9M24 Results

October 30th, 2024

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/1015-2578-40606/en

This presentation has been produced by Indra for the sole purpose expressed therein. Therefore, neither this presentation nor any of the information contained herein constitutes an offer sale or exchange of securities, invitation to purchase or sale shares of the Company or any advice or recommendation with respect to such securities.

Its content is purely for information purposes and the statement it contains may reflect 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 beyond the control of the Company that could result in final results materially differing from those contained in these statements. The Company does not assume any obligation or liability in connection with the accuracy of the mentioned estimations and is not obliged to update or revise them.

This document contains information that has not been audited. In this sense, this information is subject to, and must be read in conjunction with, all other publicly available information.

This disclaimer should be taken into consideration by all the individuals or entities to whom this document is targeted and by those who consider that they have to make decisions or issue opinions related to securities issued by Indra.

indra

9M24 Indra Highlights

José Vicente de los Mozos
Chief Executive Officer

9M24 Results

9M24 Main headlines

Financial headlines: Solid 3Q24 performance

- 9M24 Revenues (+13%), EBITDA (+21%), EBIT (+27%) and Net Income (+26%) all growing at double-digit rates
- Backlog above 7Bn€ at Sept 24
- Increased operating profitability (EBITDA and EBIT margin improvement)
- Net Debt reduced to 70 M€ (Sept 24) vs 233 M€ (sept 23)
- Indra received a €59.6 million dividend from its 9.5% stake in ITP Aero

Business headlines: Implementation of 'Leading the Future' on track

Approval of the constitution of a Space NewCo and acquisition of Deimos

- Space NewCo constitution approved by the Board of Directors in August 2024, to serve as a vehicle to provide comprehensive capabilities throughout the space industry value chain
- Acquisition of Deimos: Spanish company that will allow Indra to reinforce its Space capabilities in all phases of space missions, including satellite design & integration and the ground segment

Completion of acquisition of TESS: Consortium designed to develop and supply advanced military vehicles (VCR 8x8 and VAC) for the Spanish Army

Board approval for a formal process to explore options for Minsait Payments division

Other key acquisitions:

- MQA: leading company in SAP solutions in Colombia and Central America that will strengthen Minsait's digital and international portfolio focus

Key developments in the implementation of Leading the Future

Business strategic lines

1. Focus on Defence & Aerospace

2. Create a Space NewCo

3. Increase Minsait's autonomy with partner(s)

Defence

- New governance to improve key European programs' management
- New commercial model to support 11 priority systems
- New Engineering and Manufacturing footprint designed and launched

Air Traffic Management

- Increased footprint in NorAm and APAC with the Air Traffic Control contract in Vietnam and the expected one of NEXCOM (radios) in USA

Space

- Space NewCo approved and created to serve as a vehicle to provide comprehensive capabilities throughout the space industry value chain
- Deimos acquisition agreement signed to reinforce Space NewCo's capabilities

Minsait

- Launched efficiency initiatives (e.g., GenAI) to enhance margins
- Launched "priority offer" initiative, promoting salesforce focus on high-value offering with margins +5pp above Minsait average
- Board approval to explore options for Minsait Payments

Cross-Group strategic lines

4. Strengthen presence in new 'home markets'

- Regional Directors appointed to drive International Plan
- International Plan governance and reporting model implemented
- International Plans launched e.g. Middle East, North America, etc.

5. Activate portfolio rotation and expand the ecosystem

- TESS acquisition agreement signed
- MQA acquired to expand Minsait's digital capabilities (SAP solutions) in Colombia and Central America

6. Increase investment in technological R&D

- Product and Technology development roadmaps accounting for +1Bn€ investment
- Control Tower and Stage Gate methodology launched to support the Technology Plan's deployment

7. 'Double down' on critical talent

- Decrease in undesired attrition rates across all geographies and BUs (e.g., -3pp in Defence)
- +13% increase in Defence headcount, with increase in experienced hires (65%)
- Decrease in number of critical hires needed across all BUs

The constitution of a Space NewCo and acquisition of Deimos are key steps towards reinforcing Indra's Space capabilities

Upstream			Downstream	
Launch	Manufacturing: Flight Segment	Manufacturing: Ground Segment	Operation	Exploitation: Applications and Services

Indra Space NewCo capabilities

Not a priority in the short term

deimos

Agreed to acquire

indra Space

Other targets currently under exploration…

End-to-end integration in Indra's Space NewCo, from upstream to downstream, is key to optimize synergies, ensure competitiveness, and secure access to prime roles in strategic programs and critical missions

TESS Defence is a transformational opportunity for Indra

Accelerates Indra's positioning as the national prime contractor for land and systems defense, through the leading Spanish entity for defense vehicles

Enables access to the Spanish land platforms market with high visibility and a strong national portfolio (VCR 8x8, VAC, modernizations, maintenance contracts)

Strengthens the positioning of Indra as a leading systems integrator on an international level and enables Indra to act as the national coordinator in large European land programs

Provides access to a very relevant pipeline in land defense industry, a market worth over 120 billion euros globally

9M24 Group Financial Results
Headlines

Backlog	Order Intake	Revenues
€ 7,049m	€ 3,702m	€ 3,400m
+1.1%	**+7.4%**	**+12.7%**

EBITDA Margin	Operating Margin[1]	EBIT Margin
10.9% (€369m +21.2% YoY)	9.8% (€333m +23.9% YoY)	8.5% (€291m +27.4% YoY)
+0.8pp	**+0.9pp**	**+0.9pp**

Net Income	Free Cash Flow	Net Debt
€ 184m	€ 94m	€ 70m
+26.2%	**-19.8%**	**0.1x** Net Debt/EBITDA

indra

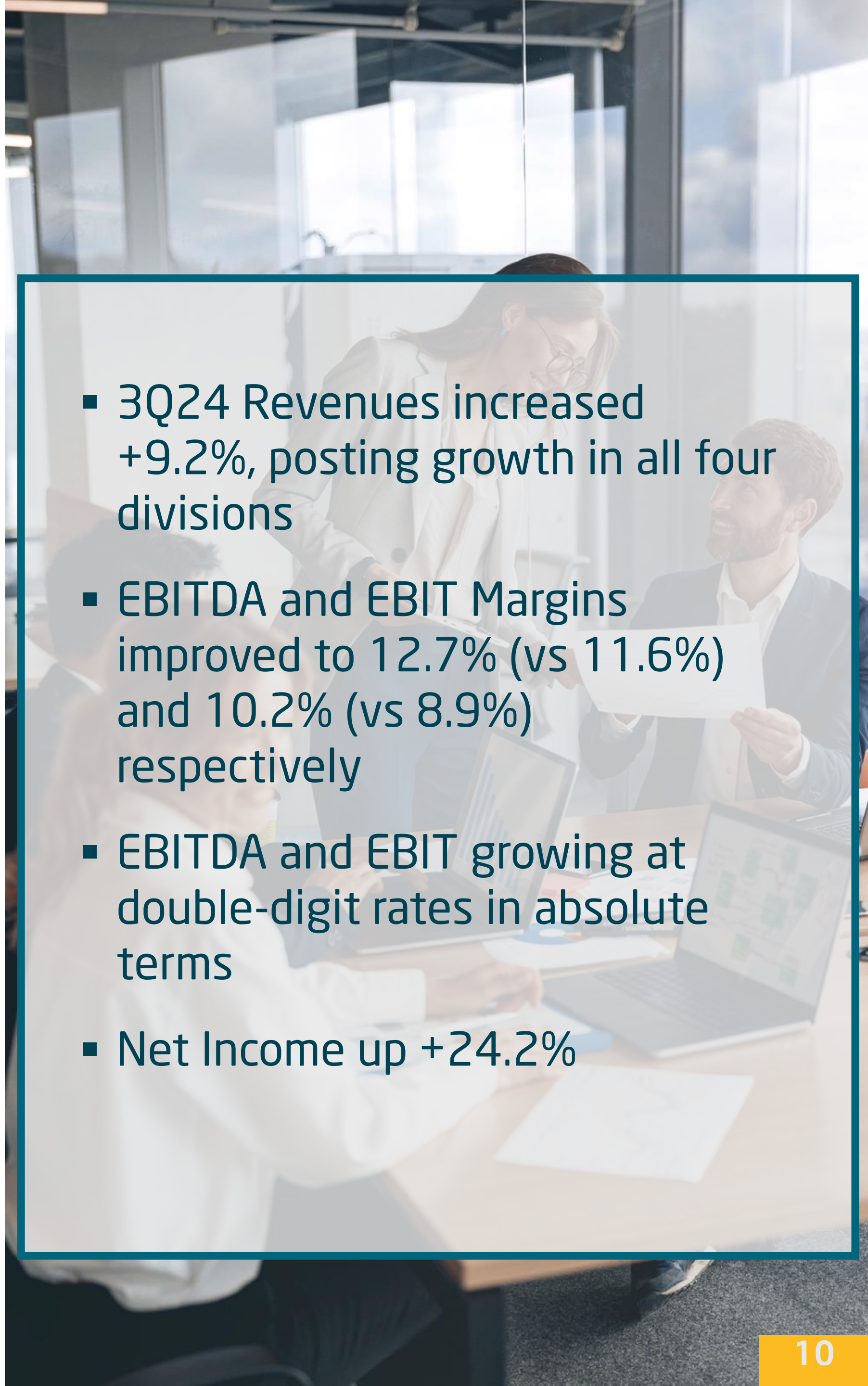
1.EBIT before Other Operating Income & Expenses, including: staff reorganization, impairments, capital gains, integration and acquisition costs, fines, amortization of intangible assets (PPA from acquisitions) and equity-based compensation.

