
AIRBUS

H1 Results

2019

31 July 2019

Guillaume Faury | Chief Executive Officer

Dominik Asam | Chief Financial Officer



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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 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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2019

**Company
Highlights**

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Highlights



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H1 2019 HIGHLIGHTS

- Robust commercial aircraft environment
- H1 2019 financials mainly reflect A320 ramp-up and neo transition
- Focus on securing FY deliveries, which remains challenging
- On that basis, 2019 Guidance maintained

H1 2019 COMMERCIAL POSITIONING

Consolidated Airbus Order Book

by Division

| | | H1 2019 |
|-------------------------------|--------------------|---------|
| Airbus (in units) | Order Intake (net) | 88 |
| | Order Book | 7,276 |
| Helicopters (in units) | Order Intake (net) | 123 |
| | Order Book | 697 |
| Defence and Space (in € m) | Order Intake (net) | 4,220 |

Consolidated Airbus External Revenue

by Division



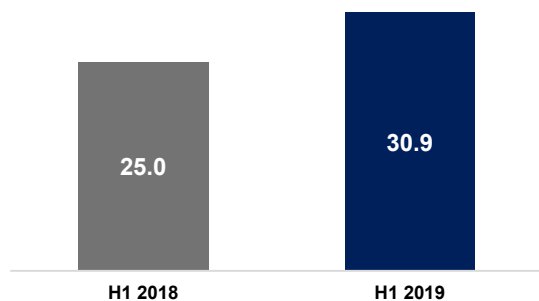
| | |
|---------------------|-----|
| ● Airbus | 77% |
| ● Helicopters | 7% |
| ● Defence and Space | 16% |

- **AIRBUS:** 213 gross orders, incl. 151 new orders at Le Bourget. 88 net orders. Backlog: 7,276 a/c
- **HELICOPTERS:** 123 net orders incl. 23 NH90 and 11 H145 in Q2
- **DEFENCE AND SPACE:** Order intake € 4.2 bn, incl. A400M DIRCM for German Air Force and Global Support Step 2. Key contract win in Space

H1 2019 FINANCIAL PERFORMANCE

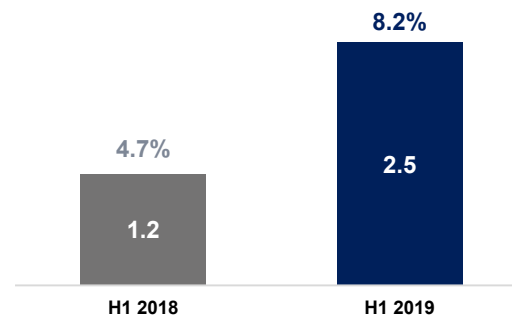
Revenues

in € bn



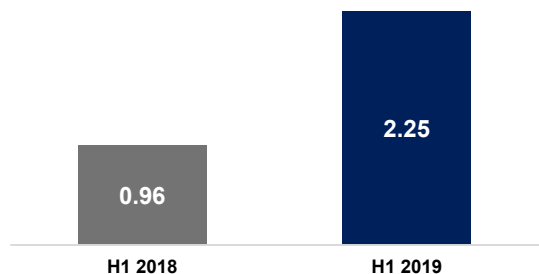
EBIT Adjusted

in € bn / RoS (%)



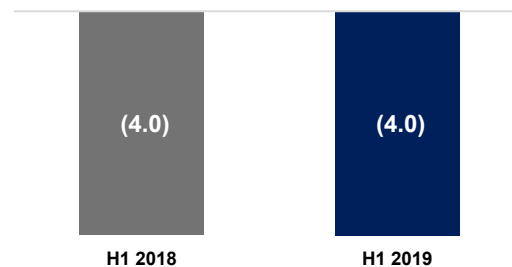
EPS⁽¹⁾ Adjusted

in €



FCF before M&A and Customer Financing

in € bn

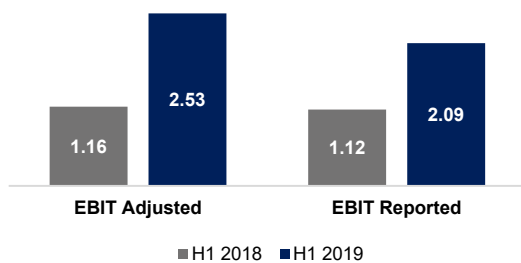


(1) H1 2019 Average number of shares: 776,291,117 compared to 774,129,413 in H1 2018
 Capitalised R&D: € 45 m in H1 2019 and € 40 m in H1 2018
 H1 2019 figures include A220, consolidated into Commercial Aircraft as of July 1st, 2018

H1 2019 PROFITABILITY

EBIT Performance

in € bn

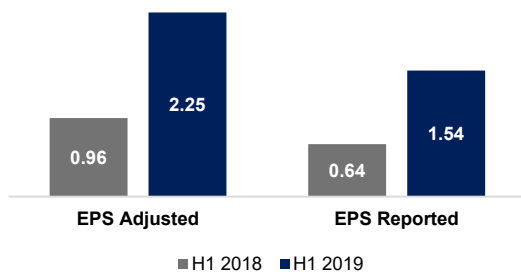


- H1 2019 **EBIT Reported** of € 2.1 bn
- H1 2019 EBIT Adjustments resulting from:
 - € – 208 m Defence export ban
 - € – 136 m A380 programme cost
 - € – 90 m Others
 - € – 2 m PDP mismatch / BS revaluation

