

**indra**

# 1H19 Results



July 25<sup>th</sup>, 2019

## **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:

France: +33 170 710 159

Spain: +34 911 140 101

UK: +44 2071 943 759

US: +1 6467 224 916

Access code: 93072372#

Access to the live event:

<https://event.on24.com/wcc/r/2039513-1/48B2239AEA08AB147B42EDCAF9029163?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: 418861875#

Access to the Webcast Replay:

<https://event.on24.com/wcc/r/2039513-1/48B2239AEA08AB147B42EDCAF9029163?partnerref=rss-events>

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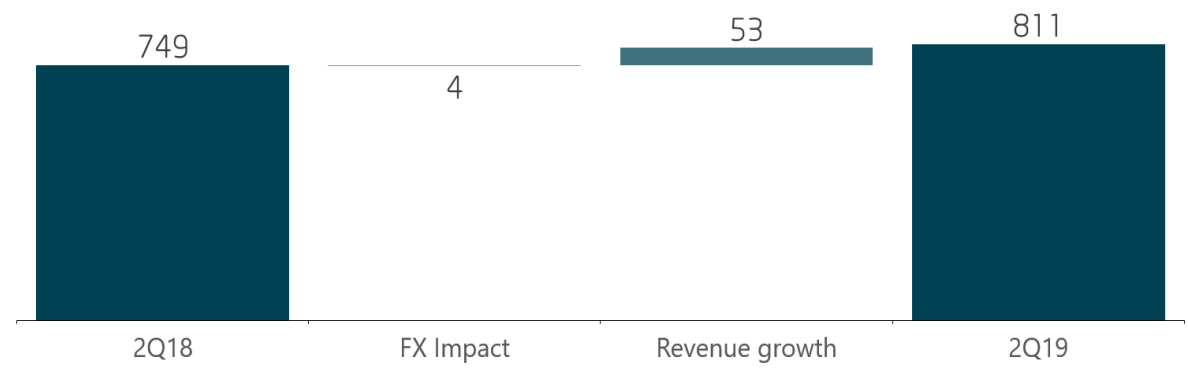
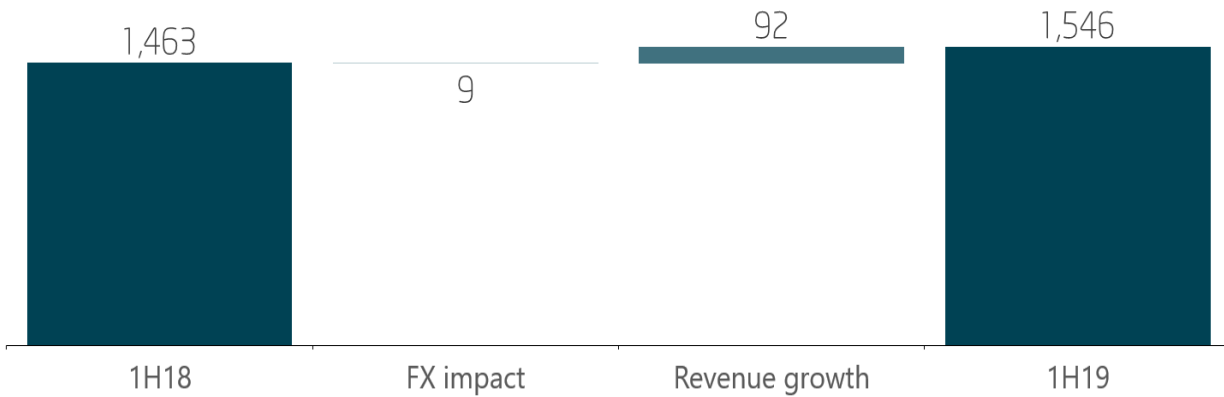
# Main headlines

- 1 Growth of revenue and order intake accelerated in 2Q19. Revenues +6% and order intake +9% in 1H19 in local currency. Backlog amounted to €4,420m, reaching another historic high
- 2 Minsait revenues up +6% in local currency. Digital solutions up +18%. America +15% in local currency
- 3 1H19 EBITDA up +7% (ex IFRS 16). EBIT grew +8% in 1H19
- 4 Minsait EBIT Margin up to 2.8% in 1H19 despite the lower contribution of the Elections business
- 5 Net Profit -8% vs 1H18 due to higher taxes
- 6 FCF €-237m vs €-61m in 1H18 negatively impacted by working capital
- 7 Indra maintains its 2019 guidance

