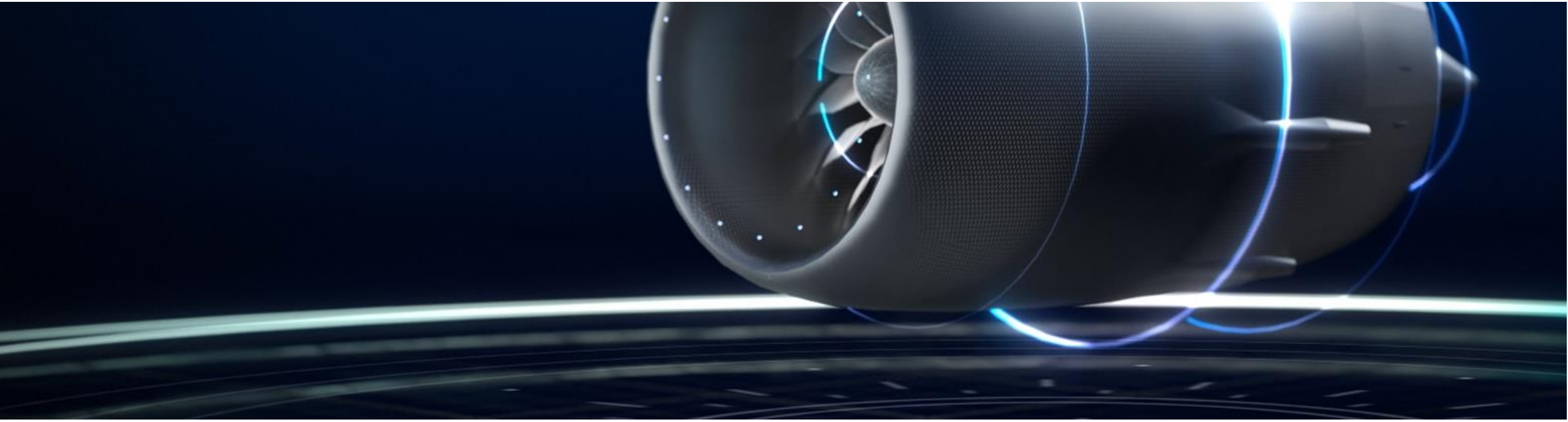


MTU Aero Engines – Investor & Analyst Day 2022

17th of November 2022 I London

Welcome

Thomas Franz
Vice President Investor Relations

Agenda

1 Market Environment
Reiner Winkler
Chief Executive Officer (CEO)

2 Business Segments
Michael Schreyögg
Chief Program Officer (CPO)

3 Production & Technology
Lars Wagner
Chief Operating Officer (COO)

4 Financials
Peter Kameritsch
Chief Financial Officer (CFO)

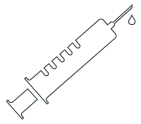
5 Executive Summary

6 Q&A
Reiner Winkler (CEO) I Michael Schreyögg (CPO)
Lars Wagner (COO) I Peter Kameritsch (CFO)

Market Environment

Reiner Winkler
Chief Executive Officer (CEO)

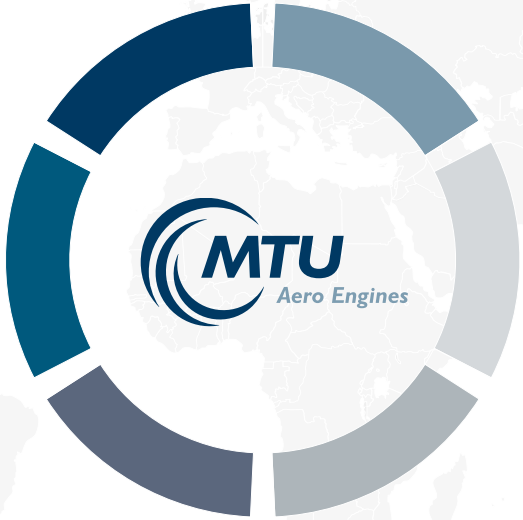
Market environment is challenging



Covid-19 pandemic and
remaining travel restrictions

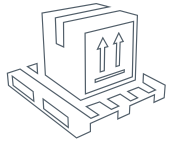
Russian invasion of Ukraine
and related sanctions

Energy supply crunch in Europe
and global rise in energy prices



Global economic slowdown
and price inflation

Supply chain constraints and
labour shortage

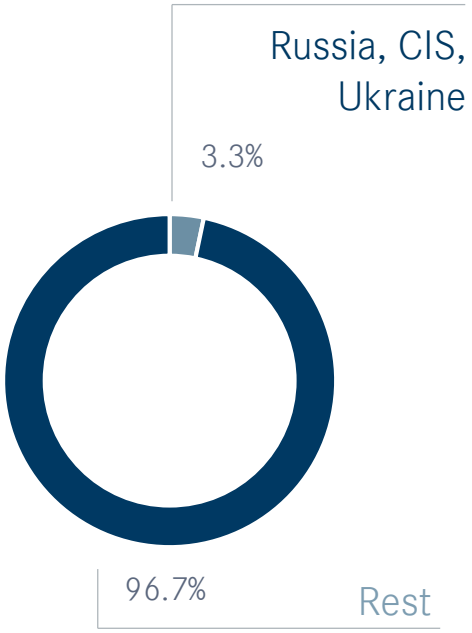


Ongoing climate discussion

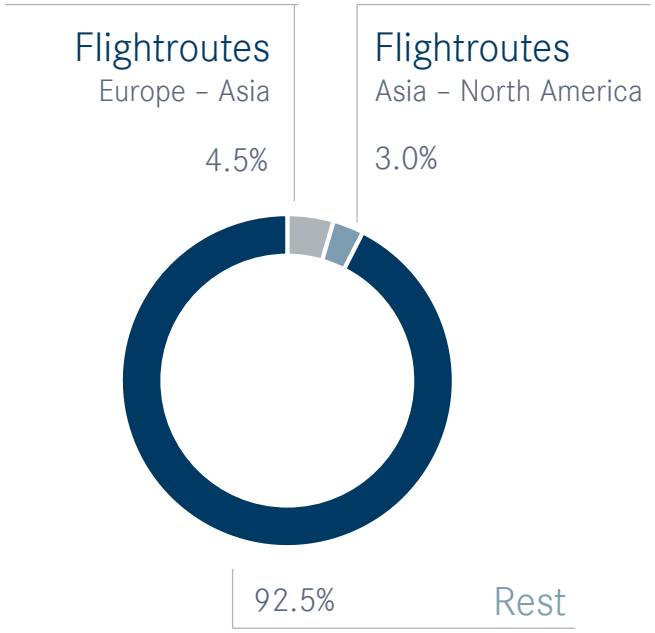
The impact of Russia's invasion of Ukraine on air traffic is limited in region and scale

Sanctions bring challenges to the aviation industry

GLOBAL COMMERCIAL FLEET AFFECTED



INTERNATIONAL TRAFFIC OVER RUSSIAN AIRSPACE IN 2021



- Sales of aircraft, spares and MRO services to Russian companies are prohibited by **sanctions** but **affect only a small share of global demand**
- Closure of Russian airspace to western airlines mainly affects Europe-Asia and Asia-North America routes:
  - 7.5 % of global international traffic
  - Longer routes and flight diversions
- **Low single-digit loss of global traffic** due to sanctions and bans in short/medium-term
- Concern about potential raw material and parts shortages from Russia currently mitigated by inventories and alternative sources
- Invasion of Ukraine leads to **increase in** European and German **defense spending**

Source: Cirium Fleets Analyzer, IATA

The energy supply crunch in Europe and the global rise in fuel prices have negative but still limited implications for the aerospace industry

Energy supply shock in Europe

- Natural **gas prices nearly double** pre-war levels
- EU plans to cut gas needs by 15% but **shortages are likely**
- Governments plan **support measures to households and industry**

Impact on aerospace companies

- **Cost base impact limited at present**
  - Energy costs < 1% of sales in 2021
  - Hedging and escalation clauses

Skyrocketing oil prices

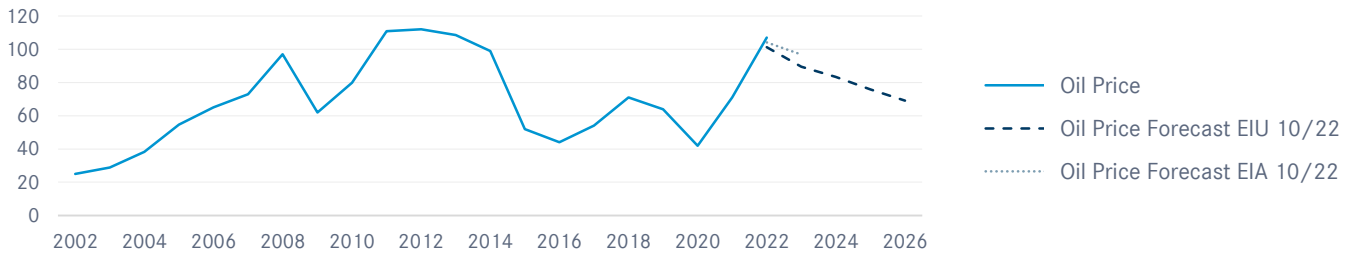
- **Oil prices exceeded USD 120 per barrel in spring**
- Supply disruption and anticipated sanctions on Russian oil
- **Slowdown in energy demand** has brought prices **back to under USD 100/bbl**

Impact on aerospace companies

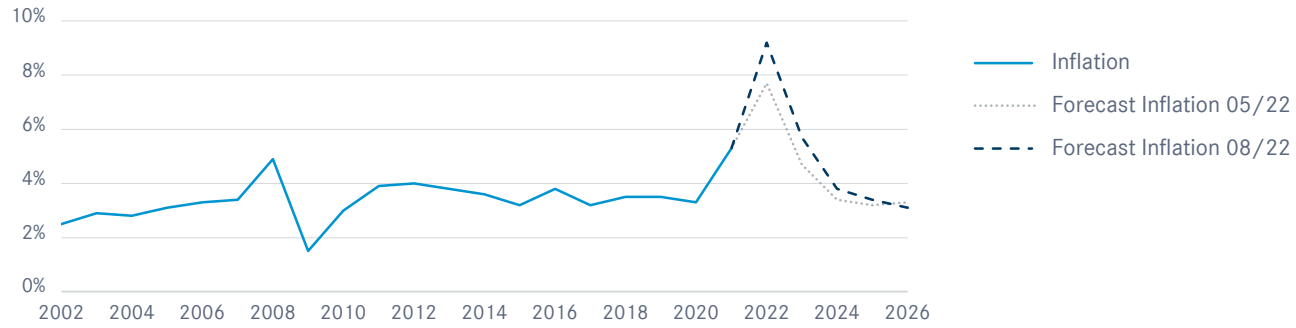
- **Direct travel impact limited at present**
  - Headwind from higher ticket prices
  - But Covid-19 recovery remains strongest driver in most regions

Fuel prices and inflation forecast to peak in 2022-23

AVERAGE ANNUAL OIL PRICE DEVELOPMENT [BRENT USD/BBL]



INFLATION

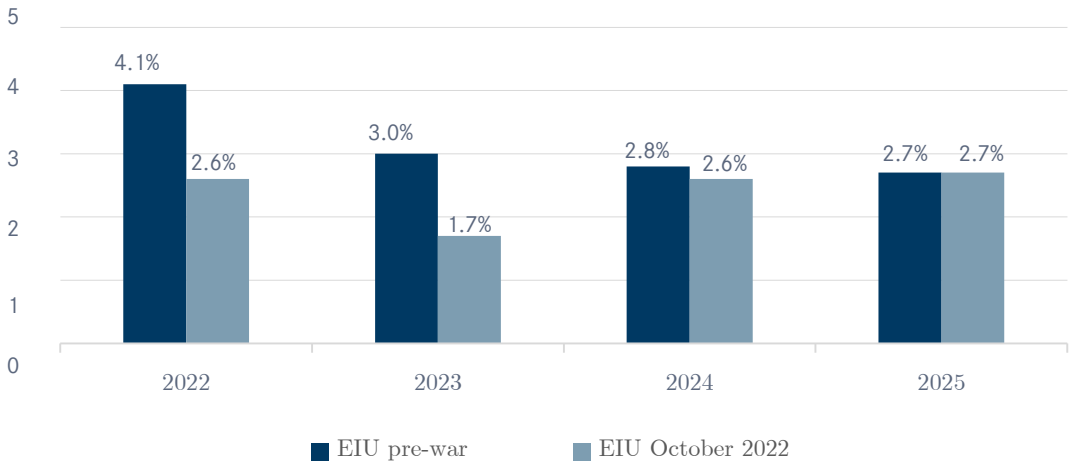


Source: EIA, EIU, Reuters | EIU = Economist Intelligence Unit, EIA = U. S. Energy Information Administration

- **Oil prices remain elevated** following sanctions applied to Russian oil
- **Slowdown in demand** with **concerns over recession risks has pushed Brent under USD 90/bbl** in September
- **OPEC+ announced production cuts** in October to prevent further declines
- **Brent to soften in 2023 but stay within USD 90-100/bbl**
- The general rise in **commodity prices** will further fuel global **consumer price inflation**, which will reach nearly 10% this year – its highest level in more than 20 years

