

Airbus profits soar despite new charge on A400M military plane

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Airbus took a new 1.3-billion-euro charge against its A400M four-engine turboprop military transport aircraft

Airbus said Thursday that increased deliveries, windfall gains from divestments and favourable exchange rates enabled profits to take off

last year, even though it booked a "substantial" new charge on its A400M military transporter plane.

The European aircraft maker said in a statement that net profit nearly tripled to 2.87 billion euros (\$3.6 billion) in 2017 from 995 million euros a year earlier.

Full-year sales held steady at 66.8 billion euros.

"We overachieved on all our 2017 key performance indicators thanks to a very good operational performance, especially in the last quarter," said chief executive Tom Enders.

"Despite persistent engine issues on the A320neo, we continued the production ramp-up and finally delivered a record number of aircraft," he said.

A net capital gain of 604 million euros resulting from the divestment of the defence electronics business and "a strong positive impact" from exchange rate developments also helped boost the group's bottom line, it said.

But Airbus booked a new one-off charge of 1.3 billion euros against its A400M turboprop military transport, plagued by delivery problems and technical problems.

"On A400M, we made progress on the industrial and capabilities front and agreed a re-baselining with government customers which will significantly reduce the remaining programme risks. This is reflected in a substantial one-off charge," Enders said.

Airbus had already booked a charge of 2.2 billion euros on the A400M in 2016.

Nonetheless, given the "strength of our 2017 achievements," Airbus would propose lifting its dividend to 1.50 euros per share for last year from 1.35 euros a year earlier, Enders said.

"This also endorses our earnings and cash growth story for the future," he said.

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