SAFRAN

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GOLDMAN SACHS 11TH ANNUAL INDUSTRIALS CONFERENCE

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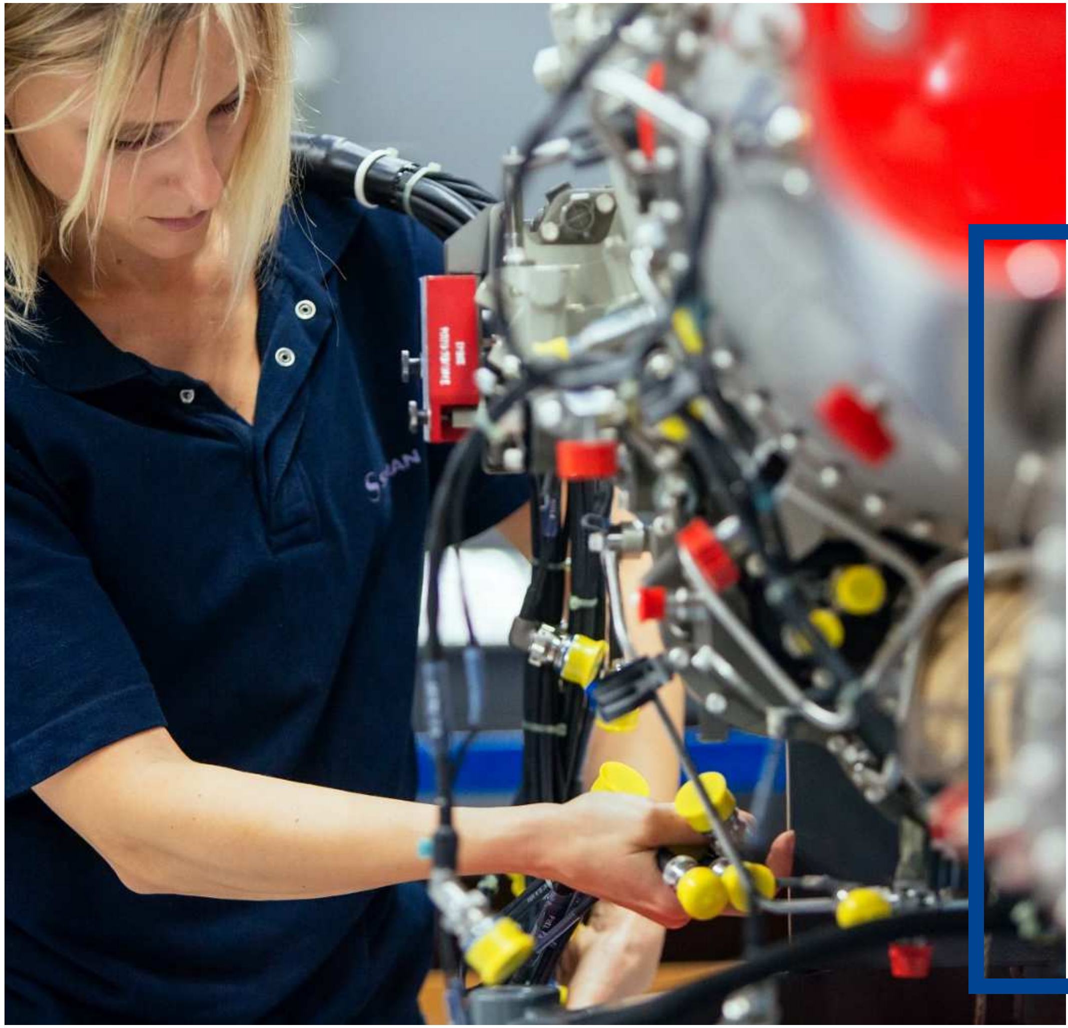


SUMMARY

FY 2019

MID-TERM TRENDS

GREENING AVIATION

FY 2019

FY 2019

FY 2019 highlights

Very strong organic growth, across all businesses

- Organic growth for the first 9m of 2019: +12,6%
- Several programs in a ramp-up phase: nacelles (A320neo and A330neo); lavatories (A350); M88 (export contracts) etc.
- Services growth, notably civil aftermarket