# Revenues up +6% in reported terms, +6% in local currency



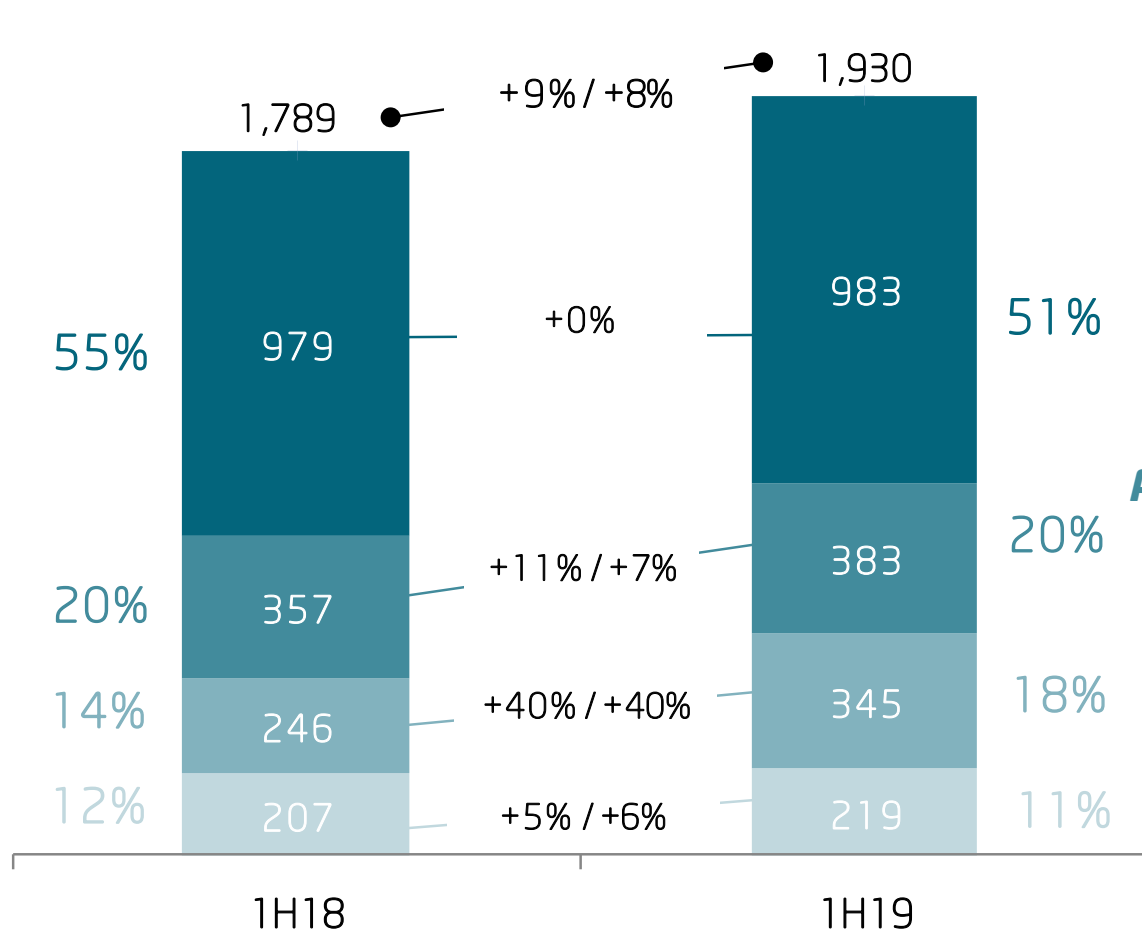
€m



# Revenues and order intake by region

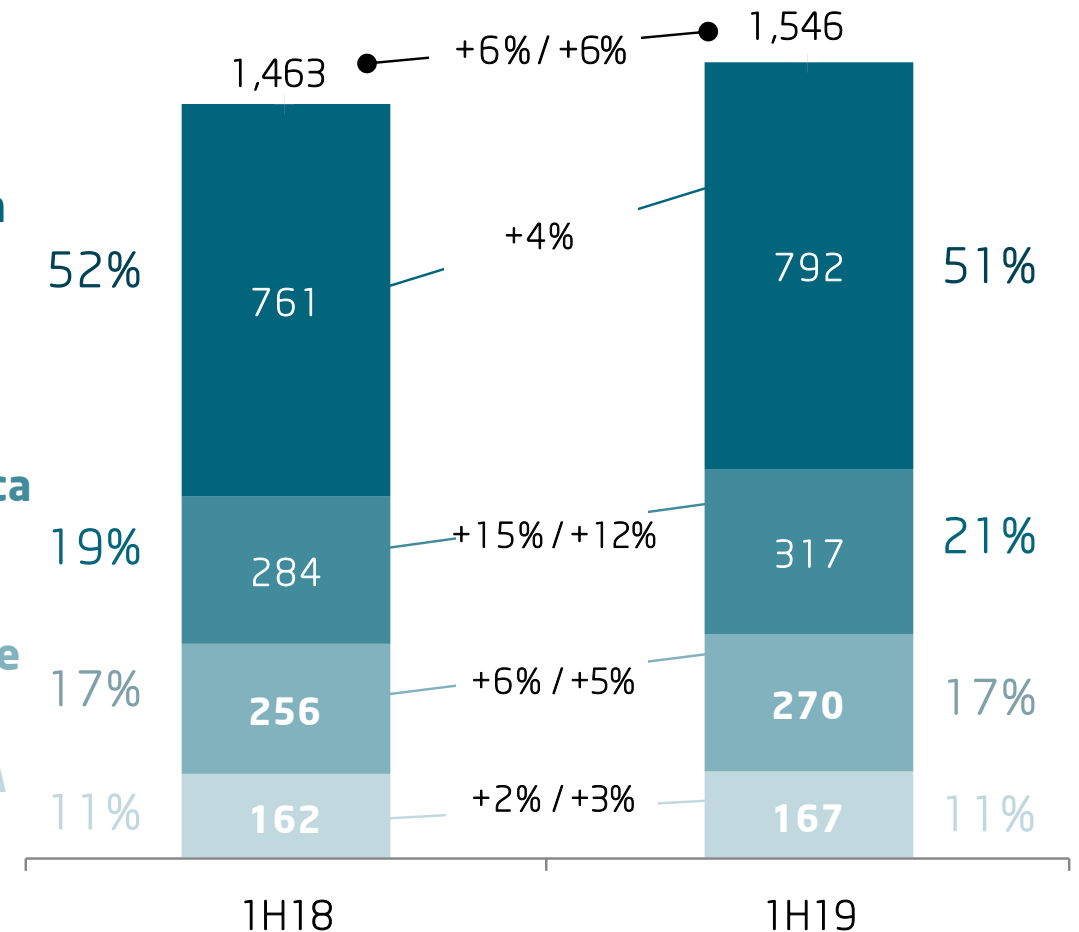
## Order Intake (€m)

Local Currency / Reported



## Revenues (€m)

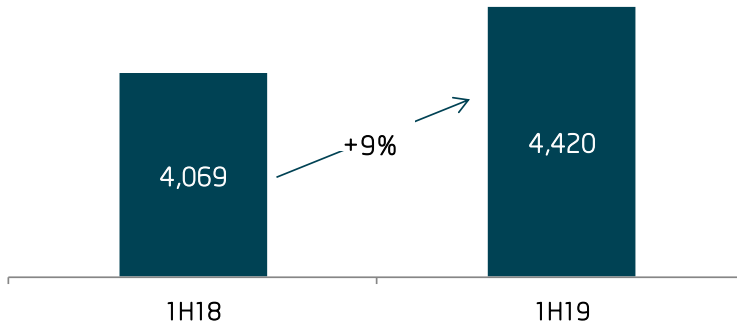
Local Currency / Reported



# Backlog up +9% in reported figures

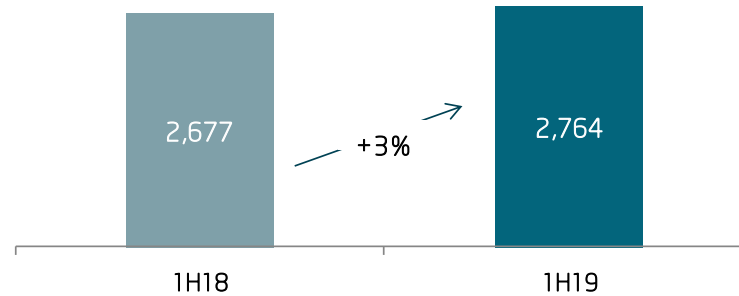
## Indra backlog (€m)

Reported



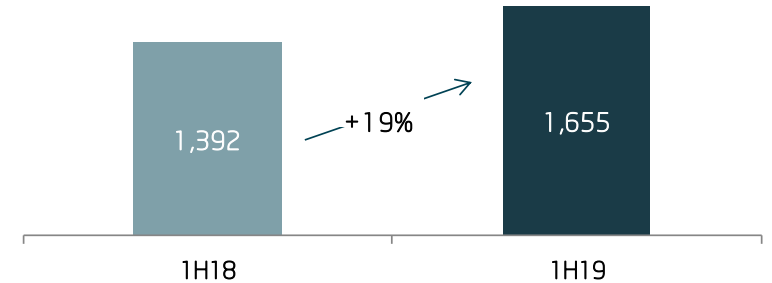
## T&D backlog (€m)

Reported



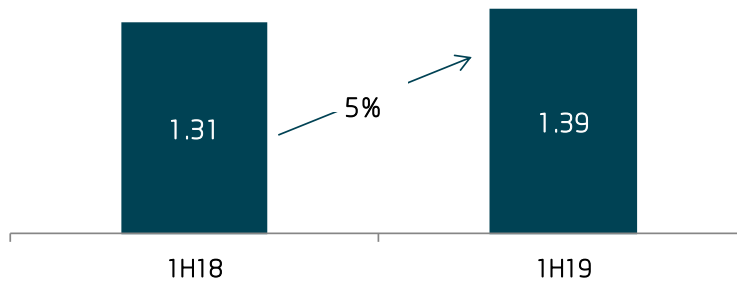
## Minsait backlog (€m)

