

Excellence in Motion



Lufthansa Technik



2022

Annual Report

KEY FIGURES

Lufthansa Technik
Group at a glance



4,003

2021 Revenue in €m

5,550

2022 Revenue in €m



(all figures in €m)

	2022	2021
Revenue	5,550	4,003
Adjusted EBIT	511	362
EBT	413	134
Capital expenditure	99	95
Depreciation and amortisation	-178	-174
Balance sheet total	6,544	6,512
Employees as of 31 Dec	20,411	20,569
Staff costs	-1,379	-1,082

“At the beginning of the financial year, we did not have enough work for all our employees – and at its end, not enough employees for all the work that needed to be done. While we have not quite returned to our former greatness, we will continue to grow from a position of strength.”

Soeren Stark, Chairman of the Executive Board (CEO)

Dear Ladies and Gentlemen,

2022 was a highly dynamic year in aviation: The industry has emerged from the coronavirus pandemic, with demand for air travel in Europe and the Americas, as well as transatlantic traffic, recovering over the year. Although COVID restrictions – especially though not exclusively in Asia – still heavily impaired air traffic, the strong development of demand in the summer demonstrated how much people around the world longed to be able to travel again. Good prospects as well for companies in the aircraft maintenance, repair and overhaul (MRO) sector.

This dynamism also characterized Lufthansa Technik's financial year – a year that once again demanded everything from us. At the beginning of the financial year, we did not have enough work for all our employees – and at its end, not enough employees for all the work that needed to be done. While we have not quite returned to our former greatness, we will continue to grow from a position of strength.

This is also made apparent by important key figures: Lufthansa Technik's revenue grew by 39% to EUR 5.6bn, and with an Adjusted EBIT of over half a billion euros, we achieved the best result in the Group's history. This is also due to our central improvement program “RISE”, which has enabled us to organize the company much more efficiently, streamline processes and sustainably reduce our expenses. Today Lufthansa Technik is a better company than it was before the COVID crisis – we are well prepared now for the opportunities that lie ahead.

The foundation of our success remains the partnership with our customers. Our efforts to work together through the crisis and our investments in new technologies and offerings such as Mobile Engine Services were rewarded in many ways – hundreds of new contracts, boasting a volume of EUR 9.6bn, testify to the fact that Lufthansa Technik is the partner of choice for airlines all over the world. This is exemplified by the agreement with airlines of the Indigo Group for the supply of components for around 1,000 aircraft. Although we have terminated our cooperation with Russian customers with



From left to right: Soeren Stark, Harald Gloy, Dr. William Willms

hundreds of aircraft, we are again servicing more than 4,200 aircraft under long-term contracts – and the trend is clearly upward.

This long-term trust is also based on the constant development of the company. Thanks to the expansion of our independent digital platform AVIATAR and the acquisition of Swiss Aviation Software as well as Lufthansa Industry Solutions at the end of the year, we have laid the foundation for a digital powerhouse in which new offerings for the technical support of aircraft fleets will be developed.

We are also providing our own technological answers to the key challenge of ensuring the long-term climate neutrality of air traffic: with the novel aircraft coating “AeroSHARK”, airlines can reduce their CO₂ emissions, and with the establishment of a real-world laboratory for ground processes, we are entering into the hydrogen technology. Similarly, the handover of cabin-modified Airbus A350s and A321LRs to the German Armed Forces demonstrates how we have also expanded our commitment to our military customers.

The year 2022 has shown us what opportunities still lie ahead. Regardless of challenges such as recruiting new employees, we are confident that with our passion for aviation and the enthusiasm of our many thousands of employees for this industry and for the company, we will be able to capitalize on those opportunities.

We would like to thank our customers for the trust they have placed in us and for the cooperation, which has taken on a new quality in recent years. We would particularly like to thank our employees for their special commitment and their willingness to keep changing and improving our company.

Soeren Stark
Chairman of the
Executive Board
CEO

Harald Gloy
Member of the
Executive Board
COO & Human
Resources

Dr. William Willms
Member of the
Executive Board
CFO, Corporate
Services & IT



LUFTHANSA TECHNIK AT A GLANCE

We are certified around the globe as a maintenance (Part 145), design (Part 21 / J) and production (Part 21 / G) organization.

MAINTENANCE Lufthansa Technik has been approved as a maintenance organization by the authorities of the European Union and more than 40 other countries.

DESIGN Holding Design Organisation Approvals (DOA) allows Lufthansa Technik to perform, for example, modifications or repairs on aircraft for which the company does not hold a type certificate.

PRODUCTION As holder of production approvals, Lufthansa Technik is authorized to manufacture components for aircraft.

DIGITALIZE

Lufthansa Technik is shaping the future of aviation by combining the driving forces of technology, data, and people. We offer manufacturer-independent technical services for a broad range of fleets. AVIATAR provides an overall platform for the aviation industry, bringing together various solutions in one place and offering digital products and services for airlines, MROs, OEMs, and lease providers. While each individual solution already offers added value as a stand-alone version, it is the interplay of these applications that provides unique benefit for the user.

MAINTAIN

Whether a flag carrier, a lessor or a low-cost airline, whether operating an Airbus, a Boeing or a regional aircraft fleet – we are a single source for all aspects of maintaining an aircraft. We are a partner with a unique position at the heart of technical operations for fleets of every size and composition, all over the world. Our aircraft services are deeply embedded in our global network, giving access to all our resources.

