

Q3 and 9m 2023 revenue

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Disclaimer & foreword

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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⁽¹⁾ (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.**

(1) See slide 14 for bridge with consolidated revenue

Q3 2023 highlights

Solid revenue growth

+26% (organic) notably driven by civil aftermarket (+39.0% in \$)

Strong market tailwinds

Q3 2023 narrowbody ASK at 107% of Q3 2019
OE ramp-up

Challenging macro economic environment

Persistent supply chain constraints
Inflationary pressure

Portfolio management

Acquisition of Thales electrical systems activities completed

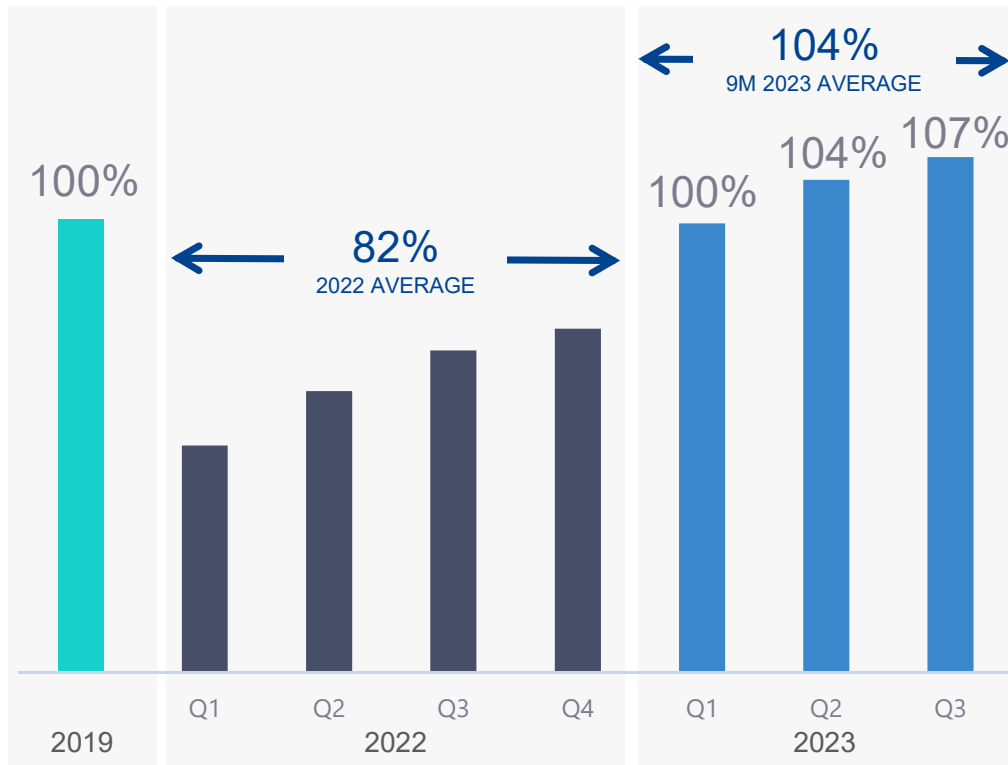
FY23 outlook reaffirmed



Q3 2023 market environment

Narrowbody air traffic steadily improving

(ASK*: % vs. same period in 2019)



CFM cycles

(% of 2019 level reached as of mid-October 2023)

- **Worldwide CFM engines flight cycles improving at 104%**
 - North America at c.115%
 - Europe (incl. CIS) at c.95%
 - China at c.105%
 - APAC excl. China at c.90%
- **Low retirements of 2nd gen CFM56-powered aircraft (130 in first 9 months)**

* ASK: available seat-kilometers

Q3 2023 business highlights

Propulsion

- **CFM deliveries**
 - 9m: 1,174 LEAP engines (up 45% vs. 9m 2022)
 - Q3: 389 LEAP engines (up 12% vs. Q3 2022)
- **Civil aftermarket (in \$)**
 - +37.5% in 9m 2023
 - +38.1% in Q1, +35.0% in Q2, +39.0% in Q3
- **CFM introduced upgraded High-Pressure Turbine blade for CFM56 engines**

