

Airbus reports First Quarter (Q1) 2019 results

- Commercial aircraft environment robust
- Q1 2019 financials mainly reflect A320 Family ramp-up and delivery phasing
- Revenues € 12.5 billion; EBIT Adjusted € 549 million
- EBIT (reported) € 181 million; EPS (reported) € 0.05
- 2019 guidance maintained

Amsterdam, 30 April 2019 – Airbus SE (stock exchange symbol: AIR) reported First Quarter (Q1) 2019 consolidated financial results⁽¹⁾ and maintained its guidance for the full-year.

“The first quarter underlying financials mainly reflect our commercial aircraft ramp-up and delivery phasing,” said Airbus Chief Executive Officer Guillaume Faury. “The commercial aircraft market remains robust and we continue to see good prospects in the helicopters and defence and space businesses. The new management team is in place and focused on delivering on our commitments.”

Gross commercial aircraft orders totalled 62 (Q1 2018: 68 aircraft) and included 38 A350 XWBs. Net commercial aircraft orders of -58 (Q1 2018: 45 aircraft) after 120 cancellations mainly reflect the winding down of the A380 programme and the commercial agreement with Etihad as communicated in the Full-Year 2018 disclosure. The commercial aircraft backlog stood at 7,357 aircraft as of 31 March 2019. Net helicopter orders of 66 units (Q1 2018: 104 units) included 20 Super Puma Family and 16 H145s. Airbus Defence and Space’s order intake by value totalled € 1.1 billion.

Consolidated **revenues** increased to € 12.5 billion (Q1 2018: € 10.1 billion), mainly reflecting the higher commercial aircraft deliveries as the production ramp-up continued. At Airbus, a total of 162 commercial aircraft were delivered (Q1 2018: 121 aircraft), comprising 8 A220s, 126 A320 Family, 5 A330s, 22 A350s and 1 A380. Airbus Helicopters delivered 46 units (Q1 2018: 52 units) with increased revenues reflecting the higher volume in services. Revenues at Airbus Defence and Space reflected the overall stable business performance.

Consolidated **EBIT Adjusted** – an alternative performance measure and key indicator capturing the underlying business margin by excluding material charges or profits caused by movements in provisions related to programmes, restructurings or foreign exchange impacts

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as well as capital gains/losses from the disposal and acquisition of businesses – increased strongly to € 549 million (Q1 2018: € 14 million), driven by Airbus.

Airbus' EBIT Adjusted improved to € 536 million (Q1 2018: € -41 million), mainly reflecting the A320neo ramp-up and premium as well as further progress on the A350 financial performance.

A total of 96 A320neo Family aircraft were delivered in the quarter. The ramp-up of the Airbus Cabin Flex version of the A321 continued in Q1 but remains challenging. Airbus is working to improve execution in its internal industrial systems and monitoring engine performance. The overall A320 Family programme is on track to reach 60 aircraft per month by mid-2019 and preparing for rate 63 in 2021. On the A330 programme, 5 aircraft were delivered in the first quarter, including 3 NEOs. A330neo deliveries continue to ramp-up and Airbus is working closely with its engine partner and suppliers to deliver in line with customer commitments. The flight test campaign of the A330-800 variant is progressing.

Airbus Helicopters' EBIT Adjusted totalled € 15 million (Q1 2018: € -3 million), reflecting lower deliveries and higher volume in services.

Airbus Defence and Space's EBIT Adjusted of € 101 million (Q1 2018: € 112 million) reflected the Division's overall stable business performance.

One A400M military transport aircraft was delivered in the first quarter, bringing the in-service fleet to 75 aircraft. Development activities continued as agreed in the revised capability roadmap, with certification flights successfully completed for the Cargo Hold Tanks refuelling unit in the first quarter. A400M retrofit activities are progressing in line with the customer agreed plan. The approval process of the Contract Amendment is progressing.

Consolidated **self-financed R&D expenses** totalled € 654 million (Q1 2018: € 616 million).

