

indra

1H22 Results



July 27th, 2022

CONFERENCE CALL DETAILS

LIVE EVENT:

Indra will host a conference call for investors and analysts on July 27th at 18:30 am (Spanish time).

Please find below conference call telephone numbers:

Spain: +34911140101

France: +33170710159

UK: +442071943759

US: +1 6467224916

Access Code: 83806606#

Access to the live event:

<https://onlinexperiences.com/Launch/QReg/ShowUUID=11BF2164-A7E5-4B6E-B172-DDA31F018834>

WEBCAST REPLAY:

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

Replay dial number:

Spain: +34 910 387 491

France: +33 (0)1 70 71 01 60

UK: +44 20 3364 5147

US: +1 (646) 722-4969

Access code: 425022575#

Access to the Webcast Replay:

<https://onlinexperiences.com/Launch/QReg/ShowUUID=11BF2164-A7E5-4B6E-B172-DDA31F018834>

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Main 1H22 headlines

Revenues, EBIT and Net profit grew again at double-digit rates in the first half of 2022

2022 Revenues, EBIT and FCF guidance increased

- 1 Revenues in 1H22 grew +11.6% vs 1H21, and +10.0% in 2Q22 vs 2Q21, mainly bolstered by Minsait
- 2 EBIT up +22.5% year-on-year, bringing the EBIT margin to 6.8% in 1H22 vs 6.2% in 1H21, thanks to the improvement in profitability in Transport and Defence
- 3 Net Profit reached €66m in 1H22, +19.9% higher than in 1H21
- 4 Free Cash Flow in 1H22 was €24m vs €-50m in 1H21, bringing Net Debt/EBITDA ratio down to 0.6x compared to 2.1x in June 2021
- 5 Backlog reached €6,044m (+12.6%), achieving a new record high, while order intake recorded +25.8% growth in 1H22 vs 1H21
- 6 2022 Guidance upgraded (revenues in constant currency now >€3,600m, reported EBIT now >€280m and FCF now >€175m)

Moving forward to bring back good corporate governance

Indra's board agreements:

- 1 Call for a Extraordinary General Shareholders Meeting around the end of October to:
 - Set the number of members of the Board of Directors at 14. At least half of them will be independent
 - Elimination of the provision on the quality vote of the Chairman of the Board contained in the Company's Bylaws
- 2 Search process for new Board members will be led by current independent Board members, supported by Korn Ferry
- 3 Consolidation of the separation between the non-executive Chairman and the CEO
- 4 The roll of the coordinating independent board member will be maintained.

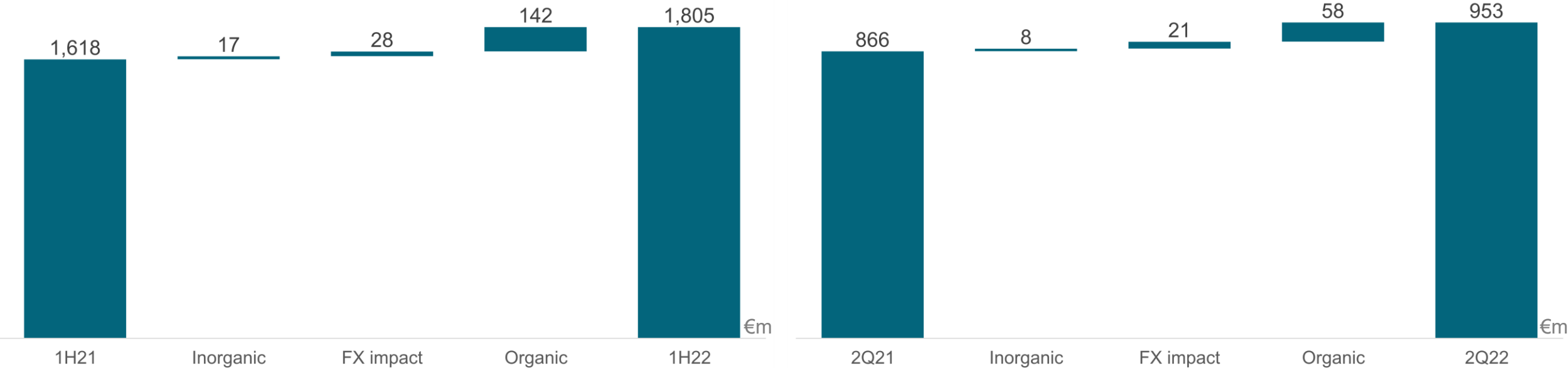
Revenue evolution

1H22

2Q22

Reported	+12%
Local Currency	+10%
Organic ¹	+9%

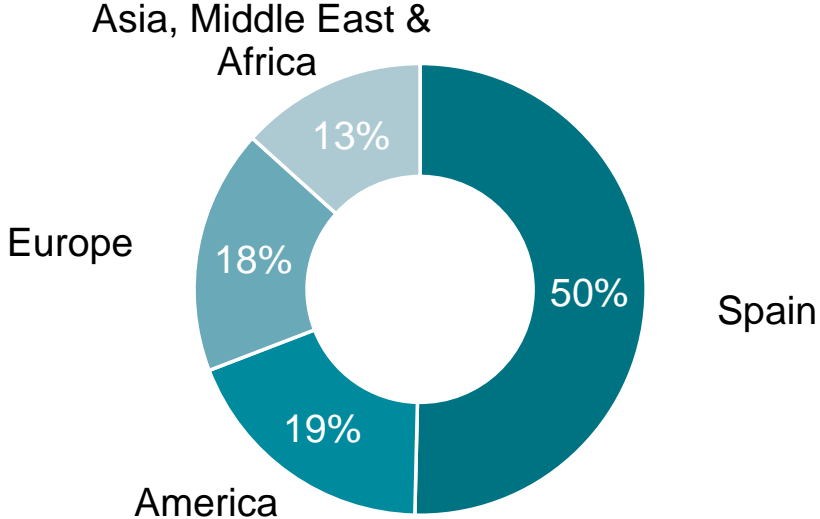
Reported	+10%
Local Currency	+8%
Organic ¹	+7%



1. Excluding the impact of the Inorganic contribution and FX impact for the year

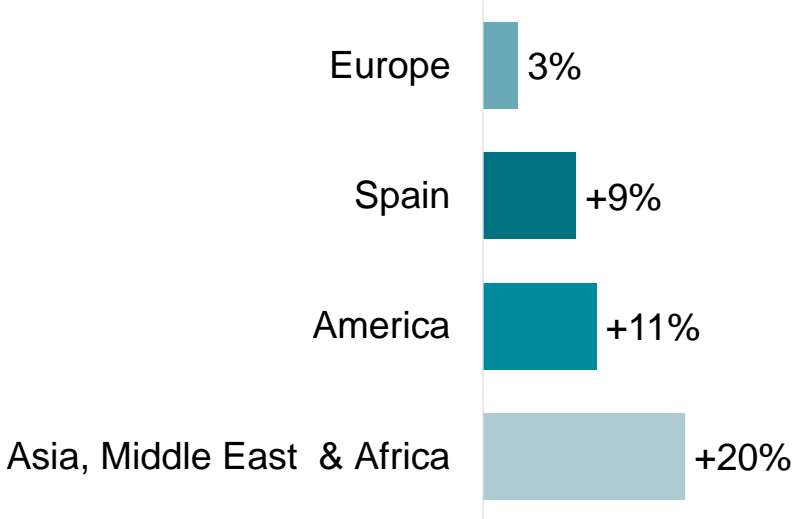
Revenues by region

1H22 Breakdown



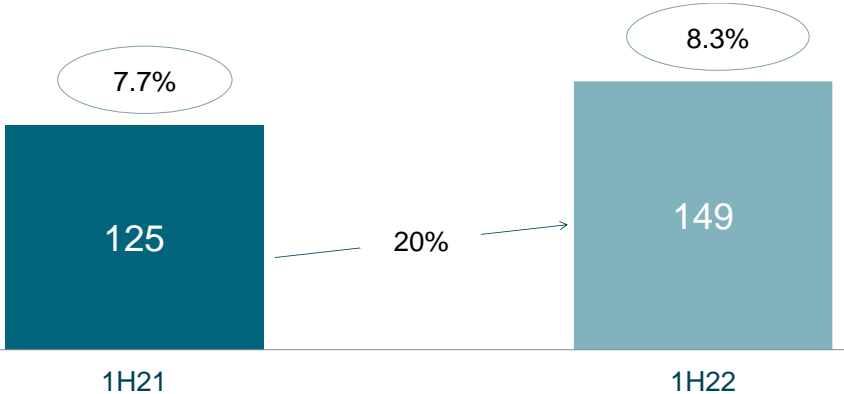
Revenue Growth 1H22 vs 1H21

(Constant currency)

