



# 1H24 Results

July 30<sup>th</sup>, 2024

**indra**



## Conference call details

### **LIVE EVENT:**

The Company will host a conference call for investors and analysts today at 9:00 (CET).

### **Please find below conference call telephone details:**

Pre-registration: <https://aiti.capitalaudiohub.com/indra/reg.html>

Once you've registered, you will receive an email with your personal credentials: Dial-in numbers, Conference ID and User ID.

- Participants will need to enter the Conference ID and press the pound key.
- Each participant will need to enter a unique personal User ID and press the pound key.

### **Access to the webcast live event:**

<https://streamstudio.world-television.com/1015-2578-40031/en>

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# Introduction

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**Marc Murtra**  
Chairman

1H24  
Results



# Where we are going

**indra**

**H124:**

Double-digit growth in Revenue, EBITDA, Net Income and Free Cash Flow

**We want to become the Spanish multinational of reference in Defence & Aerospace and Advanced Digital Technologies**

## Defence & Aerospace

### Defence

- Working to become a Defence Systems Integrator of reference through our new Organizational Model, establishing the role of System Owners
- Dividend payment (59.6M€) received from investment in ITP

### ATM

- Focus on geographic expansion in key geographies: North America and Asia Pacific
- Entry of NAV Canada into iTEC Alliance as an important cross border milestone

## Advanced Digital Technologies

### Minsait

- 50% of H1 24 sales from Digital and Solutions
- Significant advancements in AI

### Mobility

- Planned integration of Mobility into Minsait as a driver towards a digital portfolio with capabilities in Artificial Intelligence, Cloud, Cybersecurity, etc.

**Launch of the technology Roadmap to identify the key future technologies, capabilities and products in which to invest the €3bn R&D budget**

# Case for change

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We are placing all our efforts on the successful implementation of our Strategic Plan 'Leading the Future' through a strengthened organization

CFO  
appointment

Regional  
Director  
appointments

Appointment  
to Executive  
Chairman

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# 1H24 Indra Highlights

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**José Vicente de los Mozos**  
Chief Executive Officer

1H24  
Results



# 1H24

## Main headlines

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### Financial headlines: Strong 2Q24 performance

- Revenues (+15%), EBITDA (+22%), Net Income (+27%) and FCF (+27%) growing at double-digit rates
- Backlog and Order intake grew by +5% and +7% respectively
- Increased operating profitability (EBITDA and EBIT margin improvement)
- All Guidance metrics increased

### Business headlines: Significant progress in the implementation of 'Leading the Future'

- Accelerated Strategic Plan implementation by closely tracking business, operations and transformation progress and improvements with an automated tool
- Landed the geographic model introduced at our Capital Markets Day in March: 3 focus regions, with 11 Home Markets, and a pure international export business
- Key developments in our M&A strategy (already advanced conversations) and Joint Ventures and alliances (Lockheed Martin & EDGE group)

# 1H24 Group Financial Results Headlines

## Backlog

€ 7,148m

+4.8%

## Order Intake

€ 2,681m

+6.7%

## Revenues

€ 2,304m

+14.5%

## EBITDA Margin

10.0% (€230m +22% YoY)

+0.6pp

## Operating Margin

9.1% (€210m +26% YoY)

+0.8pp

## EBIT Margin

7.8% (€179m +29% YoY)

+0.9pp

## Net Income

€ 114m

+27.4%

## Free Cash Flow

€ 69m

+26.7%

## Net Debt

€ 93m

0.2x Net Debt/EBITDA



# 2Q24 Group Financial Results Headlines

## Revenues

€ 1,186m

+8.3%

## EBITDA Margin

9.6% (€113m +17% YoY)

+0.7pp

## Operating Margin

8.9% (€105m +15.9% YoY)

+0.6pp

## EBIT Margin

7.5% (€89m +20.8% YoY)

