



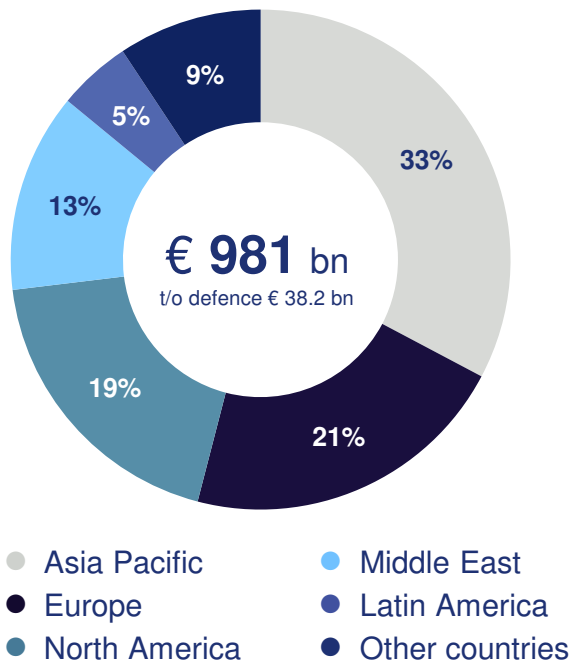
# **AIRBUS** H1 2017 Roadshow Presentation

**Kepler Cheuvreux Autumn Conference  
Paris - 14 September 2017**

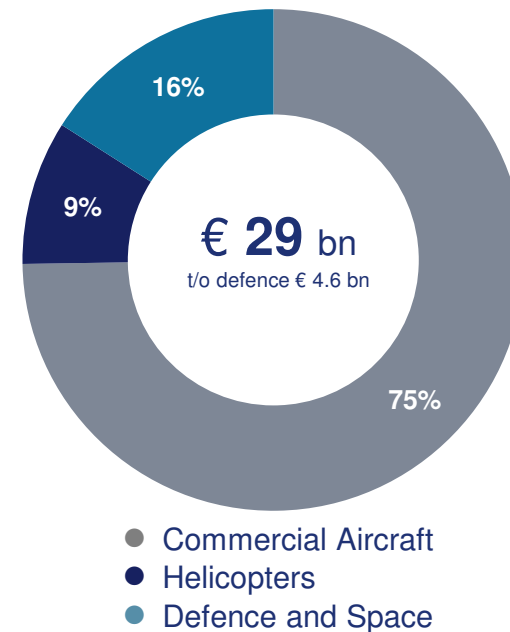


- Healthy commercial aircraft environment; robust backlog of 6,771 a/c supports ramp-up plans
- H1 financials reflect delivery pattern mainly impacted by engine issues
- Continued focus on ramp-up, operations and integration
- 2017 Guidance maintained

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



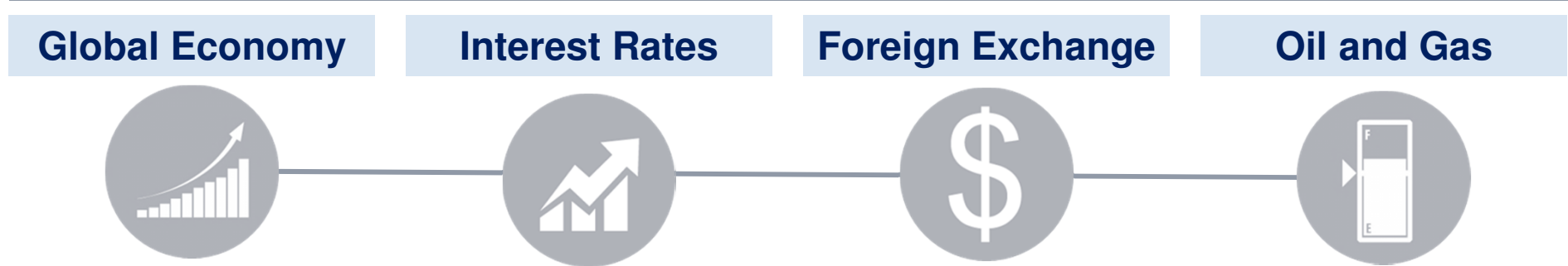
### Airbus External Revenue Split by Division



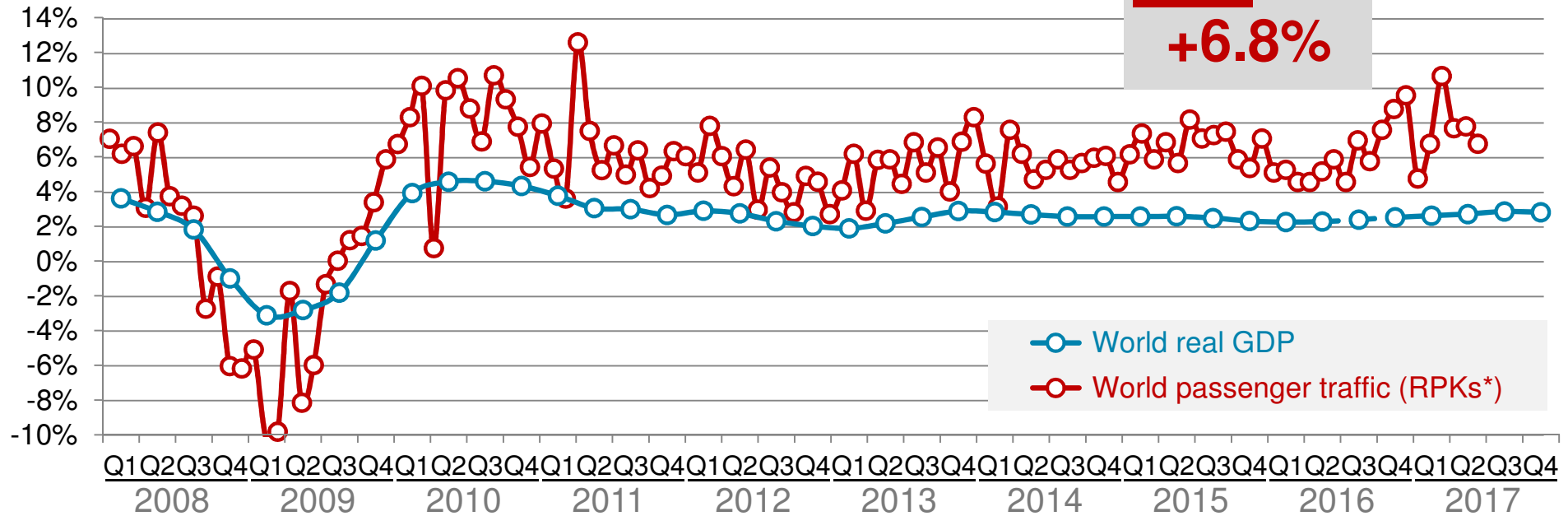
- **COMMERCIAL AIRCRAFT:** 248 gross orders, 203 net of cancellations including 4 A350 Qatar. Backlog: 6,771 a/c
- **HELICOPTERS:** 151 net orders, including 30 H225 military for Kuwait
- **DEFENCE AND SPACE:** Order book reflects perimeter change (€ 1.9 bn). 19 Light and Medium booked in Military Aircraft