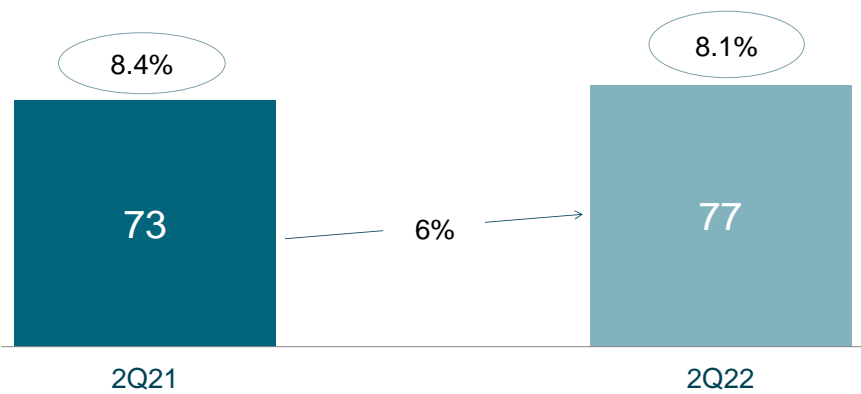


Operating Margin and EBIT evolution

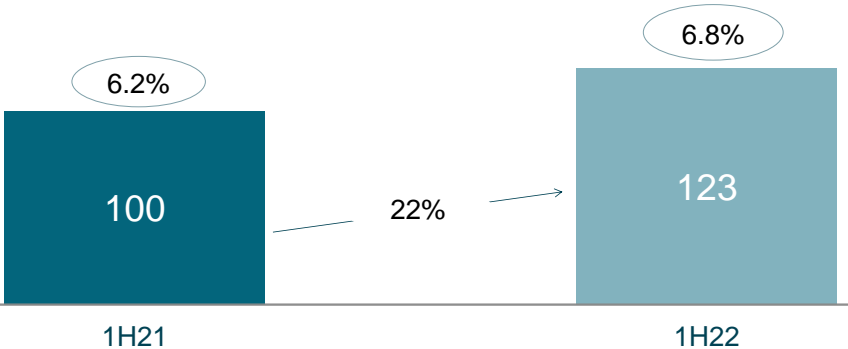
1H22 Operating Margin¹(€m)



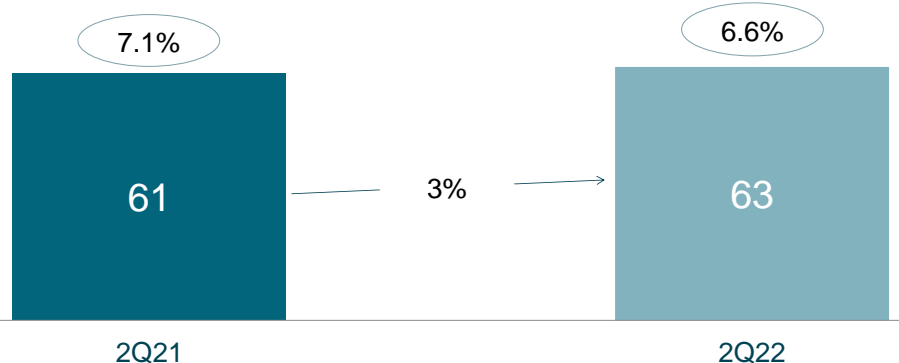
2Q22 Operating Margin¹(€m)



1H22 EBIT and Margin (€m)

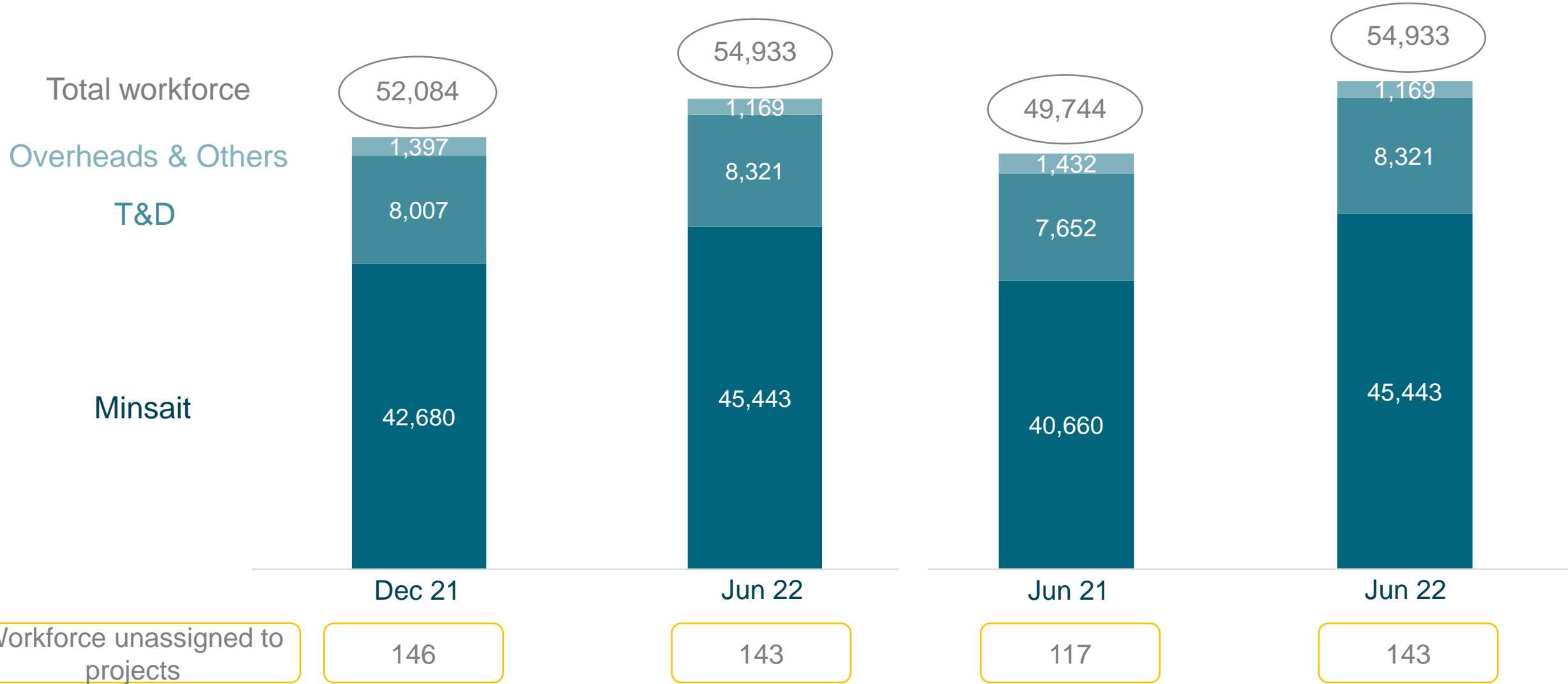


2Q22 EBIT and Margin (€m)



1. EBIT before Other Operating Income & Expenses, including: staff reorganization, impairments, capital gains, integration and acquisition costs, fines, amortization of intangible assets (PPA from acquisitions) and equity-based compensation.

