



# AIRBUS

# Investor Meeting

## Le Bourget 2017

21 June 2017





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**08:00 – 10:30**

Presentations and Q&A

**10:45 – 11:30**

Breakout Session 1: CEO

Breakout Session 2: CFO



## DISCLAIMER

This presentation includes forward-looking statements. Words such as “anticipates”, “believes”, “estimates”, “expects”, “intends”, “plans”, “projects”, “may” and similar expressions are used to identify these forward-looking statements. Examples of forward-looking statements include statements made about strategy, ramp-up and delivery schedules, introduction of new products and services and market expectations, as well as statements regarding future performance and outlook. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.

### THESE FACTORS INCLUDE BUT ARE NOT LIMITED TO:

- Changes in general economic, political or market conditions, including the cyclical nature of some of Airbus' businesses;
- Significant disruptions in air travel (including as a result of terrorist attacks);
- Currency exchange rate fluctuations, in particular between the Euro and the U.S. dollar;
- The successful execution of internal performance plans, including cost reduction and productivity efforts;
- Product performance risks, as well as programme development and management risks;
- Customer, supplier and subcontractor performance or contract negotiations, including financing issues;
- Competition and consolidation in the aerospace and defence industry;
- Significant collective bargaining labour disputes;
- The outcome of political and legal processes including the availability of government financing for certain programmes and the size of defence and space procurement budgets;
- Research and development costs in connection with new products;
- Legal, financial and governmental risks related to international transactions;
- Legal and investigatory proceedings and other economic, political and technological risks and uncertainties.

**As a result**, Airbus' actual results may differ materially from the plans, goals and expectations set forth in such forward-looking statements.

For a discussion of factors that could cause future results to differ from such forward-looking statements, see the Airbus “Registration Document” dated 4 April 2017, including the Risk Factors section.

Any forward-looking statement contained in this presentation speaks as of the date of this presentation. Airbus undertakes no obligation to publicly revise or update any forward-looking statements in light of new information, future events or otherwise.

# Investor Meeting

## Le Bourget 2017





## Drivers

- Strong & resilient passenger traffic growth
- As air transport develops, new drivers become more significant
- Middle-class to almost double by 2036



## Traffic forecast

- Air traffic (RPK) doubles every 15 years
- Airbus traffic (RPK) forecast: 4.4% p.a.



## Fleet forecast

- 34,900 new deliveries by 2036: ~34,170 passenger aircraft & 730 freighters
- 40% of new deliveries for replacement, 60% for growth
- Single-aisle: 71% of units / Wide-bodies: 54% of value

***Strong and resilient passenger traffic growth underpins long-term demand***

# COMPREHENSIVE COMMERCIAL AIRCRAFT PRODUCT LINE FOR ANY MARKET

6



- **A320 Family:** 13,111 orders including 5,053 neo
- Up to 240 passengers, flying up to 10 hours
- LR: new market opportunities to long range markets



- **A330 Family:** 1,683 orders from 115 customers
- Flying from 30 minutes to over 15 hours



- **A350XWB:** 851 orders from 45 customers
- Long-range and ultra-long haul routes

