



# FY 2022 RESULTS

February 17, 2023

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# Disclaimer & foreword

## 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.

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## 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.

## ADJUSTED DATA

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

## ORGANIC GROWTH

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

<sup>(1)</sup> See slide 11 for bridge with consolidated revenue





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# FY 2022 HIGHLIGHTS

# Summary

## 2022

### **AIR TRAFFIC RECOVERY**

Q4 2022 narrowbody ASK at 86% of 2019 level

Positive trends with China reopening

### **SOLID GROWTH & PROFITABILITY, CASH EXCEEDING EXPECTATIONS...**

+16% organic growth in revenue

80bps adjusted recurring operating margin expansion

€2.7bn free cash flow supported by customer advance payments

### **...IN A CHALLENGING MACRO ENVIRONMENT**

Supply chain constraints and inflationary pressure

Discontinued activities in Russia

### **DIVIDEND**

€1.35 per share (subject to shareholders' approval)

## 2023

### **STRONG YEAR FOR CUSTOMER DEMAND**

20%+ organic growth in revenue and current operating profit

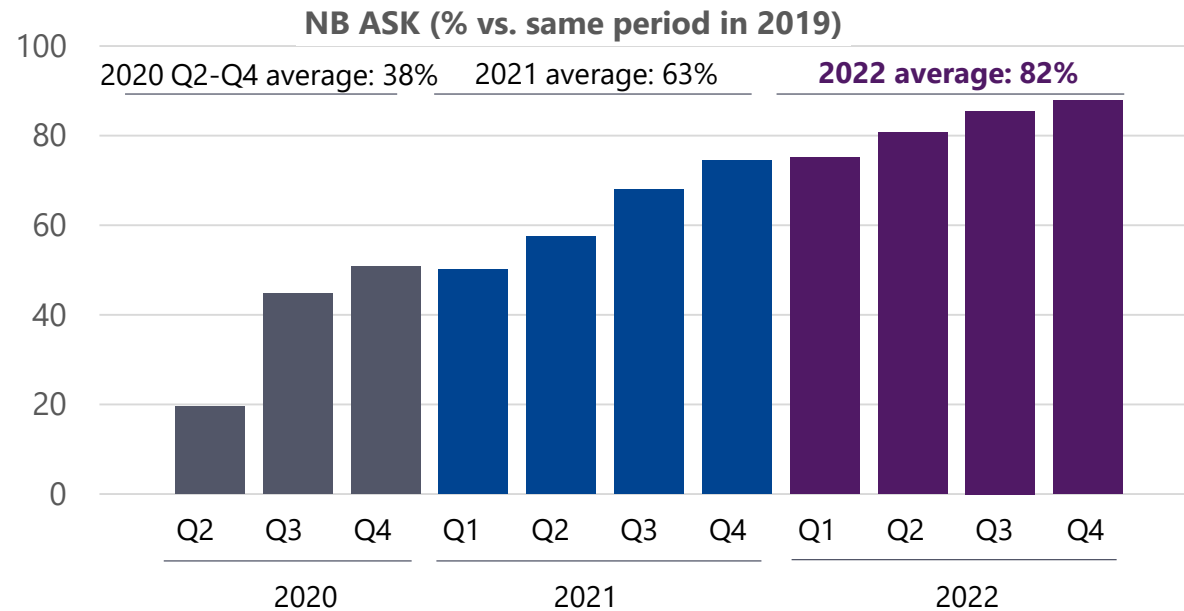
Cash generation over €2.5bn



# FY 2022 market environment

## GLOBAL NARROWBODY CAPACITY

- **Narrowbody air traffic (ASK\*) continues to improve**
  - Q4 2022: 86% vs Q4 2019
  - January 2023: 98% vs. January 2019, led by China acceleration



\* ASK: available seat-kilometers

## CFM ENGINES FLIGHT CYCLES

- **Worldwide CFM engines flight cycles at 97% of 2019 level at beginning of February 2023**
  - North America, Middle-East and South America above 2019 levels
  - Europe at 85% of 2019
  - China at 93% of 2019, strong improvement with the lifting of travel restrictions since mid-December 2022
  - APAC excl. China at 84% of 2019
- **2<sup>nd</sup> generation CFM56-powered aircraft**
  - Continued low retirements (114 in 2022 vs. 84 in 2021)
  - Fleet storage at 11.6% at the end of 2022 (vs. 16% at the end of 2021)



# FY 2022 business highlights

## CIVIL ENGINES

- **Delivered 1,196 CFM engines**
  - o/w 1,136 LEAP engines (up 291 units vs. 2021)
- **Win rate A320neo : 70%+ in 2022**
- **Backlog of almost 10,000 LEAP engines** (as of end of 2022)
- **Starting 2023 with record order from Air India, exclusively powered by CFM**
  - 800 LEAP engines (420 LEAP-1A, 380 LEAP-1B) plus spares
  - Services contract
- **Civil aftermarket (in \$)**
  - +29.3% in 2022
  - +53% in Q1, +41% in Q2, +36% in Q3 and +4% in Q4 2022
- **Safran to build a compressor blades and vanes plant for aero engines in Belgium in partnership with Belgian and Walloon governments (€50M investment)**

## MILITARY ENGINES & DEFENSE

- **Contract for the Demonstrator Phase 1B of FCAS awarded, notably to EUMET on engine (50/50 JV between Safran and MTU)**
- **Support contract for Tyne engines equipping maritime patrol Atlantique 2 aircraft (up to 2040)**
- **Euroflir 610 optronic observation system selected for Eurodrone**

## HELICOPTER TURBINES

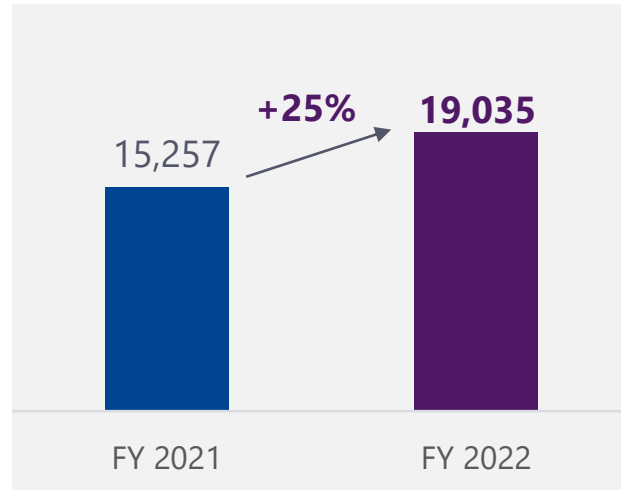
- **Leonardo Helicopters will fly its latest AW09 single-engine helicopter with the 1,000shp class Safran Arriel 2K turbine**

## EQUIPMENT

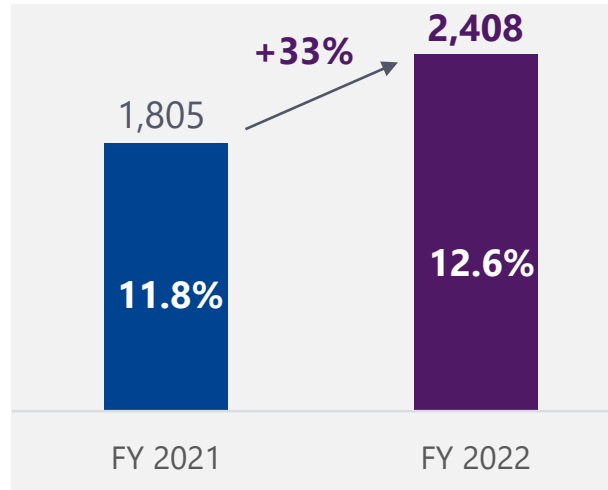
- **American Airlines selects Safran to upgrade its 737NG fleet from steel to carbon brakes (300+ aircraft)**

