

SFAF MEETING

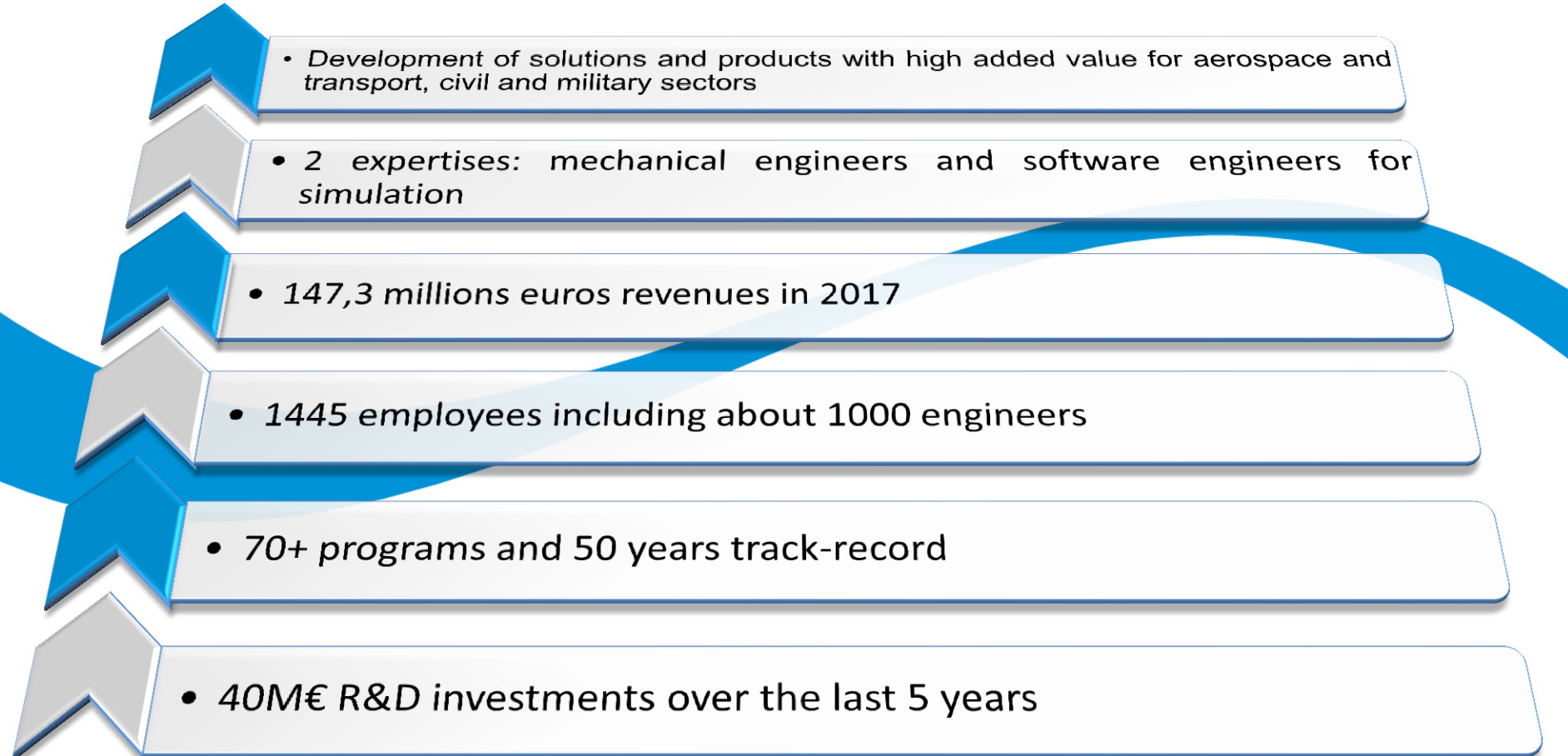
SOGECCLAIR

Engineering **the future**

21 March 2018

Hotel des Arts et Metiers - Paris

WHO WE ARE?



- Development of solutions and products with high added value for aerospace and transport, civil and military sectors

- 2 expertises: mechanical engineers and software engineers for simulation

- 147,3 millions euros revenues in 2017

- 1445 employees including about 1000 engineers

- 70+ programs and 50 years track-record

- 40M€ R&D investments over the last 5 years

WHO WE ARE?



