



Q3 2020 Results

Conference call with Investors and Analysts

10/29/2020 – Investor Relations

Q3 2020 Review

- IATA outlook 2020 passenger traffic (RPKs) down 66% compared to 2019
- Cargo traffic robust especially for dedicated freighters
- Ongoing strong demand for freighter aftermarket business

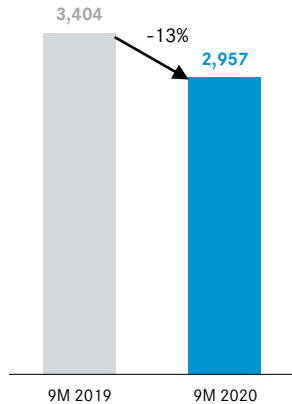
- Independent MRO contract wins of over 3.9 bn US\$
- F108 operated by the US Air Force to be maintained at MTU Canada
- GTF retrofit work on track
- Capacity utilization at all locations improved
- GE9X received FAA flight certification

- Short time working scheme prolonged into 2021
- Restructuring provisions of 34 m€ booked in Q3
- Guidance 2020 sharpened

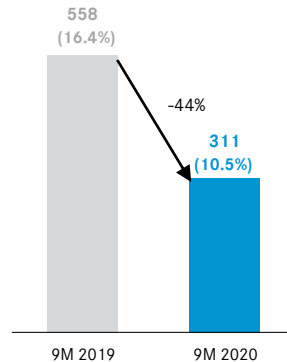


Financial Highlights 9M 2020

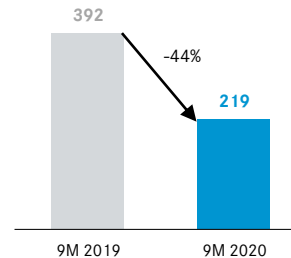
Revenues
(in m€)



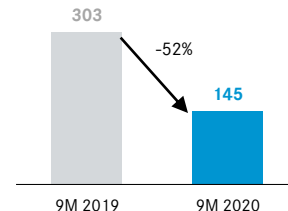
EBIT adjusted
(in m€)



Net income adj.
(in m€)



Free Cash Flow
(in m€)



OEM Segment

(in m €)	9M 2019	9M 2020	Change
Revenues	1,461	1,146	-22%
Military Business	324	296	-8%
Commercial Business	1,138	850	-25%
EBIT adj.	370	194	-47%
EBIT adj. margin %	25.3%	16.9%	



- US\$ Commercial revenues down by 25%
- Military revenues down by 8%
- EBIT margin down due to change in business mix (significant lower Aftermarket Business)

Commercial MRO



	(in m €)	9M 2019	9M 2020	Change
Revenues		1,996	1,866	-6%
EBIT adj.		187	116	-38%
EBIT adj. margin %		9.4%	6.2%	



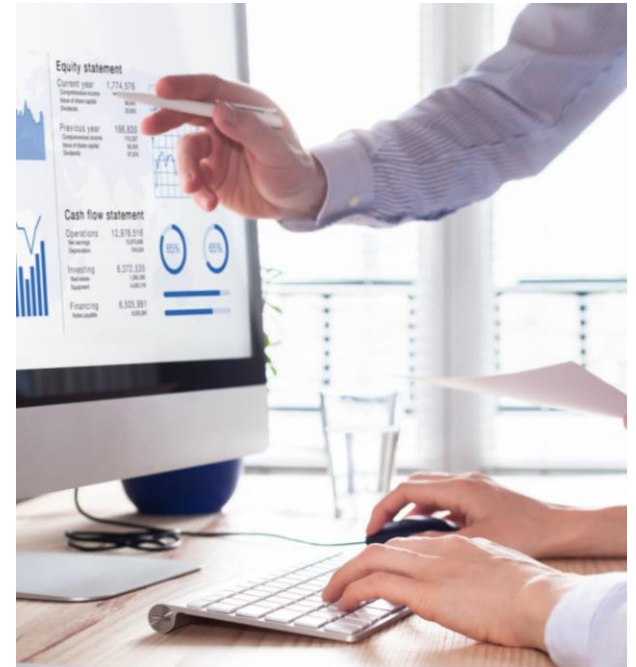
- US\$ Revenues down by 6%
- EBIT margin down due to higher PW1100G MRO work and lower capacity utilization