Reported



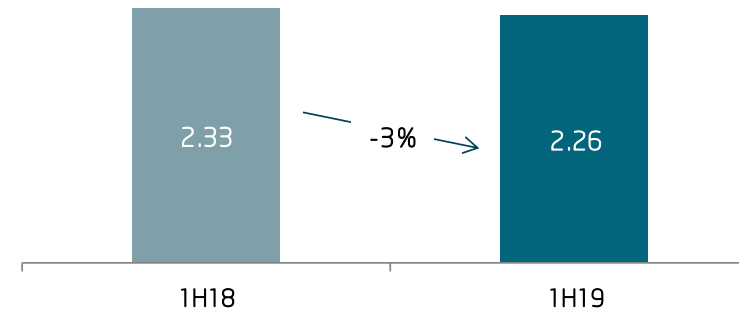
## Indra backlog/revs LTM

Reported



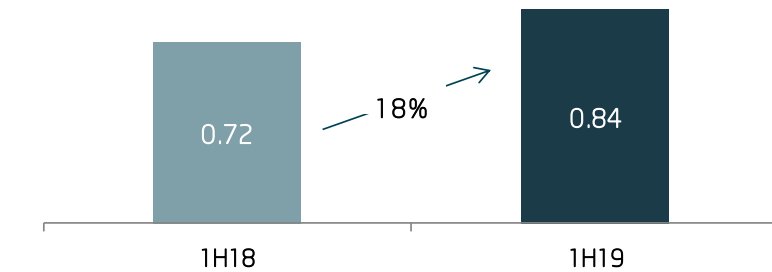
## T&D backlog/revs LTM

Reported

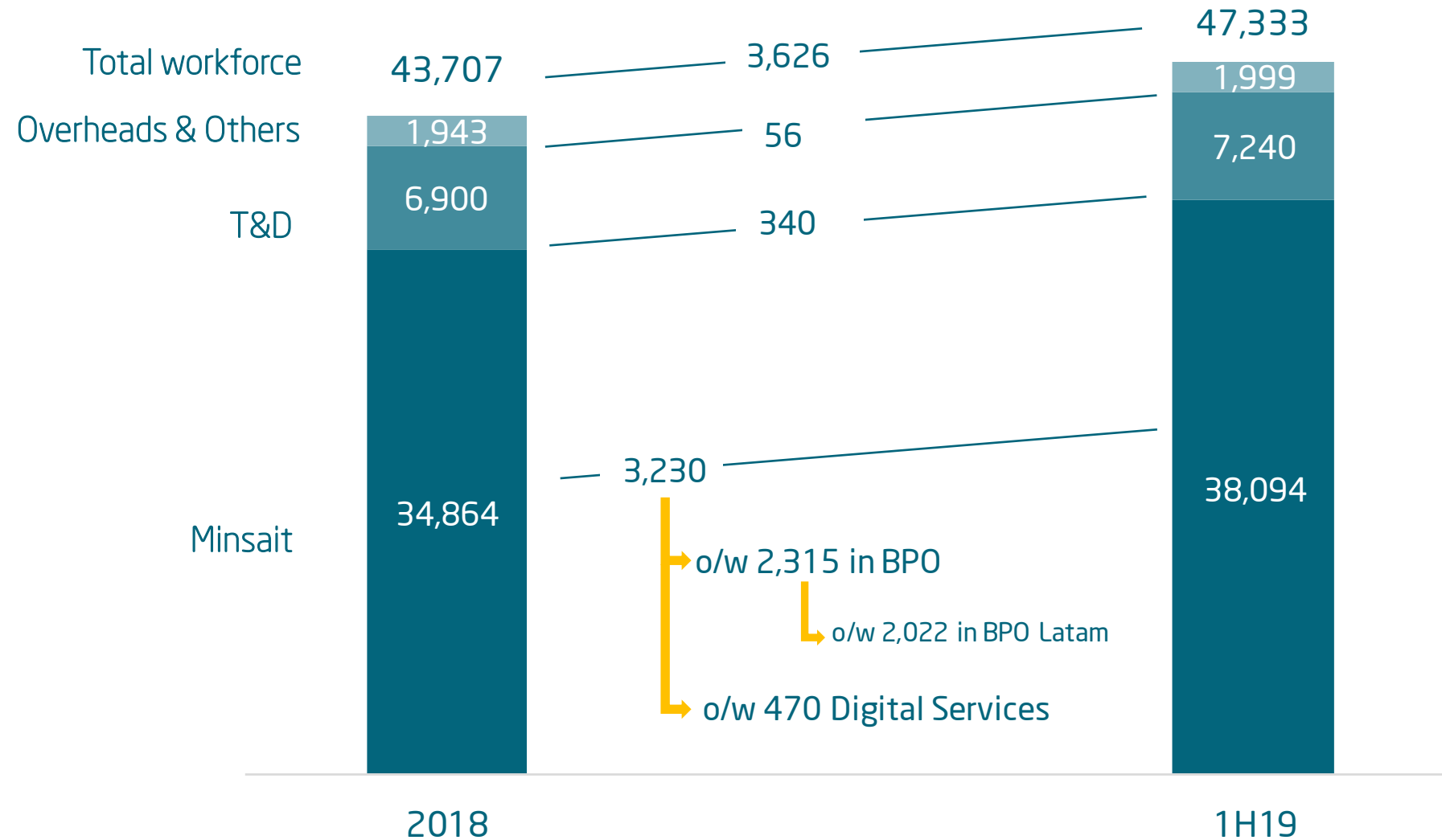


## Minsait backlog/revs LTM

Reported



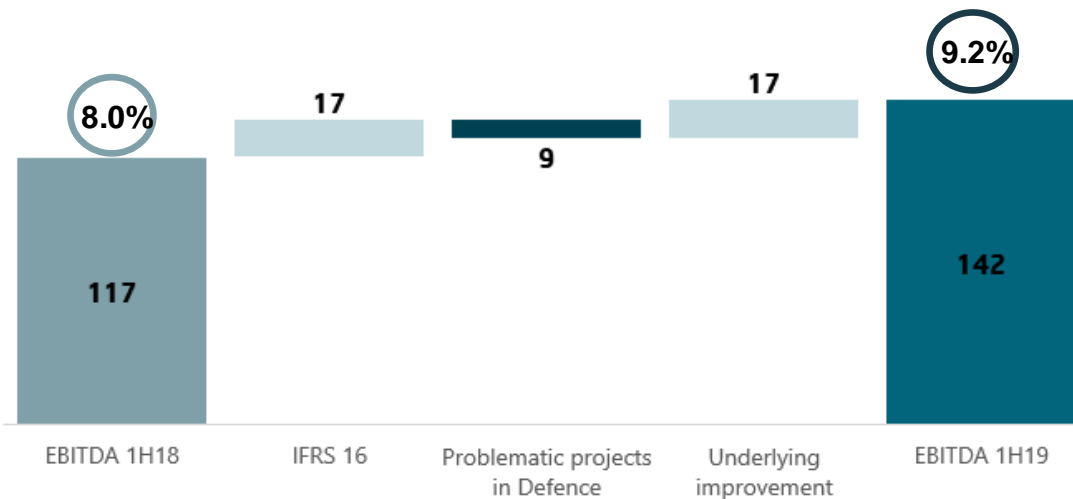
# The increase of the workforce is mainly due to the BPO business and Digital Solutions



