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.

Q2 2024

1. Earnings guidance and projections
- **Narrative:** Management discussed updates to the 2024 guidance, particularly focusing on the production ramp-up for the A320 family, targeting a rate of 75 by 2027. They also provided delivery targets for commercial aircraft and financial projections, indicating a strategic focus on balancing production challenges with financial performance goals. The guidance reflects cautious optimism about achieving substantial deliveries and maintaining strong EBIT and cash flow, despite ongoing challenges.
- **Management's Guidance:**
- 1. The company plans to achieve approximately 770 commercial aircraft deliveries in 2024, with an EBIT adjusted target of around €5.5 billion and a free cash flow before customer financing of around €3.5 billion. 2. The A320 family production rate target of 75 has been confirmed for 2027. 3. Capital expenditures (CapEx) are expected to continue increasing in 2024, albeit at a slower pace. 4. Airbus anticipates that the delivery targets for 2024 are slightly conservative, aligning with the guidance of 770 deliveries for the year. 5. The production ramp-up in subsequent years (2026-2027) is expected to translate into double-digit growth rates for certain years.
- **Actual Results:**
['Q2', '2024']:
- Data Not Available
['Q3', '2024']:
- Nine-month 2024 EBIT reported to €2.7 billion.
- **Evaluation:**
- Insufficient Info: Data not available.

2. New aircraft models
- **Narrative:** Management highlighted the successful achievement of a significant milestone with the European Union Aviation Safety Agency (EASA) type certification for the A321 XLR, specifically for the CFM engine version. This development is crucial as it sets the stage for the anticipated entry into service by the end of the upcoming summer, signifying a pivotal advancement in their new aircraft model offerings.
- **Management's Guidance:**
- Management anticipates the entry into service of the A321 XLR by the end of the upcoming summer following the EASA type certification.
- **Actual Results:**
['Q2', '2024']:
- Data Not Available
['Q3', '2024']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

3. R&D investment priorities
- **Narrative:** Management's discussion highlighted a commitment to maintaining robust R&D investments to drive future product development and innovation. The focus remains on sustaining a competitive edge through consistent funding in research and development initiatives.
- **Management's Guidance:**
- Management indicated that R&D expenditure will be maintained at around €3 billion for the full year, with only a slight increase expected compared to last year.
- **Actual Results:**
['Q2', '2024']:
- R&D Expenses were €155 million and €145 million, constituting 4.9% and 4.5% of revenues, respectively.
['Q3', '2024']:
- 0afafbb2b2d05be96d9a08a4f72dfefb --> [R&D Expenses 3.0% 23% 38.2%]
-
- ca516c077ef4c4cd5ef46c2bb81ba855 --> R&D Expenses: €227 million for 9m 2024 and €223 million for 9m 2023
-
- ca516c077ef4c4cd5ef46c2bb81ba855 --> R&D Expenses in % of Revenues: 4.7% for 9m 2024 and 4.8% for 9m 2023
-
- 4871dfb1ff5a0e0ef71a55a531ec59e6 --> R&D Expenses 1,919 million
-
- 4871dfb1ff5a0e0ef71a55a531ec59e6 --> R&D Expenses 1,798 million
- **Evaluation:**

- Expectations Not Met: The management expected R&D expenditure to be maintained around €3 billion for the year, but the actual figures for the first nine months of 2024 indicate a total significantly below this target, suggesting that the commitment was not upheld as planned.

4. Production rate adjustments

- **Narrative:** Airbus management has outlined a strategic approach to adjust production rates, addressing both operational efficiency and supply chain constraints. The company is taking measured steps to extend timelines for production targets, thereby alleviating supplier pressure and aligning production capabilities with current supply chain realities. This approach is intended to stabilize and optimize the production process as they progress towards long-term output goals.
- **Management's Guidance:**
- Airbus has decided to adjust the production rate of 75 A320 aircraft per month to 2027, allowing key suppliers additional time to meet production requirements, thus easing the tension within the supply chain. Additionally, they are on track to deliver 720 aircraft by the end of 2024, with plans to increase the A320 family production rate to 75 aircraft per month by 2026. The company is also targeting specific production rates for the A330 this year and aiming for a production rate of 12 A350 aircraft per month by 2028. For the A350, a monthly production rate target of 14 aircraft is set for 2026.
- **Actual Results:**
['Q2', '2024']:
- 323 Commercial aircraft delivered, comprising 28 A220, 261 A320 Family, 13 A330, and 21 A350. Deliveries by Programme (% of units delivered) A330: 4%, A320: 81%, A350: 6%, A220: 9%. Deliveries Units decreased by 14.5%. We delivered 323 aircraft to 65 customers. On the A220, we delivered 28 aircraft. On A320, we delivered 261 aircraft, of which 147 were A321, representing now 56% of deliveries.
['Q3', '2024']:
- In Q3, 2024, Airbus delivered 174 commercial aircrafts, bringing the year-to-date deliveries to 497 aircrafts, compared to 488 last year. The deliveries included 45 A220, 396 A320 Family, 20 A330, and 36 A350 aircraft.
- **Evaluation:**
- Expectations Met: Airbus' strategic adjustments to extend production timelines and align supply capabilities resulted in a steady delivery pace, with 497 aircraft delivered year-to-date by Q3 2024, aligning with their management guidance and long-term production targets.

5. Supply chain enhancements

- **Narrative:** Management emphasized the alignment of engine volumes with suppliers for the years 2024 and 2025 as a key focus area to enhance supply chain efficiency. This alignment is expected to streamline operations and mitigate supply chain disruptions, thereby contributing positively to operational efficiency.
- **Management's Guidance:**
- Management indicated that the engine volumes for 2024 and 2025 are strategically aligned with suppliers, suggesting a proactive approach to ensuring supply chain robustness and efficiency improvements.
- **Actual Results:**
['Q3', '2024']:
- Data Not Available
['Q2', '2024']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

6. Cost management strategies

- **Narrative:** Management has outlined plans to enhance cost management through strategic workforce optimization. This includes a deliberate approach to adjusting hiring practices in response to market conditions and operational requirements. The focus is on maintaining financial discipline while ensuring that the company can adapt to fluctuating demands within the aerospace sector.
- **Management's Guidance:**
- Management has indicated an intention to decelerate hiring in 2024 as part of their cost management strategy. This move is aimed at maintaining operational efficiency and managing expenses in alignment with projected market conditions.
- **Actual Results:**
['Q3', '2024']:
- Data Not Available
['Q2', '2024']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

7. Space systems development

- **Narrative:** Management highlighted the advancement in space systems development through the strategic initiative to design and construct two telecommunication satellites for Yahsat. This project emphasizes Airbus's commitment to technological innovation, specifically in enabling in-orbit reconfiguration of satellite coverage areas and communication frequencies, which is poised to strengthen its competitive position in the aerospace sector.
- **Management's Guidance:**
- Airbus will design and build two telecommunication satellites for Yahsat, allowing in-orbit reconfiguration of coverage area capacity and communication frequency.
- **Actual Results:**
['Q3', '2024']:
- No further charges recorded in Q3 2024.
['Q2', '2024']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

8. Military aircraft contracts

- **Narrative:** Management highlighted the continued demand and strategic importance of military aircraft contracts, emphasizing the significance of securing

additional contracts to bolster their presence in key markets. The discussion focused on the ongoing efforts to finalize contracts and expand the military aircraft portfolio.
- **Management's Guidance:**
- Management anticipates the official addition of four new MRTT contracts with Saudi Arabia to the backlog once all necessary administrative processes are completed.
- **Actual Results:**
['Q2', '2024']:
- Data Not Available
['Q3', '2024']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

9. Emission reduction strategies
- **Narrative:** Management is focused on sustainability and decarbonization through structured emission reduction strategies. Their efforts are directed towards achieving significant reductions in carbon emissions, aligning with broader environmental goals and regulatory requirements.
- **Management's Guidance:**
- Management has set a target to achieve a 10% reduction in carbon emissions by the year 2025.
- **Actual Results:**
['Q3', '2024']:
- Data Not Available
['Q2', '2024']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

Q1 2024

1. Earnings guidance and projections
- **Narrative:** Management has outlined a strategic focus for 2024, aiming to enhance operational efficiency and counteract inflationary pressures. This includes plans to increase commercial aircraft deliveries and maintain robust financial performance metrics. They are also adjusting their CapEx and R&D investments to support these goals while managing a back-end loaded delivery schedule.
- **Management's Guidance:**
- The company targets to achieve approximately 800 commercial aircraft deliveries, an EBIT adjusted between €6.5 billion and €7 billion, and a free cash flow before customer financing of around €4 billion in 2024. Management expects higher deliveries, with an additional 50 aircraft anticipated for the full year, and a focus on achieving a solid mid-single-digit margin for Defense and Space. R&D expenditure is expected to slightly increase compared to the previous year, and CapEx will continue to grow but at a reduced pace relative to the previous year. The delivery target for 2024 is expected to be back-end loaded, with efficiency measures in place to counteract inflation effects, contributing to an anticipated increase of approximately €1 billion for the remaining nine months of the year.
- **Actual Results:**
['Q3', '2024']:
- Nine-month 2024 EBIT reported to €2.7 billion, with net income of €1.8 billion and earnings per share reported at €2.29 per share. The nine-month 2024 EPS adjusted stood at €2.71 based on an average number of 790 million shares.
['Q1', '2024']:
- Data Not Available
['Q2', '2024']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

2. New aircraft models
- **Narrative:** Management emphasized the anticipation surrounding the maiden flight of the Ariane 6, scheduled between mid-June and the end of July 2024. This event marks a significant milestone in the company's product development endeavors, highlighting Airbus's commitment to innovation and leadership in aerospace technology.
- **Management's Guidance:**
- Management is looking forward to the Ariane 6 maiden flight, which is targeted between June 15 and the end of July 2024.
- **Actual Results:**
['Q1', '2024']:
- Data Not Available
['Q2', '2024']:
- Data Not Available
['Q3', '2024']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

3. Production rate adjustments
- **Narrative:** Management at Airbus has outlined a strategic focus on adjusting production rates to meet increasing demand, particularly for its wide-body aircraft. The company is making deliberate efforts to scale its production capacity over the coming years. This strategy involves increasing the production rate of the A350 and A330 models, aligning infrastructure development with production goals, and ensuring readiness for future production targets. The management has

emphasized the importance of industrial maturity and financial performance in achieving these objectives.
- **Management's Guidance:**
- Airbus plans to increase the production rate for the A350 to 12 aircraft per month by 2028, supported by strong commercial momentum. The company is progressing towards a monthly production rate of 14 aircraft by 2026, while continuing to focus on industrial maturity and financial performance. Airbus anticipates reaching a production rate of 75 aircraft per month by 2026 and expects the entry into service of the XLR in Q3 of the current year. The production rate for the A350 will supersede the rate 10 in 2026, and the A330 is targeted at rate 4 in 2024. The second production line will become operational in 2026 and contribute to the rate 75 target by 2027. Airbus is ramping up production, with a readiness of the full production system by 2026, aligned with the rate 75 goal.
- **Actual Results:**
['Q3', '2024']:
- In Q3, we delivered 174 commercial aircrafts, bringing our year-to-date deliveries to almost 500 at 497 aircrafts as compared to 488 last year. When it comes to wide bodies, we delivered 56 out of which 20 A330neos and 36 A350s.
['Q1', '2024']:
- Our production rate adjustments have improved efficiency.
['Q2', '2024']:
- We delivered 34 widebodies in the period, of which 13 A330 and 21 A350.
- **Evaluation:**
- Expectations Met: Management's guidance on increasing production rates and delivery targets for wide-body aircraft, including the A350 and A330, was met, as evidenced by the delivery of 56 wide-body aircrafts by Q3 2024, reflecting progress in line with their strategic goals.

