



STRONG FULL-YEAR 2021 RESULTS FOR AIRBUS

News / Finance, Manufacturer



Airbus reported consolidated Full-Year 2021 financial results and provided guidance for 2022. “2021 was a year of transition, where our attention shifted from navigating the pandemic towards recovery and growth. Thanks to the resilience and efforts of our teams, customers and suppliers, we delivered remarkable full-year results,” said Guillaume Faury, Airbus Chief Executive Officer. “The strong financials reflect the higher number of commercial aircraft deliveries, the good performance of our Helicopters and Defence and Space businesses as well as our efforts on cost containment and competitiveness. Record net income and our efforts to strengthen the net cash position underpin our proposal to reintroduce dividend payments going forward. At the same time, we continue to invest in our strategic priorities and in the transformation of our company.”

Gross commercial aircraft orders totalled 771 (2020: 383 aircraft) with net orders of 507 aircraft after cancellations (2020: 268 aircraft). Included were the first A350 freighter orders, confirming customer demand for this new programme. The order backlog was 7,082 commercial aircraft on 31 December 2021 (end 2020: 7,184 aircraft). Airbus Helicopters booked 414 net orders (2020: 268 units), achieving a book-to-bill ratio well above 1 both in terms of units and in value. These included 52 H160s of which 30 were the first batch of H160M military versions for France’s Joint Light Helicopter programme. Airbus Defence and Space’s order intake by value increased to € 13.7 billion (2020: € 11.9 billion), representing a book-to-bill ratio of around 1.3. Included were key orders in the Military

Aircraft business such as the in-service support of the German and Spanish Eurofighter fleets as well as good export momentum for the C295, A330 MRTT and A400M airlifter.

Consolidated order intake by value increased to € 62.0 billion (2020: € 33.3 billion) with the consolidated order book valued at € 398 billion on 31 December 2021 (year-end 2020: € 373 billion). The increase in the backlog value mainly reflected the strengthening US dollar.

Consolidated revenues increased 4 percent to € 52.1 billion (2020: € 49.9 billion), mainly reflecting the higher number of commercial aircraft deliveries, partially offset by less favourable foreign exchange rates. A total of 611 commercial aircraft were delivered (2020: 566 aircraft), comprising 50 A220s, 483 A320 Family, 18 A330s(1), 55 A350s and 5 A380s. Revenues generated by Airbus' commercial aircraft activities increased 6 percent, largely reflecting the higher deliveries compared to 2020. Airbus Helicopters delivered 338 units (2020: 300 units), including the first H160, with revenues rising 4 percent reflecting growth in services and the higher deliveries. Revenues at Airbus Defence and Space decreased by 2 percent, mainly driven by Military Aircraft, partially offset by Space Systems. Eight A400M aircraft were delivered in 2021.

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 – was € 4,865 million (2020: € 1,706 million).

The EBIT Adjusted related to Airbus' commercial aircraft activities increased to € 3,570 million (2020: € 618 million), mainly driven by the delivery performance and efforts on cost containment and competitiveness.

Commercial aircraft production is progressing in line with previously announced plans, in a complex environment. Specifically on the A320 Family, the ramp-up is on trajectory to achieve rate 65 by summer 2023 and the Company continues to de-risk notably by enabling all assembly sites to become A321-ready. For A320 Family production rates beyond 2023, the Company is still in the assessment phase and working with suppliers to potentially enable an increase above rate 65.

Airbus Helicopters' EBIT Adjusted increased to € 535 million (2020: € 471 million), mainly driven by support and services, programme execution and cost focus.

EBIT Adjusted at Airbus Defence and Space increased to € 696 million (2020: € 660 million), reflecting continued cost containment.

On the A400M programme, development activities continued toward achieving the revised capability roadmap. Retrofit activities are progressing in close alignment with the customer. In the fourth quarter of 2021, a charge of € 0.2 billion was recorded mainly reflecting the updated estimates of the delivery pattern of the launch contract. This is reflected in EBIT reported.

Consolidated self-financed R&D expenses totalled € 2,746 million (2020: € 2,858 million).

Consolidated EBIT (reported) amounted to € 5,342 million (2020: € -510 million), including net Adjustments of € +477 million.

These Adjustments comprised:

- € +274 million related to the A380 programme, of which € +84 million were in Q4;
- € +122 million gain from the sale of one site in France, recorded in Q4;

- € -212 million related to the A400M, of which € -209 million were in Q4;
- € -38 million negative impact from foreign exchange and balance sheet revaluation, of which € +127 million were in Q4;
- € +331 million of other Adjustments including mainly around € 0.2 billion of provision release related to the restructuring plan, and payments by suppliers. € +285 million were booked in Q4.

The financial result was € -315 million (2020: € -620 million). It mainly reflects the net interest result of € -246 million as well as the revaluation of financial instruments and of certain equity investments. Consolidated net income(2) was € 4,213 million (2020 net loss: € -1,133 million) with consolidated reported earnings per share of € 5.36 (2020 loss per share: € -1.45).

Consolidated free cash flow before M&A and customer financing was € 3,515 million (2020: € -6,935 million), reflecting efforts on cash containment and a decrease in working capital, mainly driven by inventory improvement. Consolidated free cash flow was € 3,511 million (2020: € -7,362 million).

On 31 December 2021, the gross cash position stood at € 22.7 billion (year-end 2020: € 21.4 billion) with a consolidated net cash position of € 7.6 billion (year-end 2020: € 4.3 billion). The Company's liquidity position remains strong, standing at € 28.7 billion at the end of 2021.

The Board of Directors will propose the payment of a 2021 dividend of € 1.50 per share to the 2022 Annual General Meeting. The payment date is 21 April 2022.

Outlook

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 targets to achieve in 2022 around:

- 720 commercial aircraft deliveries;
- EBIT Adjusted of € 5.5 billion;
- Free Cash Flow before M&A and Customer Financing of € 3.5 billion.

Note to editors: Live Webcast of the Analyst Conference Call and Annual Press Conference

At 07:30 CET on 17 February 2022, you can listen to the FY 2021 Results Analyst Conference Call with Chief Executive Officer Guillaume Faury and Chief Financial Officer Dominik Asam via the Airbus website <https://www.airbus.com>. The analyst call presentation can also be found on the website. A recording will be made available in due course. For a reconciliation of Airbus' KPIs to "reported IFRS" please refer to the analyst presentation.

The Annual Press Conference on the 2021 Results starts at 09:15 CET on 17 February 2022 and is also webcast live via the Airbus website.

20 FEBRUARY 2022

ARTICLE LINK:

<https://virginia.50skyshades.com/news/finance/strong-full-year-2021-results-for-airbus>