



# Preliminary Full Year Results 2020

Conference Call with Investors & Analysts

18 February 2021 - Investor Relations

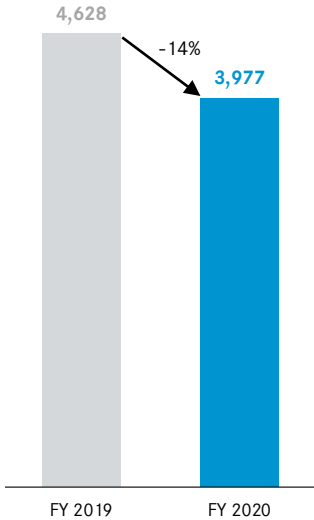
## Review 2020

- Passenger traffic declined by 66%
- Cargo traffic robust
- IATA forecasts passenger traffic to be up 50% in 2021
  
- Low flight activity resulted in reduced aircraft deliveries and aftermarket demand
- Surplus capacity used to accelerate GTF MRO work
- GE9x program assets – partial write-off
- Independent MRO campaign wins of over 5 bn US\$
- Germany signed order for 38 Tranche 4 Eurofighter
  
- Revised Guidance for 2020 achieved
- Positive results supported by cost cuts and reduced cash outflow
- Available liquidity provides comfort
- Dividend proposal 1.25 € per share

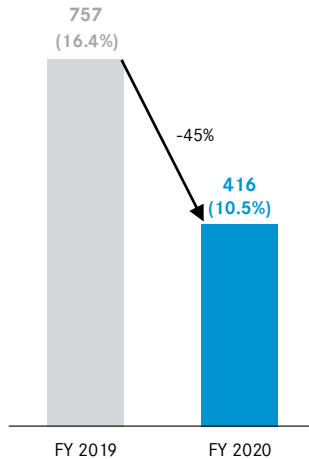


## Key Financials 2020

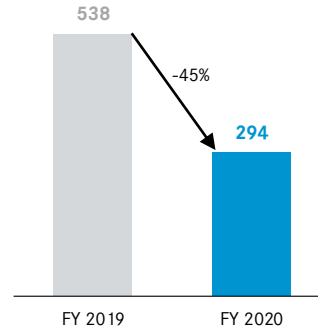
### Revenues (in m€)



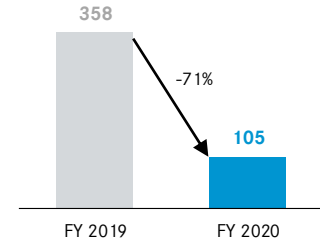
### EBIT adjusted (in m€)



### Net income adj. (in m€)



### Free Cash Flow (in m€)



## Revised Guidance 2020 achieved

	Guidance 2020	Actuals 2020	
<b>Revenues</b>	~ 4.0 - 4.2 bn€	~ 4.0 bn€	✓
<b>EBIT adj. margin</b>	~ 10% (~400 - 420 m€)	10.5% (416 m€)	✓
<b>Net Income adj.</b>	Decline in line with EBIT adj.	295 m€	✓
<b>CCR*</b>	Achieve a positive FCF	36% (105 m€)	✓

## OEM Segment

(in m €)	FY 2019	FY 2020	Change
<b>Revenues</b>	<b>1,996</b>	<b>1,535</b>	<b>-23%</b>
Military Business	459	483	5%
Commercial Business	1,537	1,052	-32%
<b>EBIT adj.</b>	<b>496</b>	<b>280</b>	<b>-44%</b>
<b>EBIT adj. margin %</b>	<b>24.8%</b>	<b>18.2%</b>	



- US\$ Commercial revenues down by 30%
- Military revenues up by 5%
- EBIT margin down due to change in business mix (significant lower Aftermarket Business)

## Commercial MRO





(in m €)	FY 2019	FY 2020	Change
<b>Revenues</b>	<b>2,711</b>	<b>2,522</b>	<b>-7%</b>
<b>EBIT adj.</b>	<b>261</b>	<b>136</b>	<b>-48%</b>
<b>EBIT adj. margin %</b>	<b>9.6%</b>	<b>5.4%</b>	



- US\$ Revenues down by 5%
- EBIT margin down due to higher PW1100G MRO share and bad debt provisions

