



Q1 2017 Results

Conference Call with Investors and Analysts

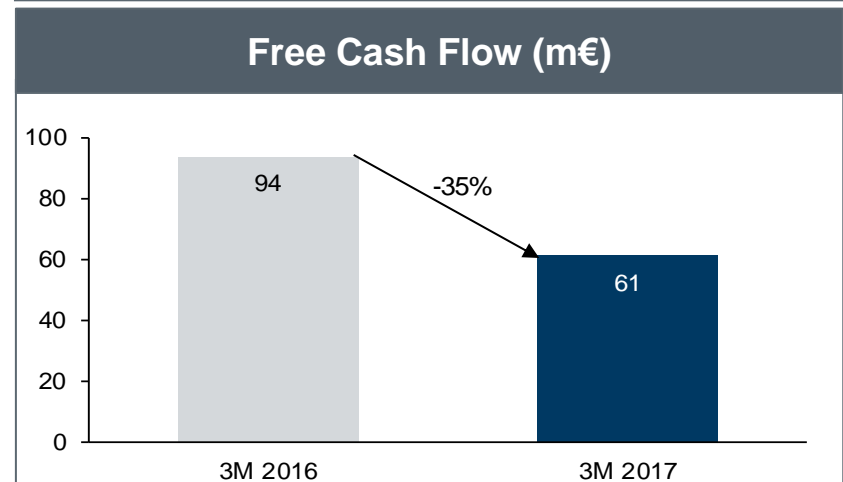
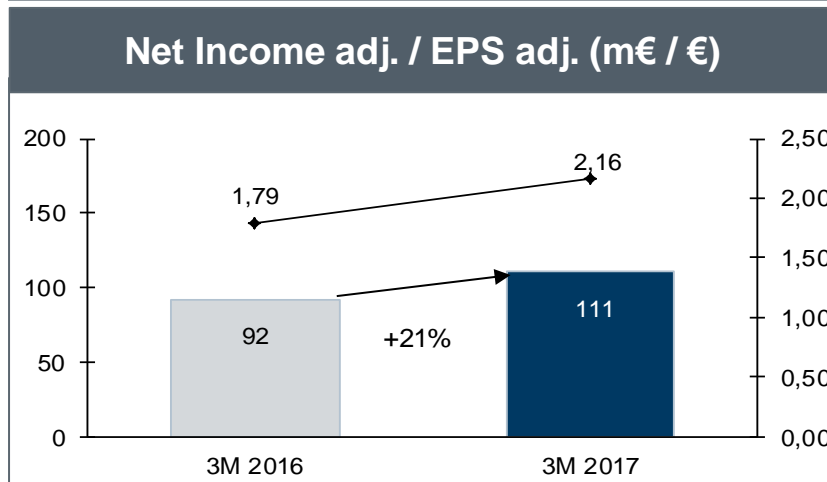
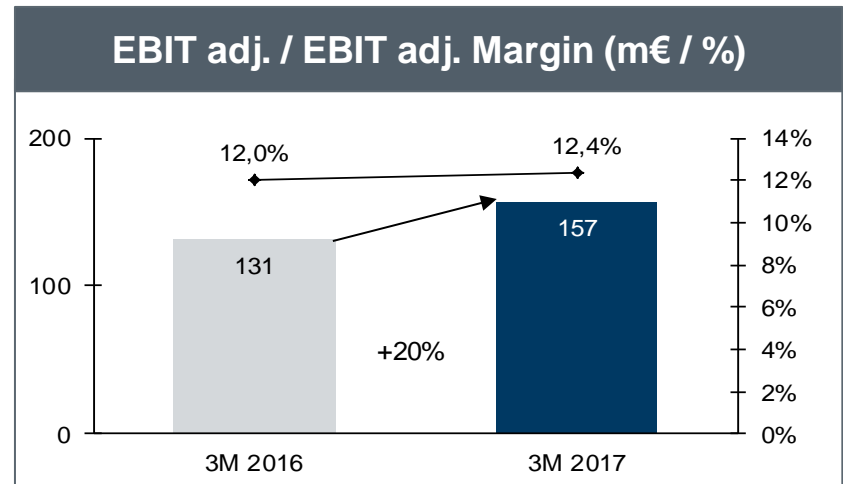
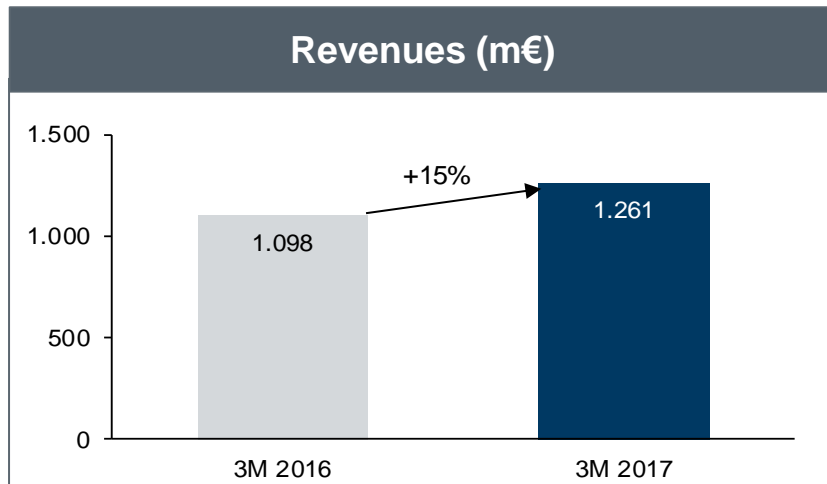
28 April 2017 – Investor Relations

