



## **Q1 2021 Results**

**Conference Call with Investors and Analysts**

4/30/2021

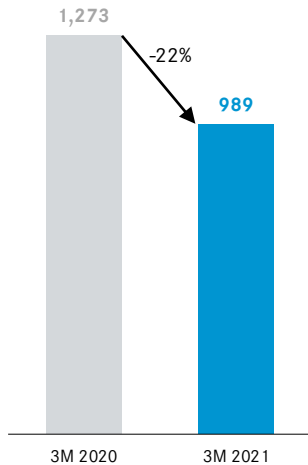
## Review Q1 2021

- Passenger traffic remained weak, Cargo demand remains strong
- IATA forecasts passenger traffic to be up 26% in 2021
  
- GTF utilization at >80% of pre-Covid 19 levels
- Fleet wide GTF retrofits almost completed
- KLM receives first GTF powered E2-Jet
  
- MTU Zhuhai celebrated its 20<sup>th</sup> anniversary
- Construction for MTU Maintenance Serbia started
- Sichuan Airlines signed a 5 year contract to maintain their V2500 and CFM56 engine fleet
  
- JV with Safran on engine development for NEFE signed
- First export customer for CH53-K
  
- Dividend payment reinitiated
- Guidance 2021 confirmed

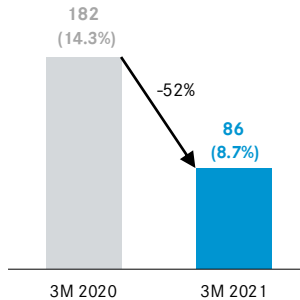


## Financial Highlights Q1 2021

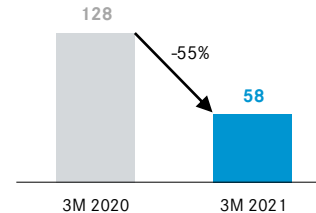
### Revenues (in m€)



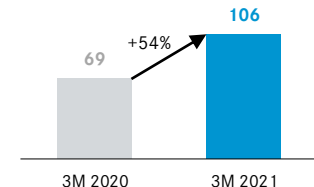
### EBIT adjusted (in m€)



### Net income adj. (in m€)



### Free Cash Flow (in m€)



## OEM Segment

(in m €)	3M 2020	3M 2021	Change
<b>Revenues</b>	<b>497</b>	<b>337</b>	<b>-32%</b>
Military Business	98	87	-11%
Commercial Business	399	250	-37%
<b>EBIT adj.</b>	<b>116</b>	<b>47</b>	<b>-60%</b>
<b>EBIT adj. margin %</b>	<b>23.4%</b>	<b>14.0%</b>	



- US\$ Commercial revenues down by 29%
- Military revenues down by 11%
- EBIT margin down due to significant lower spare part sales

## Commercial MRO





(in m €)	3M 2020	3M 2021	Change
<b>Revenues</b>	795	678	-15%
<b>EBIT adj.</b>	66	39	-40%
<b>EBIT adj. margin %</b>	8.3%	5.8%	



- US\$ Revenues down by 8%
- EBIT margin down due to business mix (higher GTF work vs. lower independent volume)

