

## **INDRA INCREASES ITS NET RESULT BY 11.1%, WITH A BACKLOG OF 6.772 BILLION EUROS AND GROWTH IN ALL INCOME STATEMENT ITEMS**

- **1Q23 Backlog reached a new all-time high, €6,772m (+13.1% vs 1Q22), while Order Intake up +4.2% vs 1Q22, bolstered again by Transport & Defence.**
- **Revenues up +7.7% in 1Q23 vs 1Q22, standing out the strong growth showed in Minsait (+13.4%) and Air Traffic (+18.0%).**
- **1Q23 EBIT grew +8.4%, thanks to the improvement of the Operating Margin in Transport & Defence.**
- **Basic earnings per share (EPS) increased +11.1% in 1Q23 compared to 1Q22.**
- **Free Cash Flow in 1Q23 was €27m vs €13m in 1Q22, bringing Net Debt/EBITDA ratio down to 0.1x compared to 0.7x in March 2022.**

This report may contain certain forward-looking statements, expectations and forecasts about the Company at the time of its elaboration. These expectations and forecasts are not in themselves guarantees of future performance as they are subject to risks, uncertainties and other important factors that could result in final results differing from those contained in these statements. This should be taken into account by all individuals or institutions to whom this report is addressed and that might have to take decisions or form or transmit opinions relating to securities issued by the Company and in particular, by the analysts and investors who consult this document.

**Madrid, April 27<sup>th</sup>, 2023** – Ignacio Mataix, Chief Executive Officer of Indra:

*“The results for the first quarter of 2023 are characterized by growth in all items of the income statement, standing out net income, which grew at a double-digit rate.*

*During this first quarter, both the strong market demand and the solid commercial performance of our business continued, as evidenced by the growth showed in order intake and backlog, which reached a new all-time high and improve growth expectations for the coming years.*

*Both Indra’s revenues and EBIT experienced strong growth that almost reached double-digit rates, showing the fast conversion of these commercial achievements in the execution of the projects, managing to maintain EBIT margin at similar levels than in the first quarter of 2022, despite the context of strong wage inflation pressure in the main markets where we operate.*

*For yet another quarter, cash generation once again showed a very positive performance, more than doubling the favorable execution posted in the first quarter of 2022, and reducing financial leverage over again.*

*These first quarter results represent a positive start to fiscal 2023, fully aligned with our annual targets and our 2021-2023 Strategic Plan.”*

**Main Figures**

Main Figures	1Q23 (€m)	1Q22 (€m)	Variation (%) Reported / Local currency
Backlog	6,772	5,987	13.1 / 12.8
Net Order Intake	1,399	1,344	4.2 / 3.8
Revenues	917	851	7.7 / 7.3
EBITDA	92	87	5.6
EBITDA Margin %	10.0%	10.2%	(0.2) pp
Operating Margin	76	72	5.5
Operating Margin %	8.3%	8.5%	(0.2) pp
EBIT	65	60	8.4
EBIT margin %	7.1%	7.0%	0.1 pp
Net Profit	44	39	11.1
Basic EPS (€)	0.25	0.22	11.1
Free Cash Flow	27	13	101.8
Net Debt Position	27	215	(87.7)

Transport and Defence (T&D)	1Q23 (€m)	1Q22 (€m)	Variation (%) Reported / Local currency
Revenues	267	279	(4.2) / (3.8)
EBITDA	41	38	8.2
EBITDA Margin %	15.5%	13.7%	1.8 pp
Operating Margin	33	30	9.1
Operating Margin %	12.2%	10.7%	1.5 pp
EBIT	31	27	13.4
EBIT margin %	11.7%	9.8%	1.9 pp

Minsait	1Q23 (€m)	1Q22 (€m)	Variation (%) Reported / Local currency
Revenues	650	573	13.4 / 12.7
EBITDA	50	48	3.6
EBITDA Margin %	7.7%	8.5%	(0.8) pp
Operating Margin	43	42	3.0
Operating Margin %	6.7%	7.4%	(0.7) pp
EBIT	34	33	4.2
EBIT margin %	5.2%	5.7%	(0.5) pp

*Indra acquired Nexus and Mobbeel for the IT business and Simumak and Temansa for the T&D business in 2022. These acquisitions had a contribution of €20m to 1Q23 sales and had no contribution to 1Q22 sales. Indra has not acquired any company in the first quarter of 2023.*

**Main Highlights**

**Backlog** reached new all-time high and stood at €6,772m in 1Q23, implying +13% growth in reported terms vs 1Q22. Transport & Defence backlog amounted to €4,802m and increased by +21% in 1Q23 vs 1Q22, standing out Defence & Security, which amounted to €3,113m. For its part, Minsait backlog went down -2% in 1Q23 vs 1Q22 and totaled €1,970m. Backlog/Revenues LTM ratio stood at 1.73x in 1Q23 vs 1.72x in 1Q22.

**Order intake** in 1Q23 registered +4% increase in local currency (+4% in reported terms):

- **Order intake in the Transport & Defence division in 1Q23** was up +31% in local currency, with strong growth reported in Transport & Traffic (+60% in local currency), both in the Air Traffic segment (higher activity with Enaire in Spain and ATM projects in Honduras and Belgium) and in Transport (rail projects and Ticketing in Spain). For its part, order intake in Defence & Security grew at double-digit rates (+16% in local currency), bolstered by Spain (remaining amount of phase 1B of the FCAS project, and Identification and Self-protection Systems for F-18) and AMEA (Air Defence Systems in Rwanda).
- **Order intake in the Minsait division in 1Q23** decreased -7% in local currency, mainly affected by the decline posted in Public Administration & Healthcare (-33% in local currency), due to the order intake of the Elections project in Angola that took place in 1Q22. Excluding the Election business, order intake in Minsait would have grown +9% in reported terms. On the other side, it stood out the double-digit growth registered in Energy & Industry (+16% in local currency), due to the positive performance showed in Spain, Philippines, Brazil and Peru.