Equipment & Defense

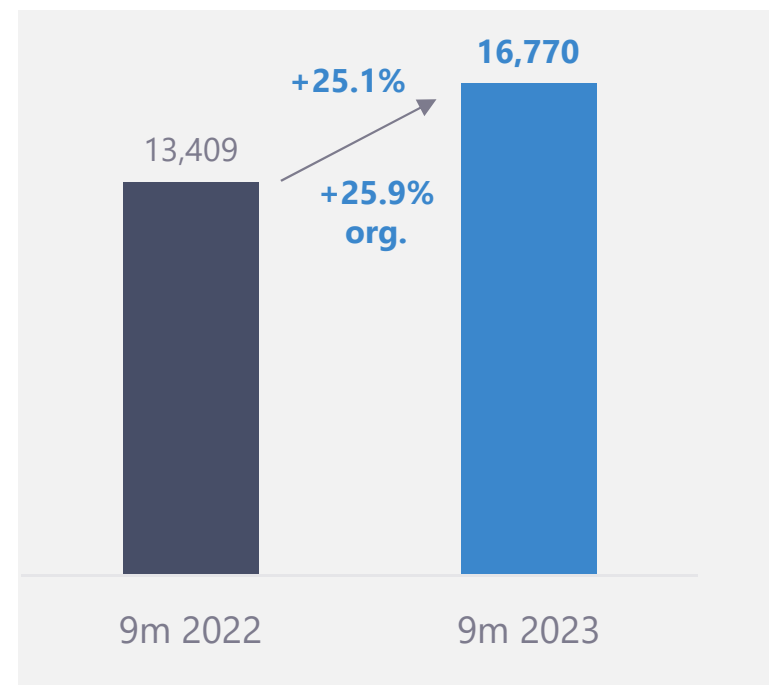
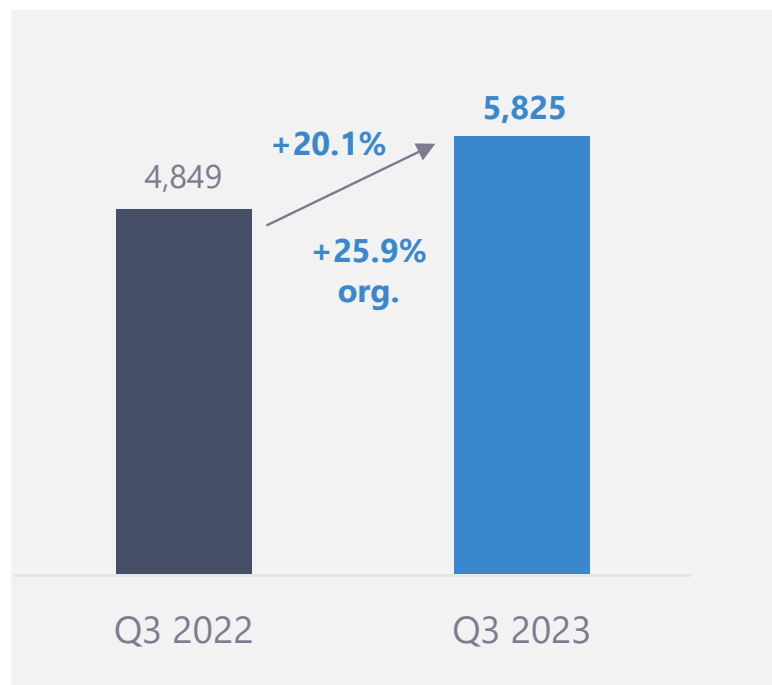
- Safran to develop the **landing gear system** for Bell's tiltrotor, the US Army's Future Long-Range Assault Aircraft
- Safran and Cuberg announce collaboration agreement on **battery systems for advanced electric aviation**
- Safran selected to perform the **landing gear maintenance operations** for Wizz Air's A320/A321
- Safran and Turkish Technic signed a **contract to maintain APU generators, engines harnesses and ventilation systems equipment**
 - This contract covers more than 500 A320 and A330

