



# RESULTS FY15

February 29<sup>th</sup>, 2016

## **CONFERENCE CALL DETAILS**

**The Company will host a conference call for investors and analysts today at 18:30 (CET).  
Please find below conference call telephone numbers:**

**Spain: +34 917900863  
UK: +44 (0) 2031474607  
USA: +1 8663881927**

**A recording of the conference call will be available for 30 days on the following telephone numbers:**

**Replay dial number:  
Spain: +34 917896320  
UK: +44 (0)2033679460  
USA: +1 8776423018**

**Access code: 299367#**

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# MAIN HEADLINES

- 1 Recurrent EBIT margin in 4Q15 of 6.0%, above 3Q15 (3.5%) and 4Q14 (5.7%), partly due to efficiency plans
- 2 Strong 4Q15 FCF generation (€+137M) because of margin expansion and pro active NWC management
- 3 NWC reduced to 30 DoS vs 81 DoS as a results of write offs (35 DoS) and new management measures (16 DoS)
- 4 Material deleverage in the quarter, leaving Net Debt in Dec 15 at €700M (vs €837M Sept 15) despite personnel reduction cash costs of €78M in the year
- 5 2015 revenues almost flat (ex-elections), although 4Q15 revenues down -6% in local currency
- 6 Decline in Order Intake (-11% in local currency) due to a more selective commercial policy, specially in Brazil, and project delays in oil exporting countries
- 7 Non-recurrent effects of €718M in 2015, of which €160 M for headcount reduction in Spain and €321M for Brazil

# 2015 REVENUES FLAT (EX-ELECTIONS); 4Q15 DOWN -6% IN LOCAL CURRENCY

**FY15**

Sales in Local Currency

-2%

Sales Reported Growth

-3%

Sales Growth (ex. elections)

-1%

**4Q15**

Sales in Local Currency

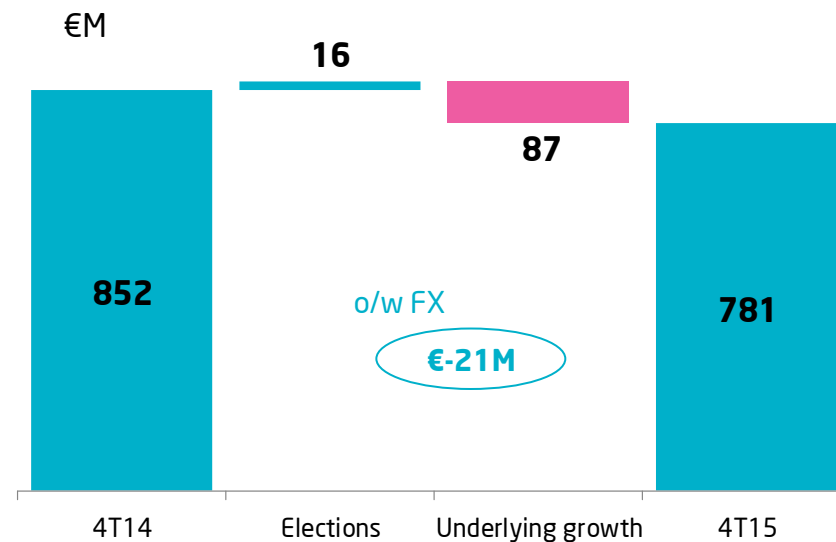
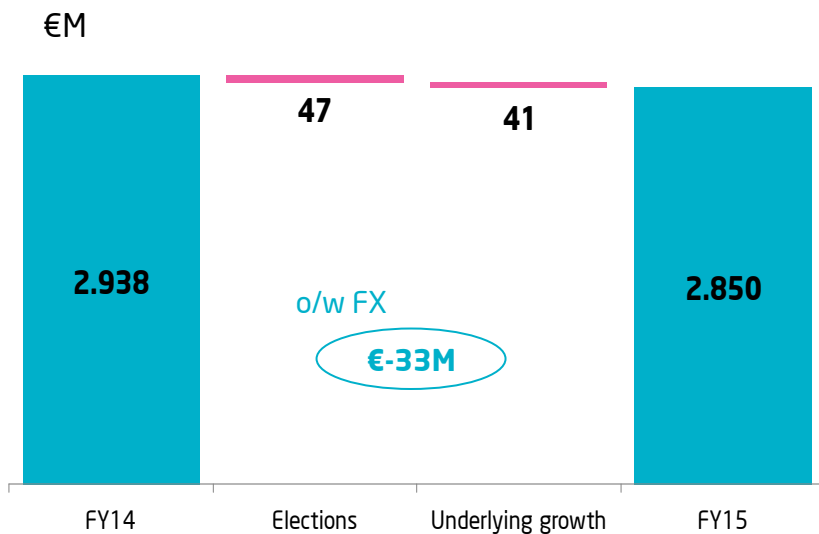
-6%

Sales Reported Growth

-8%

Sales Growth (ex. elections)

