

IRONBRIDGE GLOBAL

EUROPEAN MRO LEADERSHIP SERIES | PAPER 1 OF 3

01

Rationed Capacity

Leading an MRO business when slots and material, not demand, set the limits

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The operating conditions facing MRO businesses are changing faster than the leadership capabilities many organisations were built around. This series looks at three places where that gap is showing in European MRO: rationed capacity, the certifying engineer cliff, and ownership change and succession. Each paper separates the published evidence from our own view, which draws on more than 25 years of senior search across engineering-led industries.

IN BRIEF

European MRO has moved from a buyer's market to a seller's market. Demand is no longer the constraint. Shop slots and material are.

Bain's global analysis expects engine shop visit demand to run nearly 17% ahead of supply through 2030 at historical rates of capacity growth. That is an engine figure, not a measure of all MRO capacity, but it is where the squeeze is sharpest. Used serviceable material is short and prices are rising.

Most MRO leadership teams were built to maximise throughput and win work on price. Running a business where capacity is rationed calls for different decisions: who gets the slots, what to own, and where to commit capital before the data is mature.

The businesses that come through this strongest will treat capacity allocation and materials strategy as board-level commercial disciplines, and staff them accordingly.

~17%

Global engine shop visit demand ahead of supply through 2030 at historical capacity growth

Bain & Company

€2B+

Planned Lufthansa Technik investment in facilities and its component pool over five years

Lufthansa Technik, March 2026

$10.8B

Projected used serviceable material market by 2033, from about $8B in 2025

Cassel Salpeter & Co.

The squeeze

The headline story in aviation aftermarket is demand. Fleets are flying harder and longer than planned, deliveries of new aircraft are late, and retirements keep getting deferred. That is good news for an MRO provider, up to a point.

The point is capacity. Bain's global analysis has engine MRO demand peaking around 2026 and staying constrained to the end of the decade. If shop capacity grows at historical rates, cumulative demand for shop visits through 2030 exceeds supply by nearly 17%.

The cause is uncomfortable. New-generation engines have needed shop visits far earlier than planned, and those early removals are eating labour and bay capacity that was meant for the surge in legacy CFM56 and V2500 work. Most shops serve both, so the new fleet is crowding out the old.

There are signs of relief at the margin. A UBS survey in January 2026, as reported by GlobalAir, found 44% of MRO operators seeing improved turnaround, up from 31% in mid-2024. But the queue does not clear this year,

and the physical limits are hard. Engine test cells and wide-body bays take years and serious capital to add, and new-generation tooling has its own supply constraints. The largest players are responding with capital: Lufthansa Technik has announced more than €2B of investment in facilities and its component pool over the next five years.

Material is the second bottleneck

If slots are the first constraint, material is the second. Airframe and engine MRO volumes are rising without a matching rise in teardowns, because the aircraft that would normally be parted out are still flying. AJW reported in July 2026 that used serviceable material is short and prices are escalating. AerFin has made the same point about the gap between MRO volumes and teardown supply.

At the same time, OEM spares pricing is the most cited worry among European component MROs. The market's response has been to look harder at alternatives. Cassel Salpeter projects the USM market growing from about $8B in 2025 to over $10.8B by 2033, and PMA parts from $11.8B to over $16.1B by 2034. Lufthansa Technik openly uses DER repairs and USM to reduce customer cost.

For an MRO business, material is no longer a procurement line. It decides turnaround time, it decides margin, and increasingly it decides which customers you can serve at all.

Why this is a leadership problem

In a buyer's market, the operating model is simple to describe: fill the hangar, hit turnaround, win the next contract on price and reliability. Leadership teams were hired and promoted for doing that well.

In a rationed market, the hard decisions change shape. Three stand out.

- **Who gets the slots, and on what terms.** Allocating scarce capacity across customers is portfolio and pricing strategy. In many businesses it is still being decided in production control, one week at a time.
- **What to own.** Owning material (pools, trading, teardown feedstock) protects turnaround and margin but ties up capital. Staying asset-light keeps the balance sheet clean but leaves you exposed to price and availability.
- **Where to commit capital before the data is mature.** Next-generation shop visit intervals are still settling. Leaders have to decide on bays, cells and capabilities on incomplete information, then explain those decisions to boards and investors.

None of these sits neatly in the traditional MRO organisation chart. In our view, that is the real gap: not the hangar, but the leadership built to run it.

