

THIRD-QUARTER AND FIRST NINE MONTHS 2020 REVENUE



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> DEFINITION

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.

Agenda

1. Q3 and 9M 2020 highlights
2. Update on Covid-19 impacts
3. Q3 and 9M 2020 revenue
4. 2020 Outlook
5. Q&A
6. Additional information



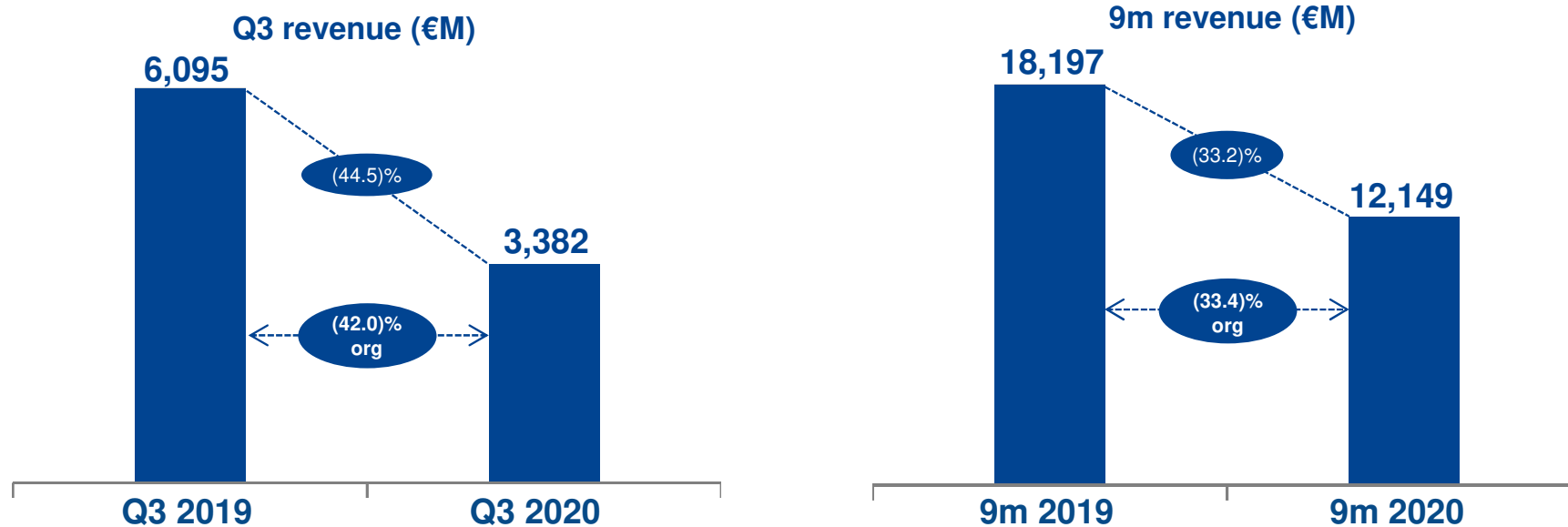


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Q3 AND 9M 2020 HIGHLIGHTS

Philippe PETITCOLIN - CEO

Revenue highlights



- ◆ Slight improvement in Q3 2020 vs. Q2 2020, but still strongly impacted by Covid-19 crisis
- ◆ Gradual recovery observed in September vs. July-August, except for Aircraft Interiors

On track to meet 2020 revenue guidance

Q3 2020 business highlights - Propulsion

Combined shipment of CFM56 and LEAP engines reached 211 units in Q3 2020 (vs. 524 units in Q3 2019) down 60%

- ◆ LEAP
 - > 172 LEAP delivered in Q3 2020 compared with 455 engines in Q3 2019
 - > 61% market share on A320neo family at September 30, 2020
- ◆ CFM56
 - > 39 units delivered in Q3 2020 compared with 69 engines in Q3 2019

Civil aftermarket (in \$): (41.8)% in 9m 2020

- ◆ Down (3.3)% in Q1, (66.0)% in Q2 and (56.2)% in Q3

Military engines

- ◆ On-going discussions with Dassault Aviation and the French MoD following Greece's stated intention to acquire 18 Rafale (out of which 12 used and 6 new aircraft) to equip its Air Force

Helicopter turbines

- ◆ The H160 helicopter, equipped with Safran's Arrano engine, received its type certification from the EASA.



LEAP assembly line

Q3 2020 business highlights

Aircraft Equipment, Defense and Aerosystems

Defense

- ◆ Safran's new-generation Euroflir optronic (electro-optical) system has been chosen for the French Navy's H160 helicopters.