3Q24 Group Financial Results
Headlines

Revenues	EBITDA Margin
€ 1,096m	12.7% (€140m +20.0% YoY)
+9.2%	+1.1pp

Operating Margin[1]	EBIT Margin
11.3% (€124m +21.0% YoY)	10.2% (€111m +24.7% YoY)
+1.1pp	+1.3pp

Net Income	Free Cash Flow
€ 70m	€ 25m
+24.2%	



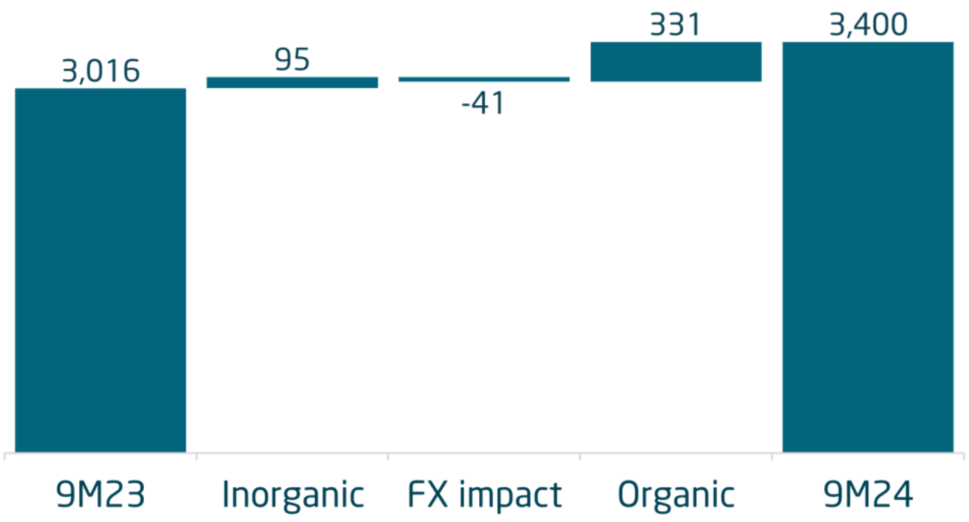
- 3Q24 Revenues increased +9.2%, posting growth in all four divisions
- EBITDA and EBIT Margins improved to 12.7% (vs 11.6%) and 10.2% (vs 8.9%) respectively
- EBITDA and EBIT growing at double-digit rates in absolute terms
- Net Income up +24.2%

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.

Sales reached Double-Digit Growth in 9M24

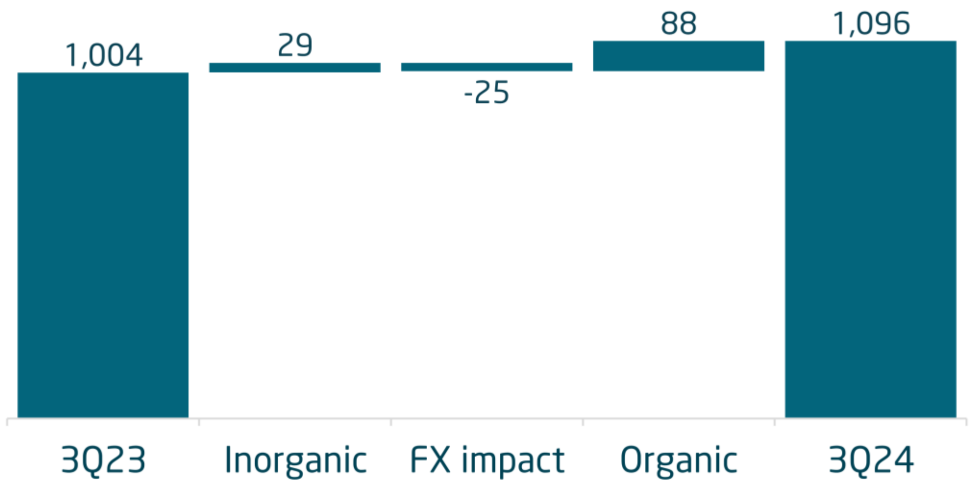
9M24 Revenues

Reported	+ 13%
Local Currency	+ 14%
Organic	+ 11%



3Q24 Revenues

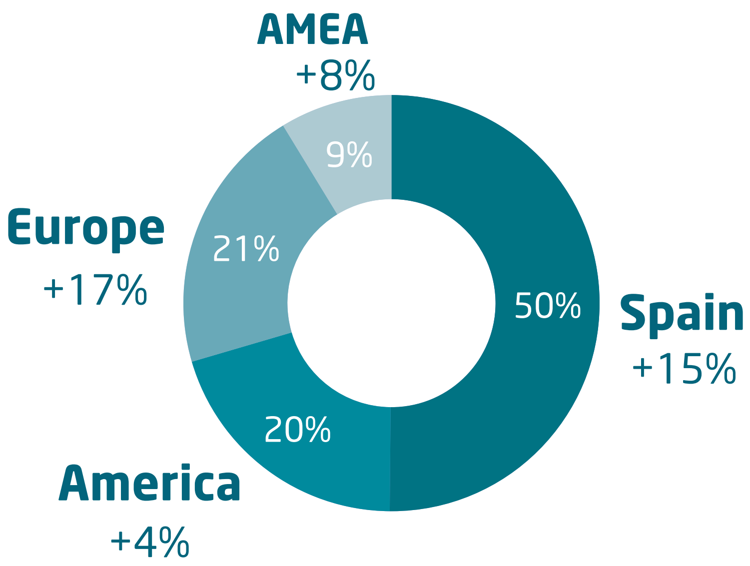
Reported	+ 9%
Local Currency	+ 12%
Organic	+ 9%



