SAFRAN

PRESS RELEASE

Safran reports first-half 2023 results

- **Excellent performance driven by civil engines aftermarket**
- **Full-year outlook raised**
- **Launch of a share buyback program**

Paris, July 27, 2023

H1 2023 adjusted data
• *Revenue €10,945 million, +28%; +26% organic*
• *Recurring operating income €1,397 million (12.8% of sales, +0.6pt)*
• *Free cash flow €1,463 million*

H1 2023 consolidated data
• *Revenue €11,129 million*
• *Recurring operating income €1,406 million*
• *Free cash flow €1,463 million*

The Board of Directors of Safran (Euronext Paris: SAF), under the Chairmanship of Ross McInnes, at their meeting in Paris on July 26, 2023, adopted and authorized the publication of Safran's financial statements and adjusted income statement for the six-month period ended June 30, 2023.

Foreword

- All figures in this press release represent adjusted data, except where noted. Please refer to the definitions and reconciliation between first half 2023 consolidated income statement and adjusted income statement. Please refer to the definitions contained in the footnotes and in the Notes on page 9 of this press statement.
- Organic variations exclude changes in scope and currency impacts for the period.

CEO Olivier Andriès said: "Since the start of this year, many new orders have been announced and narrowbody air traffic is now trending above its 2019 level, fueling a strong demand for spare parts and aftermarket services. In this dynamic commercial environment, Safran is fully focused on the production ramp up. We are on track to meet our delivery commitments despite continuing industry-wide supply chain challenges. In the light of a strong performance in H1, we are raising our profit and cash guidance for the year.
In line with its strategy, Safran demonstrates its ability to shape its portfolio of activities through targeted acquisitions, while investing in organic growth and ensuring an attractive return to shareholders."

Half-year 2023 results

➢ Revenue

The global narrowbody capacity increased throughout the first part of the year. In H1 2023, narrowbody ASK were at 102% (on average) of 2019, with Q2 2023 at 104% of Q2 2019.

H1 2023 revenue amounted to €10,945 million, up 27.9% compared to H1 2022, 25.9% organic. Change in scope was €28 million[1]. Currency impact of €136 million reflects a positive translation impact of USD revenues, with an average €/$ spot rate of 1.08 in H1 2023 (1.09 in H1 2022). €/$ hedge rate was at 1.13 (1.15 in H1 2022). Q2 2023 sales increased by 26.5% at €5,679 million (27.1% organic) compared to Q2 2022.

On an organic basis, H1 2023 revenue increased by 25.9%:

- **Propulsion** increased by 34.1% supported by a solid civil aftermarket activity (+36.5% in USD) driven by strong spare parts sales for CFM56 as well as service activities. LEAP deliveries reached 785 units (465 in H1 2022), representing a 69% annual growth. Military engine activities benefitted from higher M88 deliveries in France. Helicopter turbines registered a slight growth with both OE and services activities impacted by supply chain issues;
- **Equipment & Defense** was up 14.4% mainly driven by aftermarket services across all activities, especially in Nacelles. OE sales were slightly up, impacted by industry-wide supply chain difficulties (landing gears, avionics) and by revised demand;
- **Aircraft Interiors** revenue recorded a 33.8% growth primarily driven by services for all activities. OE Cabin and Passenger Innovation (IFE) activities performed well during the first part of the year. OE Seats revenue was flattish with a fall in volumes on business class seats.

➢ Research & Development

Total R&D, including R&D sold to customers, reached €862 million, compared with €719 million in H1 2022.

Self-funded R&D expenses before tax credits were up 24% at €575 million in H1 2023 including:
- Development expenses at €313 million (€259 million in H1 2022);
- Research & Technology (R&T) self-funded expenses at €262 million (€206 million in H1 2022). Efforts are mainly directed towards decarbonization through RISE, a disruptive technology program that lays the foundations for developing a future engine that is 20% more fuel-efficient than the latest-generation LEAP engine, and 100% compatible with sustainable aviation fuels.

The impact on recurring operating income of expensed R&D was €473 million, up 0.1 point of sales compared to H1 2022, with both higher capitalized R&D and amortization related to R&D programs. It represents 4.3% of sales, a consistent level with a mid-term target of 4.5% on average for 2021-2025.

