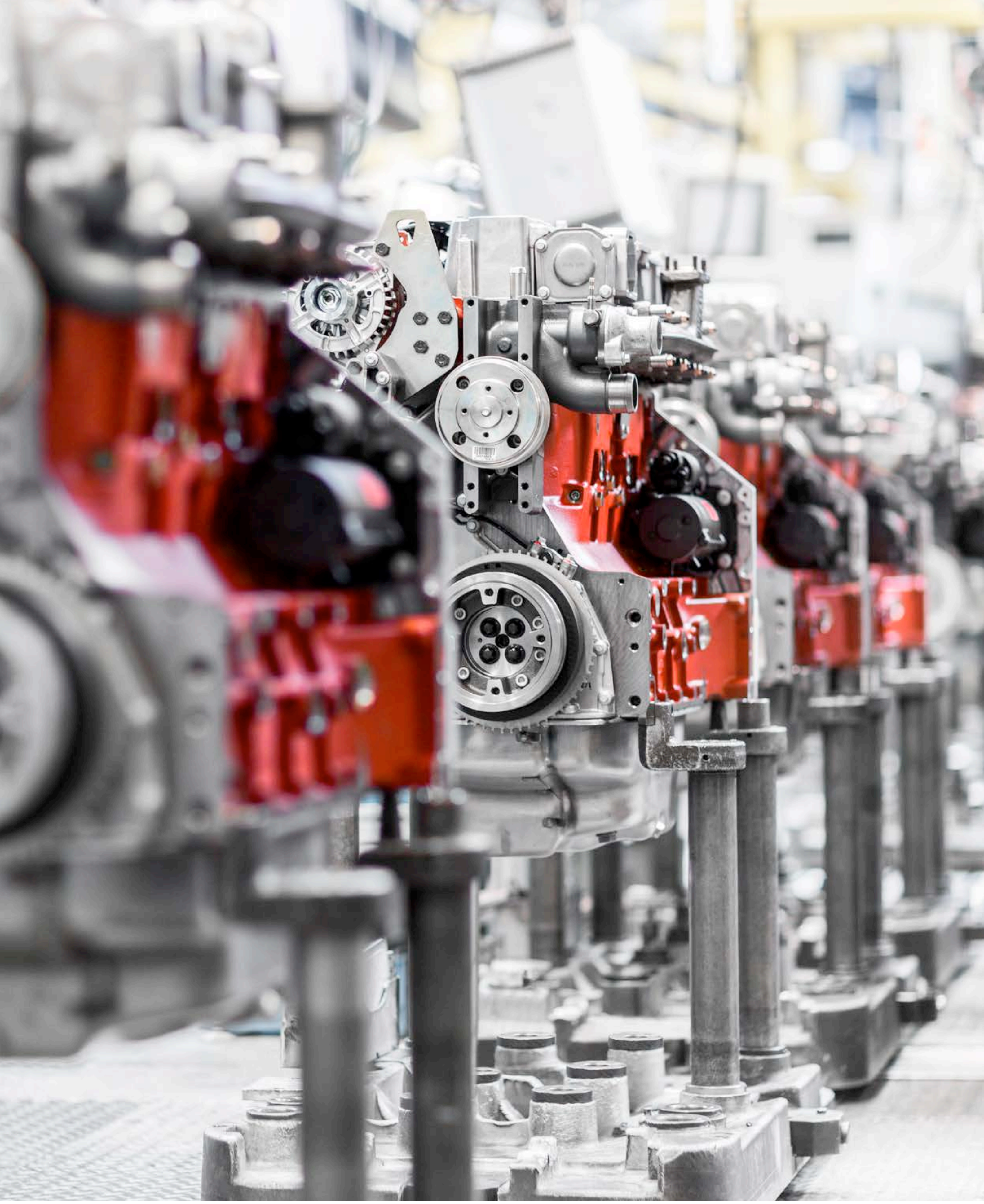


# *Interim management statement*

1st quarter of 2017

The engine company. DEUTZ

# FIRST QUARTER AT A GLANCE

**DEUTZ Group: Overview**

€ million

| | 1–3/2017 | 1–3/2016 |
|---|---|---|
| New orders | 403.2 | 327.3 |
| Unit sales (units) | 37,153 | 32,112 |
| Revenue | 352.5 | 300.2 |
| EBITDA | 38.7 | 31.3 |
| EBITDA before exceptional items | 28.7 | 31.3 |
| EBIT | 17.6 | 7.3 |
| EBIT before exceptional items | 7.6 | 7.3 |
| EBIT margin (%) | 5.0 | 2.4 |
| EBIT margin before exceptional items (%) | 2.2 | 2.4 |
| Net income | 15.4 | 8.7 |
| Earnings per share (€) | 0.13 | 0.08 |
| Total assets | 1,101.0 | 1,099.6 |
| Non-current assets | 469.5 | 510.0 |
| Equity | 507.2 | 495.4 |
| Equity ratio (%) | 46.1 | 45.1 |
| Cash flow from operating activities | 56.2 | –8.0 |
| Free cash flow[1] | 39.7 | –28.9 |
| Net financial position[2] | 70.0 | 9.7 |
| Working capital[3] | 197.1 | 229.4 |
| Working capital ratio (31 Mar, %)[4] | 15.0 | 18.7 |
| Capital expenditure (excl. capitalisation of R&D, after deducting grants) | 8.6 | 16.0 |
| Depreciation and amortisation | 21.1 | 24.0 |
| Research and development expenditure (after deducting grants) | 16.5 | 10.1 |
| thereof capitalised | 3.6 | 0.9 |
| Employees (number at 31 Mar) | 3,675 | 3,699 |

[1] Free cash flow: cash flow from operating and investing activities less interest expense.
[2] Net financial position: cash and cash equivalents less current and non-current interest-bearing financial debt.
[3] Working capital: inventories plus trade receivables minus trade payables.
[4] Working capital ratio (percentage as at balance sheet date): working capital as at the balance sheet date divided by revenue for the previous twelve months.

**DEUTZ Group: Segments**

€ million

| | 1–3/2017 | 1–3/2016 |
|---|---|---|
| **New orders** | | |
| DEUTZ Compact Engines | 326.3 | 259.4 |
| DEUTZ Customised Solutions | 76.9 | 67.9 |
| **Total** | **403.2** | **327.3** |
| **Unit sales (units)** | | |
| DEUTZ Compact Engines | 35,321 | 29,770 |
| DEUTZ Customised Solutions | 1,832 | 2,342 |
| **Total** | **37,153** | **32,112** |
| **Revenue** | | |
| DEUTZ Compact Engines | 294.1 | 235.5 |
