

AIRBUS

H1 Results

2018

26 July 2018



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 28 March 2018, 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.

Rounding disclaimer:

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

IFRS 15 Disclaimer:

The Company has adopted the IFRS 15 standard as of 1st January 2018. 2017 figures are pro forma, amended with IFRS15 restatements and new segment reporting.

H1 Results 2018

**Company
Highlights**

**Divisional
Highlights**

**Guidance
Highlights**

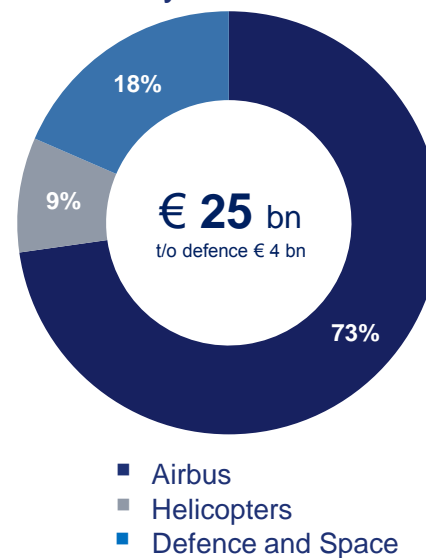


- Robust commercial aircraft environment
- Backlog of ~7,200 a/c underpins ramp-up plans
- H1 financials reflect mainly A350 performance and delivery phasing
- Focus on securing ramp-up
- 2018 Guidance maintained

Consolidated Airbus Order Book by Division

		H1 2018
Airbus (in units)	Order Intake (net)	206
	Order book	7,168
Helicopters (in € m)	Order Intake (net)	2,068
	Order book	12,537
Defence and Space (in € m)	Order Intake (net)	3,184
	Order book	36,462

Consolidated Airbus External Revenue by Division

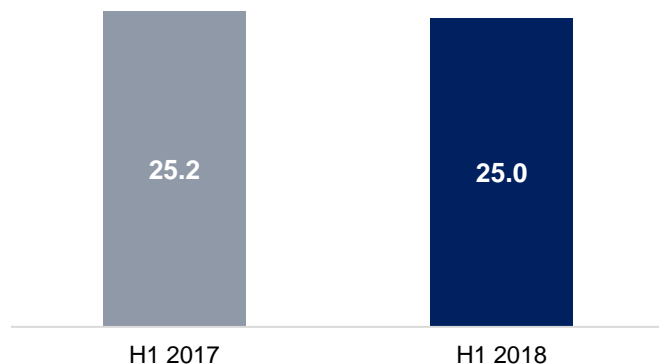


- **AIRBUS:** 261 gross orders, including 50 A350s and 10 A330neos in Q2. 206 net orders. Backlog 7,168 a/c pre-Farnborough
- **HELICOPTERS:** 143 net orders for € 2.1 bn. Progress in military campaigns
- **DEFENCE AND SPACE:** Order intake € 3.2 bn., supported by Space (THEOS-2). Future prospects in Military Aircraft and Unmanned Aerial Systems

H1 2018 FINANCIAL PERFORMANCE

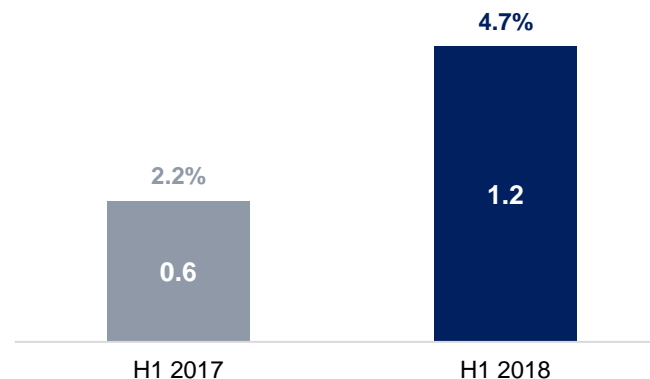
Revenues

in € bn



EBIT Adjusted

in € bn / RoS (%)



EPS⁽¹⁾ Adjusted

in €



FCF before M&A and Customer Financing

in € bn

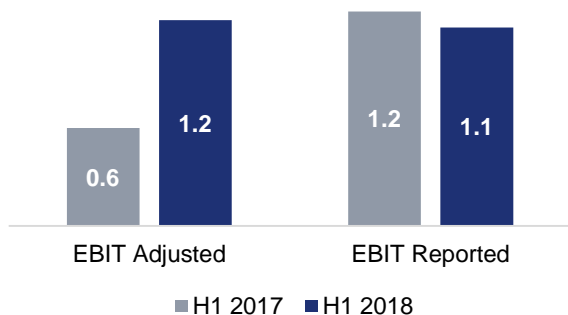


(1) H1 2018 Average number of shares: 774,129,413 compared to 773,223,614 in H1 2017
Capitalised R&D: € 40 m in H1 2018 and € 149 m in H1 2017
2017 figures are amended with IFRS15 restatements

H1 2018 PROFITABILITY

EBIT Performance

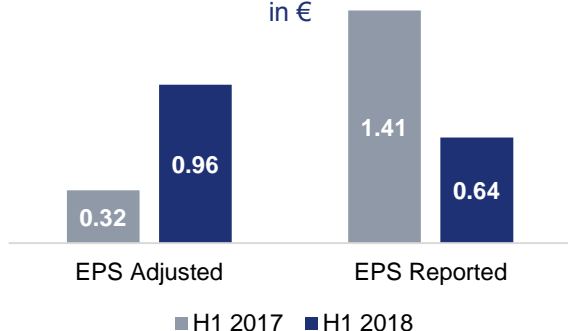
in € bn



- H1 2018 EBIT Reported of € 1.1 bn
- H1 2018 Adjustments resulting from:
 - €- 98 m A400M provision
 - €- 21 m First H160s
 - €- 40 m PDP mismatch / BS revaluation
 - €- 40 m Compliance / Others
 - €+ 157 m Airbus DS perimeter change
 - €- 42 m **Net Adjustments**

