



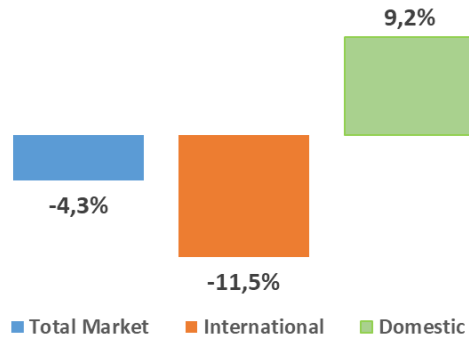
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OF TOMORROW

## 9M 2023 Results – Conference call with Investors and Analysts

10/27/2023 - Investor Relations

# Q3 2023 Review

## Passenger Air Traffic – RPK\*) Aug 2023 vs. Aug 2019



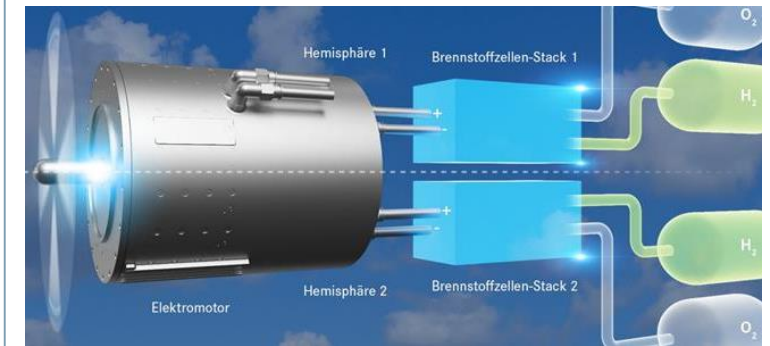
- | Passenger traffic at 95.7% of Aug 2019 levels
- | Domestic traffic above Pre-Covid levels
- | Cargo traffic remains robust
- | Encouraging market environment

## GTF update



- | Enhanced GTF inspection program announced in September
- | Key focus to reduce impacts on airline customers
- | Accounting of financial impact includes one-off charge

## Q3 2023 Review

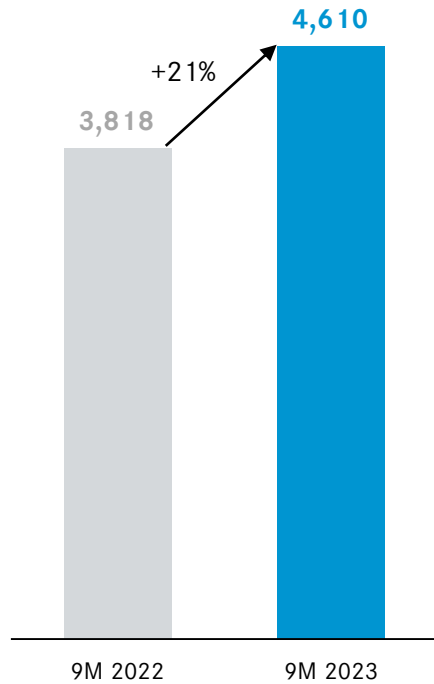


- | Guidance 2023 confirmed adjusted for GTF inspection program
- | National technology contract signed for NEFE
- | Clean Aviation funded program HEROPS for Flying Fuel Cell

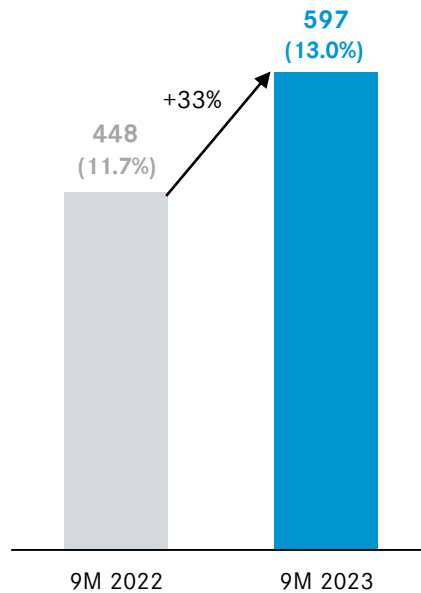
\*) Source IATA press release 4 Oct 2023,

