



# RESULTS 1Q16

May 9<sup>th</sup>, 2016

## **CONFERENCE CALL DETAILS**

**The Company will host a conference call for investors and analysts today at 18:30 (CET).  
Please find below conference call telephone numbers:**

**Spain: +34 917900860  
UK: +44 (0) 2030092454  
USA: +1 8663881927**

**Access to the live event:**

<http://event.onlineseminarsolutions.com/r.htm?e=1161732&s=1&k=4B58D82C2170DA578EFD1DC5D180C8E2>

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

**Replay dial number:**

**Spain: +34 917896320  
UK: +44 (0) 2033679460  
US: +1 8776423018**

**Access code: 300229#**

**Conference call Webcast replay over the Internet:**

<http://event.onlineseminarsolutions.com/r.htm?e=1161732&s=1&k=4B58D82C2170DA578EFD1DC5D180C8E2>

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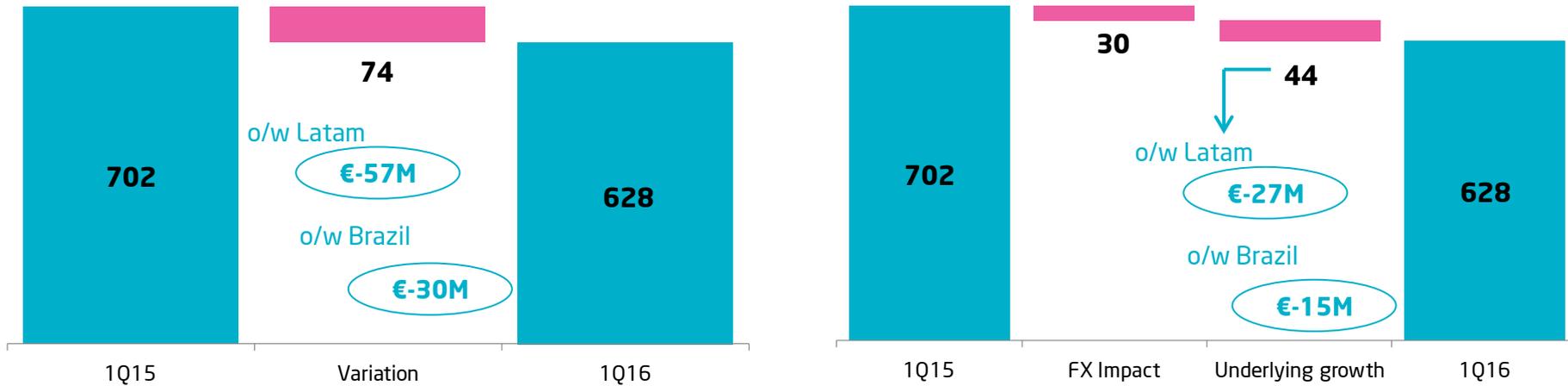
## MAIN HEADLINES

- 1 Strong 1Q16 FCF generation of €46.6M (vs €-79.3M in 1Q15). Excluding personnel cost optimization plan and considering same Factoring as of Dec 15, FCF would have been €89M
- 2 Net Debt down -11% to €659.4M (vs €741.3M in March 2015)
- 3 1Q16 Revenues down -6% in local currency (same as of 4Q15) , impacted by Latam (mainly Brazil) and the IT business
- 4 1Q16 Order Intake up +2.1% in local currency, vs -11% in full year 2015
- 5 1Q16 Recurrent EBIT Margin of 4.6% vs 0.5% in 1Q15, driven by better direct margin on current projects and efficiency plans
- 6 Brazil started to turn around: positive EBIT margin and 2 onerous projects (out of 7) already closed
- 7 Net Income posted €11.8M (vs €-19.6M in 1Q15)

