

FULL YEAR 2020 EARNINGS



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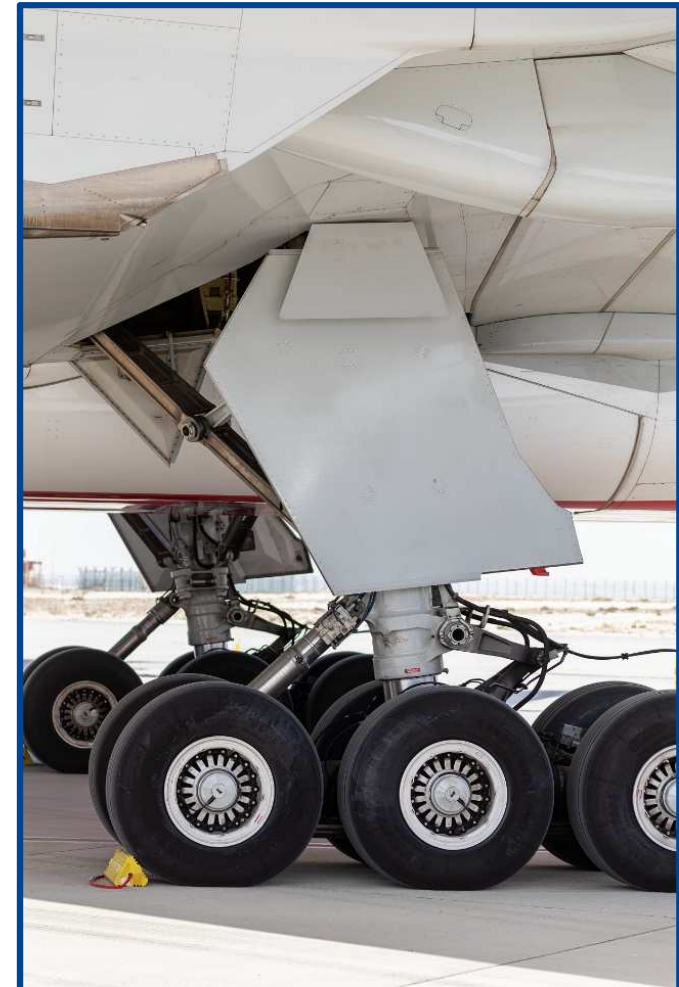
This document contains supplemental non-GAAP financial information. Readers are cautioned that these measures are unaudited and not directly reflected in the Group's financial statements as prepared under International Financial Reporting Standards and should not be considered as a substitute for GAAP financial measures. In addition, such non-GAAP financial measures may not be comparable to similarly titled information from other companies.

> 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. 2020 HIGHLIGHTS
2. 2020 RESULTS
3. OUTLOOK
4. Q&A
5. SAFRAN'S ESG COMMITMENTS
(FOCUS ON CLIMATE STRATEGY)
6. APPENDIX



1

2020 HIGHLIGHTS

Olivier ANDRIES - CEO



Air traffic in 2020

IATA Analysis

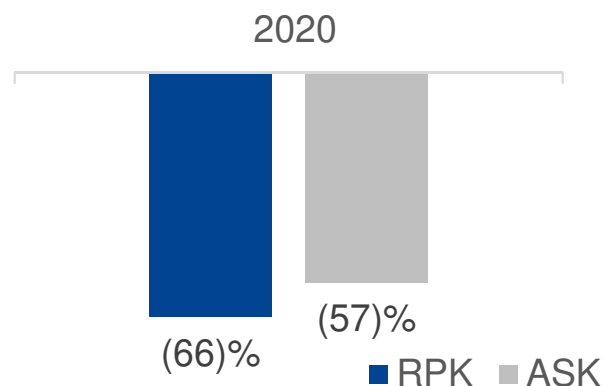
- ◆ In December 2020, air traffic remained very weak compared to the previous year

- > RPK: (69.7)% - domestic: (42.9)%

- > ASK: (56.7)% - domestic: (25.7)%

⇒ Air traffic recovery stalled around the world following the resurgence of the virus and the spread of variants

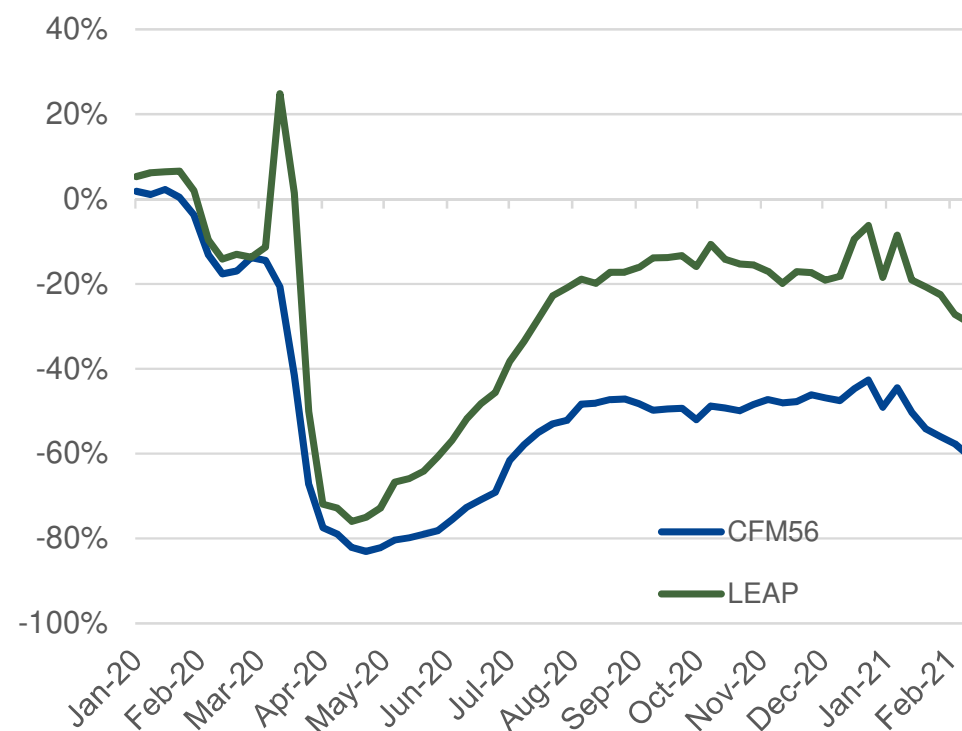
- ◆ FY 2020 IATA figures (vs. 2019)⁽¹⁾ :



⁽¹⁾ IATA release of February 3, 2021

Engine flight cycles

- ◆ CFM56 and LEAP flight cycles have been stabilizing in H2. Weekly flight cycles (% vs 2019)



FY 2020 snapshot: adapting speedily

Thanks to collective effort: no disruption in production

- ◆ Safran provides a safe working environment for its employees and partners
- ◆ Deliveries to clients in all businesses managed throughout the year

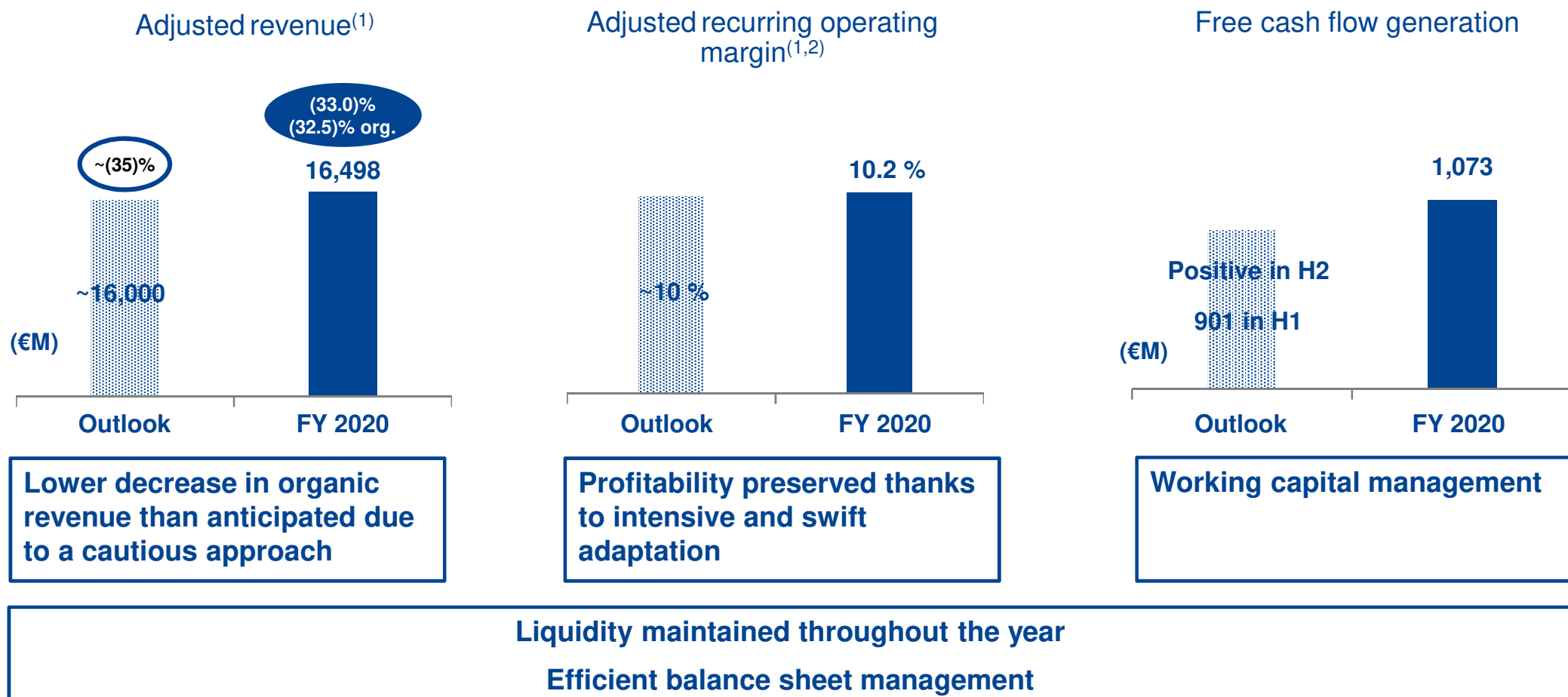
Adaptation to 2 crises: 737 MAX grounding and Covid-19

- ◆ Targets set early in the year for swift and intensive efforts
- ◆ Targets reached and exceeded thanks to involvement of Safran's people all around the world
- ◆ Strong government support (furlough scheme, R&T subsidies)

Safran takes its part to support the supply chain

- ◆ Internal task force set up to identify and support key suppliers
- ◆ €58M contribution to equity support fund of €740M along with French government, other major French A&D players and banks.