Business Highlights Q1 2017



- Passenger traffic up 7% ytd in Feb. 2017
- Geared Turbofan (GTF) ramp up on track
- MRO JV with Lufthansa Technik for GTF engines signed
- Contract wins for independent MRO of 1 bn US\$
- New record quarter in terms of MRO revenues
- Guidance 2017 confirmed
- Dividend proposal of 1,90 € per share

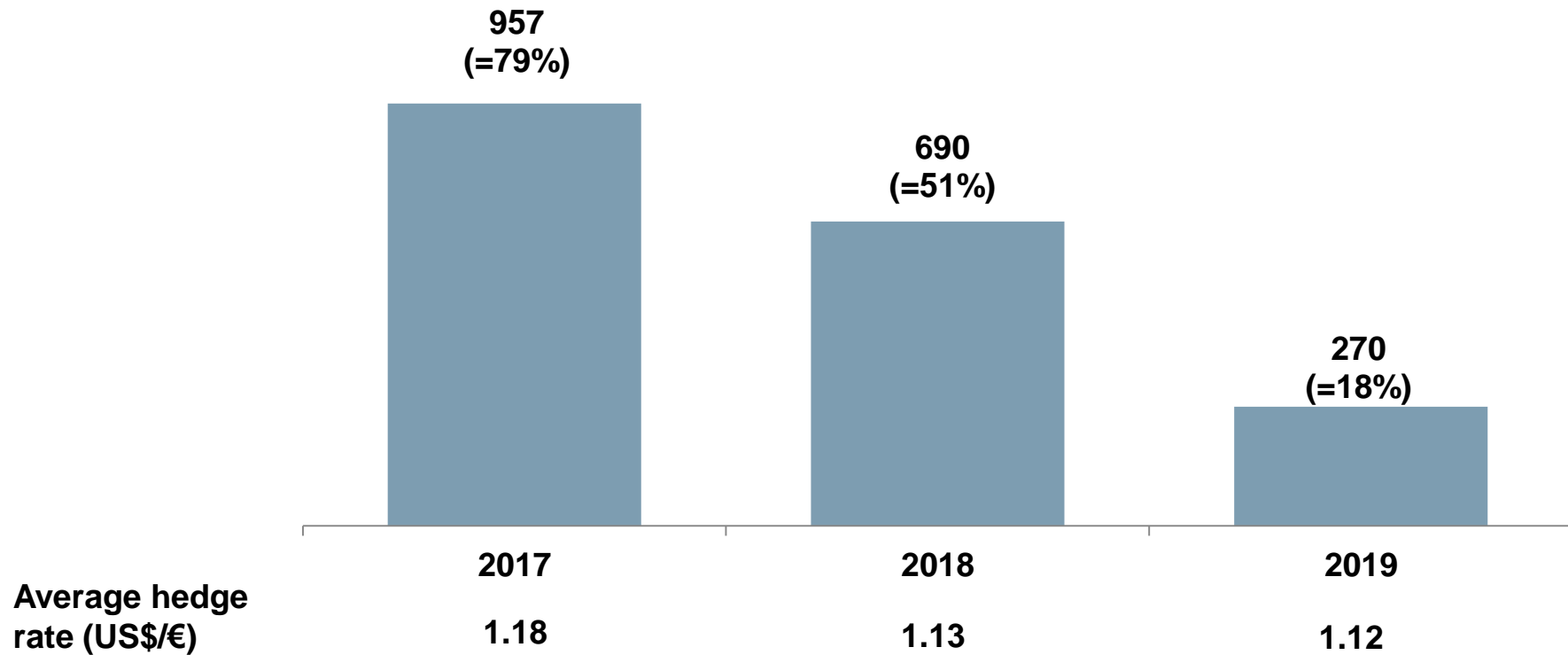
Financial Highlights Q1 2017



US\$ Exchange Rate / Hedge Portfolio

Hedge book as of April 28, 2017 (% of net exposure)

(in m US\$)



Update on PW1000G-JM engine family

- >50 A320neo equipped with PW1100G-JM engines in operation
- 10 C Series powered by PW1500G engines entered flawlessly into the market
- GTF engines performed over 150,000 flight hours
- GTF dispatch reliability over 99%
- Fuel consumption reduced by 16%, noise footprint reduced by 75%
- Strong order book of 8,000 GTF engines
- Teething issues – motor to start time and nuisance messages - solved
- Improvement of carbon oil seal certified, retrofit program has already started
- Upgrade of combustion chamber will extend on wing time in harsh environments
- Delivery of 350-400 GTF engines in 2017 confirmed
- Embraer E-jet 2nd Gen EIS 2018, MRJ EIS 2020



OEM Segment

