FULL YEAR 2019 EARNINGS

Disclaimer

> **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; and the risks described in the registration document (document de référence). 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.

Agenda

SAFRAN

1

2019 HIGHLIGHTS

Philippe PETITCOLIN - CEO

2019 overview

Operations

Sustained organic growth throughout the year and across all divisions

Adaptation to Boeing 737MAX grounding in line with our partners; management of the supply chain

CFM56-LEAP transition on track:

- LEAP deliveries reached 1,736 units (+618 vs. 2018)
- Costs decreased vs. 2018
- New orders and commitments for 1,968 LEAP engines

Reorganization of the Equipment businesses, reflecting ex-Zodiac Aerospace integration

Synergies target of €250M confirmed by 2022

Finance

Significant increase in profitability across all divisions

Share buyback program fully completed in December, 2019

FCF conversion slightly better than expected at mid-year

New strategic partnerships

Safran and MTU Aero Engines join forces for the next-generation European fighter engine

Daher, Airbus and Safran to develop a distributed hybrid propulsion aircraft demonstrator

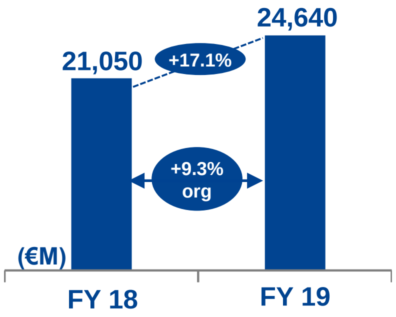
Safran invests in Electric Power Systems (energy storage products)

CFM to welcome IndiGo as new customer at last Paris Air Show

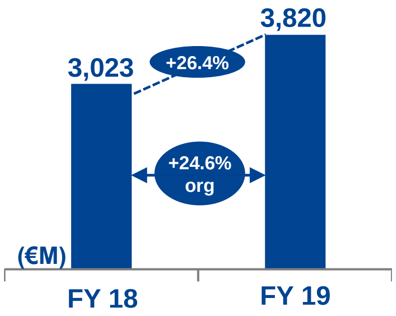
Next-generation European fighter

2019 financial highlights

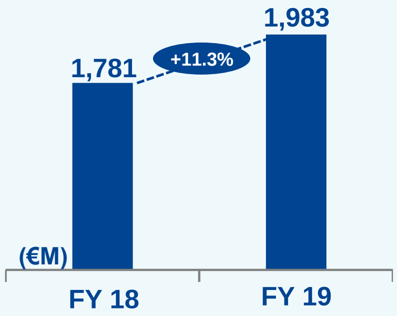
Adjusted revenue[1] growth of 17.1%
Strong organic growth of 9.3%



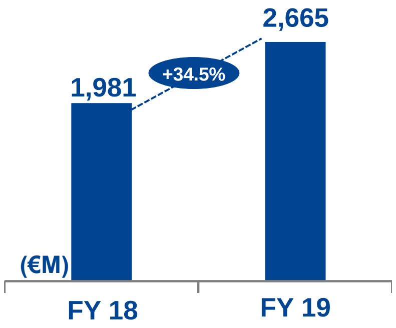
Adjusted recurring operating income[1] growth of 26.4%



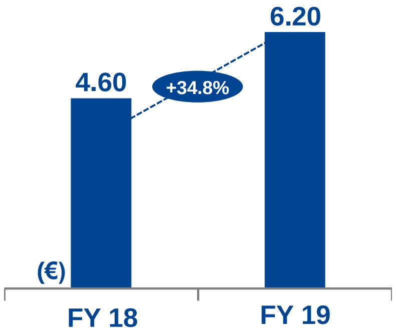
Strong free cash flow generation at €1,983M



Adjusted net profit[1] (group share)



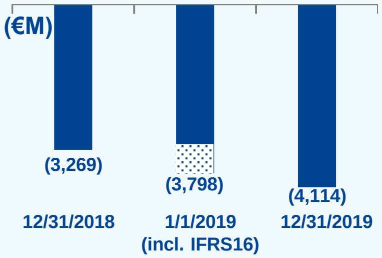
Basic earnings per share (group share)



(1) See slide 15 for bridge with consolidated figures

<u>To be noted</u>: Safran FY 2018 earnings includes ten months of earnings from Aerosystems and Aircraft Interiors

Net debt position



FY 2019 business highlights (1/3)

Propulsion

CFM56-LEAP transition update

LEAP: tremendous commercial success

- Total backlog (orders and commitments) of 15,614 engines at December 31, 2019
- 60.5% market share* on A320neo family at January 31, 2020

LEAP production continue to ramp-up

- 1,736 LEAP delivered in 2019, of which 420 in Q4, compared to 1,118 engines in 2018 (+618)
- LEAP-1A: 55 airlines are operating 632 aircraft powered by LEAP-1A engines totaling over 5.5 million flight hours so far
- LEAP-1B: before the grounding of the 737MAX, 54 airlines were operating 387 aircraft powered by LEAP-1B engines totaling over 1.7 million flight hours

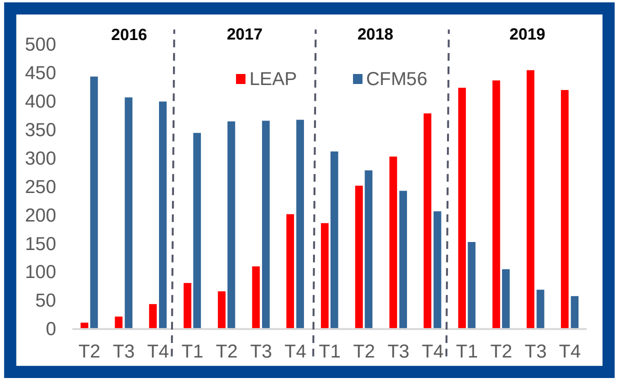
CFM56 production ramping down as planned

- 391 units delivered in 2019 compared with 1,044 in 2018, of which 64 in Q4 2019
- More than one billion engine flight hours reached in June 2019

Other propulsion business highlights

2019 civil aftermarket revenue up 9.9% (in USD) driven by spare parts sales, both for latest generation CFM56 engines and widebody platforms, and services contracts

4 turbines certification incl. EASA type certifications for Ardiden 1U installed in India's LUH and for Aneto-1K installed in Leonardo AW189K. The latest is the first one for our new range of high thrust turbines



LEAP ramp-up (deliveries)

CFM56-7 MRO: Geometrical Inspection on Turbine Shaft

* Based on firm orders

FY 2019 business highlights (2/3)

Aircraft Equipment, Defense and Aerosystems

Nacelles: Safran will provide the complete nacelle for Gulfstream Aerospace's G700 business jet

Carbon brakes: Contracts with airlines have been signed for more than 850 aircraft in 2019

Electronics & Defense: several major contracts signed incl. with Armasuisse (for 1,000 multifunction infrared goggles and 8,000+ stereoscopic night vision goggles) and with the NATO Support and Procurement Agency for several dozens of long-range multifunctional thermal imagers

Electrical & Power: Safran's ENGINeUS™ electric motors started to fly on the testbed for VoltAero's Cassio 1 hybrid-electric general aviation aircraft

Aerosystems: The threshold of 5 million life vests produced has been reached

Safran to provide nacelle for G700 bizjet

Safran's ENGINeUS™ electric motors presented at the last Paris Air show

FY 2019 business highlights (3/3)

Aircraft Interiors

Cabin: Safran has been selected notably by:

- A major Asian low cost carrier for the galleys of their large fleet of future A330neo linefit
- Turkish Airlines to provide Hybrite Trolleys

Seats: Safran has been selected notably by major Asian and Pacific airlines to provide:

- First class, business class and premium economy class for A350
- Business class for Boeing 787

