

The logo features a large, light blue diamond shape in the background, composed of a grid of smaller diamonds. A smaller, solid blue diamond is centered over the text. The text 'SOGECLAIR' is written in a bold, black, serif font, with the 'E' and 'C' overlapping the central blue diamond.

**SOGECLAIR**

Ingénierie de haute technologie

## RESULTS FOR THE 1<sup>st</sup> HALF 2019

Turnover = €90.6 M, +19.8% (+13.1% at constant exchange rate and perimeter)  
EBITDA<sup>(1)</sup> = €5.4 M, +18.5%

SOGEC LAIR, designer and manufacturer of innovative high added-value solutions for the aerospace and transport sectors, announces today its financial results for the 1<sup>st</sup> half ended June 30<sup>th</sup> 2019.

The Board of Directors, meeting on September 05<sup>th</sup> 2019, closed the 1<sup>st</sup> semester accounts for 2019.  
The audit procedures have been accomplished on the annual accounts.  
Any apparent differences regarding the figures are due to rounding-off.

In € million	H1 2019	H1 2018	H1 2019 / H1 2018
Turnover	90.6	75.6	+19.8%
<i>International</i>	51.9	41.1	+26.2%
EBITDA <sup>(1)</sup>	5.4	4.5	+18.5%
<i>As a % of turnover</i>	5.9%	6.0%	
Operational Result	1.2	1.2	+0.8%
<i>As a % of turnover</i>	1.3%	1.5%	
Net Result	-0.5	0.3	
<i>Including group share</i>	-0.7	0.3	

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

The activity for the 1<sup>st</sup> half was very dynamic, driven by a leap forward of the simulation division at +55.1% (with +19.7% at constant exchange rate and perimeter), the strong dynamic of the aerospace division at +15.1% (with +12.3% at constant exchange rate and perimeter) and the increase of 5.6% of the vehicle division.

The contribution by division is the following:

In €M	Aerospace		Simulation		Vehicle		Holding	
	H1 2019	H1 2018	H1 2019	H1 2018	H1 2019	H1 2018	H1 2019	H1 2018
Turnover	74.9	65.1	14.2	9.2	1.5	1.4		
EBITDA	2.9	2.0	1.3	1.2	0.1	0.3	1.0	1.0
OR <sup>(2)</sup>	1.0	-0.1	-0.3	0.6	-0.1	0.2	0.6	0.4

<sup>(2)</sup> OR = Operational Result

- ◆ As announced at the time of the SYDAC acquisition in August 2018, the simulation division temporary supports an exceptional loss of -€1000k in operational result of which -€800k in EBITDA linked to SYDAC. The return to a position of financial balance is confirmed by the end of the year 2019.
- ◆ The aerospace division benefits from a particularly dynamic activity on the H1.

SOGEC LAIR reminds that the IFRS 16 standard relating to leases has been applied since the 1<sup>st</sup> half of 2018, the gearing is thus at 57.8%. It should be noted that over the period the purchase of the minority shares in the aerospace in Canada as well as those of the vehicle. Today, SOGEC LAIR owns 100% of the vehicle and of North American subsidiaries of the aerospace division.

### Perspectives

SOGEC LAIR confirms the forecast of a double-digit increase in business over the year, the activity of the 2<sup>nd</sup> half is expected in growth despite a perimeter and base effect less favourable than during the 1<sup>st</sup> half. There will be higher margins during the 2<sup>nd</sup> half than in the 1<sup>st</sup> half, which is structural for SOGEC LAIR. Improvements in the balance sheet will be achieved in particular as a result of the capital increase of €4.8M reserved to key women and men (capital increase certified on July 12<sup>th</sup> 2019) and of the reimbursement of tax receivables for an amount of € 3M.