- H1 2019 **Net Adjustments** of € – 436 m

EPS⁽¹⁾ Performance

in €

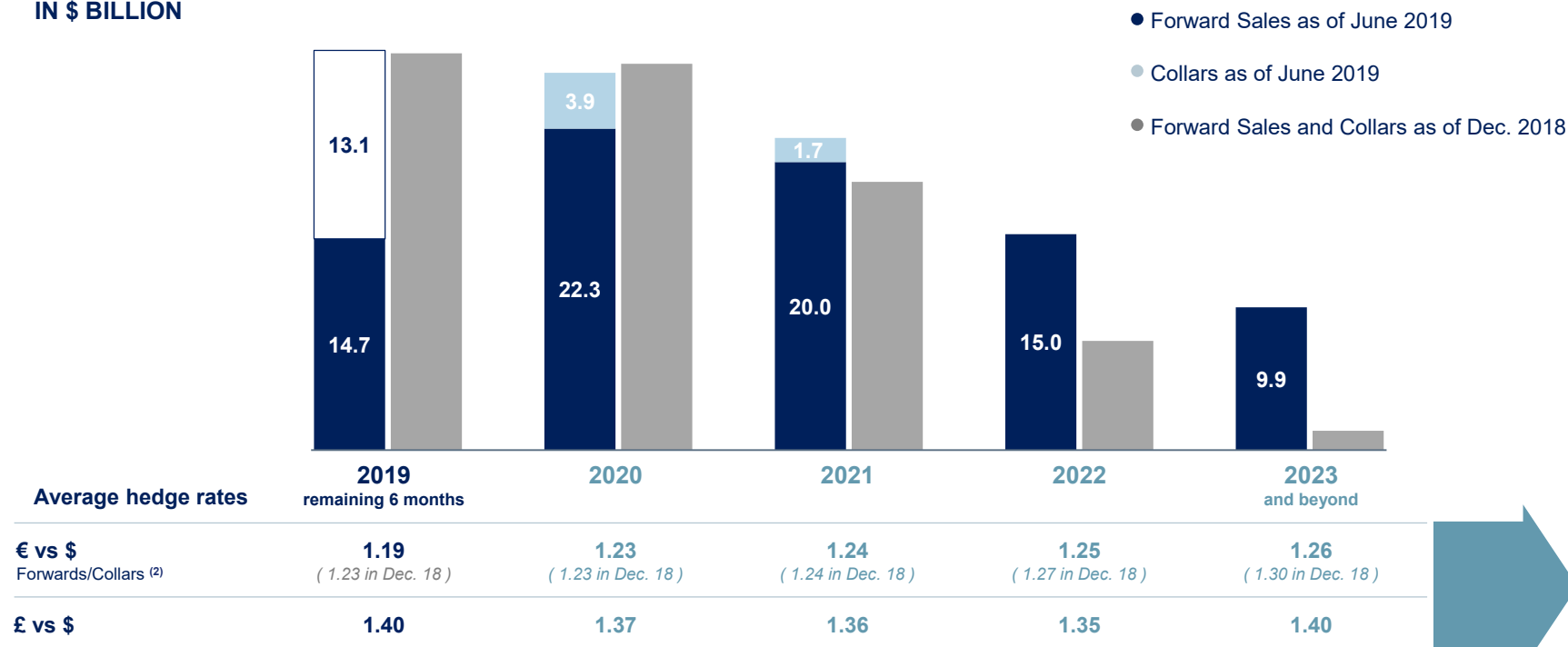


- H1 2019 **Net Income** of € 1,197 m
- H1 2019 **Net Income Adjusted** of € 1,750 m
- H1 2019 tax rate on core business is 27%

(1) H1 2019 Average number of shares: 776,291,117 compared to 774,129,413 in H1 2018
 Capitalised R&D: € 45 m in H1 2019 and € 40 m in H1 2018
 H1 2019 figures include A220, consolidated into Commercial Aircraft as of July 1st, 2018

CURRENCY HEDGE POLICY

IN \$ BILLION



Mark-to-market value incl. in AOCI = € - 1.9 bn
Closing rate @ 1.14 € vs. \$

- In H1 2019, \$ 19.6 bn⁽¹⁾ of new Forwards were added at an average rate of € 1 = \$ 1.22
- \$ 13.1 bn⁽¹⁾ of hedges matured at an average rate of € 1 = \$ 1.27
- Hedge portfolio⁽¹⁾ 30 June 2019 at \$ 87.4 bn (vs. \$ 81.9 bn in Dec. 2018), at an average rate of \$ 1.23⁽²⁾
- In H1, \$ 4.1 bn of hedges rolled-over intra-year to align with backloaded delivery profile