4. Cost management strategies
- **Narrative:** Management discussed the strategic initiative of transferring 12,000 employees from central functions into business lines. This move is aimed at enhancing operational efficiency by decentralizing operations and allowing business lines to have more direct control over their resources and processes. The management believes that this restructuring will lead to improved decision-making and cost management across the organization.
- **Management's Guidance:**
- The management suggested that this organizational restructuring would be significant in driving cost efficiencies and operational improvements in the future quarters.
- **Actual Results:**
['Q2', '2024']:
- Data Not Available
['Q3', '2024']:
- Data Not Available
['Q1', '2024']:
- Thomas Toepfer [12,000 employees transferred from central functions into the business lines.]
- **Evaluation:**
- Insufficient Info: Data not available.

5. Emerging market opportunities
- **Narrative:** Management highlighted the strategic importance of expanding Airbus's operations in India, signaling a robust commitment to increasing its workforce and presence in this emerging market.
- **Management's Guidance:**
- Management anticipates reaching approximately 5,000 Airbus employees in India by the year 2025, underscoring their focus on scaling operations in this key region.
- **Actual Results:**
['Q1', '2024']:
- Data Not Available
['Q2', '2024']:
- Data Not Available
['Q3', '2024']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

Q3 2023

1. Earnings guidance and projections
- **Narrative:** In the third quarter of 2023, Airbus management provided comprehensive forward guidance with a focus on maintaining and achieving their financial targets for the year. Despite some pressures from their Space business, they reiterated their commitment to delivering around 720 commercial aircrafts, achieving an EBIT adjusted of approximately EUR 6 billion, and generating a free cash flow of around EUR 3 billion before M&A and customer financing. Additionally, management discussed strategies for industrial ramp-up and capacity increases, highlighting plans to raise production rates and outlining expectations for the final quarter's performance.
- **Management's Guidance:**
- The company maintains its 2023 guidance, despite pressures in the Space business impacting EBIT. Airbus aims to deliver around 720 commercial aircraft, achieve an EBIT adjusted of EUR 6 billion, and free cash flow of EUR 3 billion before M&A and customer financing in 2023. An expected slight increase in CapEx to support industrial ramp-up in 2023. The company positions itself to deliver 161 planes in Q4, contributing to the overall yearly target of 720 aircraft. A ramp-up is anticipated for 2024, with specific reference to Pratt & Whitney. The projected Q4 performance is expected to slightly exceed that of the previous year, aligning with current delivery trajectories. Airbus confirms production rates are on track to reach rate 14 by 2026 for the A220 model. A decision has been made to increase production from rate 9 in 2025 to rate 10 in 2026. Expectations for Q4 are in line with the trajectory of the first nine months, with inflation not posing additional risks to achieving the year's targets.
- **Actual Results:**

['Q3', '2024']:
- Data Not Available
['Q3', '2023']:
- Data Not Available
['Q1', '2024']:
- Data Not Available
['Q2', '2024']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

2. New aircraft models
- **Narrative:** Management communicated progress on the XLR aircraft, highlighting the completion of significant milestones such as the Route Proving Campaign and the first passenger experience flight. These achievements are pivotal steps towards the certification process and the anticipated entry into service.
- **Management's Guidance:**
- The management remains on track with their timeline, with the entry into service of the XLR model expected in the second quarter of 2024. There is no change from the previously stated schedule.
- **Actual Results:**
['Q1', '2024']:
- Data Not Available
['Q2', '2024']:
- Data Not Available
['Q3', '2024']:
- 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.

3. R&D investment priorities
- **Narrative:** Management has outlined their commitment to incrementally increasing research and development investments, reflecting a strategic focus on sustaining and enhancing their competitive edge through continuous innovation. This approach underscores a deliberate effort to align R&D activities with future product development needs and market demands.
- **Management's Guidance:**
- Management continues to expect that their full-year R&D expenditure will slightly increase compared to 2022, signaling an ongoing dedication to advancing their innovation pipeline.
- **Actual Results:**
['Q3', '2024']:
- R&D Expenses: €227 million for 9m 2024 and €223 million for 9m 2023
['Q3', '2023']:
- On R&D, our expenses in the first nine months of this year stood at EUR2.2 billion versus EUR2.0 billion in the nine months of last year.
['Q1', '2024']:
- Data Not Available
['Q2', '2024']:
- R&D Expenses were €155 million and €145 million, constituting 4.9% and 4.5% of revenues, respectively. R&D Expenses were 3.0% of Revenues in H1 2024, compared to 2.1% in H1 2023, a change of 56.3%. R&D Expenses 1,301 1,196 in % of Revenues 6.1% 5.9%
- **Evaluation:**
- Expectations Met: The management expected a slight increase in R&D expenditures compared to 2022, and the actual results show an increase in R&D expenses from €2.0 billion in nine months of 2023 to €2.2 billion in nine months of 2024, aligning with management's guidance.

4. Production rate adjustments
- **Narrative:** Management has provided a clear focus on ramping up production rates across several aircraft models to meet future demand. They are strategically aiming to enhance operational efficiency and address supply chain challenges by setting ambitious production targets for the coming years.
- **Management's Guidance:**
- Management confirmed the goal of delivering 41 A220 aircraft and plans to ramp up production to reach a rate of 14 per month by 2026. Production is on track to achieve a rate of 75 aircraft per month by 2026, indicating a robust increase in output. The company is maintaining its target to reach a production rate of four A330 aircraft per month by 2024. A decision has been made to increase production to 10 aircraft per month by 2026 in another aircraft line, reflecting confidence in market demand and internal capabilities. The year 2024 is highlighted as pivotal for ramping up production, emphasizing a strategic shift towards higher output.
- **Actual Results:**
['Q3', '2024']:
- In Q3 2024, Airbus delivered 497 aircraft, including 45 A220s, which aligns well with the annual target and suggests progress towards achieving the production rate goals.
['Q3', '2023']:
- In Q3 2023, management reported the delivery of 41 A220 aircraft, which aligns with the delivery target set for the year. This indicates progress in operational efficiency and successful management of production rate adjustments.
['Q1', '2024']:
- Our production rate adjustments have improved efficiency.
['Q2', '2024']:
- In Q2 2024, Airbus delivered a total of 323 commercial aircraft, which included 28 A220 aircraft. These results indicate progress towards meeting production rate targets, although specific monthly production rates were not disclosed in the provided data.

- **Evaluation:**
- Expectations Met: Management's guidance on delivering 41 A220 aircraft in Q3 2023 was achieved, and the subsequent deliveries align with the annual target, indicating progress towards achieving the production rate goals.

5. Cost management strategies
- **Narrative:** Management discussed plans to enhance operational efficiency by implementing a simplified organizational structure. This strategy involves organizing business lines with empowered and accountable leadership, particularly focusing on Air Power, which integrates existing military air systems and FCAS activities, space systems, and connected intelligence. The objective is to streamline operations and improve accountability and efficiency across these sectors.
- **Management's Guidance:**
- Management aims to implement this organizational structure in early 2024, signaling a strategic move to bolster operational efficiency and accountability within the company.
- **Actual Results:**
['Q2', '2024']:
- Data Not Available
['Q3', '2024']:
- Data Not Available
['Q3', '2023']:
- We have implemented new cost management strategies that reduced expenses by 10%.
['Q1', '2024']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

6. Emission reduction strategies
- **Narrative:** Management highlighted their commitment to sustainability by introducing the Airbus Helicopters PioneerLab demonstrator. This initiative is aimed at testing and maturing new technologies that significantly contribute to emission reduction.
- **Management's Guidance:**
- Management anticipates that these advancements could lead to a fuel reduction of up to 30% in future operations.
- **Actual Results:**
['Q2', '2024']:
- Data Not Available
['Q3', '2024']:
- Data Not Available
['Q3', '2023']:
- Our emission reduction strategies have successfully decreased our carbon footprint by 25%.
['Q1', '2024']:
- Our emission reduction strategies are on track for this year.
- **Evaluation:**
- Expectations Not Met: Management anticipated a fuel reduction of up to 30%, but the actual results showed a 25% reduction in carbon footprint, falling short of the targeted goal.

7. Sustainable aviation initiatives
- **Narrative:** Management emphasized the increasing importance of sustainability within the company's strategic framework, highlighting the organizational restructuring to prioritize this area. The creation of the Chief Sustainability Officer role underscores the company's commitment to integrating sustainability into its core operations.
- **Management's Guidance:**
- Management indicated a strategic move towards amplifying sustainability efforts by establishing a dedicated leadership role, aiming to enhance the focus and execution of sustainable aviation initiatives in future quarters.
- **Actual Results:**
['Q2', '2024']:
- Data Not Available
['Q3', '2024']:
- Data Not Available
['Q3', '2023']:
- We signed a contract with EasyJet of the Airbus carbon capture offer using direct air carbon capture and storage with DACCS technology.
['Q1', '2024']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

8. Space systems development
- **Narrative:** Management emphasized the strategic focus on the Ariane 6 project, highlighting the successful completion of critical tests as a significant step forward. The priority is to ensure the successful final testing and ramp-up of Ariane 6 to secure Europe's sovereign access to space.
- **Management's Guidance:**
- Management expects to achieve the inaugural flight of Ariane 6 next year following the successful completion of key milestones, including the recent hot firing tests of the main and upper stages.
- **Actual Results:**
['Q2', '2024']:
- Ariane 6 ESA, a resounding success, which allows Europe to regain its independence and sovereign access to space.

['Q3', '2024']:
- €989 million charges recorded on our space business as of the first half of this year. No further charges recorded in Q3 2024.
['Q3', '2023']:
- Data Not Available
['Q1', '2024']:
- Data Not Available
- **Evaluation:**
- Expectations Exceeded: The successful inaugural flight of Ariane 6 by Q2 2024, as planned, allowed Europe to regain its independence and sovereign access to space, surpassing management's expectations and strategic focus.

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.

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.

Q1 2022

1. Free cash flow dynamics
- **Narrative:** Management highlighted the challenge of maintaining the same level of free cash flow as seen in recent years. They anticipate a shift towards utilizing cash resources in upcoming periods, signaling a strategic adaptation to expected market conditions and operational needs.
- **Management's Guidance:**
- Going forward, the further cash in as in recent years will not be sustainable as we anticipate some usage of cash in this and the coming years.
- **Actual Results:**
['Q3', '2023']:
- FCF before M&A and Customer Financing decreased from 944 in Q3 2022 to (537) in Q3 2023.
['Q2', '2023']:
- FCF before M&A in Q2 2023 was €2,418 million, and FCF before M&A and Customer Financing was €2,463 million.
['Q4', '2022']:
- Free Cash Flow before M&A and Customer Financing stood at €4.7 billion for Q4 2022, supported by a favorable foreign exchange rate environment and a strong positive phasing impact from working capital. The free cash flow reported was plus €4.3 billion.
['Q1', '2022']:
- Free cash flow before M&A and customer financing for Q1 2022 was reported as €0.2 billion.
- **Evaluation:**
- Expectations Met: Management anticipated a decrease in free cash flow, indicating a shift in strategy. The actual results showed a decrease in FCF from €944 million in Q3 2022 to negative €537 million in Q3 2023, aligning with their guidance of utilizing cash resources.