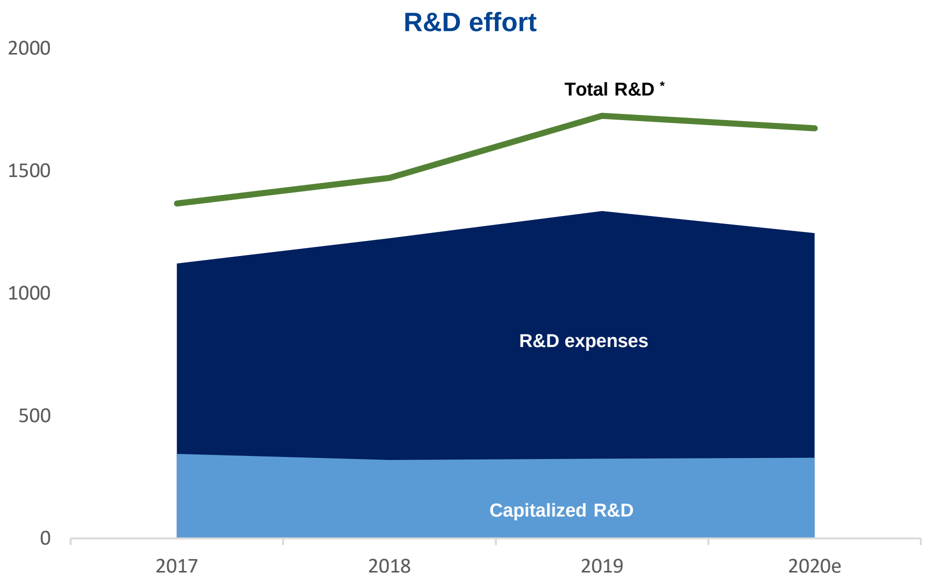
Passenger Solutions:

- Safran IFE business has continued on its successful track record and received business awards for several undisclosed customers in Europe and Asia, mostly both for Seat back IFE and Connectivity solutions, incl. for new Airlines Customers
- Safran to extend its customer base to beyond 50 Airlines with several of them being top tier

Final assembly of the trolleys

Fusio seat

Total R&D spending (in €M)



* *Total R&D includes R&D sold to third parties, R&D expenses and capitalized R&D*

Full Year 2019

2019 R&D expenses reached €1,337M,representing 5.4% of sales; they increased by €111M

- Impact of the integration of Zodiac Aerospace R&D spending for 2 additional months and ElectroMechanical Systems: €65M

Research & Technology (R&T) spending reached €542M (up €56M) to prepare the future of the Aerospace industry

- R&T spending was up ~7% on an organic basis

Full Year 2020 trends

Continuing the implementation of the R&D roadmap of the Group but adaptation measures taken to smooth the grounding impact

- Non-priority spendings postponed
- No NMA spending planed in 2020
- As a result, R&D expenses to decrease next year

2

2019 RESULTS

Bernard DELPIT – Group 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.

Consolidation of Zodiac Aerospace

Aerosystems and Aircraft Interiors (former Zodiac Aerospace activities) are fully consolidated in Safran's financial statements starting March 1, 2018.

Safran FY 2019 results include twelve months of revenue from Aerosystems and Aircraft Interiors.

New presentation of segment information as of June 30, 2019 (cf. press release July 1st, 2019).

Organic growth

Organic variations were determined by excluding the effect of changes in scope of consolidation (notably the contribution of Aerosystems and Aircraft Interiors in January and February 2019) 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 15 for bridge with consolidated and adjusted income statements

FX (1/2)

Translation effect: foreign currencies translated into €

- Positive impact mainly from USD
- Impact on Revenues and Return on Sales

Average spot rate

FY 2018	FY 2019
$1.18	$1.12

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

Hedge rate

FY 2018	FY 2019
$1.18	$1.18

Mark-to-Market effect

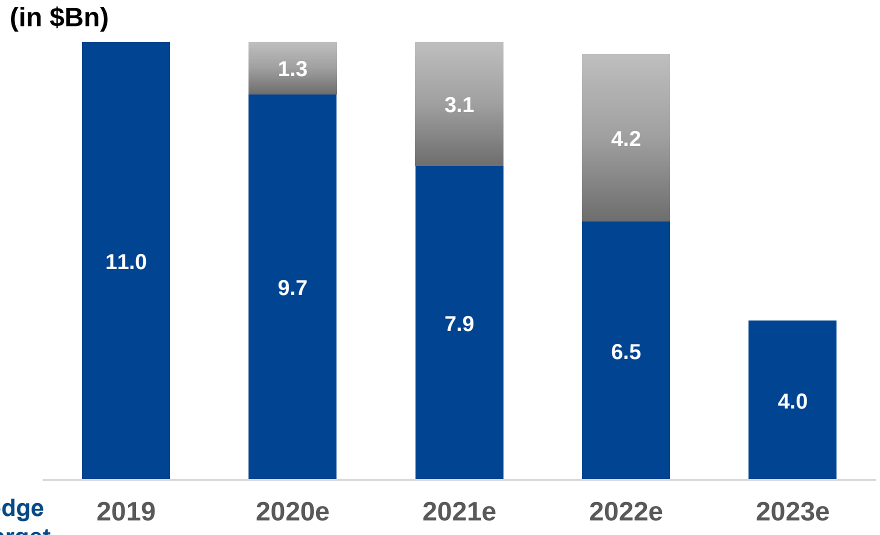
- €175M gain on fair value of financial instruments in consolidated accounts

Spot rate at close

12/31/2018	12/31/2019
$1.15	$1.12

FX (2/2) - $28.1bn hedging portfolio* (February 18, 2020)

Average annual exposure estimated at $11bn from 2019



€/$ hedge rate target	2019	2020e	2021e	2022e	2023e
Old guidance	1.18	1.16-1.18	1.15-1.18	1.15-1.18	na
New guidance	1.18	1.16	1.14-1.16	1.12-1.14	1.10-1.12

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

- **Targeted hedge rates have been improved across the period taking advantage of favorable market conditions**
- **The portfolio includes knock-out options with barriers set between $1.16 and $1.33 with maturities up to mid-2021**

2020

- **Firm coverage of $9.7bn achieved through forward sales and knock-out options to rise to $11.0bn at a target rate of $1.16**

2021

- **Firm coverage of $7.9bn achieved through knock-out options to rise to $11bn at a target rate between $1.14 and $1.16**

2022

- **Firm coverage of $6.5bn achieved through knock out options to rise to $10.7bn at a target rate between $1.12 and $1.14**

2023

- **Initiated coverage at $4.0bn through knock-out options. Target hedge rate set between $1.10 and $1.12**

Consolidated and adjusted income statements

FY 2019 reconciliation *(In €M)*	Consolidated data	Currency hedging		Business combinations		Adjusted data
		Re-measurement of revenue (1)	Deferred hedging (loss)/gain (2)	Amortization of intangible assets - Sagem/Snecma merger (3)	PPA impacts - other business combinations (4)	
Revenue	**25,098**	(458)				**24,640**
Other operating income and expenses	(21,438)	9	(1)	51	354	(21,025)
Share in profit from joint ventures	164				41	205
Recurring operating income	**3,824**	(449)	(1)	51	395	**3,820**
Other non-recurring operating income and expenses	13					13
Profit (loss) from operations	**3,837**	(449)	(1)	51	395	**3,833**
Cost of debt	(33)					(33)
Foreign exchange gains (losses)	(283)	449	(175)			(9)
Other financial income and expense	(47)					(47)
Financial income (loss)	**(363)**	449	(175)			**(89)**
Income tax expense	(962)		60	(13)	(97)	(1,012)
Profit (loss) from continuing operations	**2,512**		(116)	38	298	**2,732**
Attributable to non-controlling interests	**(65)**			(2)		**(67)**
Attributable to owners of the parent	**2,447**		(116)	36	298	**2,665**

(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 (negative €175 million excluding tax), and the impact of taking into account hedges when measuring provisions for losses on completion ((1) at December 31, 2019).*

(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 €315 million excluding deferred tax and cancellation of amortization/impairment of assets identified during other business combinations.*

FY 2019 income statement

(In €M)	FY 2018	FY 2019
Revenue	**21,050**	**24,640**
Other recurring operating income and expenses	(18,254)	(21,025)
Share in profit from joint ventures	227	205
Recurring operating income	**3,023**	**3,820**
% of revenue	***14.4%***	***15.5%***
Total one-off items	(115)	13
Profit from operations	***2,908***	***3,833***
% of revenue	***13.8%***	***15.6%***
Net financial income (expense)	(211)	(89)
Income tax expense	(638)	(1,012)
Profit for the period	**2,059**	**2,732**
Profit for the period attributable to non-controlling interests	(78)	(67)
Profit attributable to owners of the parent	**1,981**	**2,665**
EPS (basic in €)	**4.60***	**6.20****
EPS (diluted in €)	***4.54****	***6.13*****

Including €69M of share in profit from ArianeGroup

Including positive capital gains on a building disposal and on a subsidiary (ex-Zodiac portfolio pruning) and negative cost transactions