| DEUTZ Customised Solutions | 58.4 | 64.7 |
| **Total** | **352.5** | **300.2** |
| **EBIT before one-off items** | | |
| DEUTZ Compact Engines | 1.5 | –2.3 |
| DEUTZ Customised Solutions | 6.4 | 10.2 |
| Other | –0.3 | –0.6 |
| **Total** | **7.6** | **7.3** |

# SUMMARY

**“We have made a successful start to 2017, with an encouraging increase in new orders. We are benefiting not only from the emergence of positive market trends but also from European customers having used up much of their inventories,” says Dr Ing Frank Hiller, Chairman of the DEUTZ Board of Management.**

- New orders rise by 23.2 per cent compared with the first quarter of 2016, reaching €403.2 million
- Revenue increases by 17.4 per cent year on year to €352.5 million
- Operating profit (EBIT before exceptional items) improves by €0.3 million to €7.6 million – fully offsetting the absence of licensing income included in the prior-year period
- Net income advances by a substantial €6.7 million to €15.4 million due to the sale of a building lease
- At €39.7 million, free cash flow is well into positive territory in the first quarter
- Sale of the former Cologne-DEUTZ site on attractive terms – DEUTZ expects a positive contribution to earnings in the high double-digit million euros (after taxes) that will be recognised as an exceptional item; it anticipates a further instalment of the purchase consideration in the coming years, the exact amount of which is not yet known
- Forecast confirmed: marked rise in revenue and moderate increase in the EBIT margin before exceptional items expected for 2017 as a whole

# BUSINESS PERFORMANCE IN THE DEUTZ GROUP

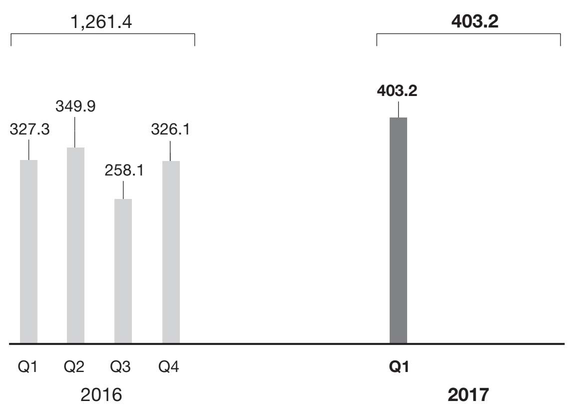
## NEW ORDERS

**Increase in new orders** In the first quarter of 2017, DEUTZ took new orders worth €403.2 million. This was 23.2 per cent more than in the first quarter of 2016 and 23.6 per cent more than in the fourth quarter of 2016. All application segments saw a year-on-year rise. The increase in the service business was 15.9 per cent.

As at 31 March 2017, orders on hand stood at €238.8 million, up by 10.9 per cent on 31 March 2016 and 25.0 per cent higher than at the end of 2016.

