

AIRBUS

Q1 2018

Roadshow Presentation

24 May 2018



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 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. 2017 figures are pro forma, amended with IFRS15 restatement and new segment reporting.

- Backlog and commercial momentum support ramp-up plans
- Q1 financials reflect engine and delivery phasing
- 2018 Guidance confirmed

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Business
Update

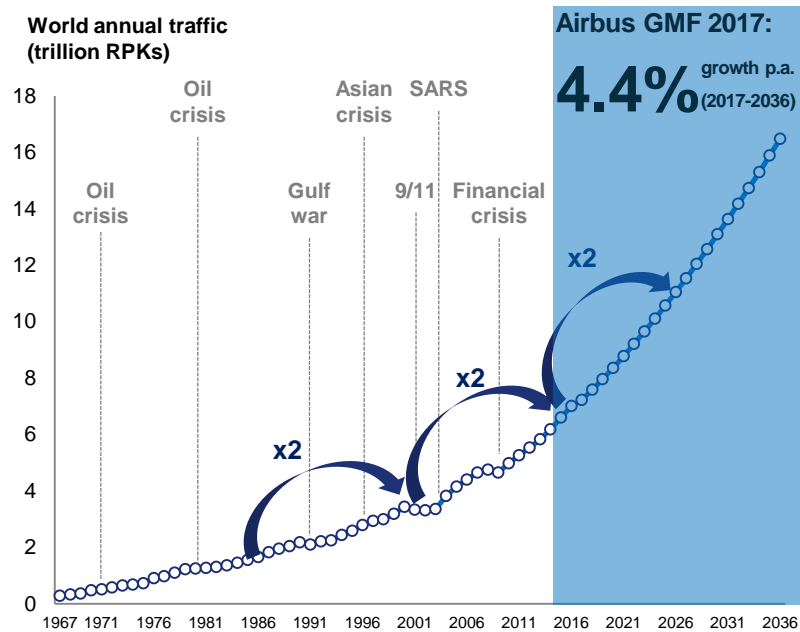
Financial
Update

Equity
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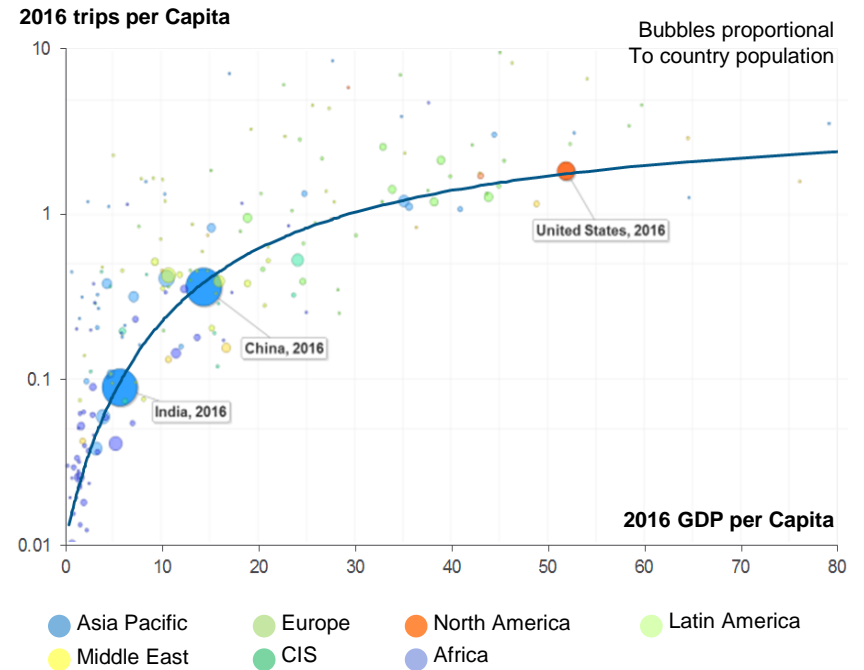


