

## KEY FIGURES OF DASSAULT AVIATION GROUP

	2022	2021
Order intake	<b>EUR 20,954 million</b> 92 Rafale <i>of which 92 Rafale Export</i> Phase 1B FCAS demonstrator 64 Falcon	<b>EUR 12,080 million</b> 49 Rafale <i>of which 37 Rafale Export and 12 Rafale France</i> BALZAC support contract 51 Falcon
<u>Adjusted</u> net sales <sup>(*)</sup>	<b>EUR 6,929 million</b> 14 Rafale <i>of which 13 Rafale Export and 1 Rafale France</i> 32 Falcon	<b>EUR 7,233 million</b> 25 Rafale <i>of which 25 Rafale Export</i> 30 Falcon
Backlog as of December 31	<b>EUR 35,008 million</b> 164 Rafale <i>of which 125 Rafale Export and 39 Rafale France</i> 87 Falcon	<b>EUR 20,762 million</b> 86 Rafale <i>of which 46 Rafale Export and 40 Rafale France</i> 55 Falcon
<u>Adjusted</u> operating income <sup>(*)</sup>	<b>EUR 572 million</b>	<b>EUR 527 million</b>
<u>Adjusted</u> operating margin	8.3% of net sales	7.3% of net sales
Research and Development	<b>EUR 572 million</b> 8.3% of net sales	<b>EUR 551 million</b> 7.6% of net sales
<u>Adjusted</u> net income <sup>(*)</sup>	<b>EUR 830 million</b>	<b>EUR 693 million</b>
<u>Adjusted</u> net margin	12.0% of net sales	9.6% of net sales
Earnings per share	EUR 9.99 per share	EUR 8.34 per share
Available cash as of December 31	<b>EUR 9,529 million</b>	<b>EUR 4,879 million</b>
Dividends	<b>EUR 249 million</b> EUR 3.00 per share	<b>EUR 208 million</b> EUR 2.49 per share
Employee profit-sharing and incentives incl. 20% employer's corresponding tax Headcount as of December 31	<b>EUR 210 million</b> 12,768	<b>EUR 139 million</b> 12,371

NB: Dassault Aviation recognizes Rafale Export contracts in their entirety (including the Thales and Safran parts).

Main IFRS aggregates (see reconciliation table below)

<sup>(*)</sup> Consolidated net sales	EUR 6,950 million	EUR 7,246 million
<sup>(*)</sup> Consolidated operating income	EUR 591 million	EUR 545 million
<sup>(*)</sup> Consolidated net income	EUR 716 million	EUR 605 million

**Saint-Cloud, le 9 mars 2023** - The Board of Directors held yesterday and chaired by Mr. Éric Trappier approved the 2022 statement of accounts. The audit procedures have been completed and the audit opinion is in the process of being issued.

“The war in Ukraine has featured prominently over the past year, not least because of the human consequences it has taken since it first started. Our thoughts are with the Ukrainian people. It also serves as a reminder to EU countries that armed conflicts are not consigned to the past and that we must be prepared for them. This is why President Macron, who was re-elected in April 2022, is calling for a war economy to be established. France’s Military Procurement Law, which will be enacted in 2023, should reflect that mindset.

Apart from the war in Ukraine, 2022 saw a succession of crises (persistence of the Covid-19 pandemic, particularly in Asia, geopolitical crises, shortages of raw materials, inflation, energy supply, social unrest). These crises have destabilized our suppliers, directly impacting our supplies, production and development. Supply chains were severely affected in 2022 and remain under significant pressure, particularly in the aviation sector.

The focus on environmental issues has sometimes resulted in hostility toward business aviation (“Aviation bashing”), even as the Group is committed into an active policy in Corporate Social Responsibility – CSR – aiming at improving the environmental performance of our activities (energy sobriety) and our products (ecoconception, use of Sustainable Aviation Fuel for our Falcon) and actively participates in research initiatives aimed at decarbonizing aviation.