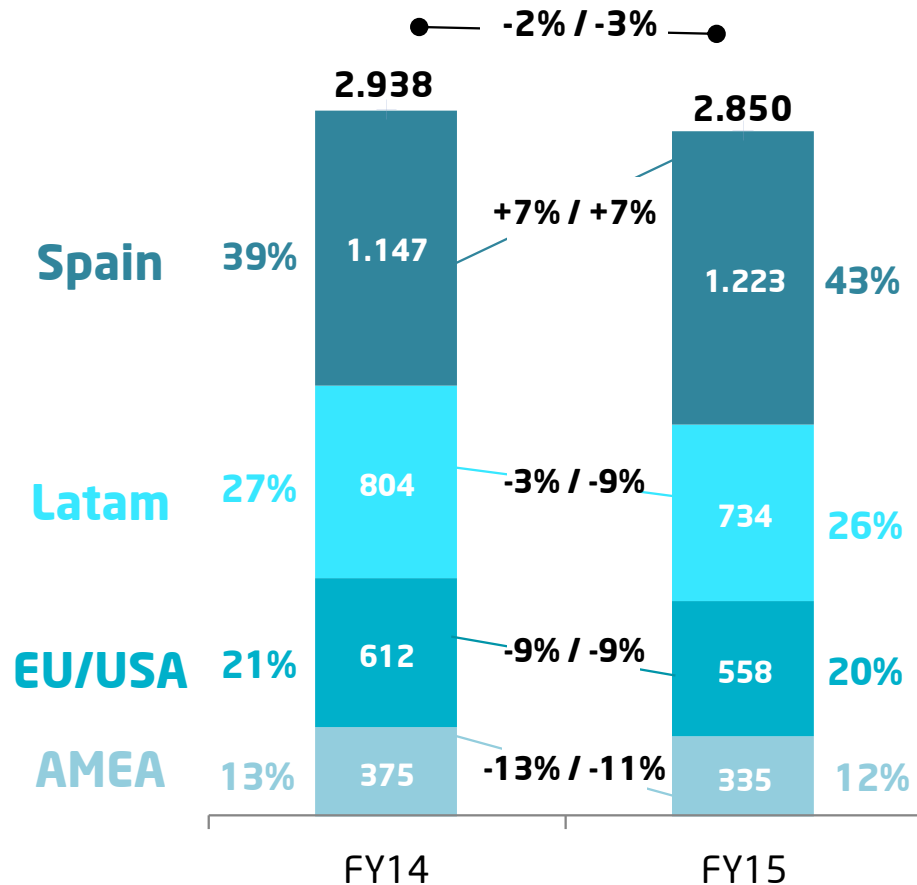
-10%



# REVENUES BY REGION

## Revenues (€M)

Local Currency / Reported



- +7% annual growth, while 4Q15 -2%
- +23% growth in Public Sector Spain and -4% in Private Sector in FY15

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- 4Q15 (-19% in local currency)

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- 4Q15 (-10%) in line with full year

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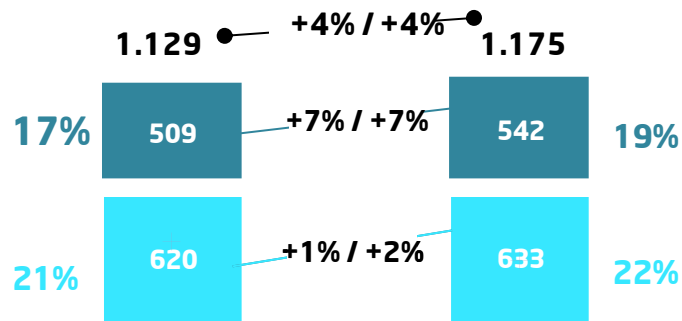
- Growth speeding up, 4Q15 (+16% in local currency)

