



Press Conference

2020 Annual Results - March 5, 2021

POST YEAR-END EVENTS

Order by Greece of 18 Rafale (6 new and 12 pre-owned)

- Signature and coming into force of the contract in January 2021
- 1st European Rafale Export country and 4th Rafale Export customer
- 1st used aircraft deliveries from 2021

This brings the total number of Rafale Export ordered up to 102.

France announced an order of 12 additional Rafale.



ACTIVITIES & PROGRAMS

2020 CONTEXT

- Covid-19:
 - unprecedented worldwide sanitary crisis
 - strong impacts on global economy
 - severe travel restrictions
 - aviation sector strongly affected
 - French aviation support plan
- International tensions due to some country's policy of power affirmation
- Terrorism
- Rise of environmental concerns

➔ 2021: strong sanitary, economical and geopolitical uncertainties

FRENCH AVIATION SUPPORT PLAN

In addition to temporary furlough, the French government support plan for the aviation industry launched on June 9, 2020 is being implemented:

- Government secured loans and flexible temporary furlough plan enabled to avoid major bankruptcies in 2020
- Investment fund implemented by Airbus, Dassault Aviation, Thales and Safran and co-funded by French government, to back and consolidate SMEs and intermediate-sized enterprises in the sector
- CORAC package: EUR 1.5 billion over 3 years

➔ **avoid supply chain collapse**

In 2020, Dassault Aviation:

- **Received € 6 M of state temporary furlough allowance**
- **Paid € 1 M to the investment fund out of the € 13 M commitment**
- **Received € 8 M from CORAC**

DASSAULT AVIATION FACING COVID-19

A robust health protocol allowed a quick resumption of activities following a total shutdown of the Company in March 2020 (resort to temporary furlough).

Responsive and agile, we focused on meeting our commitments:

- support for the Armed Forces and Falcon customers
- delivery of the Rafale Export and Falcon
- continuation of the development of the Falcon 6X

Ongoing Rafale Export prospecting abroad.

The level of Falcon order intake was strongly affected by the crisis.

Some delays were generated (workplace closures, sub-contractor delays, etc.).

In these exceptional circumstances, our shareholders have supported us by waiving their 2020 dividends.



RAFALE EXPORT

- 13 Rafale deliveries to India and Qatar, as per our commitments
- entry into service of the Rafale in India
- ongoing prospection abroad, despite the Covid-19 constraints



RAFALE FRANCE

- Continuation of Standard F4 development works
- No French Rafale delivery in 2020 and 2021 in accordance with France's Military Procurement Law ("LPM")
- Deliveries of Rafale to France due to resume in 2022 ; 40 Rafale still to be delivered out of 180 ordered + 12 announced
- 5th batch:
 - start of preliminary works
 - deliveries scheduled by the LPM from 2027 (order expected in 2023)



MILITARY SUPPORT (1/2)

RAFALE

RAVEL France

- Rafale availability rate target reached
- development and 1st application of the Big Data 3DExpérience™ platform (Dassault Systèmes / Dassault Aviation)

Rafale Export

- ongoing training of Indian pilots and mechanics at our “Conversion Training Center”
- deploying technical support personnel and setting up support systems in India
- continuing to provide support for the Egyptian and Qatari Rafale



MILITARY SUPPORT (2/2)

ATLANTIQUE 2

Signature of the OCEAN support contract for the French Navy's ATL2:

- Dassault Aviation: sole contractor, excluding engines, for the 10-year integrated support contract (including Thales)
- organization of this support based on a Dassault Aviation/Dassault Systèmes Big Data platform, same as the one used on the RAVEL contract

Delivery to the French Navy early April 2020 of the 3rd upgraded ATL2 out of the 7 to be performed by Dassault Aviation



MULTI-MISSION FALCON

France

- Albatros: contract for the maritime surveillance aircraft program based on a Falcon 2000LXS platform (7 ordered, 5 in option)
- Archange: launch of the strategic intelligence aircraft program based on a Falcon 8X platform (2 ordered in 2019, 1 in option)
- Falcon 50M: delivery of the 3rd and 4th aircraft, equipped with hatches for dropping SAR (Search And Rescue) kits

Japan

- Japan Coast Guard: delivery of the 5th Maritime Surveillance Falcon 2000 out of 6 ordered

