



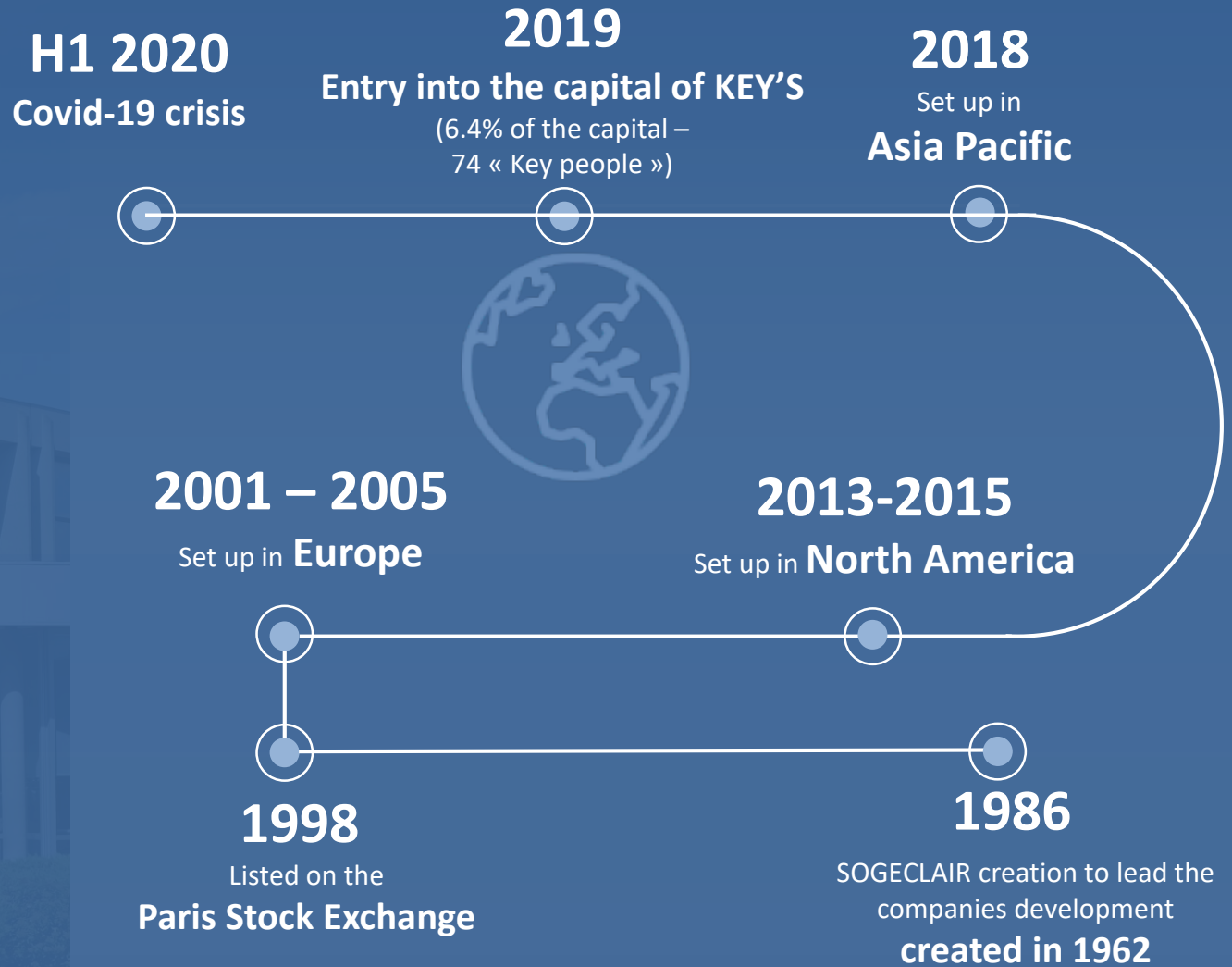
# SOGECLAIR

Ingénierie de haute technologie



## 2020 H1 RESULTS

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



SOGECCLAIR is a family company listed on Euronext Paris

# Reminder of the perspectives presented for the 2019 results regarding 2020

Uncertainties relate mainly to:

- ❖ In the short term, the consequences of the Coronavirus
- ❖ In the medium term the evolution of the exchange rate:
  - € / USD
  - CAD / USD

In each country, SOGECLAIR takes measures to protect its employees by preserving the continuity of its activities as much as possible.

SOGECLAIR is positioned on markets that are driving sustainable growth.

2020 financial year will see increased investments as a result of:

- ❖ Supporting the strengthening of our industrial activities
- ❖ R&D to capitalize on our advances in:
  - The autonomous vehicle
  - Digital technologies and virtual reality
  - Artificial intelligence
  - Thermoplastic materials
  - The new generation of railway simulation software,

SOGECLAIR is confident in its adaptability and its ability to make its model evolve.

## Achieved during the H1 2020

- Health measures by country
- Adaptation to the new market reality
- Strengthening the offer
- Targeting of the commercial action and R&D
  
- Consequences:
  - Provisions for restructuration costs of €11,1M
  - Goodwill impairment of €2,1M
  - Cancellation of deferred tax assets of €2M



# H1 2020 HIGHLIGHTS

## ❖ Consequences of the Covid-19 crisis by market:

- **Commercial Aeronautic (41%):** IATA forecasts a 50% decrease in airline companies revenues for 2020 and a return to the pre-crisis situation between 2023 and 2025.  
→ Aircraft and equipment manufacturers are adapting their production rates, large and turboprop engines aircrafts are those that suffer the most from significant drops in production rates.
- **Business aviation (29%):** a safer alternative for high-contribution travelers. Competition between manufacturers supports the dynamic of the offer.  
→ Forecasts are more favorable for long-range aircrafts.
- **Space (3%):** the Covid-19 crisis accelerates the needs in terms of telecommunications and the observation is strongly supported by public investment.  
→ After the one-off effects of the containment, the activity returned to normal.