SOGECLAIR

A family company listed on NYSE Euronext Paris

Aerospace Division 127.7 M€

Engineering

Aerostructures

Cabin furnishing

Configuration Management

Manufacturing Engineering

Space

Products

Cockpit Equipment replicas

Aircraft interiors

Metallic subassemblies

Thermoplastic Composite
subassemblies

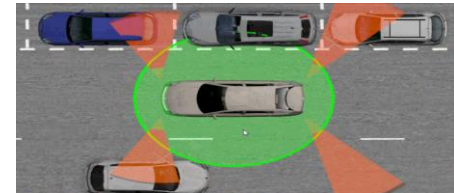
Additive manufacturing

Vehicle Division 3.7 M€

Engineering and
manufacturing of mission
vehicles
(military and industrial)

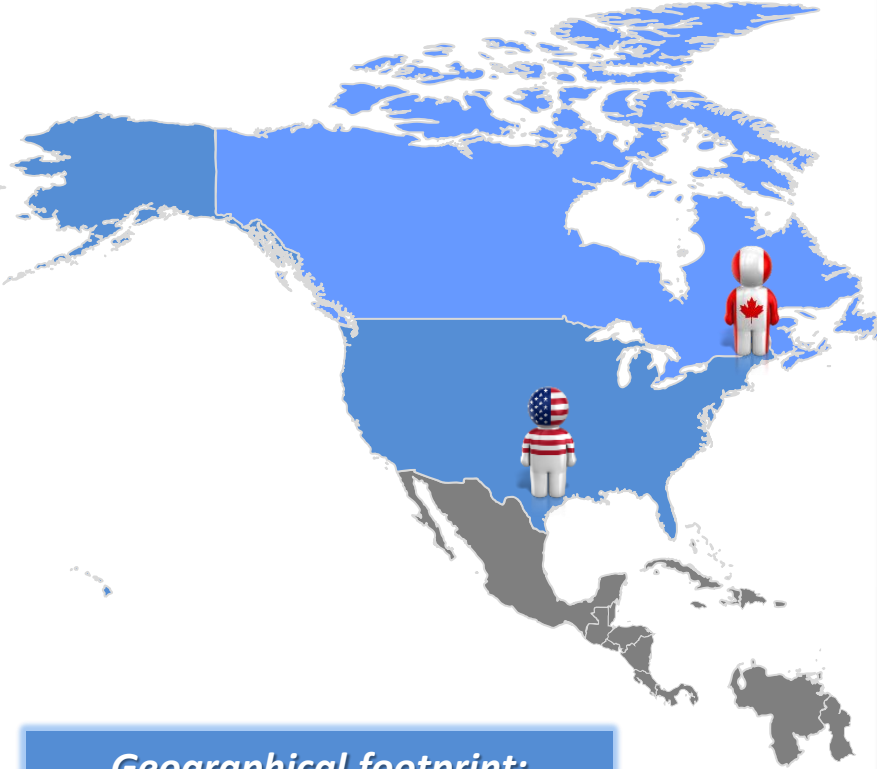
Simulation Division 15.9 M€

Simulators and Simulation
software workshops



A far-reaching geographical footprint

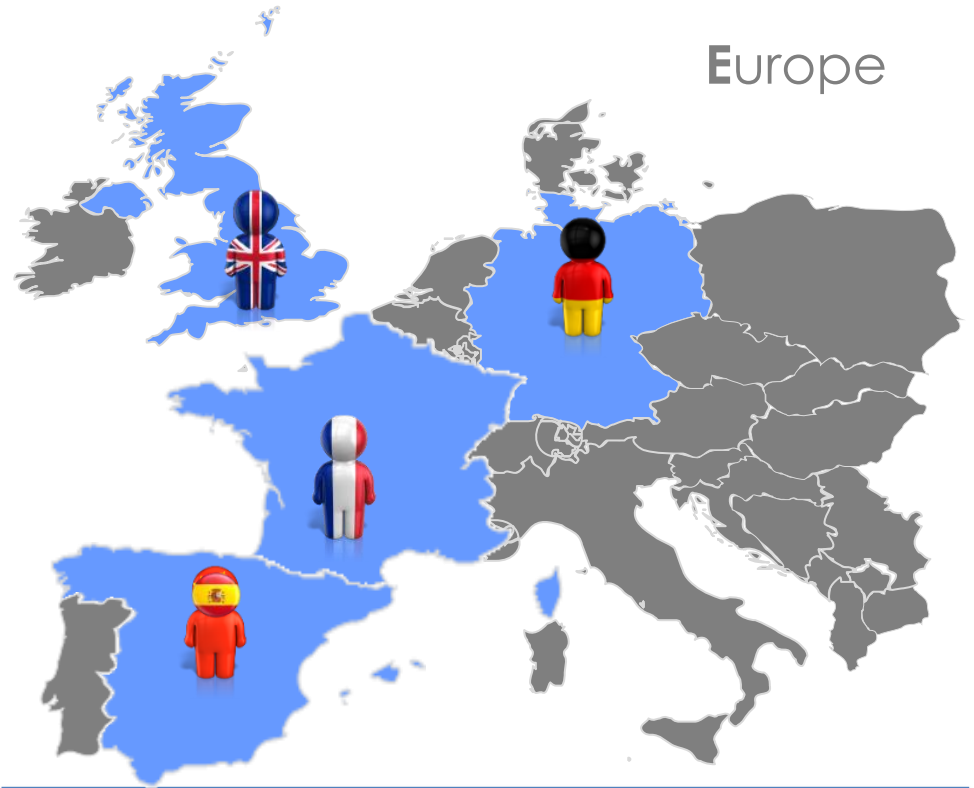
North America



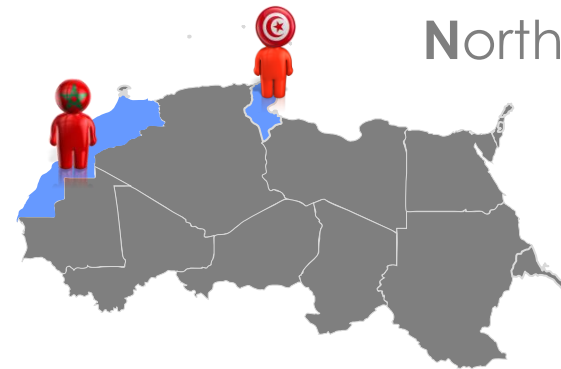
Geographical footprint:

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

Europe

