

AIRBUS

FY Results 2019

13 February 2020

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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.

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 2018 Airbus SE Registration Document dated 29 July 2019, 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.

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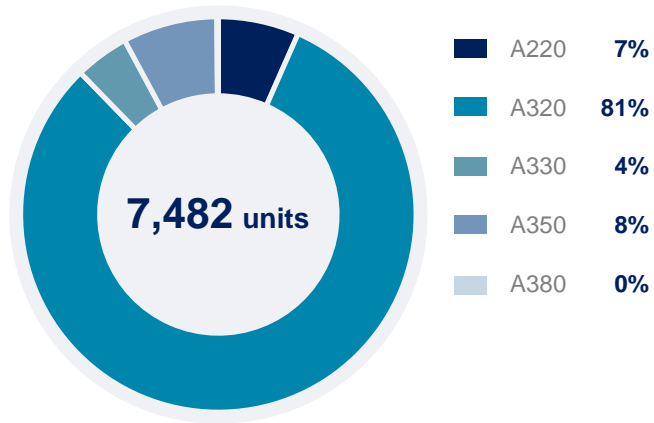


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- Record commercial aircraft deliveries
- Strong underlying financial performance, FY 2019 Guidance achieved
- € -3.6 bn penalties recognised for agreements with authorities
- A400M: € -1.2 bn charge; export assumptions revised
- EBIT reported € 1.3 bn, EPS reported € -1.75
- Dividend proposal: € 1.80 / share, up 9% vs. FY 2018
- 2020 Guidance to set the path for sustainable growth

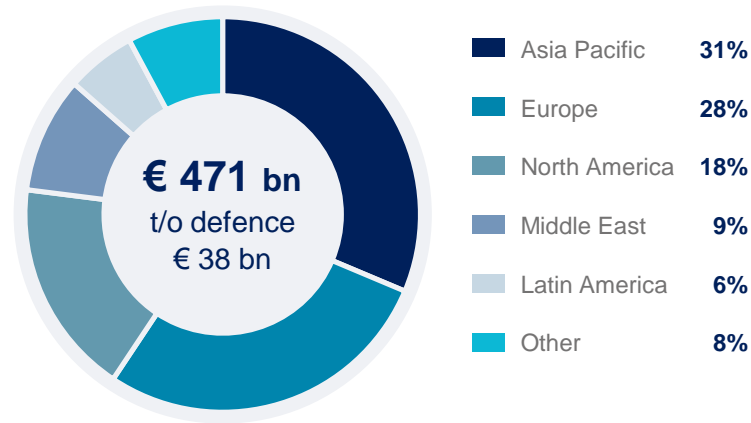
Airbus Commercial Aircraft

Order Book in units by Programme



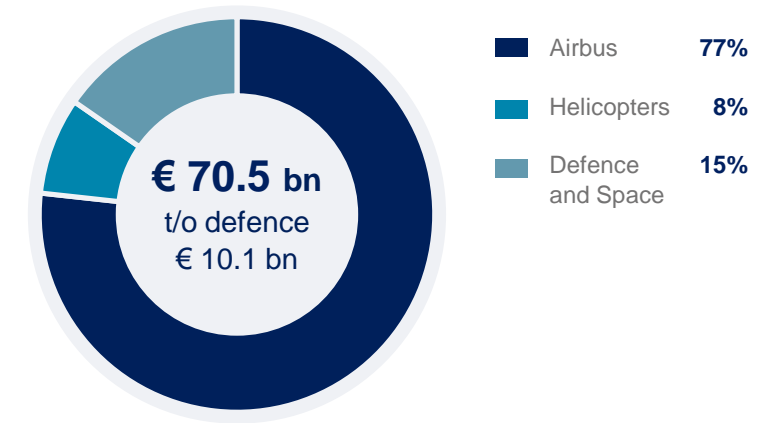
Consolidated Airbus

Order Book in value by Region



Consolidated Airbus

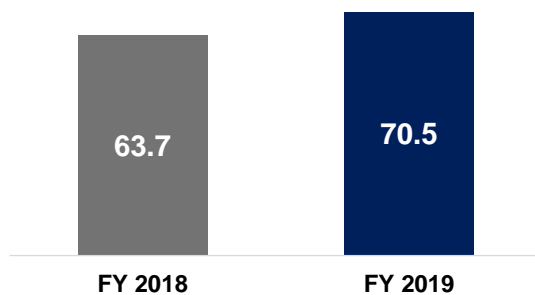
External Revenue by Division



- **AIRBUS:** Gross orders: 1,131 a/c; net orders: 768 a/c, incl. 32 A350, 89 A330, and 63 A220; Backlog: 7,482 a/c
- **HELICOPTERS:** Net book to bill >1 in value; 310 net orders incl. 25 Super Puma, 23 NH90 and 10 H160
- **DEFENCE AND SPACE:** Net book to bill of ~0.8; order intake € 8.5 bn, incl. A400M services contracts and key contract wins in Space

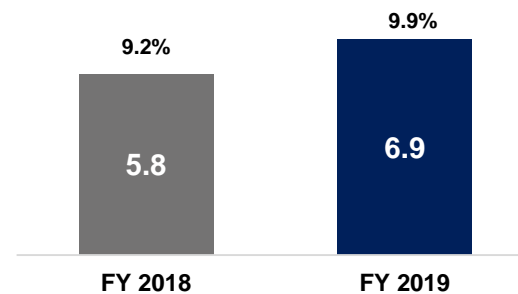
Revenues

in € bn



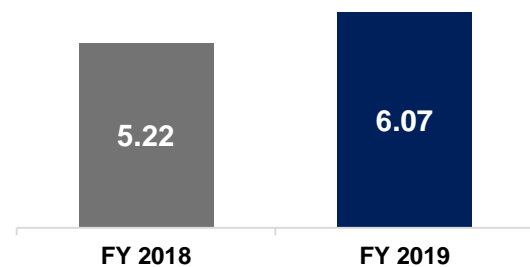
EBIT Adjusted

in € bn / RoS (%)



