

THIRD-QUARTER AND FIRST NINE MONTHS 2021 REVENUE



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> 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.

Agenda

1. Q3 and 9m 2021 highlights
2. Q3 and 9m 2021 revenue
3. 2021 Outlook
4. Q&A
5. Additional information



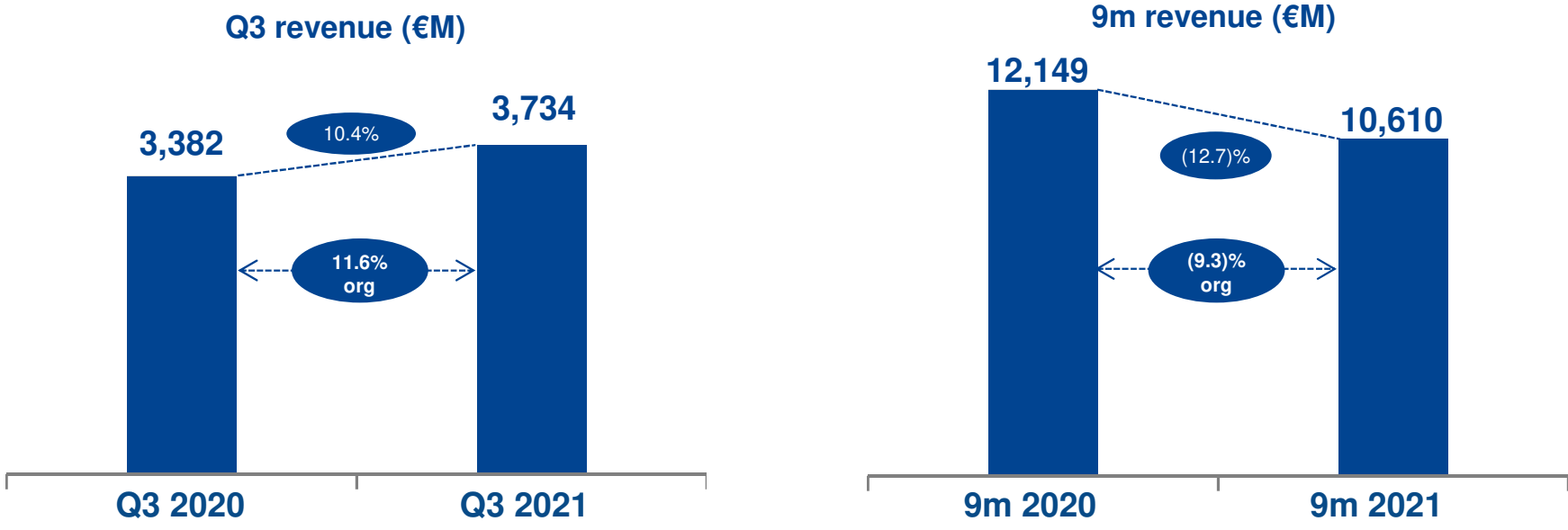


1

Q3 AND 9M 2021 HIGHLIGHTS

Olivier ANDRIES - CEO

Revenue highlights



- ◆ Consistent with recovery profile in 2021
- ◆ Improvement both year-on-year and sequentially, driven by recovery in services across all businesses