Germany

- Delivery of 1 Falcon 2000LX to the DLR (German Aerospace Research Center)



Albatros



Archange

FUTURE COMBAT AIR SYSTEM (FCAS)

- February 2020: following the launch of the JCS (Joint Concept Studies), launch of phase 1A of the FCAS demonstrators, and in particular the New Generation Fighter
- December 2020: integration of Spain in the initial contract and new equilibrium
- 2021: preparation of phases 1B and 2 for the demonstrators. Proposals have been submitted. Equilibrium between the 3 states is tough: Dassault Aviation leader of the NGF, but the “3 thirds” rule to share workload and responsibilities (equal partners / quality balanced) leads Germany / Spain and Airbus to a disagreement with France and Dassault Aviation
- Difficulties pending on contractualisation: project management and intellectual property



EURODRONE

- Contract between the Organization for Joint Armament Cooperation (OCCAR) and Airbus Defence & Space GmbH (prime contractor) has been negotiated
- Contracts between Airbus Defence & Space and its main partners, Leonardo and Dassault Aviation are being finalized
- Dassault Aviation will be responsible in particular for flight controls and mission communications
- Notification expected mid-2021



FALCON MARKET CONTEXT

Delivery of 34 Falcon, for an initial forecast of 40, revised to 30 due to Covid-19 crisis.

Travel restrictions and the severe economic consequences due to the Covid-19 pandemic affect the business jet market:

- 15 orders including 7 Albatros aircraft due to customers' lack of visibility
- continuing price pressure
- under-used capacity of our maintenance centers due to the decline in aviation activity



FALCON 6X

1st flight early 2021
Entry into service expected late 2022

- eRoll-out of the Falcon 6X on December 8, 2020
- new standard for the long-range, ultra-widebody business jet segment
- first 3 development aircraft on test, and assembly on serial aircraft #4 and #5 started
- PW812D engine: successful ground and flight tests validating the aircraft's flight capability
- Falcon 6X cabin awarded by the *International Yacht and Aviation Award for Interior Design*



| eRoll-out



| Falcon 6X Cabin

FUTURE FALCON

Continued development of the Falcon family
Announce due 1st half 2021

FALCON CUSTOMER SERVICES

Falcon customer support ranking

For the 2nd year running, Dassault Aviation recognized as the best in class for its customer support by AIN:



#1 in the overall rankings

#1 for spare parts availability

#1 for Aircraft On Ground (AOG) response

#1 for fulfillment of warranty terms

Webinars

Webinars organized to replace seminars, remain in close touch with the “Falcon Family”, and inform in real time our customers and operators on Dassault Aviation products and services

FalconCare

Signature of the 500th FalconCare maintenance contract



Falcon Response



Falcon Command Center

FALCON: ECO-RESPONSIBILITY



- Falcon Family: 100% compatible with biofuels, for which a distribution network is emerging
- Environmentally responsible approach over the entire aircraft life cycle: design, production, choice of materials, recycling
- Active participation in French, European and international environmental research programs
- Carbon footprint reduction: promotion and distribution of a navigation tool that can optimize flight plans
- Research on the decarbonization of aircraft



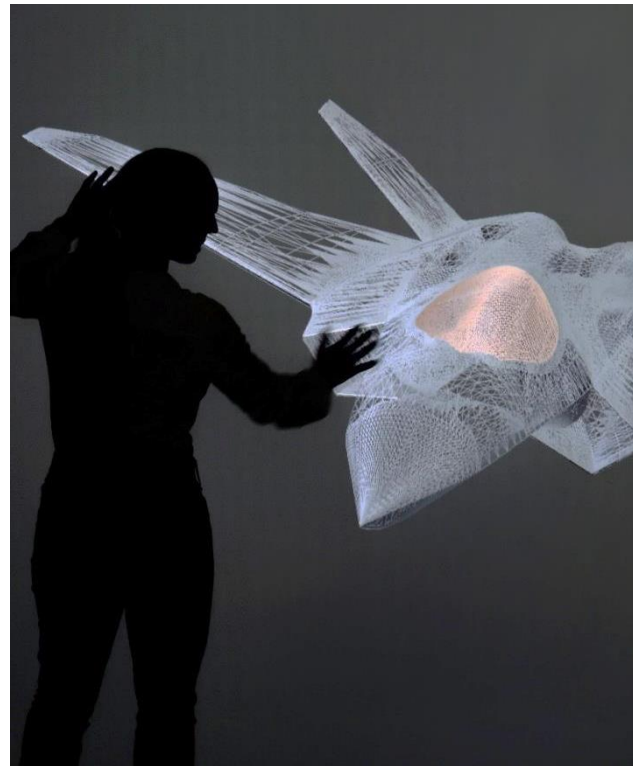
TRANSFORMATION PLAN (1/3)

