



Quarterly Statement

Nine month results:

MTU Aero Engines leverages market opportunities to position itself for growth

| Revenue and earnings growth in all business areas

| Guidance for 2024: adjusted EBIT of more than €1 billion

Munich, October 24, 2024 | MTU Aero Engines AG increased its adjusted revenue and earnings figures across the board in the first nine months of 2024. Adjusted revenue grew by 14% from €4.6 billion to €5.3 billion. The adjusted operating profit¹ rose by 25% to €744 million (1-9/2023: €597 million), and the adjusted EBIT margin increased from 12.8% to 14.0%. Adjusted net income² rose to €541 million, an increase of 23% (1-9/2023: €438 million).

“We seize all the opportunities the market has to offer. We also meet the ongoing challenges presented by the market with appropriate responses,” summarizes Lars Wagner, CEO of MTU Aero Engines AG. “This meant that the first nine months of 2024 were so successful that we can achieve our earnings target of €1 billion one year earlier than originally planned.” MTU had aimed to reach the one-billion target in 2025. The company is now forecasting adjusted EBIT of a slightly over €1 billion for 2024. “We are using this positive momentum to further expand MTU’s future viability,” Wagner continues.

Revenue growth in all business areas

Revenue increased in all MTU business areas in the first nine months of 2024.

The highest revenue growth was achieved in the military business, where adjusted revenue climbed 16% from €367 million to €426 million. The drivers of this growth were the TP400-D6 engine for the A400M, the New Generation Fighter Engine for the next-generation European fighter jet, and the EJ200 engine for the Eurofighter.

In the commercial maintenance business, adjusted revenue increased by 15% from €3.1 billion to €3.6 billion. This revenue growth was primarily attributable to the GE90 engine for the Boeing 777, the V2500 for the classic A320 family, the GENx for the Boeing Dreamliner, the CF34 aircraft engine for business and regional aircraft, and the engine leasing business.

Adjusted revenue in the commercial engine business was 9% higher at €1.4 billion (1-9/2023: €1.3 billion). Organic revenue in the commercial series business increased in the low-twenties percentage range and organic revenue growth in the spare parts business was in the high single-digit percentage range. The Geared Turbofan and industrial gas turbines were the main drivers in the series business, with the V2500, the PW2000 and GENx widebody engines, and engines for business jets driving the spare parts business.

¹ Adjusted EBIT = adjusted earnings before interest and taxes

² Adjusted net income = adjusted income after income taxes



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Order backlog of €23.4 billion

The order backlog was valued at €23.4 billion at the end of September (December 31, 2023: €24.4 billion). The largest proportion of orders on hand was for Geared Turbofan™ engines for the PW1000G family, especially the PW1100G-JM, and the V2500.

Higher earnings in all segments

MTU achieved higher earnings in the first nine months of 2024 in both the OEM business and the MRO business.

In the commercial maintenance business, adjusted EBIT increased by 35% from €223 million to €300 million. The adjusted EBIT margin in the MRO business rose from 7.2% to 8.4%. “Positive factors in the MRO business included the good mix in independent maintenance and the fact that the share and material intensity of Geared Turbofan maintenance were lower than planned in the first nine months of the year. Earnings were also supported by our leasing business,” says CFO Peter Kameritsch.

The adjusted EBIT of the OEM business increased by 19%, from €374 million to €444 million with an adjusted EBIT margin of 24.7% (1-9/2023: 23.0%). “Earnings in the OEM business reflect the profitable revenue mix, with a high proportion of spare and lease engines, the high demand for spare parts and the increase in the military business,” Kameritsch continued.

14% increase for research and development

Research and development expenses amounted to €254 million in the first nine months of 2024, up 14% from the same period of the previous year (1-9/2023: €224 million). Wagner explains: “We are unwavering in our vision of zero-emission flight. Our R&D activities are developing and realizing innovative propulsion technologies and thus shaping the future of aviation.” MTU’s R&D activities focused on raising the efficiency of the Geared Turbofan programs, technology studies for future evolutionary and revolutionary engine generations and expanding its virtual engine capabilities.