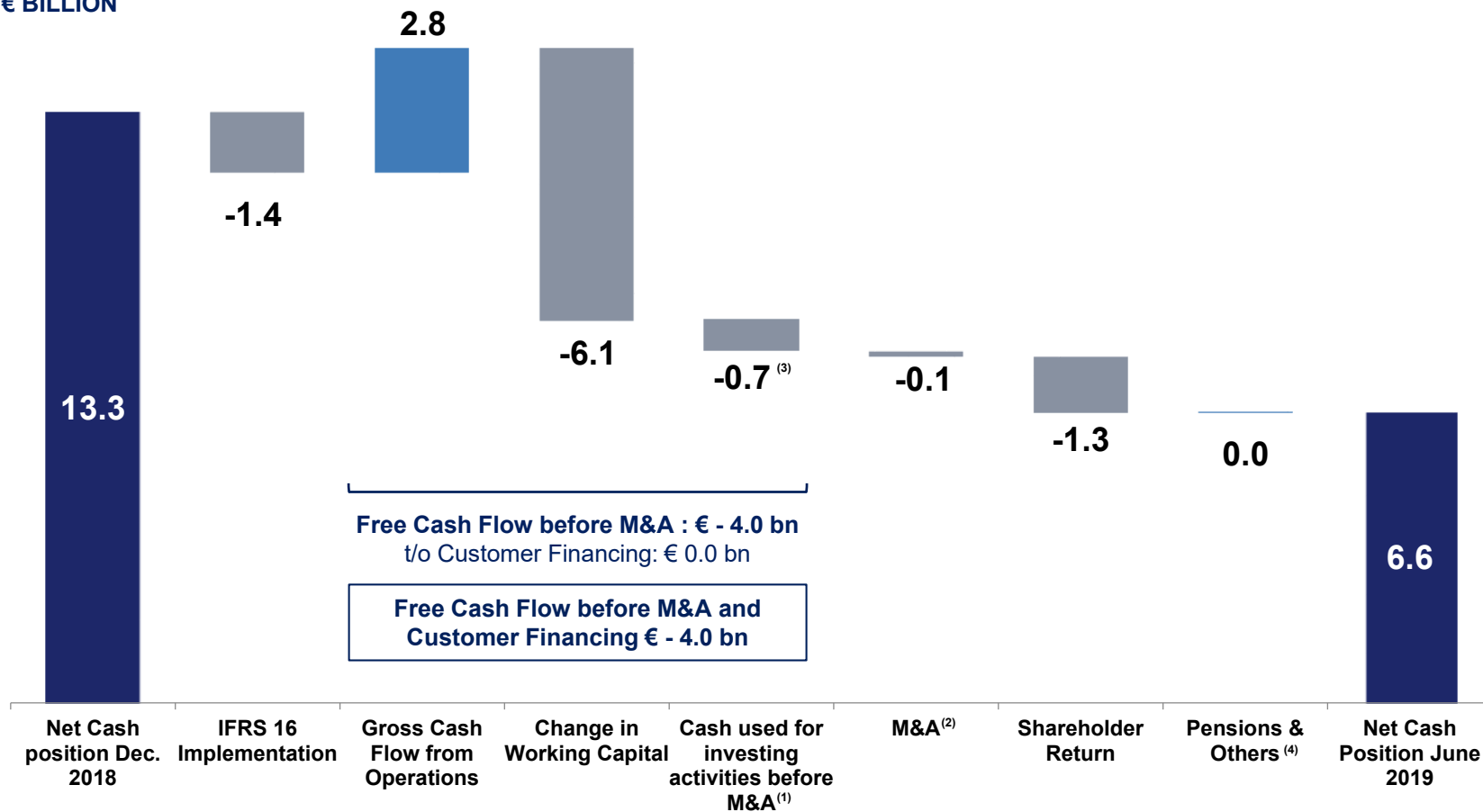
Approximately 60% of Airbus US\$ revenues are naturally hedged by US\$ procurement. Graph shows US\$ Forward Sales and Collars
Hedge rates reflect EBIT impact of the US\$ hedge portfolio

(1) Total hedge amount contains \$/€ and \$/£ designated hedges; (2) Blended Forwards and Collars rate includes Collars at least favourable rate

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H1 2019 CASH EVOLUTION

IN € BILLION



■ IFRS 16 implemented January 1st, 2019

(1) Thereof Capex of € - 0.9 bn

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

(3) Excludes M&A of € - 0.1 bn

(4) Includes change in liability for puttable instruments of € + 0.2 bn

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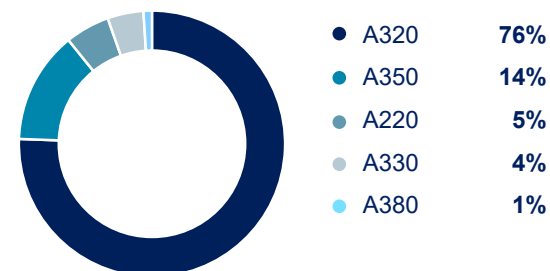


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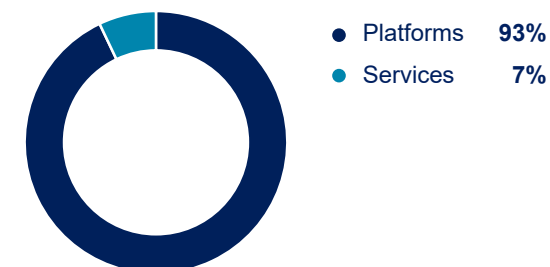
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| IN € MILLION | | H1 2019 | H1 2018 | Change |
|--------------------|-------------------------|---------|---------|--------|
| Order Intake (net) | Units | 88 | 206 | -57.3% |
| Order Book | | 7,276 | 7,168 | 1.5% |
| Deliveries (units) | | 389 | 303 | 28.4% |
| Revenues | | 24,043 | 18,546 | 29.6% |
| R&D Expenses | | 1,008 | 975 | 3.4% |
| | <i>in % of Revenues</i> | 4.2% | 5.3% | |
| EBIT Adjusted | | 2,338 | 867 | 169.7% |
| | <i>in % of Revenues</i> | 9.7% | 4.7% | |
| EBIT | | 2,151 | 773 | 178.3% |
| | <i>in % of Revenues</i> | 8.9% | 4.2% | |

