

Airbus profit falls despite increased sales

- A Monitor Desk Report

Date: 30 July, 2023



Amsterdam : European aircraft manufacturer Airbus said its revenues and net profit fell during the first quarter of the year as deliveries dropped amid continuing supply chain difficulties.

The company delivered 127 aircraft in the first 3 months of this year, down from 142 during the same period last year.

While this had only a modest impact on revenue, down two percent to 11.76 billion (\$13.0 billion), net profit fell 62 percent to 466 million euros.

"On the one hand, our customers continue to express a strong appetite for our products as highlighted by some of our recent commercial announcements such as Air India," said chief executive Guillaume Faury, referring to the Indian airline's order for 470 aircraft.

"On the other hand, we continue to see a complex and adverse global environment with persistent tensions in the supply chain, including engines which also impact the availability of aircraft in service."

Airbus posted a record profit of 4.2 billion euros in 2022 despite supply chain problems limiting its ability to raise production.

The company slashed production and jobs during the pandemic when airlines halted most operations, and it has had trouble scaling production back up, as have some of its suppliers.

The Russian invasion of Ukraine also complicated sourcing certain parts.

And the implications of the decisions taken by the states to grow their defence budgets had not yet translated into either orders or deliveries, except for ammunition, Faury added.

Revenues generated by Airbus' commercial aircraft activities decreased by five percent year-on-year, mainly reflecting the lower deliveries, the company said.

Its defence and space unit saw revenues drop six percent, while the helicopter unit jumped by 26 percent as deliveries rose.

The first quarter performance was also hit by a charge of 360 million euros due to changes in the value of the US dollar from when some pre-payments were made to settlement on delivery of aircraft.

The company said its 2023 outlook remains unchanged, which is for commercial aircraft deliveries to rise from 661 last year to 720 this year.

That outlook is based upon no additional disruptions to the world economy, air traffic, or supply chains

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