

The logo features a large, light blue diamond shape composed of a grid of smaller diamonds. A smaller, darker blue diamond with a white grid pattern is centered over the word "SOGECLAIR".

# SOGECLAIR

Ingénierie de haute technologie



Blagnac, France, March 20th 2019-5.35pm,  
Montreal, Canada

## ANNUAL RESULTS FOR 2018

Consolidated turnover up by +8.2% (International up by +9.7%)  
Net result: +7.4%

**SOGECCLAIR**, designer of innovative, high added-value solutions and products for the aerospace and transport sectors, announces today its financial results for the year ended December 31<sup>st</sup> 2018.

The year is marked by:

- ❖ **SYDAC acquisition** (Australia, India, UK) specialized in railway simulation and road transports which represents the 1<sup>st</sup> SOGECCLAIR establishment in Pacific Asia.
- ❖ The **purchase of minority shares in Canada**.
- ❖ **Management strengthening**.
- ❖ A **second half showing strong growth** in term of turnover and results.

*The Board of Directors, meeting on March 15<sup>th</sup> 2019, closed the annual accounts for 2018.  
The audit procedures have been accomplished on the annual accounts.*

In €M	2018	2017	2018 / 2017
<b>Turnover</b>	<b>159.4</b>	147.3	+8.2%
<i>International</i>	<i>88.0</i>	80.3	+9.7%
<b>EBITDA<sup>(1)</sup></b>	<b>15.6</b>	13.8	+13.5%
<i>As a % of turnover</i>	<i>9.8%</i>	9.3%	
<b>Operational Result</b>	<b>9.1</b>	9.9	-7.7%
<i>As a % of turnover</i>	<i>5.7%</i>	6.7%	
<b>Net Result</b>	<b>7.0</b>	6.5	+7.4%
<i>Including group share</i>	<i>6.3</i>	5.5	+14.6%

SOGECCLAIR presents its 2018 accounts by applying, in anticipation of the effective obligation on 2019/01/01, the IFRS 16 standard (accounting as fixed assets the leases).  
Thus EBITDA amounted at €M 15.6 (including 2.4 M€ under the effect of IFRS 16).

<sup>(1)</sup> Operating result – other operating income and charges + amortization expenses and operating provisions

## Growth of activity

The growth comes to +8.2% (5.8% at constant perimeter) with a strong increase at the 2<sup>nd</sup> half at +14.8% (10% at constant perimeter). The turnover at constant perimeter is deducted from the share generated by the companies acquired in 2018 representing 3.6 €M.

To point the very good performances of:

- Simulation: +37%
- America: +17%
- Products: +16%

- ❖ **Aerospace activity** at 134.7 €M at +5.4% is continuing its long term growth (+44% in 5 years).
- ❖ **Simulation** at 21.7 €M accelerate at +37% of which +14% at constant perimeter (+122% in 5 years).
- ❖ **Vehicule** at 3 €M in decline of 19% due to a 2017 base effect at +141% (+76% in 5 years).

The EBITDA profitability by division is detailed below:

EBITDA / Division	In €M	As a % of turnover
<b>Aerospace</b>	7.9	5.9%
<b>Simulation</b>	5.5	25.2%
<b>Vehicule</b>	0.8	28.5%
<b>Parent company</b>	1.4	
<b>Group</b>	<b>15.6</b>	<b>9.8%</b>

The 2018 accounts are presented for the 1<sup>st</sup> time by applying the IFRS 16 standard (EBITDA impact +2.4 €M, debt impact +8.5€M). As a result, the gearing stood at 44.7% including 14.9% which was related to the anticipate application of IFRS 16 standard, mandatory on the 1<sup>st</sup> of January 2019.

## Dividend proposal

The Board of Directors will propose to the General Meeting of Shareholders on May 16<sup>th</sup> 2019, a dividend of €0.67 per share.

## Perspectives

SOGECCLAIR posted a model of continuous growth, a well-balanced customer and geographical portfolio. Its perfect knowledge and the capitalization of future technologies, end to end packages offers of products and services, reinforce its position of technological player of reference in the aerospace and transport market.

Thanks to its investments that support long-term growth, SOGECCLAIR anticipates a new year of growth for 2019.

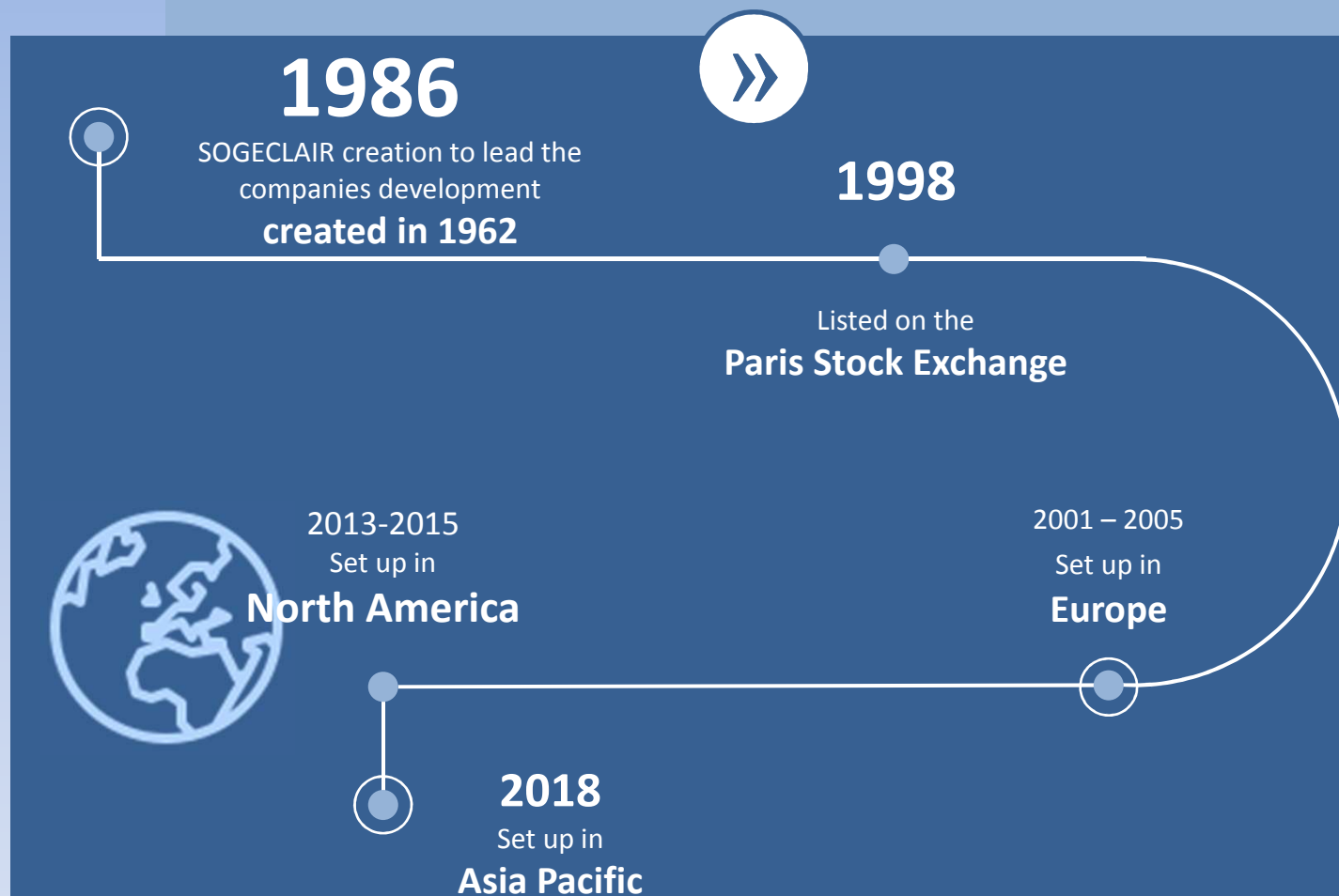
## Next announcement: turnover for Q1 2019, on May 07th 2019 after closing of the Stock Market

