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indra

1Q21 Results

Revenues up +2.2% and EBIT doubled in 1Q21 vs 1Q20

Indra's revenues and profitability reached the pre-crisis volumes of 1Q19

- **Net Profit amounted to €22m in 1Q21 vs €6m in 1Q20 (+255%) and €18m in 1Q19 (+22%).**
- **Revenues in 1Q21 increased +5.5% in local currency (+2.2% in reported terms) vs 1Q20, pushed by Defence and Minsait.**
- **EBITDA and EBIT grew by +25% and +104% respectively vs 1Q20.**
- **Minsait increased its sales by +4.2% in local currency in 1Q21, boosting its EBIT margin above 4% in the period (1.5% in 1Q20).**
- **T&D revenues went up +7.3% and EBIT increased +58% in 1Q21 vs 1Q20. Sales in Defence grew by +21%, mainly pushed by its International Business.**
- **Cash generation was €-17m (including the €11m cash out of the workforce transformation plan) vs €-59m in 1Q20.**
- **Net Debt reached €505m vs €633m in March 2020. Net Debt / EBITDA LTM ratio stood at 2.4x in March 2021 vs 2.2x in March 2020.**
- **Backlog reached another new historic absolute high (€5,322m), implying 1.74x backlog/revenues LTM.**

Madrid, April 27, 2021 - Fernando Abril-Martorell, Chairman and Chief Executive Officer of Indra:

"The results of the first quarter of 2021 are outstanding as they already show the recovery of the activity levels prior to the pandemic, while they reflect an improvement of margins thanks to the costs containment. Minsait 1Q21 revenues already exceed those of 1Q19, while Transport & Defence were almost equal, even though significant delays continue to occur due to the mobility restrictions that remain in force.

All the income statement items have grown in 1Q21 vs 1Q20, with a clear improvement in profitability that ends up being reflected in net profit, more than 3 times higher than in 1Q20 and 1.2 times higher than in 1Q19. For its part, cash generation in the quarter is €42m better than in 1Q20.

For another quarter, the backlog continues its double-digit growth and once again reaches new highs in Indra's history.

In short, the results of the first quarter are in line with our 2021 objectives and reinforce our ambition to recover the pre-crisis levels of 2019 this year, despite the fact that the pandemic is not overcome yet and continues to cause uncertainty and complexity for the management of the business."

Indra acquired SmartPaper on December 31st, 2020. SmartPaper balance sheet and cash flow statement are consolidated in 2020 numbers, while the income statement has started to consolidate from January 1st, 2021. SmartPaper sales stood at €9m in both 1Q21 and 1Q20.

Main Figures	1Q21 (€m)	1Q20 (€m)	Variation (%) Reported / Local currency
Net Order Intake	937	1,020	(8.2) / (5.2)
Revenues	751	735	2.2 / 5.5
Backlog	5,322	4,800	10.9 / 13.5
EBITDA	63	51	25.1 / 29.7
EBITDA Margin %	8.4%	6.9%	1.5 pp
Operating Margin	52	31	67.5
Operating Margin %	6.9%	4.2%	2.7 pp
EBIT	39	19	103.7 / 113.6
EBIT margin %	5.2%	2.6%	2.6 pp
Net Profit	22	6	255.3
Net Debt Position	505	633	(20.3)
Free Cash Flow	(17)	(59)	NA
Basic EPS (€)	0.127	0.036	252.8

Transport and Defence (T&D)	1Q21 (€m)	1Q20 (€m)	Variation (%) Reported / Local currency
Revenues	263	245	7.3 / 8.1
EBITDA	28	24	17.8 / 19.0
EBITDA Margin %	10.7%	9.8%	0.9 pp
Operating Margin	24	15	56.8
Operating Margin %	9.1%	6.2%	2.9 pp
EBIT	19	12	57.9 / 60.3
EBIT margin %	7.2%	4.9%	2.3 pp

Minsait	1Q21 (€m)	1Q20 (€m)	Variation (%) Reported / Local currency
Revenues	489	490	(0.3) / 4.2
EBITDA	35	27	31.7 / 39.3
EBITDA Margin %	7.2%	5.5%	1.7 pp
Operating Margin	28	16	77.8
Operating Margin %	5.8%	3.2%	2.6 pp
EBIT	20	7	179.9 / 202.3
EBIT margin %	4.1%	1.5%	2.6 pp

Main Highlights

Backlog reached again its highest historical level and stood at €5,322m in 1Q21, implying +10.9% growth in reported terms. Transport & Defence backlog amounted to €3.6bn and increased by +17.6% in 1Q21 vs 1Q20, standing out Defence & Security, which amounted to €2.2bn. For its part, Minsait backlog slightly decreased -0.9% in 1Q21 (affected by FX in -6pp) and totaled €1.7bn. Backlog/Revenues LTM also reached a new historic high and stood at 1.74x vs 1.50x in 1Q20.

Order intake in 1Q21 registered -5.2% decrease in local currency:

- **1Q21 Order intake in T&D** up +3.5% in local currency, driven by the strong activity registered in Defence & Security (+27.7% in local currency), mainly due to the higher order intake in the Eurofighter project.

