FORWARD-LOOKING STATEMENTS
This document contains forward-looking statements relating to Safran, which do not refer to historical facts but refer to expectations based on management’s current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those included in such statements. These statements or disclosures may discuss goals, intentions and expectations as to future trends, synergies, value accretions, plans, events, results of operations or financial condition, or state other information relating to Safran, based on current beliefs of management as well as assumptions made by, and information currently available to, management. Forward-looking statements generally will be accompanied by words such as “anticipate,” “believe,” “plan,” “could,” “would,” “estimate,” “expect,” “forecast,” “guidance,” “intend,” “may,” “possible,” “potential,” “predict,” “project” or other similar words, phrases or expressions. Many of these risks and uncertainties relate to factors that are beyond Safran’s control. Therefore, investors and shareholders should not place undue reliance on such statements. Factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to: uncertainties related in particular to the economic, financial, competitive, tax or regulatory environment; the risks that the new businesses will not be integrated successfully or that the combined company will not realize estimated cost savings and synergies; Safran’s ability to successfully implement and complete its plans and strategies and to meet its targets; the benefits from Safran’s plans and strategies being less than anticipated; the risks described in the Universal Registration Document (URD); the full impact of the outbreak of the COVID-19 disease.

The foregoing list of factors is not exhaustive. Forward-looking statements speak only as of the date they are made. Safran does not assume any obligation to update any public information or forward-looking statement in this document to reflect events or circumstances after the date of this document, except as may be required by applicable laws.

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.

DEFINITION
Civil aftermarket (expressed in USD): This non-accounting indicator (non-audited) comprises spares and MRO (Maintenance, Repair & Overhaul) revenue for all civil aircraft engines for Safran Aircraft Engines and its subsidiaries and reflects the Group’s performance in civil aircraft engines aftermarket compared to the market.
SUMMARY

1. SAFRAN RESPONSES TO THE CRISIS

2. ADAPTATION PLAN OBJECTIVES AND H1 2020 ACHIEVEMENTS

3. 2020 OUTLOOK

4. KEY TAKEAWAYS
1. Context: an unprecedented crisis in an already challenging environment

Background:

➢ Since 2015, operating margin of the legacy Equipment division improved by at least 100bps per year
➢ Since end of 2018, integration of former Zodiac activities in Safran Group
➢ Continuous grounding of the 737 MAX from March 2019
➢ Structural over capacity of the widebody market

New IATA estimates (as of September 1, 2020):

➢ July air traffic improving slowly
   • RPK down by (79.8)% in July against (86.6)% in June
   • ASK down by (70.1)% in July against (80.1)% in June
➢ RPK for FY2020 downgraded late July to (63)% compared to 2019 (versus (54.7)% forecasted at the beginning of June)
➢ The recovery in short haul travel is still expected to happen faster than for long haul travel

CFM56 and LEAP flight cycles are improving, driven by China, North America and Europe.

As of August 23, 2020:

➢ Weekly CFM56 fleet cycles are down (46)% yoy (vs down (83)% at trough in April)
➢ Weekly LEAP fleet cycles are down (17)% yoy (vs down (76)% at trough in April)
1. Safran responses: resizing workforce, rationalizing industrial footprint and supporting supply chain

Actions taken are quick and significant

- Timely response allows for results to materialize as soon as H1 2020

- Resizing the workforce to the needs of the business
  - Reduction by more than 15,000 people of permanent and temporary workers, on a worldwide basis at the end of July.
  - In France, a Group “Activity Transformation” agreement reached in July 2020 with all unions: the rationale is to keep people in the Group to prepare the future ramp up with an enhanced competitiveness.

- Industrial footprint rationalization and more to come
  - 4 sites closure in Seats (UK, US), Cabin (US) and Electrical & Power (US) activities
  - 3 transfers of production notably in Cabin and Electrical & Power activities
  - ~10 restructuring plans

- Supply chain monitoring
  - Task force in place to identify and support critical suppliers
  - Restructuring announced by some suppliers
  - Safran will contribute €58M equity support through the dedicated fund announced by the French government
2. Adaptation plan objectives and H1 2020 achievements

<table>
<thead>
<tr>
<th>Adaptation plan objectives</th>
<th>H1 2020 achievements</th>
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</thead>
<tbody>
<tr>
<td>◆ Scaling purchasing programs in line with the drop in activity</td>
<td>&gt; decrease by more than (30)% of raw materials and supplies expenses</td>
</tr>
<tr>
<td>◆ Adapting Capex commitments by (60)% in 2020 compared to 2019</td>
<td>&gt; decrease by more than (40)% of sub-contracting expenses</td>
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<tr>
<td>◆ Lowering R&amp;D expenses by (30)% in 2020 compared to 2019</td>
<td>⇒ work-in-progress and inventories are stabilizing</td>
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<td>◆ Cutting Operating expenses(^{(1)}) at year end by more than (20)% compared to 2019</td>
<td>&gt; reduction of (74)%, above the initial objective</td>
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<tr>
<td></td>
<td>&gt; reduction of (31)%, in line with the objective</td>
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<tr>
<td></td>
<td>&gt; reduction of (17)%, consistent with the year-end target</td>
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\(^{(1)}\) Excluding purchasing and including R&D expenses
## 2. Resilience in H1 2020 thanks to strong execution

