

**L PRESS RELEASE****Safran publishes its full year 2023 results****Strong increase in revenue and recurring operating income  
which are expected to continue in 2024**

Paris, February 15, 2024

**FY 2023 adjusted data**

- *Revenue: €23,199 million, +21.9%; +23.6% organic*
- *Recurring operating income: €3,166 million (13.6% of sales, +100bps)*
- *Free cash flow: €2,945 million*
- *Dividend per share €2.20, subject to shareholders' approval*

**FY 2023 consolidated data**

- *Revenue: €23,651 million*
- *Recurring operating income: €3,309 million*
- *Profit from operations: €2,798 million*
- *Profit for the period attributable to owners of the parent: €3,444 million*
- *Free cash flow: €2,945 million*

**FY 2024 outlook (adjusted data)**

- *Revenue: around €27.4 billion*
- *Recurring operating income: close to €4.0 billion*
- *Free cash flow: around €3.0 billion*

The Board of Directors of Safran (Euronext Paris: SAF), under the Chairmanship of Ross McInnes, at their meeting in Paris on February 14, 2024, adopted and authorized the publication of Safran's financial statements and adjusted income statement for the full-year period ended December 31, 2023.

**Foreword**

- All figures in this press release represent adjusted data, except where noted. Please refer to the definitions and reconciliation between full-year 2023 consolidated income statement and adjusted income statement. Please refer to the definitions contained in the footnotes and in the Notes on page 10 of this press statement.
- Organic variations exclude changes in scope and currency impacts for the period.

CEO Olivier Andriès said: “Safran delivered outstanding results meeting or exceeding guidance, with revenues up 22%, recurring operating income up 31%, and free cash flow generation above expectations. This excellent performance was notably driven by the continued recovery of the commercial aftermarket. Our teams have demonstrated remarkable agility, significantly increasing deliveries despite a challenging supply chain environment and successfully facing inflationary pressures.

For 2024, we will continue our revenue and profit growth trend, ramping-up deliveries further and increasing services to meet customer demand. We remain committed to our capital allocation strategy by deploying our strong balance sheet towards organic investment, targeted M&A, share buybacks and 2023 dividend distribution at €2.20 per share.”

## Full-year 2023 results

### ➤ Revenue

2023 revenue stood at **€23,199 million, up by 23.6%** on an organic basis (**+21.9% compared to 2022**), benefiting from Safran’s strategic positioning on growing narrowbody markets. Air traffic continued its recovery through 2023 with global narrowbody ASK capacity gradually improving to 105% (on average) of 2019 (Q4 2023 at 108% of Q4 2019). In addition, in a context of production ramp-up, revenue growth was led by both OE and services. Each of our three divisions achieved a substantial revenue growth rate.

In 2023, change in scope was €(13) million<sup>1</sup>. Currency impact of €(312) million reflects a negative translation impact of USD revenues, with an average €/ \$ spot rate of 1.08 in 2023 (1.05 in 2022). €/ \$ hedge rate in 2023 stood at 1.13 (1.15 in 2022).

As for organic revenue per division:

- **Propulsion** achieved outstanding growth of 26.7% thanks to robust civil activity through the year. In a buoyant market, civil aftermarket increased by 32.9% (in \$) mainly driven by a solid demand for CFM56 spare parts and by LEAP rate per flight hour (RPFH) contracts. Meanwhile, spare parts revenue for high thrust engines increased but at a slower pace. OE revenue was boosted by LEAP deliveries reaching 1,570 units, compared to 1,136 in 2022 (396 units in Q4 2023). This represents a solid step-up in production (+38%) in a challenging supply chain environment. For military engine activities, revenue was down year-over-year driven by lower M88 deliveries as planned, and services. Finally, helicopter engine activities posted slight growth as OE and services revenue growth was hampered by supply chain shortages.
- **Equipment & Defense** was up by 17.3% supported by both narrowbody and widebody programs, although constrained by supply chain difficulties. Aftermarket services, driven by increased traffic, grew in all businesses, in particular for nacelles and landing systems including carbon brakes. OE sales registered a 13.4% increase year over year with higher volumes in landing gears (A320neo, 787) and electrical systems (787, A320neo, 737MAX) as well as in Avionics (FADEC for LEAP). Nacelles deliveries decreased due to downward revised demand. In defense activities, growth was notably led by guidance systems and JIM multifunction infrared binoculars.

