

AIRBUS

9m 2018

Roadshow Presentation

November 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:

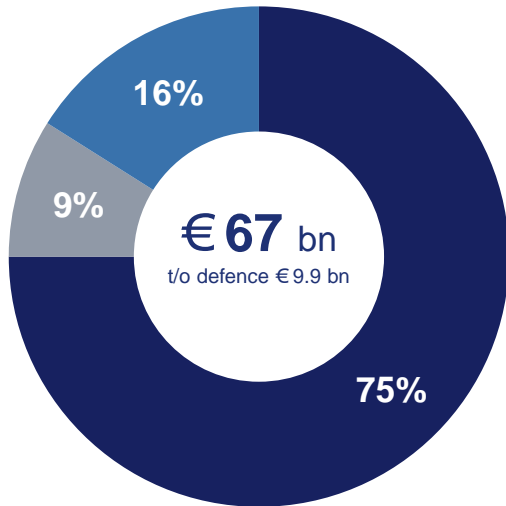
Due to rounding, numbers presented may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

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.

- Focus on deliveries and securing ramp-up
- 9m financials reflect A350 performance and aircraft delivery profile
- 2018 Guidance updated to reflect latest delivery outlook
- Progress in management succession

Airbus External Revenue by Division



- Commercial Aircraft
- Helicopters
- Defence and Space

Airbus



Passenger Aircraft, Freighter Conversion, Services

Helicopters



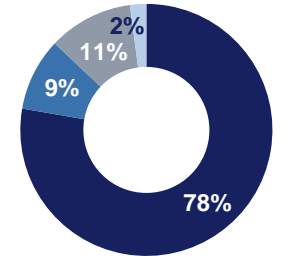
Civil/Parapublic and Military Helicopters for a wide range of missions, Support and Services

Defence and Space



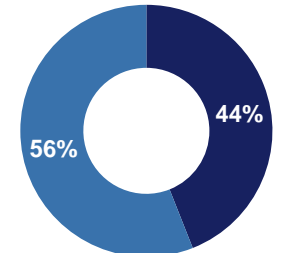
Military Aircraft, Space Systems, Comms, Intelligence and Security, Unmanned Aerial Systems

Deliveries by Programme (units)



