
SOGECCLAIR

Engineering **the future**

SFAF, 22 March 2017

WHO ARE WE?

- SOGECLAIR is a leading supplier of high added-value solutions and products for the aerospace sector, and for the civil and military transport industries.
- With nearly 1,400 staff working worldwide and more than 50 years' experience, the Group supports its customers all along the value chain by meeting their needs for innovation and quality.

WHO ARE WE?

SOGECLAIR

A family company listed on NYSE Euronext Paris ~ 1,400 staff ~ Turnover: €136 million

Aerospace Division

1250 staff

Engineering
Turnover: €121 million



France - Germany - Spain - United Kingdom - Tunisia - Canada

CHECKAERO

S2E CONSULTING

Products / Manufacturing



ADM
Metallic subassemblies

avia@mp
Thermoplastic subassemblies



msb
Cabin furnishing

Vehicle Division

14 staff

Engineering and
Manufacturing of mission
vehicles
(military and industrial)

Turnover: €1.5 million



sera
GROUPE SOGECLAIR Ingénierie

Simulation Division

100 staff

Simulators and Simulation
software workshops

Turnover: €14 million



OKTAL
OKTAL-SE
Synthetic Environment

A track-record at the customer's service

Customers

An unrivalled customer portfolio:

- Airbus, Bombardier, Dassault, Mitac (Mitsubishi), RATP, Thales, Mecachrome...
- Nearly 70 aeronautical and space programmes

Quality

Quality standards:

- ISO 9001, EN 9100, DOA
- Civil & military sectors
- Two modern aeronautical production plants, each optimised for a specific core business (Toulouse for thermoplastic composite materials and Montreal for cabin furnishing)

Productivity

Productivity & International growth:

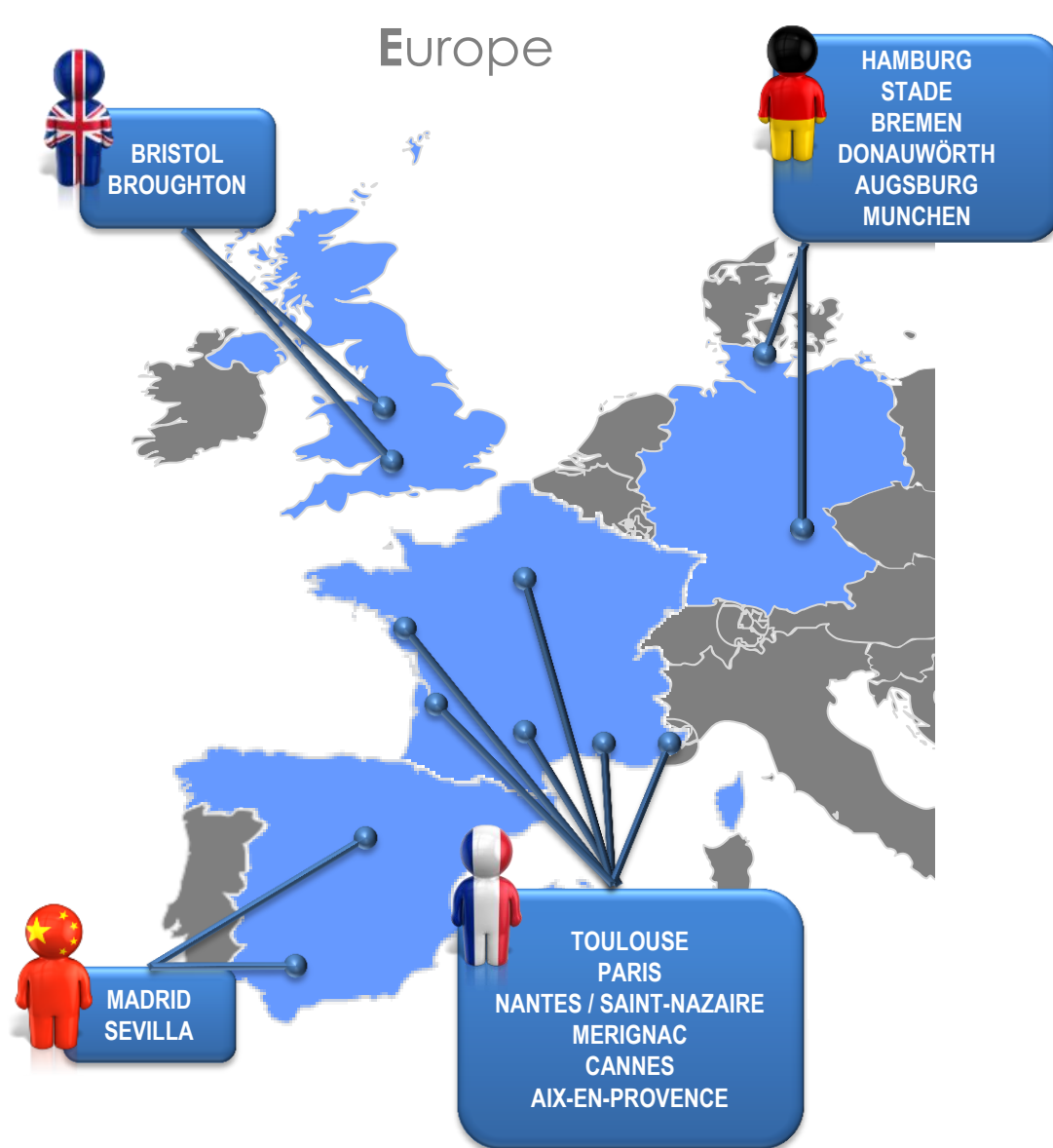
- Infrastructure and organisation capable of supporting sales growth, especially abroad
- High added-value product and service economic model