<sup>1</sup> Divestment of Pioneer Aerospace in April 2022, Arresting Systems in June 2022 and Cargo & Catering in May 2023. Acquisition of Orolia in July 2022 and Thales Aeronautical Electrical Systems activities in October 2023.

- **Aircraft Interiors** revenue was up by 32.8%, a robust growth with four consecutive quarters above 30% but still 23% below 2019 level. The division recorded strong orders, demonstrating the growth potential of this market.

Aftermarket services strongly improved both for Cabin (mainly spare parts) and Seats (notably with US and Middle East airlines) with air traffic recovery.

OE sales increased in all activities. Cabin was led mainly by Custom Cabin and Floor to Floor activities. Seats OE growth was driven by Economy class seat deliveries (Z400 and Z600 for several airlines) while Business class seat deliveries were down year-on-year (983 units in 2023 vs 1,704 in 2022) notably because of transitory testing and certification delays. However, Business class seat deliveries were up sequentially in Q4 (+199 units vs. Q3 2023).

### ➤ Research & Development

Total R&D, including R&D sold to customers, reached €1,818 million, compared with €1,540 million in 2022.

Self-funded R&D expenses before tax credits were up 19% at €1,216 million in 2023 including:

- Development expenses at €618 million (€548 million in 2022);
- Research & Technology (R&T) self-funded expenses at €598 million (€471 million in 2022) mainly geared towards decarbonization through the RISE (Revolutionary Innovation for Sustainable Engines) technology development program.

The impact on recurring operating income of expensed R&D was €993 million (€826 million in 2022), with both higher capitalized R&D and related amortization, and representing, as in 2022, 4.3% of sales.

### ➤ Recurring operating income

In 2023, recurring operating income reached **€3,166 million, +31.5%** (+27.2% organic) driven by Propulsion activities. It includes scope changes of €(9) million and a favorable currency impact of €111 million.

Operating margin stood at **13.6% of sales**, up 100bps on the 2022 margin (12.6% in 2022).

Per division:

- **Propulsion** recurring operating income reached €2,390 million, +39.8% (+35.2% organic). Operating margin stood at 20.1%, up by 2.1pts, supported by strong civil aftermarket activity benefitting from higher spare parts sales for CFM56 while the growing share of LEAP RPFH contracts, recognized today at zero profit, weighed on margin growth. On the OE side, the division was supported by a high portion of LEAP spare engine deliveries throughout the year. As planned, lower M88 deliveries had a negative impact compared to 2022. Helicopter engines profitability was slightly down in 2023.
- **Equipment & Defense** recurring operating income stood at €992 million, +13.5% (+8.7% organic). At 11.2% of sales, operating margin decreased by 0.4pt. In spite of robust services growth across all activities, the margin has been impacted by inflation and challenges in the supply chain.
- **Aircraft Interiors** posted a recurring operating loss of €(116) million, representing an improvement of €24 million from 2022, +17.1% (+30% organic). Leveraging on its manufacturing footprint optimization, Cabin activities reached breakeven in 2023 supported by a robust growth in services and to a lesser extent by OE deliveries. Seats reached breakeven in Q4 2023 with efforts on the industrialization process starting to bear fruit. On a yearly basis, the positive contribution from services was more than offset by losses from OE activities.

### ➤ Net income

In 2023, non-cash one-off items were €(511) million of which impairment charges for several programs and €(327) million of goodwill impairment in Aircraft Interiors reflecting late execution in the turnaround.

**Net income was €2,028 million in 2023** (basic EPS of €4.85 and diluted EPS of €4.70), up by 72%, compared with €1,178 million in 2022 (basic EPS of €2.76 and diluted EPS of €2.68).

This includes:

- Financial income of €174 million, including positive financial interests of €112 million (returns on cash investments exceed cost of debt) and €66 million exchange revaluation of positions in the balance sheet;
- Tax expense of €(724) million (25.6% apparent tax rate).

The reconciliation between 2023 consolidated income statement and adjusted income statement is provided and commented in the Notes on page 11.

### ➤ Free cash flow

Free cash flow of €2,945 million was driven by the increase in cash flow from operations, the favorable working capital change and higher capital expenditures of €(1,325) million (€(879) million in 2022) directed notably towards production capacity and low carbon initiatives.