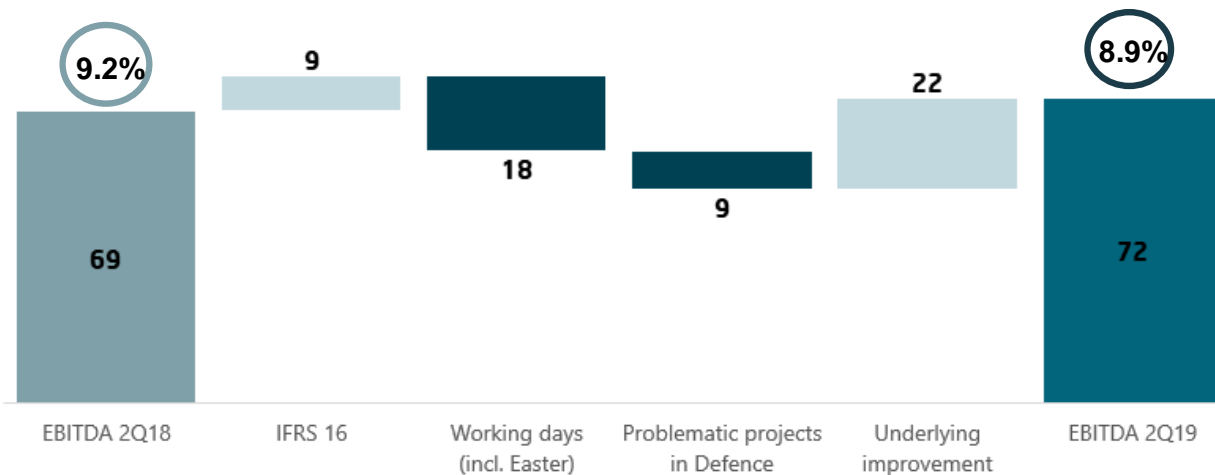


# EBITDA, EBIT and margin evolution

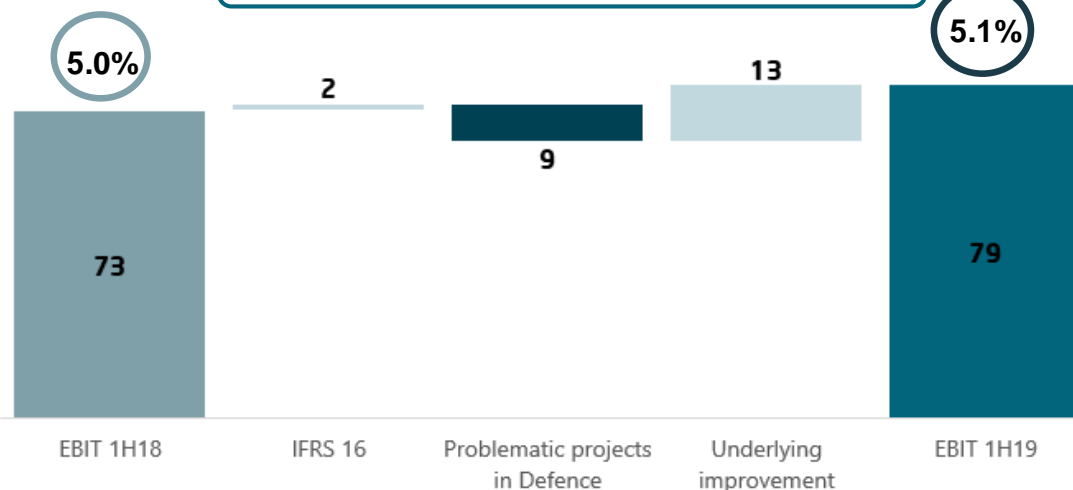
## 1H19 EBITDA and Margin



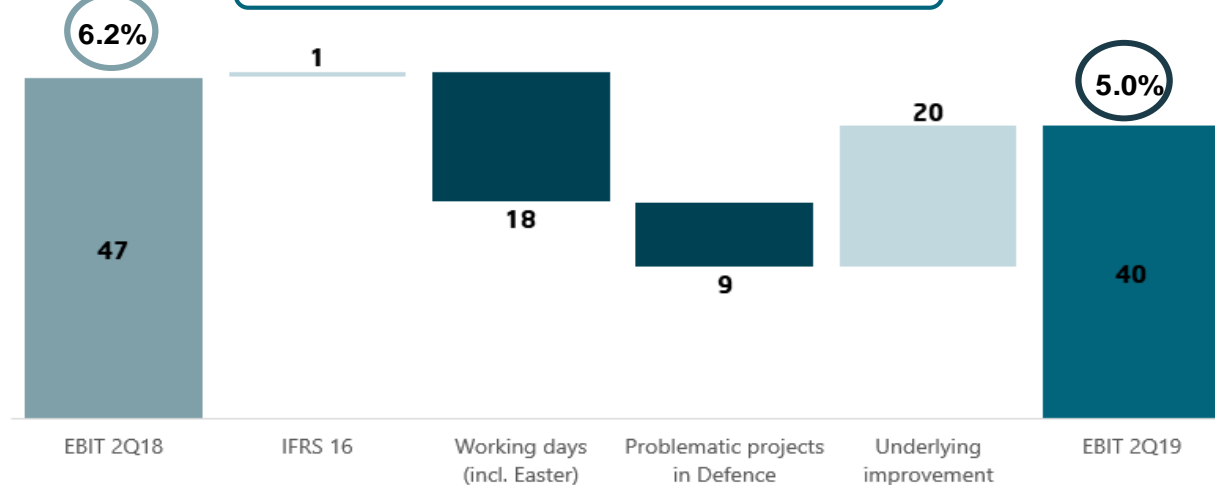
## 2Q19 EBITDA and Margin



## 1H19 EBIT and Margin



## 2Q19 EBIT and Margin



# Guidance 2019

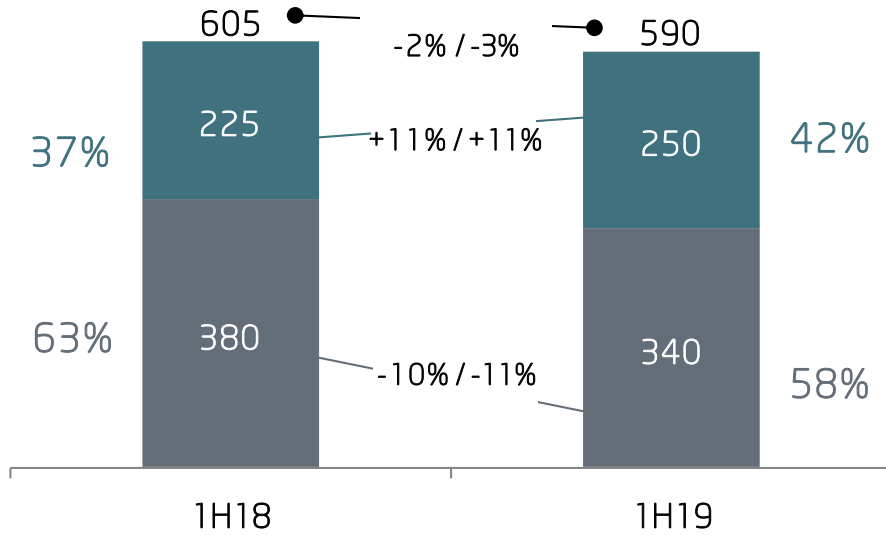
|  | Guidance 2019    | 1H19 |
|--|------------------|------|
| Revenue growth<br>(in constant currency) | Low single digit | +6%  |
| EBIT growth<br>(in absolute terms)       | >10%             | +8%  |
| FCF before NWC*                          | >100 m€          | €55m |