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- **1Q21 Order intake in Minsait** down -8.2% in local currency, partially affected by the difficult comparison vs the previous year, in which order intake grew by +10.5%, due to the renewals of multi-year relevant contracts. Nevertheless, order intake is expected to accelerate and return to growth in the next quarters.

1Q21 revenues grew +5.5% in local currency (+2.2% in reported terms):

- **1Q21 revenues in the T&D division** increased by +8.1% in local currency (+7.3% in reported terms) pushed by the growth registered in Defence & Security (+20.9% in local currency), driven by the higher activity in Spain (multiannual projects of the F110 Frigates and NH90 simulator), AMEA (Air Defence in Azerbaijan and Vietnam) and Europe (higher contribution of the Eurofighter project). Furthermore, it is worth mentioning the growth registered in Transport (+8.4% in local currency), thanks to the milestones certification in the railway transport project in Saudi Arabia and the higher activity in the tolling systems project in the I-66 in USA.

- **1Q21 revenues in Minsait** went up +4.2% in local currency and -0.3% in reported terms, mainly pushed by the strong performance in Public Administrations & Healthcare, which grew +20.7% in local currency. Revenues in the rest of the verticals remained at similar levels compared to the previous year (slight growth in local currency in Energy & Industry and Financial Services and slight decrease in Telecom & Media).

FX impact contributed negatively with €-24m in 1Q21, mainly dragged by the Latin-American currencies (Brazilian real and the Mexican and Peruvian peso).

Organic revenues in 1Q21 increased +4.3% (excluding the inorganic contribution of SmartPaper and the FX impact). By divisions, Minsait posted +2.4% organic growth and Transport & Defence recorded +8.1% organic growth in 1Q21.

Digital revenues reached €130m (27% of Minsait sales) in 1Q21, which implies +3.5% increase vs 1Q20.

1Q21 reported EBITDA stood at €63m vs €51m in 1Q20, implying +25.1% growth in reported terms.

Operating Margin amounted to €52m in 1Q21 vs €31m in 1Q20 (equivalent to 6.9% operating margin vs 4.2% in 1Q20), due to the improvement in profitability in both divisions, as well as the lower amortization vs last year same period.

- **1Q21 Operating Margin in the T&D division** reached €24m vs €15m in 1Q20, equivalent to 9.1% margin vs 6.2% last year same period. The increase in profitability is explained by the sales growth, the action plan efficiency measures, as well as by the better comparison of the Eurofighter project.

- **1Q21 Operating Margin in Minsait** stood at €28m vs €16m in 1Q20, equivalent to 5.8% operating margin vs 3.2% in 1Q20. This increase is explained by the the higher level of sales, efficiency measures and savings derived from the action plan, together with the improvement of margins in Energy & Industry and Healthcare.

Total workforce restructuring costs which are not part of the action plan amounted to €-7m in 1Q21 vs €-8m in 1Q20.

The impact of FX in EBIT was €-1.9m in 1Q21.

1Q21 reported EBIT was €39m vs €19m in 1Q20, equivalent to 5.2% margin in 1Q21 vs 2.6% in 1Q20.

Net profit of the group stood at €22m vs €6m in 1Q20.

1Q21 Free Cash Flow was €-17m (€-6m excluding the €11m cash out of the workforce transformation plan) vs €-59m last year same period, due to the improvement of the profitability of the operations, the lower working capital consumption and the lower level of Capex compared to 1Q20.

Net Debt amounted to €505m in 1Q21 vs €633m in 1Q20 and €481m in 2020. Net Debt/EBITDA LTM ratio (excluding the impact of IFRS 16, the cost derived from the action plan and the capital gain of Metrocall, which impacted in 2020) stood at 2.4x in March 2021 vs 2.2x in March 2020 and 2.5x in December 2020.

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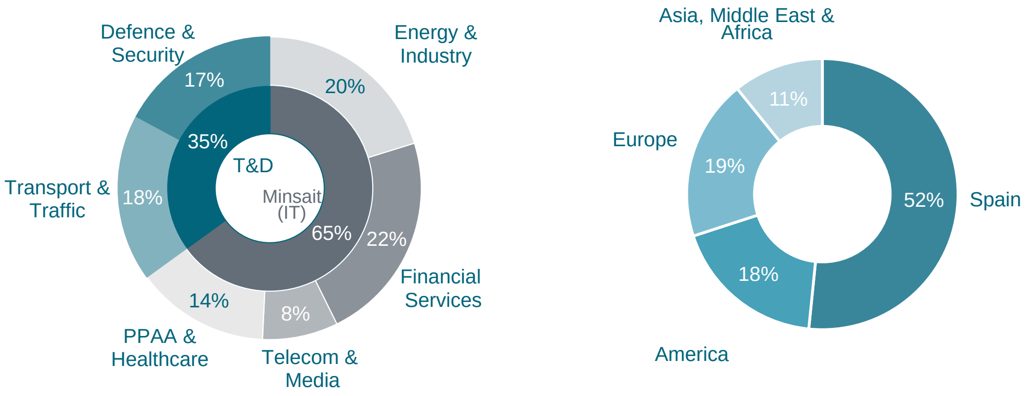
Sales by verticals and regions:



Outlook 2021

Revenues 2021: > €3,200m in local currency.

EBIT reported 2021: > €200m.

FCF 2021: > €120m (excluding the cash outflows of the workforce transformation plans).

