
AIRBUS

Q1 Results

2019

30 April 2019

Guillaume Faury | Chief Executive Officer

Dominik Asam | Chief Financial Officer



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 Information Document released in March 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.

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Q1 Results

2019

**Company
Highlights**

Business
Highlights

Guidance
Highlights



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Q1 2019 HIGHLIGHTS

- New management team in place
- Robust commercial aircraft environment
- Q1 2019 financials reflect mainly A320 ramp-up and delivery phasing
- 2019 Guidance maintained

Q1 2019 COMMERCIAL POSITIONING

Consolidated Airbus Order Book

by Division

		Q1 2019
Airbus (in units)	Order Intake (net)	(58)
	Order Book	7,357
Helicopters (in units)	Order Intake (net)	66
	Order Book	737
Defence and Space (in € m)	Order Intake (net)	1,074

Consolidated Airbus External Revenue

by Division



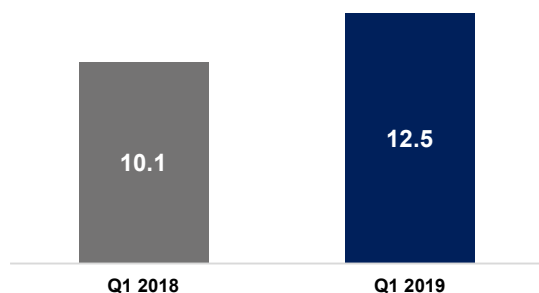
● Airbus	76%
● Helicopters	7%
● Defence and Space	17%

- **AIRBUS:** Gross orders: 62 a/c incl. 38 A350; net orders: -58 a/c, incl. 31 A380, 42 A350 cancellations; Backlog: 7,357 a/c
- **HELICOPTERS:** 66 net orders including 20 Super Puma, thereof 16 for Hungary; launch customers secured for the enhanced five-bladed H145
- **DEFENCE AND SPACE:** Order intake € 1.1 bn; good short-term prospects; future opportunities in Military Aircraft and Unmanned Aerial Systems

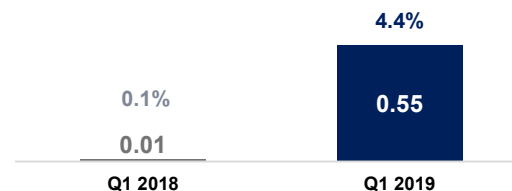
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Q1 2019 FINANCIAL PERFORMANCE

Revenues
in € bn



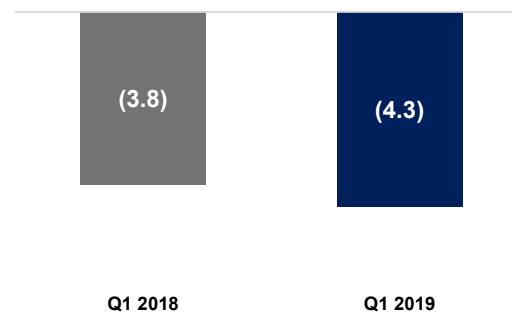
EBIT Adjusted
in € bn / RoS (%)



EPS⁽¹⁾ Adjusted
in €



FCF before M&A and Customer Financing
in € bn

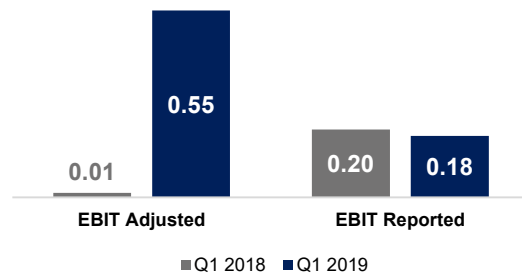


(1) Q1 2019 Average number of shares: 775,730,957 compared to 774,364,786 in Q1 2018
Capitalised R&D: € 27 m in Q1 2019 and € 18 m in Q1 2018
Q1 2019 figures include A220, consolidated into Commercial Aircraft as of July 1st, 2018

Q1 2019 PROFITABILITY

EBIT Performance

in € bn



■ Q1 2019 **EBIT Reported** of € 181 m

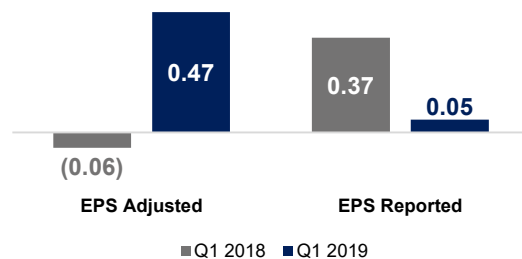
■ Q1 2019 EBIT Adjustments resulting from:

- € – 190 m Defence export ban
- € – 83 m PDP mismatch / BS revaluation
- € – 61 m A380 programme cost
- € – 34 m Others