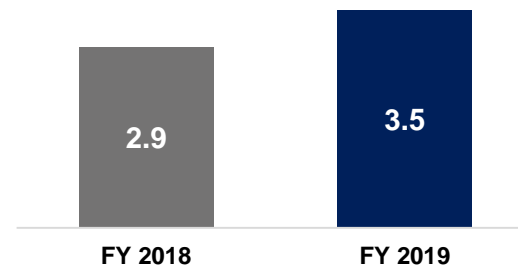
EPS⁽¹⁾ Adjusted

in €



FCF before M&A and Customer Financing

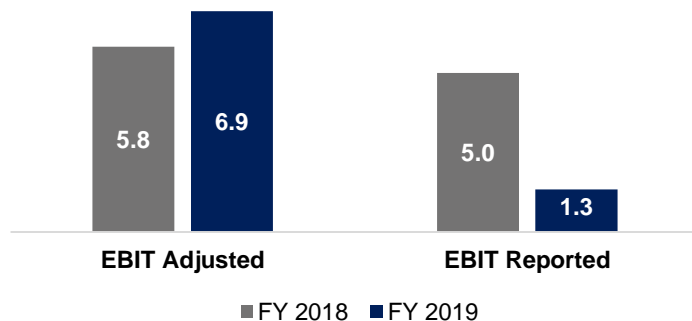
in € bn



(1) FY 2019 Average number of shares: 777,039,858 compared to 775,167,941 in FY 2018
Capitalised R&D: € 133 m in FY 2019 and € 91 m in FY 2018
A220 consolidated into Airbus as of 1 July 2018

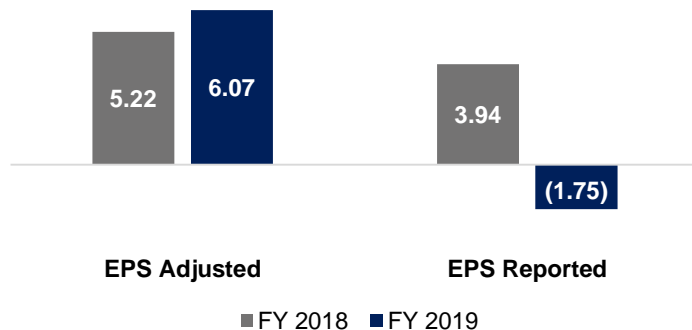
EBIT Performance

in € bn



EPS⁽¹⁾ Performance

in €



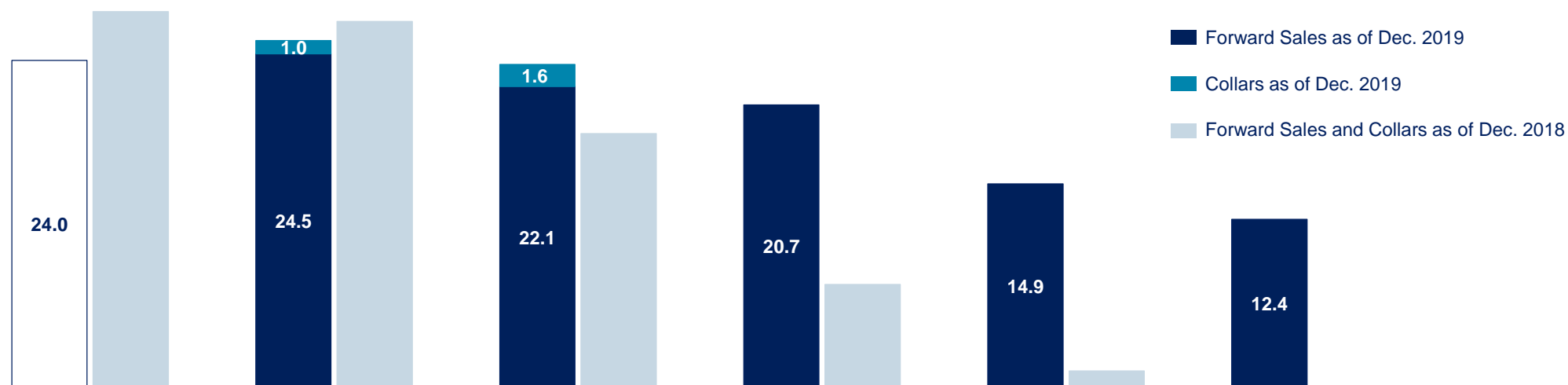
- FY 2019 **EBIT Reported** of € 1.3 bn
- FY 2019 EBIT Adjustments resulting from:
 - € -3,598 m Penalties
 - € -1,212 m A400M charge
 - € -221 m Defence export ban
 - € -202 m A380 programme cost
 - € -170 m PDP mismatch / BS revaluation
 - € -103 m Premium AEROTEC restructuring plan
 - € -101 m Others
- FY 2019 **Net Adjustments** of € -5.6 bn

- FY 2019 **Net Loss** of € -1.4 bn
- FY 2019 **Net Income Adjusted** of € 4.7 bn

(1) FY 2019 Average number of shares: 777,039,858 compared to 775,167,941 in FY 2018
 Capitalised R&D: € 133 m in FY 2019 and € 91 m in FY 2018
 A220 consolidated into Airbus as of 1 July 2018