Free cash flow of €213 million

MTU’s free cash flow was €213 million at the end of September 2024, compared with €257 million in the first nine months of 2023. “Free cash flow was affected in particular by the ongoing supply chain bottlenecks and by the Geared Turbofan fleet management plan, which were reflected in the high working capital,” says Kameritsch. “We are meeting these challenges with strict cash management and steps to improve efficiency.”

Net capital expenditure on property, plant and equipment up 30%

Net capital expenditure on property, plant and equipment increased by 30% to €248 million in the first nine months (1-9/2023: €190 million). “This is further evidence of our investment in the future,” says Wagner. “We are expanding our capacities and focusing on digitalization and automation.”

12,634 employees worldwide

MTU’s workforce grew by 4% from the end of 2023 (December 31, 2023: 12,170 employees) to 12,634 the end of September 2024.

Guidance

MTU predicts revenue of between €7.3 billion and €7.5 billion for fiscal year 2024. All business areas should contribute to revenue growth. The highest increase is expected to be in the commercial series business, with organic revenue growth in the low-to-mid twenties percentage range. MTU expects the



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spare parts business to post organic revenue growth in the low teens percentage range. Organic growth in revenue from commercial maintenance should be in the mid-to-high teens percentage range, with Geared Turbofan MRO accounting for around 35%. MTU anticipates that the military business will grow revenue in the low-to-mid teens percentage range. Adjusted EBIT is expected to be slightly in excess of €1 billion for 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 third quarter of 2024

(Amounts in € million)

MTU Aero Engines	Q3 2023	Q3 2024	As of Sept. 2023	As of Sept. 2024	Change
Revenue (reported)	560	1,897	3,653	5,286	+ 45%
Adjusted revenue ¹	1,525 ²	1,864	4,648 ²	5,293	+ 14%
thereof OEM business ¹	531 ²	618	1,622 ²	1,794	+ 11%
thereof commercial engine business ¹	393 ²	465	1,255 ²	1,368	+ 9%
thereof military engine business	138	153	367	426	+ 16%
thereof commercial maintenance	1,026	1,274	3,108	3,577	+ 15%
EBIT (reported)	-793	301	-410	722	
Adjusted EBIT	192	273	597	744	+ 25%
thereof OEM business	111	156	374	444	+ 19%
thereof commercial maintenance	81	118	223	300	+ 35%
<i>Adjusted EBIT margin</i>	<i>12.6%²</i>	<i>14.7%</i>	<i>12.8%²</i>	<i>14.0%</i>	
<i>in the OEM business</i>	<i>21.0%²</i>	<i>25.2%</i>	<i>23.0%²</i>	<i>24.7%</i>	
<i>in commercial maintenance</i>	<i>7.9%</i>	<i>9.2%</i>	<i>7.2%</i>	<i>8.4%</i>	
Adjusted net income	138	199	438	541	+ 23%
Net income (reported)	-568	211	-312	499	
Earnings per share (basic, reported)	-10.61	3.90	-5.86	9.21	
Adjusted earnings per share	2.56	3.68	8.17	9.99	+ 22%
EBITDA (reported)	-711	422	-174	1,018	
Adjusted EBITDA	264	383	802	1,007	+ 26%
Free cash flow	122	108	257	213	- 17%
Research and development expenses	66	75	224	254	+ 14%
thereof company-funded	51	45	169	172	+ 2%
thereof customer-funded	15	30	55	82	+ 50%
<i>Company-funded R&D expenses as stated in the income statement</i>	<i>28</i>	<i>25</i>	<i>82</i>	<i>74</i>	<i>- 10%</i>
Net capital expenditure on property, plant and equipment	78	77	190	248	+ 30%



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			Dec. 31, 2023	Sept. 30, 2024	Change
Balance sheet key figures					
Intangible assets			1,200	1,213	+ 1%
Cash and cash equivalents			883	1,910	+ 116%
Pension provisions			743	727	- 2%
Equity			2,933	3,350	+ 14%
Net financial debt			631	631	+ 0%
Total assets and liabilities			10,204	11,810	+ 16%
Order backlog					
			24,393	23,359	- 4%
Employees					
			12,170	12,634	+ 4%

¹ Adjusted figures for 2023 and 2024

² Revenue adjustment criteria aligned with 2023 annual financial statements

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. In fiscal 2023, the company had a workforce of over 12,000 employees and posted adjusted revenue of 6.3 billion euros.

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