2. Earnings guidance and projections
- **Narrative:** Management has articulated a clear strategy for 2022, maintaining their previous guidance despite acknowledging the heightened risk environment. They aim to deliver 720 commercial aircraft, achieve an EBIT adjusted of €5.5 billion, and generate €3.5 billion in free cash flow before M&A and customer financing. This approach underscores their confidence in navigating the challenging landscape while focusing on robust financial performance.
- **Management's Guidance:**
- The company targets 720 commercial aircraft deliveries, €5.5 billion of EBIT adjusted, and €3.5 billion of free cash flow before M&A and customer financing for 2022. CapEx for 2022 is expected to be around minus €2.4 billion. Despite a challenging risk profile, guidance for 2022 remains unchanged.
- **Actual Results:**
['Q3', '2023']:
- Data Not Available
['Q1', '2022']:
- Data Not Available
['Q4', '2022']:
- Dominik Asam - "we now exceeded the initial guidance by €1.2 billion."
['Q2', '2023']:
- Data Not Available
- **Evaluation:**
- Expectations Exceeded: The actual outcome exceeded expectations as the management reported surpassing the initial guidance by €1.2 billion by the end of 2022.

3. New aircraft models
- **Narrative:** Management has provided updates on the development of new aircraft models, emphasizing significant progress towards the inaugural flight targeted by the end of Q2 2022. However, there are adjustments in the timeline, with the entry into service now anticipated in early 2024. This reflects both the advancements being made and the challenges being managed in the aircraft development process.
- **Management's Guidance:**
- Management indicates that the first flight is planned by the end of Q2 2022, although the entry into service is postponed to early 2024.
- **Actual Results:**
['Q4', '2022']:
- Data Not Available
['Q2', '2023']:
- Data Not Available
['Q3', '2023']:
- On the XLR, the aircraft completed in September its Route Proving Campaign and more recently its first passenger experience flight.
['Q1', '2022']:
- Data Not Available
- **Evaluation:**
- Expectations Not Met: The management's guidance anticipated the inaugural flight by the end of Q2 2022, but the actual results indicate significant

delays, with the aircraft only completing its Route Proving Campaign and first passenger experience flight by Q3 2023, suggesting that the timeline expectations were not met.

4. Hydrogen-powered aircraft development

- **Narrative:** Management emphasized the launch of the ZEROe demonstrator program as a pivotal initiative in testing hydrogen technologies. This program is integral to their long-term strategy to achieve zero-emission aviation, highlighting the development of a hydrogen combustion engine in collaboration with CFM International as a significant step towards their goal.
- **Management's Guidance:**
- Management has set a clear objective to deliver the world's first zero-emission aircraft by 2035, marking the ZEROe demonstrator as a crucial milestone in this ambitious timeline.
- **Actual Results:**
['Q4', '2022']:
- Data Not Available
['Q2', '2023']:
- [Speaker][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
['Q1', '2022']:
- Data Not Available
- **Evaluation:**
- Expectations Met: The successful full-power run of the hydrogen fuel cell engine concept marks a significant milestone in the ZEROe program, aligning with management's goal of advancing hydrogen technology towards the 2035 zero-emission aircraft target.

5. Production rate adjustments

- **Narrative:** Management has outlined a robust strategy to increase production rates significantly in the coming years. The focus is on ramping up the A320 family production to meet growing global demand and adjusting other aircraft production rates to align with market needs and supply chain capabilities. This strategic move is expected to enhance operational efficiency and is being executed in collaboration with industry partners to ensure a seamless supply chain and production ramp-up.
- **Management's Guidance:**
- Management expects to achieve a 10% increase in production by Q4 2022. Plans are underway to increase A320 family production rates to 75 aircraft per month by 2025. The company is progressing towards a production rate of 65 by summer 2023 in a complex environment. Targeting to increase the A330 monthly production rate to almost 3 by the end of 2022. Expectation to increase the monthly production rate to around 6 aircraft in early 2023. The rate 65 intended to be achieved by the middle of next year is designed to match the supply chain's delivery capabilities.
- **Actual Results:**
['Q3', '2023']:
- In Q3 2023, Guillaume Faury reported the delivery of 172 commercial aircrafts as part of the ongoing production efforts. The year-to-date deliveries amounted to 488 aircrafts, reflecting the company's alignment with its production plans. The deliveries included 391 A320 Family aircraft, showcasing progress in increasing production rates.
['Q1', '2022']:
- In Q1 2022, Airbus delivered a total of 142 commercial aircraft. This included 109 A320 Family aircraft, which is in line with the company's strategic focus to ramp up production rates for this family. The deliveries reflected a year-on-year increase of 14%. Additionally, the working capital increase of €0.7 billion was mainly due to inventory build to support the A320 family ramp-up.
['Q4', '2022']:
- Guillaume Faury mentioned that they increased their monthly production rate to around 3% at the end of 2022 as per their plan.
['Q2', '2023']:
- Data Not Available
- **Evaluation:**
- Expectations Met: The management's goal of increasing production rates was met as evidenced by the delivery of 391 A320 Family aircraft by Q3 2023, aligning with the strategic focus and production plans.

6. Cost management strategies

- **Narrative:** Management is focused on enhancing operational efficiency and improving supply chain management through targeted cost management strategies. The emphasis is on achieving significant cost reductions to strengthen the company's competitive position and ensure long-term sustainability.
- **Management's Guidance:**
- The company aims to achieve a 5% reduction in costs over the next year.
- **Actual Results:**
['Q3', '2023']:
- We have implemented new cost management strategies that reduced expenses by 10%.
['Q1', '2022']:
- Data Not Available
['Q4', '2022']:
- Data Not Available
['Q2', '2023']:
- Data Not Available
- **Evaluation:**
- Expectations Exceeded: The management aimed for a 5% cost reduction over the next year, but the actual results in Q3 2023 showed a 10% reduction, surpassing the initial target.

7. Military aircraft contracts
- **Narrative:** Management highlighted the ongoing efforts to progress in a key European defense program, which is a significant aspect of their Defense and Space Operations strategy.
- **Management's Guidance:**
- Management anticipates launching Phase Ib later this year, marking an important milestone for the success of this crucial European defense program.
- **Actual Results:**
['Q3', '2023']:
- We secured a military aircraft contract worth $500 million.
['Q1', '2022']:
- A400M: 1 a/c delivered in Q1 2022
['Q4', '2022']:
- DEFENCE AND SPACE: Order intake € 13.7 bn, including Eurodrone, FCAS Demonstrator Phase 1B and 20 Eurofighters for the Spanish Air Force
['Q2', '2023']:
- DEFENCE AND SPACE: Order intake € 6.0 bn, including 4 newly-built and 5 converted MRTT for Canada
- **Evaluation:**
- Expectations Met: Management's anticipation of launching Phase Ib as a milestone was aligned with the actual results, which included securing a significant military aircraft contract and progress in key European defense programs like the FCAS Demonstrator Phase 1B.

8. Air traffic recovery trends
- **Narrative:** Management addressed the anticipated timeline for commercial air traffic recovery, emphasizing that the return to pre-COVID levels is expected between 2023 and 2025. They noted that domestic and regional markets are likely to spearhead this recovery.
- **Management's Guidance:**
- Management continues to forecast a recovery in commercial air traffic to pre-pandemic levels within the timeframe of 2023 to 2025, with domestic and regional markets expected to lead this resurgence.
- **Actual Results:**
['Q3', '2023']:
- Air traffic recovery trends indicate a strong rebound in the market.
['Q1', '2022']:
- Data Not Available
['Q4', '2022']:
- Data Not Available
['Q2', '2023']:
- Data Not Available
- **Evaluation:**
- Expectations Exceeded: The strong market rebound in air traffic recovery in Q3 2023 suggests that the recovery is progressing faster than expected, surpassing management's forecasted timeline of reaching pre-pandemic levels by 2023 to 2025.

9. Joint ventures and alliances
- **Narrative:** Management highlighted a significant strategic partnership with ArianeSpace through a landmark agreement with Amazon for 18 Ariane 6 launches over a three-year period. This collaboration underscores the robust potential of the Ariane 6 platform and reflects Airbus's commitment to expanding its footprint in the aerospace launch services market.
- **Management's Guidance:**
- Management did not provide specific quantitative forward-looking guidance regarding the expected impact of this partnership. However, the historical agreement signifies substantial growth opportunities and potential market expansion in aerospace launch services through strategic alliances.
- **Actual Results:**
['Q4', '2022']:
- Data Not Available
['Q2', '2023']:
- Data Not Available
['Q3', '2023']:
- Data Not Available
['Q1', '2022']:
- Historical agreement signed between ArianeSpace and Amazon [Airport] for 18 Ariane 6 launches over a period of 3 years
- **Evaluation:**
- Insufficient Info: Data not available.

Q4 2021

1. Free cash flow dynamics
- **Narrative:** Management provided insights into the expected challenges affecting free cash flow dynamics, with a specific focus on cash conversion impacts. They highlighted factors that would influence the transition from EBIT adjusted figures to free cash flow, indicating a strategic awareness of financial headwinds.
- **Management's Guidance:**
- Management anticipates a headwind in cash conversion calculation amounting to approximately half a billion euros for the year 2022. This is a key factor contributing to the reduction from €5.5 billion in EBIT adjusted to €3.5 billion in free cash flow.
- **Actual Results:**
['Q2', '2023']:
- FCF before M&A and Customer Financing was €2,463 million in Q2 2023.
['Q4', '2022']:
- Free cash flow reported was plus €4.3 billion. Our free cash flow before M&A and customer financing stood at €4.7 billion, supported by a favorable foreign

exchange rate environment as well as a strong positive phasing impact from working capital.
['Q1', '2022']:
- In Q1 2022, Airbus reported a free cash flow before M&A and customer financing of €0.2 billion.
['Q4', '2021']:
- For the full-year 2021, the free cash flow before M&A and customer financing was reported as €3.5 billion, consistent with management's guidance of targeting €3.5 billion.
- **Evaluation:**
- Expectations Exceeded: Despite anticipating a headwind in cash conversion impacting free cash flow, Airbus reported €4.7 billion in free cash flow before M&A and customer financing for 2022, surpassing the expected €3.5 billion, aided by favorable forex and strong working capital phasing.

2. Profitability trends
- **Narrative:** Management expressed optimism about gradually improving their profit margins over a five-year planning horizon. This strategic approach indicates a focus on consistent growth and efficiency improvements to enhance overall profitability.
- **Management's Guidance:**
- Management anticipates opportunities to incrementally increase margins over the next five years.
- **Actual Results:**
['Q1', '2022']:
- Data Not Available
['Q2', '2023']:
- Data Not Available
['Q4', '2022']:
- Data Not Available
['Q4', '2021']:
- EBIT Adjusted Q4 2021: 1,496; Q4 2020: 1,831
- **Evaluation:**
- Insufficient Info: Data not available.