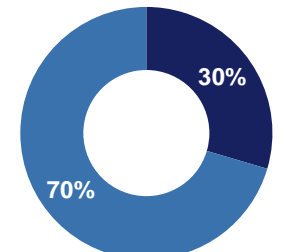
- A320
- A330
- A350
- A380

External Revenue Split



- Platforms
- Services

External Revenue Split



- Platforms
- Services

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Market
Demand

Product
Portfolio

9m 2018
Review

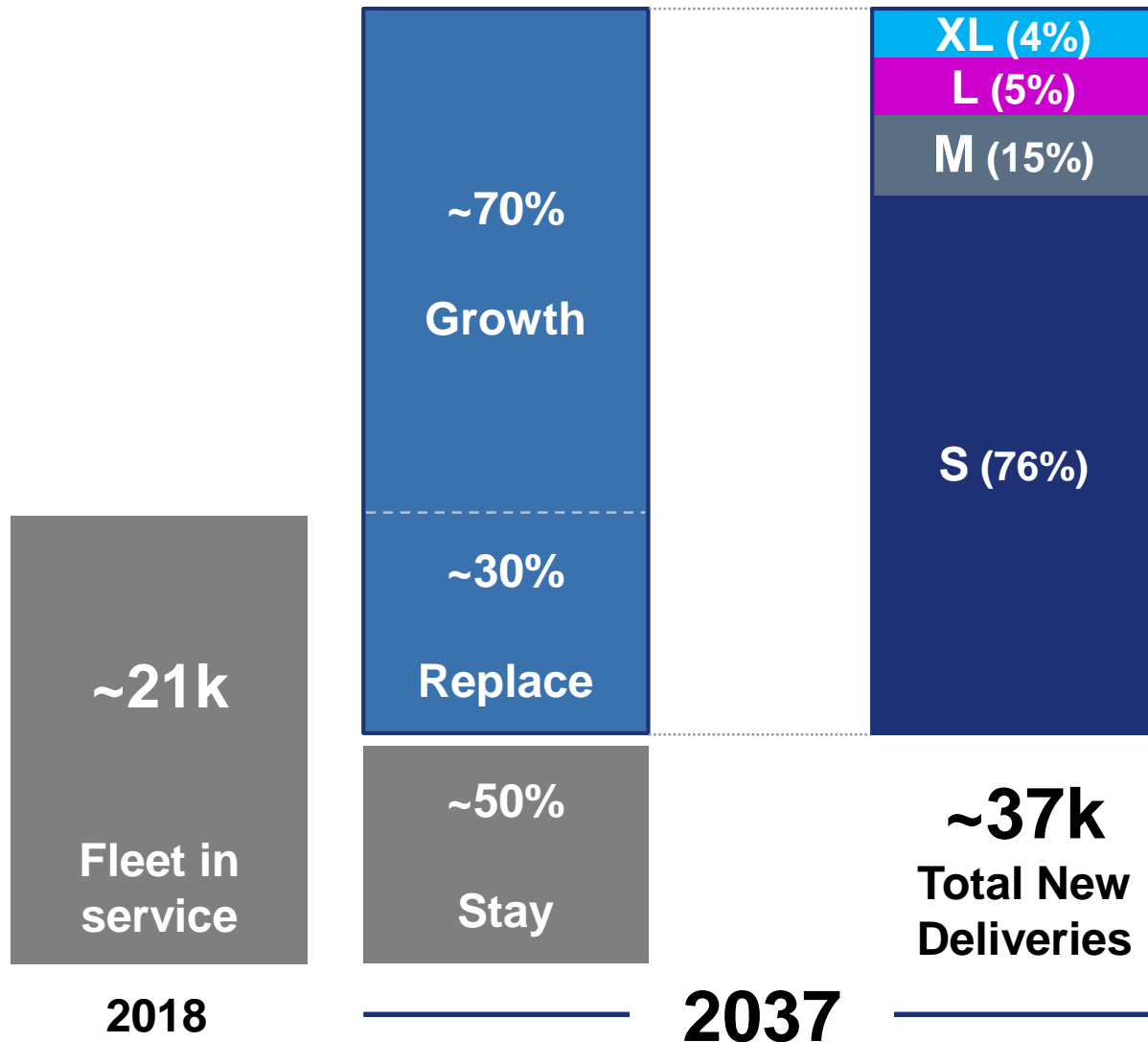


AIRBUS

AIR TRAFFIC AND LONG TERM FUNDAMENTALS REMAIN STRONG



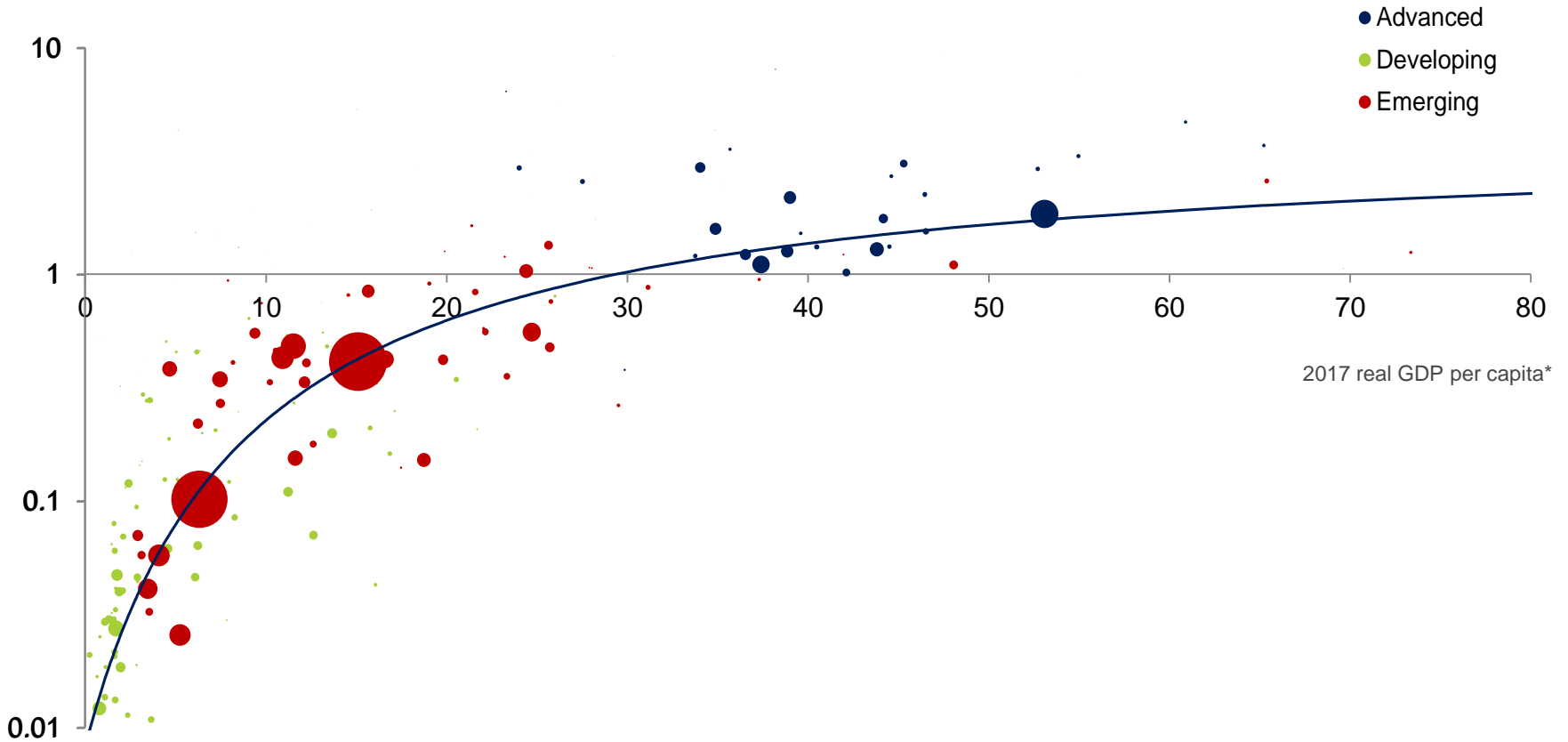
WORLD FLEET WILL MORE THAN DOUBLE OVER THE NEXT 20 YEARS



Notes: Passenger aircraft (≥ 100 seats) | Jet freight aircraft (>10 tons), Rounded figures to the nearest 10 – Assuming same rules as today
Source: Airbus GMF 2018
Box sizes for illustrative purposes only

LONG-TERM GROWTH FUELLED BY MIDDLE-CLASS EXPANSION IN EMERGING ECONOMIES

2017 Trips per capita - Bubble size proportional to population



Source: Sabre, IHS Economics, Airbus GMF 2018
Equivalent amount of passengers flying from/to/within the country
* 2010 \$US at Purchasing Power Parity