Order book	31/12/2016	31/03/2017	Change
Order book (m€)	7.246,0	6.940,3	-4%
Commercial Business (mUS\$)	7.113,6	6.949,8	-2%
Military Business (m€)	497,5	439,7	-12%
(m€)	3M 2016	3M 2017	Change
Revenues	680,5	694,3	2%
Commercial Business	556,0	611,4	10%
Military Business	124,5	82,9	-33%
EBIT adj.	88,8	104,4	18%
<i>EBIT adj. Margin %</i>	<i>13,0%</i>	<i>15,0%</i>	

- Organic Commercial OEM US\$ revenues up low single digit
- Military revenues down 33%
- EBIT margin at 15.0%



Commercial MRO Business

(mUS\$)	31/12/2016	31/03/2017	Change
Order book	7.300,9	7.916,3	8%

(m€)	3M 2016	3M 2017	Change
Revenues	428,8	588,4	37%
EBIT adj.	42,3	52,1	23%
<i>EBIT adj. Margin %</i>	<i>9,9%</i>	<i>8,9%</i>	



- Organic revenues up 32%
- EBIT margin at 8.9%

Guidance 2017 confirmed

Military:	Down high single digit	⇩⇩
New engine Sales (Com. OE):	Up high single digit	⇩⇩
Spare parts Sales (Com. Spares):	Up mid single digit	⇩
Commercial MRO:	Up ~10%	⇩⇩
Revenues	~ 5.1 – 5.2 bn €	
Tailwind from US\$ fx-rate		
Slight headwind from business mix		
EBIT adj.	Stable margin	
Lower interest expenses & Tax rate of 29%		
Net Income adj.	Growth stronger than EBIT adj.	
CCR*	Low double digit %	

* Cash conversion rate: Free Cashflow / Net Income adj.