OPTIMIZE

Our unrivalled operational experience ensures maximum aircraft reliability for fleets. Working and cooperating with aircraft and component manufacturers, our experts offer engineering services for all common aircraft types. Lufthansa Technik is also an Original Equipment Manufacturer (OEM) and modifies fleets from nose to tail to stay competitive and meet all operational and safety requirements.

SPECIALIZE

Lufthansa Technik offers a unique service portfolio for private aircraft. All aspects from acquiring to operating a private jet are covered. These services makes Lufthansa Technik the partner of choice. Special mission aircraft give us the opportunity to fully exploit all dimensions of our technological capabilities, creativity and craftsmanship. As a partner of governments and armed forces, we ensure the unsurpassed operational readiness of the fleets supported.

Thinking the future sustainable



Hydrogen Aviation Lab:

Funded by the city of Hamburg, a decommissioned Airbus A320 is being converted into a field laboratory to research maintenance and ground processes for future aircraft generations using liquid hydrogen as an energy source. Cooperation partners are the German Aerospace Center (DLR), the ZAL Center of Applied Aeronautical Research and Hamburg Airport. There is no alternative to transforming our industry for climate-neutral aviation. With this project, we want to address this enormous technological challenge at an early stage. In this way, we are actively safeguarding the future by building up know-how today for the maintenance and ground processes of the day after tomorrow.



The Future of Aviation

Aviation

Sustainability

lufthansa-technik-broadcast.com

Lufthansa Technik pursues sustainability along three pillars:

- 1 Continuous reduction of our ecological footprint
- 2 Supporting innovative products to achieve sustainability goals
- 3 Social sustainability



Special mission

Security products for government customers saw increased demand in 2022.

For example, Lufthansa Technik has established the new business unit “Defense Programs” to expand its activities with military customers.



Digital powerhouse

Thanks to the expansion of our independent digital platform AVIATAR, the acquisition of Swiss Aviation Software as well as Lufthansa Industry Solutions at the end of the year, we have laid the foundation for a digital powerhouse in which new offerings for the technical support of aircraft fleets will be developed.





**MANAGEMENT
REPORT**

Lufthansa Technik on the upswing

Higher demand for flights leads to increased demand for MRO services. Revenue up significantly on the previous year. New business at record high. Adjusted EBIT achieves new record. Lufthansa Technik expands its digital services significantly.



Strong figures

4,242

Aircraft under long-term component contracts

28

New
customers

A large, white jet engine is the central focus of the image, mounted on the side of a white aircraft. The engine's fan blades are visible through the large circular opening. The aircraft is in a hangar with a blue metal ceiling structure. The floor is a light-colored, polished concrete. The overall scene is brightly lit, with some lens flare effects.

706

New contracts with a volume of EUR 9.6 billion

Business activities

Lufthansa Technik is the world's leading MRO provider

Lufthansa Technik is the world's leading independent provider of maintenance, repair and overhaul services (MRO) for civilian commercial aircraft. The Lufthansa Technik group comprises 30 companies offering technical aviation services worldwide. The company holds direct and indirect stakes in 64 companies. Lufthansa Technik AG serves more than 800 customers worldwide, including OEMs, aircraft leasing companies, operators of VIP jets, governments and armed forces, as well as airlines. Around one third of its business comes from entities in the Lufthansa Group and two thirds from customers outside the Lufthansa Group.

Course of business and operating performance

Higher demand for MRO services and favourable US dollar drive record earnings

Lufthansa Technik reported a positive performance throughout the reporting year. Increasing demand for flights, particularly in the summer months, led to rising demand for maintenance and repair services, which in turn had a positive impact on revenue and earnings. The favourable performance of the US dollar supported results, enabling record earnings despite rising costs of materials and services and staff costs, and supply chain disruptions worldwide. The restructuring measures implemented during the coronavirus pandemic to ensure a stronger long-term position in the independent MRO market were largely completed and made a sustainable contribution to the improved cost base. An increase in national and international business more than offset the Russian business, which was discontinued completely at the start of the war in Ukraine.

Focus on recruiting new professionals

The need for qualified staff increased significantly in the reporting year, both in production and administrative areas. Lufthansa Technik is responding to this need with various national and international recruiting activities under the heading of "We are Aviationers". Lufthansa Technik opened a new site in Valencia, for example, to meet the high demand for digital services.

The number of apprentices at Lufthansa Technik again neared its pre-crisis level in the reporting year. A total of 186 young people started their apprenticeship at the company's sites in Germany. An additional 23 students on combined degree programmes were also recruited.

Strategic decisions for the future taken to create a Digital Tech Ops Ecosystem

In addition to the steep rise in demand for physical MRO services, the upward trend in digital MRO services continues unabated, since they will in future enable physical maintenance inspections to be organised at lower cost and more reliably. Lufthansa Technik is already shaping this digital transformation of technical aircraft operations with its two products, AVIATAR as a platform for data-based analytics solutions, and flydocs as a digital records and asset solution. Swiss Aviation Software AG, the world market leader in maintenance and engineering/MRO software with its AMOS product, was acquired at the end of 2022 to develop the company's competitive position in the digital space.

Lufthansa Technik is creating a Digital Tech Ops Ecosystem by merging these three products. The three units will remain independent but combine their products, which previously had a modular design. It will then be possible for the first time to cover all the data generated along the entire value stream for technical operations. These data, combined with the digital know-how of all three independent solutions providers and the all-round engineering skills of Lufthansa Technik, will be leveraged to create new products, faster digitisation and thus added value for clients. The new integrated system will reduce MRO costs, further improve process efficiency and operating stability, boost the availability of aircraft and enhance their value.

