



Company Profile

Dassault Aviation

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COMPANY OVERVIEW

Dassault Aviation SA is a France-based group operating in the global civilian and military aviation industry. Dassault Aviation encompasses most of the aviation activities of Groupe Industriel Marcel Dassault (GIMD), and specialises in the design, development, manufacture, and sale of combat aircraft and executive jets. Its portfolio includes the Falcon family (mainly for the civilian aviation market), and the Mirage 2000 and Rafale aircraft for the military sector. It also offers spare parts, tools, and a range of services such as technical support, maintenance, and repair of airframe equipment and parts.

Parallel to the aircraft sector, Dassault Aviation has recently developed an interest in military drones and the space industry (vehicle studies and pyrotechnical activities).

With offices in Europe, Asia, and the Middle East and subsidiaries in the United States, Brazil, India, and China, Dassault Aviation is headquartered in Paris, France and employs approximately 12,177 people (as of December 31, 2016).

Dassault Aviation recorded revenues of €4,876.6 million (approximately \$4,104.8 million) in the fiscal year 2017, an increase of 31.41% compared to 2016. The group's operating income was €209.72 million (approximately \$315.8 million) in fiscal 2017, a decrease of 26.55% compared to 2016. Its consolidated net profit was €709 million (approximately \$419.3 million) in fiscal 2017, an increase of 87% compared to 2016.

KEY FACTS

Head Office :	Dassault Aviation 9, Rond-Point des Champs-Élysées Marcel Dassault 75008 Paris France
Telephone :	+33 1 53 76 93 00
Fax :	+33 1 53 76 93 20
Website :	http://www.dassault-aviation.com
Net Sales and Other Revenue (EUR Mn) :	4,876
Financial Year End :	December
CEO :	Eric Trappier
Employees :	11,558
NYSE Euronext – Paris Ticker :	AM

HISTORY

Dassault Aviation's history dates back to 1914 when founder Marcel Bloch, then just 22 years old, served at the Aeronautical Research Laboratory in Chalais-Meudon. In 1916 together with Henry Potez, they created the Société des Hélices Éclair - an aeroplane propeller company. Interest in building their own aircraft led the engineers to form the Société d'Etudes Aéronautiques (SEA). Louis Coroller (another engineer from the Ecole Supérieure d'Aéronautique and of the same promotion) assisted the duo in designing the SEA4 aircraft. Ordered at a thousand, the first series aircraft became available on 11 November 1918, Armistice Day of the First World War resulting in the contract being cancelled. A hundred aircraft were manufactured and delivered, but due to large stockpiles of military equipment the French government ceased to influence manufacturers to continue production. Marcel Bloch withdrew from the aviation industry and turned his attention to real estate.