Appendix

Profit & Loss

(m€)	3M 2016	3M 2017	Change
Revenues	1.097,9	1.261,3	15%
Total Cost of Sales	-928,2	-1.071,2	
Gross Profit	169,7	190,1	12%
<i>Gross Profit Margin</i>	15,5%	15,1%	
R&D according to IFRS	-19,4	-15,1	
SG&A	-41,6	-43,0	
Other operating income (expense)	1,7	0,4	
P&L of companies accounted "at equity and at cost"	8,3	11,8	
EBIT reported	118,7	144,2	21%
EBIT adj.	131,3	157,0	20%
<i>EBIT adj.margin</i>	12,0%	12,4%	
Financial Result	1,1	-9,3	
Profit before tax (EBT)	119,8	134,9	13%
Taxes	-29,4	-30,5	
Net Income reported	90,4	104,4	15%
Net Income adj.	91,5	111,0	
EPS reported	1,76	2,03	
EPS adj.	1,79	2,16	

Reconciliation to adjusted Key Performance Indicators

(m€)	3M 2016	3M 2017	Change
EBIT reported	118,7	144,2	21%
Adjustment (PPA Depreciation & Amortization)	5,3	5,3	
Adjustment (IAE Upshare)	7,3	7,5	
EBIT adj.	131,3	157,0	20%
<i>Thereof P&L of companies accounted "at equity"</i>	8,3	11,7	41%
Interest Result	-1,7	-2,3	-35%
Interests for pension provisions	-4,1	-3,1	24%
EBT adj. w/o P&L "at equity"	117,2	139,9	19%
Tax rate normalized	-29,0%	-29,0%	
Taxes	-34,0	-40,6	
Net Income adj.	91,5	111,0	21%
EPS adj.	1,79	2,16	21%

Segment Revenues and EBIT adj.

(m€)	3M 2016	3M 2017	Change
Revenues Group	1.097,9	1.261,3	15%
OEM Commercial	556,0	611,4	10%
OEM Military	124,5	82,9	-33%
MRO	428,8	588,4	37%
Consolidation	-11,4	-21,4	
EBIT adj. Group	131,3	157,0	20%
OEM (Commercial / Military)	88,8	104,4	18%
MRO	42,3	52,1	23%
Consolidation	0,2	0,5	
EBIT margin adj. Group	12,0%	12,4%	
<i>OEM (Commercial / Military)</i>	<i>13,0%</i>	<i>15,0%</i>	
<i>MRO</i>	<i>9,9%</i>	<i>8,9%</i>	

