PRESS RELEASE

Safran reports full-year 2021 results

Strong margin and cash performance in 2021

Expecting further improvement in 2022, in line with 2025 growth trajectory

Paris, February 24, 2022

FY 2021 adjusted data

- *Revenue €15,257 million, (7.5)%; (5.4)% organic*
- *Recurring operating income €1,805 million (11.8% of sales, +160bps)*
- *Free cash flow generation €1,680 million*
- *Dividend per share €0.50, subject to shareholder's approval*

FY 2021 consolidated data

- *Revenue €15,133 million*
- *Recurring operating income €1,269 million*
- *Profit from operations €864 million*
- *Profit for the period attributable to owners of the parent €43 million*
- *Free cash flow €1,680 million*

FY 2022 outlook (adjusted data)

- *Revenue €18-18.2 billion*
- *Recurring operating margin c.13.0%*
- *Free Cash Flow generation c.€2.0 billion*

The Board of Directors of Safran (Euronext Paris: SAF), under the Chairmanship of Ross McInnes, at their meeting in Paris on February 23, 2022, adopted and authorized the publication of Safran's financial statements and adjusted income statement for the full-year period ended December 31, 2021.

Foreword

- All figures in this press release represent adjusted data, except where noted. Please refer to the definitions and reconciliation between full-year 2021 consolidated income statement and adjusted income statement. Please refer to the definitions contained in the footnotes and in the Notes on page 10 of this press statement.
- Organic variations exclude changes in scope and currency impacts for the period.

CEO Olivier Andriès said: "*2021 was an important year for Safran, marked by significant operational and financial progress. As the market recovers from its low point in Q1 2021 we delivered solid margin and cash performance, exceeding our outlook. We generated robust commercial orders across our businesses and gained traction from Rafale export programs. Safran is well placed to benefit from the positive trends in both aftermarket and original equipment as narrowbody traffic returns to pre-crisis levels by end 2022. In 2022 we see real momentum for sustainable growth, and are ready to raise OE production rates and accelerate the pace of investment for decarbonization. We intend to continue reinvesting capital from divested activities into complementary, bolt-on acquisitions with growth potential.*"

Full-year 2021 results

➢ Revenue[1]

The global narrowbody capacity in 2021 has been uneven across geographies but increased throughout the year. In 2021, narrowbody ASK were at 63% (on average) of 2019, with Q4 2021 at 75% of Q4 2019.

2021 revenue amounted to €15,257 million, (7.5)% compared to 2020, (5.4)% organic. Change in scope was €(27) million[2]. Currency impact was €(316) million reflecting a negative translation impact of USD revenues, with an average €/$ spot rate of 1.18 in 2021 (1.14 in 2020). €/$ hedge rate was stable at 1.16. Q4-21 sales increased by 6.9% at €4,647 million (5.3% in organic) compared to Q4 2020.

On an organic basis, revenue decreased by (5.4)%:

- **Propulsion** : slight decrease in sales by (1.1)% mainly due to civil OE volumes (high thrust and CFM56 engines). In 2021, combined shipments of CFM engines reached 952 units (845 LEAP and 107 CFM56), compared with 972 in the prior year. Military engine deliveries were up driven by Rafale. Civil aftermarket increased by 7.1% (in USD) thanks to a higher contribution from services contracts and to a lesser extent from spare parts sales for CFM56. Helicopter turbine activities registered a low single digit growth thanks to services, despite lower OE (Arrius and Makila families).
  Q4-21 sales increased by 13.7% due to civil aftermarket revenue, up 54% compared to Q4 2020 and up 32% compared to Q3 2021 (as a reminder civil aftermarket: (53)% in Q1-21, +55% in Q2-21, +44% in Q3-21);