**Next announcement: turnover for Q3 2019, on November 06<sup>th</sup> 2019 after closing of the Stock Market**

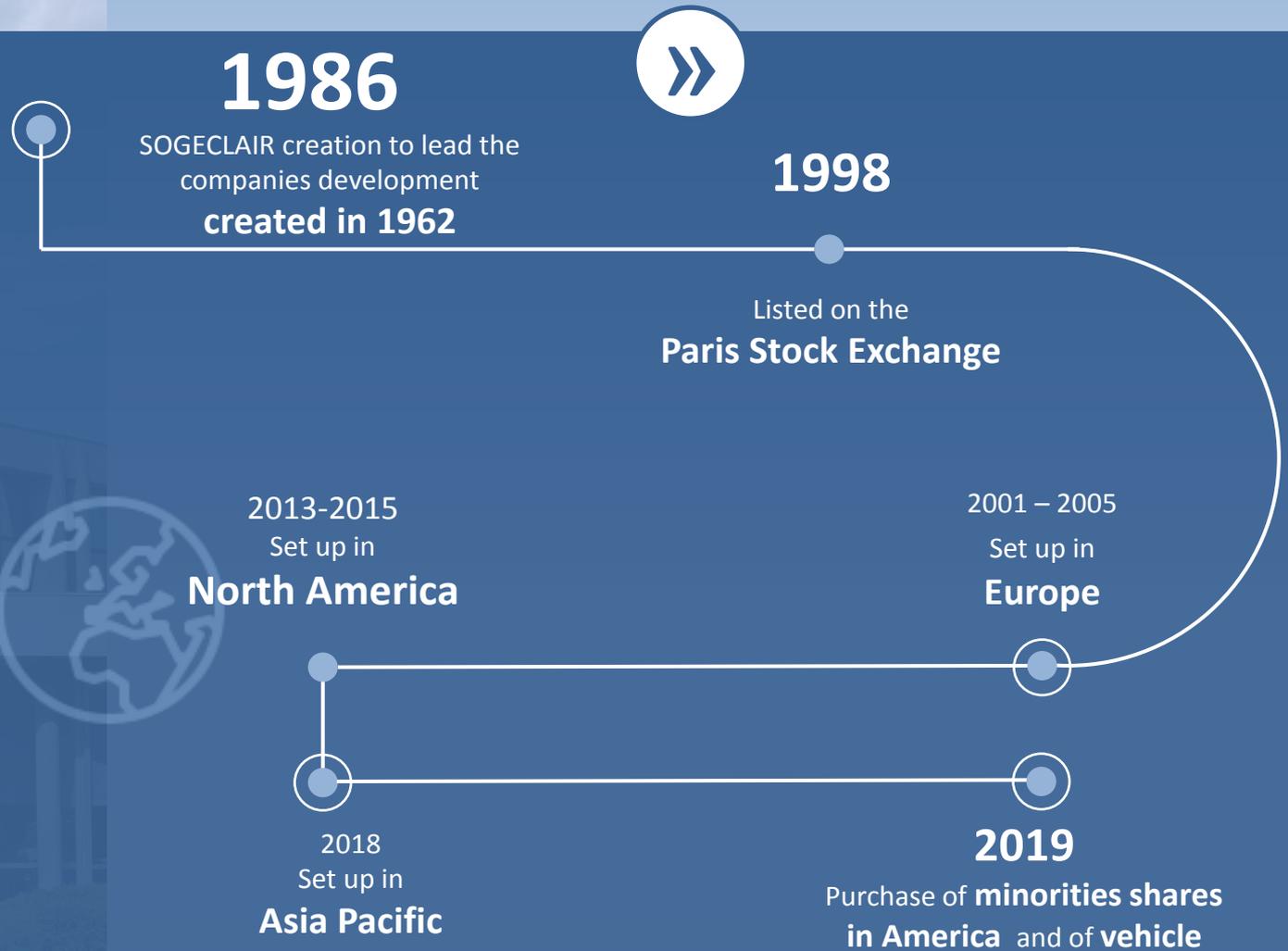
#### About SOGEC LAIR

Designer and manufacturer of innovative high added-value solutions, SOGEC LAIR 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 nearly 1,700 staff working worldwide to offer a high-quality, proximity service to all its customers.

SOGEC LAIR is listed on NYSE Euronext Paris – Compartment C – Code ISIN: FR0000056864 – PEA PME 150

(Reuters SCLR.PA – Bloomberg SOG.FP)

Contacts: Philippe ROBARDEY, President & CEO of SOGEC LAIR / Marc DAROLLES, Executive Vice President of SOGEC LAIR / [www.sogecclair.com](http://www.sogecclair.com) / +33(0)5 61 71 70 33



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



# 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,
- Digitalization ...

## TOOLS

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

## SIMULATION

- Synthetic environment,
- Augmented reality
- Sensors,
- Land vehicles,...

# DESIGN - ENGINEERING



AIRCRAFT STRUCTURES, INTERIORS and EQUIPMENT

## Airframe, Systems and Equipment

Design  
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  
airport, automobile, defense, railway

## Simulation

Synthetic environments  
Test simulation  
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: airport, automotive, bus, defense, metro, tram,...