# FY 2022 financial performance

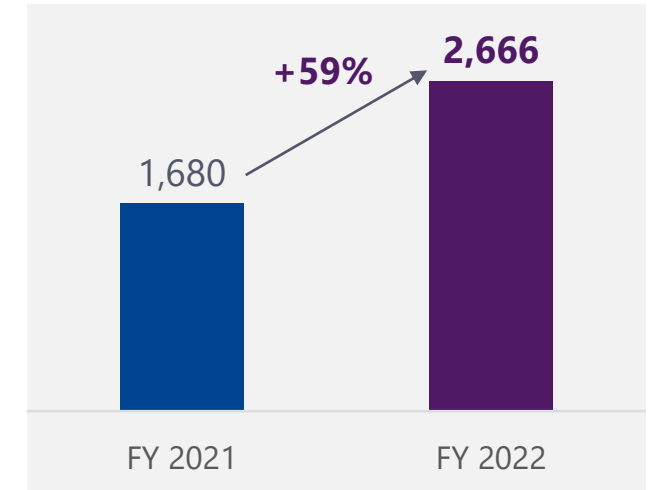
Adjusted revenue<sup>(1)</sup>  
in €M



Adjusted recurring operating income<sup>(1)</sup>  
in €M and margin<sup>(2)</sup>



Free cash flow generation  
in €M



**+80bps in recurring operating margin**

**Cash generation supported by customer advance payments**

<sup>(1)</sup> See slide 11 for bridge with consolidated figures

<sup>(2)</sup> Adjusted recurring operating income as a % of adjusted revenue

# Asset portfolio management

## DIVESTMENTS

### PIONEER AEROSPACE CORPORATION

- Safety control systems and parachute release and launch platforms
- Closed in April 2022

### SAFRAN AEROSYSTEMS ARRESTING SYSTEMS

- Military aircraft arresting systems
- Closed in June 2022

### CARGO & CATERING

- Agreement signed; Closing expected in Q2 2023

***c.€400M cash-in***

## BOLT-ON ACQUISITIONS

### OROLIA

- Resilient Positioning, Navigation and Timing (PNT) solutions
- Closed in July 2022

### SAFRAN AND MBDA TO OWN 63% OF CILAS

- Laser and optronics; closed in November 2022

### SYRLINKS

- Earth-space communications equipment; closed in November 2022

### AUBERT & DUVAL

- Closing expected in Q1 2023

### THALES ELECTRICAL SYSTEMS ACTIVITIES

- Closing expected in Q2 2023

***Investing c.€650M to support growth***



# ESG – Climate strategy

## VALIDATION OF TARGETS BY SBTi

- The Science Based Targets initiative (SBTi) has validated Safran's GHG emissions reduction targets to be in conformance with its Criteria and Recommendations
- SBTi has determined that Safran's scope 1 and 2 target ambition is in line with a 1.5°C trajectory
- Safran's greenhouse gas (GHG) emissions reduction targets
  - Reduce absolute **scope 1 and 2** GHG emissions **50.4% by 2030 vs. 2018** <sup>(1)</sup>
  - Reduce **scope 3** GHG emissions **from the use of sold products** <sup>(2)</sup> **42.5% per Available Seat Kilometer by 2035 vs. 2018** <sup>(1)(3)</sup>

<sup>(1)</sup> The target boundary includes biogenic emissions and removals from bioenergy feedstocks.

<sup>(2)</sup> Direct and indirect use-phase emission.

<sup>(3)</sup> Non-CO<sub>2</sub> effects which may also contribute to aviation induced warming are not included in this target. Safran commits to report publicly on its collaboration with stakeholders to improve understanding of opportunities to mitigate the non-CO<sub>2</sub>e impacts of aviation annually over its target timeframe.

## SCOPE 1 & 2 - ENERGY EFFICIENCY PLAN

- Energy Sobriety plan deployed to reduce total energy consumption (gas + electricity) of European facilities by at least 10% in 2024 compared with 2019, as well as reducing maximum power demand during peak consumption periods
- On-site solar generation : start-up of two projects in Suzhou (China) and Casablanca (Morocco), and contracts signed for 17 facilities in France (installation over 2023-2025, for ~50 MW)

## SCOPE 3 – EMISSIONS FROM PURCHASING

- Mobilization of 400 main suppliers (80% of emissions from purchases) on meeting the commitments under the Paris Agreement (well below 2°C and if possible 1.5°C)
- More than 80% of 400 main suppliers have answered Safran's questionnaire, allowing assessment of their CO<sub>2</sub> emissions and maturity of their decarbonization trajectory



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## FY 2022 RESULTS

# Consolidated and adjusted income statements

Change in Mark-to-Market of instruments hedging future cash flows

FY 2022 reconciliation (In €M)	Consolidated data	CURRENCY HEDGING		BUSINESS COMBINATIONS		Adjusted data
		Re-measurement of revenue <sup>(1)</sup>	Deferred hedging gain/loss <sup>(2)</sup>	Amortization of intangible assets - Sagem/Snecma merger <sup>(3)</sup>	PPA impacts – other business combinations <sup>(4)</sup>	
<b>Revenue</b>	<b>19,523</b>	(488)				<b>19,035</b>
Other operating income and expenses	(17,103)	10	3	38	328	(16,724)
Share in profit from joint ventures	73				24	97
<b>Recurring operating income</b>	<b>2,493</b>	(478)	3	38	352	<b>2,408</b>
Other non-recurring operating income and expenses	(450)					(450)
<b>Profit (loss) from operations</b>	<b>2,043</b>	(478)	3	38	352	<b>1,958</b>
Cost of debt	(56)					(56)
Foreign exchange gain / loss	(5,072)	478	4,499			(95)
Other financial income and expense	(35)					(35)
<b>Financial income (loss)</b>	<b>(5,163)</b>	478	4,499			<b>(186)</b>
Income tax expense	694		(1,163)	(10)	(78)	(557)
<b>Profit (loss) from continuing operations</b>	<b>(2,426)</b>	-	3,339	28	274	<b>1,215</b>
<b>Attributable to non-controlling interests</b>	<b>(33)</b>	-	(4)	-	-	<b>(37)</b>
<b>Attributable to owners of the parent</b>	<b>(2,459)</b>	-	3,335	28	274	<b>1,178</b>

(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.