Aircraft Equipment

- ◆ Carbon brakes: Safran signed contracts with two Asian airlines for A320neo and Boeing 787-10

Aircraft Interiors

Seats

- ◆ A US airline to provide business class seats for its new Boeing 787
- ◆ An Asian airline to provide economy class seats for its future A321 and business class seats for its new Boeing 787



Business class seats assembly line

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UPDATE ON COVID-19 IMPACTS

Philippe PETITCOLIN - CEO



Covid-19: update on air traffic

IATA estimates (as of September 20, 2020):

- ◆ August air traffic remains very weak compared to the previous year
 - > RPK down by (75.3)% in August vs. (79.5)% in July; ASK down by (63.8)% in August vs. (70.1)% in July
- ◆ Air travel growth stalled in mid August and September, rising Covid-19 cases stopped further progress
- ⇒ **RPK for 2020 downgraded to (66)% compared to 2019 (versus (63)% forecasted at the end of July)**
- ⇒ **To support air traffic recovery:**
 - > IATA demonstrated the low incidence of inflight Covid-19 transmission
 - > Rapid testing shall allow to open borders before availability of a vaccine or a treatment

CFM56 and LEAP flight cycles are slightly improving, mainly driven by China. As of October 25, 2020:

- ◆ Weekly CFM56 fleet cycles are down (48)% yoy (vs. down (52)% at the end of July) – since August, slower recovery than expected particularly in Europe
- ◆ Weekly LEAP fleet cycles are down (15)% yoy (vs. down (23)% at the end of July)
- ◆ 68 aircraft powered by CFM56 retired at the end of September 2020 (vs. 133 at the end of 2019)

**The late summer has shown a more gradual and weaker recovery than expected
Uncertainty remains high with the resurgence of Covid-19 cases in several regions**

Covid-19: adaptation plan – 9m 2020 achievements

9m 2020 adaptation plan achievements consistent with year-end objectives

◆ Resizing the workforce to the needs of the business

- > **Reduction of permanent workers by more than 15,000 people**, more than 19,000 people including temporary workers, on a worldwide basis as of October 16, 2020
- > In France, a **Group “Activity Transformation” agreement** signed in July 2020 with all unions, valid until end of 2021 and renewable
- > 25% on a worldwide basis, 28% in France (excl. public holidays and days off), under **short-time working or furlough** in average between April and September 2020

◆ Scaling down **purchasing programs in 9m 2020** in line with the drop in activity

- > Decrease of (42)% in raw materials and supplies expenses (excluding the change in inventories impact)
- > Decrease of (42)% in sub-contracting expenses

◆ **Capex commitments** reduced by (74)% in 9m 2020, **exceeding the (60)% reduction objective** for 2020

◆ **R&D expenses** reduced by (33)% in 9m 2020, **exceeding the (30)% reduction objective** for 2020

◆ **Operating expenses**⁽¹⁾ reduced by more than (20)% in 9m 2020, **in line with the objective** at year-end

Key takeaways: resilience of Safran business model

Uncertainties and lack of visibility remain strong

- ◆ Despite slight improvement observed in Q3 vs. Q2, still significant pressure on Q4 activity notably due to civil aftermarket and lower OE volumes

Strong operational execution to face this unprecedented crisis in civil aviation

Quick and proactive approach allow Safran to already benefit from the adaptation plan measures

- ◆ Workforce resizing, furlough schemes, Group “Activity Transformation” agreement reached with all unions in France
- ◆ Industrial footprint adaptation with site closures on going in Seats (UK, US), Cabin (US) and Electrical & Power (US) activities
- ◆ Reduction of operating expenses (including R&D expenses), reduction of Capex commitments

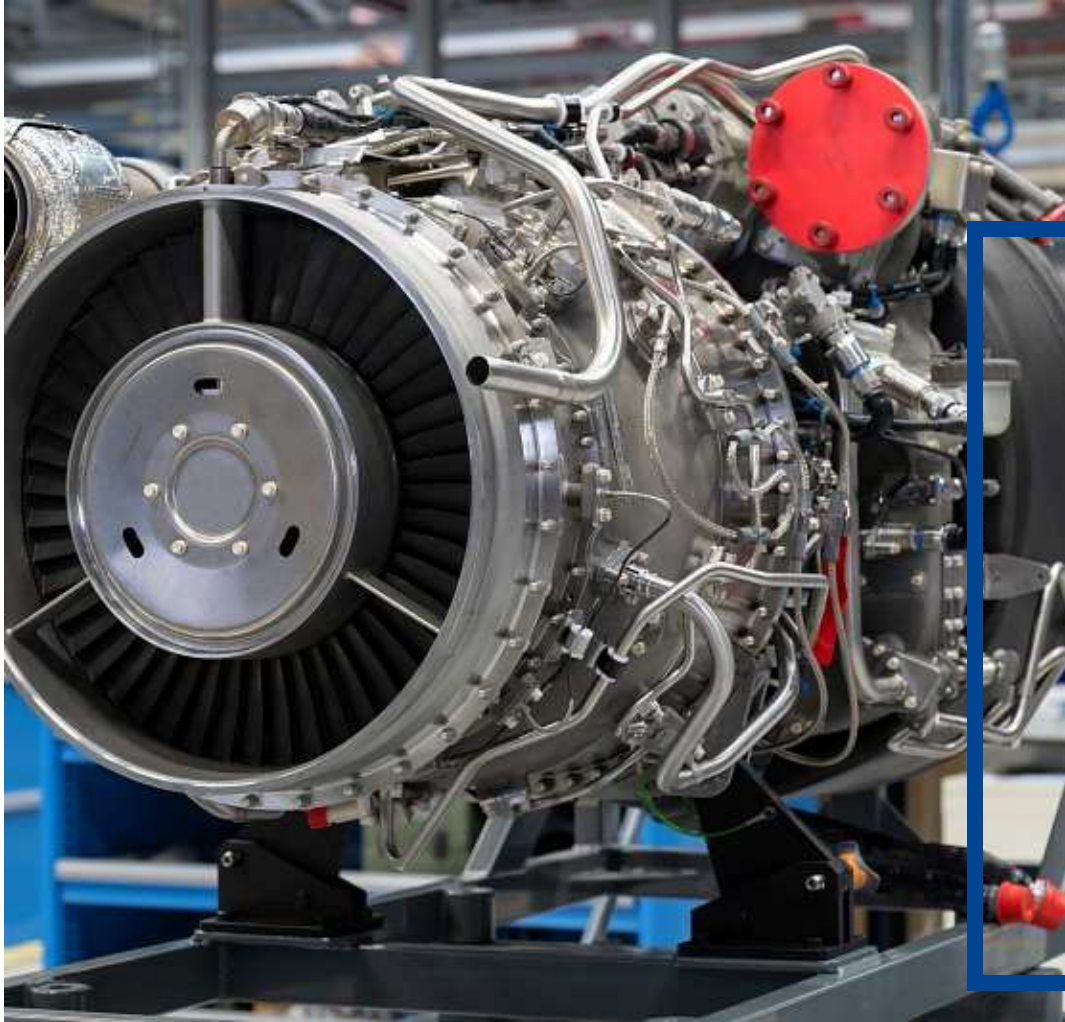
⇒ **Safran is lowering its breakeven point to benefit from the recovery when it occurs**

