

PRESS CONFERENCE

MARCH 6, 2024



CONTEXT

- / **War in Ukraine**
- / **Conflict in the Middle East**
- / **Disruption of supply chains and global trade**
- / **Environmental challenges, energy transition**
- / **Upcoming elections in the United States, Europe, India and Indonesia**



POST YEAR END

/ Indonesia:

In January 2024, entry into service of 18⁽¹⁾ additional Rafale Indonesia under the contract for 42 (following the initial 6 in 2022 and another 18 in 2023)

(1) Not included in the order intake for 2023 or the backlog as of 12/31/2023



2023 HIGHLIGHTS

- / Commercial success of the Rafale
- / Entry into service of the Falcon 6X
- / Supply chain issues causing difficulties with deliveries



- / Historic backlog:
EUR 38.5 billion
- / Record breaking adjusted net income:
EUR 886 million





ACTIVITIES AND PROGRAMS

RAFALE MOMENTUM

Since the program began, 495 Rafale have been ordered to date:

- 234 by France
- 261 for Export (including the 18 aircraft for Indonesia entered into force in early 2024)
- India's decision to purchase 26 Rafale Marine
- Ongoing business development

French and Export orders secure Rafale production for the next 10 years



MILITARY PROCUREMENT LAW

/ **France's Military Procurement Law (LPM):** passed on July 13, 2023, the Military Procurement Law (Loi de Programmation Militaire - LPM) allocated a budget of EUR 413 billion for the period 2024-2030, representing a 40% increase on spending under the previous LPM

- **Rafale production**: continuing delivery of the batch “4T2” and entry into force of 42 Rafale under the batch “5T”, of which 20 are due for delivery between 2027 and 2030
- **Rafale development**: Rafale F4 standard completion by 2027, negotiation and launch of the F5 standard and announcement of the development of a combat drone
- **FCAS/NGF**: ongoing financing of phase 1B and decision to move to phase 2 expected for a first demonstrator flight in 2029
- **PATMAR**: the French Navy had 14 aircraft under standard 6 at the end of 2023 and will have a final four by 2030. Decision to launch the successor to ATL2 will be made in 2024
- **AVSIMAR**: 12 Falcon 2000 confirmed under the LPM – firm order for 7 aircraft and confirmation of the optional tranche for another 5 aircraft
- **Archange**: delivery of the first two Falcon 8X and confirmation of delivery of an optional third aircraft by 2030

RAFALE FRANCE

/ 42 aircraft ordered by the French Defense Procurement Agency (DGA) (5th Rafale batch “5T”)

- Deliveries planned between 2027 and 2032
- Brings the total ordered by France since the program’s inception to 234

/ Delivery of 11 Rafale

/ Ongoing development of the Rafale F4 standard

/ Preparation of the Rafale F5 standard which should be supported by a combat drone



RAFALE EXPORT

Commercial Success

- **Indonesia:** 18 aircraft entered into service on August 10, 2023, with 24 aircraft on order as of December 31, 2023. *18 additional aircraft entered into service on January 8, 2024, bringing the total Indonesian aircraft to 42*
- **India:** in July 2023, the Indian Government announced it had selected Rafale Marine to equip the Indian Navy with 26 Rafale
- **Ongoing business development**

Performance of Export Contracts

- **Greece:** delivery of 2 new Rafale and 6 pre-owned Rafale
- **Croatia:** support of the delivery of the first 4 Rafale by France



SUPPORT OF MILITARY FLEETS IN SERVICE

/ France

- Performance of Operational Maintenance contracts (Ravel for the Rafale, Ocean for the ATL2 and Balzac for the Mirage 2000): availability targets met and participation in High Intensity exercises with the Forces
- Awarding of the Alphacare contract (Alpha Jet) at the end of December

/ Export

- Ongoing support of fleets in service as close as possible to operations



FUTURE COMBAT AIR SYSTEM (FCAS)

/ Work on phase 1B of the demonstrator started in March 2023 (detailed specifications)