2020 financial highlights: objectives met



FY 2020 segment highlights (1/3): Propulsion

Narrowbody engines

LEAP production down by more than 50%, backlog remains solid

- ◆ 815 LEAP delivered in 2020, compared to 1,736 engines in 2019
- ◆ Total backlog⁽¹⁾ of more than 9,600 engines at December 31, 2020
- ◆ 61% market share⁽²⁾ on A320neo family at December 31, 2020
- ◆ Gradual return to service of the 737 MAX around the world, deliveries restarted. Concluded negotiation in Q1 with Boeing on quantities and cash for 2020
- ◆ Use of LEAP engines close to the level of 2019

CFM56 production down

- ◆ Production ramping down as planned: 157 units delivered in 2020 compared with 391 in 2019

Aftermarket

In December 80% of aircraft powered by CFM56-5B/-7B are flying

Narrowbody ASK down (51)% in 2020 compared with 2019

2020 civil aftermarket revenue down (43)% (in USD): drop limited by service contracts and high thrust engines parts

Very limited number of retirements in 2020 (60 aircraft with CFM56-5B/7B compared to 108 in 2019)

> Limited impact of USM on new spare parts sales

Other propulsion business highlights

Helicopter turbines sales almost flat, with the first sales of Arrano and Aneto engines

Military: M88 engines deliveries down as planned. Good dynamic of spares sales on all engines

FY 2020 segment highlights (2/3): Aircraft Equipment, Defense and Aerosystems

Defense activities held up well

- ◆ Sighting and navigation systems growth

Flight data processing

- ◆ Safran won a contract from China Southern Airlines to deploy Cassiopee Alpha on a fleet of more than 600 aircraft

Landing systems

- ◆ Carbon brakes: contracts with airlines were signed for more than 210 aircraft in 2020
- ◆ Contract signed with a major airline for landing gear MRO

Nacelles

- ◆ Delivery of main stream A320neo nacelles
- ◆ End of A380 production

Electric propulsion

- ◆ Safran ENGINEUS powers Voltaero's Cassio 1 testbed aircraft
- ◆ Cooperation Agreement with Bye Aerospace to equip eFlyer all-electric aircraft with ENGINEUS™ electric smart motors

FY 2020 segment highlights (3/3): Aircraft Interiors

Strong execution: customer confidence restored

- ◆ On time and on quality delivery

Capacity adjustment

- ◆ Sites closure: Seats (US: Santa Maria; UK: Camberley), Cabin (US: Sterling, Bolsa)
- ◆ Acceleration of the transfer of production to low cost countries such as Mexico and Thailand

Seats

- ◆ Safran's bespoke business class seats were selected by major US and Japanese airlines (B787) and the business Skylounge Core seats have been selected by an Asian customer (A330)

Covid-19: adaptation plan –2020 achievements

Year-end objectives matched or exceeded

Action	Target	Achievement
Purchasing programs	Scale down in line with activity ~(35)%	✓ (43)% in raw material and supplies expenses (excluding the change in inventories impact) ✓ (48)% in sub-contracting expenses ✓ €(1,150)M in inventories
Capex commitments (tangible assets)	(60)% €(200)M in outflows	✓ (67)% in commitments ✓ €(246)M in cash outflows
R&D Expenses	(30)%	✓ (35)%
Operating expenses⁽¹⁾	(20)%	✓ (25)%

(1) Basis : Personnel costs and external service expenses. Excluding purchasing and including R&D expenses

Covid-19: Resizing the workforce and labor costs, preserving high skills

Global headcount from over 95,400 end 2019 down to around 78,900 end 2020

- ◆ **Reduction of permanent workers by more than 16,500 people, and more than 21,000 people** including temporary workers, on a worldwide basis as of end 2020
- ◆ 21% on a worldwide basis, 23% in France (excl. public holidays and days off), under short-time working or furlough in average between April and December 2020

In France, decrease of around 4,500 roles (including temps) and Group “**Activity Transformation Agreement**” (ATA) signed in July 2020 with all unions, valid until end of 2021 and renewable:

- > Implementation of long term short-time working scheme funded by the government for 2 years (up to 40-50%)
- > Wage moderation for employees
- > Early retirements incentives
- > Cap of profit sharing and savings schemes

Around the world, the decrease in headcount has varied.

Largest downsizing concerned :

- > Cabin ((36)% drop, mainly in USA and Thailand)
- > Seats ((30)% drop, mainly in USA, UK and Tunisia)
- > Aerosystems ((25)% drop, mainly in Mexico)
- > Electrical and Power ((25)% drop, mainly in Mexico and Morocco)

► **A balanced effort to decrease payroll by 21% on a global scale**

2

2020 RESULTS

Bernard DELPIT – Group Deputy CEO and CFO



Foreword

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;

Safran has also applied these restatements to the acquisition of Zodiac Aerospace with effect from 2018

- ◆ 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.

Recurring operating income

Operating income before capital gains or losses on disposals /impact of changes of control, impairment charges, transaction and integration costs.

⁽¹⁾ See slide 17 for bridge with consolidated and adjusted income statements

FX (1/2)

Translation effect: foreign currencies translated into €

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

Average spot rate

FY 2019	FY 2020
\$1.12	\$1.14

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

Hedge rate

FY 2019	FY 2020
\$1.18	\$1.16

Mark-to-Market effect

- ◆ €216M loss on fair value of financial instruments in consolidated accounts

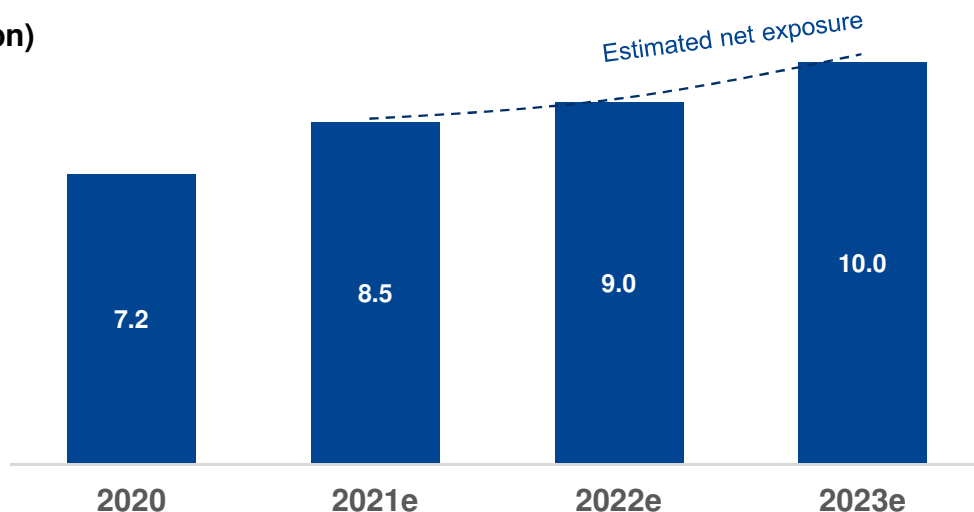
Spot rate at close

12/31/2019	12/31/2020
\$1.12	\$1.23

FX (2/2) - \$28.2bn hedge book* (February 5, 2021)

Faced with the risk of future rates moves, targets have been revised

(in \$bn)



€/\$ hedge rate target	1.16	1.16	1.14-1.16	1.14-1.16
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* Approx. 45% of Safran US\$ revenue are naturally hedged by US\$ procurement

- The sharp rise in EUR/USD in 2020 and in the beginning of 2021 has triggered knock-out barriers. All lost options have been replaced at prevalent market conditions. The hedge book totaled \$28.2bn as of February 5, 2021, up from \$24.9bn as of October 15, 2020
- The hedge book includes barrier options with knock-out triggers ranging from \$1.2350 to \$1.31, representing a risk to the size of the book and to targeted hedge rates from 2021 onwards in case of sudden and significant exchange rates fluctuations

2020

- A rate of \$1.16 was achieved for an actual need of \$7.2bn (vs. \$8.0bn previously estimated)

2021e

- Coverage of \$8.5bn achieved through knock-out options at a target rate of \$1.16

2022e

- Coverage of \$9.0bn achieved through knock-out options; target rate revised between \$1.14 and \$1.16

2023e

- Coverage of \$10.0bn achieved through knock-out options; target rate revised between \$1.14 and \$1.16

Consolidated and adjusted income statements

FY 2020 reconciliation (In €M)	Consolidated data	Currency hedging		Business combinations		Adjusted data
		Re-measurement of revenue (1)	Deferred hedging gain/loss (2)	Amortization of intangible assets - Sagem/Snecma merger (3)	PPA impacts - other business combinations (4)	
Revenue	16,631	(133)				16,498
Other operating income and expenses	(15,286)	(1)	5	46	340	(14,896)
Share in profit from joint ventures	48				36	84
Recurring operating income	1,393	(134)	5	46	376	1,686
Other non-recurring operating income and expenses	(466)					(466)
Profit (loss) from operations	927	(134)	5	46	376	1,220
Cost of debt	(58)					(58)
Foreign exchange gain / loss	(257)	134	216			93
Other financial income and expense	(42)					(42)
Financial income (loss)	(357)	134	216			(7)
Income tax expense	(184)		(58)	(14)	(78)	(334)
Profit (loss) from continuing operations	386	-	163	32	298	879
Attributable to non-controlling interests	(34)	-		(1)		(35)
Attributable to owners of the parent	352	-	163	31	298	844

- (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 (positive €216 million excluding tax), and the impact of taking into account hedges when measuring provisions for losses on completion (positive €5 million at December 31, 2020).
- (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 €304 million excluding deferred tax and cancellation of amortization/impairment of assets identified during other business combinations.

