

# PRESS CONFERENCE

MARCH 9, 2023



# BACKGROUND

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## / War in Ukraine

## / French Military Programming law in preparation

## / Supply chain difficulties

- A series of crises (global pandemic, war in Ukraine and other geopolitical tensions)
  - Shortage of raw materials, inflation, energy availability and prices resulting in a serious strain on supply
  - A tight labor market against a backdrop of social tensions
- ➔ Vulnerability of some stakeholders creating a major risk to our programs, amplified by the ramp-up in the aeronautical industry

## / Energy transition



## 2022 HIGHLIGHTS

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- / Order intake at an all-time high: **EUR 21.0 billion**  
156 planes: 92 Rafale Export and 64 Falcon
- / Revenue: EUR 6.9 billion  
46 planes: 13 Rafale Export, 1 Rafale France and 32 Falcon
- / Historic backlog: **EUR 35.0 billion**  
251 planes: 125 Rafale Export, 39 Rafale France and 87 Falcon
- / Agreement on the launch of Phase 1B of the FCAS (Futur Combat Air System) demonstrator  
Dassault Aviation has been recognized as the prime contractor architect for the New Generation Fighter (NGF), safeguarding our intellectual property





# ACTIVITY AND PROGRAMS



# RAFALE EXPORT

## The Rafale's success is confirmed

- **United Arab Emirates:** T0 of the contract for 80 Rafale
- **Greece:** entry into force of the order for 6 additional Rafale
- **Indonesia:**
  - entry into force of the contract for first 6 Rafale
  - entry into force pending for 36 further Rafale
- Prospecting for Exports (Colombia, Rafale Marines for India, etc.) has continued

## Delivery of 13 Rafale Export

- India, Qatar and Greece



# RAFALE FRANCE

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/ **Delivery at the end of 2022 of 1 Rafale to France** after 4 years hiatus, at the request of the French State for budgetary reasons

/ **Developments**

- Work on the F4 standard has continued, and the first stages have been completed
- Preparation of F5 standard

/ **Tranche 5**

- An order for 42 planes is expected in late 2023

/ **President Macron announced the intention to upgrade to “all Rafale” in his annual wishes to the French armed forces**



# SUPPORT OF MILITARY FLEETS

## France:

- Performance of integrated support contracts Ravel (Rafale), Ocean (ATL2) and Balzac (Mirage 2000): availability commitments have been met
- Negotiations as to the integrated support contract for Alpha Jet

## Export:

- Support for the Egyptian, Qatari, Indian and Greek Rafale fleets
- Croatia: preparation of fleet support and user training
- Continued support for fleets in service close to the armed force staff and their needs