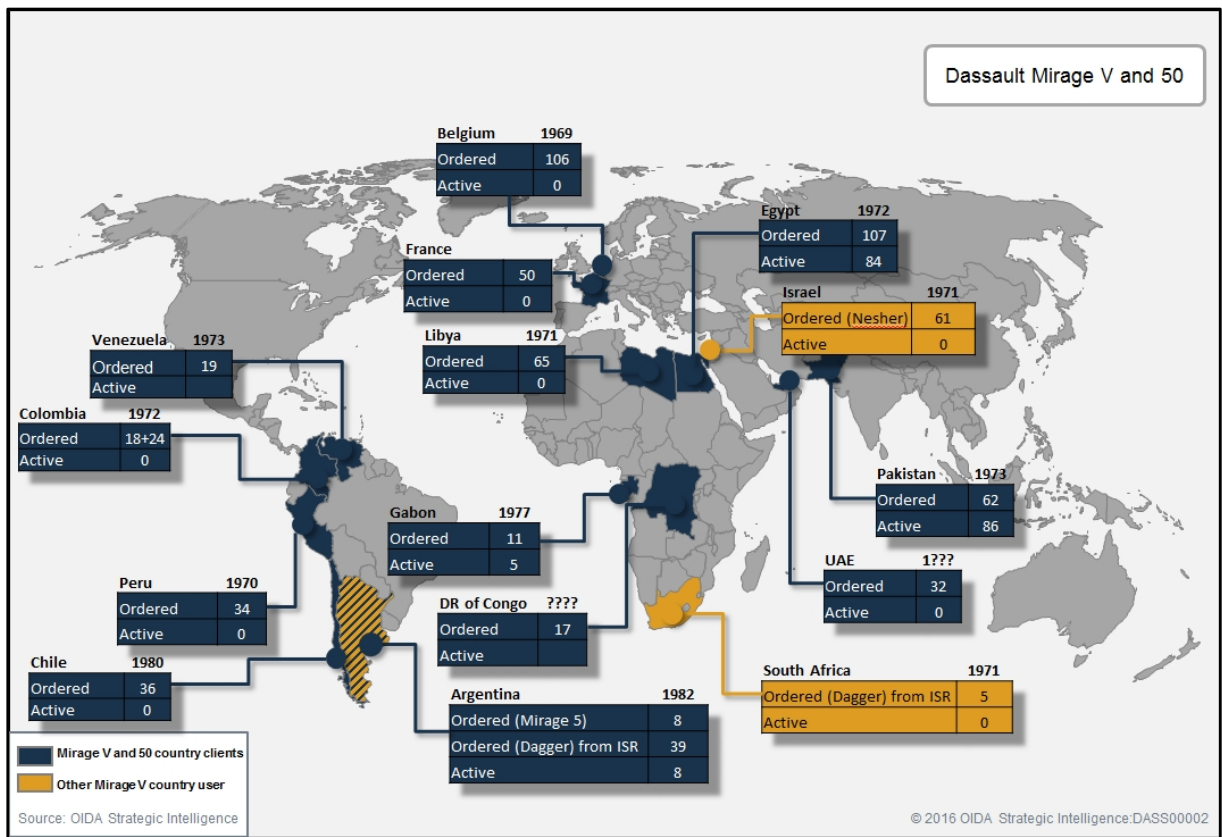
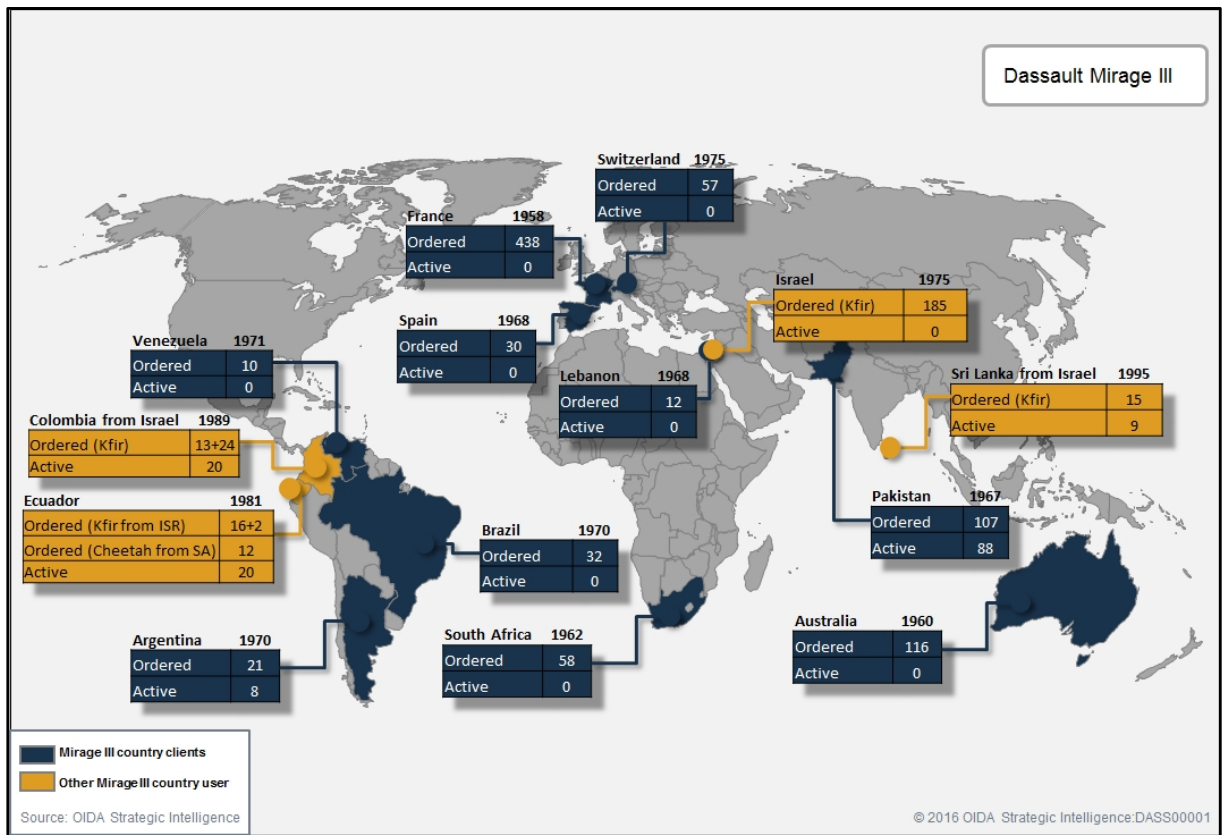
In 1928 with the creation of the Air Ministry in France, Marcel Bloch formed the Société des Avions Marcel Bloch. In 1931, the French government ordered the MB 80, a single-engine aircraft and the MB 120. In 1934, foreseeing that the French aircraft industry would encounter a crisis, Marcel Bloch contacted his old friend Henry Potez and purchased in January 1935 the Société Aérienne Bordelaise (SAB), which would become the Société Aéronautique du Sud-Ouest (SASO). They also purchased the Société des Moteurs et Automobiles Lorraine (SMAL). On 5 October 1940, Marcel Bloch was arrested for failing to collaborate with German occupiers. In 1944, he was deported to Buchenwald concentration camp as a political hostage. With the liberation of Buchenwald, Marcel Bloch returned to France and from May to December 1945 he restructured his company into the Société Anonyme des Avions Marcel Bloch (SAAMB). On 20 January 1947, Marcel Bloch companies became Marcel Dassault companies.