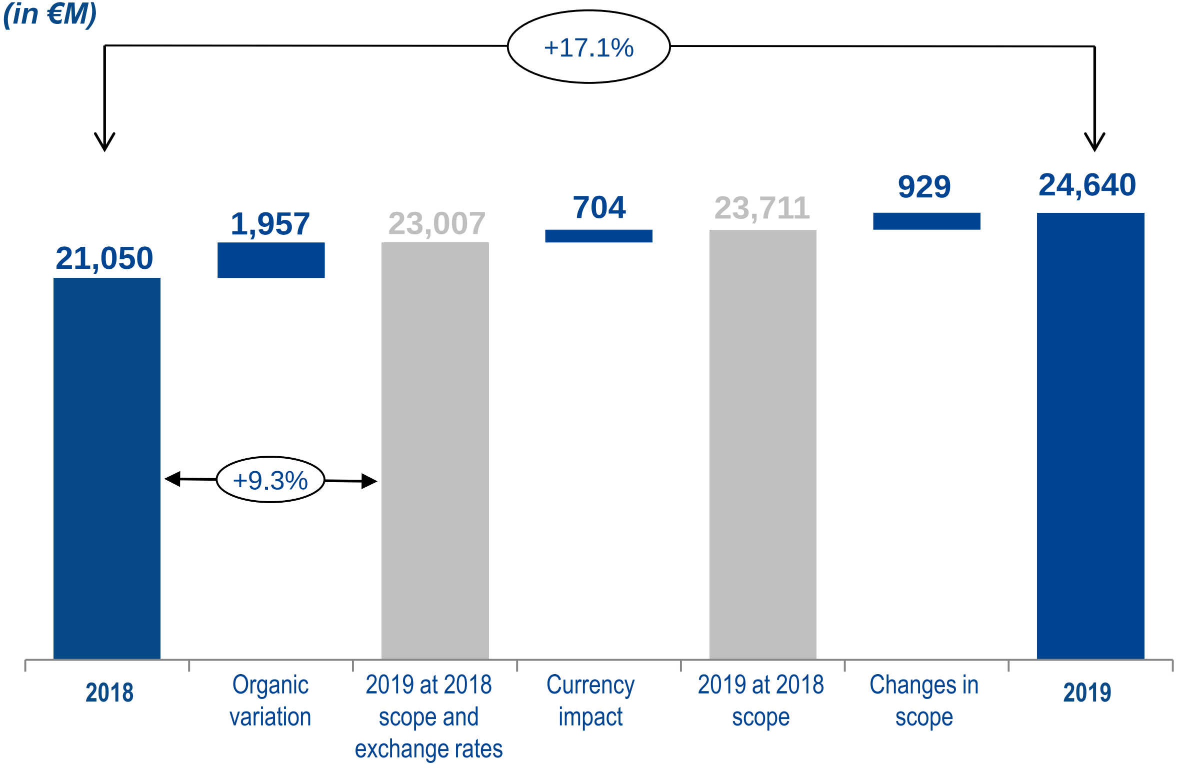
Of which cost of debt of €(33)M and foreign exchange losses of €(9)M

Apparent tax rate of 27%

** Based on the weighted average number of shares of 430,911,810 as of December 31, 2018*
*** 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 after dilution of 436,335,631 as of December 31, 2018*
***** Based on the weighted average number of shares after dilution of 434,976,733 as of December 31, 2019*

2019 revenue

(in €M)



Organic growth: +9.3%

- Propulsion: +10.8%
- Aircraft Equipment, Defense & Aerosystems: +7.4%
- Aircraft Interiors: +8.8%

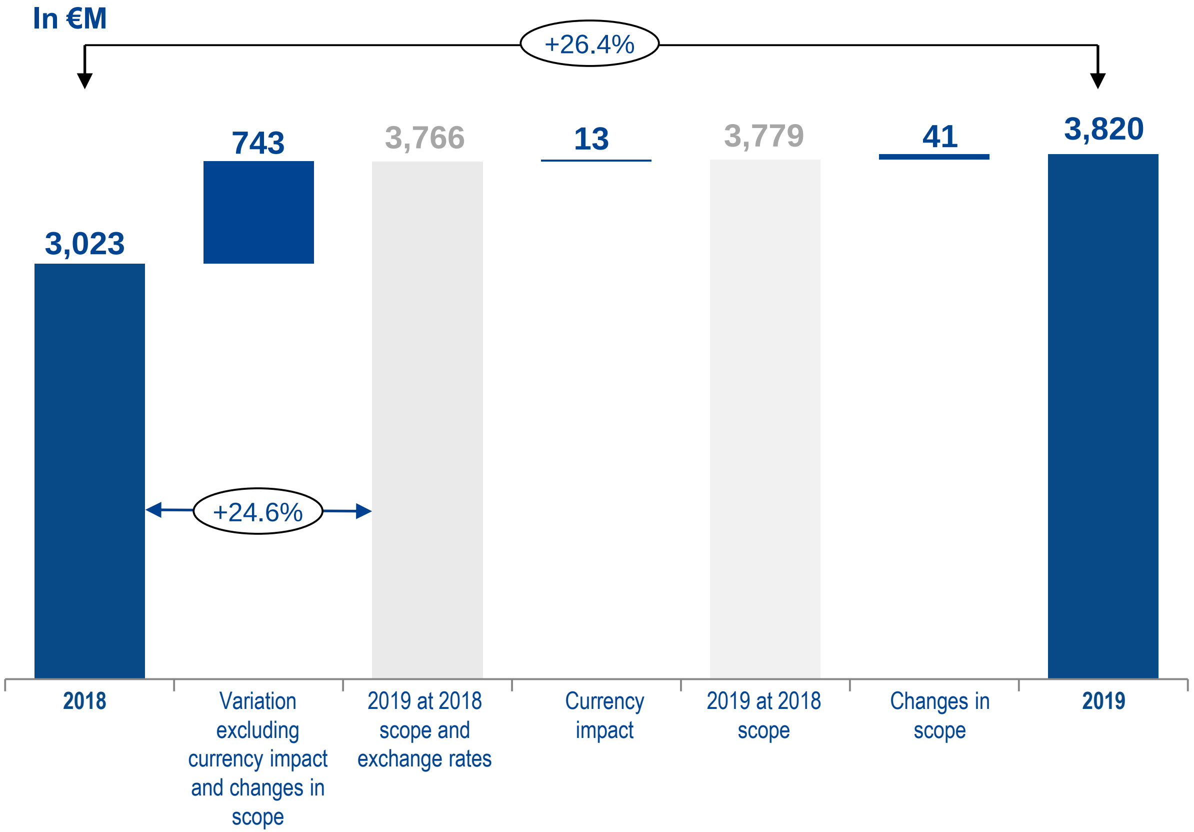
Currency impact: +3.4%

- Positive translation effect notably USD vs Euro ($1.12 vs $1.18 average spot rate)

Scope: +4.4%

- €781M from former Zodiac Aerospace activities (2 months)
- €148M related to the acquisition of ElectroMechanical Systems

2019 recurring operating income



Main organic drivers

- Positive volume impact in all activities, both from OE (ramp up of new programs, M88 deliveries) and services (civil aftermarket, military, helicopter turbines maintenance, carbon brakes, nacelles)
- Productivity gains and cost reductions
- Aircraft Interiors on-going recovery
- CFM56-LEAP transition: €(98)M
- Higher R&D impact in P&L

Scope

- Former Zodiac Aerospace activities (2 additional months in 2019 vs. 2018) and ElectroMechanical Systems activities

Research & Development

(In €M)	**2018**	**2019**	*Change*
Total R&D	**(1,472)**	**(1,725)**	*(253)*
R&D sold to customers	246	388	*142*
R&D expenses	**(1,226)**	**(1,337)**	***(111)***
as a % of revenue	*5.8%*	*5.4%*	*(0.4)pt*
Tax credit	151	166	*15*
R&D expenses after tax credit	**(1,075)**	**(1,171)**	***(96)***
Gross capitalized R&D	320	325	*5*
Amortisation and depreciation of R&D	(218)	(270)	*(52)*
P&L R&D in recurring operating income	**(973)**	**(1,116)**	***(143)***
as a % of revenue	*4.6%*	*4.5%*	*(0.1)pt*

R&D expenses

- €(1,337)M in 2019
- Increase notably related to Zodiac Aerospace (2 additional months vs. 2018) and to the R&D roadmap of the Group

Gross capitalized R&D

- €325M in 2019, up €5M

P&L R&D in recurring operating income

- €(1,116)M in 2019
- Increase mainly driven by the consolidation of Zodiac Aerospace
- R&D in P&L remains rather stable as a % of sales (4.5% in 2019 vs. 4.6% in 2018)