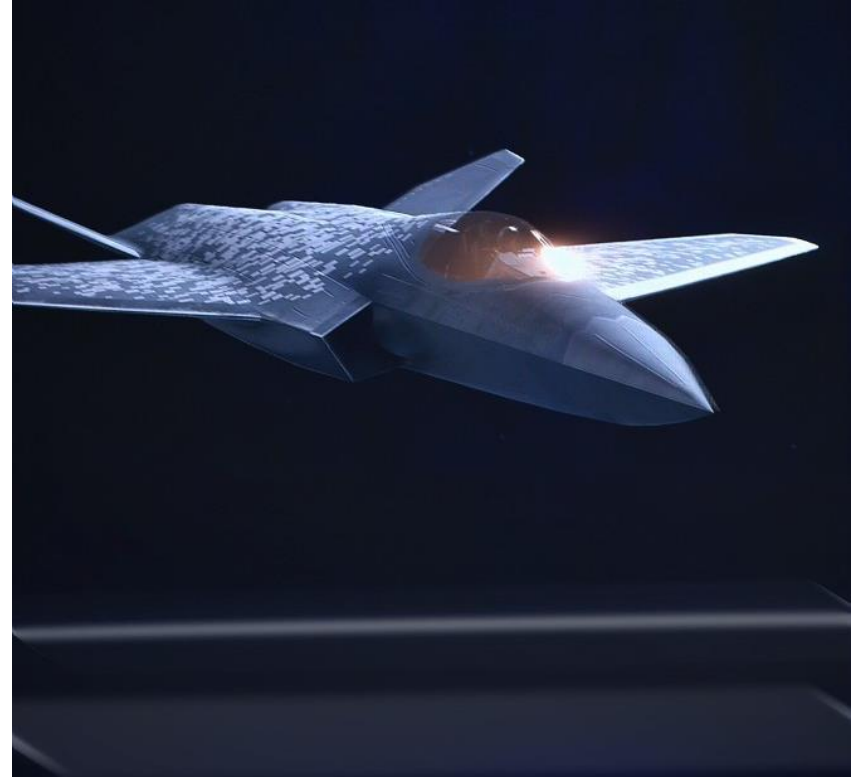


# FUTURE COMBAT AIR SYSTEM (FCAS)

/ **Phase 1A of FCAS demonstrator completed in 2022**

/ **Notification of phase 1B of the demonstrator (detailed specifications)**

- Dassault Aviation / Airbus agreement: notification of Phase 1B
- Dassault Aviation is the prime contractor and architect for Pillar 1, the NGF, and is involved (either as co-contractor or as subcontractor) to pillars 3, 4, 5 and 7, in addition to item 0 (continuation of joint concept studies carried out with the military)





# EURODRONE

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- / On February 24, 2022, Airbus and the Organization for Joint Armament Cooperation (OCCAR) signed the Eurodrone contract relating to the development, production and 5-year initial maintenance of 20 systems
- / In particular, Dassault Aviation is in charge of flight control and mission communication systems



# MISSION AIRCRAFT

## France

- **AVSIMAR / Albatros:** development continues on the Falcon 2000LXS platform (7 aircraft are in backlog, with an option for a further 5, and a proposal for a 13<sup>th</sup>)
- **Archange:** development continues on the Falcon 8X platform (2 aircraft are in backlog, with an option for 1)
- **ATL2:** 6<sup>th</sup> aircraft received by the DGA (French defense procurement agency) out of the 7 that Dassault Aviation has been contracted to modernize
- **PATMAR Futur:** architectural study launched on the basis of the Falcon 10X in January 2023 (in competition with Airbus)

## Export

- **Japan Coast Guards:** last Falcon delivered
- **South Korea:** 4 “green” Falcon 2000 ordered in 2022



**2022**

**64 orders received** (*net of canceled Russian orders*) compared to 51 in 2021  
**32 delivered** compared to 30 in 2021

## **The market is active, but sales began to slow toward the end of the year**

- Business aviation traffic in the high-end segment was still higher than in 2019, but began to level off at the end of the year
- The market for preowned aircraft is dynamic, inventories had risen by year's end

## **Falcon product range is expanding**

- We have been preparing the Falcon 6X entry into service in mid-2023, and developing the Falcon 10X
- We are continuously working to improve the aircraft in service
  - the new EASy IV avionics system is available on the Falcon 7X/8X
  - the Falcon Privacy Suite module is available on the Falcon 8X (and on the Falcon 6X and Falcon 10X)

## AVIATION BASHING

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- / **Flygskam & Jet bashing:** aviation is under criticism since 4 years, and business jets are targeted since mid-2022 (mainly in Europe, and especially in France)
- / **Business Aviation:** 2% of global aviation CO<sub>2</sub> emissions, or 0.04% of global CO<sub>2</sub> emission; committed since 2009 in reaching net zero by 2050
- / **Falcon:**
  - one year of use of the 2 100 Falcon world fleet is equivalent to 24 hours of global video streaming, 5 hours of worldwide truck traffic or 2.5 days of the German thermic power plants,
  - all Falcon models are certified to fly with SAF / kerosene mixes up to 50%: current Sustainable Aviation Fuel supplies allow to reduce CO<sub>2</sub> emissions by 80% to 90% compared to kerosene. 179 flights operated by Dassault Aviation in 2022 using 30% SAF mixes, the ones currently available on the market,
  - participation in European (Clean Aviation) and French (CORAC) research programs, in order to reduce fuel consumption through optimizing the Aircraft design.

# FALCON: ECO-RESPONSIBILITY

## / Falcon range

- The Falcon fleet is compatible with fuel mixes containing up to 50% Sustainable Aviation Fuel  
The Falcon 10X will be 100% SAF compatible when it comes into service
- We are developing an innovative tool to optimize flight plans with a view to reducing consumption and CO<sub>2</sub> emissions

## / SAF plan launched in July 2022, with 3 objectives

- To reduce the Company's direct emissions
- To lay the groundwork for 100% SAF capacity for the Falcon 6X (CORAC framework) and Falcon 10X
- To communicate about our approach

## / Decarbonizing aviation

- Dassault Aviation shares the ICAO's goal that civil aviation should reach net zero by 2050
- Dassault Aviation participates in French, European and international research programs



