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4th MRO SMARTHUB FORUM

OCTOBER 14, 2025

LONDON, UNITED KINGDOM

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Thriving Amid Disruption: Insights from MRO Leaders

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KEY SOURCES

- 2025 Global fleet & MRO market forecast
- 2025 MRO survey

Available at
oliverwyman.com

THRIVING AMID DISRUPTIONS: INSIGHTS FROM MRO LEADERS

AGENDA

01 Disruptors and Business Climate

02 Supply Chain

03 Labor

04 Artificial Intelligence

01

Disruptors and Business Climate

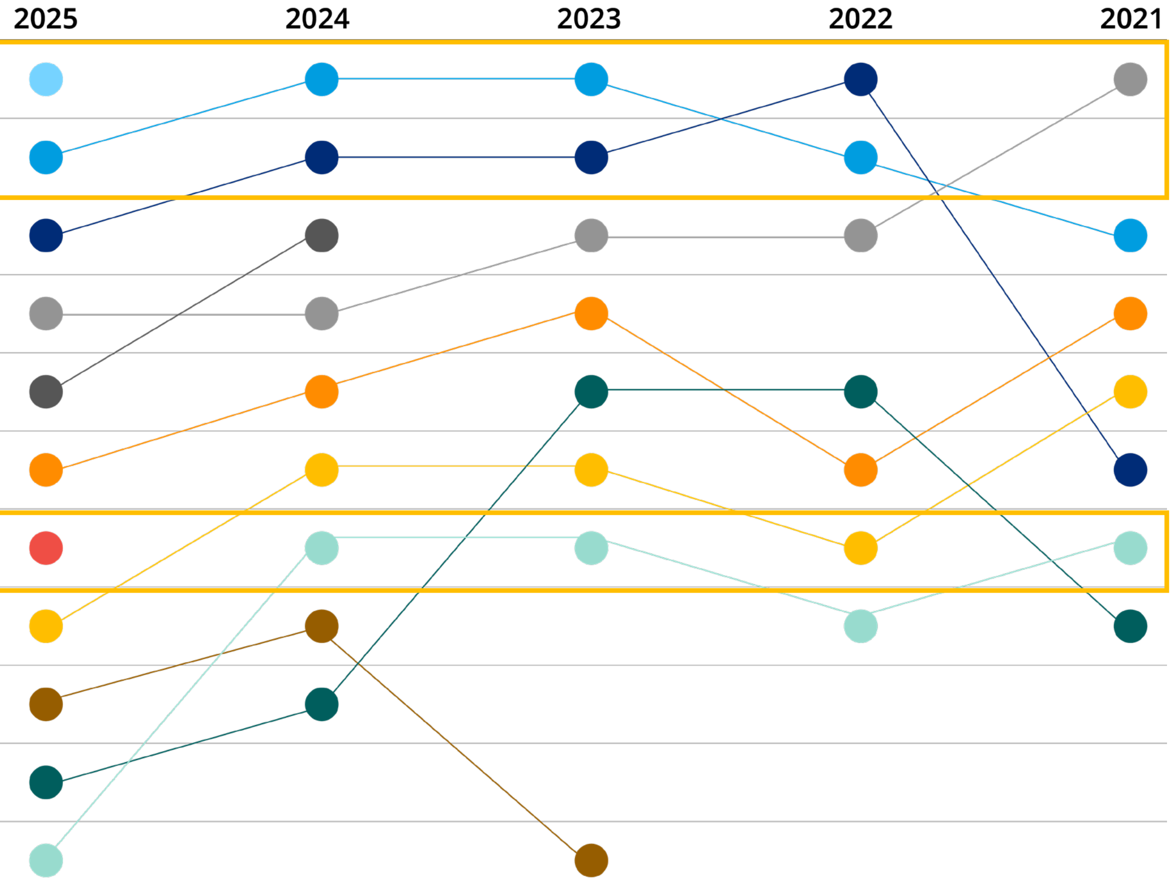
NOT SURPRISINGLY, LABOR COST MANAGEMENT AND TECHNICIAN LABOR SHORTAGE REMAIN AT THE TOP OF DISRUPTORS LIST FOR 2025

Deep dives in the following slides

Top MRO Disruptors, 2021-2025

As ranked by survey respondents (please select what you believe will be the top four disruptors for your company over the next five years)

Rank	Disruptor
1	Material shortages
2	Labor/material cost management
3	Maintenance technician labor shortage
4	Changes to fleet plans/strategies
5	Inflation and/or economic slowdown
6	Growth in OEM aftermarket presence
6 (tie)	Adoption of generative artificial intelligence (GenAI)
7	Aftermarket industry consolidation
8	Carbon emission reductions and reporting
9	Business impact from rising oil prices/interest rates
9 (tie)	Other game-changing advancements in technology (excluding GenAI)