Innovation

Our service activities and R&D are the incubators for tomorrow's products:

- More than 50 years' know-how, ongoing R&D with a dedicated team, €41 million invested in 5 years
- Unique technical skills supporting the customer from design through to production
- Human skills and patents

A far-reaching geographical footprint



North America



North Africa

Geographical footprint:

- *Close to our customers' plants*
- *Extensive international expertise*
- *Transnational skills*

2016 – Key facts

- ❖ Increasingly robust growth model
- ❖ Greater profits
- ❖ First results of series activities linked to our innovations in the area of thermoplastic composite materials
- ❖ Growth in our activities linked to the aircraft manufacturers' production ramp-ups on a market showing structural growth of 5% a year
- ❖ Commercial extension to the USA and in France (Loire-Atlantique)

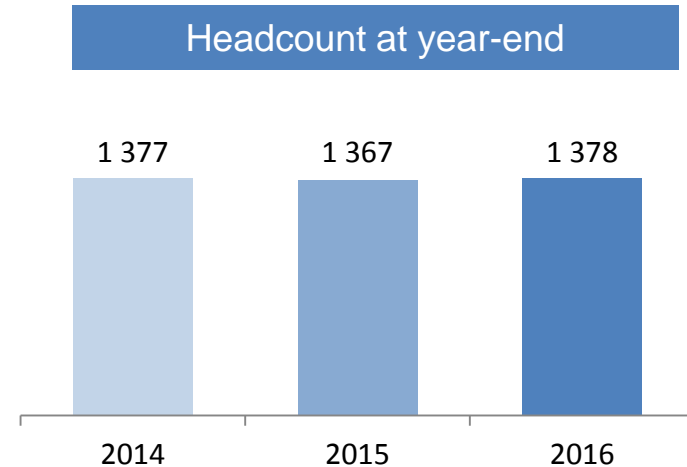
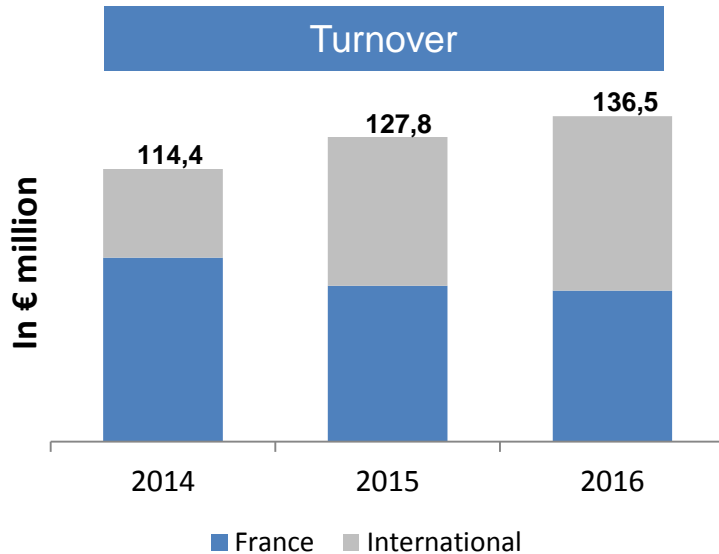
Greater innovation