Consolidated **EBIT** (reported) amounted to € 181 million (Q1 2018: € 199 million), including Adjustments totalling a net € -368 million. These Adjustments mainly comprised:

- A negative € -190 million as a consequence of the prolonged suspension of defence export licences to Saudi Arabia by the German government;

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- A negative impact of € -83 million relating to the dollar pre-delivery payment mismatch and balance sheet revaluation;
- A negative € -61 million related to A380 programme cost.

Consolidated reported **earnings per share** of € 0.05 (Q1 2018: € 0.37) included a negative adjustment for foreign exchange hedges in the financial result corresponding to the prolonged suspension of defence export licences. The financial result was € -43 million (Q1 2018: € 39 million). The financial impacts recorded in the Q1 2019 Financial Statements relating to the prolonged suspension of defence export licences also impacted the effective tax rate. Consolidated **net income**⁽²⁾ was € 40 million (Q1 2018: € 283 million).

Consolidated **free cash flow before M&A and customer financing** of € -4,341 million (Q1 2018: € -3,839 million), mainly reflected the inventory build to support the production ramp-up, improved engine delivery stream and other changes in working capital. Consolidated **free cash flow** was € -4,448 million (Q1 2018: € -3,656 million).

On 1 January 2019, the Company adopted the IFRS 16 'Leases' accounting standard, whereby most operating leases must now be recorded on the balance sheet. The corresponding commitments are booked as financing liabilities, which being part of the Company's definition of net cash, means the net cash position is mechanically reduced by around € 1.4 billion. The consolidated **net cash position** was € 7.5 billion on 31 March 2019 (year-end 2018: € 13.3 billion) with a **gross cash position** of € 18.5 billion (year-end 2018: € 22.2 billion).

Outlook

As the basis for its 2019 guidance, the Company expects the world economy and air traffic to grow in line with prevailing independent forecasts, which assume no major disruptions.

The 2019 earnings and Free Cash Flow guidance is before M&A.

- Airbus targets 880 to 890 commercial aircraft deliveries in 2019.
- On that basis:
Airbus expects to deliver an increase in EBIT Adjusted of approximately +15% compared to 2018 and FCF before M&A and Customer Financing of approximately € 4 billion.

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About Airbus

Airbus is a global leader in aeronautics, space and related services. In 2018 it generated revenues of € 64 billion and employed a workforce of around 134,000. Airbus offers the most comprehensive range of passenger airliners. Airbus is also a European leader providing tanker, combat, transport and mission aircraft, as well as one of the world's leading space companies. In helicopters, Airbus provides the most efficient civil and military rotorcraft solutions worldwide.

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Note to editors: Live Webcast of the Analyst Conference Call

At 08:00 CEST on 30 April, you can listen to the **Q1 2019 Results Analyst Conference Call** with **Chief Executive Officer Guillaume Faury** and **Chief Financial Officer Dominik Asam** via www.airbus.com. The analyst call presentation can also be found on the company website. A recording will be made available in due course. For a reconciliation of Airbus' KPIs to "reported IFRS" please refer to the analyst presentation.

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Airbus Consolidated – First Quarter (Q1) Results 2019

(Amounts in Euro)

Airbus Consolidated	Q1 2019	Q1 2018	Change
Revenues , in millions	12,549	10,119	+24%
thereof defence, in millions	1,678	1,771	-5%
EBIT Adjusted , in millions	549	14	+3,821%
EBIT (reported) , in millions	181	199	-9%
Research & Development expenses , in millions	654	616	+6%
Net Income⁽²⁾ , in millions	40	283	-86%
Earnings Per Share (EPS)	0.05	0.37	-86%
Free Cash Flow (FCF) , in millions	-4,448	-3,656	-
Free Cash Flow before M&A , in millions	-4,393	-3,846	-
Free Cash Flow before M&A and Customer Financing , in millions	-4,341	-3,839	-

Airbus Consolidated	31 March 2019	31 Dec 2018	Change
Net Cash position , in millions	7,463	13,281	-44%
Employees	135,468	133,671	+1%

For footnotes please refer to page 9.

