

AIRBUS

FY Results 2020

18 February 2021

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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 the spread of disease or 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;
- The full impact of the COVID-19 pandemic and the resulting health and economic crisis.

As a result, Airbus' actual results may differ materially from the plans, goals and expectations set forth in such forward-looking statements.

For more information about the impact of the COVID-19 pandemic, see note 2 "Impact of the COVID-19 pandemic" of the Notes to the Airbus SE Unaudited Condensed IFRS Consolidated Financial Statements published 18 February 2021. For more information about factors that could cause future results to differ from such forward-looking statements, see Airbus SE's annual reports, including its Universal Registration Document and the most recent Risk Factors.

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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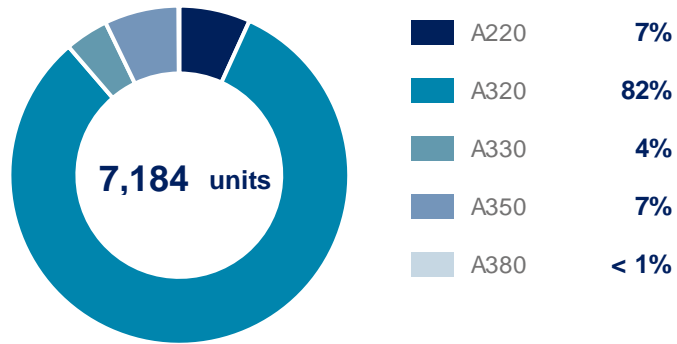


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- 566 commercial aircraft delivered in adverse market environment
- Financials reflect the early business adaptation and cash containment plan
 - FY EBIT Adjusted of € 1.7 bn; EBIT reported of € - 0.5 bn
 - FY FCF before M&A and Customer Financing of € - 6.9 bn
 - Q4 FCF before M&A and Customer Financing of € 4.9 bn
 - Net Cash position at € 4.3 bn by year-end
- EPS reported of € - 1.45; No dividend proposed for 2020
- 2021 Guidance issued

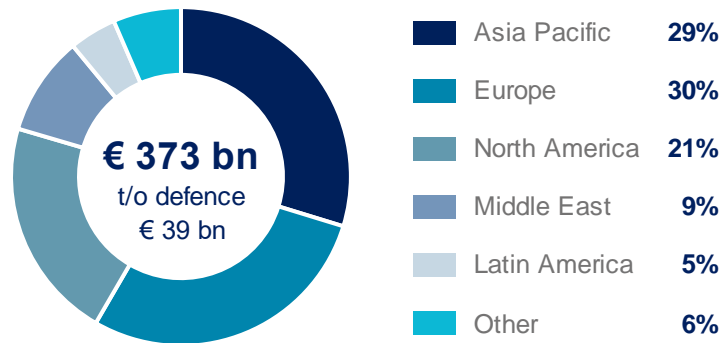
Airbus Commercial Aircraft

Order Book in units by Programme



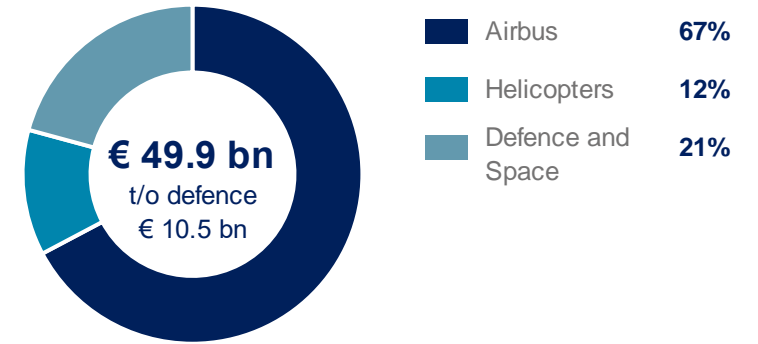
Consolidated Airbus

Order Book in value by Region



Consolidated Airbus

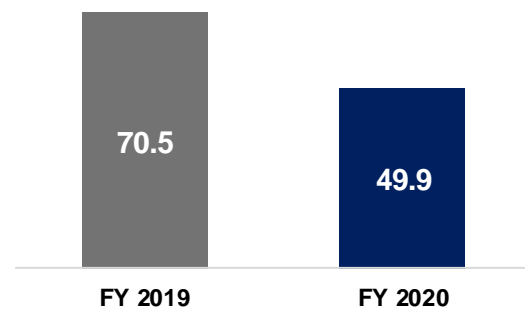
External Revenue by Division



- **AIRBUS:** Gross orders: 383 a/c; net orders: 268 a/c; Backlog: 7,184 a/c
- **HELICOPTERS:** 268 net orders incl. 31 NH90 for the German Bundeswehr and 11 H160
- **DEFENCE AND SPACE:** Net book to bill of ~1.1; order intake € 11.9 bn incl. a contract signed in Q4 to deliver 38 new Eurofighter to the German Air Force

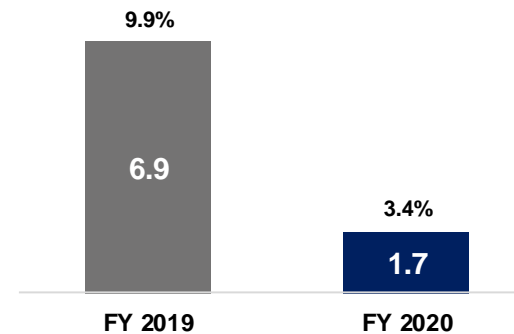
Revenues

in € bn



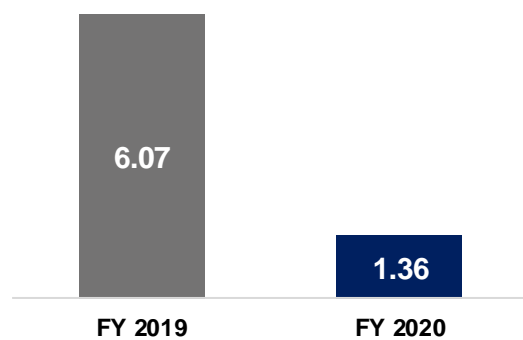
EBIT Adjusted

in € bn / RoS (%)