R&D efforts focussing on:

- Simulation for the development of our autonomous vehicle
- Aircraft of the future
- Design technologies for new additive layer manufacturing processes (3D Printing)
- Industrialisation and acceleration in the area of composite and thermoplastic materials
 - Increasingly recurring revenue streams
 - Substantial order book



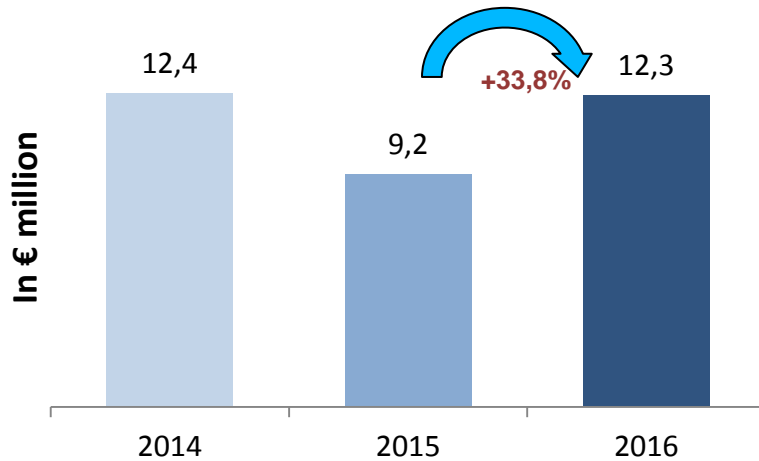
Key figures for 2016 (1/3)



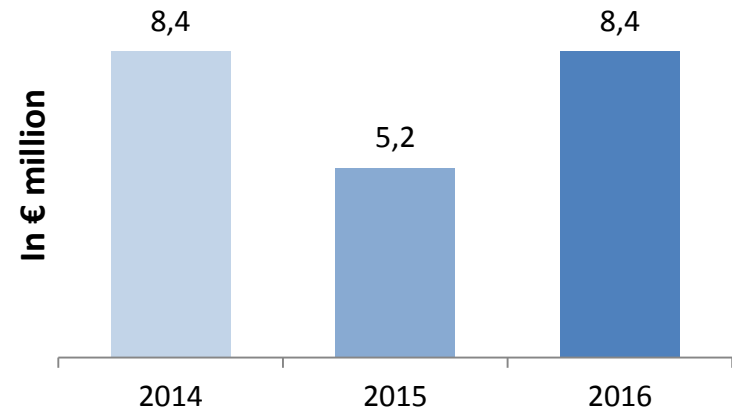
- Organic growth of +6.8% driven by international sales up by 17.2%
- Growth in the Aerospace activity, up by 5.7% (+€6.5 million)
- Downturn for the Vehicle division (-€0.5 million), but sustained growth for the Simulation division, up by 24.3% (+€2.7 million)

Key figures for 2016 (2/3)