Activity in line with full-year expectations

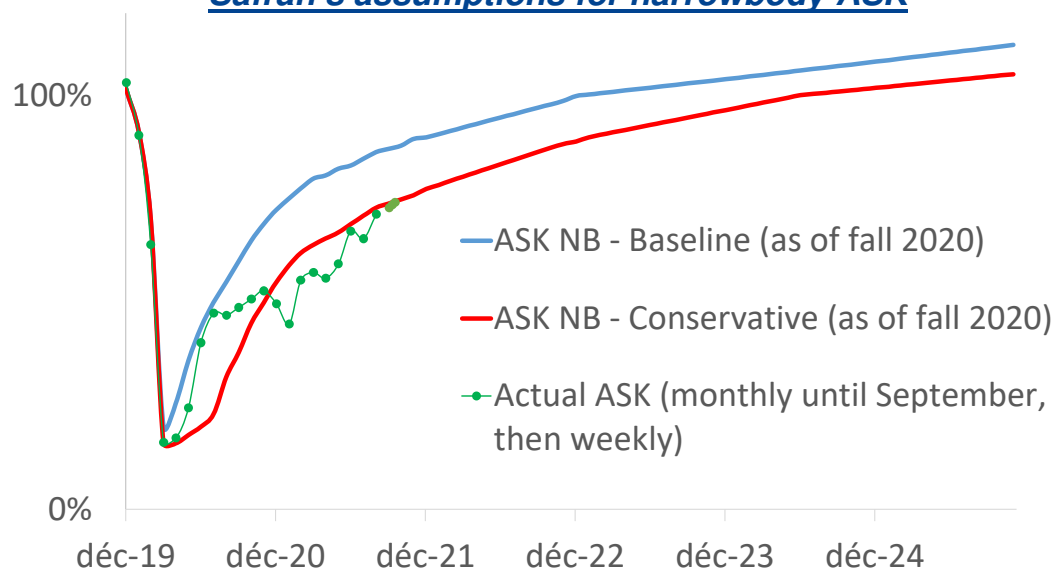
Air traffic in 9m 2021: latest trends support a strong Q4

Engine flight cycles and ASK

At a global scale: after a trough in February, gradual increase which remains bumpy as a result of travel restrictions implemented in some geographical areas to face Covid-19 upsurge.

Narrowbody ASK mid-October 2021 at 74.3% vs 2019.

Safran's assumptions for narrowbody ASK



Weekly CFM engines flight cycles as of October 17th:

- **China:** after being above or close to 2019 levels between March and July, deterioration in August, now at (9.6)% compared to 2019.
- **North America:** steady improvement from March to the end of June, yet slowed down in April, now increasing slowly to (9.5)% vs 2019.
- **Europe:** stood under (70)% vs 2019 until the end of May with a rapid improvement during the summer season towards (26.7)% vs 2019.
- **APAC ex China:** most impacted region, recovering slowly, now at (62.0)% vs 2019.

Source : Safran

6 Safran / Q3 2021 revenue / October 29, 2021

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Q3 2021 business highlights - Propulsion

Combined shipment of CFM56 and LEAP engines reached 256 units in Q3 2021 (vs. 211 units in Q3 2020) up 21%

- ◆ LEAP
 - > 226 LEAP delivered in Q3 2021 compared with 172 engines in Q3 2020
 - > 59% market share⁽¹⁾ on A320neo family at September 30, 2021
 - > Air China selected LEAP-1A for its 30 A320neo aircraft
- ◆ CFM56
 - > 30 units delivered in Q3 2021 compared with 39 engines in Q3 2020

Civil aftermarket (in \$): (7.7)% in 9m 2021

- ◆ Down (53.4)% in Q1, up 55% in Q2 and 43.8% in Q3
- ◆ Up 24% sequentially in Q3

Helicopter turbines

- ◆ First helicopter engine test campaign using 100% sustainable aviation fuel



First rescue helicopter flies on sustainable aviation fuel

⁽¹⁾ Based on firm orders

Q3 2021 business highlights

Aircraft Equipment, Defense and Aerosystems

Aircraft Equipment

- ◆ Carbon brakes: Safran selected by the Canadian ultra low-cost carrier Flair Airlines for its 737NG and 737 Max fleet

Aircraft Interiors

Seats

- ◆ A US airline selected business class seats for 200 single-aisle aircraft
- ◆ An Asian airline selected economy and business class seats for some of its Boeing 787 aircraft



Wheels and brakes

Maintaining costs under tight control

Managing HR costs while activity is improving

- ◆ Savings compared to 9m 2019 in line with FY 2020 achievement

- > **Headcount down compared to end 2020:** ~(1,400) (including temps) since 31st Dec 2020, bringing total headcount at ~76,430 (excluding temps) as of 30th September 2021
- > **Lower use of short time working scheme:** 6.7% worldwide and 9.1% in France (in the first eight months of 2021)

Ongoing industrial footprint rationalization in Equipment and Aircraft Interiors businesses

- ◆ **Sites closure** at Aircraft Interiors (Bellingham and Ontario (US)) and Electrical & Power (Santa Rosa (US))
- ◆ **Industrial plan optimization** (Electrical & Power and Nacelles)

OPEX⁽¹⁾ in 9m down versus 2020, savings compared to 9m 2019 in line with FY 2020 achievement

⁽¹⁾ HR costs and external services expenses



2

Q3 AND 9M 2021 REVENUE

Bernard DELPIT – Deputy CEO and Group CFO

Foreword

Adjusted data

All revenue figures in this presentation represent adjusted data⁽¹⁾ (except where noted).