Workforce evolution



2022 Guidance

	Previous Guidance 2022	Upgraded Guidance 2022
Revenues (in constant currency)	>€3,550m	>€3,600m
EBIT	>€270m	>€280m
FCF	>€170m	>€175m

War in Ukraine has completely changed the outlook for the defence sector

Symmetrical high-intensity conflicts in Europe are a real threat for which we must be prepared

Early effects

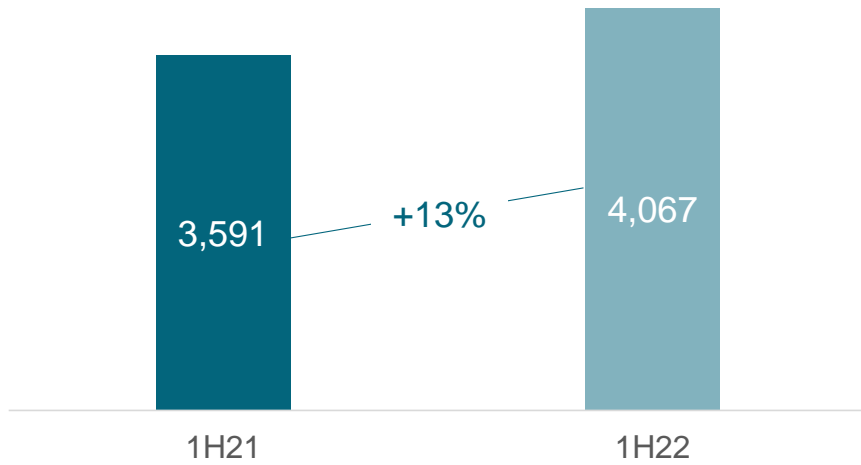
- Increase in defence spending in neighbouring countries (Germany €100bn)
- Willingness to support the cooperative development of defence programmes in Europe is confirmed
- NATO summit in Madrid: Spanish commitment to increase defence spending (to reach 2% of GDP by 2029)
- €1bn increase in defence approved in Spain's 2022 budget

Acceleration of programmes for Indra

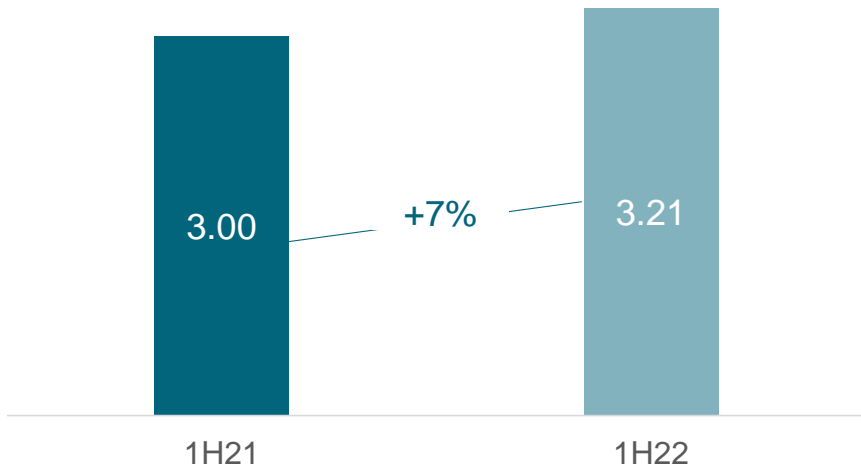
- Increase in the national support budget: opportunity for new contracts for Indra, mainly in the Navy and in the Air Force.
- Foreseeable launch of national or cooperative programmes:
 - ✓ Boosting the inter-nation agreement for Phase 1B of the FCAS
 - ✓ Acceleration of the purchase of new Eurofighters for the Canary Islands (Halcon Programme). This will result in contracts for Indra in 2022 and 2023
 - ✓ Renewal of air defence systems (Command and Control, Radars)
 - ✓ Launch of the Santiago 2 Electronic-Intelligence Program
 - ✓ New Command and Control and terrestrial communications programs

T&D backlog and order intake

1H22 T&D Backlog(€m)

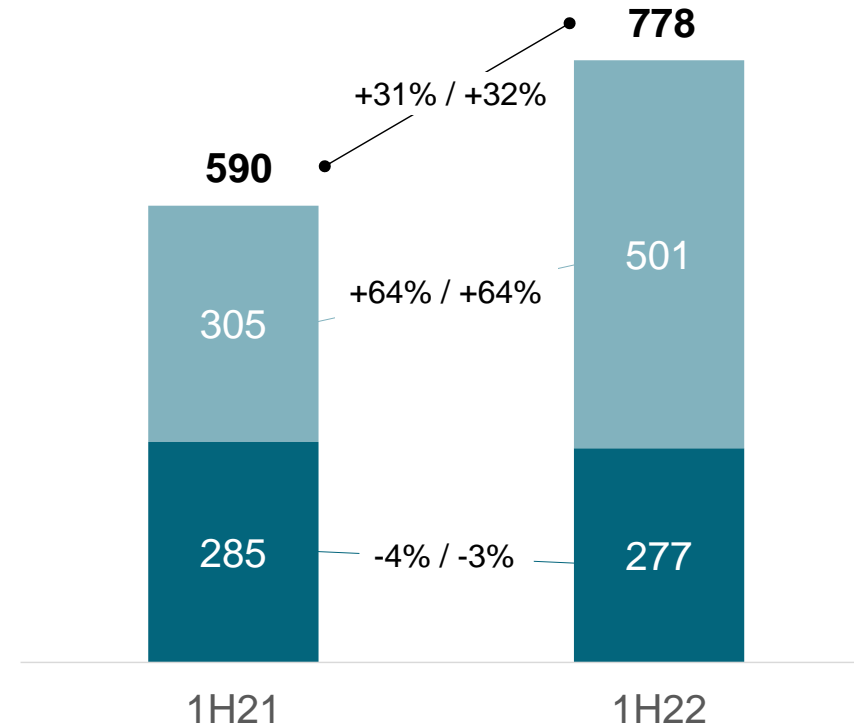


1H22 T&D backlog/revs LTM



1H22 T&D Order Intake (€m)