Like 2021, 2022 was a historic year for order intake (EUR 21.0 billion and 156 aircraft – 92 Rafale Export and 64 Falcon). As a result, our backlog is the largest in the Group’s history: EUR 35.0 billion (251 aircraft – 125 Rafale Export, 39 Rafale France and 87 Falcon), Net sales totaled EUR 6.9 billion and we delivered 46 aircraft: 13 Rafale Export, 1 Rafale France and 32 Falcon. Lastly, concerning the FCAS, the agreement on the development of the demonstrator (detailed specifications) establishes the role of Dassault Aviation as lead architect of the New Generation Fighter (NGF). This is good news for our engineering department, since the agreement protects our intellectual property.

In the military sector, 2022 saw:

- the commercial success of the Rafale for export, notably with
  - the entry in the order book of the contract for 80 Rafale for the United Arab Emirates following receipt of the first advance,
  - the signing of contracts for 42 Rafale (6+36) for Indonesia. The first advance has been received for the first six aircraft, which have been included in 2022 order intake. The entry into force of the order of the additional 36 Rafale is pending,
  - the sale to Greece of an additional six new Rafale.

As a result, Rafale order intake in 2022 equals 92 aircraft (80 for the United Arab Emirates, 6 for Indonesia and 6 for Greece). The backlog as of December 31, 2022 now includes 164 new Rafale (125 Export, 39 France),

- the delivery of 13 Rafale to our export customers (Greece, India and Qatar),
- resumption of the delivery of Rafale to France, with one aircraft accepted in 2022. This delivery follows a four-year hiatus, at the request of the French State for budgetary reasons,
- the continuation of development work on the Rafale F4 standard,
- for the FCAS, of which Dassault Aviation is leader for the NGF demonstrator, the first phases of work on the demonstrator (Phase 1A) were completed in 2022. Dassault Aviation and Airbus have reached an agreement, allowing phase 1B to be awarded. Dassault Aviation is prime contractor and architect of pillar 1, the NGF, and is involved (as co-contractor or sub-contractor) in pillars 3, 4, 5 and 7, as well as in item 0 (continuation of technical operational studies with the military),

- work has begun on the Eurodrone contract. Dassault Aviation is responsible in particular for flight controls and mission communications, as a sub-contractor of Airbus Defence and Space.
- regarding the Falcon multi-mission aircraft, development work is continuing on the Archange (Falcon 8X) and Albatros (Falcon 2000LXS) programs. Our business development efforts resulted in order intake for 4 Falcon 2000LXS for the South Korean Air Force ; architectural study of the Futur PATMAR, based on Falcon 10X, has been launched in January 2023, (in competition with Airbus),
- the vertically integrated contracts signed with France for the Rafale (Ravel), Mirage 2000 (Balzac) and the ATL2 (Ocean) are continuing, with performance exceeding the contractual targets.

In the civil aviation segment, 64 Falcon were ordered and 32 Falcon were delivered in 2022. The business aviation market was dynamic, despite the slowdown observed at the end of the year. The year also saw:

- the continuation of development efforts on the Falcon 6X and 10X:
  - the Falcon 6X is continuing its test flight campaign and certification process. This aircraft will enter service in mid-2023. It was unveiled at the EBACE and NBAA trade shows and is continuing to be ramped up,
  - the Falcon 10X reached several milestones in 2022 (industrialization of its first parts, wing tests). A full-scale mock-up was unveiled at the EBACE and NBAA trade shows.
- the award to Dassault Falcon Service of a support contract for France's Falcon aircraft,
- the expansion of the network of service centers, with the upcoming opening of service centers in Dubai in 2023 and in Melbourne (Florida) and Kuala Lumpur in 2024. Wilmington service center has ceased its operations,
- the Company's commitment to the decarbonization of its Falcon aircraft, in particular with:
  - preparation for the expansion of Falcon SAF capability. The Falcon 10X will be natively 100% SAF compatible as soon as it enters service,
  - the launch of the "SAF plan," which envisages the ambitious use of SAF for internal flights,
  - the development of a flight plan optimization tool.

The backlog as of December 31, 2022 is 87 new Falcon, compared with 55 at the end of 2021.

In a tight labor market, the Group recruited more than 1,500 people in 2022 and is continuing to increase the number of female employees. This strategic recruitment drive is backed by an attractive employment model in which – true to the ideals of Serge and Marcel Dassault – the distribution of value is a core part of its DNA (profit sharing and incentive scheme and value sharing bonus).