# REVENUES BY VERTICAL

Local Currency / Reported

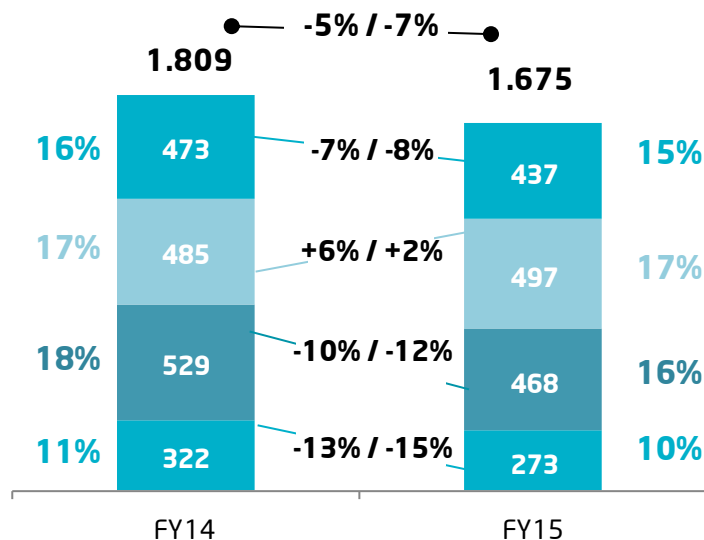
**T&D**

- Defence & Security
- Transport & Traffic

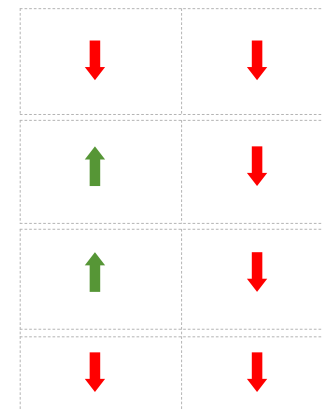
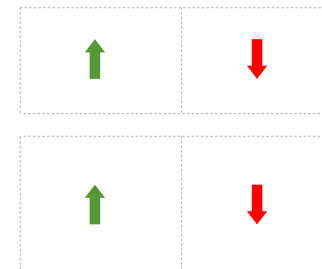


**IT**

- Energy & Industry
- Financial Services
- PPAA & Healthcare
- Telecom & Media



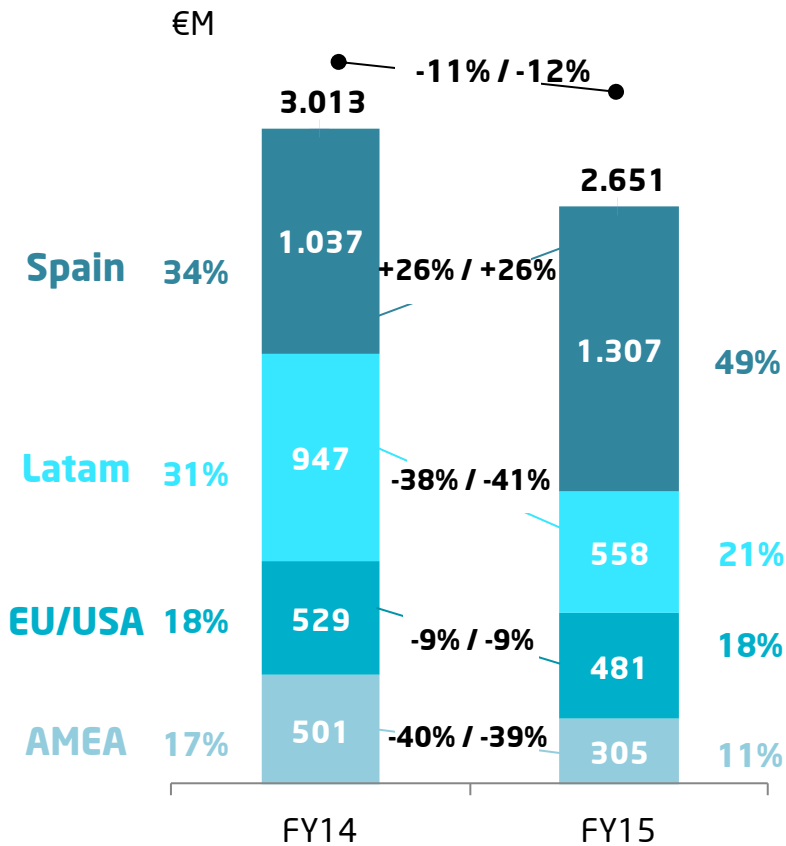
Spain | Int. (LC)