Transformation plan goals:

Develop and manufacture aircraft more and more competitive and tailored to match our existing and future customers expectations

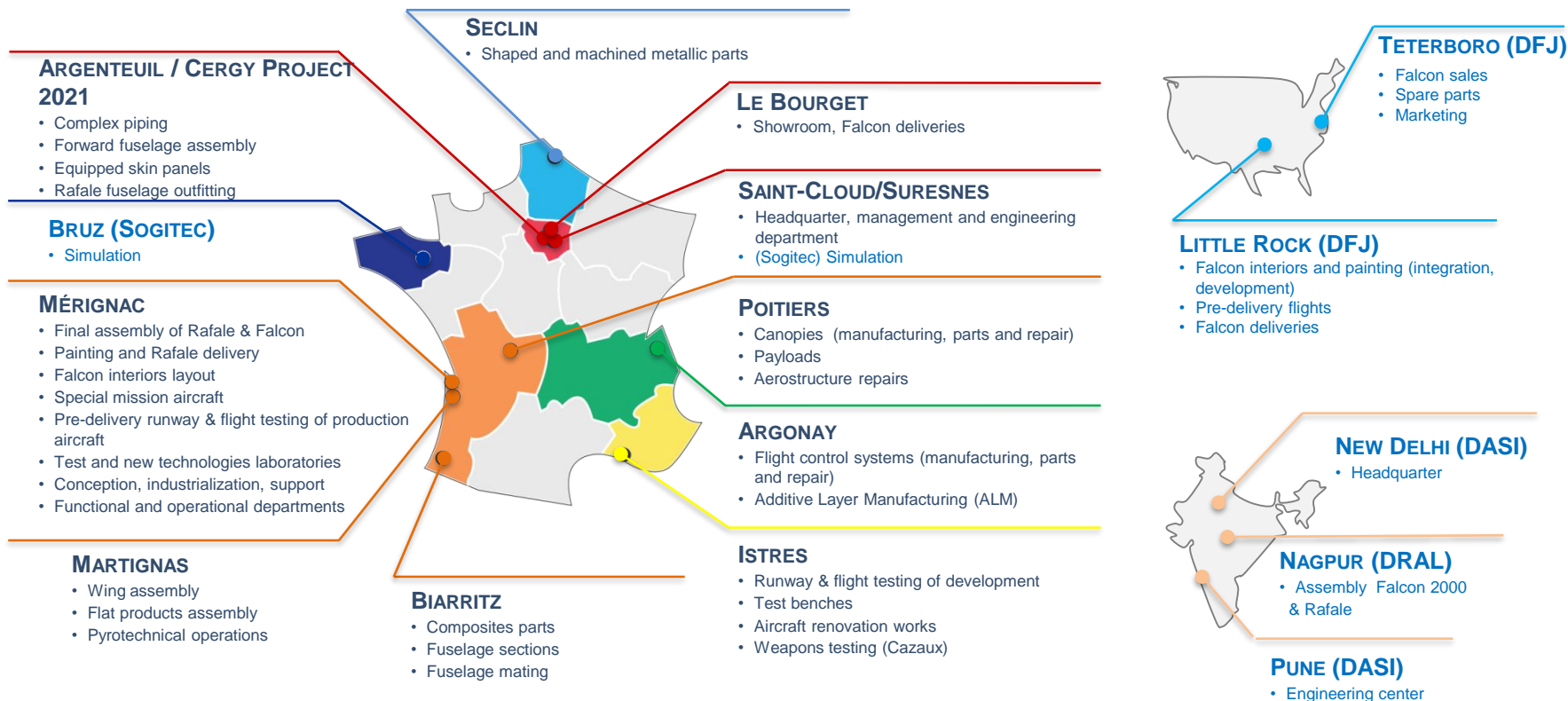
3 main priorities today:

- Leading our future: collaborative engineering platform, digital technology and tools (Big Data, 3DExperience™, SAP Prod, etc.)
- industrial performance
- infrastructure upgrades



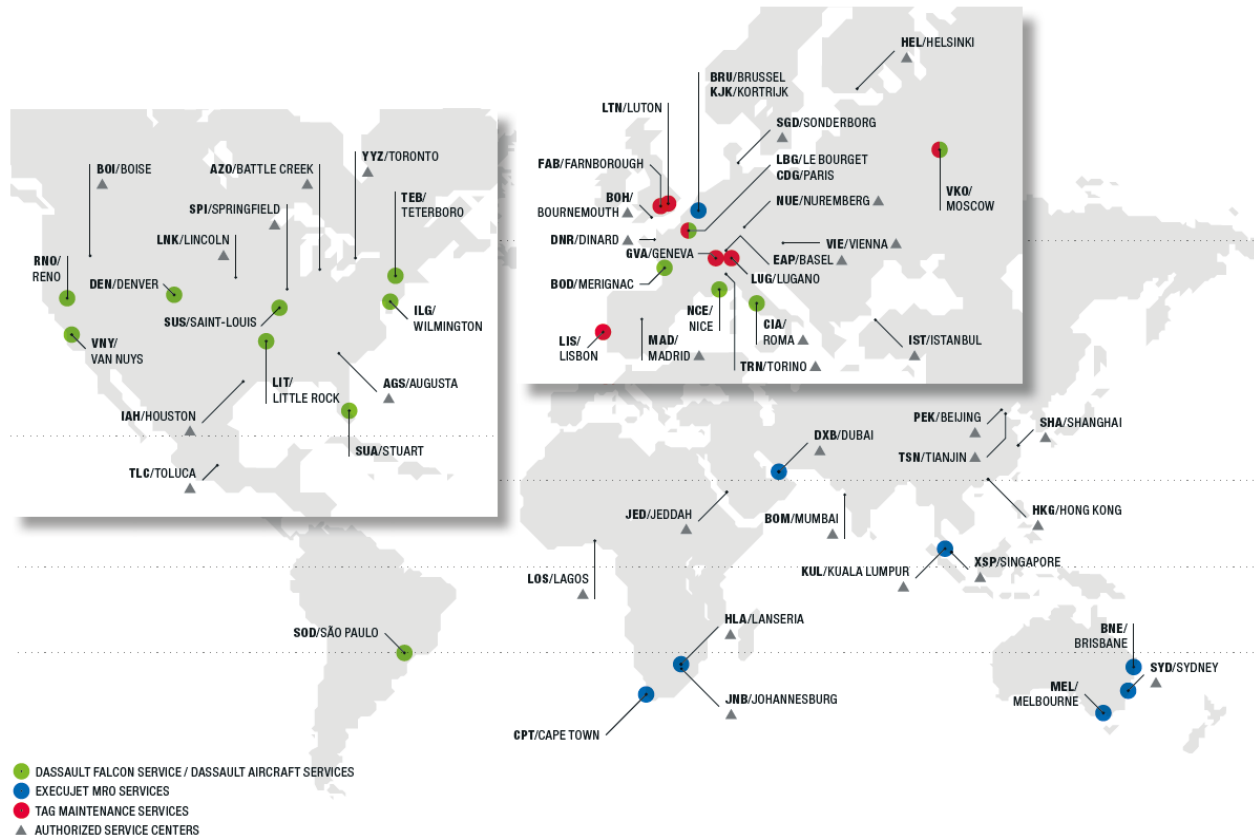
TRANSFORMATION PLAN (2/3)

GEOGRAPHICAL FOOTPRINT FALCON SERVICE CENTERS NOT INCLUDED



TRANSFORMATION PLAN (3/3)

