

Airbus profit rises in 2024

- A Monitor Desk Report

Date: 23 February, 2025



Paris : European aircraft maker Airbus reported on Thursday (Feb 20) that its net profit rose in 2024, driven by increased plane deliveries and a goal to accelerate this growth further.

Net profit climbed 12pc to 4.2 billion euros (\$4.4 billion), despite a significant writedown in the value of its space business earlier in the year."

Aircraft deliveries rose by 4.2 per cent to 766, helping revenues climb by six percent to 69.2 billion euros.

Deliveries are an important indicator as airlines pay for aircraft when they receive them.

Airbus and its rival Boeing, as well as their suppliers, have struggled to scale production back up after having cut staff and output during the Covid-19 pandemic that nearly shut down international air travel.

They both have huge order backlogs as airlines have placed orders for the latest fuel-saving aircraft that offer lower operating costs.

Net orders tumbled from a bumper year in 2023, falling from 2,094 to 826, but the company noted they still surpassed deliveries.

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"We achieved strong order intake across all businesses in 2024, with a book-to-bill well above 1, confirming the solid demand for our products and services," chief executive Guillaume Faury said in a statement.

"We delivered on our 2024 guidance in what was a testing year for Airbus," he added, noting the transformation of its space business.

Airbus announced in June that it had decided to make a roughly 900-million-euro charge against first-half earnings after an extensive review of its space business.

That chopped first-half earnings to 825 million euros.

It subsequently announced more than 2,000 job cuts as demand for its telecommunications satellites falls.

But Airbus's Defense and Space division booked a record 16.7 billion euros in sales in 2024, thanks in part to Spain ordering an additional 25 Eurofighter aircraft.

Airbus said it is targeting a seven per cent increase in deliveries for 2025 to 820 aircraft.

But it said that that guidance is based upon "no additional disruptions to global trade or the world economy, air traffic, the supply chain, the Company's internal operations, and its ability to deliver products and services."

The outlook does not include any potential tariffs on its activities.

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