

Q4 2022

1. Earnings guidance and projections

- **Narrative:** Management has outlined a strategic focus on increasing production rates and achieving financial targets in the coming years. The delivery guidance for 2023 is set at 720 commercial aircraft, indicating a strong push towards meeting market demand. Additionally, there is a targeted EBIT adjustment and a commitment to maintaining a cash conversion ratio over a five-year horizon, underscoring a disciplined financial strategy. Management acknowledges some delays in reaching certain production rates, but remains committed to achieving these by adjusting timelines as necessary.

- **Management's Guidance:**

- The company targets to achieve in 2023 around 720 commercial aircraft deliveries, an EBIT adjusted of around €6 billion, and free cash flow before M&A and customer financing of around €3 billion. Management expects to deliver 720 planes by the end of 2023. A commitment to achieve a cash conversion of 1 over the five-year planning horizon from 2022 through 2026. Production rate 65 is now targeted by the end of next year, a timeline delayed by one year compared to initial projections.

- **Actual Results:**

['Q3', '2023']:

- Data Not Available

['Q1', '2024']:

- Data Not Available

['Q4', '2022']:

- Dominik Asam - "we now exceeded the initial guidance by €1.2 billion."

['Q2', '2023']:

- Data Not Available

- **Evaluation:**

- Insufficient Info: Data not available.

2. New aircraft models

- **Narrative:** Management has reaffirmed their commitment to advancing their product line with the introduction of new aircraft models. The strategic focus remains on the timely entry into service and delivery of these models, which are critical to maintaining the company's competitive positioning in the aerospace market.

- **Management's Guidance:**

- Management expects the XLR to enter service in the second quarter of 2024, with no changes to this timeline. The Mobil project is progressing as planned, with the first delivery expected in 2024 or 2025. The new A321 line in Toulouse is anticipated to deliver its first aircraft by the end of the current year.

- **Actual Results:**

['Q1', '2024']:

- Data Not Available

['Q4', '2022']:

- Data Not Available

['Q2', '2023']:

- Data Not Available

['Q3', '2023']:

- Guillaume Faury mentioned that on the XLR, the aircraft completed its Route Proving Campaign in September and more recently its first passenger experience flight.

- **Evaluation:**

- Insufficient Info: Data not available.

3. Hydrogen-powered aircraft development

- **Narrative:** Management has reaffirmed their commitment to the development of hydrogen-powered aircraft with the introduction of innovative technologies. They highlighted the progression towards the service entry of such aircraft by the year 2035. This development is part of their broader ZEROe program, which underscores their dedication to sustainability and innovation in aviation.

- **Management's Guidance:**

- Management announced the development of a hydrogen-powered fuel cell engine as part of their preparations for the entry to service of hydrogen-powered aircraft by 2035.

- **Actual Results:**

['Q1', '2024']:

- We are developing a new hydrogen-powered aircraft model.

['Q4', '2022']:

- Data Not Available

['Q2', '2023']:

- Our expert teams at the Aircraft System Test House also recently achieved the exciting milestone of running our hydrogen fuel cell engine concept at full power, delivering 1.2 megawatts.

['Q3', '2023']:

- Data Not Available

- **Evaluation:**

- **Expectations Met:** Management's commitment to developing hydrogen-powered aircraft by 2035 was supported by achieving the milestone of running the hydrogen fuel cell engine concept at full power, aligning with their stated goals.

4. Production rate adjustments

- **Narrative:** During the Q4 2022 earnings call, Airbus management outlined their strategic focus on increasing production rates across various aircraft families to meet growing market demand. The discussions highlighted a concerted effort to ramp up production capabilities and adjust the delivery targets to align with the latest market conditions. This included significant adjustments to the production timelines for key aircraft models such as the A320, A330, and A350, reflecting a

proactive approach to operational efficiency and supply chain management.

- **Management's Guidance:**

- Airbus plans to ramp up the A320 family to a monthly production rate of 75% by the middle of the decade. The company aims to achieve a monthly production rate of 65 aircraft by the end of 2024, and 75 by 2026. For the A330 model, Airbus targets reaching a production rate of 4 per month in 2024. The A350 production rate is set to increase to 9 aircraft per month by the end of 2025.

- **Actual Results:**

['Q3', '2023']:

- Data Not Available

['Q1', '2024']:

- Our production rate adjustments have improved efficiency.

['Q4', '2022']:

- Guillaume Faury reported that in 2022, Airbus delivered 661 aircraft to 84 customers, including 516 from the A320 Family, 32 A330s, and 60 A350s. The monthly production rate was increased to around 3% at the end of 2022 as per the plan.

['Q2', '2023']:

- Data Not Available

- **Evaluation:**

- Insufficient Info: Data not available.

5. Supply chain enhancements

- **Narrative:** Management has acknowledged ongoing challenges within the supply chain, emphasizing a gradual improvement trajectory. They highlight that although enhancements are anticipated, a full recovery is not expected in the immediate future, indicating continued supply chain issues into 2023.

- **Management's Guidance:**

- Management expects supply chain conditions to improve progressively, but does not anticipate a complete recovery in the short-term, with ongoing challenges expected throughout 2023.

- **Actual Results:**

['Q1', '2024']:

- Data Not Available

['Q4', '2022']:

- Data Not Available

['Q2', '2023']:

- Data Not Available

['Q3', '2023']:

- Data Not Available

- **Evaluation:**

- Insufficient Info: Data not available.