INTERIM MANAGEMENT STATEMENT

1st to 3rd quarter of 2018

The engine company. DEUTZ

FIRST TO THIRD QUARTER AT A GLANCE

DEUTZ Group: Overview

€ million

	7–9/2018	7–9/2017[5]	**1–9/2018**	1–9/2017[5]
New orders	452.2	370.8	1,548.7	1,173.8
Unit sales (units)	51,303	38,680	156,504	118,279
Revenue	419.7	358.7	1,297.3	1,093.2
EBITDA	31.2	21.8	104.9	89.5
EBITDA before exceptional items	31.2	25.8	104.9	89.4
EBIT	12.5	1.0	45.9	26.8
EBIT before exceptional items	12.5	5.0	45.9	26.7
EBIT margin (%)	3.0	0.3	3.5	2.5
EBIT margin before exceptional items (%)	3.0	1.4	3.5	2.4
Net income	10.3	1.5	35.6	20.2
Earnings per share (€)	0.08	0.02	0.29	0.17
Total assets	1,215.3	1,113.6	1,215.3	1,113.6
Non-current assets	490.6	464.4	490.6	464.4
Equity	601.4	499.1	601.4	499.1
Equity ratio (%)	49.5	44.8	49.5	44.8
Cash flow from operating activities	32.3	11.2	55.5	96.4
Free cash flow[1]	11.3	20.6	-0.8	74.4
Net financial position[2]	78.8	95.0	78.8	95.0
Working capital[3]	296.3	190.7	296.3	190.7
Working capital ratio (30 Sep, %)[4]	17.6	13.5	17.6	13.5
Capital expenditure (excl. capitalisation of R&D, after deducting grants)	16.1	23.2	40.3	41.5
Depreciation and amortisation	18.7	20.8	59.0	62.7
Research and development expenditure (after deducting grants)	21.4	15.3	59.1	46.3
thereof capitalised	5.2	2.9	13.4	10.0
Employees (number at 30 Sep)	4,560	3,835	4,560	3,835

[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 less 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.
[5] Adjusted as a result of the write-downs on the DEUTZ Dalian joint venture.

DEUTZ Group: Segments

€ million

	7–9/2018	7–9/2017[5]	**1–9/2018**	1–9/2017[5]
New orders				
DEUTZ Compact Engines	381.8	307.7	1,312.2	969.3
DEUTZ Customised Solutions	63.7	63.1	214.8	204.5
Other	6.7	–	21.7	–
Total	**452.2**	**370.8**	**1,548.7**	**1,173.8**
Unit sales (units)				
DEUTZ Compact Engines	46,571	36,465	141,034	111,947
DEUTZ Customised Solutions	2,100	2,215	6,493	6,332
Other	2,632	–	8,977	–
Total	**51,303**	**38,680**	**156,504**	**118,279**
Revenue				
DEUTZ Compact Engines	347.5	294.0	1,085.2	907.6
DEUTZ Customised Solutions	65.8	64.7	191.3	185.6
Other	6.4	–	20.8	–
Total	**419.7**	**358.7**	**1,297.3**	**1,093.2**
EBIT before exceptional items				
DEUTZ Compact Engines	7.5	–4.7	28.2	5.6
DEUTZ Customised Solutions	8.4	10.3	26.3	21.9
Other	–3.4	–0.6	–8.6	–0.8
Total	**12.5**	**5.0**	**45.9**	**26.7**

SUMMARY

“DEUTZ’s financial results for the first nine months of 2018 are very encouraging – despite the strike at a supplier. And our E-DEUTZ strategy, introduced in 2017, is continuing to gather momentum. Demonstrating a fully working operational system during the ELECTRIP Event Week was the best way to prove our expertise in this field,” says Chairman of the DEUTZ Board of Management, Dr Ing Frank Hiller.