### About SOGECCLAIR

Designer of innovative, high added-value solutions and products, SOGECCLAIR brings its skills in high-quality engineering and production to a broad range of cutting-edge sectors, notably aeronautics, space and transport. 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 Group counts more than 1,500 staff working worldwide to offer a high-quality, proximity service to all its customers.

SOGECCLAIR is listed on NYSE Euronext Paris – Compartment C – Code ISIN: FR0000065884 – PEA PME 150 / (Reuters SCLR.PA – Bloomberg SOG.FP)

Contacts: Philippe ROBARDEY, President & CEO of SOGECCLAIR/ Marc DAROLLES, Executive Vice President of SOGECCLAIR / +33(0)6 81 71 71 71 / www.sogecclair.com



**SOGECLAIR is a leading supplier of technological solutions and products with high added-value in the transportation industry (air and ground)**

## Headquarter

7 Avenue Albert Durand  
31700 BLAGNAC - FRANCE

**SOGECLAIR**

Our international development  
started in the 2000s and keeps  
growing



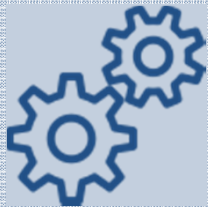


# A UNIQUE OFFER

We design, manufacture and support the transportation solutions of tomorrow.



**R&D**



**Mechanical  
engineering**



**DESIGN - ENGINEERING**



**Virtual  
reality**



**PRODUCTS & MANUFACTURING**



**Deep  
learning**



**SUPPORT**



**Systems  
integration**

# R&D



## PRODUCTS

- Aircraft equipment,
- Teleoperated vehicles,
- Simulators,
- Software, ...



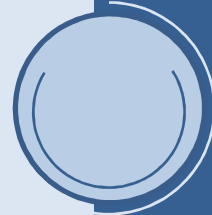
## TECHNOLOGIES

- Thermoplastics,
- Additive manufacturing,
- Pultrusion, ...



## PROCESS

- Optimization,
- Standardization,
- Lead Times reduction,
- Design to Cost, ...



## TOOLS

- Productivity,
- Visual management,
- Digital continuity,
- Data access, ...



## SIMULATION

- Synthetic environment,
- Augmented reality
- Sensors testing,, ...

# DESIGN - ENGINEERING



AIRCRAFT STRUCTURES, INTERIORS and  
EQUIPMENT

## Airframe, Systems and Equipment

Conception  
Detailed design  
Support  
FTI  
System Installations  
Certification

## Support & Services

Repairs  
Cabin activities  
Connectivity  
GSE  
Liveries



MISSION VEHICLES

## Design & Prototype, Adaptation

Heavy vehicles  
Light vehicles  
Test benches



SOFTWARE AND SIMULATORS

## Simulation

Synthetic environments  
Test Intelligence  
Sensors

# PRODUCTS

## Aerospace



- Thermoplastic & Metallic aerostructures,
- Furniture & mechanism,
- Equipment
- Additive Manufacturing, ...



Full tank access cover



Baro Setting Control Box

## Simulation



- Software and training and simulation platforms for: tram, metro, bus, airport, defense, automotive, ...



## Vehicle



- Defense Special systems: manned, unmanned



ROBBOX



# SOGECLAIR

## AEROSPACE DIVISION



Engineering & Products

## SIMULATION DIVISION



Simulators and simulation  
software

## VEHICLE DIVISION



Engineering &  
manufacturing of mission  
vehicles



Mechanical  
engineering



Virtual  
reality



Deep  
learning



Systems  
integration

# SOGECLAIR



## AEROSPACE

84% of turnover

### ENGINEERING

- Design
- Development
- Production support
- Support for devices in service
- Modifications
- Certification

### PRODUCTS

- Structure
- Embedded equipment
- Aircraft interiors furniture
- Simulated equipment