A very gradual recovery is the central scenario with air traffic expected to go back to 2019 levels by 2024

- ◆ Aftermarket expected to recover faster than OE
- ◆ New aircraft deliveries expected to be lower for a period of time, exceeding 2020

Safran business model remains strong thanks to its exposure to civil aftermarket and narrowbody and its capacity to adjust costs rapidly

Safran is committed to address the climate change challenge, that will be a game changer of the aerospace industry in the coming years



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Q3 AND 9M 2020 REVENUE

Bernard DELPIT – Group CFO

Foreword

Adjusted data

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

To reflect the Group's actual economic performance and enable it to be monitored and benchmarked against competitors, Safran prepares an adjusted revenue.

Safran's consolidated revenue has been adjusted for the impact of 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

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 25 for bridge with consolidated revenue

FX (1/2)

Translation effect: foreign currencies translated into €

- ◆ Negative impact mainly from USD in Q3
- ◆ Impact on Revenues and Return on Sales

Average spot rate

Q3 2019	Q3 2020
\$1.11	\$1.17
9m 2019	9m 2020
\$1.12	\$1.12

Transaction effect: mismatch between \$ sales and € costs is hedged

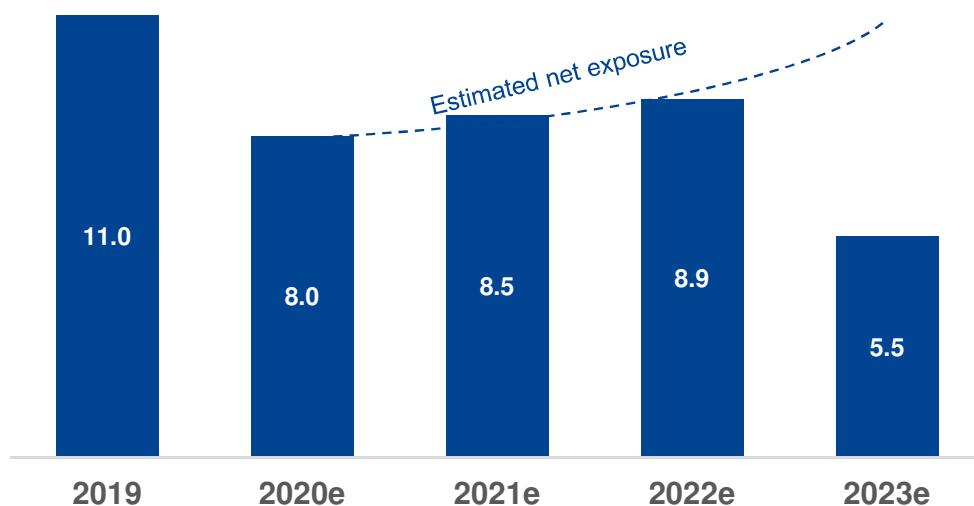
Hedge rate

Q3 2019	Q3 2020
\$1.18	\$1.16

FX (2/2) - \$24.9bn hedge book* (October 15, 2020)

Average annual exposure revised downwards from \$8bn in 2020 growing up to \$10bn by 2023

(in \$bn)



€/\$ hedge rate target	2019	2020e	2021e	2022e	2023e
	1.18	1.16	1.14-1.16	1.12-1.14	-

