



# AIRBUS REPORTED FULL-YEAR 2020 RESULTS

News / Finance, Manufacturer



Airbus SE reported consolidated Full-Year (FY) 2020 financial results and provided guidance for 2021. “The 2020 results demonstrate the resilience of Airbus in the most challenging crisis to hit the aerospace industry. I want to thank our teams for their great achievements in 2020 and acknowledge the strong support of our Helicopters and Defence and Space businesses. I would also like to thank our customers, suppliers and partners for their loyalty to Airbus,” said Airbus Chief Executive Officer Guillaume Faury. “Many uncertainties remain for our industry in 2021 as the pandemic continues to impact lives, economies and societies. We have issued guidance to provide some visibility in a volatile environment. Over the longer term, our ambition is to lead the development of a sustainable global aerospace industry.”

Net commercial aircraft orders totalled 268 (2019: 768 aircraft) with the order backlog comprising 7,184 commercial aircraft as of 31 December 2020. Airbus Helicopters booked 268 net orders (2019: 310 units), including 31 NH90s for the German Bundeswehr in Q4 and 11 H160s. Airbus Defence and Space’s order intake by value increased 39% year-on-year to € 11.9 billion, a book-to-bill above one, mainly driven by major contract wins in Military Aircraft. This included a contract signed in November to deliver 38 new Eurofighters for the German Air Force.

Consolidated order intake by value decreased to € 33.3 billion (2019: € 81.2 billion) with the consolidated order book valued at € 373 billion on 31 December 2020 (year-end 2019: € 471 billion). The decrease in the value of the commercial aircraft backlog reflects the higher number of deliveries compared to order intake, the weakening of the US dollar and an

## assessment of the backlog's recoverability.

Consolidated **revenues** decreased to € 49.9 billion (2019: € 70.5 billion), driven by the difficult market environment impacting the commercial aircraft business with 34% fewer deliveries year-on-year. A total of 566 commercial aircraft were delivered (2019: 863 aircraft), comprising 38 A220s, 446 A320 Family, 19 A330s, 59 A350s and 4 A380s. During the fourth quarter of 2020, a total of 225 commercial aircraft were delivered including 89 in December. In 2020, Airbus Helicopters delivered 300 units (2019: 332 units) with revenues increasing by around 4%, benefiting from a favourable product mix and growth in services. Revenues at Airbus Defence and Space decreased by around 4%, mainly reflecting lower volume as well as the impact of COVID-19 on business phasing, mainly in Space Systems.

Consolidated **EBIT Adjusted** – an alternative performance measure and 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 – totalled € 1,706 million (2019: € 6,946 million). This mainly reflects the weaker commercial aircraft performance, which was supported by a strong contribution from Airbus Helicopters and Airbus Defence and Space.

Airbus' EBIT Adjusted of € 618 million (2019: € 5,947 million(1)) mainly reflects the reduced commercial aircraft deliveries and associated lower cost efficiency. It also includes € -1.1 billion in COVID-19 related charges. In January 2021, an update on production rates was communicated in response to the market environment with rates to remain lower for longer.

Airbus Helicopters' EBIT Adjusted increased to € 471 million (2019: € 422 million), mainly driven by strong government-related activities and reliable programme execution. It also includes lower Research & Development (R&D) expenses reflecting the end of the European Union Aviation Safety Agency (EASA) certification process for the five-bladed H145 and the H160.

EBIT Adjusted at Airbus Defence and Space increased to € 660 million (2019: € 565 million), mainly reflecting cost containment measures and lower R&D expenses, partly offset by the impact of COVID-19, including on the launcher business.

A total of 9 A400M military airlifters were delivered during the year, with Belgium taking delivery of its first of seven aircraft in December. Good progress was made with the aircraft's capability roadmap, including the flight test campaign for Automatic Low Level Flight certification.

Consolidated **self-financed R&D expenses** decreased to € 2,858 million (2019: € 3,358 million).

Consolidated **EBIT** (reported) was € -510 million (2019: € 1,339 million), including Adjustments totalling a net € -2,216 million.

These Adjustments comprised:

- € -1,202 million related to the Company-wide restructuring plan;
- € -385 million related to A380 programme cost, of which € -27 million were in Q4;
- € -480 million related to the dollar pre-delivery payment mismatch and balance sheet revaluation, of which € -106 million were in Q4;
- € -149 million of other costs (including compliance), of which € -21 million were in Q4.

The consolidated **net loss** (2) was € -1,133 million (2019 net loss: € -1,362 million). It includes the financial result of € -620 million (2019: € -275 million). The financial result largely reflects interest

results of € -271 million, Repayable Launch Investment re-measurement impact in the other financial result of € -157 million, as well as a net € -149 million related to Dassault Aviation financial instruments. It also includes the impairment of the OneWeb loan, recognised in Q1 2020. The consolidated reported **loss per share** was € -1.45 (2019: € -1.75).

Consolidated **free cash flow before M&A and customer financing** amounted to € -6,935 million (2019: € 3,509 million), including the payment of the compliance-related penalties of € -3.6 billion in Q1 2020. The Q4 2020 free cash flow before M&A and customer financing of € 4.9 billion reflects the solid level of aircraft deliveries in the quarter, the good performance from Helicopters and Defence and Space, as well as a strong focus on working capital management.

Various measures were taken during 2020 to maintain a strong liquidity position while navigating the COVID-19 crisis, including a new € 15.0 billion credit facility. Thanks to its strong credit rating, the Company was able to limit interest expenses to € 0.4 billion for the year and extend the maturities of funding sources by issuing new bonds.

Full-year capital expenditure was around € 1.8 billion, down by about € 0.6 billion year-on-year following the prioritisation of projects. Consolidated **free cash flow** was € -7,362 million (2019: € 3,475 million). The consolidated **net cash position** was € 4.3 billion on 31 December 2020 (year-end 2019: € 12.5 billion) with a **gross cash position** of € 21.4 billion (year-end 2019: € 22.7 billion).

Given the global business environment, there will be no dividend proposed for 2020. This decision aims at strengthening the Company's financial resilience by protecting the net cash position and supporting its ability to adapt as the situation evolves.

## Outlook

As the basis for its 2021 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 2021 guidance is before M&A.

On that basis, the Company targets to at least achieve in 2021:

- Same number of commercial aircraft deliveries as in 2020;
- EBIT Adjusted of € 2 billion;
- Breakeven free cash flow before M&A and customer financing.

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