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INVESTMENTS TO PREPARE THE FUTURE AND CAPTURE GROWTH

2012 - 2017

€19 bn

R&D

€17 bn

CapEx

€5 bn

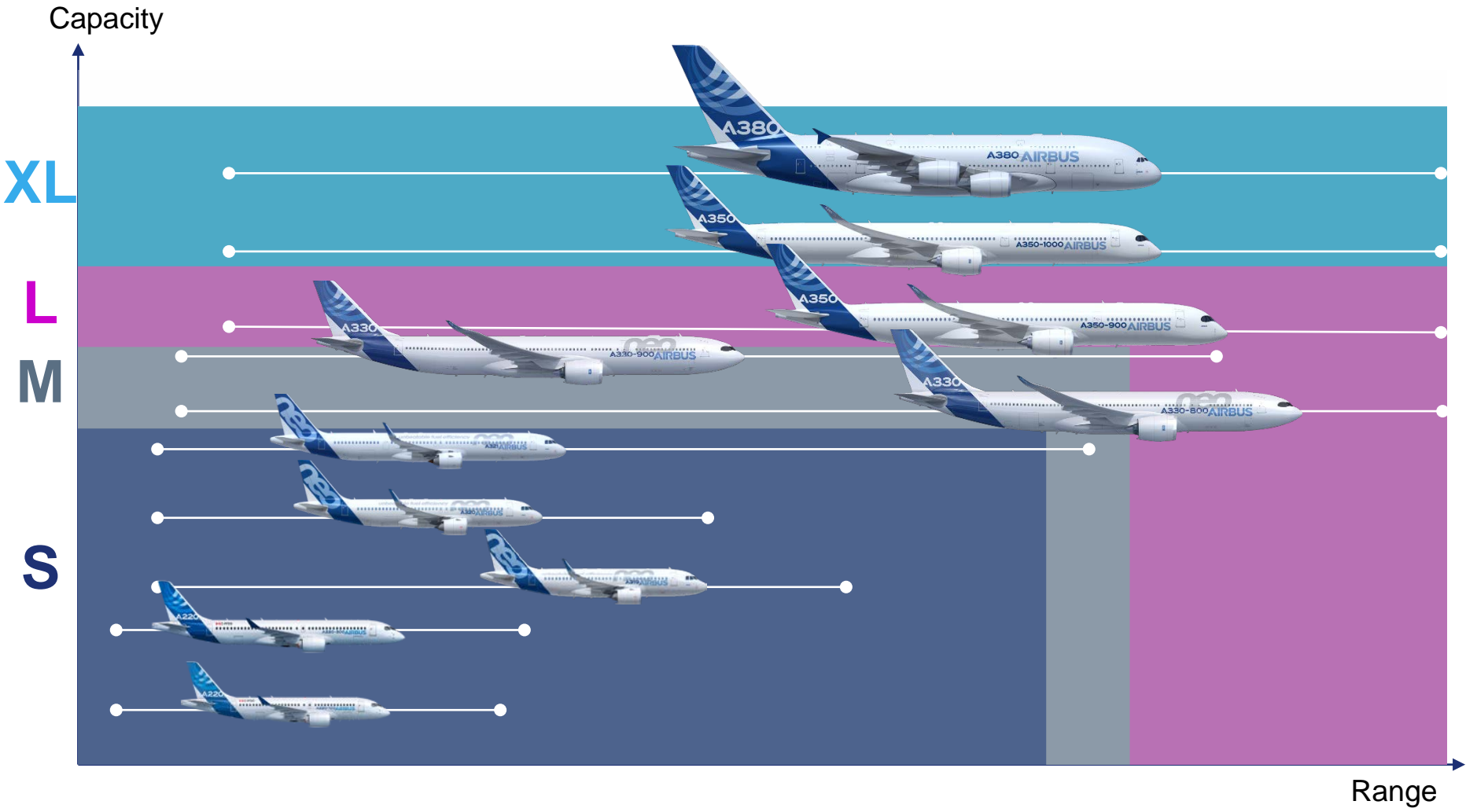
Working
Capital ⁽¹⁾

~ €40 bn

Comprehensive product family and ramp-up capability