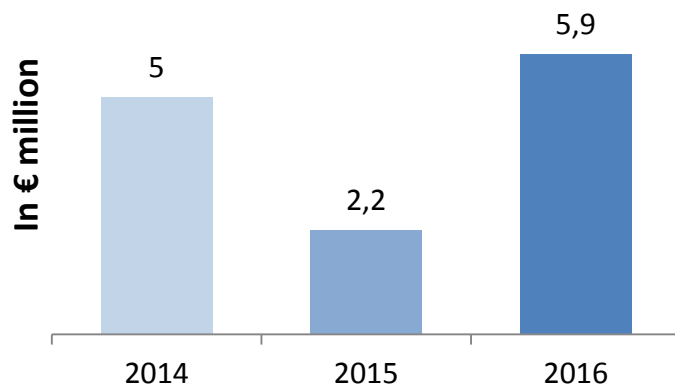
EBITDA at 9% of turnover



Current operating income at 6.2% of turnover



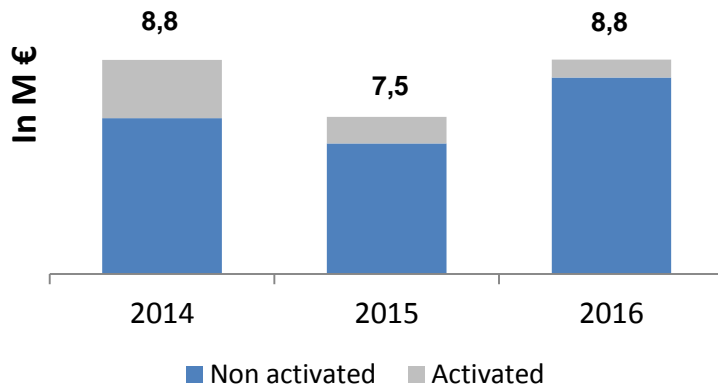
Net profit (group share) at €2.03 per share



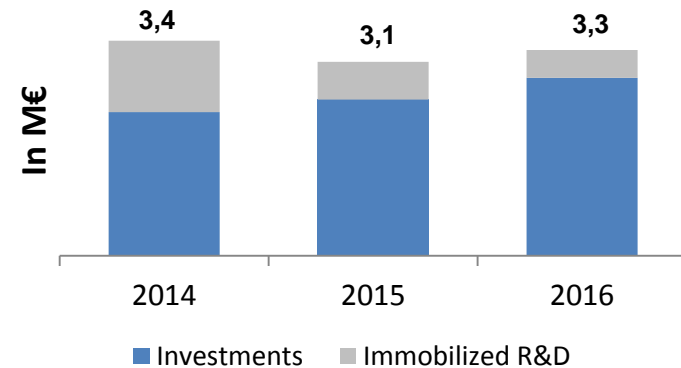
- Improved profitability for the Aerospace division in a highly competitive context
- Downturn in Defence orders impacting the Vehicle division

Key figures for 2016 (3/3)

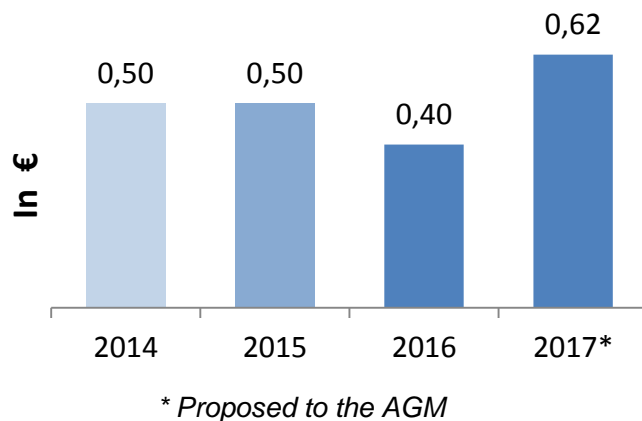
R&D invested



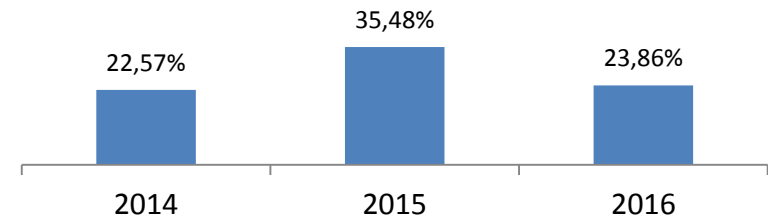
Capex



Dividend: group pay-out at 32.8%



Gearing (yc qualified pre-payments)



- Increased R&D activities on new projects (in particular in simulation)
- Dividend increased by +55% (€0.62 per share)

Application areas

➤ Mission vehicles



➤ Simulation systems and software workshops



➤ Aeronautics and space



Vehicle Division

In € million	2015	2016	Variation
Turnover	2.03	1.53	-24.5%
EBITDA	0.52	0.04	-91,5%
As % of turnover	25.8%	2.9%	

- Activity at the beginning of the year impacted by a wait & see attitude regarding orders (pre-election period),
- Very strong order-taking at the end of the year representing 1.9 times its 2016 turnover.
- Favourable perspectives