+0.8pp

## Net Income

€ 53m

+15.4%

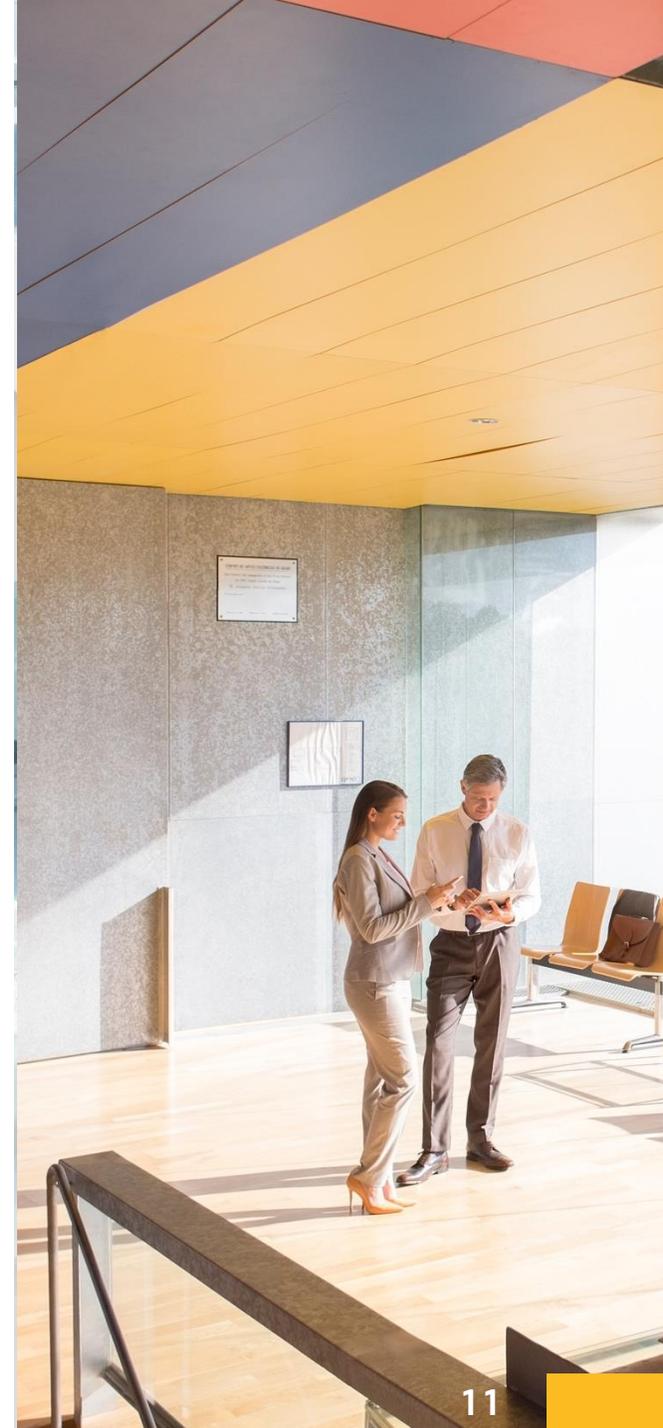
## Free Cash Flow

€ 1m

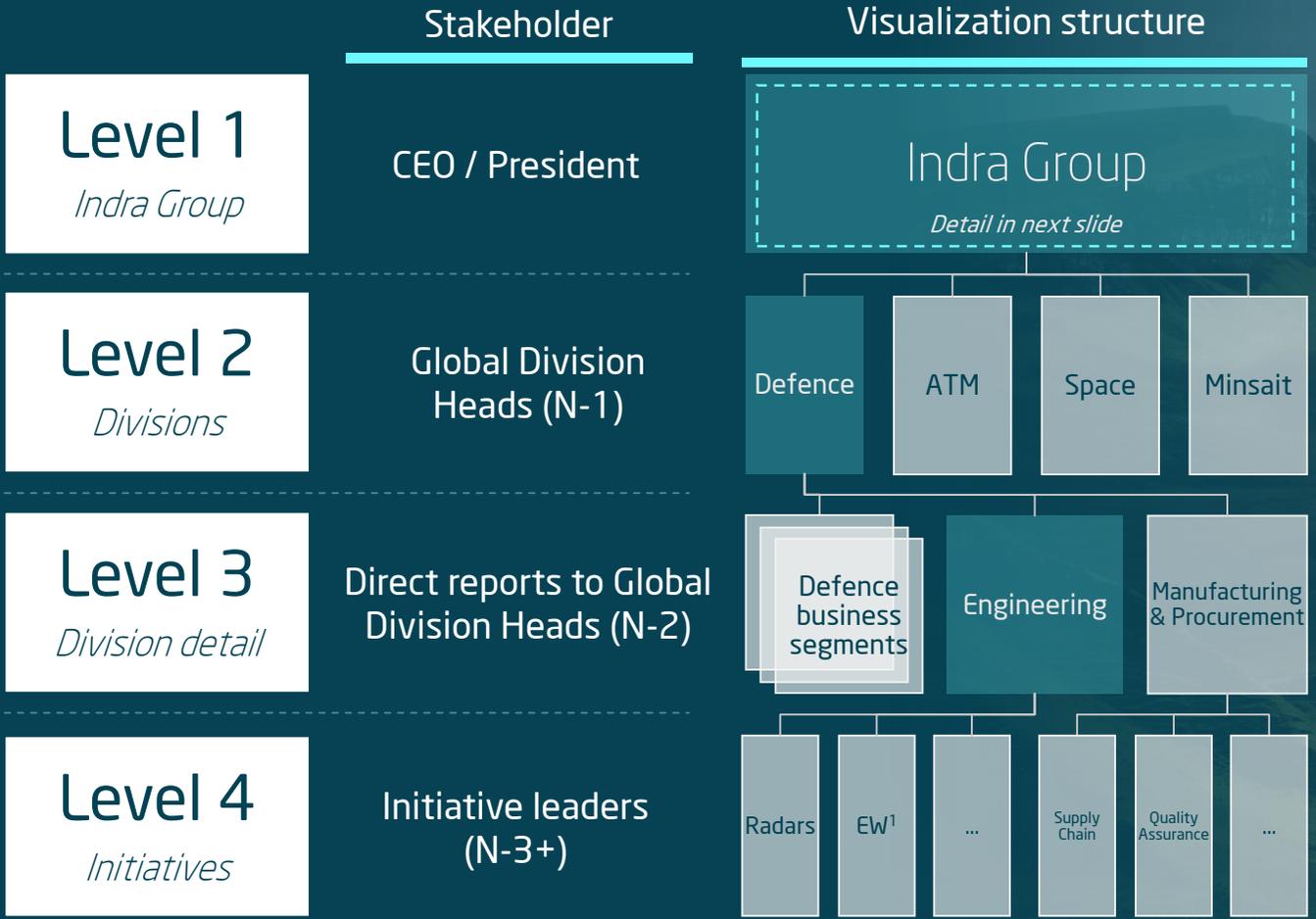
- 2Q24 Revenues increased +8%, showing growth in all four divisions
- EBITDA and EBIT Margins improved to 9.6% (vs 8.9%) and 7.5% (vs 6.7%) respectively
- EBITDA and EBIT growing at double-digit rates in absolute terms
- Net Income up +15%

# New 2024 Guidance after a solid 1H24

	2023 Results	2024 Guidance	2024 New Guidance
Revenues (in local currency)	€4,398m	> €4,650m	> €4,800m
EBIT	€347m	> €400m	> €415m
FCF	€312m	> €250m	> €260m



# We have successfully launched an automated Scorecard tool, focused on granular monitoring of the Strategic Plan's KPIs



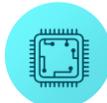
## Four types of KPIs



Financial



Commercial



Operational



Talent & People

1. Electronic Warfare

# Three focus regions, with 11 Home Markets, and a pure international export business

**North America and Centre & North Europe**

**Home Markets**

 EE.UU.  UK<sup>1</sup>

**Simplified structure**

 Germany  Norway

**Latin America and South of Europe<sup>2</sup>**

**Home Markets**

 Italy  Brazil  Mexico  Chile

 Portugal  Peru  Colombia

**Simplified structure**

 Philippines  Argentina  Uruguay  Panama

**Middle East and North Africa**

**Home Markets**

 KSA<sup>3</sup>  EAU<sup>3</sup>

**Simplified structure**

 Azerbaijan  Morocco

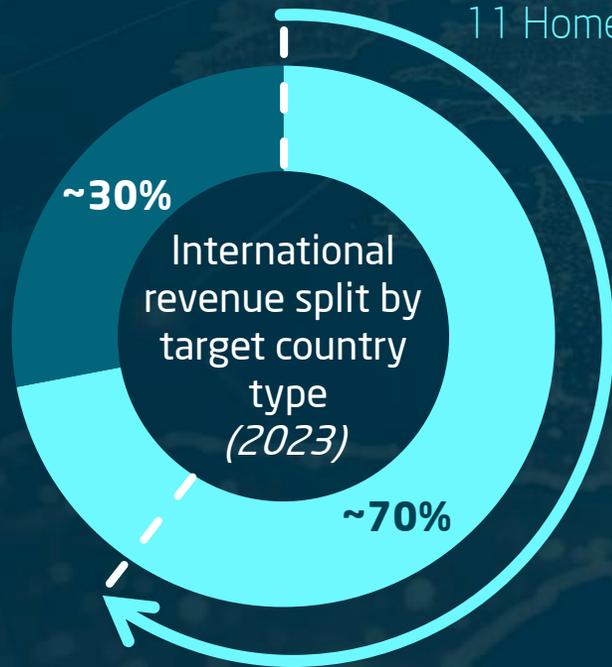
**International**

   Countries with local structure in the Cluster    Export countries in the Cluster  International  Countries without sales

1. Will service British Islands; 2. Including PALOPS & Philippines; 3. Potential shared structure

# As a result, Indra Group will rationalize its international footprint

**60%**  
of revenue from  
11 Home Markets



■ Export countries ■ Countries with local structure

## Key impacts

From **45 to 19** countries with a local structure, of which **11 are home markets**

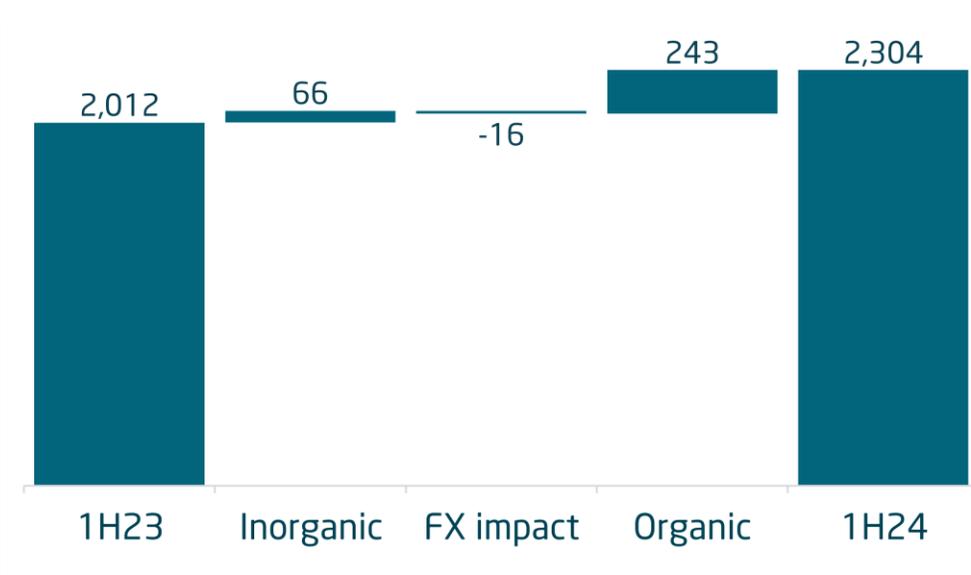
**+70%** of international revenue generated in the countries with local structure