## Guidance 2021

### 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	

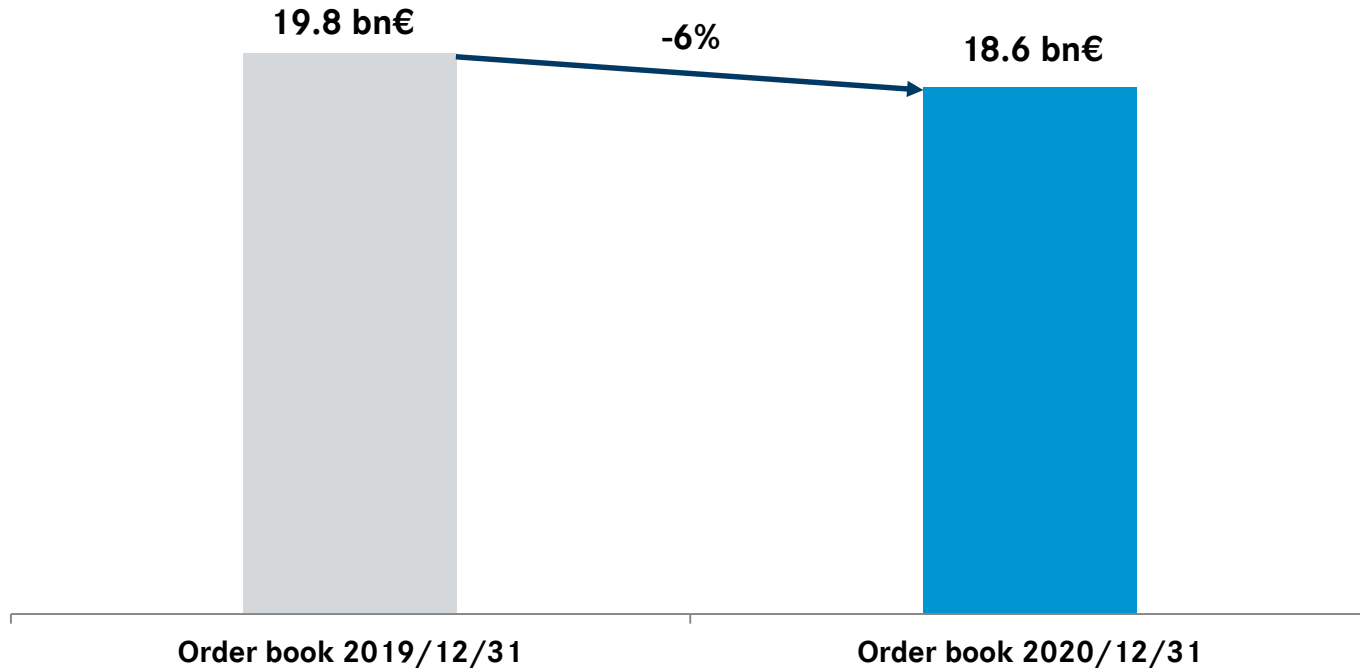
<b>Total Group Sales</b>	4.2 – 4.6 bn €
<b>EBIT adj. (margin)</b>	9.5 – 10.5%
<b>Net Income adj.</b>	In line with EBIT adj.
<b>CCR</b>	Mid double digit % range



