

9m Results 2022

AIRBUS



28 October 2022

Guillaume FAURY		Chief Executive Officer
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Safe Harbour Statement

DISCLAIMER

This presentation includes forward-looking statements. Words such as “anticipates”, “believes”, “estimates”, “expects”, “intends”, “plans”, “projects”, “may” and similar expressions are used to identify these forward-looking statements. Examples of forward-looking statements include statements made about strategy, ramp-up and delivery schedules, introduction of new products and services and market expectations, as well as statements regarding future performance and outlook. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.

These factors include but are not limited to:

- Changes in general economic, political or market conditions, including the cyclical nature of some of Airbus' businesses;
- Significant disruptions in air travel (including as a result of the spread of disease or terrorist attacks);
- Currency exchange rate fluctuations, in particular between the Euro and the U.S. dollar;
- The successful execution of internal performance plans, including cost reduction and productivity efforts;
- Product performance risks, as well as programme development and management risks;
- Customer, supplier and subcontractor performance or contract negotiations, including financing issues;
- Competition and consolidation in the aerospace and defence industry;
- Significant collective bargaining labour disputes;
- The outcome of political and legal processes, including the availability of government financing for certain programmes and the size of defence and space procurement budgets;
- Research and development costs in connection with new products;
- Legal, financial and governmental risks related to international transactions;
- Legal and investigatory proceedings and other economic, political and technological risks and uncertainties;
- Changes in societal expectations and regulatory requirements about climate change;
- The full impact of the COVID-19 pandemic and the resulting health and economic crisis;
- Aggravation of adverse geopolitical events, including Russia's invasion of Ukraine and the resulting imposition of export control restrictions and international sanctions, and rising military tensions around the world.

As a result, Airbus SE's actual results may differ materially from the plans, goals and expectations set forth in such forward-looking statements.

For more information about the impact of Russia's invasion of Ukraine, see note 2 "Ukraine Crisis" of the Notes to the Airbus SE Unaudited Condensed Interim IFRS Consolidated Financial Statements for the nine-month period ended 30 September 2022. For more information about the impact of the COVID-19 pandemic, see note 3 "Impact of the COVID-19 Pandemic" of the Notes to the Airbus SE Unaudited Condensed Interim IFRS Consolidated Financial Statements for the nine-month period ended 30 September 2022. For more information about factors that could cause future results to differ from such forward-looking statements, see Airbus SE's annual reports, including its 2021 Universal Registration Document filed on 6 April 2022 and the most recent Risk Factors.

Any forward-looking statement contained in this presentation speaks as of the date of this presentation. Airbus SE undertakes no obligation to publicly revise or update any forward-looking statements in light of new information, future events or otherwise.

Rounding disclaimer:

Due to rounding, numbers presented may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.



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[Company Highlights](#)

[Divisional Highlights](#)

[Guidance Highlights](#)

[Appendix](#)



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- Complex operating environment
- 437⁽¹⁾ commercial aircraft delivered in 9m 2022
- 9m 2022 financials:
 - EBIT Adjusted of € 3.5 bn; EBIT reported of € 3.6 bn
 - FCF before M&A and Customer Financing of € 2.9 bn
- 2022 Guidance:
 - Unchanged for commercial aircraft deliveries and EBIT Adjusted
 - Updated for FCF before M&A and Customer Financing

(1) Before a reduction of 2 a/c previously recorded as sold in December 2021 for which a transfer was not possible due to international sanctions against Russia

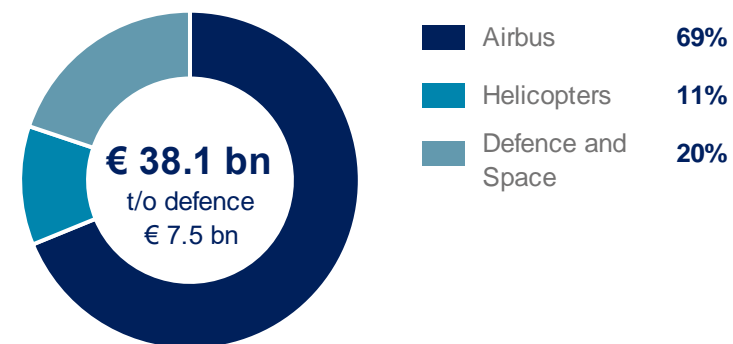
Consolidated Airbus Order Book

by Division

		9m 2022	9m 2021	Change
Airbus (in units)	Order Intake (net)	647	133	386.5%
	Order Book	7,294	6,894	5.8%
Helicopters (in units)	Order Intake (net)	246	185	33.0%
	Order Book	792	654	21.1%
Defence and Space (in € m)	Order Intake (net)	7,991	10,134	-21.1%

Consolidated Airbus

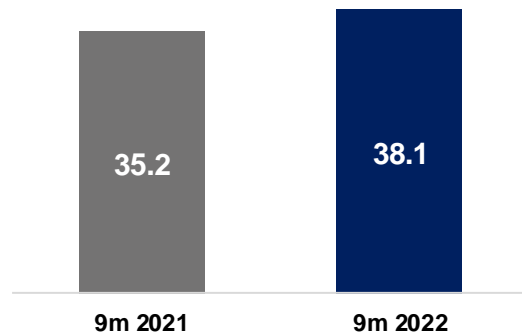
External Revenue by Division



- **AIRBUS:** Gross orders: 856 a/c; Net orders: 647 a/c; Backlog: 7,294 a/c
- **HELICOPTERS:** 246 net orders of which 14 Super Puma, and the Tiger MKIII upgrade programme
- **DEFENCE AND SPACE:** Order intake € 8.0 bn, including Eurodrone global contract in Q1, 20 Eurofighters for the Spanish Air Force in Q2, and service related contracts

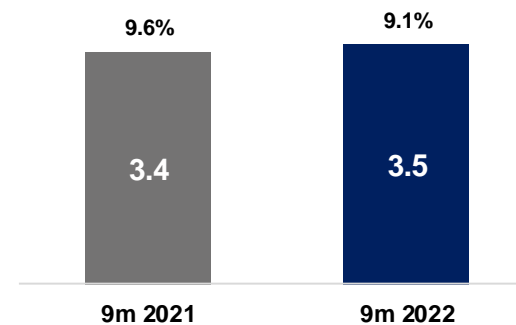
Revenues

in € bn



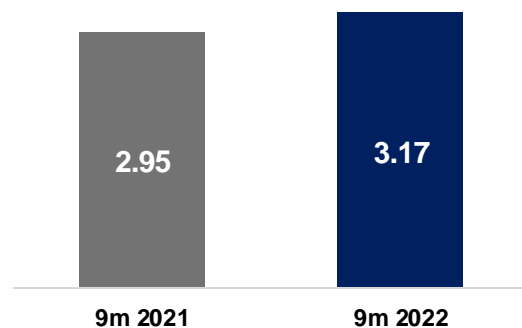
EBIT Adjusted

in € bn / RoS (%)



