

# PRESS CONFERENCE

MARCH 4<sup>TH</sup>, 2022



# CONTEXT

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- New crisis due to the conflict between Russia and Ukraine
- Long lasting worldwide sanitary crisis
- Strong economic recovery in 2021 after 2020 near-standstill
- Supply chain related difficulties
- Inflation
- Growing concerns on environmental and society issues (European taxonomy, « resilience and climate law »,...)

# HIGHLIGHTS



- Exceptional order intake: **€12,1 Bn, 100 Aircraft** (49 Rafale & 51 Falcon)
- Signature of a 80 Rafale contract by United Arab Emirates and of a 42 Rafale contract by Indonesia (both are not included in year end 2021 backlog)
- Deliveries: 30 Falcon and 25 Rafale
- Broader Falcon family
  - Falcon 6X first flight
  - Falcon 10X unveiled

# **ACTIVITIES & PROGRAMS**

# DASSAULT AVIATION FACING COVID-19

- In a context of long lasting covid crisis in 2021 and early 2022, entities of the Group demonstrated resilience facing the crisis, by focusing on meeting their main objectives:
  - Falcon and Rafale deliveries
  - military and Falcon customer support
  - unveiling of Falcon 10X and development of Falcon 6X
- Successive waves of the epidemic generated significant disruptions in the Group and in our supply chain
- French entities of the Group maintained workforce protection and crisis measures
- Subsidiaries out of France implemented specific sanitary protocols adapted to local pandemic containment policies



# RAFALE EXPORT

## Confirmation of the Rafale success

- orders for Egypt and Greece came into force in 2021 for a total of 37 new Rafale and 12 preowned Rafale
- 12 preowned Rafale ordered by Croatia to France
- United Arab Emirates: contract for 80 Rafale, signed in 2021, waiting for the  $T_0$
- Indonesia: 42 Rafale, (6+36) contracts signed waiting for the  $T_0$
- February 2022, Greek parliament authorized the signature of a 6 additional Rafale contract
- ongoing Export prospections



**25 new Rafale delivered (India, Qatar) in line with the guidance, and 6 preowned to Greece**



# RAFALE FRANCE

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## January 2021: order for 12 additional aircraft by the French Air and Space Force

- order to replace the 12 preowned aircraft sold to Greece
- brings at 192 the aggregate amount of Rafale ordered by France

## Ongoing development works on the F4 Standard

### 5<sup>th</sup> Tranche:

- December 2021: notification of a productibility contract
- deliveries planned as from 2027 according to French Procurement Law (LPM)
- firm order expected (in 2023 ?) for 42 aircraft: 30 initially planned + 12 to replace those sold to Croatia



# MILITARY SUPPORT

**France: confirmed success of « verticalized » contract**, with the notification by the French Directorate of Aeronautical Maintenance (DMAé) of the Balzac contract

- ongoing performance of **Ravel** (Rafale maintenance) **Ocean** (ATL2 maintenance)
- December 2021: notification of **Balzac**
  - verticalized maintenance contract (excluding engine) of Mirage 2000
  - 14 year duration

## Export: support of Rafale and other platform fleets

- support Egyptian, Qatari, Indian and Greek Rafale fleets,
- Greece: training of pilots and mechanics at the « Conversion Training Center » and set up of the logistic support package at the Tanagra base to support the Hellenic Air Force starting January 2022
- Croatia: preparation of the support of the fleet





## FUTUR COMBAT AIR SYSTEM (FCAS)

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Started in February 2020, phase 1A of the FCAS demonstrators – including the New Generation Fighter – will be completed in 1<sup>st</sup> semester of 2022.

Joint Concept Study (JCS): technical and operational studies are ongoing.

The next phase of the program, phase 1B, has not been contractualized by the parties, since no agreement having been found.