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

- The hedge book totaled \$24.9bn as of October 15, 2020, up from \$21.6bn as of July 28, 2020
- The hedge book includes barrier options with knock-out triggers ranging from \$1.21 to \$1.27 with maturities up to end-2021, representing a risk to the size of the book and to targeted hedge rates in certain cases of sudden and significant exchange rate fluctuations

2020

- Firm coverage of \$8.0bn achieved through forward sales and knock-out options at a target rate of \$1.16

2021

- Firm coverage of \$8.5bn (revised downwards from \$9.0bn) achieved through knock-out options at a target rate between \$1.14 and \$1.16

2022

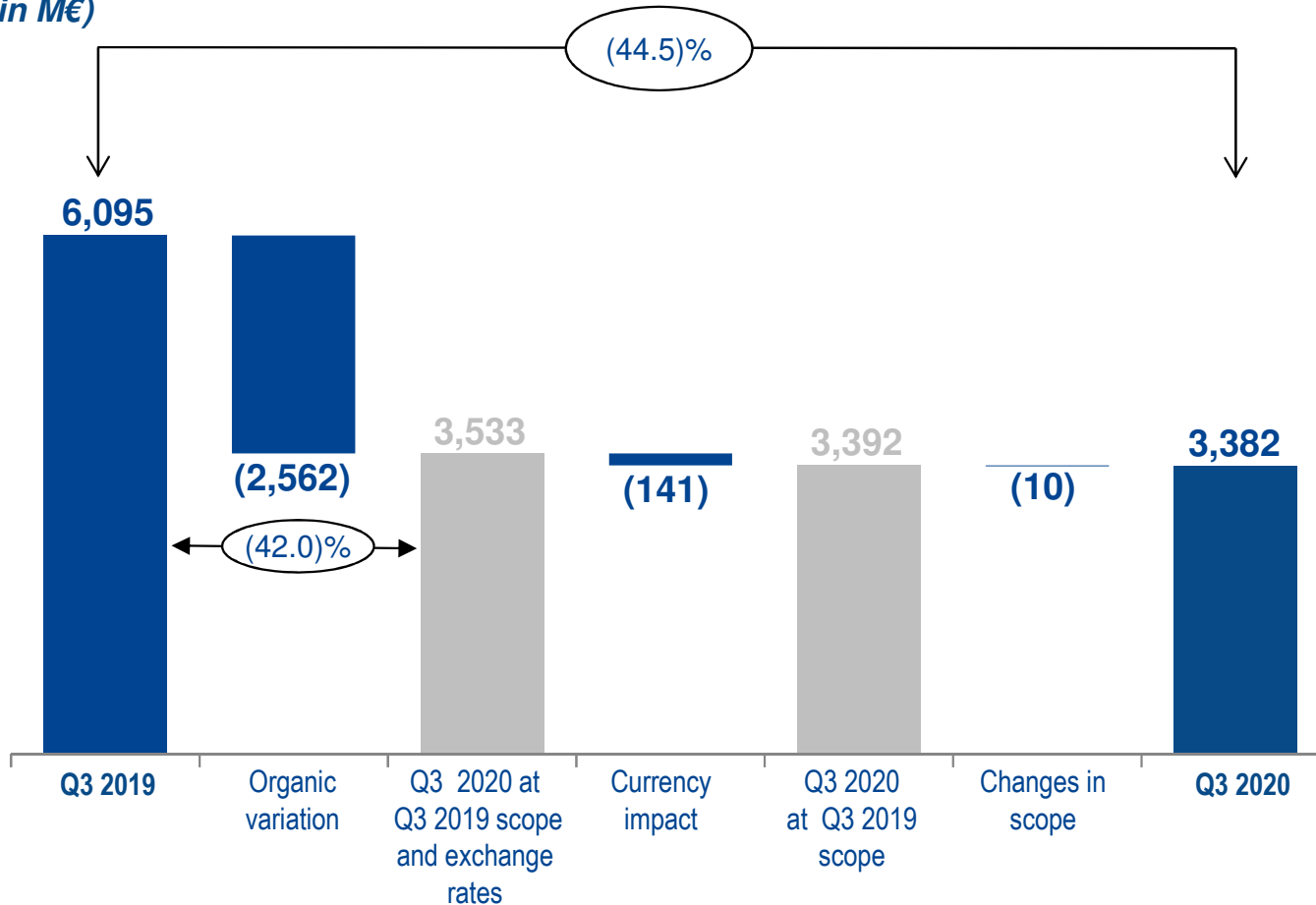
- Firm coverage of \$8.9bn for an estimated net exposure of \$9.0bn (revised downwards from \$10.0bn) achieved through knock-out options; target rate between \$1.12 and \$1.14

2023

- Firm coverage of \$5.5bn achieved through knock-out options. Estimated net exposure revised downwards from \$11.0bn to \$10.0bn

Q3 2020 revenue

(in M€)



Organic decrease: (42.0)%

- ◆ Propulsion: (45.9)%
- ◆ Aircraft Equipment, Defense & Aerosystems: (33.6)%
- ◆ Aircraft Interiors: (51.8)%

