

**Pioneering  
sustainable  
aerospace –  
resilience and  
responsibility**





For 50 years, Airbus has transformed aerospace through bold alliances, innovative products and technologies. This has only been possible thanks to the strong commitment of generations of passionate, visionary and talented people.

This annual report was prepared on the basis of the Company's 2019 operations, results and performance. Today, as Airbus releases this document, the world, the aerospace and defence industry and the Company are in the midst of the coronavirus pandemic. So in early 2020, the entire world, humanity and globalisation look very different; the Company and its stakeholders are adapting at a fast pace in an even faster changing environment.

Despite the pandemic, Airbus continues to report on its 2019 transformation activities which have begun to lay the groundwork for the future.

Airbus is focused on serving its customers and society as a whole while remaining resilient. Throughout 2019, it focused its efforts on building a sustainable, purpose-driven culture that puts safety, quality and ethics at its heart while listening to stakeholders and putting them at the centre of all the Company does. The "Next Chapter" initiative was designed to empower the Airbus teams to achieve this.

Now, Airbus is focused on its resilience, as a company and as an industry, as well as meeting the needs of wider society in the current context either directly or via the Airbus Foundation.

Resilience is a key word for all. The foundations laid in 2019 will support the Company through the crisis and as it comes out on the other side.



From formation flights involving a wide array of aircraft to a special event at the Paris Airshow, employees around the world marked Airbus' 50th anniversary in 2019.

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### Registration Document and Financial Statements

The 2019 Universal Registration Document and Financial Statements, which together with the Overview form the Annual Report suite, are available online at:

[www.airbus.com/investors.html](http://www.airbus.com/investors.html)

Where applicable, 'Airbus' refers to commercial aircraft and the integrated functions while 'the Company' refers to Airbus SE together with its subsidiaries.

# Next Chapter: Addressing **challenges** and **opportunities**

**Over the past 50 years, Airbus' products and technologies have changed the aerospace industry beyond recognition. But now a game-changing moment has been reached as the sector and society in general address the impact of the coronavirus pandemic.**

In 2019, the Next Chapter initiative was started to shape a sustainable future for Airbus. Under the guiding principles of Simplify, Empower and Grow, its goal is to build a more competitive and resilient company that meets customer commitments. The Company is also committed to the sustainability of its business, its products and the role it wants to play in society, with a constant mind-set of Safety, Quality, Integrity and Compliance.

Next Chapter will help to transform the Company, providing the vision and dynamism needed to lead and develop clean and safe solutions while serving citizens and stakeholders. It will support the CEO and his executive team, giving them the inspiration to plan the Company's future strategy and the means to deliver it dynamically together with all employees.

As a first step for Next Chapter, employees from all parts of the Company were asked for their views and ideas. The best of these initiatives were channelled into and accelerated by Next Chapter, driving a collective effort to set the Company's future direction.

The role Airbus takes in society is of utmost importance in 2020 as efforts globally focus on addressing the coronavirus pandemic. This starts with ensuring that employees have a safe and inspiring place of work that meets the highest health and safety standards. At all times, the Company will support those in the emergency and public services that rely on its products and services to perform their important missions. Airbus' airlift capabilities as well as its engineering talent and resources are also being used to help the crisis efforts where possible.

The Company is also addressing its resilience and prioritising business continuity. A key focus in 2020 is to ensure that normal business can be resumed as soon as the coronavirus crisis situation improves in its home countries and in all its markets. Providing constant support to Airbus' teams and the overall ecosystem most notably in the commercial aircraft sector, as they navigate the crisis is vital. Safe and efficient air travel is a key backbone of global development and will again help to drive the global economy after the crisis subsides.

Next Chapter is all about Airbus, pioneering sustainable aerospace for a safe and united world. What is described in this purpose encompasses the constant will for groundbreaking innovation while remaining resilient and competitive to be a sustainable business and when the time is right, to be able to invest in a sustainable future and be the leading force for the decarbonisation of the industry. It also includes the commitment to follow the highest standards in Ethics and Compliance, to deliver on customer commitments and foster an inclusive, diverse and safe workplace.

The guidelines of Next Chapter will continue to define the Company's approach to business while our purpose will guide us even in challenging times such as these.



Next Chapter provides the vision and dynamism needed to develop clean and safe solutions while serving citizens and stakeholders

# Pioneering sustainable aerospace

## Seven streams to transform Airbus

Next Chapter initiative encompasses work along seven streams, which deliver collectively on common goals while satisfying a diverse set of objectives.

## Purpose and Story

Expresses a long-term, essential and unifying ambition for the future of the Company. It connects all Next Chapter work streams.

## People@Airbus

Focusing on the improvement of the day-to-day experience of employees and leaders.

## Competitiveness

Understanding how robust and sustainable the Company's situation is compared to others and which measures we need to drive in the coming years for a successful future.

## Customer@Heart

Focusing on customer trust and loyalty in the ability to deliver according to commitments.

## Governance

Focusing on creating a sustainable governance model and governance principles empowering quick and agile decision making while adhering to legal obligations.

## PeopleSafety@Work

Embedding a culture of excellence and a safety mind-set where risk prevention is core.

## Airbus in Society

Harnessing efforts to drive and promote Airbus SE in society, within the frame of the Company's Responsibility and Sustainability charter and its commitments.



Employees are at the heart of Next Chapter



Remaining competitive in key markets is a priority



Technology demonstrators can lead to more sustainable solutions



Health and safety is part of the Company's culture

# A year of significant achievements



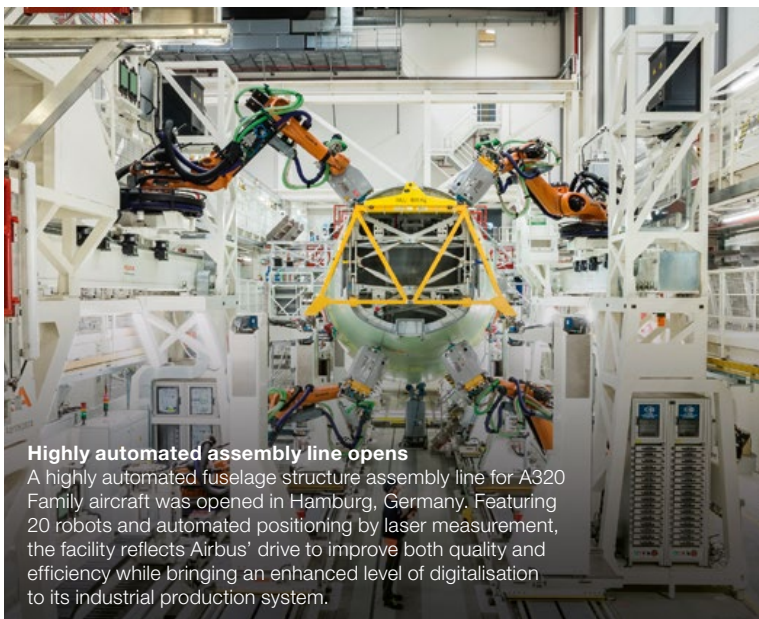
## A321XLR launched

Due to enter service in 2023, the A321XLR delivers an unprecedented single-aisle airliner range of up to 4,700 nautical miles with 30% lower fuel consumption per seat compared with previous-generation competitor aircraft. Following its launch in June 2019, over 450 orders and commitments had been received by year-end.



## US A220 facility for Mobile, Alabama

During 2019 construction began on the US A220 manufacturing facility in Mobile, Alabama, complementing the primary final assembly line in Mirabel, Canada. The plant is creating additional jobs in Mobile.