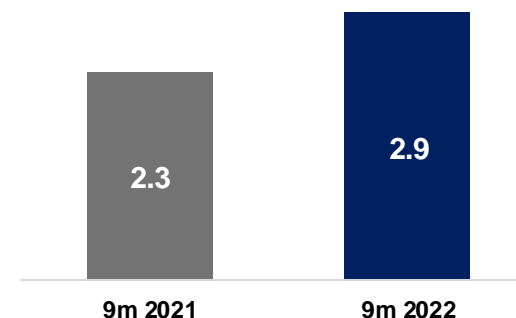
EPS⁽¹⁾ Adjusted

in €



FCF before M&A and Customer Financing

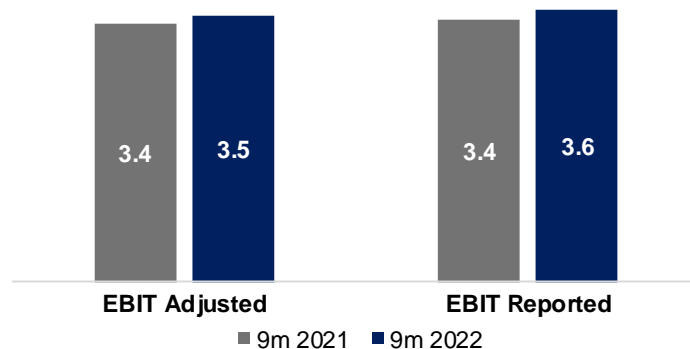
in € bn



(1) 9m 2022 Average number of shares: 786,924,508 compared to 785,166,205 in 9m 2021
Capitalised R&D: € 179 m in 9m 2022 and € 94 m in 9m 2021

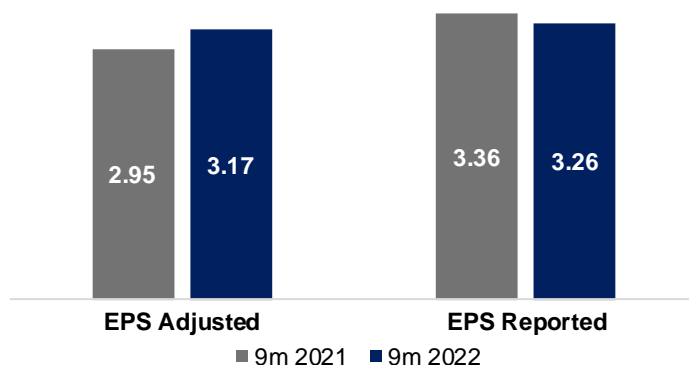
EBIT Performance

in € bn



EPS⁽¹⁾ Performance

in €



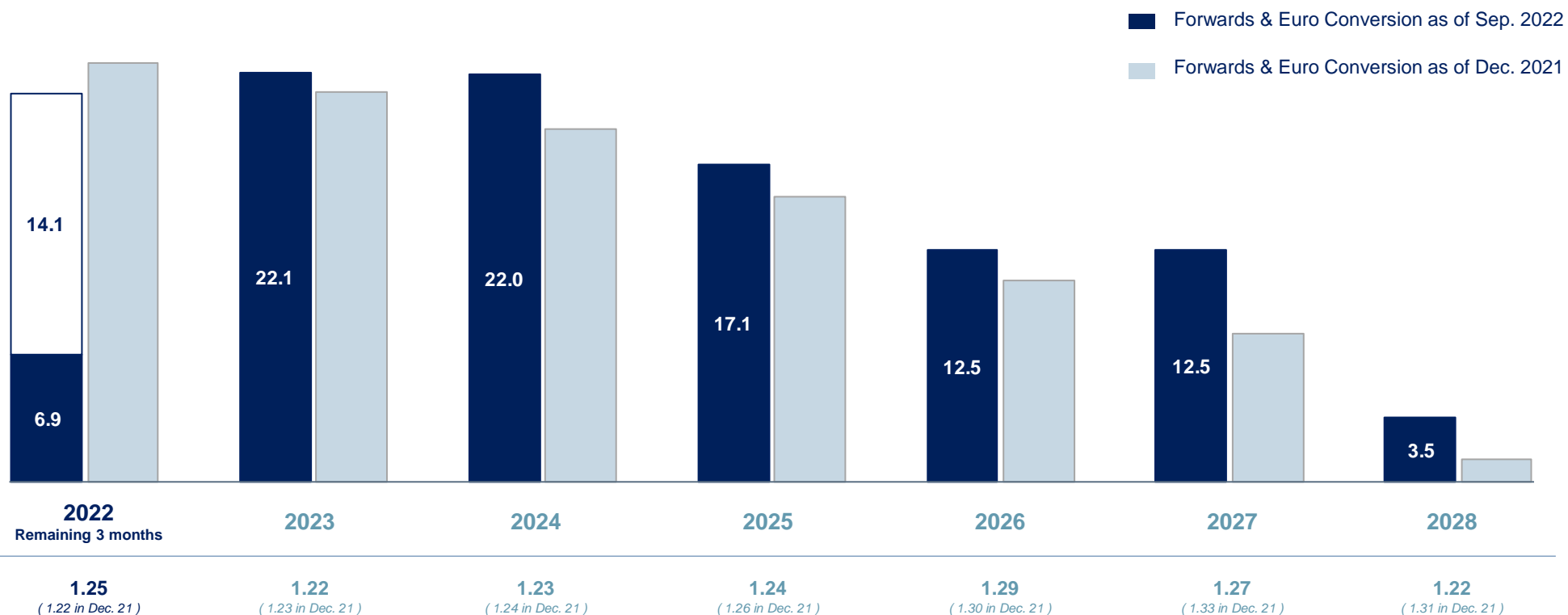
- 9m 2022 **EBIT Reported** of € 3,552 m
- 9m 2022 EBIT Adjustments resulting from:
 - € + 349 m PDP mismatch / BS revaluation
 - € + 33 m A380 programme
 - € - 219 m A400M charge
 - € - 48 m Aerostructures transformation
 - € - 44 m Others
- 9m 2022 **Net Adjustments** of € + 71 m
- 9m 2022 **Net Income** of € 2,568 m
- 9m 2022 **Net Income Adjusted** of € 2,491 m

(1) 9m 2022 Average number of shares: 786,924,508 compared to 785,166,205 in 9m 2021
Capitalised R&D: € 179 m in 9m 2022 and € 94 m in 9m 2021

USD Exposure Coverage

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IN \$ BILLION



Mark-to-market of FX hedging instruments incl. in AOCI = € - 14.1 bn
Closing rate @ 0.97 € vs. \$

- In 9m 2022, \$ 14.1bn⁽²⁾ of forwards matured and Euro conversion realised at an average blended rate⁽¹⁾ of € 1 = \$ 1.22.
- \$ 12.9 bn⁽²⁾ of new USD coverage were added at an average blended rate⁽¹⁾ of € 1 = \$ 1.19.
- Forwards and Euro conversion portfolio⁽²⁾ as of 30 September 2022 at \$ 96.6 bn, at an average blended rate⁽¹⁾ of \$ 1.24 (vs. \$ 98.3 bn in December 2021 at \$ 1.25).

Approximately 60% of Airbus US\$ revenues are naturally hedged by US\$ procurement.

(1) Blended rates reflect both EBIT impact of hedge rates of the US\$ hedge portfolio and Euro conversion.

