
AIRBUS

9M 2019

ROADSHOW PRESENTATION

November 2019



AIRBUS

SAFE HARBOUR STATEMENT

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 2018 Airbus SE Registration Document dated 29 July 2019, 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.

AIRBUS AT A GLANCE – AS OF FY18

Consolidated Airbus

External Revenue by Division



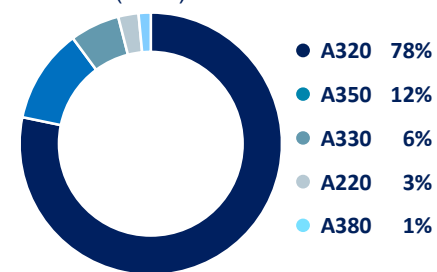
- Airbus 74%
- Helicopters 9%
- Defence and Space 17%

Airbus



Passenger Aircraft, Freighter Conversion, Services

Deliveries by Programme (units)

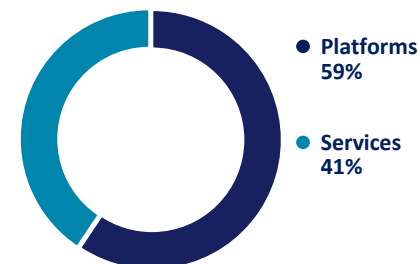


Helicopters



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

External Revenue Split

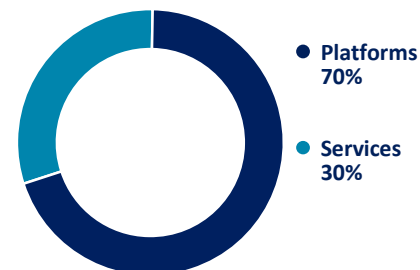


Defence and Space



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

External Revenue Split



9M 2019 HIGHLIGHTS

- Solid commercial aircraft environment
- 9m financials mainly reflect A320neo ramp-up and progress on A350
- Focus on ACF ramp-up and a more efficient delivery flow in 2019 and beyond
- 2019 Guidance updated to reflect latest delivery and FCF outlook; EBIT Adjusted guidance maintained

9M 2019 COMMERCIAL POSITIONING

Consolidated Airbus Order Book

by Division

		9m 2019
Airbus (in units)	Order Intake (net)	127
	Order Book	7,133
Helicopters (in units)	Order Intake (net)	173
	Order Book	681
Defence and Space (in € m)	Order Intake (net)	6,064

Consolidated Airbus External Revenue

by Division



● Airbus	76%
● Helicopters	7%
● Defence and Space	17%

- **AIRBUS:** 303 gross orders, incl. 90 in Q3. 127 net orders in 9m. Backlog: 7,133 a/c
- **HELICOPTERS:** 173 net orders, incl. 12 H135 in Q3
- **DEFENCE AND SPACE:** Order intake € 6.1 bn, incl. key contract wins in Space

