

Safran reports its first-half 2024 results

Strong sales, operating income and margin growth, FY guidance confirmed

Paris, July 31, 2024

H1 2024 adjusted data

- Revenue: €13,047 million (+19%)
- Recurring operating income: €1,974 million (+41%), 15.1% of sales
- Free cash flow: €1,463 million

H1 2024 consolidated data

- Revenue: €13,204 million
- Recurring operating income: €1,968 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 30, 2024, adopted and authorized the publication of Safran's financial statements and adjusted income statement for the six-month period ended June 30, 2024.

Foreword

- All figures in this press release represent adjusted data, except where noted. Please refer to the definitions and reconciliation between first-half 2024 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 has made a strong start to the year with operating margin exceeding 15% of sales. This result is due primarily to the growth of aftermarket activity for engines and aircraft equipment, but also through reaching operating breakeven in aircraft interiors activities, with a substantial year-over-year improvement. Going forward, our primary objective is to manage continuously supplier performance in order to meet our customer commitments, particularly regarding new engine deliveries, and to mitigate any associated impacts. We are very confident in our ability to achieve our 2024 financial guidance, particularly for the operating result, with some pressure on cash flow notably related to the timing of advance payments."

Half-year 2024 results

➤ Revenue

H1 2024 revenue stood at **€13,047 million, up by 19.2% compared to H1 2023 (+18.7% on an organic basis)**. Change in scope was €48 million¹. Currency impact was €6 million, with an average €/€ spot rate of 1.08 in H1 2024 (1.08 in H1 2023). €/€ hedge rate in H1 2024 stood at 1.12 (1.13 in H1 2023).

As for organic revenue per division:

- **Propulsion** was up by 14.0%.
Supported by strong air traffic momentum, civil aftermarket (in \$) increased by 29.9% (32.3% in Q2 2024). This growth is attributable to CFM56 spare parts sales but also to CFM rate per flight hour (RPFH) contracts, notably for LEAP (with no profit recognition). High-thrust engine activities also grew thanks to both spare parts and RPFH contracts.
664 LEAP engines were delivered compared to 785 in H1 2023 down (15)% (297 units in Q2 2024 down (29.1)%), due to persisting issues within the supply chain.
Military engine revenues decreased year-over-year reflecting planned lower M88 deliveries partially offset by a higher level of services.
Finally, helicopter engine revenue growth was led by OE, thanks to higher turbine deliveries (notably Arrius and Arriel). Services saw a moderate increase, primarily driven by MRO activities and per flight hour contracts. Ongoing supply chain constraints affected both OE deliveries and spare parts.
- **Equipment & Defense** saw a solid 23.1% increase supported by all businesses, notably defense and landing systems activities.
Fueled by the continuous increase in air traffic and the widebody market recovery, aftermarket services were up by 18%, with growth across all activities, notably in landing systems and nacelles as well as for defense including sighting and navigation systems.
OE sales registered a 27% increase with higher volumes in nacelles (G700 entry into service, A320neo), landing gears (787, A320neo), electrical systems (787, A320neo) as well as in Avionics (FADEC for LEAP) and despite supply chain constraints. In defense activities, the substantial growth was primarily led by guidance systems, optronics and onboard systems.
- **Aircraft Interiors** was up by 26.6% (albeit 14% below 2019 level), a significant growth demonstrating the appetite of airlines for cabin retrofit.
Aftermarket activities were particularly dynamic in both Cabin (mainly spare parts) and Seats (notably with Asian and US airlines), driven by the recovery of the widebody market and the positive momentum in air traffic.
OE sales growth is primarily attributed to Seats with the strong growth of Business class seat deliveries (750 units in H1 2024 vs 436 in H1 2023).

➤ Research & Development

Total R&D, including R&D sold to customers, reached €936 million, compared with €862 million in H1 2023.

Self-funded R&D expenses before tax credits were up 12% at €646 million in H1 2024 including:

- Development expenses at €313 million (€313 million in H1 2023);

¹ Divestment of Cargo & Catering in May 2023. Acquisition of Thales Aeronautical Electrical Systems activities in October 2023 and Air Liquide aeronautical oxygen and nitrogen activities in February 2024.