Some (positive) exceptional items boosted both recurring operating income and FCF

Aircraft Interiors: on going recovery

737MAX grounding weighted on FCF

- FCF impact: ~ €(650)/(700)M in 2019 including the advance payment received from Boeing in Q3
- Current impact on FCF and any extension merely represent a deferral in cash collection and should reverse

FY 2019 Guidance*

FY 2019 revenue and recurring operating income outlook:

- Adjusted revenue to grow by around 15% in 2019 vs. 2018(1)
- Adjusted organic revenue to grow by around 10%
- Adjusted recurring operating income to grow comfortably above 20%(2)

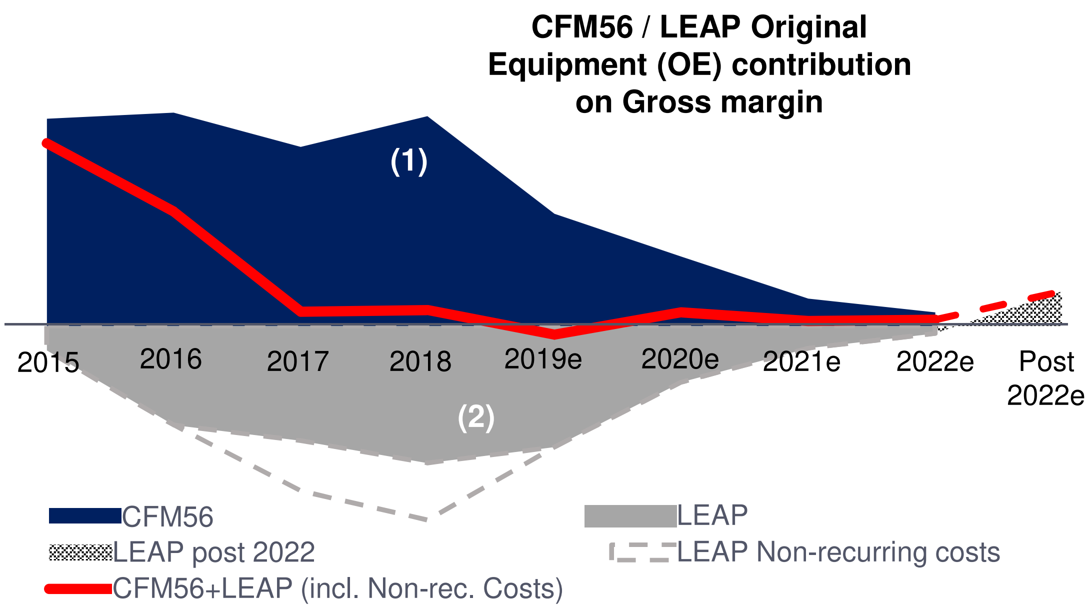
FY 2019 free cash flow outlook:

- Based on an assumption of return to service for Boeing 737MAX in Q4, FCF to be in the range 50% to 55% of adjusted recurring operating income as recurring operating income outlook has been raised
- In case the grounding continues until the end of 2019, FCF to adjusted recurring operating income should be around 50%

** 2019 Guidance is established considering the full application of the new IFRS16 standard and is based on the Group's scope as of January 1, 2019 (Aerospace propulsion; Aircraft Equipment, Defense & Aerosystems; Aircraft Interiors ; Holding & Others).*
(1) At an estimated average spot rate of USD 1.13 to the Euro in 2019
(2) At a hedged rate of USD 1.18 to the Euro

Focus on CFM56-LEAP transition

CMD 2018



NB: chart presented at Safran 2018 CMD

Today

As a reminder, what happened in 2018:

- (1) More CFM56 spare engines than originally anticipated
- (2) LEAP cost reduction trajectory in line with initial ambition
- All in all, transition impact was better than anticipated

FY2019 outlook: "*overall negative impact on Propulsion adjusted recurring operating income variation in the range € 50 to 100 M*"

FY2019 in the upper range of the initial guidance

- Spare engines: positive impact both for CFM56 and LEAP
- Non-recurring costs (i.e. fleet management costs) reflecting the size of the fleet growth
- H2 better than H1 and cost reduction trajectory in line with ambition