To reflect the Group's actual economic performance and enable it to be monitored and benchmarked against competitors, Safran prepares an adjusted revenue.

Safran's consolidated revenue has been adjusted for the impact of 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

Organic growth

Organic variations were determined by excluding the effect of changes in scope of consolidation and the impact of foreign currency variations.

⁽¹⁾ See slide 22 for bridge with consolidated revenue

FX (1/2)

Translation effect: foreign currencies translated into €

- ◆ Negative impact mainly from USD in Q3
- ◆ Impact on Revenues and Return on Sales

Average spot rate

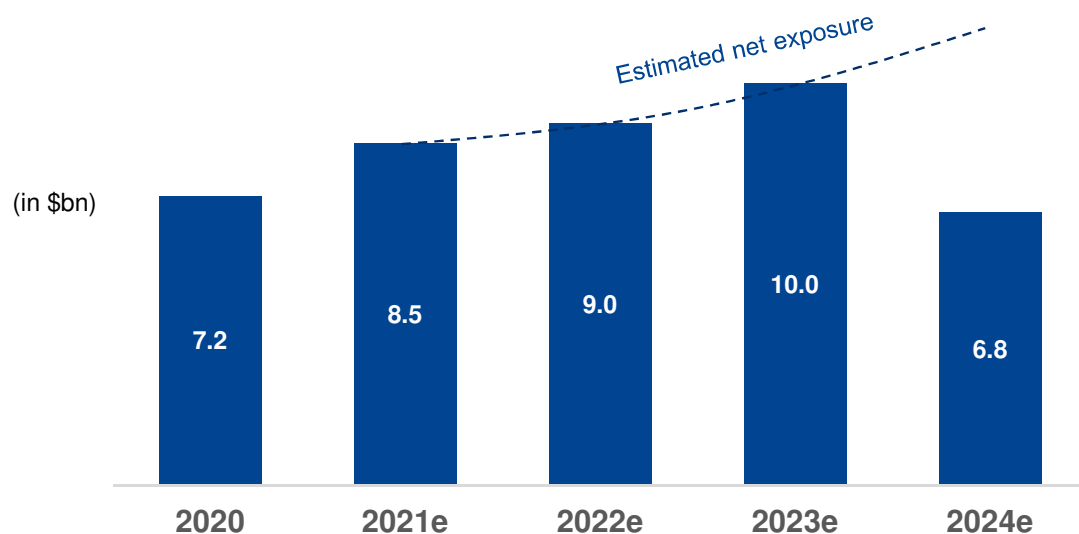
Q3 2020	Q3 2021
\$1.17	\$1.18
9m 2020	9m 2021
\$1.12	\$1.20

Transaction effect: mismatch between \$ sales and € costs is hedged

Hedge rate

Q3 2020	Q3 2021
\$1.16	\$1.16

FX (2/2) - \$29.7bn hedge book* (October 18, 2021)



€/\$ hedge rate target	2020	2021e	2022e	2023e	2024e
	1.16	1.16	1.14-1.16	1.14-1.16	1.14-1.16

* Approx. 45% of Safran US\$ revenue are naturally hedged by US\$ procurement

- The hedge book includes barrier options with knock-out triggers ranging from \$1.2350 to \$1.31, representing a risk to the size of the book and to targeted hedge rates from 2021 onwards in case of sudden and significant exchange rates fluctuations

2021e

- Coverage of \$8.5bn achieved through knock-out options at a target rate of \$1.16

2022e

- Coverage of \$9.0bn achieved through knock-out options; target rate between \$1.14 and \$1.16