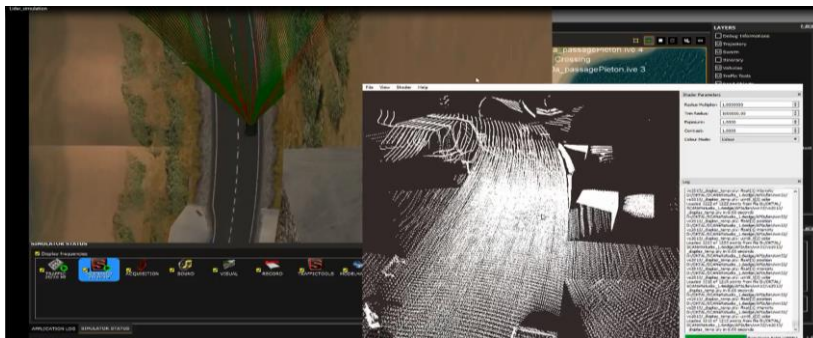
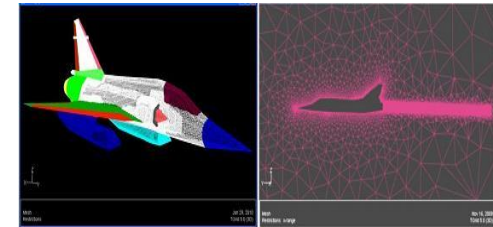


Simulation Division

In € million	2015	2016	Variation
Turnover	11.29	14.04	+24.3%
EBITDA	2.84	3.05	+7.5%
As % of turnover	25.1%	21.7%	



- Good dynamics for the Systems activity and software sales,
- Position as key partner in major R&D projects (cockpit of the future, autonomous vehicle, etc.),
- Two-figure growth for orders taken



New challenges in the aeronautical construction market

2010-2015

After a strong development activity for major new commercial programmes:

- **Serious fall-back in these programmes since 2013 (Europe, North America)**
- **Only new perspectives identified and planned: by-products**

2015-2020

In parallel, appearance of major challenges regarding:

- **Production launch**
- **Ramp-up**
- **Product and process optimisation**
- **Support for aircraft in service**

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Repositioning:

- **of commercial activities (international and business aviation, maintenance centres, etc.)**
- **of customer offerings (production and cabin)**
- **preservation of know-how and skills to face up to the forthcoming cycles**
- **Competence and agility on a buoyant market**

Aerospace Division

In € million	2015	2016	Variation
Turnover	114.45	120.96	+5.7%
EBITDA	4.67	8.53	+82.7%
As % of turnover	4.1%	7%	



- Improved performance for the division
- Strengthening of our presence in Loire-Atlantique, the UK and USA
- Industrialisation and ramp-up for thermoplastic composite materials