Reduction of **55-65** permanent legal entities

# Sales reached Double-Digit Growth in 1H24

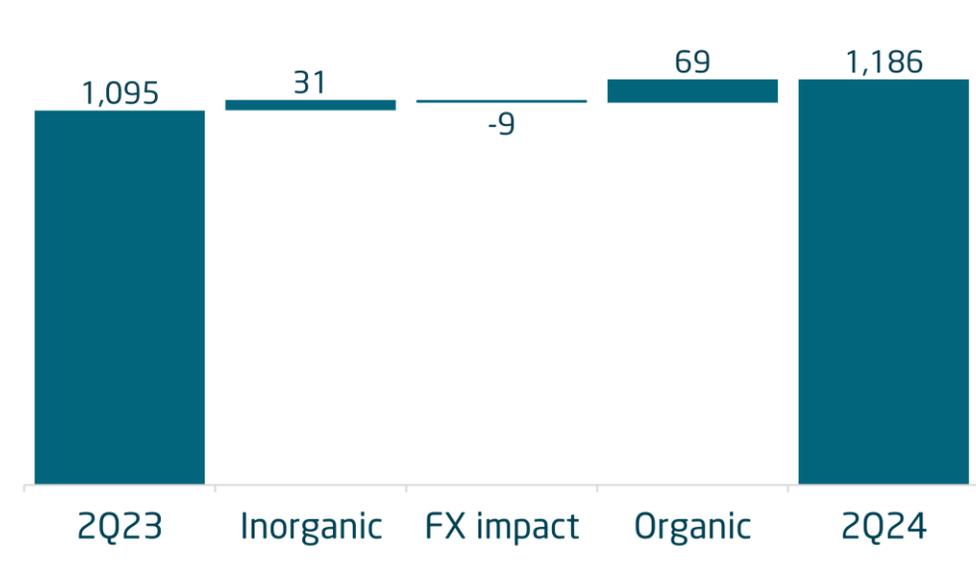
## 1H24 Revenues

Reported	+ 15%
Local Currency	+ 15%
Organic	+ 12%



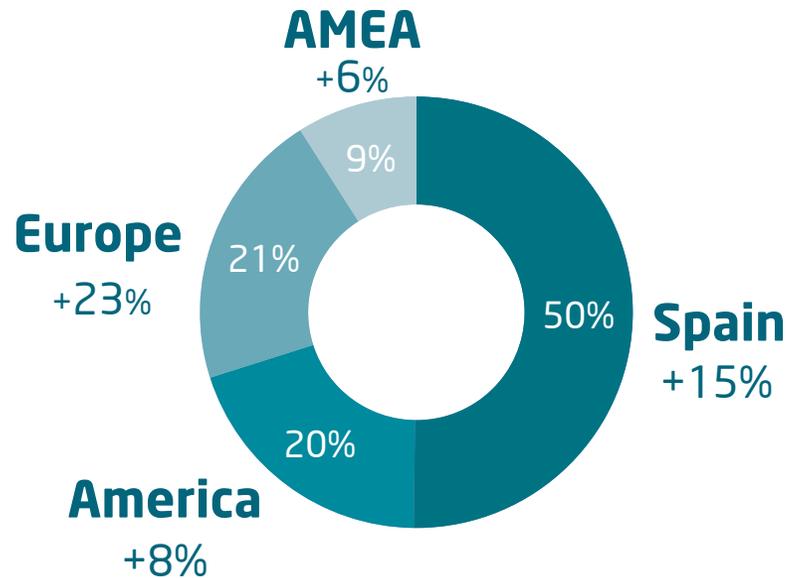
## 2Q24 Revenues

Reported	+ 8%
Local Currency	+ 9%
Organic	+ 6%



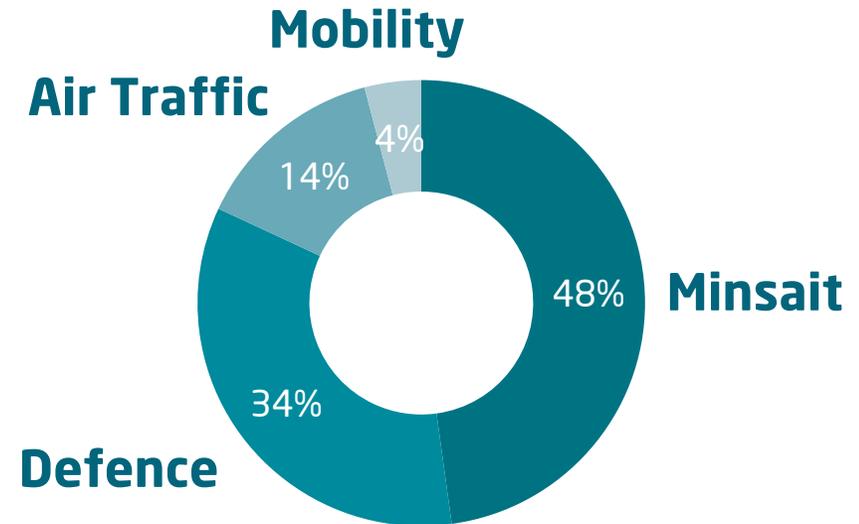
# Breakdown by Geography and Division

## 1H24 Revenues breakdown by Geography



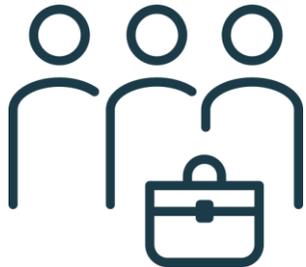
International Business covering 50%

## 1H24 EBITDA breakdown by Division



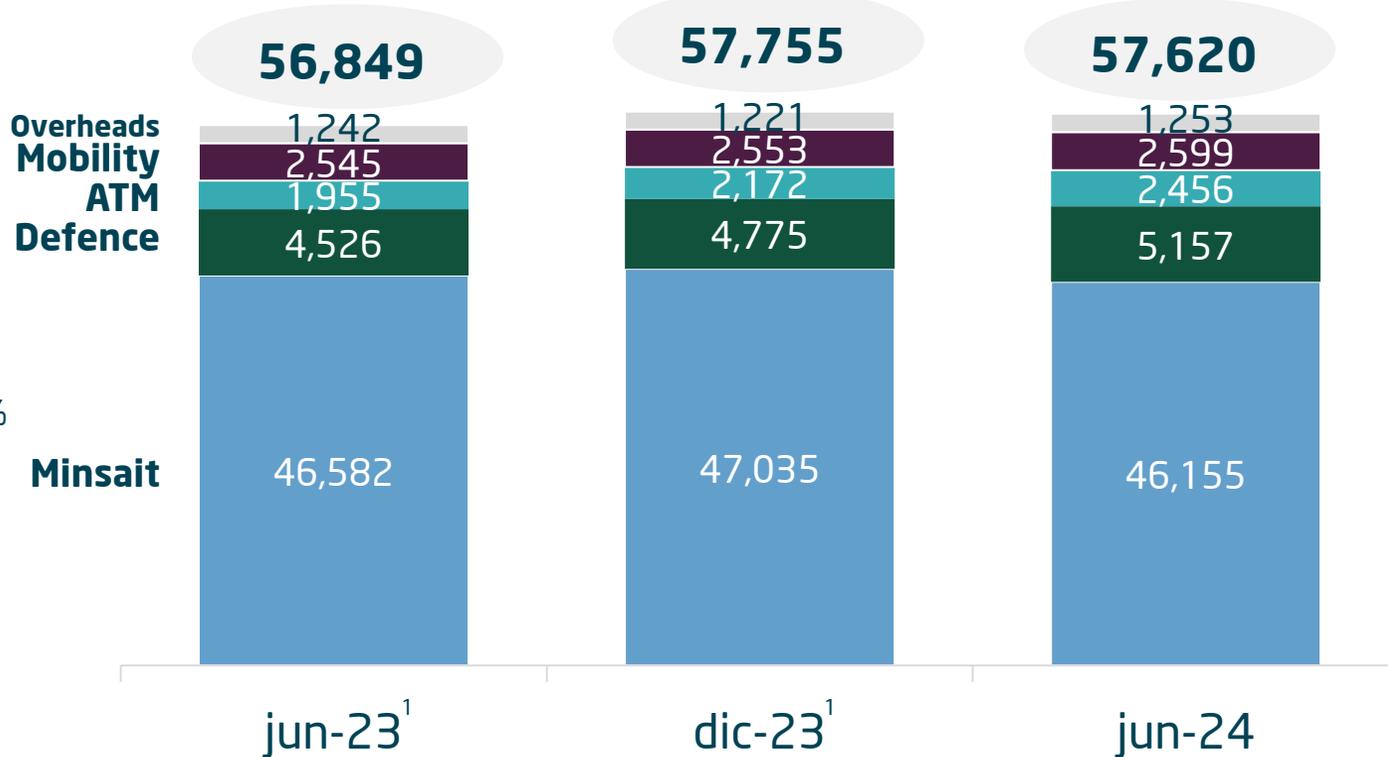
Defence, ATM and Mobility EBITDA represent +50%