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9M 2019

ROADSHOW PRESENTATION

Market
Demand

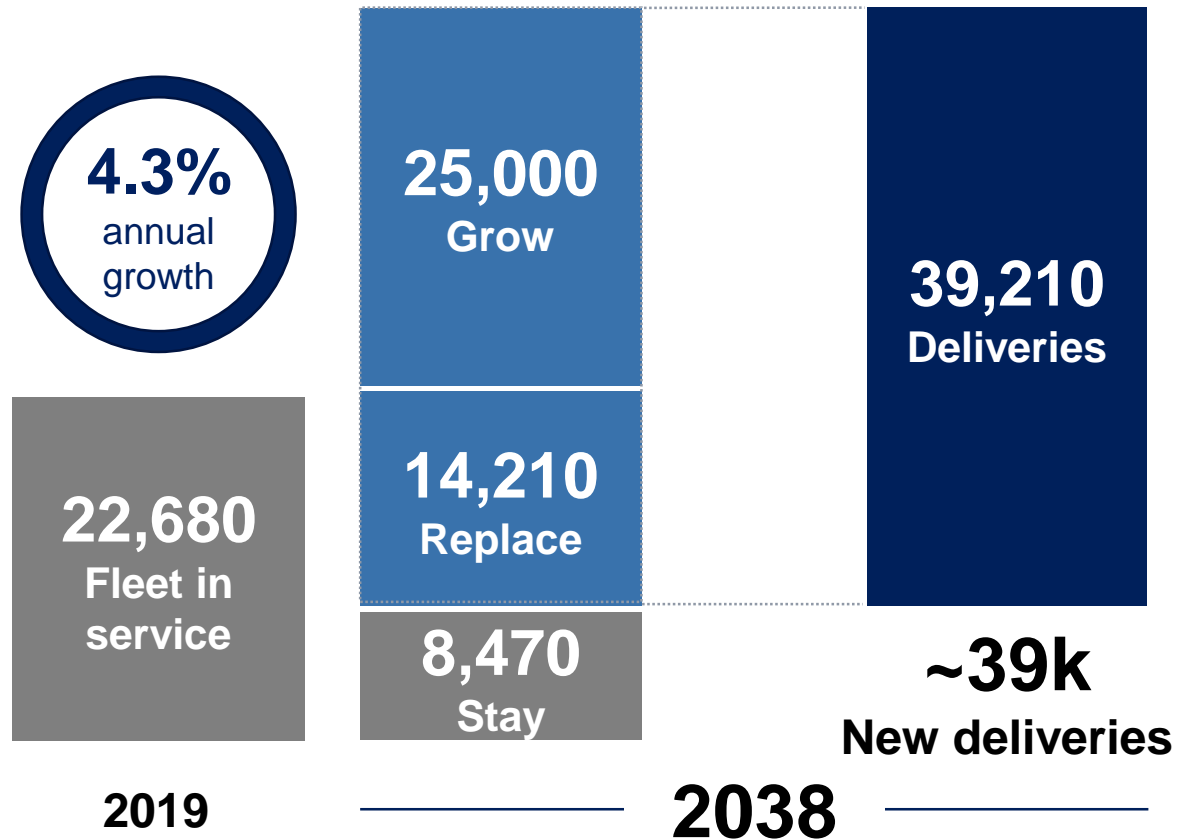
Product
Positioning

9M 2019
Review



AIRBUS

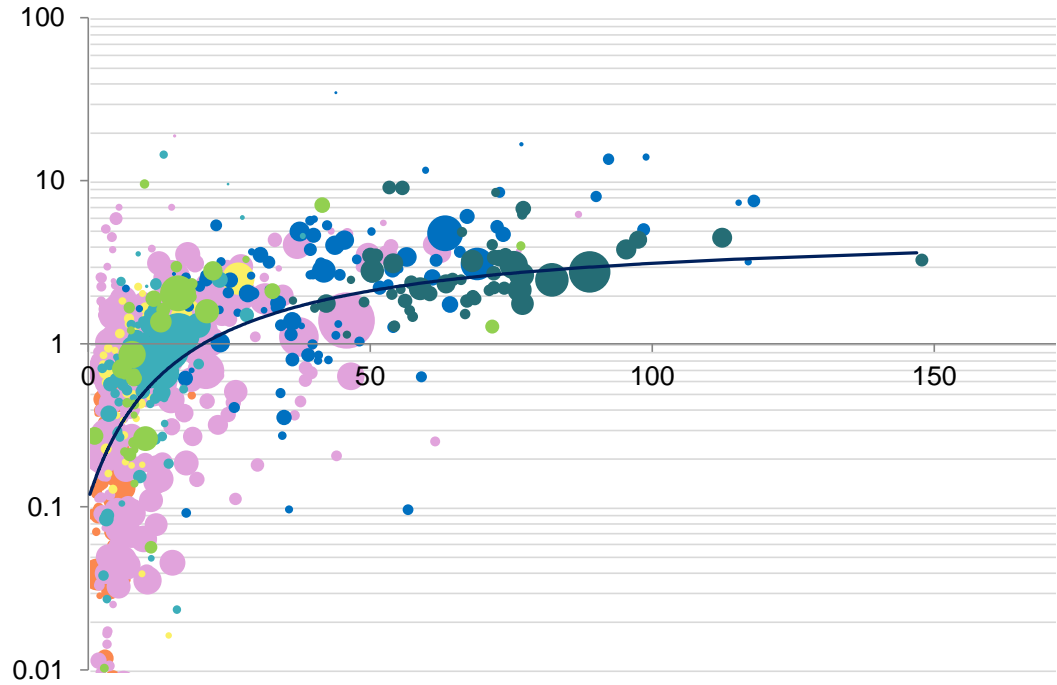
A ROBUST COMMERCIAL AIRCRAFT ENVIRONMENT



