

Airbus reports Full-Year (FY) 2020 results

- 566 commercial aircraft delivered in adverse market environment
- Financials reflect the early business adaptation and cash containment plan
- FY revenues € 49.9 billion; FY EBIT Adjusted € 1.7 billion
- FY EBIT (reported) € -0.5 billion; FY loss per share (reported) € -1.45
- No dividend proposed for 2020
- FY FCF before M&A and customer financing € -6.9 billion
- Net cash position at € 4.3 billion
- 2021 guidance issued

Amsterdam, 18 February 2021 – Airbus SE (stock exchange symbol: AIR) reported consolidated Full-Year (FY) 2020 financial results and provided guidance for 2021.

“The 2020 results demonstrate the resilience of Airbus in the most challenging crisis to hit the aerospace industry. I want to thank our teams for their great achievements in 2020 and acknowledge the strong support of our Helicopters and Defence and Space businesses. I would also like to thank our customers, suppliers and partners for their loyalty to Airbus,” said Airbus Chief Executive Officer Guillaume Faury. “Many uncertainties remain for our industry in 2021 as the pandemic continues to impact lives, economies and societies. We have issued guidance to provide some visibility in a volatile environment. Over the longer term, our ambition is to lead the development of a sustainable global aerospace industry.”

Net commercial aircraft orders totalled 268 (2019: 768 aircraft) with the order backlog comprising 7,184 commercial aircraft as of 31 December 2020. Airbus Helicopters booked 268 net orders (2019: 310 units), including 31 NH90s for the German Bundeswehr in Q4 and 11 H160s. Airbus Defence and Space's order intake by value increased 39% year-on-year to € 11.9 billion, a book-to-bill above one, mainly driven by major contract wins in Military Aircraft. This included a contract signed in November to deliver 38 new Eurofighters for the German Air Force.

Consolidated **order intake** by value decreased to € 33.3 billion (2019: € 81.2 billion) with the consolidated **order book** valued at € 373 billion on 31 December 2020 (year-end 2019: € 471 billion). The decrease in the value of the commercial aircraft backlog reflects the higher number of deliveries compared to order intake, the weakening of the US dollar and an assessment of the backlog's recoverability.

Consolidated **revenues** decreased to € 49.9 billion (2019: € 70.5 billion), driven by the difficult market environment impacting the commercial aircraft business with 34% fewer deliveries year-on-year. A total of 566 commercial aircraft were delivered (2019: 863 aircraft), comprising 38 A220s, 446 A320 Family, 19 A330s, 59 A350s and 4 A380s. During the fourth quarter of 2020, a total of 225 commercial aircraft were delivered including 89 in December. In 2020, Airbus Helicopters delivered 300 units (2019: 332 units) with revenues increasing by around 4%, benefiting from a favourable product mix and growth in services. Revenues at Airbus Defence and Space decreased by around 4%, mainly reflecting lower volume as well as the impact of COVID-19 on business phasing, mainly in Space Systems.

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, restructuring or foreign exchange impacts as well as capital gains/losses from the

disposal and acquisition of businesses – totalled € 1,706 million (2019: € 6,946 million). This mainly reflects the weaker commercial aircraft performance, which was supported by a strong contribution from Airbus Helicopters and Airbus Defence and Space.

Airbus' EBIT Adjusted of € 618 million (2019: € 5,947 million⁽¹⁾) mainly reflects the reduced commercial aircraft deliveries and associated lower cost efficiency. It also includes € -1.1 billion in COVID-19 related charges. In January 2021, an update on production rates was communicated in response to the market environment with rates to remain lower for longer.

Airbus Helicopters' EBIT Adjusted increased to € 471 million (2019: € 422 million), mainly driven by strong government-related activities and reliable programme execution. It also includes lower Research & Development (R&D) expenses reflecting the end of the European Union Aviation Safety Agency (EASA) certification process for the five-bladed H145 and the H160.

EBIT Adjusted at Airbus Defence and Space increased to € 660 million (2019: € 565 million), mainly reflecting cost containment measures and lower R&D expenses, partly offset by the impact of COVID-19, including on the launcher business.

A total of 9 A400M military airlifters were delivered during the year, with Belgium taking delivery of its first of seven aircraft in December. Good progress was made with the aircraft's capability roadmap, including the flight test campaign for Automatic Low Level Flight certification.

Consolidated **self-financed R&D expenses** decreased to € 2,858 million (2019: € 3,358 million).

