

## 1. 1<sup>ST</sup> HALF 2022 DASSAULT AVIATION GROUP RESULTS

	H1 2022	H1 2021
	<b>€ 16,290 M</b>	€ 3,913 M
Order intake <i>(new aircraft in units)</i>	80 Rafale UAE 6 Rafale Greece 41 Falcon	6 Rafale Greece 12 Rafale France 25 Falcon
	<b>€ 3,098 M</b>	€ 3,107 M
<u>Adjusted net sales</u> (*)	7 Rafale Export 14 Falcon	13 Rafale Export 6 Falcon
	<b>as of June 30, 2022</b>	as of December 31, 2021
	<b>€ 34,085 M</b>	€ 20,762 M
Backlog <i>(new aircraft in units)</i>	<b>165 Rafale</b> <i>of which</i> 125 Rafale Export 40 Rafale France <b>82 Falcon</b>	86 Rafale <i>of which</i> 46 Rafale Export 40 Rafale France 55 Falcon
	H1 2022	H1 2021
<u>Adjusted operating income</u> (*)	<b>€ 200 M</b>	€ 175 M
<u>Adjusted operating margin</u>	6.5% of net sales	5.6% of net sales
Research & Development	<b>€ 278 M</b> 9.0% of net sales	€ 250 M 8.0% of net sales
<u>Adjusted net income</u> (*)	<b>€ 318 M</b>	€ 265 M
<u>Adjusted net margin</u>	10.3% of net sales	8.5% of net sales
	as of June 30, 2022	as of December 31, 2021
Available cash	<b>€ 6,276 M</b>	€ 4,879 M

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

### Main aggregates under IFRS in EUR million (see table of reconciliation below)

(*) Consolidated net sales	3,107	3,106
(*) Consolidated operating income	218	177
(*) Consolidated net income	272	212

**Saint-Cloud, July 20<sup>th</sup>, 2022** - The Board of Directors, which met today, under the chairmanship of Mr. Éric Trappier, approved the 2022 half year financial statements. The Statutory Auditors have performed a limited review of these consolidated financial statements and have expressed an unqualified opinion.

“First half 2022 saw a record-breaking order intake amounting EUR 16.3 billion (86 Rafale and 41 Falcon) amid supply chain difficulties and a tight and competitive job market, result of the war in Ukraine and the persistence of the Covid 19 epidemic.

Regarding the Ukraine-Russia conflict, sanctions adopted by the European Union and the United States are strictly enforced by the Company (especially the ban on commercial transactions and the restriction on financial transactions with sanctioned persons or entities). A dedicated crisis unit has been set up. Our locations in Russia, our Moscow office and DFS service center subsidiary have stopped all commercial activities. Some contracts were cancelled, in addition, the sanctions have had a particular impact on the service station business in Europe, especially TMS.

The Company remains also constrained by the effects of the Covid 19 pandemic: although the main health measures were able to be lifted in March 2022, vigilance is still needed.

The impact of these two major crises has led to uncertainty over the supply of energy, electronic components and materials. This has stoked an increase in inflation due to actual or potential shortages and weakened the supply chain, now an even acute risk given the increase in our production rate.

In recent weeks, France has held both presidential and legislative elections. The French President has talked about the country entering a war economy. The latter will be further explored by the French Armed Forces Ministry. For Dassault Aviation, the priority is to be on the side of the French armed forces to support our Aircraft in service in Air and Naval forces.

In the military sector, the year began with the sale to Greece of 6 additional new Rafale. The first down payment under the contract for 80 Rafale for the United Arab Emirates was received in April 2022, with this order entering the backlog as a result. The Rafale order intake for the first half is therefore 86 units. The Rafale backlog is 165 units.

Indonesia signed a contract for 42 Rafale (6+36). The contract will enter into force upon receipt of the first down payment and therefore it is not included in the backlog as of June 30, 2022.

During the six-month period, we delivered 7 Rafale Export and provided support to the French and export fleets. We also continued the development work on the F4 Standard and the negotiations and business development for the Rafale.

For the FCAS, of which Dassault Aviation is lead contractor for the New Generation Fighter demonstrator, work on phase 1A was completed in the 1<sup>st</sup> half of 2022.

The next phase of the work, phase 1B, was not awarded to the parties in the absence of an agreement with Airbus Defence and Space. Dassault Aviation is prime contractor for pillar 1. The prime contractor/main partner relationship is still to be clarified. Dassault Aviation is seeking a clear statement of acceptance of its role as prime contractor by Airbus Defence and Space for the NGF (in symmetry with Eurodrone).

Work has begun on the Eurodrone contract. Dassault Aviation is responsible in particular for flight control systems and mission communications, as a subcontractor of Airbus Defence and Space.