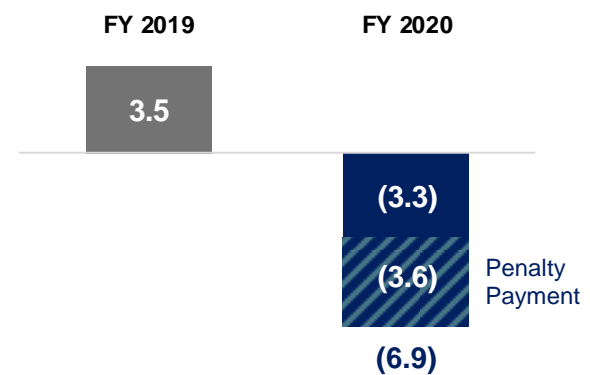
EPS⁽¹⁾ Adjusted

in €



FCF before M&A and Customer Financing

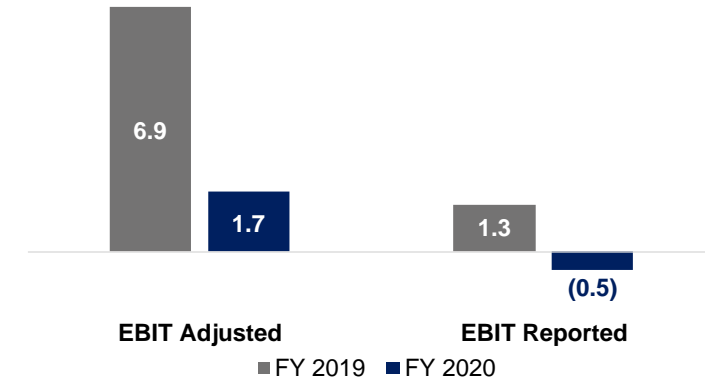
in € bn



(1) FY 2020 Average number of shares: 783,178,191 compared to 777,039,858 in FY 2019
Capitalised R&D: € 101 m in FY 2020 and € 133 m in FY 2019

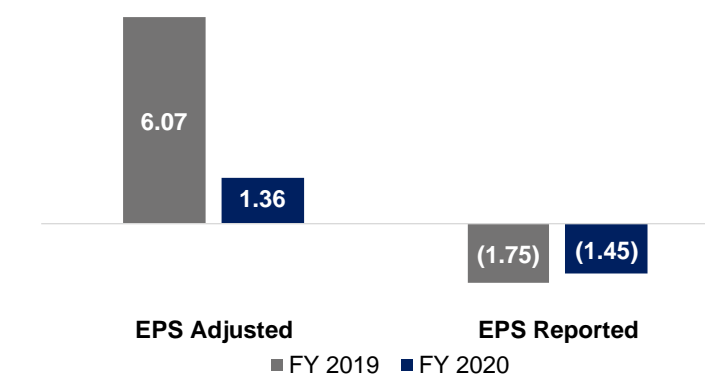
EBIT Performance

in € bn



EPS⁽¹⁾ Performance

in €



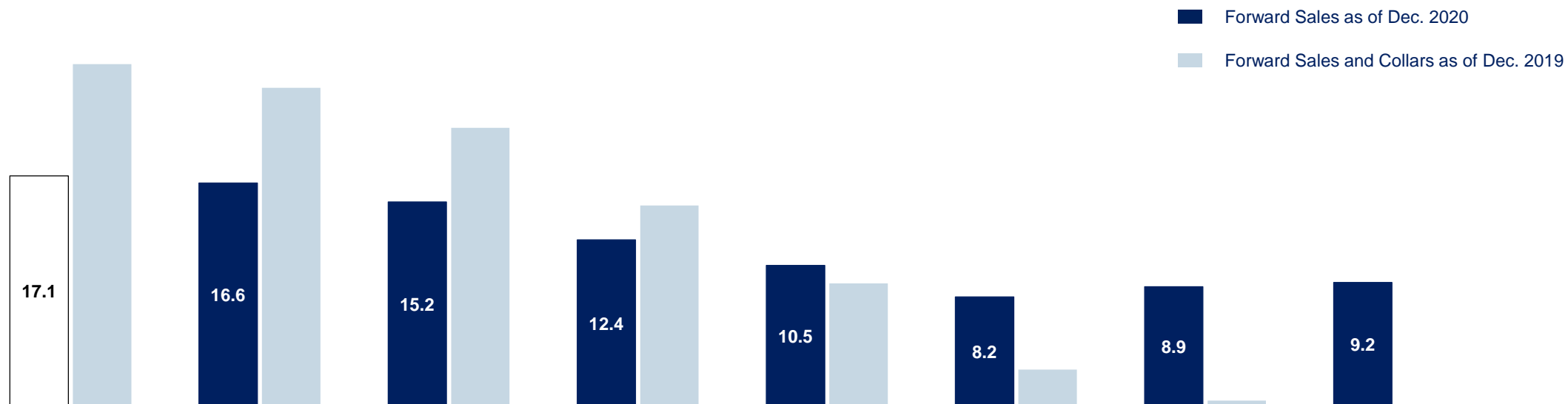
- FY 2020 **EBIT Reported** of € - 510 m
- FY 2020 EBIT Adjustments resulting from:
 - € - 1,202 m Restructuring provision
 - € - 385 m A380 programme cost
 - € - 480 m PDP mismatch / BS revaluation
 - € - 149 m Others
- FY 2020 **Net Adjustments** of € - 2,216 m

- FY 2020 **Net Loss** of € - 1,133 m
- FY 2020 **Net Income Adjusted** of € 1,065 m

(1) FY 2020 Average number of shares: 783,178,191 compared to 777,039,858 in FY 2019
Capitalised R&D: € 101 m in FY 2020 and € 133 m in FY 2019

Currency Hedge Policy

IN \$ BILLION



Average hedge rates	2020	2021	2022	2023	2024	2025	2026	2027
€ vs \$ Forwards/Collars ⁽²⁾	1.19 (1.20 in Dec. 19)	1.21 (1.23 in Dec. 19)	1.23 (1.23 in Dec. 19)	1.26 (1.24 in Dec. 19)	1.26 (1.27 in Dec. 19)	1.28 (1.28 in Dec. 19)	1.31 (1.27 in Dec. 19)	1.32 (n/a in Dec 19)
£ vs \$	1.34	1.37	1.37	1.42	n/a	n/a	n/a	n/a

Mark-to-market value incl. in AOCI = € + 0.5 bn
Closing rate @ 1.23 € vs. \$

- In 2020, \$ 17.1 bn⁽¹⁾ of hedges matured at an average rate of € 1 = \$ 1.19
- \$ 4.5 bn⁽¹⁾ of new Forwards were added
- Hedge portfolio⁽¹⁾ 31 December 2020 at \$ 81.0 bn (vs. \$ 97.1 bn in December 2019), at an average rate of \$ 1.26⁽²⁾ after \$ 3.5 bn of hedges disqualified in 2020