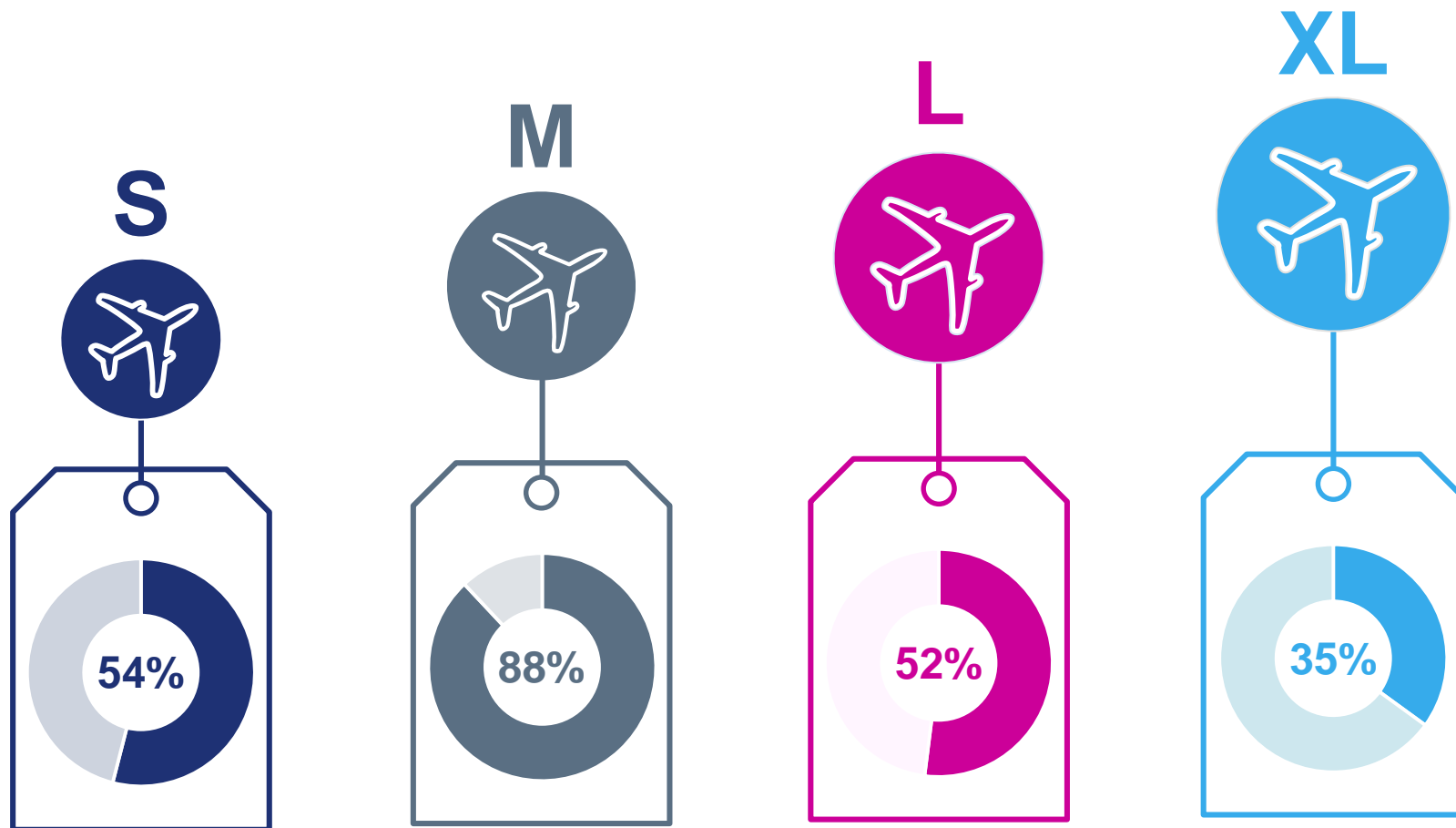
(1) Mainly investment in inventory partly offset by PDPs

THE MOST COMPREHENSIVE COMMERCIAL AIRCRAFT FAMILY...



Product position is illustrative

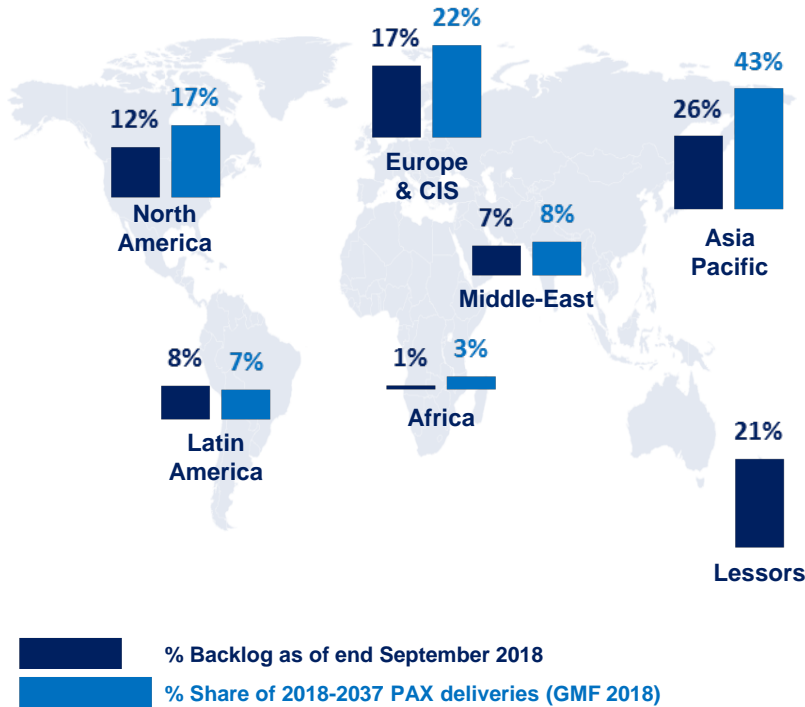
...WELL POSITIONED ACROSS ALL MARKET SEGMENTS



