

Press Release

Airbus reports Full-Year (FY) 2019 results, delivers on guidance

- Record commercial aircraft deliveries
- Strong underlying financial performance, FY 2019 guidance achieved
- € -3.6 billion penalties recognised for agreements with authorities
- A400M € -1.2 billion charge; export assumptions revised
- Revenues € 70.5 billion, +11% YoY; EBIT Adjusted € 6.9 billion, +19% YoY
- EBIT (reported) € 1.3 billion; loss per share (reported) € -1.75
- 2019 dividend proposal: € 1.80 per share, +9% versus 2018
- 2020 guidance to set the path for sustainable growth

Amsterdam, 13 February 2020 – Airbus SE (stock exchange symbol: AIR) reported Full-Year (FY) 2019 consolidated financial results and provided guidance for 2020.

“We achieved a great deal in 2019. We delivered a strong underlying financial performance driven mainly by our commercial aircraft deliveries,” said Airbus Chief Executive Officer Guillaume Faury. “The reported earnings also reflect the final agreements with the authorities resolving the compliance investigations and a charge related to revised export assumptions for the A400M. The level of confidence in our ability to continue to deliver sustainable growth going forward has led to a dividend proposal of € 1.80 per share. Our focus in 2020 will be on reinforcing our company culture, improving operationally, and adjusting our cost structure to strengthen the financial performance and prepare for the future.”

Net commercial aircraft orders increased to 768 aircraft (2018: 747 aircraft), including 32 A350 XWBs, 89 A330s and 63 A220s. At the end of 2019, the order backlog reached 7,482 commercial aircraft. Airbus Helicopters achieved a book-to-bill ratio by value above 1 in a difficult market, recording 310 net orders in the year (2018: 381 units). This included 25 helicopters from the Super Puma family, 23 NH90s and 10 H160s. Airbus Defence and Space’s order intake by value of € 8.5 billion was supported by A400M services contracts and key contract wins in Space Systems.

Consolidated **order intake** in 2019 increased to € 81.2 billion (2018: € 55.5 billion) with the consolidated **order book** valued at € 471 billion on 31 December 2019 (end December 2018: € 460 billion).

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Consolidated **revenues** increased to € 70.5 billion (2018: € 63.7 billion), mainly driven by the higher commercial aircraft deliveries and a favourable mix at Airbus, and to a lesser extent the favourable exchange rate development. A record 863 commercial aircraft were delivered (2018: 800 aircraft), comprising 48 A220s, 642 A320 Family, 53 A330s, 112 A350s and 8 A380s. Airbus Helicopters recorded stable revenues supported by growth in services, which offset lower deliveries of 332 rotorcraft (2018: 356 units). Revenues at Airbus Defence and Space were broadly stable compared to the previous year.

Consolidated **EBIT Adjusted** – an alternative performance measure and 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 – increased to € 6,946 million (2018: € 5,834 million), mainly reflecting the operational performance at Airbus, partially offset by Airbus Defence and Space's performance and additional ramp-up costs.

Airbus' EBIT Adjusted increased by 32% to € 6,358 million (2018: € 4,808 million), largely driven by the A320 ramp-up and NEO premium, together with good progress on the A350.

On the A320 programme, NEO aircraft deliveries rose by 43% year-on-year to 551 aircraft. The ramp-up continued for the Airbus Cabin Flex (ACF) version of the A321 with almost 100 more deliveries than in 2018. The Airbus teams are focused on securing the ongoing ACF ramp-up and improving the industrial flow. Airbus is discussing further ramp-up potential for the A320 programme beyond rate 63 per month with the supply chain, and already sees a clear path to further increase the monthly production rate by 1 or 2 for each of the 2 years after 2021. The breakeven target for the A350 was achieved in 2019. Given overall customer demand for widebody aircraft, Airbus expects A330 deliveries of approximately 40 aircraft per year beginning in 2020 and the A350 to stay between a monthly rate of 9 and 10 aircraft.

Airbus Helicopters' EBIT Adjusted increased to € 422 million (2018: € 380 million), mainly reflecting an increased contribution from services and lower research and development costs. This was reduced by a less favourable delivery mix.

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EBIT Adjusted at Airbus Defence and Space declined to € 565 million (2018: € 935 million), mainly reflecting the lower performance in a competitive Space environment and efforts to support sales campaigns. The Division is targeting a restructuring programme to address its cost structure and restore profitability to a high single digit margin.

During 2019, 14 A400M military transport aircraft were delivered in line with the latest delivery schedule, bringing the in-service fleet to 88 aircraft at year-end. Several key milestones towards full capability were achieved in the year, including the simultaneous deployment of paratroopers and helicopter air-to-air refuelling dry contacts. In 2020, development activities will continue towards achieving the revised capability roadmap. Retrofit activities are progressing in line with the customer-agreed plan. While the rebaselining of the A400M programme was completed and significant progress has been made on technical capabilities, the outlook is increasingly challenging on exports during the launch contract phase, also in light of the repeatedly extended German export ban to Saudi Arabia. As a result, the Company has reassessed its export assumptions on future export deliveries for the launch contract phase and recognised a charge of € 1.2 billion in the fourth quarter of 2019.