EPS Performance

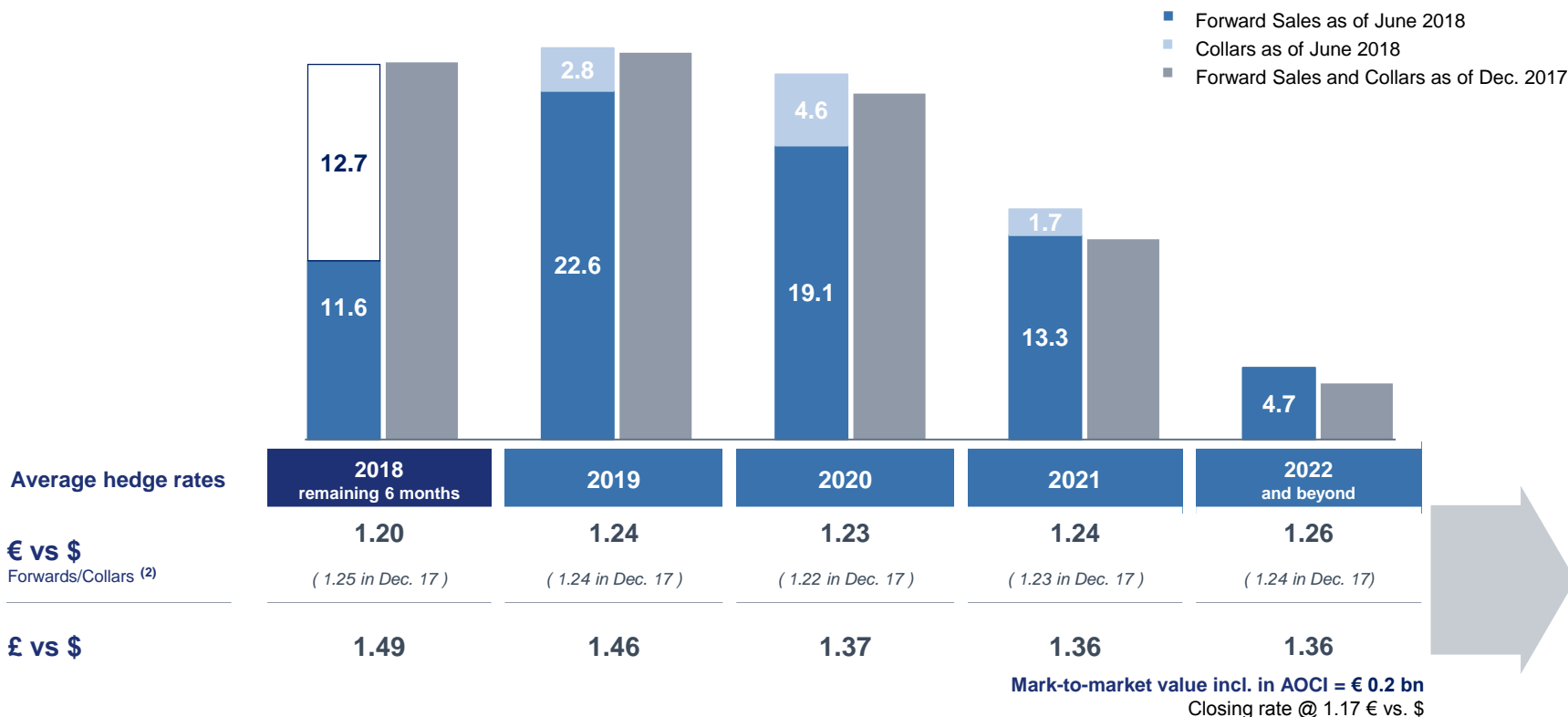
in €



- H1 2018 Net Income of € 496 m
- H1 2018 Net Income Adjusted of € 740 m
- H1 2018 tax rate on core business is 28%

