

indra

FY19 Results



February 27th, 2020

CONFERENCE CALL DETAILS

LIVE EVENT:

The Company will host a conference call for investors and analysts today at 18:30 (Spanish time).

Please find below conference call telephone numbers:

Spain: +34 911140101

France: +33 170710159

UK: +44 2071943759

US: +1 6467224916

Access Code: 27755756#

Access to the live event:

<https://event.on24.com/wcc/r/2178280-1/4EA0CB66D85027BE8360C3AC3A0E4794?partnerref=rss-events>

WEBCAST REPLAY:

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

Replay dial number:

Spain: +34 910387491

France: +33 (0)170710160

UK: +44 2033645147

US: +1 (646) 722-4969

Access code: 418899534#

Access to the Webcast Replay:

<https://event.on24.com/wcc/r/2178280-1/4EA0CB66D85027BE8360C3AC3A0E4794?partnerref=rss-events>

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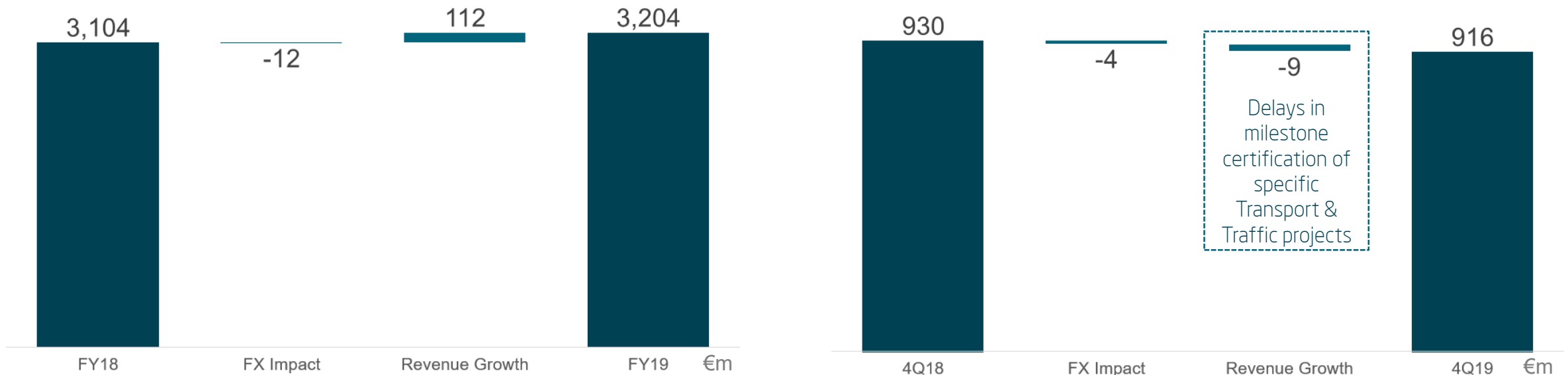
Main headlines

- 1 2019 Order Intake (+7%) grew again above revenue growth (+4% in local currency)
- 2 Backlog up +11%, surpassing the €4.5bn mark at 1.4x revenues, new record for Indra
- 3 Revenues up +4% in local currency in 2019. Minsait revenues grew +6%. By geographies, America stood out (+12% in local currency). 4Q19 Transport & Defence revenues temporary down due to delays in milestone certification of specific projects
- 4 EBIT grew +11% in 2019, pushed by Minsait profitability (3.8% EBIT margin), despite the lower contribution of the Election Business
- 5 Net profit stood at €121m and improved +1.3% due to higher tax rate (29% in 2019 vs 25% in 2018)
- 6 FCF reached €8m driving Net Debt / EBITDA LTM ratio down to 1.8x (1.6x excluding SIA acquisition)
- 7 Indra renewed its presence in the major sustainability indexes and generated more than 1,400 jobs in Spain (more than 3,000 in the last two years)

Revenues up +3% in reported terms, +4% in local currency

FY19 Sales Growth	
Reported	+3.2%
Local Currency	+3.6%
Organic ¹	+3.3%

4Q19 Sales Growth	
Reported	-1.5%
Local Currency	-1.0%
Organic ¹	-1.0%

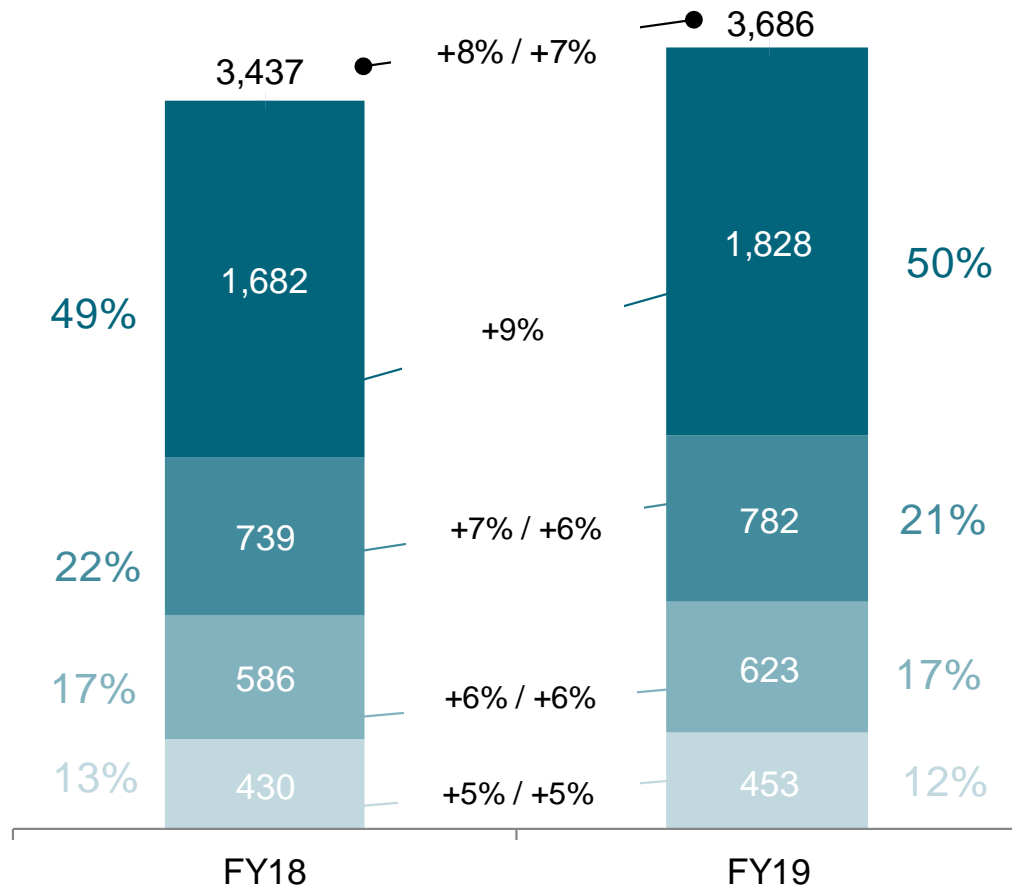


1. Excluding the ACS acquisition which started to consolidate on October 1st, 2019 and the FX impact

Revenues and order intake by region

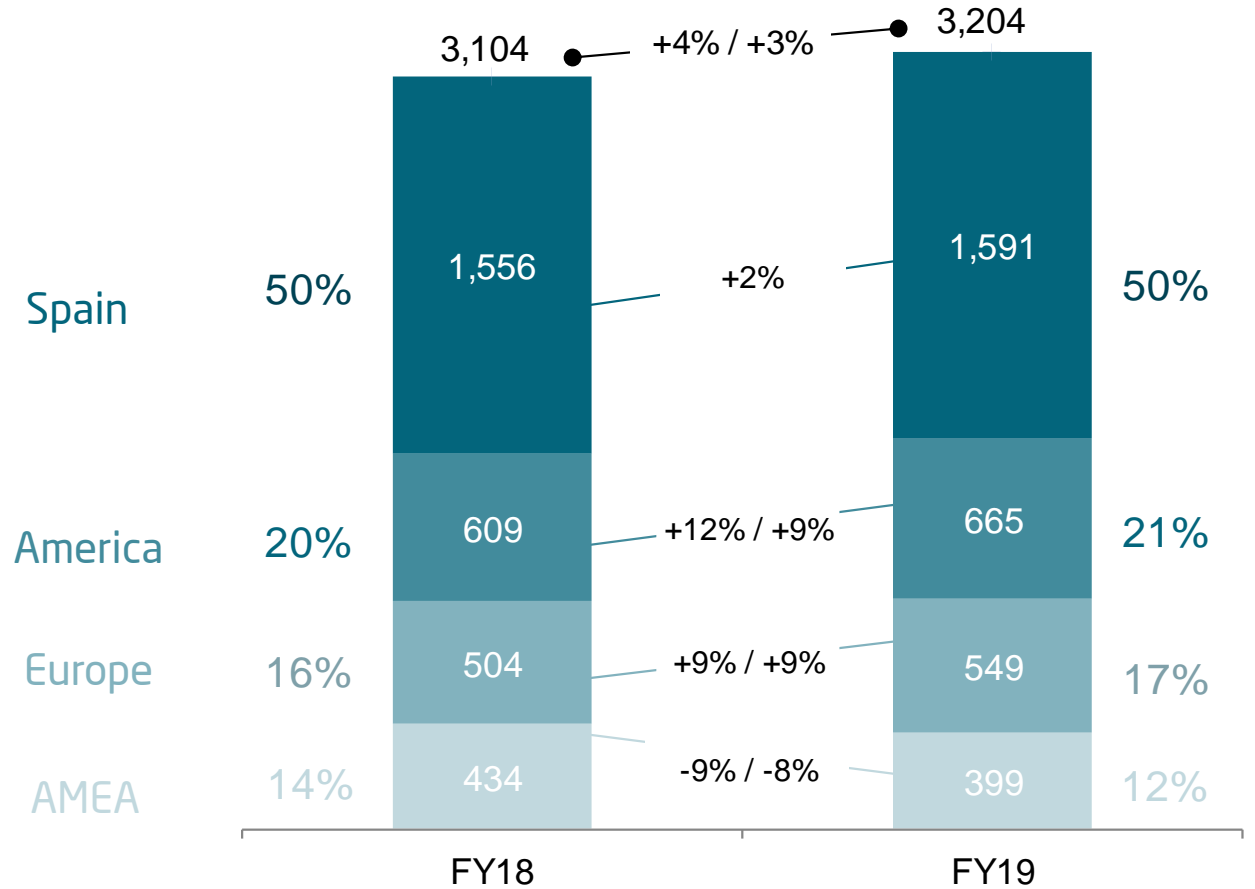
Order Intake (€m)