At the end of the reporting year, the data from 2,683 aircraft (31% more than the previous year) were already connected to the AVIATAR platform via monetarised contracts.

Lufthansa Technik also acquired Lufthansa Industry Solutions, an IT advisory and systems integration business that specialises in artificial intelligence and data analytics. The company supports corporate digitalisation initiatives both within and outside the Lufthansa Group, and last year was able to further increase its share of business with customers outside the Lufthansa Group.


**KEY FIGURES
LUFTHANSA TECHNIK GROUP**

		2022	2021	Change (%)
Revenue	€m	5,550	4,003	39
of which with companies of the Lufthansa Group	€m	1,546	886	74
Total operating income	€m	5,951	4,408	35
Operating expenses ¹⁾	€m	-5,384	-4,021	34
Adjusted EBITDA ¹⁾	€m	689	536	29
Adjusted EBIT¹⁾	€m	511	362	41
EBIT	€m	456	163	180
Adjusted EBIT margin ¹⁾	%	9.2	9.0	+0.2 pts
Adjusted ROCE ¹⁾	%	10.4	8.4	+2.0 pts
Capital expenditure	€m	99	95	4
Employees as of 31 Dec	number	20,411	20,569	-1
Average number of employees	number	20,116	21,328	-6
Fully consolidated companies ²⁾	number	25	25	-

¹⁾ Previous year's figures have been adjusted due to amendments in the definition of the figures.

²⁾ incl. Lufthansa Technik AG.

Lufthansa Technik focusing on technologies for more sustainable flying

In addition to digital products, the focus is also on technologies to improve fuel efficiency and achieve sustainability targets.

Lufthansa Technik and BASF began regular use of the fuel-saving surface technology "AeroSHARK". "AeroSHARK" imitates the characteristics of sharkskin, which is particularly hydrodynamic, and so optimises the aerodynamics of relevant areas of the aircraft, which means it uses less fuel. The first passenger aircraft fitted with "AeroSHARK", a Boeing 777, took off in October 2022. In December 2022, Lufthansa Technik received the supplemental type certificate from EASA for the standardised modification of Boeing 777 aircraft. This means the roll-out of the sharkskin technology across part of the fleet can begin at the launch customers Lufthansa Cargo and SWISS.

Moreover, in the reporting year Lufthansa Technik presented its Hydrogen Aviation Lab, Hamburg's new functional laboratory for the testing of maintenance and ground processes for future hydrogen-powered aircraft. For this purpose, a former Lufthansa Airbus A320 will be converted alongside joint project partners into a field laboratory which will enable early research into the safe use of a potential energy source for future aviation to be carried out under realistic conditions.

Important contracts to be renewed and signed

Lufthansa Technik serviced 4,242 aircraft under long-term component contracts at the end of 2022. 28 new customers were acquired in the course of the year and 706 new contracts with a volume of EUR 9.6bn signed, of which EUR 3.6bn was with companies in the Lufthansa Group.

They included new long-term contracts for strategic component supplies with the airlines Wizz Air, Frontier Airlines and Volaris. The new contracts reflect rapidly growing fleets at these three airlines and so enable new synergies and flexibility for further growth. Based on these three customers' current fleet plans, the new Total Component Support (TCS) contracts will cover some 1,000 aircraft from the Airbus A320 family in a few years. In addition to component supplies, the contracts offer strategic solutions for parts supplies, tailored to the airlines' individual needs and based on intensive use of predictive maintenance and other intelligent AVIATAR solutions.

Alongside classic MRO services and digital services for civil and commercial aircraft operators, security products for government clients also saw increased demand in 2022. Lufthansa Technik established a new business unit, Defense Programs, to further strengthen its activities with military customers. An agreement to support the German navy's new P-8A Poseidon aircraft fleet was signed in the reporting year in partnership with Boeing and ESG Elektroniksystem- und Logistik-GmbH. Another P-8A operator, Royal New Zealand Air Force, was an additional customer acquired for component support in December. Two Airbus A321LR (longrange) aircraft were delivered to the German Armed Forces and are available immediately for transporting troops and members of the German parliament. The second government aircraft, an Airbus A350-900, was also formally delivered to the German Air Force and the cabin modification on the third is already well advanced.

Personnel changes in the Executive Board of Lufthansa Technik

Since 1 July 2022 Soeren Stark became the new CEO and Chairman of the Executive Board, who was followed by Harald Gloy as the new Chief Operating Officer and Labor Director. They complete the Executive Board of Lufthansa Technik, which already included CFO Dr. William Willms.



Handover of the Airbus A350 "Konrad Adenauer" to the German Air Force

5,550

€m Revenue

511

€m Adjusted EBIT



Financial performance

Revenue up 39% on the year

Revenue climbed by 39% in 2022 to EUR 5,550m (previous year: EUR 4,003m). Lufthansa Technik profited from the recovery in flight hours among its customers, secured long-term customer contracts, and the rise in the US dollar over the course of 2022.

Both external revenue and revenue from within the Group increased year-on-year. Performance was driven by the MRO units Engine Services and Aircraft Component Services in particular. Operating income rose by 35% to EUR 5,951m (previous year: EUR 4,408m).

Expenses up by 34% or less than revenue

In the reporting year, operating expenses increased in a lower proportion to revenue by 34% to EUR 5,384m (previous year: EUR 4,021m).

