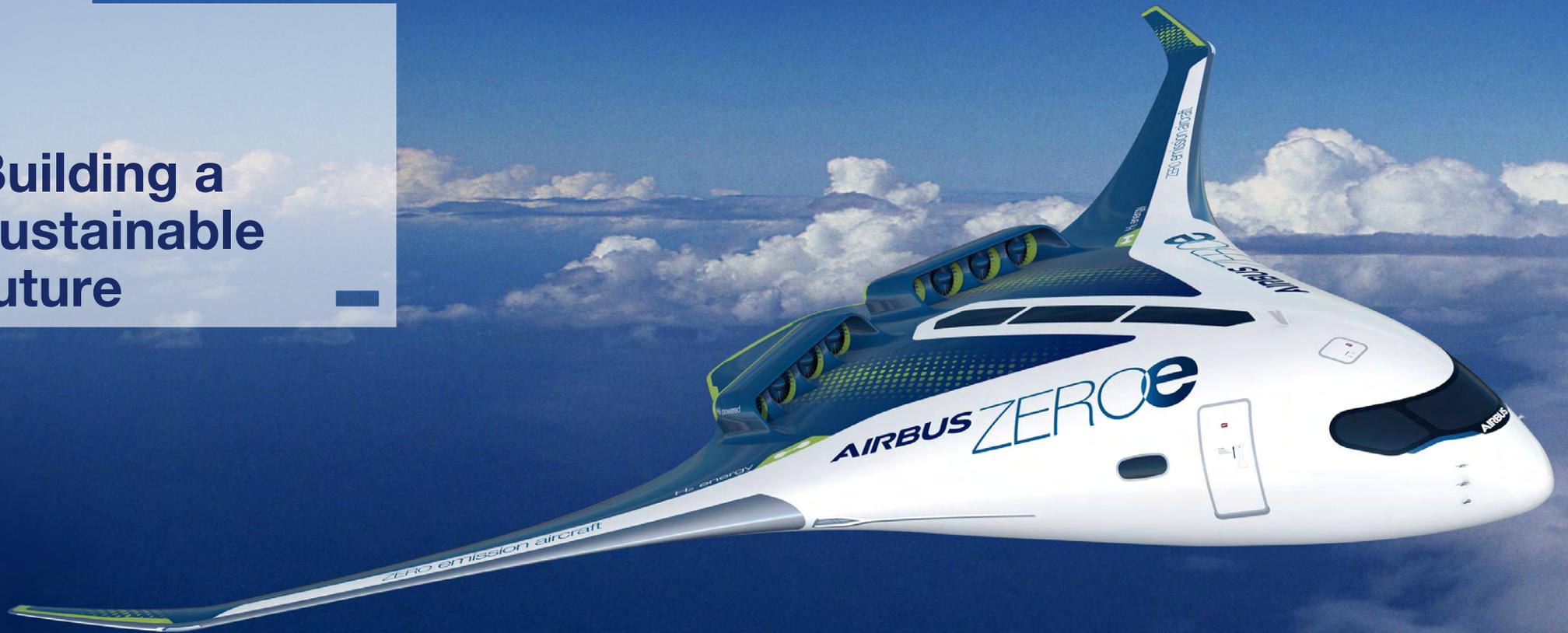


# Building a sustainable future



# Pioneering sustainable aerospace for a safe and united world

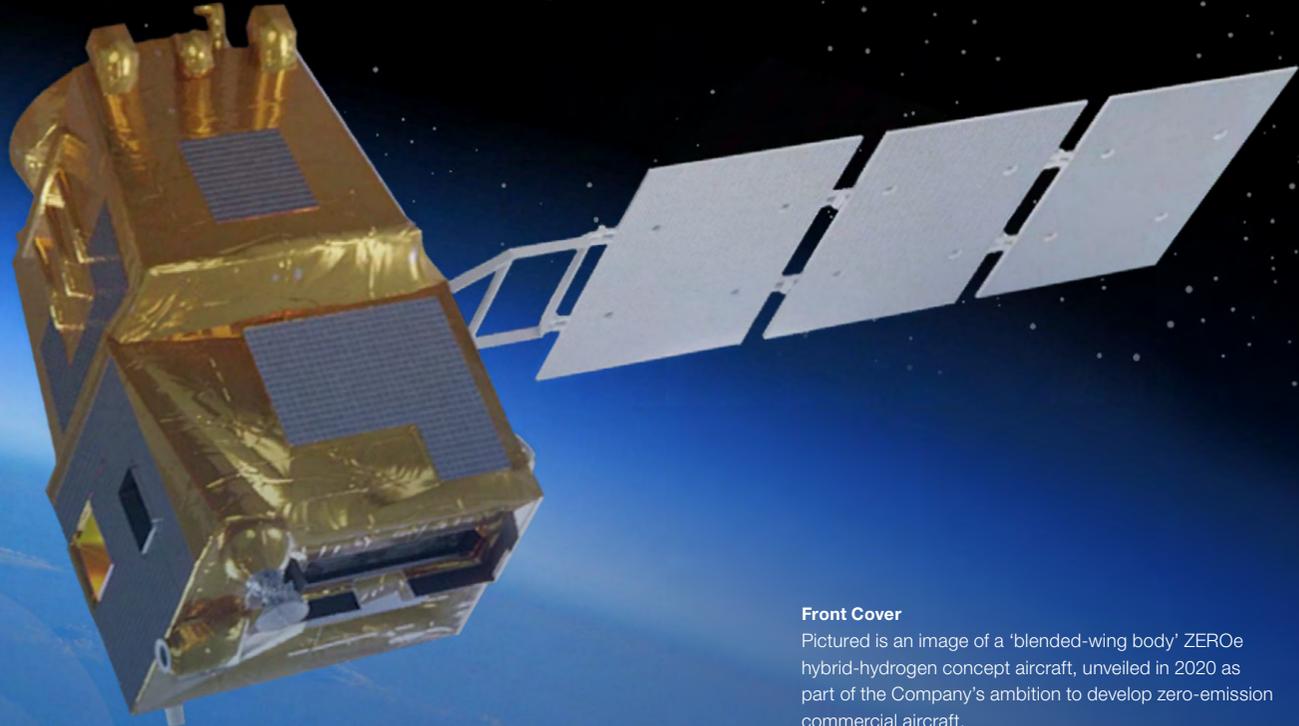
2020 was a challenging year for our industry, stakeholders, and broader society.