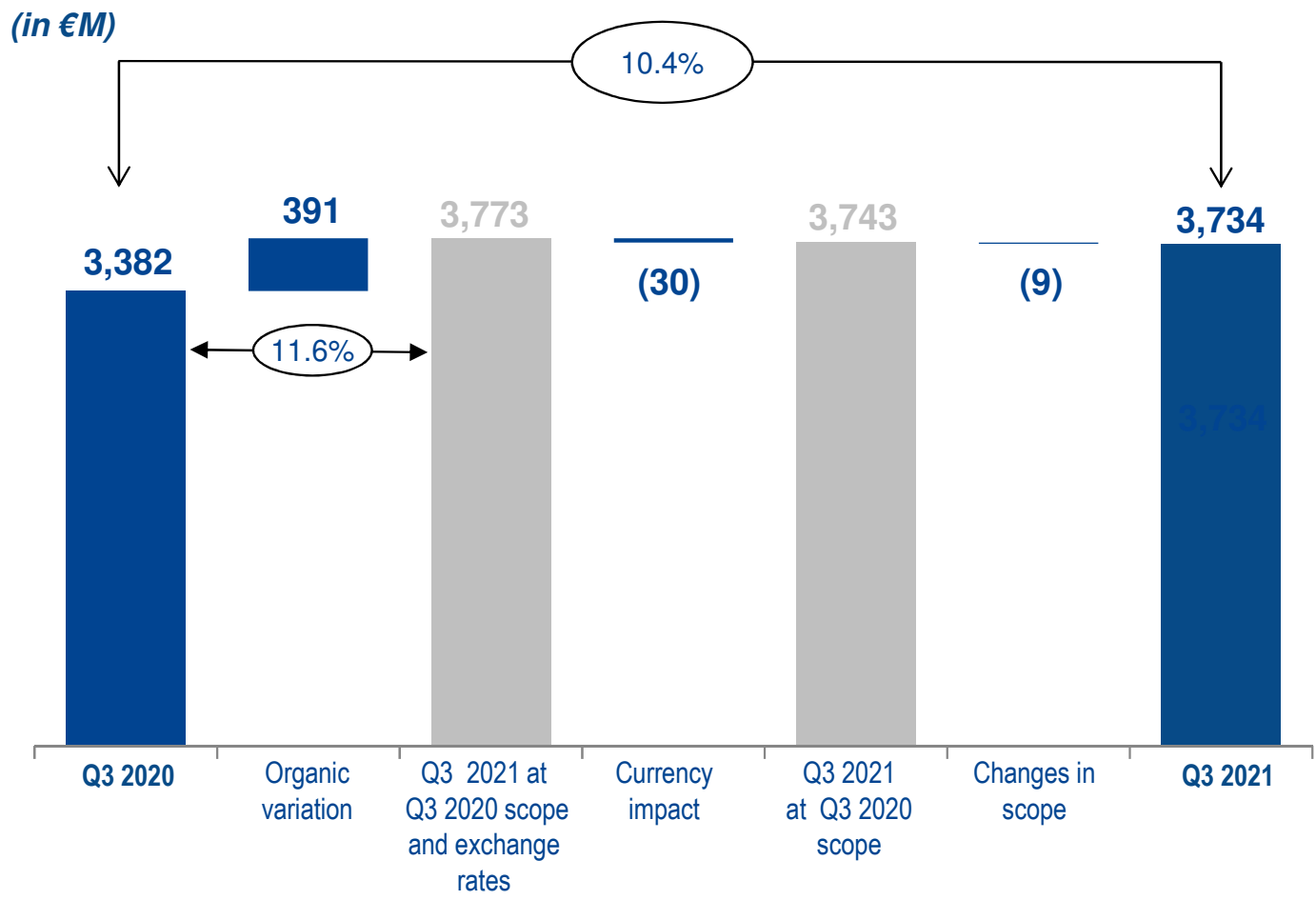
2023e

- Coverage of \$10.0bn achieved through knock-out options; target rate between \$1.14 and \$1.16

2024e

- Continuation of coverage with \$6.8bn achieved through knock-out options; target rate between \$1.14 and \$1.16

Q3 2021 revenue



Organic growth: 11.6%

- ◆ Propulsion: 17.4%
- ◆ Aircraft Equipment, Defense & Aerosystems: 5.6%
- ◆ Aircraft Interiors: 11.2%

