
AIRBUS

H1 2019

ROADSHOW PRESENTATION

Paris

1 October 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.

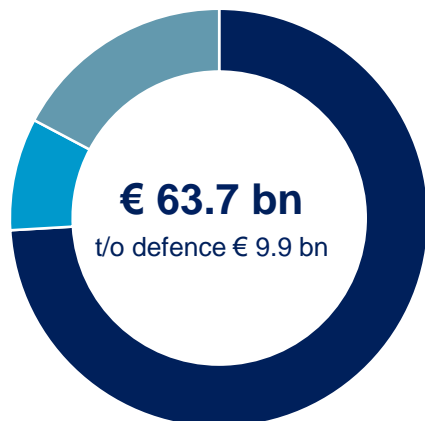
Rounding disclaimer:

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



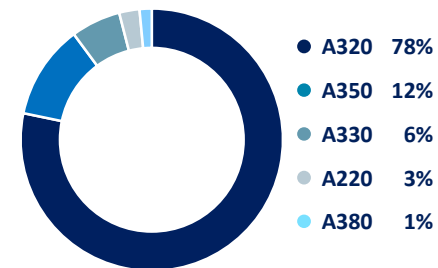
- Airbus 74%
- Helicopters 9%
- Defence and Space 17%

Airbus



Passenger Aircraft,
Freighter Conversion,
Services

Deliveries by Programme (units)

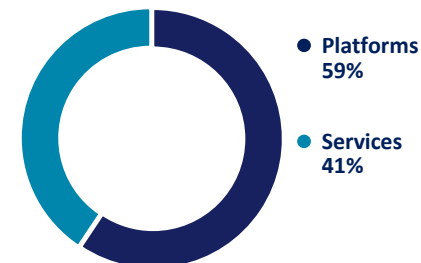


Helicopters



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

External Revenue Split

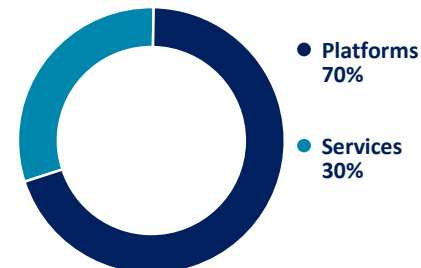


Defence and Space



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

External Revenue Split



H1 2019 HIGHLIGHTS

- Robust commercial aircraft environment
- H1 2019 financials mainly reflect A320 ramp-up and neo transition
- Focus on securing FY deliveries, which remains challenging
- On that basis, 2019 Guidance maintained

H1 2019 COMMERCIAL POSITIONING

Consolidated Airbus Order Book

by Division

		H1 2019
Airbus (in units)	Order Intake (net)	88
	Order Book	7,276
Helicopters (in units)	Order Intake (net)	123
	Order Book	697
Defence and Space (in € m)	Order Intake (net)	4,220

Consolidated Airbus External Revenue

by Division



● Airbus	77%
● Helicopters	7%
● Defence and Space	16%

- **AIRBUS:** 213 gross orders, incl. 151 new orders at Le Bourget. 88 net orders. Backlog: 7,276 a/c
- **HELICOPTERS:** 123 net orders incl. 23 NH90 and 11 H145 in Q2
- **DEFENCE AND SPACE:** Order intake € 4.2 bn, incl. A400M DIRCM for German Air Force and Global Support Step 2. Key contract win in Space

