

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.