- Research & Technology (R&T) self-funded expenses at €333 million (€262 million in H1 2023) 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 €547 million (€473 million in H1 2023), with both higher capitalized R&D and related amortization, and representing 4.2% of sales (4.3% of sales in H1 2023).

➤ Recurring operating income

In H1 2024, recurring operating income reached **€1,974 million**, representing a substantial increase of **+41%** (+39% organic). This robust performance was due to growth in services across the board and to OE ramp-up in Equipment & Defense and Aircraft Interiors. It includes scope changes of €(1) million and a favorable currency impact of €35 million.

Operating margin stood at **15.1% of sales, up 230bps** (12.8% in H1 2023).

Per division:

- **Propulsion** recurring operating income reached €1,285 million, up by +22% (+21% organic). Operating margin stood at 19.9%, up by 1.4pt, supported by strong civil aftermarket activity benefitting from higher spare parts sales for CFM56.
The anticipated decrease in M88 engine deliveries had an unfavorable impact on recurring operating income. Helicopter engines recurring operating income remained steady in H1 2024.
- **Equipment & Defense** recurring operating income stood at €657 million, +41% (+35% organic). At 12.7% of sales, operating margin increased by 1.3pt. The strong recurring operating income upswing was mainly attributable to higher OE volumes, in particular for Defense activities and to a lesser extent nacelles as well as growth in services notably landing gear and carbon brakes. OE for Aerosystems had a positive contribution thanks to Fluid and Fuel systems.
- **Aircraft Interiors** posted a positive recurring operating income of €10 million, representing a substantial improvement of €110 million from H1 2023.
Cabin's performance was supported by a good level of activity in services and to a lesser extent in OE deliveries.
Seats strongly improved in H1 2024 notably thanks to the contribution from services and higher volume. Ongoing efforts in the industrialization process continued to yield positive results in OE activities.
Additionally, Safran Passenger Innovations made a positive contribution to recurring operating income, largely due to in-flight entertainment (IFE) products.

➤ Net income

In H1 2024, one-off items were €(24) million mainly impairment charges for one program and restructuration costs.

Net income was up by 37% at €1,432 million in H1 2024 (basic EPS of €3.37 and diluted EPS of €3.27), compared with €1,043 million in H1 2023 (basic EPS of €2.48 and diluted EPS of €2.40).

This includes:

- Financial expense of €(34) million, including positive financial interest of €84 million (returns on cash investments exceed cost of debt) and €(119) million exchange revaluation of positions in the balance sheet;
- Tax expense of €(435) million (22.7% apparent tax rate).

The reconciliation between H1 2024 consolidated income statement and adjusted income statement is provided and commented in the Notes on page 11.

➤ Free cash flow

Free cash flow of €1,463 million was driven by the increase in cash flow from operations unfavorably impacted by working capital change and higher capital expenditures of €(757) million (€(600) million in H1 2023) directed notably towards OE and MRO production capacity and low carbon initiatives.

The negative impact of the working capital change (€(140) million) reflects inventory level build-up (OE deliveries lower than expected across the board notably LEAP), partly offset by customer advance payments (Rafale).

➤ Net debt and financing

As of June 30, 2024, Safran's balance sheet exhibits a €895 million net cash position (vs. net cash of €374 million as at December 31, 2023), as a result of a strong free cash flow generation, partially offset by dividend payment (of which €911 million to shareholders of the parent company) and €560 million of share repurchases.

Cash and cash equivalent stood at €5,699 million, down from €6,676 million at the end of December 2023.

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, Safran also reimbursed with cash-in-hand the €200 million Euro Private Placement issued in 2014.

On April 19, 2024, Safran extended by 1 more year the maturity of its revolving credit facility of €2 billion to May 4, 2029. As of June 30, 2024, the credit line remains undrawn.

On June 28, Safran proceeded with the early redemption of its bonds convertible into shares initially due 15 May 2027. In that respect, Safran delivered 9,314,153 existing treasury shares to bondholders who preferably exercised their conversion rights (ie. 98% of the bonds) and eventually paid back in cash €20 million. This soft call had a net debt positive impact of €961 million and no dilution impact on existing shareholders.