- New orders up by a significant 31.9 per cent to €1,548.7 million
- Revenue rises by 18.7 per cent to €1,297.3 million
- The EBIT margin (before exceptional items) improves to 4.6 per cent after adjusting for the temporary drag on earnings resulting from DEUTZ Dalian and to 3.5 per cent before adjustment for this drag on earings (Q1–Q3 2017: 2.4 per cent)
- As expected, production suffered in the third quarter of 2018 because of the strike at a supplier, although we were largely able to contain the negative impact by adapting our production plans; intensive talks were held to ensure the resumption of a sustainable and stable supply of cast parts
- Implementation of the E-DEUTZ strategy well on track: At the ELECTRIP Event Week in September, DEUTZ demonstrated hybrid and all-electric drives in live operation; first E-DEUTZ customer project with Manitou
- As had been announced, contracts for the sale of the former DEUTZ Dalian joint venture to the former partner FAW were signed in October 2018 – the sale is expected to be completed in the fourth quarter of 2018

BUSINESS PERFORMANCE IN THE DEUTZ GROUP

NEW ORDERS

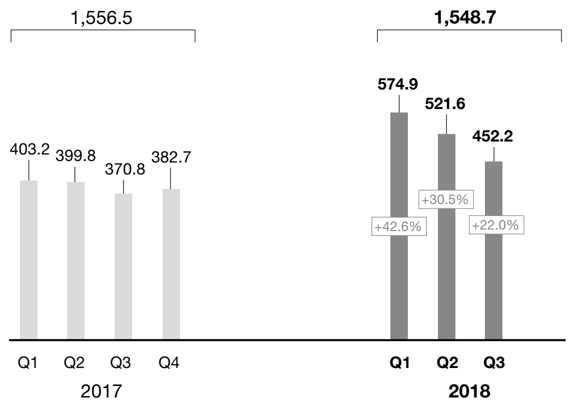
Significant rise in new orders In the first nine months of 2018, DEUTZ received new orders worth €1,548.7 million, up by 31.9 per cent on the prior-year figure (Q1–Q3 2017: €1,173.8 million). This excellent result is attributable to the favourable business environment and to customers placing their orders earlier than normal.

In the third quarter of 2018, new orders amounted to €452.2 million, which was 22.0 per cent higher than in the prior-year period (Q1–Q3 2017: €370.8 million).

Orders on hand as at 30 September 2018 totalled €518.8 million, a year-on-year increase of 95.7 per cent and an increase of 6.3 per cent on the figure as at 30 June 2018.

DEUTZ Group: New orders by quarter

€ million



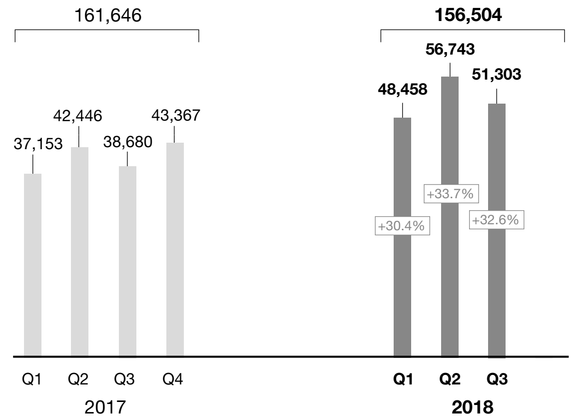
UNIT SALES

Significantly more engines sold In the first nine months of 2018, DEUTZ sold 156,504 engines, an increase of 32.3 per cent on the equivalent period of the previous year (Q1–Q3 2017: 118,279 engines). The total included 8,977 electric motors sold by the Torqeedo brand. In EMEA (Europe, Middle East and Africa), our largest market, we sold 104,502 engines, a year-on-year increase of 29.7 per cent. In the Americas and Asia-Pacific regions, unit sales were up by 44.6 per cent and 22.0 per cent respectively.

We sold 51,303 engines in the third quarter, 32.6 per cent more than in the prior-year period (Q1–Q3 2017: 38,680 engines).