\*Excluding IFRS 16 impact

# T&D order intake and revenues

**1H19 Order Intake (€m)**

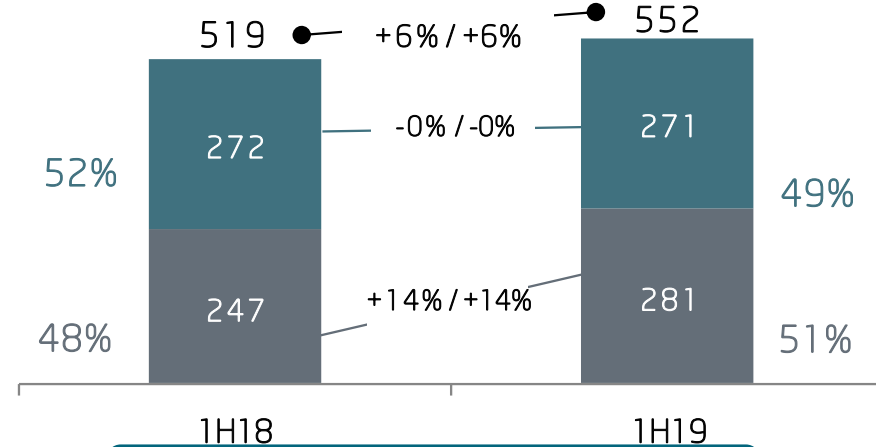
Local Currency / Reported



Defence & Security  
 Transport & Traffic

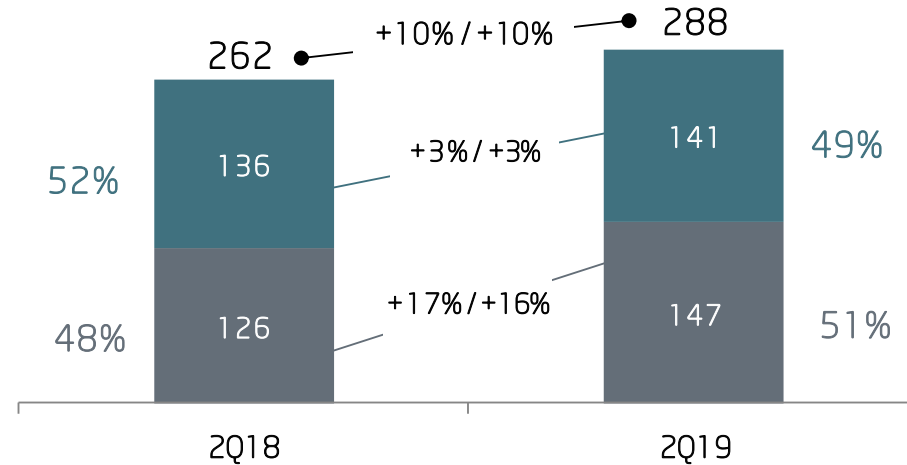
**1H19 Revenues (€m)**

Local Currency / Reported



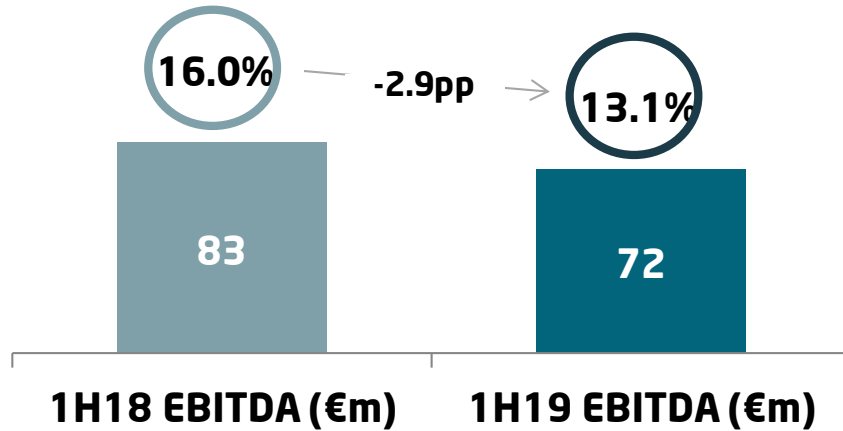
**2Q19 Revenues (€m)**

Local Currency / Reported

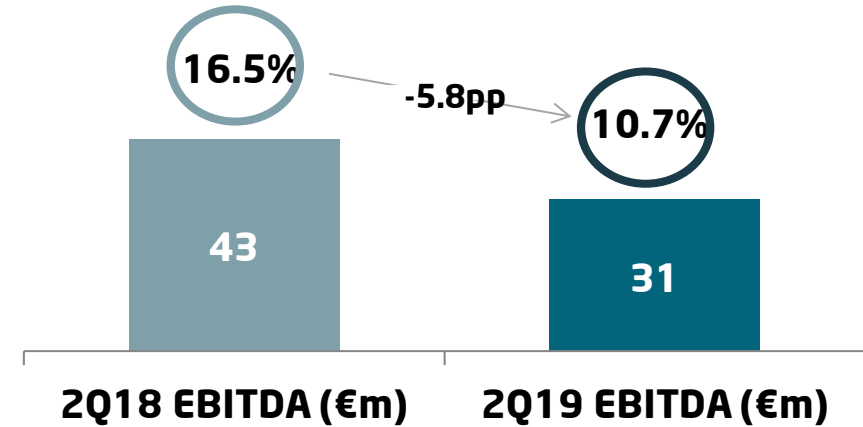


# T&D EBITDA, EBIT and margin evolution

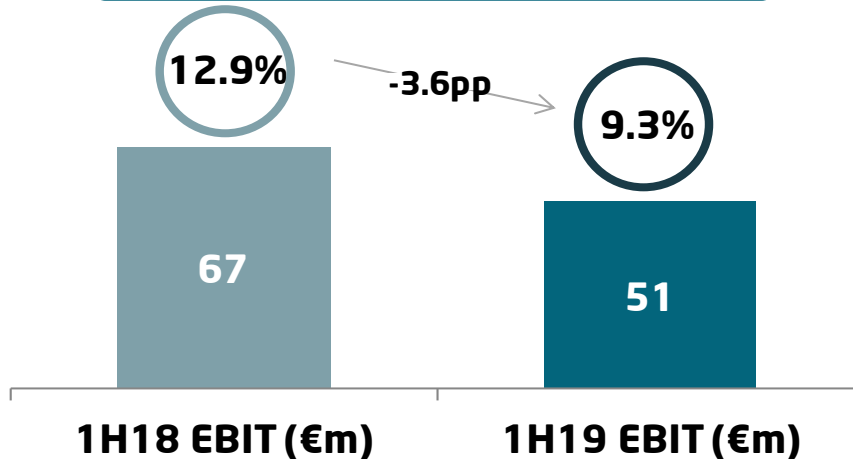
## 1H19 EBITDA and Margin



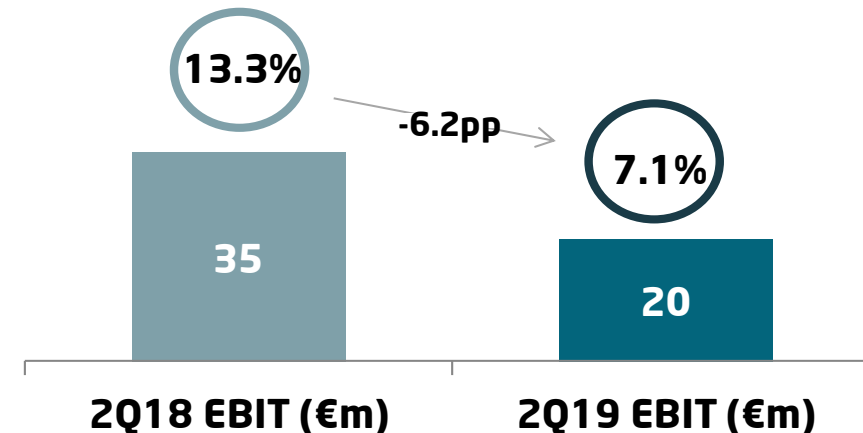
## 2Q19 EBITDA and Margin



## 1H19 EBIT and Margin



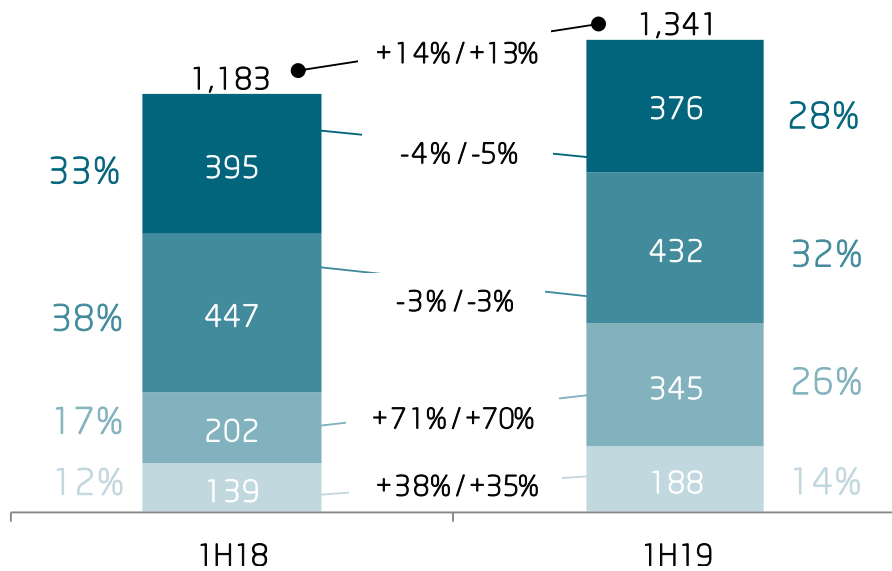
## 2Q19 EBIT and Margin



# Minsait (IT) order intake and revenues

**1H19 Order Intake (€m)**

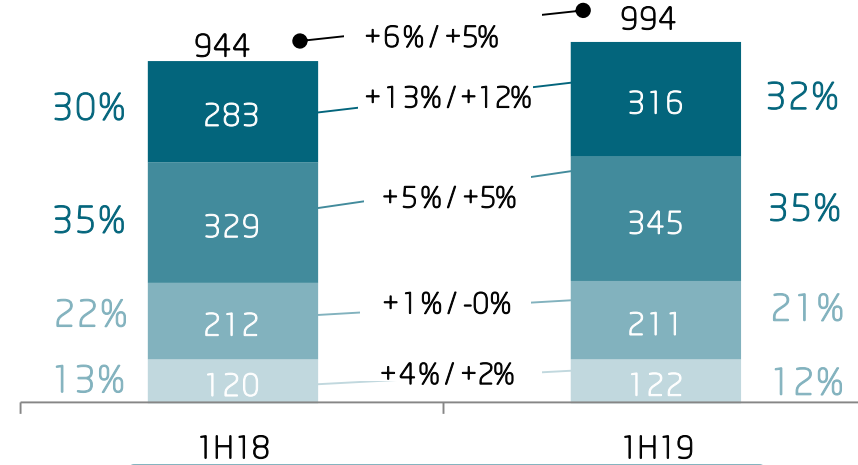
Local Currency / Reported