➢ Recurring operating income

H1 2023 recurring operating income[2] reached €1,397 million, +33.4% compared to H1 2022 (+27.3% organic). It includes scope changes of €(6) million and a currency impact of €70 million.

[1] Divestment of Pioneer Aerospace in April 2022, Arresting Systems in June 2022 and Cargo & Catering in May 2023. Acquisition of Orolia in July 2022.
[2] Operating income before capital gains or losses on disposals / impact of changes of control, impairment charges, transaction and integration costs and other items.

Recurring operating margin improved by 0.6pt at 12.8% of sales (12.2% in H1 2022):

- **Propulsion** recurring operating margin was up by 1.2pt due to a strong civil aftermarket activity which was driven by higher spare parts sales for CFM56. The higher proportion of LEAP spare engine deliveries in H1 had also a positive contribution to the division. Helicopter turbine activities as well as M88 OE deliveries had a negative impact compared to H1 2022;
- **Equipment & Defense** recurring operating margin decreased by 0.3pt. Despite strong growth in services across all activities, the margin was impacted by inflation, higher R&D expenses and supply chain difficulties, notably in landing gear activity and in Electronics & Defense;
- **Aircraft Interiors** posted a recurring operating loss of €(100) million, including €(33) million depreciation of operating assets (obsolete inventory and development costs on two programs) for Seats. Cabin recovery is on track with a target of being in a positive territory for full year. Seats continues to face cost-overruns in engineering and industrialization on new programs development.

➢ Adjusted net income

In H1 2023, non-cash one-off items were €(57) million resulting from R&D impairments in Aircraft Interiors and restructuring costs.

Adjusted net income – Group share was €1,043 million (+95%) in H1 2023 (basic EPS of €2.48 and diluted EPS of €2.40) compared with €536 million in H1 2022 (basic EPS of €1.26 and diluted EPS of €1.22).

It includes:

- Net financial income of €63 million, including reduction of cost of debt at €42 million (returns on cash investments exceed cost of debt) and €21 million exchange revaluation of positions in the balance sheet;
- A tax expense of €(318) million (22.7% apparent tax rate).

The reconciliation between H1 2023 consolidated income statement and adjusted income statement is provided and commented in the Notes on page 10.

➢ Free cash flow

Free cash flow[3] of €1,463 million benefited from significant advance payments, notably from Rafale export customers. Safran continued to increase its investments in production capacity and low carbon initiatives with capital expenditures up to €(448) million (€(272) million in H1 2022).

The favorable working capital evolution (€81 million) reflects significant customer advance payments as well as strong deferred income from rate per flight hour service contracts offsetting increasing inventories.

➢ Net debt and financing

As of June 30, 2023, Safran's balance sheet exhibits a €263 million net debt position (vs. net cash of €14 million as at December 31, 2022), including the dividend payment (€564 million to shareholders of the parent company) and the share repurchase program (€947 million).

Cash and cash equivalent stood at €6,147 million, down from €6,687 million at the end of December 2022.

In March 2023 Safran reimbursed at maturity a €180 million 7-year Euro private placement loan format.

[3] This non-accounting indicator (non-audited) is equal to cash flow from operating activities less change in working capital and acquisitions of property, plant and equipment and intangible assets.

Share repurchase programs

➢ 2027 OCEANEs

As of May 24, 2023, Safran completed the purchase of 9.4 million shares announced on October 28, 2022 in order to hedge the potential dilution of 2027 convertible bonds (2027 OCEANEs)[4].

These treasury stocks will be delivered to 2027 OCEANEs' holders if and when they exercise their conversion right.

➢ 2028 OCEANEs

Safran launches a liability management transaction aimed at eliminating the dilution risk related to the 2028 convertible bonds (2028 OCEANEs)[5]. Safran will thus repurchase up to approximately 4.0 million of its own shares, representing approximately 0.95% of capital. The 2028 OCEANEs have a nominal value of €180.89.

➢ Share buyback program for share cancellation

Safran launches a share repurchase program for the purpose of subsequent share cancellation. This program of up to €1 billion is due to be completed by end 2025.

Full-year 2023 outlook

Safran raises its full-year 2023 outlook (adjusted data):

- Revenue of **at least €23.0 billion** (unchanged);
- Recurring operating income of **c.€3.1 billion** (versus *c.€3.0 billion* previously);
- Free Cash Flow of **at least €2.7 billion** (versus *at least €2.5 billion* previously).