Local Currency / Reported

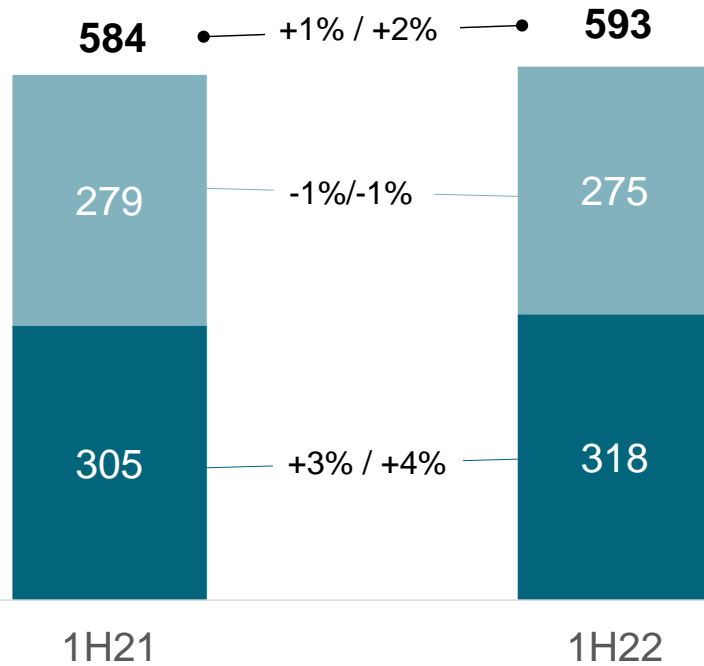


Defence & Security
 Transport & Traffic

T&D revenues

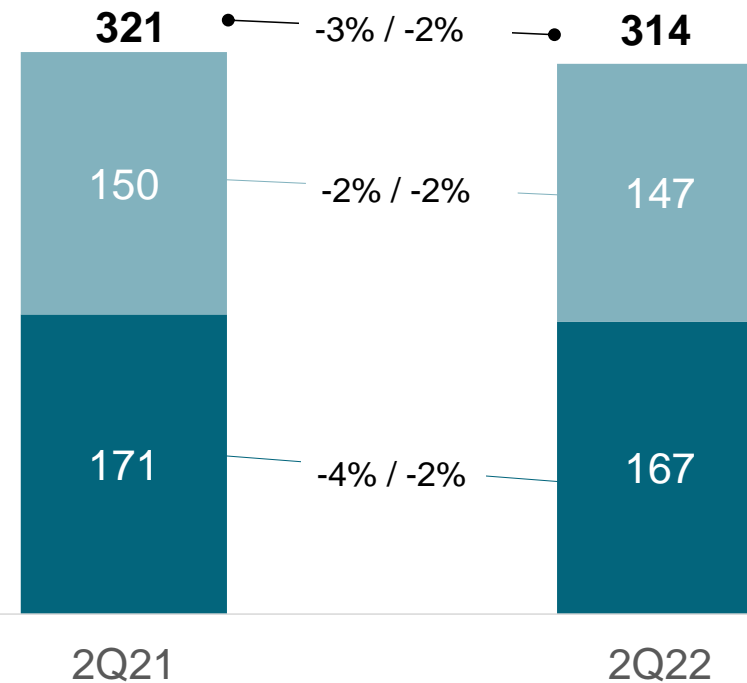
1H22 Revenues (€m)

Local Currency / Reported



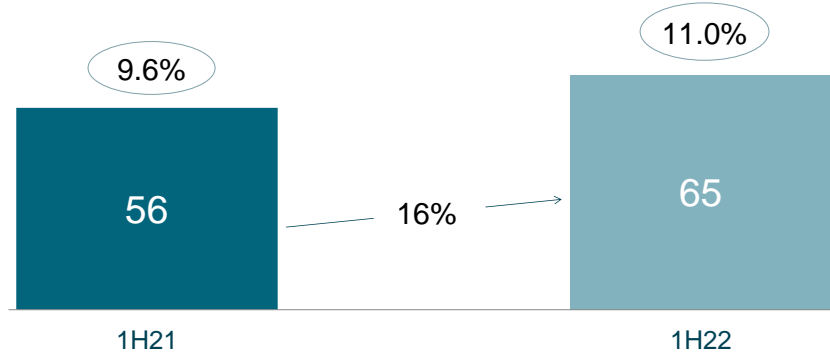
2Q22 Revenues (€m)

Local Currency / Reported

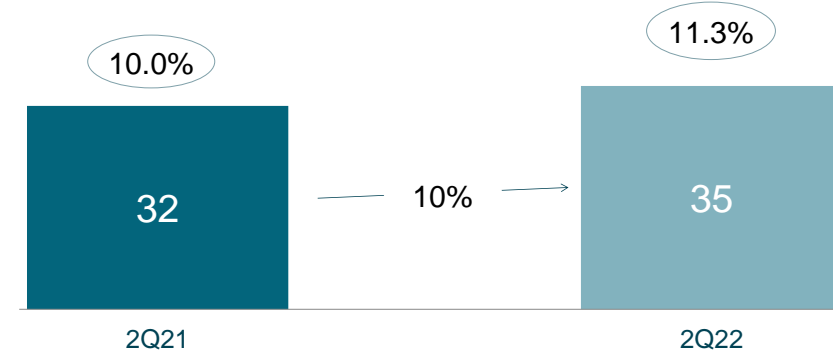


T&D Operating Margin and EBIT evolution

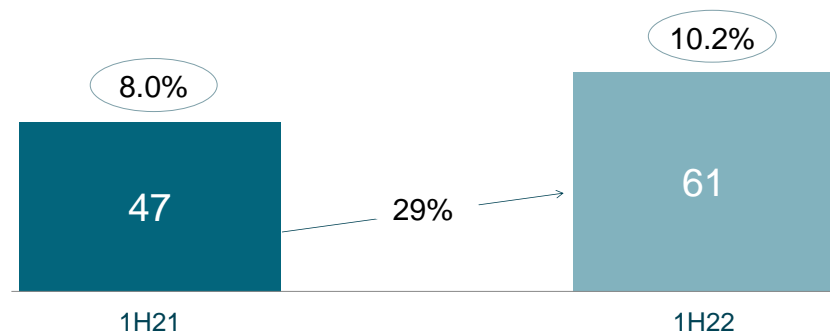
1H22 Operating Margin¹(€m)



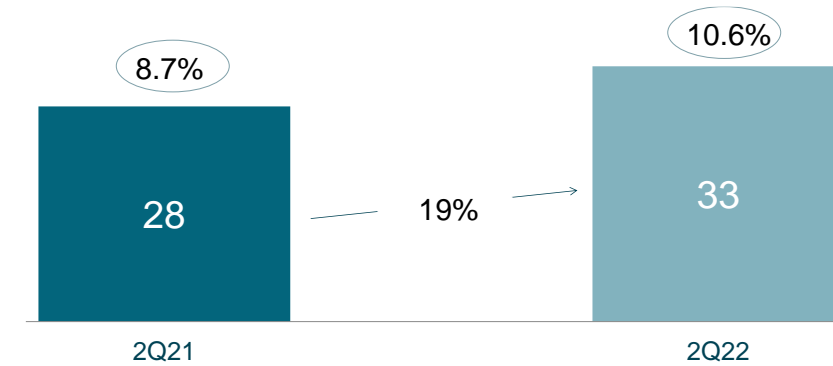
2Q22 Operating Margin¹(€m)



1H22 EBIT and Margin (€m)



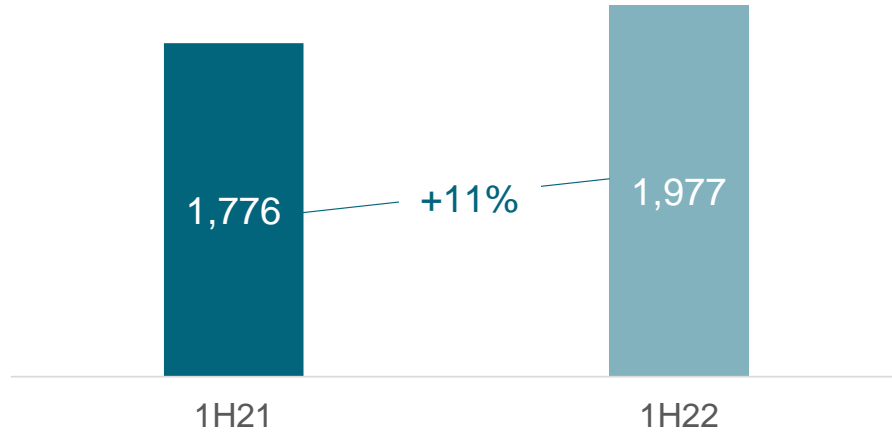
2Q22 EBIT and Margin (€m)



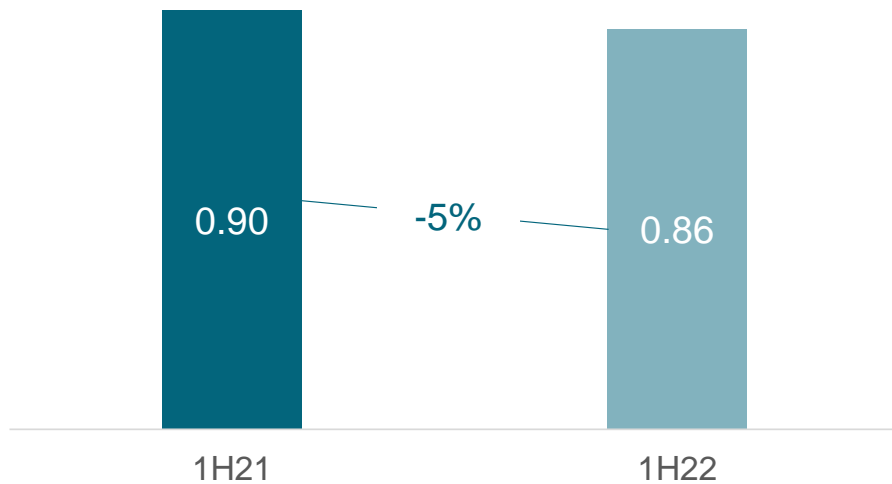
1. EBIT before Other Operating Income & Expenses, including: staff reorganization, impairments, capital gains, integration and acquisition costs, fines, amortization of intangible assets (PPA from acquisitions) and equity-based compensation.

