

# AIRBUS

## Private Wealth Roadshow

25 May 2018



**AIRBUS**

## 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 Airbus “Registration Document” dated 28 March 2018, 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.

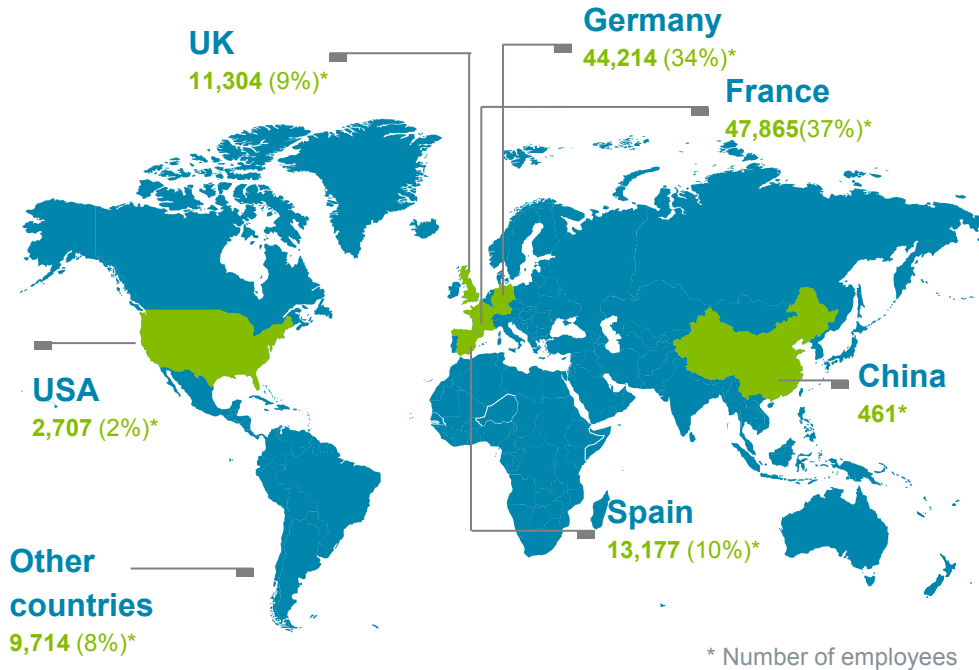
### **Rounding disclaimer:**

Due to rounding, numbers presented may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

### **IFRS 15 Disclaimer:**

The Company has adopted the IFRS 15 standard as of 1st January 2018.

# AIRBUS: A TRULY GLOBAL COMPANY



**+129,000** employees from **132** nationalities

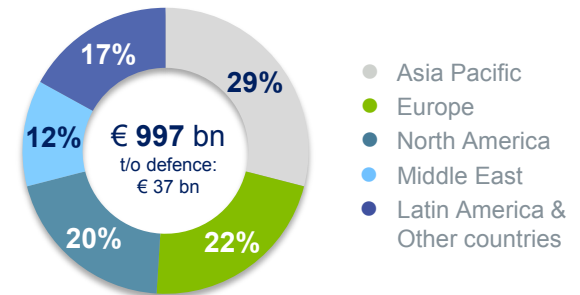
Located across **35** countries on more than **180** sites

External Revenues

**25% Europe**  
**75% Non-Europe**

**12,000** Suppliers from more than **100** countries

Airbus **Order Book\*** by Region (by value)



\* Commercial Order Intake and Order Book based on list prices

# COMPANY OVERVIEW

Airbus is an **international pioneer** in the **aerospace industry**.

We are a leader in designing, manufacturing, and delivering aerospace **products, services** and **solutions** to customers on a **global scale**.

A commercial aircraft manufacturer with two other segments – Defence and Space and Helicopters – Airbus is the **largest aeronautics and space** company in **Europe** and a **worldwide leader**.

## Airbus

Passenger Aircraft,  
Freighter Conversion,  
Services



## Airbus Helicopters

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



## Airbus Defence and Space

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

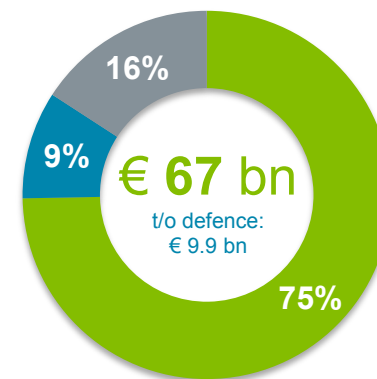


# AIRBUS TODAY (FY 2017 FIGURES AS REPORTED)



## Airbus External Revenue Split by Division (as of 31/12/17)

In € million as of 31 Dec 2017	Airbus Consolidated	Airbus	Helicopters	Defence and Space
<b>Order book</b>	996.822	950.354	11.201	37.407
<b>Revenues</b>	66.767	50.958	6.450	10.804
<b>R&amp;D Expenses</b>	2.807	2.011	306	322
<b>EBIT Adjusted</b>	4.253	3.554	337	872
<i>in % Revenues</i>	6.4%	7.0%	5.2%	8.1%
<b>EBIT</b>	3.421	3.428	337	212
<i>In % Revenues</i>	5.1%	6.7%	5.2%	2.0%



- Airbus
- Helicopters
- Defence & Space

### Position as a leader

- **Strengthen market position** and **profitability**, while remaining a leader in Commercial Aeronautics.
- Preserve leading position in European Defence, Space and Government markets.

### Utilise strategic levers

- Exploit **incremental innovation** potential within product programmes, while pioneering and fostering **disruptions** in our industry.
- Exploit **digitalisation** to enhance our products, services and operations, as well as pursue **new business models**.
- Adapt to a more **global** world and move closer to **international** markets.
- Focus **services** on and around **platforms**.
- Strengthen **value chain position**.