# ORDER INTAKE DOWN -11% IN 2015

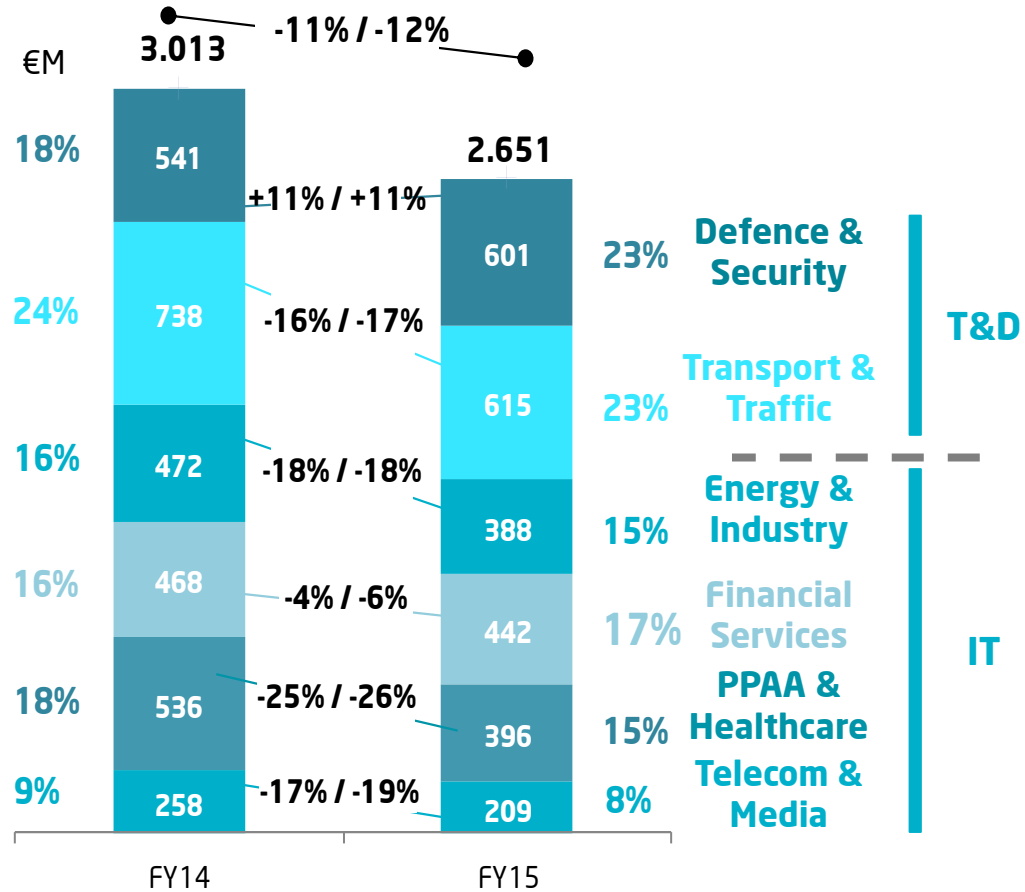
## Order Intake by Region

Local Currency / Reported



## Order Intake by Vertical

Local Currency / Reported





# GOOD PROGRESS ON OUR PERSONNEL COST OPTIMIZATION PLAN

## Number of Employees

- **SPAIN - up to 1.750**
  - Sep-Dec 15: ~ 60%
  - 2016: ~ 40%

*% Of completion*



- **LATAM - 1.700**  
1.721 as of 31/12/2015



## P&L

- Provision of €160M accounted in 3Q15 as non-recurrent cost for Spain
- Expected annual savings calendar of €120M