Currency impact: (2.3)%

- ◆ Negative impact from USD average spot rate (average spot rate \$1.17 vs \$1.11 in Q3 2019)

Scope: (0.2)%

Q3 2020 revenue per activity

Q3 2020 still strongly deteriorated vs. Q3 2019, but showing slight improvement vs. Q2 2020 across all divisions

Adjusted data <i>(in Euro million)</i>	Q3 2019	Q3 2020	<i>Change reported</i>	<i>Change organic</i>
Aerospace propulsion	2,987	1,559	<i>(47.8)%</i>	<i>(45.9)%</i>
Aircraft Equipment, Defense & Aerosystems	2,298	1,461	<i>(36.4)%</i>	<i>(33.6)%</i>
Aircraft Interiors	805	357	<i>(55.7)%</i>	<i>(51.8)%</i>
Others	5	5	<i>n/s</i>	<i>n/s</i>
Safran	6,095	3,382	<i>(44.5)%</i>	<i>(42.0)%</i>

Organic trends drivers

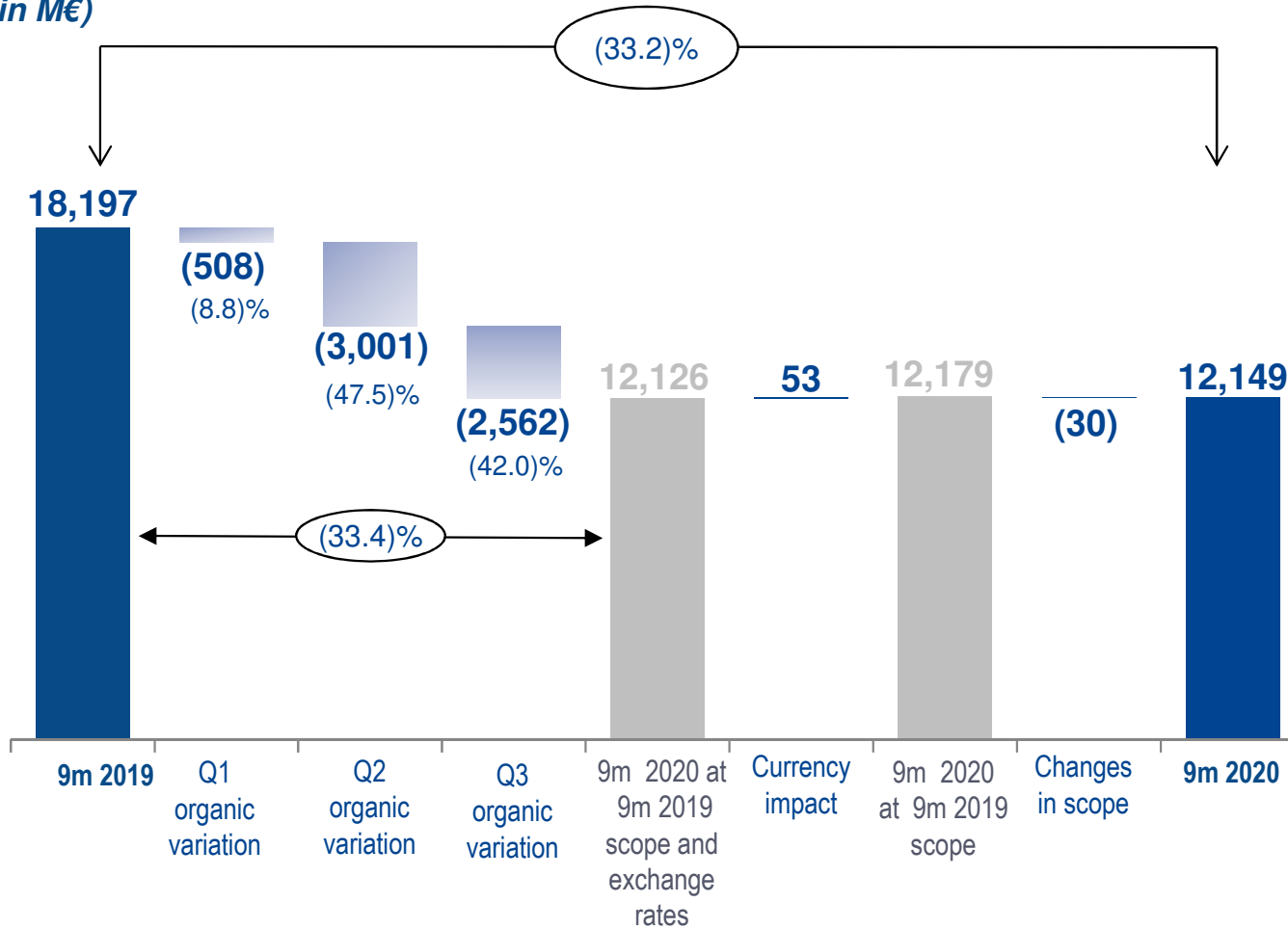
- ◆ Aerospace Propulsion
 - > Lower OE narrowbody engines deliveries (both installed and spare engines)
 - > Services: civil aftermarket down (56.2)% (in \$)
 - > Lower military engines deliveries, as planned
 - > Improvement vs. Q2 due to OE (civil engines and helicopter turbines) and services (MRO activities and widebody engines spare parts)
- ◆ Aircraft Equipment, Defense & Aerosystems
 - > OE revenue decrease due to lower volumes of nacelles for A320neo and A330neo; wiring and power distribution activities; avionics activities and, to a lesser extent, landing gears
 - > Services revenue down, notably with landing gears, carbon brakes and nacelles activities and, to a lesser extent, Aerosystems activities
 - > Improvement vs. Q2 due to OE (landing gears and nacelles)
- ◆ Aircraft Interiors
 - > Strong decline in OE (incl. retrofit) and services in Seats and Cabin and, to a lesser extent, Passenger Solutions
 - > Improvement vs. Q2 due to OE (Cabin)