■ Q1 2019 **Net Adjustments** of € – 368 m

EPS⁽¹⁾ Performance

in €



■ Q1 2019 **Net Income** of € 40 m

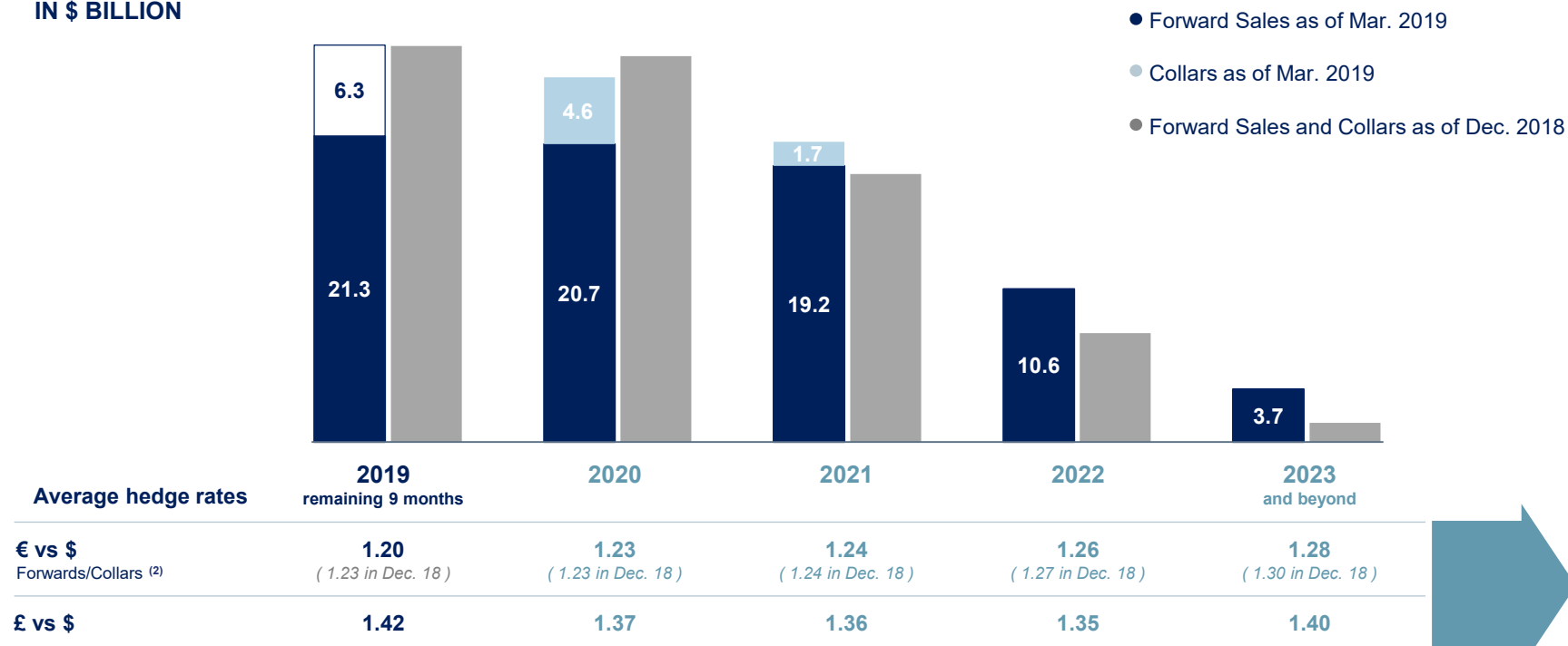
■ Q1 2019 **Net Income Adjusted** of € 362 m

■ Q1 2019 tax rate on core business is 27%

(1) Q1 2019 Average number of shares: 775,730,957 compared to 774,364,786 in Q1 2018
 Capitalised R&D: € 27 m in Q1 2019 and € 18 m in Q1 2018
 Q1 2019 figures include A220, consolidated into Commercial Aircraft as of July 1st, 2018

CURRENCY HEDGE POLICY

IN \$ BILLION



Mark-to-market value incl. in AOCI = € - 2.4 bn
Closing rate @ 1.12 € vs. \$

- In Q1 2019, \$ 6.7 bn⁽¹⁾ of new Forwards were added at an average rate of € 1 = \$ 1.24
- \$ 6.3 bn⁽¹⁾ of hedges matured at an average rate of € 1 = \$ 1.32
- Hedge portfolio⁽¹⁾ 31 March 2019 at \$ 81.8 bn (vs. \$ 81.9 bn in Dec. 2018), at an average rate of \$ 1.23⁽²⁾
- In Q1, \$ 3.3 bn of hedges rolled-over intra-year to align with backloaded delivery profile

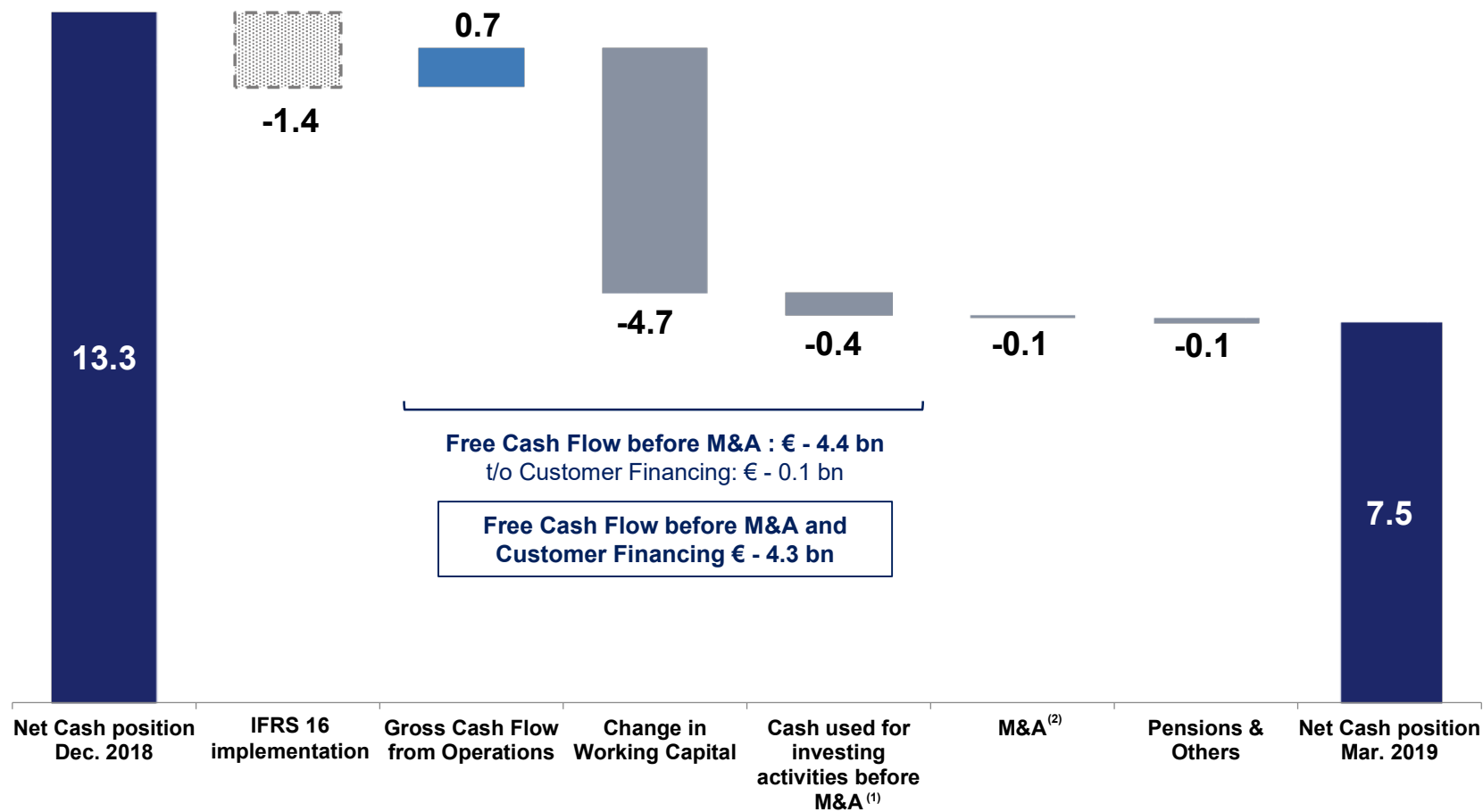
Approximately 60% of Airbus US\$ revenues are naturally hedged by US\$ procurement. Graph shows US\$ Forward Sales and Collars

