SAFRAN
Goldman Sachs
Industrials
Conference
December 5, 2023

Pascal BANTEGnie
Chief Financial Officer
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:

- 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 Sagem-Snecma merger. With effect from the first half 2010 interim financial statements, the Group decided to restate:
  - gains on re-measuring 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.
**LEAP engine**

**The engine of choice**
- 7,000+ engines delivered; 10,000+ in the backlog
- A320neo win rate over 70% ytd: Air India, Air Arabia, Xiamen Airlines
- LEAP upgrades in 2024 and 2025 (durability)
- Building a pool of spare engines to keep CFM* flying

**Production ramp-up is continuing**
- 1,174 engines delivered in 9m’23 (+45%)
- Reduced forecast for FY’23 to +40%-45% (vs. c.50%) due to supply chain difficulties

---

*CFM is a JV between GE and Safran*
Civil aftermarket

Favourable market environment
- Narrowbody traffic is improving (7% above 2019 levels at end September)
- Insufficient aircraft capacity
- Few aircraft retirements

Civil aftermarket revenue growth raised to low thirties (vs. mid to high twenties)
- 9m’23: +37% (Q3’23: +39%)
- CFM56 drivers: strong volume (~2,000 SVs in 2023), pricing, heavier workscope
- Growing share of LEAP LTSA (no margin until 2026)
Main drivers

OE ramp-up and aftermarket

Aircraft interiors turnaround
- EBIT breakeven in FY’23 (Cabin) and Q4’23 (Seats)

Supply chain constraints
- To persist throughout 2024, notably raw materials

Cost inflation
- €900-950m gross headwind in 2023
- To continue in 2024

Cost control and FX management

Investing for growth (R&T, Capex)
Safran: our business model delivers

Adjusted revenue

<table>
<thead>
<tr>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022</th>
<th>At least 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>24.6</td>
<td>16.5</td>
<td>15.3</td>
<td>19.0</td>
<td>23.0</td>
</tr>
</tbody>
</table>

Adjusted recurring operating income & margin

<table>
<thead>
<tr>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022</th>
<th>2023 outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.8</td>
<td>15.5%</td>
<td>1.7</td>
<td>1.8</td>
<td>12.6%</td>
</tr>
</tbody>
</table>

Free cash flow

<table>
<thead>
<tr>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022</th>
<th>At least 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.0</td>
<td>1.1</td>
<td>1.7</td>
<td>2.7</td>
<td>2.7</td>
</tr>
</tbody>
</table>

Margin in %: adjusted recurring operating income / adjusted revenue

2023 outlook: EUR/USD spot rate of 1.10 and EUR/USD hedge rate of 1.13, at constant scope.
Capital allocation

Focused M&A
- Thales electrical activities (closed on October 2, 2023)
- Aeronautical oxygen and nitrogen activities of Air Liquide advanced Technologies
- Collins Actuation and Flight control business

Share repurchase programs
- €1.8bn (13.5m shares) in 2022-23
- ~€1.3bn planned in 2024-25

Dividend
- Historical payout of 40%

Committed to strong investment grade credit rating
- A-, stable outlook (since December 2022)
POWERED
BY TRUST