ROBUST LONG TERM FUNDAMENTALS BEHIND GROWING DEMAND

Traffic growth

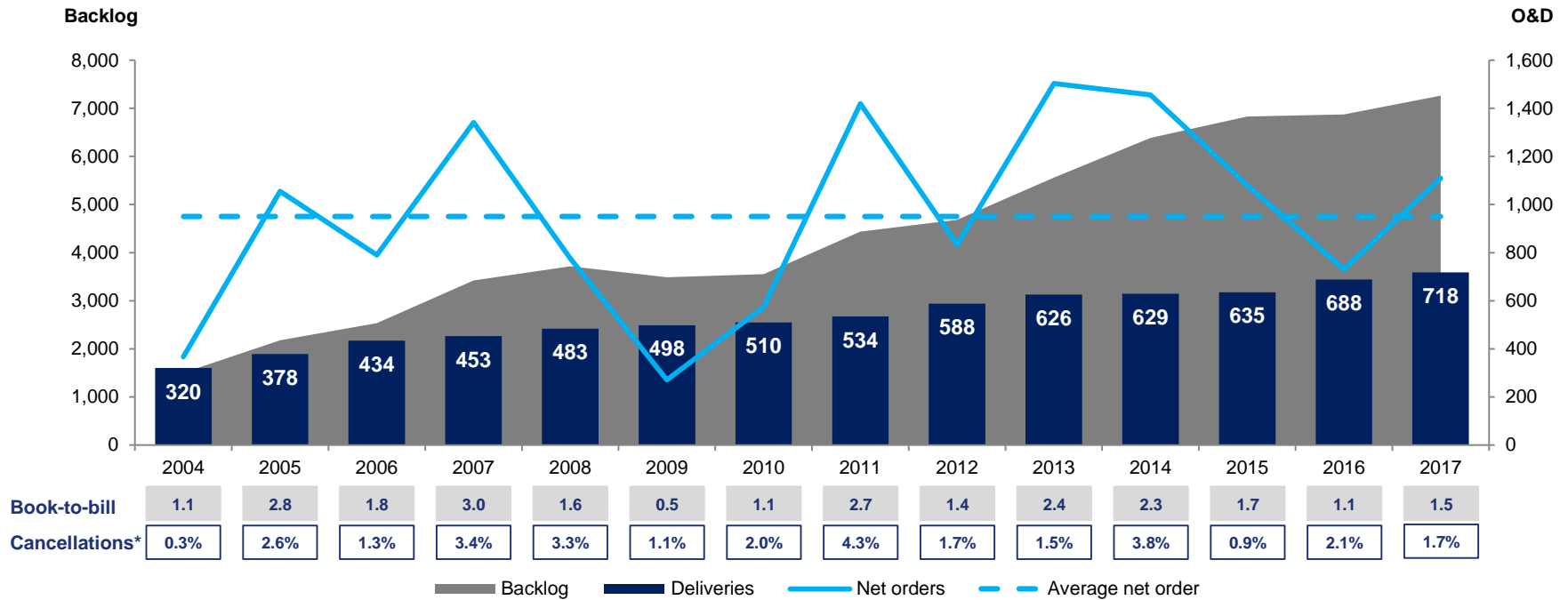


Propensity to travel



Traffic doubles every 15 years, resilient to external shocks

STRONG BACKLOG AND STEADY INCREASE IN DELIVERIES

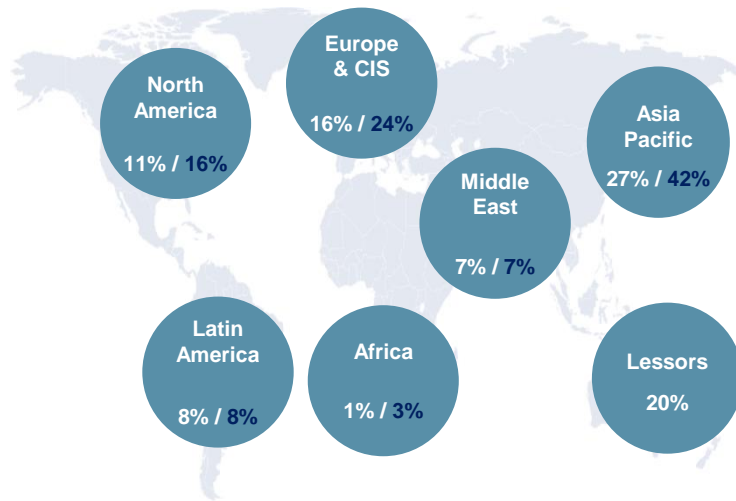


Steady and robust build up of backlog and deliveries
Order intake averaging ~1,000 aircraft per year