**1Q23 revenues** grew +7% in local currency (+8% in reported terms) vs 1Q22:

- **1Q23 revenues in the T&D division** declined by -4% in local currency, with declines both in Defence & Security (-4% in local currency), due to the lower one-off contribution from Eurofighter and the FCAS project in the first quarter, which will start to contribute strongly to revenues in the second quarter of the year, as well as in Transport & Traffic (-3% in local currency), due to the decline registered in the Transport segment (-21%, due to the relevant contribution that took place in 1Q22 of the Interurban Systems project in Riyadh and the Control Systems and Ticketing projects in Egypt). On the contrary, the Air Traffic segment grew by +20%, driven by increased business activity in all geographies, particularly in Spain, India, UK, Norway, Belgium and Uruguay.
- **1Q23 revenues in the Minsait division** increased by +13% in local currency, with all the verticals registering very positive performance, standing out the double-digit growth posted in Financial Services (+15% in local currency, mainly due to the inorganic contribution of the Chilean company Nexus, specialized in Payment Systems, as well as increased activity with large banks in Spain and Mexico), Energy & Industry (+14% in local currency, highlighting Brazil in Energy and Spain in the Energy, Retail and Food sectors) and Public Administrations & Healthcare (+11% in local currency, because of the positive activity in Spain and Italy). In addition, Telecom & Media revenues also showed solid growth (+4% in local currency), due to the higher activity with the main Telecom operators in Spain and America.

**FX impact** contributed positively with €3m in 1Q23, mainly due to the appreciation of Latin American currencies (mainly Mexican peso and Brazilian real).

**Organic revenues in 1Q23** increased +5% (excluding the inorganic contribution of the acquisitions and the FX impact). By divisions, Minsait showed +10% organic growth while Transport & Defence recorded -4% in 1Q23.

**Minsait Digital revenues** reached €189m (29% of Minsait sales) in 1Q23, which implied +20% increase vs 1Q22, backed by strong customer demand in digital transformation, cybersecurity, advanced analytics, process robotization and cloud migration. Digital, Proprietary solutions and Implementation of third party solutions & Others joint sales showed +20% growth in 1Q23 and accounted for 56% of Minsait sales.

**1Q23 reported EBITDA** stood at €92m vs €87m in 1Q22, showing +5.6% growth in reported terms, equivalent to 10.0% EBITDA margin in 1Q23 vs 10.2% in 1Q22.

**Operating Margin** was €76m in 1Q23 vs €72m in 1Q22, equivalent to 8.3% margin in 1Q23 vs 8.5% in 1Q22, due to the slight decrease in profitability in the Minsait division:

- **1Q23 Operating Margin in the T&D division** reached €33m vs €30m in 1Q22, equivalent to 12.2% margin vs 10.7% last year same period, mainly thanks to the higher profitability posted in Transport & Traffic.
- **1Q23 Operating Margin in Minsait** stood at €43m vs €42m in 1Q22, equivalent to 6.7% operating margin in 1Q23 vs 7.4% in 1Q22, slightly lower profitability due to the lower contribution of the Elections project, as well as the impact of wage inflation.

**Total workforce restructuring costs** amounted to €-4m in 1Q23 vs €-6m in 1Q22.

**1Q23 reported EBIT** was €65m vs €60m in 1Q22, growing +8.4% in reported terms, equivalent to 7.1% EBIT margin in 1Q23 vs 7.0% in 1Q22:

- **EBIT margin in the T&D division** stood at 11.7% in 1Q23 vs 9.8% in 1Q22.
- **EBIT margin in Minsait** stood at 5.2% in 1Q23 vs 5.7% in 1Q22.

**1Q23 Net profit of the group** reached €44m vs €39m in 1Q22, implying an increase of +11.1%.

**1Q23 Free Cash Flow** was €27m vs €13m last year same period.

**Net Debt** declined to €27m in March 2023 vs €43m in December 2022 and vs €215m in March 2022. Net Debt/EBITDA LTM ratio (excluding the impact of IFRS 16, the capital gain from the sale of the facilities and the provision of the Real Estate Plan) stood at 0.1x in March 2023 vs 0.1x in December 2022 and vs 0.7x in March 2022.

## Outlook 2023

The Company reiterates its 2023 targets:

- **Revenues in constant currency:** > €4,000m.
- **EBIT reported:** > €315m.
- **Free Cash Flow reported:** > €200m.

## Human Resources

At the end of March 2023, total workforce amounted to 56,573 professionals implying an increase of +6.2% vs March 2022 (3,286 additional employees). This increase was concentrated in Spain (1,594 more employees) and in America (1,524 more employees). Compared to December 2022, in the quarter, total workforce slightly decreased -0.3% (162 less employees), due to the drop registered in America (399 less employees), mainly explained by the completion of a Data Center Outsourcing contract with a client in Telecom & Media in Colombia.

Average headcount in 1Q23 increased by +7.9% vs 1Q22.