### Deliver the results accordingly

- Focus on **profitability**, **value** creation, and **market position** – no need to chase growth at any cost; actively manage portfolio.

# COMMERCIAL AIRCRAFT

Employees

**74,500**

Order Backlog 2017

**7,265 aircraft**

2017 Revenues

**€ 50.96 bn**

Net Orders in 2017

**1,109 aircraft**

Aircraft delivered

**10,926**

Deliveries in 2017

**718**



## Traffic Forecast

- **Air traffic doubles every 15 years**
- Airbus traffic forecast: 4.4% per annum
- Asia Pacific 41% of the demand, US & Europe 36%

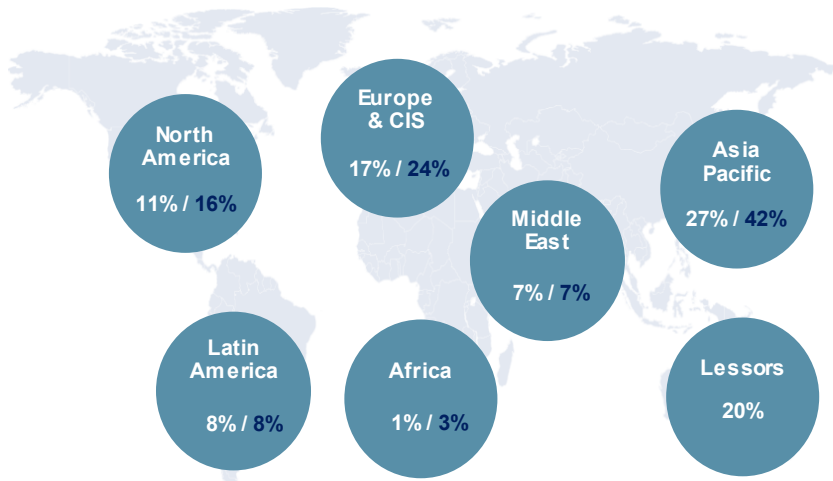
## Fleet Forecast

- **34,900 new aircraft by 2036**
- ~40% of new deliveries for replacement, ~60% for growth
- Single-aisle: 71% of units / Wide-bodies: 54% of value



# COMMERCIAL AIRCRAFT BACKLOG AND DELIVERIES

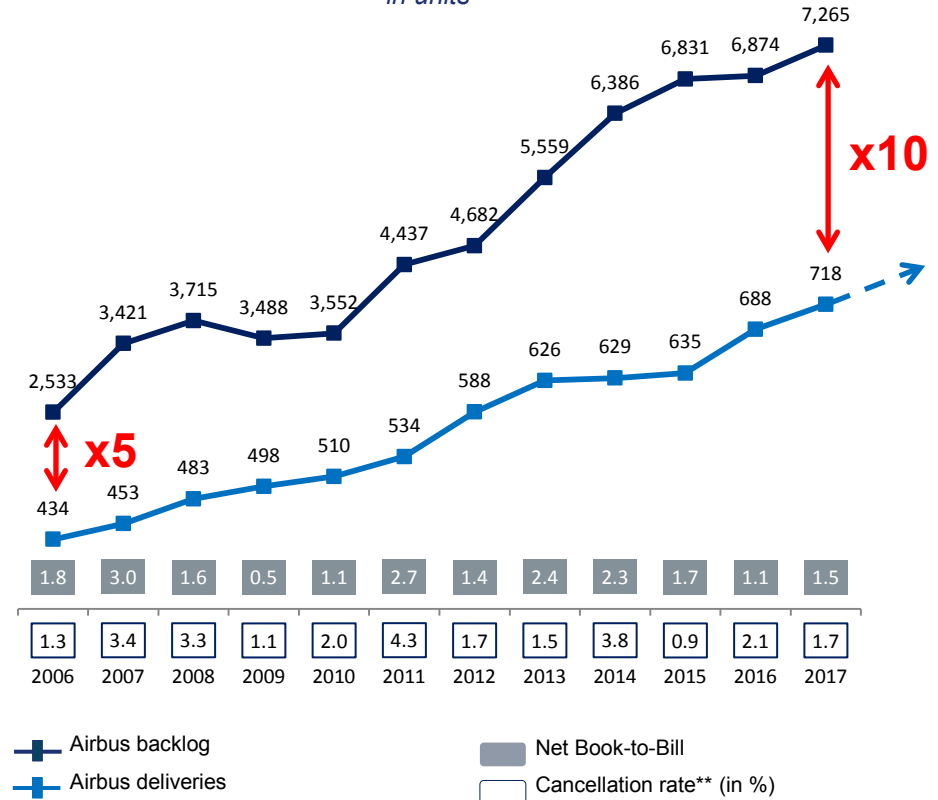
Airbus Commercial Aircraft backlog\* well aligned with regional needs and demand forecast



% Backlog as of end of Dec. 2017  
% Share of 2016-2035 PAX deliveries (GMF 2017)

Asia Pacific, Lessors and Europe to take highest share of our deliveries in the short term

Over 10 years production in backlog  
in units



Our backlog supports our ramp-up

Strong and well diversified backlog, aligned with demand, supports our ramp-up

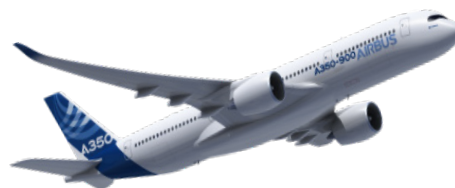
\*12% of undisclosed customers; \*\* Cancellations (excluding Ceo-Neo conversions) / backlog