Consolidated **EBIT** (reported) was € -510 million (2019: € 1,339 million), including Adjustments totalling a net € -2,216 million.

These Adjustments comprised:

- € -1,202 million related to the Company-wide restructuring plan;
- € -385 million related to A380 programme cost, of which € -27 million were in Q4;
- € -480 million related to the dollar pre-delivery payment mismatch and balance sheet revaluation, of which € -106 million were in Q4;
- € -149 million of other costs (including compliance), of which € -21 million were in Q4.

The consolidated **net loss**⁽²⁾ was € -1,133 million (2019 net loss: € -1,362 million). It includes the financial result of € -620 million (2019: € -275 million). The financial result largely reflects interest results of € -271 million, Repayable Launch Investment re-measurement impact in the other financial result of € -157 million, as well as a net € -149 million related to Dassault Aviation financial instruments. It also includes the impairment of the OneWeb loan, recognised in Q1 2020. The consolidated reported **loss per share** was € -1.45 (2019: € -1.75).

Consolidated **free cash flow before M&A and customer financing** amounted to € -6,935 million (2019: € 3,509 million), including the payment of the compliance-related penalties of € -3.6 billion in Q1 2020. The Q4 2020 free cash flow before M&A and customer financing of € 4.9 billion reflects the solid level of aircraft deliveries in the quarter, the good performance from Helicopters and Defence and Space, as well as a strong focus on working capital management.

Various measures were taken during 2020 to maintain a strong liquidity position while navigating the COVID-19 crisis, including a new € 15.0 billion credit facility. Thanks to its strong credit rating, the Company was able to limit interest expenses to € 0.4 billion for the year and extend the maturities of funding sources by issuing new bonds.

Full-year capital expenditure was around € 1.8 billion, down by about € 0.6 billion year-on-year following the prioritisation of projects. Consolidated **free cash flow** was € -7,362 million (2019: € 3,475 million). The consolidated **net cash position** was € 4.3 billion on 31 December 2020 (year-end 2019: € 12.5 billion) with a **gross cash position** of € 21.4 billion (year-end 2019: € 22.7 billion).

Given the global business environment, there will be no dividend proposed for 2020. This decision aims at strengthening the Company's financial resilience by protecting the net cash position and supporting its ability to adapt as the situation evolves.

Outlook

As the basis for its 2021 guidance, the Company assumes no further disruptions to the world economy, air traffic, the Company's internal operations, and its ability to deliver products and services. The Company's 2021 guidance is before M&A.

On that basis, the Company targets to at least achieve in 2021:

- Same number of commercial aircraft deliveries as in 2020;
- EBIT Adjusted of € 2 billion;

Breakeven free cash flow before M&A and customer financing.

Consolidated Airbus – Full-Year (FY) 2020 Results
(Amounts in Euro)

Consolidated Airbus	FY 2020	FY 2019	Change
Revenues , in millions	49,912	70,478	-29%
thereof defence, in millions	10,517	10,085	+4%
EBIT Adjusted , in millions	1,706	6,946	-75%
EBIT (reported) , in millions	-510	1,339	-
Research & Development expenses , in millions	2,858	3,358	-15%
Net Loss⁽²⁾ , in millions	-1,133	-1,362	-
Loss Per Share	-1.45	-1.75	-
Free Cash Flow (FCF) , in millions	-7,362	3,475	-
Free Cash Flow before M&A , in millions	-6,811	3,567	-
Free Cash Flow before M&A and Customer Financing , in millions	-6,935	3,509	-
Order intake , in millions	33,290	81,195	-59%

Consolidated Airbus	31 Dec 2020	31 Dec 2019	Change
Order Book , in millions	373,127	471,488	-21%
thereof defence, in millions	38,587	38,129	+1%
Net Cash position , in millions	4,312	12,534	-66%
Employees	131,349	134,931	-3%

By Business Segment	Revenues			EBIT (reported)		
	FY 2020	FY 2019 ⁽¹⁾	Change	FY 2020	FY 2019 ⁽¹⁾	Change
(Amounts in millions of Euro)						
Airbus	34,250	54,775	-37%	-1,330	1,794	-
Airbus Helicopters	6,251	6,007	+4%	455	414	+10%
Airbus Defence and Space	10,446	10,907	-4%	408	-881	-
Eliminations	-1,035	-1,211	-	-43	12	-
Total	49,912	70,478	-29%	-510	1,339	-

For footnotes please refer to page 7.