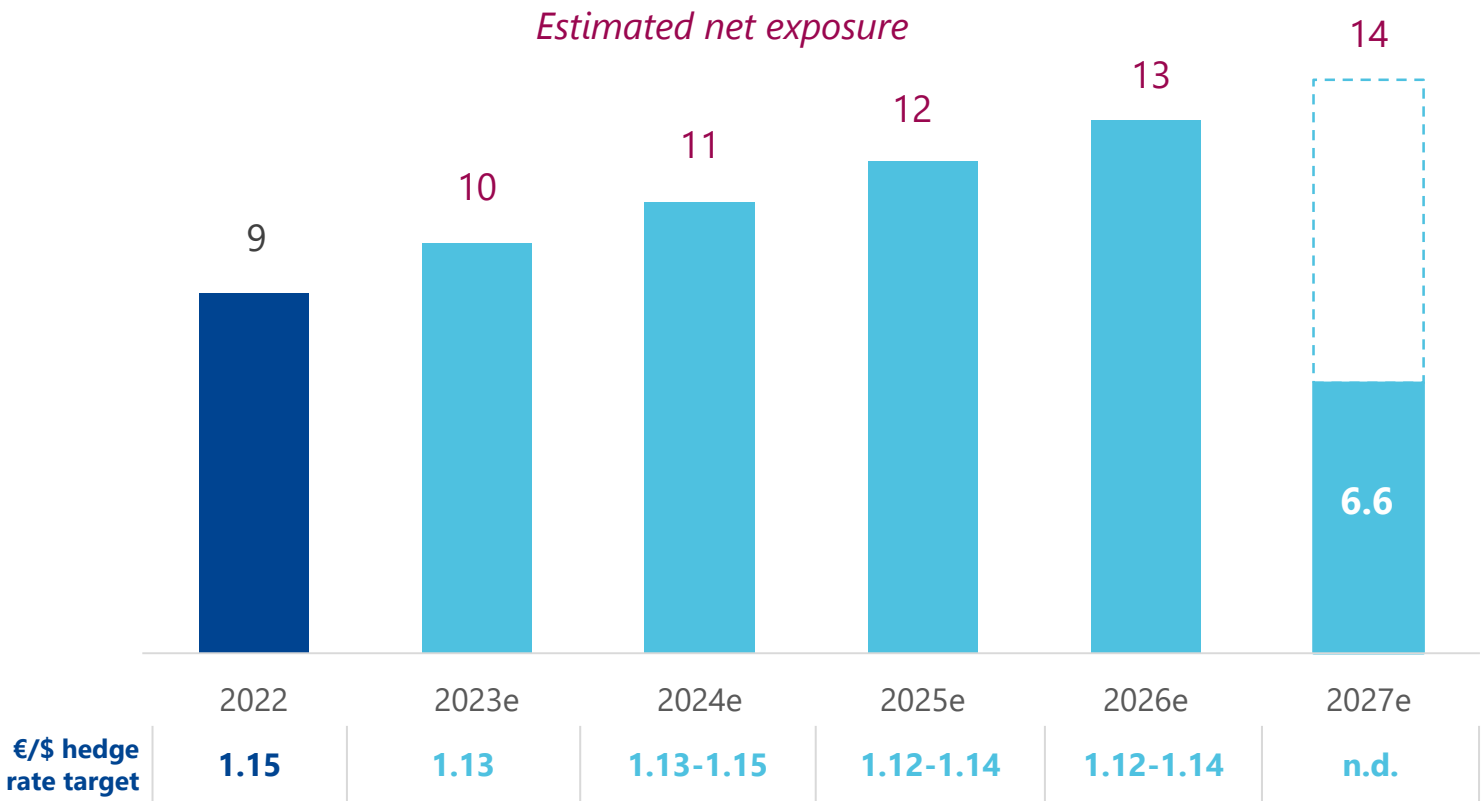
(2) Changes in the fair value of instruments hedging future cash flows that will be recognized in profit or loss in future periods (€4,499 million excluding tax), and the impact of taking into account hedges when measuring provisions for losses on completion (positive €3 million at December 31, 2022).

(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 €276 million excluding deferred tax and cancellation of amortization/impairment of assets identified during other business combinations.

# Fx hedging

(In \$bn)



- \$52.6bn hedge book as of January 2023 (up from \$50.1bn as of September 2022)
- 2023 hedge rate set at \$1.13 (2-cent improvement from 2022)

€/\$	2021	2022
Average spot rate	\$1.18	\$1.05
Dec. 31 rate	\$1.13	\$1.07

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



# FY 2022 income statement

(In €M)	FY 2021	FY 2022
<b>Revenue</b>	<b>15,257</b>	<b>19,035</b>
Other recurring operating income and expenses	(13,521)	(16,724)
Share in profit from joint ventures	69	97
<b>Recurring operating income</b>	<b>1,805</b>	<b>2,408</b>
<b>% of revenue</b>	<b>11.8%</b>	<b>12.6%</b>
Total one-off items	(405)	(450)
<b>Profit from operations</b>	<b>1,400</b>	<b>1,958</b>
<b>% of revenue</b>	<b>9.2%</b>	<b>10.3%</b>
Net financial income (expense)	(204)	(186)
Income tax expense	(412)	(557)
<b>Profit for the period</b>	<b>784</b>	<b>1,215</b>
Profit for the period attributable to non-controlling interests	(24)	(37)
<b>Profit attributable to owners of the parent</b>	<b>760</b>	<b>1,178</b>
<b>EPS (basic in €)</b>	<b>1.78*</b>	<b>2.76***</b>
<b>EPS (diluted in €)</b>	<b>1.73**</b>	<b>2.68****</b>

*Of which mainly impairment for several programs (of which €(105)M related to Russia as well as €(319)M of goodwill impairment in Aircraft Interiors) and capital gains on disposal of activities of €63M*

*Of which cost of debt of €(56)M and €(95)M FX revaluation of positions in the balance sheet*

*Apparent tax rate of 31.4%*

\* Based on the weighted average number of shares of 426,650,425 as of December 31, 2021

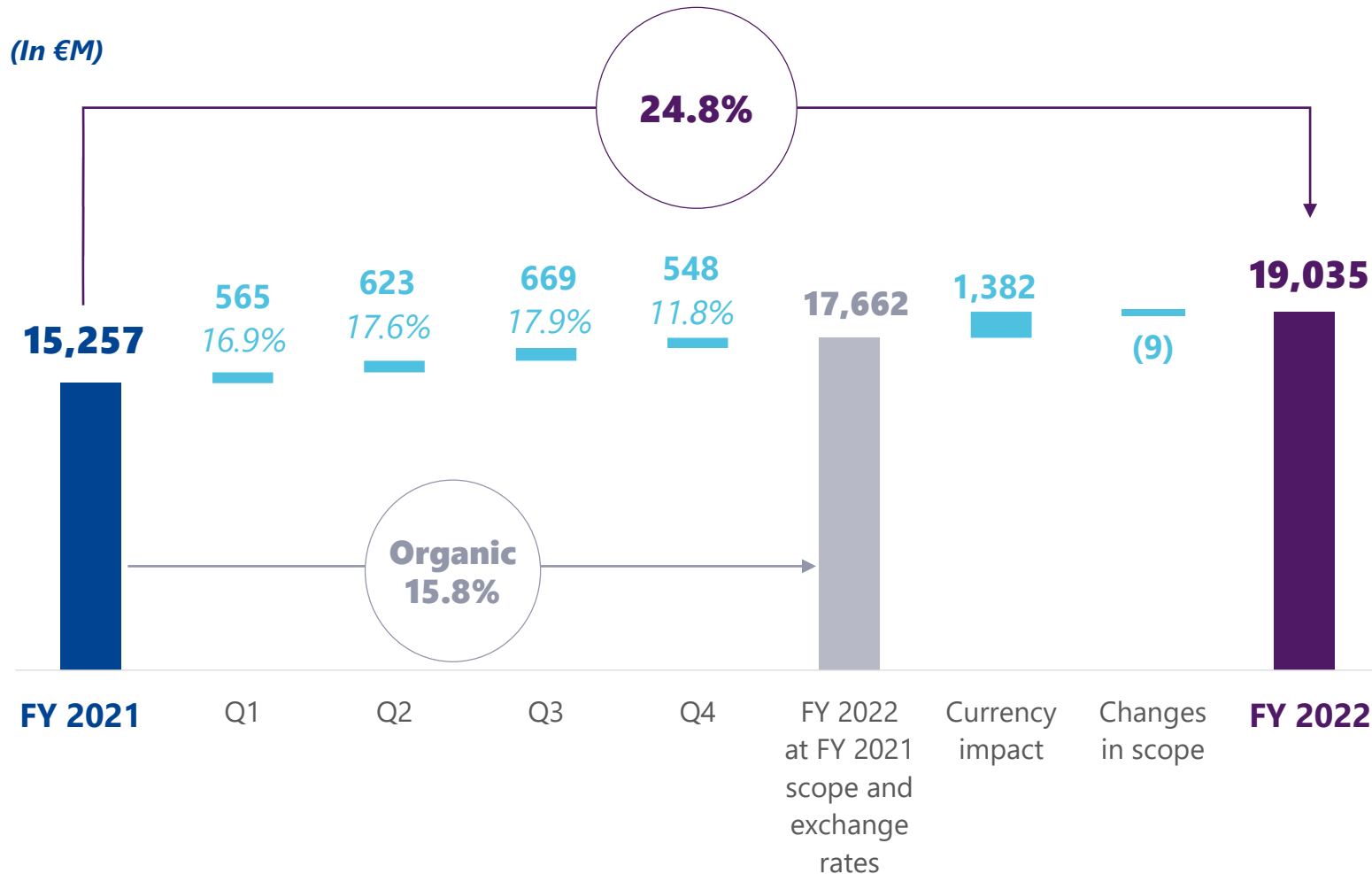
\*\* Based on the weighted average number of shares after dilution of 440,087,029 as of December 31, 2021

