AIRBUS

Letter to Shareholders - Nº 70 - Special Edition - July 2026

Aero-notes

WELCOME

Airbus once again hosted a Business Update in London, UK, on 21 July 2026, bringing together financial analysts, sell-side equity research, institutional investors, and state shareholders. The event, which was webcast live, hosted around 200 participants in person and over 500 connecting remotely. Guillaume Faury (Airbus CEO), Thomas Toepfer (Airbus CFO), Lars Wagner (Commercial Aircraft CEO), Michael Schoellhorn (Airbus Defence and Space CEO), and Matthieu Louvot (Airbus Helicopters CEO) took the stage for the two-hour event, providing a comprehensive update on the company's business environment, strategy, and financial perspectives, including a new midterm outlook as described below.

Having cleared certain key operational hurdles, smoothed supply chain flows, and advanced on important industrial integrations, we are well-positioned to pursue these ambitious midterm targets, through to 2029:

- We target an EBIT Adjusted for the group of €12 billion to €13 billion in 2029, representing a profitability increase of approximately 75% (at the midpoint) compared to our 2025 performance, based on an assumed euro-US dollar exchange rate of $1.22.
- We also reiterate our target to maintain a strong cash conversion ratio of around 1 over a five-year horizon while increasing nominal free cash flow generation.
- Our full-year 2026 guidance remains unchanged.
- In line with our balanced capital allocation framework, organic investment to secure future growth remains our primary priority.
- Our strong financial position and structural cash generation enable us to significantly strengthen shareholder returns. The Airbus Board of Directors has approved a share buyback programme of €5 billion over three years. Execution of the share buyback programme will be implemented by the Airbus management within the terms approved by the Board of Directors, and will be subject to continued shareholder approval.

Looking ahead, we remain dedicated to operational discipline, customer satisfaction, and continuous innovation, ensuring Airbus is fully equipped to pioneer sustainable aerospace for a safe and united world. In the following pages of this special edition, you will find a summary of the event.

Yours,

Jean-Christophe Henoux
Head of Investor Relations and Financial Communication

Please click here for the Business Update event page

Presenting the group perspective and financial framework, Chief Executive Officer Guillaume Faury and Chief Financial Officer Thomas Toepfer set the scene for the Company’s midterm outlook, reflecting a level of visibility across demand and supply never enjoyed before. Backed by strong market trends and robust backlogs across all businesses, including a backlog of over 9,200 commercial aircraft as well as record order books in Defence and Space and Helicopters, Airbus is positioned to move forward from a solid baseline, and beyond volume, is actively working on value.

Operational progress across key industrial milestones, the effective integration of Spirit AeroSystems work packages, and the ongoing turnaround in Space have cleared the skies to set ambitious targets through to 2029. From a financial perspective, the group's midterm plan projects EBIT Adjusted increasing from €7.1 billion in 2025 to between €12 billion and €13 billion in 2029, representing a profitability increase of around 75% (at the midpoint) based on a baseline exchange rate of $1.22 per euro.

This trajectory is underpinned by certain baseline assumptions, including the absence of major disruptions to global air traffic, supply chains, or internal operations, as well as stability in the regulatory environment. Guidance for 2026 remains unchanged, targeting around 870 commercial aircraft deliveries, an EBIT Adjusted of around €7.5 billion, and Free Cash Flow before Customer Financing of around €4.5 billion. Airbus also reconfirmed its commitment to maintaining a cash conversion ratio of around 1 over a five-year horizon, supported in particular by a working capital that is largely funded by pre-delivery payments. Underpinning this strong operational trajectory, Airbus announced a tactical €5 billion share buyback programme to be executed over three years, expanding anticipated shareholder returns to approximately 60% of free cash flow generation, while preserving strategic flexibility and organic investment priorities.

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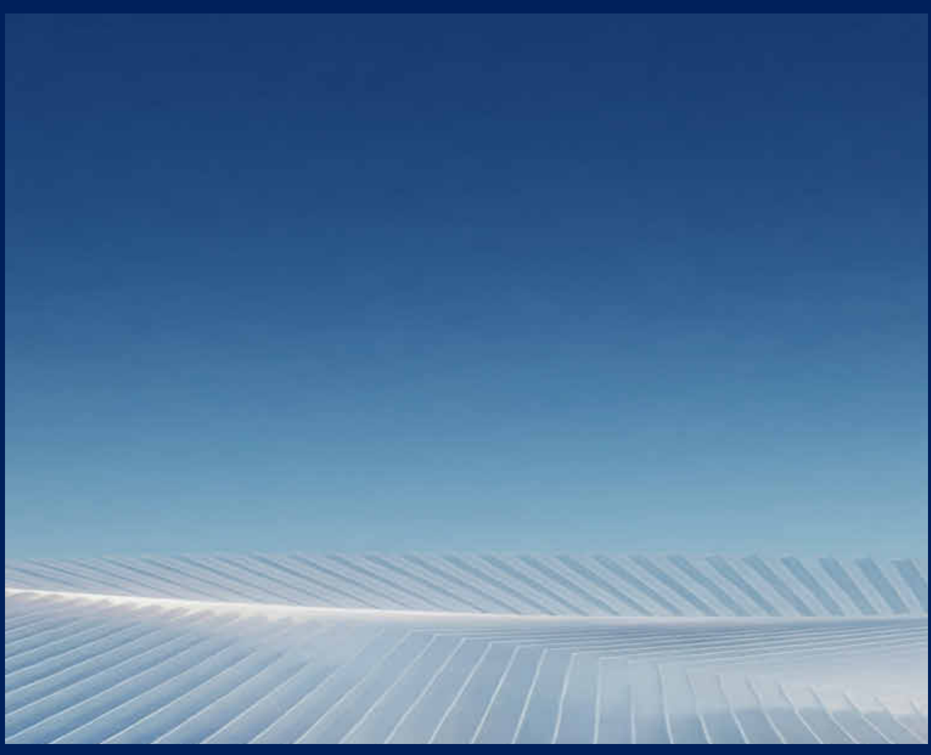
1 Please click here to read the Press Release