FY 2020 income statement

<i>(In €M)</i>	FY 2019	FY 2020
Revenue	24,640	16,498
Other recurring operating income and expenses	(21,025)	(14,896)
Share in profit from joint ventures	205	84
Recurring operating income	3,820	1,686
% of revenue	15.5%	10.2%
Total one-off items	13	(466)
Profit from operations	3,833	1,220
% of revenue	15.6%	7.4%
Net financial income (expense)	(89)	(7)
Income tax expense	(1,012)	(334)
Profit for the period	2,732	879
Profit for the period attributable to non-controlling interests	(67)	(35)
Profit attributable to owners of the parent	2,665	844
EPS (basic in €)	6.20*	1.98**
EPS (diluted in €)	6.13***	1.92****

Decrease of share in profit from ArianeGroup and joint venture on engine leasing

Of which restructuring costs of €(131)M and impairment for several programs €(286)M

Of which cost of debt of €(58)M and foreign exchange gain of €93M

Apparent tax rate of 27.5%

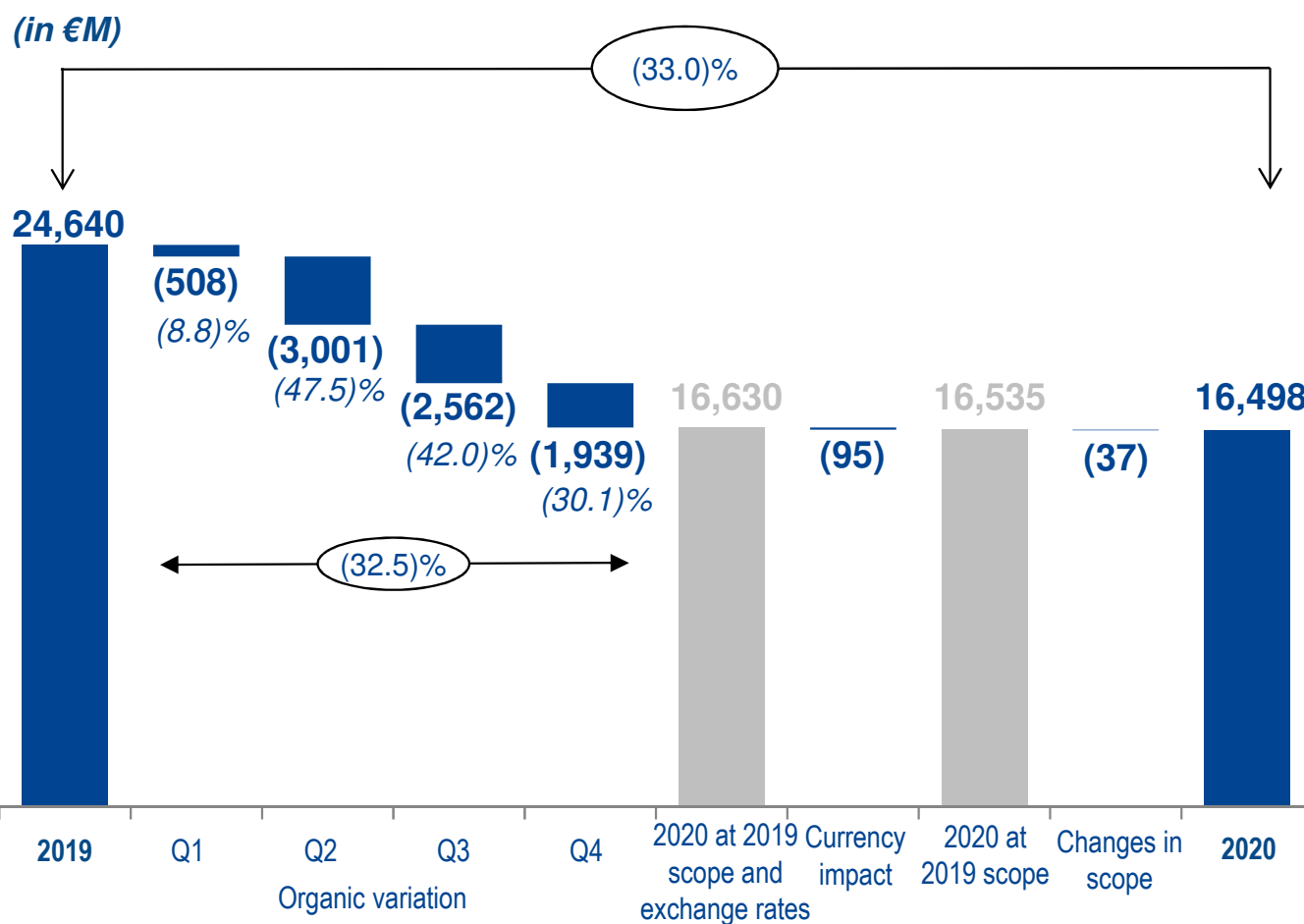
** Based on the weighted average number of shares of 429,723,372 as of December 31, 2019*

***Based on the weighted average number of shares of 426,035,732 as of December 31, 2020*

**** Based on the weighted average number of shares after dilution of 434,976,733 as of December 31, 2019*

***** Based on the weighted average number of shares after dilution of 440,460,495 as of December 31, 2020*

2020 revenue



Organic decrease: (32.5)%

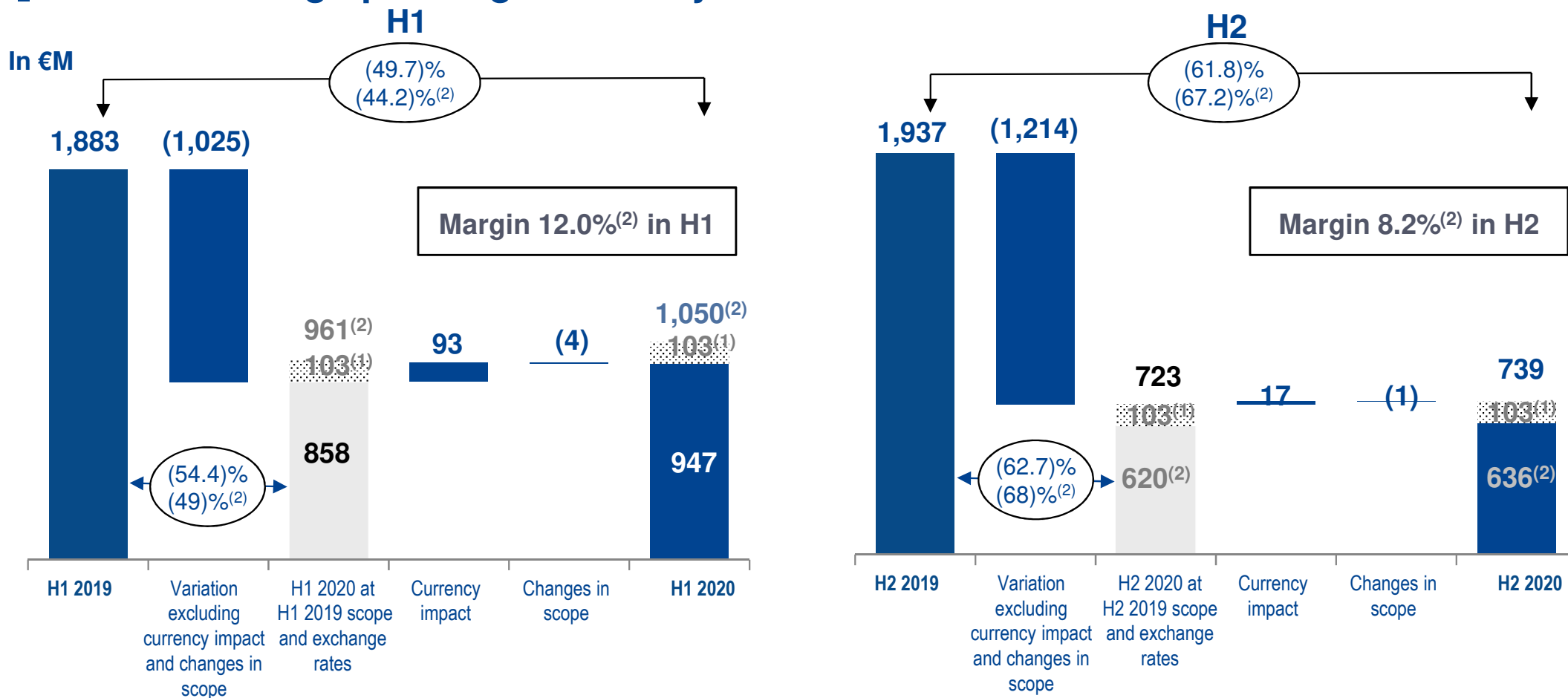
- ◆ Propulsion: (36.2)%
- ◆ Aircraft Equipment, Defense & Aerosystems: (25.0)%
- ◆ Aircraft Interiors: (40.4)%

Currency impact: (0.3)%

- ◆ Negative translation effect notably USD vs Euro (average spot rate \$1.14 vs \$1.12 in 2019)

Scope: (0.2)%

2020 recurring operating income by semester



(1) 103 M€ positive impact booked in Q3 but related to H1 provisions

(2) Including 103M€ impact positive in H1, negative in H2

Research & Development

<i>(In €M)</i>	2019	2020	Change
Total R&D	(1,725)	(1,213)	512
R&D sold to customers	388	349	(39)
R&D expenses	(1,337)	(864)	473
<i>as a % of revenue</i>	5.4%	5.2%	(0.2)pt
Tax credit	166	149	(17)
R&D expenses after tax credit	(1,171)	(715)	456
Gross capitalized R&D	325	279	(46)
Amortisation and depreciation of R&D	(270)	(320)	(50)
P&L R&D in recurring operating income	(1,116)	(756)	360
<i>as a % of revenue</i>	4.5%	4.6%	0.1pt

R&D expenses

- ◆ €(864)M in 2020, representing 5.2% of sales
- ◆ Reduced by 35% vs. 2019 (notably R&T, Silvercrest, e-taxi and helicopter programs), exceeding the adaptation plan objectives

Research & Technology (R&T) expenses to prepare the future of the Aerospace industry

- ◆ Self-funded R&T expenses: €338M in 2020 (down €(204)M vs. 2019)

Gross capitalized R&D

- ◆ €279M in 2020

P&L R&D in recurring operating income

- ◆ €(756)M in 2020
- ◆ R&D in P&L remains rather stable as a % of sales (4.6% in 2020 vs. 4.5% in 2019)

2020 results by activity

<i>(In €M)</i>	2020	Aerospace Propulsion	Aircraft Equipment, Defense & Aerosystems	Aircraft Interiors	Holding & others
Revenue	16,498	7,663	6,893	1,922	20
<i>Year-over-year growth in %</i>	<i>(33.0)%</i>	<i>(36.4)%</i>	<i>(25.5)%</i>	<i>(42.1)%</i>	<i>n/s</i>
<i>Year-over-year organic growth in %</i>	<i>(32.5)%</i>	<i>(36.2)%</i>	<i>(25.0)%</i>	<i>(40.4)%</i>	<i>n/s</i>
Recurring operating income	1,686	1,192	687	(174)	(19)
<i>as a % of revenue</i>	<i>10.2%</i>	<i>15.6%</i>	<i>10.0%</i>	<i>(9.1)%</i>	<i>n/s</i>
<i>Recurring operating margin variation (vs FY 2019)</i>	<i>(5.3)pts</i>	<i>(5.0)pts</i>	<i>(3.1)pts</i>	<i>(14.8)pts</i>	<i>n/s</i>