- **Equipment & Defense** continued to suffer from a low level of activity in the widebody market, and notably on the 787 program. Revenue decreased by (6.3)% due to lower OE volumes for wiring, power distribution and landing gear activities. Sales for nacelles were flat thanks to LEAP-1A powered A320neo and despite A380 and A320ceo programs ending. Services slightly increased notably driven by landing gears and wheels and brakes.
  Q4-21 sales slightly decreased by (0.3)% compared to Q4 2020 mainly due to wiring activities and despite an increase in Defense (inertial navigation systems);

- **Aircraft Interiors** revenue dropped by (19.9)% impacted by Seats and Cabin activities both from OE and services. Positive contribution from IFE activities (mainly OE, including retrofit) in H2 2021 with a resumption of deliveries which were halted in preceding periods.
  Q4-21 sales decreased by (9.3)% compared to Q4 2020 due to Cabin activites whereas Seats held up better.

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[1] See Q4 figures in the Segment breakdown on page 9 of this press statement.

[2] Divestment of EVAC in June 2021 and Safran Ventilation Systems Oklahoma (Enviro Systems) in November 2021

Adaptation plan

During 2021, Safran continued to improve its cost structure and to invest for the upcoming rise in production rate.

- Human ressources adaptation:
  - Headcount (excluding temps) decreased by c.2,000 compared to 2020. Hiring restarted end of Q3 to prepare growth plans;
  - Decreasing rate of short time working: 7% in France and c.5% worldwide on average;
  - New agreement signed with French unions in October 2021: preservation of skills and jobs, headcount growth, wage increase in 2022 reflecting inflation. In 2022, the employee contribution will take the form of a reduction of the profit-sharing and the freeze of top-up contribution to invested employee savings. This agreement takes also into account a "Clawback clause" taking effect that some or all of the specified measures may be adjusted in 2022, depending on how the Group's recurring operating margin develops between 2021 and 2022.
- Industrial footprint rationalization:
  - Site closures at Aircraft Interiors (Bellingham and Ontario (US)) and Electrical & Power (Santa Rosa (US));
  - Industrial plan optimization (Electrical & Power and Nacelles).
- Cost savings level in line with FY 2020 achievements:
  - OPEX[3] down (27)% in 2021 versus 2019 & down (2)% versus 2020;
- CAPEX outflow slightly down due to the swift decrease of CAPEX commitments in 2020.
- R&D (as a % of sales) kept under control.

Research & Development

Total R&D, including R&D sold to customers, reached €1,430 million, compared with €1,213 million in 2020.

R&D expenses before tax credit were up 6.9% at €924 million in 2021 including:

- Development expenses at €532 million (€526 million in 2020) driven by LEAP and helicopter engines;
- Research & Technology (R&T) self-funded expenses at €392 million (€338 million in 2020) increase +16%, focused on decarbonization (RISE program). R&T spending increase in 2021 has been supported by public funding.

The impact on recurring operating income of expensed R&D was €678 million, down (0.2) point of margin compared to 2020, due to lower amortization and depreciation related to R&D programs. It was 4.4% of sales, consistent with the mid-term target of 4.5% on average for 2021-2025.

Recurring operating income

2021 recurring operating income[4] reached €1,805 million, +7.1% compared to 2020 (+8.4% organic) driven by continued operational improvements and contained R&D expenses. It includes scope changes of €(7) million and a currency impact of €(16) million.

Recurring operating margin improved by 160bps at 11.8% of sales (10.2% in 2020):

- **Propulsion** recurring operating margin increased by 2.4pts driven by civil aftermarket and military OE positive contributions. Profitability was impacted by lower CFM56 deliveries. Helicopter turbine activities had a stable contribution compared to 2020;

[3] HR costs and external services expenses

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

- **Equipment & Defense** recurring operating margin increased by 0.3pt due to operational improvements and growth in services and despite exposure to widebody programs, especially in landing gears, wiring and power businesses;

- **Aircraft Interiors**: a significant drop in revenue due to exposure to widebody programs led to a decrease of (2.2)pts in recurring operating margin despite continued operational improvements. Seats and IFE activities improved. Recurring operating loss in H2 halved compared to H1 confirming that the upswing is on track to target breakeven in 2022.