Final Workforce	1Q23	%	1Q22	%	Variation (%)
Spain	30,538	54	28,944	54	5.5
America	20,357	36	18,833	35	8.1
Europe	3,575	6	3,502	7	2.1
Asia, Middle East & Africa	2,103	4	2,008	4	4.7
<b>Total</b>	<b>56,573</b>	<b>100</b>	<b>53,287</b>	<b>100</b>	<b>6.2</b>

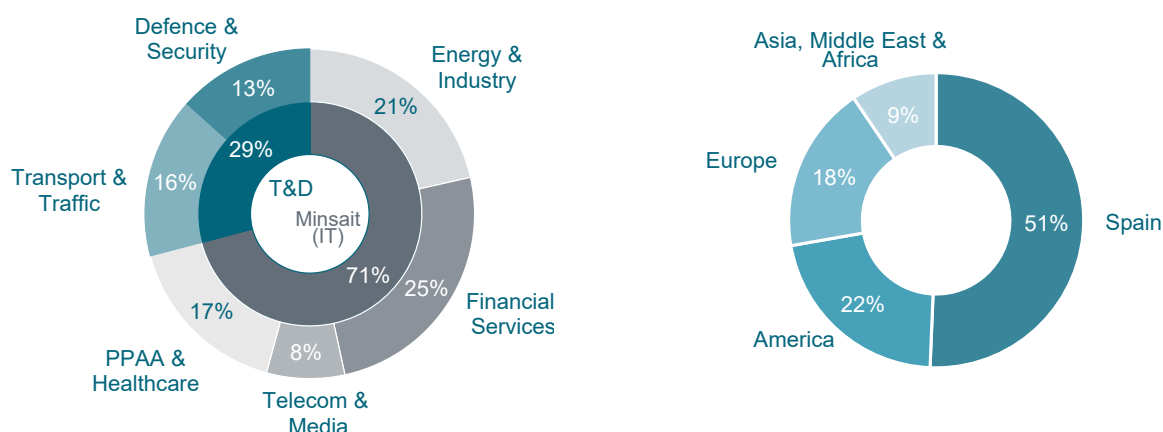
Average Workforce	1Q23	%	1Q22	%	Variation (%)
Spain	30,475	54	28,682	55	6.3
America	20,563	36	18,372	35	11.9
Europe	3,580	6	3,526	7	1.5
Asia, Middle East & Africa	2,116	4	2,009	4	5.3
<b>Total</b>	<b>56,734</b>	<b>100</b>	<b>52,589</b>	<b>100</b>	<b>7.9</b>

**Other events over the period**

On January 17<sup>th</sup> Indra renewed its Top Employer certificate for the fifth year in a row, which recognizes companies that offer the best work environments and career development, highlighting the commitment to talent of Indra and Minsait.

At its meeting of February 28<sup>th</sup>, the Board of Directors of Indra resolved to propose to the next General Shareholders' Meeting the distribution of a dividend in cash of €0.25 per share, out of the profits of fiscal year 2023, payable in July 12<sup>th</sup>, 2023.

On March 6<sup>th</sup>, the Board of Directors of Indra unanimously resolved, by mutual agreement with the current chief executive officer, Ignacio Mataix, to initiate a succession process for the position of chief executive officer linked to the definition of a new strategic plan that the Company has planned to define for the next years. Ignacio Mataix will continue in his current role in order to facilitate the succession process and the continuity in management until the appointment of the new chief executive officer, who will be selected with the advice of an independent consulting firm. Thereafter, Mr Mataix will continue to serve the Company as a strategic advisor to the Board of Directors for a period of two years.

**Revenues by divisions and regions:**


Revenues by Region	1Q23	1Q22	Variation (%)	
	(€m)	(€m)	Reported	Local currency
Spain	464	436	6.4	6.4
America	198	152	30.4	27.4
Europe	168	163	3.0	3.4
Asia, Middle East & Africa	87	100	(13.7)	(13.1)
<b>Total</b>	<b>917</b>	<b>851</b>	<b>7.7</b>	<b>7.3</b>

It is worth highlighting the strong growth registered in America (+27% in local currency; 22% of total sales), as well as the positive performance showed in Spain (+6%; 51% of total sales) and Europe (+3% in local currency; 18% of total sales). For the contrary, AMEA was the only region that posted declines (-13% in local currency; 9% of total sales).

**Transport & Defence (T&D)**

T&D	1Q23 (€m)	1Q22 (€m)	Variation (%)	
			Reported	Local currency
Net Order Intake	491	375	31.0	31.2
Revenues	267	279	(4.2)	(3.8)
- Defence & Security	123	128	(4.2)	(4.2)
- Transport & Traffic	144	151	(4.3)	(3.5)
- <i>Transport</i>	69	87	(20.6)	(21.1)
- <i>Air Traffic</i>	75	64	18.0	20.4
Book-to-bill	1.84	1.35	36.8	
Backlog / Revs LTM	3.63	3.12	16.4	

Transport & Defence revenues in 1Q23 went down -4% in local currency, with both Defence & Security (-4% in local currency) and Transport & Traffic (-3% in local currency) showing declines.

Organic sales in Transport & Defence in 1Q23 (excluding the inorganic contribution of the acquisitions and the FX impact) decreased by -4%.

Order intake in 1Q23 grew +31% in local currency, bolstered by the strong growth posted both in Transport & Traffic (+60% in local currency) and Defence & Security (+16% in local currency).

Backlog/Revenues LTM ratio improved to 3.63x vs 3.12x in 1Q22. Book-to-bill ratio also improved to 1.84x vs 1.35x in 1Q22.

**Defence & Security**

- 1Q23 Defence & Security sales dropped -4% in local currency, due to the lower one-off contribution from Eurofighter and the FCAS project in the first quarter, which will start to contribute strongly to revenues in the second quarter of the year. On the contrary, it stood out the growth registered in Simulation (H175 Helicopter in China) and in certain programs such as the 8X8 Vehicle and the A400M.
- By geographies, it stood out the declines posted in Europe, due to the lower contribution of the Eurofighter project compared to last year same period.
- The activity of the vertical in 1Q23 was concentrated in Spain (c. 45% of sales) and Europe (c. 35% of sales).
- Order intake in 1Q23 up +16% in local currency, bolstered by Spain (remaining amount of phase 1B of the FCAS project, and Identification and Self-protection Systems for F-18) and AMEA (Air Defense Systems in Rwanda).