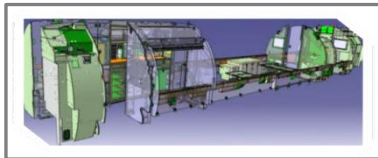
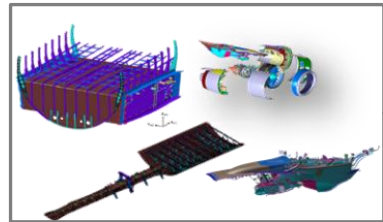


North Africa



Dual offer of products and services

Structures : composite, metallic, 3D
Mechanical and electrical installations
Flight test installations
Cabin interiors
Configuration management
Manufacturing Engineering
Major modifications
Tests, certifications



Aerostructures (landing gear bays, thermoplastic doors, ...)

Aircraft interior furniture

Cockpit replica

Defense vehicles

Simulators (automobile, rail, air traffic control)

Software (synthesis environment...)

CUSTOMER REFERENCES

TOP 3 : 67% of turnover



TOP 4 to 10 : 13% of turnover



THALES



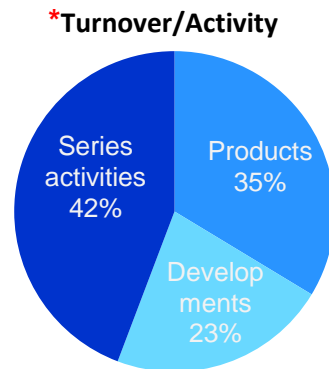
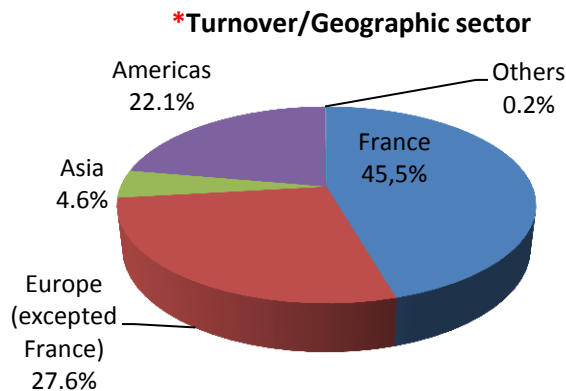
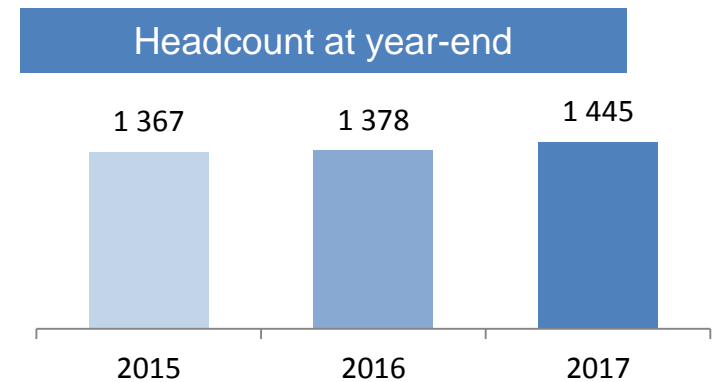
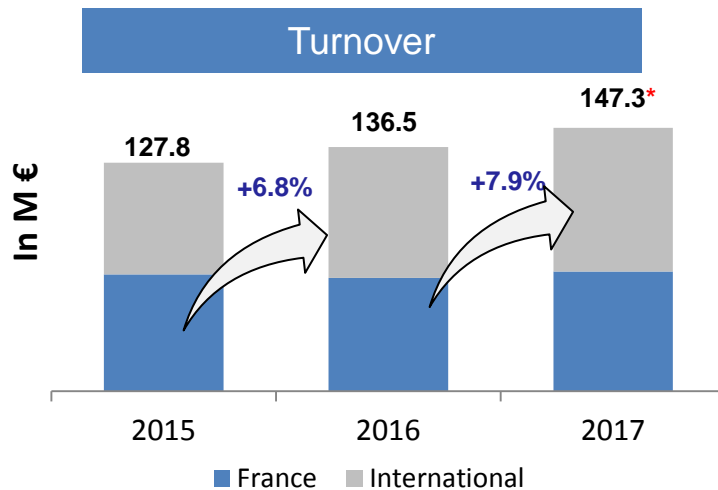
TOP 11 to 20 : 8% of turnover