# 1Q16 DOWN -6% IN LOCAL CURRENCY, AS IN 4Q15



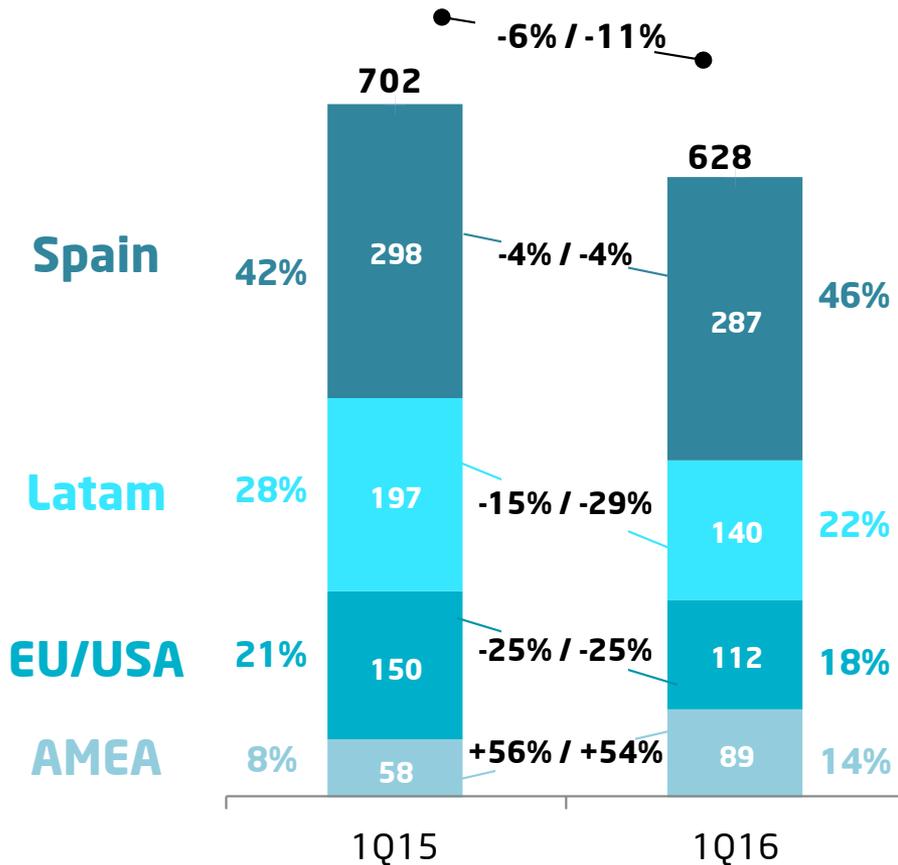
€M



# REVENUES BY REGION

## Revenues (€M)

Local Currency / Reported



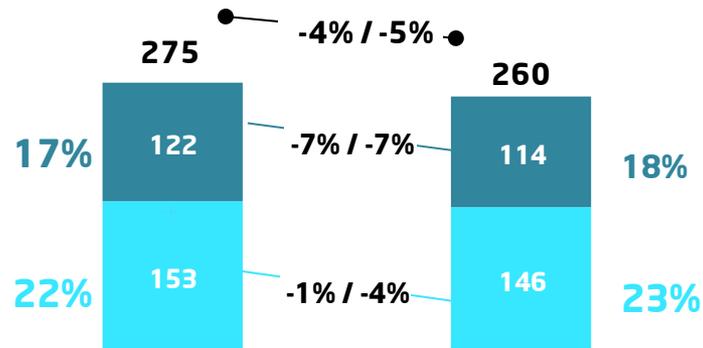
- +1% growth in Public Sector Spain and -7% in Private Sector in 1Q16
  - Growth in Defence & Security and Energy & Industry
- 
- 1Q16 (-15% in local currency) due to weaker macro in the region and delays in oil exporting countries
  - Revenue growth in Chile & Peru
- 
- 1Q16 (-25% in both reported terms and local currency) partly due to the lower contribution of the EFA Program
- 
- Strong growth driven by Transport & Traffic