CURRENCY HEDGE POLICY

IN \$ BILLION

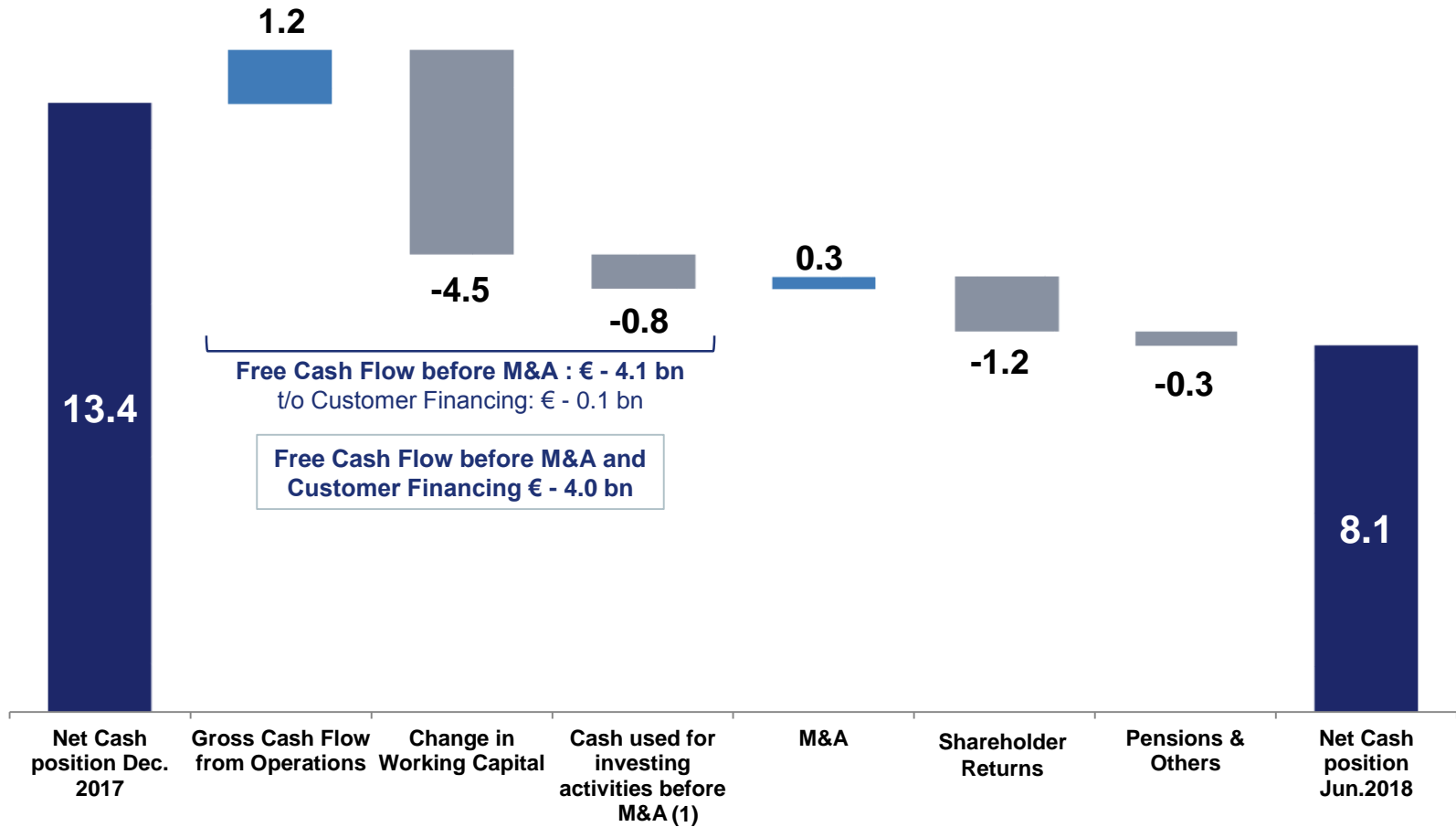


- In H1 2018, \$ 4.5 bn ⁽¹⁾ of new Forwards were added at an average rate of € 1 = \$ 1.29
- \$ 12.7 bn ⁽¹⁾ of hedges matured at an average rate of € 1 = \$ 1.29
- Hedge portfolio ⁽¹⁾ 30 June 2018 at \$ 80.3 bn (vs. \$ 88.7 bn in Dec. 2017), at an average rate of \$ 1.23 ⁽²⁾
- In H1, \$ 3.0 bn of hedges rolled-over intra-year in 2018 to align with backloaded delivery profile. No change to FY hedge rate

Approximately 60% of Airbus US\$ revenues are naturally hedged by US\$ procurement. Graph shows US\$ Forward Sales and Collars
 (1) Total hedge amount contains \$/€ and \$/£ designated hedges; (2) Blended Forwards and Collars rate includes Collars at least favourable rate

H1 2018 CASH EVOLUTION

IN € BILLION



■ Early debt repayments of € 1.6 bn, no impact to net cash

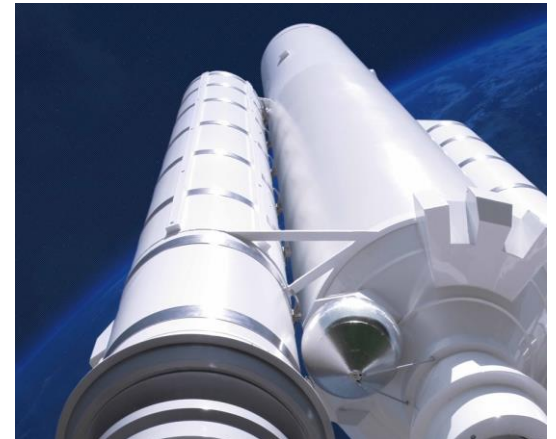
(1) Thereof Capex of € - 0.9 bn; (2) M&A transactions include acquisitions and disposals of subsidiaries and businesses

H1 Results 2018

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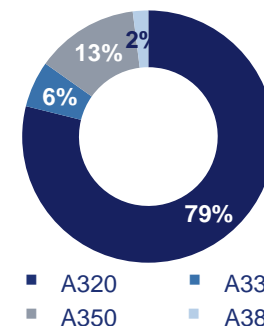
Guidance
Highlights



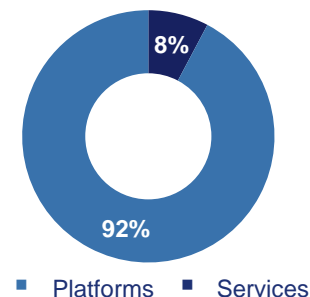
IN € MILLION	H1 2018	H1 2017	Change
Order Intake (net)	206	203	1.5%
Order book	7,168	6,771	5.9%
Deliveries (Units)	303	306⁽¹⁾	-1.0%
Revenues	18,546	18,182	2.0%
R&D Expenses	975	894	9.1%
<i>in % of Revenues</i>	<i>5.3%</i>	<i>4.9%</i>	
EBIT Adjusted	867	257	237.4%
<i>in % of Revenues</i>	<i>4.7%</i>	<i>1.4%</i>	
EBIT	773	381	102.9%
<i>in % of Revenues</i>	<i>4.2%</i>	<i>2.1%</i>	

Airbus combines former Commercial Division and HQ function, excluding Transversal activities

Deliveries by Programme (units)



External Revenue Split

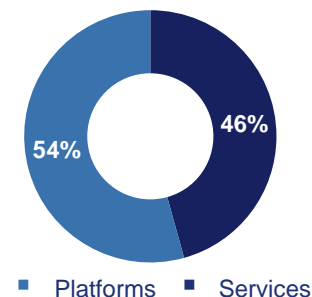
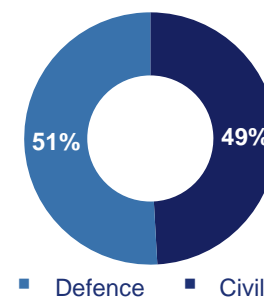


- Revenues and EBIT Adjusted reflect back-loaded delivery profile
- A320neo: GTF-powered aircraft deliveries resumed in Q2; 67 A320 deliveries in June. Ramp-up on-going, challenges remain
- Compared to H1 2017, EBIT Adjusted reflects mainly the progress on the A350 programme