Currency Hedge Policy

IN \$ BILLION



Average hedge rates

	2019	2020	2021	2022	2023	2024 and beyond
€ vs \$ Forwards/Collars ⁽²⁾	1.24 <i>(1.23 for FY19 in Dec. 18)</i>	1.20 <i>(1.23 in Dec. 18)</i>	1.23 <i>(1.24 in Dec. 18)</i>	1.23 <i>(1.27 in Dec. 18)</i>	1.24 <i>(1.30 in Dec. 18)</i>	1.27 <i>(1.31 in Dec. 18)</i>
£ vs \$	1.45	1.37	1.36	1.35	1.40	n/a

Mark-to-market value incl. in AOCI = € - 3.0 bn
Closing rate @ 1.12 € vs. \$

- In FY 2019, \$ 40.6 bn⁽¹⁾ of new Forwards were added at an average rate of € 1 = \$ 1.20
- \$ 24.0 bn⁽¹⁾ of hedges matured at an average rate of € 1 = \$ 1.24
- \$ 4.1 bn of hedges rolled over into 2020 and \$ 7.1 bn of hedges rolled forward out of 2020
- Hedge portfolio⁽¹⁾ 31 December 2019 at \$ 97.1 bn (vs. \$ 81.9 bn in Dec. 2018), at an average rate of \$ 1.23⁽²⁾

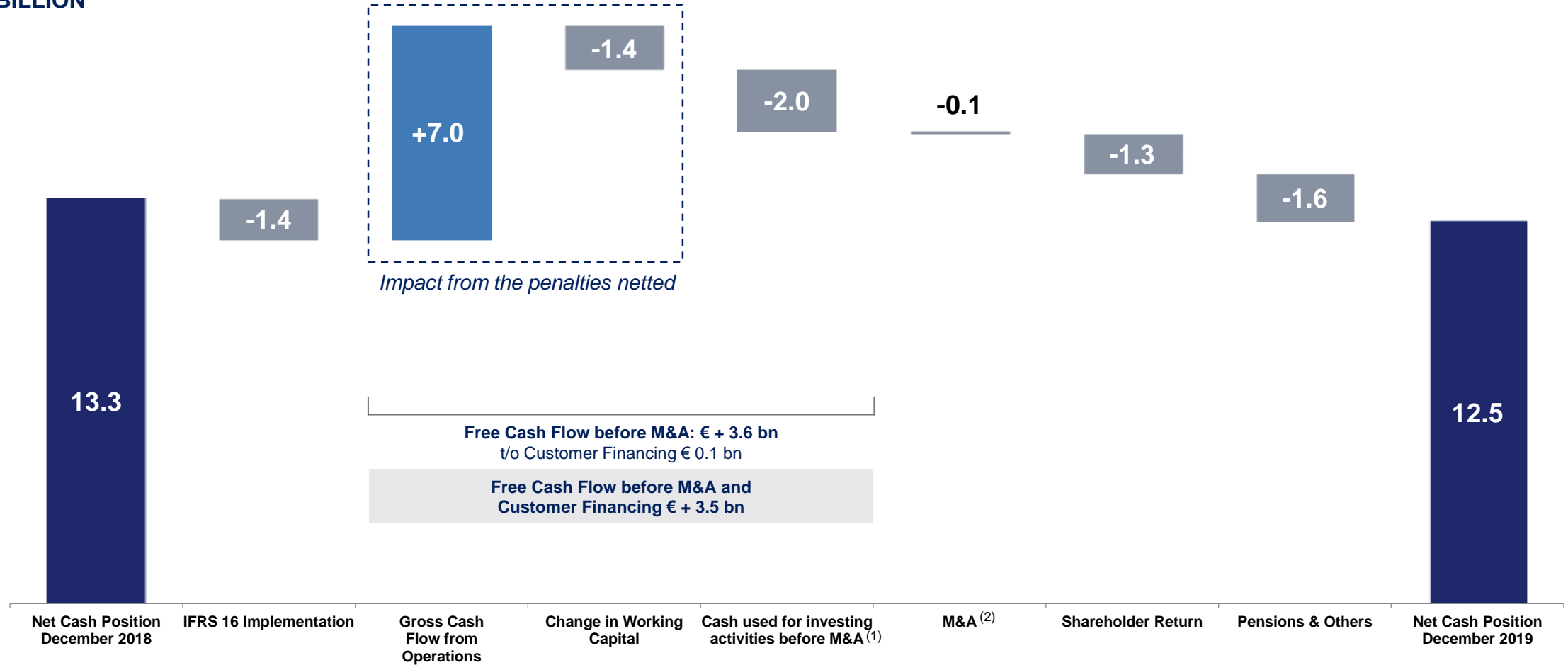
Approximately 60% of Airbus US\$ revenues are naturally hedged by US\$ procurement. Graph shows US\$ Forward Sales and Collars

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

FY 2019 Cash Evolution

IN € BILLION



- IFRS 16 implemented 1 January 2019

(1) Thereof Capex of € - 2.3 bn

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

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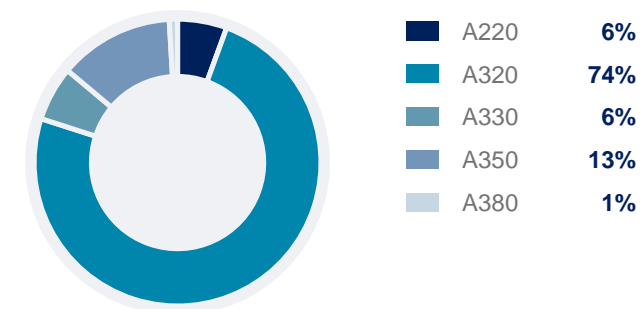


