SAFRAN IS AN INTERNATIONAL HIGH-TECHNOLOGY GROUP

operating in the aviation (propulsion, equipment and interiors), defense and space markets. Safran has a global presence, with more than 95,000 employees and sales of 21 billion euros in 2018. Working alone or in partnership, Safran holds world or European leadership positions in its core markets.

Safran undertakes Research & Development programs to meet fast-changing market requirements, with total R&D expenditures of around 1.5 billion euros in 2018.

SAFRAN AERO BOOSTERS • SAFRAN AEROSYSTEMS • SAFRAN AIRCRAFT ENGINES
SAFRAN CABIN • SAFRAN ELECTRICAL & POWER
SAFRAN ELECTRONICS & DEFENSE • SAFRAN HELICOPTER ENGINES
SAFRAN LANDING SYSTEMS • SAFRAN NACELLES • SAFRAN SEATS
SAFRAN TRANSMISSION SYSTEMS

1 out of every 2 commercial aircraft equipped with
OUR EVACUATION SLIDES

(1) In partnership with GE through CFM International.
(2) In partnership with Airbus through ArianeGroup.
(3) Through Safran Martin Baker France, the 50/50 joint company between Safran and Martin-Baker.
2018 FINANCIAL AND OPERATING HIGHLIGHTS

RECORD SALES AND EARNINGS*

REVENUE
(adjusted data, millions of euros)

Following the acquisition of Zodiac Aerospace, Safran recorded adjusted revenue of 21,050 million euros in 2018, an increase of 32% over the previous year (or 10.4% on an organic basis). This performance reflects growth in all sectors: aerospace propulsion, aircraft equipment, defense, aerosystems and aircraft interiors.

REVENUE BY BUSINESS SECTOR

Our aerospace business grew again in 2018, buoyed by commercial and military engine deliveries, as well as services for commercial aircraft.

SHAREHOLDING STRUCTURE
(at December 31, 2018)

65% of employees are shareholders, accounting for 6.9% of the company’s capital.

GO TO THE SAFRAN WEBSITE FOR MORE INFO:
https://www.safran-group.com/finance

RECURRING OPERATING INCOME
(adjusted data, millions of euros)

The 37.9% increase in adjusted recurring operating income was notably due to dynamic performance by the commercial engine service business, plus a significant increase in profitability for aircraft equipment, defense and aerosystems.

*AT DECEMBER 31, 2018.
Safran provides the world’s leading aircraft manufacturers with innovative and reliable propulsion solutions. Through CFM International(1), Safran developed and is producing the LEAP engine, successor to the CFM56, the world’s best-selling commercial aircraft engine. LEAP engines power the Airbus A320neo, Boeing 737 MAX and COMAC C919. We also make the SaM146(2) for the Sukhoi Superjet 100 regional jet, and we are developing the Silvercrest® business jet engine. As one of the world’s leading makers of military aircraft engines, we produce the M88 for the Rafale multirole fighter and the TP400 turboprop(3), which powers the Airbus A400M military transport aircraft. In addition, Safran and MTU Aero Engines announced their partnership jointly to lead the development, the production and the after-sales support activities of the engine that will power the next generation combat aircraft, as part of the Franco-German Future Combat Air System.

Safran turbine engines power helicopters from the world’s leading manufacturers, including Airbus Helicopters, Bell, Leonardo, HAL, Russian Helicopters and AVIC. The Arrius and Arriel engines power machines in the light (1.5 to 3.5-ton) and medium (2 to 5-ton) classes, while the Makila and RTM322 power heavy helicopters such as the NH90 and AW101, in the 9 to 14-ton class. Safran is also developing two new helicopter turboshaft engines, the Arrano for helicopters in the 4 to 6-ton class (H160), and the Ardiden for the 5 to 8-ton class (Dhruv, Ka-62 and AC352). In addition, we have launched development of the Aneto, a new family of high-power engines for super-medium and heavy helicopters from 8 to 15 tons (AW189K).