Consolidated **self-financed R&D expenses** totalled € 3,358 million (2018: € 3,217 million).

Consolidated **EBIT** (reported) was € 1,339 million (2018: € 5,048 million), including Adjustments totalling a net € -5,607 million. These Adjustments comprised:

- € -3,598 million related to the penalties;
- € -1,212 million related to the A400M charge;
- € -221 million related to the suspension of defence export licences to Saudi Arabia by the German government, now prolonged to March 2020;
- € -202 million related to A380 programme cost;
- € -170 million related to the dollar pre-delivery payment mismatch and balance sheet revaluation;
- € -103 million related to Premium AEROTECH's restructuring plan launched to improve its competitiveness;
- € -101 million of other costs, including compliance costs partially offset by positive capital gains from the Alestis Aerospace and PFW Aerospace divestments.

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Consolidated reported **loss per share** of € -1.75 (2018 earnings per share: € 3.94) includes a negative impact from the financial result, mainly driven by the revaluation of financial instruments. The financial result was € -275 million (2018: € -763 million). The consolidated **net loss**⁽¹⁾ was € -1,362 million (2018 net income: € 3,054 million).

Consolidated **free cash flow before M&A and customer financing** improved by 21% to € 3,509 million (2018: € 2,912 million), mainly reflecting commercial aircraft deliveries and the earnings performance. Consolidated **free cash flow** was € 3,475 million (2018: € 3,505 million). The consolidated **net cash position** was € 12.5 billion on 31 December 2019 (year-end 2018: € 13.3 billion) after the 2018 dividend payment of € 1.3 billion and pension contribution of € 1.8 billion. The **gross cash position** on 31 December was € 22.7 billion (year-end 2018: € 22.2 billion).

The Board of Directors will propose the payment of a 2019 dividend of € 1.80 per share to the 2020 Annual General Meeting. This represents an increase of 9% over the 2018 dividend of € 1.65 per share. The payment date is 22 April 2020.

Outlook

As the basis for its 2020 guidance, the Company 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.

The 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 billion, and

Free Cash Flow before M&A and Customer Financing of approximately € 4 billion before:

- € -3.6 billion 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.

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About Airbus

Airbus is a global leader in aeronautics, space and related services. In 2019, it generated revenues of € 70 billion and employed a workforce of around 135,000. Airbus offers the most comprehensive range of passenger airliners. Airbus is also a European leader providing tanker, combat, transport and mission aircraft, as well as one of the world's leading space companies. In helicopters, Airbus provides the most efficient civil and military rotorcraft solutions worldwide.

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Note to editors: Live Webcast of the Analyst Conference Call and Annual Press Conference

At **07:30 CET** on 13 February 2020, you can listen to the **FY 2019 Results Analyst Conference Call** with **Chief Executive Officer Guillaume Faury** and **Chief Financial Officer Dominik Asam** via the Airbus website. The analyst call presentation can also be found on the company website. A recording will be made available in due course. For a reconciliation of Airbus' KPIs to "reported IFRS" please refer to the analyst presentation.

The **Airbus Annual Press Conference** on the 2019 Results starts at 09:30 CET on 13 February and is also webcast live via the Airbus website.

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Airbus Consolidated – Full-Year (FY) Results 2019

(Amounts in Euro)

Airbus Consolidated	FY 2019	FY 2018	Change
Revenues , in millions	70,478	63,707	+11%
thereof defence, in millions	10,085	9,903	+2%
EBIT Adjusted , in millions	6,946	5,834	+19%
EBIT (reported) , in millions	1,339	5,048	-73%
Research & Development expenses , in millions	3,358	3,217	+4%
Net Income/Loss⁽¹⁾ , in millions	-1,362	3,054	-
Earnings/Loss Per Share (EPS)	-1.75	3.94	-
Free Cash Flow (FCF) , in millions	3,475	3,505	-1%
Free Cash Flow before M&A , in millions	3,567	2,991	+19%
Free Cash Flow before M&A and Customer Financing , in millions	3,509	2,912	+21%
Dividend per share⁽²⁾	1.80	1.65	+9%
Order intake	81,195	55,521	+46%

Airbus Consolidated	31 Dec 2019	31 Dec 2018	Change
Order Book , in millions	471,488	459,525	+3%
thereof defence, in millions	38,129	39,312	-3%
Net Cash position , in millions	12,534	13,281	-6%
Employees	134,931	133,671	+1%

For footnotes please refer to page 11.