# FALCON RANGE



! **Falcon 10X** | 7,500 nm



! **Falcon 6X** | 5,500 nm



! **Falcon 8X** | 6,450 nm



! **Falcon 7X** | 5,950 nm



! **Falcon 900LX** | 4,750 nm



! **Falcon 2000LXS** | 4,000 nm

# FALCON 6X

## / Preparation for entry into service in mid-2023

- Testing campaign under way with 3 development aircraft
  - over 400 flights (1,100 hours) since the 1<sup>st</sup> flight
  - excellent flight behavior and performance, in line with expectations
- “World Tour”: 4 weeks, 50 stops

## / Production ramp-up

- Fully kitted out Aircraft No. 4 on static display at EBACE and NBAA
- First serially produced aircraft receiving interior fittings in Little Rock
- Difficulties have been encountered with the supply chain

## / Our cabin design has won awards (Red Dot & International Yacht and Aviation Award)



# FALCON 10X

**The most spacious and comfortable cabin on the market, with a design that has already won awards (Red Dot & Good Design Awards)**

## **Program status**

- Ongoing developments
- Rolls-Royce Pearl 10X engine: engine will perform its first test flight on a flying test bench in H1 2023





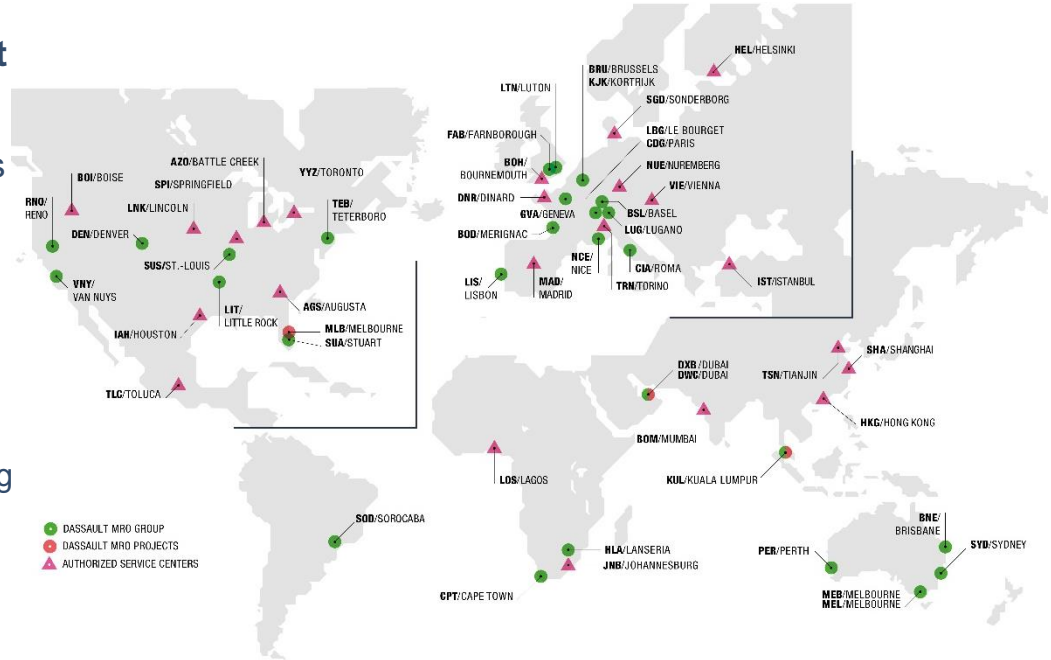
# FALCON CUSTOMER SUPPORT

## Notification of the MCO contract for the French Government's Falcon fleet

Notified in September 2022 for 7 years in partnership with DFS and Sabena Technics on the Villacoublay Air Base

## Network of service centers

- In 2023, we will be opening up a maintenance hub in Dubai
- In 2024, service centers will be opening in Melbourne (Florida) and Kuala Lumpur
- Wilmington has ceased its activities