(1) 304 a/c with Revenue Recognition (2 A330 on Operating Lease)
 Capitalised R&D: € 22 m in H1 2018 and € 64 m in H1 2017
 2017 figures are pro forma, amended with IFRS15 restatements and new segment reporting

IN € MILLION		H1 2018	H1 2017	Change
Order Intake (net)		143	151	-5.3%
	Units			
Order book		694	727	-4.5%
	Value			
Order Intake (net)		2,068	3,630	-43.0%
Order Book		12,537	11,996	4.5%
Deliveries (Units)		141	190	-25.8%
Revenues		2,388	2,716	-12.1%
R&D Expenses		147	142	3.5%
<i>in % of Revenues</i>		<i>6.2%</i>	<i>5.2%</i>	
EBIT Adjusted		135	80	68.8%
<i>in % of Revenues</i>		<i>5.7%</i>	<i>2.9%</i>	
EBIT		114	80	42.5%
<i>in % of Revenues</i>		<i>4.8%</i>	<i>2.9%</i>	

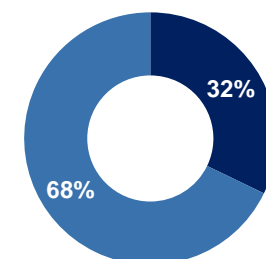
External Revenue Split



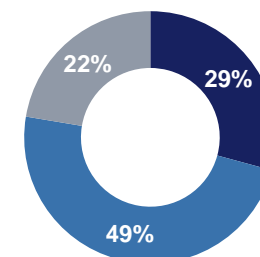
- Revenues reflect mainly perimeter change from sale of Vector Aerospace
Perimeter change impact on Revenues ~ € 300 m
- EBIT Adjusted reflects solid underlying programme execution and transformation efforts
- Adjustments reflect first H160s

IN € MILLION	H1 2018	H1 2017	Change
Order Intake (net)	3,184	3,616	-11.9%
Order Book	36,462	38,708	-5.8%
Revenues	4,652	4,900	-5.1%
R&D Expenses	136	144	-5.6%
<i>in % of Revenues</i>	<i>2.9%</i>	<i>2.9%</i>	
EBIT Adjusted	309	298	3.7%
<i>in % of Revenues</i>	<i>6.6%</i>	<i>6.1%</i>	
EBIT	382	832	-54.1%
<i>in % of Revenues</i>	<i>8.2%</i>	<i>17.0%</i>	

External Revenue Split



■ Platforms ■ Services



■ Space Systems ■ Military Aircraft
■ CIS⁽¹⁾ & Others

- Revenues and EBIT Adjusted reflect stable core business and solid programme execution
Perimeter change impact on Revenues ~ € 150 m
- Net Capital Gains from disposals: H1 2018 € 157 m, H1 2017 € 560 m
- A400M: 8 a/c delivered in H1 2018, € 98 m provision update mainly for escalation

(1) Communications, Intelligence, & Security
Capitalised R&D: € 6 m in H1 2018 and € 8 m in H1 2017
2017 figures are pro forma, amended with IFRS15 restatements and new segment reporting (except for Order Intake and Order Book)

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2018 GUIDANCE

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As the basis for its 2018 guidance, Airbus expects the world economy and air traffic to grow in line with prevailing independent forecasts, which assume no major disruptions

Airbus 2018 Earnings and guidance are prepared under IFRS 15

Airbus 2018 Earnings and FCF guidance is before M&A. It now includes the A220 integration*

- Airbus targets to deliver around 800 commercial aircraft, without the A220 family
- On top, around 18 A220 deliveries are targeted for H2
- Before M&A, Airbus expects EBIT Adjusted of approximately € 5.2 bn in 2018:
 - A220* integration is expected to reduce EBIT Adjusted by an estimated € -0.2 bn
 - Therefore, including A220*, Airbus expects EBIT Adjusted to be approximately € 5.0 bn
- Compared to 2017 Free Cash Flow before M&A and Customer Financing of € 2.95 bn, Airbus expects Free Cash Flow to be at a similar level in 2018 before A220 integration
 - A220* integration is expected to reduce Free Cash Flow before M&A and Customer Financing by an estimated € -0.3 bn
 - In 2018, Airbus expects the net cash impact of the A220 integration to be largely covered by the funding arrangement as laid out in the terms of the C-Series A/C Ltd. Partnership, meaning limited cash dilution

* Based on preliminary data

KEY PRIORITIES

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- Deliver ~800 a/c in 2018, prepare further ramp-up potential
- Leverage competitive product portfolio to strengthen market position
- Boost efficiency and competitiveness through digital and innovation
- Deliver EPS and FCF growth potential



Earnings and FCF taking off!

