

PRESS RELEASE**Safran reports its third quarter 2024 revenue
Full-year outlook profit raised**

Paris, October 25, 2024

Adjusted data

- Q3 2024 revenue: €6,639 million (+14.0%)
- 9m 2024 revenue: €19,686 million (+17.4%)

Consolidated data

- Q3 2024 revenue: €6,682 million
- 9m 2024 revenue: €19,886 million

FY 2024 outlook updated

- Revenue around €27.1 billion (vs. around €27.4 billion previously)
- Recurring operating income around €4.1 billion (vs. close to €4.0 billion previously)
- Free cash flow around €3.0 billion

Foreword

- All figures in this press release represent adjusted data, except where noted. Please refer to the definitions and reconciliation between Q3 and 9 months 2024 consolidated revenue and adjusted revenue. Please refer to the definitions contained in the footnotes and in the Notes on page 7 of this press statement.
- Organic variations exclude changes in scope and currency impacts for the period.

CEO Olivier Andriès said: “*In light of the strong performance in the first 9 months of the year, with a 17% growth in revenue driven notably by aftermarket activities for engines and aircraft equipment, Safran is raising its full-year profit forecast. Narrowbody OE deliveries were limited by supply chain bottlenecks in specific areas. The Group's priority remains to best meet customer needs and unlock supply chain constraints. We remain very confident in our ability to continue on a path of profitable growth in the years to come, which we will present at our upcoming CMD.*”

Q3 and 9m 2024 revenue

➤ Q3 2024

Q3 2024 revenue stood at **€6,639 million, up by 14.0% compared to Q3 2023 (+13.8% on an organic basis)** driven by civil aftermarket and robust growth from Equipment & Defense and Aircraft Interiors. Change in scope was €57 million¹ within Equipment & Defense. Currency impact was €(45) million, with an average €/€ spot rate of 1.10 in Q3 2024 (1.09 in Q3 2023). €/€ hedge rate in Q3 2024 stood at 1.12 (1.13 in Q3 2023).

As for organic revenue per division:

- **Propulsion** was up by 9.2% driven by services growth.
Civil aftermarket (in \$) grew by 20.5% compared to Q3 2023, reflecting another strong increase in LEAP rate per flight hour (RPFH) contracts and to a lesser extent CFM56 and high-thrust engine spare parts sales.
LEAP engine deliveries were up sequentially with 365 units in Q3 2024 (297 units in Q2 2024) but were down 6% compared to Q3 2023 (389 units) as supply chain performance still requires enhancement.
Military engine revenues rose year-over-year, driven by a higher level of services and Original Equipment (OE) benefiting from a favorable mix and higher M88 deliveries.
Helicopter engine revenue growth was driven by OE with increased turbine deliveries (notably Arriel).
- **Equipment & Defense** was up by 16.3% driven by all businesses, notably defense, nacelles and landing systems.
OE sales registered a 19.0% increase, driven by higher volumes in nacelles (A320neo, G700), electrical systems (787, A320neo) and avionics (Actuation Systems). In defense activities, substantial growth was fueled primarily by guidance systems. The growth momentum observed in the first half slightly slowed in Q3, in particular due to decreased demand from one airframer for equipment required at the start of the assembly line.
Aftermarket services were up by 12.6%, with growth across all activities, notably in landing systems (carbon brakes) and to a lesser extent in electrical systems.
- **Aircraft Interiors** continued its sales expansion with a solid 28.4% increase although it remains 4% below 2019 levels.
OE sales growth (+30.2%) is mainly attributed to Seats with a significant increase in business class seat deliveries (592 units in Q3 2024 vs. 174 in Q3 2023 and 508 in Q2 2024). Additionally, Safran Passenger Innovations (IFE) contributed with an increase in entertainment system deliveries to airlines.
Aftermarket activities (+25.4%) were robust in both Cabin (primarily spare parts) and Seats (notably with Asian and Middle East airlines), driven by the recovery of the widebody market.

