Global Market Forecast 2022

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Toulouse - 08 July 2022

AIRBUS

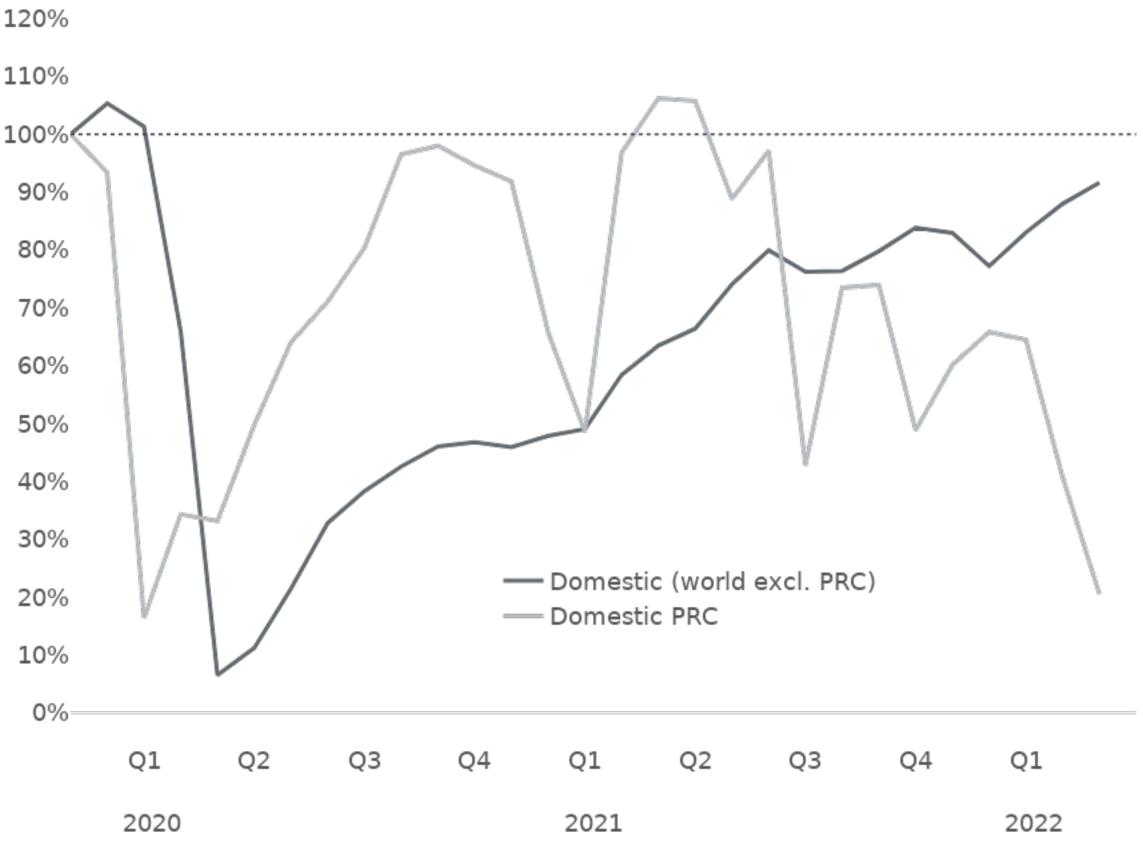
People want and need to travel

- Linking families and friends
- Enabling tourism
- Ensuring connectivity
- Supporting economies
- Reconnecting cultures and societies

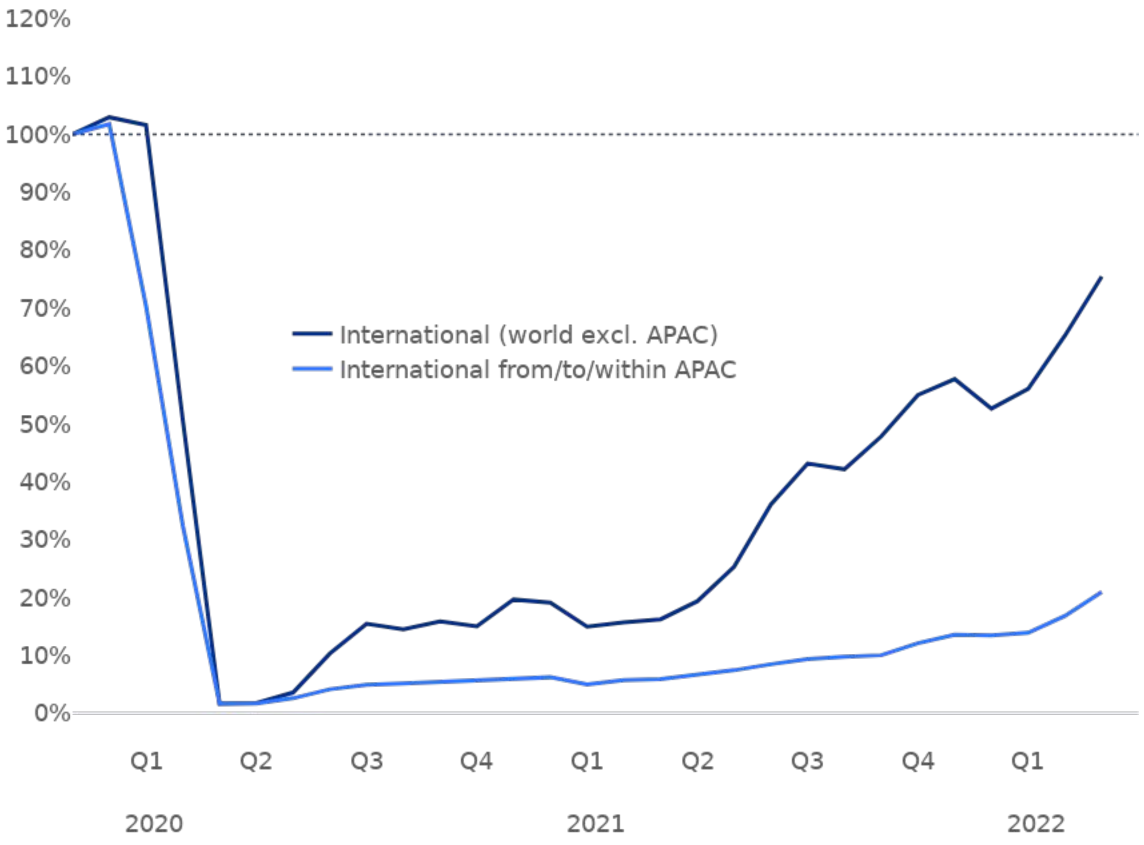
Air traffic is recovering continuously with a few, notable exceptions