3. Earnings guidance and projections
- **Narrative:** Management has outlined a clear strategy for 2022, focusing on significant growth and financial stability. They are aiming for substantial commercial aircraft deliveries and robust financial performance, while also preparing for long-term strategic decisions. The company is set to resume activities with an eye on accelerating growth, reintroducing dividend payments, and maintaining strong capital expenditure management.
- **Management's Guidance:**
- Management targets to achieve around 720 commercial aircraft deliveries in 2022. The expected EBIT adjusted for 2022 is set at €5.5 billion. The company aims for a free cash flow before M&A and customer financing of €3.5 billion in 2022. CapEx is anticipated to be around minus €2.4 billion in 2022. Dividend payments are expected to be reintroduced, amounting to €1.5 per share for 2021. Guidance indicates mid-double digit potential in terms of deliveries over the next two to three years. Freighters are expected to enter service in 2025, following the current investment phase. There is a strategic timeline to conclude decisions for the years 2024 and 2025 by mid-2022.
- **Actual Results:**
['Q1', '2022']:
- Data Not Available
['Q4', '2022']:
- Dominik Asam stated that "we now exceeded the initial guidance by €1.2 billion."
['Q2', '2023']:
- Data Not Available
['Q4', '2021']:
- Dominik Asam reported that the EBIT adjusted in 2021 was €4.9 billion, which is below the original management guidance of €5.5 billion for 2022. Guillaume Faury mentioned that the actual commercial aircraft deliveries were 611, which is below the target of 720 units for 2022.
- **Evaluation:**
- Expectations Exceeded: The actual results showed that Airbus exceeded its initial EBIT guidance by €1.2 billion, surpassing the target of €5.5 billion, indicating that the financial performance expectations were exceeded.

4. New aircraft models
- **Narrative:** Management highlighted their commitment to advancing product development with a focus on the A321XLR. The aircraft has entered the final assembly line and is set to begin flight testing and type certification within the year. This is part of a broader strategy to introduce this new model into service by 2023, with expectations of significant contributions to the company's growth in the subsequent years.
- **Management's Guidance:**
- Management anticipates commencing the flight testing and type certification program for the A321XLR this year, with service production and entry into service planned for 2023. They foresee the benefits of this introduction starting to materialize in the 2024-2025 timeframe.
- **Actual Results:**
['Q4', '2022']:
- Data Not Available
['Q2', '2023']:
- Data Not Available
['Q4', '2021']:
- Guillaume Faury On the A321XLR, the first of the development aircraft to enter the FAL in Hamburg in November.
['Q1', '2022']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

5. R&D investment priorities
- **Narrative:** Management has emphasized a significant increase in R&D investments, indicating a strategic focus on enhancing innovation capabilities. This includes stepping up the Digital Design Manufacturing and Services (DDMS) initiative which is perceived as a critical area of expenditure over the next few years.
- **Management's Guidance:**
- The R&D expenses are expected to increase to around €2.9 billion in 2022. The DDMS project is set to receive heightened investment, marking the highest expenditure rates expected in 2023 and 2024. An overall increase in R&D efforts is projected, with an increment of a couple of hundred million euros, aiming to reach €2.9 billion. The management anticipates a shift towards collecting improved Product Development Programs (PDPs), potentially turning these efforts into neutral or slightly positive outcomes.
- **Actual Results:**
['Q1', '2022']:
- R&D Expenses for Q1 2022 were reported as €53 million, an increase from €47 million in Q1 2021, representing a change in R&D Expenses of 12.8%. R&D Expenses as a percentage of Revenues for Q1 2022 were 2%, compared to 2.2% in Q1 2021.
['Q4', '2022']:
- Our R&D expenses, which stood at €3.1 billion in 2022 versus €2.7 billion in 2021.
['Q2', '2023']:
- f8ffc500776f3fb7de78dbc8955c1239 --> Capitalised R&D: € 62 m in H1 2023 and € 66 m in H1 2022
- a7fc0fe5032f73b6cd8adde8399c5114 --> Capitalised R&D: € 163 m in H1 2023 and € 103 m in H1 2022
- 571d1e87f24d403e5d88c9980a79f094 --> [R&D Expenses 1,196]
- 571d1e87f24d403e5d88c9980a79f094 --> [R&D Expenses 1,020]
- 509e119de7c27fe43a31e219b2901d6c --> Capitalised R&D: € 163 m in H1 2023 and € 103 m in H1 2022
['Q4', '2021']:
- R&D Expenses for FY 2021: €249 million, FY 2020: €225 million
- **Evaluation:**
- Expectations Exceeded: The management's guidance for R&D expenses was to reach around €2.9 billion in 2022, but the actual R&D expenses surpassed this expectation, reaching €3.1 billion, indicating a higher than anticipated investment in innovation.

6. Production rate adjustments
- **Narrative:** Management has been focusing on enhancing operational efficiency and improving supply chain management through strategic production rate adjustments. They have been actively increasing production rates for various aircraft models to meet growing demand and ensure a robust supply chain. This involves securing necessary resources and providing greater visibility to suppliers, which is crucial for maintaining the ramp-up trajectory.
- **Management's Guidance:**
- Management has provided additional visibility to suppliers, securing the production rate for the A320 family up to summer 2023. They are on track to achieve a production rate of 65 by summer 2023. They expect to increase the A350 production rate from around five per month to around six in early 2023.
- **Actual Results:**
['Q1', '2022']:
- Data Not Available
['Q4', '2022']:
- Data Not Available
['Q2', '2023']:
- Data Not Available
['Q4', '2021']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

7. Strategic alliances
- **Narrative:** Management highlighted the strategic launch of Airbus Atlantic, a new wholly-owned subsidiary in France, and an agreement with social partners in Germany to establish a fully integrated aerostructure assembly company. This move is aimed at strengthening the company's operational capabilities in Europe.
- **Management's Guidance:**
- The new subsidiary and the integrated assembly company in Germany are expected to become operational by July 1, 2022, enhancing Airbus's production and strategic footprint in the region.
- **Actual Results:**
['Q2', '2023']:
- Data Not Available
['Q4', '2021']:
- Guillaume Faury [We launched, there was a launch of our new wholly owned subsidiary Airbus Atlantic in France and the agreement with our social partners in Germany to establish a fully integrated similar aerostructure assembly st company, which will be operational on the first of July this year, 1 of July 2022.]
['Q1', '2022']:
- Data Not Available
['Q4', '2022']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

8. Emission reduction strategies
- **Narrative:** Airbus management has emphasized the critical role of decarbonization in their sustainability strategy. The company is deeply committed to leading the aviation industry's efforts toward achieving net-zero emissions by 2050. This commitment aligns with the broader industry goals and reflects a renewed focus on sustainable practices within their operations and product development.
- **Management's Guidance:**
- Management has articulated the importance of decarbonizing air travel as a central component of their strategy and highlighted the industry's collective

commitment to reaching net-zero emissions by 2050.
- **Actual Results:**
['Q2', '2023']:
- Data Not Available
['Q4', '2021']:
- Data Not Available
['Q1', '2022']:
- Data Not Available
['Q4', '2022']:
- Last year, we defined near-term reduction targets for Scope 1, Scope 2, and Scope 3 emissions. I'm happy to announce that our targets have now been approved by the SBTi, the Science Based Targets initiative.
- **Evaluation:**
- Insufficient Info: Data not available.

9. Air traffic recovery trends
- **Narrative:** In the fourth quarter of 2021, management emphasized their outlook on air traffic recovery trends, indicating that they anticipate a gradual recovery of the market. They highlighted that domestic and regional markets are expected to spearhead this recovery process. This narrative aligns with their strategic focus on adapting to the current market challenges and planning for a phased recovery in air travel demand.
- **Management's Guidance:**
- Management stated that they expect the market to recover between 2023 and 2025, with domestic and regional markets playing a leading role in this recovery trajectory.
- **Actual Results:**
['Q1', '2022']:
- Data Not Available
['Q4', '2022']:
- Data Not Available
['Q2', '2023']:
- Data Not Available
['Q4', '2021']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

Q3 2021

1. Free cash flow dynamics
- **Narrative:** Management has addressed the dynamics of free cash flow with a focus on cash containment and the impact of working capital phasing. They highlighted expectations for these phasing effects to be neutralized by the end of the fiscal year, with a specific emphasis on the influence of the single-aisle ramp-up.
- **Management's Guidance:**
- Management anticipates that the positive phasing impact observed in working capital over the first nine months of 2021 will be partially neutralized in the fourth quarter. Additionally, they expect the ramp-up of single-aisle production to affect the free cash flow, projecting a total free cash flow of approximately €4.2 billion by the end of the year.
- **Actual Results:**
['Q4', '2022']:
- Our free cash flow before M&A and customer financing stood at €4.7 billion, supported by a favorable foreign exchange rate environment and a strong positive phasing impact from working capital.
['Q3', '2021']:
- Free Cash Flow reported was €2.3 billion for the nine months ending in September 2021.
['Q1', '2022']:
- In Q1 2022, the free cash flow before M&A and customer financing was reported as €0.2 billion, reflecting the level of deliveries, competitiveness, and impact of cost containment. This was partially offset by an increase in working capital mainly driven by inventory increases.
['Q4', '2021']:
- For Q4 2021, Airbus reported a free cash flow before M&A and customer financing of €3.5 billion, which indicates a deviation from the management's guidance of approximately €4.2 billion. The working capital impact was not specified in detail in the available data, but the reported free cash flow suggests that some expected phasing effects might not have been fully neutralized or the impact of the single-aisle production ramp-up was more significant than anticipated.
- **Evaluation:**
- Expectations Not Met: Management projected a free cash flow of approximately €4.2 billion by the end of 2021, but the actual result was €3.5 billion, indicating that the expected phasing effects were not fully neutralized or the single-aisle ramp-up had a greater impact than anticipated.

2. Earnings guidance and projections
- **Narrative:** During the third quarter of 2021, management at Airbus provided a comprehensive update on the company's financial performance and strategic outlook. They highlighted a strong trajectory in achieving their delivery targets for the year, with a particular focus on maintaining robust commercial aircraft production. The management underscored their commitment to achieving an adjusted EBIT of €4.5 billion and a free cash flow of €2.5 billion before mergers and acquisitions and customer financing. Additionally, they emphasized maintaining capital expenditure levels and expressed confidence in the demand for the A320 family, suggesting possible production rate increases in the future.
- **Management's Guidance:**
- Airbus raised its 2021 guidance for EBIT adjusted and free cash flow before M&A and customer financing following strong nine-month financial performance. Management confirmed they are on track to meet the 2021 delivery guidance of around 600 commercial aircraft. For the full year 2021, the company expects an

average hedge rate of $1.21. Capital expenditures for 2021 are projected to be around €2 billion cash out. The company plans to deliver the majority of their aircraft by year-end, maintaining the guidance of 600 planes. Airbus is not altering its margin target and aims to deliver the same EBIT margin as seen in 2019 when back to pre-pandemic production rates. The updated 2021 guidance targets around 600 commercial aircraft deliveries, adjusted EBIT of €4.5 billion, and free cash flow before M&A and customer financing of €2.5 billion. Due to strong demand, particularly for the A320, the company is considering increasing production rates beyond 65, with potential targets of 70 to 75 in the future.

- **Actual Results:**

['Q1', '2022']:

- Data Not Available

['Q4', '2022']:

- Data Not Available

['Q3', '2021']:

- Data Not Available

['Q4', '2021']:

- In Q4 2021, Airbus reported an adjusted EBIT of €4.9 billion, exceeding the target of €4.5 billion. Airbus also delivered 611 commercial aircraft, surpassing the guidance of 600 aircraft deliveries. The average hedge rate was achieved at $1.21, aligning with the guidance.

- **Evaluation:**

- Expectations Exceeded: Airbus exceeded its targets for 2021 by reporting an adjusted EBIT of €4.9 billion, surpassing the goal of €4.5 billion, and delivering 611 commercial aircraft against the guidance of 600, while also achieving the projected average hedge rate of $1.21.

3. New aircraft models

- **Narrative:** Management highlighted the ongoing efforts to modernize the A320 family. This modernization is a key strategic focus, demonstrating the company's commitment to enhancing its product offerings and maintaining competitiveness in the market.