Currency impact: (0.9)%

- ◆ Negative impact from USD average spot rate (average spot rate \$1.18 vs \$1.17 in Q3 2020)

Scope: (0.3)%

Q3 2021 revenue per activity

**Q3 2021 improving vs. Q3 2020
across all divisions, driven by services**

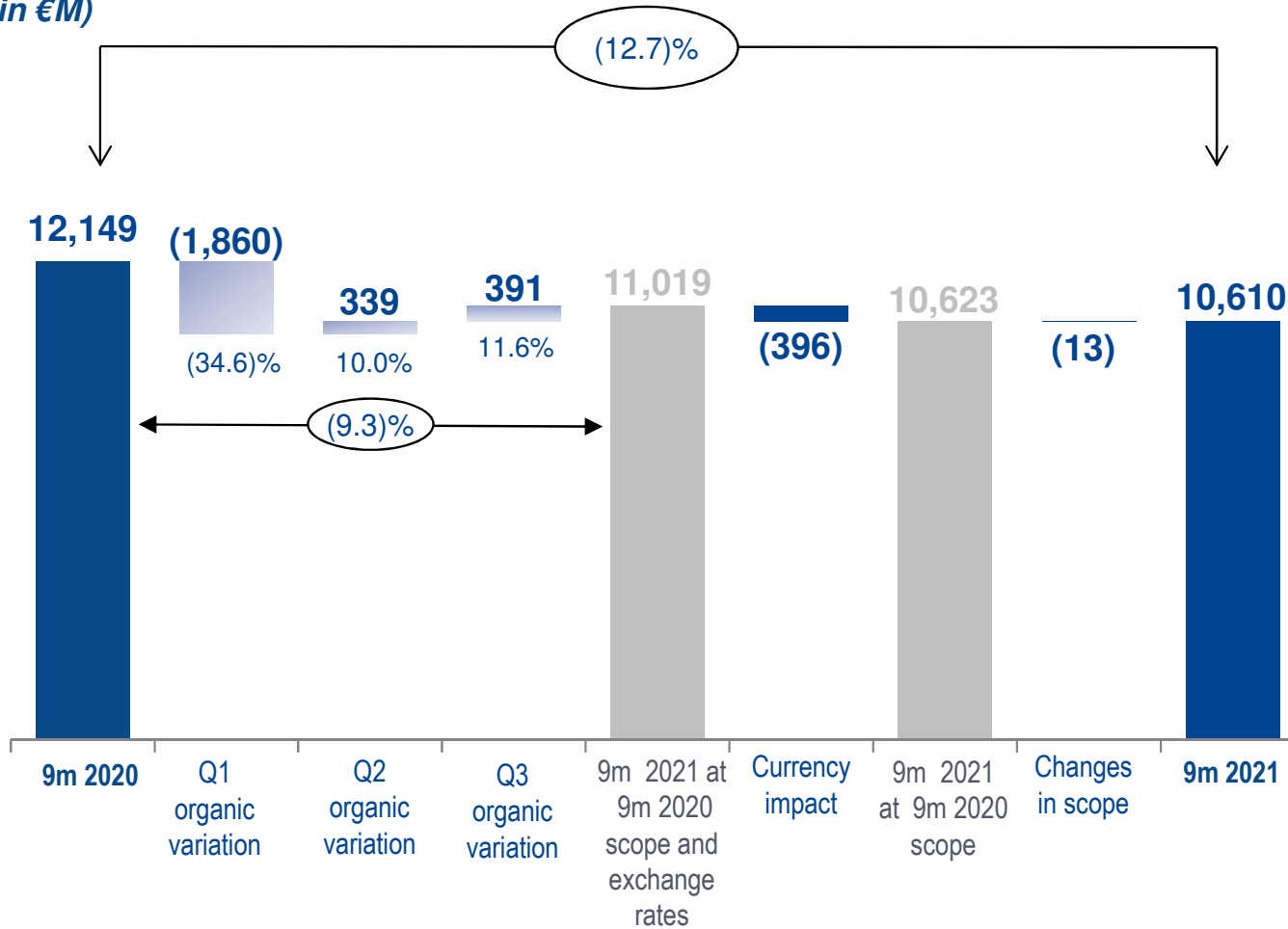
Adjusted data <i>(in Euro million)</i>	Q3 2020	Q3 2021	<i>Change reported</i>	<i>Change organic</i>
Aerospace propulsion	1,559	1,812	16.2%	17.4%
Aircraft Equipment, Defense & Aerosystems	1,461	1,535	5.1%	5.6%
Aircraft Interiors	357	385	7.8%	11.2%
Others	5	2	n/s	n/s
Safran	3,382	3,734	10.4%	11.6%