# EURODRONE

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**On February 24<sup>th</sup> 2022,**

- Airbus and the Organization for Joint Armament Cooperation (OCCAR) signed the Eurodrone contract relative to development, production and 5 year maintenance of 20 systems.
- Airbus Defence and Space GmbH signed the contract as prime contractor, in name of the 3 main contractors, Airbus Defence and Space S.A.U in Spain, Dassault Aviation in France and Leonardo S.p.A. in Italia.
- OCCAR represents the first 4 customers: Germany, France, Italy and Spain.

**Dassault Aviation will be in charge of flight control and mission communication systems, (with Thales).**



# SPECIAL MISSION AIRCRAFT

## Multi-mission Falcon

- **Albatros:** development of « AVSIMAR », maritime surveillance aircraft program, based on a Falcon 2000LXS platform (7 aircraft in backlog, 5 options)
- **Archange:** strategic intelligence aircraft program based on a Falcon 8X platform (2 aircraft in backlog, 1 in option).
- **Japan Coast Guards:** 6<sup>th</sup> Falcon 2000 SurMar has been delivered
- ongoing prospections



## Maritime Patrol

- **ATL2:** 4<sup>th</sup> modernized aircraft has completed its upgrade, out of 7 to be performed by Dassault Aviation; 5<sup>th</sup> aircraft in final stage



# CONTEXTE FALCON

**30 Falcon delivered**, versus a guidance of 25

**Order intake of 51**, versus 15 in 2020

- business jet market is recovering, especially in the US and in Europe
  - high end business jet traffic higher than 2019
  - dynamic preowned market: aircraft for sale stock at its historic low
  - active market
- broader Falcon family
  - maiden flight of Falcon 6X
  - unveiling of Falcon 10X
- continuing enhancement of the Falcon in service
  - Falcon 8X: new cabin for a better passenger experience



# FALCON 6X

## Entry in service end of 2022

- flight tests with 3 dedicated aircraft
  - 167 flights / 523 flown hours at the end of 2021
  - excellent in flight behavior and performance in line with expectations
  - flight “Le Bourget-Istres” performed with Sustainable Aviation Fuel (SAF)
- aircraft #4 and 5 under completion
- PW812D engine has received its Canadian certification, EASA and FAA certifications in process
- EASy IV implementation: improvement of operability and safety of the aircraft
- global maintenance network getting ready (spares, tools, trainings of mechanics and crews)



# FALCON 10X

## Unveiling on May 6th, 2021 – Entry into service end of 2025

- range: 7,500 nm
- max speed: Mach 0.925
- 2 Rolls Royce Pearl 10X engines (100% SAF capacity)
- short landing capability (London City Airport)
- new generation cockpit
- this aircraft will include latest technologies and innovation, some coming from our military activity

## Biggest and most comfortable cabin on the market

- best modularity in its category in terms of cabin completion
- best cabin environment to ensure passenger comfort on long flights





# FALCON: ECO-RESPONSABILITY

- Falcon Family: capacity to include up to 50% SAF in its fuel. Ongoing studies to reach 100%. Production and distribution capacities are ramping up
- eco friendly approach on the full Aircraft lifecycle: definition, choice of materials, production, recycling
- active participation in French, European and global research programs for a greener aviation
- reduction of the carbon footprint: study of a flight plan optimization software



# FALCON FAMILY



| **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 CUSTOMER SUPPORT

**For the 3<sup>rd</sup> year in a row, Dassault Aviation support was ranked #1 by AIN**

- performance of the support recognized by rankings published by AIN and ProPilot:
  - support reactivity when AOG event occur
  - spare parts availability
  - by the hour programs
- adaptation of the MRO network through:
  - ramping up of new service centers: 1<sup>st</sup> Falcon C-Check performed in ExecuJet branches in Middle East, Australia, Malaysia and in TMS UK
  - projects to increase our maintenance capacity with the projects to expand 2 service centers of our network: ExecuJet Dubai and ExecuJet Kuala Lumpur
  - Wilmington closure has been announced and opening of a new service center in North East (Islip, New York State)



