

PRESS RELEASE**Safran reports full-year 2022 results
Operational excellence driving solid performance**

Paris, February 17, 2023

FY 2022 adjusted data

- *Revenue: €19,035 million, +24.8%; +15.8% organic*
- *Recurring operating income: €2,408 million (12.6% of sales, +80bps)*
- *Free cash flow: €2,666 million. Net cash positive*
- *Dividend per share €1.35, subject to shareholders' approval*

FY 2022 consolidated data

- *Revenue: €19,523 million*
- *Recurring operating income: €2,493 million*
- *Profit from operations: €2,043 million*
- *Profit for the period attributable to owners of the parent: €(2,459) million*
- *Free cash flow: €2,666 million*

FY 2023 outlook (adjusted data)

- *Revenue: at least €23.0 billion*
- *Recurring operating income: c.€3.0 billion*
- *Free cash flow: at least €2.5 billion*

The Board of Directors of Safran (Euronext Paris: SAF), under the Chairmanship of Ross McInnes, at their meeting in Paris on February 16, 2023, adopted and authorized the publication of Safran's financial statements and adjusted income statement for the full-year period ended December 31, 2022.

Foreword

- All figures in this press release represent adjusted data, except where noted. Please refer to the definitions and reconciliation between full-year 2022 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: *“Following the continued recovery in air traffic, Safran delivered outstanding results as we successfully maneuver through a challenging operating environment with supply chain constraints and inflationary pressure. Our teams delivered strong sales and profit growth while also generating free cash flow that exceeded our expectations.*

While we expect industry-wide challenges to continue near-term, 2023 is set to be a strong year for customer demand. We expect continuing positive trends in global air traffic with China reopening gradually, a good catalyst for our aftermarket businesses at a time when airlines are catching up on maintenance. Increase in Defense budgets, particularly in France, will provide opportunities for growth. Through our focus on operational excellence and our priorities of decarbonization and sovereignty, we are on track to deliver on our 2025 commitments.”

Full-year 2022 results

➤ Revenue

The global narrowbody capacity increased throughout the year in all geographies except China. In 2022, narrowbody ASK were at 82% (on average) of 2019, with Q4-22 at 86% of Q4-19.

2022 revenue amounted to €19,035 million, up 24.8% compared to 2021, 15.8% organic. Change in scope was €(9) million¹. Currency impact of €1,382 million reflects a positive translation impact of USD revenues, with an average €/ \$ spot rate of 1.05 in 2022 (1.18 in 2021). €/ \$ hedge rate was at 1.15 (1.16 in 2021). Q4-22 sales increased by 21.1% at €5,626 million (11.8% organic) compared to Q4-21.

On an organic basis, 2022 revenue increased by 15.8%:

- **Propulsion** increased by 18.3% driven by a solid civil aftermarket activity (+29.3% in USD) highlighting strong spare parts sales for CFM56 and high thrust engines. Service activities for civil engines posted modest growth in the year. OE revenue was supported by higher deliveries with combined shipments of CFM engines reaching 1,196 units (1,136 LEAP and 60 CFM56), compared with 952 in 2021. Military engine activities recorded a slight growth in services but were down due to lower M88 deliveries. Helicopter turbines registered a lower OE activity and stable services (supply chain issues offset by higher pricing and support-by-the-hour contracts). Q4-22 sales increased by 10.0% mainly due to higher civil engine deliveries. Civil aftermarket revenue was up 4.3% compared to Q4-21 (as a reminder +53% in Q1, +41% in Q2 and +36% in Q3);
- **Equipment & Defense** was up 10.6% driven by aftermarket services across all activities. OE sales were up mainly thanks to nacelles (A330neo and LEAP-1A powered A320neo) and to a lesser extent safety systems (evacuation slides for A320neo) as well as fuel and fluid systems. Electronics & Defense revenue registered a slight increase with growing avionic activities (FADEC for LEAP and inertial navigation systems), higher deliveries of JIM binoculars but lower deliveries of guidance systems. The widebody market remained low during the first part of the year, notably on the 787 program impacting wiring, power and landing gear activities. Q4-22 sales increased by 12.0% compared to Q4-21 with strength in nacelles, Aerosystems and Electronic & Defense activities. MRO activities for landing gear activities were slightly impacted by supply chain constraints at the end of the year;
- **Aircraft Interiors** revenue recorded a solid 25.1% growth primarily driven by services for all activities. OE Cabin (toilets for A320neo, A350, 737 MAX and galleys) and Passenger Innovation (IFE) activities performed well during the year. Seats OE activities were impacted by lower volumes on business class seats. Q4-22 sales increased by 21.2% compared to Q4-21 thanks to Cabin and Passenger Innovation activities both in OE and services.

