

AIRBUS

H1 2018

Roadshow Presentation

July 2018



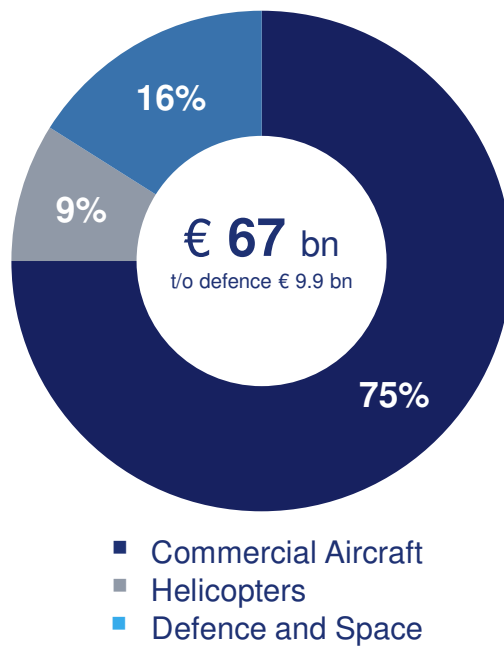
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- Robust commercial aircraft environment
- Backlog of ~7,200 a/c underpins ramp-up plans
- H1 financials reflect mainly A350 performance and delivery phasing
- Focus on securing ramp-up
- 2018 Guidance maintained

AIRBUS AT A GLANCE – AS OF FY 2017 AS REPORTED

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Airbus External Revenue by Division



Airbus



Passenger Aircraft,
Freighter Conversion,
Services

Helicopters



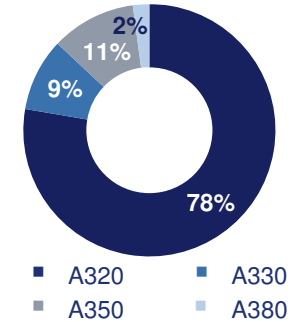
Civil/Parapublic and
Military Helicopters for a
wide range of missions,
Support and Services

Defence and Space

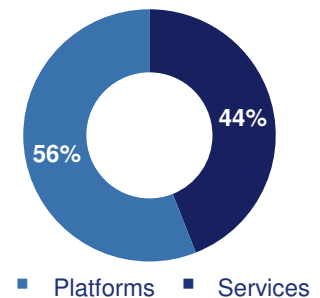


Military Aircraft, Space
Systems, Comms, Intelligence
and Security, Unmanned
Aerial Systems

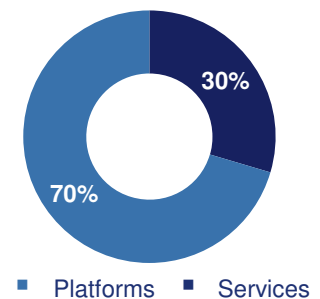
Deliveries by Programme (units)



