

CONSOLIDATED BALANCE SHEET AND INCOME STATEMENT

December 31, 2024

Foreword

To reflect the Group's actual economic performance and enable it to be monitored and benchmarked against competitors, Safran prepares an adjusted income statement in addition to its consolidated financial statements.

Readers are reminded that Safran:

- is the result of the May 11, 2005 merger of Sagem SA and Snecma, accounted for in accordance with IFRS 3, "Business Combinations" in its consolidated financial statements;
- recognizes, as of July 1, 2005, all changes in the fair value of its foreign currency derivatives in "Financial income (loss)", in accordance with the provisions of IFRS 9 applicable to transactions not qualifying for hedge accounting (see Note 2.1, "Basis of consolidation").

Accordingly, 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 remeasured 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;
- 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.

Adjusted income statement

	2023	2024
	adjusted data	adjusted data
<i>(in € millions)</i>		
Revenue	23,199	27,317
Other income	474	438
Income from operations	23,673	27,755
Change in inventories of finished goods and work-in-progress	1,001	995
Capitalized production	480	526
Raw materials and consumables used	(14,084)	(15,975)
Personnel costs	(6,758)	(7,792)
Taxes	(308)	(337)
Depreciation, amortization and increase in provisions, net of use	(993)	(1,270)
Asset impairment	(51)	19
Other recurring operating income and expenses	84	39
Share in profit from joint ventures	122	159
Recurring operating income	3,166	4,119
Other non-recurring operating income and expenses	(511)	6
Profit from operations	2,655	4,125
Cost of net debt	112	157
Foreign exchange gain (loss)	66	(106)
Other financial income and expense	(4)	(28)
Financial income	174	23
Profit before tax	2,829	4,148
Income tax expense	(724)	(987)
Profit for the period	2,105	3,161
Attributable to:		
owners of the parent	2,028	3,068
non-controlling interests	77	93
Earnings per share attributable to owners of the parent (in €)		
Basic earnings per share	4.85	7.37
Diluted earnings per share	4.70	7.29

Reconciliation of the consolidated income statement with the adjusted income statement

The impact of these adjustments on 2024 income statement items is as follows:

	2024 consolidated data	Currency hedges		Business combinations		2024 adjusted data
		Remeasurement of revenue	Deferred hedging gain/loss	Amortization of intangible assets from Sagem-Snecma merger	PPA impacts – other business combinations	
(in € millions)		(1)	(2)	(3)	(4)	
Revenue	27,716	(399)	-	-	-	27,317
Other recurring operating income and expenses	(23,666)	(5)	10	41	263	(23,357)
Share in profit from joint ventures	136	-	-	-	23	159
Recurring operating income	4,186	(404)	10	41	286	4,119
Other non-recurring operating income and expenses	6	-	-	-	-	6
Profit from operations	4,192	(404)	10	41	286	4,125
Cost of net debt	157	-	-	-	-	157
Foreign exchange gain (loss)	(5,180)	404	4,670	-	-	(106)
Other financial income and expense	(28)	-	-	-	-	(28)
Financial income (loss)	(5,051)	404	4,670	-	-	23
Income tax benefit (expense)	284	-	(1,209)	(11)	(51)	(987)
Profit (loss) for the period	(575)	-	3,471	30	235	3,161
Profit (loss) for the period attributable to non-controlling interests	(92)	-	(1)	-	-	(93)
Profit (loss) for the period attributable to owners of the parent	(667)	-	3,470	30	235	3,068

(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 (a positive €4,670 million excluding tax), and the impact of taking into account hedges when measuring provisions for losses on completion (a positive €10 million at December 31, 2024).

(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 SA-Snecma merger.

(4) Cancellation of the impact of remeasuring assets at the time of the Zodiac Aerospace acquisition for €182 million excluding deferred tax, and cancellation of amortization/impairment of assets identified during other business combinations.

Readers are reminded that the consolidated financial statements are audited by the Group's Statutory Auditors. The consolidated financial statements include the revenue and operating profit indicators set out in the adjusted data in Note 4, "Segment information and adjusted data".

Adjusted financial data other than the data provided in Note 4, "Segment information and adjusted data" are subject to the verification procedures applicable to all of the information provided in the Universal Registration Document.

The audit procedures on the consolidated financial statements have been completed. The Statutory Auditors' report will be issued at the end of the Board of Directors' March 20, 2025 meeting, after the specific verifications have been completed and any subsequent events at February 13, 2025 have been reviewed.

The impact of these adjustments in 2023 was as follows:

	2023 consolidated data	Currency hedges		Business combinations		2023 adjusted data
		Remeasurement of revenue	Deferred hedging gain/loss	Amortization of intangible assets from Sagem-Snecma merger	PPA impacts – other business combinations	
(in € millions)		(1)	(2)	(3)	(4)	
Revenue	23,651	(452)	-	-	-	23,199
Other recurring operating income and expenses	(20,441)	(3)	(7)	38	258	(20,155)
Share in profit from joint ventures	99	-	-	-	23	122
Recurring operating income	3,309	(455)	(7)	38	281	3,166
Other non-recurring operating income and expenses	(511)	-	-	-	-	(511)
Profit from operations	2,798	(455)	(7)	38	281	2,655
Cost of net debt	112	-	-	-	-	112
Foreign exchange gain	1,850	455	(2,239)	-	-	66
Other financial income and expense	(4)	-	-	-	-	(4)
Financial income	1,958	455	(2,239)	-	-	174
Income tax expense	(1,236)	-	581	(10)	(59)	(724)
Profit for the period	3,520	-	(1,665)	28	222	2,105
Profit (loss) for the period attributable to non-controlling interests	(76)	-	(1)	-	-	(77)
Profit for the period attributable to owners of the parent	3,444	-	(1,666)	28	222	2,028

(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 (a negative €2,239 million excluding tax), and the impact of taking into account hedges when measuring provisions for losses on completion (a negative €7 million at December 31, 2023).

(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 SA-Snecma merger.

(4) Cancellation of the impact of remeasuring assets at the time of the Zodiac Aerospace acquisition for €198 million excluding deferred tax and cancellation of amortization/impairment of assets identified during other business combinations.

Group consolidated financial statements

The Board of Directors' meeting of February 13, 2025 adopted and authorized the publication of Safran's consolidated financial statements and adjusted income statement for the year ended December 31, 2024. These consolidated financial statements will only be considered as final after their adoption by the Annual General Meeting of May 22, 2025.

TABLE OF CONTENTS

Income statement.....	8
Statement of comprehensive income	9
Consolidated statement of financial position.....	10
Statement of changes in shareholders' equity	11
Consolidated statement of cash flows	12
Notes to the Group consolidated financial statements	13
Note 1 - Basis of preparation of the financial statements	13
Note 1.1. Accounting policies.....	13
Note 1.2. Change of accounting framework	14
1.2.1. New IFRS standards and amendments	14
1.2.2. Changes in the legislative framework.....	14
1.2.3. Changes in legal interpretation	14
Note 1.3. Basis of measurement	14
Note 1.4. Main sources of uncertainty as regards management estimates and judgments.....	15
Note 1.5. Main accounting impacts of climate change	16
Note 2 - Scope of consolidation	18
Note 2.1. Basis of consolidation.....	18
2.1.1. Accounting policies.....	18
2.1.2. Foreign currency translation methods.....	18
Note 2.2. Changes in scope of consolidation	19
2.2.1. Acquisitions	19
2.2.2. Disposals	21
2.2.3. Transactions in progress.....	22
Note 3 - Significant events of the year	23
Note 4 - Segment information and adjusted data	23
Note 4.1. KPIs by segment	24
Note 4.2. Information by geographic area	26
Note 4.3. Information relating to major customers	26
Note 5 - Notes to the income statement	27
Note 5.1. Revenue	27
Note 5.2. Other operating data.....	30
5.2.1. Other income.....	30
5.2.2. Raw materials and consumables used.....	30
5.2.3. Personnel costs.....	31
5.2.4. Depreciation, amortization and provisions.....	31
5.2.5. Asset impairment	31
5.2.6. Other non-recurring operating income and expenses	32
Note 5.3. Financial income (loss)	33
Note 5.4. Income tax.....	34
Note 5.5. Earnings per share.....	36
Note 6 - Notes to the balance sheet	37
Note 6.1. Non-current assets	37
6.1.1. Goodwill and other intangible assets	37
6.1.2. Property, plant and equipment	39
6.1.3. Non-current asset impairment tests.....	40
6.1.4. Leases.....	43

6.1.5. Investments in equity-accounted companies.....	44
6.1.6. Other non-current financial assets and liabilities	46
Note 6.2. Working capital requirement	47
6.2.1. Inventories and work-in-progress and contract costs	47
6.2.2. Contract assets and liabilities.....	48
6.2.3. Trade and other receivables	48
6.2.4. Other current financial assets and liabilities.....	49
Note 6.3. Equity and dividends	50
6.3.1. Total equity	50
6.3.2. Share-based payment.....	52
6.3.3. Convertible bonds (OCEANES).....	53
6.3.4. Dividend distribution	55
6.3.5. Translation adjustments.....	55
Note 6.4. Provisions and post-employment benefits.....	55
6.4.1. Overview of provisions	56
6.4.2. Analysis of pension and other post-employment benefits.....	57
Note 6.5. Financing and financial risk management	62
6.5.1. Cash and cash equivalents.....	62
6.5.2. Interest-bearing financial liabilities	63
6.5.3. Offsetting of financial assets and liabilities	66
6.5.4. Borrowings subject to specific conditions	67
6.5.5. Fair value of financial instruments	68
6.5.6. Foreign currency risk management	69
6.5.7. Interest rate risk management.....	72
6.5.8. Management of risks on Power Purchase Agreements	75
6.5.9. Counterparty risk management	75
6.5.10. Liquidity risk management	76
Note 7 - Notes to the cash flow statement.....	77
Note 7.1. Cash flow from operating activities.....	77
Note 7.2. Cash flow used in investing activities	78
Note 7.3. Cash flow used in financing activities	78
Note 8 - Additional information	79
Note 8.1. Interests in joint operations	79
Note 8.2. Related parties	79
Note 8.3. Off-balance sheet commitments and contingent liabilities	81
8.3.1. Off-balance sheet commitments and contingent liabilities relating to the Group's operating activities	81
8.3.2. Off-balance sheet commitments and contingent liabilities relating to the Group's scope of consolidation	83
8.3.3. Off-balance sheet commitments and contingent liabilities relating to the Group's financing	84
Note 8.4. Disputes and litigation.....	84
Note 8.5. Audit fees	85
Note 8.6. Subsequent events	86
Note 9 - List of key consolidated companies	87

Income statement

(in € millions)	Note	2023	2024
Revenue	5.1	23,651	27,716
Other income	5.2.1	474	438
Income from operations		24,125	28,154
Change in inventories of finished goods and work-in-progress		1,000	989
Capitalized production		480	526
Raw materials and consumables used	5.2.2	(14,072)	(15,960)
Personnel costs	5.2.3	(6,767)	(7,801)
Taxes		(308)	(337)
Depreciation, amortization and increase in provisions, net of use	5.2.4	(1,282)	(1,578)
Asset impairment	5.2.5	(50)	18
Other recurring operating income and expenses		84	39
Share in profit from joint ventures	6.1.5	99	136
Recurring operating income		3,309	4,186
Other non-recurring operating income and expenses	5.2.6	(511)	6
Profit from operations		2,798	4,192
Cost of net debt		112	157
Foreign exchange gain (loss)		1,850	(5,180)
Other financial income and expense		(4)	(28)
Financial income (loss)	5.3	1,958	(5,051)
Profit (loss) before tax		4,756	(859)
Income tax benefit (expense)	5.4	(1,236)	284
Profit (loss) for the period		3,520	(575)
Attributable to:			
owners of the parent		3,444	(667)
non-controlling interests		76	92
Earnings (loss) per share attributable to owners of the parent (in €)	5.5		
Basic earnings (loss) per share		8.24	(1.60)
Diluted earnings (loss) per share		8.07	(1.60)

The accompanying notes are an integral part of the consolidated financial statements.

Statement of comprehensive income

	Note	2023	2024
<i>(in € millions)</i>			
Profit (loss) for the period		3,520	(575)
Other comprehensive income			
Items to be reclassified to profit (loss)		(184)	366
Translation adjustments		(140)	315
Remeasurement of hedging instruments		(22)	(10)
Income tax related to components of other comprehensive income to be reclassified to profit		5	3
Share in other comprehensive income of equity-accounted companies to be reclassified to profit (net of tax)	6.1.5	(27)	58
Items not to be reclassified to profit (loss)		(63)	16
Actuarial gains and losses on post-employment benefits	6.4.2	(86)	22
Income tax related to components of other comprehensive income not to be reclassified to profit		19	(6)
Share in other comprehensive income of equity-accounted companies not to be reclassified to profit (net of tax)		4	-
Other comprehensive income (expense) for the period		(247)	382
Total comprehensive income (expense) for the period		3,273	(193)
Attributable to:			
- owners of the parent		3,198	(290)
- non-controlling interests		75	97

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated statement of financial position

ASSETS (in € millions)	Note	Dec. 31, 2023	Dec. 31, 2024
Goodwill	6.1.1	4,706	4,937
Intangible assets	6.1.1	7,830	7,947
Property, plant and equipment	6.1.2	4,121	4,629
Right-of-use assets	6.1.4	582	653
Non-current financial assets	6.1.6	997	1,073
Investments in equity-accounted companies	6.1.5	1,928	1,894
Non-current derivatives (positive fair value)	6.5	-	4
Deferred tax assets	5.4	1,122	2,349
Other non-current financial assets		7	3
Non-current assets		21,293	23,489
Current financial assets	6.2.5	270	243
Current derivatives (positive fair value)	6.5	1,577	952
Inventories and work-in-progress	6.2.1	7,903	9,491
Contract costs	6.2.1	753	884
Trade and other receivables	6.2.3	9,417	10,572
Contract assets	6.2.2	2,157	2,503
Tax assets	5.4	422	364
Cash and cash equivalents	6.5.1	6,676	6,514
Current assets		29,175	31,523
Total assets		50,468	55,012
EQUITY AND LIABILITIES (in € millions)	Note	Dec. 31, 2023	Dec. 31, 2024
Share capital	6.3	85	85
Consolidated reserves and retained earnings	6.3	8,048	10,758
Profit for the period		3,444	(667)
Equity attributable to owners of the parent		11,577	10,176
Non-controlling interests		511	549
Total equity		12,088	10,725
Provisions	6.4.1	1,547	1,835
Borrowings subject to specific conditions	6.5.4	292	287
Non-current interest-bearing financial liabilities	6.5.2	4,691	3,788
Non-current derivatives (negative fair value)	6.5	8	15
Deferred tax liabilities	5.4	1,022	911
Other non-current financial liabilities	6.1.6	43	11
Non-current liabilities		7,603	6,847
Provisions	6.4.1	1,064	1,173
Current interest-bearing financial liabilities	6.5.2	1,608	988
Trade and other payables	6.2.4	8,097	9,802
Contract liabilities	6.2.2	15,029	16,421
Tax liabilities	5.4	104	105
Current derivatives (negative fair value)	6.5	4,735	8,803
Other current financial liabilities	6.2.5	140	148
Current liabilities		30,777	37,440
Total equity and liabilities		50,468	55,012

The accompanying notes are an integral part of the consolidated financial statements.

Statement of changes in shareholders' equity

	Share capital	Additional paid-in capital	Treasury shares	Remeasurement of hedging instruments	Translation adjustments	Consolidated reserves and retained earnings	Actuarial gains and losses on post-employment benefits	Profit (loss) for the period	Other	Equity attributable to owners of the parent	Non-controlling interests	Total equity
<i>(in € millions)</i>												
At December 31, 2022	85	4,688	(310)	23	668	7,658	(208)	(2,459)	266	10,411	455	10,866
Comprehensive income (expense) for the period	-	-	-	(22)	(168)	-	(80)	3,444	24 (a)	3,198	75	3,273
Acquisitions/disposals of treasury shares	-	-	(1,538)	-	-	5	-	-	-	(1,533)	-	(1,533)
Dividends	-	-	-	-	-	(564)	-	-	-	(564)	(19)	(583)
Other movements, including appropriation of profit	-	-	-	-	-	(2,459)	-	2,459	65 (b)	65	-	65
At December 31, 2023	85	4,688	(1,848)	1	500	4,640	(288)	3,444	355	11,577	511	12,088
Comprehensive income (expense) for the period	-	-	-	(10)	368	-	22	(667)	(3) (a)	(290)	97	(193)
Acquisitions/disposals of treasury shares	-	-	(508)	-	-	(42)	-	-	-	(550)	-	(550)
Dividends	-	-	-	-	-	(911)	-	-	-	(911)	(59)	(970)
Treasury shares delivered through conversion of 2027 OCEANE bonds	-	-	1,201	-	-	(177)	-	-	-	1,024	-	1,024
Increase/decrease in share capital	-	(750)	-	-	-	-	-	-	-	(750)	-	(750)
Other movements, including appropriation of profit	-	-	-	-	-	3,444	-	(3,444)	76 (b)	76	-	76
At December 31, 2024	85	3,938	(1,155)	(9)	868	6,954	(266)	(667)	428	10,176	549	10,725

(a) Other comprehensive income for 2024 (attributable to owners of the parent) includes a negative tax impact of €3 million, of which €6 million arising on actuarial losses and €3 million on foreign exchange gains (positive impacts of €18 million and €6 million, respectively, in 2023).

(b) Including a share-based payment expense (IFRS 2) net of tax amounting to €79 million in 2024 (€66 million in 2023).

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated statement of cash flows

(in € millions)	Note	2023	2024
I. Cash flow from operating activities			
Profit (loss) attributable to owners of the parent		3,444	(667)
Depreciation, amortization, impairment and provisions	7.1	1,433	1,691
Share in profit/loss from equity-accounted companies (net of dividends received)	6.1.5	(83)	(120)
Change in fair value of currency and interest rate derivatives	6.5	(2,161)	4,684
Capital gains and losses on asset disposals		344	(47)
Profit attributable to non-controlling interests		76	92
Other	7.1	459	(907)
Cash flow from operations, before change in working capital		3,512	4,726
Change in working capital	7.1	758	7
TOTAL I		4,270	4,733
II. Cash flow used in investing activities			
Capitalization of R&D expenditure	6.1.1	(323)	(328)
Payments for the purchase of intangible assets, net		(179)	(172)
Payments for the purchase of property, plant and equipment, net		(823)	(1,044)
Payments for the acquisition of investments or businesses, net	7.2	(328)	(344)
Proceeds arising from the sale of investments or businesses, net	7.2	151	113
Proceeds (payments) arising from the sale (acquisition) of financial assets, net	7.2	(202)	(73)
Other movements		-	-
TOTAL II		(1,704)	(1,848)
III. Cash flow used in financing activities			
Change in share capital – owners of the parent		2	-
Change in share capital – non-controlling interests		-	-
Acquisitions and disposals of treasury shares	6.3.1	(1,535)	(1,320)
Repayment of borrowings and long-term debt	7.3	(311)	(863)
Increase in borrowings	6.5.2	17	56
Change in repayable advances	6.5.4	(5)	(21)
Change in short-term borrowings	6.5.2	(161)	45
Dividends and interim dividends paid to owners of the parent	6.3.4	(564)	(911)
Dividends paid to non-controlling interests		(19)	(59)
TOTAL III		(2,576)	(3,073)
Effect of changes in foreign exchange rates	TOTAL IV	(1)	26
Net increase (decrease) in cash and cash equivalents	I+II+III+IV	(11)	(162)
Cash and cash equivalents at beginning of period		6,687	6,676
Cash and cash equivalents at end of period	6.5.1	6,676	6,514
Net increase (decrease) in cash and cash equivalents		(11)	(162)

The accompanying notes are an integral part of the consolidated financial statements.

The Group's net debt position is as follows:

(in € millions)	Dec. 31, 2023	Dec. 31, 2024
Cash and cash equivalents (A)	6,676	6,514
Interest-bearing financial liabilities (B)	6,299	4,776
Fair value of interest rate derivatives used as fair value hedges of borrowings (C)	(3)	-
Net financial position (A) - (B) + (C)	374	1,738

The Group's gearing ratio is shown below:

(in € millions)	Dec. 31, 2023	Dec. 31, 2024
Net debt	374	1,738
Total equity	12,088	10,725
Gearing ratio	-3.09%	-16.21%

Notes to the Group consolidated financial statements

The consolidated financial statements include the accounts of Safran SA ("the Company") and its subsidiaries ("the Group"), as well as the Group's interests in equity-accounted companies (associates and joint ventures).

Safran SA, the Group's parent company, is a *société anonyme* (joint-stock corporation) incorporated in France with a Board of Directors, listed on Compartment A of the Euronext Paris Eurolist market. The Company is headquartered at 2, boulevard du général Martial Valin, 75015 Paris, France.

Safran is an international high-technology group, operating in the aviation (propulsion, equipment and aircraft interiors), defense and space markets.

On February 13, 2025, the Board of Directors approved the consolidated financial statements for the year ended December 31, 2024 and authorized their publication. These consolidated financial statements will only be considered as final after their adoption by the Annual General Meeting of May 22, 2025.

The audit procedures on the consolidated financial statements have been completed. The Statutory Auditors' report will be issued at the end of the Board of Directors' March 20, 2025 meeting, after the specific verifications have been completed and any subsequent events at February 13, 2025 have been reviewed.

Unless otherwise indicated, amounts are expressed in millions of euros. As a general rule, amounts presented in the consolidated financial statements and accompanying notes are rounded to the nearest whole number. As a result, there may be minor discrepancies between the rounded amounts and the totals, subtotals and percentages shown.

Note 1 - Basis of preparation of the financial statements

Note 1.1. Accounting policies

Pursuant to European regulation no. 1606/2002 of July 19, 2002, the consolidated financial statements for the year ended December 31, 2024 have been prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and adopted by the European Union (EU) at the date the consolidated financial statements were approved by the Board of Directors.

They include IFRS, International Accounting Standards (IAS), and associated interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC).

The Group's specific application of material accounting principles is discussed at the beginning of each note to the consolidated financial statements.

Note 1.2. Change of accounting framework

1.2.1. New IFRS standards and amendments

Standards and amendments adopted by the European Union and effective for reporting periods as of January 1, 2024

Amendments to IAS 1	Classification of Liabilities as Current and Non-current and Non-current Liabilities with Covenants
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

These amendments had no impact on the Group's consolidated financial statements at December 31, 2024.

Standards and amendments published by the IASB but not yet adopted by the European Union as of December 31, 2024 or not yet effective as of January 1, 2024

The IASB has published the following standards and amendments:

			Effective date
Amendments to IAS 21	Lack of Exchangeability		January 1, 2025
Annual Improvements to IFRS Accounting Standards – Volume 11	IFRS annual improvements process (IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)		January 1, 2026 ⁽¹⁾
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments		January 1, 2026 ⁽¹⁾
IFRS 18	Presentation and Disclosure in Financial Statements		January 1, 2027 ⁽¹⁾
IFRS 19	Subsidiaries without Public Accountability: Disclosures		January 1, 2027 ⁽¹⁾

(1) Subject to adoption by the European Union

Safran is currently assessing the impact of IFRS 18 on the presentation of its consolidated financial statements.