2015	2016	2017	2018
€20M ✓	€90M	€120M	€120M

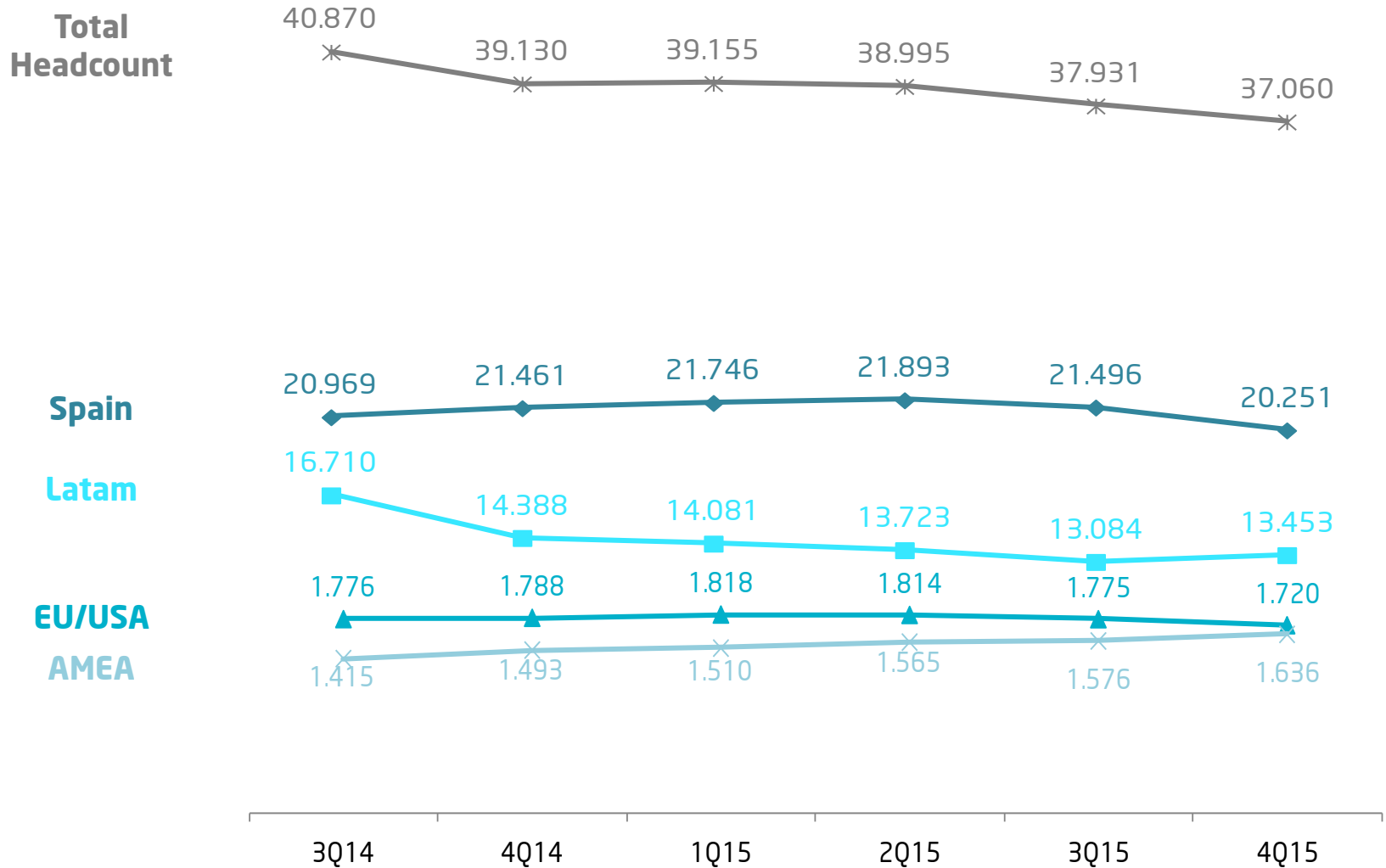
## Cash Flow

- Expected cash cost of €150-160M between 2015-2018

2015	2016	2017	2018
€70-80M ✓	€45-55M	0	Remaining