Minsait backlog and order intake

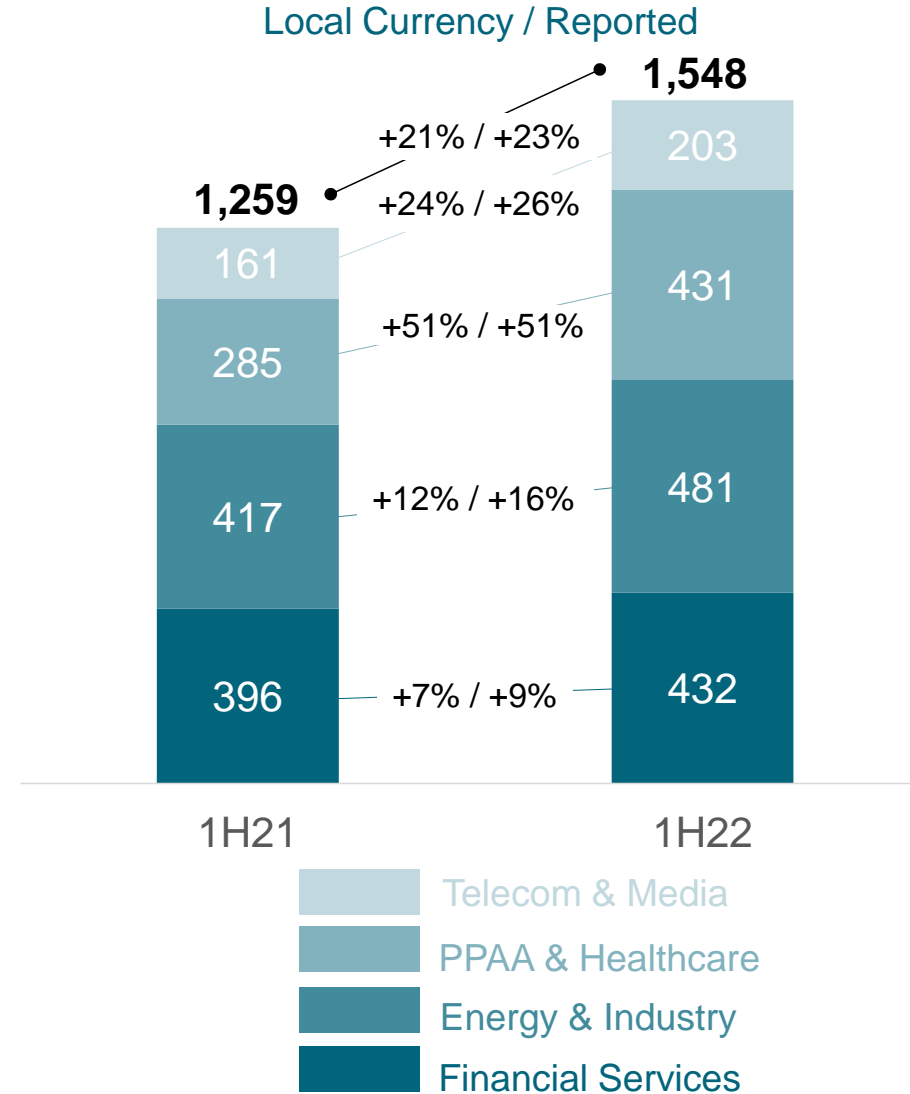
1H22 Minsait Backlog(€m)



1H22 Minsait backlog/revs LTM



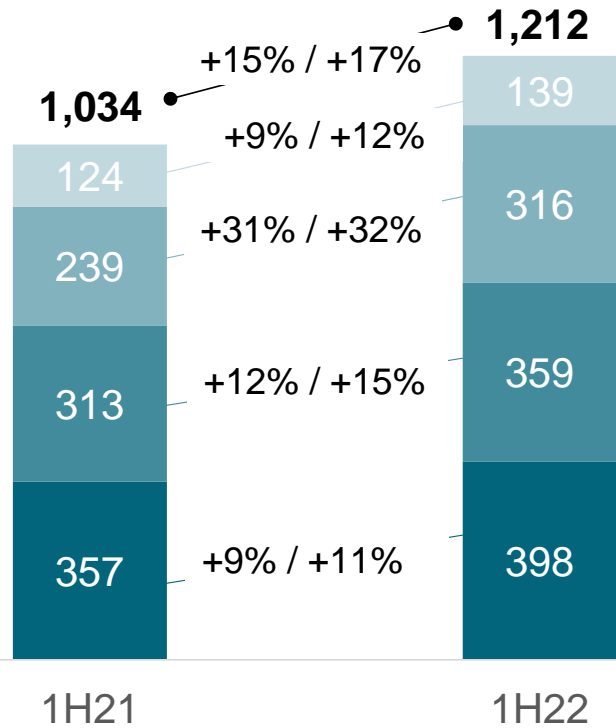
1H22 Minsait Order Intake (€m)



Minsait revenues

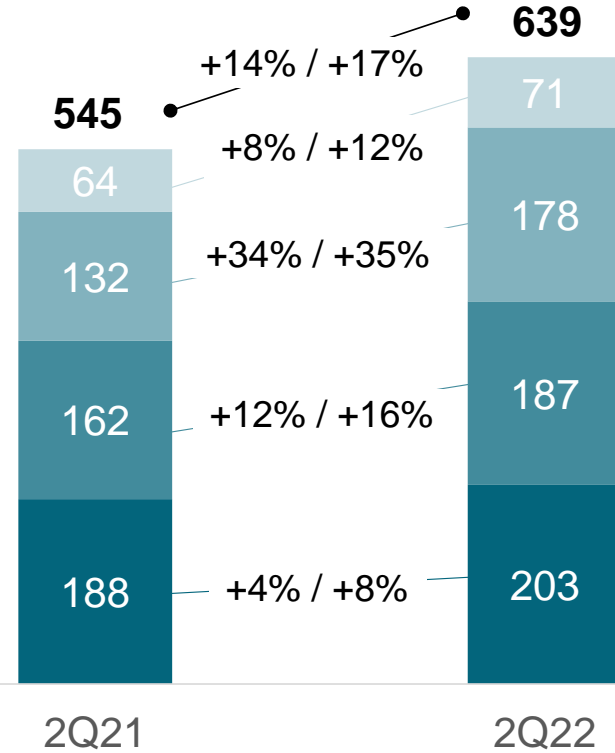
1H22 Revenues (€m)