BUSINESS UPDATE - COMMERCIAL

Introducing the Commercial Aircraft perspective, Lars Wagner, Chief Executive Officer of the Commercial Aircraft business, outlined the division's strategic roadmap and industrial outlook. The commercial aircraft market displays strong, long-term fundamentals, with global market forecasts projecting a need for 42,000 new aircraft by 2045 and a 4% compound annual growth rate in services.

To meet this demand, Commercial Aircraft is progressing in its operational execution and production ramp-up across all families, targeting a monthly rate of 13 for the A220 in 2028, a rate of between 70 and 75 aircraft a month for the A320 Family by the end of 2027, stabilising at rate 75 thereafter, rate 5 for the A330neo in 2029, and rate 12 for the A350 in 2028.

Priority remains firmly on execution and quality, supported by supply chain multi-sourcing, digital integration, strong industry-wide standard via Aero Excellence™, and the Quality Moonshot initiative aimed at reducing non-quality by 50% across 2026 and 2027. The financial ambition for the business sees EBIT Adjusted stepping up from €5.5 billion in 2025 to around €10 billion in 2029, driven by increased volume, favourable product mix towards larger variants like the A321 and A350-1000, and operational leverage. Additionally, Commercial Aircraft Services targets $10 billion in revenue by 2030 while crossing the line of double digit profitability. Preparing for the future, the business continues to invest in next-generation technology —including the 'wings of tomorrow', hydrogen fuel cell propulsion, and digitalised manufacturing—setting the stage for a next-generation single-aisle launch towards the end of the decade and entry-into-service in the latter half of the 2030s.

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1 Please click here to access the event's donwloadable documentation

BUSINESS UPDATE - D&S

Following a successful organisational turnaround and record order intake of €17.7 billion in 2025, Airbus Defence and Space is effectively capitalising on increased defence spending and strong European market momentum. Mike Schoellhorn, Airbus Defence and Space CEO, explained that the division’s operational priorities focus on executing the ramp-up across the businesses, including almost doubling conversion capacity for the A330 MRTT, ramping up Eurofighter production towards rate 20+ with R30 as a potential scenario post 2029, and preparing for solid growth in UAS (Uncrewed Aerial Systems).

In Space, we see significant demand, driven by constellations, military applications and Earth Observation among others. There is significant traction on the Institutional side, with a record budget declared recently by ESA during the ESA Council meeting in November 2025. Our Connected Intelligence Business Unit is currently finding success in the crucial area of integrated air and missile defence.

A key strategic evolution for the division is the planned creation* of a space Joint Venture with Thales and Leonardo, targeting a launch in 2027. This potential new leading European player in space, together with MBDA and ArianeGroup, will represent a strategic enabler for the business. The remaining division will evolve into a focused, Air Power-centric structure wrapped around digital and data solutions that we provide through Connected Intelligence. Financially, the Division is now targeting an EBIT Adjusted of around €1.3 billion in 2029 compared to €0.8bn recorded in 2025, supported by volumes including European Defence upside and enhanced competitiveness initiatives.

***Completion of the transaction is subject to customary conditions including regulatory clearances, with the new company expected to be operational in 2027.**

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1 **Please click here to read the event transcript**

Matthieu Louvot, Chief Executive Officer of Airbus Helicopters, explained that Airbus Helicopters continues to deliver solid, profitable growth through its resilient dual business model, maintaining world leadership in civil and parapublic markets, with roughly 50% market share, while expanding its military export presence.

The division's balanced portfolio, between platform sales and highly stable aftermarket services, provides ongoing resilience. Industrial execution is focused on managing significant production ramp-ups, most notably doubling the output of the flagship H145 towards 140 units annually, supported by digitalised internal manufacturing and footprint expansions such as a new final assembly line in India.

Engineering activity remains intense, driven by major military programmes including the H160M and the H145M. Profitability is targeted to step up from around €0.9 billion of EBIT Adjusted in 2025 to around €1.2 billion in 2029, propelled by volume growth, fixed-cost absorption, operational efficiency via artificial intelligence, and expanding service coverage. Looking to the future, Helicopters is investing heavily in crewed-uncrewed teaming solutions, autonomous capabilities like the U145, the new H140 light twin, and Next Generation Rotorcraft Concepts, toward its aim of securing long-term technological leadership.

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1 Please click here to watch the full event

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