Safran designs, manufactures and supports aircraft nacelle systems. Safran is the only nacelle manufacturer in the world to supply these essential parts for all market segments, from regional and business aircraft to mainline commercial jets. We supply the nacelles for the Airbus A380 super-jumbo jet, and we are developing, alone or in partnership with GE, nacelles for the LEAP-powered Airbus A320neo and COMAC C919, as well as the Airbus A330neo and the GE Passport™ bizjet engines. Safran also provides the exhaust system for GE9X engines which power the Boeing 777X.

No. 1 WORLDWIDE
- engines powering single-aisle mainline commercial jets(3)
- helicopter turbine engines
- seats for commercial airplanes(2)
- cabin interiors for regional and business aircraft
- cabin liners, galleys, trolleys and containers
- wheels and carbon brakes(3)
- landing gear
- engine control units(3)
- mechanical power transmissions(3)
- aircraft wiring systems
- nacelle systems for business jets
- evacuation slides

(1) In partnership with GE.
(2) Economy class seats for twin-aisle jets.
(3) Mainline commercial jets with more than 100 seats.
(4) Through FADEC International, the 50/50 joint company between Safran Electronics & Defense and BAE Systems.
Safran offers a broad range of advanced avionics solutions, including navigation, flight control and onboard information systems. With its Cassiopeée flight data management software, Safran monitors flight data for one out of every three commercial airplanes in the world. We’re also the world leader in full-authority digital engine controls(1). These systems and services are used by many different airplane and helicopter manufacturers, including Airbus, Boeing, Dassault Aviation, Bombardier, Embraer, Airbus Helicopters and Leonardo.

Safran covers all aspects of aircraft electrical systems, including power generation, distribution and conversion, wiring, load management, electromechanical actuators and systems integration. The world’s leading supplier of aircraft wiring, Safran is fully committed to more-electric aircraft, hybrid propulsion systems and electric propulsion systems for new platforms, including vertical takeoff and landing (VTOL) aircraft and drones. The Bell Nexus VTOL will be the first application of an electric propulsion system developed by Safran.

Safran makes a wide range of systems and equipment for the engines powering civil and military fixed and rotary-wing aircraft: mechanical power transmissions, engine control units(2), lubrication, cooling and filtration components, etc. Our innovative solutions are used on a number of different engines, including the CFM56 and LEAP from CFM International(3), and the Rolls-Royce Trent 500, 700, 800, XWB and 7000(4).

Safran designs, produces and supports landing gear, wheels, carbon brakes and complete landing systems for civil and military fixed and rotary-wing aircraft, including the Airbus A320, A320neo, A330, A350 XWB and A380, the Boeing 737 Next-Generation, 737 MAX, 767, 777 and 787 commercial airplanes, the Rafale, Eurofighter Typhoon and F-18 fighters, and the A400M military transport.
Safran designs essential high-tech systems and equipment for today’s aircraft. We develop and produce safety, electrical and control systems, along with waste and water management systems and seat actuation systems, plus innovative in-flight entertainment systems as part of its “connected cabin” offering.

**ONBOARD SYSTEMS, INFLIGHT AND GROUND SAFETY**

Safran provides everything needed for a seamlessly integrated aircraft cabin: overhead bins, separations, cupboards, lavatories, galleys and inserts. We design, produce and support the world’s most innovative aircraft interiors, using advanced materials and technologies to make sure that passengers enjoy a safe and comfortable flight.

**CABIN INTERIORS**

Safran designs and builds innovative, customized and high-value-added seating solutions for all classes: economy, premium economy, business and first class, as well as crew seats. Our complete range of ergonomic seats ensures passenger comfort, based on state-of-the-art design and engineered components to ensure optimized use of space. Safran also provides technical and commercial support to all customers, throughout the life of its products.