# THE MOST COMPREHENSIVE PRODUCT LINE FOR ANY MARKET

10



**A380: 317 orders**  
Capacity to capture traffic growth



**A350XWB: 854 orders**  
Long-range and ultra-long haul routes



**A330 Family: 1,707 orders**  
Flying from 30 minutes to over 15 hours



**A320 Family: 14,120 orders** including **5,995 neo**  
Up to 240 passengers, flying up to 10 hours

Figures as of 31 December 2017

**AIRBUS**

# HELICOPTERS

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**No.1** civil helicopter  
manufacturer in the world

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**Largest** civil and  
military helicopter range  
in the world

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Employees  
**20,100**

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2017 Revenues  
**€ 6.5 bn**

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Helicopters in operation worldwide  
Around **12,000** helicopters in  
**154** countries

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2017 Order Book  
**€ 11.2 bn**

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Leadership in the civil market  
**50%**  
(market share based on deliveries)

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## Civil & Parapublic

MARKET

- Strong **Product endorsement** despite market softness
- **Long term** market **potential**
- **Urban Air Mobility** new market

PRODUCT

- **Product renewal** strategy: H135T2, H145T2, H160, H175
- **Wide mission coverage**



## Military

- **Momentum** in Military market
- Successful **campaigns** in 2017

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



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**No.1** European  
defence and space company

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Employees  
**32,200**

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2017 Revenues  
**€ 10.8 bn**

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2017 Order Book  
**€ 37.4 bn**

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Military Aircraft, total orders by  
end 2017

**1,956 aircraft**

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**82** successful Ariane 5 launches  
in a row up to end of 2017

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**18** armed forces worldwide  
use our Communications  
(including NATO & EDA)

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# SUCCESSFUL BUSINESS REPOSITIONING

## MARKET

### Military Aircraft

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

### Space Systems

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

### Communications, Intelligence and Security & UAV

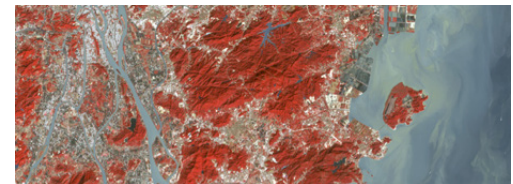
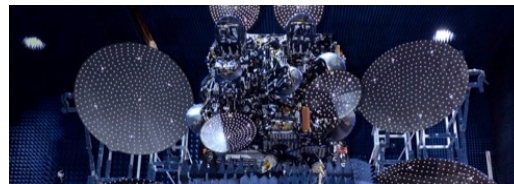
- **Big data** / analytics
- **Cyber** protection
- Increasing need for **autonomy**

## PRODUCT

- **Multi-mission** military aircraft
- **Services** around platforms
- Integrated **combat** system

- Telecom, Earth Observation, Navigation & Science **Satellite**
- OneWeb (**small satellites**)
- **Space services**

- **Cyber security**
- **Digital** services and secured **connectivity**
- **Unmanned Aerial Systems**



# FINANCIAL PERFORMANCE AND OUTLOOK

15

2013-2017 Revenues CAGR <sup>(1)</sup>

**+3.8%**

2013-2017 EBIT Adjusted CAGR <sup>(1)</sup>

**+5%**

2013-2017  
Investment <sup>(2)</sup>

**€ 34 bn**

2013-2017 Free Cash  
Flow <sup>(3)</sup>

**€ 6.2 bn**

<sup>(1)</sup> Compounded annual growth rate

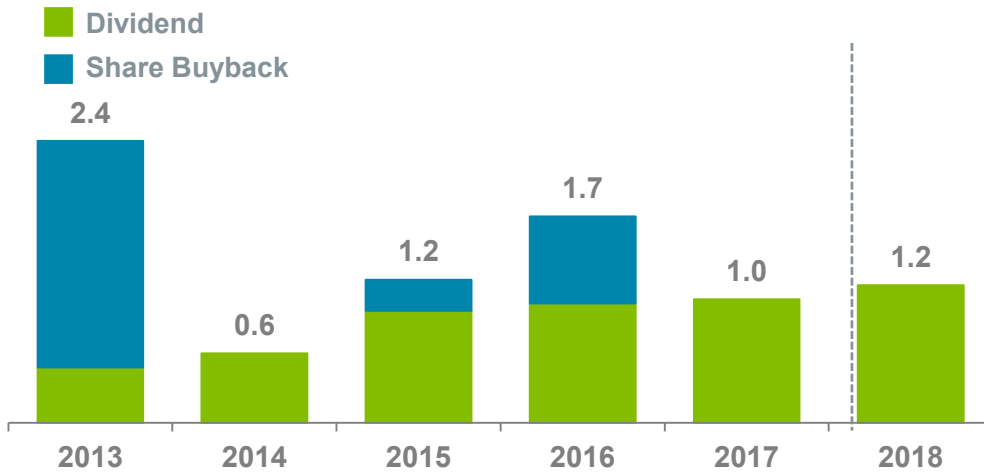
<sup>(2)</sup> Investment in Capital Expenditures, Working Capital and Research and Development

<sup>(3)</sup> Free Cash Flow before M&A and Customer Financing

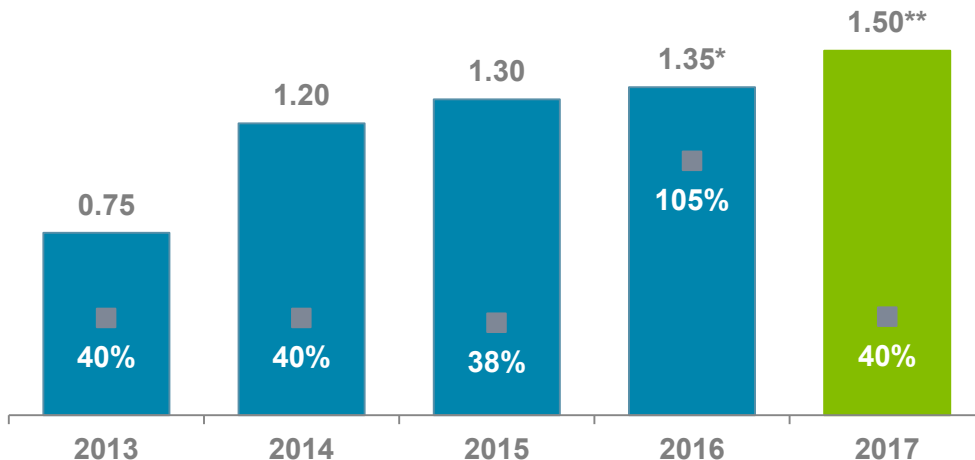
# SHAREHOLDER RETURNS (2013 – 2017)