# REVENUES BY VERTICAL

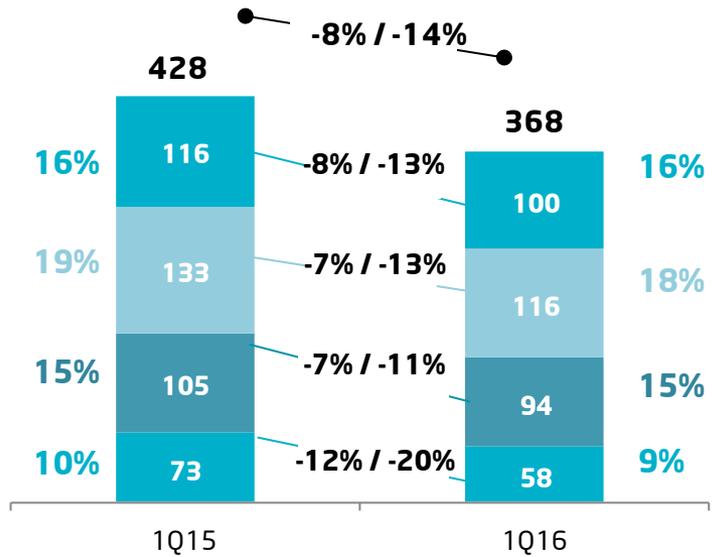
## Revenues (€M)

Local Currency / Reported

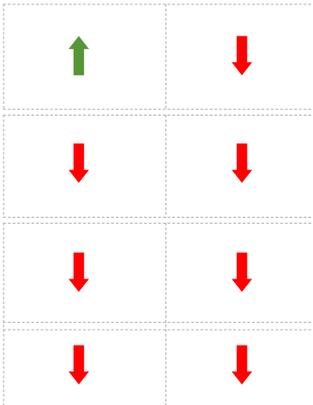
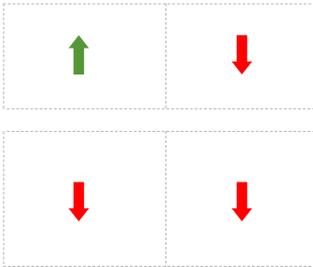
T&D  
 Defence & Security  
 Transport & Traffic



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



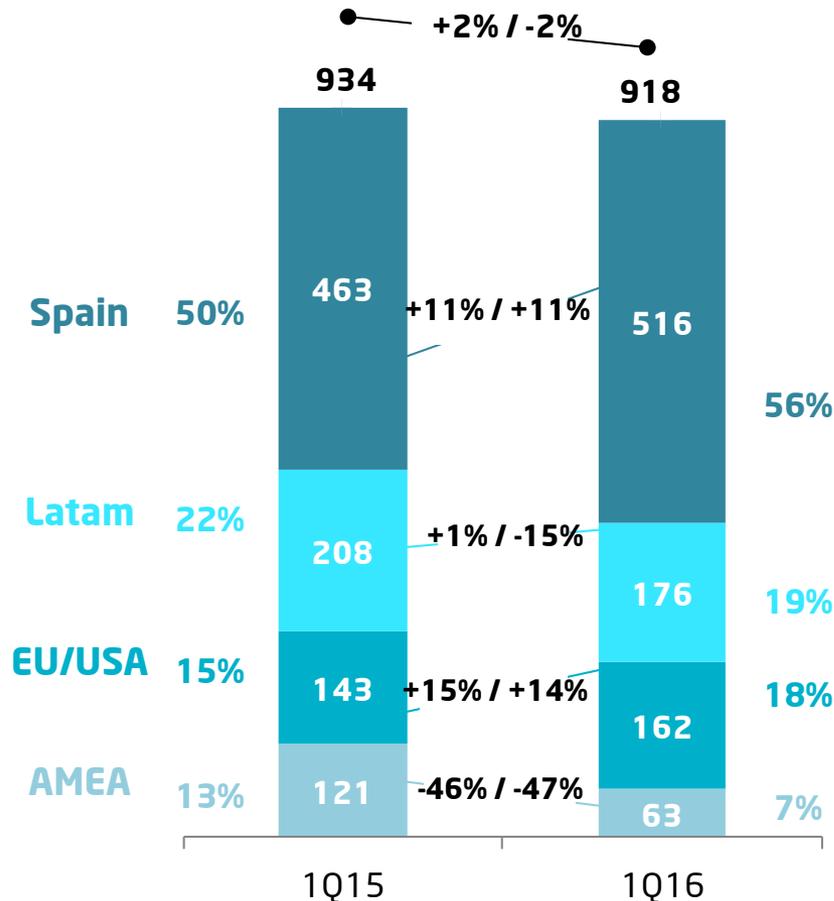
### Spain Int. (LC)