Aerospace Propulsion

<i>(In €M)</i>	2019	2020	<i>Change</i>	<i>Organic Change</i>
Revenue	12,045	7,663	<i>(36.4)%</i>	<i>(36.2)%</i>
Recurring operating income	2,485	1,192	<i>(1,293)</i>	
<i>% of revenue</i>	<i>20.6%</i>	<i>15.6%</i>	<i>(5.0)pts</i>	
<i>One-off items</i>	<i>(7)</i>	<i>(157)</i>		
Profit (loss) from operations	2,478	1,035		
<i>% of revenue</i>	<i>20.6%</i>	<i>13.5%</i>		

Revenue

- ◆ Lower OE narrowbody engines deliveries (both installed and spare engines): 972 units delivered ((1,155) vs. 2019 : LEAP down (921) vs. 2019 and CFM56 down (234) vs. 2019). Lower OE high-thrust engines deliveries (notably GE90) : 369 units delivered ((120) vs. 2019)
- ◆ Military OE sales decrease notably driven by lower volumes of M88 deliveries (export contracts)
- ◆ Services sales decrease ((31.6)%), mainly driven by civil aftermarket (down by (43.2)% in \$), a slight impact of helicopter turbines support but a slight tailwind for military services

Recurring operating income

- ◆ Lower volumes: civil aftermarket, spare engines and to a lesser extent by boosters, transmission and military activities (positive contribution on services and negative on M88 deliveries). Positive contribution from helicopter turbines

Aircraft Equipment, Defense and Aerosystems

<i>(In €M)</i>	2019	2020	Change	Organic Change
Revenue	9,256	6,893	(25.5)%	(25.0)%
Recurring operating income	1,209	687	(522)	
<i>% of revenue</i>	<i>13.1%</i>	<i>10.0%</i>	(3.1)pts	
<i>One-off items</i>	(21)	(233)		
Profit (loss) from operations	1,188	454		
<i>% of revenue</i>	<i>12.8%</i>	<i>6.6%</i>		

Revenue

- ◆ OE (down (23.0)% org): lower volumes of wiring (737 MAX, 787, A320, A350, A330) and power distribution activities (A350, 787), nacelles (A320neo, A320ceo, A330neo, A330ceo, A380) and landing gear (A330, A320 family, A350, 787). High-single digit decrease of OE Electronics & Defense activities, notably driven by avionics and Fadec
- ◆ Services (down (29.1)% org.): decrease mainly driven by landing gear support activities, nacelles, Aerosystems and to a lower extent by avionics activities

Recurring operating income

- ◆ Lower volumes, notably in services for Landing systems and Aerosystems. Lower OE activity in Electrical and Power. In Nacelles, equal impact of the decrease in activity in OE and in services. Mixed evolution for Electronics & Defense activities

Aircraft Interiors

<i>(In €M)</i>	2019	2020	Change	Organic Change
Revenue	3,321	1,922	(42.1)%	(40.4)%
Recurring operating income	188	(174)	(362)	
<i>% of revenue</i>	5.7%	(9.1)%	(14.8)pts	
<i>One-off items</i>	(6)	(72)		
Profit (loss) from operations	182	(246)		
<i>% of revenue</i>	5.5%	(12.8)%		

Revenue

- ◆ OE (down (38.5)% org.): decrease driven by Cabin (galleys, catering, toilets, floor to floor activities), Seats (lower volumes on business seats programs and economy seats) and to a lesser extent by Passenger Solutions (Connected Cabin, driven by retrofit cancellations and deferrals)
- ◆ Services (down (45.8)% org.): driven by Seats and Cabin and to a lesser extent by Passenger Solutions activities

Recurring operating income

- ◆ Similar impact of lower volumes both on OE and services for Seats as well as for Cabin

2020 Free Cash Flow

(in €M)	2019	2020
Recurring operating income	3,820	1,686
One-off items	13	(466)
Amortization, provisions and depreciation (excl. financial)	1,135	1,256
EBITDA	4,968	2,476
Income tax and non cash items	(926)	(602)
Cash from operating activities before change in WC	4,042	1,874
Change in WC	(897)	(8)
Cash from operating activities after change in WC	3,145	1,866
Capex (tangible assets)	(695)	(449)
Capex (intangible assets)*	(467)	(344)
Free cash flow	1,983	1,073

Of which

- **Amortization €1,061M**
- **Provisions €(197)M**
- **Depreciation €392M**

Neutral cash impact from working capital:

- *lower inventories*
- *lower activity impact on payables*
- *lower amount of advance payment*

Net Capex spending decrease in line with the adaptation plan objectives

* Of which €287M capitalised R&D in 2020 vs €333M capitalised in 2019

Strong liquidity and long-term issuer credit rating

Cash and cash equivalent of €3,747 million (up €1,115 million compared with December 31, 2019)

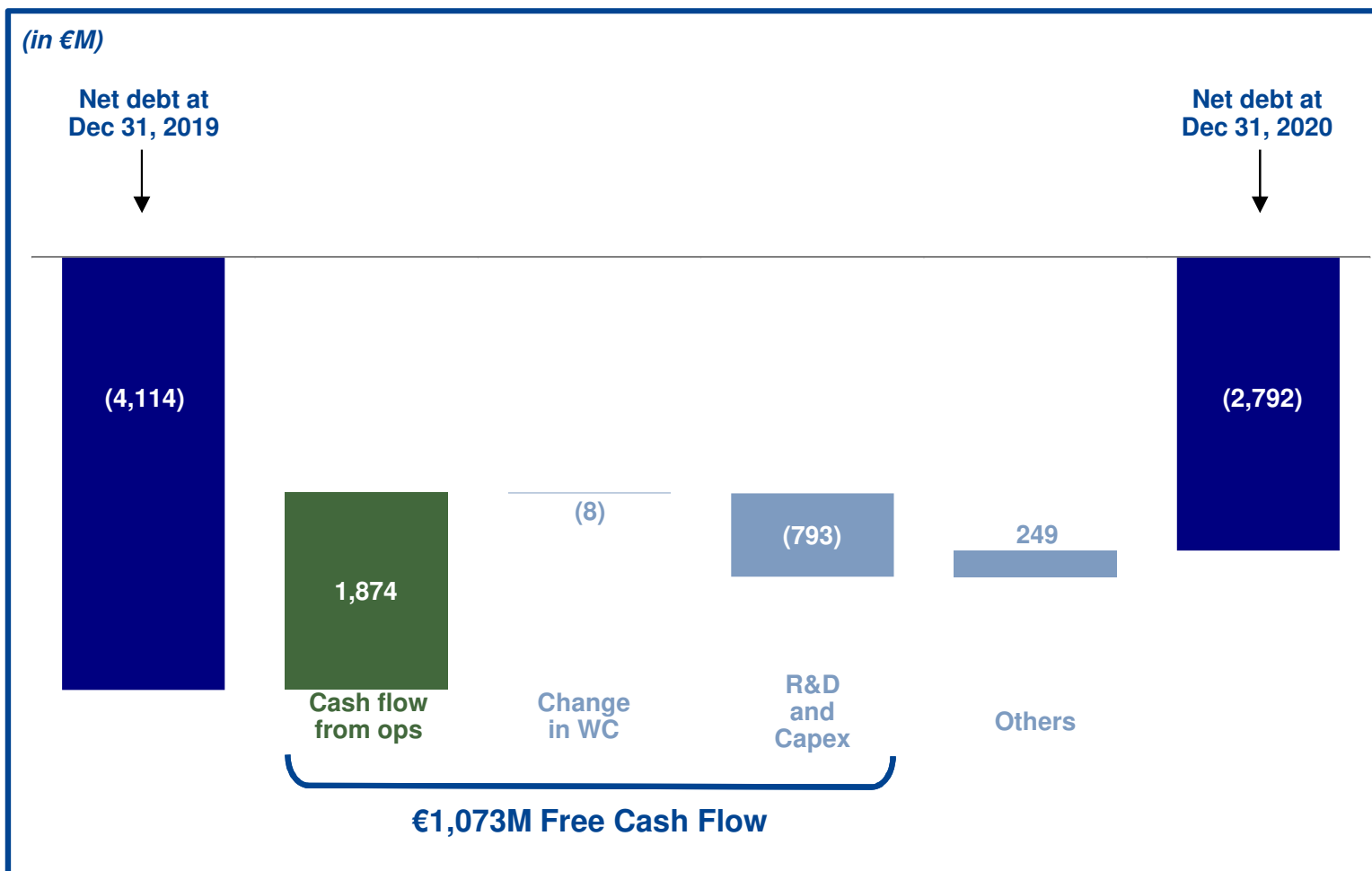
€2.52 billion undrawn revolving credit facility available until December 2022. Primarily a back-up to the commercial paper (NEU CP) program under which €1.3 billion was outstanding at December 31, 2020. The maximum amount available under the NEU CP program is €3.0 billion

Additional undrawn €3 billion bridge facility syndicated in April 2020 with a pool of French and international banks with a up to 2-year maturity, at Safran's option. Amount reduced to €1.4 billion. More than 50% refinanced with medium and long term funded debt:

- ◆ €800 million seven-year convertible bonds (2027) paying an annual coupon of 0.875%, with a conversion premium of 40% (exercise price of €108.23) issued on May 15 and a follow-on transaction with a €200 million tap issue of those 2027 convertible bonds on October 12 with a (0.419)% YTM
- ◆ €564 million senior unsecured notes issued on the US private placement market (USPP) on June 29, of which €282 million have a 10-year maturity (2030) and €282 million have a 12-year maturity (2032). €286 million were directly raised in euros and €278 million were originally funded in US dollars and then swapped in euros with cross currency swaps on July 21. The average interest rate across the various tranches and post cross currency swaps is 2.07%

Safran's first issuer credit rating BBB+ with a stable outlook assigned by Standard & Poor's will enhance its access to debt capital market when needed, including broader investor base and tighter spreads.

