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USE OF NON-GAAP FINANCIAL INFORMATION
This document contains supplemental non-GAAP financial information. Readers are cautioned that these measures are unaudited and not directly reflected in the Group’s financial statements as prepared under International Financial Reporting Standards and should not be considered as a substitute for GAAP financial measures. In addition, such non-GAAP financial measures may not be comparable to similarly titled information from other companies.
## FY 2019 highlights

### Very strong organic growth, across all businesses
- Organic growth for the first 9m of 2019: +12.6%
- Several programs in a ramp-up phase: nacelles (A320neo and A330neo); lavatories (A350); M88 (export contracts) etc.
- Services growth, notably civil aftermarket

### Some (positive) exceptional items boosted both recurring operating income and FCF

### Aircraft Interiors: on going recovery

### 737MAX grounding weighted on FCF
- FCF impact: ~ €(650)/(700)M in 2019 including the advance payment received from Boeing in Q3
- Current impact on FCF and any extension merely represent a deferral in cash collection and should reverse

## FY 2019 Guidance*

### FY 2019 revenue and recurring operating income outlook:
- Adjusted revenue to grow by around 15% in 2019 vs. 2018\(^{(1)}\)
- Adjusted **organic** revenue to grow by around 10%
- Adjusted recurring operating income to grow comfortably above 20%\(^{(2)}\)

### FY 2019 free cash flow outlook:
- Based on an assumption of return to service for Boeing 737MAX in Q4, FCF to be in the range 50% to 55% of adjusted recurring operating income as recurring operating income outlook has been raised
- In case the grounding continues until the end of 2019, FCF to adjusted recurring operating income should be around 50%

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*2019 Guidance is established considering the full application of the new IFRS16 standard and is based on the Group’s scope as of January 1, 2019 (Aerospace propulsion; Aircraft Equipment, Defense & Aerosystems; Aircraft Interiors ; Holding & Others).

\(^{(1)}\) At an estimated average spot rate of USD 1.13 to the Euro in 2019

\(^{(2)}\) At a hedged rate of USD 1.18 to the Euro
Focus on CFM56-LEAP transition

As a reminder, what happened in 2018:
- (1) More CFM56 spare engines than originally anticipated
- (2) LEAP cost reduction trajectory in line with initial ambition
- All in all, transition impact was better than anticipated

FY2019 outlook: “overall negative impact on Propulsion adjusted recurring operating income variation in the range € 50 to 100 M”

FY2019 in the upper range of the initial guidance
- Spare engines: positive impact both for CFM56 and LEAP
- Non-recurring costs (i.e. fleet management costs) reflecting the size of the fleet growth
- H2 better than H1 and cost reduction trajectory in line with ambition

NB: chart presented at Safran 2018 CMD
MID-TERM TRENDS
## Group revenue growth

### Group growth perspectives

The last 2 years have been exceptional thanks to several major programs ramp ups and services growth (incl. civil aftermarket)

Safran: in a couple of years, from €16bn to €24bn / €25bn

### Assumptions

- LEAP-1A: agreement with Airbus to reflect market share in 2020/2021
- LEAP-1B: 42 a/c per month today. Post return to service?
- M88: volatility in deliveries
- Equipment: new outlook for widebodies
- Bumpy organic growth for Aircraft Interiors (impact of 2017-2018 non-offerability)

▶ Growth expected from a higher basis
Continued cost reductions and productivity gains: Safran’s DNA and a key priority for the management

**Opportunities:**
- Civil Aftermarket
- Services
- Euro / Dollar

**Risks:**
- 737MAX return to service
- Aircraft Interiors recovery pace

**Group adjusted operating margin growth targets**

<table>
<thead>
<tr>
<th>Category</th>
<th>Margin Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group</td>
<td>16% - 18%</td>
</tr>
<tr>
<td>Propulsion</td>
<td>&gt;20%</td>
</tr>
<tr>
<td>Equipment, Defense &amp; Aerosystems</td>
<td>&gt;14%</td>
</tr>
<tr>
<td>Aircraft Interiors</td>
<td>&lt;13%</td>
</tr>
</tbody>
</table>
Cash flows from operations targets