**Transport & Traffic**

- 1Q23 Transport & Traffic revenues went down -3% in local currency, affected by the decrease registered in Transport (-21%) and despite the strong growth showed in Air Traffic (+20%).
- Revenues in the Air Traffic segment in 1Q23 increased +20% in local currency, thanks to the solid growth showed in all regions: Spain (higher activity with Enaire), Europe (UK, Norway and Belgium), America (Uruguay) and AMEA (India). The distribution by region was: Europe (c. 45%), AMEA (c. 25%), Spain (c. 25%) and America (c. 5%).

- In the Transport segment, sales in 1Q23 declined -21%, mainly because of the decrease registered in AMEA, region in which the Interurban Systems project in Riyadh and the Control Systems and Ticketing projects in Egypt made a relevant contribution in 1Q22. The activity in this segment was distributed between Spain (c. 45%), AMEA (c. 25%) and America (c. 20%).
- Region-wise, most of the activity of the vertical in 1Q23 was concentrated in Spain (c. 35% of sales), AMEA (c. 30% of sales) and Europe (c. 25% of sales).
- Order intake in 1Q23 increased +60% in local currency, bolstered by both the Air Traffic segment (higher activity with Enaire in Spain and ATM projects in Honduras and Belgium) and Transport (rail projects and Ticketing in Spain).

**Minsait**

Minsait	1Q23 (€m)	1Q22 (€m)	Variation (%)	
			Reported	Local currency
Net Order Intake	908	969	(6.2)	(6.8)
Revenues	650	573	13.4	12.7
- Energy & Industry	197	172	14.3	14.3
- Financial Services	230	195	18.2	15.2
- Telecom & Media	70	68	3.4	4.2
- PPAA & Healthcare	153	138	10.6	11.3
Book-to-bill	1.40	1.69	(17.3)	
Backlog / Revs LTM	0.76	0.91	(16.5)	

Minsait sales in 1Q23 grew by +13% in local currency, with all the verticals showing very positive performance. It is worth mentioning the double-digit growth posted in Financial Services (+15% in local currency), Energy & Industry (+14% in local currency) and Public Administrations & Healthcare (+11% in local currency).

Excluding the inorganic contribution of the acquisitions and the FX impact, Minsait sales in 1Q23 would have grown +10%.

1Q23 order intake in Minsait declined -7% in local currency vs 1Q22, mainly affected by the drop recorded in Public Administrations & Healthcare (-33% in local currency), due to the order intake of the Elections project in Angola that took place in 1Q22. Excluding the Elections business, order intake in Minsait would have grown +9% in reported terms.

Backlog/Revenues LTM stood at 0.76x vs 0.91x in 1Q22. Book-to-bill ratio (order intake divided by sales) stood at 1.40x vs 1.69x in 1Q22.

Digital, Proprietary solutions and Implementation of third party solutions & Others joint sales showed +20% growth in 1Q23 and accounted for 56% of Minsait sales.

Minsait	1Q23 (€m)	1Q22 (€m)	Variation (%)
			Reported
Digital	189	158	19.9
Proprietary solutions	76	56	35.3
Implementation of third party solutions & Others	98	90	9.6
Technological and Process Outsourcing	289	271	6.5
Eliminations	(2)	(2)	N/A
<b>Total</b>	<b>650</b>	<b>573</b>	<b>13.4</b>

**Energy & Industry**

- 1Q23 Energy & Industry revenues increased +14% in local currency, with both segments posting solid growth, standing out the strong double-digit growth registered in Energy.
- The Energy segment represented approximately 60% of the vertical sales vs 40% the Industry segment.



- Revenues in 1Q23 showed growth in all geographies. It is worth noting the positive performance showed in America in the Energy segment in Brazil and Spain in Energy (higher activity with relevant clients) and Industry (Retail and Food sector).
- By geographies, most of the activity was concentrated in Spain (c. 50% of sales), America (c. 30% of sales) and Europe (c. 15% of sales).
- 1Q23 order intake went up +16% in local currency, with both segments posting double-digit growth and highlighting the activity registered in Spain, Philippines, Brazil and Peru.

### Financial Services

- 1Q23 Financial Services sales increased by +15% in local currency. Both the Banking and the Insurance sectors posted growth, among which it stood out the strong double-digit growth showed in Banking.
- The Banking sector (c. 85% of total sales) concentrated most of the activity of the vertical in 1Q23 in respect to the Insurance sector (c. 15% of total sales).
- Sales in 1Q23 grew in its main two geographies, in Spain thanks to the higher activity with the most relevant banks and in America due to the inorganic contribution of the Chilean company Nexus acquired in 2022, as well as the positive performance of the business in Mexico.
- Region-wise, Spain (c. 60% of the sales) and America (c. 40% of the sales) concentrated most of the activity of the vertical in 1Q23.
- Order intake in 1Q23 increased by +3% in local currency, pushed by America (Chile, Mexico, Peru and Colombia).

### Telecom & Media

- 1Q23 Telecom & Media sales increased by +4% in local currency, due to the higher activity with the main operators in Telecom in Spain and America.
- The Telecom segment (c. 95% of total sales) concentrated most of the activity of the vertical in 1Q23 with respect to the Media segment (c. 5% of total sales).
- Telecom & Media sales in 1Q23 were bolstered by the growth posted in Spain (increased activity with the main operator) and America (with the main operators in Mexico, Peru and Argentina).
- By geographies, most of the vertical activity in 1Q23 was concentrated in Spain (c. 55% of sales) and America (c. 35% of sales).
- Order Intake in 1Q23 went down -23% in local currency, due to the strong activity recorded last year same period in Spain (renewal of relevant contracts with the main operator) and America (relevant contracts with the main operators in Colombia and Brazil).