The cost of materials and services rose by 48% due to higher volumes and prices to EUR 3,066m (previous year: EUR 2,075m). This was the result of the positive commercial performance, which led to an increase in material consumption and higher external services.

Staff costs of EUR 1,379m were 27% higher than in the previous year (previous year: EUR 1,082m).

Depreciation and amortisation rose by 2% to EUR 178m (previous year: EUR 174m).

Adjusted EBIT reached a record EUR 511m

Adjusted EBIT improved in the reporting year by 41% to EUR 511m (previous year: EUR 362m), which was a new record. The Adjusted EBIT margin improved by 0.2 percentage points to 9.2% (previous year: 9.0%).

EBIT rose year-on-year by 180% to EUR 456m (previous year: EUR 163m). The difference to Adjusted EBIT stems mainly from write-downs due to the cessation of business in Russia. The previous year's figure was reduced by significant restructuring expenses and depreciation and amortisation in connection with assets held for sale.

Capital expenditure up by 4%

Capital expenditure went up by 4% to EUR 99m (previous year: EUR 95m). This was due to the investment policy, which remains restrictive. Capital expenditure mainly related to financing joint ventures and other property, plant and equipment.

Number of employees stable

The number of employees at the end of the year declined year-on-year by 1% to 20,411 (previous year: 20,569), driven in particular by the restructuring measures completed in the reporting year and the hiring freeze in the previous year. Increased recruitment enabled the number of employees to rise again in the fourth quarter of 2022.

OPERATING EXPENSES	2022 in €m	2021 in €m	Change in %
Cost of materials and services	3,066	2,075	48
of which raw materials, consumables and supplies	1,806	1,195	51
of which external services	1,260	880	43
Staff costs ¹⁾	1,379	1,082	27
Depreciation and amortisation ²⁾	178	174	2
Other operating expenses ³⁾	761	690	10
Total operating expenses⁴⁾	5,384	4,021	34

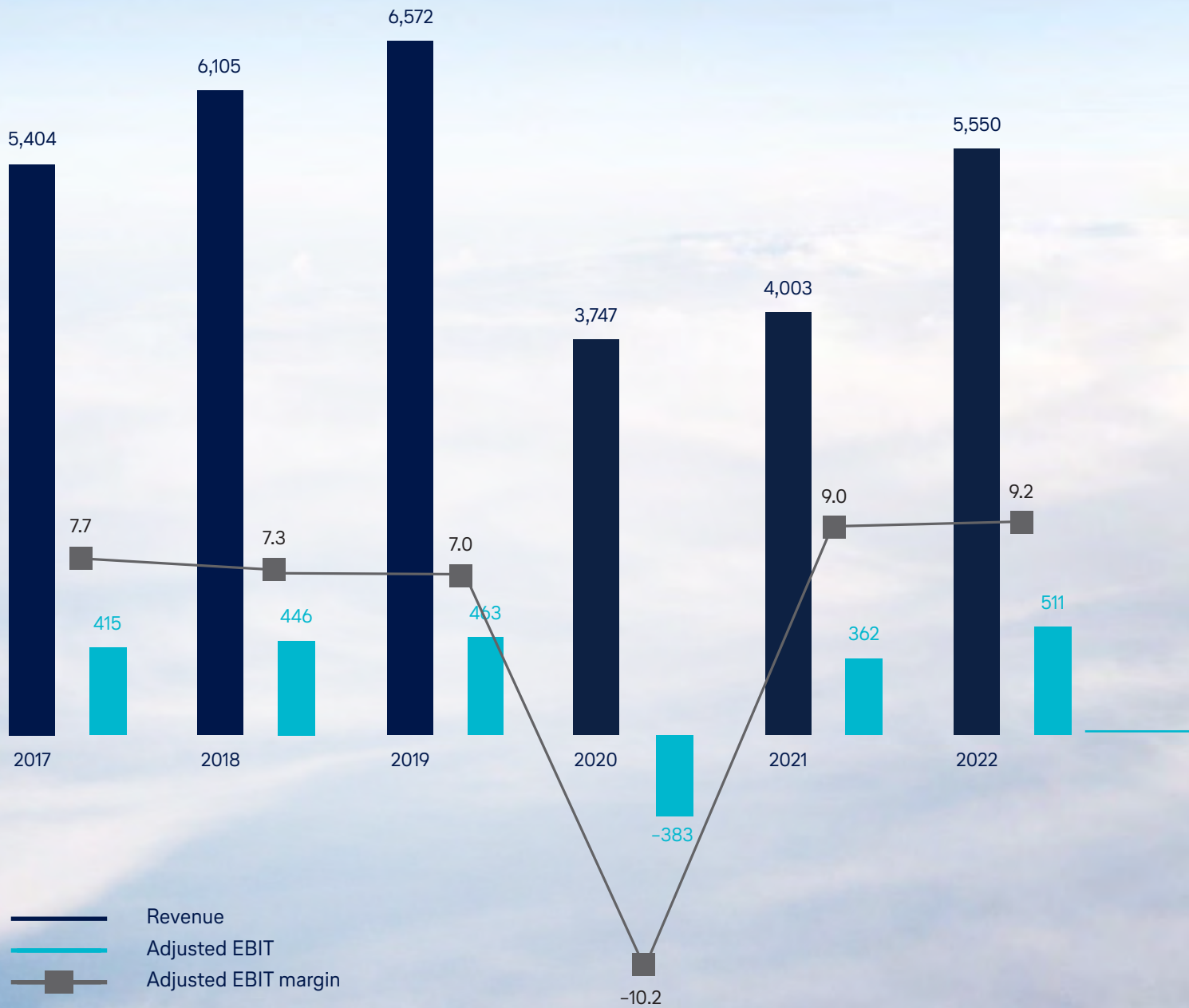
¹⁾ Without past service costs/settlement.

