

## KEY FIGURES OF DASSAULT AVIATION GROUP

	H1 2021	H1 2020
Order intake <i>(new aircraft in units)</i>	€ 3,913 M 6 Rafale Greece 12 Rafale France 25 Falcon	€ 984 M 5 Falcon
<u>Adjusted net sales</u> (*)	€ 3,107 M 13 Rafale Export 6 Falcon	€ 2,641 M 7 Rafale Export 16 Falcon
	<b>as of June 30, 2021</b>	<b>as of December 31, 2020</b>
Backlog <i>(new aircraft in units)</i>	€ 16,703 M 67 Rafale <i>of which</i> 40 Rafale France 27 Rafale Export 53 Falcon	€ 15,895 M 62 Rafale <i>of which</i> 28 Rafale France 34 Rafale Export 34 Falcon
	<b>H1 2021</b>	<b>H1 2020</b>
<u>Adjusted operating income</u> (*)	€ 175 M	€ 55 M
<u>Adjusted operating margin</u>	5.6% of net sales	2.1% of net sales
Research & Development	€ 250 M 8.0% of net sales	€ 262 M 9.9% of net sales
<u>Adjusted net income</u> (*)	€ 265 M	€ 87 M
<u>Adjusted net margin</u>	8.5% of net sales	3.3% of net sales
	<b>as of June 30, 2021</b>	<b>as of December 31, 2020</b>
Available cash	€ 3,502 M	€ 3,441 M

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

Main aggregates under IFRS (see table of reconciliation below)

(*) Consolidated net sales	3,106	2,646
(*) Consolidated operating income	177	57
(*) Consolidated net income	212	32

**Saint-Cloud, July 22<sup>nd</sup>, 2021** – The Board of Directors met today under the chairmanship of Mr. Éric Trappier and approved the 2021 half year financial statements. The statutory auditors performed a limited review of these consolidated financial statements and the audit report for certification purposes is being issued.

“ The 1<sup>st</sup> half of 2021 saw contracts for the Rafale Export and Rafale France, the Falcon 6X maiden flight, the resumption of Falcon orders, the Falcon 10X reveal and its 1<sup>st</sup> orders.

In the military aircraft segment, the year began with the sale to Greece of 18 Rafale (6 new and 12 pre-owned aircraft currently in service with the French military), followed by the sale to France of 12 additional Rafale to replace the 12 pre-owned aircraft sold to Greece, bringing the total Rafale France ordered up to 192.

Egypt also signed a contract to purchase an additional 30 Rafale, bringing the number of Rafale in service in the Egyptian Air Force to 54. The contract shall enter into force upon receipt of the 1<sup>st</sup> down payment and therefore it is not included in the backlog as of June 30<sup>th</sup>, 2021.

Croatia announced that it had selected the Rafale with a view to acquiring 12 pre-owned aircraft from France.

We also continued negotiations and prospection for the Rafale.

Active discussions and negotiations for the FCAS continued during the 1<sup>st</sup> half of 2021:

- the Joint Concept Study (JCS) launched in January 2019 is nearing completion;
- launched in February 2020, phase 1A of the FCAS demonstrators, and the New Generation Fighter in particular, is continuing. The focus is on aerodynamics, with the first wind tunnel tests scheduled for September 2021.

The contract for phase 1B (under negotiation) is still to be signed. This will cover all the work carried out jointly between France, Germany and Spain until 2024 (NGF demonstrator studies, for which Dassault Aviation is the prime contractor). Discussions are being finalized with the French Defense Procurement Agency (DGA) on intellectual property rights.

The contract for the Eurodrone, a medium-altitude, long-endurance drone, between the OCCAR (Organisation for Joint Armament Cooperation) and Airbus Defence and Space (the prime contractor) has been negotiated. Notification is expected in 2<sup>nd</sup> half 2021. The contracts between Airbus Defence and Space and its main partners, Leonardo and Dassault Aviation, are being negotiated. Dassault Aviation will be responsible for flight controls and mission communications in particular.

During the 1<sup>st</sup> half of the year, we delivered 13 Rafale Export (India and Qatar) and continued to support the French and Export fleets.

In the civil aircraft segment, our development efforts started to show results with the successful maiden flight of the Falcon 6X on March 10, 2021, (this flight has been dedicated to Olivier Dassault who died tragically in March 2021) demonstrating the maturity of the program and paving the way for pre-certification testing. On May 6, 2021, we unveiled the Falcon 10X, our new long-range business jet featuring the most spacious cabin on the market.