By Business Segment	EBIT Adjusted		
(Amounts in millions of Euro)	FY 2020	FY 2019 ⁽¹⁾	Change
Airbus	618	5,947	-90%
Airbus Helicopters	471	422	+12%
Airbus Defence and Space	660	565	+17%
Eliminations	-43	12	-
Total	1,706	6,946	-75%

By Business Segment	Order Intake (net)			Order Book		
	FY 2020	FY 2019	Change	31 Dec 2020	31 Dec 2019	Change
Airbus, in units	268	768	-65%	7,184	7,482	-4%
Airbus, in millions of Euro	16,089	65,769	-76%	324,675	424,082	-23%
Airbus Helicopters, in units	268	310	-14%	663	695	-5%
Airbus Helicopters, in millions of Euro	5,519	7,179	-23%	15,782	16,627	-5%
Airbus Defence and Space, in millions of Euro	11,862	8,520	+39%	33,505	32,263	+4%

Consolidated Airbus – Fourth Quarter (Q4) 2020 Results

(Amounts in Euro)

Consolidated Airbus	Q4 2020	Q4 2019	Change
Revenues, in millions	19,751	24,310	-19%
EBIT Adjusted, in millions	1,831	2,813	-35%
EBIT (reported), in millions	1,675	-2,092	-
Net Income/Loss ⁽²⁾ , in millions	1,553	-3,548	-
Earnings/Loss Per Share	1.98	-4.56	-

By Business Segment (Amounts in millions of Euro)	Revenues			EBIT (reported)		
	Q4 2020	Q4 2019 ⁽¹⁾	Change	Q4 2020	Q4 2019 ⁽¹⁾	Change
Airbus	13,979	19,203	-27%	1,069	-1,371	-
Airbus Helicopters	2,628	2,295	+15%	217	211	+3%
Airbus Defence and Space	3,510	3,201	+10%	444	-964	-
Eliminations	-366	-389	-	-55	32	-
Total	19,751	24,310	-19%	1,675	-2,092	-

By Business Segment (Amounts in millions of Euro)	EBIT Adjusted		
	Q4 2020	Q4 2019 ⁽¹⁾	Change
Airbus	1,259	2,354	-47%
Airbus Helicopters	233	217	+7%
Airbus Defence and Space	394	210	+88%
Eliminations	-55	32	-
Total	1,831	2,813	-35%

Q4 2020 revenues decreased by 19%, mainly driven by lower deliveries at Airbus and partially offset by higher revenues at Airbus Helicopters and Airbus Defence and Space.

Q4 2020 EBIT Adjusted decreased by 35% to € 1,831 million, mainly reflecting lower commercial aircraft deliveries and partly offset by lower Research & Development expenses.

Q4 2020 EBIT (reported) of € 1,675 million included net Adjustments of € -156 million. Net Adjustments in the fourth quarter of 2019 amounted to € -4,905 million.

Q4 2020 Net Income of € 1,553 million mainly reflects the EBIT (reported), € 92 million from the financial result and the low effective tax rate.

EBIT (reported) / EBIT Adjusted Reconciliation

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

Consolidated Airbus (Amounts in millions of Euro)	FY 2020
EBIT (reported)	-510
thereof:	
Restructuring provision	-1,202
A380 programme cost	-385
\$ PDP mismatch/balance sheet revaluation	-480
Others	-149
EBIT Adjusted	1,706

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, restructuring 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 the Universal Registration Document, MD&A section 2.1.6.
FCF	For the definition of the alternative performance measure free cash flow, see the Universal 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 Universal 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 occasionally by the Company in its financial guidance, especially when there is higher uncertainty around customer financing activities.

Footnotes:

1. Previous year figures are restated to reflect the adoption of a new segment reporting structure for "Transversal" activities as of 1 January 2020. Activities related to innovation and digital transformation, which were formerly reported in "Transversal", are now included in the business segment "Airbus" under the new segment structure. "Eliminations" continue to be reported separately.
2. 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.

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;
- The full impact of the COVID-19 pandemic and the resulting health and economic crisis.

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 more information about the impact of the COVID-19 pandemic, see Note 2 “Impact of the COVID-19 pandemic” of the Notes to the Airbus SE Unaudited Condensed IFRS Consolidated Financial Statements published 18 February 2021. For more information about factors that could cause future results to differ from such forward-looking statements, see Airbus SE’s annual reports, including its Universal Registration Document and the most recent Risk Factors.

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.