Human Resources

At the end of March 2021, total workforce amounted to 48,979 professionals implying a decrease of -2.0% vs March 2020 (1,019 less employees and despite the SmartPaper acquisition, which initially had 1,047 employees). Total workforce at the end of March 2021 remained almost stable (48 less employees) compared to the end of December 2020 (49,027 employees including the SmartPaper workforce). For its part, 1Q21 average headcount decreased -2% vs 1Q20.

Final Workforce	1Q21	%	1Q20	%	Variation (%) vs 1Q20
Spain	27,280	56	28,717	57	(5.0)
America	16,261	33	16,807	34	(3.2)
Europe	3,372	7	2,324	5	45.1
Asia, Middle East & Africa	2,066	4	2,150	4	(3.9)
Total	**48,979**	**100**	**49,998**	**100**	**(2.0)**

Average Workforce	1Q21	%	1Q20	%	Variation (%) vs 1Q20
Spain	27,411	56	28,789	57	(4.8)
America	16,363	33	16,885	34	(3.1)
Europe	3,399	7	2,305	5	47.4
Asia, Middle East & Africa	2,069	4	2,147	4	(3.6)
Total	**49,241**	**100**	**50,126**	**100**	**(1.8)**

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Other events over the period

On January 14th, Indra announced its energy emissions reduction targets, committing itself to reduce its energy consumption emissions by 50% by 2030, reaching zero emissions in this area by 2040 and extending decarbonization throughout its supply chain to become completely carbon neutral by 2050. This environmental commitment meets the objectives set by the UN and forms part of Indra's new Sustainability Master Plan, which seeks to reinforce its responsible governance model, promote its technology with an impact on sustainable development and play an active part in combating climate change

On January 27th, Indra has been included for the second consecutive year in the Bloomberg Gender-Equality Index (GEI), which acknowledges the world's leading companies in terms of their transparency in issues related to gender and the promotion of equality and diversity. Indra, one of the 18 Spanish companies that appear in the Index, achieved a score of 89% in the disclosure of its practices and statistics and 87% in the quality of its data on equal pay and gender pay parity.

On March 3rd, Indra was classified as Gold Class for its environmental, social and governance (ESG) performance in this year's The Sustainability Yearbook, S&P Global's annual sustainability report, which positions it in the top 1% of the best companies in terms of sustainability around the world based on the valuations of the 7,000-plus companies. Indra obtained a score of 84 points, a rating 30% higher than the one recorded last year.

Between March 1st and March 11th, Indra undertook a share buy-back programme under the authorization granted by the Annual General Shareholders Meeting for the derivative acquisition of treasury shares pursuant to the provisions of the applicable regulation. The purpose of the Programme was to allow the Company satisfy share awards to the executives under the compensation system in force. Indra acquired 650,000 shares, representing approximately 0.37% of the Company's share capital.

On March 24th, Indra received notification of the National Court's Central First-Instance Court Number 6 Order, dated on March 23, in virtue of which the provisional dismissal of the proceedings with respect to the Company in the Preliminary Proceedings 85/2014 procedure (known as "Operacion Púnica") was decreed.

Analysis by division

Transport & Defence (T&D)

T&D	1Q21 (€m)	1Q20 (€m)	Variation (%) Reported	Variation (%) Local currency
Net Order Intake	272	266	2.2	3.5
Revenues	263	245	7.3	8.1
- Defence & Security	129	107	20.9	20.9
- Transport & Traffic	134	138	(3.2)	(1.7)
- Transport	*78*	*74*	*5.8*	*8.4*
- Air Traffic	*56*	*64*	*(13.5)*	*(13.4)*
Book-to-bill	1.03	1.09	(4.7)	
Backlog / Revs LTM	3.16	2.61	20.9	

Transport & Defence revenues in 1Q21 went up +8% in local currency, pushed by the growth registered in Defence & Security (+21% in local currency). On the contrary, sales in Transport & Traffic went down -2% in local currency.

Order intake in 1Q21 increased +3% in local currency, pushed by the strong order intake registered in Defence & Security (+28% in local currency).

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Backlog/Revenues LTM ratio continued to grow and stood at 3.16x vs 2.61x in 1Q20. Book-to-bill ratio was 1.03x vs 1.09x in 1Q20.

Defence & Security

- 1Q21 Defence & Security sales increased by +21% in local currency, being the vertical of the company that registered the best performance.
- It is worth mentioning the double-digit growth posted in Platforms (Eurofighter and F110 Frigates), Integrated Systems (Air Defence in Azerbaijan and Vietnam) and Simulation (NH90 Helicopter).
- By geographies, it stood out the growth of more than double digit registered in Spain (contribution of the multiannual projects of the F110 Frigates and NH90 simulator), and AMEA (Azerbaijan and Vietnam). Additionally, Europe registered more than mid-single digit growth, thanks to the higher contribution of the Eurofighter.
- Most of the activity of the vertical in 1Q21 was concentrated in Europe (c. 45% of sales) and Spain (c. 40% of sales).
- 1Q21 order intake increased by +28% in local currency, helped by the order intake of the Eurofighter project.