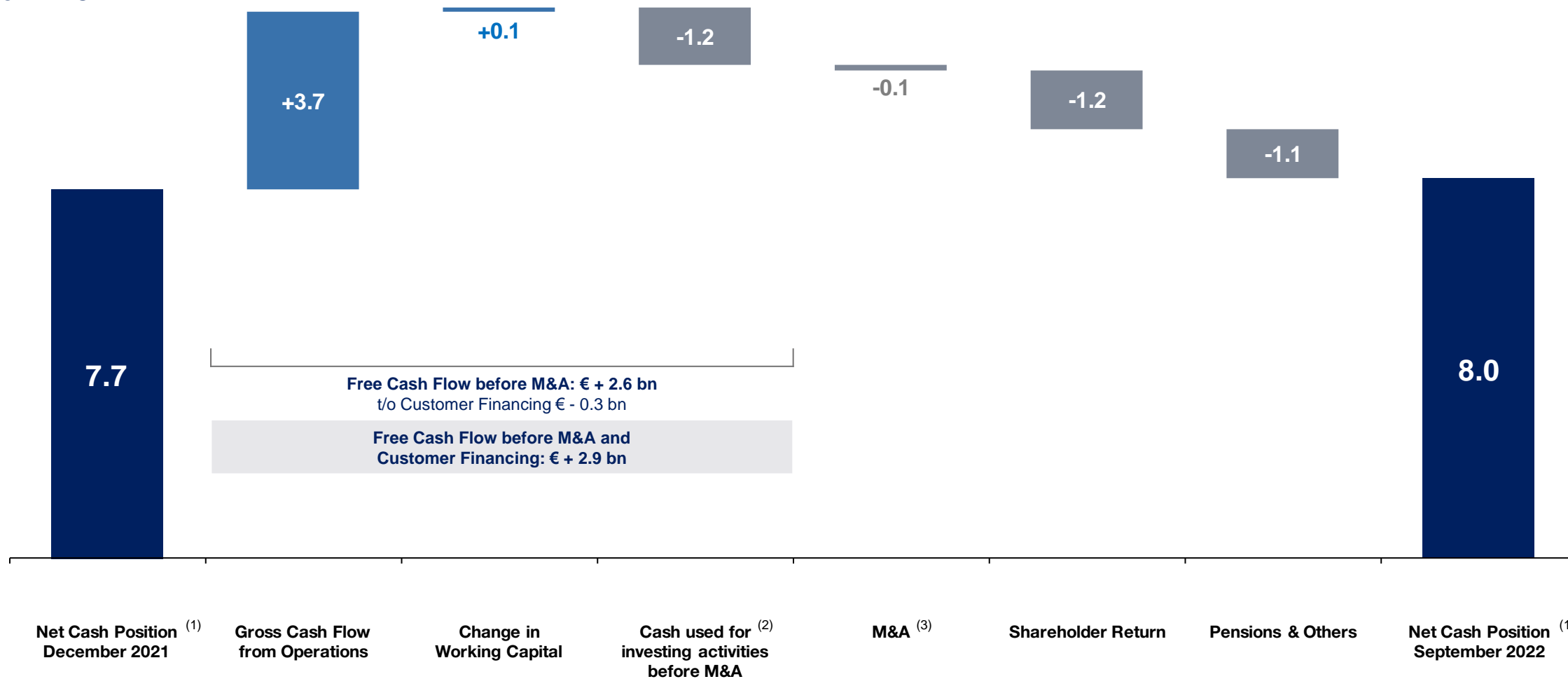
(2) Volumes reflect both forwards and Euro conversion. Total amount predominantly contains €/\$. Volumes reflect roll-over which will be finalised in the next quarter.

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9m 2022 Cash Evolution

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IN € BILLION



(1) The Company has decided to refine the net cash definition to include interest rate contracts related to fair value hedges which is also reflected in the 9m 2022 balance

(2) Thereof CapEx of € - 1.3 bn

(3) M&A transactions include acquisitions and disposals of subsidiaries and businesses

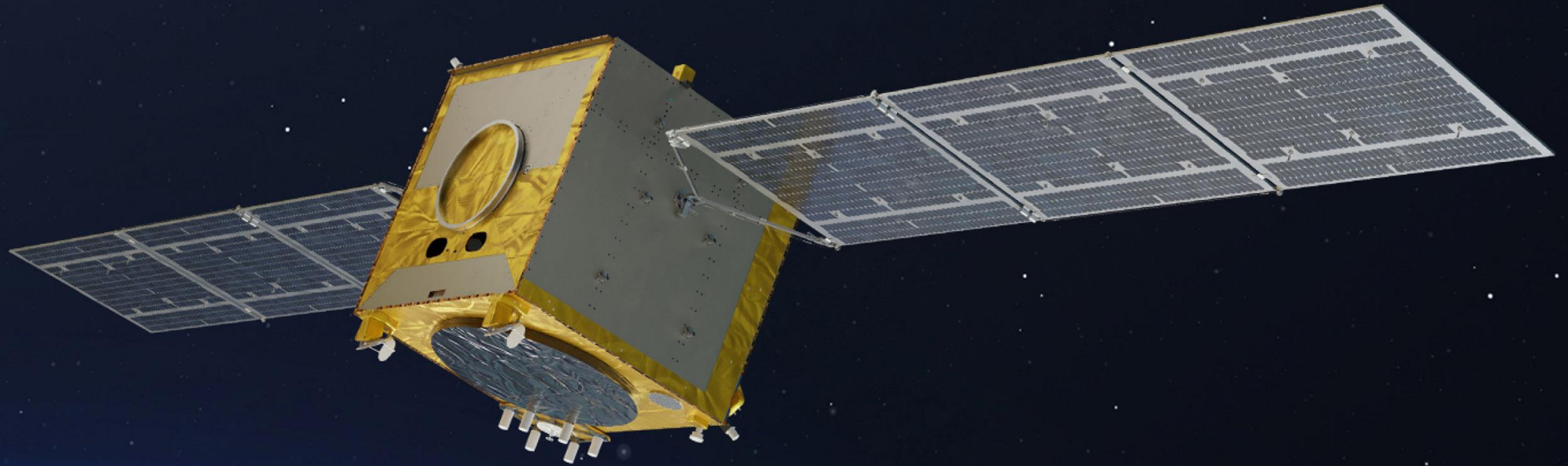
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Company Highlights

Divisional Highlights

Guidance Highlights

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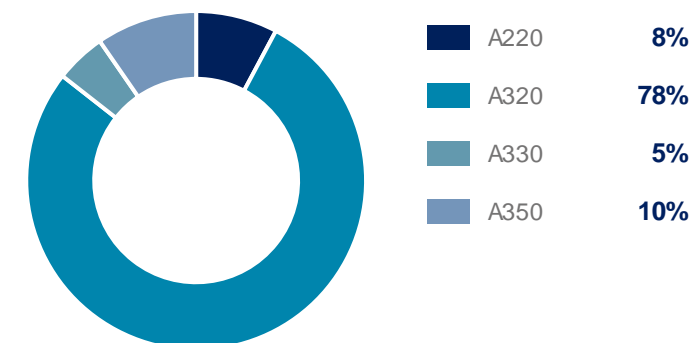