## Total Shareholder Returns

Actual cash out every year (in € bn)



## Dividend per Share (in €)



Total Free Cash Flow including M&A

~ € 11 bn

Total shareholder returns

~ € 8 bn

Dividend policy pay out ratio of 30-40%

**Sustainable growth**

2017 dividend paid in April 2018

€ 1.50

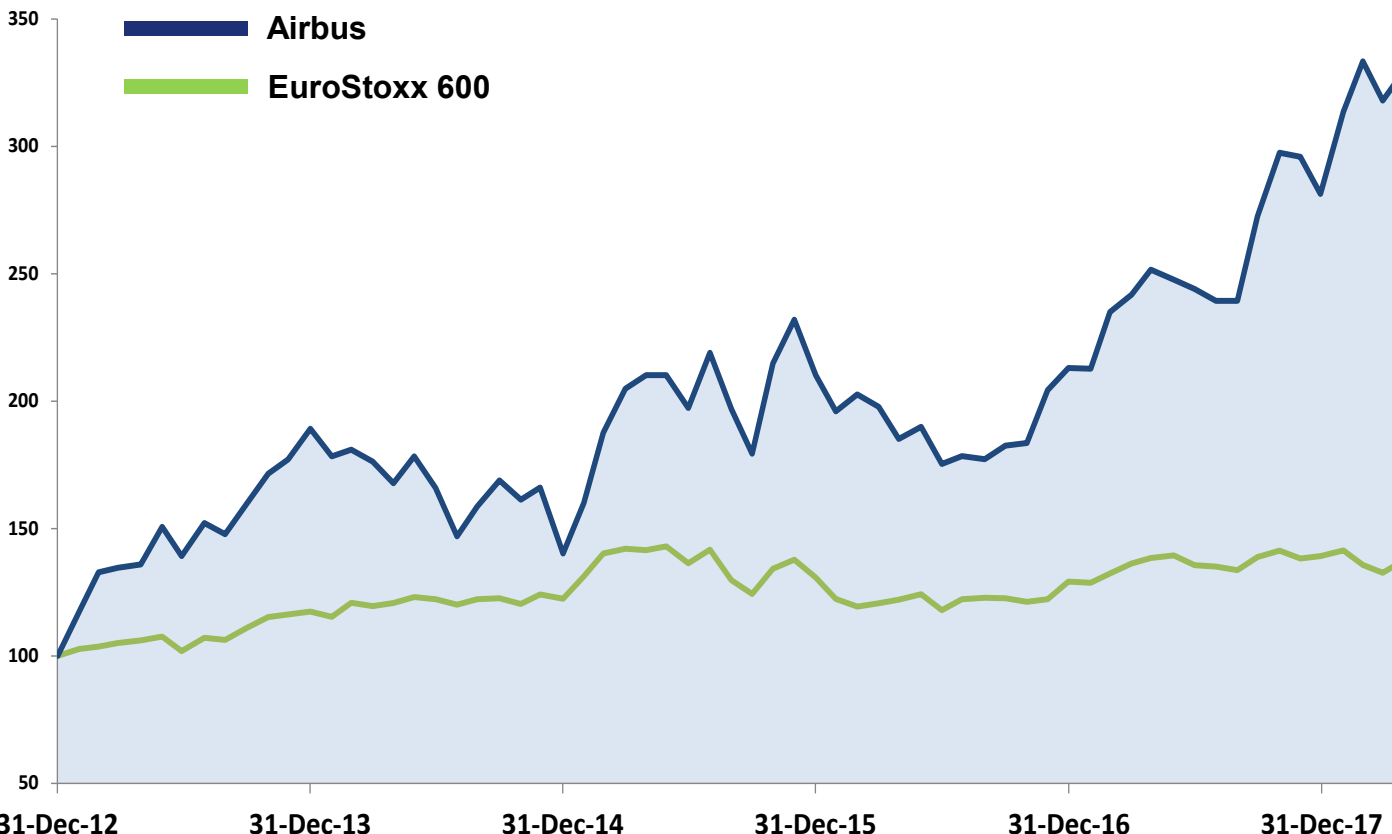
\* Exceptional pay out ratio in 2016

\*\* 2017 Dividend paid: April 2018



# SIGNIFICANT SHARE PRICE INCREASE SINCE 2013

Share price rebased to 100 scale



AIR Share Price\*

**€ 100.66**

**+200%**

vs. EUROSTOXX 600

\* as of 22 May 2018



## A320

- SA remains **healthy** supporting our ramp-up plans
- Deliveries as of December 2017: **558** A320 family **delivered**, t/o 181 A320/A321neo
- **Rate 60** per month from **mid 2019 onwards**. **Feasibility study** to **rate 70**
- **Neo ramp-up** remains challenging.