- Dassault Aviation, prime contractor and architect of pillar 1, the New Generation Fighter (NGF)
- Construction of a physical workspace in Saint-Cloud to receive teams of engineers from the three partner countries
- For the NGF, the decision to move to phase 2 should be taken in line with contracting in 2026 for a first demonstrator flight taking place in 2029



EURODRONE

- / **Airbus, prime contractor for the program**
- / **Work continues**
- / **In particular, Dassault Aviation is in charge of flight control and mission communication systems**



MISSION AIRCRAFT

/ France

- Ongoing development of **AVSIMAR** (Falcon 2000LXS maritime surveillance) and **Archange** (Falcon 8X strategic intelligence)
- **ATL2**: delivery of the 7th and final aircraft modified by Dassault Aviation
- **Future PATMAR**: architectural study on the basis of the Falcon 10X (in competition with Airbus) begun

/ Export

- **South Korea**: delivery of 2 of the 4 'green' Falcon 2000 ordered in 2022



BACKGROUND FOR THE FALCON RANGE

2023

23 orders received *compared to 64 in 2022*

26 delivered *compared to 32 in 2022*

Slowdown in sales during 2023

- High-end business aviation traffic was stable in 2023 compared to 2022
- Pre-owned market: increase in inventories of aircraft for sale - at 2020 level
- Strong competition in an inflationary climate

Certification of the Falcon 6X on August 22, 2023 and entry into service in November 2023

- Good client feedback following the first demonstrations

Ongoing development of the Falcon 10X

BUSINESS AVIATION AND TAXONOMY

/ Business Aviation

- Committed to becoming carbon neutral by 2050
- 2% of CO₂ emissions from global aviation, i.e. 0.04% of global CO₂ emissions
- One year of global 2,100 Falcon fleet utilization is equivalent to 24 hours of global video streaming, 5 hours of worldwide truck traffic or 2.5 days of German thermal power plants.

/ **Action for annulment with the General Court of the European Union against the Delegated Regulation providing for the exclusion of business aviation from the European Taxonomy framework, on the following grounds:**

- It diverges from the principle of equality, as other aircraft remain within the Taxonomy framework
- There appears to be a clear lack of recognition that business aviation is a key driver of decarbonizing the aviation sector

United States - incentive vs. Europe - taxation/exclusion

FALCON: 4 PILLARS TOWARD BUSINESS AVIATION DECARBONIZATION

SAF (Sustainable Aviation Fuel)

- Company plan launched in 2022 to use SAF as standard
- 413 flights carried out in 2023 by Dassault Aviation with blends using 30% SAF (vs. 179 in 2022), resulting in a CO₂ reduction of 681 tons

Research and Technology

- Objectives: to improve aircraft aerodynamics and weight, SAF blend limits and engine performance
- Participate in scientific programs aiming to decarbonize aviation

Optimization of Flight Operations

- Assets for future management of air traffic control (flexibility, avionics and flight control, FalconEye...)
- **FalconWays:** Dassault Aviation has developed an innovative flight plan optimization tool to reduce fuel consumption and CO₂ emissions This tool received the Aviation Week Laureate Award in November 2023

Storage of CO₂ Emissions

- Philanthropic support for forest renewal and biodiversity conservation: Dassault Aviation is the “Major Patron” of the Maubuisson forest

Groupe ADP and Dassault Aviation signed a 5-year protocol to strengthen their efforts in decarbonization at Paris-Le Bourget airport (distribution and use of SAF, electrical means for ground operations, geothermal energy for buildings and hangars)

FALCON 6X (1/2)

- / **EASA/FAA Certification**
on August 22, 2023 and entry
into service on
November 30, 2023
- / Industrial ramp-up at a time of
supply chain difficulties



**First delivery
in February 2024**

FALCON 6X (2/2)

/ Client feedback during demonstration flights confirmed a very high level of passenger comfort



FALCON 10X



- / **Most spacious and comfortable cabin on the market**
- / **Manufacture of the first development aircraft is underway**
- / **Adjusted schedule**

First deliveries in 2027

FALCON SUPPORT

Dassault Aviation strives for a high standard of maintenance of the Falcon fleet in operation:

- Opening of a new maintenance facility in Dubai in 2023 (replacing the former center)
- Preparing for the entry into service of the Falcon 6X, training of mechanics and crew
- Stabilizing the WorldWideSpare solution

