

Reaching new heights



Interview with **Tom Enders**
Chief Executive Officer

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Q. How would you sum up 2018?

It was another year of solid progress, and a great effort by Team Airbus. This meant we delivered on our commitments. We achieved a significant step up in aircraft deliveries despite some pretty strong headwinds, particularly on the engine side. Additionally, we completed the acquisition of a majority stake in the A220 programme ahead of schedule and in Defence significantly de-risked the A400M. Add to that our continued focus on digitalisation and innovation plus the appointment of a new generation of leaders, then it was quite a year!

Q. What were your operational and commercial highlights?

Even with the A220, delivering 800 aircraft was no mean achievement – particularly as the engine issues meant we had to hand over about 300 in the last quarter! In the end, A320neo Family deliveries more than doubled compared to 2017 and the overall A320 programme is on track for the targeted monthly production rate of 60 by mid-2019.

The next goal is rate 63 in 2021. Our A350 XWB programme also ramped up, delivering 93 aircraft and reaching the targeted monthly rate of 10 in the fourth quarter. Unfortunately, due to Emirates’ decision to reduce its order and the lack of airline demand overall we had to make the painful decision to wind down production of the A380, with last deliveries in 2021. Overall, we achieved a book-to-bill of close to 1 in commercial aircraft, showing the underlying health of the market with a backlog of about 7,600 aircraft, including the A220.

Helicopters had a good year on the sales side with a book-to-bill above 1 for the first time in many years. That’s encouraging, given demand for helicopters globally is still weak, particularly from civil and parapublic customers. However, we captured an increasing share of the military market with some good contract wins for the NH90 and the Lakota Light Utility Helicopter. And, we notched up the first orders for the new generation H160 ahead of its planned certification in 2019.

Defence and Space had a book-to-bill slightly below 1 but has some good short- and long-term prospects, particularly in military aircraft. We succeeded in re-baselining the A400M programme with our government customers and their domestic approval processes should conclude in 2019. Last year, we also signed an important initial agreement with our industrial partner to develop a Future Combat Air System. I am also particularly proud of the agreement we inked with Lockheed Martin to offer aerial refuelling for US defence customers. I am convinced the US Air Force should not have any other ambition than to fly and operate the best equipment out there. And in the field of tanker aircraft that's our A330 MRTT, clearly. In Space, we saw the first launch contract for Ariane 6 and early in 2019 the first satellites for the pioneering OneWeb constellation were launched.

This performance meant we were able to deliver a sharp rise in underlying profitability, or EBIT Adjusted, and our reported numbers were also up sharply even when taking the A380 and A400M charges into account.

Q. How would you sum up your time as Airbus CEO?

It's been a tremendous privilege. We've been on quite a journey on each of the three 'I' focus areas – Integration, Internationalisation and Innovation.

Starting in 2012, we worked with the Board to inject new dynamism into the Company, moving swiftly to normalise the governance and ownership structure. Building on this new foundation, we integrated the whole group under the strong single Airbus brand. We expanded our footprint outside of Europe significantly and, for example, are now

establishing a new production line for the A220 in Mobile, Alabama. When it comes to digitalisation and innovation, we have prepared for the future challenges and opportunities. Our Skywise platform has rapidly established itself in the industry and been adopted by over 50 airlines. By year-end, this should increase to some 100 airlines! We see continuous innovation in all our aircraft, like the fuel-efficient A330-800 that took to the skies in 2018, the H160 helicopter, and the compact OneWeb satellites that are being mass-produced in an industry first. We're also determined to be leaders in the future of transport! That's why we're pioneers in urban air mobility with the electric powered Vahana and CityAirbus demonstrators. I am also particularly proud of the achievements of the Airbus Foundation, which for 10 years has used our resources to support people affected by natural disasters and to inspire young people to pursue careers in aerospace. And in compliance, we have enhanced our controls and practices to position ourselves for the future.

Q. To what extent have shareholders shared your success story?

Since becoming CEO, we've been strongly committed to improving returns for shareholders and this is set to continue. Compared to 2012, the dividend has more than doubled from € 0.60 a share to the proposed 2018 payment of € 1.65. The numbers speak for themselves!

Q. What is the outlook for Airbus under your successor?

I have huge confidence in Guillaume Faury and his outstanding team. Guillaume steered Helicopters through the industry's worse downturn in decades and had a successful 2018 at commercial aircraft. He's passionate about improving the environmental performance of our products and using digital technology to improve our competitiveness. I am handing over to a team with energy and vision which will lead Airbus into the 2020s.

Tom Enders
Chief Executive Officer

A message from Guillaume Faury*



It's a great honour to have been asked by the Board to take over as CEO and lead this fantastic company into its next chapter. I look forward to building on Tom's and 'Team Airbus' many achievements these past years. I know that together with the passionate Airbus employees around the world we can accomplish more great things in the coming years.

Looking ahead to 2019

As the 2018 results showed, Airbus is a company that delivers on its commitments and we intend to do so again in 2019. I look forward to continuing at full speed with all the potential that the Company has. Operationally, we will remain focused on programme execution, on continuous improvements, on competitiveness and we'll do this by continuing to drive performance, investing in our industrial system and into digital technologies. In fact, digitalisation is key to improving the way we design, manufacture and service our aircraft and support our customers.

It's going to be an interesting year ahead and we are committed to delivering our earnings and cash flow growth potential.

Guillaume Faury

* Proposed Chief Executive Officer from 10 April 2019 (pictured above left)

For more information about our Strategy in action see:



Production ramp-up, on pages 14-15



Harnessing the power of data, on pages 16-17



Continuous innovation, on pages 18-19