Economists have significantly lowered global GDP forecasts but the current easing of travel restrictions is most powerful driver for traffic growth

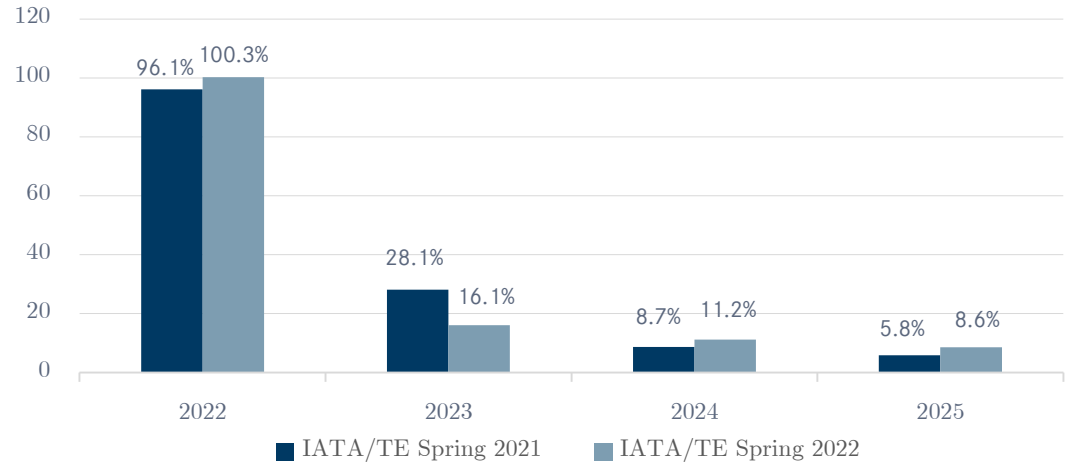
GLOBAL ECONOMIC GROWTH



- Sharp slowdown in 2022/23 due to inflation, supply chain disruptions and China's zero-Covid policy
- Central banks wind down stimulus measures and raise interest rates to try to contain inflation

Source: The Economist Intelligence Unit (EIU)

PASSENGER TRAFFIC GROWTH



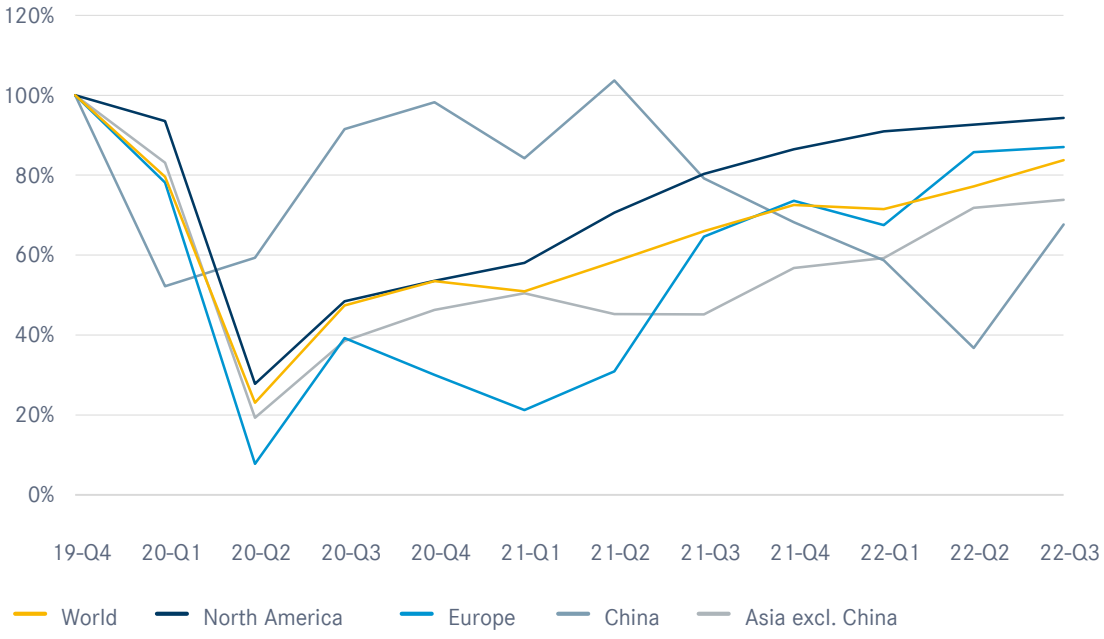
- Lower GDP growth, higher ticket prices and lower purchasing power will impact passenger traffic
- The easing of the last travel restrictions, excess savings and pent-up demand remain a stronger driver at present

Source: International Air Transport Association (IATA), Tourism Economics (TE)

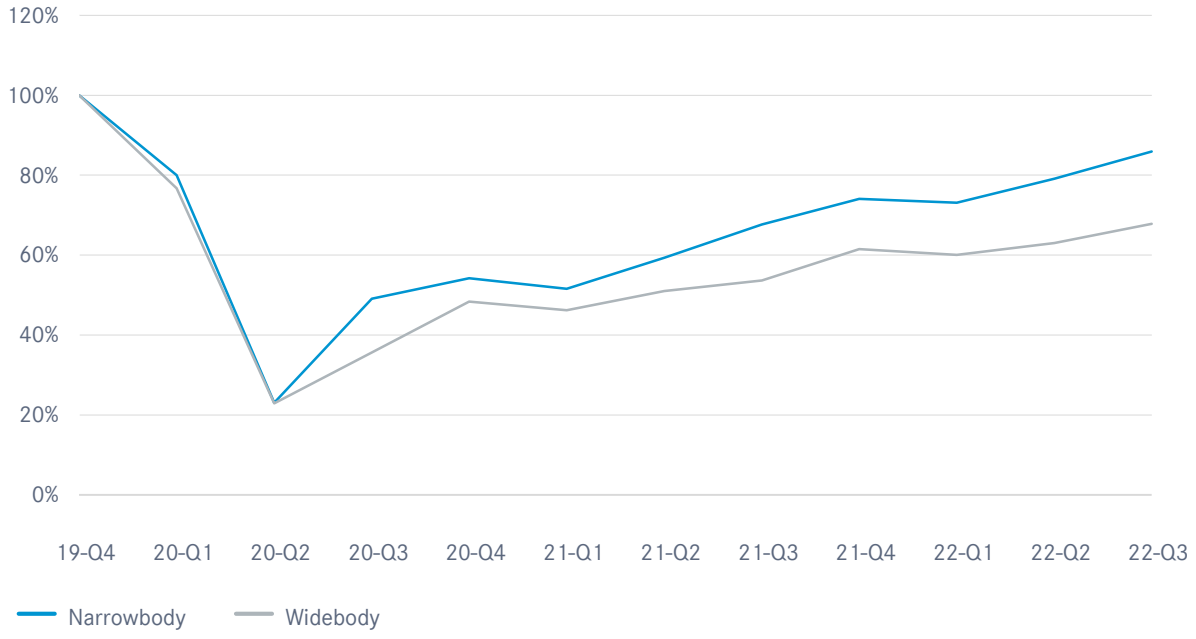
The traffic recovery is indeed strong, led by North America and Europe

Narrowbody flights recover faster

TOTAL PAX FLIGHT CYCLES BY REGION



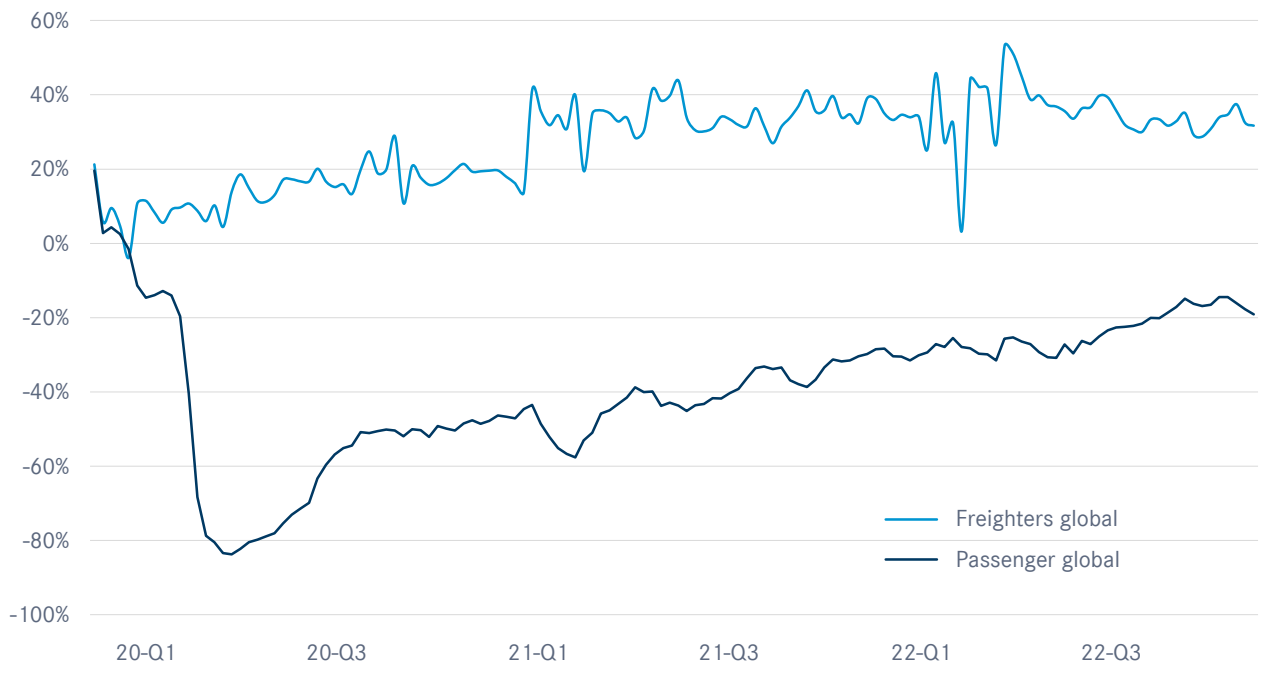
NARROWBODY & WIDEBODY PAX FLIGHT CYCLES



Source: FlightRadar24 / Narrowbody & Widebody only

Dedicated cargo flights outperforming passenger flights

WEEKLY FLIGHT CYCLES COMPARED TO SAME WEEK IN 2019

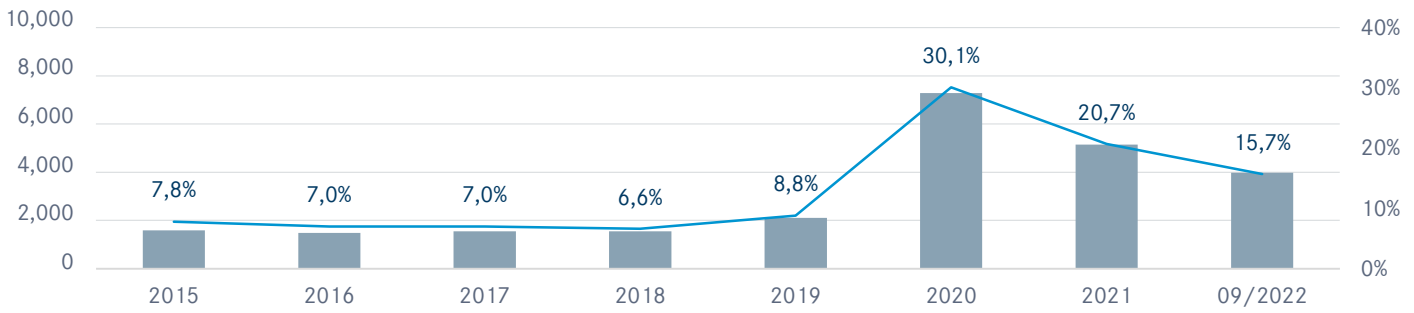


- Dedicated cargo flights at 30% above pre-Covid levels and relatively stable
- This is despite negative overall freight traffic growth rates (incl. belly cargo) since March as reported by IATA
- Easing of Covid-19 restrictions in China is expected to be positive
- Moderate outlook for cargo operators mainly based on normalization in freight rates
- MTU still benefits from strong presence in cargo segment

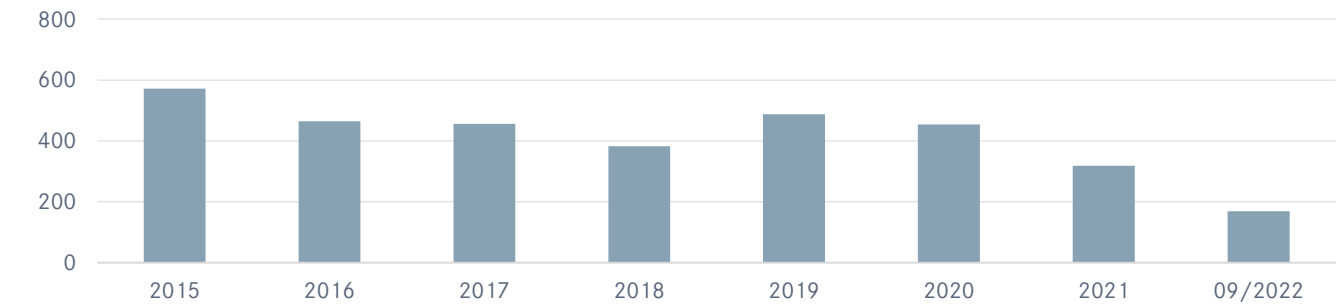
Aircraft storage declines as airlines re-activate aircraft to meet stronger travel demand