Airbus
Backlog
share

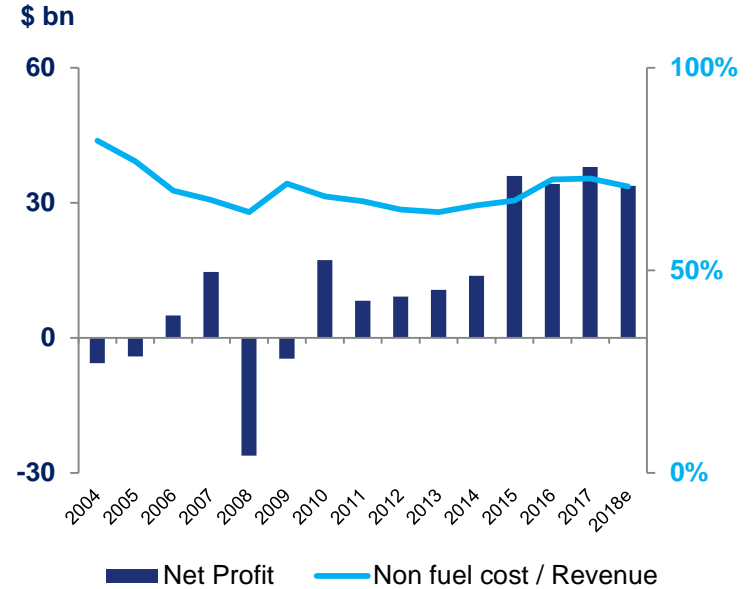
STRONG AND WELL DIVERSIFIED BACKLOG, ALIGNED WITH DEMAND

Backlog* – 7,383 aircraft



Airbus backlog* aligned with regional needs and demand forecast

Record Airline Profitability

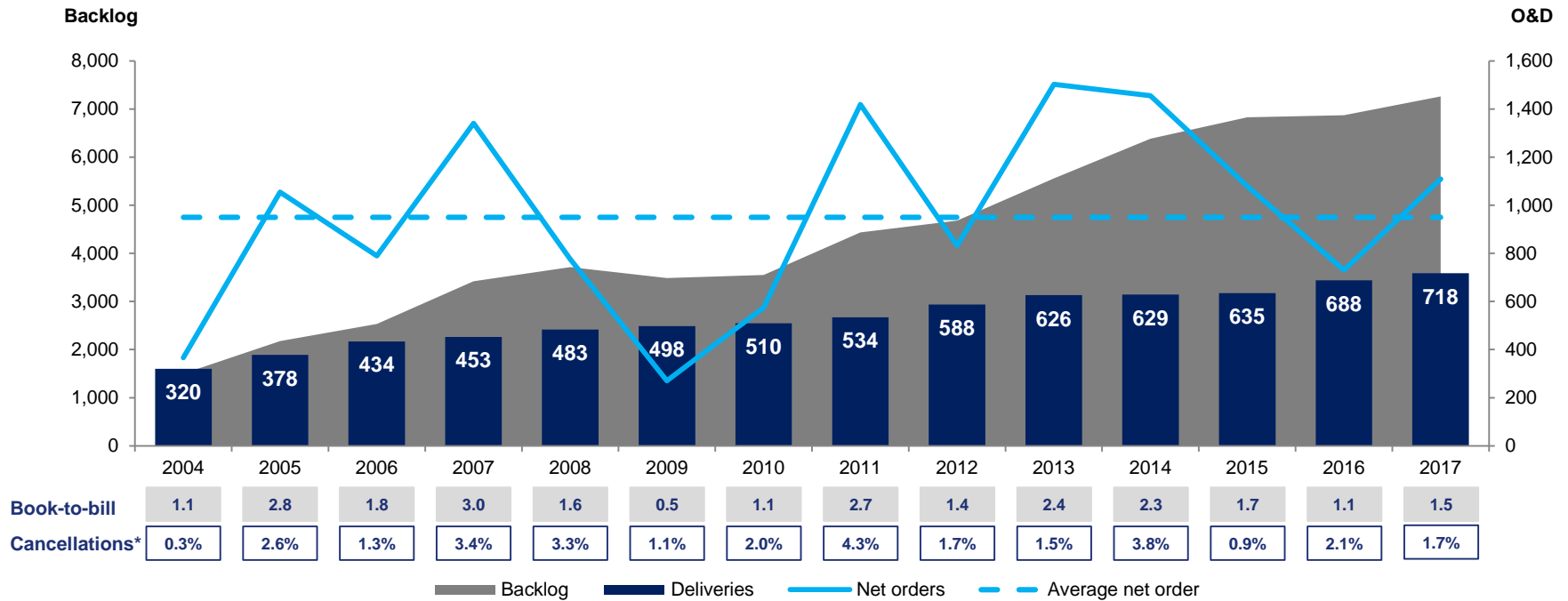


Source: IATA

Airline industry profits have also benefited from rationalisation of non-fuel costs

*8% of undisclosed customers

ROBUST COMMERCIAL AIRCRAFT ENVIRONMENT



Growing backlog while ramping-up deliveries to meet customer demand

CIVIL & PARAPUBLIC



MILITARY AIRCRAFT



MARKET

- Demand impacted by softness in O&G
- LT market potential: ~ 22k new h/c in next 20 years
- UAM new market

- Military market supported by growing Defence budgets
- Successful campaigns in 2017

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 and global 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 / digital
- Cyber protection
- Increasing need for autonomy and reactivity

PRODUCT

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

- 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

Skywise



Data exploitation



Connectivity



Driving further industrial efficiency



Improving reliability of assets in use for customer benefit



Generating new business opportunities

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KEY PROGRAMME UPDATE



A220

- Consolidated in Commercial Aircraft since July 1st
- PPA exercise nearly completed
- Short-term goals defined: increase sales, reduce recurring costs



A320

- Focus on 2018 deliveries and ongoing ramp-up, challenges remain
- A321LR: EASA / FAA certification received in October – EIS expected soon



A330

- A330-900 received EASA Type Certification – FAA to follow shortly
- Working together with engine partner on neo EIS and transition



A350

- Operational reliability >99%
- Good progress on Recurring Cost curve. Ramp-up to rate 10 by year end
- Breakeven expected by end of 2019



A380

- Industrial baseline secured at 6 deliveries p.a. from 2020
- Campaigns and commercial discussions ongoing



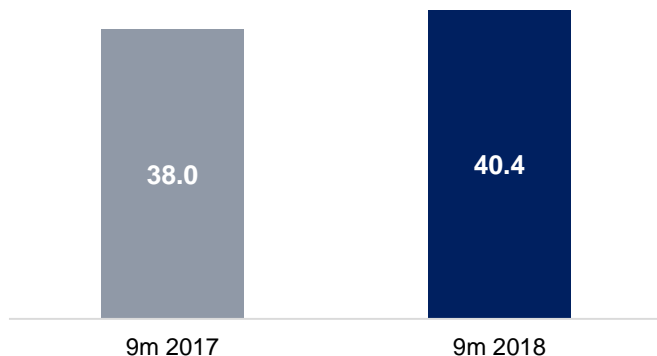
A400M

- Progress on military capabilities, deliveries and retrofit
- Delivering against objectives set in February as part of the DOI framework
- Working with OCCAR and nations on turning DOI into contract amendment