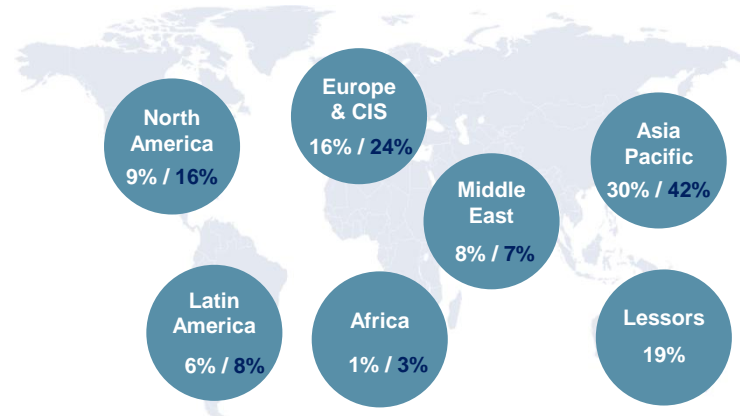


- **A380:** 317 orders from 18 customers
- Capacity to capture traffic growth

***A comprehensive and versatile family from 100 to 600+ seats***

# COMMERCIAL AIRCRAFT BACKLOG AND DELIVERIES

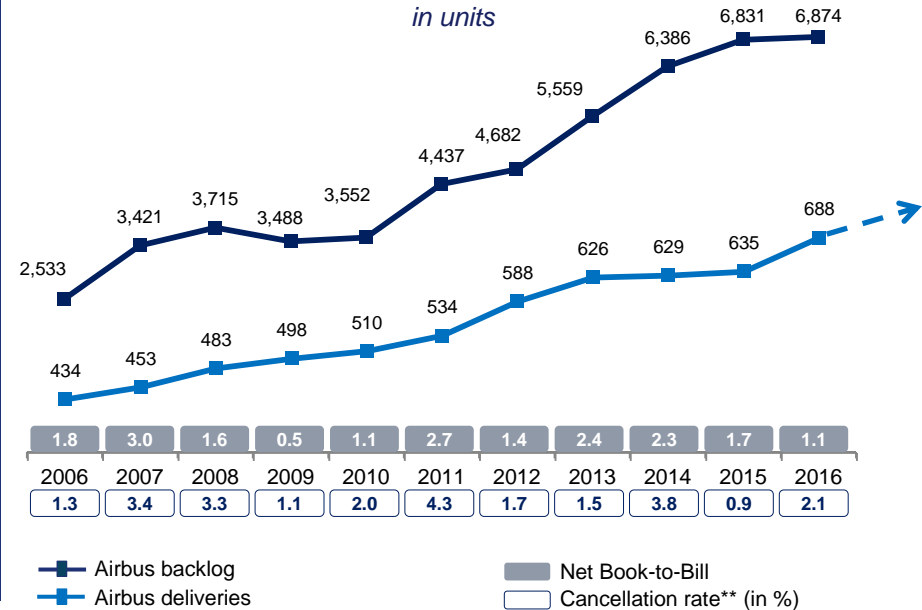
Airbus backlog\* well aligned with regional needs and demand forecast



% Backlog as of end of May 2017  
 % Share of 2016-2035 PAX deliveries (GMF 2017)

Europe, North America and Lessors to take highest share of our deliveries in the short term

Over 10 years production in backlog



Our backlog supports our ramp-up

**Strong and well diversified backlog, aligned with demand, supports our ramp-up**

\*11% of undisclosed customers; \*\* Cancellations (excluding Ceo-Neo conversions) / backlog

## CIVIL & PARAPUBLIC



## MILITARY AIRCRAFT



MARKET

- Demand impacted by softness in O&G
- LT market potential
- UAM new market

- Military market supported by growing Defence budgets
- Successful campaigns in 2016

PRODUCT

- Product renewal strategy: H135, H145, H160, H175
- Wide mission coverage

- Unique product offering addressing wide range of missions and classes
- Military offers based on proven Civil technology

***Renewed product portfolio, diverse backlog and market presence***



## MILITARY AIRCRAFT



## SPACE SYSTEMS



## CIS / UAS / OTHERS



### MARKET

- Geopolitical instability
- Growth in defence spending
- Increasing need for security