### Public Administrations & Healthcare

- 1Q23 Sales in Public Administrations & Healthcare increased by +11% in local currency, with a better relative performance of the Public Administrations segment compared to Healthcare and Elections.
- The Public Administrations segment (c. 80% of sales) concentrated the highest vertical activity with respect to Healthcare (c. 15% of sales) and Elections (c. 5% of sales) in 1Q23.

- By geographies, it stood out the 1Q23 sales increase registered in Spain with the Public Administration segment and Europe (Italian subsidiary).
- By geographies, most of the vertical activity in 1Q23 was concentrated in Spain (c. 60% of sales), Europe (c. 25% of sales) and America (c. 10% of sales).
- Order intake in 1Q23 down -33% in local currency, due to the Elections project in Angola recorded in 1Q22. Excluding the Elections business, order intake would have grown +24% in reported terms, posting all geographies growth, standing out Public Administrations in Italy and Healthcare in Spain and America.

**Consolidated Income Statement**

	1Q23	1Q22	Variation	
	€m	€m	€m	%
<b>Revenue</b>	<b>916.6</b>	<b>851.4</b>	<b>65.2</b>	<b>7.7</b>
In-house work on non-current assets and other income	15.2	10.8	4.4	40.2
Materials used and other supplies and other operating expenses	(232.1)	(248.7)	16.6	(6.7)
Staff Costs	(608.0)	(526.2)	(81.8)	15.5
Other gains or losses on non-current assets and other results	(0.1)	(0.6)	0.5	NA
<b>Gross Operating Result (EBITDA)</b>	<b>91.6</b>	<b>86.7</b>	<b>4.9</b>	<b>5.6</b>
Depreciation and amortisation charge	(26.6)	(26.7)	0.1	(0.6)
<b>Operating Result (EBIT)</b>	<b>65.0</b>	<b>59.9</b>	<b>5.1</b>	<b>8.4</b>
<b>EBIT Margin</b>	<b>7.1%</b>	<b>7.0%</b>	<b>0.1 pp</b>	<b>NA</b>
<b>Financial Loss</b>	<b>(3.9)</b>	<b>(7.8)</b>	<b>3.9</b>	<b>(50.1)</b>
Result of companies accounted for using the equity method	0.7	0.7	0.0	NA
<b>Profit (Loss) before tax</b>	<b>61.8</b>	<b>52.9</b>	<b>8.9</b>	<b>16.8</b>
Income tax	(17.4)	(13.0)	(4.4)	33.8
<b>Profit (Loss) for the year</b>	<b>44.3</b>	<b>39.9</b>	<b>4.4</b>	<b>11.2</b>
Profit (Loss) attributable to non-controlling interests	(0.6)	(0.5)	(0.1)	NA
<b>Profit (Loss) attributable to the Parent</b>	<b>43.7</b>	<b>39.3</b>	<b>4.4</b>	<b>11.1</b>

Earnings per Share (according to IFRS)	1Q23	1Q22	Variation (%)
Basic EPS (€)	0.25	0.22	11.1
Diluted EPS (€)	0.23	0.21	11.4

	1Q23	1Q22
Total number of shares	176,654,402	176,654,402
Weighted treasury stock	484,099	453,402
Total shares considered	176,170,303	176,201,000
Total diluted shares considered	193,153,520	193,010,078
Treasury stock in the end of the period	441,112	440,181

**Figures not audited**

**Basic EPS** is calculated by dividing net profit by the average number of outstanding shares during the period less the average treasury shares of the period.

**Diluted EPS** is calculated by dividing net profit (adjusted by the impact of the €250m convertible bond issued in October 2016 with a conversion price of €14.629 (€14.479 from 8<sup>th</sup> July 2022 after the distribution of the cash dividend of €0.15 per share), as well as the redemption of €4.1m of this amount in October 7<sup>th</sup> of 2021 following the exercise of the put option by bondholders), by the average number of outstanding shares during the period less the average treasury shares of the period and adding the theoretical new shares to be issued once assuming full conversion of the bonds.

*The average number of shares used in the calculation of the EPS and dilutive EPS for treasury shares, total number of shares and theoretical shares to be issued related to the convertible bonds, are calculated using daily balances.*

- Revenues in reported terms grew by +8% in 1Q23.
- Other income stood at €15m in 1Q23 vs €11m in 1Q22, mainly as a result of the increase in works for own non-current assets (€9m in 1Q23 vs €6m in 1Q22).
- Materials used and other supplies and other operating expenses in 1Q23 decreased by -7% vs 1Q22, mainly due to higher variation in inventories compared to last year same period and despite higher operating costs (leases and royalties, travels, supplies, etc.).
- Personnel expenses increased by +16% in 1Q23 vs 1Q22, as a consequence of the workforce increase linked to the higher activity in both divisions and the acquisitions carried out, as well as by the salary inflation.
- 1Q23 EBITDA stood at €92m vs €87m in 1Q22, which implied +6% growth in reported terms.
- 1Q23 D&A stood at €27m, same level than in 1Q22.
- 1Q23 EBIT stood at €65m vs €60m in 1Q22, growing +8% in reported terms.
- Financial results declined to €4m in 1Q23 vs €8m in 1Q22, lower amount mainly explained by higher financial income derived from cash remuneration, as well as lower gross debt volume in 1Q23 vs 1Q22, despite gross debt borrowing cost increased to 2.6% in 1Q23 vs 1.9% in 1Q22.
- Tax income stood at €17m in 1Q23 vs €13m in 1Q22, mainly due to higher profit before tax registered in the period and a higher tax rate (28% in 1Q23 vs 25% in 1Q22).
- Net profit of the group stood at €44m vs €39m in 1Q22, implying an increase of 11%.