The Group does not expect any material impact from applying the other standards and amendments presented above.

1.2.2. Changes in the legislative framework

None

1.2.3. Changes in legal interpretation

None

Note 1.3. Basis of measurement

The financial statements are prepared on a historical cost basis except for certain assets and liabilities, as allowed by IFRS.

Note 1.4. Main sources of uncertainty as regards management estimates and judgments

The preparation of financial statements in accordance with the IFRS conceptual framework requires Group management to make estimates and assumptions that affect the reported amounts of certain assets, liabilities, income and expenses, along with the measurement of commitments given and contingent liabilities.

These estimates are based on the Group's past experience and factor in the economic conditions prevailing at the end of the reporting period and any information available as of the date of preparation of the financial statements of a contractual or commercial nature.

These estimates also take into account the Group's plans in terms of carbon neutrality as approved by the Science-Based Targets Initiative (SBTi) in early 2023 and, in particular, the achievement of carbon emissions reduction targets on Scopes 1 and 2 by 2030 and of absolute greenhouse gas (GHG) emissions reduction targets on Scope 3 by 2035, contributing to the overall objective of net zero emissions in the aviation industry by 2050.

In the absence of standards or interpretations applicable to a specific transaction, Group management uses judgment to define and apply the accounting methods that will enable it to obtain relevant and reliable information for the preparation of the financial statements.

Volatility is high and visibility poor in the current period. Accordingly, certain future events and circumstances could result in actual events differing from those expected, or to changes in estimates or assumptions that would affect the Group's financial position, income statement and/or cash flows.

The main estimates, judgments and assumptions of a material nature used by the Group in preparing the financial statements for the year ended December 31, 2024 are outlined below:

- cash flow forecasts for programs, contracts (business plans) and business segments

The assumptions applied and resulting estimates used for programs and contracts cover periods that are sometimes very long (up to several decades), and take into account the technological, commercial and contractual constraints as well as the impacts of the climate strategy of each such program and contract.

These estimates primarily draw on assumptions about the volumes, output and selling prices of products sold and associated production costs, including inflation assumptions. They also take account of exchange rates for foreign-currency denominated sales and purchases, as well as contingencies that arise from contractual risks and forecast cost overruns and the discount rate adopted for each program and contract.

The Group's volume assumptions are prepared internally for each market in which Group companies are present (e.g., commercial, business and military aviation, helicopters, etc.). For short-term estimates, these assumptions are based on available inputs (programs, orders, etc.), while external inputs (publications, airframer press releases, IATA announcements, market surveys, etc.) are used for estimates covering the medium to long term. The assumptions are regularly revised, particularly those used for short-term estimates, in order to reflect the latest developments in the Group's programs, and all assumptions used for medium- to long-term forecasts are validated by management at least once a year.

Cash flow forecasts are used to determine the following:

- measurement of the recoverable amount of non-current assets as part of impairment tests, including goodwill, program assets, development expenditure and other (see Note 6.1 "Non-current assets"),

- capitalization of development expenditure (see Note 6.1.1 “Goodwill and other intangible assets”),
- measurement of the recoverable amounts of investments in equity-accounted companies (see Note 6.1.5 “Investments in equity-accounted companies”);
- measurement of revenue and profit (loss) on completion of performance obligations for which revenue is recognized on a percentage-of-completion basis using the cost-to-cost method (see Note 5.1 “Revenue”);
- measurement of provisions and contract liabilities relating to performance warranties, losses on completion, losses arising on delivery commitments, and other liabilities under sales contracts (see Note 5.1 “Revenue” and Note 6.4.1 “Overview of provisions”);
- fair value measurement of purchase price components and intangible assets acquired as part of a business combination (see Note 2.1.1 “Accounting policies”);
- the assumptions used to measure pension and other post-employment benefit obligations and share-based payment plans (see Note 6.3.2 “Share-based payment” and Note 6.4.2 “Analysis of pension and other post-employment benefit obligations”);
- measurement of provisions for disputes and litigation (see Note 8.4 “Disputes and litigation”).

Note 1.5. Main accounting impacts of climate change

The Group is fully committed to the Paris Agreement on climate and the goal of keeping the increase in the Earth’s average temperature below 2°C and preferably below 1.5°C by the end of the century compared with pre-industrial levels.

The Group’s integration of climate issues into its strategy includes topics related to the transition to a low-carbon model, and climate change adaptation.

Measurement of assets

The air traffic growth assumptions used by management in the Group’s medium-term business plan and strategy (3.2% growth in average annual revenue passenger kilometers [RPK] over the next 20 years) take into account environment-related constraints in different regions (impact of the use of sustainable aviation fuels and of higher taxes on ticket prices, changes in consumer behavior owing to increased environmental concerns – especially in Europe, a decline in business travel, and the occurrence of periods of extreme weather) that could slow down air traffic growth.

The depreciation periods of the main programs (including technological assets) take into account decarbonization initiatives and have not been revised.

Property, plant and equipment – Sustainable investments

The Group invests in the production of renewable energy for its own needs.

- New wind and solar power plants were commissioned in 2024. Solar power generation facilities in France correspond in substance to power purchase agreements. These agreements are accounted for within property, plant and equipment and payables on the acquisition of non-current assets in relation to a deferred investment, and are depreciated over their useful life. Services provided in relation to these facilities are recognized within operating expenses.
- The Group has continued to introduce alternatives to natural gas for heating, such as geothermal energy and the electrification of certain assets (furnaces).
- Investments have been made to improve the energy performance of buildings.

Financial assets

Safran Corporate Ventures, Safran's investment subsidiary, is stepping up its investments in line with the Group's strategic priorities, including decarbonization. Its investments are mainly in startups developing disruptive technologies.

In 2024, Safran Corporate Ventures participated in a funding round to support French startup Estuaire in further developing its flight data analysis platform to help airlines and airports minimize CO₂ and non-CO₂ emissions in a cost-effective way. Safran Corporate Ventures also acquired stakes in entities whose businesses contribute to its climate change goals, including for example United Airlines Ventures.

Safran has committed to investing in an investment fund specializing in carbon offsetting, generating both a financial return and voluntary carbon credits. It will invest USD 25 million, with the initiatives planned in this area expected to generate a reduction of almost 900 ktCO₂ over 15 years.

The first funding round was completed in the second half of 2024 for USD 4 million. At December 31, 2024, the remainder of this investment (USD 21 million) was classified as an off-balance sheet commitment.

In all, 80% of the carbon credits will come from carbon sequestration projects (mainly reforestation) and 20% from projects to reduce deforestation.

In view of this carbon offset project based on natural solutions (better forest management, reforestation, regenerative agriculture), the Group expects to receive its first carbon credits around 2028.

Liabilities and commitments received

On March 4, 2021, Safran signed a €500 million loan agreement with the European Investment Bank (EIB), which was drawn down in full on February 21, 2022 for ten years (maturing in February 2032). The loan is being used to finance some of the Group's research into innovative propulsion systems for the next generation of single-aisle commercial aircraft, marking a major step forward in Safran's roadmap towards achieving carbon free air transportation by 2050.

On May 4, 2022 Safran set up a €2 billion revolving credit facility (RCF), with an original maturity of May 2027, that was undrawn at December 31, 2024. Following the exercise of the two one-year extension options, the maturity has been extended to May 2029.

The financial terms and conditions of the liquidity line are indexed to the achievement by the Group of two sustainable development criteria: CO₂ emissions (Scopes 1 and 2) and the proportion of women among senior executives.

Operating expenses

- Signature of Power Purchase Agreements

The Group has entered into agreements to procure clean energy (Scope 2), providing either for physical delivery of electricity (Power Purchase Agreement, or PPA) or no physical delivery but a cash settlement based on the difference between the contract price and the market price (Virtual Power Purchase Agreement, or VPPA).

These agreements were analyzed in order to determine their appropriate accounting treatment in light of IFRS 9, IFRS 10, IFRS 11 and IFRS 16.

- Safran determined that PPAs should be accounted for as simple agreements to procure power for its own use (application of the "own use" exemption provided for under IFRS 9);
- Safran has set up two Virtual Power Purchase Agreements, accounted for as financial instruments falling within the scope of IFRS 9 and recognized at fair value upon signature (see Note 6.5.8 "Management of risks on Power Purchase Agreements");
- The value of these contracts was not material at Group level.

- **Substitution of natural gas**

Safran is accelerating the introduction of alternatives to natural gas for heating, such as connecting to heat networks. In 2024, several projects were commissioned, including connections to district heating networks in the Dijon and Le Havre metropolitan areas in France.

- **Research and Technology**

In 2021, the Group undertook to contribute to the overall target of net zero emissions in the aviation sector by 2050 (an industry goal adopted by commercial aviation stakeholders through the Air Transport Action Group [ATAG]).

Research and technology (R&T) is a major outlay for the Group, which aims to allocate at least 75% of its self-funded R&T expenditure to environmental efficiency. In 2024, gross R&T expenditure amounted to around €875 million.

Compensation policy

In recent years, the Group's commitment to decarbonization has been reinforced by the inclusion of sustainable development goals in the criteria applied to short- and medium-term executive compensation and new profit-sharing agreements in French entities.

Internal carbon pricing

In 2020, Safran introduced an internal carbon price to assess and select its investment projects in the form of a shadow price of USD 80/t CO₂, in order to swing decisions in favor of solutions including decarbonization initiatives. This price was raised to USD 175/tCO₂ at the beginning of 2025 to ensure that it remains in line with the latest regulatory and economic developments. The price, which is used for the economic valuation of investments, does not give rise to any financial flows and has no impact on the financial statements.

Note 2 - Scope of consolidation

Note 2.1. Basis of consolidation

2.1.1. Accounting policies

The Group's consolidated financial statements include all subsidiaries, joint operations, joint ventures and associates when their contribution to certain consolidated indicators is material or when their business is strategic for the Group.

The consolidated companies prepared their financial statements at December 31, 2024 in accordance with the accounting principles applied by the Group. A list of consolidated companies is provided in Note 9 "List of consolidated companies".

Investments in associates and joint ventures are shown on the balance sheet under "Investments in equity-accounted companies".

In the income statement, the Group's share in the net earnings or losses of equity-accounted companies is shown separately under a specific line item, "Share in profit from joint ventures".

Balance sheet and income statement items for joint operations are consolidated line-by-line.

2.1.2. Foreign currency translation methods

Translation of foreign currency financial statements

The Group's consolidated financial statements are presented in euros.

Assets and liabilities of foreign subsidiaries are translated at year-end exchange rates, while income statement items are translated at average exchange rates for the period. Any resulting foreign exchange gains or losses are taken directly to equity under "Translation adjustments".

Foreign currency transactions and foreign currency derivatives

Transactions denominated in currencies other than the entity's functional currency are translated to the functional currency at the exchange rate prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the year-end exchange rate. Non-monetary assets and liabilities denominated in foreign currencies are translated at the historical exchange rate at the transaction date.

Any resulting foreign exchange gains or losses are typically recognized in profit or loss, except for foreign exchange differences relating to a financial instrument designated as a net investment hedge, which are reported in other comprehensive income.

Foreign exchange gains and losses arising subsequent to the derecognition of the net investment hedge are recognized in other financial income and expense in the consolidated income statement. Foreign exchange gains and losses previously recognized in other comprehensive income are only reclassified to income upon the disposal of all or part of the subsidiary. The Group reviews whether the partial or full repayment of the loan or debt represents a disposal of all or part of the subsidiary.

The Group uses currency derivatives to manage and hedge its exposure to fluctuations in exchange rates which can impact revenue net of foreign-currency denominated purchases.

The Safran Group's forex hedging strategy along with the forward currency contracts and options it uses are described in Notes 6.5.6 "Management of foreign exchange risks" through to 6.5.10 "Liquidity risk management".

These foreign currency derivatives are recognized in the balance sheet at their fair value. Most derivatives used by the Group cannot be classified as hedging instruments and the Group therefore decided that none of its foreign currency derivative transactions was eligible for hedge accounting. Accordingly, any changes in the fair value of these derivatives along with the impact of unwinding these instruments are recognized in "Financial income (loss)".

Note 2.2. Changes in scope of consolidation

Business combinations are recorded using the acquisition (purchase) method. Identifiable assets acquired and liabilities and contingent liabilities assumed are measured at fair value at the date control is acquired.

One of the most important areas in which estimates are used in accounting for a business combination concerns the calculation of the fair value of certain assets acquired and liabilities assumed and the underlying assumptions applied. The fair value of certain items acquired in a business combination can be measured reliably, for example property, plant and equipment using market prices or working capital requirement items. However, the fair value of other items such as intangible assets or contingent liabilities may prove more difficult to establish. These complex measurements are usually performed by independent experts based on a series of assumptions. These experts are generally required to estimate the impact of future events that are uncertain at the date of the combination.

2.2.1. Acquisitions

Acquisition of Thales' aeronautical electrical systems business

On October 2, 2023, Safran finalized its acquisition of a 100% stake in Thales's aeronautical electrical systems business.

Control of the business activities based in France was transferred in 2023. At December 31, 2023, the preliminary allocation of the purchase price to the assets and liabilities measured at fair value generated provisional goodwill of €109 million.

During 2024, the Group continued to work with its experts on the allocation of the purchase price of these activities.

Following the final purchase price allocation, goodwill was recognized in an amount of €25 million at December 31, 2024.

The allocation of the purchase price is as follows:

<i>(in € millions)</i>	Fair value at acquisition date
Intangible assets	199
Property, plant and equipment, and right-of-use assets	38
Inventories	63
Other current and non-current assets and liabilities	(182)
Net debt	5
Deferred tax liabilities	(24)
Net assets	99
Purchase price	124
Goodwill	25

The transfer of control of the business activities in the US and Singapore is still in progress and will be carried out at the end of a transition period, during which the necessary certification approvals will be obtained.

Acquisition of Air Liquide's aeronautical oxygen and nitrogen activities

On February 29, 2024, Safran finalized the acquisition of Aerospace & Defense Oxygen System SAS (ADOS), combining Air Liquide's oxygen and nitrogen aerospace technology activities.

This acquisition rounds out Safran Aerosystems' range of products. In particular, acquiring Air Liquide's on-board oxygen generation systems (OBOGS) would see Safran Aerosystems become a leading player through systems integration.

The acquisition was fully consolidated (100%) by Safran in its financial statements as from March 1, 2024 within the Equipment & Defense segment.

Since their consolidation, these activities have contributed €54 million to consolidated revenue and €8 million to profit from operations.

Following the finalization of the purchase price allocation for ADOS at December 31, 2024, goodwill was recognized in an amount of €25 million.

The final allocation of the purchase price is as follows:

<i>(in € millions)</i>	Fair value at acquisition date
Non-current assets	49
Inventories	20
Other current and non-current assets and liabilities	(2)
Cash and cash equivalents	7
Borrowings	(9)
ADOS net assets	65
Purchase price	90
Goodwill	25

Acquisition of Preligens, a leader in artificial intelligence for the defense sector

On September 2, 2024, the Group finalized its acquisition of Preligens.

This acquisition represents a unique opportunity for Safran to add state-of-the-art AI capabilities to its product offering and to accelerate its digital transformation roadmap, in particular for Industry 4.0.

Preligens, now known as Safran.AI, has been fully consolidated in the Group's financial statements since September 1, 2024, within the Safran Electronics & Defense CGU.

Since its consolidation, Safran.AI has contributed €13 million to consolidated revenue and €1 million to profit from operations.

If these activities had been consolidated on January 1, 2024, they would have contributed €33 million to consolidated revenue and a negative €3 million to profit from operations for the year.

At December 31, 2024, the preliminary allocation of the purchase price to the assets and liabilities measured at fair value generated provisional goodwill of €220 million.

<i>(in € millions)</i>	Fair value at acquisition date
Non-current assets	12
Inventories	1
Other current and non-current assets and liabilities	(13)
Cash and cash equivalents	18
Borrowings	(9)
Net assets	9
Purchase price	229
Provisional goodwill	220

2.2.2. Disposals

Sale of Roxel, European leader in tactical propulsion systems

On December 19, 2024, Safran completed the sale of its stake in the Roxel joint venture to the missile manufacturer MBDA for a price of €81.4 million. Previously 50/50 owned by Safran and MBDA, Roxel is now a fully-owned subsidiary of the European missile manufacturer.

The capital gain on the disposal was recognized in non-recurring operating income in the amount of €83 million.

2.2.3. Transactions in progress

Acquisition of Collins Aerospace's actuation and flight control business

Safran announced on July 21, 2023 the contemplated acquisition of Collins Aerospace's high-technology actuation and flight control activities, which are mission critical for commercial and military aircraft and helicopters by cash offer based on a USD 1.8 billion enterprise value.

The business has around 3,700 employees across eight facilities in Europe (France, Italy and the United Kingdom) and in Asia, and also benefits from MRO and engineering capabilities. It is expected to generate annual revenue of approximately USD 1.5 billion.

On November 20, 2023, Safran was informed of the Italian government's decision to exercise its "Golden Power", thus opposing the sale to Safran of Microtecnica S.r.l.¹.

The Group subsequently made a number of commitments, compatible with the targeted objectives of this acquisition, which address the concerns expressed by the Italian government and provide adequate safeguards of Italian national interests. On June 6, 2024, Safran was then informed by the Italian government of its decision ultimately to approve the sale to Safran of Microtecnica S.r.l.

In the UK, the Secretary of State reviewed the notification made under the National Security and Investment Act and informed Safran that he will take no further action in relation to the proposed acquisition. This constitutes an unconditional clearance.

In the US, the Committee on Foreign Investment in the United States (CFIUS) approved the proposed acquisition on January 16, 2025.

To obtain the necessary merger control approvals, Safran has initiated the sale of its electromechanical actuation business, as described in the section below.

Completion of this proposed acquisition therefore remains subject to obtaining the necessary merger control approvals, notably conditional on the approval and completion of the sale of the electromechanical actuation business.

Sale of the electromechanical actuation business

On December 20, 2024, Safran announced that it had signed a definitive agreement to sell to Woodward its electromechanical actuation business in the United States, Mexico and Canada.

This transaction includes intellectual property, operations assets, talent and long-term customer agreements for Horizontal Stabilizer Trim Actuation (HSTA) systems² for aircraft stabilization to support safe and efficient flight.

The sale will also include other electromechanical products and electronic control units with a portfolio of commercial airliner and business aircraft applications.

The transaction marks another important milestone towards the acquisition by Safran of Collins Aerospace's actuation and flight control activities.

It is expected to close sometime in mid-2025, once all customary terms and conditions of the agreement are met and regulatory requirements are fulfilled, subject to obtaining the merger control approvals enabling Safran to complete its acquisition of Collins Aerospace's flight control and actuation businesses.

¹ The company holding the assets included in the acquisition located in Italy.

² Notably used for the Airbus A350.

Note 3 - Significant events of the year

Completion of 2023 acquisitions

On April 28, 2023, AD Holding, owned equally by Airbus, Safran and Ace Aéro Partenaires, completed the acquisition of Aubert & Duval from the Eramet group.

At December 31, 2023, the purchase price allocation was underway, with the assistance of our external experts. The preliminary allocation of the purchase price to the assets acquired and liabilities assumed as measured at fair value generated provisional goodwill of zero.

The preliminary purchase price allocation was confirmed at December 31, 2024.

Note 4 - Segment information and adjusted data

The segment information presented below is based on internal reporting used by Executive Management to assess performance and allocate resources to the various business segments.

Executive Management represents the chief operating decision-maker within the meaning of IFRS 8.

The Group's subsidiaries are organized around tier-one entities ("consolidation sub-groups").

These sub-groups are in turn organized into operating segments based on the type of products and services they sell.

Segments presented

Safran manages its operations based on three operating segments:

- **Propulsion:** the Group designs, develops, produces and markets propulsion and mechanical power transmission systems for commercial aircraft, military transport, training and combat aircraft, civil and military helicopters, and drones. This segment also includes maintenance, repair and overhaul (MRO) activities and the sale of spare parts.
- **Equipment & Defense:** Safran covers the full life cycle of systems and equipment for civil and military aircraft and helicopters. The Group is involved in landing gear and brakes, nacelles and reversers, avionics (flight controls and onboard information systems), security systems (evacuation slides and oxygen masks), onboard computers and fuel systems. It also operates at the different phases of the electrical cycle and provides electrical power management systems and associated engineering services. It includes all activities serving the aerospace, naval and land defense markets, including optronic equipment and sights, navigation equipment and sensors, modernized infantry, and drones. This segment also includes maintenance, repair and overhaul (MRO) activities and the sale of spare parts.
- **Aircraft Interiors:** this segment includes all operations related to the buyer-furnished equipment (BFE) market, whose direct customers are mostly airline companies. It also includes all activities related to supplier-furnished equipment (SFE) specified and purchased by the airframer. The Group designs, develops, manufactures and markets, for example, aircraft seats for passengers (First, Business and Economy Class) and crew, as well as cabin equipment, overhead bins, class dividers, passenger service units, cabin interior solutions, chilling systems, galleys, and electrical inserts and trolleys. This segment also includes complex cabin equipment and passenger comfort-focused solutions such as water distribution, lavatories, air systems, and in-flight entertainment and connectivity (IFEC).
- **Holding company and other:** in "Holding company and other", the Group includes Safran SA's activities and holding companies in various countries.

Business segment performance indicators

To make it easier to track and compare its operating and financial performance, the Group prepares an adjusted income statement in addition to its consolidated financial statements and presents key indicators in its management report, defined as follows:

- Adjusted revenue corresponds to revenue adjusted for the revaluation by currency of revenue net of purchases in foreign currencies at the hedged rate, incorporating the exchange rate effectively obtained over the period under hedging strategies, including premiums on settled options.
- Adjusted ROI corresponds to recurring operating income adjusted for (i) entries recorded in connection with business combinations (impact of asset remeasurements and the depreciation, amortization and impairment of assets measured as part of the purchase price allocation in accordance with IFRS 3), (ii) 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 in foreign currencies is therefore valued at the exchange rate effectively obtained over the period, including the cost of implementing the hedging strategy).
- Adjusted profit attributable to owners of the parent corresponds to consolidated profit for the period attributable to owners of the parent adjusted for the above-mentioned items and for the neutralization of all mark-to-market changes on foreign currency derivatives hedging future cash flows. The resulting changes in deferred tax have also been adjusted.