In the continuity of the elapsed year, our objectives for 2023 are:

- secure the supply chain,
- Rafale: to perform current contracts and continue business development,
- secure the French Tranche 5 order of 42 Aircraft,
- military developments: to continue the programs under way and prepare future standards,
- military aircraft support and availability: to continue to meet our commitments close to the armed forces staff and their needs,
- Falcon: to obtain certification and ensure that the Falcon 6X enters service, pursue the development of the Falcon 10X and continue to drive sales,
- civil aircraft support and availability: improve the global Falcon after sale network,
- energy transition: to continue our efforts to reduce our environmental impact,

- Make in India: to continue ramping up the activities transferred to India,
- FCAS / NGF: to launch phase 1B of the demonstrator and prepare Phase 2 (flight)

The Guidance for 2023 is to deliver 15 Rafale and 35 Falcon. Net sales will be down compared to 2022.”

*Éric TRAPPIER, Chairman and Chief Executive Officer of Dassault Aviation.*

## 1. ORDER INTAKE

**2022 order intake** was **EUR 20,954 million** versus EUR 12,080 million in 2021. **Export** order intake represented **90%**.

Recent year figures are as follows, **in millions of euros**:

	2022	2021	2020
<b>Defense</b>	<b>17,510</b>	9,165	1,546
<i>Defense Export</i>	<b>15,657</b>	6,173	224
<i>Defense France</i>	<b>1,853</b>	2,992	1,322
<b>Falcon</b>	<b>3,444</b>	2,915	1,917
<b>Total order intake</b>	<b>20,954</b>	12,080	3,463
% Export	<b>90%</b>	74%	41%

The order intake is composed entirely of firm orders.

### **Defense programs**

In 2022, **Defense order intake** totaled **EUR 17,510 million**, compared with EUR 9,165 million in 2021.

The **Defense Export figure** was **EUR 15,657 million** in 2022, versus EUR 6,173 million in 2021. This historic amount is due to the 92 Rafale ordered in 2022: 80 Rafale for the United Arab Emirates, 6 for Greece and 6 for Indonesia. In 2021, we recorded orders from Egypt for 30 Rafale – followed by an order for an additional aircraft to complete the original order from 2015, from Greece for 6 new and 12 pre-owned Rafale (which we bought back from the French Air and Space Force), and a support contract for Croatia following its acquisition of 12 pre-owned Rafale directly from the French government.

The **Defense France portion** amounted to **EUR 1,853 million** in 2022, compared with EUR 2,992 million in 2021. Specifically, we secured the order for phase 1B of the demonstrator of the Future Combat Air System (FCAS). In 2021, it had mainly included the order for 12 Rafale and the 14-year “Balzac” support contract for the Mirage 2000 (excluding engines).

### **Falcon programs**

In 2022, **64 Falcon orders** (net of canceled Russian aircraft) were recorded, compared with 51 in 2021. Order intake totaled **EUR 3,444 million**, versus EUR 2,915 million in 2021. The growth in orders is being driven by the vibrant business jet market.

## 2. ADJUSTED NET SALES

Net sales for 2022 were **EUR 6,929 million** versus EUR 7,233 million in 2021. **Export** represented **82%**.

Recent year figures are as follows, in **millions of euros**:

	2022	2021	2020
<b>Defense</b>	<b>4,825</b>	5,281	3,263
<i>Defense Export</i>	<b>3,616</b>	4,549	2,699
<i>Defense France</i>	<b>1,209</b>	732	564
<b>Falcon</b>	<b>2,104</b>	1,952	2,226
<b>Total adjusted net sales</b>	<b>6,929</b>	7,233	5,489
% Export	<b>82%</b>	89%	89%

### **Defense programs**

In 2022, **14 Rafale (13 Export and 1 France)** were delivered, compared with the guidance of 13. 25 Rafale Export had been delivered in 2021.

Defense **net sales** in 2022 were **EUR 4,825 million** versus EUR 5,281 million in 2021.

The **Defense Export share** was **EUR 3,616 million** versus EUR 4,549 million in 2021. This decrease is largely due to the delivery of 13 Rafale Export, whereas 25 Rafale Export were delivered in 2021.

