

Turnover for 2020: decline by 33.5%: €123.1M

SOGECLAIR, designer and manufacturer of innovative high added-value solutions for mobility, announces today its turnover for 2020. It decreases by 33.5% (33.1% at constant exchange rate).

The aeronautics and automotive sectors were severely penalized, from mid-March 2020, by the Covid-19 health crisis. SOGECLAIR, which achieved more than ¾ of its activity in these two sectors, saw its turnover fall by 33.5%.

Measures were taken without delay to meet the challenges of this crisis:

- ❖ Reduction of the workforce (-350 departures at the end of 2020 and around 150 departures at the beginning of 2021, i.e. a total of 30% of the workforce) and the setting up of partial activity,
- ❖ Closure of the subsidiary in Morocco, legal simplification in Canada and turnaround of the German subsidiary,
- ❖ Restructuring costs were provisioned as of June 2020 in the accounts for the first half of the year. The second half of the year was devoted to the successful completion of the adaptation measures and to preparing for the future.

By division	Turnover (€ million) 2020	Turnover (€ million) 2019	Variation as %
Aerospace	90.5	147.8	-38.8%
<i>At constant exchange rate</i>	<i>91.0</i>	<i>147.8</i>	<i>-38.4%</i>
Simulation	31.0	34.9	-11.4%
<i>At constant exchange rate</i>	<i>31.1</i>	<i>34.9</i>	<i>-10.9%</i>
Vehicle	1.6	2.2	-29.2%
Total	123.1	185.0	-33.5%
<i>International</i>	64.9	104.7	-38.0%

Aerospace division (73.6% of turnover) accounted for 92.5% of the decline in activity, it's commercial aviation (34% of turnover) which experienced the greatest decline at -48%, while business aviation (33% of turnover) held up better at -28% and space (4% of turnover) is almost stable at -7% (effect of the first containment). Some great technical and commercial successes have been achieved:

- ❖ Outsourcing of work to Toulouse with the support of Dassault Aviation and thanks to an efficient IT organization,
- ❖ Multi-year engineering contracts in business aviation (2 manufacturers),
- ❖ Long-term single-source contract for the supply of full tank access cover for a future aircraft program,
- ❖ Additive manufacturing contracts in R&D and for the space sector,
- ❖ Obtaining two public contracts for the aeronautics industry (subsidy from the recovery plan).

Simulation division (25.1% of turnover) fell by 11.4% due to a negative base effect related to large simulator contracts for Renault and BMW in the second half of the year. Noteworthy during the exercise:

- ❖ Gain of a new dynamic simulator for a manufacturer,
- ❖ Sustained order intake in rail and defense sectors,
- ❖ Development of the OKSYGEN software planned at the time of the acquisition of SYDAC in H2 2018.
- ❖ Entry of Dassault Systèmes into the capital of A.V.Simulation through a capital increase of €10M carried out on 15/01/2021. After the operation, Oktal (Sogclair) holds 55.25%, Renault 29.75% and Dassault Systèmes 15%.

Vehicle division (1.3% of turnover) declined by 29.2% with a rebound in the second half. An export sales approach was initiated, enabling the division to issue offers in the Middle East and Africa.

By geographical area	2020 (€ million)	Impact on Turnover (as %)	Evolution (as %)
France	58.1	47.3%	-27.6%
Europe	31.9	25.9%	-40.9%
America	27.0	21.9%	-35.6%
Asia-Pacific	5.0	4.0%	-37.9%
Rest of the world	1.1	0.9%	+38.3%

Activity in France (47.3% of turnover) and in America (21.9% of turnover) resisted better and it was Europe outside France that suffered the most, with Spain, Germany and the UK each declining by more than 50%.

By activity	2020 Turnover (€ million)	Impact on Turnover (as %)	Evolution (as %)
Development (service)	23.3	18.9%	-38.6%
Serie (service)	38.8	31.6%	-43.1%
Products	61.0	49.5%	-22.8%

Products (49.5% of turnover) are more resilient (down by 22.8%) despite the base effect of large automotive simulators. Service activities are penalized by the drop in customer investments for the development part and by the lower rate of production and re-internalization for the serie.

Perspectives

SOGECLAIR quickly reacted to the consequences of the health crisis and its strong negative impact on its markets by adapting its teams, strengthening its commercial actions and preparing for the future.

Only new external effects resulting in a further decline in its markets could jeopardize a recovery in business growth beyond the 1st quarter of 2021.

Next announcement: 2020 Results on March 17th 2021 after closing of the Stock Market.

About SOGECLAIR

Designer and manufacturer of innovative high added-value solutions, SOGECLAIR brings its skills in high-quality engineering and production to a broad range of cutting-edge sectors, notably aeronautics, space, vehicle, rail and defense. Supporting its customers and partners from the design and simulation stages through to the end of the product's lifetime, all along the production chain through to entry into service, the collaborators are working worldwide to offer a high-quality, proximity support to all its customers.

SOGECLAIR is listed on Euronext Paris – Compartment C – Indice Euronext® Family Business -Code ISIN : FR0000065864 - PEA PME 150

(Reuters SCLR.PA – Bloomberg SOG.FP)

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