# Financial Highlights 9M 2023

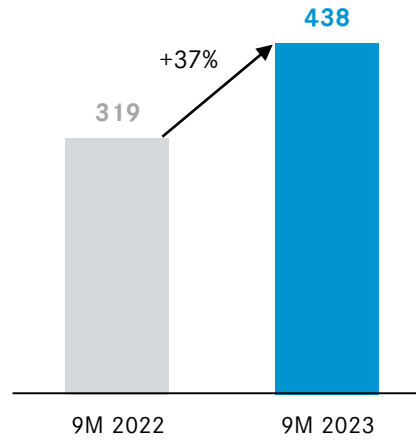
**Revenues\***  
(in m€)



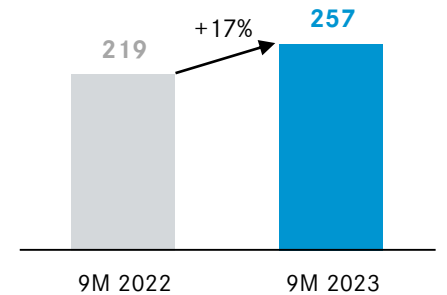
**EBIT adjusted**  
(in m€)



**Net income adj.**  
(in m€)



**Free Cash Flow**  
(in m€)



\* in 2023 adjusted by PW1100G Powder Metal issue

## Update on GTF inspection program – Financial impacts

- | MTU has to share obligations for **customer support** as well as expenses for **additional MRO-efforts**
- | **Customer support** estimated at 5.3 bn\$ @100% for PW1100G corresponds with additional MTU obligations of 961 m\$
  - | Revenue effective build up of refund liabilities for warranty and liability risks
- | **Additional MRO-efforts** estimated at 1.5 bn\$ @100% for PW1100G
  - | Revenue effective refund liability catch up for invoice corrections/subsequent costs of 52 m\$
  - | COGS effective write-down of inventories by 17 m\$
  - | Remainder of additional MRO-efforts (approx. 200m\$ @18%) will need to be recognized in the course of future aftermarket revenue recognition

Total effect on reported revenues	1,013 m\$	956 m€
Total effect on reported EBIT	1,030m\$	972 m€

### 9M reported key financials

	(in m €)	9M 2022	9M 2023
<b>Revenues</b>		<b>3,818</b>	<b>3,653</b>
<b>EBIT</b>		<b>331</b>	<b>-410</b>

## OEM Segment

(in m €)	9M 2022	9M 2023	Change
<b>Revenues*</b>	<b>1,255</b>	<b>1,584</b>	<b>26%</b>
Military Business	309	367	19%
Commercial Business*	946	1,217	29%
<b>EBIT adj.</b>	<b>251</b>	<b>374</b>	<b>49%</b>
<b>EBIT adj. margin %</b>	<b>20.0%</b>	<b>23.6%</b>	



- Organic US\$ Commercial revenues up by 22%
- Military revenues up by 19%
- EBIT margin up due to business mix and underproportional cost in 9M 2023

\* in 2023 adjusted by PW1100G Powder Metal issue

## Commercial MRO



	(in m €)	9M 2022	9M 2023	Change
<b>Revenues</b>		<b>2,644</b>	<b>3,108</b>	<b>18%</b>
<b>EBIT adj.</b>		<b>196</b>	<b>223</b>	<b>14%</b>
<b>EBIT adj. margin %</b>		<b>7.4%</b>	<b>7.2%</b>	



- Organic US\$ Revenues up by 20%
- EBIT margin down due to business mix

# Guidance 2023 - Adjusted EBIT and adj. FCF 2023 confirmed

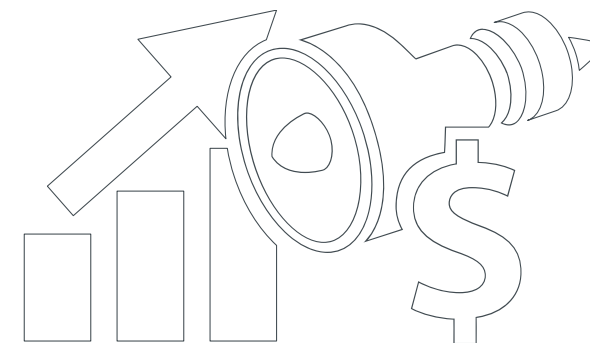
## ORGANIC REVENUE

<p><b>Military</b> Up mid teens %</p> 	<p><b>Commercial OE</b> Up thirty %</p> 
<p><b>Commercial Spares</b> Up high teens to low twenties %</p> 	<p><b>Commercial MRO</b> MRO up high teens % GTF share at mid to high thirties % of revenue</p> 