2017 – Key facts

- AVS (Autonomous Vehicle Simulation) creation, subsidiary of SOGECLAIR (65%) and RENAULT Group (35%)
 - Acceleration of bringing to market simulation softwares and driving simulators
 - Strengthening the development capability and testing of autonomous vehicles
- Start of Savannah plant (Georgia, USA)
- Opening of a subsidiary in Morocco
- Development of the additive manufacturing offer and creation of PrintSky
- Participation in major institutional projects (DGA, CORAC, CNES, CLEANSKY2, SVA System X...)

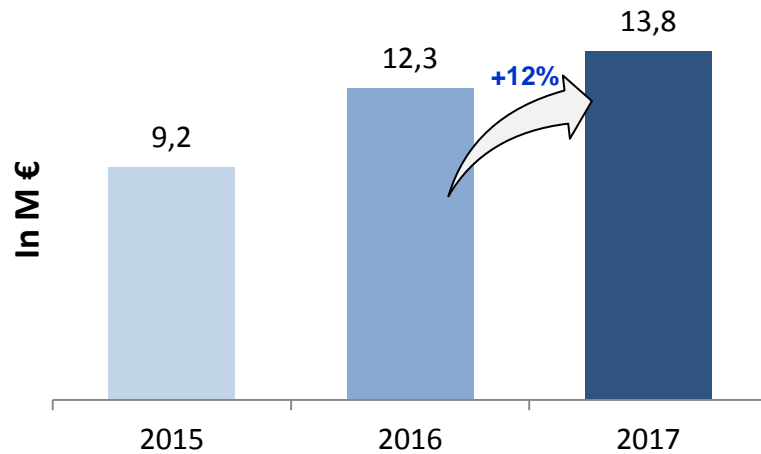
Key figures for 2017 (1/3)



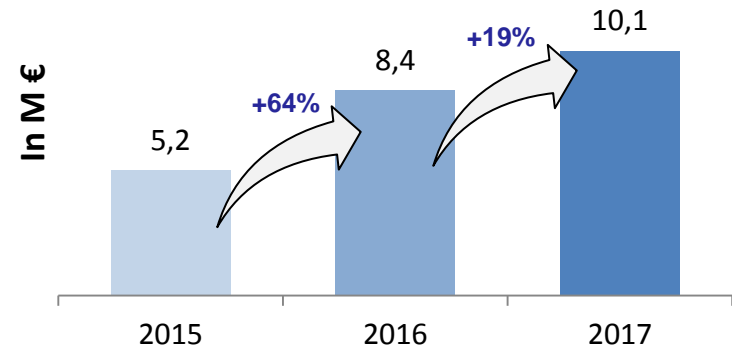
- Organic growth of +7.9% driven by international sales up by 9.7%
- Growth in the Aerospace activity, up by 5.6% (+€6.8 million)
- Growth recovery for the Vehicle division +141,2% (+€2.2 million), and sustained growth for the Simulation division, up by 13.2% (+€1.9 million)

Key figures for 2017 (2/3)