Aircraft Interiors

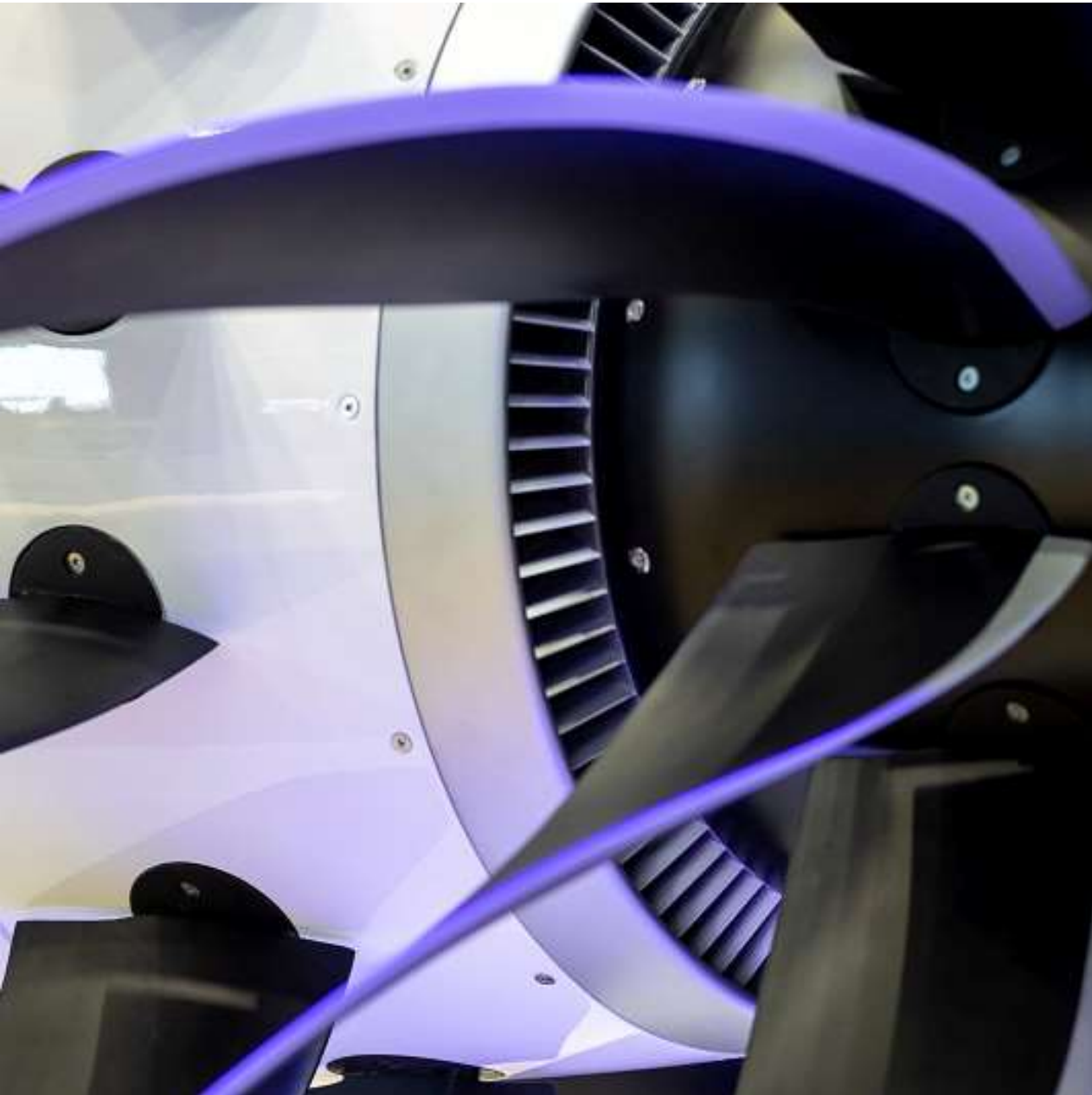
- Safran to equip the **premium cabins** of Japan Airlines on 13 A350

