.6		-23.6
Capital increase	0.5					0.5		0.5
Net income			7.8			7.8		7.8
Other comprehensive income			0.3	-2.7	-23.4	-25.8		-25.8
Comprehensive income			8.1	-2.7	-23.4	-18.0	0.0	-18.0
Changes to basis of consolidation						0.0	0.9	0.9
Balance at Jun. 30, 2025	**355.2**	**78.9**	**405.6**	**-13.8**	**-19.1**	**806.8**	**0.9**	**807.7**

[41] On the balance sheet these items are aggregated under 'Other reserves'.
[42] Reserves from the measurement of cash flow hedges and reserves from the measurement of financial instruments.
[43] On the balance sheet these items are aggregated under 'Other reserves'.

CASH FLOW STATEMENT FOR THE DEUTZ GROUP

€ million

	Note	H1 2025	H1 2024
EBIT		**18.3**	**39.2**
Income taxes paid		-8.1	-9.1
Depreciation, amortization and impairment of non-current assets		47.3	44.2
Gains/losses on the sale of non-current assets		-0.1	0.0
Profit/loss and impairment on equity-accounted investments		-1.5	0.2
Other non-cash income and expenses		-0.1	-0.4
Change in working capital		13.4	-39.4
Change in inventories		-33.4	-42.7
Change in trade receivables		-27.4	26.1
Change in trade payables		74.2	-22.8
Change in other receivables and other current assets		-6.8	-8.9
Change in provisions and other liabilities (excluding financial liabilities)		-1.6	-22.5
Cash flow from operating activities – continuing operations		**60.8**	**3.3**
Cash flow from operating activities – discontinued operations		0.0	-8.3
Cash flow from operating activities – total		**60.8**	**-5.0**
Capital expenditure on intangible assets, property, plant and equipment		-39.4	-29.1
Expenditure on investments		2.0	-0.1
Acquisition of subsidiaries / business operations		-9.9	0.0
Proceeds from the sale of non-current assets		0.2	0.0
Cash flow from investing activities – continuing operations		**-47.1**	**-29.2**
Cash flow from investing activities – discontinued operations		0.0	75.1
Cash flow from investing activities – total		**-47.1**	**45.9**
Dividend payments to shareholders		-23.6	-21.4
Interest income		0.5	0.9
Interest expense		-9.7	-10.1
Cash receipts from borrowings		69.3	63.3
Repayment of loans		-41.4	-84.4
Principal elements of lease payments		-8.8	-8.9
Cash flow from financial activities – continuing operations		**-13.7**	**-60.6**
Cash flow from financial activities – discontinued operations		0.0	-0.8
Cash flow from financial activities – total		**-13.7**	**-61.4**
Cash flow from operating activities – total		60.8	-5.0
Cash flow from investing activities – total		-47.1	45.9
Cash flow from financing activities – total		-13.7	-61.4
Change in cash and cash equivalents		**0.0**	**-20.5**
Cash and cash equivalents at Jan. 1		**62.0**	**90.1**
Change in cash and cash equivalents		0.0	-20.5
Change in cash and cash equivalents related to exchange rates		-2.6	0.4
Cash and cash equivalents at Jun. 30		**59.4**	**70.0**

Notes to the condensed interim consolidated financial statements for the first half of 2025

Basic principles

Basis of preparation of the financial statements

These interim financial statements for the period ended June 30, 2025 have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the relevant interpretations of the International Accounting Standards Board (IASB) regarding interim financial reporting (IAS 34) as adopted by the European Union. Consequently, these interim consolidated financial statements do not contain all the information and notes required by IFRS for consolidated financial statements for a full financial year and should therefore be read in conjunction with the IFRS consolidated financial statements published for the 2024 financial year.

The condensed interim consolidated financial statements for the period ended June 30, 2025 – consisting of the balance sheet, income statement, statement of comprehensive income, cash flow statement, statement of changes in equity, and selected notes to the consolidated financial statements – and the interim group management report for the period from January 1 to June 30, 2025 have been reviewed by an auditor pursuant to section 115 of the German Securities Trading Act (WpHG).

The parent company of the DEUTZ Group is DEUTZ AG. Its registered office is located at Ottostrasse 1, 51149 Cologne, Germany, and the Company is entered under no. HRB 281 in the commercial register at the local court in Cologne.

DEUTZ is one of the world's leading manufacturers of drive systems for off-highway applications. Its portfolio extends from diesel and gas engines to hybrid, electric, and hydrogen drives that are used in various applications, including construction equipment, agricultural machinery, material handling equipment such as forklift trucks and lifting platforms, commercial vehicles, and rail vehicles. The business is broken down into the main application segments of Construction Equipment, Material Handling, Agricultural Machinery, and Stationary Equipment. Comprehensive aftersales service rounds off the product range offered. Since the start of 2025, the Group's activities have been organized in the operating segments DEUTZ Engines & Services and DEUTZ Solutions. The figures for the prior-year period have been adjusted to reflect the new segment structure. The DEUTZ Engines & Services segment encompasses activities related to the development, production, distribution, and servicing of diesel and gas engines. This segment comprises the DEUTZ Classic and DEUTZ Service business units. The DEUTZ Solutions segment includes alternative drives as well as business activities that go beyond engine manufacturing and service. This segment comprises the DEUTZ New Technology and DEUTZ Energy business units.

Material accounting policies

With the exception of the amendments described below, the accounting policies used in the preparation of these interim consolidated financial statements are essentially the same as those used in the most recent consolidated financial statements for the year ended December 31, 2024. Further information on the accounting policies used can be found in the notes to the consolidated financial statements for 2024.