External Revenue Split



External Revenue Split



H1 2018 Roadshow Presentation

Market
Demand

Product
Portfolio

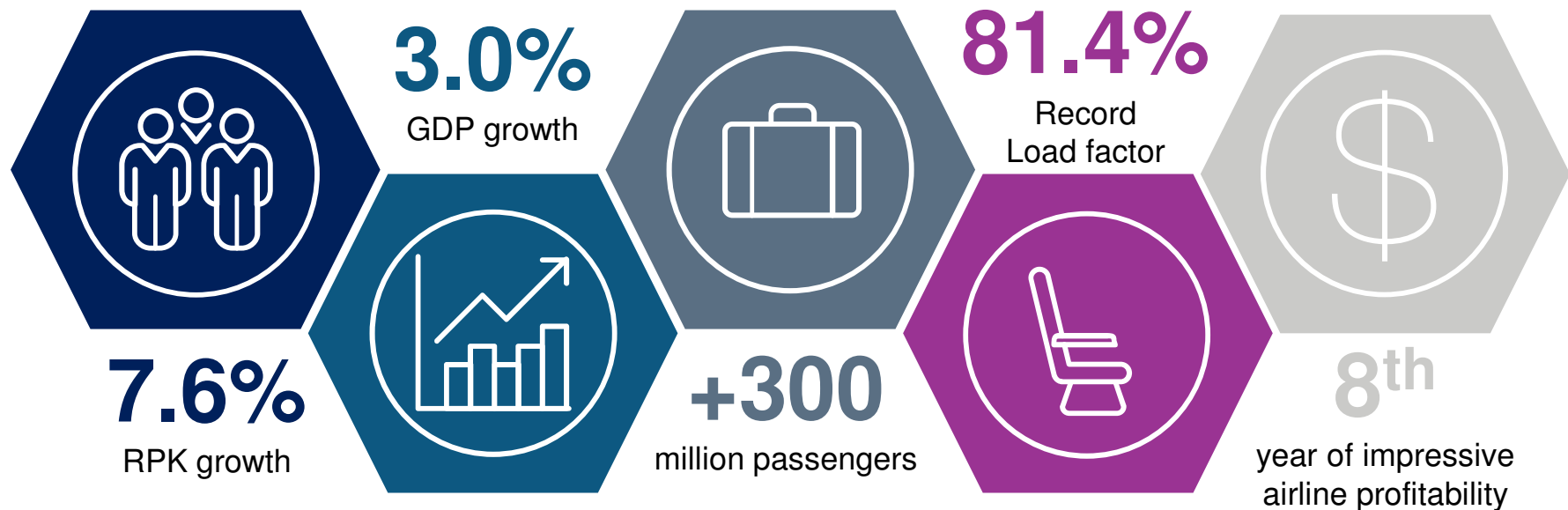
H1 2018
Review



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AIR TRAFFIC AND LONG TERM FUNDAMENTALS REMAIN STRONG

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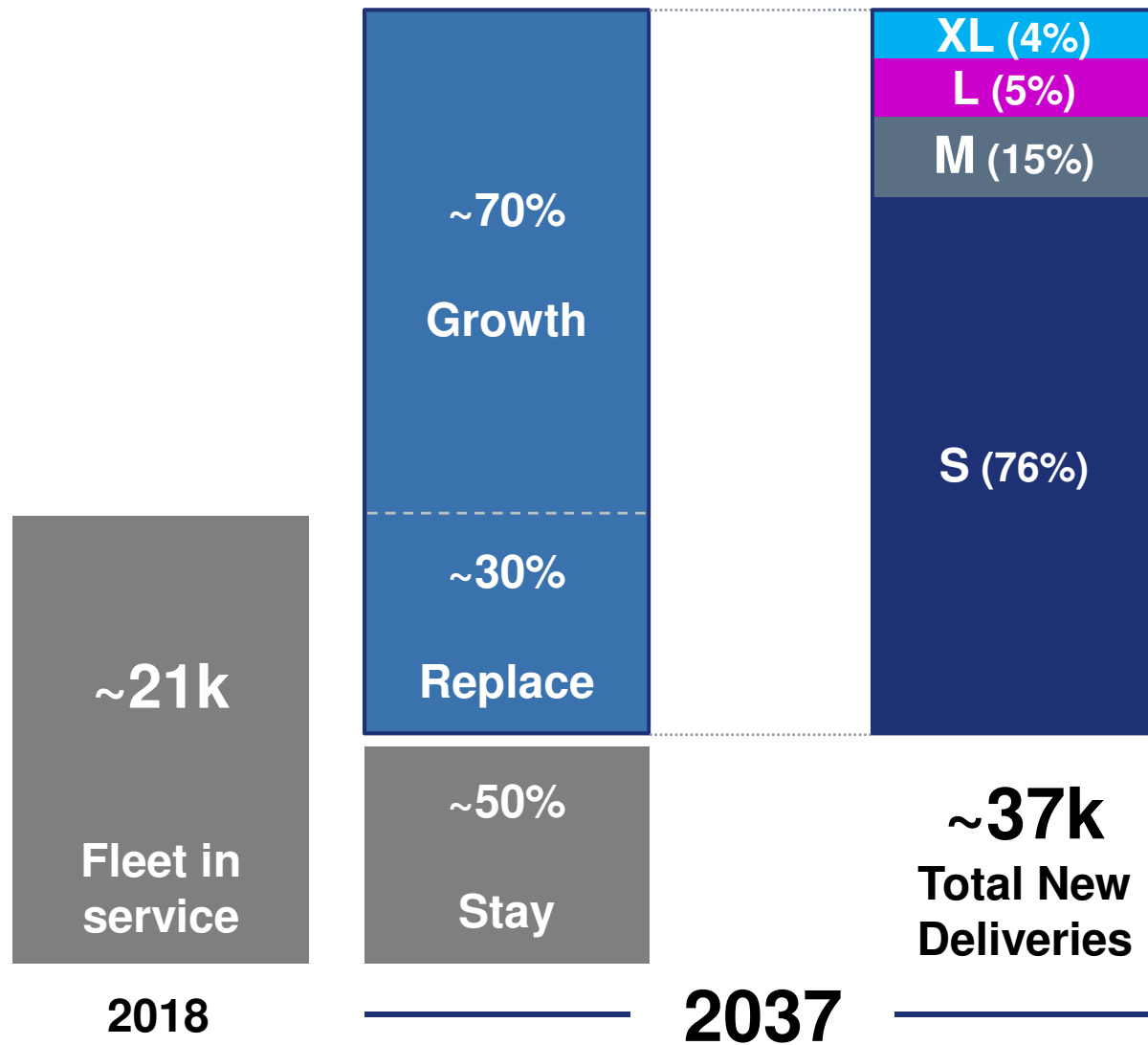


Source: ICAO, IATA, WTO, IHS Economics, Airbus GMF 2018

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WORLD FLEET WILL MORE THAN DOUBLE OVER THE NEXT 20 YEARS

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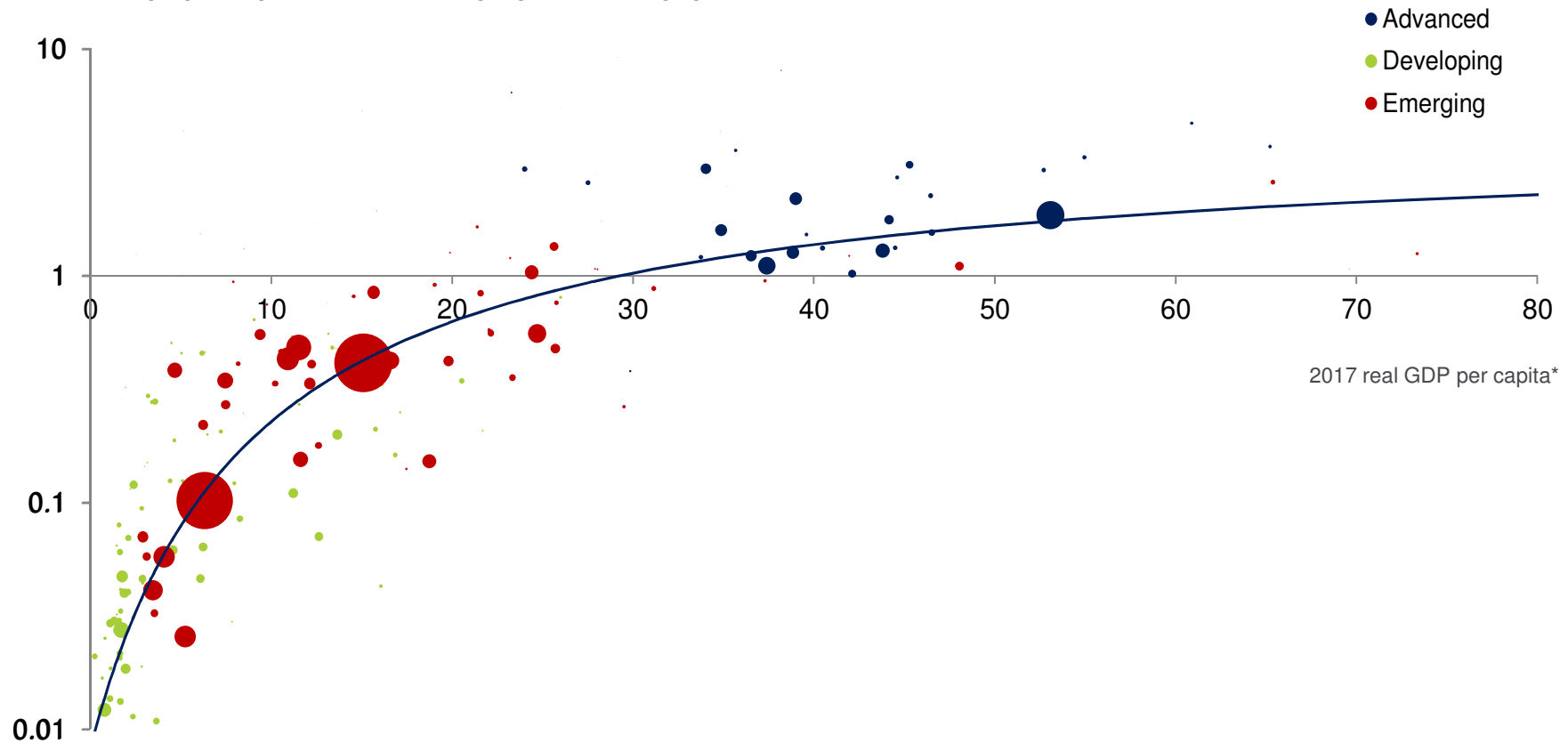
Notes: Passenger aircraft (≥ 100 seats) | Jet freight aircraft (>10 tons), Rounded figures to the nearest 10 – Assuming same rules as today
Source: Airbus GMF 2018
Box sizes for illustrative purposes only