## Highly automated assembly line opens

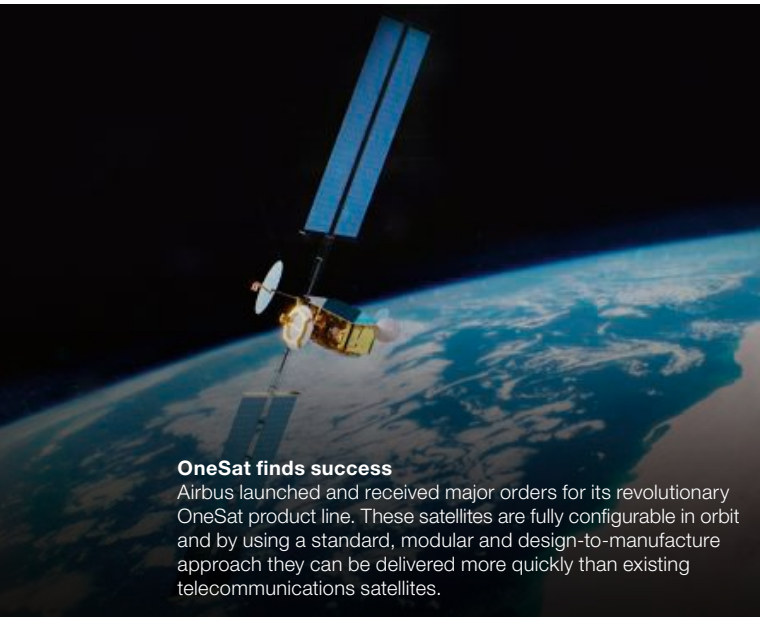
A highly automated fuselage structure assembly line for A320 Family aircraft was opened in Hamburg, Germany. Featuring 20 robots and automated positioning by laser measurement, the facility reflects Airbus' drive to improve both quality and efficiency while bringing an enhanced level of digitalisation to its industrial production system.



## Future Combat Air System progresses

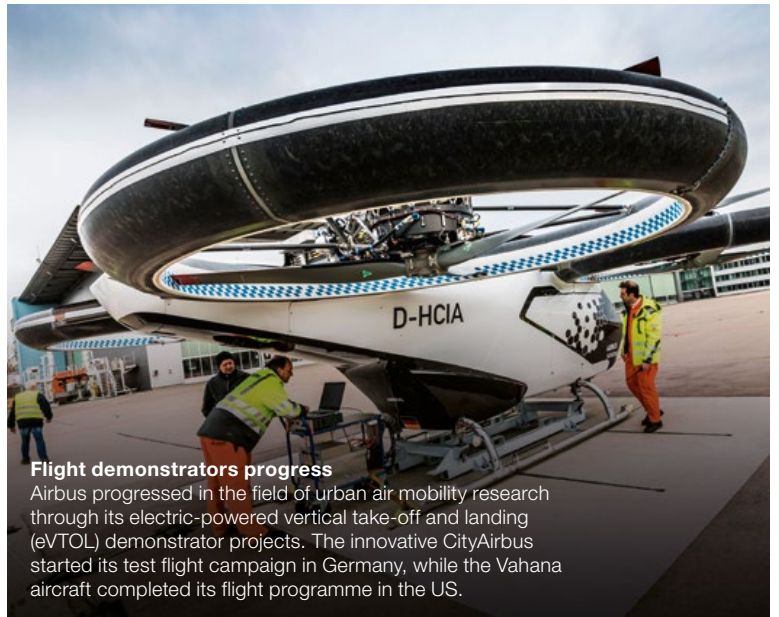
Europe's ambitious FCAS project took some major steps forward during 2019. France and Germany agreed to contract the programme's demonstrator phase after Airbus and Dassault Aviation delivered a joint industrial proposal. The initial framework contract was awarded in early 2020.

2019 was another year of progress with some significant operational and commercial milestones achieved. The Company also further enhanced its product portfolio and continued its strong focus on innovation and sustainable aerospace.



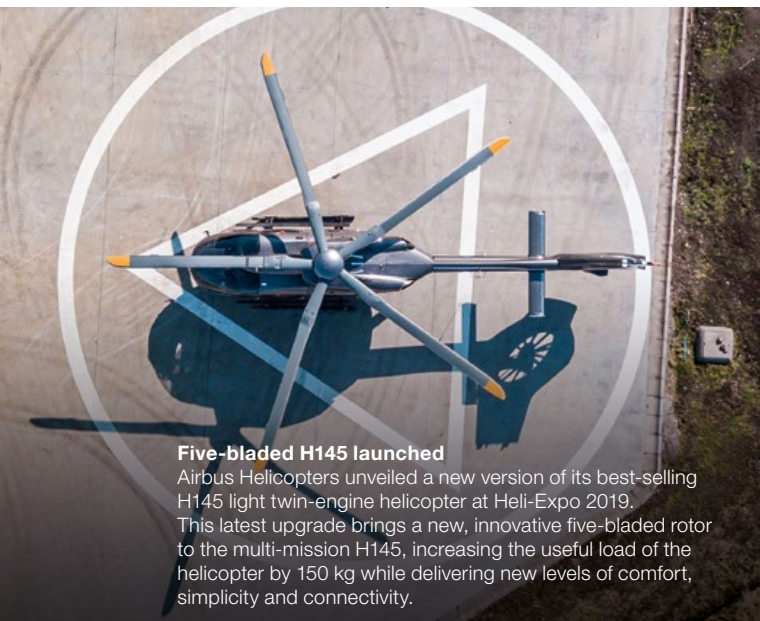
**OneSat finds success**

Airbus launched and received major orders for its revolutionary OneSat product line. These satellites are fully configurable in orbit and by using a standard, modular and design-to-manufacture approach they can be delivered more quickly than existing telecommunications satellites.



**Flight demonstrators progress**

Airbus progressed in the field of urban air mobility research through its electric-powered vertical take-off and landing (eVTOL) demonstrator projects. The innovative CityAirbus started its test flight campaign in Germany, while the Vahana aircraft completed its flight programme in the US.



**Five-bladed H145 launched**

Airbus Helicopters unveiled a new version of its best-selling H145 light twin-engine helicopter at Heli-Expo 2019. This latest upgrade brings a new, innovative five-bladed rotor to the multi-mission H145, increasing the useful load of the helicopter by 150 kg while delivering new levels of comfort, simplicity and connectivity.



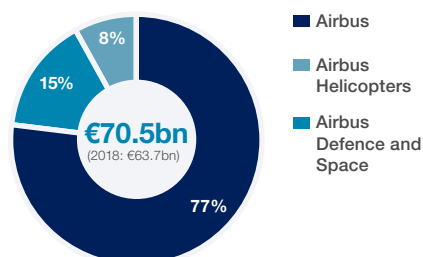
**E-Aircraft test facility opens**

As part of Airbus' strong commitment to pioneer eco-friendly propulsion technologies, the E-Aircraft Systems House was opened near Munich. This is Europe's largest test facility dedicated to alternative propulsion systems and energy sources. Projects include the E-Fan X hybrid-electric aircraft demonstrator.