»Lack of Exchangeability« (Amendments to IAS 21) In August 2023, the IASB published amendments to IAS 21 that are effective for financial years commencing on or after January 1, 2025. The amendments specify when a currency is exchangeable and how to determine the exchange rate when it is not. A currency is exchangeable when, as at the measurement date, it can be exchanged in any amount for another currency for a specified purpose without undue delay through a market or exchange mechanism in which a transaction would create enforceable rights and obligations. If the currency is not exchangeable, the spot rate as at the measurement date must be estimated. This would be the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing. When a currency is not exchangeable, the entity must disclose information in the notes on how the currency's lack of exchangeability affects the entity's financial position and financial performance. Where the functional currency differs from the presentation currency, the cumulative amount of translation differences must be recognized in equity. There has been no material impact on the DEUTZ Group's interim consolidated financial statements since initial application.

If they are material, **revenue-related and cyclical items** are accrued during the year.

Income taxes Income taxes are calculated on the basis of the effective tax rate currently expected to apply to the DEUTZ Group for the year as a whole.

The Group falls within the scope of the OECD pillar two model rules for national implementation of global minimum tax and is applying the exemption from accounting for deferred taxes in this context. The German Minimum Tax Act (MinStG), which came into force in December 2023 for financial years beginning after December 31, 2023, requires the DEUTZ Group to pay top-up tax in each jurisdiction; the amount to be paid is the difference between the GloBE[44] effective tax rate and the minimum rate of 15%. The Group has checked whether the CbCR safe harbor rules are pertinent. As all jurisdictions satisfy at least one of the CbCR

[44] Global Anti-Base Erosion Rules.

safe harbor rules, no additional tax will be incurred for the 2025 reporting year.

Material estimates and assumptions To a certain extent, the preparation of the condensed interim consolidated financial statements in accordance with IFRS requires estimates and assumptions that have an impact on the recognition, measurement, and reporting of assets and liabilities, the disclosure of contingent assets and liabilities as at the balance sheet date, and the reporting of income and expenses in the reporting period.

Severance payment entitlements of limited partners In accordance with section 131 et seq. HGB, the partners in a partnership have a statutory right of termination that is effected by giving six months' notice to the end of a financial year. This right cannot be excluded in the partnership agreement. Under IAS 32 »Financial Instruments: Presentation«, these rules result in the recognition of a liability rather than equity on the balance sheet.

Effects of geopolitical uncertainties on the interim consolidated financial statements

Geopolitical tensions and upheaval in the global economy have an impact on the procurement market, leading to risks in terms of the security of supply of certain critical raw materials. These risks may affect management's forecasting of cash flows in connection with impairment tests, which in turn could adversely affect the Group's financial position and financial performance. No adjustments were required as at June 30, 2025 because risks had already been factored into the forecast.

Changes in the basis of consolidation

All subsidiaries, joint ventures, and associates are included in the consolidated financial statements.

The HJS Group was included in the consolidated financial statements of DEUTZ AG for the first time as at January 6, 2025.

The UMS Group was included in the consolidated financial statements of DEUTZ AG for the first time as at June 2, 2025.

Details of the acquisitions during the first half of 2025 can be found under »Acquisitions« in these notes to the financial statements.

Acquisitions

HJS Emission Technology GmbH & Co. KG

With commercial effect from January 6, 2025, DEUTZ Verwaltungs GmbH, Cologne (a wholly owned subsidiary of DEUTZ AG) acquired, as a limited partner, 50% of the shares in HJS Emission Technology GmbH & Co. KG, Menden (HJS Emission Technology), a family-run firm specializing in exhaust aftertreatment. At this time, DEUTZ Beteiligungs GmbH is investing in the company as a general partner. The general partner is not obliged to make a capital contribution, does not participate in the company's fixed capital or its profit or loss, and does not have any voting rights at the company's shareholders' meeting. HJS Emission Technology holds 100% of the voting rights in the subsidiaries HJS Emission Technology Ltd., Somerset (United Kingdom) and HJS Emission Technology India Pvt. Ltd., Delhi (India), and 51% of the voting rights in HJS Emission Technology SA (PTY) LTD, Roodepoort, Gauteng (South Africa). By acquiring these shares, DEUTZ is strengthening its technological and production-related expertise in making internal combustion engines cleaner and more efficient. DEUTZ plans to source the bulk of the exhaust aftertreatment components and systems for selected engine series from HJS Emission Technology and thus from within the DEUTZ Group itself.

Although the DEUTZ Group holds 50% of the shares and thus less than the majority of the voting rights, it controls HJS Emission Technology owing to existing rights that give it the ability to direct the relevant activities that significantly affect the investee's returns. The company has an advisory board consisting of four members. Each member has one vote. DEUTZ is represented by two advisory board members, one of whom is the chairperson. All resolutions are adopted by a simple majority. In the event of a tied vote, the chairperson of the advisory board (and thus DEUTZ) has the casting vote. It has been agreed and decided that the advisory board will adopt resolutions on the relevant activities that influence the company's business and financial policies. According to management's assessment, the company is therefore controlled by DEUTZ.

As the initial recognition of the business combination in accordance with the provisions of IFRS 3 »Business Combinations« had not been completed by the time that the financial statements were approved for publication, only initial disclosures on the measurement of the net assets acquired can be made. The acquisition of the HJS Group has the following provisional influence on the Group's net assets: The net assets acquired provisionally amount to €4.8 million and essentially comprise property, plant and equipment, inventories, and financial liabilities. Whether there are any unrecognized intangible assets is currently being determined. The fair values of the net assets acquired are also being determined.