* Cancellations (excluding Ceo-Neo conversions) / backlog

GLOBAL MARKET PRESENCE

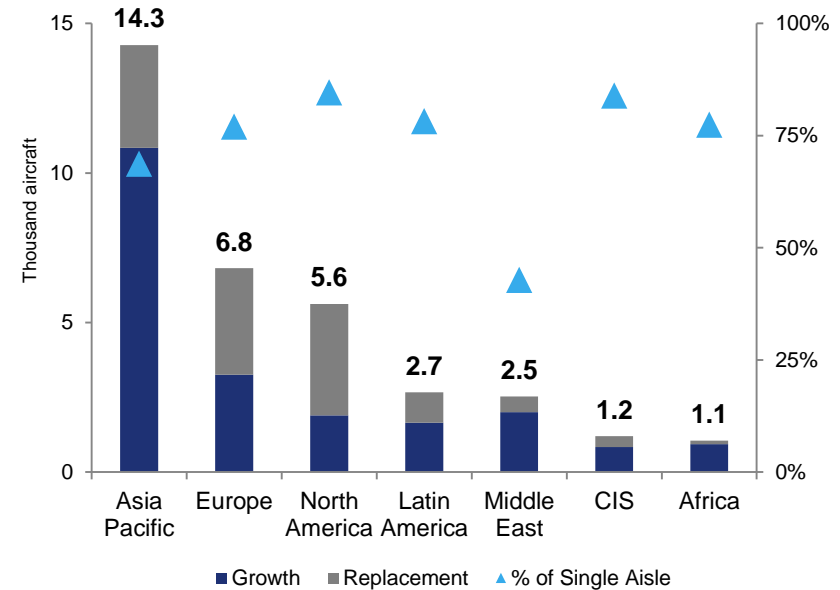
Backlog* – 7,189 aircraft



% Backlog as of end of March 2018
 % Share of 2017-2036 PAX deliveries (GMF 2017)

Airbus backlog* aligned with regional needs and demand forecast

2017-2036 demand for > 34,000 aircraft



- **Asia-Pacific** will be a **key driver** for growth in the next 20 years (40% of demand)
- **>60%** of future demand to come from **growth, with strong SA potential in most regions**

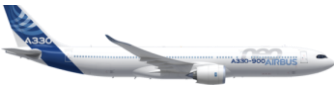
Strong and well diversified backlog, aligned with demand

*10% of undisclosed customers



A320 Family

- Q1'18: 95 deliveries (30 A320neos); 37 net orders; 6,083 backlog
- Demand remains strong; backlog supports ramp-up plans
- Rate 60 by mid-19. Rate 70 feasibility study launched



A330 Family

- Q1'18: 8 deliveries; -6 net orders; 303 backlog
- Continuing neo transition; First delivery targeted for summer 2018
- Around 50 deliveries in 2019



A350 Family

- Q1'18: 17 deliveries; 0 net orders; 695 backlog
- Ramp-up to rate 10 on track by end of this year, supported by backlog
- Good progress on industrial ramp-up and RC reduction



A380

- Q1'18: 1 delivery; 14 net orders; 108 backlog
- Target 12 deliveries this year, 8 in 2019
- Latest Emirates order protects a baseline of 6 aircraft per year beyond 2019

Complementary product portfolio of commercial aircraft



Divestments / M&A

- Group structure set: Airbus, AH, ADS
- Portfolio reshaping in ADS complete



C Series Agreement – pending closing

- Combination of Airbus' global reach and scale with Bombardier's innovative new aircraft
- Significant long term value creation



Services

- Maintenance & Engineering Solutions, Training, Upgrades and Flight Ops
- Investments in digitalisation and innovation with positive impact on services going forward

Product portfolio underpinning our growing topline

Electrification



- <100 seats aircraft could use hybrid propulsion systems by 2030

Urban Air Mobility



- Increasing congestion in our cities
- 2 entirely new autonomous fully-electric urban flying vehicles to be tested in 2018

Data exploitation



- Leveraging data from the aircraft (Skywise)
- Connected aircraft providing immediate operational feedback

