PRESS RELEASE

Excellent 2019 performance

Paris, February 27, 2020

Adjusted data
• *FY 2019 revenue at Euro 24,640 million, up 17.1% on a reported basis and up 9.3% on an organic basis*
• *Recurring operating income at Euro 3,820 million up 26.4% on a reported basis and up 24.6% on an organic basis*
• *Operating margin improvements across all divisions, 20.6% (+140bp) in Propulsion, 13.1% (+60bp) in Aircraft Equipment, Defense and Aerosystems and 5.7% (+250bp) in Aircraft Interiors. As a result, Group operating margin at 15.5% (+110bp)*
• *Free cash flow generation at Euro 1,983 million, 51.9% of recurring operating income despite the Boeing 737MAX grounding*

Consolidated data
• *Consolidated revenue was Euro 25,098 million*
• *Consolidated recurring operating income at Euro 3,824 million*
• *Consolidated profit from operations at Euro 3,837 million*
• *Consolidated profit for the period attributable to owners of the parent at Euro 2,447 million*
• *Free cash flow at Euro 1,983 million*

The Board of Directors of Safran (Euronext Paris: SAF), under the Chairmanship of Ross McInnes, at their meeting in Paris on February 26, 2020, adopted and authorised the publication of Safran's financial statements and adjusted income statement for the full-year period ended December 31, 2019.

Foreword

- All figures in this press release represent adjusted [1] data, except where noted. Please refer to the definitions and reconciliation between full-year 2019 consolidated income statement and adjusted income statement. Please refer to the definitions contained in the Notes on page 12 of this press statement;
- Aerosystems and Aircraft Interiors (former Zodiac Aerospace activities) are fully consolidated in Safran's financial statements from March 1, 2018;
- Organic variations exclude changes in scope (notably the contribution of Aerosystems and Aircraft Interiors in January and February 2019) and currency impacts for the period;
- Safran disclosed a new presentation of segment information as of June 30, 2019 (see press release of July 1, 2019).

Executive commentary

CEO Philippe Petitcolin commented:
"*All businesses did very well in 2019, another strong year for Safran in terms of growth, profitability and cash generation. In a challenging environment, we delivered 2,127 LEAP and CFM56, reorganized our Equipment and Aerosystems activities and continued to improve the performance of Aircraft Interiors. In 2020, Safran will continue to rely on its adaptability, the dedication of its teams and the robustness of its business model.*"

Key business highlights

1- Aerospace Propulsion

Stable narrowbody engine deliveries
In 2019, combined shipments of CFM56 and LEAP engines reached 2,127 units, compared with 2,162 in 2018.

LEAP commercial success
CFM International confirmed its commercial leadership. The LEAP recorded 1,968 orders and commitments in 2019 bringing the total LEAP backlog to 15,614 engines at December 2019.

LEAP program
CFM International continued to ramp-up production of LEAP engines. 1,736 units were delivered in 2019 compared with 1,118 in 2018.

LEAP-1A: 55 airlines are operating 632 aircraft powered by LEAP-1A engines totalling over 5.5 million flight hours so far.

LEAP-1B: before the grounding of the 737MAX**,** 54 airlines were operating 387 aircraft powered by LEAP-1B engines totalling over 1.7 million flight hours so far.

LEAP-1C: The 6th COMAC C919 test aircraft made its first flight on December 27, 2019.

CFM56 program
CFM56 engines deliveries are ramping down as planned, reaching 391 units in 2019 compared with 1,044 engines in 2018. In June, CFM56 fleet established a new world record by becoming the first aircraft engine family in aviation history to achieve one billion engine flight hours.

Civil aftermarket [1]
2019 civil aftermarket revenue was up 9.9% in USD terms including an increase of 10.2% in Q1, 10.2% in Q2, 9.2% in Q3 and 10.2% in Q4. Growth was driven by spare parts sales, both for latest generation CFM56 engines and widebody platforms and also by higher service contracts.