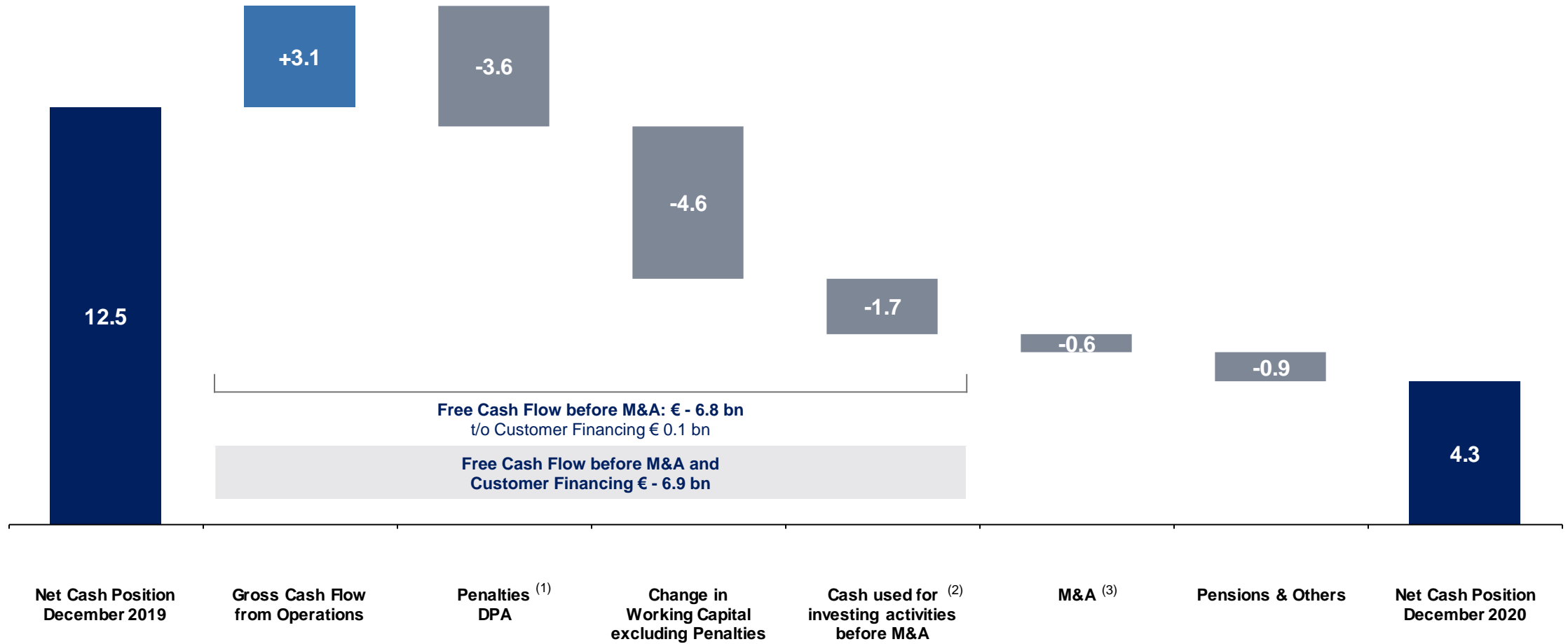
Approximately 60% of Airbus US\$ revenues are naturally hedged by US\$ procurement. Graph shows US\$ Forward Sales and Collars

Hedge rates reflect EBIT impact of the US\$ hedge portfolio

(1) Total hedge amount contains \$/€ and \$/£ designated hedges; (2) Blended Forwards and Collars rate includes Collars at least favourable rate, no more Collars as of 31 March 2020 and thereafter

FY 2020 Cash Evolution

IN € BILLION



(1) DPA: "Deferred Prosecution Agreement"

(2) Thereof CapEx of € - 1.8 bn

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

<p>€ 6.2 bn</p> <p>Supplemental Liquidity Line (SLL)</p>	
<p>€ 6.0 bn</p> <p>Credit Facility (RSCF)</p>	
<p>€ 21.4 bn</p> <p>Total Gross Cash Invested in highly rated securities</p>	<p>€ 17.1 bn</p> <p>Financing Liabilities</p>
	<p>€ 4.3 bn</p> <p>Net Cash</p>

SLL:

- Signed March 31st with 9 banks, undrawn
- Maturity: 12 months from signing day + 2 extension options of 6 months at Airbus' discretion
- Term-out amounts of € 5.5 bn from bond issuances, € 3.0 bn from incremental amount of the new RSCF and € 0.3 bn from USPP issuances

RSCF:

- Maturity October 2023 + 2 extension options of 1 year, undrawn
- Fully committed by 33 banks
- No financial covenants, no MAC clause

Financing Liabilities:

of which long-term : € 14.1 bn

- Includes € 9.0 bn EMTN and \$ 3.3 bn 144A/RegS & USPP (nominal amounts)

Credit Ratings:

Short-term rating:

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

Long-term rating:

- **S & P:** A negative
- **Moody's:** A2 negative

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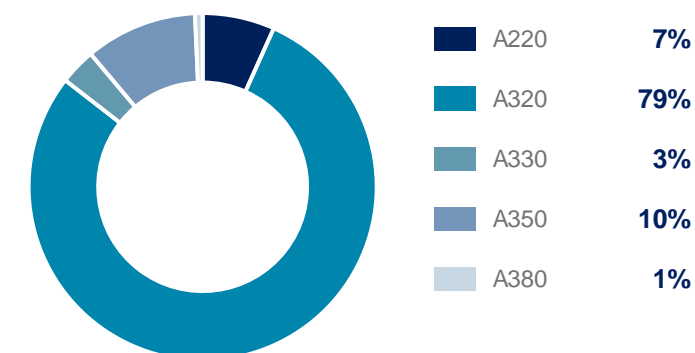
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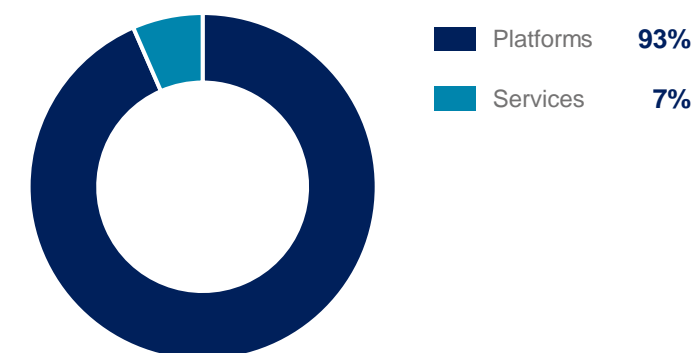
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IN € MILLION		FY 2020	FY 2019 Restated ⁽¹⁾	Change
Order Intake (net)	Units	268	768	-65.1%
Order Book		7,184	7,482	-4.0%
Order Intake (net)	Value	16,089	65,769	-75.5%
Order Book		324,675	424,082	-23.4%
Deliveries	Units	566	863	-34.4%
Revenues		34,250	54,775	-37.5%
R&D Expenses		2,436	2,816	-13.5%
<i>in % of Revenues</i>		<i>7.1%</i>	<i>5.1%</i>	
EBIT Adjusted		618	5,947	-89.6%
<i>in % of Revenues</i>		<i>1.8%</i>	<i>10.9%</i>	
EBIT		(1,330)	1,794	N/A
<i>in % of Revenues</i>		<i>-3.9%</i>	<i>3.3%</i>	