AIRBUS

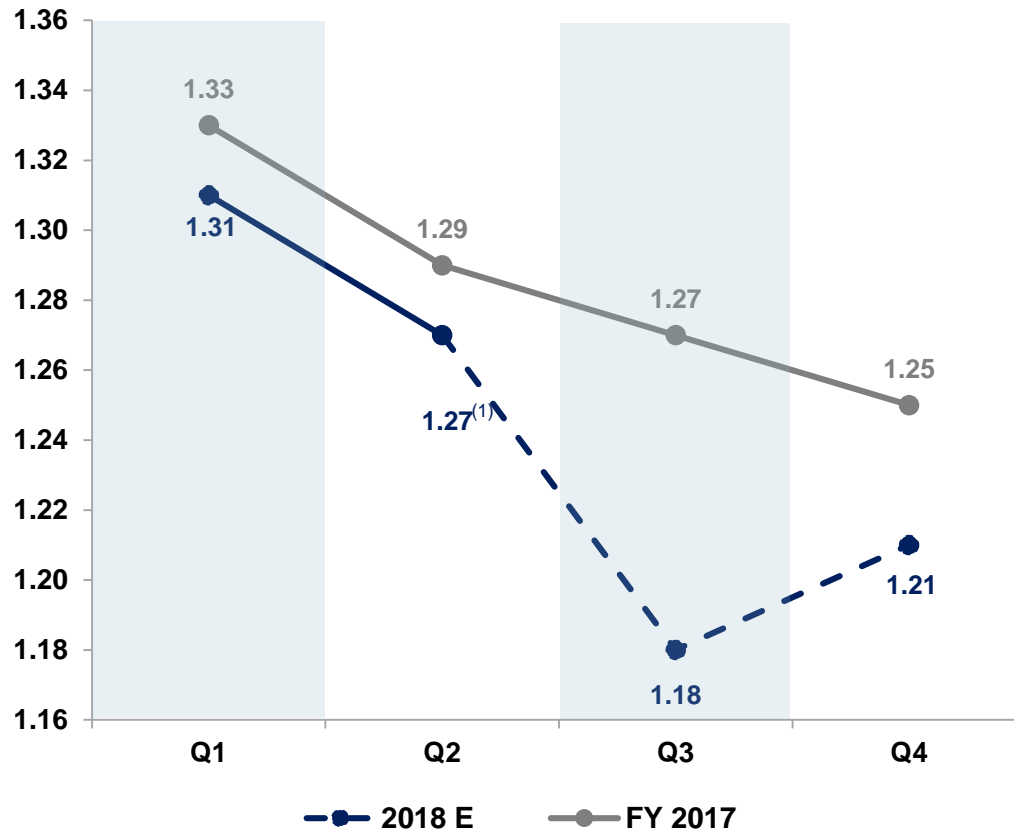
H1 Results 2018

Appendix



EXPECTED AIRBUS AVERAGE HEDGE RATES € VS. \$

Active exposure management



	Average Hedge Rates
FY 2017	1.29
FY 2018E	1.25

(1) Q2 actual

H1 2018 DETAILED INCOME STATEMENT AND ADJUSTMENTS

IN € MILLION

	H1 2018	thereof Adjustments				Financial Result	H1 2018 Adjusted
		Impact on EBIT					
		Operational	FX				
	Airbus	Defence and Space ⁽¹⁾	Helicopters	Airbus & ADS ⁽²⁾			
EBIT	1,120	(40)	59	(21)	(40)		1,162
in % of revenues	4.5%						4.7%
Interest income	87						87
Interest expenses	(199)						(199)
Other Financial Result	(191)					(165)	(26)
Finance Result	(303)					(165)	(138)
Income before taxes	817	(40)	59	(21)	(40)	(165)	1,024
Non-controlling interest	3						3
Net Income reported	496						740
Number of shares	774,129,413						774,129,413
EPS reported (in €)	0.64						0.96

Net Income Adjusted excludes the following items:

- Adjustments impacting the EBIT line (as reported in the EBIT Adjusted)
- The Other Financial Result, except for the unwinding of discount on provisions

The tax effect on Adjusted Income before taxes is calculated at 28%. The effective tax rate on Income before taxes is 40%

(1) Thereof € - 98 m A400M provision update mainly for escalation, € + 157 m net capital gains from disposals

(2) Thereof € - 54 m Airbus, € + 14 m ADS

H1 2017 DETAILED INCOME STATEMENT AND ADJUSTMENTS

IN € MILLION

	H1 2017	thereof Adjustments		Financial Result	H1 2017 Adjusted
		Impact on EBIT			
		Operational	FX		
		Defence and Space ⁽¹⁾	Airbus & ADS ⁽²⁾		
EBIT	1,211	484	174		553
in % of revenues	4.8%				2.2%
Interest income	81				81
Interest expenses	(251)				(251)
Other Financial Result	242			277	(35)
Finance Result	72			277	(205)
Income before taxes	1,283	484	174	277	348
Non-controlling interest	0				0
Net Income reported	1,091				250
Number of shares	773,223,614				773,223,614
EPS reported (in €)	1.41				0.32

Net Income Adjusted excludes the following items:

- Adjustments impacting the EBIT line (as reported in the EBIT Adjusted)
- The Other Financial Result, except for the unwinding of discount on provisions

The tax effect on Adjusted Income before taxes is calculated at 28%

2017 figures are amended with IFRS15 restatements

(1) Thereof € + 560 m Defence Electronics net capital gain, € + 28 m Other AD portfolio, € - 104 m A400M LMC