## Guidance 2021 confirmed

### Organic Growth

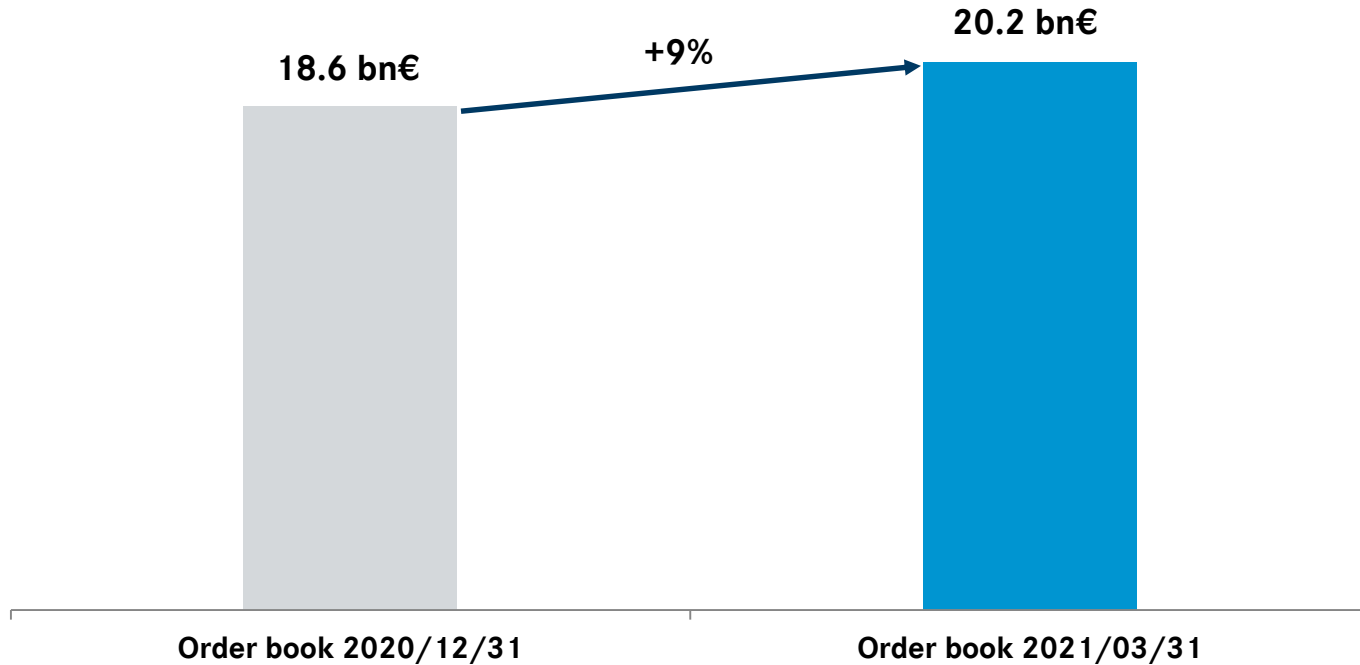
<b>Military revenues</b>	Slightly up	
<b>Commercial OE</b>	Slightly up	
<b>Commercial Spares</b>	Up low to mid single digit	
<b>Commercial MRO</b>	MRO up ~15 to 25 % GTF contribution strongly growing	

<b>Total Group Sales</b>	4.2 – 4.6 bn €
<b>EBIT adj. (margin)</b>	9.5 – 10.5%
<b>Net Income adj.</b>	In line with EBIT adj.
<b>CCR</b>	Mid double digit % range