**DEUTZ Group: New orders by quarter**

€ million

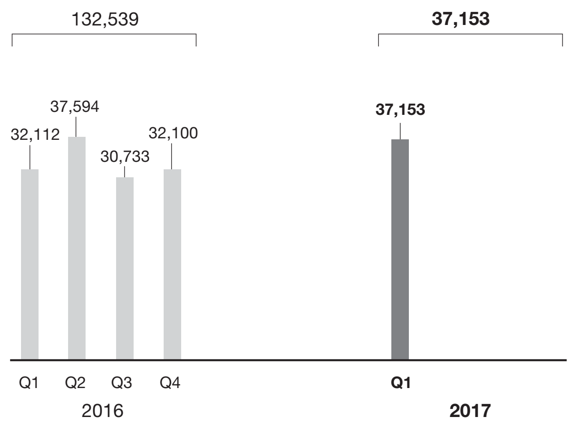



## UNIT SALES

**Higher engine sales** DEUTZ sold 37,153 engines in the first three months of 2017, which was 15.7 per cent more than in the prior-year period. This also represented an increase of 15.7 per cent compared with the fourth quarter of 2016. Unit sales in our largest market, EMEA (Europe, Middle East and Africa), climbed by 24.4 per cent year on year to 26,124 engines. In the Asia-Pacific region, 3,245 engines were sold, which was up by 28.1 per cent on the first quarter of 2016. However, unit sales fell by 9.2 per cent to 7,784 engines in the Americas region.

**DEUTZ Group: Consolidated unit sales by quarter**

units

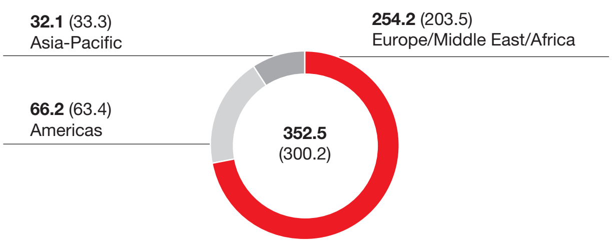



# RESULTS OF OPERATIONS

## REVENUE

**DEUTZ Group: Revenue by region**

€ million (2016 figures)

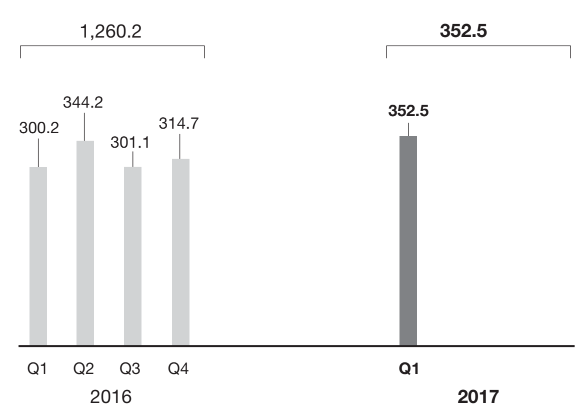



**Revenue growth achieved** Revenue amounted to €352.5 million in the first three months of 2017, an increase of 17.4 per cent year on year and 12.0 per cent above the figure for the previous quarter (Q4 2016: €314.7 million). This positive trend was primarily due to the improved market environment and to European customers having largely used up their inventories.

In our biggest region, EMEA, revenue rose by 24.9 per cent year on year to €254.2 million. Despite a reduction in unit sales, revenue in the Americas region advanced by 4.4 per cent to €66.2 million. By contrast, the Asia-Pacific region's revenue dropped by 3.6 per cent to €32.1 million as the figure for the prior-year period had included licensing income. The breakdown by application segment also reveals a mixed picture. Revenue rose by 36.1 per cent in the Construction Equipment application segment, 35.9 per cent in the Material Handling application segment and 16.1 per cent in the Agricultural Machinery application segment. The service business also saw its revenue go up, by 12.3 per cent. By contrast, the Automotive and Stationary Equipment application segments reported decreases of 18.2 per cent and 3.5 per cent respectively.

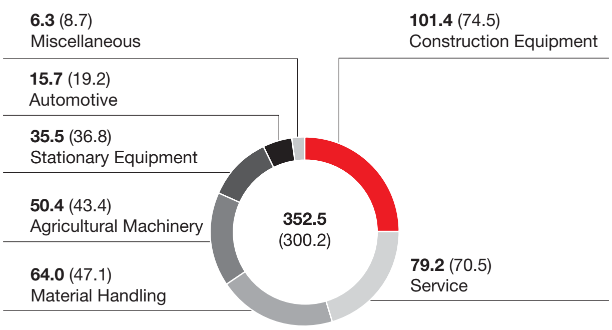
**DEUTZ Group: Revenue by quarter**

€ million




**DEUTZ Group: Revenue by application segment**

€ million (2016 figures)




## EARNINGS

Operating profit before depreciation and amortisation (EBITDA before exceptional items) came to €28.7 million in the first quarter of this year, a small year-on-year decline of €2.6 million (Q1 2016: €31.3 million). The figure for the prior-year period had been significantly boosted by a contribution to profits of €5.5 million from a licensing transaction. As a result, the EBITDA margin (before exceptional items) narrowed from 10.4 per cent in the first three months of last year to 8.1 per cent in the quarter under review.

