Deutsche Lufthansa AG

Pre-meeting research memo · Sample

Revenue [2] **€39.6bn** FY 2025	Passengers [2] **135m** FY 2025, +3%	Fleet [12] **737 aircraft** 31 Dec 2025, 219 on order
FY 2026 EBIT guide [4] **€1.7–2.2bn** Adjusted, narrowed Aug 2026	Technik revenue [8] **€8.0bn** FY 2025, ~75% external	

Summary

Lufthansa Group reported record revenue of €39.6bn in FY 2025, with 135 million passengers, 737 aircraft and 103,255 employees [2] [12]. Besides five passenger airlines it owns Lufthansa Cargo and Lufthansa Technik, the MRO unit that earned €8.0bn of revenue in 2025, three quarters of it from outside the group [8]. The meeting falls in a cost-cutting phase: H1 2026 adjusted EBIT was €229m, FY 2026 guidance was narrowed to €1.7bn to €2.2bn and net capex was cut to about €2.5bn [4]. Procurement will push on price, but liquidity of €10.7bn and BBB-/Baa3 ratings mean payment risk is low [4] [7].

Snapshot

Deutsche Lufthansa AG is a German stock corporation registered in Cologne (HRB 2168) and operated from the Lufthansa Aviation Center at Frankfurt Airport [1]. The group carried 135 million passengers on just over one million flights in FY 2025 at a passenger load factor of 83.2% [2]. It operates Lufthansa Airlines, SWISS, Austrian Airlines, Brussels Airlines and Eurowings, plus Lufthansa Cargo and Lufthansa Technik [2].

Revenue was €39.6bn (+5%) with adjusted EBIT of €1.96bn and a 4.9% margin [2]. The fleet stood at 737 aircraft at year-end with an average age of 14.4 years and 219 aircraft on firm order through 2032; about 45 deliveries are planned for 2026 [12]. The catering business is no longer part of the group: the remaining LSG Group was sold to AURELIUS on 31 October 2023 [11]. ITA Airways is 41% owned, rising to 90% on closing expected in Q1 2027 [6].

Recent news (May to August 2026)

4 Aug 2026, Q2 results. Revenue rose 8% to €11.1bn, but adjusted EBIT fell to €383m from €870m after about €750m of extra fuel cost and at least €150m of strike impact. FY 2026 adjusted EBIT guidance became a range of €1.7bn to €2.2bn [5].
Q2 2026, Lufthansa Technik. Revenue up 11% to €2.2bn, external revenue up 23%, adjusted EBIT €157m [5].
Q2 2026, Lufthansa Cargo. Yields up 27%, adjusted EBIT €116m and a margin above 11% [5].
12 May 2026, ITA Airways. Supervisory Board approved exercising the option to buy a further 49% for €325m, taking the stake to 90% [6]. S&P affirmed its BBB- rating the same day [7].
April 2026, operations. Six strike days by pilots and cabin crew [5]; CityLine's 27 aircraft were withdrawn permanently [9].

23 Apr 2026, state aid. The EU Court of Justice dismissed Lufthansa's appeal over the 2020 recapitalisation approval; the Commission's re-assessment continues [13].

Key people

The Executive Board has five members [3]:

Carsten Spohr, Chief Executive Officer. On the board since 2011, CEO since 2014 [3].
Till Streichert, Chief Financial Officer, on the board since 2024 [3]. Finance owns the 2026 capex guidance, lowered to about €2.5bn [4].
Dieter Vranckx, Chief Commercial Officer since 2024 [3].
Grazia Vittadini, Chief Technology Officer since 2024 [3]. Relevant for any digital, IT or fleet-technology supplier.
Michael Niggemann, Chief Human Resources and Legal Officer and Labour Director since 2020 [3]. As Labour Director, responsible for labour relations, the background to the 2026 strikes [5].

At Lufthansa Technik, Sören Stark has chaired the executive board since July 2022 [14]. For MRO or component topics, the decision sits with Technik's own board and procurement, not group headquarters.