The consideration transferred provisionally amounts to €5.9 million and comprises a cash payment of €3.4 million, a liability of €2.6 million for the potential acquisition of a further 50% of the shares in HJS Emission Technology resulting from the non-controlling interests' entitlement to a severance payment in connection with their legal right of termination, and the fair value of minus €0.1 million of an option to acquire a further 25% or 20% of the shares. As the cash payment to HJS Emission Technology was immediately recognized in cash flow, it did not give rise to a net cash outflow for the Group.

The provisional difference amounts to €1.1 million. Given that the net assets are still being determined, this figure will change once the purchase price allocation has been completed.

UMS Holding B.V.

With commercial effect from June 2, 2025, Futavis GmbH, Aachen (a wholly owned subsidiary of DEUTZ AG) acquired 100% of the shares in UMS Holding B.V. UMS Holding B.V., Oss (Netherlands) continues to hold 100% of the voting rights in the subsidiary Urban Mobility Systems B.V., Oss (Netherlands). By acquiring UMS, DEUTZ can target new customer groups in the transportation and logistics sector and accelerate research and development in relation to alternative drives.

As the initial recognition of the business combination in accordance with the provisions of IFRS 3 »Business Combinations« had not been completed by the time that the financial statements were approved for publication, no disclosures on the measurement of the net assets acquired and only limited disclosures on the influence of the acquisition on the Group's net assets can be made.

The provisional purchase consideration amounts to €14.5 million, of which €9.5 million had been paid by June 30, 2025. Provisional goodwill of €19.8 million arose in connection with the provisional purchase price allocation at the acquisition date and was allocated to the DEUTZ Solutions segment. This goodwill arose because of the negative net assets figure recognized for the UMS Group. The UMS Group's net assets will be remeasured as part of the ongoing purchase price allocation. The management expects this to result in an increase in the net assets and a decrease in the goodwill.

The UMS Group is regarded as an innovation leader in the field of battery-electric drives for off-highway applications and has so far electrified more than 200 machines, including excavators, wheel loaders, and cranes.

Selected explanatory disclosures[45]

1. Revenues

Breakdown of revenue by application segment and by timing of recognition in the first half of 2025

€ million

	DEUTZ Engines & Services	DEUTZ Solutions	Total
Construction Equipment	220.3	0.2	**220.5**
Material Handling	200.2	0.0	**200.2**
Agricultural Machinery	106.7	0.0	**106.7**
Stationary Equipment	44.7	72.7	**117.4**
Service	268.6	6.3	**274.9**
Miscellaneous	82.9	4.5	**87.4**
Total	**923.4**	**83.7**	**1,007.1**
thereof at a point in time	903.9	81.4	**985.3**
thereof over a period of time	19.5	2.3	**21.8**

Breakdown of revenue by application segment and by timing of recognition in the first half of 2024

€ million

	DEUTZ Engines & Services	DEUTZ Solutions	Total
Construction Equipment	211.3	0.3	**211.6**
Material Handling	234.9	0.0	**234.9**
Agricultural Machinery	92.0	0.0	**92.0**
Stationary Equipment	51.3	4.9	**56.2**
Service	248.8	4.1	**252.9**
Miscellaneous	26.2	1.7	**27.9**
Total	**864.5**	**11.0**	**875.5**
thereof at point in time	845.7	8.4	**854.1**
thereof over a period of time	18.8	2.6	**21.4**

Breakdown of revenue by region in the first half of 2025

€ million

	DEUTZ Engines & Services	DEUTZ Solutions	Total
Europe/Middle East/ Africa	589.2	10.9	600.1
Americas	221.4	72.4	293.8
Asia-Pacific	68.3	0.1	68.4
China	44.5	0.3	44.8
Total	**923.4**	**83.7**	**1,007.1**

Breakdown of revenue by region in the first half of 2024

€ million

	DEUTZ Engines & Services	DEUTZ Solutions	Total
Europe/Middle East/ Africa	501.2	9.8	**511.0**
Americas	239.0	0.9	**239.9**
Asia-Pacific	72.9	0.3	**73.2**
China	51.4	0.0	**51.4**
Total	**864.5**	**11.0**	**875.5**

[45] The tables and notes below relate to continuing operations for the first half of 2024.

2. Other operating income

€ million	**H1 2025**	H1 2024
Income from reversal of provisions	9.8	2.7
Foreign currency gains	4.4	4.9
Income from the measurement of derivatives	1.5	0.2
Sundry other income	1.4	1.4
Income from recharged costs and services	1.3	1.6
Income from the derecognition of liabilities	0.4	0.0
Income from payment received in connection with an insolvency	0.4	0.0
Total	**19.2**	**10.8**

The rise in other operating income was largely due to the reversal of provisions for anticipated losses and sales commission as well as to income from the measurement of derivatives.

3. Other operating expenses

€ million	**H1 2025**	H1 2024
Foreign currency losses	5.5	2.7
Expenses for pensions and other post-employment benefits	2.5	2.4
Other cost of fees, contributions and advice	2.2	1.4
Sundry other expenses	2.2	2.7
Expenses in connection with the measurement of derivatives	0.2	0.5
Total	**12.6**	**9.7**

The rise in other operating expenses was largely due to higher foreign currency losses.