**Consolidated Balance Sheet**

	1Q23 €m	2022 €m	Variation €m
Property, plant and equipment	88.0	88.9	(0.9)
Property investments	11.7	11.5	0.2
Assets for the right of use	79.9	86.3	(6.4)
Goodwill	946.6	946.1	0.5
Other Intangible assets	246.2	252.7	(6.5)
Investments using the equity method and other non-current financial assets	276.9	259.0	17.9
Deferred tax assets	162.6	160.8	1.8
<b>Total non-current assets</b>	<b>1,811.9</b>	<b>1,805.3</b>	<b>6.6</b>
Assets held for sale	0.1	0.1	0.0
Operating current assets	1,646.8	1,637.4	9.4
Other current assets	169.5	159.6	9.9
Cash and cash equivalents	948.2	933.0	15.2
<b>Total current assets</b>	<b>2,764.7</b>	<b>2,730.2</b>	<b>34.5</b>
<b>TOTAL ASSETS</b>	<b>4,576.6</b>	<b>4,535.4</b>	<b>41.2</b>
Share Capital and Reserves	1,035.2	992.4	42.8
Treasury shares	(5.3)	(5.3)	0.0
<b>Equity attributable to parent company</b>	<b>1,029.9</b>	<b>987.0</b>	<b>42.9</b>
Non-controlling interests	18.2	17.6	0.6
<b>TOTAL EQUITY</b>	<b>1,048.1</b>	<b>1,004.6</b>	<b>43.5</b>
Provisions for contingencies and charges	74.2	74.0	0.2
Bank borrowings and financial liabilities relating to issues of debt	683.0	700.4	(17.4)
Other non-current financial liabilities	548.5	538.4	10.1
Subsidies	33.4	25.7	7.7
Other non-current liabilities	1.6	1.6	0.0
Deferred tax liabilities	5.3	3.2	2.1
<b>Total Non-current liabilities</b>	<b>1,346.0</b>	<b>1,343.3</b>	<b>2.7</b>
Liabilities classified as held for sale	0.0	0.0	0.0
Current bank borrowings and financial liabilities relating to issues of debt instruments and other marketable securities	291.7	275.2	16.5
Other current financial liabilities	98.0	104.7	(6.7)
Operating current liabilities	1,375.6	1,423.0	(47.4)
Other current liabilities	417.1	384.6	32.5
<b>Total Current liabilities</b>	<b>2,182.4</b>	<b>2,187.5</b>	<b>(5.1)</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,576.6</b>	<b>4,535.4</b>	<b>41.2</b>
Current bank borrowings and financial liabilities relating to issues of debt instruments and other marketable securities	(291.7)	(275.2)	(16.5)
Bank borrowings and financial liabilities relating to issues of debt instruments and other marketable securities	(683.0)	(700.4)	17.4
Gross financial debt	(974.7)	(975.6)	0.9
Cash and cash equivalents	948.2	933.0	15.2
<b>Net Debt</b>	<b>(26.5)</b>	<b>(42.6)</b>	<b>16.1</b>

**Figures not audited**

## Consolidated Cash Flow statement

	1Q23	1Q22	Variation
	€m	€m	€m
<b>Profit Before Tax</b>	<b>61.8</b>	<b>52.9</b>	<b>8.9</b>
<b>Adjusted for:</b>			
- Depreciation and amortization charge	26.6	26.7	(0.1)
- Provisions, capital grants and others	(10.2)	(7.3)	(2.9)
- Result of companies accounted for using the equity method	(0.7)	(0.7)	0.0
- Financial loss	3.9	7.8	(3.9)
<b>Dividends received</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Profit (Loss) from operations before changes in working capital</b>	<b>81.3</b>	<b>79.3</b>	<b>2.0</b>
Changes in trade receivables and other items	49.9	(49.1)	99.0
Changes in inventories	(108.5)	(50.5)	(58.0)
Changes in trade payables and other items	24.1	60.4	(36.3)
<b>Cash flows from operating activities</b>	<b>(34.4)</b>	<b>(39.2)</b>	<b>4.8</b>
Tangible (net)	(3.5)	(3.8)	0.3
Intangible (net)	3.8	(3.1)	6.9
<b>Capex</b>	<b>0.3</b>	<b>(6.9)</b>	<b>7.2</b>
<b>Interest paid and received</b>	<b>(0.3)</b>	<b>(3.8)</b>	<b>3.5</b>
<b>Other financial liabilities variation <sup>(1)</sup></b>	<b>(8.1)</b>	<b>(8.3)</b>	<b>0.2</b>
<b>Income tax paid</b>	<b>(11.9)</b>	<b>(7.8)</b>	<b>(4.1)</b>
<b>Free Cash Flow</b>	<b>26.8</b>	<b>13.3</b>	<b>13.5</b>
Changes in other financial assets	0.0	0.0	0.0
Financial investments/divestments	(7.8)	(1.0)	(6.8)
Dividends paid by companies to non-controlling shareholders	0.0	0.0	0.0
Dividends of the parent company	0.0	0.0	0.0
Shareholders contributions	0.0	0.0	0.0
Changes in treasury shares	0.0	0.0	0.0
<b>Cash-flow provided/(used) in the period</b>	<b>19.1</b>	<b>12.3</b>	<b>6.8</b>
<b>Initial Net Debt</b>	<b>(42.6)</b>		
Cash-flow provided/(used) in the period	19.1		
Foreign exchange differences and variation with no impact in cash	(3.0)		
<b>Final Net Debt</b>	<b>(26.5)</b>		
<b>Cash &amp; cash equivalents at the beginning of the period</b>	<b>933.0</b>	<b>1,235.0</b>	<b>(302.0)</b>
Foreign exchange differences	0.3	14.8	(14.5)
Increase (decrease) in borrowings	(4.3)	(295.1)	290.8
Net change in cash and cash equivalents	19.1	12.3	6.8
<b>Ending balance of cash and cash equivalents</b>	<b>948.2</b>	<b>967.0</b>	<b>(18.8)</b>
<b>Long term and current borrowings</b>	<b>(974.7)</b>	<b>(1,182.0)</b>	<b>207.3</b>
<b>Final Net Debt</b>	<b>(26.5)</b>	<b>(215.0)</b>	<b>188.5</b>