The business aviation market showed encouraging signs of improvement during the 1<sup>st</sup> half of 2021, particularly with the recovery of air travel in the United States. Nevertheless, we note that price pressures remain. The pre-owned business jet market is buoyant.

We delivered 6 Falcon during the 1<sup>st</sup> half of the year and booked 25 new aircraft orders (vs. 16 deliveries and 5 orders in 1<sup>st</sup> half 2020).

Lastly, following the decision of the Annual General Meeting of May 11, 2021, the par value of Dassault Aviation shares will be divided by 10. The new shares will be delivered on October 1, 2021. On that date, in exchange for each of their current shares with a par value of EUR 8 per share, shareholders will receive 10 new shares with a par value of EUR 0.80 per share.

Our 2021 guidance remains unchanged:

- delivery of 25 new Rafale and 25 new Falcon;
- increase in net sales. ”

*Éric Trappier, Chairman and Chief Executive Officer of Dassault Aviation.*

## 1. ADJUSTED CONSOLIDATED RESULTS 1<sup>ST</sup> HALF 2021

(see reconciliation table in the appendix)

### 1.1 ORDER INTAKE

Order intake for the 1<sup>st</sup> half of 2021 was **EUR 3,913 million**, compared to EUR 984 million for the 1<sup>st</sup> half of 2020. **Export** order intake stood at **82%**.

Order intake was as follows, in **EUR million**:

	H1 2021	%	H1 2020	%
<b>Defense</b>	<b>2,500</b>	65%	<b>315</b>	32%
<i>Defense Export</i>	1,907		132	
<i>Defense France</i>	593		183	
<b>Falcon</b>	<b>1,413</b>	35%	<b>669</b>	68%
<b>Total order intake</b>	<b>3,913</b>		<b>984</b>	
% <i>Export</i>	<b>82%</b>		80%	

The order intake is entirely composed of firm orders.

#### ***Defense programs***

**Defense order intake** totaled **EUR 2,500 million** in the 1<sup>st</sup> half of 2021, vs. EUR 315 million in the 1<sup>st</sup> half of 2020.

**Defense Export** order intake stood at **EUR 1,907 million** for the 1<sup>st</sup> half of 2021, compared to EUR 132 million for the 1<sup>st</sup> half of 2020. During the 1<sup>st</sup> half of 2021, we received an order from Greece for 6 new Rafale aircraft and 12 pre-owned Rafale aircraft to be purchase from the French Air and Space Force.

**Defense France** order intake stood at **EUR 593 million** for the 1<sup>st</sup> half of 2021, vs. EUR 183 million for the 1<sup>st</sup> half of 2020. During the 1<sup>st</sup> half of 2021, we received an order from France for an additional 12 Rafale aircraft.

#### ***Falcon programs***

During the 1<sup>st</sup> half of 2021, **25 Falcon orders** were received, compared to 5 in the 1<sup>st</sup> half of 2020.

**Falcon order intake** amounted to **EUR 1,413 million** in the 1<sup>st</sup> half of 2021, vs. EUR 669 million in the 1<sup>st</sup> half of 2020.

## 1.2 ADJUSTED NET SALES

**Adjusted net sales** for the 1<sup>st</sup> half of 2021 totaled **EUR 3,107 million**, compared with EUR 2,641 million for the 1<sup>st</sup> half of 2020. **Export** of net sales stood at **87%** in the 1<sup>st</sup> half of 2021.

Consolidated sales were as follows, in **EUR million**:

	H1 2021	%	H1 2020	%
<b>Defense</b>	<b>2,405</b>	77%	<b>1,581</b>	60%
<i>Defense Export</i>	2,061		1,319	
<i>Defense France</i>	344		262	
<b>Falcon</b>	<b>702</b>	23%	<b>1,060</b>	40%
<b>Total adjusted net sales</b>	<b>3,107</b>		<b>2,641</b>	
<i>% Export</i>	87%		89%	

### *Defense programs*

**13 Rafale Export** (India and Qatar) were delivered during the 1<sup>st</sup> half of 2021, compared with 7 Rafale Export for the 1<sup>st</sup> half of 2020.

**Defense net sales** for the 1<sup>st</sup> half of 2021 amounted to **EUR 2,405 million**, vs. EUR 1,581 million for the 1<sup>st</sup> half of 2020.