indra

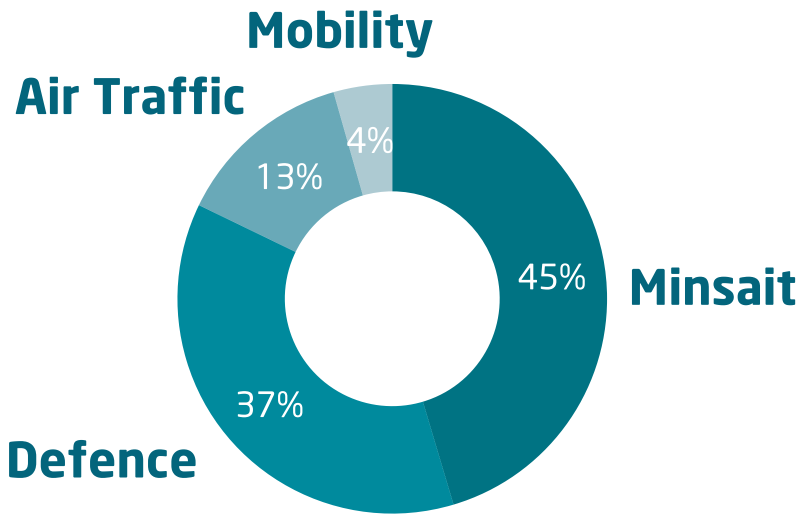
Breakdown by Geography and Division

9M24 Revenues breakdown by Geography



International Business covering 50%

9M24 EBITDA breakdown by Division



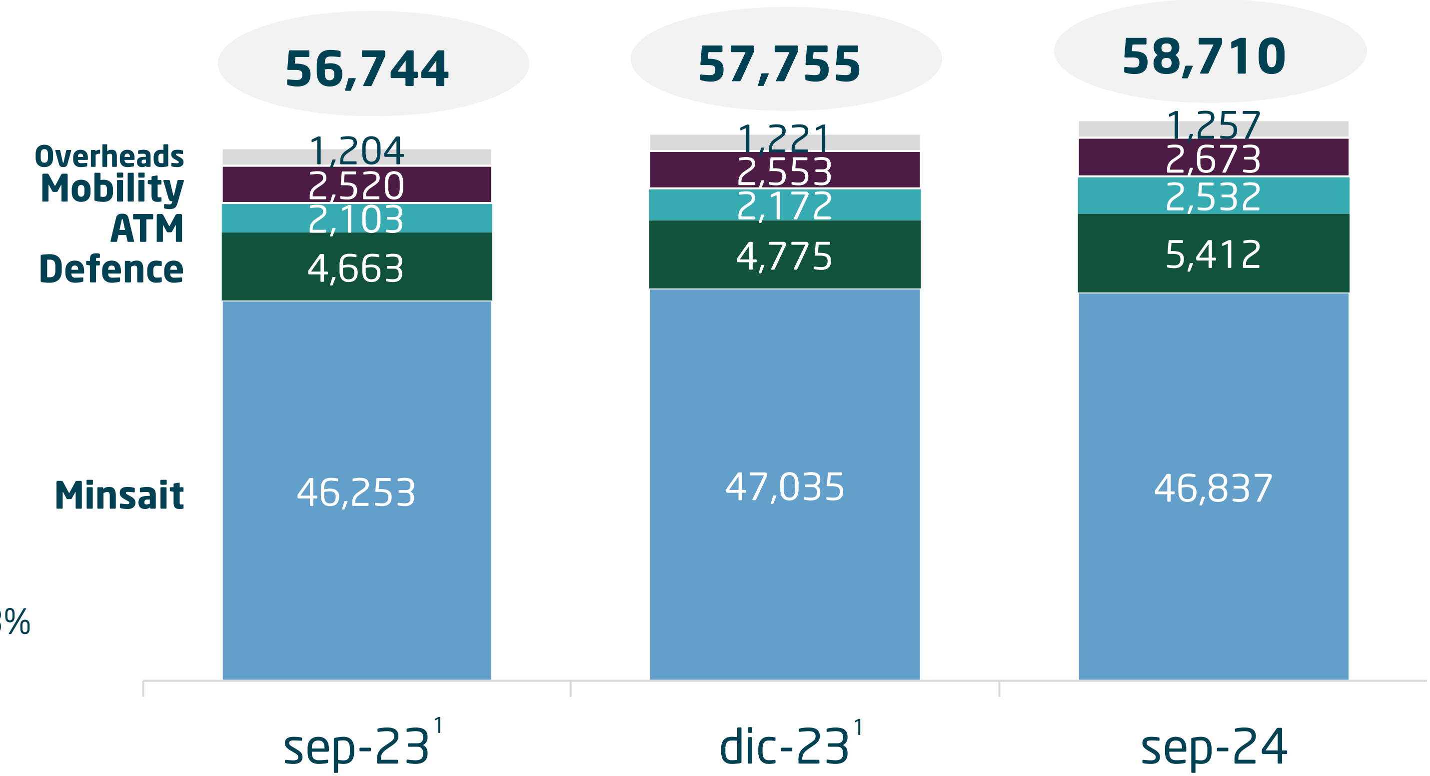
Defence, ATM and Mobility EBITDA account for 55% of total

Group Workforce Evolution

Revenue LTM/Employee

+9% vs Sep 23

+7% vs Dec 23



Workforce increased +3% compared to 9M23

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

indra

indra

9M24 Performance by Division

Miguel Forteza
Chief Financial Officer

9M24 Results

Defence
9M24

Backlog	Order Intake	Revenues
€ 2,975m	€ 692m	€ 673m
-2.3%	+9.7%	+25.2%

EBITDA Margin	Operating Margin[1]	EBIT Margin
20.2% (€136m +26.1% YoY)	18.5% (€125m +26.5% YoY)	17.9% (€121m +28.4% YoY)
+0.1pp	+0.2pp	+0.4pp

Book-to-Bill	Backlog/Revs LTM
1.03x	3.12x
1.17x in 9M23	3.89x in 9M23

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.

Defence

- Order Intake grew +10% mainly due to the Integrated Systems and Simulation areas
- Sales +25% bolstered by FCAS, Integrated Systems and Simulation areas
- Revenues excluding FCAS increased +11%
- Space showed +10% 9M24 sales growth
- EBIT Margin stood at 17.9%

Defence
3Q24

Revenues	EBITDA Margin
€ 226m	25.4% (€57m +28.3% YoY)
+15.6%	+2.5pp

Operating Margin[1]	EBIT Margin
23.2% (€52m +29.0% YoY)	22.6% (€51m +29.1% YoY)
+2.4pp	+2.3pp

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.

Defence

- Revenues +16% backed by Integrated Systems and Eurofighter
- EBITDA and EBIT grew at double digit rate
- EBIT margin improved to 22.6% from 20.3% mainly due to the Eurofighter contribution

Air Traffic Management
9M24

Backlog	Order Intake	Revenues
€ 840m	€ 415m	€ 312m
+9.2%	+52.2%	+34.8%

EBITDA Margin	Operating Margin[1]	EBIT Margin
15.9% (€50m +19.4% YoY)	12.5% (€39m +17.8% YoY)	12.3% (€38m +20.6% YoY)
-2.0pp	-1.9pp	-1.4pp

Book-to-Bill	Backlog/Revs LTM
1.33x	1.90x
1.18x in 9M23	2.27x in 9M23

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.

Air Traffic Management

- Order Intake up +52% mainly due to the Canada, Colombia and Vietnam contracts
- Sales +35% boosted by organic growth (Colombia,Belgium, UAE and Azerbaiyan) and the inorganic contribution of Park Air in UK and Selex in USA
- EBIT Margin stood at 12.3% due to lower profitability of Selex and Park Air

Air Traffic Management
3Q24

Revenues	EBITDA Margin
€ 106m	16.6% (€17m +3.7% YoY)
+38.9%	**-5.6pp**

Operating Margin[1]	EBIT Margin
13.4% (€14m +6.7% YoY)	13.1% (€14m +6.8% YoY)
-4.1pp	**-3.9pp**

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.

Air Traffic Management

- Sales +39% driven by the projects in Colombia, UAE, Germany and the inorganic contribution of Park Air
- EBIT posted +6.8% growth

Mobility
9M24

Backlog	Order Intake	Revenues
€ 921m	€ 265m	€ 256m
-2.3%	+15.0%	+16.4%

EBITDA Margin	Operating Margin[1]	EBIT Margin
6.4% (€16m n.m.)	5.3% (€14m n.m.)	4.4% (€11m n.m.)
+7.1pp	+6.9pp	+7.2pp

Book-to-Bill	Backlog/Revs LTM
1.03x	2.29x
1.05x in 9M23	2.87x in 9M23

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.