Strong & Resilient passenger traffic growth:
 ~40% of deliveries for replacement, ~60% for growth

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

2018 trips per capita



Bubble size proportional to population

- Africa
- Asia/Pacific
- CIS
- Europe
- Latin America
- Middle East
- North America

2018 real GDP per capita
(2015 \$US thousands at Purchasing Power Parity)

Source: Sabre, IHS Markit, Airbus GMF 2019
Equivalent amount of passengers flying from/to/within the country

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9M 2019

ROADSHOW PRESENTATION

Market
Demand

Product
Positioning

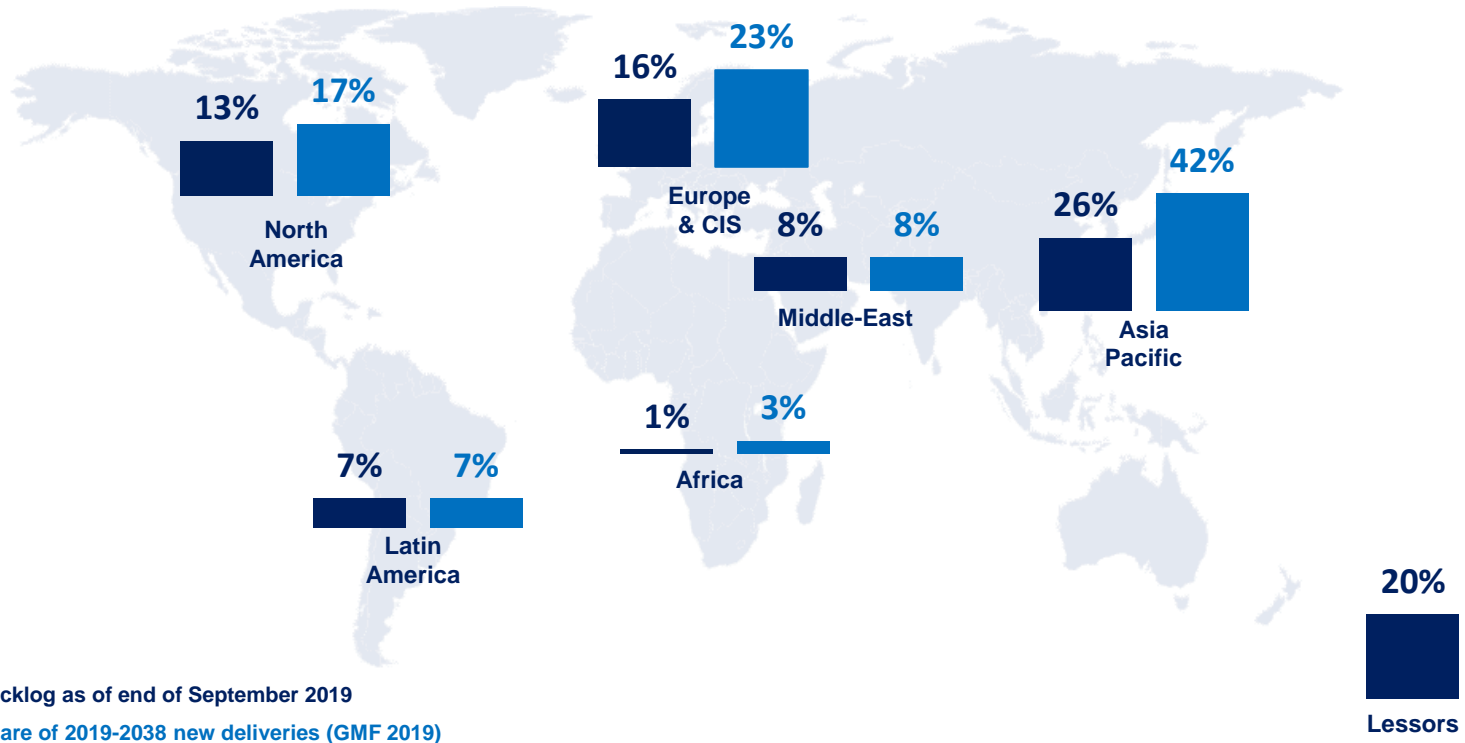
9M 2019
Review



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COMPETITIVE AIRCRAFT PORTFOLIO UNDERPINS RECORD BACKLOG

Solid and well diversified Backlog*
7,133 aircraft



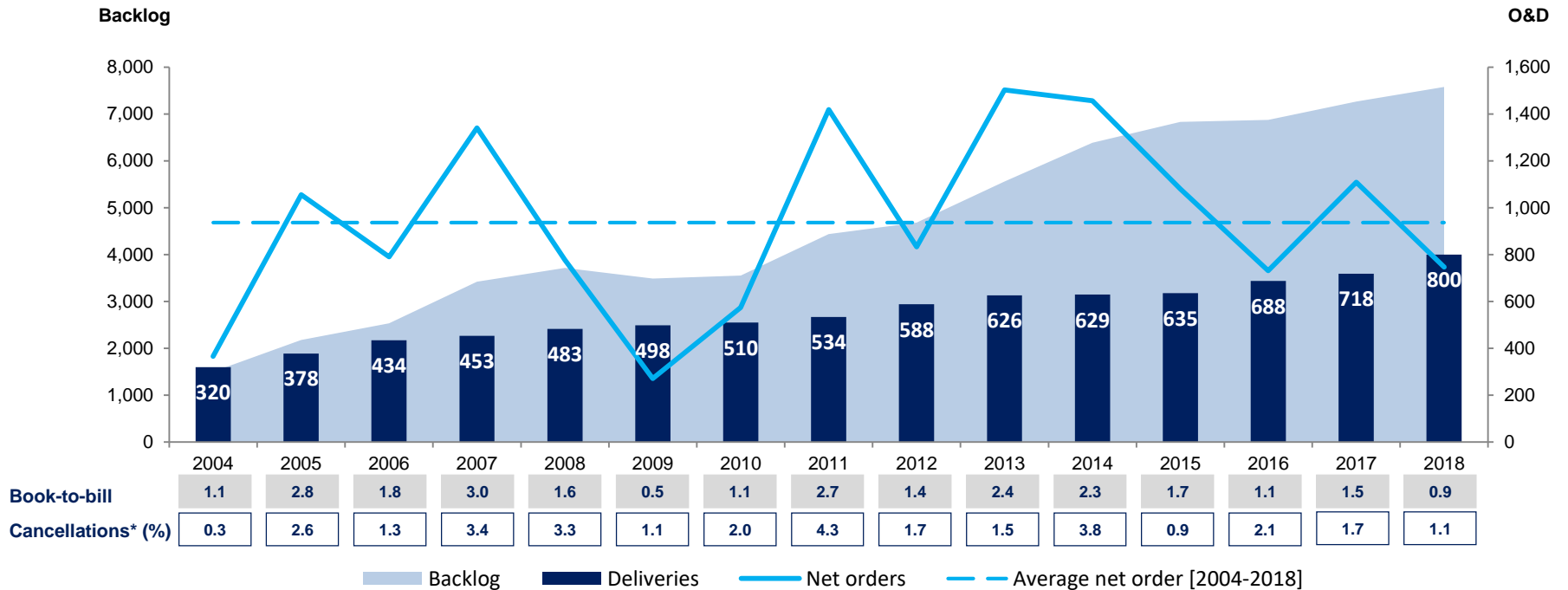
% Backlog as of end of September 2019
 % Share of 2019-2038 new deliveries (GMF 2019)

20%
 Lessors

Airbus backlog* aligned with regional needs and demand forecast

* Commercial aircraft
9% of undisclosed customers

STEADY RAMP-UP IN A ROBUST COMMERCIAL ENVIRONMENT



Growing backlog while ramping-up deliveries to meet customer demand



* Cancellations (excluding conversions) / backlog

HELICOPTERS: MARKET AND PRODUCT POSITIONING

CIVIL & PARAPUBLIC



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

MILITARY AIRCRAFT



- Military market supported by growing Defence budgets
- Successful campaigns in 2018

MARKET

PRODUCTS

- 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

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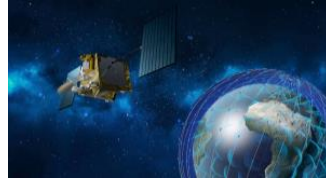
DEFENCE AND SPACE: MARKET AND PRODUCT POSITIONING

MILITARY AIRCRAFT



- Geopolitical instability leading to increased security needs
- Defence spending at all time high with further growth expected
- Defence investment cycles to kick-start in European markets