➢ Adjusted net income

In 2021, one-off items were at €(405) million including €(79) million of restructuring costs and €(309) million of impairment for several programs.

Adjusted net income – Group share was €760 million in 2021 (basic EPS of €1.78 and diluted EPS of €1.73) compared with €844 million in 2020 (Basic EPS of €1.98 and diluted EPS of €1.92).

It includes:

- Net adjusted financial expense of €(204) million, including USD exchange revaluation of positions in the balance sheet of €(105) million and cost of debt of €(85) million;
- An adjusted tax expense of €(412) million (34.4% apparent tax rate, notably due to the impact of equity accounted joint ventures and tax on capital gains).

The reconciliation between 2021 consolidated income statement and adjusted income statement is provided and commented in the Notes on page 11.

➢ Cash flow

Free cash flow[5] of €1,680 million was driven by cash from operations of €2,186 million, a positive change in working capital and a lower capital expenditure (tangibles and intangibles) at €(756) million (€(793) million in 2020). The favourable working capital evolution during the year (€250 million) has been driven by lower inventories, higher deferred income and significant customer advance payments.

➢ Net debt and financing

Net debt was €1,544 million as of December 31, 2021 (€2,792 million as of December 31, 2020), as a result of free cash flow generation.

At the end of December 2021, cash and cash equivalent stood at €5,247 million, up from €3,747 million at the end of December 2020. In 2021, Safran continued to diversify, optimize and lengthen its debt maturity profile with several new transactions.

➢ Shareholder returns

For fiscal year 2021, a dividend[6] payment of €0.50 per share will be proposed to the shareholders' vote at the Annual General Meeting on May 25, 2022, representing a 28% payout ratio (vs. €0.43 in 2020; 22% payout ratio).

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

[6] Ex date : May 31, 2022
Record date : June 1st, 2022
Dividend payment : June 2, 2022

The proposed dividend takes into account the contribution of employees to productivity efforts in 2020, 2021 and 2022 as well as direct contributions from the French government in the form of short time working. In addition, following May 2022 Annual General Meeting and in a context of the anticipated recovery in air traffic, Safran's Board of directors will review its practice in order to ensure growing and attractive returns to shareholders and notably reconfirms its objective to resume its historical practice of 40% dividend payout ratio.

Full-year 2022 outlook

Safran expects to achieve for full-year 2022 (at current perimeter, adjusted data):
- Revenue of €18-18.2 billion;
- Recurring operating margin of c.13.0%;
- Free Cash Flow generation of c.€2.0bn.

This outlook is based notably, but not exclusively, on the following assumptions :
- No further disruption to the world economy;
- Narrowbody ASK to increase in the range +35-40% versus 2021 with likely short term volatility;
- Number of LEAP deliveries to increase in line with the target of around 2,000 engines in 2023;
- Civil aftermarket revenue: + 25% to 30% (in USD) versus 2021;
- CAPEX (tangible and intangible) outflow: c.+40% versus 2021;
- R&D impact on P&L: c.+20% versus 2021;
- €/$ spot rate of 1.18 and hedge rate of 1.15.

Currency hedges

The hedge book amounted $31.4 billion in January 2022. Safran started to hedge 2025 while lowering the risk of knock-out. The book is composed of options with knock-out barriers spanning from 1.2350 to 1.31, representing a risk on the size of the book and on targeted rates in case of a sudden increase of the euro.

2022 is hedged: targeted hedge rate of $1.15, for an estimated net exposure of $9.0 billion.
2023 and 2024 are hedged: targeted hedge rate from $1.14-1.16, for a respective estimated net exposure of $10.0 billion and $11.0 billion.
2025 is partially hedged: targeted hedge rate from $1.14-1.16; $1.4 billion hedged out of an estimated net exposure of $12.0 billion.