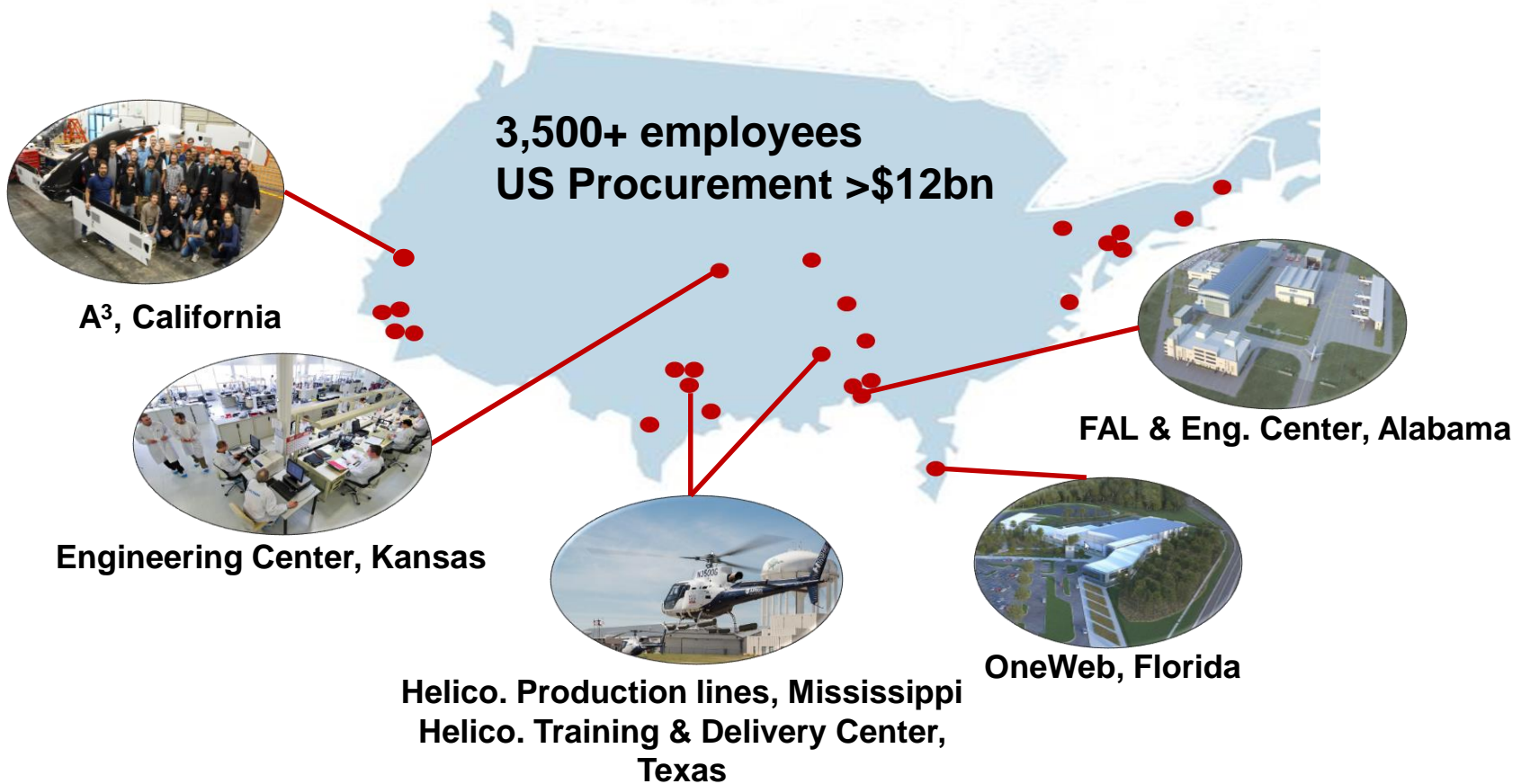
Connectivity



- Interconnection of products to deliver value-add services
- Back-end connectivity between Airbus and airlines

Exploring new business opportunities

AIRBUS IN THE U.S.