At Airbus, we navigated the year by asking ourselves how 'we pioneer sustainable aerospace for a safe and united world'.

The year was a test of our resilience – of our operations and our values – and we are proud to have withstood this test, by remaining agile and focused on our purpose.

In this report, you'll learn how we responded to:  
**Support** our stakeholders and industry  
**Adapt** our business and plans  
**Innovate** for a sustainable future, and  
**Lead** our industry in the decades ahead

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**Front Cover**

Pictured is an image of a 'blended-wing body' ZEROe hybrid-hydrogen concept aircraft, unveiled in 2020 as part of the Company's ambition to develop zero-emission commercial aircraft.

**This page**

In 2020, Airbus Defence and Space was selected by the European Space Agency to be the prime contractor for the new Land Surface Temperature Monitoring (LSTM) mission. LSTM is part of Copernicus, the European Union's Earth observation programme for global monitoring.

Where applicable, 'Airbus' refers to commercial aircraft and the integrated functions while 'the Company' refers to Airbus SE together with its subsidiaries.

# Key events of 2020



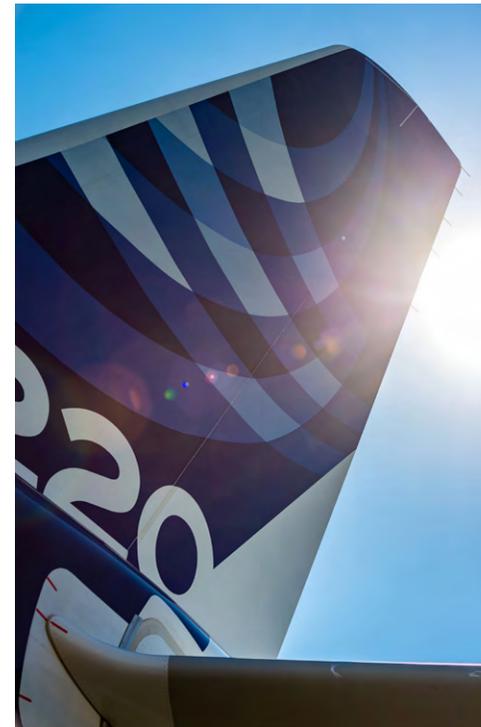
## Wide-ranging response to the COVID-19 crisis

The Company deployed its resources and expertise to assist the global fight against the pandemic. This included the use of commercial and military aircraft to transport vital products such as face masks and the production of specialist protective equipment. Airbus also supported aircraft operators with the logistical challenge



of transporting vaccines and changing cargo demand. Great lengths were taken to ensure business continuity, starting with the adaptation of working facilities and practices for the safety of employees and customers. Initiatives such as the 'e-delivery' process helped operators to accept fixed- and rotary-wing aircraft while complying with COVID-19 health and safety measures. The Company adapted its commercial aircraft activities and strengthened its liquidity position to safeguard its future.

2020 was a year when the Company reacted quickly and took measures to navigate the COVID-19 crisis. It still achieved some significant operational and commercial milestones and continued to enhance its portfolio and progress on sustainability topics.



## 2020 deliveries include first US-built A220

The year's commercial aircraft delivery tally of 566 included a number of important milestones. The first A220 assembled in the US was delivered from Mobile, Alabama, while deliveries of the A330-800 version of the A330neo widebody airliner started following certification. The delivery of the 1,500th ever A330 Family aircraft also took place.



## Leading in reconfigurable satellites

Airbus Defence and Space's next-generation OneSat telecommunication satellites saw continued success during the year. More contracts were announced, showing the Company's lead in this important market sector. By adjusting its coverage area, capacity and frequency while in-orbit, these satellites can meet evolving mission scenarios.



**More success in military aircraft**

A contract was signed to supply 38 new Eurofighter aircraft for the German Air Force, securing production until 2030 for the strategic pan-European programme. The Tranche 4 Eurofighter is the most modern European-built combat aircraft and its technical capabilities will allow full integration into the key Future Combat Air System programme.



**Development of A321XLR progresses**

The A321XLR's industrialisation and related parts production gathered pace across Airbus sites and the wider supply chain. Major component assembly of the first forward fuselage, centre and rear fuselage sections and the wings is due to begin in 2021. The fuel-efficient A321XLR delivers an unprecedented single-aisle airliner range of up to 4,700 nautical miles.



**Key new helicopters certified**

Two important helicopters were certified by the European Union regulator, further increasing the competitiveness and capability of the product line. The multi-role twin engine H160 is suitable for a wide range of missions and is also one of the most environmentally friendly helicopters in its class. The five-bladed light twin-engined H145 offers operators an increased payload compared to the previous version. The H145 model was also certified by US authorities.



**Further steps towards decarbonising flight**

The Company prioritised research into carbon-neutral technologies to move towards more sustainable air travel. With the ambition to develop the world's first zero-emission commercial aircraft by 2035, ZEROe concept aircraft were revealed. A variety of hybrid-electric and hydrogen technology options are now being explored together with other focus areas like sustainable aviation fuels.

# Resilience

## and adaptability



**René Obermann**  
Chairman

**In his first annual message since becoming Chairman in April 2020, René Obermann outlines the Board of Directors' key priorities and activities during the year. He also discusses the 2021 Annual General Meeting.**

“In such a testing year, Airbus’ broad portfolio provided some protection.”

**Dear shareholders, Dear stakeholders,** 2020 was a testing year dominated by COVID-19. The pandemic reached nearly every nation on Earth, exacerbated divides in society and hit already vulnerable people the hardest. It also raised huge challenges for business and political leaders and particularly those people working on the front line, such as in hospitals, schools and factories.

For the whole aviation sector it was an extremely challenging year, as it was for Airbus and its highly committed and qualified people. In a matter of weeks we were confronted with potentially serious implications on the business model and needed to adapt to this unprecedented situation. The Board was impressed by how quickly management moved to safeguard the Company.

Starting with ensuring the safety of employees, the Company then bolstered its liquidity, adjusted production rates to an appropriate level, contained spending and resized the commercial aircraft

activities. These measures were designed to ensure Airbus could sustain a prolonged downturn and still be well positioned to capture the market recovery. The actions taken were wide-ranging and proved to be the right ones to help to stem the cash outflow in the second half of the year.

Aside from COVID-19, there were other geopolitical impediments to overcome, including tariffs related to a World Trade Organization dispute and Brexit-related uncertainties. Both these topics were closely monitored by the Board and the necessary mitigation actions by management were supported.