Note 4.1. KPIs by segment

At December 31, 2024

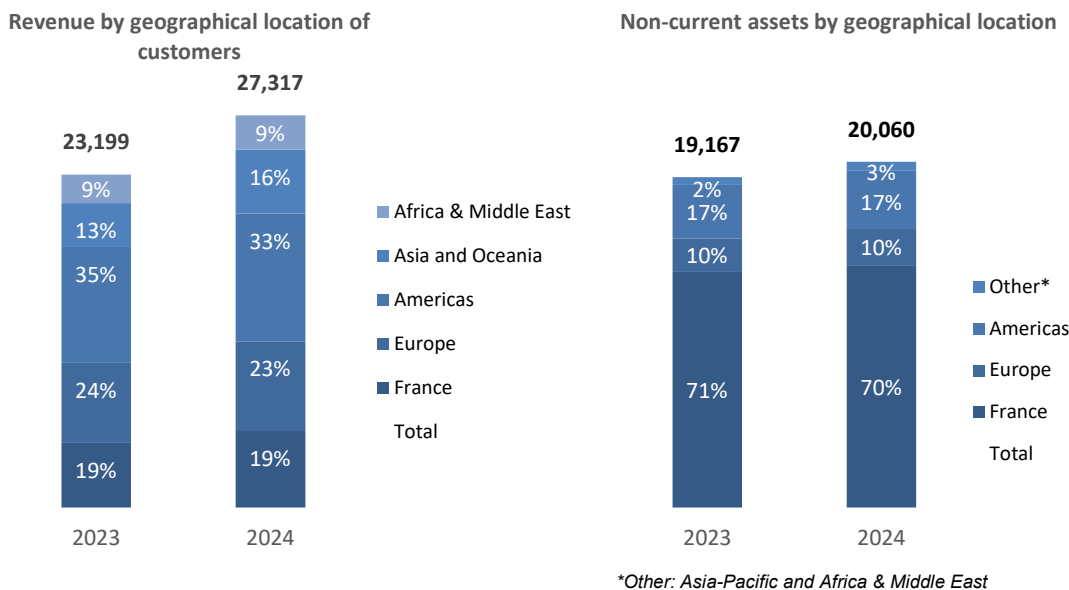
	Propulsion	Equipment & Defense	Aircraft Interiors	Total operating segments	Holding company and other	Total adjusted data	Currency hedges	Impacts of business combinations	Total consolidated data
<i>(in € millions)</i>									
Revenue	13,652	10,618	3,037	27,307	10	27,317	399	-	27,716
Recurring operating income (loss)⁽¹⁾	2,819	1,298	27	4,144	(25)	4,119	394	(327)	4,186
Other non-recurring operating income and expenses	(26)	65	(45)	(6)	12	6	-	-	6
Profit (loss) from operations	2,793	1,363	(18)	4,138	(13)	4,125	394	(327)	4,192
Free cash flow	2,616	569	(132)	3,053	136	3,189	-	-	3,189
Gross operating working capital	(4,338)	1,987	1,294	(1,057)	(109)	(1,166)	-	-	(1,166)
Segment assets	21,782	15,503	4,993	42,278	2,428	44,706	-	-	44,706
⁽¹⁾ o/w depreciation, amortization and increase in provisions, net of use	(608)	(453)	(141)	(1,202)	(68)	(1,270)	(10)	(298)	(1,578)
o/w asset impairment	(1)	(24)	46	21	(2)	19	-	(1)	18

At December 31, 2023

	Propulsion	Equipment & Defense	Aircraft Interiors	Total operating segments	Holding company and other	Total adjusted data	Currency hedges	Impacts of business combinations	Total consolidated data
<i>(in € millions)</i>									
Revenue	11,876	8,835	2,477	23,188	11	23,199	452	-	23,651
Recurring operating income (loss)⁽¹⁾	2,390	992	(116)	3,266	(100)	3,166	462	(319)	3,309
Other non-recurring operating income and expenses	(52)	(13)	(428)	(493)	(18)	(511)	-	-	(511)
Profit (loss) from operations	2,338	979	(544)	2,773	(118)	2,655	462	(319)	2,798
Free cash flow	2,700	538	(277)	2,961	(16)	2,945	-	-	2,945
Gross operating working capital	(3,969)	1,667	1,135	(1,167)	(132)	(1,299)	-	-	(1,299)
Segment assets	19,271	14,297	4,544	38,112	3,144	41,256	-	-	41,256
⁽¹⁾ o/w depreciation, amortization and increase in provisions, net of use	(361)	(443)	(127)	(931)	(62)	(993)	7	(296)	(1,282)
o/w asset impairment	(25)	(5)	(23)	(53)	2	(51)	-	1	(50)

Note 4.2. Information by geographic area

Revenue and non-current assets by geographic area can be analyzed as follows:



Non-current assets exclude financial assets, derivatives and deferred tax assets.

Revenue generated by the Group in the United States amounted to €6,947 million, or 25% of total Group revenue (€6,400 million in 2023, or 28% of total Group revenue).

Non-current assets located in the US represent €2,908 million, or 14% of the Group's total non-current assets (€2,753 million in 2023, or 14% of the Group's total non-current assets).

Note 4.3. Information relating to major customers

In 2024, as in 2023, the Group's three main customers were:

- Airbus: sales of original equipment engines for aircraft and helicopters for propulsion; landing and braking systems, wiring and electrical connection systems, nacelles, navigation systems, flight control systems, flight-data recording systems and other equipment for military aviation; and cabin interiors and seats;
- Boeing: sales of original equipment engines for aircraft for Propulsion; landing and braking systems and wiring and electrical connection systems for Equipment; and cabin interiors and seats for Aircraft Interiors;
- GE Aerospace: sales of fleet maintenance spare parts for engines for Propulsion.

Note 5 - Notes to the income statement

Note 5.1. Revenue

The Safran Group primarily sells:

Original equipment and related products and services

Original equipment engines and spare engines, serial production equipment and spare parts

Revenue from sales of engines, equipment and spare parts is recognized upon transfer to the customer, i.e., upon delivery.

Development work may be carried out prior to production and is often inseparable from serial production. Any total or part contributions from customers in respect of such work are therefore initially recorded in the balance sheet as contract liabilities when they are received, and subsequently recognized in "Original equipment and equipment sales" as the goods are delivered.

Financing for development work which is independent of serial production (i.e., representing a separate performance obligation) is recognized in revenue upon the transfer of control over the development work (at a specific point in time, or on a percentage-of-completion basis (cost-to-cost method) if control is transferred over time).

The revenue recognized is net of any discounts granted in any form whatsoever, including warranties resembling trade discounts and any products or services granted free of charge which do not represent separate performance obligations, and net of all penalties.

Downpayments from customers are included in contract liabilities when they are received and taken to revenue when control of the products to which they relate is transferred.

Sales of contracts with multiple elements

Contracts with multiple elements are contracts that include the sale of specific development work as well as the sale of both goods and services.

In general, for these contracts:

- the specific development work or customization assignments for a given contract and customer do not represent a separate performance obligation. Costs associated with the development and installation are initially recognized in assets within contract costs if they are recoverable, and subsequently expensed over the contract term;
- financing received from the customer for the development work or customization assignment is recognized as revenue as and when the various performance obligations under the contract are satisfied;
- revenue generated on the serial production and service portion of the contract is recognized either on delivery of the goods, or on a percentage-of-completion basis (cost-to-cost method), depending on the nature of the performance obligation.

Sales of services

Sales of service agreements

Certain maintenance and support contracts require a fleet of engines or various equipment to be kept in flying condition. These contracts are billed based on the number of flight hours or landings for the engines/equipment concerned.

The Group accounts for contracts on a percentage-of-completion basis (cost-to-cost method).

Rate-per-flight-hour (RPFH) contracts for engines include estimates of future costs related to the engine's commissioning date, as well as potential contingencies to cover the risks associated with the engine's behavior in the various environments in which it is used by airlines, its time on wing, and the time required to carry out maintenance operations, depending on available capacity. Assumptions are updated in line with technical milestones based on the maturity of the engines and with the experience acquired in terms of engine maintenance costs. This is notably applicable to agreements for LEAP engines, in which the profit currently recognized is close to zero until key technical milestones – which will have a major impact on the life of engines under the wing – are reached.

Amounts billed to customers which have not yet been recognized in revenue are included within contract liabilities (deferred income) at the end of the reporting period.

In contrast, revenue which has been recognized but which has not yet been billed is recorded within contract assets in the balance sheet.

Forecast contract margins are reviewed regularly, and any necessary adjustments are generally reflected immediately in the income statement ("catch-up method").

When the total costs that are necessary to cover the Group's risks and obligations under the contract are likely to exceed total contract revenue, any contract costs recognized within assets are written down and a provision for losses on completion recognized for the remaining amount of the loss.

Sales of time and materials service contracts

Revenue is recognized on a percentage-of-completion basis (cost-to-cost method) when control is transferred over time, or once the performance obligation has been satisfied if control is transferred at a point in time.

Sales of studies

Revenue is recognized on a percentage-of-completion basis (cost-to-cost method) when control is transferred over time, or once the performance obligation has been satisfied if control is transferred at a point in time.

Other

Safran may also recognize revenue on certain secondary activities.

Revenue can be analyzed as follows by type:

2024

	Propulsion	Equipment & Defense	Aircraft Interiors	Holding company and other	Total
<i>(in € millions)</i>					
Description of products/services					
Sales of original equipment and other equipment	4,996	6,069	1,889	-	12,954
Spare parts and services	8,630	4,168	1,122	-	13,920
Sales of studies	174	332	29	2	537
Other	176	120	1	8	305
Total revenue	13,976	10,689	3,041	10	27,716
Timing of revenue recognition					
At a point in time	11,051	9,465	2,992	10	23,518
Over time	2,925	1,224	49	-	4,198
Total revenue	13,976	10,689	3,041	10	27,716

2023

	Propulsion	Equipment & Defense	Aircraft Interiors	Holding company and other	Total
<i>(in € millions)</i>					
Description of products/services					
Sales of original equipment and other equipment	4,413	5,050	1,571	-	11,034
Spare parts and services	7,524	3,504	885	-	11,913
Sales of studies	151	266	22	3	442
Other	134	111	9	8	262
Total revenue	12,222	8,931	2,487	11	23,651
Timing of revenue recognition					
At a point in time	9,893	7,892	2,463	11	20,259
Over time	2,329	1,039	24	-	3,392
Total revenue	12,222	8,931	2,487	11	23,651

Remaining performance obligations

Remaining performance obligations relate to firm quantities/products/services still to be delivered and/or performed under contracts in force at the end of the reporting period.

The duration of these obligations can be up to 20 years.

<i>(in € millions)</i>	One year or less	More than one year	Total
Remaining performance obligations at December 31, 2023	13,995	59,379	73,374
Remaining performance obligations at December 31, 2024	15,567	69,457	85,024

This increase is mainly due to a €10 billion increase in aftermarket services, with the entry into service or restructuring of certain contracts in the Propulsion segment, and a €1.6 billion increase in firm orders for original equipment and other equipment.

Obligations to provide services in more than one year can be analyzed as follows: €24 billion in one to five years; €45 billion after five years.

Note 5.2. Other operating data

5.2.1. Other income

Other income breaks down as follows:

<i>(in € millions)</i>	2023	2024
Research tax credit	159	178
Other operating subsidies	288	221
Other operating income	27	39
Other income	474	438

Research tax credits in France, or any similar tax arrangements in other jurisdictions, are considered as operating subsidies related to research and development expenditures incurred during the period.

Other operating subsidies mainly comprise research and technology (R&T) subsidies amounting to €203 million (€266 million in 2023).

5.2.2. Raw materials and consumables used

This caption breaks down as follows for the period:

<i>(in € millions)</i>	2023	2024
Raw materials, supplies and other	(5,126)	(5,794)
Bought-in goods	(167)	(230)
Changes in inventories	498	456
Contract costs	121	89
Sub-contracting	(5,395)	(5,042)
Purchases not held in inventory	(742)	(738)
External service expenses	(3,261)	(4,701)
Raw materials and consumables used	(14,072)	(15,960)

In connection with the exemption provided for under IFRS 16 (see Note 6.1.4), note that at December 31, 2024, external services include lease expenses of €165 million (€198 million at December 31, 2023).

5.2.3. Personnel costs

Personnel costs break down as follows:

<i>(in € millions)</i>	2023	2024
Wages and salaries	(4,330)	(4,965)
Social security contributions	(1,638)	(1,863)
Statutory and optional employee profit-sharing	(409)	(501)
Other employee costs	(390)	(472)
Personnel costs	(6,767)	(7,801)

The average number of permanent employees at the Group level, excluding jointly controlled entities, was 96,390 in 2024 versus 87,055 in 2023.

5.2.4. Depreciation, amortization and provisions

Depreciation, amortization and provisions can be analyzed as follows:

<i>(in € millions)</i>	2023	2024
Net depreciation and amortization expense		
- intangible assets	(646)	(686)
- property, plant and equipment	(584)	(596)
- right-of-use assets	(106)	(124)
Total net depreciation and amortization expense	(1,336)	(1,406)
Net (additions to) reversals from provisions	54	(172)
Depreciation, amortization and increase in provisions, net of use	(1,282)	(1,578)

Net depreciation and amortization expense includes depreciation and amortization of assets measured at fair value at the time of various business combinations, representing €298 million at December 31, 2024 (€296 million at December 31, 2023).

5.2.5. Asset impairment

Asset impairment breaks down as follows:

<i>(in € millions)</i>	Impairment expense		Reversals	
	2023	2024	2023	2024
Intangible assets, property, plant and equipment, and right-of-use assets	(3)	(13)	15	11
Financial assets	(4)	(9)	3	4
Contract costs	(13)	-	4	24
Inventories and work-in-progress	(409)	(533)	363	552
Receivables	(86)	(57)	81	40
Contract assets	-	-	(1)	(1)
Asset impairment	(515)	(612)	465	630

5.2.6. Other non-recurring operating income and expenses

To give a clearer picture of the Group's operating performance, items which are largely unpredictable because of their unusual, infrequent and/or material nature are included on the operating income line, "Other non-recurring operating income and expenses".

This mainly includes:

- impairment losses recognized against goodwill and impairment losses or reversals of impairment losses recognized against intangible assets relating to programs, projects or product families, including for equity-accounted companies;
- transaction costs and capital gains and losses on disposals of operations;
- gains on remeasuring any previously held equity interests in the event of step acquisitions or disposals or transfers made to joint ventures;
- other unusual and/or material items not directly related to the Group's ordinary operations, in particular restructuring costs.

<i>(in € millions)</i>	2023	2024
Capital gains and losses on asset disposals	(10)	83
Asset impairment net of reversals	(432)	(1)
Other non-recurring items	(69)	(76)
Other non-recurring operating income and expenses	(511)	6

In 2024, capital gains and losses on asset disposals result from the disposals outlined in Note 2.2, "Changes in the scope of consolidation".

In 2024, write-downs taken against intangible assets break down as follows:

- €52 million relating to aircraft programs in the Equipment & Defense segment;
- €71 million of reversals of impairment recognized on an aircraft program in the Equipment & Defense segment;
- €20 million relating to aircraft programs in the Aircraft Interiors segment.

Other non-recurring items mainly correspond to restructuring costs including adaptation plans and costs relating to site closures, transaction costs and compensation due in connection with the suspension of a program.

Note 5.3. Financial income (loss)

Financial income (loss) can be analyzed as follows:

Cost of net debt:

Interest expense corresponds essentially to the amount of interest recognized on interest-bearing financial liabilities. Interest income relates to interest earned on cash investments meeting the definition of cash and cash equivalents.

Foreign exchange gains and losses

Foreign exchange gains and losses include:

- the gain or loss on foreign currency hedging instruments which reflects changes in the fair value of these instruments attributable to operating cash flows that will be recognized in profit or loss in future periods. The fair value of the portfolio reflects the immediate liquidation value of the portfolio at the year-end exchange rate for the period, compared with the average exchange rate for the portfolio, even though currency hedges are intended to be unwound at the time of future dollar receipts;
- the foreign exchange gain or loss which reflects the loss on unwinding currency derivatives hedging operating cash flows recognized in profit or loss in the period. This foreign exchange gain or loss reflects the difference between the exchange rate of the EUR/USD currency derivatives unwound and the average EUR/USD exchange rate in 2024.

Other financial income and expense

Other financial income and expense are set out in the table below:

<i>(in € millions)</i>	2023	2024
Financial expense on interest-bearing financial liabilities	(118)	(92)
Financial income on cash and cash equivalents	230	249
Cost of net debt	112	157
Gain (loss) on foreign currency hedging instruments	2,239	(4,670)
Foreign exchange gain (loss)	(417)	(463)
Net foreign exchange gain (loss) on provisions	28	(47)
Foreign exchange gains (losses)	1,850	(5,180)
Gain (loss) on interest rate hedging instruments	(1)	-
Capital gain (loss) on financial asset disposals	(1)	7
Change in the fair value of assets at fair value through profit or loss	15	18
Dividends received	7	8
Other financial provisions	(2)	(3)
Interest component of IAS 19 expense	(18)	(19)
Impact of unwinding the discount	(16)	(18)
Other	12	(21)
Other financial income and expense	(4)	(28)
Financial income (loss)	1,958	(5,051)
Of which financial expense	(573)	(5,333)
Of which financial income	2,531	282

The foreign exchange loss includes a €404 million loss on unwinding hedges over the year and a foreign exchange loss of €59 million on the remeasurement of monetary items.

Note 5.4. Income tax

The income tax expense or benefit reflects current and deferred tax relating to consolidated companies.

Analysis of income tax benefit (expense)

Income tax benefit (expense) breaks down as follows:

<i>(in € millions)</i>	2023	2024
Current income tax benefit (expense)	(928)	(1,023)
Deferred tax benefit (expense) ⁽¹⁾	(308)	1,307
Total tax benefit (expense)	(1,236)	284

(1) The deferred tax benefit in 2024 is mainly due to changes in the fair value of currency hedging instruments.

Analysis of effective tax rate

The effective tax rate breaks down as follows:

<i>(in € millions)</i>		2023	2024
Profit (loss) before tax	(a)	4,756	(859)
Standard tax rate applicable to the parent company		25.83%	25.83%
Tax benefit (expense) at standard rate		(1,228)	222
Impact of permanent differences		(80)	22
Impact of research tax credits		45	45
Impact of different tax rates (France/international)		9	18
Impact of unrecognized tax		(2)	(16)
Impact of joint ventures		26	34
Impact of other items		(6)	(41)
Current income tax benefit (expense) recognized in profit or loss	(b)	(1,236)	284
Effective tax rate	(b)/(a) in %	25.99%	33.06%

As discussions on the French Finance Act had not concluded at the end of December, the corporate income tax surcharge initially planned for 2024 earnings had not been approved at the reporting date. France's corporate income tax therefore continues to be levied at 25.83% (including the social levy), regardless of the discussions ongoing in 2025 on the introduction of a corporate income tax surcharge.

Deferred tax assets and liabilities were calculated on this basis.

Profit (loss) before tax includes a €4,670 million decrease in the fair value of hedging instruments, which generated deferred tax income of €1,206 million. Excluding these items, the effective tax rate was 24.20%.

In 2024, tax credits represent €50 million (of which €45 million in research tax credits) and reduce the effective tax rate.

The impact of joint ventures arises from the fact that joint ventures' share of income as included in consolidated profit (loss) from operations is net of tax.

Deferred tax assets and liabilities

As no utilization is likely according to the Group's medium-term business plan, no deferred tax assets were recognized on the tax losses.

<i>(in € millions)</i>	Assets	Liabilities	Net
Net deferred tax assets (liabilities) at December 31, 2023	1,122	1,022	100
Deferred taxes recognized in profit or loss	1,234	(73)	1,307
Deferred taxes recognized directly in equity	(25)	(73)	48
Reclassifications	(22)	(23)	1
Foreign exchange differences	5	3	2
Changes in scope of consolidation	35	55	(20)
Net deferred tax assets (liabilities) at December 31, 2024	2,349	911	1,438

Deferred taxes can be analyzed as follows by type:

<i>(in € millions)</i>	Dec. 31, 2023	Dec. 31, 2024
Deferred tax bases		
Intangible assets, property, plant and equipment, and right-of-use assets	(7,440)	(7,225)
Inventories	607	660
Current assets/liabilities	2,800	2,986
Financial assets/liabilities ⁽¹⁾	3,600	8,502
Provisions	899	1,142
Tax adjustments	(793)	(912)
Losses carried forward and tax credits	1,037	822
Total deferred tax bases	710	5,975
Total gross deferred tax balance (a)	155	1,502
Total unrecognized deferred tax assets (b)	55	64
Total net deferred taxes recognized (a)-(b)	100	1,438

(1) The increase in the tax base is related to the fair value of hedging instruments.

Pillar Two

The Group continues to monitor developments in Pillar Two legislation as new countries adopt the rules. In December 2021, the Organisation for Economic Cooperation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting released the Global Anti-Base Erosion Model Rules ("GloBE Rules" or "Pillar Two model rules"). The rules aim at reforming international corporate taxation by ensuring that multinational enterprises with a global revenue exceeding €750 million incur a minimum GLoBE effective tax of 15% for each jurisdiction in which they operate. As part of the 2024 French Finance Act, France enacted the Pillar Two legislation with mandatory application for accounting periods commencing on or after January 1, 2024.

The Group falls within the scope of these rules. The Group applies the exception to recognizing and disclosing information regarding deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued on May 23, 2023 and approved by the European Commission.

At December 31, 2024, the Group estimated the additional current tax expense under Pillar Two, applying the transitional safe harbor rules. Since effective tax rates are higher than 15% in the majority

of jurisdictions in which the Group operates, the additional tax charge recognized pursuant to Pillar Two rules was not material.

The Group continues to monitor developments in Pillar Two legislation as new countries adopt the rules.

Note 5.5. Earnings per share

	Index	2023	2024
Numerator (in € millions)			
Profit (loss) for the period attributable to owners of the parent	(a)	3,444	(667)
Diluted profit for the period attributable to owners of the parent	(a')	3,480	(665)
Denominator (in shares)			
Total number of shares	(b)	427,260,541	423,632,587
Number of treasury shares held	(c)	13,733,425	6,857,467
Number of shares excluding treasury shares	(d)=(b-c)	413,527,116	416,775,120
Weighted average number of shares (excluding treasury shares)	(d')	417,795,492	416,149,530
Potentially dilutive ordinary shares	(e)	13,578,069	4,572,823
Weighted average number of shares after dilution	(f)=(d'+e)	431,373,561	420,722,353
Ratio: earnings (loss) per share (in €)			
Basic earnings (loss) per share*	(g)=(a*1million)/(d')	8.24	(1.60)
Diluted earnings (loss) per share*	(h)=(a*1million)/(f)	8.07	(1.60)

* In accordance with IAS 33, when basic earnings per share are negative, basic and diluted earnings per share are identical.

At December 31, 2024, the only potentially dilutive instruments for the Group are the bonds convertible into new shares and/or exchangeable for existing shares and the free share grant (see Note 6.3 "Equity and dividends").

Note 6 - Notes to the balance sheet

Note 6.1. Non-current assets

6.1.1. Goodwill and other intangible assets

Goodwill

Goodwill is initially recognized when a business combination takes place, as described in Note 2.2 “Changes in scope of consolidation”.

Subsequent to initial recognition, goodwill is not amortized, but is tested for impairment whenever there is evidence that it may be impaired, and at least annually in the second half of the year. Impairment tests carried out during the year are described in Note 6.1.3 “Impairment of non-current assets”.