\*\*\* Based on the weighted average number of shares of 426,680,657 as of December 31, 2022

\*\*\*\* Based on the weighted average number of shares after dilution of 440,159,929 as of December 31, 2022

# FY 2022 revenue

(In €M)



## ■ Organic: 15.8%

- Strong growth in services (+22%) across all divisions
- Good growth in OE (+11%) driven by narrowbody ramp-up

## ■ Currency: 9.1%

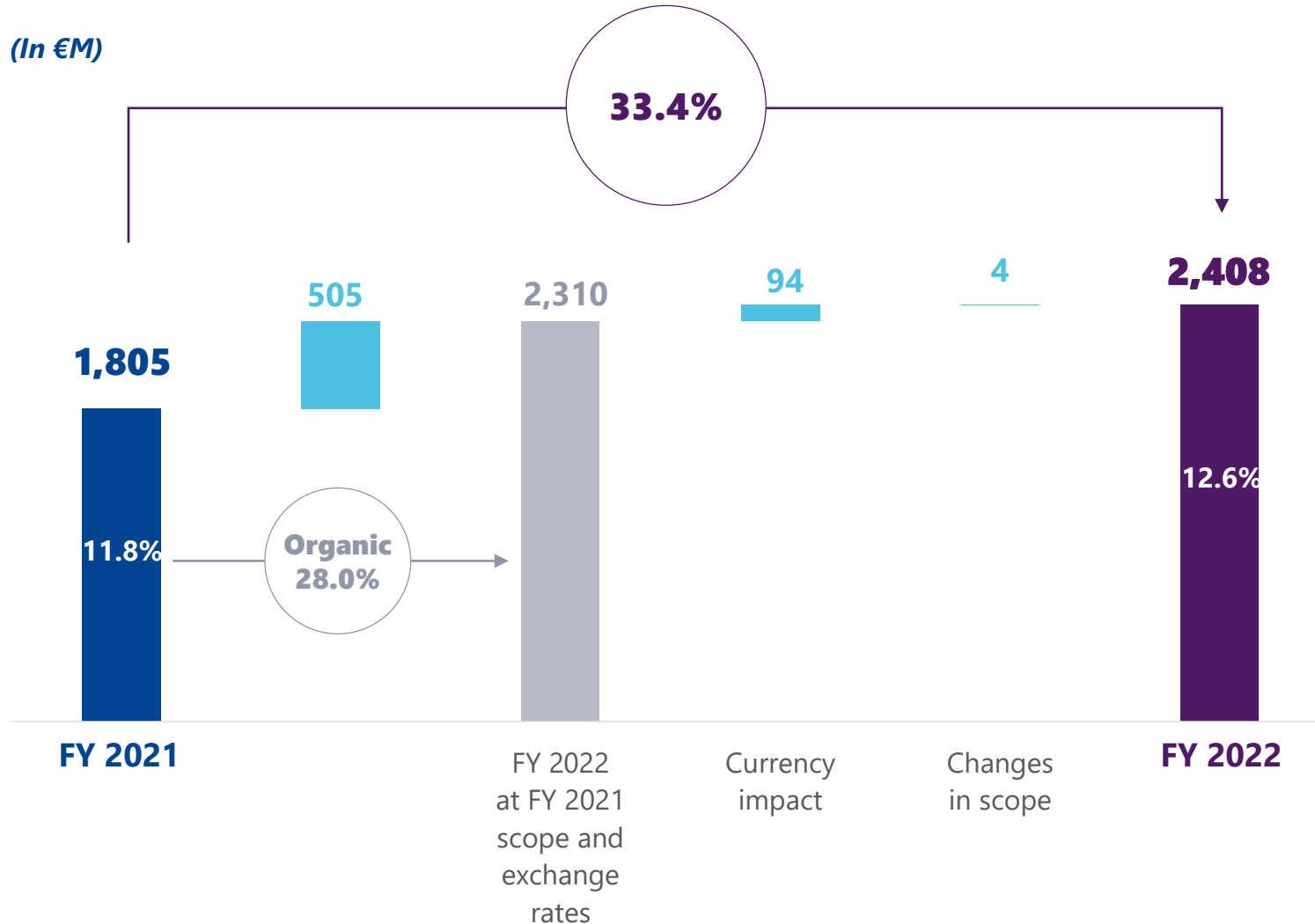
- Positive effect of €/€ average spot rate (-13cts in 2022 vs. 2021)
- H1 €533M and H2 €849M

## ■ Scope: (0.1)%

- Disposal from Safran Cabin of EVAC in June 2021 and SVS Oklahoma (Enviro Systems) in November 2021; from Safran Aerosystems of Arresting Systems in June 2022
- Orolia acquisition in July 2022

# FY 2022 recurring operating income

(In €M)



- **Strong improvement of recurring operating income**
  - +28% organic vs. FY 2021
- **Main drivers**
  - Growth in services, notably civil aftermarket
  - Benefits from good cost control
  - Inflation impact fully offset
  - Higher R&D impact in P&L, significant increase of subsidies
- **Additional returns to French employees**
  - One-time allowance
  - 2% optional profit sharing released

# FY 2022: Research & Development

<i>(In €M)</i>	2021	2022	Change
<b>Total R&amp;D</b>	<b>(1,430)</b>	<b>(1,540)</b>	<b>(110)</b>
R&D sold to customers	506	521	15
<b>R&amp;D expenses</b>	<b>(924)</b>	<b>(1,019)</b>	<b>(95)</b>
<i>as a % of revenue</i>	6.1%	5.4%	(0.7)pt
Tax credit	160	151	(9)
<b>R&amp;D expenses after tax credit</b>	<b>(764)</b>	<b>(868)</b>	<b>(104)</b>
Gross capitalized R&D	311	278	(33)
Amortisation and depreciation of R&D	(225)	(236)	(11)
<b>P&amp;L R&amp;D in recurring operating income</b>	<b>(678)</b>	<b>(826)</b>	<b>(148)</b>
<i>as a % of revenue</i>	4.4%	4.3%	(0.1)pt