GLOBAL NETWORK OF FALCON MRO SERVICE CENTERS: + 60 LOCATIONS



MAKE IN INDIA

DRAL: ramp-up of the structure

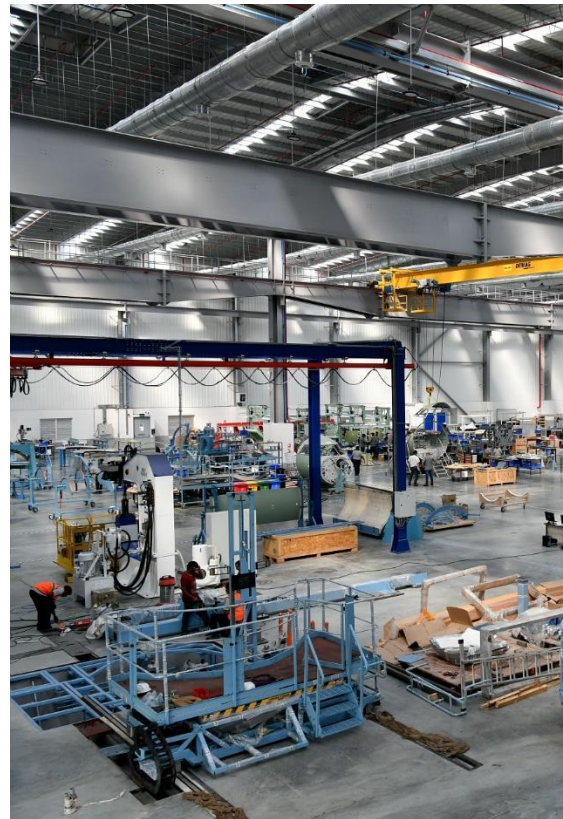
- Components transferred in India in 2020:
 - Falcon 2000: front section and fuselage elements
 - Rafale: canopy, windshield, flight control surface
- 1st set of engine doors produced by DRAL integrated on French Rafale production line

Developpement of an Indian supply chain

- Delivery to Dassault Aviation of primary parts, tools, struts, cans, etc.

Local training and skills

- Ramp-up of the engineering center in Pune
- « Dassault Skill Academy »:
 - start of the 2nd class for the aerotechnics graduation in January 2021
 - start of training in France of future Indian engineers and technicians dedicated to the final assembly line of Falcon 2000



CORPORATE SOCIAL RESPONSIBILITY

HIGHLIGHTS 2020

Challenges ranking:

Dassault Aviation ranked #1 of French Aviation / Navy / Space companies in terms of greenhouse gas reduction

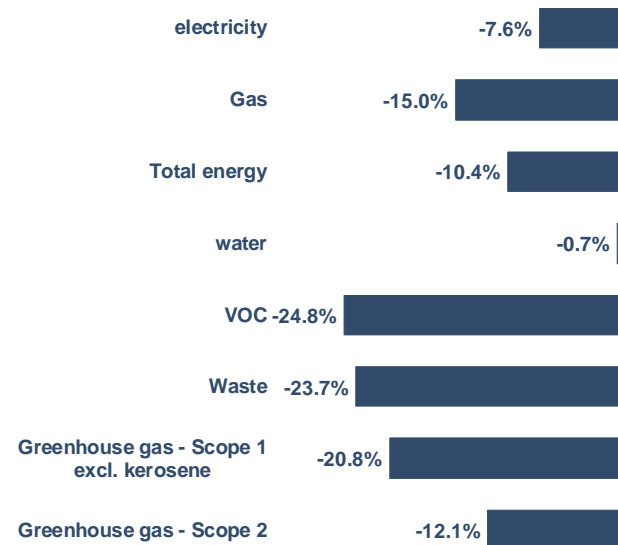
Industrial footprint:

- Energy savings thanks to the integration of environmental requirements within conception and production of new buildings
- Energetic and carbon footprint audit of French sites to improve our low carbon action plan

Epoka / Harris Interactive survey in partnership with *Le Figaro Students & employment agency*:

Dassault Aviation ranked #3 of the preferred companies by students and young graduate engineers in 2020 for all sectors