**Total Group Sales\***  
EUR 6.1 – 6.3 bn €

**EBIT adj.**  
>800 Mio €

**FCF adj.**  
> 2022 actuals

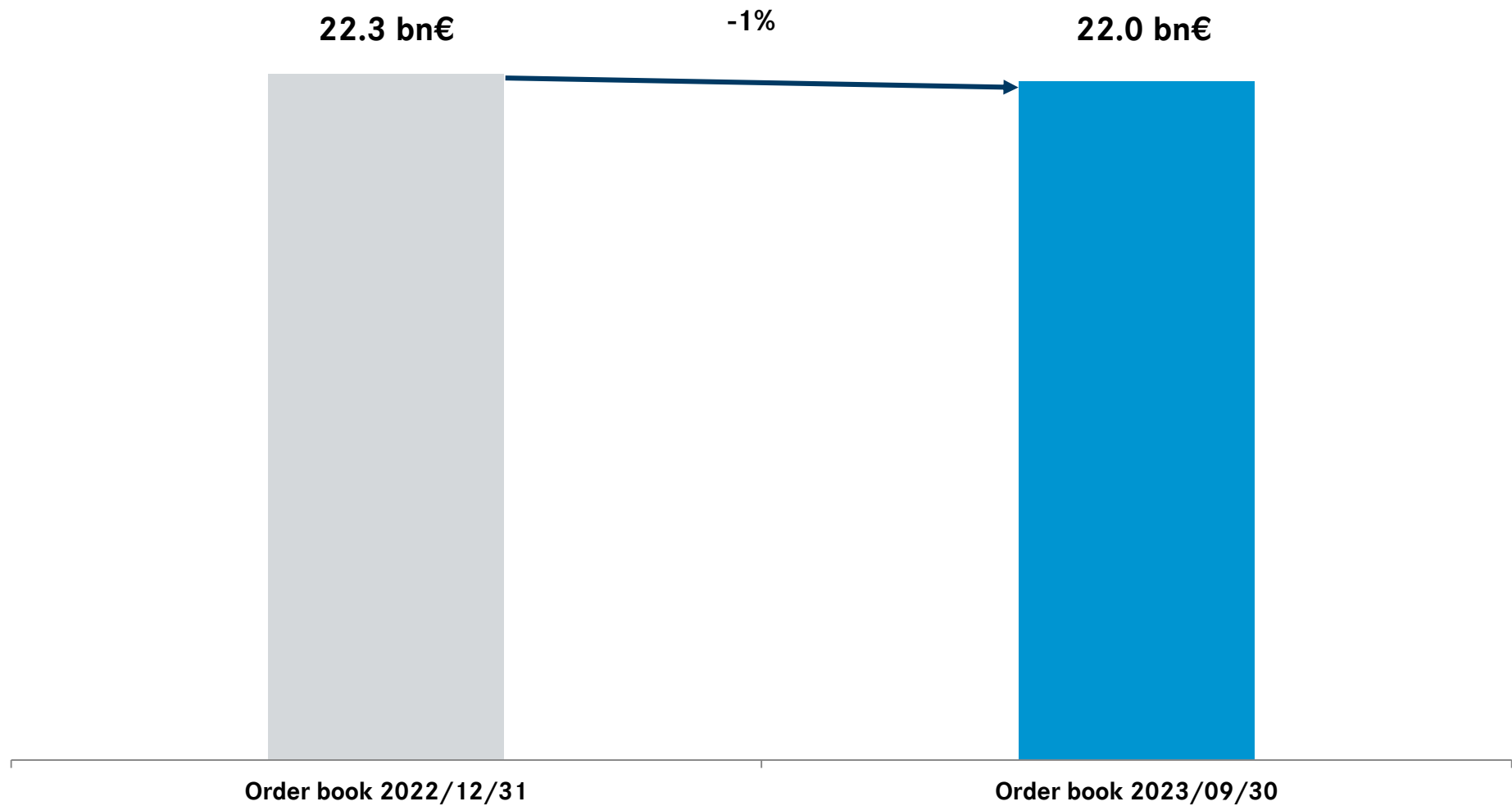


\*subject to adjustment

# Appendix



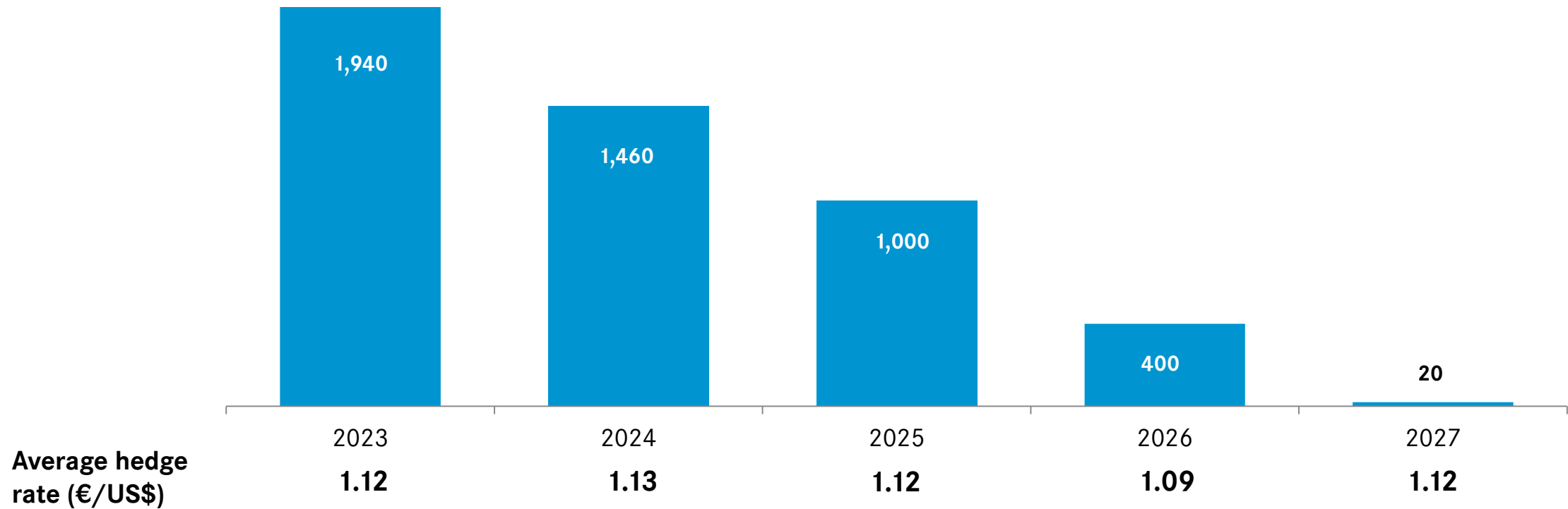
## Group Order Book almost stable



## US\$ Exchange Rate / Hedge Portfolio

Hedge book as of October 27, 2023

in m\$



## Profit & Loss

	(in m €)	Q3 2022	Q3 2023	Change	9M 2022	9M 2023	Change
<b>Revenues</b>		1,349	560	-58%	3,818	3,653	-4%
<b>Revenues adjusted*</b>		1,349	1,517	12%	3,818	4,610	21%
Total cost of sales		-1,114	-1,283		-3,233	-3,856	
<b>Gross profit</b>		234	-723	<-300%	585	-203	-135%
R&D according to IFRS		-28	-28		-75	-82	
SG&A		-58	-59		-191	-186	
Other operating income (expense)		-9	-9		-23	-6	
P&L of companies accounted at equity and equity investments		8	25		35	66	
<b>EBIT reported</b>		147	-793	<-300%	331	-410	-224%
<b>EBIT adjusted</b>		158	192	22%	448	597	33%
<b>EBIT adjusted margin %</b>		11.7%	12.7%		11.7%	13.0%	
Financial result		-14	-10		-31	-32	
<b>Profit before tax (EBT)</b>		133	-803	<-300%	300	-442	-247%
Taxes (IFRS)		-41	235		-88	130	
<b>Net Income reported</b>		92	-568	<-300%	212	-312	-247%
Net Income adj.		113	138		319	438	
<b>EPS reported**</b>		1.74	-10.61		3.97	-5.86	
EPS adj.		2.11	2.56		5.99	8.17	