Subway simulator

## Vehicle



- Defense Special systems: manned, unmanned



ROBOBOX

# 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

83% of turnover

### ENGINEERING

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

### PRODUCTS

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

## SIMULATION

15% 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

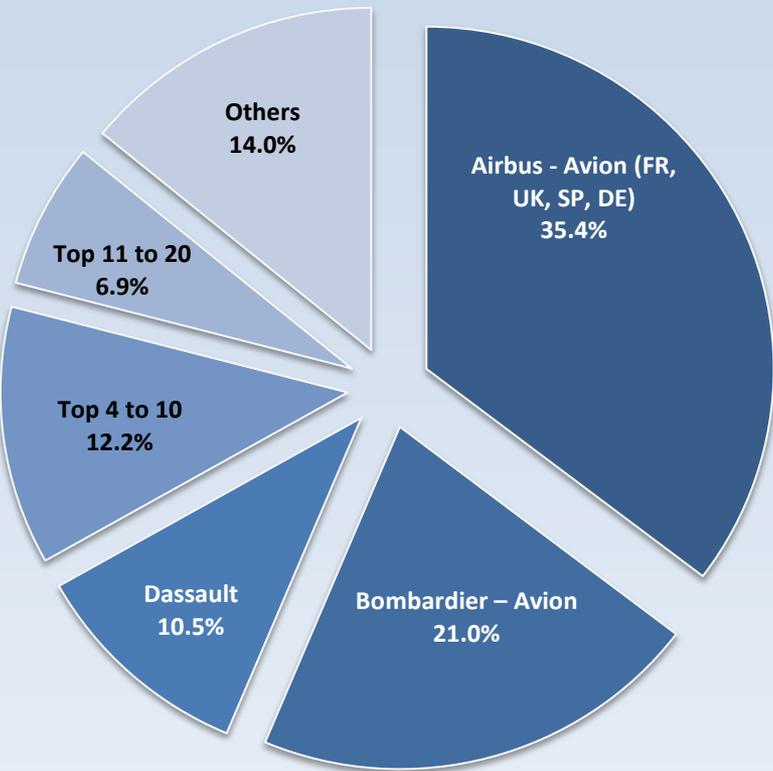


# **H1 2019 RESULTS**

# H1 2019: A CUSTOMER PORTFOLIO ALWAYS MORE BALANCED

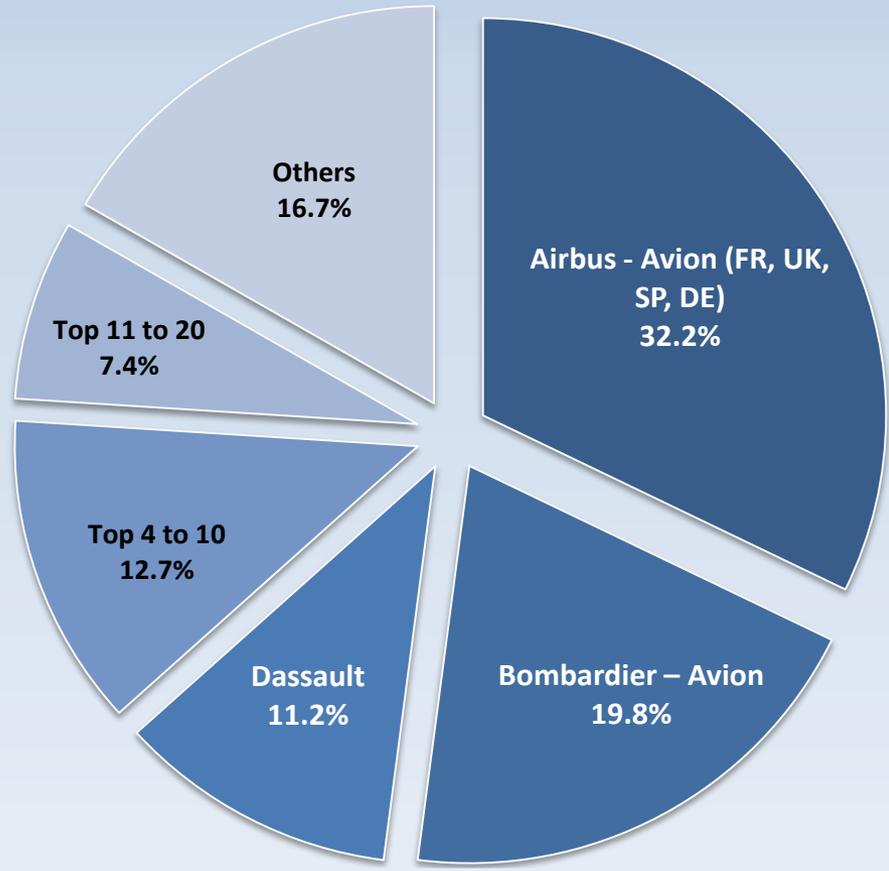
## H1 2018

Turnover: €M 75.6



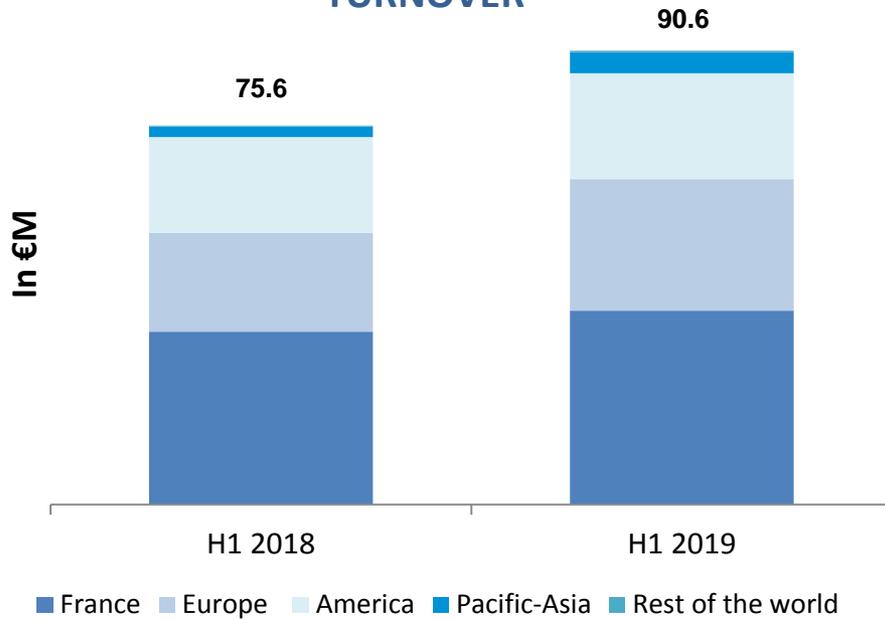
## H1 2019

Turnover: €M 90.6

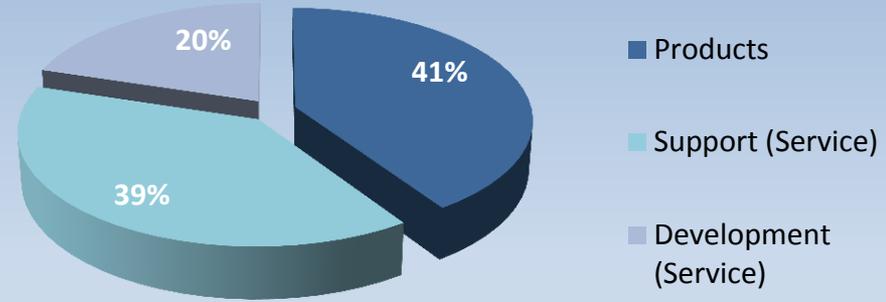


# KEY FIGURES

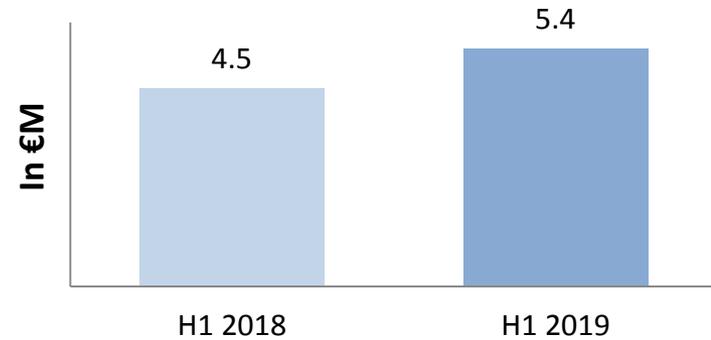
## TURNOVER



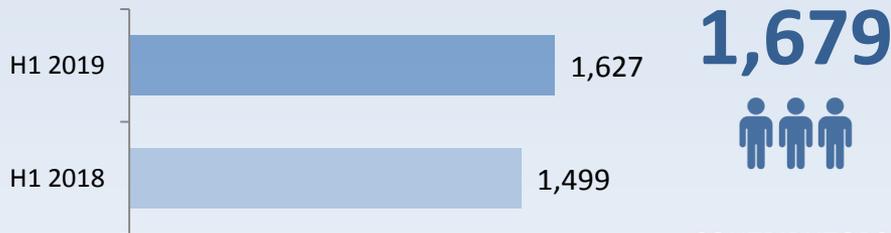
## ACTIVITIES



## EBITDA at 5.9% of turnover



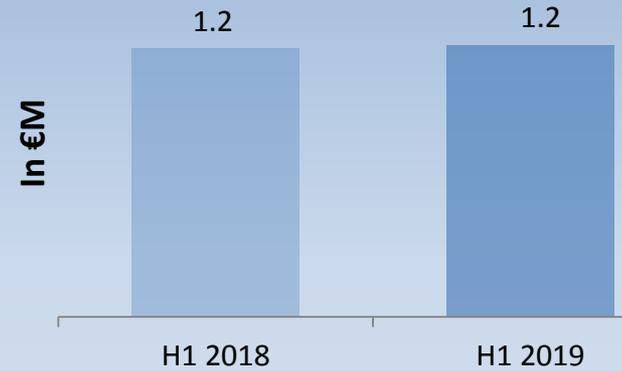
## HEADCOUNT



**CONTRIBUTORS**  
End of H1 2019