Local Currency / Reported



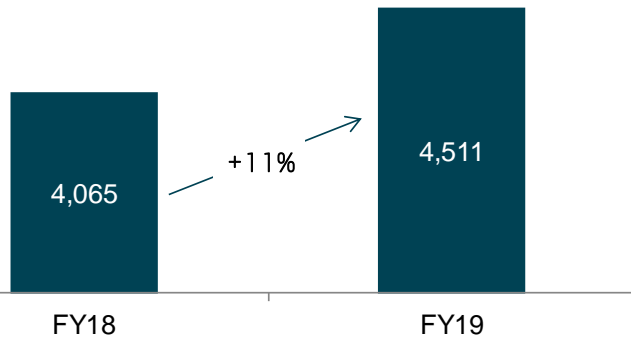
Revenues (€m)

Local Currency / Reported

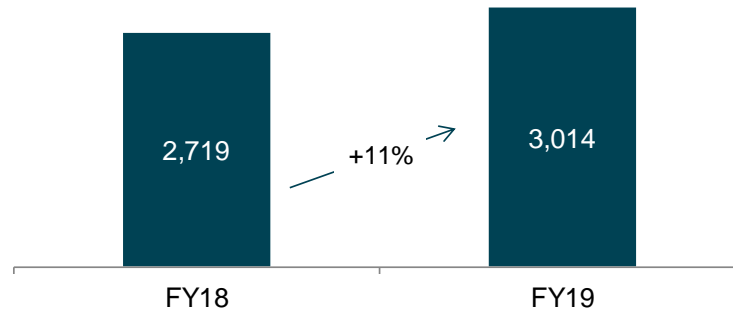


Backlog +11% reaching new historic high

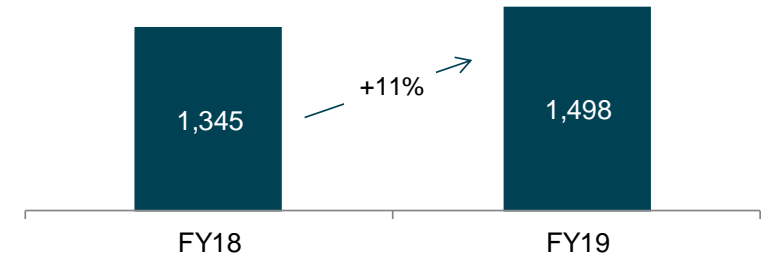
Indra backlog (€m)



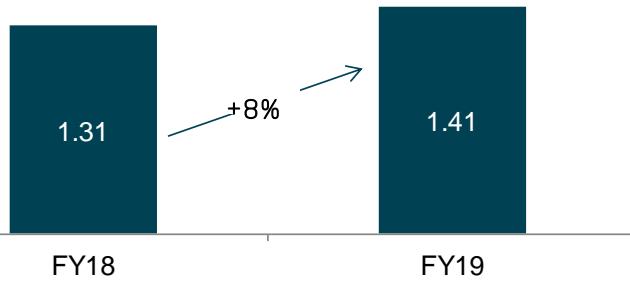
T&D backlog (€m)



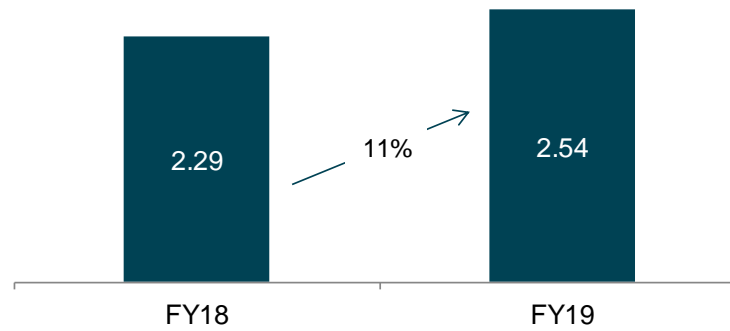
Minsait backlog (€m)