➤ 9m 2024

Revenue for the first nine months of 2024 amounted to €19,686 million, up 17.4% compared to 9m 2023. Sales increased by €2,850 million (+17.0%) on an organic basis mainly thanks to Equipment & Defense and Propulsion (o/w civil aftermarket, +26.2% in \$). Change in scope was €105 million². Currency impact of €(39) million reflects a negative translation impact of USD revenues, with an average €/€ spot rate of 1.09 in 9m 2024 (1.08 in 9m 2023). €/€ hedge rate in 9m 2024 was at 1.12 (1.13 in 9m 2023).

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

² 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.

Currency hedges

The hedge book amounts to \$54.0 billion in September 2024, compared to \$54.4 billion in June 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 almost fully hedged: \$11.9 billion hedged out of an estimated net exposure of \$13.0 billion.

Share buybacks

In July 2023, Safran announced a €1 billion share buyback for cancellation to be carried out in 2024 and 2025. A first tranche of €250 million was completed in August 2024 (1.3 million shares repurchased). On September 20, 2024, Safran launched a second tranche for a maximum amount of €500 million to be carried out no later than December 11, 2024.

All shares repurchased during these two tranches will be cancelled by the end of 2024.

The remaining €250 million will be repurchased in H1 2025.

Portfolio management

Safran acquired Prelogens, a leader in artificial intelligence (AI) for aerospace and defense for an enterprise value of €220 million. The company was renamed Safran.AI and is integrated within Safran Electronics & Defense.

On September 10, 2024, Safran announced the contemplated acquisition of the US company CRT (Component Repair Technologies), a world leader in the repair of aircraft engine parts, based in Ohio, USA. This acquisition reflects Safran's plan to strengthen its maintenance, repair and overhaul (MRO) capabilities in the Americas. The closing of the transaction is expected by the end of 2024.

Full-year 2024 outlook updated

Despite revised downward expectations for OE deliveries on narrowbody aircraft, the strong performance in the first 9 months of the year enables **Safran to update its full-year 2024 outlook** (adjusted data):

- Revenue **around €27.1 billion** (versus *around €27.4 billion* previously);
- Recurring operating income **around €4.1 billion** (versus *close to €4.0 billion* previously);
- Free cash flow **around €3.0 billion**, subject to the schedule of some advance payments.

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

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

The main risk factor is the supply chain production capabilities.

Potential impact of new tax measures in France

The French government has confirmed its intention to implement a temporary increase in the corporate income tax rate. A 41.2% surtax could apply in 2024, resulting in an overall rate of 36.13% (instead of the current 25.83%), and a 20.6% surtax could apply in 2025, resulting in an overall rate of 30.98%. If such a measure was to be implemented, Safran estimates that the additional current tax expense for 2024 would be in the range of €320-340 million, with the related cash outflow in 2025.

Other measures have been introduced in the draft Finance Bill, which could have a marginal impact on Safran:

- the introduction of a new registration fee applicable to the cancellation of shares repurchased by the company,
- the postponement of the abolition of the tax known as "CVAE" (Contribution on the Added Value of Enterprises).

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Agenda

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/b8miydfm>
⇒ 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/Blb5dd0054d6ef46ab8d94b321987ea82d>

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 and presentation are available on Safran's website at www.safran-group.com (Finance section).

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Key figures

1. Segment breakdown

Segment breakdown of adjusted revenue (In Euro million)	9m 2023	9m 2024	% change	% change in scope	% change currency	% change organic
Propulsion	8,760	9,800	11.9%	-	(0.4)%	12.3%
Equipment & Defense	6,234	7,697	23.5%	2.7%	-	20.8%
Aircraft Interiors	1,768	2,182	23.4%	(3.5)%	(0.3)%	27.2%
Holding company & Others	8	7	(12.5)%	-	-	(12.5)%
Total Group	16,770	19,686	17.4%	0.6%	(0.2)%	17.0%

OE / Services adjusted revenue breakdown (In Euro million)	9m 2023		9m 2024	
	OE	Services	OE	Services
Propulsion	3,478	5,282	3,568	6,232
% of revenue	39.7%	60.3%	36.4%	63.6%
Equipment & Defense	3,676	2,558	4,659	3,038
% of revenue	59.0%	41.0%	60.5%	39.5%
Aircraft Interiors³	1,144	624	1,367	815
% of revenue	64.7%	35.3%	62.6%	37.4%