Deliveries by Programme (Units)



External Revenue Split



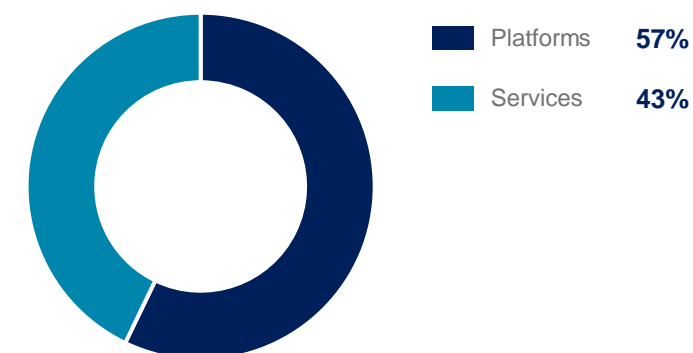
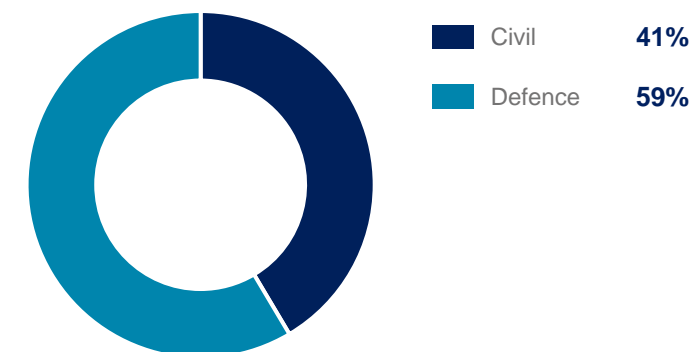
- Deliveries: 566 aircraft incl. 38 A220, 446 A320 Family, 19 A330, 59 A350 and 4 A380
- Revenues mainly reflect lower deliveries
- EBIT Adjusted mainly reflects lower deliveries, lower cost efficiency and COVID-19 related charges

Capitalised R&D: € 23 m in FY 2020 and € 81 m in FY 2019

(1) 2019 financial figures restated to reflect the adoption of a new segment reporting structure for "Transversal" activities

IN € MILLION		FY 2020	FY 2019	Change
Order Intake (net)	Units	268	310	-13.5%
Order Book		663	695	-4.6%
Order Intake (net)	Value	5,519	7,179	-23.1%
Order Book		15,782	16,627	-5.1%
Deliveries	Units	300	332	-9.6%
Revenues		6,251	6,007	4.1%
R&D Expenses		273	291	-6.2%
	<i>in % of Revenues</i>	4.4%	4.8%	
EBIT Adjusted		471	422	11.6%
	<i>in % of Revenues</i>	7.5%	7.0%	
EBIT		455	414	9.9%
	<i>in % of Revenues</i>	7.3%	6.9%	

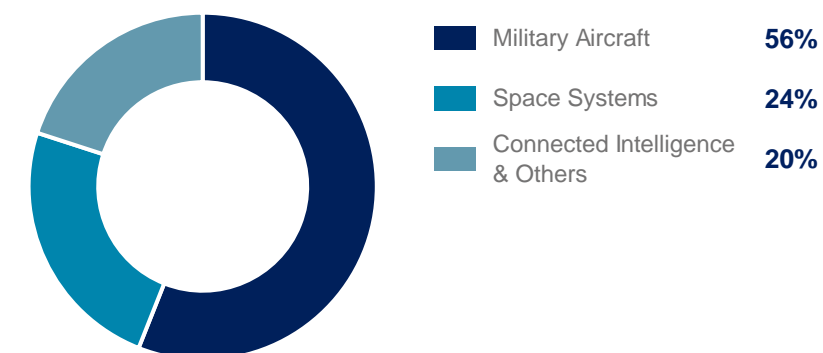
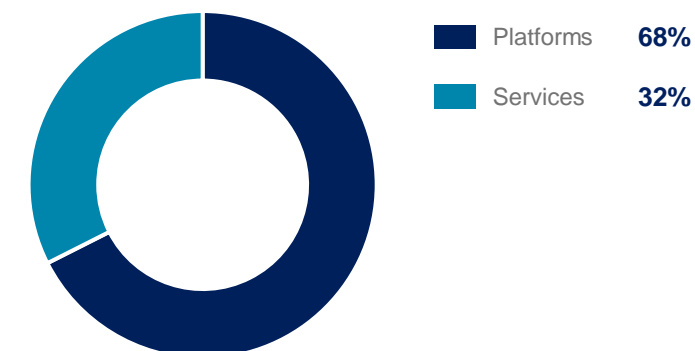
External Revenue Split



- Revenues reflect favourable product mix and growth in Services
- EBIT Adjusted reflects strong governmental-related activities, reliable programme execution and lower R&D

IN € MILLION	FY 2020	FY 2019	Change
Order Intake (net)	11,862	8,520	39.2%
Order Book	33,505	32,263	3.9%
Revenues	10,446	10,907	-4.2%
R&D Expenses	225	302	-25.5%
<i>in % of Revenues</i>	2.2%	2.8%	
EBIT Adjusted	660	565	16.8%
<i>in % of Revenues</i>	6.3%	5.2%	
EBIT	408	(881)	N/A
<i>in % of Revenues</i>	3.9%	-8.1%	

External Revenue Split



- Revenues mainly reflect lower volume as well as the impact of COVID-19 on business phasing, mainly in Space Systems
- EBIT Adjusted mainly reflects costs containment and lower R&D, partly offset by the impact of COVID-19, including on the launcher business
- A400M: 9 a/c delivered in FY 2020