# TRANSFORMATION PLAN

**Goals:** modernize our infrastructures and our industrialized processes to increase our competitiveness:

- design, produce and maintain aircraft with reduced production cycles and costs and better address the needs of our customers, civilian or military, present or future
- relying on the know-how of women and men of the Group

to do so, we constantly adapt our organization, our methods and our means:

- digital: 3DEXpérience™, SAP, Air Supply, Big Data
- infrastructure modernization
- mobility of the workforce, training, change management

by the end of 2021, a first level of maturity was reached; in 2022 the objectives are:

- to increase the supply chain performance
- to secure the production ramp up



# ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG)

## SOCIAL

- gender equality
- employment opportunities for people with disabilities
- working hours organization
- strategic workforce and career planning
- work life balance (conciierge service, nurseries, ...)
- remote working

## ENVIRONMENT

- reduction of our aircrafts environmental footprint (decarbonization goal)
- reduction of our industrial environmental footprint
- REACH compliance



## OTHERS

- responsible purchasing
  - commitment charter for supplier relations
  - duty of care: extended to subsidiaries
  - ACE Fund to support the supply chain
- territorial influence
  - additive manufacturing line in Auvergne-Rhône-Alpes
  - training courses in India for the aviation industry
- business ethics

### In 2021

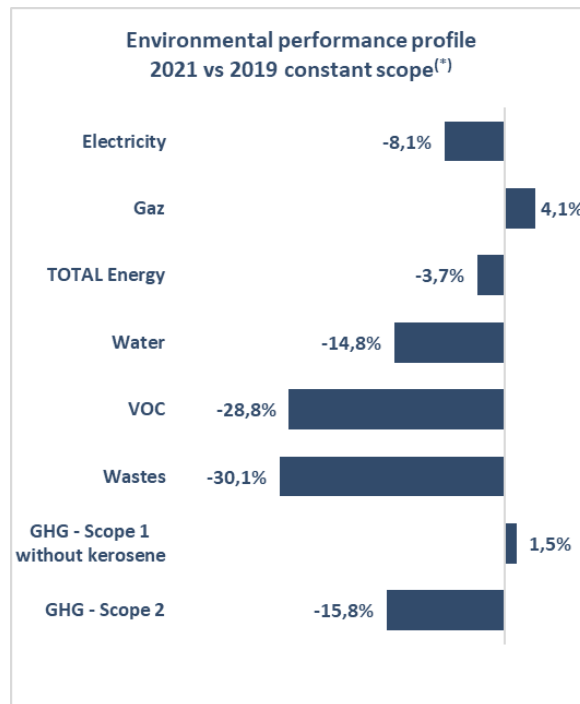
Dassault Aviation ranked 1<sup>st</sup> of French Aviation/Naval sector in terms of greenhouse gases reduction  
(« Challenges » ranking)

Dassault Aviation ranked 2<sup>nd</sup> most responsible business in terms of CSR  
(« Le Point » ranking)

The accentuation of European and French environmental constraints and regulations  
(Fit for 55, French climate and resilience law, European Taxonomy) already requires additional efforts

# ESG: ECO-RESPONSABILITY

- aircraft environmental footprint: towards decarbonization
  - optimized aircraft: aerodynamics, structure, engines
  - operations optimization: better flight management by using algorithms
  - Sustainable Aviation Fuels: blend jet A1 - SAF 30% and for the future 100% SAF
  - active contribution to French, European and International programs (Cleansky, Corac, Sesar, ...)
- industrial footprint
  - energy savings thanks to the integration of environmental requirements within conception and production of new buildings
  - energy management
  - photovoltaic panels installation
  - mobility plan
- REACH
  - substitution process
  - support of production contractors (Cr6)