Support for government Falcon:

- Continuation of the French government Falcon maintenance contract (congratulations from the government on the first year of operation)
- Renewal of Hellenic Air Force Falcon 7X maintenance contract



CSR: TANGIBLE RESULTS AND AMBITIONS

/ **2023 saw the first meaningful results of the Parent Company energy saving plan launched at the end of 2022**

- Energy consumption / hours worked: **-10.4%** vs. 2022
- CO₂ emissions / hours worked: **-7.2%** vs. 2022

/ **The Group continues its waste management efforts**

- Pioneer in composite waste recycling

/ **In 2024 the Group will also focus on:**

- reducing workplace accidents during a ramp-up period, increasing new staff hires and modernizing facilities
- continuing our responsible and committed approach toward the supply chain (duty of care)

CSR: HUMAN RESOURCES

/ In 2023: 1 732 hires in fixed term and permanent contacts and 215 apprentices in a job market under strain – particularly in the aeronautics sector. In this context, the Group:

- Strengthens his employer attractiveness, mainly via dedicated communication campaigns
- Deploys robust employee integration procedures
- Continues to develop a recruitment pool of employees undergoing professional retraining
- Implements action plans to support the recruitment of more women and gender diversity in all professional categories and to ensure the promotion of women, particularly to positions of responsibility

/ 2024 hiring forecast: ~2000 people

2024 Epoka Ranking: Dassault Aviation TOP 3 of most favored industrial companies by fresh graduates

/ Implementation of the new collective bargaining agreement for the metallurgy industry for the French entities of the Group

- Production of guidelines for careers and jobs across entities
- Basic wages for 2024 are more attractive than the minimum wage in the sector

MODERNIZING OUR INDUSTRIAL SYSTEMS

/ The Company is continuing to invest in its industrial infrastructure

- **Istres:** building designed to house the Falcon 10X simulator delivered
- **Mérignac:** fitting of Building G for special projects and Building K to accommodate Falcon 10X
- **Martignas:** canopy building for assembly of the Falcon 10X wingbox delivered
- **Cergy:** delivery of the building postponed to 2024



Istres



Mérignac



Martignas



Cergy

MAKE IN INDIA

/ **Dassault Reliance Aerospace Limited (DRAL) in India - ongoing activities:**

- Production of the T12 and T4 sections for the Falcon 2000

/ **Dassault Aviation is involved in the development of the Indian supply chain**

- Growing our network of local partners
- Approval of new, key sub-contractors: signing of contracts in early 2024 with Indian companies:
 - DYNAMATIC for T5 tanks for the Falcon 6X and for the supply of primary parts
 - AEROLLOY, subsidiary of the PTC Group, to develop a titanium foundry branch

/ **Local Skills and Training**

- Engineering Center in Pune fully operational
- Dassault Skill Academy: continuation of the “Aeronautics Vocational Baccalaureate” training program in the State of Mahārāshtra with a secondary program implemented in the State of Uttar Pradesh

SUPPLY CHAIN / DELIVERIES

- / **Deliveries in 2023 were adversely affected by supply chain disruptions.** Supplier defaults linked to capacity shortages, mainly affecting aerostructure, caused delays in production.

- / **The risk to our supplies and organization is still present in 2024.** For aerostructure supplies, we have adjusted the way we work and moved to centralized management in order to implement corrective action, provide the necessary support to some of our subcontractors and develop Make in India.