Helicopter turbines
Safran received new turbines certifications in Q4, bringing the total to four in 2019, among which:
- EASA (European Aviation Safety Agency) Type Certification for its Ardiden 1U engine, installed on India's LUH (Light Utility Helicopter)[2];
- EASA Type Certification for its Aneto-1K engine, as fitted to the Leonardo AW189K. Intended for super-medium and heavy helicopters, the Aneto family produces between 2,500 and 3,000 shp. This is the first certification for Safran new range of high thrust turbines.

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[1] 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.
[2] LUH is a new three-ton, single-engine, multi-purpose rotorcraft designed by Hindustan Aeronautics Ltd. (HAL).

2- Aircraft Equipment, Defense and Aerosystems

Nacelles
Safran will provide the complete nacelle for Gulfstream Aerospace’s G700 business jet (Pearl 700 turbofan), which was unveiled at the 2019 NBAA Business Aviation Convention & Exhibition in Las Vegas.

Carbon brakes
Safran signed carbon brakes contracts with airlines for more than 850 aircraft in 2019. The total installed base was close to 10,300 aircraft at the end of 2019. Safran is the world leader in carbon brakes for commercial aircraft above 100 passengers.

Electronics & Defense
Safran won contract with Armasuisse for 1,000 multifunction infrared goggles (JIM Compact™, MOSKITO TI™) and more than 8,000 stereoscopic night vision goggles (NYX™). Switzerland's selection confirms Safran's position as one of the world's leading suppliers of handheld optronic equipment.
The NATO Support and Procurement Agency (NSPA) selected Safran to deliver several dozens of long-range multifunctional thermal imagers to the Danish Armed Forces.

Electrical & Power
Safran’s ENGINeUS™ smart electric motors started to fly on the VoltAero Cassio 1 hybrid-electric testbed aircraft. Two ENGINeUS™ 45 motor versions have been installed in forward-facing positions on the wings as part of this aircraft's "push-pull" propulsion configuration. The ENGINeUS™ 45 delivers a continuous power of 45 kW and features built-in, dedicated control electronics.

Aerosystems
The threshold of 5 million life vests produced has been reached.
Safran is the world leader in emergency evacuation technologies with a complete range of products (life vest, evacuation slides, rafts).
First flight of the LiSafe fuel gauging system aboard the Boeing 777X.

3- Aircraft Interiors

Cabin
Safran has been selected by a major Asian low cost carrier to provide the galleys of their large fleet of future A330neo linefit and by Turkish Airlines to provide Hybrite Trolleys.

Seats
Safran has been selected notably by major Asian and Pacific airlines to provide:
- first class, business class and premium economy class for A350;
- business class for Boeing 787;

Passenger Solutions
Safran IFE business has continued on its successful track record and received business awards for several undisclosed customers in Europe and Asia, mostly both for Seat back IFE and Connectivity solutions. Some of the airline customers are new to the Group Rave Product Line. This allows Safran to extend its customer base to beyond 50 Airlines with several of them being top tier.

FY 2019 results

2019 revenue amounted to Euro 24,640 million. This represents an increase of 17.1%, or Euro 3,590 million, compared to the year ago period. Changes in scope had a net contribution of Euro 929 million, of which Euro 781 million from former Zodiac Aerospace activities (2 months) and Euro 148 million related to the acquisition of ElectroMechanical Systems. The net impact of currency variations was Euro 704 million, reflecting a positive translation effect on non-Euro revenues, principally USD. The average EUR/USD spot rate was 1.12 to the Euro in 2019, compared to 1.18 in the year-ago period. The Group's hedge rate was stable at USD 1.18 to the Euro between 2019 and 2018.

On an organic basis, revenue increased by 9.3% as all divisions contributed positively:

- Growth in Propulsion (+10.8%) was supported by OE volumes (civil and military) as well as services (civil aftermarket and military support activities);
- Aircraft Equipment, Defense and Aerosystems sales increased by 7.4% thanks to nacelles (services and OE), avionics activities and landing systems support activities;
- Aircraft Interiors revenue (+8.8%) was supported by OE sales for Seats and Passenger Solutions and by services from all the activities.