Operating profit after depreciation and amortisation (EBIT before exceptional items) amounted to €7.6 million in the first quarter of 2017 (Q1 2016: €7.3 million). This was a modest year-on-year rise of €0.3 million. The aforementioned income from the licensing transaction in the first quarter of last year, which was not repeated in the reporting period, was thus more than offset by the marked increase in the volume of business and the reduction in the depreciation of property, plant and equipment and in the amortisation of intangible assets. Against this backdrop, there was a very encouraging increase in EBIT before exceptional items in the first quarter of this year. EBIT improved by €3.9 million compared with the previous quarter (Q4 2016: €3.7 million), mainly due to the increase in business volume. The EBIT margin (before exceptional items) was 2.2 per cent in the first three months of 2017 (Q1 2016: 2.4 per cent; Q4 2016: 1.2 per cent).

Operating profit after exceptional items (EBIT) advanced by €10.3 million to €17.6 million in the quarter under review (Q1 2016: €7.3 million). The exceptional items of €10.0 million relate to the disposal of the building lease of our subsidiary Ad. Strüver KG for a plot of land that was no longer being used for production purposes. There had been no exceptional items in the prior-year period.

The cost of sales came to €290.9 million in the first three months of 2017 (Q1 2016: €241.5 million). This change was primarily attributable to the increased cost of materials resulting from the larger volume of business. The gross margin[1)] narrowed from 19.6 per cent in the first quarter of 2016 to 17.5 per cent in the reporting period. The reduction in the gross margin was predominantly related to the licensing income and more favourable product mix in the first quarter of last year.

Other operating income was up by €9.9 million to €13.5 million in the first three months of this year (Q1 2016: €3.6 million). This rise was mainly caused by the disposal of the building lease of our subsidiary Ad. Strüver KG for a plot of land that was no longer being used for production purposes.

Other operating expenses were down by €3.9 million compared with the first three months of last year (Q1 2017: €4.9 million; Q1 2016: €8.8 million). This was primarily the result of reduced additions to other provisions and smaller losses on the translation of foreign currency positions.

Income taxes amounted to €1.4 million in the first quarter of this year (Q1 2016: tax income of €2.3 million). Current income tax expenses of €3.0 million (Q1 2016: €3.4 million) were partly offset by deferred tax income of €1.6 million (Q1 2016: €5.7 million). This deferred tax income resulted mainly from the reversal of deferred tax liabilities in connection with development expenditure. In the quarter under review, amortisation charges relating

[1)] Gross margin: ratio of revenue less cost of sales to revenue (excluding amortisation relating to capitalised development expenditure).

to capitalised development expenditure were higher than the additions, which led to a decrease in capitalised development expenditure. Whereas development expenditure is capitalised under IFRS, this is not the case for tax purposes.

As a result of the increase in operating profit (EBIT), net income improved substantially in the first three months of this year, rising by €6.7 million to €15.4 million (Q1 2016: €8.7 million). This resulted in earnings per share of €0.13 (Q1 2016: €0.08).

## BUSINESS PERFORMANCE IN THE SEGMENTS

### BUSINESS PERFORMANCE IN THE DEUTZ COMPACT ENGINES (DCE) SEGMENT

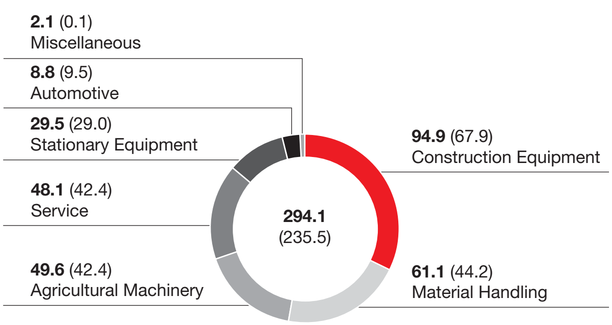
**Significant expansion of business in the DCE segment** In the first three months of 2017, the DEUTZ Compact Engines (DCE) segment took new orders worth €326.3 million. This was 25.8 per cent more than in the first quarter of 2016 and 21.8 per cent more than in the fourth quarter of last year (€267.9 million). As at the balance sheet date, orders on hand stood at €175.0 million, up by 11.0 per cent on the figure reported as at 31 March 2016 (€157.7 million) and up by 20.3 per cent compared with 31 December 2016 (€145.5 million). At 35,321 engines, unit sales in the DCE segment were 18.6 per cent higher than they had been a year earlier and 18.3 per cent higher than in the previous quarter (Q4 2016: 29,869 engines). Revenue rose by 24.9 per cent year on year to €294.1 million, which was also an increase of 17.1 per cent compared with the fourth quarter of last year (Q4 2016: €251.1 million). The DCE segment reported an operating profit of €1.5 million in the first quarter of 2017 (Q1 2016: loss of €2.3 million; Q4 2016: loss of €0.2 million). The increased volume of business was the primary reason for the rise of €3.8 million compared with the first quarter of 2016. However, there was also a rise in research and development expenditure and, as a result of the growth in business volume, larger additions to provisions for warranty costs.