This outlook is based notably, but not exclusively, on the following assumptions:

- No further disruption to the world economy (unchanged);
- Air traffic: narrowbody ASK above 2019 level in 2023 (versus *back to 2019 level in the course of 2023* previously);
- LEAP engine deliveries: increase by c.50% (unchanged);
- Civil aftermarket revenue (in USD): up mid to high twenties (versus *up in the low twenties* previously);
- €/$ spot rate of 1.10 (versus *1.05* previously);
- €/$ hedge rate of 1.13 (unchanged).

The main risk factor remains the supply chain production capabilities.

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[4] c.9.24 million convertible bonds maturing in May 2027 for a total nominal value of €1,000M and a unit par value of €108.23. Conversion ratio currently set at 1.019. Current conversion price of €106.21 with a potential dilution of 2.20% of capital. Redemption at maturity or early redemption at Safran's discretion from June 2024 if the stock price exceeds 130% of conversion price (currently c.138€). Refer to the Terms and Conditions of the 2027 OCEANEs available on Safran website.

[5] c.4.04 million convertible bonds maturing in April 2028 for a total nominal value of €730M and a unit par value of €180.89. Conversion ratio currently set at 1.003. Current conversion price of €180.34 with a potential dilution of 0.95% of capital. Redemption at maturity or early redemption at Safran's discretion from April 2025 if the stock price exceeds 130% of conversion price (currently c.234€). Refer to the Terms and Conditions of the 2028 OCEANEs available on Safran website.

Currency hedges

The hedge book amounts to $50.7 billion in June 2023, down from $53.7 billion in April 2023.
2023 is hedged: targeted hedge rate of $1.13, for an estimated net exposure of $10.0 billion.
2024 is hedged: targeted hedge rate between $1.13 and 1.15, for an estimated net exposure of $11.0 billion.
2025 and 2026 are hedged: targeted hedge rate between $1.12 and 1.14, for a respective estimated net exposure of $12.0 billion and $13.0 billion.
2027 is partially hedged: $9.6 billion hedged out of an estimated net exposure of $14.0 billion.

Portfolio management

Safran continues to manage actively its asset portfolio in line with strategic priorities:

- Acquisition of Aubert & Duval (with Airbus and Tikehau Capital) closed on April 28th, 2023. The consolidation (equity method) within Safran Propulsion division starts from May 2023.
- Divestment of Cargo and Catering activities (within Safran Cabin perimeter) closed on May 31st, 2023.
- Acquisition of Thales electrical systems activities expected to close end of Q3 2023.
- Exclusive negotiations with Air Liquide to acquire its aeronautical oxygen and nitrogen activities announced on June 1st, 2023. The closing is expected in Q1 2024.
- On July 21st, 2023, Safran announced the contemplated acquisition of Collins Aerospace's actuation and flight control business for $1.8 billion. The closing is expected in H2 2024.

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Agenda

Q3 2023 revenue	October 27, 2023
FY 2023 results	February 15, 2024
Q1 2024 revenue	April 26, 2024
Annual General Meeting	May 23, 2024
H1 2024 results	July 31, 2024

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Safran will host today a webcast for analysts and investors at 8.30 am CET.

1) **If you only want to follow the webcast and listen the conference call**, please register using the following link: https://edge.media-server.com/mmc/p/hbrvcniq
⇨ Use this same link for the **replay** which will be available 2 hours after the event concludes and remains accessible for 90 days.

2) **If you want to participate in the Q&A session at the end of the conference**, please pre-register using the link below in order to receive by email the connection details (dial-in numbers and personal passcode):
https://register.vevent.com/register/BI9bf93e749f114b34a25bd50564af07a1

Registration links are also available on Safran's website under the Finance home page as well as in the "Publications and Results" and "Calendar" sub-sections.

Press release, consolidated financial statements and presentation are available on Safran's website at www.safran-group.com (Finance section).