4. Other comprehensive income

Other comprehensive income comprises the elements of the statement of comprehensive income not reported in the income statement. The taxes resulting from other comprehensive income are shown in the following table:

€ million	**H1 2025**			H1 2024		
	Before taxes	Taxes	After taxes	Before taxes	Taxes	After taxes
Amounts that will not be reclassified to the income statement in the future	**0.4**	**-0.1**	**0.3**	**1.3**	**-0.4**	**0.9**
Remeasurements of defined benefit plans	0.4	-0.1	0.3	1.3	-0.4	0.9
Amounts that will be reclassified to the income statement in the future if specific conditions are met	**-27.4**	**1.3**	**-26.1**	**3.3**	**-0.6**	**2.7**
Currency translation differences	-23.4	0.0	-23.4	1.5	0.0	1.5
thereof profit/loss on equity-accounted investments	-1.5	0.0	-1.5	0.5	0.0	0.5
Effective portion of change in fair value from cash flow hedges	6.7	-2.1	4.6	-1.6	0.5	-1.1
Fair value of financial instruments	-10.7	3.4	-7.3	3.4	-1.1	2.3
Other comprehensive income	**-27.0**	**1.2**	**-25.8**	**4.6**	**-1.0**	**3.6**

In the first six months of this year, gains totaling €0.4 million on cash flow hedges (H1 2024: gains of €0.1 million) recognized in other comprehensive income (prior to the inclusion of deferred taxes) were reclassified to other operating income in the consolidated income statement.

5. Property, plant and equipment

Gross figures Cost of purchase/ conversion	Land, leasehold rights and buildings	Technical equipment and machines	Other equipment, furniture and fixtures	Advances paid and construction in progress	Total
€ million					
Balance at Jan. 1, 2025	**341.6**	**614.5**	**398.2**	**37.6**	**1,391.9**
Currency translation differences	-4.7	-3.2	-2.8	0.0	-10.7
Additions	5.9	3.4	9.5	8.7	27.5
Investment grants	0.0	0.0	0.0	0.0	0.0
Disposals	-0.6	0.0	-2.5	-0.1	-3.2
Company mergers	5.0	1.3	1.4	0.0	7.7
Reclassifications	4.9	8.8	1.0	-20.5	-5.8
Balance at Jun. 30, 2025	**352.1**	**624.8**	**404.8**	**25.7**	**1,407.4**

Gross figures Depreciation and impairment	Land, leasehold rights and buildings	Technical equipment and machines	Other equipment, furniture and fixtures	Advances paid and construction in progress	Total
€ million					
Balance at Jan. 1, 2025	**172.8**	**499.0**	**301.3**	**0.4**	**973.5**
Currency translation differences	-2.2	-2.4	-1.8	0.0	-6.4
Depreciation	8.8	8.6	14.6	0.0	32.0
Impairment	0.0	0.0	0.0	0.0	0.0
Disposals	-0.7	0.0	-2.3	0.0	-3.0
Reclassifications	0.0	0.0	0.0	0.0	0.0
Balance at Jun. 30, 2025	**178.7**	**505.2**	**311.8**	**0.4**	**996.1**
Net carrying amount at Jun. 30, 2025	**173.4**	**119.6**	**93.0**	**25.3**	**411.3**

Capital expenditure on property, plant and equipment (excluding right-of-use assets in connection with leases) mainly related to the production line for sub-4 liter engine series and also to further replacement purchases in production, particularly for the DEUTZ Engines & Services segment.

Of the additions in the first half of 2025, a sum of €5.8 million was accounted for by right-of-use assets in connection with leases (H1 2024: €12.4 million). Capital expenditure in respect of right-of-use assets was mainly attributable to leases for property and to new leases for technical equipment and machines.

Depreciation amounted to €32.0 million (H1 2024: €33.9 million). No impairment losses were recognized on property, plant and equipment in the reporting period.

6. Intangible assets

Gross figures Cost of purchase/ conversion	Goodwill	Internally generated intangible assets: Completed	Internally generated intangible assets: In development	Other intangible assets	Advance payments	Total
€ million						
Balance at Jan. 1, 2025	**81.7**	**472.1**	**73.1**	**312.5**	**0.0**	**939.4**
Currency translation differences	0.0	0.0	0.0	-6.1	0.0	-6.1
Additions	1.6	0.1	1.0	2.3	5.3	10.3
Disposals	0.0	0.0	0.0	0.0	0.0	0.0
Company mergers	21.0	0.5	0.0	0.0	0.0	21.5
Reclassifications	0.0	0.0	0.0	0.1	5.7	5.8
Balance at Jun. 30, 2025	**104.3**	**472.7**	**74.1**	**308.8**	**11.0**	**970.9**

Gross figures Amortization and impairment	Goodwill	Internally generated intangible assets: Completed	Internally generated intangible assets: In development	Other intangible assets	Advance payments	Total
€ million						
Balance at Jan. 1, 2025	**0.0**	**443.6**	**35.7**	**157.1**	**0.0**	**636.4**
Currency translation differences	0.0	0.0	0.0	-0.9	0.0	-0.9
Amortization	0.0	2.1	0.0	13.5	0.0	15.6
Impairment	0.0	0.0	0.0	0.0	0.0	0.0
Disposals	0.0	0.0	0.0	0.0	0.0	0.0
Reclassifications	0.0	0.0	0.0	0.0	0.0	0.0
Balance at Jun. 30, 2025	**0.0**	**445.7**	**35.7**	**169.7**	**0.0**	**651.1**
Net carrying amount at Jun. 30, 2025	**104.3**	**27.0**	**38.4**	**139.1**	**11.0**	**319.8**

Capital expenditure stood at €10.3 million, while amortization amounted to €15.6 million (H1 2024: €10.3 million). No impairment losses were recognized on intangible assets in the reporting period.

The additions to goodwill constitute provisional figures in connection with the purchase price allocation for the HJS Group and the UMS Group, which, in accordance with the provisions of IFRS 3 »Business Combinations«, is not yet complete.

7. Inventories

€ million	**Jun. 30, 2025**	Dec. 31, 2024
Raw materials, consumables, bought-in parts and spare parts	255.1	239.6
Work in progress	67.3	62.0
Finished goods	144.0	130.0
Total	**466.4**	**431.6**

Inventories went up by €34.8 million compared with the end of 2024. This increase was predominantly due to the first-time consolidation of the newly acquired HJS Group and UMS Group and to the build-up of inventories ahead of the plants closing for the summer break and in view of supplier risks.

