



Aerospace & Defense Review

Q4 2023

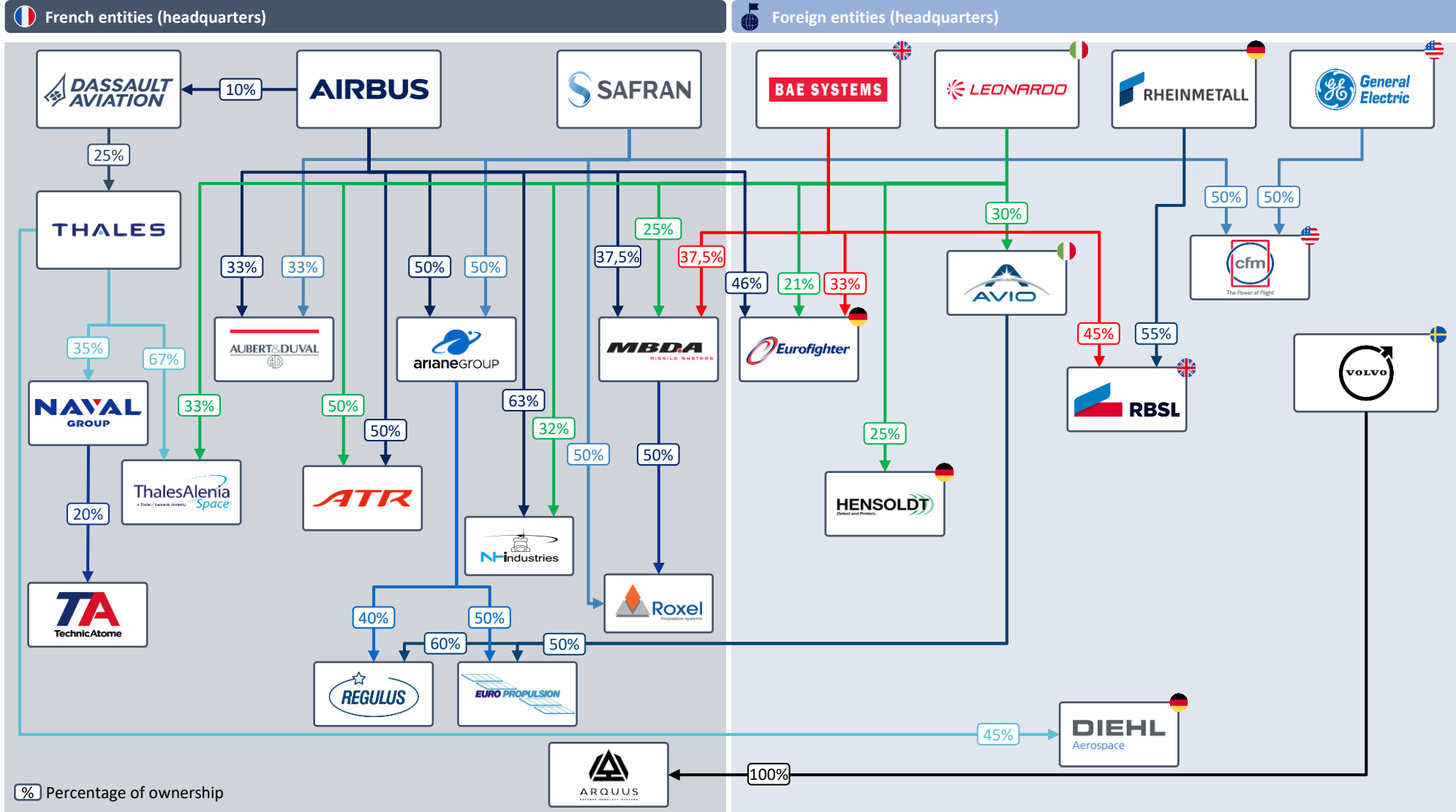
Summary



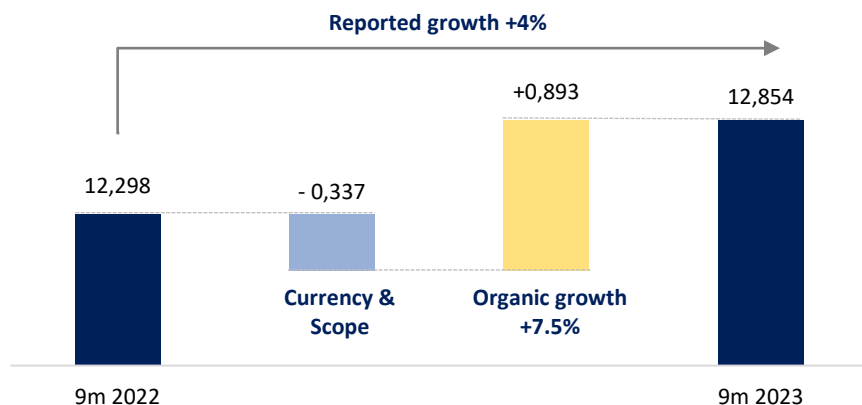
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#1 Main French & European Defense Groups : Overview of the ownership linkages