Currency hedges

The hedge book amounts to \$54.4 billion in June 2024, compared to \$51.7 billion in March 2024.

- 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 annual exposure of \$13.0 billion.
- 2028 is partially hedged: \$9.3 billion hedged out of an estimated net exposure of \$13.0 billion.

Share buyback

In H1 2024, Safran completed the purchase of c.2.9 million shares (€560 million worth of shares) to finalize the hedging of the potential dilution related to the 2028 OCEANEs and for long term incentive plans.

On June 28, 2024, Safran announced the launch of the €1.0 billion share buyback for cancellation to be carried out in 2024 and 2025. In that respect, the Group entered into an agreement for a first tranche for a maximum amount of €250 million to be completed no later than September 13, 2024.

Portfolio management

▪ Collins Aerospace's actuation and flight control business

- In June 2024, Safran was informed by the Italian government of its decision ultimately to approve the sale to Safran of Microtecnica S.r.l (the Italian assets).
- In the United Kingdom, the Secretary of State in the Cabinet Office has reviewed the notification made under the National Security and Investment Act and has informed Safran that he will take no further action in relation to the proposed acquisition. This constitutes an unconditional clearance.
- The completion of Collins Aerospace's actuation and flight control business acquisition still remains subject to obtaining other regulatory approvals, particularly with regard to merger control, and customary closing conditions.

▪ Preligens

Safran signed on July 16, 2024 an agreement for the acquisition of Preligens shares, a leader in artificial intelligence (AI) for aerospace and defense, for an enterprise value of €220 million. The company develops complex algorithms and software to analyze and automatically detect and identify objects of military interest notably using commercial and government satellite images. Completion of this proposed acquisition remains subject to foreign investment approval. The closing is expected in the third quarter of 2024.

Full-year 2024 outlook confirmed

Safran expects to achieve for full-year 2024 (at constant scope of consolidation, adjusted data):

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

This outlook is based notably, but not exclusively, on the following assumptions, of which 2 are updated:

- LEAP engine deliveries: flat to 5% compared to 2023 (previously *up by 10-15%*);
- Civil aftermarket revenue (in USD): up mid-twenties (previously *up by around 20%*);
- €/ \$ spot rate of 1.10;
- €/ \$ hedge rate of 1.12.

The main risk factor remains the supply chain production capabilities.

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Agenda

Q3 2024 revenue	October 25, 2024
Capital Markets Day in Paris	December 5, 2024
FY 2024 results	February 14, 2025
Q1 2025 revenue	April 25, 2025
Annual General Meeting	May 22, 2025
H1 2025 results	July 31, 2025

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Safran will host today a webcast for analysts and investors at 8.30am 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/in9539aj>
 - ⇒ 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/BI5fb55ce148a746a589fb9aa019a06aef>

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

<i>Adjusted income statement</i> (In Euro million)	H1 2023	H1 2024	% change
Revenue	10,945	13,047	19%
Other recurring operating income and expenses	(9,609)	(11,135)	
Share in profit from joint ventures	61	62	
Recurring operating income	1,397	1,974	41%
% of revenue	12.8%	15.1%	2.3pts
Other non-recurring operating income and expenses	(57)	(24)	
Profit from operations	1,340	1,950	46%
% of revenue	12.2%	14.9%	2.7pts
Net financial income (expense)	63	(34)	
Income tax expense	(318)	(435)	
Profit for the period	1,085	1,481	36%
Profit for the period attributable to non-controlling interests	(42)	(49)	
Profit for the period attributable to owners of the parent	1,043	1,432	37%
Earnings per share attributable to owners of parent (basic in €)	2,48⁽¹⁾	3.37⁽²⁾	36%
Earnings per share attributable to owners of parent (diluted in €)	2,40⁽³⁾	3.27⁽⁴⁾	36%

⁽¹⁾ Based on the weighted average number of shares of 420,447,865 as of June 30, 2023

⁽²⁾ Based on the weighted average number of shares of 424,913,983 as of June 30, 2024

⁽³⁾ Based on the weighted average number of shares after dilution of 434,534,351 as of June 30, 2023

⁽⁴⁾ Based on the weighted average number of shares after dilution of 437,780,170 as of June 30, 2024