DEUTZ Group: Consolidated unit sales by quarter

units

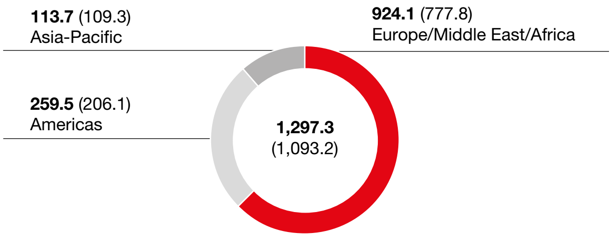


RESULTS OF OPERATIONS

REVENUE

DEUTZ Group: Revenue by region

€ million (2017 figures)

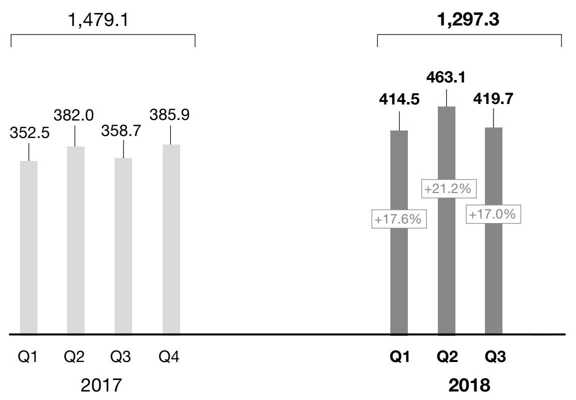


Strong revenue growth DEUTZ generated €1,297.3 million in revenue in the first three quarters of 2018, which was 18.7 per cent higher than in the corresponding period last year (Q1–Q3 2017: €1,093.2 million). All regions contributed to this excellent result. Growth was particularly strong in the Material Handling application segment (up by 32.8 per cent) and the Construction Equipment application segment (up by 21.7 per cent). Revenue in the high-margin service business rose by 5.9 per cent.

The €419.7 million in revenue generated in the third quarter of 2018 was also significantly above the figure for the prior-year period (Q3 2017: €358.7 million, increase of 17.0 per cent).

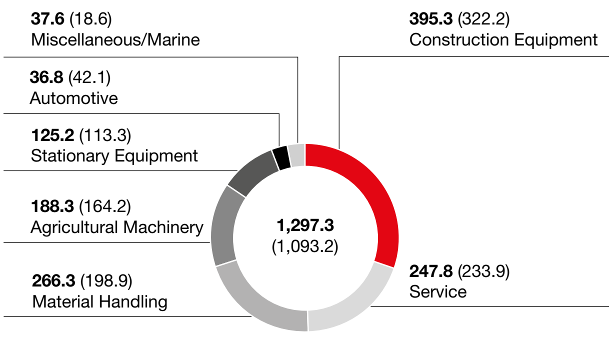
DEUTZ Group: Revenue by quarter

€ million



DEUTZ Group: Revenue by application segment

€ million (2017 figures)



EARNINGS

Overview of the DEUTZ Group's results of operations

€ million

	1–9/2018	1–9/2017 [1)]	Change (%)
Revenue	**1,297.3**	**1,093.2**	**18.7**
Cost of sales	–1,057.3	–909.9	16.2
Research and development costs	–71.5	–67.1	6.6
Selling and administrative expenses	–108.2	–84.5	28.0
Other operating income	16.5	22.9	–27.9
Other operating expenses	–17.0	–26.9	–36.8
Profit/loss on equity-accounted investments	–2.6	–0.9	188.9
Write-down on equity-accounted investments	–11.3	–	–
Operating profit (EBIT)	**45.9**	**26.8**	**71.3**
Exceptional items	–	0.1	–100.0
EBIT (before exceptional items)	**45.9**	**26.7**	**71.9**
Interest expenses, net	–1.7	–2.0	–15.0
Income taxes	–8.6	–4.6	87.0
Net income	**35.6**	**20.2**	**76.2**

[1)] Adjusted as a result of the write-downs on the DEUTZ Dalian joint venture.