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

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2017 Trips per capital - Bubble size proportional to population



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

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INVESTMENTS TO PREPARE THE FUTURE AND CAPTURE GROWTH

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2012 - 2017

€ 19 bn

R&D

€ 17 bn

CapEx

€ 5 bn

**Working
Capital ⁽¹⁾**

~ € 40 bn

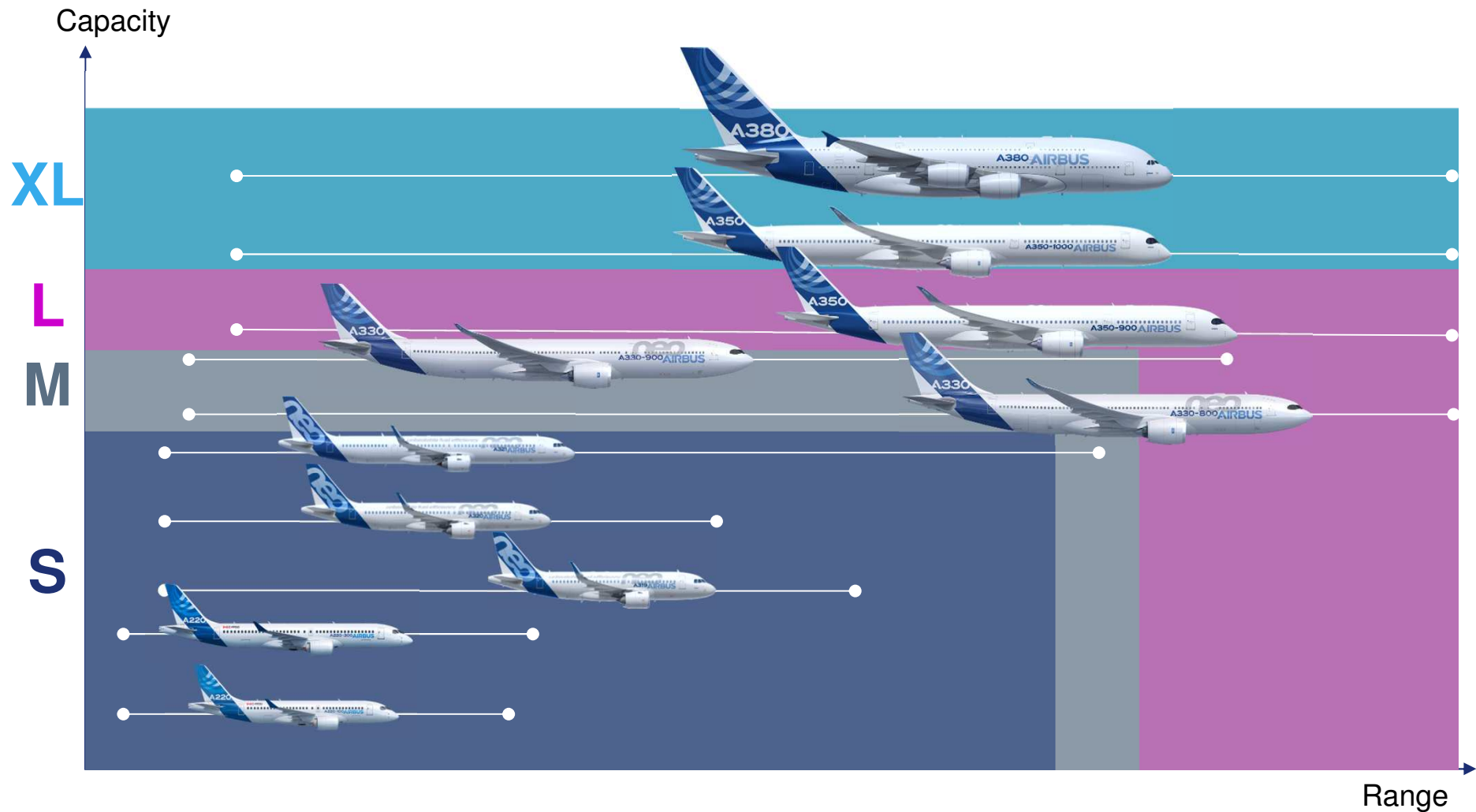
Comprehensive product family and ramp-up capability

(1) Mainly investment in inventory partly offset by PDPs

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THE MOST COMPREHENSIVE COMMERCIAL AIRCRAFT FAMILY...