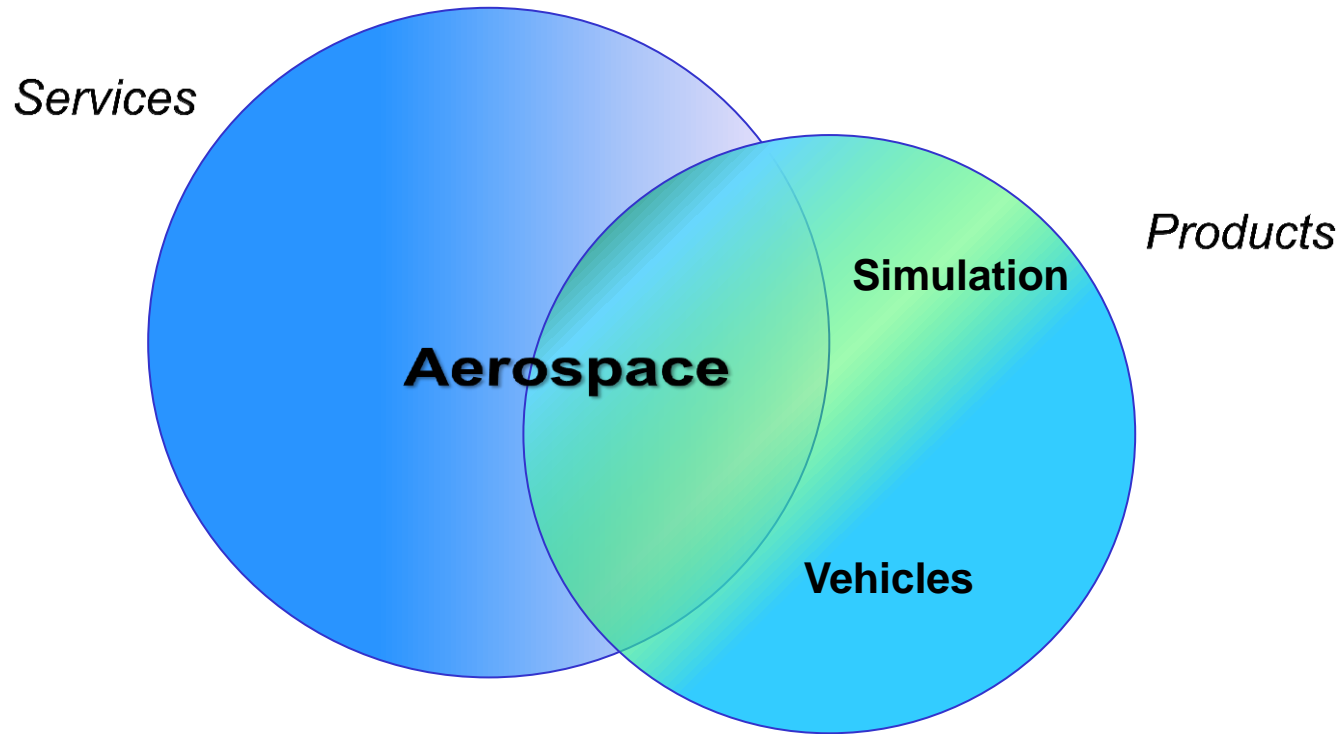


An international market with multiple targets

SOGECLAIR



An exclusive offering in line with market developments



- Exclusive offering
- Technological expertise
- Innovative high-quality products and solutions, with costs under control