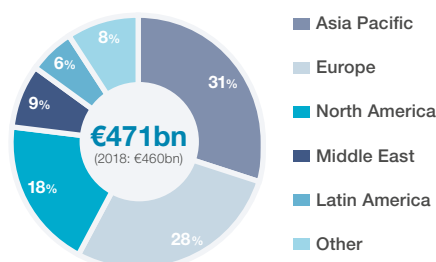
# A global leader in aeronautics, space and related services

## Airbus SE

### External revenue split



### Order book value by region



### Financial

#### EBIT Adjusted (€ million)

6,946

(2018: 5,834)

#### EBIT Reported (€ million)

1,339

(2018: 5,048)

#### Reported loss per share (€)<sup>1</sup>

-1.75

(2018 earnings per share: 3.94)

#### Order intake (€ million)

81,195

(2018: 55,521)

### Non-Financial

#### Total energy consumption (MWh)

4,054,849

(Excluding electricity generated by CHP on site for own use)

#### Health and Safety training hours (to 20,900 employees)

148,000

(October 2018 to September 2019)

#### Ethics and Compliance digital training sessions

185,365

(1 October 2018 to 30 September 2019)

#### Number of employees

134,931

(end 2018: 133,671)

<sup>1</sup> FY2019 average number of shares: 777,039,858 compared to 775,167,941 in FY2018.





# Airbus

**Commercial aircraft deliveries reached a record level as the ramp-up of the fuel-efficient A320neo Family continued. Order intake was healthy overall, including for the new A321XLR.**

Airbus delivered 863 commercial aircraft (2018: 800 aircraft) to 99 customers as it raised production for the 17th year in a row. A total of 642 A320 Family aircraft were delivered (2018: 626 aircraft), including 551 NEO versions compared to 386 NEOs in 2018. Additionally, customers received 48 A220s, 53 A330s, 112 A350 XWBs and 8 A380s. During the year, Airbus delivered its 12,000th commercial aircraft since foundation – an A220.

Net commercial aircraft orders increased to 768 (2018: 747 aircraft), reflecting customer endorsements in all market segments, with cumulative historical net orders crossing the 20,000 mark in the year. An outstanding market response was seen for the A321XLR,

which was formally launched at the 2019 Paris Airshow. At year-end, the total order backlog stood at 7,482 commercial aircraft across all product ranges.

Revenues increased by 14% to € 54,775 million (2018: € 47,970 million), mainly driven by the higher deliveries and a favourable product mix. EBIT Adjusted rose by 32% to € 6,358 million (2018: € 4,808 million), largely reflecting the A320 ramp-up and NEO premium and good progress on the A350. A total of 19 more A350s were delivered compared to 2018.

### A350 breakeven

The ramp-up of the Airbus Cabin Flex (ACF) version of the A321 continued, with almost 100 more deliveries of this variant compared to 2018. The breakeven target for the A350 was achieved as planned. In early 2019, the decision was announced to wind down production of the A380 double-decker aircraft due to a lack of airline demand.

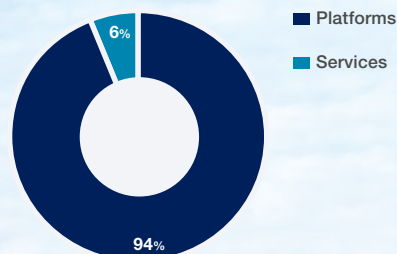
A key landmark was achieved for the Skywise digital data platform, reaching over 100 airline customers. The higher capacity BelugaXL transporter received type certification from EASA and entered into service early in 2020.

During 2019 construction started on the US A220 manufacturing facility in Mobile, Alabama, complementing the primary final assembly line in Mirabel, Canada.

### Key achievements 2019

- Record 863 aircraft deliveries
- Successful market launch of the long-range single-aisle A321XLR
- Cumulative net historical orders rise above 20,000 aircraft
- A350 XWB breakeven target achieved
- Higher capacity BelugaXL transporter receives EASA certification

### External revenues by activity



### Deliveries (units)

**863**  
(2018: 800)

### Revenues (€ million)

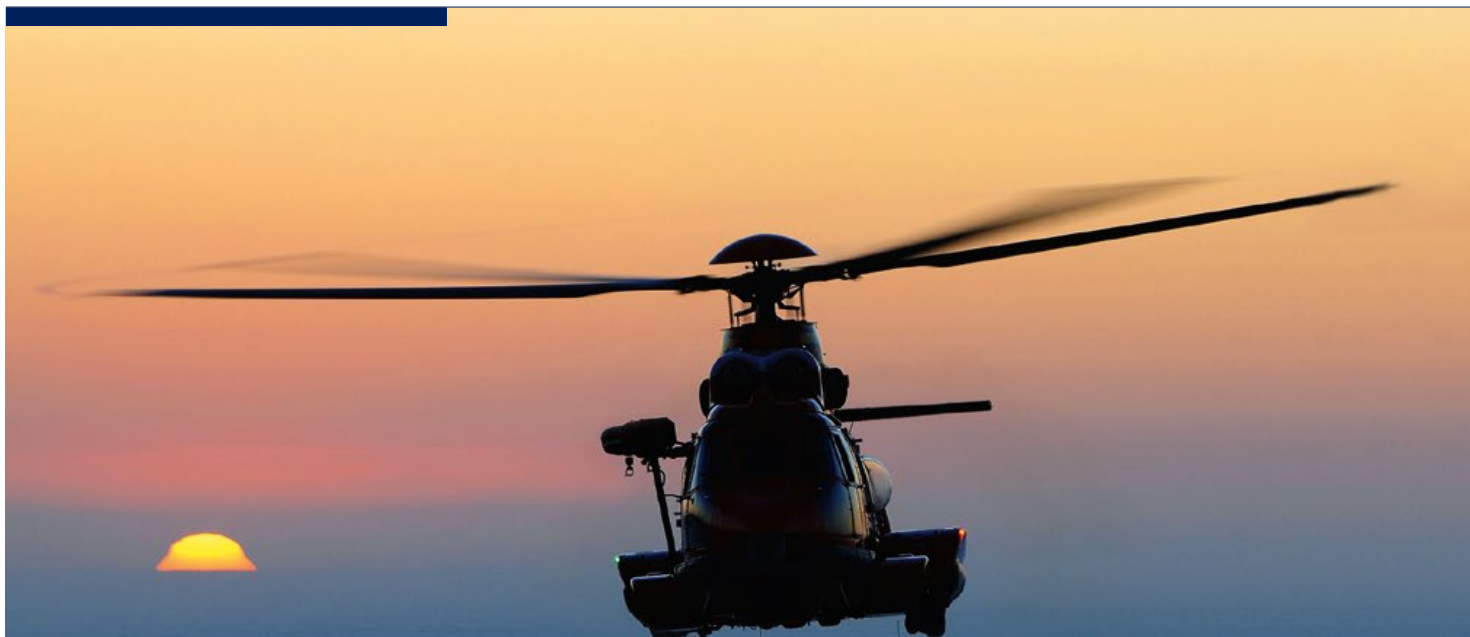
**54,775**  
(2018: 47,970)

### Net order intake (units)

**768**  
(2018: 747)

### EBIT Adjusted (€ million)

**6,358**  
(2018: 4,808)



# Airbus Helicopters

**The Division's underlying earnings and order intake value reflected an increased contribution from services. Meanwhile, progress continued on new helicopter variants and innovation programmes.**

Airbus Helicopters achieved a net book-to-bill ratio by value of above 1 for the third consecutive year despite a difficult market environment. Net orders totalled 310 units (2018: 381 units), including 25 Super Puma Family, 23 NH90s and 10 H160s. The Division maintained its leading position in the civil and parapublic sector and received some key services contracts in defence. These included a support contract extension for Australia's Armed Reconnaissance Helicopter (ARH) Tiger and support contracts for the Cougar and Caracal fleets of the French Army and Air Force.