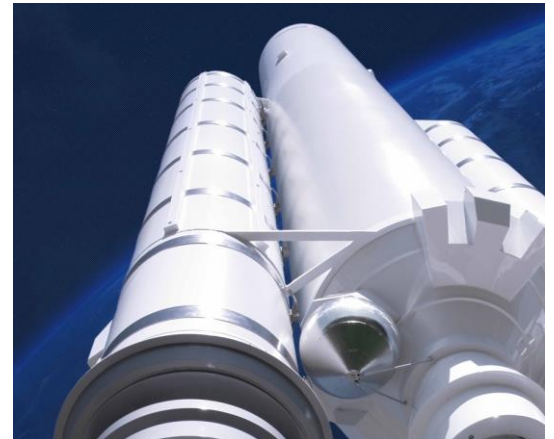


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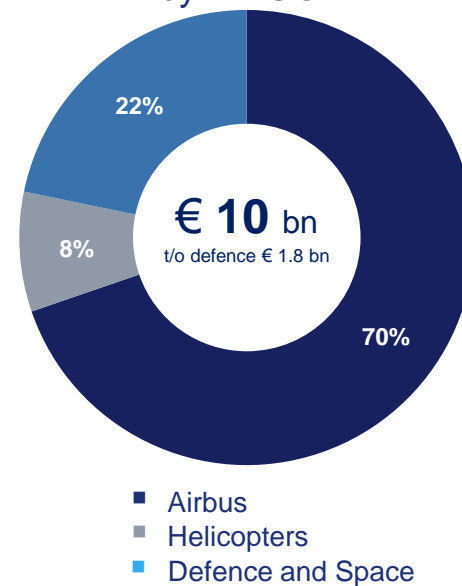
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Consolidated Airbus Order Book by Division

		Q1 2018
Airbus (in units)	Order Intake (net)	45
	Order book	7,189
Helicopters (in € m)	Order Intake (net)	1,288
	Order book	13,176
Defence and Space (in € m)	Order Intake (net)	1,581
	Order book	37,303

Consolidated Airbus External Revenue by Division



- **AIRBUS:** 68 gross orders, including 20 A380s. 45 net orders. Backlog 7,189 a/c A320 rate 70 feasibility study launched, A330 deliveries ~50 per year from 2019
- **HELICOPTERS:** 104 net orders for € 1.3 bn including 10 H160 and 51 Lakota LUH. Strong product endorsement despite soft C&P market
- **DEFENCE AND SPACE:** Order intake € 1.6 bn. Continued progress in Tankers (1 MRTT in Belgium)

Q1 2018 FINANCIAL PERFORMANCE

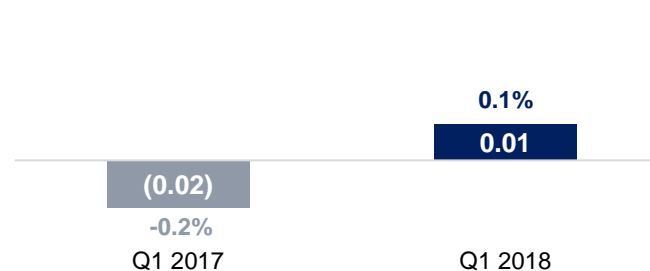
Revenues

in € bn



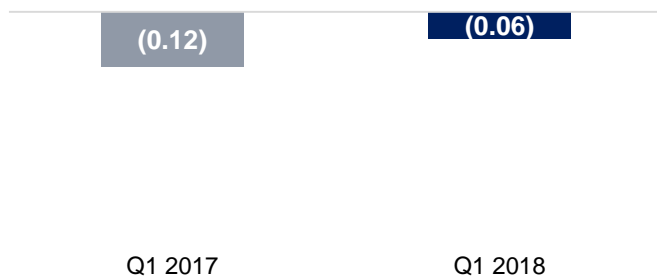
EBIT Adjusted

in € bn / RoS (%)



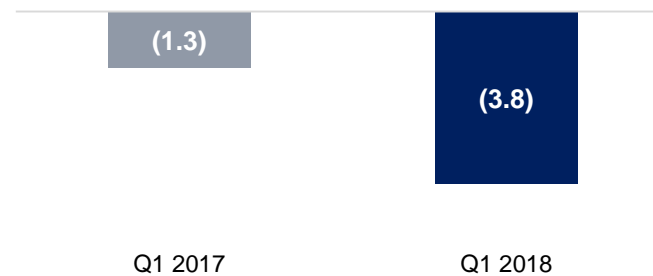
EPS⁽¹⁾ Adjusted

in €



FCF before M&A and Customer Financing

in € bn

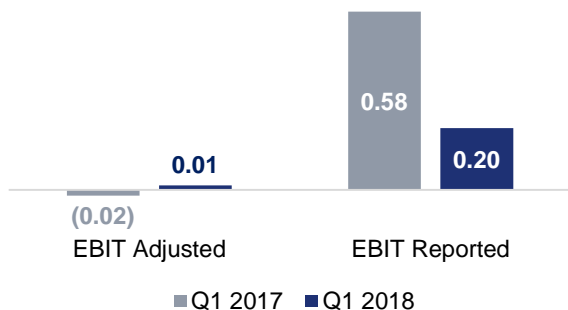


(1) Q1 2018 Average number of shares: 774,364,786 compared to 772,728,699 in Q1 2017
Capitalised R&D: € 18 m in Q1 2018 and € 61 m in Q1 2017
2017 figures are amended with IFRS15 restatement