# ORDER INTAKE UP +2% IN 1Q16 IN LOCAL CURRENCY

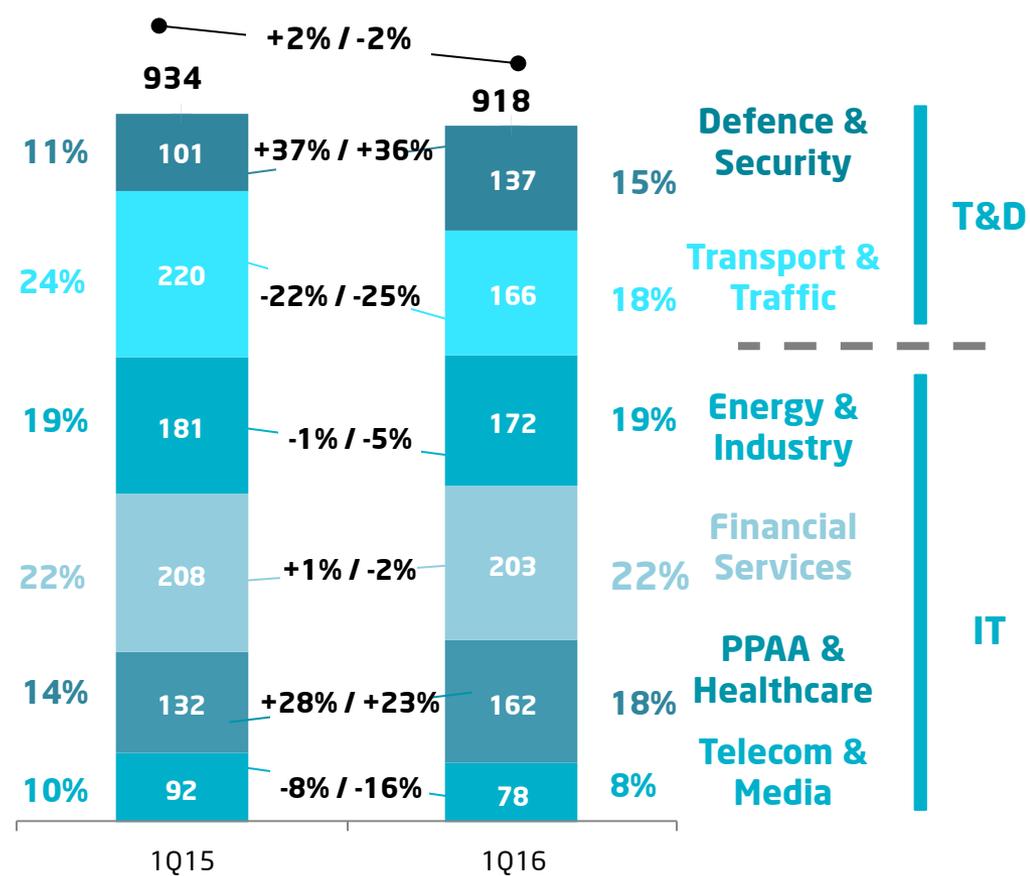
*Order Intake by Region (€M)*

Local Currency / Reported



*Order Intake by Vertical (€M)*

Local Currency / Reported



# GOOD PROGRESS ON OUR PERSONNEL COST OPTIMIZATION PLAN

## Number of Employees

- **SPAIN - up to 1.750**  
- Sep 15-March 16: ~ 70%



- **LATAM - 1.700**  
1.721 as of 31/12/2015



## P&L

- Provision of €160M accounted in 3Q15 as non-recurrent cost for Spain
- Expected annual savings calendar of €120M