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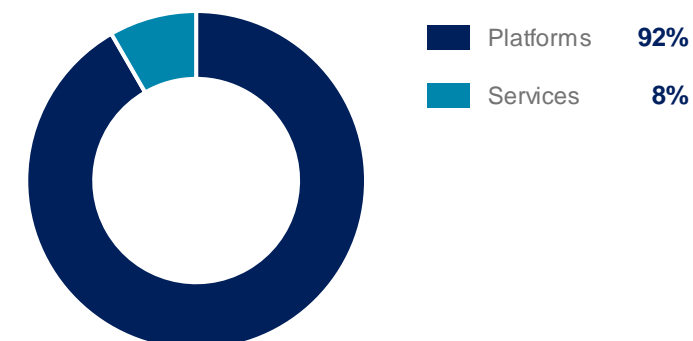
IN € MILLION		9m 2022	9m 2021	Change
Order Intake (net)		647	133	386.5%
Order Book	Units	7,294	6,894	5.8%
Deliveries	Units	437 ^{(1) (2)}	424 ⁽²⁾	3.1%
Revenues		26,654	24,618	8.3%
R&D Expenses		1,618	1,584	2.1%
<i>in % of Revenues</i>		6.1%	6.4%	
EBIT Adjusted		2,875	2,739	5.0%
<i>in % of Revenues</i>		10.8%	11.1%	
EBIT		3,241	2,889	12.2%
<i>in % of Revenues</i>		12.2%	11.7%	

- Deliveries: 437 ⁽¹⁾⁽²⁾ aircraft comprising 34 A220, 340 A320 Family, 21 A330 and 42 A350
- Revenues mainly reflect higher deliveries including favourable mix, and U.S. Dollar strengthening
- EBIT Adjusted includes impact from retirement obligations, partly offset by consequences of international sanctions

Deliveries by Programme (Units)



External Revenue Split



(1) Before a reduction of 2 a/c previously recorded as sold in December 2021 for which a transfer was not possible due to international sanctions against Russia

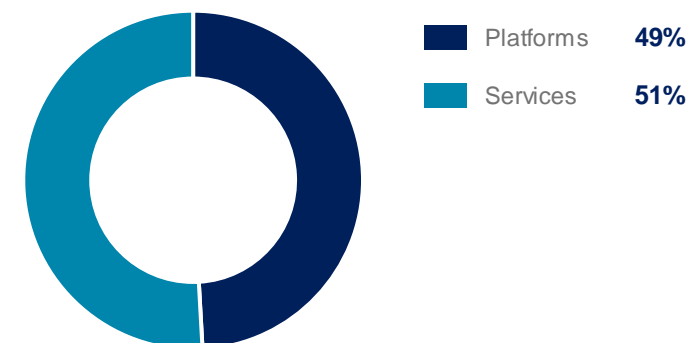
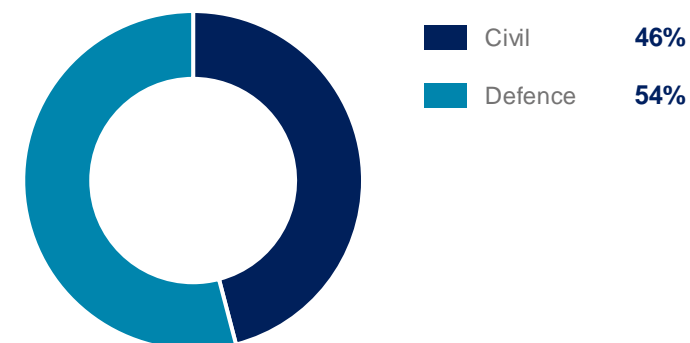
(2) Two A350 delivered on operating lease in 9m 2022 and one A330 delivered on operating lease in 9m 2021

Capitalised R&D: € 96 m in 9m 2022 and € 1 m in 9m 2021

IN € MILLION		9m 2022	9m 2021	Change
Order Intake (net)	Units	246	185	33.0%
Order Book		792	654	21.1%
Deliveries	Units	193	194	-0.5%
Revenues		4,515	4,137	9.1%
R&D Expenses		178	177	0.6%
<i>in % of Revenues</i>		3.9%	4.3%	
EBIT Adjusted		380	314	21.0%
<i>in % of Revenues</i>		8.4%	7.6%	
EBIT		380	312	21.8%
<i>in % of Revenues</i>		8.4%	7.5%	

- Revenues reflect growth in services and favourable mix in programmes
- EBIT Adjusted also reflects non-recurring elements, including impact from retirement obligations

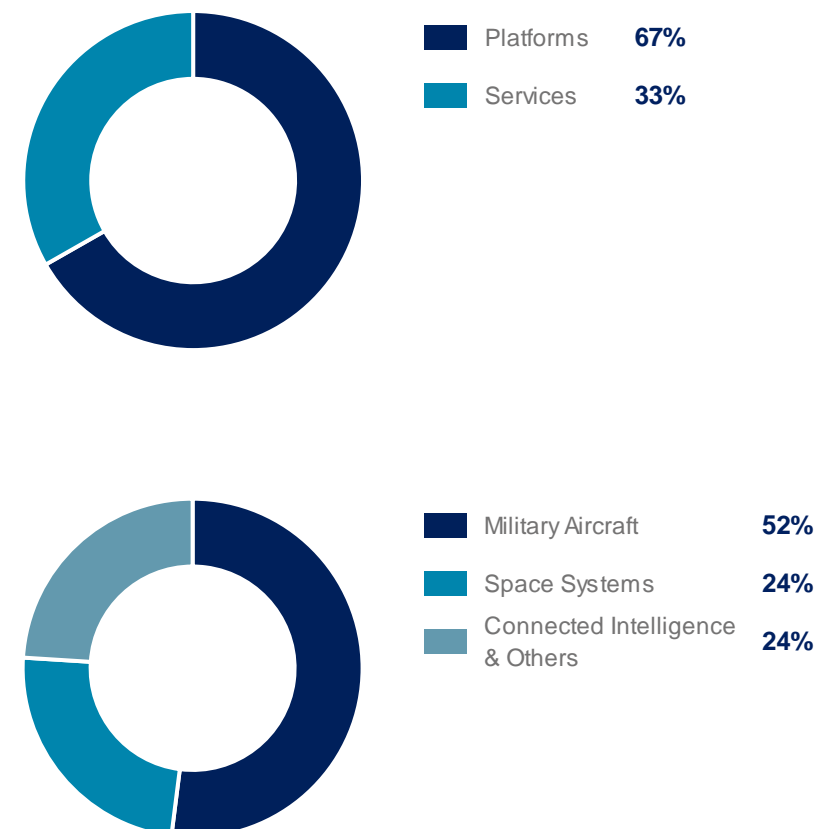
External Revenue Split



IN € MILLION	9m 2022	9m 2021	Change
Order Intake (net)	7,991	10,134	-21.1%
Revenues	7,593	6,881	10.3%
R&D Expenses	180	169	6.5%
<i>in % of Revenues</i>	2.4%	2.5%	
EBIT Adjusted	231	284	-18.7%
<i>in % of Revenues</i>	3.0%	4.1%	
EBIT	(64)	204	N/A
<i>in % of Revenues</i>	-0.8%	3.0%	

- Revenues mainly reflect higher volume on Military Aircraft and Eurodrone contract signature
- EBIT Adjusted mainly reflects Ariane 6 delay, inflation impact on long-term contracts and consequences of international sanctions, partly offset by impact from retirement obligations and Eurodrone
- A400M: 7 a/c delivered in 9m 2022

External Revenue Split



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As the basis for its 2022 guidance, the Company assumes:

- *no further disruptions to the world economy, air traffic, the Company's internal operations, and its ability to deliver products and services.*

The Company's 2022 guidance is before M&A.