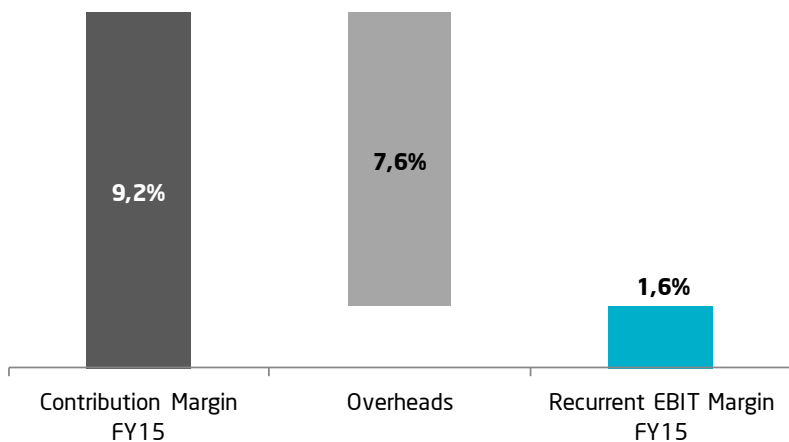
(\*) As of 31/12/2015

# HEADCOUNT DECREASING

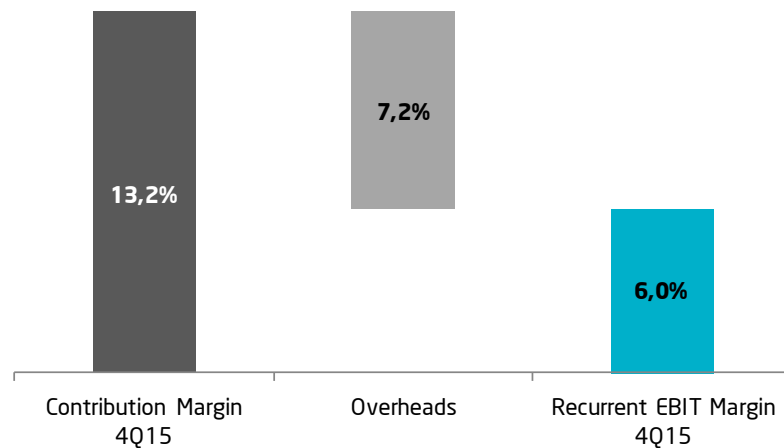


# QUARTERLY RECURRENT EBIT MARGIN IMPROVES AGAIN

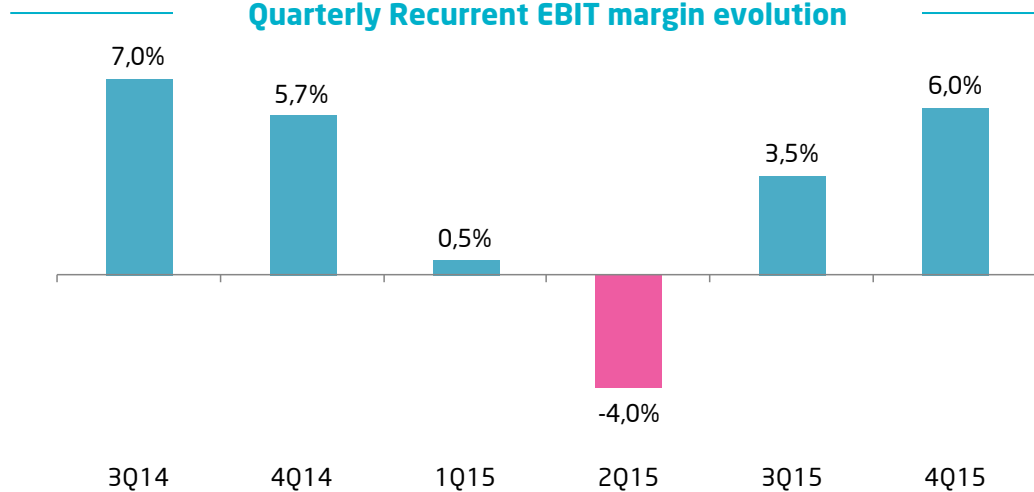