Q3 and 9m 2023 revenue

Adjusted revenue⁽¹⁾ in €M



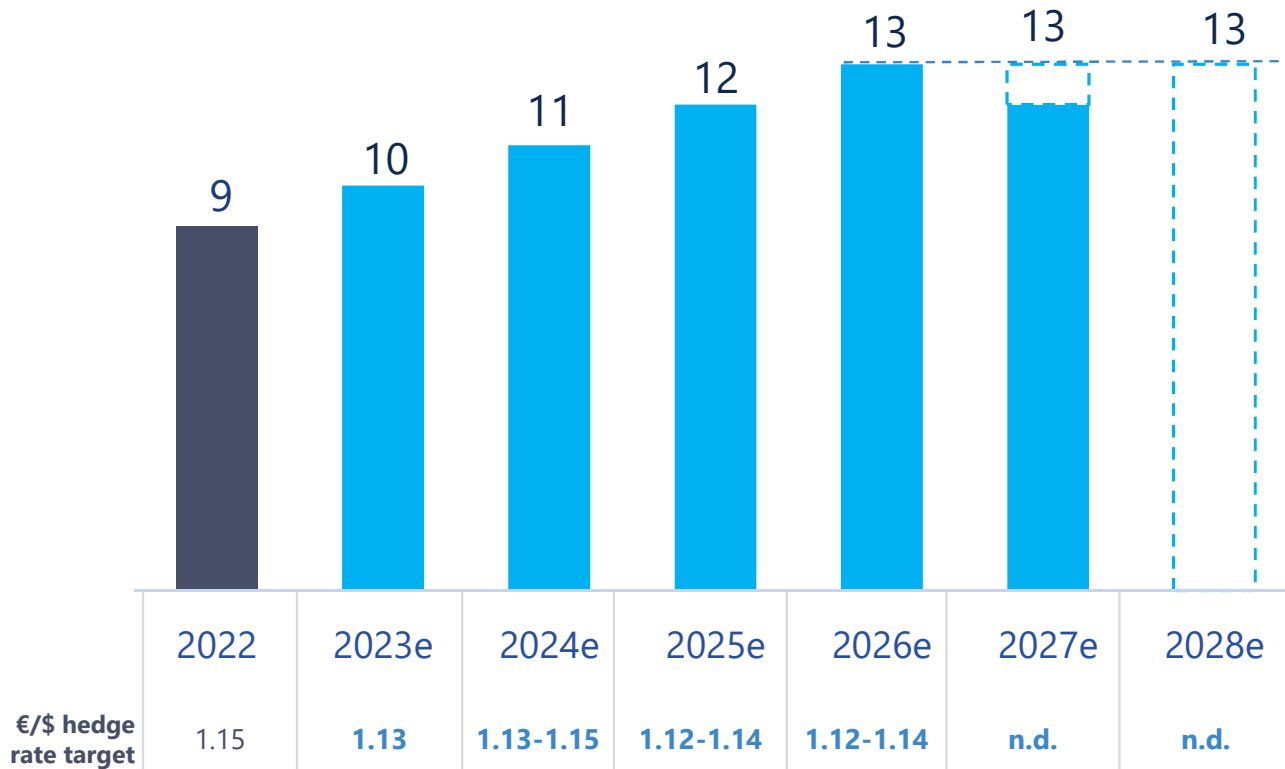
(1) See slide 14 for bridge with consolidated figures



Q3 2023 REVENUE

FX

Estimated net exposure (\$bn)