- **Management's Guidance:**

- Management anticipates that the modernization of the A320 family will be completed and fully operational by the end of 2022.

- **Actual Results:**

['Q4', '2022']:

- Data Not Available

['Q3', '2021']:

- Data Not Available

['Q4', '2021']:

- Data Not Available

['Q1', '2022']:

- Data Not Available

- **Evaluation:**

- Insufficient Info: Data not available.

4. R&D investment priorities

- **Narrative:** Management discussed a strategic shift in R&D investment priorities, indicating a temporary reduction in expenses for the current fiscal year, with plans to increase investment in the subsequent year. This reflects a strategic decision to defer certain costs, aligning future R&D activities with anticipated market and innovation demands.

- **Management's Guidance:**

- Management expects research and development expenses for the full year of 2021 to be slightly lower than in 2020. Additionally, certain expenses originally planned for 2021 will be deferred to 2022, with a ramp-up in R&D investment anticipated next year.

- **Actual Results:**

['Q1', '2022']:

- R&D Expenses for Q1 2022 were reported as 53 million, with a change in R&D Expenses of 12.8% from the previous year. Additionally, R&D Expenses as a percentage of Revenues for Q1 2022 were 2%.

['Q4', '2022']:

- Our R&D expenses, which stood at €3.1 billion in 2022 versus €2.7 billion in 2021.

['Q3', '2021']:

- On research and development, our expenses in the first 9 months decreased by 6% year-on-year.

['Q4', '2021']:

- R&D Expenses for FY 2021 were reported as €249 million, compared to €225 million in FY 2020.

- **Evaluation:**

- Expectations Met: Management's guidance to reduce R&D expenses in 2021 compared to 2020 was achieved, as evidenced by a decrease in expenses by 6% for the first nine months of 2021. The planned ramp-up in R&D investment materialized in 2022, with expenses rising to €3.1 billion from €2.7 billion in 2021, aligning with management's expectations.

5. Hydrogen-powered aircraft development

- **Narrative:** Management has emphasized the ongoing commitment to hydrogen-powered aircraft development, highlighting several years of dedicated research and development efforts. This strategic focus underlines Airbus's ambition to be at the forefront of sustainable aviation technology.

- **Management's Guidance:**

- Management is planning to unveil a first prototype in 2023, which is a critical milestone towards achieving certification by 2025.

- **Actual Results:**

['Q1', '2022']:

- Data Not Available

['Q4', '2022']:

- Data Not Available

['Q3', '2021']:

- Data Not Available

['Q4', '2021']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

6. Production rate adjustments
- **Narrative:** During the Q3 2021 earnings call, Airbus management provided a detailed outlook on their production rate adjustments, emphasizing a gradual increase in manufacturing output in the coming years. This reflects their strategic focus on scaling operations to meet anticipated demand and align with long-term growth objectives. The discussion highlighted a commitment to ramping up production rates across various aircraft models, signaling confidence in market recovery and demand sustainability.
- **Management's Guidance:**
- Airbus plans to increase the current production rate of 5 aircraft per month to around 6 per month by early 2022, with a long-term goal to achieve a monthly production rate of 14 by the middle of the decade. The company is on a trajectory to reach a production rate of 65 by summer 2023. They expect to increase the A330 production rate from approximately 2 to nearly 3 aircraft per month by the end of the following year. Airbus anticipates increasing the A350 production rate from around 5 per month currently to about 6 in early 2023.
- **Actual Results:**
['Q1', '2022']:
- 51a0e0f5f2ca2f76432a3dc137d86afc --> 142 (1) commercial aircraft delivered in Q1 2022
['Q4', '2022']:
- Guillaume Faury reported that Airbus increased their monthly production rate to around 3% at the end of 2022, as per their plan.
['Q3', '2021']:
- Data Not Available
['Q4', '2021']:
- Data Not Available
- **Evaluation:**
- Expectations Not Met: Airbus management planned to increase production rates significantly; however, by the end of 2022, they only achieved a modest 3% monthly production rate increase, which fell short of their stated goals for that period.

7. Supply chain enhancements
- **Narrative:** Management is confident in addressing current supply chain issues and anticipates resolving these challenges in the near term. The focus is on improving operational efficiency to ensure a steady flow of supplies and resources.
- **Management's Guidance:**
- Management expressed optimism that the existing supply chain issues will be managed and resolved within the next month.
- **Actual Results:**
['Q4', '2021']:
- Data Not Available
['Q1', '2022']:
- Data Not Available
['Q4', '2022']:
- Data Not Available
['Q3', '2021']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

8. Global market penetration
- **Narrative:** Management emphasized their commitment to strengthening Airbus's global market presence. They discussed strategies to enhance market share, focusing on strategic partnerships and expanding their product offerings to cater to diverse market needs.
- **Management's Guidance:**
- Management anticipates achieving a market penetration rate similar to their 2020 performance throughout 2021.
- **Actual Results:**
['Q1', '2022']:
- Data Not Available
['Q4', '2022']:
- Data Not Available
['Q3', '2021']:
- Data Not Available
['Q4', '2021']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

9. Air traffic recovery trends
- **Narrative:** Management has expressed a positive outlook on the air traffic recovery, indicating a phased recovery pattern with domestic and regional markets at the forefront. This suggests a strategic emphasis on these segments to capitalize on the anticipated growth.
- **Management's Guidance:**
- Management continues to expect the market to recover between 2023 and 2025, with domestic and regional markets clearly leading the recovery.
- **Actual Results:**
['Q1', '2022']:
- In China, domestic air travel has essentially deteriorated sharply and is currently around 20% to 30% of its pre COVID level in flight numbers.

['Q4', '2022']:
- Data Not Available
['Q3', '2021']:
- Guillaume Faury [Domestic travel is at 70% of its pre-crisis level.]
['Q4', '2021']:
- Data Not Available
- **Evaluation:**
- Expectations Not Met: Management anticipated a phased recovery in domestic and regional markets leading the way by 2023-2025, but actual results showed that domestic air travel in China deteriorated sharply by Q1 2022 to 20%-30% of pre-COVID levels, indicating a slower recovery than expected.

Q1 2021

1. Free cash flow dynamics
- **Narrative:** During the Q1 2021 earnings call, management indicated a conservative outlook regarding the company's free cash flow for the initial quarter. They conveyed a cautious stance, suggesting that despite operational efforts, a significant positive free cash flow was not anticipated.
- **Management's Guidance:**
- Management communicated that they are not expecting a very strong positive free cash flow for Q1.
- **Actual Results:**
['Q3', '2021']:
- FCF before M&A and Customer Financing for Q3 2021: €209 million
['Q1', '2022']:
- Free cash flow before M&A and customer financing was reported as €0.2 billion for Q1 2022.
['Q4', '2021']:
- In Q4 2021, the Free Cash Flow before M&A and Customer Financing was reported as €3.5 billion.
['Q1', '2021']:
- Free Cash Flow before M&A and Customer Financing in Q1 2021 was reported at €1.2 billion, indicating a significant positive performance contrary to the conservative outlook initially suggested by management.
- **Evaluation:**
- Expectations Exceeded: Management had a conservative outlook for free cash flow in Q1 2021, not expecting a strong positive result; however, the actual free cash flow was reported at €1.2 billion, significantly exceeding these expectations.

2. Earnings guidance and projections
- **Narrative:** Management has articulated a cautious yet strategic approach for 2021, focusing on maintaining stability amidst a challenging business environment. They aim to sustain cost savings to bolster earnings and cash flow growth beyond 2021. The company maintains its guidance from earlier in the year, despite the complexities in the market.
- **Management's Guidance:**
- 1. Airbus aims to sustain their 2021 guidance, which includes achieving the same number of commercial aircraft deliveries as in 2020, an EBIT adjusted of €2 billion, and breakeven free cash flow before M&A and customer financing. 2. The company plans a modest ramp-up of single-aisle aircraft production in Q3 and Q4 of 2021, which is a significant strategic focus. 3. For the full year 2021, Airbus expects an average hedge rate of $1.21, slightly higher compared to $1.19 in 2020. 4. Capital expenditures for 2021 are expected to remain at similar levels to those in 2020. 5. Management foresees a significant negative impact from the overall balance throughout 2021.
- **Actual Results:**
['Q1', '2022']:
- Data Not Available
['Q1', '2021']:
- Dominik Asam: "Our Q1 earnings per share adjusted stands at €0.58 per share based on an average of 784 million shares." The resulting net income is €0.4 billion, with earnings per share reported at €0.46.
['Q3', '2021']:
- Data Not Available
['Q4', '2021']:
- In Q4 FY21, Airbus reported an EBIT adjusted of €4.9 billion, significantly exceeding the guidance of €2 billion. The company delivered 611 commercial aircraft, surpassing the target of maintaining the same number of deliveries as in 2020. The average hedge rate for 2021 was reported at $1.20, which is slightly better than the guidance of $1.21.
- **Evaluation:**
- Expectations Exceeded: Airbus significantly exceeded its 2021 guidance by achieving an EBIT adjusted of €4.9 billion against a target of €2 billion, delivering 611 commercial aircraft surpassing the previous year's number, and achieving a better-than-expected hedge rate of $1.20.

3. R&D investment priorities
- **Narrative:** During Q1 2021, management articulated that the R&D investment priorities will remain consistent, with the overall expenditure for the full year expected to mirror that of 2020. This indicates a strategic focus on maintaining a steady level of investment in research and development activities.
- **Management's Guidance:**
- Management stated that the full-year 2021 R&D expenses are anticipated to be on par with 2020 levels, suggesting a stable investment approach. They also noted that the spending in Q1 was under proportionate compared to the annual plan, implying an increase in spending in subsequent quarters to meet the annual target.
- **Actual Results:**
['Q1', '2022']:
- R&D Expenses for Q1 2022: 53 million
['Q1', '2021']:
- Dominik Asam: "Our research and development expenses decreased by 6% year-on-year." R&D Expenses Q1 2021: €47 million, Q1 2020: €51 million, Change:

-7.8%
['Q3', '2021']:
- On research and development, our expenses in the first 9 months decreased by 6% year-on-year.
['Q4', '2021']:
- R&D Expenses for FY 2021: €249 million, FY 2020: €225 million
- **Evaluation:**
- Expectations Met: Management anticipated R&D expenditures for 2021 to be consistent with 2020 levels, and the actual expenses for FY 2021 were €249 million compared to €225 million in 2020, aligning with their guidance for stable investment.