²⁾ Without impairment losses.

³⁾ Without book losses.

⁴⁾ Previous year's figures have been adjusted due to amendments in the definition of the figures.

DEVELOPMENT OF REVENUE, ADJUSTED EBIT in €m AND ADJUSTED EBIT MARGIN in %



511

€m
Adjusted EBIT

9.2%

Adjusted EBIT
margin

**THE LUFTHANSA
TECHNIK GROUP**



Taking up challenges

Today, Lufthansa Technik is a better company than it was before the coronavirus pandemic – we are well prepared for the opportunities that lie ahead.



25

Fully consolidated
companies

65

Companies

Selected subsidiaries

Lufthansa Technik AG, Germany

Established in October 1994 as a subsidiary of Deutsche Lufthansa AG, Lufthansa Technik AG is the parent company of the MRO segment of Deutsche Lufthansa AG and the global Lufthansa Technik Group. The heart of the company is its overhaul, development and logistics center in Hamburg, birth-place of engineering operations for the newly re-established post-war Lufthansa in 1955. The average number of employees in the reporting year amounted to 9,399.

Hawker Pacific Aerospace Corp., USA

Established in 1912 and a wholly owned subsidiary of Lufthansa Technik since April 2002, this company offers landing gear overhaul services in Sun Valley, California, USA. Revenue for the reporting year was EUR 45m, with an average workforce of 232.

Lufthansa Technik AERO Alzey GmbH, Germany

For more than 25 years, this company has been active in the maintenance of turboprop and regional jet engines made by Pratt & Whitney and General Electric. Types serviced include, for example, the CF34, PW100, PW150 and PW1500. Revenue for the reporting year amounted to EUR 442m with an average of 658 employees.

Lufthansa Technik Budapest, Hungary

This Hungarian subsidiary offers overhaul and maintenance services for Boeing 737 aircraft as well as the Airbus A320 family. Founded in 2000, the company generated revenue of EUR 40m with an average workforce of 369.

Lufthansa Technik Component Services LLC, USA

With five sites in the USA, this subsidiary offers a broad range of services in the field of maintenance for aircraft components, primarily for customers in North and South America. The company generated revenue of EUR 94m and had an annual average of 553 employees.

Lufthansa Technik Landing Gear Services UK Limited, UK

This company specializes in the maintenance, repair and overhaul of landing gear. It originated from the British Hawker Pacific Aerospace site and was renamed in March 2011. In the reporting year, revenue of EUR 48m was achieved with an average workforce of 280.

Lufthansa Technik Logistik Services GmbH, Germany

The logistics subsidiary specializes in services such as the procurement, warehousing, and transportation of materials. The company generated revenue of EUR 298m and had an annual average of 1,180 employees.



30

Companies offering technical aviation services worldwide

Lufthansa Technik Malta Limited, Malta

A joint venture with Air Malta, which holds a share of 8%, has offered maintenance and overhaul services since 2002, with a focus on Boeing 737 and Airbus A320, A330/A340 and A350 aircraft. An annual average of 455 employees generated EUR 59m in revenue.

Lufthansa Technik Philippines Inc., Philippines

Established in 1999 as a joint venture with Macro Asia, the company services and overhauls aircraft, engines and equipment for the fleets of Philippine Airlines and other customers. Revenue of EUR 175m was achieved by an average of 2,624 employees.

Lufthansa Technik Puerto Rico LLC, Puerto Rico

Since autumn 2015, the company has provided overhaul services to Airbus A320 family aircraft for American customers. The company's revenue was EUR 46m, with an average of 354 employees.

Lufthansa Technik Shenzhen Co. Ltd, Shenzhen, China

Since 2002, the joint venture with Beijing Kailan Aviation Technology has been providing maintenance, repair and overhaul services for aircraft and engine components in the Asia-Pacific region. Revenue amounted to EUR 86m, and the company employed an annual average of 594 employees.

Lufthansa Technik Sofia OOD, Bulgaria

This joint venture with the Bulgarian Aviation Group (24.9%) specializes in the maintenance and overhaul of aircraft from the Airbus A320 family and the Boeing 737 series. An annual average of 1,155 employees generated EUR 87m in revenue.

Lufthansa Industry Solutions, Germany

Lufthansa Industry Solutions, one of the leading IT advisory and system-integration companies in Germany, is part of Lufthansa Technik and is known in particular as a specialist in artificial intelligence and data analytics. Both external customers and Group companies rely on this wealth of experience. The three main subsidiaries generated revenue of EUR 304m with an average of 1,672 employees.



**CONSOLIDATED
FINANCIAL
STATEMENTS 2022**

Record- breaking

An increase in demand for MRO services and a favorable US dollar drive record earnings.



CONSOLIDATED FINANCIAL STATEMENTS 2022

Consolidated income statement for the financial year 2022

CONSOLIDATED INCOME STATEMENT	Notes	2022	2021
Total revenue	4	5,550	4,003
thereof external customers		4,004	3,117
thereof Lufthansa Group		1,546	886
Other operating income	5	401	405
Total operating income		5,951	4,408
Cost of materials and services		-3,066	-2,075
Staff costs ¹⁾		-1,379	-1,082
Depreciation and amortisation		-178	-174
Other operating expenses	6	-761	-690
Operating expenses¹⁾		-5,384	-4,021
Profit from operating activities¹⁾		567	387
Result of equity investments		-56	-25
Adjusted EBIT¹⁾	7	511	362
Reconciliation items ¹⁾		-55	-199
EBIT		456	163
Net interest		-44	-31
Other financial items		1	2
Financial result		-43	-29
Earnings before income taxes (EBT)		413	134

(all figures in €m)

¹⁾ Previous year's figures have been adjusted due to amendments in the definition of the figures.