<i>Balance sheet - Assets</i> (In Euro million)	Dec. 31, 2023	June 30, 2024	<i>Balance sheet - Liabilities</i> (In Euro million)	Dec. 31, 2023	June 30, 2024
Goodwill	4,706	4,687	Equity	12,088	11,727
Tangible & Intangible assets	11,951	12,330	Provisions	2,611	2,786
Investments in joint ventures and associates	1,928	1,923	Borrowings subject to sp. conditions	292	287
Right of use	582	659	Interest bearing liabilities	6,302	4,804
Other non-current assets	2,126	3,240	Derivatives liabilities	4,740	6,527
Derivatives assets	1,577	1,690	Other non-current liabilities	1,055	1,387
Inventories and WIP	7,903	9,344	Trade and other payables	8,097	8,923
Contracts costs	753	855	Contracts Liabilities	15,029	15,749
Trade and other receivables	9,417	9,558	Other current liabilities	254	825
Contracts assets	2,157	2,290	Total Equity & Liabilities	50,468	53,015
Cash and cash equivalents	6,676	5,699			
Other current assets	692	740			
Total Assets	50,468	53,015			

<i>Cash Flow Highlights</i> (In Euro million)	H1 2023	FY 2023	H1 2024
Recurring operating income	1,397	3,166	1,974
One-off items	(57)	(511)	(24)
Depreciation, amortization, provisions (excluding financial)	610	1,491	571
EBITDA	1,950	4,146	2,521
Income tax and non-cash items	32	(634)	(161)
Cash flow from operations	1,982	3,512	2,360
Changes in working capital	81	758	(140)
Capex (tangible assets)	(348)	(823)	(512)
Capex (intangible assets)	(100)	(179)	(93)
Capitalization of R&D	(152)	(323)	(152)
Free cash flow	1,463	2,945	1,463
Dividends paid	(583)	(583)	(965)
Divestments/acquisitions and others	(1,157)	(2,002)	23
Net change in cash and cash equivalents	(277)	361	521
Net cash / (Net debt) at beginning of period	14	14	374
Net cash / (Net debt) at end of period	(263)	374	895

2. Segment breakdown

Segment breakdown of adjusted revenue (In Euro million)	H1 2023	H1 2024	% change	% change in scope	% change currency	% change organic
Propulsion	5,677	6,461	13.8%	-	(0.2)%	14.0%
Equipment & Defense	4,100	5,170	26.1%	2.7%	0.3%	23.1%
Aircraft Interiors	1,163	1,411	21.3%	(5.3)%	-	26.6%
Holding company & Others	5	5	-	-	-	-
Total Group	10,945	13,047	19.2%	0.4%	0.1%	18.7%

OE / Services adjusted revenue breakdown (In Euro million)	H1 2023		H1 2024	
	OE	Services	OE	Services
Propulsion	2,385	3,292	2,431	4,030
% of revenue	42.0%	58.0%	37.6%	62.4%
Equipment & Defense	2,426	1,674	3,152	2,018
% of revenue	59.2%	40.8%	61.0%	39.0%
Aircraft Interiors²	763	400	880	531
% of revenue	65.6%	34.4%	62.4%	37.6%

Segment breakdown of adjusted revenue (In Euro million)	Q2 2023	Q2 2024	% change	% change in scope	% change currency	% change organic
Propulsion	2,963	3,364	13.5%	-	0.8%	12.7%
Equipment & Defense	2,134	2,726	27.7%	3.2%	1.1%	23.4%
Aircraft Interiors	579	735	26.9%	(3.6)%	1.1%	29.4%
Holding company & Others	3	2	(33.3)%	-	-	(33.3)%
Total Group	5,679	6,827	20.2%	0.8%	1.0%	18.4%

2024 revenue by quarter (In Euro million)	Q1 2024	Q2 2024	H1 2024
Propulsion	3,097	3,364	6,461
Equipment & Defense	2,444	2,726	5,170
Aircraft Interiors	676	735	1,411
Holding company & Others	3	2	5
Total Group	6,220	6,827	13,047

2023 revenue by quarter (In Euro million)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023
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
Total Group	5,266	5,679	5,825	6,429	23,199