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

# MARKET ENVIRONMENT



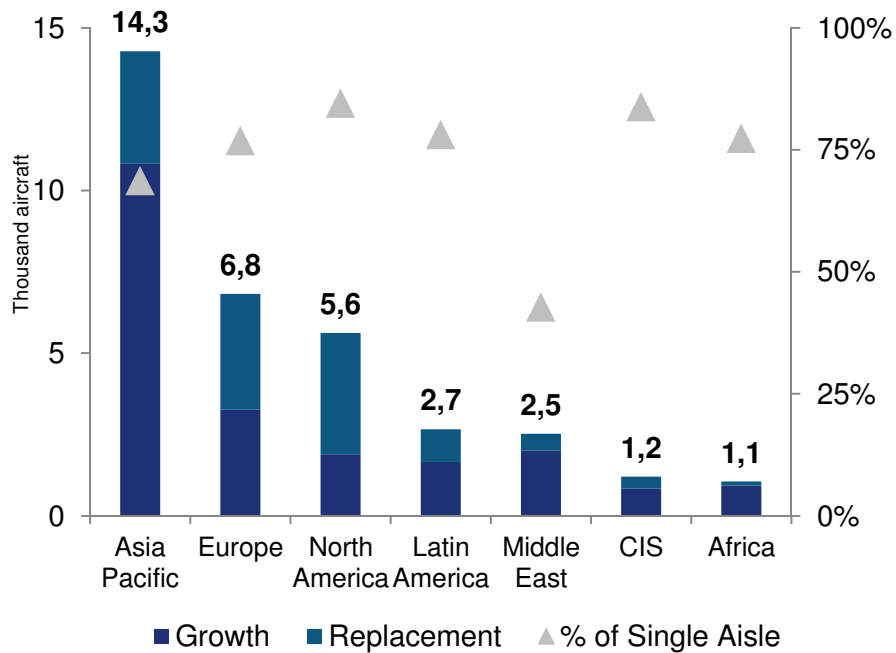
World real GDP and passenger traffic  
% (year-over-year)



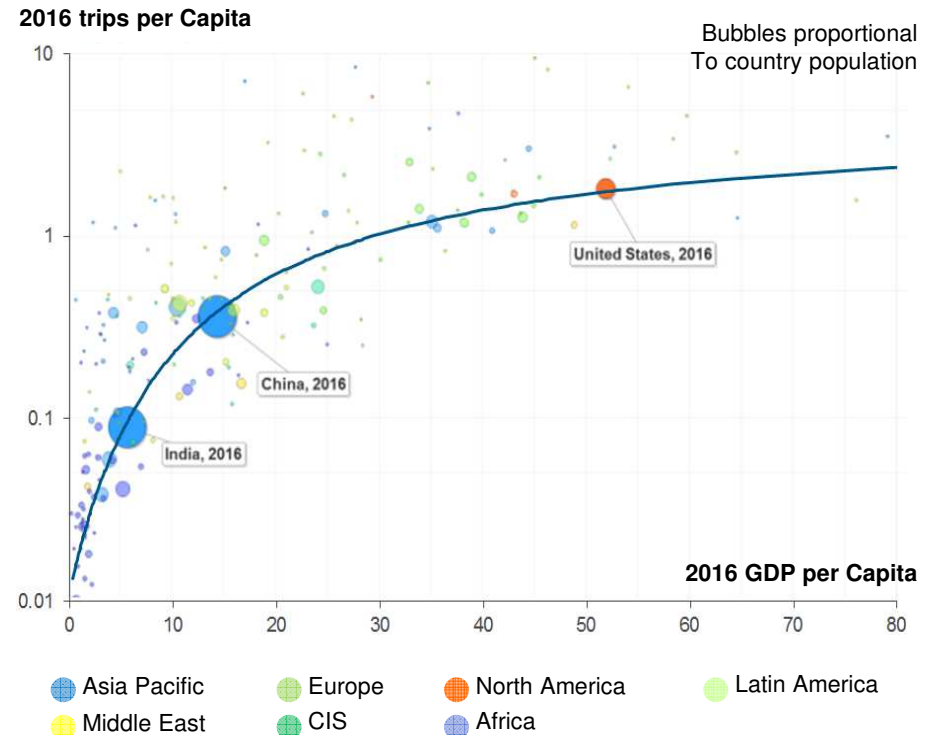
**Air Traffic continues to run ahead of GDP**

\* Based on IATA monthly traffic report which covers ~50% of world passenger traffic  
Source: IATA, IHS Economics, OAG, Airbus

