2023
Annual Report

Excellence in Motion

Lufthansa Technik

KEY FIGURES

Lufthansa Technik Group at a glance

6,547

2023 Revenue in €m

5,550

2022 Revenue in €m

(all figures in €m)	2023	2022
Revenue	6,547	5,550
Adjusted EBIT	628	554 [1]
EBT	554	456 [1]
Capital expenditure	137	99
Depreciation and amortisation	–157	–178
Balance sheet total	7,220	6,544
Employees as of 31 Dec	22,870	20,411
Staff costs	–1,559	–1,379

[1] Due to changed responsibilities in the Lufthansa Group management, the results of equity investments of the associated company “Ameco” are no longer reported in the Lufthansa Technik Group; the previous year’s figures have been adjusted accordingly.


Welcome to
Lufthansa Technik

“At Lufthansa Technik, we made the best possible use of the past year, emerging from the draining years of the COVID-19 crisis with renewed vigor and strength.”

Soeren Stark, Chairman of the Executive Board (CEO)

Dear Ladies and Gentlemen,

in 2023, it became evident: a world without aviation is unimaginable. With well over four billion passengers taking to the skies, almost matching the record numbers of 2019, airlines are brimming with confidence and ambition, expanding and modernizing their fleets. Last year alone, they put a four-digit number of commercially operated passenger aircraft into service and ordered well over 3,000 more from the industry's two largest manufacturers. More than ever before.

For companies such as Lufthansa Technik in the maintenance, repair and overhaul (MRO) sector, this presents both opportunities and challenges. On the one hand, demand is growing as dynamically as air traffic, but on the other, the pressure is increasing due to the necessary investments in new aircraft technologies and materials, compounded by manufacturers' tight delivery capacity.

At Lufthansa Technik, we made the best possible use of the past year, emerging from the draining years of the COVID-19 crisis with renewed vigor and strength. We achieved an increase in revenue of around one billion euros (+18%) to EUR 6.5bn and an Adjusted EBIT of EUR 628m (+13%) despite a slight dip in profitability. These are ideal conditions for sustainably enhancing our earning power, and thus enabling us to invest in our growth and to shape the MRO industry.

The economic foundation of this success remains our core business of maintaining, overhauling and repairing engines, aircraft components and entire aircraft, which we are continuously expanding with new offers such as Mobile Engine Services (MES), investments in new technology generations and the modernization of our facilities.

We have also systematically developed and established new business areas, technologies and digital solutions: With our “Digital Tech Ops Ecosystem”, we offer solutions for comprehensive technical fleet management and fleet support for airlines, developed from our proprietary digital platform AVIATAR, our subsidiary flydocs and the MRO software AMOS.

We are also addressing the central challenge of long-term carbon neutrality in aviation with our own technological solutions, such as the innovative aircraft coating AeroSHARK, which contributes daily to reducing CO_2 emissions for two airlines in regular service. And we are proud of our success in expanding our partnership with the German Air Force, which we aim to extend beyond providing support for the Special Air Mission Wing. Our participation in two industry teams for the procurement of the new heavy transport helicopter and the new F35 fighter aircraft for the Bundeswehr underlines our commitment.

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

Our customers recognize our commitment to continuously advancing Lufthansa Technik, which enabled us to sign around 1,000 new contracts with a volume of EUR 8.0bn in the financial year. 2023 marked our second-best sales year ever, and we remain the partner of choice for hundreds of airlines around the world.

The trust of our customers motivates us to continue on this successful path: With the “Ambition 2030” growth program adopted at the end of last year, we aim to achieve a revenue of over ten billion euros by 2030 while maintaining high profitability. Our focus is primarily on the technical support business for engines and aircraft components as a key growth driver. We anticipate benefiting from the market penetration of a new generation of engines and the introduction of new mobile service offers for engine repair and maintenance. With regard to aircraft components, we plan to step up our activities, particularly in the USA.

In addition to expanding and modernizing our facilities worldwide, we are also planning the rapid construction of another European plant to meet the anticipated high demand. Acquisitions of other companies can also help expand our portfolio and international presence. We will push ahead with the digitization of our core business and the development of new digital products, as well as our cooperation with the Bundeswehr. So we still have big plans for Lufthansa Technik!