MID-TERM TRENDS

Group revenue growth

Group growth perspectives	Assumptions
The last 2 years have been exceptional thanks to several major programs ramp ups and services growth (incl. civil aftermarket) Safran: in a couple of years, from €16bn to €24bn / €25bn	LEAP-1A : agreement with Airbus to reflect market share in 2020/2021 LEAP-1B: 42 a/c per month today. Post return to service? M88 : volatility in deliveries Equipment: new outlook for widebodies Bumpy organic growth for Aircraft Interiors (impact of 2017-2018 non-offerability)

▶ **Growth expected from a higher basis**

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Group adjusted operating margin growth targets

Group recurring operating margin targets (CMD 2018)

16% - 18%
Group

>20%	>14%	<13%
Propulsion	Equipment, Defense & Aerosystems	Aircraft Interiors

Continued cost reductions and productivity gains: Safran's DNA and a key priority for the management

Opportunities:

- Civil Aftermarket
- Services
- Euro / Dollar

Risks:

- 737MAX return to service
- Aircraft Interiors recovery pace

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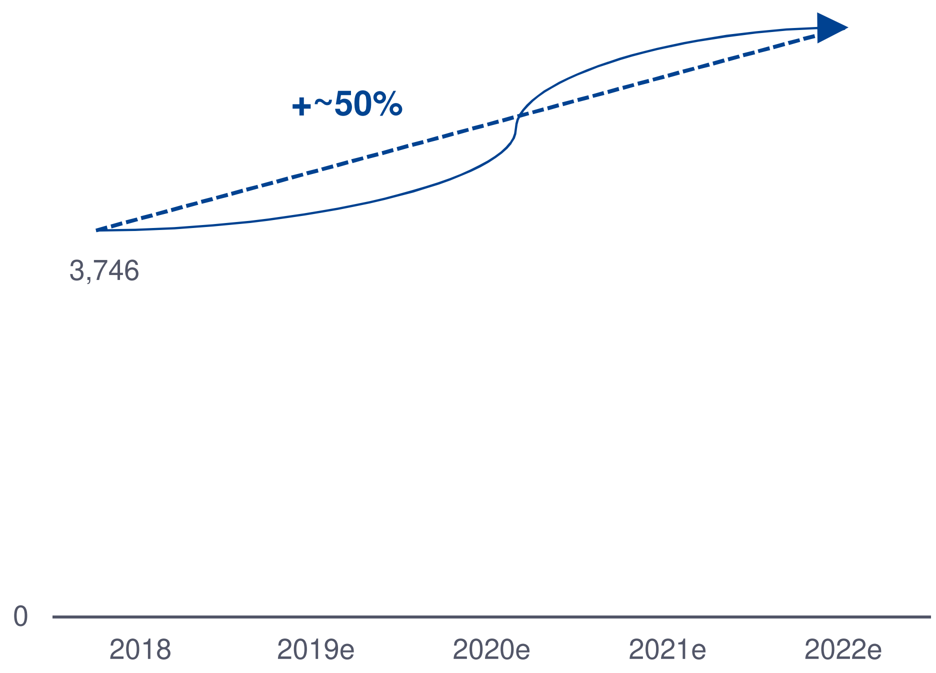
Cash flows from operations targets

Group EBITDA (€M, illustrative)



2018 CMD: "*EBIT to FCF conversion above 50% during the period and trending above 60% in 2022*"

737MAX grounding and NMA decision create uncertainties in FCF outlook

FCF tailwinds:
- Increase in profitability across all businesses
- CFM56 aftermarket and Equipment Services
- LEAP ESPH contracts
- Aircraft Interiors recovery

Main FCF headwinds:
- Working capital (advance payments)
- New developments and R&T roadmap
- Capex

▶ **Cash normalization should be progressive in 2020 and 2021**

Note: at a hedged rate of 1.18 and at a spot rate of 1.25 over the period 2019-2022

Note: ESPH= Engine Service Per Hour

Focus on FX

2019:

- Fully secured: 1,18
- Firm coverage raised to reflect growth in USD-related businesses
- No impact from the evolution of the €/$ spot rate