# Appendix



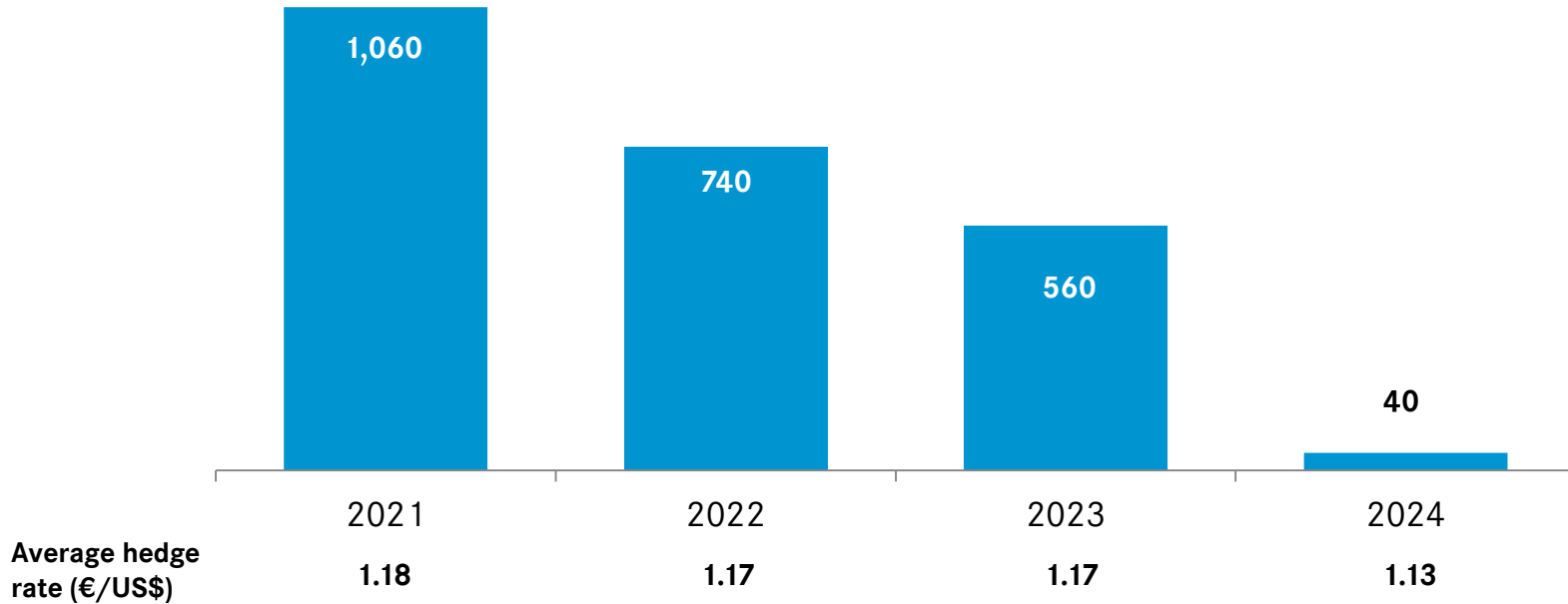
## Group Order Book in USD almost stable



## US\$ Exchange Rate / Hedge Portfolio

Hedge book as of February 18th, 2021

in m\$



## Profit & Loss

	Q4 2019	Q4 2020	Change	FY 2019	FY 2020	Change
<b>Revenues</b>	<b>1,225</b>	<b>1,020</b>	<b>-17%</b>	<b>4,628</b>	<b>3,977</b>	<b>-14%</b>
Total cost of sales	-988	-946		-3,697	-3,484	
<b>Gross profit</b>	<b>237</b>	<b>74</b>	<b>-69%</b>	<b>931</b>	<b>492</b>	<b>-47%</b>
Gross profit margin %	19.3%	7.3%		20.1%	12.4%	
R&D according to IFRS	-20	-20		-66	-61	
SG&A	-49	-51		-203	-225	
Other operating income (expense)	-13	-6		-39	-14	
P&L of companies accounted at equity and equity investments	32	25		83	70	
<b>EBIT reported</b>	<b>186</b>	<b>22</b>	<b>-88%</b>	<b>706</b>	<b>262</b>	<b>-63%</b>
<b>EBIT adjusted</b>	<b>199</b>	<b>105</b>	<b>-47%</b>	<b>757</b>	<b>416</b>	<b>-45%</b>
<b>EBIT adjusted margin %</b>	<b>16.3%</b>	<b>10.3%</b>		<b>16.4%</b>	<b>10.5%</b>	
Financial result	-15	-20		-39	-67	
<b>Profit before tax (EBT)</b>	<b>171</b>	<b>1</b>	<b>-99%</b>	<b>667</b>	<b>195</b>	<b>-71%</b>
Taxes (IFRS)	-38	5		-178	-48	
<b>Net Income reported</b>	<b>134</b>	<b>6</b>	<b>-95%</b>	<b>488</b>	<b>147</b>	<b>-70%</b>
Net Income adj.	146	75		538	294	
<b>EPS reported*</b>	<b>2.47</b>	<b>0.05</b>		<b>9.23</b>	<b>2.63</b>	
EPS adj.	2.80	1.42		10.38	5.56	