## 2016-2035 demand for 33,070 aircraft



## Propensity to travel



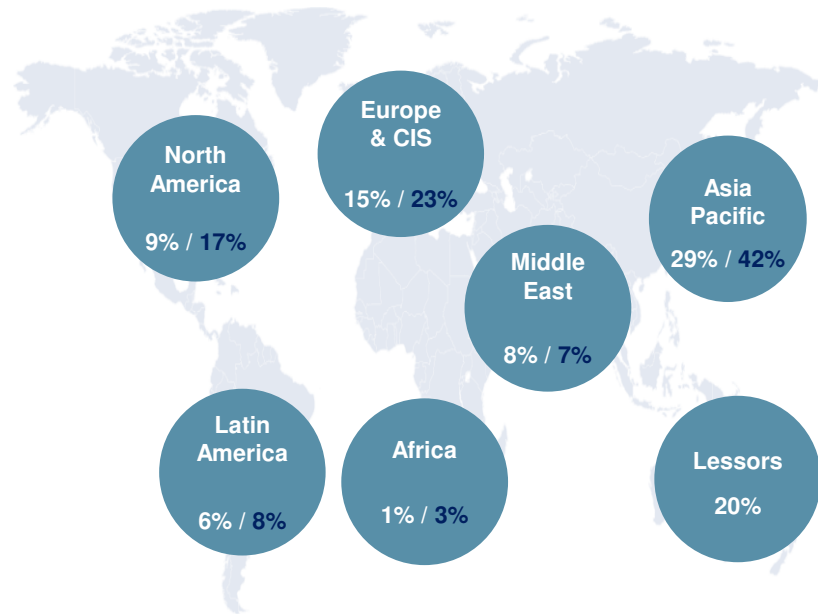
- **Asia-Pacific** will be a **key driver** for growth in the next 20 years (40% of demand)
- **>60%** of future demand to come from **growth, with strong SA potential in most regions**

- Propensity to travel in **Emerging regions will progressively catch up with Developed markets**
- **Market size among the regions will converge towards the demographic share**

*Emerging markets will drive long-term growth as their propensity to travel will catch up with developed economies*

# COMMERCIAL AIRCRAFT BACKLOG AND DELIVERIES

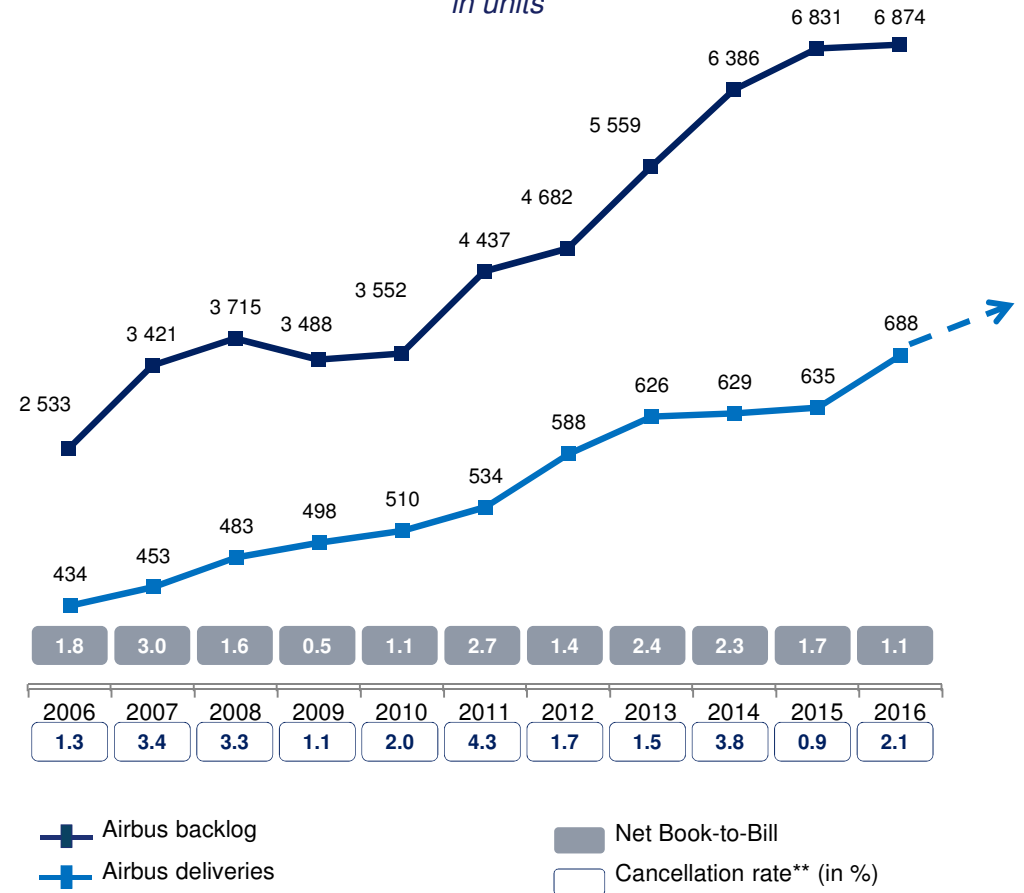
Airbus backlog\* well aligned with regional needs and demand forecast



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

Europe, North America and Lessors to take highest share of our deliveries in the short term