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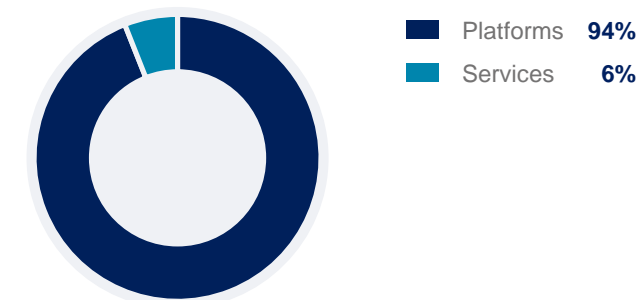
IN € MILLION		FY 2019	FY 2018	Change
Order Intake (net)	Units	768	747	2.8%
Order Book		7,482	7,577	-1.3%
Order Intake (net)	Value	65,769	41,519	58.4%
Order Book		424,082	411,659	3.0%
Deliveries	Units	863	800	7.9%
Revenues		54,775	47,970	14.2%
R&D Expenses		2,405	2,214	8.6%
	<i>in % of Revenues</i>	4.4%	4.6%	
EBIT Adjusted		6,358	4,808	32.2%
	<i>in % of Revenues</i>	11.6%	10.0%	
EBIT		2,205	4,295	-48.7%
	<i>in % of Revenues</i>	4.0%	9.0%	

- Record deliveries: 863 aircraft incl. 642 A320 Family of which 108 ACF
- A320neo ramp-up on-going: rate 63 confirmed in 2021; A321 ACF ramp up remains challenging
- A350 breakeven achieved
- A330 rate adjustment
- EBIT Adjusted reflects strong operational performance

Deliveries by Programme (Units)



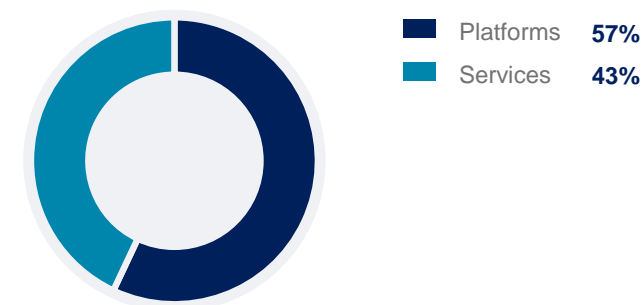
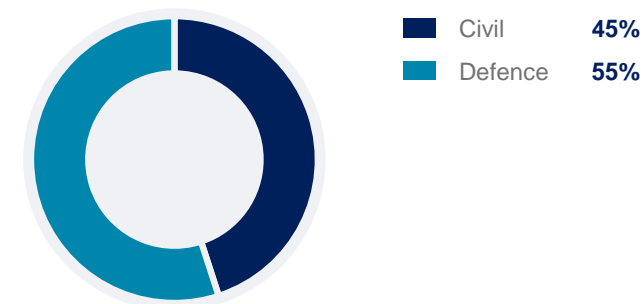
External Revenue Split



Capitalised R&D: € 81 m in FY 2019 and € 51 m in FY 2018
A220 consolidated into Airbus as of 1 July 2018

IN € MILLION		FY 2019	FY 2018	Change
Order Intake (net)	Units	310	381	-18.6%
Order Book		695	717	-3.1%
Order Intake (net)	Value	7,179	6,339	13.3%
Order Book		16,627	14,943	11.3%
Deliveries	Units	332	356	-6.7%
Revenues		6,007	5,934	1.2%
R&D Expenses		291	315	-7.6%
<i>in % of Revenues</i>		4.8%	5.3%	
EBIT Adjusted		422	380	11.1%
<i>in % of Revenues</i>		7.0%	6.4%	
EBIT		414	366	13.1%
<i>in % of Revenues</i>		6.9%	6.2%	

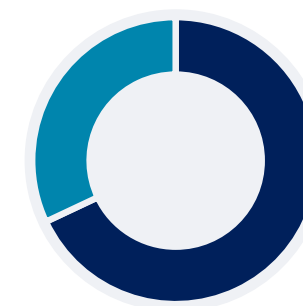
External Revenue Split



- Stable Revenues supported by growth in services offsetting lower deliveries
- EBIT Adjusted reflects increased contribution from services and lower R&D, reduced by less favourable delivery mix

IN € MILLION		FY 2019	FY 2018	Change
Order Intake (net)	Value	8,520	8,441	0.9%
Order Book		32,263	35,316	-8.6%
Revenues		10,907	11,063	-1.4%
R&D Expenses		302	328	-7.9%
<i>in % of Revenues</i>		<i>2.8%</i>	<i>3.0%</i>	
EBIT Adjusted		565	935	-39.6%
<i>in % of Revenues</i>		<i>5.2%</i>	<i>8.5%</i>	
EBIT		-881	676	N/A
<i>in % of Revenues</i>		<i>N/A</i>	<i>6.1%</i>	

External Revenue Split



■ Platforms **68%**
■ Services **32%**



■ Military Aircraft **51%**
■ Space Systems **26%**
■ Connected Intelligence & Other **23%**

- Revenues broadly stable
- EBIT Adjusted mainly reflects lower performance in Space and efforts to support sales campaigns
- A400M: 14 a/c delivered in FY 2019; key milestones towards full capabilities achieved. € 1.2 bn provision update, export assumptions revised
- German defence export ban: EBIT impact of € - 221 m booked in FY 2019
- 2018 EBIT included Capital Gain from disposal of Airbus DS Communications, Inc. business

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As the basis for its 2020 guidance, Airbus assumes:

- the world economy and air traffic to grow in line with prevailing independent forecasts, which assume no major disruptions, including from the coronavirus*
- the current tariff regime to remain unchanged*