Despite challenges like recruiting new talent and the ongoing difficulty in sourcing spare parts and materials, we are confident in our ability to leverage our passion for aviation and the enthusiasm of our many thousands of employees for the company.

We want to thank our customers for their trust in us and for their collaboration, which has taken on a new quality in recent years. Above all, however, we would like to express our gratitude to our employees for their exceptional dedication and willingness to continuously innovate and improve 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 craftmanship. As a partner of governments and armed forces, we ensure the unsurpassed operational readiness of the fleets supported.

MANAGEMENT
REPORT

Lufthansa Technik soaring to new heights

High demand for MRO services and improved competitiveness lead to another record result. Lufthansa Technik again recorded an exceptionally positive business performance in the reporting year.


Around 4,600 aircraft under long-term component contracts
27
New customers
Contract volume of €
8.0
billion with around 1,000 new contracts

Business activities

Lufthansa Technik is the world's leading MRO provider
Lufthansa Technik is the world's leading manufacturer-independent provider of maintenance, repair and overhaul services (MRO) for civilian commercial aircraft. The Lufthansa Technik group comprises 30 plants offering technical aviation services worldwide. The company also 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 clients outside the Lufthansa Group.

Course of business and operating performance

New record result thanks to high demand for MRO services and improved competitiveness
Lufthansa Technik again reported an extremely positive performance in the reporting year. Strong demand for flights led to rising demand for maintenance and repair services, as well as other products from Lufthansa Technik, which in turn had a positive impact on revenue and earnings. Lufthansa Technik set a new earnings record for the year despite tight supply chains, increasing material and staff costs and the slight decline in the US dollar. The measures taken during the coronavirus pandemic to improve competitiveness paid off. The RISE programme was largely responsible for the changes, which included a wide-ranging reorganisation of the company, and came to an end after three years. RISE aimed to ensure that Lufthansa Technik becomes more customer-focused, transparent, leaner and faster.

Lufthansa Technik launches Ambition 2030 growth programme
The Executive Board of the Lufthansa Group decided in late November 2023 not to pursue its plans for the sale of a non-controlling stake in Lufthansa Technik.

Instead, Lufthansa Technik launched an ambitious programme of growth called Ambition 2030, to build on its leading global position in the technical servicing of aircraft fleets even without taking another shareholder on board. The company is expecting demand for MRO services to remain high, especially for engines. In addition to the rising number of older engines in flight operations worldwide, this is due to the greater maintenance intensity of the new engine developments.

The Ambition 2030 programme entails wide-ranging capital expenditure to expand the core business, additional bases and a greater international presence, potentially also by means of acquisitions, as well as the expansion of digital business models.

Focus on recruiting new professionals
High demand for qualified professionals continued in the reporting year in both operating and administrative areas. Lufthansa Technik is responding to this need with various national and international recruiting activities. The company is also trying new approaches. The Senior Experts programme started in the reporting year and explicitly addresses people of retirement age who have previously worked at Lufthansa Technik or other companies, and would like to continue contributing their expertise after their regular career comes to an end.

To meet the high demand for qualified staff, Lufthansa Technik is also training people with a technical background or from manual trades, and has invested in a training centre in Hamburg for this purpose. The Women@LHT programme is intended to strengthen diversity in the working environment and attract more women to Lufthansa Technik. Many apprentices are also given permanent employment contracts when they finish their training. More than 220 junior staff started work at the German sites alone in the reporting year.

AeroSHARK surface technology reduces carbon emissions
Lufthansa Technik wants to use technology to make flying more sustainable in future. The AeroSHARK technology developed jointly with BASF imitates the characteristics of sharkskin, which is particularly hydrodynamic, thereby optimising the aerodynamics of relevant areas of the aircraft, meaning it uses less fuel. The roll-out of the sharkskin technology at the launch customers Lufthansa Cargo and SWISS began in the reporting year. Since then, 15 Boeing 777 and B777F aircraft have been fitted with AeroSHARK.