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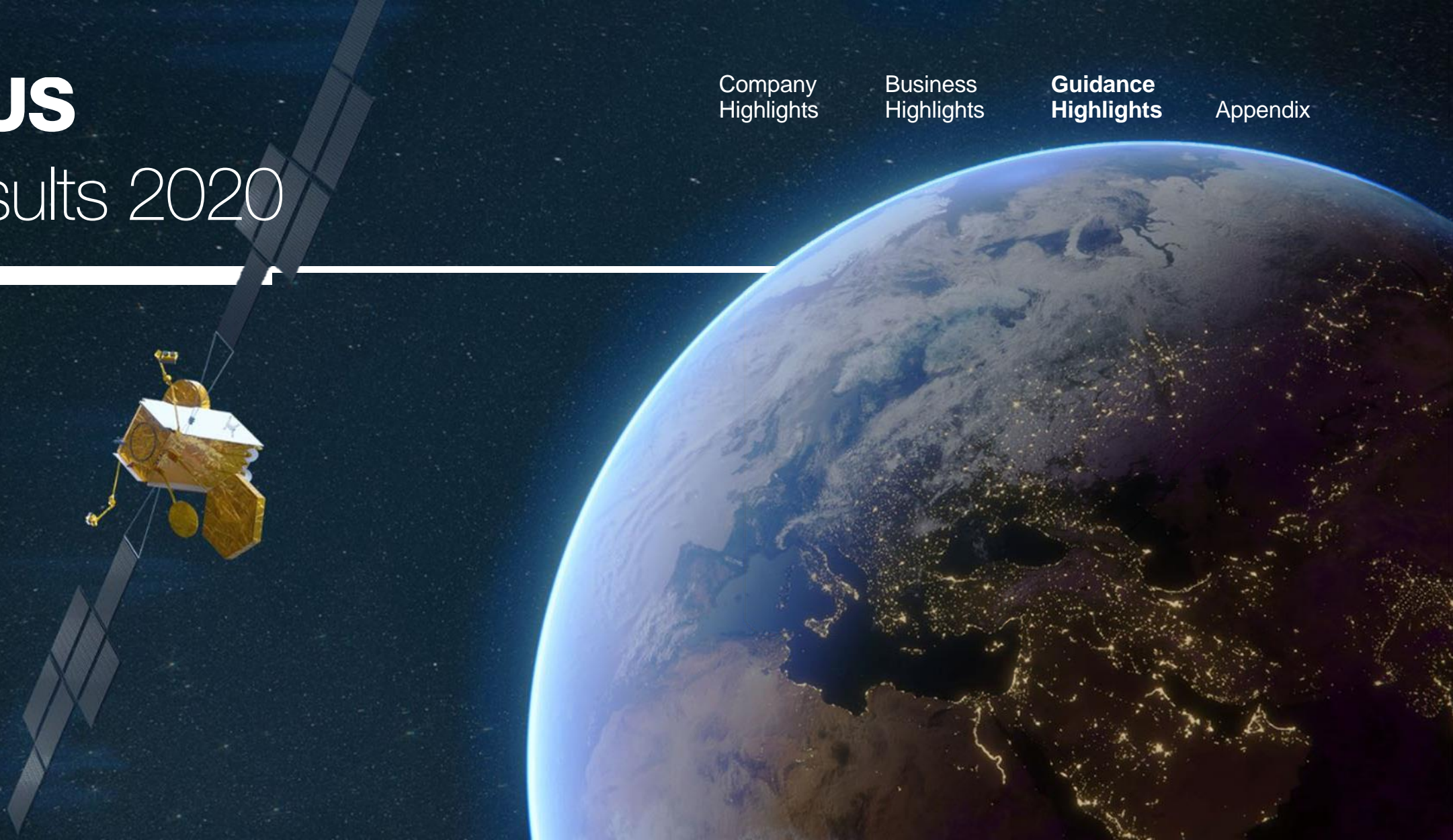
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As the basis for its 2021 guidance, the Company assumes:

- *no further disruptions to the world economy, air traffic, the Company's internal operations, and its ability to deliver products and services.*

The Company's 2021 guidance is before M&A.

On that basis, the Company targets to at least achieve in 2021:

- Same number of commercial aircraft deliveries as in 2020;
- EBIT Adjusted of € 2 billion;
- Breakeven Free Cash Flow before M&A and Customer Financing.

No dividend proposed for 2020.

- Manage deliveries and backlog, including defence contracts
- Finalise the implementation of the restructuring plan
- Prepare the industrial ecosystem for when the market recovers
- Transformation of commercial aircraft industrial value chain
- Lead the development of sustainable aerospace
- Focus on earnings and cash growth trajectory beyond 2021

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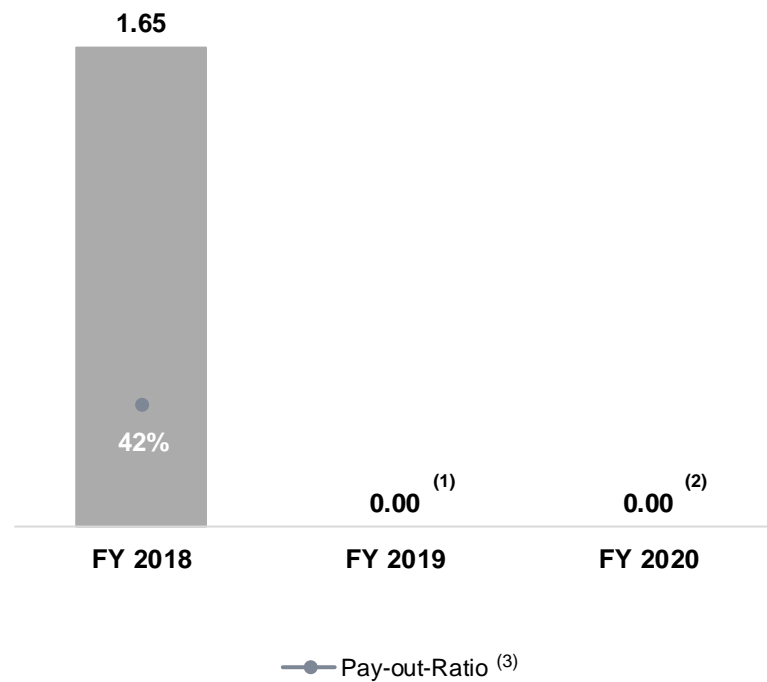
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Dividend per Share