2019 recurring operating income[3] reached Euro 3,820 million, up 26.4% compared to 2018. This increase includes scope changes of Euro 41 million as well as a positive currency impact of Euro 13 million (conversion effect on foreign subsidiaries).

On organic basis, recurring operating income increased by 24.6% thanks to all divisions:

- Propulsion growth of 21.9% mainly came from civil aftermarket and military activities;
- Aircraft Equipment, Defense and Aerosystems recurring operating income increased by 16.6% thanks to services activities and continuous improvement of industrial performance;
- The strong growth of Aircraft Interiors recurring operating income (+140.7%) was supported by OE and services activities from Seats as well as Passenger Solutions, and cost production decrease over all businesses.

The Group recurring operating income margin stood at 15.5% of sales compared with 14.4% in the year ago period.

One-off items, which amounted to Euro 13 million, are mainly related to capital gains on a building disposal and of a subsidiary (ex-Zodiac portfolio pruning).

Adjusted net income – Group share was Euro 2,665 million (basic EPS of Euro 6.20 and diluted EPS of Euro 6.13) compared with Euro 1,981 million in 2018 (Basic EPS of Euro 4.60 and diluted EPS of Euro 4.54). It includes:

- Net adjusted financial income of Euro (89) million, including cost of debt of Euro (33) million;
- An adjusted tax expense of Euro (1,012) million (27% apparent tax rate);

The reconciliation between 2019 consolidated income statement and adjusted income statement is provided and commented in the Notes on page 13.

Cash flow and net debt

Operations generated Euro 1,983 million of free cash flow[4]. Free cash flow generation was driven by cash from operations of Euro 4,042 million, devoted principally to tangible and intangible investments (at Euro 1,162 million net of a building disposal) and to an increase of Euro 897 million in working capital in the context of the rise of inventories and trade receivables including Boeing.

As regards to the Boeing 737MAX grounding, the free cash flow has been impacted in 2019 for an amount of around Euro (700) million in line with previous announcements.

[3] Operating income before capital gains or losses on disposals / impact of changes of control, impairment charges, transaction and integration costs and other items.

[4] This non-accounting indicator (non-audited) is equal to cash flow from operating activities less working capital and acquisitions of property, plant and equipment and intangible assets.

2019 annual dividend
A dividend payment of Euro 2.38 per share (a 30.8% increase compared with 2018) will be proposed to the shareholders' vote at the Annual General Meeting on May 28, 2020, representing a 38% pay-out ratio.

Update on the share buyback program
The share buyback program for Euro 2.3 billion announced in May 2017 has now been fully executed, for a total of 20 million shares. Further to the cancellation of 11.4 million shares in 2018, an additional 8.6 million treasury shares have been cancelled in December 2019.

Net Debt
The net debt was Euro 4,114 million as of December 31, 2019 compared to a net debt of Euro 3,269 million as of December 31, 2018, including notably the implementation of IFRS16 for Euro 529 million.

Research & Development

Total R&D, including R&D sold to customers, reached Euro (1,725) million, compared with Euro (1,472) million in 2018. The increase of R&D spending between 2019 and 2018 includes the former Zodiac Aerospace R&D activities.
R&D expenses before research tax credit was Euro (1,337) million, compared with Euro (1,226) million for 2018.
Capitalised R&D was Euro 325 million compared with Euro 320 million for 2018.
Amortisation and depreciation of capitalised R&D was Euro (270) million compared with Euro (218) million for 2018.
The impact on recurring operating income of expensed R&D was Euro (1,116) million compared with Euro (973) million in the year ago period. This increase includes the consolidation of Zodiac Aerospace (12 months in 2019 vs 10 months in 2018).

Financing

Safran repaid two borrowings that matured during 2019: the USD 155 million 7-year tranche of the USD 1.2 billion 2012 US private placement was repaid in February 2019 and the EUR 500 million two-year floating rate notes issued in June 2017 was repaid in June 2019.
No new long-term debt was raised in 2019.