The roles this changes

For most MRO businesses, the question is not whether to hire more leaders but whether the existing roles are defined for the market they are now in. Four stand out.

- **Chief Operating Officer.** From maximising throughput to running industrial scale-up and productivity programmes, and making the case for capital on immature data.
- **Chief Commercial Officer or commercial director.** From winning work on price to pricing scarcity: slot allocation policy, contract terms and customer portfolio decisions.
- **Materials or supply chain leader.** From procurement to a P&L role that decides what to own, pool, trade or partner for, measured on turnaround and margin.
- **Chief Financial Officer.** From reporting to capital allocation: which bays, cells and capabilities to fund, and in what order.

Those commercial and supply chain profiles are rare inside traditional MRO. The strongest teams increasingly find them in lessors, distributors, trading houses and adjacent industrial sectors, and pair them with strong technical operators rather than replacing them.

THE IRONBRIDGE LENS

Commercial Blindness

Engineering excellence earns promotion. In a rationed market, though, the biggest decisions are commercial: who gets the slots, at what price, and what to own. Leaders promoted for running a hangar well can miss that the job has changed underneath them.

Commercial Blindness, the Undefined Brief and the Scale Illusion are the three recurring risks Ironbridge tests for in every senior appointment. This is how one of them shows up in an assessment.

ASSESSMENT IN PRACTICE

THE QUESTION	***A candidate has increased hangar utilisation by 15%, but EBITDA margin has fallen. Are they an effective enterprise leader or a strong operational manager?***
CAPABILITY TESTED	Commercial judgement under capacity constraint: pricing, customer mix and contract terms, not just throughput.
EVIDENCE WE LOOK FOR	Decisions they personally made to turn work away or reprice it; margin by customer before and after; a capital case they won or lost, and why.

What the best-run businesses are doing

01	**Moving capacity allocation to the commercial table**	Slot allocation is set as a commercial policy owned at executive level, with clear rules on customer priority, pricing and contract terms, rather than left to production planning.
02	**Giving materials strategy a P&L owner**	Someone with commercial authority owns the decision to buy, pool, trade or partner for material, and is measured on turnaround and margin, not purchase price variance.
03	**Investing in productivity before bricks**	Bain's view is that tomorrow's winners lift shop efficiency and productivity ahead of the next demand surge. Planning, production control and data quality often release capacity faster than new bays.
04	**Building platform-level outlooks**	Detailed outlooks for each engine and aircraft platform served, including realistic shop visit intervals, so capital decisions rest on something firmer than the general demand story.
05	**Hiring for the market they are in**	Bringing in commercial and supply chain leaders from outside traditional MRO, and pairing them with strong technical operators rather than replacing them.

FIVE QUESTIONS FOR YOUR BOARD

1. Who in your business decides which customer gets the next scarce slot, and on what basis?
2. Is your materials strategy set by procurement or by someone who owns the P&L?
3. What would it take to release 10% more capacity from your existing footprint before 2028?
4. Which capital commitment are you making on the least mature data?
5. Does your leadership team have anyone who has run a business in a seller's market before?

About Ironbridge

Ironbridge Global is an executive search firm for engineering-led industries: construction and infrastructure, aerospace and defence. We place C-suite, board and programme leadership into the businesses that build, fly and defend, across the Middle East, the UK and Europe, and the Americas.

Every mandate is partner-led. We assess leaders against the operating reality they will inherit: the programme risk, the commercial pressure, the regulator and the board, not just the job description.

The argument running through this series is simple. The operating conditions facing MRO businesses are changing faster than the leadership capabilities many organisations were built around. Where that gap opens, it shows up first in delivery, margin and safety, and later in a leadership change nobody planned for.

THE IRONBRIDGE MRO LEADERSHIP RISK REVIEW

A confidential, one-hour discussion with a CEO, chair or investor, at no charge, built around three questions:

- **Is the current leadership team equipped for the next phase of capacity, workforce and capital pressure?**
- **Where are the most material leadership and succession vulnerabilities?**
- **Which roles or capabilities should be benchmarked against the external market before 2030?**

It is a conversation, not a recruitment proposal. Adrian Mansfield will be at MRO Europe, RAI Amsterdam, on 28 and 29 October 2026, and is holding time for these discussions there and in the weeks after.

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SOURCES

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- KPMG Ireland, Maintenance, Repair and Overhaul, 2026

Figures are as reported by the sources listed. Market estimates vary by methodology; where a figure is global or UK-specific, the text says so.