Offsetting factors

- ◆ Helicopter turbines activities (low double digit increase), Electronics and Defense activities (excluding avionics) with sighting and navigation systems being flat

9m 2020 revenue

(in M€)



Organic decrease: (33.4)%

- ◆ Propulsion: (37.3)%
- ◆ Aircraft Equipment, Defense & Aerosystems: (25.7)%
- ◆ Aircraft Interiors: (40.6)%

Currency impact: 0.4%

- ◆ Positive impact from USD hedge rate (hedge rate \$1.16 vs. \$1.18 in 2019)

Scope: (0.2)%

9m 2020 revenue by activity

9m 2020 included Q1 almost immune from the crisis which materialized in March

Adjusted data (in Euro million)	9m 2019	9m 2020	Change reported	Change organic
Aerospace propulsion	8,889	5,606	(36.9)%	(37.3)%
Aircraft Equipment, Defense & Aerosystems	6,851	5,099	(25.6)%	(25.7)%
Aircraft Interiors	2,445	1,429	(41.6)%	(40.6)%
Others	12	15	n/s	n/s
Safran	18,197	12,149	(33.2)%	(33.4)%

Organic decrease drivers

◆ Aerospace Propulsion

- > Lower OE narrowbody engines deliveries (both installed and spare engines)
- > Services: civil aftermarket down (41.8)% (in \$)
- > Military: lower engines deliveries as planned and decrease in services (strong comparison basis)

◆ Aircraft Equipment, Defense & Aerosystems

- > OE revenue decrease due to lower volumes of wiring activities; nacelles for A320neo and A330neo; landing gears for A320 family, A330, A350, Boeing 787 and, to a lesser extent, avionics activities
- > Services revenue down, notably with brakes and landing gear activities and from nacelles support activities

◆ Aircraft Interiors

- > Strong decline in OE (incl. retrofit) in Seats, Cabin and Passenger Solutions
- > Services revenue down in Seats, Cabin and, to a lesser extent, Passenger Solutions

Strong liquidity

On October 12, 2020, Safran executed a tap issue of convertible bonds* due May 15, 2027 for a nominal amount of Euro 200 million with a negative yield of (0.419)%

At end of September, the bridge facility set up on April 22, 2020 with a maturity of up to two years remained undrawn. Initial €3.0 billion amount reduced to €1.4 billion (as at October 12, 2020) after more than 50% having been already refinanced with medium and long term funded debt

As a reminder, €2.52 billion undrawn revolving credit facility available until December 2022. Primarily a back up to the commercial paper (NEU CP) program under which €1.6 billion was outstanding as at September 30, 2020. The maximum amount available under the NEU CP program is €3.0 billion

** Bonds convertible into new shares and/or exchangeable for existing shares of Safran (OCEANEs)*

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2020 OUTLOOK

Philippe PETITCOLIN - CEO



FY 2020 outlook

Safran, despite remaining uncertainties regarding the pace of air traffic recovery, is confident to meet its FY 2020 outlook:

- ◆ **Adjusted revenue to decrease by approximately (35)%** at an estimated average spot rate of USD 1.14 to the Euro (previously 1.10). **Similar variation in organic terms;**
- ◆ **Recurring operating margin around 10% of sales** based on a hedged rate of USD 1.16 to the Euro;
- ◆ **Positive free cash flow generation in H2**, despite still strong uncertainties regarding working capital evolution.

Assumptions are unchanged compared to the H1 2020 earnings announcement on July 30, 2020. Civil aftermarket trends improved in Q3, but uncertainties remain. In addition, there are still challenges ahead in different businesses and uncertainties for the end of the year closing.