Currency hedges

Safran's hedging portfolio totalled USD 28.1 billion at February 18, 2020. The estimated annual average exposure is set at USD 11.0 billion until 2023. Current market conditions and the composition of Safran's portfolio have made possible an improvement of the outlook for targeted hedge rates.
2020: the firm coverage of the estimated net exposure is USD 9.7 billion (compared with USD 9.5 billion in October 2019). The targeted hedge rate is now set at USD 1.16 (vs. USD 1.16 to USD 1.18 previously)
2021: the firm coverage of the estimated net exposure is USD 7.9 billion (compared with USD 8.4 billion in October 2019). The targeted hedge rate is expected to be between USD 1.14 and USD 1.16 (vs. USD 1.15 to USD 1.18 previously).
2022: the firm coverage of the estimated net exposure is USD 6.5 billion (same amount as in October 2019). The targeted hedge rate is expected to be between USD 1.12 and USD 1.14 (vs. USD 1.15 to USD 1.18 previously).
2023: Safran initiated firm coverage of USD 4.0 billion (compared with USD 2.2 billion in October 2019). The targeted hedge rate is expected to be between USD 1.10 and USD 1.12.

Full-Year 2020 outlook

To take into account Boeing's decision of 737MAX production halt starting in January 2020 and an estimated return to deliveries in mid-2020, Safran has set its 2020 outlook using:

- The assumption of an annual production of around 1,400 LEAP based on an average production of 10 LEAP-1B engines per week over the year;
- And the agreement between CFM International and Boeing for the payments of its engines.

Safran has implemented an adaptation plan to adjust to this situation; it includes savings on direct costs, overheads, hiring freeze and a reduction in R&D and Capex for 2020.

Safran expects for FY 2020:

- At an estimated average spot rate of $1.13 to the Euro in 2020, adjusted revenue is expected to decrease in the range 0% to (5)% compared with 2019. Similar variation in organic terms;
- Adjusted recurring operating income is expected to grow around 5% at a hedged rate of USD 1.16 to the Euro;
- Free cash flow is expected to be higher than in 2019.

The outlook is based notably on the **following assumptions**:

- Decrease in aerospace OE deliveries (civil and military engines);
- Civil aftermarket growth in the high single digits, as long as disruption created by the coronavirus on air traffic does not extend beyond Q1-2020;
- Transition CFM56 – LEAP: neutral impact on Propulsion adjusted recurring operating income variation;
- Equipment/Aircraft Interiors: slight organic growth of sales in Equipment and organic decrease of sales in Aircraft Interiors. Continued improvement in the adjusted recurring operating income of these two divisions;
- Decrease of R&D expenses in the range of Euro 50 to 100 million. Positive impact on adjusted recurring operating income after activation and amortisation;
- Stable level of tangible investments between 2019 and 2020.

Medium Terms ambitions

- 2022 ambitions, as communicated on November 29, 2018 during the Capital Markets Day (CMD), were based on assumptions that will need to be updated to reflect the impact of the 737MAX grounding;
- Due to strong performance across Safran’s businesses, the year 2019 was higher than the trajectory taken into account in the 2018-2022 CMD objectives;
- New assumptions will recognize the improvement of the targeted hedge rates over the period;
- Mid-term ambitions will be updated after the 737MAX return to service and new ramp-up are clarified

Business commentary for 2019

- **Aerospace Propulsion**

In 2019, revenue was Euro 12,045 million, up 13.9% compared to Euro 10,579 million in 2018. On an organic basis, revenue grew 10.8%, notably thanks to the contribution of civil aftermarket (9.9% in USD terms), military engines OE (M88) and services. Helicopter turbines support activities also contributed to the growth.

- OE revenue grew 13.5% (10.1% organically), despite the impact of the 737MAX grounding on LEAP-1B engines deliveries; total narrowbody engines deliveries (CFM56+LEAP) reached 2,127 units (-35 vs. 2018). M88 engines deliveries amounted to 62 units in 2019 compared with 23 in 2018. Helicopter turbines OE deliveries decreased compared to 2018.