Sharp rise in operating profit Operating profit (EBIT before exceptional items) for the first nine months of 2018 amounted to €45.9 million. Excluding the drag on earnings related to the DEUTZ Dalian joint venture, which is likely be fully offset in the fourth quarter as a result of the disposal of the joint venture, operating profit stood at €60.3 million (Q1–Q3 2017: €27.8 million). The figure for 2017 was revised downward by €1.1 million due to the write-down on this joint venture that was allocated to the first three quarters of that year. Operating profit thus improved at a significantly faster rate than revenue, despite the strike at our supplier Neue Halberg-Guss GmbH. This was because of the higher volume of business and the resulting economies of scale as well as positive effects from the efficiency programme. Consequently, the EBIT margin (before exceptional items) for the reporting period rose to 4.6 per cent before adjusting for the temporary drag on earnings related to DEUTZ Dalian and to 3.5 per cent after adjusting for these effects (Q1–Q3 2017: 2.4 per cent)[1)]. The EBIT margin of 3.0 per cent for the third quarter was slightly lower because of the strike at Halberg-Guss.

[1)] Figure for prior-year period adjusted.

The cost of sales rose to €1,057.3 million in the first three quarters of 2018 (Q1–Q3 2017: €909.9 million). This change was primarily attributable to the increase in the cost of materials and in staff costs resulting from the larger volume of production. The aforementioned economies of scale pushed the gross margin[1] up from 16.8 per cent in the first three quarters of 2017 to 18.5 per cent in the first three quarters of 2018.

Net income rose increased by €15.4 million year on year to reach €35.6 million (Q1–Q3 2017: €20.2 million)[2]. Earnings per share climbed to €0.29 as a result (Q1–Q3 2017: €0.17)[3].

BUSINESS PERFORMANCE IN THE SEGMENTS

BUSINESS PERFORMANCE IN THE DEUTZ COMPACT ENGINES (DCE) SEGMENT

Excellent result for the nine-month period The DEUTZ Compact Engines (DCE) segment saw significant year-on-year increases in new orders, unit sales and revenue in the first nine months of the year. Despite the strike at our supplier Neue Halberg-Guss GmbH in the third quarter of 2018 and the drag on earnings in the first half of the year resulting from the DEUTZ Dalian joint venture, operating profit in the DEUTZ Compact Engines segment rose sharply in the reporting period. This was mainly due to the much higher volume of business and improvements in efficiency.

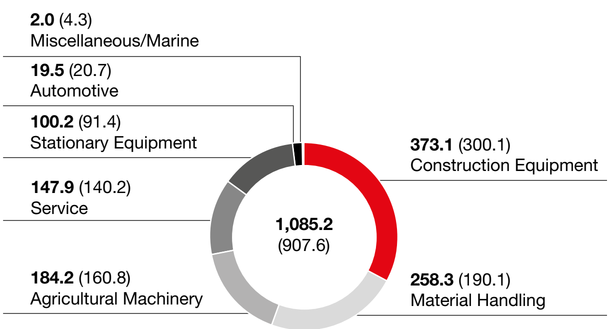
DEUTZ Compact Engines

	1–9/2018	1–9/2017 [1]	Change (%)
New orders (€ million)	1,312.2	969.3	35.4
Unit sales (units)	141,034	111,947	26.0
Revenue (€ million)	1,085.2	907.6	19.6
EBIT (€ million)	28.2	5.6	403.6

[1] Adjusted as a result of the write-downs on the DEUTZ Dalian joint venture.

DEUTZ Compact Engines: Revenue by application segment

€ million (2017 figures)



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

[2] Figure for prior-year period adjusted.

[3] Figure for prior-year period adjusted.

BUSINESS PERFORMANCE IN THE DEUTZ CUSTOMISED SOLUTIONS (DCS) SEGMENT

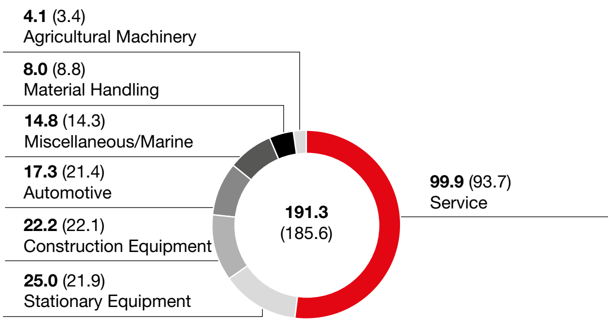
Year-on-year improvement in key figures In the DEUTZ Customised Solutions (DCS) segment, new orders, unit sales and revenue were all slightly higher than in the equivalent period of 2017. Operating profit was also up on the first three quarters of 2017. This was due to the improved product mix, the increase in the proportion of earnings generated by the high-margin service business, and efficiency gains.

