

FIRST-QUARTER 2020 REVENUE



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

> DEFINITION

Civil aftermarket (expressed in USD): This non-accounting indicator (non-audited) comprises spares and MRO (Maintenance, Repair & Overhaul) revenue for all civil aircraft engines for Safran Aircraft Engines and its subsidiaries and reflects the Group's performance in civil aircraft engines aftermarket compared to the market.

Agenda

1. **Q1 2020 Business highlights**
2. **Update on Covid-19 impacts**
3. **Q1 2020 Revenue and watch items**
4. **Q&A**
5. **Additional information**



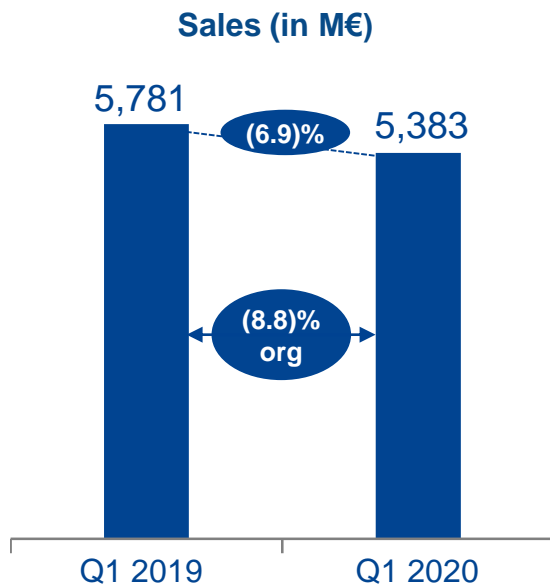


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Q1 2020 BUSINESS HIGHLIGHTS

Philippe PETITCOLIN - CEO

Start of the year already impacted by Covid-19



January and February in line with the initial guidance, with 1.7% organic sales decrease yoy:

- ◆ OE Propulsion: LEAP-1B production rate drop; expected growth in Aircraft Equipment, Defense and Aerosystems; decline in Aircraft Interiors as anticipated (Cabin impacted by the Max and Seats by 2019 strong comparison base)
- ◆ Aftermarket growing in line with initial guidance (HSD growth)

Covid-19 impacts started to materialize significantly in March, across most of businesses (20.4% organic decrease vs March 19):

- ◆ Operations punctually and locally disrupted
- ◆ Services declined from March (~ (20)% yoy), in line with airlines cash situation and air traffic sharp fall
- ◆ Significant pressure on Aircraft Interiors due to widebody and retrofit activity exposure

Q1 2020 business highlights - Propulsion

Combined shipment of CFM56 and LEAP engines reached 326 units in Q1 2020 (vs 577 units in Q1 2019) down 43.5%

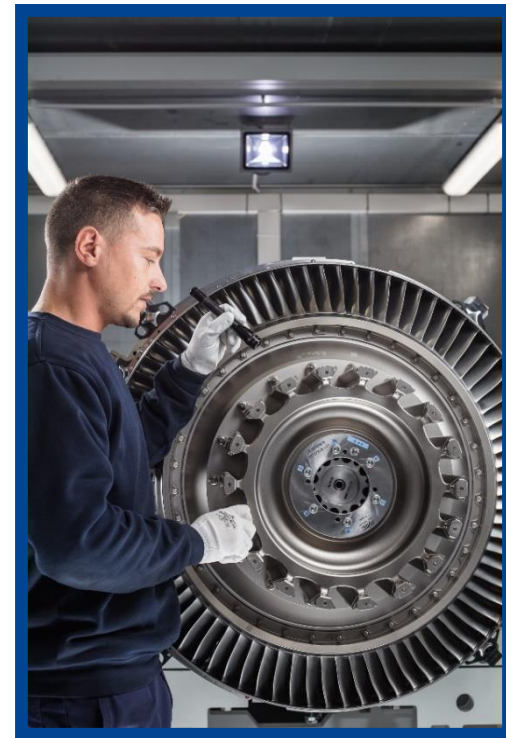
◆ LEAP:

- > 272 LEAP delivered in Q1 2020 (424 engines in Q1 2019)
- > 117 orders and commitments logged in Q1 2020
- > Total backlog (orders and commitments) of 15,065 engines at March 31, 2020
- > 60.1% market share on A320neo family at March 31, 2020

◆ CFM56:

- > 54 units delivered in Q1 2020 (153 in Q1 2019)

Civil aftermarket growth (in \$): (3.3)% in Q1 2020

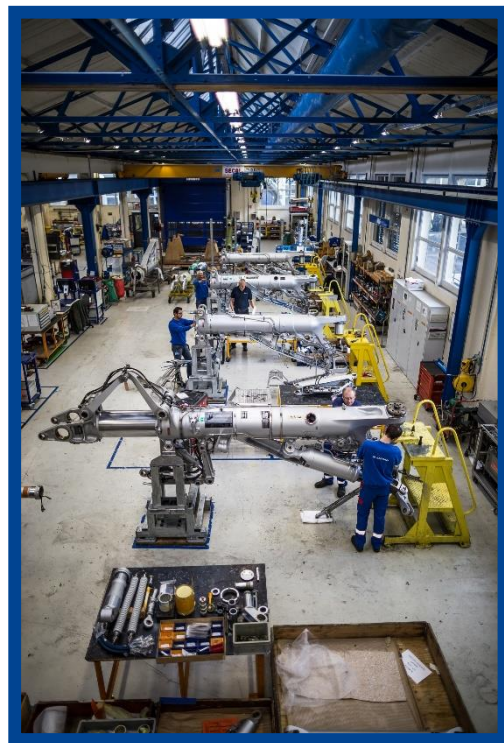


**LEAP low pressure compressor
balancing**

Q1 2020 business highlights - Aircraft Equipment, Aerosystems and Defense

Good level of activity in January and February; Several contracts signed during the period

- ◆Nacelles: Gulfstream's G700 went airborne with Safran's newest nacelle for large-cabin business jets on February 14, 2020
- ◆Carbon brakes: Safran signed a contract with Aegean for its A320neo
- ◆Landing gears : Extension for a further 3^{1/2} years of a previous contract signed in 2017 with EasyJet to provide landing gear MRO on its Airbus A320 family fleet
- ◆Aerosystems: maintenance contract for the emergency flotation system of the US Coast Guard HH-65 helicopter fleet



Landing gear MRO

Q1 2020 business highlights - Aircraft Interiors

Cabin - new contracts notably with:

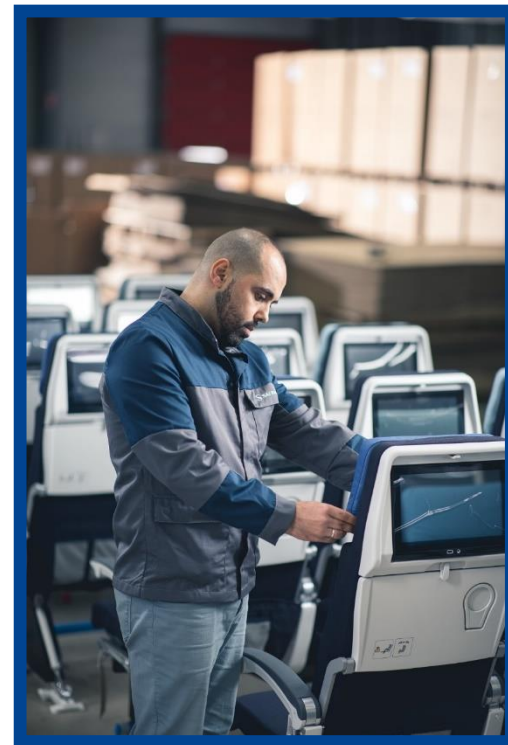
- ◆ A major European airline to provide the galleys of their future Boeing 777-9s and the supply of trolleys for 5 years;
- ◆ United Airlines to retrofit the overhead bins for A319s.

Seats - new contracts notably with:

- ◆ A major Asian airline to provide business class seats for A330s;
- ◆ A major European airline to provide economy class seats for A350s.