**SEATS**
A COMPREHENSIVE RANGE OF AIRCRAFT EQUIPMENT

- Cockpit
  - Flight controls
  - Panels & displays
  - Seats

- Avionics
  - Inertial navigation systems
  - Flight data acquisition unit

- Galleys & equipment

- Lavatories, water & waste systems

- Cabin interiors
  - Seats
  - IFEC – In-flight entertainment & connectivity

- Exterior lighting

- Power & data wiring

- Oxygen systems

- Electrical flight actuators

- Auxiliary power units (APU)

- Engines
  - Engine control systems (FADEC)
  - Power distribution and generation

- Nacelles & components
  - Power transmission systems

- Landing gear
  - Braking & landing control systems
  - Wheels and carbon brakes

- Anti-icing & de-icing

- Evacuation slides

- Inerting & fuel systems
**ENGINEERING**

Safran offers a complete array of engineering services centered on five areas of expertise: integrated propulsion systems, aerostructures and mechanical equipment, electrical and power systems, integrated systems, production engineering and in-service support.

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**CUSTOMER SUPPORT**

Safran offers customers comprehensive service packages that help drive down operating costs. Through our global maintenance, repair and overhaul (MRO) network, we keep aircraft in the air. We also analyze the huge streams of data from connected equipment to develop personalized service solutions and guarantee maximum dispatch reliability for our customers, along with more efficient maintenance planning, plus lower cost and more efficient management of spare parts inventories.

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**PROTECTING CITIZENS**

As a major player in the global market for optronics, avionics, inertial navigation, tactical drones, electronics and safety-critical software, Safran offers a complete range of systems and equipment that improve the efficiency of armed forces in many different countries. Our innovative solutions also facilitate the jobs of homeland security and police forces, customs agencies and search & rescue teams at sea or in the mountains.

**No. 3 WORLDWIDE**
- Inertial navigation systems

**No. 1 IN EUROPE**
- Tactical drones
- Inertial navigation systems
- Optronic (electro-optical) systems
**NAVIGATION & GUIDANCE**

Safran offers high-performance navigation systems and all their component parts. We are a leader in inertial sensor technology, with solutions known for their high reliability, very high precision and extreme robustness, designed to operate even under the harshest conditions. Safran is prime contractor for the AASM/Hammer air-to-ground guided weapon deployed by Rafale fighters. We also supply seekers for the Mistral, MICA IR, light anti-ship missiles and the medium-range missile (MMP), along with the sighting system for the MMP’s launcher station. Safran’s products are at the heart of the high-precision navigation systems on France’s ocean-going strategic deterrent force.

**OPTRONICS**

Safran offers a complete range of optronic (electro-optical) systems and equipment for military applications (submarines and surface vessels, combat vehicles, aircraft, etc.). We also design and produce portable optronic equipment, like the JIM family of multifunction infrared binoculars, in service with or on order by more than 40 countries. Furthermore, Safran is prime contractor for the FELIN soldier modernization program, an integrated equipment suite deployed by French infantry units.

**THE COLLABORATIVE BATTLESPACE**

At Safran, we’re working to improve warfighter equipment, while also enhancing their integration in the digital battlespace. Our R&D efforts are now focusing on exoskeletons, increasingly autonomous drones and robots, using artificial intelligence to support decision-making and engagement, and better protection for soldiers. The overriding aim is of course to maintain our armed forces’ integrity and operational edge.

**DRONES & ROBOTS**

Safran has developed expertise in all technologies that go into a drone system, allowing it to meet the requirements of many different types of missions: surveillance, intelligence, protection of armed forces, threat detection, etc. Drawing on more than 25 years of experience as a prime contractor for the construction of tactical drones, Safran has developed the latest-generation Patroller™, a multi-sensor, long-endurance tactical drone, already selected by the French army. We are also developing eRider, an autonomous, reconfigurable all-wheel drive vehicle that can be used for a wide range of missions. Another prime area of focus at Safran is the integration of autonomous vehicles in military operations, as well as for civilian use, especially in urban environments.
Safran is a major player in the space sector, including launch vehicles and missiles, propulsion and equipment for satellites and space vehicles, and high-performance optics. In short, Safran facilitates access to space, a strategic capability at several levels, including safeguarding national independence, supporting the growth of telecommunications and expanding our scientific knowledge, whether through observing the Earth or exploring the Universe.