Transport & Traffic

- 1Q21 Transport & Traffic sales went down -2% in local currency due to the double-digit decline posted in Air Traffic Management.
- In the Transport segment, sales in 1Q21 increased +8% in local currency, pushed by the growth achieved in AMEA (railway transport project in Saudi Arabia) and America (tolling systems for the I-66 in USA).
- In the Air Traffic segment, sales in 1Q21 fell -13% in local currency, mainly dragged by the double-digit decline in both the European and International Programs. On the positive side, Spain showed double-digit growth.
- Region wise, most of the activity of the vertical in 1Q21 was concentrated in AMEA (c. 35% of sales), Spain (c. 30% of sales), and Europe (c. 20% of sales).
- 1Q21 order intake down -10% in local currency, mainly affected by the double-digit decline in Transport due to the difficult comparison vs 1Q20, both in Spain (interurban transport railway project) and America (tunnel control centers in Colombia).

Minsait

Minsait	1Q21 (€m)	1Q20 (€m)	Variation (%)	
			Reported	Local currency
Net Order Intake	665	754	(11.8)	(8.2)
Revenues	489	490	(0.3)	4.2
- Energy & Industry	152	159	(4.4)	0.7
- Financial Services	169	175	(3.7)	1.0
- Telecom & Media	61	65	(7.0)	(1.4)
- PPAA & Healthcare	107	91	18.1	20.7
Book-to-bill	1.36	1.54	(11.5)	
Backlog / Revs LTM	0.90	0.86	4.9	

1Q21 Minsait sales up +4.2% in local currency, mainly bolstered by PPAA & Healthcare (+21% in local currency). Regarding the rest of the verticals, sales have remained at similar levels compared to the previous year (slight growth in Energy & Industry and Financial Services and slight decrease in Telecom & Media).

Excluding the inorganic contribution of SmartPaper (BPO Company based in Italy, acquired on December 31st, 2020) and the FX impact, Minsait sales in 1Q21 would have grown +2.4%.

Digital sales amounted to €130m (which represents 27% of Minsait sales) in 1Q21, implying an increase of +3.5% vs 1Q20.

Minsait	1Q21 (€m)	1Q20 (€m)	Variation (%) Reported
Digital	130	125	3.5
Proprietary solutions	40	38	3.5
Implementation of third party solutions & Others	78	78	(0.0)
Technological and Process Outsourcing	243	252	(3.5)
Eliminations	(2)	(3)	N/A
Total	**489**	**490**	**(0.3)**

1Q21 order intake in Minsait down -8% in local currency with all the verticals registering declines except for Energy & Industry.

Backlog/Revenues LTM improved to 0.90x vs 0.86x in 1Q20. Book-to-bill ratio slightly declined and stood at 1.36x vs 1.54x in 1Q20.

Energy & Industry

- 1Q21 Energy & Industry revenues up +1% in local currency, helped by the Energy segment, mainly due to the inorganic contribution of SmartPaper. On the other hand, sales in the Industry segment, which has higher exposure to the covid impact, showed close to double-digit declines.
- The Energy segment represents 60% of the vertical sales vs 40% the Industry segment.
- It is worth noting the growth registered in Europe (Italian subsidiary due to the contribution of SmartPaper) and America (Utilities sector in Brazil). On the opposite side, sales decreased in Spain in both segments, being the decline higher in Industry (Hotels and Retail sector).
- By geographies, most of the activity was concentrated in Spain (c. 50% of sales), America (c. 25% of sales) and Europe (20% of sales)
- 1Q21 order intake went up +15% in local currency, boosted by the growth achieved in America (Utilities sector in Brazil) and Europe (inorganic contribution of SmartPaper).

Financial Services

- 1Q21 Financial Services sales increased by +1% in local currency, both the banking and the insurance sectors grew slightly.
- The Banking Sector (c. 85% of total sales) concentrated most of the activity of the vertical in 1Q21 in respect to the Insurance Sector (c. 15% of total sales).
- Sales in 1Q21 grew in its main geographies, Spain (increase in activity derived from the current banking consolidation in the sector) and America (Mexico and Peru).
- Region wise, Spain (c. 70% of the sales) and America (c. 25% of the sales) concentrated most of the activity of the vertical in 1Q21.

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- Order intake in 1Q21 fell -15% due to the increasing pressure in the Spanish market and the difficult comparable in America vs 1Q20.

Telecom & Media

- 1Q21 Telecom & Media sales have decreased by -1% in local currency, due to the difficult comparable vs 1Q20, in which sales grew by +15%.
- It stands out the double-digit sales growth registered in Europe in 1Q21, due to the higher activity in Germany with Telefonica. On the other hand, revenues in Spain remained almost flat, while sales decreased in Latin America.
- By geography, most of the vertical activity in 1Q21 was concentrated in Spain (c. 50% of sales), America (c. 30% of sales) and Europe (c. 15% of sales).
- Order Intake in 1Q21 fell -30% due to the renewal of relevant contracts in America with the main operators in 1Q20.

Public Administrations & Healthcare

- 1Q21 Sales in Public Administrations & Healthcare have increased by + 21% in local currency, being the Minsait's vertical with the best performance in the quarter.
- All the segments of the vertical (Public Administrations, Healthcare and Elections) showed double-digit growth in 1Q21.
- The Public Administrations segment (c. 80% of sales) concentrates the highest vertical activity with respect to Healthcare and Elections.
- It stood out the double-digit growth registered in 1Q21 in Spain (higher activity with the central and regional Administration) and Europe (Italian subsidiary).
- By geography, most of the vertical activity in 1Q21 was concentrated in Spain (c. 65% of sales), Europe (c. 20% of sales) and America (c. 10% of sales).
- 1Q21 order intake down -13% in local currency, affected by the strong order intake that took place in 1Q20 (+8% in local currency), as well as by the decline in America (mainly in Colombia).