## SIMULATION

14% of turnover

### PRODUCTS

- Software
- Simulator for development
- Training simulators

## VEHICLE

2% of turnover

### PRODUCTS

- Military and industrial vehicles
- Transformations and adaptations



Cross-cutting R&D and know-how  
for transports of the future

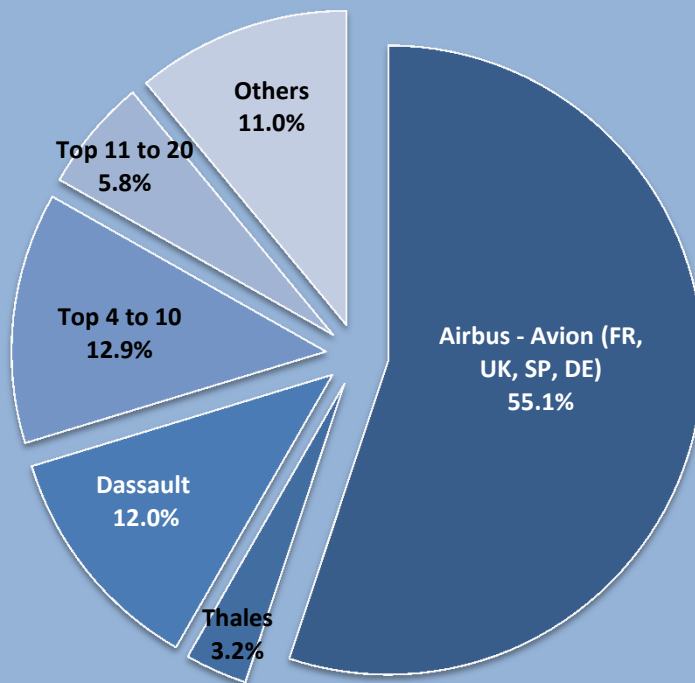


# **2018 RESULTS**

# 2018: A CUSTOMER PORTFOLIO WELL BALANCED

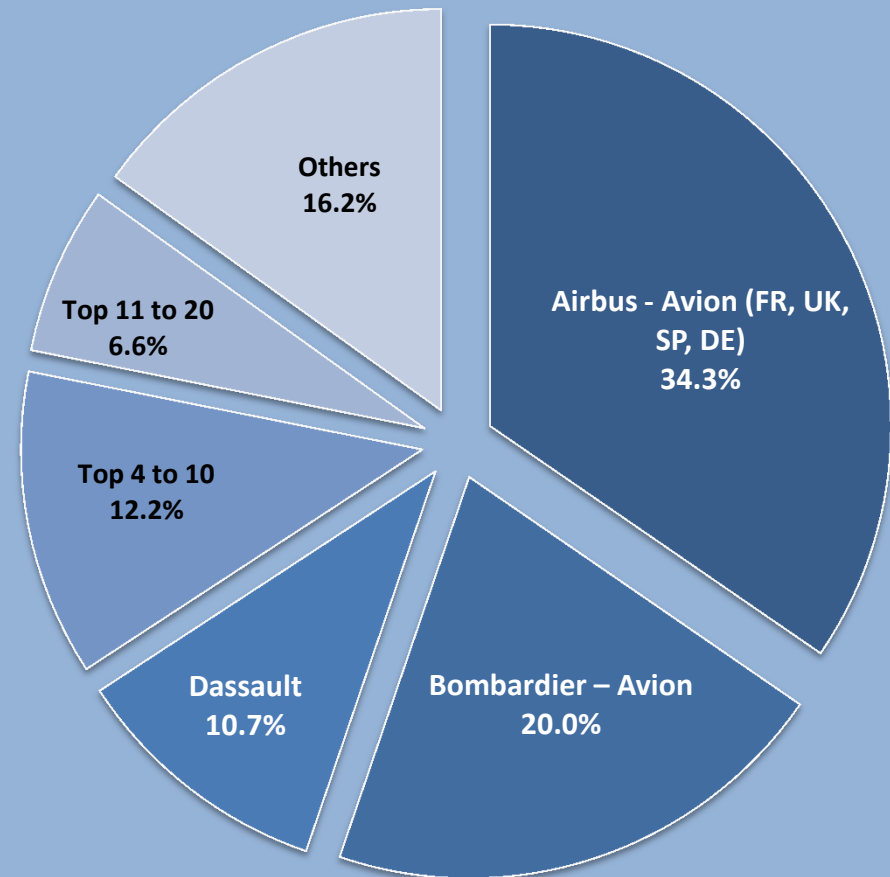
**2014**

Turnover: 114.42 €M



**2018**

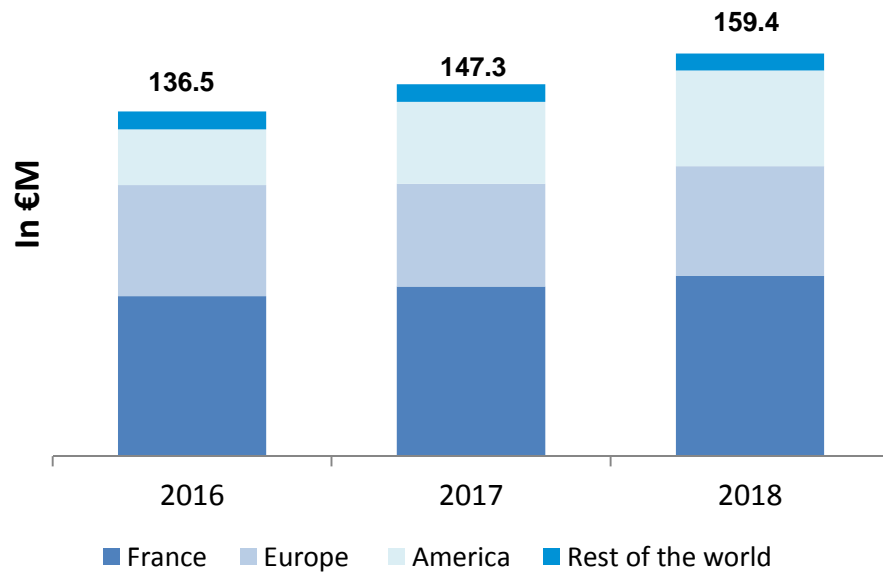
Turnover: 159.4 €M



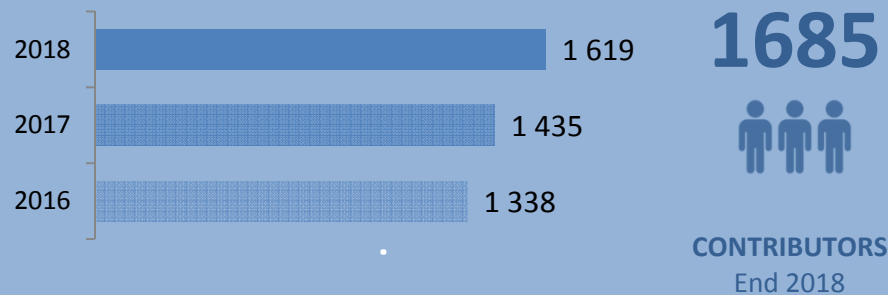


# KEY FIGURES

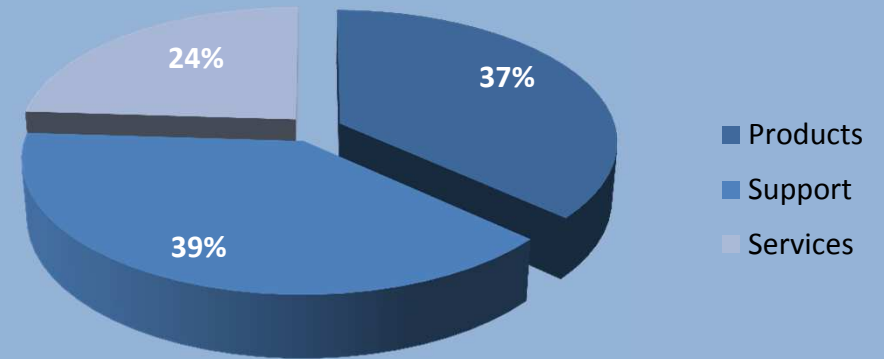
## TURNOVER



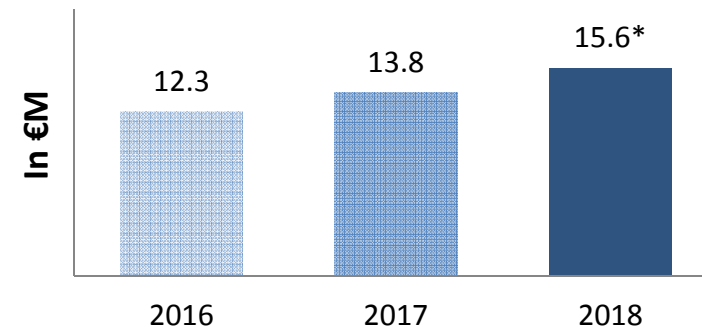
## HEADCOUNT



## ACTIVITIES



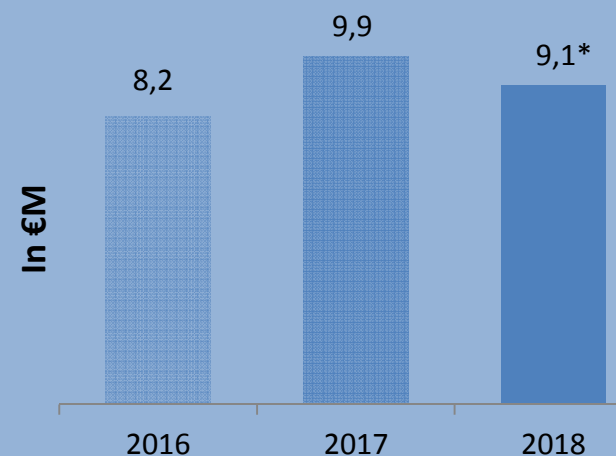