Over 10 years production in backlog  
*in units*



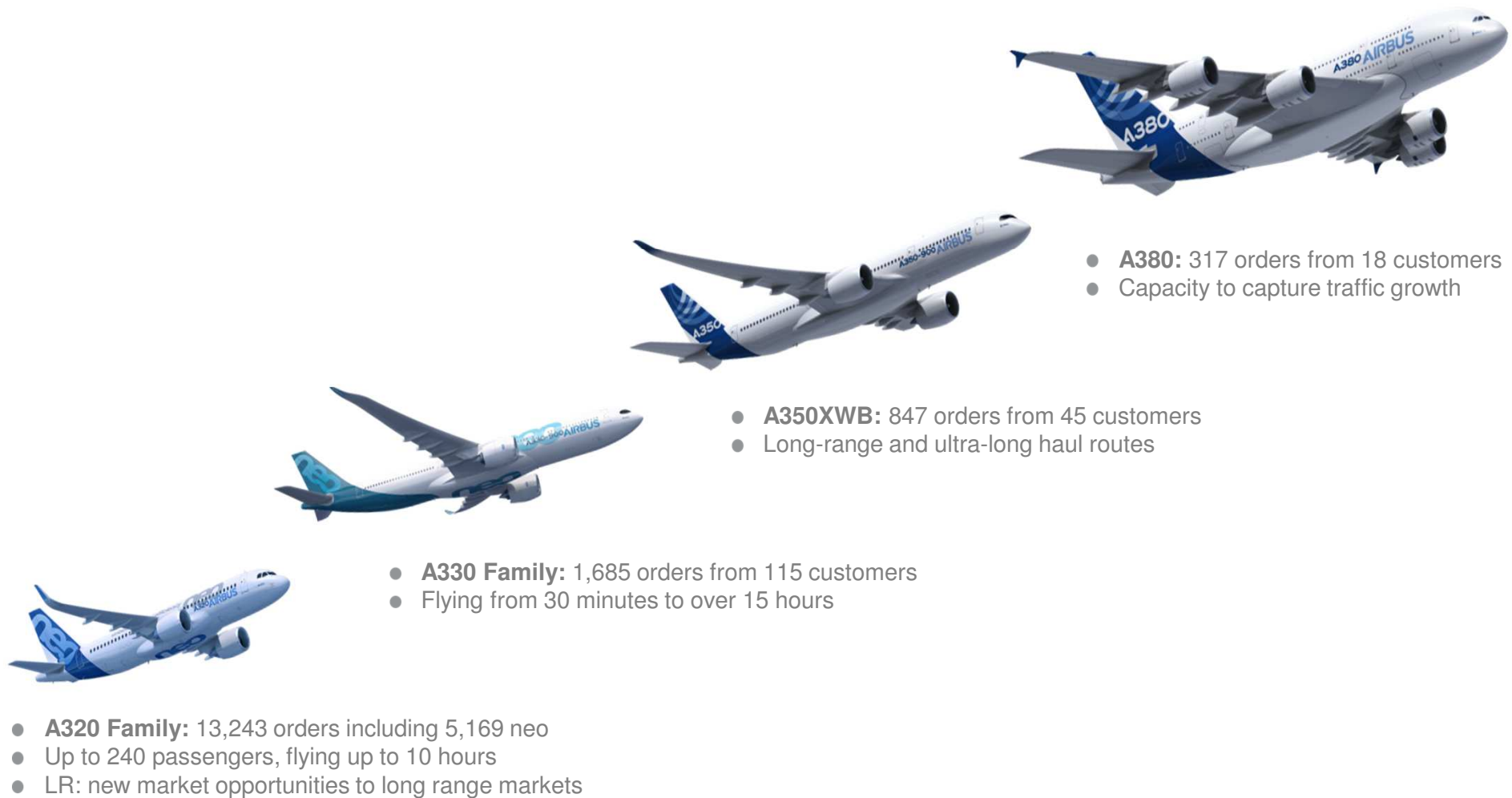
Our backlog supports our ramp-up

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

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

# COMPREHENSIVE COMMERCIAL AIRCRAFT PRODUCT LINE FOR ANY MARKET

7



*A comprehensive and versatile family from 100 to 600+ seats*



## A320

- SA remains very healthy: essentially sold out until 2022, which protects our ramp-up plans
- Deliveries end August: 310 A320 family delivered, t/o 76 A320/A321neo
- Neo ramp-up remains challenging. Customers are still experiencing a number of in-service engine issues
- We still target total A320neo deliveries to be ~200 but in view of these engine issues, this target becomes more challenging



## A350

- Good progress on A350 industrial ramp-up (43 deliveries end August 2017)
- Confident that we are on track for our FY ramp-up and the rate 10 target by end 2018
- -1000 Flight Test campaign well underway – First delivery target remains end of 2017
- We remained focused on Recurring Cost convergence and we made progress on the ramp-up curve in line with our latest programme targets



## A400M

- 8 a/c delivered in H1
- Challenges remain; discussions with customers to de-risk the programme are ongoing
- Adjustment of production levels to absorb inventory

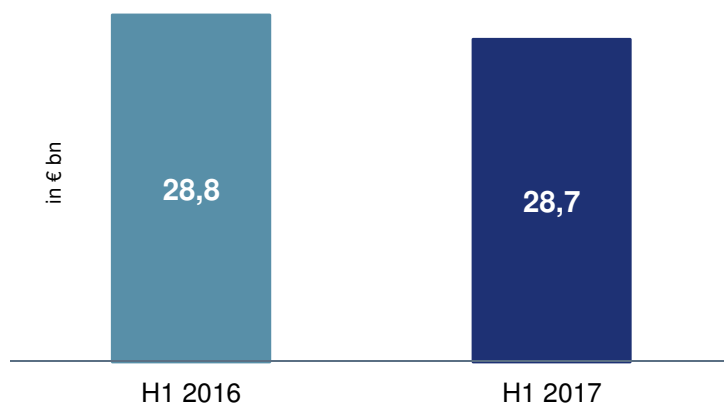


## H225

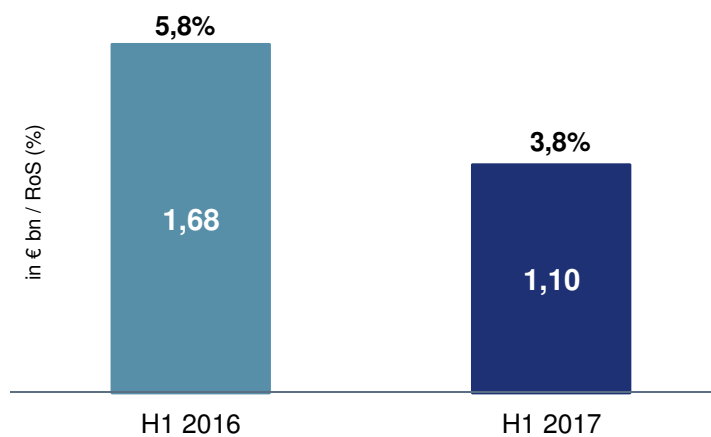
- H225 ban lift announced by UK and Norway authorities
- Working with customers on return to service