(2) Thereof € + 124 m Airbus, € + 50 m ADS

Q2 2018 KEY FIGURES

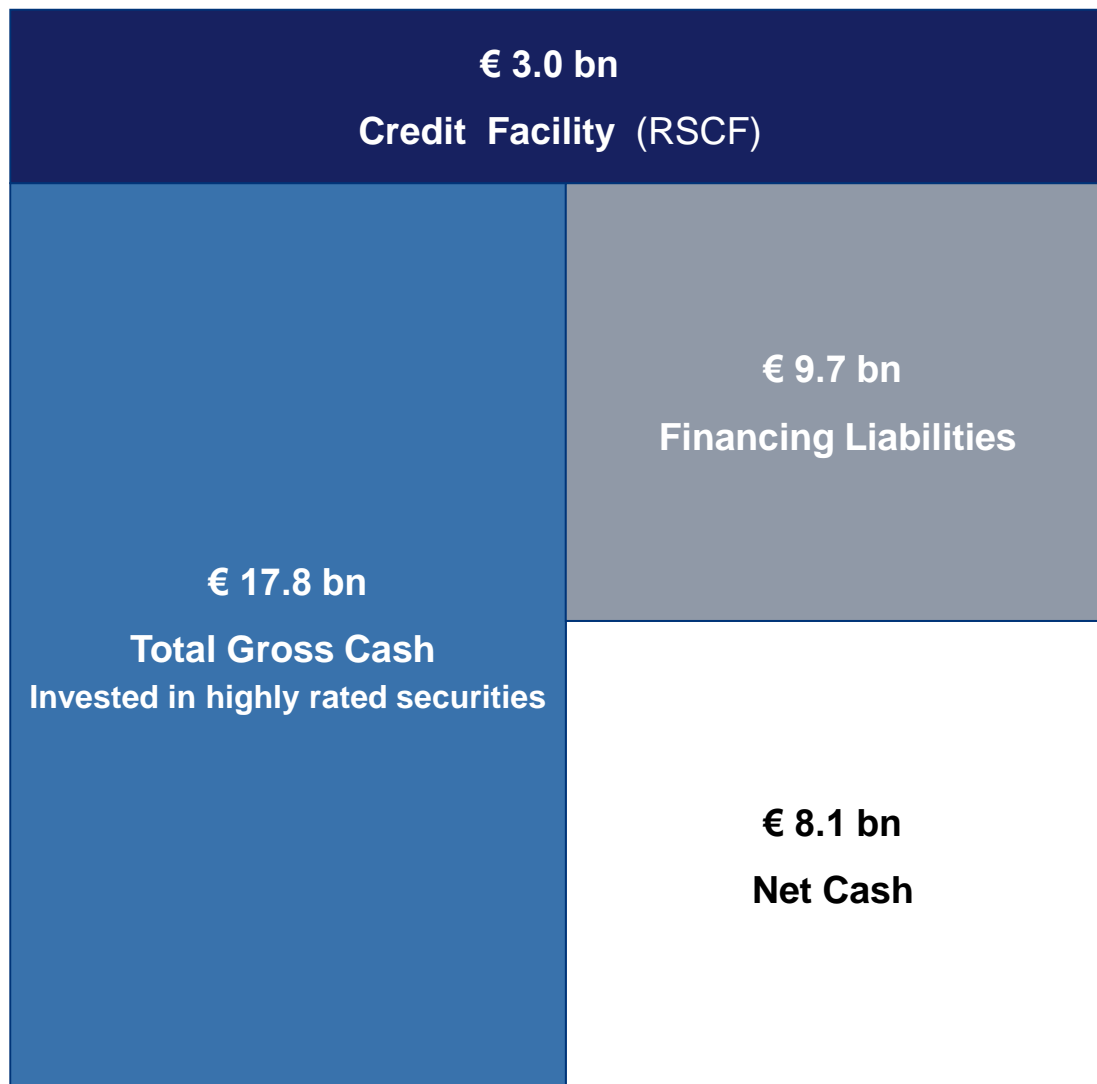
IN € MILLION

	Q2 2018	Q2 2017
Revenues	14,851	13,733
EBIT Adjusted	1,148	572
EBIT	921	636
Net Income	213	682
FCF before M&A	(223)	(948)
FCF before M&A and Customer Financing	(129)	(824)

IN € MILLION

	Q2 2018	Q2 2017	Q2 2018	Q2 2017	Q2 2018	Q2 2017
	Revenues		EBIT Adjusted		EBIT	
Airbus	11,324	10,016	908	360	775	429
Helicopters	1,427	1,540	138	86	124	86
Defence and Space	2,435	2,560	197	180	117	175
Transversal & Elim.	(335)	(383)	(95)	(54)	(95)	(54)
Consolidated Airbus	14,851	13,733	1,148	572	921	636

STRONG LIQUIDITY POSITION AS AT 30 JUNE 2018



Credit Facility:

- Maturity 2021, undrawn
- Fully committed by 40 banks
- No financial covenants, no MAC clause

Financing Liabilities:

of which long-term : € 7.6 bn

- Includes € 3.0 bn EMTN, € 0.5 bn Convertible Bond, € 1.1 bn exchangeable bond and \$ 2.5 bn USD 144A/RegS

Credit Ratings:

Short-term rating:

- S & P: A-1+
- Moody's: P-1

Long-term rating:

- S & P: A+ stable
- Moody's: A2 stable

DETAILED FREE CASH FLOW

IN € MILLION	H1 2018	H1 2017
Net Cash position at the beginning of the period	13,390	11,113
Gross Cash Flow from Operations ⁽¹⁾	1,185	1,050
Change in working capital	(4,501)	(2,907)
Cash used for investing activities ⁽²⁾	(481)	(99)
of which Industrial Capex (additions) ⁽³⁾	(916)	(1,060)
Free Cash Flow ⁽⁴⁾	(3,797)	(1,956)
of which M&A	272	591
Free Cash Flow before M&A	(4,069)	(2,547)
of which Customer Financing	(101)	(454)
Free Cash Flow before M&A and Customer Financing	(3,968)	(2,093)
Change in capital and non-controlling interests	112	79
Change in treasury shares / share buyback	(52)	0
Contribution to plan assets of pension schemes	(126)	(146)
Cash distribution to shareholders / non - controlling interests	(1,161)	(1,045)
Others	(298)	(146)
Net cash position at the end of the period	8,068	7,899

2017 figures are amended with IFRS15 restatements

(1) Excluding working capital change, contribution to plan assets of pension schemes and realised FX results on Treasury swaps

(2) Excluding change in securities and change in cash from changes in consolidation and excluding bank activities; (3) Excluding leased and financial assets; (4) Excluding change in securities, change in cash from changes in consolidation, contribution to plan assets, realised FX results on Treasury swaps and bank activities