9M 2018 FINANCIAL PERFORMANCE

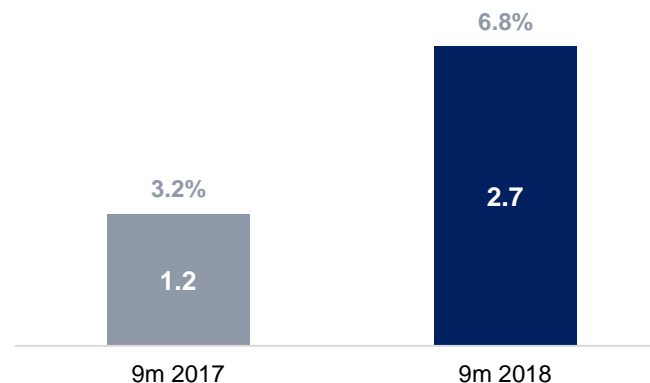
Revenues

in € bn



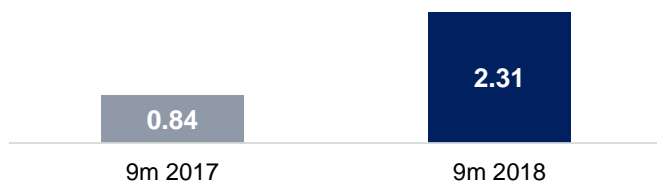
EBIT Adjusted

in € bn / RoS (%)



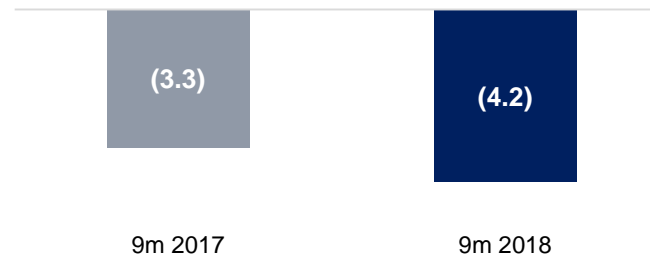
EPS⁽¹⁾ Adjusted

in €



FCF before M&A and Customer Financing

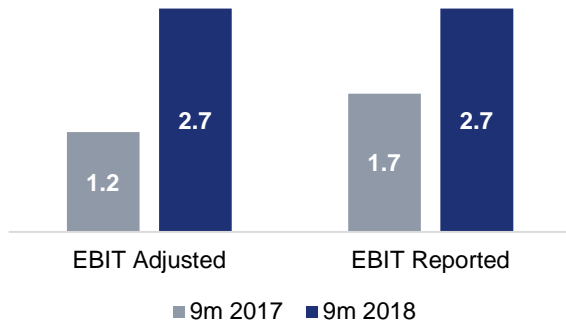
in € bn



(1) 9m 2018 Average number of shares: 774,762,268 compared to 773,574,878 in 9m 2017
Capitalised R&D: €61 m in 9m 2018 and €203 m in 9m 2017
2018 figures include A220, consolidated into Commercial Aircraft as of July 1st
2017 figures are amended with IFRS15 restatements

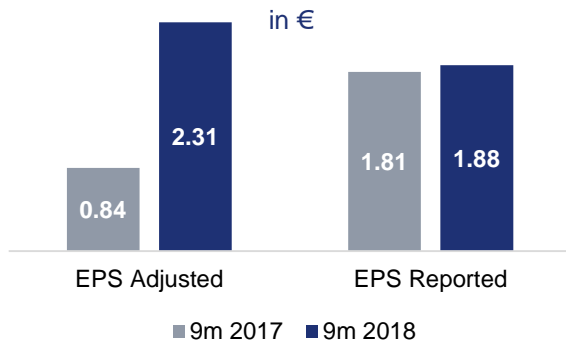
9M 2018 PROFITABILITY

EBIT Performance



- 9m 2018 EBIT Reported of €2.7 bn
- 9m 2018 Adjustments resulting from:
 - € - 105m A400M provision
 - € - 23m First H160s
 - € - 109m Compliance / Others
 - € + 26m PDP mismatch / BS revaluation
 - € + 156m Airbus DS Capital Gain
 - € - **55m Net Adjustments**