DEUTZ Customised Solutions

	1–9/2018	1–9/2017	Change (%)
New orders (€ million)	214.8	204.5	5.0
Unit sales (units)	6,493	6,332	2.5
Revenue (€ million)	191.3	185.6	3.1
EBIT (€ million)	26.3	21.9	20.1

DEUTZ Customised Solutions: Revenue by application segment

€ million (2017 figures)



OTHER

The Other segment reported an operating loss of €8.6 million for the first nine months of 2018. This represented a year-on-year deterioration of €7.8 million (Q1–Q3 2017: operating loss of €0.8 million) and was mainly due to the negative impact on earnings of the €8.7 million loss reported by Torqeedo. Torqeedo has been included in the consolidated financial statements of DEUTZ AG since the fourth quarter of 2017. A negative impact on earnings had been budgeted for the reporting year.

Other

	1–9/2018	1–9/2017
New orders (€ million)	21.7	–
Unit sales (units)	8,977	–
Revenue (€ million)	20.8	–
EBIT (€ million)	–8.6	–0.8

FINANCIAL POSITION

Overview of the DEUTZ Group's financial position

€ million

	1–9/2018	1–9/2017	Change (%)
Cash flow from operating activities	55.5	96.4	–42.4
Cash flow from investing activities	–54.0	–19.7	174.1
Cash flow from financing activities	–23.7	–24.1	–1.7
Change in cash and cash equivalents	–22.2	52.6	–142.2
Free cash flow[1] from continuing operations	–0.8	74.4	–101.1
Cash and cash equivalents at 30 Sep/31 Dec	121.5	143.4	–15.3
Current and non-current interest-bearing financial debt at 30 Sep/31 Dec	42.7	48.4	–11.8
Net financial position[2] at 30 Sep/31 Dec	78.8	95.0	–17.1

[1] Free cash flow: cash flow from operating activities, before payment of compensation for vested company pension rights, and from investing activities less interest expense (continuing operations).
[2] Net financial position: cash and cash equivalents less current and non-current interest-bearing financial debt.

CASH FLOW

Working capital rose sharply in the first three quarters of 2018 due to the increase in demand and rise in inventories. Despite the higher volume of business, this caused cash flow from operating activities to decrease in comparison with the first nine months of 2017. By contrast, net cash used for investing activities was above the level reported in the first three quarters of 2017 because of the increase in payments related to capital spending on property, plant and equipment and intangible assets. Cash flow from investing activities for the prior-year period had been significantly boosted by an advance payment received in connection with the sale of the land and buildings at our former Cologne-DEUTZ site. The dividend payment of €18.1 million for the prior year, which was much higher than the amount paid out in the equivalent period of 2017, and the subsidised loan of €11.2 million taken out by our Spanish subsidiary were the main factors affecting cash flow from financing activities. Free cash flow decreased as a result of the steep decline in cash flow from operating activities and the much higher amount of net cash used for investing activities. Looking at the past twelve months, however, free cash flow remained in positive territory at €7.3 million.

The change in cash flow described above caused cash and cash equivalents and the net financial position[1] to contract in the first nine months of the year.