At the 3rd National Aviation Conference held at Lufthansa Technik in Hamburg Airport on 25 September 2023, top representatives from politics, the aviation industry and unions discussed the future of aviation in Germany. Chancellor Olaf Scholz opened the conference with 400 participants in the Lufthansa Technik hangar. Under the title "Aviation: innovative and climate-neutral", the focus was on how Germany can shape the transition to eco-friendly flying.

Research into sustainable drive systems continues

The Hydrogen Aviation Lab, Hamburg's new functional laboratory for the testing of maintenance and ground processes for future hydrogen-powered aircraft, started to take shape. A former Lufthansa Airlines 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. The gradual integration and operation of the necessary components began in the fourth quarter of 2023.

Many new contracts secure future business

Lufthansa Technik AG serviced some 4,600 aircraft under long-term component contracts at the end of financial year 2023 (8% more than the previous year). In the course of the year, 27 new customers were acquired and 1,000 new contracts with a volume of EUR 8.0bn signed, of which EUR 3.1bn was with companies in the Lufthansa Group.

They included new long-term component service contracts with several airlines. Among others, Hawaiian Airlines signed its first component service agreement with Lufthansa Technik for its Airbus A330ceo and A321neo fleets. Altogether, the agreement covers the supply of spare parts for up to 52 aircraft in the next seven years. With this new agreement, Lufthansa Technik has expanded its market share in MRO services for Airbus aircraft in the USA.

Lufthansa Technik also extended its partnership with Emirates for the Airbus A380, of which the Dubai-based carrier is by far the largest operator. Under the contract, Lufthansa will overhaul the main landing gears of the Emirates A380 aircraft. Other contracts are for aircraft overhaul services. A further 23 Emirates A380s will be overhauled at Lufthansa Technik Philippines in Manila until October 2026.

Lufthansa Technik demonstrated its leading role in engine maintenance with its first overhaul of a LEAP-1B engine that powers the Boeing 737 MAX. As the first independent MRO provider worldwide, Lufthansa Technik signed a service agreement for the two engines LEAP-1A (Airbus A320neo) and LEAP-1B (Boeing 737 MAX), thereby securing its access to the fleets of the future.

Digitalisation is progressing

Lufthansa Technik is playing a key role in the digital transformation of technical aircraft operations with its Digital Tech Ops ecosystem. It consists of AVIATAR as a platform for databased analytics solutions, flydocs as a digital records and asset solution, and the maintenance and engineering/MRO software AMOS from global leader Swiss Aviation Software AG. At the end of the reporting year, the data from around 3,300 aircraft (23% more than the previous year) were already connected to the AVIATAR platform.

Digitalisation is also advancing in the company with the Digitize the Core initiative. The aim is to use digital technologies to make business processes and workflows more efficient.

Lufthansa Industry Solutions, an IT advisory and system integration business, part of Lufthansa Technik, reported record revenue in the reporting year. The company develops innovative solutions for more than 300 customers from the aviation, industry, logistics and transport sectors. It particularly expanded its services for AI, process mining and sustainability management in financial year 2023. This included developing the ESG tool EPACTO for measuring and analysing carbon emissions.