- Services revenue increased by 14.2% (in €, 11.4% organically) and represented 56.9% of sales. Civil aftermarket revenue (in USD) grew 9.9% (in USD) thanks to continuous higher spare parts sales for the latest generation of CFM56 engines and widebody platforms and a higher contribution of services contracts. Military services as well as helicopter turbines support activities contributed positively during the year.

Recurring operating income was Euro 2,485 million, an increase of 22.4% compared with Euro 2,030 million in 2018. Recurring operating margin grew from 19.2% to 20.6%.
The profitability benefited from the civil aftermarket growth and the higher contribution of military activities.
The CFM56-LEAP transition was a headwind of €(98)M to Propulsion adjusted recurring operating income growth in FY 2019 compared with FY 2018, in the high end of the 2019 guidance range [Euro (50) to (100) million].

- **Aircraft Equipment, Defense and Aerosystems**

In 2019, revenue was Euro 9,256 million, up 16.5% compared with Euro 7,942 million in the year ago period. On an organic basis, revenue was up 7.4% notably due to nacelles sales and to landing systems support activities.

- OE revenue grew 16.7% (or 6.8% organically) in 2019 mainly driven by increased volumes of A320neo and A330neo nacelles, wiring and avionics. Deliveries of nacelles for LEAP-1A powered A320neo intensified and reached 602 units in 2019 (438 units in 2018). The ramp up of A330neo nacelles continued with 92 nacelles delivered in 2019 compared to 18 units in 2018. OE revenue was sustained by the ramp up of the wiring for the Boeing 787 program. OE sales were also supported by avionics (FADEC for LEAP, flight control and on-board information systems) and Defense (sighting systems) activities.
  As previously flagged, lower A380 nacelles volumes as well as A320ceo thrust reversers negatively impacted OE sales.

- Services revenue grew 16.3% (8.7% organically) in 2019, driven by continuing momentum in carbon brakes, landing gear, and nacelles support activities (mainly for A320neo). Safran Aerosystems activities (safety and fluid systems) also contributed to the full year growth.

Recurring operating income was Euro 1,209 million, an increase of 21.9% compared to Euro 992 million in 2018. Recurring operating margin increased from 12.5% to 13.1%. The growth in profitability was driven by higher volumes coming from nacelles and landing systems activities (notably in services) and by the benefits of cost reduction and productivity actions. This growth was partially offset by higher R&D impact on P&L and the dilutive impact of scope.

▪ Aircraft Interiors

In 2019, revenue was Euro 3,321 million, up 32.3% compared to Euro 2,511 million in 2018. On an organic basis, revenue grew 8.8% mostly driven by Seats and Passenger solutions activities whereas cabin was flat.

- OE revenue grew 30.8% (or 7.7% organically) in 2019. Sales increased thanks to the ramp up of business class seats programs (Fusio and Polaris), A350 toilets deliveries and Connected Cabin (IFE) for Passenger Solutions. Lower volumes for galleys in Cabin impacted the growth.
- Services revenue grew 36.4% (11.9% organically) in 2019, mainly driven by Safran Seats aftermarket and to a lesser extent by Safran Cabin and Passenger Solutions activities.

Recurring operating income was Euro 188 million, an increase of 107 million compared to Euro 81 million in 2018. Recurring operating margin increased from 3.2% to 5.7%. The profitability increased in all businesses thanks to increasing volumes, lower non-quality costs and productivity plans.

▪ Holding and others

The reporting segment "Holding and others" includes costs of general management as well as transverse services provided for the Group and its subsidiaries including central finance, tax and foreign currency management, Group legal, communication and human resources.
In addition, the holding invoices subsidiaries for shared services including administrative service centres (payroll, recruitment, IT, transaction accounting), a centralised training organisation and Safran's R&T centre.

Holding and others impact on Safran recurring operating income was Euro (62) million in 2019 compared with Euro (80) million in the year ago period.