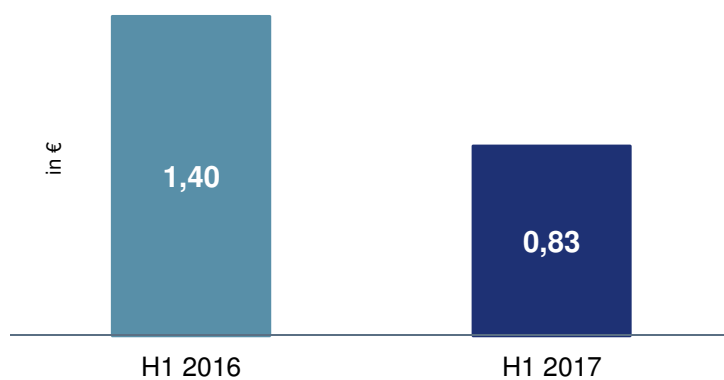
## Revenues



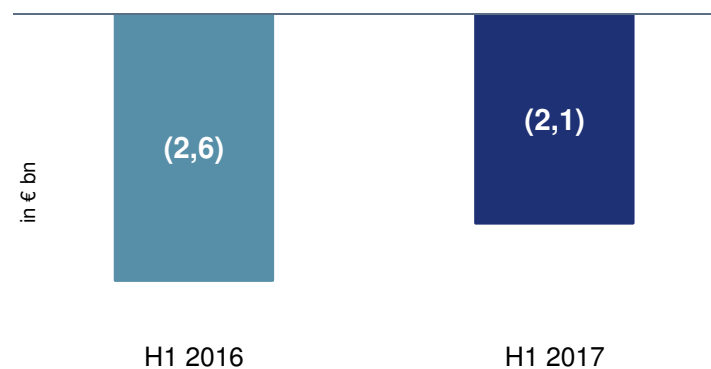
## EBIT Adjusted



## EPS<sup>(1)</sup> Adjusted

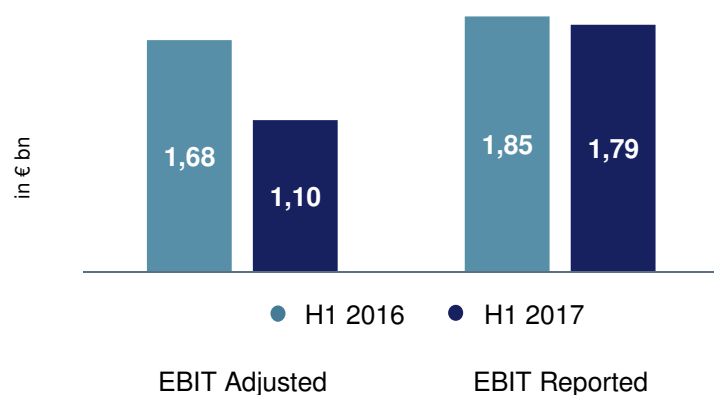


## FCF before M&A and Customer Financing



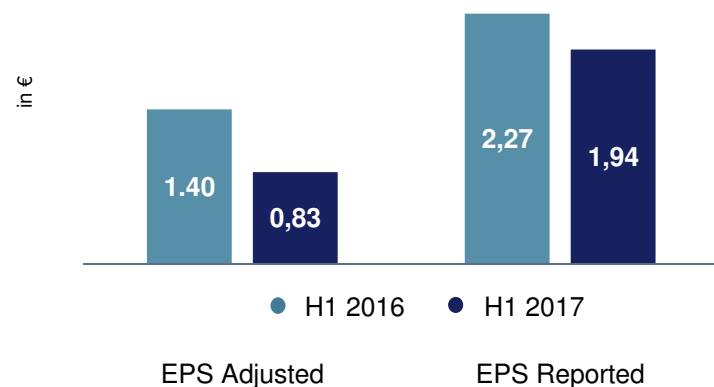
(1) H1 2017 Average number of shares: 773,223,614 compared to 775,116,098 in H1 2016.  
Capitalised R&D: € 149 m in H1 2017 and € 112 m in H1 2016.

## EBIT Performance



- H1 2017 EBIT reported of € 1.79 bn
- H1 2017 Adjustments resulting from:
  - € - 70 m A400M LMC
  - € + 174 m \$ PDP mismatch / BS Revaluation
  - € + 28 m Other AD Portfolio
  - € + 560 m Defence Electronics net capital gain
- **€ + 692 m Net Adjustments**