Recent news

➤ Trade Fairs in 2017

- **Aircraft Interiors in Hamburg – April 2017**

Aircraft cabin furnishing and fittings

- **EBACE in Geneva – May 2017**

European business aviation convention & exhibition

- **ITEC in Rotterdam – May 2017**

Defence, military training, simulation and education forum

- **Le Bourget Airshow in Paris – June 2017**

International aeronautics and space show

- **Autonomous Vehicle Test & Development Symposium in Stuttgart – June 2017**

Research in the area of autonomous vehicles

- **JSAE Automotive Engineering Exposition in Nagoya - June 2017**

Automobile technologies trade show

- **DSC (Driving Simulation Conference) in Stuttgart – September 2017**

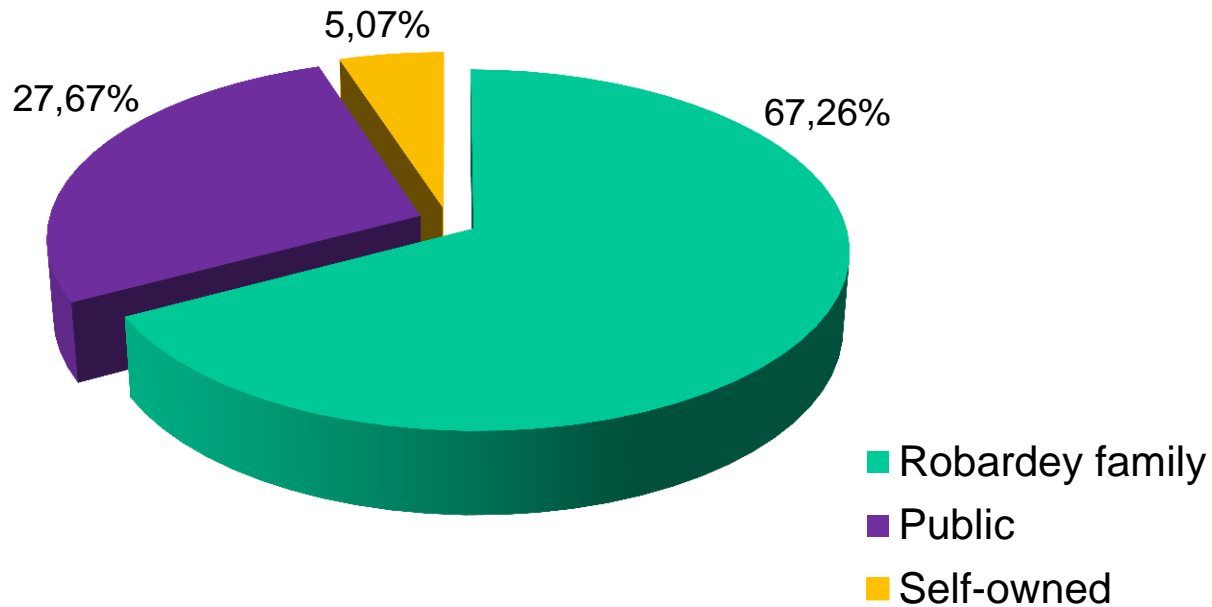
Autonomous vehicle R&D

- **NBAA in Las Vegas – October 2017**

Business aviation professional trade fair

Capital structure on 31-12-2016

Shareholding



→ Stable shareholding to safeguard the Company's strategy in the long term

Forecast press release dates

	2017
Q1 turnover	10/05/2017
Q2 turnover	26/07/2017
H1 results Embargo period from 30/08/2017 to 13/09/2017	13/09/2017
Q3 turnover	08/11/2017

Appendixes

Consolidated income statement

INCOME STATEMENT (in €k)	2014	2015	2016
Turnover	114,421	127,782	136,523
Other operating income	7,528	3,565	3,312
Cost of goods sold	-40,710	-46,670	-52,210
Payroll expenses	-66,526	-74,096	-73,812
Taxes and duties	-1,121	-1,081	-1,172
Depreciation and amortisation	-4,968	-4,044	-3,853
Other expenses	-219	-305	-339
Current Operating Income	8,405	5,151	8,449
Income from sale of consolidated holdings			
Other operating income and charges	-1,514	-13	-184
Operating income before income from equity method affiliates	6,891	5,138	8,265
Share of income from equity method affiliates	-2	-47	-47
Operating income	6,889	5,091	8,218
Income from cash and cash equivalents	279	-1 075	53
Gross finance costs	-401	-630	-629
Net finance costs	-122	-1,706	-577
Other financial income and expenses	-8	32	-159
Income before taxes	6,760	3,417	7,482
Income tax expense	-2,051	-1,220	-1,099
Net profit	4,708	2,197	6,383

Consolidated Balance Sheet – Assets

ASSETS (in €k)	2014	2015	2016
Goodwill	12,142	12,063	12,596
Intangible assets	9,808	8,883	7,692
Tangible assets	5,023	4,940	5,528
Equity method investments	65	17	66
Financial fixed assets	1,041	1,213	1,308
Non-current assets	28,079	27,117	27,191
Inventory	4,754	7,293	8,790
Trade notes, receivables and related accounts	46,239	43,231	46,103
Other current debtors	11,507	13,488	13,249
Deferred income tax	3,834	4,162	4,427
Cash and cash equivalents	17,553	11,074	14,878
Current assets	83,886	79,248	87,447
TOTAL ASSETS	111,965	106,365	114,638

Consolidated Balance Sheet – Liabilities

LIABILITIES (in €k)	2014	2015	2016
Capital	2,900	2,900	2,900
Share premium	2,630	2,630	2,630
Own shares	-734	-712	-712
Reserves and accrued profits	28,427	28,817	34,966
Equity capital, group share	33,223	33,635	39,784
Minority interests	4,666	6,044	5,761
Consolidated shareholders' equity	37,889	39,679	45,545
Non-current provisions	2,402	2,594	2,875
Non-current qualified pre-payments	3,109	3,055	2,953
Non-current financial liabilities	13,399	10,746	12,965
Other non-current liabilities	118	97	1
Non-current liabilities	19,029	16,492	18,795
Current qualified pre-payments	605	216	634
Current part of non-current financial liabilities	4,337	4,583	3,868
Current financial liabilities	4,654	6,551	5,325
Current provisions			244
Trade creditors, instalments and related accounts	15,448	12,933	13,896
Tax and social liabilities	22,461	19,991	19,702
Deferred income tax	179	171	
Other current liabilities	7,363	5,750	6,628
Current liabilities	55,047	50,195	50,298
TOTAL LIABILITIES	111,965	106,365	114,638