2015	2016	2017	2018
€20M ✓	€90M	€120M	€120M

## Cash Flow

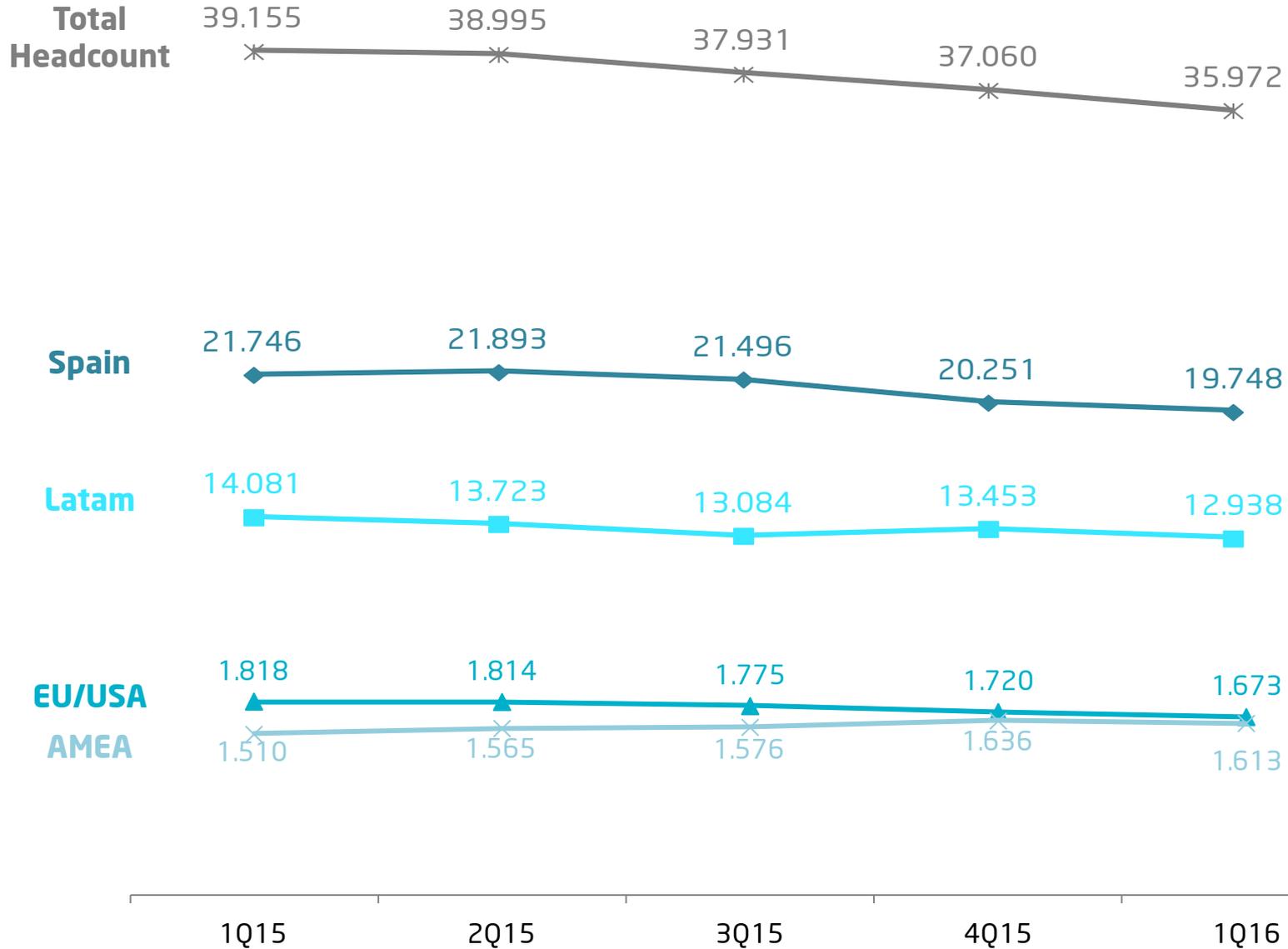
- Expected cash cost of €150-160M between 2015-2018