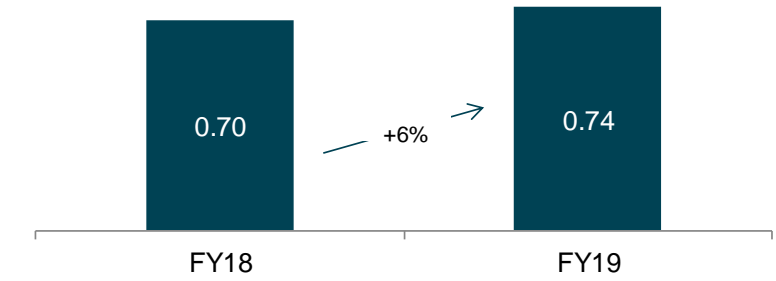
Indra backlog/revs LTM



T&D backlog/revs LTM

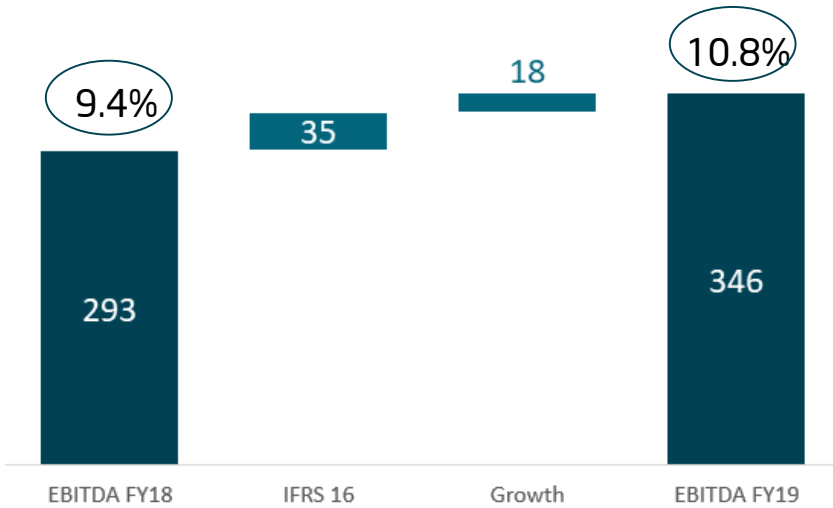


Minsait backlog/revs LTM

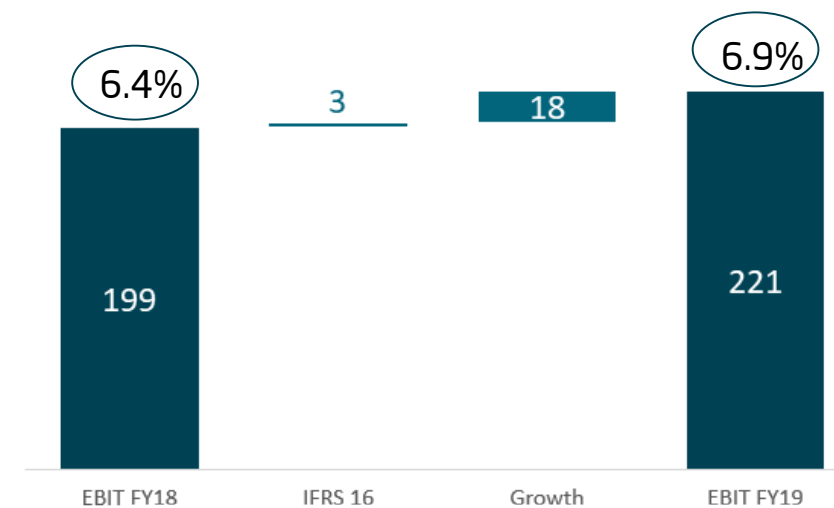


EBITDA, EBIT and margin evolution

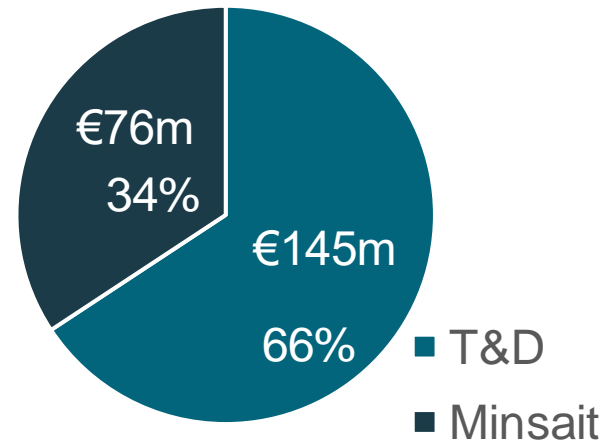
FY19 EBITDA and Margin



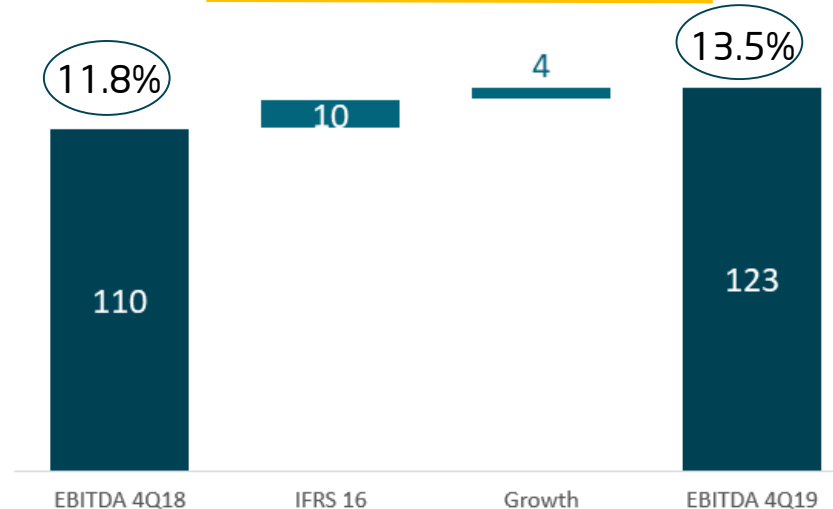
FY19 EBIT and Margin



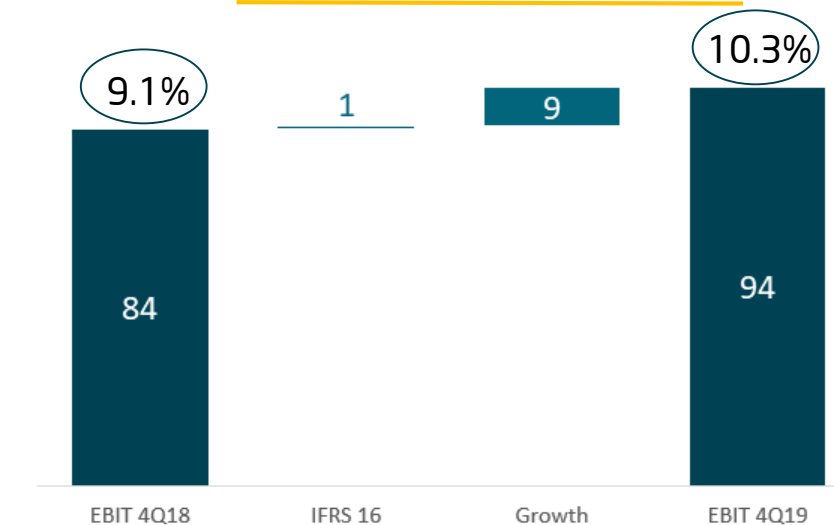
FY19 EBIT by divisions



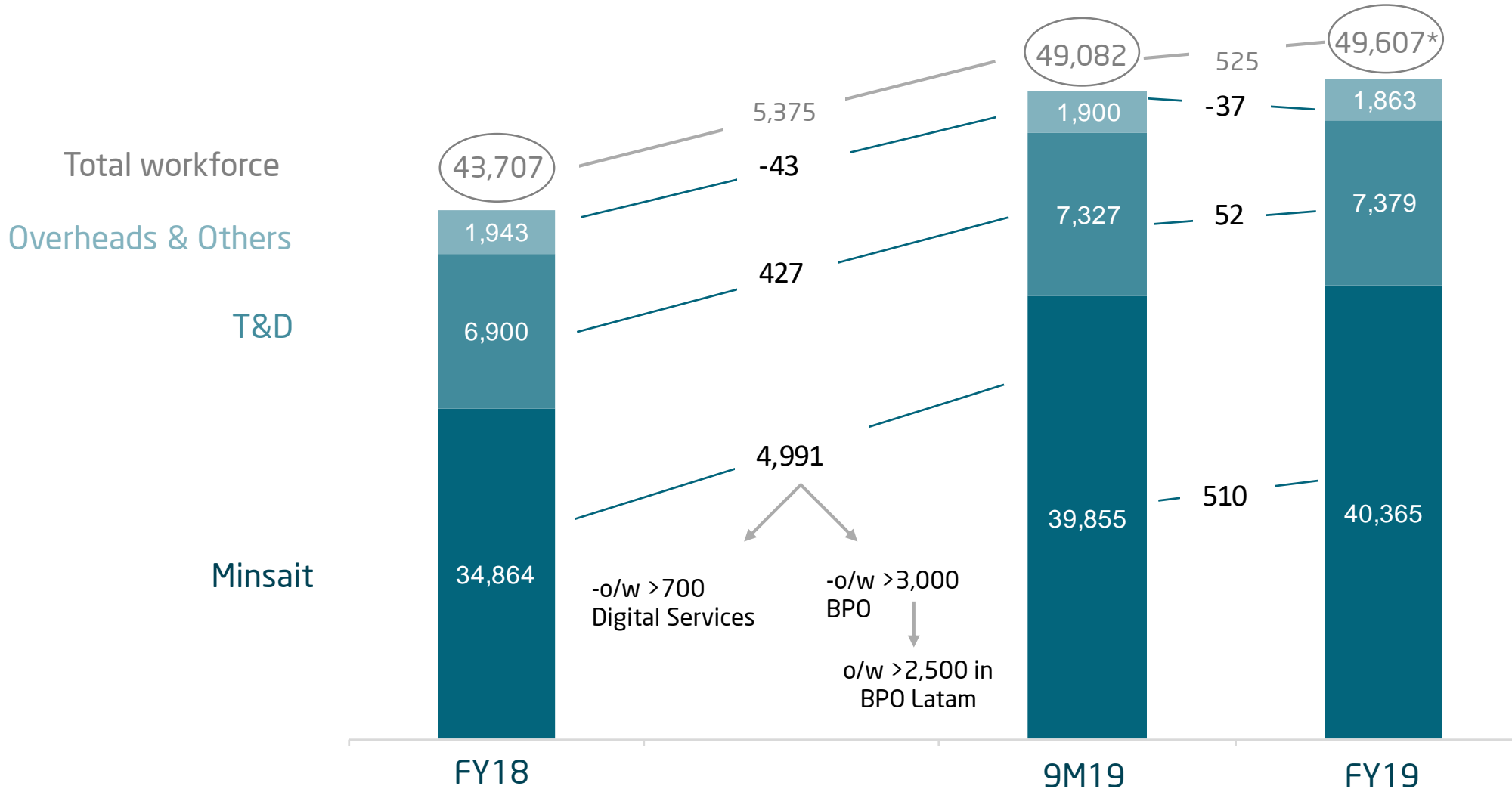
4Q19 EBITDA and Margin



4Q19 EBIT and Margin



Workforce growth stabilizing in the fourth quarter



*742 SIA employees not included

Recognized sustainability strategy

Indra's presence in the main ESG indexes

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM



FTSE4Good

MSCI

Corporate ESG Performance
RATED BY ISS ESG
Prime

14
years

5
years

AA

Prime

Only company in the Software and Services sector listed for 14 consecutive years

Demonstrating strong Environmental, Social and Governance (ESG) practices

2nd best possible score

ESG performance above the sector

Relevant ESG figures*

75% CO2 emissions reduction per employee since 2013 (scope 1 + 2)

35% Women within Indra

92% Professionals trained on Code of Ethics and Legal Compliance

31% Women on the Board of Directors

82% Local providers

*Figures not audited

Supporting gender equality



Only 15 Spanish companies listed

Committed to talent



Acting on Climate Change



Score B

Guidance

Guidance 2019

FY19

Guidance 2020

Revenue growth
(in constant currency)

Low single digit

+4%

Mid single digit

EBIT growth

>10%

+11%

>15% (>€255m)