8. Equity

€ million	**Jun. 30, 2025**	Dec. 31, 2024
Issued capital	355.2	354.7
Additional paid-in capital	78.9	78.9
Other reserves	-32.9	-6.8
Retained earnings and accumulated income	405.6	421.1
Equity attributable to the shareholders of the parent	806.8	847.9
Non-controlling shares	0.9	0.0
Total	**807.7**	**847.9**

The fall in equity mainly related to the change in other reserves as a result of currency translation effects. In the first half of 2025, DEUTZ AG distributed a dividend of €23.6 million (€0.17 per no-par-value share) from the accumulated income reported in accordance with the German Commercial Code (HGB) as at December 31, 2024.

9. Financial debt

€ million	Jun. 30, 2025	Dec. 31, 2024
Non-current	115.9	131.7
Current	202.6	155.9
Total	**318.5**	**287.6**

The growth of current financial debt can primarily be explained by the drawdown of the syndicated working capital facility as at June 30, 2025. The volume drawn down as at June 30, 2025 stood at €132.6 million (December 31, 2024: €85.0 million). The term of this revolving line of credit, which has a total volume of €250 million and is provided by a consortium of banks, runs until May 2, 2029. The line of credit has a floating interest rate and is unsecured. DEUTZ also has access to four bilateral credit lines with an aggregate volume of €115 million that run until the end of 2026 and a bilateral line of €25 million that runs until the end of the second quarter of 2026. They are also unsecured, floating-rate facilities. As part of its contractual agreements, DEUTZ has undertaken to comply with certain financial covenants (ratio of financial debt to equity and ratio of financial debt to EBITDA) and non-financial covenants. DEUTZ complied with these covenants in the reporting period.

In the second half of 2024, DEUTZ took out a loan that was agreed for the specific purpose of funding the takeover of sales and service for selected off-highway engines from Rolls-Royce Power Systems. The loan has a volume of €90 million and is to be repaid in annual installments by March 2029.

As at June 30, 2025, financial debt included non-current lease liabilities of €56.3 million (December 31, 2024: €60.1 million) and current lease liabilities of €25.3 million (December 31, 2024: €26.8 million).

10. Other provisions

€ million	Jun. 30, 2025	Dec. 31, 2024
Non-current	29.6	26.5
Current	87.3	82.5
Total	**116.9**	**109.0**

The increase in non-current and current other provisions was primarily attributable to the addition to provisions in connection with the Future Fit program.

11. Other liabilities

€ million	Jun. 30, 2025	Dec. 31, 2024
Non-current	18.4	20.0
Current	104.5	89.6
Total	**122.9**	**109.6**

The growth of other liabilities was mainly due to the rise in current other liabilities. This rise was primarily attributable to personnel-related liabilities, tax liabilities, and advances received.

€ million	Jun. 30, 2025	Dec. 31, 2024
Trade Payables	**304.4**	**235.0**
Other liabilities		
Personnel-related liabilities	21.1	15.1
Price reduction liabilities	20.6	22.2
Liabilities to customers and factors	9.9	14.6
Advances received	10.9	6.3
Liabilities to investments	3.4	4.0
Liabilities arising from other taxes	12.9	8.1
Derivative financial instruments	0.4	2.9
Sundry other liabilities	43.7	36.4
Total	**122.9**	**109.6**

Other information

Contingent liabilities

Legal disputes

The complaint filed by DEUTZ AG at the finance court concerning the timing of taxation of the profit on the final installment of the purchase consideration for the sale of the Cologne-Deutz site was fully upheld. The contingent liability in respect of this matter therefore no longer exists.

Financial instruments

The following tables show the carrying amounts of the individual financial assets and liabilities for each separate category of financial instrument, reconciled to the corresponding balance sheet item.

Financial instruments (assets)

Jun. 30, 2025	**Measured at amortized cost**	**Measured at fair value**		**Assets not within the scope of IFRS 9**	
€ million		Through other comprehensive income	Through profit or loss	Carrying amount	**Carrying amount on the balance sheet**
Non-current financial assets	**0.0**	**2.9**	**2.3**	**11.7**	**16.9**
Current financial assets	**277.1**	**4.7**	**11.6**	**36.8**	**330.2**
Trade receivables	193.4	0.0	10.7	0.0	204.1
Other receivables and assets	24.3	4.7	0.9	36.8	66.7
Cash and cash equivalents	59.4	0.0	0.0	0.0	59.4

Financial instruments (assets)

Dec. 31, 2024	**Measured at amortized cost**	**Measured at fair value**		**Assets not within the scope of IFRS 9**	
€ million		Through other comprehensive income	Through profit or loss	Carrying amount	**Carrying amount on the balance sheet**
Non-current financial assets	**0.0**	**3.0**	**3.8**	**11.6**	**18.4**
Current financial assets	**259.1**	**0.0**	**9.3**	**33.4**	**301.8**
Trade receivables	177.1	0.0	9.3	0.0	186.4
Other receivables and assets	20.0	0.0	0.0	33.4	53.4
Cash and cash equivalents	62.0	0.0	0.0	0.0	62.0

Financial instruments (liabilities)