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

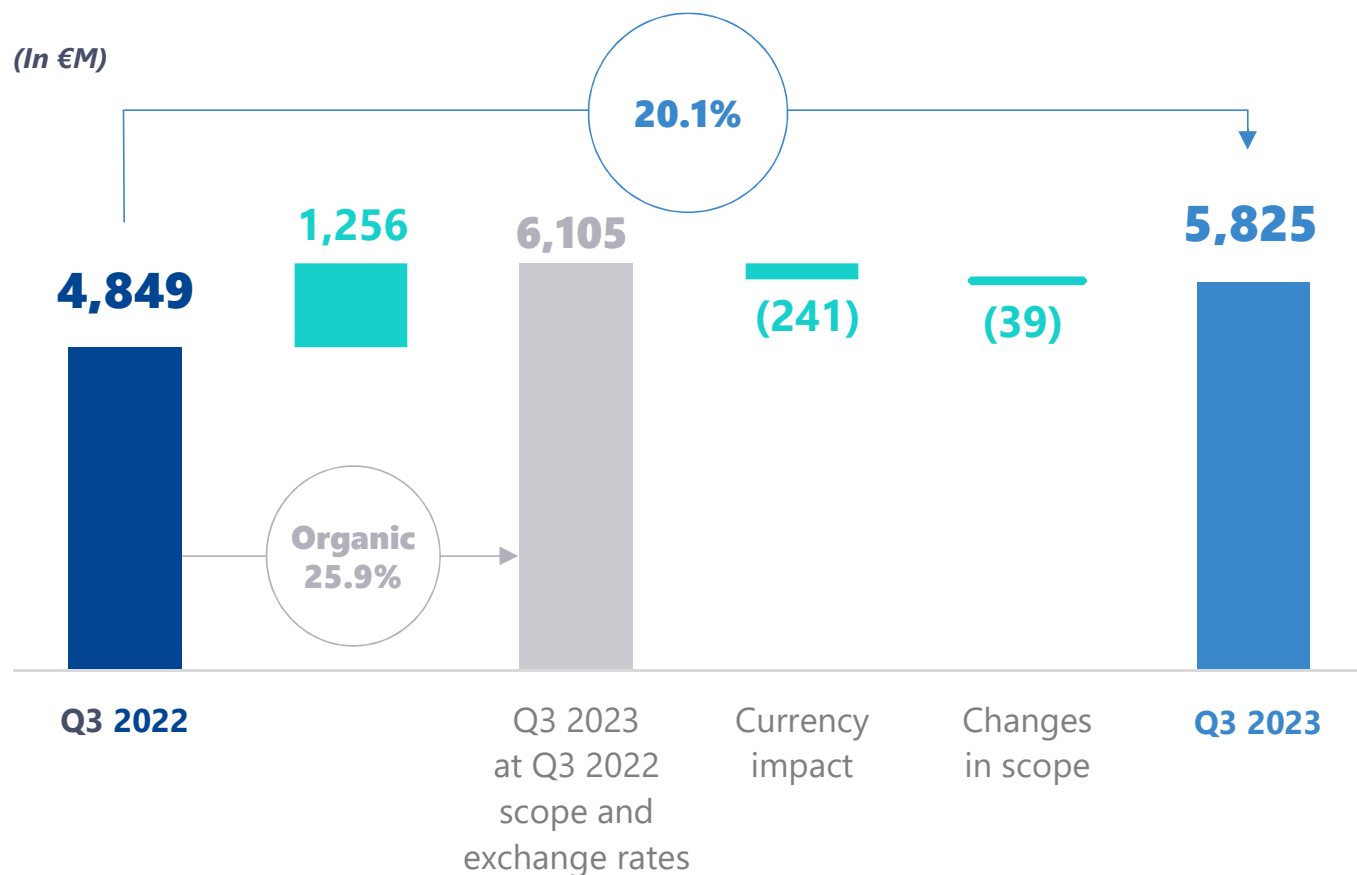
- **\$50.5bn hedge book as of Oct. 2023 (\$50.7bn as of June 2023)**
- The hedge book includes barrier options with knock-out triggers ranging from \$1.15 to \$1.30, representing a risk to the size of the book and to targeted hedge rates from 2024 onwards in case of sudden and significant exchange rates fluctuations

€/\$	Q3 2022	Q3 2023
Average spot rate	\$1.01	\$1.09

€/\$	9m 2022	9m 2023
Average spot rate	\$1.06	\$1.08

Q3 2023 revenue

(In €M)



- **Organic: +25.9%**
 - Strong increase in services (+33%) in all divisions
 - Good increase in OE (+19%) despite supply chain constraints
- **Currency: (5.0)%**
 - Reflecting a weaker USD vs. EUR (8 cents)
- **Scope: (0.8)%**
 - Disposal of Cargo and Catering activities in May 2023 (from Aircraft Interiors)

Q3 2023 revenue per activity

<i>Adjusted data</i> (In €M)	Q3 2022	Q3 2023	Change	Organic Change
Aerospace Propulsion	2,503	3,083	23.2%	28.4%
Equipment & Defense	1,820	2,134	17.3%	21.2%
Aircraft Interiors	522	605	15.9%	30.8%
Others	4	3	-	-
Safran	4,849	5,825	20.1%	25.9%

Organic growth drivers

▪ Aerospace Propulsion

- Civil aftermarket driven by a strong increase in CFM56 spare parts and service contracts
- LEAP deliveries: up 42 units
- M88 deliveries slightly down, military services slightly up
- Reasonable growth of helicopter turbine activities despite persisting supply chain constraints