\* without non-controlling interests

## Reconciliation to adjusted Key Performance Indicators

	(in m €)	Q4 2019	Q4 2020	Change	FY 2019	FY 2020	Change
<b>EBIT reported</b>		<b>186</b>	<b>22</b>	<b>-88%</b>	<b>706</b>	<b>262</b>	<b>-63%</b>
Adjustment (PPA Depreciation & Amortization)		5	5		21	21	
Adjustment (IAE Upshare)		8	6		30	27	
Adjustment (Restructuring)		0	-1		0	33	
Adjustment (Impairment)		0	73		0	73	
<b>EBIT adjusted</b>		<b>199</b>	<b>105</b>	<b>-47%</b>	<b>757</b>	<b>416</b>	<b>-45%</b>
thereof P&L of companies accounted "at equity"		31	24		80	69	
Interest result		-2	-6		-17	-20	
Interest for pension provisions		-4	-3		-15	-9	
<b>EBT adj. w/o P&amp;L "at equity"</b>		<b>163</b>	<b>72</b>	<b>-56%</b>	<b>645</b>	<b>318</b>	<b>-51%</b>
Tax rate normalized		-29%	-29%		-29%	-29%	
Taxes		-47	-21		-187	-92	
<b>Net Income adj.</b>		<b>146</b>	<b>75</b>	<b>-48%</b>	<b>538</b>	<b>294</b>	<b>-45%</b>
EPS adj.		2.80	1.42	-49%	10.38	5.56	-46%

## Segment Revenues and EBIT adj.

	Q4 2019	Q4 2020	Change	FY 2019	FY 2020	Change
<b>Revenues Group</b>	<b>1,225</b>	<b>1,020</b>	<b>-17%</b>	<b>4,628</b>	<b>3,977</b>	<b>-14%</b>
OEM Commercial	399	202	-49%	1,537	1,052	-32%
OEM Military	135	187	38%	459	483	5%
MRO	716	656	-8%	2,711	2,522	-7%
Consolidation	-25	-24		-79	-80	
<b>EBIT adjusted Group</b>	<b>199</b>	<b>105</b>	<b>-47%</b>	<b>757</b>	<b>416</b>	<b>-45%</b>
OEM (Commercial / Military)	126	85	-32%	496	280	-44%
MRO	74	20	-73%	261	136	-48%
Consolidation	0	-1		0	0	
<b>EBIT adjusted margin Group</b>	<b>16.3%</b>	<b>10.3%</b>		<b>16.4%</b>	<b>10.5%</b>	
OEM (Commercial / Military)	23.5%	22.0%		24.8%	18.2%	
MRO	10.3%	3.1%		9.6%	5.4%	