Airbus 2020 Earnings and FCF guidance is before M&A

- Airbus targets around 880 commercial aircraft deliveries in 2020
- On that basis:
 - Airbus expects to deliver an EBIT Adjusted of approximately € 7.5 bn, and FCF before M&A and Customer Financing of approximately € 4 bn before:
 - € - 3.6 bn for the penalty payments and;
 - a negative mid to high triple digit million Euro amount for the consumption of compliance-related provisions for tax and legal disputes

2019 Dividend Proposal:

- Airbus proposes a dividend for 2019 of € 1.80 / share, +9% vs. FY 2018

- Stabilising the A320 industrial flow
- Leveraging A220 commercial momentum and reducing recurring cost
- Improving A350 profitability and adapting A330 rates
- Capturing growth in military helicopter and services
- Adapting Defence and Space and Premium AEROTECH cost structure
- Paving the way for stronger financial performance and FCF growth

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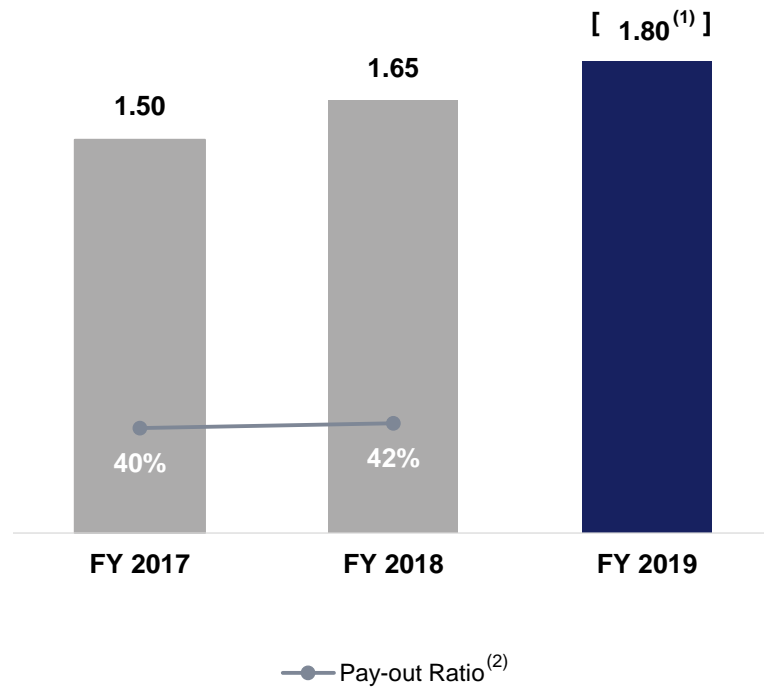
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Appendix



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IN €

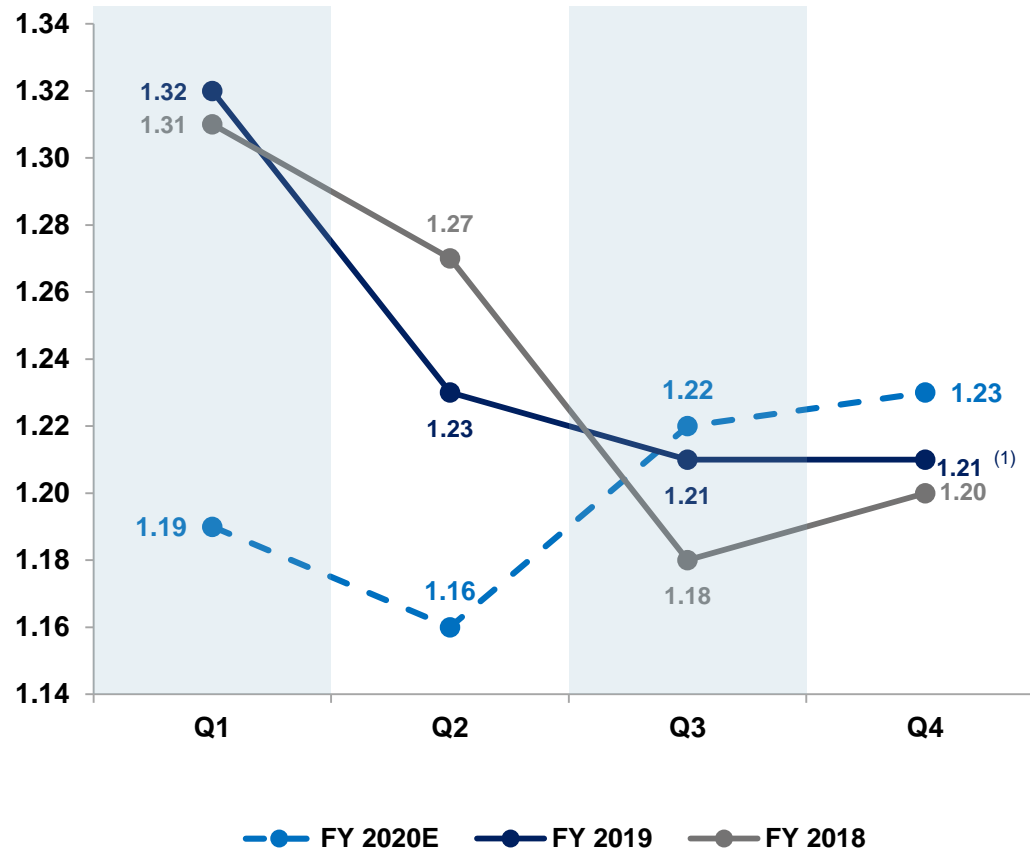


- **Ex-dividend date:** Monday 20 April 2020
- **Record date:** Tuesday 21 April 2020
- **Payment date:** Wednesday 22 April 2020