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Key figures

1. Adjusted income statement, balance sheet and cash flow

Adjusted income statement *(In Euro million)*	H1 2022	H1 2023	% change
Revenue	**8,560**	**10,945**	**28%**
Other recurring operating income and expenses	(7,541)	(9,609)	
Share in profit from joint ventures	28	61	
Recurring operating income	**1,047**	**1,397**	**33%**
% of revenue	12.2%	12.8%	0.6pt
Other non-recurring operating income and expenses	(92)	(57)	
Profit from operations	**955**	**1,340**	**40%**
% of revenue	11.2%	12.2%	1.0pt
Net financial income (expense)	(193)	63	
Income tax expense	(211)	(318)	
Profit for the period	**551**	**1,085**	**97%**
Profit for the period attributable to non-controlling interests	**(15)**	**(42)**	
Profit for the period attributable to owners of the parent	**536**	**1,043**	**95%**
Earnings per share attributable to owners of parent (basic in €)	**1.26***	**2,48****	**97%**
Earnings per share attributable to owners of parent (diluted in €)	**1.22*****	**2,40******	**97%**

** Based on the weighted average number of shares of 426,832,583 as of June 30, 2022*
*** Based on the weighted average number of shares of 420,447,865 as of June 30, 2023*
**** Based on the weighted average number of shares after dilution of 440,315,385 as of June 30, 2022*
***** Based on the weighted average number of shares after dilution of 434,534,351 as of June 30, 2023*

Balance sheet - Assets *(In Euro million)*	Dec. 31, 2022	June 30, 2023
Goodwill	4,994	4,941
Tangible & Intangible assets	11,943	11,888
Investments in joint ventures and associates	1,974	1,914
Right of use	566	569
Other non-current assets	2,354	1,978
Derivatives assets	540	1,200
Inventories and WIP	6,408	7,381
Contracts costs	664	733
Trade and other receivables	7,904	8,462
Contracts assets	1,982	2,057
Cash and cash equivalents	6,687	6,147
Other current assets	812	992
Total Assets	**46,828**	**48,262**

Balance sheet - Liabilities *(In Euro million)*	Dec. 31, 2022	June 30, 2023
Equity	10,866	11,221
Provisions	2,567	2,530
Borrowings subject to sp. conditions	302	298
Interest bearing liabilities	6,673	6,410
Derivatives liabilities	5,848	5,251
Other non-current liabilities	1,239	1,261
Trade and other payables	6,298	6,915
Contracts Liabilities	12,756	13,977
Other current liabilities	279	399
Total Equity & Liabilities	**46,828**	**48,262**

Cash Flow Highlights *(In Euro million)*	H1 2022	FY 2022	H1 2023
Recurring operating income	**1,047**	**2,408**	**1,397**
One-off items	(92)	(450)	(57)
Depreciation, amortization, provisions (excluding financial)	677	1,540	610
EBITDA	**1,632**	**3,498**	**1,950**
Income tax and non-cash items	14	(682)	32
Cash flow from operations	**1,646**	**2,816**	**1,982**
Changes in working capital	426	729	81
Capex (tangible assets)	(243)	(498)	(348)
Capex (intangible assets)	(29)	(98)	(100)
Capitalization of R&D	(135)	(283)	(152)
Free cash flow	**1,665**	**2,666**	**1,463**
Dividends paid	(225)	(225)	(583)
Divestments/acquisitions and others	(321)	(883)	(1,157)
Net change in cash and cash equivalents	**1,119**	**1,558**	**(277)**
Net cash / (Net debt) at beginning of period	(1,544)	(1,544)	14
Net cash / (Net debt) at end of period	**(425)**	**14**	**(263)**

2. Segment breakdown

Segment breakdown of adjusted revenue *(In Euro million)*	H1 2022	H1 2023	% change	% change in scope	% change currency	% change organic
Propulsion	4,176	5,677	35.9%	-	1.8%	34.1%
Equipment & Defense	3,506	4,100	16.9%	1.1%	1.4%	14.4%
Aircraft Interiors	870	1,163	33.7%	(1.1)%	1.0%	33.8%
Holding company & Others	8	5	(37.5)%	-	-	(37.5)%
Total Group	**8,560**	**10,945**	**27.9%**	**0.3%**	**1.7%**	**25.9%**