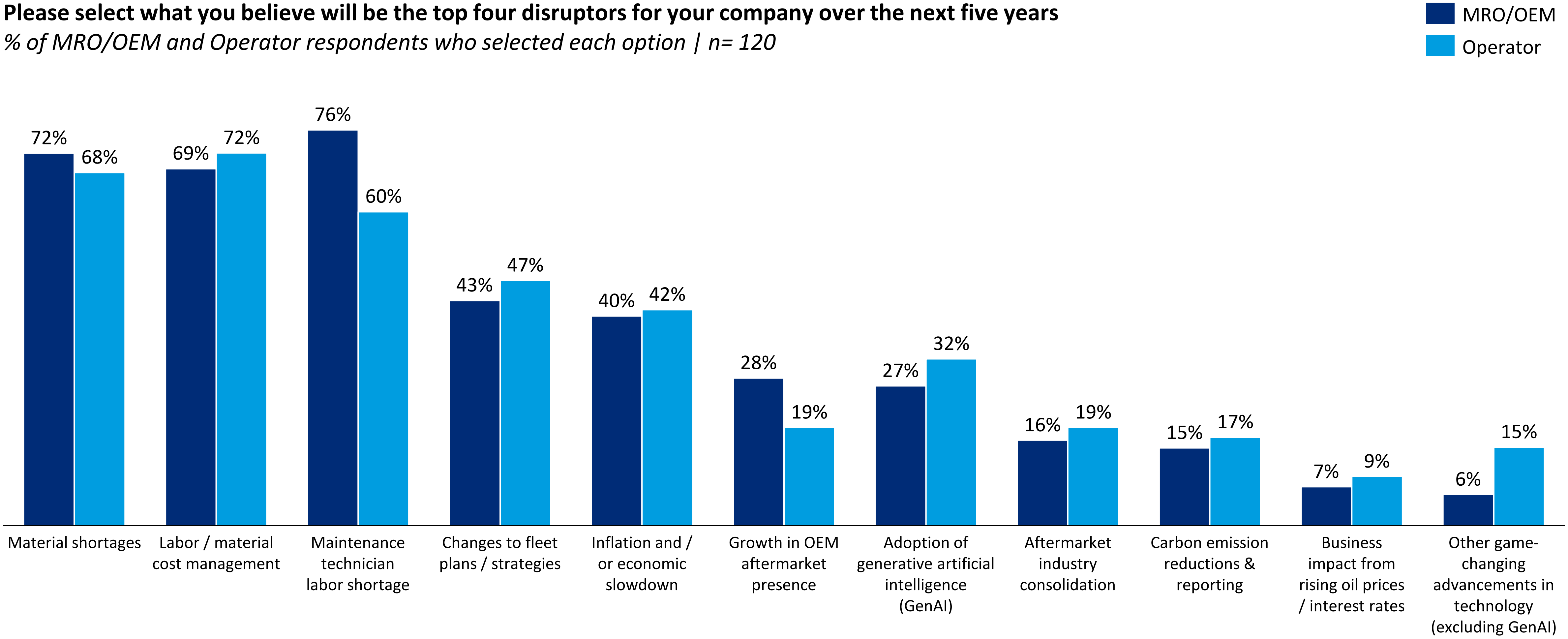


Note: Tie in ranking for 2025. Items 1 and 6 (tie) were newly added this year
Source: Oliver Wyman 2025 MRO Survey

MRO/OEMS EXPECT TO BE MORE SIGNIFICANTLY IMPACTED MATERIAL SHORTAGES THAN OPERATORS

Please select what you believe will be the top four disruptors for your company over the next five years

% of MRO/OEM and Operator respondents who selected each option | n= 120



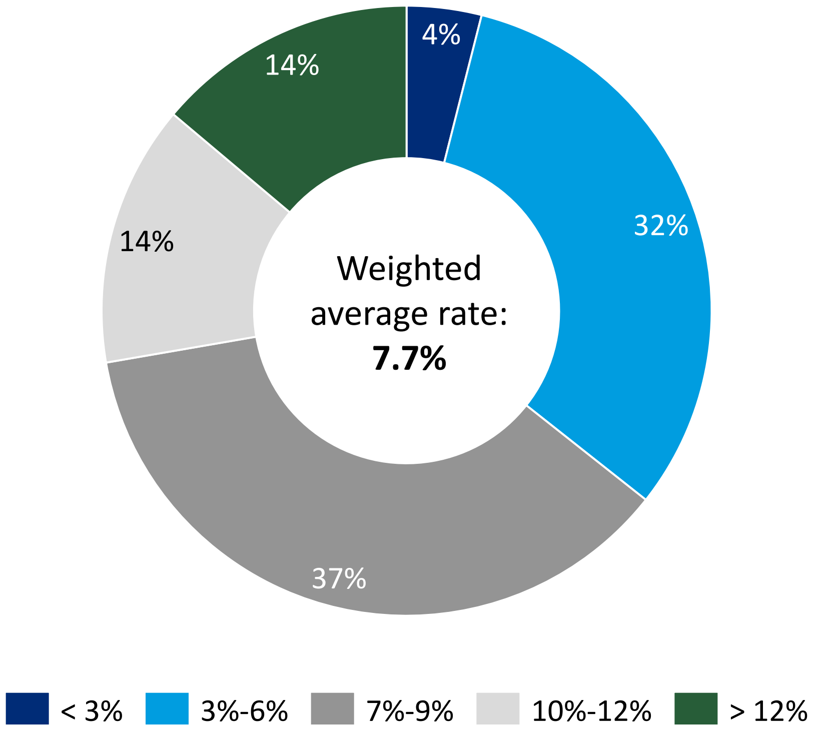
Source: 2025 MRO Survey
Note: Total percentage exceeds 100% given that respondents can select multiple answers

02

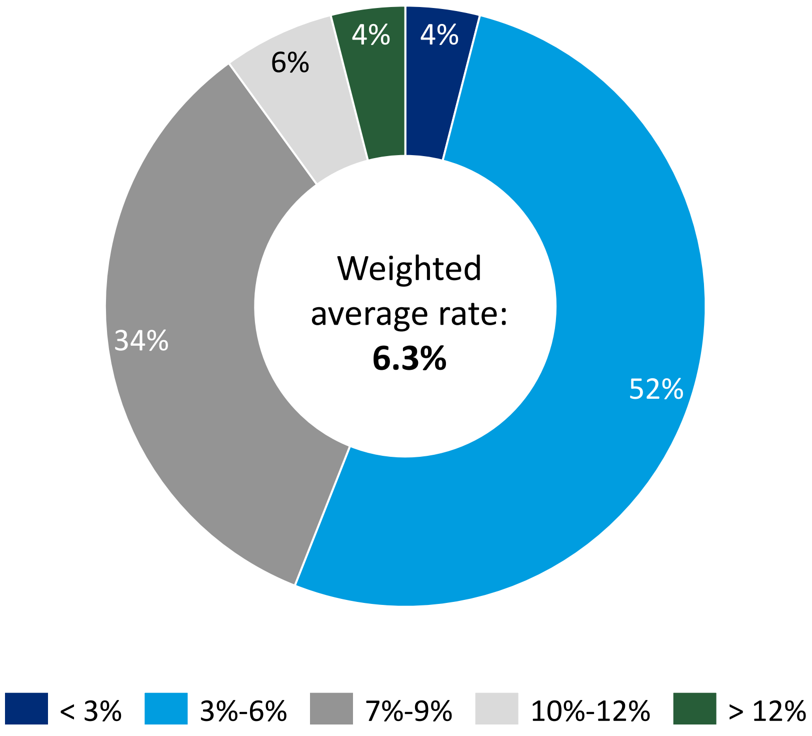
Supply Chain

37% OF RESPONDENTS OBSERVED MATERIAL COSTS RISING BY 7-9% IN THE PAST YEAR, WHILE 52% EXPECT A 3-6% INCREASE IN THE COMING YEAR, REFLECTING SUPPLY CHAIN OPTIMISM