NET ASSETS

Overview of the DEUTZ Group's assets

€ million

	30 Sep 2018	31 Dec 2017[1]	Change (%)
Non-current assets	561.7	588.5	–4.6
Current assets	643.8	609.3	5.7
Assets classified as held for sale	9.8	0.4	2,350.0
Total assets	**1,215.3**	**1,198.2**	**1.4**
Equity	601.4	584.3	2.9
Non-current liabilities	229.2	240.4	–4.7
Current liabilities	384.7	373.5	3.0
Total equity and liabilities	**1,215.3**	**1,198.2**	**1.4**
Working capital (€ million)	296.3	222.2	33.3
Working capital ratio (30 Sep, %)	17.6	15.0	–
Working capital ratio (average, %)	15.9	13.4	–
Equity ratio (%)	49.5	48.8	–

[1] Figures for 31 December 2017 adjusted as a result of the write-downs on the DEUTZ Dalian joint venture.

RESEARCH AND DEVELOPMENT

R&D spending stepped up Expenditure on research and development after reimbursements went up from €46.3 million to €59.1 million in the first nine months of 2018, a rise of just over a quarter. This budgeted increase was attributable to the expansion of our product range.

[1] Net financial position: cash and cash equivalents less current and non-current interest-bearing financial debt.

Research and development

	1–9/2018	1–9/2017
R&D expenditure (after deducting grants, € million)	59.1	46.3
thereof DCE (€ million)	50.7	44.6
thereof DCS (€ million)	4.5	1.7
thereof Other (€ million)	3.9	–
R&D ratio (as a percentage of revenue)	4.6	4.2

EMPLOYEES

DEUTZ Group increases its headcount As at 30 September 2018, the DEUTZ Group had 4,560 employees, which was 725 people or 18.9 per cent more than one year previously. This was partly due to the higher volume of business and partly due to the acquisitions of Torqeedo and DEUTZ Italy (formerly IML Motori S.r.l.). The number of contract workers stood at 435, an increase of 34 on the figure as at 30 September 2017.

Employees

Headcount

	1–9/2018	1–9/2017	Change (%)
Cologne	2,618	2,257	16.0
Ulm	472	449	5.1
Other	275	138	99.3
In Germany	**3,365**	**2,844**	**18.3**
Outside Germany	**1,195**	**991**	**20.6**
Total	**4,560**	**3,835**	**18.9**

OPPORTUNITY AND RISK REPORT

The DEUTZ Group operates on a global basis in various market segments and application segments. Consequently, the Company is exposed to a variety of risks specific to its business and to the regions in which it operates. However, the constantly changing market environment also presents opportunities for the Company. Pages 59 to 64 of our 2017 annual report explain the structure of our risk management system and describe certain material risks and opportunities for our financial position and financial performance in 2018.

The procurement risks described in the 2017 annual report greatly increased in the second and third quarters of 2018 because of the six-week strike at our supplier Neue Halberg-Guss GmbH and the supply shortages that resulted from this. However, we were able to largely contain the impact on DEUTZ by adapting our production plans. But if the strikes are repeated or if there are any other supplier-related disruptions to deliveries, production stops at DEUTZ and at companies further down the supply chain cannot be ruled out. We are engaged in ongoing talks with Neue Halberg-Guss GmbH and our customers and we are also taking further action to minimise the extent of damage to DEUTZ and restore a sustainable and stable supply situation. Our assessment of procurement risks remains at ‘medium’ (raised from ‘low’ midway through the year) with regard to the attainment of our financial targets in 2018. We did not identify any further material risks or opportunities in the first three quarters of 2018.

OUTLOOK[1)]

DEUTZ forecast remains positive DEUTZ’s engine business is benefiting from the robust global economy and positive trends in unit sales in key application segments. Our European customers are bringing forward their spending this year ahead of the switch to the new emissions standard in the European Union on 1 January 2019 (EU Stage V). This is likely to have a positive impact on our unit sales in 2018 as a whole, which we predict will rise by a low five-digit number of engines.

On 27 July, we raised our forecast for 2018. We expect revenue to rise sharply to more than €1.6 billion. This increase will be driven mainly by the DCE segment. The EBIT margin (before exceptional items) is forecast to improve to at least 4.5 per cent.

The withdrawal from the DEUTZ Dalian joint venture is not expected to significantly impact on earnings this year.

Disclaimer

This interim management statement 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 interim management statement.