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By Business Segment	Revenues			EBIT (reported)		
	FY 2019	FY 2018	Change	FY 2019	FY 2018	Change
(Amounts in millions of Euro)						
Airbus	54,775	47,970	+14%	2,205	4,295	-49%
Airbus Helicopters	6,007	5,934	+1%	414	366	+13%
Airbus Defence and Space	10,907	11,063	-1%	-881	676	-
Transversal & Eliminations	-1,211	-1,260	-	-399	-289	-
Total	70,478	63,707	+11%	1,339	5,048	-73%

By Business Segment	EBIT Adjusted		
	FY 2019	FY 2018	Change
(Amounts in millions of Euro)			
Airbus	6,358	4,808	+32%
Airbus Helicopters	422	380	+11%
Airbus Defence and Space	565	935	-40%
Transversal & Eliminations	-399	-289	-
Total	6,946	5,834	+19%

By Business Segment	Order Intake (net)			Order Book		
	FY 2019	FY 2018	Change	31 Dec 2019	31 Dec 2018	Change
Airbus, in units	768	747	+3%	7,482	7,577	-1%
Airbus, in millions of Euro	65,769	41,519	+58%	424,082	411,659	+3%
Airbus Helicopters, in units	310	381	-19%	695	717	-3%
Airbus Helicopters, in millions of Euro	7,179	6,339	+13%	16,627	14,943	+11%
Airbus Defence and Space, in millions of Euro	8,520	8,441	+1%	32,263	35,316	-9%

For footnotes please refer to page 11.

Airbus Consolidated – Fourth Quarter (Q4) Results 2019

(Amounts in Euro)

Airbus Consolidated	Q4 2019	Q4 2018	Change
Revenues , in millions	24,310	23,286	+4%
EBIT Adjusted , in millions	2,813	3,096	-9%
EBIT (reported) , in millions	-2,092	2,365	-
Net Income/Loss⁽¹⁾ , in millions	-3,548	1,601	-
Earnings/Loss Per Share (EPS)	-4.56	2.06	-

By Business Segment	Revenues			EBIT (reported)		
	Q4 2019	Q4 2018	Change	Q4 2019	Q4 2018	Change
(Amounts in millions of Euro)						
Airbus	19,203	17,492	+10%	-1,200	2,057	-
Airbus Helicopters	2,295	2,179	+5%	211	187	+13%
Airbus Defence and Space	3,201	4,012	-20%	-964	197	-
Transversal & Eliminations	-389	-397	-	-139	-76	-
Total	24,310	23,286	+4%	-2,092	2,365	-

By Business Segment	EBIT Adjusted		
	Q4 2019	Q4 2018	Change
(Amounts in millions of Euro)			
Airbus	2,525	2,468	+2%
Airbus Helicopters	217	178	+22%
Airbus Defence and Space	210	526	-60%
Transversal & Eliminations	-139	-76	-
Total	2,813	3,096	-9%

For footnotes please refer to page 11.

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Q4 2019 revenues increased by 4%, reflecting the commercial aircraft delivery mix at Airbus and a positive impact from foreign exchange rates partially offset by lower revenues at Airbus Defence and Space.

Q4 2019 EBIT Adjusted declined by 9%, mainly reflecting the lower performance at Airbus Defence and Space.

Q4 2019 EBIT (reported) of € -2,092 million reflected net adjustments of € -4,905 million booked in the quarter. Net Adjustments in the fourth quarter of 2018 amounted to € -731 million.

Q4 2019 Net Loss⁽¹⁾ of € -3,548 million reflected the lower EBIT (reported) and impact from non tax-deductible Adjustments, partially offset by an improved financial result.

EBIT (reported) / EBIT Adjusted Reconciliation

The table below reconciles EBIT (reported) with EBIT Adjusted.

Airbus Consolidated (Amounts in millions of Euro)	FY 2019
EBIT (reported)	1,339
thereof:	
Penalties	-3,598
A400M charge	-1,212
Defence export ban	-221
A380 programme cost	-202
\$ PDP mismatch/balance sheet revaluation	-170
Premium AEROTEC restructuring plan	-103
Others	-101
EBIT Adjusted	6,946

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Glossary

KPI	DEFINITION
EBIT	The Company continues to use the term EBIT (Earnings before interest and taxes). It is identical to Profit before finance result and income taxes as defined by IFRS Rules.
Adjustment	Adjustment, an alternative performance measure , is a term used by the Company 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	The Company 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	EPS Adjusted is an alternative performance measure of basic earnings per share as reported whereby the net income as the numerator does include Adjustments. For reconciliation, see the Analyst presentation.
Gross cash position	The Company 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	For the definition of the alternative performance measure net cash position, see Registration Document, MD&A section 2.1.6.
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	Free cash flow before mergers and acquisitions refers to free cash flow 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	Free cash flow 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.

Footnotes:

1. Airbus SE continues to use the term Net Income/Loss. It is identical to Profit/Loss for the period attributable to equity owners of the parent as defined by IFRS Rules.
2. To be proposed to the Annual General Meeting on 16 April 2020.

Safe Harbour Statement:

This press release 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 SE’s 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 press release speaks as of the date of this press release. Airbus SE undertakes no obligation to publicly revise or update any forward-looking statements in light of new information, future events or otherwise.

Rounding

Due to rounding, numbers presented may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.