## A350

- **Good progress** on A350 industrial **ramp-up** (78 deliveries as of December 2017)
- **On track** for **rate 10** target by **end 2018**
- **A350-1000 First delivery** on **February 2018**
- We remain focused on **Recurring Cost convergence**



## H225

- H225 **ban lift announced** by UK and Norway authorities
- Working with customers on **return to service**



## A400M

- **19 a/c** delivered in **FY 2017**; **4 a/c** delivered in **Q1 2018** (2 additional delivered since).
- **Baselining** of launch customers programme to **8 aircraft per year from 2020**.
- Signature of **DOI in Feb 2018**; remaining **exposure significantly reduced**.

Box sizes for illustration purpose only

Drive performance across our operations, improve competitiveness and create new business opportunities

### Global Supply Chain Performance and Quality

- **Group-wide approach** to supply chain management and quality
- Transversal industrial footprint and **harmonised quality** improvement programmes

### Digital Transformation

- **Improve efficiency** and quality of manufacturing operations
- Prepare **end-to-end Digital** operations from design to product support

### Innovation

- Leverage new technologies to **prepare the future**
- Exploring **new business** areas

*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*

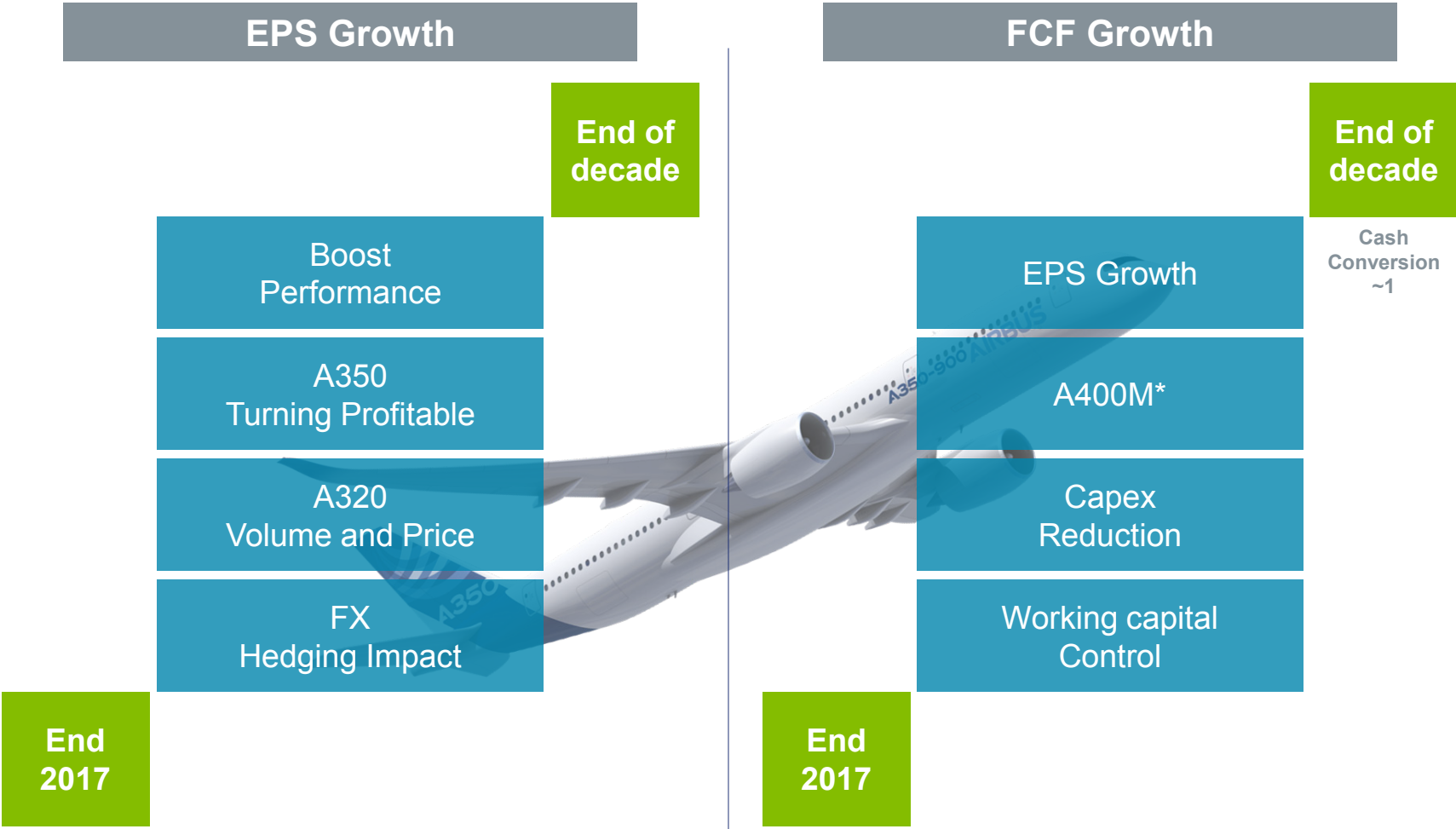
*Airbus 2018 earnings and FCF guidance is based on a constant perimeter, before M&A*

- Airbus expects to deliver around 800 commercial aircraft which depends on engine manufacturers meeting commitments

### **Based on around 800 deliveries:**

- Compared to 2017 EBIT Adjusted of € 4.25 bn as reported, pre-IFRS15, Airbus expects, before M&A:
  - An increase in EBIT Adjusted of approximately 20%
  - IFRS15 is expected to further increase EBIT Adjusted by an estimated € 0.1 bn
  - Therefore, Airbus expects to report EBIT Adjusted of approximately € 5.2 bn prepared under IFRS 15 in 2018
- 2017 Free Cash Flow before M&A and Customer Financing was € 2,949 m  
Free Cash Flow is expected to be at a similar level as 2017, before M&A and Customer Financing