FCF before NWC

>100 m€

€139m

Free Cash Flow

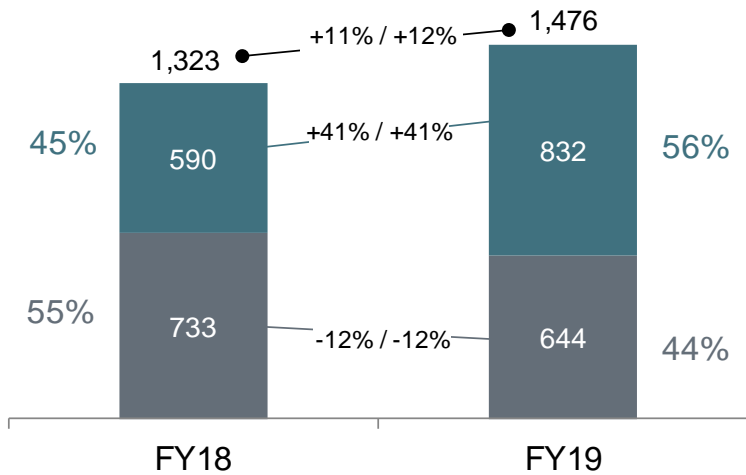
€8m

>150 m€

T&D order intake and revenues

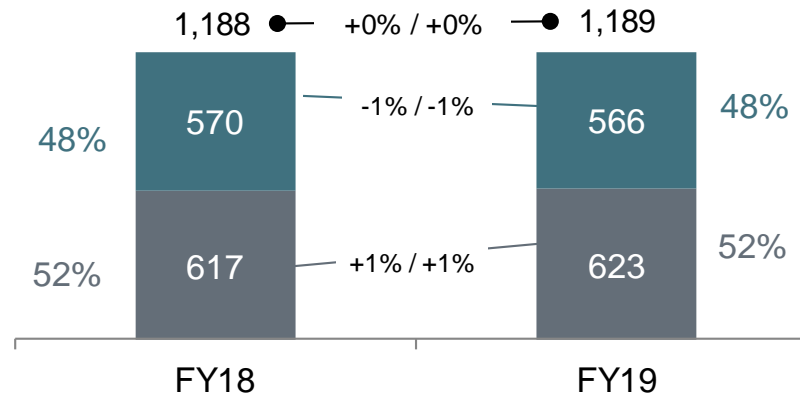
FY19 Order Intake (€m)

Local Currency / Reported



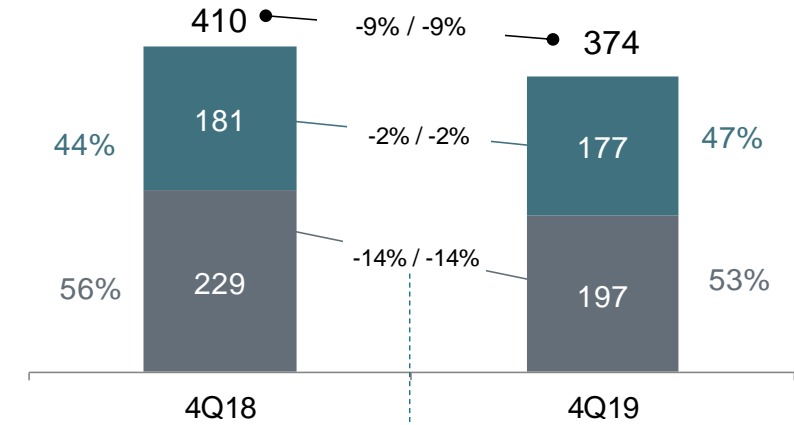
FY19 Revenues (€m)

Local Currency / Reported



4Q19 Revenues (€m)

Local Currency / Reported

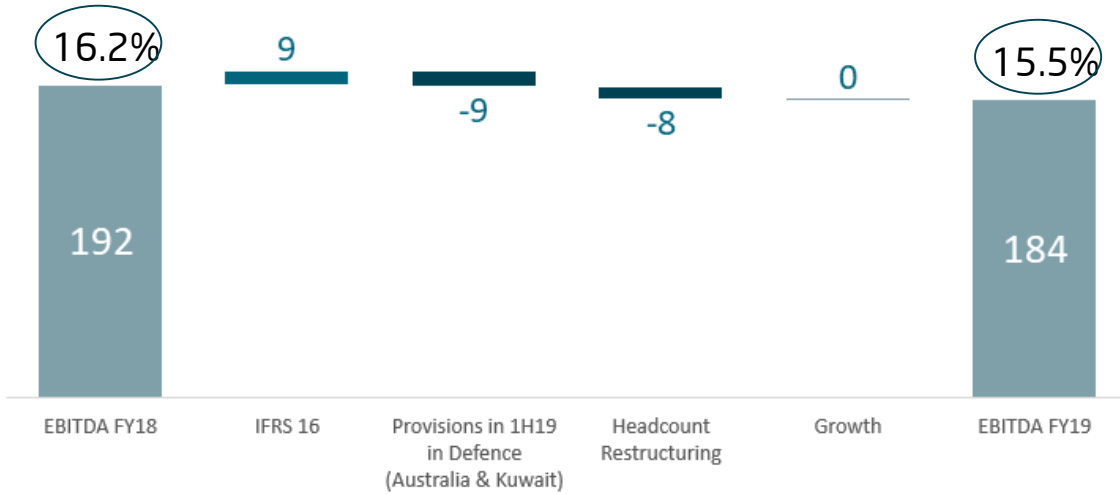


Defence & Security
 Transport & Traffic

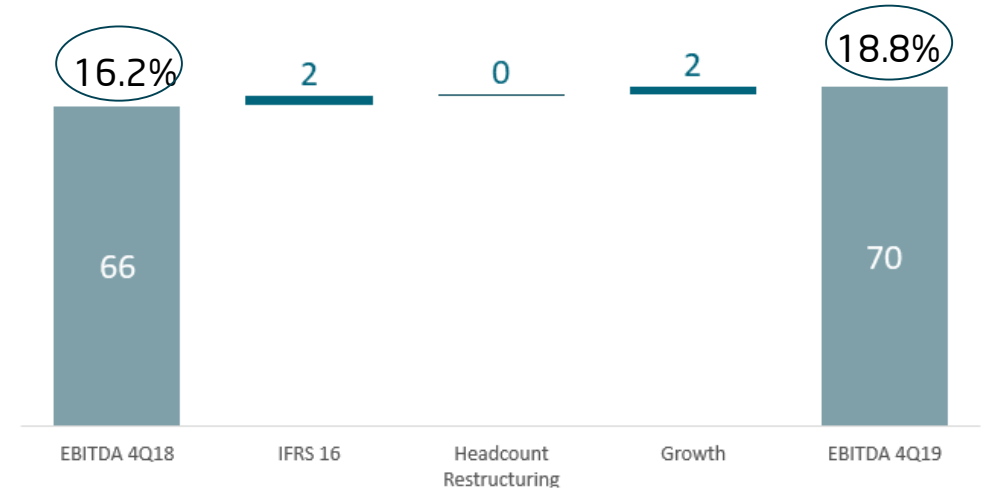
Delays in milestone certification of specific Transport & Traffic projects