*Recurrent EBIT Margin FY15*



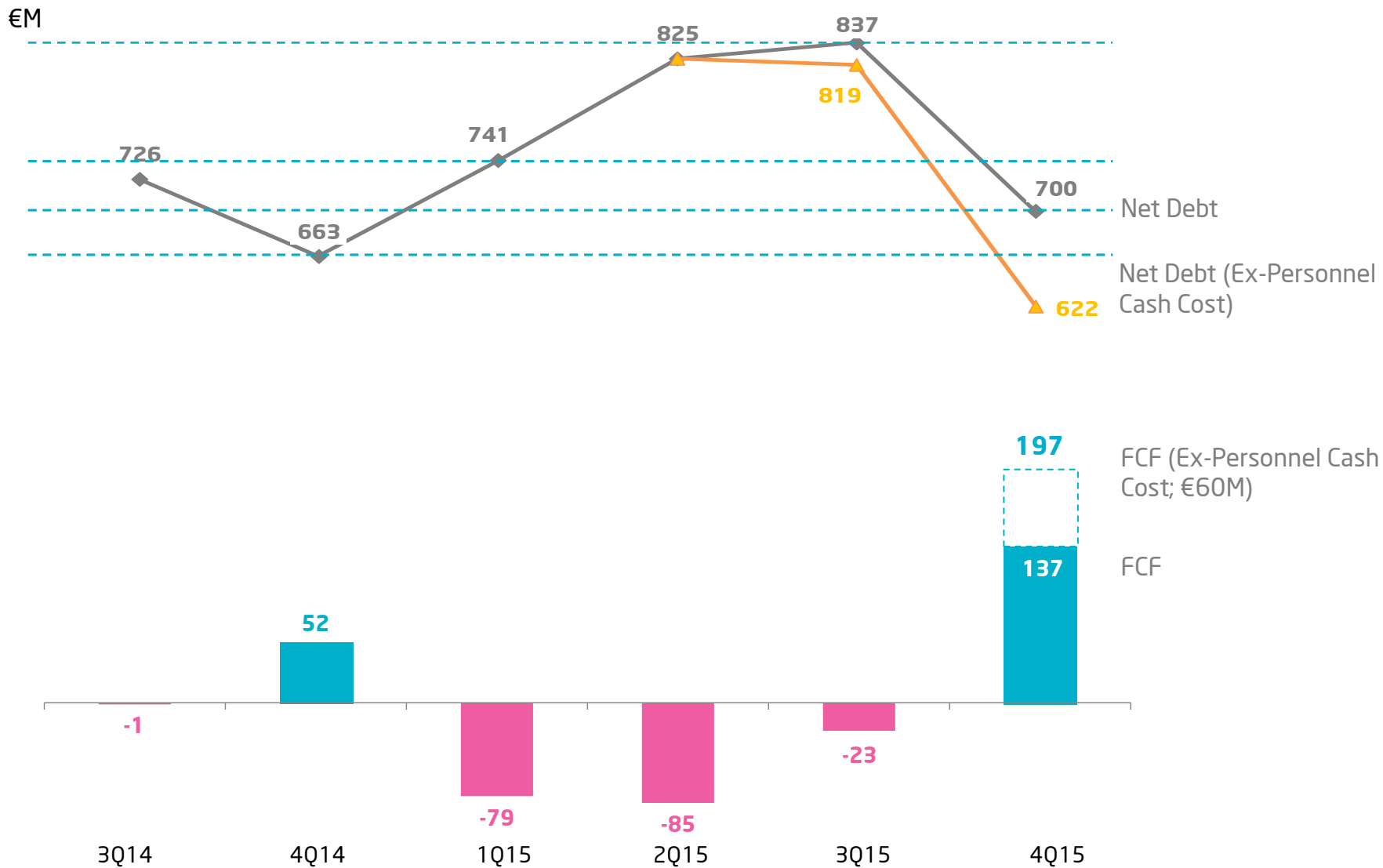
*Recurrent EBIT Margin 4Q15*



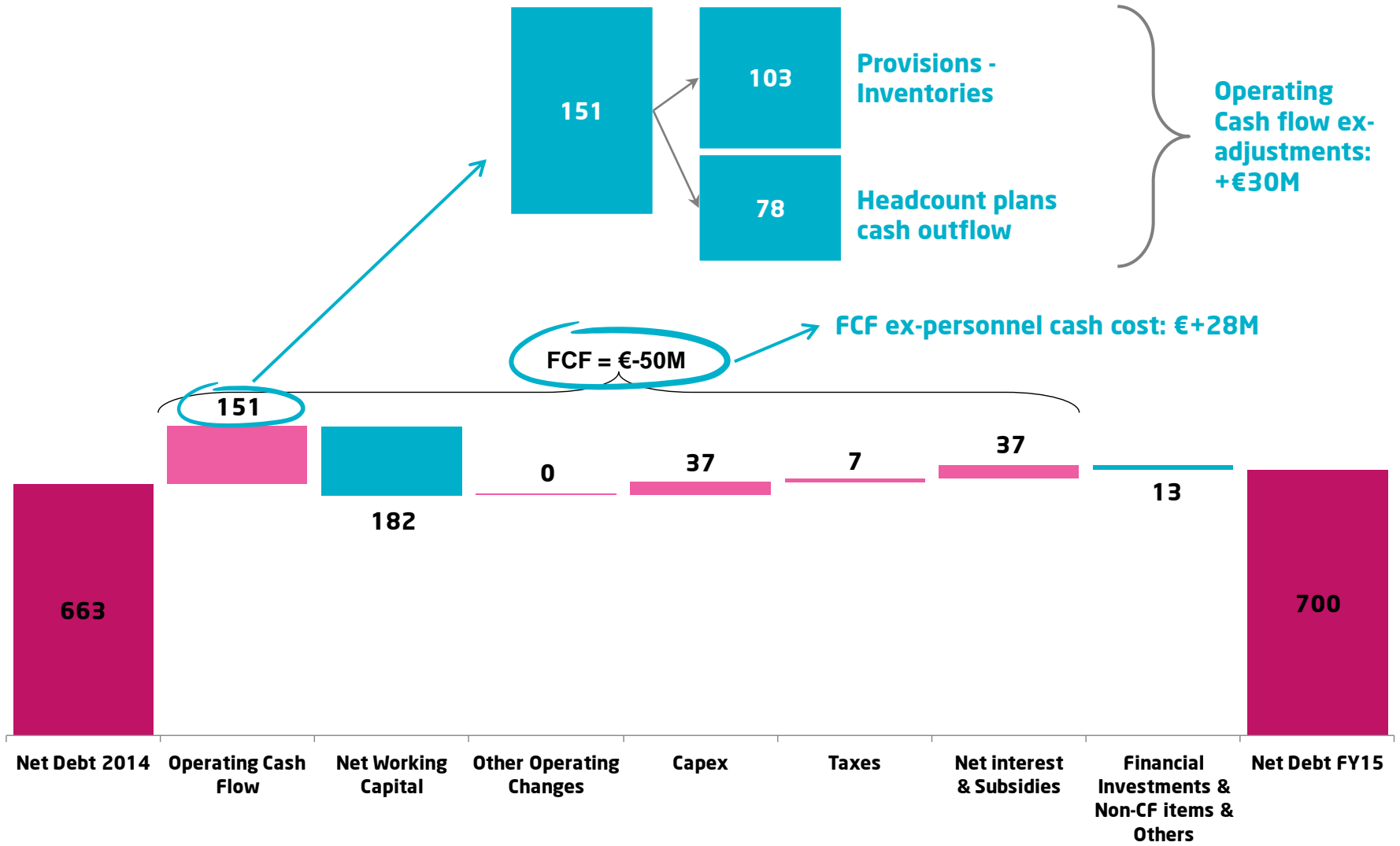
**Quarterly Recurrent EBIT margin evolution**