▪ Equipment & Defense

- Services up +30% notably thanks to landing gear spares and MRO, carbon brakes and nacelles
- OE up 16% due to higher volumes in landing gear (A320neo, A350), power and wiring activities, FADEC⁽¹⁾ deliveries and Defense but lower A320neo nacelles deliveries

▪ Aircraft Interiors

- Cabin: increase both in services and OE (floor to floor activities and Custom Cabin)
- Seats: strong growth in services but lower business class seats deliveries

(1) Full Automatic Digital Engine Control



FY 2023 OUTLOOK

FY 2023 outlook reaffirmed

GUIDANCE AS PER JULY 2023

- **Adjusted revenue of at least €23.0bn**
- **Adjusted recurring operating income of c.€3.1bn**
- **Free Cash Flow of at least €2.7bn**

Safran's main underlying assumptions of which 2 are updated

- €/ \$ spot rate of 1.10 and hedge rate of 1.13
- No further disruption to the world economy
- Air traffic: NB ASK above 2019 level in 2023
- LEAP engine deliveries increase by 40% to 45% (vs. c.50% previously)
- Civil aftermarket revenue up low thirties (in \$) (vs. mid to high twenties previously)

Watch item: supply chain production capabilities

Revised in October 2023



APPENDIX

Q3 and 9m 2023 consolidated and adjusted revenue

Q3 2023 <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	5,937	(112)	-	-	-	5,825

9m 2023 <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	17,066	(296)	-	-	-	16,770

Number of products delivered on major aerospace programs – Q3

<i>Number of units delivered</i>	Q3 2022	Q3 2023	%
LEAP engines	347	389	12%
CFM56 engines	17	14	(18)%
High thrust engines	40	58	45%
Helicopter engines	128	140	9%
M88 engines	9	8	(11)%

<i>Number of units delivered</i>	Q3 2022	Q3 2023	%
787 landing gear sets	6	6	-
A350 landing gear sets	8	11	38%
A330neo nacelles	10	12	20%
A320neo nacelles	153	126	(18)%
Small nacelles (biz & regional jets)	113	137	21%
A350 lavatories	53	99	x 1.9
Business class seats	377	174	(54)%
A320 emergency slides	1,335	1,165	(13)%
787 primary power distribution systems	31	65	x 2.1

Number of products delivered on major aerospace programs – 9m

<i>Number of units delivered</i>	9m 2022	9m 2023	%
LEAP engines	812	1,174	45%
CFM56 engines	44	38	(14)%
High thrust engines	131	141	8%
Helicopter engines	355	414	17%
M88 engines	29	39	34%

<i>Number of units delivered</i>	9m 2022	9m 2023	%
787 landing gear sets	7	16	x 2.3
A350 landing gear sets	31	34	10%
A330neo nacelles	38	38	-
A320neo nacelles	437	401	(8)%
Small nacelles (biz & regional jets)	383	407	6%
A350 lavatories	241	319	32%
Business class seats	1,195	610	(49)%
A320 emergency slides	3,415	2,622	(23)%
787 primary power distribution systems	60	192	x 3.2

OE / Services revenue split – Q3

REVENUE Adjusted data (in Euro million)	Q3 2022		Q3 2023	
	OE	Services	OE	Services
Aerospace Propulsion % of revenue	944 37.7%	1,559 62.3%	1,093 35.5%	1,990 64.5%
Equipment & Defense % of revenue	1,115 61.3%	705 38.7%	1,250 58.6%	884 41.4%
Aircraft Interiors % of revenue	363⁽¹⁾ 69.5%	159 30.5%	381⁽¹⁾ 63.0%	224 37.0%

(1) Retrofit is included in OE

OE / Services revenue split – 9m

REVENUE Adjusted data (in Euro million)	9m 2022		9m 2023	
	OE	Services	OE	Services
Aerospace Propulsion % of revenue	2,451 36.7%	4,228 63.3%	3,478 39.7%	5,282 60.3%
Equipment & Defense % of revenue	3,289 61.8%	2,037 38.2%	3,676 59.0%	2,558 41.0%
Aircraft Interiors % of revenue	976⁽¹⁾ 70.1%	416 29.9%	1,144⁽¹⁾ 64.7%	624 35.3%

(1) Retrofit is included in OE

Definitions

- **CIVIL AFTERMARKET (EXPRESSED IN \$)**

- 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.

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