Figures not audited

- Operating Cash Flow before net working capital reached €81m in 1Q23 vs €79m in 1Q22, mainly thanks to the higher operating profitability.
- Cash flow from operating activities (working capital) was negative and stood at €-34m in 1Q23 vs €-39m in 1Q22. This negative variation compared to 1Q22 was explained by the worse performance of Inventories, which was not offset by the improvement of Accounts receivable and Accounts payable.
- Working Capital from S/T and L/T stood at €31m in March 2023, equivalent to +3 DoS vs +1 DoS in March 2022. This deterioration in 2 DoS was mainly explained by the increase in Inventories (9 DoS) and the worsening in Accounts Payable (4 DoS), despite the improvement in Accounts Receivable (11 DoS).

<b>Working Capital S/T and L/T (€m)</b>	<b>1Q23</b>	<b>1Q22</b>	<b>Variation</b>
Inventories	577	430	147
Accounts Receivable	1,070	1,068	2
<b>Operating Current Assets</b>	<b>1,647</b>	<b>1,498</b>	<b>149</b>
Inventories L/T	50	48	2
Accounts Receivable L/T	28	22	7
<b>Total Operating Assets</b>	<b>1,726</b>	<b>1,568</b>	<b>158</b>
Prepayments from clients	752	817	(65)
Accounts Payable	624	592	31
<b>Operating Current Liabilities</b>	<b>1,376</b>	<b>1,409</b>	<b>(34)</b>
Prepayments from clients L/T	319	148	172
<b>Total Operating Liabilities</b>	<b>1,695</b>	<b>1,557</b>	<b>138</b>
<b>Working Capital S/T and L/T</b>	<b>31</b>	<b>11</b>	<b>20</b>

<b>Working Capital S/T and L/T (DoS)</b>	<b>1Q23</b>	<b>1Q22</b>	<b>Variation</b>
Inventories	58	50	9
Accounts Receivable	3	13	(11)
Accounts Payable	(58)	(62)	4
<b>Total</b>	<b>3</b>	<b>1</b>	<b>2</b>

- Non-recourse factoring lines remained stable at €187m.
- 1Q23 CAPEX (net of subsidies) implied a cash inflow of €0.3m vs cash outflow of €6.9m in 1Q22. This difference is explained by a higher subsidy collection, which amounted to €12m in 1Q23 vs €3m in 1Q22. The payment for tangible investment was €3m in 1Q23 vs €4m in 1Q22 and the payment for intangible investment (before subsidies collections) amounted to €9m vs €6m in 1Q22.
- Financial Results payment in 1Q23 was €0.3m vs €3.8m in 1Q22, mainly due to higher financial income derived from cash remuneration, as well as lower payments on financing derived by lower gross debt volume in 1Q23 than in 1Q22.
- Tax payment stood at €12m in 1Q23 vs €8m in 1Q22, due to the company's higher results.
- 1Q23 Free Cash Flow was €27m vs €13m last year same period.
- Net Debt declined to €27m in March 2023 vs €43m in December 2022 and €215m in March 2022. Net Debt/EBITDA LTM ratio (excluding the impact of IFRS 16, the capital gain from the sale of the facilities and the provision of the Real Estate Plan) stood at 0.1x in March 2023 vs 0.1x in December 2022 and 0.7x in March 2022.

## **Alternative Performance Measures (APMS)**

Following the guidelines of the European Securities and Markets Authority (ESMA) on Alternative Performance Measures (APMs), Group Management believes that certain APMs provide useful additional financial information that should be considered when assessing performance. In addition, Management uses these APMs when taking financial, operational and planning decisions, as well as in the assessment of Group performance. The Group presents the following APMs that it considers useful and appropriate for decision making by investors and which provide greater reliability with respect to the Group's performance.

### **Organic Revenues**

**Definition/Conciliation:** revenues adjusted for the impact of exchange rates and changes in the consolidation scope due to acquisitions and divestitures. The exchange rate impact is adjusted by calculating income at the average exchange rate for the previous period. The change in the consolidation scope is adjusted by excluding the contribution of the acquisitions in both periods.

**Explanation:** this is an indicator that reflects the increase in sales excluding the impact of changes in the consolidation scope (acquisitions and divestitures) and the impact of currency exchange rates.

**Coherence in the criteria applied:** there is a change in the criteria applied compared to last year, in which the calculation was adjusted by considering acquisitions as if they had been consolidated in the previous period. For a better traceability and simplicity in its calculation, it is adjusted excluding the contribution of acquisitions in both periods, thus showing the underlying evolution of the company's revenues without the contribution of acquisitions.

### **Gross Operating Result (EBITDA):**

**Definition/Conciliation:** EBITDA stands for earnings before interest, tax, depreciation and amortisation.

**Explanation:** metric that the Group uses to define its operating profitability, and widely used by investors when evaluating businesses.

The Group also uses the EBITDA Margin as a performance indicator, which is the ratio of EBITDA to sales in a given period. This indicator is interpreted as the Group's operating profit for every euro of sales.

**Coherence in the criteria applied:** there is no change in the criteria applied compared to last year.

### **Operating Result (EBIT):**

**Definition/Conciliation:** It is defined in the consolidated income statement.

**Explanation:** EBIT (earnings before interest and tax) is a financial indicator that the Company uses to determine its productive performance and that investors use for company valuations.

The Group also uses the EBIT Margin as a performance indicator, which is the ratio of EBIT to sales in a given period. This indicator is interpreted as the Group's operating profit for every euro of sales.