2023 RESULTS

IN € BILLION

Order Intake

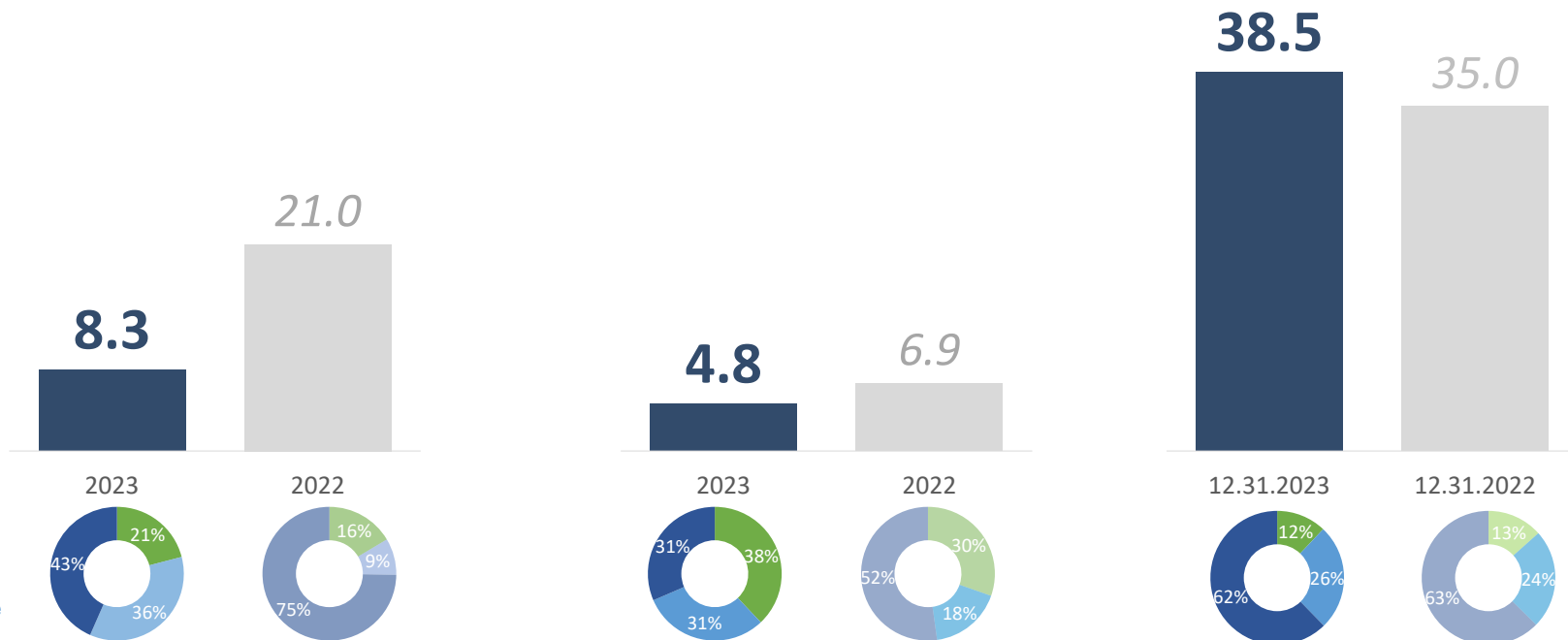
Falcon	€1.7 Bn (23 a/c)	€3.4 Bn (64 a/c)
Defense Export	€3.6 Bn (18 a/c)	€15.7 Bn (92 a/c)
Defense France	€3.0 Bn (42 a/c)	€1.9 Bn