Net debt



Net debt decrease by €1,322M over 2020 driven by cash flow from operations (€1,874M), mostly in Q1

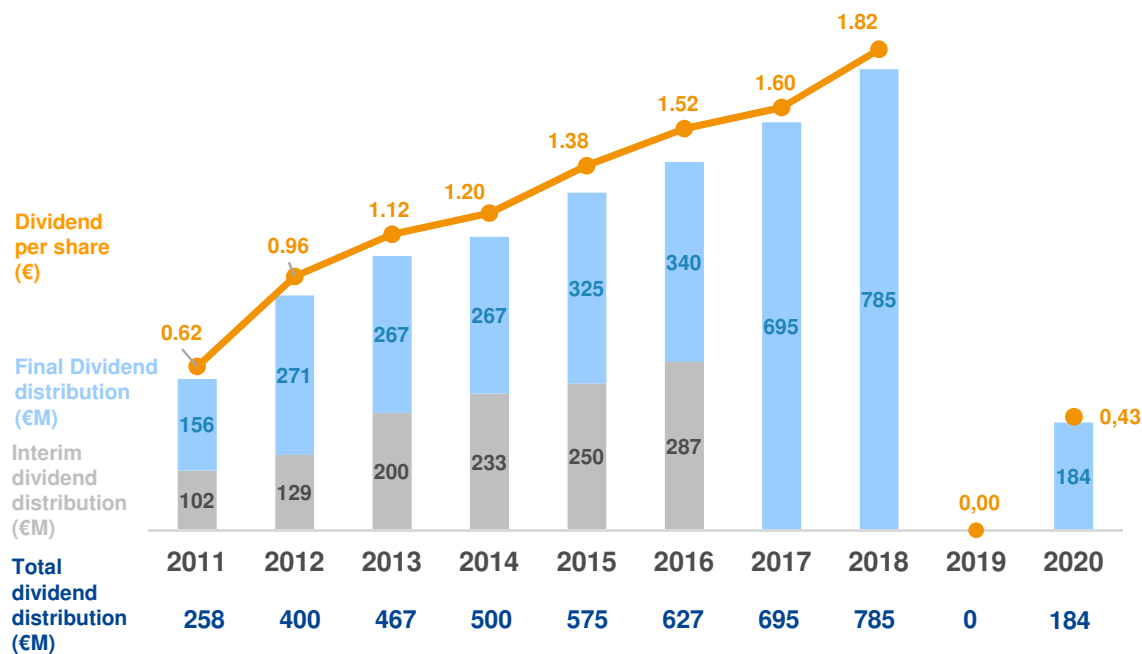
“Others” include the impact of 2020 employee shareholding plan

Reminder : no dividend paid in 2020 for the 2019 financial year

Balance sheet highlights as of December 31, 2020

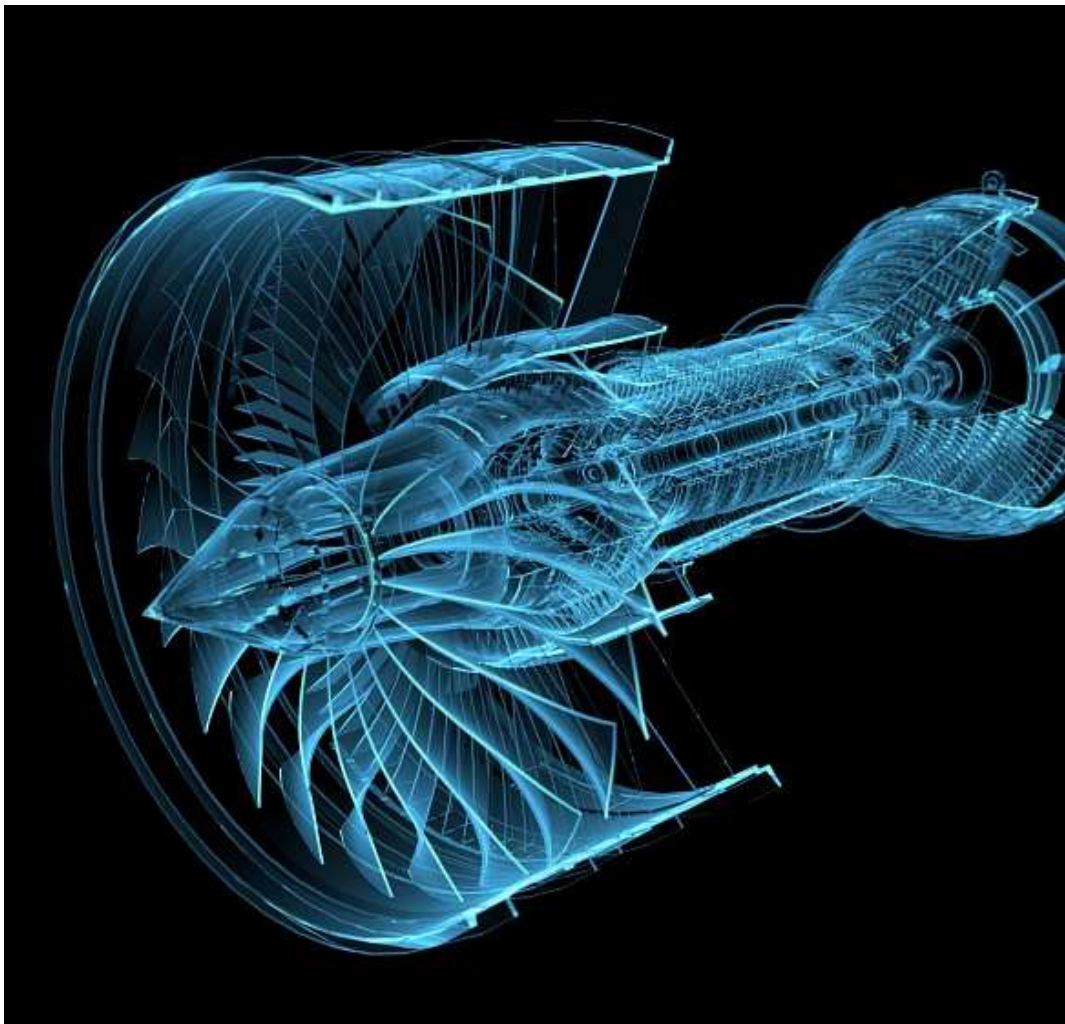
<i>(In €M)</i>	Dec 31, 2019	Dec 31, 2020
Goodwill	5,199	5,060
Tangible & Intangible assets and right of use	14,609	13,354
Investments in joint ventures and associates	2,211	2,126
Other non current assets	684	751
Operating Working Capital	(1,131)	(1,290)
Net cash (debt)	(4,114)	(2,792)
Shareholders' equity - Group share	12,371	12,349
Minority interests	377	401
Non current liabilities (excl. net cash (debt))	1,852	1,731
Provisions	3,083	2,847
Other current liabilities / (assets) net	(225)	(119)

2020 dividend



Proposed dividend to parent holders of €0.43 per share at next AGM

To be entirely paid in 2021



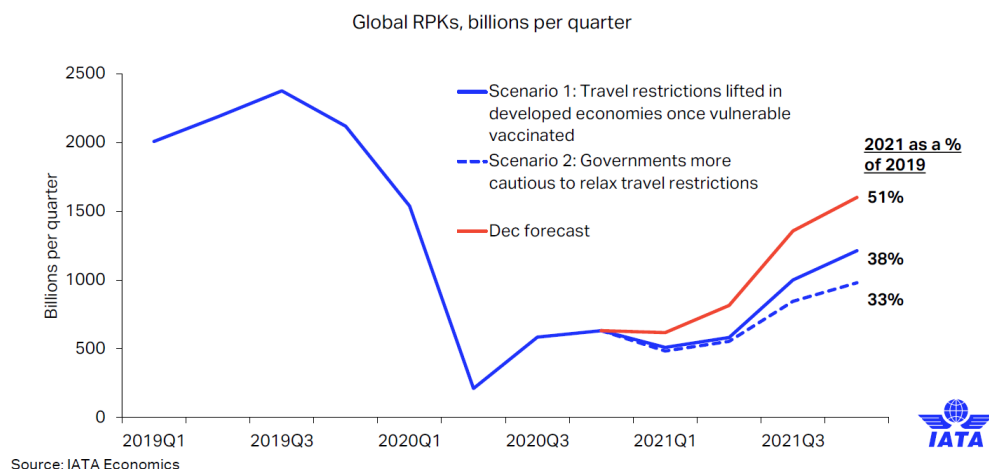
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OUTLOOK

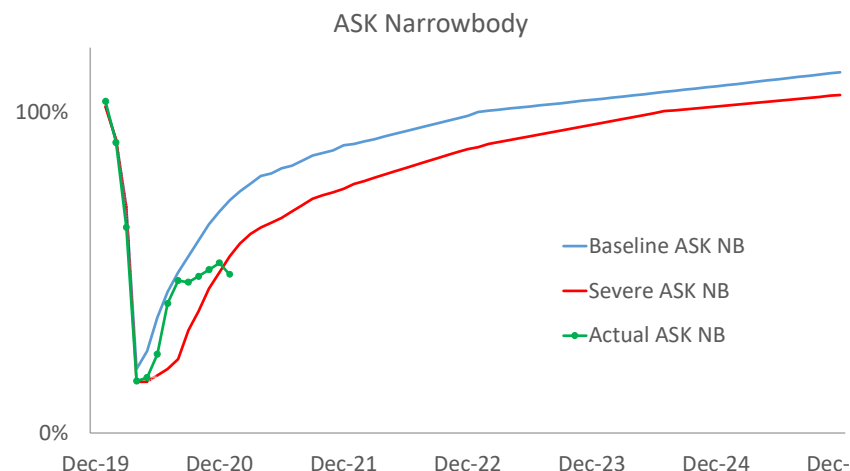
Olivier ANDRIES - CEO

2021 Air traffic assumptions

IATA scenario for 2021⁽¹⁾



Safran's assumptions



➡ **New scenarios for 2021 : RPK at 33 to 38% of 2019 level**

➡ **Good trends of late 2020 are stalling**

Lockdowns are back with the spread of variants

China led the recovery during 2020 is now one step below

Recovery in capacity expected to start materializing from Q3

- ◆ Early 2021 evolution is weak: Q1 2021 ASK Narrowbody lower than Q4 2020 (down 49% vs 2019)
- ◆ Uncertainty is still high: summer season will be crucial

Key assumptions for FY 2021

◆ OE Revenue

- > Number of LEAP deliveries: 800+
- > Number of CFM56 deliveries to be halved as expected
- > On widebody programs:
 - ◆ lower OE rates, reflecting notably 787 production rate recently announced by Boeing
 - ◆ deferrals impacting retrofit activities in Aircraft interiors

◆ Services Revenue

- > Civil aftermarket growth in the high single digits (in USD terms)
- > Other services revenue to decrease in the low single digits (organic)

◆ Recurring operating income

- > Increasing recurring operating margin in Propulsion
- > Stable recurring operating margin in Aircraft Equipment, Defense and Aerosystems
- > Recurring operating margin negative but improving throughout the year in Aircraft Interiors

◆ Continuing and extending manufacturing footprint optimization

◆ Slight increase in R&D expenses neutral on recurring operating income

- > Increase in R&T expenses consistent with a larger share of public funding
- > Decrease in Development expenses with no new program planned

◆ Stability in Capex outflows

- > Impact of 2020 decrease in Capex commitments
- > Increase in 2021 commitments (strategic priorities, 2020 differed investments)

FY 2021 consolidating steadily / Outlook

The recent slowing of air traffic recovery in several regions of the world generates uncertainty, notably with a risk of delayed recovery of civil aftermarket.