**No. 1 WORLDWIDE**
- Launch vehicles for commercial launches into geostationary orbit (GEO), via ArianeGroup(1)
- High-performance space optics

**No. 1 IN EUROPE**
- Satellite plasma propulsion systems

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**LAUNCH VEHICLES**
ArianeGroup is prime contractor for Europe’s Ariane 5 and Ariane 6 launchers, with responsibility for design, production and marketing of launch services, via its subsidiary Arianespace. ArianeGroup also makes the missiles for France’s ocean-going nuclear deterrent force. ArianeGroup and its subsidiaries are recognized worldwide for the quality of their space equipment and propulsion systems, and also apply their expertise to other sectors. Safran has also been selected to develop and produce the new SpaceNaute inertial reference unit for the upcoming Ariane 6 launch vehicle.

**SATELLITES**
Safran designs and produces thrusters and propulsion subassemblies used by satellites throughout their operating life. In particular, we are a pioneer in electric propulsion systems, which significantly decrease the amount of fuel that satellites need to carry, thus reducing launch costs and environmental impact. Safran’s PPS’5000 thruster has been chosen to handle propulsion duties on all-electric satellite platforms for Thales Alenia Space and Airbus Defense & Space.

**HIGH-PERFORMANCE SPACE OPTICS**
Safran designs, develops, manufactures and integrates a complete range of high-performance optics and high-precision opto-mechanical equipment for satellites, large telescopes and high-energy lasers. In particular, we make advanced mirrors for leading astronomy programs such as the Extremely Large Telescope (ELT) and the Apollon giant laser.

(1) The 50/50 joint company between Airbus and Safran.
INNOVATIVE SOLUTIONS TO ANTICIPATE MARKET NEEDS

At Safran, research and innovation are fundamental. By focusing on these essential areas we can develop tomorrow’s technologies, products and services. We invested some 1.5 billion euros in R&D in 2018. Our efforts in this area are applied through major research programs, our own centers of expertise and partnerships, as well as targeted acquisitions enabling us to add basic technology building blocks. Around 16% of our employees support our technological excellence, whether working in Group companies, or Safran Tech, our corporate R&T center.

INVESTING TO PROVIDE LOCAL SUPPORT FOR CUSTOMERS

We continually invest to develop our production facilities and sales presence throughout the world, thus supporting higher production rates and local contacts with our customers. While we are of course solidly anchored in France, which accounts for 48% of our workforce and the strategic core of our R&D and production activities, we have also made international development a top priority.

DELIVERING EXCELLENCE TO SUPPORT OUR CUSTOMERS

Safran has always aimed to deliver excellence to consolidate our positions and drive growth, based on a strategy of standing out through innovation. We focus on R&D, backed by the continuous improvement of all functions and the development of new ways of working together.

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FOSTERING CROSS-DISCIPLINARY EXPERTISE

Safran has always teamed up with top-tier partners from around the world, reflecting our commitment to open innovation. We work with leading government and academic research centers, including the CEA(1), Onera(2), engineering schools and universities. We also form partnerships with our suppliers and with companies from other sectors, such as the auto parts giant Valeo. Through our corporate capital venture fund, Safran Corporate Ventures, we invest in innovative startups. In-house, we encourage the cross-fertilization of expertise, especially through an employee-driven innovation initiative.

PERFORMANCE IMPROVEMENT

Safran focuses on cost-effective technological and industrial excellence across the entire product lifecycle. For example, we have implemented an approach called QRQC (Quick Response Quality Control) across the Group and at our suppliers, to support daily, on-site performance management. We also deploy Lean-Sigma methods to enhance our processes, and most of our support functions are now organized into shared services centers. In 2018 we deployed the “One Safran” initiative to modernize our management system, by setting up common processes, along with a focus on operational excellence.

7% OF 2018 SALES reinvested in R&D
NEARLY 1,300 EXPERTS to support Safran’s innovation-based strategy

Ranked among the TOP 100 GLOBAL INNOVATORS BY CLARIVATE ANALYTICS every year since 2011

(2) French aerospace research agency.
Safran pledges to uphold all laws governing our international operations. Our commitment to the fight against corruption and a “zero tolerance” policy are formally expressed in our ethics charter, a responsible lobbying charter, an anti-corruption code of conduct and a fair trade program. In addition, we have set up a powerful organization to ensure compliance with export controls and customs regulations. We establish long-term relationships with our suppliers, reflected in a responsible procurement charter.