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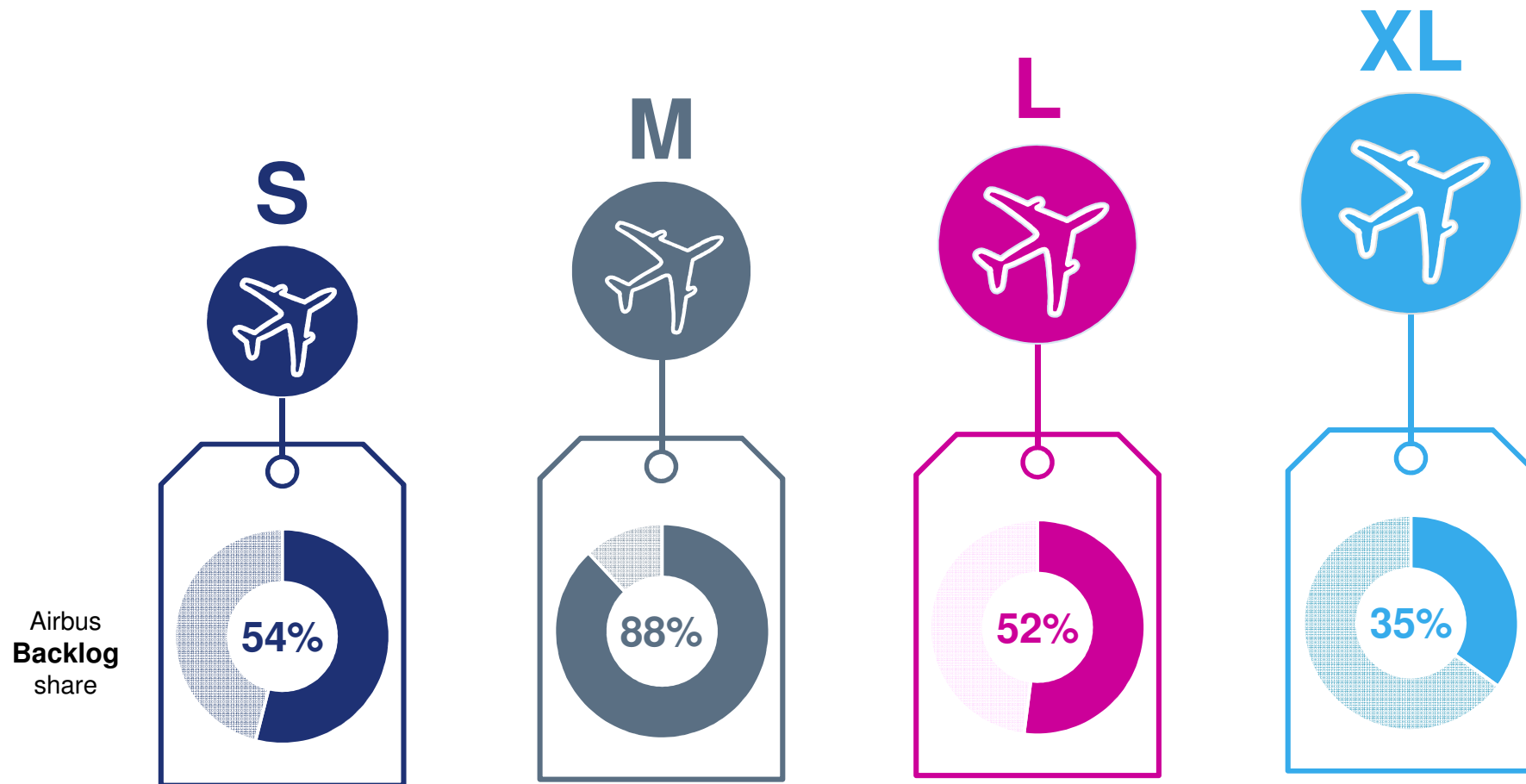


Product position is illustrative

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...WELL POSITIONED ACROSS ALL MARKET SEGMENTS

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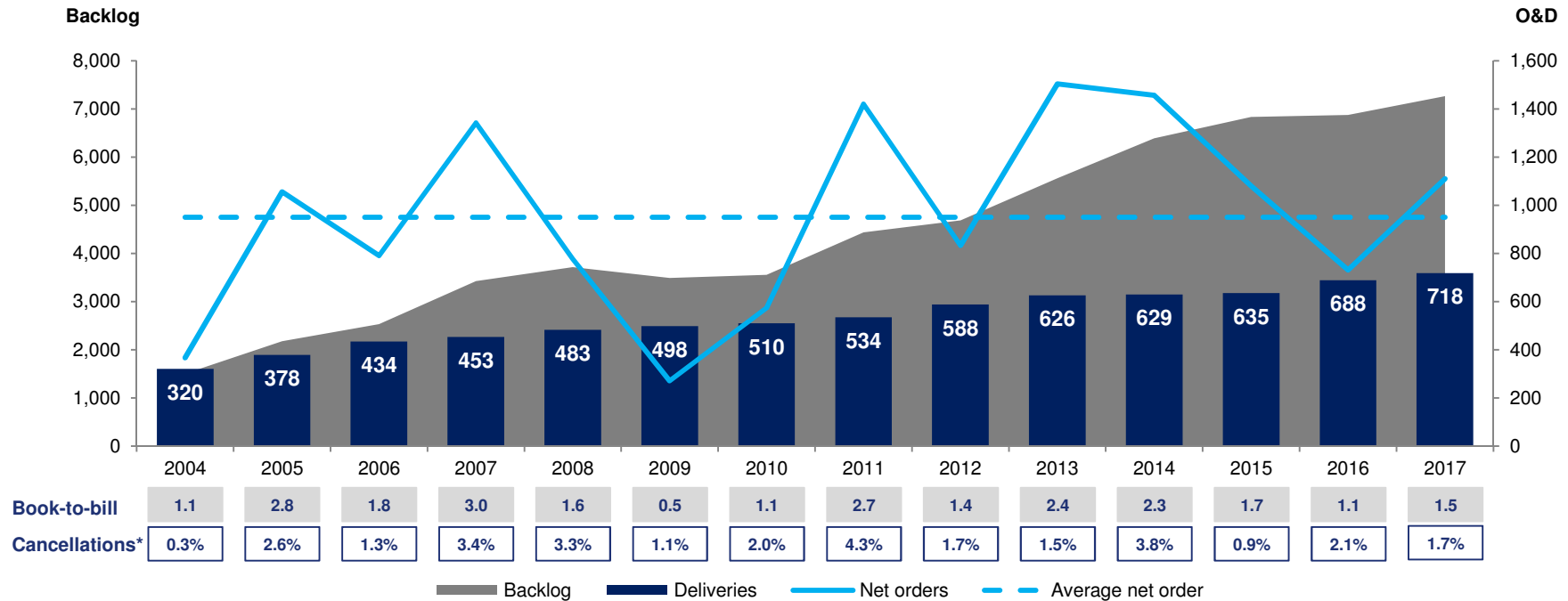


Source: Flight Global – Ascend, Airbus | Passenger a/c backlog as of end 2017 | Includes all manufacturers

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ROBUST COMMERCIAL AIRCRAFT ENVIRONMENT

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Growing backlog while ramping-up deliveries to meet customer demand

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HELICOPTERS: MARKET AND PRODUCT POSITIONING

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CIVIL & PARAPUBLIC



MARKET

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

PRODUCT

- Product renewal strategy: H135, H145, H160, H175
- Wide mission coverage

MILITARY AIRCRAFT



- Military market supported by growing Defence budgets
- Successful campaigns in 2016