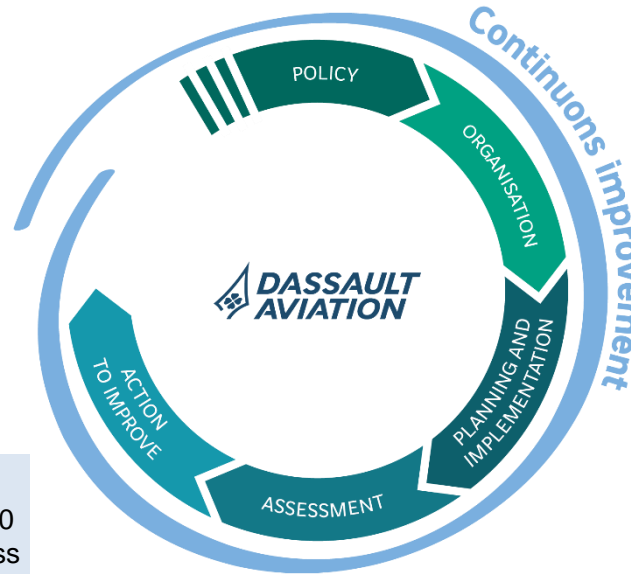
# CORPORATE SOCIAL RESPONSIBILITY (CSR)

## ENVIRONMENT

- Reducing aircraft's carbon footprint
  - toward decarbonization
- Reducing the industrial footprint
  - energy saving plan
  - starting out in solar energy production
- REACH compliance

### In 2022

Dassault Aviation ranked among the top 100 companies in France in terms of CSR, across all sectors (*"Le Point"* ranking)



## SOCIAL

- Value sharing
- Improving the occupational benefits arrangement
- Quality of life at work (remote working, concierge service, nursery, sustainable transport options, etc.)

## OTHER

- Responsible purchasing
  - GIFAS: environmental ranking of suppliers and integration into "AéroExcellence"
- Business ethics and compliance
  - widespread whistleblowing system
  - enhanced GDPR compliance system

Emphasis on public constraints and both French and European environmental regulations  
(Fit for 55, CSRD, CS3D, taxonomy)

## CSR: HUMAN RESOURCES

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### / ~ 1 500 hires in a job market that is under strain – particularly in the aeronautics sector

- Women hired in 2022
  - 24% of women among 2022 total hires

### / Value sharing

- **EUR 210 million in employee profit-sharing and incentives** (*including employer's corresponding tax*) **will be paid in 2023** in relation with 2022 financial results (EUR 139 million paid in 2022): it represents a minimum of **4 months<sup>(\*)</sup> of salary for 93%** of employees of Dassault Aviation (Parent Company)
- **EUR 4 million in value-sharing bonuses paid in 2022**

(\*) 0.7 months if we would stick to the legal scheme

# TRANSFORMATION PLAN: PLANTS

/ The Group keeps on investing in its industrial tool



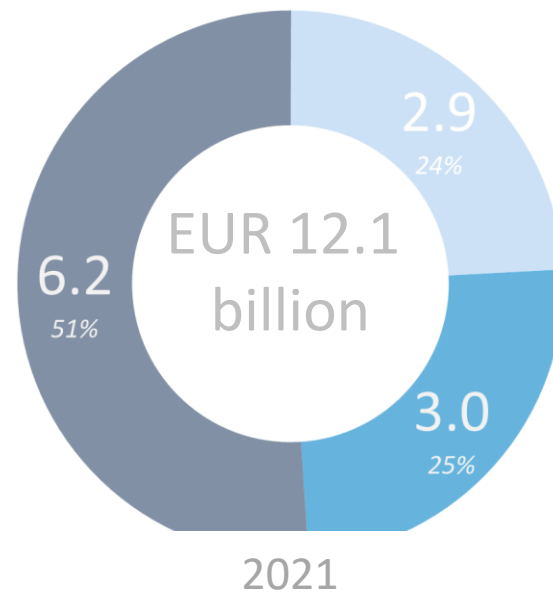
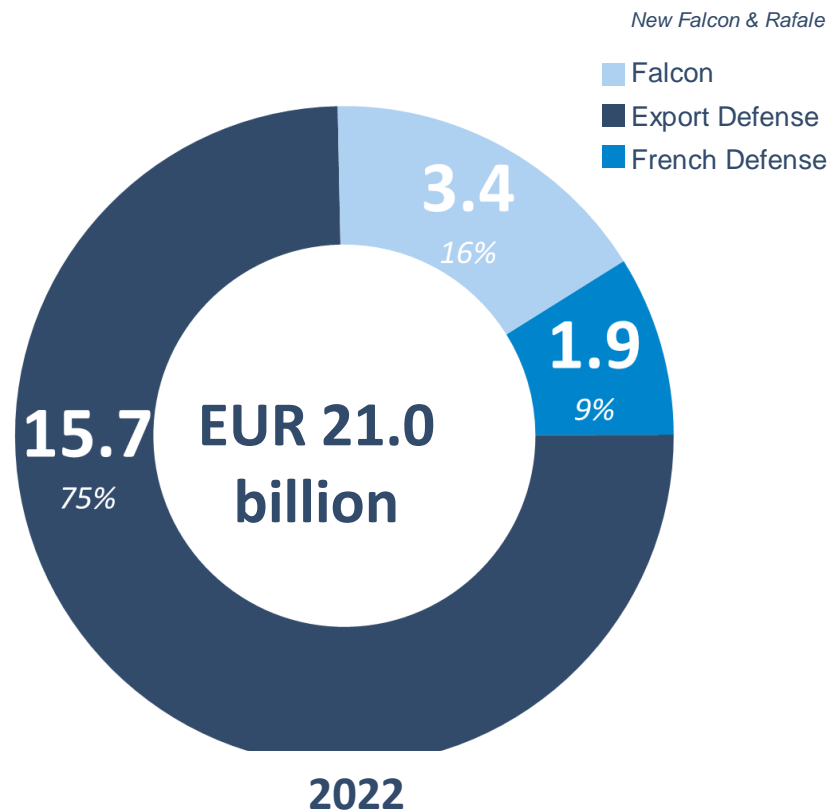