# KEY FIGURES

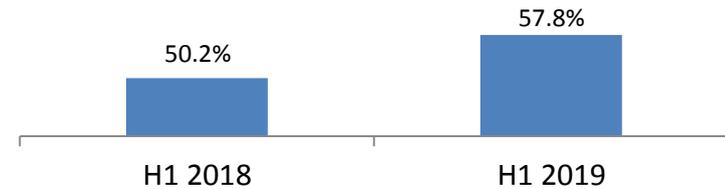
## OPERATING INCOME AT 1.3% OF TURNOVER



## NET PROFIT AT -0.6% OF TUOVER



## GEARING (including qualified pre-payment)



The gearing increase compared with the H1 2018 is linked to:

- An increase of the group debt including +1,3 €M of lease debt (IFRS 16),
- A decrease of cash flow, following a degradation of the WCR (working capital requirement) over the semester, in particular due to an increase of overdue payments

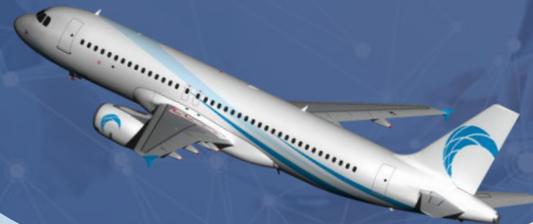
## 2019 H1 ACCOUNTS (€K)

	H1 2018	H1 2019
Turnover	75,641	90,625
EBITDA	4,540	5,381
Operational Result	1,161	1,170
Net Result	338	-530
Net Debt (including qualified pre-payments)*	25,316	31,140
* Including IFRS 16	7,663	8,943

# AEROSPACE DIVISION



Engineering & Products



# AEROSPACE

In €M	HI 2018	HI 2019	Variation HI 2019- HI 2018
Turnover	65.1	<b>74.9</b>	+15.1%
EBITDA	2.0	<b>2.9</b>	+43.1%
As a % of turnover	3.1%	<b>3.9%</b>	