2020-2021-2022:

- Average annual exposure, now estimated at $11bn p.a., should remain stable in the coming years
- Target range secured: 1,16-1,18 for 2020, 1.15-1.18 for 2021 and 2022
- Current spot rate: tailwind

2023:

- Initiated coverage at $2.2bn through knock-out options

€/$ spot level evolution might provide opportunities

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A balanced and disciplined capital allocation

Increase in self-funded R&D and investments to secure leadership and growth

Increase returns to shareholders:

- CMD 2018: ~75% of cumulated FCF distributed through buybacks and dividends (@40% payout assumption) over the period 2018-2022
- €2.3bn share buyback program now executed (20 millions of shares to be cancelled in 2018 and 2019)
- The Board of Directors will review the situation in order to ensure attractive equity return for shareholders through dividends or new share buyback program

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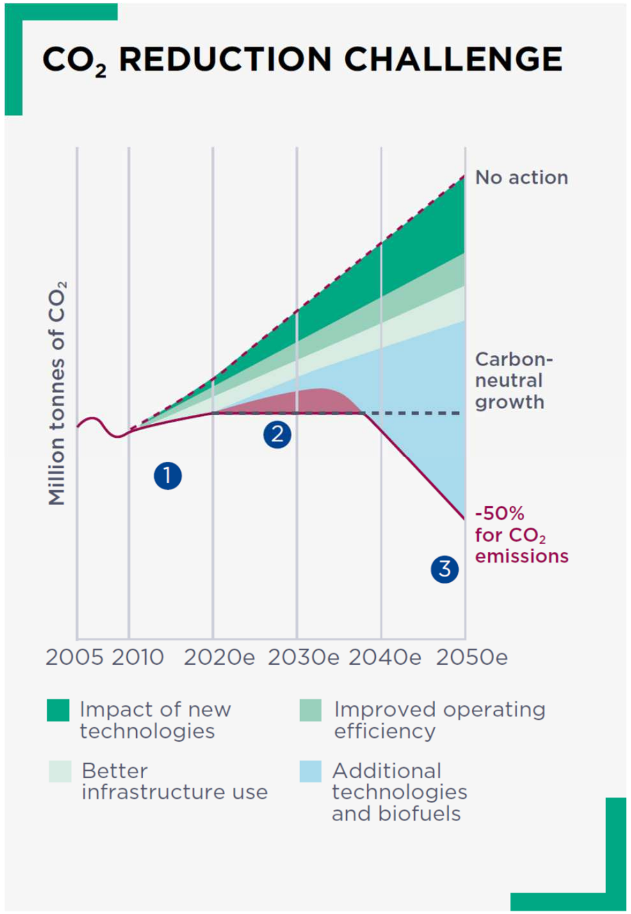
2020 trends

	What is at stake in 2020?
Revenue	• FY2019 as a very strong comparison basis • LEAP 1-B production rate • Growth in aftermarket • Volume headwind for widebodies (787 production rate; 777X entry into service slippage; A380 deliveries cease) • Lag effect of the non-offerability for Aircraft Interiors • FX
EBIT	• LEAP cost reduction. Fixed costs absorption depending on volumes • Continuous improvements in Equipment, Defense & Aerosystems • Aircraft interiors on going recovery • FX
FCF	• Uncertain recovery of 2019 FCF headwind

GREENING AVIATION

Long term environment issues, major challenges…



Global aviation industry: only ~2% of global CO_2 emissions (with aircraft manufacturing being negligible) but high expectations

CORSIA (2016): challenging targets for the industry:

1. Between 2009 and 2020, improving fleet fuel efficiency by 1.5% annually;
2. From 2021 to 2035, carbon-neutral growth;
3. From 2050, target reduction in net aviation's emissions of 50% relative to 2005 levels

A range of measures to be considered across the industry (airframers, airlines, equipment suppliers, airports) with the support of public authorities

On the propulsion side: an extraordinary technological leap needs to be made in terms of energy efficiency

- **Climate: a game changer in the industry**
- **Investing today in disruptive technologies to be leader in "low carbon" aviation: absolute priority for Safran**

… which are embedded in Safran R&T roadmap and strategy

Three components on the energy equation:

- Optimizing the propulsion fuel consumption
- Electrification and hybridization
- Sustainable fuels (from bio-fuels to synthetic fuels and hydrogen)

Specific solutions for each market segment:

- On the short run, improvements to existing energy systems and architecture (e.g., combustion efficiency, aerodynamics, weight saving, materials, etc.)
- On the medium term: technological breakthroughs (e.g. radically different aircraft and engine architecture such as Open Rotor, new energy sources etc.)
- Electric and hybrid propulsion: gains for short-haul and low capacity flights (i.e. regional, VTOL)

Two key assets:

- **High-performance materials:** efficiency and lighter weight
- **Agility:** disruptive technologies will be achieved through cooperations with market players and new actors

+€600M
Of R&T in 2022, vs. €317M in 2014

75%
of R&T focused on environmental efficiency

3,000
R&T employees

1,200
PhD graduates in the Group

+1,050
Initial patent requests filed WW in 2018

- **No magic bullet**
- **Safran ready to explore all solutions**

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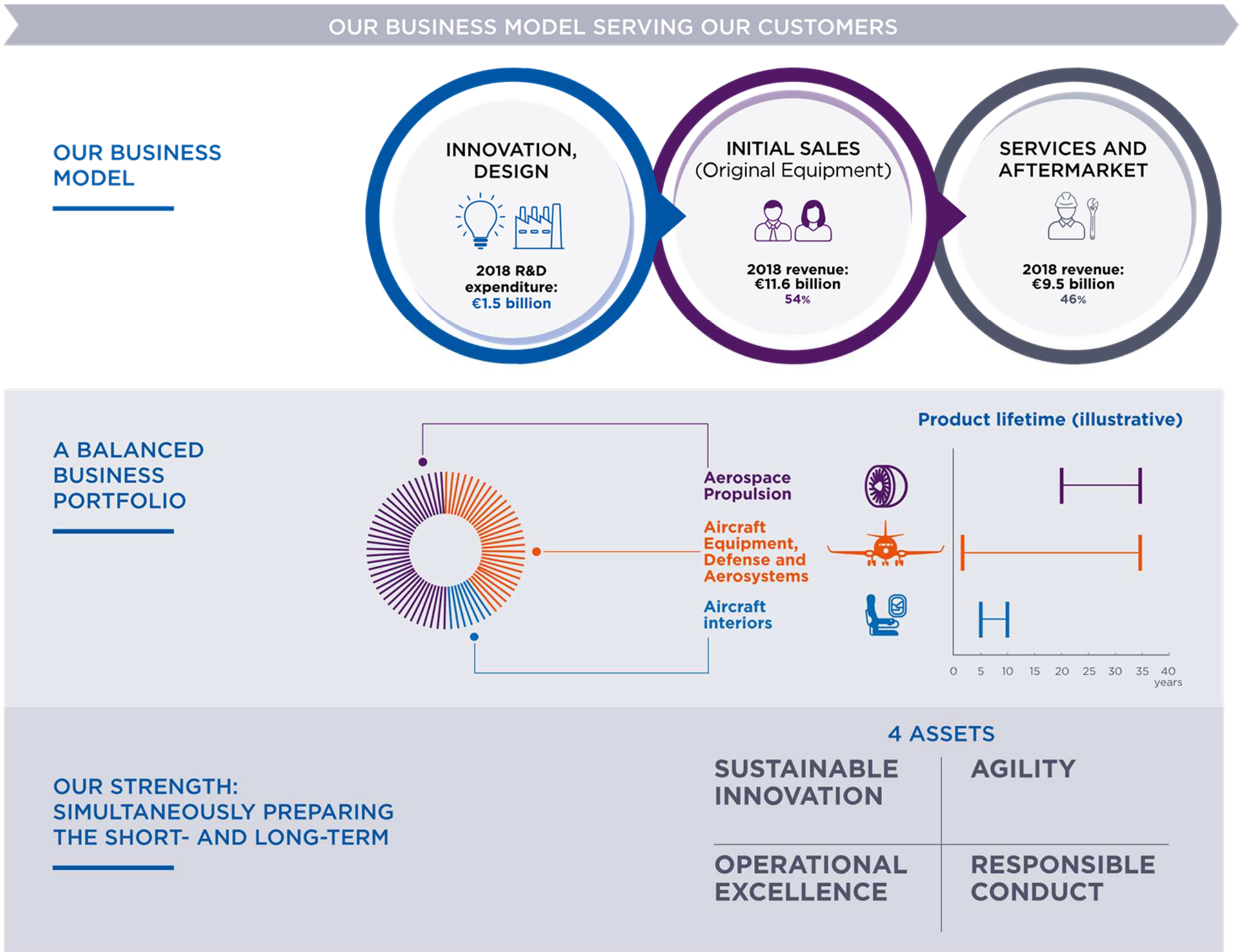
APPENDICES