# DRIVING EARNINGS AND CASH PERFORMANCE



**Q1 2018 Figures**

**Shareholding Structure**

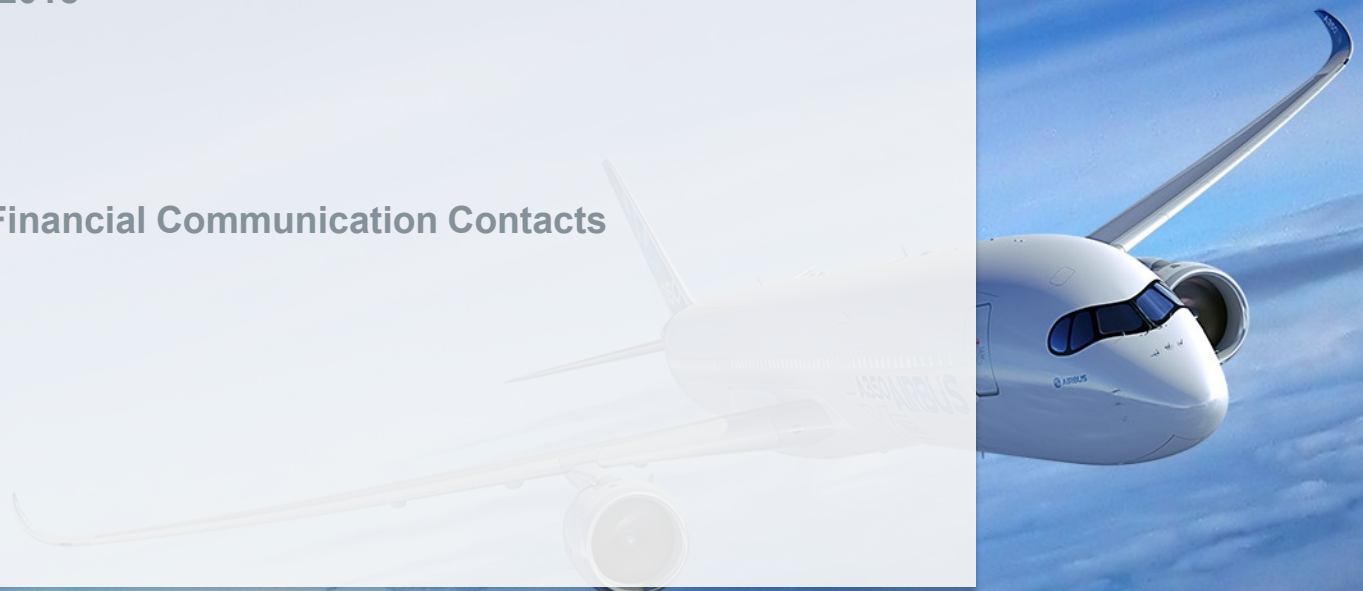
**Hedge Policy**

**Liquidity Position Q1 2018**

**Board of Directors**

**Executive Committee**

**Investor Relations & Financial Communication Contacts**



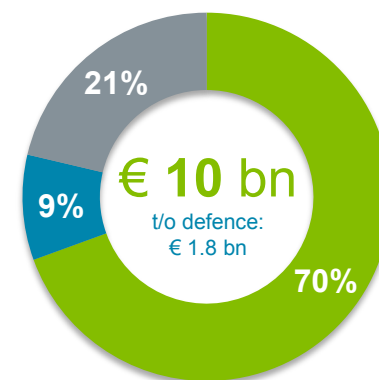
# AIRBUS TODAY (Q1 2018 FIGURES)



In € million  
as of Q1 2018

	Airbus Consolidated	Airbus	Helicopters	Defence and Space
<b>Order book</b>		<b>943,041</b>	<b>13,176</b>	<b>37,303</b>
<b>Revenues</b>	<b>10,119</b>	<b>7,222</b>	<b>961</b>	<b>2,217</b>
<b>R&amp;D Expenses</b>	<b>616</b>	<b>430</b>	<b>70</b>	<b>58</b>
<b>EBIT Adjusted</b>	<b>14</b>	<b>-41</b>	<b>-3</b>	<b>112</b>
<i>in % Revenues</i>	<i>0.1%</i>	<i>-0.6%</i>	<i>-0.3%</i>	<i>5.1%</i>
<b>EBIT</b>	<b>199</b>	<b>-2</b>	<b>-10</b>	<b>265</b>
<i>In % Revenues</i>	<i>2.0%</i>	<i>0.0%</i>	<i>-1.0%</i>	<i>12.0%</i>

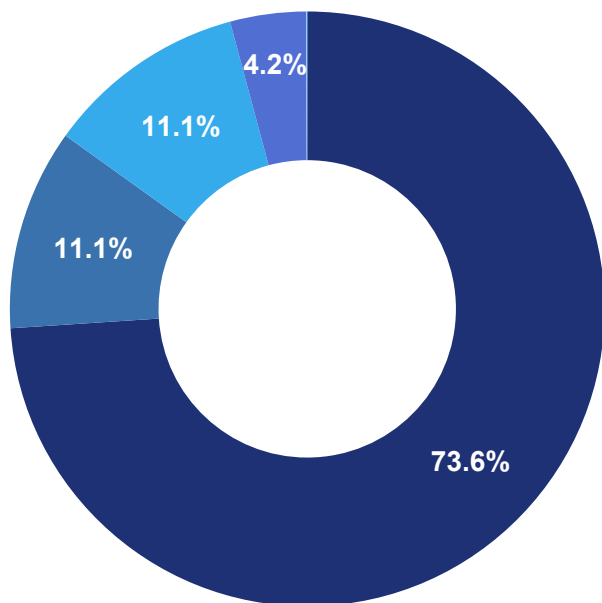
**Airbus External Revenue Split by Division**  
(as of Q1 2018)



- Commercial Aircraft
- Helicopters
- Defence & Space

Note: Q1 2018 figures are prepared under IFRS15 and new segment reporting.