During the crisis it became even clearer how important a close dialogue is with governments. We truly appreciate the progress made and support they gave for the industry’s whole ecosystem, from the partial unemployment schemes through to investment in research and technology.

In such a testing year, Airbus’ broad portfolio provided some protection. While the commercial aircraft activities were significantly impacted by the pandemic, Airbus Defence and Space and Airbus Helicopters provided support.

Commercial aircraft deliveries declined, although the final tally was broadly in line with the revised production plan. Airbus Helicopters’ earnings were bolstered by its governmental-related activities while Airbus Defence and Space booked some important orders, including the purchase of Eurofighter jets by Germany and new generation telecommunications satellites.

“The Board was impressed by how quickly management moved to safeguard the Company.”

Despite the crisis, your Company never lost sight of its ambitions and the important programmes that will be crucial to securing its future, including zero-emission technologies. Going forward, Airbus will play a leading role in the most important transformation aviation has ever seen towards a sustainable industry sector.

It is both a privilege and honour for me to serve as Chairman of the Board of Airbus and I am truly grateful for the support my predecessor and industry expert Denis Ranque gave me in assuming this role. The crisis had just begun when this transition happened and I am particularly glad to work with Board colleagues who have such high levels of experience and dedication to help the Company navigate through these challenging times. The necessity of moving mostly to virtual meetings did not hamper the Board's decision making. Unfortunately, site visits weren't possible due to the travel restrictions.

The health situation in the Netherlands meant that the 2020 AGM had to be scaled back significantly although the strong engagement of shareholders was evident in the high number of votes by proxy. Two new non-executive directors were appointed to the Board for the standard term of three years. Mark Dunkerley and Stephan Gemkow were carefully selected for their expertise in aviation and finance.

The Board Committees had a busy year. Notably, the Audit Committee supported the financial and operational measures the Company took to adapt to the pandemic. The Remuneration, Nomination and Governance Committee addressed a number of important topics including the executive remuneration structure and succession planning.

Sustainability is now deeply ingrained in the Company's purpose and is truly becoming part of its DNA. During 2020, the Ethics and Compliance Committee had its remit extended to include Sustainability and became the Ethics, Compliance and Sustainability (EC&S) Committee. There is now a dedicated Sustainability and Environment organisation within the Company and the sustainability agenda is also reinforced by influencing executives' variable remuneration. The EC&S Committee also oversaw the actions taken to comply with the terms of the agreements reached with the French, UK and US authorities at the beginning of 2020, resolving their investigations into historic compliance cases.

Given the continuation of the crisis, preserving the Company's liquidity and financial strength is key and this is why we hope for your understanding that there is no dividend proposed for 2020. We kindly ask you as shareholders for your continued support in this volatile environment. In line with the principle of staggered Board appointments, I will stand for re-election as a non-executive director at the 2021 AGM, along with my colleagues Victor Chu, Jean-Pierre Clamadieu and Amparo Moraleda.

It remains for me to thank the entire team at Airbus for their continued dedication, especially those most affected by the crisis. On behalf of the Board, I'd also like to underline our support to the management team, who performed an outstanding job in steering Airbus through this historic crisis in 2020.

**René Obermann**  
Chairman of the Board

“Sustainability is now deeply ingrained in the Company’s purpose and is truly becoming part of its DNA.”

**Board of Directors**

As of 1 January 2021



**René Obermann**  
Chairman of the Board of Directors, Airbus SE



**Guillaume Faury**  
Chief Executive Officer, Airbus SE



**Victor Chu**



**Jean-Pierre Clamadieu**  
Chairman of Ethics, Compliance and Sustainability Committee



**Ralph D. Crosby, Jr.**



**Lord Paul Drayson**



**Mark Dunkerley**



**Stephan Gemkow**



**Catherine Guillouard**  
Chair of Audit Committee



**Amparo Moraleda**  
Chair of Remuneration, Nomination and Governance Committee



**Claudia Nemat**



**Carlos Tavares**

■ Audit Committee  
■ Remuneration, Nomination and Governance Committee  
■ Ethics, Compliance and Sustainability Committee

# Leading

## through challenging times



**Guillaume Faury**  
Chief Executive Officer

**Guillaume Faury discusses the key steps taken during 2020 to navigate the challenge of the COVID-19 pandemic. He outlines the operational and financial performance and explains how the Company is progressing with its sustainability strategy.**

### **Q. What are your key takeaways from 2020?**

Early in the year, COVID-19 transformed our business environment overnight. The story of 2020 swiftly became one of resilience and adapting to large-scale change, with the first priority being the safety of employees under stricter sanitary conditions.

In commercial aviation, we changed the size of our business to reflect the new reality facing the industry, with a 40% reduction in production. But we also kept one eye on the future: continuing to pursue our long-term strategic priorities, while protecting our ability to ramp-up production again when better times return. Our Helicopters and Defence and Space businesses were a strong support, which shows the strength of the whole Airbus team and the importance of having a diverse portfolio.

I'm proud that, despite the crisis, we made 2020 a year of progress for Airbus in sustainable aerospace and accelerated the implementation of our decarbonisation roadmap.

### **Q. How would you sum up the operational performance?**

It was probably as good as was reasonably possible in the new uncertain environment. In these challenging times, the engagement and creativity of our teams across the Company have been amazing. We've also seen tremendous solidarity across the aerospace sector, with customers, suppliers and key partners.

By reducing rates early on in the crisis, we were able to converge commercial aircraft production and deliveries in the second half of the year. We obviously delivered fewer aircraft than in 2019 due to the new

environment. Through some innovative initiatives like 'e-deliveries' our teams could safely navigate health and travel restrictions and enable customers to take delivery of their aircraft. Even though the order intake fell, the backlog remained above 7,000 aircraft at year-end.

In Helicopters, deliveries included the first five-bladed H145 following certification during the year. That was an important milestone, as was European certification for the highly capable H160 which is due to enter service during 2021. The strong earnings performance was driven by governmental activities and reliable programme execution. Defence and Space saw a strong upturn in order intake, including important Eurofighter business and telecommunication satellite contracts. Despite the pandemic's challenges, all scheduled A400M deliveries were achieved and progress continued on the aircraft's capabilities.

Even though the pandemic forced us to scale back spending on non-critical activities, we protected key current and future programmes that will be vital for the coming years and decades. This of course includes the single-aisle A321XLR, which stands to play a key future role in the passenger air travel market's recovery, along with the H160, OneSat satellites and European defence projects. And, we mustn't forget our new but equally important concepts for zero-emission aircraft: ZEROe.