SPACE SYSTEMS



- Space spending on the rise
- Dynamic shift of space market (new space economy, constellations, exploration)
- Future ambitions of national space agencies and ESA

CIS*



- National sovereignty demands digital solutions, secured connectivity and cyber protection
- Security and information as a service
- Disruptive business driven by AI, Big Data and Advanced Analytics

UAS*



- Strong need for investment and promising growth potential
- New multi-national European collaborative programme
- Services verticals will offer increasingly interesting prospects

MARKET

PRODUCTS

- Strategic Air Mobility, Tactical and Multi-Mission Military Aircraft
- Evolution of Combat Air Systems (Future Combat Air Systems)
- Expanding services business with focus on digitalisation

- Telecommunications, Earth Observation, Navigation and Science Satellites
- Constellations (e.g. OneWeb)
- Manned and unmanned space systems for orbital infrastructure
- On-Orbit Services Solutions

- Develop and scale digital services and solutions
- Cyber Security (Stormshield)
- Intelligence (C5ISR, Pléiades Neo & OneAtlas)
- Secure Connectivity (Network For The Sky)

- MALE Intelligence, Surveillance & Reconnaissance needs (European Male)
- Solar powered High Altitude Pseudo Satellite (Zephyr)
- UAS turnkey service solution
- Urban Air Mobility

Strengthening core product portfolio and expanding the smart-digital services business

*CIS: Communication, Intelligence and Security

*UAS: Unmanned Aerial Systems

LEVERAGING DIGITAL IN ALL AREAS OF OUR BUSINESS

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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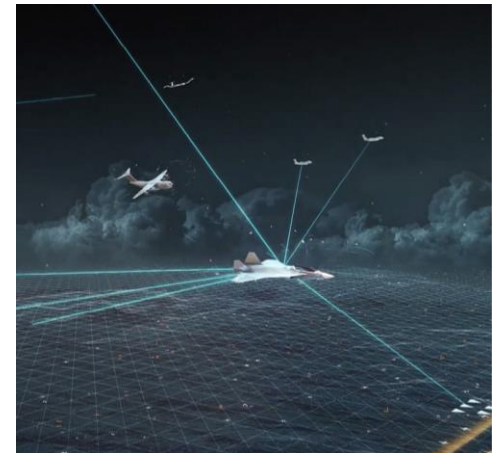
9M 2019

ROADSHOW PRESENTATION

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KEY PROGRAMME UPDATE



A220

- Programme fully consolidated into Airbus since July 1st 2018.
- 90 aircraft in operation. Backlog of 435 aircraft.
- Focusing on commercial momentum, production ramp-up and cost reduction.



A320

- Backlog of 5,700+ aircraft supports our ramp-up.
- Progressing on A321 ACF ramp-up which remains challenging.
- Focusing on securing a more sustainable delivery flow towards R63 in 2021.
- Continuing to study potential further rate increases beyond 2021.



A330

- Backlog of 278 aircraft. Progressing on Neo transition with 26 deliveries in 9m'19.
- A330-800 Type Certification expected early 2020.



A350

- Backlog of 601 aircraft. Production stabilized at around 10 a month.
- Good progress on recurring cost convergence.
- On track to reach our breakeven target in 2019.



A380

- Progressing on Programme wind-down and securing in-service support for the next decades

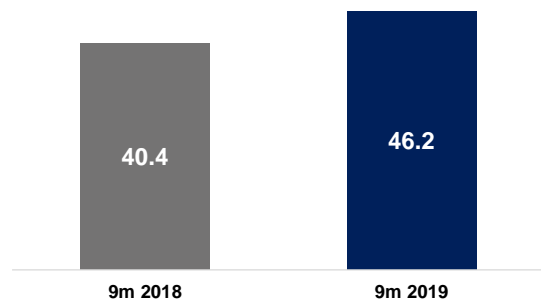


A400M

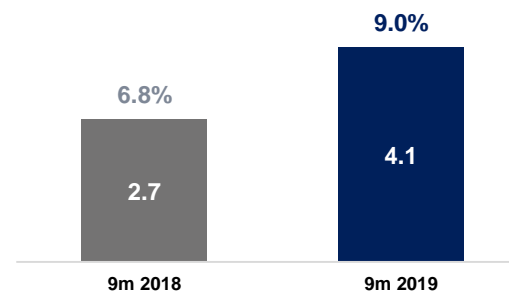
- In-service fleet: 84 aircraft.
- Several key milestones towards full capability achieved in Q3'19
- Continuing with development activities as agreed in the revised capability roadmap
- Retrofit activities progressing in line with the customer agreed plan
- Challenges remain, particularly on exports.