## EPS Performance

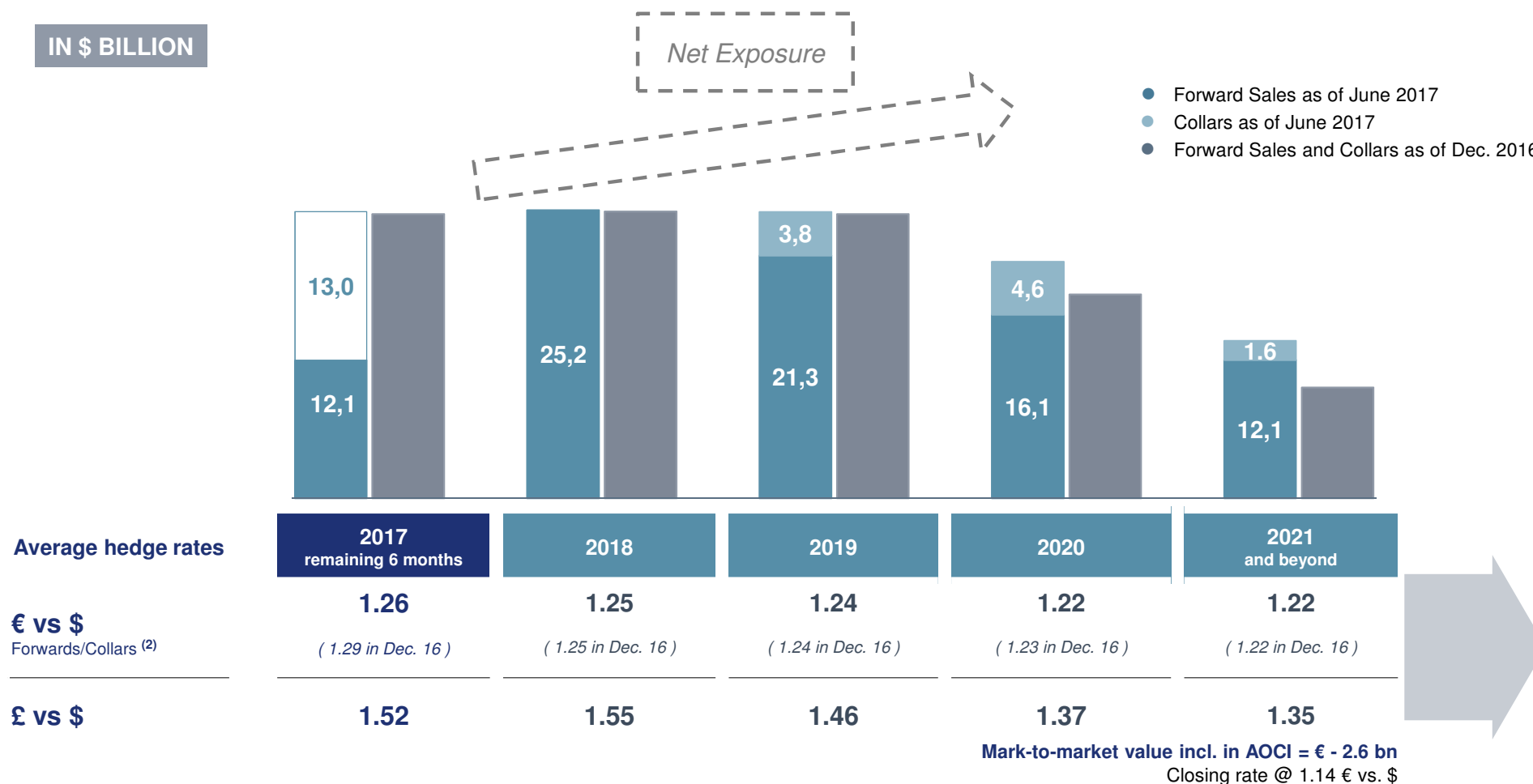


- H1 2017 Net Income of € 1.5 bn
- H1 2017 Net Income Adjusted of € 0.6 bn
- H1 2017 tax rate on core business is 28 %