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

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Q1 2019 CASH EVOLUTION

IN € BILLION



■ IFRS 16 implemented January 1st, 2019

(1) Thereof Capex of € - 0.5 bn

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

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Company
Highlights

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Highlights**

Guidance
Highlights

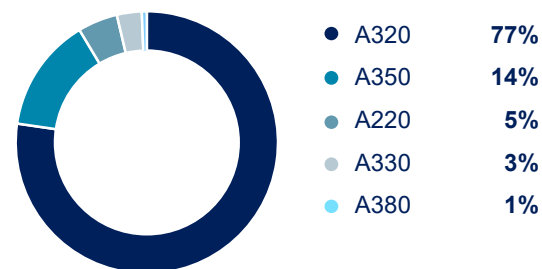


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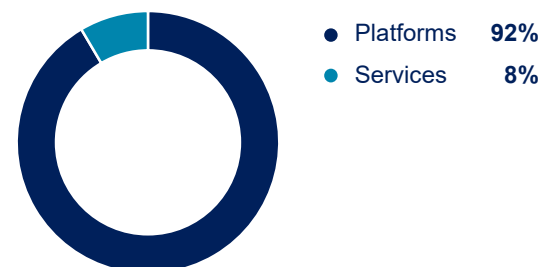
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IN € MILLION		Q1 2019	Q1 2018	Change
Order Intake (net)	Units	(58)	45	-
Order Book		7,357	7,189	2.3%
Deliveries (units)		162	121	33.9%
Revenues		9,697	7,222	34.3%
R&D Expenses		454	430	5.6%
<i>in % of Revenues</i>		4.7%	6.0%	
EBIT Adjusted		536	(41)	-
<i>in % of Revenues</i>		5.5%	-0.6%	
EBIT		392	(2)	-
<i>in % of Revenues</i>		4.0%	0.0%	

Deliveries by Programme (units)



External Revenue Split

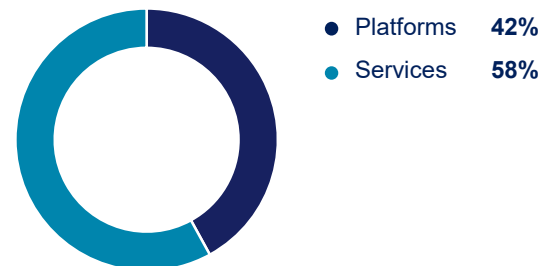
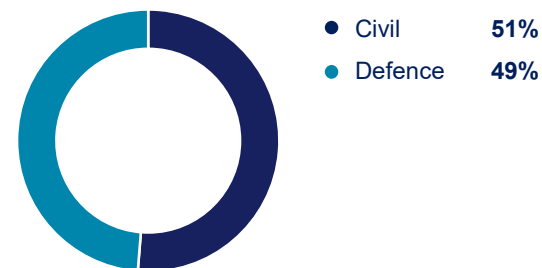


- Revenues reflect higher deliveries
- EBIT Adjusted mainly reflects A320neo ramp-up and A350 operational performance

AIRBUS HELICOPTERS

IN € MILLION		Q1 2019	Q1 2018	Change
Order Intake (net)	Units	66	104	-36.5%
Order Book		737	744	-0.9%
Deliveries (units)		46	52	-11.5%
Revenues		1,007	961	4.8%
R&D Expenses		69	70	-1.4%
<i>in % of Revenues</i>		6.9%	7.3%	
EBIT Adjusted		15	(3)	-
<i>in % of Revenues</i>		1.5%	-0.3%	
EBIT		9	(10)	-
<i>in % of Revenues</i>		0.9%	-1.0%	