# Group Workforce Evolution



Workforce increased +1% compared to 1H23

Revenue LTM/Employee increased +13% vs June 2023 and +7% vs December 2023



1. Reclassifications in 2023 data between divisions and overheads due to the new organization announced in 2023



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# 1H24 Performance by Division

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**Antonio Mora**  
Chief Control Officer

1H24  
Results



# Defence 1H24

<b>Backlog</b>	<b>Order Intake</b>	<b>Revenues</b>
€ 3,003m	€ 493m	€ 446m
-2.3%	+5.9%	+30.7%
<b>EBITDA Margin</b>	<b>Operating Margin</b>	<b>EBIT Margin</b>
17.6% <small>(€78m +25% YoY)</small>	16.1% <small>(€72m +25% YoY)</small>	15.5% <small>(€69m +28% YoY)</small>
-0.8pp	-0.8pp	-0.4pp
<b>Book-to-Bill</b>	<b>Backlog/Revs LTM</b>	
1.11x	3.26x	
1.36x in 1H23	4.22x in 1H23	

## Defence

- Order Intake grew +6% mainly due to the Integrated Systems and Simulation areas
- Sales +31% bolstered by FCAS
- Space showed +36% revenue growth
- EBIT Margin standing at 15.5%

# Defence 2024

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## Revenues

€ 255m

+16.6%

## EBITDA Margin

16.3%(€42m +7.6% YoY)

-1.3pp

## Operating Margin

15.6%(€40m +5.3% YoY)

-1.7pp

## EBIT Margin

14.9%(€38m +8.5% YoY)

-1.1pp

## Defence

- Revenues +17% also backed by FCAS
- EBITDA and EBIT grew at high single digit rate
- Space showed +34% revenue growth
- Q2 Margins affected by the implementation of the Strategic Plan and one-off costs related to potential acquisitions

# Air Traffic Management 1H24

## Air Traffic Management

<b>Backlog</b>	<b>Order Intake</b>	<b>Revenues</b>
€ 820m	€ 289m	€ 207m
+12.8%	+57.1%	+32.8%
<b>EBITDA Margin</b>	<b>Operating Margin</b>	<b>EBIT Margin</b>
15.5% <sub>(€32m +30% YoY)</sub>	12.1% <sub>(€25m +25% YoY)</sub>	11.9% <sub>(€25m +30% YoY)</sub>
-0.4pp	-0.7pp	-0.2pp
<b>Book-to-Bill</b>	<b>Backlog/Revs LTM</b>	
1.40x	1.99x	
1.18x in 1H23	2.26x in 1H23	

- Order Intake up +57% mainly due to the Canada and Colombia contracts
- Sales +33% boosted by the organic growth in all geographies and the inorganic contribution of Park Air in UK and Selex in USA
- EBIT Margin standing at 11.9%

# Air Traffic Management 2024

## Revenues

€ 90m

+7.5%

## EBITDA Margin

13.3% (€12m +7.0% YoY)

-0.1pp

## Operating Margin

9.6% (€9m -9.2% YoY)

-1.7pp

## EBIT Margin

9.4% (€8m -1.6% YoY)

-0.8pp

## Air Traffic Management

- Sales +8% bolstered by Azerbaijan, UK and Norway projects
- EBITDA posted +7% growth

# Mobility 1H24

## Backlog

€ 897m

-5.3%

## Order Intake

€ 153m

-8.6%

## Revenues

€ 172m

+13.2%

## EBITDA Margin

5.5%<sub>(€9m)</sub>

+6.8pp

## Operating Margin

4.7%<sub>(€8m)</sub>

+6.7pp

## EBIT Margin

3.8%<sub>(€7m)</sub>

+7.0pp

## Book-to-Bill

0.89x

1.10x in 1H23

## Backlog/Revs LTM

2.32x

2.90x in 1H23

## Mobility

- Sales +13% driven by growth in all geographies, standing out America and Europe
- EBITDA Margin improved to 5.5% from -1.3%
- EBIT Margin also improved to 3.8% from -3.2%

# Mobility 2024

## Revenues

€ 93m

+9.0%

## Operating Margin

5.2%<sub>(€5m n.m.)</sub>

+11.3pp

## EBITDA Margin

5.3%<sub>(€5m n.m.)</sub>

+11.9pp

## EBIT Margin

4.3%<sub>(€4m n.m.)</sub>

+12.1pp

## Mobility

- Sales +9% boosted by Mexico, Spain and UK projects
- EBITDA Margin improved to 5.3% from -6.6%
- EBIT Margin also improved to 4.3% from -7.8%

# Minsait 1H24

<b>Backlog</b>	<b>Order Intake</b>	<b>Revenues</b>
€ 2,428m	€ 1,746m	€ 1,479m
+17.2%	+3.0%	+8.5%
<b>EBITDA Margin</b>	<b>Operating Margin</b>	<b>EBIT Margin</b>
7.4% <sub>(€110m +7% YoY)</sub>	7.1% <sub>(€104m +13% YoY)</sub>	5.3% <sub>(€79m +12% YoY)</sub>
-0.1pp	+0.3pp	+0.1pp
<b>Book-to-Bill</b>	<b>Backlog/Revs LTM</b>	
1.18x	0.83x	
1.24x in 1H23	0.77x in 1H23	

## Minsait

- Strong commercial push with Backlog growing +17% and Order Intake +3%
- Revenues up +9%, backed by PPAA & Healthcare, Energy & Industry and Financial Services
- EBIT grew 12 thanks to increased operating leverage, better mix and continuous focus on cost efficiency
- Digital and Solutions joint sales +13% in 1H24 and accounted for 50% of Minsait sales

# Minsait 2Q24

## Revenues

€ 747m

+5.8%

## EBITDA Margin

7.3% (€55m +4.0% YoY)

-0.2pp

## Operating Margin

6.9% (€52m +6.6% YoY)

0.0 pp

## EBIT Margin

5.2% (€39m +4.9% YoY)

0.0pp

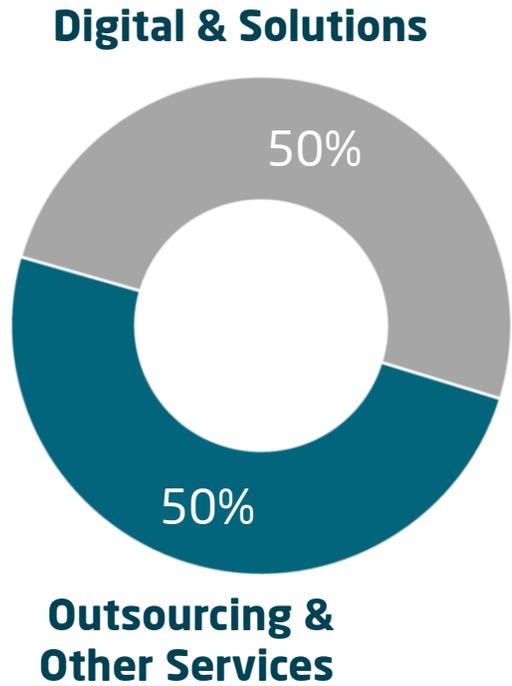
Minsait

- Revenues up +6%, all verticals grew except for Telecom & Media
- Minsait's Operating Margin and EBIT Margin stood at 6.9% and 5.2% respectively, same profitability than in 2Q23

# Minsait Revenues by Horizontal Lines: Digital & Solutions grew +13% and Represents 50% of Minsait's Sales



## 1H24 Revenues



## Revenue Growth 1H24 vs 1H23

(reported figures)



## Revenue Growth 2Q24 vs 2Q23

(reported figures)