**Defense Export net sales** stood at **EUR 2,061 million** for the 1<sup>st</sup> half of 2021, vs. EUR 1,319 million for the 1<sup>st</sup> half of 2020. The increase is due to the number of Rafale aircraft delivered (13 vs. 7).

**Defense France net sales** stood at **EUR 344 million** for the 1<sup>st</sup> half of 2021, vs. EUR 262 million for the 1<sup>st</sup> half of 2020.

### *Falcon programs*

**6 Falcon** were delivered in the 1<sup>st</sup> half of 2021, compared to 16 in the 1<sup>st</sup> half of 2020.

**Falcon net sales** for the 1<sup>st</sup> half of 2021 amounted to **EUR 702 million**, vs. EUR 1,060 million for the 1<sup>st</sup> half of 2020. The decrease is due to the number of Falcon aircraft delivered (6 vs. 16).

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The "book-to-bill ratio" (order intake/net sales) is 1.26 for the first half of 2021.

### 1.3 BACKLOG

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The consolidated backlog as of June 30, 2021 was **EUR 16,703 million**, compared with EUR 15,895 million as of December 31, 2020. It consists of:

- **Defense Export backlog**, which stood at **EUR 8,096 million** vs. EUR 8,249 million as of December 31, 2020. This mainly comprised 27 new Rafale Export and 12 pre-owned Rafale Export, vs. 34 new Rafale Export as of December 31, 2020,
- **Defense France backlog**, which stood at **EUR 5,748 million**, vs. EUR 5,499 million as of December 31, 2020. It notably comprises 40 Rafale aircraft, vs. 28 as of December 31, 2020. It also includes the Rafale F4 standard, the RAVEL Operational Condition Maintenance (OCM) contract for the Rafale and the OCEAN OCM contract for the ATL2,
- **Falcon backlog**, which stood at **EUR 2,859 million**, vs. EUR 2,147 million as of December 31, 2020. This consists of 53 Falcon, compared to 34 as of December 31, 2020, including the 9 mission aircraft for the AVSIMar and Archange programs.

### 1.4 ADJUSTED RESULTS

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#### *Operating income*

**Adjusted operating income for the 1<sup>st</sup> half of 2021** came to **EUR 175 million**, compared to EUR 55 million in the 1<sup>st</sup> half of 2020.

R&D expenses in the 1<sup>st</sup> half of 2021 totaled EUR 250 million, equivalent to 8.0% of net sales, compared to EUR 262 million and 9.9% of net sales in the 1<sup>st</sup> half of 2020.

**Operating margin** stood at **5.6%**, vs. 2.1% for the 1<sup>st</sup> half of 2020. This increase is due to the lower proportion of self-funded R&D, the increase in net sales, and the negative impact of Covid-19 on business in the 1<sup>st</sup> half of 2020.

The hedging rate for the 1<sup>st</sup> half of 2021 was **\$1.19/€**, vs. \$1.18/€ in the 1<sup>st</sup> half of 2020.

#### *Net financial income/expense*

**Adjusted financial income for the first half of 2021** was **EUR -11 million**, vs. EUR -19 million for the same period in the previous year. This financial loss was due to accounting principle of the long-term military contracts' financing component.

#### *Net income*

**Adjusted net income for the 1<sup>st</sup> half of 2021** came to **EUR 265 million**, compared to EUR 87 million in the 1<sup>st</sup> half of 2020. The contribution of Thales to the Group's net income was EUR 146 million, compared with EUR 58 million during the 1<sup>st</sup> half of 2020.

**Adjusted net margin** thus stood at **8.5%** for the 1<sup>st</sup> half of 2021, vs. 3.3% for the 1<sup>st</sup> half of 2020.

## 2. FINANCIAL STRUCTURE

### 2.1 AVAILABLE CASH

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The Group uses a specific indicator called “Available cash,” which reflects the amount of total liquidities available to the Group, net of financial debts. It includes the following balance sheet items: cash and cash equivalents, current financial assets (at market value) and financial debts; it excludes the impact on financial debts of the application of IFRS 16 “Leases.”

**The Group’s available cash** stands at **EUR 3,502 million as of June 30, 2021**, vs. EUR 3,441 million as of December 31, 2020. This increase is due to the result for the 1<sup>st</sup> half, partially offset by the payment of dividend, investments during the period and the working capital requirement increase.

### 2.2 BALANCE SHEET (IFRS DATA)

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**Total equity** stands at **EUR 4,833 million** as of June 30, 2021, vs. EUR 4,560 million as of December 31, 2020.