# Appendix

## Group Order Book increased slightly in USD

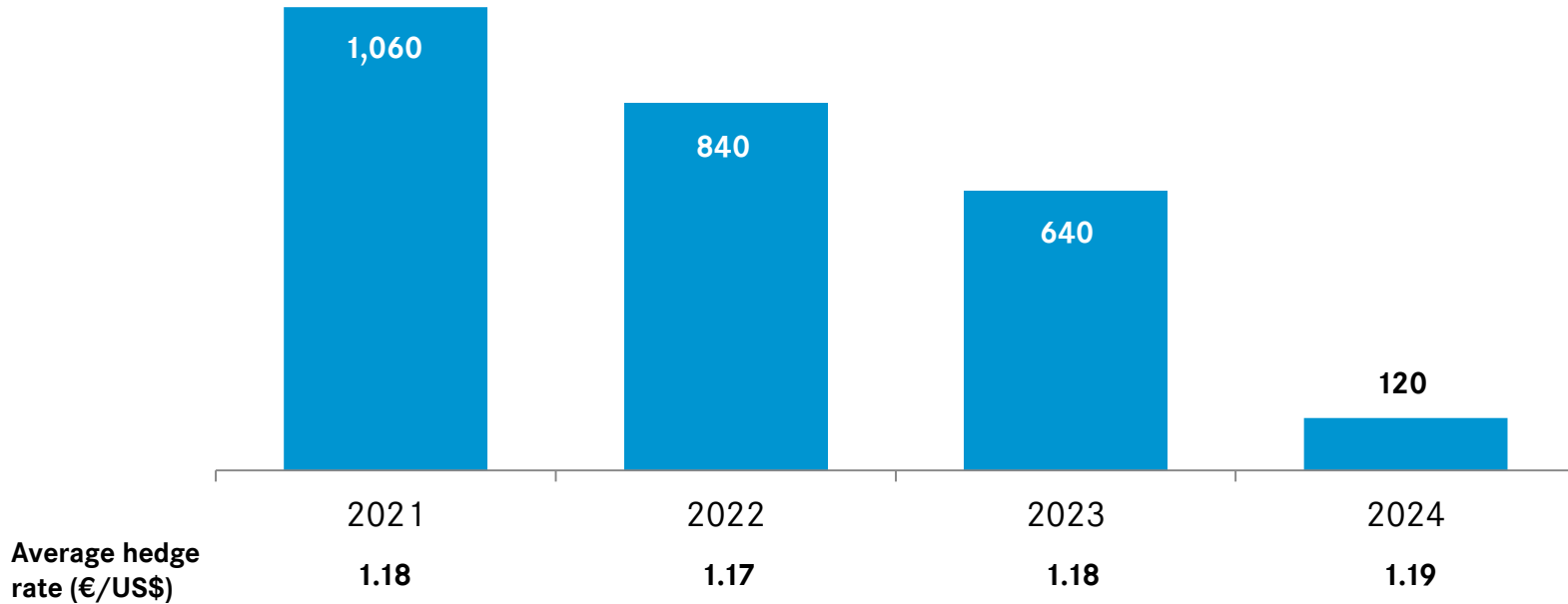




## US\$ Exchange Rate / Hedge Portfolio

Hedge book as of April 30th, 2021

in m\$



## Profit & Loss

	(in m €)	3M 2020	3M 2021	Change
<b>Revenues</b>		<b>1,273</b>	<b>989</b>	<b>-22%</b>
Total cost of sales		-1,035	-854	
<b>Gross profit</b>		<b>238</b>	<b>135</b>	<b>-43%</b>
Gross profit margin %		18.7%	13.6%	
R&D according to IFRS		-15	-16	
SG&A		-59	-50	
Other operating income (expense)		-4	-6	
P&L of companies accounted at equity and equity investments		9	12	
<b>EBIT reported</b>		<b>169</b>	<b>76</b>	<b>-55%</b>
<b>EBIT adjusted</b>		<b>182</b>	<b>86</b>	<b>-52%</b>
<b>EBIT adjusted margin %</b>		<b>14.3%</b>	<b>8.7%</b>	
Financial result		-6	-13	
<b>Profit before tax (EBT)</b>		<b>163</b>	<b>63</b>	<b>-61%</b>
Taxes (IFRS)		-51	-14	
<b>Net Income reported</b>		<b>112</b>	<b>49</b>	<b>-56%</b>
Net Income adj.		128	58	
<b>EPS reported*</b>		<b>2.10</b>	<b>0.91</b>	
EPS adj.		2.42	1.09	

\* without non-controlling interests

## Reconciliation to adjusted Key Performance Indicators

(in m €)	3M 2020	3M 2021	Change
<b>EBIT reported</b>	<b>169</b>	<b>76</b>	<b>-55%</b>
Adjustment (PPA Depreciation & Amortization)	5	5	
Adjustment (IAE Upshare)	8	6	
<b>EBIT adjusted</b>	<b>182</b>	<b>86</b>	<b>-52%</b>
thereof P&L of companies accounted "at equity"	9	12	
Interest result	-3	-8	
Interest for pension provisions	-2	-1	
<b>EBT adj. w/o P&amp;L "at equity"</b>	<b>167</b>	<b>65</b>	<b>-61%</b>
Tax rate normalized	-29%	-29%	
Taxes	-49	-19	
<b>Net Income adj.</b>	<b>128</b>	<b>58</b>	<b>-55%</b>
EPS adj.	2.42	1.09	-55%

## Segment Revenues and EBIT adj.

	(in m €)	3M 2020	3M 2021	Change
<b>Revenues Group</b>		<b>1,273</b>	<b>989</b>	<b>-22%</b>
OEM Commercial		399	250	-37%
OEM Military		98	87	-11%
MRO		795	678	-15%
Consolidation		-19	-26	
<b>EBIT adjusted Group</b>		<b>182</b>	<b>86</b>	<b>-52%</b>
OEM (Commercial / Military)		116	47	-60%
MRO		66	39	-40%
Consolidation		0	0	
<b>EBIT adjusted margin Group</b>		<b>14.3%</b>	<b>8.7%</b>	
OEM (Commercial / Military)		23.4%	14.0%	
MRO		8.3%	5.8%	