External Revenue Split

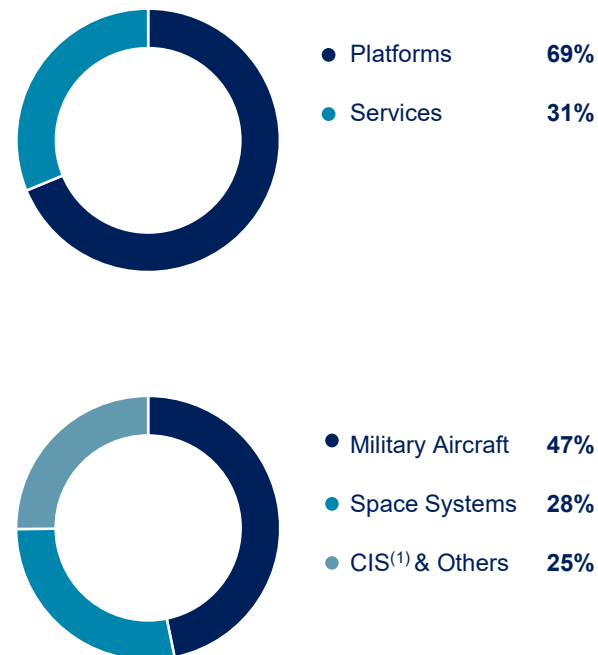


■ Revenues and EBIT Adjusted reflect higher volume in services

AIRBUS DEFENCE AND SPACE

IN € MILLION		Q1 2019	Q1 2018	Change
Order Intake (net)	Value	1,074	1,581	-32.0%
Revenues		2,112	2,217	-4.7%
R&D Expenses		61	58	5.2%
<i>in % of Revenues</i>		<i>2.9%</i>	<i>2.6%</i>	
EBIT Adjusted		101	112	-9.9%
<i>in % of Revenues</i>		<i>4.8%</i>	<i>5.1%</i>	
EBIT		(117)	265	-
<i>in % of Revenues</i>		<i>-5.5%</i>	<i>12.0%</i>	

External Revenue Split



- Revenues and EBIT Adjusted reflect stable business performance
- A400M: 1 a/c delivered in Q1 2019
- 2018 EBIT included Capital Gain from disposal of Airbus DS Communications, Inc. business
- German defence export ban: EBIT impact of € – 190 m booked in Q1 2019

(1) Communications, Intelligence & Security
Capitalised R&D: € 23 m in Q1 2019 and € 3 m in Q1 2018

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2019

Company
Highlights

Business
Highlights

**Guidance
Highlights**



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2019 GUIDANCE

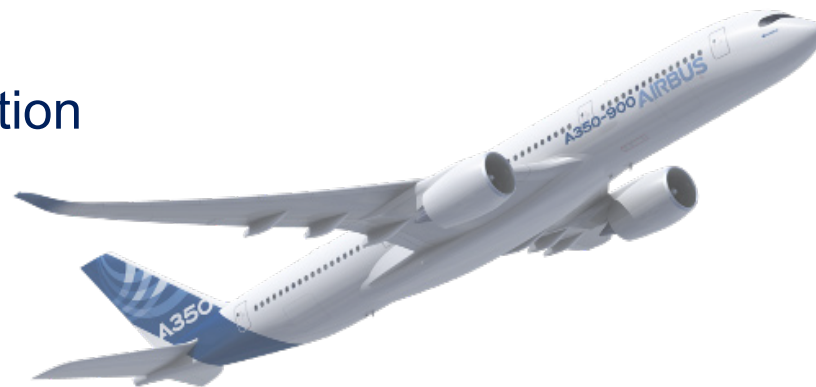
As the basis for its 2019 guidance, Airbus expects the world economy and air traffic to grow in line with prevailing independent forecasts, which assume no major disruptions

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
- Leverage military portfolio
- Services, Digital and Innovation



Deliver Earnings and FCF growth potential

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Q1 Results

2019

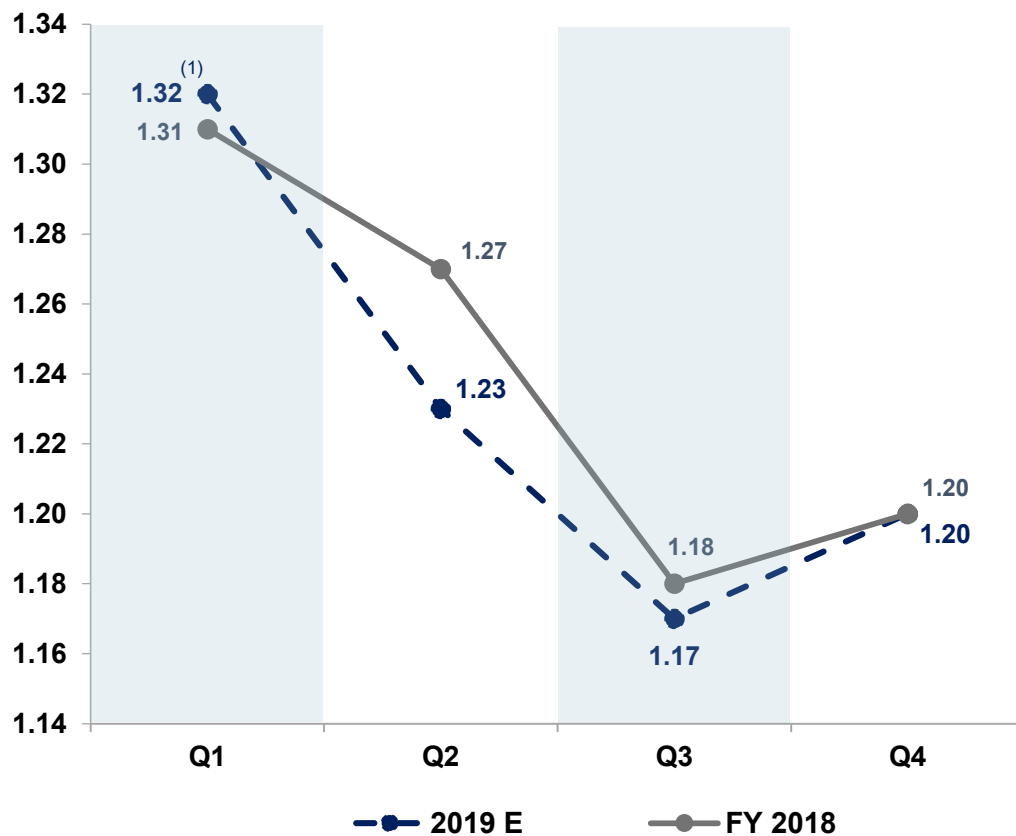
Appendix



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EXPECTED AIRBUS AVERAGE HEDGE RATES € VS. \$