<table>
<thead>
<tr>
<th></th>
<th>H1 19</th>
<th>H1 20</th>
<th>Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted revenue</td>
<td>€12,102</td>
<td>€8,767</td>
<td>-3,335</td>
<td>(27.6)%</td>
</tr>
<tr>
<td>Adjusted recurring operating income</td>
<td>€1,883</td>
<td>€947</td>
<td>-936</td>
<td>(49.7)%</td>
</tr>
<tr>
<td>Adjusted net profit (group share)</td>
<td>€1,353</td>
<td>€501</td>
<td>-852</td>
<td>(63.0)%</td>
</tr>
<tr>
<td>Basic earnings per share (group share)</td>
<td>€3.13</td>
<td>€1.18</td>
<td>-1.95</td>
<td>(62.3)%</td>
</tr>
</tbody>
</table>

(1) Adjusted data: see H1 2020 earnings presentation for consolidated figures.
3. FY 2020 outlook (disclosed on July 30)

- Lot of uncertainties

- Adjusted revenue to decrease by approximately (35)% at an estimated average spot rate of USD 1.10 to the Euro. Similar variation in organic terms;

- Recurring operating margin around 10% of sales based on a hedged rate of USD 1.16 to the Euro;

- Positive free cash flow generation in H2, despite strong uncertainties regarding working capital evolution.
**3. FY 2020 key assumptions**

<table>
<thead>
<tr>
<th>Assumptions within all the divisions</th>
<th>Implementation of the adaptation plan within the whole Group</th>
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<tbody>
<tr>
<td><strong>Propulsion:</strong></td>
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<tr>
<td>- Decrease in deliveries and return to service of the 737 MAX in Q4 as announced by Boeing</td>
<td><strong>Deployment of HR measures of the adaptation plan:</strong></td>
</tr>
<tr>
<td>- LEAP engines: deliveries ~ 800 in 2020</td>
<td>⇒ Same effort in terms of labor costs for France and International</td>
</tr>
<tr>
<td>- Military engines: deliveries decrease compared to 2019 unchanged from forecasts at the start of the year</td>
<td>- Workforce reduction internationally already done in H1</td>
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<tr>
<td>- Civil aftermarket: ~ (50)% for FY2020</td>
<td>- “Group Activity Transformation” agreement reached in France</td>
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<tr>
<td><strong>Aircraft Equipment, Defense and Aerosystems:</strong></td>
<td>with positive financial impacts to materialize from H2-20</td>
</tr>
<tr>
<td>- Lower quantities announced by airframers to be delivered in H2 on the main widebody programs, organic decrease in sales is expected to be greater in H2 than in H1</td>
<td>⇒ Objective to save 30% of labor costs, consistent with the decrease of activity</td>
</tr>
<tr>
<td>- Recurring operating margin in H2 improving compared to H1 due to adaptation plan ramp-up</td>
<td><strong>Decrease in R&amp;D expenses</strong> by around Euro 450 million compared to 2019;</td>
</tr>
<tr>
<td><strong>Aircraft Interiors:</strong></td>
<td><strong>Level of Capex outflows</strong> down by Euro 200 million between 2019 and 2020 reflecting the confirmed reduction in commitments of 60% compared to 2019.</td>
</tr>
<tr>
<td>- Very low level of retrofit activities for airlines in H2, organic decrease in sales is expected to be stronger in H2 than in H1</td>
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<tr>
<td>- Recurring operating income significantly improving in H2 compared to H1 due to savings and restructuring. Strong negative recurring operating margin over the year.</td>
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4. Key takeaways: quick and proactive approach to adapt Safran

As uncertainties remain, flexibility is key

Safran is significantly reducing its costs and lowering its breakeven point to benefit from the recovery when it occurs

- First impacts from the adaptation plan already in H1 2020: workforce resizing, furlough schemes, industrial footprint adaptation, reduction of operating expenses (including R&D expenses), reduction of Capex commitments
- A significant Group “Activity Transformation” agreement reached with all unions in France that will impact positively as soon as H2 2020

A gradual recovery is the central scenario with air traffic expected to go back to 2019 levels by 2023-2024

- New aircraft deliveries are expected to be lower for a period of time, exceeding 2020
- Services (notably civil aftermarket) and aircraft interiors activities strongly affected in 2020

LT Prospects remain good for Safran

- Civil aftermarket, expected to recover faster than OE and CFM56 fleet remains a key asset
- Narrowbody, short haul routes being less impacted than international routes

Safran reinforce its commitment and actions to address the climate change challenge. Government support will allow Safran to maintain a high level of R&T activity in the next years, offsetting most of the decrease in its self-funded expenses over next years due to the crisis.