EPS Performance

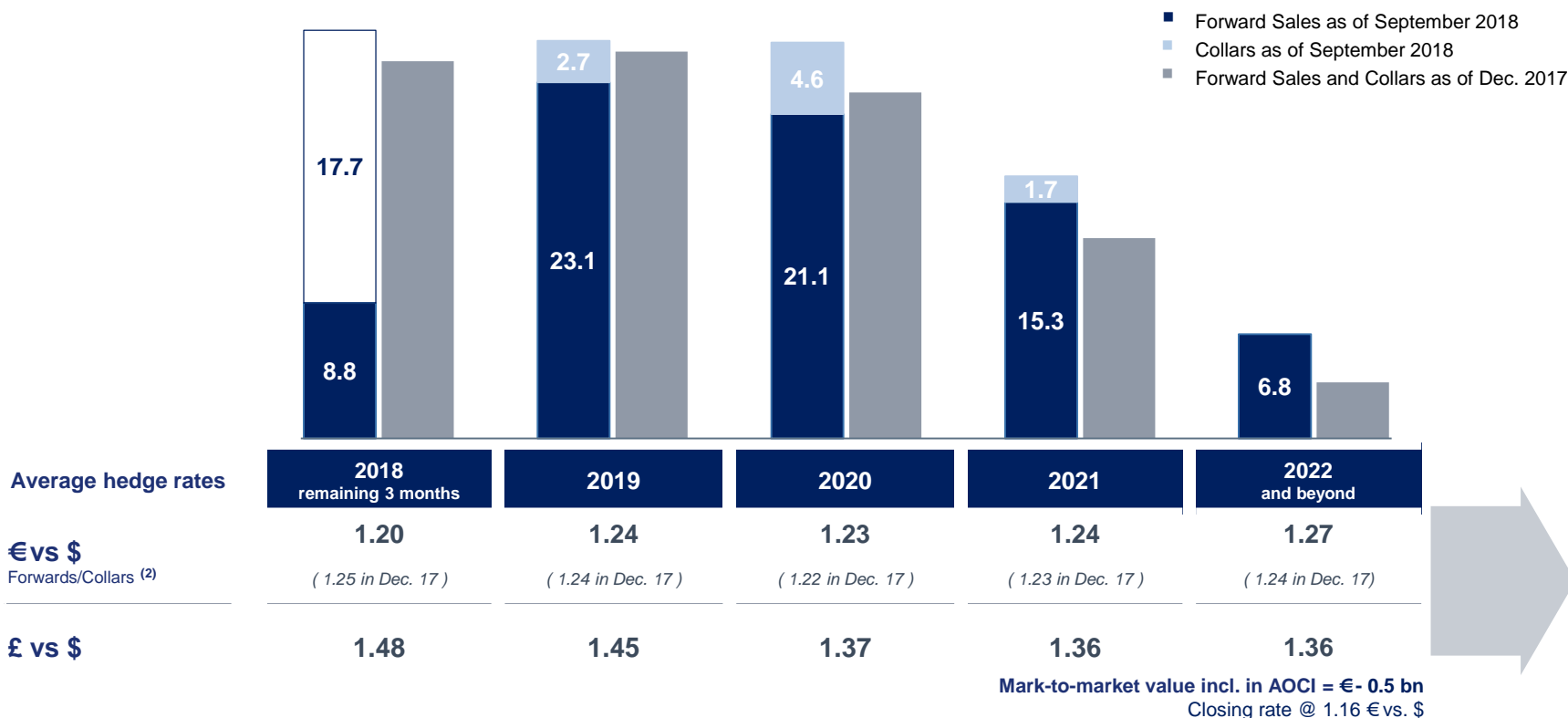


- 9m 2018 Net Income of €1,453 m
- 9m 2018 Net Income Adjusted of €1,792 m
- 9m 2018 tax rate on core business is 28%

Average number of shares: 9m 2018 = 774,762,268 ; 9m 2017 = 773,574,878
2018 figures include A220, consolidated into Commercial Aircraft as of July 1st
2017 figures are amended with IFRS15 restatements

