**MTU Aero Engines publishes short- and mid-term guidance at its Capital Market Day**

* **Revenue target 2022: €5.2 to €5.4 billion**
* **Adjusted EBIT should increase in the mid twenty-percent range in 2022**
* **Sustained growth in all business areas up to 2024**
* **Adjusted EBIT above the pre-crisis level by 2024**

Munich, November 18, 2021 – At its virtual Capital Market Day, MTU Aero Engines AG provided an initial outlook for 2022 and presented its mid-term growth plans. All business areas at MTU should post organic growth again in 2022. The company expects the clearest recovery from the effects of the coronavirus crisis to be in the commercial maintenance business. Moreover, in the mid-term MTU assumes an upturn in all business areas. “The parameters for a sustained recovery in aviation are intact,” said Reiner Winkler, CEO of MTU Aero Engines AG. “MTU is well-positioned to return to its growth track in 2022, secure an above-average share of the recovery in the sector and therefore exceed the 2019 level by 2024.” Chief Financial Officer Peter Kameritsch gave more details: “We are forecasting revenue of between €5.2 and €5.4
billion in 2022 and steady revenue growth up to 2024. Adjusted EBIT should increase in the mid twenty-percent range in 2022 and adjusted net income should develop in line with adjusted EBIT. By 2024, adjusted EBIT should be above the pre-crisis level. We anticipate that by then the cash conversion rate will be in the high double-digit percentage range.”

Commercial maintenance should show the strongest upward trend in 2022. MTU is forecasting organic revenue growth in the mid to high twenty-percentage range. In the period to 2024, the annual rise in revenue in the commercial maintenance business should be in the mid-teens percentage range. “The basis for the good growth prospects are our wide-ranging market
access, our broad portfolio, our custom-tailored MRO solutions and our financial strength. Moreover, MTU has a strong MRO order backlog, which is currently valued at U.S. $ 17.9
billion,” said Chief Program Officer Michael Schreyögg. In the commercial maintenance
business, MTU is benefiting from its high share of narrowbody engines in lifecycle phases where there is likely to be a high need for maintenance. It also benefits from its customer base, which includes airlines that serve markets with a high level of domestic flights. These are recovering faster from the effects of the coronavirus pandemic than international passenger flights. Moreover, MTU has many customers in the cargo sector, which is solidly above the pre-crisis level and is supporting the widebody business.

For the commercial series business, MTU is forecasting revenue growth in the mid to high teens percentage range in 2022. This annual growth rate is also expected to continue until 2024. “Our technological edge, crisis-resistant portfolio with stakes in leading engine programs in all segments and our broad customer base play a key role in our good growth prospects here,” said Schreyögg. MTU aims to expand its good market position in the global narrowbody fleet in the next decade. This should be accompanied by a sharp rise in production volume. “MTU is well prepared for significantly scaling up its production, focusing also on its supply chain,”
explained Chief Operating Officer Lars Wagner. Production rates should also pick up again in the widebody sector. MTU has good prospects here thanks to its share in the GE9X for the Boeing 777X. Furthermore, the company is well-positioned in the business jets sector, which has proven crisis-resistant with usage rates above the pre-pandemic level. Schreyögg: “We are therefore well-placed for above-average growth.” Wagner added: “With our technology roadmap, which is focused on sustainable and ultimately emissions-free engines, we are positioning MTU as the technology leader to secure an optimal role in future aircraft platforms, leading to further growth.” With its evolutionary and revolutionary propulsion concepts, MTU is positioned to acquire program shares in engines for new narrowbody and widebody aircraft.

In the commercial spare parts business, the increase in revenue should be in the mid-teens percentage range in 2022, driven mainly by the V2500 for the classic A320 family and the Geared Turbofan™ for the A320neo. Looking beyond 2022, MTU expects the highest growth rates to also come from narrowbody and regional aircraft. This should be reflected in annual organic revenue growth in the spare parts business in the low teens percentage range up to 2024.

MTU’s military business should also grow in 2022 and beyond. For 2022, MTU is predicting an increase in the high single-digit percentage range, with further revenue rises in the mid single-digit percentage range up to 2024. Schreyögg: “The military business gave us stability during the coronavirus crisis. Campaigns for the Eurofighter with the EJ200 engine and the Next
European Fighter Engine for the next generation of European fighter aircraft open up attractive growth opportunities in this sector. There is also growth potential in the service and aftermarket business.”

Kameritsch: “We still have a clear focus on profitable growth. We are therefore keeping a close eye on our cost base and are striving for cost leadership in all areas.” To achieve this, MTU is concentrating on automation and digitalization, its best-cost site strategy, leveraging synergies and strict cost management in both production and maintenance. “Our goal is a balanced
leverage ratio of between 0.5 and 1.5 times adjusted EBITDA,” said Kameritsch.

Winkler summed up: “Sustainability is the dominant factor in all of our activities. We have a clear commitment to the principles of the UN Global Compact and are making a contribution to eight of the targets.” Wagner gave some current examples: “Our goal is to make our production climate-neutral. The Munich site is making a start this year. The objective is climate-neutral operation of all MTU sites. We are focusing on continuously reducing emissions from our
products with the aim of developing completely emissions-free engines.”

**Forecast**

*Organic revenue development*

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|  | **2022** | **Up to 2024** |
| Revenue | Between €5.2 and €5.4 billion | Steady growth |
| *Commercial series business* | *Increase in the mid to high teens percentage range* | *Increase in the mid to high teens percentage range* |
| *Spare parts business* | *Increase in the mid-teens percentage range* | *Increase in the low teens* *percentage range* |
| *Military business* | *Increase in the high single-digit percentage range* | *Increase in the mid single-digit percentage range* |
| *Commercial* *maintenance* | *Increase in the mid to high twenty-percent range* | *Increase in the mid-teens percentage range* |
| Adjusted EBIT | Increase in the mid twenty-percent range | Exceeding 2019 level |
| Adjusted net income | Development in line with adjusted EBIT |  |

**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 arena, 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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