OE / Services adjusted revenue breakdown *(In Euro million)*	H1 2022		H1 2023	
	OE	Services	OE	Services
Propulsion	**1,507**	**2,669**	**2,385**	**3,292**
% of revenue	36.1%	63.9%	42.0%	58.0%
Equipment & Defense	**2,174**	**1,332**	**2,426**	**1,674**
% of revenue	62.0%	38.0%	59.2%	40.8%
Aircraft Interiors[6]	**613**	**257**	**763**	**400**
% of revenue	70.5%	29.5%	65.6%	34.4%

Segment breakdown of adjusted revenue *(In Euro million)*	Q2 2022	Q2 2023	% change	% change in scope	% change currency	% change organic
Propulsion	2,234	2,963	32.6%	-	(0.8)%	33.4%
Equipment & Defense	1,790	2,134	19.2%	1.3%	(0.5)%	18.4%
Aircraft Interiors	461	579	25.6%	(2.2)%	(2.6)%	30.4%
Holding company & Others	4	3	(25.0)%	-	-	(25.0)%
Total Group	**4,489**	**5,679**	**26.5%**	**0.3%**	**(0.9)%**	**27.1%**

2023 revenue by quarter *(In Euro million)*	Q1 2023	Q2 2023	H1 2023
Propulsion	2,714	2,963	5,677
Equipment & Defense	1,966	2,134	4,100
Aircraft Interiors	584	579	1,163
Holding company & Others	2	3	5
Total Group	**5,266**	**5,679**	**10,945**

2022 revenue by quarter *(In Euro million)*	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
Propulsion	1,942	2,234	2,503	2,827	9,506
Equipment & Defense	1,716	1,790	1,820	2,209	7,535
Aircraft Interiors	409	461	522	586	1,978
Holding company & Others	4	4	4	4	16
Total Group	**4,071**	**4,489**	**4,849**	**5,626**	**19,035**

Segment breakdown of recurring operating income *(In Euro million)*	H1 2022	H1 2023	% change
Propulsion	**723**	**1,051**	45.4%
% of revenue	17.3%	18.5%	
Equipment & Defense	**411**	**466**	13.4%
% of revenue	11.7%	11.4%	
Aircraft Interiors	**(82)**	**(100)**	(22.0)%
% of revenue	(9.4)%	(8.6)%	
Holding company & Others	(5)	(20)	n/s
Total Group	**1,047**	**1,397**	33.4%
% of revenue	12.2%	12.8%	

[6] Retrofit is included in OE

One-off items *(In Euro million)*	H1 2022	H1 2023
Adjusted recurring operating income	**1,047**	**1,397**
% of revenue	12.2%	12.8%
Total one-off items	**(92)**	**(57)**
Capital gain (loss) on asset disposal	*60*	*(1)*
Impairment reversal (charge)	*(128)*	*(35)*
Other infrequent & material non-operational items	*(24)*	*(21)*
Adjusted profit from operations	**955**	**1,340**
% of revenue	11.2%	12.2%

Euro/USD rate	H1 2022	FY 2022	H1 2023
Average spot rate	1.09	1.05	1.08
Spot rate (end of period)	1.04	1.07	1.09
Hedge rate	1.15	1.15	1.13

3. Number of products delivered on major aerospace programs

Number of units delivered	H1 2022	H1 2023	% change
LEAP engines	465	785	69%
CFM56 engines	27	24	(11)%
High thrust engines	91	83	(9)%
Helicopter turbines	227	274	21%
M88 engines	20	31	55%
787 landing gears sets	1	10	x10
A350 landing gears sets	23	23	-
A330neo nacelles	28	26	(7)%
A320neo nacelles	284	275	(3)%
Small nacelles (biz & regional jets)	270	270	-
A350 lavatories	188	220	17%
Business class seats	818	436	(47)%
A320 emergency slides	2,080	1,457	(30)%
787 primary power distribution system	29	127	x4.4

4. Research & Development

Research & Development *(In Euro million)*	H1 2022	H1 2023	change
Total R&D	**(719)**	**(862)**	**(143)**
R&D sold to customers	254	287	33
R&D expenses	**(465)**	**(575)**	**(110)**
as a % of revenue	*5.4%*	*5.3%*	*(0.1)pt*
Tax credit	80	77	(3)
R&D expenses after tax credit	**(385)**	**(498)**	**(113)**
Gross capitalized R&D	132	149	17
Amortisation and depreciation of R&D	(105)	(124)	(19)
P&L R&D in recurring operating income	**(358)**	**(473)**	**(115)**
as a % of revenue	*4.2%*	*4.3%*	*0.1pt*

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Notes

Adjusted revenue:
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 3.f of the Universal Registration Document).