Helicopter deliveries totalled 332 units (2018: 356 units) with the landmark 1,000th Super Puma Family delivered in the year. Stable revenues of € 6,007 million

(2018: € 5,934 million) were supported by growth in services, which offset the lower total deliveries. EBIT Adjusted increased to € 422 million (2018: € 380 million), mainly reflecting the increased contribution from services and lower research and development expenses, reduced by a less favourable delivery mix.

### Renewed product offering

The renewal of the product portfolio continued, with a new five-bladed version of the strong-selling twin-engine light H145 helicopter unveiled in the year and launch customers secured. Airbus Helicopters continued with its flagship H160 programme with the flight test campaign finalised. A full-scale mock-up of the military version, the H160M, was also unveiled at the Paris Airshow. The French Defence Ministry announced that the launch of its Joint Light Helicopter programme, for which the H160M has been selected, has been brought forward and will enable the first delivery to be advanced to 2026.

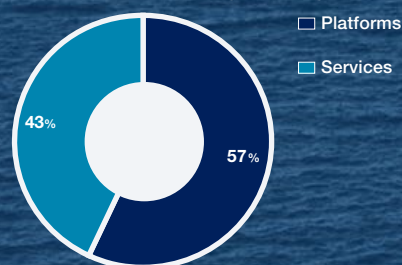
### Innovation focus

From an innovation perspective, 2019 saw good progress in the focus areas of autonomy, electrification and connectivity that will prepare the next generation of VTOL (vertical take-off and landing) aircraft. In the field of Urban Air Mobility, the electric-engine powered CityAirbus demonstrator conducted its first flight, as did the prototype of the VSR700 unmanned aerial system that's designed for military applications.

### Key achievements 2019

- Net book-to-bill ratio by value above 1 for third year in a row
- Leading position in civil and parapublic market maintained
- New, more capable five-bladed version of H145 launched
- Military version of the H160 unveiled
- Good progress on key innovation projects, CityAirbus and VSR700

### External revenues by activity



### Deliveries (units)

332  
(2018: 356)

### Revenues (€ million)

6,007  
(2018: 5,934)

### Net order intake (units)

310  
(2018: 381)

### EBIT Adjusted (€ million)

422  
(2018: 380)



# Airbus Defence and Space

The Division's order intake was supported by services contracts in Military Aircraft and some key contract wins in Space Systems. The A400M transporter passed several key milestones while the FCAS programme moved forward.

Airbus Defence and Space's order intake of € 8,520 million (2018: € 8,441 million) included the Global Support Step 2 services contract for the A400M plus two SpainSAT Next Generation communication satellites. While the Division foresees significant market opportunities in the long term, its net book-to-bill ratio by value was around 0.8.

Revenues were broadly stable at € 10,907 million (2018: € 11,063 million). Underlying profitability, or EBIT Adjusted, decreased to € 565 million (2018: € 935 million), mainly reflecting the lower performance in Space Systems and efforts to support sales campaigns. As stated in the 2019 results disclosure, the Division is targeting a

restructuring programme to address its cost structure and increase profitability. EBIT (reported) was at € -881 million (2018: € 676 million). Even though the A400M programme's rebaselining was completed and significant progress was made on the aircraft's technical capabilities, the outlook is increasingly challenging on exports during the launch contract phase, also in light of the repeatedly prolonged German export ban to Saudi Arabia. As a result, the Company reassessed its export assumptions on future export A400M deliveries for the launch contract phase and recognised a charge of € 1.2 billion in the fourth quarter.

A total of 14 A400M aircraft were delivered, taking the in-service fleet to 88 at the end of 2019. Capability milestones achieved during 2019 included the deployment of paratroopers simultaneously from both of the A400M's side doors and in-flight refuelling dry contacts with an H225M helicopter.

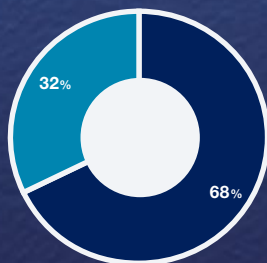
## Focus on future opportunities

The Division focused on some key mid- to long-term prospects in the defence field. These include Europe's next-generation Future Combat Air System (FCAS), with a joint industrial proposal for the programme's first demonstrator stage delivered to the governments of France and Germany. In February 2020, the French and German governments awarded the initial framework contract (Phase 1A).

## Key achievements 2019

- 14 A400Ms delivered, in-service fleet reaches 88 aircraft
- A400M passes several technical capability milestones
- Satellite contract wins announced in Space Systems
- FCAS programme progresses

## External revenues by activity



□ Platforms  
■ Services

## A400M deliveries (units)

14

(2018: 17)

## Revenues (€ million)

10,907

(2018: 11,063)

## Net order intake (€ million)

8,520

(2018: 8,441)

## EBIT Adjusted (€ million)

565

(2018: 935)

# Moving to a new era



**Denis Ranque**  
Chairman of the Board

**In his final message to shareholders before stepping down as Chairman of the Board of Directors, Denis Ranque outlines the Board's key activities during 2019.**

Dear shareholders, Dear stakeholders,

2019 was an historic year for Airbus, as we celebrated our 50th anniversary. I am proud to say that since 1969 we have been innovative pioneers that have helped transform the aerospace and defence industry, and have become a world leader in this field.

As we head into 2020, after having taken immediate health and safety actions to protect its employees, the Company is focused on how to manage the economic consequences of the coronavirus pandemic that is affecting businesses and people all around the world. At the same time, Airbus will contribute where it can to assist global efforts to limit the spread of the disease.

Looking back to 2019, it was a defining year when a new generation of management took the helm. Your Board diligently followed a comprehensive process designed to identify and recruit, or promote, the best candidates, including the new Chief Executive Officer, Chief Financial Officer and Chief Operating Officer.

Recruited from outside and within, this new generation has the required expertise and values to continue driving aerospace innovation and address the challenges and opportunities of 2020 and beyond. The 12-strong Executive Committee of diverse backgrounds is focusing not only on the Company's technical, industrial and financial performance but also on customer trust, employee engagement and sustainability. Furthermore, the management is working on setting the right conditions for collective change in order to successfully meet both short- and long-term challenges.

Operationally, the new management team took over at a testing time in 2019. From a geopolitical perspective, Airbus had to navigate global trade tensions and potentially disruptive events like Brexit. Within aerospace specifically, digitalisation is transforming the means of production, while the industry as a whole is committed to reducing its environmental footprint. Additionally, the Company faces strong competition from both existing businesses and newcomers, including the private space companies that are becoming formidable challengers.

At an industrial level, the new team made a smooth start, making fundamental and structural changes for addressing the issues related to the ramp-up of A320neo Family aircraft production, particularly for the larger and more complex A321. Despite this, Airbus delivered a record number of commercial aircraft in 2019 while also having a successful year in terms of orders.

Defence and Space took significant steps towards achieving the A400M transporter's full technical capability and successfully rebaselined the programme even though a new charge was recorded for revised export assumptions. Looking to the future, the Division made further progress on Europe's



**René Obermann (left) and Denis Ranque** pictured during a visit to the Airbus Helicopters headquarters in Marignane, France

next generation Future Combat Air System, scored some important satellite contract wins and successfully met key milestones in Ariane 6's development. Helicopters saw good growth in services, although the civil and parapublic market remained soft, and managed a healthy overall financial performance.

Your Board continued to visit industrial sites, staying close to the products and businesses. During 2019 we met management and employees at the A220 final assembly line in Mirabel, near Montreal. We also examined key topics in our meetings, including strategy, the commercial aircraft ramp-up, defence and space programmes, digital transformation, product safety and cyber security.