How much did your company's material costs grow in the past year?
% of all respondents who selected each option | n= 110



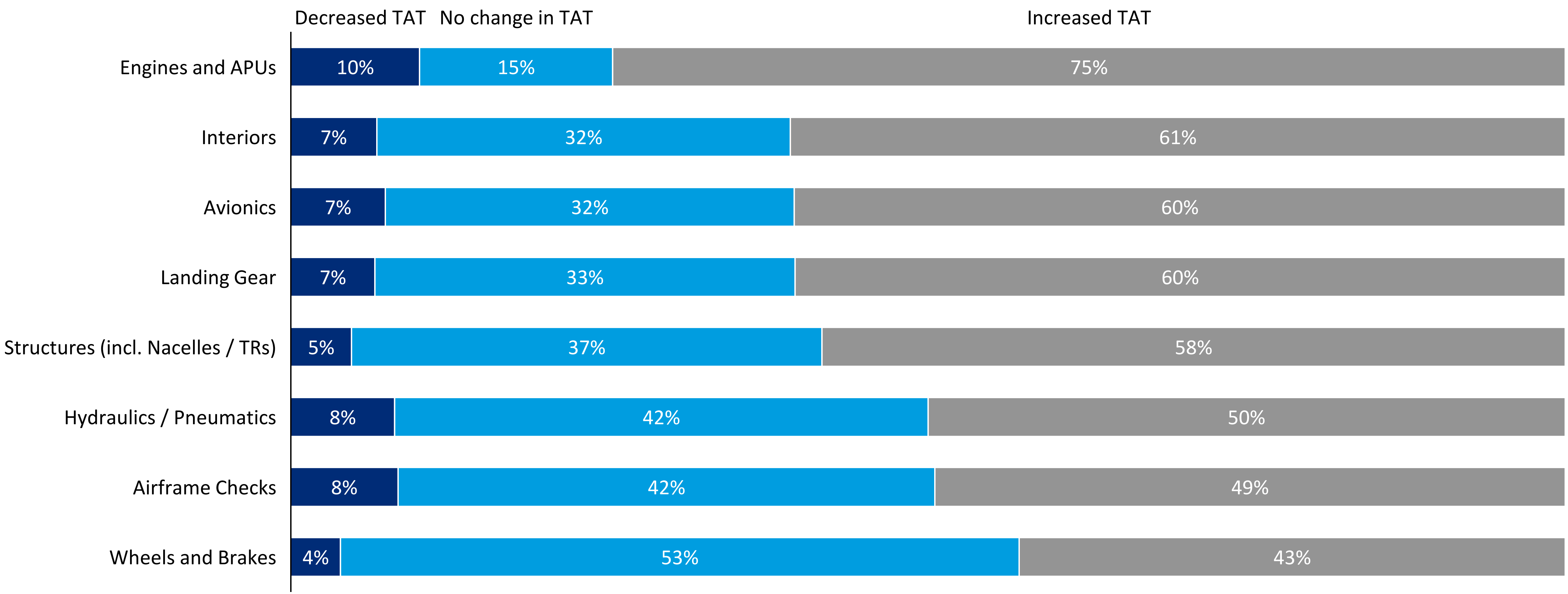
How much does your company expect material costs to grow over the next year? *% of all respondents who selected each option | n= 111*



Source: 2025 MRO Survey

57% OF RESPONDENTS INDICATED THAT TATS HAVE INCREASED IN THE PAST YEAR ACROSS ALL CATEGORIES; ENGINES AND APUS SCORED THE WORST WITH 75% OF RESPONDENTS

In the past year, how have turnaround times (TATs) changed for the categories below? I.e., did TATs trend higher, lower, or stay about the same?
% of all respondents who selected each option