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.

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H1 2023 reconciliation between consolidated income statement and adjusted consolidated income statement:

H1 2023 *(In Euro million)*	Consolidated data	Currency hedging: Remeasurement of revenue (1)	Currency hedging: Deferred hedging gain / loss (2)	Business combinations: Amortization of intangible assets -Sagem-Snecma merger (3)	Business combinations: PPA impacts - other business combinations (4)	Adjusted data
Revenue	11,129	(184)	-	-	-	10,945
Other operating income and expenses	(9,772)	14	(5)	19	135	(9,609)
Share in profit from joint ventures	49	-	-	-	12	61
Recurring operating income	1,406	(170)	(5)	19	147	1,397
Other non-recurring operating income and expenses	(57)	-	-	-	-	(57)
Profit (loss) from operations	1,349	(170)	(5)	19	147	1,340
Cost of debt	42	-	-	-	-	42
Foreign exchange gains / losses	1,123	170	(1,272)	-	-	21
Other financial income and expense	-	-	-	-	-	-
Financial income (loss)	1,165	170	(1,272)	-	-	63
Income tax expense	(609)	-	329	(5)	(33)	(318)
Profit (loss) from continuing operations	1,905	-	(948)	14	114	1,085
Attributable to non-controlling interests	(42)	-	-	-	-	(42)
Attributable to owners of the parent	1,863	-	(948)	14	114	1,043

(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 €1,272 million excluding tax), and the impact of taking into account hedges when measuring provisions for losses on completion (a negative €5 million at June 30, 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 €104 million excluding deferred tax and cancellation of amortization/impairment of assets identified during other business combinations.

Readers are reminded that the condensed interim consolidated financial statements are subject to review by the Group's Statutory Auditors. The condensed interim consolidated financial statements include the revenue and operating profit indicators set out in the adjusted data in Note 5, "Segment information".
Adjusted financial data other than the data provided in Note 5, "Segment information" are subject to the verification procedures applicable to all of the information provided in the interim report.

Safran *is an international high-technology group, operating in the aviation (propulsion, equipment and interiors), defense and space markets. Its core purpose is to contribute to a safer, more sustainable world, where air transport is more environmentally friendly, comfortable and accessible. Safran has a global presence, with 83 000 employees and sales of 19.0 billion euros in 2022, and holds, alone or in partnership, world or regional leadership positions in its core markets. Safran undertakes research and development programs to maintain the environmental priorities of its R&T and Innovation roadmap.*
Safran is listed on the Euronext Paris stock exchange and is part of the CAC 40 and Euro Stoxx 50 indices.

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IMPORTANT ADDITIONAL INFORMATION

This document contains forward-looking statements relating to Safran, which do not refer to historical facts but refer to expectations based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those included in such statements. These statements or disclosures may discuss goals, intentions and expectations as to future trends, synergies, value accretions, plans, events, results of operations or financial condition, or state other information relating to Safran, based on current beliefs of management as well as assumptions made by, and information currently available to, management. Forward-looking statements generally will be accompanied by words such as "anticipate," "believe," "plan," "could," "would," "estimate," "expect," "forecast," "guidance," "intend," "may," "possible," "potential," "predict," "project" or other similar words, phrases or expressions. Many of these risks and uncertainties relate to factors that are beyond Safran's control. Therefore, investors and shareholders should not place undue reliance on such statements. Factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to: uncertainties related in particular to the economic, financial, competitive, tax or regulatory environment; the risks that the new businesses will not be integrated successfully or that the combined company will not realize estimated cost savings and synergies; Safran's ability to successfully implement and complete its plans and strategies and to meet its targets; the benefits from Safran's plans and strategies being less than anticipated; the risks described in the Universal Registration Document (URD); the full impact of the outbreak of the COVID-19 pandemic.
The foregoing list of factors is not exhaustive. Forward-looking statements speak only as of the date they are made. Safran does not assume any obligation to update any public information or forward-looking statement in this document to reflect events or circumstances after the date of this document, except as may be required by applicable laws.

USE OF NON-GAAP FINANCIAL INFORMATION

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