# H1 2020 HIGHLIGHTS

- **Automotive (17%)** : the recovery in sales is very sustained after the freeze period linked to the containment and environmental pressure is strong.  
→ Electric and low-emission vehicles are supporting growth.
- **Rail (6%)** : the sector is little concerned by the effects of the crisis apart from the drop in traffic attendance due to the containment.  
→ Long-term public investment is reinforced by the recovery plans in each country.
- **Defense (4 %)** : a sector strongly supported by public investment.  
→ After the one-off effects of the containment, the activity is dynamic.

# UNDERTAKEN MEASURES

From the start of the crisis, SOGECLAIR has undertaken a certain number of actions in the various subsidiaries in the different countries aimed at to :

- Ensure health safety on each of its sites,
- Implement adaptation measures such as partial activity, reduction of subcontracting, mobility, staff reductions, adaptation of organizations,
- Protect the cash flow (loans guaranteed by the State, tax and social deferment, activity and R&D support measures,...),
- Prepare the future by strengthening commercial and international activity, building new offers and strengthening cooperation between subsidiaries.



International turnover for H1 2020:  
**54.1% (€37.3M)**

**Headquarter**  
Blagnac - FRANCE

 **Production Sites**  
(5 with 3 in France)

 **Design Office**

Our international development started in the 2000s and keeps growing  
The Group has continued its industrial strengthening with today 5 factories in Toulouse (2), in *Ile de France* (1), in Montreal (1) and in Savannah (1), focused on the critical phases of manufacturing of our products.



# A UNIQUE OFFER

## OUR VISION

To be a reference player and a truly international long-term partner for the mobility industry by providing advanced technological solutions.

## OUR MISSION

To supply innovative technological products and services that increase the performance of mobility resources (aeronautics, space, automotive, rail, etc.) to OEMs, equipment manufacturers and operators.



### RESEARCH & DEVELOPMENT

- Materials
- Process
- Systems
- Software

### DESIGN & ENGINEERING

- Aerostructures
- Interiors
- Digital and virtual applications
- Vehicles Platforms

### PRODUCTS & MANUFACTURING

- Aerostructures and interiors
- Equipment
- Software & Simulators
- Vehicles Platforms
- Advanced test
- Additive Manufacturing

### SUPPORT

- Repairs
- Liaison engineering
- MRO



# COMPLEX SYSTEMS AND PRODUCTS

The product activity of SOGECLAIR Group represents near 50% of the turnover of which almost 2/3 are delivered, installed and/or maintained internationally.