## EBITDA at 9,8% of turnover



\* including anticipate application of IFRS 16 (2,4M€)

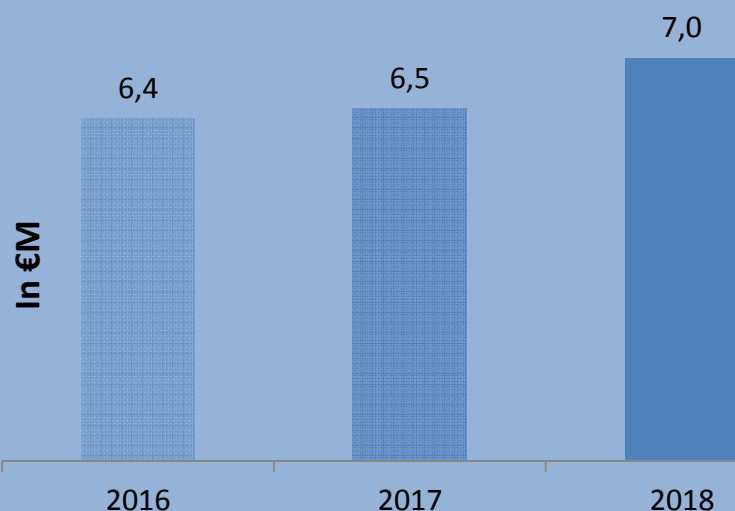
# KEY FIGURES

## OPERATING INCOME AT 5,7% of TURNOVER

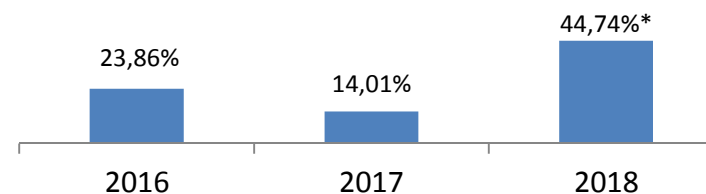


\* Including anticipate application of IFRS 16 (+0.1€M)

## NET PROFIT AT 4.40% OF TUROVER



## GEARING (including qualified pre-payment)



\* Including anticipate application of IFRS 16 (14.9%)

- ❖ Net debt of cash is rising due to:
  - An increase of the Group's debt following the IFRS 16 application for +8,5 €M
  - The treasury degradation following a WCR (working capital requirement) increase and overdue payments over the period
- ❖ Shareholders 'equity impacted by -3 €M through the purchase of minority shares in Canada