On that basis,

- The Company maintains its targets to achieve around 700 commercial aircraft deliveries and around € 5.5 billion of EBIT Adjusted in 2022.
- The Company now targets around € 4.5 billion of Free Cash Flow before M&A and Customer Financing in 2022.

- Deliver on our commercial aircraft ramp-up
- Continue the transformation of the Company
- Further strengthen the backlog across businesses
- Lead the development of sustainable aerospace
- Focus on earnings and cash growth trajectory beyond 2022

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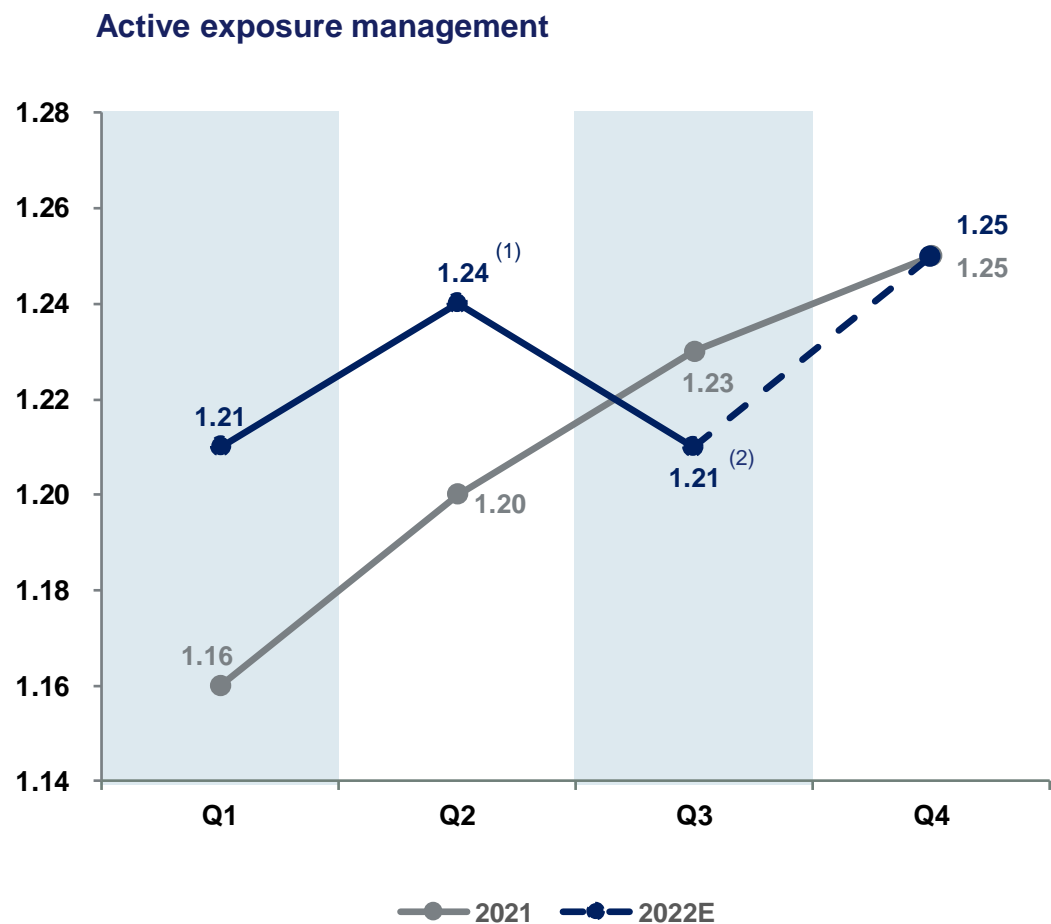
[Guidance Highlights](#)

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Expected Average Blended Rates for Forwards and Euro Conversion € vs. \$



	Average Blended Rates
FY 2021	1.21
FY 2022E	1.23

Blended rates reflect both EBIT impact of hedge rates of the US\$ hedge portfolio and Euro conversion.
(1) Based on \$ 4.2 bn hedges matured with associated EBIT impact and \$ 0.3 bn of Euro conversion realised
(2) Q3 actual

9m 2022 Detailed Income Statement and Adjustments

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IN € MILLION	9m 2022 Reported	thereof Adjustments				9m 2022 Adjusted
		Impact on EBIT			Financial Result	
		Operational				
		Airbus	Defence and Space ⁽¹⁾	Helicopters	Airbus + Defence and Space ⁽²⁾	
EBIT	3,552	(62)	(216)	0	349	3,481
in % of Revenues	9.3%					9.1%
Interest income	92					92
Interest expense	(258)					(258)
Other Financial Result	(140)					(26)
Financial Result	(306)					(114)
Income before taxes	3,246	(62)	(216)	0	349	3,289
Non-controlling interests	90					90
Net Income	2,568					2,491
Number of shares	786,924,508					786,924,508
EPS (in €)	3.26					3.17

Net Income Adjusted excludes the following items:

- Adjustments impacting the EBIT line (as reported in the EBIT Adjusted)
- The Other Financial Result, except for the unwinding of discounted provisions

The tax effect on Adjusted Income before taxes is calculated at 27%. The effective tax rate on Income before taxes is 24%.

(1) Thereof € - 219 m A400M programme update
(2) Thereof € + 428 m Airbus, € - 79 m Defence and Space