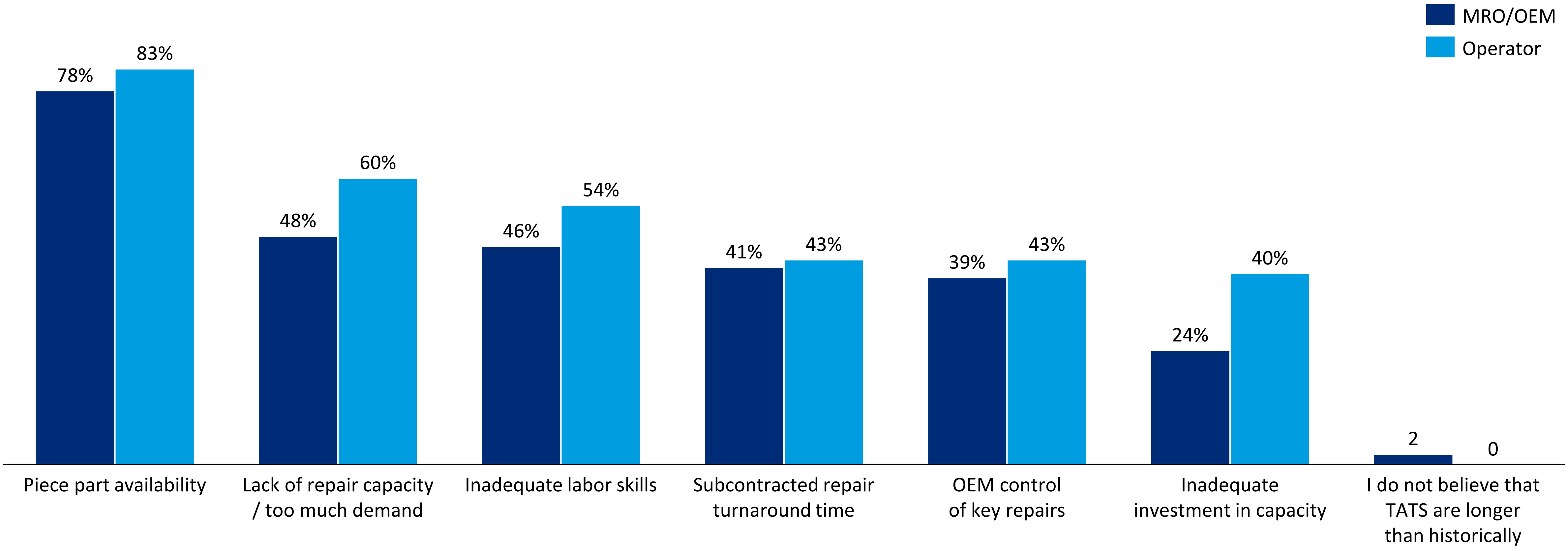


Source: 2025 MRO Survey
Note: Each segment excludes between 11-33 respondents who indicated TATs were “unknown”

THE LEADING DRIVER OF INCREASED TAT AS REPORTED BY BOTH OPERATORS AND MRO/OEMS IS A LACK OF PIECE PART AVAILABILITY

If you believe that current TATs are longer than they have been historically, why do you think this is so? (Check all that apply)

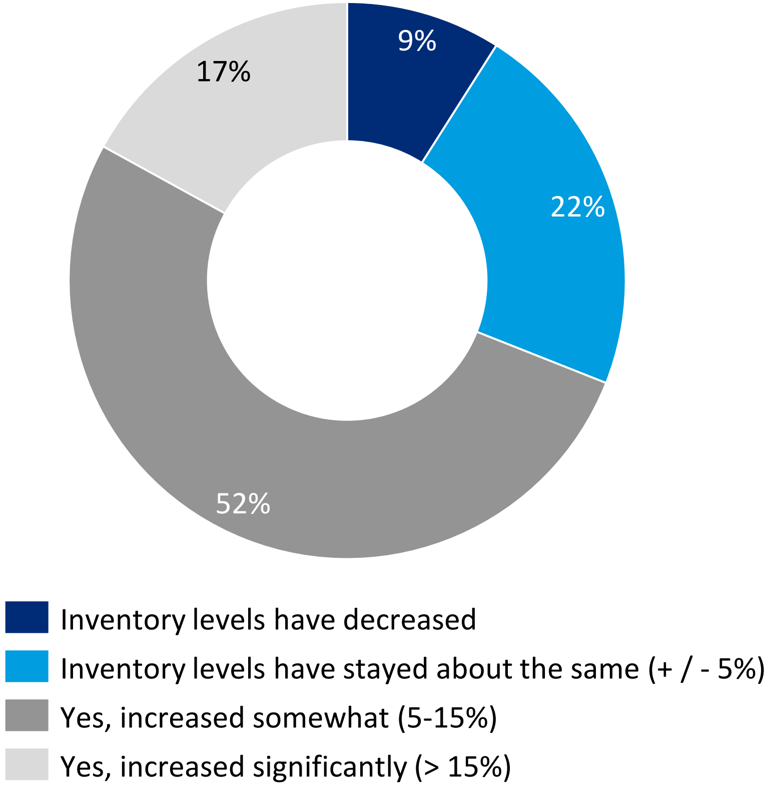
% of Operators and MROs/OEMs who selected each option | n= 94 (MRO/OEMs 46, Operators 35)



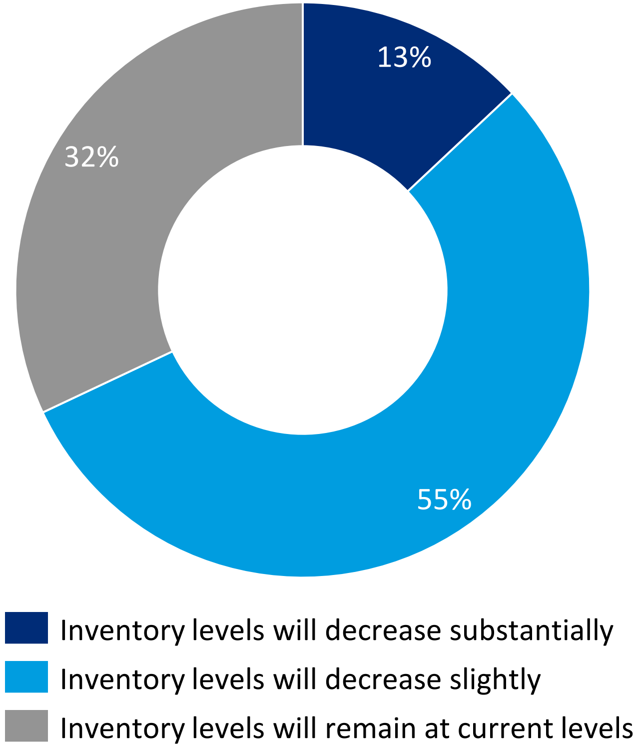
Source: 2025 MRO Survey
Note: This question was asked to respondents who answered "Increased substantially' or "Increased moderately" to the previous question ("In the past year, how have turnaround times (TATs) changed for the categories below?")
Total percentage exceeds 100% given that respondents can select multiple answers

OVERALL, INVENTORY HAS INCREASED TO COMPENSATE FOR INCREASED LEAD TIMES. 52% OF RESPONDENTS INDICATE INVENTORY HAS INCREASED BY 5 - 15%

Have inventory levels at your company or your customers increased to compensate for longer lead times and / or supply chain uncertainty?
% of all respondents who selected each option | n= 117