# 2022 FULL YEAR RESULTS



# ORDER INTAKE

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



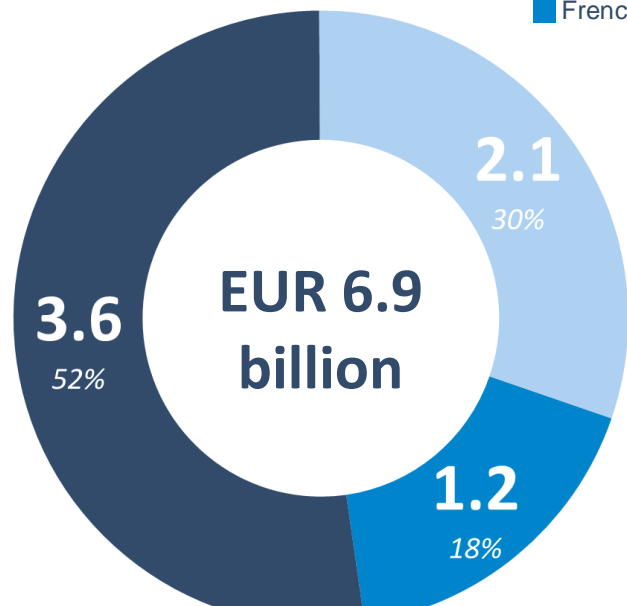
# DELIVERIES AND NET SALES

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

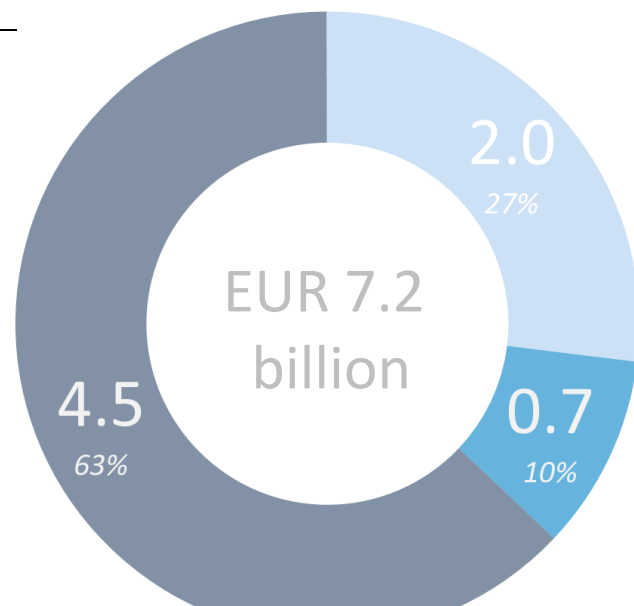
*New Falcon & Rafale*

- Falcon
- Export Defense
- French Defense

	2022	2021
	32	30
	13	25
	1	0
	<b>46</b>	<b>55</b>



**2022**



**2021**

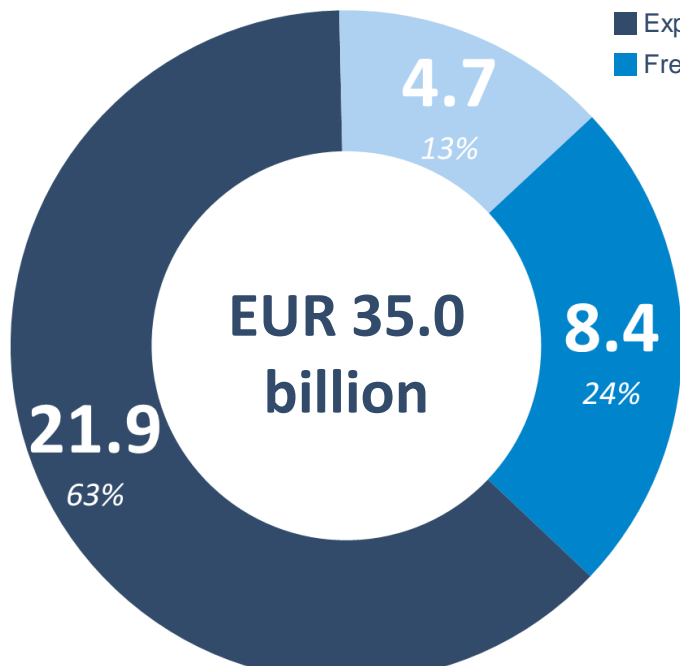
# BACKLOG

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

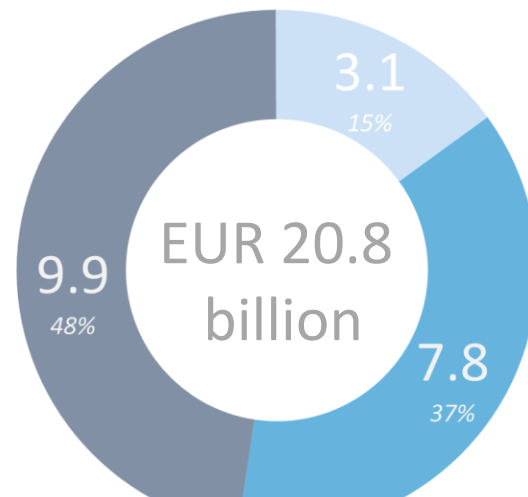