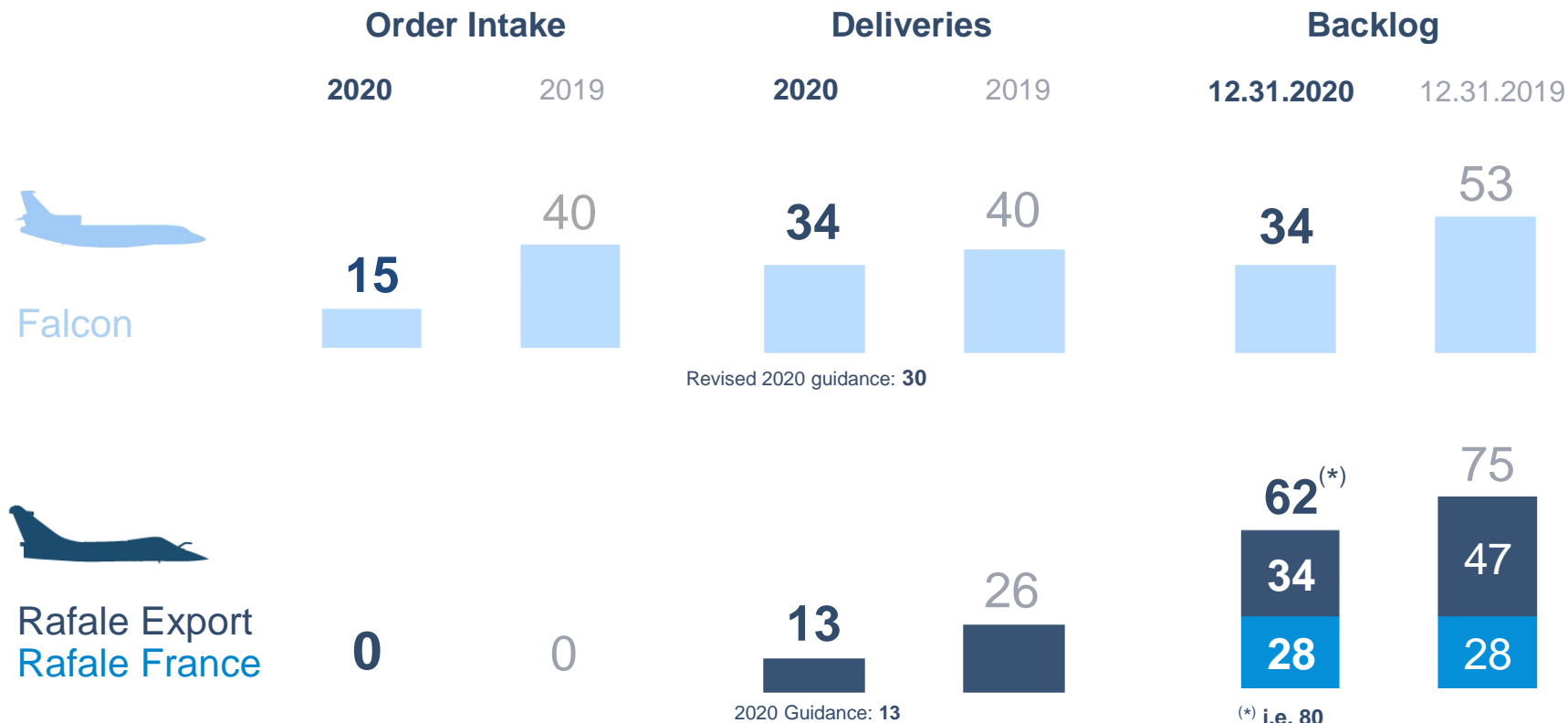
Environmental performance profile 2020 vs 2017 constant scope^(*)