- Unique product offering addressing wide range of missions and classes
- Military offers based on proven Civil technology

Renewed product portfolio and global market presence

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MILITARY AIRCRAFT



SPACE SYSTEMS



CIS / UAS / OTHERS



MARKET

- Geopolitical instability
- Growth in defence spending
- Increasing need for security

- Growth in space spending
- More connected world
- Increasing need for services

- Big data / analytics / digital
- Cyber protection
- Increasing need for autonomy and reactivity

PRODUCT

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

- Telecom satellites, ENS
- OneWeb (small satellites)
- Space services (SpaceTug - Space Utility Vehicle)

- Cyber Protection (Stormshield, 3 Cyber Defence Centres)
- Digital services and secured connectivity (HAPS)
- Unmanned Aerial Systems (Airbus Aerial, European MALE)

**Successful repositioning
through portfolio reshaping**

LEVERAGING DIGITAL IN ALL AREAS OF OUR BUSINESS

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Skywise



Data exploitation



Connectivity



Driving further industrial efficiency



**Improving reliability of assets in use
for customer benefit**



Generating new business opportunities

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KEY PRIORITIES

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- Deliver ~800 a/c in 2018, prepare further ramp-up potential
- Leverage competitive product portfolio to strengthen market position
- Boost efficiency and competitiveness through digital and innovation
- Deliver EPS and FCF growth potential



Earnings and FCF taking off!

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KEY PROGRAMME UPDATE

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A220

- 120 orders since closing July 1st
- A220 to be consolidated from Q3'18



A320

- A320 ramp-up to rate 60 by mid-2019 ongoing
- Neo engine deliveries resumed in Q2. H2 recovery plan in place. Challenges remain
- Feasibility study to R70+ ongoing



A330

- A330neo EIS expected by end of summer
- 42 A330neo commitments in Farnborough



A350

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



A380

- Industrial baseline secured at 6 deliveries p.a. from 2020
- Campaigns ongoing
- New 2nd hand market



A400M

- Customer discussions ongoing to finalize contract amendment by year-end

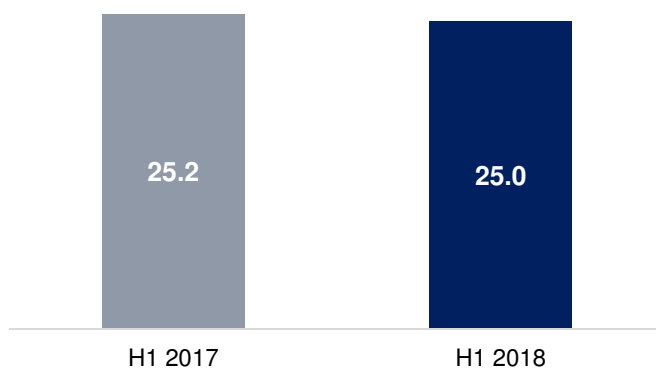
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H1 2018 FINANCIAL PERFORMANCE

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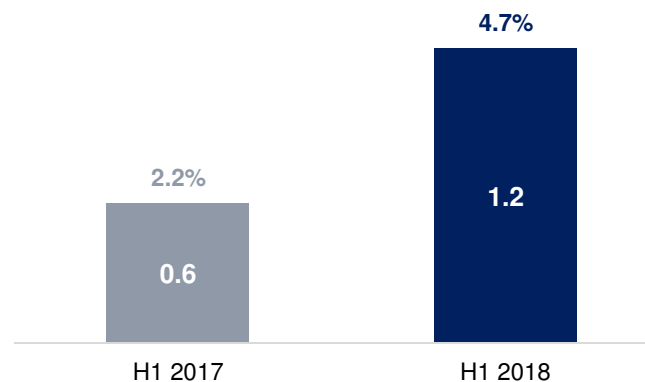
Revenues

in € bn



EBIT Adjusted

in € bn / RoS (%)



EPS⁽¹⁾ Adjusted

in €



FCF before M&A and Customer Financing

in € bn



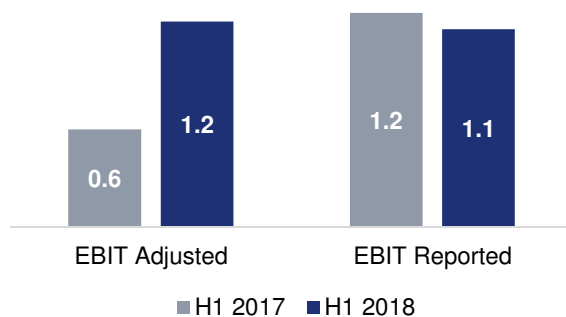
(1) H1 2018 Average number of shares: 774,129,413 compared to 773,223,614 in H1 2017
Capitalised R&D: € 40 m in H1 2018 and € 149 m in H1 2017
2017 figures are amended with IFRS15 restatements

H1 2018 PROFITABILITY

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EBIT Performance

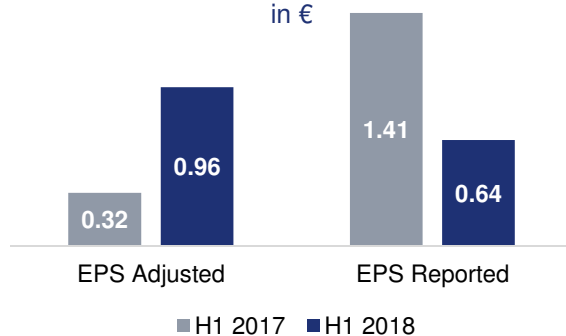
in € bn



- H1 2018 EBIT Reported of € 1.1 bn
- H1 2018 Adjustments resulting from:
 - €- 98 m A400M provision
 - €- 21 m First H160s
 - €- 40 m PDP mismatch / BS revaluation
 - €- 40 m Compliance / Others
 - €+ 157 m Airbus DS perimeter change
 - **€- 42 m Net Adjustments**

EPS Performance

in €



- H1 2018 Net Income of € 496 m
- H1 2018 Net Income Adjusted of € 740 m
- H1 2018 tax rate on core business is 28%