T&D EBITDA, EBIT and margin evolution

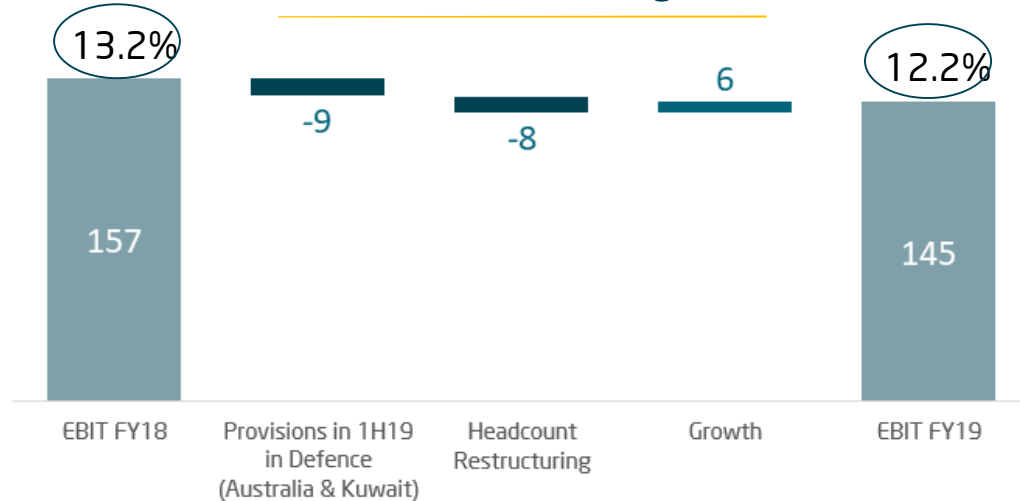
FY19 EBITDA and Margin



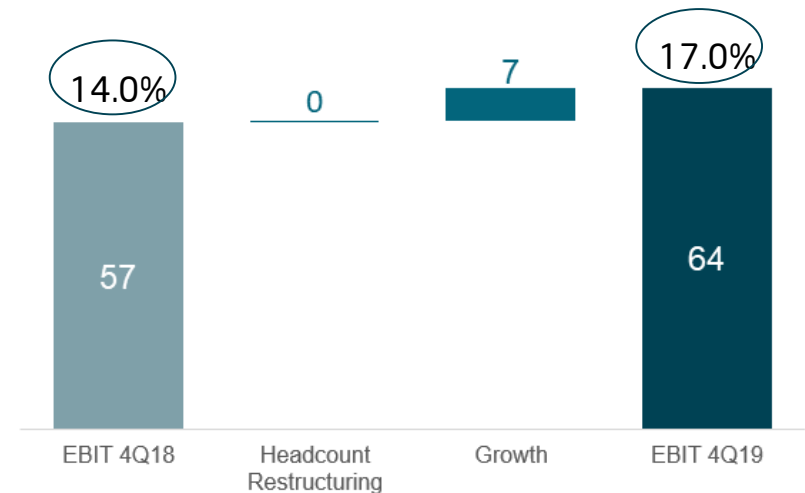
4Q19 EBITDA and Margin



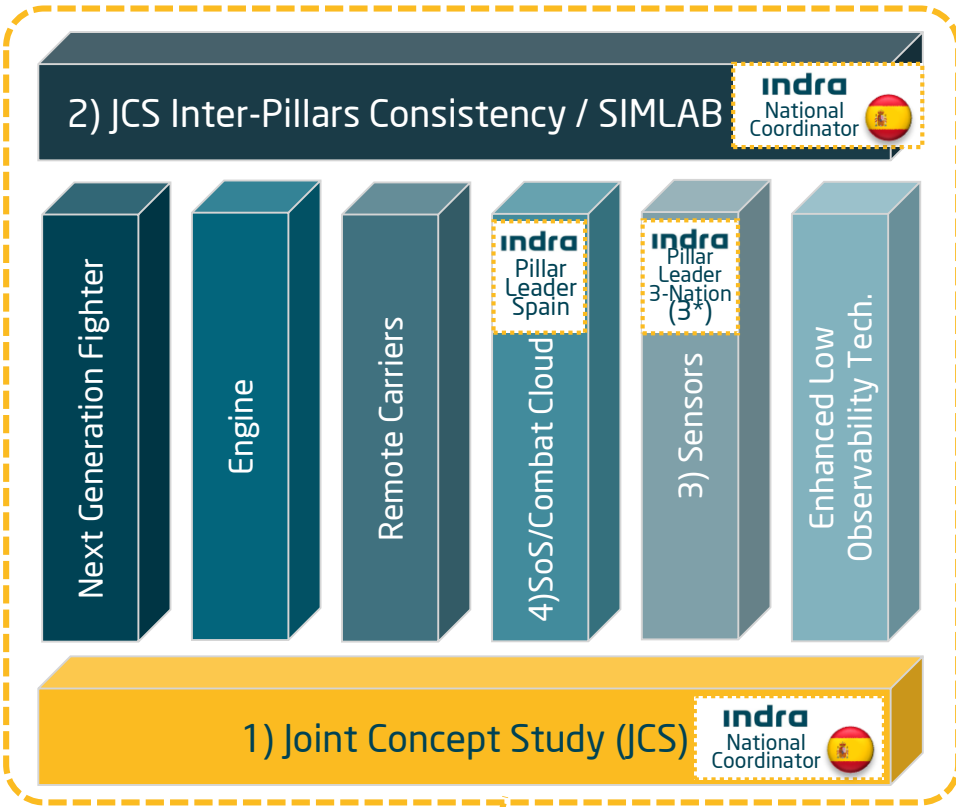
FY19 EBIT and Margin



4Q19 EBIT and Margin



NGWS/FCAS structure and Indra's participation



The **NGWS** is a System of Systems (**SoS**) that includes a New Generation Fighter (**NGF**) and a set of unmanned vehicles (**Remote Carriers - RC**) to expand the capabilities of the fighter, with all those assets interconnected and operated through a **Combat Cloud**

MAIN AREAS OF PARTICIPATION FOR INDRA

1) Joint Concept Study:

Scope: Define NGWS capabilities and common architectures
 Define and update technology development roadmaps
 Establish program framework for all the phases

Indra's Role: SP's nominated Co-Contractor, together with Dassault in FR and Airbus D&S in GE.

2) JCS Inter-Pillars Consistency / SIMLAB:

Scope: Ensure timely results for various demonstration projects during NGWS Design Phase
 Activities to be supported by SIMLAB to allow consistency amongst main stakeholders

Indra's Role: SP's nominated Co-Contractor, together with Dassault in FR and Airbus D&S in GE.

3) Sensors:

Scope: Development of technical breakthroughs in Sensors, Defensive Aids and EM effectors.
 Next generation of smart distributed systems to be more sensitive, flexible and robust
 Incorporating Big Data, Artificial Intelligence and advanced communications.

Indra's Role: International Prime contractor and Program leader in this pillar in all three countries.

4) Systems of Systems/Combat Cloud:

Scope: Information and Intelligence gathering, sharing and exploitation, operating in cloud
 Rely on advanced architectures, cybersecurity, distributed computing and communications.

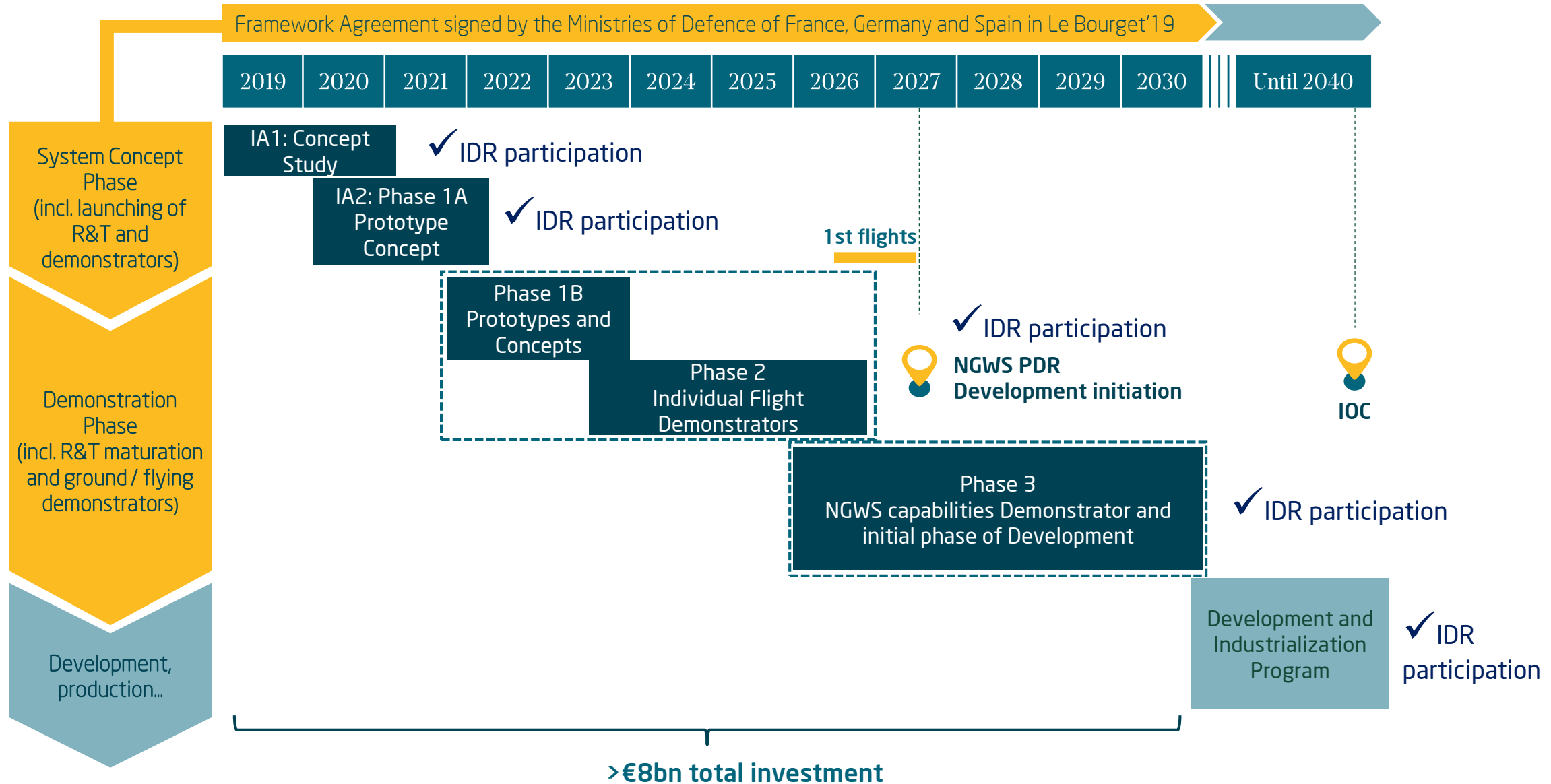
Indra's Role: Prominent role at international level and Pillar leader/Main contractor in Spain.