Portfolio management

As announced during the Capital Markets Day 2021, Safran is actively managing its asset portfolio.

The Group divested several businesses deemed non-core:
- Safran EVAC (vacuum toilet systems for railways), closed in June 2021;
- Safran Ventilation Systems Oklahoma (Enviro Systems), closed in November 2021;
- Safran Aerosystems Arresting Systems (closing expected in Q3 2022).

Safran announced several bolt-on acquisitions :
- Orolia, a world leader in Resilient Positioning, Navigation and Timing (PNT), strengthening Safran's capabilities in all aspects of PNT, inertial navigation, time and GNSS receivers and simulators, covering aerospace, governmental and high integrity applications (closing expected in Q2-Q3 2022);
- Safran and MBDA to own 63% of Cilas, a laser specialist (closing expected in Q2 2022);
- The signature of a MoU[7] for the acquisition of Aubert & Duval in a consortium with Airbus and Tikehau Ace Capital, a strategic supplier of titanium, high performance steel and aluminum forgings (closing expected in Q4-2022).

[7] Memorandum of Understanding

Climate strategy

Safran has recently set new long-term objectives to reduce emissions from its operations:
- 50% reduction of direct (Scope 1) and indirect (Scope 2) emissions by 2030 (compared with 2018), in line with 1.5°C trajectory based on SBTi methodology;
- 50% reduction in emissions from employee commuting and business travel (Scope 3) by 2030 (compared with 2018).

Safran will mobilize its 400 main suppliers, amounting to 80 % of its emissions from purchases (Scope 3), on meeting the commitments under the Paris Agreement to keep global warming to well below 2°C and if possible to 1.5°C.

The reporting of Scope 3 emissions from use of products for all categories of products and a corresponding reduction objective based on SBTi methodology will be disclosed in 2021 Universal Registration Document filing (April 2022).

In June 2021, Safran and GE Aviation launched the RISE[8] technology demonstration program which will target more than 20% lower emissions at engine level in 2035 compared to today's most efficient engines as well as 100% Sustainable Aviation Fuel (SAF) and Hydrogen compatibility. The program will include disruptive open fan architecture, hybrid electric capability, demonstrator ground and flight tests around middle of decade.

In line with Safran's roadmap to enable the transition of the aviation sector to SAF the Group invested in Ineratec, a start-up providing technologies for carbon-neutral synthetic fuels and signed a strategic partnership with TotalEnergies (focusing on R&T and supply of SAF).

Safran and its partners also achieved several flights with 100% SAF during the year:
- 1st LEAP-1A powered A319neo flight;
- 1st LEAP-1B powered 737MAX commercial flight by United Airlines;
- 1st flight of Airbus H225 helicopter powered by a Makila 2.

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Agenda

Q1 2022 revenue	April 29, 2022
Annual General Meeting	May 25, 2022
H1 2022 results	July 28, 2022
Q3 2022 revenue	October 28, 2022

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Safran will host today a conference call open to analysts, investors and media at 8.30 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: 47116062#).
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://onlinexperiences.com/Launch/QReg/ShowUUID=410C8DFF-D019-4503-911B-E4E045D23E1F.

Participants will have access to the webcast 15 minutes before the start of the conference.

Please make sure you have the latest version of your OS and of any browsers installed on the device you will used before attending this event.

[8] Revolutionary Innovation for Sustainable Engines

A replay of the conference webcast will be available until May 25, 2022 by using this same link.
A replay of the conference call will be available until May 25, 2022 at +33 (0)1 70 71 01 60 or +33 (0)1 72 72 74 02, +44 (0) 203 364 5147 and +1 646 722 4969 (access code for all countries: 425018510#).