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

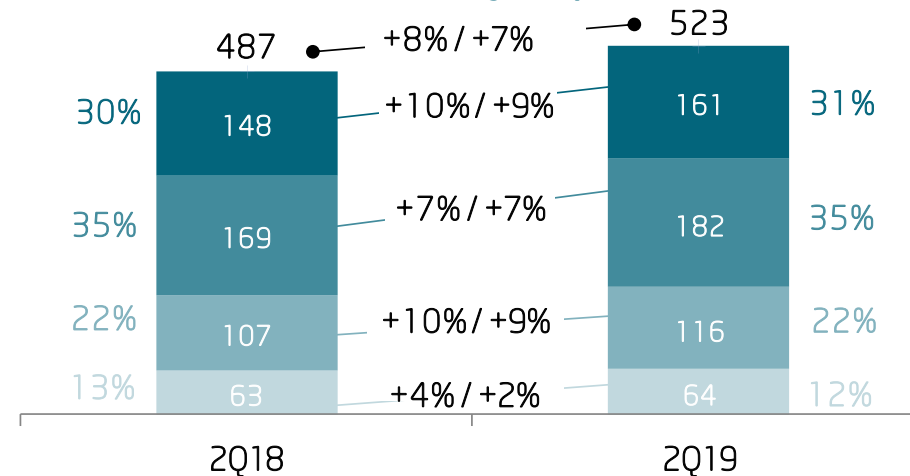
**1H19 Revenues (€m)**

Local Currency / Reported



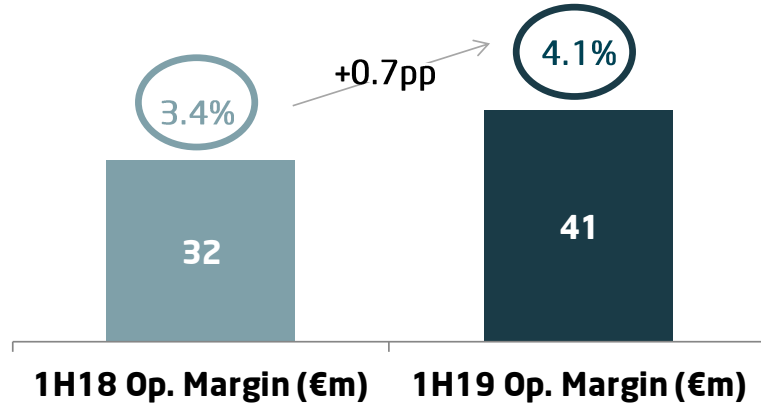
**2Q19 Revenues (€m)**

Local Currency / Reported

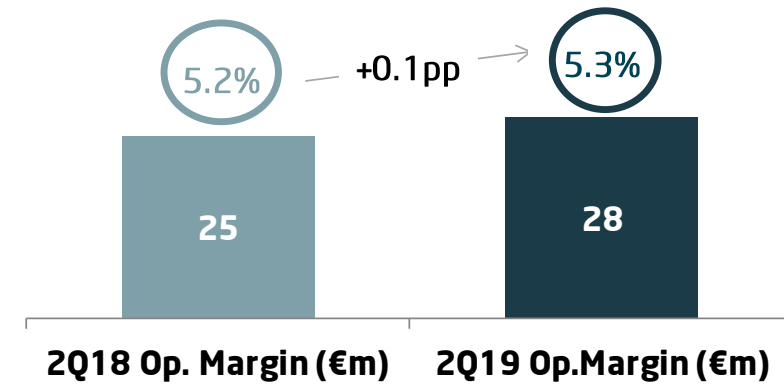


# Minsait (IT) operating margin and EBIT evolution

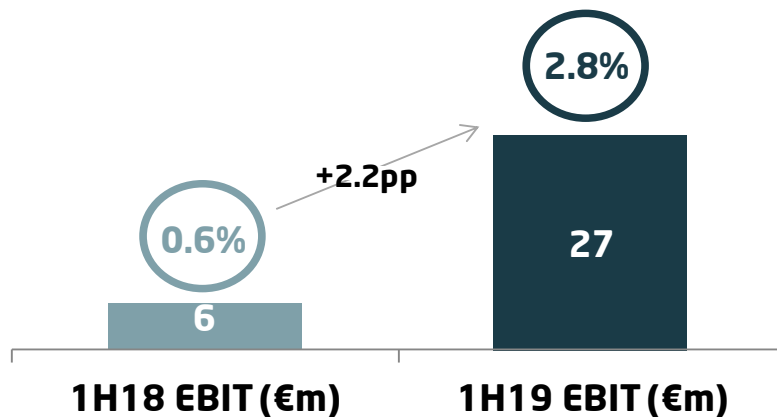
**1H19 Operating Margin<sup>1</sup>**



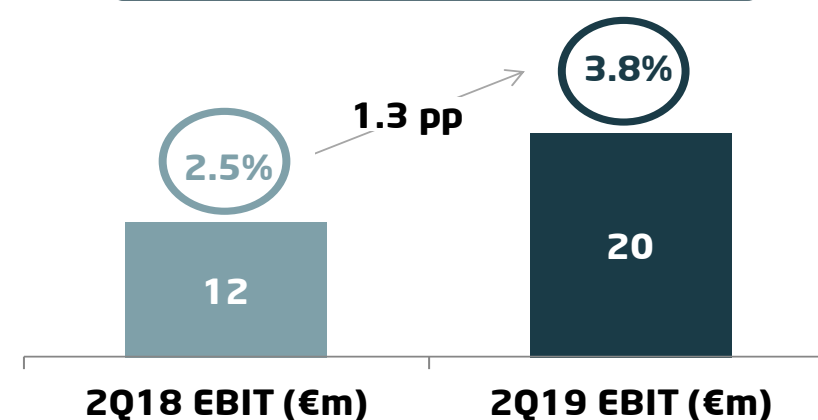
**2Q19 Operating Margin<sup>1</sup>**



**1H19 EBIT and Margin**



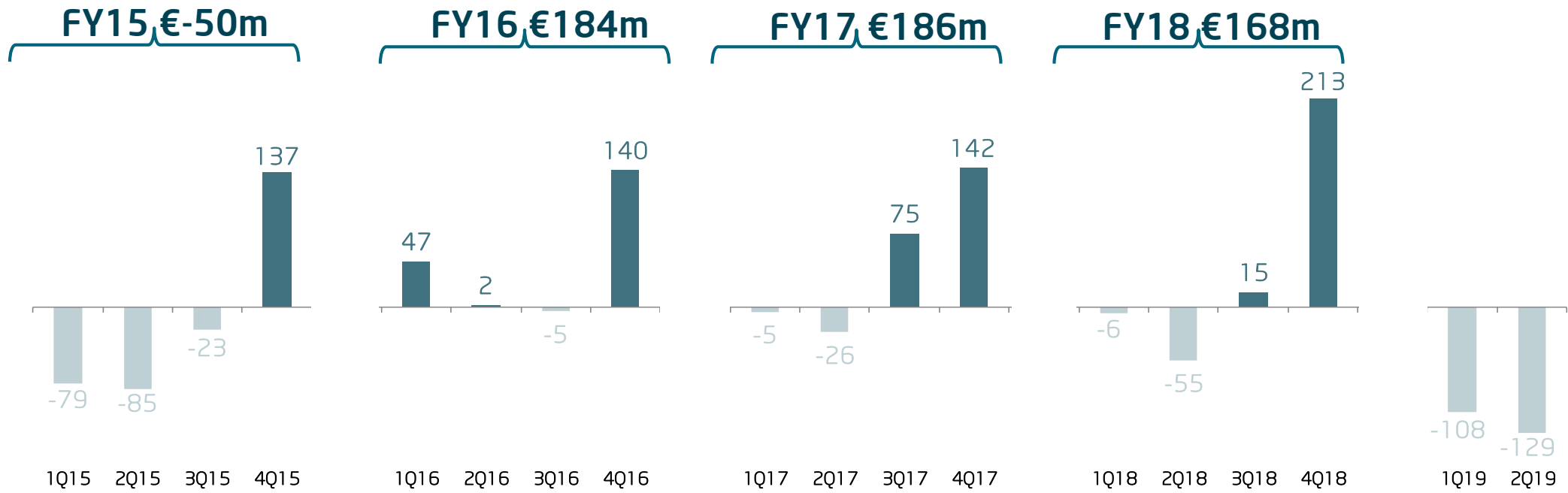
**2Q19 EBIT and Margin**



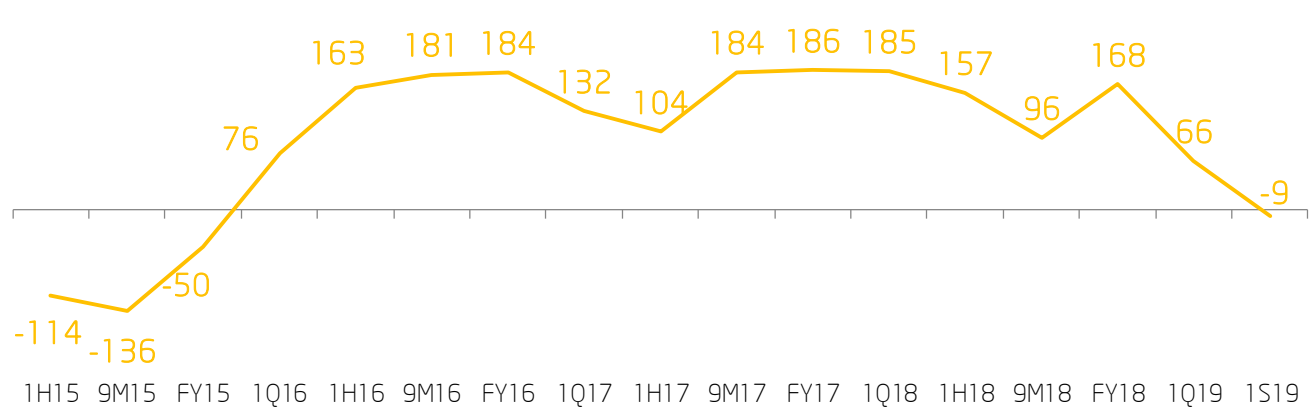
1. EBIT before Other Operating Income & Expenses, which includes: staff reorganization, integration and acquisition costs, fines, amortization of intangible assets (PPA from acquisitions) and equity based compensation.