Segment breakdown of recurring operating income (In Euro million)	H1 2023	H1 2024	% change
Propulsion	1,051	1,285	22.3%
% of revenue	18.5%	19.9%	
Equipment & Defense	466	657	41.0%
% of revenue	11.4%	12.7%	
Aircraft Interiors	(100)	10	n.a.
% of revenue	(8.6)%	0.7%	
Holding company & Others	(20)	22	n/s
Total Group	1,397	1,974	41.3%
% of revenue	12.8%	15.1%	

² Retrofit is included in OE

One-off items <i>(In Euro million)</i>	H1 2023	H1 2024
Adjusted recurring operating income	1,397	1,974
% of revenue	12.8%	15.1%
Total one-off items	(57)	(24)
<i>Capital gain (loss) on asset disposal</i>	<i>(1)</i>	<i>-</i>
<i>Impairment reversal (charge)</i>	<i>(35)</i>	<i>(10)</i>
<i>Other infrequent & material non-operational items</i>	<i>(21)</i>	<i>(14)</i>
Adjusted profit from operations	1,340	1,950
% of revenue	12.2%	14.9%

Euro/USD rate	H1 2023	FY 2023	H1 2024
Average spot rate	1.08	1.08	1.08
Spot rate (end of period)	1.09	1.11	1.07
Hedge rate	1.13	1.13	1.12

3. Number of products delivered on major aerospace programs

Number of units delivered	H1 2023	H1 2024	Change in units	Change in %
LEAP engines	785	664	(121)	(15)%
CFM56 engines	24	28	4	17%
High thrust engines	83	91	8	10%
Helicopter turbines	274	305	31	11%
M88 engines	31	14	(17)	(55)%
A320neo nacelles	275	297	22	8%
A320 landing gears sets	271	304	33	12%
A320 emergency slides	1,457	1,962	505	35%
A330neo nacelles	26	29	3	12%
A350 landing gears sets	23	26	3	13%
A350 lavatories	220	193	(27)	(12)%
787 landing gears sets	10	20	10	100%
787 primary power distribution systems	127	169	42	33%
Small nacelles (biz & regional jets)	270	396	126	47%
Business class seats	436	750	314	72%

4. Research & Development

Research & Development <i>(In Euro million)</i>	H1 2023	H1 2024	change
Total R&D	(862)	(936)	(74)
R&D sold to customers	287	290	3
R&D expenses	(575)	(646)	(71)
<i>as a % of revenue</i>	<i>5.3%</i>	<i>5.0%</i>	<i>(0.3)pt</i>
Tax credit	77	88	11
R&D expenses after tax credit	(498)	(558)	(60)
Gross capitalized R&D	149	151	2
Amortization and depreciation of R&D	(124)	(140)	(16)
R&D in recurring operating income (P&L impact)	(473)	(547)	(74)
<i>as a % of revenue</i>	<i>4.3%</i>	<i>4.2%</i>	<i>(0.1)pt</i>

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.

H1 2024 reconciliation between consolidated income statement and adjusted consolidated income statement:

H1 2024	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>						
Revenue	13,204	(157)	-	-	-	13,047
Other operating income and expenses	(11,287)	(4)	1	21	134	(11,135)
Share in profit from joint ventures	51	-	-	-	11	62
Recurring operating income	1,968	(161)	1	21	145	1,974
Other non-recurring operating income and expenses	(24)	-	-	-	-	(24)
Profit (loss) from operations	1,944	(161)	1	21	145	1,950
Cost of debt	84	-	-	-	-	84
Foreign exchange gains / losses	(1,961)	161	1,681	-	-	(119)
Other financial income and expense	1	-	-	-	-	1
Financial income (loss)	(1,876)	161	1,681	-	-	(34)
Income tax expense	38	-	(434)	(5)	(34)	(435)
Profit (loss) from continuing operations	106	-	1,248	16	111	1,481
Attributable to non-controlling interests	(49)	-	-	-	-	(49)
Attributable to owners of the parent	57	-	1,248	16	111	1,432

(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 €1,681 million excluding tax), and the impact of taking into account hedges when measuring provisions for losses on completion (a positive €1 million at June 30, 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 €91 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 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.

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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.