Jun. 30, 2025	**Measured at amortized cost**	**Measured at fair value**		**Liabilities not within the scope of IFRS 9**	
€ million					
	Financial liabilities	Derivatives designated as hedging instruments (recognized in other comprehensive income/ loss)	Financial liabilities (recognized through profit or loss)	Carrying amount	**Carrying amount on the balance sheet**
Non-current financial liabilities	**71.5**	**0.4**	**2.6**	**59.8**	**134.3**
Financial debt	59.6	0.0	0.0	56.3	115.9
Lease liabilities	0.0	0.0	0.0	56.3	56.3
Miscellaneous financial debt	59.6	0.0	0.0	0.0	59.6
Other liabilities	11.9	0.4	2.6	3.5	18.4
Current financial liabilities	**557.6**	**0.0**	**0.0**	**53.9**	**611.5**
Financial debt	177.3	0.0	0.0	25.3	202.6
Lease liabilities	0.0	0.0	0.0	25.3	25.3
Miscellaneous financial debt	177.3	0.0	0.0	0.0	177.3
Trade payables	304.4	0.0	0.0	0.0	304.4
Other liabilities	75.9	0.0	0.0	28.6	104.5

Financial instruments (liabilities)

Dec. 31, 2024	**Measured at amortized cost**	**Measured at fair value**		**Liabilities not within the scope of IFRS 9**	
€ million					
	Financial liabilities	Derivatives designated as hedging instruments (recognized in other comprehensive income/ loss)	Financial liabilities (recognized through profit or loss)	Carrying amount	**Carrying amount on the balance sheet**
Non-current financial liabilities	**87.1**	**0.5**	**0.0**	**64.1**	**151.7**
Financial debt	71.6	0.0	0.0	60.1	131.7
Lease liabilities	0.0	0.0	0.0	60.1	60.1
Miscellaneous financial debt	71.6	0.0	0.0	0.0	71.6
Other liabilities	15.5	0.5	0.0	4.0	20.0
Current financial liabilities	**436.3**	**2.1**	**0.3**	**41.8**	**480.5**
Financial debt	129.1	0.0	0.0	26.8	155.9
Lease liabilities	0.0	0.0	0.0	26.8	26.8
Miscellaneous financial debt	129.1	0.0	0.0	0.0	129.1
Trade payables	235.0	0.0	0.0	0.0	235.0
Other liabilities	72.2	2.1	0.3	15.0	89.6

The following table shows the carrying amounts and fair values of all financial instruments included in the consolidated financial statements that fall within the scope of IFRS 7 »Financial Instruments: Disclosures« and that are not reported at fair value.

€ million	**Jun. 30, 2025**		Dec. 31, 2024	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets				
Trade receivables	193.4	193.4	177.1	177.1
Other receivables and assets	24.3	24.3	20.0	20.0
Cash and cash equivalents	59.4	59.4	62.0	62.0
Financial liabilities				
Financial debt - liabilities to banks	236.9	244.4	200.7	200.4
Trade payables	304.4	304.4	235.0	235.0
Other liabilities	87.8	87.8	87.7	87.7

In the case of cash and cash equivalents, trade receivables, trade payables, and other current financial assets and liabilities (due within one year), the carrying amounts are virtually the same as the fair values owing to the short residual maturity.

The fair value of non-current financial assets and liabilities is calculated by discounting estimated future cash flows using arm’s length discount rates and taking into account the DEUTZ Group’s own credit risk and also counterparty risk based on credit ratings and exchange rates on the balance sheet date.

The following table shows the assignment to the three levels of the IFRS 13 measurement hierarchy of the fair values as at the balance sheet date of financial assets and liabilities that were measured at fair value in the consolidated financial statements, or for which a fair value was disclosed in the notes to the financial statements:

Jun. 30, 2025

€ million	Carrying amount	Fair value	Level 1[46]	Level 2[47]	Level 3[48]
Financial assets					
Equity investments - recognized through other comprehensive income	1.3	1.3	0.0	0.0	1.3
Securities - recognized through other comprehensive income	1.6	1.6	1.6	0.0	0.0
Securities - recognized through profit or loss	2.3	2.3	2.3	0.0	0.0
Currency forwards - recognized through other comprehensive income	4.7	4.7	0.0	4.7	0.0
Currency forwards - recognized through profit or loss	0.9	0.9	0.0	0.9	0.0
Trade receivables	10.7	10.7	0.0	0.0	10.7
Financial liabilities					
Interest rate swaps - designated as hedging instruments	0.4	0.4	0.0	0.4	0.0
Other liabilities - recognized through profit or loss	2.6	2.6	0.0	0.0	2.6
Financial debt	236.9	244.4	0.0	0.0	244.4

Dec. 31, 2024

€ million	Carrying amount	Fair value	Level 1[49]	Level 2[50]	Level 3[51]
Financial assets					
Loan	1.3	1.3	0.0	0.0	1.3
Equity investments - recognized through other comprehensive income	1.3	1.3	0.0	0.0	1.3
Securities - recognized through other comprehensive income	1.7	1.7	1.7	0.0	0.0
Securities - recognized through profit or loss	2.5	2.5	2.5	0.0	0.0
Trade receivables	9.3	9.3	0.0	0.0	9.3
Financial liabilities					
Interest-rate swaps - designated as hedging instruments	0.5	0.5	0.0	0.5	0.0
Currency forwards - designated as hedging instruments	2.1	2.1	0.0	2.1	0.0
Currency forwards - held for trading	0.3	0.3	0.0	0.3	0.0
Financial debt	200.7	200.4	0.0	0.0	200.4

[46] Level 1: Measurement is based on the price of identical assets or liabilities in active markets.
[47] Level 2: Measurement is based on the price of a similar instrument in active markets/measurement using a method in which all the critical inputs are based on observable market data.
[48] Level 3: Measurement using a method in which critical inputs are not based on observable market data.
[49] Level 1: Measurement is based on the price of identical assets or liabilities in active markets.
[50] Level 2: Measurement is based on the price of a similar instrument in active markets/measurement using a method in which all the critical inputs are based on observable market data.
[51] Level 3: Measurement using a method in which critical inputs are not based on observable market data.

