**MTU Aero Engines starts 2023 with a record quarter**

* **Revenue up 31%**
* **Operating profit 62% higher; net income rose by 70%**
* **Guidance for 2023 confirmed**

Munich, April 26, 2023 — MTU Aero Engines AG increased revenue by 31% to €1.54 billion in the first quarter of 2023 (1- 3/2022: €1.18 billion). Operating profit**[[1]](#footnote-1)** increased by 62% from €131 million to €212 million. The adjusted EBIT margin rose from 11.1% in the first quarter of 2022 to 13.7% in the first quarter of 2023. Net income**[[2]](#footnote-2)** climbed 70% from €93 million to €157 million.

“MTU has made a flying start to the 2023 fiscal year. We have just ended the best quarter in MTU’s history. Both revenue and earnings were well above market expectations,” summed up Lars Wagner, CEO of MTU Aero Engines AG. “The strong demand in the first quarter gives us confidence and supports our growth track. In view of the ongoing supply chain uncertainties, we are retaining our guidance for the full year.”

In the first quarter of 2023, the highest revenue growth came from the commercial engines business, where revenue increased by 60% from €278 million to €446 million. On a dollar basis, the series business registered organic revenue growth of about 40%. In the spare parts business, organic revenue growth was around 35% in US dollars. “The series business was mainly driven by higher deliveries of the Geared Turbofan™ and increased business with industrial gas turbines. In the spare parts business, growth was registered across all platforms, especially engine models for long-haul and cargo aircraft,” reported CFO Peter Kameritsch. The most important revenue generator in the commercial engines business was the PW1100G-JM for the A320neo.

Revenue in the commercial maintenance business rose by 25% in the first quarter to €1.02 billion   
(1-3/2022: €819 million). The main revenue drivers here were the PW1100G-JM and the V2500 for the classic A320 family.

In the military engine business, revenue totaled €103 million, compared with €108 million in the prior-year period. Kameritsch explained the 5% drop compared with the prior-year quarter: “The military   
engine business is affected by continued delays in the supply chain.” The main revenue driver was the EJ200 engine for the Eurofighter.

The order backlog was €22.74 billion at the end of the quarter, 2% higher than at year-end 2022   
(December 31, 2022: €22.27 billion). The largest proportion of orders on hand was for Geared Turbofan™ engines for the PW1000G family, especially the PW1100G-JM, and the V2500.

MTU’s earnings improved in both the OEM business and the commercial maintenance business in the first quarter of 2023. “In both segments, the first-quarter figures reflect the favorable revenue mix, as well as a lower cost base and positive exchange rate effects on a year-on-year comparison,” said   
Kameritsch.

In the OEM business, MTU reported an earnings hike of 81% to €141 million in the first quarter   
(1-3/2022: €78 million). The adjusted EBIT margin in the OEM business rose from 20.2% to 25.8%.

Earnings in the commercial maintenance business were 32% higher at €70 million in the first quarter   
(1-3/2022: €53 million). The adjusted EBIT margin was 6.8%, compared with 6.4% in the first quarter of 2022.

Research and development expenses amounted to €67 million in the first quarter of 2023 (1-3/2022: €63 million). Performance enhancements for the Geared Turbofan™ programs, technology studies for future engine generations, especially hydrogen and flying fuel cells, and expanding capabilities in the area of virtual engines were the focal areas of R&D at MTU.

Free cash flow was €93 million in the first quarter, compared with €134 million in the prior-year period. Kameritsch: “We made a good start to 2023 and are in line with market expectations. In 2023, we are aiming for the free cash flow to be at least at the prior-year level.”

Net capital expenditure on property, plant and equipment increased by 64% from €38 million to   
€62 million in the first quarter.

At the end of the first quarter, MTU had 11,559 employees (December 31, 2022: 11,273   
employees). “We mainly recruited staff in the area of engineering and for digitalization,” reported   
Wagner. “We are continuing to raise our headcount to support our future programs and thus safeguard the future of MTU.”

MTU is confirming its guidance for FY 2023. The company expects revenue to be between €6.1 and €6.3 billion at year-end. Revenue is expected to rise fastest in the commercial series business, with organic growth of around 30%. In the spare parts business, organic revenue growth should be in the high teens- to low twenty-percent range. In the commercial maintenance business, organic revenue growth is expected to be in the high-teens percentage range. In the military business, MTU expects revenue to rise by about 10%. The adjusted EBIT margin should remain stable in 2023. This forecast is based on a US dollar/euro exchange rate of 1.10.

**MTU Aero Engines – Key data for the first quarter of 2023**

*(Amounts in € million)*

|  |  |  |  |
| --- | --- | --- | --- |
| **MTU Aero Engines** | **As of March 2022** | **As of March 2023** | **Change** |
| Revenue | 1,180 | 1,544 | + 31% |
| thereof OEM business | 386 | 549 | + 42% |
| thereof commercial engine business | 278 | 446 | + 60% |
| thereof military engine business | 108 | 103 | - 5% |
| thereof commercial maintenance | 819 | 1,021 | + 25% |
| Adjusted EBIT | 131 | 212 | + 62% |
| thereof OEM business | 78 | 141 | + 81% |
| thereof commercial maintenance | 53 | 70 | + 32% |
| *Adjusted EBIT margin* | *11.1%* | *13.7%* |  |
| *in the OEM business* | *20.2%* | *25.8%* |  |
| *in commercial maintenance* | *6.4%* | *6.8%* |  |
| Adjusted net income | 93 | 157 | + 70% |
| Net income (reported) | 53 | 134 | + 150% |
| Earnings per share (basic, reported) | 0.99 | 2.47 | + 149% |
| EBITDA (reported) | 174 | 278 | + 59% |
| Free cash flow | 134 | 93 | - 31% |
| Research and development expenses | 63 | 67 | + 7% |
| thereof company-funded | 46 | 47 | + 1% |
| thereof customer-funded | 17 | 21 | + 21% |
| *Company-funded R&D expenses as stated in the income statement* | *24* | *26* | *+ 6%* |
| Net capital expenditure on property, plant and equipment | 38 | 62 | + 64% |
|  |
|  | **Dec. 31, 2022** | **March 31, 2023** | **Change** |
| **Balance sheet key figures** |  |  |  |
| Intangible assets | 1,151 | 1,151 | + 0% |
| Cash and cash equivalents | 823 | 892 | + 8% |
| Pension provisions | 707 | 710 | + 0% |
| Equity | 3,107 | 3,273 | + 5% |
| Net financial debt | 753 | 646 | - 14% |
| Total assets and liabilities | 9,230 | 9,261 | + 0% |
|  |  |  |  |
| **Order backlog** | 22,273 | 22,743 | + 2% |
|  |  |  |  |
| **Employees** | 11,273 | 11,559 | + 3% |

**About MTU Aero Engines**

MTU Aero Engines 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.

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1. **Adjusted EBIT = adjusted earnings before interest and taxes** [↑](#footnote-ref-1)
2. **Adjusted net income = adjusted income after income taxes** [↑](#footnote-ref-2)