Source: OAG, FR24, SABRE, IATA, Airbus GMF

Domestic leg traffic RPK compared to 2019



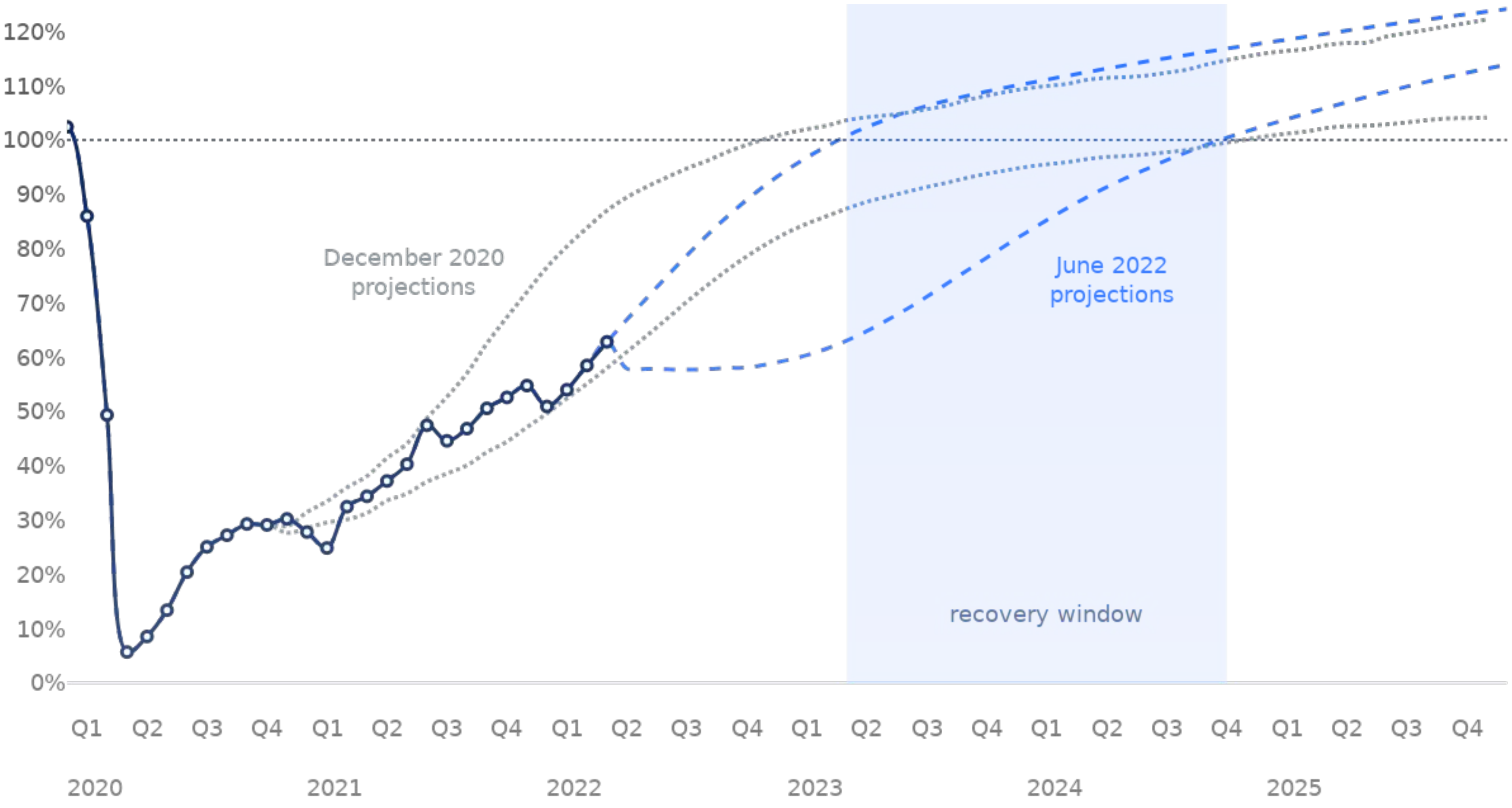
International leg traffic RPK compared to 2019



Air traffic recovery to 2019 levels between 2023 and 2025

Source: Sabre, OAG, FR24, IATA, Airbus GMF

World air traffic (RPK versus equivalent month in 2019)



Recovery trend confirmed despite recent events (Omicron wave, war)

Lower boundary of recovery 'corridor' includes risk of further waves

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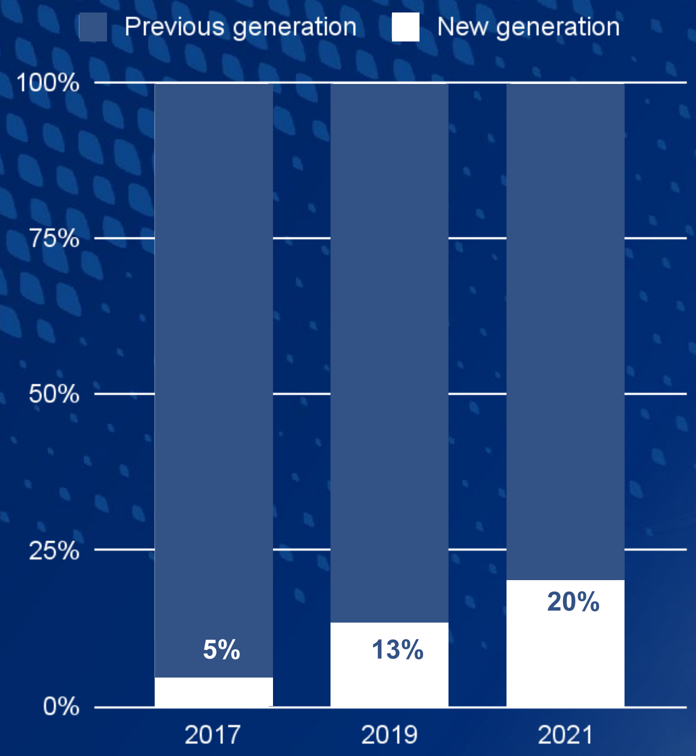
Airlines require the latest, most efficient and lowest-emission aircraft

% of in-service fleet by aircraft generation



Fleet modernisation:
A strategic hedge against high energy costs

80% of fleet not yet latest generation

Western built passenger aircraft above 100 seats – pax aircraft only - Year end / / New generation: A220, A320neo Fam., A330neo, A350, 737Max, 777X, 787
Previous generation: A300, A310, DC 9, DC10, 707, 727, 737, 747, 757, 767, 777, MD11, MD80, MD90, F100, A320 Fam., A330, A340

Airbus product line delivers 20 - 40% fuel burn reduction

End of June 2022

A320 FAMILY

Backlog:
5,829 aircraft

A220

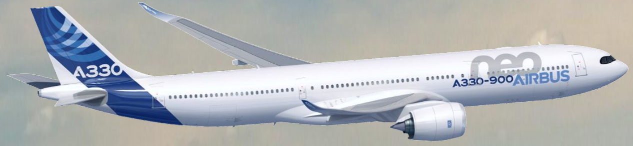
Backlog:
544 aircraft

A350F

Backlog:
31 aircraft

A350

Backlog:
423 aircraft



A330neo

Backlog: 196 aircraft

Single-Aisle

Freighter

Widebody

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~39,500 new passenger & freighter aircraft deliveries over 2022-2041

Source: IHS Markit, Airbus GMF
Note: Passenger aircraft above 100 seats & freighters with a payload above 10t

Gross Domestic Product 2019-2041 CAGR	**2.6%**
Passenger Traffic 2019-2041 CAGR	**3.6%**
Freight Traffic 2019-2041 CAGR	**3.2%**
Beginning 2020 fleet in service (Pre-Covid)	**22,880**
2041 fleet in service	**46,930**

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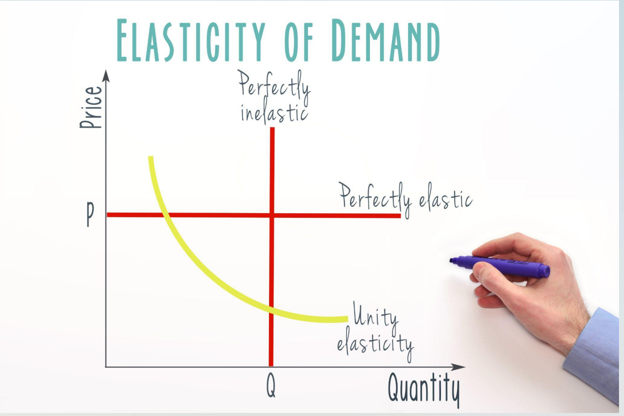
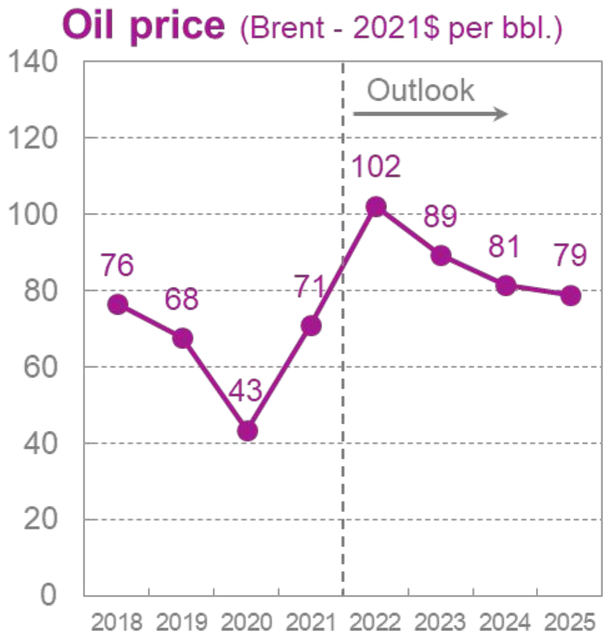
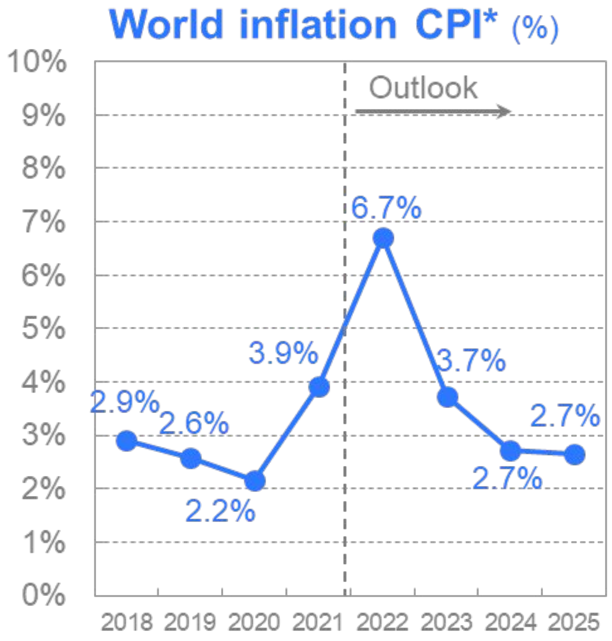
Fundamental drivers unchanged, but some becoming more relevant