2019 results by activity

(In €M)	**2019**	**Aerospace Propulsion**	**Aircraft Equipment, Defense & Aerosystems**	**Aircraft Interiors**	**Holding & others**
Revenue	**24,640**	**12,045**	**9,256**	**3,321**	**18**
Year-over-year growth in %	*17.1%*	*13.9%*	*16.5%*	*32.3%*	*na*
Year-over-year organic growth in %	*9.3%*	*10.8%*	*7.4%*	*8.8%*	*na*
Recurring operating income	**3,820**	**2,485**	**1,209**	**188**	**(62)**
as a % of revenue	*15.5%*	*20.6%*	*13.1%*	*5.7%*	*na*
Recurring operating margin variation (vs FY 2018)	*+1.1pt*	*+1.4pt*	*+0.6pt*	*+2.5pts*	*na*

Aerospace Propulsion

(In €M)	2018	**2019**	*Change*	*Organic Change*
Revenue	**10,579**	**12,045**	*13.9%*	*10.8%*
Recurring operating income	**2,030**	**2,485**	*22.4%*	
% of revenue	*19.2%*	*20.6%*	*+1.4pt*	
One-off items	*(31)*	*(7)*		
Profit (loss) from operations	**1,999**	**2,478**		
% of revenue	*18.9%*	*20.6%*		

Revenue

- OE narrowbody engines volumes impacted by the 737MAX grounding: 2,127 units delivered (-35 vs. 2018), with a LEAP ramp-up slower than expected (+618 deliveries vs. 2018). CFM56 ramped down as planned (-653 deliveries vs. 2018). Helicopter turbines OE deliveries decreased compared to 2018
- Positive contribution of military OE sales notably driven by higher volumes of M88 deliveries (export contracts)
- Growth in services sales thanks to civil aftermarket (+9.9% in $), military and helicopter turbines maintenance activities

Recurring operating income

- Positive drivers: civil aftermarket; military (OE and services); helicopter turbines maintenance
- Headwind of €(98)M on profitability from the CFM56-LEAP transition vs. 2018

Aircraft Equipment, Defense and Aerosystems

(In €M)	2018	**2019**	*Change*	*Organic Change*
Revenue	**7,942**	**9,256**	*16.5%*	*7.4%*
Recurring operating income	**992**	**1,209**	*21.9%*	
% of revenue	*12.5%*	*13.1%*	*+0.6pt*	
One-off items	*(9)*	*(21)*		
Profit (loss) from operations	**983**	**1,188**		
% of revenue	*12.4%*	*12.8%*		

Revenue

- OE (+6.8% org): higher volumes of nacelles for LEAP-1A powered A320neo grew by 164 units to 602 nacelles in 2019. Continuing ramp up of A330neo nacelles deliveries (92 units) whereas A380 nacelles was a headwind. Growth also supported by the ramp up of the wiring and landing gear deliveries for the Boeing 787 program, and the ramp up of A320 emergency slides (4,921 units in 2019 vs. 3,626 in 2018)
- Services (+8.7% org.): growth mainly driven by nacelles as well as landing gear support activities and the growing contribution of carbon brakes

Recurring operating income

- Higher volumes (notably in services)
- Cost reduction and productivity actions
- Partially offset by higher R&D impact on P&L and the dilutive impact of scope

Aircraft Interiors

(In €M)	2018	**2019**	*Change*	*Organic Change*
Revenue	**2,511**	**3,321**	*32.3%*	*8.8%*
Recurring operating income	**81**	**188**	*132.1%*	
% of revenue	*3.2%*	*5.7%*	*+2.5pts*	
One-off items	*(39)*	*(6)*		
Profit (loss) from operations	**42**	**182**		
% of revenue	*1.7%*	*5.5%*		

Revenue

- OE (+7.7% org.): growth coming from business seats programs (Polaris and Fusio), toilets and floor to floor activities for Cabin and Connected Cabin (IFE)
- Services (+11.9% org.): driven by Seats and to a lesser extent by Cabin and Passenger Solutions activities

Recurring operating income

- Recurring operating income growth fueled by operational performance recovery and organic growth across all divisions
- Cost reduction and productivity actions

2019 Free Cash Flow

(in €M)	2018	**2019**
Recurring operating income	**3,023**	**3,820**
One-off items	(115)	13
Amortization, provisions and depreciation (excl. financial)	838	1,135
EBITDA	**3,746**	**4,968**
Income tax and non cash items	(648)	(926)
Cash from operating activities before change in WC	**3,098**	**4,042**
Change in WC	(27)	(897)
Cash from operating activities after change in WC	**3,071**	**3,145**
Capex (tangible assets)	(780)	(695)
Capex (intangible assets)*	(510)	(467)
Free cash flow	**1,781**	**1,983**

** Of which €333M capitalised R&D in 2019 vs €327M capitalised in 2018*

Of which
- ***Amortization €1,058M***
- ***Provisions €121M***
- ***Depreciation €(44)M***

33% increase in EBITDA, driven by strong organic growth and margin improvements in all businesses

Increase of working capital requirements in the context of the ramp-up of new programs

Net Capex spending mitigated by exceptional cash-in from the disposal of a building

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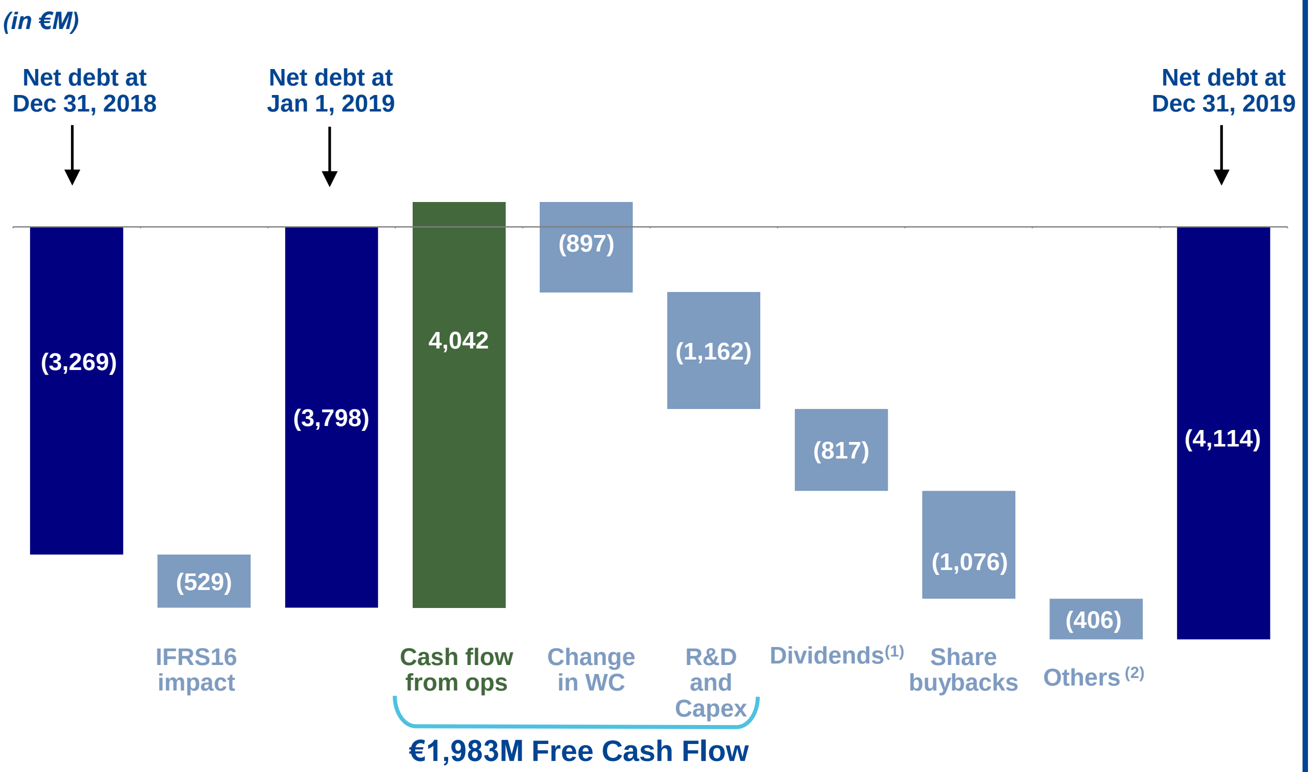
Net debt



(1) Includes €(32)M of dividends to minority interests (2) Including rental debt variation and disposal of subsidiary

