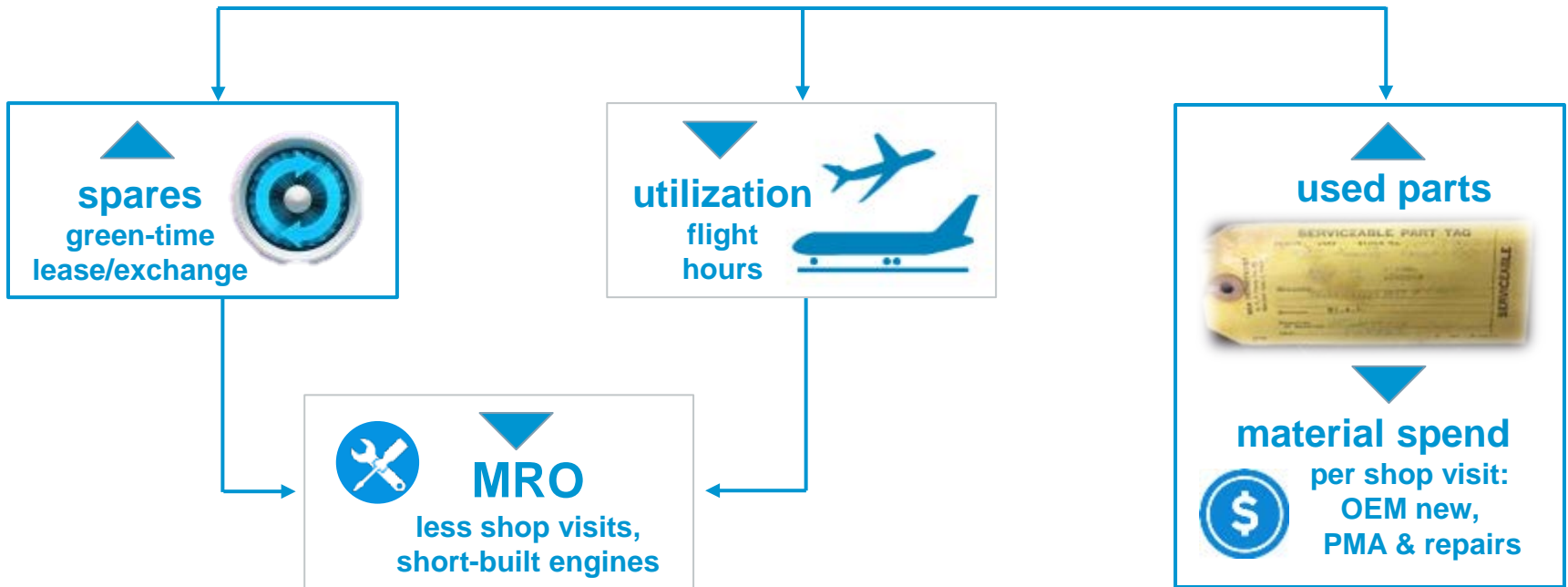




## Impact of the surplus market on engine MRO

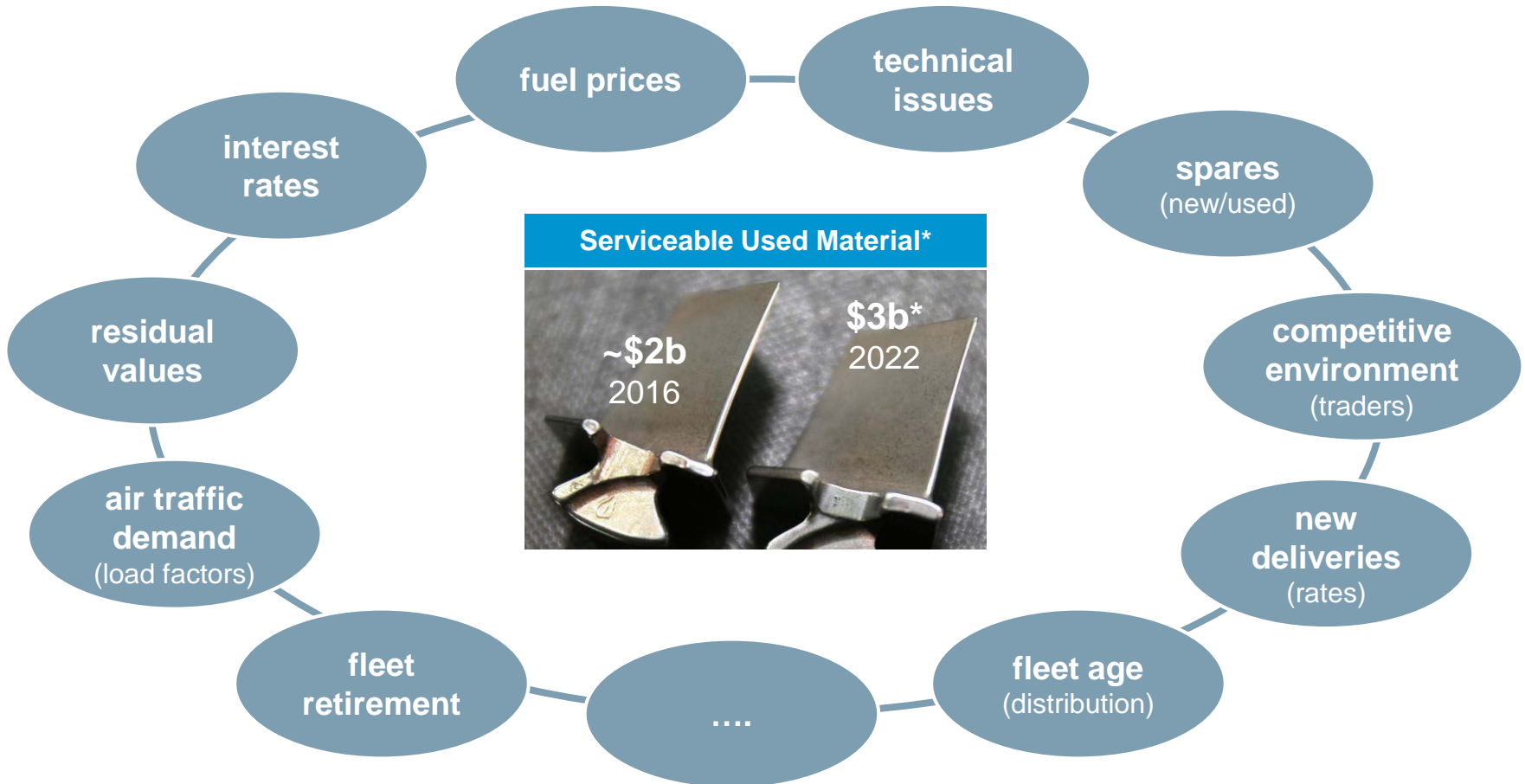
MRO Asia 2016, September 28, 2016 - Frank Haberkamp, VP Repair Services

# Impact of fleet retirements on engine MRO demand and revenues



# What drives the availability of engine SUM?

Fuel price is just one of many influencing factors



\* ICF 2012 study in constant prices, 2016 estimate

## Material alternatives: SUM is just one source to meet demand

### used serviceable material

tear-down/salvage

green-time/exchange

### repairs

OEM DER



### new material

### logistics solutions

TPC® / Total Part Care

consignment/re-marketing

MTU offers more than just parts: **individual and flexible solutions**

## Summary and items for debate



SUM market has become an established cost-effective tool to reduce MRO cost

Is the current slow-down in retirements impacting SUM availability and pricing, and for how long?

The market for SUM is getting more and more complex (paperwork, parts traceability)

Can airlines manage their assets more effectively, do they need partners such as MROs to do so?