Investors Meeting

54th Paris Air Show

June 2023
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; the full impact of the Russo-Ukrainian conflict. 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.

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 revalued 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.
Aerospace industry
Favorable long-term market forecasts (2019-2042)

Air traffic to grow faster than GDP
▪ Strong travel demand; RPK* +3.2% p.a.
▪ Back to 2019 levels by 2023 (single aisle) and 2024-25 (twin-aisle)

38,200 new aircraft deliveries, of which 70% is single aisle
▪ New engine demand driven by airframer build rates

Accelerate the decarbonization of aviation
▪ Industry target of carbon neutrality

Changing geopolitical context
▪ Multi-year, global upturn in spending in Defense

Source: Safran
*Revenue Per Kilometer
Air traffic (ASK*)
A steadily improving picture since Q2 2020

Narrowbody (% vs. same period in 2019)

Widebody (% vs. same period in 2019)

Air traffic recovery creates demand for aftermarket services

*Available Seat Kilometers
Safran business model
High barriers to entry, recurring aftermarket sales & profitable growth

Adjusted revenue

Adjusted recurring operating income & margin

Free cash flow

On-track with CMD’21 financial targets for 2025

2023 outlook: EUR/USD spot rate of 1.05 and EUR/USD hedge rate of 1.13, at constant scope
CMD’21: EUR/USD spot rate of 1.20 and EUR/USD hedge rate of 1.16
CFM International
The best aerospace franchise in the industry

LEAP OEM
Over 70% market share of worldwide single aisle market
- Fleet: 5,000+ engines; Backlog: ~10,000
- Win rate A320neo: 70%+ in 2022

Production heading towards 2,000+ engines/p.a.
- ~1,700 in 2023 (+50% yoy), with Q1 2023 (366 engines; +53%)
- Building spare engines to support customer fleet stability

Aftermarket
Driven by CFM56 Time & Material
- ~23,000 CFM56-5B/-7B engines, o/w ~45% have not seen SV#1
- Small but growing share of LEAP LTSAs

Civil aftermarket (USD) up in the low twenties in 2023
- Main drivers: number of SVs and spare parts pricing
- Q1 2023: strong start with +38% yoy

Civil aftermarket evolution (in USD)

CFM is a JV between GE and Safran
Decarbonizing aviation: Innovative technologies to contribute to net carbon neutrality by 2050

Disruptive engines, lightweight equipment
CFMI RISE: targeting 20% fuel efficiency advantage over LEAP by c.2035

Sustainable aviation fuels
Supporting industry efforts on alternative fuels and approving all engines to run on SAF

Hybrid and all-electric aircraft propulsion
Developing capability to support battery & fuel cell energy sources

75%+ of R&T investment focuses on environmental efficiency
Portfolio management (transactions since 2021)
Focusing portfolio, capturing opportunities

**Propulsion**
- AUBERT DUVAL

**Equipment & Defense**
- Syrlinks
- Orolia
- Cilas ArianeGroup
- Thales
- Air Liquide

Electrical systems (closing H2 2023)
ALaT (closing Q1 2024)

**Aircraft interiors**
- Arresting Systems
- Pioneer Aerospace
- EVAC

- Cargo & Catering
- Enviro
Total Shareholder Return

+17.6% CAGR (Jan. 2012 to June 2023)

Strong FCF and balance sheet enable increased returns
2023 priorities

- Manage ramp-up in OE deliveries
- Relieve supply chain congestion and offset inflation
- Accelerate pace of investment for decarbonization
- Focus on earnings and cash growth trajectory towards 2025
Come and see us at our booth

- Euroflir electro-optical system
- Future Combat Air System (FCAS)
- Positioning, Navigation & Timing solutions
- Space solutions (incl. ArianeGroup)
- CFMI LEAP engine
- Electrification of propulsion (hybrid, fuel cell, full electric) with EngineUS
- CFMI RISE demonstrator
- Additive Manufacturing
- New e-taxi concept
### About Safran

**A world leader in aerospace**

#### Aerospace Propulsion
- **€9.5bn**
- **25,260 employees**
  - **#1 WW** through CFMI for narrowbody engines
  - **#1 WW** in helicopter turbine engines
  - **Strong positions** in European military programs: fighter and transport

#### Aircraft Interiors
- **€2.0bn**
- **15,171 employees**
  - **#2 WW** in Seats (BFE**) with strong presence on business class seats
  - **#1 WW** in cabin interiors (mainly SFE***)

#### Equipment & Defense
- **€6.3bn**
- **36,847 employees**
  - **#1 WW**
    - Landing gear
    - Wheels and carbon brakes for 100+ seater civil aircraft
    - Electrical wiring
    - Evacuation slides
  - **#2 WW**
    - Oxygen systems
    - Engine nacelles & gearbox
  - **#1 Europe**
    - Navigation & Optronics

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Source Safran

* including retrofit activities **BFE: buyer-furnished equipment **SFE: supplier-furnished equipment
POWERED BY TRUST