Net sales

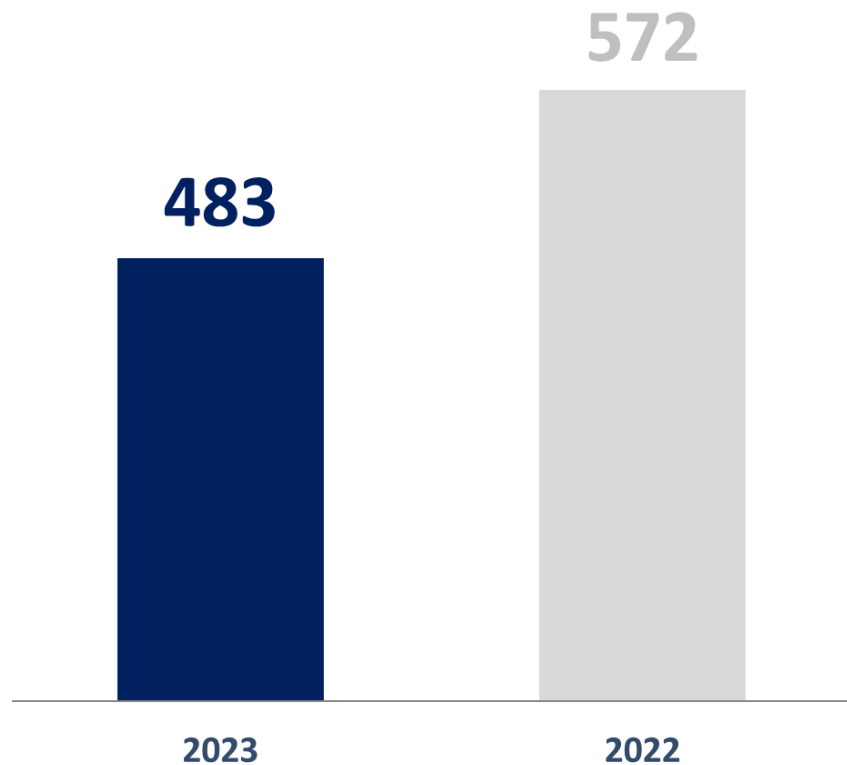
Falcon	€1.8 Bn (26 a/c)	€2.1 Bn (32 a/c)
Defense Export	€1.5 Bn (2 a/c)	€3.6 Bn (13 a/c)
Defense France	€1.5 Bn (11 a/c)	€1.2 Bn (1 a/c)

Backlog

Falcon	€4.6 Bn (84 a/c)	€4.7 Bn (87 a/c)
Defense Export	€24.0 Bn (141 a/c)	€21.9 Bn (125 a/c)
Defense France	€9.9 Bn (70 a/c)	€8.4 Bn (39 a/c)



CONSOLIDATED SELF-FUNDED R&D IN € MILLIONS



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.

Dassault Aviation holds 26.05% of Thales share capital as of December 31, 2023 vs. 24.62% at December 31, 2022.

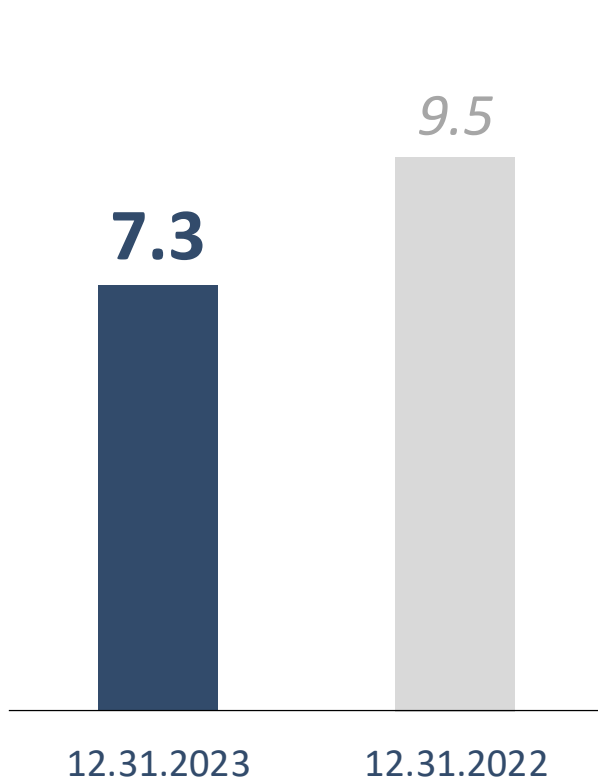
Key figures for Thales (adjusted):

	2023	2022
Order intake	€ 23.132 M	€ 23.551 M
Net sales	€ 18.428 M	€ 17.569 M
EBIT	€ 2.132 M	€ 1.935 M
<i>in % of sales</i>	11.6%	11.0%
Self funded R&D	- € 1.108 M	- € 1.064 M
<i>in % of sales</i>	-6.0%	-6.1%
Net result	€ 1.768 M	€ 1.556 M
<i>in % of sales</i>	9.6%	8.9%
Net Cash (debt)	- € 4.000 M	- € 35 M