\*\* without non-controlling interests

\* in 2023 adjusted by PW1100G Powder Metal issue

## Reconciliation to adjusted Key Performance Indicators

	(in m €)	Q3 2022	Q3 2023	Change	9M 2022	9M 2023	Change
<b>EBIT reported</b>		<b>147</b>	<b>-793</b>	<b>&lt;-300%</b>	<b>331</b>	<b>-410</b>	<b>-224%</b>
Adjustment (PPA Depreciation & Amortization)		5	5		15	14	
Adjustment (IAE Upshare)		6	6		17	17	
Adjustment (Impairment / Ukraine Impacts)		0	0		85	-21	
Adjustment (PW1100G Powder Metal)		0	973		0	973	
Adjustment (Exceptional Items Credit- and Litigation Risk)		0	2		0	24	
<b>EBIT adjusted</b>		<b>158</b>	<b>192</b>	<b>22%</b>	<b>448</b>	<b>597</b>	<b>33%</b>
thereof P&L of companies accounted "at equity"		7	25		35	66	
Interest result		-6	-8		-20	-8	
Interest for pension provisions		-3	-7		-8	-20	
<b>EBT adj. w/o P&amp;L "at equity"</b>		<b>142</b>	<b>152</b>	<b>7%</b>	<b>385</b>	<b>503</b>	<b>31%</b>
Tax rate normalized		-26%	-26%		-26%	-26%	
Taxes		-37	-40		-100	-131	
<b>Net Income adj.</b>		<b>113</b>	<b>138</b>	<b>22%</b>	<b>319</b>	<b>438</b>	<b>37%</b>
EPS adj.		2.11	2.56	21%	5.99	8.17	36%

	(in m €)	Q3 2022	Q3 2023	Change	9M 2022	9M 2023	Change
<b>Revenues</b>		<b>1,349</b>	<b>560</b>	<b>-58%</b>	<b>3,818</b>	<b>3,653</b>	<b>-4%</b>
Adjustment (PW1100G Powder Metal)		0	957		0	957	
<b>Revenues adjusted</b>		<b>1,349</b>	<b>1,517</b>	<b>12%</b>	<b>3,818</b>	<b>4,610</b>	<b>21%</b>

## Segment Revenues and EBIT adj.

	(in m €)	Q3 2022	Q3 2023	Change	9M 2022	9M 2023	Change
<b>Revenues Group*</b>		<b>1,349</b>	<b>1,517</b>	<b>12%</b>	<b>3,818</b>	<b>4,610</b>	<b>21%</b>
OEM Commercial*		350	385	10%	946	1,217	29%
OEM Military		95	138	45%	309	367	19%
MRO		933	1,026	10%	2,644	3,108	18%
Consolidation		-30	-33		-81	-82	
<b>EBIT adjusted Group</b>		<b>158</b>	<b>192</b>	<b>22%</b>	<b>448</b>	<b>597</b>	<b>33%</b>
OEM (Commercial / Military)		86	111	29%	251	374	49%
MRO		72	81	13%	196	223	14%
Consolidation		0	-1		0	1	
<b>EBIT adjusted margin Group</b>		<b>11.7%</b>	<b>12.7%</b>		<b>11.7%</b>	<b>13.0%</b>	
OEM (Commercial / Military)		19.4%	21.3%		20.0%	23.6%	
MRO		7.7%	7.9%		7.4%	7.2%	