## R&D expenses +10% at €1,019M in 2022

- R&T self-funded expenses at €471M (€392M in 2021) up 20%, focused on decarbonization (RISE program)
- Development expenses at €548M (€532M in 2021), stable with an increase in defense programs offset by lower LEAP expenses

## Gross capitalized R&D

- €278M in 2022, mainly on LEAP engines, helicopter turbines and Equipment (notably Bizjets)

## P&L R&D in recurring operating income down (0.1)pt of margin

- Due to higher amortization and depreciation related to R&D programs
- R&D in P&L at 4.3% of sales in 2022 (4.4% in 2021), consistent with mid-term target of 4.5% on average for 2021-2025



# Aerospace Propulsion

## ■ Civil engines

- OE deliveries
  - 1,136 LEAP (up 291 vs. 2021), 60 CFM56 (down (47) vs. 2021)
  - High-thrust engines: 181 units (down (54) vs. 2021)
- Civil aftermarket revenue growth (up 29.3% in \$)
  - +53% in Q1, +41% in Q2, +36% in Q3 and +4% in Q4 2022
  - Strong growth of spare parts sales for CFM56 and high-thrust engines

## ■ Helicopter turbines

- Lower OE deliveries: 508 units (down (66) vs. 2021)
- Stable services activity (supply chain issues offset by higher pricing and support-by-the-hour contracts)

## ■ Military engines

- Less M88 deliveries (export contracts) but slight growth in military services

(In €M)	2021	2022	Change	Organic Change
<b>Revenue</b>	<b>7,439</b>	<b>9,506</b>	27.8%	18.3%
<b>Recurring operating income</b>	<b>1,342</b>	<b>1,710</b>	368	OE: 18.2% Services: 18.5%
% of revenue	18.0%	18.0%	-	
<i>One-off items</i>	(310)	(144)		
<b>Profit (loss) from operations</b>	<b>1,032</b>	<b>1,566</b>		
% of revenue	13.9%	16.5%		

# Equipment & Defense

## Equipment

- Strong growth in services in all activities
- Higher nacelles OE activity thanks to A330neo and A320neo programs
- Increase of Aerosystems OE activity, notably slides for A320neo and fuel and fluid systems
- Lower volumes on 787, impacting notably landing gear, wiring and power distribution

## Electronics & Defense

- Slightly higher contribution to revenue: higher services in avionics, higher deliveries of JIM binoculars, inertial navigation systems and Fadec for LEAP engines but lower deliveries of guidance systems
- Increase of recurring operating income driven by scope effect (Orolia acquisition)

(In €M)	2021	2022	Change	Organic Change
<b>Revenue</b>	<b>6,325</b>	<b>7,535</b>	19.1%	10.6%
<b>Recurring operating income</b>	<b>650</b>	<b>874</b>	224	
<i>% of revenue</i>	10.3%	11.6%	1.3pt	
<i>One-off items</i>	(86)	40		
<b>Profit (loss) from operations</b>	<b>564</b>	<b>914</b>		
<i>% of revenue</i>	8.9%	12.1%		

OE: 3.2%  
Services: 25.1%

# Aircraft Interiors

- Strong organic revenue growth, still 40% below 2019 revenue
- Modest improvement in profitability
  - Cabin reached breakeven in Q4
  - Seats suffered engineering and production costs overruns and a decrease in business class seats
- Cabin
  - Strong growth in OE thanks to galleys and lavatories for A320neo, A350 and 737MAX and Custom Cabin activities
  - Strong growth in services
- Seats
  - Lower OE contribution
    - 1,704 business class seats delivered (down (393) vs. 2021)
  - Strong growth in services
  - Strong efforts to stem development program losses

(In €M)	2021	2022	Change	Organic Change
<b>Revenue</b>	<b>1,475</b>	<b>1,978</b>	34.1%	25.1%
<b>Recurring operating income</b>	<b>(167)</b>	<b>(140)</b>	27	
<i>% of revenue</i>	<i>(11.3)%</i>	<i>(7.1)%</i>	4.2pts	
<i>One-off items</i>	<i>(17)</i>	<i>(346)</i>		
<b>Profit (loss) from operations</b>	<b>(184)</b>	<b>(486)</b>		
<i>% of revenue</i>	<i>(12.5)%</i>	<i>(24.6)%</i>		