[1)] Assuming no futher supply shortage.

FINANCIAL INFORMATION 1ST TO 3RD QUARTER OF 2018

INCOME STATEMENT FOR THE DEUTZ GROUP

€ million

	7–9/2018	7–9/2017 [1]	1–9/2018	1–9/2017 [1]
Revenue	**419.7**	**358.7**	**1,297.3**	**1,093.2**
Cost of sales	–342.8	–305.2	–1,057.3	–909.9
Research and development costs	–23.7	–22.0	–71.5	–67.1
Selling expenses	–24.2	–19.1	–72.1	–56.1
General and administrative expenses	–12.9	–7.9	–36.1	–28.4
Other operating income	3.2	5.7	16.5	22.9
Other operating expenses	–6.8	–9.1	–17.0	–26.9
Profit/loss on equity-accounted investments	–	–0.1	–2.6	-0.9
Write-down on equity-accounted investments	–	–	–11.3	–
EBIT	**12.5**	**1.0**	**45.9**	**26.8**
thereof exceptional items	**–**	**–4.0**	**–**	**0.1**
thereof operating profit (EBIT before exceptional items)	**12.5**	**5.0**	**45.9**	**26.7**
Interest expenses, net	–0.7	–0.6	–1.7	–2.0
thereof finance costs	–0.7	–0.7	–1.9	–2.3
Net income before income taxes	**11.8**	**0.4**	**44.2**	**24.8**
Income taxes	–1.5	1.1	–8.6	–4.6
Net income	**10.3**	**1.5**	**35.6**	**20.2**
thereof attributable to shareholders of DEUTZ AG	10.3	1.5	35.6	20.2
thereof attributable to non-controlling interests	–	–	–	–
Earnings per share (basic/diluted, €)	**0.08**	**0.02**	**0.29**	**0.17**

STATEMENT OF COMPREHENSIVE INCOME FOR THE DEUTZ GROUP

€ million

	7–9/2018	7–9/2017 [1]	1–9/2018	1–9/2017 [1]
Net income	**10.3**	**1.5**	**35.6**	**20.2**
Amounts that will not be reclassified to the income statement in the future	**0.8**	**–0.5**	**0.3**	**1.7**
Remeasurements of defined benefit plans	0.8	–0.5	0.3	1.7
Amounts that will be reclassified to the income statement in the future if specific conditions are met	**0.2**	**–2.1**	**–0.2**	**–4.3**
Currency translation differences	–0.2	–2.3	0.6	–7.0
thereof profit/loss on equity-accounted investments	–0.2	–0.8	0.1	–2.1
Effective portion of change in fair value from cash flow hedges	0.3	0.1	–1.0	2.8
Fair value of financial instruments	0.1	0.1	0.2	–0.1
Other comprehensive income, net of tax	**1.0**	**–2.6**	**0.1**	**–2.6**
Comprehensive income	**11.3**	**–1.1**	**35.7**	**17.6**
thereof attributable to shareholders of DEUTZ AG	11.3	–1.1	35.7	17.6
thereof attributable to non-controlling interests	–	–	–	–

[1] Adjusted as a result of the write-downs on the DEUTZ Dalian joint venture.

BALANCE SHEET FOR THE DEUTZ GROUP

€ million

	30 Sep 2018	31 Dec 2017 [1)]	1 Jan 2017 [1)]
Property, plant and equipment	278.6	273.4	286.0
Intangible assets	202.8	213.2	148.5
Equity-accounted investments	2.4	25.9	28.6
Other financial assets	6.8	6.8	7.5
Non-current assets (before deferred tax assets)	**490.6**	**519.3**	**470.6**
Deferred tax assets	71.1	69.2	79.9
Non-current assets	**561.7**	**588.5**	**550.5**
Inventories	333.9	287.0	253.1
Trade receivables	154.4	142.7	113.5
Other receivables and assets	34.0	35.8	37.3
Cash and cash equivalents	121.5	143.8	91.8
Current assets	**643.8**	**609.3**	**495.7**
Non-current assets classified as held for sale	9.8	0.4	0.4
Total assets	**1,215.3**	**1,198.2**	**1,046.6**