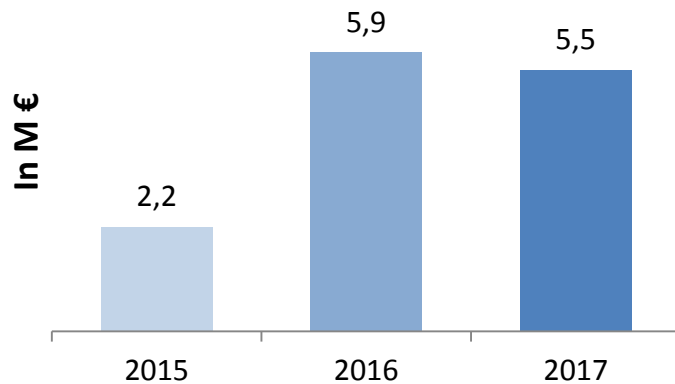
EBITDA at 9.3% of turnover



Current operating income at 6.8% of turnover

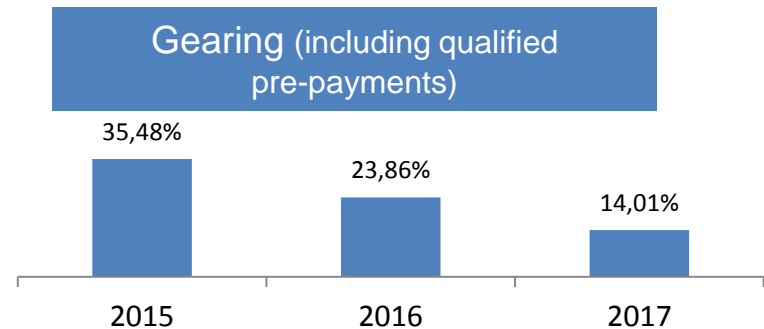
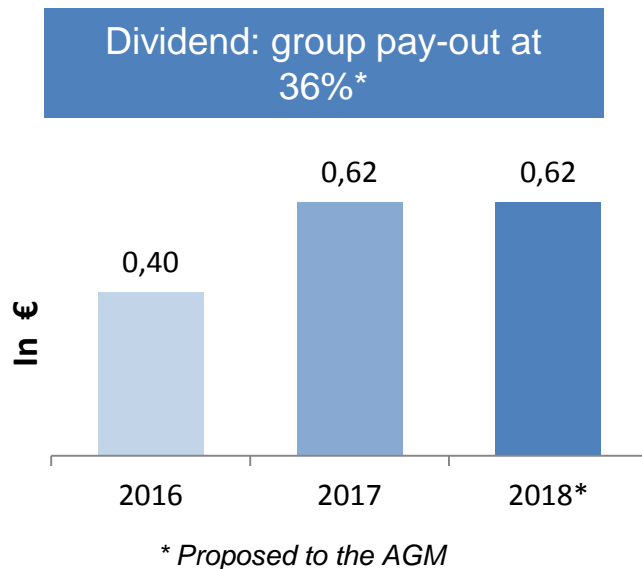
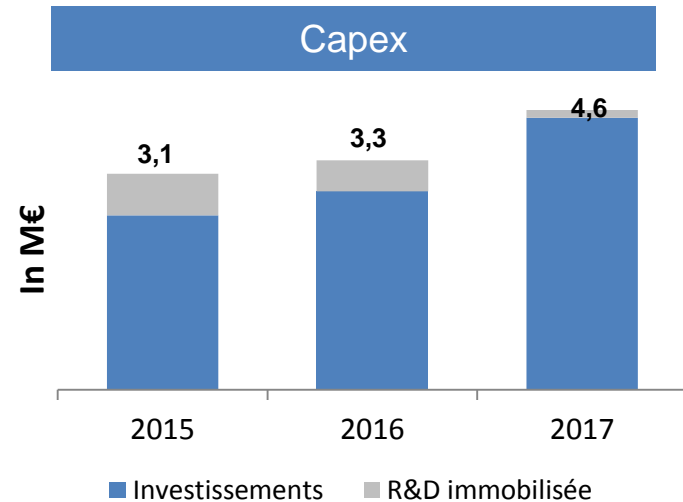
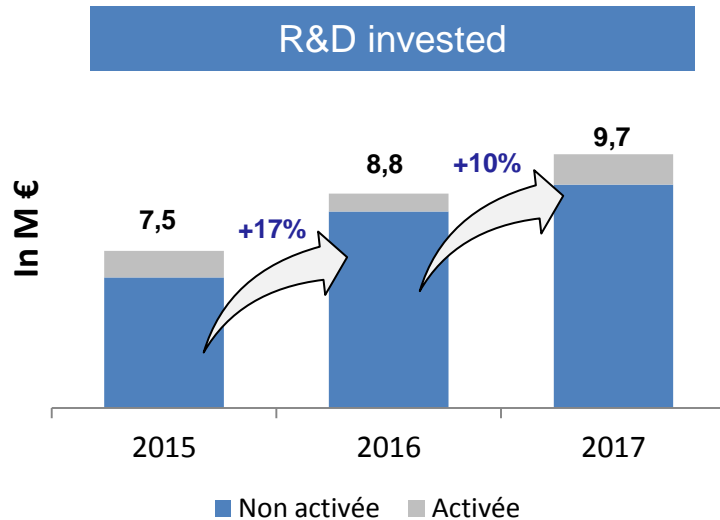


Net profit (group share) at €1.90 per share



- Exchange losses : 311k€ in EBIT and 858k€ in financial
- Corporation tax +816k€ (with 471k€ related to the change of rate)

Key figures for 2017 (3/3)



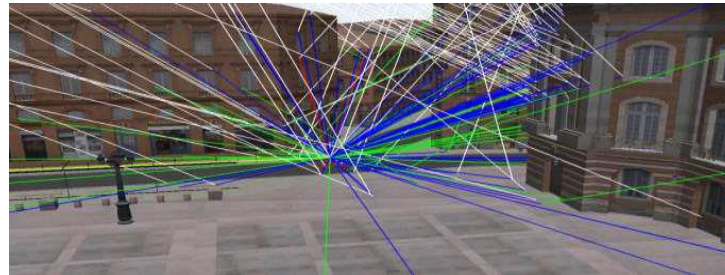
- R&D investment, start of the plant in the USA
- Creation of AVS, subsidiary in Morocco, ...
- Dividend of €0.62 per share

Application areas

➤ Mission vehicles



➤ Simulation systems and software workshops



➤ Aeronautics and space



Vehicle Division: recovery

In M€	2016	2017	Variation
Turnover	1.53	3.69	+141.2%
EBITDA	0.04	0.75	x 15.9
As % of turnover	2.9%	20.2%	