Do you think that current levels of inventory investment will be maintained if / when the supply chain recovers and is more reliable?
% of all respondents who selected each option | n= 116



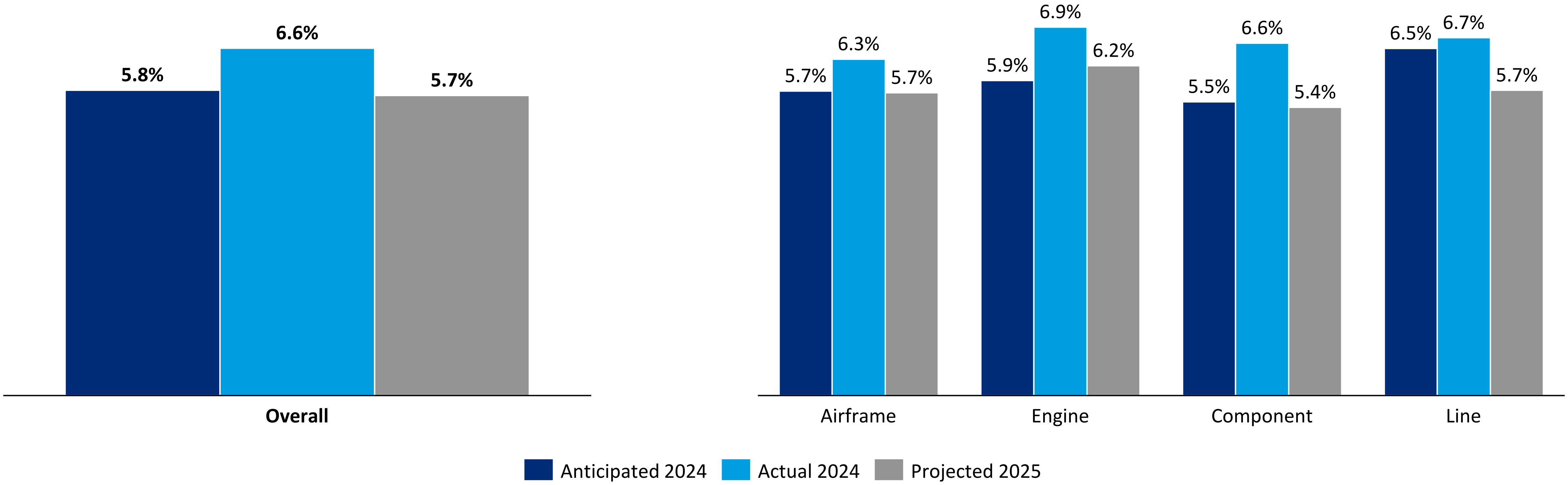
Source: 2025 MRO Survey
Note: "Have inventory levels at your company or your customers increased to compensate for longer lead times and / or supply chain uncertainty?" excludes 8 respondents who answered "no opinion"
"Do you think that current levels of inventory investment will be maintained if / when the supply chain recovers and is more reliable?" excludes 6 respondents who answered "no opinion"

03

Labor

MAINTENANCE LABOR RATE GROWTH REMAINS HIGH AND IS NOT EXPECTED TO COME DOWN SOON; LABOR INFLATION IS PROVING TO BE MORE PERSISTENT THAN HOPED

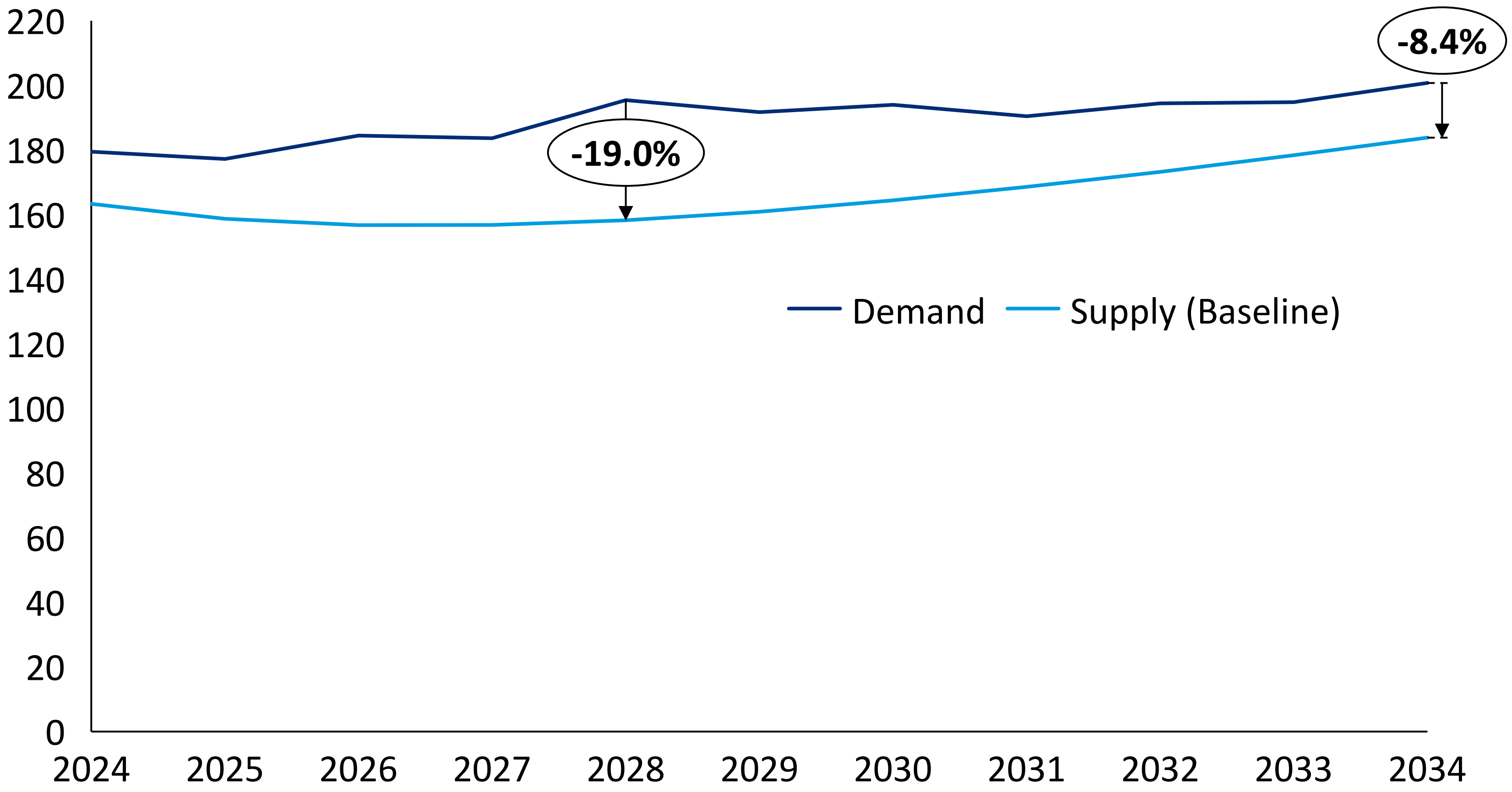
How much do you expect the maintenance labor rates your company pays/charges to grow over the next year by segment? (2024survey, 2025 survey)
How much have the maintenance labor rates your company pays/charges increased from 1 year ago by segment?(2025 survey)
Weighted Average Rate of Change %, segment mix