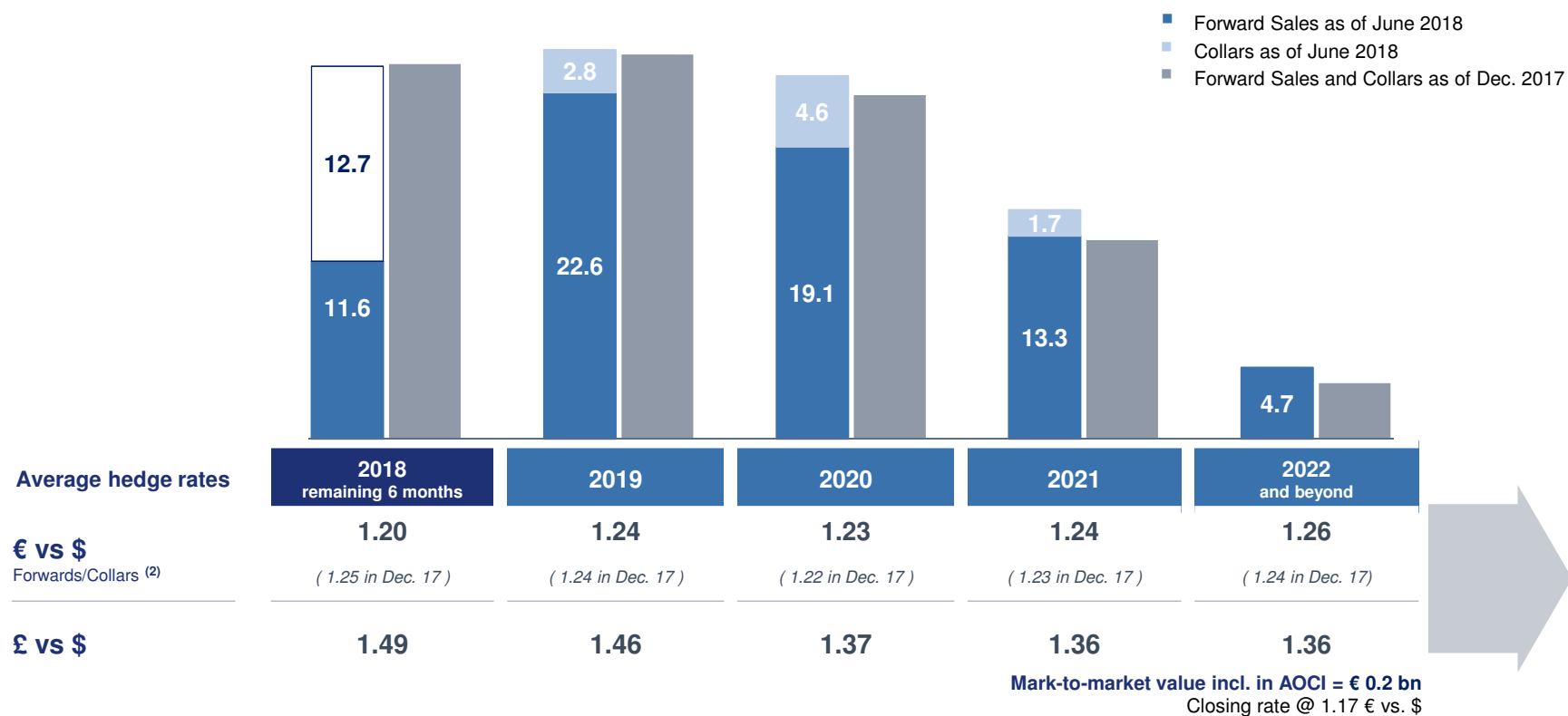
Average number of shares: H1 2018 = 774,129,413 ; H1 2017 = 773,223,614
2017 figures are amended with IFRS15 restatements

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CURRENCY HEDGE POLICY

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IN \$ BILLION



- In H1 2018, \$ 4.5 bn ⁽¹⁾ of new Forwards were added at an average rate of € 1 = \$ 1.29
- \$ 12.7 bn ⁽¹⁾ of hedges matured at an average rate of € 1 = \$ 1.29
- Hedge portfolio ⁽¹⁾ 30 June 2018 at \$ 80.3 bn (vs. \$ 88.7 bn in Dec. 2017), at an average rate of \$ 1.23 ⁽²⁾
- In H1, \$ 3.0 bn of hedges rolled-over intra-year in 2018 to align with backloaded delivery profile. No change to FY hedge rate

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

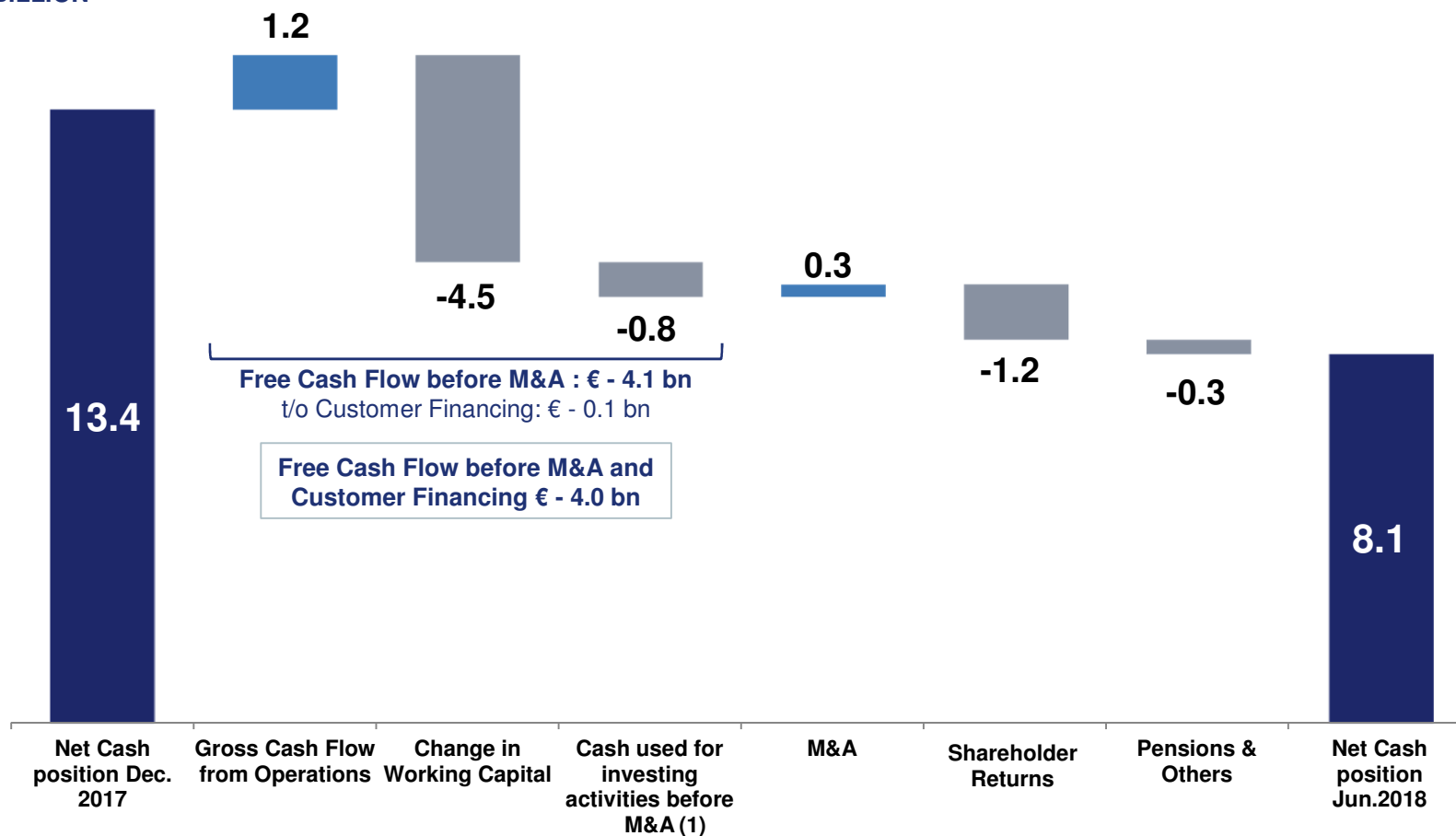
(1) Total hedge amount contains \$/€ and \$/£ designated hedges; (2) Blended Forwards and Collars rate includes Collars at least favourable rate