4. Production rate adjustments
- **Narrative:** In the Q1 2021 earnings call, Airbus management highlighted their focus on adjusting production rates, particularly for the A320 family. They emphasized a strategic plan to gradually increase production rates in the latter half of the year, aligning with their long-term operational goals. Management also shed light on efforts to bolster the Airbus industrial system by establishing new aerostructure entities in Europe. This initiative is aimed at preparing the company for future production demands while optimizing current lower production rates to streamline operations and reduce inventory levels.
- **Management's Guidance:**
- Management plans to gradually increase the A320 production rate to 43 aircraft per month in Q3 and 45 aircraft per month in Q4 of 2021, with a continued ramp-up anticipated into 2022. They are preparing the Airbus industrial system for future demands by incorporating aerostructure assembly into the core production system and creating three new aerostructure entities in Europe. The company aims to maintain production levels similar to the previous year, with an emphasis on reducing inventory.
- **Actual Results:**
['Q1', '2022']:
- Data Not Available
['Q1', '2021']:
- Data Not Available
['Q3', '2021']:
- Data Not Available
['Q4', '2021']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

5. Air traffic recovery trends
- **Narrative:** Management discussed the anticipated recovery trajectory of the air traffic market, highlighting the expected timeline and the segments likely to lead the resurgence. The focus was on the recovery potential and the strategic positioning necessary to capitalize on the expected market dynamics.
- **Management's Guidance:**
- Management continues to expect the market to recover, with a full recovery anticipated between 2023 and 2025, led by domestic and regional markets.
- **Actual Results:**
['Q1', '2022']:
- In China, domestic air travel has essentially deteriorated sharply and is currently around 20% to 30% of its pre-COVID level in flight numbers.
['Q1', '2021']:
- 125 commercial aircraft delivered in a market environment that remains uncertain
['Q3', '2021']:
- Guillaume Faury [Domestic travel is at 70% of its pre-crisis level.]
['Q4', '2021']:
- Data Not Available
- **Evaluation:**
- Expectations Not Met: The anticipated recovery trajectory between 2023 and 2025 was not on track, as actual results indicated a significant deterioration in domestic air travel in China and uncertainty in the market environment by Q1 2022, contrary to management's expectation of recovery led by domestic and regional markets.

Q4 2020

1. Free cash flow dynamics
- **Narrative:** Management has provided a comprehensive overview of the company's free cash flow dynamics, highlighting strategic financial management in the context of an evolving market environment. Emphasis was placed on maintaining robust cash flow before mergers and acquisitions (M&A) and customer financing, while also preparing for potential cash outflows due to market conditions. The company is proactively planning to utilize external financing avenues, including support from export credit agencies, to manage expected cash consumption.
- **Management's Guidance:**
- The company anticipates its free cash flow before M&A and customer financing to be at least €2 billion in 2021. Management foresees a low level of customer financing as potentially unsustainable in the current market environment and plans to address this through external financing with export credit agency support. The expectation is set for a cash outflow in the mid-triple-digit millions over the next couple of years, with a tapering effect anticipated in the subsequent years.
- **Actual Results:**
['Q3', '2021']:
- In Q3 2021, the Free Cash Flow before M&A and Customer Financing was reported at €209 million.
['Q4', '2021']:
- FCF before M&A and Customer Financing was €3.5 billion in 2021.
['Q1', '2021']:
- In Q1 2021, Airbus reported a free cash flow before M&A and customer financing of €1.2 billion, exceeding the management's guidance for the period. This positive performance was attributed to a strong phasing impact from working capital.

['Q4', '2020']:
- In Q4 2020, Airbus reported a positive free cash flow before M&A and customer financing of €4.9 billion.
- **Evaluation:**
- Expectations Exceeded: The management anticipated a free cash flow of at least €2 billion before M&A and customer financing in 2021, but the actual result was €3.5 billion, surpassing the expected target significantly.

2. Profitability trends
- **Narrative:** During the Q4 2020 earnings call, Airbus management highlighted their focus on achieving sustainable profitability amidst the challenges of the aerospace sector. A significant part of their strategy involves tapping into cost efficiencies and operational optimizations that were temporarily achieved in 2020.
- **Management's Guidance:**
- Management indicated that while they achieved a mid-triple-digit million number in non-sustainable savings in 2020, the focus will be on converting some of these short-term savings into long-term profitability improvements. They are utilizing these insights to navigate the uncertainties and maintain a competitive edge in the market as they move forward.
- **Actual Results:**
['Q3', '2021']:
- EBIT Adjusted for Q3 2021: €666 million; EBIT for Q3 2021: €710 million; Net Income for Q3 2021: €404 million
['Q4', '2021']:
- EBIT Adjusted Q4 2021: 1,496; Q4 2020: 1,831
['Q4', '2020']:
- Data Not Available
['Q1', '2021']:
- Data Not Available
- **Evaluation:**
- Expectations Met: Airbus management aimed to convert temporary cost efficiencies into sustainable profitability, and the EBIT Adjusted for Q3 and Q4 2021 indicates alignment with these goals despite a year-on-year decrease in Q4.

3. Earnings guidance and projections
- **Narrative:** Management has outlined a cautiously optimistic outlook for 2021, with a focus on maintaining stability in aircraft deliveries and financial performance amidst ongoing challenges. The company is targeting to achieve at least the same level of commercial aircraft deliveries as in 2020. Additionally, Airbus aims to achieve an EBIT adjusted of €2 billion and breakeven free cash flow before M&A and customer financing. Management has also highlighted plans to maintain a strong liquidity position to navigate the current crisis and position the company for future growth when the situation improves.
- **Management's Guidance:**
- The company targets to at least achieve the same number of commercial aircraft deliveries in 2021 as in 2020. Airbus expects EBIT adjusted of €2 billion and breakeven free cash flow before M&A and customer financing in 2021. CapEx for 2021 is expected to be at a similar level compared to 2020. The ramp-up of the A220 is deferred, requiring a low triple-digit million increment, with full year cost reduction benefits expected in 2022. Management anticipates a slower improvement in unit margin, impacting breakeven targets. Airbus plans to maintain a strong liquidity position to support growth post-crisis.
- **Actual Results:**
['Q1', '2021']:
- Data Not Available
['Q3', '2021']:
- Data Not Available
['Q4', '2021']:
- In 2021, Airbus reported an EBIT adjusted of €4.9 billion, significantly exceeding the original guidance of €2 billion. Additionally, they achieved 611 commercial aircraft deliveries, surpassing the target set for 2020. The company's fiscal year earnings per share adjusted stood at €4.33 per share.
['Q4', '2020']:
- Data Not Available
- **Evaluation:**
- Expectations Exceeded: Airbus significantly exceeded its 2021 financial guidance by achieving an EBIT adjusted of €4.9 billion against the original target of €2 billion and surpassing the commercial aircraft delivery target set for 2020 with 611 deliveries.

4. New aircraft models
- **Narrative:** Management highlighted their focus on advancing new aircraft models, with a specific emphasis on the strategic development of next-generation fighter jets and remote carrier aircraft. The company is actively working to progress these projects into the preliminary demonstrator development phase in the upcoming year.
- **Management's Guidance:**
- The goal for 2021 is for the Future Combat Air System (FCAS) to enter the preliminary demonstrator development phase for the next-generation fighter and the remote carrier aircraft.
- **Actual Results:**
['Q1', '2021']:
- Data Not Available
['Q3', '2021']:
- Data Not Available
['Q4', '2021']:
- Data Not Available
['Q4', '2020']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

5. R&D investment priorities
- **Narrative:** Management emphasized the importance of maintaining and increasing R&D investment as a strategic priority to protect and enhance Airbus's competitive position in the aerospace sector. The focus is on sustaining current levels of R&D investment in the short term, with a planned increase in the following year to bolster innovation and product development capabilities.
- **Management's Guidance:**
- Management plans to increase R&D spending by 10% in 2022. They also aim to maintain R&D at a similar level in 2021 to protect competitive positioning going forward.
- **Actual Results:**
['Q1', '2021']:
- Dominik Asam: "Our research and development expenses decreased by 6% year-on-year."
['Q3', '2021']:
- On research and development, our expenses in the first 9 months decreased by 6% year-on-year.
['Q4', '2021']:
- R&D Expenses for FY 2021: €249 million, FY 2020: €225 million
['Q4', '2020']:
- Dominik Asam stated, "Our 2020 R&D decreased by €0.5 billion and stands at €2.9 billion."
- **Evaluation:**
- Expectations Not Met: Management aimed to maintain R&D levels in 2021 and increase spending by 10% in 2022, but actual results showed a 6% decrease in R&D expenses year-on-year for 2021, indicating that expectations were not met.

6. Production rate adjustments
- **Narrative:** During the Q4 2020 earnings call, Airbus management discussed their strategic approach toward adjusting production rates in response to market conditions. They outlined a cautious yet deliberate plan for scaling production, particularly for their A320 and A220 aircraft lines. The strategy includes a gradual increase in output, reflecting a measured response to demand forecasts and potential supply chain constraints.
- **Management's Guidance:**
- Airbus plans to increase the A320 production rate from 40 aircraft per month to 43 in the third quarter and 45 in the fourth quarter of 2021, indicating a slower ramp-up than the previously anticipated target of 47 aircraft per month from July. The production rate for the A220 is set to increase from 4 to 5 aircraft per month by the end of the first quarter of 2021. Management also noted that maintaining low production rates for the wide-body A350 and A330 aircraft is anticipated, given the prolonged recovery expected in this market segment. They emphasized the importance of identifying and addressing potential bottlenecks in the production ramp-up process.
- **Actual Results:**
['Q1', '2021']:
- In Q1 2021, Airbus delivered 9 A220 aircraft and 105 A320 aircraft, which includes 46 A321 models. This aligns with the management's guidance of a gradual increase in production rates for these models.
['Q3', '2021']:
- In Q3 2021, Airbus delivered 341 A320 Family aircraft, surpassing the management's guidance of increasing the A320 production rate to 43 aircraft per month. However, management commentary indicated that monthly deliveries were below the production rates, with specific mention of 40 units in August and September.
['Q4', '2021']:
- Data Not Available
['Q4', '2020']:
- Data Not Available
- **Evaluation:**
- Expectations Met: Airbus's production adjustments for the A320 and A220 aligned with management's guidance, as deliveries in Q1 2021 matched expectations, and the overall gradual increase in production rates was achieved throughout the year.

7. Competitive landscape overview
- **Narrative:** Management emphasized a cautious approach regarding order forecasts for 2021 and 2022, attributing this to current market uncertainties. They highlighted the strength of their existing backlog as a strategic advantage in navigating the competitive landscape.
- **Management's Guidance:**
- Management does not anticipate betting on new orders for 2021 and 2022 due to perceived risks, and instead, aims to leverage their strong backlog to maintain market position.
- **Actual Results:**
['Q3', '2021']:
- Data Not Available
['Q4', '2021']:
- Data Not Available
['Q4', '2020']:
- Data Not Available
['Q1', '2021']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

8. Emission reduction strategies
- **Narrative:** Management has articulated a clear commitment to reducing carbon emissions, aligning with broader sustainability goals. The company is actively pursuing measures to achieve significant reductions in CO_2 emissions as part of its long-term decarbonization strategy.
- **Management's Guidance:**
- Management is targeting a 15% reduction in CO_2 emissions by the end of 2025.
- **Actual Results:**

['Q1', '2021']:
- Data Not Available
['Q3', '2021']:
- Data Not Available
['Q4', '2021']:
- Data Not Available
['Q4', '2020']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

9. Air traffic recovery trends
- **Narrative:** During the Q4 2020 earnings call, Airbus management discussed the anticipated recovery in air traffic trends. They highlighted that while current demand remains subdued, there are expectations for a gradual increase in air traffic demand, projected to gain momentum in the years 2023 and 2024. This outlook is predicated on the assumption of a progressive easing of travel restrictions and a rebound in passenger confidence.
- **Management's Guidance:**
- Management indicated that there is potential for increasing demand, which they expect to materialize more significantly in 2023 and 2024.
- **Actual Results:**
['Q1', '2021']:
- Data Not Available
['Q3', '2021']:
- Data Not Available
['Q4', '2021']:
- Data Not Available
['Q4', '2020']:
- Overall passenger air traffic, measured in RTK, declined by 66% in 2020 versus 2019, according to IATA.
- **Evaluation:**
- Insufficient Info: Data not available.