- Purchase of minority shares in North America: SOGECLAIR owns 100%
- Strong growth of thermoplastic composites (+ €3.5M)
- Increase of business aviation activity
- Start production in India



# AEROSPACE

## MARKET DRIVERS



Innovation



Ecological performance  
of aircrafts



Value engineering



Rate



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

## TECHNOLOGIES

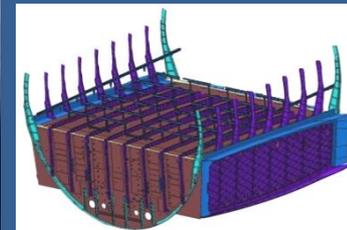
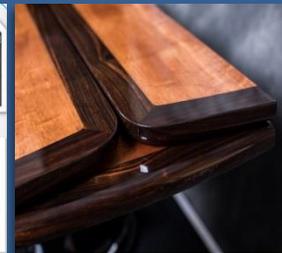
- Design and manufacture
- Materials & operational implementation
- Qualification of equipment manufacturers
- Design to cost

## KEY FACTORS OF SUCCESS

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



*Business aircraft interiors*



*A350 Center Wing Box*



# SIMULATION DIVISION



Simulators and simulation software



# SIMULATION

In €M	HI 2018	HI 2019	Variation HI 2019- HI 2018
Turnover	9.2	<b>14.2</b>	+55.1%
EBITDA	1.2	<b>1.3</b>	+6.5%
As a % of turnover	13.3%	<b>9.1%</b>	