**DEUTZ Compact Engines**

| | **1–3/2017** | 1–3/2016 |
|---|---|---|
| New orders (€ million) | 326.3 | 259.4 |
| Unit sales (units) | 35,321 | 29,770 |
| Revenue (€ million) | 294.1 | 235.5 |
| EBIT (€ million) | 1.5 | –2.3 |

**DEUTZ Compact Engines: Revenue by application segment**

€ million (2016 figures)




### BUSINESS PERFORMANCE IN THE DEUTZ CUSTOMISED SOLUTIONS (DCS) SEGMENT

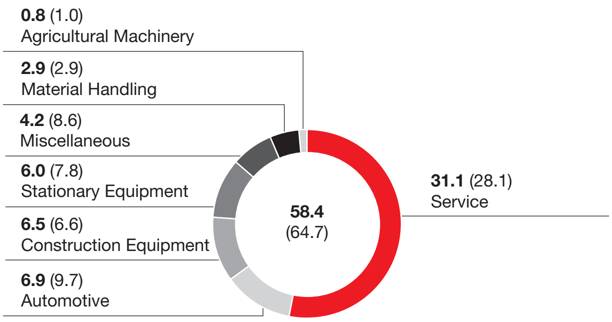
**Stronger orders than in Q1 2017** In the reporting period, the DEUTZ Customised Solutions (DCS) segment received new orders worth €76.9 million, a year-on-year increase of 13.3 per cent. This also represented a rise of 32.1 per cent compared with the previous quarter (Q4 2016: €58.2 million). As at 31 March 2017, orders on hand stood at €63.8 million, which was 10.8 per cent higher than at 31 March 2016 and 40.2 per cent more than the figure of €45.5 million at the end of 2016. The DCS segment sold 1,832 engines, down by 21.8 per cent compared with the first quarter of last year and down by 17.9 per cent compared with the fourth quarter of last year (Q4 2016: 2,231 engines). Thanks to the positive performance of the service business, however, revenue in the DCS segment declined by just 9.7 per cent to €58.4 million. This represented a decrease of 8.2 per cent compared with the previous quarter (Q4 2016: €63.6 million). In the first three months of the year, operating profit came to €6.4 million (Q1 2016: €10.2 million). The reduction compared with the first three months of last year was €3.8 million and was predominantly due to operating profit in the prior-year period being boosted by licensing income of €5.5 million.

**DEUTZ Customised Solutions**

| | **1–3/2017** | 1–3/2016 |
|---|---|---|
| New orders (€ million) | 76.9 | 67.9 |
| Unit sales (units) | 1,832 | 2,342 |
| Revenue (€ million) | 58.4 | 64.7 |
| EBIT (€ million) | 6.4 | 10.2 |

**DEUTZ Customised Solutions: Revenue by application segment**

€ million (2016 figures)




## OTHER

In the first three months of the year, the operating loss (before exceptional items) reported by the Other segment came to €0.3 million (Q1 2016: loss of €0.6 million). After exceptional items, the segment achieved an operating profit of €9.7 million (Q1 2016: loss of €0.6 million) due to the disposal of the building lease of our subsidiary Ad. Strüver KG.

# FINANCIAL POSITION

## CASH FLOW

Cash flow from operating activities amounted to €56.2 million in the first quarter of 2017. This constituted a very significant year-on-year improvement of €64.2 million compared with the first three months of last year (Q1 2016: outflow of €8.0 million). The main reasons for this change were the sale of the building lease, the overall increase in the volume of business and, in particular, the reduction in working capital in the reporting quarter. By contrast, working capital had risen sharply in the first quarter of 2016.

The net cash used for investing activities in the first quarter of 2017 came to €15.6 million, a decrease of €4.3 million on the first three months of last year (Q1 2016: €19.9 million). This reduction was mainly the result of a decline in capital expenditure on property, plant and equipment.

Financing activities resulted in a net cash outflow of €6.2 million in the first quarter of 2017 (Q1 2016: €4.6 million). As in the prior-year period, the outflow was predominantly due to the scheduled repayment of loans. The outflow also included a payment to the non-controlling interests in the subsidiary DEUTZ-Mülheim Grundstücksgesellschaft mbH. This payment was made in order to acquire further shares in the subsidiary.