9m 2021 Detailed Income Statement and Adjustments

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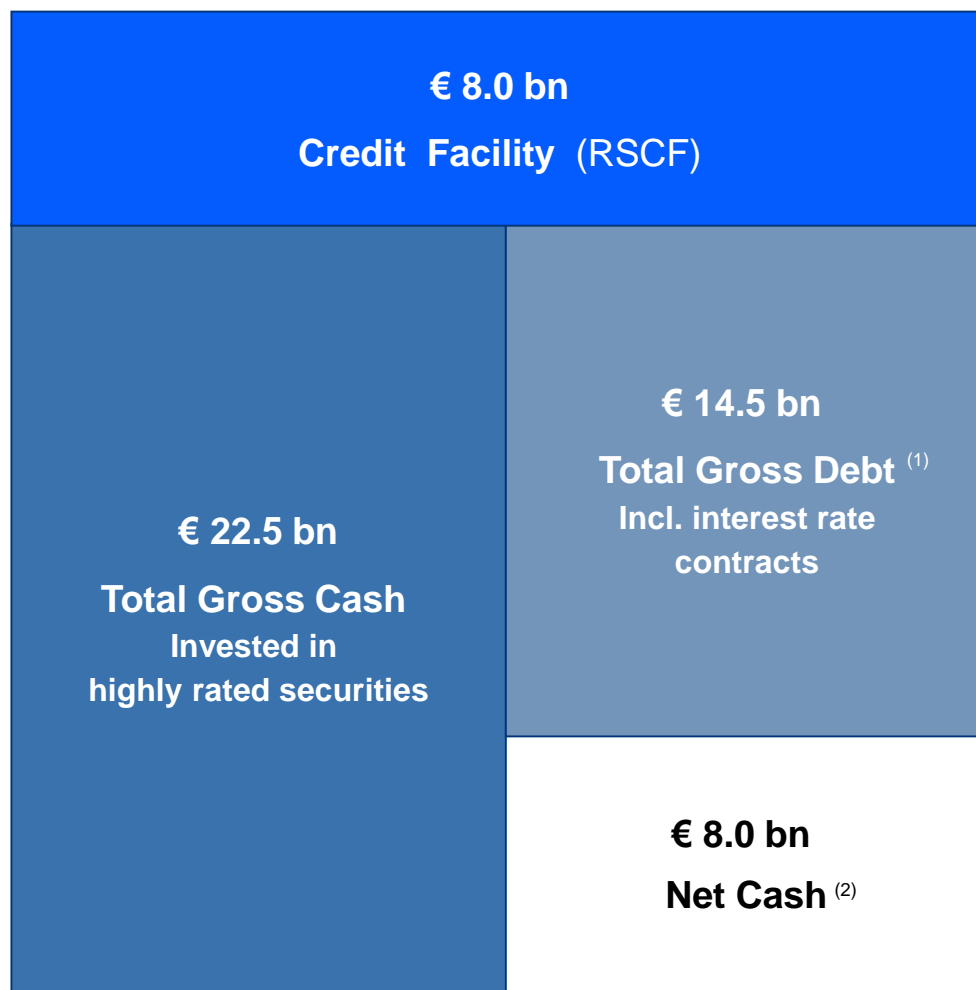
IN € MILLION	9m 2021 Reported	thereof Adjustments				
		Impact on EBIT			Financial Result	9m 2021 Adjusted
		Operational		FX		
		Airbus	Defence and Space ⁽¹⁾	Helicopters	Airbus + Defence and Space ⁽²⁾	
EBIT	3,437	264	(29)	(2)	(165)	3,369
<i>in % of Revenues</i>	9.8%					9.6%
Interest income	48					48
Interest expense	(281)					(281)
Other Financial Result	61					(21)
Financial Result	(172)					82
Income before taxes	3,265	264	(29)	(2)	(165)	82
Non-controlling interests	46					
Net Income	2,635					
Number of shares	785,166,205					
EPS (in €)	3.36					

Net Income Adjusted excludes the following items:

- Adjustments impacting the EBIT line (as reported in the EBIT Adjusted)
- The Other Financial Result, except for the unwinding of discounted provisions

The tax effect on Adjusted Income before taxes is calculated at 27%. The effective tax rate on Income before taxes is 21%.

(1) Thereof € - 3 m A400M programme update
(2) Thereof € - 114 m Airbus, € - 51 m Defence and Space



RSCF:

- Signed 5th July 2022 with a 5 years tenor + 2 extension options of 1 year; undrawn
- Fully committed by 38 banks
- No financial covenants, no MAC clause
- Sustainability-Linked

Financing Liabilities:

of which long-term: € 11.0 bn

- Includes € 8.0 bn EMTN and \$ 2.3 bn 144A/RegS & USPP (nominal amounts)

Credit Ratings:

Short-term rating:

- **S & P:** A-1
- **Moody's:** P-1

Long-term rating:

- **S & P:** A stable outlook
- **Moody's:** A2 stable outlook

(1) The 9m 2022 Gross Debt includes financing liabilities for € 13.0 bn and interest rate contracts related to fair value hedges for € 1.5 bn

(2) The Company has decided to refine the net cash definition to include interest rate contracts related to fair value hedges which is also reflected in the 9m 2022 balance

Q3 2022 Key Figures

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IN € MILLION	Q3 2022	Q3 2021
Revenues	13,309	10,518
EBIT Adjusted	836	666
EBIT	973	710
Net Income	667	404
FCF before M&A	944	302
FCF before M&A and Customer Financing	944	209

IN € MILLION	Q3 2022	Q3 2021	Q3 2022	Q3 2021	Q3 2022	Q3 2021
	Revenues		EBIT Adjusted		EBIT	
Airbus	9,121	6,805	599	448	763	502
Helicopters	1,771	1,543	165	131	165	129
Defence and Space	2,537	2,343	76	55	49	47
Eliminations	(120)	(173)	(4)	32	(4)	32
Consolidated Airbus	13,309	10,518	836	666	973	710

Detailed Free Cash Flow

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IN € MILLION	9m 2022	9m 2021
Net Cash position at the beginning of the period ⁽¹⁾	7,740	4,724
Gross Cash Flow from Operations ⁽²⁾	3,745	2,733
Change in working capital ⁽³⁾	78	800
Cash used for investing activities ⁽⁴⁾	(1,321)	(1,225)
of which Industrial CapEx (additions) ⁽⁵⁾	(1,307)	(1,199)
Free Cash Flow ⁽⁶⁾	2,502	2,308
of which M&A	(107)	(14)
Free Cash Flow before M&A	2,609	2,322
of which Customer Financing	(290)	62
Free Cash Flow before M&A and Customer Financing	2,899	2,260
Change in capital and non-controlling interests	140	133
Change in treasury shares / share buyback	(36)	0
Change in liability for puttable instruments	135	0
Contribution to plan assets of pension schemes	(458)	(244)
Cash distribution to shareholders / non-controlling interests	(1,181)	0
Others	(870)	23
Net Cash position at the end of the period	7,972	6,944

(1) The Company has decided to refine the net cash definition to include interest rate contracts related to fair value hedges which is also reflected in the 9m 2022 balance

(2) Excluding working capital change, contribution to plan assets of pension schemes and realised FX results on treasury swaps

(3) Including net customer financing and excluding some perimeter change impacts from changes in consolidation

(4) Excluding change in securities and change in cash from changes in consolidation and excluding bank activities

(5) Excluding leased and financial assets

(6) Excluding change in securities, change in cash from changes in consolidation, contribution to plan assets, realised FX results on treasury swaps and bank activities

Net Cash Position

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IN € MILLION	Sep. 2022	Dec. 2021
Gross Cash	22,457	22,683
Financing Liabilities	(13,009)	(15,040)
Short-term Financing Liabilities	(2,009)	(1,946)
Long-term Financing Liabilities	(11,000)	(13,094)
Interest rate contracts	(1,476)	97
Reported Net Cash ⁽¹⁾	7,972	7,740