Regarding the Falcon mission aircraft, development work is continuing on the Archange and Albatros programs. Our business development efforts resulted in order intake for 4 Falcon 2000LXS for the South Korean Air Force.

In the civil sector, the Falcon market was buoyant during the 1<sup>st</sup> half of 2022.

We delivered 14 Falcon and booked 41 new Falcon orders in the 1<sup>st</sup> half of 2022, vs. 6 deliveries and 25 orders in the 1<sup>st</sup> half of 2021.

Development efforts on the Falcon 6X and 10X are continuing:

- as expected, the Falcon 6X program completed all the technical stages for its entry into service mid-2023.
- the first primary parts have been manufactured for the Falcon 10X. A full-scale mock-up of this aircraft was unveiled at EBACE. Its entry into service is scheduled for late 2025. the calendar is tight because of difficulties related to Covid, with its impact on the supply chain and collaborative work.

Our 2022 guidance remains unchanged: delivery of 13 Rafale and 35 Falcon; decrease in net sales compared with last year.”

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

## 2. 1<sup>ST</sup> HALF 2022 ADJUSTED CONSOLIDATED RESULTS

(see reconciliation table in appendix)

### 2.1 ORDER INTAKE

Order intake for the 1<sup>st</sup> half of 2022 was **EUR 16,290 million**, vs. EUR 3,913 million in the 1<sup>st</sup> half of 2021. **Export** order intake stood at **97%**.

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

	H1 2022	%	H1 2021	%
<b>Defense</b>	<b>14,318</b>	<b>88%</b>	2,500	64%
<i>Defense Export</i>	13,897		1,907	
<i>Defense France</i>	421		593	
<b>Falcon</b>	<b>1,972</b>	<b>12%</b>	1,413	36%
<b>Total order intake</b>	<b>16,290</b>		3,913	
<i>% Export</i>	<b>97%</b>		82%	

The order intake is entirely composed of firm orders.

#### Defense programs

During the 1<sup>st</sup> half of 2022, **86 Rafale Export** were booked.

**Defense Export order intake** totaled **EUR 13,897 million** in the 1<sup>st</sup> half of 2022, vs. EUR 1,907 million in the 1<sup>st</sup> half of 2021. Order intake for the 1<sup>st</sup> half of 2022 notably includes 80 Rafale for the UAE (contract signed in 2021, receipt of the first down payment in the 1<sup>st</sup> half of 2022), as well as the additional order for 6 new Rafale for Greece.

**Defense France order intake** stood at **EUR 421 million** in the 1<sup>st</sup> half of 2022, compared with EUR 593 million in the 1<sup>st</sup> half of 2021, when the order intake included 12 Rafale.

#### Falcon programs

During the 1<sup>st</sup> half of 2022, **41 Falcon orders** (net of cancelled Russian aircraft) were received, compared with 25 in the 1<sup>st</sup> half of 2021. This explains the increase in **Falcon order intake** to **EUR 1,972 million** in the 1<sup>st</sup> half of 2022, vs. EUR 1,413 million in the 1<sup>st</sup> half of 2021.

## 2.2 ADJUSTED NET SALES

**Adjusted net sales** for the 1<sup>st</sup> half of 2022 totaled **EUR 3,098 million**, compared with EUR 3,107 million for the 1<sup>st</sup> half of 2021. **Export** net sales stood at **77%** in the 1<sup>st</sup> half of 2022.

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

	H1 2022	%	H1 2021	%
<b>Defense</b>	<b>2,137</b>	<b>69%</b>	2,405	77%
<i>Defense Export</i>	1,452		2,061	
<i>Defense France</i>	685		344	
<b>Falcon</b>	<b>961</b>	<b>31%</b>	702	23%
<b>Total adjusted net sales</b>	<b>3,098</b>		3,107	
<i>% Export</i>	<b>77%</b>		87%	

### Defense programs

**7 Rafale Export** were delivered during the 1<sup>st</sup> half of 2022, compared with 13 Rafale Export for the 1<sup>st</sup> half of 2021.

This led to a fall in **Defense Export** net sales, which totaled **EUR 1,452 million** in the 1<sup>st</sup> half of 2022, vs. EUR 2,061 million in the 1<sup>st</sup> half of 2021.

Net sales for **Defense France** stood at **EUR 685 million** in the 1<sup>st</sup> half of 2022, compared with EUR 344 million in the 1<sup>st</sup> half of 2021. The increase is largely due to the delivery of the standard for the mid-life upgrade of the Mirage 2000.