Update on our Guidance 2020

Organic Growth

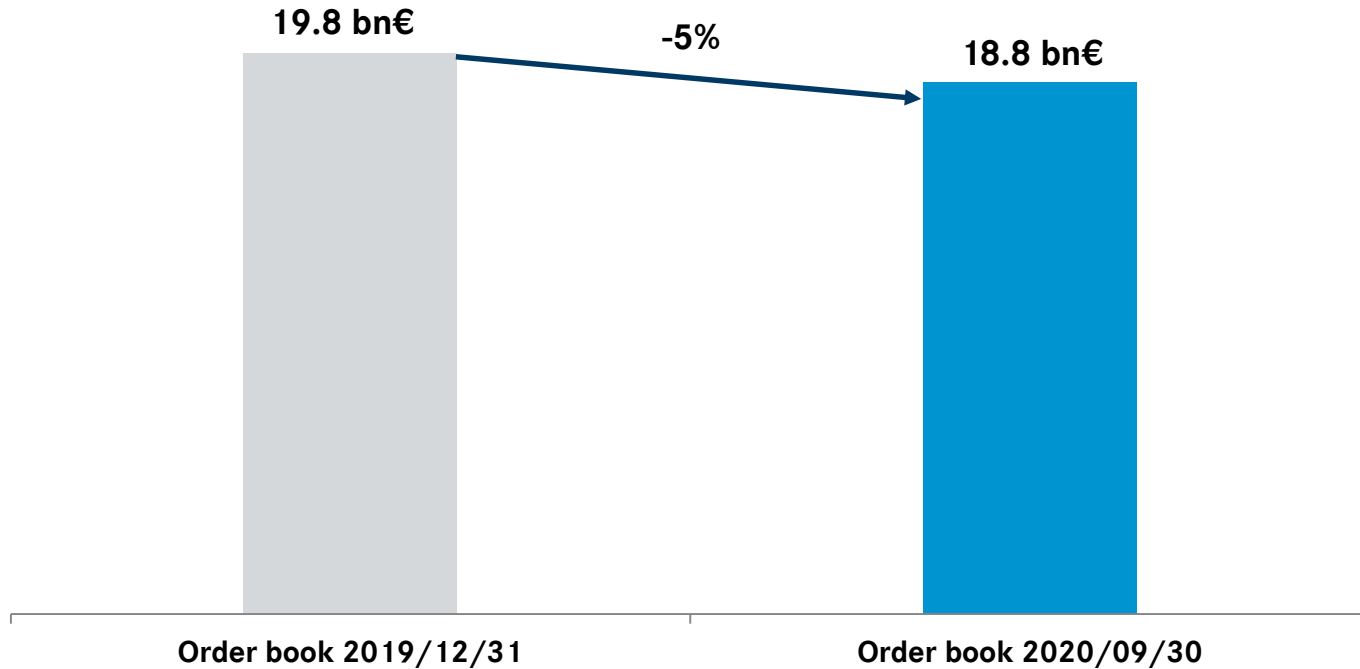
Military revenues	Slightly up	
Commercial OE	Down mid to high twenties %	
Commercial Spares	Down high twenties %	
Commercial MRO	Down mid single digit %	

Revenues in €	4.0 – 4.2 bn €
EBIT adj. margin	~10%
Net Income adj.	Decline in line with EBIT adj.