AIRBUS

H1 2019

ROADSHOW PRESENTATION

Market
Demand

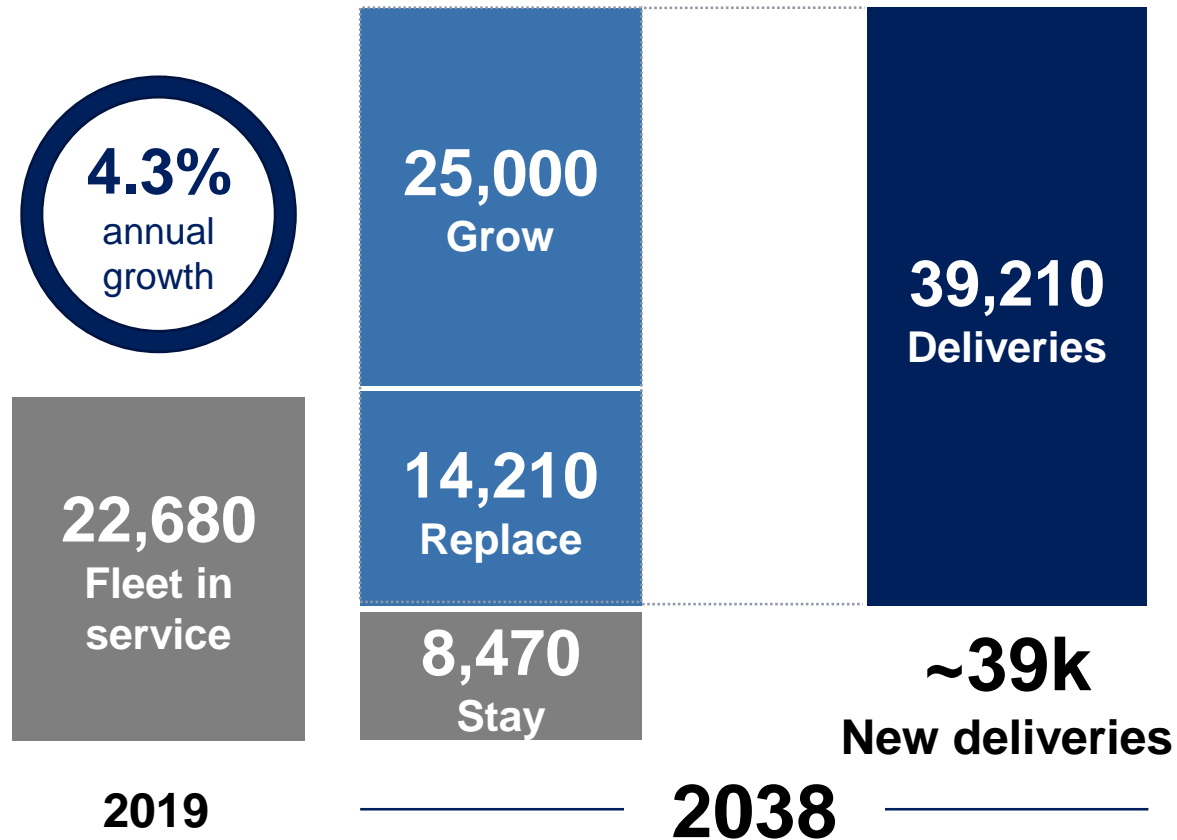
Product
Positioning

H1 2019
Review



AIRBUS

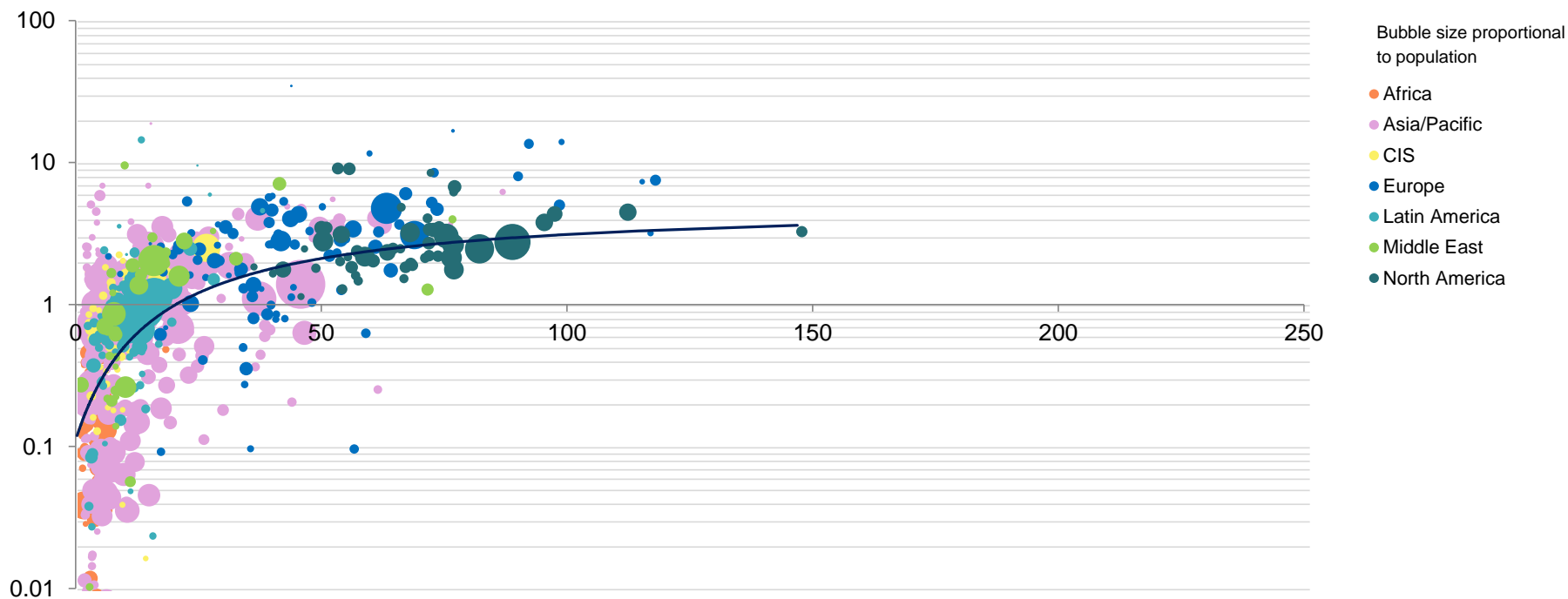
A ROBUST COMMERCIAL AIRCRAFT ENVIRONMENT