Safran at a glance



An international Group of ~92,000, completely focused on Aerospace since Zodiac Aerospace acquisition in 2018

- 3rd WW Aerospace Group (excl. airframers)
- 2nd WW Aerospace Equipment supplier

3 activities:

- Aerospace Propulsion
- Aircraft Equipment, Defense & Aerosystems
- Aircraft Interiors

A very resilient business model, with Services generating ~46% of Revenue and different product lifetime

A clear ambition:

- Become the world's leading aircraft equipment supplier within the next 15 years

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Strategy wrap-up (1/2): Safran is well-positioned for success

WE HAVE THE KNOW-HOW AND OPERATIONAL EXCELLENCE

WE HAVE A BALANCED AND WINNING PORTFOLIO

WE HAVE TALENTED PEOPLE

WE HAVE A CLEAR ROADMAP FOR THE NEXT 15 YEARS

- **New ambitions ahead: leading the industry and preparing the next decades of the Aerospace and Defense industry**

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Strategy wrap-up (2/2): a clear road map

- **Complete the LEAP success story with best-in-class OE and aftermarket, in cooperation with our partner GE Aviation**
- **Successfully integrate Zodiac Aerospace and deliver planned synergies**
- **Invest in technologies to bolster our key-leading position as a full-fledged civil & military engine manufacturer and to become #1 WW Aerospace Equipment supplier in the next 15 years**

