



Q1 2018 Results

Conference Call with Investors and Analysts

03 May 2018 – Investor Relations

Business Highlights Q1 2018



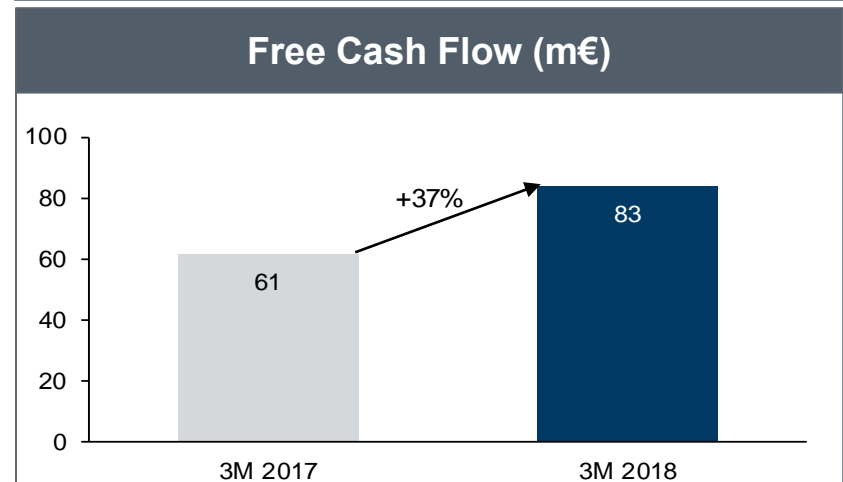
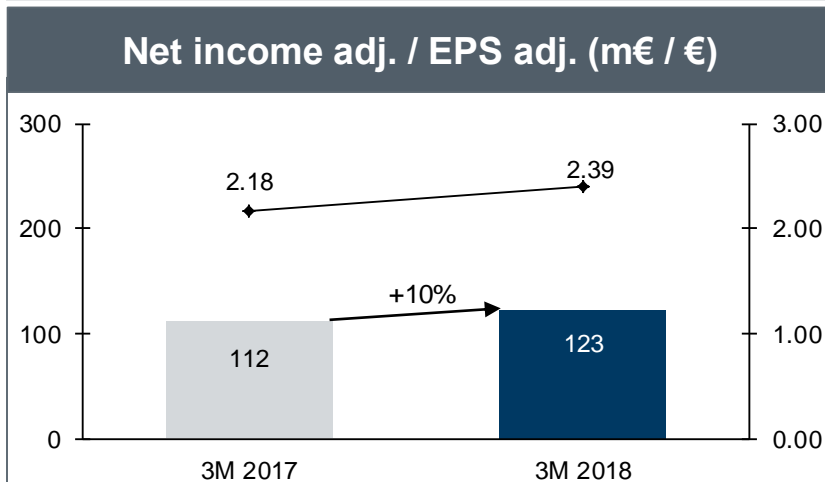
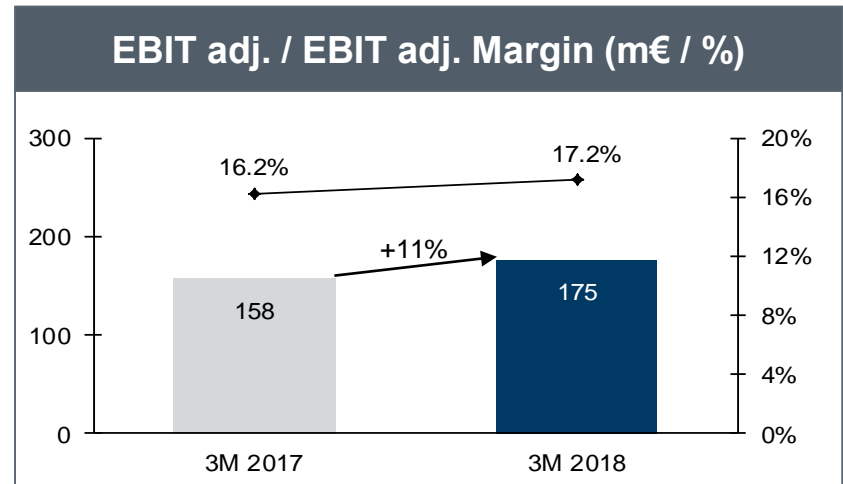
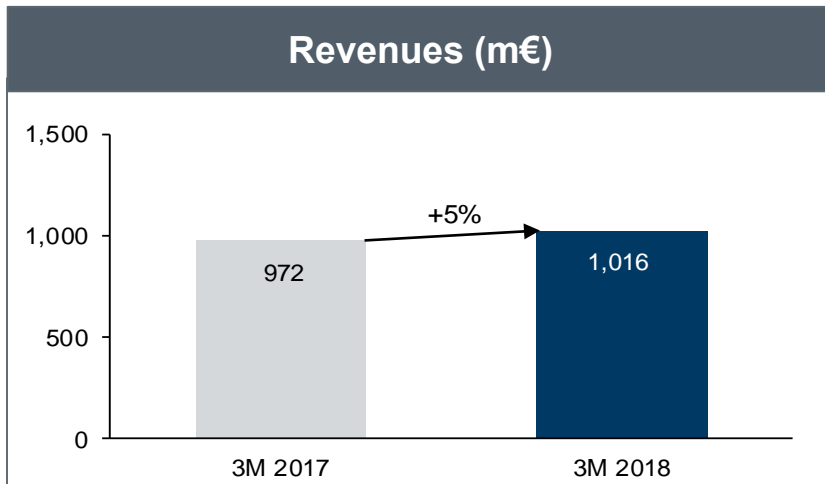
- Ongoing strong passenger traffic growth
- Dassault launches Falcon 6X Business-Jet equipped with PW800
- GE9X first flight on 747 testbed
- Further expansion of MTU Aero Engines Polska
- EME Aero acquires building site in Jasionka, Poland
- Production of T408 engines launched for heavy transport helicopter CH53K
- Saudi Arabia signed MoI to acquire 48 Eurofighter jets from BAE Systems
- IFRS 15 accounting implemented
- Dividend payment of 2.30 Euro per share