Defence business expanded

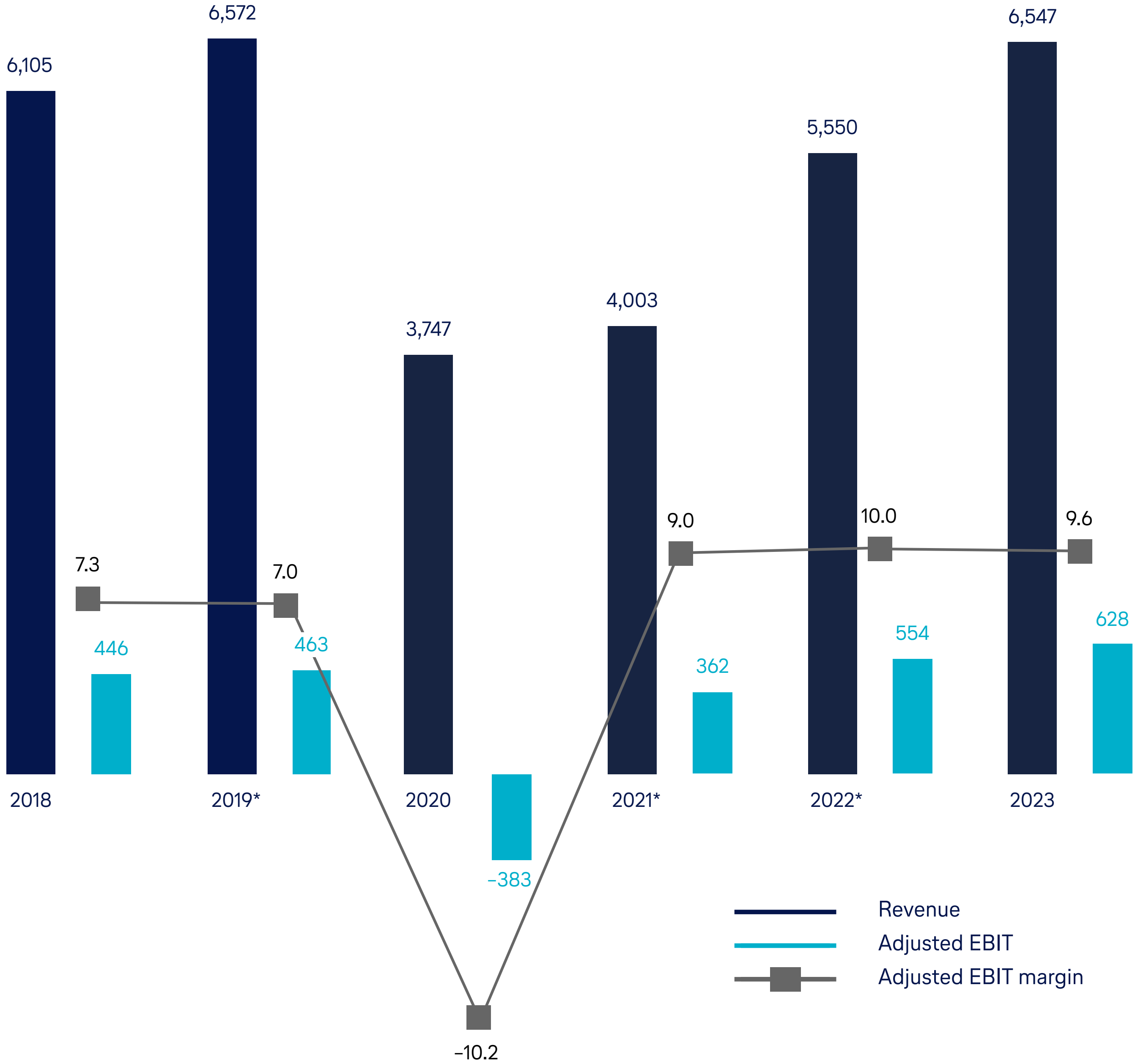
Alongside traditional MRO services and digital services for civil and commercial aircraft operators, Lufthansa Technik is driving the expansion of its new defence business. The company will be contributing its competences to servicing the new F-35 fighter jets at Deutsche Luftwaffe, the German Air Force. Lufthansa Technik is one of the companies responsible here for servicing and maintenance.

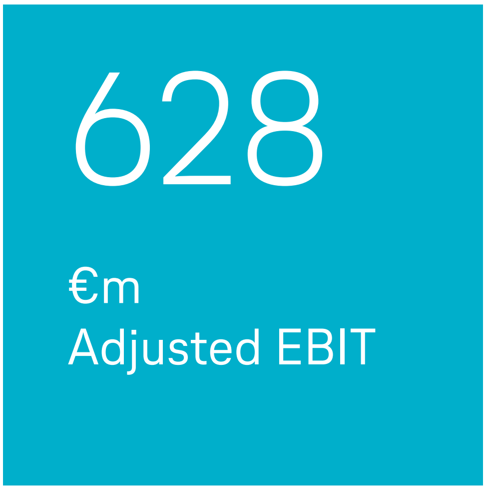
In addition, Lufthansa Technik is a key partner for project Pegasus, the German Air Force's reconnaissance aircraft. A contract was signed in 2023 opening the way to servicing the new maritime reconnaissance and patrol aircraft. The company is also a partner in Boeing's industry team for servicing the new Chinook heavy transport helicopter operated by the German Air Force. Lufthansa Technik has serviced the aircraft of the German Special Air Mission Wing for more than 60 years. In the reporting year, Lufthansa Technik delivered the Theodor Heuss, the third new government Airbus A350 aircraft.