Analysis by Region

Revenues by Region	1Q21 (€m)	1Q20 (€m)	Variation (%)	
			Reported	Local currency
Spain	388	392	(1.1)	(1.1)
America	138	150	(7.8)	8.3
Europe	144	131	9.9	9.8
Asia, Middle East & Africa	81	62	31.2	31.6
Total	**751**	**735**	**2.2**	**5.5**

By geographies, it is worth mentioning the growth registered in 1Q21 in AMEA (+32% in local currency; 11% of total sales), Europe (+10% in local currency; 19% of total sales) and America (+8% in local

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currency; 18% of total sales). On the contrary, sales in Spain slightly decreased (-1%; 52% of total sales).

1Q21 Order intake showed declines in Spain (-7%) and America (-25% in local currency), while Europe and AMEA grew (+18% and +41% in local currency respectively).

Spain

- 1Q21 revenues went slightly down (-1%), showing growth in Minsait and declines in Transport & Defence.
- Revenues in Minsait (c. 75% of total sales) in 1Q21 increased, mainly driven by the double-digit growth in Public Administrations & Healthcare and Financial Services. On the opposite side, Industry went down at double-digit rates, still affected by the pandemic.
- 1Q21 T&D revenues (c. 25% of total sales in the region) decreased, mainly affected by the fall registered in Transport (railway signaling systems and interurban transport projects) and despite the double-digit improvement in Defence & Security (F110 Frigates and NH90 simulator).
- 1Q21 order intake down -7%, mainly due to the difficult comparison in the Transport & Traffic vertical vs 1Q20 (Enaire, DGT and interurban railway transport project).

America

- 1Q21 revenues increased by +8% in local currency, registering both Minsait and Transport & Defence sales growth. FX depreciation in Latam took off -16 pp of growth.
- The main countries in the region registered growth in local currency: Brazil sales (c. 30% of total revenues in the region) posted +5% revenue growth in local currency, backed by Energy & Industry and Mexico (c. 15% of total sales in the region) registered +13% sales growth in local currency, pushed by the contribution of Financial Services and Energy & Industry. Likewise, it is worth highlighting the double-digit growth registered in Peru (Public administrations & Healthcare and Financial Services) and USA (Transport & Traffic).
- The activity in America is mostly concentrated in Minsait (c. 80% of total sales in the region). 1Q21 revenues went up close to mid-single-digit growth in local currency, driven by Energy & Industry and Financial Services.
- 1Q21 T&D revenues (c. 20% of total sales in the region) posted double-digit growth, bolstered by the growth registered in Transport (tolling systems for the I-66 in USA).
- 1Q21 order intake down -25% in local currency due to the difficult comparison vs the previous years in Telecom & Media (when took place the renewal of relevant contracts with the main operators), Public Administrations (project in Colombia) and Transport (tolling systems for the I-66 in USA).

Europe

- 1Q21 revenues increased by +10% in local currency, pushed by Minsait.
- 1Q21 T&D sales (c. 65% of revenues in the region) slightly decreased, as a consequence of the double digit declines in Air Traffic Management and despite the growth of more than mid-single digit registered in Defence & Security (Eurofighter project).

- 1Q21 Minsait revenues (c. 35% of total revenues in the region) grew at double digit rates, driven by Energy & Industry (helped by the inorganic contribution of SmartPaper) and Public Administrations (Italian subsidiary).
- 1Q21 order intake went up +18% in local currency, pushed by the order intake registered in the Eurofighter project, as well as by the inorganic contribution of SmartPaper.

Asia, Middle East & Africa (AMEA)

- 1Q21 revenues in AMEA up +32% in local currency, pushed by the strong growth registered in the Transport & Defence division.
- 1Q21 Transport & Defence sales (c. 80% of total revenues in the region) posted strong increase driven by the double-digit growth recorded in Transport (railway project in Saudi Arabia) and Defence & Security (Air Defence in Azerbaijan and Vietnam).
- 1Q21 Minsait revenues (c. 20% of total sales in the region) slightly increased, being Public Administrations the vertical with the best performance.
- 1Q21 order intake up +41% in local currency, bolstered by the Transport & Traffic vertical (order intake of the maintenance phase of the railway project in Saudi Arabia and Air Traffic in South Korea and Azerbaijan).