Mobility

- Order Intake +15% driven by the ticketing contracts in Ireland and in Saudi Arabia
- Sales +16% standing out the growth showed in America (Mexico and Peru) and Europe (UK)
- EBITDA and EBIT Margins improved to 6.4% from -0.7% and 4.4% from -2.8% respectively, due to lower impact of problematic projects and increased focus on profitability

Mobility
3Q24

Revenues	EBITDA Margin
€ 84m	8.2% (€7m n.m.)
+23.7%	+7.4pp
Operating Margin[1]	**EBIT Margin**
6.3% (€5m n.m.)	5.7% (€5m n.m.)
+7.1pp	+7.5pp

Mobility

- Sales +24% boosted by Mexico, Peru and Spain
- EBITDA and EBIT Margins improved to 8.2% from 0.8% and 5.7% from -1.8% respectively

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
9M24

Backlog	Order Intake	Revenues
€ 2,313m	€ 2,331m	€ 2,159m
+4.3%	**+0.7%**	**+6.5%**

EBITDA Margin	Operating Margin[1]	EBIT Margin
7.8% (€168m +6.8% YoY)	7.2% (€156m +10.8% YoY)	5.6% (€120m +10.9% YoY)
+0.1pp	**+0.2pp**	**+0.2pp**

Book-to-Bill	Backlog/Revs LTM
1.08x	0.79x
1.14x in 9M23	**0.81x in 9M23**

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.

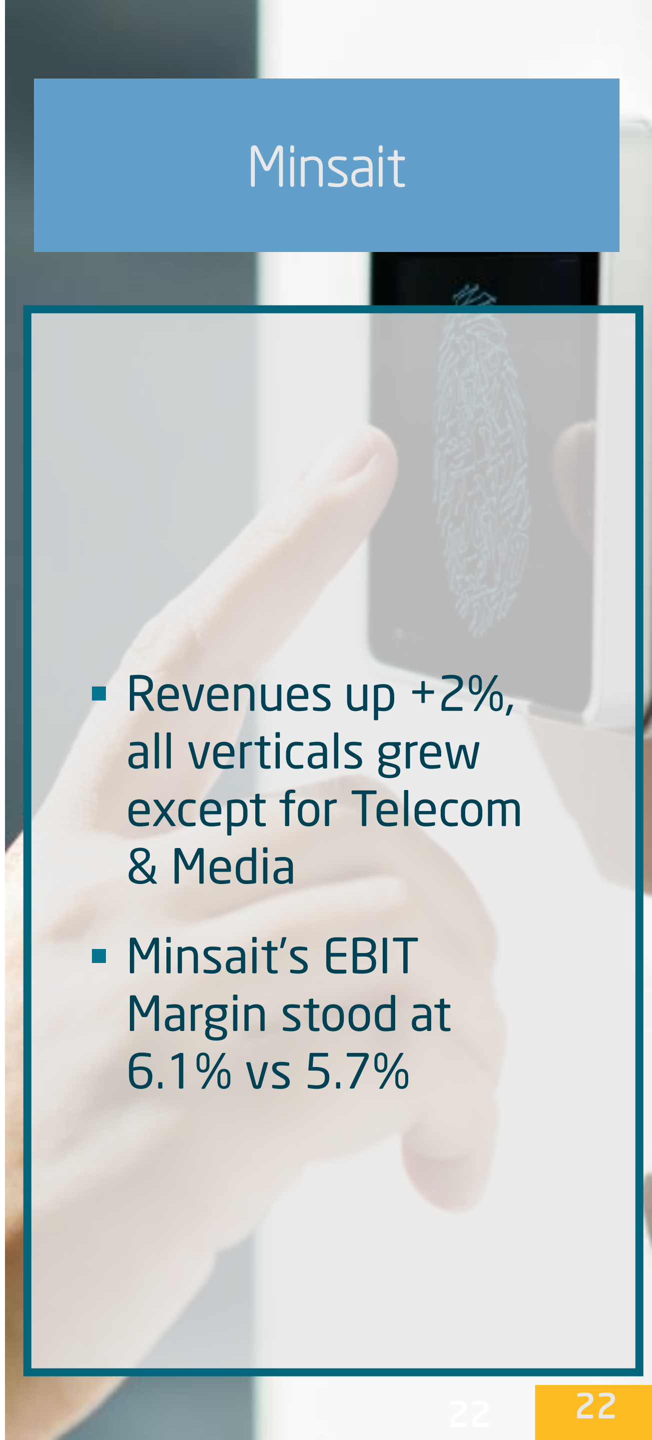
Minsait

- Order Intake growing +1% pushed by the growth recorded in Financial Services
- Revenues up +7%, backed by PPAA & Healthcare, Energy & Industry and Financial Services
- EBIT margin grew to 5.6% thanks to increased operating leverage, better mix and continuous focus on cost efficiency
- Digital and Solutions joint sales +11% in 9M24 and accounted for 51% of Minsait sales

Minsait
3Q24

Revenues	**EBITDA Margin**
€ 680m	8.5% (€58m +6.6% YoY)
+2.4%	**+0.3pp**

Operating Margin[1]	**EBIT Margin**
7.6% (€52m +6.0% YoY)	6.1% (€42m +9.5% YoY)
+0.2pp	**+0.4pp**



Minsait

- Revenues up +2%, all verticals grew except for Telecom & Media
- Minsait's EBIT Margin stood at 6.1% vs 5.7%

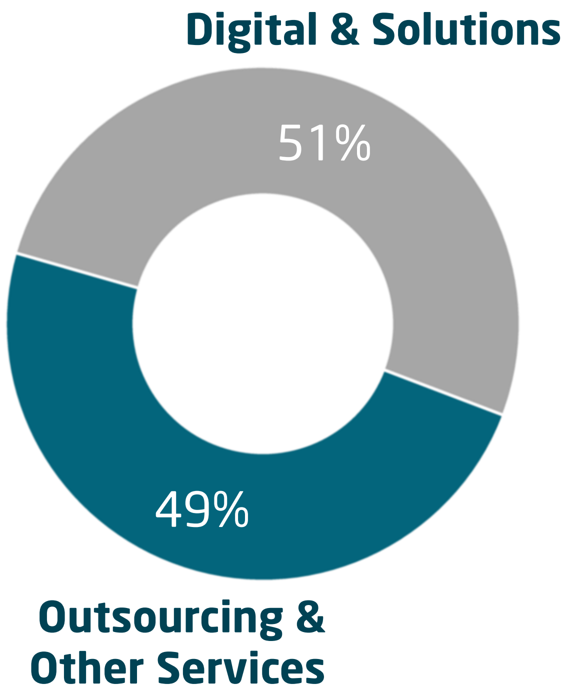
1.EBIT before Other Operating Income & Expenses, including: staff reorganization, impairments, capital gains, integration and acquisition costs, fines, amortization of intangible assets (PPA from acquisitions) and equity-based compensation.

22

Minsait Revenues by Horizontal Lines: Digital & Solutions grew +11% and Represents 51% of Minsait's Sales

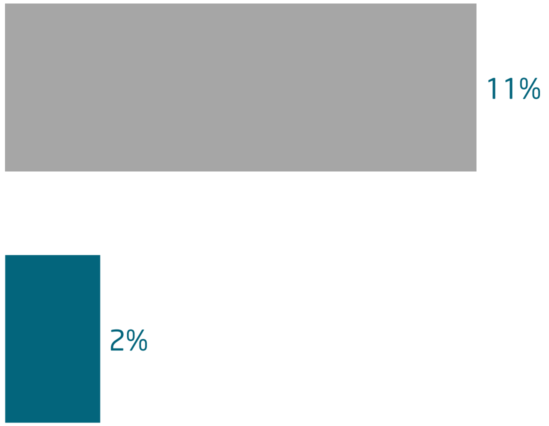
Minsait

9M24 Revenues



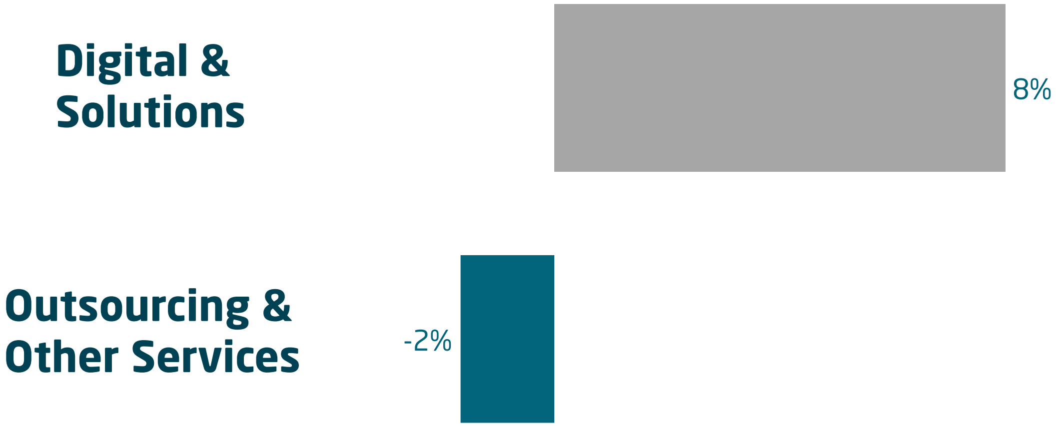
Revenue Growth 9M24 vs 9M23

(reported figures)