Deliveries by Programme (units)



External Revenue Split

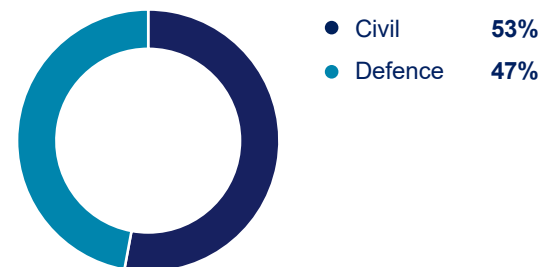


- Revenues mainly reflect higher A320neo and A350 deliveries and favourable FX
- EBIT Adjusted mainly reflects A320neo ramp-up, A350 operational performance, and FX

AIRBUS HELICOPTERS

| IN € MILLION | | H1 2019 | H1 2018 | Change |
|-------------------------|-------|---------|---------|--------|
| Order Intake (net) | Units | 123 | 143 | -14.0% |
| Order Book | | 697 | 694 | 0.4% |
| Deliveries (units) | | 143 | 141 | 1.4% |
| Revenues | | 2,371 | 2,388 | -0.7% |
| R&D Expenses | | 143 | 147 | -2.6% |
| <i>in % of Revenues</i> | | 6.0% | 6.2% | |
| EBIT Adjusted | | 125 | 135 | -7.4% |
| <i>in % of Revenues</i> | | 5.3% | 5.7% | |
| EBIT | | 124 | 114 | 8.8% |
| <i>in % of Revenues</i> | | 5.2% | 4.8% | |

External Revenue Split

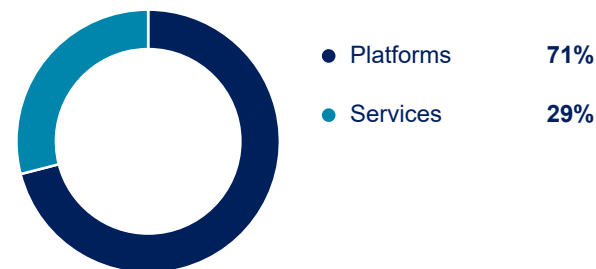


- Stable Revenues driven by programme phasing compensated by growth in services
- EBIT Adjusted reflects less favourable delivery mix partially compensated by increased contribution from services

AIRBUS DEFENCE AND SPACE

| IN € MILLION | | H1 2019 | H1 2018 | Change |
|---------------------------|--------------|--------------|--------------|---------------|
| Order Intake (net) | Value | 4,220 | 3,184 | 32.5% |
| Revenues | | 5,015 | 4,652 | 7.8% |
| R&D Expenses | | 138 | 136 | 1.5% |
| <i>in % of Revenues</i> | | <i>2.8%</i> | <i>2.9%</i> | |
| EBIT Adjusted | | 233 | 309 | -24.6% |
| <i>in % of Revenues</i> | | <i>4.6%</i> | <i>6.6%</i> | |
| EBIT | | (15) | 382 | N/A |
| <i>in % of Revenues</i> | | <i>-0.3%</i> | <i>8.2%</i> | |

External Revenue Split



- Revenues increase supported by Military Aircraft
- EBIT Adjusted mainly reflects efforts to support on-going campaigns
- A400M: 7 a/c delivered in H1 2019; Contract Amendment signed
- German defence export ban: EBIT impact of € – 208 m booked in H1 2019, t/o € – 18 m in Q2
- 2018 EBIT included Capital Gain from disposal of Airbus DS Communications, Inc. business

(1) Communications, Intelligence & Security
Capitalised R&D: € 17 m in H1 2019 and € 6 m in H1 2018

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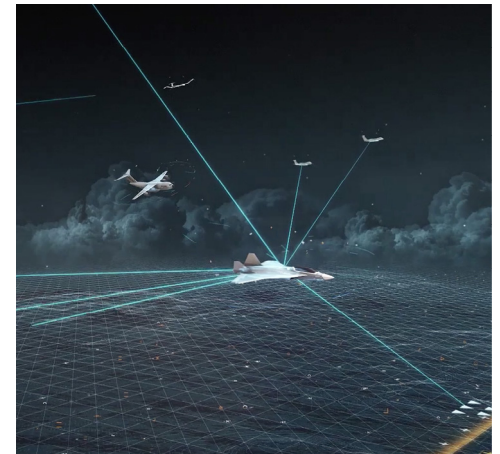
H1 Results

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2019 GUIDANCE

As the basis for its 2019 guidance, Airbus expects the world economy and air traffic to grow in line with prevailing independent forecasts, which assume no major disruptions

Airbus 2019 Earnings and FCF guidance is before M&A

- Airbus targets 880 to 890 commercial aircraft deliveries in 2019
- On that basis:
Airbus expects to deliver an increase in EBIT Adjusted of approximately +15% compared to 2018 and FCF before M&A and Customer Financing of approximately € 4 bn

KEY PRIORITIES

- Deliver on 2019 commitments
- Ramp-up A320
- Improve A350 margins
- Improve programme execution across businesses
- Services, Digital and Innovation