# IN SYNTHESIS

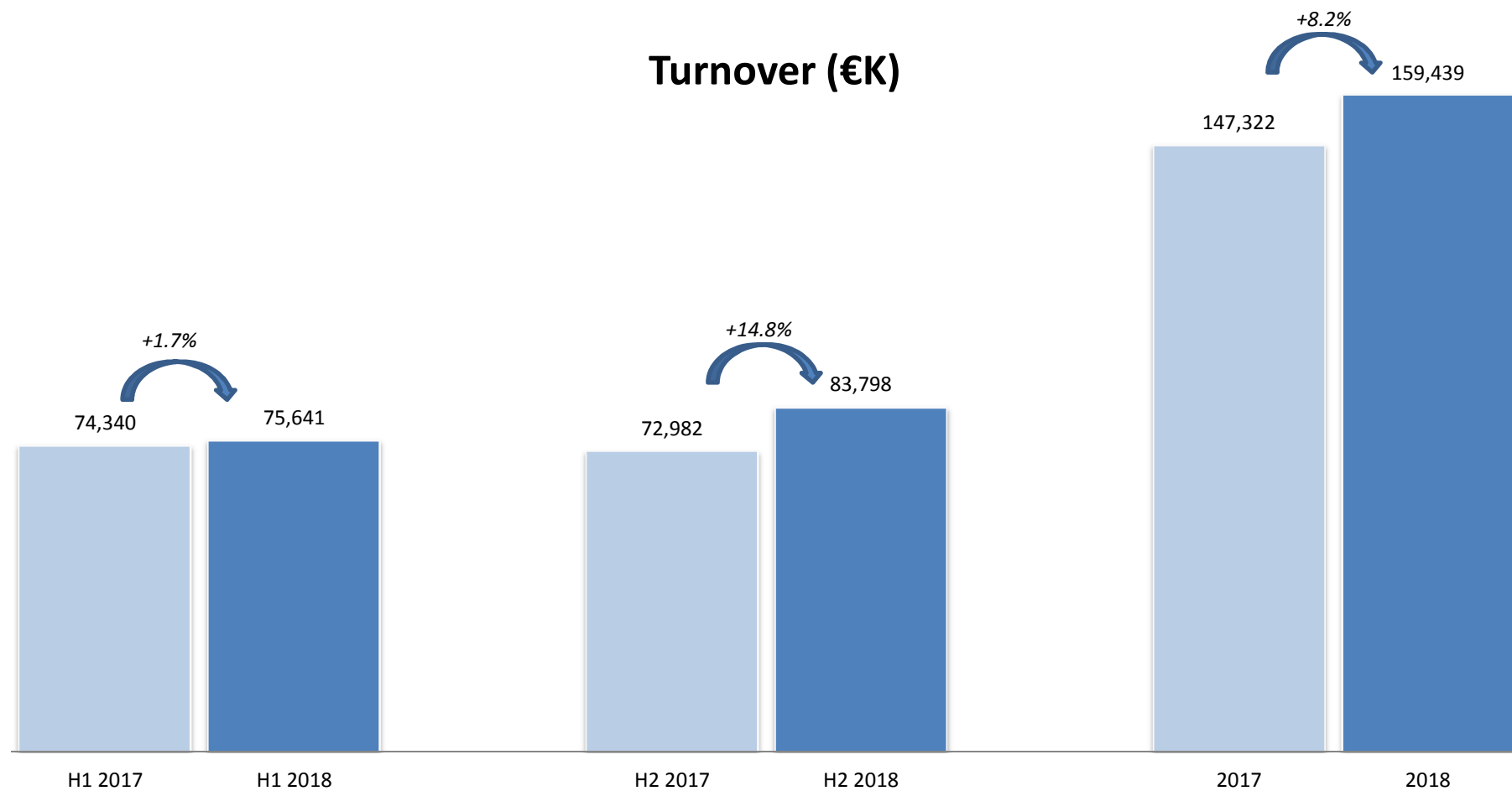
## 2018 ACCOUNTS (€K)

	<b>2016</b>	<b>2017</b>	<b>2018</b> (before IFRS 16)	<b>2018*</b>
Turnover	136,523	147,322	159,439	159,439
EBITDA	12,302	13,774	13,273	15,637
Operational Result	8,218	9,881	8,987	9,125
Net Result	6,383	6,477	6,925	6,957
Net Debt (including qualified pre-payments)	10,868	7,824	16,978	25,457