Short-term pressures apparent but likely to normalise within a few years

Source: IHS Markit, Airbus GMF





* Consumer Price Index

GMF 2022 is an exploratory scenario

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iea STEPS - Stated Policies Scenario
APS - Announced Pledges Scenario

From the current state of knowledge

EXPLORATORY (forecast)

Now

2050

NORMATIVE (backcast)

From the defined target

DESTINATION 2050

WAYPOINT 2050
AN AIR TRANSPORT ACTION GROUP PROJECT

Sustainable Development Scenario - SDS
Net Zero Emission - NZE iea

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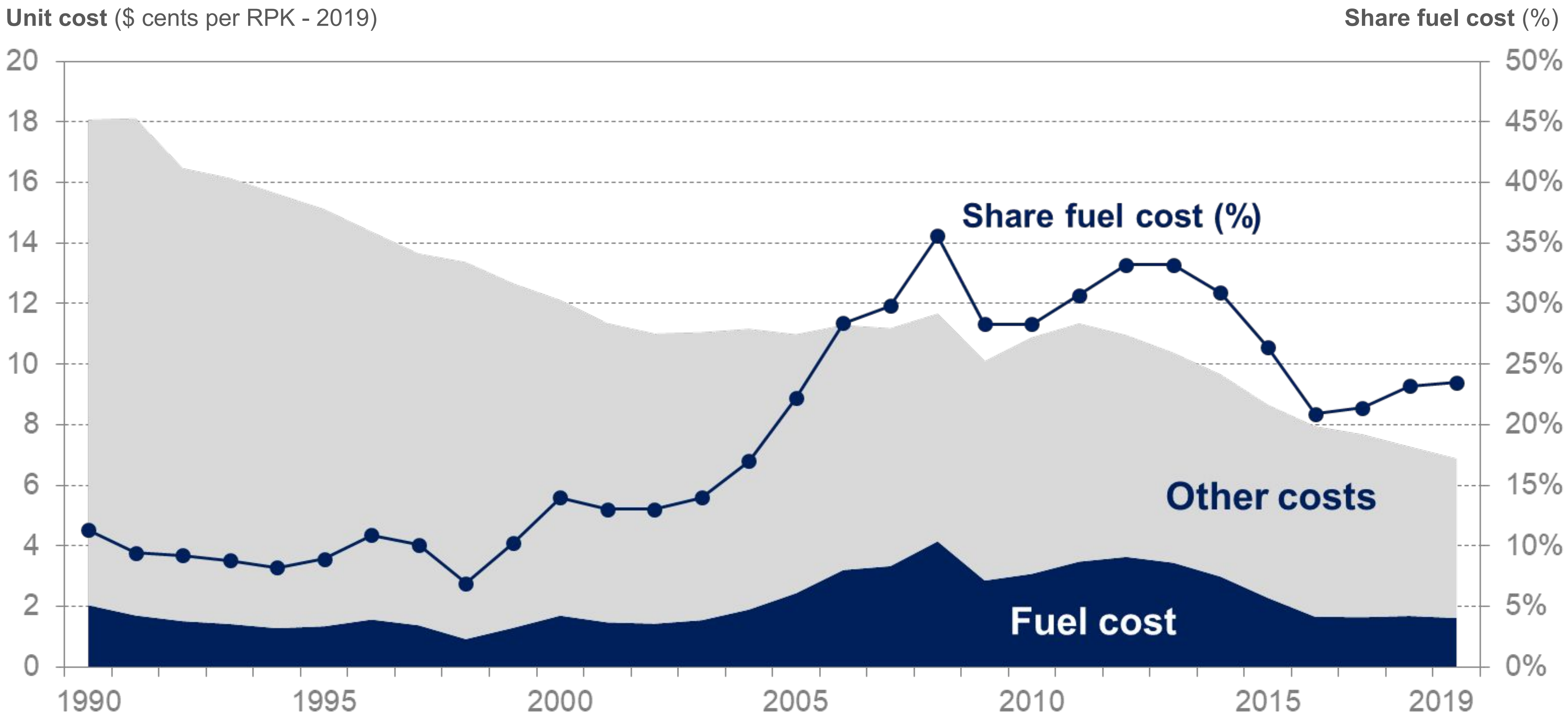
Share of energy cost in airline operating costs is growing

Source: IATA, Airbus GMF



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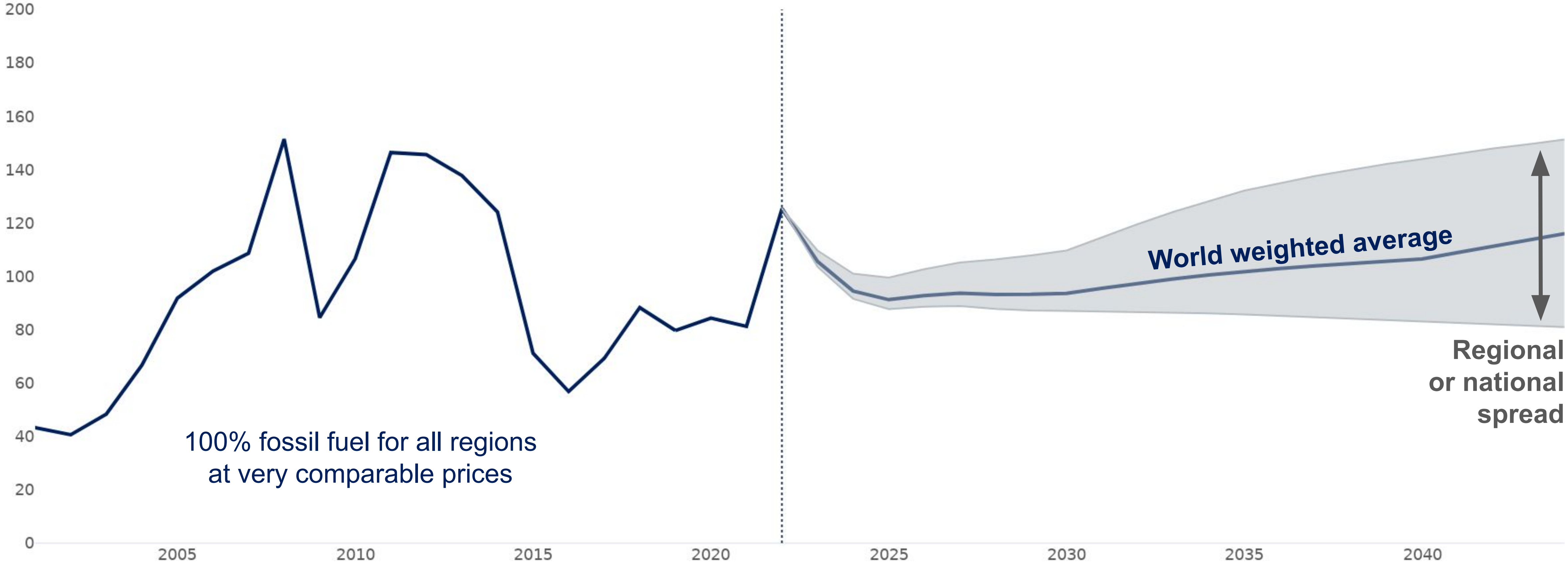
SAF & CO_2 prices impact energy cost assumptions in GMF 2022

Source: IHS, IEA/WEO 2021, Airbus GMF

Blended Jet Fuel price incl. CO_2 prices ($ per barrel - 2019)