Q1 2018 PROFITABILITY

EBIT Performance

in € bn



- Q1 2018 EBIT Reported of € 199 m
- Q1 2018 Adjustments resulting from:
 - €+ 159 m Airbus DS Communications Inc. business
 - €+ 46 m \$ PDP mismatch / BS revaluation
 - €- 20 m Compliance / Others
- **€+ 185 m Net Adjustments**

EPS Performance

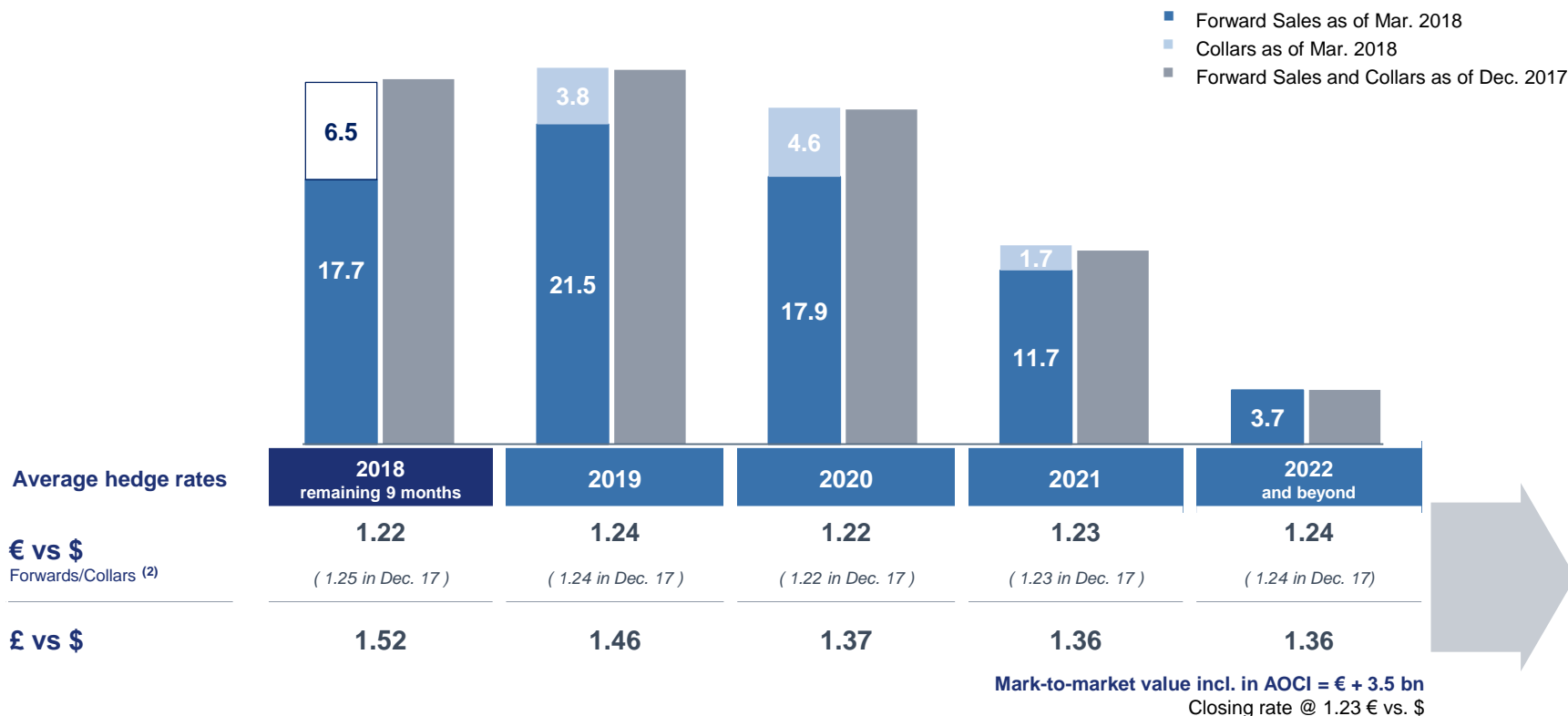
in €



- Q1 2018 Net Income of € 283 m
- Q1 2018 Net Income Adjusted of € - 47 m
- Q1 2018 tax rate on core business is 28 %