Consolidated statement of financial position as of 31 December 2022

ASSETS	Notes	31 December 2022	31 December 2021
Intangible assets		39	51
Aircraft and reserve engines		386	413
Property, plant and other equipment		984	1,030
Financial assets	8	219	285
Repairable spare parts for aircraft	9	1,856	1,732
Other non-current assets	10	391	758
Non-current assets		3,875	4,269
Inventories	11	582	454
Contract assets	12	526	312
Trade receivables and other assets	13	1,421	1,406
Cash and cash equivalents		140	71
Current assets		2,669	2,243
Total assets		6,544	6,512

(all figures in €m)

SHAREHOLDERS' EQUITY AND LIABILITIES	Notes	31 December 2022	31 December 2021
Shareholders' equity	14	2,831	2,307
Provisions	15	454	1,264
Financial liabilities	16	344	335
Contract liabilities	17	30	30
Other liabilities	18	1,238	888
Non-current provisions and liabilities		2,066	2,517
Provisions	19	240	276
Financial liabilities	20	72	55
Contract liabilities	21	484	506
Trade payables and other liabilities	22	851	851
Current provisions and liabilities		1,647	1,688
Total shareholders' equity and liabilities		6,544	6,512

(all figures in €m)

I. GENERAL NOTES

ON ACCOUNTING AND VALUATION METHODS

1. Consolidated financial statements

Lufthansa Technik AG is exempt from the obligation to prepare consolidated financial statements and a combined management report. The company is included as a Business segment (Lufthansa Technik Group) into the consolidated financial statements of Deutsche Lufthansa AG (Lufthansa Group). This report therefore only contains excerpts specific to Lufthansa Technik Group from the Group financial statements of Deutsche Lufthansa AG.

2. Application of IFRS

In addition to the single-entity financial statements prepared in accordance with the German Commercial Code (HGB) or regional GAAP, Lufthansa Technik AG and its subsidiaries also prepare financial statements in compliance with the International Financial Reporting Standards (IFRS). These IFRS single-entity financial statements form the basis for the consolidated financial statements presented here for Lufthansa Technik AG and its subsidiaries. These statements were included in the audit of the consolidated financial statements of Deutsche Lufthansa AG. The auditors have issued the corresponding inter-office opinions to the Group.



The use of IFRS increases the international comparability of the annual financial statements.

All standards relevant for the 2022 financial year have been applied. The 2022 consolidated financial statements were prepared using the same accounting and valuation methods as the preceding financial statements issued for the year ending 31 December 2021.

3. Change in business activities and group of consolidated companies

There were no changes in business activities.

Three companies left the scope of consolidation in financial year 2022. Three companies were newly included. Thus, in addition to Lufthansa Technik AG as the parent company, the group of consolidated companies continues to consist of twenty-four domestic and foreign subsidiaries (see notes 23).

II. NOTES AND EXPLANATIONS

CONSOLIDATED INCOME STATEMENT

4. Revenue

	2022	2021
External customers	4,004	3,117
Companies of the Lufthansa Group	1,546	886
(all figures in €m)	5,550	4,003

Of the revenue generated by the Lufthansa Technik group, 28% was generated with Lufthansa Group companies and 72% with customers outside the group. External revenue is distributed between the regions as follows: Europe (36%), North/Central/South America (39%), Asia/Pacific (18%), and Middle East/Africa (7%).

5. Other operating income

	2022	2021
Foreign exchange gains	95	48
Miscellaneous other operating income	306	357
(all figures in €m)	401	405

6. Other operating expenses

	2022	2021
Foreign exchange losses	129	72
Expenses for rents and maintenance	176	153
Other operating expenses	456	465
(all figures in €m)	761	690

7. Adjusted EBIT

The definition of the performance indicator Adjusted EBIT was changed in the reporting year. In addition to the existing reconciliation items from EBIT to Adjusted EBIT (impairment losses/write-ups, results from disposals, effects of changes to pension plans), expenses for staff-related restructuring activities, material extraordinary legal expenses not incurred in the normal course of business, material costs in connection with company transactions, and material other expenses due to extraordinary external events are now not included in the performance indicator of operating profit. This change was made to ensure greater comparability with the reporting of other companies in the industry and to increase the transparency of non-recurring items.

In the current financial year, the expenses for valuation allowances, depreciation and amortisation and impending compensation payments that were directly caused by the war in Ukraine were treated as key issues that were excluded from the Adjusted EBIT calculation. The comparable figures for the previous year were adjusted accordingly (relevant in 2021: restructuring costs).