Research & Development

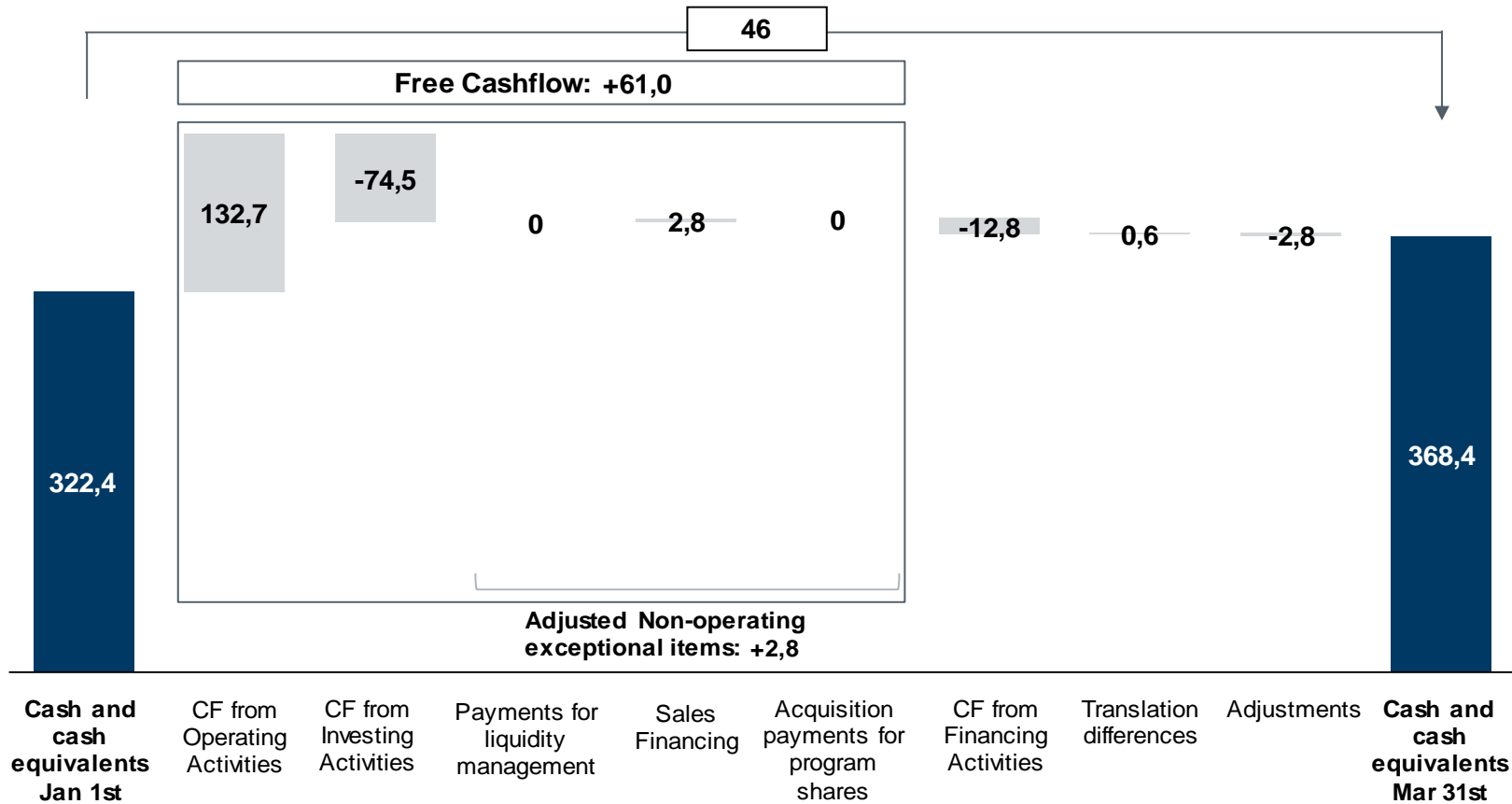
(m€)	3M 2016	3M 2017	Change
Total R&D	58,6	56,1	-4%
Customer funded R&D	-8,1	-11,2	-38%
Company expensed R&D	50,5	44,9	-11%
thereof OEM	49,3	44,0	
thereof MRO	1,2	0,9	
Capitalization of R&D	-31,1	-29,8	
thereof OEM	-31,1	-29,5	
thereof MRO	0,0	-0,3	
R&D according to IFRS (P&L)	19,4	15,1	-22%
Amortisation (COGS)	2,1	2,7	
Total R&D impact P&L	21,5	17,8	-17%

Financial Result

(m€)	3M 2016	3M 2017	Change
Interest Income	0,2	1,0	>300%
Interest Expense	-1,9	-3,3	-74%
Interest Result*	-1,7	-2,3	-35%
Financial Result on other items	2,8	-7,0	
<i>thereof interests for pension obligations*</i>	-4,1	-3,1	
<i>thereof fair value gains/losses on derivatives</i>	8,7	0,2	
Financial Result	1,1	-9,3	<-300%