Appendix

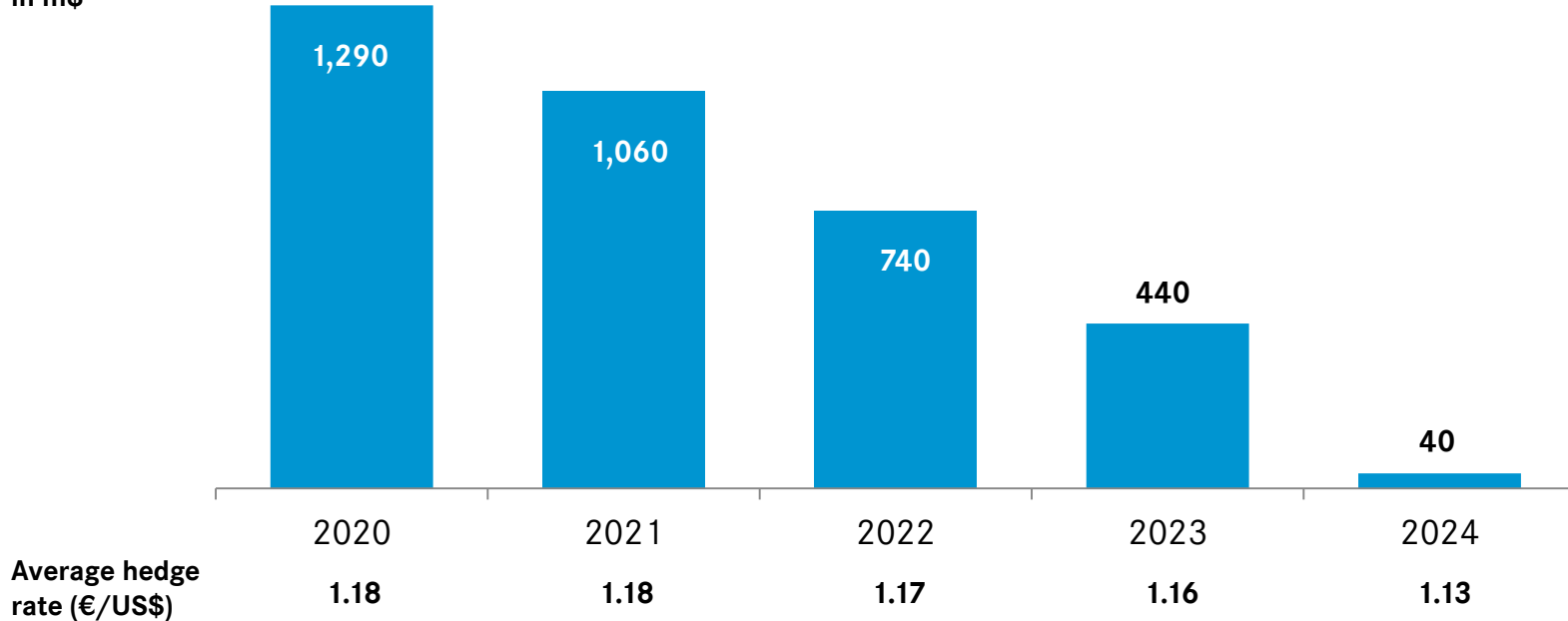
Group Order Book in USD almost stable



US\$ Exchange Rate / Hedge Portfolio

Hedge book as of October 29th, 2020

in m\$



Profit & Loss

	Q3 2019	Q3 2020	Change	9M 2019	9M 2020	Change
Revenues	1,161	908	-22%	3,404	2,957	-13%
Total cost of sales	-920	-805		-2,709	-2,539	
Gross profit	241	103	-57%	695	418	-40%
Gross profit margin %	20.8%	11.4%		20.4%	14.1%	
R&D according to IFRS	-17	-16		-45	-41	
SG&A	-50	-56		-154	-174	
Other operating income (expense)	-9	-2		-27	-9	
P&L of companies accounted at equity and equity investments	15	12		51	45	
EBIT reported	180	41	-77%	519	240	-54%
EBIT adjusted	193	87	-55%	558	311	-44%
EBIT adjusted margin %	16.6%	9.5%		16.4%	10.5%	
Financial result	-6	-25		-24	-47	
Profit before tax (EBT)	174	16	-91%	495	193	-61%
Taxes (IFRS)	-48	0		-141	-52	
Net Income reported	126	16	-87%	355	141	-60%
Net Income adj.	131	58		392	219	
EPS reported*	2.41	0.28		6.76	2.58	
EPS adj.	2.53	1.09		7.58	4.14	

* without non-controlling interests

Reconciliation to adjusted Key Performance Indicators

	(in m €)	Q3 2019	Q3 2020	Change	9M 2019	9M 2020	Change
EBIT reported		180	41	-77%	519	240	-54%
Adjustment (PPA Depreciation & Amortization)		5	5		16	16	
Adjustment (IAE Upshare)		8	6		23	21	
Adjustment (Restructuring)		0	34		0	34	
EBIT adjusted		193	87	-55%	558	311	-44%
thereof P&L of companies accounted "at equity"		15	12		50	45	
Interest result		-11	-8		-15	-14	
Interest for pension provisions		-4	-2		-11	-7	
EBT adj. w/o P&L "at equity"		164	65	-60%	482	246	-49%
Tax rate normalized		-29%	-29%		-29%	-29%	
Taxes		-48	-19		-140	-71	
Net Income adj.		131	58	-56%	392	219	-44%
EPS adj.		2.53	1.09	-57%	7.58	4.14	-45%

Segment Revenues and EBIT adj.