2015	2016	2017	2018
€70-80M ✓	€45-55M	0	Remaining

↳ **€17M in 1Q16**

(\*) As of 31/03/2016

# HEADCOUNT DECREASING



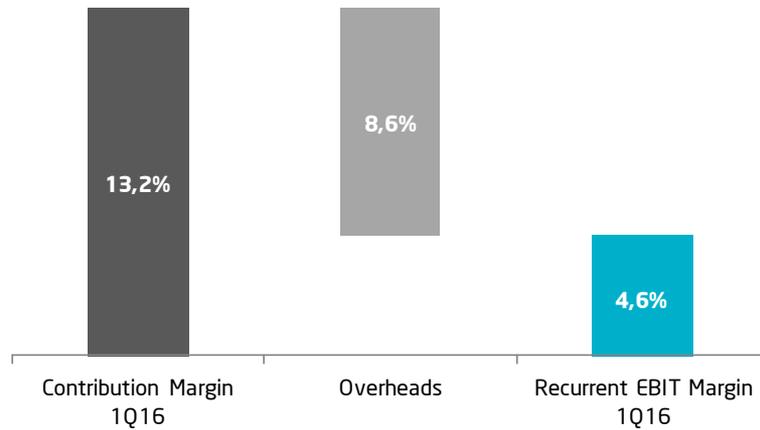
# BRAZIL STARTING TO TURN AROUND

(local currency)	1Q15	1Q16	Variation
Order Intake	224M	184M	-18%
Revenues	238M	201M	-16%
EBIT	-52M	5M	NA
EBIT Margin	-22%	2.5%	+24.5pp

- 2 out of the 7 onerous projects already closed/finished
- Remaining onerous projects on track
- New organization, slimmer structure, efficiency plans and new commercial policy starting to pay-off

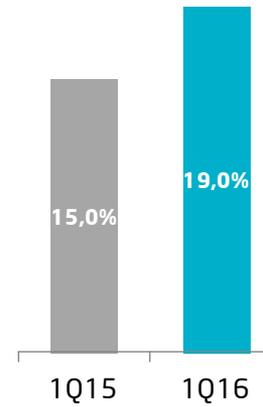
# MARGIN IMPROVEMENT BECAUSE OF BETTER DIRECT MARGIN IN CURRENT PROJECTS AND EFFICIENCY PLANS