In this context, Safran expects for FY 2021 (compared with FY 2020 figures):

- ◆ **Back-end loaded activity and profitability;**
- ◆ **Adjusted revenue to decrease in the low single digits in organic terms.**
At an estimated spot rate of USD 1.22 to the Euro, adjusted revenue to decrease in the high single digits;
- ◆ **Adjusted recurring operating margin to increase above 100 bps, at least a 300 bps improvement versus H2 2020** (based on a hedge rate of USD 1.16 to the Euro and an adjusted revenue based on a spot rate at USD 1.22 to the Euro) thanks to structural savings already achieved and additional measures to be implemented;
- ◆ **Free cash flow generation to stay at least at the same level as in 2020**, despite strong uncertainties regarding working capital evolution.

Focus on Safran ESG-related strategy

SAFRAN ESG RATINGS:

- ◆ **CDP:** **A- (since Dec 2020)**
- ◆ **MSCI:** **A (since Nov 2020)**
- ◆ **Sustainalytics:** **24.9 Medium Risk (since Jan 2021)**
Ranked 4th out of 88 companies in A&D
Ranked 1st out of companies in A&D
with market cap between \$43bn and \$99bn

SAFRAN CSR COMMITMENTS

- ◆ **Part of Safran business model and built on three strategic assets (sustainable innovation, operational excellence, responsible conduct)**
- ◆ **Consistent with the UN sustainable development goals for 2030**
- ◆ **Safran addresses the challenge of decarbonation for civil aviation. Thanks to its position in most aircraft-system segments, Safran makes climate change a central part of its technological solutions (see section 5).**

Key takeaways: resilience of Safran business model

Uncertainties remain

- ◆ Lower OE volumes will last: topline down and increase in production rates gradual and only for narrowbody programs
- ◆ Service revenues will face pressure in H1 2021, especially in Q1 with a tough comparison basis

Safran has proven its capacity to adjust costs rapidly. It will continue in 2021

- ◆ 2021 begins with a sustainably lower breakeven point
- ◆ Additional measures to be implemented

Safran business model is strong

- ◆ Long-term cycle, large backlog, large installed base
- ◆ Resilience of products and young engine fleet generating large maintenance activity
- ◆ Exposure on Narrowbody, recovering faster than Widebody

Track record of conservative financial policy

4

Q&A





5

SAFRAN'S ESG STRATEGY (FOCUS ON CLIMATE)

Focus on Climate strategy

Green aviation will emerge from the crisis as a major trend. The impact of the crisis on air traffic should lower CO₂ emissions compared to pre-crisis anticipations but Safran will reinforce its commitment and actions to address the climate change challenge.

Safran makes climate change a central part of its technological solutions

◆ Cost-cutting plan maintains the environmental priorities of Safran R&T and Innovation roadmap

Priority #1 Safran is working on the next generation of small-medium range (SMR) aircraft and, together with its partner GE, on the successor to the LEAP engine, which is expected to offer fuel savings of at least 20 % over the LEAP.

Priority #2 The future generation of engines will be compatible with 100 % “drop-in” sustainable aviation fuels, and Safran explores the potential of liquid hydrogen solutions.

Priority #3 For the lower end of the market, Safran unlocks the potential of electrical/hybrid propulsion.

Safran R&T environmental priorities are fully in line with the ambition of the French plan for the aerospace industry, announced in June 2020, targeting a zero emission aircraft in 2035

◆ Safran will benefit from the public financing of R&D programs over 3 years for the sector

Research on breakthrough aircraft, low carbon aviation by 2030-2035 and towards carbon neutrality around 2050, remains the key focus of Safran's strategy in response to the challenge of climate change.

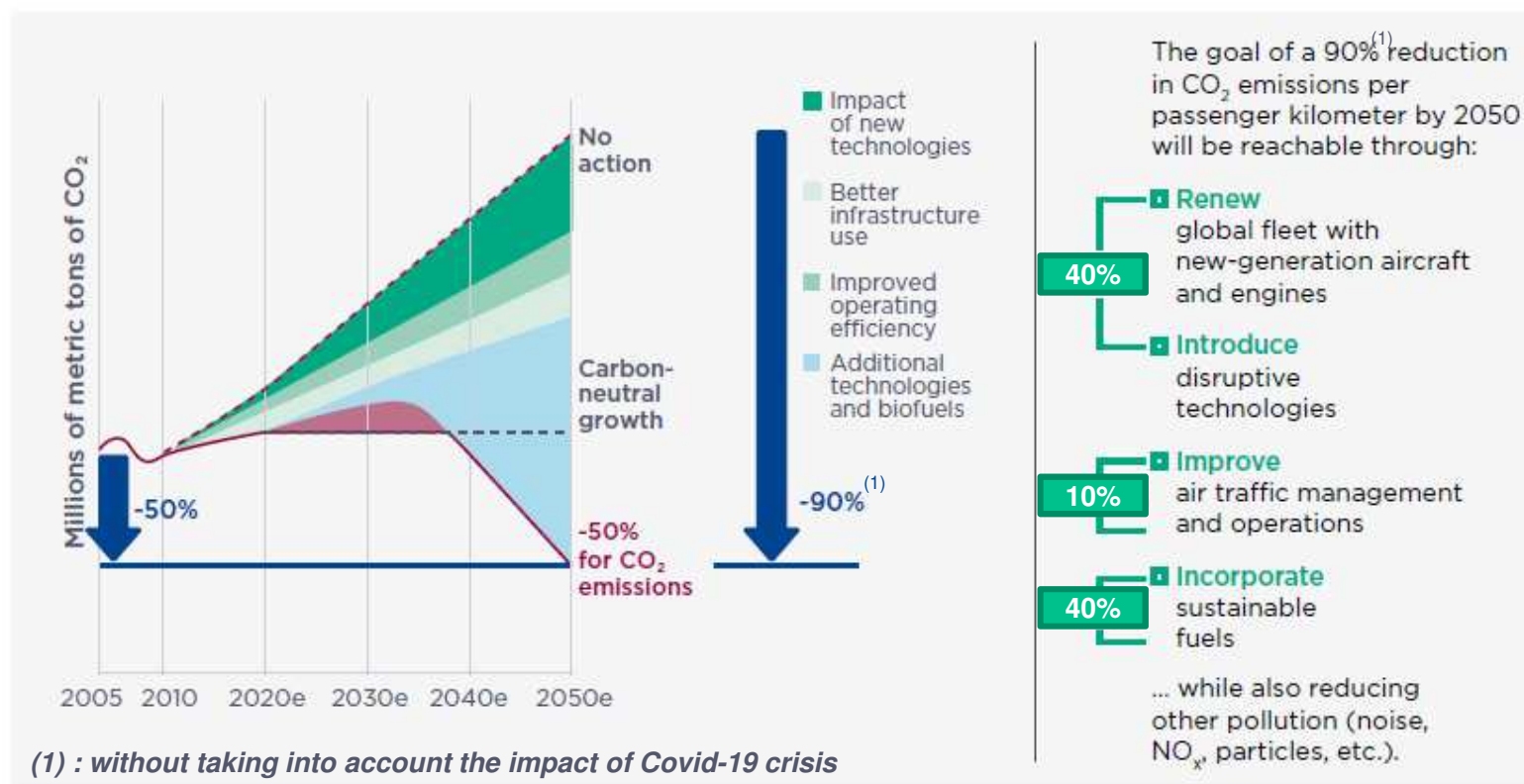
Aerospace sector commitment for green aviation

Covid-19 crisis on air traffic could impact CO₂ emissions in 2050 compared to pre-crisis curves. It does not pause the aerospace sector commitment for green aviation.

Aviation today accounts for 2 to 3 % of worldwide CO₂ emissions

In 2008, the Air Transport Action Group (ATAG) set an ambitious objective of reducing CO₂ emissions by 50% in 2050 in relation to 2005, compatible with the Paris Agreement

- ◆ Without taking into account the impact of Covid-19 crisis, with forecast air traffic growth of 4%/year (= a 3.5-fold increase by 2050), meeting this goal meant a 90% improvement in average emissions per passenger/kilometer (2015 fleet)



Transition towards carbon neutrality around 2050

The French plan for the aerospace industry, announced in June 2020, is targeting a zero emission aircraft in 2035.

- ◆ Safran R&T environmental priorities fully in line
- ◆ Government support will allow Safran to maintain a high level of R&T activity in the next years, offsetting the decrease in its self-funded expenses due to the crisis

For SMR aircraft, Safran works on a combination of solutions :

Priority #1

Ultra-optimized thermal propulsion, with the successor to the LEAP engine, which is expected to offer a consumption saving of 20 %

Priority #2

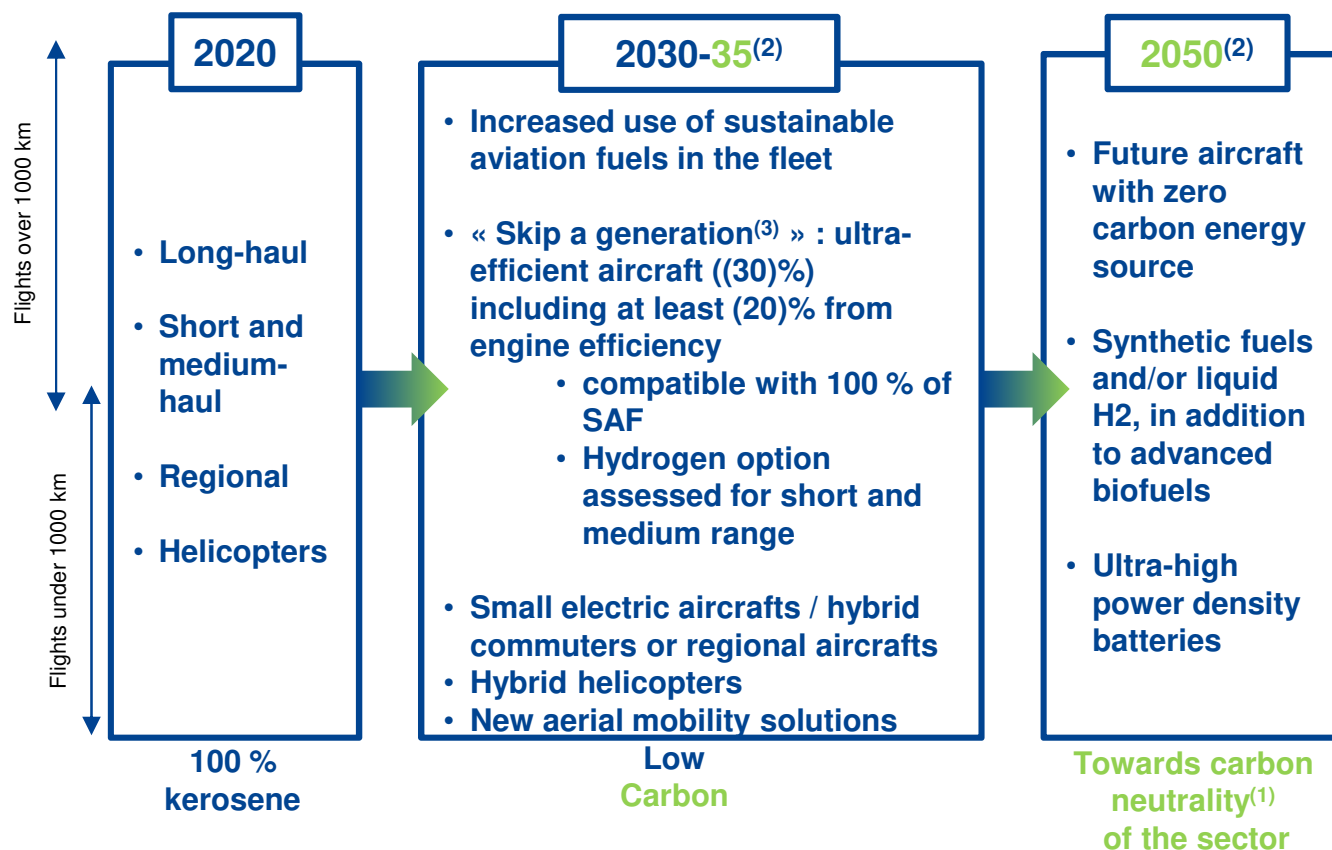
Intensive use of drop-in sustainable fuels
Exploring the liquid hydrogen solution, decision to be made by 2025 for next generation aircraft