*New Falcon & Rafale as of 12.31*

	2022	2021
Falcon	87	55
Export Defense	125	46
French Defense	39	40
<b>Total</b>	<b>251</b>	<b>141</b>

- Falcon
- Export Defense
- French Defense



**12/31/2022**

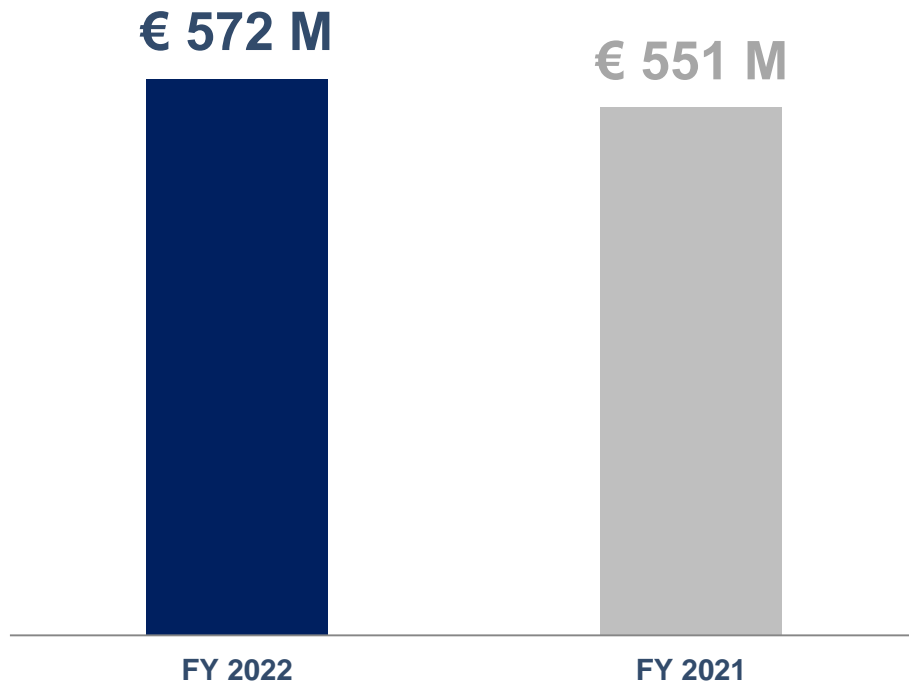


**12/31/2021**



## CONSOLIDATED SELF-FINANCED R&D IN MILLIONS OF EUROS

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# THALES

**Dassault Aviation is a shareholder of Thales since 2009 and as leading industrial shareholder has entered into a shareholders' agreement with the French state.**