Organic trends drivers

- ◆ Aerospace Propulsion
 - > OE: higher LEAP engines deliveries but lower CFM56 and high-thrust engines deliveries
 - > Services: civil aftermarket up 43.8% (in \$)
 - > Higher military engines deliveries
 - > Helicopter turbines: growth in services, lower OE deliveries
- ◆ Aircraft Equipment, Defense & Aerosystems
 - > OE revenue decrease essentially impacted by 787 (landing gear, wiring and power distribution activities). Growth in nacelles business (higher volume of nacelles for A320neo)
 - > Services revenue up, notably with landing gear, carbon brakes and nacelles activities and, to a lesser extent, Aerosystems activities
 - > Electronics and Defense activities slightly up
- ◆ Aircraft Interiors
 - > Slight OE revenue decrease driven by lower volumes in galleys and lavatories for A320 and A350. Recovery in IFE deliveries
 - > Recovery in services in Seats and Cabin

9m 2021 revenue

(in €M)



Organic decrease: (9.3)%

- ◆ Propulsion: (6.5)%
- ◆ Aircraft Equipment, Defense & Aerosystems: (8.3)%
- ◆ Aircraft Interiors: (23.6)%

Currency impact: (3.3)%

- ◆ Negative impact from USD spot rate (spot rate \$1.20 vs. \$1.12 in 9m 2020)

Scope: (0.1)%

- ◆ Disposal of the train toilets activities in Q2 2021

9m 2021 revenue per activity

Sequential improvement in 2021, still down compared with 9m 2020 (strong comparison basis in Q1)

Adjusted data (in Euro million)	9m 2020	9m 2021	Change reported	Change organic
Aerospace propulsion	5,606	5,061	(9.7)%	(6.5)%
Aircraft Equipment, Defense & Aerosystems	5,099	4,507	(11.6)%	(8.3)%
Aircraft Interiors	1,429	1,031	(27.9)%	(23.6)%
Others	15	11	n/s	n/s
Safran	12,149	10,610	(12.7)%	(9.3)%

Organic trends drivers

◆ Aerospace Propulsion

- > OE: lower CFM56 and high-thrust engines deliveries partially compensated by higher LEAP engines deliveries
- > Services: civil aftermarket down (7.7)% (in \$)
- > Military: higher military engines deliveries partially offset by decrease in services (strong comparison basis)
- > Helicopter turbines: positive contribution thanks to services growth, despite lower OE deliveries

◆ Aircraft Equipment, Defense & Aerosystems

- > OE revenue decrease due to lower volumes of wiring activities for Boeing 787 and A350, landing gear for Boeing 787 and, to a lesser extent, avionics and defense activities
- > Services revenue down, notably with carbon brakes and landing gear activities and nacelles support activities

◆ Aircraft Interiors

- > OE and Services revenue down in Seats and Cabin activities

3

2021 OUTLOOK

Olivier ANDRIES - CEO



FY 2021 outlook confirmed for sales and profitability, further raised for free cash flow

Safran reaffirms its FY 2021 outlook (compared with FY 2020 figures):

- ◆ **Adjusted revenue to decrease in the low single digits in organic terms.** At an estimated spot rate of USD 1.22 to the Euro, adjusted revenue to decrease in the high single digits;
- ◆ **Adjusted recurring operating margin to increase above 100 bps, at least a 300 bps improvement versus H2 2020** (based on a hedge rate of USD 1.16 to the Euro and an adjusted revenue based on a spot rate at USD 1.22 to the Euro).