The Board committees once again had a busy year. I would like to thank the Remuneration, Nomination and Governance Committee, especially the Chair, Amparo Moraleda, for preparing the recommendations for the wider Board regarding the management transition. Additionally, Catherine Guillouard made a strong start as the new Chair of the Audit Committee, mastering business and external challenges.

The compliance-related settlements reached with the French, UK and US authorities in January 2020 turned the page on unacceptable business practices from the past. The commitment from the Ethics and Compliance Committee, together with the Board, to provide full support to the investigations, ensure strong cooperation with the authorities and supervise the implementation of an effective compliance programme, paved the way to these agreements. More broadly, conducting business in a responsible and sustainable manner is now at the heart of the

Company's priorities. The 2019 accounts included a provision related to the penalties that the Company agreed to pay in 2020 under the terms of the agreements with the authorities.

In line with the policy of staggered appointments, 2020 will see two Directors step down and two join after the AGM. I would like to thank Hermann-Josef Lamberti, the former long-standing leader of our Audit Committee, who leaves after more than 12 years. I have also announced my own departure after seven years. The Board has selected René Obermann to replace me as Chairman, to be confirmed at the Board meeting after the AGM. René is a respected former European technology CEO, with vital insights for Airbus' strategy over the coming years. He already knows Airbus well, having been a Director since 2018.

After a rigorous selection process, we proposed the election of Stephan Gemkow and Mark Dunkerley to become new Members of the Board at the 2020 AGM. Each brings widespread experience of the commercial airline and aviation industry, including finance-related and operational roles. The mandates of Ralph Crosby and Lord Drayson are up for renewal.

In March 2020 and subsequent to the disclosure of the 2019 results, the Board agreed to a number of immediate measures to safeguard the business in reaction to the rapidly evolving coronavirus crisis. These included the withdrawal of the 2019 dividend proposal of € 1.80 per share in order to bolster liquidity and the balance sheet. In the circumstances and to protect Airbus, these prudent steps were the right course of action to take.

In summary, 2019 was the year of a fundamental transition to prepare your Company for the future. I would like to thank Airbus' employees who made these accomplishments both possible and successful, and for their efforts in 2020. For me, it has been a great honor to serve Airbus, with real passion and pleasure, and I extend my best wishes to my successor. With a renewed management team and an experienced Board, your Company is in good hands as it heads into its sixth decade and addresses its immediate and longer-term challenges.

**Denis Ranque**  
Chairman of the Board

 Biographies of our Board Members can be found in our **Registration Document**

## Board of Directors

As of 1 January 2020



**Denis Ranque\***

Chairman of the Board of Directors of Airbus SE and Chairman of Ethics and Compliance Committee

**Guillaume Faury**

Chief Executive Officer of Airbus SE



**René Obermann**



**Victor Chu**



**Jean-Pierre Clamadiou**



**Ralph D. Crosby, Jr.**



**Lord Drayson (Paul)**



**Catherine Guillouard**

Chair of Audit Committee



**Hermann-Josef Lamberti**



**Amparo Moraleda**

Chair of Remuneration, Nomination and Governance Committee



**Claudia Nemat**



**Carlos Tavares**

 Audit Committee  
 Remuneration, Nomination and Governance Committee  
 Ethics and Compliance Committee

\* René Obermann has been selected to succeed Denis Ranque as Chairman, subject to formal approval at the Board meeting convened immediately after the 2020 AGM.

# Resilience and responsibility



**Guillaume Faury**  
Chief Executive Officer

Dear Shareholders,

As we release this document, the world looks very different now compared to 2019. The coronavirus pandemic is having a devastating effect on human life and to society throughout the world. It's a fact and we all have to face it. This annual report is based on our key achievements of 2019 and the challenges we overcame. At the same time, we need to face a new reality in 2020. We are confronted with two crises, a health crisis and an economic crisis and we need to take the right measures now to navigate this situation through the year and beyond. Stay safe! Guillaume.

## How would you sum up 2019 and the start of 2020?

2019 was a very busy year! Together with the Board of Directors, we finalised the set-up of our new management team that has laid the foundations of Airbus' Next Chapter. Together, we focused on building a stronger, more competitive Airbus to meet the needs of our many different stakeholders and an Airbus that is committed to our customers and the sustainability of our business, our products, and the role we want to play in society. We designed our company purpose and although the world has changed significantly since the start of the year, it will guide us in addressing the most pressing challenge that we and society in general face in 2020, that of the coronavirus pandemic. Aside from protecting our employees, safeguarding our

business and supporting our customers, we're contributing to the global efforts by the health and public services to treat those affected and battle the disease. We are supporting those on the frontline who rely on our aircraft, helicopters, satellites and services to accomplish their critical missions. Based on our portfolio, we have a strong role to play in missions that connect people and critical supplies.

Looking back at 2019, we made good progress despite various industrial challenges and a complex geopolitical environment. I would like to salute the efforts of our employees, which ultimately meant we delivered a record number of commercial aircraft and achieved our guidance. The reported financial performance reflected significant charges, most notably the € -3.6 billion related to the compliance settlements with the authorities and € -1.2 billion for the A400M programme.

## What were the main achievements in 2019?

In commercial aircraft, we continued the production ramp-up and achieved 863 deliveries. We progressed on the NEO transition, with 43% more A320neo Family aircraft delivered compared to 2018. We reached breakeven for the A350 as planned and diligently prepared the winding down of the A380 programme. Net orders increased to 768 aircraft and reflected the overall robust commercial environment in 2019. The A220 notched up 63 net orders in the year, including new customers, confirming this aircraft as the leader in its category. We saw an outstanding market response for the long-range capable A321XLR, which was launched at the Paris Airshow and had secured a backlog of over 450 orders and commitments by year-end. The overall backlog stood at 7,482 commercial aircraft at year-end.

Airbus Helicopters had a good year, achieving a book-to-bill by value above 1 despite difficult market conditions. Even though total helicopter deliveries declined, earnings were supported by services and the overall performance showed the Division's resilience. Defence and Space's order intake was supported by services contracts for the A400M and some key satellite contract wins. Commercial discussions continued for major contract campaigns in defence, including the initial demonstrator contract for the Future Combat Air System (FCAS). The initial framework contract for FCAS' demonstrator phase followed in early 2020. Even though we successfully rebaselined the A400M programme and made significant progress on the aircraft's technical capabilities, we recognised a charge in the fourth quarter after revising our export assumptions.

### What are your key business priorities in 2020?

Obviously our main priority is to deal with the impact from the coronavirus pandemic on all our businesses, which has been evolving rapidly on a global scale since early 2020. All governments, public and private organisations are doing their best to react and adapt to this unprecedented situation. So are we at Airbus. We are doing all we can to protect people and support the fight against the virus. We are in constant dialogue with our customers and supply chain partners as we are all going through this unprecedented situation together. Our airline customers are heavily impacted by the COVID-19 crisis. We are actively adapting our production to their new situation and working on operational and financial mitigation measures to face reality. At the same time, we are in constant dialogue with our social partners to define the most appropriate social measures to adapt to this new and evolving situation.

### How serious is Airbus' commitment towards sustainable aerospace?

Sustainable aerospace for us means a number of important things and in the current context, it means resilience and business sustainability. It also means following the highest standards in Ethics and Compliance. The agreements we reached with the French, UK and US authorities in January 2020 represent a very important milestone and allow us to move forward and grow in a sustainable and responsible way.