- Growth in space spending
- More connected world
- Increasing need for services

- Big data / analytics
- Cyber protection
- Increasing need for autonomy

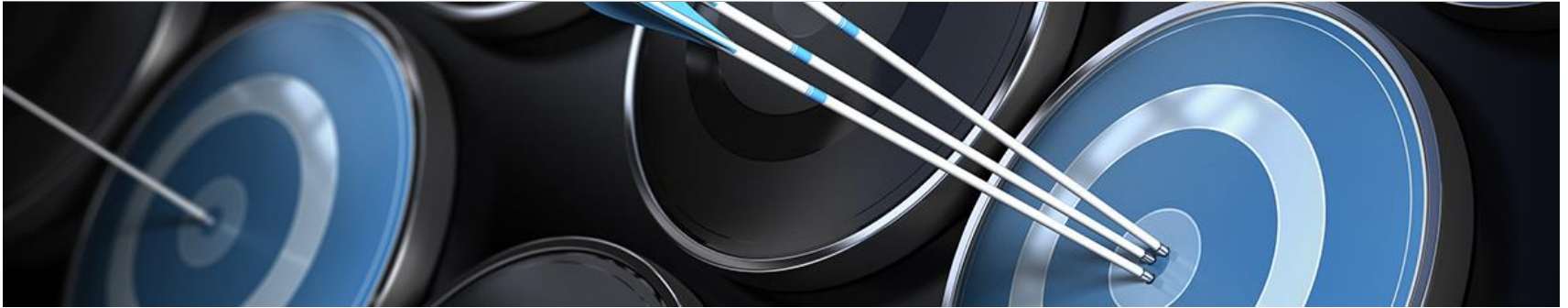
### PRODUCT

- Multi-mission military aircraft
- Services around platforms
- Integrated combat system

- Telecom satellites, ENS
- OneWeb (small satellites)
- Space services (SpaceTug-Space Utility Vehicle)

- Cyber Protection (Stormshield, 3 Cyber Defence Centres)
- Digital services and secured connectivity (HAPS)
- Unmanned Aerial Systems (Airbus Aerial, European MALE)

*Successful repositioning through portfolio reshaping*



- Focus on compliance process, policies and organisation
- Self-disclosure of misstatements and omissions and full cooperation with authorities in investigations
- Independent Compliance Review Panel (ICRP)
- Airbus is committed to implement the most effective global standards



## A320

- Strong market demand for rate 60
- Deliveries end May: 189 A320 family, t/o 48 A320/A321 neo
- Ramp-up and neo transition in progress
- Focus on in-service maturity (GTF)



## A350

- Deliveries end May: 22 A350-900
- Ramp-up in progress
- -1000 Flight Test campaign on track
- Focus on Recurring Cost convergence



## A400M

- Deliveries as of end of May: 6. Total deliveries 44 a/c
- Progressing on military capabilities, however challenges remain
- Discussions progressing with customers



## H225

- H225 and AS332 L2 EASA temporary flight suspension has been lifted but fleet in UK and Norway still grounded
- Discussion with UK and Norway relevant stakeholders ongoing



## Global Supply Chain Performance and Quality

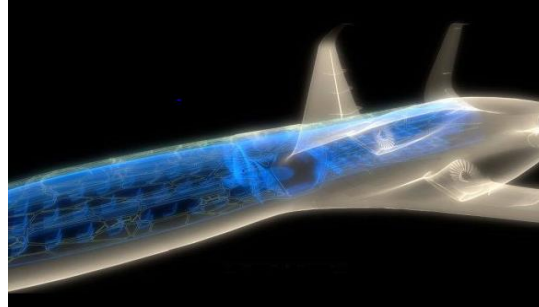
Secure delivery performance, rate increase & supply chain quality through:

- Further integration and group-wide governance
- Reinforced supply chain management and quality
- Group-wide deployment of quality standards and best practices

## Digital Transformation

- Support immediate operational improvement
- Improve efficiency and quality of manufacturing operations
- Prepare end-to-end Digital operations from design to product support

*Driving performance across our Operations*



Leveraging new technologies



Preparing the future



Exploring new business areas

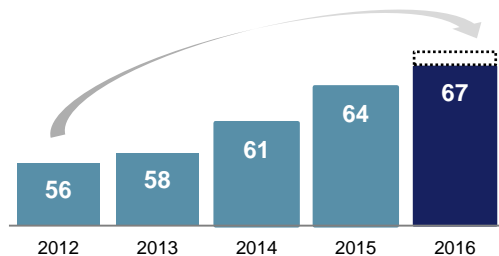
*Improve competitiveness and create new business opportunities*

