



**Guillaume Faury**  
Chief Executive Officer

# Preparing our future

**Dear Shareholders,**

As we publish this review of 2021, the war in Ukraine is a stark reminder that peace, democracy and freedom have been hard earned and need to be defended. Sanctions not only hit Russia but also citizens and society in the countries applying them. We are defending something priceless – our values. Prosperity and sustainability can only thrive in a peaceful and stable world and we need to foster the sovereign capabilities that keep it that way. We, at Airbus, are contributing to these objectives with our products and services and are working with our customers, partners and suppliers to manage the potential impacts of this crisis.

**Yours, Guillaume**

**Q. How would you sum up the year for Airbus?**

I'd describe 2021 as a year of transition and recovery and one where we made pivotal progress in preparing our future. After an extraordinary 2020, we focused on moving beyond the pandemic as much as possible with long-term competitiveness in mind. Thanks to the exceptional efforts of the Airbus teams, we delivered on our key operational and financial targets and in some cases even overachieved, while advancing with our strategic priorities.

We took profound actions to navigate the impact of the COVID-19 pandemic, always ensuring we were well positioned to move forward again quickly as the operating environment improved in 2021. In commercial aircraft, we secured new orders and increased deliveries as the air

transport sector began its recovery, driven by increasing demand for narrow-body aircraft. Our Helicopters and Defence and Space activities delivered really well, bolstering the company-wide performance. Some exceptional order bookings were achieved as well as major programme launches that will be vital in the coming years.

All in all, the year was a real success, both in terms of our own performance and also in our journey to prepare the future of aerospace, transforming our industrial capabilities and implementing the roadmap for decarbonisation. As a company we again showed our resilience by adapting and performing in a complex and fast-changing environment. We also kept our guiding principles of safety, quality, integrity, compliance and security at the foundation of our activities.

**Q. What were the operational and commercial highlights?**

I would first like to acknowledge the continued close cooperation with our customers, suppliers and partners that enabled us to perform as well as we did. Together as an industry we learned to adapt to the changing COVID protocols over the past two years while ensuring business continuity. Again in 2021, our 'e-delivery' process helped many customers to accept their aircraft.

In commercial aircraft, we started the 'ramp-up' again of our single-aisle production and provided visibility for our suppliers on our plans for the coming years. We also began the important process of reorganising and streamlining our aerostructures activities for increased future competitiveness, setting us up for the next generation of aircraft.

Even though passenger traffic will take some time to return to pre-COVID levels, our latest market forecast underpins the good fundamentals for commercial aircraft demand over the next two decades. Notably, we expect a progressive shift

from fleet growth towards the accelerated retirement of older, less efficient aircraft. This is where our competitive product line already offers operators significant efficiency gains.

We delivered 611 commercial aircraft, eight percent more than the previous year and achieved our target. Included was the last ever A380 which pioneered technologies that we still use on newer aircraft and we'll continue to support the aircraft for many years to come. Order intake included the first contracts for the freighter version of the A350 that was launched during the year, providing a new and competitive offer in this important segment to customers.

In Helicopters, we delivered a strong year in terms of both orders and deliveries. Net order intake increased by 54 percent year-on-year to 414 units, with France signing the important development contract to launch the key 'Guépard' programme based on the H160M military version. Deliveries increased by 13 percent compared to 2020 and included the first of the next-generation H160s.



**Guillaume Faury pictured at the Airbus Summit 2021**

Defence and Space had a successful year with a book-to-bill by value above one and some stand-out military aircraft orders such as export business for the A400M and a large C295 contract from India. In Space, the first two Airbus-built and operated Pléiades Neo satellites were launched, offering improved Earth imaging capability.

The year highlighted how our defence activities, be it in Defence, Space or Helicopters, are key to many countries' security and therefore to the stability and prosperity needed to tackle the challenges of this century. Our space business is a key enabler of the connectivity of humankind, and allows us to monitor the health of our planet. Every day, our helicopters save lives and connect remote places.

**Q. How were the financials and what's the outlook for 2022?**

The overall earnings reflected the strong operational performance as well as the strict control of costs and our focus on competitiveness.

I'm pleased that our three main business lines all contributed positively to the Company's overall growth in underlying profitability, or EBIT Adjusted. We ended the year with EBIT Adjusted of € 4.9 billion, up sharply from 2020 while our free cash flow before M&A and customer financing improved significantly to € 3.5 billion.

As we enter 2022, the pandemic is still with us but we have largely learnt to live with it. We aim to make further progress and will focus on delivering on our operational objectives for the year. We plan to accelerate the A320 production ramp-up and secure milestones on key programmes such as the Future Combat Air System and Eurodrone that will be critical for Europe's future strategic autonomy, while driving competitiveness and transformation throughout our businesses.

**Q. How is the Company adapting for the longer-term?**

We are facing real disruptions in the fields of automation, digitalisation and decarbonisation and are transforming the business, pioneering in our current activities and learning and exploring new ones. This also means ensuring that we have the necessary skills among our present and future employees.

The decarbonisation of aviation will require technological and societal change at a scale and speed probably never seen before. As we highlighted at the Airbus Summit in 2021, it will need large-scale investment and innovation across the entire ecosystem, unprecedented partnership, collaboration and decisive action. We support the air transport industry's climate goal of achieving net-zero carbon emissions by 2050 and are now committed to a bolder 2030 target to reduce our industrial, or Scope 1 and 2, emissions.

Even though Airbus' product range already offers significant efficiency improvements, we're striving to further reduce the overall environmental impact of our aircraft, including with the greater use of Sustainable Aviation Fuel. We have also defined clear goals to launch the next generation of commercial aircraft that will be significantly different from those of today. They will be decarbonised, but also digitally enabled, connected, and cyber-protected.

Our strategy, which we detail in this year's annual report, is driven by the Airbus purpose of pioneering sustainable aerospace for a safe and united world. We will ensure our aircraft, helicopters, systems and satellites continue connecting and protecting people while bringing prosperity to tackle wide-scale societal challenges.



**Executive Committee**

As of 31 December 2021

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| <p><b>1. Guillaume Faury</b><br/>Chief Executive Officer</p> <p><b>2. Dominik Asam</b><br/>Chief Financial Officer</p> <p><b>3. Thierry Baril</b><br/>Chief Human Resources Officer</p> <p><b>4. Bruno Even</b><br/>Chief Executive Officer<br/>Airbus Helicopters</p> <p><b>5. Alberto Gutiérrez</b><br/>Chief Operating Officer</p> | <p><b>6. John Harrison</b><br/>General Counsel</p> <p><b>7. Catherine Jestin</b><br/>Executive Vice President<br/>Digital and Information<br/>Management</p> <p><b>8. Julie Kitcher</b><br/>Executive Vice President<br/>Communications and<br/>Corporate Affairs</p> <p><b>9. Sabine Klauke</b><br/>Chief Technical Officer</p> | <p><b>10. Philippe Mhun</b><br/>Executive Vice President<br/>Programmes and Services</p> <p><b>11. Christian Scherer</b><br/>Chief Commercial Officer<br/>and Head of Airbus<br/>International</p> <p><b>12. Michael Schoellhorn</b><br/>Chief Executive Officer<br/>Airbus Defence and Space</p> |
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