Deliver Earnings and FCF growth potential

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2019

Appendix



EXPECTED AIRBUS AVERAGE HEDGE RATES € VS. \$

Active exposure management



FY 2018

FY 2019E

Average
Hedge Rates

1.24

1.23

(1) Q2 actual

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H1 2019 DETAILED INCOME STATEMENT AND ADJUSTMENTS

IN € MILLION

| | H1 2019 | thereof Adjustments | | | | Financial Result | H1 2019 Adjusted |
|----------------------------|--------------|---------------------|----------------------------------|---|------------|------------------|------------------|
| | | Impact on EBIT | | | | | |
| | | Operational | FX | | | | |
| | Airbus | Helicopters | Defence and Space ⁽¹⁾ | Airbus + Defence and Space ⁽²⁾ | | | |
| EBIT | 2,093 | (205) | (1) | (228) | (2) | | 2,529 |
| <i>in % of Revenues</i> | 6.8% | | | | | | 8.2% |
| Interest income | 91 | | | | | | 91 |
| Interest expenses | (191) | | | | | | (191) |
| Other Financial Result | (115) | | | | | (89) | (26) |
| Financial Result | (215) | | | | | (89) | (126) |
| Income before taxes | 1,878 | (205) | (1) | (228) | (2) | (89) | 2,403 |
| Non-controlling interest | (4) | | | | | | (4) |
| Net Income reported | 1,197 | | | | | | 1,750 |
| Number of shares | 776,291,117 | | | | | | 776,291,117 |
| EPS reported (in €) | 1.54 | | | | | | 2.25 |

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 27%. The effective tax rate on Income before taxes is 36%

(1) Thereof € - 17 m A400M provision update

(2) Thereof € +18 m Airbus, € - 20 m ADS

H1 2019 figures include A220, consolidated into Commercial Aircraft as of July 1st, 2018

H1 2018 DETAILED INCOME STATEMENT AND ADJUSTMENTS

IN € MILLION

| | H1 2018 | thereof Adjustments | | | | Financial Result | H1 2018 Adjusted |
|----------------------------|--------------|---------------------|----------------------------------|---|-------------|------------------|------------------|
| | | Impact on EBIT | | | | | |
| | | Operational | FX | | | | |
| | Airbus | Helicopters | Defence and Space ⁽¹⁾ | Airbus + Defence and Space ⁽²⁾ | | | |
| EBIT | 1,120 | (40) | (21) | 59 | (40) | | 1,162 |
| <i>in % of Revenues</i> | 4.5% | | | | | | 4.7% |
| Interest income | 87 | | | | | | 87 |
| Interest expenses | (199) | | | | | | (199) |
| Other Financial Result | (191) | | | | | (165) | (26) |
| Financial Result | (303) | | | | | (165) | (138) |
| Income before taxes | 817 | (40) | (21) | 59 | (40) | (165) | 1,024 |
| Non-controlling interest | 3 | | | | | | 3 |
| Net Income reported | 496 | | | | | | 740 |
| Number of shares | 774,129,413 | | | | | | 774,129,413 |
| EPS reported (in €) | 0.64 | | | | | | 0.96 |

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 40%

(1) Thereof € - 98 m A400M provision update mainly for escalation, € + 157 m net capital gains from disposals

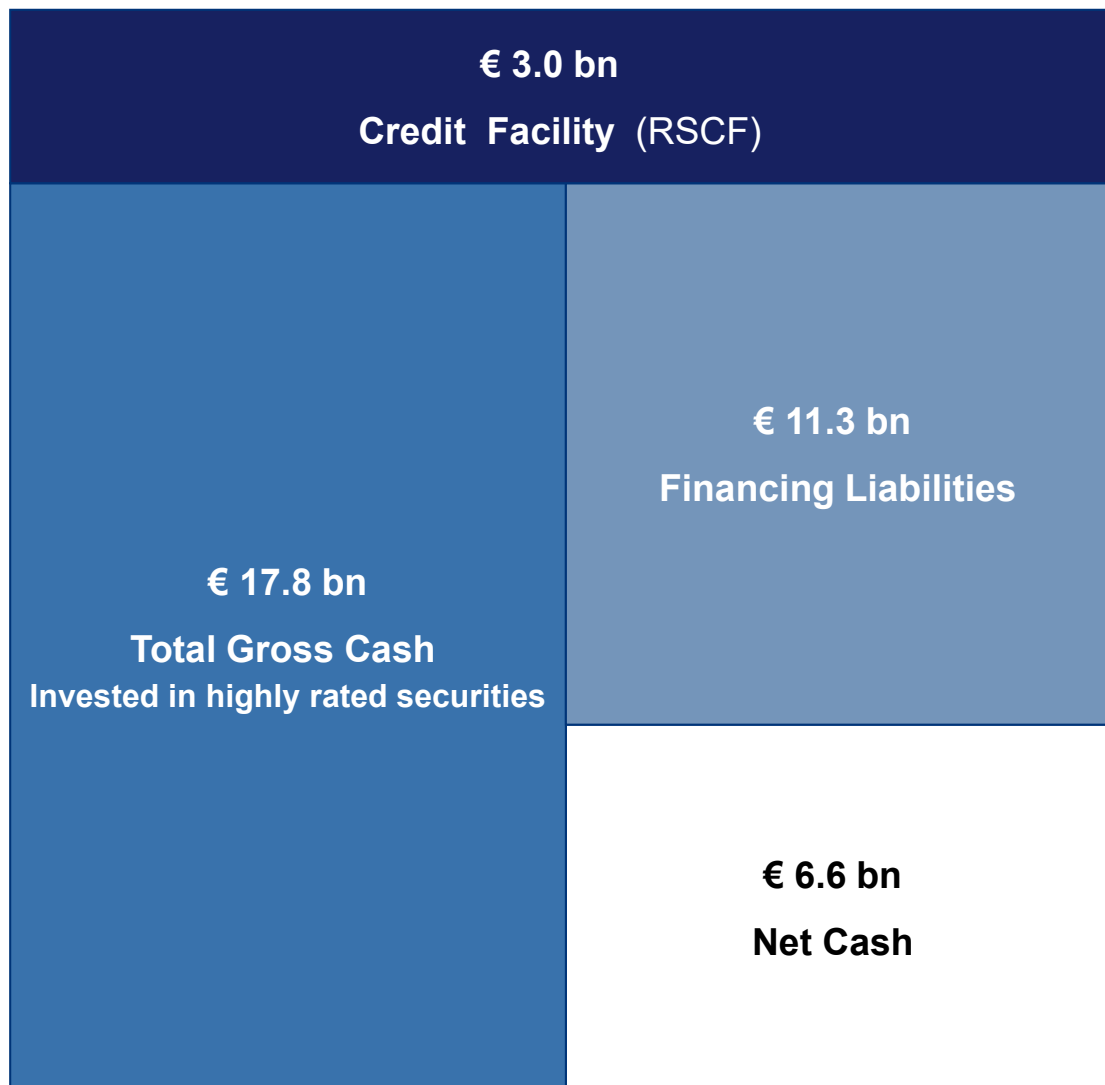
(2) Thereof € - 54 m Airbus, € + 14 m ADS