With this non-exhaustive mapping, we wanted to highlight the numerous ownership linkages that exist between large French and European players in the Defense Industry. In comparison, the US Defense Group are more independent from each other, they only have in common some financial shareholders (large US private equity funds invested in the US Defense Industry)



9m Revenues - €m



2023 objectives



Key headlines

R&D investments

- Investment in a 18,000m² logistics center as part of the roll-out of its new radiocommunications R&D center of excellence, due to open in 2024

Ongoing active portfolio management

- 2 acquisitions completed: with Tesserent an Imperva
- Aeronautical electrical systems disposal completed
- Transport activity disposal to be closed in H1 2024

Integration into the CAC SBT 1,5 Index

- Demonstrating the recognition of Thalès' ESG Strategy

2024-30 French military Programming Law

- Accelerating in French defense budget growth

Orders intake

In €m	9m	9m	Var.	
	2023	2022	Total	Organic
Order intake	12,370	15,449	(20%)	(18%)

▶ Ongoing strong commercial activity despite FY2022 high comps (Rafale UAE) and Q3/Q4 phasing

Defense & Security – 9 m key figures

- Continuous strong order intakes momentum vs. high comps in 9m 2022 (Rafale UAE order)
 - 2 MLUs in Defense : Horizon frigates (FR/IT) and a radar system (export)

Aerospace – 9 m key figures

- Order intake slightly down due to 9m 2022 high comps
- Ongoing momentum in civil Avionics orders: civils aero orders up double-digit despite high comps (**1 large IFE order in Q3 2022**)
- Space: orders still below 9m 2022 due to high comps and despite 5 large contracts booked in the Observation, Exploration and Navigation business line
 - 1 significant order in Q3 2023 : new tranche Galileo 2nd Gen

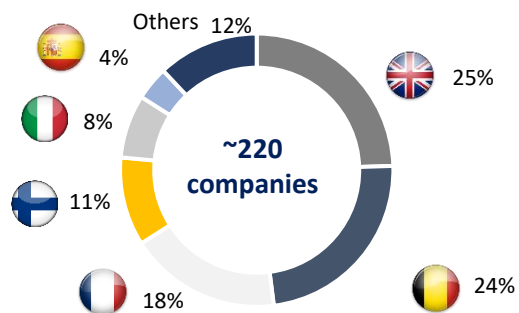
#9 What future for the European space market?

There are two opposing views within the EU on the future of Europe's space industry, especially about launcher investment strategies

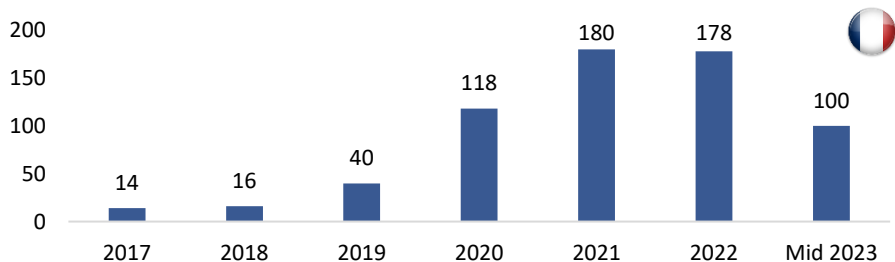
- First, some EU countries aim to favor private "New Space" players, which are able to develop micro-launchers capable of sending light satellites (up to 1 ton) into low Earth orbit. This vision is notably supported by Germany, which has two very successful start-ups in this segment: Rocket Factory Augsburg (OHB) & [Isar Aerospace](#). Germany has therefore stepped up its public investment in support of this sector
- The other side, led by France and Italy, wants to concentrate investment efforts on the European champions Ariane 6 and Vega-C, and thus limit the opening up to competition. This strategy mainly consists of concentrating ESA's budget (€18 billion over 3 years) on a strategic and historically competitive priority in order to be able to compete with the Americans on this specific subject, NASA having a much greater capacity for diversification with an annual budget of \$25 billion

Nonetheless, there has been a real blossoming of New Space players in Europe, particularly in France, which has the highest concentration of startups referenced in this sector. Private financing rounds have been accelerating steadily for over 10 years, with a real acceleration starting in 2017

Breakdown of the total fundraising amount by country since 2010



Focus on the French fundraising over the years – in m€



For the last 10 years, the french Newspace sector has raised approximately 650m€. The first significant fundraising started really from 2017 and kept increasing sharply since then. The number of deal funded is about sixty

European Top 5 of the most financed startups

5 soonicorn but not yet unicorns.

#	Company	Country	Amount raised - in €m	Activity
1	isar aerospace	Germany	310	Launch service provider for small and medium-sized satellites
2	ICEYE	Finland	274	Space observation services
3	mynaric	Germany	200	Satellite communication systems
4	Nanoracks	Italy	160	Provider of commercial access to space
5	LOFT ORBITAL	France	146	Space infrastructure as a service

Sample of the biggest backer in France





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