

PRESS RELEASE

DEUTZ makes further progress with China strategy

- Production of the 2.9 and 6.1 engine series will begin at the Tianjin site from 2021
- Joint venture with SANY already profitable this year

Cologne, September 28, 2020 – DEUTZ is continuing to make good progress with its growth strategy in China. Now that DEUTZ and diesel engine maker BEINEI's new factory for contract manufacturing has been completed, local production of the 2.9 and 6.1 engine series can commence in early 2021 as planned. Engines for aerial work platforms, forklift trucks, and smaller construction equipment will be made at the site in the port city of Tianjin, which will serve as the production hub for the Asian market.

The joint venture with China's largest construction equipment manufacturer SANY is also progressing well and has already proved profitable this year. The objective is to raise the annual production volume of approximately 7,000 achieved in 2019 to around 20,000 engines in 2020. The DEUTZ-SANY assembly plant in Kunshan produces engines for trucks, construction equipment, and concrete pumps. This joint venture, established in 2019, has allowed DEUTZ to consolidate and build on its position as an experienced technology partner in China.

The two joint venture partners are currently building a new engine plant in Changsha, which is scheduled to be completed at the end of 2021. DEUTZ and SANY had received subsidies of around RMB 300 million (approx. US\$ 37 million) from the city of Changsha to fund the project.

“The implementation of our China strategy is progressing according to plan. The fact that current demand means we have been able to increase the 2022 revenue target for China

from around €500 million to roughly €800 million is a tremendous achievement, particularly given the challenges presented by the coronavirus pandemic,” says DEUTZ CEO Dr Frank Hiller.

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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 diesel, gas, and electric drive systems for professional applications. It offers a broad range of engines delivering up to 620 kW that are used in construction equipment, agricultural machinery, material handling equipment, stationary equipment, commercial vehicles, rail vehicles, and other applications. DEUTZ has around 4,900 employees worldwide and over 800 sales and service partners in more than 130 countries. It generated revenue of €1,840.0 million in 2019.

Further information is available at www.deutz.com.