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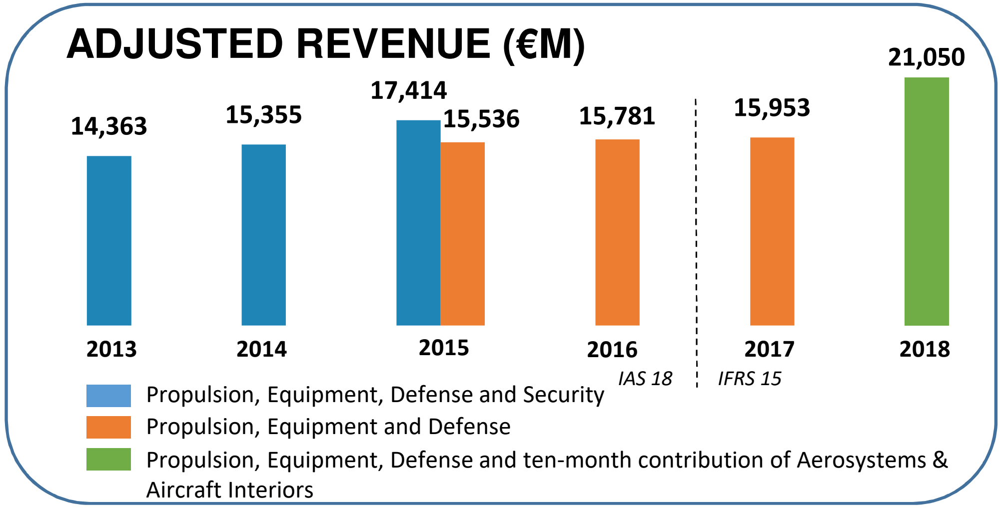
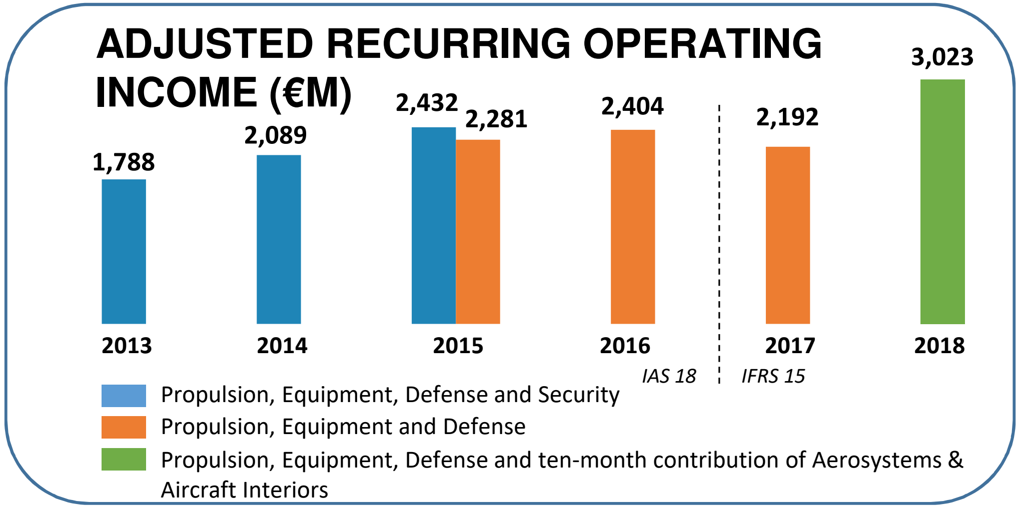
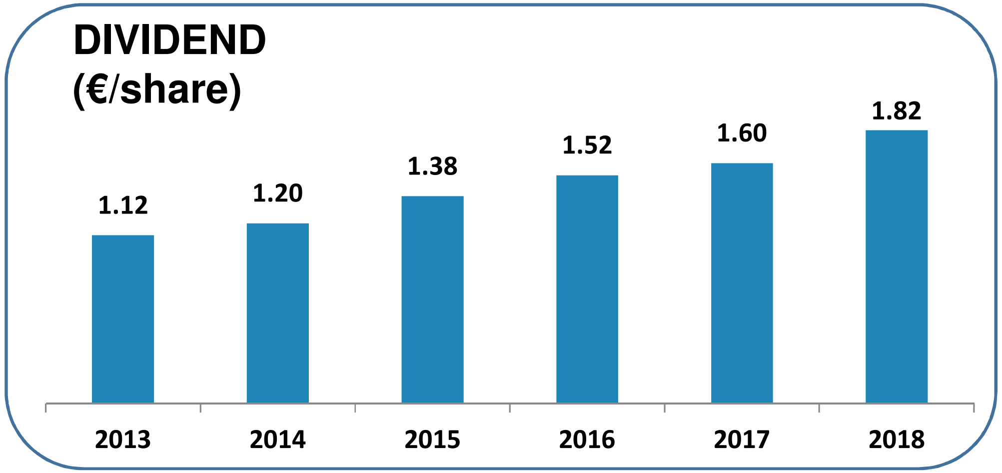
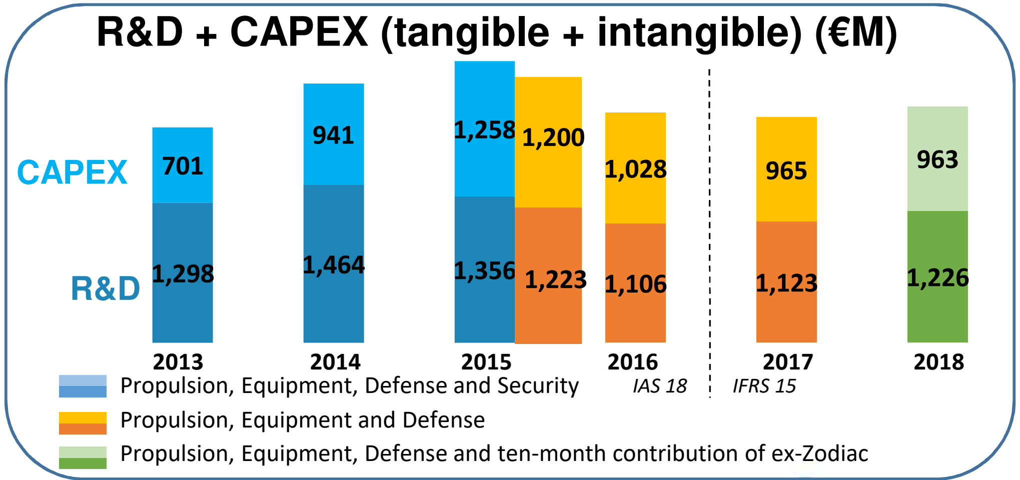
Key figures