Average number of shares: H1 2017= 773,223,614 , H1 2016= 775,116,098

# CURRENCY HEDGE POLICY

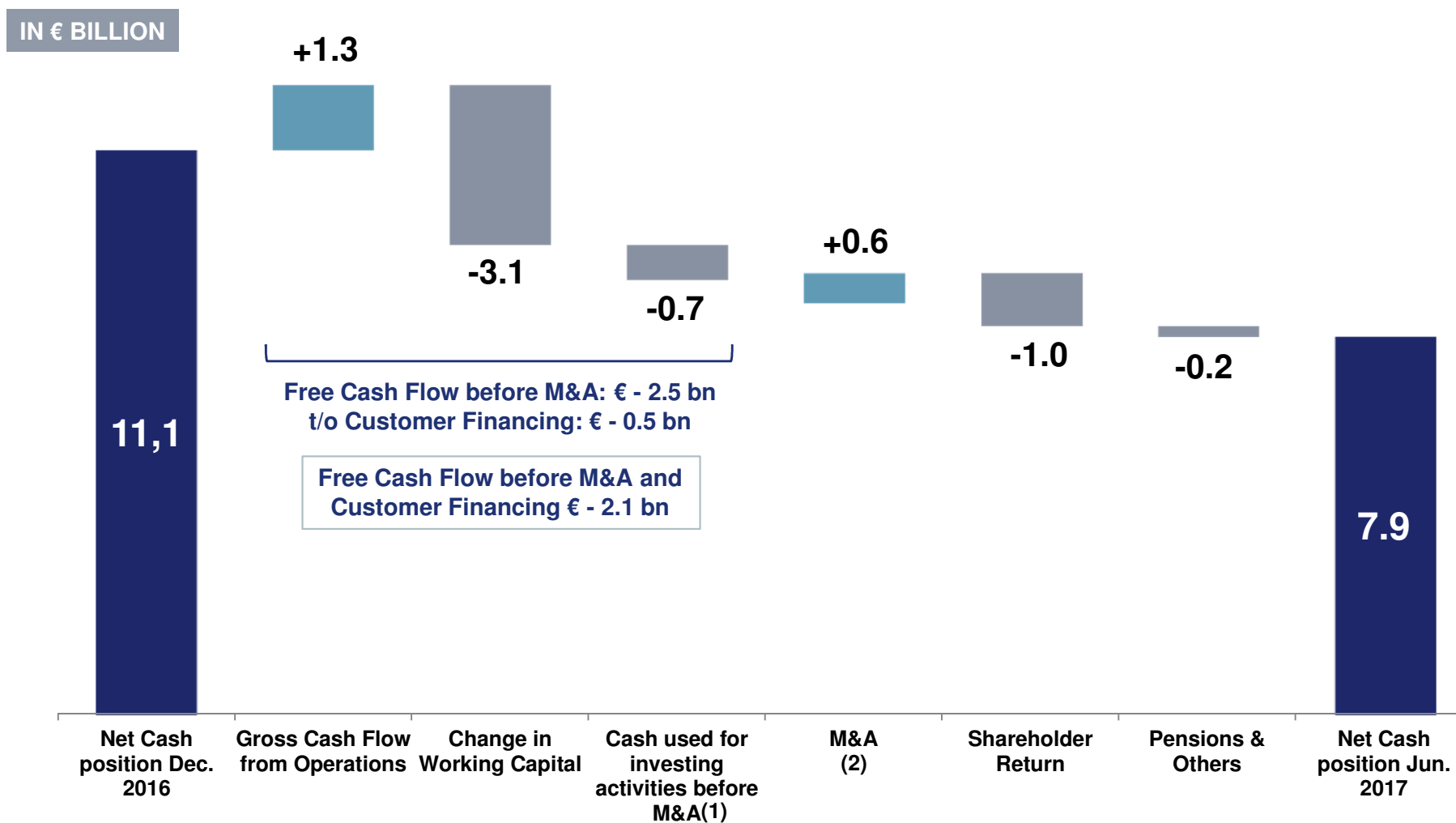
IN \$ BILLION



- In H1 2017, new hedge contracts of \$ 7.4 bn were added at an average rate of € 1 = \$ 1.19 <sup>(1)</sup> of which \$ 6.8 bn Forwards at € 1 = \$ 1.18 and \$ 0.6 bn Zero-cost Collars
- \$ 13.0 bn of hedges matured at an average rate of € 1 = \$ 1.31
- Hedge portfolio <sup>(1)</sup> 30 June 2017 at \$ 96.8 bn (vs. \$ 102.4 bn in Dec. 2016), at an average rate of \$ 1.24 <sup>(2)</sup>

Approximately 60% of Airbus US\$ revenues are naturally hedged by US\$ procurement. Graph shows US\$ Forward Sales and Collars, net exposure trend for illustrative purposes  
(1) Total hedge amount contains \$/€ and \$/£ designated hedges; (2) Blended Forwards and Collars rate includes Collars at least favourable rate

# H1 2017 CASH EVOLUTION



(1) Thereof Capex of € - 1.1 bn; (2) M&A transactions include acquisitions and disposals of subsidiaries and businesses

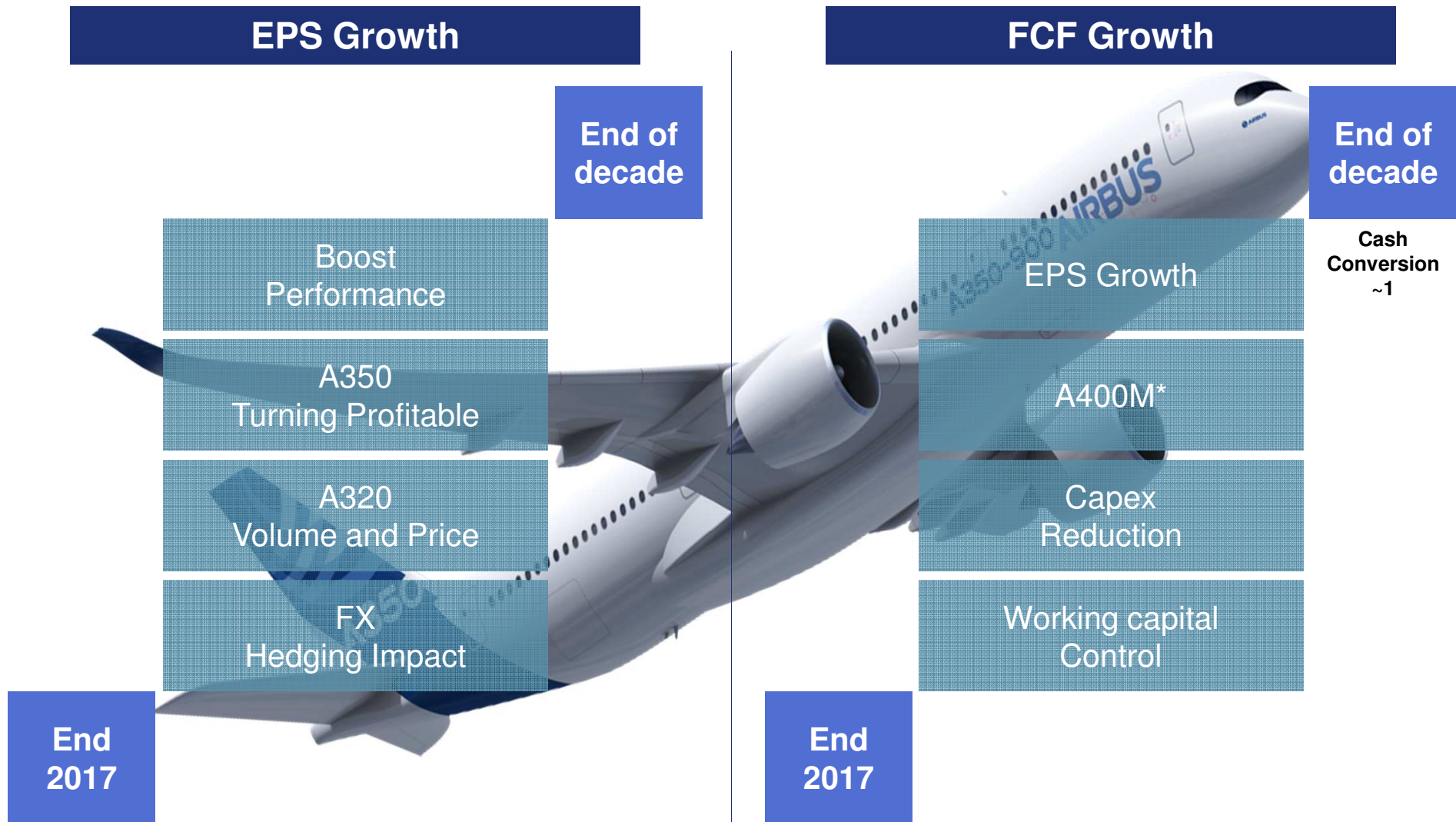
*As the basis for its 2017 guidance, Airbus expects the world economy and air traffic to grow in line with prevailing independent forecasts, which assume no major disruptions*