# SHAREHOLDING STRUCTURE AS AT 31 MARCH 2018



**Free Float 73.6%**

**Shareholder Agreement 26.4%**

**SOGEPa 11.1%**

**GZBV 11.1%**

**SEPI 4.2%**

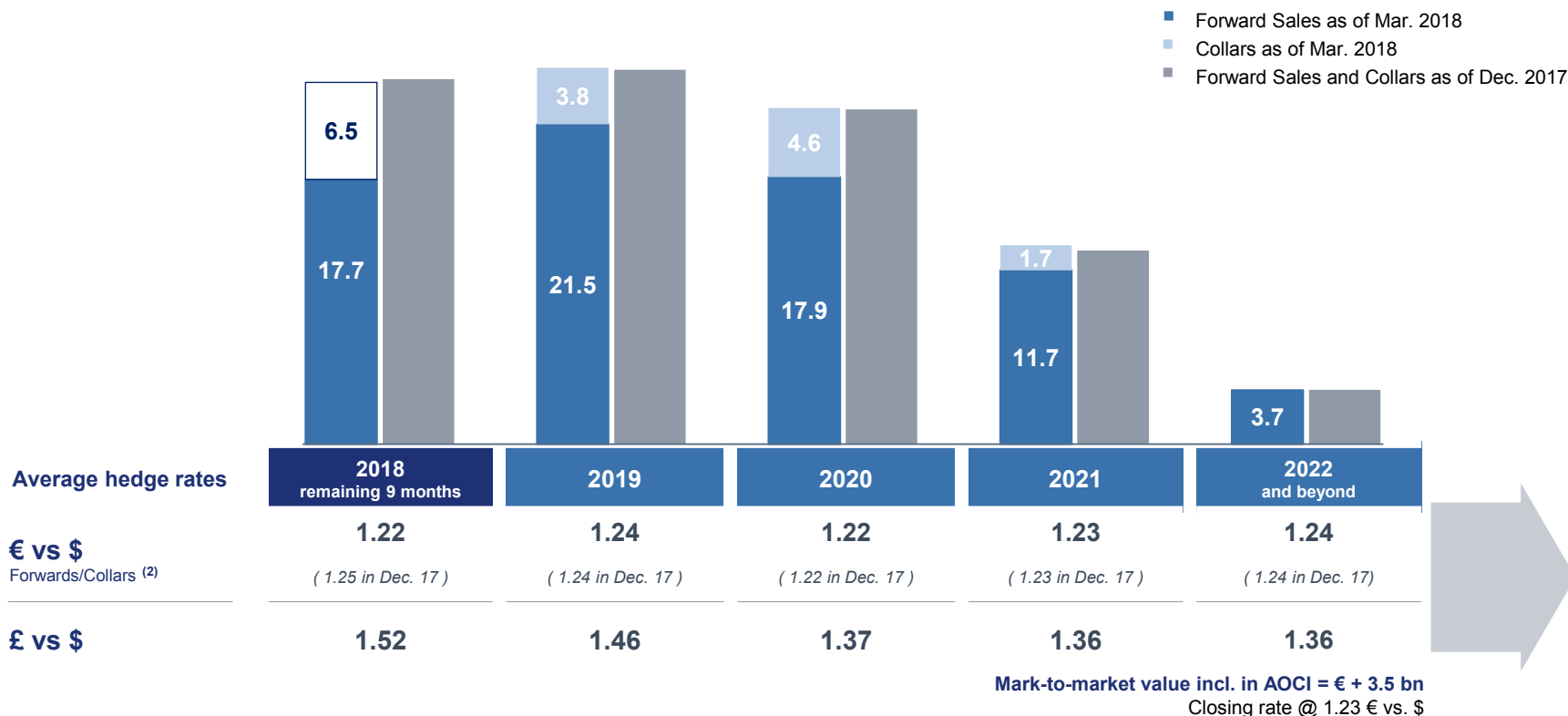
**Treasury Shares 0.0%**

■ 774,556,062 shares issued as at 31 March 2018



# CURRENCY HEDGE POLICY

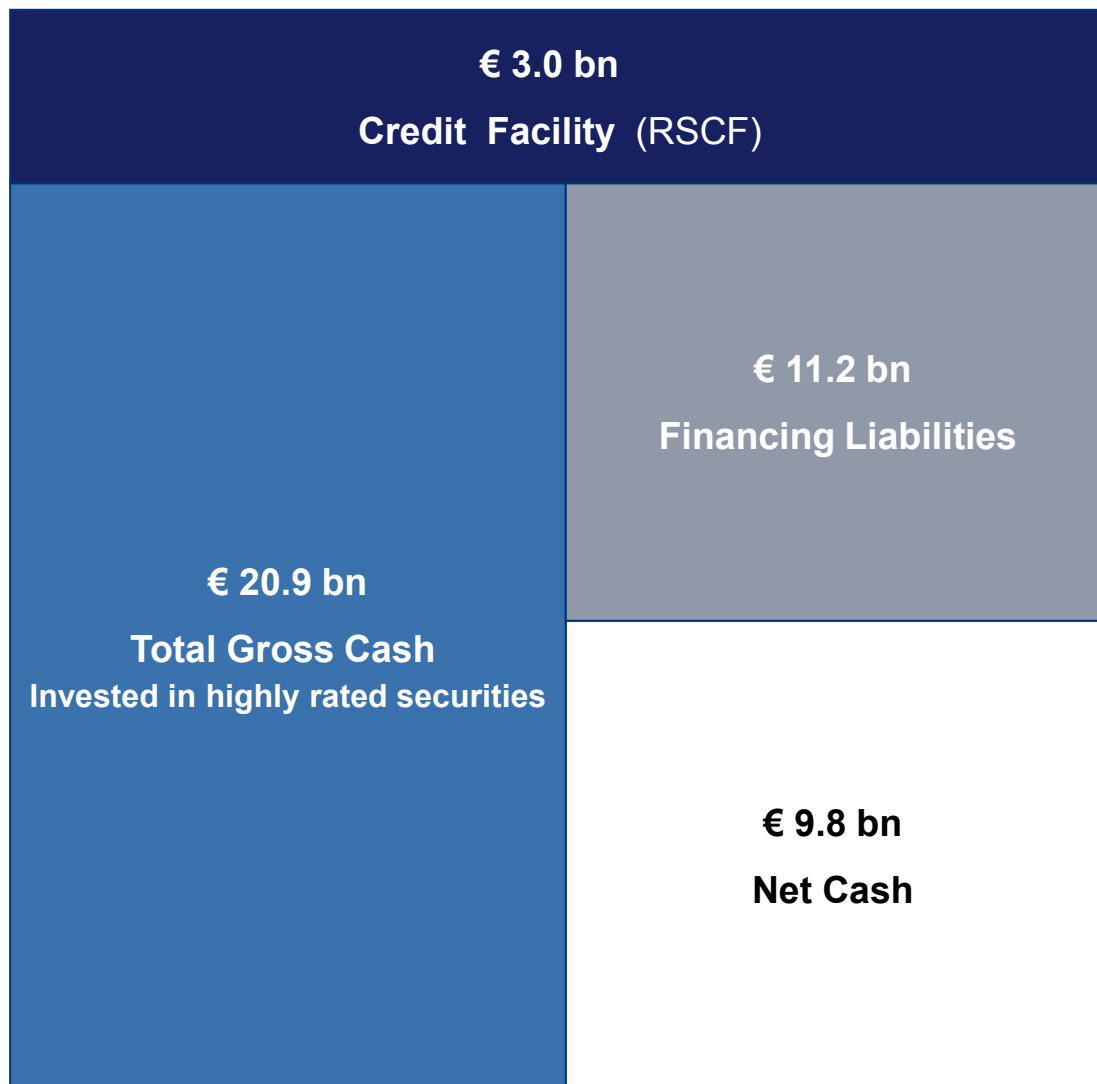
IN \$ BILLION



- In Q1 2018, \$ 0.4 bn of new Forwards were added at an average rate of € 1 = \$ 1.34 <sup>(1)</sup>
- \$ 6.5 bn of hedges matured at an average rate of € 1 = \$ 1.31
- Hedge portfolio <sup>(1)</sup> 31 March 2018 at \$ 82.6 bn (vs. \$ 88.7 bn in Dec. 2017), at an average rate of \$ 1.23 <sup>(2)</sup>
- In Q1, \$ 1.1 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  
(1) Total hedge amount contains \$/€ and \$/£ designated hedges; (2) Blended Forwards and Collars rate includes Collars at least favourable rate

# STRONG LIQUIDITY POSITION AS AT 31 MARCH 2018



**Credit Facility:**

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

**Financing Liabilities:**

**of which long-term : € 8.8 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

# BOARD OF DIRECTORS

Airbus SE – registered in the Netherlands



**Denis Ranque**

Chairman of the Board of Directors of Airbus SE



**Tom Enders**

Chief Executive Officer of Airbus SE



**Victor Chu**

Chairman and CEO of First Eastern Investment Group



**Jean-Pierre Clamadieu**

CEO and Member of the Board of Directors of Solvay SA



**Ralph D. Crosby**

Member of the Board of Directors of American Electric Power Corp.



**Lord Drayson**

Chairman and Chief Executive Officer of Drayson Technologies Ltd.



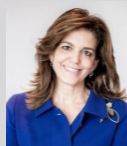
**Catherine Guillouard**

Chief Executive Officer of RATP



**Hermann-Josef Lamberti**

Former Member of the Management Board of Deutsche Bank AG