\* including anticipate application of IFRS 16

# IN SYNTHESIS

## 2018 vs 2017 ACCOUNTS / SEMESTER

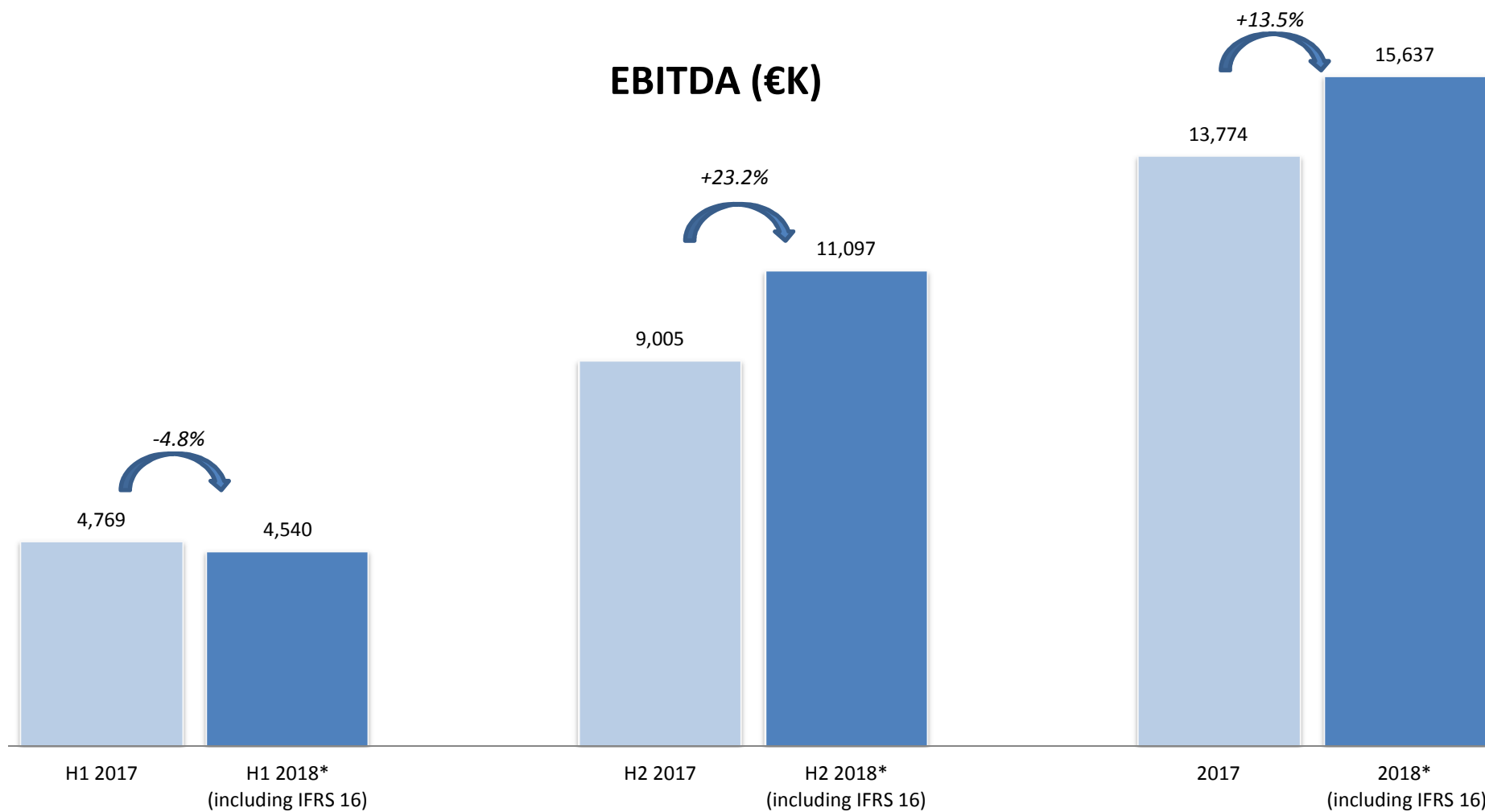




# IN SYNTHESIS

## 2018 vs 2017 ACCOUNTS / SEMESTER

### EBITDA (€K)

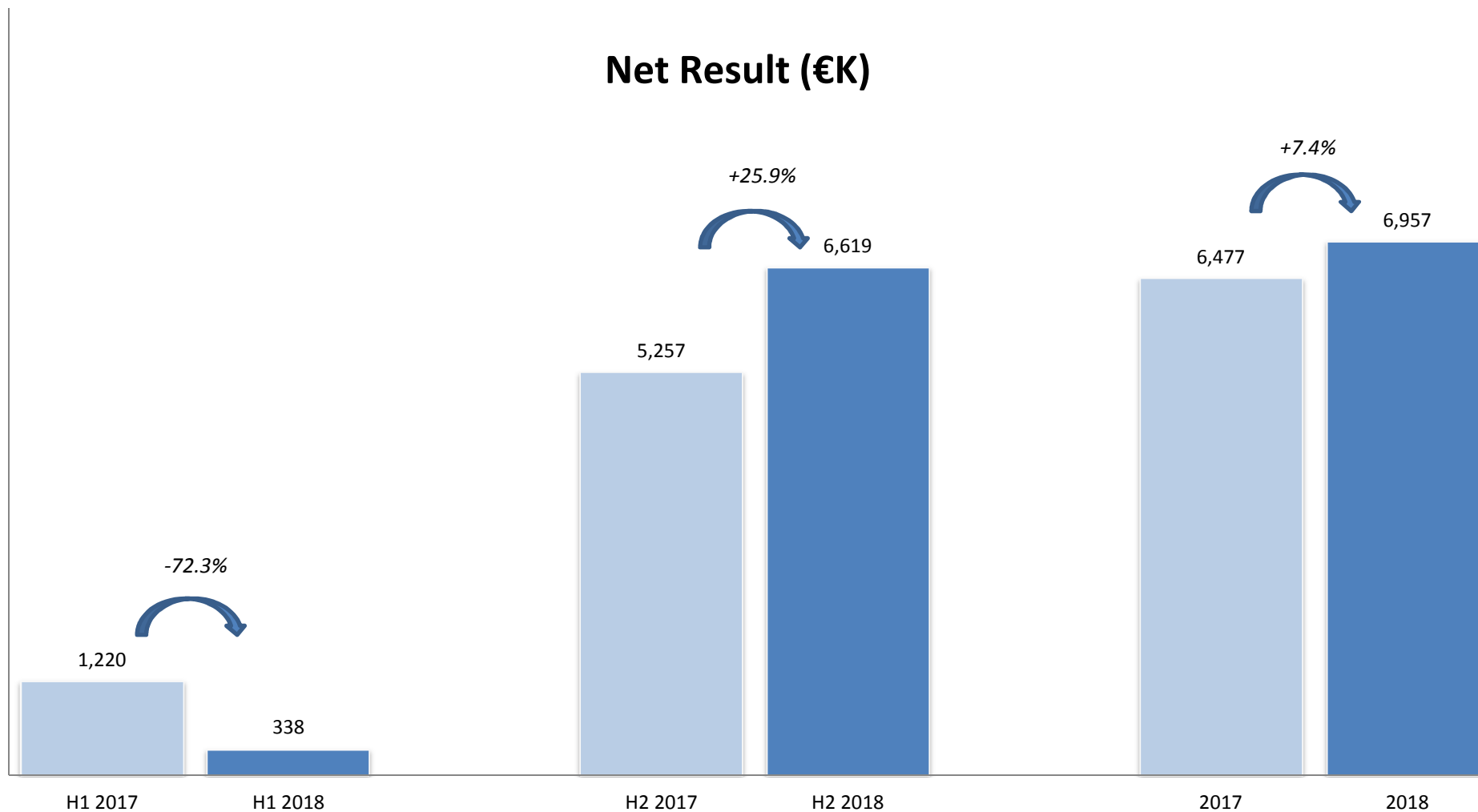


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# IN SYNTHESIS

## 2018 vs 2017 ACCOUNTS / SEMESTER

### Net Result (€K)

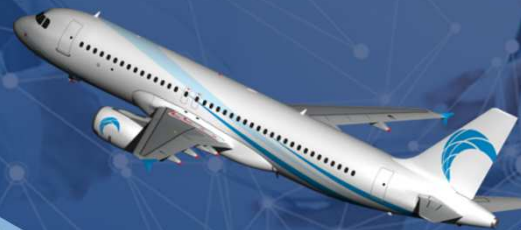


SOGECLAIR

## AEROSPACE DIVISION



Engineering & Products



# AEROSPACE

In €M	2016	2017	2018	Variation 2018- 2017
Turnover	121.0	127.7	<b>134.7</b>	+5.4%
EBITDA	8.5	7.7	<b>7.9</b>	+3.2%
As a % of turnover	7.0%	6.0%	<b>5.9%</b>	

- Purchase of minority shares in Canada
- Wining of aircraft fleet support in services
- Growth of embedded and simulated equipment
- Strong growth of the business aviation activity
- Management strengthening for thermoplastic activity





# AEROSPACE

## MARKET DRIVERS



Innovation



Ecological performance  
of aircrafts



Value engineering



Rate



Maintenance of fleets in  
service and of the second-  
hand market

## TECHNOLOGIES

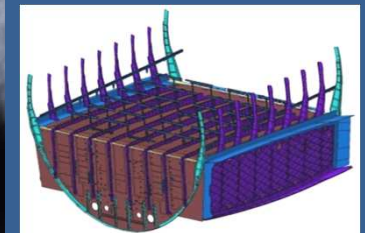
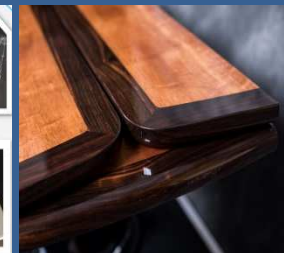
- Design and manufacture
- Materials & operational implementation
- Qualification of equipment manufacturers
- Design to cost

