

KEY FIGURES OF DASSAULT AVIATION GROUP

	2023	2022
Order intake	EUR 8,253 million 60 Rafale <i>of which 42 France and 18 Export</i> 23 Falcon	EUR 20,954 million 92 Rafale <i>of which 92 Export</i> 64 Falcon
<u>Adjusted</u> net sales (*)	EUR 4,801 million 13 Rafale <i>of which 11 France and 2 Export</i> 26 Falcon	EUR 6,929 million 14 Rafale <i>of which 13 Export and 1 France</i> 32 Falcon
Backlog as of December 31	EUR 38,508 million 211 Rafale <i>of which 141 Export and 70 France</i> 84 Falcon	EUR 35,008 million 164 Rafale <i>of which 125 Export and 39 France</i> 87 Falcon
Adjusted operating income(*) <u>Adjusted</u> operating margin	EUR 349 million 7.3% of net sales	EUR 572 million 8.3% of net sales
Self-funded Research and Development	EUR 483 million 10.1% of net sales	EUR 572 million 8.3% of net sales
Adjusted net income (*) Adjusted net margin Earnings per share	EUR 886 million 18.5% of net sales EUR 10.95 per share	EUR 830 million 12.0% of net sales EUR 9.99 per share
Available cash as of December 31	EUR 7,294 million	EUR 9,529 million
Dividends	EUR 266 million EUR 3.37 per share	EUR 249 million EUR 3.00 per share
Employee profit-sharing and incentives including 20% employer's corresponding tax Headcount as of December 31	EUR 170 million 13,533	EUR 210 million 12,768

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

Main IFRS aggregates (see reconciliation table below)

(*) Consolidated net sales	EUR 4,805 million	EUR 6,950 million
(*) Consolidated operating income	EUR 349 million	EUR 591 million
(*) Consolidated net income	EUR 693 million	EUR 716 million

Saint-Cloud, March 6th 2024 - The Board of Directors held yesterday and chaired by Mr. Éric Trappier approved the 2023 statement of accounts. The audit procedures have been completed and the audit opinion is in the process of being issued.

“The Group’s backlog continues to increase, driven by the commercial success of the Rafale. It stands at EUR 38.5 billion as of December 31, 2023 (295 aircraft - 141 Rafale Export, 70 Rafale France and 84 Falcon). Post-closing of the 2023 financial statements, the backlog increased with the entry into force in January 2024 of the third batch of 18 Rafale of the Indonesian contract. A total of 495 Rafale have thus been ordered since the beginning of the program.

Certification of the Falcon 6X by EASA and FAA (type certificate) has been approved on August 22nd, 2023, the entry into service of the aircraft including the application of post certification upgrades happened on November 30th 2023. The first delivery took place in February 2024.

13 Rafale and 26 Falcon were delivered, versus a guidance of 15 and 35, due to supply chain issues and the delayed entry into service of Falcon 6X.

Group’s Revenues for this year stood at EUR 4.8 billion, leading to an adjusted EBIT of EUR 349 million and a record breaking adjusted net result of EUR 886 million, representing 18.5% of net sales.

In 2023, the international context deteriorated, marked by the ongoing war in Ukraine and the conflict in the Middle East. France adopted an ambitious Military Procurement Law (Loi de Programmation Militaire - LPM), which allocates a budget of EUR 413 billion for the 2024-2030 period (representing an increase of 40% compared to the previous LPM). For Dassault Aviation, the LPM provides for the ongoing deliveries of the Rafale program fourth batch, the coming into force of the 42 aircraft of the fifth batch (20 of which are to be delivered from 2027 to 2030), the completion by 2027 of the Rafale Standard F4, the negotiation and beginning of Rafale Standard F5 which should come along with the development of a combat drone.