**Coherence in the criteria applied:** There is no change in the criteria applied compared to last year.



**Operating Margin**

**Definition/Conciliation:** Operating profit (EBIT) plus personnel reorganisation costs, impairment, business consolidation and acquisition costs, amortisation of intangible assets from acquisitions, share-based remuneration and possible penalties.

**Explanation:** a financial indicator that the Company uses to determine its productive performance before certain extraordinary costs and which investors use for valuations of IT businesses.

The Group also uses the Operating Margin (%) as a performance indicator, which is the ratio of the Operating Margin to sales in a given period.

**Coherence in the criteria applied:** there is no change in the criteria applied compared to last year.

**Net Financial Debt:**

**Definition/Conciliation:** amounts owed to credit institutions and bonds or other non-current marketable securities less cash and cash equivalents. Net borrowings is calculated by subtracting the balance under “Cash and cash equivalents” from the balances under the headings “Current and non-current bank borrowings” and “Financial liabilities due to the issuance of debentures and other current and non-current marketable securities” as these figure in the consolidated statements of financial position.

**Explanation:** this is a financial indicator that the Group uses to measure the company's leverage.

In this respect, the Group uses the Net Debt/EBITDA ratio as an indicator of its level of leverage and capacity to repay its financial debt. For this reason, the EBITDA figure used in the calculation of the ratio for interim periods is determined taking into account the equivalent annual EBITDA figure for the 12 months immediately prior to the date of calculation of the ratio.

**Coherence in the criteria applied:** there is no change in the criteria applied compared to last year.

**Free Cash Flow:**

**Definition/Conciliation:** these are the funds generated by the Group before dividend payments, net financial investments and other similar amounts, and investment in treasury shares (Note 2. Statement of Financial Position and Cash Flow Statement). It is calculated on the basis of profit before taxes in the consolidated cash flow statement: deducting grants, provisions and gains/losses on fixed assets and other items, adding depreciation and amortisation, adding the results of subsidiaries and other investees, adding financial results, adding dividends received, adding change in working capital, deducting payments for the acquisition of property, plant and equipment and intangible assets, deducting financial results and corporate income tax paid, adding or deducting other flows from financing activities and adding subsidies.

**Explanation:** this is the cash generated by the Group's own business operations that is available to the providers of funds (shareholders and financial creditors) once the Parent Company's investment needs have been met. It is an indicator that investors use for valuing companies.

**Coherence in the criteria applied:** There is no change in the criteria applied compared to last year.

**Order Intake:**

**Definition/Conciliation:** this is the volume of contracts successfully obtained over a period. The order intake figure should not be confused with the Revenue figure since the amount of a contract secured in a particular year (and which is accounted for as order intake in that year) may be spread over a number of years.

**Explanation:** as it reflects the amount of contracts obtained in a given year, the order intake figure is an indicator of the future performance of the Group's business.

**Coherence in the criteria applied:** there is no change in the criteria applied compared to last year.

### “Book to bill” Ratio:

**Definition/Conciliation:** the amount of the contracts successfully obtained over a period divided by the company's sales in the last twelve months.

**Explanation:** this is a financial indicator used by the Company to measure the amount of contracts obtained in relation to the Company's sales in the last twelve months.

**Coherence in the criteria applied:** there is no change in the criteria applied compared to last year.

### Backlog:

**Definition/Conciliation:** this is the accumulated order intake less sales made plus/minus exchange rate and contract renegotiation adjustments, among others. It reflects the amount of a sale remaining until the termination of a project to complete the order intake figure.

**Explanation:** as it reflects the amount of contracts obtained pending implementation, this figure is an indicator of the future performance of the Group's business.

**Coherence in the criteria applied:** there is no change in the criteria applied compared to last year.

### Backlog / Revenues in the Last Twelve Months

**Definition/Conciliation:** amount of the backlog less sales made plus/minus exchange rate and contract renegotiation adjustments, among others, and which represents the part of the sale pending until the finalisation of the project to complete the contract figure, divided by the company's sales in the last twelve months.

**Explanation:** a financial indicator used by the Company to measure the amount of contracts obtained pending execution in relation to its sales in the last twelve months.

**Coherence in the criteria applied:** there is no change in the criteria applied compared to last year.

### Working Capital (NWC)

**Definition/Conciliation:** the amount of current operating assets less current operating liabilities. It can also be calculated as the sum of accounts receivable plus inventories less trade debtors.

**Explanation:** a financial indicator used by the Company to measure the resources it has available to meet its current liabilities. Therefore, it measures the company's insolvency risk.

**Coherence in the criteria applied:** there is no change in the criteria applied compared to last year.

**Glossary**

AMEA: Asia, Middle East and Africa.

ATM: Air Traffic Management.

BPO: Business Process Outsourcing.

Book-to-Bill: Order intake/Revenues ratio.

CAPEX: Capital Expenditure.

DoS: Days of Sales.

EBITDA: Earnings Before Interests, Taxes, Depreciations and Amortisations.

EBIT: Earnings Before Interests and Taxes.

EPS: Earnings Per Share.

IT: Information Technology

L/T: Long Term.

LTM: Last Twelve Months.

S/T: Short Term.

T&D: Transport & Defence.

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**About Indra**

Indra ([www.indracompany.com](http://www.indracompany.com)) is one of the leading global technology and consulting companies and the technological partner for core business operations of its customers worldwide. It is a world-leader in providing proprietary solutions in specific segments in Transport and Defence markets, and a leading firm in Digital Transformation and Information Technologies in Spain and Latin America through its affiliate Minsait. Its business model is based on a comprehensive range of proprietary products, with a high-value, end-to-end focus and with a high innovation component. In the 2022 financial year, Indra achieved revenue totaling €3,851 billion, almost 57,000 employees, a local presence in 46 countries and business operations in over 140 countries.