Equity and liabilities	**30 Sep 2018**	31 Dec 2017 [1)]	1 Jan 2017 [1)]
Issued capital	309.0	309.0	309.0
Additional paid-in capital	28.8	28.8	28.8
Currency translation reserve in connection with non-current assets classified as held for sale	15.8	–	–
Other reserves	–4.3	12.1	16.5
Retained earnings and accumulated income	251.9	234.2	123.7
Equity attributable to shareholders of DEUTZ AG	**601.2**	**584.1**	**478.0**
Non-controlling interests	0.2	0.2	–
Equity	**601.4**	**584.3**	**478.0**
Provisions for pensions and other post-retirement benefits	153.9	162.9	175.9
Deferred tax liabilities	0.2	0.2	0.4
Other provisions	39.4	36.2	38.4
Financial debt	23.2	28.1	44.0
Other liabilities	12.5	13.0	6.3
Non-current liabilities	**229.2**	**240.4**	**265.0**
Provisions for pensions and other post-retirement benefits	13.5	13.5	14.1
Provision for current income taxes	16.2	18.3	4.1
Other provisions	68.6	58.4	55.9
Financial debt	19.5	17.5	16.2
Trade payables	192.0	207.5	162.3
Other liabilities	74.9	58.3	51.0
Current liabilities	**384.7**	**373.5**	**303.6**
Total equity and liabilities	**1,215.3**	**1,198.2**	**1,046.6**

[1)] Adjusted as a result of the write-downs on the DEUTZ Dalian joint venture.

CASH FLOW STATEMENT FOR THE DEUTZ GROUP

€ million

	1–9/2018	1–9/2017 [1]
EBIT	**45.3**	**26.8**
Income taxes paid	–11.6	–7.6
Depreciation, amortisation and impairment of non-current assets	59.0	62.7
Gains/losses on the sale of non-current assets	0.1	–0.1
Profit/loss and impairment on equity-accounted investments	13.9	1.2
Change in working capital	–70.8	4.2
Change in inventories	–44.8	–12.6
Change in trade receivables	–10.6	–21.6
Change in trade payables	–15.4	38.4
Change in other receivables and other current assets	1.2	2.5
Change in provisions and other liabilities (excluding financial liabilities)	18.4	6.7
Cash flow from operating activities	**55.5**	**96.4**
Capital expenditure on intangible assets, property, plant and equipment	–54.0	–40.6
Expenditure on investments	–0.1	–0.3
Proceeds from the sale of non-current assets	0.1	21.2
Cash flow from investing activities	**–54.0**	**–19.7**
Dividend payments to shareholders	–18.1	–8.5
Interest income	0.1	0.2
Interest expense	–2.4	–2.5
Repayment of capital contributions to non-controlling interests	0.0	–1.3
Cash receipts from borrowings	11.2	–
Repayments of loans	–14.5	–12.0
Cash flow from financing activities	**–23.7**	**–24.1**
Cash flow from operating activities	55.5	96.4
Cash flow from investing activities	–54.0	–19.7
Cash flow from financing activities	–23.7	–24.1
Change in cash and cash equivalents	**–22.2**	**52.6**
Cash and cash equivalents at 1 Jan	**143.8**	**91.8**
Change in cash and cash equivalents	–22.2	52.6
Change in cash and cash equivalents related to exchange rates	–0.1	–1.0
Cash and cash equivalents at 30 Sep	**121.5**	**143.4**

[1] Adjusted as a result of the write-downs on the DEUTZ Dalian joint venture.

FINANCIAL CALENDAR

2019	
14 March	Annual results press conference Analysts' meeting 2018 annual financial statements
30 April	Annual General Meeting in Cologne
7 May	Interim management statement for the first quarter of 2019 Conference call with analysts and investors
1 August	Interim report for the first half of 2019 Conference call with analysts and investors
7 November	Interim management statement for the first to third quarter of 2019 Conference call with analysts and investors

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