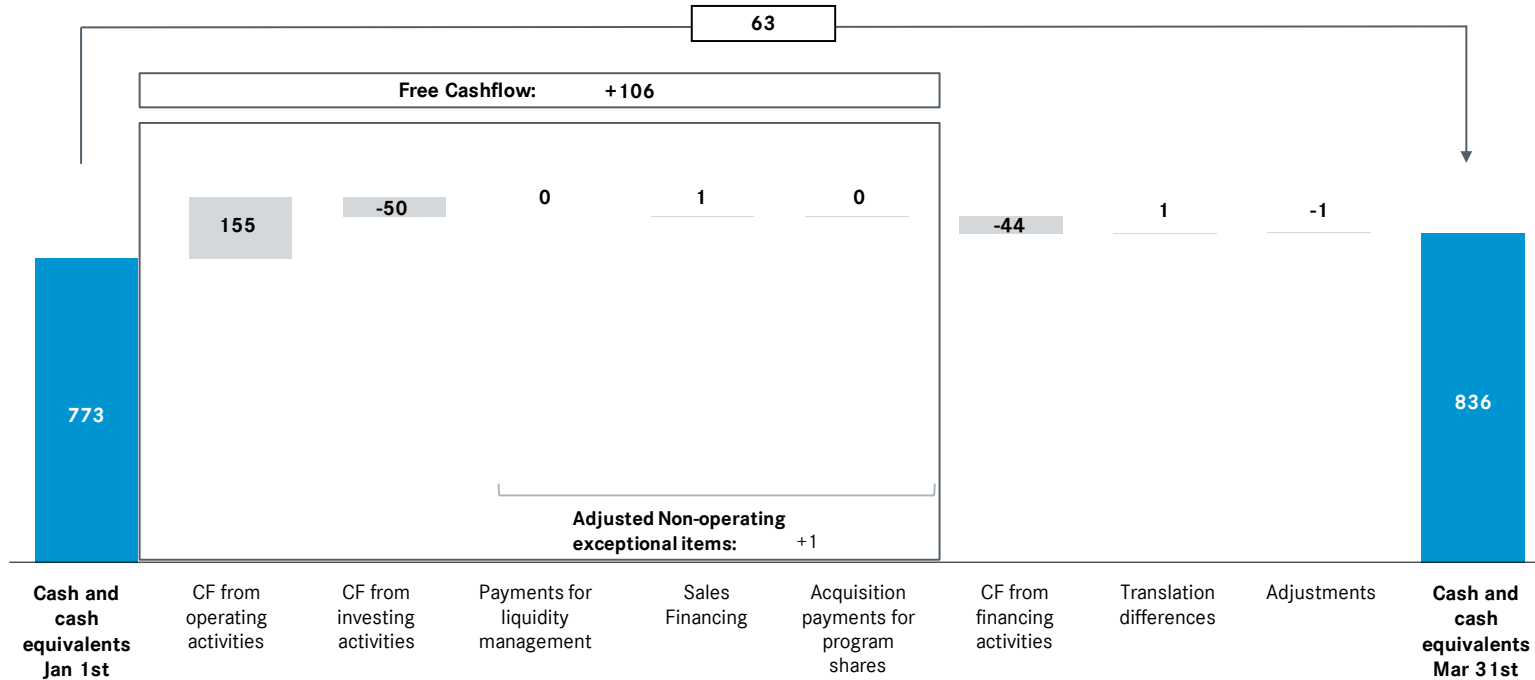
## Research & Development

(in m €)	3M 2020	3M 2021	Change
<b>Total R&amp;D</b>	59	47	-21%
<b>Customer funded R&amp;D</b>	-10	-11	-11%
<b>Company expensed R&amp;D</b>	50	36	-27%
Capitalization of R&D	-24	-11	
Amortisation	5	6	
<b>Total R&amp;D impact P&amp;L (on EBIT)</b>	31	31	-1%
thereof booked into sales and COGS	16	15	
thereof booked into R&D according to IFRS (P&L)	15	16	