## Recurrent EBIT Margin 1Q16

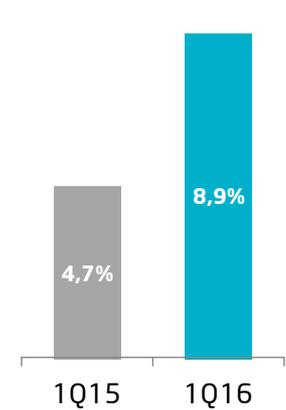


## Contribution Margin by Divisions

### T&D



### IT

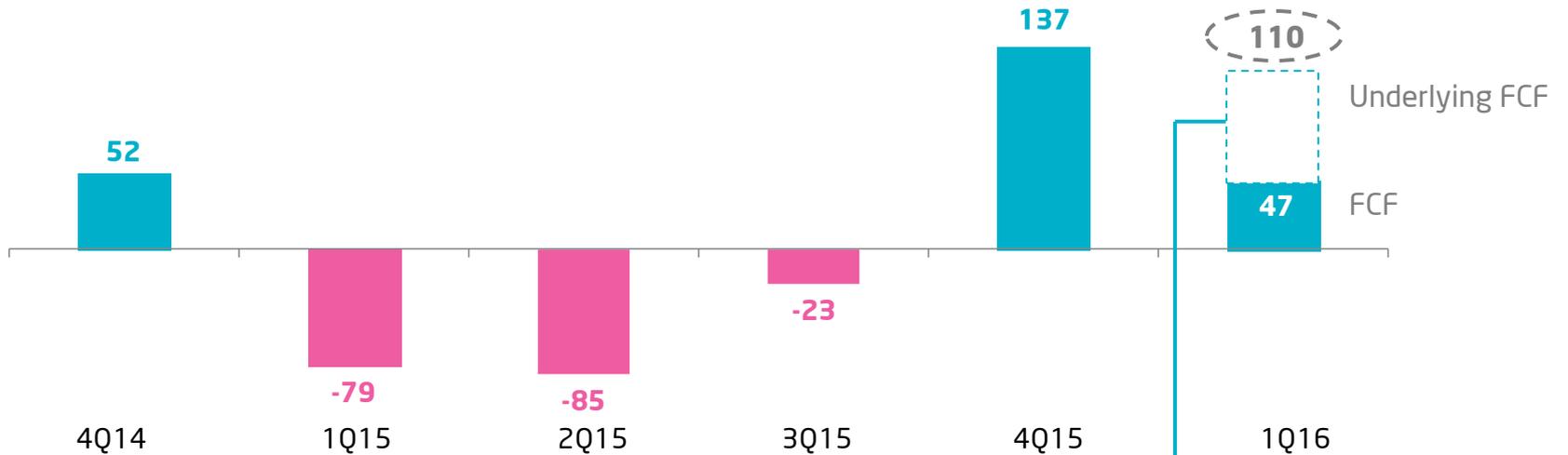


## Quarterly Recurrent EBIT margin evolution

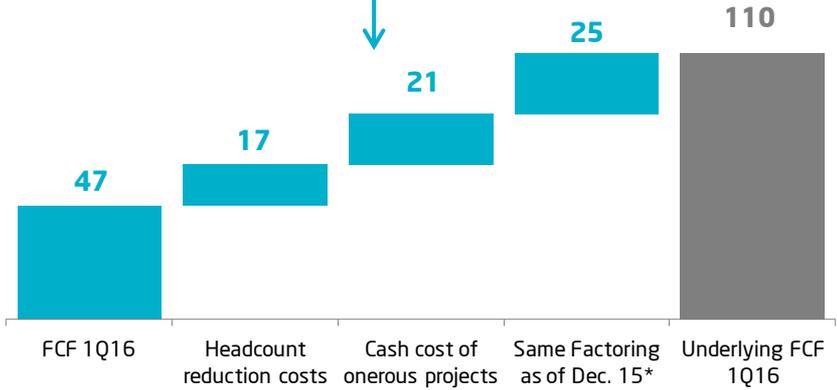
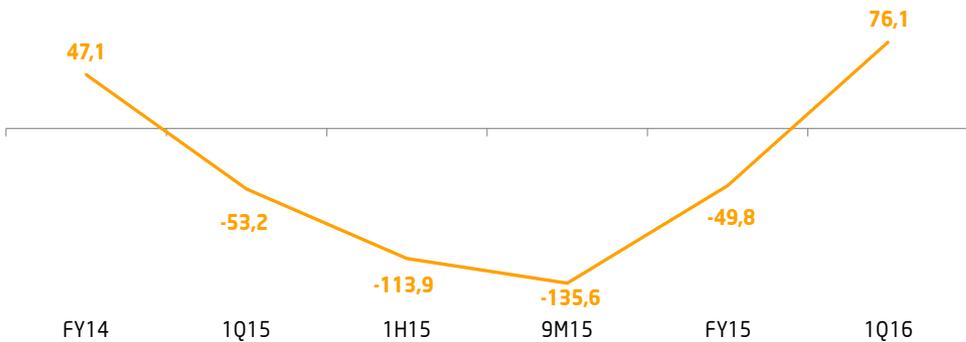