^(*) Scope excluding new subsidiaries TMS and ExecuJet

2020 RESULTS

ORDER INTAKE, DELIVERIES AND BACKLOG IN UNITS

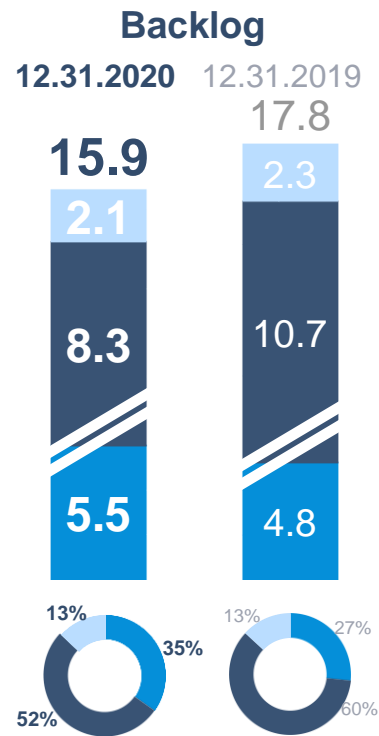
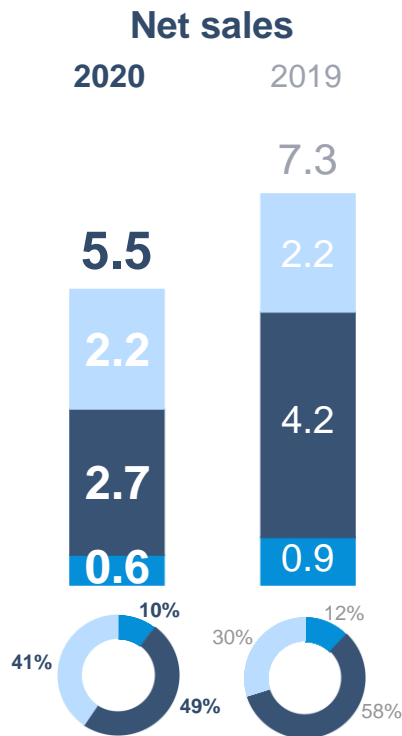
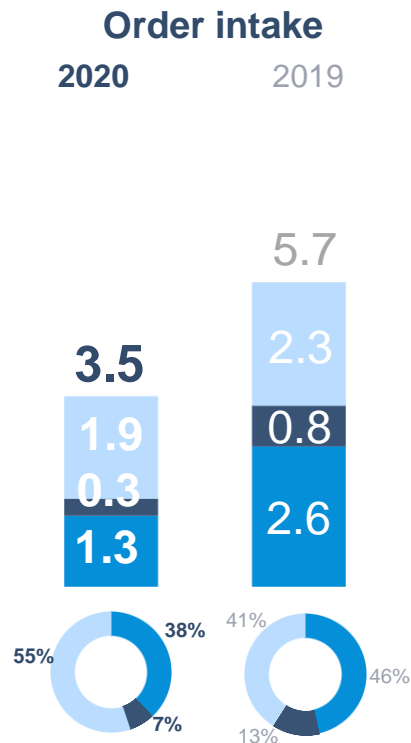


ORDER INTAKE, NET SALES AND BACKLOG

IN € BILLION

■ Falcon ■ Defense Export ■ Defense France

p.m.: Dassault Aviation recognizes the Rafale Export contracts in their entirety (with the Thales and Safran parts)

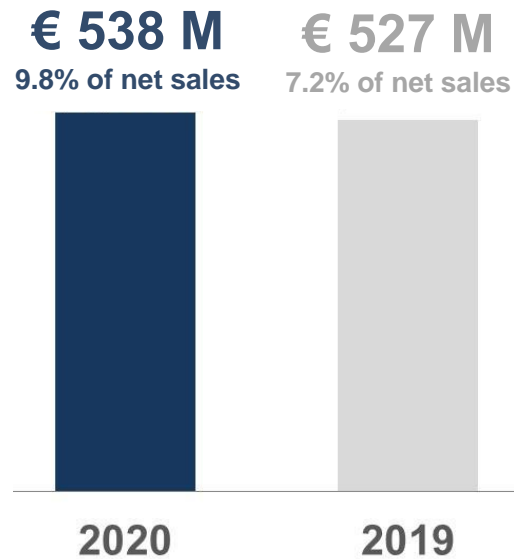


INVESTMENTS

Despite the crisis, high level of investment maintained:

1. Falcon 6X and future Falcon developments
2. decarbonized technologies (through CORAC)
3. transformation plan

CONSOLIDATED SELF-FUNDED R&D IN € MILLION AND % OF NET SALES



THALES

- Dassault Aviation has been a shareholder of Thales since 2009 and as leading industrial shareholder Dassault Aviation has entered into a shareholders' agreement with the French state.
- The change in adjusted net income since 2009 is as follows:

<i>in million euros</i>	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Adjusted net result	937	1,405	1,178	840	897	809	562	642	570	517	-45	-128
<i>Adjusted net margin</i>	5.5%	7.6%	7.4%	5.5%	6.0%	5.8%	4.3%	5.1%	4.0%	4.0%	-0.3%	-1.0%

