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### After the first quarter, MTU Aero Engines is confirming its guidance for the full year

- **Adjusted revenue up 8% in the first quarter**
- **Adjusted EBIT and adjusted net income at the prior-year level**

Munich, April 30, 2024 – MTU Aero Engines AG generated adjusted revenue<sup>1</sup> of €1.67 billion in the first quarter of 2024, an increase of 8% compared with the first quarter of 2023 (1-3/2023: €1.54 billion). Adjusted EBIT<sup>2</sup> was €218 million, compared with €212 million in the prior-year period. The adjusted EBIT margin was 13.0% (1-3/2023: 13.7%). Adjusted net income<sup>3</sup> was €158 million, which was in line with the previous year (1-3/2023: €157 million).

“MTU managed to match the record level of the first quarter of 2023, despite the challenges of the Geared Turbofan™ fleet management plan and the continued challenging supply chain situation,” reports Lars Wagner, CEO of MTU Aero Engines AG. “In view of this, we consider that we are well-positioned to achieve the ambitious targets we have set for the 2024 fiscal year.” Wagner also confirms the guidance for 2025: “Our target remains our simple formula 8 – 1 – 25: We want to generate revenue of €8 billion and an operating profit<sup>4</sup> of €1 billion in 2025.”

In the first quarter of 2024, revenue growth was driven principally by the military business and commercial maintenance.

The highest revenue growth came from the military engine business, where revenue climbed 21% from €103 million to €124 million. The main revenue generator was the EJ200 engine for the Eurofighter. “In the military engine business, we registered catch-up effects from 2023. In addition, earnings contribution from the New Generation Fighter Engine for the next generation of European fighter jets increased,” explains CFO Peter Kameritsch.

Revenue in the commercial maintenance business increased by 12% from €1.02 billion to €1.14 billion in the first three months of 2024. The most important revenue generators were the PW1100G-JM for the Airbus A320neo, the V2500 for the classic A320 family and the CF34 engine for business and regional aircraft. Kameritsch: “Supply chain problems mean longer turnaround times in maintenance. That holds back further MRO activities, so revenue growth was at the lower end of our expectations in the first three months. We are already making a strong contribution to executing the Geared Turbofan fleet management plan. We expect the availability of spare parts to improve further during the year. That should raise the Geared Turbofan’s share of MRO business above the present level of 33%.” MTU assumes a share of 40-45% over the year.

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<sup>1</sup> Revenue adjusted for the Geared Turbofan fleet management plan

<sup>2</sup> Adjusted EBIT = adjusted earnings before interest and taxes

<sup>3</sup> Adjusted net income = adjusted income after income taxes

<sup>4</sup> Adjusted EBIT = adjusted earnings before interest and taxes



In the commercial engine business, revenue totaled €433 million in the first quarter, compared with €446 million in the prior-year period. Here, the main revenue generator was the PW1100G-JM. Kameritsch explains the slight decline as follows: “The first quarter of 2023 was dominated by positive effects from the valuation of the US dollar and hedging. Moreover, the prior-year quarter was exceptionally strong in the aftermarket business.” Within the commercial engine business, series business registered organic revenue growth in the forties percentage range on a dollar basis. In the spare parts business, organic revenue decreased by approximately 5%. “In the series business, higher production rates for the Geared Turbofan, business jet engines and the GENx engine for the Dreamliner are having a positive effect – and so are spare engines,” reports Kameritsch. “In the spare parts business, the ongoing supply chain problems are prolonging maintenance throughput times, which has a negative effect on the consumption of spare parts. That is compounded by the high reference base in the first quarter of 2023.”

The order backlog was €25.42 billion at the end of the quarter, 4% higher than at year-end 2023 (December 31, 2023: €24.39 billion). The largest proportion of orders on hand was for Geared Turbofan engines for the PW1000G family – especially the PW1100G-JM – and the V2500. “The sustained high order backlog shows the high demand for our products and services. In light of the Geared Turbofan fleet management plan and the supply chain problems, what is important now is to focus on working through the orders swiftly – naturally without compromising on our high quality standards,” comments Wagner.

In the first quarter, MTU improved earnings from the commercial maintenance business: Adjusted EBIT rose by 26% to €88 million (1-3/2023: €70 million). The adjusted EBIT margin increased from 6.8% to 7.7%.

In the OEM business, adjusted EBIT was €130 million at the end of the first three months (1-3/2023: €141 million). The adjusted EBIT margin in the OEM business was 23.4%, compared with 25.8% in the first quarter of 2023.