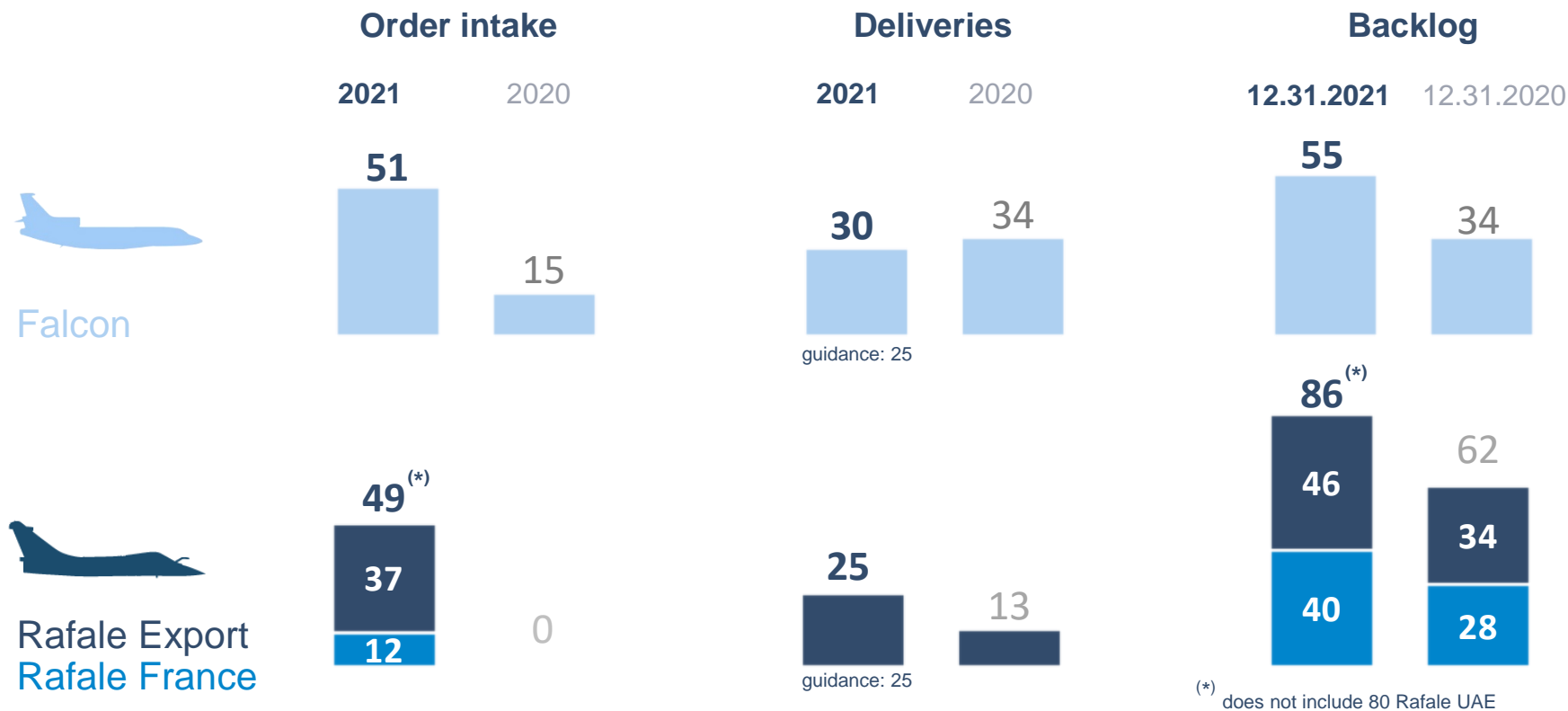


(\*) scope excluding new subsidiaries TMS et ExecuJet



# **2021 FULL YEAR RESULTS**

# ORDER INTAKE, DELIVERIES AND BACKLOG IN UNITS – NEW AIRCRAFT



# ORDER INTAKE, DELIVERIES AND BACKLOG

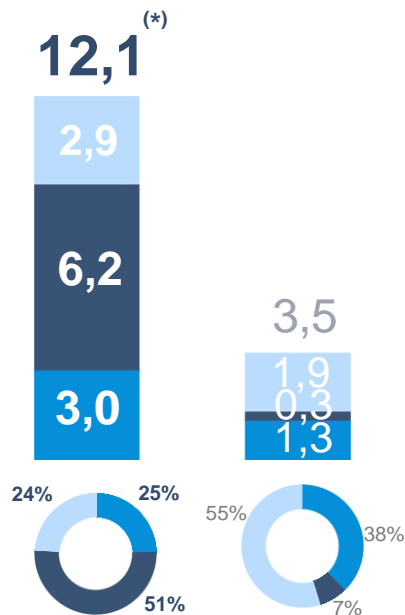
## IN € BILLION

■ Falcon ■ Defense Export ■ Defense France

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

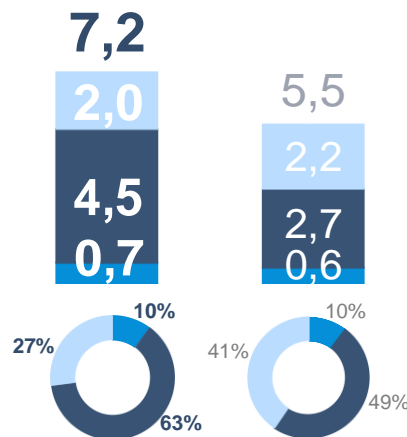
### Order intake

2021 2020



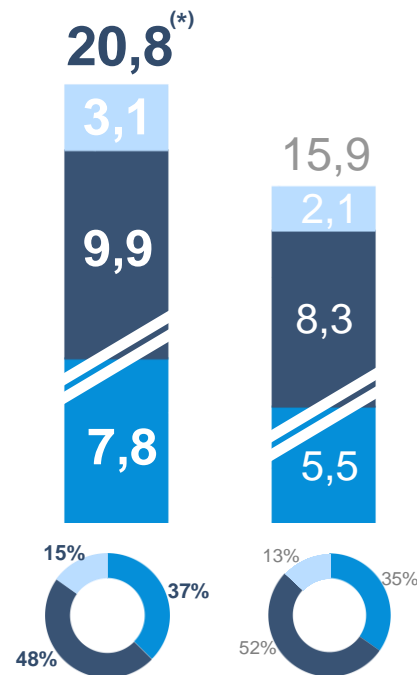
### Net Sales

2021 2020



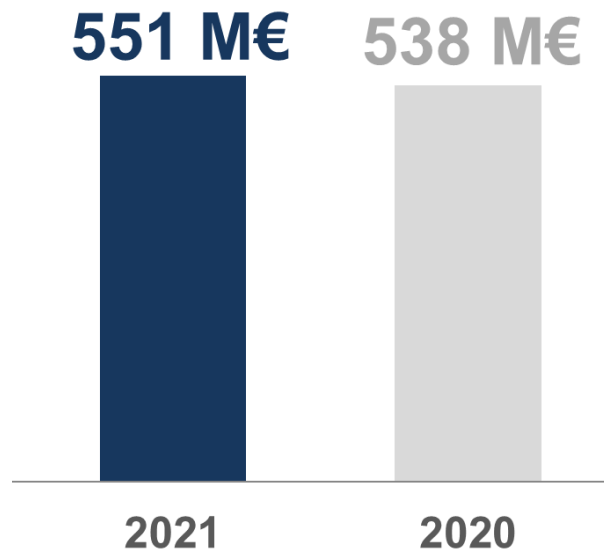
### Backlog

12.31.2021 12.31.2020



## CONSOLIDATED SELF FINANCED R&D

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# 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.**

Shareholders agreement has been extended for another 5 years on January 1<sup>st</sup>, 2022

<i>in million euros</i>	<b>2021</b>	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Adjusted net result</b>	<b>1 361</b>	937	1,405	1,178	840	897	809	562	642	570	517	-45	-128
<i>Adjusted net margin</i>	<i>8.4%</i>	<i>6.1%</i>	<i>7.6%</i>	<i>7.4%</i>	<i>5.5%</i>	<i>6.0%</i>	<i>5.8%</i>	<i>4.3%</i>	<i>5.1%</i>	<i>4.0%</i>	<i>4.0%</i>	<i>-0.3%</i>	<i>-1.0%</i>