*HUTP – fast attack vehicle*



*Driving simulator - Roads*



*Subway simulator*



*Vehicle simulator*



*Full tank access cover  
(thermoplastic)*



*Baro Setting Control Box  
(cockpit equipment)*



*Aircraft interior*

# SOGECLAIR

## AEROSPACE DIVISION

Engineering & Products

## SIMULATION DIVISION

Simulators and simulation  
software

## VEHICULE DIVISION

Engineering &  
manufacturing of mission  
vehicles



Mechanical  
engineering



Virtual  
reality



Deep  
learning



Systems  
integration



## AEROSPACE

*74% of turnover*

*Serie: 45%*

*Products: 30%*

*Development: 25%*

## SIMULATION

*25% of turnover*

*Products: 100%*

## VEHICLE

*1% of turnover*

*Products: 100%*

Canada  
Germany  
France  
Spain  
Tunisia  
United-Kingdom  
United-States

Australia  
France  
India  
United-Kingdom  
United-States

France

Cross-cutting R&D and know-how for mobility



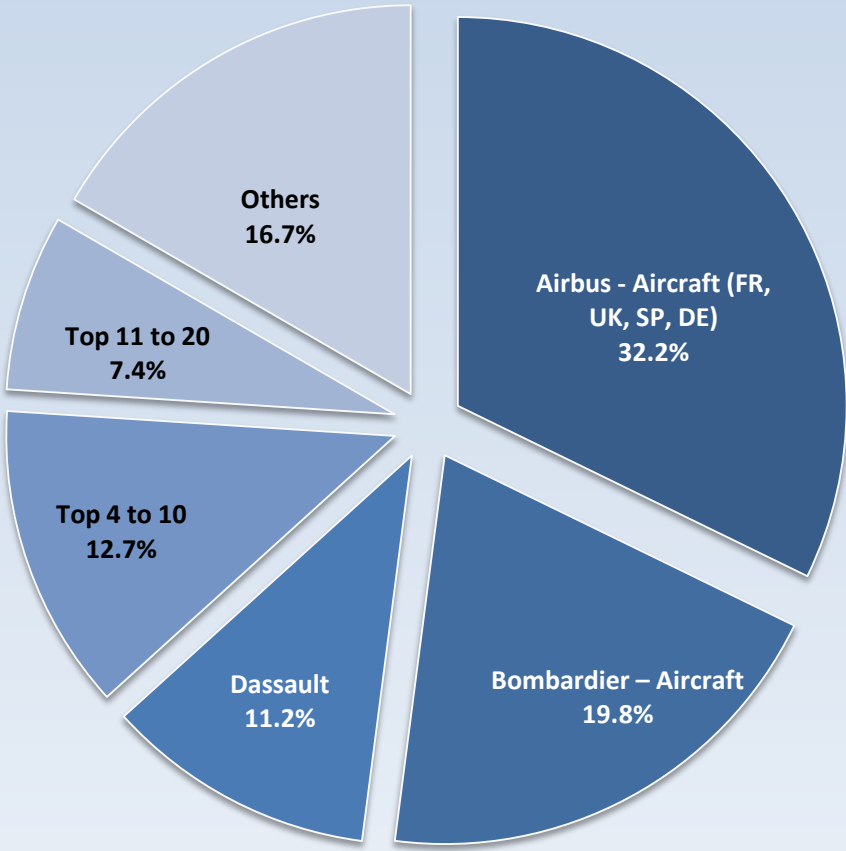


# **H1 2020 RESULTS**

# H1 2020: CUSTOMER

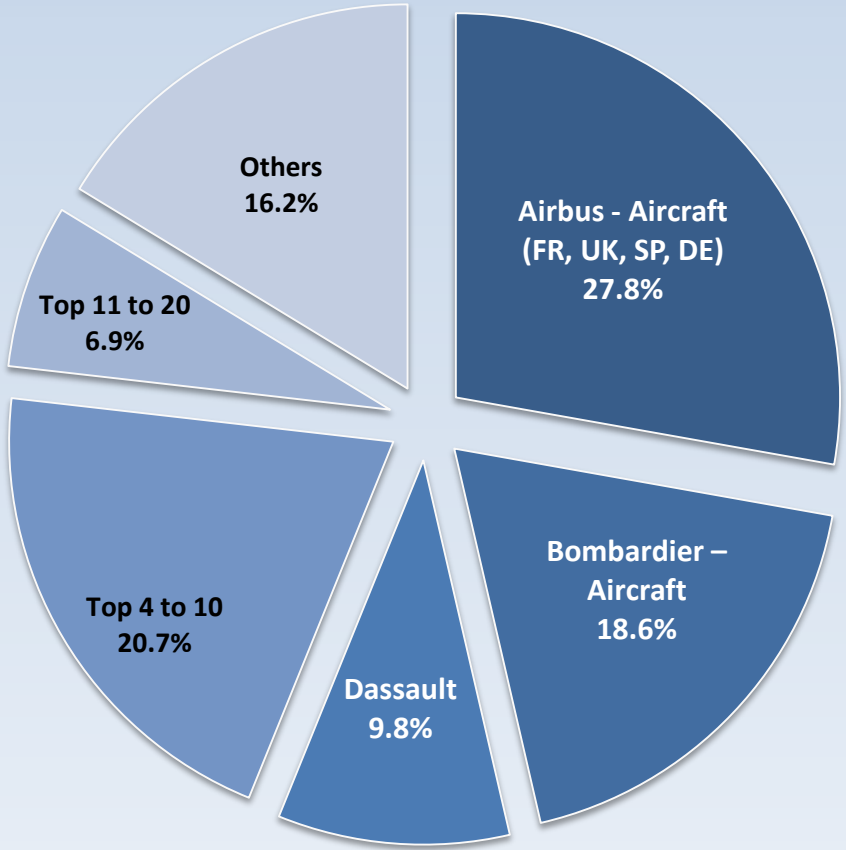
## H1 2019

Turnover: €90.6M



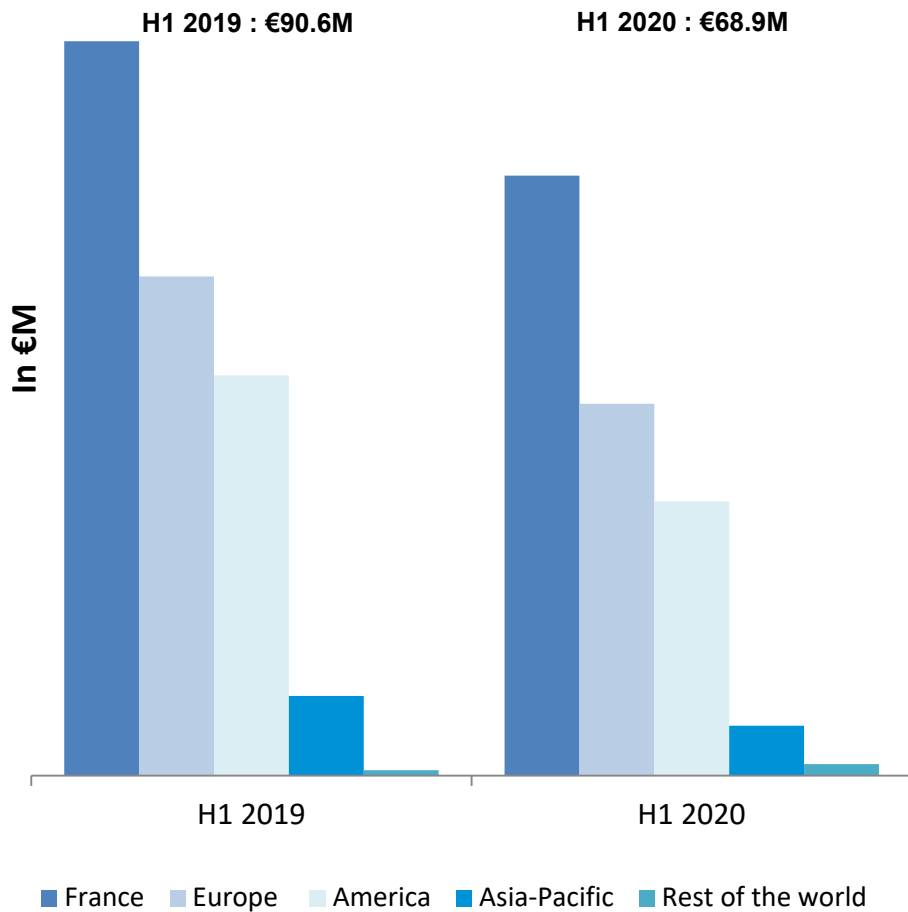
## H1 2020

Turnover: €68.9M

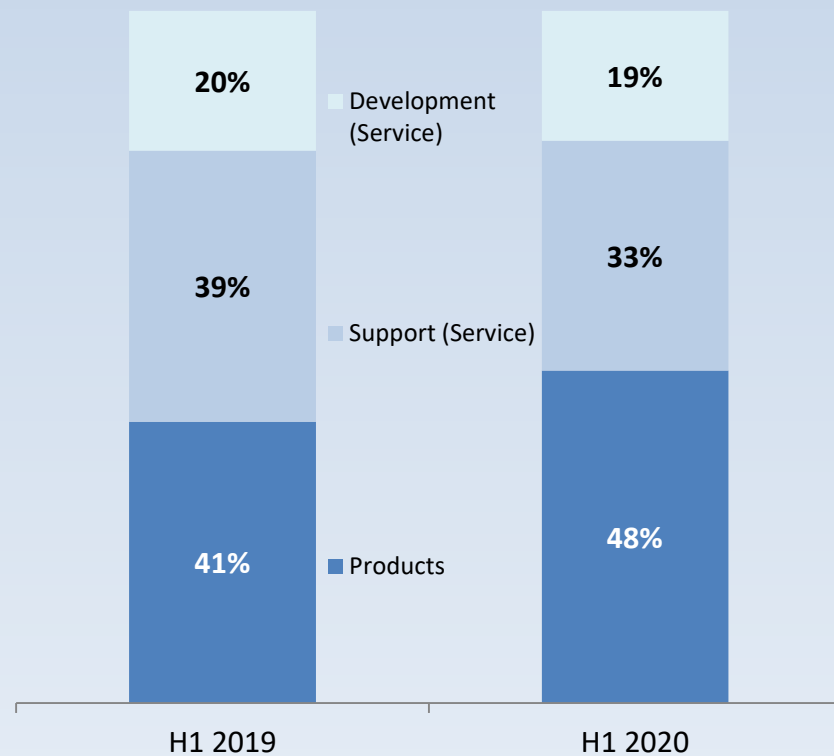