NET CASH POSITION

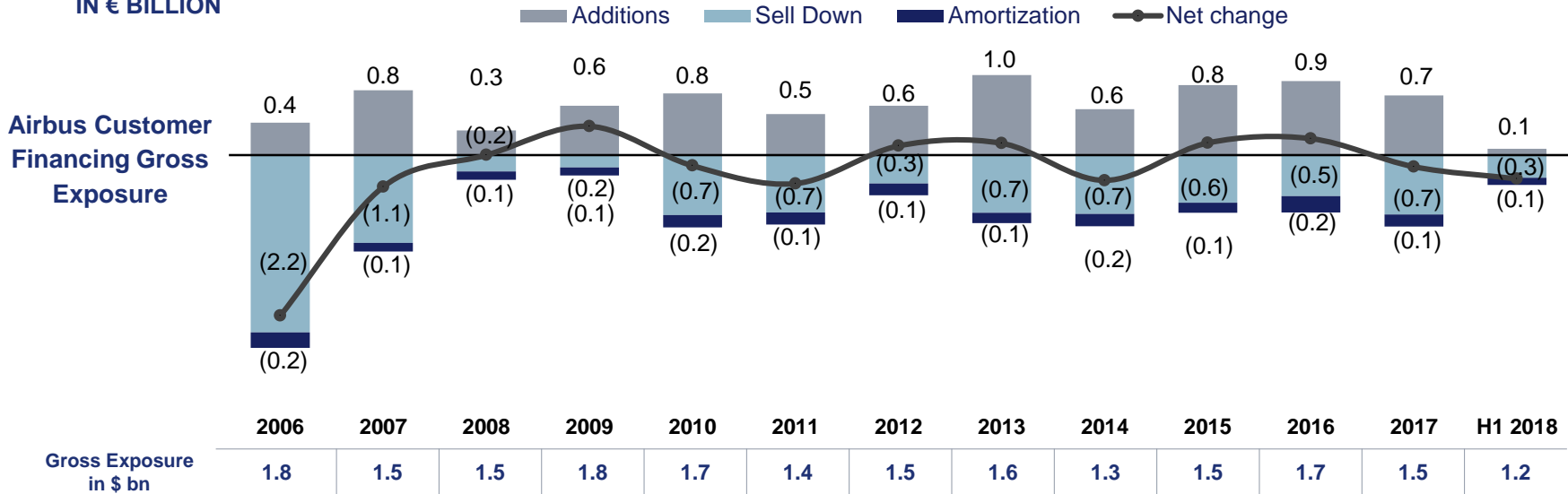
IN € MILLION	June 2018	Dec. 2017
Gross Cash	17,775	24,587
Financing Debts	(9,707)	(11,197)
Short-term Financing Debts	(2,071)	(2,213)
Long-term Financing Debts	(7,636)	(8,984)
Reported Net Cash	8,068	13,390
Airbus non-recourse debt	32	29
Net Cash excl. non-recourse	8,100	13,419

CUSTOMER FINANCING EXPOSURE

IN € MILLION	June 2018	Dec. 2017	June 2018	Dec. 2017
	Airbus		Helicopters	
Closing rate € 1 =	\$ 1.17	\$1.20	\$ 1.17	\$ 1.20
Total Gross Exposure	1,052	1,264	134	135
of which off-balance sheet	31	144	4	4
Estimated value of collateral	(802)	(953)	(50)	(64)
Net Exposure	250	311	84	71
Provision and asset impairment	(250)	(311)	(84)	(71)
Net Exposure after provision	0	0	0	0

AIRBUS CUSTOMER FINANCING

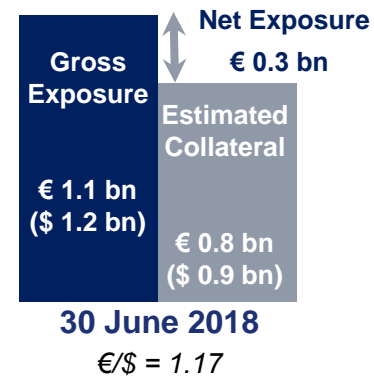
IN € BILLION



Net Exposure fully provisioned



Net Exposure fully provisioned



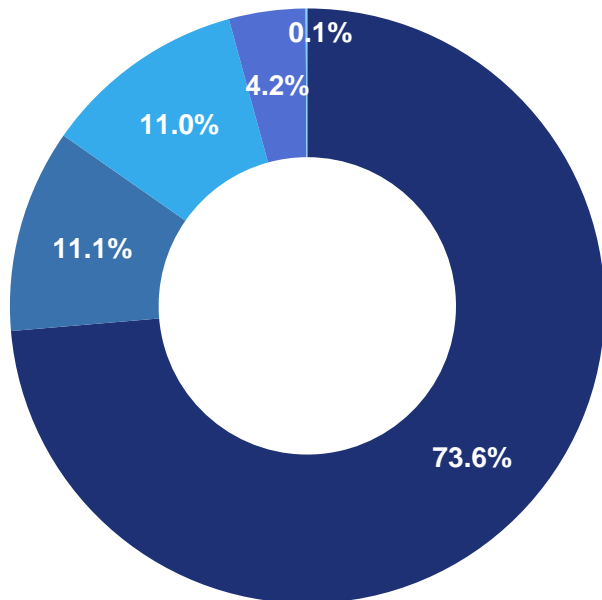
BALANCE SHEET HIGHLIGHTS: ASSETS

IN € MILLION	June 2018	Dec. 2017
Non-current Assets	51,905	53,526
of which Intangible & Goodwill	11,581	11,629
of which Property, plant & equipment	16,476	16,611
of which Investments & Financial assets	5,821	5,821
of which positive hedge mark-to-market	1,546	2,901
of which Non-current securities	10,551	10,944
Current Assets	56,347	57,346
of which Inventory	33,775	29,737
of which Cash	5,138	12,016
of which Current securities	2,086	1,627
of which positive hedge mark-to-market	467	663
Assets of disposal groups classified as held for sale	35	202
Total Assets	108,287	111,074
Closing rate € vs. \$	1.17	1.20

BALANCE SHEET HIGHLIGHTS: LIABILITIES

IN € MILLION	June 2018	Dec. 2017
Total Equity	9,191	10,742
of which OCI (Other Comprehensive Income)	1,569	2,742
of which Non-controlling interests	(8)	2
Non-current liabilities	40,054	42,162
of which pensions	8,194	8,025
of which other provisions	1,649	1,754
of which financing debts	7,636	8,984
of which European governments refundable advances	5,359	5,537
of which Customer advances	15,521	16,659
of which negative hedge mark-to-market	851	1,127
Current liabilities	59,042	58,064
of which pensions	253	336
of which other provisions	5,431	5,936
of which financing debts	2,071	2,213
of which European governments refundable advances	391	364
of which Customer advances	33,961	30,921
of which negative hedge mark-to-market	1,321	1,144
Liabilities of disposal groups classified as held for sale	0	106
Total Liabilities and Equity	108,287	111,074