Since its creation, Dassault Aviation has followed certain standards:

- Managing all its programs from their development to delivery, and support;
- Offering significant parts of aircraft to the rest of the French industry and sometimes abroad, but keeping 20% to 30%, plus final assembly and flight tests;
- Developing aircraft prototypes with its own equity.

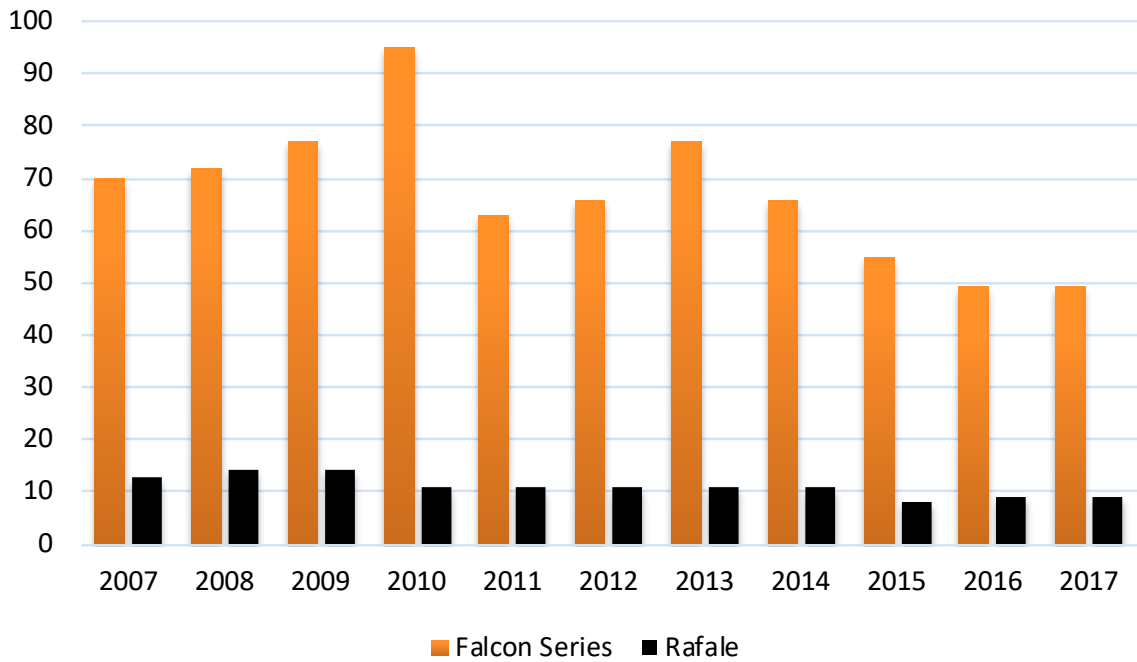
Nearing the end of 1955, Marcel Dassault kept the Mirage Delta airframe for the Mirage III aircraft. The prototype flew in November 1956 with the aircraft making its maiden flight on 12 May 1958

Figure 1: Worldwide Exports of the Mirage III and its Derivative



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Figure 13: Aircraft Deliveries (in Units)

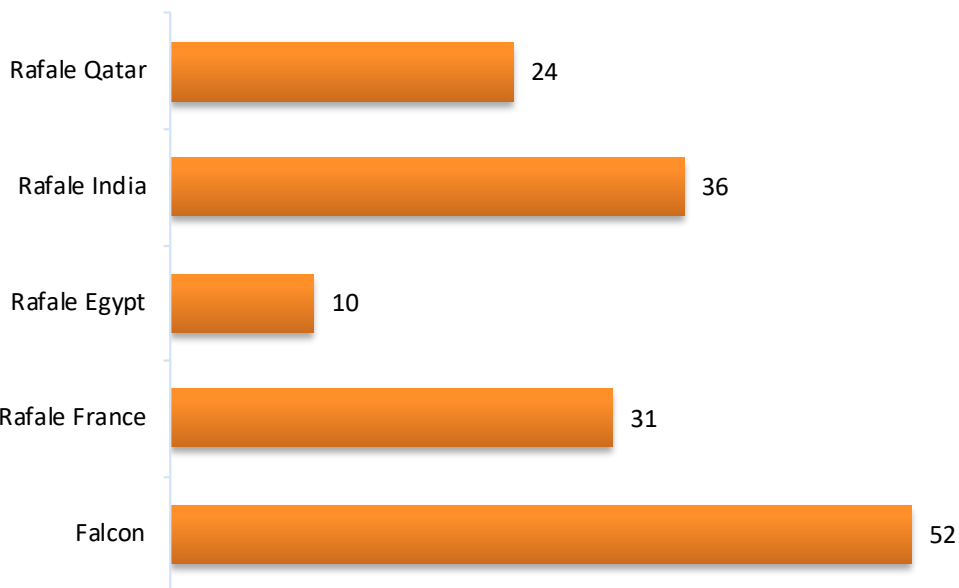


Source: Annual Report, Company Website, Primary and Secondary Research

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For the last two years, Dassault has been producing 22 Rafales per year. Currently, the production rate is slightly above 2/month. Dassault will have to deliver a lot more than 11 Rafales/year, especially in 2019 and 2020, as India will start to receive its Rafale in parallel from Qatar. Nevertheless, a few Rafales for Qatar have been already produced and serve for material testing (helmets and pods from Elbit Systems) in Mont de Marsan (BA118), France.

Figure 14: Backlog for 2018 (in Units)



Source: Annual Report, Company Website, Primary and Secondary Research

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