**Mª Amparo Moraleda Martínez**

Member of the Board of Directors of Solvay SA, CaixaBank SA and Vodafone PLC



**Claudia Nemat**

Member of the Board of Management of Deutsche Telekom AG



**René Obermann**

Managing Director of Warburg Pincus and Member of the Board of Directors of Telenor ASA



**Carlos Tavares**

Chairman of the Managing Board of Peugeot SA

# EXECUTIVE COMMITTEE



**Tom Enders**

Chief Executive Officer of Airbus SE



**Guillaume Faury**

President of Airbus Commercial Aircraft



**Harald Wilhelm**

Chief Financial Officer Airbus



**Bruno Even**

Chief Executive Officer of Airbus Helicopters



**Dirk Hoke**

Chief Executive Officer Airbus Defence and Space



**Thierry Baril**

Chief Human Resources Officer Airbus



**John Harrison**

General Counsel Airbus



**Eric Schulz**

Chief Commercial Officer Airbus



**Grazia Vittadini**

Chief Technology Officer of Airbus



**Klaus Richter**

Chief Procurement Officer Airbus & Airbus Commercial Aircraft



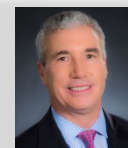
**Fernando Alonso**

Head of Military Aircraft Airbus Defence and Space



**Tom Williams**

Chief Operating Officer Airbus Commercial Aircraft



**C. Jeffrey Knittel**

Chairman and Chief Executive Officer Airbus Americas



**George Xu**

Chief Executive Officer of Airbus China

# INVESTOR RELATIONS & FINANCIAL COMMUNICATION CONTACTS



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Head of Investor Relations  
and Financial Communication



**Nicolas Chretien**

Individual  
Shareholders /  
Institutional Investors  
and Analysts



**Mohamed Denden**

Institutional Investors  
and Analysts



**Alexandre Petovari**

Institutional Investors  
Asia-Pacific

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