IN €



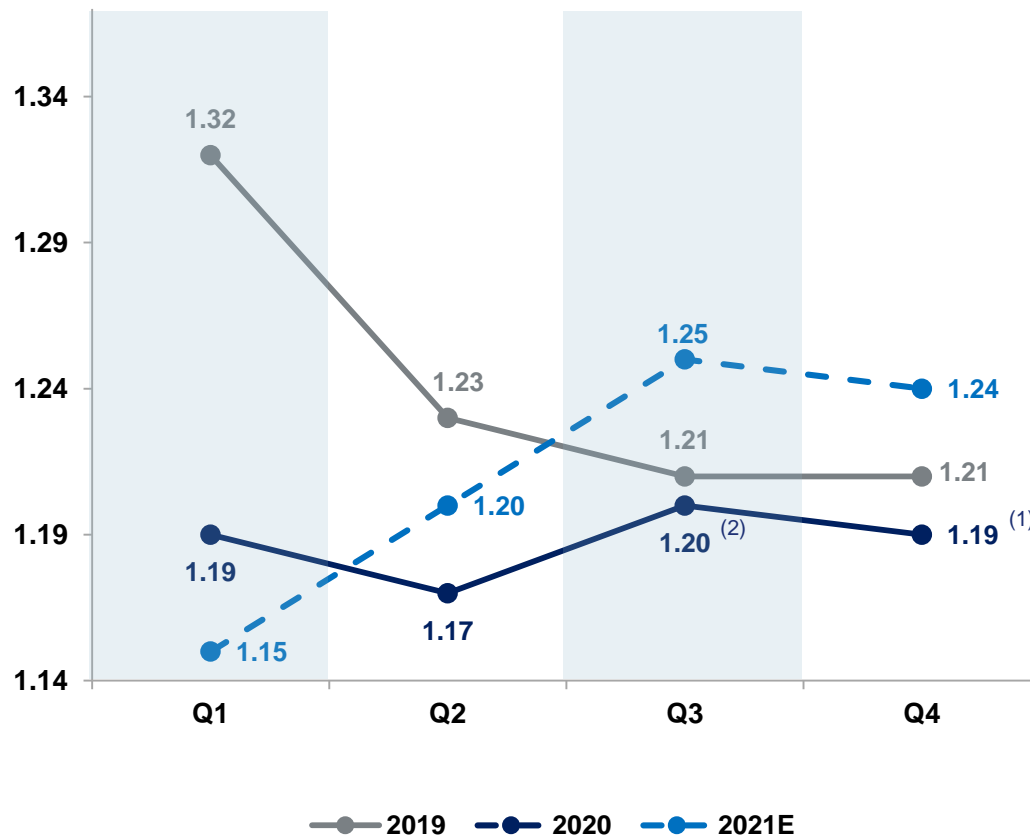
(1) FY 2019: dividend proposal of € 1.80 per share revoked following the COVID-19 outbreak

(2) FY 2020: no dividend proposed for 2020

(3) 2019 EPS Reported € -1.75 and 2020 EPS Reported € -1.45, pay-out ratio not applicable

Expected Average Hedge Rates € vs. \$

Active exposure management



	Average Hedge Rates
FY 2019	1.24
FY 2020	1.19
FY 2021E	1.21

(1) Q4 actual
 (2) Based on \$ 4.1 bn hedges matured with associated EBIT impact

FY 2020 Detailed Income Statement and Adjustments

IN € MILLION	FY 2020 Reported	thereof Adjustments				Financial Result	FY 2020 Adjusted
		Impact on EBIT					
		Operational	FX				
	Airbus	Defence and Space ⁽¹⁾	Helicopters	Airbus + Defence and Space ⁽²⁾			
EBIT	(510)						1,706
<i>in % of Revenues</i>	<i>-1.0%</i>	(1,436)	(284)	(16)	(480)		<i>3.4%</i>
Interest income	140						140
Interest expense	(411)						(411)
Other Financial Result	(349)					(324)	(25)
Financial Result	(620)					(324)	(296)
Income (Loss) before taxes	(1,130)	(1,436)	(284)	(16)	(480)	(324)	1,410
Non-controlling interests	36						36
Net Income (Loss)	(1,133)						1,065
Number of shares	783,178,191						783,178,191
EPS (in €)	(1.45)						1.36

Net Income (Loss) 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 discounted provisions

The tax effect on Adjusted Loss before taxes is calculated at 27%. The effective tax rate on Loss before taxes is -3%.

(1) Thereof € - 63 m A400M programme update
(2) Thereof € - 512 m Airbus, € + 32 m Defence and Space

FY 2019 Detailed Income Statement and Adjustments

IN € MILLION	FY 2019 Reported	thereof Adjustments				Financial Result	FY 2019 Adjusted
		Impact on EBIT					
		Operational		FX			
	Airbus ⁽¹⁾	Defence and Space ⁽²⁾	Helicopters	Airbus + Defence and Space ⁽³⁾			
EBIT	1,339	(4,014)	(1,415)	(8)	(170)		6,946
<i>in % of Revenues</i>	1.9%						9.9%
Interest income	228						228
Interest expense	(339)						(339)
Other Financial Result	(164)					(118)	(46)
Financial Result	(275)					(118)	(157)
Income (Loss) before taxes	1,064	(4,014)	(1,415)	(8)	(170)	(118)	6,789
Non-controlling interests	(37)						(37)
Net Income (Loss)	(1,362)						4,715
Number of shares	777,039,858						777,039,858
EPS (in €)	(1.75)						6.07

Net Income (Loss) 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 discounted provisions

The tax effect on Adjusted Income before taxes is calculated at 30%. The effective tax rate on Income before taxes is 225%.

(1) Thereof € -3,598 m penalties

(2) Thereof € -1,212 m A400M charge, € -221 m Saudi Germany prolonged export ban

(3) Thereof € -139 m Airbus, € -31 m Defence and Space

Q4 2020 Key Figures

IN € MILLION	Q4 2020	Q4 2019
Revenues	19,751	24,310
EBIT Adjusted	1,831	2,813
EBIT	1,675	(2,092)
Net Income (Loss)	1,553	(3,548)
FCF before M&A	4,945	8,469
FCF before M&A and Customer Financing	4,863	8,446

IN € MILLION	Q4 2020	Q4 2019 Restated ⁽¹⁾	Q4 2020	Q4 2019 Restated ⁽¹⁾	Q4 2020	Q4 2019 Restated ⁽¹⁾
	Revenues		EBIT Adjusted		EBIT	
Airbus	13,979	19,203	1,259	2,354	1,069	(1,371)
Helicopters	2,628	2,295	233	217	217	211
Defence and Space	3,510	3,201	394	210	444	(964)
Eliminations	(366)	(389)	(55)	32	(55)	32
Consolidated Airbus	19,751	24,310	1,831	2,813	1,675	(2,092)

(1) 2019 financial figures restated to reflect the adoption of a new segment reporting structure for "Transversal" activities

Detailed Free Cash Flow

IN € MILLION	FY 2020	FY 2019
Net Cash position at the beginning of the period	12,534	13,281
First time impact of IFRS 16	-	(1,352)
Gross Cash Flow from Operations ⁽¹⁾	3,061	3,391
Change in working capital ⁽²⁾	(8,197)	2,176
Cash used for investing activities ⁽³⁾	(2,226)	(2,092)
of which Industrial CapEx (additions) ⁽⁴⁾	(1,759)	(2,340)
Free Cash Flow ⁽⁵⁾	(7,362)	3,475
of which M&A	(551)	(92)
Free Cash Flow before M&A	(6,811)	3,567
of which Customer Financing	124	58
Free Cash Flow before M&A and Customer Financing	(6,935)	3,509
Change in capital and non-controlling interests	89	194
Change in treasury shares / share buyback	(4)	(31)
Change in liability for puttable instruments	91	319
Contribution to plan assets of pension schemes	(314)	(1,752)
Cash distribution to shareholders / non-controlling interests	0	(1,280)
Others	(722)	(320)
Net Cash position at the end of the period	4,312	12,534