Borrowings and financial debt amounted to EUR 248 million as of June 30, 2021, compared to EUR 270 million as of December 31, 2020. Borrowings and financial debt are composed of locked-in employee profit-sharing funds for EUR 106 million and lease liabilities for EUR 142 million.

Inventories and work-in-progress increased by EUR 290 million to stand at EUR 3,671 million as of June 30, 2021. The increase is due to the number of Falcon deliveries during the 1<sup>st</sup> half of the year. The decrease in Defense Export inventories and work-in-progress due to Rafale deliveries during the period was offset by an increase in Defense France inventories and work-in-progress.

Orders down payments cashed-in net of progress payments paid to suppliers, were up EUR 228 million to stand at EUR 4,137 million. Down payments of Defense France and Rafale Greece contracts, as well as Falcon orders explain this increase partially offset by reversals of advances due to Rafale Export deliveries during the period.

The derivative financial instruments market value stood at EUR 3 million as of June 30, 2021, vs. EUR 81 million as of December 31, 2020. The decrease is essentially due to the change in the US dollar exchange rate between June 30, 2021 and December 31, 2020 (\$1.1884/€ vs. \$1.2271/€).

*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 Business report.*

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## APPENDIX

### FINANCIAL REPORTING

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IFRS 8 “Operating Segments” requires the presentation of information per segment according to internal management criteria.

The entire activity of the Dassault Aviation Group relates to the aerospace domain. The internal reporting made to the Chairman and Chief Executive Officer, and to the Chief Operating Officer, as used for the strategy and decision-making, includes no performance analysis, under the terms of IFRS 8, at a level subsidiary to this domain.

### DEFINITION OF ALTERNATIVE PERFORMANCE INDICATORS

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To reflect the Group’s actual economic performance, and for monitoring and comparability reasons, the Group presented an adjusted income statement of:

- foreign exchange gains/losses resulting from the exercise of hedging instruments which do not qualify for hedge accounting under IFRS standards. This income, presented as net financial income in the consolidated financial statements, is reclassified as net sales and thus as operating income in the adjusted income statement;
- the value 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 net 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 (essentially available-for-sale marketable securities at their market value);
- financial debt, except for lease liabilities recorded following the application of IFRS 16 “Leases”.

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.

The impact of the adjustments of income statement aggregates for the 1<sup>st</sup> half 2021 is set out below:

<i>(in EUR thousands)</i>	Consolidate d income statement H1 2021	Foreign exchange derivatives		PPA	Adjustments applied by Thales	Adjusted income statement H1 2021
		Foreign exchange gain/loss	Change in fair value			
<b>Net sales</b>	3,106,206	- 368	883			<b>3,106,721</b>
<b>Operating income</b>	177,224	- 368	- 3,865	1,688		<b>174,679</b>
Net financial income/expense	- 31,154	368	19,442			<b>- 11,344</b>
Share in net income of equity associates	108,527			1,501	39,152	<b>149,180</b>
Income tax	- 42,798		- 4,255	- 342		<b>- 47,395</b>
<b>Net income</b>	211,799	0	11,322	2,847	39,152	<b>265,120</b>
<i>Group share of net income</i>	<i>211,799</i>	<i>0</i>	<i>11,322</i>	<i>2,847</i>	<i>39,152</i>	<i>265,120</i>
Group share of net income per equity <i>(in euros)</i>	25.5					31.9

The impact of the adjustments of income statement aggregates for the 1<sup>st</sup> half 2020 is set out below:

<i>(in EUR thousands)</i>	Consolidate d income statement H1 2020	Foreign exchange derivatives		PPA	Adjustments applied by Thales	Adjusted income statement H1 2020
		Foreign exchange gain/loss	Change in fair value			
<b>Net sales</b>	2,645,678	-4,430	184			<b>2,641,432</b>
<b>Operating income</b>	56,747	-4,430	154	2,484		<b>54,955</b>
Net financial income/expense	-37,733	4,430	14,897			<b>-18,406</b>
Share in net income of equity associates	17,251			1,427	41,249	<b>59,927</b>
Income tax	-4,256		-4,404	-454		<b>-9,114</b>
<b>Net income</b>	32,009	0	10,647	3,457	41,249	<b>87,362</b>
<i>Group share of net income</i>	<i>32,009</i>	<i>0</i>	<i>10,647</i>	<i>3,457</i>	<i>41,249</i>	<i>87,362</i>
Group share of net income per equity <i>(in euros)</i>	3.8					10.5