Passenger Solutions - RAVE IFE product has been selected by various airline customers:

- ◆ For A321neos, A330-900s and A350s line fit;
- ◆ For Boeing 777-300s retrofit.

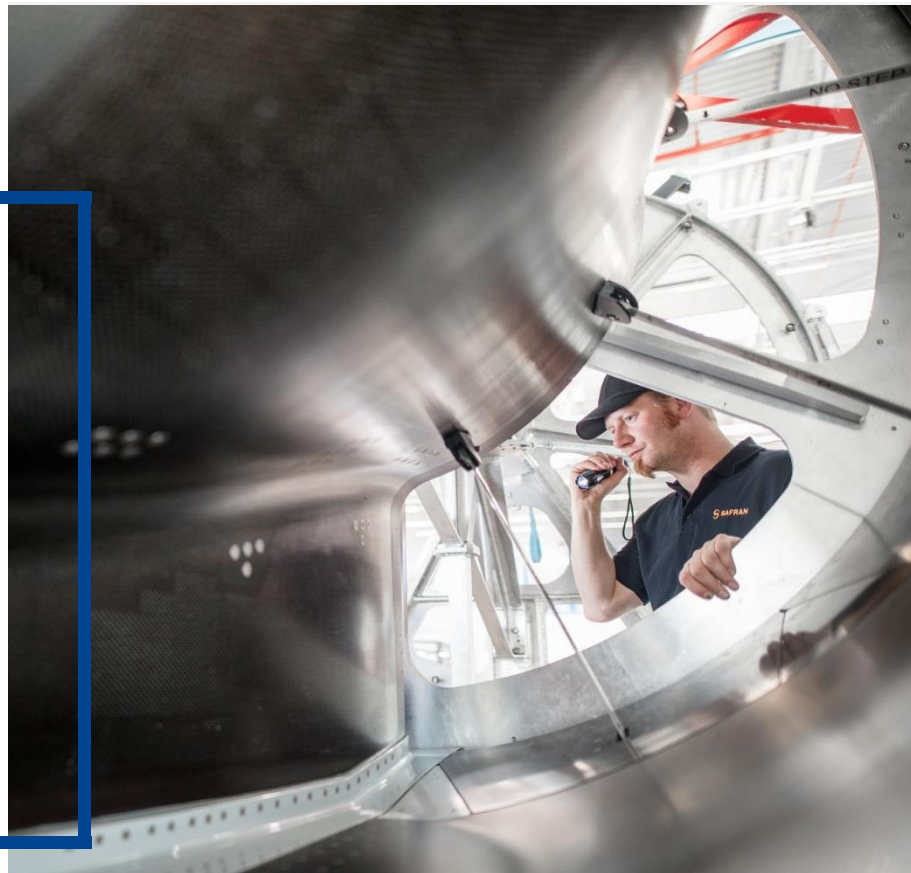


Z300E economy class seats

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UPDATE ON COVID-19 IMPACTS

Philippe PETITCOLIN - CEO



A new aerospace landscape

IATA last estimates:

- ◆ RPK forecast (as of April 14, 2020) is a (48)% traffic drop including (85)% in Q2, around (70)% in Q3 and (33)% in Q4
- ◆ Passenger revenues could plummet \$314bn or (55)% yoy

Financial relief measures set up for airlines by many governments around the world:

- ◆ Most massive moves made by the US (\$58bn CARES Act for air carriers), China, Singapore, France, Norway, etc.
- ◆ Numerous on-going negotiations
- ◆ Drastic actions taken by airlines to cut cash-out to face grounded fleets

Aircraft demand and production:

- ◆ Order book considered as solid, notably in short-medium haul segment:
 - Few order cancellations disclosed so far although more to come is likely
 - Many requests for rescheduling of new aircraft deliveries (2020 > 2021)
- ◆ Delivery rates cuts to adapt to rescheduling

Safran's responses

Adaptation of the workforce and production purchases:

- ◆ Short time working or furlough in all countries where these measures are possible: 35% at Group level (45% in France) as of April 22, 2020
- ◆ Decrease in the level of subcontracting, non-renewal of temporary workers, no external service providers on industrial activities
- ◆ Reduction in permanent contracts (hiring freeze, layoffs) on all company activities, in particular through structural adaptations (notably in Cabin and Seats activities)
- ◆ Elimination of overtime