Safran is further improving its free cash flow guidance:

- ◆ **Free cash flow generation above Euro 1.5 bn** (previously “above 2020 level”) thanks to new Rafale export contracts advance payments and to a positive working capital contribution.

As a reminder, the full-year 2021 outlook is based on a number of assumptions, notably on civil aftermarket which relies on further fourth quarter improvement and LEAP deliveries which are expected to be around 900 (previously “800+”).



4

Q&A

Olivier ANDRIES - CEO

Bernard DELPIT - Deputy CEO and Group CFO

5

ADDITIONAL INFORMATION



Q3 and 9m 2021 consolidated and adjusted revenue

Q3 2021 <i>(In Euro million)</i>	Consolidated revenue	Hedge accounting		Business combinations		Adjusted revenue
		Re-measurement of revenue	Deferred hedging gain (loss)	Amortization of intangible assets - Sagem/Snecma	PPA impacts - other business combinations	
Revenue	3,719	15	-	-	-	3,734

9m 2021 <i>(In Euro million)</i>	Consolidated revenue	Hedge accounting		Business combinations		Adjusted revenue
		Re-measurement of revenue	Deferred hedging gain (loss)	Amortization of intangible assets - Sagem/Snecma	PPA impacts - other business combinations	
Revenue	10,488	122	-	-	-	10,610

OE / Services revenue split

Revenue Adjusted data <i>(in Euro million)</i>	Q3 2020		Q3 2021		% change	
	OE	Services	OE	Services	OE	Services
<i>Propulsion</i> % of revenue	675 43.3%	884 56.7%	682 37.6%	1,130 62.4%	1.0%	27.8%
<i>Equipment, Defense & Aerosystems</i> % of revenue	1,021 69.9%	440 30.1%	985 64.2%	550 35.8%	(3.5)%	25.0%
<i>Aircraft Interiors</i> % of revenue	276 ⁽¹⁾ 77.3%	81 22.7%	272 ⁽¹⁾ 70.6%	113 29.4%	(1.4)%	39.5%

Revenue Adjusted data <i>(in Euro million)</i>	9m 2020		9m 2021		% change	
	OE	Services	OE	Services	OE	Services
<i>Propulsion</i> % of revenue	2,209 39.4%	3,397 60.6%	1,977 39.1%	3,084 60.9%	(10.5)%	(9.2)%
<i>Equipment, Defense & Aerosystems</i> % of revenue	3,499 68.6%	1,600 31.4%	2,965 65.8%	1,542 34.2%	(15.3)%	(3.6)%
<i>Aircraft Interiors</i> % of revenue	1,029 ⁽¹⁾ 72.0%	400 28.0%	742 ⁽¹⁾ 72.0%	289 28.0%	(27.9)%	(27.8)%

(1) Retrofit is included in OE

Quantities of major aerospace programs

<i>Number of units delivered</i>	Q3 2020	Q3 2021	%	9m 2020	9m 2021	%
LEAP engines	172	226	31%	622	625	0.5%
CFM56 engines	39	30	(23)%	123	79	(36)%
High thrust engines	88	58	(34)%	285	196	(31)%
Helicopter engines	161	110	(32)%	436	394	(10)%
M88 engines	6	15	150%	25	46	84%
787 landing gear sets	32	5	(84)%	94	30	(68)%
A350 landing gear sets	13	8	(38)%	39	28	(28)%
A330neo nacelles	2	6	200%	22	12	(45)%
A320neo nacelles	102	142	39%	350	406	16%
Small nacelles (<i>biz & regional jets</i>)	82	95	16%	328	282	(14)%

<i>Number of units delivered</i>	Q3 2020	Q3 2021	%
Lavatories A350	75	59	(21)%
Spaceflex V2 A320 (lavatories + Galleys)	67	50	(25)%
Business class seats	401	490	22%
Emergency slides A320	545	1,083	99%
Primary power distribution system 787	174	20	(89)%

<i>Number of units delivered</i>	9m 2020	9m 2021	%
Lavatories A350	274	195	(29)%
Spaceflex V2 A320 (lavatories + Galleys)	234	161	(31)%
Business class seats	2,090	1,177	(44)%
Emergency slides A320	2,069	2,791	35%
Primary power distribution system 787	591	154	(74)%



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