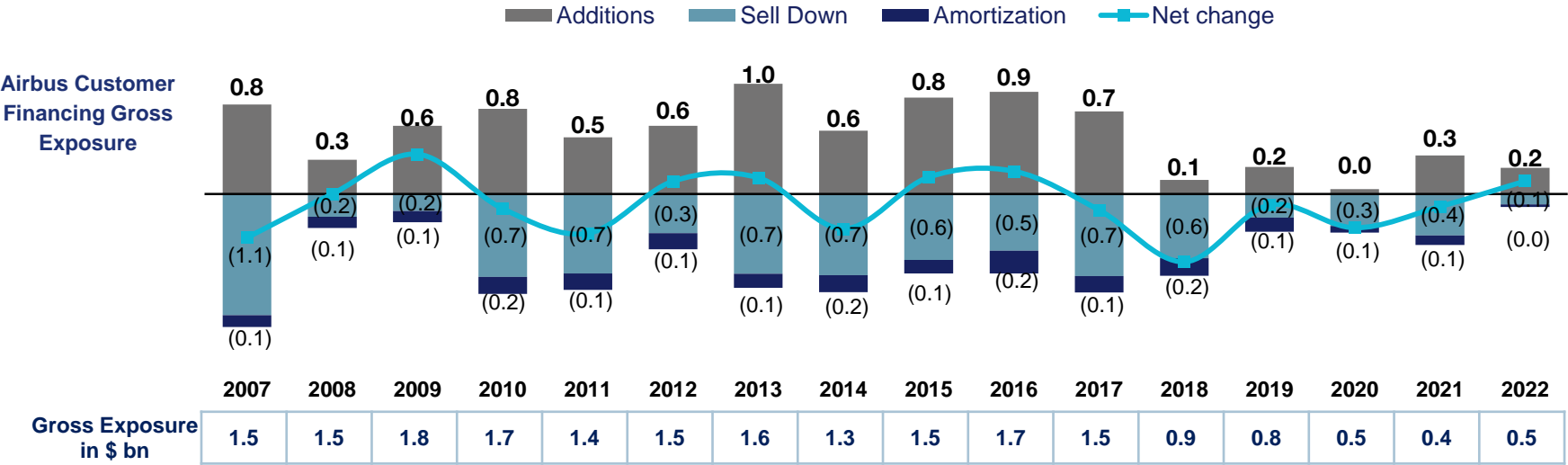
(1) The Company has decided to refine the net cash definition to include interest rate contracts related to fair value hedges which is also reflected in the 9m 2022 balance

Customer Financing Exposure

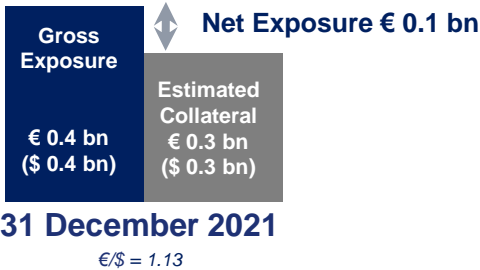
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IN € MILLION	Sep. 2022	Dec. 2021	Sep. 2022	Dec. 2021
	Airbus		Helicopters	
Closing rate € 1 =	\$ 0.97	\$ 1.13	\$ 0.97	\$ 1.13
Total Gross Exposure	539	364	37	58
of which off-balance sheet	47	41	2	26
Estimated value of collateral	(481)	(282)	(37)	(58)
Net Exposure	58	82	0	0
Provision and asset impairment	(58)	(82)	0	0
Net Exposure after provision	0	0	0	0

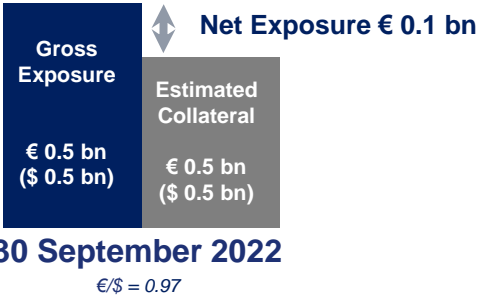
IN € BILLION



Net Exposure fully provisioned



Net Exposure fully provisioned



Balance Sheet Highlights: Assets

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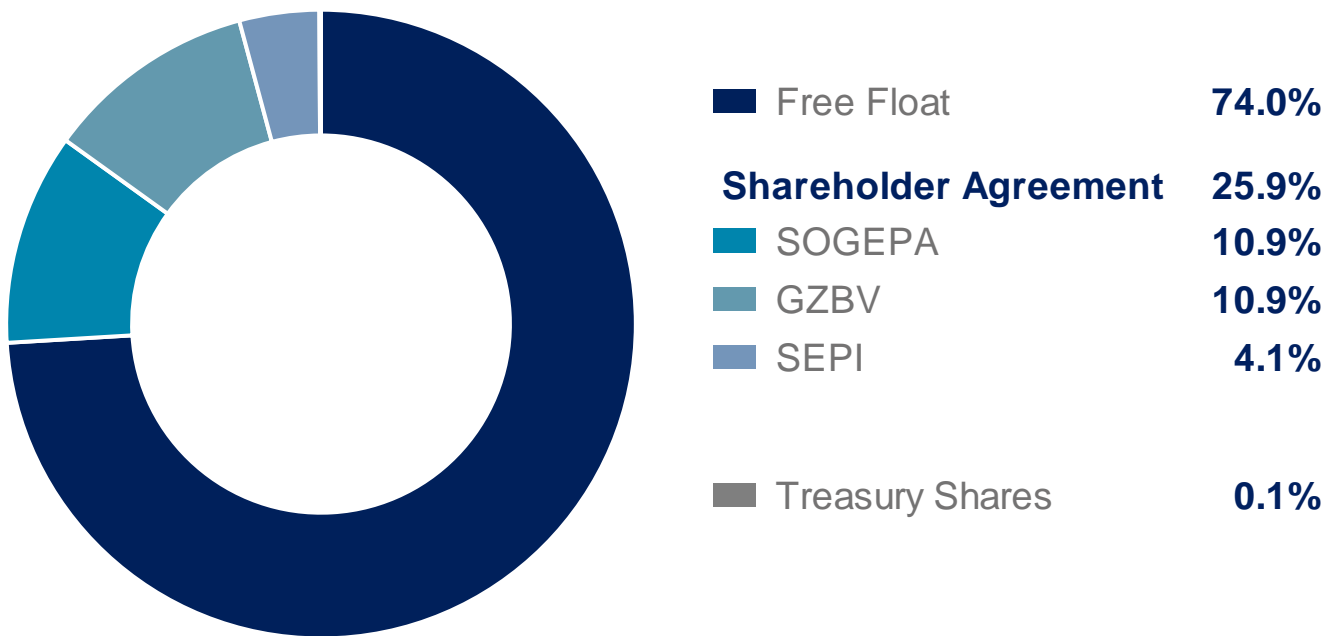
IN € MILLION	Sep. 2022	Dec. 2021
Non-current Assets	56,104	51,247
of which Intangible & Goodwill	16,800	16,367
of which Property, plant & equipment	16,636	16,536
of which Investments & other long-term financial assets	5,608	5,673
of which Contract assets	51	27
of which Positive hedge mark-to-market	1,396	664
of which Non-current securities	6,544	6,794
Current Assets	65,234	55,800
of which Inventory	34,764	28,538
of which Contract assets	1,719	1,377
of which Cash and cash equivalents	14,515	14,572
of which Current securities	1,398	1,317
of which Positive hedge mark-to-market	2,190	341
Assets of disposal groups classified as held for sale	0	0
Total Assets	121,338	107,047
Closing rate € vs. \$	0.97	1.13