No step up in retirements yet but pick-up likely to be imminent

INDUSTRY PARK RATE



INDUSTRY RETIREMENTS



Source: Cirium Fleets Analyzer | Airbus and Boeing passenger and freighter aircraft

- **Decreasing park rate** of Airbus and Boeing aircraft, now at 16% following a peak of 30% in 2020
- **Storage to continue improving in 2023** as last travel restrictions are expected to be lifted
- **Retirements remain at historically low** levels driven by uncertainty over the speed of the covid-19 recovery and a lack of demand for used material
- **Retirements should however begin to pick-up** over the next three years as used serviceable material (USM) values improve, deliveries ramp up and high fuel prices favor new aircraft over older generations
- MRO avoidance and deferral strategies during the pandemic mean that the **availability of useable green-time engines and USM is drying up**

OEMs plan to accelerate deliveries after overcoming current supply chain constraints

Growing demand for A220, A320, 767 and 777X with stable 787 order backlog

Monthly rate	2019	Current rate	Airframer planned rate	Trend
A220	4	6	14 in 2025	↑
A320	60	48	75 in 2025	↑
A330	4	3	3 in 2023	→
A350	10	5	6 in 2023	↑
737	52/42	30	50 in 2025	↑
787	14	4–5	10 in 2025	↑
767	3	1.5	2–3 in 2023	↑
777X			EIS in 2025	↑
747	0.5	0.5	EoP in 2023	↓

Aircraft firm order backlog	09/2021	Deliveries	Net orders*	09/2022	Trend
A220	458	49	127	536	↑
A320	5,661	471	967	6,157	↑
A330	290	23	-61	206	→
A350	471	58	8	421	↓
737	4,013	346	483	4,150	↑
787	488	7	5	486	→
767	48	15	27	60	↑
777X	394	0	32	426	↑
747	8	5	0	3	↓

- Narrowbody rates ramp up, widebody rates more moderately
- 787 deliveries restarted, long-term double-digit rate expected
- Airbus expects 700 aircraft in 2022

- Strong orders recorded in last 12 months for A320 and A220
- 787 backlog stable despite industrial issues
- 767 orders from UPS raise backlog

Source: Cirium Fleets Analyzer, Airbus and Boeing passenger and freighter aircraft, Airframers' announcements

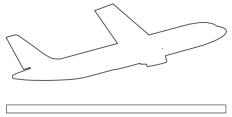
** Net orders = gross orders - cancellations*

Long-term fundamentals for the aerospace industry remain intact

Positive market environment for the aviation industry

20-year annual
GDP growth 2.5%[1)]

20-year annual RPK[2)]
traffic growth 3.5%[1)]



20-year annual CTK[3)]
traffic growth 3.2%

20-year new aircraft
deliveries 42,700

Solid new aircraft deliveries over the next 20 years[4)]

32,000	6,800	3,000	900
Passenger single-aisle	**Passenger twin-aisle**	**Regional jets**	**Freighters**

Source: MTU 1) CAGR 2019-41 2) RPK = Revenue Passenger Kilometres 3) CTK = Cargo Tonne Kilometres 4) 2022-41

Questions & Answers

Reiner Winkler
Chief Executive Officer (CEO)

Q&A

Business Segments

Michael Schreyögg
Chief Program Officer (CPO)

MTU is back on its growth track

Resilience in business model as proven in previous crisis years

2020 – 2021

Corona crisis

- Worldwide air traffic significantly down
- Narrowbody and cargo fleet more resilient
- Military business not affected
- Airlines in cash preservation mode
- Postponement of new deliveries

2022+

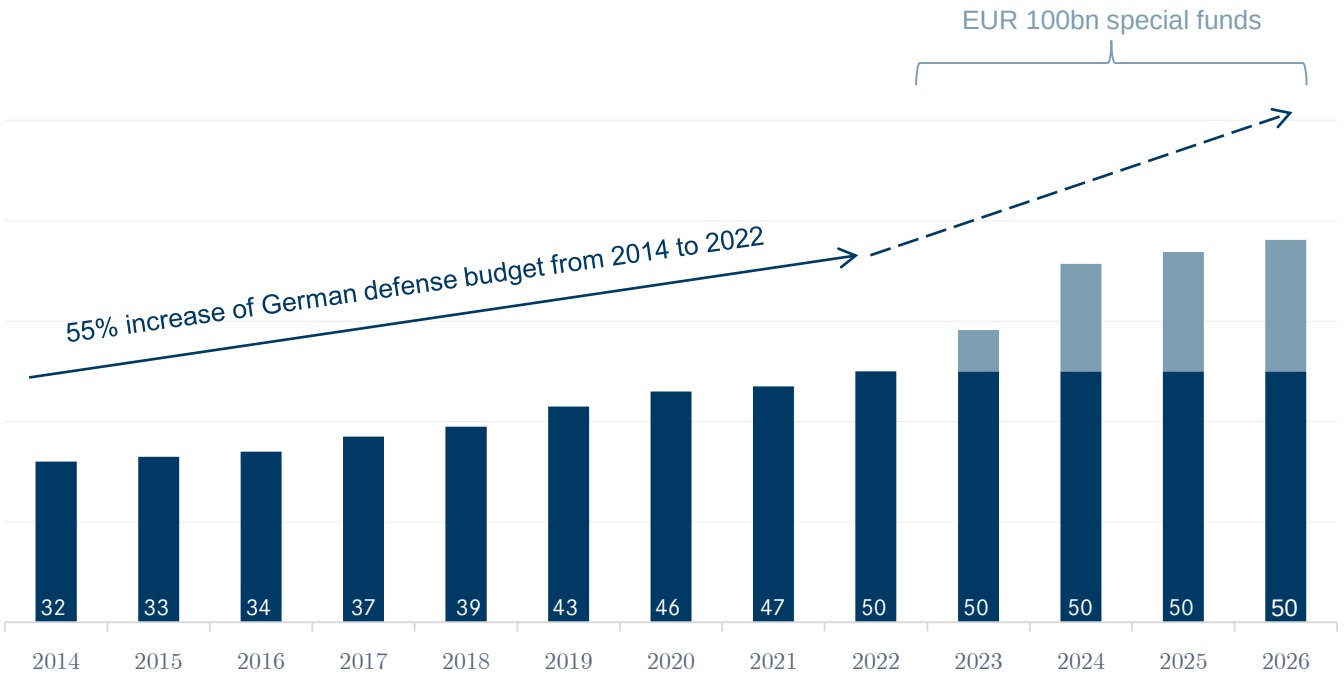
Accelerating recovery but economic weakening

- Full recovery of air traffic expected for 2024/2025
- Production rate increases underpinned by strong order book
- Pent-up demand for shop visits
- Disruptions in form of supply chain challenges, ongoing geopolitical uncertainty and macroeconomic effects
- Cargo traffic will gain more importance due to e-commerce

MTU is likely to benefit more quickly from the recovery in air traffic, thanks to its strong exposure in the narrowbody and cargo segment

German defense budget continuously increased

GERMAN DEFENSE BUDGET DEVELOPMENT 2014 – 2022 [1] IN BILLION EUR



- Germany strengthens its defense capabilities supported by EUR 100bn special funds
- Higher availability and more intensive use of weapon systems
- Stabilization of the aftermarket business

1) www.bmvg.de

Solid military engine portfolio

FCAS
NEFE

EIS ~2040

CH-53K
T408

EIS 2021

Eurocopter Tiger
MTR 390

EIS 2004

Tornado
RB199

EIS 1979

Next Gen Helicopter

Year 0
Entry into service

A400M
TP400-D6

EIS 2013

Eurofighter
EJ200

EIS 2003

40-50 years
in service

R&D

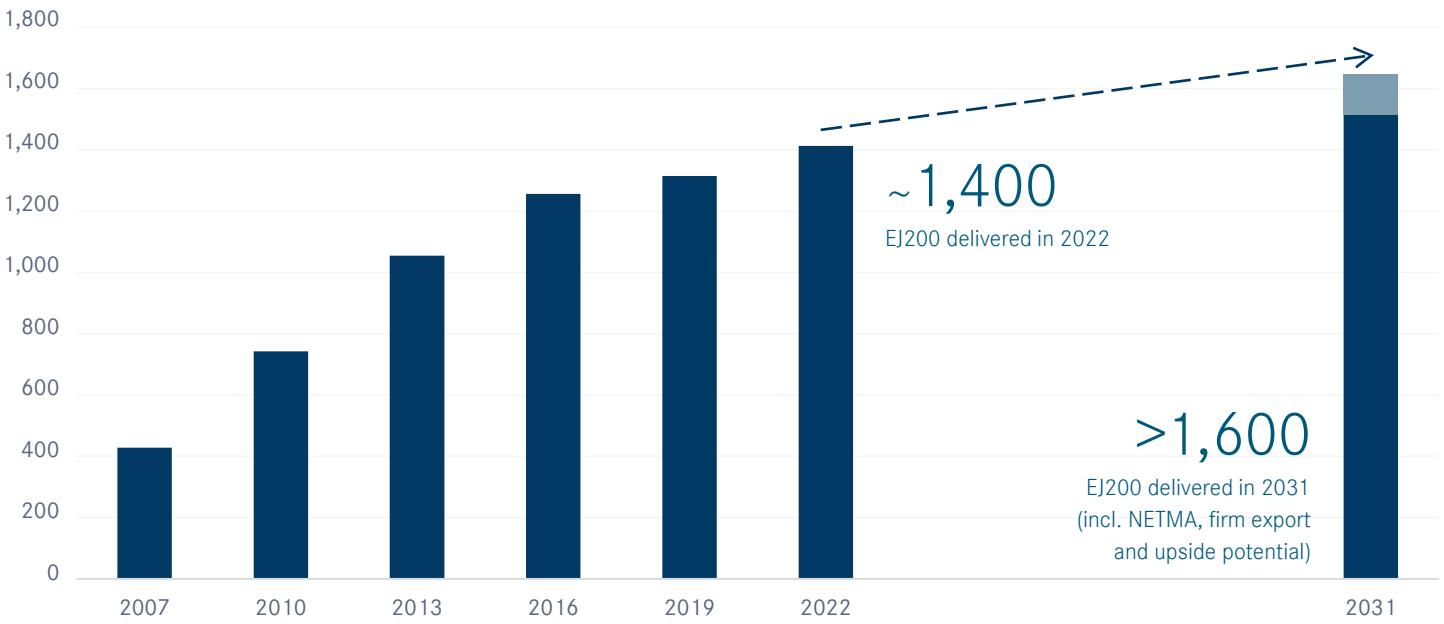
Series Production

Aftermarket

Phase out

The EJ200 will remain the backbone in our military business with further upside potential

DELIVERED EJ200 ENGINES AND FORECAST



Source: MTU – EJ200 deliveries

9 nations have chosen the Eurofighter

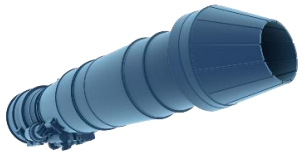
> 1.5 m engine flying hours[1)]

- Eurofighter additional new orders of 58 aircraft by Germany and Spain with deliveries between 2025 to 2030
- Significant number of Eurofighter for Tornado replacement expected [2)]
- Annual rising utilization rates and increasing volumes for MRO business
- Additional export campaigns ongoing
- Future-proof until 2050+

1) Source: Eurojet https://www.eurojet.de/2022/06/23/eurojet-signs-contract-with-netma-to-provide-48-new-ej200-engines-for-the-spanish-air-force/
2) Source: https://augengeradeaus.net/2022/03/nun-angeblich-endgueltige-entscheidung-fuer-f-35-als-tornado-nachfolger-gefallen/

We remain confident about the FCAS[1)] and our participation in the NEFE[2)]