OE: 20.6%  
Services: 36.8%

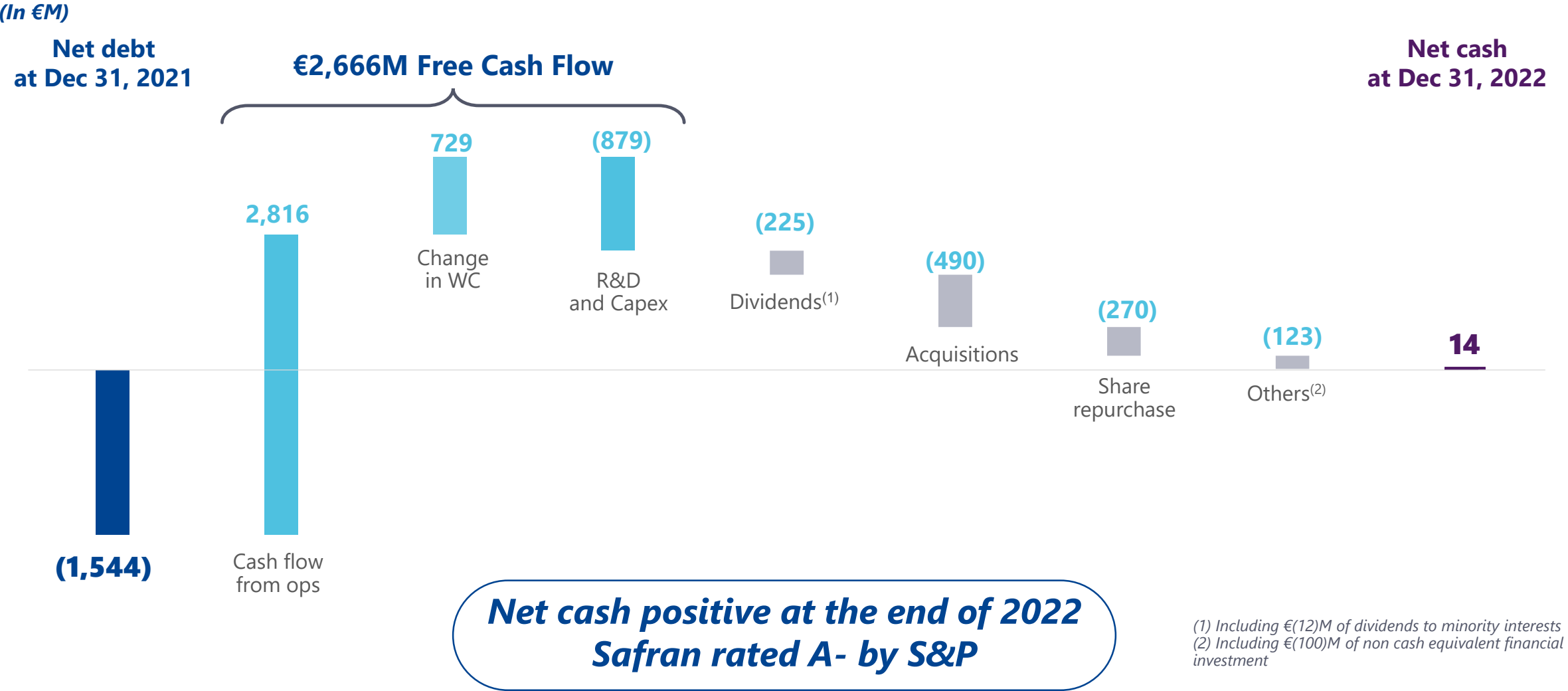
# FY 2022 Free Cash Flow

(In €M)	2021	2022	
<b>Recurring operating income</b>	<b>1,805</b>	<b>2,408</b>	
One-off items	(405)	(450)	
Amortization, provisions and depreciation (excl. financial)	1,336	1,540	Stable amortization at €1,012M, higher level of depreciation at €729M and lower level of provisions at €(201)M
<b>EBITDA</b>	<b>2,736</b>	<b>3,498</b>	
Income tax and non cash items	(550)	(682)	
<b>Cash from operating activities before change in WC</b>	<b>2,186</b>	<b>2,816</b>	
Change in WC	250	729	Positive cash impact from working capital: customer advance payments, higher deferred income but higher inventories
<b>Cash from operating activities after change in WC</b>	<b>2,436</b>	<b>3,545</b>	
Capex (tangible assets)	(387)	(498)	Capex increase to support growth
Capex (intangible assets)*	(369)	(381)	
<b>Free cash flow</b>	<b>1,680</b>	<b>2,666</b>	

\* Of which €283M capitalised R&D in 2022 vs €316M in 2021



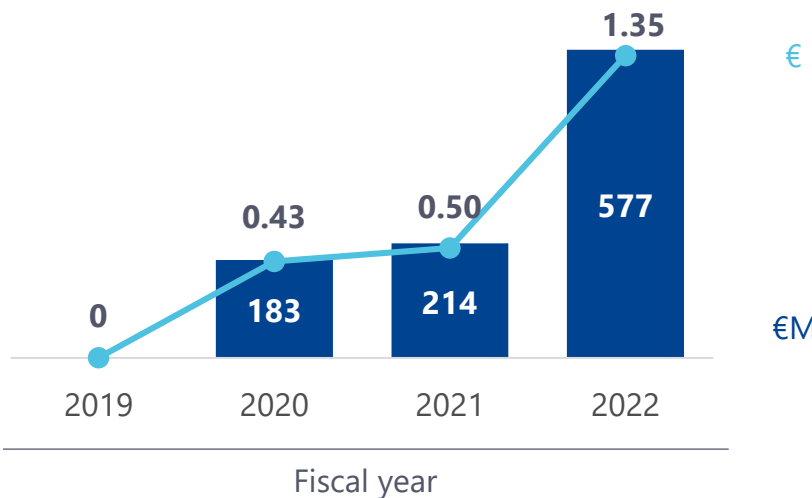
# FY 2022 net debt evolution



# Shareholder returns

## DIVIDEND

- Safran will propose to its shareholders' vote (AGM on May 25, 2023) a dividend of €1.35 for fiscal year 2022, paid in 2023<sup>(1)</sup> (40% payout ratio on restated net income<sup>(2)</sup>)



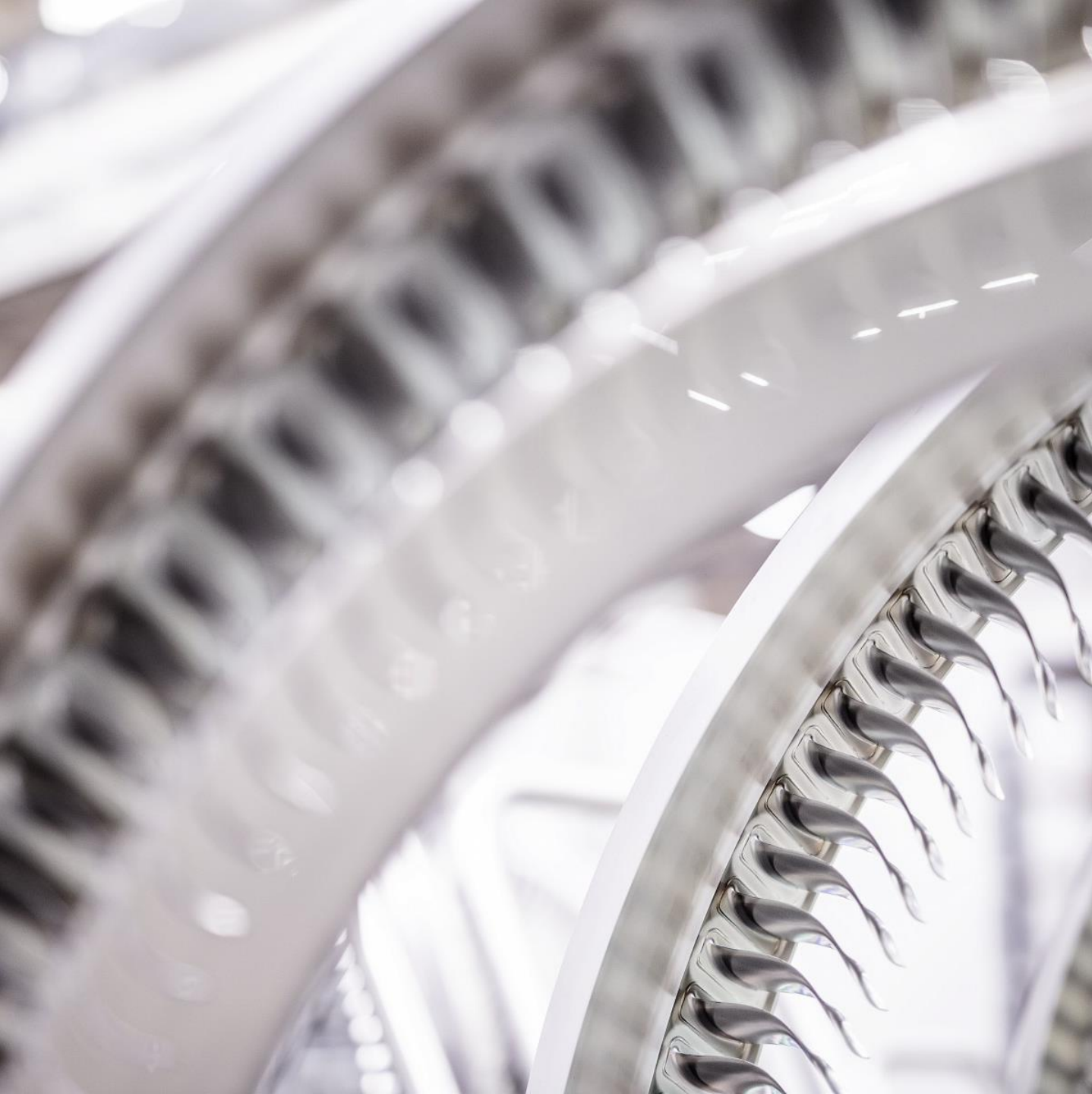
(1) Date of payment: June 1, 2023; Record date: May 31, 2023; Ex-Date: May 30, 2023

(2) Excluding contribution from the French government for short time working, the contribution of employees in 2022 and the goodwill impairment of Aircraft Interiors

(3) c.9.24 million convertible bonds maturing in May 2027 (2027 OCEANEs) for a total nominal value of €1,000M and a unit par value of €108.23. Conversion ratio currently set at 1.009. Current conversion price of €107.26 with a potential dilution of 2.18% of capital. Redemption at maturity or early redemption at Safran's discretion from June 2024 if the stock price exceeds 130% of conversion price (currently c.139€). Refer to the Terms and Conditions of the 2027 OCEANEs available on Safran website