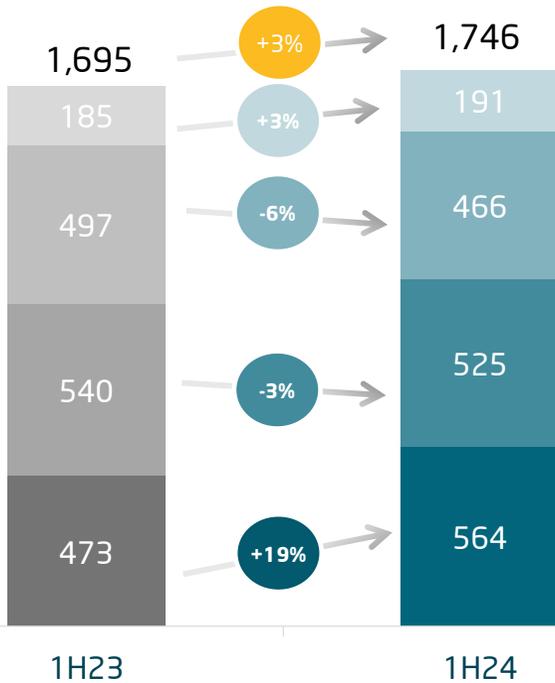


# Minsait's Order Intake and Revenues Posting Growth



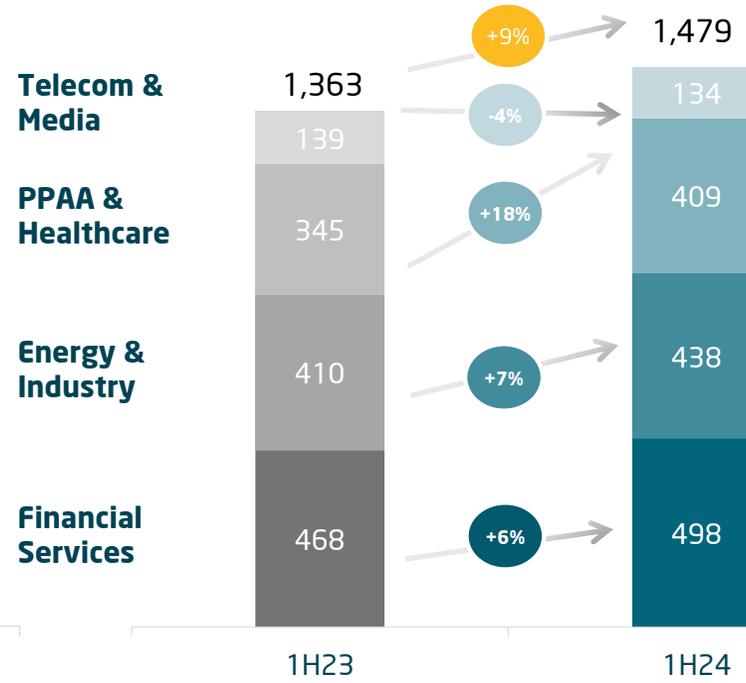
## 1H24 Order Intake (€m)

Reported



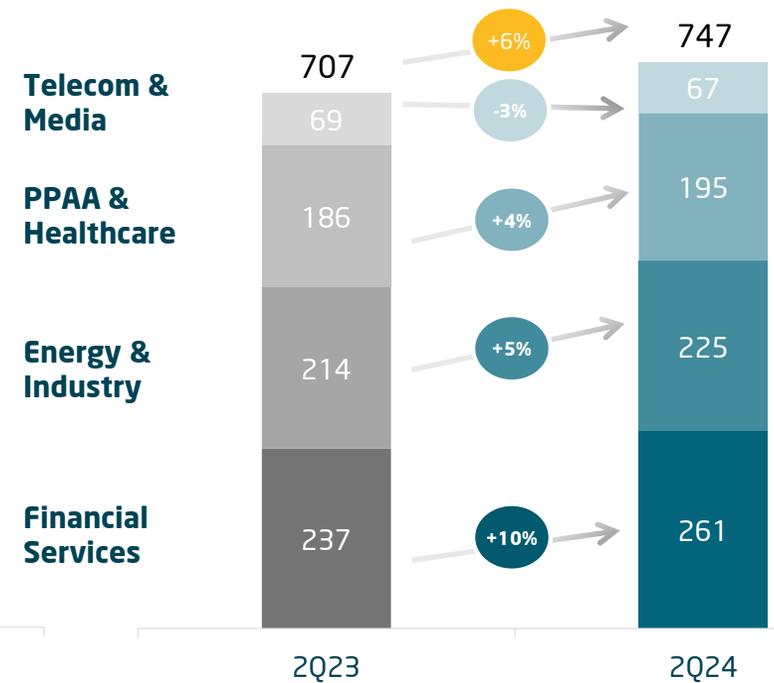
## 1H24 Revenues (€m)