THE FCAS IS KEY TO EUROPEAN SOVEREIGNTY IN THE 21ST CENTURY



~ 2,000
engines expected

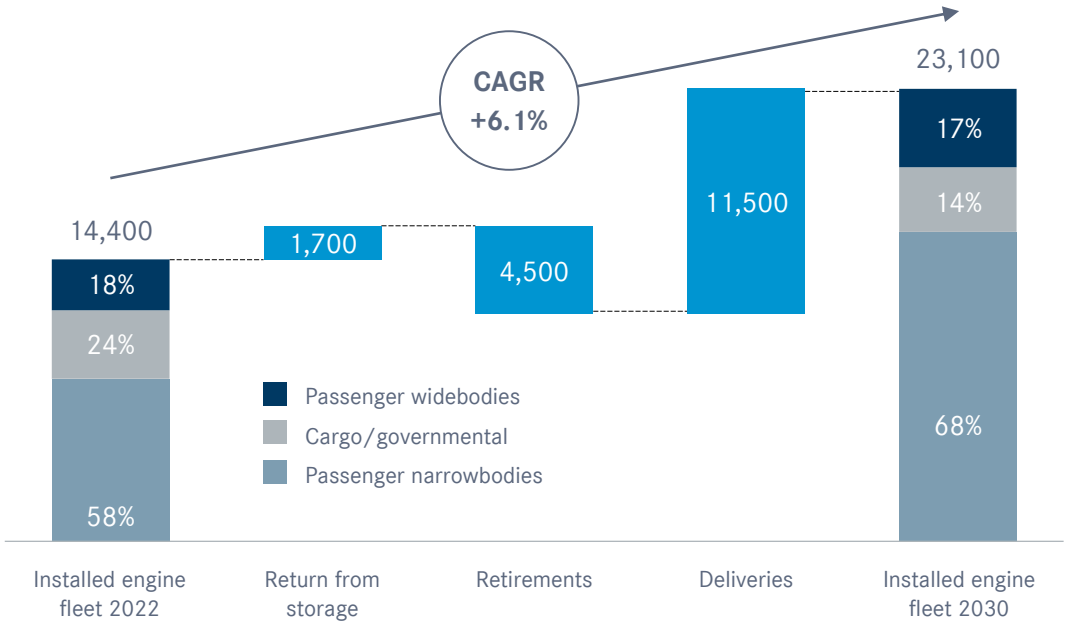
~ 500
engineers at MTU needed

- Rafale and Eurofighter replacement
- Further enhancement of technology competencies
- Establish and expand own supply chain for high-tech products
- Technology spin-off in commercial engines
- High revenue potential

1) FCAS = Future combat aircraft system 2) NEFE= Next European fighter engine

MTU's future growth is driven by narrowbody engines

COMMERCIAL ENGINE FLEET WITH MTU PARTICIPATION 2022-2030



NEW ENGINE DELIVERIES 2022-2030

~ 9,000
Passenger narrowbody engine deliveries

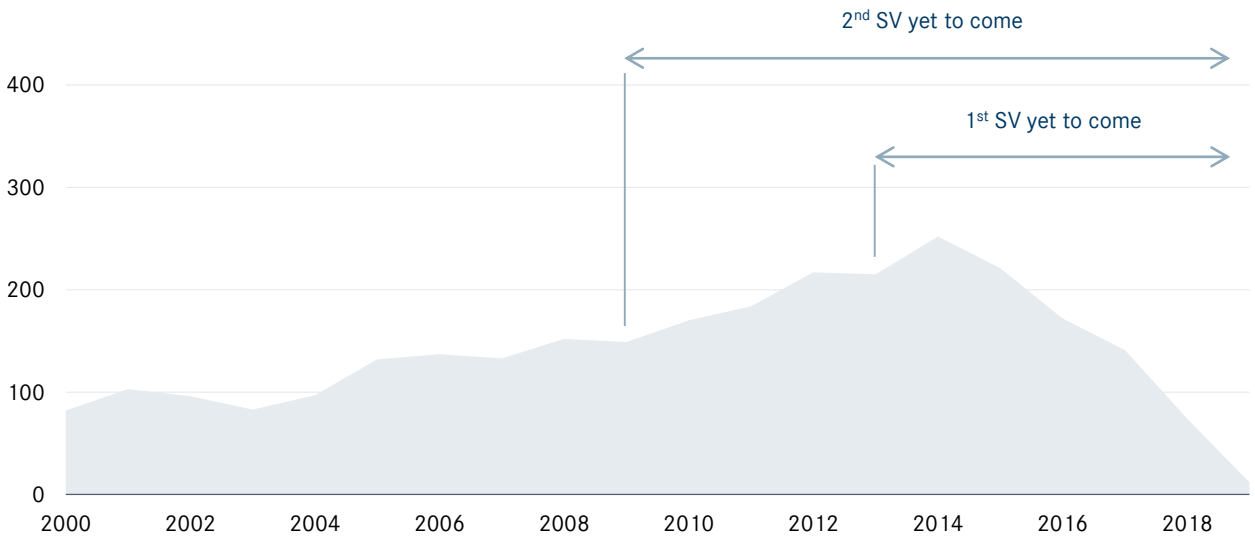
~ 2,100
Passenger widebody engine deliveries

~ 450
Cargo and government applications engine deliveries

Source: MTU – Engines with MTU participation

V2500 will remain key revenue driver in aftermarket business over the next years

A320CEO WITH V2500 - ENTRY INTO SERVICE AND SV* (NUMBER OF AIRCRAFT)



> 3,000
Aircraft equipped with V2500[1)]

> 280 million
Flight hours[1)]

- Strong recovery from the pandemic
- Pax-to-freighter conversion programs (A321) started
- High OEM FHA share in aftermarket with a strong position in the independent market

1) Source: https://prattwhitney.com/products-and-services/products/commercial-engines/v2500

** SV = Shop visit*

The GTF engine is a very popular engine, as it offers best economics for airline customers

TIMELINE OF THE GTF ENGINE

2010 – 2015

Investment, R&D phase

- Outstanding efficiency in fuel consumption and noise reduction
- High market appeal

2016 - 2019

Production ramp up

- Steep ramp up
- Technical upgrades implemented

2020 - 2021

Corona pandemic

- Severe impact on production rates and aftermarket demand
- High utilization during the pandemic
- Acceleration of warranty and retrofit work

2022 +

Re-ramp up starts

- Production rate increase underpinned by strong order book
- **Key revenue and profit contributor by end of this decade**

1,300+
aircraft in service

15 million+
engine flight hours

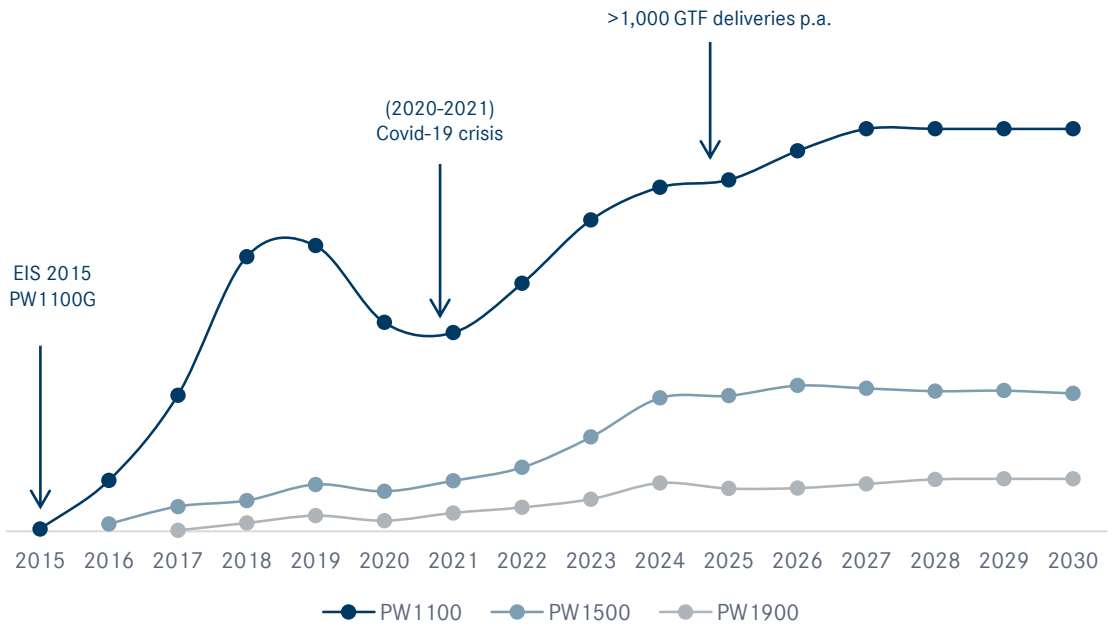
3 billion+
liters of fuel saved

8 million+
Metric tonnes of CO_2 avoided

Source: Pratt & Whitney website https://pwgtf.com/family

GTF will be the key revenue and profit driver by end of this decade

GTF ENGINE DELIVERY 2015 – 2030 (PW1100, PW1500, PW1900) [1)]



> 10,000
Engine deliveries*

- Improvement in pricing
- Lower warranty costs
- Learning curve effects

MTU will benefit from its know-how of the MRO market to achieve attractive maintenance costs

- Optimization of 1st and 2nd tier MRO contracts
- Strong focus on reduction on maintenance cost
- Improve reliability and on wing-time

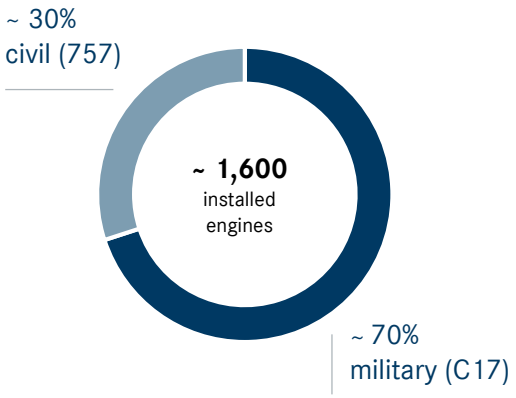
**Source: MTU -time frame: 2022-2030*

1) MTU Source

MTU has a strong engine product portfolio to benefit from the aftermarket

PW2000 (B757, C17) [1)]

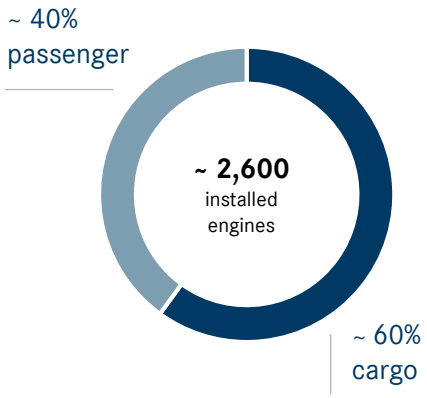
Installed engines



- High military exposure
- Stable spare parts outlook

CF6-80C/E (767, 747, A330) [1)]

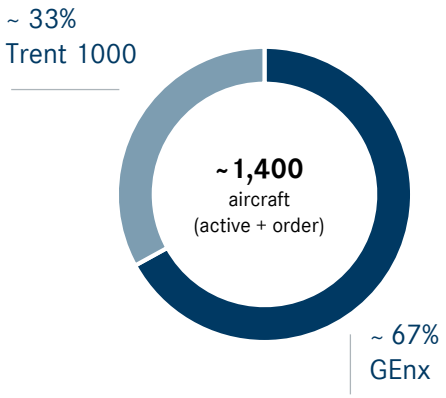
Installed engines



- Benefits from strong cargo demand
- Good potential for pax-to-freighter conversions

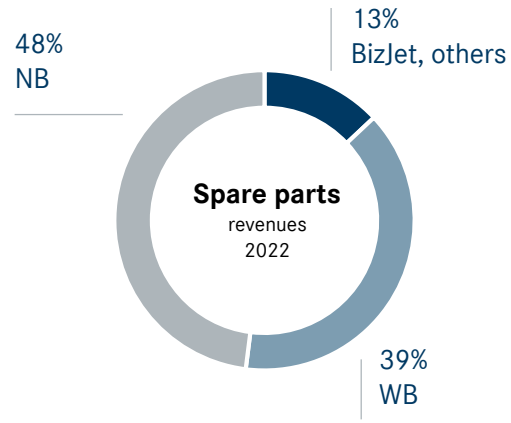
GENX (787, 747-8) [1)]

Market share



- Growing spare parts business
- High market share
- Strong order book

SPARE PARTS REVENUE SPLIT

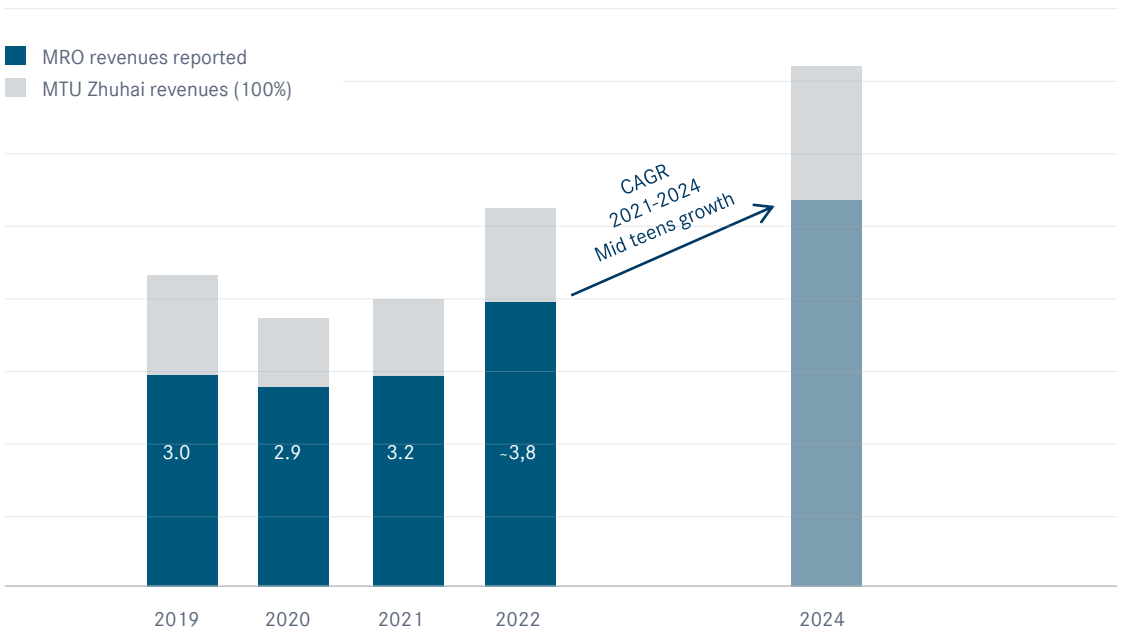


- Key revenue driver V2500, PW1000G-family, PW2000, CF6-80C/E

1) Source: MTU 09/2022

MTU Maintenance weathered the Covid-19 storm and continues to perform above average