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

(2) Including net customer financing and excluding some perimeter change impacts from changes in consolidation

(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

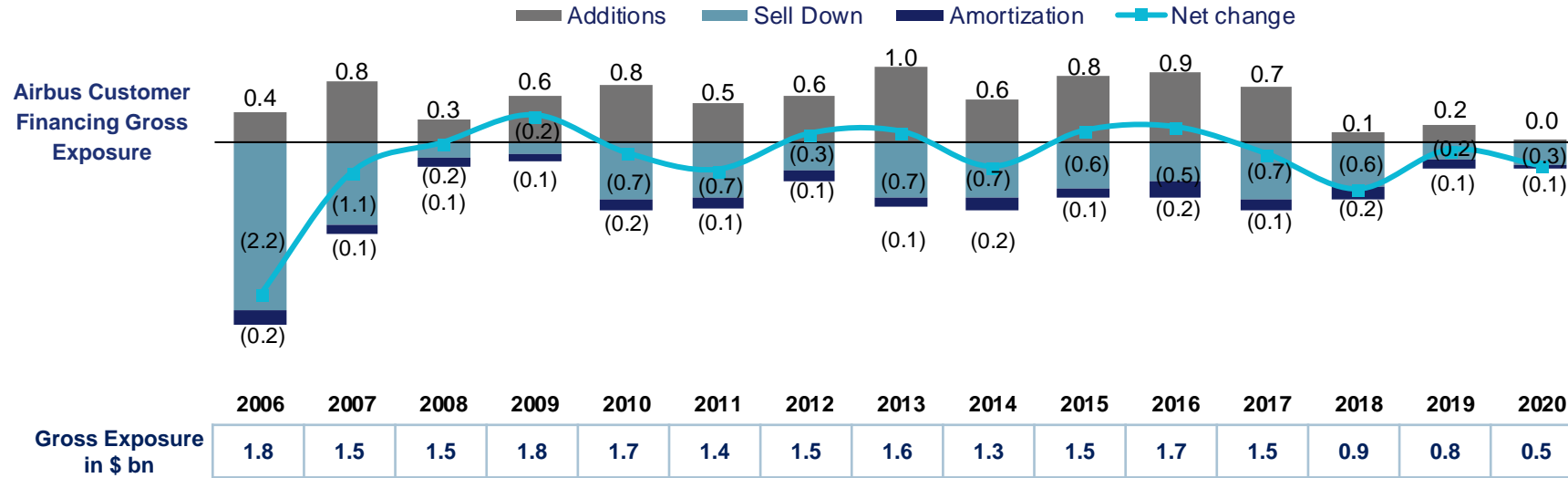
Net Cash Position

IN € MILLION	Dec. 2020	Dec. 2019
Gross Cash	21,407	22,682
Financing Liabilities	(17,095)	(10,148)
Short-term Financing Liabilities	(3,013)	(1,959)
Long-term Financing Liabilities	(14,082)	(8,189)
Reported Net Cash (Debt)	4,312	12,534
Airbus non-recourse debt	7	24
Net Cash (Debt) excl. non-recourse	4,319	12,558

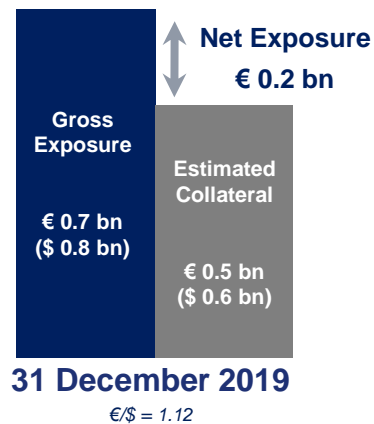
Customer Financing Exposure

IN € MILLION	Dec. 2020	Dec. 2019	Dec. 2020	Dec. 2019
	Airbus		Helicopters	
Closing rate € 1 =	\$ 1.23	\$ 1.12	\$ 1.23	\$ 1.12
Total Gross Exposure	427	731	46	48
of which off-balance sheet	11	95	2	9
Estimated value of collateral	(241)	(530)	(38)	(30)
Net Exposure	186	202	8	18
Provision and asset impairment	(186)	(202)	(8)	(18)
Net Exposure after provision	0	0	0	0