KEY FIGURES LUFTHANSA TECHNIK GROUP		2023	2022	Change (%)
Revenue	€m	**6,547**	5,550	18
of which with companies of the Lufthansa Group	€m	2,158	1,546	40
Total operating income	€m	7,028	5,951	18
Operating expenses	€m	-6,383	-5,383	19
Adjusted EBITDA [1]	€m	785	732	7
Adjusted EBIT [1]	€m	**628**	554	13
EBIT	€m	628	498	26
Adjusted EBIT margin [1]	%	9.6	10.0	-0.4 P.
Adjusted ROCE [1]	%	12.0	11.4	0.6 P.
Capital expenditure	€m	**137**	99	38
Employees as of 31 Dec	number	**22,870**	20,411	12
Average number of employees	number	**21,925**	20,116	9
Fully consolidated companies	number	25	25	–

[1] Due to changed responsibilities in the Lufthansa Group management, the results of equity investments of the associated company “Ameco” are no longer reported in the Lufthansa Technik Group; the previous year’s figures have been adjusted accordingly.

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





*In the past, adjustments were made to the previous year's figures due to the following circumstances: change in the reporting of the associated company "Ameco" (2022); change of definition of performance indicator Adjusted EBIT (2021); transfer of Line Maintenance to Deutsche Lufthansa AG (2019).

Financial performance

Revenue up on previous year by 18%
Revenue in the MRO segment climbed by 18% in financial year 2023 to EUR 6,547m (previous year: EUR 5,550m). Lufthansa Technik benefited from increased demand for maintenance and repair services due to the rising number of flights.

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 increased by 18% to EUR 7,028m (previous year: EUR 5,951m).

Expenses up on previous year by 19%
Operating expenses increased in the reporting year by 19% to EUR 6,383m (previous year: EUR 5,383m).

The cost of materials and services rose by 25% to EUR 3,844m due to higher volumes and prices (previous year: EUR 3,066m). 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 1,559m were 13% higher than in the previous year (previous year: EUR 1,379m), primarily due to the higher average number of employees, as well as to payscale and salary increases.

Depreciation and amortisation went down by 12% to EUR 157m (previous year: EUR 178m).

Adjusted EBIT reached a new record of EUR 628m
Adjusted EBIT improved in the reporting year by 13% to EUR 628m (previous year: EUR 554m), which was a new record. The Adjusted EBIT margin dropped by 0.4 percentage points to 9.6% (previous year: 10.0%).

EBIT also came to EUR 628m (previous year: EUR 498m). The previous year's figure was reduced by impairment losses following the closure of the business in Russia.

Segment capital expenditure up by 38%
Segment capital expenditure in the MRO segment went up by 38% to EUR 137m (previous year: EUR 99m). Investments were mainly made in intangible assets and property, plant and equipment.

Number of employees up by 12%
The number of employees at the end of the year compared with the previous year went up by 12% to 22,870 (previous year: 20,411). The increase is due to recruitment as a result of higher business volumes.

OPERATING EXPENSES	2023 in €m	2022 in €m	Change in %
Cost of materials and services	3,844	3,066	25
of which raw materials, consumables and supplies	2,188	1,806	21
of which external services	1,656	1,260	31
Staff costs [1]	1,559	1,379	13
Depreciation and amortisation [2]	157	178	–12
Other operating expenses [3]	823	760	8
Total operating expenses	**6,383**	**5,383**	**19**

[1] Without past service costs/settlement.
[2] Without impairment losses.
[3] Without book losses.