Revenue Growth 3Q24 vs 3Q23

(reported figures)

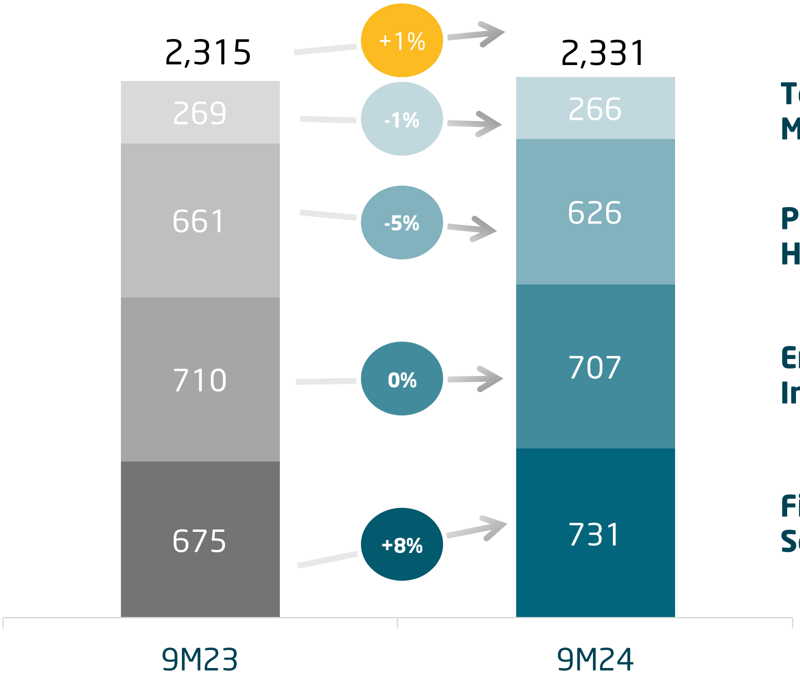


Minsait's Order Intake and Revenues

Minsait

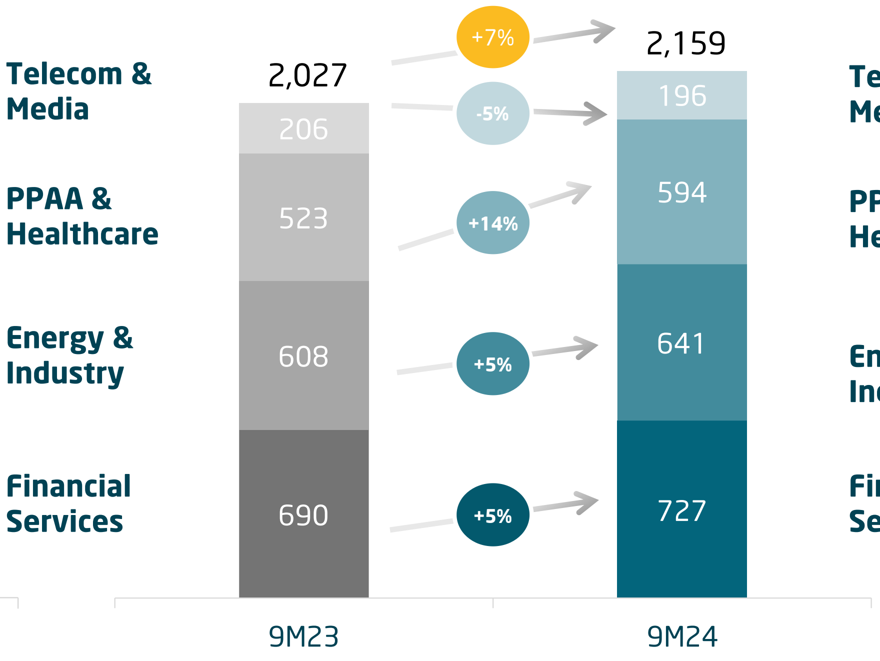
9M24 Order Intake (€m)

Reported



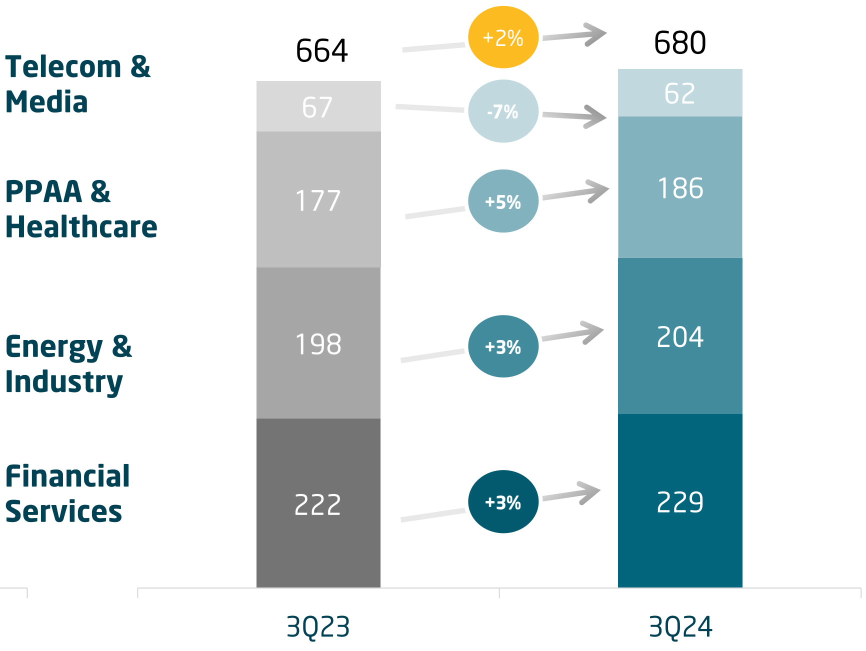
9M24 Revenues (€m)