The **Defense France share** was **EUR 1,209 million** versus EUR 732 million in 2021. In 2022, Defense France net sales mainly include the delivery of a Rafale after a four-year hiatus, at the request of the French State for budgetary reasons, the mid-life refurbishment of the Mirage 2000D, maintenance services (Rafale under the Ravel contract, Mirage 2000 under the Balzac contract and ATL2 under the Ocean contract) and support for other aircraft in service.

### **Falcon programs**

**32 Falcon were delivered in 2022**, compared with the guidance of 35, versus 30 deliveries in 2021.

**Falcon net sales** in 2022 totaled **EUR 2,104 million**, versus EUR 1,952 million in 2021. The increase is mainly due to the number of Falcon delivered (32 vs. 30).

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The “book-to-bill ratio” of the Group (order intake/net sales) is 3.02 for 2022.

### 3. BACKLOG

The **consolidated backlog** as of December 31, 2022 (determined in accordance with IFRS 15) was **EUR 35,008 million**, versus EUR 20,762 million as of December 31, 2021. The backlog has evolved as follows:

As of December 31	2022	2021	2020
<b>Defense</b>	<b>30,318</b>	17,633	13,748
<i>Defense Export</i>	<i>21,915</i>	9,874	8,249
<i>Defense France</i>	<i>8,403</i>	7,759	5,499
<b>Falcon</b>	<b>4,690</b>	3,129	2,147
<b>Total backlog</b>	<b>35,008</b>	20,762	15,895
% Export	<b>72%</b>	58%	59%

The backlog as of December 31, 2022 consists of the following:

- **Defense Export: EUR 21,915 million** versus EUR 9,874 million as of December 31, 2021. This figure notably includes 125 new Rafale and 6 pre-owned Rafale in 2022, compared with 46 new Rafale and 6 pre-owned Rafale as of December 31, 2021,
- **Defense France: EUR 8,403 million** versus EUR 7,759 million as of December 31, 2021. This figure mainly comprises 39 Rafale (vs. 40 at the end of December 2021), the support contracts for the Rafale (Ravel), Mirage 2000 (Balzac) and ATL2 (Ocean), the Rafale F4 standard and the order for phase 1B of the demonstrator of the FCAS.
- **Falcon** (including the Albatros and Archange mission aircraft): **EUR 4,690 million** versus EUR 3,129 million as of December 31, 2021. It includes 87 Falcon, compared with 55 as of December 31, 2021.

Additional information on the backlog can be found in Note 25 to the consolidated financial statements.

### 4. ADJUSTED RESULTS

#### *Adjusted operating income*

**Adjusted operating income** for 2022 was **EUR 572 million**, compared with EUR 527 million in 2021.

Research and development costs totaled EUR 572 million in 2022 and accounted for 8.3% of net sales, as against EUR 551 million and 7.6% of net sales in 2021. These amounts reflect the self-funded R&D effort focused on the Falcon 6X and Falcon 10X programs.

**Adjusted operating margin** stood at **8.3%**, as against 7.3% in 2021, up despite the increase in R&D expenses due to the quality of performance of the contracts.

The foreign exchange hedging rate was **USD 1.19/EUR** in 2022, as in 2021.

#### *Adjusted financial income*

**2022 adjusted financial income** was **EUR 11 million** compared to EUR -26 million in 2021. Although the financing component recognized under long-term military contracts continues to have an unfavorable impact on net financial income, the financial income generated by the plan assets subscribed for by the Group, amid a sharp increase in cash flow and favorable interest rate movements, has contributed to the significant improvement in net financial income.

### *Adjusted net income*

**Adjusted net income** for 2022 was up 20% at **EUR 830 million**, compared with EUR 693 million in 2021. Thales' contribution to the Group's net income was EUR 386 million, versus EUR 336 million in 2021.

As a result, **adjusted net margin** was **12.0%** in 2022, as against 9.6% in 2021. This increase is due to the growth in operating income and net financial income and the contribution of equity associates.

Net income per share for 2022 was **EUR 9.99**, compared with EUR 8.34 in 2021.

## 5. CONSOLIDATED KEY FIGURES UNDER IFRS

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### *Consolidated operating income (IFRS)*

**Consolidated operating income** for 2022 was **EUR 591 million**, compared with EUR 545 million in 2021.

R&D costs totaled EUR 572 million in 2022 and accounted for 8.2% of consolidated net sales (EUR 6,950 million), as against EUR 551 million and 7.6% of consolidated net sales in 2021. These amounts reflect the self-funded R&D effort focused on the Falcon 6X and Falcon 10X programs.