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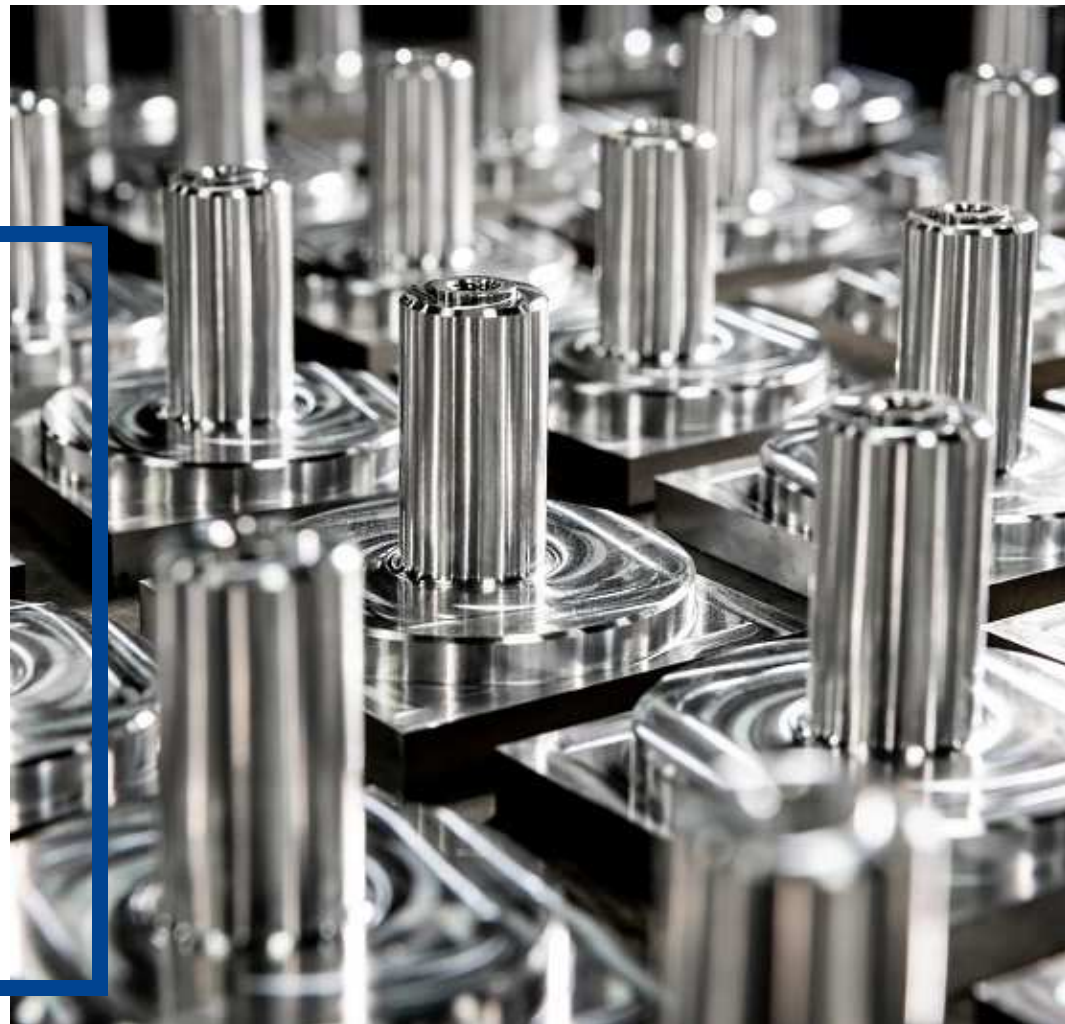
Q&A

Philippe PETITCOLIN - CEO

Bernard DELPIT – Group CFO

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ADDITIONAL INFORMATION



Q3 and 9m 2020 consolidated and adjusted revenue

Q3 2020 <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	3,380	2	-	-	-	3,382

9m 2020 <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	12,282	(133)	-	-	-	12,149

OE / Services revenue split

Revenue Adjusted data <i>(in Euro million)</i>	Q3 2019		Q3 2020		% change	
	OE	Services	OE	Services	OE	Services
<i>Propulsion</i> % of revenue	1,318 44.1%	1,669 55.9%	675 43.3%	884 56.7%	(48.8)%	(47.0)%
<i>Equipment, Defense & Aerosystems</i> % of revenue	1,551 67.5%	747 32.5%	1,021 69.9%	440 30.1%	(34.2)%	(41.1)%
<i>Aircraft Interiors</i> % of revenue	574 ⁽¹⁾ 71.3%	231 28.7%	276 ⁽¹⁾ 77.3%	81 22.7%	(51.9)%	(64.9)%

Revenue Adjusted data <i>(in Euro million)</i>	9m 2019		9m 2020		% change	
	OE	Services	OE	Services	OE	Services
<i>Propulsion</i> % of revenue	3,810 42.9%	5,079 57.1%	2,209 39.4%	3,397 60.6%	(42.0)%	(33.1)%
<i>Equipment, Defense & Aerosystems</i> % of revenue	4,635 67.7%	2,216 32.3%	3,499 68.6%	1,600 31.4%	(24.5)%	(27.8)%
<i>Aircraft Interiors</i> % of revenue	1,767 ⁽¹⁾ 72.3%	678 27.7%	1,029 ⁽¹⁾ 72.0%	400 28.0%	(41.8)%	(41.0)%

