

## Q3 2024

### 1. Free cash flow dynamics

- **Narrative:** Management has emphasized the role of upcoming deliveries as a pivotal element in achieving their cash flow targets by the end of the year. This strategic focus on delivery schedules underscores their commitment to enhancing free cash flow dynamics, ensuring that operational efficiencies translate into financial performance.

- **Management's Guidance:**

- Management anticipates that the planned deliveries for the remainder of the year will significantly contribute to reaching their cash flow objectives.

- **Actual Results:**

['Q3', '2024']:

- FCF Q3 2024: (318); Q3 2023: (750)

- **Evaluation:**

- **Expectations Met:** The management's focus on delivery schedules to enhance free cash flow dynamics was effective, as evidenced by the improvement in free cash flow from Q3 2023 to Q3 2024, aligning with their cash flow objectives.

### 2. Earnings guidance and projections

- **Narrative:** Management has outlined significant expectations for the upcoming year, focusing on increasing production and financial performance. They plan to deliver around 770 commercial aircraft and aim for an EBIT adjusted target of approximately €5.5 billion. Additionally, the company anticipates a free cash flow before customer financing of about €3.5 billion. This guidance reflects a strategic emphasis on maintaining production efficiency and managing financial outcomes amidst ongoing market challenges.

- **Management's Guidance:**

- The company targets to achieve around 770 commercial aircraft deliveries in 2024. EBIT adjusted is expected to be around €5.5 billion for 2024. The free cash flow before customer financing is projected to be around €3.5 billion in 2024. Management expects capital expenditures to increase in 2024 to support production ramp-up. The tax rate of the core business continues to be around 27%, excluding a potential French surtax that could impact 2024 by around €300 million. A couple of \$100 million negative effect from inflation is anticipated for 2024. Inflation is expected to decrease from 2023 into 2024, with this trend continuing into 2025.

- **Actual Results:**

['Q3', '2024']:

- Data Not Available

- **Evaluation:**

- Insufficient Info: Data not available.

### 3. Production rate adjustments

- **Narrative:** Management has laid out a clear trajectory for production rate adjustments across various aircraft models. There is a concerted effort to ramp up production rates to meet future demand. The A320 production is set to grow significantly, with a target of 75 aircraft per month by 2027. Meanwhile, for the A350, the management is aiming for a production rate of 12 by 2028. These adjustments are part of a broader strategy to enhance operational efficiency while actively managing supply chain challenges that could impact these ramp-up plans, particularly in 2025.

- **Management's Guidance:**

- Management continues to aim for a monthly production rate of 14 aircraft by 2026. The ramp-up towards a rate of 75 aircraft per month is targeted for 2027. For the A350, the target rate is 12 by 2028, with active management of supply chain challenges anticipated to impact the ramp-up in 2025. Adjustments have been made for 2023 and 2024 with a reduced number of Pratt engines supplied to Airbus to balance the tension between fleet support and new plane production.

- **Actual Results:**

['Q3', '2024']:

- Data Not Available

- **Evaluation:**

- Insufficient Info: Data not available.

### 4. Supply chain enhancements

- **Narrative:** Management has acknowledged the challenges in the supply chain, emphasizing the ongoing efforts to adapt and enhance operations. As suppliers improve, Airbus plans to leverage these enhancements by escalating demands to support the company's growth trajectory.

- **Management's Guidance:**

- Management anticipates that the next two to three years will present challenges due to continued ramp-up efforts. They expect that as suppliers enhance their operations, Airbus will continue to increase its demands accordingly.

- **Actual Results:**

['Q3', '2024']:

- Data Not Available

- **Evaluation:**

- Insufficient Info: Data not available.

### 5. Cost management strategies

- **Narrative:** As part of the ongoing efforts to enhance operational efficiency and streamline supply chain management, Airbus's management is implementing strategic initiatives focused on cost management. This involves a restructuring process that aims to decentralize certain functions by transferring them from headquarters to specific business lines. The goal is to optimize resource allocation and improve cost-effectiveness across the organization.

- **Management's Guidance:**

- Management has indicated that this restructuring will lead to a reduction of up to 2,500 positions by mid-2026. These changes are expected to unfold gradually, with significant shifts occurring throughout the course of 2025.

- **Actual Results:**

['Q3', '2024']:

- Data Not Available

- **Evaluation:**

- Insufficient Info: Data not available.

**6. Space systems development**

- **Narrative:** Management highlighted ongoing efforts in the space systems segment, focusing on the completion and assessment of a major space program currently under technical review. This reflects their commitment to advancing strategic projects and maintaining momentum in the development pipeline.

- **Management's Guidance:**

- Management anticipates the final assessment of the major space program currently under review to be completed by the end of the year, slightly before year-end.

- **Actual Results:**

**['Q3', '2024']:**

- No further charges recorded in Q3 2024.

- **Evaluation:**

- Insufficient Info: Data not available.