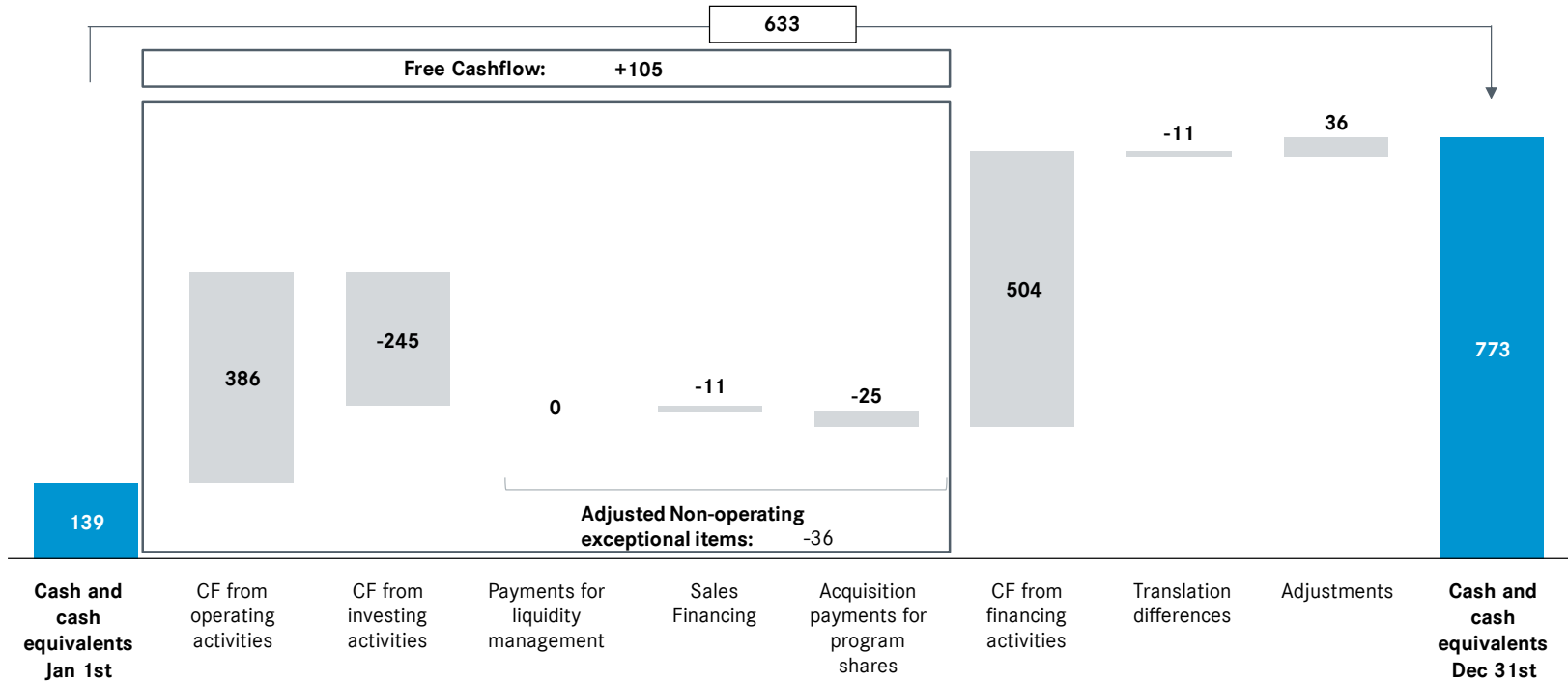
## Research & Development

	Q4 2019	Q4 2020	Change	FY 2019	FY 2020	Change
<b>Total R&amp;D</b>	<b>48</b>	<b>46</b>	<b>-2%</b>	<b>214</b>	<b>186</b>	<b>-13%</b>
<b>Customer funded R&amp;D</b>	<b>-9</b>	<b>-12</b>	<b>-38%</b>	<b>-31</b>	<b>-33</b>	<b>-6%</b>
<b>Company expensed R&amp;D</b>	<b>39</b>	<b>35</b>	<b>-11%</b>	<b>183</b>	<b>153</b>	<b>-16%</b>
Capitalization of R&D	-7	-7		-83	-58	
Amortisation	7	6		22	24	
<b>Total R&amp;D impact P&amp;L (on EBIT)</b>	<b>39</b>	<b>33</b>	<b>-14%</b>	<b>123</b>	<b>119</b>	<b>-3%</b>
thereof booked into sales and COGS	18	13		57	58	
thereof booked into R&D according to IFRS (P&L)	20	20		66	61	

## Financial Result

	Q4 2019	Q4 2020	Change	FY 2019	FY 2020	Change
Interest income	1	1	-29%	6	3	-57%
Interest expense	-3	-7	-99%	-24	-22	5%
<b>Interest result</b>	<b>-2</b>	<b>-6</b>	<b>-167%</b>	<b>-17</b>	<b>-20</b>	<b>-14%</b>
<b>Financial result on other items</b>	<b>-13</b>	<b>-14</b>		<b>-22</b>	<b>-47</b>	
US\$ / non cash valuations / others	-9	-12		-7	-38	
Interest for pension provisions	-4	-3		-15	-9	
<b>Financial result</b>	<b>-15</b>	<b>-20</b>	<b>-34%</b>	<b>-39</b>	<b>-67</b>	<b>-72%</b>

