

Q2 2023

1. Profitability trends

- **Narrative:** Management emphasized the importance of increasing production rates, specifically reaching a certain threshold, as a critical factor for achieving profitability. This strategic focus is aimed at improving financial performance by enhancing operational efficiency and capacity utilization.

- **Management's Guidance:**

- Management highlighted the necessity to ramp up production to achieve a rate of 14 units, which is identified as a pivotal point for realizing profitability.

- **Actual Results:**

['Q2', '2024']:

- Data Not Available

['Q2', '2023']:

- Data Not Available

['Q1', '2024']:

- Data Not Available

['Q3', '2023']:

- Data Not Available

- **Evaluation:**

- Insufficient Info: Data not available.

2. Earnings guidance and projections

- **Narrative:** Management has provided a comprehensive outlook for 2023, focusing on maintaining strong financial performance and strategic growth. The company aims to deliver approximately 720 commercial aircraft by the end of 2023, alongside achieving an EBIT adjusted target of around €6 billion. Furthermore, there is a strategic emphasis on managing cash flow efficiently, with a target to generate €3 billion in free cash flow before mergers and acquisitions (M&A) and customer financing. Capital expenditure is expected to increase slightly to support the industrial ramp-up, reflecting the company's commitment to scaling operations. Additionally, the company is on track to reach a production rate of 75 for its single-aisle aircraft by 2026, aligning with its long-term strategic objectives.

- **Management's Guidance:**

- The company targets around 720 commercial aircraft deliveries in 2023, with an EBIT adjusted of approximately €6 billion and a free cash flow before M&A and customer financing of around €3 billion. There is an expectation for a slight increase in CapEx in 2023 to support the industrial ramp-up. Forecasting to generate €1.4 billion in free cash flow in the second half of the year to meet the guidance of €3 billion. The company continues to target a production rate of 75 for single-aisle aircraft by 2026.

- **Actual Results:**

['Q3', '2023']:

- Data Not Available

['Q1', '2024']:

- Data Not Available

['Q2', '2024']:

- Data Not Available

['Q2', '2023']:

- Data Not Available

- **Evaluation:**

- Insufficient Info: Data not available.

3. New aircraft models

- **Narrative:** Management is focusing on the development and introduction of new aircraft models, with particular attention to the timeline for their entry into service. The company remains on track with its strategic plans to introduce new variants and models to the market, which are expected to bolster its competitive position.

- **Management's Guidance:**

- The management confirmed that the entry into service for the new aircraft model is anticipated to occur in Q2 2024. Additionally, the development of the freighter variant of the A350 is ongoing, with a service entry now projected for 2026.

- **Actual Results:**

['Q1', '2024']:

- Data Not Available

['Q2', '2024']:

- Data Not Available

['Q2', '2023']:

- Data Not Available

['Q3', '2023']:

- Guillaume Faury [On the XLR, the aircraft completed in September its Route Proving Campaign and more recently its first passenger experience flight.]

- **Evaluation:**

- Insufficient Info: Data not available.

4. Production rate adjustments

- **Narrative:** Management has outlined a robust strategic plan to enhance production capabilities across its commercial aircraft programs. The focus is on achieving an ambitious delivery target while simultaneously scaling up production rates for various aircraft models. This comprehensive approach signifies a well-coordinated effort to align production with market demand and supply chain capabilities.

- **Management's Guidance:**

- The company remains committed to reaching a delivery target of around 720 commercial aircraft in the second half of the year. There is a continued ramp-up to achieve a production rate of 14 in the middle of the decade. Progress is being made towards a production rate of 75 aircraft per month by 2026. The company

targets a production rate of 4 for the A330 in 2024 and a rate of 9 for the A350 by the end of 2025. The decision to ramp up to a rate of 75 is affirmed with an emphasis on aligning the supply chain to support this goal. Plans are in place to have 10 final assembly lines for the A320 Family, all capable of handling the A321 model. The analysis and planning for 2024 and 2025 production rates have been completed, with adjustments based on thorough investigation.

- Actual Results:

['Q3', '2023']:

- Guillaume Faury reported that in Q3, Airbus delivered 172 commercial aircrafts. This brings the year-to-date deliveries to 488 aircrafts, compared to 437 in the previous year.

['Q1', '2024']:

- Our production rate adjustments have improved efficiency.

['Q2', '2024']:

- 323 Commercial aircraft delivered.

['Q2', '2023']:

- Deliveries: 316 aircraft comprising 25 A220, 256 A320 Family, 14 A330, and 21 A350

- Evaluation:

- Expectations Not Met: Management aimed for 720 aircraft deliveries in the second half of the year, but by Q3 2023, only 488 aircrafts were delivered year-to-date, indicating that the ambitious delivery targets were not achieved.

5. Supply chain enhancements

- **Narrative:** Management emphasized that despite potential industry disruptions, the company's supply chain remains resilient, particularly with engine deliveries. This reflects a strategic focus on maintaining operational efficiency and ensuring consistent supply to meet production targets.

- Management's Guidance:

- Pratt & Whitney has confirmed that there will be no impact on the delivery streams of engines to Airbus for the year 2023, indicating stability and reliability in the supply chain for the current year.

- Actual Results:

['Q1', '2024']:

- Data Not Available

['Q2', '2024']:

- Data Not Available

['Q2', '2023']:

- Data Not Available

['Q3', '2023']:

- Data Not Available

- Evaluation:

- Insufficient Info: Data not available.