# KEY FIGURES

## TURNOVER



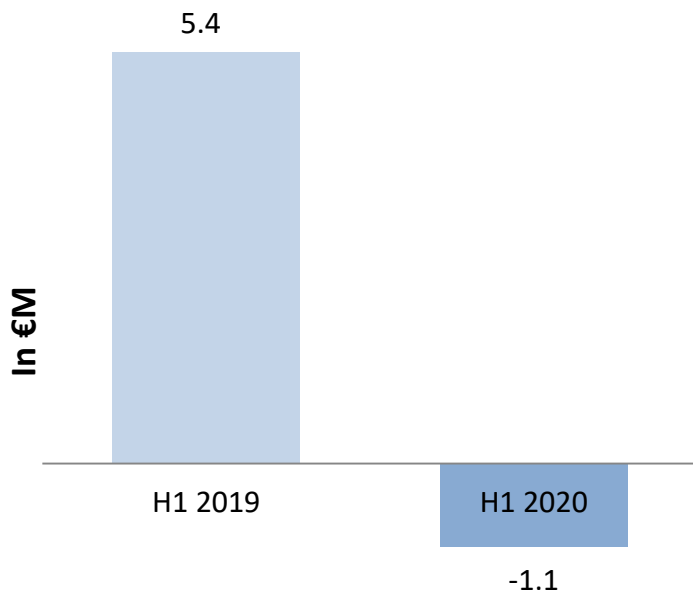
## ACTIVITIES



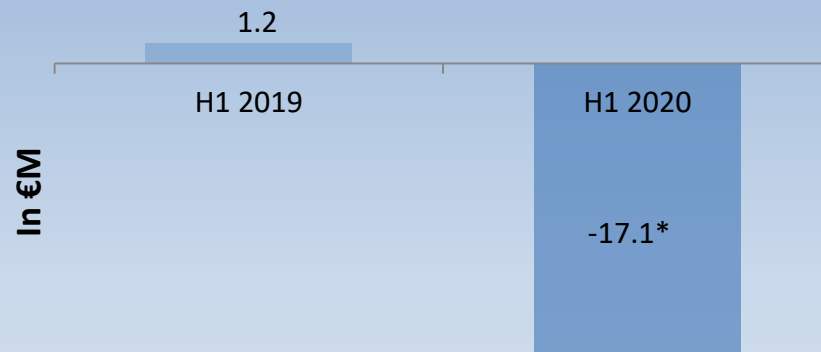


# KEY FIGURES

## EBITDA at -1.6% of TURNOVER



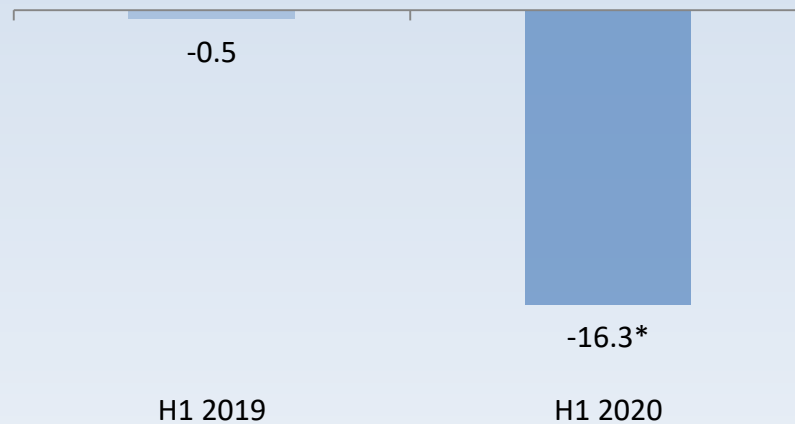
## OPERATING INCOME AT -24.9% of TURNOVER



❖ \*of which provisions for restructuring costs: (€11.1M)

❖ \*of which goodwill impairment (€2.1M)

## NET RESULT at -23.7% of TURNOVER

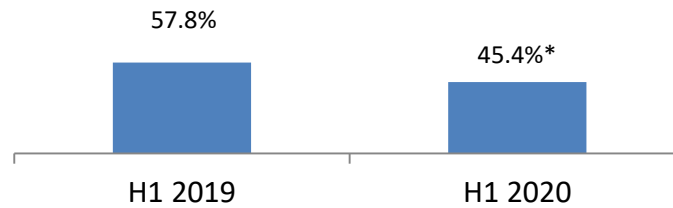


❖ \*of which reversal of deferred tax assets (€2M)



# KEY FIGURES

## GEARING (including qualified pre-payment)



\*of which 17.6% related to the application of IFRS 16

\*of which 9.3% related to deferral of fiscal and social deadlines treated like financial liabilities

## H1 2020 ACCOUNTS (€K)

	H1 2019	H1 2020
Turnover	90,625	68,892
EBITDA	5,381	-1,077
Operational Result	1,170	-17,121
Net Result	-530	-16,310
Net Debt* (including qualified pre-payments)	31,140	20,868**
*of which IFRS 16	8,943	8,117
**of which deferral of fiscal and social deadlines	0	4,293





SOGECLAIR



AEROSPACE  
DIVISION

Engineering & Products

# AEROSPACE

Our products are installed on more than 11 commercial and business aircraft programs from 4 manufacturers.