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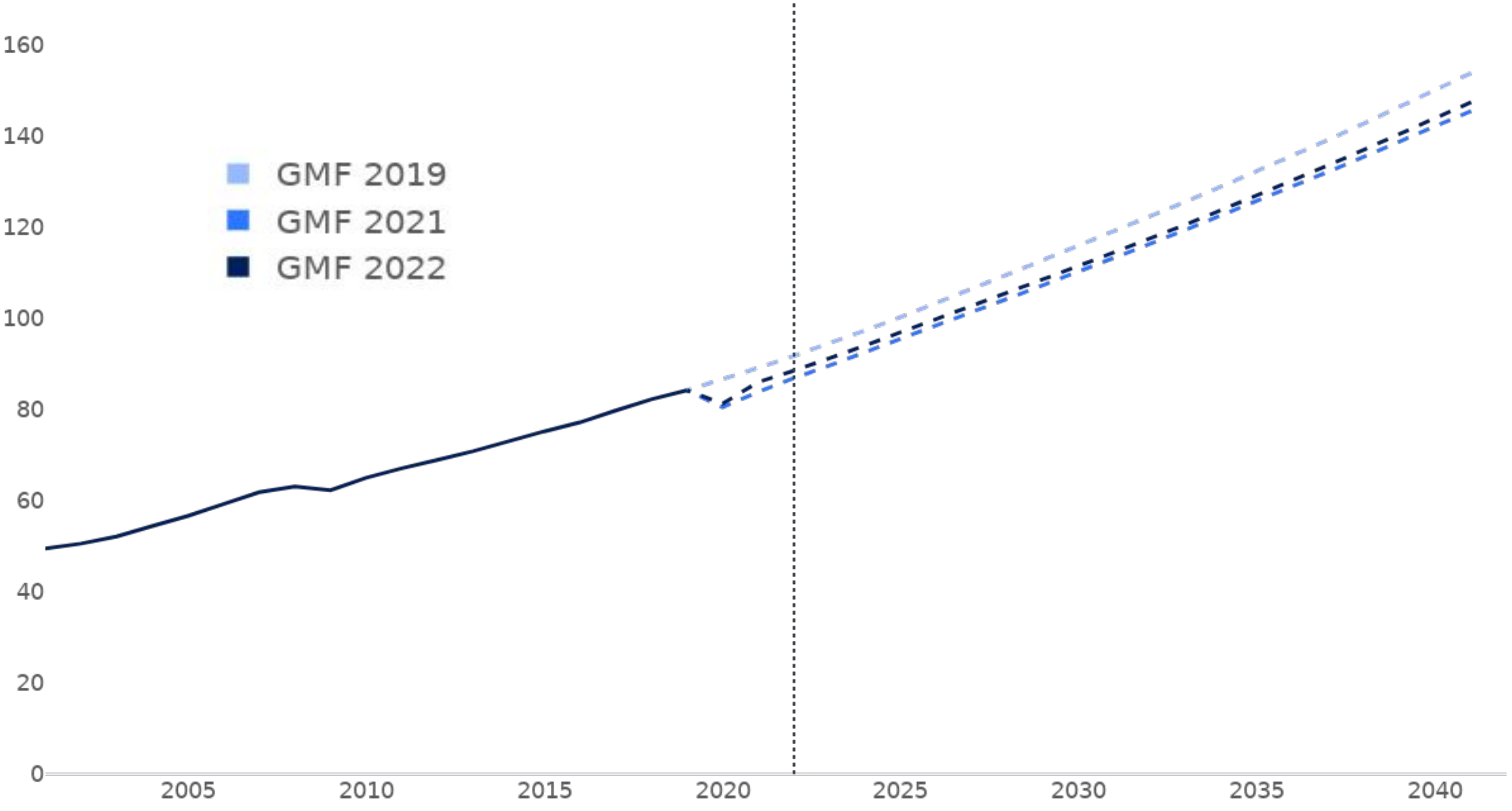
GDP projection has been reviewed upward since GMF 2021

Despite war in Ukraine generating downward pressure

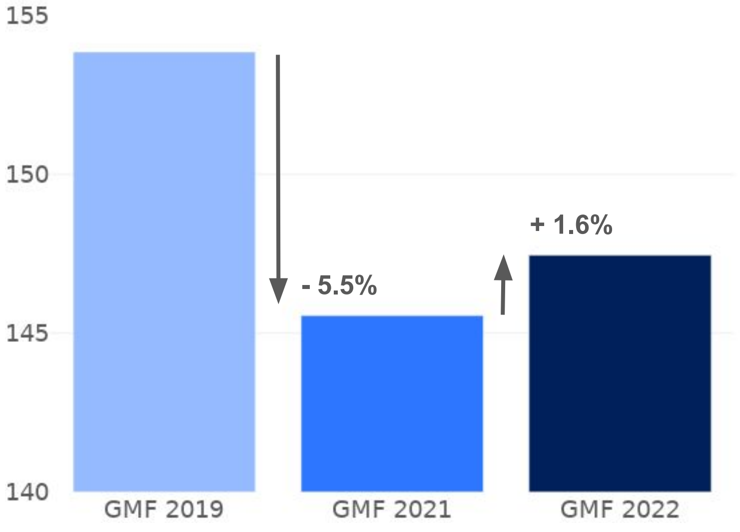
Source: IHS Markit, Airbus GMF

World GDP ($ trillion - 2015)



CAGR 2019 - 2041: 2.6%

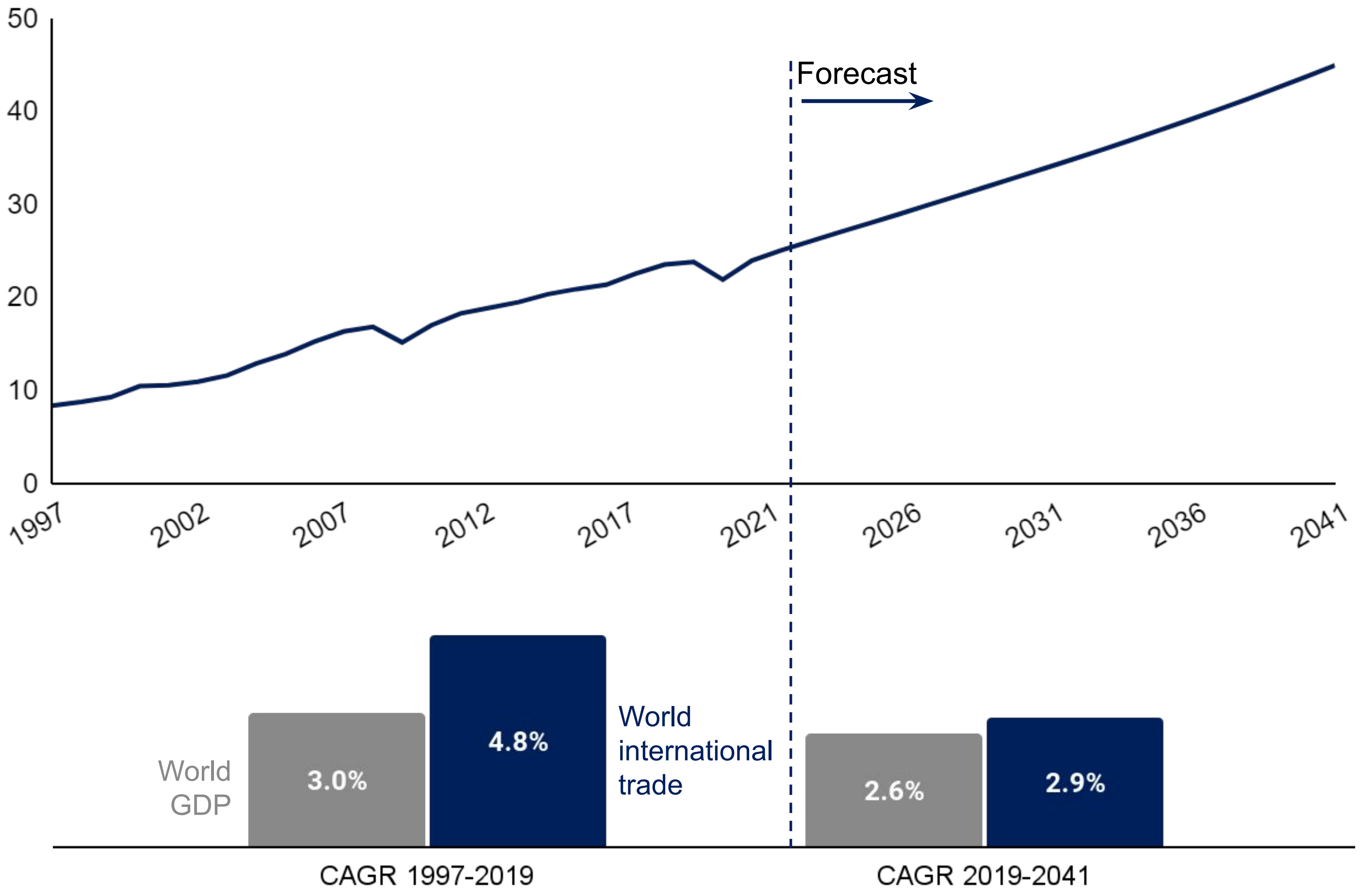
2041 World GDP ($ trillion - 2015)