*Airbus 2017 earnings and FCF guidance is based on a constant perimeter*

- Airbus expects to deliver more than 700 commercial aircraft which depends on engine manufacturers meeting commitments
- Before M&A, Airbus expects mid-single-digit % growth in EBIT Adjusted and EPS Adjusted compared to 2016
- Free Cash Flow is expected to be similar to 2016 before M&A and Customer Financing

The perimeter change in Defence and Space is expected to reduce EBIT Adjusted and Free Cash Flow before M&A and Customer Financing by around € 150 million and EPS Adjusted by around 14 cents

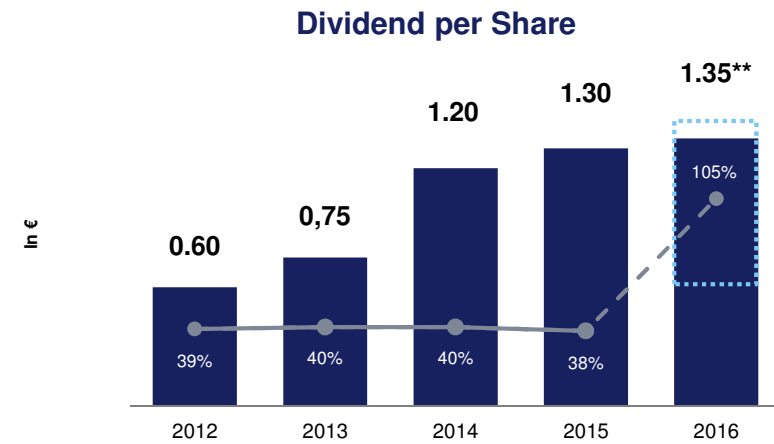
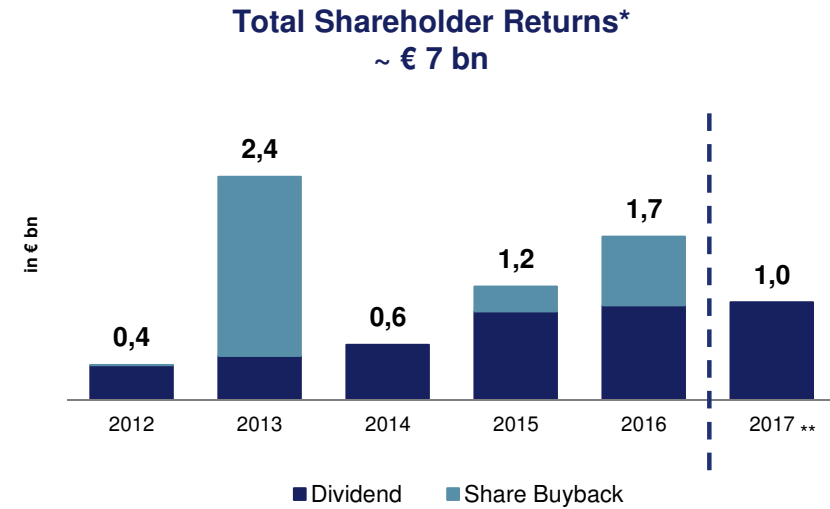
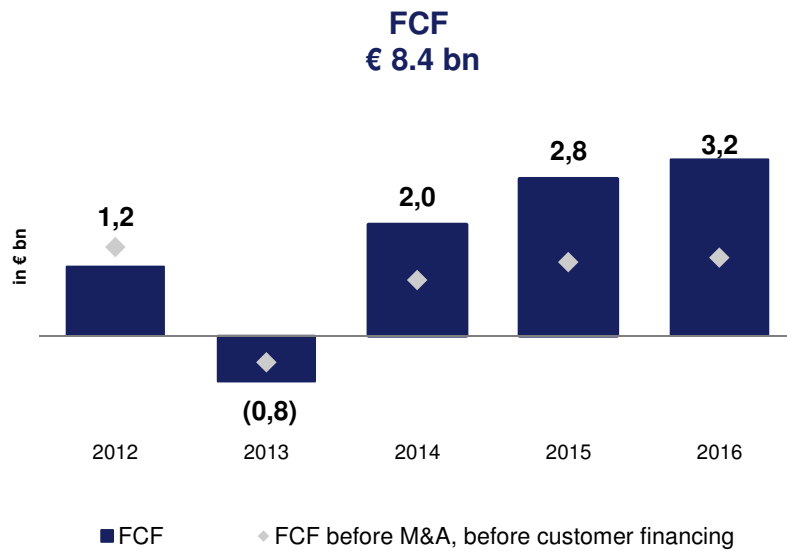
- Focus on key programmes
- Drive innovation and digitalisation for the longer term to secure our future
- Work to secure EPS / FCF as platform to deliver 2018 / 2019 growth



\* A400M will continue to weigh significantly in 2017 & 2018 in particular

**FY 2016 Adjusted Net Profit to FCF conversion ~1x Before A400M**

# INCREASING SHAREHOLDER RETURNS



**Dividend policy since 2013, Total Shareholder Returns 2012-2017 ~ € 7 bn**

\* Actual cash out each year  
 \*\* 2016 Dividend paid: April 2017