¹ Divestment of EVAC in June 2021, Safran Ventilation Systems Oklahoma (Enviro Systems) in November 2021, Pioneer Aerospace in April 2022 and Arresting Systems in June 2022. Acquisition of Orolia in July 2022.

➤ Research & Development

Total R&D, including R&D sold to customers, reached €1,540 million, compared with €1,430 million in 2021.

Self-funded R&D expenses before tax credits were up 10.3% at €1,019 million in 2022 including:

- Development expenses at €548 million (€532 million in 2021);
- Research & Technology (R&T) self-funded expenses at €471 million (€392 million in 2021). Efforts are mainly directed towards decarbonization through RISE, a 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 fuels.

The impact on recurring operating income of expensed R&D was €826 million, down (0.1) point of margin compared to 2021, with lower capitalized R&D and higher amortization and depreciation related to R&D programs. It represents 4.3% of sales, consistent with a mid-term target of 4.5% on average for 2021-2025.

➤ Recurring operating income

2022 recurring operating income² reached €2,408 million, +33.4% compared to 2021 (+28.0% organic) mainly driven by service activities for Propulsion and Equipment & Defense. It includes scope changes of €4 million and a currency impact of €94 million. The Group registered an increase of profit-sharing³ as well as a higher R&D impact in P&L. The operating margin stood at 12.6% of sales compared with 11.8% in the year ago period.

On an organic basis, recurring operating income improved by 28.0%:

- **Propulsion** recurring operating income was up by 23.1% due to a strong civil aftermarket activity which was driven by higher spare parts sales for CFM56 and high thrust engines. Military services also supported the positive trend seen in 2022. The CFM56/LEAP transition was a negative contribution with lower CFM56 deliveries and higher LEAP deliveries at negative margin. M88 OE deliveries as well as helicopter turbine activities had a negative impact compared to 2021;
- **Equipment & Defense** recurring operating income increased by 25.1% driven by growth in services notably landing gear, carbon brakes, aerosystems and nacelles. OE nacelles had a positive contribution thanks to A330neo and A320neo programs. Electronics & Defense was flat with higher avionics and optronics activities compensating lower guiding and navigation systems;
- **Aircraft Interiors** posted a recurring operating loss of €(140) million, an improvement of €48 million in organic from 2021. Cabin activities reached breakeven in Q4-22 thanks to a strong growth in services and to a lesser extent to OE deliveries. Seats reported a positive contribution from services but a loss from OE activities. Seats is facing supply chain issues and cost-overruns in engineering and production. Strong efforts are deployed to stem these losses going forward.

➤ Adjusted net income

In 2022, non-cash one-off items were €(450) million including an impairment charges for several programs of which €(105) million related to Russia as well as €(319) million of goodwill impairment in Aircraft Interiors and a capital gain on disposals of €63 million.

² Operating income before capital gains or losses on disposals / impact of changes of control, impairment charges, transaction and integration costs and other items.

³ The over-performance recorded in 2022 allowed an increase in the optional profit-sharing ("Intéressement") paid to French employees.

Adjusted net income – Group share was €1,178 million in 2022 (basic EPS of €2.76 and diluted EPS of €2.68) compared with €760 million in 2021 (basic EPS of €1.78 and diluted EPS of €1.73).