# 2012 – 2016 FINANCIAL PERFORMANCE / INVESTMENTS

in € bn

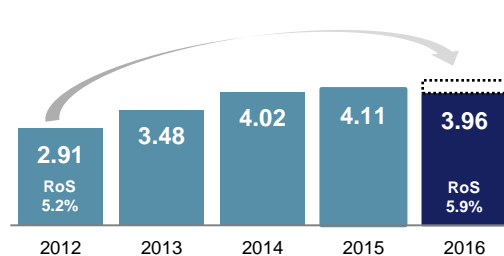
## Revenues

CAGR incl. / excl. Perim Change 4.2% / 4.6%



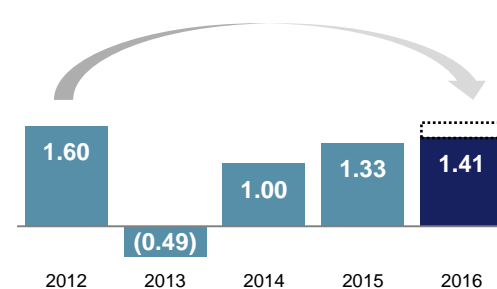
## EBIT Adjusted

CAGR incl. / excl. Perim Change 8.0% / 9.3%

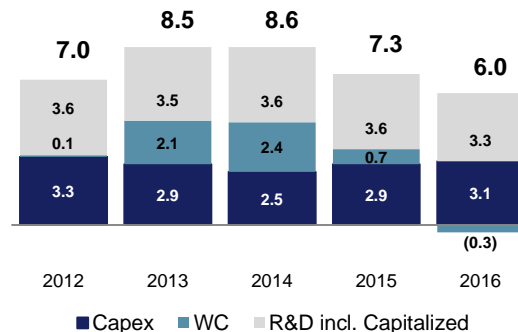


## FCF bef. M&A and Cust. Financing Total € 5 bn

CAGR incl. / excl. Perim Change -3.1% / 0.2%



## Investment Total ~ € 37 bn

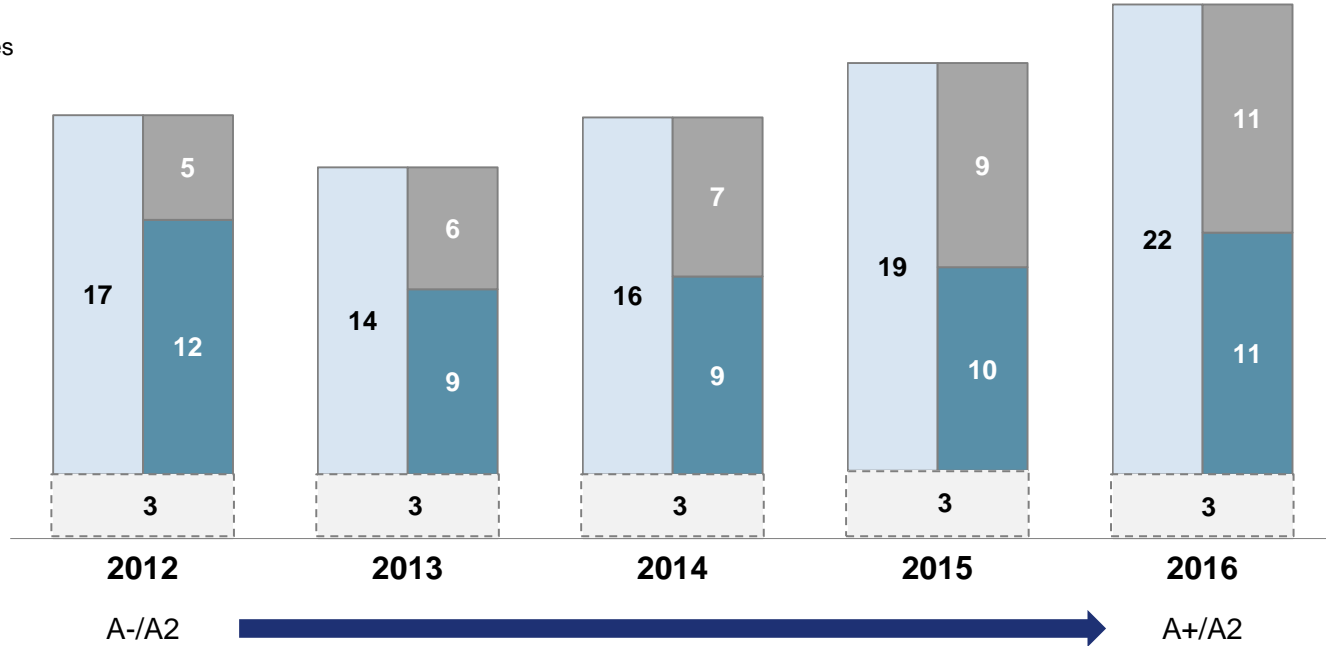


Perimeter change impact

# 2012 – 2016 FINANCIAL FLEXIBILITY AND CREDIT RATING

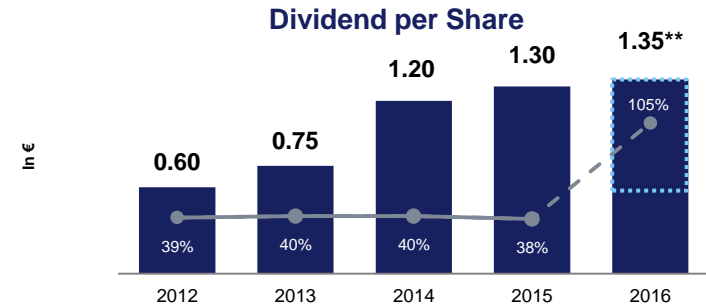
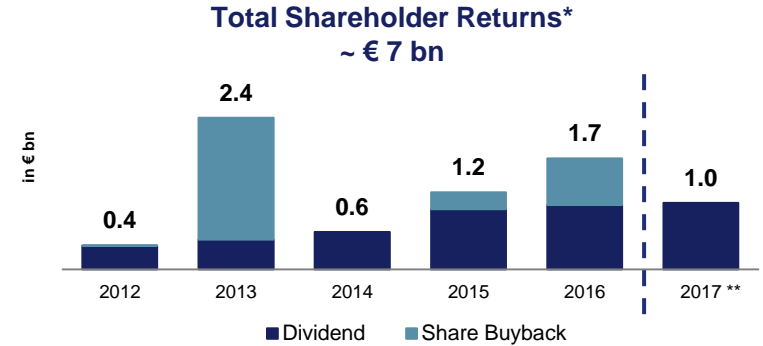
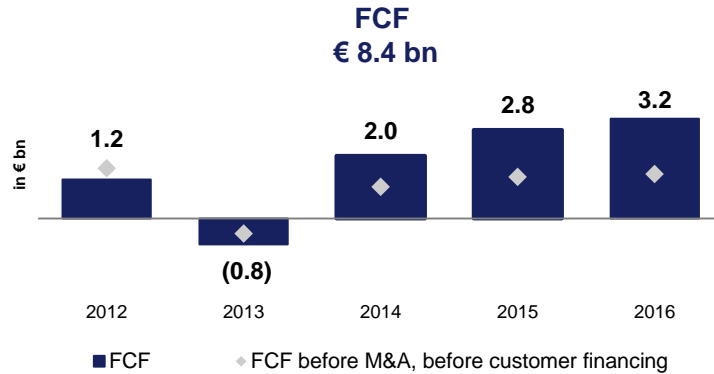
- Total Gross Cash
- Net Cash
- Financing Liabilities
- Credit Facility

in € bn



*Maximise and diversify access to liquidity,  
maintain financial flexibility and secure “A” credit rating*

# INCREASING SHAREHOLDER RETURNS



**Dividend policy since 2013, Total Shareholder Returns 2012-2017 ~ € 7 bn**

\* Actual cash out each year  
 \*\* 2016 Dividend paid: April 2017





***Significant EPS growth potential***

## CASH CONVERSION



\* A400M will continue to weigh significantly in 2017 & 2018 in particular

***FCF generation & increasing cash conversion by end of decade***

- Focus on key programmes and core platforms & services
- Deliver Operational Excellence
- Drive Integration
- Foster Innovation
- Deliver EPS / FCF growth potential