	Q3 2019	Q3 2020	Change	9M 2019	9M 2020	Change
Revenues Group	1,161	908	-22%	3,404	2,957	-13%
OEM Commercial	365	220	-40%	1,138	850	-25%
OEM Military	108	113	5%	324	296	-8%
MRO	709	594	-16%	1,996	1,866	-6%
Consolidation	-20	-19		-54	-56	
EBIT adjusted Group	193	87	-55%	558	311	-44%
OEM (Commercial / Military)	127	66	-48%	370	194	-47%
MRO	65	20	-70%	187	116	-38%
Consolidation	0	1		0	0	
EBIT adjusted margin Group	16.6%	9.5%		16.4%	10.5%	
OEM (Commercial / Military)	27.0%	19.9%		25.3%	16.9%	
MRO	9.2%	3.3%		9.4%	6.2%	

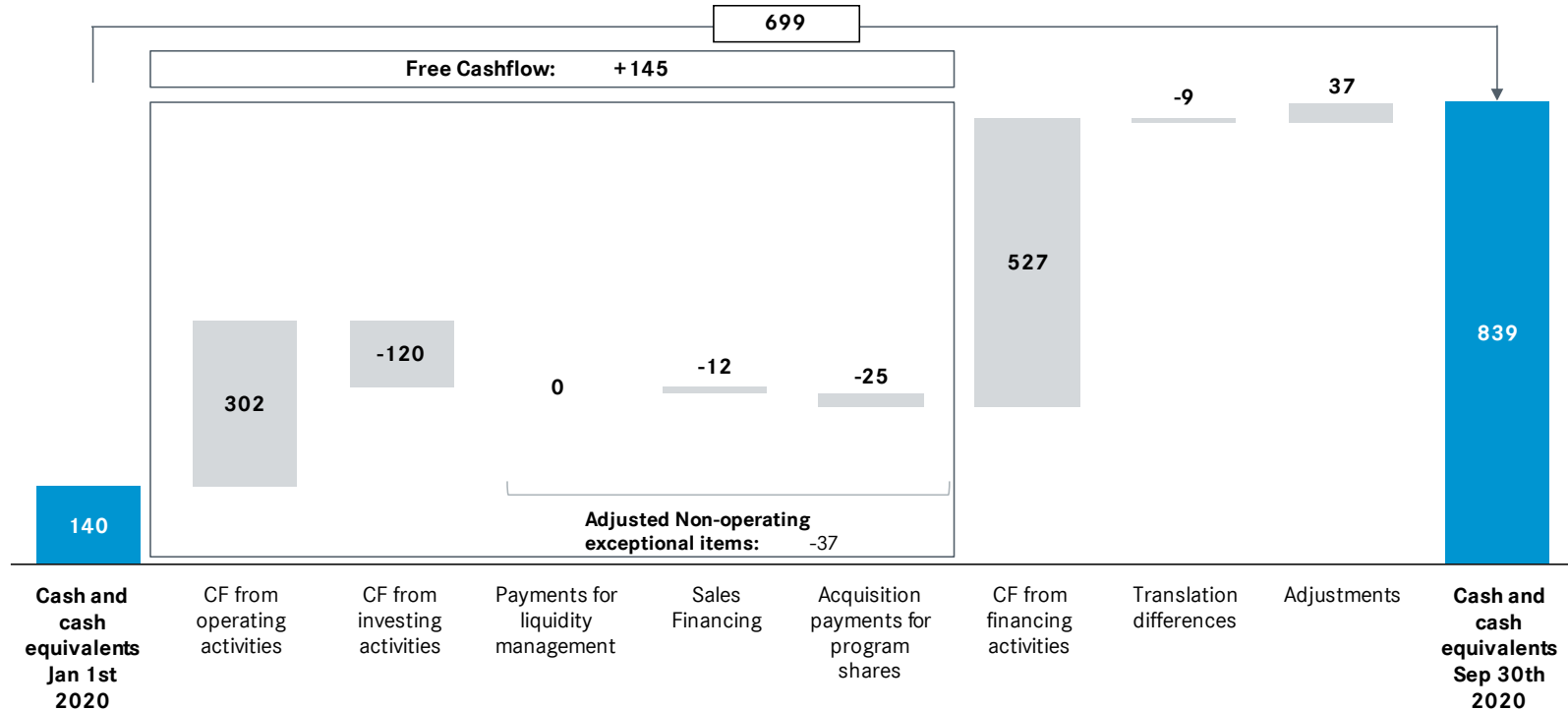
Research & Development

	Q3 2019	Q3 2020	Change	9M 2019	9M 2020	Change
Total R&D	55	41	-24%	167	139	-16%
Customer funded R&D	-6	-7	-2%	-23	-21	7%
Company expensed R&D	48	35	-28%	144	119	-18%
Capitalization of R&D	-27	-17		-76	-50	
Amortisation	5	6		15	17	
Total R&D impact P&L (on EBIT)	27	24	-13%	84	86	2%
thereof booked into sales and COGS	10	7		38	45	
thereof booked into R&D according to IFRS (P&L)	17	16		45	41	

Financial Result

	Q3 2019	Q3 2020	Change	9M 2019	9M 2020	Change
Interest income	2	0	-80%	5	2	-63%
Interest expense	-12	-8	35%	-20	-15	23%
Interest result	-11	-8	28%	-15	-14	10%
Financial result on other items	5	-17		-9	-33	
US\$ / non cash valuations / others	8	-15		2	-26	
Interest for pension provisions	-4	-2	41%	-11	-7	
Financial result	-6	-25		-24	-47	-95%

MTU's Cash development January – September 2020



Cash Flow

	(in m €)	9M 2019	9M 2020	Change
Net Income IFRS		355	141	-60%
Depreciation and amortization		189	203	
Change in provisions and liabilities		139	-91	
Change in working capital		-124	63	
Taxes		32	-9	
Interest, derivatives, others		18	-6	
Cash Flow from operating activities		609	302	-50%
Net Investment in intangible assets		-79	-4	
Net Investment in R&D payments and entry fees		-17	-16	
Net Capital expenditure on property, plant and equipment		-166	-93	
Net Investments in financial assets		-16	-8	
Cash Flow from investing activities		-277	-120	57%
Adjustments		-30	-37	