Balance Sheet Highlights: Liabilities

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IN € MILLION	Sep. 2022	Dec. 2021
Total Equity	6,391	9,486
of which AOCI (Accumulated Other Comprehensive Income)	(9,630)	(1,822)
of which Non-controlling interests	29	20
Total Non-current liabilities	54,586	49,754
of which Pensions	3,254	6,659
of which Other provisions	4,223	4,112
of which Financing liabilities	11,000	13,094
of which European Governments' refundable advances	3,782	3,730
of which Contract liabilities	20,302	18,620
of which Negative hedge mark-to-market	11,011	2,640
Total Current liabilities	60,361	47,807
of which Pensions	382	413
of which Other provisions	3,895	4,097
of which Financing liabilities	2,009	1,946
of which European Governments' refundable advances	117	131
of which Contract liabilities	26,063	23,906
of which Trade liabilities	13,860	9,693
of which Negative hedge mark-to-market	6,529	1,923
Liabilities of disposal groups classified as held for sale	0	0
Total Liabilities and Equity	121,338	107,047

Shareholding Structure at 30 September 2022



▪ 788,136,199 shares issued at 30 September 2022

Quarterly Revenues Breakdown (Cumulative)

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IN € MILLION	Q1		H1		9m		FY	
	2022	2021	2022	2021	2022	2021	2022	2021
Airbus	8,541	7,272	17,533	17,813	26,654	24,618		36,164
Helicopters	1,265	1,177	2,744	2,594	4,515	4,137		6,509
Defence and Space	2,453	2,115	5,056	4,538	7,593	6,881		10,186
Eliminations	(259)	(104)	(523)	(308)	(643)	(481)		(710)
Consolidated Airbus	12,000	10,460	24,810	24,637	38,119	35,155		52,149

Quarterly **EBIT Adjusted** Breakdown (Cumulative)

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IN € MILLION	Q1		H1		9m		FY	
	2022	2021	2022	2021	2022	2021	2022	2021
Airbus	1,065	533	2,276	2,291	2,875	2,739		3,570
Helicopters	90	62	215	183	380	314		535
Defence and Space	106	59	155	229	231	284		696
Eliminations	2	40	(1)	0	(5)	32		64
Consolidated Airbus	1,263	694	2,645	2,703	3,481	3,369		4,865

Quarterly **EBIT** Breakdown (Cumulative)

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IN € MILLION

	Q1		H1		9m		FY	
	2022	2021	2022	2021	2022	2021	2022	2021
Airbus	1,242	343	2,478	2,387	3,241	2,889		4,175
Helicopters	90	62	215	183	380	312		535
Defence and Space	95	17	(113)	157	(64)	204		568
Eliminations	2	40	(1)	0	(5)	32		64
Consolidated Airbus	1,429	462	2,579	2,727	3,552	3,437		5,342

9m 2022 IFRS vs. APM Cash Flow Reconciliation

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IN € BILLION	Sep. 2022
Cash provided by (used for) operating activities	3.4
t/o Reimbursement from / contribution to plan assets	(0.5)
t/o Treasury swaps	0.0
t/o Change in other operating assets and liabilities	0.1
Gross Cash Flow from Operations	3.7

IN € BILLION	Sep. 2022
Cash provided by (used for) operating activities	3.4
Cash provided by (used for) investing activities	(1.9)
t/o Net proceeds (payment)	(0.3)
Others	0.7
Free Cash Flow	2.5
t/o M&A transactions	(0.1)
Free Cash Flow before M&A	2.6
t/o Customer Financing	(0.3)
FCF before M&A and Customer Financing	2.9

Glossary on Alternative Performance Measures (APM)

This presentation also contains certain “non-GAAP financial measures”, i.e. financial measures that either exclude or include amounts that are not excluded or included in the most directly comparable measure calculated and presented in accordance with IFRS. For example, Airbus makes use of the non-GAAP measures “EBIT Adjusted”, “EPS Adjusted” and “Free Cash Flow”.

Airbus uses these non-GAAP financial measures to assess its consolidated financial and operating performance and believes they are helpful in identifying trends in its performance. These measures enhance management’s ability to make decisions with respect to resource allocation and whether Airbus is meeting established financial goals.

Non-GAAP financial measures have certain limitations as analytical tools, and should not be considered in isolation or as substitutes for analysis of Airbus’ results as reported under IFRS. Because of these limitations, they should not be considered substitutes for the relevant IFRS measures.

- **EBIT:** Airbus continues to use the term EBIT (Earnings before interest and taxes). It is identical to Profit before finance cost and income taxes as defined by IFRS Rules.
- **Adjustment** is an alternative performance measure used by Airbus which includes material charges or profits caused by movements in provisions related to programmes, restructuring or foreign exchange impacts as well as capital gains/losses from the disposal and acquisition of businesses.
- **EBIT Adjusted:** Airbus uses an alternative performance measure, EBIT Adjusted as a key indicator capturing the underlying business margin by excluding material charges or profits caused by movements in provisions related to programmes, restructuring or foreign exchange impacts as well as capital gains/losses from the disposal and acquisition of businesses.
- **EPS Adjusted** is an alternative performance measure of a basic EPS as reported whereby the net income as the numerator does include Adjustments. For reconciliation see slide “Detailed Income Statement and Adjustments”.
- **Gross cash position:** Airbus defines its consolidated gross cash position as the sum of (i) cash and cash equivalents and (ii) securities (all as recorded in the consolidated statement of financial position).
- **Net cash position:** Airbus defines its consolidated net cash position as the sum of (i) cash and cash equivalents and (ii) securities, minus (iii) financing liabilities, plus or minus (iiii) interest rate contracts related to fair value hedges (all as recorded in the Consolidated Statement of Financial Position).
- **Gross cash flow from operations:** Gross cash flow from operations is an alternative performance measure and an indicator used by Airbus to measure its operating cash performance before changes in other operating assets and liabilities (working capital). It is defined in the Universal Registration Document, MD&A section 2.1.6.1. as cash provided by operating activities, excluding (i) changes in other operating assets and liabilities (working capital), (ii) contribution to plan assets of pension schemes and (iii) realised foreign exchange results on treasury swaps.
- **Changes in working capital:** it is identical to changes in other operating assets and liabilities as defined by IFRS Rules. It is comprised of inventories, trade receivables, contract assets and contract liabilities (including customer advances), trade liabilities, and other assets and other liabilities.
- **FCF:** For the definition of the alternative performance measure free cash flow, see Universal Registration Document, MD&A section 2.1.6.1. It is a key indicator which allows the Company to measure the amount of cash flow generated from operations after cash used in investing activities.
- **FCF before M&A** refers to Free Cash Flow as defined in the Universal Registration Document, MD&A section 2.1.6.1. adjusted for net proceeds from disposals and acquisitions. It is an alternative performance measure and indicator that is important in order to measure FCF excluding those cash flows from the acquisition and disposal of businesses.
- **FCF before M&A and Customer Financing** refers to free cash flow before mergers and acquisitions adjusted for cash flow related to aircraft financing activities. It is an alternative performance measure and indicator that may be used occasionally by the Company in its financial guidance, especially when there is higher uncertainty around customer financing activities.