Consequently, cash and cash equivalents had gone up by €34.5 million to €126.3 million as at 31 March 2017 (31 December 2016: €91.8 million). The net financial position[1] also improved in the first quarter, rising by €38.4 million to €70.0 million as at the balance sheet date (31 December 2016: €31.6 million).

As a result of the increase in cash flow from operating activities, free cash flow[2] rose by a substantial €68.6 million to €39.7 million (Q1 2016: minus €28.9 million). Looking at the past twelve months, free cash flow was in fact €73.3 million.

# NET ASSETS

Non-current assets totalled €549.7 million as at 31 March 2017 (31 December 2016: €563.6 million). This slight decrease was largely due to a reduction in property, plant and equipment and in intangible assets, with additions more than offset by depreciation and amortisation charges. The carrying amounts of the land and buildings at the Cologne-Deutz site have been classified as held for sale due to the successfully completed relocation to Cologne-Porz at the start of 2017 and the management's decision to enter into negotiations to sell the site. This meant that non-current assets classified as held for sale had risen by €4.0 million to €4.4 million at the balance sheet date (31 December 2016: €0.4 million).

Current assets amounted to €546.9 million as at 31 March 2017. The increase of €51.2 million compared with the end of last year (31 December 2016: €495.7 million) was caused by the far higher level of cash and cash equivalents and by the reporting date-related and volume-related increase in trade receivables.

Despite increased trade receivables, working capital[3] went down by €7.2 million to €197.1 million as at 31 March 2017 (31 December 2016: €204.3 million) as a consequence of the growth in trade payables. Accordingly, the working capital ratio[4] had fallen from 16.2 per cent as at 31 December 2016 to 15.0 per cent as at 31 March 2017. The average working capital ratio[5] was also lower than at the end of 2016 at 16.5 per cent (31 December 2016: 17.9 per cent).

[1] Net financial position: cash and cash equivalents less current and non-current interest-bearing financial debt.
[2] Free cash flow: cash flow from operating and investing activities less interest expense.
[3] Inventories plus trade receivables minus trade payables.
[4] Working capital as at the balance sheet date divided by revenue for the previous twelve months.
[5] Average working capital at the four quarterly reporting dates divided by revenue for the previous twelve months.

Non-current liabilities decreased to €255.8 million (31 December 2016: €265.0 million) due, in particular, to lower provisions for pensions and other post-retirement benefits – in turn caused by ongoing pension payments and higher discount rates – and to a reduction in financial debt.

By contrast, current liabilities had advanced by €34.4 million to €338.0 million as at 31 March 2017 (31 December 2016: €303.6 million). The reason for this growth was the rise in trade payables. This was attributable, above all, to the increased volume of raw materials and consumables ordered as a result of the rise in manufacturing output in the reporting quarter.

Total assets had grown to €1,101.0 million as at 31 March 2017 (31 December 2016: €1,059.7 million).

## RESEARCH AND DEVELOPMENT

**R&D spending stepped up as planned** Research and development expenditure totalled €16.9 million in the first three months of 2017, an increase of more than a half compared with the prior-year period (Q1 2016: €10.8 million). Factoring in reimbursements from key customers and development partners, spending on research and development came to €16.5 million, which was 63.4 per cent more than in the corresponding period of 2016. The increase was due to the planned expansion of our engine portfolio. At 4.7 per cent, the R&D ratio (after deducting grants) – the ratio of net R&D spending to consolidated revenue – was thus higher than the comparable prior-year figure (Q1 2016: 3.4 per cent).

**Research and development**

| | 1–3/2017 | 1–3/2016 |
|---|---|---|
| R&D expenditure (after deducting grants, € million) | 16.5 | 10.1 |
| thereof DCE (€ million) | 16.0 | 9.6 |
| thereof DCS (€ million) | 0.5 | 0.5 |
| R&D ratio (as a percentage of revenue) | 4.7 | 3.4 |

## EMPLOYEES

**Slight year-on-year decrease in the number of employees** The DEUTZ Group employed 3,675 people as at 31 March 2017, which was 24 fewer than a year earlier. Compared with the end of last year (31 December 2016: 3,665 employees), the workforce had grown by ten people. The number of contract workers rose from 229 at the end of 2016 to 318 as at 31 March 2017. This represents an increase of 136 contract workers compared with the end of last year (31 December 2016: 182 contract workers). Hiring temporary workers enables us to respond flexibly to fluctuations in demand in a fast-moving market environment while continuing to grow profitably. Overall, 76.8 per cent of all employees were based in Germany as at 31 March 2017 (31 March 2016: 77.5 per cent) and 23.2 per cent in other countries (31 March 2016: 22.5 per cent).