Active exposure management



FY 2018

Average
Hedge Rates

1.24

FY 2019E

1.23

(1) Q1 actual

Q1 2019 DETAILED INCOME STATEMENT AND ADJUSTMENTS

IN € MILLION

	Q1 2019	thereof Adjustments				Financial Result	Q1 2019 Adjusted
		Impact on EBIT					
		Operational	FX				
	Airbus	Defence and Space ⁽¹⁾	Helicopters	Airbus + Defence and Space			
EBIT	181	(87)	(192)	(6)	(83)		549
in % of Revenues	1.4%						4.4%
Interest income	56						56
Interest expenses	(92)						(92)
Other Financial Result	(7)					5	(12)
Financial Result	(43)					5	(48)
Income before taxes	138	(87)	(192)	(6)	(83)	5	501
Non-controlling interest	(4)						(4)
Net Income reported	40						362
Number of shares	775,730,957						775,730,957
EPS reported (in €)	0.05						0.47

Net Income Adjusted excludes the following items:

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

The tax effect on Adjusted Income before taxes is calculated at 27%. The effective tax rate on Income before taxes is 68%

(1) Thereof € - 2 m A400M programme update
Q1 2019 figures include A220, consolidated into Commercial Aircraft as of July 1st, 2018

Q1 2018 DETAILED INCOME STATEMENT AND ADJUSTMENTS

IN € MILLION

	Q1 2018	thereof Adjustments				Q1 2018 Adjusted
		Impact on EBIT				
		Operational		FX	Financial Result	
		Airbus	Defence and Space ⁽¹⁾	Helicopters	Airbus	
EBIT	199	(7)	153	(7)	46	14
in % of Revenues	2.0%					0.1%
Interest income	41					41
Interest expenses	(104)					(104)
Other Financial Result	102					117
Financial Result	39					117
Income before taxes	238	(7)	153	(7)	46	117
Non-controlling interest	(1)					(1)
Net Income reported	283					(47)
Number of shares	774,364,786					774,364,786
EPS reported (in €)	0.37					(0.06)

Net Income Adjusted excludes the following items:

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

The tax effect on Adjusted Income before taxes is calculated at 28%. The effective tax rate on Income before taxes is -19%

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(1) Thereof € 159 m Airbus DS Communications business in the US net capital gain

Q1 2019 KEY FIGURES

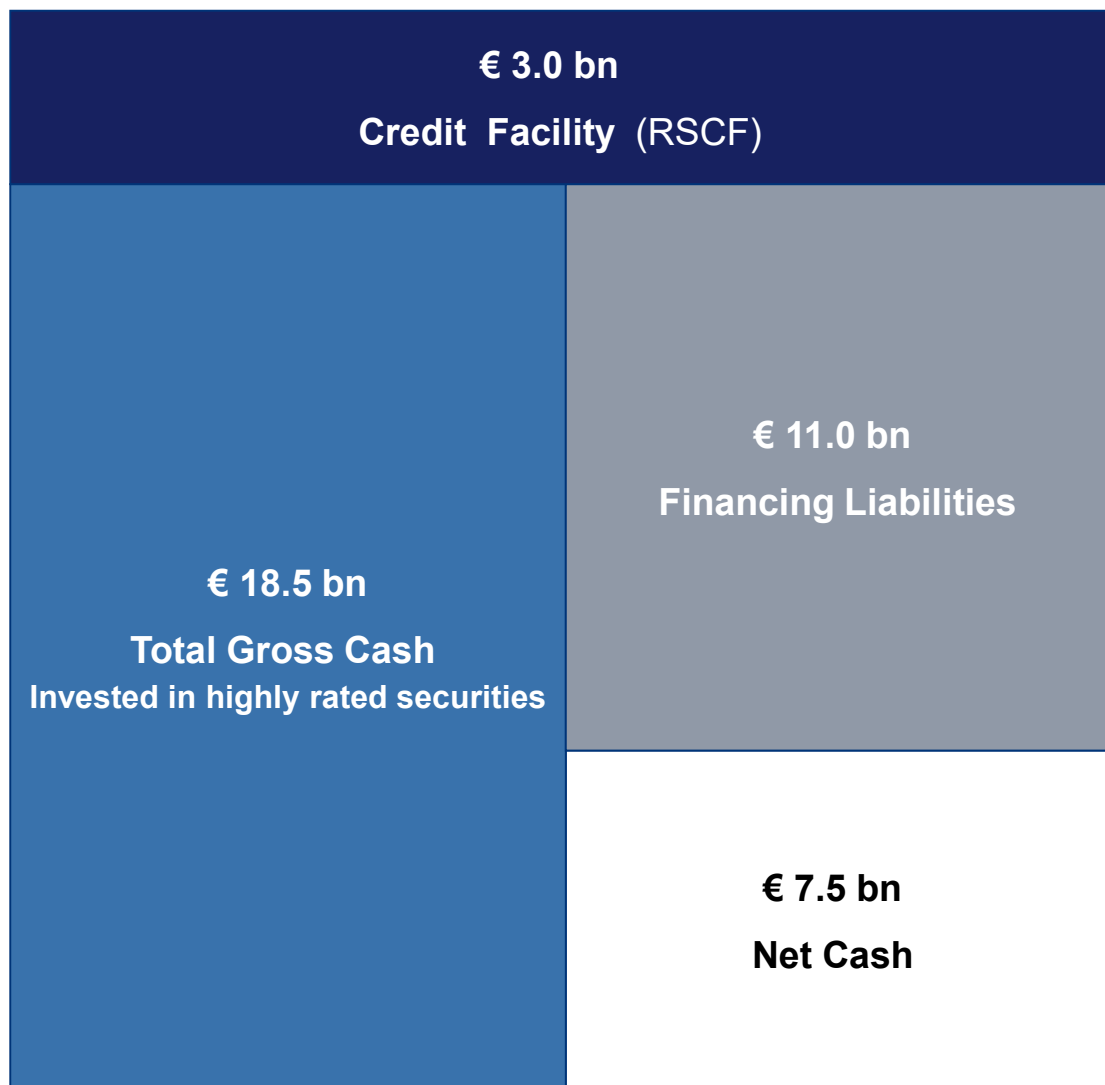
IN € MILLION	Q1 2019	Q1 2018
Revenues	12,549	10,119
EBIT Adjusted	549	14
EBIT	181	199
Net Income	40	283
FCF before M&A	(4,393)	(3,846)
FCF before M&A and Customer Financing	(4,341)	(3,839)