# FCF Generation

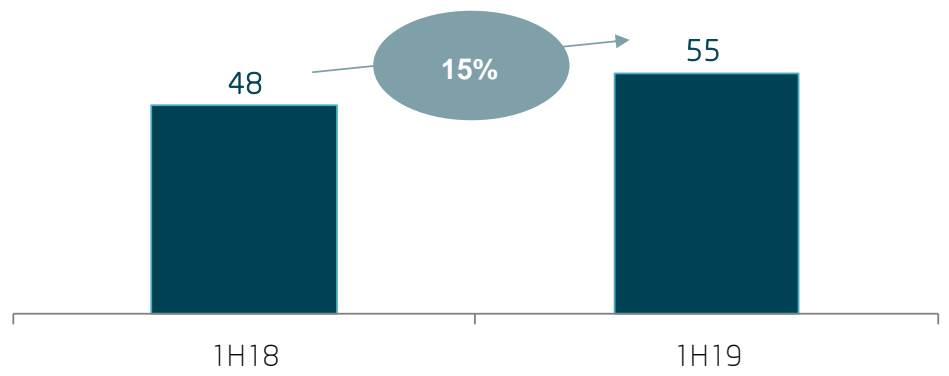
**Quarterly FCF (€m)**



**Accumulated FCF LTM (€m)**



**FCF before WC\* (€m)**

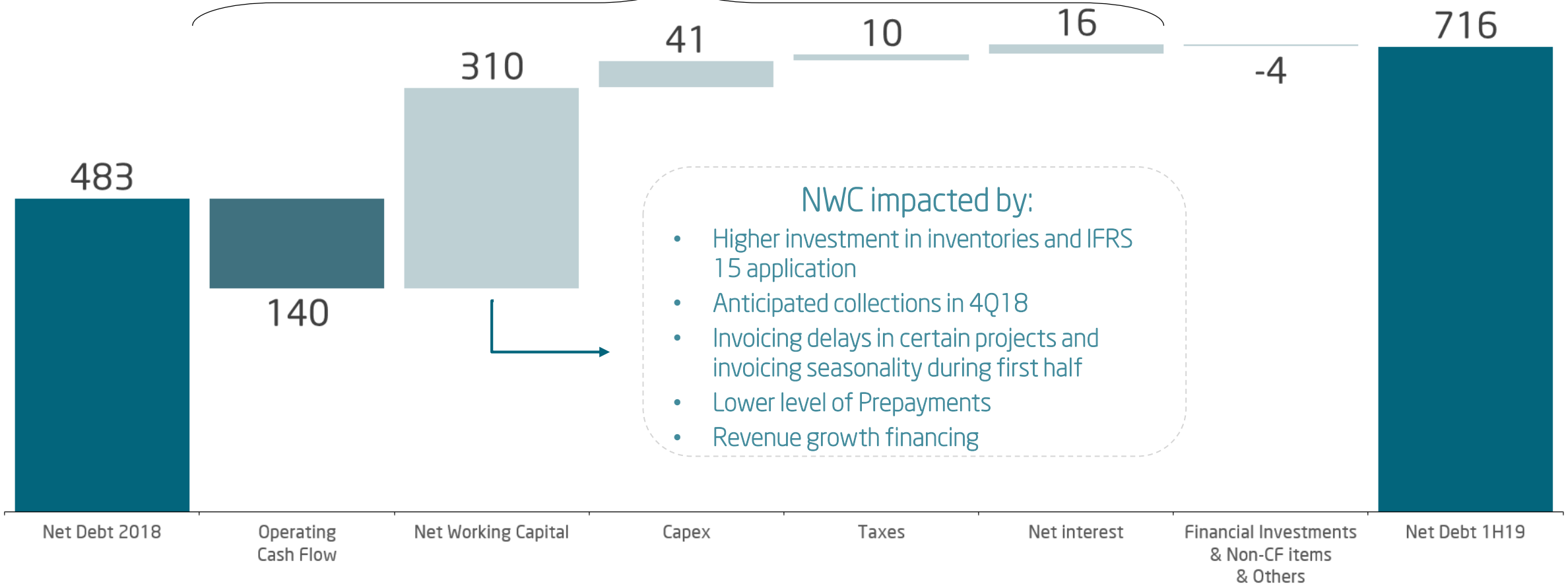


\*Excluding IFRS 16 impact

# Net Debt Bridge

## Net Debt Bridge - Cash Flow (€m)

FCF = €-237m



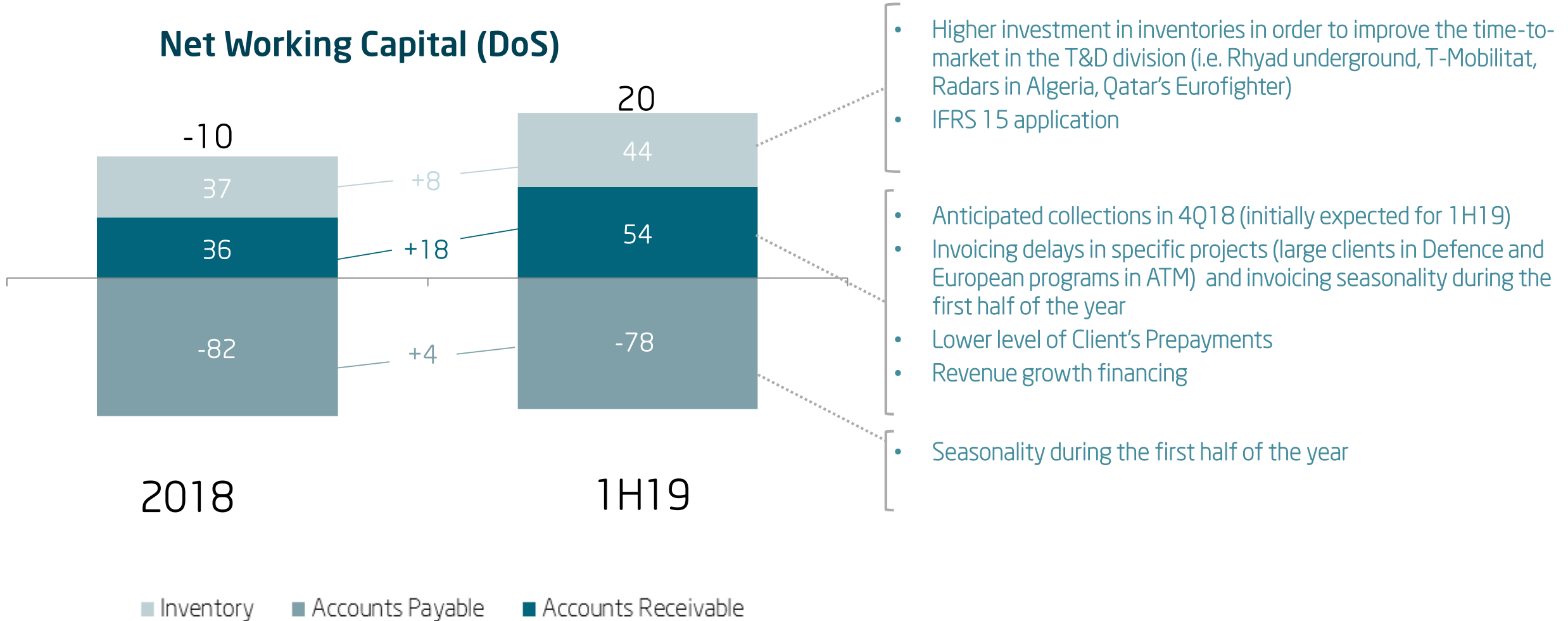
### NWC impacted by:

- Higher investment in inventories and IFRS 15 application
- Anticipated collections in 4Q18
- Invoicing delays in certain projects and invoicing seasonality during first half
- Lower level of Prepayments
- Revenue growth financing