Local Currency / Reported



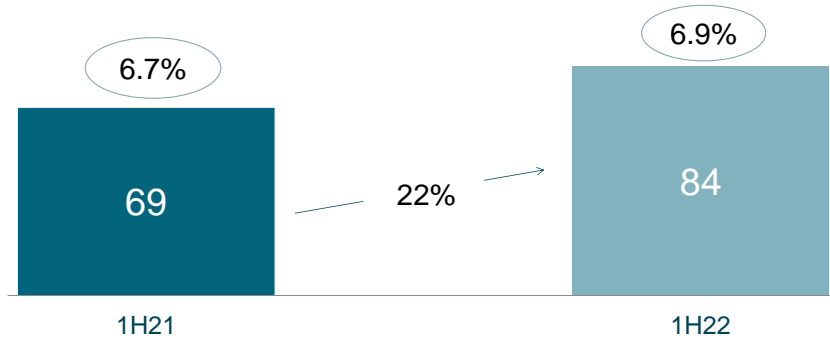
2Q22 Revenues (€m)

Local Currency / Reported

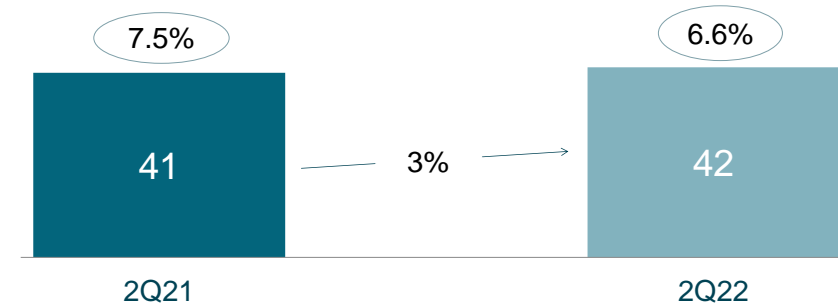


Minsait Operating Margin and EBIT evolution

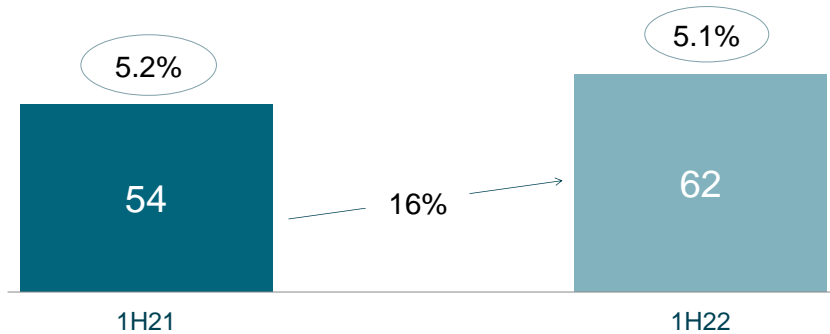
1H22 Operating Margin¹(€m)



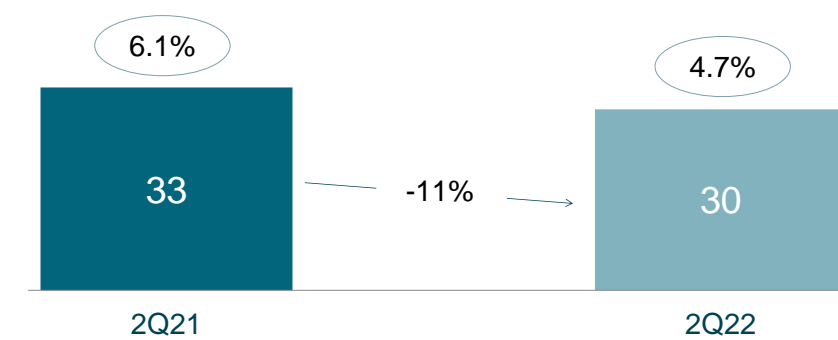
2Q22 Operating Margin¹(€m)



1H22 EBIT and Margin (€m)

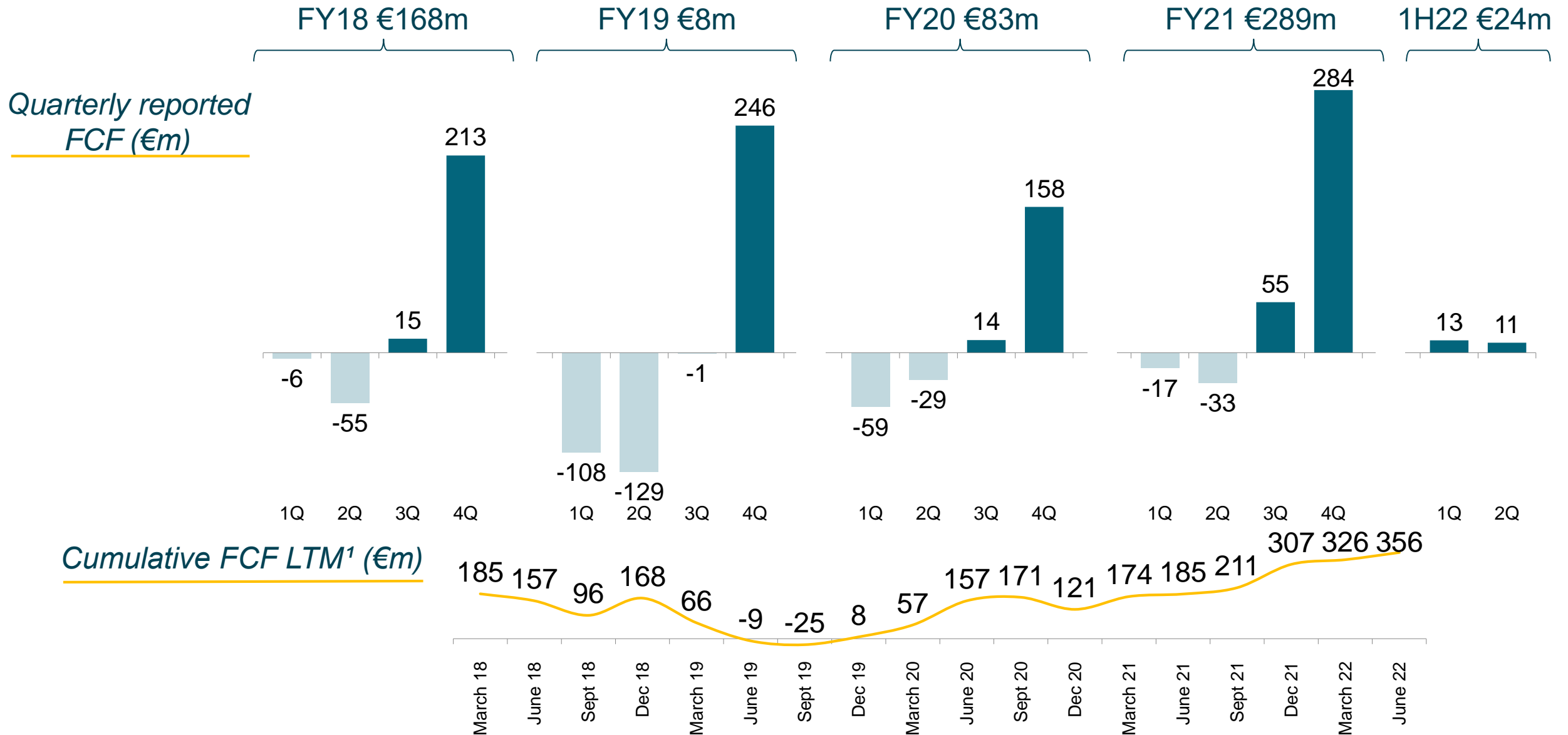


2Q22 EBIT and Margin (€m)



1. EBIT before Other Operating Income & Expenses, including: staff reorganization, impairments, capital gains, integration and acquisition costs, fines, amortization of intangible assets (PPA from acquisitions) and equity-based compensation.