IN € MILLION	Q1 2019	Q1 2018	Q1 2019	Q1 2018	Q1 2019	Q1 2018
	Revenues		EBIT Adjusted		EBIT	
Airbus	9,697	7,222	536	(41)	392	(2)
Helicopters	1,007	961	15	(3)	9	(10)
Defence and Space	2,112	2,217	101	112	(117)	265
Transversal & Elim.	(267)	(281)	(103)	(54)	(103)	(54)
Consolidated Airbus	12,549	10,119	549	14	181	199

AIRBUS: STRONG LIQUIDITY POSITION

AS OF 31 MARCH 2019

22



Credit Facility:

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

Financing Liabilities:

of which long-term : € 8.7 bn

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

Credit Ratings:

Short-term rating:

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

Long-term rating:

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

DETAILED FREE CASH FLOW

IN € MILLION

	Q1 2019	Q1 2018
Net Cash position at the beginning of the period	13,281	13,390
First time impact of IFRS 16	(1,352)	-
Gross Cash Flow from Operations ⁽¹⁾	725	206
Change in working capital ⁽²⁾	(4,703)	(3,797)
Cash used for investing activities ⁽³⁾	(470)	(65)
of which Industrial Capex (additions) ⁽⁴⁾	(455)	(393)
Free Cash Flow ^{(5) (6)}	(4,448)	(3,656)
of which M&A	(55)	190
Free Cash Flow before M&A	(4,393)	(3,846)
of which Customer Financing	(52)	(7)
Free Cash Flow before M&A and customer financing	(4,341)	(3,839)
Change in capital and non-controlling interests	-	-
Change in treasury shares / share buyback	-	(37)
Contribution to plan assets of pension schemes	(42)	(53)
Cash distribution to shareholders / non-controlling interests	-	-
Others ⁽⁷⁾	(59)	125
Net Cash position at the end of the period	7,463	9,769

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

(2) Including net customer financing

(3) Excluding change in securities and change in cash from changes in consolidation and excluding bank activities; (4) Excluding leased and financial assets;

(5) Excluding change in securities, change in cash from changes in consolidation, contribution to plan assets, realised FX results on Treasury swaps and bank activities

(6) Including A220 integration ; (7) Including Airbus Canada Ltd. Partnership funding agreement

Q1 2019 figures include A220, consolidated into Commercial Aircraft as of July 1st, 2018

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NET CASH POSITION

IN € MILLION

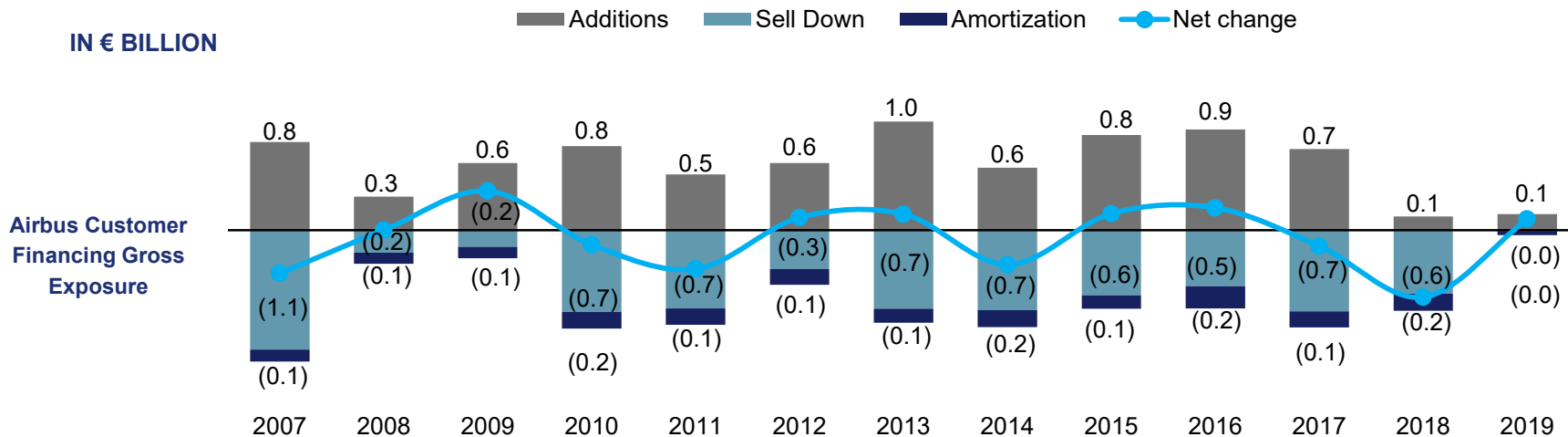
	Mar. 2019	Dec. 2018
Gross Cash	18,482	22,207
Financing Debts	(11,019)	(8,926)
Short-term Financing Debts	(2,323)	(1,463)
Long-term Financing Debts	(8,696)	(7,463)
Reported Net Cash	7,463	13,281
Airbus non-recourse debt	22	28
Net Cash excl. non-recourse	7,485	13,309

