

PRESS RELEASE

Transaction completed: DEUTZ takes over sales and service for selected off-highway engines from Rolls-Royce Power Systems

- With immediate effect, DEUTZ will sell Daimler Truck engines previously sold by Rolls-Royce Power Systems
- Additional revenue of €300 million per year with an attractive margin
- Move complements the alliance with Daimler Truck entered into in 2023

Cologne, August 1, 2024 – DEUTZ and Rolls-Royce’s Power Systems division have completed the transaction for DEUTZ to take over the sales and service activities for various Daimler Truck industrial engines. This was announced by both companies today. The transaction relates specifically to engines with displacements from 5 to 16 liters and power output of up to 480 kW.

“We have taken the next important step in further expanding our modern internal combustion engine business by taking over the sales and service activities from Rolls-Royce Power Systems,” says DEUTZ CEO Dr. Sebastian C. Schulte. “This is an essential building block enabling DEUTZ to play an active part in the consolidation of the market and represents another milestone in the implementation of our Dual+ strategy.”

The completed transaction sees DEUTZ take over distribution of the mtu Classic model series and the mtu 1000 to 1500 engine series, which are based on three Daimler Truck engine platforms. These engines are used in a range of off-highway applications, mainly in the agricultural machinery and construction equipment sectors. The service activities for engines that are already in use also form part of the takeover. Following a transition phase, these activities are expected to be carried out exclusively by authorized DEUTZ partners from January 1, 2025.

The takeover follows close on the heels of DEUTZ’s alliance with Daimler Truck to develop and market medium- and heavy-duty engines (MDEG and HDEP platforms) in the off-highway segment. The alliance was entered into by the two companies in 2023 and is slated to begin in 2028. The agreement for DEUTZ to take over Rolls-Royce’s sales and service activities means that, with immediate effect, DEUTZ will be marketing the off-highway variants of these engines

The engine company.



four years earlier than provided for under the existing alliance with Daimler Truck and will also distribute the older mtu Classic model series (Daimler Truck OM900 and OM460 engine series).

“By accessing the engine platforms at this significantly earlier stage, we can offer our existing and prospective customers a much better concept for the transition. This will give them greater planning certainty, and we will benefit from more rapid access to the market,” explains DEUTZ CTO and CSO, Dr. Ing. Markus Müller.

As a result of the transaction, DEUTZ expects additional annual revenue of around €300 million and an EBIT margin that is above the Group’s current margin. The purchase price for the engine portfolio is in the upper-double-digit millions of euros. DEUTZ’s takeover of the sales and service activities will also see more than 50 employees move from the Rolls-Royce division to DEUTZ.

Under its Dual+ strategy, DEUTZ is focusing on optimized internal combustion engines, green technologies that meet the needs of the market, such as hydrogen internal combustion engines, and the global expansion of the service business.

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About DEUTZ AG

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