ADJUSTED CONSOLIDATED INCOME STATEMENT

<i>in million euros</i>	2023	2022	
NET SALES	4,801	6,929	
OPERATING INCOME	349	572	
<i>Operating margin</i>	7.3%	8.3%	
FINANCIAL INCOME	210	11	
THALES and other equity affiliates	460	394	
TAXES	-133	-147	
NET INCOME	886	830	+6.7%
<i>Net income margin</i>	18.5%	12.0%	
<i>% Self financed R&D</i>	-10.1%	-8.3%	
<i>Earnings per share</i>	€ 11.0	€ 10.0	+9.6%

CONSOLIDATED AVAILABLE CASH IN € BILLION



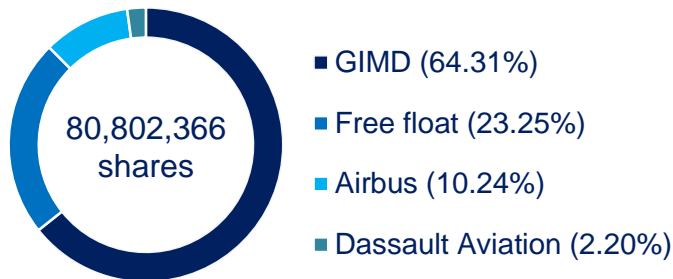
/ The decrease in cash in 2023 is essentially due to an increase in work-in-progress (performance of military contracts, ramp-up of the Falcon 6X), share buybacks and the acquisition of an additional stake in Thales.

/ Free Cash Flow EUR -1,0 billion

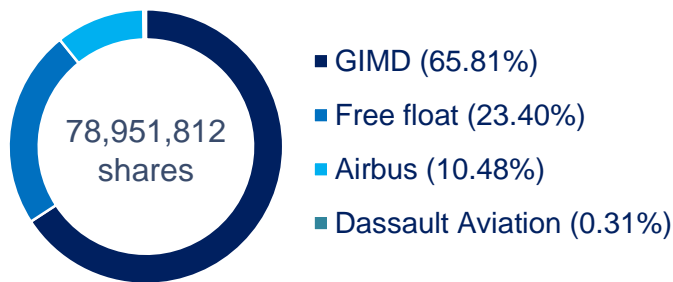
SHAREHOLDING STRUCTURE AND VOTING RIGHTS AS OF DECEMBER 31, 2023 - PRE- AND POST-CANCELLATION

Shareholding Structure

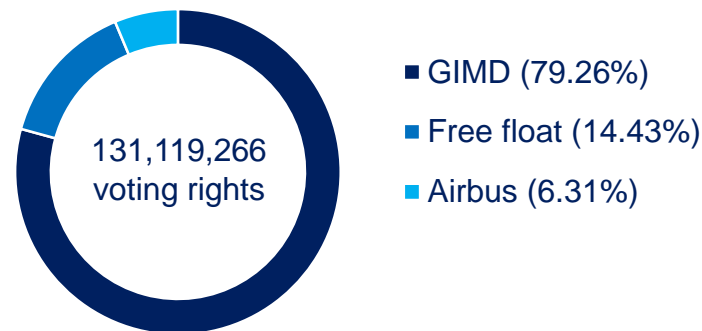
Pre-cancellation as of December 31, 2023



Post-cancellation, based on shareholding as of December 31, 2023



Distribution of exercisable voting rights



VALUE SHARING

Proposed dividend of EUR 3.37/share submitted for approval by the Annual General Meeting of May 16, 2024

Paid in (in respect of N-1 earnings)	2024	2023
Dividends	EUR 266 million	EUR 249 million
Dividend per share	EUR 3.37	EUR 3.00

The application of intra-Group agreements will lead to the payment of **EUR 170 million in employee profit-sharing and incentives⁽¹⁾** (including employer's contribution), compared to EUR 210 million for 2022.

In respect of 2023 earnings, application of the legal requirement would have given rise to a payment of **EUR 8 million** (including employer's contribution).

⁽¹⁾ Profit-sharing and incentives paid out in 2024 will equaled an average of 2.9 months' salary for Parent Company employees.

OUTLOOK AND STRATEGY

- / 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: increased revenue, EUR 6 Bn range (of which 35 Falcon and 20 Rafale)

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 – in particular as described in the Group's Management Report.

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