Update on operations

Industrial operations: under gradual normalization (as of April 22, 2020):

- ◆ Protection of employees through specific organization of working practices
- ◆ Specific measures implemented to maintain resilience and flexibility of the supply chain
- ◆ 45 of our ~250 sites closed (mostly India and North America)
 - > Chinese plants now 100% operational
 - > European plants restarting after temporary shutdown according to delivery schedules
- ◆ 28% of workforce on-site (21% in France)

Programs: Safran is adapting further to requested deliveries levels in an orderly manner:

- ◆ LEAP-1B: situation unchanged, with production rates of 10 engines per week and agreement between CFM International and Boeing for the payments of its engines
- ◆ LEAP-1A: production consistent with the most recent rate update made by the airframer

Assumption to manufacture around 1,000 LEAP engines in 2020

Key takeaways

Covid-19 impact intensified in April and expected drop in Q2 revenue could be similar to that of April

- ◆ More resilience in some activities: helicopter turbines and military activities (OE and services in propulsion; Electronics & Defense) despite operational constraints to be progressively fixed with lockdown lifts

Safran quickly reacted and is adapting at a fast pace to this new environment

As of today, a gradual recovery is the central scenario as new aircraft deliveries are likely to be lower for a period of time, exceeding 2020

- ◆ In the short run, airlines and aerospace industry likely to benefit from government support
- ◆ In the long run, prospects remain good for Safran, notably because its CFM56 fleet is young and less likely to suffer from higher retirements and part out after Covid-19 grounding

Main thrust of the Group's strategy remains: Safran is committed to green aviation that will emerge from the crisis as a major trend

- ◆ R&D and Capex efforts to resume when the brunt of the crisis is over



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Q1 2020 REVENUE AND WATCH ITEMS

Bernard DELPIT – Group CFO

Foreword

Adjusted data

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

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

Safran's consolidated revenue has been adjusted for the impact of the mark-to-market of foreign currency derivatives, in order to better reflect the economic substance of the Group's overall foreign currency risk hedging strategy:

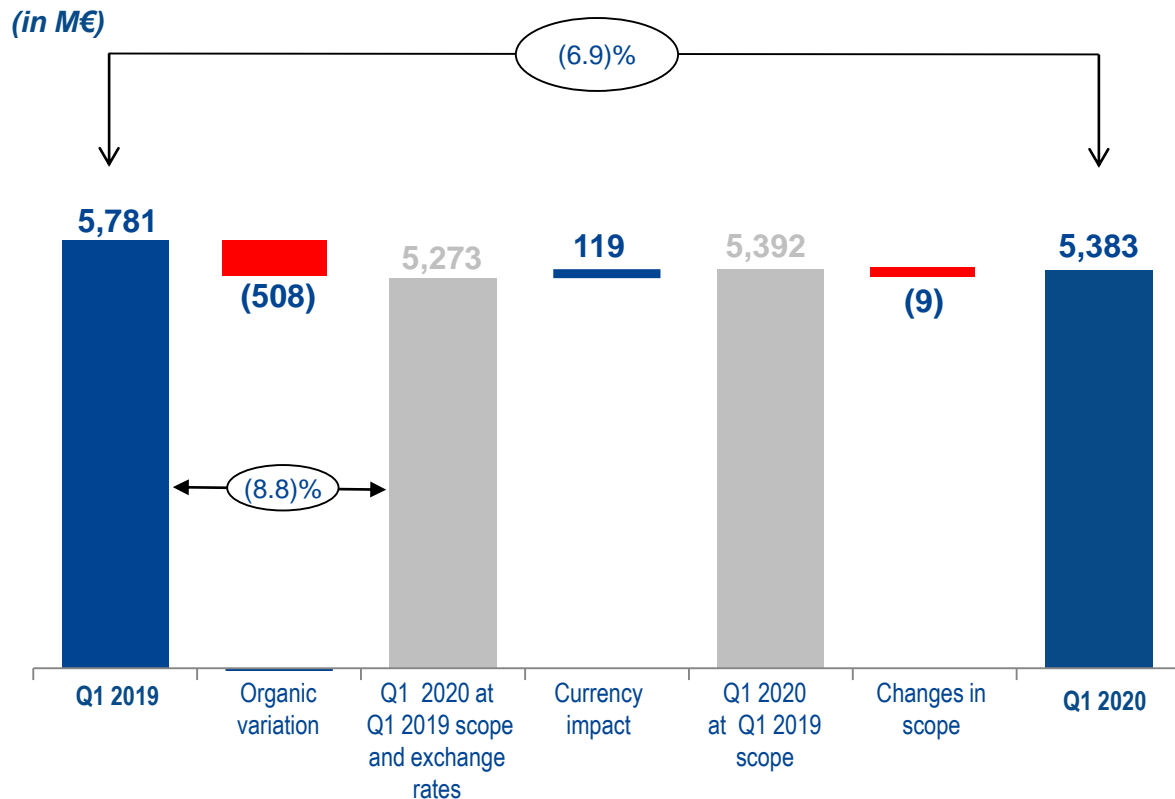
- revenue net of purchases denominated in foreign currencies is measured using the effective hedged rate, i.e., including the costs of the hedging strategy