Shareholders agreement has been extended for another 5 years on January 1st, 2022

## **Thales key figures (adjusted) - 2022:**

Order Intake € 23.6 Bn, +18.3% vs 2021

Net sales: € 17.6 Bn, +8.5% vs. 2021

EBIT: € 1,935 M i.e. 11.0% of net sales vs 10.2% in 2021

Self-financed R&D: € - 1,064 M i.e. -6.1% of net sales vs -6.3% in 2021

Net result: € 1,556 M i.e. 8.9% of net sales vs. 8.4% in 2021

Net cash (debt) : € -35 M

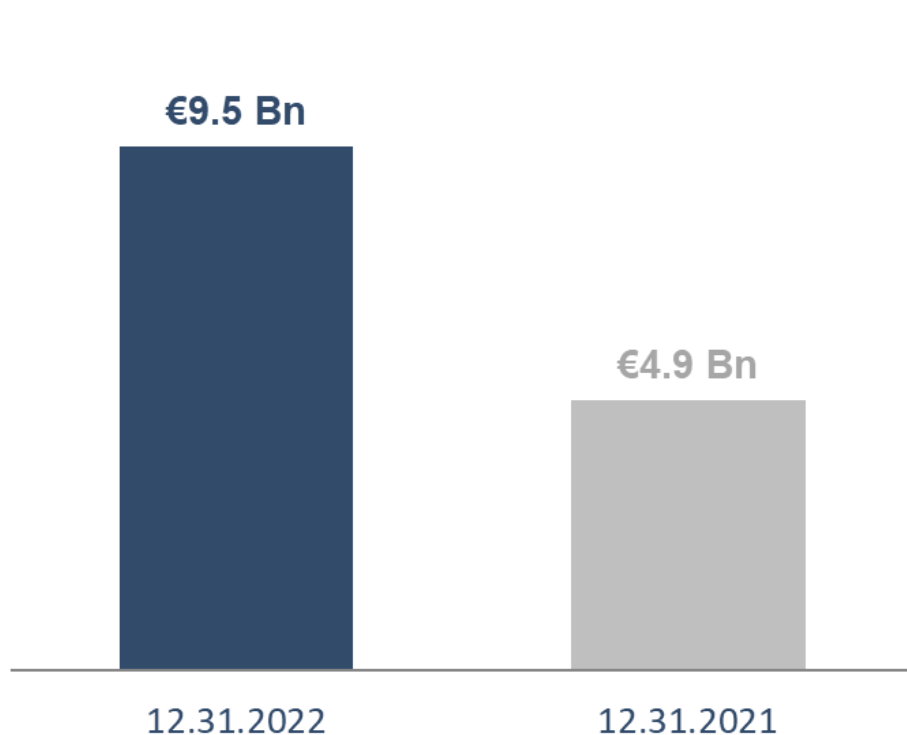
<i>in million euros</i>	<b>2022</b>	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Adjusted net result</b>	<b>1 556</b>	1 361	937	1,405	1,178	840	897	809	562	642	570	517	-45
<i>Adjusted net margin</i>	<b>8.9%</b>	8.4%	6.1%	7.6%	7.4%	5.5%	6.0%	5.8%	4.3%	5.1%	4.0%	4.0%	-0.3%

# ADJUSTED CONSOLIDATED INCOME STATEMENT

<i>in million euros</i>	<b>2022</b>	<b>2021</b>
<b>NET SALES</b>	<b>6,929</b>	<b>7,233</b>
<b>OPERATING INCOME</b>	<b>572</b>	<b>527</b>
<i>Operating margin</i>	<i>8.3%</i>	<i>7.3%</i>
FINANCIAL INCOME	11	-26
THALES and other equity affiliates	394	341
TAXES	-147	-149
<b>NET INCOME</b>	<b>830</b>	<b>693</b>
<b><i>net income margin</i></b>	<b><i>12.0%</i></b>	<b><i>9.6%</i></b>
<i>% Self financed R&amp;D</i>	<i>-8.3%</i>	<i>-7.6%</i>
<i>Earnings per share</i>	<i>10.0 €</i>	<i>8.3 €</i>

