PERSPECTIVES AND STRATEGY

Philippe PETITCOLIN, CEO
CMD’16 ambitions delivered and exceeded

<table>
<thead>
<tr>
<th>Three ambitions</th>
<th>Three achievements</th>
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<tr>
<td>1. Focus on Aerospace and Defense</td>
<td>• Successful disposal of Security and Identity businesses</td>
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<td>2. Reinforce our footprint in Aerospace Equipment</td>
<td>• Unparalleled LEAP ramp-up</td>
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<td>3. Sound financial results to get closer to the best peers</td>
<td>• Acquisition of Zodiac Aerospace</td>
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<td>• #2 WW in Aerospace Equipment</td>
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<td>Financial objectives outperformed over 2016-2018:</td>
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<td>• Organic growth: mid-single digit p.a</td>
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<td>• EBIT growing on average by 100bps p.a</td>
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<td>• Average EBIT to FCF conversion comfortably above 50%</td>
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OUR INDUSTRY: VERY POSITIVE PERSPECTIVES, CHANGING INDUSTRIAL LANDSCAPE
Positive industry trends

Commercial outlook

Doubling of air traffic in the next 20 years
Pressure on capacity: load factors peaking and strong profits for airlines

Military outlook

Increase in military spending (2% GDP NATO spending targets)
New programs and technological transformation

Scheduled Passenger Network, Worldwide

Military spending evolution, Worldwide (as %)

Sources: Safran Aircraft Engines

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In commercial aviation, planned aircraft deliveries better than anticipated

Very positive outlook for commercial aviation over the 20 coming years:

- 20-year annual economic growth*: +2.8%
- 20-year annual RPK traffic growth*: +4.3%
- 20-year global fleet growth*: x1.8
- 20-year new aircraft deliveries*: 39,000

Solid deliveries of new aircraft over the next 20 years, particularly narrowbody:

- 2,800 TURBOPROP AIRCRAFT
- 3,600 REGIONAL JETS
- 24,100 SHORT-MEDIUM RANGE AIRCRAFT
- 8,500 LONG RANGE AIRCRAFT

Sources: Safran Aircraft Engines  * Until 2037

Solid momentum of new aircraft deliveries

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A changing industrial landscape

Rapid changes

- Technological upheaval
  - Towards electrical plane

- Long term environment issues
  - CO₂, Nox, Noise etc.

- Competition
  - Newcomers
    - (start ups, emerging markets etc.)

- OEM consolidation and repositioning

- Supply base consolidation

Safran’s responses

OEM partner of choice

- Continued cost competitiveness
  - (productivity, Low Cost Countries, etc.)

- Technological excellence and IP protection

Define the next Aerospace state of the art

- R&D
- Disruptive technologies
- Selected partnerships

Confirming Leadership
SAFRAN HAS THE ASSETS FOR SUCCESS
Well-positioned for success: winning products, winning technologies...

- WE HAVE THE KNOW-HOW AND OPERATIONAL EXCELLENCE
- WE HAVE A BALANCED AND WINNING PORTFOLIO
- WE HAVE A CLEAR ROADMAP FOR THE NEXT 15 YEARS

- New ambitions ahead: leading the industry and preparing the next decades of the Aerospace and Defense industry
...and talented people

Geographic split of Employees (%, 2018)

An international Group of ~90,000 in 2018
- Reinforced footprint in North America with Zodiac Aerospace
- Upcoming capacities increase in Low Cost Countries (LCC)

Increasing Support and Client Services resources, with upcoming capacities in Maintenance, Repair and Operations (MRO)

A high-tech Group, committed in training and building skills of all its workforce
- 16% of the workforce in R&D
- ~1,200 PhDs

Success comes by developing talents and our team performance
CLEAR AMBITION FOR EACH BUSINESS: PREPARING THE NEXT DECADES OF AEROSPACE AND DEFENSE INDUSTRY
Propulsion – Our ambitions for the next 15 years

A FULL-FLEDGED ENGINE MANUFACTURER

PREPARING THE FUTURE OF PROPULSION BY DEFINING THE TECHNOLOGIES OF TOMORROW

MANAGING A LARGE INSTALLED BASE OF CIVIL ENGINES, UPSIDE FOR AFTERMARKET
Propulsion – Supplying the full spectrum of propulsion technologies

Narrowbodies: core through our remarkable CFM JV*

Widebodies: through risk and revenue sharing partnerships**

Addressing other market segments: bizjet, regional and military engines

Helicopter engines: #1 WW

* 50-50 JV between Safran and GE
** Primarily with GE
Propulsion – LEAP, the most challenging ramp-up in the Aerospace history; CFM56, a remarkable lifespan