Supply chain issues that arose during the Covid crisis continue to have a severe impact on sub-contractors in the aviation industry, which are not always able to deliver the required quality or meet deadlines. Certain supplier weaknesses, coupled with capacity shortages, mainly in aerostructure, resulted for the Group in delays in production start-ups. While these risks will continue to weigh on the Group’s business in 2024, Dassault Aviation has implemented a centralized steering plan to introduce corrective measures, provide the necessary support to certain sub-contractors and develop “Make in India.”

The Paris Le Bourget Air Show was held in June 2023. This trade show allowed Dassault Aviation to once again showcase the efforts it has undertaken to decarbonize its processes and products, and those that it will continue to pursue in the years to come. The Group is committed to its decarbonization: the Falcon aircraft are certified to fly with Sustainable Aviation Fuel (SAF) blends with kerosene up to 50%. Today’s available alternative fuels (SAF) offer a carbon emission reduction’s rate in the range of 80% to 90% compared to conventional kerosene. All Dassault Aviation flights, including those in the United States, are using 30% SAF blends which are the only ones available on the market today. 413 flights have been operated in 2023 by Dassault Aviation with 30% SAF blends (vs. 179 in 2022). Aircraft models currently under production will be compatible with 100% SAF blends by 2030 (Falcon 10X natively).

In the military sector, 2023 saw:

- the order by France for 42 Rafale placed in December 2023 under the country’s new Military Procurement Law which was adopted in July 2023,
- the addition to the backlog of the second batch of 18 Rafale under the Indonesian contract (*followed on January 8, 2024 by the entry into force of a third batch of 18 aircraft*),
- the delivery of 11 Rafale to France,
- the delivery of 2 new Rafale to Greece, as well as 6 pre-owned Rafale,
- the continuation of development work on the Rafale F4 standard and the FCAS, for which Dassault Aviation is leader for the NGF demonstrator,
- the continuation of work on the Eurodrone contract. Dassault Aviation is responsible in particular for flight controls and mission communications as a sub-contractor,
- in the field of military support, the Group has met the availability commitments of its operational maintenance contracts (Ravel for the Rafale, Ocean for the ATL2 and Balzac for the Mirage 2000), and participated in “High Intensity” warfare exercises with the French forces. At the end of December, a new verticalized maintenance

contract was notified: “Alphacare” for the Alpha Jet. Moreover, support for fleets in service for Export customers continued as close as possible to operations.

In the civil aviation segment, 23 Falcon were ordered and 26 Falcon were delivered in 2023, compared with a guidance of 35.

The year also saw:

- the continuation of development efforts on the Falcon 6X and 10X:
 - The Falcon 6X was certified on August 22, 2023 and entered into service on November 30, 2023. Prospection has been stepped up, notably thanks to a demonstration aircraft. The flights operated allowed the first customers to confirm the cabin’s very high level of comfort. The ramp up of production also continued, in a challenging supply chain context,
 - the first Falcon 10X (development aircraft) is currently being built. The program schedule has been adjusted and the first deliveries are scheduled for 2027.
- the expansion of the network of service centers, notably with the opening of the service center in Dubai (to replace the previous center).

Social and environmental responsibility was reflected in 2023 through:

- the Company’s commitment to the environment and to the decarbonization of its Falcon aircraft, in particular with:
 - significant results for the Parent Company’s energy saving plan which was launched at the end of 2022: -10.4% of energy consumption per hour worked,
 - the ramp-up of the “SAF plan” which set an ambitious target for the use of SAF for its internal flights (413 flights operated with “30% SAF” blends in 2023 compared with 179 in 2022),
 - the entry into service of the flight plan optimization tool FalconWays.
- a major recruitment drive and an attractive employment model in which – true to the ideals of Serge and Marcel Dassault – value sharing is a core part of its DNA with notably:
 - almost 2,000 new hires, including 200 apprentices, in a tight labor market,
 - based on the 2023 profits, profit-sharing and incentives reached EUR 170 million (for employees of the Group’s French companies , including the corresponding employer’s tax) compared with the minimum legal profit-sharing of EUR 8 million.