Q2 2019 KEY FIGURES

| IN € MILLION | Q2 2019 | Q2 2018 |
|---------------------------------------|---------|---------|
| Revenues | 18,317 | 14,851 |
| EBIT Adjusted | 1,980 | 1,148 |
| EBIT | 1,912 | 921 |
| Net Income | 1,157 | 213 |
| FCF before M&A | 395 | (223) |
| FCF before M&A and Customer Financing | 360 | (129) |

| IN € MILLION | Q2 2019 | Q2 2018 | Q2 2019 | Q2 2018 | Q2 2019 | Q2 2018 |
|----------------------------|-----------------|---------------|----------------------|--------------|--------------|------------|
| | Revenues | | EBIT Adjusted | | EBIT | |
| Airbus | 14,346 | 11,324 | 1,802 | 908 | 1,759 | 775 |
| Helicopters | 1,364 | 1,427 | 110 | 138 | 115 | 124 |
| Defence and Space | 2,903 | 2,435 | 132 | 197 | 102 | 117 |
| Transversal & Elim. | (296) | (335) | (64) | (95) | (64) | (95) |
| Consolidated Airbus | 18,317 | 14,851 | 1,980 | 1,148 | 1,912 | 921 |

AIRBUS: STRONG LIQUIDITY POSITION AS OF 30 JUNE 2019



Credit Facility:

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

Financing Liabilities:

of which long-term : € 8.6 bn

- Includes € 3.0 bn EMTN, € 0.5 bn Convertible Bond, € 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

| | H1 2019 | H1 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⁾ | 2,781 | 1,185 |
| Change in working capital ⁽²⁾ | (6,088) | (4,501) |
| Cash used for investing activities ⁽³⁾ | (809) | (481) |
| of which Industrial Capex (additions) ⁽⁴⁾ | (914) | (916) |
| Free Cash Flow ^{(5) (6)} | (4,116) | (3,797) |
| of which M&A | (118) | 272 |
| Free Cash Flow before M&A | (3,998) | (4,069) |
| of which Customer Financing | (17) | (101) |
| Free Cash Flow before M&A and customer financing | (3,981) | (3,968) |
| Change in capital and non-controlling interests | 133 | 112 |
| Change in treasury shares / share buyback | 4 | (52) |
| Change in liability for puttable instruments | 179 | 0 |
| Contribution to plan assets of pension schemes | (77) | (126) |
| Cash distribution to shareholders / non-controlling interests | (1,280) | (1,161) |
| Others ⁽⁷⁾ | (207) | (299) |
| Net Cash position at the end of the period | 6,565 | 8,068 |

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

(2) Including net customer financing

(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 A220 integration; (7) Including Airbus Canada Ltd. Partnership funding agreement

H1 2019 figures include A220, consolidated into Commercial Aircraft as of July 1st, 2018

NET CASH POSITION

IN € MILLION

| | June 2019 | Dec. 2018 |
|------------------------------------|-----------------|----------------|
| Gross Cash | 17,849 | 22,207 |
| Financing Debts | (11,284) | (8,926) |
| Short-term Financing Debts | (2,649) | (1,463) |
| Long-term Financing Debts | (8,635) | (7,463) |
| Reported Net Cash | 6,565 | 13,281 |
| Airbus non-recourse debt | 23 | 28 |
| Net Cash excl. non-recourse | 6,588 | 13,309 |