With our engineering services, we support 8 manufacturers on 3 continents to design, improve, manufacture, support and service their aircrafts.

We master innovative technologies and materials as well as our customers' processes, methods and tools.

Our qualifications enable us to create certification files and we have our own manufacturing certification.



# AEROSPACE

In €M	HI 2019	HI 2020	Variation HI 2020- HI 2019
Turnover	74.9*	51.2**	-31.6%
EBITDA	2.9	-0.6	NS
As % of turnover	3.9%	-1.1%	

\*of which €21.1M for the products activity so that 28%

\*\*of which €15.4M for the products activity so that 30%

- **Closure of customer sites in business aviation and space**
- **Decrease of rates production in commercial aviation**
- **Social and mobility measures**
- **Reorientation of R&D projects**

# AEROSPACE

## MARKET DRIVERS



Innovation



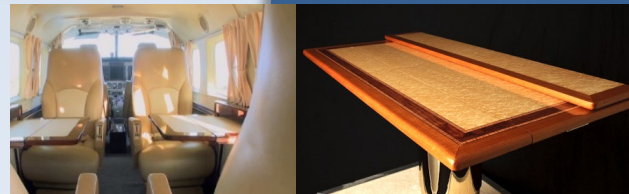
Ecological performance  
of aircrafts



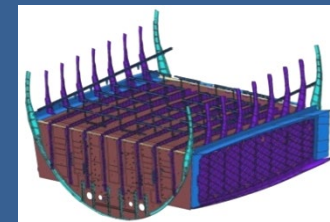
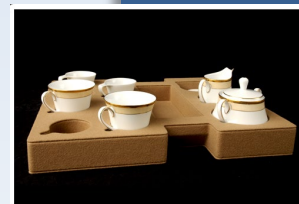
Value engineering

## KEY FACTORS OF SUCCESS

- Engineers mobility and training towards new technologies / processes
- Winning of new customers, of new programs
- Strengthening the international presence
- Digitalization

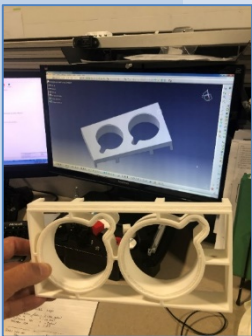


*Business aircraft interiors*

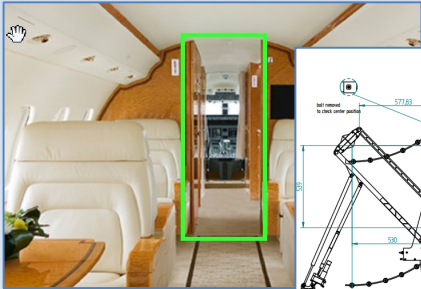


*A350 Center Wing Box*

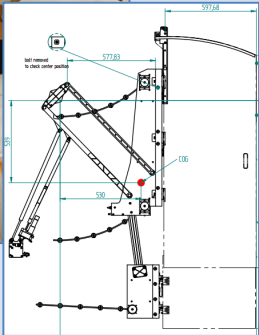
# Aerospace appendixe



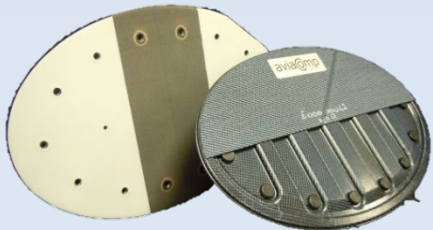
New generation of crystal china and flatware cabinets



Door mechanism



Motorized conference table



Full tank access cover  
(A350, A220)



Baro Setting Control Box



# SIMULATION DIVISION

Simulators and simulation  
software

# SIMULATION



Our more than 700 simulators, that have been installed in more than 20 countries and used by more than 100 organizations and customers, comply with local regulatory requirements and are guaranteed and maintained by our mobile intervention teams.

They are sold in public or private markets by our sales representatives, agents or distributors.

Our softwares are implemented with more than 2,000 licenses at more than 150 customers, manufacturers, equipment manufacturers, research centers or ministries in about 15 countries.

# SIMULATION

In €M	HI 2019	HI 2020	Variation HI 2020-HI 2019
Turnover	14.2*	17.2*	+21.0%
EBITDA	1.3	-1.4	NS
As a % of turnover	9.1%	-7.9%	

\*100% products activity

→ The EBITDA for the 1<sup>er</sup> half 2020 endures the impact of losses to completion provisioned during the exercise Y-1.

- Turnover: +12.5% over the 2<sup>nd</sup> quarter thanks to large simulators and despite the mobility constraints that slow down the installation of simulators
- R&D activities strengthened
- Inter-subsidiary cooperations accelerated

# SIMULATION

## MARKET DRIVERS



Needs for design and validation of complex systems incorporating multiple technologies and environments (vehicles, systems, ...)