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



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

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

AIRBUS

H1 2019

ROADSHOW PRESENTATION

Market
Demand

Product
Positioning

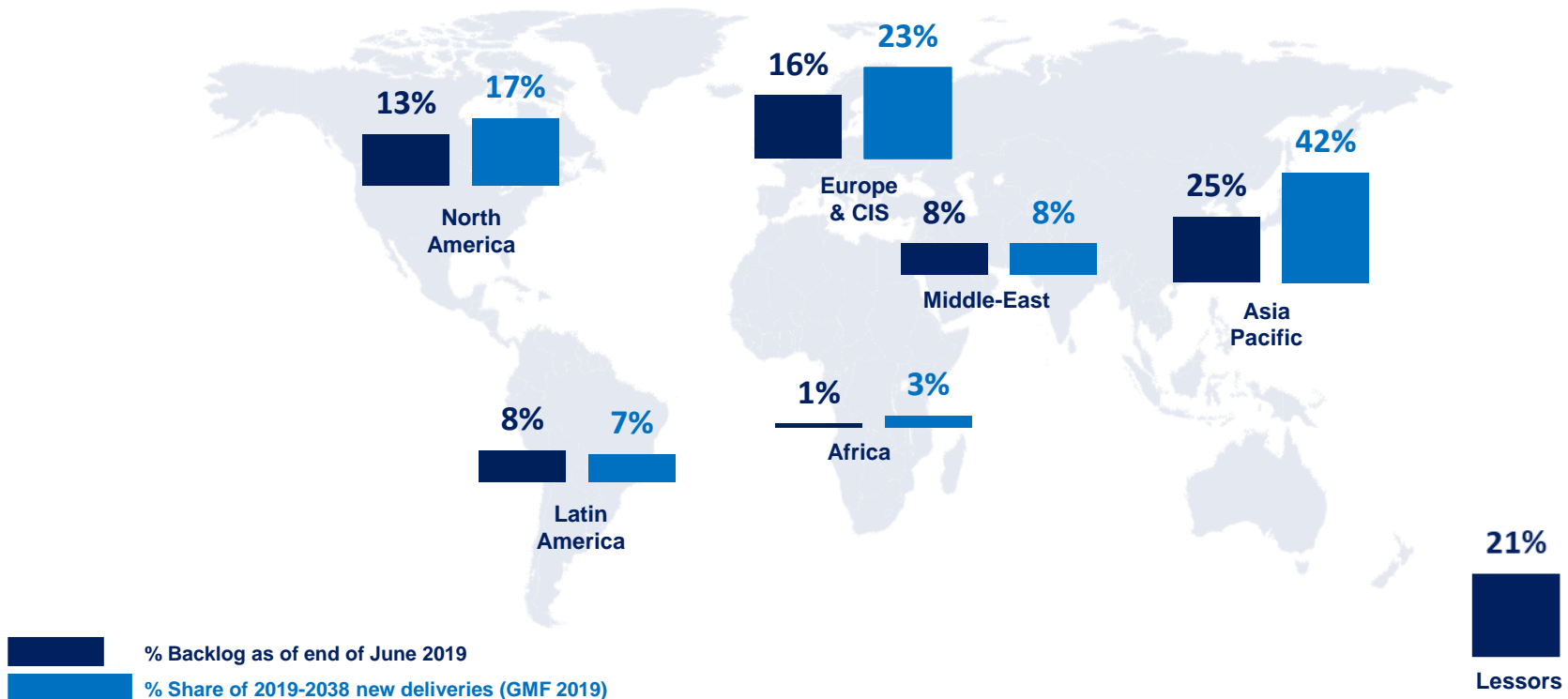
H1 2019
Review



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COMPETITIVE AIRCRAFT PORTFOLIO UNDERPINS RECORD BACKLOG

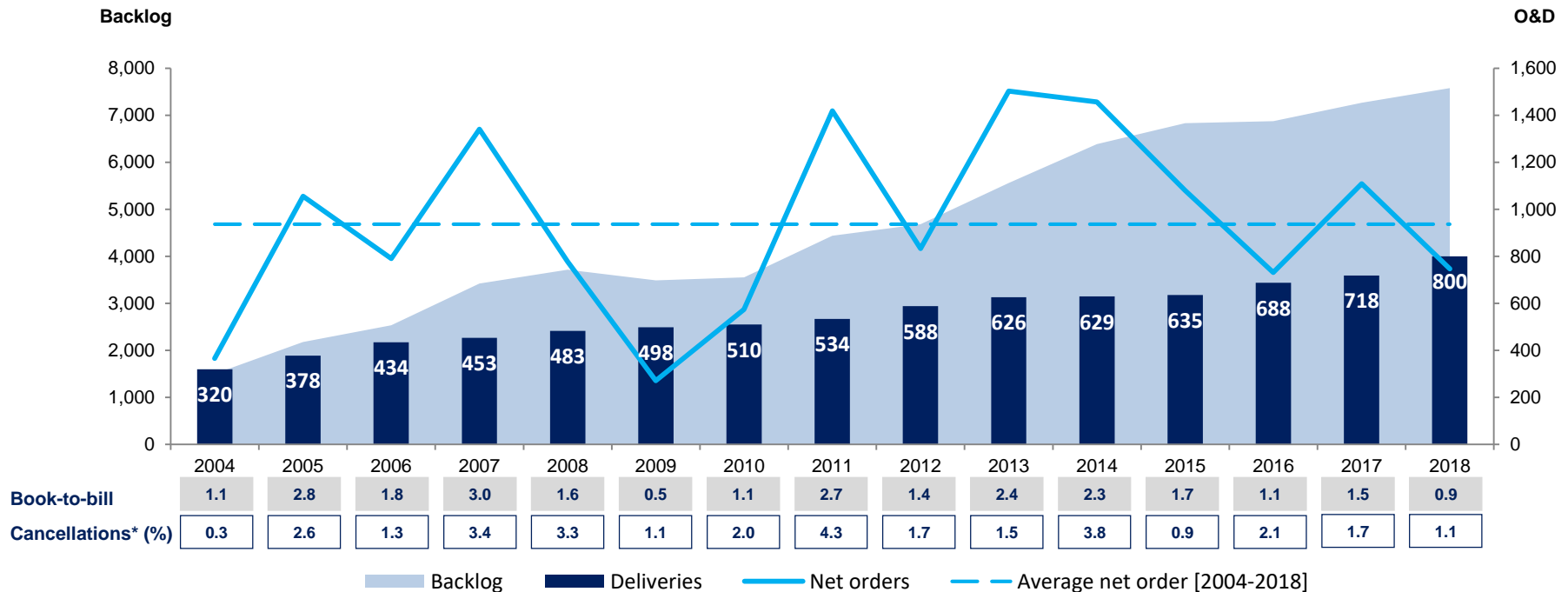
Solid and well diversified Backlog*
7,276 aircraft