CURRENCY HEDGE POLICY

IN \$ BILLION

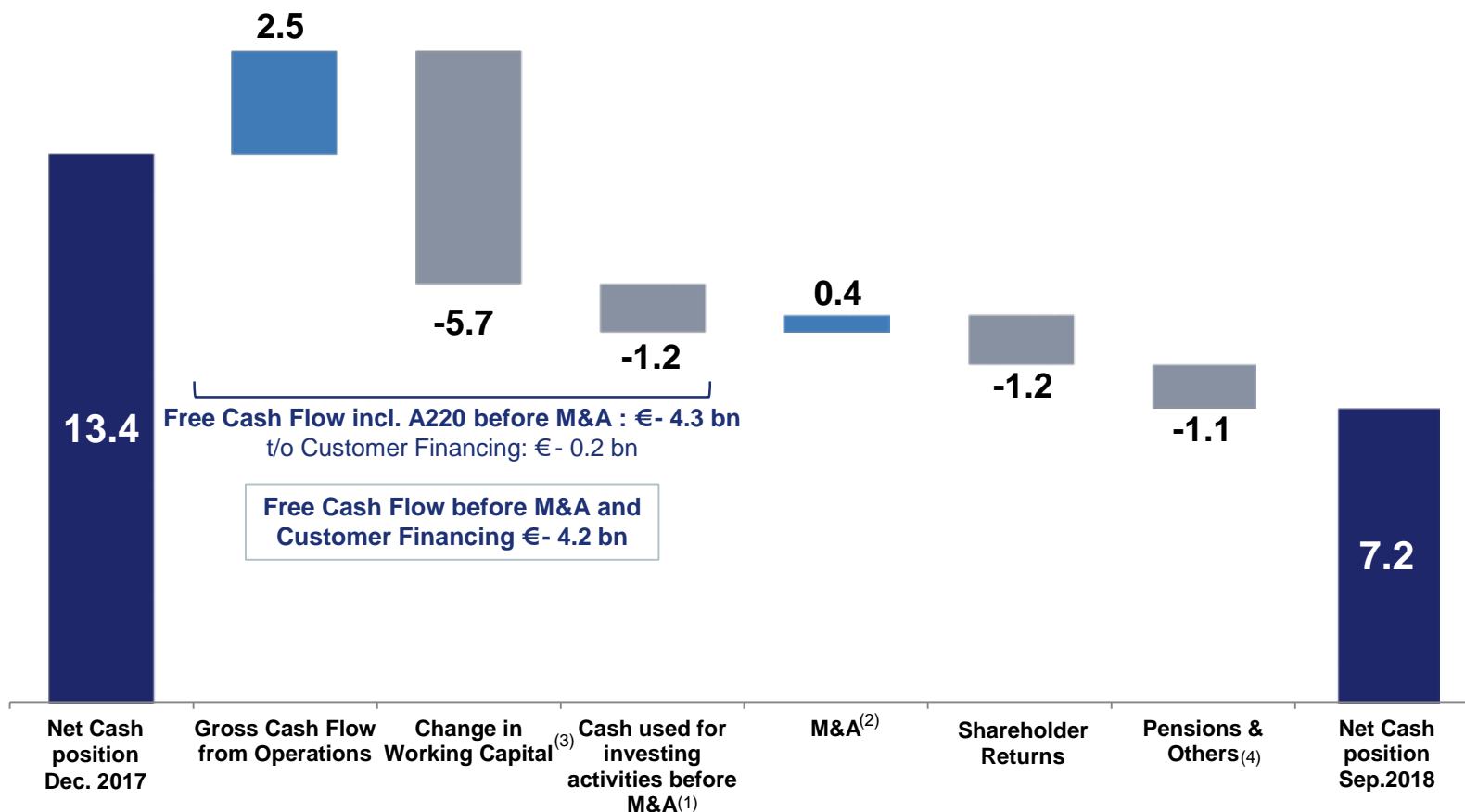


- In 9m 2018, \$ 13.2 bn⁽¹⁾ of new Forwards were added at an average rate of € 1 = \$ 1.26
- \$ 17.7 bn⁽¹⁾ of hedges matured at an average rate of € 1 = \$ 1.26
- Hedge portfolio⁽¹⁾ 30 September 2018 at \$ 84.1 bn (vs. \$ 88.7 bn in Dec. 2017), at an average rate of \$ 1.23⁽²⁾
- In 9m, \$ 3.6 bn of hedges rolled-over intra-year in 2018 to align with backloaded delivery profile

2018 figures include A220, consolidated into Commercial Aircraft as of July 1st
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

9M 2018 CASH EVOLUTION

IN €BILLION



- Pension funding of € 1.0 bn in Q3
- Early debt repayments of € 1.6 bn, no impact to net cash
- Net cash impact of A220 integration covered by C-SALP funding agreement

2018 figures include A220, consolidated into Commercial Aircraft as of July 1st

(1) Thereof Capex of €- 1.4 bn; (2) M&A transactions include acquisitions and disposals of subsidiaries and businesses

(3) Thereof Customer Financing of €- 0.2 bn; (4) Including C-Series A/C Ltd. Partnership (C-SALP) funding arrangement

2018 GUIDANCE

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 in 2018, now including around 18 A220 aircraft and the updated commercial aircraft delivery schedule
- On that basis:
 - Before M&A, Airbus maintains expected EBIT Adjusted of approximately €5 bn in 2018
This includes a lower expected reduction in EBIT Adjusted from A220 than estimated in H1
 - Airbus expects Free Cash Flow before M&A and Customer Financing to be lower than the 2017 level of €2.95 bn. This also reflects an expected reduction of approximately €-0.3bn from A220
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

KEY PRIORITIES

- Focus on 2018 deliveries
- Preparing the future:
 - Ramp up
 - Innovation
 - Management transition
- EPS / FCF growth

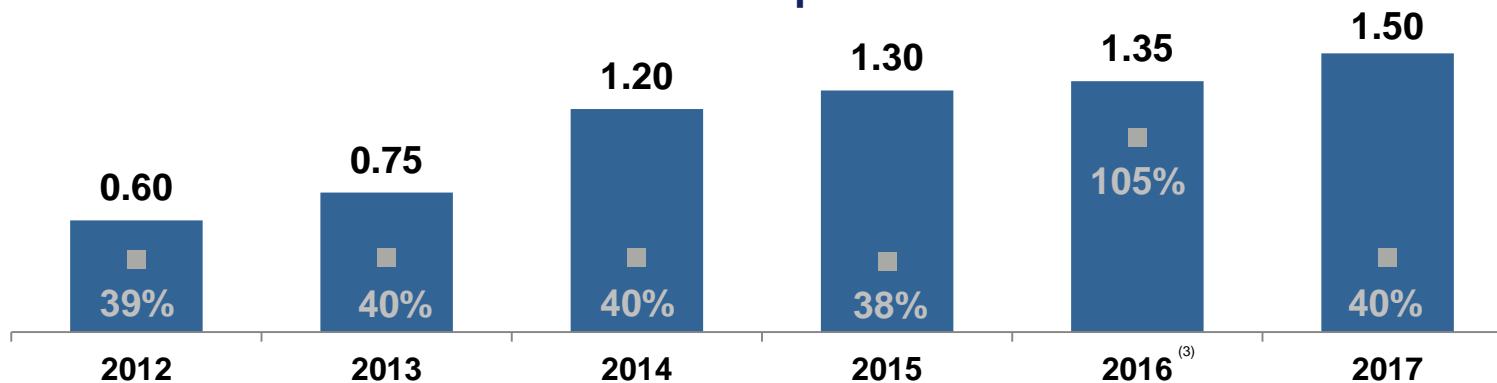


COMMITMENT TO CASH GENERATION & SHAREHOLDER RETURNS

2012 - 2017



Dividend per Share



Financial flexibility protected: Net Cash of €14 bn
Increased liquidity: Gross Cash of €25 bn⁽⁴⁾

(1) incl. €4 bn M&A
 (2) of which €6 bn of Dividend and €3 bn of Share Buyback
 (3) Increased exceptionally to deliver sustained dividend growth per share
 (4) as of 31 Dec 2017

DELIVER EPS & FCF GROWTH POTENTIAL

2017 - 2020



* A400M will continue to weigh in 2018 and 2019
 Box sizes for illustration purpose only