### **Q. How were the financials and what's the outlook?**

The actions we took earlier in the year to adapt and contain cash burn really delivered an improved financial performance in the second half. Due to the depth of the crisis and the new market environment, we had to take the difficult decision to start resizing the commercial aircraft business.

The related headcount adaptation affected many of our colleagues, including some who had worked for the Company for decades, but we have strived to find solutions wherever possible to limit the social impact. I also thank our government partners which helped us to preserve expertise and know-how through a number of measures during this exceptional crisis.

**"I'm proud that, despite the crisis, we made 2020 a year of progress for Airbus in sustainable aerospace."**

Free cash flow for the year was negative but we ended 2020 in a positive net cash position after a stronger final quarter. This reflected the solid aircraft deliveries during Q4, the good performance of the Helicopters and Defence and Space businesses and a strong focus on working capital management.

Looking ahead, ours and the wider aerospace industry's prospects for 2021 are closely linked to the evolution of the pandemic, effectiveness of the vaccine programmes and the related travel restrictions. We aim to start ramping up A320 Family production in the second half of 2021, albeit at a slower rate than initially planned.

Our guidance for 2021 provides some visibility in this volatile environment. It will of course be another challenging year but we will act quickly whenever needed to reflect the changing landscape.

**Q. How has Airbus progressed with its sustainability goals?**

Despite COVID-19, we even accelerated our sustainability plans in 2020. Throughout the pandemic, we at Airbus have shown that our role in society matters more than ever. I'm impressed by how our employees have come together to fight the pandemic and support the emergency services.

Meanwhile, our aircraft, including the MRTT and A400M, have flown patients and transported vital medical equipment while many of our colleagues in the UK worked as part of the consortium to manufacture ventilators for the National Health Service.

We are committed to leading sustainable aviation. We intend to build the world's first zero-emission airliner, by 2035. But, sustainability also means having safety, quality, integrity and compliance as the foundations of all we do and remaining competitive by having the most innovative and efficient products to ensure we can continue to invest for the future.

Our purpose – pioneering sustainable aerospace for a safe and united world – will continue to guide us through this crisis and beyond. Our aircraft will bring people together after the crisis and help kickstart the economic recovery. Our helicopters will continue to save lives and support the emergency services. Our defence business will make the world a safer place. Our satellites will play a growing role in connecting the world, while supporting the fight against climate change. And our efforts to lead the decarbonisation of the aviation sector will allow people to continue flying around the world, but not at the expense of the planet or future generations.

**Guillaume Faury** pictured during the roll-out of the final A380 after assembly.



“Even though the pandemic forced us to scale back spending on non-critical activities, we protected key current and future programmes.”

**Executive Committee**

As of 1 January 2021



**Guillaume Faury**  
Chief Executive Officer, Airbus SE



**Dominik Asam**  
Chief Financial Officer



**Thierry Baril**  
Chief Human Resources Officer



**Jean-Brice Dumont**  
Executive Vice-President Engineering



**Bruno Even**  
Chief Executive Officer, Airbus Helicopters



**John Harrison**  
General Counsel



**Dirk Hoke**  
Chief Executive Officer, Airbus Defence and Space



**Julie Kitcher**  
Executive Vice-President Communications and Corporate Affairs



**Philippe Mhun**  
Executive Vice-President Programmes and Services



**Christian Scherer**  
Chief Commercial Officer and Head of Airbus International



**Michael Schöllhorn**  
Chief Operating Officer



**Grazia Vittadini**  
Chief Technology Officer

# Support

Supporting the global fight against COVID-19 was a key activity during 2020. The Company also focused on ensuring the health and safety of employees and implemented new working standards and processes where required. By using its aircraft and other resources, it contributed to the development, sourcing and ferrying of medical equipment, including facemasks and ventilators, in support of health services. Some facilities were transformed into production lines to manufacture essential equipment, including in the UK where Airbus joined the Ventilator Challenge UK programme to build vital ventilators. The Company also supported the global effort for safe COVID-19 vaccine transportation by air.



# Adapt

The Company quickly adapted its operations and business practices to reflect the new COVID-19 market environment as well as travel and health restrictions. Commercial aircraft production rates were reduced to a level that preserved Airbus' ability to meet customer demand while protecting its ability to further adapt as the global market evolves. Cost containment was also a key focus across the Company. An innovative 'e-delivery' solution was developed that minimised the need for customers' teams to travel to receive aircraft, including helicopters. This solution accounted for more than 25% of the 2020 commercial aircraft deliveries.

# Innovate

Despite COVID-19, the Company retained its strong focus on innovation to shape a sustainable aerospace industry that is autonomous, connected and zero-emission. Innovation is also pivotal to sustaining a competitive edge. The year saw the launch of new concepts as well as progress on technology demonstrators. ZEROe concept aircraft were unveiled to explore a variety of configurations and technologies, including hydrogen, to develop future zero-emission aircraft. The CityAirbus demonstrator progressed as part of Airbus Helicopters' technology road-map for zero-emission flight and urban air mobility. Airbus Defence and Space continued its focus on innovations for future defence programmes.



# Lead

By delivering current programmes and progressing with innovative future technologies, the Company aims to retain its leading market position in the coming decades. Sustainable aerospace means being competitive with the most efficient new products, ensuring strategic autonomy through defence programmes and also decarbonising aviation. In commercial aircraft, the A321XLR will further extend the performance of the A320neo Family while in helicopters, the H160 and five-bladed H145 will bolster the already strong market position. Airbus Defence and Space is involved in key defence programmes to ensure Europe's strategic autonomy while innovative products like OneSat are providing a competitive edge in the telecommunications satellite market.



# Sustainability

## is a continued priority

**2020 was a landmark year for sustainability, as the Company made pioneering sustainable aerospace a strategic goal in line with its purpose: We pioneer sustainable aerospace for a safe and united world.**

Sustainability helps both the Company's long-term success and its responsibility for meeting society's present needs without compromising those of future generations. For the Company, the term sustainability fully encompasses the notions of both responsibility and sustainability, in line with current business practices, and reflects a more comprehensive and integrated approach to the topic. Acting responsibly is a prerequisite to ensuring sustainability.

The Board Committee overseeing Ethics and Compliance broadened its scope in 2020 and became the Ethics, Compliance and Sustainability Committee, taking responsibility for embedding sustainability-related topics in strategy and objectives. The Company's progress on sustainability topics now represents an important part of its remuneration policy.