Reported

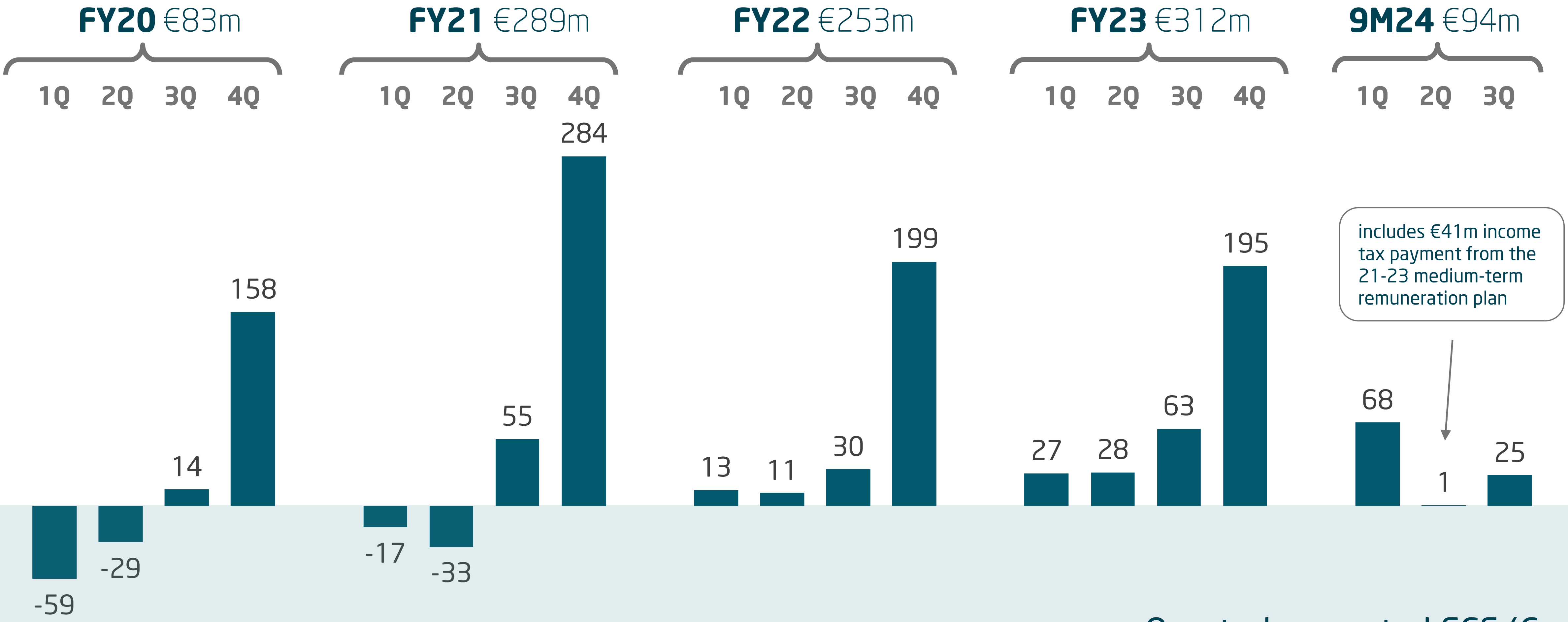


3Q24 Revenues (€m)

Reported



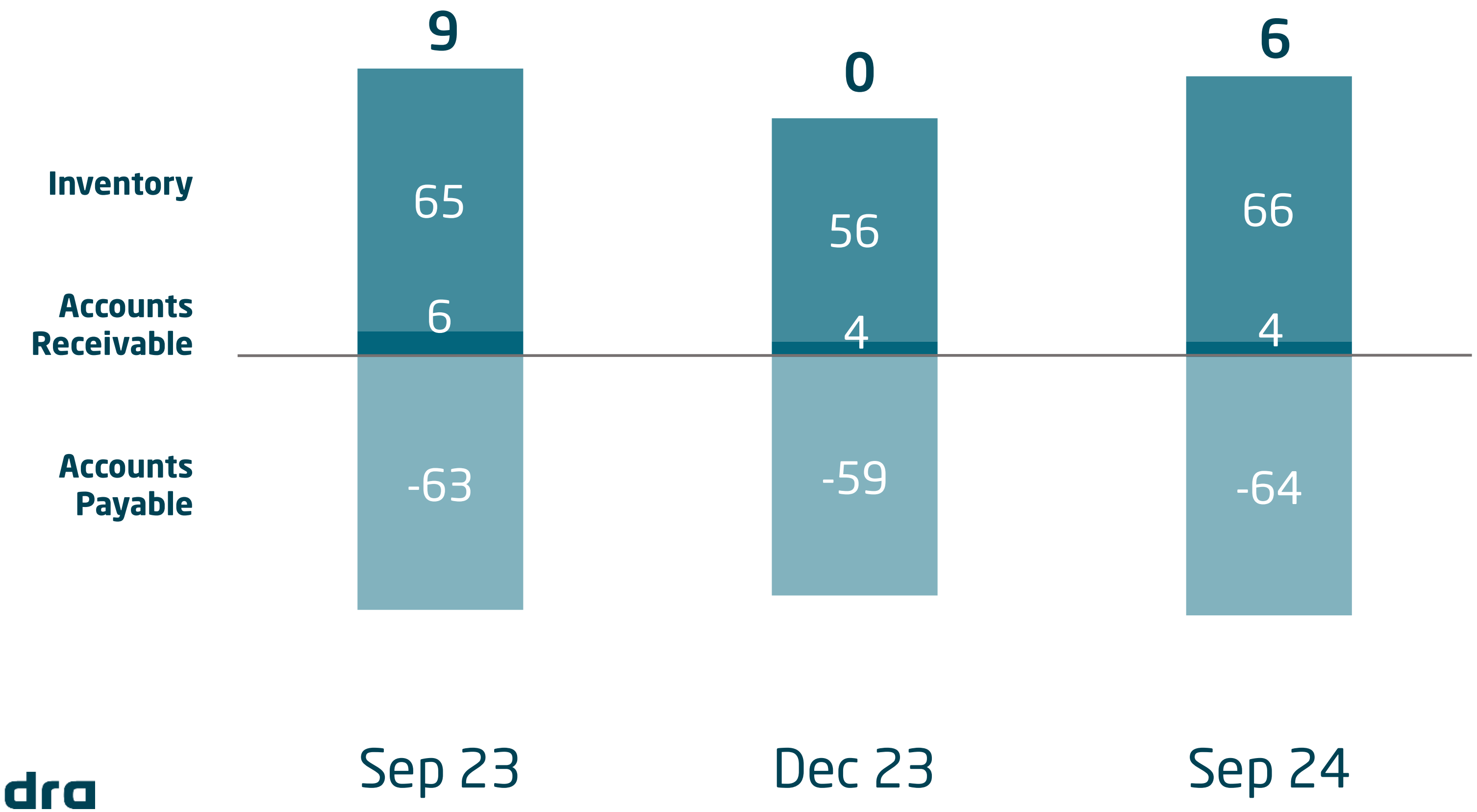
9M24 FCF Generation

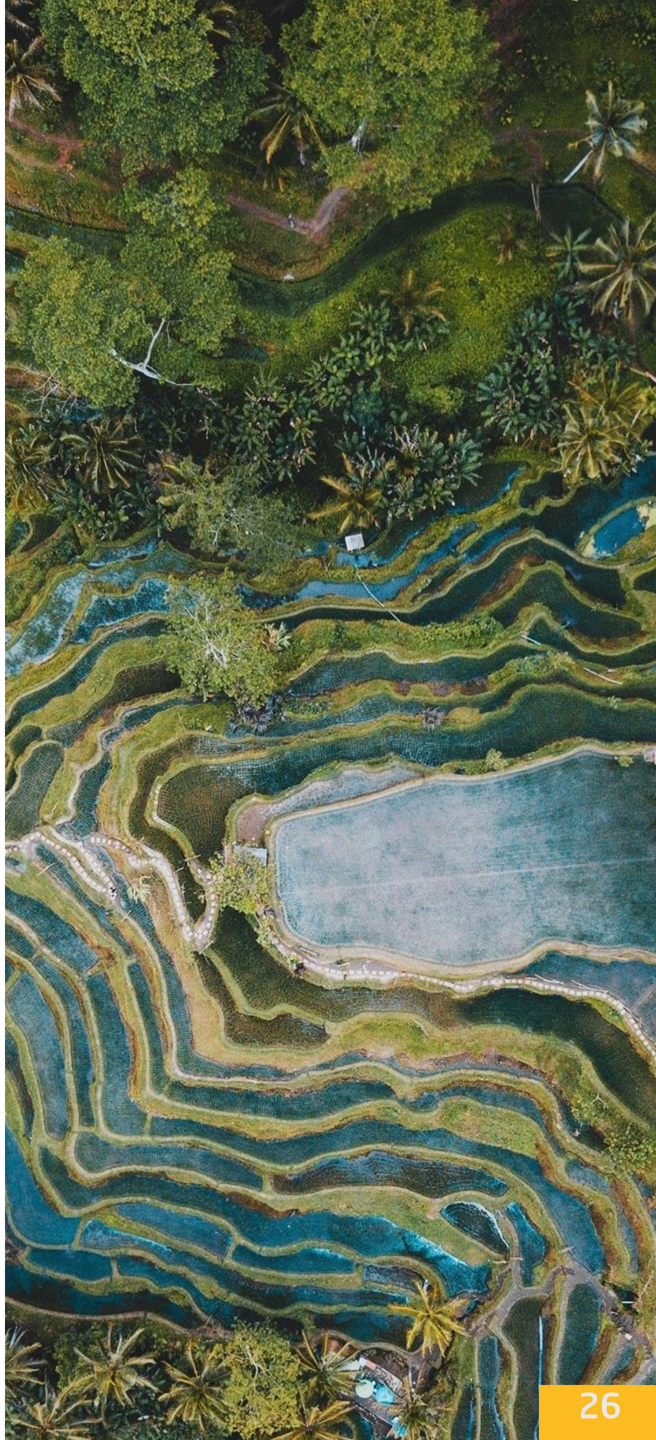


Quarterly reported FCF (€m)