MRO REVENUES 2019 -2024 INCL. REVENUE MTU ZHUHAI (IN USD MILLION)

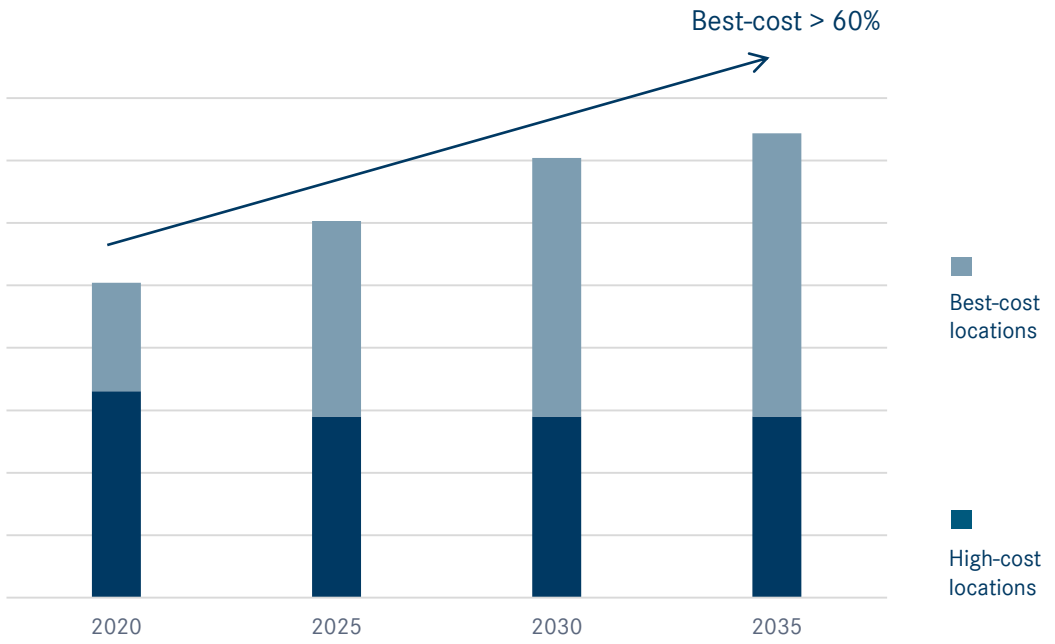


- Pre-Covid revenue levels already reached in 2021
- Corona crisis well managed thanks to narrowbody and cargo exposure, high flexibility and quick reactions
- Faster ramp-up compared to competitors

1) MTU Source

Recovery in flight hours and MRO pent-up demand drives shop visits

MRO CAPACITY DEMAND



- Strong air travel demand
- Pent-up demand for MRO shop visits
- Supply chain and workforce constraints

- Investment programs continued during Covid crisis
- Increase of flexibility
- Expansion of best cost – optimization of high cost

Expansion of our global MRO network is progressing

MTU Maintenance Canada
Move to new facility 2021

MTU Maintenance Zhuhai (JV)
Shop expansion 2021

MTU Maintenance Zhuhai #2 (JV)
New shop 2024

MTU Maintenance Hannover
Shop expansion 2021

MTU Maintenance Ludwigsfelde
Shop expansion 2019

MTU Maintenance Serbia
Opening October 2022

EME Aero (JV)
New shop 2019

ASSB Airfoil Service (JV)
Shop expansion 2021

MTU Maintenance Zhuhai ensures network competitiveness and local market access

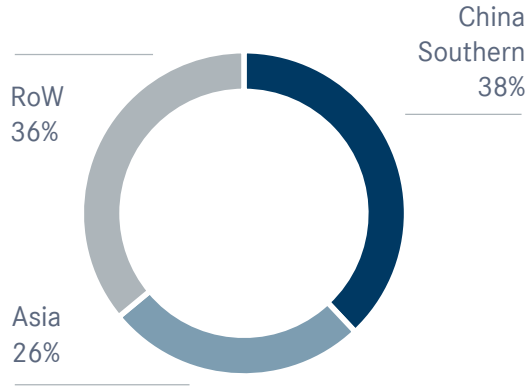
HIGHLIGHTS OF MTU MAINTENANCE ZHUHAI

~ EUR 1bn
Revenues in 2021[1)]

Shop load
by operator in 2021

450
Annual shop visit capacity

1,100
employees



ZHUHAI: ASIA'S LARGEST ENGINE MRO SHOP

- 50:50 JV with China Southern, largest airline group in Asia
- Successful cooperation founded in 2001 runs until 2051
- Leap and GTF engines introduced in 2019 and 2021
- Jinwan shop (Zhuhai II) with capacity of 260 shop visits by 2024
- OSS[2)] site at Daxing Airport (Peking) under study

1) 100% of total JV revenues. 2) OSS = on site services

Additional repair capacities in Serbia will support our growth strategy

HIGHLIGHTS OF MTU SERBIA

EUR 130m
Investment

470,000
Repair hours per year

400 – 500
Employees by 2027

MTU Serbia is located in Nova Pazova, **25 km** away from Belgrade International airport

SERBIA: PARTS REPAIR COMPETENCE CENTER

- 100% subsidiary of MTU Aero Engines
- Operations start in December 2022
- Recruitment and dual training of skilled employees has started
- Additional flexibility to our high-performance MRO network
- Strengthening of MTU's global competitiveness

MTU Maintenance Lease Service's portfolio ideally complements our engine MRO portfolio

HIGHLIGHTS

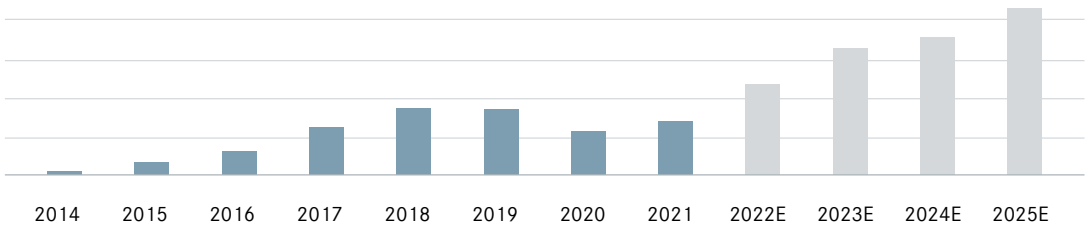
50+
Employees worldwide

300+
Customers worldwide

80+
Lease engines

160+
Lease transitions p.a.

MLS REVENUES - CAGR ~44% (2014–2022E)



SPECIALIST FOR LEASING AND ASSET MANAGEMENT

- Founded in 2014, now fully MTU-owned
- Services:
  - Engine lease service
  - Asset and material management
  - Technical consulting

MTU is working consistently to further strengthen its MRO market presence

Secure market access

- Further increase independent MRO business
- Cooperation with OEM on new engine programs
- Promoting partnerships (e.g. with JV partners)

Expansion of product portfolio

- Expansion of existing and development of new services
- Focus on customer needs

Presence in key markets

- Expansion of global MRO network
- Presence in high-volume markets and access to growth markets

Increase competitiveness

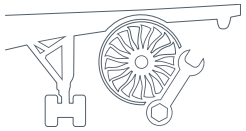
- Digitalization and process innovations
- Expansion of best-cost – optimization of high cost
- Strengthening cooperation within the global MRO network

MTU emerged stronger out of the crisis and continues its growth path

- **Military business** remains a **stable pillar** with fighter engines as key revenue drivers

- **Recovery** in aviation industry is accelerating despite **challenges** in the market environment

- Faster recovery thanks to **strong exposure** in narrowbody and cargo engines



- Strong **competitive advantages** in MRO

Questions & Answers

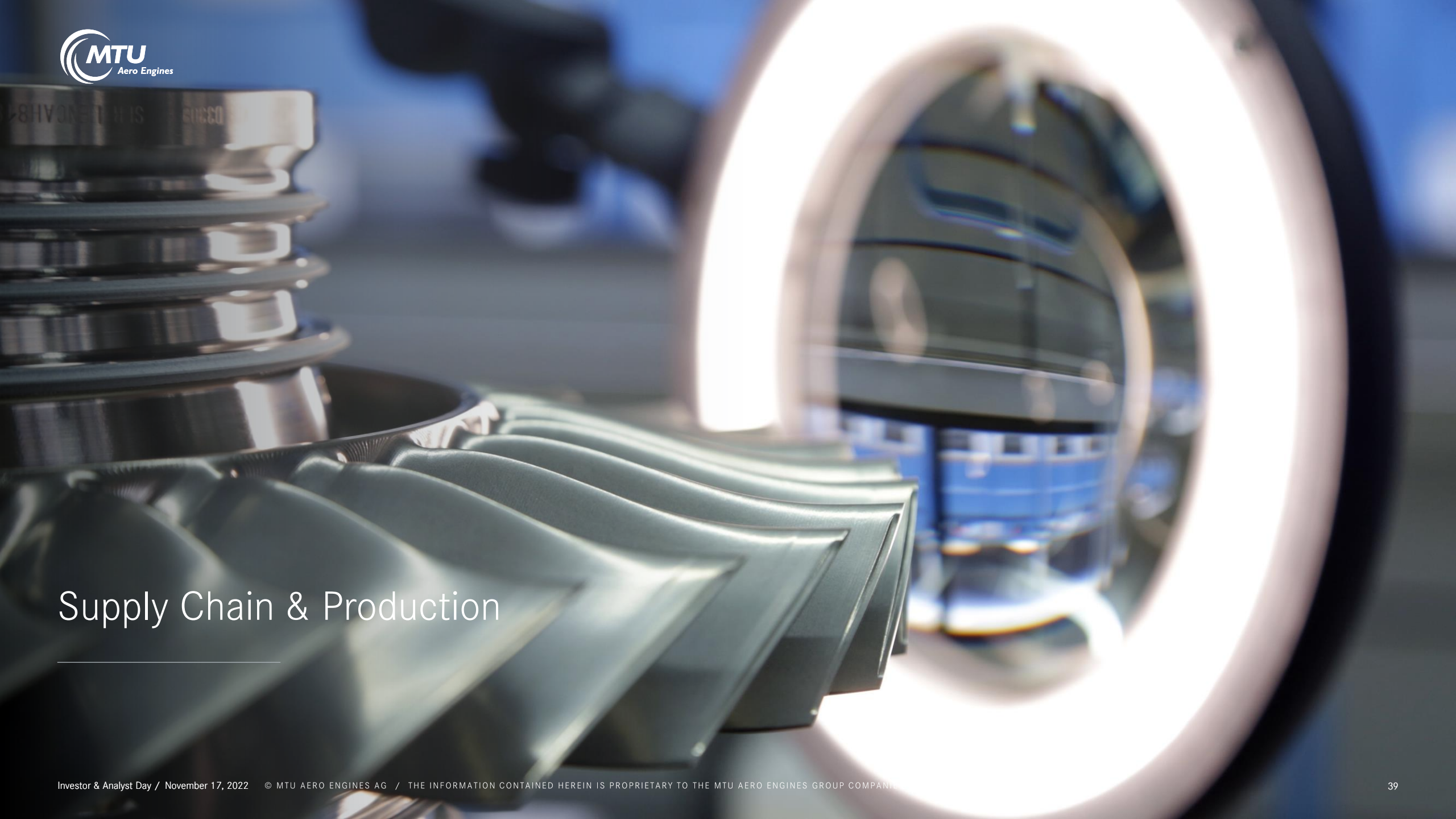
Michael Schreyögg
Chief Program Officer (CPO)

Q&A

Lunchbreak

Production & Technology

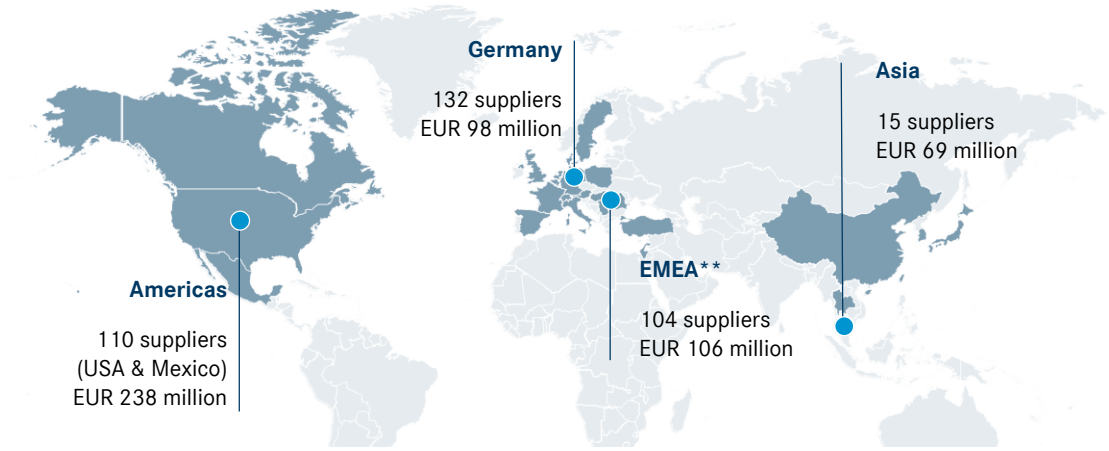
Lars Wagner
Chief Operating Officer (COO)