Free Cash Flow		303	145	-52%
Cash Flow from financing activities		-302	527	274%
Cash and cash equivalents at 30.09.		133	839	

Net debt

	(in m €)	31.12.2019	30.09.2020	Change
Bonds and notes		100	598	
Convertible bonds		562	565	
Promissory note		0	100	
Financial liabilities to bank		40	30	
thereof Revolving Credit Facility		0	0	
thereof bonds and notes		30	30	
Financial lease liabilities		147	166	
Loans from related companies and third parties		0	1	
Financial liabilities arising from program participation		300	177	
thereof arising from IAE V2500 Upshare		271	167	
Gross financial debt		1,150	1,637	42%
Cash and cash equivalents		140	839	
Loans to third parties		50	35	
Loans to related companies		0	0	
Financial assets		189	874	>300%
Net financial debt		961	763	-21%

Working capital

	(in m €)	31.12.2019	30.09.2020	Change
Inventories		1,279	1,328	
Prepayments		-396	-395	
Receivables		2,083	1,741	
Payables		-1,456	-1,228	
Working Capital		1,510	1,446	-4%

Balance Sheet

	(in m €)	31.12.2019	30.09.2020	Change
Intangible assets		1,163	1,134	
Property, plant, equipment		1,101	1,104	
other non-current assets		1,892	1,779	
Total non-current assets		4,155	4,017	-3%
Current assets		3,610	4,020	11%
Total assets		7,765	8,038	4%
Equity		2,421	2,585	7%
Non-current liabilities		2,130	2,572	21%
Current liabilities		3,214	2,880	-10%
Total equity and liabilities		7,765	8,038	4%
thereof pension provisions		976	998	

PPA Depreciation / Amortization

	Q3 2019	Q3 2020	Change	9M 2019	9M 2020	Change
OEM	45	47		132	142	
MRO	23	19		57	62	
Total depreciation / amortization*	68	67	-2%	189	203	8%
PPA OEM	5	5		14	14	
PPA MRO	1	1		2	2	
IAE Upshare OEM	8	6		23	21	
PPA depreciation / amortization & IAE Upshare amortization (EBIT adjustme	13	12	-9%	38	37	-4%
OEM	33	36		96	107	
MRO	23	19		55	60	
Depreciation / amortization w/o PPA and w/o IAE Upshare	55	55	-1%	150	166	11%

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

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