III. NOTES AND EXPLANATIONS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

8. Financial assets

	31 December 2022	31 December 2021
Investments in joint ventures	122	100
Investments in associated companies	40	95
Investments in subsidiaries	47	72
Loans to subsidiaries	8	17
Other equity holdings	2	1
(all figures in €m)	219	285

9. Repairable spare parts for aircraft

	31 December 2022			31 December 2021		
	Gross acquisition cost	Accumulated depreciation	Net carrying amount	Gross acquisition cost	Accumulated depreciation	Net carrying amount
Pool material	2,181	827	1,354	2,198	907	1,291
Non-pool material	945	443	502	962	521	441
(all figures in €m)	3,126	1,270	1,856	3,160	1,428	1,732

10. Other non-current assets

	31 December 2022	31 December 2021
Other assets with a residual term of more than one year	33	11
Deferred tax assets	358	747
(all figures in €m)	391	758

11. Inventories

	31 December 2022	31 December 2021
Spare parts for aircraft	540	425
Raw materials, consumables and supplies	3	3
Unfinished goods	39	26
(all figures in €m)	582	454

12. Contract assets

Contract assets include work in progress and the corresponding advance payments received for MRO-services.

13. Trade receivables and other assets

	31 December 2022	31 December 2021
Trade receivables	628	546
Other assets	793	860
(all figures in €m)	1,421	1,406

14. Shareholders' equity

The issued capital of Lufthansa Technik AG amounts to EUR 220m, divided into 44,000,000 no-par-value shares. Deutsche Lufthansa Aktiengesellschaft is the sole shareholder.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2022

15. Provisions long-term

	31 December 2022	31 December 2021
Provisions for pensions and similar obligations	302	1,096
Other long-term provisions	152	168
(all figures in €m)	454	1,264

16. Financial liabilities long-term

	31 December 2022	31 December 2021
Financial liabilities to banks	16	23
Finance leases	0	7
Leasing liabilities from the capitalization of rights of use	328	305
(all figures in €m)	344	335

17. Contract liabilities long-term

Contract liabilities include non-current obligations from long-term MRO contracts, such as flat-rate contracts for engine overhaul.

18. Other liabilities long-term

	31 December 2022	31 December 2021
Liabilities to affiliated companies	1,197	848
Other long-term liabilities	13	15
Provisions for deferred taxes	28	25
(all figures in €m)	1,238	888

19. Provisions

	31 December 2022	31 December 2021
Provisions for other personnel expenditure	28	7
Other short-term provisions	212	269
(all figures in €m)	240	276

20. Financial liabilities

	31 December 2022	31 December 2021
Financial liabilities to banks	27	10
Leasing liabilities from the capitalization of rights of use	45	42
Other short term financial liabilities	0	3
(all figures in €m)	72	55

21. Contract liabilities

Contract liabilities include short-term obligations from MRO contracts as well as work in progress for which the advance payments received exceed the percentage of completion.

22. Trade payables and other liabilities

	31 December 2022	31 December 2021
Trade payables	445	469
Advance payments received	12	4
Other liabilities	391	374
Income tax liabilities	3	4
(all figures in €m)	851	851

23. Subsidiaries and other shareholdings

MAJOR SUBSIDIARIES AS OF 31 DEC 2022

Equity stake (%)

BizJet International Sales & Support, Inc., Tulsa, USA	100
Hamburger Gesellschaft für Flughafenanlagen mbH, Hamburg	100
Hawker Pacific Aerospace, Sun Valley, USA	100
Lufthansa Industry Solutions AS GmbH, Norderstedt	100
Lufthansa Industry Solutions BS GmbH, Raunheim	100
Lufthansa Industry Solutions GmbH & Co. KG, Norderstedt	100
Lufthansa Industry Solutions Verwaltungs GmbH, Norderstedt	100
Lufthansa Technik AERO Alzey GmbH, Alzey	100
Lufthansa Technik Airmotive Ireland Holdings Ltd., Dublin, Ireland	100
Lufthansa Technik Airmotive Ireland Leasing Limited, Dublin, Ireland	100
Lufthansa Technik Budapest Repülögép Nagyjavító Kft., Budapest, Hungary	100
Lufthansa Technik Component Services LLC, Tulsa, USA	100
Lufthansa Technik Immobilien- und Verwaltungsgesellschaft mbH, Hamburg	100
Lufthansa Technik Landing Gear Services UK Limited, Hayes, UK	100
Lufthansa Technik Logistik GmbH, Hamburg	100
Lufthansa Technik Logistik Services GmbH, Hamburg	100
Lufthansa Technik Malta Limited, Luqa, Malta	92
Lufthansa Technik North America Holding Corp., Tulsa, USA	100
Lufthansa Technik Objekt- und Verwaltungsgesellschaft mbH, Hamburg	100
Lufthansa Technik Philippines, Inc., Manila, Philippines	51
Lufthansa Technik Puerto Rico LLC, San Juan, Puerto Rico	100
Lufthansa Technik Shenzhen Co. Ltd., Shenzhen, China	80
Lufthansa Technik Sofia OOD, Sofia, Bulgaria	75.1
Swiss Aviation Software AG, Allschwil, Switzerland	100

MAJOR JOINT VENTURES AS OF 31 DEC 2022 ¹⁾

Equity stake (%)

EME Aero Sp.z.o.o., Jasionka, Poland	50
LG-LHT Aircraft Solutions GmbH, Hamburg	51
LG-LHT Passenger Solutions GmbH, Hamburg	51
N3 Engine Overhaul Services GmbH & Co. KG, Arnstadt	50
Spairliners GmbH, Hamburg	50
XEOS Sp.z.o.o., Wroclaw, Poland	51

MAJOR ASSOCIATED COMPANIES AS OF 31 DEC 2022 ¹⁾

Equity stake (%)

HEICO Aerospace Holdings Corp., Florida, USA	20
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¹⁾ Accounted for using the equity method.