Appendices

Consolidated Income Statement

	1Q21	1Q20	Variation	
	€m	€m	€m	%
Revenue	**751.4**	**735.1**	**16.3**	**2.2**
In-house work on non-current assets and other income	9.9	20.1	(10.2)	(50.7)
Materials used and other supplies and other operating expenses	(246.0)	(234.0)	(12.0)	5.1
Staff Costs	(451.8)	(470.5)	18.7	(4.0)
Other gains or losses on non-current assets and other results	0.0	(0.0)	0.0	NA
Gross Operating Result (EBITDA)	**63.5**	**50.7**	**12.8**	**25.1**
Depreciation and amortisation charge	(24.4)	(31.6)	7.2	(22.6)
Operating Result (EBIT)	**39.0**	**19.2**	**19.8**	**103.7**
EBIT Margin	***5.2%***	***2.6%***	***2.6 pp***	**NA**
Financial Loss	**(10.2)**	**(9.4)**	**(0.8)**	**8.7**
Result of companies accounted for using the equity method	0.9	0.1	0.8	NA
Profit (Loss) before tax	**29.7**	**9.9**	**19.8**	**200.2**
Income tax	(7.0)	(3.0)	(4.0)	134.1
Profit (Loss) for the year	**22.7**	**6.9**	**15.8**	**228.8**
Profit (Loss) attributable to non-controlling interests	(0.4)	(0.6)	0.2	NA
Profit (Loss) attributable to the Parent	**22.3**	**6.3**	**16.0**	**255.3**

Earnings per Share (according to IFRS)	1Q21	1Q20	Variation (%)
Basic EPS (€)	0.127	0.036	252.8
Diluted EPS (€)	0.132	0.036	266.7

	1Q21	1Q20
Total number of shares	176,654,402	176,654,402
Weighted treasury stock	580,812	279,549
Total shares considered	176,073,590	176,374,853
Total diluted shares considered	193,162,933	193,464,196
Treasury stock in the end of the period	491,235	312,203

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), 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.*

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- Revenues in reported terms grew by +2% in 1Q21.
- Other income stood at €10m vs €20m in 1Q20. The decrease is explained by the lower level of works for own non-current assets (€-10m in 1Q21 vs 1Q20).
- Materials used and other supplies and other operating expenses increased by +5% in 1Q21, due to lower changes in inventories compared to last year same period.
- Personnel expenses decreased by -4% in 1Q21 vs 1Q20, explained by the reduction of the average workforce (-2%), as a consequence of the action plan efficiency measures, as well as by the FX impact over the personnel expenses in Latin America.
- 1Q21 EBITDA stood at €63m vs €51m in 1Q20, implying +25.1% growth in reported terms.
- 1Q21 D&A stood at €24m, €7m less than in 1Q20, due to the impairment of intangible assets that took place in 2020.
- 1Q21 EBIT stood at €39m vs €19m in 1Q20 (improving €+20m), boosted by the improvement of the profitability together with lower amortization charge in 1Q21 vs 1Q20.
- Financial results was €-10m 1Q21 vs €-9m in 1Q20. Gross debt borrowing costs was 1.9% vs 1.8% in 1Q20.
- Tax income stood at €-7m in 1Q21 vs €-3m in 1Q20, explained by the higher profit before tax registered in the period. Tax rate was 24% in 1Q21 vs 30% in 1Q20.
- Net profit of the group stood at €22m vs €6m in 1Q20.

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Consolidated Balance Sheet

	1Q21 €m	2020 €m	Variation €m
Property, plant and equipment	96.2	96.2	0.0
Property investments	1.2	1.2	0.0
Assets for the rigth of use	111.8	119.5	(7.7)
Goodwill	892.1	889.5	2.6
Other Intangible assets	271.6	278.9	(7.3)
Investments using the equity method and other non-current financial assets	252.3	260.0	(7.7)
Deferred tax assets	200.4	199.1	1.3
Total non-current assets	**1,825.5**	**1,844.4**	**(18.9)**
Assets held for sale	9.1	9.6	(0.5)
Operating current assets	1,336.4	1,292.0	44.4
Other current assets	133.6	132.2	1.4
Cash and cash equivalents	1,157.0	1,184.9	(27.9)
Total current assets	**2,636.0**	**2,618.6**	**17.4**
TOTAL ASSETS	**4,461.6**	**4,462.9**	**(1.3)**
Share Capital and Reserves	695.6	668.5	27.1
Treasury shares	(3.7)	(3.8)	0.1
Equity attributable to parent company	**691.9**	**664.8**	**27.1**
Non-controlling interests	20.0	19.1	0.9
TOTAL EQUITY	**711.9**	**683.9**	**28.0**
Provisions for contingencies and charges	66.2	65.9	0.3
Bank borrowings and financial liabilities relating to issues of debt instruments and other marketable securities	1,355.0	1,372.8	(17.8)
Other non-current financial liabilities	225.1	224.5	0.6
Subsidies	26.9	28.3	(1.4)
Other non-current liabilities	0.6	0.7	(0.1)
Deferred tax liabilities	3.3	1.5	1.8
Total Non-current liabilities	**1,677.1**	**1,693.8**	**(16.7)**
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	306.8	293.4	13.4
Other current financial liabilities	69.7	75.0	(5.3)
Operating current liabilities	1,334.9	1,365.4	(30.5)
Other current liabilities	361.1	351.5	9.6
Total Current liabilities	**2,072.6**	**2,085.2**	**(12.6)**
TOTAL EQUITY AND LIABILITIES	**4,461.6**	**4,462.9**	**(1.3)**
Current bank borrowings and financial liabilities relating to issues of debt instruments and other marketable securities	(306.8)	(293.4)	(13.4)
Bank borrowings and financial liabilities relating to issues of debt instruments and other marketable securities	(1,355.0)	(1,372.8)	17.8
Gross financial debt	(1,661.8)	(1,666.2)	4.4
Cash and cash equivalents	1,157.0	1,184.9	(27.9)
Net Debt	***(504.9)***	***(481.4)***	***(23.5)***