(1) Board proposal to be submitted to the AGM 2020. Subject to AGM approval
(2) 2019 EPS Reported € -1.75, pay-out ratio not applicable

Expected Airbus Average Hedge Rates € vs. \$

Active exposure management



	Average Hedge Rates
FY 2018	1.24
FY 2019	1.24
FY 2020	1.20

(1) Q4 actual

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						6,946
<i>in % of Revenues</i>	1.9%	(4,014)	(1,415)	(8)	(170)		9.9%
Interest income	228						228
Interest expense	(339)						(339)
Other Financial Result	(164)					(118)	(46)
Finance Result	(275)					(118)	(157)
Income before taxes	1,064	(4,014)	(1,415)	(8)	(170)	(118)	6,789
Non-controlling interest	(37)						(37)
Net Income (Loss) reported	(1,362)						4,715
Number of shares	777,039,858						777,039,858
EPS reported (in €)	(1.75)						6.07

Net Income 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 discount on 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

FY 2018 Detailed Income Statement and Adjustments

IN € MILLION	FY 2018 Reported	thereof Adjustments				Financial Result	FY 2018 Adjusted
		Impact on EBIT					
		Operational		FX			
	Airbus	Defence and Space ⁽¹⁾	Helicopters	Airbus			
EBIT	5,048	(642)	(259)	(14)	129		5,834
<i>in % of Revenues</i>	7.9%						9.2%
Interest income	208						208
Interest expense	(440)						(440)
Other Financial Result	(531)					(487)	(44)
Finance Result	(763)					(487)	(276)
Income before taxes	4,285	(642)	(259)	(14)	129	(487)	5,558
Non-controlling interest	43						43
Net Income (Loss) reported	3,054						4,045
Number of shares	775,167,941						775,167,941
EPS reported (in €)	3.94						5.22

Net Income 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 discount on provisions

The tax effect on Adjusted Income before taxes is calculated at 28%. The effective tax rate on Income before taxes is 30%

Q4 2019 Key Figures

IN € MILLION	Q4 2019	Q4 2018
Revenues	24,310	23,286
EBIT Adjusted	2,813	3,096
EBIT	(2,092)	2,365
Net Income (Loss)	(3,548)	1,601
FCF before M&A	8,469	7,333
FCF before M&A and Customer Financing	8,446	7,081

IN € MILLION	Q4 2019	Q4 2018	Q4 2019	Q4 2018	Q4 2019	Q4 2018
	Revenues		EBIT Adjusted		EBIT	
Airbus	19,203	17,492	2,525	2,468	(1,200)	2,057
Helicopters	2,295	2,179	217	178	211	187
Defence and Space	3,201	4,012	210	526	(964)	197
Transversal & Elim.	(389)	(397)	(139)	(76)	(139)	(76)
Consolidated Airbus	24,310	23,286	2,813	3,096	(2,092)	2,365

€ 3.0 bn Credit Facility (RSCF)	
€ 22.7 bn Total Gross Cash Invested in highly rated securities	€ 10.1 bn Financing Liabilities
	€ 12.5 bn Net Cash

Credit Facility:

- Maturity 2021, undrawn
- Fully committed by 40 banks
- No financial covenants, no MAC clause

Financing Liabilities:

of which long-term: € 8.2 bn

- Includes € 3.2 bn EMTN, € 1.1 bn exchangeable bond and \$ 2.5 bn USD 144A/RegS

Credit Ratings:

Short-term rating:

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

Long-term rating:

- S & P: A+ stable
- Moody's: A2 stable

Detailed Free Cash Flow

IN € MILLION	FY 2019	FY 2018
Net Cash position at the beginning of the period	13,281	13,391
First time impact of IFRS 16	(1,352)	
Gross Cash Flow from Operations ⁽¹⁾	3,391	5,515
Change in working capital ⁽²⁾	2,176	(633)
Cash used for investing activities ⁽³⁾	(2,092)	(1,377)
of which Industrial Capex (additions) ⁽⁴⁾	(2,340)	(2,285)
Free Cash Flow ⁽⁵⁾	3,475	3,505
of which M&A	(92)	514
Free Cash Flow before M&A	3,567	2,991
of which Customer Financing	58	79
Free Cash Flow before M&A and customer financing	3,509	2,912
Change in capital and non-controlling interests	194	117
Change in treasury shares / share buyback	(31)	(49)
Change in liability for puttable instruments	319	179
Contribution to plan assets of pension schemes	(1,752)	(2,519)
Cash distribution to shareholders / non-controlling interests	(1,280)	(1,161)
Others ⁽⁶⁾	(320)	(182)
Net cash position at the end of the period	12,534	13,281