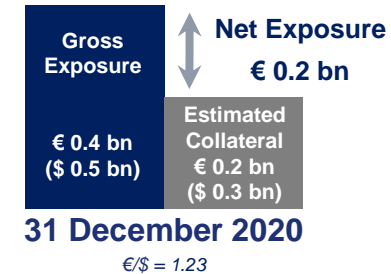
IN € BILLION



Net Exposure fully provisioned



Net Exposure fully provisioned



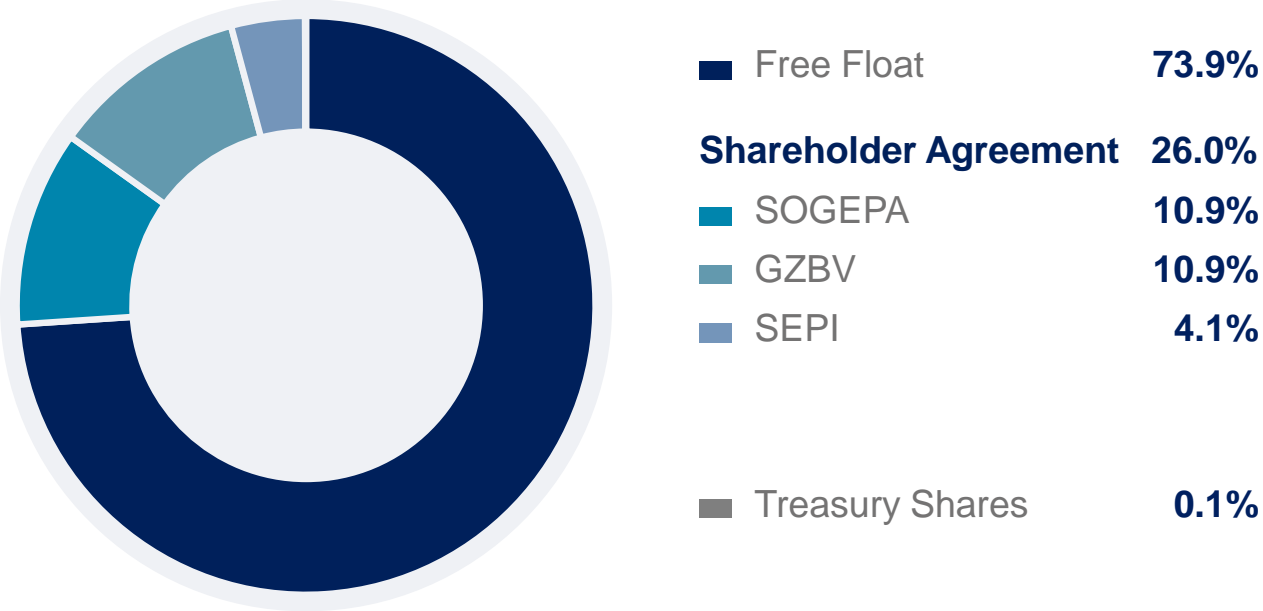
Balance Sheet Highlights: Assets

IN € MILLION	Dec. 2020	Dec. 2019
Non-current Assets	51,695	57,686
of which Intangible & Goodwill	16,199	16,591
of which Property, plant & equipment	16,674	17,294
of which Investments & other long-term financial assets	5,433	6,079
of which Contract assets	48	91
of which Positive hedge mark-to-market	3,451	996
of which Non-current securities	5,350	11,066
Current Assets	58,400	56,723
of which Inventory	30,401	31,550
of which Contract assets	1,074	1,167
of which Cash and cash equivalents	14,439	9,314
of which Current securities	1,618	2,302
of which Positive hedge mark-to-market	973	444
Assets of disposal groups classified as held for sale	0	0
Total Assets	110,095	114,409
Closing rate € vs. \$	1.23	1.12

Balance Sheet Highlights: Liabilities

IN € MILLION	Dec. 2020	Dec. 2019
Total Equity	6,456	5,990
of which AOCI (Accumulated Other Comprehensive Income)	1,853	(523)
of which Non-controlling interests	11	15
Total Non-current liabilities	53,868	46,045
of which Pensions	9,515	7,932
of which Other provisions	4,483	4,610
of which Financing liabilities	14,082	8,189
of which European Governments' refundable advances	3,712	3,725
of which Contract liabilities	19,212	16,980
of which Negative hedge mark-to-market	1,834	2,434
Total Current liabilities	49,771	62,374
of which Pensions	467	421
of which Other provisions	6,078	5,951
of which Financing liabilities	3,013	1,959
of which European Governments' refundable advances	200	552
of which Contract liabilities	24,675	26,426
of which Trade liabilities	8,722	14,808
of which Negative hedge mark-to-market	983	1,560
Liabilities of disposal groups classified as held for sale	0	0
Total Liabilities and Equity	110,095	114,409

Shareholding Structure at 31 December 2020



▪ 784,149,270 shares issued at 31 December 2020

Quarterly Revenues Breakdown (Cumulative)

IN € MILLION	Q1		H1		9m		FY	
	2020	2019 Restated ⁽¹⁾	2020	2019 Restated ⁽¹⁾	2020	2019 Restated ⁽¹⁾	2020	2019 Restated ⁽¹⁾
Airbus	7,569	9,697	12,533	24,043	20,271	35,572	34,250	54,775
Helicopters	1,202	1,007	2,333	2,371	3,623	3,712	6,251	6,007
Defence and Space	2,111	2,112	4,551	5,015	6,936	7,706	10,446	10,907
Eliminations	(251)	(267)	(469)	(563)	(669)	(822)	(1,035)	(1,211)
Consolidated Airbus	10,631	12,549	18,948	30,866	30,161	46,168	49,912	70,478

(1) 2019 financial figures restated to reflect the adoption of a new segment reporting structure for "Transversal" activities

Quarterly EBIT Adjusted Breakdown (Cumulative)

IN € MILLION	Q1		H1		9m		FY	
	2020	2019 Restated ⁽¹⁾	2020	2019 Restated ⁽¹⁾	2020	2019 Restated ⁽¹⁾	2020	2019 Restated ⁽¹⁾
Airbus	191	463	(1,307)	2,193	(641)	3,593	618	5,947
Helicopters	53	15	152	125	238	205	471	422
Defence and Space	15	101	186	233	266	355	660	565
Eliminations	22	(30)	24	(22)	12	(20)	(43)	12
Consolidated Airbus	281	549	(945)	2,529	(125)	4,133	1,706	6,946

(1) 2019 financial figures restated to reflect the adoption of a new segment reporting structure for "Transversal" activities

Quarterly EBIT Breakdown (Cumulative)

IN € MILLION	Q1		H1		9m		FY	
	2020	2019 Restated ⁽¹⁾	2020	2019 Restated ⁽¹⁾	2020	2019 Restated ⁽¹⁾	2020	2019 Restated ⁽¹⁾
Airbus	57	319	(1,808)	2,006	(2,399)	3,165	(1,330)	1,794
Helicopters	53	9	152	124	238	203	455	414
Defence and Space	(53)	(117)	73	(15)	(36)	83	408	(881)
Eliminations	22	(30)	24	(22)	12	(20)	(43)	12
Consolidated Airbus	79	181	(1,559)	2,093	(2,185)	3,431	(510)	1,339

(1) 2019 financial figures restated to reflect the adoption of a new segment reporting structure for "Transversal" activities

FY 2020 IFRS vs. APM Cash Flow Reconciliation

IN € BILLION	Dec. 2020
Cash provided by (used for) operating activities	(5.4)
t/o Reimbursement from / contribution to plan assets	(0.3)
t/o Treasury swaps	0.1
t/o Change in other operating assets and liabilities ⁽¹⁾	(8.2)
Gross Cash Flow from Operations	3.1

IN € BILLION	Dec. 2020
Cash provided by (used for) operating activities	(5.4)
Cash provided by (used for) investing activities	4.1
t/o Net proceeds (payment)	6.3
Others	0.2
Free Cash Flow	(7.4)
t/o M&A transactions	(0.6)
Free Cash Flow before M&A	(6.8)
t/o Customer Financing	0.1
FCF before M&A and Customer Financing	(6.9)

(1) Impact from the penalties included. Excluding the penalties, change in other operating assets and liabilities amounts to € - 4.6 bn

Glossary on Alternative Performance Measures (APM)

This 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 finance cost 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, restructuring 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 “Detailed Income Statement and Adjustments”.
- **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 statement 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 the Universal Registration 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 other operating assets and liabilities (working capital). It is defined in the Universal Registration Document, MD&A section 2.1.6 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.
- **Changes 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, other assets and prepaid expenses netted against trade liabilities, other liabilities (including customer advances), deferred income and customer financing.
- **FCF:** For the definition of the alternative performance measure free cash flow, see Universal Registration 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 Universal Registration Document, MD&A section 2.1.6.1. adjusted for net proceeds from disposals and acquisitions. It is an alternative performance measure and indicator that is important in order to measure FCF excluding those cash flows from the acquisition and disposal 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 occasionally by the Company in its financial guidance, especially when there is higher uncertainty around customer financing activities.