FY 2017 restated for the application of IFRS 15
Aerosystems and Aircraft Interiors are fully consolidated in Safran's financial statements starting March 1,2018

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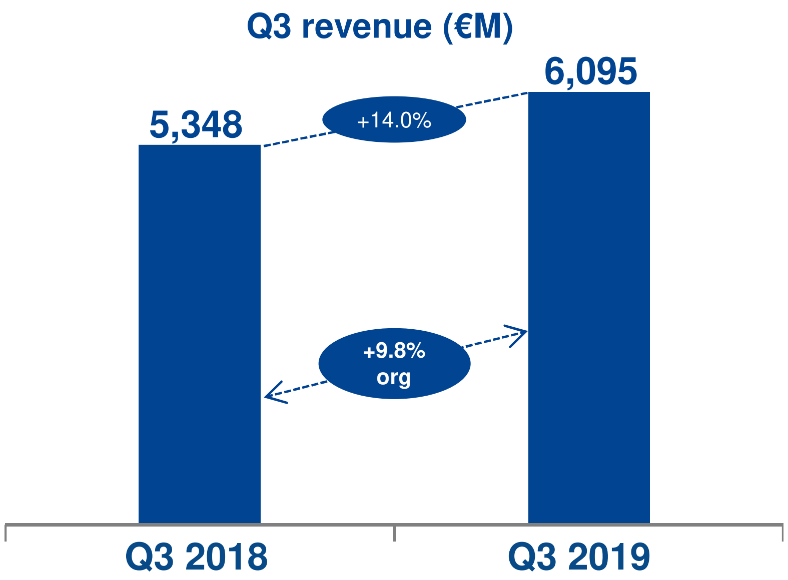
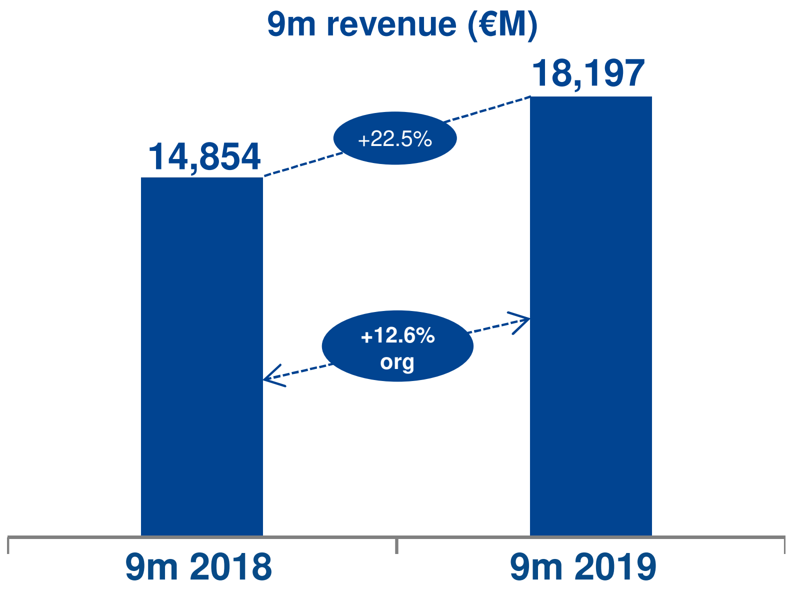
Last disclosure : 9m-19 and Q3-19 Revenue





Q3 & 9m revenues

- Reported revenues up including positive currency (EUR/USD average spot rate) impacts
- Organic growth supported by a strong momentum in all divisions

On track to meet 2019 revenue outlook

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