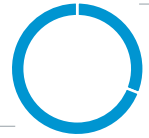
Supply Chain & Production

Procurement & logistics: global footprint

~ EUR 500m volume in production material in 2022*



Procurement share vs. in-house production 2022*
(Commercial OEM series in %)



68%
Procurement

32%
In-house value creation

Security of supply for key raw materials and parts

- Main raw-materials demands in titanium, nickel, aluminum
- Long term contracts with alloy and part suppliers were signed to secure the supply chain
- Intensified multi-sourcing (also by in-house manufacturing)
- No dependencies from Chinese suppliers
- Early replacement of Russian titanium supplier by alternative western suppliers
- Financial and physical nickel hedging (up to 80%) mitigates financial risks from volatile markets
- Intensified supply chain surveillance

** Forecast for year end 2022. **EMEA: Europe (excl. Germany), Middle East, Africa*

Procurement & logistics strategy

COMPETITIVENESS

- Multi-source-strategy
- Smart make-or-buy strategy
- Digitalization of supply chain
- Early warning systems

TECHNOLOGY SUPPORT

- Early participation in development phase
- Increased focus on product design producibility
- Future programs:
  NEFE and next generation GTF

SUPPLIER RELATIONS

- Long-term contracts: best cost sourcing
- Digital supplier network

Circular economy: sustainability within the supply chain of raw materials

We return alloy chips to the supply chain and by this build up a sustainable way to secure the supply

Example: process for titanium chips (MTU ownership)

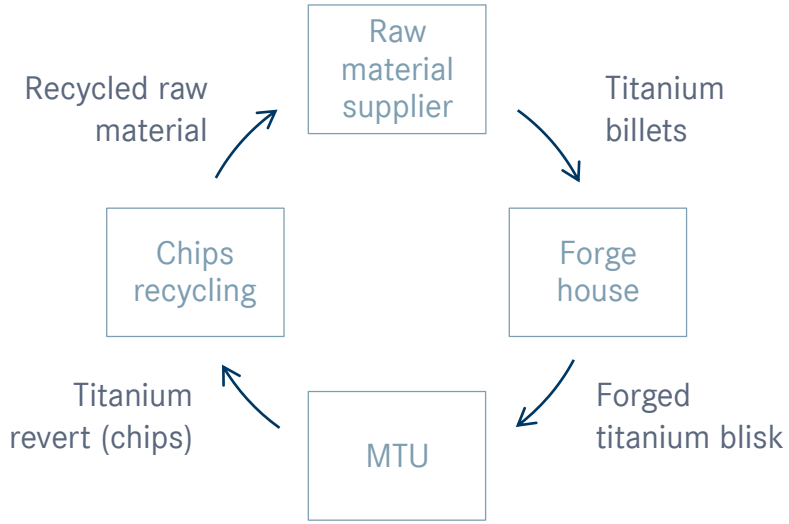
Key facts

- MTU has a contract for titanium deliveries with the raw material suppliers
- Contract contains revert loop for titanium chips
- Chips are needed for re-melting

Benefits

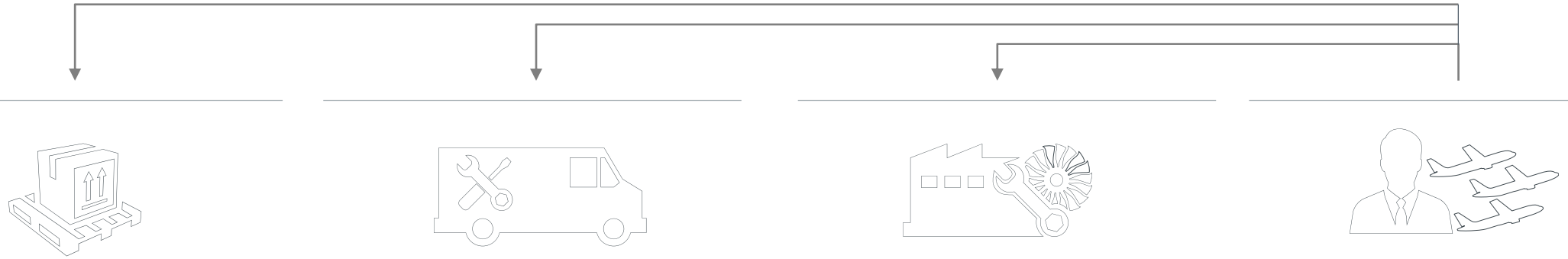
- Contribute to the careful use of resources by recycling
- Saving CO_2 emissions through recycled raw material
- Cost advantage for MTU
- Improved availability of alloys in the market

Sustainable process



How to ensure the ramp-up in the end2end value stream

MTU has used the time during Covid crisis to prepare for the re-ramp-up



Raw material

- Longterm securing of raw material
- Proven sourcing and hedging strategy
- Longer demand forecast to suppliers

Supplier

- Workshops at suppliers to ensure capacity allocation in time
- Qualification of additional sources to provide necessary flexibility
- Longer demand forecast to suppliers

Production

- Introduction of a highly scalable matrix organization
- Increased reliability and quality through enhanced automation processes
- Continuous expansion of production capacities at high-tech and best-cost production sites

Customer

- Increased transparency through digitalization
- Fast reaction to changes in demand with required lead times

OEM global footprint – target vision for future manufacturing sites

Target set-up OEM Munich:

Renewed infrastructure and competences GEN2/NEFE/FFC*

- Development/compliance hardware and pre-series
- High-tech procedures
- Military programs
- Highly automated production systems

Target set-up OEM Polska:

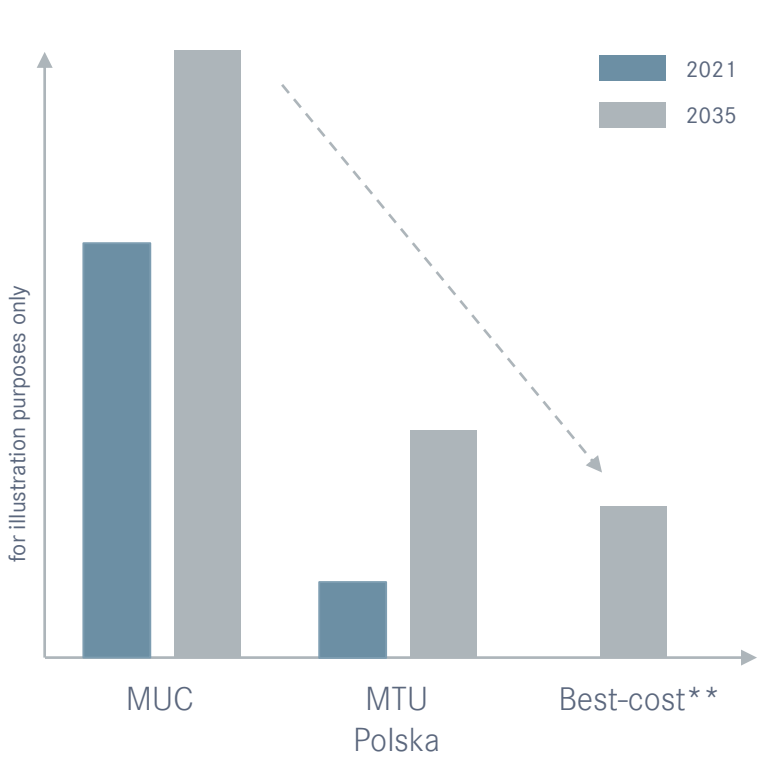
Enhanced portfolio

- Expansion to static parts with increased complexity
- Additive manufacturing

Target set-up OEM best-cost:

Capacity growth

- Low-tech process steps
- Simple parts for training purposes
- Labour-intensive, manual production steps and assemblies



*GEN2 = GTF 2nd generation, NEFE = Next European fighter engine, FFC = Flying fuel cell

** estimate

Sustainability@MTU

ESG@MTU

MTU committed to the UN Sustainable Development Goals

ESG criteria anchored in management compensation

Monitoring and improvement measures for Supply Chain Due Diligence Act among all affected MTU divisions

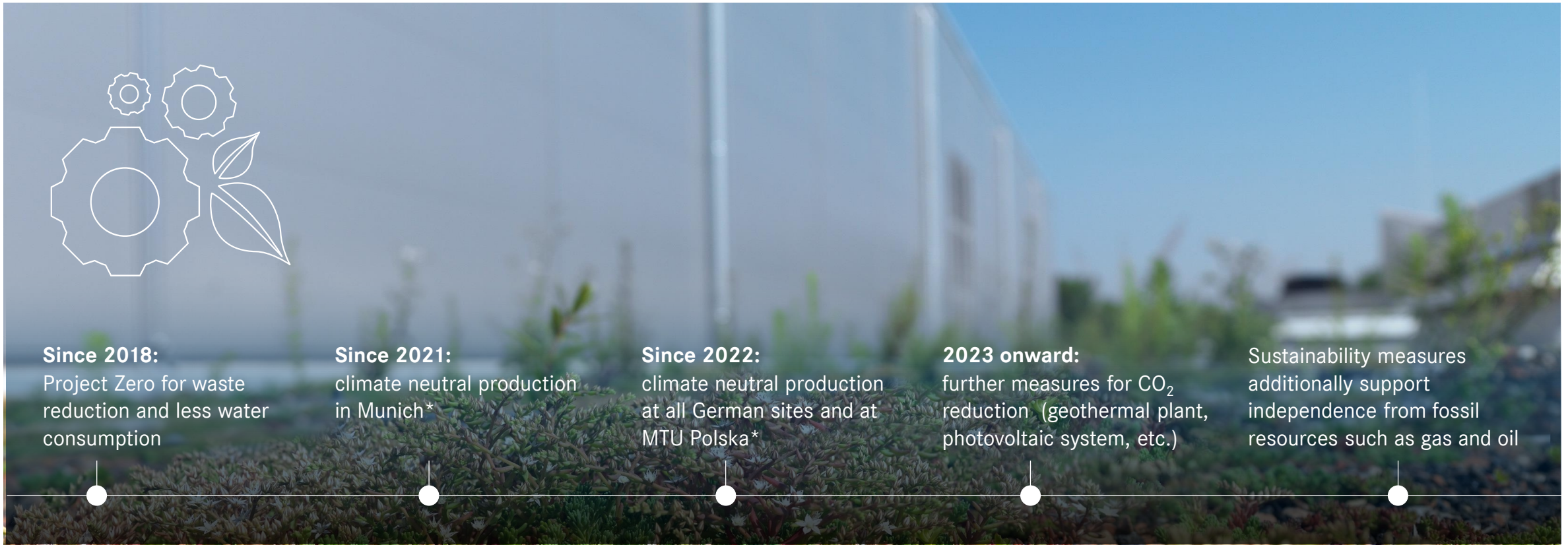
Clear commitment towards sustainable products and sustainable production

MTU advocates diversity and equality of opportunity

MTU stands for excellent working conditions, an open-minded corporate culture and according leadership values

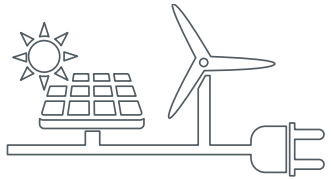
EcoRoadmap for a sustainable production

60% CO2 reduction by 2030 according to Paris climate agreement



** incl. three approaches for CO_2 reduction: avoidance, transformation, compensation*

Dependency of MTU’s sites on gas



Gas usage at MTU

- Sustainability measures support independence from gas
- Additional measures for reduced heat demand in winter period installed
- Gas mainly used for heating purposes (alternatives available) and testing of industrial gas turbines at MTU Ludwigsfelde (in parts replaceable and outsourcing possible)