*) Net Income adj. Includes interest Result and Interests for pensions obligations

MTU's Cash development January – March 2017



Cash Flow

(m€)	3M 2016	3M 2017	Change
Net Income IFRS	90,4	104,4	15%
Depreciation and amortization	45,2	48,6	
Change in provisions	69,9	31,9	
Change in Working Capital	-46,9	-33,1	
Taxes	-8,0	6,7	
Interest, derivatives, others	-23,2	-25,8	
Cash Flow from operating activities	127,4	132,7	4%
Net Investment in intangible assets	-15,7	-34,0	
Net Investment in property, plant, equipment	-20,7	-20,0	
Net Investments in financial assets	35,3	-20,5	
Cash Flow from investing activities	-1,1	-74,5	<-300%
<i>Adjustments</i>	-32,7	2,8	
Free Cash Flow	93,6	61,0	-35%
Cash Flow from financing activities	-103,4	-12,8	88%
Effect of exchange rate on cash and cash equivalents	-0,6	0,6	
Change in cash and cash equivalents	22,3	46,0	
Cash and cash equivalents at 31.03.	75,4	368,4	

Net financial debt at 832 m€

(m€)	31/12/2016	31/03/2017	Change
Bonds and notes	353,6	356,4	
Convertible bond	474,6	475,8	
Financial liabilities to bank	30,1	30,2	
<i>thereof Revolving Credit Facility</i>	0,0	0,2	
<i>thereof Note Purchase Agreement</i>	30,1	30,0	
Loans from related companies	0,0	1,7	
Finance lease liabilities	11,6	11,2	
Financial liabilities arising from program participation	492,0	473,8	
<i>thereof arising from IAE V2500 Upshare</i>	400,3	384,9	
Gross financial debt	1.361,9	1.349,1	-1%
Cash and cash equivalents	322,4	368,4	
Loans to third parties	98,6	98,9	
Loans to related companies	23,9	24,8	
Securities	25,0	25,0	
Financial assets	469,9	517,1	10%
Net financial debt	892,0	832,0	-7%

Working Capital

(m€)	31/12/2016	31/03/2017	Change	Change in %
Gross inventories	1.022,7	1.061,7	39,0	
Prepayments	-344,2	-359,7	-15,5	
Receivables	1.148,2	1.149,8	1,6	
Payables	-811,0	-803,0	8,0	
Working Capital	1.015,7	1.048,8	33,1	3%

Balance Sheet

(m€)	31/12/2016	31/03/2017	Change
Intangible Assets	2.234,2	2.272,8	
Property, Plant, Equipment	681,5	676,2	
other Non-current assets	390,7	421,5	
Total Non-Current assets	3.306,4	3.370,5	2%
Current assets	2.538,2	2.610,6	3%
Total assets	5.844,6	5.981,1	2%
Equity	1.500,5	1.649,9	10%
Non-Current Liabilities	1.963,9	1.973,4	0%
Current Liabilities	2.380,2	2.357,8	-1%
Total Equity and Liabilities	5.844,6	5.981,1	
<i>thereof Pension Provisions</i>	<i>883,3</i>	<i>884,9</i>	

PPA Depreciation / Amortization (in m€)

(in m€)	3M 2016	3M 2017
Total depreciation / amortization		
OEM	33,5	36,7
MRO	8,3	10,1
MTU total	41,8	46,8
PPA depreciation / amortization & IAE Upshare amortization (EBIT adjustments)		
PPA OEM	4,7	4,7
PPA MRO	0,6	0,6
IAE Upshare OEM	7,3	7,5
MTU total	12,6	12,8
Depreciation / amortization w/o PPA and w/o IAE Upshare		
OEM	21,5	24,5
MRO	7,7	9,5
MTU total	29,2	34,0

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