# STRONG FCF GENERATION AND DEBT DECREASE IN 4Q15



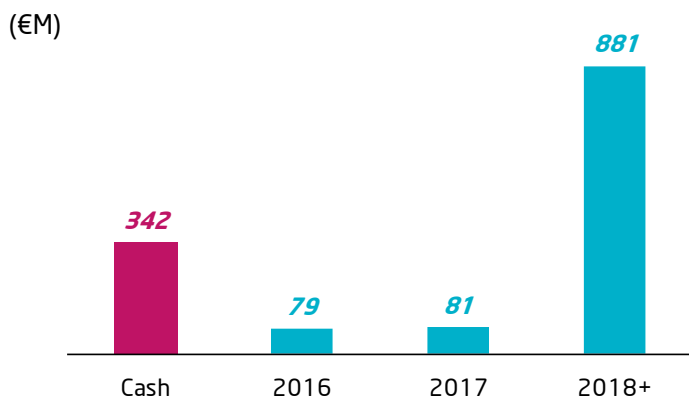
# NET DEBT BRIDGE



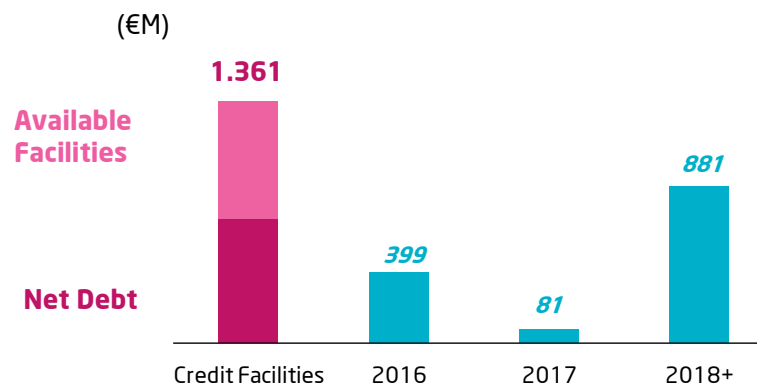
## DEBT STRUCTURE

(€M)	2015		2014	
	Total	% of total	Total	% of total
L/T Debt	962	92%	826	86%
S/T Debt	79	8%	131	14%
Gross Debt	1.041	100%	957	100%
Cash & Others	342	n.m.	294	n.m.
<b>Net Debt</b>	<b>700</b>	<b>n.m.</b>	<b>663</b>	<b>n.m.</b>
Cost of Net Debt	4,2%		4,5%	

## Gross Debt Maturity Profile



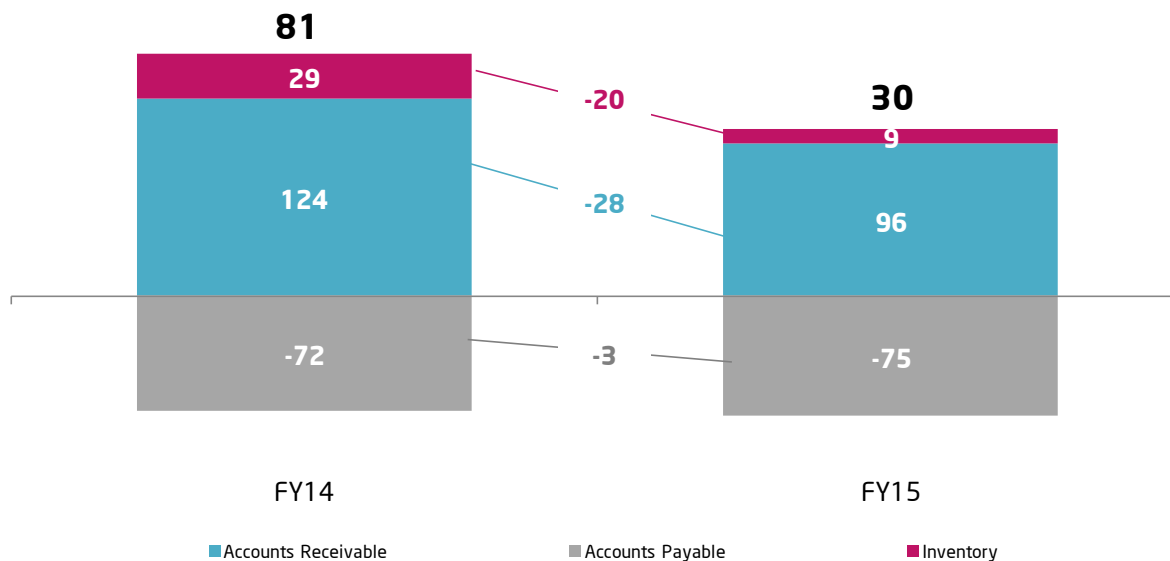
## Available Credit Facilities



# NWC IMPROVING BECAUSE OF ADJUSTMENTS AND PROACTIVE MANAGEMENT

M€	2014	2015	Variation	o/w Adjustments	o/w Underlying
Inventories	231	70	(161)	(103)	(58)
Accounts Receivable	996	750	(246)	(117)	(129)
Accounts Payable	(579)	(589)	(10)	(67)	57
<b>Working Capital</b>	<b>648</b>	<b>232</b>	<b>(417)</b>	<b>(287)</b>	<b>(130)</b>

## Net Working Capital Reported (DoS) - After non-recurring effects



## ADJUSTMENTS 2015 &amp; 4Q15

Concept	2015	
	(€M)	o/w Brazil
Provisions, impairments and over-runs	(371)	(183)
Impairment of Goodwill	(104)	(83)
Impairment of Tangible Assets	(9)	(9)
Impairment of Intangible Assets	(7)	(7)
Efficiency improvement costs	(36)	(8)
Redundancy Plan	(160)	0
<b>Non-recurring items to EBIT</b>	<b>(687)</b>	<b>(290)</b>
Impairment of Tax Credit	(31)	(31)
<b>Total non-recurring items</b>	<b>(718)</b>	<b>(321)</b>

Concept	4Q15	
	(€M)	o/w Brazil
Provisions, impairments and over-runs	(107)	(55)
Impairment of Goodwill	(3)	0
Impairment of Tangible Assets	(9)	(9)
Impairment of Intangible Assets	0	0
Efficiency improvement costs	(11)	0
Redundancy Plan	0	0
<b>Non-recurring items to EBIT</b>	<b>(130)</b>	<b>(64)</b>
Impairment of Tax Credit	0	0
<b>Total non-recurring items</b>	<b>(130)</b>	<b>(64)</b>





## **Investor Relations**

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