(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

(6) Including Airbus Canada Ltd. Partnership funding agreement

A220 consolidated into Airbus as of 1 July 2018

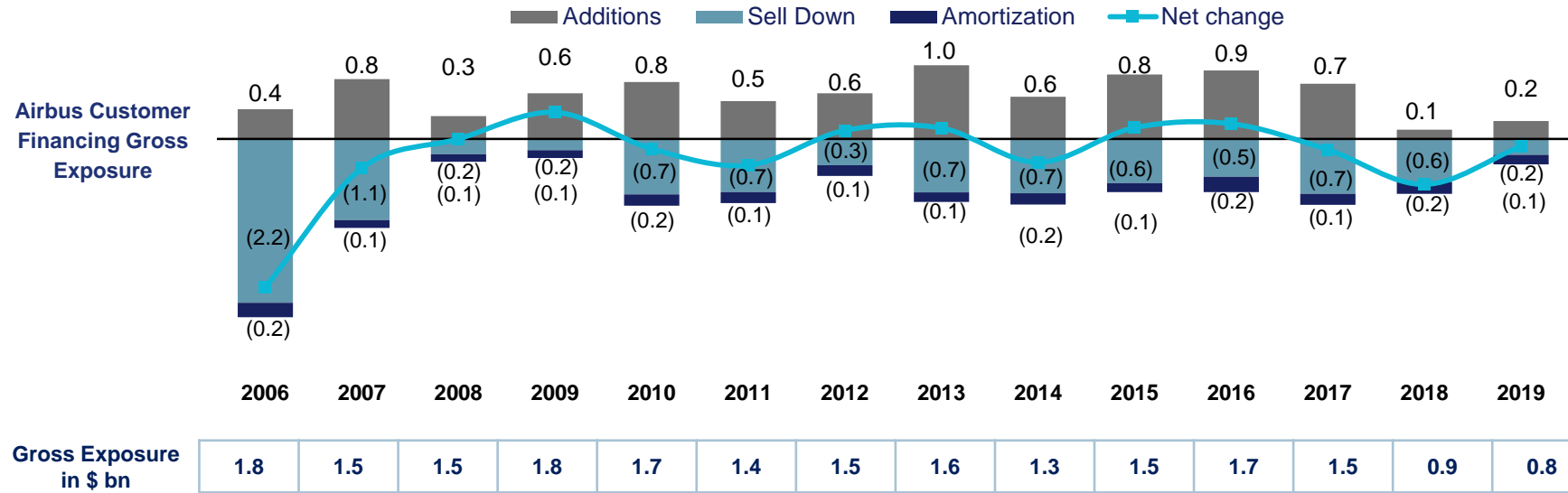
Net Cash Position

IN € MILLION	Dec. 2019	Dec. 2018
Gross Cash	22,682	22,207
Financing Liabilities	(10,148)	(8,926)
Short-term Financing Liabilities	(1,959)	(1,463)
Long-term Financing Liabilities	(8,189)	(7,463)
Reported Net Cash	12,534	13,281
Airbus non-recourse debt	24	28
Net Cash excl. non-recourse	12,558	13,309

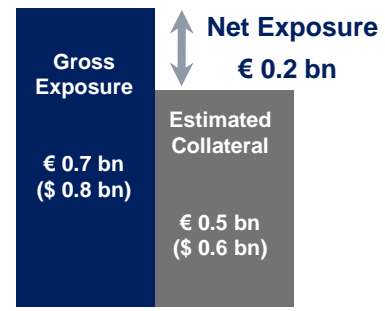
Customer Financing Exposure

IN € MILLION	Dec. 2019	Dec. 2018	Dec. 2019	Dec. 2018
	Airbus		Helicopters	
Closing rate € 1 =	\$ 1.12	\$ 1.15	\$ 1.12	\$ 1.15
Total Gross Exposure	731	802	48	109
of which off-balance sheet	95	28	9	10
Estimated value of collateral	(530)	(562)	(30)	(35)
Net Exposure	202	240	18	74
Provision and asset impairment	(202)	(240)	(18)	(74)
Net Exposure after provision	0	0	0	0