## LIABILITY MANAGEMENT TRANSACTION

- Carrying out the purchase of up to 9.4 million shares to hedge the potential dilution of 2027 convertible bonds<sup>(3)</sup>
- c.4 million shares purchased as of February 9, 2023 (cumulated cash-out €492M)



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## OUTLOOK

# FY 2023 environment

## SAFRAN'S MAIN ASSUMPTIONS

- No further disruption to the world economy
- Air traffic: NB ASK back to 2019 level in the course of 2023
- LEAP engine deliveries increase by c.50%
- Civil aftermarket revenue up in the low twenties (in \$)

## WATCH ITEM

- Supply chain production capabilities

# FY 2023 outlook

**SAFRAN EXPECTS TO ACHIEVE FOR FY 2023<sup>(1)</sup>**  
(€/ \$ spot rate of 1.05 and hedge rate of 1.13)

- **Adjusted revenue of at least €23.0bn**
- **Adjusted recurring operating income of c.€3.0bn**
- **Free Cash Flow of at least €2.5bn subject to payment schedule of some advance payments**

***On track with CMD'21 targets for 2025***

*(1) At current perimeter, adjusted data*



# FY 2023 key priorities

- **Remain agile in the face of changing business conditions**
- **Manage ramp-up in OE deliveries**
- **Offset the impact of inflation pressure**
- **Accelerate pace of investment for decarbonization**
- **Focus on earnings and cash growth trajectory towards 2025**







# APPENDIX

# Number of products delivered on major aerospace programs

<i>Number of units delivered</i>	2021	2022	%
LEAP engines	845	<b>1,136</b>	34%
CFM56 engines	107	<b>60</b>	(44)%
High thrust engines	235	<b>181</b>	(23)%
Helicopter turbines	574	<b>508</b>	(11)%
M88 engines	64	<b>51</b>	(20)%

<i>Number of units delivered</i>	2021	2022	%
787 landing gear sets	41	<b>21</b>	(49)%
A350 landing gear sets	39	<b>43</b>	10%
A330neo nacelles	20	<b>52</b>	160%
A320neo nacelles	576	<b>588</b>	2%
Small nacelles (biz & regional jets)	392	<b>516</b>	32%
A350 Lavatories	264	<b>338</b>	28%
Business class seats	2,097	<b>1,704</b>	(19)%
A320 Emergency slides	3,598	<b>4,454</b>	24%
787 Primary power distribution system	159	<b>112</b>	(30)%

# OE / Services revenue split

REVENUE  Adjusted data (in Euro million)	2021		2022	
	OE	Services	OE	Services
<b>Aerospace Propulsion</b> <i>% of revenue</i>	<b>2,801</b> 37.7%	<b>4,638</b> 62.3%	<b>3,515</b> 37.0%	<b>5,991</b> 63.0%
<b>Equipment &amp; Defense</b> <i>% of revenue</i>	<b>4,187</b> 66.2%	<b>2,138</b> 33.8%	<b>4,710</b> 62.5%	<b>2,825</b> 37.5%
<b>Aircraft Interiors</b> <i>% of revenue</i>	<b>1,067<sup>(1)</sup></b> 72.3%	<b>408</b> 27.7%	<b>1,389<sup>(1)</sup></b> 70.2%	<b>589</b> 29.8%

<sup>(1)</sup> Retrofit is included in OE

# FY 2022: Research & Development by activity

(In €M)	2022	Aerospace Propulsion	Equipment & Defense	Aircraft Interiors
<b>R&amp;D expenses</b> <i>as a % of revenue</i>	<b>(1,019)</b> 5.4%	<b>(457)</b> 4.8%	<b>(425)</b> 5.6%	<b>(137)</b> 6.9%
Tax credit	151	57	87	7
<b>R&amp;D expenses after tax credit</b>	<b>(868)</b>	<b>(400)</b>	<b>(338)</b>	<b>(130)</b>
Gross capitalized R&D	278	92	126	60
Amortisation and depreciation of R&D	(236)	(117)	(86)	(33)
<b>P&amp;L R&amp;D in recurring operating income</b> <i>as a % of revenue</i>	<b>(826)</b> 4.3%	<b>(425)</b> 4.5%	<b>(298)</b> 4.0%	<b>(103)</b> 5.2%

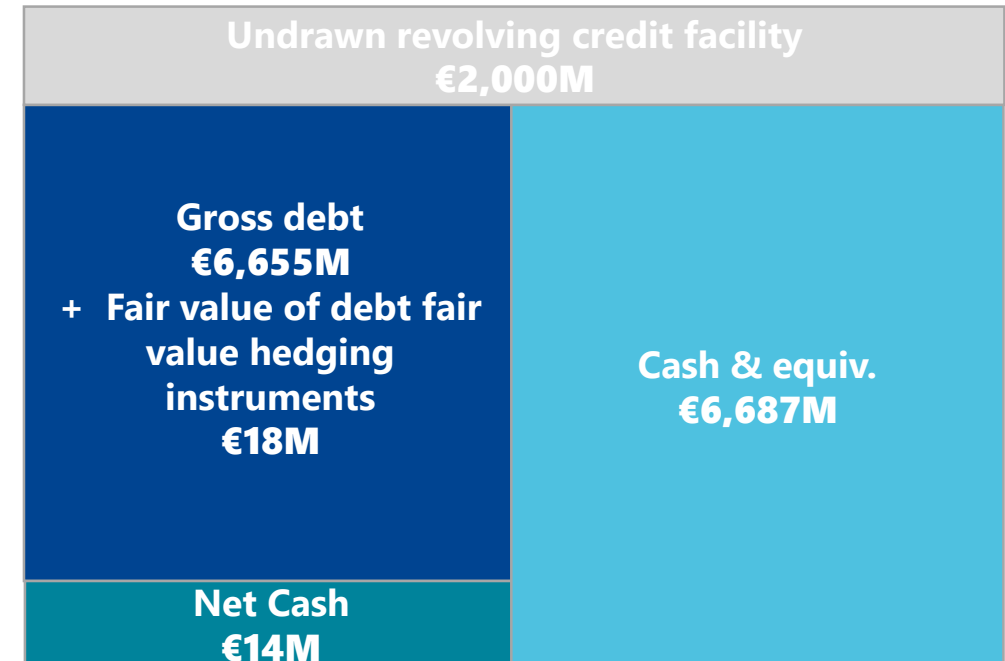
# Balance sheet as of December 31, 2022

(In €M)	Dec 31, 2021	Dec 31, 2022
<b>Goodwill</b>	5,068	<b>4,994</b>
<b>Tangible &amp; Intangible assets and right of use</b>	12,925	<b>12,509</b>
<b>Investments in joint ventures and associates</b>	1,969	<b>1,974</b>
<b>Other non current assets</b>	1,148	<b>2,354</b>
<b>Operating Working Capital</b>	(1,487)	<b>(2,453)</b>
<b>Net cash (debt)</b>	(1,544)	<b>14</b>
<b>Assets available for sale</b>	-	<b>163</b>
<b>Shareholders' equity - Group share</b>	12,841	<b>10,411</b>
<b>Minority interests</b>	429	<b>455</b>
<b>Non current liabilities (excl. net cash (debt))</b>	1,726	<b>1,541</b>
<b>Provisions</b>	2,856	<b>2,567</b>
<b>Other current liabilities / (assets) net</b>	227	<b>4,581</b>