MTU spent €80 million on research and development in the first quarter of 2024 (1-3/2023: €67 million). The focal areas of R&D were performance enhancements for the Geared Turbofan programs, technology studies for future engine generations, especially the water-enhanced turbofan and the Flying Fuel Cell™, and expanding capabilities in the area of virtual engines. Wagner: “Even in challenging times, we are not making savings affecting the future of MTU. The goal is clear: We want to – and will – contribute to cleaner aviation.”

The free cash flow was €16 million in the first quarter of 2024, compared with €93 million in the prior-year period. This reflects the high working capital requirements resulting from the high volume of work and the extended turnaround times in the commercial maintenance business. “As a liquidity cushion for



our growth plans in all business areas, we issued a promissory note last week,” reports Kameritsch. The €300 million promissory note is divided into two tranches: €161 million with a tenor of three years and €139 million with a tenor of five years.

Net capital expenditure on property, plant and equipment increased by 19% from €62 million to €74 million in the first quarter.

At the end of the quarter, MTU had 12,241 employees (December 31, 2023: 12,170 employees).

MTU is confirming its guidance for FY 2024. The company aims to report revenue of between €7.3 and €7.5 billion in 2024. All business areas should contribute to the revenue growth. Revenue from the commercial series business should increase fastest, with organic growth in the low-to-mid twenties percentage range. MTU expects the spare parts business to post organic revenue growth in the low teens percentage range. In the commercial maintenance business, organic revenue growth is expected to be in the mid-to-high teens percentage range. Revenue growth in the military business is expected to be in the low-to-mid teens percentage range. MTU predicts that the adjusted EBIT margin will be over 12% in 2024. Adjusted net income is expected to grow in line with adjusted EBIT. MTU anticipates free cash flow in the low triple-digit million euro range in 2024. This forecast is based on a US dollar/euro exchange rate of 1.10.



## MTU Aero Engines – Key data for the first quarter of 2024

(Amounts in € million)

MTU Aero Engines	As of Mar. 2023	As of Mar. 2024	Change
Revenue (reported)	1,544	1,650	+7%
Adjusted revenue*	1,544	1,675	+8%
thereof OEM business*	549	557	+2%
thereof commercial engine business*	446	433	-3%
thereof military engine business	103	124	+21%
thereof commercial maintenance	1,021	1,141	+12%
EBIT (reported)	202	188	-7%
Adjusted EBIT	212	218	+3%
thereof OEM business	141	130	-8%
thereof commercial maintenance	70	88	+26%
<i>Adjusted EBIT margin</i>	<i>13.7%</i>	<i>13.0%</i>	
<i>  in the OEM business</i>	<i>25.8%</i>	<i>23.4%</i>	
<i>  in commercial maintenance</i>	<i>6.8%</i>	<i>7.7%</i>	
Adjusted net income	157	158	+0%
Net income (reported)	134	126	-6%
Earnings per share (basic, reported)	2.47	2.35	-5%
Adjusted earnings per share	2.95	2.93	-1%
EBITDA (reported)	278	275	-1%
Adjusted EBITDA	278	294	+6%
Free cash flow	93	16	-83%
Research and development expenses	67	80	+19%
thereof company-funded	47	56	+19%
thereof customer-funded	21	24	+19%
<i>Company-funded R&amp;D expenses as stated in the income statement</i>	<i>26</i>	<i>26</i>	<i>+1%</i>
Net capital expenditure on property, plant and equipment	62	74	+19%
	<b>Dec. 31, 2023</b>	<b>Mar. 31, 2024</b>	<b>Change</b>
<b>Balance sheet key figures</b>			
Intangible assets	1,200	1,202	+0%
Cash and cash equivalents	883	854	-3%
Pension provisions	743	746	+0%
Equity	2,933	3,043	+4%
Net financial debt	631	648	+3%
Total assets and liabilities	10,204	10,371	+2%
<b>Order backlog</b>	<b>24,393</b>	<b>25,415</b>	<b>+4%</b>
<b>Employees</b>	<b>12,170</b>	<b>12,241</b>	<b>+1%</b>



### **About MTU Aero Engines**

MTU Aero Engines is Germany's leading engine manufacturer. The company is a technological leader in low-pressure turbines, high-pressure compressors, turbine center frames as well as manufacturing processes and repair techniques. In the commercial OEM business, the company plays a key role in the development, manufacturing and marketing of high-tech components together with international partners. Some 30 percent of today's active aircraft in service worldwide have MTU components on board. In the commercial maintenance sector the company ranks among the top 3 service providers for commercial aircraft engines and industrial gas turbines. The activities are combined under the roof of MTU Maintenance. In the military area, MTU Aero Engines is Germany's industrial lead company for practically all engines operated by the country's military. MTU operates a network of locations around the globe; Munich is home to its corporate headquarters.

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