Goodwill breaks down as follows:

	Dec. 31, 2023	Changes in scope of consolidation (1)	Impairment	Price adjustments and allocation to identifiable assets and liabilities(2)	Effect of changes in foreign exchange rates and other	Dec. 31, 2024
(in € millions)	Net					Net
Safran Aircraft Engines	392	-	-	-	-	392
Safran Helicopter Engines	306	-	-	-	-	306
Safran Aero Boosters	47	-	-	-	-	47
Other Propulsion	1	-	-	-	-	1
Safran Electronics & Defense	613	220	-	-	5	838
Safran Nacelles	213	-	-	-	-	213
Safran Engineering Services	74	-	-	-	-	74
Safran Electrical & Power	811	-	-	(84)	17	744
Safran Landing Systems	190	-	-	-	-	190
Safran Aerosystems	725	25	-	-	-	750
Safran Seats	588	-	-	-	-	588
Safran Cabin	746	-	-	-	48	794
Goodwill	4,706	245	-	(84)	70	4,937

(1) The acquisition of Prelegens and ADOS resulted in the recognition of goodwill for €220 million and €25 million, respectively (see Note 2.2, “Changes in scope of consolidation”).

(2) The definitive allocation of the purchase price of Thales Avionics Electrical Systems led to an €84 million reduction in goodwill for the Safran Electrical & Power CGU (see Note 2.2, “Changes in scope of consolidation”).

Intangible assets (excluding goodwill)

Intangible assets

Software is recognized at acquisition cost or production cost and amortized on a straight-line basis over its useful life (between one and five years).

Patents are capitalized at acquisition cost and amortized over their useful life, i.e., the shorter of the period of legal protection and their economic life.

Contributions paid to third parties in connection with aircraft programs (participation in certification costs, etc.) are considered as acquired assets and are therefore capitalized unless the program proves unprofitable. These contributions are amortized on a straight-line basis over the term of the program.

In the case of business combinations, intangible assets (customer relationships, technology, brands, etc.) are recognized at their fair value at the date control is acquired and are amortized on a straight-line basis over their useful life.

Research and development costs

Research costs are recognized as expenses in the period in which they are incurred. Development expenditures are capitalized if they meet all of the criteria set out in IAS 38. In the Group, development expenditures are capitalized once Executive Management has taken the decision to launch the program (technical feasibility, proven profitability, existence of a market, etc.).

Development expenditures cannot be capitalized before the completion of this milestone.

Capitalization of development expenditures ceases as soon as the product to which the expenditures relate is brought into service or the criteria for capitalization are no longer met.

Capitalized development expenditures are stated at production cost and amortized primarily using the straight-line method as from the initial delivery of the product, over a useful life not exceeding 20 years.

Intangible assets (excluding goodwill) break down as follows:

	Dec. 31, 2023			Dec. 31, 2024		
	Gross	Amortization /impairment	Net	Gross	Amortization /impairment	Net
<i>(in € millions)</i>						
Aircraft programs	2,325	(1,953)	372	2,327	(2,020)	307
Development expenditure	7,528	(3,605)	3,923	7,923	(3,953)	3,970
Commercial agreements	913	(297)	616	920	(336)	584
Software	831	(738)	93	887	(765)	122
Trademarks ⁽¹⁾	721	-	721	721	-	721
Commercial relationships	1,924	(847)	1,077	2,156	(999)	1,157
Technology	1,264	(828)	436	1,359	(943)	416
Other	984	(392)	592	1,070	(400)	670
Other intangible assets	16,490	(8,660)	7,830	17,363	(9,416)	7,947

(1) As trademarks are not amortized, they are tested for impairment based on their respective CGUs.

Movements in intangible assets (excluding goodwill) break down as follows:

<i>(in € millions)</i>	Gross	Amortization/ impairment	Net
Other intangible assets at Dec. 31, 2023	16,490	(8,660)	7,830
Capitalization of R&D expenditure ⁽¹⁾	328	-	328
Capitalization of other intangible assets	85	-	85
Acquisitions of other intangible assets	60	-	60
Disposals and retirements	(20)	10	(10)
Amortization	-	(687)	(687)
Impairment losses recognized in profit or loss	-	2	2
Reclassifications	9	8	17
Changes in scope of consolidation	265	(8)	257
Foreign exchange differences	146	(81)	65
Other intangible assets at Dec. 31, 2024	17,363	(9,416)	7,947

(1) Including €3 million in capitalized interest on R&D expenditure at December 31, 2024 (€3 million at December 31, 2023).

Research and development expenditure recognized in recurring operating income for the period totaled €1,509 million including amortization and impairment (€1,421 million in 2023). This amount does not include the research tax credit or other operating subsidies recognized in the income statement within “Other income” (see Note 5.2, “Other operating data”).

Amortization recognized in the period includes €289 million relating to the remeasurement of intangible assets in connection with business combinations.

6.1.2. Property, plant and equipment

Property, plant and equipment are recorded in the balance sheet at historical purchase cost or at production cost, and are depreciated over their useful life.

The main useful lives applied to calculate the depreciation schedule are as follows:

Buildings	15-40 years
Technical facilities	5-40 years
Equipment, tooling and other	3-15 years

Property, plant and equipment acquired in a business combination are recognized at fair value at the date control is acquired and are depreciated on a straight-line basis over their useful life.

Property, plant and equipment break down as follows:

(in € millions)	Dec. 31, 2023			Dec. 31, 2024		
	Gross	Depreciation /impairment	Net	Gross	Depreciation /impairment	Net
Land	230	-	230	231	-	231
Buildings	2,398	(1,367)	1,031	2,517	(1,475)	1,042
Technical facilities, equipment and tooling	6,993	(5,121)	1,872	7,459	(5,422)	2,037
Assets in progress, advances	766	(44)	722	1,032	(39)	993
Site development and preparation costs	89	(52)	37	103	(59)	44
Buildings on land owned by third parties	90	(48)	42	94	(53)	41
Computer hardware and other equipment	751	(564)	187	815	(574)	241
Property, plant and equipment	11,317	(7,196)	4,121	12,251	(7,622)	4,629

Movements in property, plant and equipment break down as follows:

(in € millions)	Gross	Depreciation/impairment	Net
Property, plant and equipment at Dec. 31, 2023	11,317	(7,196)	4,121
Internally produced assets	114	-	114
Additions	952	-	952
Disposals and retirements	(142)	124	(18)
Depreciation	-	(597)	(597)
Net impairment losses recognized in profit or loss	-	(3)	(3)
Reclassifications	(137)	105	(32)
Changes in scope of consolidation	59	(2)	57
Foreign exchange differences	88	(53)	35
Property, plant and equipment at Dec. 31, 2024	12,251	(7,622)	4,629

6.1.3. Non-current asset impairment tests

Non-current asset impairment tests

Depreciable/amortizable property, plant and equipment and intangible assets are tested for impairment whenever there is evidence that they may be impaired.

Impairment tests seek to compare an asset's recoverable amount to its net carrying amount. If the carrying amount is higher than the recoverable amount, the asset is written down to its recoverable amount. The recoverable amount of an asset or a group of assets is the higher of its fair value less costs to sell and its value in use.

Impairment tests are performed at least once a year for depreciable/amortizable non-current assets which have not yet begun to be depreciated or amortized. Non-current assets are tested for impairment whenever there is evidence that they may be impaired.

Cash-generating units and impairment tests

Non-current assets, and particularly goodwill acquired in a business combination, are allocated to cash-generating units (CGUs)⁽¹⁾.

Two types of CGUs are defined within the Group:

- CGUs corresponding to programs, projects, or product families associated with specific assets and liabilities: development expenditures, property, plant and equipment used in production;
- CGUs to which goodwill is allocated, corresponding to the business segments monitored by Group management and relating chiefly to the Group's main subsidiaries.

In the event of a sale or restructuring of the Group's internal operations which affects the composition of one or more of the CGUs to which goodwill has been allocated, the allocations are revised using a method based on relative value. This method takes the proportion represented by the business sold or transferred in the cash flows and terminal value of the original CGU at the date of sale or transfer.

Impairment tests performed on assets allocated to programs, projects or product families

The value in use of other assets allocated to programs, projects or product families is determined as follows:

- Expected future cash flows are projected over the life of the development programs or projects, capped at 40 years, and are discounted at the benchmark rate. Certain programs or projects are also subject to a specific risk premium. This long timeframe better reflects the characteristics of the Group's operating cycles (aircraft and defense), where assets tend to have a long useful life.

Impairment is recognized where a loss in value is identified. It may be reversed if the loss in value subsequently decreases, in which case the amount of the reversal is based on revised estimates of the asset's recoverable amount.

Impairment tests performed on CGUs at business segment level

The Group uses value in use to determine the recoverable amount of an asset or group of assets.

The value in use of the CGUs was determined based on the following method:

- Expected future cash flows for all CGUs are determined over an estimated 10-year period. The projections are drawn from the medium-term business plan, as prepared in the second half of 2024 for the next four years, and for the following six years are based on the best estimate of the long-term scenario. They take into account orders and delivery schedules, airframers' production rates, IATA forecasts, the impacts of decarbonization and any other available information. The projections take into account general economic data, specific inflation rates for each geographic area, a USD exchange rate based on available market information and mid- to long-term macroeconomic assumptions.
- A terminal value is also used, calculated by reference to normative cash flows representing long-term business activity, which usually corresponds to the last year of available forecasts plus an estimated growth rate for the activities concerned.
- Cash flows are discounted at a rate that reflects current market assessments of the time value of money and the risks specific to the asset (or group of assets). This rate corresponds to the weighted average cost of capital (WACC) after tax. The use of a post-tax rate applied to post-tax cash flows results in recoverable amounts similar to those obtained by applying pre-tax rates to pre-tax cash flows.
- The value in use of CGUs is equal to the sum of these cash flows.

In the event of a proven loss in value of the CGU, impairment is recognized against goodwill and cannot be reversed.

(1) A CGU is the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Impairment tests performed on CGUs at business segment level

In the second half of the year, the Group carried out its annual impairment tests on all of its CGUs, based on the data in the medium-term business plan as updated and validated by Executive Management and the Board of Directors. The tests were carried out by comparing the CGUs' value in use with their net carrying amount at December 31, 2024.

The growth rate used to calculate the terminal value was set at 2.5% (2.5% in 2023) for all CGUs.

The benchmark post-tax discount rate used is 8.5% (8.5% in 2023) and is applied to post-tax cash flows.

The hedged USD exchange rate adopted for 2025-2028 is USD 1.12 to €1. This exchange rate assumption takes into account the available foreign currency hedging portfolio (see Note 6.5.6, "Foreign currency risk management"). For an intermediate period covering the three years following the medium-term business plan (2029-2031), a rate of 1.20 – corresponding to the best estimate of the Group's hedging ability for that period – is adopted. A rate of 1.25 is adopted thereafter. In the specific case of the Safran Cabin CGU, the impairment test was performed at the December 31, 2024 closing rate for all cash flows in USD not subject to currency hedging, thereby ensuring that assets mainly carried in USD and the future cash flows determining value in use are converted into EUR in the same way.

The Safran Seats and Safran Cabin CGUs continued to implement their turnaround plan in 2024, returning to breakeven. In light of these results, which have yet to be consolidated, and the deviations observed over the past few years from the turnaround trajectories defined in successive medium-term business plans, the future cash flows of these two CGUs are subject to uncertainties.

The Group tested all its CGUs for impairment during the second half of the year.

Based on these tests, the recoverable amount of each CGU tested wholly justifies its net asset value, including the goodwill balances recorded in Group assets.

Sensitivity of all of the CGUs to the following changes in main assumptions was tested:

	Assumptions
Change in the EUR/USD exchange rate	+/-5%
Change in the benchmark discount rate	+/- 0.5%
Change in the perpetual growth rate	-0.5%

No impairment is required on the basis of these assumptions.

Impairment tests performed on assets allocated to programs, projects or product families

The impairment tests carried out at December 31, 2024 on assets allocated to programs, projects or product families were based on the approach described in Note 6.1.3, "Impairment of non-current assets".

An 8.5% discount rate was used, plus a risk premium of 0.5% to 2.5% depending on the programs tested.

As a result of the impairment tests at December 31, 2024, the Group reversed impairment recognized on a program in an amount of €71 million and wrote down various aircraft programs in an amount of €72 million, charged against non-recurring operating income.

6.1.4. Leases

All property leases together with the Group's main leases of groups of assets (vehicles, handling equipment, etc.) are accounted for in accordance with IFRS 16. The Safran Group opted for the exemption provided by IFRS 16 to not apply the standard to short-term, low-value leases. These agreements are therefore recognized in operating expenses.

The Group analyzes its "3/6/9"-type commercial leases every year and, where necessary, adjusts the lease terms.

The discount rate used is determined either by using the interest rate implicit in the lease, or by using the incremental borrowing rate, defined as the estimated rate of interest that Safran would have to pay on the market to borrow over a term identical to the average term of the lease liability upon signature of the lease.

For euro-denominated debt, the rate used for a given maturity is the average of indicative euro bond market yields for Safran as provided by a sample of banks. For all other currencies, the rate used for a given maturity is the euro rate described above, swapped into the desired currency.

These incremental borrowing rates are revised every six months for all new leases.

Right-of-use assets break down as follows:

(in € millions)	Dec. 31, 2023			Dec. 31, 2024		
	Gross	Depreciation /impairment	Net	Gross	Depreciation /impairment	Net
Right-of-use assets relating to property	934	(367)	567	1,020	(412)	608
Right-of-use assets relating to transport equipment	13	(5)	8	17	(7)	10
Right-of-use assets relating to other assets	21	(14)	7	44	(9)	35
Right-of-use assets	968	(386)	582	1,081	(428)	653

Movements in right-of-use assets break down as follows:

(in € millions)	Gross	Depreciation/impairment	Net
Right-of-use assets at Dec. 31, 2023	968	(386)	582
Increases	190	-	190
Disposals and retirements	(84)	72	(12)
Depreciation	-	(124)	(124)
Reclassifications	(10)	12	2
Changes in scope of consolidation	11	-	11
Foreign exchange differences	6	(2)	4
Right-of-use assets at Dec. 31, 2024	1,081	(428)	653

6.1.5. Investments in equity-accounted companies

In the balance sheet, investments in equity-accounted companies are initially recognized at fair value. Goodwill arising on the allocation of the purchase price is included in the carrying amount of investments in equity-accounted companies.

The income statement item "Share in profit from joint ventures" includes the following items:

- the Group's share in the profit or loss of these companies;
- any identified impairment losses. If the Group's share in the losses of equity-accounted companies exceeds the carrying amount of its investment in those companies, the Group discontinues recognizing its share in future losses. After the Group's interest is reduced to zero, a provision is booked for additional losses where the Group has a legal or constructive obligation or has made payments on behalf of the associate.

Gains or losses on internal acquisitions or disposals involving equity-accounted associates and joint ventures are eliminated in the amount of the Group's investment in these companies. In the case of sales of engines and equipment, the elimination of the Group's share in profit or loss is charged in full to "Raw materials and consumables used".

Investments in equity-accounted companies amounted to €1,894 million and includes ArianeGroup for €1,219 million (the only material joint venture) and €675 million for other joint ventures and associates. A list of equity-accounted companies is provided in Note 9 "List of key consolidated companies".

Movements in this caption during the period break down as follows:

(in € millions)

Investments in equity-accounted companies at Dec. 31, 2023	1,928
Share in profit (loss) from ArianeGroup	(22)
Share in profit from other joint ventures	185
Dividends received from joint ventures	(43)
Changes in scope of consolidation	(28)
Foreign exchange differences	65
Other movements ⁽¹⁾	(191)
Investments in equity-accounted companies at Dec. 31, 2024	1,894

(1) Mainly related to the elimination of the share in intragroup transactions.

The Group's off-balance sheet commitments with joint ventures are described in Note 8.3, "Off-balance sheet commitments and contingent liabilities".

ArianeGroup is the Group's sole material joint venture.

Financial information for ArianeGroup can be summarized as follows:

<i>(in € millions)</i>	Dec. 31, 2023	Dec. 31, 2024
Non-current assets	1,667	1,613
Current assets	7,362	7,152
<i>of which: cash and cash equivalents</i>	1,219	1,523
Non-current liabilities	(1,116)	(1,288)
<i>of which: non-current financial liabilities</i>	(334)	(324)
Current liabilities	(8,155)	(7,715)
<i>of which: current financial liabilities</i>	(85)	(76)
Non-controlling interests	16	15
Net assets of ArianeGroup (excl. goodwill and PPA) – Attributable to owners of the parent (based on a 100% interest)	(226)	(223)
Equity share in net assets of ArianeGroup (excl. goodwill and PPA) (based on a 50% interest)	(113)	(112)
Purchase price allocation, net of deferred taxes	179	157
Safran equity share – Net assets of ArianeGroup	66	45
Goodwill	1,174	1,174
Carrying amount of investment in ArianeGroup	1,240	1,219

<i>(in € millions)</i>	Dec. 31, 2023	Dec. 31, 2024
Revenue	2,298	2,475
Depreciation and amortization	(122)	(143)
Cost of borrowings	(10)	(9)
Interest income	38	35
Income tax expense	4	(14)

<i>(in € millions)</i>	2023	2024
Profit (loss) for the period attributable to ArianeGroup	(19)	2
Other comprehensive income	6	1
Total comprehensive income (expense) attributable to ArianeGroup	(13)	3
Safran equity share – Profit (loss) for the period	(10)	1
Amortization of purchase price allocation, net of deferred taxes	(22)	(22)
Other adjustments	-	(1)
Safran equity share – Profit (loss) of ArianeGroup	(32)	(22)
Safran equity share – Other comprehensive income	3	-
Safran equity share – Comprehensive income (expense) of ArianeGroup	(29)	(22)

ArianeGroup did not pay any dividends in 2024.

The inaugural flight of its Ariane 6 launcher took place on July 9, 2024.

The impairment test on the equity-accounted investments was updated at December 31, 2024, using the information available at that date.

The growth rate used to calculate the terminal value was set at 2%, unchanged from 2023. The benchmark discount rate used was 8.5%, unchanged from 2023.

Based on this test, no write-down was recognized.

The Group analyzed the sensitivity of the investments to a 0.5% increase in the benchmark discount rate used (i.e., a rate of 9%). Under this assumption, the recoverable amount of the investments would still be slightly above their carrying amount in the Group's consolidated financial statements.

6.1.6. Other non-current financial assets and liabilities

Equity investments in non-consolidated companies are classified at fair value through profit or loss.

The fair value of listed investments corresponds to their market value. The fair value of unlisted investments corresponds to their acquisition cost, provided that this approximates their fair value. If this is not the case, an appropriate valuation technique (e.g., value in use) is used.

Loans to non-consolidated companies are classified at amortized cost. They are written down in accordance with the general impairment approach set out in IFRS 9 only if there is a risk of non-recovery.

Other financial assets and liabilities include:

(in € millions)	Dec. 31, 2023			Dec. 31, 2024		
	Gross	Impairment	Net	Gross	Impairment	Net
Non-consolidated investments	538	(155)	383	544	(150)	394
Loans to non-consolidated companies	57	(10)	47	79	(27)	52
Loans to employees	30	-	30	34	-	34
Deposits and guarantees	16	-	16	22	-	22
Investments that do not qualify as cash and cash equivalents ⁽¹⁾	415	-	415	404	-	404
Other	110	(4)	106	178	(11)	167
Other non-current assets	1,166	(169)	997	1,261	(188)	1,073

(1) Including the reclassification of €200 million between current and non-current assets in 2023.

	Dec. 31, 2023	Dec. 31, 2024
(in € millions)		
Payables on purchases of property, plant and equipment and intangible assets	43	11
Payables on purchases of investments	-	-
Other non-current liabilities	43	11

Note 6.2. Working capital requirement

6.2.1. Inventories and work-in-progress and contract costs

Inventories are valued at the lower of cost and net realizable value.

An impairment loss is recognized when an asset's cost exceeds its estimated realizable value.

Most inventories are measured using the weighted average cost method.

Inventories and work-in-progress break down as follows:

	Dec. 31, 2023	Dec. 31, 2024
<i>(in € millions)</i>	Net	Net
Raw materials and supplies	1,934	2,448
Finished goods	3,429	4,048
Work-in-progress	2,410	2,816
Bought-in goods	130	179
Inventories and work-in-progress	7,903	9,491

Movements in inventories and work-in-progress can be analyzed as follows:

<i>(in € millions)</i>	Gross	Impairment	Net
Inventories and work-in-progress at Dec. 31, 2023	9,038	(1,135)	7,903
Movements during the period	1,446	-	1,446
Net impairment	-	19	19
Reclassifications	1	4	5
Changes in scope of consolidation	22	(1)	21
Foreign exchange differences	106	(9)	97
Inventories and work-in-progress at Dec. 31, 2024	10,613	(1,122)	9,491

Contract costs solely include costs to fulfill contracts that do not fall within the scope of other standards (IAS 16, IAS 38 and IAS 2 in particular).

In particular, this corresponds to highly specific development costs incurred as part of a contract for the sale of goods where there is only one customer, and applies to both original equipment and spare parts, and there is no alternative development usage. They may also include discounts in kind granted to a customer on an entire contract.

Contract costs break down as follows:

	Dec. 31, 2023			Dec. 31, 2024		
<i>(in € millions)</i>	Gross	Impairment	Net	Gross	Impairment	Net
Costs to fulfill contracts	818	(65)	753	926	(42)	884
Contract costs	818	(65)	753	926	(42)	884

6.2.2. Contract assets and liabilities

Changes in net contract assets (liabilities) can be analyzed as follows:

(in € millions)	Dec. 31, 2023			Dec. 31, 2024		
	Gross	Impairment	Net	Gross	Impairment	Net
Contract assets	2,173	(16)	2,157	2,521	(18)	2,503
Contract assets	2,173	(16)	2,157	2,521	(18)	2,503
Advances and downpayments received	(7,132)		(7,132)	(8,150)		(8,150)
Deferred income	(5,818)		(5,818)	(6,459)		(6,459)
Other contract liabilities	(2,079)		(2,079)	(1,812)		(1,812)
Contract liabilities	(15,029)		(15,029)	(16,421)		(16,421)
Contract assets and liabilities	(12,856)	(16)	(12,872)	(13,900)	(18)	(13,918)

Deferred income mainly includes funding received for development work and under service contracts based on flight hours or landings that has not yet been recognized in revenue. In 2024, funding received for development work and under service contracts based on flight hours or landings was €658 million more than the revenue recognized.

Impairment of contract assets is recognized on the same basis as that applied to trade and other receivables (see Note 6.2.3 “Trade and other receivables”).

Changes in contract liabilities can be analyzed as follows:

(in € millions)	
Contract liabilities at Dec. 31, 2023	(15,029)
Increase in amounts received net of revenue recognized in the period	(4,236)
Revenue recognized in the period and included in the opening balance of contract liabilities	2,885
Other changes	17
Changes in scope of consolidation	(22)
Foreign exchange differences	(36)
Contract liabilities at Dec. 31, 2024	(16,421)

6.2.3. Trade and other receivables

Trade and other operating receivables are initially recognized at fair value, which generally corresponds to their face value.

A provision is accrued for any receivables considered at risk (i.e., payment default at maturity, insolvency proceedings, etc.), based on a case-by-case analysis.

Trade and other receivables are written down using the IFRS 9 simplified impairment approach, as they generally fall due in the short term. This approach involves calculating impairment at an amount at the reporting date equal to lifetime expected credit losses.

The allowance for expected credit losses is calculated for amounts owed by all customers, except major customers deemed low risk or the government, for which no allowance is generally recognized on a collective basis.

This collective assessment is made for each region using an indicator based on the credit ratings of airline companies (i.e., official agency ratings or analyses available), since airlines represent the Group’s main credit risk exposure.