- SYDAC impact for a cost of €0.6M in EBITDA, return to equilibrium confirmed by the end of 2019
- Offset of large automotive simulators businesses
- Creation of subsidiaries in the USA
- Commercial reinforcement
- Distribution agreement with ANSYS

# SIMULATION

## MARKET DRIVERS



**Needs to design complex systems incorporating multiple technologies and environments**  
(vehicles, 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	HI 2018	HI 2019	Variation HI 2019-HI 2018
Turnover	1.4	1.5	+5.6%
EBITDA	0.3	0.1	-60.9%
As a % of turnover	23.0%	8.5%	



- Purchase of minority shares: SOGECLAIR owns 100%
- A new industrial customer has generated a loss of €400k on the H1
- Cooperations with the simulation division for large simulators

# VEHICLE

## MARKET DRIVERS



Increasing needs for protection and support of the military in operation



*Mined route opening System (SOUVIM)*



Transformation and adaptation needs for mission vehicles



*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

The activity for the 2<sup>nd</sup> half is expected in growth despite a perimeter and base effect less favourable than during the 1<sup>st</sup> half.

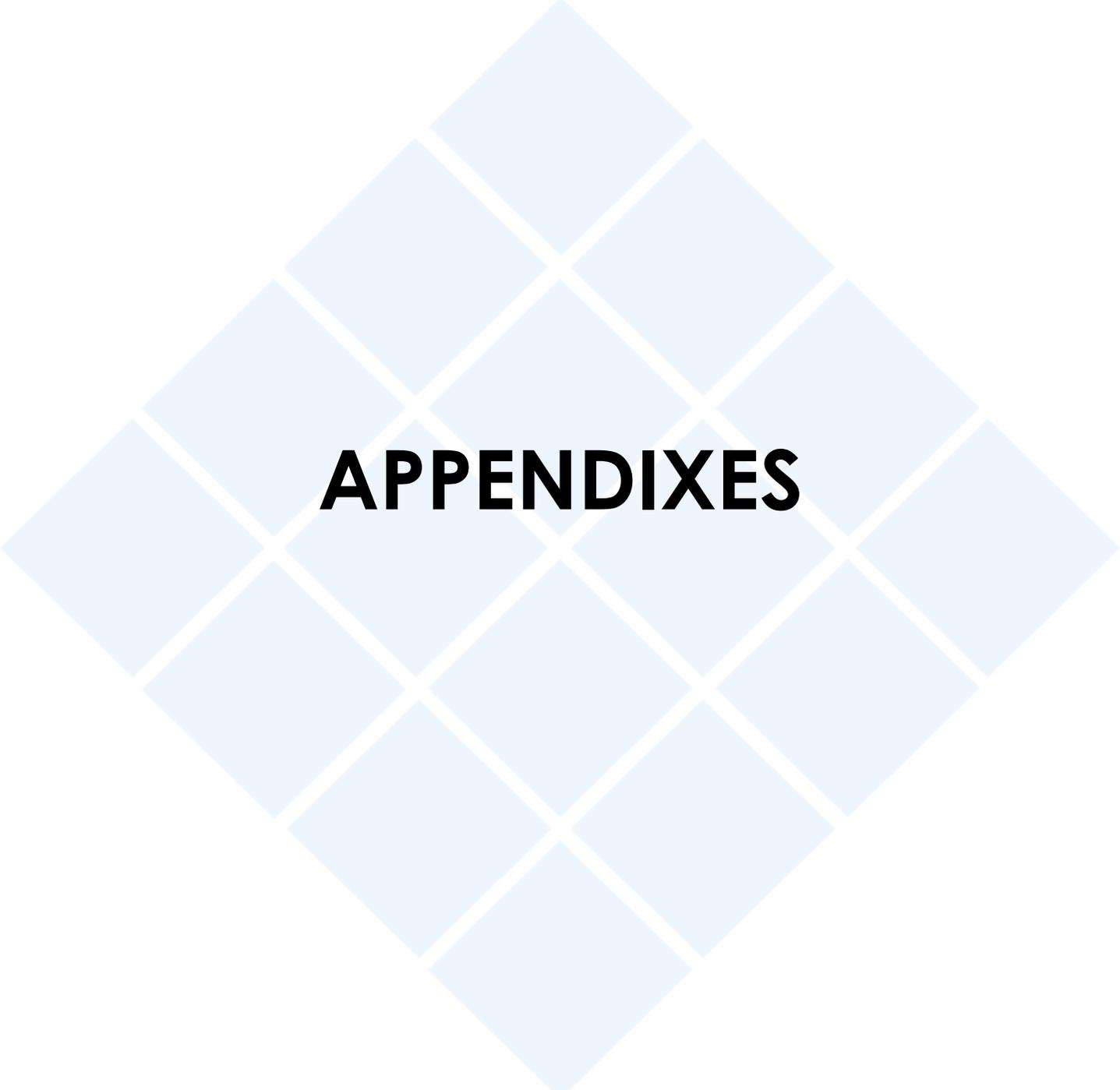
There will be higher margins during the 2<sup>nd</sup> half than in the 1<sup>st</sup> half, which is structural for SOGECLAIR.