Agenda

Q1 2020 revenue	April 29, 2020
Annual general meeting	May 28, 2020*
H1 2020 earnings	July 30, 2020

*(Ex-Date: June 8, 2020, Record Date: June 9, 2020, Payment Date: June 11, 2020)

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Safran will host today a conference call open to analysts, investors and media at 8:15 am CET which can be accessed at +33 (0)1 72 72 74 03 (France), +44 (0) 207 194 3759 (UK) and +1 646 722 4916 (US) (access code for all countries: 58737770#).
Please ask for the "Safran" conference and state your name. We advise you to dial in 10 minutes before the start of the conference.

The webcast will be available via Safran's website after registration using the following link:
https://event.onlineseminarsolutions.com/wcc/r/2156144-1/0532957939B859C35D16A0A7F9A99447?partnerref=rss-events
Participants will have access to the webcast 15 minutes before the start of the conference.

A replay of the conference call will be available until May 27, 2020 at +33 (0)1 70 71 01 60, +44 (0) 203 364 5147 and +1 646 722 4969 (access code for all countries: 418894305#).

The press release, presentation and consolidated financial statements are available on the website at www.safran-group.com (Finance section).

Key figures

1. Adjusted income statement, balance sheet and cash flow

The former Zodiac Aerospace Aerosystems and Aircraft Interiors activities were included in Safran's consolidated financial statements as from March 1, 2018.

Adjusted income statement (In Euro million)	2018	2019	% change
Revenue	**21,050**	**24,640**	**17.1%**
Other recurring operating income and expenses	(18,254)	(21,025)	
Share in profit from joint ventures	227	205	
Recurring operating income	**3,023**	**3,820**	**26.4%**
% of revenue	14.4%	15.5%	1.1pt
Other non-recurring operating income and expenses	(115)	13	
Profit from operations	**2,908**	**3,833**	**31.8%**
% of revenue	13.8%	15.6%	1.8pt
Net financial income (expense)	(211)	(89)	
Income tax expense	(638)	(1,012)	
Profit for the period	**2,059**	**2,732**	**32.7%**
Profit for the period attributable to non-controlling interests	**(78)**	**(67)**	
Profit for the period attributable to owners of the parent	**1,981**	**2,665**	**34.5%**
Earnings per share attributable to owners of parent (basic in €)	**4.60***	**6.20****	**34.8%**
Earnings per share attributable to owners of parent (diluted in €)	**4.54*****	**6.13******	**35.0%**

**Based on the weighted average number of shares of 430,911,810 as of December 31, 2018*
***Based on the weighted average number of shares of 429,723,372 as of December 31, 2019*
****Based on the weighted average number of shares after dilution of 436,335,631 as of December 31, 2018*
*****Based on the weighted average number of shares after dilution of 434,976,733 as of December 31, 2019*

Balance sheet - Assets (In Euro million)	Dec. 31, 2018	Dec. 31, 2019
Goodwill	5,173	5,199
Tangible & Intangible assets	14,211	13,877
Investments in joint ventures and associates	2,253	2,211
Right of use	-	732
Other non-current assets	811	684
Derivatives assets	753	707
Inventories and WIP	5,558	6,312
Contracts costs	470	471
Trade and other receivables	6,580	7,639
Contracts assets	1,544	1,743
Cash and cash equivalents	2,330	2,632
Other current assets	937	601
Total Assets	**40,620**	**42,808**

Balance sheet - Liabilities (In Euro million)	Dec. 31, 2018	Dec. 31, 2019
Equity	12,301	12,748
Provisions	2,777	3,083
Borrowings subject to sp. conditions	585	505
Interest bearing liabilities	5,605	6,779
Derivatives liabilities	1,262	1,038
Other non-current liabilities	1,664	1,342
Trade and other payables	5,650	6,164
Contracts Liabilities	10,453	10,923
Other current liabilities	323	226
Total Equity & Liabilities	**40,620**	**42,808**