Changes in trade and other receivables can be analyzed as follows:

<i>(in € millions)</i>	Dec. 31, 2023	Movements during the period	Impairment/rev ersal	Changes in scope of consolidation	Reclassifications	Effect of changes in foreign exchange rates	Dec. 31, 2024
	Net						Net
Operating receivables	8,240	1,116	(33)	21	(10)	51	9,385
Other receivables	1,177	(7)	3	8	1	5	1,187
Trade and other receivables	9,417	1,109	(30)	29	(9)	56	10,572

Trade and other receivables (included within operating receivables) fall due as follows:

<i>(in € millions)</i>	Carrying amount at year-end	Not past due	Past due at year-end (in days)					Total past due
			< 30	31-90	90-180	181- 360	> 360	
Trade receivables, net, at Dec. 31, 2023	6,835	5,964	367	188	132	95	89	871
Gross trade receivables	7,214	6,072	377	190	146	105	324	1,142
Impairment	(379)	(108)	(10)	(2)	(14)	(10)	(235)	(271)
Trade receivables, net, at Dec. 31, 2024	7,256	6,273	449	218	168	85	63	983
Gross trade receivables	7,669	6,380	455	220	170	97	347	1,289
Impairment	(413)	(107)	(7)	(1)	(2)	(12)	(284)	(306)

6.2.4. Other current financial assets and liabilities

Other financial assets and liabilities include:

<i>(in € millions)</i>	Dec. 31, 2023			Dec. 31, 2024		
	Gross	Impairment	Net	Gross	Impairment	Net
Loans to non-consolidated companies	123	(28)	95	142	(7)	135
Loans to employees	3	-	3	3	-	3
Deposits and guarantees	5	-	5	5	-	5
Other	167	-	167	100	-	100
Other current financial assets	298	(28)	270	250	(7)	243

<i>(in € millions)</i>	Dec. 31, 2023	Dec. 31, 2024
Payables on purchases of property, plant and equipment and intangible assets	132	144
Payables on purchases of investments	8	4
Other current financial liabilities	140	148

Note 6.3. Equity and dividends

6.3.1. Total equity

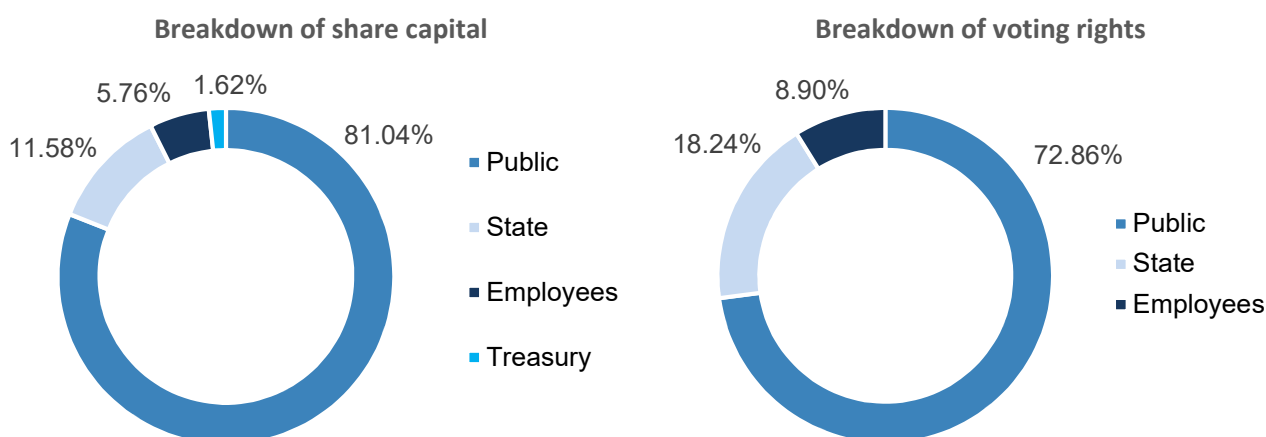
Share capital

In 2024, Safran purchased a total of 3,627,954 shares for €750 million.

In December 2024, these shares held in treasury were canceled, reducing the share capital from €85,452,108.20 to €84,726,517.40.

At end-2024, Safran's share capital amounted to €84,726,517.40, comprising 423,632,587 fully paid-up shares all of the same class, each with a par value of €0.20.

The structure of the share capital at December 31, 2024 was as follows:



Each share carries entitlement to one vote. Shares held in registered form for over two years have double voting rights.

The 6,857,467 treasury shares have no voting rights.

Treasury shares

The Annual General Meeting has authorized the Board of Directors to buy and sell shares in the Company in accordance with the applicable laws and regulations.

An authorization granted by the Annual General Meeting of May 23, 2024 and valid for 18 months set the maximum purchase price at €300 per share, thereby superseding the authorization granted by the Annual General Meeting of May 25, 2023.

Liquidity agreement:

In February 2019, Safran entered into a new liquidity agreement with Oddo BHF SCA for a period of 12 months, automatically renewable from year to year.

Under this liquidity agreement, in 2024, Safran:

- purchased 2,040,579 shares for €411 million;
- sold 2,019,176 shares for €406 million.

At December 31, 2024, 115,834 shares were held in connection with the liquidity agreement.

Share buyback tranches:

- Agreement with an investment services provider dated January 12, 2024 to buy back its own shares

Maximum total amount excluding tax under this tranche: €450 million.

Implementation period: from January 16, 2024 to March 1, 2024.

Purpose of the tranche: allocation or sale to employees or corporate officers of Safran or Safran Group companies and hedging of debt securities carrying rights to shares.

Number of shares bought back under the tranche: 828,201 shares.

Total price excluding tax under this tranche: €140 million.

Implementation suspended after the share price exceeded the maximum buyback price of €175 per share set by the Annual General Meeting of May 25, 2023.

- Agreement with an investment services provider dated May 29, 2024 to buy back its own shares

Total price excluding tax under this tranche: €421 million.

Implementation period: from May 30, 2024 to June 19, 2024.

Purpose of the tranche: allocation or sale to employees or corporate officers of Safran or Safran Group companies and hedging of debt securities carrying rights to shares (convertible bonds maturing in 2028).

Number of shares bought back under the tranche: 2,027,600 shares.

- Agreement with an investment services provider dated June 28, 2024 to buy back its own shares

Total price excluding tax: €250 million.

Implementation period: from July 1, 2024 to August 8, 2024.

Purpose of the tranche: cancellation of shares.

Number of shares bought back under the tranche: 1,262,036 shares.

- Agreement with an investment services provider dated September 20, 2024 to buy back its own shares

Total price excluding tax: €500 million.

Implementation period: from September 23, 2024 to December 9, 2024.

Purpose of the tranche: cancellation of shares.

Number of shares bought back under the tranche: 2,365,918 shares.

On December 12, 2024, the share capital was reduced by canceling the 3,627,954 ordinary shares bought back by Safran in the two aforementioned tranches.

	2023 treasury shares	2024 treasury shares
Treasury shares at January 1	2,687,189	13,733,425
Net purchases (sales) under the liquidity agreement	(127,704)	21,403
Purchases outside the liquidity agreement	11,176,106	6,483,755
Delivery of performance shares or free shares without performance conditions ^(*)	(2,166)	(439,008)
Delivery upon exercise of conversion rights attached to debt securities carrying rights to shares	-	(9,314,154)
Cancellation	-	(3,627,954)
Number of treasury shares at December 31	13,733,425	6,857,467

Sign convention for movements: positive = increase in treasury shares/negative = decrease in treasury shares.

(*) including delivery of shares ahead of term.

6.3.2. Share-based payment

The Group grants various share-based payments to its employees, including free shares, long-term variable compensation in the form of performance shares and leveraged or unleveraged savings plans.

As all of the Group's plans are equity-settled, the fair value of the benefits granted to employees under these plans is estimated on the basis of the share price at the grant date.

For plans that are subject to performance conditions, the external conditions are included in the per-share fair value at the grant date. Internal conditions (continuing service conditions, performance indicators, etc.) are revised at each reporting date and reflected in the number of instruments.

For plans not subject to performance conditions, rights are granted solely subject to the employee's effective presence in the Company throughout the vesting period.

These employee benefits represent payroll costs and are recognized on a straight-line basis over the vesting period, with an offsetting entry to consolidated retained earnings for equity-settled plans.

Grant of free shares subject to performance conditions

The Board of Directors periodically grants performance shares to Group employees and corporate officers.

The rights to the free shares were measured at fair value at the grant date. The Black & Scholes model was used to model the fair value of the free shares subject to the performance condition linked to trends in the Safran share price over the three-year vesting period. The fair value measurement takes into account the opportunity cost of not receiving dividends during the vesting period.

In the Group's consolidated financial statements, the payroll cost relating to plans not yet fully vested is recognized against equity on a straight-line basis over the vesting period (i.e., 36 months). The expense is determined on the basis of previous valuations and revised assumptions concerning internal conditions and the number of shares still outstanding.

The Group set up a performance share plan on March 21, 2024 covering 436,816 shares. Shares under this plan will only vest if certain internal and external performance conditions are met, as assessed over three fiscal years, and provided the beneficiaries still form part of the Group at the vesting date.

Key details of outstanding performance share plans at December 31, 2024 are shown below:

	2022 performance shares	2023 performance shares	2024 performance shares
Shareholder authorization	May 26, 2021	May 26, 2021	May 25, 2023
Grant date by the Board of Directors	March 24, 2022	March 23, 2023	March 21, 2024
Vesting date	March 25, 2025	March 23, 2026	March 23, 2027
Share price at the grant date	€104.56	€134.70	€206.65
Number of beneficiaries at the grant date	964	1,127	942
Number of performance shares granted	784,171	799,866	436,816
Number of shares canceled or forfeited	(51,400)	(38,148)	(8,461)
Number of shares delivered	(1,920)	-	-
Number of performance shares outstanding at December 31, 2024	730,851	761,718	428,355

The share-based payment expense for these performance share plans, recognized within personnel costs under “Other employee costs”, totaled €63.1 million in 2024 (€64.2 million in 2023).

Grant of free shares without performance conditions

In accordance with the authorization granted by the Annual General Meeting of May 25, 2023, the Board of Directors decided at its meeting on the same date to grant free Company shares to Safran Group employees.

Under the grant, employees of Group companies worldwide and on the payroll at February 25, 2023, i.e., 85,519 employees, each received 10 shares.

All the free shares granted by Safran will be equity-settled, except in countries where regulatory, tax or labor conditions do not allow for free share grants. In such countries, plan beneficiaries (1,384 employees outside France identified at the grant date) will receive a cash amount valued at the average price of the Safran share over the 20 trading days preceding the delivery date of the shares.

The rights to the free shares were measured at fair value at the grant date. The value of the shares at the grant date was reduced by the estimated present value of the future dividends that will not be paid to employees during the vesting period.

The expense recognized in respect of these shares, included within personnel costs under “Other employee costs”, totaled €43 million in 2024 (€25 million in 2023).

Terms and conditions of the free share grant

	France	International
Date of the Annual General Meeting	May 25, 2023	May 25, 2023
Grant date ⁽¹⁾	May 25, 2023	May 25, 2023
Vesting date ⁽²⁾	May 28, 2025	May 28, 2025
Estimated number of beneficiaries at the grant date	45,954	39,565
Number of shares per employee	10	10
Total number of shares approved at the grant date	459,540	395,650
Number of shares delivered	910	460
Probable number of shares to be delivered including impact of employee turnover at December 31, 2024	391,495	232,150
Share price at the grant date	€137.14	€137.14
Fair value of the shares at the grant date ⁽³⁾	€134.04	€134.04

(1) Date of the Board of Directors' decision to grant the shares.

(2) The shares will vest subject to the beneficiary forming part of the Group at the vesting date.

(3) The fair value of the shares is determined on the basis of the share price at the grant date, as adjusted for dividends expected during the vesting period.

6.3.3. Convertible bonds (OCEANES)

Convertible bonds are considered as instruments comprising:

- a debt component. At the issue date, this component is measured based on contractual future cash outflows (coupons and redemption value) discounted at the applicable market rate for a financial instrument with similar characteristics and no conversion rights. Subsequently, the debt component is recognized at amortized cost based on an effective interest rate including coupons, the conversion premium and the allocated share of expenses. The value of the debt component on the balance sheet is thereby increased in each period so as to equal its redemption value at maturity;

- an equity component. This is calculated as the difference between the bond issue price and the fair value of the debt component, and is recorded in equity under "Consolidated reserves and retained earnings". It continues to be carried at cost, with no subsequent remeasurement.

Issue costs are allocated between the two components in proportion to their respective amounts.

2020-2027 OCEANES

On May 15, 2020, Safran issued 7,391,665 bonds convertible into new shares and/or exchangeable for existing shares ("OCEANES") (the "initial bonds"), each with a par value of €108.23, i.e., representing a total nominal amount of €800 million. The issue price of the initial bonds was 100% of par.

On October 12, 2020, Safran carried out a tap issue of 1,847,916 bonds convertible into new shares and/or exchangeable for existing shares ("OCEANES") (the "additional bonds"), each with a par value of €108.23, i.e., representing a total nominal amount of €200 million. The additional bonds were issued at a price of €118 per bond, representing a total issue price of €218 million.

The additional bonds carried the same terms and conditions (with the exception of the issue price) as the initial bonds, with which they were fully fungible and with which they formed a single series.

The bonds bore interest at an annual rate of 0.875%, payable annually in arrears.

Following the May 30, 2024 dividend payment and in accordance with the terms and conditions of the bonds, the bond conversion ratio has been 1.029 shares for one bond since May 30, 2024. This conversion ratio was previously 1.019 Safran shares for one 2027 OCEANE bond.

On May 29, 2024, Safran announced that it would redeem these bonds (originally maturing on May 15, 2027) ahead of term on June 28, 2024. Bondholders had the option of requesting the exercise of their conversion right up to and including June 18, 2024. A total of 729,306 OCEANE bonds were converted at a conversion ratio of 1.019 shares, and 8,329,456 OCEANE bonds were converted at a conversion ratio of 1.029 shares, representing 9,314,154 Safran shares delivered in total.

On June 28, 2024, the 180,819 bonds still outstanding were redeemed at par plus interest accrued since the most recent coupon payment date, i.e., €108.34416 per bond, for a total of €19.6 million.

2021-2028 OCEANES

On June 14, 2021, Safran issued 4,035,601 bonds convertible into new shares and/or exchangeable for existing shares ("OCEANES"), each with a par value of €180.89, i.e., representing a total nominal amount of €730 million. The bonds do not carry any coupon.

The bonds were issued at a price of €187.22 per bond, representing a total issue price of €756 million. Bondholders have the option of converting their bonds into shares. This option can be exercised at any point from the issue date and up to the seventh trading day (exclusive) preceding the standard or early redemption date.

Following the May 30, 2024 dividend payment and in accordance with the terms and conditions of the bonds, the bond conversion ratio has been 1.009 shares for one bond since May 30, 2024. This conversion ratio, which was previously 1.003 shares for one bond, was calculated by the bond calculation agent in accordance with the calculation formula stipulated in the terms and conditions of the bonds based on the following inputs:

- previous bond conversion ratio: 1.003 shares for one bond;
- share price: €217.4075;
- dividend per share paid in 2024 in respect of 2023: €2.20.

The bonds come with an early redemption option that the bearer may trigger in the event of a change of control and that the issuer may trigger (i) as from April 1, 2025, if the share price multiplied by the bond conversion ratio exceeds 130% of the par value of the bonds or (ii) at any time, if the number of bonds outstanding represents less than 20% of the number of bonds originally issued.

Unless converted, redeemed or repurchased and canceled prior to maturity, the bonds are redeemable at par on April 1, 2028.

After deducting issuance fees, a total of €712 million was recognized under interest-bearing financial liabilities, corresponding to the present value of cash flows from a similar bond with no conversion rights (see Note 6.5.2, "Interest-bearing financial liabilities").

The effective annual interest rate on the liability component is 0.376% including issuance fees.

The option component recognized in equity was valued at €39 million on the issue date, or €29 million after the deferred tax impact.

6.3.4. Dividend distribution

At the Annual General Meeting of May 23, 2024, the shareholders approved a dividend payment of €2.20 per share in respect of 2024. The dividend was paid on May 30, 2024, entirely in cash.

The total dividend (€940 million) approved by the Annual General Meeting was based on the total number of shares comprising the Company's share capital at that date.

At the payment date, Safran held 13.3 million of its own shares. As the shares bought back were not entitled to dividends, the dividend payment amounted to €911 million (see the consolidated statement of cash flows).

At the Annual General Meeting to be held on May 22, 2025 to approve the financial statements for the year ended December 31, 2024, the Board of Directors will recommend a dividend payment of €2.90 per share in respect of 2024, representing a total payout of €1,229 million.

6.3.5. Translation adjustments

In 2024, other comprehensive income relating to translation adjustments includes €315 million in translation gains (€135 million in translation losses in 2023) arising in the year on foreign operations.

Note 6.4. Provisions and post-employment benefits

Provisions reflect management's best estimates using available information, past experience and, in some cases, estimates by independent experts.

Provisions maturing in more than one year, or whose maturity is not specifically defined, are classified under "Other provisions – non-current portion".

Provisions for performance warranties

These provisions are recorded to cover the Group's share of probable future disbursements under performance warranties. They are calculated as appropriate based on technical files or statistics, particularly with respect to the return of parts under warranty and the estimated cost of repairs.

Provisions for losses on completion

When a contract recognized on a percentage-of-completion basis becomes onerous, the expected loss is recognized in the financial statements. Costs to fulfill contracts, if any, are written down, and a provision for losses on completion is booked for the residual balance of the loss.

Losses arising on delivery commitments

Sales contracts (or combinations of contracts) may be onerous. In cases where losses are likely to be incurred, the Group recognizes a provision for losses arising on delivery commitments. In the case of original equipment sales contracts, the expected economic benefits correspond to the highly probable cash flows from spare part sales and service activities provided under the contracts. The cash flows used in this analysis are discounted to take into account their spread over time. Under onerous contracts, losses arising on delivery commitments are recognized primarily as a deduction from inventories and work-in-progress (for the completed portion of the contract and directly related to the contract or combination of contracts), and shown in provisions for work to be completed.

Provisions for restructuring costs

A provision exists when there is a detailed restructuring plan and the plan has begun to be implemented or its main features have been announced.

Provisions for post-employment benefits

The relevant accounting principles are set out in Note 6.4.2.

6.4.1. Overview of provisions

Provisions break down as follows:

(in € millions)	Dec. 31, 2023	Additions	Reversals			Changes in scope of consolidation	Other	Dec. 31, 2024
			Utilizations (1)	Reclassifications (1)	Surplus (2)			
Performance warranties	1,034	241	(138)	-	(30)	1	7	1,115
Financial commitments linked to the sale of Group products	2	3	-	-	(8)	-	6	3
Post-employment benefits ⁽³⁾	690	77	(81)	(3)	(1)	1	(10)	673
Sales agreements	174	181	(30)	-	(25)	-	4	304
Provisions for losses on completion and losses arising on delivery commitments	277	89	(25)	-	(3)	92	4	434
Disputes and litigation	41	25	(9)	-	(4)	5	-	58
Other	393	169	(131)	-	(12)	(7)	9	421
Provisions	2,611	785	(414)	(3)	(83)	92	20	3,008
Non-current	1,547							1,835
Current	1,064							1,173

(1) These reversals in respect of expenses for the period or reclassifications had no impact on profit for the period.

(2) Including the foreign exchange difference resulting from fluctuations in the EUR/USD exchange rate in first-half 2024.

(3) Of which a negative €11 million within "Other", corresponding to the impact of changes in the discount and inflation rates, which is recorded through equity.

Movements in provisions had a €285 million negative income statement impact, which can be analyzed as follows:

- a negative €585 million recognized in recurring operating income with an income statement impact;
- a positive €413 million recognized with no impact on income (provision utilization);
- a negative €41 million recognized in non-recurring operating income;
- a negative €72 million recognized in financial income (loss).

6.4.2. Analysis of pension and other post-employment benefits

Presentation of post-employment benefits

Post-employment benefits

The Group grants its employees post-employment benefits (pensions, termination payments, early retirement plans, etc.) as well as other long-term benefits including long-service awards, jubilee benefits and loyalty premiums.

For its basic plans and other defined contribution plans, the contribution paid in the period is recognized in expenses when due. No provision is recorded.

Provisions recognized for obligations under defined benefit plans are measured using the projected unit credit method. This determines, for each employee, the present value of the benefits to which the employee's current and past services will grant entitlement on retirement. The actuarial calculations include demographic (retirement date, employee turnover rate, etc.) and financial (discount rate, salary increase rate, etc.) assumptions, and are performed at the end of each reporting period for which accounts are published.

When plans are funded, the plan assets are placed with entities that are responsible for paying the benefits in the countries concerned. These assets are measured at fair value. Provisions are recorded to cover shortfalls in the fair value of plan assets compared with the present value of the Group's obligations.

An asset surplus is only recognized in the balance sheet when it represents future economic benefits effectively available to the Group.

Changes in actuarial gains and losses arising on defined benefit plans are recognized in "Other comprehensive income" within equity and not subsequently reclassified to profit.

The Group distinguishes between operating components and financial components when presenting defined benefit expense:

- service cost for the period is shown in profit from operations, along with past service costs arising on the introduction of a new plan or curtailments or settlements of an existing plan, which are recognized immediately in this caption;
- the cost relating to unwinding the discount on the net pension liability (asset) is shown in financial income (loss).

France

- Defined benefit pension plans

This heading includes a defined benefit supplementary pension plan that was closed to new entrants on December 31, 2017 and under which all conditional entitlements were frozen as of December 31, 2016.

The beneficiaries of this closed plan are Group executive managers with five years' service at December 31, 2017.

- Retirement termination benefits

This heading includes obligations in respect of statutory termination benefits due on retirement and supplementary payments required by the collective bargaining agreement for the metallurgy industry.

- Other long-term benefits

In France, other long-term benefits mainly comprise obligations in respect of long-service awards and bonuses.

United Kingdom

- Defined benefit pension plans

There are three pension funds in place at Safran Landing Systems UK Ltd/Safran Landing Systems Services UK Ltd, Safran Nacelles Ltd and Safran UK. These pension funds have been contracted out, which means they replace the mandatory supplementary pension plan. The funds are managed by trustees. Beneficiaries no longer accrue any rights under these plans.

Rest of the world

The Group offers its other employees post-employment benefits and long-service bonuses in accordance with local laws and practices. The main regions concerned in relation to continuing operations are:

- Americas: pension funds in the United States (now frozen) and Canada, retirement termination benefits in Mexico;
- Europe: pension funds in Switzerland, pension funds and retirement termination benefits in Belgium, pension funds and long-service bonuses in Germany, and retirement termination benefits and long-service bonuses in Poland.