By adopting the United Nations' Sustainable Development Goals (SDGs) framework, the Company has embraced a shared blueprint for the future. The sustainability strategy was refined during the year to emphasise four core commitments linked to the SDGs. Goals for each of these commitments will be finalised in 2021, with clear targets and key performance indicators so that progress can be monitored. To accelerate the Company's sustainability initiatives, a new Sustainability and

Environment function was formed from the combination of two predecessor departments.

The four priority commitments in sustainability are as follows. The list also includes references to the relevant SDGs:

### Sustainability commitments

**1. Lead the journey towards clean aerospace** (SDG 9 Industry, innovation & infrastructure; SDG 12 Responsible consumption & production; SDG 13 Climate action; SDG 17 Partnerships for the goals)

The Company's foremost ambition as an aircraft manufacturer is to be a leader in the decarbonisation of aviation, as demonstrated by the unveiling in 2020 of the 'ZEROe' hybrid-hydrogen concept aircraft. A core ambition is to bring the world's first zero-emission commercial aircraft to market by 2035. The Company is also investing resources into examining and reducing the impact of its in-service products together with all actors in the sector. Reporting has been extended to include the in-use emissions of commercial aircraft delivered in 2019 and 2020 – known as the Use of Sold Products (Scope 3).

Turning to industrial operations, the High5+ initiative aims to reduce the footprint of all Airbus activities globally and across the supply chain. It has specific targets for 2030, against a 2015 base line, for cutting energy consumption, CO<sub>2</sub> emissions, water consumption, volatile organic compound emissions and waste production.

The Company has included targets of a 3% further reduction in CO<sub>2</sub> emissions and a 5% reduction in purchased water for 2021 as part of its top objectives compared to 2020.



### Commitment to the UN SDGs

**The Company continues to support the United Nations' Sustainable Development Goals (SDGs) by acting responsibly, leading sustainable innovation and partnering with stakeholders to set the standards in aerospace and defence.**

- 
**Quality education**  
 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.
- 
**Gender equality**  
 Achieve gender equality and empower all women and girls.
- 
**Decent work and economic growth**  
 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
- 
**Industry, innovation, and infrastructure**  
 Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.
- 
**Responsible consumption and production**  
 Ensure sustainable consumption and production patterns.
- 
**Climate action**  
 Take urgent action to combat climate change and its impacts.
- 
**Peace, justice and strong institutions**  
 Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.
- 
**Partnerships for the goals**  
 Strengthen the means of implementation and revitalise the global partnership for sustainable development.

**2. Respect human rights and foster inclusion**

(SDG 4 Quality education; SDG 5 Gender equality; SDG 8 Decent work & economic growth; SDG 16 Peace, justice & strong institutions)

During 2020, a new Human Rights Steering Committee was established, which provides strategic guidance to support related decision making. The Company continued its efforts to improve gender balance, including the number of women in management positions, as well as awareness of disability. Twenty-six percent of all new recruits were female during 2020. There are two female members of the Executive Committee and three female members of the Board of Directors. The Company also took part in programmes to promote quality education and mentorship for young people from socially deprived backgrounds.

**3. Build our business on the foundation of safety and quality**

(SDG 8 Decent work & economic growth; SDG 12 Responsible consumption & production)

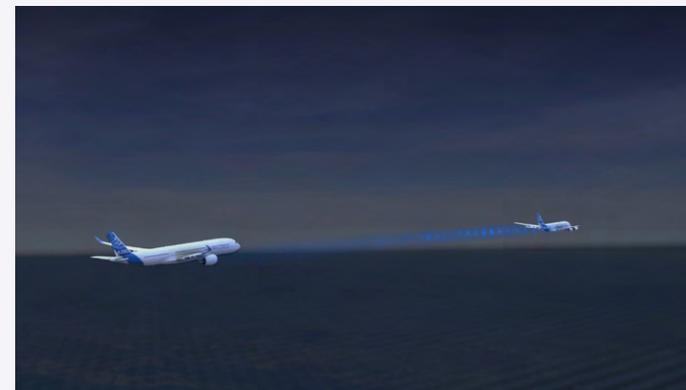
The Company's number one priority is the continued safe transport of everyone, and everything, that flies aboard its products. In 2020, a range of activities were pursued to promote a strong health and safety culture. Included was the People Safety at Work initiative, which deployed various packages at company sites focused on industrial changes and culture-change activities. During the year, considerable health and safety efforts were focused on the management of COVID-19 issues to safeguard employees' health and welfare. Despite the challenging environment, more than 103,070 hours of health and safety training were delivered to 37,599 individual employees between October 2019 and September 2020.

**4. Exemplify business integrity**

(SDG 16 Peace, justice & strong institutions)

Ethics and Compliance (E&C) continued to be a top priority, as it was in 2019 and 2018. In its list of priorities for 2020, the Company set the objective to: "Adapt our company and workforce to the crisis in a responsible manner that upholds our values, while ensuring health and safety and reinforcing our commitment to Ethics and Compliance." As in previous years, there was a strong focus on relevant training for employees. Between 1 October 2019 and 30 September 2020, employees followed 309,682 E&C e-learning sessions, including on bribery, corruption and export control. Additionally, 3,501 employees attended live classroom training on different E&C topics in 2020, the majority of which was delivered in virtual classrooms due to the pandemic.

More information about the Company's sustainability activities and strategy can be found in the Non-Financial Information section of the Universal Registration Document 2020.



**Partners join fello'fly initiative**

Airbus was joined by two airline customers and three air navigation service providers to demonstrate the operational feasibility of its fello'fly initiative. Imitating the behaviour of birds, which fly together to use as little energy as possible, flying an aircraft in the smooth updraft of another aircraft could reduce fuel consumption by 5-10% per trip.