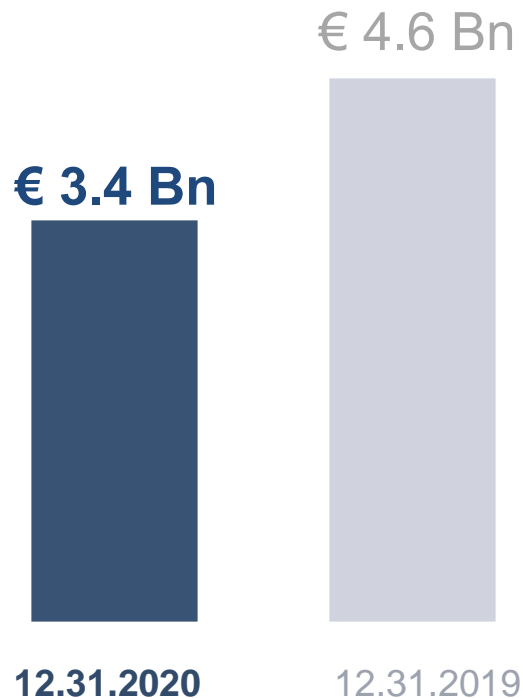
ADJUSTED CONSOLIDATED INCOME STATEMENT

<i>in million euros</i>	2020	2019
NET SALES	5,489	7,341
OPERATING INCOME	261	765
<i>Operating margin</i>	<i>4.8%</i>	<i>10.4%</i>
FINANCIAL INCOME	-34	-52
THALES and other equity affiliates	236	351
TAXES	-67	-250
NET INCOME	396	814
<i>net income margin</i>	<i>7.2%</i>	<i>11.1%</i>
<i>Earnings per share</i>	<i>€ 47.6</i>	<i>€ 97.9</i>

CONSOLIDATED AVAILABLE CASH

The € 3.4 Bn cash includes in particular, Rafale Export down payments received for ongoing contracts.

The decrease is primarily due to the Rafale Export contract execution (increase in working capital requirement resulting from the decrease in advances and progress payments received for Export contracts following deliveries), and to the significant investments made during the period.



DIVIDENDS

€12.3 per share dividend proposal to be submitted to the Annual General Meeting on May 11, 2021

	2020	2019 revised on April 1 st	2019 proposed on Febr. 26 th
Dividends	€ 103 M	€ 0 M	€ 212 M
Payout ^(*)	26%	-	26%
Dividend per share	€ 12.3	-	€ 25.4

(*) on Group adjusted net income

The application of Group specific agreements will lead to a payment of **€ 85 M in profit-sharing and incentives schemes** (including the specific correlated social tax) vs € 187 M on 2019 earnings.

On 2020 earnings, the application of the legal formula would have led to a payment of € 2 M in profit-sharing and incentives schemes.

SPLIT OF THE PAR VALUE OF THE SHARE

Proposal to split, by 10, the par value of the Dassault Aviation share in order to:

- align the share value with peers of the industry,
- allow a better accessibility to individual investors and to investment funds dedicated to individuals,
- help stock liquidity,
- answer positively to a frequent request from individual shareholders in General Meetings.

This proposal will be submitted for the approval of the Annual General Meeting of May 11, 2021. The par value of the share would, then, be cut from 8 euros per share to 0.80 euro per share. The split would occur during second half of 2021.

OUTLOOK AND STRATEGY

In 2020, this crisis demonstrated the relevance of our dual model as well as our resilience. For 2021:

- Export Rafale: perform contracts and continue to explore new business opportunities
- Falcon: increase sales
- Falcon 6X: continue development aiming at its entry into service in late 2022
- Military developments: pursue the current programs (F4 standard, Archange, Albatros, etc.)
- Preparation of the future: keep to the schedule for the future Falcon
- New Generation Fighter: obtain the launch of phases 1B and 2
- Eurodrone: secure a contract
- 5th batch of Rafale France: prepare to obtain the productability contract
- Aircraft support and availability: maintain the highest standards
- Energy transition: secure CORAC orders
- Make in India: continue developing the activities transferred to DRAL

Guidance 2021:

- **Delivery of 25 Rafale and 25 Falcon**
- **Increase of net sales**

DISCLAIMER

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, as described in the Director's report.