2024 Objectives:

- Deliver Rafale and Falcon,
- Meet our schedule and cost commitments for Falcon and military developments,
- Availability and support for our aircraft: maintain satisfaction levels among our military customers and regain our position as leader in business aviation support rankings,
- Get a contract for the F5 standard preliminary studies,
- FCAS / NGF: continue developing the demonstrator,
- Make in India: ramp up the activities transferred to India,
- Continue Rafale Export business development and increase Falcon sales efforts,
- CSR: integrate new hires, continue our recruitment efforts and our action to reduce our environmental impact.

2024 Guidance

We forecast an increase in Group’s revenue for 2024 compared to 2023, EUR 6 Billion range (of which deliveries of 35 Falcon and 20 Rafale).

The Board of Directors would like to congratulate all the Group’s employees for the past year’s success and express its confidence in achieving the objectives for the coming year”

1. ORDER INTAKE

2023 order intake was **EUR 8,253 million** versus EUR 20,954 million in 2022. **Export** order intake represented 64%.

Changes were as follows, in millions of euros:

	2023	2022	2021
Defense	6,524	17,510	9,165
<i>Defense Export</i>	3,583	15,657	6,173
<i>Defense France</i>	2,941	1,853	2,992
Falcon	1,729	3,444	2,915
Total order intake	8,253	20,954	12,080
% Export	64%	90%	74%

The order intake is composed entirely of firm orders.

Defense programs

In 2023, **Defense order intake** totaled **EUR 6,524 million**, compared with EUR 17,510 million in 2022.

The **Defense Export** share amounted **EUR 3,583 million** in 2023, versus EUR 15,657 million in 2022. In 2022, 92 Rafale were ordered (80 by the United Arab Emirates, 6 by Greece and 6 by Indonesia) compared to 18 Rafale ordered by Indonesia in 2023.

The **Defense France** share amounted to **EUR 2,941 million** in 2023, compared with EUR 1,853 million in 2022. This increase is mainly due to the order for Batch 5 of 42 Rafale (in 2022, the order relating to Phase 1B of the FCAS demonstrator was recorded).

Falcon programs

In 2023, **23 Falcon orders** were recorded, compared with 64 in 2022. Order intake totaled **EUR 1,729 million** versus EUR 3,444 million in 2022. This decrease is mainly due to the decline in the number of Falcon ordered (23 vs. 64 in 2022).

2. ADJUSTED NET SALES

Net sales for 2023 were **EUR 4,801 million** versus EUR 6,929 million in 2022. **Export** represented **68%**.

Changes were as follows, in millions of euros:

	2023	2022	2021
Defense	2,980	4,825	5,281
<i>Defense Export</i>	1,512	3,616	4,549
<i>Defense France</i>	1,468	1,209	732
Falcon	1,821	2,104	1,952
Total adjusted net sales	4,801	6,929	7,233
% Export	68%	82%	89%

Defense programs

In 2023, **13 Rafale (11 France and 2 Export)** were delivered, compared with the guidance of 15. 14 Rafale (13 Export and 1 France) were delivered in 2022.

Defense net sales in 2023 were **EUR 2,980 million** versus EUR 4,825 million in 2022.

The **Defense Export share** was **EUR 1,512 million** versus EUR 3,616 million in 2022. This decrease is largely due to the delivery of 2 Export Rafale, whereas 13 Export Rafale were delivered in 2022.

The **Defense France share** was **EUR 1,468 million** versus EUR 1,209 million in 2022. Defense France 2023 net sales notably included the delivery of 11 Rafale versus 1 Rafale in 2022.

Falcon programs

26 Falcon were delivered in 2023, compared with the guidance of 35, versus 32 deliveries in 2022.

Falcon net sales for 2023 were **EUR 1,821 million** versus EUR 2,104 million in 2022. The decrease is primarily due to the number of Falcon aircraft delivered (26 vs. 32).

The book-to-bill ratio of the Group (order intake/net sales) is 1.72 for 2023.