Update on Geared Turbofan Engines



- 141 GTF powered aircraft in service with 21 operators
- ~700,000 GTF engine flight hours
- Revised configuration as a solution for HPC knife edge seal issue approved and production resumed
- Target to double production of GTF engines in 2018 unchanged
- GTF powered Embraer 190-E2 Jet completed its first revenue flight with Widerøe
- JetBlue selects GTF to power 45 additional A320neo aircraft
- Over 7 years of GTF backlog covering more than 9,000 orders (incl. options)

Financial Highlights Q1 2018



OEM Segment

(m€)	3M 2017	3M 2018	Change
Revenues	404.9	427.2	6%
Commercial Business	303.9	335.9	11%
Military Business	101.0	91.3	-10%
EBIT adj.	105.3	123.4	17%
EBIT adj. Margin %	26.0%	28.9%	

- IFRS15 significantly impacts OEM revenues:
 - reduction of Commercial business due to payments to customers, e.g. concessions
 - increase of military business revenues due to timing of revenue recognition
- EBIT margin increase due to business mix



Commercial MRO Business

(m€)	3M 2017	3M 2018	Change
Revenues	588.4	618.2	5%
EBIT adj.	52.1	51.5	-1%
EBIT adj. Margin %	8.9%	8.3%	

- No impact from IFRS 15 on revenues and EBIT
- Organic Commercial MRO revenues up by 20% driven by PW1100G-JM retrofit shop visits and ongoing strong demand
- Lower profit contribution of MTU Zhuhai leads to lower EBIT adj. margin



Guidance 2018 Confirmed

Organic Growth:

Military: Stable



Commercial OE: Up ~30%



Commercial Spares: Up mid single digit



Commercial MRO: Up in the high teens



EBIT adj. Moderate progression

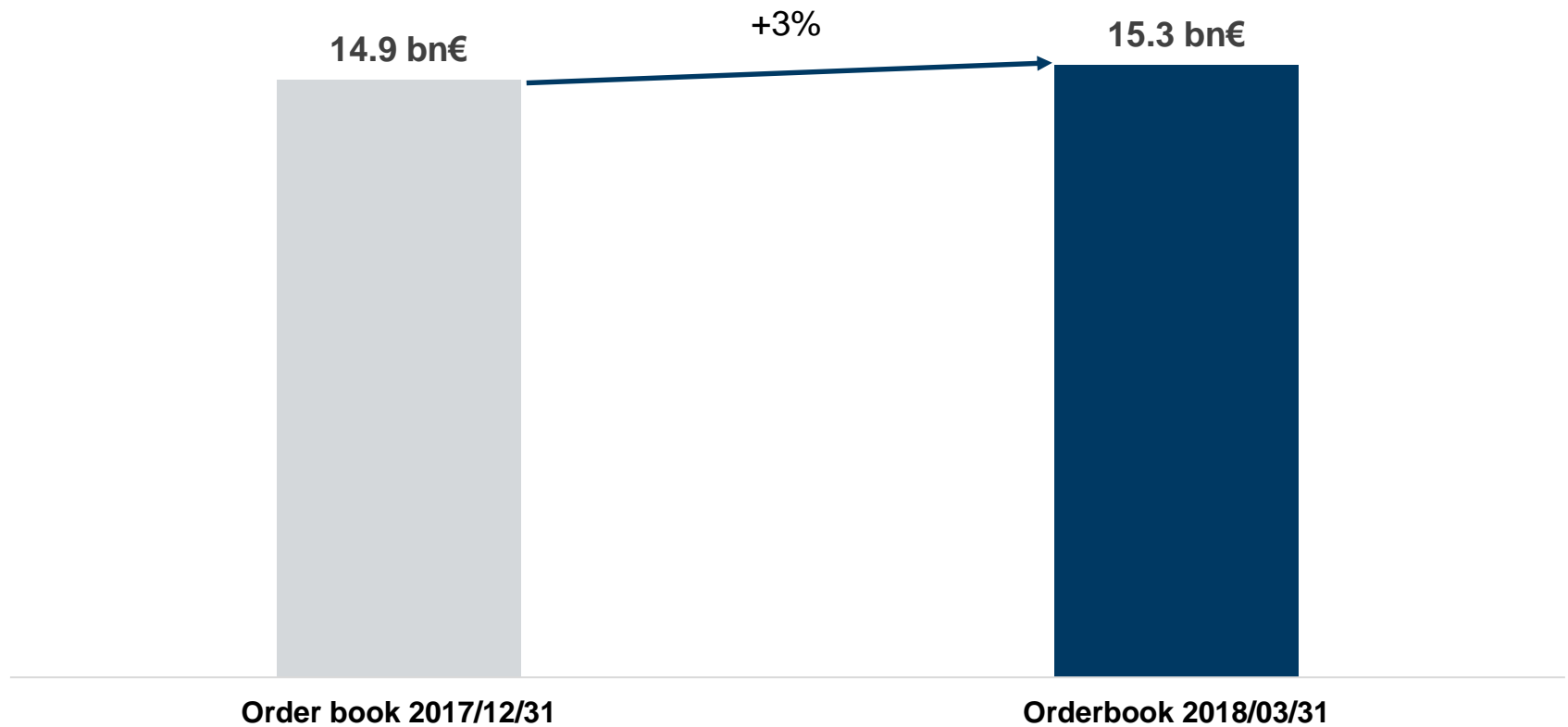
Net income adj. Growth in line with EBIT adj.

CCR* Low to mid double digit

* Cash Conversion Rate = Free Cash Flow/Net Income adj.