CURRENCY HEDGE POLICY

IN \$ BILLION

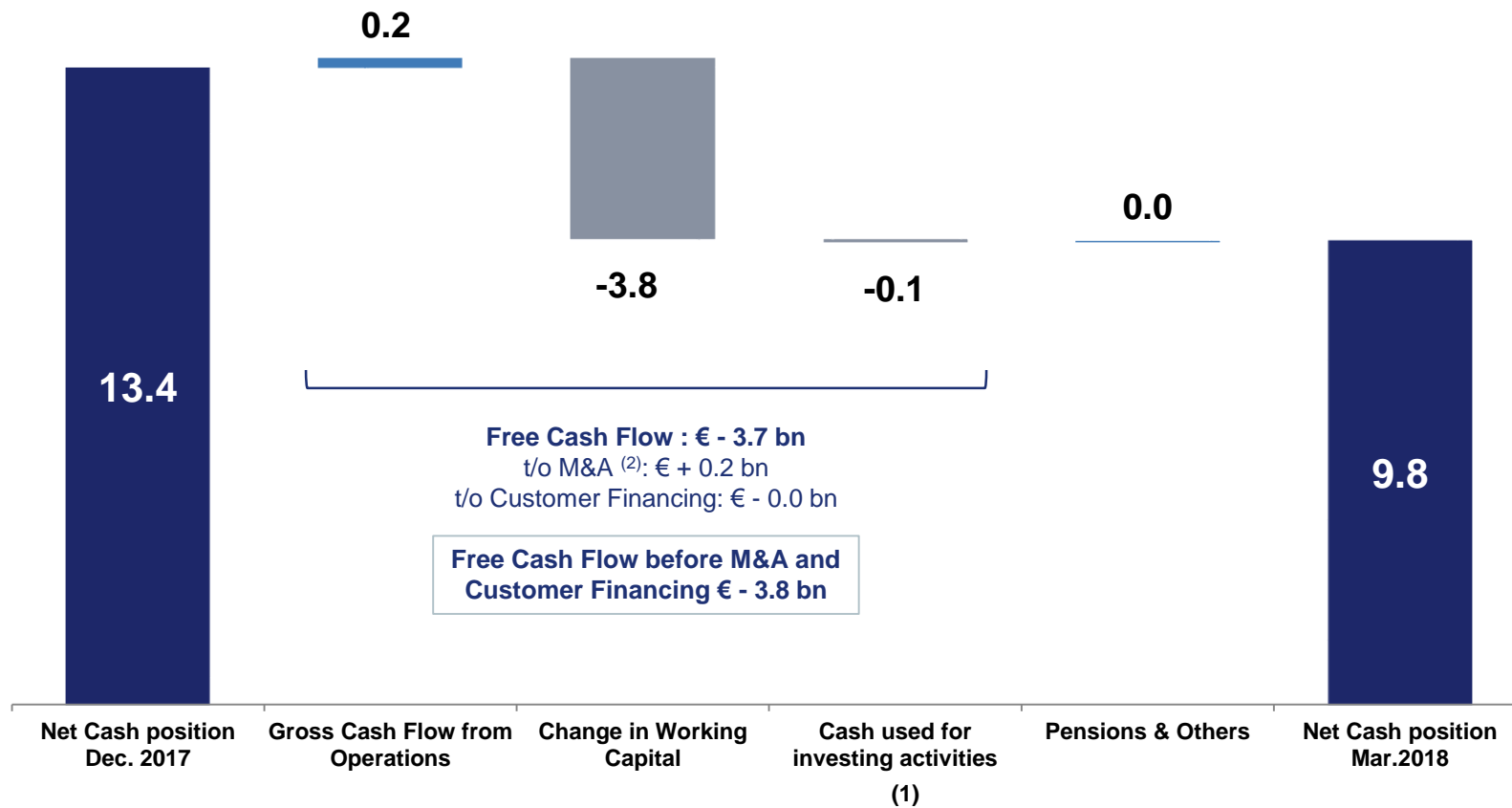


- In Q1 2018, \$ 0.4 bn of new Forwards were added at an average rate of € 1 = \$ 1.34 ⁽¹⁾
- \$ 6.5 bn of hedges matured at an average rate of € 1 = \$ 1.31
- Hedge portfolio ⁽¹⁾ 31 March 2018 at \$ 82.6 bn (vs. \$ 88.7 bn in Dec. 2017), at an average rate of \$ 1.23 ⁽²⁾
- In Q1, \$ 1.1 bn of hedges 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