Source: 2025 MRO Survey

THIS LABOR RATE GROWTH IS DRIVEN BY A LACK OF TECHNICIAN SUPPLY, WITH A N/AM GAP FORECAST TO PEAK IN 2028 AT A DEFICIT OF 19% (ABOUT 30,800 WORKERS)

North America AMT Supply and Demand (2024-2034)
By # of employees (k)

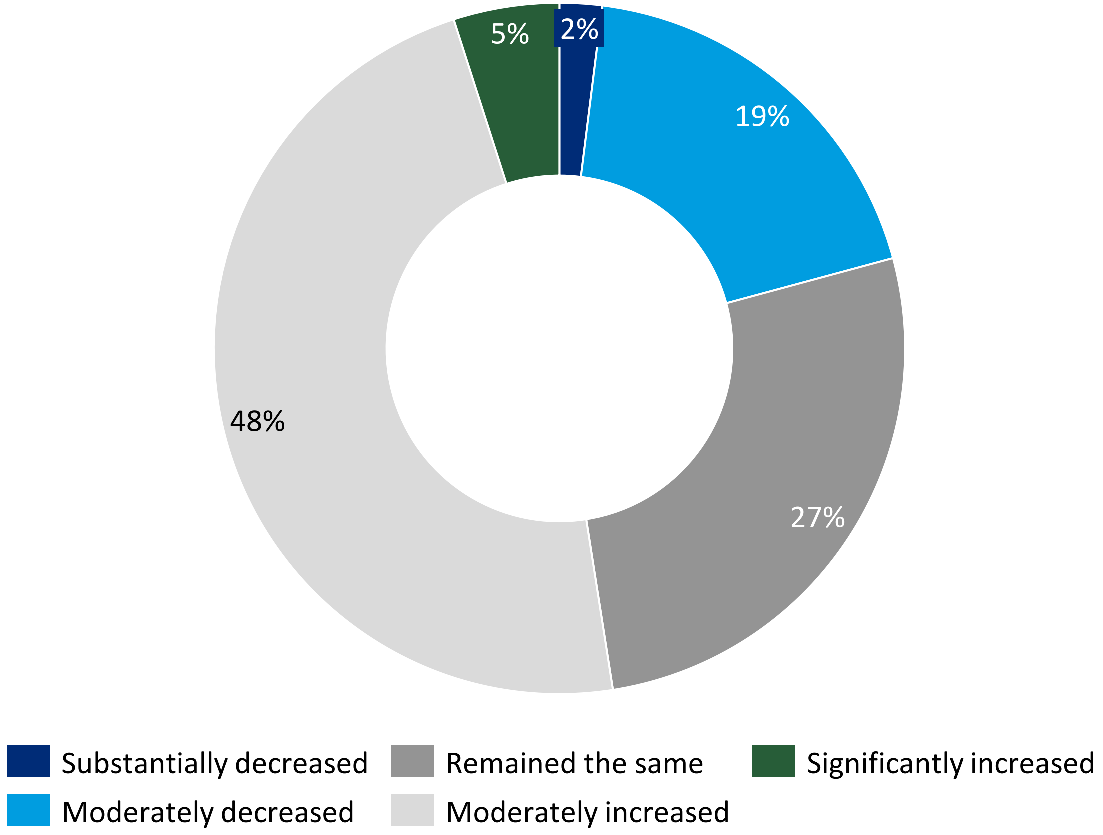


- 9% shortage this year, expected to grow to almost 20% by 2028
- The deficit is projected to be 17,000 in 2034 driven by increasing maintenance requirements and departures of an aging workforce
- Inexperienced new entrants will have an impact on productivity as new entrants take 3 years on avg to become fully productive

Source: ATEC Pipeline Report, Federal Aviation Administration, Transport Canada, OW Survey, OW analysis
Note: Oliver Wyman survey includes certified and non-certified personnel with working at independent MROs, regional, mainline, and cargo carriers

PERHAPS FRONTLINE LABOR PRODUCTIVITY IS BEGINNING TO STABILIZE, BUT GIVEN THE TECHNICIAN SUPPLY CHALLENGES, EFFICIENCY IS GOING TO NEED TO KEEP IMPROVING

How has your frontline productivity changed over the past two years?
% total respondents



What do you believe will contribute the most to increasing future MRO frontline/AMT labor efficiency?