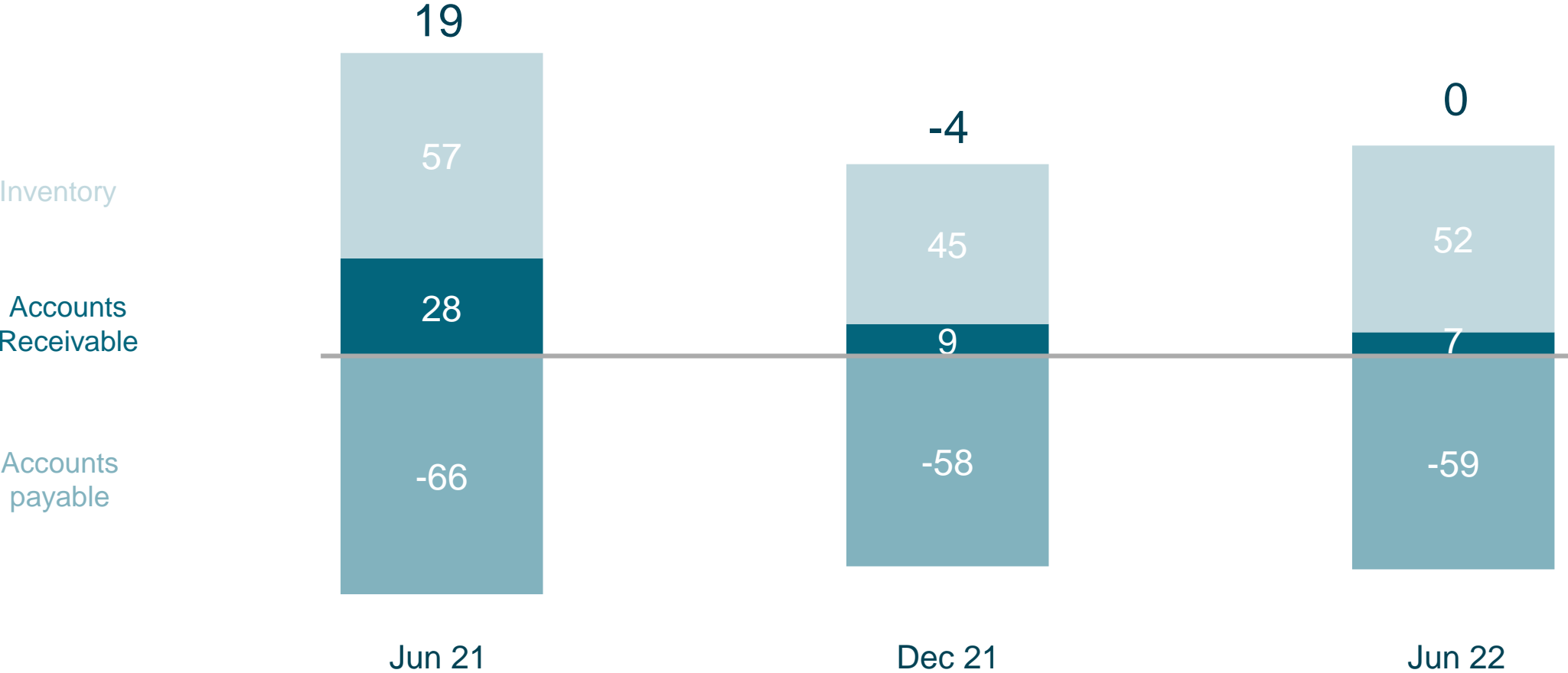
FCF Generation



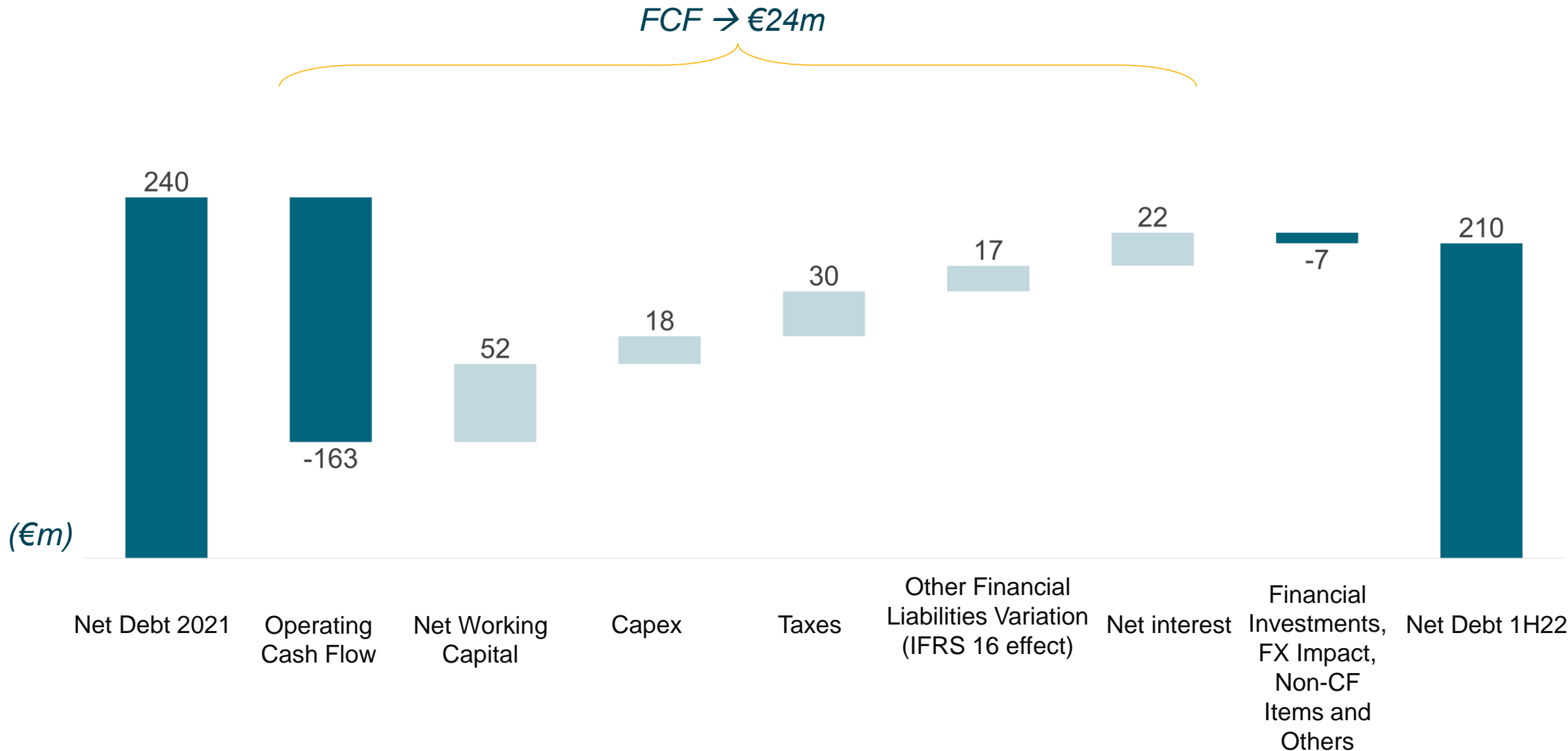
1. For 2020, 2021 and 2022 excludes extraordinary items related to employee restructuring plans and asset disposals

Net Working Capital Evolution

Net Working Capital ST+LT (DoS)