Financial position

(in € millions)	Dec. 31, 2023	Dec. 31, 2024	France	United Kingdom	Rest of the world
Gross obligation	1,333	1,321	579	387	355
Plan assets	686	705	3	433	269
Provision recognized in the accounts	690	673	577	1	95
- Defined benefit pension plans	110	80	10	1	69
- Retirement termination benefits	526	537	517	-	20
- Long-service bonuses and other employee benefits	54	56	50	-	6
Recognized net plan assets	(43)	(57)	(1)	(47)	(9)

Pension expense breaks down as follows:

(in € millions)	2023	2024
Current service cost	(45)	(49)
Actuarial gains and losses recognized (on other long-term benefits)	2	1
Plan implementation, amendment and settlement	8	(1)
Plan administration costs	(1)	(1)
Total operating component of the pension expense	(36)	(50)
Interest cost on the net benefit obligation	(18)	(19)
Total financing component of the pension expense	(18)	(19)
Pension expense	(54)	(69)

The Group expects to pay a total of €24 million into its defined benefit pension plans in 2025.

Main assumptions used to calculate the gross benefit obligation:

		Eurozone	United Kingdom
Discount rate	2023	3.20%	4.50%
	2024	3.50%	5.30%
Inflation rate	2023	2.00%	3.00%
	2024	2.00%	3.20%
Rate of annuity increases	2023	1.00%	3.00%
	2024	1.00%	3.20%
Rate of future salary increases	2023	0.81%-5.43%	N/A
	2024	0.81%-5.43%	N/A
Retirement age	2023	Managerial: 64/65 years Non-managerial:	65 years
	2024	Age at full rate	65 years

The discount rates are determined by reference to the yield on private investment-grade bonds (AA). The Group refers to the iBoxx index to calculate the benefit obligations in its two main regions (eurozone and United Kingdom).

Under the French Green Industry Law, a gender-neutral mortality table is now used to calculate the benefit obligation under Article 39 for senior executives.

As plan entitlements are not affected by this change in legislation, the impact on the obligation recognized in equity is €300,000.

Sensitivity analysis

An increase or decrease of 0.5% in the main assumptions would have the following impacts on the amount of the gross benefit obligation at December 31, 2024:

(in € millions)

Sensitivity (basis points)	-0.50%	+0.50%
Discount rate	77	(69)
Inflation rate	(24)	25
Rate of future salary increases	(32)	35

For the purpose of the analysis, it was assumed that all other variables remained the same.

The change in the value of the gross projected benefit obligation would have mainly affected actuarial gains and losses recognized in other comprehensive income.

Change in the gross benefit obligation and plan assets

Change in the gross benefit obligation:

	2023	2024	Defined benefit pension plans	Retirement termination benefits	Long-service bonuses and other employee benefits
<i>(in € millions)</i>					
Gross benefit obligation at beginning of period	1,230	1,333	753	525	55
A. Pension expense					
Current service cost	45	49	11	32	6
Actuarial gains and losses recognized (on other long-term benefits)	(2)	(1)	-	-	(1)
Plan implementation, amendment and settlement	(8)	1	-	1	-
Interest cost	47	46	29	16	1
Total expense recognized in the income statement	82	95	40	49	6
B. Actuarial gains and losses arising in the period on post-employment plans					
Actuarial gains and losses resulting from changes in demographic assumptions	(7)	(1)	(1)	-	-
Actuarial gains and losses resulting from changes in financial assumptions	36	(52)	(39)	(13)	-
Experience adjustments	37	20	3	17	-
Total revaluation recognized in other comprehensive income for the period	66	(33)	(37)	4	-
C. Other items					
Employee contributions	4	4	4	-	-
Benefits paid	(74)	(96)	(52)	(40)	(4)
Changes in scope of consolidation	10	1	3	(1)	(1)
Foreign exchange differences	15	17	17	-	-
Total other items	(45)	(74)	(28)	(41)	(5)
Gross benefit obligation at end of period	1,333	1,321	728	537	56
Average weighted term of pension plans	13	12	14	10	8

Change in the fair value of plan assets:

	2023	2024	Defined benefit pension plans	Retirement termination benefits	Long-service bonuses and other employee benefits
<i>(in € millions)</i>					
Fair value of plan assets at beginning of period	670	686	686	-	-
A. Income					
Interest income on plan assets	29	27	27	-	-
Plan administration costs	(1)	(1)	(1)	-	-
Total income recognized in the income statement	28	26	26	-	-
B. Actuarial gains and losses arising in the period on post-employment plans					
Return on plan assets (excluding interest income component)	(20)	(11)	(11)	-	-
Total revaluation recognized in other comprehensive income for the period	(20)	(11)	(11)	-	-
C. Other items					
Employee contributions	4	4	4	-	-
Employer contributions	24	25	24	-	-
Benefits paid	(34)	(50)	(49)	-	-
Changes in scope of consolidation	1	6	6	-	-
Foreign exchange differences	13	19	19	-	-
Total other items	8	4	4	-	-
Fair value of plan assets at end of period	686	705	705	-	-

Asset allocation

	United Kingdom % allocation at		Other European countries % allocation at	
	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024
Shares	3.68%	3.09%	22.64%	22.80%
Bonds and debt instruments	79.17%	78.26%	58.55%	58.04%
Property	3.09%	3.10%	12.64%	13.28%
Mutual funds and other diversified funds	11.44%	12.54%	0.45%	0.52%
Cash and cash equivalents	2.62%	3.01%	5.30%	5.33%
Other	0.00%	0.00%	0.42%	0.03%

An active market price exists for all plan assets except property.

In the United Kingdom, the Group's long-term aim is to limit its exposure to defined benefit plans and ultimately endeavor to contract out these obligations to insurance firms under favorable market conditions. In the meantime, the Group is committed to ensuring that its pension obligations are adequately funded.

The Group's investment policy for pension funds in the United Kingdom combines safe harbor investments (in monetary funds, government bonds, bond funds), to secure the medium-term funding of obligations, with riskier investments such as in equity funds and real estate funds, whose expected profitability over the long term guarantees the financial stability of the plans.

Contributions to defined contribution plans

Defined contribution plans include statutory, supplementary and additional pension plans (in France: the "Article 83" plan for engineers and managerial-grade employees (*cadres*) and the additional "Article 83" plan and "Article 82" plan for executive managers).

The expense for 2024 recognized in respect of defined contribution plans for continuing operations represented €380 million (€342 million in 2023).

Note 6.5. Financing and financial risk management

6.5.1. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and highly liquid investments which are immediately available or readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents correspond to short-term investments with maturities of less than 92 days. As bank overdrafts are treated as borrowings, they are excluded from cash and cash equivalents and included in financial liabilities.

The main types of investments used by Safran are summarized in the table below:

(in € millions)	Dec. 31, 2023	Dec. 31, 2024
Money-market funds and marketable securities ⁽¹⁾	842	1,894
Term deposits	4,108	2,448
Cash and cash equivalents	1,726	2,172
Cash and cash equivalents	6,676	6,514

(1) Including €394 million in money-market funds at December 31, 2024 (€92 million at December 31, 2023).

Money-market funds (UCITS, or OPCVM in French) are classified within level 1 of the IFRS 13 fair value hierarchy (see Note 6.5.5 "Fair value of financial instruments").

Term deposits at December 31, 2024 include €1,200 million in investments falling within the scope of master agreements governing the subscription of OTC derivatives with bank counterparties (see Note 6.5.5, "Fair value of financial instruments").

6.5.2. Interest-bearing financial liabilities

On initial recognition, interest-bearing financial liabilities are measured at the fair value of the amount received, less any directly attributable transaction costs. Besides the specific conditions applicable to hedge accounting, interest-bearing financial liabilities are subsequently carried at amortized cost using the effective interest rate method.

Breakdown of interest-bearing financial liabilities

<i>(in € millions)</i>	Dec. 31, 2023	Dec. 31, 2024
Bond issue	1,396	1,399
Convertible bonds (OCEANEs)	1,701	721
Senior unsecured notes (USPP)	568	588
Lease liabilities ⁽¹⁾	469	530
Long-term borrowings	557	550
Total non-current interest-bearing financial liabilities (portion maturing in more than 1 year at inception)	4,691	3,788
Bond issue	197	-
Senior unsecured notes (USPP)	453	-
Lease liabilities	111	125
Long-term borrowings	251	293
Accrued interest not yet due	9	5
Current interest-bearing financial liabilities, long-term at inception	1,021	423
Negotiable European Commercial Paper (NEU CP)	200	200
Short-term bank facilities and equivalent	387	365
Current interest-bearing financial liabilities, short-term at inception	587	565
Total current interest-bearing financial liabilities (less than 1 year)	1,608	988
Total interest-bearing financial liabilities ⁽²⁾	6,299	4,776

(1) O/w €189 million due in more than five years.

(2) The fair value of interest-bearing financial liabilities amounts to €4,650 million (€6,098 million at December 31, 2023).

MAIN TRANSACTIONS DURING THE YEAR

- Redemption at maturity on February 9, 2024 of the last tranche of USD 505 million senior unsecured notes issued on February 9, 2012.
- Redemption at maturity on April 11, 2024 of €200 million worth of bonds issued on April 11, 2014.
- Early redemption on June 28, 2024 of bonds convertible and/or exchangeable for new and/or existing shares issued for a nominal amount of €1 billion in 2020 and originally falling due on May 15, 2027 (2027 OCEANEs). At the early redemption date, 180,819 2027 OCEANEs remained outstanding and were therefore redeemed at par plus accrued interest for a total amount of €19.6 million. The other 2027 OCEANEs had previously been converted (see Note 6.3.3, "Convertible bond issues").

MAIN BORROWINGS

Type	Nominal amount (in millions)	Issue	Maturity	Nominal amount outstanding at Dec. 31, 2024	Currency	Nominal interest rate	Fixed Floating	Interest rate after hedging (if hedged)	Fixed Floating
Bond issue									
Bonds	700	March 2021	March 2026	700	EUR	0.125%	Fixed		
Bonds	700	March 2021	March 2031	700	EUR	0.750%	Fixed		
Convertible bonds									
OCEANE	730	June 2021	April 2028	730	EUR	0%	Fixed		
EIB (European Investment Bank) loan									
EIB	500	Feb 2022	Feb 2032	500	EUR	1.091%	Fixed		
USPP (Senior unsecured notes)									
USPP	181	June 2020	June 2030	181	USD	3.10%	Fixed	2.04%	Fixed EUR
USPP	133	June 2020	June 2032	133	USD	3.30%	Fixed	2.22%	Fixed EUR
USPP	122	June 2020	June 2030	122	EUR	2.00%	Fixed		
USPP	164	June 2020	June 2032	164	EUR	2.05%	Fixed		
Other									
NEUCP	300	-	-	300	EUR	3.61%	Floating		
Lease liabilities	655	-	-	655	-				

Interest-bearing financial liabilities broken down by movements with and without a cash impact are as follows:

	Dec. 31, 2023	Movements with an impact on cash		Movements with no impact on cash			Dec. 31, 2024
		Total cash flow		Foreign exchange differences	Change in fair value	Other	
(in € millions)							
Interest-bearing financial liabilities	6,299	(762)		(32)	7	(736)	4,776

Borrowings by currency before and after hedging

Before hedging (in millions of currency units)	Dec. 31, 2023		Dec. 31, 2024	
	Currency	EUR	Currency	EUR
EUR	5,190	5,190	4,024	4,024
USD	1,054	954	596	567
CAD	6	4	5	3
GBP	19	22	18	21
Other	N/A	129	N/A	161
Interest-bearing financial liabilities		6,299		4,776

After hedging (in millions of currency units)	Dec. 31, 2023		Dec. 31, 2024	
	Currency	EUR	Currency	EUR
EUR	5,926	5,926	4,327	4,327
USD	240	218	281	264
CAD	6	4	5	3
GBP	19	22	18	21
Other	N/A	129	N/A	161
Interest-bearing financial liabilities		6,299		4,776

Fixed/floating rate borrowings before and after hedging

Before hedging	Total		Non-current				Current			
	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023		Dec. 31, 2024		Dec. 31, 2023		Dec. 31, 2024	
(in € millions)	Base	Base	Base	Average interest rate	Base	Average interest rate	Base	Average interest rate	Base	Average interest rate
Fixed rate	5,950	4,400	4,601	0.90%	3,704	1.03%	1,349	3.60%	696	2.74%
Floating rate	349	376	90	2.70%	84	2.41%	259	3.82%	292	3.01%
Interest-bearing financial liabilities	6,299	4,776	4,691	0.93%	3,788	1.06%	1,608	3.64%	988	2.82%

After hedging	Total		Non-current				Current			
	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023		Dec. 31, 2024		Dec. 31, 2023		Dec. 31, 2024	
(in € millions)	Base	Base	Base	Average interest rate	Base	Average interest rate	Base	Average interest rate	Base	Average interest rate
Fixed rate	5,753	4,400	4,601	0.84%	3,704	0.94%	1,152	2.68%	696	2.74%
Floating rate	546	376	90	2.69%	84	2.41%	456	4.55%	292	3.01%
Interest-bearing financial liabilities	6,299	4,776	4,691	0.88%	3,788	0.97%	1,608	3.21%	988	2.82%

Maturity of interest-bearing financial liabilities

Analysis by maturity:

(in € millions)	Dec. 31, 2023	Dec. 31, 2024
Maturing in:		
1 year or less	1,608	990
More than 1 year and less than 5 years	3,043	2,101
Beyond 5 years ⁽¹⁾	1,648	1,685
Interest-bearing financial liabilities	6,299	4,776

(1) Mainly OCEANes, other bonds and the USPP 2030 and 2032.

6.5.3. Offsetting of financial assets and liabilities

The Group does not offset financial assets against financial liabilities in its balance sheet, since the requisite conditions set out in IAS 32 are not met. Master offsetting (netting) agreements governing the subscription of OTC derivatives with bank counterparties provide for a right of set-off only in the event of default, insolvency or bankruptcy of one of the parties to the agreement.

The amounts subject to an offsetting agreement but not offset comprise a portion of the Group's derivatives with a positive fair value, since amounts can only be offset if they relate to the same counterparty.

In addition, the Group makes investments falling within the scope of master agreements governing the subscription of OTC derivatives with bank counterparties (see Note 6.5.1, "Cash and cash equivalents").

The tables above show the financial assets and liabilities for which an offsetting agreement exists.

At December 31, 2024					Net
<i>(in € millions)</i>	Gross carrying amount (a)	Amount offset (b)	Net amount on the balance sheet ⁽¹⁾ (c)	Amount subject to offset agreement but not offset (d)	(c) – (d)
ASSETS					
Derivatives (positive fair value)	956	-	956	956	-
EQUITY AND LIABILITIES					
Derivatives (negative fair value)	8,818	-	8,818	956	7,862

(1) See Note 6.5 "Financing and financial risk management".

At December 31, 2023					Net
<i>(in € millions)</i>	Gross carrying amount (a)	Amount offset (b)	Net amount on the balance sheet ⁽¹⁾ (c)	Amount subject to offset agreement but not offset (d)	(c) – (d)
ASSETS					
Derivatives (positive fair value)	1,577	-	1,577	555	1,022
EQUITY AND LIABILITIES					
Derivatives (negative fair value)	4,743	-	4,743	555	4,188

(1) See Note 6.5 "Financing and financial risk management".

6.5.4. Borrowings subject to specific conditions

The Group receives public financing in the form of repayable advances to develop aircraft and defense projects. Repayment of these advances is based on revenues from future sales of engines or equipment, and potentially from sales of spare parts.

Repayable advances are treated as sources of financing and are recognized in liabilities in the consolidated balance sheet under the heading “Borrowings subject to specific conditions”.

At inception, they are measured at the amount of cash received or, when acquired, at the value of probable future cash flows discounted at market terms at the acquisition date. They are subsequently measured at amortized cost at the end of each reporting period, taking into account the most recent repayment estimations.

The present value of estimated repayments, based on management’s best estimates, is regularly compared with the net carrying amount of repayable advances, defined as the sum of amounts received, plus any interest capitalized at the end of the reporting period, less repayments made. If as a result of this analysis the present value of estimated repayments is durably more or less than the carrying amount of the repayable advances over three consecutive years, that unrecognized portion of the present value of the advance which is higher or lower than the carrying amount is taken to profit or loss.

For certain contracts, the Group has to pay a fee based on replacement sales realized under the program once the advance has been fully repaid. This fee is not considered as repayment of an advance but as an operating expense.

Movements in this caption break down as follows:

(in € millions)

Borrowings subject to specific conditions at Dec. 31, 2023	292
New advances received	1
Advances repaid	(22)
Sub-total: changes with a cash impact	(21)
Cost of borrowings and discounting	14
Foreign exchange differences	-
Changes in scope of consolidation	4
Adjustments to the probability of repayment of advances	(2)
Sub-total: changes with no cash impact	16
Borrowings subject to specific conditions at Dec. 31, 2024	287

Estimates as to the repayable amounts and the timing of repayments are made regarding borrowings subject to specific conditions.

Adjustments to the probability of repayment of advances mainly concern civil aircraft programs.

6.5.5. Fair value of financial instruments

The different valuation techniques are assigned to a hierarchy for each financial instrument. The levels of the hierarchy are defined as follows:

- **level 1:** valuation technique that directly reflects quoted prices (unadjusted) for identical assets or liabilities in active markets;
- **level 2:** valuation technique drawing on directly or indirectly observable inputs based on data concerning the asset or liability, other than quoted prices included in level 1;
- **level 3:** valuation technique drawing on unobservable inputs.

At December 31, 2024

	Level in fair value hierarchy	Financial assets at amortized cost	Fair value through profit or loss	Fair value through equity	Financial liabilities at amortized cost	Fair value	Carrying amount
<i>(in € millions)</i>							
FINANCIAL ASSETS							
Non-consolidated investments	Level 3		394			394	394
Derivatives (positive fair value)	Levels 2 and 3		956			956	956
Other financial assets		922				922	922
Trade receivables		7,256				7,256	7,256
Operating current accounts and other receivables		168				168	168
Cash and cash equivalents	Level 1	6,120	394			6,514	6,514
FINANCIAL LIABILITIES							
Borrowings subject to specific conditions					287	287	287
Non-current interest-bearing financial liabilities					4,776	4,650	4,776
Trade payables					4,943	4,943	4,943
Payables on purchases of investments					4	4	4
Payables on purchases of property, plant and equipment and intangible assets					155	155	155
Operating current accounts					1	1	1
Derivatives (negative fair value)	Level 2					8,818	8,818

At December 31, 2023

	Level in fair value hierarchy	Financial assets at amortized cost	Fair value through profit or loss	Fair value through equity	Financial liabilities at amortized cost	Fair value	Carrying amount
<i>(in € millions)</i>							
FINANCIAL ASSETS							
Non-consolidated investments	Level 3		383			383	383
Derivatives (positive fair value)	Level 2		1,577			1,577	1,577
Other financial assets		884				884	884
Trade receivables		6,835				6,835	6,835
Operating current accounts and other receivables		196				196	196
Cash and cash equivalents	Level 1	6,584	92			6,676	6,676
FINANCIAL LIABILITIES							
Borrowings subject to specific conditions					292	292	292
Interest-bearing financial liabilities					6,299	6,098	6,299
Trade payables					4,288	4,288	4,288
Payables on purchases of investments					8	8	8
Payables on purchases of property, plant and equipment and intangible assets					175	175	175
Operating current accounts					1	1	1
Derivatives (negative fair value)	Level 2					4,743	4,743

No items were transferred between Level 1 and Level 2 or to/from Level 3 in either 2024 or 2023.

6.5.6. Foreign currency risk management

As the Group consolidates its financial statements in euros, it is exposed to fluctuations against the euro of the currencies in which its assets and liabilities are denominated and in which its operations are carried out.

To protect its earnings, the Group implements a hedging policy with the aim of reducing uncertainty factors affecting operating profitability and allowing it to adapt its cost structure to a volatile monetary environment.

Three basic principles underscore the foreign currency risk management policy defined by Safran for most of its subsidiaries:

- to protect the Group's economic performance from random fluctuations in the US dollar;
- to optimize the quality of hedging whenever possible, without jeopardizing the Group's economic performance (first principle);
- to provide visibility as regards the exchange rate applied in the Group's consolidated financial statements.

Protecting economic performance means setting a minimum USD exchange rate parity over an applicable term in order to allow frontline employees to conduct their business based on predictable exchange rates. Hedging arrangements have been made accordingly over a timeframe of four years.

The hedging policy is based on managing the financial instrument portfolio in order to guarantee a predefined minimum parity.

In building up its hedging portfolio, the Group primarily uses forward sales, accumulators and a combination of options. Certain instruments include knock-in or knock-out barrier options, representing a risk to the size of the hedge book and to targeted hedge rates in certain cases of exchange rate fluctuations.

Optimization measures are also used with a view to improving the minimum exchange rate parity, and seek to protect the Group's economic performance at all times. They are based on products that allow the Group to take advantage of any improvement in the underlying exchange rate parities.

As most of the derivatives in the portfolio have a maturity of less than one year, Safran extends derivatives in order to align their maturity with that of the flows hedged. Such extensions do not have a cash impact ("historical cost method").

The carrying amount of derivatives used to manage exchange risks is shown below:

(in € millions)	Dec. 31, 2023		Dec. 31, 2024	
	Assets	Liabilities	Assets	Liabilities
Foreign currency risk management	1,577	(4,735)	952	(8,803)
Currency swaps	18	-	27	-
Purchase and sale of forward currency contracts	2	(45)	6	-
Currency option contracts	1,557	(4,690)	919	(8,803)

Most revenue earned in the civil aviation sector is denominated in US dollars, which is the industry's benchmark currency. The annual net surplus delivered in USD to the Group's banking counterparties for these activities totaled approximately USD 12 billion in 2024.

Foreign currency derivatives

The portfolio of foreign currency derivatives breaks down as follows:

(in millions of currency units)			Dec. 31, 2024			
Currency against EUR	Derivative instrument	Position	Fair value ⁽¹⁾	Notional amount ⁽¹⁾	Less than 1 year	1 to 5 years
USD	Forward exchange contracts	Buy	6	(900)	(900)	-
		Sell	-	-	-	-
	Cross currency swaps		27	(314)	-	(314)
	Put options	Buy	433	56,912	56,912	-
		Sell	(3)	(6,500)	(6,500)	-
	Call options	Buy	310	(6,500)	(6,500)	-
		Sell	(8,552)	137,463	137,463	-
	Accumulators ⁽²⁾	Buy	18	(249)	(249)	-
		Sell	-	527	527	-
	Call options	Buy	21	(1,334)	(1,334)	-
CAD	Put options	Sell	(42)	(2,656)	(2,656)	-
GBP	Forward exchange contracts	Sell	-	-	-	-
	Call options	Buy	91	(1,326)	(1,326)	-
	Put options	Sell	(9)	(2,499)	(2,499)	-
MXN	Forward exchange contracts	Sell	-	-	-	-
	Call options	Buy	38	(29,301)	(28,710)	(591)
	Put options	Sell	(189)	(58,378)	(57,196)	(1,182)
Foreign currency derivatives portfolio			(7,851)			

(1) Fair values are expressed in millions of euros; notional amounts are expressed in millions of currency units.

(2) Notional amounts for accumulators represent the maximum cumulative amount until the instrument is unwound.

In the balance sheet, changes in the fair value of outstanding currency hedging instruments for the year represent a negative €4,693 million between December 31, 2023 and December 31, 2024.

In the income statement, the Group has chosen not to apply hedge accounting to these derivatives (IFRS 9). As a result, any changes in the fair value of these instruments are recognized in full in "Financial income (loss)".