Appendix

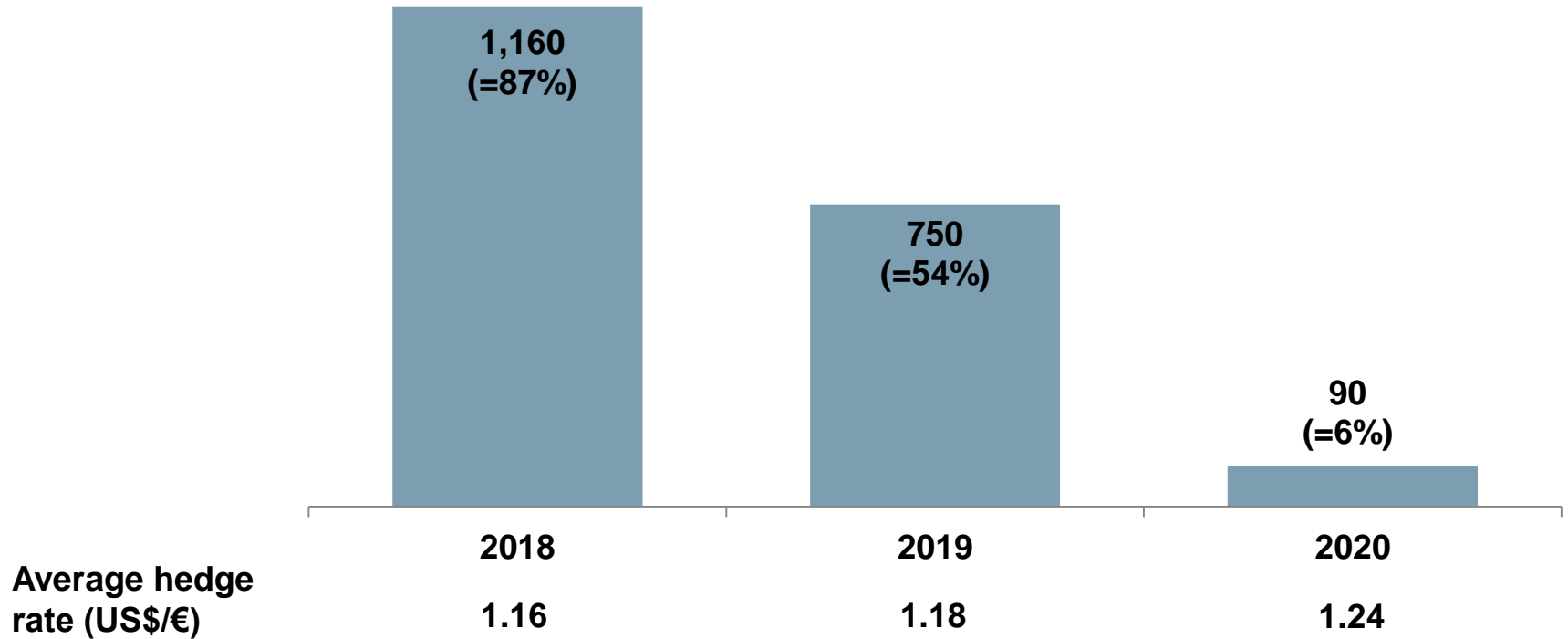
Group Order Book up 3%



US\$ Exchange Rate / Hedge Portfolio

Hedge book as of May 3, 2018 (% of net exposure)

(in m US\$)



Profit & Loss

(m€)	3M 2017	3M 2018	Change
Revenues	971.9	1,016.4	5%
Total Cost of Sales	-786.2	-801.5	
Gross Profit	185.7	214.9	16%
<i>Gross Profit Margin</i>	19.1%	21.1%	
R&D according to IFRS	-9.8	-13.3	
SG&A	-43.0	-48.2	
Other operating income (expense)	0.4	0.6	
P&L of companies accounted "at equity and at cost"	11.8	8.2	
EBIT reported	145.1	162.2	12%
EBIT adj.	157.9	175.1	11%
<i>EBIT adj. margin</i>	16.2%	17.2%	
Financial Result	-9.3	-10.6	
Profit before tax (EBT)	135.8	151.6	12%
Taxes	-30.8	-45.4	
Net Income reported	105.0	106.2	1%
Net Income adj.	111.7	123.3	
EPS reported	2.03	2.04	
EPS adj.	2.18	2.39	

Reconciliation to Adjusted Key Performance Indicators

(m€)	3M 2017	3M 2018	Change
EBIT reported	145.1	162.2	12%
Adjustment (PPA Depreciation & Amortization)	5.3	5.2	
Adjustment (IAE Upshare)	7.5	7.7	
EBIT adj.	157.9	175.1	11%
<i>Thereof P&L of companies accounted "at equity"</i>	11.7	7.9	-32%
Interest Result	-2.3	-1.3	43%
Interest for pension provisions	-3.1	-3.4	-10%
EBT adj. w/o P&L "at equity"	140.8	162.5	15%
Tax rate normalized	-29.0%	-29.0%	
Taxes	-40.8	-47.1	
Net Income adj.	111.7	123.3	10%
EPS adj.	2.18	2.39	10%

Segment Revenues and EBIT adj.