Reported

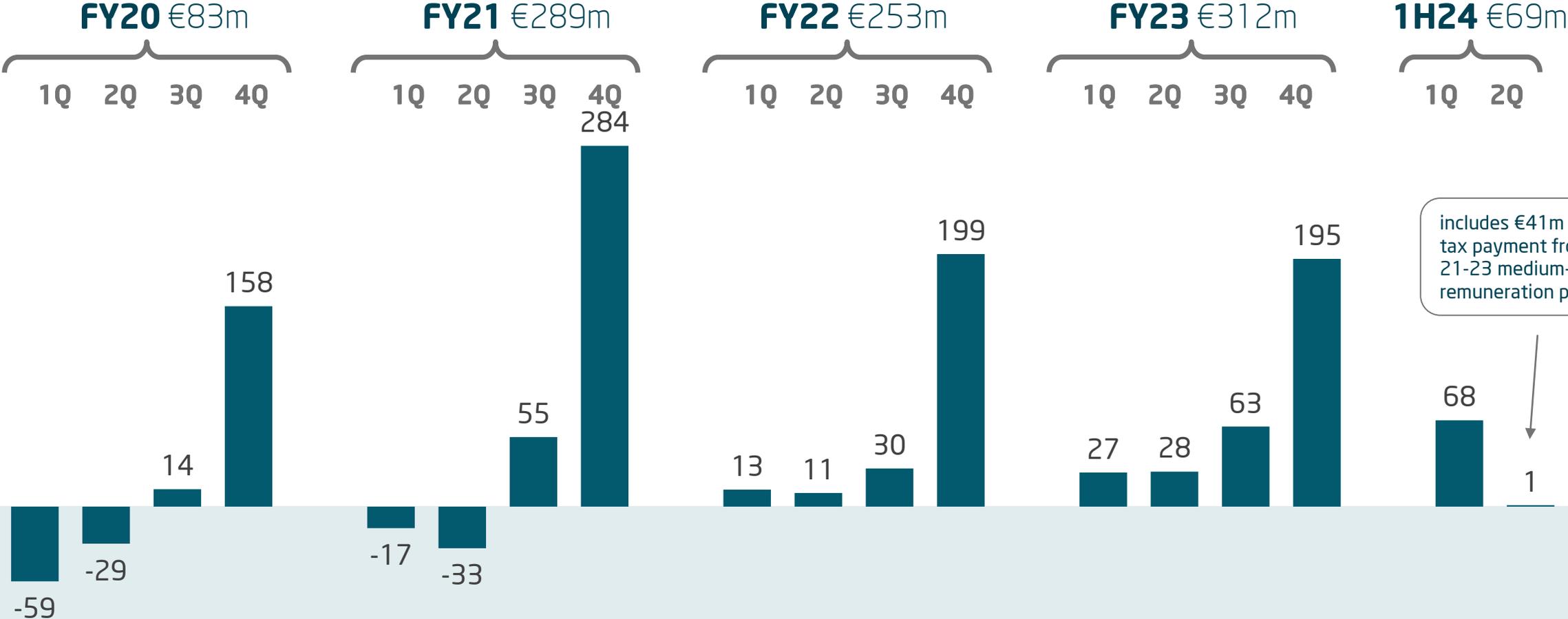


## 2Q24 Revenues (€m)

Reported



# 1H24 FCF Generation

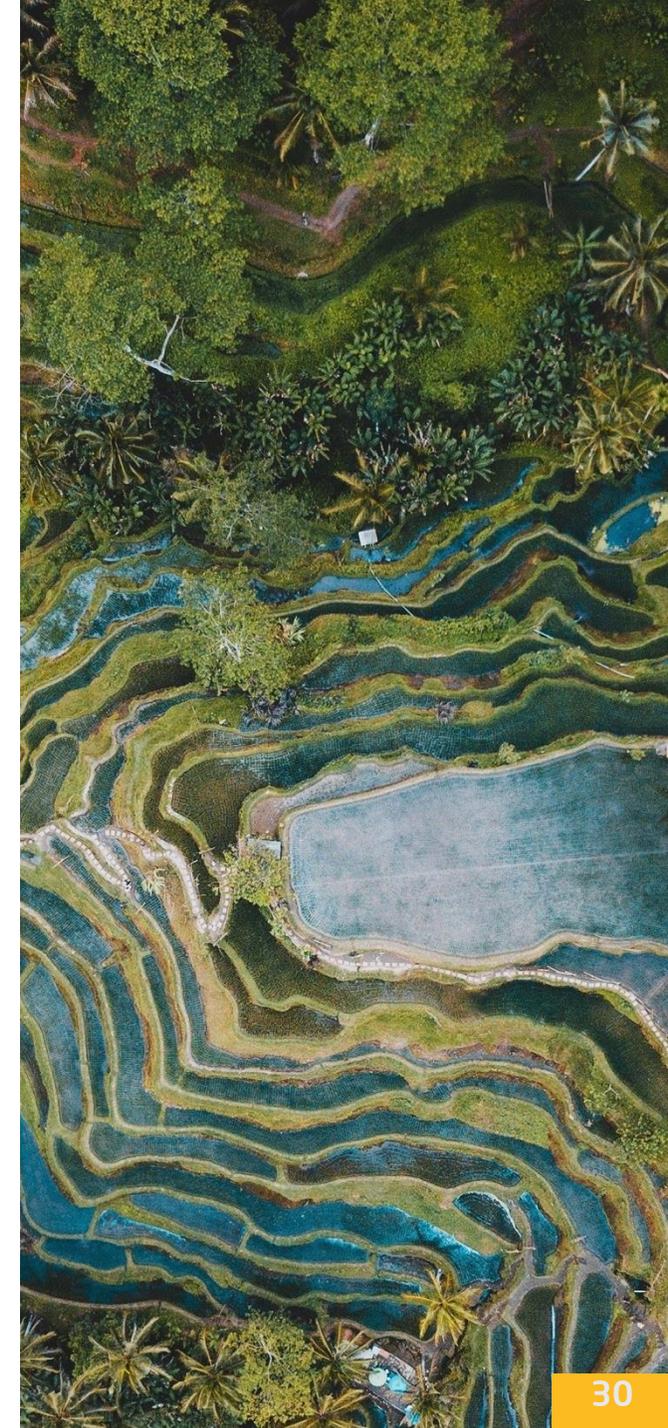
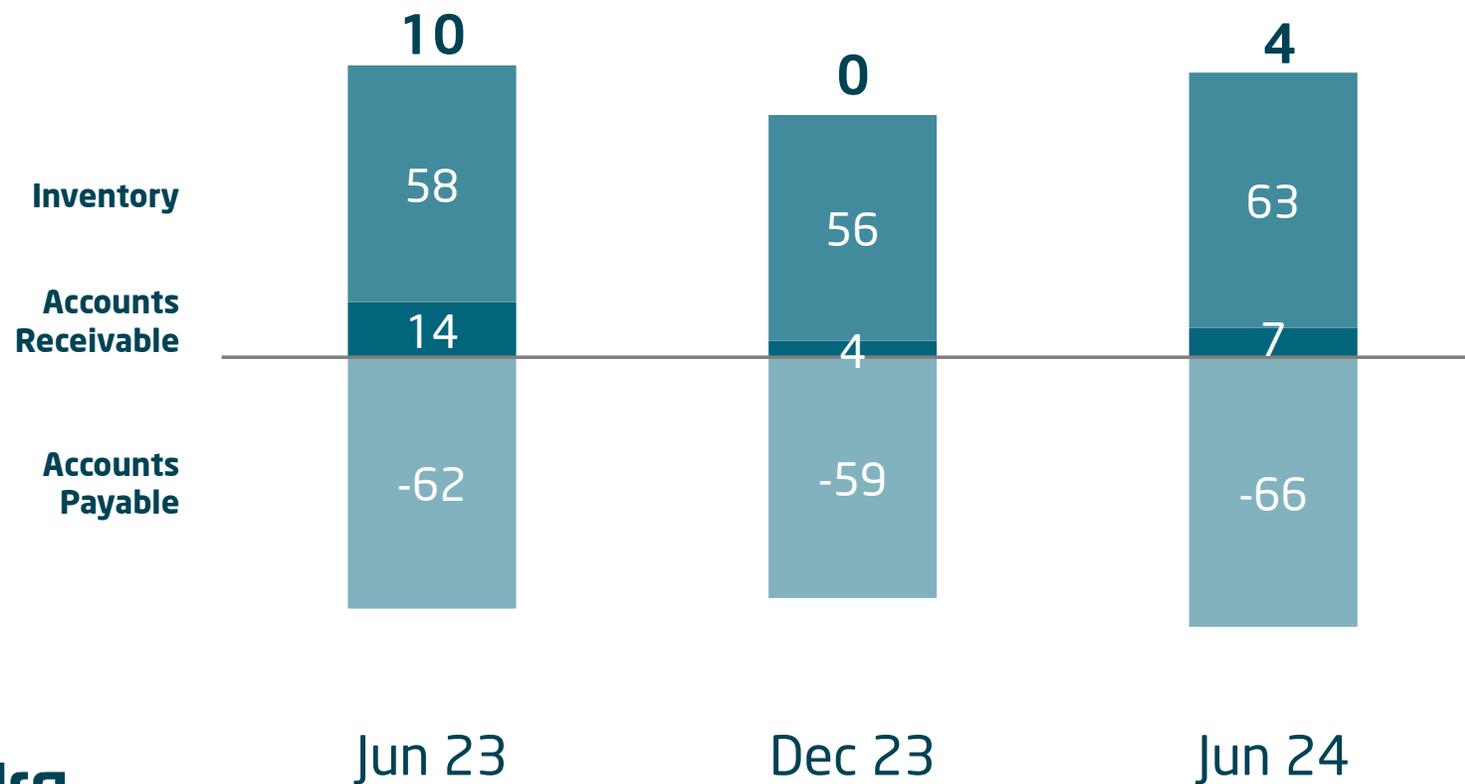


