

# Leading

## through challenging times



**Guillaume Faury**  
Chief Executive Officer

**Guillaume Faury discusses the key steps taken during 2020 to navigate the challenge of the COVID-19 pandemic. He outlines the operational and financial performance and explains how the Company is progressing with its sustainability strategy.**

### **Q. What are your key takeaways from 2020?**

Early in the year, COVID-19 transformed our business environment overnight. The story of 2020 swiftly became one of resilience and adapting to large-scale change, with the first priority being the safety of employees under stricter sanitary conditions.

In commercial aviation, we changed the size of our business to reflect the new reality facing the industry, with a 40% reduction in production. But we also kept one eye on the future: continuing to pursue our long-term strategic priorities, while protecting our ability to ramp-up production again when better times return. Our Helicopters and Defence and Space businesses were a strong support, which shows the strength of the whole Airbus team and the importance of having a diverse portfolio.

I'm proud that, despite the crisis, we made 2020 a year of progress for Airbus in sustainable aerospace and accelerated the implementation of our decarbonisation roadmap.

### **Q. How would you sum up the operational performance?**

It was probably as good as was reasonably possible in the new uncertain environment. In these challenging times, the engagement and creativity of our teams across the Company have been amazing. We've also seen tremendous solidarity across the aerospace sector, with customers, suppliers and key partners.

By reducing rates early on in the crisis, we were able to converge commercial aircraft production and deliveries in the second half of the year. We obviously delivered fewer aircraft than in 2019 due to the new

environment. Through some innovative initiatives like 'e-deliveries' our teams could safely navigate health and travel restrictions and enable customers to take delivery of their aircraft. Even though the order intake fell, the backlog remained above 7,000 aircraft at year-end.

In Helicopters, deliveries included the first five-bladed H145 following certification during the year. That was an important milestone, as was European certification for the highly capable H160 which is due to enter service during 2021. The strong earnings performance was driven by governmental activities and reliable programme execution. Defence and Space saw a strong upturn in order intake, including important Eurofighter business and telecommunication satellite contracts. Despite the pandemic's challenges, all scheduled A400M deliveries were achieved and progress continued on the aircraft's capabilities.

Even though the pandemic forced us to scale back spending on non-critical activities, we protected key current and future programmes that will be vital for the coming years and decades. This of course includes the single-aisle A321XLR, which stands to play a key future role in the passenger air travel market's recovery, along with the H160, OneSat satellites and European defence projects. And, we mustn't forget our new but equally important concepts for zero-emission aircraft: ZEROe.

### **Q. How were the financials and what's the outlook?**

The actions we took earlier in the year to adapt and contain cash burn really delivered an improved financial performance in the second half. Due to the depth of the crisis and the new market environment, we had to take the difficult decision to start resizing the commercial aircraft business.

The related headcount adaptation affected many of our colleagues, including some who had worked for the Company for decades, but we have strived to find solutions wherever possible to limit the social impact. I also thank our government partners which helped us to preserve expertise and know-how through a number of measures during this exceptional crisis.

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Free cash flow for the year was negative but we ended 2020 in a positive net cash position after a stronger final quarter. This reflected the solid aircraft deliveries during Q4, the good performance of the Helicopters and Defence and Space businesses and a strong focus on working capital management.

Looking ahead, ours and the wider aerospace industry's prospects for 2021 are closely linked to the evolution of the pandemic, effectiveness of the vaccine programmes and the related travel restrictions. We aim to start ramping up A320 Family production in the second half of 2021, albeit at a slower rate than initially planned.

Our guidance for 2021 provides some visibility in this volatile environment. It will of course be another challenging year but we will act quickly whenever needed to reflect the changing landscape.

**Q. How has Airbus progressed with its sustainability goals?**

Despite COVID-19, we even accelerated our sustainability plans in 2020. Throughout the pandemic, we at Airbus have shown that our role in society matters more than ever. I'm impressed by how our employees have come together to fight the pandemic and support the emergency services.

Meanwhile, our aircraft, including the MRTT and A400M, have flown patients and transported vital medical equipment while many of our colleagues in the UK worked as part of the consortium to manufacture ventilators for the National Health Service.

We are committed to leading sustainable aviation. We intend to build the world's first zero-emission airliner, by 2035. But, sustainability also means having safety, quality, integrity and compliance as the foundations of all we do and remaining competitive by having the most innovative and efficient products to ensure we can continue to invest for the future.

Our purpose – pioneering sustainable aerospace for a safe and united world – will continue to guide us through this crisis and beyond. Our aircraft will bring people together after the crisis and help kickstart the economic recovery. Our helicopters will continue to save lives and support the emergency services. Our defence business will make the world a safer place. Our satellites will play a growing role in connecting the world, while supporting the fight against climate change. And our efforts to lead the decarbonisation of the aviation sector will allow people to continue flying around the world, but not at the expense of the planet or future generations.



**Guillaume Faury** pictured during the roll-out of the final A380 after assembly.

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**Executive Committee**

As of 1 January 2021



**Guillaume Faury**  
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**Dominik Asam**  
Chief Financial Officer



**Thierry Baril**  
Chief Human Resources Officer



**Jean-Brice Dumont**  
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Chief Executive Officer, Airbus Helicopters



**John Harrison**  
General Counsel



**Dirk Hoke**  
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**Julie Kitcher**  
Executive Vice-President Communications and Corporate Affairs



**Philippe Mhun**  
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**Christian Scherer**  
Chief Commercial Officer and Head of Airbus International



**Michael Schöllhorn**  
Chief Operating Officer



**Grazia Vittadini**  
Chief Technology Officer