NGWS



(3*) Final role to be confirmed

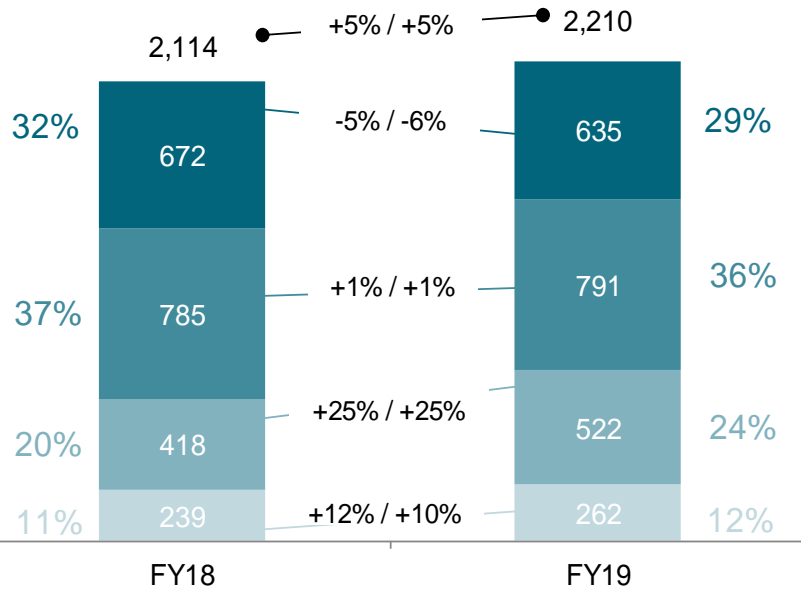
Estimated Planning and Investment



Minsait order intake and revenues

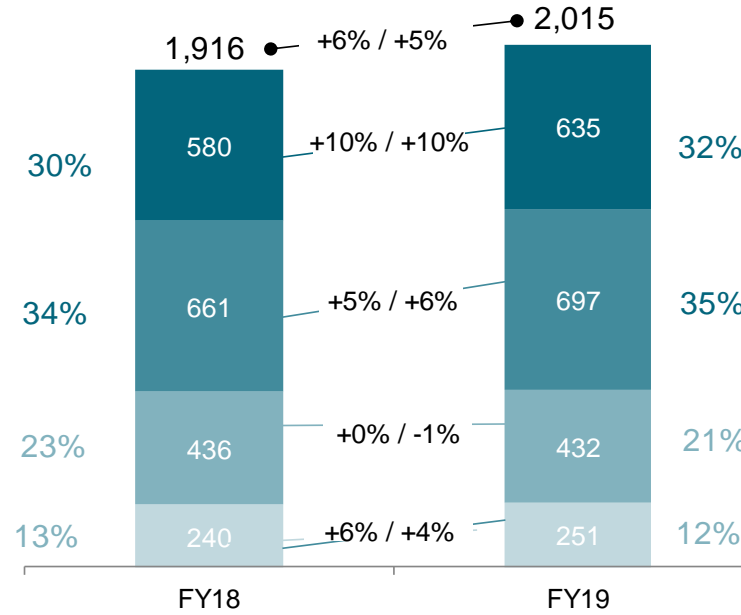
FY19 Order Intake (€m)

Local Currency / Reported



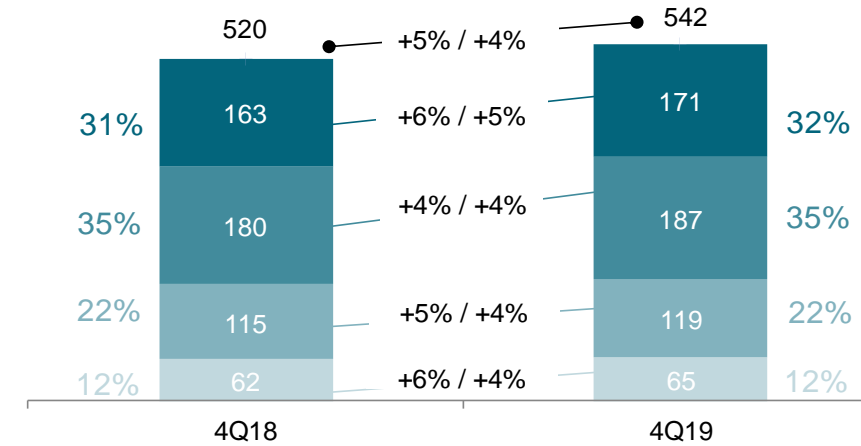
FY19 Revenues (€m)

Local Currency / Reported



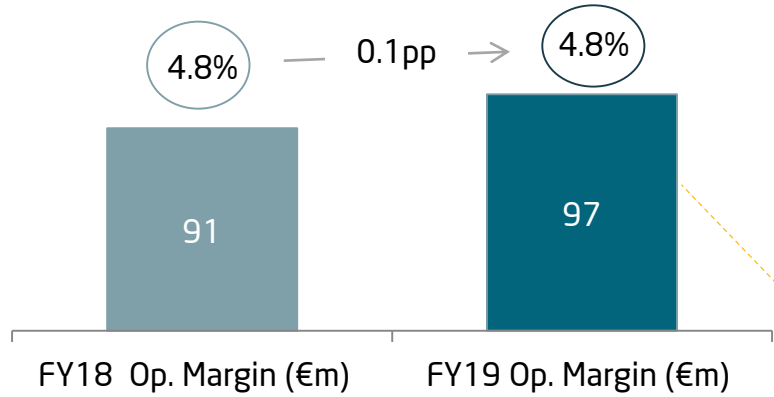
4Q19 Revenues (€m)