includes €41m income tax payment from the 21-23 medium-term remuneration plan

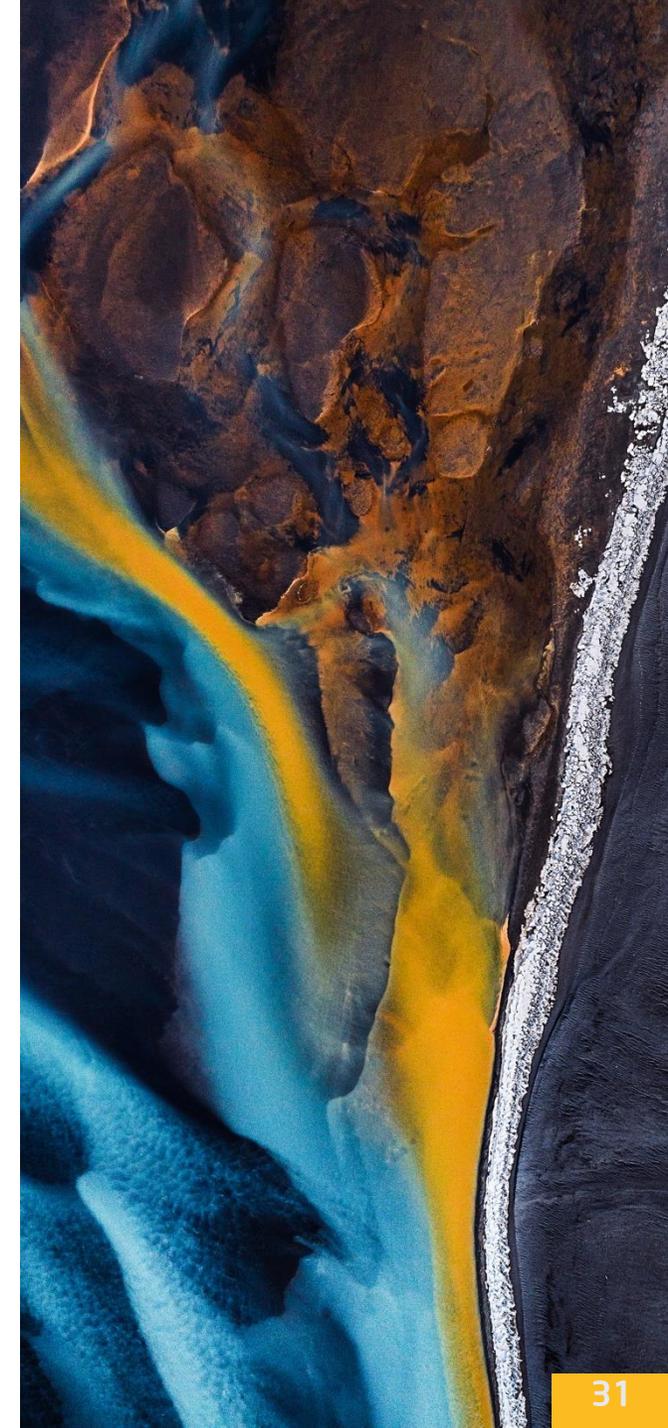
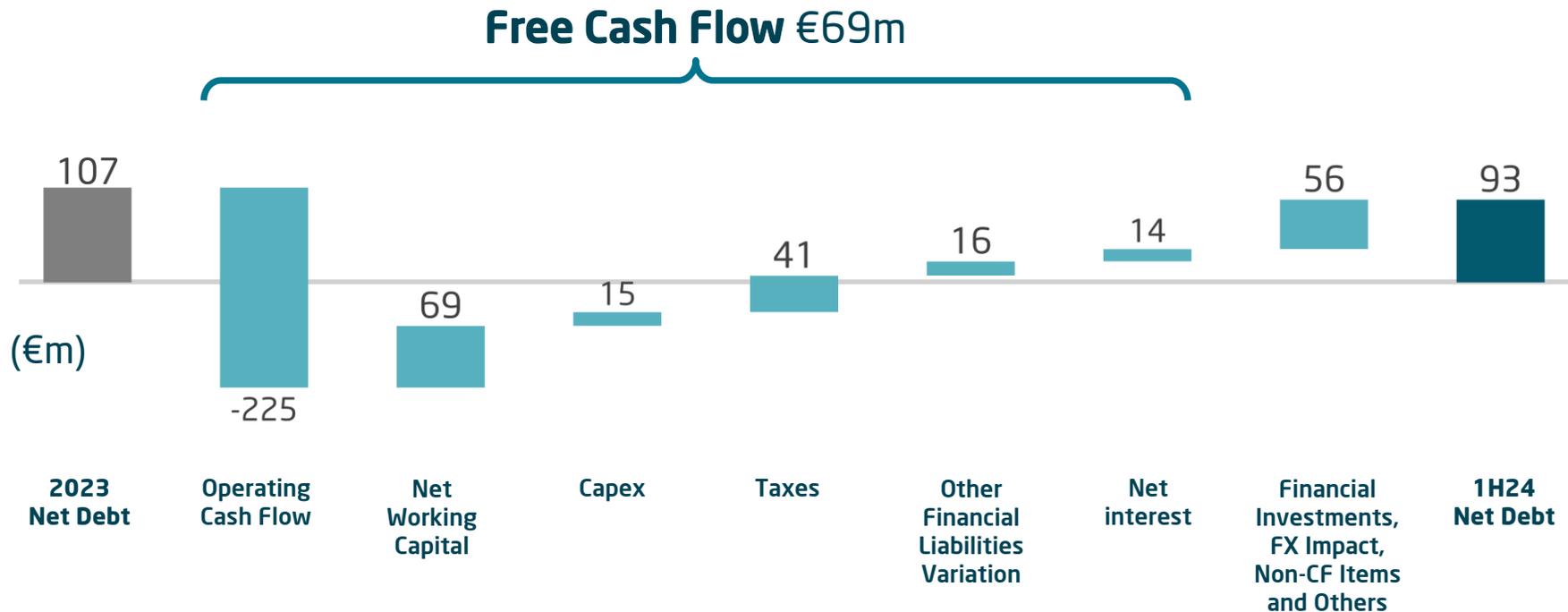
Quarterly reported FCF (€m)