\* in 2023 adjusted by PW1100G Powder Metal issue

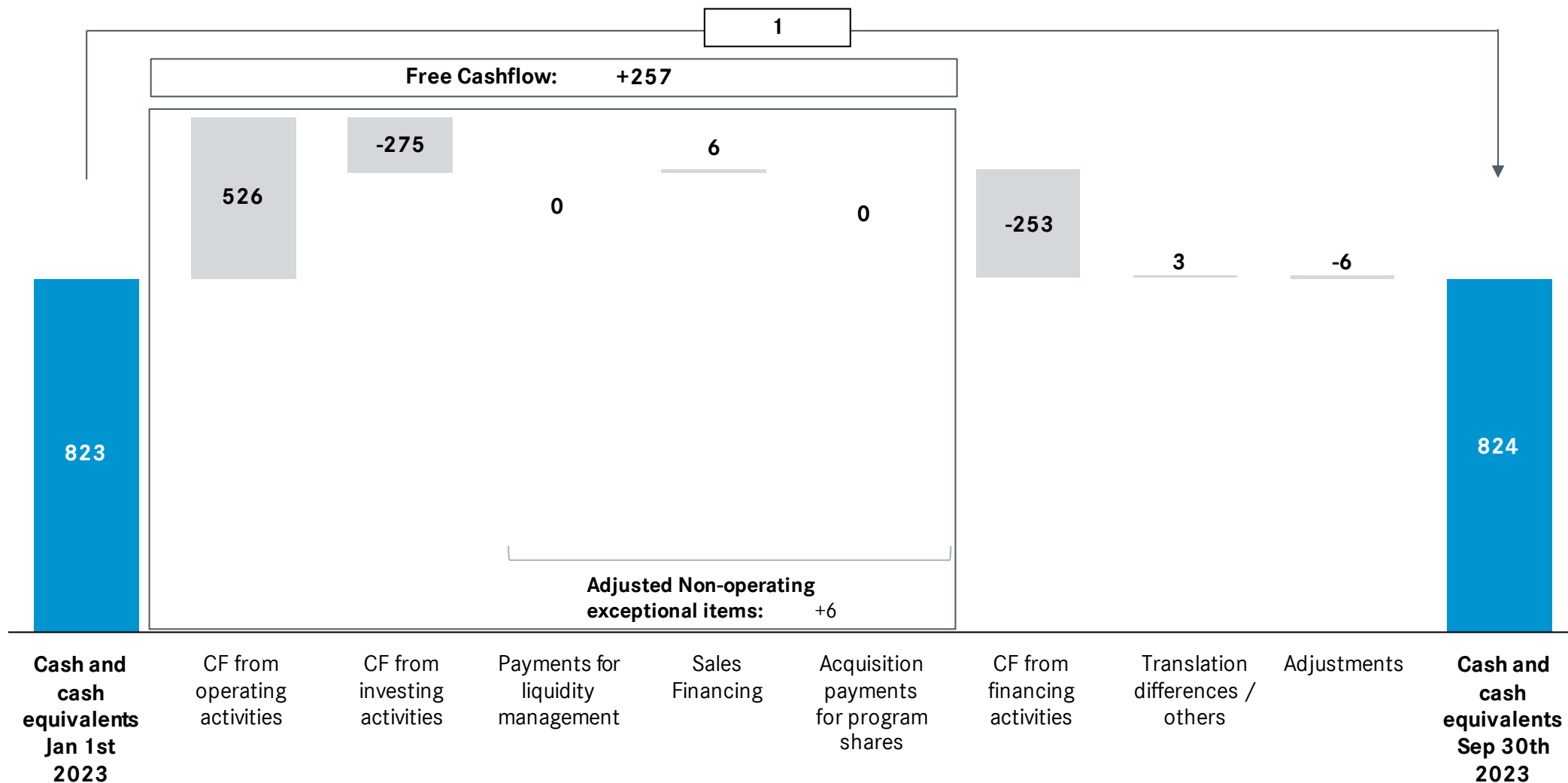
## Research & Development

	(in m €)	Q3 2022	Q3 2023	Change	9M 2022	9M 2023	Change
<b>Total R&amp;D</b>		56	66	18%	192	224	17%
<b>Customer funded R&amp;D</b>		-10	-15	-53%	-44	-55	-23%
<b>Company expensed R&amp;D</b>		46	51	10%	147	169	15%
Capitalization of R&D		-13	-14		-51	-61	
Amortisation		8	9		23	24	
Impairment		0	0		63	0	
<b>Total R&amp;D impact P&amp;L (on EBIT)</b>		41	46	12%	182	132	-28%
thereof booked into sales and COGS		13	18		107	50	
thereof booked into R&D according to IFRS (P&L)		28	28		75	82	

## Financial Result

	(in m €)	Q3 2022	Q3 2023	Change	9M 2022	9M 2023	Change
Interest income		1	8	>300%	2	20	>300%
Interest expense		-7	-16	-116%	-22	-29	-27%
<b>Interest result</b>		<b>-6</b>	<b>-8</b>	<b>-34%</b>	<b>-20</b>	<b>-8</b>	<b>59%</b>
<b>Financial result on other items</b>		<b>-8</b>	<b>-2</b>		<b>-11</b>	<b>-23</b>	
US\$ / non cash valuations / others		-5	5		-3	-3	
Interest for pension provisions		-3	-7		-8	-20	
<b>Financial result</b>		<b>-14</b>	<b>-10</b>	<b>27%</b>	<b>-31</b>	<b>-32</b>	<b>-1%</b>