MISCELLANEOUS EQUITY INVESTMENTS**SUBSIDIARIES, NOT CONSOLIDATED AS OF 31 DEC 2022**

Equity stake (%)

amplimind GmbH, Hallbergmoos	51
AVIATION Data Hub GmbH, Hamburg	100
Avionic Design GmbH, Hamburg	100
Cargo Future Communications (CFC) GmbH, Büchenbeuren	100
FLYdocs Inc. (Delaware Corp.), City of Wilmington, New Castle, USA	100
FLYdocs India Private Limited, Vadoora, India	100
FLYdocs Systems (MIDCO) Limited, Tamworth, Staffordshire, UK	100
Flydocs Systems (TOPCO) Limited, Staffordshire, UK	100
FLYdocs Systems Limited, Tamworth, Staffordshire, UK	100
Gen2 Systems Limited, Tamworth, UK	100
Idair GmbH, Hamburg	100
IND Beteiligungs GmbH, Raunheim	100
Lufthansa Industry Solutions SHPK, Tirana, Albania	100
Lufthansa Industry Solutions TS GmbH, Oldenburg	100
Lufthansa Technical Training GmbH, Hamburg	100
Lufthansa Technik Component Services Asia Pacific Limited, Hongkong, China	100
Lufthansa Technik Intercoat GmbH, Kaltenkirchen	51
Lufthansa Technik Middle East FZE, Dubai, United Arab Emirates	100
Lufthansa Technik Milan s.r.l., Somma Lombardo (VA), Italy	100
Lufthansa Technik Services India Private Limited, New Delhi, India	100
Lufthansa Technik Turbine Shannon Limited, Shannon, Ireland	100
Lufthansa Technik Vostok Services OOO, Moskau, Russia	100

OTHER JOINT VENTURES AS OF 31 DEC 2022

Equity stake (%)

Airfoil Services Sdn. Bhd., Kuala Lumpur, Malaysia	50
INAIRVATION GmbH, Edlitz-Thomasberg, Austria	50
Lufthansa HNA Technical Training Co., Ltd., Meilan Airport, Hainan, China	50
Lumics GmbH & Co. KG, Hamburg	50
Lumics Verwaltungs GmbH, Hamburg	50
N3 Engine Overhaul Services Verwaltungsgesellschaft mbH, Hamburg	50

OTHER ASSOCIATED COMPANIES AS OF 31 DEC 2022

Equity stake (%)

AviationPower GmbH, Hamburg	40.8
Zentrum für Angewandte Luftfahrtforschung GmbH, Hamburg	20

OTHER RELATED PARTIES

AviationPower Technical Services GmbH	
AviationPower UK Ltd.	
AerQ GmbH	



IV. GENERAL NOTES AND EXPLANATIONS

24. Number of employees

At the end of the year, the Lufthansa Technik Group had 20,411 employees (previous year: 20,569 employees).

25. Supervisory Board and Executive Board

The members of the Supervisory Board and Executive Board of Lufthansa Technik AG are listed on page 45.

Hamburg, 1 March 2023

Lufthansa Technik Aktiengesellschaft

Executive Board

Soeren Stark, Harald Gloy, Dr. William Willms

Supervisory Board

Dr. Detlef Kayser

Chairman of the Supervisory Board
Lufthansa Technik AG
Member of the Executive Board
Deutsche Lufthansa AG

Frank Hartstein

Deputy Chairman of the
Supervisory Board
Lufthansa Technik AG
Secretary of trade union ver.di
Employee Representative

Dr. Roland Busch

Former Member of the Executive Board
Swiss International Air Lines
(until 31 December 2022)

Karin van Hall

Administrative Officer
Employee Representative

August W. Henningsen

Former Chairman of the Executive Board
Lufthansa Technik AG

Birgit Heyer

Quality Management Officer
Employee Representative

Dr. Myriam Meyer Stutz

Owner and Managing Director of
Swiss mmtec

Holger Moll-Ritter v. Sporschill

Process Planner
Employee Representative

Astrid Neben

Head of Human Resources
Lufthansa Airlines
Deutsche Lufthansa AG

Doreen Nowotne

Independent Business Consultant

Domenico Perroni

Secretary of trade union ver.di
Employee Representative

Kai-Stefan Röpke

Industrial Engineer
Employee Representative

Torsten Schmidt

Member of the Works Council
Employee Representative

Kerstin Schulz

Head of Corporate Taxes
Deutsche Lufthansa AG
(since 1 January 2023)

Annabel Schwätter

Head of Corporate Organization,
Process & Quality
Deutsche Lufthansa AG
(until 31 December 2022)

Mia Sophia Witzig

Administrative Officer
Employee Representative

Remco Steenbergen

Member of the Executive Board
Deutsche Lufthansa AG
(from 1 January 2023)

Dr. Stephan Zilles

Head of Legal, Compliance
and Data Protection
Deutsche Lufthansa AG

Executive Board

Soeren Stark

Chairman of the Executive Board
CEO
(from 1 July 2022)
Member of the Executive Board
COO & Logistics
(until 30 June 2022)

Dr. Johannes Bußmann

Chairman of the Executive Board
CEO & Human Resources
(until 30 June 2022)

Harald Gloy

Member of the Executive Board
COO & Human Resources
(from 1 July 2022)

Dr. William Willms

Member of the Executive Board
CFO, Corporate Services & IT



Lufthansa Technik

Lufthansa Technik AG

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Responsible:

Dr. Jens Krueger,

Senior Director of Corporate Communications,

Marketing and Political Relations, Lufthansa Technik AG