World international trade is expected to double in the next 20 years

Source: IHS Markit, Airbus GMF

World international trade ($ trillion - 2015)

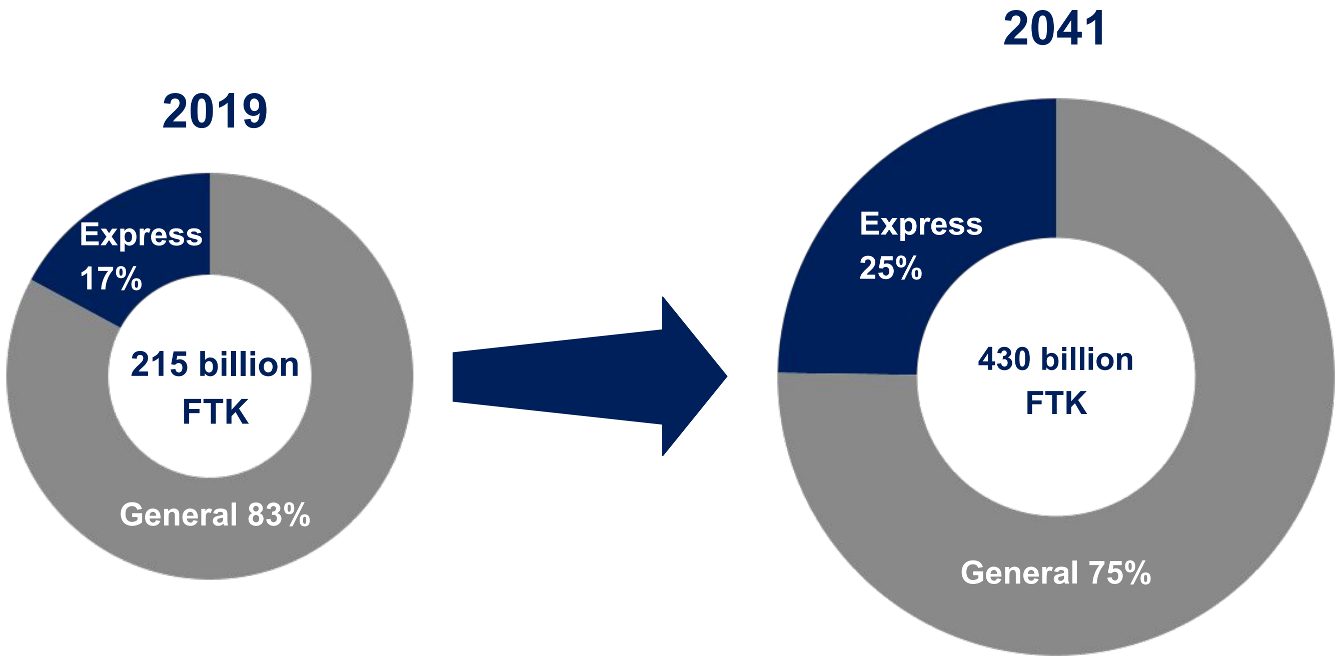


Strong demand for air cargo supported by world trade growth

Express air cargo growth will outpace General air cargo

Source: IHS Markit, Seabury, IATA, Airbus GMF

World air cargo traffic +3.2% CAGR 2019-2041



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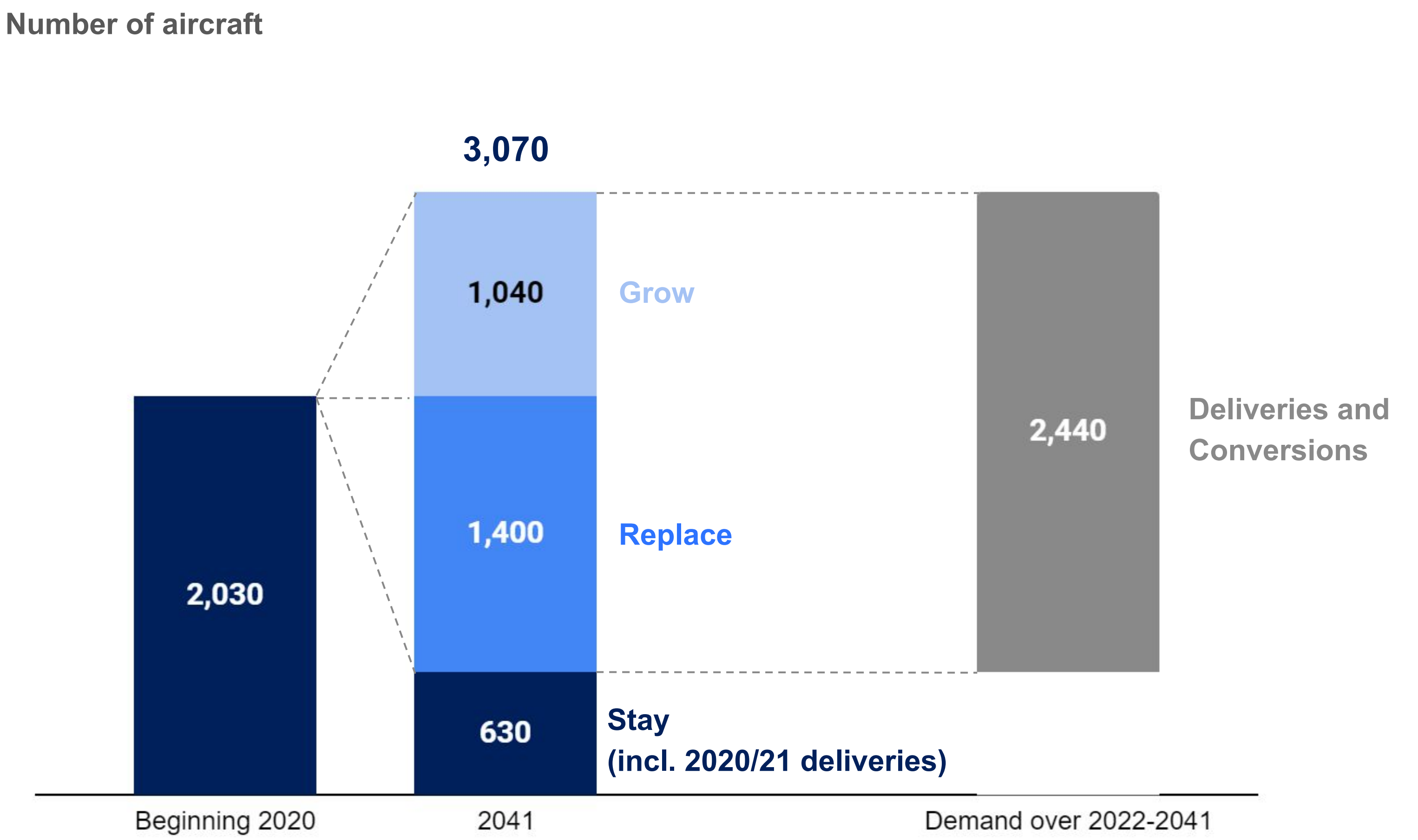
World freighter fleet in service will reach 3,070 aircraft by 2041

Source: Airbus GMF
Note: Freighters with a payload above 10t



- **2,030 aircraft in-service beginning of 2020:**
  - 31% will stay in-service (including 2020 & 2021 deliveries)
  - 69% will be replaced
- **Demand for 2,440 new-build or converted freighters over 2022-2041**

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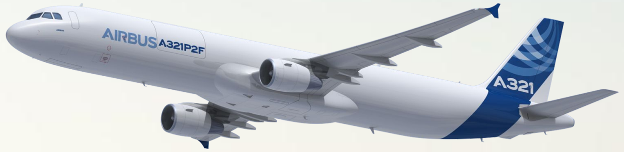
Global demand for ~2,440 freighters, over 2022-2041

Single-Aisle (10t - 40t)



990 aircraft

Mid-size Widebody (40t - 80t)

890 aircraft

Large Widebody (> 80t)