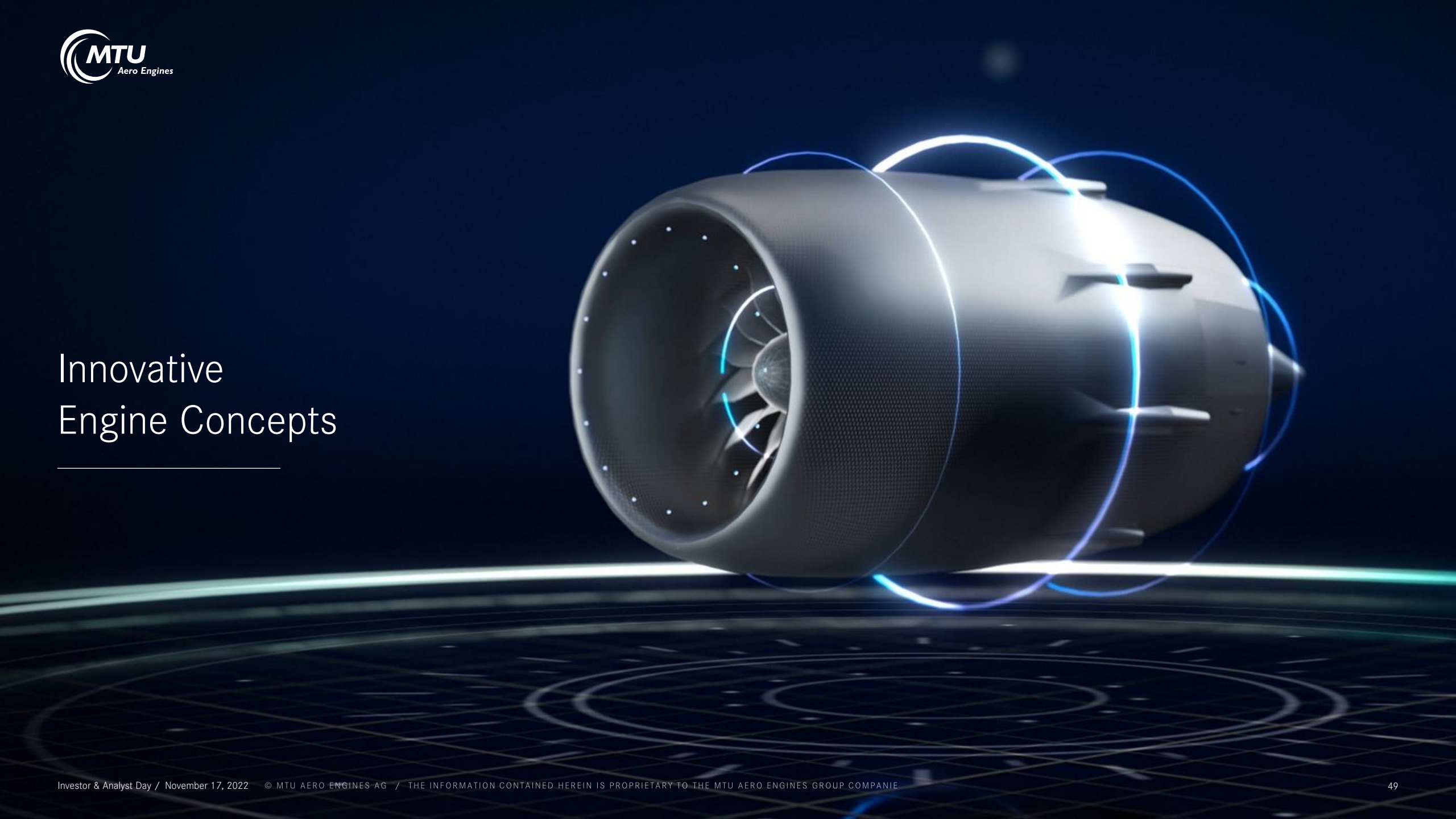
Security of supply

- Heating resources at German sites for winter 2022/2023 already secured
- Gas supply for the next years secured by long-term contracts for all German locations

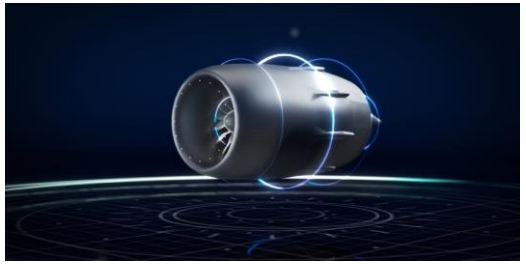
Energy costs

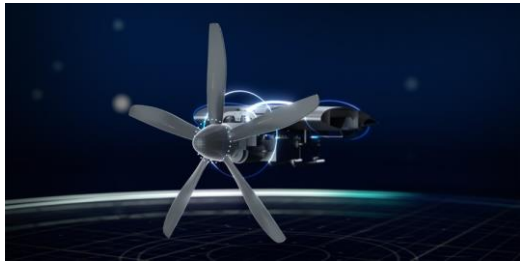
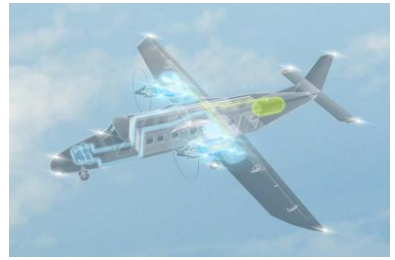
- Gas/energy prices for hedged amounts in 2023 at moderate level
- Prices for 75% of overall gas demand and 50% of overall energy demand in 2023 for German sites already secured
- Close observation of gas/energy cost development in 2023 for additional energy demands

Innovative Engine Concepts



Energy sources for emission-free aviation




IMPORTANCE OF SAF* FOR NEAR- AND LONG-TERM CLIMATE PROTECTION

Near-term

- Drop-in application in existing fleet with imminent impact on climate
- Blend of 50% already certified
- Sustainable usage of high-efficient existing engines in fleet until end-of-life

Long-term

- Long-term application for long range due to high energy density
- Usable for all future engine concepts based on high efficient gas turbines

IMPORTANCE OF HYDROGEN AS CLEANEST ENERGY CARRIER

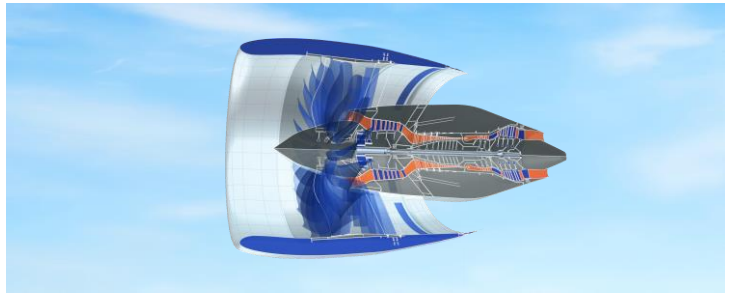
Long-term

- “Green” hydrogen has largest potential for zero emissions
- Infrastructure and handling more complex than for SAF
- Due to lower energy density applicable for short range and mid range
- MTU develops a flying fuel cell for hydrogen usage – cleanest way of hydrogen consumption without combustion

* *SAF = Sustainable Aviation Fuel*

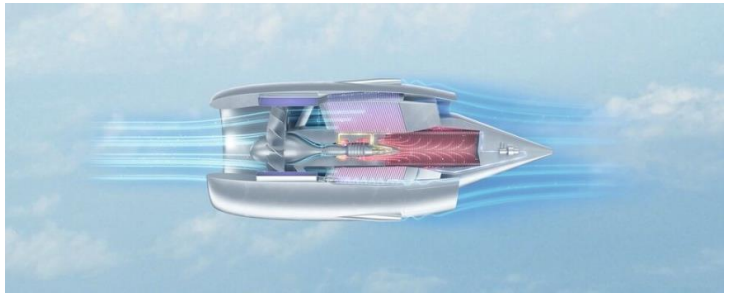
Engine concepts for emission-free aviation

2ND GENERATION GEARED TURBOFAN



- Reduced fan pressure ratio and higher overall pressure ratio
- More efficient components and new materials
- Increased robustness and improved time-on-wing

WET CONCEPT



- Gas-turbine with steam injection into the combustion chamber
- Applicable to all thrust and range classes
- Significant reduction of all emissions (incl. non-CO_2–emissions)

FLYING FUEL CELL

- A galvanic cell transforms chemical energy from H_2 and O_2 into electrical energy
- Applicable to short and intermediate range aircrafts
- Largest potential in terms of emission-free flying

Questions & Answers

Lars Wagner
Chief Operating Officer (COO)

Q&A

Financials

Peter Kameritsch

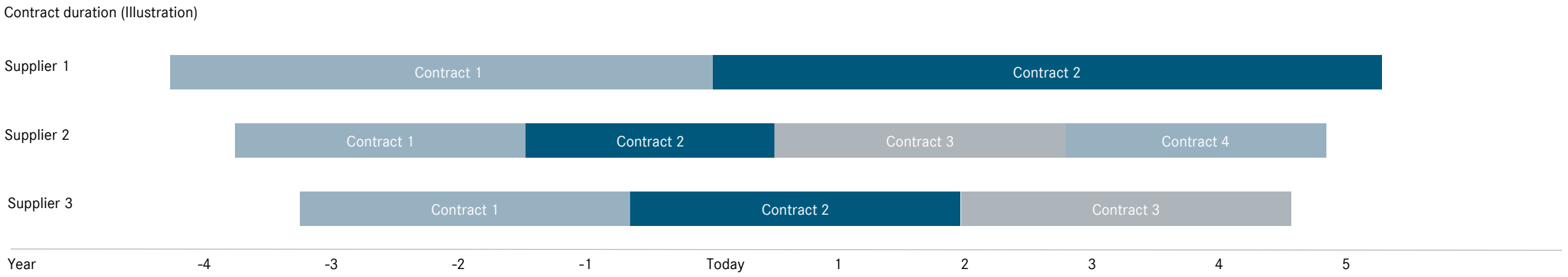
Peter Kameritsch | Chief Financial Officer (CFO) | Chief Information Officer (CIO)

Challenges & opportunities in current environment

Sourcing environment in light of current price inflations

Well positioned to deal with current trends

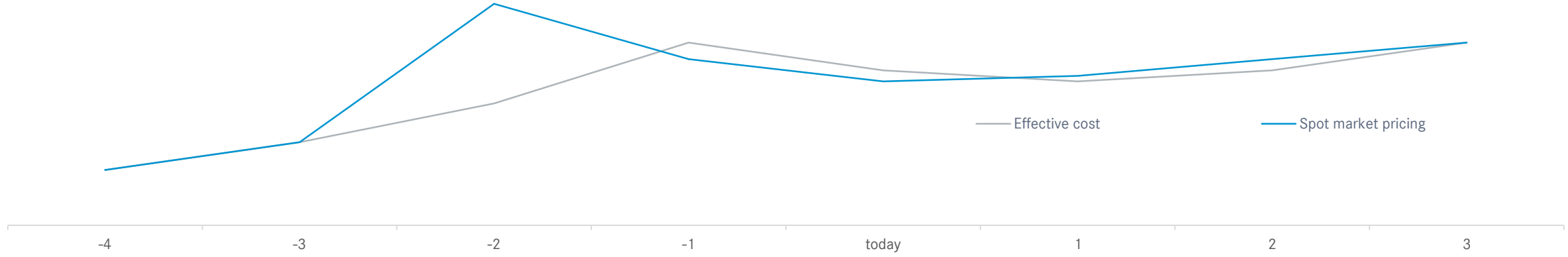
ILLUSTRATION OF SUPPLIER PRICING IN A MULTI SOURCE STRATEGY



- Multiple supplier strategy allows moderated impact of price developments
- Each supplier contract is usually designed individually to the best mix in supply security and pricing
- Results in low dependency on single suppliers and maintains pricing power
- On sources with higher dependencies we use long term contracts to secure prices in the near to mid term

MTU's cost development versus spot market

CONTRACTUAL FRAMEWORK INCOMING COST – CONTRACTED COST VS. INDEX/SPOT PRICES



- Cost increases are not directly linked to spot market prices
- Cost pressure materializes over time and the impact is flattened by supplier agreements
- Contracts typically contain individual escalation terms
- Longer term pricing trends materialize with a time lag

Escalation mechanism in customer contracts

- Contracts with airlines have long duration and therefore naturally include escalation clauses
- Generally cost increases and possibility to increase prices match well
- Contractual framework defines price development to customers

EXEMPLARY CLAUSE FOR ESCALATION

Effective price = agreed base price * (0.75 material change + 0.15 labour cost change + 0.10 other cost changes)

Combined results of index for mix of relevant materials (e.g. Nickel, Titanium)	Combined results of index for relevant labour cost changes	Combined results of index for mix of other cost (e.g. energy)

- Escalation principles provide solid base for price increases
- Individual contractual agreements possible, e.g. escalation caps

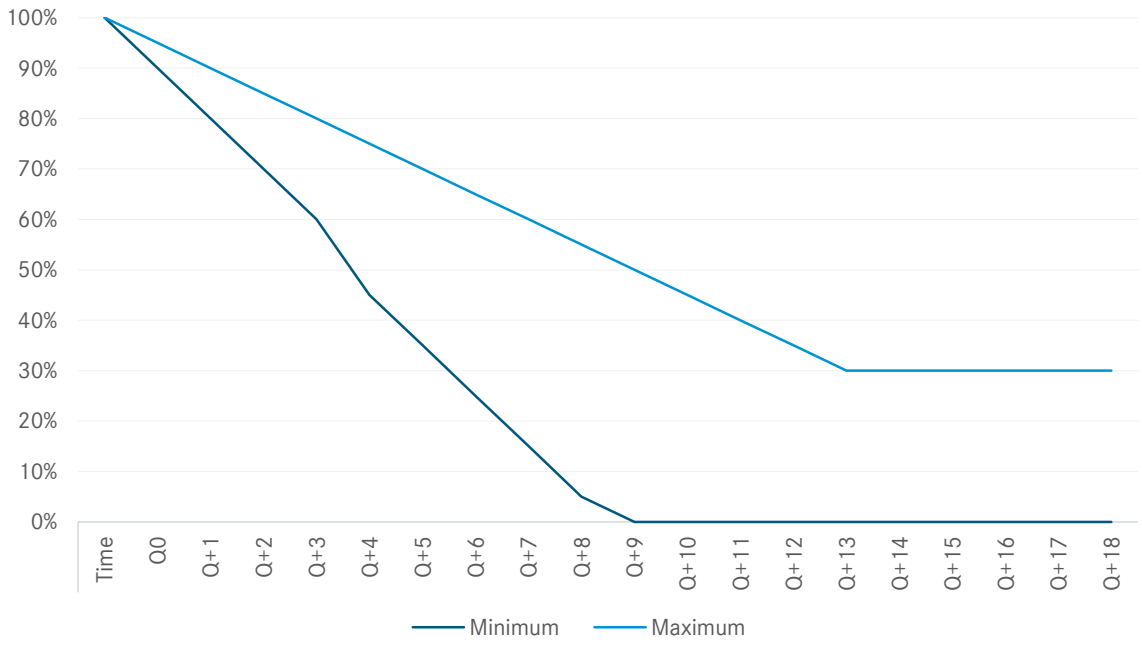
➲ **Incoming cost increases and possibility to increase prices are broadly matching**