IFRS16 impact

- €529M value of outstanding rents

2018 dividend of €1.82 per share to parent holders

- €785M entirely paid in May 2019

Share buyback program completed

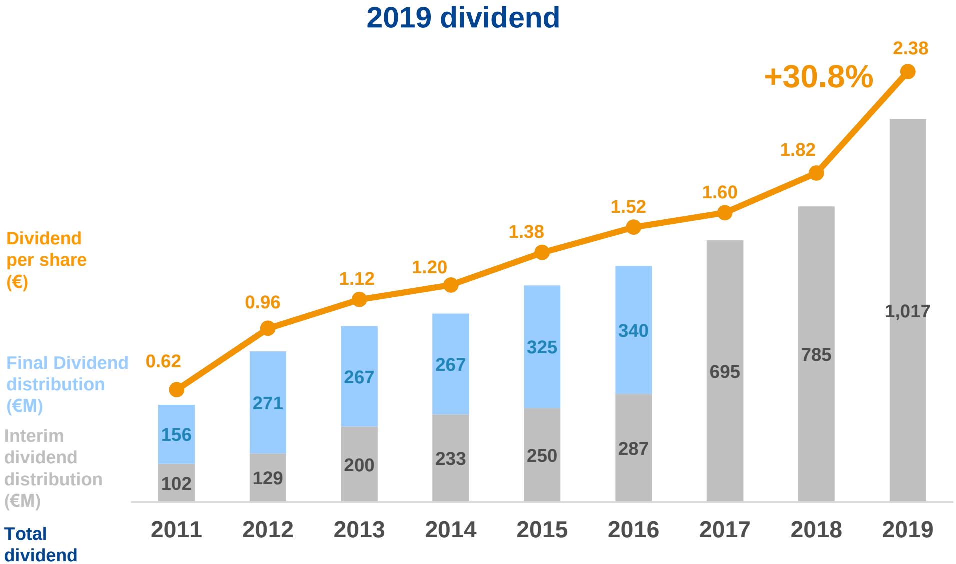
- Total amount of €1,076M worth of shares in FY 2019
- Total 20 million shares repurchased
  - 11.4 million shares cancelled in December 2018
  - An additional 8.6 million shares cancelled in December 2019

Balance sheet highlights as of December 31, 2019

(In €M)	Dec 31, 2018	Dec 31, 2019
Goodwill	**5,173**	**5,199**
Tangible & Intangible assets and right of use	**14,211**	**14,609**
Investments in joint ventures and associates	**2,253**	**2,211**
Other non current assets	**811**	**684**
Operating Working Capital	**(2,131)**	**(1,131)**
Net cash (debt)	**(3,269)**	**(4,114)**
Shareholders' equity - Group share	**11,955**	**12,371**
Minority interests	**346**	**377**
Non current liabilities (excl. net cash (debt))	**2,249**	**1,852**
Provisions	**2,777**	**3,083**
Other current liabilities / (assets) net	**(279)**	**(225)**

Including grounding impact mainly increase in receivables (and, to a lesser extent, decrease in prepayments)

2019 dividend



	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total dividend distribution (€M)	258	400	467	500	575	627	695	785	1,017

Proposed dividend to parent holders of €2.38 per share at next AGM

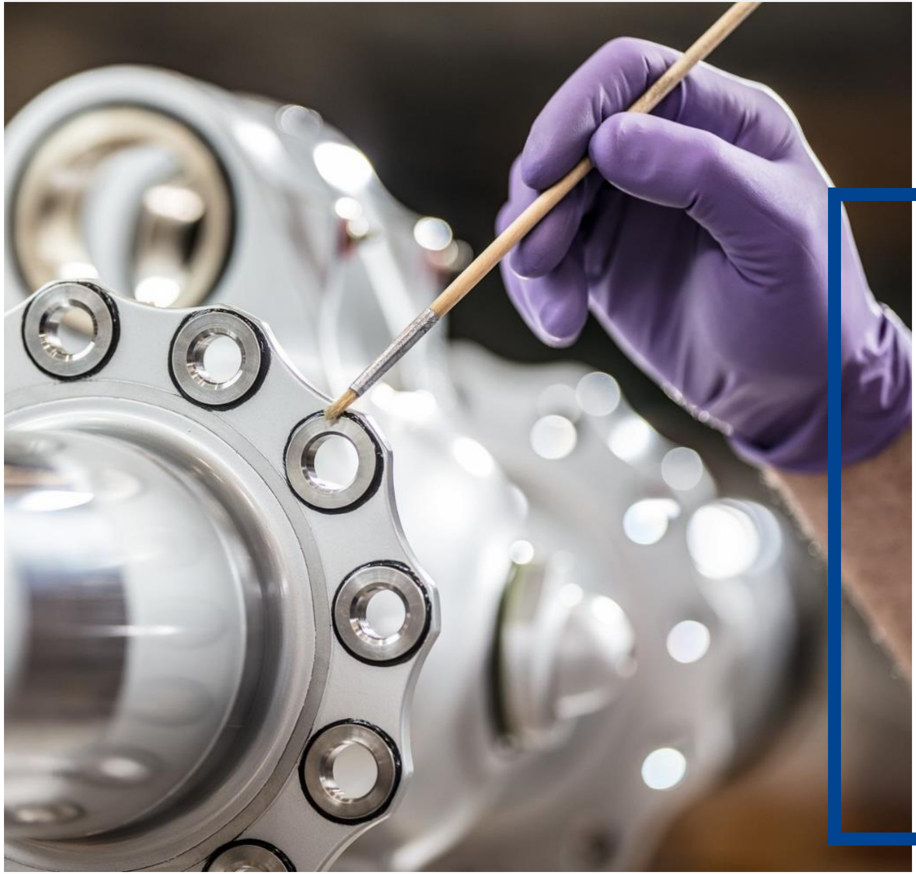
- 38% pay out ratio

To be entirely paid in 2020

Ex-date: June 8, 2020

Record date: June 9, 2020

Payment date: June 11, 2020



3

OUTLOOK

Philippe PETITCOLIN - CEO

FY 2020 outlook

To take into account Boeing's decision of 737MAX production halt starting in January 2020 and an estimated return to deliveries in mid-2020, Safran has set its 2020 outlook using:

- The assumption of an annual production of around 1,400 LEAP based on an average production of 10 LEAP-1B engines per week over the year;
- And the agreement between CFM International and Boeing for the payments of its engines.

Safran has implemented an adaptation plan to adjust to this situation; it includes savings on direct costs, overheads, hiring freeze and a reduction in R&D and Capex for 2020.

Safran expects for FY 2020:

- **At an estimated average spot rate of $1.13 to the Euro in 2020, adjusted revenue is expected to decrease in the range 0% to (5)% compared with 2019. Similar variation in organic terms**;
- **Adjusted recurring operating income is expected to grow around 5% at a hedged rate of USD 1.16 to the Euro;**
- **Free cash flow is expected to be higher than in 2019.**

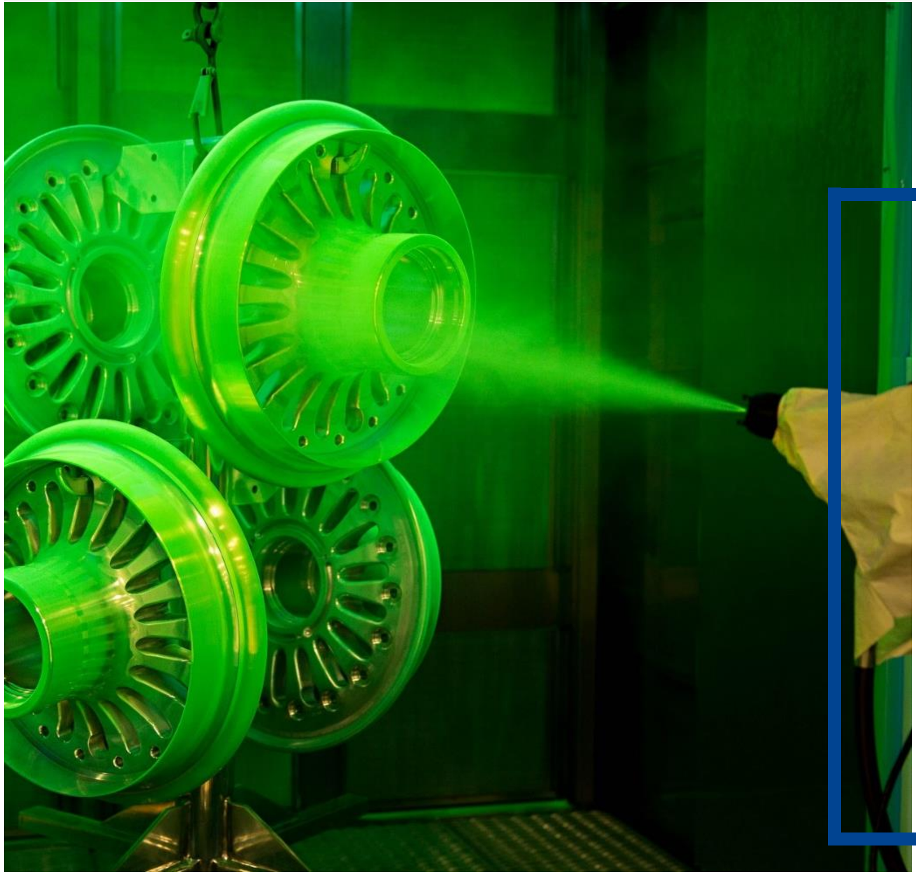
2020 key assumptions

This outlook is based notably on the following assumptions:

- Decrease in aerospace OE deliveries (civil and military engines);
- Civil aftermarket growth in the high single digits, as long as disruption created by the coronavirus on air traffic does not extend beyond Q1-2020;
- Transition CFM56-LEAP: neutral impact on Propulsion adjusted recurring operating income variation;
- Equipment/Aircraft Interiors: slight organic growth of sales in Equipment and organic decrease of sales in Aircraft Interiors. Continued improvement in the adjusted recurring operating income of these two divisions;
- Decrease of R&D expenses in the range of Euro 50 to 100 million. Positive impact on adjusted recurring operating income after activation and amortisation;
- Stable level of tangible investments between 2019 and 2020.

4

Q&A



5

SAFRAN AND THE CHALLENGES OF CLIMATE CHANGE

Context

Safran has continually adapted and developed new know-how to meet the technological and economic challenges in its industry. This places Safran at the forefront in addressing the environmental challenges relating to air transportation.

Safran is working voluntarily to reduce the carbon footprint of its processes (ie emissions related to the energy consumption of its sites (Scope 1 and 2) and is making a comprehensive commitment by implementing concrete measures to quickly cut emissions (targets will be disclosed in 2020).

As a production of an aircraft accounts for a few % of its emissions over its life cycle, Safran considers that its essential mission is the reduction of CO_2 emissions from its products (mainly Scope 3).

While the first direct means is to reduce the amount of fuel burned, successfully lowering aviation’s environmental footprint will require pursuing a range of measures that each present different advantages, challenges, and timelines.

Safran’s approach is to make progress in partnership with airframers, sharing its vision of different scenarios with all stakeholders and positioning itself as a key player in the key technological components of the power equation.

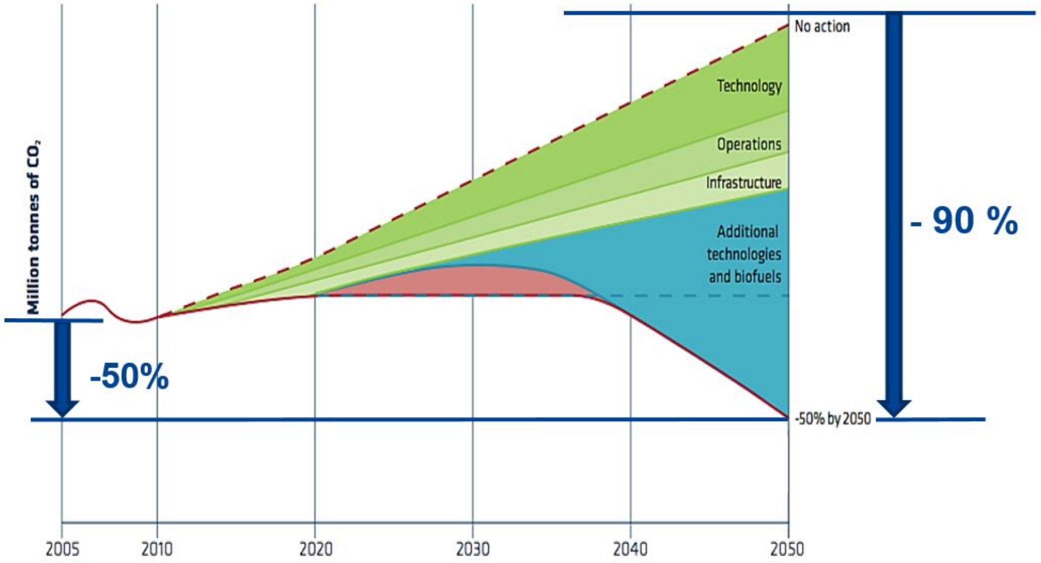
Research on breakthrough aircraft, low carbon aviation by 2030-2035 and towards carbon neutrality by 2050, is the key focus of Safran's strategy in response to the challenge of climate change.

Top priority: reduce aviation's carbon footprint

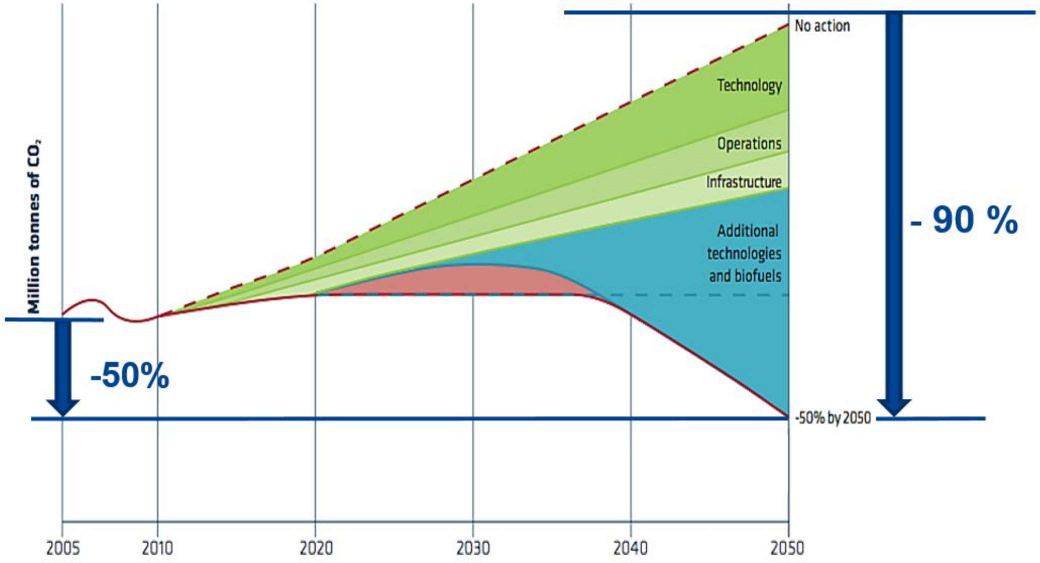
Aviation today accounts for 2% to 3% of worldwide CO_2 emissions

In 2008, the Air Transport Action Group (ATAG) set an ambitious objective of reducing CO_2 emissions by 50% in 2050 in relation to 2005

With forecast air traffic growth of 4%/year (= a 3.5-fold increase by 2050), meeting this goal means a 90% improvement in average emissions per passenger/kilometer (2015 fleet)



Several drivers needed to reach this goal

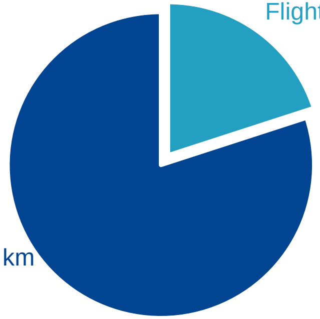


1. Renew global fleet with new-generation aircraft and achieve incremental improvements
2. Improve air traffic operations and management
3. Introduce disruptive technologies
4. Replace existing jet fuel

… while also reducing other pollution (noise, NOx, particles, etc.)

Different approaches for different types of aircraft

CO_2 emissions



Source : DLR/ Sabre 2014

Ultra-efficient gas turbine propulsion	Low-carbon fuels	Hybrid propulsion and Electrification
		

Flights over 1,000 km

Flights under 1,000 km

Flights accounting for 80% of CO_2 emissions will largely continue to use combustion propulsion systems until at least 2040.

SAFRAN

Transition to decarbonization

Energy performance has already improved by 80% since the advent of commercial aviation

2020

Long range

Regional Short/Medium-haul

Commuter and helicopter

100% jet fuel

Public policies and regulations + Technology

2030-35

"Skip a generation"

Ultra-efficient conventional propulsion aircraft and increased use of alternative fuels

Small electric aircraft
Hybrid regional aircraft

New short-range mobility solutions

Low carbon

Public policies and regulations + Technology

2050

Future aircraft with carbon-free energy source

Green synthetic fuel
and/or
Liquid hydrogen
Ultra-high power density batteries

Towards carbon neutrality

Sustainable alternative fuels

Biofuels

Using conventional resources
(biomass, waste, algae, etc.)