560 aircraft

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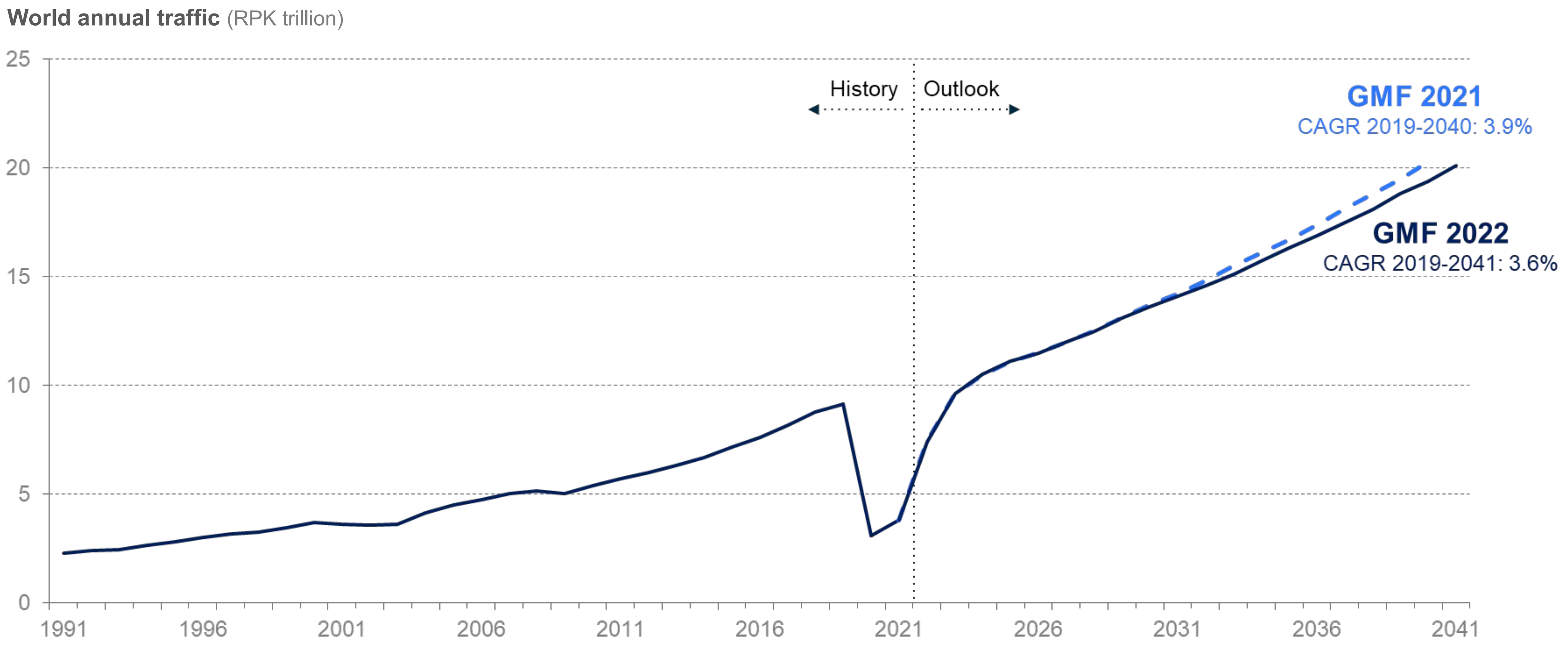
Passenger traffic expected to grow at 3.6% from 2019 to 2041

Source: ICAO, Airbus GMF



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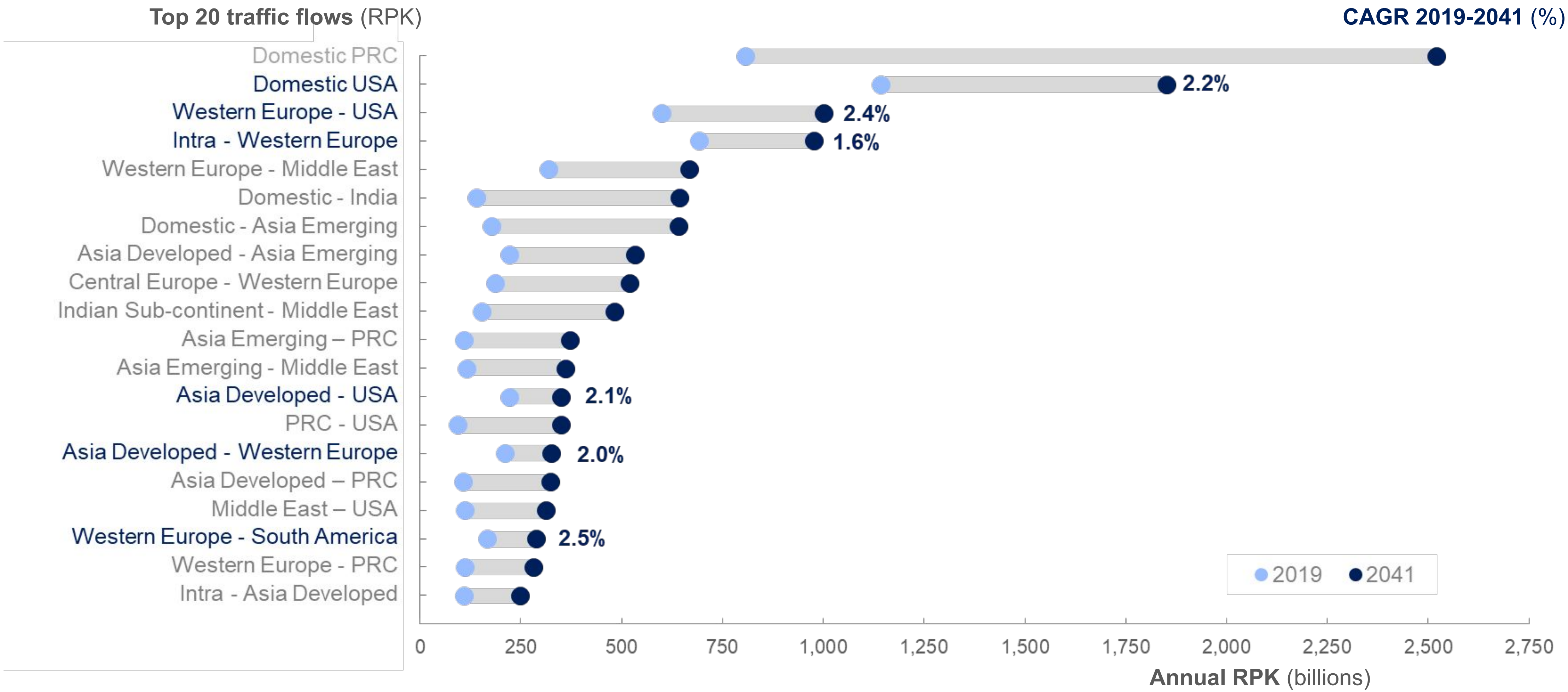
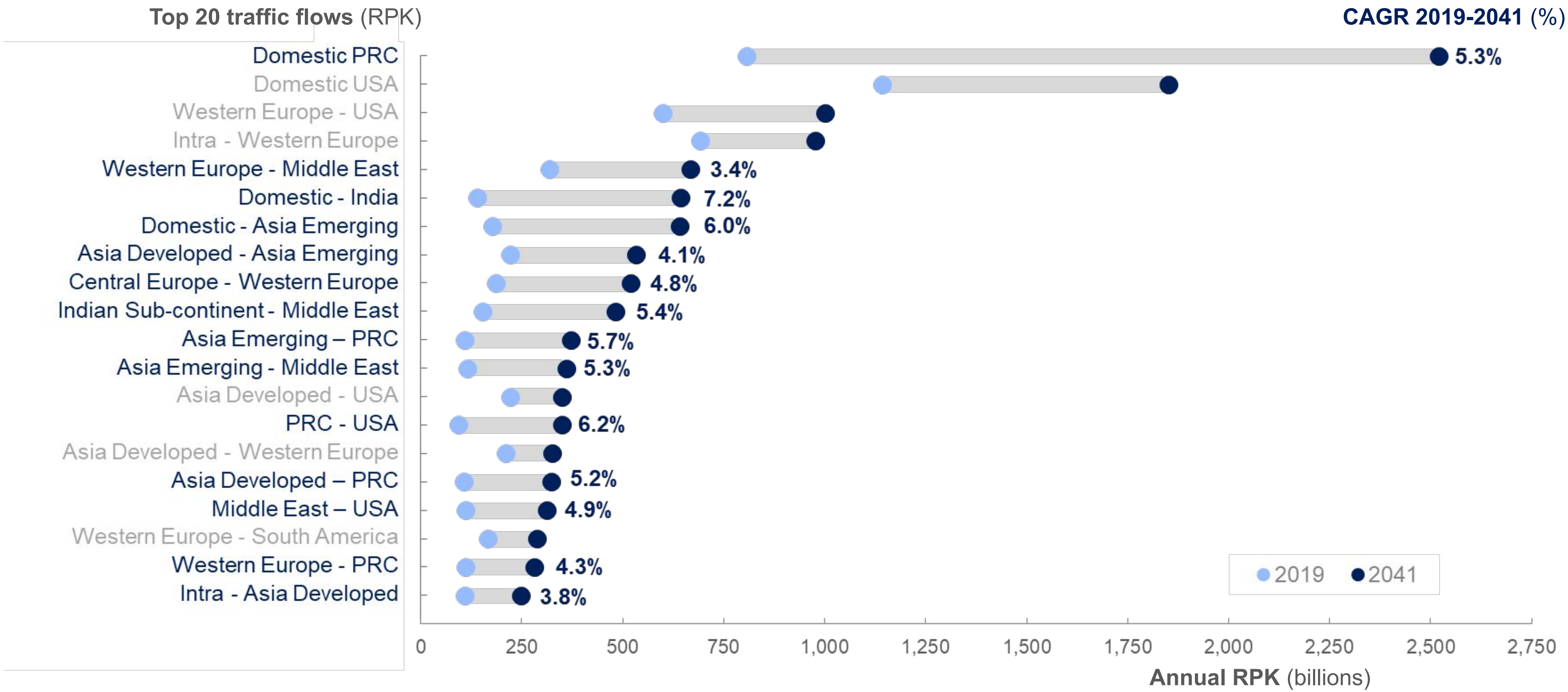
Mature flows will grow by approx. 2-3% per year