9M 2019 FINANCIAL PERFORMANCE

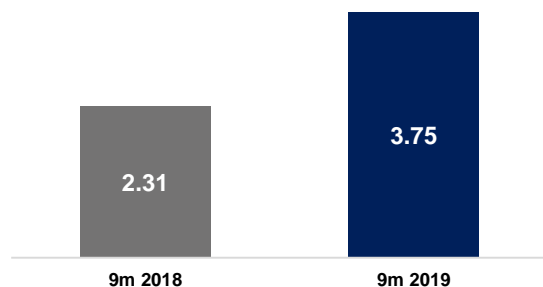
Revenues
in € bn



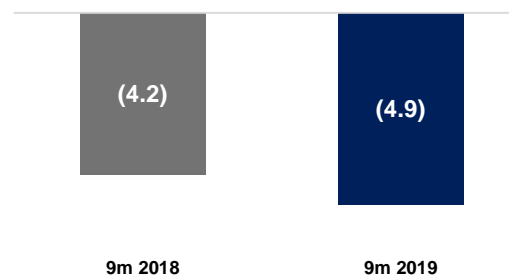
EBIT Adjusted
in € bn / RoS (%)



EPS⁽¹⁾ Adjusted
in €



FCF before M&A and Customer Financing
in € bn

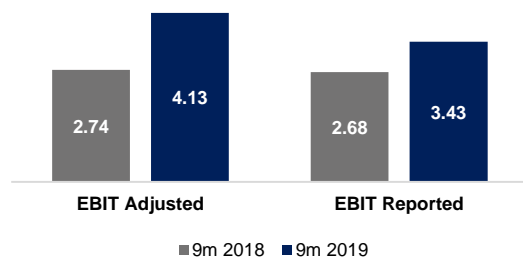


(1) 9m 2019 weighted average number of shares: 776,697,534 compared to 774,762,268 in 9m 2018
Capitalised R&D: € 78 m in 9m 2019 and € 61 m in 9m 2018
2018 figures include A220, consolidated into Airbus as of 1 July 2018

9M 2019 PROFITABILITY

EBIT Performance

in € bn



■ 9m 2019 **EBIT Reported** of € 3.4 bn

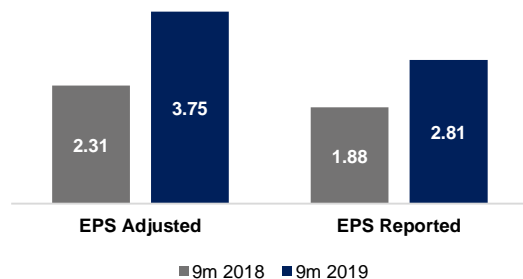
■ 9m 2019 EBIT Adjustments resulting from:

- € – 253 m PDP mismatch / BS revaluation
- € – 221 m Defence export ban
- € – 158 m A380 programme cost
- € – 70 m Others