Local Currency / Reported

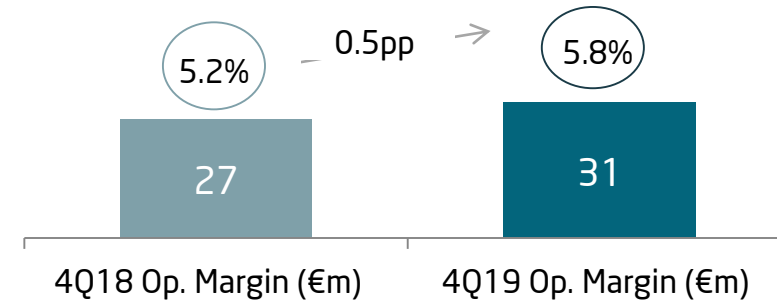


Minsait operating margin and EBIT evolution

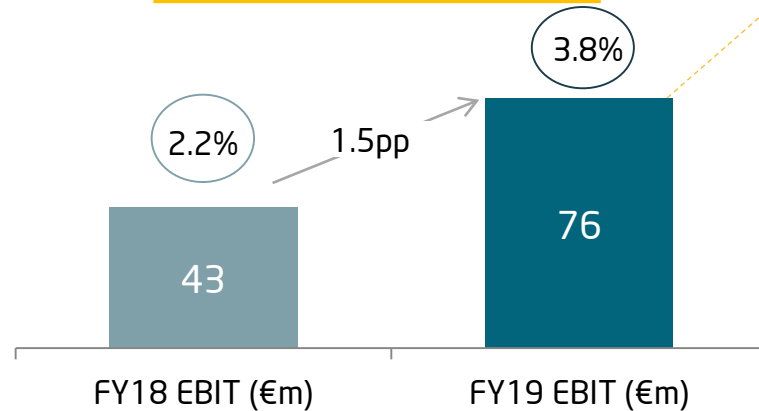
FY19 Operating Margin¹



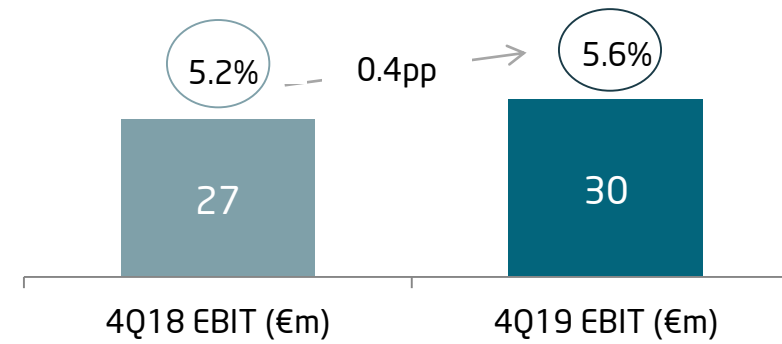
4Q19 Operating Margin¹



FY19 EBIT and Margin



4Q19 EBIT and Margin

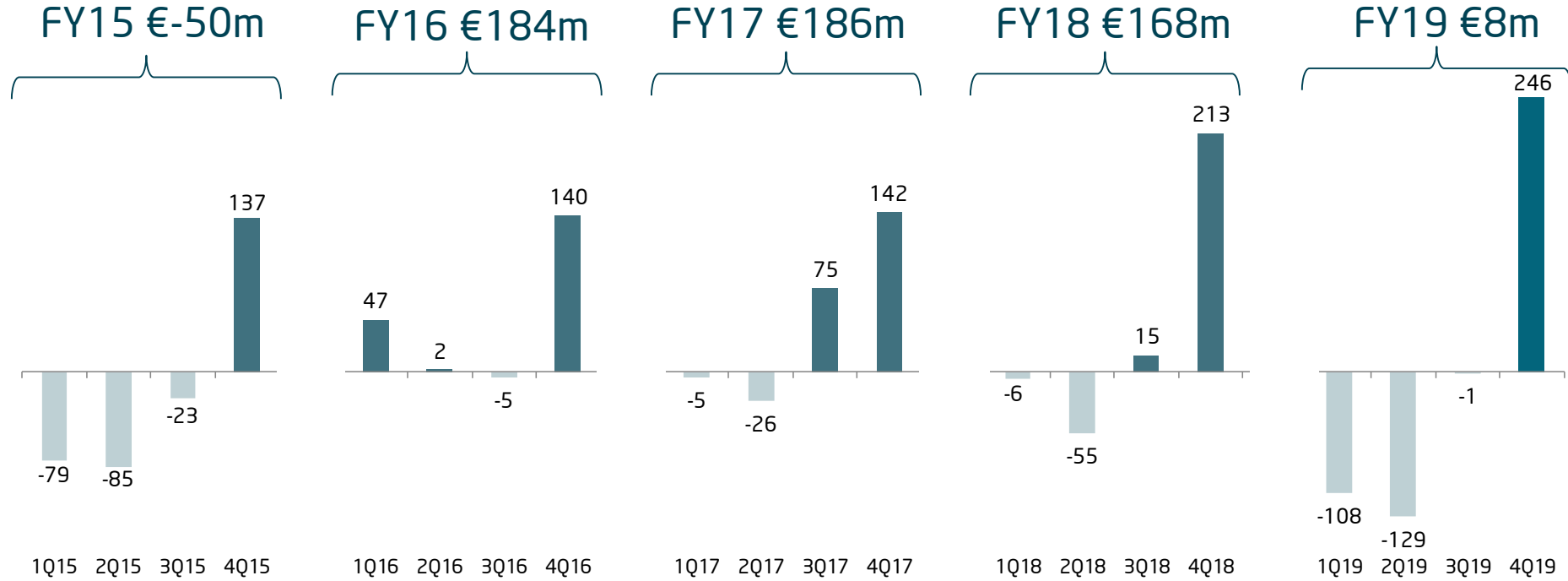


Significantly lower contribution from the Election Business

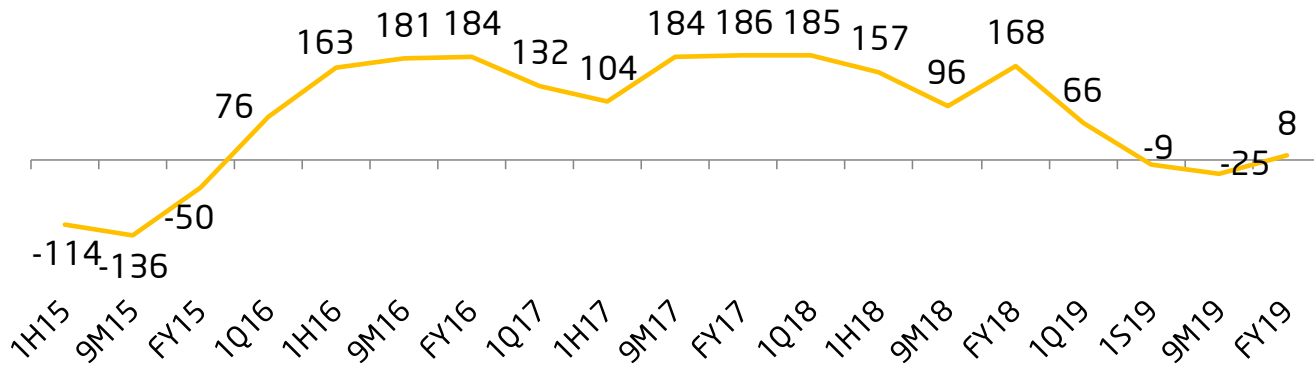
1. EBIT before Other Operating Income & Expenses, including: staff reorganization, integration and acquisition costs, fines, amortization of intangible assets (PPA from acquisitions) and equity based compensation.

FCF Generation

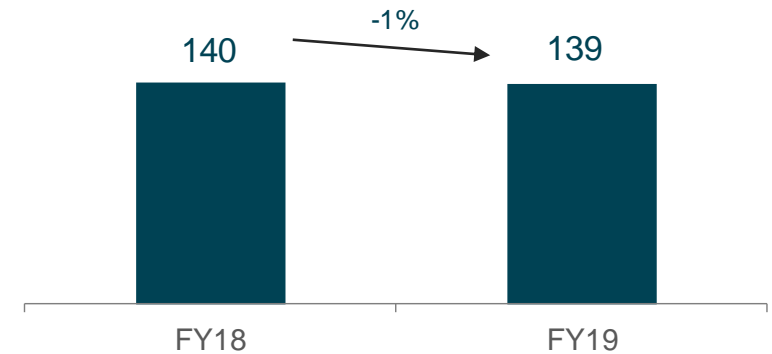
Quarterly FCF (€m)



Accumulated FCF LTM (€m)

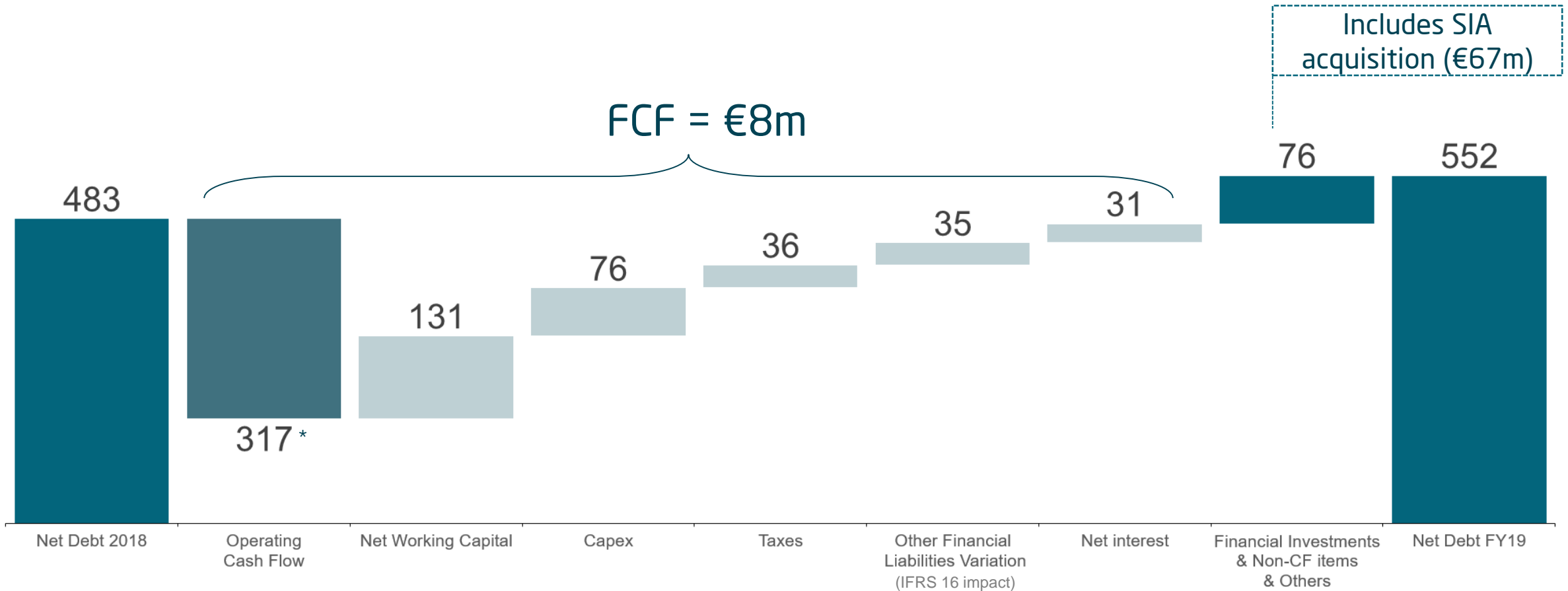


FCF before WC (€m)



Net Debt Bridge

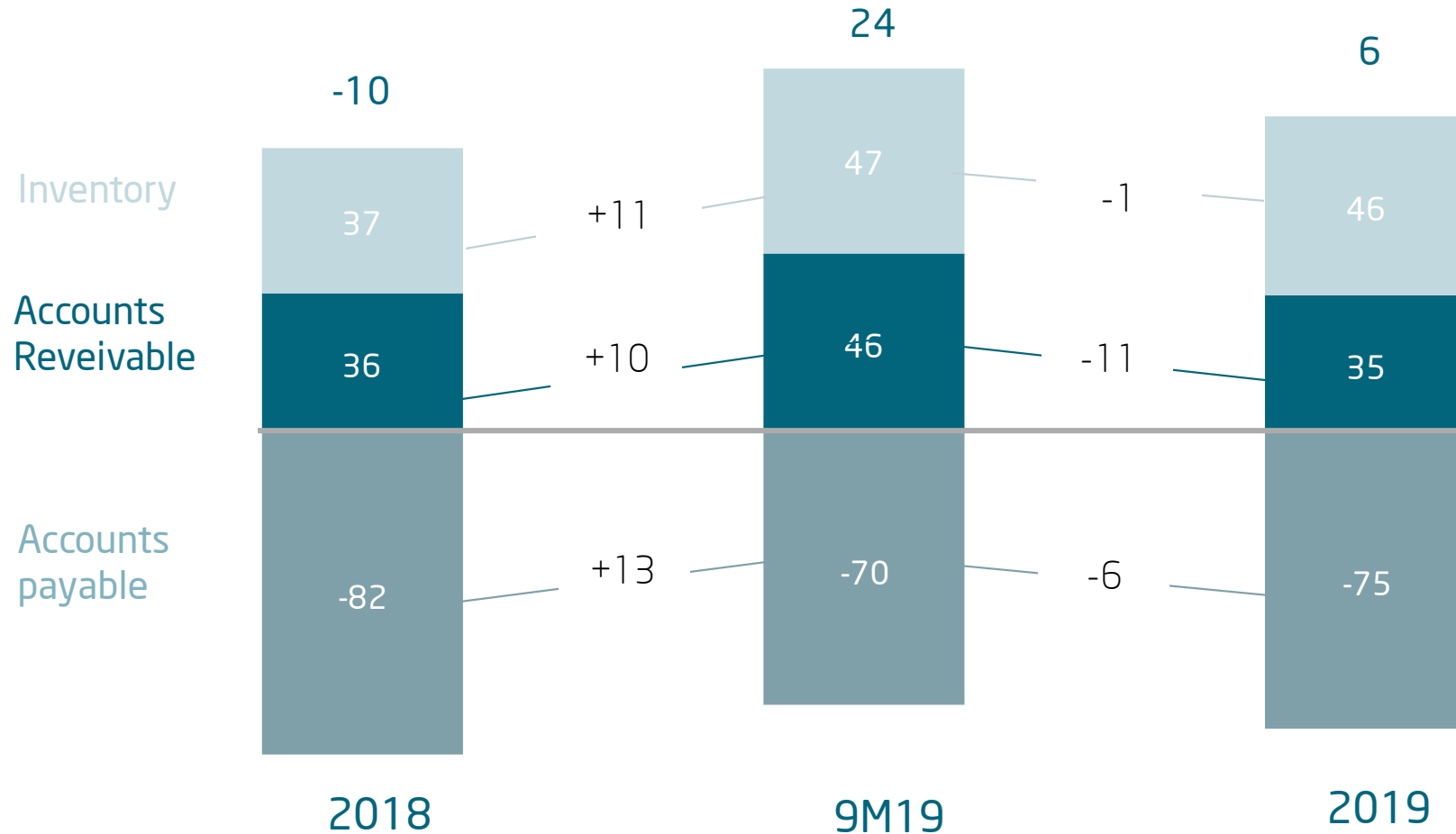
Net Debt Bridge - Cash Flow (€m)