SHAREHOLDING STRUCTURE AS AT 30 JUNE 2018



Free Float 73.6%

Shareholder Agreement 26.3%

SOGEPA 11.1%

GZBV 11.0%

SEPI 4.2%

Treasury Shares 0.1%

■ 774,556,062 shares issued as at 30 June 2018

QUARTERLY REVENUES BREAKDOWN (CUMULATIVE)

IN € MILLION	Q1		H1		9m		FY	
	2018	2017	2018	2017	2018	2017	2018	2017
Airbus	7,222	8,166	18,546	18,182		27,579		43,486
Helicopters	961	1,176	2,388	2,716		4,197		6,335
Defence and Space	2,217	2,340	4,652	4,900		7,074		10,596
Transversal & Elim.	(281)	(240)	(616)	(623)		(821)		(1,395)
Consolidated Airbus	10,119	11,442	24,970	25,175		38,029		59,022

Helicopters and Defence and Space figures reflect perimeter change impact
 2017 figures are pro forma, amended with IFRS15 restatements and new segment reporting

QUARTERLY EBIT ADJUSTED BREAKDOWN (CUMULATIVE)

IN € MILLION	Q1		H1		9m		FY	
	2018	2017	2018	2017	2018	2017	2018	2017
Airbus	(41)	(103)	867	257		806		2,383
Helicopters	(3)	(6)	135	80		161		247
Defence and Space	112	118	309	298		343		815
Transversal & Elim.	(54)	(28)	(149)	(82)		(156)		(255)
Consolidated Airbus	14	(19)	1,162	553		1,154		3,190

Helicopters and Defence and Space figures reflect perimeter change impact
 2017 figures are pro forma, amended with IFRS15 restatements and new segment reporting

QUARTERLY EBIT BREAKDOWN (CUMULATIVE)

IN € MILLION	Q1		H1		9m		FY	
	2018	2017	2018	2017	2018	2017	2018	2017
Airbus	(2)	(48)	773	381		779		2,257
Helicopters	(10)	(6)	114	80		161		247
Defence and Space	265	657	382	832		835		462
Transversal & Elim.	(54)	(28)	(149)	(82)		(156)		(301)
Consolidated Airbus	199	575	1,120	1,211		1,619		2,665

Helicopters and Defence and Space figures reflect perimeter change impact
 2017 figures are pro forma, amended with IFRS15 restatements and new segment reporting

H1 2018 IFRS VS. APM CASH FLOW RECONCILIATION

IN € BILLION	H1 2018	IN € BILLION	H1 2018
Cash provided by (used for) operating activities	(3.49)	Cash provided by (used for) operating activities	(3.49)
t/o Reimbursement from / contribution to plan assets	(0.13)	Cash provided by (used for) investing activities	(0.56)
t/o Treasury swaps	0.05	t/o Net proceeds (payment)	0.01
t/o Change in working capital	(4.50)	Others	0.26
Gross Cash Flow from Operations	1.19	Free Cash Flow	(3.80)
		t/o M&A transactions	0.27
		Free Cash Flow before M&A	(4.07)
		t/o Customer Financing	(0.10)
		FCF before M&A and Customer Financing	(3.97)

GLOSSARY ON ALTERNATIVE PERFORMANCE MEASURES (APM)

The following Presentation also contains certain “non-GAAP financial measures”, *i.e.* financial measures that either exclude or include amounts that are not excluded or included in the most directly comparable measure calculated and presented in accordance with IFRS. For example, Airbus makes use of the non-GAAP measures “EBIT Adjusted”, “EPS Adjusted” and “Free Cash Flow”.

Airbus uses these non-GAAP financial measures to assess its consolidated financial and operating performance and believes they are helpful in identifying trends in its performance. These measures enhance management’s ability to make decisions with respect to resource allocation and whether Airbus is meeting established financial goals.

Non-GAAP financial measures have certain limitations as analytical tools, and should not be considered in isolation or as substitutes for analysis of Airbus’ results as reported under IFRS. Because of these limitations, they should not be considered substitutes for the relevant IFRS measures.

- **EBIT:** Airbus continues to use the term EBIT (Earnings before interest and taxes). It is identical to Profit before finance cost and income taxes as defined by IFRS Rules.
- **Adjustment** is an alternative performance measure used by Airbus 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:** Airbus 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, restructuring or foreign exchange impacts as well as capital gains/losses from the disposal and acquisition of businesses.
- **EPS Adjusted** is an alternative performance measure of a basic EPS as reported whereby the net income as the numerator does include Adjustments. For reconciliation see slide 19.
- **Gross Cash position:** Airbus defines its consolidated gross cash position as the sum of (i) cash and cash equivalents and (ii) securities (all as recorded in the consolidated statement of financial position).
- **Net cash position:** Airbus defines its consolidated net cash position as the sum of (i) cash and cash equivalents and (ii) securities, minus (iii) financing liabilities (all as recorded in the consolidated statement of financial position) as defined in MD&A section 2.1.6.
- **Gross cash flow from operations:** Gross cash flow from operations is an alternative performance measure and an indicator used by Airbus to measure its operating cash performance before changes in working capital. It is defined in Registration Document, MD&A section 2.1.6 as cash provided by operating activities, excluding (i) changes in other operating assets and liabilities (working capital), (ii) contribution to plan assets of pension schemes and (iii) realised foreign exchange results on Treasury swaps.
- **Change in working capital:** it is identical to changes in other operating assets and liabilities as defined by IFRS Rules. It is comprised of inventories, trade receivables, other assets and prepaid expenses netted against trade liabilities, other liabilities (including customer advances), deferred income and customer financing.
- **FCF:** For the definition of the alternative performance measure free cash flow, see Registration 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** refers to FCF as defined in the Registration Document, MD&A section 2.1.6.1. adjusted for net proceeds from disposals and acquisitions. It is an alternative performance measure and indicator that is important in order to measure FCF excluding those cash flows from the disposal and acquisition of businesses.
- **FCF 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.