In the context of the coronavirus crisis, being sustainable also means leading the way to securing the long-term future of our industry in close cooperation with all our partners and stakeholders. During 2019, we laid the foundations for our "Next Chapter", built around the four pillars of Safety, Quality, Integrity and Compliance. Our top objectives for 2020 reflected our new ambition and included targets relating to customer trust, sustainability, people and innovation in addition to our equally important financial and industrial targets. We will now reshape our objectives to focus on the absolute essentials in order to navigate this severe crisis situation. This will take considerable commitment from the Airbus teams but I am convinced that we and the aerospace sector will overcome this serious challenge.

Once we are through this crisis, decarbonisation of the industry will be back at the forefront of the agenda and we will continue on our journey to lead clean aerospace. This will again be a vital role for us in society.

**Guillaume Faury**  
Chief Executive Officer

## Executive Committee



**1. Guillaume Faury**  
Chief Executive Officer, Airbus SE

**2. John Harrison**  
General Counsel

**3. Grazia Vittadini**  
Chief Technology Officer

**4. Christian Scherer**  
Chief Commercial Officer

**5. Philippe Mhun**  
Executive Vice-President Programmes and Services

**6. Thierry Baril**  
Chief Human Resources Officer

**7. Julie Kitcher**  
Executive Vice-President Communications and Corporate Affairs

**8. Jean-Brice Dumont**  
Executive Vice-President Engineering

**9. Dirk Hoke**  
Chief Executive Officer, Airbus Defence and Space

**10. Michael Schöllhorn**  
Chief Operating Officer

**11. Bruno Even**  
Chief Executive Officer, Airbus Helicopters

**12. Dominik Asam**  
Chief Financial Officer

“Looking back at 2019, we made good progress despite various industrial challenges and a complex geopolitical environment.”

# Setting the framework for sustainability

**Sustainability is at the core of Airbus SE's Next Chapter, as the executive team puts in place a fresh vision and objectives. The Company continues to support the United Nations Sustainable Development Goals (SDGs) by acting responsibly, leading sustainable innovation and partnering with stakeholders to set the standards in aerospace and defence.**

Airbus SE has been a signatory to the UN Global Compact since 2003, reaching the advanced level. In 2015, it adopted the UN SDGs as a framework for mapping responsibility and sustainability. Based on publicly available information and stakeholders' feedback, the Company is contributing to eight of the SDGs. These are:



Accordingly, Airbus SE is focused on setting its top strategic sustainability priorities and related ambitions. These will reflect a materiality assessment carried out in 2019, in which a range of stakeholders identified topics such as environmentally responsible products, product quality and responsibility, and health and safety as the most significant.

Notably, 2019 saw a drive to further strengthen the culture of conducting business with integrity. An updated Code of Conduct was communicated to all employees, with an introduction from the Chief Executive Officer that set the tone from the top.

## Environment

The Company's environmental policy aims to 'go further' in developing products and services that consider current and foreseeable future environmental challenges. With strong support from the CEO and Executive Committee, the policy has three main elements:

1. Continually improving manufacturing and site operations by achieving net zero greenhouse gas emissions, zero water and air pollution, sustainable energy sources and zero waste to landfill before 2050.
2. Developing eco-efficient products and services, taking into account environmental challenges.
3. Collaborating with the rest of the aerospace sector to develop sustainable operations of air transportation.

The Company is a founding member of the International Aerospace Environmental Group and an active board member of the Air Transport Action Group, which sets industry goals including CO<sub>2</sub> emissions reduction and mobilises action on strategic

aviation issues. Airbus supported the International Civil Aviation Organization's agreement in 2016 on the CO<sub>2</sub> standard and also the adoption of the new Carbon Offsetting & Reduction Scheme for International Aviation (CORSIA) in 2017.

In 2019, the Company introduced High5+, a plan to reduce the footprint of all its industrial operations globally and reach out to the supply chain. There are specific targets for reducing energy consumption, CO<sub>2</sub> emissions, water consumption, air emissions and waste production by 2030.

Separately, growing interest in environmental issues throughout the business led to employees requesting the option to invest their employee savings plans in a sustainable fund. This was launched for employees with French contracts during the year. The fund invests in green bonds, impact investments and solidarity assets. Similar funds are being discussed for employees in the UK, Germany and Spain.

## Supply chain

In the past few years, the Company has stepped up the management of suppliers' social and environmental practices. Suppliers must comply with the Airbus Supplier Code of Conduct, as well as all applicable laws and regulations in the countries where operations are managed or services are provided. The Supplier Code of Conduct, which covers environment, human rights, labour practices, anti-corruption and responsible sourcing of materials, is the baseline for responsible business. In 2019, a Responsible Mineral Policy was released, outlining the Company's commitment to ethically and sustainably sourcing minerals throughout the supply chain.



## Health and Safety

Airbus SE is known for its technology, innovative products and commercial success. It prioritises having a safe and healthy workplace, where wellbeing is genuinely valued. Indeed, having a mission ensuring health and safety is part of the Company's culture will help to attract the best talent and sustain commercial success. This requires competent, risk-aware employees who feel responsible for themselves and each other, supported by a world-class management system.

## Inclusion and Diversity

The Company's business performance depends largely on its ways of working, behaviours, beliefs, principles and how its individuals and teams engage. Employees live diversity as part of their identity; more than 140 nations are represented and more than 20 languages are spoken. As a socially responsible Company, intergenerational, ethnic and social diversity is a serious topic, along with gender equality, disability-friendly policies and hiring processes.

The 'Inclusion starts with I' campaign helps to ensure an inclusive environment for all, by being intentional about how people with all kinds of capabilities, experience and talent are integrated. Since 2017, Pride@Airbus has been taking a positive stance by educating employees on LGBT+, promoting their inclusion, their equal rights and increasing their visibility as a community. More than 31,000 employees took part in the 2019 Ability Week(s) campaign's different activities, including self-awareness tests, workshops and networking events.



### Active year for the Airbus Foundation

The Airbus Foundation launched its Humanitarian challenge in 2019. Employees organised small fundraising events on behalf of two humanitarian partners. The Foundation also focused on its youth programmes which have so far reached over 14,000 young people and been supported by more than 2,000 employees. The Little Engineer programme expanded in 2019, kicking off in countries such as Botswana, Pakistan and Australia. Seven humanitarian flights were coordinated.



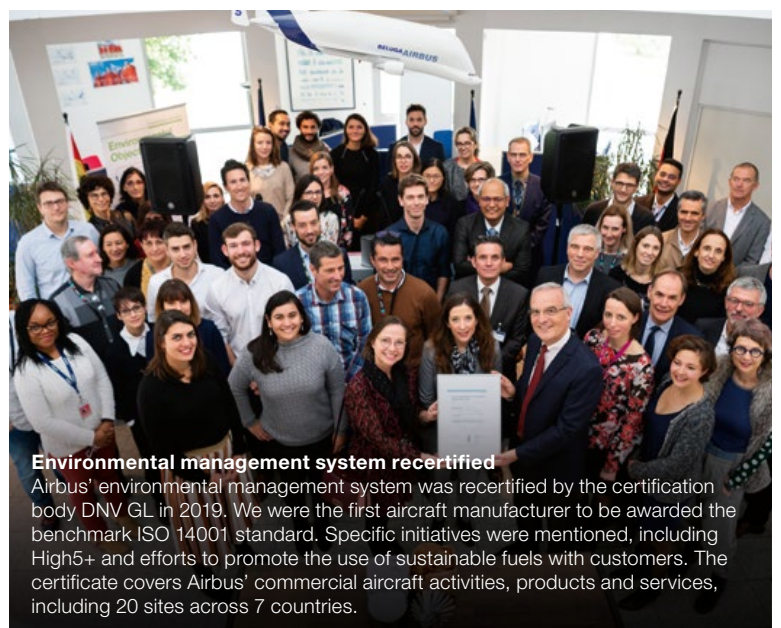
### Targeting zero-emission flights

Through the E-Fan X programme and other initiatives, the Company is pioneering research into the use of alternative energy sources for flight. The ambitious E-Fan X hybrid-electric regional aircraft demonstrator is the next step on this journey. One of the test aircraft's four jet engines will be replaced by a 2MW electric motor, which is roughly equivalent to that of 10 medium-sized cars. The electric propulsion unit utilises a power-generation system and battery.