THE LUFTHANSA TECHNIK GROUP


D-AOJT

25 Fully consolidated 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. With over 800 other airlines and commercial aircraft operators among its customers, it forms the foundation for Lufthansa's first-class technical image. At the core of the company is the overhaul, development and logistics center in Hamburg, where Lufthansa's technical operations began in 1955 after the company was re-established after the war. Employing an annual average of 9,907 employees, the company achieved revenue of EUR 5,462m.

Lufthansa Technik AERO Alzey GmbH, Germany
For more than 25 years, the company has specialized in overhauling engines from Pratt & Whitney (including the PW127/150 turbo-prop and PW1500 geared turbofan) and General Electric (CF34 turbofan). Revenue amounted to EUR 510m with an annual average of 688 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 42m with an average workforce of 375.

Lufthansa Technik Component Services LLC, USA
With its locations in the USA, the company offers a wide range of aircraft component maintenance services, mainly for customers in North and South America. With an annual average of 639 employees, the company generated revenue of EUR 135m.

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 61m was achieved with an average workforce of 311.

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 354m and had an annual average of 1,346 employees.

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 464 employees generated EUR 71m 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 226m was achieved by an average of 3,052 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 44m, with an average of 373 employees.

Lufthansa Technik Shenzhen Co. Ltd, 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 107m, and the company employed an annual average of 628 employees.

Lufthansa Technik Sofia OOD, Bulgaria
The joint venture with the Bulgarian Aviation Group (24.9%) specializes in the maintenance and overhaul of Airbus A320 and Boeing 737 aircraft. An annual average of 1,182 employees generated EUR 99m in revenue.

Lufthansa Industry Solutions, Germany
Lufthansa Industry Solutions, one of Germany's leading IT consulting and system integration companies, belongs to Lufthansa Technik. As a digitalization partner for Lufthansa Group subsidiaries and major German corporations, particularly in the automotive, industrial and logistics sectors, Lufthansa Industry Solutions enables its 300-plus customers to benefit from its cross-sector and independent expertise. Its range includes all IT services, from consulting and developing customized applications to as-a-service offers, application management and IT operations. Lufthansa Industry Solutions combines its technological expertise and industry know-how to link digitalization and sustainability effectively. A particular focus is currently on artificial intelligence and data analytics. In the reporting year, the three main companies generated revenue of EUR 347m with an average of 1,894 employees.

Swiss Aviation Software AG, Switzerland
Swiss Aviation Software AG has been offering its MRO software AMOS since 1989. The company generated revenue of EUR 55m with an average of 285 employees.

CONSOLIDATED FINANCIAL STATEMENTS 2023

30

Companies offering technical aviation services worldwide

800+

customers worldwide

Consolidated income statement for the financial year 2023

CONSOLIDATED INCOME STATEMENT	Notes	2023	2022
Total revenue	**4**	**6,547**	**5,550**
thereof external customers		4,389	4,004
thereof Lufthansa Group		2,158	1,546
Other operating income	5	481	401
Total operating income		**7,028**	**5,951**
Cost of materials and services		–3,844	–3,066
Staff costs		–1,559	–1,379
Depreciation and amortisation		–157	–178
Other operating expenses	6	–823	–760
Operating expenses		**–6,383**	**–5,383**
Profit from operating activities		**645**	**568**
Result of equity investments [1]		**–17**	**–14**
Adjusted EBIT [1]		**628**	**554**
Reconciliation items		0	–55
EBIT [1]		**628**	**498**
Net interest		–71	–44
Other financial items		–3	1
Financial result		**–74**	**–43**
Earnings before income taxes (EBT) [1]		**554**	**456**

(all figures in €m)

[1] Due to changed responsibilities in the Lufthansa Group management, the results of equity investments of the associated company “Ameco” are no longer reported in the Lufthansa Technik Group; the previous year’s figures have been adjusted accordingly.