Net Working Capital Evolution

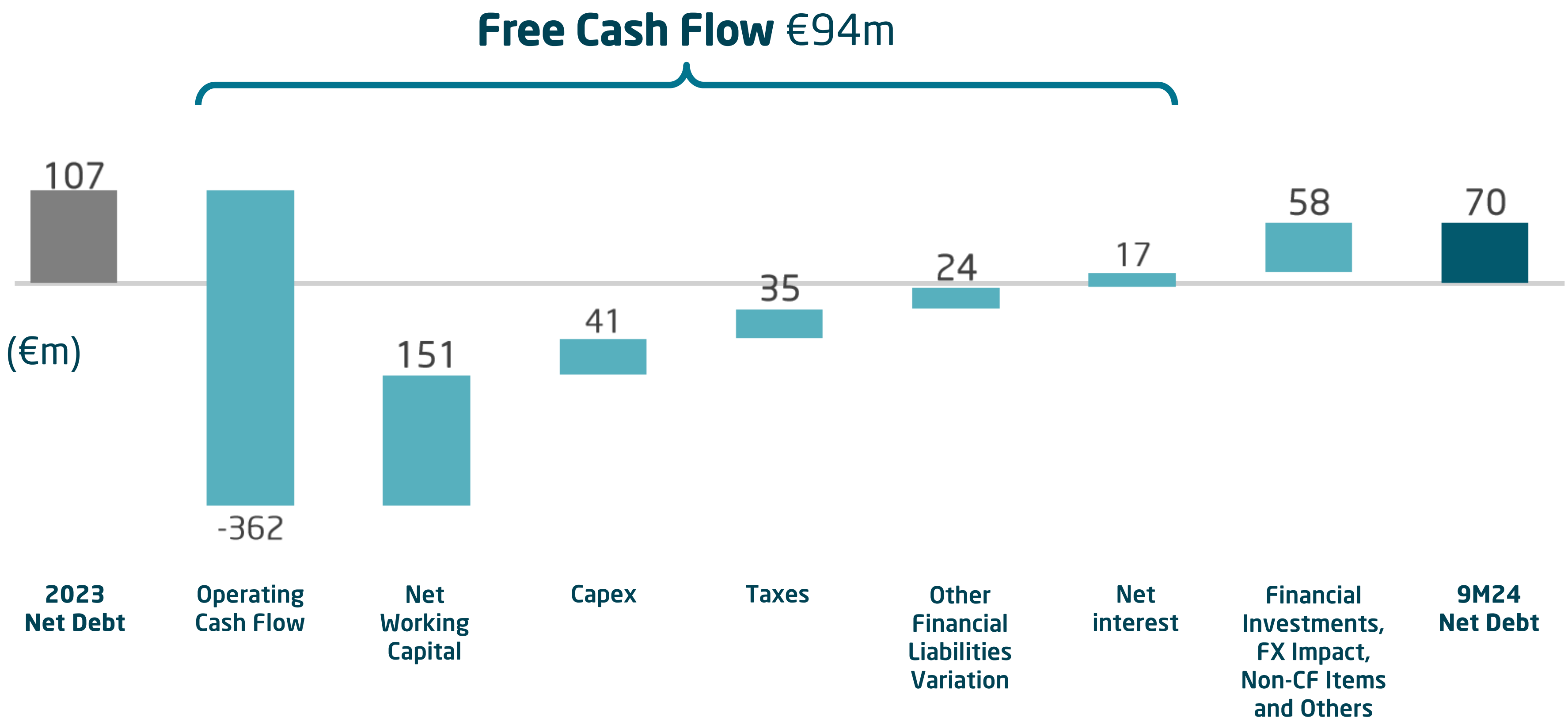
Net Working Capital ST+LT (DoS)