## KEY FACTORS OF SUCCESS

- Mobility and engineers training towards new technologies / processes
- Winning of new customers
- Strengthening the presence in the USA
- Start production in India
- Digitalization



*Business aircraft interiors*



*A350 Center Wing Box*



[www.sogclair.com](http://www.sogclair.com)

# SIMULATION DIVISION



Simulators and simulation software



# SIMULATION

In €M	2016	2017	2018	Variation 2018- 2017
Turnover	14.0	15.9	<b>21.7</b>	+36.8%
EBITDA	3.1	4.2	<b>5.5</b>	+29.7%
As a % of turnover	21.7%	26.6%	<b>25.2%</b>	

- SYDAC acquisition in August (Australia, India, UK)
- High order intake
- Structuring A.V. Simulation : General Manager, premises, teams (difficulties to recruit)





# SIMULATION

## MARKET DRIVERS



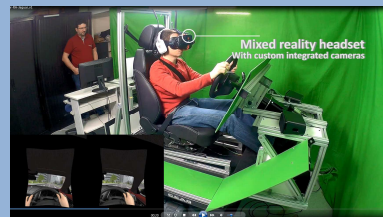
**Needs to design complex systems incorporating multiple technologies and environments**  
(vehicles, arming systems, ...)



**Training needs for operators & traceability**



Railway Simulator in virtual reality



DoF 6 Simulator and virtual reality headset

## TECHNOLOGIES

- Development of simulation software:  
Environments,  
Combined sensors,  
Business application.
- Architecture, design and realization of business simulation systems

## KEY FACTORS OF SUCCESS

- Acceleration of the complexity of systems,
- Strengthening resources,
- Deployment of a direct and indirect commercial network on all continents,
- Integration of SYDAC.



## VEHICLE DIVISION



Engineering & manufacturing  
of mission vehicles (military and  
industrial)



# VEHICLE

In €M	2016	2017	2018	Variation 2018- 2017
Turnover	1.5	3.7	3.0	-18.6%
EBITDA	0.04	0.7	0.9	+14.9%
As a % of turnover	2.9%	20.2%	28.5%	

➤ **Recruitment of a Deputy General Manager, Army General Luc Beaussant** : « *SERA Ingenierie is the French company which has an overview on the opening of routes and the counter-mine.* »

➤ **New industrial customer in support of its diversification towards the military**

➤ **Cooperations with the simulation division for large simulators**



# VEHICLE

## MARKET DRIVERS



Increasing needs for protection and support of the military in operation



Transformation and adaptation needs for mission vehicles



Mined route opening System (SOUVIM)



Multi-mission terrestrial drone

## TECHNOLOGIES

Expertise in architecture, design, dynamic behavior and vehicle construction.

## KEY FACTORS OF SUCCESS

- Boost growth for:
  - Property products
  - Advance internal skills



SOGECLAIR posted solid basics thanks to its investments in:

- ❖ Research & Development,
- ❖ Clean products,
- ❖ Customer diversification,
- ❖ Geographic globalization,

which support its long-term organic growth.

External growth will enable to accelerate development in the future.

In short term, SOGECLAIR anticipates a new year of growth for 2019.

# FORECAST PRESS RELEASE DATES

2019	
2019 Q1 Turnover	2019/05/07
2019 Q2 Turnover	2019/07/24
2019 H1 Results <i>Quiet period from 2019.08.28 to 2019.09.11</i>	2019/09/11
2019 Q3 Turnover	2019/11/06





# **APPENDIXES**

# Appendix 1: Consolidated income statement

<b>INCOME STATEMENT</b> (in €k)	<b>2016</b>	<b>2017</b>	<b>2018</b>
Turnover	136,523	147,322	159,439
Other operating income	3,312	4,203	6,006
Cost of goods sold	-52,210	-57,564	*-61,833
Payroll expenses	-73 812	-77,837	-85,709
Taxes and duties	-1,172	-1,229	-1,258
Depreciation and amortisation	-3,853	-3,710	** -7,903
Other expenses	-339	-1,121	-1,007
<b>Current Operating Income</b>	<b>8,449</b>	<b>10,064</b>	<b>7,734</b>
Income from sale of consolidated holdings			
Other operating income and charges	-184	-194	***1,385
<b>Operating income before income from equity method affiliates</b>	<b>8,265</b>	<b>9,870</b>	<b>9,119</b>
Share of income from equity method affiliates	-47	11	5
<b>Operating income</b>	<b>8,218</b>	<b>9,881</b>	<b>9,125</b>
Income from cash and cash equivalents	53	-774	-389
Gross finance costs	-629	-605	-749
<b>Net finance costs</b>	<b>-577</b>	<b>-1,379</b>	<b>-1,138</b>
<b>Other financial income and expenses</b>	<b>-159</b>	<b>-111</b>	<b>74</b>
<b>Income before taxes</b>	<b>7,482</b>	<b>8,391</b>	<b>8,061</b>
Income tax expense	-1,099	-1,915	-1,104
<b>Net profit</b>	<b>6,383</b>	<b>6,477</b>	<b>6,957</b>
Part of group	5,881	5,510	6,315
Part of minority	502	966	642

\*Decrease on rents following IFRS16 application for -2.4 €M

\*\*Increase of amortization expense following IFRS16 application for +2.2 €M

\*\*Increase of PAT provisions (Termination losses)

\*\*\*Including SYDAC goodwill gain

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## Appendix 2: Consolidated Balance Sheet - Assets

<b>ASSETS</b> (in €k)	<b>2016</b>	<b>2017</b>	<b>2018</b>
Goodwill	12,596	14,559	14,589
Intangible assets	7,692	8,680	8,431
Tangible assets	5,528	6,582	*15,214
Equity method investments	66	77	83
Financial fixed assets	1,308	1,666	**3,001
<b>Non-current assets</b>	<b>27,191</b>	<b>31,565</b>	<b>41,318</b>
Inventory	8,790	8,652	12,129
Trade notes, receivables and related accounts	46,103	50,515	60,334
Other current debtors	13,249	16,942	20,410
Deferred income tax	4,427	4,379	5,269
Cash and cash equivalents	14,878	24,216	19,466
<b>Current assets</b>	<b>87,447</b>	<b>104,704</b>	<b>117,608</b>
<b>TOTAL ASSETS</b>	<b>114,638</b>	<b>136,268</b>	<b>158,926</b>