Q1 2018 CASH EVOLUTION

IN € BILLION



2017 figures are amended with IFRS15 restatement

(1) Thereof Capex of € - 0.4 bn; (2) M&A transactions include acquisitions and disposals of subsidiaries and businesses

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2018 GUIDANCE

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

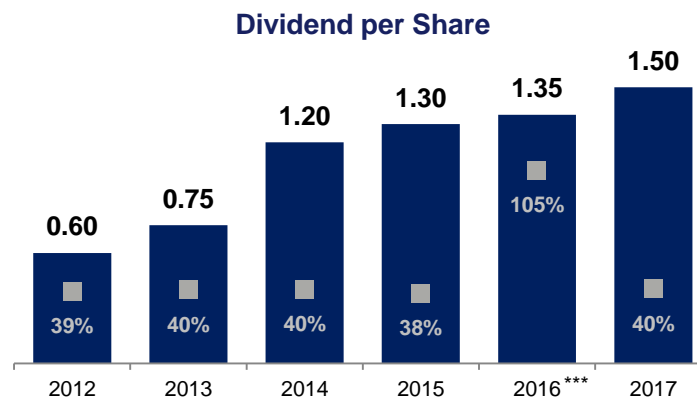
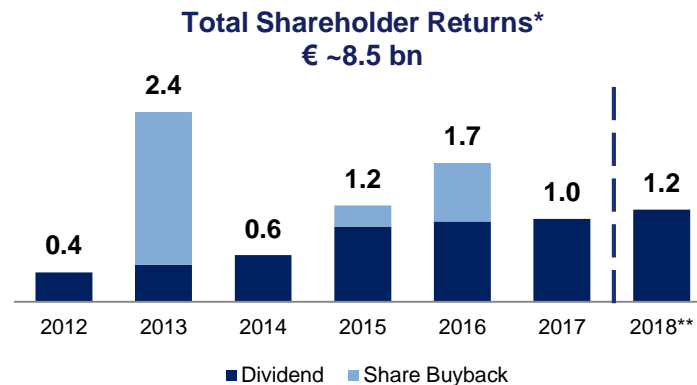
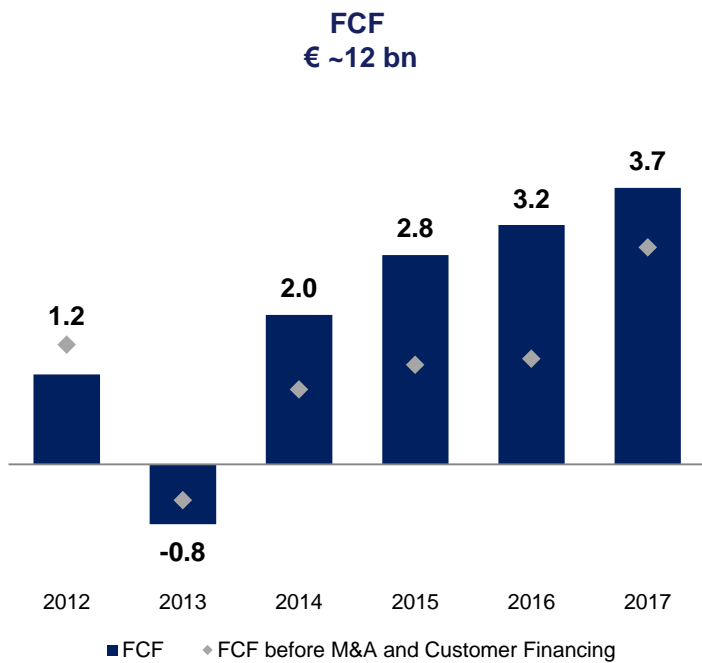
Airbus 2018 earnings and FCF guidance is based on a constant perimeter, before M&A

- 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

INCREASING SHAREHOLDER RETURNS



Dividend policy since 2013
30%-40% pay-out ratio – Constant increase in DPS

* Actual cash out per year
 ** 2017 Dividend – Paid in April 2018
 *** Increased exceptionally to deliver sustained dividend growth per share

EARNINGS AND FCF TAKING OFF

EPS Growth

- Boost Performance
- A350 Turning Profitable
- A320 Volume and Price
- FX Hedging Impact

FCF Growth

- A350-900 AIRBUS
EPS Growth
- A400M*
- Working capital Control

* A400M will continue to weigh in 2018 and 2019