Improvements in the balance sheet will be achieved:

- ❖ As a result of the capital increase of €4.8M reserved to key women and men (capital increase certified on the 12 July 2019),
- ❖ Thanks to the reimbursement of tax receivables for an amount of €3M.

# FORECAST PRESS RELEASE DATES

	2019
2019 Q3 Turnover	2019/11/06



# **APPENDIXES**

# Appendix 1: Consolidated income statement

<b>INCOME STATEMENT</b> (in €k)	<b>H1 2018</b>	<b>H1 2019</b>	<b>2018</b>
Turnover	75,641	90,625	159,439
Other operating income	1,343	1,040	6,006
Cost of goods sold	-29,154	-36,604	-61,833
Payroll expenses	-42,258	-48,359	-85,709
Taxes and duties	-593	-712	-1,258
Depreciation and amortisation	-3,298	-3,795	-7,903
Other expenses	-440	-608	-1,007
<b>Current Operating Income</b>	<b>1,242</b>	<b>1,586</b>	<b>7,734</b>
Other operating income and charges	-85	-412	1,385
<b>Operating income before income from equity method affiliates</b>	<b>1,158</b>	<b>1,174</b>	<b>9,119</b>
Share of income from equity method affiliates	3	-4	5
<b>Operating income</b>	<b>1,161</b>	<b>1,170</b>	<b>9,125</b>
Income from cash and cash equivalents	212	-206	-389
Gross finance costs	-380	-390	-749
<b>Net finance costs</b>	<b>-168</b>	<b>-596</b>	<b>-1,138</b>
<b>Other financial income and expenses</b>	<b>42</b>	<b>29</b>	<b>74</b>
<b>Income before taxes</b>	<b>1,034</b>	<b>603</b>	<b>8,061</b>
Income tax expense	-696	-1,133	-1,104
<b>Net profit</b>	<b>338</b>	<b>-530</b>	<b>6,957</b>
Part of group	280	-664	6,315
Part of minority	58	134	642

## Appendix 2: Consolidated Balance Sheet - Assets

<b>ASSETS</b> (in €k)	<b>H1 2018</b>	<b>H1 2019</b>	<b>2018</b>
Goodwill	14,346	14,987	14,589
Intangible assets	7,659	7,715	8,431
Tangible assets	14,552	15,863	15,214
Equity method investments	80	79	83
Financial fixed assets	1,817	3,170	3,001
<b>Non-current assets</b>	<b>38,454</b>	<b>41,814</b>	<b>41,318</b>
Inventory	11,117	12,365	12,129
Trade notes, receivables and related accounts	52,303	61,739	60,334
Other current debtors	16,964	18,880	20,410
Deferred income tax	4,724	5,489	5,269
Cash and cash equivalents	15,167	12,500	19,466
<b>Current assets</b>	<b>100,274</b>	<b>110,973</b>	<b>117,608</b>
<b>TOTAL ASSETS</b>	<b>138,728</b>	<b>152,787</b>	<b>158,926</b>

# Appendix 3: Consolidated Balance Sheet - Liabilities

<b>LIABILITIES</b> (in €k)	<b>H1 2018</b>	<b>H1 2019</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	40,774	44,126	46,625
Equity capital, group share	45,591	48,944	51,443
Minority interests	4,873	4,944	5,462
Consolidated shareholders' equity	50,464	53,888	56,904
Non-current provisions	4,268	6,318	5,710
Non-current qualified pre-payments	1,530	1,823	1,406
Non-current financial liabilities	23,416	23,351	24,151
Other non-current liabilities	1	13	1
Non-current liabilities	29,215	31,504	31,269
Current qualified pre-payments	1,020	473	1,130
Current part of non-current financial liabilities	6,306	8,902	7,904
Current financial liabilities	8,211	9,092	10,331
Current provisions	174	592	565
Trade creditors, instalments and related accounts	13,414	17,536	18,696
Tax and social liabilities	20,494	23,672	22,837
Other current liabilities	9,430	7,128	9,290
Current liabilities	59,048	67,394	70,752
<b>TOTAL LIABILITIES</b>	<b>138,728</b>	<b>152,787</b>	<b>158,926</b>