3. BACKLOG

The consolidated backlog as of December 31, 2023 (determined in accordance with IFRS 15) was **EUR 38,508 million**, versus EUR 35,008 million as of December 31, 2022. Change in the backlog is as follows, in millions of euros:

As of December 31	2023	2022	2021
Defense	33,862	30,318	17,633
<i>Defense Export</i>	23,986	21,915	9,874
<i>Defense France</i>	9,876	8,403	7,759
Falcon	4,646	4,690	3,129
Total backlog	38,508	35,008	20,762
% Export	71%	72%	58%

The backlog as of December 31, 2023 consists of the following:

- **Defense Export: EUR 23,986 million** versus EUR 21,915 million as of December 31, 2022. This figure notably includes 141 new Rafale in 2023, compared with 125 new Rafale and 6 pre-owned Rafale in the Defense Export backlog as of December 31, 2022,
- **Defense France: EUR 9,876 million** versus EUR 8,403 million as of December 31, 2022. This figure mainly comprises 70 Rafale (vs. 39 at the end of December 2022), the support contracts for the Rafale (Ravel), Mirage 2000 (Balzac), ATL2 (Ocean) and the Alpha Jet (Alphacare), the Rafale F4 standard and the order for phase 1B of the FCAS demonstrator.
- **Falcon** (including the Albatros and Archange mission aircraft): **EUR 4,646 million** versus EUR 4,690 million as of December 31, 2022. It includes notably 84 Falcon, compared with 87 as of December 31, 2022.

Additional information on the backlog can be found in Note 24 to the consolidated financial statements.

4. ADJUSTED RESULTS

Adjusted operating income

Adjusted operating income for 2023 was **EUR 349 million**, compared with EUR 572 million in 2022.

Research and development costs totaled EUR 483 million in 2023 and accounted for 10.1% of net sales, compared with EUR 572 million and 8.3% of net sales in 2022. These amounts reflect the self-funded R&D effort focused on the Falcon 6X and Falcon 10X programs.

The **adjusted operating margin** stood at **7.3%** compared to 8.3% in 2022, representing a 1.0 point decrease, notably due to the 1.8 point increase in the weight of research and development expenditure.

The foreign exchange hedging rate was USD 1.20/EUR in 2023, vs. USD 1.19/EUR in 2022.

Adjusted financial income

2023 adjusted financial income was **EUR 210 million** compared to EUR 11 million in 2022. This strong increase was due to financial income generated by the Group's cash position in a context of favorable interest rates.

Adjusted net income

Adjusted net income for 2023 was **EUR 886 million** vs. EUR 830 million in 2022, increasing by 6.7 %. Thales' contribution to the Group's net income was EUR 453 million, versus EUR 386 million in 2022.

As a result, **adjusted net margin** was **18.5%** in 2023, versus 12.0% in 2022. This increase is mainly due to the higher net financial income and contribution from Thales.

Adjusted net income per share in 2023 was **EUR 10.95** vs. EUR 9.99 in 2022.

5. CONSOLIDATED KEY FIGURES UNDER IFRS

Consolidated operating income (IFRS)

Consolidated operating income for 2023 was **EUR 349 million** vs. EUR 591 million in 2022.

R&D costs totaled EUR 483 million in 2023 and accounted for 10.1% of consolidated net sales (EUR 4,805 million), compared to EUR 572 million and 8.2% of consolidated net sales in 2022. These amounts reflect the self-funded R&D effort focused on the Falcon 6X and Falcon 10X programs.

The **consolidated operating margin** was **7.3%** compared to 8.5% in 2022.

Consolidated financial income (IFRS)

Consolidated net financial income for 2023 was **EUR 212 million** vs. EUR -12 million in 2022. This strong increase was due to financial income generated by the Group's cash position in a context of favorable interest rates.

Consolidated net income (IFRS)

Consolidated net income for 2023 was **EUR 693 million**, compared with EUR 716 million in 2022. Thales' contribution to the Group's net income was EUR 259 million, versus EUR 275 million in 2022.