**Employees**

Headcount

| | 1–3/2017 | 1–3/2016 |
|---|---|---|
| Cologne | 2,193 | 2,237 |
| Ulm | 414 | 408 |
| Other | 215 | 222 |
| **In Germany** | **2,822** | **2,867** |
| Outside Germany | 853 | 832 |
| **Total** | **3,675** | **3,699** |

## DISPOSAL OF THE COLOGNE-DEUTZ SITE

On 3 May 2017, DEUTZ AG sold the land occupied by its former Cologne-Deutz site to a real-estate project developer. The premises in Cologne-Deutz, which cover an area of around 160,000 square metres, are no longer required following the site's relocation to Cologne-Porz. The intention is to redevelop this former industrial site, which is close to the Rhine, to create a new city district with a high proportion of housing.

## OUTLOOK

**Forecast confirmed** We anticipate that business conditions will largely stagnate in 2017, or perhaps be slightly better. However, we see indications in the market of a possible improvement. Many European customers used up much of their inventories last year, resulting in a noticeable year-on-year increase in our business. Moreover, production for a number of projects with new customers is still being ramped up, which should have a beneficial impact on revenue growth.

We therefore continue to anticipate a marked rise in revenue for 2017 overall. This increase will be fuelled by the DCE segment, whereas we expect the DCS segment's revenue to decrease slightly. We expect the EBIT margin before exceptional items to increase moderately year on year.

## OUTLOOK / EXCEPTIONAL ITEMS

DEUTZ expects to receive a sum of around €125 million as purchase consideration for the sale of the Cologne-Deutz site this year. Depending on completion of the ongoing planning process, DEUTZ anticipates a further, final instalment of the purchase consideration in the coming years. The exact amount is not yet known and, provided the planning application is successful, will reach into the mid double-digit million euros. In the current year DEUTZ expects this transaction to deliver a positive contribution to earnings in the high double-digit million euros (after taxes) that will be recognised as an exceptional item.

In addition, the disposal of a building lease generated a further €10 million in operating profit in the first quarter of 2017 that was also recognised as a positive exceptional item.

# FINANCIAL INFORMATION 1ST QUARTER OF 2017

## INCOME STATEMENT FOR THE DEUTZ GROUP

€ million

| | 1–3/2017 | 1–3/2016 |
|---|---|---|
| **Revenue** | **352.5** | **300.2** |
| Cost of sales | –290.9 | –241.5 |
| Research and development costs | –23.2 | –19.2 |
| Selling expenses | –18.5 | –17.3 |
| General and administrative expenses | –10.2 | –8.8 |
| Other operating income | 13.5 | 3.6 |
| Other operating expenses | –4.9 | –8.8 |
| Profit/loss on equity-accounted investments | –0.7 | –0.9 |
| **EBIT** | **17.6** | **7.3** |
| **thereof exceptional items** | **10.0** | **0.0** |
| **thereof operating profit (EBIT before exceptional items)** | **7.6** | **7.3** |
| Interest expenses, net | –0.8 | –0.9 |
| thereof finance costs | –0.9 | –1.0 |
| **Net income before income taxes** | **16.8** | **6.4** |
| Income taxes | –1.4 | 2.3 |
| **Net income** | **15.4** | **8.7** |
| thereof attributable to shareholders of DEUTZ AG | 15.4 | 9.2 |
| thereof attributable to non-controlling interests | – | –0.5 |
| **Earnings per share (basic/diluted, €)** | **0.13** | **0.08** |

## STATEMENT OF COMPREHENSIVE INCOME FOR THE DEUTZ GROUP

€ million

| | 1–3/2017 | 1–3/2016 |
|---|---|---|
| **Net income** | **15.4** | **8.7** |
| **Amounts that will not be reclassified to the income statement in the future** | **1.3** | **–6.8** |
| Remeasurements of defined benefit plans | 1.3 | –6.8 |
| **Amounts that will be reclassified to the income statement in the future if specific conditions are met** | **0.7** | **–2.1** |
| Currency translation differences | –0.3 | –3.5 |
| *thereof profit/loss on equity-accounted investments* | *–0.2* | *–1.7* |
| Effective portion of change in fair value from cash flow hedges | 0.9 | 1.4 |
| Change in fair value of available-for-sale financial instruments | 0.1 | – |
| **Other comprehensive income, net of tax** | **2.0** | **–8.9** |
| **Comprehensive income** | **17.4** | **–0.2** |
| thereof attributable to shareholders of DEUTZ AG | 17.4 | 0.5 |
| thereof attributable to non-controlling interests | – | –0.7 |