Consolidated statement of financial position as of 31 December 2023

ASSETS	Notes	31 December 2023	31 December 2022
Intangible assets		43	39
Aircraft and reserve engines		346	386
Property, plant and other equipment		947	984
Financial assets	7	210	219
Repairable spare parts for aircraft	8	2,219	1,856
Other non-current assets	9	410	391
Non-current assets		**4,175**	**3,875**
Inventories	10	728	582
Contract assets	11	547	526
Trade receivables and other assets	12	1,649	1,421
Cash and cash equivalents		121	140
Current assets		**3,045**	**2,669**
Total assets		**7,220**	**6,544**

(all figures in €m)

SHAREHOLDERS' EQUITY AND LIABILITIES	Notes	31 December 2023	31 December 2022
Shareholders' equity	**13**	**2,686**	**2,831**
Provisions	14	548	454
Financial liabilities	15	301	344
Contract liabilities	16	26	30
Other liabilities	17	1,539	1,238
Non-current provisions and liabilities		**2,414**	**2,066**
Provisions	18	205	240
Financial liabilities	19	77	72
Contract liabilities	20	620	484
Trade payables and other liabilities	21	1,218	851
Current provisions and liabilities		**2,120**	**1,647**
Total shareholders' equity and liabilities		**7,220**	**6,544**

(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 2023 financial year have been applied. The 2023 consolidated financial statements were prepared using the same accounting and valuation methods as the preceding financial statements issued for the year ending 31 December 2022.

3. Change in business activities and group of consolidated companies

There were no changes in business activities.

The 2023 Consolidated Group remains unchanged from the previous year and consists of twenty-four domestic and foreign companies in addition to Lufthansa Technik AG as the parent company (see Note 22).

II. NOTES AND EXPLANATIONS

CONSOLIDATED INCOME STATEMENT

4. Revenue

	2023	2022
External customers	4,389	4,004
Companies of the Lufthansa Group	2,158	1,546
(all figures in €m)	**6,547**	**5,550**

Of the revenue generated by the Lufthansa Technik group, 33% was generated with Lufthansa Group companies and 67% with customers outside the group. External revenue is distributed between the regions as follows: Europe (36%), North/Central/South America (36%), Asia/Pacific (20%), and Middle East/Africa (8%).

5. Other operating income

	2023	2022
Foreign exchange gains	96	95
Miscellaneous other operating income	385	306
(all figures in €m)	**481**	**401**

6. Other operating expenses

	2023	2022
Foreign exchange losses	88	129
Expenses for rents and maintenance	203	176
Other operating expenses	532	455
(all figures in €m)	**823**	**760**

III. NOTES AND EXPLANATIONS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

7. Financial assets

	31 December 2023	31 December 2022
Investments in joint ventures	109	122
Investments in associated companies	42	40
Investments in subsidiaries	47	47
Loans to subsidiaries	5	8
Loans to joint ventures	4	0
Other equity holdings	3	2
(all figures in €m)	**210**	**219**

8. Repairable spare parts for aircraft

	31 December 2023			31 December 2022		
	Gross acquisition cost	Accumulated depreciation	Net carrying amount	Gross acquisition cost	Accumulated depreciation	Net carrying amount
Pool material	2,392	785	1,607	2,182	827	1,354
Non-pool material	1,039	427	612	945	443	502
(all figures in €m)	**3,431**	**1,212**	**2,219**	**3,126**	**1,270**	**1,856**

9. Other non-current assets

	31 December 2023	31 December 2022
Other assets with a residual term of more than one year	41	33
Deferred tax assets	369	358
(all figures in €m)	**410**	**391**

10. Inventories

	31 December 2023	31 December 2022
Spare parts for aircraft	651	540
Raw materials, consumables and supplies	4	3
Unfinished goods	73	39
(all figures in €m)	**728**	**582**

11. Contract assets

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

12. Trade receivables and other assets

	31 December 2023	31 December 2022
Trade receivables	760	628
Other assets	889	793
(all figures in €m)	**1,649**	**1,421**

13. Shareholders' equity

The capital stock of Lufthansa Technik AG amounts to EUR 220m, divided into 44,000,000 no-par value shares.

Since 15 September 2023, Lufthansa Commercial Holding Gesellschaft mit beschränkter Haftung (limited liability company), a wholly owned subsidiary of Deutsche Lufthansa Aktiengesellschaft, has been the sole shareholder.