(m€)	3M 2017	3M 2018	Change
Revenues Group	971.9	1,016.4	5%
OEM Commercial	303.9	335.9	11%
OEM Military	101.0	91.3	-10%
MRO	588.4	618.2	5%
Consolidation	-21.4	-29.0	
EBIT adj. Group	157.9	175.1	11%
OEM (Commercial / Military)	105.3	123.4	17%
MRO	52.1	51.5	-1%
Consolidation	0.5	0.2	
EBIT margin adj. Group	16.2%	17.2%	
<i>OEM (Commercial / Military)</i>	<i>26.0%</i>	<i>28.9%</i>	
<i>MRO</i>	<i>8.9%</i>	<i>8.3%</i>	

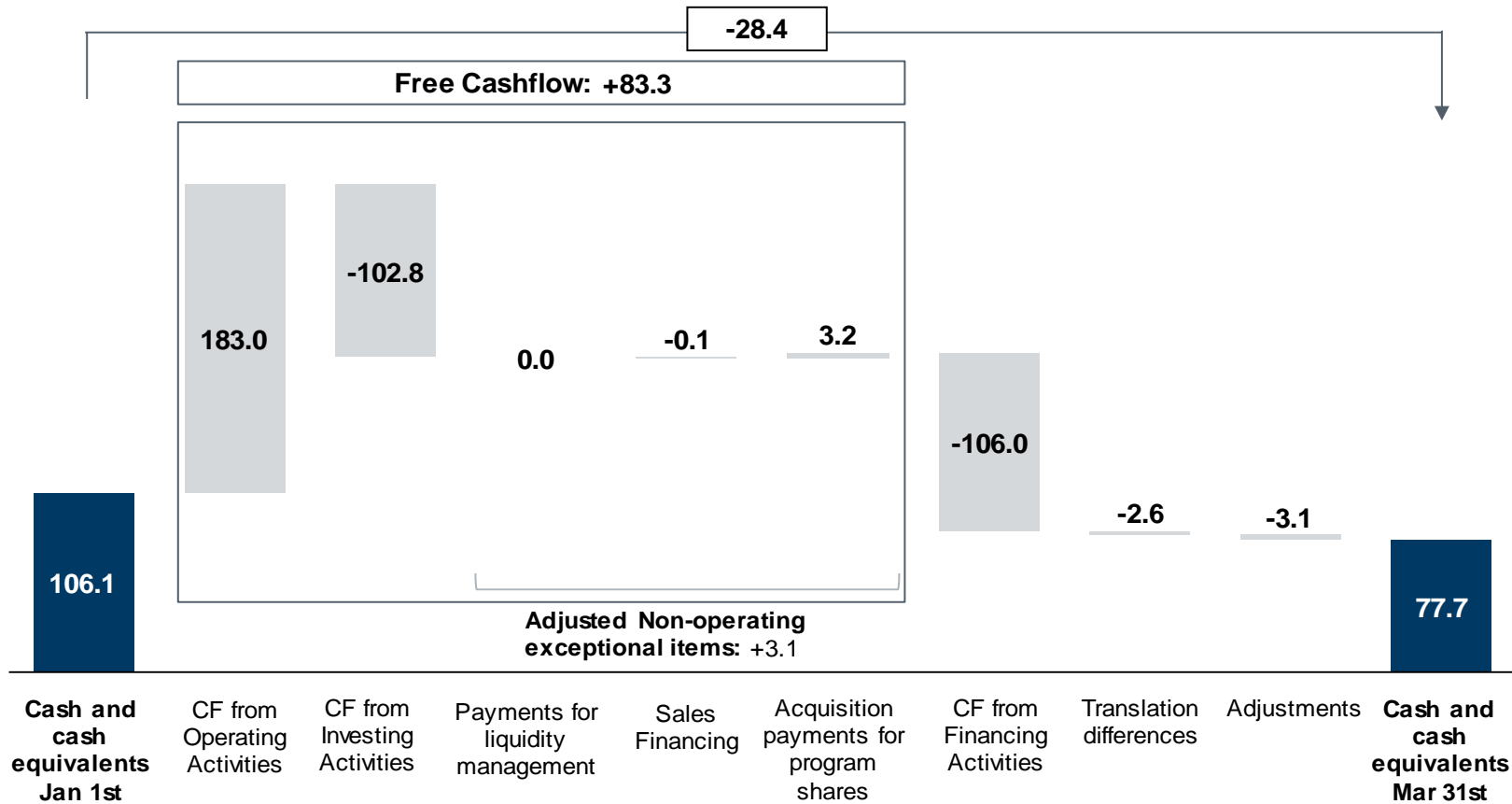
Research & Development

(m€)	3M 2017	3M 2018	Change
Total R&D	56.1	53.1	-5%
Customer funded R&D	-11.2	-5.8	48%
Company expensed R&D	44.9	47.3	5%
Capitalization of R&D	-29.8	-25.4	
Amortisation (COGS)	2.7	4.7	
Total R&D impact on EBIT	17.8	26.6	49%
Sales Reversals	-0.1	-1.8	
COGS	-5.2	-6.8	
Amortisation (COGS)	-2.7	-4.7	
R&D according to IFRS (P&L)	9.8	13.3	36%