■ 9m 2019 **Net Adjustments** of € – 702 m

EPS⁽¹⁾ Performance

in €



■ 9m 2019 **Net Income** of € 2,186 m

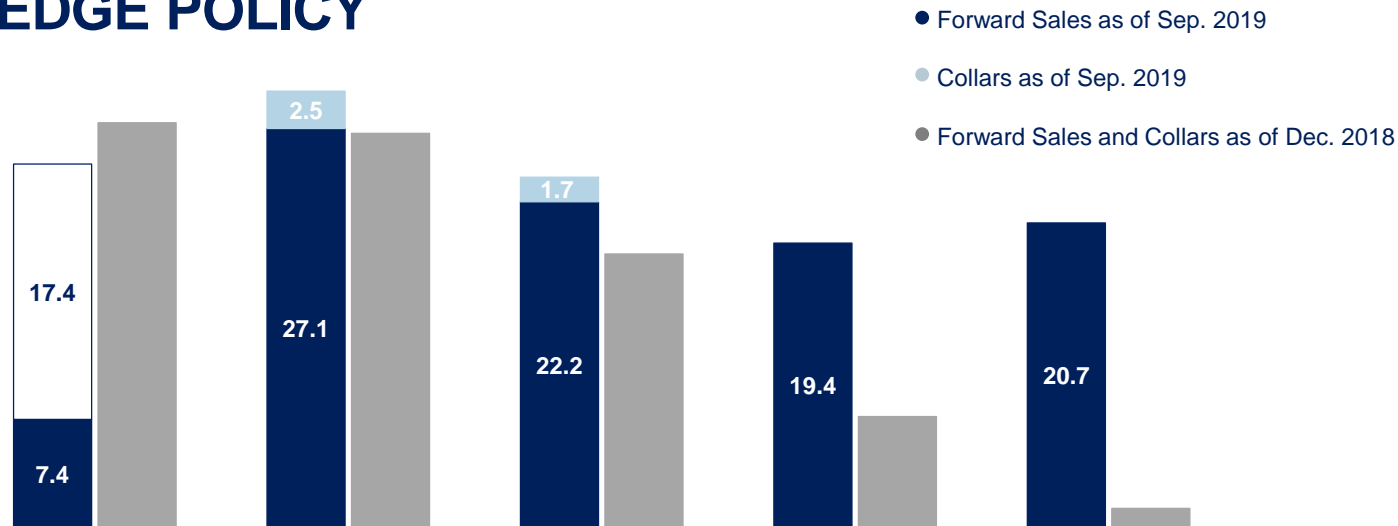
■ 9m 2019 **Net Income Adjusted** of € 2,912 m

■ 9m 2019 tax rate on core business is 27%

(1) 9m 2019 weighted average number of shares: 776,697,534 compared to 774,762,268 in 9m 2018
Capitalised R&D: € 78 m in 9m 2019 and € 61 m in 9m 2018
2018 figures include A220, consolidated into Airbus as of 1 July 2018

CURRENCY HEDGE POLICY

IN \$ BILLION



Average hedge rates	2019 remaining 3 months	2020 FY	2021 FY	2022 FY	2023 and beyond
€ vs \$ Forwards/Collars ⁽²⁾	1.20 ⁽¹⁾ (1.23 for FY19 in Dec. 18)	1.21 (1.23 in Dec. 18)	1.23 (1.24 in Dec. 18)	1.23 (1.27 in Dec. 18)	1.24 (1.30 in Dec. 18)
£ vs \$	1.30	1.37	1.36	1.35	1.40

■ In 9m 2019, \$ 37.5 bn⁽²⁾ of new Forwards were added at an average rate of € 1 = \$ 1.21

■ \$ 17.4 bn⁽²⁾ of hedges matured at an average rate of € 1 = \$ 1.26

■ Hedge portfolio⁽²⁾ 30 September 2019 at \$ 101.0 bn (vs. \$ 81.9 bn in Dec. 2018), at an average rate of \$ 1.22⁽³⁾

■ In 9m, \$ 5.1 bn of hedges rolled over intra-year to align with backloaded delivery profile

■ In addition, \$ 3.4 bn of hedges rolled over from 2019 into 2020

Mark-to-market value incl. in AOCI = € - 5.5 bn
Closing rate @ 1.09 € vs. \$

Approximately 60% of Airbus US\$ revenues are naturally hedged by US\$ procurement. Graph shows US\$ Forward Sales and Collars
Hedge rates reflect EBIT impact of the US\$ hedge portfolio