CUSTOMER FINANCING EXPOSURE

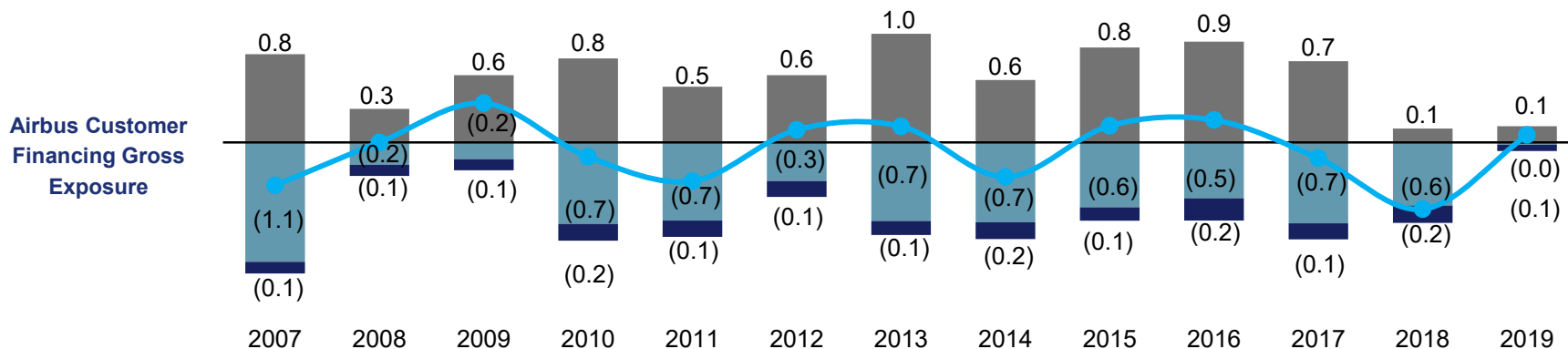
IN € MILLION

| | June 2019 | Dec. 2018 | June 2019 | Dec. 2018 |
|---------------------------------------|--------------|--------------|-------------|-------------|
| | Airbus | | Helicopters | |
| Closing rate € 1 = | \$ 1.14 | \$ 1.15 | \$ 1.14 | \$ 1.15 |
| Total Gross Exposure | 866 | 802 | 111 | 109 |
| of which off-balance sheet | 104 | 28 | 10 | 10 |
| Estimated value of collateral | (613) | (562) | (37) | (35) |
| Net Exposure | 253 | 240 | 74 | 74 |
| Provision and asset impairment | (253) | (240) | (74) | (74) |
| Net Exposure after provision | 0 | 0 | 0 | 0 |

AIRBUS CUSTOMER FINANCING

IN € BILLION

■ Additions ■ Sell Down ■ Amortization ● Net change



Gross Exposure in \$ bn

| | | | | | | | | | | | | |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 1.5 | 1.5 | 1.8 | 1.7 | 1.4 | 1.5 | 1.6 | 1.3 | 1.5 | 1.7 | 1.5 | 0.9 | 1.0 |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|

Net Exposure fully provisioned

Net Exposure fully provisioned



BALANCE SHEET HIGHLIGHTS: ASSETS

IN € MILLION

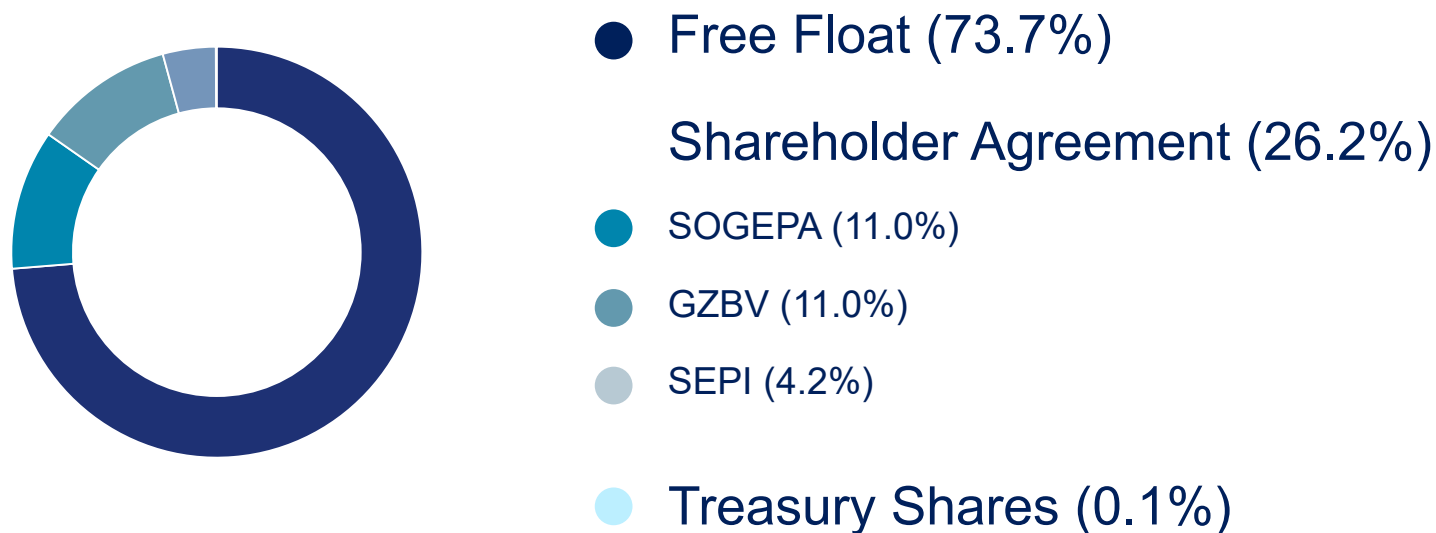
| | June 2019 | Dec. 2018 |
|--|----------------|----------------|
| Non-current Assets | 56,896 | 56,564 |
| of which Intangible & Goodwill | 16,607 | 16,726 |
| of which Property, plant & equipment | 17,274 | 16,773 |
| of which Investments & Financial assets | 5,696 | 5,504 |
| of which Contract assets | 71 | 65 |
| of which positive hedge mark-to-market | 884 | 1,031 |
| of which Non-current securities | 10,720 | 10,662 |
| Current Assets | 55,230 | 58,300 |
| of which Inventory | 34,776 | 31,891 |
| of which Cash | 5,218 | 9,413 |
| of which Contract assets | 752 | 789 |
| of which positive hedge mark-to-market | 160 | 286 |
| of which Current securities | 1,911 | 2,132 |
| Assets of disposal groups classified as held for sale | 330 | 334 |
| Total Assets | 112,456 | 115,198 |
| Closing rate € vs. \$ | 1.14 | 1.15 |