Source: Airbus GMF



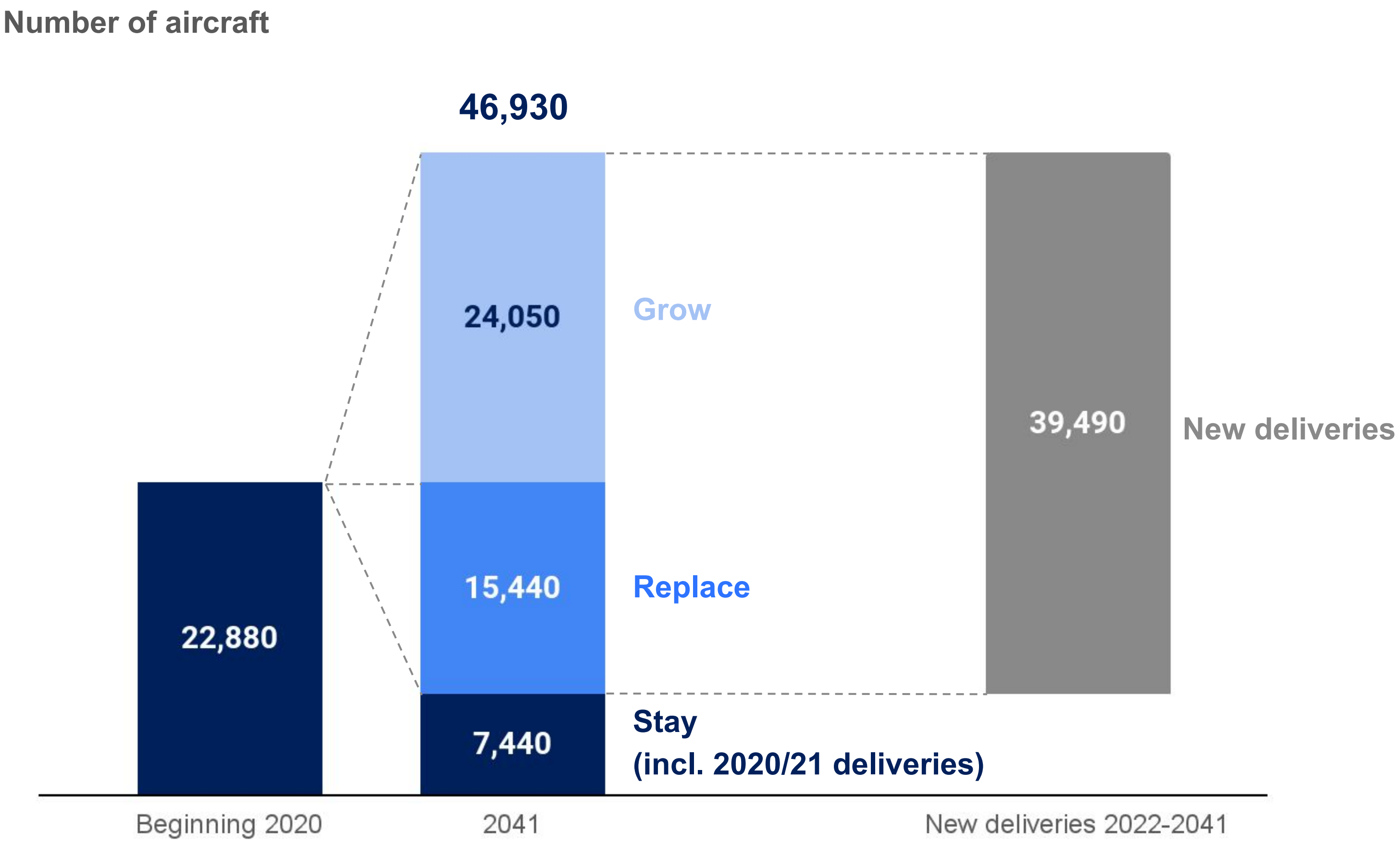
Strong growth from Asia, domestic PRC to become the largest flow

Source: Airbus GMF



Demand for ~39,500 new passenger & freighter aircraft

Source: Airbus GMF
Notes: Passenger aircraft above 100 seats & freighters with a payload above 10t

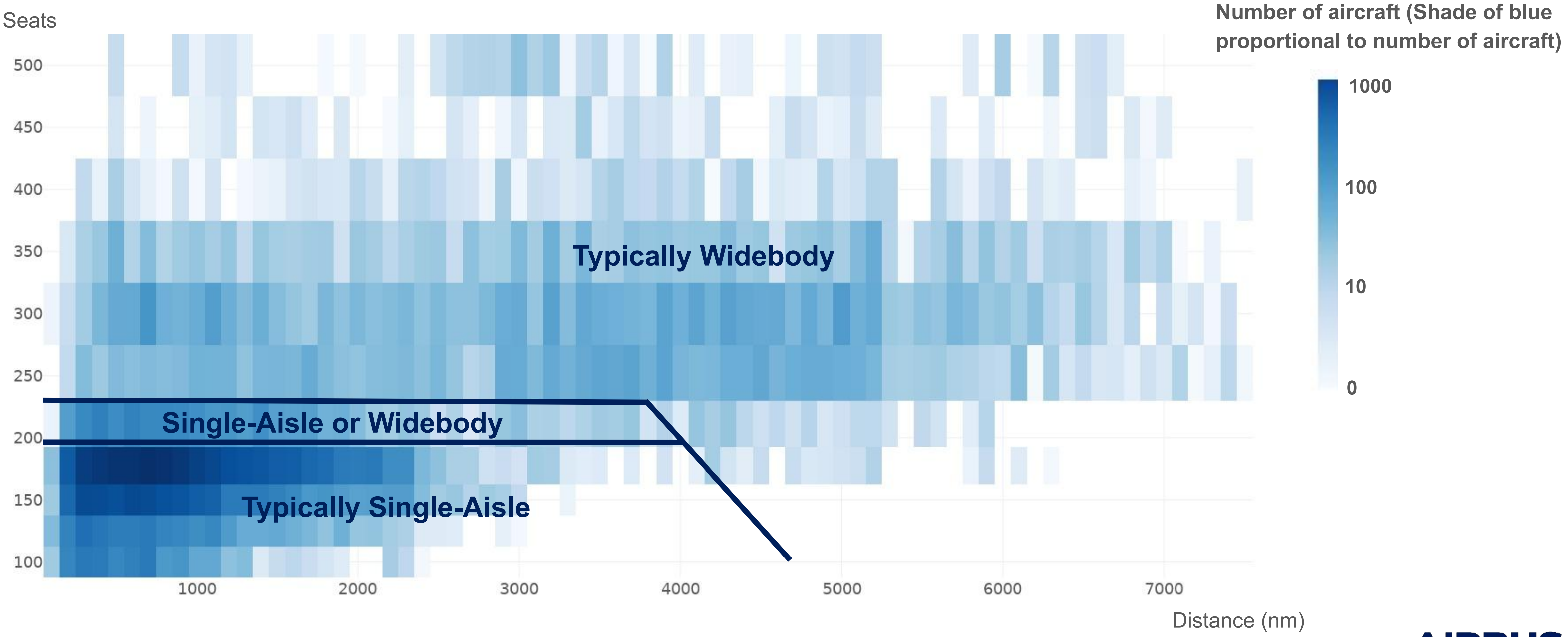


- **22,880 aircraft in-service beginning of 2020:**
  - 33% will stay in-service (including 2020 & 2021 deliveries)
  - 67% will be replaced
- **39,490 new deliveries 2022-2041:**
  - 60% for growth
  - 40% for replacement

Aircraft are utilised flexibly across the full scope of airline operations

Source: OAG, Airbus GMF

2019 operations



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Global demand for ~39,500 new passenger & freighter aircraft

Source: Airbus GMF

Note: Demand for passenger aircraft above 100 seats & freighters with a payload above 10t

Typically Single-Aisle

31,620 aircraft

80% share of total new del.