Cash Flow Highlights (In Euro million)	FY 2018	FY 2019
Recurring operating income	**3,023**	**3,820**
One-off items	(115)	13
Depreciation, amortization, provisions (excluding financial)	838	1,135
EBITDA	**3,746**	**4,968**
Income tax and non-cash items	(648)	(926)
Cash flow from operations	**3,098**	**4,042**
Changes in working capital	(27)	(897)
Capex (tangible assets)	(780)	(695)
Capex (intangible assets)	(183)	(134)
Capitalisation of R&D	(327)	(333)
Free cash flow	**1,781**	**1,983**
Dividends paid	(721)	(817)
Divestments/acquisitions and others	(4,623)	(1,482)
Net change in cash and cash equivalents	**(3,563)**	**(316)**
Net cash / (Net debt) at beginning of period	294	(3,798)*
Net cash / (Net debt) at end of period	**(3,269)**	**(4,114)**

** IFRS16 impact at the beginning of period of Euro (529) million*

2. Segment breakdowns

As a reminder, the press release on the new presentation of segment information has been published on July 1, 2019.

Segment breakdown of adjusted revenue *(In Euro million)*	FY 2018	FY 2019	% change	% change in scope	% change currency	% change organic
Aerospace Propulsion	10,579	12,045	13.9%	-	3.1%	10.8%
Aircraft Equipment, Defense and Aerosystems	7,942	9,256	16.5%	5.6%	3.5%	7.4%
Aircraft Interiors	2,511	3,321	32.3%	19.3%	4.2%	8.8%
Holding company & Others	18	18	n/s	-	-	n/s
Total Group	**21,050**	**24,640**	**17.1%**	**4.4%**	**3.4%**	**9.3%**

2019 revenue by quarter *(In Euro million)*	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019
Aerospace Propulsion	2,771	3,131	2,987	3,156	12,045
Aircraft Equipment, Defense and Aerosystems	2,201	2,352	2,298	2,405	9,256
Aircraft Interiors	806	834	805	876	3,321
Holding company & Others	3	4	5	6	18
Total Group	**5,781**	**6,321**	**6,095**	**6,443**	**24,640**

2018 revenue by quarter *(In Euro million)*	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018
Aerospace Propulsion	2,319	2,486	2,524	3,250	10,579
Aircraft Equipment, Defense and Aerosystems	1,641	2,070	2,052	2,179	7,942
Aircraft Interiors	256	724	769	762	2,511
Holding company & Others	6	4	3	5	18
Total Group	**4,222**	**5,284**	**5,348**	**6,196**	**21,050**

Segment breakdown of recurring operating income *(In Euro million)*	2018	2019	% change
Aerospace Propulsion	**2,030**	**2,485**	22.4%
% of revenue	19.2%	20.6%	
Aircraft Equipment, Defense and Aerosystems	**992**	**1,209**	21.9%
% of revenue	12.5%	13.1%	
Aircraft Interiors	**81**	**188**	132.1%
% of revenue	3.2%	5.7%	
Holding company & Others	(80)	(62)	na
Total Group	**3,023**	**3,820**	26.4%
% of revenue	14.4%	15.5%	

One-off items *(In Euro million)*	***2018***	***2019***
Adjusted recurring operating income	**3,023**	**3,820**
% of revenue	14.4%	15.5%
Total one-off items	**(115)**	**13**
Capital gain (loss) on asset disposal	-	*12*
Impairment reversal (charge)	*(38)*	*(11)*
Other infrequent & material non-operational items	*(77)*	*12*
Adjusted profit from operations	**2,908**	**3,833**
% of revenue	13.8%	15.6%

Euro/USD rate	FY 2018	FY 2019
Average spot rate	1.18	1.12
Spot rate (end of period)	1.15	1.12
Hedge rate	1.18	1.18

Notes

[1] Adjusted revenue
To reflect the Group's actual economic performance and enable it to be monitored and benchmarked against competitors, Safran prepares an adjusted income statement in addition to its consolidated financial statements.