### Sustainable aviation fuel in focus

As part of its decarbonisation strategy, Airbus began using sustainable aviation fuel for select flights of its Beluga ST aircraft from Hamburg in December 2019. The feedstock comes from recycled cooking oil and helps to reduce CO<sub>2</sub> emissions of the Company's internal logistics aircraft. In early 2020, Airbus and other companies acknowledged the French government's initiative to support the development of a sustainable aviation fuel industry in France.



### Environmental management system recertified

Airbus' environmental management system was recertified by the certification body DNV GL in 2019. We were the first aircraft manufacturer to be awarded the benchmark ISO 14001 standard. Specific initiatives were mentioned, including High5+ and efforts to promote the use of sustainable fuels with customers. The certificate covers Airbus' commercial aircraft activities, products and services, including 20 sites across 7 countries.

# 50 pioneering years

In May 2019, employees began celebrating the Company's 50th anniversary and five decades of Pioneering Progress. From the seed of an agreement between France and Germany, signed by ministers at the Paris Airshow on 29 May 1969, has flowered a global aerospace champion.



Team work has been central to the Company's success over the last five decades



Digital technologies are being embraced across the Company

Today, Airbus SE has a major share of the commercial aviation market and successful businesses in helicopters, defence and space. Behind its success lies the quiet excellence of generations of engineers who have helped to make air travel safer, more efficient and accessible to hundreds of millions of new passengers all over the world.

Airbus SE now employs 135,000 highly skilled people globally from more than 140 nations. They have an enormous breadth and depth of skills. But what really stands out is their passion for aeronautics and space and flight, and their commitment to the Company and its customers.

Over the past 50 years, landmark innovations from the Airbus teams have propelled the Company's growth. Think of the A320, the single-aisle aircraft family launched in 1984 that pioneered fly-by-wire technology in the sector. Harnessing the latest developments in aeronautics and engine technology, the more efficient A320neo was formally launched in 2010, offering airlines a 20% reduced fuel burn as well as 50% less noise compared to previous generation aircraft. The 1,000th A320neo was delivered in 2019, a year which also saw the launch of the latest evolution, the A321XLR, which opens up new long-range markets for single-aisle aircraft. During the year, Airbus delivered its 12,000th aircraft since foundation.

There is a special spirit among employees, a strong emotional commitment. That is part of what has driven the Company's success. Employees will continue to shape the industry with pioneering innovations that address some of society's most critical issues. They will guide the Company through a new era of digital technology and will design, develop and build the next generation of commercial and military aircraft, satellites and helicopters.

Just as Airbus SE's talented people made some of the most remarkable innovations of the past 50 years, so they will do so in the decades to come, leading the way towards a more sustainable aerospace sector.

“There is a special spirit among employees, a strong emotional commitment.”



**Formation flights organised**

Employees based at sites around the globe marked the 50th anniversary in a variety of ways. In Toulouse, a special formation flight involving all the current jetliner families – the A220, A320neo, A330neo, A350 XWB and A380, along with the new BelugaXL airlifter – was organised. Similar flights involving the Company’s successful families of helicopters and military aircraft were also undertaken during the year in Europe. In North America, Airbus Helicopters Inc. marked its 50 successful years of supporting US helicopter operators.



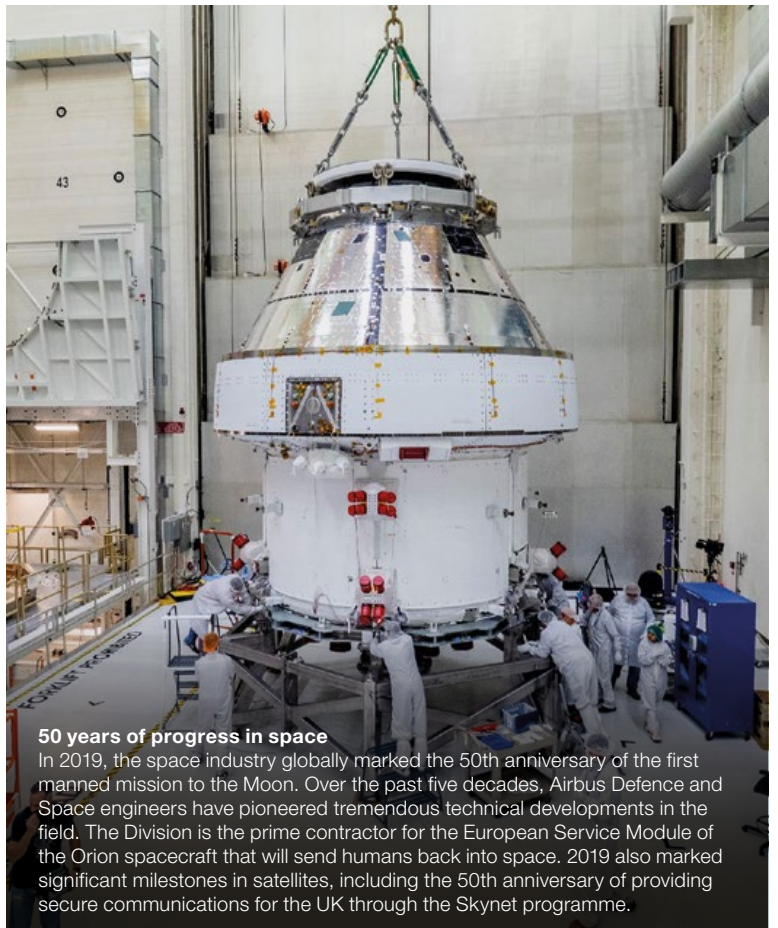
**Leading commercial aviation’s progress**

At the 1969 Paris Airshow, France and Germany signed an historic agreement to collaborate in building the Airbus A300, the world’s first twin-engine widebody commercial aircraft. Continuous innovation has enabled Airbus to develop the industry’s most capable and efficient aircraft, including the widebodied A350 and single-aisle A320neo, which have delivered a step change in performance and helped operators open up new markets. During 2019, Airbus presented its latest products and services at the Paris Airshow.



**Setting the benchmark in helicopters**

Due to enter into service in 2020, the H160 sets the benchmark for helicopter design. Building on decades of pioneering work by Airbus Helicopters’ engineers, since the 1992 formation of Eurocopter Group through a merger, the H160 integrates 68 different patented technologies to provide a step change in the flying experience. The first of a new generation of Airbus helicopters, it combines precision performance and safety with style and comfort, resulting in the smoothest and quietest of flying experiences. Airbus Helicopters is now developing a military version known as the H160M. During 2019, the 1,000th Super Puma was delivered.



**50 years of progress in space**

In 2019, the space industry globally marked the 50th anniversary of the first manned mission to the Moon. Over the past five decades, Airbus Defence and Space engineers have pioneered tremendous technical developments in the field. The Division is the prime contractor for the European Service Module of the Orion spacecraft that will send humans back into space. 2019 also marked significant milestones in satellites, including the 50th anniversary of providing secure communications for the UK through the Skynet programme.