Airbus backlog* aligned with regional needs and demand forecast

* Commercial aircraft
8% of undisclosed customers

STEADY RAMP-UP IN A ROBUST COMMERCIAL ENVIRONMENT



**Growing backlog while ramping-up deliveries
to meet customer demand**

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HELICOPTERS: MARKET AND PRODUCT POSITIONING

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 2018

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

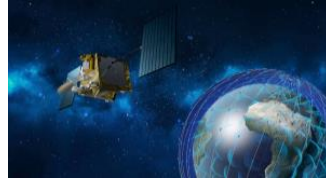
DEFENCE AND SPACE: MARKET AND PRODUCT POSITIONING

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

AIRBUS

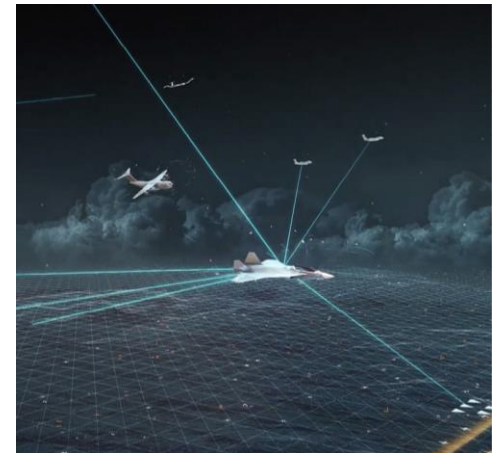
H1 2019

ROADSHOW PRESENTATION

Market
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H1 2019
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KEY PROGRAMME UPDATE



A220

- Programme fully consolidated into Airbus since July 1st 2018
- 78 aircraft now in operation. Customer interest confirmed with 95 firm orders and commitments at Le Bourget
- Focusing on commercial momentum, production ramp-up and cost reduction



A320

- Backlog of 5,800+ aircraft supports our ramp-up. Preparing for rate 63 in 2021
- Continuing to study potential further rate increases beyond 2021
- ACF ramp up in H2'19 remains challenging



A330

- Progressing on Neo transition– working closely with engine partner and suppliers to deliver in line with customer commitments
- A330-800 flight test campaigns progressing



A350

- Rate 10 reached in Q4'18 – stabilising production at current rates including -1000 ramp-up
- A350 breakeven targeted in 2019. Continuing our journey toward cost convergence.



A380

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

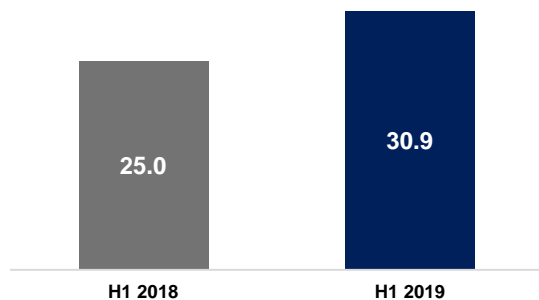


A400M

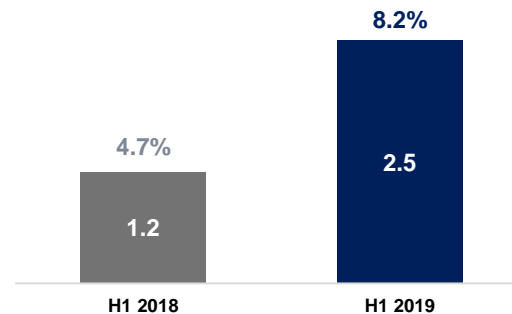
- Continuing with development activities as agreed in the revised capability roadmap
- Retrofit activities advancing in line with customer agreed plan
- Contract Amendment signed with OCCAR. Anticipated impact reflected in FY'18 results.