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H1 2018 CASH EVOLUTION

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IN € BILLION



■ Early debt repayments of € 1.6 bn, no impact to net cash

(1) Thereof Capex of € - 0.9 bn; (2) M&A transactions include acquisitions and disposals of subsidiaries and businesses

2018 GUIDANCE

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As the basis for its 2018 guidance, Airbus expects the world economy and air traffic to grow in line with prevailing independent forecasts, which assume no major disruptions

Airbus 2018 Earnings and guidance are prepared under IFRS 15

Airbus 2018 Earnings and FCF guidance is before M&A. It now includes the A220 integration*

- Airbus targets to deliver around 800 commercial aircraft, without the A220 family
- On top, around 18 A220 deliveries are targeted for H2
- Before M&A, Airbus expects EBIT Adjusted of approximately € 5.2 bn in 2018:
 - A220* integration is expected to reduce EBIT Adjusted by an estimated € -0.2 bn
 - Therefore, including A220*, Airbus expects EBIT Adjusted to be approximately € 5.0 bn
- Compared to 2017 Free Cash Flow before M&A and Customer Financing of € 2.95 bn, Airbus expects Free Cash Flow to be at a similar level in 2018 before A220 integration
 - A220* integration is expected to reduce Free Cash Flow before M&A and Customer Financing by an estimated € -0.3 bn
 - In 2018, Airbus expects the net cash impact of the A220 integration to be largely covered by the funding arrangement as laid out in the terms of the C-Series A/C Ltd. Partnership, meaning limited cash dilution

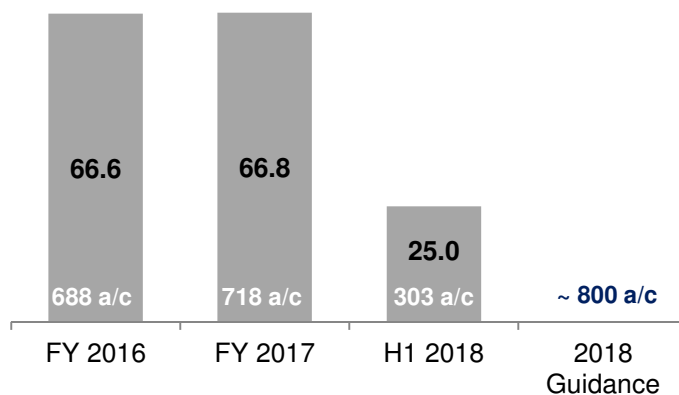
* Based on preliminary data

H1 2018 FINANCIAL PERFORMANCE

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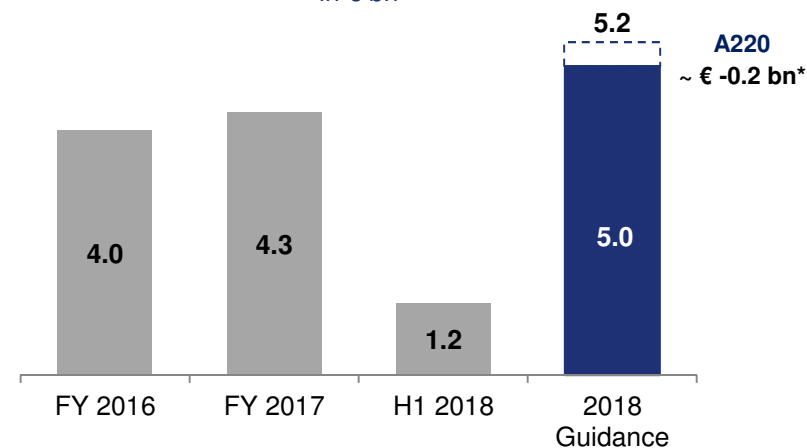
Revenues