Working Capital	1Q21 €m	2020 €m	Variation €m
Inventories	433.1	411.4	21.7
Accounts Receivable	903.3	880.5	22.8
Operating current assets	**1,336.4**	**1,292.0**	**44.4**
Preypayments from clients	792.8	809.0	(16.2)
Accounts Payable	542.1	556.4	(14.3)
Operating current liabilities	**1,334.9**	**1,365.4**	**(30.5)**
Working Capital	**1.5**	**(73.4)**	**74.9**

Figures not audited

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Consolidated Cash Flow statement

	1Q21 €m	1Q20 €m	Variation €m
Profit Before Tax	**29.7**	**9.9**	**19.8**
Adjusted for:			
- Depreciation and amortization charge	24.4	31.6	(7.2)
- Provisions, capital grants and others	(5.8)	(8.1)	2.3
- Result of companies accounted for using the equity method	(0.9)	(0.1)	(0.8)
- Financial loss	10.2	9.4	0.8
Dividends received	**0.5**	**0.0**	**0.5**
Profit (Loss) from operations before changes in working capital	**58.2**	**42.6**	**15.6**
Changes in trade receivables and other items	(44.2)	44.4	(88.6)
Changes in inventories	(19.9)	(64.9)	45.0
Changes in trade payables and other items	10.1	(47.3)	57.4
Cash flows from operating activities	**(54.0)**	**(67.8)**	**13.8**
Tangible (net)	(4.2)	(8.3)	4.1
Intangible (net)	0.4	(9.0)	9.4
Capex	**(3.8)**	**(17.4)**	**13.6**
Interest paid and received	**(7.7)**	**(4.7)**	**(3.0)**
Other financial liabilities variation (1)	**(8.2)**	**(8.7)**	**0.5**
Income tax paid	**(1.5)**	**(3.0)**	**1.5**
Free Cash Flow	**(17.0)**	**(59.0)**	**42.0**
Changes in other financial assets	0.0	(4.1)	4.1
Financial investments/divestments	1.1	(0.1)	1.2
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	(4.9)	(0.7)	(4.2)
Cash-flow provided/(used) in the period	**(20.8)**	**(63.9)**	**43.1**

Initial Net Debt	**(481.4)**
Cash-flow provided/(used) in the period	(20.8)
Foreign exchange differences and variation with no impact in cash	(2.6)
Final Net Debt	***(504.9)***

Cash & cash equivalents at the beginning of the period	**1,184.9**	**854.5**	**330.4**
Foreign exchange differences	1.1	(14.3)	15.4
Increase (decrease) in borrowings	(8.2)	43.7	(51.9)
Net change in cash and cash equivalents	(20.8)	(63.9)	43.1
Ending balance of cash and cash equivalents	**1,157.0**	**820.1**	**336.9**
Long term and current borrowings	**(1,661.8)**	**(1,453.4)**	**(208.4)**
Final Net Debt	***(504.9)***	***(633.4)***	***128.5***

(1) The IFRS 16 effect is included in "other financial liabilities variation"

Figures not audited

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- Operating Cash Flow before net working capital reached €+58m in 1Q21 vs €+43m in 1Q20, due to the higher operating profitability.
- Cash Flow from operating activities (working capital) was €-54m in 1Q21 vs €-68m in 1Q20, getting better thanks to the positive performance of Accounts Payable (improvement of €+57m in 1Q21 vs 1Q20) and Inventories (improvement of €+45m in 1Q21 vs 1Q20). On the contrary, Clients in 1Q21 worsened in €-89m due to the seasonality of the first quarter which was not reflected in the previous year due to the high level of prepayments in 1Q20.
- Net Working Capital (Operating Current Assets – Operating Current Liabilities) stood at €1m, equivalent to 0 DoS vs 15 DoS in March 2020 and -9 Dos in December 2020.
- Non-recourse factoring lines remained stable at €187m.
- 1Q21 CAPEX (net of subsidies) stood at €4m, €-14 million less compared to 1Q20, due to the lower intangible investment derived from the action plan and lower tangible investment after the Metrocall divestment, as well as by the higher level of grants in 1Q21 vs 1Q20 (€+2m).
- Financial Results payment in the first quarter was €8m vs €5m in 1Q20, explained by higher interest in financing, as well as by other financial expenses.
- Tax payment stood at €2m, similar level to 1Q20.
- Free Cash Flow was €-17m (€-6m excluding the €11m cash out of the workforce transformation plan) vs €-59m last year same period.
- Net Debt amounted to €505m in March 2021 vs €633m in March 2020 and €481m in December 2020. Net Debt/EBITDA LTM ratio (excluding the impact of IFRS 16, the cost derived from the action plan and the capital gain of Metrocall, which affected in 2020) stood at 2.4x in March 2021 vs 2.2x in March 2020 and 2.5x in December2020.

Alternative Performance Measures (APMS)

Due to the application of the Alternative Performance Measures (APM) published by the European Securities and Markets Authority (EMSA), Management of the Group considers that certain APMs provides useful financial information that should be considered to evaluate the performance of the Group by users. Additionally, Management uses these APMs for making financial, operating and strategic decisions, as well as to evaluate the Group performance. It should be noted that the amounts of the APMs have not been subject to any type of audit or review by the auditors of the Company.