## Financial Result

(in m €)	3M 2020	3M 2021	Change
Interest income	1	0	-57%
Interest expense	-4	-8	-110%
<b>Interest result</b>	<b>-3</b>	<b>-8</b>	<b>-149%</b>
<b>Financial result on other items</b>	<b>-3</b>	<b>-5</b>	
US\$ / non cash valuations / others	-1	-3	
Interest for pension provisions	-2	-1	
<b>Financial result</b>	<b>-6</b>	<b>-13</b>	<b>-112%</b>

## MTU's Cash development January – March 2021



## Cash Flow

	(in m €)	3M 2020	3M 2021	Change
<b>Net Income IFRS</b>		<b>112</b>	<b>49</b>	<b>-56%</b>
Depreciation and amortization		66	67	
Change in provisions and liabilities		76	-11	
Change in working capital		-115	47	
Taxes		12	-11	
Interest, derivatives, others		-1	14	
<b>Cash Flow from operating activities</b>		<b>149</b>	<b>155</b>	<b>4%</b>
Net Investment in intangible assets		-15	-12	
Net Investment in R&D payments and entry fees		-10	-9	
Net Capital expenditure on property, plant and equipment		-38	-23	
Net Investments in financial assets		-17	-6	
<b>Cash Flow from investing activities</b>		<b>-80</b>	<b>-50</b>	<b>38%</b>
Adjustments		0	1	
<b>Free Cash Flow</b>		<b>69</b>	<b>106</b>	<b>54%</b>
<b>Cash Flow from financing activities</b>		<b>-50</b>	<b>-44</b>	<b>12%</b>
Cash and cash equivalents at 31.03.		156	836	



## Net debt

	(in m €)	31.12.2020	31.03.2021	Change
Bonds and notes		603	608	
Convertible bonds		538	531	
Promissory note		100	100	
Financial liabilities to bank		30	0	
thereof Revolving Credit Facility		0	0	
thereof bonds and notes		30	0	
Financial lease liabilities		177	169	
Financial liabilities arising from program participation		138	139	
thereof arising from IAE V2500 Upshare		132	133	
<b>Gross financial debt</b>		<b>1,586</b>	<b>1,546</b>	<b>-3%</b>
Cash and cash equivalents		773	836	
Loans to third parties		33	35	
<b>Financial assets</b>		<b>805</b>	<b>870</b>	<b>8%</b>
<b>Net financial debt</b>		<b>781</b>	<b>675</b>	<b>-14%</b>

## Working capital

	(in m €)	31.12.2020	31.03.2021	Change
Inventories		1,279	1,293	
Prepayments		-457	-455	
Receivables		1,949	1,986	
Payables		-1,236	-1,336	
<b>Working Capital</b>		<b>1,535</b>	<b>1,488</b>	<b>-3%</b>

## Balance Sheet

	(in m €)	31.12.2020	31.03.2021	Change
Intangible assets		1,135	1,136	
Property, plant, equipment		1,161	1,133	
other non-current assets		1,733	1,725	
<b>Total non-current assets</b>		<b>4,030</b>	<b>3,995</b>	<b>-1%</b>
<b>Current assets</b>		<b>4,074</b>	<b>4,180</b>	<b>3%</b>
<b>Total assets</b>		<b>8,104</b>	<b>8,175</b>	<b>1%</b>
<b>Equity</b>		<b>2,635</b>	<b>2,657</b>	<b>1%</b>
<b>Non-current liabilities</b>		<b>2,501</b>	<b>2,497</b>	<b>0%</b>
<b>Current liabilities</b>		<b>2,968</b>	<b>3,020</b>	<b>2%</b>
<b>Total equity and liabilities</b>		<b>8,104</b>	<b>8,175</b>	<b>1%</b>
thereof pension provisions		1,009	1,008	

## PPA Depreciation / Amortization

(in m €)	3M 2020	3M 2021	Change
OEM	46	48	
MRO	20	18	
<b>Total depreciation / amortization*</b>	<b>66</b>	<b>67</b>	<b>2%</b>
PPA OEM	5	5	
PPA MRO	1	1	
IAE Upshare OEM	8	6	
<b>PPA depreciation / amortization &amp; IAE Upshare amortization (EBIT adjustments)</b>	<b>13</b>	<b>11</b>	<b>-14%</b>
OEM	34	38	
MRO	19	18	
<b>Depreciation / amortization w/o PPA and w/o IAE Upshare</b>	<b>53</b>	<b>56</b>	<b>5%</b>

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

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