\*Increase of tangible assets: including the right to use IFRS16 for +8.3 €M

\*\*Increase of financial fixed assets: including SYDAC guarantees

## Appendix 3: Consolidated Balance Sheet - Liabilities

<b>LIABILITIES</b> (in €k)	<b>2016</b>	<b>2017</b>	<b>2018</b>
Capital	2,900	2,900	2,900
Share premium	2,630	2,630	2,630
Own shares	-712	-712	-712
Reserves and accrued profits	34,966	42,095	46,625
Equity capital, group share	39,784	46,913	51,443
Minority interests	5,761	8,919	*5,462
Consolidated shareholders' equity	45,545	55,832	56,904
Non-current provisions	2,875	3,673	5,710
Non-current qualified pre-payments	2,953	2,402	1,406
Non-current financial liabilities	12,965	16,986	**24,151
Other non-current liabilities	1	1	1
Non-current liabilities	18,795	23,061	31,269
Current qualified pre-payments	634	806	1,130
Current part of non-current financial liabilities	3,868	4,386	**7,904
Current financial liabilities	5,325	7,461	10,331
Current provisions	244	193	565
Trade creditors, instalments and related accounts	13,896	13,296	18,696
Tax and social liabilities	19,702	21,772	22,837
Deferred income tax		5	
Other current liabilities	6,628	9,457	9,290
Current liabilities	50,298	57,375	70,752
<b>TOTAL LIABILITIES</b>	<b>114,638</b>	<b>136,268</b>	<b>158,926</b>

\*Decrease of minority interests following the purchase of minority shares in Canada

\*\*Increase of non-current financial liabilities following IFRS 16 application for +8.5 €M

## Appendix 4: Consolidated sector-by-sector analysis

	AEROSPACE		VEHICULE		SIMULATION		HOLDING	
INCOME STATEMENT (in €k)	2017	2018	2017	2018	2017	2018	2017	2018
Turnover	127,738	134,694	3,689	3,004	15,893	21,738	2	3
Other operating income	2,354	3,157	119	125	1,702	2,722	29	3
External expenses	-47,907	-50,605	-1,740	-1,219	-5,972	-8,961	-1,946	-1,048
Payroll expenses	-68,087	-73,499	-1,298	-1,065	-6,625	-8,892	-1,828	-2,253
Taxes and duties	-819	-795	-49	-64	-144	-171	-217	-228
Depreciation and amortisation	-2,893	-3,823	-107	-315	-485	-2,910	-225	-856
Other expenses	-928	-786	-18	-1	-65	-91	-111	-128
Intra-Group operations	-4,690	-4,255	43	79	-569	-870	5,216	5,046
Current operating result	4,769	4,087	639	543	3,735	2,565	921	539
Result on disposal of consolidated participations								
Other operating profits and expenses	1,347	-23	-3		-214	1,727	-1,324	-319
Operating result before earnings of equity method affiliates	6,116	4,064	637	543	3,521	4,292	-403	220
Share in earnings of equity method affiliates	11	5						
Operating income	6,127	4,070	637	543	3,521	4,292	-403	220



## Appendix 5 : Cashflow Statement

<b>CONSOLIDATED CASHFLOW STATEMENT</b> (in €k)	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Consolidated net result (including minority interests)</b>	6,383	6,477	6,957
+/- Amortisation and provisions (excluding those linked to current assets)	4,304	3,784	3,861
-/+ Latent gains and losses linked to fair value variations	-6	-18	-25
-/+ Transfer capital gains and losses	-30	-109	37
-/+ Dilution profits and losses		-168	27
+/- Share in the result linked to equity method affiliates	47	-11	-5
- Dividends (non-consolidated securities)	-31		
<b>Self-financing capacity after net finance costs and tax</b>	<b>10,666</b>	<b>9,955</b>	<b>10,851</b>
+ Net finance costs	516	460	704
+/- Tax charge (including deferred tax)	1,099	1,915	1,104
<b>Self-financing capacity before net finance costs and tax (A)</b>	<b>12,281</b>	<b>12,329</b>	<b>12,660</b>
- Tax paid (B)	-792	-4,604	-5,666
+/- Variation in working capital requirement linked to the activity (including debt related to personnel benefits) (C)	-3,528	99	-7,001
<b>= CASHFLOWS FROM OPERATING ACTIVITIES (D) = (A + B + C)</b>	<b>7 962</b>	<b>7 824</b>	<b>-7</b>
- Outflows linked to the acquisition of tangible and intangible assets	-2,779	-4,356	-4,265
+ Inflows linked to the sale of tangible and intangible assets	247	485	72
- Outflows linked to the acquisition of financial assets (non-consolidated securities)	-96	-4	-33
+ Inflows linked to the sale of financial assets (non-consolidated securities)	42		
+/- Impact of variations in scope	237	102	-294
+ Dividends received (equity method affiliates, non-consolidated securities)	31		
+/- Variation in loans and advances granted	-142	-361	164
+ Investments grants received			95
+/- Other flows related to investment operations			
<b>= CASHFLOWS FROM INVESTMENT ACTIVITIES (E)</b>	<b>-2,459</b>	<b>-4,134</b>	<b>-4,261</b>
+ Sums received from shareholders at time of capital increases		2,947	44
- Dividends allocated for payment during the year			
- Dividends paid to the parent company shareholders	-1,101	-1,708	-1,707
- Dividends paid to the integrated company minority interests	-186	-217	-275
+ Revenue from loan issues	5,828	8,516	8,061
- Loan reimbursements (including leasing contracts)	-4,513	-5,636	-8,791
- Net finance costs (including leasing contracts)	-422	-380	-770
+/- Other flows linked to financing operations			
<b>= NET CASHFLOWS FROM FINANCING ACTIVITIES (F)</b>	<b>-395</b>	<b>3,522</b>	<b>-3,437</b>
+/- Impact of changes in currency exchange rates (G)	-79	-10	86
<b>= NET CASH VARIATION (D + E + F + G)</b>	<b>5,029</b>	<b>7,202</b>	<b>-7,620</b>



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