# Delivering a strong 2019 underlying performance



**Dominik Asam**  
Chief Financial Officer

**Dominik Asam took over as Chief Financial Officer in April 2019. Here he discusses the Company's financial performance in 2019 and priorities for 2020.**

## **What have been your priorities since becoming CFO?**

Firstly, it was a privilege to join Airbus last year. I sincerely thank the Board for its trust in offering me this fantastic opportunity to contribute to further developing this highly innovative and global industrial flagship. I had a lot to learn initially, but my prime objective since arriving has been to ensure that the Finance function is supporting the earnings and free cash flow performance of the Company. To prepare for this challenge, we are further optimising our structures and processes, rolling out modern digital tools and are investing in talent development.

We have also dedicated a lot of time and resources to further strengthen our internal controls and support our efforts to foster compliance. In early 2020, the focus has clearly been on managing the implications of the coronavirus pandemic.

## **What drove the underlying performance in 2019?**

Overall, we delivered a strong underlying financial performance. Looking at the top line, our revenues grew by 11% to € 70.5 billion. This improvement mainly reflected the higher deliveries of 863 commercial aircraft and favourable product mix within Airbus and to a lesser extent the positive exchange rate development.

Regarding our EBIT Adjusted, we achieved a 19% improvement to € 6.9 billion, exceeding our guidance of plus 15%, despite a downward revision of our delivery target by roughly 20 aircraft in October 2019. This strong improvement in underlying profitability was mainly driven by the A320 ramp-up and NEO premium and good progress on the A350, which was only partly offset by the performance at Defence and Space and additional ramp-up costs.

The reduced EBIT Adjusted at Defence and Space was largely a result of the lower performance in Space and efforts to support large sales campaigns. The margin expansion at Helicopters mainly reflected an increased contribution from services and lower R&D expenses, offset by the less favourable delivery mix. Looking to the future, we have also continued increasing our important investments into innovation and digitalisation company-wide.

“Underlying profitability was mainly driven by the A320 ramp-up and NEO premium and good progress on the A350.”

#### Why the large difference between underlying and reported earnings?

Essentially this was due to the very high level of Adjustments in the year, totalling a net negative € -5.6 billion, of which about € -0.7 billion was already booked in the Nine-Month 2019 results. Therefore EBIT (reported) declined by some 73% to € 1.3 billion. The main Adjustments in 2019 were the € -3.6 billion charge related to the penalties for the agreements with authorities on compliance topics and a € -1.2 billion charge for the A400M, predominantly recognising revised export assumptions. There were also charges linked to A380 programme cost, the suspension of defence export licences to Saudi Arabia by Germany and a restructuring plan for our aerostructures subsidiary Premium AEROTEC to improve its competitiveness.

After tax, we recorded a net loss of about € -1.4 billion and a loss per share of € -1.75. Obviously we are not at all satisfied with the exceptionally high level of negative Adjustments in 2019 and are focusing on managing this down in 2020.

#### What is behind the 2019 cash performance?

Free cash flow before M&A and customer financing, the underlying measure we use in our guidance, increased by about 21% year on year to around € 3.5 billion. We achieved this despite higher cash consumption for the A220 and some first progress in reducing the high seasonal swings in working capital, in particular on

trade liabilities. Looking closer at the cash evolution, thanks to the record aircraft deliveries, we had strong gross cash flow from operations of € +7 billion, compared to € +5.5 billion in 2018. On the other hand, the A400M continued to weigh on free cash flow but less so than in 2018. Capital expenditure was stable at about € 2.3 billion. We ended the year with a net cash position of about € 12.5 billion after the 2018 dividend payment and pension contributions.

#### What are your priorities for 2020?

Clearly, the number one priority in 2020 is mitigating the impact of the coronavirus pandemic on our business.

Subsequent to our 2019 results disclosure in February 2020, we announced various prudent measures in March to bolster our liquidity and balance sheet in response to the pandemic. These included securing a new credit facility amounting to € 15 billion in addition to an existing € 3 billion revolving credit facility, temporarily suspending voluntary top ups in pension funding and withdrawing the 2019 dividend proposal that had a cash value of about € 1.4 billion. Finally, we also withdrew our 2020 guidance due to the limited visibility surrounding the coronavirus pandemic.

**Dominik Asam**  
Chief Financial Officer



More detailed financial information can be found in our **Registration Document and Financial Statements**

#### Revenues (€ million)

70,478

(2018: 63,707)

#### EBIT Adjusted (€ million)

6,946

(2018: 5,834)

#### EBIT Reported (€ million)

1,339

(2018: 5,048)

#### Reported loss per share<sup>1</sup> (€)

-1.75

(2018 earnings per share: 3.94)

#### Free cash flow before M&A and Customer Financing (€ million)

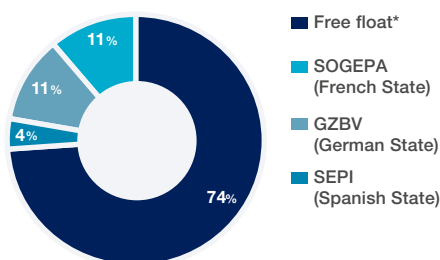
3,509

(2018: 2,912)

<sup>1</sup> FY2019 average number of shares: 777,039,858 compared to 775,167,941 in FY2018.

# 2019 Share Information

## Capital structure (As of 31 December 2019)



\* Includes shares held by the Company itself.

## The Airbus SE share price increased throughout 2019, to close up 55% at € 130.48.

After opening at € 83.86 in January, the share price climbed by approximately 50% to € 124.80 during the first half of the year. In early 2019, the share price increased as the Company reached its delivery target and disclosed solid Full-Year 2018 results reflecting the strong operational performance and programme execution in all businesses. Shares continued to increase on better-than-expected underlying Q1 2019 earnings and the guidance reiteration, as well as positive commercial momentum during the 2019 Paris Airshow with the successful launch of the A321XLR.

The positive trend initially continued in the second half of 2019 driven by strong Half-Year results ahead of market consensus, especially for Airbus commercial aircraft reflecting strong deliveries, good

programme execution and A320neo and A350 margin improvement. After the summer, shares were weighed down by some profit-taking and news flow around the WTO report published in September. Shares later recovered, supported by lower than expected US tariffs. Despite revised guidance during the Nine-Month (9m) earnings disclosure, the share price continued to increase in November as investors gained confidence on underlying profitability in the next years. Shares reached a then all-time high of € 136.40 on 15 November 2019. The shares traded slightly down in December 2019 following market concerns around operational challenges continuing into the following year.

With the annual increase of 55%, Airbus shares strongly outperformed the Eurostoxx 600 (+23%) and the CAC 40 (+26%), as well as most European aerospace peers.

## Financial calendar

**Full-Year 2019 results release:**  
13 February 2020

**First Quarter 2020 results release:**  
29 April 2020

**Half-Year 2020 results release:**  
30 July 2020

**Nine-Month 2020 results release:**  
29 October 2020

## Investor Relations and Financial Communication

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Website: [www.airbus.com](http://www.airbus.com)

## Share price evolution



### Safe Harbour Statement

This document 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; The full impact of the outbreak of the COVID-19 disease.

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 a discussion of factors that could cause future results to differ from such forward-looking statements, see the Airbus SE “2019 Universal Registration Document” dated 23 March 2020, including the Risk Factors section. Any forward-looking statement contained in this document speaks as of the date of this document. 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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