Q3 2020

1. Free cash flow dynamics
- **Narrative:** Management outlined their strategic focus on extending funding maturities and maintaining a strong emphasis on cash containment. The company has taken significant steps to refinance its credit facility, which is expected to support their cash flow objectives.
- **Management's Guidance:**
- Management is targeting at least breakeven free cash flow before mergers and acquisitions (M&A) and customer financing in the fourth quarter of 2020. They are committed to strong cash containment to achieve this guidance.
- **Actual Results:**
['Q3', '2021']:
- Data Not Available
['Q3', '2020']:
- In the third quarter of 2020, Airbus reported a positive free cash flow before M&A and customer financing of €0.6 billion, aligning with management's guidance of targeting at least breakeven free cash flow.
['Q1', '2021']:
- FCF before M&A and Customer Financing in Q1 2021 was €1.2 billion.
['Q4', '2020']:
- In Q4 2020, the Free Cash Flow before M&A and customer financing was reported as a positive €4.9 billion.
- **Evaluation:**
- Expectations Exceeded: Management targeted at least breakeven free cash flow in Q4 2020, and the actual result was a significant positive free cash flow of €4.9 billion, surpassing the guidance.

2. Earnings guidance and projections
- **Narrative:** Management provided insights into the financial trajectory of the company, highlighting their commitment to maintaining robust capital expenditure levels and achieving financial stability by the end of the year.
- **Management's Guidance:**
- On a full year basis, management still expects CapEx to be around €1.9 billion. Management aims to achieve at least breakeven in Q4.
- **Actual Results:**
['Q1', '2021']:
- Data Not Available
['Q3', '2021']:
- Data Not Available
['Q3', '2020']:
- Data Not Available
['Q4', '2020']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

3. New aircraft models
- **Narrative:** Management highlighted the launch of the ACJ TwoTwenty business jet, aiming to capture a new segment within the extra-large business jet market. This move is part of their broader strategy to innovate and expand their product offerings.
- **Management's Guidance:**
- Management anticipates the entry into service of the ACJ TwoTwenty by early 2023, with six aircraft already ordered, indicating a positive reception and initial demand in this new market segment.
- **Actual Results:**
['Q1', '2021']:
- Data Not Available
['Q3', '2021']:
- Delivered 4 aircraft in the first 9 months of 2021.
['Q3', '2020']:
- Data Not Available
['Q4', '2020']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

4. Production rate adjustments
- **Narrative:** Management outlined their strategy to maintain stability in production rates in the face of current market conditions, with a focus on aligning delivery and production rates to ensure a steady flow. They emphasized the importance of adjusting production rates based on market demands and contractual obligations, while anticipating a ramp-up in production rates starting in Q3 2021.
- **Management's Guidance:**
- The production rate is expected to remain at rate 40 till the end of the first half of 2021, with an anticipated increase to rate 47 starting in Q3 2021. The ramp-up timeline has been adjusted from the beginning of Q2 to the beginning of Q3 2021. Management is maintaining a production rate of around 5 for the A350 and 2 for the A330, which they consider sustainable, and they will monitor and update these rates as necessary.
- **Actual Results:**
['Q1', '2021']:
- Data Not Available
['Q3', '2021']:
- Data Not Available
['Q3', '2020']:
- In Q3 2020, management reported that they were stable at rate 40 for production. The A350 production was adjusted to a rate of around 5, and the A330 was maintained at a rate of 2.
['Q4', '2020']:
- On A320, production rates will gradually increase from 40 aircraft per month currently to 43 in the third quarter and 45 in the fourth quarter 2021, which represents a slower ramp-up than the previously anticipated 47 aircraft per month from July.
- **Evaluation:**
- Expectations Not Met: Management expected to increase production rates to 47 per month starting Q3 2021, but actual reports indicate a slower ramp-up to 43 by Q3 and 45 by Q4 2021, not meeting the anticipated rate of 47.

5. Supplier partnerships enhancement
- **Narrative:** Management discussed the strategic initiatives aimed at enhancing partnerships with suppliers to ensure readiness for future production ramp-ups.
- **Management's Guidance:**
- Management expects suppliers to be prepared for a production ramp-up within the next nine months.
- **Actual Results:**
['Q1', '2021']:
- Data Not Available
['Q3', '2021']:
- Data Not Available
['Q3', '2020']:
- Data Not Available
['Q4', '2020']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

6. Air traffic recovery trends
- **Narrative:** Management has articulated a cautiously optimistic view on the recovery of air traffic, indicating a phased return to pre-pandemic levels. They highlighted the gradual improvement patterns witnessed in the industry, which are expected to continue as global travel restrictions ease and passenger confidence returns.
- **Management's Guidance:**
- Management continues to expect that air traffic will reach its 2019 level again between 2023 and 2025.
- **Actual Results:**
['Q1', '2021']:
- Data Not Available
['Q3', '2021']:
- Guillaume Faury reported that domestic travel is at 70% of its pre-crisis level.
['Q3', '2020']:
- Data Not Available

['Q4', '2020']:
- Overall passenger air traffic, measured in RTK, declined by 66% in 2020 versus 2019, according to IATA.
- **Evaluation:**
- Insufficient Info: Data not available.

7. Sustainable aviation initiatives
- **Narrative:** Management emphasized their commitment to sustainability by investing in decarbonized technologies as a key strategic initiative. They plan to advance the development of climate-neutral, zero-emission passenger aircraft, highlighting the company's dedication to reducing its environmental impact and leading innovation in sustainable aviation.
- **Management's Guidance:**
- Management aims to develop the first climate-neutral zero-emission passenger aircrafts.
- **Actual Results:**
['Q3', '2021']:
- Data Not Available
['Q3', '2020']:
- Data Not Available
['Q4', '2020']:
- Data Not Available
['Q1', '2021']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

Q2 2020

1. Free cash flow dynamics
- **Narrative:** Management's narrative for the second quarter of 2020 focused on maintaining a stable financial position amidst the challenges presented by the COVID-19 pandemic. The primary objective was to avoid consuming cash in the latter half of the year before considering mergers and acquisitions (M&A) and customer financing. This approach reflects a strategic intent to manage liquidity prudently during uncertain times.
- **Management's Guidance:**
- Management outlined the ambition to not consume cash in the second half of 2020 before M&A and customer financing considerations. They also highlighted a focus for the following year, 2021, on stabilizing cash flows, accounting for exceptional cash outflows such as severance payments, while aiming to optimize inventory management to support financial stability.
- **Actual Results:**
['Q3', '2020']:
- In Q3 2020, Airbus reported a positive free cash flow before M&A and customer financing of €0.6 billion, indicating no further cash consumption during the quarter.
['Q1', '2021']:
- In Q1 2021, the free cash flow before M&A and customer financing was reported at €1.2 billion, demonstrating a positive cash flow as targeted in the management guidance.
['Q4', '2020']:
- In Q4 2020, Airbus reported a positive free cash flow before M&A and customer financing of €4.9 billion.
['Q2', '2020']:
- Free cash flow before M&A and customer financing in Q2 2020 was minus €4.4 billion, and H1 2020 was minus €12.4 billion.
- **Evaluation:**
- Expectations Exceeded: Management aimed to avoid cash consumption in the latter half of 2020, and Airbus exceeded this target by achieving positive free cash flows in Q3 and Q4 2020, as well as in Q1 2021, demonstrating stronger-than-expected financial performance.

2. Earnings guidance and projections
- **Narrative:** Management discussed strategic financial measures for future stability and growth. They highlighted the importance of restructuring provisions and investments to maintain competitive advantage and ensure long-term sustainability. The focus is on optimizing capital expenditure and implementing cost reduction measures efficiently.
- **Management's Guidance:**
- A restructuring provision is expected to be recognized once the necessary conditions are fulfilled, with an anticipated amount between €1.2 billion and €1.6 billion. Investments are planned over the next four to five years, emphasizing long-term growth. Capital Expenditure (CapEx) is projected to be around €1.9 billion on a full-year basis. The full-year effect of cost reduction measures will not be realized until 2022.
- **Actual Results:**
['Q1', '2021']:
- Data Not Available
['Q2', '2020']:
- Data Not Available
['Q3', '2020']:
- Data Not Available
['Q4', '2020']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

3. New aircraft models
- **Narrative:** Management highlighted ongoing efforts to expand their product line with a focus on new helicopter models, specifically mentioning the five-bladed H145 and the H160. These developments are part of Airbus's broader strategy to innovate and strengthen its position in the aerospace market.
- **Management's Guidance:**
- Management indicated that the five-bladed H145 and the H160 helicopters are anticipated to receive certification from the FAA later this year, suggesting an impending enhancement to their product offerings and potential market growth.
- **Actual Results:**
['Q1', '2021']:
- Data Not Available
['Q2', '2020']:
- Data Not Available
['Q3', '2020']:
- 082f1b39641fee1a0cfd143f0749473d --> The 68 net ordered -- net orders booked in Q3 include six H160 following the certification by EASA last July.
- b97c6075d7f07b02ce52e835faf64e79 --> In Q3, we delivered the first of this five-bladed H145 to the Norwegian Air Ambulance Foundation after its certification by EASA in Q2.
['Q4', '2020']:
- Guillaume Faury - We delivered 300 aircraft compared to 332 in 2019, including the first 5-bladed H145.
- **Evaluation:**
- Expectations Exceeded: The management anticipated FAA certification for the H145 and H160 helicopters, but the actual results showed that the five-bladed H145 and the H160 received EASA certification earlier than expected, and the first deliveries were made, surpassing management's timeline expectations.

4. R&D investment priorities
- **Narrative:** Management has prioritized the protection of key projects in their R&D road map, despite a reduction in 2020 capital expenditures. This indicates a strategic focus on maintaining momentum in crucial development areas such as the A321XLR and the DDMS project. These projects are seen as essential for the company’s future readiness and competitiveness.
- **Management's Guidance:**
- Management has deliberately reduced the 2020 CapEx but emphasized that key projects like the A321XLR and the DDMS project would continue to receive the necessary investment. This approach underscores their commitment to long-term strategic objectives, despite immediate cost reductions.
- **Actual Results:**
['Q4', '2020']:
- Dominik Asam stated that "Our 2020 R&D decreased by €0.5 billion and stands at €2.9 billion."
['Q1', '2021']:
- Dominik Asam: "Our research and development expenses decreased by 6% year-on-year."
['Q2', '2020']:
- Data Not Available
['Q3', '2020']:
- Data Not Available
- **Evaluation:**
- Expectations Met: Despite a reduction in overall R&D expenses, management maintained their commitment to strategic projects like the A321XLR and DDMS, aligning with their guidance to protect key investments.

5. Production rate adjustments
- **Narrative:** Management discussed their strategic adjustments to production rates in response to the current market conditions. A key focus is on converging production and deliveries to streamline operations and reduce the backlog of undelivered aircraft. The company is temporarily adjusting A350 production rates and aiming for a gradual return to pre-COVID levels in certain assembly lines. Additionally, management is planning for a future ramp-up, specifically targeting a recovery in single-aisle production by 2022.
- **Management's Guidance:**
- - Management plans to adjust A350 production rates from six to five per month for now.
- - They aim to converge production and deliveries in Q3, indicating confidence in the trajectory they are on.
- - The Final Assembly Line (FAL) in Mirabel is expected to progressively return to pre-COVID levels at rate four.
- - Management maintains a rate 40 for the 320, anticipating a ramp-up around 2022 for single-aisle production.
- - There is a target to significantly reduce non-delivered aircraft by the end of 2020, with convergence efforts starting in the second half of 2020.
- **Actual Results:**
['Q1', '2021']:
- Data Not Available
['Q2', '2020']:
- The A350 production rate was adjusted from six to five per month as per management's guidance. Additionally, the A320 production rate was maintained at 40 per month.
['Q3', '2020']:
- Guillaume Faury reported that they started by adjusting the A350 production from almost 10 down to 6, and further adjusted to 5, indicating they are currently around 5. Additionally, it was noted that production and deliveries were converging as targeted during the quarter.
['Q4', '2020']:
- Data Not Available
- **Evaluation:**
- Expectations Met: Management's adjustment of the A350 production rate from six to five per month was achieved as planned, and the convergence of production and deliveries was reported to be on target during Q3 2020, aligning with the stated goals.

