

PRESS CONFERENCE

JULY 20TH, 2023

 **DASSAULT
AVIATION**



 **DASSAULT
AVIATION**

 **DASSAULT
AVIATION** ARCHITECTE
DU FUTUR

RAFALE
ARCHITECTE DU FUTUR

RAFALE C
ARMÉE DE L'AIR ET DE L'ESPACE - A6E 43

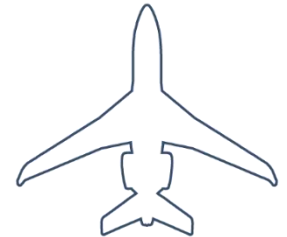
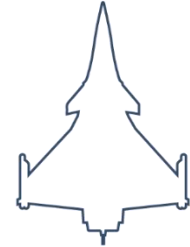
RAFALE
ARCHITECTE DU FUTUR

CONTEXT

/ **Ukraine-Russia war**

/ **Energy transition and aviation bashing**

/ **Supply chain**



POST-CLOSING EVENTS (1/2)

/ On July 13th, 2023, the Indian Government announced the selection of the Navy Rafale to equip the Indian Navy with a latest-generation fighter. Following an international competition launched by the Indian authorities, this decision comes after a successful trial campaign held in India, during which the Navy Rafale demonstrated that it fully met the Indian Navy's operational requirements and was perfectly suited to the specificities of its aircraft carrier



/ The Indian Navy's 26 Rafale will eventually join the 36 Rafale already in service, making India the first country to make the same military choice as France by operating both versions of the aircraft (Navy and Air Force)

/ This selection confirms the excellence of the Rafale, the exceptional quality of the link between Dassault Aviation and the Indian Forces, and the importance of the strategic relationship between India and France

POST-CLOSING EVENTS (2/2)

Military Programming Law (“LPM”): voted on July 13th, the law allocates a €400 Bn budget over the 2024-2030 period, increased by 40% compared to the previous LPM, to which €13 Bn of exceptional revenues will be added

- **Rafale deliveries**: ongoing deliveries of the batch “4T2” and contractualization of 42 Rafale of the batch “5T”, out of which 20 are to be delivered between 2027 and 2030, which will result in 2030 in a fleet of 137 Rafale in the French Air and Space Force
- **Rafale developments**: Rafale F4 standard completion by 2027, negotiation and launch of the Rafale F5 standard which will include the development of a drone derived from the works of the nEUROn
- **FCAS/NGF**: pursuit of the funding of phase 1B and decision to go to phase 2 will be taken in 2025 for a demonstrator 1st flight in 2029
- **PATMAR**: French Navy will have 14 aircraft upgraded at standard 6 by the end of the year and an additional 4 by 2030. Decision to launch a successor to ATL2 will be taken in 2024
- **AVSIMAR**: confirmation of 12 Falcon 2000 by the LPM – 7 firm and activation of the option for an additional 5
- **Archange**: delivery of the first 2 F8X and activation of the option for a 3rd one to be delivered around 2030

PARIS AIR SHOW

/ Popularity of our military aircraft:

- success of the Rafale: in flight (demonstration), at our static display (new simulator) and on the stand (Export Rafale mock-ups)
- impact of the multi-mission Falcon: Albatros, Japan Coast Guards, Archange, Falcon Fire Fighter, etc.
- a large number of French and foreign visitors, particularly interested in the Rafale's development and our collaborative combat solutions

/ Significant interest in the Falcon product range:

- positive impression of the Falcon 6X (in flight and on the ground) and of the Falcon 10X mock-up, with prospects from all over the world
- showcasing our decarbonization efforts (SAF, etc.)

/ Ambitious recruitment operations: "l'Avion des Métiers", "L'Aero recrute", JobDating, HR Spaces and Academic Relations, etc.