Green synthetic fuels

(Power to Liquid)

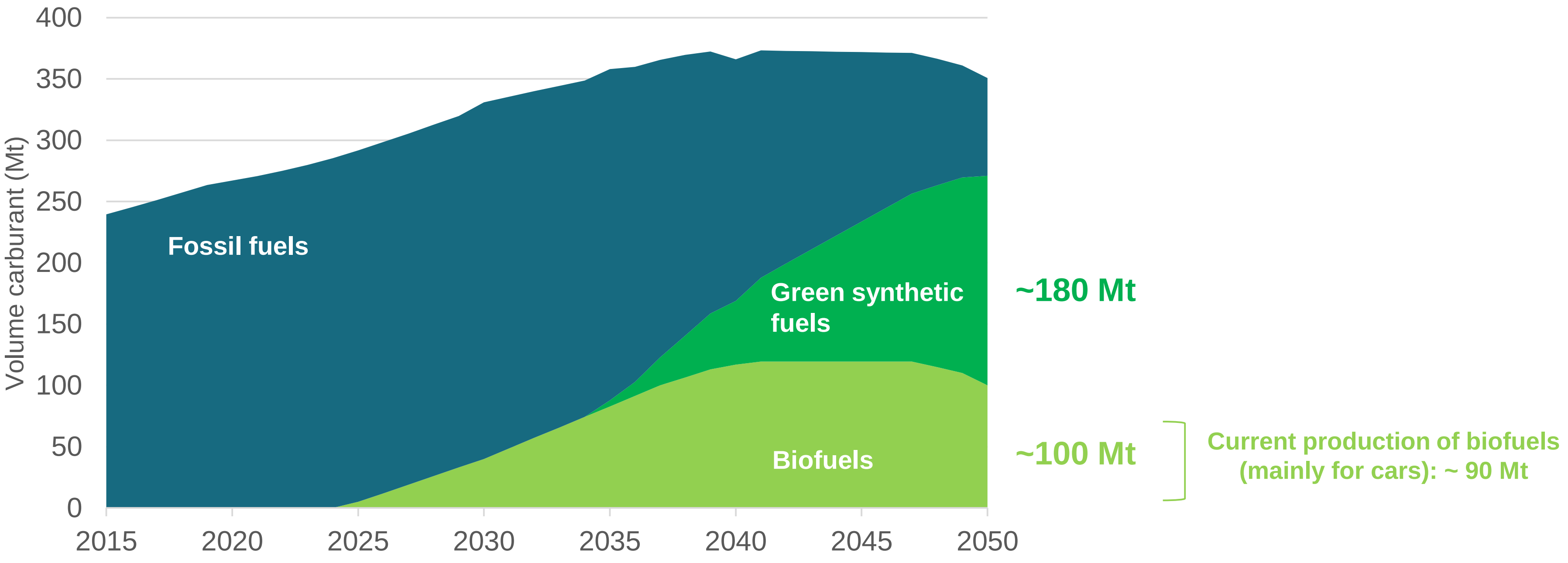
from decarbonated hydrogen

Existing aircraft and infrastructures

Liquid hydrogen

Disruptive aircraft, new infrastructures
→ Higher risk and longer term option

Reasonable amounts of sustainable alternative fuels

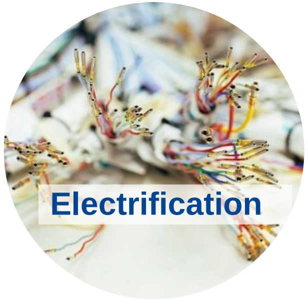


Safran’s commitment towards carbon neutrality

75%

of R&T spending

on technologies aiming directly or indirectly at reducing the environmental footprint of air transportation



Safran's vision towards carbon neutrality

The goal for 2050 can be reached, solutions exist.

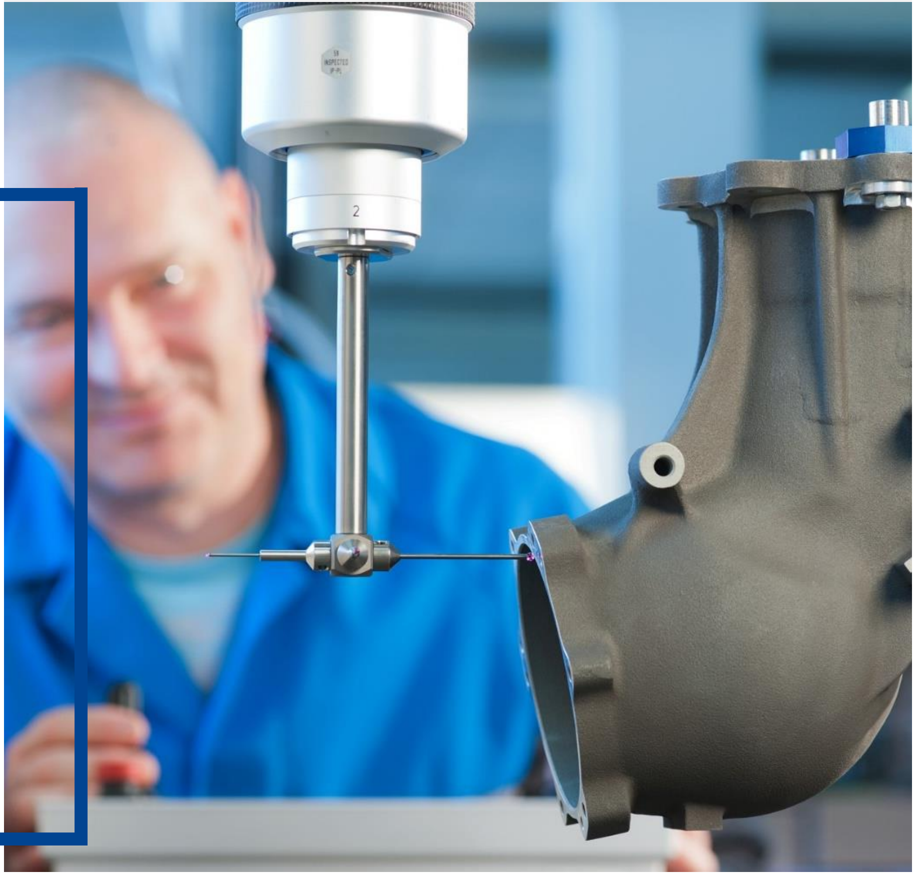
Meeting this objective demands a <u>shared vision</u> by all stakeholders worldwide (industry, airlines, public authorities, energy experts) and a <u>strong commitment</u> within their respective fields.

<u>Safran is a key player in any change</u>, because of its role in most aircraft systems, especially those involving energy systems.

<u>Safran's technology roadmap</u> specifies contributing to a disruptive aircraft towards 2030-35 that would <u>reduce fuel consumption by 30%</u> (including the substitution from existing jet fuel to sustainable fuels), to move towards carbon neutrality by 2050.

6

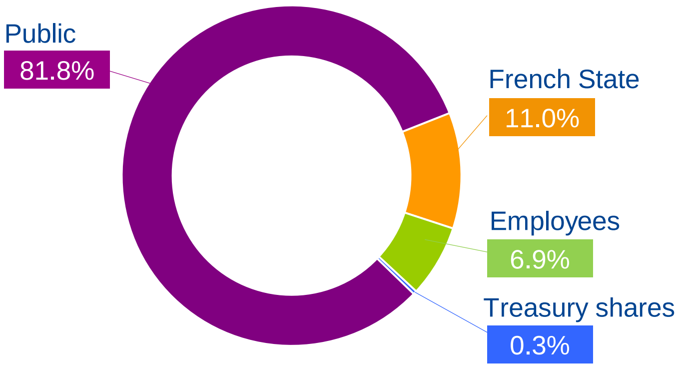
APPENDIX



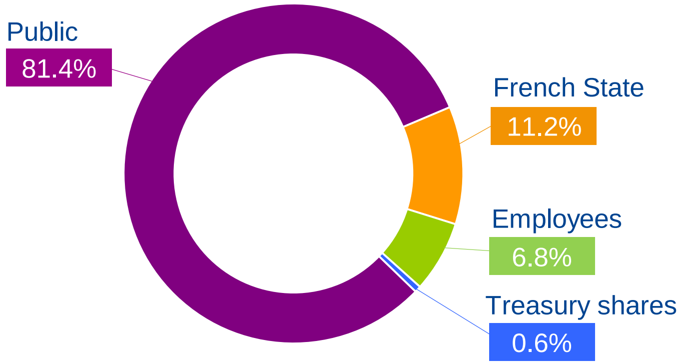
SAFRAN

Shareholding status 12/31/19 (versus 12/31/18)