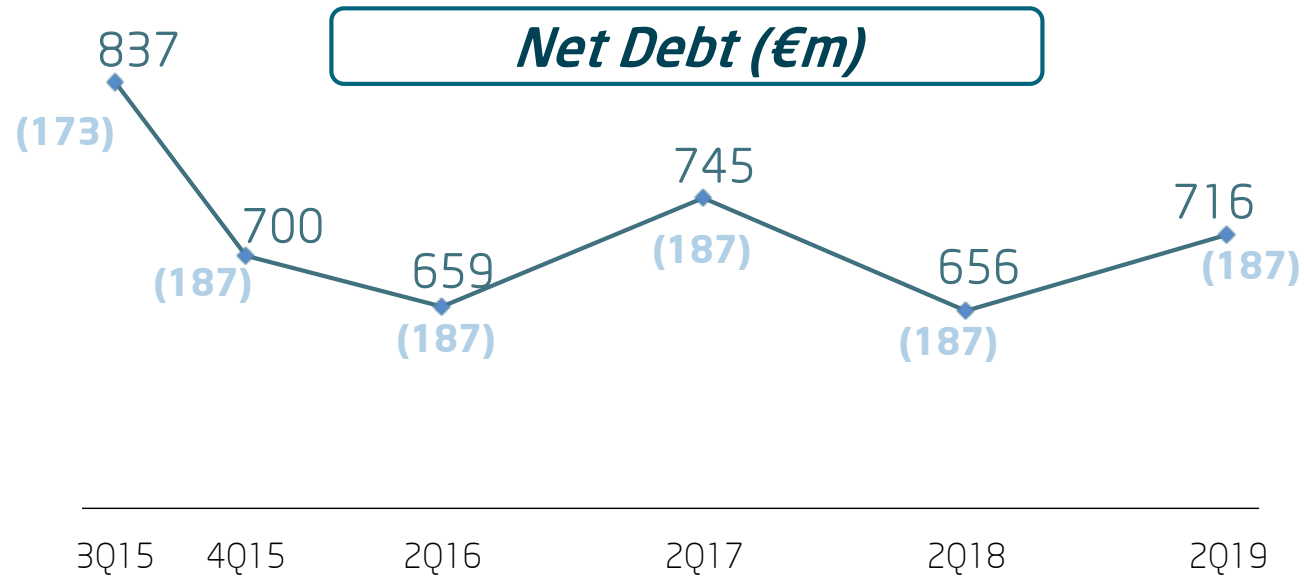


# Net Working Capital Evolution

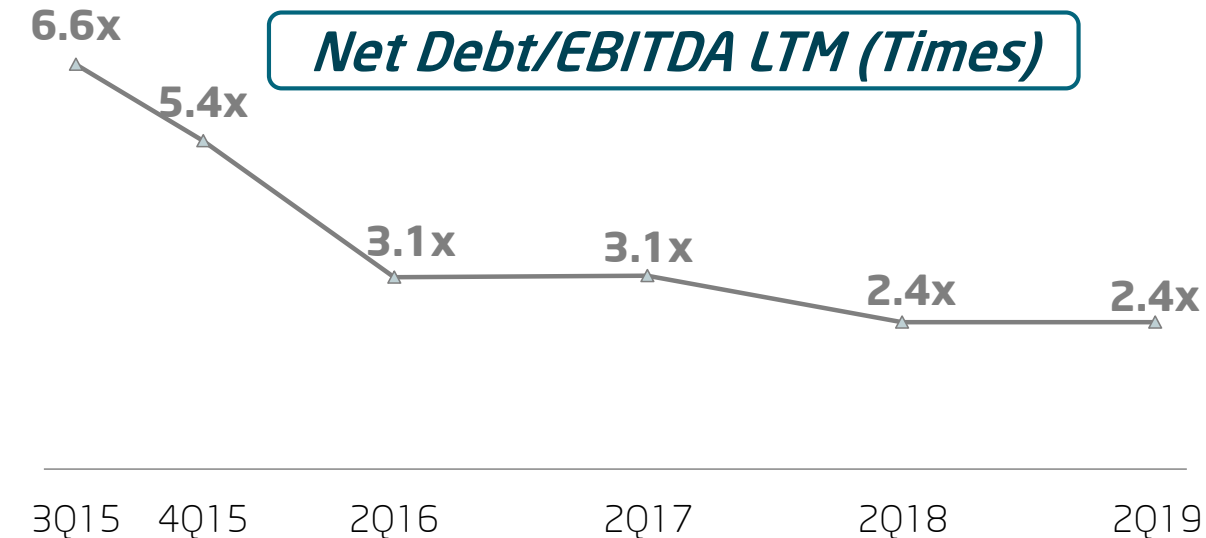
## Net Working Capital (DoS)



# Net Debt Evolution



Net Debt  
(Factoring)<sup>1</sup>



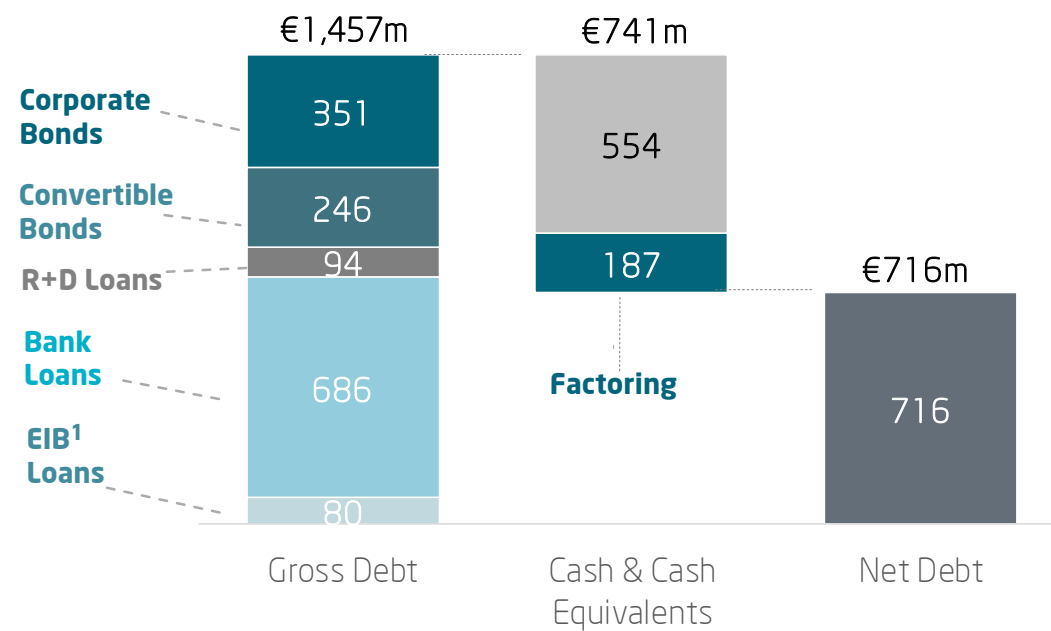
ND/ EBITDA LTM  
Ex IFRS 16

1. Non-recourse factoring

# Diversified debt structure

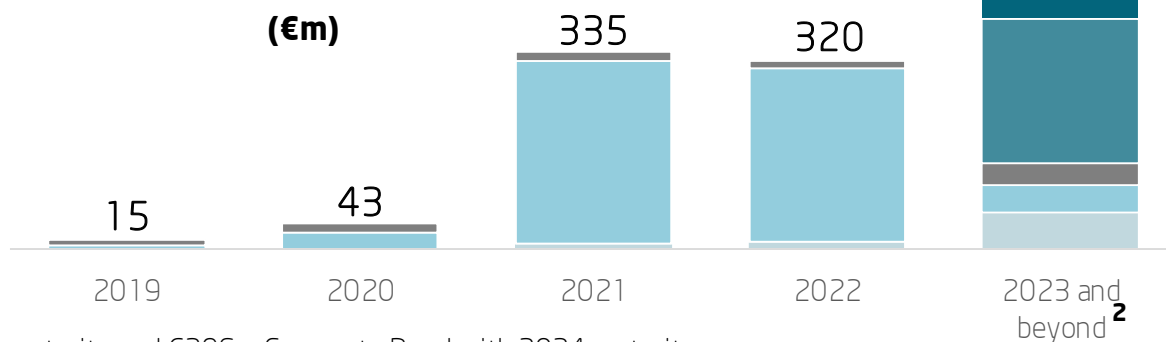
|                      | 1H19       | % total     | 2018       | % total     |
|----------------------|------------|-------------|------------|-------------|
| L/T Debt             | 1,431      | 98%         | 1,359      | 97%         |
| S/T Debt             | 26         | 2%          | 42         | 3%          |
| Gross Debt           | 1,457      | 100%        | 1,401      | 100%        |
| Cost of Gross Debt   | 1.8%       |             | 2.0%       |             |
| Cash & Others        | 741        | n.m.        | 918        | n.m.        |
| Net Debt             | <b>716</b> | <b>n.m.</b> | <b>483</b> | <b>n.m.</b> |
| Cost of Net Debt     | 2.9%       |             | 3.2%       |             |
|                      | 1H19       | 2018        |            |             |
| Average life (years) | <b>3,7</b> | <b>4,0</b>  |            |             |

## Gross and Net Debt Structure



## Gross Debt Maturity Profile

Other available credit facilities: €192m



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



## Investor Relations

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