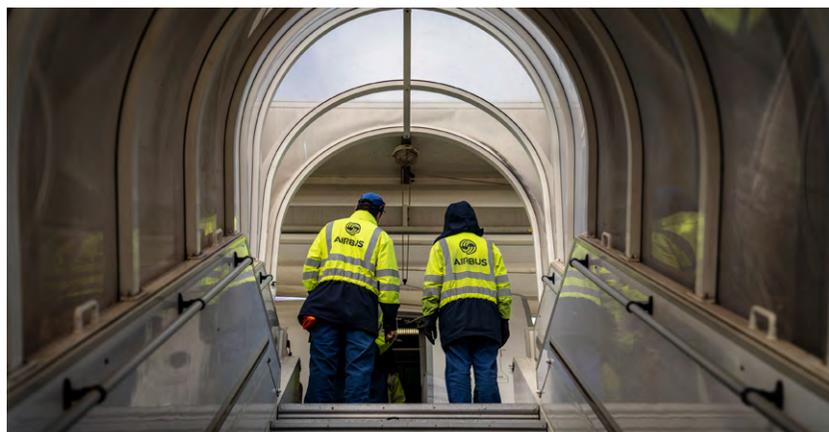


**Airbus Foundation's active year**

In a year when many children were forced to study from home, the Airbus Foundation launched its #AirbusDiscoverAtHome series on social media. It also continued to deliver aid to disaster zones. Following a major explosion, the Foundation and its partners sent a fully-loaded A350 to Beirut with 90 cubic metres of aid on board.

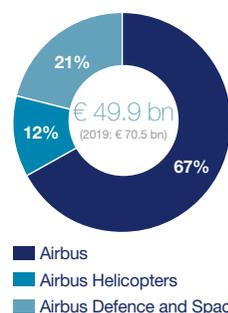
# A global leader

in aeronautics, space  
and related services



## Airbus SE

### External revenue split



### Order book in value by region



## Financial

### EBIT Adjusted (€ million)

1,706

(2019: 6,946)

### EBIT Reported (€ million)

-510

(2019: 1,339)

### Reported loss per share<sup>(1)</sup> (€)

-1.45

(2019: -1.75)

### Order intake (€ million)

33,290

(2019: 81,195)

## Non-Financial<sup>(2)</sup>

### Total energy consumption (GWh)

3,482

(Excluding electricity generated by CHP on site for own use)

### Health and Safety training hours (to 37,599 employees)

103,070

(October 2019 to September 2020)

### Ethics and Compliance e-learning sessions

309,682

(1 October 2019 to 30 September 2020)

### Number of employees

131,349

(2019: 134,931)

1. FY2020 average number of shares: 783,178,191 compared to 777,039,858 in FY2019.  
2. For further information see the Non-Financial Information section of the Universal Registration Document 2020.

# Airbus

**Commercial aircraft deliveries showed resilience and the year-on-year decline reflected the adverse market environment. 2020 still included a number of operational milestones.**

Airbus delivered 566 commercial aircraft (2019: 863 aircraft) to 87 customers. A total of 446 A320 Family aircraft were delivered, including 431 NEO versions compared to 551 NEOs in 2019. Additionally, customers received 38 A220s, 19 A330s, 59 A350s and 4 A380s.

Net commercial aircraft orders totalled 268 (2019: 768 aircraft). The A320 Family order intake included 37 A321XLRs. At year-end, the total order backlog stood at 7,184 commercial aircraft across all product ranges compared to 7,482 at the end of 2019.

Revenues decreased by 37% to € 34,250 million (2019: € 54,775 million), mainly reflecting the lower deliveries which declined by 297 aircraft year-on-year. EBIT Adjusted of € 618 million (2019: € 5,947 million<sup>1</sup>) mainly reflected the lower aircraft deliveries and lower cost efficiency. It also included COVID-19 related charges. Research and Development expenses declined by 13% to € 2,436 million (2019: € 2,816 million).

## Operational developments

Commercial aircraft production rates were revised downwards during the year to reflect the new COVID-19 market environment.

The innovative 'e-delivery' solution represented more than 25% of the 2020 deliveries. This allowed customers to receive aircraft while minimising the need for their teams to travel amid the COVID-19 pandemic.

Deliveries of the A330-800 began after the A330neo variant was certified by European Union and US authorities early in the year. A version of the A330-900 with a higher maximum take-off weight of 251 metric tonnes was also certified. During the year, the 1,500th ever A330 Family aircraft was delivered.

The first A220 assembled in the US was delivered from the facility in Mobile, Alabama, while the ACJ TwoTwenty business jet based on the A220 was formally launched. The development of the highly fuel-efficient long-range capable A321XLR continued.

The Final Assembly Line in Tianjin, China, delivered its 500th A320 Family aircraft, leveraging the Company's global footprint.

## Key achievements 2020

- 566 aircraft deliveries, showing resilience
- First US-assembled A220 delivered
- 1,500th A330 Family aircraft delivered
- A321XLR development progresses



**Deliveries (units)**

566

(2019: 863)

**Revenues (€ million)**

34,250

(2019: 54,775)

**Net order intake (units)**

268

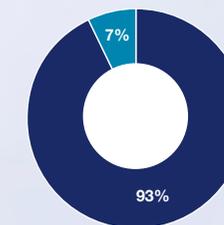
(2019: 768)

**EBIT Adjusted (€ million)**

618

(2019: 5,947<sup>1</sup>)

**External revenues by activity**



■ Services ■ Platforms

1. Previous year figures are restated to reflect the adoption of a new segment reporting structure for "Transversal" activities as of 1 January 2020.

# Airbus Helicopters

**The Division showed resilience, retaining its leading market position and reporting higher earnings. Meanwhile, two new models were certified and further steps were taken on innovation programmes.**

Airbus Helicopters maintained its top ranking in the civil and parapublic market, despite a challenging environment reflecting the economic consequences of the COVID-19 pandemic. Net orders totalled 268 helicopters (2019: 310 units), including 31 naval versions of the NH90 for Germany's Bundeswehr in the fourth quarter and 11 H160s. Orders for the best-selling H145 programme included 17 UH-72Bs for the US Army, the first versions equipped with the Fenestron tail rotor and Helionix avionics suite ordered by the customer.

In services, order intake included an HCare contract from the National Aeronautics and Space Administration (NASA) to support its fleet of H135 helicopters.

Total deliveries declined to 300 units (2019: 332 units) and included the initial five-bladed H145 helicopters and first NH90s for the Spanish Air Force. Revenues however rose by 4% to € 6,251 million (2019: € 6,007 million), benefitting from a favourable product mix and growth in services. EBIT Adjusted increased to € 471 million (2019: € 422 million), reflecting strong government-related activities, reliable programme execution as well as lower Research and Development (R&D) expenses.

In reaction to the pandemic, Airbus Helicopters mobilised to keep its military and civil customers

flying thanks to elevated levels of technical and logistics support, new distance learning solutions, and direct assistance in making protective equipment available to pilots and crews.