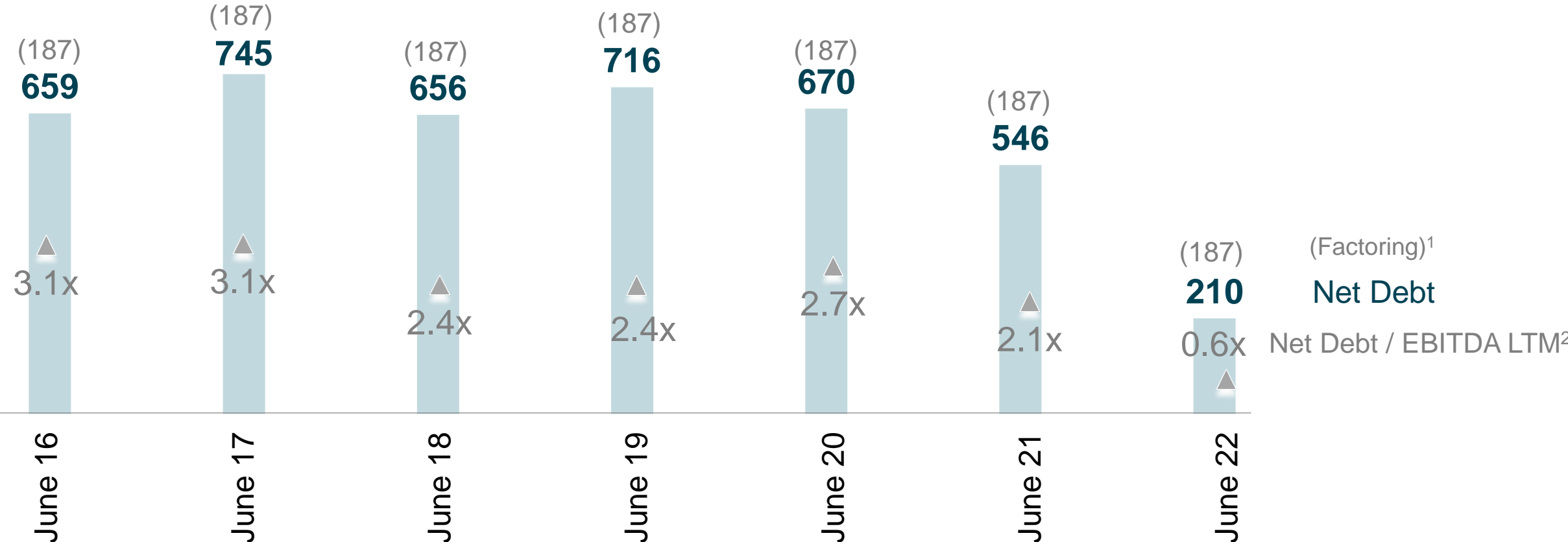


Net Debt Bridge



Net Debt Evolution

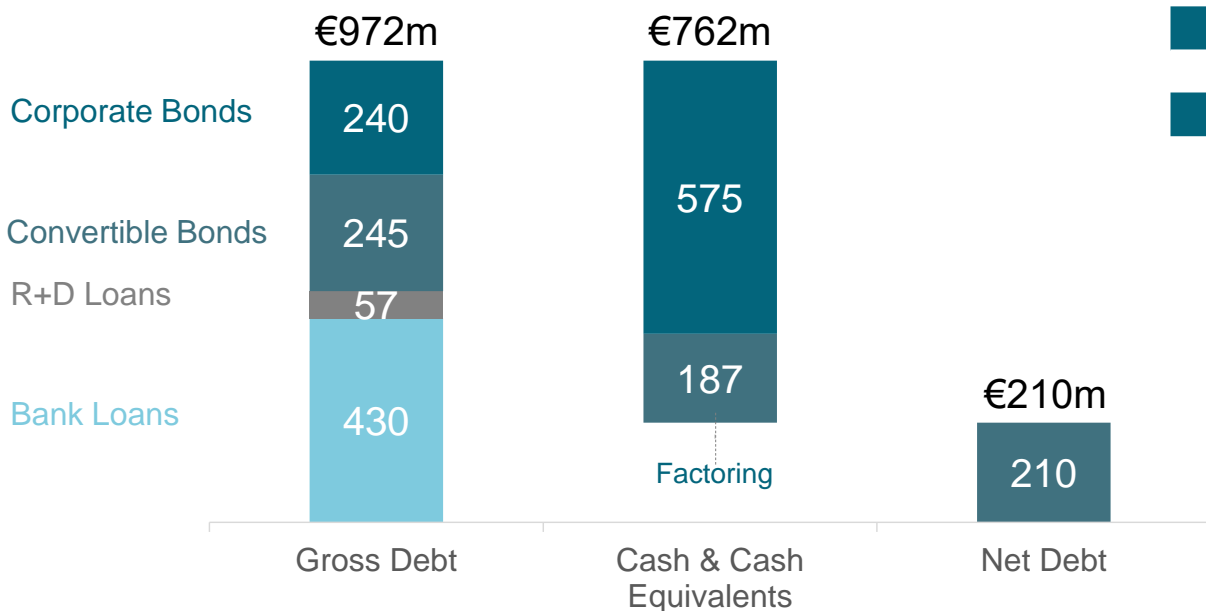
Net Debt (€m)



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

Diversified debt structure

Gross and Net Debt Structure

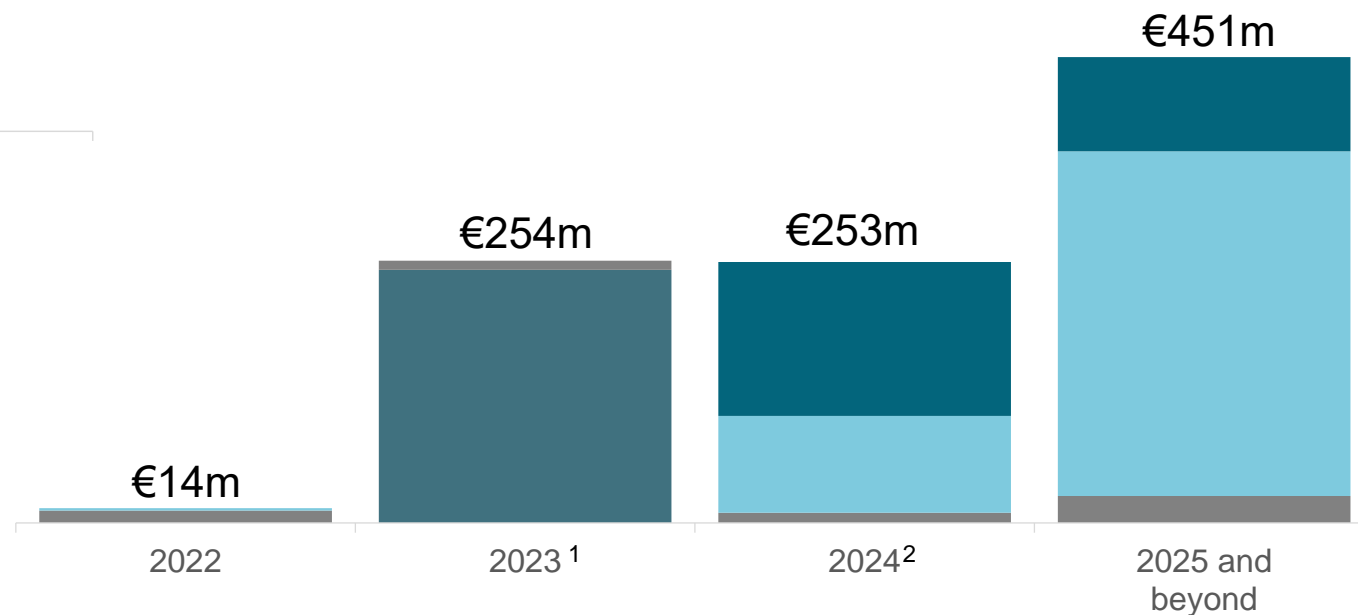


Other available credit facilities: €183m

	1H22	FY21
Average life (years)	2.6	2.9

	1H22	% total	FY21	% total
L/T Debt	948	98%	1,436	97%
S/T Debt	24	2%	39	3%
Gross Debt	972	100%	1,475	100%
Cost of Gross Debt	1.9%		1.9%	
Cash & Others	762	n.m.	1,235	n.m.
Net Debt	210	n.m.	240	n.m.

Gross Debt Maturity Profile



1. Including €245m Convertible Bond with 2023 maturity; 2. €149m Corporate Bond with 2024 maturity



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