MTU Maintenance weathers 2020 well

Hannover, March 4th, 2021 – MTU Maintenance, global market leader in customized solutions for aero engines, comes out of 2020 with only “a black eye”. Thanks to a multi-pronged aftermarket strategy of OEM network participation, joint ventures with airlines, such as China Southern, and a broad portfolio across multiple business segments , the company saw a reduction of only -18 percent in incoming engines across its entire portfolio in 2020, which was above market expectations of -45 percent in shop visits for the global aftermarket for commercial engines.

MTU Maintenance attributes this stability to its broad engine portfolio, with 30 engine types, including the newly added LEAP engine as well as other popular narrowbody engines such as the CFM56, PW1100G-JM and V2500 engine families, which are likely to recover faster after the crisis. Further, MTU Maintenance has diverse customer base, which include among others cargo operators, who have flown consistently throughout the pandemic, and military customers such as the U.S. Air Force at its facility in Vancouver, Canada.

**Sales campaign success**

“In fact, we even saw campaign wins of 5.5 billion USD, the second highest in MTU Maintenance history,” says Michael Schreyögg, Chief Program Officer, MTU Aero Engines. “This is proof that customers trust in us, our financial strength and intelligent solutions in critical times. Our engine expertise and ability to get the most out of an engine at minimum cost is highly valuable to both airlines and lessors both now and in time, when our industry recovers.”

“These campaign wins included over 300 new engine MRO contracts, including for single shop visits, and 56 new customers or existing customers sending new engine types to our facility,” adds Martin Friis-Petersen, SVP MRO Programs, MTU Aero Engines. The CFM56 engine family made up over one third of these customers. “In turn, we are confident in this program and are even adding a CFM56-7B line to our facility in Berlin to ensure fast response and high flexibility for our customers.”

On the basis of this, MTU Maintenance remains committed to its organic growth strategy and is continuing with on-going investments for instance in the ramp-up at EME Aero, Poland, and expansions at its sites in Berlin-Brandenburg and Hannover in Germany, moving to a new facility in Vancouver, Canada, as well as constructing a second facility at MTU Maintenance Zhuhai, China, and a new greenfield repair facility, MTU Maintenance Serbia.

**Adapting services to market need**

“Due to the crisis, we’ve been noticing a trend towards smaller and customized workscopes and on-site fixes,” adds Friis-Petersen. “Our on-site service team saw 25 percent more events that we had been anticipating for 2020. This reflects not only the cost focus of operators, but also the trend towards on-wing repairs for newer engines.” As such, MTU Maintenance will be investing in its on-site service team and capabilities in 2021.

Furthermore, MTU Maintenance’s repair service team gained 26 new customers for specific repair services in 2020 and increased the number of engine tear downs by over 50 percent compared to the previous year. Such teardowns are important for access to used serviceable material, which will continue to be an important method to reduce the cost of shop visits for customers in coming years.

Another focal point for the company will be increasing technical and digital support, for instance in the areas of fleet planning and technical asset management. MTU Maintenance’s leasing arm, MTU Maintenance Lease Services, saw a marked increase in customers requesting technical asset management support for lease transitions and other engine events, such as remote borescope inspections, which were introduced to the portfolio in 2020. Overall, revenue doubled in this specific area and will continue to be a focus through 2021.

“We believe in the aviation industry and that the need, desire and freedom to travel will return,” summarizes Schreyögg. “Through our diversity, flexible network, extensive experience and ability to adapt to the market, we are and will continue to be well positioned to support our customers with intelligent solutions tailored exactly to their needs in 2021 and beyond.”

**About MTU Aero Engines**

MTU Aero Engines AG 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 arena, 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 2020, the company had a workforce of around 10,000 employees and posted consolidated sales of 4 billion euros.

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