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By Business Segment	Revenues			EBIT (reported)		
	Q1 2019	Q1 2018	Change	Q1 2019	Q1 2018	Change
(Amounts in millions of Euro)						
Airbus	9,697	7,222	+34%	392	-2	-
Airbus Helicopters	1,007	961	+5%	9	-10	-
Airbus Defence and Space	2,112	2,217	-5%	-117	265	-
Transversal & Eliminations	-267	-281	-	-103	-54	-
Total	12,549	10,119	+24%	181	199	-9%

By Business Segment	EBIT Adjusted		
	Q1 2019	Q1 2018	Change
(Amounts in millions of Euro)			
Airbus	536	-41	-
Airbus Helicopters	15	-3	-
Airbus Defence and Space	101	112	-10%
Transversal & Eliminations	-103	-54	-
Total	549	14	+3,821%

By Business Segment	Order Intake (net)			Order Book		
	Q1 2019	Q1 2018	Change	31 March 2019	31 March 2018	Change
Airbus, in units	-58	45	-	7,357	7,189	+2%
Airbus Helicopters, in units	66	104	-37%	737	744	-1%
Airbus Defence and Space, in millions of Euro	1,074	1,581	-32%	N/A	N/A	N/A

For footnotes please refer to page 9.

EBIT (reported) / EBIT Adjusted Reconciliation

The table below reconciles EBIT (reported) with EBIT Adjusted.

Airbus Consolidated (Amounts in millions of Euro)	Q1 2019
EBIT (reported)	181
thereof:	
Defence export ban	-190
\$ PDP mismatch/Balance Sheet revaluation	-83
A380 programme cost	-61
Others	-34
EBIT Adjusted	549

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Glossary

KPI	DEFINITION
EBIT	The Company continues to use the term EBIT (Earnings before interest and taxes). It is identical to Profit before finance result and income taxes as defined by IFRS Rules.
Adjustment	Adjustment, an alternative performance measure , is a term used by the Company which includes material charges or profits caused by movements in provisions related to programmes, restructuring or foreign exchange impacts as well as capital gains/losses from the disposal and acquisition of businesses.
EBIT Adjusted	The Company uses an alternative performance measure , EBIT Adjusted, as a key indicator capturing the underlying business margin by excluding material charges or profits caused by movements in provisions related to programmes, restructurings or foreign exchange impacts as well as capital gains/losses from the disposal and acquisition of businesses.
EPS Adjusted	EPS Adjusted is an alternative performance measure of basic earnings per share as reported whereby the net income as the numerator does include Adjustments. For reconciliation, see the Analyst presentation.
Gross cash position	The Company defines its consolidated gross cash position as the sum of (i) cash and cash equivalents and (ii) securities (as all recorded in the consolidated statement of financial position).
Net cash position	For definition of the alternative performance measure net cash position, see Information Document, MD&A section 2.1.6.
FCF	For the definition of the alternative performance measure free cash flow, see Information Document, MD&A section 2.1.6.1. It is a key indicator which allows the Company to measure the amount of cash flow generated from operations after cash used in investing activities.
FCF before M&A	Free cash flow before mergers and acquisitions refers to free cash flow as defined in the Information Document, MD&A section 2.1.6.1 adjusted for net proceeds from disposals and acquisitions. It is an alternative performance measure and key indicator that reflects free cash flow excluding those cash flows resulting from acquisitions and disposals of businesses.
FCF before M&A and customer financing	Free cash flow before M&A and customer financing refers to free cash flow before mergers and acquisitions adjusted for cash flow related to aircraft financing activities. It is an alternative performance measure and indicator that may be used from time to time by the Company in its financial guidance, esp. when there is higher uncertainty around customer financing activities, such as during the suspension of ECA financing support.

Footnotes:

- 1) Q1 2019 figures include the A220 programme, which was consolidated into Airbus on 1 July 2018.
- 2) Airbus SE continues to use the term Net Income. It is identical to Profit for the period attributable to equity owners of the parent as defined by IFRS Rules.

Safe Harbour Statement:

This press release 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 SE's 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 SE “Information Document” released in March 2019, including the Risk Factors section.

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

Rounding

Due to rounding, numbers presented may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.