Exposure and sensitivity to foreign currency risk

The exposure of the Group's financial instruments to EUR/USD foreign currency risk can be summarized as follows:

(in USD millions)	Dec 31, 2023	Dec. 31, 2024
Total assets excluding derivatives	2,890	2,976
Total liabilities excluding derivatives	(3,632)	(3,996)
Derivatives hedging balance sheet positions ⁽¹⁾	717	1,446
Net exposure after the impact of derivatives hedging balance sheet positions	(25)	426

(1) Notional amount.

Assets and liabilities excluding derivatives primarily consist of operating receivables and payables denominated in USD in the balance sheets of Group subsidiaries whose functional currency is the euro, and unsecured notes issued by Safran on the US private placement market for USD 0.3 billion. After setting up the cross currency swap to hedge the foreign currency risk on USD unsecured notes (see “Exposure to USD interest rate risk”), virtually all of these assets and liabilities are hedged by foreign currency hedging derivatives.

In addition to this net exposure, the Group has EUR/USD currency derivatives hedging revenue net of future purchases. These instruments had a negative fair value of USD 8,168 million, compared to a total negative fair value of USD 8,097 million for EUR/USD currency derivatives at December 31, 2024 (negative fair value of USD 3,643 million and USD 3,626 million, respectively, at December 31, 2023).

The sensitivity of financial instruments to a 5% increase or decrease in the EUR/USD exchange rate is as follows:

	Dec. 31, 2023		Dec. 31, 2024	
	USD		USD	
<i>Impact on balance sheet positions (in € millions)</i>				
Closing rate	1.11		1.04	
EUR/USD exchange rate change assumptions	-5%	+5%	-5%	+5%
EUR/USD exchange rate used for sensitivity analysis	1.05	1.16	0.99	1.09
Impact recognized through profit or loss (before tax)	(3,058)	1,598	(4,726)	3,240
Impact recognized through equity (before tax)	-	-	-	-

6.5.7. Interest rate risk management

The Group’s exposure to fluctuations in interest rates covers two types of risk:

- fair value risk in respect of fixed-rate financial assets and liabilities. Interest rate fluctuations impact the market value of these assets and liabilities as well as the Group’s balance sheet;
- cash flow risks in respect of floating-rate financial assets and liabilities. Interest rate fluctuations have a direct impact on the Group’s profit or loss.

Within the framework of its interest rate risk management policy, the Group arbitrates between these two types of risks using financial instruments specific to fixed-income markets (interest rate swaps and options, etc.).

The carrying amount of derivatives used to manage market risks is shown below:

	Dec. 31, 2023		Dec. 31, 2024	
	Assets	Liabilities	Assets	Liabilities
<i>(in € millions)</i>				
Interest rate risk management	-	(8)	-	(15)
Floating-for-fixed interest rate swaps	-	(5)	-	(15)
Fixed-for-floating interest rate swaps	-	(3)	-	-

Exposure to EUR interest rate risk

Interest rate swaps were taken out to convert the fixed rate payable on the €200 million bond issue carried out in first-half 2014 and maturing in April 2024 to a floating rate. This was redeemed during the year.

	Dec. 31, 2023	Dec. 31, 2024
<i>(in € millions)</i>		
Change in fair value of hedging instrument	3	-
Change in fair value of hedged item	(3)	-
Impact of fair value EUR interest rate hedges on financial income (loss)	-	-

Exposure to EUR interest rate risk before and after hedging:

Dec. 31, 2023	Current		Non-current		Total	
<i>(in € millions)</i>	Fixed rate	Floating rate	Fixed rate	Floating rate	Fixed rate	Floating rate
Interest-bearing financial liabilities	799	250	4,083	58	4,882	308
Other financial assets	181	93	310	210	491	303
Cash and cash equivalents	3,179	2,896	-	-	3,179	2,896
Net exposure before hedging	(2,561)	(2,739)	3,773	(152)	1,212	(2,891)
Derivatives ⁽¹⁾	257	200	284	-	541	200
Net exposure after hedging	(2,304)	(2,539)	4,057	(152)	1,753	(2,691)

(1) Notional amount.

Dec. 31, 2024	Current		Non-current		Total	
<i>(in € millions)</i>	Fixed rate	Floating rate	Fixed rate	Floating rate	Fixed rate	Floating rate
Interest-bearing financial liabilities	579	284	3,109	52	3,688	336
Other financial assets	139	101	325	217	464	318
Cash and cash equivalents ⁽²⁾	5,708	71	-	-	5,708	71
Net exposure before hedging	(5,268)	112	2,784	(165)	(2,484)	(53)
Derivatives ⁽¹⁾	-	-	302	-	302	-
Net exposure after hedging	(5,268)	112	3,086	(165)	(2,182)	(53)

(1) Notional amount.

(2) In 2024, the floating-rate exposure of the Group's cash and cash equivalents increased significantly, owing to a diversification of our liquidity management strategy in the specific environment of rising interest rates.

Exposure to USD interest rate risk

On July 21, 2020, a cross currency swap (USD fixed-rate lender/EUR fixed-rate borrower) was set up on two USD tranches of the June 29, 2020 senior unsecured notes issue on the US private placement market (USPP), amounting to USD 181 million bearing fixed-rate interest over a period of 10 years (tranche A) and USD 133 million bearing fixed-rate interest over a period of 12 years (tranche B). The interest rate portion of the cross currency swap is eligible for cash flow hedge accounting.

	Dec. 31, 2023					Dec. 31, 2024				
<i>(in € millions)</i>	Fair value	Notional amount (USD)	Less than 1 year	1 to 5 years	More than 5 years	Fair value	Notional amount (USD)	Less than 1 year	1 to 5 years	More than 5 years
USD interest rate swaps										
Fixed-for-floating	(2)	505	505	-	-	-	-	-	-	-
Floating-for-fixed	(5)	819	505	-	314	(15)	314	-	-	314
Total	(7)					(15)				

For the senior unsecured notes issued on the US market, changes in the fair value of the hedging instrument and the hedged item within the scope of the fair value hedge are recognized in “Financial income (loss)” as follows:

<i>(in € millions)</i>	Dec. 31, 2023	Dec. 31, 2024
Change in fair value of hedging instrument	11	-
Change in fair value of hedged item	(12)	-
Impact of fair value USD interest rate hedges on financial income (loss)	(1)	-

Exposure to USD interest rate risk before and after hedging:

Dec. 31, 2023	Current		Non-current		Total	
<i>(in USD millions)</i>	Fixed rate	Floating rate	Fixed rate	Floating rate	Fixed rate	Floating rate
Interest-bearing financial liabilities	578	2	471	3	1,049	5
Other financial assets	-	11	86	8	86	19
Cash and cash equivalents	89	399	-	-	89	399
Net exposure before hedging	489	(408)	385	(5)	874	(413)
Derivatives ⁽¹⁾	(505)	-	(314)	-	(819)	-
Net exposure after hedging	(16)	(408)	71	(5)	55	(413)

(1) Notional amount.

Dec. 31, 2024	Current		Non-current		Total	
<i>(in USD millions)</i>	Fixed rate	Floating rate	Fixed rate	Floating rate	Fixed rate	Floating rate
Interest-bearing financial liabilities	88	3	505	-	593	3
Other financial assets	-	10	110	5	110	15
Cash and cash equivalents ⁽²⁾	286	217	-	-	286	217
Net exposure before hedging	(198)	(224)	395	(5)	197	(229)
Derivatives ⁽¹⁾	-	-	(314)	-	(314)	-
Net exposure after hedging	(198)	(224)	81	(5)	(117)	(229)

(1) Notional amount.

(2) In 2024, the floating-rate exposure of the Group's cash and cash equivalents increased significantly, owing to a diversification of our liquidity management strategy in the specific environment of rising interest rates.

Sensitivity to interest rate risk

The aggregate sensitivity of net exposures to EUR and USD interest rate risk after the impact of hedging is shown below:

<i>Impact of changes in interest rates (in € millions)</i>	Dec. 31, 2023	Dec. 31, 2024
Interest rate change assumptions	+1%	+1%
Impact on profit or loss (before tax)	31	3
Impact on equity (before tax)	-	-

6.5.8. Management of risks on Power Purchase Agreements

Following the signature of a 247-year Virtual Power Purchase Agreement (VPPA) for an expected total production of 247 Gwh (12-year agreement) in the United States in late 2023, in February 2024, Safran signed a 21-year agreement in Malaysia based on an expected total output of 15 GWh per annum.

With the exception of the certificates of origin component, these VPPAs are treated as derivative instruments in accordance with IFRS 9 and are measured at fair value through financial income (loss). At December 31, 2024, the fair value of these two derivatives recognized on the assets side of the balance sheet was around €4 million.

The Group-wide impact of changes in the fair value of VPPAs was not material.

6.5.9. Counterparty risk management

The Group is exposed to counterparty risk on the following:

- short-term financial investments;
- derivatives;
- trade receivables;
- financial guarantees granted to customers;
- undrawn lines of credit.

Financial investments are diversified and consist of blue-chip securities that are traded with top-tier banks.

The sole purpose of the Group's derivative transactions is to reduce the overall exposure to foreign currency and interest rate risks resulting from its ordinary business activities. Transactions are either carried out on organized markets or over-the-counter with top-tier intermediaries.

The Group's credit facilities are taken out with top-tier banks.

During the year, the Group closely monitored its bad debt risks to ensure the collection of its current and future receivables. A provision was accrued based on a case-by-case analysis for any receivables and assets considered at risk (see Note 6.2.3 "Trade and other receivables").

The impairment rate for expected credit losses was 0.52% at end-2024, unchanged from the previous year-end.

Note 6.2.3, "Trade and other receivables" provides a breakdown of trade receivables by maturity.

6.5.10. Liquidity risk management

Treasury management is centralized within the Group. Where permitted by local legislation, all surplus cash is invested with, and the financing requirements of subsidiaries met by, the parent company on an arm's length basis. Safran SA manages the Group's current and forecast financing requirements, and ensures that it has the ability to meet its financial commitments while maintaining a level of available cash funds and confirmed credit facilities commensurate with its scale and debt repayment profile.

Credit rating

Standard & Poor's long-term credit rating is as follows:

	Long-term	Outlook
Dec. 31, 2023	A-	Stable
Dec. 31, 2024	A-	Stable

Financial covenants

Issues of senior unsecured notes on the US private placement market (USPP) on June 29, 2020 are subject to a financial covenant which states that the net debt to EBITDA ratio not exceed 3 (see Note 6.5.2, "Interest-bearing financial liabilities"). The covenant is tested every six months and the Group complied with the applicable ratio at December 31, 2024.

The terms "net debt" and "EBITDA" used in the aforementioned covenant are defined as follows:

- net debt: interest-bearing borrowings (excluding borrowings subject to specific conditions) less cash and cash equivalents;
- EBITDA: the sum of profit (loss) from operations and the net charge to depreciation, amortization and provisions for impairment of assets (calculated based on adjusted data).

Revolving credit facilities

On May 4, 2022 Safran set up a €2 billion revolving credit facility, with an original maturity of May 2027, that was undrawn at December 31, 2024. Following the exercise of the two one-year extension options, the maturity has been extended to May 2029.

The financial terms and conditions of the liquidity line are indexed to the achievement by the Group of two sustainable development criteria: CO₂ emissions (Scopes 1 and 2) and the proportion of women among senior executives. There is no contractual obligation to achieve these sustainable development criteria and failure to do so would not constitute a breach of contract. Achievement or not of the criteria has no impact on the Group's ability to use the facility.

Sale of receivables without recourse

Net debt at both December 31, 2024 and December 31, 2023 does not include the confirmed trade receivables sold without recourse, relating to CFM International Inc. (joint operation).

This facility, rolled over in February 2024, is capped at USD 1,200 million until January 2025.

A total of USD 396 million (USD 198 million based on a 50% interest) had been drawn on the facility at December 31, 2024, versus USD 201 million (USD 101 million based on a 50% interest) at December 31, 2023.

The facility may be terminated by the bank counterparties if there is a significant deterioration in the credit rating of the customer whose trade receivables have been sold.

On December 17, 2024, a new confirmed non-recourse trade receivables factoring facility was signed by CFMI International Inc., for a maximum amount of USD 1,500 million. The new facility replaced the previous facility – which had reached maturity – as of January 31, 2025. It will expire on January 31, 2026.

Note 7 - Notes to the cash flow statement

Note 7.1. Cash flow from operating activities

An analysis of the main cash flow items relating to operating activities is provided below:

Depreciation, amortization, impairment and provisions

An analysis of these items in 2024 and 2023 is as follows:

<i>(in € millions)</i>	2023	2024
Depreciation and amortization	1,336	1406
Provisions	(51)	285
Impairment	148	-
Depreciation, amortization, impairment and provisions	1,433	1691

Change in working capital

Changes in the main working capital items over 2024 and 2023 are as follows:

<i>(in € millions)</i>	2023	2024
Change in inventories and work-in-progress	(1,494)	(1,452)
Change in operating receivables and payables	478	549
Change in contract costs	(103)	(89)
Change in contract assets and liabilities	2,073	1,004
Change in other receivables and payables	(196)	(5)
Change in working capital	758	7

Other

<i>(in € millions)</i>	2023	2024
Cancellation of income tax expense	1,236	(284)
Income tax paid	(988)	(935)
Other items	(12)	8
Tax credit	(15)	(20)
Elimination of profit/loss from joint ventures	222	196
Share-based payment expense	89	106
Foreign exchange losses	(73)	22
Other	459	(907)

Note 7.2. Cash flow used in investing activities

An analysis of the main cash flow items relating to investing activities is shown below:

Payments for the acquisition of investments or businesses, net

In 2024, the €344 million net cash outflow mainly includes payments for the acquisition of Preligens for €229 million and ADOS for €90 million.

In 2023, the €328 million net cash outflow includes payments for the acquisition of a controlling interest in Thalès' aeronautical electrical systems business for €131 million and the Aubert de Duval capital increase for €109 million.

Proceeds arising from the sale of investments or businesses, net

In 2024, the €113 million net cash inflow mainly relates to proceeds from the sale of Roxel amounting to €81 million.

In 2023, the €151 million net cash inflow includes proceeds from the sale of Cargo and Catering amounting to €122 million.

Note 7.3. Cash flow used in financing activities

An analysis of the main cash flow items relating to financing activities is shown below:

At December 31, 2024, the Group redeemed the USPP for USD 505 million and the Euro PP for €200 million, repaid lease liabilities in the amount of €101 million, and redeemed ahead of maturity 2020-2027 OCEANE bonds not tendered for conversion for €20 million.

At December 31, 2023, the Group had redeemed the Euro PP for €180 million and repaid lease liabilities in the amount of €130 million.

Note 8 - Additional information

Note 8.1. Interests in joint operations

The Group has interests in a number of joint operations whose contribution is recognized line-by-line in the financial statements. The joint operations are:

- CFM International Inc. and CFM International SA: coordination of the CFM56 and LEAP engine programs with GE Aerospace and program marketing;
- Famat: manufacture of large casings subcontracted by Safran Aircraft Engines and GE Aerospace;
- Matis: manufacture of aircraft wiring;
- CFAN: production of composite fan blades for turbo engines;
- Propulsion Technologies International: engine repair and maintenance.

The table below shows the Group's share in the various financial indicators of these joint operations, which is included in the consolidated financial statements:

<i>(in € millions)</i>	Dec. 31, 2023	Dec. 31, 2024
Current assets	328	329
Non-current assets	25	34
Current liabilities	160	140
Non-current liabilities	11	17
Operating income	118	111
Operating expenses	(92)	(82)
Financial income	10	7
Income tax benefit (expense)	(12)	(10)
Profit for the period	24	25
Other comprehensive income	(6)	12
Comprehensive income	18	37
Cash flow from operating activities ⁽¹⁾	42	11
Cash flow used in investing activities	(6)	(12)
Cash flow used in financing activities ⁽¹⁾	(2)	(10)

(1) See Note 6.5.10, "Liquidity risk management" – trade receivables factoring programs at CFM Inc.

Note 8.2. Related parties

The Group's related parties are Safran shareholders (notably the French State) exercising control, joint control or significant influence over the Group; companies over which these shareholders exercise control, joint control or significant influence; associates, joint ventures and management executives.

Transactions with related parties other than joint ventures and associates primarily concern the delivery of aviation products to Dassault Aviation, Airbus and the French Directorate General of Weapons Procurement (DGA). They are as follows:

<i>(in € millions)</i>	2023	2024
Sales to related parties other than joint ventures	4,594	5,393
Purchases from related parties other than joint ventures	(131)	(77)

<i>(in € millions)</i>	Dec. 31, 2023	Dec. 31, 2024
Amounts receivable from related parties other than joint ventures	2,628	2,501
Amounts payable to related parties other than joint ventures	4,863	5,911

<i>(in € millions)</i>	Dec. 31, 2023	Dec. 31, 2024
Commitments given to related parties other than joint ventures ⁽¹⁾	2,661	2,568

(1) See Note 8.3.1, "Off-balance sheet commitments and contingent liabilities relating to the Group's operating activities".

The following transactions were carried out with joint ventures:

<i>(in € millions)</i>	2023	2024
Sales to joint ventures ⁽¹⁾	819	845
Purchases from joint ventures	(119)	(171)

(1) Mainly with Shannon Engine Support Limited.

<i>(in € millions)</i>	Dec. 31, 2023	Dec. 31, 2024
Amounts receivable from joint ventures	328	573
Amounts payable to joint ventures	418	393

<i>(in € millions)</i>	Dec. 31, 2023	Dec. 31, 2024
Commitments given to joint ventures ⁽²⁾	849	1,768

(2) Reservation of engine capabilities with Shannon Engine Support Limited.

Management compensation

The Group's key management personnel comprise the members of the Board of Directors including the Chairman, the Chief Executive Officer and the other directors (16 members in total), and any persons discharging managerial responsibilities considered as having the power to take management decisions with regard to Safran's strategy and future development, and/or with regular access to inside information concerning Safran (i.e., four directors at end-2024 and end-2023).

All compensation and benefits awarded to management executives are shown on a gross basis, including the fixed portion of compensation and the provision for the variable portion to be paid in the subsequent year, and break down as follows:

<i>(in € millions)</i>	Dec. 31, 2023	Dec. 31, 2024
Short-term benefits ⁽¹⁾	8.0	8.3
Post-employment benefits	0.5	0.3
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payment	3.1	2.9

(1) Compensation, social security contributions, attendance fees and benefit payments, where applicable.

The Company's total post-employment benefit commitments and other long-term benefit commitments in respect of management executives as recorded in the balance sheet amounted to €6.4 million at December 31, 2024 and €5.7 million at December 31, 2023.

Note 8.3. Off-balance sheet commitments and contingent liabilities

8.3.1. Off-balance sheet commitments and contingent liabilities relating to the Group's operating activities

The various types of commitments given and contingent liabilities incurred by the Group are as follows:

Guarantees given in connection with the performance of operating agreements

These guarantees relate mainly to guarantees granted by Safran to customers and principals (essentially aircraft manufacturers) in which Safran or the subsidiary provide a joint and several guarantee that its subsidiaries will perform their duties under their contractual obligations. These guarantees are given in respect of research, design, development, manufacturing, marketing and product support programs in place at Group subsidiaries. They are generally granted for the term of the program concerned, and are capped at a certain amount.

Offset obligations

In some countries, as a condition to the Group securing major contracts, it may be required to fulfill direct, semi-direct or indirect local offset obligations, as required by law or regulations. This is particularly the case in the defense industry.

Failure to meet these obligations within the required timeframe may lead to penalties for the Group, which may, in some cases, not discharge the obligation. When there are doubts as to the Group's ability to meet its obligations, the contractual penalty is recognized as a deduction from revenue.

Lease commitments

Lease commitments given concern leases qualifying for the IFRS 16 exemption criteria (short-term leases or leases of low-value assets), as well as leases signed but not yet started.

Financial commitments linked to the sale of Group products

The Group may enter into financial commitments as part of certain civil aircraft engine sales campaigns. These commitments form part of financing packages proposed by aircraft manufacturers to airlines. The commitments are made by the Group together with its partner GE Aerospace alongside aircraft manufacturers, and generally correspond to the share represented by engines in the financing of the aircraft concerned. They can take the form of backstop aircraft financing, backstop guarantees granted to lending institutions for aircraft financing, asset value guarantees at a given date, or trade-ins of used aircraft at a given date and at a given price.

Unlike asset value guarantees and used aircraft trade-ins, backstop commitments are in fact financing commitments granted in principle when an order is placed but which only take effect at the customer's request when the ordered aircraft are delivered. They are not included in the Group's off-balance sheet commitments since (i) the probability that they will be called by the airline is too uncertain because the deliveries are too far in the future, and (ii) in the past, few commitments have been called due to their incentiveless financing terms and to the fact that they represent a "last recourse" after the active leasing, banking, credit insurance and investor markets.

Contingent liabilities arising on ordinary activities

As part of their ordinary activities, the Group, some of its subsidiaries, or certain joint arrangements or consortia in which they are shareholders or members, may be subject to various claims from customers. These claims usually consist of compensation claims for failing to meet technical specifications, for a delay in the development phase, late completion and/or for additional work in connection with product performance and reliability falling outside the scope of the warranties and commitments provisioned or included within contract costs (see Note 6.2.1, "Inventories and work-in-progress and contract costs", and Note 6.4.1, "Overview of provisions"). While the initial amount of any such claim may be material in certain cases, it does not necessarily

have any bearing on the costs that may be ultimately incurred to satisfy the customer. As these claims represent contingent liabilities, no provision has been recognized beyond contractual liability limits, if any.

In the absence of an agreement between the parties, some of these claims may give rise to litigation, the most significant of which are indicated in Note 8.4, “Disputes and litigation”.

Commitments given and contingent liabilities

The Group granted the following commitments in connection with its operating activities:

<i>(in € millions)</i>	Dec. 31, 2023	Dec. 31, 2024
Purchase commitments on intangible assets	9	11
Purchase commitments on property, plant and equipment	238	434
Guarantees given in connection with the performance of operating agreements	6,998	6,809
Lease commitments	131	153
Financial commitments linked to the sale of Group products	25	26
Other commitments given	2,950	4,032
Commitments given and contingent liabilities	10,351	11,465

Guarantees given in connection with the performance of operating agreements

Guarantees granted to Airbus are shown within “Guarantees granted to related parties” in Note 8.2, “Related parties”.

Financial commitments linked to the sale of Group products

Only the amounts of commitments actually in place at the reporting date are shown in the above off-balance sheet commitments table. The Group’s gross exposure in respect of these financing commitments in their transaction currency represents USD 27 million at December 31, 2024 (USD 28 million at December 31, 2023), or €26 million (€25 million at December 31, 2023). However, these amounts do not reflect the actual risk to which Safran is exposed. In view of the value of the underlying assets pledged as security or eventually owned, the net exposure represents USD 1 million at December 31, 2024 (USD 4 million at December 31, 2023), or €1 million at December 31, 2024 (€4 million at December 31, 2023) for which a provision, based on an assessment of the risk, is booked in the financial statements. The risk and corresponding provision are determined based on a probability model of events likely to generate a future net outflow of resources for the Group.

Undiscounted backstop commitments based on transaction currency amounted to USD 1.7 billion at December 31, 2024. They are not included in off-balance sheet commitments.