## CONSOLIDATED AVAILABLE CASH

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/ The increase in available cash in 2022 is mainly due to the receipt of downpayments relative to the deliveries of export Rafale contracts over the next years

/ Free Cash Flow: € 4.9 Bn

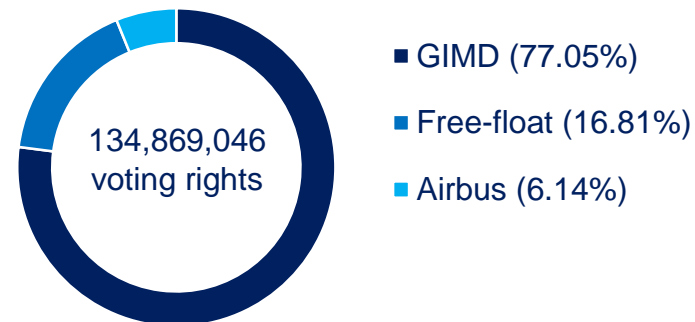
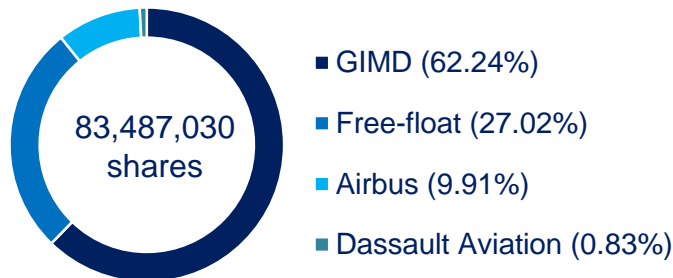
# DISTRIBUTION OF CAPITAL AND VOTING RIGHTS AS AT DECEMBER 31, 2022

/ In 2022, 409,072 treasury shares were bought back and will be canceled.

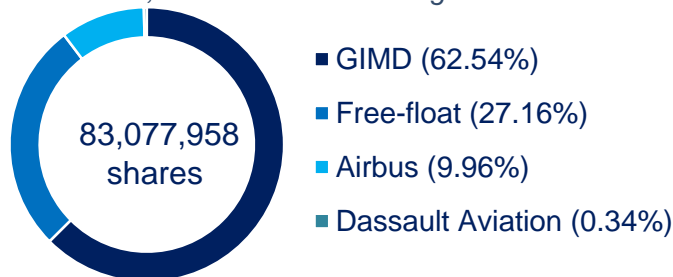
## Shareholding structure

## Distribution of exercisable voting rights

*Pre-cancellation*



*Post-cancellation, based on shareholding as at December 31, 2022*



## VALUE SHARING

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### Proposed dividend of EUR 3.00/share submitted for approval by the Annual General Meeting of May 16, 2023

Paid in (relative to previous year results)	2023	2022
Dividends (*)	€ 249 M	€ 208 M
Dividend per share	€ 3.00	€ 2.49

(\*) Payout 30%

The application of profit sharing agreements will lead to the payment of **EUR 210 million in employee profit-sharing and incentives** (including employer's corresponding tax), compared to EUR 139 million for 2021.

In respect of 2022 earnings, the application of the legal requirement would have given rise to a payment of **EUR 38 million** (including employer's corresponding tax).

In addition, **EUR 4 million of value sharing bonus** has also been paid in 2022.

# OUTLOOK AND STRATEGY

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- / Secure the supply chain
- / Rafale: to perform current contracts, secure the French Tranche 5 order of 42 Aircraft and continue business development
- / Military developments: to continue the programs underway and prepare future standards
- / Support and availability of our military aircraft: to continue to meet our commitments close to the armed forces staff and their needs,
- / Falcon: to obtain certification and launch the Falcon 6X into service, to continue developing the Falcon 10X and keep up sales efforts
- / Support and availability of our civilian aircraft: improve the global Falcon aftersale network
- / Energy transition: to continue our actions with a view to reducing 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)

<b>Guidance 2023:</b> <ul style="list-style-type: none"><li>▪ <b>Delivery of 15 Rafale and 35 Falcon</b></li><li>▪ <b>Decreasing net sales</b></li></ul>
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## DISCLAIMER

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*This press conference 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 – in particular as described in the Company's Management Report.*

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