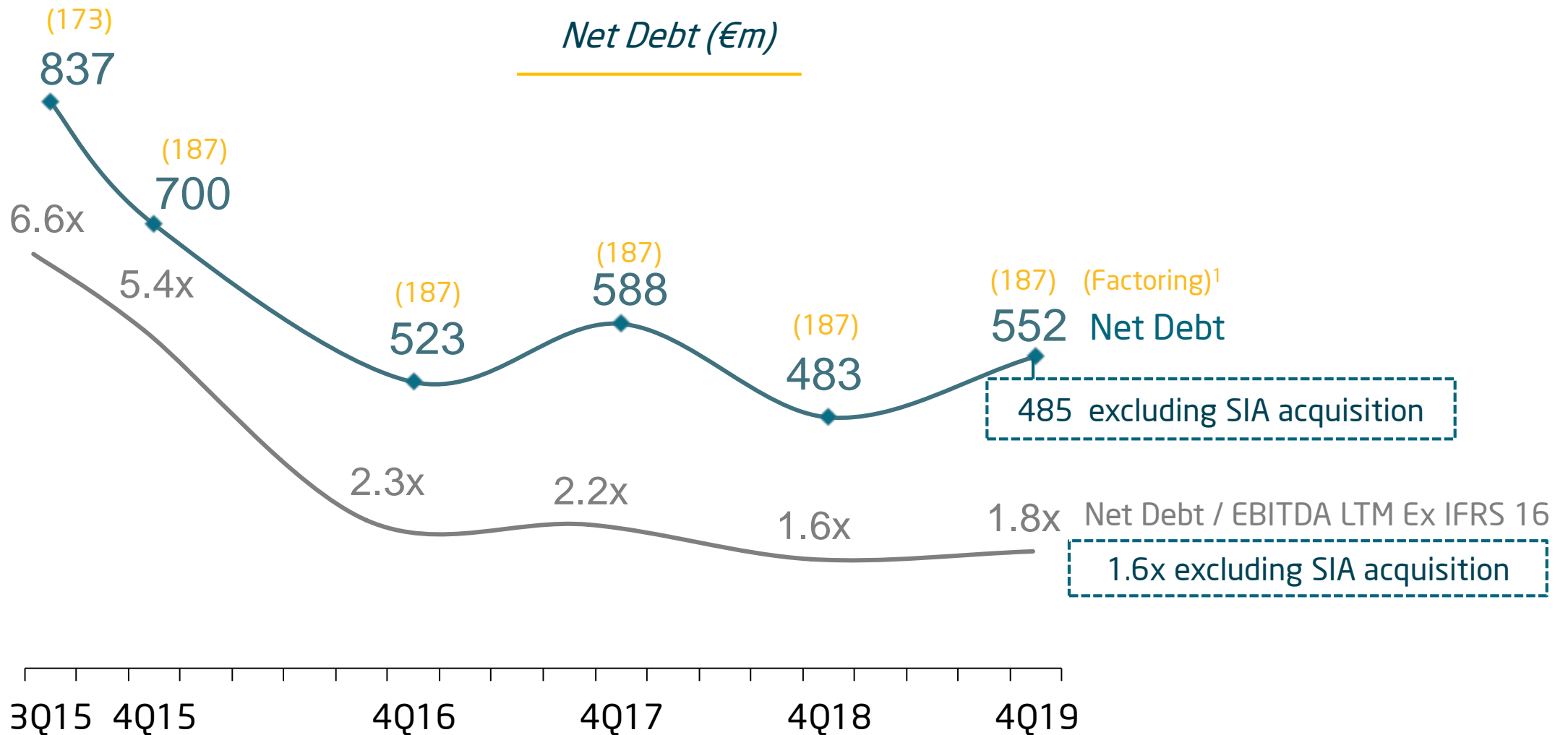
* €281m excluding IFRS 16 impact

Net Working Capital Evolution

Net Working Capital (DoS)



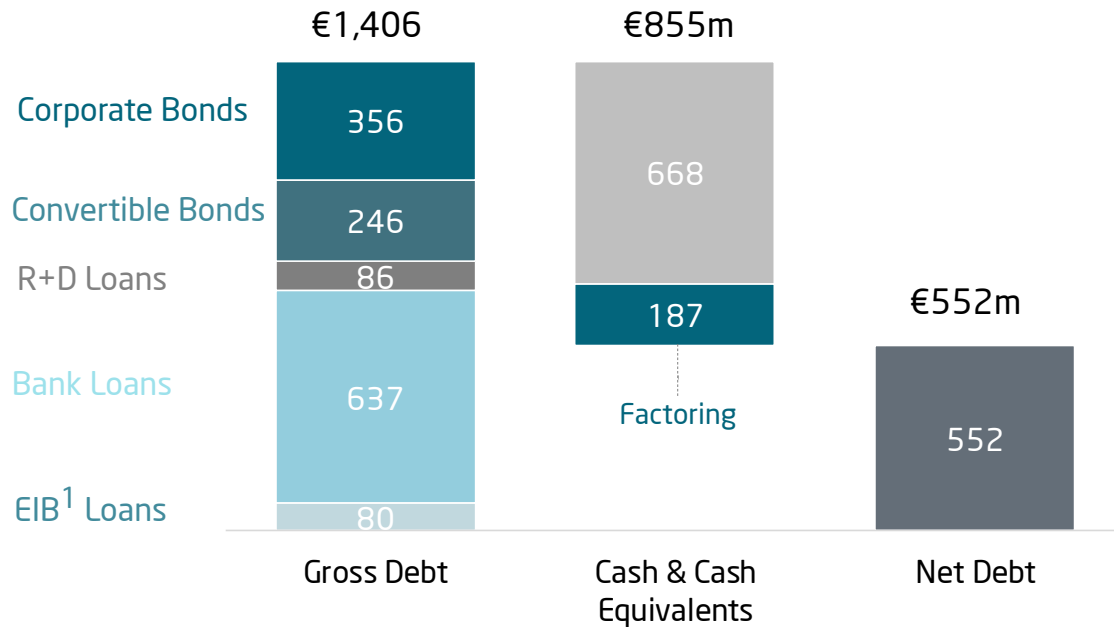
Net Debt Evolution



1. Non-recourse factoring

Diversified debt structure

Gross and Net Debt Structure

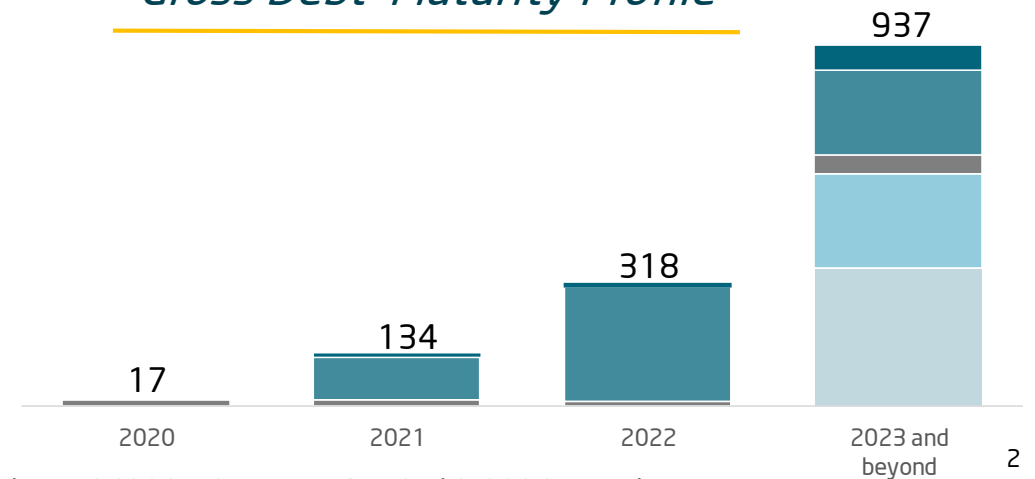


Other available credit facilities: €132m

	FY19	FY18
Average life (years)	3,7	4,0

	FY19	% total	FY18	% total
L/T Debt	1,380	98%	1,359	97%
S/T Debt	27	2%	42	3%
Gross Debt	1,406	100%	1,401	100%
Cost of Gross Debt	1.8%		2.0%	
Cash & Others	855	n.m.	918	n.m.
Net Debt	552	n.m.	483	n.m.
Cost of Net Debt	2.7%		3.2%	

Gross Debt Maturity Profile



1. European Investment Bank . 2. Including €246m Convertible Bond with 2023 maturity and €296m Corporate Bond with 2024 maturity



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