Priority #3

For the lower end of the market, Safran unlocks the potential of electrical/hybrid propulsion

41 Safran / FY 2020 earnings / February 25, 2021

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(1) In-flight Greenhouse Gas (GHG) emissions & emissions/capture related to fuel production close to zero by 2050.

(2) Target date for aircraft in service.

(3) New aircraft release bringing twice the usual next-generation gain (15%).

Priority
#1

Deliver technologies for an ultra-efficient SMR aircraft with at least (30)% fuel burn by 2035

Develop an ultra-efficient future narrowbody engine

- ◆ At least (20)% fuel burn compared to LEAP
- ◆ Compatible with 100 % sustainable aviation fuels



More electric aircraft, optimised energy chain, native electric taxiing

Lighten equipments and interiors

- ◆ Ultra-lightweight equipment, equipment for new aircraft configurations



Enable the transition to low-carbon fuels

Safran technological roadmap:

- ◆ A common pillar for all sustainable aviation fuels (SAF) : ultra-efficient propulsion to reduce fuel consumption and consequently reduce pressure on SAF resources (biomass, renewable electricity)

- **Drop-in fuels: Sustainable biofuels, Power to liquid (e-fuels)**

- Key contributor to any scenario until 2050 : available as of now current fleet, medium/long range future fleet
- ➔ **Deliver 100% drop-in fuels capable technologies for next-generation engine**
- ➔ **Work on increasing the 50 % limitation for current generation**
- ➔ **Support the certification of new diversified and sustainable production pathways**

- **Non drop-in fuels: liquid hydrogen**

- Zero CO₂ potential, current low maturity, radical changes in aircraft architecture and new infrastructures
- ➔ **Strong involvement in the definition of liquid hydrogen aircraft architecture**
- ➔ **Final decision on technological feasibility expected in 2025**

Safran's commitment as an aerospace company:

- ◆ Safran supports the implementation of an ambitious European regulation (RefueIEU Aviation), and cooperation with all stakeholders from the aviation and energy sectors to help scale up supply and demand of SAFs and identify new pathways.
- ◆ Safran sets an example by incorporating SAF in its civil engines tests : 10% by year-end and at least 35 % by 2025.

Priority
#3

For the lower end of the market, unlock the potential of electrical/hybrid propulsion

Deliver safe and lightweight hybrid/electric solutions for the lower end of the market

- ◆ Building on Safran's leadership on electrical systems and knowledge on the whole aircraft energy chain
- ◆ A large range of products: electric generators, motors, power management, electrical wiring and distribution, battery integration
- ◆ Multiple markets: new air mobility, helicopters, commuters, regional aircrafts

Examples



Volt'Aero Cassio 1

- Hybrid
- Demonstrator flight in 2020
- Electrical motor ENGINEUS™ 100



Bye Aerospace

- Full Electric
- Safran selected to supply ENGINEUS™ 100 motors (>700 orders)

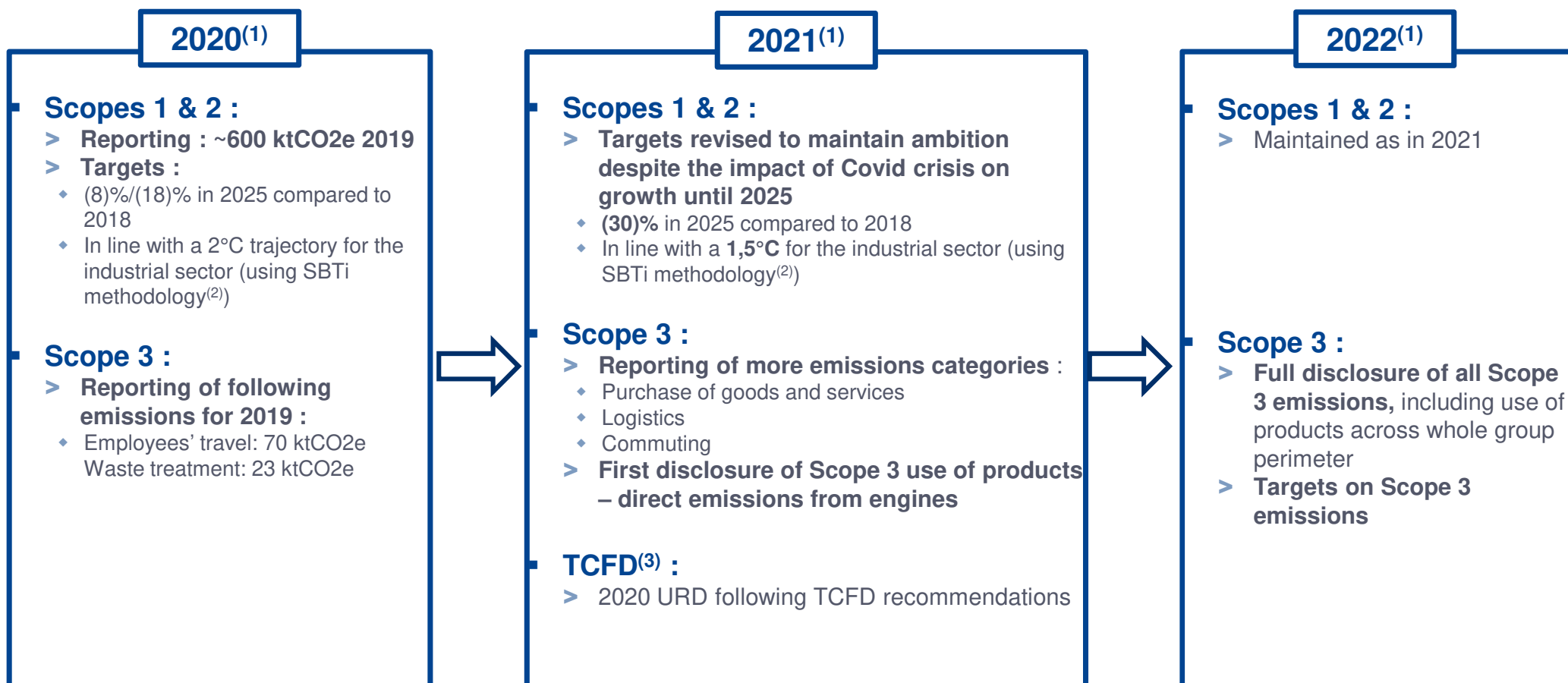


Ecopulse

- Hybrid
- Demonstrator of distributed propulsion with Daher et Airbus



A continued progress towards a full climate disclosure



(1) Year of disclosure (Universal Registration Document Y-1). (2) Safran has not been certified by Science Based Targets initiative (SBTi) but has used SBTi's methodology and their recommended Greenhouse Gas (GHG) emissions abatement trajectories to set its targets. (3) Taskforce on Climate related Financial Disclosure.

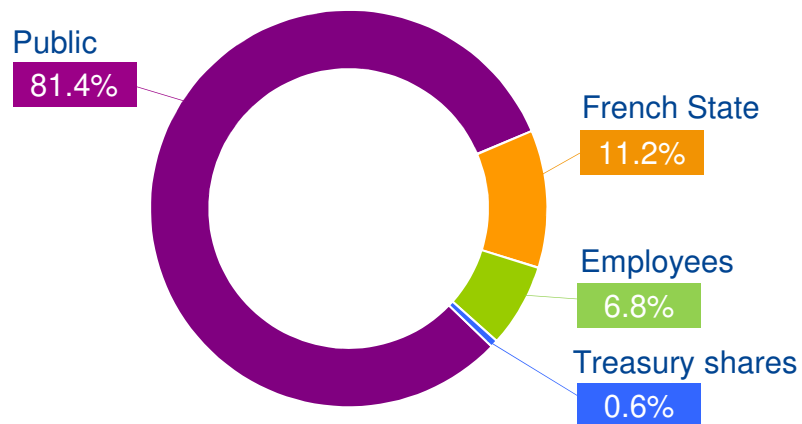
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APPENDIX

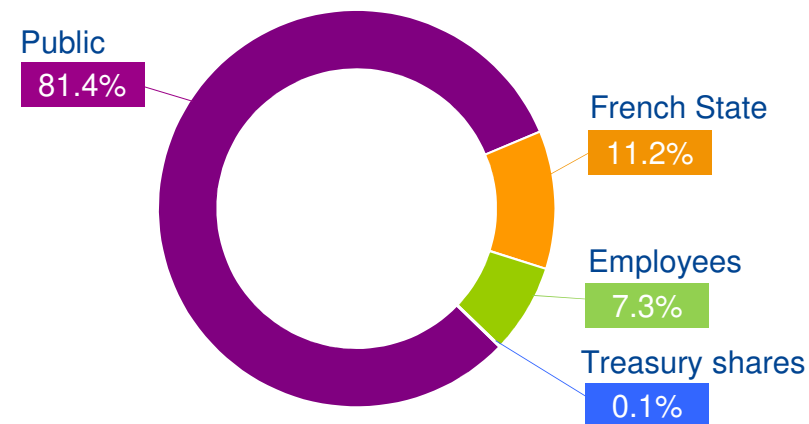


Shareholding status 12/31/20 (versus 12/31/19)