ACTIVITIES AND PROGRAMS

RAFALE – 1st Half 2023

Rafale Export

- Greece: delivery of 2 new Rafale and 4 pre-owned Rafale
- continued business development



Rafale France

- delivery of 2 Rafale
- continued development (Rafale F4 standard)



FUTURE COMBAT AIR SYSTEM (FCAS)

/ Commencement of work in March 2023 on phase 1B of the demonstrator (detailed specifications)

- creation of a physical workspace at Saint-Cloud to accommodate industrial teams from the three partner countries



MISSION AIRCRAFT

/ France

- continued development of **AVSIMAR** (maritime surveillance Falcon 2000LXS) and **Archange** (strategic intelligence Falcon 8X)
- **ATL2**: delivery of the 7th and last aircraft modernized by Dassault Aviation
- **Future PATMAR** (Future maritime patrol aircraft): commencement of architectural design work based on the Falcon 10X (in competition with Airbus)

/ Export

- Republic of Korea: delivery of the 1st of four Falcon 2000 ordered in 2022



FALCON CONTEXT

First Half 2023

12 orders received *vs. 41 in H1 2022*

9 deliveries *vs. 14 in H1 2022*

Slowdown in sales since the end of 2022

Falcon product range

- Falcon 6X: awaiting certification
- continued development of the Falcon 10X
- continuous improvement of aircraft in service
 - new EASy IV avionics available on the Falcon 7X/8X
 - Falcon Privacy Suite module available on the Falcon 8X (also available on the Falcon 6X and the Falcon 10X)

AVIATION BASHING AND TAXONOMY

/ **Flygskam and Jet bashing: aviation continues to come under fire and business jets are still targeted in Europe**

/ **Business aviation**

- 2% of CO₂ emissions from global aviation, or 0.04% of global CO₂ emissions
- committed to being carbon neutral by 2050
- a year's use of the 2,100 Falcon currently in service is equivalent to 24 hours of global video streaming, 5 hours of global HGV traffic or 2.5 days of German power plant operation

/ **Business aviation excluded from the “green” taxonomy, unlike commercial aviation**

- despite it being a pioneer in decarbonization thanks to SAF
- this exclusion will hit SMEs/mid-caps in the sector first
- US government investment in SAF via the Inflation Reduction Act
- legal action under consideration for breach of the principle of equality while business aviation has begun its decarbonization

the United States is in incentive mode, Europe in hyper-regulation mode

FALCON: FOUR LEVERS TO DECARBONIZE BUSINESS AVIATION

SAF (Sustainable Aviation Fuel)

- the Falcon can operate with blends containing up to 50% SAF
- Falcon 10X natively 100% SAF

Research and Technology

- aim: to improve aerodynamics, mass and engine performance
- participation in French, European and international scientific programs to decarbonize aviation

Optimization of air operations

- existing Falcon tools and properties (*maneuverability, avionics and flight controls, FalconEye, Fly by Path, etc.*): assets for future air traffic management
- **FalconWays:** Dassault Aviation has developed an innovative flight plan optimization tool to reduce fuel consumption and CO₂ emissions

Storage of CO₂ emissions

- philanthropic support for forest renewal and biodiversity conservation



FALCON 6X

/ Awaiting certification

/ Award-winning cabin design

/ Production ramp-up



FALCON 10X

- / The most spacious and comfortable cabin on the market with an award-winning design
- / Program status: development in progress (detailed technical specifications completed) and start of production phase



10X Pearl engine at Rolls-Royce



10X cabin at Le Bourget



Wing surface coating in Biarritz

HUMAN RESOURCES

/ Recruitment

- hiring target: 1,400 employees for the Group, out of which more than 1,000 in France

/ Sharing the value in France

- due to employee profit-sharing and incentive agreement, 88% of workforce of the parent company has received a minimum of 4 months of extra wage in 2023

/ Signing of agreements (Dassault Aviation - parent company):

- 6.2% increase with a uniform overall increase of EUR 140 gross/month as of January 1, 2023, (agreement signed by CFDT, CGC and UNSA)
- Quality of Life and Working Conditions signed by CGC, CFDT and UNSA
- employment of people with disabilities signed by CGC, CFDT, CGT and UNSA