- Rebound of the division's revenue after a downturn in 2016, led by an export contract and defense contracts
- Strong business growth representing 2,4 times its 2016 turnover with a double-digit EBITDA
- Favourable perspectives : pursuit of the “ROBBOX” development with tests of an industrialized prototype in early 2018



Mined route opening System (SOUVIM)



Multi-mission terrestrial drone

Simulation Division: acceleration

In M€	2016	2017	Variation
Turnover	14.04	15.89	+13.2%
EBITDA	3.05	4.22	+38.3%
As % of turnover	21.7%	26.6%	

- Creation of A.V. Simulation (SOGECCLAIR 65% and RENAULT 35%) by contribution of automotive simulation activities
- Pursuit of the division growth with an order intake which rose to record levels
- R&D projects (cockpit of the future, autonomous vehicle, synthesis environments ...)



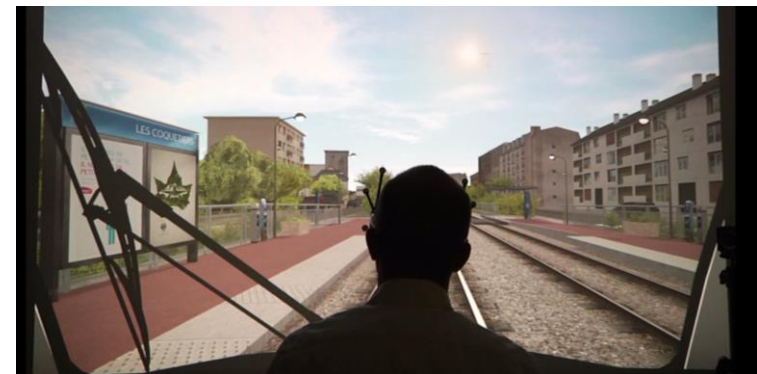
Train Simulator – Ottawa City



Synthesis environment



DoF 6 Simulator and virtual reality headset



Railway Simulator in virtual reality

Aerospace Division: industrial and human investments

In M€	2016	2017	Variation
Turnover	120.96	127.74	+5.6%
EBITDA	8.53	7.66	-10.1%
As % of turnover	7%	6%	

- Acceleration of innovation (3D printing, materials, ...),
- Geographical expansion (USA plant, an agent in the USA, subsidiary in Morocco...),
- New markets for maintenance centers, tier 1 equipment manufacturers and suppliers,
- Skills maintenance,
- Internalization of industrial processes (waterjet cutting of composite, non-destructive control).



Integrated Panel System – A350



Business aircraft interiors



Full Tank Access Cover (FTAC)



Camera on rail in additive manufacturing

Perspectives

- The alliance with Renault Group and AddUp (Fives and Michelin),
- The reinforcement of the product activity which exceeds €50M,
- R&D increased up to €9.7M,
- The growing international footprint (USA, Morocco) and industrial investments (thermoplastic composite, ...),

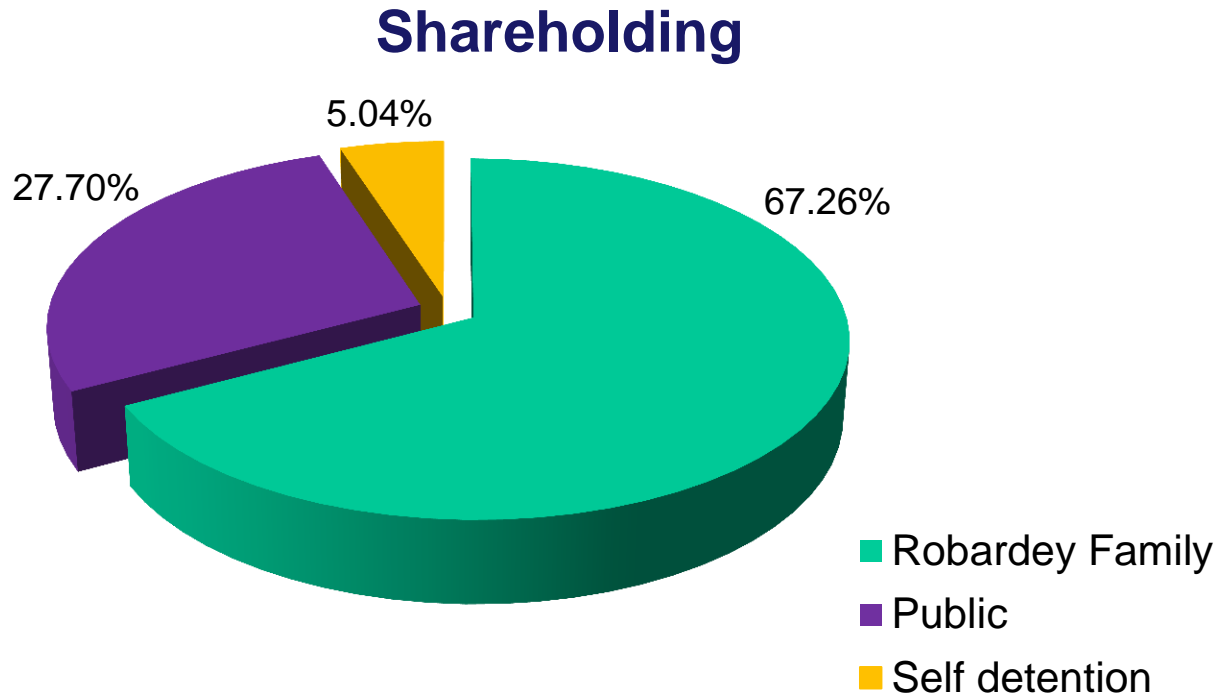
Strengthen SOGECLAIR as an international technological actor in the Aerospace and Transports sector.