Safran's consolidated income statement has been adjusted for the impact of:

- purchase price allocations with respect to business combinations. Since 2005, this restatement concerns the amortization charged against intangible assets relating to aircraft programs revalued at the time of the Sagem-Snecma merger. With effect from the first-half 2010 interim financial statements, the Group decided to restate:
  - the impact of purchase price allocations for business combinations, particularly amortization charged against intangible assets recognized at the time of the transaction and amortized over extended periods due to the length of the Group's business cycles and the impact of remeasuring inventories, as well as
  - gains on remeasuring any previously held equity interests in the event of step acquisitions or asset contributions to joint ventures;

  Safran has also applied these restatements to the acquisition of Zodiac Aerospace with effect from 2018.
- the mark-to-market of foreign currency derivatives, in order to better reflect the economic substance of the Group's overall foreign currency risk hedging strategy:
  - revenue net of purchases denominated in foreign currencies is measured using the effective hedged rate, i.e., including the costs of the hedging strategy,
  - all mark-to-market changes on instruments hedging future cash flows are neutralized.

The resulting changes in deferred tax have also been adjusted.

FY 2019 reconciliation between consolidated income statement and adjusted consolidated income statement:

FY 2019 *(In Euro million)*	Consolidated data	Currency hedging		Business combinations		Adjusted data
		Remeasurement of revenue (1)	Deferred hedging gain / loss (2)	Amortization of intangible assets -Sagem-Snecma merger (3)	PPA impacts - other business combinations (4)	
Revenue	**25,098**	**(458)**	**-**	**-**	**-**	**24,640**
Other operating income and expenses	(21,438)	9	(1)	51	354	(21,025)
Share in profit from joint ventures	164	-	-	-	41	205
Recurring operating income	**3,824**	**(449)**	**(1)**	**51**	**395**	**3,820**
Other non-recurring operating income and expenses	13	-	-	-	-	13
Profit (loss) from operations	**3,837**	**(449)**	**(1)**	**51**	**395**	**3,833**
Cost of debt	(33)	-	-	-	-	(33)
Foreign exchange gains (losses)	(283)	449	(175)	-	-	(9)
Other financial income and expense	(47)	-	-	-	-	(47)
Financial income (loss)	**(363)**	**449**	**(175)**	**--**	**-**	**(89)**
Income tax expense	(962)	-	60	(13)	(97)	(1,012)
Profit (loss) from continuing operations	**2,512**	**-**	**(116)**	**38**	**298**	**2,732**
Attributable to non-controlling interests	**(65)**	**-**	**-**	**(2)**	**-**	**(67)**
Attributable to owners of the parent	**2,447**	**-**	**(116)**	**36**	**298**	**2,665**

(1) Remeasurement of foreign-currency denominated revenue net of purchases (by currency) at the hedged rate (including premiums on unwound options) through the reclassification of changes in the fair value of instruments hedging cash flows recognized in profit or loss for the period.
(2) Changes in the fair value of instruments hedging future cash flows that will be recognized in profit or loss in future periods (a negative €175 million excluding tax), and the impact of taking into account hedges when measuring provisions for losses on completion (a negative €1 million at December 31, 2019).
(3) Cancellation of amortization/impairment of intangible assets relating to the remeasurement of aircraft programs resulting from the application of IFRS 3 to the Sagem-Snecma merger.
(4) Cancellation of the impact of remeasuring assets at the time of the Zodiac Aerospace acquisition for €315 million excluding deferred tax and cancellation of amortization/impairment of assets identified during other business combinations.

Readers are reminded that only the consolidated financial statements are reviewed by the Group's statutory auditors. The consolidated financial statements include revenue and operating profit indicators set out in the adjusted data in Note 5, "Segment information" of the full-year consolidated financial statements.

Adjusted financial data other than the data provided in Note 5, "Segment information" of the consolidated financial statements, are subject to verification procedures applicable to all of the information provided in the full-year financial report.

***Safran** is an international high-technology group, operating in the aircraft propulsion and equipment, space and defense markets. Safran has a global presence, with more than 95,000 employees and sales of 24.6 billion euros in 2019. 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 1.7 billion euros in 2019.*
Safran is listed on the Euronext Paris stock exchange and is part of the CAC 40 and Euro Stoxx 50 indices.

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IMPORTANT ADDITIONAL INFORMATION

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; and the risks described in the registration document (document de référence). 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.