Consolidated Cashflow Statement

CONSOLIDATED CASHFLOW STATEMENT (in €k)	2014	2015	2016
Consolidated net result (including minority interests)	4,708	2,197	6,383
+/- Amortisation and provisions (excluding those linked to current assets)	3,741	3,955	4,304
-/+ Latent gains and losses linked to fair value variations	37	17	-6
-/+ Other calculated income and expenses	-36		
-/+ Transfer capital gains and losses	2	-3	-30
+/- Share in the result linked to equity method affiliates	2	47	47
- Dividends (non-consolidated securities)			-31
Self-financing capacity after net finance costs and tax	8,453	6,214	10,666
+ Net finance costs	214	634	516
+/- Tax charge (including deferred tax)	2,051	1,220	1,099
Self-financing capacity before net finance costs and tax (A)	10,718	8,067	12,281
- Tax paid (B)	-5,868	-3,854	-792
+/- Variation in working capital requirement linked to the activity (including debt related to personnel benefits) (C)	-1,477	-4,986	-3,528
= CASHFLOWS FROM OPERATING ACTIVITIES (D) = (A + B + C)	3,373	-772	7,962
- Outflows linked to the acquisition of tangible and intangible assets	-2,345	-1,843	-2,779
+ Inflows linked to the sale of tangible and intangible assets	158	47	247
- Outflows linked to the acquisition of financial assets (non-consolidated securities)		-42	-96
+ Inflows linked to the sale of financial assets (non-consolidated securities)		9	42
+/- Impact of variations in scope	-10,063	-55	237
+ Dividends received (equity method affiliates, non-consolidated securities) * see alternative processing 7.2			31
+/- Variation in loans and advances granted	-116	-158	-142
= CASHFLOWS FROM INVESTMENT ACTIVITIES (E)	-12,366	-2,041	-2,459
+ Sums received from shareholders at time of capital increases			
- Paid by the parent company's shareholders			
- Paid by the integrated company minority interests	283		
-/+ Buyback and sale of own shares	43	143	
- Dividends allocated for payment during the year			
- Dividends paid to the parent company shareholders	-1,371	-1,372	-1,101
- Dividends paid to the integrated company minority interests	-244	-261	-186
+ Revenue from loan issues	6,602	1,200	5,828
- Loan reimbursements (including leasing contracts)	-4,082	-4,854	-4,513
- Net finance costs (including leasing contracts)	-147	-568	-422
+/- Other flows linked to financing operations			
= NET CASHFLOWS FROM FINANCING ACTIVITIES (F)	1,082	-5,711	-395
+/- Impact of changes in currency exchange rates (G)	43	149	-79
= NET CASH VARIATION (D + E + F + G)	-7,868	-8,376	5,029

Consolidated sector-by-sector analysis

	AEROSPACE		VEHICLE		SIMULATION		HOLDING		GROUP	
INCOME STATEMENT (in €k)	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Turnover	114,449	120,955	2,025	1,530	11,294	14,038	15		127,782	136,523
Other operating income	1,606	1,439	144	133	1,772	1,718	43	21	3,565	3,312
External expenses	-41,237	-44,332	-373	-406	-3,081	-5,536	-1,979	-1,936	-46,670	-52,210
Payroll expenses	-64,783	-63,896	-861	-1,016	-6,607	-6,587	-1,845	-2,313	-74,096	-73,812
Taxes and duties	-677	-783	-37	-36	-153	-144	-214	-208	-1,081	-1,172
Depreciation and amortisation	-3,399	-3,205	-94	-111	-388	-499	-162	-37	-4,044	-3,853
Other expenses	-224	-251	-1		-9	-10	-72	-78	-305	-339
Intra-Group operations	-4,467	-4,606	-375	-160	-378	-428	5,220	5,193		
Current operating result	1,268	5,320	428	-67	2,451	2,553	1,005	643	5,151	8,449
Result on disposal of consolidated holdings										
Other operating profits and expenses	-11	-62	-7	1	6	-19	-2	-105	-13	-184
Operating result before earnings of equity method affiliates	1,257	5,258	421	-66	2,457	2,534	1,003	538	5,138	8,265
Share in earnings of equity method affiliates	-47	-47							-47	-47
Operating income	1,210	5,211	421	-66	2,457	2,534	1,003	538	5,091	8,218

Financial fundamentals

Net debt situation

<i>In €k</i>	31/12/2015	31/12/2016	Variation
Financial liabilities	(18,601)	(20,421)	+10%
Net cash	4,523	9,553	+111%
Net debt	(14,077)	(10,868)	-23%

Equity capital

GEARING

39,700	45,545
35%	24%