# Appendix 4: Consolidated sector-by-sector analysis

INCOME STATEMENT (in €k)	AEROSPACE		VEHICULE		SIMULATION		HOLDING	
	H1 2018	H1 2019	H1 2018	H1 2019	H1 2018	H1 2019	H1 2018	H1 2019
Turnover	65,080	74,926	1,376	1,454	9,184	14,245		
Other operating income	1,026	517	1	71	313	422	3	30
External expenses	-24,056	-29,763	-522	-687	-4,006	-5,386	-570	-767
Payroll expenses	-37,095	-39,346	-484	-874	-3,735	-7,221	-943	-917
Taxes and duties	-360	-418	-38	-33	-83	-156	-112	-105
Depreciation and amortisation	-2,133	-1,982	-117	-233	-629	-1,180	-419	-400
Other expenses	-360	-521	-14	-21	-15	-13	-50	-53
Intra-Group operations	-2,190	-2,468	-3	214	-435	-588	2,628	2,841
Current operating result	-88	945	199	-109	594	122	538	628
Other operating profits and expenses	13	23				-432	-98	-3
Operating result before earnings of equity method affiliates	-74	968	199	-110	594	-310	440	626
Share in earnings of equity method affiliates	3	-4						
Operating income	-71	964	199	-110	594	-310	440	626

# Appendix 5 : Cashflow Statement

CONSOLIDATED CASHFLOW STATEMENT (in €k)	S1 2018	S1 2019	2018
<b>Consolidated net result (including minority interests)</b>	338	-530	6,957
+/- Amortisation and provisions (excluding those linked to current assets)	3,220	4,150	3,861
-/+ Latent gains and losses linked to fair value variations	-13	-14	-25
-/+ Transfer capital gains and losses	12	-22	37
-/+ Dilution profits and losses	-40	329	27
+/- Share in the result linked to equity method affiliates	-3	4	-5
<b>Self-financing capacity after net finance costs and tax</b>	<b>3,514</b>	<b>3,916</b>	<b>10,851</b>
+ Net finance costs	315	348	704
+/- Tax charge (including deferred tax)	696	1,133	1,104
<b>Self-financing capacity before net finance costs and tax (A)</b>	<b>4,525</b>	<b>5,397</b>	<b>12,660</b>
- Tax paid (B)	-149	980	-5,666
+/- Variation in working capital requirement linked to the activity (including debt related to personnel benefits) (C)	-6,667	-4,325	-7,001
<b>= CASHFLOWS FROM OPERATING ACTIVITIES (D) = (A + B + C)</b>	<b>-2,290</b>	<b>2,052</b>	<b>-7</b>
- Outflows linked to the acquisition of tangible and intangible assets	-1,310	-1,879	-4,265
+ Inflows linked to the sale of tangible and intangible assets	45	25	72
- Outflows linked to the acquisition of financial assets (non-consolidated securities)	-33	-35	-33
+/- Impact of variations in scope			2,611
+/- Variation in loans and advances granted	-105	-120	164
+ Investments grants received			95
<b>= CASHFLOWS FROM INVESTMENT ACTIVITIES (E)</b>	<b>-1,403</b>	<b>-2,009</b>	<b>-1,357</b>
Acquisition of non-controlling interests	-2,874	-1,111	-2,904
+ Sums received from shareholders at time of capital increases		30	44
- Dividends paid to the parent company shareholders	-1,707	-1,845	-1,707
- Dividends paid to the integrated company minority interests	-275	-25	-275
+ Revenue from loan issues	3,344	2,329	8,061
- Loan reimbursements (including leasing contracts)	-4,317	-4,639	-8,791
- Net finance costs (including leasing contracts)	-329	-342	-770
<b>= NET CASHFLOWS FROM FINANCING ACTIVITIES (F)</b>	<b>-6,158</b>	<b>-5,602</b>	<b>-6,342</b>
+/- Impact of changes in currency exchange rates (G)	53	-167	86
<b>= NET CASH VARIATION (D + E + F + G)</b>	<b>-9,798</b>	<b>-5,726</b>	<b>-7,620</b>



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