SOGECLAIR anticipates a new year of growth for 2018.

Meet SOGECLAIR in 2018

- **Aerospace & Defense Supplier Summit in Seattle – March 2018**
International Business Convention for Aeronautical, Space and Defense Industries
- **Aircraft Interiors in Hamburg – April 2018**
Aircraft cabin furnishing and fittings
- **Maritime Manufacturing Meetings in Saint-Nazaire – April 2018**
International Business Convention for Naval and Nautical Industries
- **EBACE in Geneva – May 2018**
European business aviation convention & exhibition
- **ITEC in Stuttgart – May 2018**
Defence, military training, simulation and education forum
- **Autonomous Vehicle Test & Development Symposium in Stuttgart – June 2018**
Research in the area of autonomous vehicles
- **JSAE Automotive Engineering Exposition in Nagoya - July 2018**
Automobile technologies trade show
- **DSC (Driving Simulation Conference) in Antibes – September 2018**
Autonomous vehicle R&D
- **NBAA in Orlando – October 2018**
Business aviation professional trade fair

Capital structure on 31-12-2017



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

Forecast press release dates



	2018
2018 Q1 turnover	02/05/2018
2018 Q2 turnover	25/07/2018
2018 H1 results Embargo period from 29/08/2018 to 12/09/2018	12/09/2018
2018 Q3 turnover	07/11/2018

Appendixes

Consolidated income statement

INCOME STATEMENT (in €k)	2015	2016	2017
Turnover	127 782	136 523	147 322
Other operating income	3 565	3 312	4 203
Cost of goods sold	-46 670	-52 210	-57 564
Payroll expenses	-74 096	-73 812	-77 837
Taxes and duties	-1 081	-1 172	-1 229
Depreciation and amortisation	-4 044	-3 853	-3 710
Other expenses	-305	-339	-1 121
Current Operating Income	5 151	8 449	10 064
Income from sale of consolidated holdings			
Other operating income and charges	-13	-184	-194
Operating income before income from equity method affiliates	5 138	8 265	9 870
Share of income from equity method affiliates	-47	-47	11
Operating income	5 091	8 218	9 881
Income from cash and cash equivalents	-1 075	53	-774
Gross finance costs	-630	-629	-605
Net finance costs	-1 706	-577	-1 379
Other financial income and expenses	32	-159	-111
Income before taxes	3 417	7 482	8 391
Income tax expense	-1 220	-1 099	-1 915
Net profit	2 197	6 383	6 477

Consolidated Balance Sheet – Assets

ASSETS (in €k)	2015	2016	2017
Goodwill	12 063	12 596	14 559
Intangible assets	8 883	7 692	8 680
Tangible assets	4 940	5 528	6 582
Equity method investments	17	66	77
Financial fixed assets	1 213	1 308	1 666
Non-current assets	27 117	27 191	31 565
Inventory	7 293	8 790	8 652
Trade notes, receivables and related accounts	43 231	46 103	50 515
Other current debtors	13 488	13 249	16 942
Deferred income tax	4 162	4 427	4 379
Cash and cash equivalents	11 074	14 878	24 216
Current assets	79 248	87 447	104 704
TOTAL ASSETS	106 365	114 638	136 268

Consolidated Balance Sheet – Liabilities

LIABILITIES (in €k)	2015	2016	2017
Capital	2 900	2 900	2 900
Share premium	2 630	2 630	2 630
Own shares	-712	-712	-712
Reserves and accrued profits	28 817	34 966	42 095
Equity capital, group share	33 635	39 784	46 913
Minority interests	6 044	5 761	8 919
Consolidated shareholders' equity	39 679	45 545	55 832
Non-current provisions	2 594	2 875	3 673
Non-current qualified pre-payments	3 055	2 953	2 402
Non-current financial liabilities	10 746	12 965	16 986
Other non-current liabilities	97	1	1
Non-current liabilities	16 492	18 795	23 061
Current qualified pre-payments	216	634	806
Current part of non-current financial liabilities	4 583	3 868	4 386
Current financial liabilities	6 551	5 325	7 461
Current provisions		244	193
Trade creditors, instalments and related accounts	12 933	13 896	13 296
Tax and social liabilities	19 991	19 702	21 772
Deferred income tax	171		5
Other current liabilities	5 750	6 628	9 457
Current liabilities	50 195	50 298	57 375
TOTAL LIABILITIES	106 365	114 638	136 268