Organic growth

Organic variations were determined by excluding the effect of changes in scope of consolidation and the impact of foreign currency variations.

⁽¹⁾ See slide 25 for bridge with consolidated revenue

Q1 2020 revenue



Organic growth: (8.8)%

- ◆ Propulsion: (11.8)%
- ◆ Aircraft Equipment, Defense & Aerosystems: (2.9)%
- ◆ Aircraft Interiors: (15.0)%

Currency impact: +2.1%

- ◆ Positive impact from USD average spot rate (average spot rate \$1.10 vs \$1.14 in Q1 2019) and hedge rate (hedge rate \$1.16 vs. \$1.18 in Q1 2019)

Scope almost neutral: -0.2%

Q1 2020 revenue per activity

Adjusted data (in Euro million)	Q1 2019	Q1 2020	Change reported	Change organic
Aerospace propulsion	2,771	2,497	(9.9)%	(11.8)%
Aircraft Equipment, Defense & Aerosystems	2,201	2,187	(0.6)%	(2.9)%
Aircraft Interiors	806	694	(13.9)%	(15.0)%
Others	3	5	n/s	n/s
Safran	5,781	5,383	(6.9)%	(8.8)%

Organic trends drivers

◆ Aerospace Propulsion

- Headwind from civil OE: LEAP 1-B production rate (10 per week), CFM56 ramping down, lower high-thrust engines
- Services: civil aftermarket down 3.3% (in \$) with covid-19 effects materializing March for CFM56 spare parts sales and MRO
- Military engines slightly increased, both for OE and services

◆ Aircraft Equipment, Defense & Aerosystems

- OE revenue (slight org. decrease) supported by strong A320neo nacelles and small nacelles deliveries; headwind from widebody exposure (A330neo and A350 landing gear and wiring, A330neo nacelles, 777 wiring) and 737 Max exposure (wiring)
- Services revenue down, notably with carbon brakes decrease

◆ Aircraft Interiors

- Strong decline in OE (incl. retrofit) due to the 2019 high starting point (delays caught up in Q1 2019) and the Covid-19 impact
- Services flat organically

Offsetting factors

- ◆ Helicopter turbines activities, Defense (Propulsion, Electronics & Defense)

Focus on civil aftermarket

Q1 2020 already impacted with a 3.3% vs Q1 2019:

- ◆ January and February in line with initial guidance
- ◆ March faced a strong decline (around 20% yoy)

2020 aftermarket revenue could decrease significantly:

- ◆ SVs number to fall in Q2 as aircraft are grounded and airlines are in a cash preservation mode
- ◆ Scope likely to be reduced to what is strictly necessary, with additional work to be done after air traffic resume

Factors to matter in the next quarters:

- ◆ Speed of air traffic recovery, especially domestic air traffic and load factors
- ◆ Governments support impact and Airlines financial health
- ◆ Overcapacity managed by Airlines: OE deliveries cut vs. retirement rate
- ◆ Engine operational performance (reliability, fuel consumption etc.): CFM56 to be in a good position