### Key new helicopters certified

The more capable five-bladed H145 was certified by both the European Union Aviation Safety Agency and US Federal Aviation Administration during the year. This latest upgrade of the H145 family increases the useful load of the helicopter by 150kg. European authorities also certified the flagship multi-role twin-engine H160 helicopter. Featuring the latest technological innovations, the H160 is able to perform missions such as offshore transportation, emergency medical services, business aviation and public services.

### Innovation projects progress

In 2020, innovation milestones included the first fully automatic flight of CityAirbus, a demonstrator that will play an important role in developing zero-emission flight and in preparing the future urban air mobility market. The VSR700, the rotary-wing unmanned aerial system, performed its first free flight in July 2020 and autonomous deck-landing trials at the end of the year.

### Key achievements 2020

- Leading position in civil and parapublic market retained
- First five-bladed H145 deliveries following certification
- H160 helicopter certified by EASA
- CityAirbus and VSR700 innovation projects reach milestones

**Deliveries (units)**

300

(2019: 332)

**Revenues (€ million)**

6,251

(2019: 6,007)

**Net order intake (units)**

268

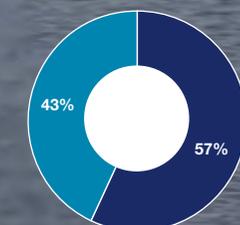
(2019: 310)

**EBIT Adjusted (€ million)**

471

(2019: 422)

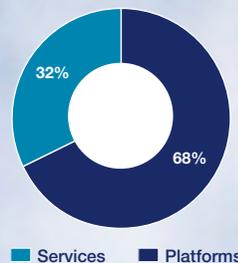
**External revenues by activity**



■ Services ■ Platforms

# Airbus Defence and Space

External revenues by activity



Order book (€ million)

33,505  
(2019: 32,263)

Revenues (€ million)

10,446  
(2019: 10,907)

Net order intake (€ million)

11,862  
(2019: 8,520)

EBIT Adjusted (€ million)

660  
(2019: 565)

**The Division supported the Company's overall performance, reporting higher order intake and earnings. Progress was made during the year on key European defence programmes.**

Airbus Defence and Space's net order intake increased by 39% to € 11,862 million (2019: € 8,520 million), representing a book-to-bill by value of above one. The performance was mainly driven by major contract wins in Military Aircraft, including an order for 38 new Eurofighter jets from Germany and the integration of ESCAN radars for existing German and Spanish Eurofighter fleets. In Space Systems, order intake growth was largely driven by telecommunication satellites and Earth observation and science activities. During the year, the UK Ministry of Defence placed a contract for the Skynet 6A military communications satellite.

Revenues of € 10,446 million (2019: € 10,907 million) mainly reflected lower volume as well as the impact of COVID-19 on business phasing, mainly in Space Systems. The revenue decrease at Space Systems also reflected the lower order intake of the past years. Underlying profitability, or EBIT Adjusted, increased to € 660 million (2019: € 565 million), mainly reflecting cost containment measures and lower Research and



Development expenses, partly offset by the impact of COVID-19, including on the launcher business.

A total of nine A400M military transporters were delivered, with Belgium taking delivery of its first of seven aircraft in December. The delivery to Belgium means all launch customers are now equipped with the airlifter. In Space Systems, the Solar Orbiter spacecraft and the ocean mapping satellite "Sentinel-6 Michael Freilich" were launched.

### Future programmes in focus

On Europe's Future Combat Air System programme, the Joint Concept Study and Phase 1A of the demonstrator portion progressed.

Meanwhile, negotiations for the Eurodrone unmanned aerial system progressed with the European defence procurement agency OCCAR.

### Key achievements 2020

- Germany orders 38 new Eurofighters
- Major telecommunication satellite contract wins
- Book-to-bill by value above 1
- Nine A400M aircraft delivered

# Navigating the challenge



**Dominik Asam**  
Chief Financial Officer

**Dominik Asam explains how the Company reacted to the challenge of the pandemic from his viewpoint as Chief Financial Officer. He also details the earnings and cash performance during 2020 and outlines his priorities going forward.**

## **Q. How was 2020 from your perspective as CFO?**

2020 was obviously overshadowed by COVID-19. Aside from the opening two months, the main focus during the year was on mitigating the impact of the pandemic on the business. At the same time we had to ensure the Company could retain the financial and operational flexibility needed to swiftly capitalise on any rebound and also achieve our longer-term goal of leading the development of a sustainable aerospace sector. The key challenge has been, and continues to be, to find the right balance between cash containment and cost reduction on the one side, and laying a solid base for a post COVID-19 recovery on the other.

Given the extent of the crisis we had to act quickly. In March 2020 we therefore took the important step of further bolstering our liquidity and launching immediate cash containment measures. This of course was followed by the additional steps of reducing aircraft production rates and resizing the commercial aircraft activities to address our long-term cost structure.

In tandem with the solid level of aircraft deliveries in the fourth quarter, these actions helped us mitigate the cash consumption we had in the first half of the year. Against a backdrop of the worst crisis ever to hit our industry, the 2020 financials reflect these efforts and the strong commitment of our employees and suppliers.

## **Q. What drove the financial performance?**

Starting firstly with the top line, revenues decreased by some 29% to € 49.9 billion mainly reflecting the difficult commercial aircraft market and the related lower deliveries. Our underlying profitability, or EBIT Adjusted, decreased sharply to € 1.7 billion, also reflecting the weaker commercial aircraft deliveries and some idle costs. Additionally, it included charges recorded due to impairments and write-offs triggered by the pandemic.

If we look across the business lines, the two Divisions partly offset the weaker EBIT Adjusted performance within the commercial aircraft activity. Helicopters registered a double-digit percentage rise, reflecting its strong government-related business, reliable programme execution and reduced R&D expenses. Despite the headwind from COVID-19, its EBIT Adjusted profit margin increased to 7.5% in 2020 from 7.0% in 2019. Defence and Space also recorded double-digit percentage growth in EBIT Adjusted, but this mainly reflected cost containment and lower R&D, partly offset by the impact of COVID-19, including on launchers.

After including net negative Adjustments of about € -2.2 billion, we ended up with an EBIT reported of € -0.5 billion. The main charges here were € -1.2 billion related to the Company-wide restructuring plan, some € -385 million related to A380 programme cost and € -480 million from the pre-delivery payment mismatch and balance sheet revaluation, driven by the strong devaluation of the US dollar. All in all, we ended 2020 with a net loss of € -1.1 billion and a reported loss per share of € -1.45.

“Given the extent of the crisis we had to act quickly.”