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

Adjusted income statement *(In Euro million)*	FY 2020	FY 2021	% change
Revenue	**16,498**	**15,257**	**(7.5)%**
Other recurring operating income and expenses	(14,896)	(13,521)	
Share in profit from joint ventures	84	69	
Recurring operating income	**1,686**	**1,805**	**7.1%**
% of revenue	10.2%	11.8%	1.6pt
Other non-recurring operating income and expenses	(466)	(405)	
Profit from operations	**1,220**	**1,400**	**14.8%**
% of revenue	7.4%	9.2%	1.8pt
Net financial income (expense)	(7)	(204)	
Income tax expense	(334)	(412)	
Profit for the period	**879**	**784**	**(10.8)%**
Profit for the period attributable to non-controlling interests	**(35)**	**(24)**	
Profit for the period attributable to owners of the parent	**844**	**760**	**(10.0)%**
Earnings per share attributable to owners of parent (basic in €)	**1.98***	**1.78****	**(10.1)%**
Earnings per share attributable to owners of parent (diluted in €)	**1.92*****	**1.73******	**(9.9)%**

** Based on the weighted average number of shares of 426,035,732 as of December 31, 2020*
*** Based on the weighted average number of shares of 426,650,425 as of December 31, 2021*
**** Based on the weighted average number of shares after dilution of 440,460,495 as of December 31, 2020*
***** Based on the weighted average number of shares after dilution of 440,087,029 as of December 31, 2021*

Balance sheet - Assets *(In Euro million)*	Dec. 31, 2020*	Dec. 31, 2021
Goodwill	5,060	5,068
Tangible & Intangible assets	12,731	12,319
Investments in joint ventures and associates	2,128	1,969
Right of use	623	606
Other non-current assets	751	1,148
Derivatives assets	746	728
Inventories and WIP	5,190	5,063
Contracts costs	486	552
Trade and other receivables	5,769	6,504
Contracts assets	1,695	1,853
Cash and cash equivalents	3,747	5,247
Other current assets	607	659
Total Assets	**39,533**	**41,716**

Balance sheet - Liabilities *(In Euro million)*	Dec. 31, 2020*	Dec. 31, 2021
Equity	12,790	13,270
Provisions	2,795	2,856
Borrowings subject to sp. conditions	426	327
Interest bearing liabilities	6,591	6,814
Derivatives liabilities	1,262	1,796
Other non-current liabilities	1,301	1,391
Trade and other payables	4,353	4,950
Contracts Liabilities	9,838	10,141
Other current liabilities	177	171
Total Equity & Liabilities	**39,533**	**41,716**

**The data published for 2020 have been restated for the impact of the change in accounting policy resulting from the IFRIC decision on the attribution of service costs arising on defined benefit plans*

Cash Flow Highlights (In Euro million)	FY 2020	FY 2021
Recurring operating income	**1,686**	**1,805**
One-off items	(466)	(405)
Depreciation, amortization, provisions (excluding financial)	1,256	1,336
EBITDA	**2,476**	**2,736**
Income tax and non-cash items	(602)	(550)
Cash flow from operations	**1,874**	**2,186**
Changes in working capital	(8)	250
Capex (tangible assets)	(449)	(387)
Capex (intangible assets)	(57)	(53)
Capitalisation of R&D	(287)	(316)
Free cash flow	**1,073**	**1,680**
Dividends paid	(4)	(188)
Divestments/acquisitions and others	253	(244)
Net change in cash and cash equivalents	**1,322**	**1,248**
Net cash / (Net debt) at beginning of period	(4,114)	(2,792)
Net cash / (Net debt) at end of period	**(2,792)**	**(1,544)**

2. Segment breakdown

Segment breakdown of adjusted revenue (In Euro million)	FY 2020	FY 2021	% change	% change in scope	% change currency	% change organic
Propulsion	7,663	7,439	(2.9)%	-	(1.8)%	(1.1)%
Equipment & Defense	6,893	6,325	(8.2)%	-	(1.9)%	(6.3)%
Aircraft Interiors	1,922	1,475	(23.3)%	(1.4)%	(2.0)%	(19.9)%
Holding company & Others	20	18	n/s	n/s	n/s	n/s
Total Group	**16,498**	**15,257**	**(7.5)%**	**(0.2)%**	**(1.9)%**	**(5.4)%**