Typically Widebody

7,870 aircraft

20% share of total new del.

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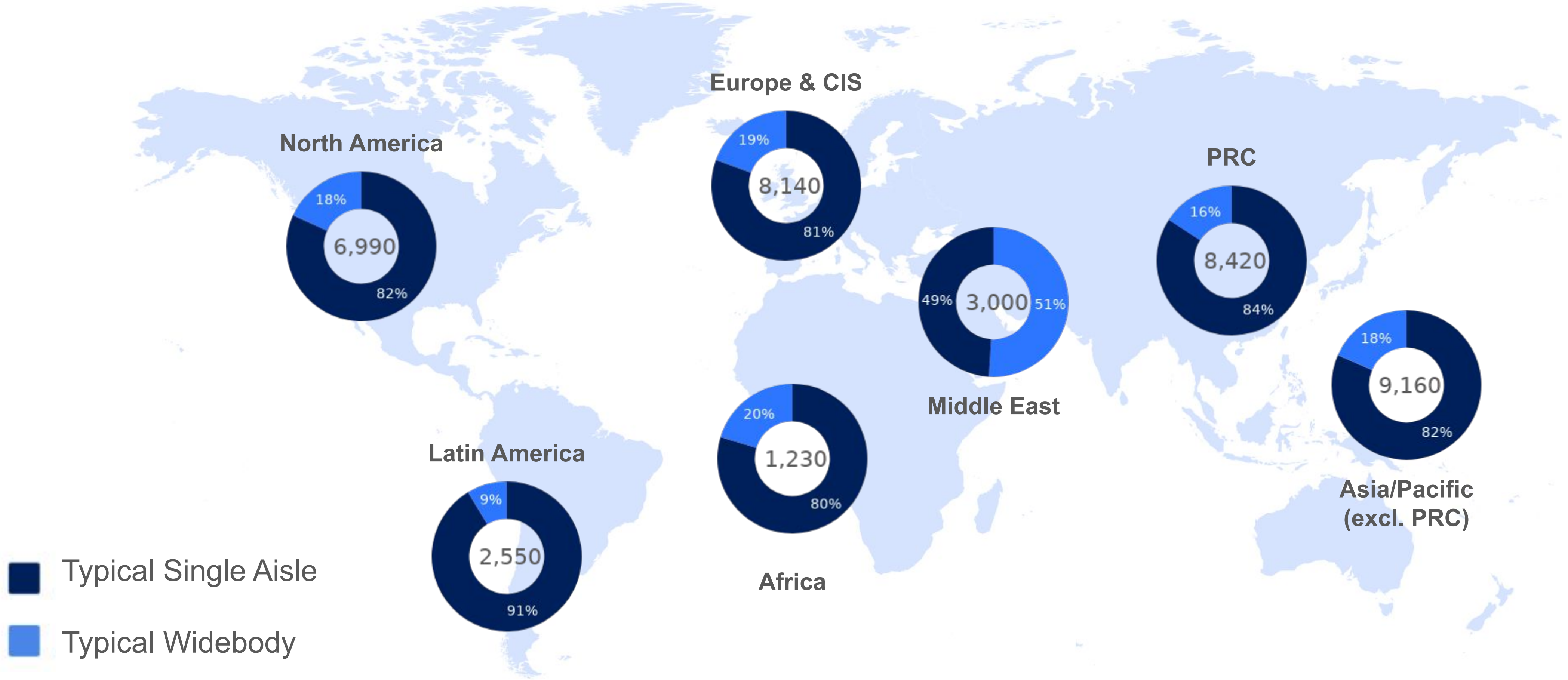
~39,500 new deliveries between 2022 and 2041

80% typically Single Aisle - 20% typically Widebody

Source: Airbus GMF

Notes: Passenger aircraft above 100 seats & freighters with a payload above 10t



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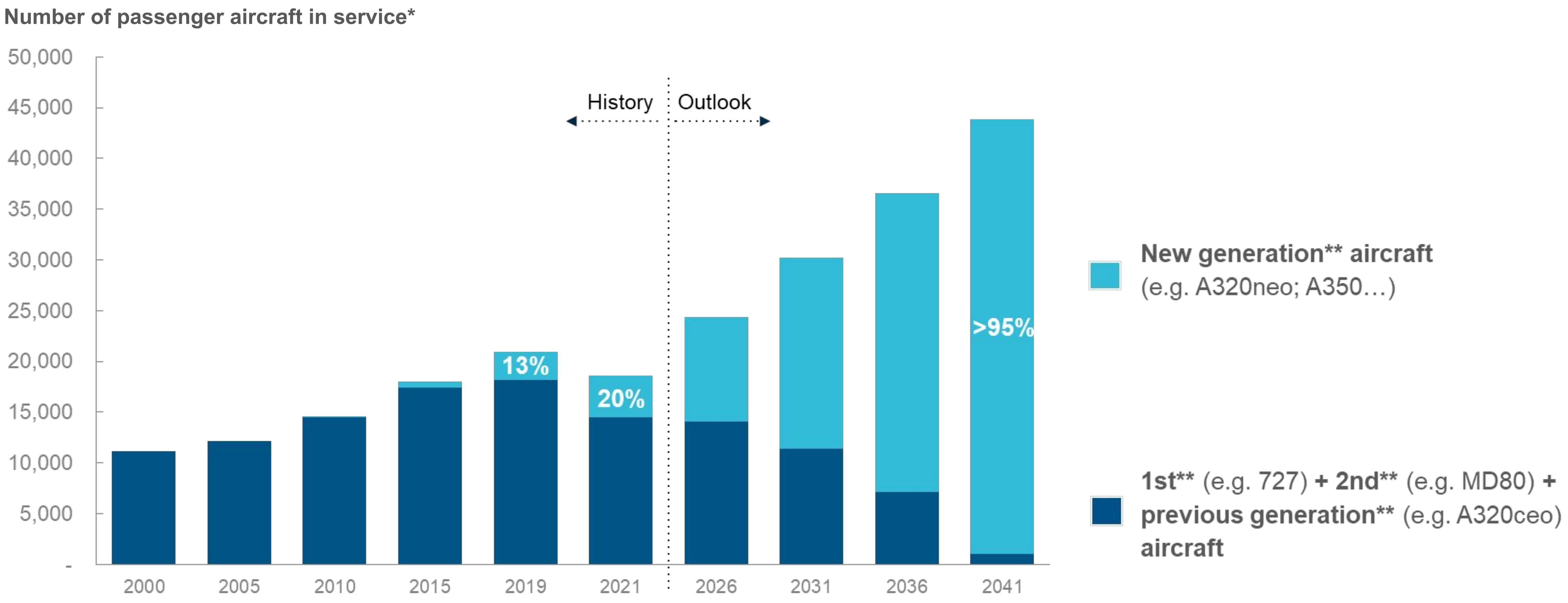
By 2041, new generation passenger aircraft will represent >95% of the fleet

Source: Cirium, Airbus GMF



* Western built passenger aircraft above 100 seats – pax aircraft only / **1st generation: A300, DC 9, DC10, 707, 727, 737, 747 / 2nd generation: A310, MD11, MD80, MD90,737, 747, 757, 767, F100
Previous generation: A320 Fam., A330, A340, 717,737NG, 747, 777 / New generation: A220, A320neo Fam., A330neo, A350, A380, 737Max, 777X, 787 & new programs

Global Market Forecast 2022-2041

- Air traffic demand is coming back strongly as the world adapts to Covid.
  Traffic will recover to 2019 levels between 2023 and 2025
- GMF 2022 integrates effects of rising energy costs and stated policies
- Passenger traffic growth 3.6% CAGR
  Freight traffic growth 3.2% CAGR
- ~39,500 new aircraft deliveries will be needed, of which >2,400 new and converted freighters
- ~80% will typically be Single-Aisle aircraft and ~20% will be Widebodies
- Only 20% of today’s fleet are latest generation

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