It includes:

- Net adjusted financial expense of €(186) million, including €(56) million of cost of debt, €(95) million exchange revaluation of positions in the balance sheet and €(48) million impairment of financial assets in Russia (notably non-consolidated investments);
- An adjusted tax expense of €(557) million (31.4% apparent tax rate).

The reconciliation between 2022 consolidated income statement and adjusted income statement is provided and commented in the Notes on page 11.

➤ Free cash flow

Free cash flow⁴ of €2,666 million benefited from advance payments. Safran resumed its investments in production capacity and low carbon initiatives with capital expenditures (tangibles and intangibles) increasing to €(879) million (€(756) million in 2021).

The favorable working capital evolution (€729 million) reflects significant customer advance payments as well as strong deferred income from rate per flight hour service contracts offsetting a significant increase in inventories to ensure minimal disruption of deliveries to customers.

➤ Net debt and financing

As of December 31, 2022, Safran's balance sheet exhibits a €14 million net cash position (vs. net debt of €1,544 million as at December 31, 2021), as a result of a strong free cash flow generation.

Cash and cash equivalent stood at €6,687 million, up from €5,247 million at the end of December 2021.

In 2022 Safran continued to optimize its debt profile with key financing transactions:

- Reimbursement at maturity date in February 2022 of \$540 million senior unsecured USPP notes issued in 2012; refinanced with €500 million EIB's bank loan (linked to a decarbonization research program) signed in March 2021 and fully drawn in February 2022;
- ESG Financing (refinancing of the 2015 Revolving Credit Facility): €2 billion undrawn sustainability-linked revolving credit facility available until May 2027 (with two one-year extension options). Cost indexed on reaching 2 ESG annual objectives.

On December 2, S&P upgraded Safran's long-term credit rating to A- with a stable outlook.

➤ Shareholder returns

▪ Dividend

For fiscal year 2022, a dividend⁵ payment of €1.35 per share will be proposed to the shareholders' vote at the Annual General Meeting on May 25, 2023, representing a 40% payout ratio on a restated⁶ net income (vs. €0.50 in 2021).

⁴ 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.

⁵ Ex-date: May 30, 2023; Record date: May 31, 2023; Dividend payment: June 1, 2023.

⁶ Excluding the contribution from the French government in the form of short time working, the contribution of employees in 2022 ("Abondement") and the goodwill depreciation of Aircraft Interiors.

▪ **Liability management transaction (2027 OCEANES)**

Purchase of up to 9.4 million shares announced on October 28, 2022 in order to hedge the potential dilution of 2027 convertible bonds⁷:

- First tranche completed at 2022 year end: c.2.4 million shares (€275 million cash-out);
- At February 9: c.4 million shares purchased (€492 million cash-out) cumulative.
- Ongoing second tranche expected to be completed by March 31, 2023;

Those shares will be delivered to 2027 OCEANES' holders if and when they exercise their conversion right.

Full-year 2023 outlook

Safran expects to achieve for full-year 2023 (at current perimeter, adjusted data, €/ \$ spot rate of 1.05 and hedge rate of 1.13):

- Revenue of at least €23.0 billion;
- Recurring operating income of c.€3.0 billion;
- Free Cash Flow of at least €2.5bn, subject to payment schedule of some advance payments.

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

- No further disruption to the world economy;
- Air traffic: narrowbody ASK back to 2019 level in the course of 2023;
- LEAP engine deliveries: increase by c.50%;
- Civil aftermarket revenue: up in the low twenties (in USD).

The main risk factor remains the supply chain production capabilities.

Currency hedges

The hedge book amounts to \$52.6 billion in January 2023, compared to \$50.1 billion in September 2022.

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: \$6.6 billion hedged out of an estimated net exposure of \$14.0 billion.

Portfolio management

Safran continues to execute its **targeted divestment program**:

- Pioneer Aerospace Corporation, safety control systems as well as parachute release and launch platforms: closed on April 15th, 2022;
- Safran Aerosystems Arresting Systems, military aircraft arresting systems: closed on June 30th, 2022;
- Cargo and catering activities: agreement signed, closing expected in Q2-23.