14. Provisions long-term

	31 December 2023	31 December 2022
Provisions for pensions and similar obligations	408	302
Other long-term provisions	140	152
(all figures in €m)	**548**	**454**

15. Financial liabilities long-term

	31 December 2023	31 December 2022
Financial liabilities to banks	6	16
Leasing liabilities from the capitalization of rights of use	295	328
(all figures in €m)	**301**	**344**

16. Contract liabilities long-term

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

17. Other liabilities long-term

	31 December 2023	31 December 2022
Liabilities to affiliated companies	1,500	1,197
Other long-term liabilities	10	13
Provisions for deferred taxes	29	28
(all figures in €m)	**1,539**	**1,238**

18. Provisions

	31 December 2023	31 December 2022
Provisions for other personnel expenditure	22	28
Other short-term provisions	183	212
(all figures in €m)	**205**	**240**

19. Financial liabilities

	31 December 2023	31 December 2022
Financial liabilities to banks	31	27
Leasing liabilities from the capitalization of rights of use	46	45
(all figures in €m)	**77**	**72**

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.

21. Trade payables and other liabilities

	31 December 2023	31 December 2022
Trade payables	671	445
Advance payments received	5	12
Other liabilities	504	391
Income tax liabilities	38	3
(all figures in €m)	**1,218**	**851**

22. Subsidiaries and other shareholdings

MAJOR SUBSIDIARIES AS OF 31 DEC 2023	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, Kestrel Way, 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 2023 [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., Środa Śląska, Poland [2]	25

MAJOR ASSOCIATED COMPANIES AS OF 31 DEC 2023 [1]	Equity stake (%)
HEICO Aerospace Holdings Corp., Florida, USA	20

[1] Accounted for using the equity method.

[2] Since this company continues to be jointly managed under the shareholder agreement, despite the reduction in the equity stake to 25% in the reporting year, it continues to be reported as a joint venture.

MISCELLANEOUS EQUITY INVESTMENTS SUBSIDIARIES, NOT CONSOLIDATED AS OF 31 DEC 2023	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 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
Vitech Development AD, Sofia, Bulgaria	75.01

OTHER JOINT VENTURES AS OF 31 DEC 2023	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 2023	Equity stake (%)
AviationPower GmbH, Hamburg	40.8
Zentrum für Angewandte Luftfahrtforschung GmbH, Hamburg	20

OTHER RELATED PARTIES
AviationPower Technical Services GmbH, Mörfelden-Walldorf
AviationPower UK Ltd., Mold, UK
AerQ GmbH, Hamburg

IV. GENERAL NOTES AND EXPLANATIONS

23. Number of employees

At the end of the year, the Lufthansa Technik Group had 22,870 employees (previous year: 20,411 employees).

24. Supervisory Board and Executive Board

The members of the Supervisory Board and Executive Board of Lufthansa Technik AG are listed on page 35.

Hamburg, 26 February 2024

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 ver.di trade union
Employee representative

Heike Birlenbach
Member of the Executive Board
Swiss International Air Lines Ltd.
(since 1 December 2023)

Caroline Drischel
Head of Corporate Responsibility
Deutsche Lufthansa AG
(since 1 December 2023)

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
Schweizer mmtec
(until 30 November 2023)

Holger Moll-Ritter v. Sporschill
Process planner
Employee representative

Astrid Neben
Head of Human Resources
Lufthansa Airlines
Deutsche Lufthansa AG

Doreen Nowotne
Independent management consultant
(until 30 November 2023)

Domenico Perroni
Secretary of ver.di trade union
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

Mia Sophia Witzig
Administrative officer
Employee representative

Remco Steenbergen
Member of the Executive Board
Deutsche Lufthansa AG

Dr. Stephan Zilles
Head of Legal Affairs,
Compliance & Data Protection
Deutsche Lufthansa AG

Executive Board

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

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Dr. Jens Krueger,
Senior Director of Corporate Communications,
Marketing and Political Relations, Lufthansa Technik AG