Financial Result

(m€)	3M 2017	3M 2018	Change
Interest Income	1.0	1.0	0%
Interest Expense	-3.3	-2.3	30%
Interest Result	-2.3	-1.3	43%
Financial Result on other items	-7.0	-9.3	
<i>thereof interests for pension obligations</i>	-3.1	-3.4	
<i>thereof fair value gains/losses on derivatives</i>	0.2	-1.1	
Financial Result	-9.3	-10.6	-14%

MTU's Cash Development January – March 2018



Cash Flow

(m€)	3M 2017	3M 2018	Change
Net Income IFRS	105.0	106.2	1%
Depreciation and amortization	46.2	47.0	
Change in provisions	45.8	20.8	
Change in Working Capital	-47.6	-8.2	
Taxes	7.0	17.4	
Interest, derivatives, others	-24.0	-0.2	
Cash Flow from operating activities	132.4	183.0	38%
Net Investment in intangible assets	-34.8	-19.1	
Net Investment in property, plant, equipment	-18.9	-34.5	
Net Investments in financial assets	-20.5	-49.2	
Cash Flow from investing activities	-74.2	-102.8	-39%
<i>Adjustments</i>	2.8	3.1	
Free Cash Flow	61.0	83.3	37%
Cash Flow from financing activities	-12.8	-106.0	<-300%
Cash and cash equivalents at 31.03.	368.4	77.7	

Net Financial Debt at 748 m€

(m€)	31/12/2017	31/03/2018	Change
Bonds and notes	100.0	101.3	
Convertible bond	478.5	479.3	
Financial liabilities to bank	108.2	30.0	
<i>thereof Revolving Credit Facility</i>	78.1	0.0	
<i>thereof Note Purchase Agreement</i>	30.1	30.0	
Loans from related companies	0.0	2.7	
Finance lease liabilities	11.5	11.1	
Loans from third parties	18.2	0.0	
Financial liabilities arising from program participation	370.5	351.0	
<i>thereof arising from IAE V2500 Upshare</i>	320.0	302.5	
Gross financial debt	1,086.9	975.4	-10%
Cash and cash equivalents	106.1	77.7	
Loans to third parties	133.5	130.0	
Loans to related companies	20.3	19.9	
Securities	0.0	0.0	
Financial assets	259.9	227.6	-12%
Net financial debt	827.0	747.8	-10%

Working Capital

(m€)	31/12/2017	31/03/2018	Change	Change in %
Gross inventories	840.8	883.4	42.6	
Prepayments	-390.7	-388.8	1.9	
Receivables	1,394.6	1,461.1	66.5	
Payables	-761.2	-864.0	-102.8	
Working Capital	1,083.5	1,091.7	8.2	1%

Balance Sheet

(m€)	31/12/2017	31/03/2018	Change
Intangible Assets	1,079.0	1,087.9	
Property, Plant, Equipment	695.3	700.7	
other Non-current assets	1,773.8	1,779.6	
Total Non-Current assets	3,548.1	3,568.2	1%
Current assets	2,456.0	2,540.1	3%
Total assets	6,004.1	6,108.3	2%
Equity	1,870.1	1,981.0	6%
Non-Current Liabilities	1,869.4	1,878.4	0%
Current Liabilities	2,264.6	2,248.9	-1%
Total Equity and Liabilities	6,004.1	6,108.3	
<i>thereof Pension Provisions</i>	<i>870.7</i>	<i>872.9</i>	

PPA Depreciation / Amortization (in m€)

(m€)	3M 2017	3M 2018
Total depreciation / amortization		
OEM	36.1	38.9
MRO	10.1	8.1
MTU total	46.2	47.0
PPA depreciation / amortization & IAE Upshare amortization (EBIT adjustments)		
PPA OEM	4.7	4.6
PPA MRO	0.6	0.6
IAE Upshare OEM	7.5	7.7
MTU total	12.8	12.9
Depreciation / amortization w/o PPA and w/o IAE Upshare		
OEM	23.9	26.6
MRO	9.5	7.5
MTU total	33.4	34.1

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