Safran has executed in several **bolt-on acquisitions**:

- Orolia, Resilient Positioning, Navigation and Timing (PNT) solutions: closed on July 7th, 2022;
- Cilas (63% with MBDA), laser and optonics solutions: closed on November 2nd, 2022;

⁷ c.9.24 million convertible bonds maturing in May 2027 (2027 OCEANES) for a total nominal value of €1,000M and a unit par value of €108.23. Conversion ratio currently set at 1.009. Current conversion price of €107.26 with a potential dilution of 2.18% 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.139€). Refer to the Terms and Conditions of the 2027 OCEANES available on Safran website.

- Syrlinks, earth-space communications equipment: closed in November 4th, 2022;
- Aubert & Duval, the share purchase agreement was signed with Airbus and Tikehau Ace Capital on June 21st, 2022: closing expected in Q1-23;
- Thales Electrical Systems activities, electrical systems: closing expected in Q2-23.

All in all, divestments represent approximately €400 million of cash-in and acquisitions approximately €650 million of cash out for transactions closed in 2022 and those already committed for 2023.

Climate strategy

The Science Based Targets initiative (SBTi) has validated Safran's GHG emissions reduction targets to be in conformance with its Criteria and Recommendations. SBTi has determined that Safran's scope 1 and 2 target ambition is in line with a 1.5°C trajectory.

Safran's greenhouse gas (GHG) emissions reduction targets:

- Reduce absolute scope 1 and 2 GHG emissions by 50.4% by 2030 vs. 2018⁸;
- Reduce scope 3 GHG emissions from the use of sold products⁹ by 42.5% per Available Seat Kilometer by 2035 vs. 2018⁸ ¹⁰.

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Agenda

Q1 2023 revenue	April 26, 2023
Annual General Meeting	May 25, 2023
H1 2023 results	July 27, 2023
Q3 2023 revenue	October 27, 2023
FY 2023 results	February 15, 2024

* * * * *

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/bzxspyzp>
⇒ 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/BI61b2ecb0bdbe4da7aeb03af5d0b73f0e>

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).

⁸ The target boundary includes biogenic emissions and removals from bioenergy feedstocks.

⁹ Direct and indirect use-phase emissions

¹⁰ Non-CO₂ effects which may also contribute to aviation induced warming are not included in this target. Safran commits to report publicly on its collaboration with stakeholders to improve understanding of opportunities to mitigate the non-CO₂e impacts of aviation annually over its target timeframe.

Key figures

1. Adjusted income statement, balance sheet and cash flow

<i>Adjusted income statement</i> (In Euro million)	FY 2021	FY 2022	% change
Revenue	15,257	19,035	25%
Other recurring operating income and expenses	(13,521)	(16,724)	
Share in profit from joint ventures	69	97	
Recurring operating income	1,805	2,408	33%
% of revenue	11.8%	12.6%	0.8pt
Other non-recurring operating income and expenses	(405)	(450)	
Profit from operations	1,400	1,958	40%
% of revenue	9.2%	10.3%	1.1pt
Net financial income (expense)	(204)	(186)	
Income tax expense	(412)	(557)	
Profit for the period	784	1,215	55%
Profit for the period attributable to non-controlling interests	(24)	(37)	
Profit for the period attributable to owners of the parent	760	1,178	55%
Earnings per share attributable to owners of parent (basic in €)	1.78*	2,76**	55%
Earnings per share attributable to owners of parent (diluted in €)	1.73***	2,68****	55%

* Based on the weighted average number of shares of 426,650,425 as of December 31, 2021