- Better planning / workforce allocation
- Eliminating paper-based processes Optimization of MX programs
- New facilities/upgrades to existing facilities
- More active supervision
- Modernized and increased training
- More continuous improvement

Source: 2024 and 2025 MRO Survey

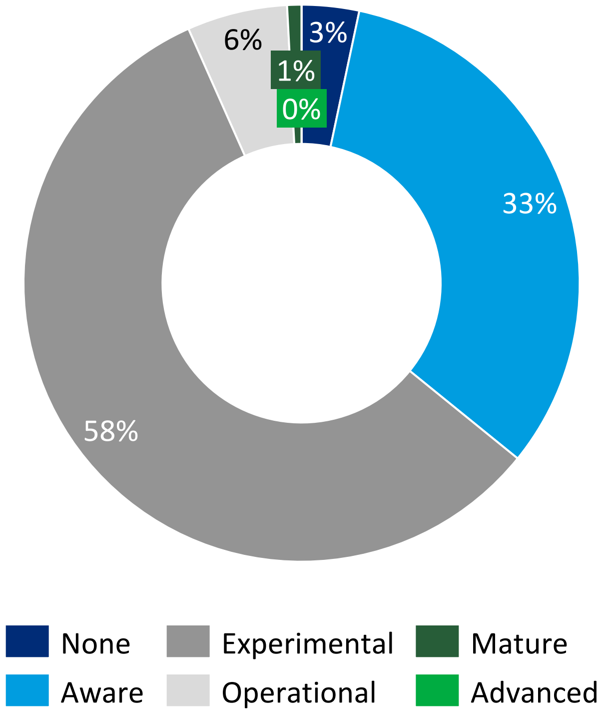
04

Artificial Intelligence

97% OF RESPONDENTS ARE AWARE OF AI POTENTIAL, HOWEVER, ONLY 7% REPORT THAT ARE USING IT MORE WIDE-SCALE

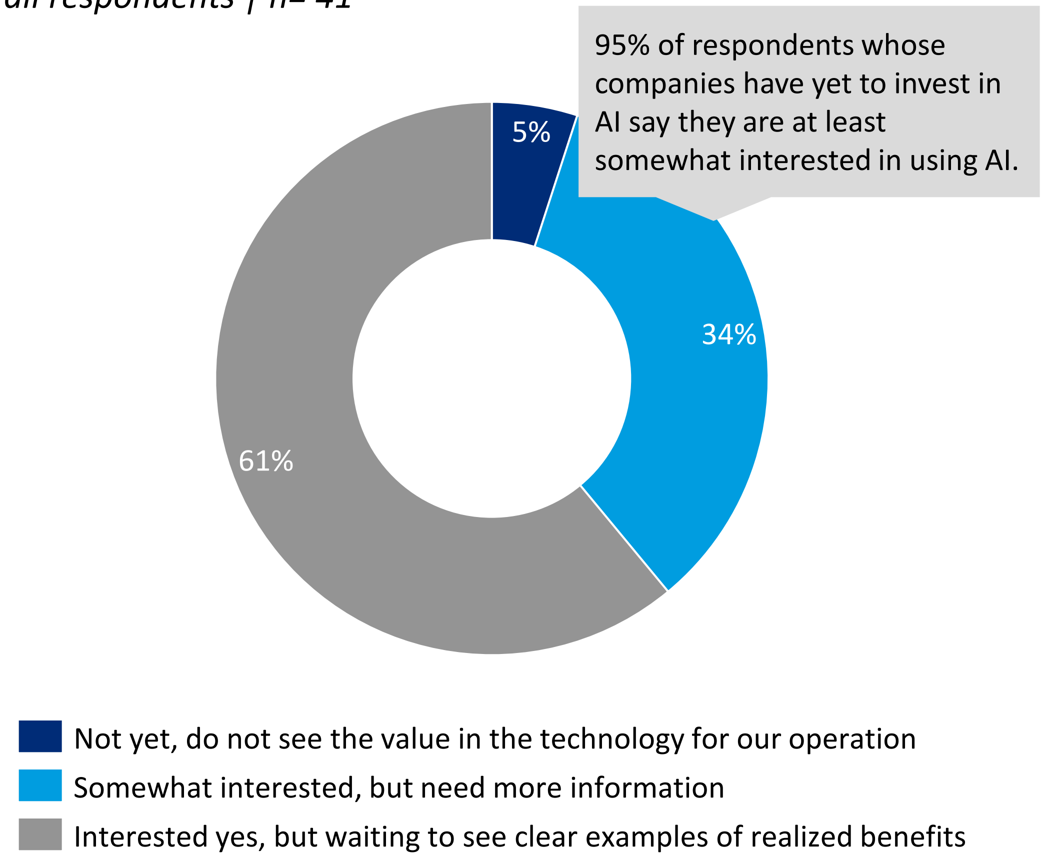
What is your organization's AI maturity level?

% of all respondents | n= 120



Is your company interested in using artificial intelligence?[1]