**Q. How was the cash performance?**

Overall, we saw an improvement in cash generation during the second half of the year. Looking at the full-year, the underlying free cash flow before M&A and customer financing was strongly negative at € -6.9 billion. This figure includes the € -3.6 billion penalty payments made in Q1 related to the compliance settlements. Additionally, it reflects gross cash flow from operations of € +3.1 billion and a change in working capital of € -4.6 billion, excluding the penalties. The working capital change mainly reflected a strong decrease in trade liabilities driven by the production rate adaptation while inventories remained stable year-on-year.

Looking at the fourth quarter in isolation, we achieved a noticeable performance improvement. Free cash flow before M&A and customer financing was positive at € +4.9 billion. This reflects the solid number of commercial aircraft deliveries in the quarter of 225, the strong focus on working capital management and also the good cash performance of the Helicopters and Defence and Space Divisions. The Q4 working capital included a positive inventory effect as we were able to reduce the number of finished, but not delivered, aircraft by working closely with our customers.

Given the cash containment measures and the need to prioritise projects, capital expenditures in 2020 declined to around € 1.8 billion, some € 0.6 billion lower than in 2019. Research and Development expenditures were reduced by € 0.5 billion to around € 2.9 billion. While these cuts in investment into our future were significant, they did take into account the need to sustain our delivery performance in a recovery scenario and our innovation power.

We ended the year with a net cash position of € 4.3 billion after being in a net debt position after the second and third quarters. This not only reflects the delivery performance in Q4 but also the necessary cash containment and adaptation measures taken during the year.

“Our strong liquidity position has been key in getting through this crisis.”

**Q. How important was protecting the Company's liquidity?**

Our strong liquidity position has been key in getting through this crisis. We moved very early in the pandemic to protect it by securing credit facilities from financial institutions.

As a reminder, we initially secured a € 15.0 billion supplemental liquidity line to ensure the smooth continuity of our operations. We progressively termed this credit line out by issuing long-term debt securities at favourable rates and by upsizing and extending our € 3 billion revolving credit facility to € 6 billion. By year-end we had reduced our COVID-19 related supplemental liquidity line to € 6.2 billion.

Taking into account our gross cash position and credit facilities, the Company had a liquidity position of above € 30 billion at the end of 2020. Thanks to our strong credit rating, we were nevertheless able to limit gross interest expense in 2020 to € 0.4 billion. Looking ahead, we will strive to maintain strong liquidity and ratings to help navigate the crisis and position us for growth once the situation improves.

**Q. What are your priorities for 2021?**

From my perspective in finance, we need to continue focusing on supporting the Company in its efforts to work through the crisis and deliver on the guidance for the year. We also have to protect our ability to adapt as required and invest in areas such as decarbonised technologies that help us meet our future challenges and remain competitive.

Another great team effort as we saw in 2020 will help us achieve these priorities. Beyond 2021, we remain fully focused on our earnings and free cash flow growth trajectory.

**Revenues  
(€ million)**

49,912

(2019: 70,478)

**EBIT Adjusted  
(€ million)**

1,706

(2019: 6,946)

**EBIT Reported  
(€ million)**

-510

(2019: 1,339)

**Reported loss  
per share<sup>(1)</sup> (€)**

-1.45

(2019: -1.75)

**Free cash flow  
before M&A and  
customer financing  
(€ million)**

-6,935

(2019: 3,509)

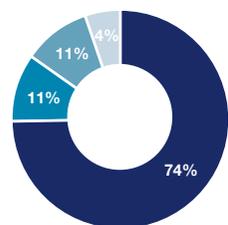
1. FY 2020 average number of shares: 783,178,191 compared to 777,039,858 in FY2019.

# 2020

## Share information

### Shareholding structure

As of 31 December 2020



- Free float\*
- SOGEPA (French State)
- GZBV (German State)
- SEPI (Spanish State)

\* Includes shares held by the Company itself.

### Financial calendar

#### Full-Year 2020 results:

18 February 2021

#### Annual General Meeting:

14 April 2021

#### First Quarter 2021 results:

29 April 2021

#### Half-Year 2021 results:

29 July 2021

#### Nine-Month 2021 results:

28 October 2021

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In 2020, the Airbus SE share price decreased over the year to close at € 89.78, down 31%.

After opening at € 132.58 in January, the share price started the year in positive territory, reaching an all-time high in January at € 139.00, in the wake of the strong 2019 performance. The Airbus SE share price then sharply decreased in February and March following the COVID-19 outbreak and the spread outside China, down to its lowest point in 2020 at € 49.07 on 18 March.

While widespread lockdowns continued to weigh on stock performance, the share price slightly increased in Q2, supported by the announcement of measures to strengthen the Company's liquidity and the adjustment of production levels to the new environment.

In early June, the Airbus SE share price followed global markets with a strong increase, reflecting optimism on a faster than expected economic recovery, peaking at € 81.91 on 8 June 2020. Subsequently, this rally was partially reduced due to a more pessimistic outlook on the recovery of the global economy as published by the International Monetary Fund and the Federal Reserve.

In Q3, the Airbus SE share price was rather stable. In July, the share price increased in line with the market, on the sentiment of a slowing pace of COVID-19 infections and the Airbus SE H1 2020 results which were well received by the market under the circumstances. After the summer, shares declined again following an increased fear of resurgence of the pandemic, new travel restrictions and the general uncertainty around the US presidential election.

### Share price evolution



Shares recovered in Q4, supported by the announcement of effective vaccines and following a reassuring Nine-Month disclosure, when Airbus SE announced a positive free cash flow (FCF) before M&A and customer financing in the third quarter of 2020 and issued guidance to achieve at least a breakeven FCF before M&A and customer financing in the fourth quarter of 2020.

With an annual decrease of -31% in 2020, Airbus SE shares underperformed the Eurostoxx 600 (-4%) and the CAC40 (-7%), as well as the Aerospace and Defence sector (MSCI World Aerospace and Defence -17%).

### Safe Harbour Statement:

This document 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 the spread of disease or 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;
- The full impact of the COVID-19 pandemic and the resulting health and economic crisis.

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 more information about the impact of the COVID-19 pandemic, see Note 2 “Impact of the COVID-19 pandemic” of the Notes to the Airbus SE IFRS Consolidated Financial Statements 2020. For more information about factors that could cause future results to differ from such forward-looking statements, see Airbus SE’s annual reports, including its Universal Registration Document and the most recent Risk Factors.

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

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