** Based on the weighted average number of shares of 426,680,657 as of December 31, 2022

*** Based on the weighted average number of shares after dilution of 440,087,029 as of December 31, 2021

**** Based on the weighted average number of shares after dilution of 440,159,929 as of December 31, 2022

<i>Balance sheet - Assets</i> (In Euro million)	Dec. 31, 2021	Dec. 31, 2022	<i>Balance sheet - Liabilities</i> (In Euro million)	Dec. 31, 2021	Dec. 31, 2022
Goodwill	5,068	4,994	Equity	13,270	10,866
Tangible & Intangible assets	12,319	11,943	Provisions	2,856	2,567
Investments in joint ventures and associates	1,969	1,974	Borrowings subject to sp. conditions	327	302
Right of use	606	566	Interest bearing liabilities	6,814	6,673
Other non-current assets	1,148	2,354	Derivatives liabilities	1,796	5,848
Derivatives assets	728	540	Other non-current liabilities	1,391	1,239
Inventories and WIP	5,063	6,408	Trade and other payables	4,950	6,298
Contracts costs	552	664	Contracts Liabilities	10,141	12,756
Trade and other receivables	6,504	7,904	Other current liabilities	171	279
Contracts assets	1,853	1,982	Total Equity & Liabilities	41,716	46,828
Cash and cash equivalents	5,247	6,687			
Other current assets	659	812			
Total Assets	41,716	46,828			

<i>Cash Flow Highlights</i> (In Euro million)	FY 2021	FY 2022
Recurring operating income	1,805	2,408
One-off items	(405)	(450)
Depreciation, amortization, provisions (excluding financial)	1,336	1,540
EBITDA	2,736	3,498
Income tax and non-cash items	(550)	(682)
Cash flow from operations	2,186	2,816
Changes in working capital	250	729
Capex (tangible assets)	(387)	(498)
Capex (intangible assets)	(53)	(98)
Capitalization of R&D	(316)	(283)
Free cash flow	1,680	2,666
Dividends paid	(188)	(225)
Divestments/acquisitions and others	(244)	(883)
Net change in cash and cash equivalents	1,248	1,558
Net cash / (Net debt) at beginning of period	(2,792)	(1,544)
Net cash / (Net debt) at end of period	(1,544)	14

2. Segment breakdown

<i>Segment breakdown of adjusted revenue (In Euro million)</i>	FY 2021	FY 2022	% change	% change in scope	% change currency	% change organic
Propulsion	7,439	9,506	27.8%	-	9.5%	18.3%
Equipment & Defense	6,325	7,535	19.1%	0.7%	7.8%	10.6%
Aircraft Interiors	1,475	1,978	34.1%	(3.7)%	12.7%	25.1%
Holding company & Others	18	16	(11.1)%	-	-	(11.1)%
Total Group	15,257	19,035	24.8%	(0.1)%	9.1%	15.8%

<i>OE / Services adjusted revenue breakdown (In Euro million)</i>	FY 2021		FY 2022	
	OE	Services	OE	Services
Propulsion	2,801	4,638	3,515	5,991
% of revenue	37.7%	62.3%	37.0%	63.0%
Equipment & Defense	4,187	2,138	4,710	2,825
% of revenue	66.2%	33.8%	62.5%	37.5%
Aircraft Interiors¹¹	1,067	408	1,389	589
% of revenue	72.3%	27.7%	70.2%	29.8%

<i>Segment breakdown of adjusted revenue (In Euro million)</i>	Q4 2021	Q4 2022	% change	% change in scope	% change currency	% change organic
Propulsion	2,378	2,827	18.9%	-	8.9%	10.0%
Equipment & Defense	1,818	2,209	21.5%	1.8%	7.7%	12.0%
Aircraft Interiors	444	586	32.0%	(1.8)%	12.6%	21.2%
Holding company & Others	7	4	(42.9)%	-	-	(42.9)%
Total Group	4,647	5,626	21.1%	0.5%	8.8%	11.8%

<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
Total Group	4,071	4,489	4,849	5,626	19,035

<i>2021 revenue by quarter (In Euro million)</i>	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021
Propulsion	1,561	1,688	1,812	2,378	7,439
Equipment & Defense	1,464	1,508	1,535	1,818	6,325
Aircraft Interiors	313	333	385	444	1,475
Holding company & Others	4	5	2	7	18
Total Group	3,342	3,534	3,734	4,647	15,257