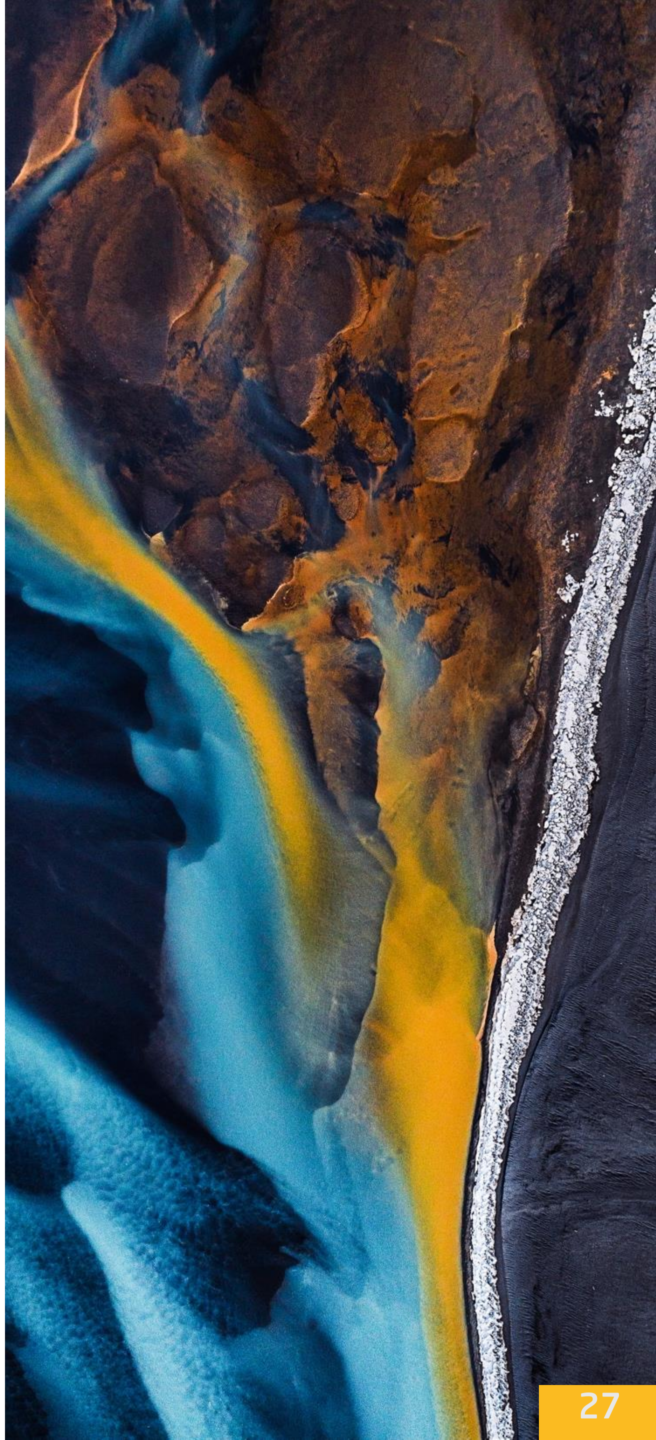




indra

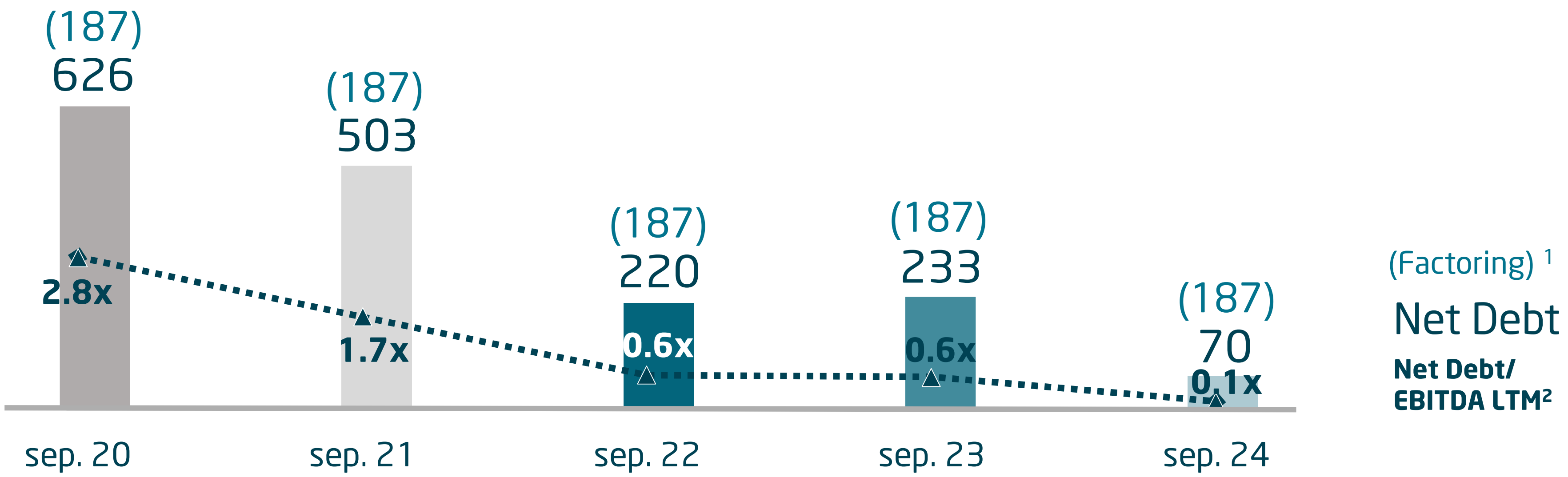
Strong 9M24 Operating FCF Drives Net Debt to just 0.1x at end September 2024



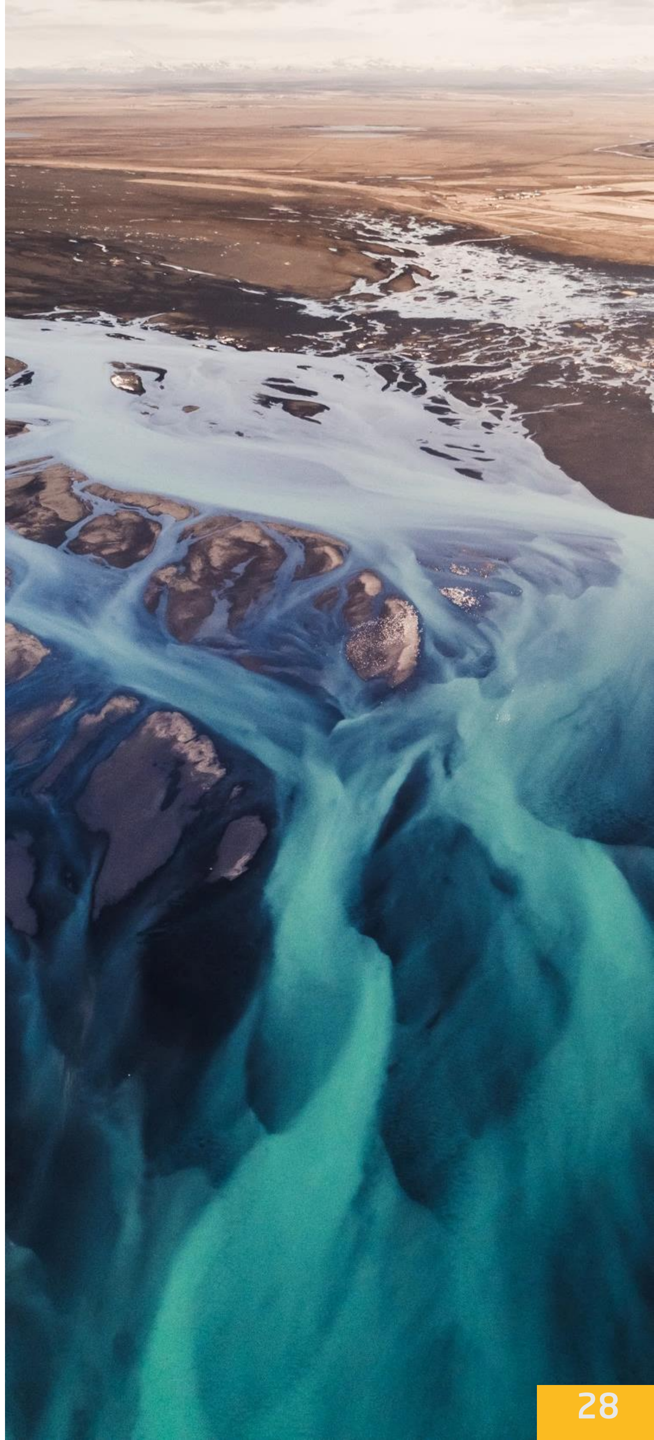


Net Debt Evolution Supported by Strong Cash Flow Dynamics

Net Debt (€m)

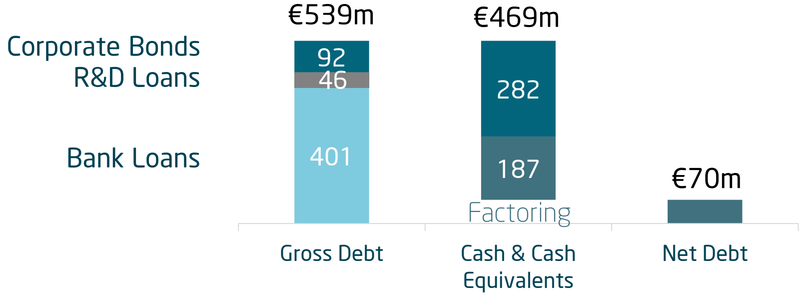


1. Non-recourse factoring; 2. EBITDA LTM excluding IFRS 16, extraordinary items related to employee restructuring plans



Diversified Debt Structure

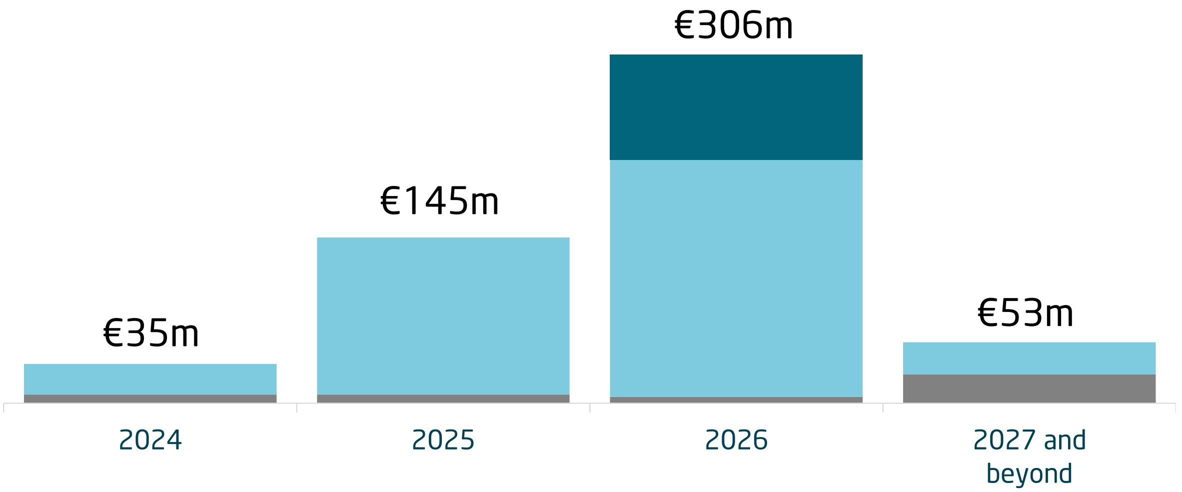
Gross and Net Debt Structure



Other available credit facilities: €778m

	9M24	FY23
Average life (years)	1.5	1.7

Gross Debt Maturity Profile



	9M24	% total	FY23	% total
L/T Debt	349	65%	479	68%
S/T Debt	191	35%	224	32%
Gross Debt	539	100%	703	100%
Cost of Gross Debt	4.3%		3.2%	
Cash & Others	469	n.m.	596	n.m.
Net Debt	**70**	**n.m.**	**107**	**n.m.**

indra

Q&A

9M24
Results

At the core

Investor Relations
irindra@indra.es

Avenida de Bruselas, 35
28108 Alcobendas
Madrid Spain
T +34 91 480 98 00

www.indracompany.com