The favorable working capital evolution (€758 million) reflects significant customer advance payments, primarily related to Rafale export contracts, as well as growing deferred income from LEAP rate per flight hour service contracts, partly offset by increasing inventories.

### ➤ Net debt and financing

As of December 31, 2023, Safran's balance sheet exhibits a €374 million net cash position (vs. net cash of €14 million as at December 31, 2022), as a result of a strong free cash flow generation, and including the dividend payment (of which €564 million to shareholders of the parent company on 2022 fiscal year) and share repurchases (€1,535 million).

Cash and cash equivalent stood at €6,676 million, stable compared to the end of December 2022 (€6,687 million).

On February 9, 2024, Safran reimbursed with cash-in-hand the \$505 million matured last tranche of USPP notes issued in 2012. On April 11, 2024, a €200 million Euro Private Placement will also mature.

## Dividend

For fiscal year 2023, a dividend<sup>2</sup> payment of €2.20 per share will be proposed to the shareholders' vote at the Annual General Meeting on May 23, 2024. It represents an increase of 63% over the prior year dividend amount (€1.35) and an usual 40% payout ratio on the adjusted net income excluding the goodwill depreciation for Cabin and Seats (€327 million). It demonstrates Safran's confidence and commitment to regular shareholder returns.

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<sup>2</sup> Ex-date : May 28, 2024 ; Record date: May 29, 2024 ; Dividend payment: May 30, 2024

## Share repurchase programmes

### ➤ 2023

In 2023, Safran purchased €1.5 billion worth of its own shares in several tranches (11.2 million shares):

- 2027 OCEANES: 7.1 million shares (on top of 2.4 million shares repurchased in 2022), finalizing the hedging of the potential dilution related to those convertible bonds;
- For delivery of shares under long term incentive plans and free share grants: 2.1 million shares;
- 2028 OCEANES: 2 million shares (out of c.4 million) to start hedging the potential dilution of this convertible bond.

At end 2023, Safran owns 13.7 million treasury shares (3.2% of capital).

### ➤ 2024 onwards

In 2024, Safran started a new tranche of share buyback to complete the hedging of the potential dilution related to the 2028 convertible bonds and for long term incentive plans: Safran intends to acquire up to €450 million worth of shares from January 16, 2024 and no later than March 1, 2024, if market permits as the maximum purchase price authorized on May 25, 2023 by the shareholders' General Meeting is set at €175.

As announced in July 2023, Safran will then launch a €1 billion share buyback for cancellation; this buyback is expected to be carried out during 2024 and 2025.

## Full-year 2024 outlook

**Safran expects to achieve for full-year 2024** (at current perimeter, adjusted data):

- Revenue **around €27.4 billion**;
- Recurring operating income **close to €4.0 billion**;
- Free cash flow **around €3.0 billion**, subject to payment schedule of some advance payments.

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

- LEAP engine deliveries: up by 20-25%;
- Civil aftermarket revenue (in USD): up by around 20%;
- €/ \$ spot rate of 1.10;
- €/ \$ hedge rate of 1.12.

The main risk factor remains the supply chain production capabilities.

## Currency hedges

The hedge book amounts to \$54 billion in December 2023, compared to \$50.5 billion in October 2023.

- 2023: actual hedge rate of \$1.13, for a net exposure of \$10.4 billion.
- 2024 is hedged: targeted hedge rate is \$1.12, for an estimated net exposure of \$12.0 billion.
- 2025 to 2027 are hedged: targeted hedge rate between \$1.12 and 1.14, for an estimated net exposure of \$13.0 billion.
- 2028 is partially hedged: \$3 billion hedged out of an estimated net exposure of \$13.0 billion.

## Acquisition

Safran closed the acquisition of Thales Aeronautical Electrical Systems activities (within Equipment & Defense perimeter) on October 2<sup>nd</sup>, 2023.

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## Agenda

Q1 2024 revenue	April 26, 2024
Annual General Meeting	May 23, 2024
H1 2024 results	July 31, 2024
Q3 2024 revenue	October 25, 2024
Capital Markets Day in Paris	December 5, 2024
FY 2024 results	February 14, 2025

\* \* \* \*

Safran will host today a webcast for analysts and investors at 9.15 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/xnfg2jr9>  
⇒ 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/BI6bc96c73752e4ea8966ebf0043349cec>

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](http://www.safran-group.com) (Finance section).