<i>Segment breakdown of recurring operating income (In Euro million)</i>	FY 2021	FY 2022	% change
Propulsion	1,342	1,710	27.4%
% of revenue	18.0%	18.0%	
Equipment & Defense	650	874	34.5%
% of revenue	10.3%	11.6%	
Aircraft Interiors	(167)	(140)	16.2%
% of revenue	(11.3)%	(7.1)%	
Holding company & Others	(20)	(36)	n/s
Total Group	1,805	2,408	33.4%
% of revenue	11.8%	12.6%	

¹¹ Retrofit is included in OE

One-off items <i>(In Euro million)</i>	FY 2021	FY 2022
Adjusted recurring operating income	1,805	2,408
% of revenue	11.8%	12.6%
Total one-off items	(405)	(450)
<i>Capital gain (loss) on asset disposal</i>	71	63
<i>Impairment reversal (charge)</i>	(309)	(503)
<i>Other infrequent & material non-operational items</i>	(167)	(10)
Adjusted profit from operations	1,400	1,958
% of revenue	9.2%	10.3%
Euro/USD rate	FY 2021	FY 2022
Average spot rate	1.18	1.05
Spot rate (end of period)	1.13	1.07
Hedge rate	1.16	1.15

3. Number of products delivered on major aerospace programs

Number of units delivered	FY 2021	FY 2022	% change
LEAP engines	845	1,136	34%
CFM56 engines	107	60	(44)%
High thrust engines	235	181	(23)%
Helicopter turbines	574	508	(11)%
M88 engines	64	51	(20)%
787 landing gears sets	41	21	(49)%
A350 landing gears sets	39	43	10%
A330neo nacelles	20	52	160%
A320neo nacelles	576	588	2%
Small nacelles (biz & regional jets)	392	516	32%
A350 lavatories	264	338	28%
Business class seats	2,097	1,704	(19)%
A320 emergency slides	3,598	4,454	24%
787 primary power distribution system	159	112	(30)%

4. Research & Development

Research & Development <i>(In Euro million)</i>	FY 2021	FY 2022	change
Total R&D	(1,430)	(1,540)	(110)
R&D sold to customers	506	521	15
R&D expenses	(924)	(1,019)	(95)
<i>as a % of revenue</i>	6.1%	5.4%	(0.7)pt
Tax credit	160	151	(9)
R&D expenses after tax credit	(764)	(868)	(104)
Gross capitalized R&D	311	278	(33)
Amortisation and depreciation of R&D	(225)	(236)	(11)
P&L R&D in recurring operating income	(678)	(826)	(148)
<i>as a % of revenue</i>	4.4%	4.3%	(0.1)pt

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.

FY 2022 reconciliation between consolidated income statement and adjusted consolidated income statement:

FY 2022	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	19,523	(488)				19,035
Other operating income and expenses	(17,103)	10	3	38	328	(16,724)
Share in profit from joint ventures	73				24	97
Recurring operating income	2,493	(478)	3	38	352	2,408
Other non-recurring operating income and expenses	(450)					(450)
Profit (loss) from operations	2,043	(478)	3	38	352	1,958
Cost of debt	(56)					(56)
Foreign exchange gains / losses	(5,072)	478	4,499			(95)
Other financial income and expense	(35)					(35)
Financial income (loss)	(5,163)	478	4,499			(186)
Income tax expense	694		(1,663)	(10)	(78)	(557)
Profit (loss) from continuing operations	(2,426)	-	3,339	28	274	1,215
Attributable to non-controlling interests	(33)	-	(4)			(37)
Attributable to owners of the parent	(2,459)	-	3,335	28	274	1,178

(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 €4,499 million excluding tax), and the impact of taking into account hedges when measuring provisions for losses on completion (a positive €3 million at December 31, 2022).

(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 €276 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 6, "Segment information".

Adjusted financial data other than the data provided in Note 6, "Segment information" are subject to the verification procedures applicable to all of the information provided in the Universal Registration Document.

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.