CUSTOMER FINANCING EXPOSURE

IN € MILLION

	Mar. 2019	Dec. 2018	Mar. 2019	Dec. 2018
	Airbus		Helicopters	
Closing rate € 1 =	\$ 1.12	\$ 1.15	\$ 1.12	\$ 1.15
Total Gross Exposure	907	803	111	109
of which off-balance sheet	109	28	10	10
Estimated value of collateral	(636)	(562)	(37)	(35)
Net Exposure	271	241	74	74
Provision and asset impairment	(271)	(241)	(74)	(74)
Net Exposure after provision	0	0	0	0

AIRBUS CUSTOMER FINANCING



Gross Exposure in \$ bn

1.5	1.5	1.8	1.7	1.4	1.5	1.6	1.3	1.5	1.7	1.5	0.9	1.0
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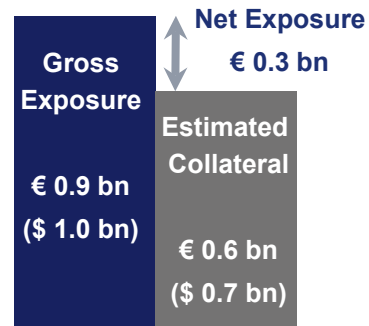
Net Exposure fully provisioned

Net Exposure fully provisioned



31 December 2018

€/\$ = 1.15



31 March 2019

€/\$ = 1.12

BALANCE SHEET HIGHLIGHTS: ASSETS

IN € MILLION

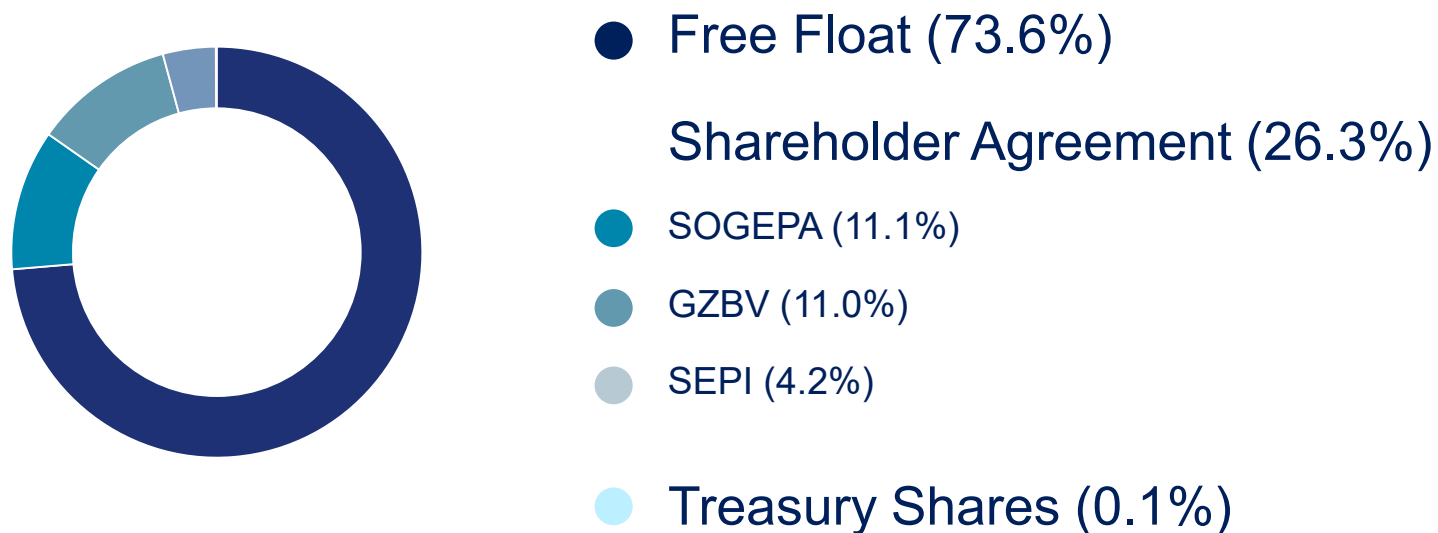
	Mar. 2019	Dec. 2018
Non-current Assets	57,353	56,564
of which Intangible & Goodwill	16,644	16,726
of which Property, plant & equipment	17,537	16,773
of which Investments & Financial assets	5,656	5,504
of which Contract assets	172	65
of which positive hedge mark-to-market	925	1,031
of which Non-current securities	10,073	10,662
Current Assets	59,786	58,300
of which Inventory	35,154	31,891
of which Cash	5,987	9,413
of which Current securities	2,422	2,132
of which Contract assets	790	789
of which positive hedge mark-to-market	383	286
Assets of disposal groups classified as held for sale	331	334
Total Assets	117,470	115,198
Closing rate € vs. \$	1.12	1.15

BALANCE SHEET HIGHLIGHTS: LIABILITIES

IN € MILLION

	Mar. 2019	Dec. 2018
Total Equity	8,913	9,719
of which OCI (Other Comprehensive Income)	(157)	134
of which Non-controlling interests	3	(5)
Total Non-current liabilities	46,371	44,693
of which Pensions	7,467	6,690
of which Other provisions	5,075	4,881
of which Financing debts	8,696	7,463
of which European governments' refundable advances	2,994	4,233
of which Contract liabilities	15,637	15,832
of which negative hedge mark-to-market	1,820	1,132
Total Current liabilities	61,863	60,354
of which Pensions	342	382
of which Other provisions	5,855	6,935
of which Financing debts	2,323	1,463
of which European governments' refundable advances	1,602	344
of which Contract liabilities	27,169	26,229
of which Trade liabilities	13,833	16,237
of which negative hedge mark-to-market	1,551	1,623
Liabilities of disposal groups classified as held for sale	323	432
Total Liabilities and Equity	117,470	115,198