H1 2019 FINANCIAL PERFORMANCE

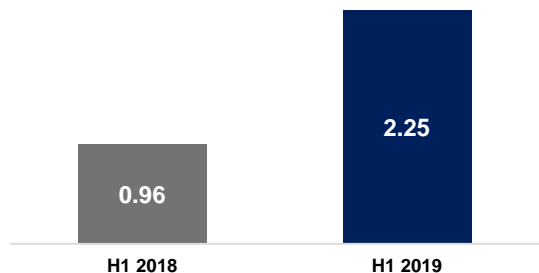
Revenues
in € bn



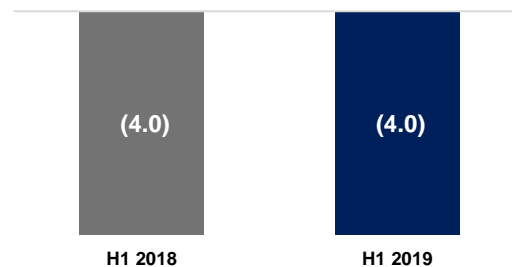
EBIT Adjusted
in € bn / RoS (%)



EPS⁽¹⁾ Adjusted
in €



FCF before M&A and Customer Financing
in € bn

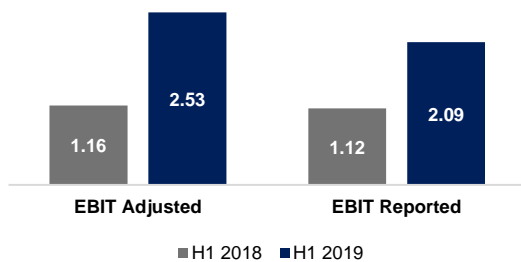


(1) H1 2019 Average number of shares: 776,291,117 compared to 774,129,413 in H1 2018
Capitalised R&D: € 45 m in H1 2019 and € 40 m in H1 2018
H1 2019 figures include A220, consolidated into Commercial Aircraft as of July 1st, 2018

H1 2019 PROFITABILITY

EBIT Performance

in € bn



■ H1 2019 **EBIT Reported** of € 2.1 bn

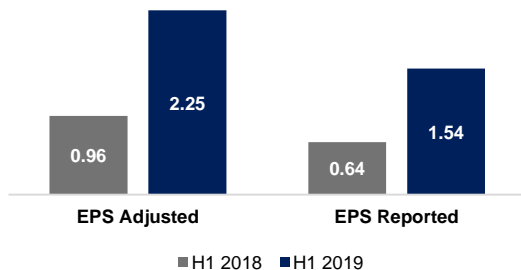
■ H1 2019 EBIT Adjustments resulting from:

- € – 208 m Defence export ban
- € – 136 m A380 programme cost
- € – 90 m Others
- € – 2 m PDP mismatch / BS revaluation