**Safran main asset for the coming years: CFM 56 young fleet,
with approx. 57% of CFM56 -5b/7b below 10 years old and only approx. 7% above 20 years old**

Adaptation plan

On going implementation within all Group businesses

Update of purchases in line with activity

Reduction in investments (CAPEX) of close to 60% compared to 2019

Reduction of R&D expenses of 30% compared to 2019

Safran will reduce its operating costs (OPEX) by more than 20% compared to 2019⁽¹⁾

⁽¹⁾ Excluding purchasing and including R&D expenses

Liquidity

Group's Liquidity position is strong :

- ◆ FCF positive each month over Q1 thanks to operations & favorable cut-off effects between 2019 and 2020
- ◆ Cash and cash equivalent of €3,229M as of March 31, 2020 (unaudited data)
- ◆ The outstanding NEU CP has been rolled over as of today, despite erratic market
- ◆ €2.52bn Revolving Credit Facility (undrawn) available until Dec. 2022
 - Serves as a backup to the NEU CP market (NEU CP utilization was €2,052M at March 31, 2020)
 - NEU CP program size increased from €2.5bn to €3.0bn
- ◆ €3bn new credit line signed on April 22, 2020. Oversubscription demonstrates confidence in Safran
 - Bridge loan with a max. maturity of 2 years (April 2022), at Safran's option
 - Objective to refinance with medium to long term debt, subject to market conditions
- ◆ Safran is aiming to maintain positive cash generation over the full year despite significant potential headwinds in Q2 and Q3

Safran has sufficient liquidity to fund the continuity of operations

Balance sheet

December 31, 2019

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

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

March 31, 2020 (unaudited)

Gross debt €6,720M ⁽¹⁾	Cash & equiv. €3,229M +
	Debt hedging instruments €63M
	Net debt €3,428M

(1) Incl. €2.1bn of commercial papers

Net debt reduced by €686M in Q1 2020 (unaudited)

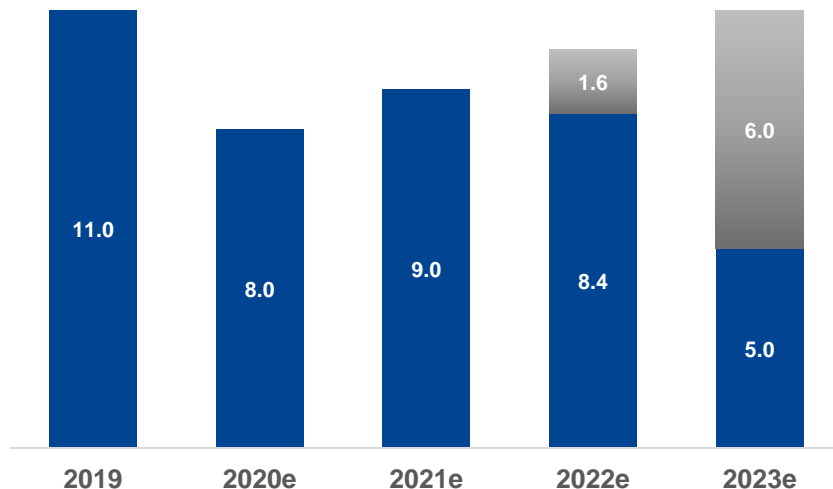
Safran current metrics (calculated as per the contracts' provisions as of March 31, 2020, unaudited):

- ◆ Net debt / Shareholders' equity = 0.28x
- ◆ Net debt / EBITDA = 0.78x

FX - \$27.0bn hedging portfolio* (April 21, 2020)

Average annual exposure revised downwards to \$8bn in 2020, growing by \$1bn per year thereafter

(in \$Bn)



€/\$ hedge rate target	1.18	1.16	1.14-1.16	1.12-1.14	1.10-1.12
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- Annual average exposure updated to reflect impact of current crisis on activity
- The portfolio includes knock-out options with barriers set between \$1.16 and \$1.28 with maturities up to mid-2021