One of the major challenges for Safran’s Human Resources policy is to develop our human capital, allowing us to plan ahead to meet changing skills requirements. Safran’s social model is based on the firm conviction that employees are our primary asset. We give them a stake in determining our strategy and sharing the fruits of success through a constructive labor-management dialog, an active employee shareholding policy, including matching funds, profit-sharing and incentive payments, and much more. As a responsible employer, Safran values diversity, a key factor in performance and innovation, and makes a proactive commitment to equal opportunity. In addition, through our HSE* policy, we strive to protect the health and safety of employees, notably by reducing the risks in these areas.

Given today’s daunting environmental challenges, Safran proactively supports sustainable development in the aerospace and defense sectors. We apply an HSE* policy designed to foster a culture of anticipation and prevention so we can effectively manage our environmental impact.

Safran’s corporate social responsibility (CSR) policy is based on sustained commitments and values that are supported by top management and shared by all employees. To better meet the expectations of all stakeholders, we have organized our CSR strategy around three areas and also set up a dedicated governance structure.
TALENT, THE KEY TO OUR CURRENT AND FUTURE SUCCESS

In our high-tech business sectors, today's innovations, and the talent behind them, will ensure tomorrow's successes. Unleashing our human potential is naturally a top priority for Safran. Working at Safran means being part of a deep culture of innovation, and undergoing a unique and enriching experience day after day.

1.4+ MILLION HOURS OF TRAINING provided in 2018

6,000 YOUNG PEOPLE IN TRAINING PROGRAMS welcomed in 2018

13,000 HIRES in 2018

WORKING AT SAFRAN: A UNIQUE EXPERIENCE IN A HOTBED OF EXCELLENCE

Working at Safran means being part of an enterprise that is shaping our future, and being part of a community of people who are passionate about their professions and who share the same values and goal: to meet tomorrow’s technological, environmental and social challenges. From operators on the shop floor to senior management, everybody at Safran is passionately committed to developing today’s and tomorrow’s high-tech, international and multicultural environment. Our facilities deploy state-of-the-art techniques, including additive manufacturing, augmented reality, advanced machine tools, cobots (collaborative robots) and much more. Reflecting this initiative, two production lines at Safran have earned the French government’s “Showcase for Tomorrow’s Industry” label. Not to mention that teamwork and knowledge sharing are both integral parts of Safran’s DNA, allowing our employees to fulfill themselves in their jobs.

ALLOWING EMPLOYEES TO SHAPE THEIR OWN CAREER PATH

When you join Safran you’re choosing a diversified career, starting with onboarding support and continuing with mobility and skills development. Safran University gives our employees a wide range of courses to support their development within the Group. Safran also offers possibilities for geographic and professional mobility, allowing our employees to develop their multidisciplinary expertise, acquire new skills and shape their own careers. Last, but not least, we organize initiatives to support the integration of young people in the workforce, by welcoming a number of students in work-study programs, plus interns and student researchers.

COMMUNICATE WITH OUR E-AMBASSADORS AND SEE OUR JOB OFFERS AT safran-talent.com
Whether in France or in other countries where we operate, Safran’s philanthropic actions reflect our values and commitment to responsible corporate citizenship. We support actions by associations and also carry out projects in conjunction with our employees, spanning key areas such as education, social and professional inclusion, equal opportunity, support for creativity and talent, etc.

**SAFRAN’S PHILANTHROPY POLICY** is based on a three-pronged approach encompassing educational, social and cultural initiatives. We provide financial support to public and private partners, independently of our commercial interests. Ethics and integrity are the two watchwords in our philanthropy endeavors.

Safran has supported **NEARLY 640 PROJECTS** since 2005.

**THROUGH OUR TWO CORPORATE FOUNDATIONS, FOR INTEGRATION AND MUSIC,** Safran is committed to the fight against the exclusion of young people with disabilities, and we support the training and early career development of talented young classical musicians.