### Falcon programs

**14 Falcon** were delivered in the 1<sup>st</sup> half of 2022, compared with 6 in the 1<sup>st</sup> half of 2021.

**Falcon net sales** for the 1<sup>st</sup> half of 2022 amounted to **EUR 961 million**, vs. EUR 702 million for the 1<sup>st</sup> half of 2021. The increase is primarily due to the number of Falcon delivered (14 vs. 6).

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The “book-to-bill ratio” (order intake/net sales) is 5.3 for the first half of 2022.

## 2.3 BACKLOG

The consolidated backlog as of June 30, 2022 (determined in accordance with IFRS 15) was **EUR 34,085 million**, vs. EUR 20,762 million as of December 31, 2021. The sharp increase is due to the high level of order intake in the 1<sup>st</sup> half of 2022. The backlog trend is as follows:

	06/30/2022		12/31/2021	
<b>Defense</b>	<b>29,814</b>	<b>87%</b>	17,633	85%
<i>Defense Export</i>	22,319		9,874	
<i>Defense France</i>	7,495		7,759	
<b>Falcon</b>	<b>4,271</b>	<b>13%</b>	3,129	15%
<b>Total backlog</b>	<b>34,085</b>		20,762	
% Export	75%		58%	

- the **Defense Export backlog** stood at **EUR 22,319 million** as of June 30, 2022, vs. EUR 9,874 million as of December 31, 2021. This figure notably includes 125 new Rafale and 6 pre-owned Rafale, compared with 46 new Rafale and 6 pre-owned Rafale as of December 31, 2021,
- the **Defense France backlog** stood at **EUR 7,495 million** as of June 30, 2022, vs. EUR 7,759 million as of December 31, 2021. This figure includes 40 Rafale, the support contracts for the Rafale (Ravel), Mirage 2000 (Balzac) and ATL2 (Ocean), and the Rafale F4 standard,
- the **Falcon backlog** stood at **EUR 4,271 million** as of June 30, 2022, vs. EUR 3,129 million as of December 31, 2021. It includes 82 Falcon, compared with 55 as of December 31, 2021.

## 2.4 ADJUSTED RESULTS

### Adjusted operating income

**Adjusted operating income for the 1<sup>st</sup> half of 2022** came to **EUR 200 million**, compared with EUR 175 million in the 1<sup>st</sup> half of 2021.

R&D expenses in the 1<sup>st</sup> half of 2022 totaled EUR 278 million, equivalent to 9.0% of net sales, compared with EUR 250 million and 8.0% of net sales in the 1<sup>st</sup> half of 2021. These figures reflect the self-funded R&D effort focused on the Falcon 6X and Falcon 10X programs.

**Operating margin** was **6.5%**, as against 5.6% in the 1<sup>st</sup> half of 2021, up despite the increase in R&D expenses.

The hedging rate for the 1<sup>st</sup> half of 2022 was **\$1.19/€**, as in the 1<sup>st</sup> half of 2021.

### Adjusted net financial income/expense

**Adjusted financial income for the 1<sup>st</sup> half of 2022** was **EUR -13 million**, vs. EUR -11 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.

### Adjusted net income

**Adjusted net income for the 1<sup>st</sup> half of 2022** was **EUR 318 million**, compared with EUR 265 million in the 1<sup>st</sup> half of 2021. The contribution of Thales to the Group's net income was EUR 180 million, compared with EUR 146 million during the 1<sup>st</sup> half of 2021.

**Adjusted net margin** thus stood at **10.3%** for the 1<sup>st</sup> half of 2022, vs. 8.5% for the 1<sup>st</sup> half of 2021.

Adjusted net income per share for 1<sup>st</sup> half 2022 was EUR 3.82 versus EUR 3.19\* for 1<sup>st</sup> half 2021.

*\*2021 proforma following the stock split.*

## **3. 1<sup>ST</sup> HALF 2022 CONSOLIDATED RESULTS UNDER IFRS**

### **3.1 CONSOLIDATED OPERATING INCOME (IFRS)**

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**Consolidated operating income** for the 1<sup>st</sup> half of 2022 came to **EUR 218 million**, compared with EUR 177 million in the 1<sup>st</sup> half of 2021.

R&D expenses amounted to EUR 278 million in the 1<sup>st</sup> half of 2022 and accounted for 9.0% of consolidated net sales, vs. EUR 250 million and 8.0% of consolidated net sales in the 1<sup>st</sup> half of 2021.

**Consolidated operating margin** was **7.0%**, compared with 5.7% in the 1<sup>st</sup> half of 2021, up despite the increase in R&D expenses.