Group EBITDA (€M, illustrative)

2018 CMD: “EBIT to FCF conversion above 50% during the period and trending above 60% in 2022”

737MAX grounding and NMA decision create uncertainties in FCF outlook

FCF tailwinds:
- Increase in profitability across all businesses
- CFM56 aftermarket and Equipment Services
- LEAP ESPH contracts
- Aircraft Interiors recovery

Main FCF headwinds:
- Working capital (advance payments)
- New developments and R&T roadmap
- Capex

Cash normalization should be progressive in 2020 and 2021

Note: at a hedged rate of 1.18 and at a spot rate of 1.25 over the period 2019-2022

Note: ESPH= Engine Service Per Hour
Focus on FX

2019:
- Fully secured: 1.18
- Firm coverage raised to reflect growth in USD-related businesses
- No impact from the evolution of the €/$ spot rate

2020-2021-2022:
- Average annual exposure, now estimated at $11bn p.a., should remain stable in the coming years
- Target range secured: 1.16-1.18 for 2020, 1.15-1.18 for 2021 and 2022
- Current spot rate: tailwind

2023:
- Initiated coverage at $2.2bn through knock-out options

€/$ spot level evolution might provide opportunities
Increase in self-funded R&D and investments to secure leadership and growth

Increase returns to shareholders:

- CMD 2018: ~75% of cumulated FCF distributed through buybacks and dividends (@40% payout assumption) over the period 2018-2022
- €2.3bn share buyback program now executed (20 millions of shares to be cancelled in 2018 and 2019)
- The Board of Directors will review the situation in order to ensure attractive equity return for shareholders through dividends or new share buyback program
### 2020 trends

<table>
<thead>
<tr>
<th>Revenue</th>
<th>What is at stake in 2020?</th>
</tr>
</thead>
<tbody>
<tr>
<td>● FY2019 as a very strong comparison basis</td>
<td></td>
</tr>
<tr>
<td>● LEAP 1-B production rate</td>
<td></td>
</tr>
<tr>
<td>● Growth in aftermarket</td>
<td></td>
</tr>
<tr>
<td>● Volume headwind for widebodies (787 production rate; 777X entry into service slippage; A380 deliveries cease)</td>
<td></td>
</tr>
<tr>
<td>● Lag effect of the non-offerability for Aircraft Interiors</td>
<td></td>
</tr>
<tr>
<td>● FX</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EBIT</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>● LEAP cost reduction. Fixed costs absorption depending on volumes</td>
<td></td>
</tr>
<tr>
<td>● Continuous improvements in Equipment, Defense &amp; Aerosystems</td>
<td></td>
</tr>
<tr>
<td>● Aircraft interiors on going recovery</td>
<td></td>
</tr>
<tr>
<td>● FX</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FCF</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>● Uncertain recovery of 2019 FCF headwind</td>
<td></td>
</tr>
</tbody>
</table>
GREENING AVIATION
Global aviation industry: only ~2% of global CO₂ emissions (with aircraft manufacturing being negligible) but high expectations

CORSIA (2016): challenging targets for the industry:
1. Between 2009 and 2020, improving fleet fuel efficiency by 1.5% annually;
2. From 2021 to 2035, carbon-neutral growth;
3. From 2050, target reduction in net aviation's emissions of 50% relative to 2005 levels

A range of measures to be considered across the industry (airframers, airlines, equipment suppliers, airports) with the support of public authorities

On the propulsion side: an extraordinary technological leap needs to be made in terms of energy efficiency

- Climate: a game changer in the industry
- Investing today in disruptive technologies to be leader in “low carbon” aviation: absolute priority for Safran
Three components on the energy equation:

- Optimizing the propulsion fuel consumption
- Electrification and hybridization
- Sustainable fuels (from bio-fuels to synthetic fuels and hydrogen)