2020

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

2021

- Firm coverage of \$9.0bn achieved through knock-out options at a target rate between \$1.14 and \$1.16

2022

- Firm coverage of \$8.4bn achieved through knock out options to rise to \$10.0bn at a target rate between \$1.12 and \$1.14

2023

- Firm coverage of \$5.0bn achieved through knock out options to rise to \$11.0bn at a target rate between \$1.10 and \$1.12

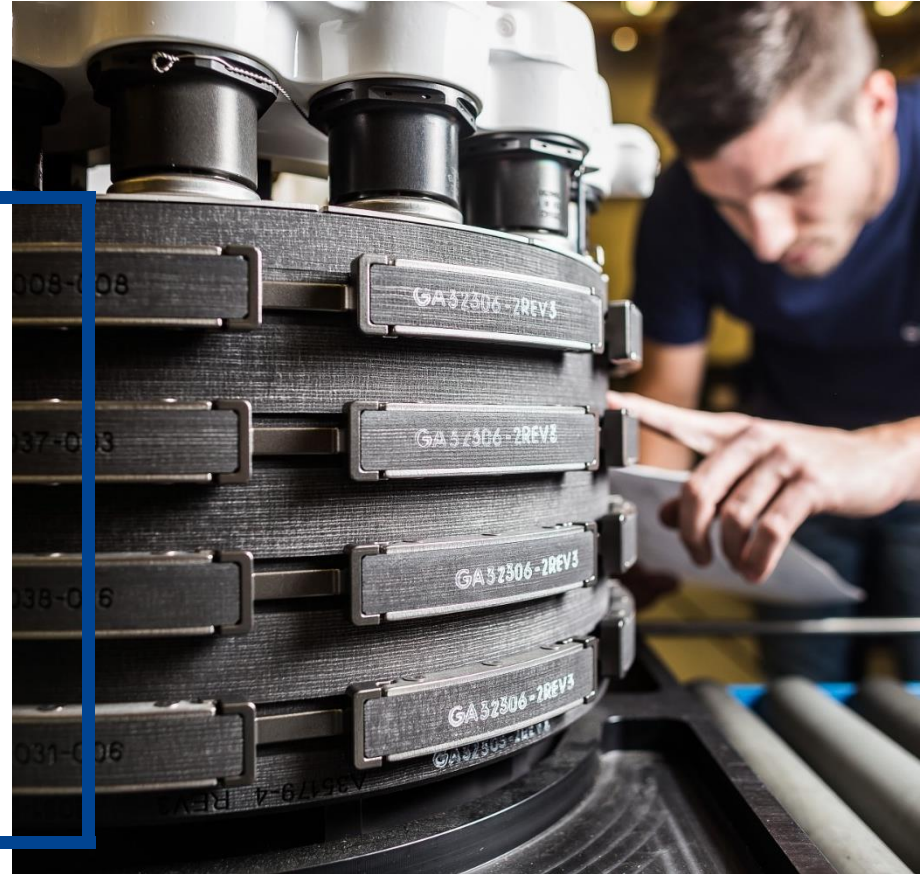
* Approx. 45% of Safran US\$ revenue are naturally hedged by US\$ procurement

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Q&A

Philippe PETITCOLIN - CEO

Bernard DELPIT – Group CFO





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ADDITIONAL INFORMATION

Q1 2020 consolidated and adjusted revenue

Q1 2020 (In Euro million)	Consolidated revenue	Hedge accounting		Business combinations		Adjusted revenue
		Re-measurement of revenue	Deferred hedging gain (loss)	Amortization of intangible assets - Sagem/Snecma	PPA impacts - other business combinations	
Revenue	5,485	(102)	-	-	-	5,383

OE / Services revenue split

Revenue Adjusted data (in Euro million)	Q1 2019		Q1 2020		% change	
	OE	Services	OE	Services	OE	Services
<i>Propulsion</i> % of revenue	1,166 42.1%	1,605 57.9%	890 35.6%	1,607 64.4%	(23.7)%	0.1%
<i>Equipment, Defense & Aerosystems</i> % of revenue	1,491 67.7%	710 32.3%	1,489 68.1%	698 31.9%	(0.1)%	(1.7)%
<i>Aircraft Interiors</i> % of revenue	594 ⁽¹⁾ 73.7%	212 26.3%	478 ⁽¹⁾ 68.9%	216 31.1%	(19.5)%	1.9%