Financial snapshot

The group is profitable on a full-year basis but in a weaker phase. FY 2025 adjusted EBIT grew 19%, and adjusted free cash flow rose 41% to €1.19bn [2]. H1 2026 turned negative at the operating level because fuel costs rose faster than fares, while cash generation held at €1.0bn of adjusted free cash flow [4]. Liquidity of €10.7bn and investment-grade ratings from S&P, Fitch, Moody's and Scope remain in place [4] [7].

The table shows the trend a counterpart will have in mind when negotiating.

Metric	FY 2024	FY 2025	H1 2026
Revenue (€m)	37,581	39,597	19,887
Adjusted EBIT (€m)	1,645	1,960	229
Adjusted EBIT margin	4.4%	4.9%	1.1%
Adjusted free cash flow (€m)	840	1,188	1,015
Employees (period end)	101,709	103,255	103,305

Sources: Annual report 2025 [2], H1 2026 interim figures [4]

Group structure and entry points

Procurement is decentralised. Each airline buys locally for its own operations, while Lufthansa Cargo and Lufthansa Technik run their own sourcing as separate companies. Lufthansa Technik is the largest non-airline unit and grows fastest: FY 2025 revenue rose 12% to €8.049bn, and the company plans more than €2bn of investment over five years, including new engine-parts production in Portugal and an engine facility in Calgary [8].

Unit	FY 2025 figure	Entry point for a supplier	Source
Passenger Airlines	€30.6bn revenue, 3.6% adj. EBIT margin	Airline-level procurement; cost-out focus	[2]
Lufthansa Cargo	€324m adj. EBIT, +29%	Cargo procurement; handling and hub services	[2]

Lufthansa Technik	€8.05bn revenue, €603m adj. EBIT	Technik procurement; materials, tooling, capacity	[8]
Fleet	737 aircraft, 219 on firm order	Cabin, IT and fleet-renewal programmes	[12]

Likely negotiating position

Likely: strong price pressure. In September 2025 Lufthansa announced 4,000 administrative job cuts by 2030 and set a 2028 to 2030 target of 8% to 10% adjusted EBIT margin [10], against 4.9% achieved in FY 2025 [2]. The 2026 capex cut from €2.9bn to about €2.5bn [4] means discretionary spend is under review. Expect requests for multi-year price holds and productivity clauses.

Likely: formal, slow qualification. A listed group with EASA-regulated operations runs structured supplier audits covering finance, quality and, for technical suppliers, the applicable aviation approvals. Plan for several months between first meeting and first purchase order.

Possible: more openness at Technik and Cargo. Both units are growing and have earnings-increase guidance for 2026 [4]. Capacity, lead time and quality may weigh more than unit price there.

Questions to ask

1. Which legal entity would contract with us, and does it buy for one airline, a hub or the whole group?
2. How has the 2026 capex reduction to about €2.5bn [4] changed approval thresholds for new suppliers?
3. For Lufthansa Technik: which of the new sites (Portugal, Calgary, Tulsa) [8] need external capacity or materials in 2026 to 2027?
4. What qualification steps and approvals are mandatory for our category, and what is the typical timeline?
5. How will ITA Airways' procurement be integrated after closing in Q1 2027 [6]?
6. Which reference suppliers in our category have been onboarded in the past two years?

Red flags

State aid. The EU Court of Justice upheld the annulment of the Commission's approval of the 2020 recapitalisation on 23 April 2026; the Commission's re-assessment is open and its financial outcome unknown [13].
Labour relations. Six strike days in April 2026 cost at least €150m [5], and the CityLine shutdown followed industrial action and higher fuel prices [9]. Further disputes could affect delivery windows at Frankfurt and Munich.
Earnings volatility. H1 2026 adjusted EBIT of €229m and a widened FY guidance range reflect fuel exposure [4].

None of these is a reason to avoid the relationship. They argue for force-majeure language on customer-side strikes and for avoiding large up-front investments tied to a single volume commitment.

SOURCES (14)

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