**Consolidated operating margin** stood at **8.5%**, as against 7.5% in 2021, up despite the increase in R&D expenses due to the quality of performance of the contracts.

### *Consolidated financial income (IFRS)*

**Consolidated financial income** for 2022 was **EUR -12 million**, compared with EUR -69 million in 2021. Although the financing component recognized under long-term military contracts continues to have an unfavorable impact on net financial income, the financial income generated by the plan assets subscribed for by the Group, amid a sharp increase in cash flow and favorable interest rate movements, has contributed to the significant improvement in net financial income. The improvement in net financial income was also due to the less pronounced negative impact of the change in market value of hedging instruments which do not qualify for hedge accounting under IFRS.

### *Consolidated net income (IFRS)*

**Consolidated net income** for 2022 was **EUR 716 million**, compared with EUR 605 million in 2021. Thales' contribution to the Group's net income was EUR 275 million, versus EUR 266 million in 2021.

As a result, **consolidated net margin** was **10.3%** in 2022, as against 8.4% in 2021. This increase is due to the growth in operating income and net financial income and the contribution of equity associates.

Consolidated net income per share for 2022 was **EUR 8.62**, compared with EUR 7.28 in 2021.



## 6. AVAILABLE CASH

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The Group uses a specific indicator called “Available cash”, which reflects the amount of total cash available to the Group, net of financial debts. It includes the following balance sheet items: cash and cash equivalents, current financial assets and financial debt, excluding lease liabilities. The calculation of this indicator is detailed in the consolidated financial statements (see Note 9 of the December 31, 2022, consolidated financial statements).

**The Group’s available cash stands at EUR 9,529 million**, an increase of EUR 4,650 million from December 31, 2021. This increase is mainly due to advances received over the period, particularly for Export contracts (including from the United Arab Emirates), and the resilience of the Falcon commercial business. Working capital requirement as of December 31, 2022 generated cash flow of EUR 5,672 million: advances received under long-term contracts, including Defense Export, will finance the performance of these contracts over the next few years.

## 7. CONSOLIDATED BALANCE SHEET (IFRS)

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**Total equity stood at EUR 6,006 million** as of December 31, 2022, versus EUR 5,300 million as of December 31, 2021. This increase is largely due to the results for the period.

Borrowings and financial debt stood at EUR 234 million as of December 31, 2022, compared with EUR 226 million as of December 31, 2021. Borrowings and financial debt include locked-in employees’ profit-sharing funds, for EUR 98 million, and lease liabilities, for EUR 136 million.

Inventories and work-in-progress rose to EUR 3,922 million as of December 31, 2022, compared with EUR 3,480 million as of December 31, 2021. The increase of EUR 442 million in inventories and work-in-progress is mainly linked to the performance of Defense contracts and the ramp-up of the Falcon 6X.

Advances and progress payments received on orders, net of advances and progress payments paid, rose by EUR 5,020 million as of December 31, 2022. This was mainly due to advances received for Export contracts (including from the United Arab Emirates) and the resilience of the Falcon commercial business.

Derivative financial instruments had a market value of EUR -88 million as of December 31, 2022, compared with EUR -81 million as of December 31, 2021. The change in the US dollar rate between December 31, 2022 and December 31, 2021 (USD 1.067/EUR as of 12/31/2022 versus USD 1.133/EUR as of 12/31/2021) was offset by an improvement in the average rate of our currency hedging portfolio.

## 8. VALUE SHARING

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The Board of Directors decided to propose to the Annual General Meeting a dividend distribution, in 2023, of **EUR 3.00 per share**, corresponding to a total of **EUR 249 million**, i.e. a payout of 30%. The dividend per share is computed on the basis of the number of shares as of December 31<sup>st</sup>, 2022, netted of the number of shares cancelled as per the decision of the Board of March 8<sup>th</sup>, 20223.

For 2022, the Group has paid **EUR 4 million** in value sharing bonus and will pay **EUR 210 million** in employee profit-sharing and incentives, including 20% employer's corresponding tax, whereas the application of the legal formula would have resulted in a EUR 38 million payment (including 20% employer's corresponding tax).