# MTU's Cash development January – September 2023





## Cash Flow

	(in m €)	9M 2022	9M 2023	Change
<b>Net Income IFRS</b>		<b>212</b>	<b>-312</b>	<b>-247%</b>
Depreciation and amortization		279	237	
Change in provisions and liabilities		204	1,003	
Change in working capital		-363	-226	
Taxes		22	-205	
Interest, derivatives, others		97	28	
<b>Cash Flow from operating activities</b>		<b>450</b>	<b>526</b>	<b>17%</b>
Net Investment in intangible assets		-42	-42	
Net Investment in R&D payments and entry fees		-23	-21	
Net Capital expenditure on property, plant and equipment		-170	-190	
Net Investments in financial assets		10	-22	
<b>Cash Flow from investing activities</b>		<b>-225</b>	<b>-275</b>	<b>-22%</b>
Adjustments		-6	6	
<b>Free Cash Flow</b>		<b>219</b>	<b>257</b>	<b>17%</b>
<b>Cash Flow from financing activities</b>		<b>-178</b>	<b>-253</b>	<b>-42%</b>
Cash and cash equivalents at 30.09.		775	824	

## Net debt

	(in m €)	31.12.2022	30.09.2023	Change
Bonds and notes		605	602	
Convertible bonds		531	488	
Financial liabilities to bank		0	4	
Revolving Credit Facility		0	0	
Financial lease liabilities		166	171	
Loans from related companies and third parties		0	3	
Other financing liabilities (financing component)		333	312	
thereof arising from acquisition of program participations		114	85	
thereof from compensation payments due to program participations		219	227	
<b>Gross financial debt</b>		<b>1,635</b>	<b>1,579</b>	<b>-3%</b>
Cash and cash equivalents		823	824	
Loans to third parties		60	66	
<b>Financial assets</b>		<b>883</b>	<b>890</b>	<b>1%</b>
<b>Net financial debt</b>		<b>753</b>	<b>690</b>	<b>-8%</b>

## Working capital

	(in m €)	31.12.2022	30.09.2023	Change
Inventories		1,514	1,538	
Prepayments		-363	-343	
Receivables		2,710	3,030	
Payables		-1,960	-2,096	
<b>Working Capital</b>		<b>1,901</b>	<b>2,128</b>	<b>12%</b>

## Balance Sheet

	(in m €)	31.12.2022	30.09.2023	Change
Intangible assets		1,151	1,154	
Property, plant, equipment		1,384	1,457	
other non-current assets		1,611	1,864	
<b>Total non-current assets</b>		<b>4,146</b>	<b>4,476</b>	<b>8%</b>
<b>Current assets</b>		<b>5,085</b>	<b>5,391</b>	<b>6%</b>
<b>Total assets</b>		<b>9,230</b>	<b>9,867</b>	<b>7%</b>
<b>Equity</b>		<b>3,107</b>	<b>2,670</b>	<b>-14%</b>
<b>Non-current liabilities</b>		<b>2,343</b>	<b>2,275</b>	<b>-3%</b>
<b>Current liabilities</b>		<b>3,780</b>	<b>4,922</b>	<b>30%</b>
<b>Total equity and liabilities</b>		<b>9,230</b>	<b>9,867</b>	<b>7%</b>
thereof pension provisions		707	725	

## PPA Depreciation / Amortization

	(in m €)	Q3 2022	Q3 2023	Change	9M 2022	9M 2023	Change
OEM		51	53		217	157	
MRO		22	29		62	80	
<b>Total depreciation / amortization*</b>		<b>73</b>	<b>82</b>	<b>13%</b>	<b>279</b>	<b>236</b>	<b>-15%</b>
PPA OEM		5	5		14	14	
PPA MRO		0	0		1	0	
IAE Upshare OEM		6	6		17	17	
<b>PPA depreciation / amortization &amp; IAE Upshare amortization (EBIT adjustments)</b>		<b>11</b>	<b>10</b>	<b>-2%</b>	<b>32</b>	<b>31</b>	<b>-4%</b>
OEM		40	43		186	126	
MRO		22	29		61	80	
<b>Depreciation / amortization w/o PPA and w/o IAE Upshare</b>		<b>62</b>	<b>72</b>	<b>16%</b>	<b>247</b>	<b>205</b>	<b>-17%</b>

\* incl. amortization of intangible assets, capitalized program assets and purchased development

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