BALANCE SHEET HIGHLIGHTS: LIABILITIES

IN € MILLION

| | June 2019 | Dec. 2018 |
|---|----------------|----------------|
| Total Equity | 7,432 | 9,719 |
| of which OCI (Other Comprehensive Income) | 253 | 134 |
| of which Non-controlling interests | (2) | (5) |
| Total Non-current liabilities | 48,532 | 44,693 |
| of which Pensions | 9,776 | 6,690 |
| of which Other provisions | 4,689 | 4,881 |
| of which Financing debts | 8,635 | 7,463 |
| of which European governments' refundable advances | 3,658 | 4,233 |
| of which Contract liabilities | 15,551 | 15,832 |
| of which negative hedge mark-to-market | 1,729 | 1,132 |
| Total Current liabilities | 56,179 | 60,354 |
| of which Pensions | 299 | 382 |
| of which Other provisions | 5,699 | 6,935 |
| of which Financing debts | 2,649 | 1,463 |
| of which European governments' refundable advances | 886 | 344 |
| of which Contract liabilities | 26,141 | 26,229 |
| of which Trade liabilities | 13,069 | 16,237 |
| of which negative hedge mark-to-market | 769 | 1,623 |
| Liabilities of disposal groups classified as held for sale | 313 | 432 |
| Total Liabilities and Equity | 112,456 | 115,198 |

SHAREHOLDING STRUCTURE AS AT 30 JUNE 2019



■ 778,096,721 shares issued as at 30 June 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 | | 30,478 | | 47,970 |
| Helicopters | 1,007 | 961 | 2,371 | 2,388 | | 3,755 | | 5,934 |
| Defence and Space | 2,112 | 2,217 | 5,015 | 4,652 | | 7,051 | | 11,063 |
| Transversal & Elim. | (267) | (281) | (563) | (616) | | (863) | | (1,260) |
| Consolidated Airbus | 12,549 | 10,119 | 30,866 | 24,970 | | 40,421 | | 63,707 |

H1 2019 figures include A220, consolidated into Commercial Aircraft as of July 1st, 2018

AIRBUS

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 | | 2,340 | | 4,808 |
| Helicopters | 15 | (3) | 125 | 135 | | 202 | | 380 |
| Defence and Space | 101 | 112 | 233 | 309 | | 409 | | 935 |
| Transversal & Elim. | (103) | (54) | (167) | (149) | | (213) | | (289) |
| Consolidated Airbus | 549 | 14 | 2,529 | 1,162 | | 2,738 | | 5,834 |

H1 2019 figures include A220, consolidated into Commercial Aircraft as of July 1st, 2018

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QUARTERLY EBIT BREAKDOWN (CUMULATIVE)

IN € MILLION

| | Q1 | | H1 | | 9m | | FY | |
|----------------------------|------------|------------|--------------|--------------|------|--------------|------|--------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Airbus | 392 | (2) | 2,151 | 773 | | 2,238 | | 4,295 |
| Helicopters | 9 | (10) | 124 | 114 | | 179 | | 366 |
| Defence and Space | (117) | 265 | (15) | 382 | | 479 | | 676 |
| Transversal & Elim. | (103) | (54) | (167) | (149) | | (213) | | (289) |
| Consolidated Airbus | 181 | 199 | 2,093 | 1,120 | | 2,683 | | 5,048 |

H1 2019 figures include A220, consolidated into Commercial Aircraft as of July 1st, 2018

AIRBUS

H1 2019 IFRS VS. APM CASH FLOW RECONCILIATION

IN € BILLION

| | H1 2019 |
|---|--------------|
| Cash provided by (used for) operating activities | (3.4) |
| t/o Reimbursement from / contribution to plan assets | (0.1) |
| t/o Treasury swaps | (0.0) |
| t/o Change in working capital | (6.1) |
| Gross Cash Flow from Operations | 2.8 |

IN € BILLION

| | H1 2019 |
|---|--------------|
| Cash provided by (used for) operating activities | (3.4) |
| Cash provided by (used for) investing activities | (0.5) |
| t/o Net change in securities | 0.4 |
| Others | 0.2 |
| Free Cash Flow | (4.1) |
| t/o M&A transactions | (0.1) |
| Free Cash Flow before M&A | (4.0) |
| t/o Customer Financing | (0.0) |
| FCF before M&A and Customer Financing | (4.0) |

GLOSSARY ON ALTERNATIVE PERFORMANCE MEASURES (APM)

The following 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 financial result 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, restructurings 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 19.
- **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 statements 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 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 working capital. It is defined in Registration Document, MD&A section 2.1.6.1 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, contract assets and contract liabilities (including customer advances), trade liabilities, and other assets and other liabilities.
- **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 key indicator that reflects Free Cash Flow excluding those cash flows resulting from acquisitions and disposals 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.