■ H1 2019 **Net Adjustments** of € – 436 m

EPS⁽¹⁾ Performance

in €



■ H1 2019 **Net Income** of € 1,197 m

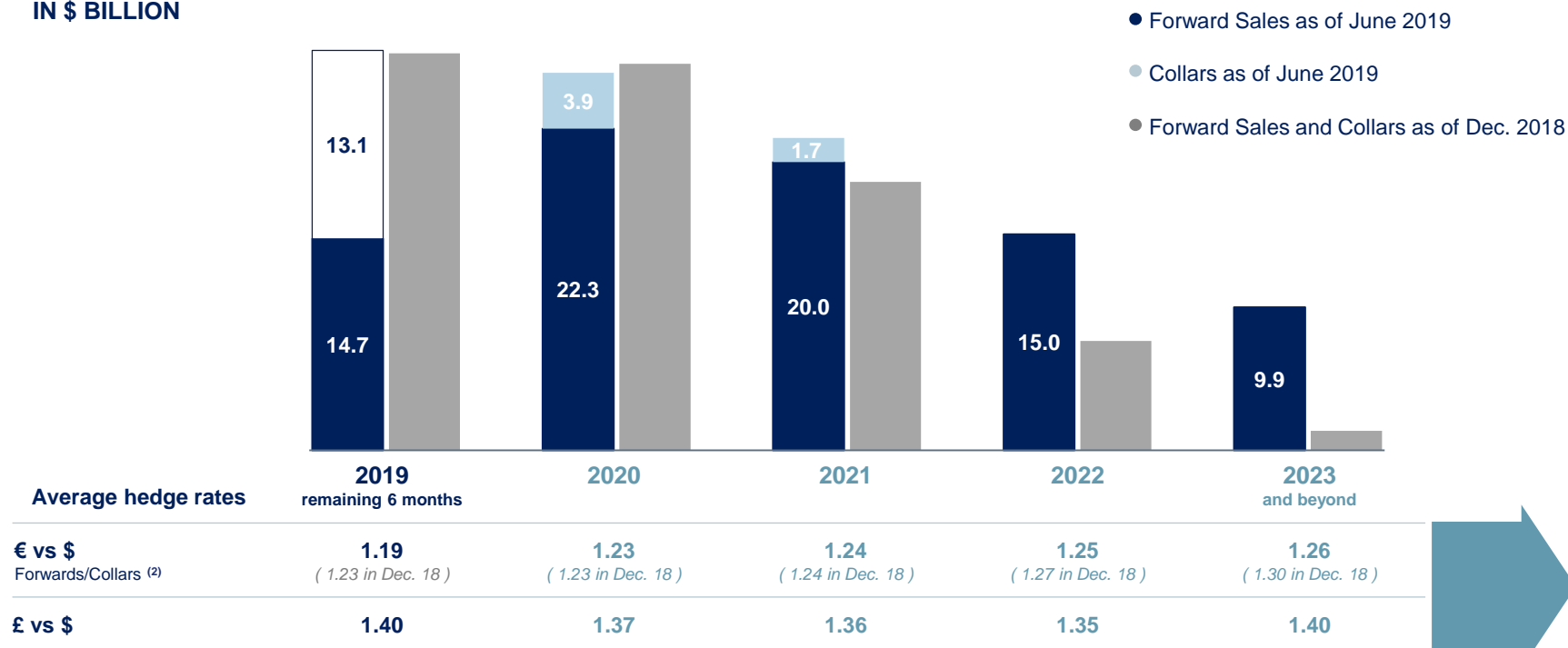
■ H1 2019 **Net Income Adjusted** of € 1,750 m

■ H1 2019 tax rate on core business is 27%

(1) H1 2019 Average number of shares: 776,291,117 compared to 774,129,413 in H1 2018
 Capitalised R&D: € 45 m in H1 2019 and € 40 m in H1 2018
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CURRENCY HEDGE POLICY

IN \$ BILLION



Mark-to-market value incl. in AOCI = € - 1.9 bn
Closing rate @ 1.14 € vs. \$

- In H1 2019, \$ 19.6 bn⁽¹⁾ of new Forwards were added at an average rate of € 1 = \$ 1.22
- \$ 13.1 bn⁽¹⁾ of hedges matured at an average rate of € 1 = \$ 1.27
- Hedge portfolio⁽¹⁾ 30 June 2019 at \$ 87.4 bn (vs. \$ 81.9 bn in Dec. 2018), at an average rate of \$ 1.23⁽²⁾
- In H1, \$ 4.1 bn of hedges rolled-over intra-year to align with backloaded delivery profile