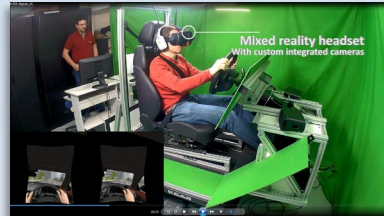
Training needs for operators & traceability



Acceleration of technologies



*Railway Simulator in virtual reality*



*DoF 6 Simulator and virtual reality headset*



## KEY FACTORS OF SUCCESS

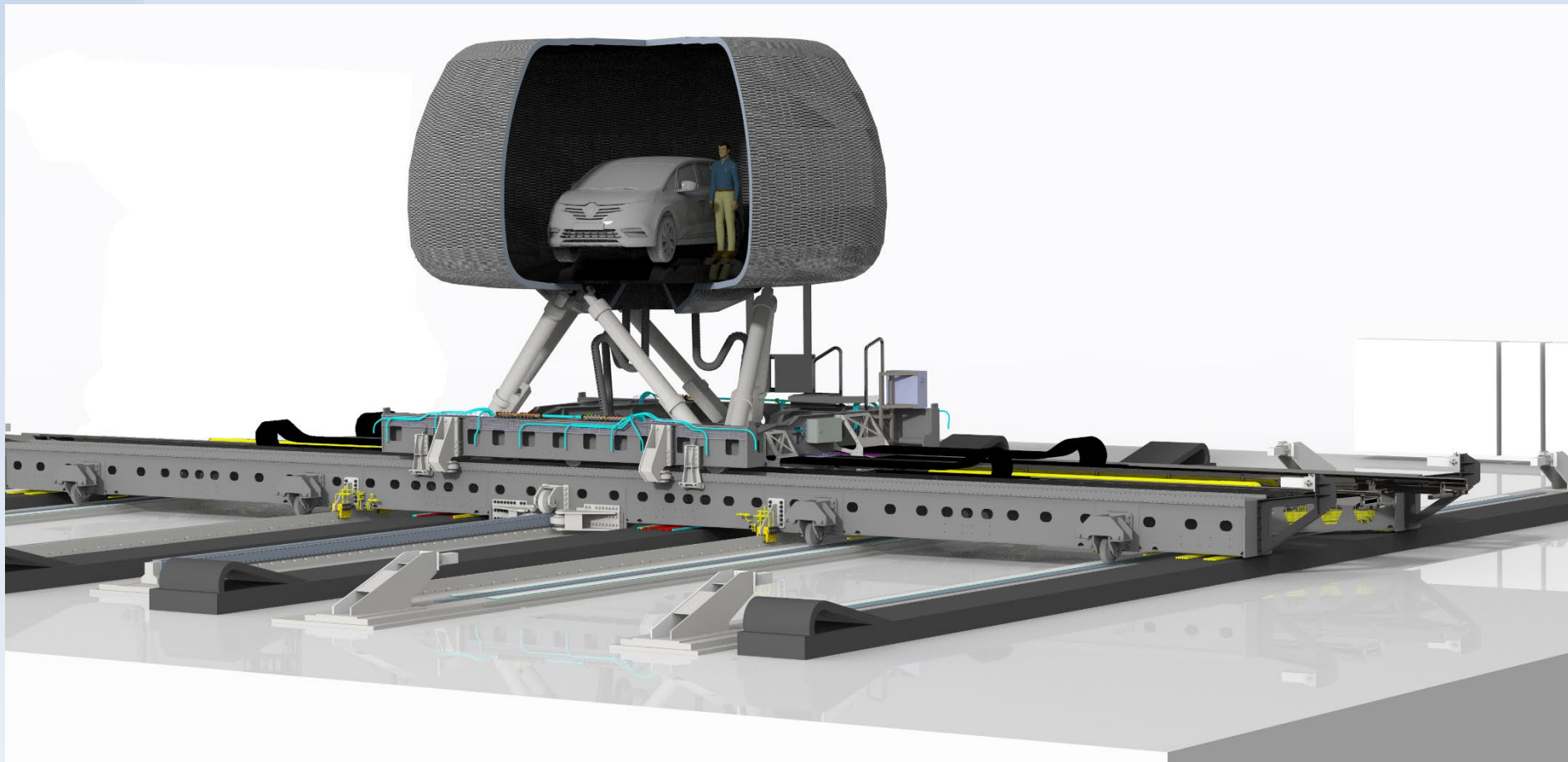
- Control of the complexity of systems,
- Keep strengthening resources,
- Deployment of a direct and indirect commercial network on all continents.



# Simulation appendixe

## Autonomous vehicle: the futur of land mobility

**Large simulators** for RENAULT and BMW: architecture and realization of reception structures





## VEHICLE DIVISION

Engineering & manufacturing  
of mission vehicles  
(military and industrial)

# VEHICLE



With our knowledge of operational requirements and our expertise in architecture and dynamic behavior, we are designers and manufacturers of defense vehicles.

We are the privileged partner for the design and manufacture of sub-systems (domes, gateways, etc.) intended for SOGECLAIR's large simulators.

# VEHICLE

In €M	HI 2019	HI 2020	Variation HI 2020-HI 2019
Turnover	1.5*	0.4*	-70,2%
EBITDA	0.1	-0.4	NS
As a % of turnover	8.5%	-94.2%	

\*100% products activity

- H1 2020 turnover excluding intragroup neutralization decreased by 42.3%
- Investments in preparation for international markets

# 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*

## KEY FACTORS OF SUCCESS

- Develop the international offer
- Adapt the organization to cope with significant size markets

to boost growth



# Vehicle appendixe

## Design, manufacture and adaptation of special counter-mining vehicles



SOUVIM: 8 systems in the French Army.  
AFGHANISTAN and MALI



SOUVIM: Integration of a ground penetration radar on 4 of the 8 copies of the Army.  
Barkhane 2020