Financial fundamentals

Net debt situation

<i>In €k</i>	31/12/2016	31/12/2017	Variation
Financial liabilities	(20 421)	(24 579)	+20%
Net cash	9 553	16 754	+75%
Net debt (including qualified pre-payments)	(10 868)	(7 824)	-28%
Net debt (excluding qualified pre-payments)	(7 280)	(4 617)	-37%
Equity capital	45 545	55 832	+23%
GEARING (including qualified pre-payments)	24%	14%	
GEARING (excluding qualified pre-payments)	16%	8%	

Consolidated Cashflow Statement

CONSOLIDATED CASHFLOW STATEMENT			
(in €k)	2015	2016	2017
Consolidated net result (including minority interests)	2 197	6 383	6 477
+/- Amortisation and provisions (excluding those linked to current assets)	3 955	4 304	3 784
-/+ Latent gains and losses linked to fair value variations	17	-6	-18
-/+ Transfer capital gains and losses	-3	-30	-109
-/+ Dilution profits and losses			-168
+/- Share in the result linked to equity method affiliates	47	47	-11
- Dividends (non-consolidated securities)		-31	
Self-financing capacity after net finance costs and tax	6 214	10 666	9 955
+ Net finance costs	634	516	460
+/- Tax charge (including deferred tax)	1 220	1 099	1 915
Self-financing capacity before net finance costs and tax (A)	8 067	12 281	12 329
- Tax paid (B)	-3 854	-792	-4 604
+/- Variation in working capital requirement linked to the activity (including debt related to personnel benefits) (C)	-4 986	-3 528	99
= CASHFLOWS FROM OPERATING ACTIVITIES (D) = (A + B + C)	-772	7 962	7 824
- Outflows linked to the acquisition of tangible and intangible assets	-1 843	-2 779	-4 356
+ Inflows linked to the sale of tangible and intangible assets	47	247	485
- Outflows linked to the acquisition of financial assets (non-consolidated securities)	-42	-96	-4
+ Inflows linked to the sale of financial assets (non-consolidated securities)	9	42	
+/- Impact of variations in scope	-55	237	102
+ Dividends received (equity method affiliates, non-consolidated securities) * see alternative processing 7.2		31	
+/- Variation in loans and advances granted	-158	-142	-361
= CASHFLOWS FROM INVESTMENT ACTIVITIES (E)	-2 041	-2 459	-4 134
+ Sums received from shareholders at time of capital increases			2 947
- Dividends allocated for payment during the year			
- Dividends paid to the parent company shareholders	-1 372	-1 101	-1 708
- Dividends paid to the integrated company minority interests	-261	-186	-217
+ Revenue from loan issues	1 200	5 828	8 516
- Loan reimbursements (including leasing contracts)	-4 854	-4 513	-5 636
- Net finance costs (including leasing contracts)	-568	-422	-380
+/- Other flows linked to financing operations			
= NET CASHFLOWS FROM FINANCING ACTIVITIES (F)	-5 711	-395	3 522
+/- Impact of changes in currency exchange rates (G)	149	-79	-10
= NET CASH VARIATION (D + E + F + G)	-8 376	5 029	7 202

Consolidated sector-by-sector analysis

	AEROSPACE		VEHICULIER		SIMULATION		HOLDING		GROUP	
INCOME STATEMENT (in €k)	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
Turnover	120 955	127 738	1 530	3 689	14 038	15 893		2	136 523	147 322
Other operating income	1 439	2 354	133	119	1 718	1 702	21	29	3 312	4 203
External expenses	-44 332	-47 907	-406	-1 740	-5 536	-5 972	-1 936	-1 946	-52 210	-57 564
Payroll expenses	-63 896	-68 087	-1 016	-1 298	-6 587	-6 625	-2 313	-1 828	-73 812	-77 837
Taxes and duties	-783	-819	-36	-49	-144	-144	-208	-217	-1 172	-1 229
Depreciation and amortisation	-3 205	-2 893	-111	-107	-499	-485	-37	-225	-3 853	-3 710
Other expenses	-251	-928		-18	-10	-65	-78	-111	-339	-1 121
Intra-Group operations	-4 606	-4 690	-160	43	-428	-569	5 193	5 216		
Current operating result	5 320	4 769	-67	639	2 553	3 735	643	921	8 449	10 064
Other operating profits and expenses	424	1 347	1	-3	-19	-214	-591	-1 324	-184	-194
Operating result before earnings of equity method affiliates	5 745	6 116	-66	637	2 534	3 521	52	-403	8 265	9 870
Share in earnings of equity method affiliates	-47	11							-47	11
Operating income	5 697	6 127	-66	637	2 534	3 521	52	-403	8 218	9 881

THANK YOU