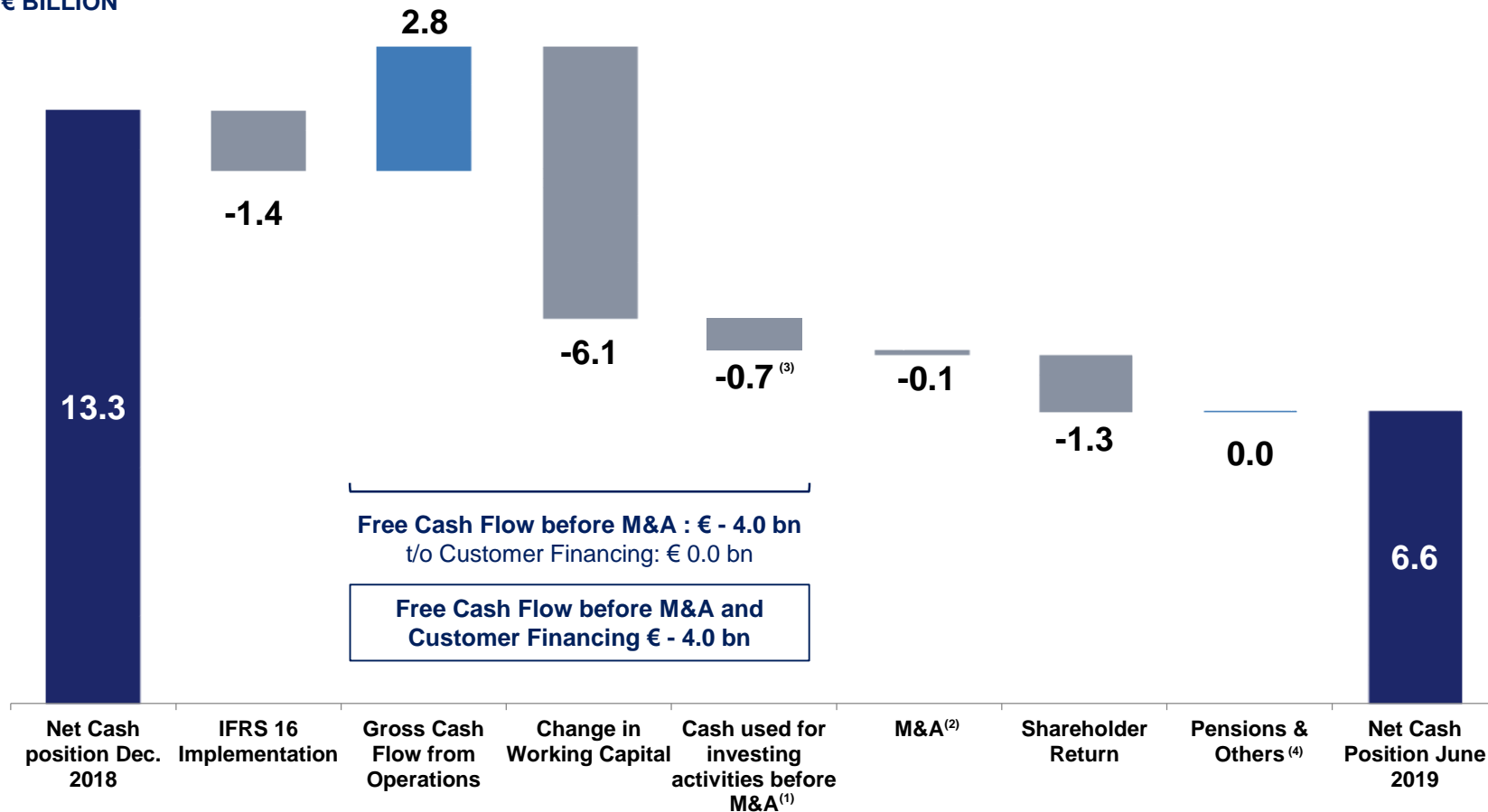
Approximately 60% of Airbus US\$ revenues are naturally hedged by US\$ procurement. Graph shows US\$ Forward Sales and Collars
Hedge rates reflect EBIT impact of the US\$ hedge portfolio

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

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H1 2019 CASH EVOLUTION

IN € BILLION



■ IFRS 16 implemented January 1st, 2019

(1) Thereof Capex of € - 0.9 bn

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

(3) Excludes M&A of € - 0.1 bn

(4) Includes change in liability for puttable instruments of € + 0.2 bn

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

KEY PRIORITIES

- Deliver on 2019 commitments
- Ramp-up A320
- 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