# Liquidity as of December 31, 2022

- **Cash and cash equivalent of €6,687 million**  
(up €1,440 million compared with December 31, 2021)
- **Net cash positive**  
(net debt was €1,544 million at December 31, 2021)
- **2022 key financing transactions:**
  - Reimbursement at maturity date in February 2022 of \$540 million senior unsecured USPP notes issued in 2012; refinanced with €500 million EIB's bank loan signed in March 2021 and fully drawn in February 2022
  - ESG Financing (refinancing of the 2015 Revolving Credit Facility): €2 billion undrawn sustainability-linked revolving credit facility available until May 2027 (with two one-year extension options). Cost indexed on reaching 2 ESG annual objectives<sup>1</sup> (Scope 1 & 2 CO<sub>2</sub> emissions and percentage of women among senior executives)
- **Credit rating upgrade to A- with a stable outlook (since Dec. 2022)**

December 31, 2022

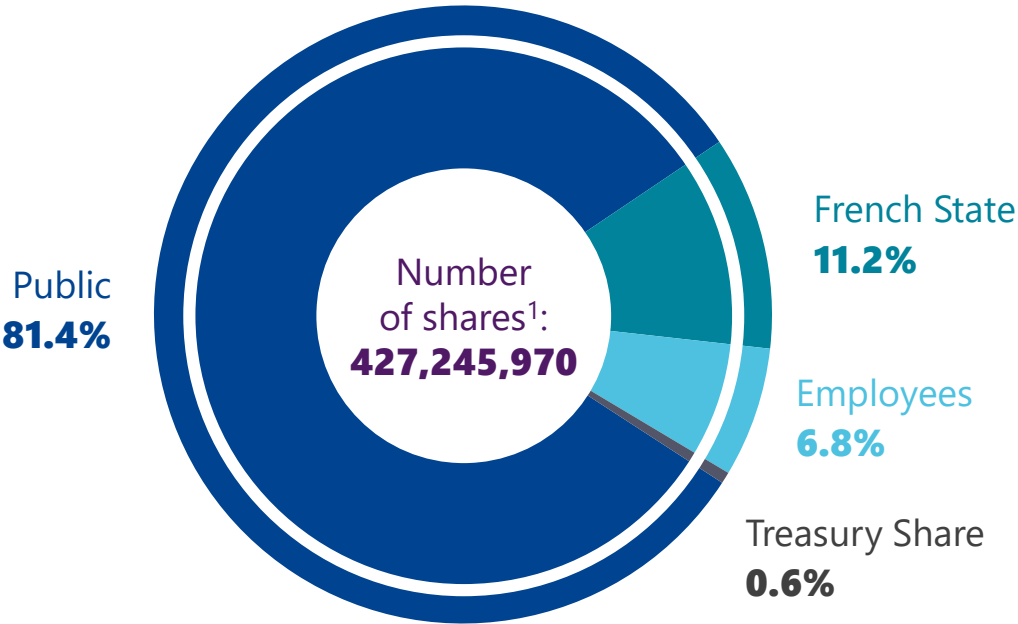


<sup>1</sup> Achievement of the RCF's KPIs in 2022 :  
 Percentage of women among executives: reached in 2022  
 Scope 1 & 2 emissions: collection of data not yet finalized



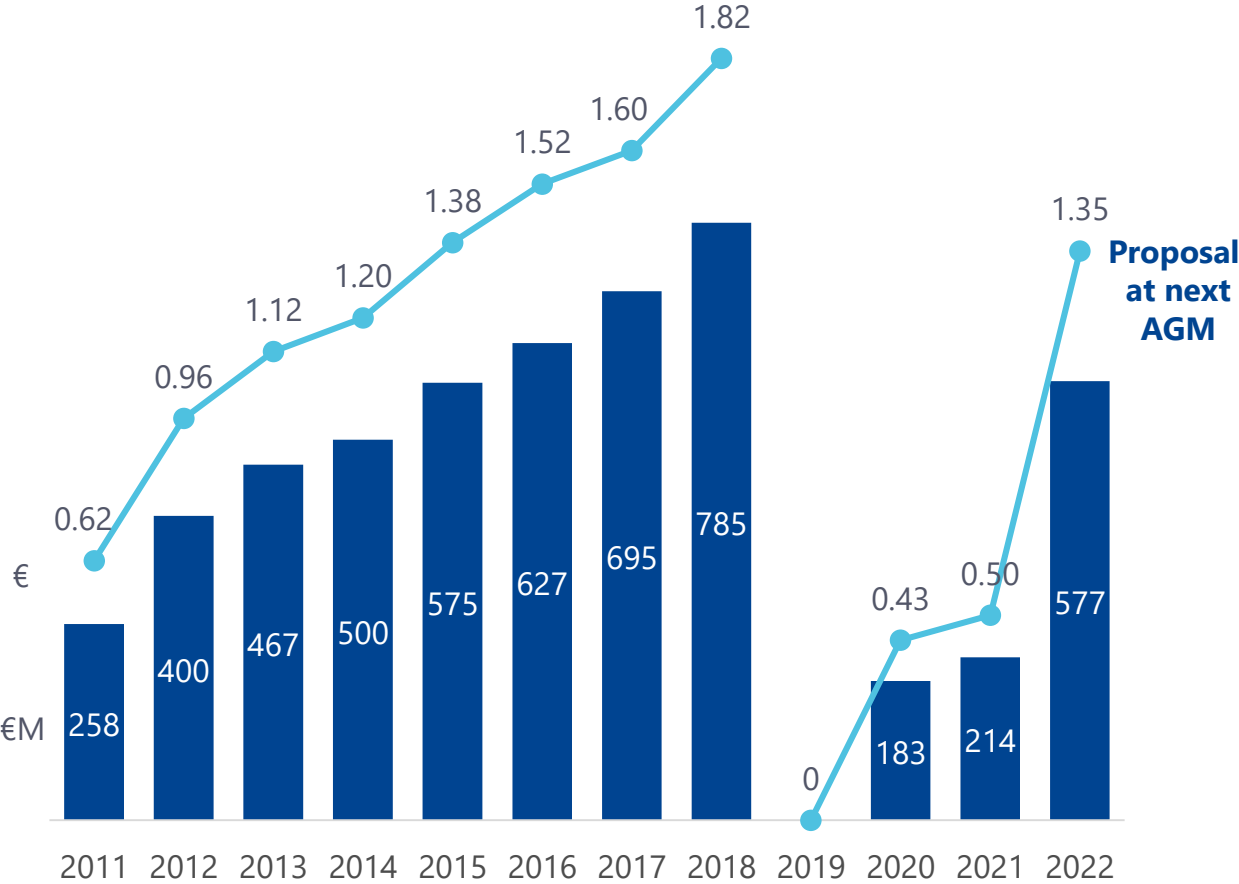
# Shareholders information

## EQUITY AS OF DECEMBER 31, 2022



(1) Number of voting rights: 540,355,774

## DIVIDEND



# Definitions

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## **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.

## **RECURRING OPERATING INCOME**

- In order to better reflect the current economic performance, this subtotal named "recurring operating income" excludes income and expenses which are largely unpredictable because of their unusual, infrequent and/or material nature such as: impairment losses/reversals, capital gains/losses on disposals of operations and other unusual and/or material non-operational items.

## **FREE CASH FLOW**

- Free cash flow represents cash flow from operating activities less any disbursements relating to acquisitions of property, plant and equipment and intangible assets.

## **EBITDA**

- EBITDA represents the sum of profit (loss) from operations and the net recurring and non-recurring charge to depreciation, amortization, impairment and provisions.

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