Dividends per share over the five last years are outlined in Note 32 to the Parent Company Financial Statements.

*This Financial Press Release may contain forward-looking statements which represent objectives and cannot be construed as forecasts regarding the Company's results or any other performance indicator. The actual results may differ significantly from the forward-looking statements due to various risks and uncertainties, as described in the Directors' report.*

### CONTACTS:

#### Corporate Communication

Stéphane Fort - Tel. +33 (0)1 47 11 86 90 - [stephane.fort@dassault-aviation.com](mailto:stephane.fort@dassault-aviation.com)  
Mathieu Durand - Tel. +33 (0)1 47 11 85 88 - [mathieu.durand@dassault-aviation.com](mailto:mathieu.durand@dassault-aviation.com)

#### Investor Relations

Nicolas Blandin - Tel. +33 (0)1 47 11 40 27 - [nicolas.blandin@dassault-aviation.com](mailto:nicolas.blandin@dassault-aviation.com)

## APPENDIX

### DEFINITION OF ALTERNATIVE PERFORMANCE INDICATORS

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To reflect the Group's actual economic performance, and for monitoring and comparability reasons, the Group presents an income statement adjusted with the following elements:

- gains and losses resulting from the exercise of hedging instruments, which do not qualify for hedge accounting under IFRS standards. This income, presented as financial income in the consolidated financial statements, is reclassified as net sales and thus as operating income in the adjusted income statement,
- the valuation of foreign exchange derivatives which do not qualify for hedge accounting, by neutralizing the change in fair value of these instruments (the Group considering that gains or losses on hedging should only impact income as commercial flows occur), with the exception of derivatives allocated to hedge balance-sheet positions whose change in fair value is presented as operating income,
- amortization of assets valued as part of the purchase price allocation (business combinations), known as "PPA"
- adjustments made by Thales in its financial reporting.

The Group also presents the "available cash" indicator, which reflects the amount of the Group's total liquidities, net of financial debt. It covers the following balance sheet items:

- cash and cash equivalents,
- other current financial assets,
- financial debt, excluding lease liabilities.

The calculation of this indicator is detailed in the consolidated financial statements (see Note 9).

Only consolidated financial statements are audited by statutory auditors. Adjusted financial data are subject to the verification procedures applicable to all information provided in the annual report.

## IMPACT OF THE ADJUSTMENTS

The impact in 2022 of adjustments to income statement aggregates is presented below:

<i>(in thousands of euros)</i>	2022 consolidate d income statement	Foreign exchange derivatives		PPA	Adjustments applied by Thales	2022 adjusted income statement
		Foreign exchange gain/loss	Change in fair value			
<b>Net sales</b>	6,949,916	-14,459	-6,618			<b>6,928,839</b>
<b>Operating income</b>	591,403	-14,459	-7,771	3,142		<b>572,315</b>
Net financial income/expense	-11,557	14,459	8,280			11,182
Share in net income of equity associates	282,349			3,128	108,023	393,500
Income tax	-145,970		-131	-652		-146,753
<b>Net income</b>	716,225		378	5,618	108,023	<b>830,244</b>
<i>Group share of net income</i>	716,225		378	5,618	108,023	830,244
Group share of net income per share <i>(in euros)</i>	8.62					9.99

The impact in 2021 of adjustments to income statement aggregates is presented below:

<i>(in thousands of euros)</i>	2021 consolidate d income statement	Foreign exchange derivatives		PPA	Adjustments applied by Thales	2021 adjusted income statement
		Foreign exchange gain/loss	Change in fair value			
<b>Net sales</b>	7,246,197	-13,005	-686			<b>7,232,506</b>
<b>Operating income</b>	545,069	-13,005	-8,655	3,349		<b>526,758</b>
Net financial income/expense	-68,512	13,005	29,604			-25,903
Share in net income of equity associates	271,611			3,003	67,102	341,716
Income tax	-142,776		-5,614	-735		-149,125
<b>Net income</b>	605,392	0	15,335	5,617	67,102	<b>693,446</b>
<i>Group share of net income</i>	605,392	0	15,335	5,617	67,102	693,446
Group share of net income per share <i>(in euros)</i>	7.28					8.34