Organic Revenues

Definition/Conciliation: Revenues adjusted by foreign exchange impact and perimeter changes of consolidation (acquisitions and divestments). Foreign exchange impact is adjusted by calculating the revenues with the average forex of the previous period. Perimeter changes are adjusted taken into account the acquisitions as if they had been consolidated in the previous period.

Explanation: Metric that reflects the revenue growth excluding the impacts coming from the perimeter changes (acquisitions and divestments) and the foreign exchange.

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: Metric that the Group uses to define its operating profitability and widely used by investors when evaluating businesses.

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Likewise, the Group uses it as an indicator of the performance of the EBIT margin, which is the result of the ratio between EBIT and the amount of sales for the same period. This indicator is explained as the operating profit of the Group for each euro of sales.

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

Operating Margin

Definition/Conciliation: Represents the Operating Result (EBIT) plus staff reorganization costs, impairments, integration and acquisition costs, amortization of intangible assets from acquisitions, equity based compensation and possible fines.

Explanation: Metric that the Group uses to define its operating profitability before certain extraordinary costs and widely used by investors when evaluating Information Technology businesses.

Likewise, the Group uses it as an indicator of the performance of the Operating Margin (%) that is the result of the ratio between Operating Margin and the amount of sales for the same period.

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

Gross Operating Result (EBITDA):

Definition/Conciliation: It is calculated by adding the Depreciations and Amortizations to the "Operating Result (EBIT)" as indicated in the consolidated income statement

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

Likewise, the Group uses it as an indicator of the performance of the EBITDA margin, which is the result of the ratio between EBITDA and the amount of sales for the same period. This indicator is explained as the operating profit of the Group plus Depreciations and Amortizations for each euro of sales.

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

Net Financial Debt:

Definition/Conciliation: Represents Non-current Loans and Borrowings and Current Loans and Borrowings less Cash and Cash equivalents. Net Financial Debt is obtained by subtracting the balances corresponding to the headings of the Consolidated Balance Sheet, "Long and Current borrowings with Credit Institutions" and "Financial Liabilities for Issuance of Non-current and Other Marketable Securities", the amount of the heading "Cash and cash equivalents".

Explanation: Financial proxy that the Group uses to measure its leverage.

Likewise, the Group uses the ratio Net Financial Debt over EBITDA as an indicator of its leverage and repayment capacity of its financial debt. For that reason, the figure used to calculate the ratio for intermediate periods is made by taking into consideration the equivalent last twelve months EBITDA immediately preceding the calculation date 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 Company excluding dividend payment, net financial investments/divestments and others, and the investment in treasury stock. It is calculated starting from "Profit Before Tax" as indicated in the consolidated statement of cash flows; adding depreciation and amortization, deducting provisions, capital grants and others, adding result of companies accounted for using the equity method, adding financial losses, adding dividend received, adding cash flow from operating activities, deducting capex, deducting interest paid and received and deducting income tax paid.

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Explanation: It is the treasury made by the operations of the Group that is available to providers (shareholders and financial creditors) once the investment needs of the Group are already satisfied. It is an indicator used by investors when evaluating businesses.

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

Contribution Margin:

Definition/Conciliation: It is the difference between revenues and direct and indirect costs of the segments or businesses of the Group. Direct costs are those directly attributable to the sales recognized in a specific period of time and include the cost of the headcount or subcontractors used in the projects as well as any incurred costs related to the development and completion of the project; such as material costs, travel expenses of the project, among others. Indirect costs are those which, although are linked to a segment or businesses of the Group, are not directly attributable to billable projects or to revenues accounted for a specific period of time; such as, commercial costs, cost of making offers, the cost of management of a specific segment, among others. Contribution margin does not include overheads as these costs are not directly attributable to a particular segment or business.

Explanation: contribution margin measures the operating profitability of a segment or business of the Group excluding overheads, as these costs are not directly attributable to a particular segment or business.

Likewise, in order to ease the comparison between segments with different relative weight over the total revenues of the Group, it is used the contribution margin ratio over revenues of a segment or business. This indicator is explained as the contribution margin for each euro of sales of a specific segment.

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

Order Intake:

Definition/Conciliation: It is the amount of contracts won over a period of time. Order intake cannot be confused with revenues or the net amount of sales because the amount of a contract won in a specific period of time (and that computes as Order Intake in that period of time) can be executed over several years.

Explanation: Order intake is an indicator of the future performance of the Group because it is the amount of the contracts won over a period of time.

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

Backlog:

Definition/Conciliation: It is the amount of accumulated order intake less revenues executed, plus/minus forex adjustments and the renegotiation of the contracts, among others. It is the pending revenues figure until the completion of the project to complete the order intake figure.

Explanation: Backlog is an indicator of the future performance of the Group because it is the amount of the contracts won still to be executed.

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.

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DGT: Dirección General de Tráfico.

DoS: Days of Sales.

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

EBIT: Earnings Before Interests and Taxes.

EPS: Earnings Per Share.

IT: Information Technology

LTM: Last Twelve Months.

MoD: Ministry of Defence.

R&D: Research & Development.

T&D: Transport & Defence.

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