% of all respondents | n= 41



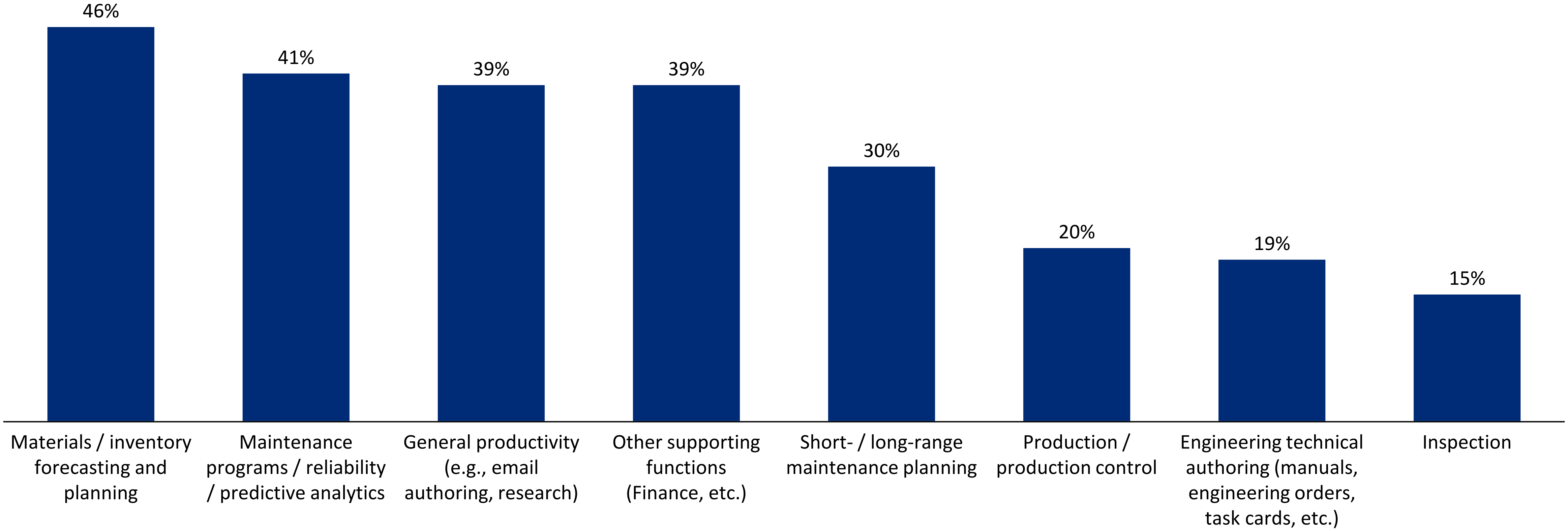
Source: 2025 MRO Survey

Note 1: This question was asked to respondents who answered "None" or "Aware" to the previous question ("What is your organization's AI maturity level")

AMONGST ORGANIZATIONS APPLYING AI, MATERIALS/INVENTORY FORECASTING AND PLANNING IS THE MOST COMMON USE CASE

In which areas have you applied AI? (Select all that apply)

% of all respondents | n= 74

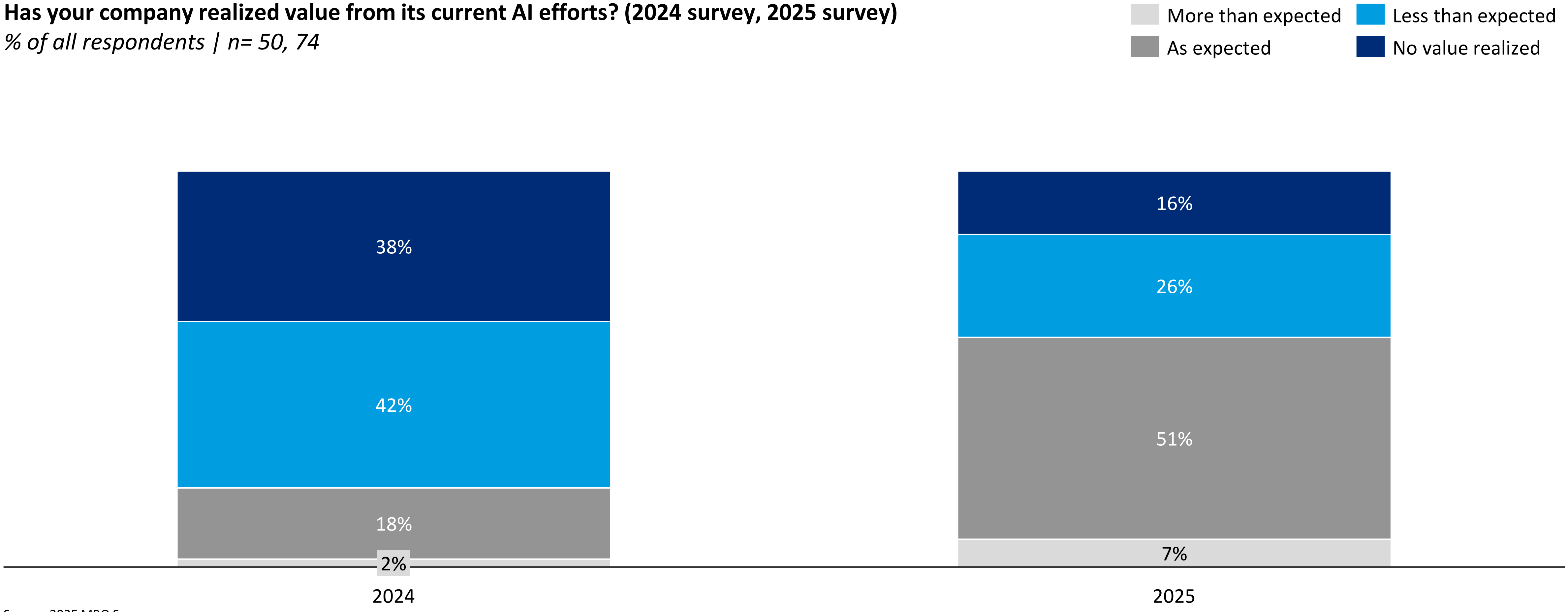


Source: 2025 MRO Survey
Note: This question was asked to respondents who answered “Experimental,” “Operational,” “Mature,” or “Advanced” to the previous question (“What is your organization’s AI maturity level”)

LAST YEAR MOST RESPONDENTS WERE NOT SEEING MUCH VALUE; COMPARATIVELY, RETURNS ON AI INVESTMENT HAVE IMPROVED SINCE LAST YEAR

Has your company realized value from its current AI efforts? (2024 survey, 2025 survey)

% of all respondents | n= 50, 74



Source: 2025 MRO Survey
Note: In 2025, this question was asked to respondents who answered “Experimental,” “Operational,” “Mature,” or “Advanced” to the previous question (“What is your organization’s AI maturity level”)
The 2024 survey question was framed as “How successful have your efforts with artificial intelligence been thus far?” Response options varied slightly from the 2025 options and were mapped to the corresponding 2025 option for the purposes of the graphic. The original options provided in 2024 were: Not much return so far, Some return but room for improvement, Meets expectations, Exceeding expectations.
In 2024, the question was asked to respondents that indicated that they were using AI.

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