IN € BILLION



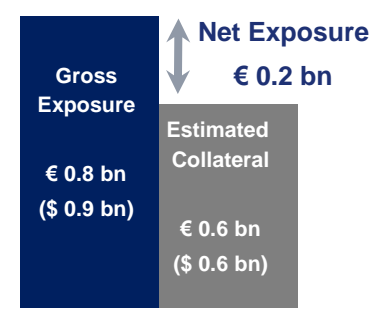
Net Exposure fully provisioned



31 December 2019

€/\$ = 1.12

Net Exposure fully provisioned



31 December 2018

€/\$ = 1.15

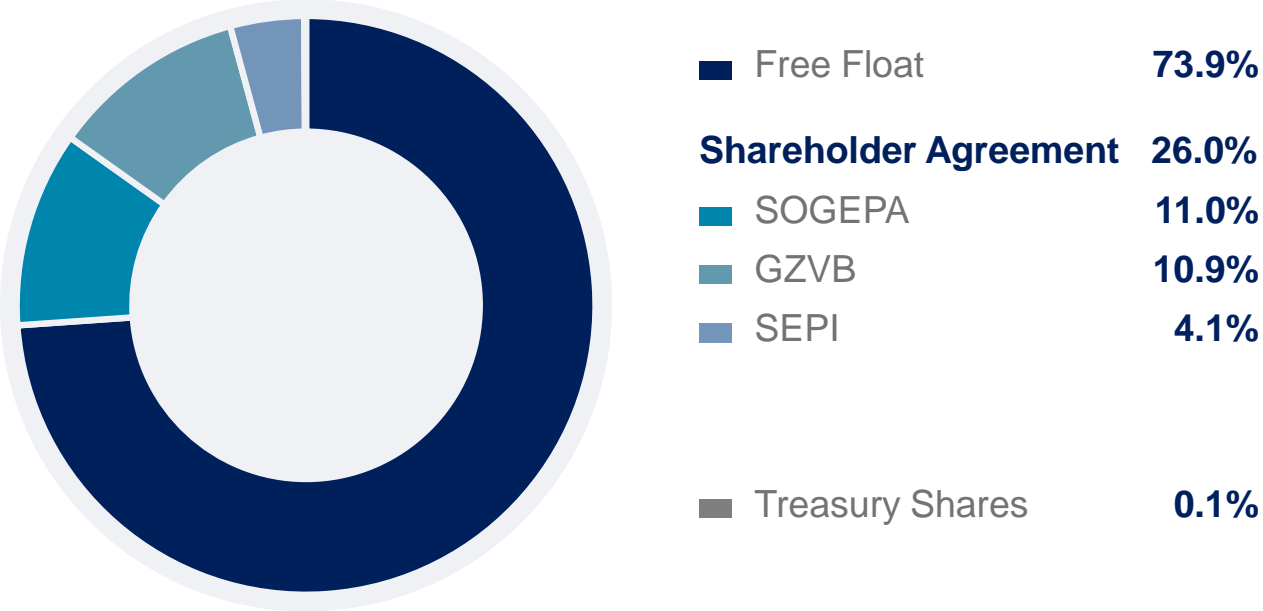
Balance Sheet Highlights: Assets

IN € MILLION	Dec. 2019	Dec. 2018
Non-current Assets	57,686	56,564
of which Intangible & Goodwill	16,591	16,726
of which Property, plant & equipment	17,294	16,773
of which Investments & other long-term financial assets	6,079	5,504
of which Contract assets	91	65
of which Positive hedge mark-to-market	996	1,031
of which Non-current securities	11,066	10,662
Current Assets	56,723	58,300
of which Inventory	31,550	31,891
of which Contract assets	1,167	789
of which Cash and cash equivalents	9,314	9,413
of which Current securities	2,302	2,132
of which Positive hedge mark-to-market	444	286
Assets of disposal groups classified as held for sale	0	334
Total Assets	114,409	115,198
Closing rate € vs. \$	1.12	1.15

Balance Sheet Highlights: Liabilities

IN € MILLION	Dec. 2019	Dec. 2018
Total Equity	5,990	9,719
of which OCI (Other Comprehensive Income)	(523)	134
of which Non-controlling interests	15	(5)
Total Non-current liabilities	46,045	44,693
of which Pensions	7,932	6,690
of which Other provisions	4,610	4,881
of which Financing liabilities	8,189	7,463
of which European Governments refundable advances	3,725	4,233
of which Contract liabilities	16,980	15,832
of which Negative hedge mark-to-market	2,434	1,132
Total Current liabilities	62,374	60,354
of which Pensions	421	382
of which Other provisions	5,951	6,935
of which Financing liabilities	1,959	1,463
of which European Governments refundable advances	552	344
of which Contract liabilities	26,426	26,229
of which Trade liabilities	14,808	16,237
of which Negative hedge mark-to-market	1,560	1,623
Liabilities of disposal groups classified as held for sale	0	432
Total Liabilities and Equity	114,409	115,198

Shareholding Structure as at 31 December 2019



▪ 783,173,115 shares issued as at 31 December 2019

Quarterly Revenues Breakdown (Cumulative)

IN € MILLION

	Q1		H1		9m		FY	
	2019	2018	2019	2018	2019	2018	2019	2018
Airbus	9,697	7,222	24,043	18,546	35,572	30,478	54,775	47,970
Helicopters	1,007	961	2,371	2,388	3,712	3,755	6,007	5,934
Defence and Space	2,112	2,217	5,015	4,652	7,706	7,051	10,907	11,063
Transversal / Elim.	(267)	(281)	(563)	(616)	(822)	(863)	(1,211)	(1,260)
Consolidated Airbus	12,549	10,119	30,866	24,970	46,168	40,421	70,478	63,707

Quarterly EBIT Adjusted Breakdown (Cumulative)

IN € MILLION

	Q1		H1		9m		FY	
	2019	2018	2019	2018	2019	2018	2019	2018
Airbus	536	(41)	2,338	867	3,833	2,340	6,358	4,808
Helicopters	15	(3)	125	135	205	202	422	380
Defence and Space	101	112	233	309	355	409	565	935
Transversal / Elim.	(103)	(54)	(167)	(149)	(260)	(213)	(399)	(289)
Consolidated Airbus	549	14	2,529	1,162	4,133	2,738	6,946	5,834

Quarterly **EBIT** Breakdown (Cumulative)

IN € MILLION

	Q1		H1		9m		FY	
	2019	2018	2019	2018	2019	2018	2019	2018
Airbus	392	(2)	2,151	773	3,405	2,238	2,205	4,295
Helicopters	9	(10)	124	114	203	179	414	366
Defence and Space	(117)	265	(15)	382	83	479	(881)	676
Transversal / Elim.	(103)	(54)	(167)	(149)	(260)	(213)	(399)	(289)
Consolidated Airbus	181	199	2,093	1,120	3,431	2,683	1,339	5,048

FY 2019 IFRS vs. APM Cash Flow Reconciliation

IN € BILLION	FY 2019
Cash provided by (used for) operating activities	3.8
t/o Reimbursement from / contribution to plan assets	(1.8)
t/o Treasury swaps	(0.1)
t/o Change in working capital ⁽¹⁾	2.2
Gross Cash Flow from Operations⁽¹⁾	3.4
t/o Penalties	(3.6)

IN € BILLION	FY 2019
Cash provided by (used for) operating activities	3.8
Cash provided by (used for) investing activities	(2.9)
t/o Net proceeds (payment)	(0.4)
Others	2.2
Free Cash Flow	3.5
t/o M&A transactions	(0.1)
Free Cash Flow before M&A	3.6
t/o Customer Financing	0.1
FCF before M&A and Customer Financing	3.5

(1) Impact from the penalties included. Excluding the penalties, change in working capital amounts to € -1.4 bn and gross cash flow from operations amounts to € 7.0 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 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 working capital. It is defined in 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.
- **Change 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 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 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 disposal and acquisition 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 from time to time by the Company in its financial guidance, especially when there is higher uncertainty around customer financing activities, such as during the suspension of ECA financing support.