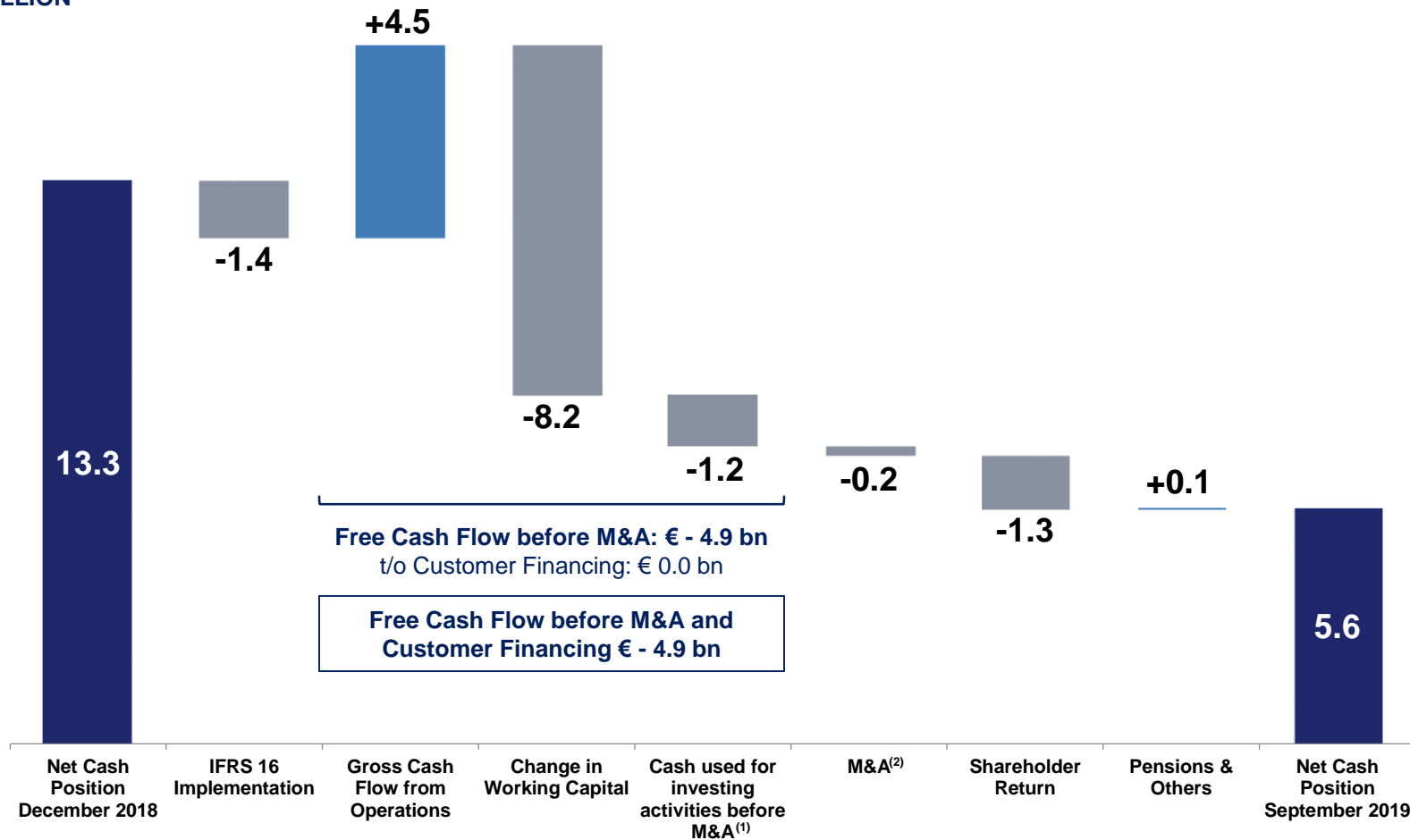
(1) Full year 2019 hedge rate expected at an average rate of € 1 = \$ 1.24 as of 30 September 2019;

(2) Total hedge amount contains \$/€ and \$/£ designated hedges; (3) Blended Forwards and Collars rate includes Collars at least favourable rate

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9M 2019 CASH EVOLUTION

IN € BILLION



■ IFRS 16 implemented 1 January 2019

(1) Thereof Capex of € - 1.5 bn

(2) M&A transactions include acquisitions and disposals of subsidiaries and businesses

2019 GUIDANCE

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

Airbus 2019 Earnings and FCF guidance is before M&A

- Airbus now targets around 860 commercial aircraft deliveries in 2019, which reflects the updated delivery schedule

- On that basis:
 - Airbus maintains its expected increase in EBIT Adjusted of approximately +15% compared to 2018

 - Airbus now expects FCF before M&A and Customer Financing of approximately € 3 bn

KEY PRIORITIES

- Focus on deliveries in 2019 and beyond
- Ramp-up A320neo, including ACF
- Improve A350 margins
- Improve programme execution across businesses
- Services, Digital and Innovation



Deliver Earnings and FCF growth potential

DELIVER EPS & FCF GROWTH POTENTIAL

2018 - 2021



- * A400M will continue to weigh until 2021.
 - ** A220 will continue to weigh until 2021. Partnership funding arrangement not included in FCF
- Box sizes for illustration purpose only