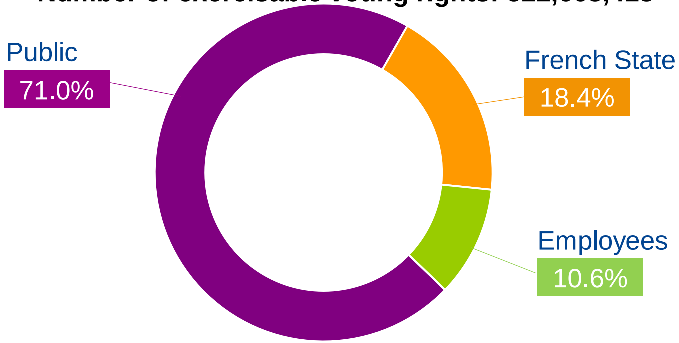
Equity as of December 31, 2018
Number of shares: 435,767,951



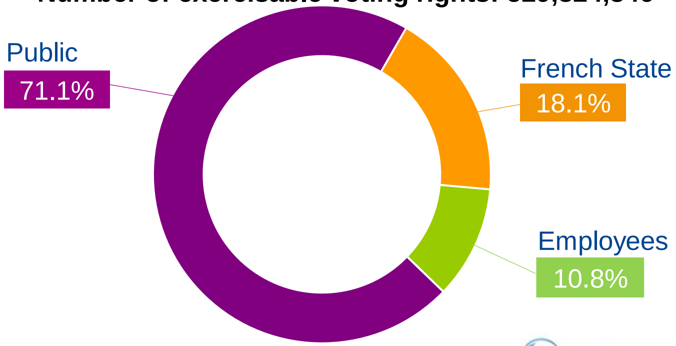
Equity as of December 31, 2019
Number of shares: 427,234,155



Voting rights as of December 31, 2018
Number of exercisable voting rights: 522,668,418



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



2019: Research & Development by activity

(In €M)	2019	Aerospace Propulsion	Aircraft Equipment, Defense and Aerosystems	Aircraft Interiors
R&D expenses	**(1,337)**	**(573)**	**(527)**	**(237)**
as a % of revenue	*5.4%*	*4.8%*	*5.7%*	*7.1%*
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)**
as a % of revenue	*4.5%*	*4.3%*	*4.4%*	*5.5%*

2018: Research & Development by activity

(In €M)	2018	Aerospace Propulsion	Aircraft Equipment, Defense and Aerosystems	Aircraft Interiors
R&D expenses	**(1,226)**	**(546)**	**(502)**	**(178)**
as a % of revenue	*5.8%*	*5.2%*	*6.3%*	*7.1%*
Tax credit	151	62	86	3
R&D expenses after tax credit	**(1,075)**	**(484)**	**(416)**	**(175)**
Gross capitalized R&D	320	103	172	45
Amortised R&D	(218)	(106)	(99)	(13)
P&L R&D in recurring operating income	**(973)**	**(487)**	**(343)**	**(143)**
as a % of revenue	*4.6%*	*4.6%*	*4.3%*	*5.7%*

OE / Services revenue split

Revenue Adjusted data *(in Euro million)*	2018		**2019**		**% change**	
	OE	Services	OE	Services	OE	Services
Propulsion	*4,580*	*5,999*	*5,197*	*6,848*	*13.5%*	*14.2%*
% of revenue	*43.3%*	*56.7%*	*43.1%*	*56.9%*		
Equipment, Defense & Aerosystems	*5,360*	*2,582*	*6,254*	*3,002*	*16.7%*	*16.3%*
% of revenue	*67.5%*	*32.5%*	*67.6%*	*32.4%*		
Aircraft Interiors	*1,855* (1)	*656*	*2,426* (1)	*895*	*30.8%*	*36.4%*
% of revenue	*73.9%*	*26.1%*	*73.1%*	*26.9%*		

(1) Retrofit is included in OE
To be noted: 2018 revenue includes ten months of revenue from Aerosystems and Aircraft Interiors

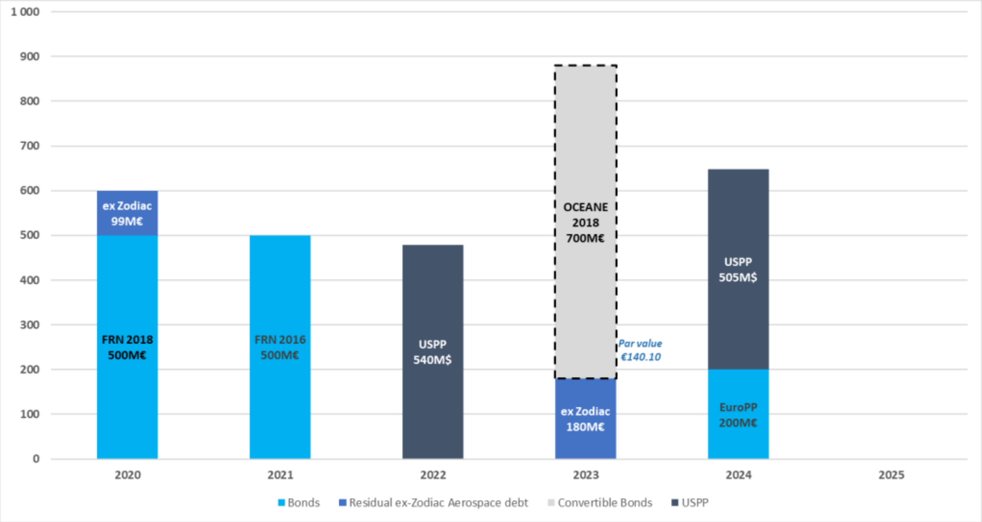
Quantities of major aerospace programs

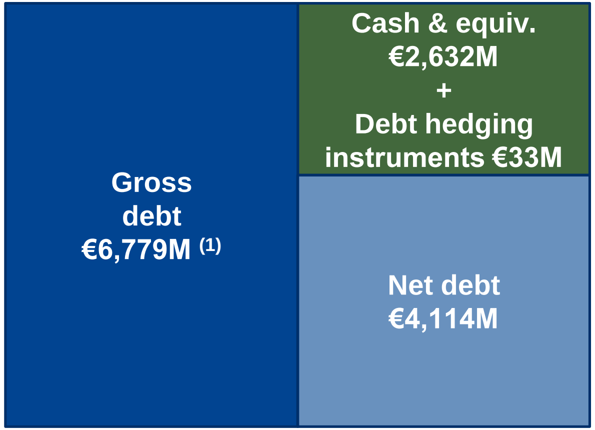
Number of units delivered	2018	**2019**	%
LEAP engines	1,118	**1,736**	*55%*
CFM56 engines	1,044	**391**	*(63)%*
High thrust engines	435	**489**	*12%*
Helicopter engines	773	**696**	*(10)%*
M88 engines	23	**62**	*170%*
787 landing gear sets	144	**165**	*15%*
A350 landing gear sets	80	**82**	*2%*
A330neo nacelles	18	**92**	*411%*
A320neo nacelles	438	**602**	*37%*
A380 nacelles	36	**24**	*(33)%*
A320 thrust reversers	310	**143**	*(54)%*
Small nacelles *(biz & regional jets)*	648	**635**	*(2)%*

Number of units delivered	2018 (March to December)	**2019**
Lavatories A350	551	**771**
Spaceflex V2 A320 (lavatories + galleys)	426	**369**
Business class seats	3,414	**5,634**
Emergency slides A320	3,626	**4,921**
Primary power distribution system 787	720	**1,054**

Safran maintains balanced and diversified debt maturity schedule

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





(1) Incl. an IFRS16 impact of €529M additional liability and €2.5bn of short term borrowings (incl. €1.8bn of commercial papers)

Active management of the balance sheet with cash in-hand

Safran repaid two borrowings that matured during H1 2019: the USD 155 million 7-year tranche of the USD 1.2 billion 2012 US private placement was repaid in February 2019 and the EUR 500 million two-year floating rate notes issued in June 2017 was repaid in June 2019

Customer financial guarantees

(In $M)	Dec. 31, 2018	**Dec. 31, 2019**
Total guarantees	35	**26**
Estimated value of pledges	23	**22**
Net exposure on these guarantees	12	**4**

Provisions	4	**2**

Total guarantees remaining at a historically low level due to continuing high liquidity in the market place

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.

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.

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