LEAP: an unparalleled and ground breaking ramp-up

CFM56: a large installed base
- Remarkable longevity of CFM56: ~5,700 engines delivered in 2015-2018, with a historical high in 2016 (~1,700 engines)

LEAP learning curve experience: a driver for excellence across the Group

Upside for our aftermarket perspectives beyond 2025

Note: « Year # » stands for the number of production years for each engine. For instance, after 5 years of production, ~600 CFM56 were delivered (in 1985) vs ~2,000+ LEAP (in 2020).
Propulsion – Other customer segments: growth to come from engine renewals

**Bizjets**

Priority to develop Silvercrest for Textron Aviation’s Hemisphere

Make it the best engine in its class

**Military aircraft**

Preparing actively the Future Combat Aircraft (FCAS) with our European partners

**Helicopters**

A brand new product range with best-in-class engines between 500 shp and 3,200 shp

- **New engines**
  - Arrius 2
    - 500/700 shp
  - Arrano
    - 1,100/1,400 shp
  - Ardiden
    - 1,500/2,000 shp
  - Aneto
    - 2,050/3,200 shp
  - Arriel 1 & 2
    - 750/1,100 shp
  - Makila 1 & 2
    - 1,800/2,200 shp
Propulsion - Preparing future technologies

New forms of propulsion to come
- Environmental constraints
- New mobility needs: urban and regional mobility
- Full electrical propulsion: not expected before 2050 for large commercial aircraft

Hybridation of the propulsion chain: an essential step

VTOLs as the next ground break through: agreement with Bell

Leading the way for the short and long term
- Electrical aircraft with e-taxing, hybrid Ram Air Turbine, etc.
- Know-how with military UAVs
- Additive manufacturing, high temperature CMC materials

Investing today in disruptive technologies is key
Aerospace Equipment – Our ambitions for the next 15 years

Safran in 2018: #2 WW Aerospace Equipment* supplier

Very significant positions in almost all market segments

A world-class business e.g.:

- Landing gear, Wheels and carbon brakes
- Nacelles
- Electrical wiring interconnection systems for aircraft
- Evacuation slides, O₂ systems
- Seats and Cabin

* Excluding Propulsion activities

Our ambition: becoming #1 WW

Increasing our competitiveness and being innovative

Offering global packages to clients

Acting as a key leader in equipment for more electrical aircraft

Leveraging our technologies in our Electronics & Defense niche business (e.g. single pilot)

Safran as a partner of choice for OEMs
Equipment – Zodiac Aerosystems reinforces our Electronics & Defense / Electrical & Power activities

Aerosystems brings:
- Complementary and additional products & services in line with Safran DNA

Safran Electronics & Defense:
- Center of excellence in Electronics for the group
- Instrumental in Safran’s position in critical systems and equipment

- Fully leverage Aerosystems’ portfolio to strengthen our positions and to maximize commercial, technological and product synergies
Equipment - Our assets in a changing landscape

Our assets

1. Innovative excellence

2. Competitive strength

3. Agility

Two illustrations of our agility

Nacelles
- Continuation of the sole source contract with Airbus to supply nacelles for the Leap-1A equipped A320neo (design, production, integration and support)
- No significant impact on our margins overall

APUs
- Partnership with Boeing: a win/win situation strengthening our relationship
- Offering an opportunity to take positions on APUs for commercial aircraft
- Next steps: demonstrator, investments and respond to tenders
Aircraft Interiors – Our ambitions

A new business for Safran, with exciting challenges:

- Maintain design *savoir-faire* and quickly restore operational excellence
- Reinforce the proximity with the airlines
- Become a leader of the connected cabin
- Improve the user experience (passenger, flight crew)

Turn around performance and reach former profitability levels

Innovation, operational excellence and customer trust will ensure Safran leadership in this new activity
Aircraft Interiors – Upcoming growth opportunities

Strong product customization and increased segmentation
- Cabin is the main differentiator for airlines
- Passengers looking for a modern IFE (simple and reliable) and for connectivity

Dynamic retrofit market (~5% of growth p.a.)

On going industry professionalization where operational excellence is a key success factor
- Supply chain and delivery issues met by all participants
- Products becoming more complex

- Aircraft Interiors industry waiting to be strengthened
- Safran has all the assets to succeed
A clear road map

- Complete the LEAP success story with best-in-class OE and aftermarket, in cooperation with our partner GE Aviation
- Successfully integrate Zodiac Aerospace and deliver planned synergies
- Invest in technologies to bolster our key-leading position as a full-fledged civil & military engine manufacturer and to become #1 WW Aerospace Equipment supplier in the next 15 years