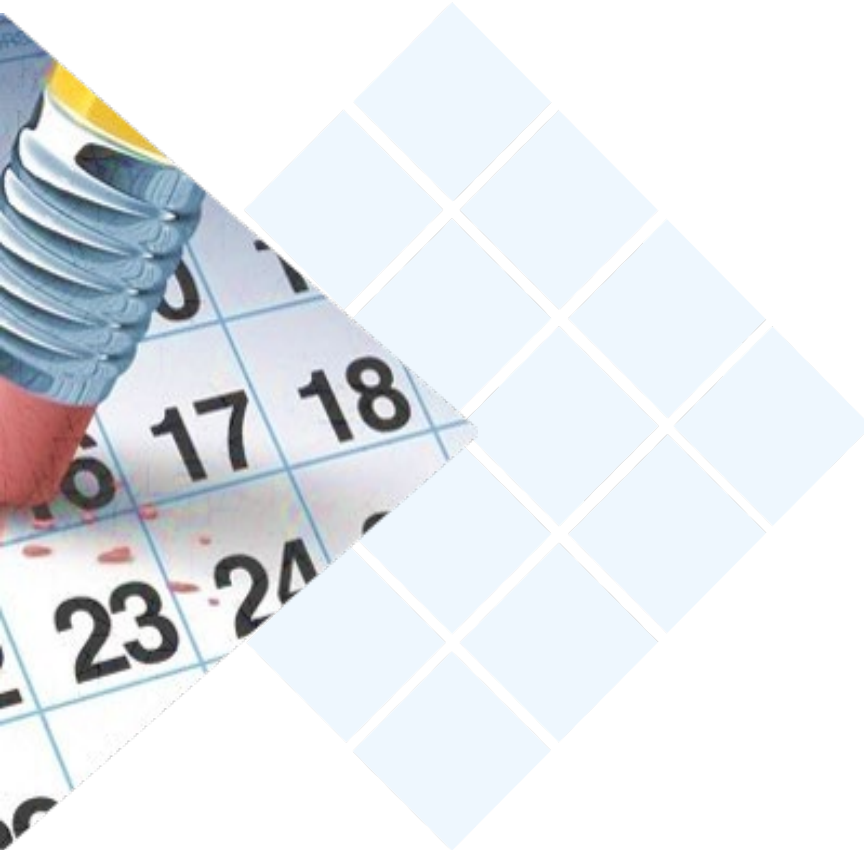
BUFFALO: 4 copies « Land Forces » - Barkhane 2019

## Perspectives

The commercial aerospace market is undergoing a sharp and lasting decline for the coming semesters, but it remains favorable in the medium term (3 to 5 years).

The business aviation, space and more generally transport investment markets, which experienced a significant decline in the second quarter, are expecting a faster recovery.

On the basis of those analysis, SOGECCLAIR took the necessary adaptation measures from the 2<sup>nd</sup> quarter 2020 in order to recover as soon as possible its levels of long-term growth and profitability.



# 2020 FORECAST PRESS RELEASE DATES



Q3 2020 Turnover – [2020/11/04](#)



**APPENDIXES**





## Appendix 1: Consolidated income statement

<b>INCOME STATEMENT</b> (in €k)	<b>H1 2019</b>	<b>H1 2020</b>	<b>2019</b>
Turnover	90,625	68,892	184,972
Other operating income	1,040	1,285	6,206
Cost of goods sold	-36,604	-31,845	-77,680
Payroll expenses	-48,359	-38,364	-94,296
Taxes and duties	-712	-656	-1,344
Depreciation and amortisation	-3,795	-2,728	-7,768
Other expenses	-608	-390	-952
<b>Current Operating Income</b>	<b>1,586</b>	<b>-3,805</b>	<b>9,138</b>
Other operating income and charges	-412	-13,315*	-319
<b>Operating income before income from equity method affiliates</b>	<b>1,174</b>	<b>-17,120</b>	<b>8,819</b>
Share of income from equity method affiliates	-4	-1	-6
<b>Operating income</b>	<b>1,170</b>	<b>-17,121</b>	<b>8,813</b>
Income from cash and cash equivalents	-206	-307	-331
Gross finance costs	-390	-359	-745
<b>Net finance costs</b>	<b>-596</b>	<b>-666</b>	<b>-1,076</b>
<b>Other financial income and expenses</b>	<b>29</b>	<b>46</b>	<b>62</b>
<b>Income before taxes</b>	<b>603</b>	<b>-17,741</b>	<b>7,799</b>
Income tax expense	-1,133	1,431	-1,969
<b>Net profit</b>	<b>-530</b>	<b>-16,310</b>	<b>5,830</b>
Part of group	-664	-15,935	4,959
Part of minority	134	-375	870

\*Impact of structuration costs <11,074> and goodwill <2,108>



## Appendix 2: Consolidated Balance Sheet - Assets

<b>ASSETS</b> (in €k)	<b>H1 2019</b>	<b>H1 2020</b>	<b>2019</b>
Goodwill	14,987	12,647*	15,154
Intangible assets	7,715	6,898	7,411
Tangible assets	15,863	14,342	15,638
Equity method investments	79	229	230
Financial fixed assets	3,170	3,579	3,578
<b>Non-current assets</b>	<b>41,814</b>	<b>37,693</b>	<b>42,012</b>
Inventory	12,365	13,908	12,565
Trade notes, receivables and related accounts	61,739	49,299	69,967
Other current debtors	18,880	16,651	16,440
Deferred income tax	5,489	7,700	5,804
Cash and cash equivalents	12,500	43,806	18,960
<b>Current assets</b>	<b>110,973</b>	<b>131,364</b>	<b>123,735</b>
<b>TOTAL ASSETS</b>	<b>152,787</b>	<b>169,057</b>	<b>165,747</b>