SHAREHOLDING STRUCTURE AS AT 31 MARCH 2019



■ 776,367,881 shares issued as at 31 March 2019

QUARTERLY REVENUES BREAKDOWN (CUMULATIVE)

IN € MILLION

	Q1		H1		9m		FY	
	2019	2018	2019	2018	2019	2018	2019	2018
Airbus	9,697	7,222		18,546		30,478		47,970
Helicopters	1,007	961		2,388		3,755		5,934
Defence and Space	2,112	2,217		4,652		7,051		11,063
Transversal & Elim.	(267)	(281)		(616)		(863)		(1,260)
Consolidated Airbus	12,549	10,119		24,970		40,421		63,707

Q1 2019 figures include A220, consolidated into Commercial Aircraft as of July 1st, 2018

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QUARTERLY EBIT ADJUSTED BREAKDOWN (CUMULATIVE)

IN € MILLION

	Q1		H1		9m		FY	
	2019	2018	2019	2018	2019	2018	2019	2018
Airbus	536	(41)		867		2,340		4,808
Helicopters	15	(3)		135		202		380
Defence and Space	101	112		309		409		935
Transversal & Elim.	(103)	(54)		(149)		(213)		(289)
Consolidated Airbus	549	14		1,162		2,738		5,834

Q1 2019 figures include A220, consolidated into Commercial Aircraft as of July 1st, 2018

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QUARTERLY EBIT BREAKDOWN (CUMULATIVE)

IN € MILLION

	Q1		H1		9m		FY	
	2019	2018	2019	2018	2019	2018	2019	2018
Airbus	392	(2)	773	773	2,238	2,238	4,295	4,295
Helicopters	9	(10)	114	114	179	179	366	366
Defence and Space	(117)	265	382	382	479	479	676	676
Transversal & Elim.	(103)	(54)	(149)	(149)	(213)	(213)	(289)	(289)
Consolidated Airbus	181	199	1,120	1,120	2,683	2,683	5,048	5,048

Q1 2019 figures include A220, consolidated into Commercial Aircraft as of July 1st, 2018

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Q1 2019 IFRS VS. APM CASH FLOW RECONCILIATION

IN € MILLION

	Q1 2019
Cash provided by (used for) operating activities	(4,050)
t/o Reimbursement from / contribution to plan assets	(42)
t/o Treasury swaps	(30)
t/o Change in working capital	(4,703)
Gross Cash Flow from Operations	725

IN € MILLION

	Q1 2019
Cash provided by (used for) operating activities	(4,050)
Cash provided by (used for) investing activities	(2)
t/o Net change in securities	459
Others	63
Free Cash Flow	(4,448)
t/o M&A transactions	(55)
Free Cash Flow before M&A	(4,393)
t/o Customer Financing	(52)
FCF before M&A and Customer Financing	(4,341)

GLOSSARY ON ALTERNATIVE PERFORMANCE MEASURES (APM)

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

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

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

- **EBIT:** Airbus continues to use the term EBIT (Earnings before interest and taxes). It is identical to Profit before financial result and income taxes as defined by IFRS rules.
- **Adjustment** is an alternative performance measure used by Airbus which includes material charges or profits caused by movements in provisions related to programmes, restructuring or foreign exchange impacts as well as capital gains/losses from the disposal and acquisition of businesses.
- **EBIT Adjusted:** Airbus uses an alternative performance measure, EBIT Adjusted as a key indicator capturing the underlying business margin by excluding material charges or profits caused by movements in provisions related to programmes, restructurings or foreign exchange impacts as well as capital gains/losses from the disposal and acquisition of businesses.
- **EPS Adjusted** is an alternative performance measure of a basic EPS as reported whereby the net income as the numerator does include Adjustments. For reconciliation see slide 19.
- **Gross Cash position:** Airbus defines its consolidated gross cash position as the sum of (i) cash and cash equivalents and (ii) securities (all as recorded in the consolidated statements of financial position).
- **Net cash position:** Airbus defines its consolidated net cash position as the sum of (i) cash and cash equivalents and (ii) securities, minus (iii) financing liabilities (all as recorded in the consolidated statement of financial position) as defined in Information Document, MD&A section 2.1.6
- **Gross cash flow from operations:** Gross cash flow from operations is an alternative performance measure and an indicator used by Airbus to measure its operating cash performance before changes in working capital. It is defined in Information Document, MD&A section 2.1.6.1 as cash provided by operating activities, excluding (i) changes in other operating assets and liabilities (working capital), (ii) contribution to plan assets of pension schemes and (iii) realised foreign exchange results on Treasury swaps.
- **Change in working capital:** it is identical to changes in other operating assets and liabilities as defined by IFRS rules. It is comprised of inventories, trade receivables, contract assets and contract liabilities (including customer advances), trade liabilities, and other assets and other liabilities.
- **FCF:** For the definition of the alternative performance measure free cash flow, see Information Document, MD&A section 2.1.6.1. It is a key indicator which allows the Company to measure the amount of cash flow generated from operations after cash used in investing activities.
- **FCF before M&A** refers to FCF as defined in the Information Document, MD&A section 2.1.6.1. adjusted for net proceeds from disposals and acquisitions. It is an alternative performance measure and key indicator that reflects Free Cash Flow excluding those cash flows resulting from acquisitions and disposals of businesses.
- **FCF before M&A and Customer Financing** refers to free cash flow before mergers and acquisitions adjusted for cash flow related to aircraft financing activities. It is an alternative performance measure and indicator that may be used from time to time by the Company in its financial guidance, especially when there is higher uncertainty around customer financing activities.