Other commitments given

In connection with the French government's aerospace support plan, Safran undertook to subscribe to the Ace Aéro Partenaires (AAP#1) investment fund in an amount of €58 million. Following the various funding rounds completed, Safran's remaining commitment amounted to €6 million at December 31, 2024.

In July 2024, Safran contributed €45 million to the new "Ace Aero Partenaires 2" support fund for the French aerospace sector. At December 31, 2024, no calls for funds had been made.

As part of Safran USA's contemplated acquisition of Collins Aerospace's actuation and flight control business, Safran SA contractually granted a USD 1.8 billion payment guarantee to Goodrich Corporation and Hamilton Sundstrand Corporation on behalf of its subsidiary Safran USA. If certain regulatory approvals were to block the acquisition, Safran would have to pay termination costs of up to USD 72 million.

Commitments received

The Group was granted the following commitments in connection with its operating activities:

<i>(in € millions)</i>	Dec. 31, 2023	Dec. 31, 2024
Commitments received from banks on behalf of suppliers	4	8
Completion warranties	8	16
Endorsements and guarantees received	1	2
Other commitments received	239	304
Commitments received	252	330

8.3.2. Off-balance sheet commitments and contingent liabilities relating to the Group's scope of consolidation

Vendor warranties are given or received on the acquisition or sale of companies.

(i) Vendor warranties given

<i>(in € millions)</i>	Dec. 31, 2023	Dec. 31, 2024
Vendor warranties given ⁽¹⁾	42	36

(1) Vendor warranties, the amount of which may be fixed or determinable.

(ii) Vendor warranties received

<i>(in € millions)</i>	Dec. 31, 2023	Dec. 31, 2024
Vendor warranties received	221	221

Vendor warranties granted in connection with the disposal of the Security businesses

In connection with the sale of the Identity and Security businesses on May 31, 2017, Safran granted Advent International a specific indemnity capped at BRL 200 million (€31 million) to cover any financial consequences arising from the dispute between Morpho do Brasil and the Brazilian tax authorities concerning the calculation method for value added tax on certain products.

Guarantees received in connection with acquisitions

On the sale of Aubert & Duval, Eramet granted Safran a general liability guarantee of €35 million and various specific warranties totaling €150 million.

In connection with the acquisition of Thalès' aeronautical electrical systems business, Thalès granted Safran a contractual general liability guarantee for €18 million and specific warranties for €18 million covering various matters.

8.3.3. Off-balance sheet commitments and contingent liabilities relating to the Group's financing

Commitments received in respect of financing relate to any unused portion of the trade receivables factoring facility relating to CFM International Inc., under which the related receivables are deconsolidated (see Note 6.5.2, "Interest-bearing financial liabilities"), and the confirmed, undrawn syndicated credit line for €2 billion set up on May 4, 2022 (see Note 6.5, "Financing and financial risk management").

Note 8.4. Disputes and litigation

Safran and certain Group subsidiaries are party to regulatory, legal or arbitration proceedings arising in the ordinary course of their operations. Safran and certain Group subsidiaries are also party to claims, investigations, legal action and regulatory proceedings outside the scope of their ordinary operations.

The amount of the provisions booked is based on the level of risk for each case, as assessed by Safran and its subsidiaries, and largely depends on their assessment of the merits of the claims and defensive arguments, bearing in mind that the occurrence of events during the proceedings can lead to a reassessment of the risk at any time.

A provision is only booked to cover the expenses that may result from such proceedings when the expenses are probable and their amount can be either quantified or reasonably estimated.

Safran considers that the provisions booked are adequate to cover the risks it incurs.

A number of civil and/or criminal lawsuits have been filed against certain Safran subsidiaries in connection with aviation accidents. The Group's insurance policy would cover any civil damages payable by Safran or its subsidiaries under these proceedings.

Certain subsidiaries are the object of claims made by their customers, notably aircraft manufacturers and airlines. These claims can relate to compliance with delivery deadlines, problems with product quality or, more generally, alleged non-compliance with agreements. Such claims give rise to technical, industrial and commercial negotiations that may lead to settlement agreements, without resulting in legal or arbitration proceedings.

To the best of Safran's knowledge and that of its subsidiaries, there are no other ongoing regulatory, legal or arbitration proceedings that could have a material impact on the financial position of the Company and/or Group.

Note 8.5. Audit fees

The Group pays three types of fees to its Statutory Auditors:

Statutory audit fees

These are payable for all work that is an integral part of the statutory audit, i.e., all work necessary to produce audit reports or any other reports or representations to be made available to the Ordinary Shareholders' Meeting called to approve the financial statements.

Services are provided by the Statutory Auditors and other persons responsible for audits, members of their networks, certifying the parent company and consolidated financial statements of the parent company and fully consolidated subsidiaries in France and other countries.

Fees relating to the certification of sustainability disclosures

These are payable for work required to certify consolidated sustainability disclosures in accordance with applicable regulations (ESRS).

Fees for other services

These services concern work falling within the scope of services usually rendered in conjunction with the statutory audit engagement (drafting of specific reports and statements, due diligence procedures) or any other specific engagement, generally representing one-off or agreed-on services.

The following table shows the amount of fees paid to the Group's Statutory Auditors as included on the consolidated income statement for the year, a distinction being made between fees charged for the statutory audit of the consolidated financial statements, those charged for the sustainability audit and those charged for other services, where applicable. The fees shown for subsidiaries are those consolidated according to the full consolidation method.

	Ernst & Young				Forvis Mazars				TOTAL			
	Amount (excl. VAT)		%		Amount (excl. VAT)		%		Amount (excl. VAT)		%	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
<i>(in € millions)</i>												
A) Statutory audit services												
A.1) Safran (issuer)	0.79	0.97	15%	15%	0.79	0.97	14%	13%	1.58	1.94	14%	14%
A.2) Subsidiaries	4.30	4.99	76%	73%	4.49	5.21	76%	70%	8.79	10.20	76%	72%
Sub-total	5.09	5.96	91%	88%	5.28	6.18	90%	83%	10.37	12.14	90%	86%
B) Fees relating to the certification of sustainability disclosures												
B.1) Safran (issuer)	N/A	0.49	N/A	7%	N/A	0.49	N/A	7%	N/A	0.98	N/A	7%
C) Fees for other services												
C.1) Safran (issuer)	0.18	0.03	3%	0%	0.17	0.29	3%	4%	0.35	0.32	3%	1%
C.2) Subsidiaries	0.35	0.39	6%	5%	0.39	0.44	7%	6%	0.74	0.83	6%	6%
Sub-total	0.53	0.42	9%	5%	0.56	0.73	10%	10%	1.09	1.15	10%	7%
TOTAL	5.62	6.87	100%	100%	5.84	7.40	100%	100%	11.46	14.27	100%	100%

Note 8.6. Subsequent events

Treasury shares

On January 9, 2025, Safran entered into an agreement with an investment services provider for a share buyback for cancellation. Under the terms of this agreement, Safran will repurchase its own shares for a maximum amount of €350 million from January 10, 2025 and no later than April 14, 2025. This operation will be carried out in accordance with the share buyback authorization granted on May 23, 2024 by the Annual General Meeting.

Acquisition of Component Repair Technologies (CRT)

On September 10, 2024, Safran had announced its plan to acquire CRT, a world leader in the repair of aircraft engine parts, based in Mentor, Ohio (US).

Safran completed this acquisition on January 19, 2025.

These new capabilities will strengthen Safran's maintenance, repair and overhaul (MRO) network in the Americas.

CRT specializes in the repair of large parts (cases, rotating parts) for the CFM56, LEAP and large turbofan engines.

CRT generates revenue of around USD 110 million and has approximately 500 employees.

Note 9 - List of key consolidated companies

		2023		2024	
	Country	Consolidation method	% interest	Consolidation method	% interest
Safran SA	France	Parent company			
Aerospace Propulsion					
Safran Aircraft Engines	France	FC	100.00	FC	100.00
CFAN	United States	JO	50.00	JO	50.00
CFM International SA	France	JO	50.00	JO	50.00
CFM International, Inc.	United States	JO	50.00	JO	50.00
CFM Materials, LP	United States	EQ	50.00	EQ	50.00
Fabrications Mecaniques de l'Atlantique	France	JO	50.00	JO	50.00
Fan Blade Associates, Inc.	United States	FC	100.00	FC	100.00
Safran Aero Composite	France	FC	100.00	FC	100.00
Safran Aerospace Composites, LLC	United States	FC	100.00	FC	100.00
Shannon Engine Support Limited	Ireland	EQ	50.00	EQ	50.00
Safran Aircraft Engines Hyderabad Private Limited	India	FC	100.00	FC	100.00
Safran Aircraft Engines Mexico	Mexico	FC	100.00	FC	100.00
Safran Aircraft Engines Poland	Poland	FC	100.00	FC	100.00
Safran Aircraft Engine Services Americas	Mexico	FC	100.00	FC	100.00
Safran Aircraft Engine Services Morocco	Morocco	FC	51.00	FC	51.00
Safran MDS, S.A. de C.V.	Mexico	FC	100.00	FC	100.00
Snecma Participations	France	FC	100.00	FC	100.00
Snecma Participations, Inc.	United States	FC	100.00	FC	100.00
Safran Aircraft Engine Services Brussels	Belgium	FC	100.00	FC	100.00
Safran Aircraft Engines Suzhou Co, Ltd	China	FC	100.00	FC	100.00
Safran Aircraft Engines (Guiyang) Co, Ltd	China	FC	100.00	FC	100.00
Propulsion Technologies International, LLC	United States	JO	50.00	JO	50.00
Safran Aircraft Engine Services India Private Limited ⁽¹⁾	India	-	-	FC	100.00
Safran Aero Boosters	Belgium	FC	67.19	FC	67.19
Safran Test Cells, Inc.	United States	FC	67.19	FC	67.19
Safran Aero Boosters Programs, LLC	United States	FC	67.19	FC	67.19
Safran Aero Boosters, Inc.	United States	FC	67.19	FC	67.19
Safran Helicopter Engines	France	FC	100.00	FC	100.00
Safran Power Units	France	FC	100.00	FC	100.00
Safran Power Units San Diego, LLC	United States	FC	100.00	FC	100.00
Safran Power Units USA	United States	FC	100.00	FC	100.00
Initium Aerospace, LLC	United States	EQ	50.00	EQ	50.00
Safran Helicopter Engines Asia Pte. Ltd.	Singapore	FC	100.00	FC	100.00
Safran Helicopter Engines Australia Pty Ltd	Australia	FC	100.00	FC	100.00
Safran Moteurs d'Hélicoptères Canada Inc.	Canada	FC	100.00	FC	100.00
Safran Helicopter Engines Brasil Industria e Comercio do Brasil Ltda	Brazil	FC	100.00	FC	100.00
Safran Helicopter Engines Germany GmbH	Germany	FC	100.00	FC	100.00
Safran Helicopter Engines Tianjin Co. Ltd	China	FC	100.00	FC	100.00
Safran Helicopter Engines UK Limited	United Kingdom	FC	100.00	FC	100.00
Safran Helicopter Engines USA, Inc.	United States	FC	100.00	FC	100.00
Safran Helicopter Engines Mexico	Mexico	FC	100.00	FC	100.00
AD Holding and subsidiaries	France	EQ	33.33	EQ	33.33
Safran Transmission Systems	France	FC	100.00	FC	100.00
Safran Transmission Systems Poland sp. z o o.	Poland	FC	100.00	FC	100.00
ArianeGroup Holding and its subsidiaries	France	EQ	50.00	EQ	50.00

FC: Full consolidation. JO: Joint operation. EQ: Equity method.

(1) Consolidated in 2024.

	2023		2024		
	Country	Consolidation method	% interest	Consolidation method	% interest
Aircraft Equipment, Defense and Aerosystems					
Safran Nacelles	France	FC	100.00	FC	100.00
Safran Nacelles Limited	United Kingdom	FC	100.00	FC	100.00
Safran Nacelles Morocco	Morocco	FC	100.00	FC	100.00
3D Metal Forming B.V ⁽¹⁾	Netherlands	-	-	FC	100.00
Safran Landing Systems	France	FC	100.00	FC	100.00
Aero Precision Repair & Overhaul Company, Inc.	United States	EQ	50.00	EQ	50.00
Safran Landing Systems Services Dinard	France	FC	100.00	FC	100.00
Safran Landing Systems Kentucky, LLC	United States	FC	100.00	FC	100.00
Safran Landing Systems Wheel & Brake Services, LLC	United States	FC	100.00	FC	100.00
Safran Landing Systems Malaysia Sdn. Bhd.	Malaysia	FC	100.00	FC	100.00
Safran Landing Systems Canada Inc.	Canada	FC	100.00	FC	100.00
Safran Landing Systems UK Ltd	United Kingdom	FC	100.00	FC	100.00
Safran Landing Systems México S.A. de C.V.	Mexico	FC	100.00	FC	100.00
Safran Landing Systems Services Américas S.A. de C.V.	Mexico	FC	100.00	FC	100.00
Safran Landing Systems Services Singapore Pte. Ltd.	Singapore	FC	60.00	FC	60.00
Safran Landing Systems Services Miami, Inc.	United States	FC	100.00	FC	100.00
Safran Landing Systems Services UK Ltd	United Kingdom	FC	100.00	FC	100.00
Safran Landing Systems Holdings Singapore Pte. Ltd.	Singapore	FC	100.00	FC	100.00
Xi'an Cea Safran Landing Systems Co., Ltd	China	EQ	50.00	EQ	50.00
Safran Filtration Systems	France	FC	100.00	FC	100.00
Safran Landing Systems Suzhou Co., Ltd.	China	FC	100.00	FC	100.00
Safran Electrical & Power	France	FC	100.00	FC	100.00
Safran Electrical Components	France	FC	100.00	FC	100.00
Safran Electrical & Power Chihuahua SA de CV	Mexico	FC	100.00	FC	100.00
Safran Engineering Services GmbH	Germany	FC	100.00	FC	100.00
Labinal Investments, LLC	United States	FC	100.00	FC	100.00
Safran Electrical & Power USA, LLC	United States	FC	100.00	FC	100.00
Safran Electrical & Power Morocco	Morocco	FC	100.00	FC	100.00
Safran Electrical & Power Mexico SA de CV	Mexico	FC	100.00	FC	100.00
Safran Electrical & Power India Private Limited	India	FC	100.00	FC	100.00
Matis Aerospace	Morocco	JO	50.00	JO	50.00
Safran Engineering Services	France	FC	100.00	FC	100.00
Safran Engineering Services India Pvt Ltd	India	FC	100.00	FC	100.00
Safran Engineering Services Maroc	Morocco	FC	100.00	FC	100.00
Safran Engineering Services UK Ltd	United Kingdom	FC	100.00	FC	100.00
Safran Electrical & Power UK Ltd	United Kingdom	FC	100.00	FC	100.00
Safran Power USA, LLC	United States	FC	100.00	FC	100.00
Shanghai SAIFEI Aviation EWIS Manufacturing Co., Ltd	China	EQ	49.00	EQ	49.00
Safran Electrical Components Canada Inc.	Canada	FC	100.00	FC	100.00
Safran Electrical Components UK Limited	United Kingdom	FC	100.00	FC	100.00
Safran Electrical Components USA, Inc.	United States	FC	100.00	FC	100.00
Safran Electrical and Power Tunisia	Tunisia	FC	100.00	FC	100.00
Safran Electrical & Power Chatou SAS	France	FC	100.00	FC	100.00
Safran Electrical & Power Conflans SAS	France	FC	100.00	FC	100.00

FC: Full consolidation. JO: Joint operation. EQ: Equity method.

(1) Consolidated in 2024.

	Country	2023		2024	
		Consolidation method	% interest	Consolidation method	% interest
Safran Electronics & Defense	France	FC	100.00	FC	100.00
Safran Defense & Space, Inc	United States	FC	100.00	FC	100.00
Safran Electronics & Defense Services Asia Pte Ltd	Singapore	FC	60.00	FC	60.00
Safran Electronics & Defense Canada Inc.	Canada	FC	100.00	FC	100.00
Safran Electronics & Defense Avionics USA, LLC	United States	FC	100.00	FC	100.00
Safran Electronics & Defense Germany GmbH	Germany	FC	100.00	FC	100.00
Lynred	France	EQ	50.00	EQ	50.00
Safran Electronics & Defense Morocco	Morocco	FC	100.00	FC	100.00
Safran Electronics & Defense Services Mexico, S.A. de C.V.	Mexico	FC	100.00	FC	100.00
Safran Vectronix AG	Switzerland	FC	100.00	FC	100.00
Sagem USA, Inc.	United States	FC	100.00	FC	100.00
Fadec International, LLC	United States	EQ	50.00	EQ	50.00
Safran Reosc	France	FC	100.00	FC	100.00
Safran Sensing Technologies Switzerland SA	Switzerland	FC	100.00	FC	100.00
Safran Data Systems Investment ⁽¹⁾	France	FC	100.00	-	-
Safran Data Systems Inc. ⁽²⁾	United States	FC	100.00	-	-
Safran Data Systems GmbH	Germany	FC	100.00	FC	100.00
Safran Data Systems	France	FC	100.00	FC	100.00
IDD Aerospace Corp.	United States	FC	100.00	FC	100.00
Safran Spacecraft Propulsion	France	FC	100.00	FC	100.00
CILAS	France	EQ	31.50	EQ	31.50
HMS Laser	France	EQ	50.00	EQ	50.00
Safran AI ⁽³⁾	France	-	-	FC	100.00
Financière Orolia ⁽¹⁾	France	FC	100.00	-	-
Safran Trusted 4D Canada Inc	Canada	FC	100.00	FC	100.00
Safran Trusted 4D SAS	France	FC	100.00	FC	100.00
Safran Electronics & Defense Beacons SAS	France	FC	100.00	FC	100.00
Safran Electronics & Defense Spain S.L.U.	Spain	FC	100.00	FC	100.00
Safran Timing Technologies SA	Switzerland	FC	100.00	FC	100.00
T4 Science	Switzerland	FC	85.00	FC	85.00
Safran Trusted 4D Inc.	United States	FC	100.00	FC	100.00
Talen-X, Inc.	United States	FC	100.00	FC	100.00
Orolia Government Systems Inc.	United States	FC	100.00	FC	100.00
Roxel France ⁽⁴⁾	France	EQ	50.00	-	-
Roxel Limited ⁽⁴⁾	United Kingdom	EQ	50.00	-	-
Roxel ⁽⁴⁾	France	EQ	50.00	-	-

FC: Full consolidation. JO: Joint operation. EQ: Equity method.

Safran Aerosystems	France	FC	100.00	FC	100.00
Safran Aerosystems Morocco	Morocco	FC	100.00	FC	100.00
Avox Systems Inc	United States	FC	100.00	FC	100.00
Air Cruisers Company LLC	United States	FC	100.00	FC	100.00
Engineered Arresting Systems Corporation	United States	FC	100.00	FC	100.00
Safran Aerosystems Mexico S. de R.L. de C.V.	Mexico	FC	100.00	FC	100.00
Safran Aerosystems Services Americas, LLC	United States	FC	100.00	FC	100.00
Safran Aerosystems Services Asia Pte. Ltd.	Singapore	FC	100.00	FC	100.00
Safran Aerosystems Services UK Ltd	United Kingdom	FC	100.00	FC	100.00
Safran Aerosystems Services Middle East DWC – LLC	United Arab Emirates	FC	100.00	FC	100.00
IN-Services Asia Limited	Hong Kong	FC	100.00	FC	100.00
Aerospace & Defense Oxygen System SAS ⁽³⁾	France	-	-	FC	100.00
Safran Martin-Baker France	France	EQ	50.00	EQ	50.00

FC: Full consolidation. JO: Joint operation. EQ: Equity method.

(1) Merged into Safran Electronics & Defense on January 1, 2024.

(2) Merged into Safran Defense & Space, Inc on May 1, 2024.

(3) Consolidated in 2024.

(4) Divested on December 19, 2024.

	Country	Consolidation method	% interest	Consolidation method	% interest
Aircraft Interiors					
Safran Cabin France	France	FC	100.00	FC	100.00
Safran Cabin Investment GmbH	Germany	FC	100.00	FC	100.00
Safran Cabin Sterling, Inc. ⁽¹⁾	United States	FC	100.00	-	-
Safran Cabin Germany GmbH	Germany	FC	100.00	FC	100.00
Safran Cabin Netherlands N.V.	Netherlands	FC	100.00	FC	100.00
Safran Cabin Galleys US, Inc.	United States	FC	100.00	FC	100.00
Safran Cabin CZ s.r.o.	Czech Republic	FC	100.00	FC	100.00
EZ Air Interior Limited	Ireland	EQ	50.00	EQ	50.00
Safran Cabin Materials, LLC	United States	FC	100.00	FC	100.00
Safran Cabin Tunisia	Tunisia	FC	100.00	FC	100.00
Safran Cabin, Inc.	United States	FC	100.00	FC	100.00
Safran Cabin Tijuana S.A de C.V.	Mexico	FC	100.00	FC	100.00
Safran Cabin Canada Co.	Canada	FC	100.00	FC	100.00
Safran Cabin Brazil Ltda.	Brazil	FC	100.00	FC	100.00
Safran Cabin Lamphun Ltd.	Thailand	FC	100.00	FC	100.00
Safran Cabin Bellingham, Inc.	United States	FC	100.00	FC	100.00
Safran Ventilation Systems	France	FC	100.00	FC	100.00
Safran Ventilation Systems USA, LLC	United States	FC	100.00	FC	100.00
Northwest Aerospace Technologies, Inc.	United States	FC	100.00	FC	100.00
Greenpoint Technologies, Inc.	United States	FC	100.00	FC	100.00
EV Participations GmbH	Germany	FC	100.00	FC	100.00
Mag Aerospace Industries, LLC	United States	FC	100.00	FC	100.00
Safran Passenger Innovations Germany GmbH	Germany	FC	100.00	FC	100.00
Safran Passenger Innovations, LLC	United States	FC	100.00	FC	100.00
Safran Seats	France	FC	100.00	FC	100.00
Safran Seats USA LLC	United States	FC	100.00	FC	100.00
Safran Seats Tunisia	Tunisia	FC	100.00	FC	100.00
Safran Seats GB Limited	United Kingdom	FC	100.00	FC	100.00
Holding company and other					
Établissements Vallaroche	France	FC	100.00	FC	100.00
Safran UK Ltd	United Kingdom	FC	100.00	FC	100.00
Société de Réassurance Vallaroche SA	Luxembourg	FC	100.00	FC	100.00
Safran Corporate Ventures	France	FC	100.00	FC	100.00
Soreval France ⁽²⁾	France	-	-	FC	100.00
Safran India Private Ltd ⁽²⁾	India	-	-	FC	100.00
Safran USA, Inc.	United States	FC	100.00	FC	100.00
Safran Ceramics	France	FC	100.00	FC	100.00
Safran Seats GB Investment Limited	United Kingdom	FC	100.00	FC	100.00
Galli Participations	France	FC	100.00	FC	100.00
Safran Additive Manufacturing Campus	France	FC	100.00	FC	100.00

FC: Full consolidation. JO: Joint operation. EQ: Equity method.

(1) Merged into Safran Cabin Inc. on January 1, 2024.

(2) Consolidated in 2024.

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