OE / Services adjusted revenue breakdown (In Euro million)	FY 2020		FY 2021	
	OE	Services	OE	Services
Propulsion	**2,995**	**4,668**	**2,801**	**4,638**
% of revenue	39.1%	60.9%	37.7%	62.3%
Equipment & Defense	**4,779**	**2,114**	**4,187**	**2,138**
% of revenue	69.3%	30.7%	66.2%	33.8%
Aircraft Interiors[9]	**1,444**	**478**	**1,067**	**408**
% of revenue	75.1%	24.9%	72.3%	27.7%

Segment breakdown of adjusted revenue (In Euro million)	Q4 2020	Q4 2021	% change	% change in scope	% change currency	% change organic
Propulsion	2,057	2,378	15.6%	-	1.9%	13.7%
Equipment & Defense	1,794	1,818	1.3%	-	1.6%	(0.3)%
Aircraft Interiors	493	444	(9.9)%	(2.8)%	2.2%	(9.3)%
Holding company & Others	5	7	n/s	n/s	n/s	n/s
Total Group	**4,349**	**4,647**	**6.9%**	**(0.3)%**	**1.9%**	**5.3%**

2021 revenue by quarter (In Euro million)	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021
Propulsion	1,561	1,688	1,812	2,378	7,439
Equipment & Defense	1,464	1,508	1,535	1,818	6,325
Aircraft Interiors	313	333	385	444	1,475
Holding company & Others	4	5	2	7	18
Total Group	**3,342**	**3,534**	**3,734**	**4,647**	**15,257**

2020 revenue by quarter (In Euro million)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020
Propulsion	2,497	1,550	1,559	2,057	7,663
Equipment & Defense	2,187	1,451	1,461	1,794	6,893
Aircraft Interiors	694	378	357	493	1,922
Holding company & Others	5	5	5	5	20
Total Group	**5,383**	**3,384**	**3,382**	**4,349**	**16,498**

[9] Retrofit is included in OE

Segment breakdown of recurring operating income (In Euro million)	FY 2020	FY 2021	% change
Propulsion % of revenue	**1,192** 15.6%	**1,342** 18.0%	12.6%
Equipment & Defense % of revenue	**687** 10.0%	**650** 10.3%	(5.4)%
Aircraft Interiors % of revenue	**(174)** (9.1)%	**(167)** (11.3)%	4.0%
Holding company & Others	(19)	(20)	n/s
Total Group % of revenue	**1,686** 10.2%	**1,805** 11.8%	7.1%

One-off items (In Euro million)	FY 2020	FY 2021
Adjusted recurring operating income	**1,686**	**1,805**
% of revenue	10.2%	11.8%
Total one-off items	**(466)**	**(405)**
Capital gain (loss) on asset disposal	*-*	*71*
Impairment reversal (charge)	*(286)*	*(309)*
Other infrequent & material non-operational items	*(180)*	*(167)*
Adjusted profit from operations	**1,220**	**1,400**
% of revenue	7.4%	9.2%

Euro/USD rate	FY 2020	FY 2021
Average spot rate	1.14	1.18
Spot rate (end of period)	1.23	1.13
Hedge rate	1.16	1.16

3. Number of products delivered on major aerospace programs

Number of units delivered	FY 2020	FY 2021	% change
LEAP engines	815	845	3.7%
CFM56 engines	157	107	(31.8)%
High thrust engines	369	235	(36.3)%
Helicopter turbines	629	574	(8.7)%
M88 engines	33	64	93.9%
787 landing gears sets	120	41	(65.8)%
A350 landing geras sets	52	39	(25.0)%
A330neo nacelles	36	20	(44.4)%
A320neo nacelles	474	576	21.5%
Small nacelles (biz & regional jets)	435	392	(9.9)%
Lavatories A350	352	264	(25.0)%
Business class seats	2,735	2,097	(23.3)%
Emergency slides A320	2,949	3,598	22.0%
Primary power distribution system 787	757	159	(79.0)%