## BALANCE SHEET FOR THE DEUTZ GROUP

€ million

| Assets | 31 Mar 2017 | 31 Dec 2016 |
|---|---|---|
| Property, plant and equipment | 278.5 | 286.0 |
| Intangible assets | 142.9 | 148.5 |
| Equity-accounted investments | 40.7 | 41.7 |
| Other financial assets | 7.5 | 7.5 |
| Non-current assets (before deferred tax assets) | 469.6 | 483.7 |
| Deferred tax assets | 80.1 | 79.9 |
| **Non-current assets** | **549.7** | **563.6** |
| Inventories | 254.2 | 253.1 |
| Trade receivables | 135.7 | 113.5 |
| Other receivables and assets | 30.7 | 37.3 |
| Cash and cash equivalents | 126.3 | 91.8 |
| **Current assets** | **546.9** | **495.7** |
| Non-current assets classified as held for sale | 4.4 | 0.4 |
| **Total assets** | **1,101.0** | **1,059.7** |

| Equity and liabilities | 31 Mar 2017 | 31 Dec 2016 |
|---|---|---|
| Issued capital | 309.0 | 309.0 |
| Additional paid-in capital | 28.8 | 28.8 |
| Other reserves | 17.8 | 17.1 |
| Retained earnings and accumulated income | 151.6 | 136.2 |
| **Equity attributable to shareholders of DEUTZ AG** | **507.2** | **491.1** |
| Non-controlling interests | – | – |
| **Equity** | **507.2** | **491.1** |
| Provisions for pensions and other post-retirement benefits | 171.2 | 175.9 |
| Deferred tax liabilities | 0.1 | 0.4 |
| Other provisions | 39.1 | 38.4 |
| Financial debt | 40.2 | 44.0 |
| Other liabilities | 5.2 | 6.3 |
| **Non-current liabilities** | **255.8** | **265.0** |
| Provisions for pensions and other post-retirement benefits | 14.1 | 14.1 |
| Provision for current income taxes | 4.5 | 4.1 |
| Other provisions | 59.7 | 55.9 |
| Financial debt | 16.1 | 16.2 |
| Trade payables | 192.8 | 162.3 |
| Other liabilities | 50.8 | 51.0 |
| **Current liabilities** | **338.0** | **303.6** |
| **Total equity and liabilities** | **1,101.0** | **1,059.7** |

## CASH FLOW STATEMENT FOR THE DEUTZ GROUP

€ million

| | 1–3/2017 | 1–3/2016 |
|---|---|---|
| **EBIT** | **17.6** | **7.3** |
| Income taxes paid | –2.0 | 1.2 |
| Depreciation, amortisation and impairment of non-current assets | 21.1 | 24.0 |
| Gains/losses on the sale of non-current assets | – | 0.3 |
| Profit/loss on equity-accounted investments | 0.7 | 0.9 |
| Other non-cash income and expenses | 0.1 | – |
| Change in working capital | 9.7 | –45.7 |
| Change in inventories | –1.9 | –24.7 |
| Change in trade receivables | –22.7 | –23.4 |
| Change in trade payables | 34.3 | 2.4 |
| Change in other receivables and other current assets | 6.3 | –4.4 |
| Change in provisions and other liabilities (excluding financial liabilities) | 2.7 | 8.4 |
| **Cash flow from operating activities** | **56.2** | **–8.0** |
| | | |
| Capital expenditure on intangible assets, property, plant and equipment | –16.0 | –19.8 |
| Capital expenditure on investments | – | –0.1 |
| Proceeds from the sale of non-current assets | 0.4 | – |
| **Cash flow from investing activities** | **–15.6** | **–19.9** |
| | | |
| Interest income | – | 0.1 |
| Interest expense | –0.9 | –1.1 |
| Repayment of capital contributions to non-controlling interests | –1.3 | – |
| Repayments of loans | –4.0 | –3.6 |
| **Cash flow from financing activities** | **–6.2** | **–4.6** |
| | | |
| Cash flow from operating activities | 56.2 | –8.0 |
| Cash flow from investing activities | –15.6 | –19.9 |
| Cash flow from financing activities | –6.2 | –4.6 |
| **Change in cash and cash equivalents** | **34.4** | **–32.5** |
| | | |
| **Cash and cash equivalents at 1 Jan** | **91.8** | **112.5** |
| Change in cash and cash equivalents | 34.4 | –32.5 |
| Change in cash and cash equivalents related to exchange rates | 0.1 | –0.3 |
| **Cash and cash equivalents at 31 Mar** | **126.3** | **79.7** |

# FINANCIAL CALENDAR

| 2017 | |
|---|---|
| 3 August 2017 | Interim report for the first half of 2017<br>Conference call with analysts and investors |
| 7 November 2017 | Interim management statement for the first to third quarter of 2017<br>Conference call with analysts and investors |

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# CREDITS

**Published by**
DEUTZ AG
51057 Cologne, Germany

**Concept and layout**
Kirchhoff Consult AG
Hamburg, Germany

This interim management statement is also available in German. It is only available in digital form. This interim management statement was published on 9 May 2017.