\*Goodwill <2,108>



## Appendix 3: Consolidated Balance Sheet - Liabilities

<b>LIABILITIES</b> (in €k)	<b>H1 2019</b>	<b>H1 2020</b>	<b>2019</b>
Capital	2,900	3,098	3,098
Share premium	2,630	7,269	7,269
Own shares	-712	-739	-680
Reserves and accrued profits	44,126	31,072	50,662
<b>Equity capital, group share</b>	<b>48,944</b>	<b>40,701</b>	<b>60,349</b>
Minority interests	4,944	5,294	5,696
<b>Consolidated shareholders' equity</b>	<b>53,888</b>	<b>45,995</b>	<b>66,044</b>
Non-current provisions	6,318	4,581	5,453
Non-current qualified pre-payments	1,823	1,917	1,227
Non-current financial liabilities	23,351	24,530	24,349
Other non-current liabilities	13	1	1
<b>Non-current liabilities</b>	<b>31,504</b>	<b>31,028</b>	<b>31,030</b>
Current qualified pre-payments	473	20	614
Current part of non-current financial liabilities	8,902	30,985*	9,739
Current financial liabilities	9,092	2,929	6,827
Current provisions	592	10,995	332
Trade creditors, instalments and related accounts	17,536	15,753	21,177
Social and tax debts	23,672	25,346	23,834
Other current liabilities	7,128	6,006	6,149
<b>Current liabilities</b>	<b>67,394</b>	<b>92,035</b>	<b>68,672</b>
<b>TOTAL LIABILITIES</b>	<b>152,787</b>	<b>169,057</b>	<b>165,747</b>

\*Of which State Guaranteed Loans 23,659.5



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

INCOME STATEMENT (in €k)	AEROSPACE		VEHICULE		SIMULATION		HOLDING	
	H1 2019	H1 2020	H1 2019	H1 2020	H1 2019	H1 2020	H1 2019	H1 2020
Turnover	74,926	51,222	1,454	434	14,245	17,237		
Other operating income	517	764	71	4	422	495	30	22
External expenses	-29,763	-19,943	-687	-526	-5,386	-10,731	-767	-645
Payroll expenses	-39,346	-30,034	-874	-723	-7,221	-6,957	-917	-649
Taxes and duties	-418	-347	-33	-33	-156	-128	-105	-148
Depreciation and amortisation	-1,982	-1,863	-233	-145	-1,180	-200	-400	-521
Other expenses	-521	-177	-21	-1	-13	-149	-53	-64
Intra-Group operations	-2,468	-2,074	214	437	-588	-1,130	2,841	2,767
<b>Current operating result</b>	<b>945</b>	<b>-2,451</b>	<b>-109</b>	<b>-553</b>	<b>122</b>	<b>-1,563</b>	<b>628</b>	<b>763</b>
Other operating profits and expenses	23	-13,178*			-432	-140	-3	3
<b>Operating result before earnings of equity method affiliates</b>	<b>968</b>	<b>-15,629</b>	<b>-110</b>	<b>-553</b>	<b>-310</b>	<b>-1,703</b>	<b>626</b>	<b>766</b>
Share in earnings of equity method affiliates	-4	-1						
<b>Operating income</b>	<b>964</b>	<b>-15,630</b>	<b>-110</b>	<b>-553</b>	<b>-310</b>	<b>-1,703</b>	<b>626</b>	<b>766</b>

\*Impact of structuration costs <11,074> and goodwill <2,108>





## Appendix 5: Cashflow Statement

### CONSOLIDATED CASHFLOW STATEMENT

(in €k)

	H1 2019	H1 2020	2019
<b>Consolidated net result (including minority interests)</b>	-530	-16,310	5,830
+/- Amortisation and provisions (excluding those linked to current assets)	4,150	15,695	7,673
-/+ Latent gains and losses linked to fair value variations	-14	-15	-28
-/+ Transfer capital gains and losses	-22		-26
-/+ Dilution profits and losses	329	-26	458
+/- Share in the result linked to equity method affiliates	4	1	6
- Dividends (non consolidated securities)		-37	
<b>Self-financing capacity after net finance costs and tax</b>	<b>3,916</b>	<b>-691</b>	<b>13,913</b>
+ Net finance costs	348	368	628
+/- Tax charge (including deferred tax)	1,133	-1,431	1,969
<b>Self-financing capacity before net finance costs and tax (A)</b>	<b>5,397</b>	<b>-1,754</b>	<b>16,510</b>
- Tax paid (B)	980	2,221	2,276
+/- Variation in working capital requirement linked to the activity (including debt related to personnel benefits) (C)	-4,325	12,041	-10,145
<b>= CASHFLOWS FROM OPERATING ACTIVITIES (D) = (A + B + C)</b>	<b>2,052</b>	<b>12,508</b>	<b>8,641</b>
- Outflows linked to the acquisition of tangible and intangible assets	-1,879	-1,610	-3,642
+ Inflows linked to the sale of tangible and intangible assets	25	3	142
- Outflows linked to the acquisition of financial assets (non-consolidated securities)	-35		-35
+/- Impact of variations in scope		-83	
+ Dividends received (equity method affiliates, non-consolidated securities) * see alternative processing 7.2		37	
+/- Variation in loans and advances granted	-120	-13	-511
+ Investments grants received		97	
<b>= CASHFLOWS FROM INVESTMENT ACTIVITIES (E)</b>	<b>-2,009</b>	<b>-1,570</b>	<b>-4,047</b>
Acquisition of non-controlling interests	-1,111		-1,272
+ Sums received from shareholders at time of capital increases	30		4,868
-/+ Buyback and sale of own shares		-59	174
- Dividends allocated for payment during the year			
- Dividends paid to the parent company shareholders	-1,845	-2,662	-1,845
- Dividends paid to the integrated company minority interests	-25		-239
+ Revenue from loan issues	2,329	24,802	6,869
- Loan reimbursements (including leasing contracts)	-4,639	-3,968	-9,251
- Net finance costs (including leasing contracts)	-342	-280	-713
<b>= NET CASHFLOWS FROM FINANCING ACTIVITIES (F)</b>	<b>-5,602</b>	<b>17,833</b>	<b>-1,410</b>
+/- Impact of changes in currency exchange rates (G)	-167	-27	-188
<b>= NET CASH VARIATION (D + E + F + G)</b>	<b>-5,726</b>	<b>28,745</b>	<b>2,997</b>

# SOGECLAIR

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## EMAIL ADDRESS



## PHONE NUMBER



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