

Who is talking to you



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Agenda

- Current status of the cargo market
- New conversion lines
- Supply chain and conversion challenges

Current status of the cargo market

- We still see a strong demand on both aircraft conversion programs.
- Feedstock is becoming more and more of a challenge (+ the pax vs. cargo lease rate), but some of our big customers are coming with their own feedstock.



- **How to overcome this? We**

- are proactively starting the next generation P2F development considering A32X NEO,
- are going to certify all weight variants on A33X for our STC (as already done on A32X).
- are looking with Airbus for buy-back solution for individual customers.



Current status of the cargo market

- What else we do?

We are enhancing our products by

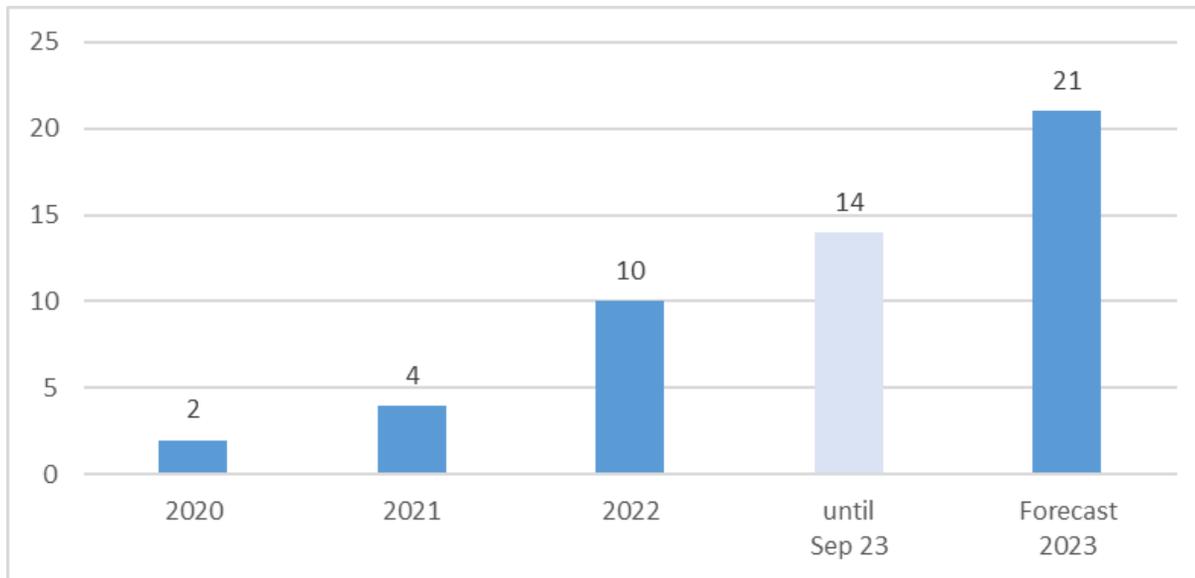
- further product improvement considering customer feedback, e.g.:
 - empty flight (ballast removal and/or flexible ballast),
 - random loading,
 - adding center tank (A32X),
 - et cetera



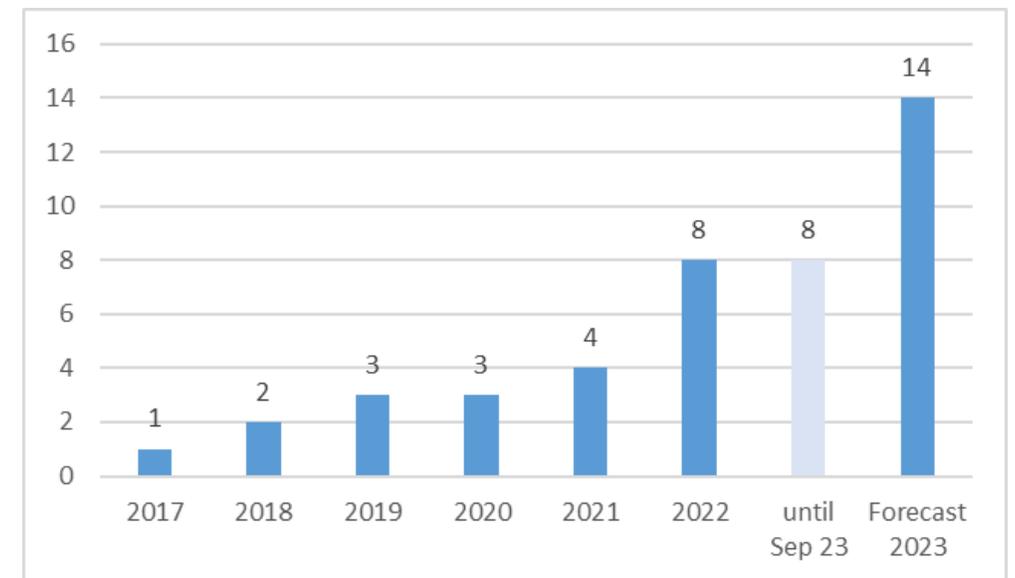
New conversion lines – deliveries

- In fact: We have already 9 lines around the world and we deliver aircraft

72 P2F deliveries until end 2023



37 A32X deliveries until end 2023



35 A33X deliveries until end 2023

New conversion lines

- **But, we are further setting up new lines in both programs, to**
 - cope with the overall mid and long term market demand,
 - recover the backlog from the world wide crisis (C19 + sanctions Ukraine war),
 - provide flexibility to our customers and/or their operators on the location (where the aircraft will be operated in the end).



New conversion lines

- We are further setting up new lines in both programs, to
 - be flexible on conversion TAT by considering related heavy maintenance checks (gives us more options to re-allocate conversion),
 - be able to mitigate (potential) risks as lessons learnt out of pandemic.



Supply chain and conversion challenges

- **Supply chain challenges? During the worldwide pandemic, we have:**
 - built up new sources (2nd and partially 3rd sources),
 - invested a huge cash amount to secure upfront raw material,
 - increased the kit rate delivery per year over the market demand (buffer stock).
 - *As of today, the P2F kit is a watch item, but does not drive deliveries or TAT*



Supply chain and conversion challenges

- **Conversion challenges? We experienced/experience:**
 - touch labor remains a challenge with the growing business activity (mainly US),
 - critical path of aircraft data (6 months prior to induction) for adaption engineering,
 - the incoming aircraft condition with the related maintenance drives the TAT:
 - *lead time and availability of BFE parts as well as component overhaul (e.g. engine, landing gear) are the biggest challenges for (on-time) conversion deliveries.*
 - *the mitigation on this requires a strong cooperation between EFW, customer and OEM*

EFW is connecting the world