➲ **Target is to offset timing differences and effects from escalation caps with cost improvement measures**

FX trends and implications

FX environment

HEDGING CORRIDOR IN % OF USD EXPOSURE



- USD exposure derived from recent planning assumptions
- Hedging model determines a corridor with a minimum required and a maximum allowed hedge ratio of the USD net exposure per quarter
- Quarterly FX committee decides volumes for the succeeding quarter
- Tactical implementation follows a speed grid approved by the FX committee
  - ➲ Minimum and maximum hedge ratio recently revised
  - ➲ Higher authorization for shorter maturities and extension to five years horizon

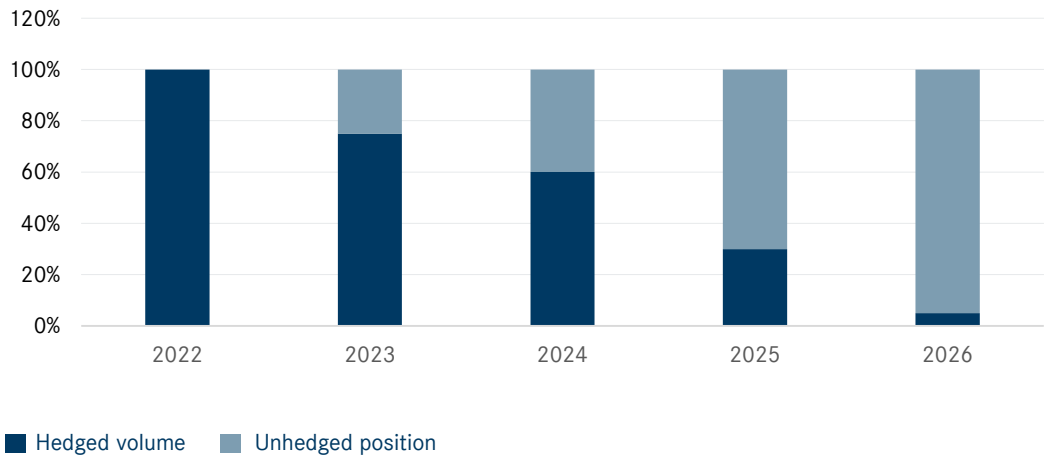
Hedging model is not deemed to outperform EUR/USD. It flattens the impact of exchange rate fluctuations by construction

FX environment

USD impact on results w/o hedging

- Hedging policy allows greater planning stability
- Currency risks and opportunities are reduced accordingly

HEDGED VS UNHEDGED EXPOSURE AS OF 09/30/2022



MODELLING ASSUMPTION - FOR ILLUSTRATION PURPOSES

Net exposure grows mid single digit %
Unhedged positions to be filled at parity

	2022	2023	2024	2025	2026
Modelling exposure in USDm	1,430	1,502	1,577	1,655	1,738
Hedged volume	100%	75%	60%	30%	5%
Hedged rate	1.15	1.16	1.14	1.1	1.04
Unhedged position	0%	25%	40%	70%	95%
Resulting effective rate	1.15	1.12	1.08	1.03	1.00
Potential EBIT impact	**-**	**40**	**~ 100**	**~ 200**	**~ 240**

➲ **Current FX environment leaves strong positive momentum if persistent**

Guidance 2023 and outlook

2023 – Business driver

Military

- Continuing EJ200 deliveries for export customers
- High support volume for fighter aircraft on existing fleets
- FCAS prepared to start but revenues not yet part of guided growth rate

Commercial OE

- GTF production volume growing strongly
- Increase of GEnx production continues
- Production of business jet engines grows strongly

Commercial spares

- Spare parts continue to grow – solid volume and growth from narrowbody engines (V2500, GTF)
- Widebody engine contribution growing
- Demand for freighter engine aftermarket remains solid

Commercial MRO

- Recovery in narrowbody MRO continues
- GTF MRO volume grows in line with overall business
- Strong freighter demand

Guidance 2023

ORGANIC REVENUE

Military

Up mid single digit %

Commercial OE

Up thirty %

Commercial Spares

Up high teens to low twenties %

Commercial MRO

MRO up high teens %

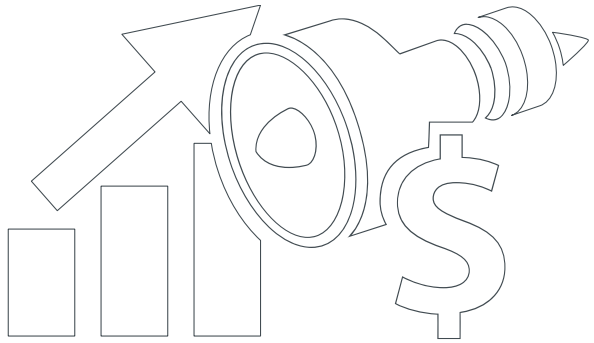
GTF share at mid to high thirties % of revenue

Total Group Sales

EUR 6.4 – 6.6 bn

EBIT adj.

Up low ~ 20%



Mid term outlook 2023 – 2025

- Demand recovery remains strong – Business parameters from last years mid term outlook remain valid and intact
  - **Military business:** strong development in new engines and services
  - **Commercial OE:** benefits from rate increases on all major platforms
  - **Commercial spare parts:** strong demand following growing flight activities
  - **Commercial MRO:** improved market position in independent business accompanied by strong GTF volumes

- FX environment around USD/EUR parity provides strong uplift for revenues and EBIT adj.
- 2023 outlook and growth as outlined in detailed guidance
- 2024 EBIT adj. expected significantly above 2019 results

AMBITION FOR 2025

Revenue

EUR 8 billion

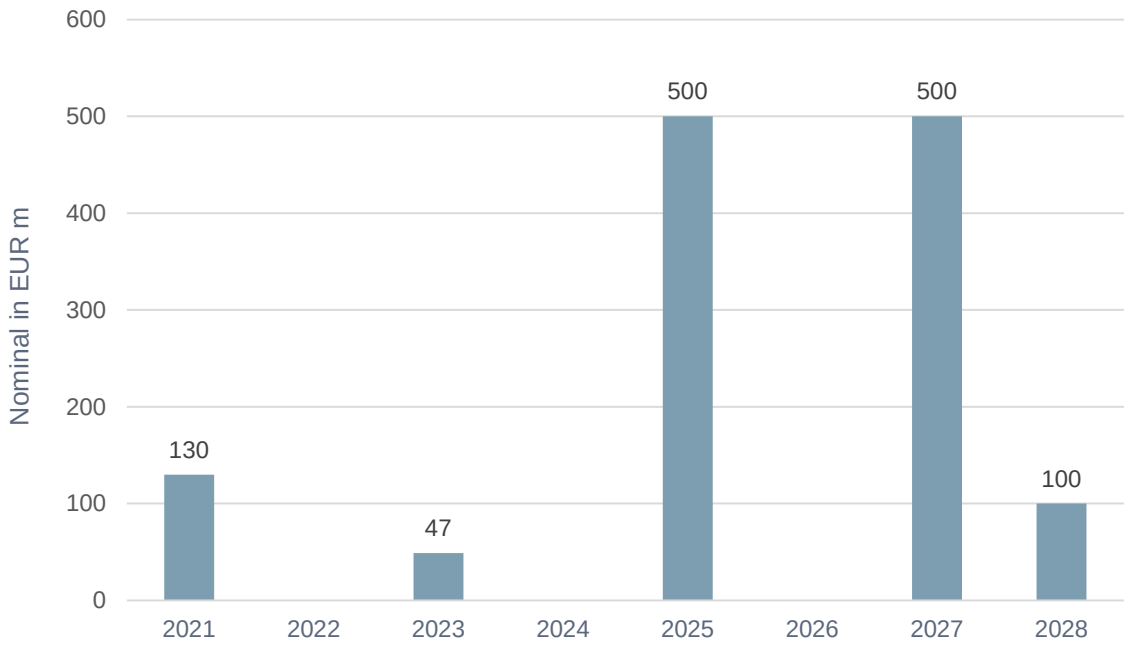
EBIT adj

~ EUR 1 billion

Financing environment
Cash deployment

Debt structure today – impact of higher interest rates

DEBT MATURITY PROFILE



- **Maintaining investment-grade rating** is mandatory for easy access to debt capital markets
- **Deviating rating agencies models** for evaluation of net debt
- Higher **liquidity buffer of EUR 800m** (two months of revenue)
- **2022:** Renewal of EUR 500m **revolving credit facility** for another 5 + 1 + 1 years
- Outstanding EUR 47m **convertible bond 2023** with high likelihood for full conversion (conversion price EUR 124)
- Convertible bond 2027, conversion price EUR 378 far out of the money
- Earliest refinancing **EUR 500m bond 2025**

MTU's financial policy remains prudent and reliable
Balanced leverage ratio target – 0.5 to 1.5 x net debt/EBITDA

MTU's cash deployment strategy

Priorities	**Organic growth**	**Dividends**	**Share buybacks**	**M&A**
Targets	New program opportunities	Payout target of 40% of net income adj.	Opportunistic instrument to limit deleveraging and manage dilution	Opportunities limited

Questions & Answers

Peter Kameritsch
Chief Financial Officer (CFO)

Q&A

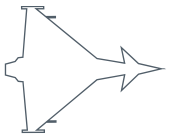
Executive Summary

MTU is well positioned in the market to benefit from further growth and to deal with market challenges

Economic slowdown
A strong financial and contractual position prepares well to deal with current challenges and realize opportunities

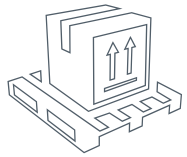
Financial vision underlines strong performance targets
Outlook of reaching record revenues of >8bn € with an EBIT adj. of >1bn € in 2025 as next waypoint of success story

Decarbonization and climate protection
Achieve net-zero carbon emissions by 2050 in production MTU with clear technology roadmap (Gen2 GTF, WET, FFC) addressing CO_2 and non-CO_2–emissions



Defence & Sovereignty
MTU plays a key role in Europe’s most important current & future military engine programs

Recovery & growth
Recovery expected for 2024, long-term growth and ongoing strong orderbooks → Operational excellence in OEM and MRO as basis for re-ramp up and long-term growth



Reshuffling of global supply chain
MTU's supply chain is challenging but stable, thanks to its multiple source strategy

Industry re-shaping
Fleet renewal, focus on efficiency → MTU with strong product portfolio – GTF engines offer double-digit improvements in fuel burn and operating costs

Retain and attract talent
MTU offers a lot of benefits to attract new talented employees (innovative culture, leadership values)

Analyst & Investor Day Questions & Answers

Reiner Winkler
Chief Executive Officer (CEO)

Michael Schreyögg
Chief Program Officer (CPO)

Lars Wagner
Chief Operating Officer (COO)

Peter Kameritsch
Chief Financial Officer (CFO)

Q&A

Thank you for your attention.

Cautionary Note Regarding Forward-Looking Statements

Certain of the statements contained herein may be statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements that are forward-looking by reason of context, the words "may," "will," "should," "expect," "plan," "intend," "anticipate," "forecast," "believe," "estimate," "predict," "potential," or "continue" and similar expressions identify forward-looking statements.

Actual results, performance or events may differ materially from those in such statements due to, without limitation, (i) competition from other companies in MTU's industry and MTU's ability to retain or increase its market share, (ii) MTU's reliance on certain customers for its sales, (iii) risks related to MTU's participation in consortia and risk and revenue sharing agreements for new aero engine programs, (iv) the impact of non-compete provisions included in certain of MTU's contracts, (v) the impact of a decline in German or other European defense budgets or changes in funding priorities for military aircraft, (vi) risks associated with government funding, (vii) the impact of significant disruptions in MTU's supply from key vendors, (viii) the continued success of MTU's research and development initiatives, (ix) currency exchange rate fluctuations, (x) changes in tax legislation, (xi) the impact of any product liability claims, (xii) MTU's ability to comply with regulations affecting its business and its ability to respond to changes in the regulatory environment, (xiii) the cyclicality of the airline industry and the current financial difficulties of commercial airlines, (xiv) our substantial leverage and (xv) general local and global economic conditions. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences.

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