# Net Working Capital Evolution Stable

## Net Working Capital ST+LT (DoS)

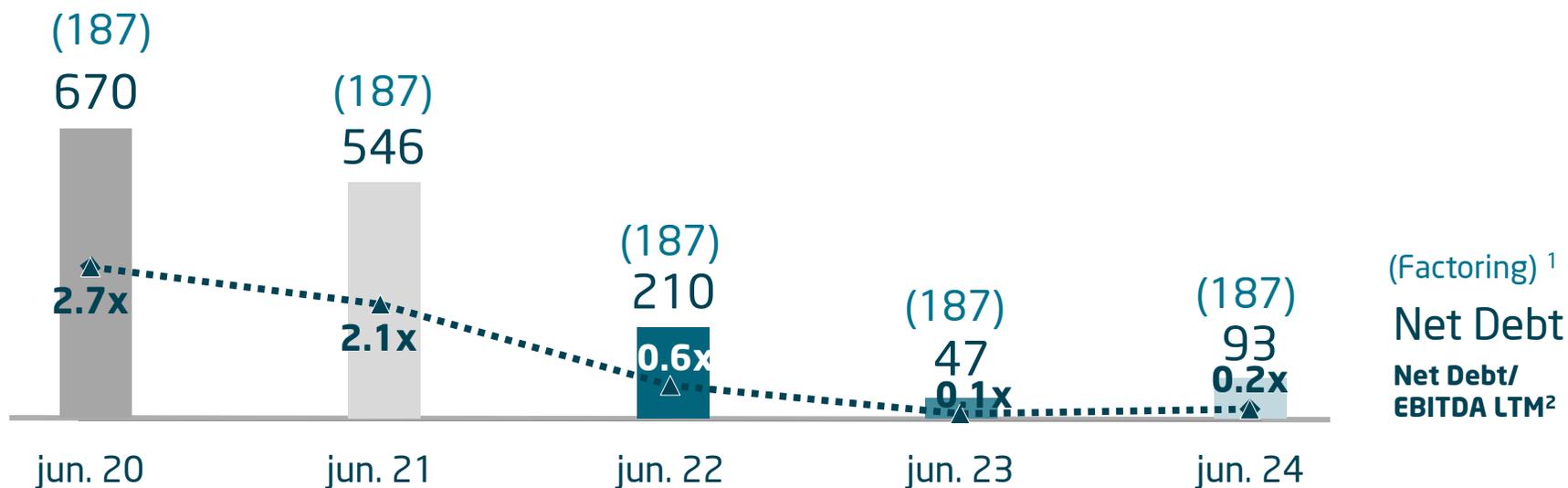


# Strong 1H24 FCF Drives Net Debt of just 0.2x at end June 2024

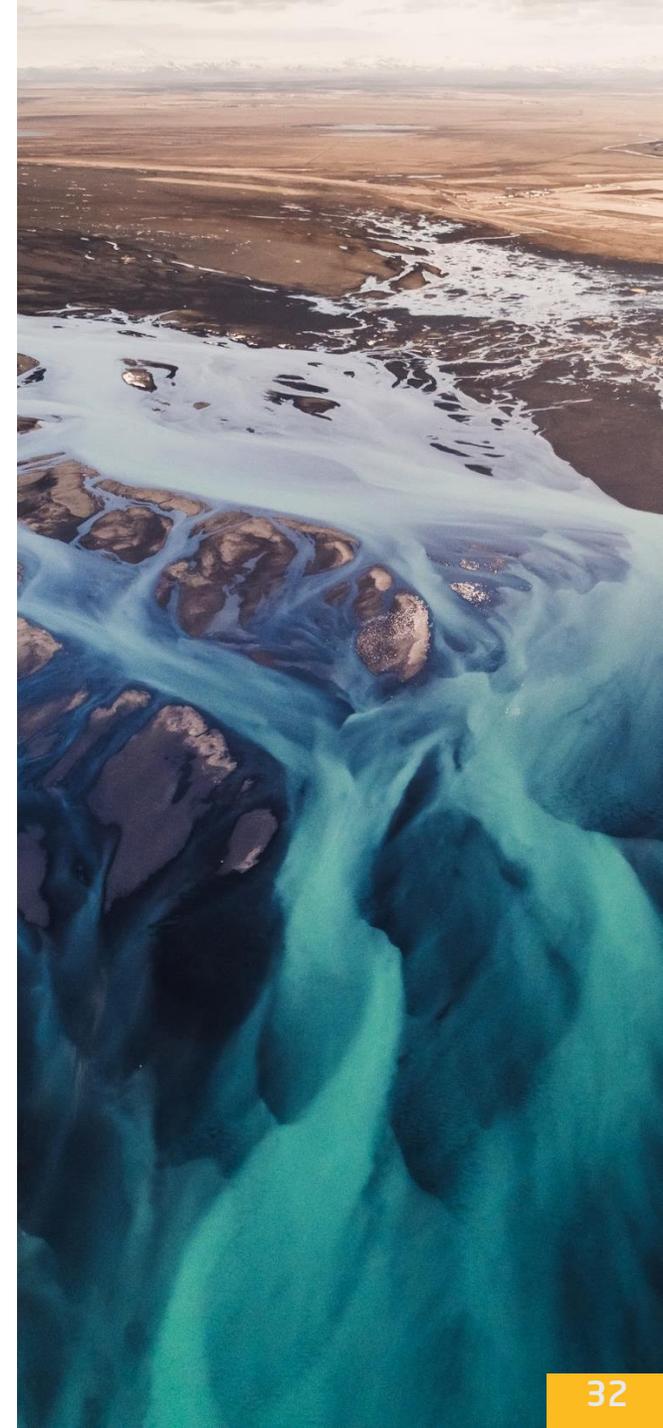


# Net Debt Evolution Supported by Strong Cash Flow Dynamics

## Net Debt (€m)

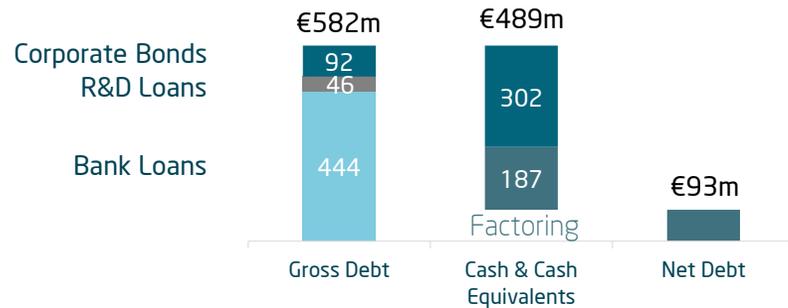


1. Non-recourse factoring; 2. EBITDA LTM excluding IFRS 16, extraordinary items related to employee restructuring plans



# Diversified Debt Structure

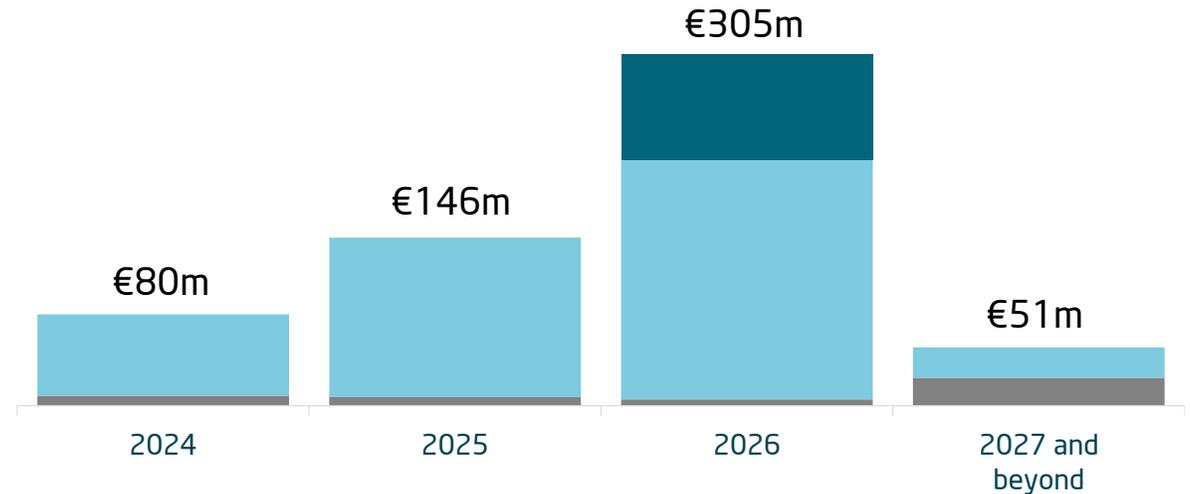
## Gross and Net Debt Structure



Other available credit facilities: €680m

	1H24	FY23
Average life (years)	1.6	1.7

## Gross Debt Maturity Profile

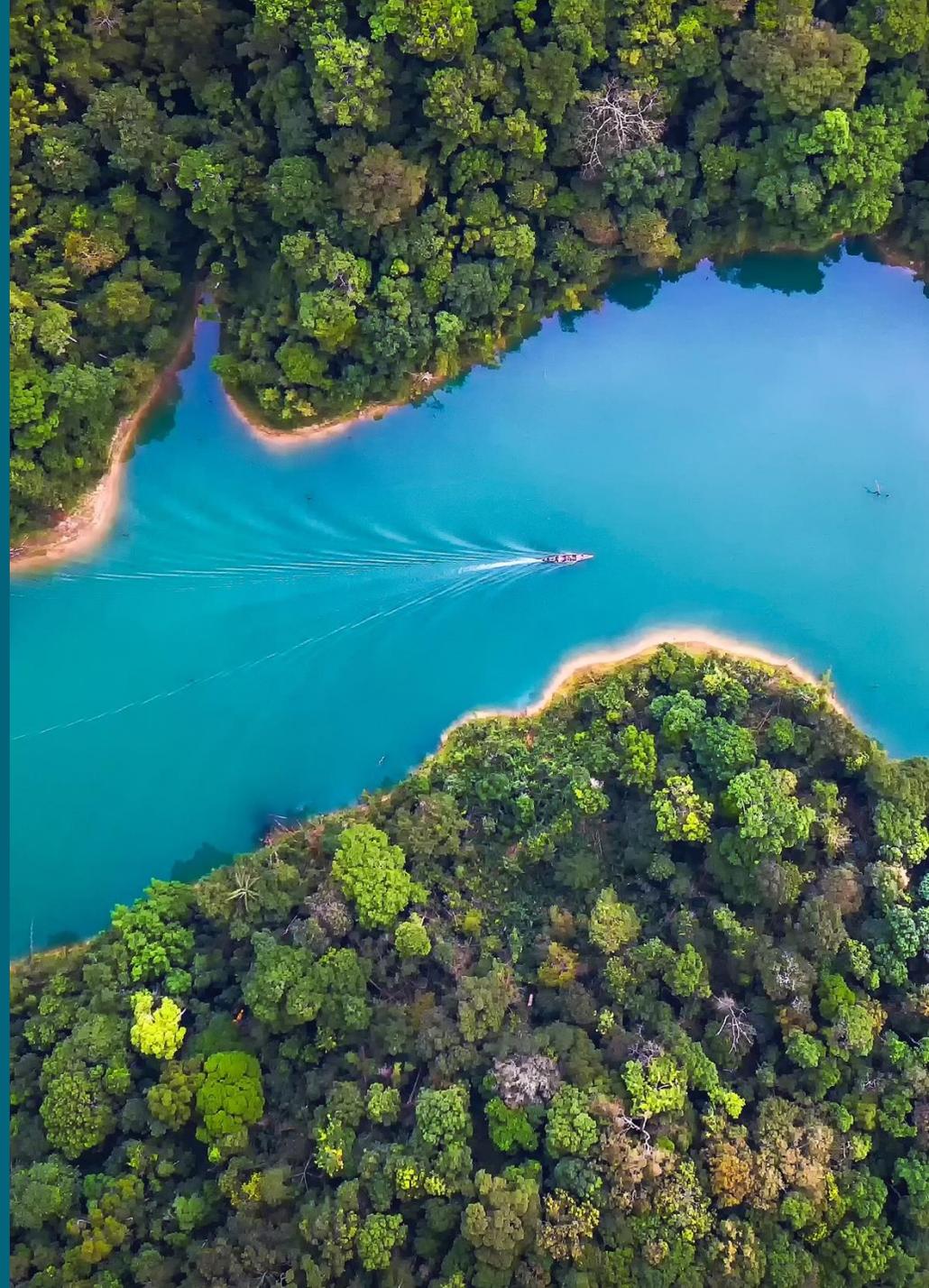


	1H24	% total	FY23	% total
L/T Debt	349	60%	479	68%
S/T Debt	233	40%	224	32%
<b>Gross Debt</b>	<b>582</b>	<b>100%</b>	<b>703</b>	<b>100%</b>
Cost of Gross Debt	4.3%		3.2%	
Cash & Others	489	n.m.	596	n.m.
<b>Net Debt</b>	<b>93</b>	<b>n.m.</b>	<b>107</b>	<b>n.m.</b>

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# Q&A

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## **Investor Relations**

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