### **3.2 CONSOLIDATED NET FINANCIAL INCOME/EXPENSE (IFRS)**

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**Consolidated net financial expense** for the 1<sup>st</sup> half of 2022 came to **EUR -37 million**, vs. EUR -31 million in the 1<sup>st</sup> half of 2021. This negative financial result is due to the recognition of the financing component under long-term military contracts and the fall in market value of hedging instruments which do not qualify for hedge accounting under IFRS. The market value of these instruments, purchased because of the efficient economic hedge they offer the Group, were adversely impacted by movements in the US dollar rate in the 1<sup>st</sup> half (\$1.0387/€ at June 30, 2022, versus \$1.1326/€ at December 31, 2021).

### **3.3 CONSOLIDATED NET INCOME/EXPENSE (IFRS)**

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**Consolidated net income** for the 1<sup>st</sup> half of 2022 was **EUR 272 million**, compared with EUR 212 million in the 1<sup>st</sup> half of 2021. The contribution of Thales to the Group's net income was EUR 139 million, compared with EUR 105 million during the 1<sup>st</sup> half of 2021.

**Consolidated net margin** thus stood at **8.7%** for the 1<sup>st</sup> half of 2022, vs. 6.8% for the 1<sup>st</sup> half of 2021.

Consolidated net income per share for the 1<sup>st</sup> half of 2022 was EUR 3.36, vs. EUR 2.55\* for the 1<sup>st</sup> half of 2021.

*\* 2021 proforma following the stock split.*

## 4. FINANCIAL STRUCTURE

### 4.1 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 debt, excluding lease liabilities. The calculation of this indicator is detailed in the consolidated financial statements (Note 7 of the interim condensed consolidated financial statements).

**The Group’s available cash** stands at **EUR 6,276 million** as of June 30, 2022, vs. EUR 4,879 million as of December 31, 2021. This increase is mainly due to the receipt of the first down payment under the contract for 80 Rafale for the UAE and the dynamism of the Falcon business. It is partially offset by the increase in inventories and work-in-progress. Investments and dividends paid during the period are offset by the operating cashflow generated during the 1<sup>st</sup> half of 2022.

### 4.2 BALANCE SHEET (IFRS)

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Total equity stood at **EUR 5,737 million** as of June 30, 2022, vs. EUR 5,300 million as of December 31, 2021.

Borrowings and financial debt amounted to EUR 227 million as of June 30, 2022, compared with EUR 226 million as of December 31, 2021. Borrowings and financial debt are composed of locked-in employee profit-sharing funds for EUR 103 million and lease liabilities recognized for EUR 124 million.

Inventories and work-in-progress increased by EUR 500 million to stand at EUR 3,980 million as of June 30, 2022. The increase is attributed to the Falcon business, particularly with the increased production rate on the Falcon 6X and future Defense deliveries.

Advance payments received on orders net of advance payment paid to suppliers, were up EUR 1,703 million to stand at EUR 5,890 million. This is mainly due to the receipt of the first down payment under the contract for 80 Rafale for the UAE and the dynamism of the Falcon business.

The derivative financial instruments market value stood at EUR -189 million as of June 30, 2022, vs. EUR -81 million as of December 31, 2021. The decrease is mainly due to the change in the US dollar exchange rate between June 30, 2022 and December 31, 2021 (\$1.0387/€ vs. \$1.1326/€).

*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.*

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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 sector. 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 lower level 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, excluding lease liabilities.

The calculation of this indicator is detailed in the condensed consolidated financial statements (see Note 7).

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 half-year report.

## IMPACT OF ADJUSTMENTS

The impact of the adjustments of income statement aggregates for the 1<sup>st</sup> half 2022 is set out below:

<i>(in EUR thousands)</i>	Consolidated income statement H1 2022	Foreign exchange derivatives		PPA	Adjustments applied by Thales	Adjusted income statement H1 2022
		Foreign exchange gain/loss	Change in fair value			
<b>Net sales</b>	3,106,839	-6,930	-1,499			<b>3,098,410</b>
<b>Operating income</b>	217,563	-6,930	-12,296	1,563		<b>199,900</b>
Net financial income/expense	-37,437	6,930	17,891			<b>-12,616</b>
Share in net income of equity associates	141,910			1,566	39,739	<b>183,215</b>
Income tax	-50,525		-1,445	-318		<b>-52,288</b>
<b>Net income</b>	271,511		4,150	2,811	39,739	<b>318,211</b>
<i>Group share of net income</i>	<i>272,511</i>		<i>4,150</i>	<i>2,811</i>	<i>39,739</i>	<i>318,211</i>
Group share of net income per equity <i>(in euros)</i>	3.26					3.82

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>	Consolidated 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 share <i>(in euros)</i> <sup>(1)</sup>	2.55					3.19

<sup>(1)</sup> proforma following the stock split.