The equity investment measured at fair value through other comprehensive income is the equity investment in Blue World Technologies, Aalborg (Denmark). The decision was made to assign it to this measurement category because it is a long-term equity investment in new drive technologies in a field of strategic importance to DEUTZ AG. Transactions for shares in the investee are the most relevant for measuring fair value. No transactions were made close in time to the 2025 reporting half-year. Consequently, the fair value continues to correspond to the present value of the future cash inflows and outflows taken from the Company's medium-term planning as at December 31, 2024.

The fair value of securities is derived from prices in active markets.

The trade receivables recognized at fair value relate to receivables that are sold as part of the existing factoring agreements. The receivables are transferred to the factoring companies at their nominal value. The fair value of the receivables corresponds to the sale price and therefore the nominal value of the receivables. The main influencing factor on the fair value of the receivables is credit risk. However, this is deemed to be negligible given that they are being sold to the factoring company.

The fair value of derivative financial instruments (currency forwards) is calculated over the remaining term of the instrument using current exchange rates, market interest rates, and yield curves and taking into account the DEUTZ Group's own credit risk and also counterparty risk. The disclosures are based on valuations by banks.

The fair value of interest-rate swaps is derived from current yield curves and from discount factors with matching maturities.

The other liabilities relate to the potential severance payment to the non-controlling interests in HJS Emission Technology GmbH & Co. KG. The severance payment entitlements arise from legal rights of termination that have to be recognized as exercised in accordance with the anticipated-acquisition method. The fair value is derived from the purchase consideration for the investment.

Segment reporting

Information about the segments of the DEUTZ Group for the first half of 2025 and the first half of 2024 is shown in the following table:

H1 2025	DEUTZ Engines & Services	DEUTZ Solutions	**Total segments**	Reconciliation	**DEUTZ Group**
€ million					
External revenue	923.4	83.7	1,007.1	0.0	1,007.1
Intersegment revenue	0.0	0.0	0.0	0.0	0.0
Total revenue	**923.4**	**83.7**	**1,007.1**	**0.0**	**1,007.1**
Adjusted EBIT (EBIT before exceptional items)	56.7	-10.2	46.5	0.6	47.1

H1 2024	DEUTZ Engines & Services	DEUTZ Solutions	**Total segments**	Reconciliation	**DEUTZ Group**
€ million					
External revenue	864.5	11.0	**875.5**	0.0	**875.5**
Intersegment revenue	0.0	0.0	**0.0**	0.0	**0.0**
Total revenue	**864.5**	**11.0**	**875.5**	**0.0**	**875.5**
Adjusted EBIT (EBIT before exceptional items)	67.7	-17.8	**49.9**	0.2	**50.1**

Reconciliation from overall profit of the segments to net income

€ million	**H1 2025**	H1 2024
Overall profit of the segments	**46.5**	**49.9**
Consolidation	0.6	0.2
Operating profit (EBIT before exceptional items)	**47.1**	**50.1**
Exceptional items	-28.8	-10.9
EBIT	**18.3**	**39.2**
Financial income, net	-9.2	-9.0
Net income before income taxes	**9.1**	**30.2**
Income taxes	-1.3	-4.6
Net income of continuing operations	**7.8**	**25.6**

In the first half of 2025, exceptional items amounted to an expense of €28.8 million (H1 2024: expense of €10.9 million). The following table provides a breakdown of the main items:

DEUTZ Group: Exceptional items

€ million	**H1 2025**	H1 2024
Restructuring program	-25.6	0.0
Costs of strategic projects	-3.5	-10.1
Other effects	0.3	-0.8
Total	**-28.8**	**-10.9**

External segment reporting is based on intragroup corporate management and internal financial reporting. Intragroup management and financial reporting were changed with effect from January 1, 2025. Since January 1, 2025, DEUTZ's external segment structure has been based on two reportable operating segments: DEUTZ Engines & Services and DEUTZ Solutions. The figures for the prior-year period have been adjusted to reflect the new segment structure.

DEUTZ Engines & Services This segment encompasses the development, production, distribution, maintenance, and servicing of diesel and gas engines, including the nascent defense business, as well as the equity-accounted joint venture with Chinese construction equipment manufacturer SANY and the equity-accounted company D. D. Power Holdings (Pty) Ltd. (South Africa).

DEUTZ Solutions This segment is subdivided into the two business units DEUTZ New Technology and DEUTZ Energy. The Energy business unit focuses on decentralized energy supply and constitutes the business of genset manufacturer Blue Star Power Systems, which was acquired in 2024, and the rest of the DEUTZ Group's genset business. In the 2024 annual report, Blue Star Power Systems was assigned to the DEUTZ Classic segment on the basis of the structure previously used for internal corporate management. Meanwhile, DEUTZ New Technology covers the former DEUTZ Green portfolio, i.e. electrified products and hydrogen combustion engines, and the associated service business. The DEUTZ Solutions segment also includes the investment in Blue World Technologies, Aalborg (Denmark), the equity-accounted company DEUTZ Power Solution (Xuzhou) Co., Ltd., Xuzhou (China), and the equity-accounted joint venture DEUTZ Zhongguancun Hydrogen Technology (Beijing) Co., Ltd., Beijing (China).

The designation of a business area as an operating segment is based on internal reporting by segment regularly used by the Board of Management to monitor performance and allocate resources.