## MTU's Cash development January – December 2020





## Cash Flow

	(in m €)	FY 2019	FY 2020	Change
<b>Net Income IFRS</b>		<b>488</b>	<b>147</b>	<b>-70%</b>
Depreciation and amortization		260	352	
Change in provisions and liabilities		176	-112	
Change in working capital		-142	-25	
Taxes		42	27	
Interest, derivatives, others		8	-3	
<b>Cash Flow from operating activities</b>		<b>832</b>	<b>386</b>	<b>-54%</b>
Net Investment in intangible assets		-128	-16	
Net Investment in R&D payments and entry fees		-22	-19	
Net Capital expenditure on property, plant and equipment		-299	-179	
Net Investments in financial assets		-23	-31	
<b>Cash Flow from investing activities</b>		<b>-472</b>	<b>-245</b>	<b>48%</b>
Adjustments		-2	-36	
<b>Free Cash Flow</b>		<b>358</b>	<b>105</b>	<b>-71%</b>
<b>Cash Flow from financing activities</b>		<b>-324</b>	<b>504</b>	<b>256%</b>
Cash and cash equivalents at 31.12.		139	773	

## Net debt

	(in m €)	31.12.2019	31.12.2020	Change
Bonds and notes		100	603	
Convertible bonds		562	538	
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	177	
Financial liabilities arising from program participation		300	138	
thereof arising from IAE V2500 Upshare		271	132	
<b>Gross financial debt</b>		<b>1,150</b>	<b>1,586</b>	<b>38%</b>
Cash and cash equivalents		139	773	
Loans to third parties		50	33	
<b>Financial assets</b>		<b>189</b>	<b>805</b>	<b>&gt;300%</b>
<b>Net financial debt</b>		<b>961</b>	<b>781</b>	<b>-19%</b>

## Working capital

	(in m €)	31.12.2019	31.12.2020	Change
Inventories		1,279	1,279	
Prepayments		-396	-457	
Receivables		2,083	1,949	
Payables		-1,456	-1,236	
<b>Working Capital</b>		<b>1,510</b>	<b>1,535</b>	<b>2%</b>

## Balance Sheet

	(in m €)	31.12.2019	31.12.2020	Change
Intangible assets		1,163	1,135	
Property, plant, equipment		1,101	1,161	
other non-current assets		1,892	1,733	
<b>Total non-current assets</b>		<b>4,155</b>	<b>4,030</b>	<b>-3%</b>
<b>Current assets</b>		<b>3,610</b>	<b>4,074</b>	<b>13%</b>
<b>Total assets</b>		<b>7,765</b>	<b>8,104</b>	<b>4%</b>
<b>Equity</b>		<b>2,421</b>	<b>2,635</b>	<b>9%</b>
<b>Non-current liabilities</b>		<b>2,130</b>	<b>2,501</b>	<b>17%</b>
<b>Current liabilities</b>		<b>3,214</b>	<b>2,968</b>	<b>-8%</b>
<b>Total equity and liabilities</b>		<b>7,765</b>	<b>8,104</b>	<b>4%</b>
thereof pension provisions		976	1,009	

## PPA Depreciation / Amortization

	Q4 2019	Q4 2020	Change	FY 2019	FY 2020	Change
OEM	50	122		183	264	
MRO	20	25		77	86	
<b>Total depreciation / amortization*</b>	<b>71</b>	<b>147</b>	<b>108%</b>	<b>260</b>	<b>350</b>	<b>35%</b>
PPA OEM	5	5		19	18	
PPA MRO	1	1		2	2	
IAE Upshare OEM	8	6		30	27	
<b>PPA depreciation / amortization &amp; IAE Upshare amortization (EBIT adjustme</b>	<b>13</b>	<b>11</b>	<b>-13%</b>	<b>51</b>	<b>48</b>	<b>-7%</b>
OEM	38	112		134	219	
MRO	20	24		75	84	
<b>Depreciation / amortization w/o PPA and w/o IAE Upshare</b>	<b>58</b>	<b>136</b>	<b>136%</b>	<b>208</b>	<b>303</b>	<b>45%</b>

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

## Guidance for PPA and IAE Upshare Amortization

(in m€)	2020	2021E	2022E	2023E
PPA depreciation / amortization	21	21	20	19
IAE Upshare	27	24	24	24
<b>Adjustments PPA / IAE Upshare</b>	<b>48</b>	<b>45</b>	<b>44</b>	<b>43</b>

## Guidance for R&D Amortization

(in m€)	2020	2021E	2022E	2023E
<b>R&amp;D amortization</b>	<b>24</b>	<b>25</b>	<b>27</b>	<b>32</b>

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