As a result, **consolidated net margin** was **14.4%** in 2023, as against 10.3% in 2022.

Consolidated net income per share for 2023 was **EUR 8.57** compared with EUR 8.62 in 2022.

6. AVAILABLE CASH

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, 2023, consolidated financial statements).

The Group's available cash stands at **EUR 7,294 million**, versus EUR 9,529 million as of December 31, 2022. The decrease in available cash in 2023 was mainly due to the increase in work-in-progress (execution of military contracts, ramp-up of the Falcon 6X), share buybacks and acquisition of the additional stake in Thales.

7. CONSOLIDATED BALANCE SHEET

Total equity stood at EUR 5,742 million as of December 31, 2023 compared with EUR 6,006 million as of December 31, 2022. This amount has been impacted by the share buyback.

Borrowings and financial debt stood at EUR 262 million as of December 31, 2023, compared with EUR 234 million as of December 31, 2022. Borrowings and financial debt include locked-in employees' profit-sharing funds, for EUR 78 million, and lease liabilities, for EUR 184 million.

Inventories and work-in-progress rose to EUR 5,258 million as of December 31, 2023, compared with EUR 3,922 million as of December 31, 2022. This increase was due to the execution of military contracts and the ramp-up of the Falcon 6X.

Advances and progress payments received on orders, net of advances and progress payments paid decreased by EUR 137 million as of December 31, 2023. The decrease relating to the retrocession of Rafale Export downpayments received at the end of 2022 to our co-contractors was almost entirely offset by advances received, notably for the Rafale contracts in Indonesia and Egypt.

Derivative financial instruments had a market value of EUR 29 million as of December 31, 2023, compared with EUR -88 million as of December 31, 2022, reflecting an improvement in the hedging portfolio rate.

8. VALUE SHARING

The Board of Directors decided to propose to the Annual General Meeting a dividend distribution, in 2024, of **EUR 3.37 per share, EUR 266 million in aggregate**, representing a payout of 30%. The Board of Directors of March 5th, 2024, has decided to cancel 1,850,554 shares. The dividend per share is calculated based on the number of shares as of December 31, 2023, netted of the number of those shares canceled.

For 2023, the Group will pay **EUR 170 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 8 million payment (including the employer's corresponding tax).

Dividends per share over the five last years are provided 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

Mathieu Durand - Tel. +33 (0)1 47 11 85 88 - mathieu.durand@dassault-aviation.com

Investor Relations

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

APPENDIX

1. DEFINITION OF ALTERNATIVE PERFORMANCE INDICATORS

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.

2. IMPACT OF THE ADJUSTMENTS

The impact in 2023 of adjustments to income statement aggregates is presented below:

(in thousands of euros)	2023 consolidated income statement	Foreign exchange derivatives		PPA	Adjustments applied by Thales	2023 adjusted income statement
		Foreign exchange gain/loss	Change in fair value			
Net sales	4,804,891	-4,225	0			4,800,666
Operating income	349,477	-4,225	0	3,908		349,160
Net financial income/expense	211,645	4,225	- 5,793			210,077
Share in net income of equity associates	266,540			3,228	190,694	460,462
Income tax	-134,264		1,496	-636		-133,404
Net income	693,398	0	- 4,297	6,500	190,694	886,295
Group share of net income	693,398	0	- 4,297	6,500	190,694	886,295
Group share of net income per share (in euros)	8.57					10.95

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

(in EUR thousands)	2022 consolidated income statement	Foreign exchange derivatives		PPA	Adjustments applied by Thales	2022 adjusted income statement
		Foreign exchange gain/loss	Change in fair value			
Net sales	6,949,916	-14,459	-6,618			6,928,839
Operating income	591,403	-14,459	-7,771	3,142		572,315
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
Net income	716,225	0	378	5,618	108,023	830,244
Group share of net income	716,225	0	378	5,618	108,023	830,244
Group share of net income per share (in euros)	8.62					9.99