4. Research & Development

Research & Development *(In Euro million)*	FY 2020	FY 2021	change
Total R&D	**(1,213)**	**(1,430)**	**-217**
R&D sold to customers	349	506	157
R&D expenses	**(864)**	**(924)**	**-60**
as a % of revenue	*5.2%*	*6.1%*	*(0.9)pt*
Tax credit	149	160	11
R&D expenses after tax credit	**(715)**	**(764)**	**-49**
Gross capitalized R&D	279	311	32
Amortisation and depreciation of R&D	(320)	(225)	95
P&L R&D in recurring operating income	**(756)**	**(678)**	**78**
as a % of revenue	*4.6%*	*4.4%*	*(0.2)pt*

Notes

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 remeasured 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 and depreciation charged against intangible assets and property, plant and equipment recognized or remeasured at the time of the transaction and amortized or depreciated 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;
- 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 2021 reconciliation between consolidated income statement and adjusted consolidated income statement:

FY 2021 *(In Euro million)*	Consolidated data	Currency hedging: Remeasurement of revenue (1)	Currency hedging: Deferred hedging gain / loss (2)	Business combinations: Amortization of intangible assets -Sagem-Snecma merger (3)	Business combinations: PPA impacts - other business combinations (4)	Adjusted data
Revenue	**15 133**	**124**				**15 257**
Other operating income and expenses	(13 904)	12	5	39	327	(13 521)
Share in profit from joint ventures	40				29	69
Recurring operating income	**1 269**	**136**	**5**	**39**	**356**	**1 805**
Other non-recurring operating income and expenses	(405)					(405)
Profit (loss) from operations	**864**	**136**	**5**	**39**	**356**	**1 400**
Cost of debt	(85)					(85)
Foreign exchange gains / losses	(497)	(136)	528			(105)
Other financial income and expense	(14)					(14)
Financial income (loss)	**(596)**	**(136)**	**528**			**(204)**
Income tax expense	(200)		(138)	(11)	(63)	(412)
Profit (loss) from continuing operations	**68**	**-**	**395**	**28**	**293**	**784**
Attributable to non-controlling interests	**(25)**	**-**	**1**			**(24)**
Attributable to owners of the parent	**43**	**-**	**396**	**28**	**293**	**760**

(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 positive €528 million excluding tax), and the impact of taking into account hedges when measuring provisions for losses on completion (a positive €5 million at December 31, 2021).
(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 €291million excluding deferred tax and cancellation of amortization/impairment of assets identified during other business combinations.

Readers are reminded that the consolidated financial statements are audited by the Group's Statutory Auditors. The consolidated financial statements include the revenue and operating profit indicators set out in the adjusted data in Note 7, "Segment information".

Adjusted financial data other than the data provided in Note 7, "Segment information" are subject to the verification procedures applicable to all of the information provided in the Universal Registration Document.

The audit procedures on the consolidated financial statements have been completed. The Statutory Auditors' report will be issued at the end of the Board of Directors' meeting of March 24, 2022, after the specific verifications have been completed and any subsequent events at February 23, 2022 have been reviewed.

***Safran** is an international high-technology group, operating in the aviation (propulsion, equipment and interiors), defense and space markets. Its core purpose is to contribute to a safer, more sustainable world, where air transport is more environmentally friendly, comfortable and accessible. Safran has a global presence, with 76,800 employees and sales of 15.3 billion euros in 2021, and holds, alone or in partnership, world or regional leadership positions in its core markets. Safran undertakes research and development programs to maintain the environmental priorities of its R&T and Innovation roadmap.*
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; 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.