(1) Retrofit is included in OE

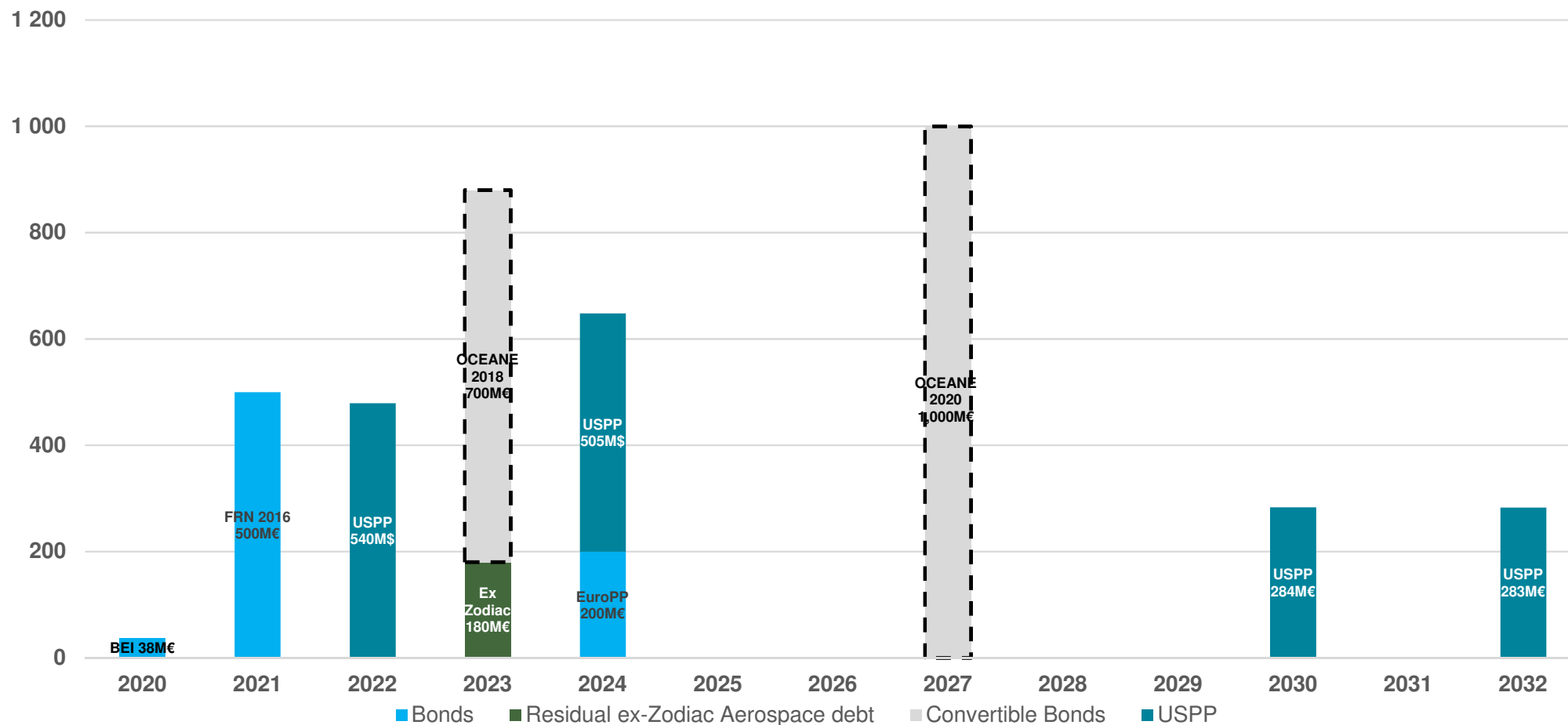
Quantities of major aerospace programs

<i>Number of units delivered</i>	Q3 2019	Q3 2020	%	9m 2019	9m 2020	%
LEAP engines	455	172	(62)%	1,316	622	(53)%
CFM56 engines	69	39	(43)%	327	123	(62)%
High thrust engines	126	88	(30)%	360	285	(21)%
Helicopter engines	137	161	18%	472	436	(8)%
M88 engines	20	6	(70)%	42	25	(40)%
787 landing gear sets	42	32	(24)%	126	94	(25)%
A350 landing gear sets	21	13	(38)%	62	39	(37)%
A380 nacelles	4	3	(25)%	16	11	(31)%
A330neo nacelles	25	2	(92)%	76	22	(71)%
A320neo nacelles	157	102	(35)%	437	350	(20)%
A320ceo thrust reversers	10	15	50%	115	44	(62)%
Small nacelles (<i>biz & regional jets</i>)	147	82	(44)%	451	328	(27)%

<i>Number of units delivered</i>	Q3 2019	Q3 2020	%
Lavatories A350	180	75	(58)%
Spaceflex V2 A320 (lavatories + Galleys)	92	67	(27)%
Business class seats	1,487	401	(73)%
Emergency slides A320	1,155	545	(53)%
Primary power distribution system 787	285	174	(39)%
<i>Number of units delivered</i>	9m 2019	9m 2020	%
Lavatories A350	580	274	(53)%
Spaceflex V2 A320 (lavatories + Galleys)	289	234	(19)%
Business class seats	4,024	2,090	(48)%
Emergency slides A320	3,553	2,069	(42)%
Primary power distribution system 787	846	591	(30)%

Debt maturity schedule

Debt maturity schedule - Long term borrowings at inception





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