/ Deployment of the new job typology of the metallurgy branch



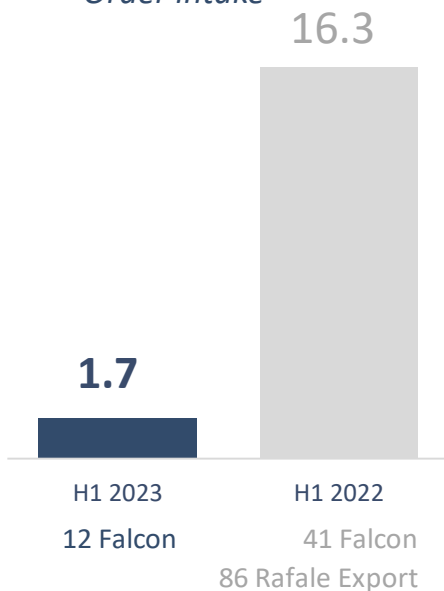
Recruitment forum on the stand at the Paris Air Show



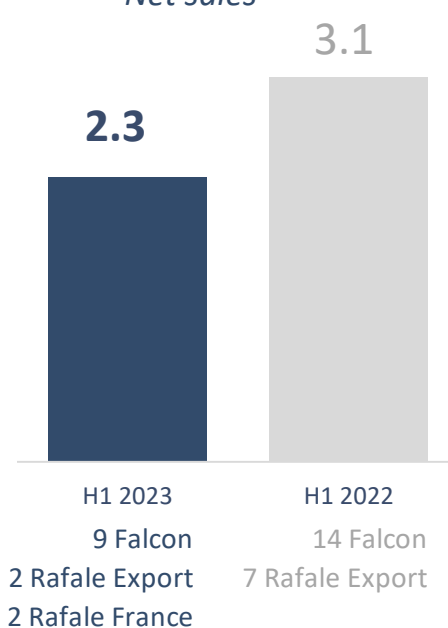
H1 2023 RESULTS

ORDER INTAKE, NET SALES AND BACKLOG in billions of euros

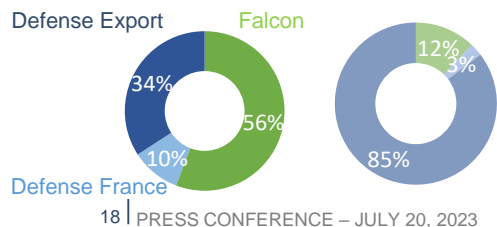
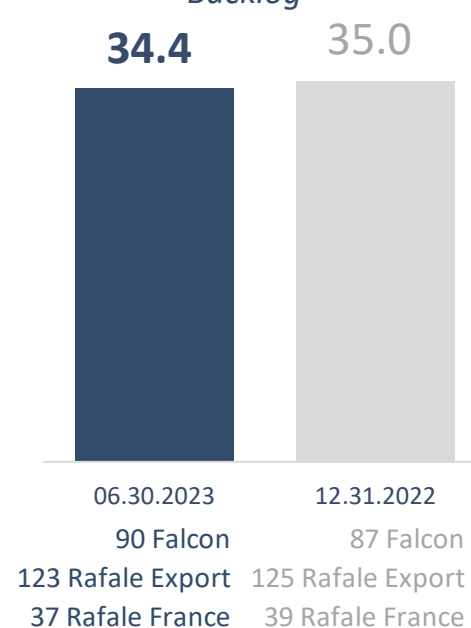
Order intake



Net sales (*)



Backlog



(*) : *guidance unchanged*

ADJUSTED CONSOLIDATED INCOME STATEMENT

| <i>in million euros</i> | First Half | |
|------------------------------------|------------|-------|
| | 2023 | 2022 |
| NET SALES | 2,295 | 3,098 |
| OPERATING INCOME | 151 | 200 |
| <i>Operating margin</i> | 6,6% | 6,5% |
| FINANCIAL INCOME | 110 | -13 |
| THALES and other equity affiliates | 210 | 183 |
| TAXES | -66 | -52 |
| NET INCOME | 405 | 318 |
| <i>net income margin</i> | 17,6% | 10,3% |
| Self financed R&D | -247 | -278 |
| <i>in % of Net Sales</i> | -10,8% | -9,0% |

DISCLAIMER

This press conference may contain forward-looking statements which represent targets and should not be regarded as earnings forecasts 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 Half-year financial report.

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