Segment breakdown of adjusted revenue (In Euro million)	Q3 2023	Q3 2024	% change	% change in scope	% change currency	% change organic
Propulsion	3,083	3,339	8.3%	-	(0.9)%	9.2%
Equipment & Defense	2,134	2,527	18.4%	2.7%	(0.6)%	16.3%
Aircraft Interiors	605	771	27.4%	-	(1.0)%	28.4%
Holding company & Others	3	2	(33.3)%	-	-	(33.3)%
Total Group	5,825	6,639	14.0%	1.0%	(0.8)%	13.8%

OE / Services adjusted revenue breakdown (In Euro million)	Q3 2023		Q3 2024	
	OE	Services	OE	Services
Propulsion	1,093	1,990	1,137	2,202
% of revenue	35.5%	64.5%	34.1%	65.9%
Equipment & Defense	1,250	884	1,507	1,020
% of revenue	58.6%	41.4%	59.6%	40.4%
Aircraft Interiors³	381	224	487	284
% of revenue	63.0%	37.0%	63.2%	36.8%

2024 revenue by quarter (In Euro million)	Q1 2024	Q2 2024	Q3 2024	9m 2024
Propulsion	3,097	3,364	3,339	9,800
Equipment & Defense	2,444	2,726	2,527	7,697
Aircraft Interiors	676	735	771	2,182
Holding company & Others	3	2	2	7
Total Group	6,220	6,827	6,639	19,686

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

Euro/USD rate	Q3 2023	Q3 2024	9m 2023	9m 2024
Average spot rate	1.09	1.10	1.08	1.09
Spot rate (end of period)	1.06	1.12	1.06	1.12
Hedge rate	1.13	1.12	1.13	1.12

³ Retrofit is included in OE

2. Number of products delivered on major aerospace programs

<i>Number of units delivered</i>	Q3 2023	Q3 2024	Change in units	Change in %
LEAP engines	389	365	(24)	(6)%
CFM56 engines	14	13	(1)	(7)%
High thrust engines	58	51	(7)	(12)%
Helicopter turbines	140	181	41	29%
M88 engines	8	10	2	25%
A320neo nacelles	126	159	33	26%
A320 landing gears sets	153	142	(11)	(7)%
A320 emergency slides	1,165	1,256	91	8%
A330neo nacelles	12	13	1	8%
A350 landing gears sets	11	11	-	-
A350 lavatories	99	139	40	40%
787 landing gears sets	6	14	8	133%
787 primary power distribution systems	65	86	21	32%
Small nacelles (biz & regional jets)	137	169	32	23%
Business class seats	174	592	418	x2.4

<i>Number of units delivered</i>	9m 2023	9m 2024	Change in units	Change in %
LEAP engines	1,174	1,029	(145)	(12)%
CFM56 engines	38	41	3	8%
High thrust engines	141	142	1	1%
Helicopter turbines	414	486	72	17%
M88 engines	39	24	(15)	(38)%
A320neo nacelles	401	456	55	14%
A320 landing gears sets	424	446	22	5%
A320 emergency slides	2,622	3,218	596	23%
A330neo nacelles	38	42	4	11%
A350 landing gears sets	34	37	3	9%
A350 lavatories	319	332	13	4%
787 landing gears sets	16	34	18	113%
787 primary power distribution systems	192	255	63	33%
Small nacelles (biz & regional jets)	407	565	158	39%
Business class seats	610	1,342	732	x1.2

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.

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,
 - all mark-to-market changes on instruments hedging future cash flows are neutralized.

The resulting changes in deferred tax have also been adjusted.

Third-quarter 2024 and 9m 2024 reconciliation between consolidated revenue and adjusted revenue:

Q3 2024	Consolidated revenue	Hedge accounting		Business combinations		Adjusted revenue
		Remeasurement of revenue	Deferred hedging gain (loss)	Amortization intangible assets - Sagem-Snecma	PPA impacts - other business combinations	
<i>(In Euro million)</i>						
Revenue	6,682	(43)	-	-	-	6,639

9m 2024	Consolidated revenue	Hedge accounting		Business combinations		Adjusted revenue
		Remeasurement of revenue	Deferred hedging gain (loss)	Amortization intangible assets - Sagem-Snecma	PPA impacts - other business combinations	
<i>(In Euro million)</i>						
Revenue	19,886	(200)	-	-	-	19,686

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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