Specific solutions for each market segment:

- On the short run, improvements to existing energy systems and architecture (e.g., combustion efficiency, aerodynamics, weight saving, materials, etc.)
- On the medium term: technological breakthroughs (e.g. radically different aircraft and engine architecture such as Open Rotor, new energy sources etc.)
- Electric and hybrid propulsion: gains for short-haul and low capacity flights (i.e. regional, VTOL)

Two key assets:

- High-performance materials: efficiency and lighter weight
- Agility: disruptive technologies will be achieved through cooperations with market players and new actors

+€600M
Of R&T in 2022, vs. €317M in 2014

75%
of R&T focused on environmental efficiency

3,000
R&T employees

1,200
PhD graduates in the Group

+1,050
Initial patent requests filed WW in 2018

- No magic bullet
- Safran ready to explore all solutions
Safran at a glance

An international Group of ~92,000, completely focused on Aerospace since Zodiac Aerospace acquisition in 2018
- 3rd WW Aerospace Group (excl. airframers)
- 2nd WW Aerospace Equipment supplier

3 activities:
- Aerospace Propulsion
- Aircraft Equipment, Defense & Aerosystems
- Aircraft Interiors

A very resilient business model, with Services generating ~46% of Revenue and different product lifetime

A clear ambition:
- Become the world’s leading aircraft equipment supplier within the next 15 years
Strategy wrap-up (1/2): Safran is well-positioned for success

- WE HAVE THE KNOW-HOW AND OPERATIONAL EXCELLENCE
- WE HAVE A BALANCED AND WINNING PORTFOLIO
- WE HAVE TALENTED PEOPLE
- 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
Strategy wrap-up (2/2): 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
### Key figures

#### ADJUSTED REVENUE (€M)

<table>
<thead>
<tr>
<th>Year</th>
<th>IAS 18</th>
<th>IFRS 15</th>
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<tbody>
<tr>
<td>2013</td>
<td>14,363</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>15,355</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>17,414</td>
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<tr>
<td>2016</td>
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<tr>
<td>2017</td>
<td>15,953</td>
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<tr>
<td>2018</td>
<td>21,050</td>
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#### ADJUSTED RECURRING OPERATING INCOME (€M)

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<td>1,788</td>
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<tr>
<td>2014</td>
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<td>2016</td>
<td>2,281</td>
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<tr>
<td>2017</td>
<td>2,404</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>2,192</td>
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</table>

#### DIVIDEND (€/share)

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
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<tbody>
<tr>
<td></td>
<td>1.12</td>
<td>1.20</td>
<td>1.38</td>
<td>1.52</td>
<td>1.60</td>
<td>1.82</td>
</tr>
</tbody>
</table>

#### R&D + CAPEX (tangible + intangible) (€M)

<table>
<thead>
<tr>
<th>Year</th>
<th>IAS 18</th>
<th>IFRS 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>1,200</td>
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<tr>
<td>2014</td>
<td>1,223</td>
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<tr>
<td>2015</td>
<td>1,356</td>
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<tr>
<td>2016</td>
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<tr>
<td>2017</td>
<td>1,123</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>1,226</td>
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</tbody>
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Last disclosure: 9m-19 and Q3-19 Revenue

Q3 revenue (€M)

<table>
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<tr>
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<th>Q3 2018</th>
<th>Q3 2019</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>5,348</td>
<td>6,095</td>
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<tr>
<td></td>
<td>+14.0%</td>
<td></td>
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</table>

9m revenue (€M)

<table>
<thead>
<tr>
<th></th>
<th>9m 2018</th>
<th>9m 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>14,854</td>
<td>18,197</td>
</tr>
<tr>
<td></td>
<td>+22.5%</td>
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</tr>
</tbody>
</table>

Q3 & 9m revenues

- Reported revenues up including positive currency (EUR/USD average spot rate) impacts
- Organic growth supported by a strong momentum in all divisions

On track to meet 2019 revenue outlook