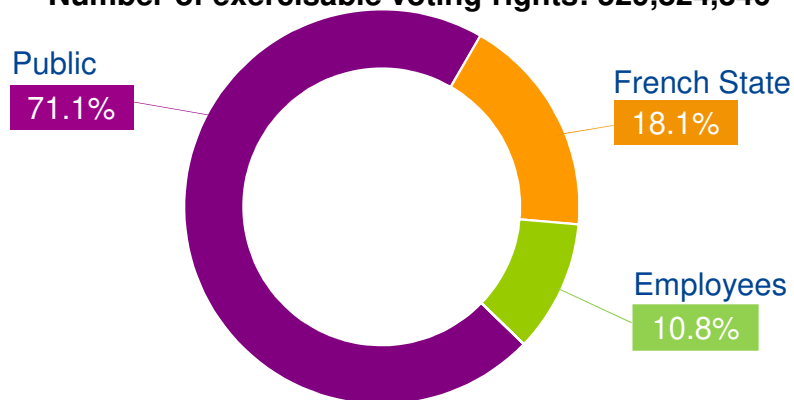
Equity as of December 31, 2019
Number of shares: 427,234,155



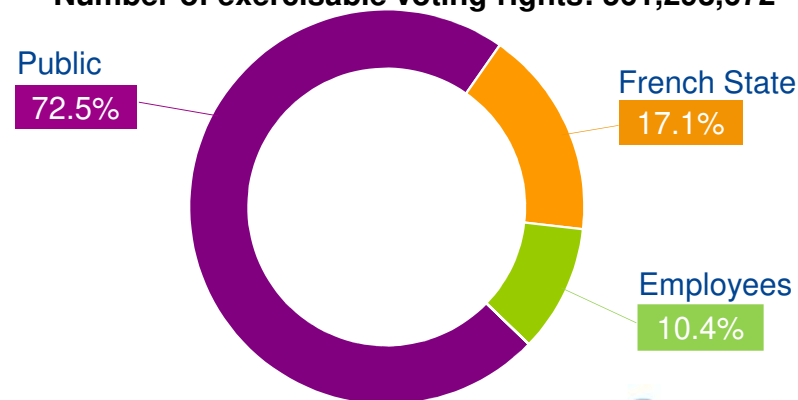
Equity as of December 31, 2020
Number of shares: 427,235,939



Voting rights as of December 31, 2019
Number of exercisable voting rights: 529,824,346



Voting rights as of December 31, 2020
Number of exercisable voting rights: 561,293,672



2020: Research & Development by activity

<i>(In €M)</i>	2020	Aerospace Propulsion	Aircraft Equipment, Defense and Aerosystems	Aircraft Interiors
R&D expenses	(864)	(334)	(357)	(173)
<i>as a % of revenue</i>	<i>5.2%</i>	<i>4.4%</i>	<i>5.2%</i>	<i>9.0%</i>
Tax credit	149	57	85	7
R&D expenses after tax credit	(715)	(277)	(272)	(166)
Gross capitalized R&D	279	62	124	93
Amortised R&D	(320)	(117)	(133)	(70)
P&L R&D in recurring operating income	(756)	(332)	(281)	(143)
<i>as a % of revenue</i>	<i>4.6%</i>	<i>4.3%</i>	<i>4.1%</i>	<i>7.4%</i>

2019: Research & Development by activity

<i>(In €M)</i>	2019	Aerospace Propulsion	Aircraft Equipment, Defense and Aerosystems	Aircraft Interiors
R&D expenses	(1,337)	(573)	(527)	(237)
<i>as a % of revenue</i>	<i>5.4%</i>	<i>4.8%</i>	<i>5.7%</i>	<i>7.1%</i>
Tax credit	166	65	95	6
R&D expenses after tax credit	(1,171)	(508)	(432)	(231)
Gross capitalized R&D	325	96	161	68
Amortised R&D	(270)	(111)	(140)	(19)
P&L R&D in recurring operating income	(1,116)	(523)	(411)	(182)
<i>as a % of revenue</i>	<i>4.5%</i>	<i>4.3%</i>	<i>4.4%</i>	<i>5.5%</i>

OE / Services revenue split

Revenue <i>Adjusted data (in Euro million)</i>	2019		2020		% change	
	OE	Services	OE	Services	OE	Services
<i>Propulsion</i> <i>% of revenue</i>	5,197 43.1%	6,848 56.9%	2,995 39.1%	4,668 60.9%	(42.4)%	(31.8)%
<i>Equipment, Defense & Aerosystems</i> <i>% of revenue</i>	6,254 67.6%	3,002 32.4%	4,779 69.3%	2,114 30.7%	(23.6)%	(29.6)%
<i>Aircraft Interiors</i> <i>% of revenue</i>	2,426 ⁽¹⁾ 73.1%	895 26.9%	1,444 ⁽¹⁾ 75.1%	478 24.9%	(40.5)%	(46.6)%

(1) Retrofit is included in OE

Quantities of major aerospace programs

<i>Number of units delivered</i>	2019	2020	%
LEAP engines	1,736	815	(53)%
CFM56 engines	391	157	(60)%
High thrust engines	489	369	(25)%
Helicopter engines	696	629	(10)%
M88 engines	62	33	(47)%
787 landing gear sets	165	120	(27)%
A350 landing gear sets	82	52	(37)%
A330neo nacelles	92	36	(61)%
A320neo nacelles	602	474	(21)%
A380 nacelles	24	17	(29)%
A320 thrust reversers	143	44	(69)%
Small nacelles <i>(biz & regional jets)</i>	635	435	(31)%

<i>Number of units delivered</i>	2019	2020	%
Lavatories A350	771	352	(54)%
Spaceflex V2 A320 (lavatories + galleys)	369	311	(16)%
Business class seats	5,634	2,735	(51)%
Emergency slides A320	4,921	2,949	(40)%
Primary power distribution system 787	1,054	757	(28)%

A sound balance sheet

Net debt decrease by €1,322 million over 2020

December 31, 2019

Gross debt €6,779M ⁽¹⁾	Cash & equiv. €2,632M + Debt hedging instruments €33M
	Net debt €4,114M

(1) Incl. €1.8bn of commercial papers (NEUCPs)

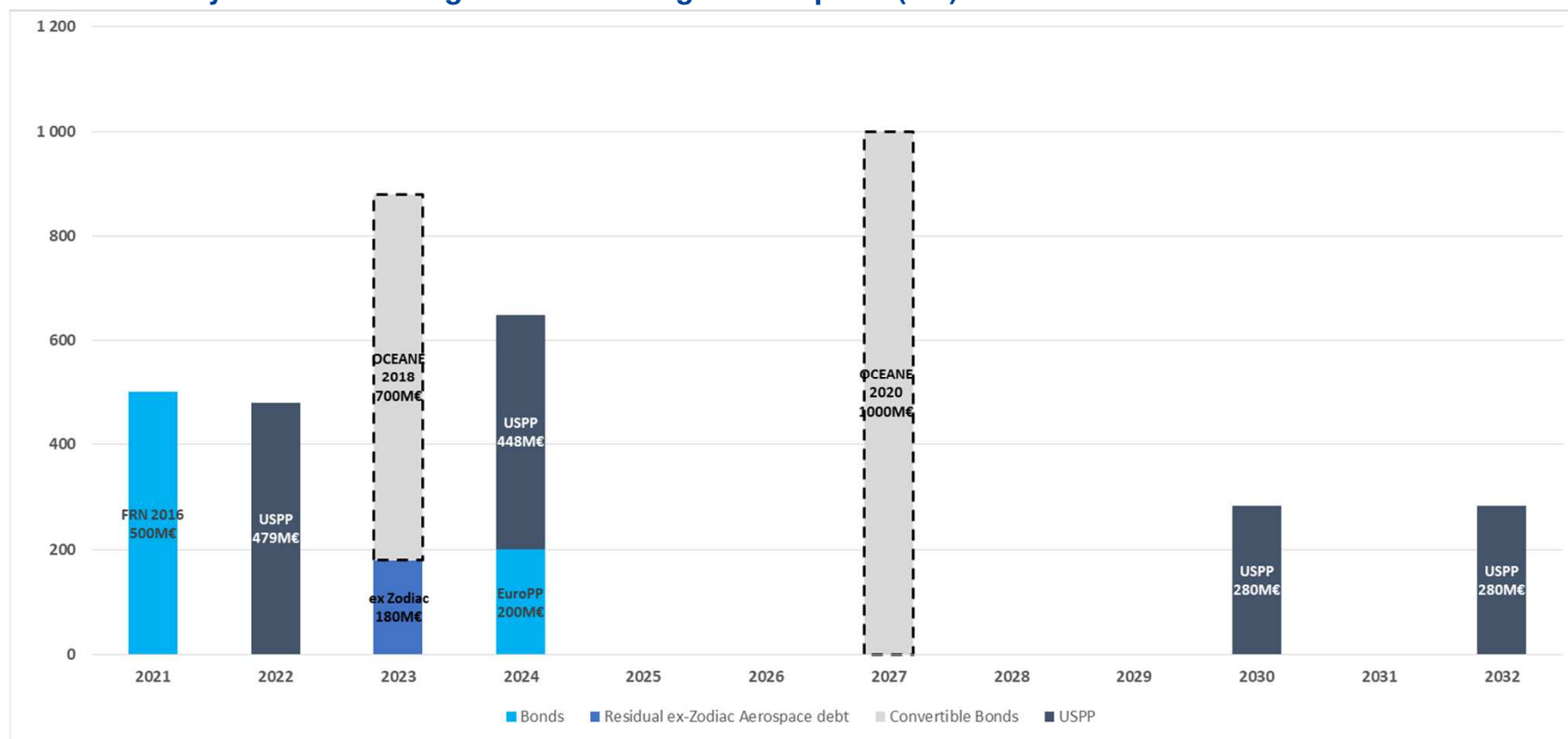
December 31, 2020

Gross debt €6,591M ⁽¹⁾	Cash & equiv. €3,747M + Debt hedging instruments €52M
	Net Debt €2,792M

(1) Incl. €1.3bn of commercial papers (NEUCPs)

Smooth and lengthened debt profile with the new 2027 convertible bonds and the 2030/32 USPP

Debt maturity schedule - Long term borrowings at inception (M€)



Customer financial guarantees

<i>(In \$M)</i>	Dec. 31, 2019	Dec. 31, 2020
Total guarantees	26	11
Estimated value of pledges	22	9
Net exposure on these guarantees	4	2
Provisions	2	2

Total guarantees remaining at a historically low level due to continuing high liquidity in the market place prior to Covid-19 crisis and deferral of aircraft deliveries by airlines since then.

Definitions

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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