

FXCG Virtual Meeting

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Airbus Year-End Cash Management (1/2)

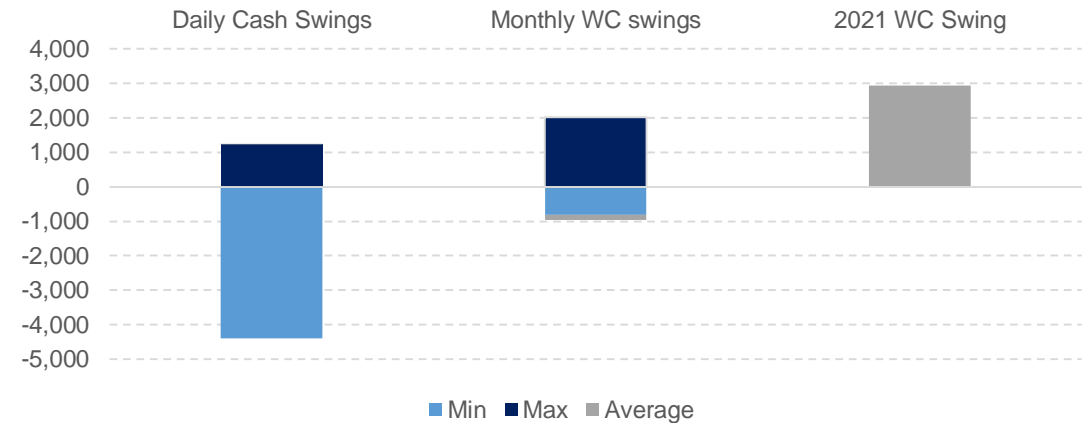
Volatility of Airbus' Cash Balance

- Airbus traditionally ends the year with an elevated cash balance, due to the seasonality of its business, with larger inflows towards year-end
- In addition, even intra-month cash flow volatility can accumulate to levels of up to €4bn/day

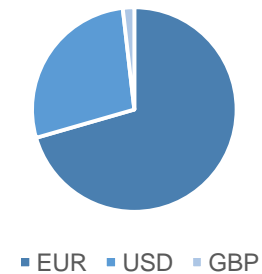
O/N Liquidity is key for Airbus

- During the year Airbus manages its cash position through a large range of products
- EUR, GBP and USD Money Market Funds providing overnight liquidity are used on a daily basis
- FX Treasury swaps are used every day to rebalance currency positions
- Airbus' large derivatives position with banks, limits the risk tolerance for bank deposits

Daily and Monthly Working Capital swings



Airbus YE currency mix



Airbus Year-End Cash Management (2/2)

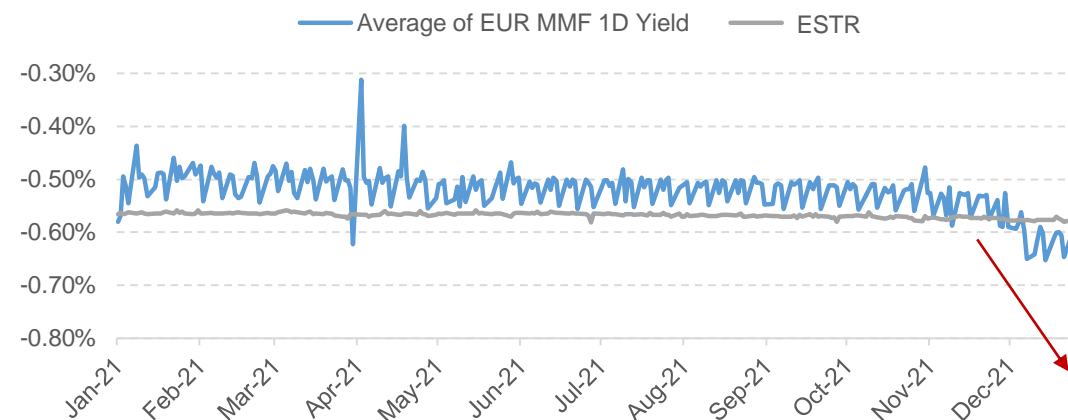
Market Conditions at year-end

- Investor's demand to invest cash on the one hand, and the limit supply on the other hand, is putting constraints on the Asset Managers of EUR MMFs to accept new subscriptions, but also a considerable degradation of investment yields
- Also the FX Treasury Swap implementation over year-end becomes increasingly costly due to the (liquidity implied) rise of EUR/USD swap points

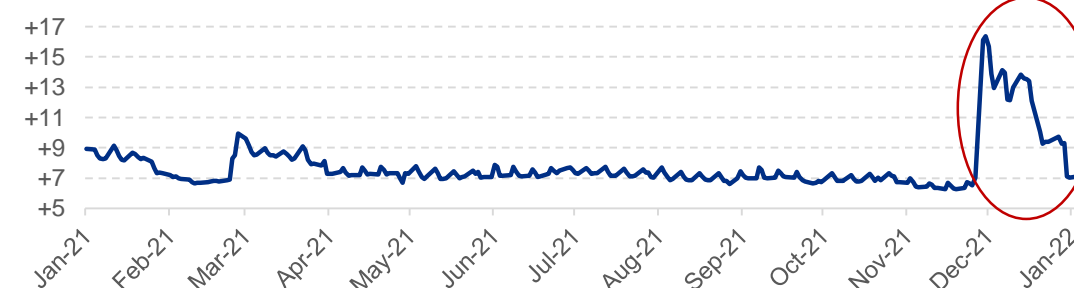
Airbus' cash strategy at year-end

- Airbus was able to invest its EUR liquidity through a large pool of Asset Managers, but had to reduce the subscription size up to 70% of the standard ticket size
- The remaining liquidity in GBP and USD has been directly invested in those currencies, where Airbus did not experience the same constraints seen in EUR
- For liquidity in non core currencies, Airbus was using FX swaps to convert the liquidity to EUR, which was manageable, but quite costly towards YE

Average o/n EUR MMF Yield in 2021



Historical EUR/USD 1m swap points



Source: Bloomberg

Thank you

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