in € bn



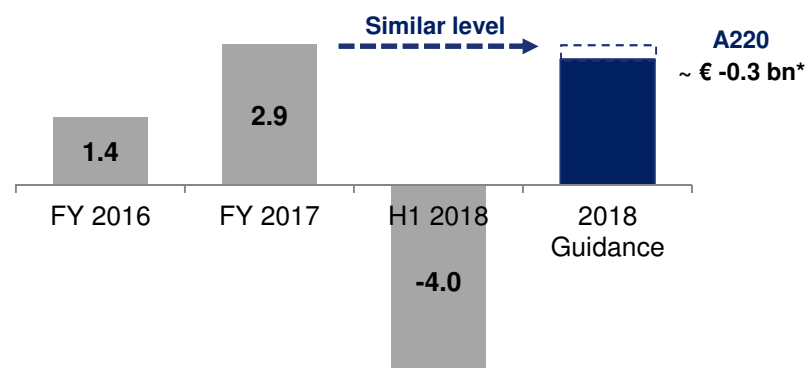
EBIT Adjusted

in € bn



FCF before M&A and Customer Financing

in € bn



* Based on Preliminary data
2017 figures are amended with IFRS15 restatements

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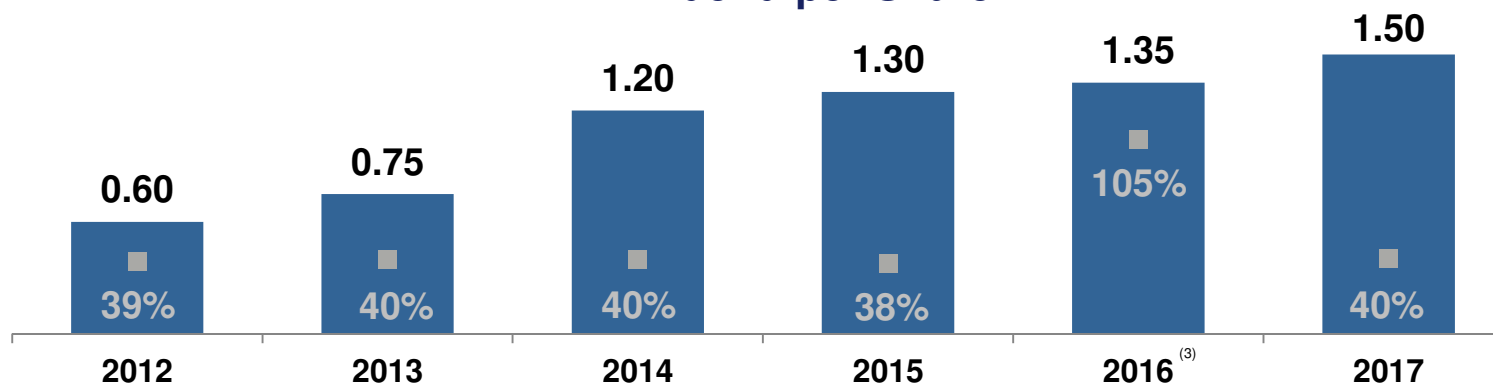
COMMITMENT TO CASH GENERATION & SHAREHOLDER RETURNS

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2012 - 2017



Dividend per Share



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

⁽¹⁾ incl. € 4 bn M&A

⁽²⁾ of which € 6 bn of Dividend and € 3 bn of Share Buyback

⁽³⁾ Increased exceptionally to deliver sustained dividend growth per share

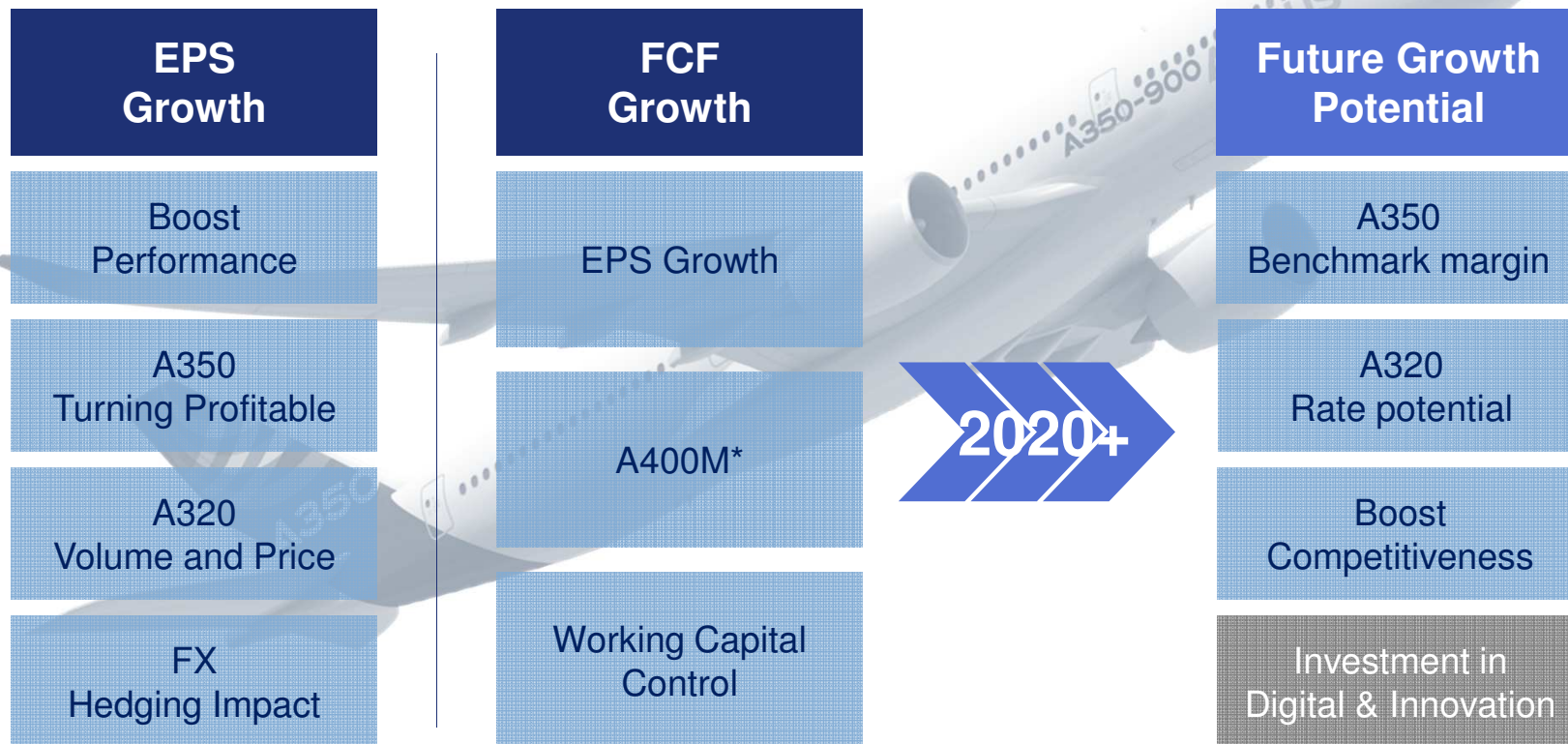
⁽⁴⁾ as of 31 Dec 2017

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DELIVER EPS & FCF GROWTH POTENTIAL

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2017 - 2020



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