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## Key figures

### 1. Adjusted income statement, balance sheet and cash flow

<i>Adjusted income statement</i> (In Euro million)	FY 2022	FY 2023	% change
<b>Revenue</b>	<b>19,035</b>	<b>23,199</b>	<b>22%</b>
Other recurring operating income and expenses	(16,724)	(20,155)	
Share in profit from joint ventures	97	122	
<b>Recurring operating income</b>	<b>2,408</b>	<b>3,166</b>	<b>31%</b>
% of revenue	12.6%	13.6%	1.0pt
Other non-recurring operating income and expenses	(450)	(511)	
<b>Profit from operations</b>	<b>1,958</b>	<b>2,655</b>	<b>36%</b>
% of revenue	10.3%	11.4%	1.1pt
Net financial income (expense)	(186)	174	
Income tax expense	(557)	(724)	
<b>Profit for the period</b>	<b>1,215</b>	<b>2,105</b>	<b>73%</b>
<b>Profit for the period attributable to non-controlling interests</b>	<b>(37)</b>	<b>(77)</b>	
<b>Profit for the period attributable to owners of the parent</b>	<b>1,178</b>	<b>2,028</b>	<b>72%</b>
<b>Earnings per share attributable to owners of parent (basic in €)</b>	<b>2,76<sup>(1)</sup></b>	<b>4,85<sup>(2)</sup></b>	<b>76%</b>
<b>Earnings per share attributable to owners of parent (diluted in €)</b>	<b>2,68<sup>(3)</sup></b>	<b>4,70<sup>(4)</sup></b>	<b>75%</b>

<sup>(1)</sup> Based on the weighted average number of shares of 426,680,657 as of December 31, 2022

<sup>(2)</sup> Based on the weighted average number of shares of 417,795,492 as of December 31, 2023

<sup>(3)</sup> Based on the weighted average number of shares after dilution of 440,159,929 as of December 31, 2022

<sup>(4)</sup> Based on the weighted average number of shares after dilution of 431,373,561 as of December 31, 2023

<i>Balance sheet - Assets</i> (In Euro million)	Dec. 31, 2022	Dec. 31, 2023	<i>Balance sheet - Liabilities</i> (In Euro million)	Dec. 31, 2022	Dec. 31, 2023
Goodwill	4,994	4,706	Equity	10,866	12,088
Tangible & Intangible assets	11,943	11,951	Provisions	2,567	2,611
Investments in joint ventures and associates	1,974	1,928	Borrowings subject to sp. conditions	302	292
Right of use	566	582	Interest bearing liabilities	6,673	6,302
Other non-current assets	2,354	1,926	Derivatives liabilities	5,848	4,740
Derivatives assets	540	1,577	Other non-current liabilities	1,239	1,055
Inventories and WIP	6,408	7,903	Trade and other payables	6,298	8,097
Contracts costs	664	753	Contracts Liabilities	12,756	15,029
Trade and other receivables	7,904	9,417	Other current liabilities	279	254
Contracts assets	1,982	2,157	<b>Total Equity &amp; Liabilities</b>	<b>46,828</b>	<b>50,468</b>
Cash and cash equivalents	6,687	6,676			
Other current assets	812	892			
<b>Total Assets</b>	<b>46,828</b>	<b>50,468</b>			

<i>Cash Flow Highlights</i> (In Euro million)	FY 2022	FY 2023
<b>Recurring operating income</b>	<b>2,408</b>	<b>3,166</b>
One-off items	(450)	(511)
Depreciation, amortization, provisions (excluding financial)	1,540	1,491
<b>EBITDA</b>	<b>3,498</b>	<b>4,146</b>
Income tax and non-cash items	(682)	(634)
<b>Cash flow from operations</b>	<b>2,816</b>	<b>3,512</b>
Changes in working capital	729	758
Capex (tangible assets)	(498)	(823)
Capex (intangible assets)	(98)	(179)
Capitalization of R&D	(283)	(323)
<b>Free cash flow</b>	<b>2,666</b>	<b>2,945</b>
Dividends paid	(225)	(583)
Divestments/acquisitions and others	(883)	(2,002)
<b>Net change in cash and cash equivalents</b>	<b>1,558</b>	<b>361</b>
Net cash / (Net debt) at beginning of period	(1,544)	14
<b>Net cash / (Net debt) at end of period</b>	<b>14</b>	<b>374</b>