(1) Retrofit is included in OE

Quantities of major aerospace programs

<i>Number of units delivered</i>	Q1 2019	Q1 2020	%
LEAP engines	424	272	(36)%
CFM56 engines	153	54	(65)%
High thrust engines	118	98	(17)%
Helicopter engines	139	139	0%
M88 engines	8	10	25%
787 landing gear sets	41	40	(2)%
A350 landing gear sets	23	20	(13)%
A330neo nacelles	24	18	(25)%
A320neo nacelles	120	174	45%
A380 nacelles	4	4	0%
A320 thrust reversers	53	18	(66)%
Small nacelles (<i>biz & regional jets</i>)	153	175	14%

<i>Number of units delivered</i>	Q1 2019	Q1 2020	%
Lavatories A350	170	140	(18)%
Spaceflex V2 A320 (lavatories + galleys)	77	109	42%
Business class seats	1,328	1,020	(23)%
Emergency slides A320	1,223	1,272	4%
Primary power distribution system 787	277	252	(9)%

Translation effect: foreign currencies translated into €

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

Average spot rate

Q1 2019	Q1 2020
\$1.14	\$1.10

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

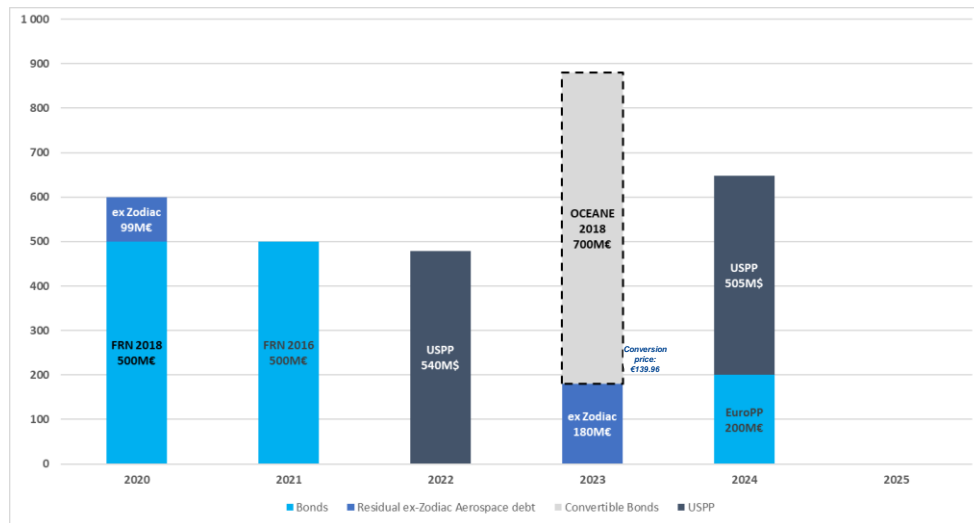
- ◆ Positive impact

Hedge rate

Q1 2019	Q1 2020
\$1.18	\$1.16

Long term debt maturity schedule

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



2 debt instruments will mature in July 2020 for a total of €599M

- ◆ A floating rate bond with a nominal amount of €500M
- ◆ A fixed-rate debt with a nominal amount of €99M

2021 & 2022 redemption profile lower (€500M and \$540M)

2023 Convertible bond (OCEANE):

- ◆ If the share price is greater than the conversion price of the 2023 OCEANE (to date €139.96) the 2023 OCEANE is expected to be converted in shares.
- ◆ If the share price is below the conversion price, the 2023 OCEANE is expected to be reimbursed in cash

Some debt instruments are subject to financial covenants

- ◆ The EIB loan (maturing December 2020) is subject to 2 covenants: net debt/EBITDA<2.5x and net debt/shareholders' equity <1x
- ◆ USPP is subject to 1 covenant: net debt/EBITDA<2.5x
- ◆ EuroPP loan format is subject to 1 covenant: net debt/EBITDA<3.5x



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