## ADJUSTED CONSOLIDATED INCOME STATEMENT

*in million euros*

	2021	2020
<b>NET SALES</b>	<b>7 233</b>	<b>5 489</b>
<b>OPERATING INCOME</b>	<b>527</b>	<b>261</b>
<i>Operating margin</i>	<i>7.3%</i>	<i>4.8%</i>
FINANCIAL INCOME	-26	-34
THALES and other equity affiliates	341	236
TAXES	-149	-67
<b>NET INCOME</b>	<b>693</b>	<b>396</b>
<i>net income margin</i>	<i>9.6%</i>	<i>7.2%</i>
<i>Self financed R&amp;D</i>	<i>-7.6%</i>	<i>-9.8%</i>
<i>Earnings per share</i>	<i>€ 8.3</i>	<i>€ 4.8<sup>(*)</sup></i>

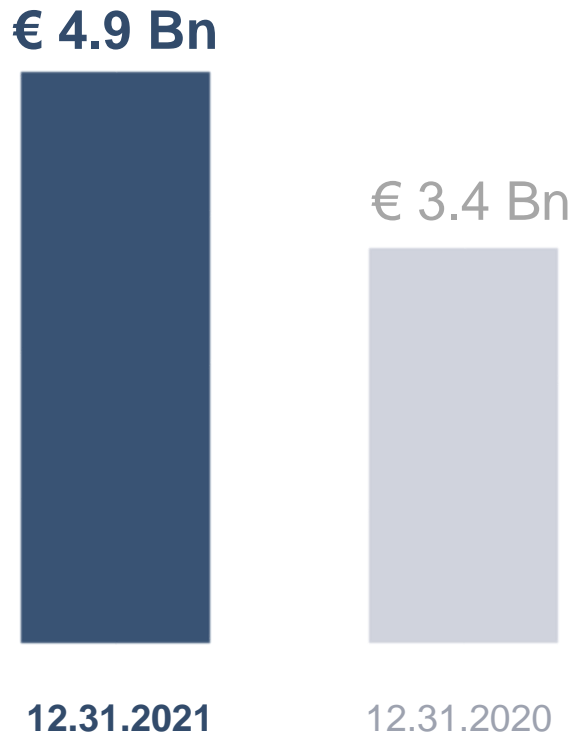
*(\*) earnings per share taking into account the share split by 10*



## CONSOLIDATED AVAILABLE CASH

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This amount includes downpayments received associated with ongoing contracts



# DIVIDENDS

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## € 2.49 per share dividend proposal to be submitted to the Annual General Meeting on May 18<sup>th</sup>, 2022

	2021
Dividends	€ 208 M
(*) Payout	30%
Dividend per share	€ 2.49

(\*) on the Group' adjusted net income

The application of Group specific agreements will lead to a payment of **€ 139 M in profit-sharing and incentives schemes** (including the specific correlated social tax), whereas the application of the legal formula would have led to a payment of **€ 28 M**.

## OUTLOOK AND STRATEGY

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- Rafale: to perform contracts, secure the first advance on the contracts signed and continue business development
- Military developments: to continue the programs under way and prepare future Rafale standards
- Falcon: to support the market recovery and boost sales
- Falcon 6X: to ensure a successful entry into service and ramp up mass production
- Falcon 10X: to adhere to the development schedule for an entry into service in late 2025
- Civil and military aircraft support and availability: to maintain the highest standards
- Energy transition: to pursue the R&T in conception
- Make in India: to continue ramping up the activities transferred to DRAL
- New Generation Fighter: decide on phase 1B
- Eurodrone: to perform the contract

**Guidance 2022:**

- **Delivery of 13 Rafale and 35 Falcon**
- **Net sales decrease**

## 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, as described in the Business report.*