The measurement principles applied to the DEUTZ Group's segment reporting are based on the IFRS principles applied in the consolidated financial statements. The Board of Management, in its capacity as the senior decision-making body, assesses the performance of the segments in terms of their adjusted EBIT (EBIT before exceptional items). If entities included in the consolidated financial statements using the equity method are directly attributable to a particular segment, the relevant share of the net income or loss for the period is reported under that segment. Finance costs, financial income, and income taxes are reported for the DEUTZ Group as a whole and are not allocated to individual operating segments. External revenue constitutes the revenue that the segments generate from their customers. Revenue generated between segments – where relevant – is reported as intersegment revenue. Transfers between segments are reported at fair value.

Related party disclosures

In addition to its consolidated subsidiaries, the DEUTZ Group maintains relationships with related parties.

These include the business relationships between the DEUTZ Group and entities in which it holds significant investments.

Related parties also include the Supervisory Board and the Board of Management.

The following table shows the volume of material goods and services either provided for or received from entities in which the DEUTZ Group holds significant investments:

	Goods and services provided		Other expenses for services received		Receivables		Payables	
€ million	**H1 2025**	H1 2024	**H1 2025**	H1 2024	**Jun. 30, 2025**	Dec. 31, 2024	**Jun. 30, 2025**	Dec. 31, 2024
Associates	8.5	6.3	0.0	0.0	2.2	1.6	0.9	1.0
Joint ventures	0.3	0.1	0.0	0.0	0.3	0.4	0.0	0.6
Other investments	0.0	0.0	3.1	2.9	0.0	0.0	2.4	2.3
Total	**8.8**	**6.4**	**3.1**	**2.9**	**2.5**	**2.0**	**3.3**	**3.9**

As at June 30, 2025, receivables of €9.2 million due from other investments had been written off in full (December 31, 2024: €9.2 million). As had also been the case in the prior-year period, this had no impact on earnings in the reporting period.

Of these receivables, €5.2 million related to loans granted by DEUTZ (December 31, 2024: €5.2 million) on which impairment losses of €5.2 million had been recognized (December 31, 2024: €5.2 million). The interest expense arising in connection with the interest payable was immaterial.

The increase of €2.2 million in goods supplied and services rendered to associates was predominantly due to higher demand for classic diesel engines.

Events after the reporting period

On July 11, 2025, the Bundesrat (second chamber of the German parliament) signed off a law that will gradually lower the rate of corporation tax from 2028 onward. The current corporation tax rate of 15% is to be lowered by 1 percentage point annually over a period of five years, taking it to 10%. This is expected to give rise to an expense in the mid-single-digit millions of euros because the value of deferred tax assets will have to be written down.

Furthermore, the US administration and the European Commission struck a tariff deal on July 27, 2025. The agreed deal provides for a 15% tariff on EU exports to the USA, although lower rates are to be charged on a few product groups (e.g. aircraft) and higher rates on others (e.g. steel). In the other direction, US exports to the EU are set to be largely tariff-free. The impact on the Group is currently being evaluated.

Cologne, July 31, 2025

DEUTZ Aktiengesellschaft

The Board of Management

Dr. Sebastian C. Schulte
Chairman

Dr.-Ing. Petra Mayer

Oliver Neu

Additional information

Responsibility statement

»To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the net assets, financial position, and results of operations of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.«

Cologne, July 31, 2025

DEUTZ Aktiengesellschaft

The Board of Management

Dr. Sebastian C. Schulte
Chairman

Dr.-Ing. Petra Mayer

Oliver Neu

Report on audit review

To DEUTZ Aktiengesellschaft, Cologne,

We have reviewed the condensed interim consolidated financial statements — comprising the consolidated balance sheet, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement, the consolidated statement of changes in equity and selected explanatory notes — together with the interim group management report of DEUTZ Aktiengesellschaft, Cologne, for the period from January 1, 2025 to June 30, 2025, that are part of the half-year financial report pursuant to § 115 of the German Securities Trading Act (Wertpapierhandelsgesetz — WpHG). The preparation of the condensed interim consolidated financial statements in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, and of the interim consolidated management report in accordance with the requirements of the WpHG applicable to interim consolidated management reports, is the responsibility of the company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and of the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer — IDW). Those standards require that we plan and perform the review such that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, and that the interim group management report has not been prepared, in all material respects, in accordance with the requirements of the WpHG applicable to interim consolidated management reports. A review is limited primarily to questioning of company employees and analytical procedures and therefore does not provide the level of assurance attainable in an audit of financial statements. Since, in accordance with our engagement, we have not performed an audit of financial statements, we cannot issue an auditor's report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, or that the interim consolidated management report has not been prepared, in all material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Hamburg, August 5, 2025

BDO AG
Wirtschaftsprüfungsgesellschaft

Christian Winkler	Christoph Hyckel
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

FINANCIAL CALENDER

2025	
November 6	Quarterly statement for the first to third quarters of 2025 Conference call with analysts and investors
2026	
March 26	2025 annual report Annual results press conference with analysts and investors
May 7	Quarterly statement for the first quarter of 2026 Conference call with analysts and investors
May 13	Annual General Meeting
August 6	Interim report for the first half of 2026 Conference call with analysts and investors
November 5	Quarterly statement for the first to third quarters of 2026 Conference call with analysts and investors

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

Contact

DEUTZ AG
Ottostrasse 1
51149 Cologne (Porz-Eil), Germany

Investor Relations
Telephone +49 (0) 221 822 24 91
Fax +49 (0) 221 822 15 24 91
EMail ir@deutz.com
Website www.deutz.com

CREDITS

Published by
DEUTZ AG
51149 Cologne (Porz-Eil), Germany

Layout
Hilger Boie Waldschütz, Wiesbaden, Germany

English translation
LingServe Limited, Aldershot, UK

This is a complete translation of the original German version of the interim report for the first half of 2025.