## 2. Segment breakdown

<i>Segment breakdown of adjusted revenue (In Euro million)</i>	FY 2022	FY 2023	% change	% change in scope	% change currency	% change organic
Propulsion	9,506	11,876	24.9%	-	(1.8)%	26.7%
Equipment & Defense	7,535	8,835	17.3%	1.0%	(1.0)%	17.3%
Aircraft Interiors	1,978	2,477	25.2%	(4.6)%	(3.0)%	32.8%
Holding company & Others	16	11	(31.3)%	-	-	(31.3)%
<b>Total Group</b>	<b>19,035</b>	<b>23,199</b>	<b>21.9%</b>	<b>(0.1)%</b>	<b>(1.6)%</b>	<b>23.6%</b>

<i>OE / Services adjusted revenue breakdown (In Euro million)</i>	FY 2022		FY 2023	
	OE	Services	OE	Services
<b>Propulsion</b>	<b>3,515</b>	<b>5,991</b>	<b>4,565</b>	<b>7,311</b>
% of revenue	37.0%	63.0%	38.4%	61.6%
<b>Equipment &amp; Defense</b>	<b>4,710</b>	<b>2,825</b>	<b>5,368</b>	<b>3,467</b>
% of revenue	62.5%	37.5%	60.8%	39.2%
<b>Aircraft Interiors<sup>3</sup></b>	<b>1,389</b>	<b>589</b>	<b>1,597</b>	<b>880</b>
% of revenue	70.2%	29.8%	64.5%	35.5%

<i>Segment breakdown of adjusted revenue (In Euro million)</i>	Q4 2022	Q4 2023	% change	% change in scope	% change currency	% change organic
Propulsion	2,827	3,116	10.2%	-	(4.2)%	14.4%
Equipment & Defense	2,209	2,601	17.7%	1.8%	(2.8)%	18.7%
Aircraft Interiors	586	709	21.0%	(7.0)%	(5.1)%	33.1%
Holding company & Others	4	3	(25.0)%	-	-	(25.0)%
<b>Total Group</b>	<b>5,626</b>	<b>6,429</b>	<b>14.3%</b>	<b>-</b>	<b>(3.7)%</b>	<b>18.0%</b>

<i>2023 revenue by quarter (In Euro million)</i>	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY2023
Propulsion	2,714	2,963	3,083	3,116	11,876
Equipment & Defense	1,966	2,134	2,134	2,601	8,835
Aircraft Interiors	584	579	605	709	2,477
Holding company & Others	2	3	3	3	11
<b>Total Group</b>	<b>5,266</b>	<b>5,679</b>	<b>5,825</b>	<b>6,429</b>	<b>23,199</b>

<i>2022 revenue by quarter (In Euro million)</i>	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
<b>Total Group</b>	<b>4,071</b>	<b>4,489</b>	<b>4,849</b>	<b>5,626</b>	<b>19,035</b>

<i>Segment breakdown of recurring operating income (In Euro million)</i>	FY 2022	FY 2023	% change
<b>Propulsion</b>	<b>1,710</b>	<b>2,390</b>	39.8%
% of revenue	18.0%	20.1%	
<b>Equipment &amp; Defense</b>	<b>874</b>	<b>992</b>	13.5%
% of revenue	11.6%	11.2%	
<b>Aircraft Interiors</b>	<b>(140)</b>	<b>(116)</b>	17.1%
% of revenue	(7.1)%	(4.7)%	
Holding company & Others	(36)	(100)	n/s
<b>Total Group</b>	<b>2,408</b>	<b>3,166</b>	31.5%
% of revenue	12.6%	13.6%	