6. Cost management strategies
- **Narrative:** In the context of Operational Efficiency and Supply Chain Management, Airbus management elaborated on their cost management strategies. The company is actively working on optimizing its long-term cost structure by resizing its global workforce and adjusting its commercial aircraft activities. This initiative

aims to streamline operations and better align with current industry demands.
- **Management's Guidance:**
- Management has provided specific forward-looking actions regarding cost management strategies:
- - Airbus plans to reduce its active workforce by approximately 15,000 positions by summer 2021.
- - A significant portion of this headcount reduction, including temporary workers, is expected to materialize throughout the next year.
- - There is an expectation to significantly decrease the number of aircraft stored by the end of 2020.
- - The company aims to eliminate the majority of its inventory by the end of this year or part of next year.
- - The reduction of temporary workers is anticipated to progress more quickly, with a substantial portion completed in the second half of the current year, retaining some flexibility in workforce management.
- **Actual Results:**
['Q3', '2020']:
- Data Not Available
['Q4', '2020']:
- Data Not Available
['Q1', '2021']:
- Data Not Available
['Q2', '2020']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

7. Military aircraft contracts
- **Narrative:** Management highlighted the strategic significance of the French government's support plan, which includes commitments for future military aircraft orders. This plan is expected to bolster Airbus's position in the defense sector, particularly with the French military and security agencies.
- **Management's Guidance:**
- Management anticipates future order commitments including eight H225M for the French Air Force, 10 H160 for Gendarmerie Nationale, and two H145 for security at Seville. Additionally, a second demonstrator of the military drone for the French Navy is planned.
- **Actual Results:**
['Q3', '2020']:
- Data Not Available
['Q4', '2020']:
- Data Not Available
['Q1', '2021']:
- In Q1 2021, our order intake in defense and space was at €2 billion, representing a book-to-bill of around 0.9. We also booked orders worth €0.8 billion in military aircraft, including recurring orders in military services and €0.3 billion in connected intelligence. Additionally, 40 net orders were secured, including 2 Super Puma and 1 H160.
['Q2', '2020']:
- Data Not Available
- **Evaluation:**
- Expectations Not Met: The management anticipated significant military aircraft orders, including specific commitments for the French Air Force and Gendarmerie Nationale, but the actual results in Q1 2021 show limited orders, with only two Super Pumas and one H160, falling short of expectations.

8. Air traffic recovery trends
- **Narrative:** Management highlighted expectations regarding the recovery of air traffic to pre-pandemic levels, with a target to reach 2019 levels between 2023 and 2025. They also noted the unique recovery trajectory of the Chinese domestic market, indicating a stronger demand for aircraft deliveries in the latter half of 2020 and beyond, driven by an underserved market.
- **Management's Guidance:**
- Management anticipates that air traffic will return to its 2019 levels somewhere between 2023 and 2025. It is expected that Chinese airlines will significantly increase aircraft deliveries in the second half of 2020, correlating with a recovery in their domestic market. Although not expected to reach pre-COVID-19 levels immediately, a substantial increase in aircraft demand is anticipated, particularly in the single-aisle segment, during the latter half of 2020 and into 2021.
- **Actual Results:**
['Q1', '2021']:
- 125 commercial aircraft delivered in a market environment that remains uncertain
['Q2', '2020']:
- Guillaume Faury [RTK in June were at 13.5% versus last year. Domestic travel was at about 32%, with China on the recovery, reaching about 65%, and international air traffic was about 3% versus June 2019.]
['Q3', '2020']:
- Guillaume Faury noted that Chinese domestic flights have returned to 100% in terms of domestic flights.
['Q4', '2020']:
- Overall passenger air traffic, measured in RTK, declined by 66% in 2020 versus 2019, according to IATA.
- **Evaluation:**
- Expectations Exceeded: The management anticipated a significant recovery in the Chinese domestic market, which was expected to drive aircraft demand. By Q3 2020, Chinese domestic flights were reported to have returned to 100%, surpassing expectations and indicating stronger-than-anticipated recovery.

Q1 2020

1. Free cash flow dynamics
- **Narrative:** Management emphasized their strategic focus on cash preservation in the upcoming quarters as a key priority. They highlighted the initiative to reduce cash outflows as part of their financial strategy to improve free cash flow dynamics.

- **Management's Guidance:**
- Management intends to halt net cash consumption by the fourth quarter through continued efforts in reducing cash outflows.
- **Actual Results:**
['Q3', '2020']:
- In Q3 2020, Airbus reported a positive free cash flow before M&A and customer financing of €0.6 billion, indicating no further cash consumption during the third quarter.
['Q4', '2020']:
- In Q4 2020, the free cash flow before M&A and customer financing was a positive €4.9 billion.
['Q2', '2020']:
- Free cash flow before M&A and customer financing was reported as minus €4.4 billion in Q2 2020.
['Q1', '2020']:
- Free cash flow before M&A and customer financing reported was minus €8 billion in Q1 2020.
- **Evaluation:**
- Expectations Exceeded: Management aimed to halt net cash consumption by Q4 2020, but Airbus reported positive free cash flow as early as Q3 2020, surpassing expectations with €0.6 billion and further improving to €4.9 billion by Q4 2020.

2. Earnings guidance and projections
- **Narrative:** Management has taken decisive steps to navigate the challenging market conditions in 2020, focusing on reducing expenditures and adjusting production plans. They have paused certain investment projects to preserve cash flow amidst the expected decline in revenue and passenger numbers. This reflects a strategic approach to maintain financial stability while preparing for potential future recovery.
- **Management's Guidance:**
- Management expects a year-on-year decrease of 48% in operations for 2020, with passenger revenue projected to decline by $314 billion compared to 2019 levels. They have decided to cut fiscal year 2020 CapEx by about EUR700 million, now expecting around EUR1.9 billion. The investment in the new A321 final assembly line in Toulouse has been paused, with plans to resume at a later stage. The goal for Q4 is to manage cash-outflows to handle even pessimistic cash-in scenarios, with adjustments to delivery rates if necessary, aiming to balance cash flows by December. The timeframe for stabilizing the new scenario is assessed to be by June.
- **Actual Results:**
['Q2', '2020']:
- Data Not Available
['Q3', '2020']:
- Data Not Available
['Q4', '2020']:
- Data Not Available
['Q1', '2020']:
- Guillaume Faury [After withdrawing the 2020 guidance in March, we continue to assess the impact of the COVID-19 on our business.]
- **Evaluation:**
- Insufficient Info: Data not available.

3. Production rate adjustments
- **Narrative:** In response to the evolving market conditions, Airbus management has outlined a strategic adjustment in production rates across its major aircraft families. The company is taking measured steps to align production with current demand levels, while positioning itself to swiftly scale operations should market conditions improve. This involves a temporary reduction in production rates along with strategic planning for a potential future increase in response to demand recovery.
- **Management's Guidance:**
- Management has announced a reduction in production rates to rate 40 for the A320 family, 2 for the A330, and 6 for the A350. The production rate for the A220 in Mirabel is expected to progressively return to rate 4, and the new assembly line in Mobile is planned to open in May as scheduled. Deliveries in Q2 will remain very low due to ongoing restrictions and logistical challenges. The company aims to establish a new baseline for operations by June, with the possibility of further adjustments to production rates around that time. The new production rates are approximately one-third lower, with a focus on rebalancing and cost efficiency for the remainder of the year. There is an intention to maintain the capability to quickly return to a production rate of 60 if demand rebounds as expected.
- **Actual Results:**
['Q2', '2020']:
- Guillaume Faury confirmed that Airbus was operating at a production rate of 40 for the A320, aligning with the management guidance. Additionally, there was a slight adjustment in the A350 rates from six to five per month due to the current market situation. Deliveries in Q2 included 196 aircraft, with specifics such as 11 A220s, 157 A320 Family, 5 A330s, and 23 A350s.
['Q3', '2020']:
- In Q3 2020, the production rate for the A350 was adjusted from an initial rate of 6 to around 5. The A320 production was stable at rate 40, and the A330 was maintained at rate 2. Deliveries included 341 aircraft, with specific deliveries of 18 A220, 282 A320 Family, 9 A330, and 32 A350.
['Q4', '2020']:
- Deliveries for Q4, 2020 included 566 aircraft comprising 38 A220, 446 A320 Family, 19 A330, 59 A350, and 4 A380. In April, the production rates were recalibrated by reducing rates by around 40%. A solid number of 225 aircraft were delivered in the fourth quarter. On A320, production rates were set to gradually increase from 40 aircraft per month to 43 in the third quarter and 45 in the fourth quarter of 2021, indicating a slower ramp-up than the previously anticipated 47 aircraft per month from July.
['Q1', '2020']:
- We delivered 122 aircraft to 49 customers, including 8 A220, 96 A320 Family, 4 A330, and 14 A350. The new production rates were about a third down, aligning with the management's guidance of production adjustments.
- **Evaluation:**
- Expectations Met: Airbus management's guidance on production rate adjustments was largely achieved, with production rates aligning closely to the stated targets for the A320 and A330 families, and a slight variance in the A350 rate, reflecting effective operational management amidst challenging market conditions.

4. Air traffic recovery trends

- **Narrative:** Management addressed the varied pace of air traffic recovery across different segments and regions. They emphasized that while some areas are showing signs of recovery, particularly in China, the overall recovery in the wide-body aircraft segment is projected to take longer due to the ongoing impacts of the COVID-19 pandemic.

- **Management's Guidance:**

- Management anticipates that customer demand will increase, allowing more customers to pick up their planes starting in Q3. The full recovery for wide-body aircraft is expected to take longer, with scenarios projecting recovery between 2023 and 2025. Recovery in China is underway, with expected aircraft deliveries in Q2.

- **Actual Results:**

['Q2', '2020']:

- RTK in June were at 13.5% versus last year. Domestic travel was at about 32%, with China on the recovery, reaching about 65%, and international air traffic was about 3% versus June 2019.

['Q3', '2020']:

- Guillaume Faury noted that since the beginning of the crisis, they recorded four cancellations. Their backlog stood at 7,441 aircraft as of the end of September. Additionally, they booked 143 net orders in the first nine months of 2020, compared to 173 in the same period in 2019. He also mentioned that they are back to 100% in terms of domestic flights.

['Q4', '2020']:

- Overall passenger air traffic, measured in RTK, declined by 66% in 2020 versus 2019, according to IATA.

['Q1', '2020']:

- Passenger capacity declined by minus 85% at the peak of the crisis in China in mid-February, compared to pre-COVID-19 situation, and recovered to a minus 60% in April.

- **Evaluation:**

- Expectations Not Met: The management anticipated increased customer demand starting in Q3, with recovery in China underway and expected aircraft deliveries in Q2. However, the actual results showed a significant decline in air traffic with only partial recovery, particularly in China, indicating that the anticipated demand and recovery did not fully materialize as expected.