<sup>3</sup> Retrofit is included in OE



<b>One-off items</b> <i>(In Euro million)</i>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Adjusted recurring operating income</b>	<b>2,408</b>	<b>3,166</b>
% of revenue	12.6%	13.6%
<b>Total one-off items</b>	<b>(450)</b>	<b>(511)</b>
<i>Capital gain (loss) on asset disposal</i>	63	(10)
<i>Impairment reversal (charge)</i>	(503)	(432)
<i>Other infrequent &amp; material non-operational items</i>	(10)	(69)
<b>Adjusted profit from operations</b>	<b>1,958</b>	<b>2,655</b>
% of revenue	10.3%	11.4%
<b>Euro/USD rate</b>	<b>FY 2022</b>	<b>FY 2023</b>
Average spot rate	1.05	1.08
Spot rate (end of period)	1.07	1.11
Hedge rate	1.15	1.13

### 3. Number of products delivered on major aerospace programs

<b>Number of units delivered</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>Change in units</b>	<b>Change in %</b>
LEAP engines	1,136	1,570	434	38%
CFM56 engines	60	52	(8)	(13)%
High thrust engines	181	190	9	5%
Helicopter turbines	508	588	80	16%
M88 engines	51	42	(9)	(18)%
787 landing gears sets	21	30	9	43%
A350 landing gears sets	43	46	3	7%
A330neo nacelles	52	54	2	4%
A320neo nacelles	588	579	(9)	(2)%
Small nacelles (biz & regional jets)	516	512	(4)	(1)%
A350 lavatories	338	414	76	22%
Business class seats	1,704	983	(721)	(42)%
A320 emergency slides	4,454	3,950	(504)	(11)%
787 primary power distribution systems	112	282	170	152%

### 4. Research & Development

<b>Research &amp; Development</b> <i>(In Euro million)</i>	<b>FY 2022</b>	<b>FY 2023</b>	<b>change</b>
<b>Total R&amp;D</b>	<b>(1,540)</b>	<b>(1,818)</b>	<b>(278)</b>
R&D sold to customers	521	602	81
<b>R&amp;D expenses</b>	<b>(1,019)</b>	<b>(1,216)</b>	<b>(197)</b>
<i>as a % of revenue</i>	5.4%	5.2%	(0.2)pt
Tax credit	151	159	8
<b>R&amp;D expenses after tax credit</b>	<b>(868)</b>	<b>(1,057)</b>	<b>(189)</b>
Gross capitalized R&D	278	319	41
Amortization and depreciation of R&D	(236)	(255)	(19)
<b>R&amp;D in recurring operating income (P&amp;L impact)</b>	<b>(826)</b>	<b>(993)</b>	<b>(167)</b>
<i>as a % of revenue</i>	4.3%	4.3%	0.0pt

## Notes

### Adjusted data:

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.f, "Translation of foreign currency transactions and foreign currency derivatives").

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.

## FY 2023 reconciliation between consolidated income statement and adjusted consolidated income statement:

FY 2023	Consolidated data	Currency hedging		Business combinations		Adjusted data
		Remeasurement of revenue (1)	Deferred hedging gain / loss (2)	Amortization of intangible assets -Sagem-Snecma merger (3)	PPA impacts - other business combinations (4)	
<i>(In Euro million)</i>						
<b>Revenue</b>	23,651	(452)	-	-	-	23,199
Other operating income and expenses	(20,441)	(3)	(7)	38	258	(20,155)
Share in profit from joint ventures	99	-	-	-	23	122
<b>Recurring operating income</b>	3,309	(455)	(7)	38	281	3,166
Other non-recurring operating income and expenses	(511)	-	-	-	-	(511)
<b>Profit (loss) from operations</b>	2,798	(455)	(7)	38	281	2,655
Cost of debt	112	-	-	-	-	112
Foreign exchange gains / losses	1,850	455	(2,239)	-	-	66
Other financial income and expense	(4)	-	-	-	-	(4)
<b>Financial income (loss)</b>	1,958	455	(2,239)	-	-	174
Income tax expense	(1,236)	-	581	(10)	(59)	(724)
<b>Profit (loss) from continuing operations</b>	3,520	-	(1,665)	28	222	2,105
<b>Attributable to non-controlling interests</b>	(76)	-	(1)	-	-	(77)
<b>Attributable to owners of the parent</b>	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.

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 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 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 21, 2024 meeting, after the specific verifications have been completed and any subsequent events at February 14, 2024 have been reviewed.

**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 92 000 employees and sales of 23.2 billion euros in 2023, 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.

For more information : [www.safran-group.com](http://www.safran-group.com)



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#### FORWARD-LOOKING STATEMENTS

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

*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.*