# STRONG FCF GENERATION

*Quarterly FCF (€M)*

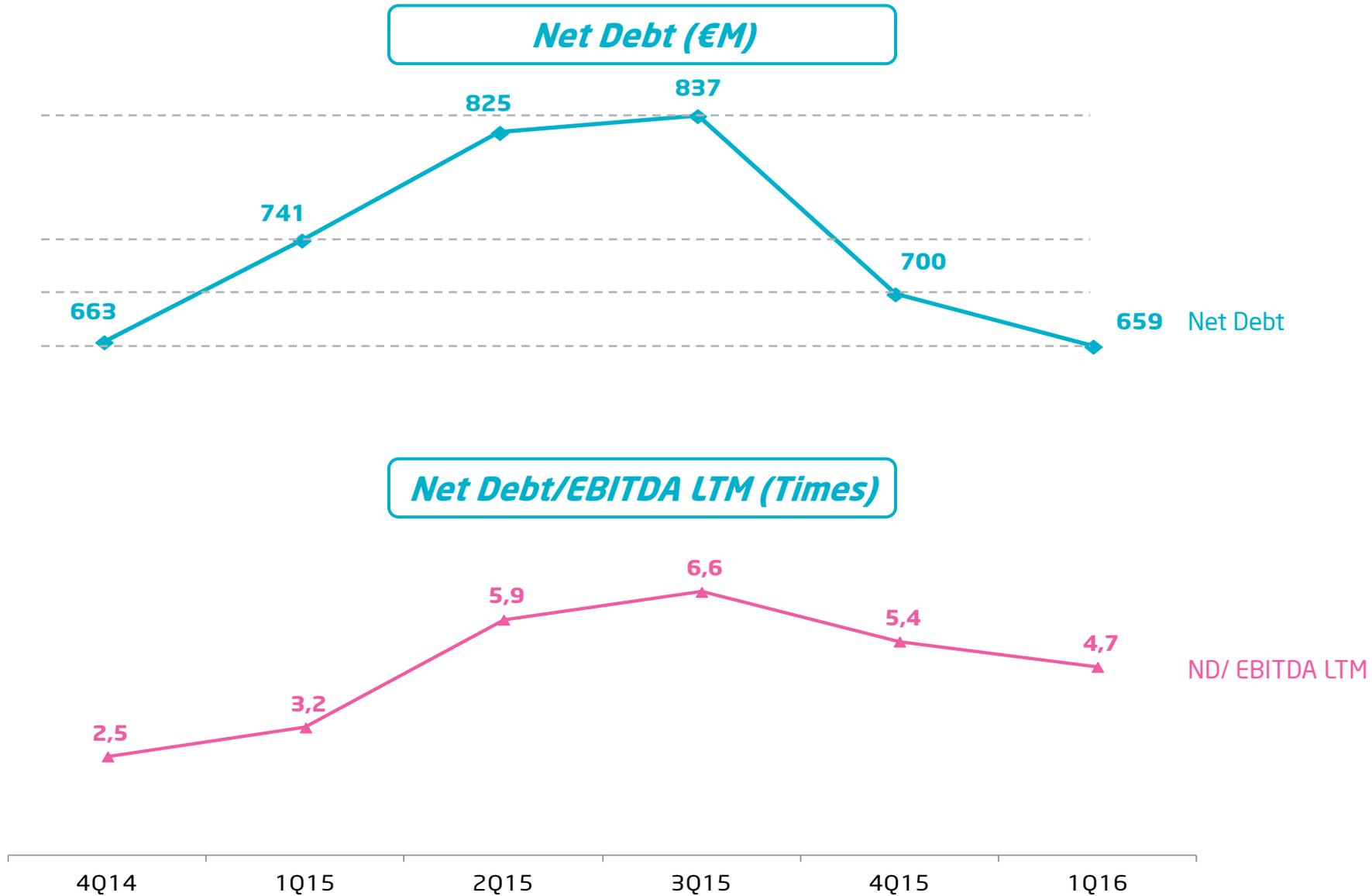


*Accumulated FCF LTM (€M)*

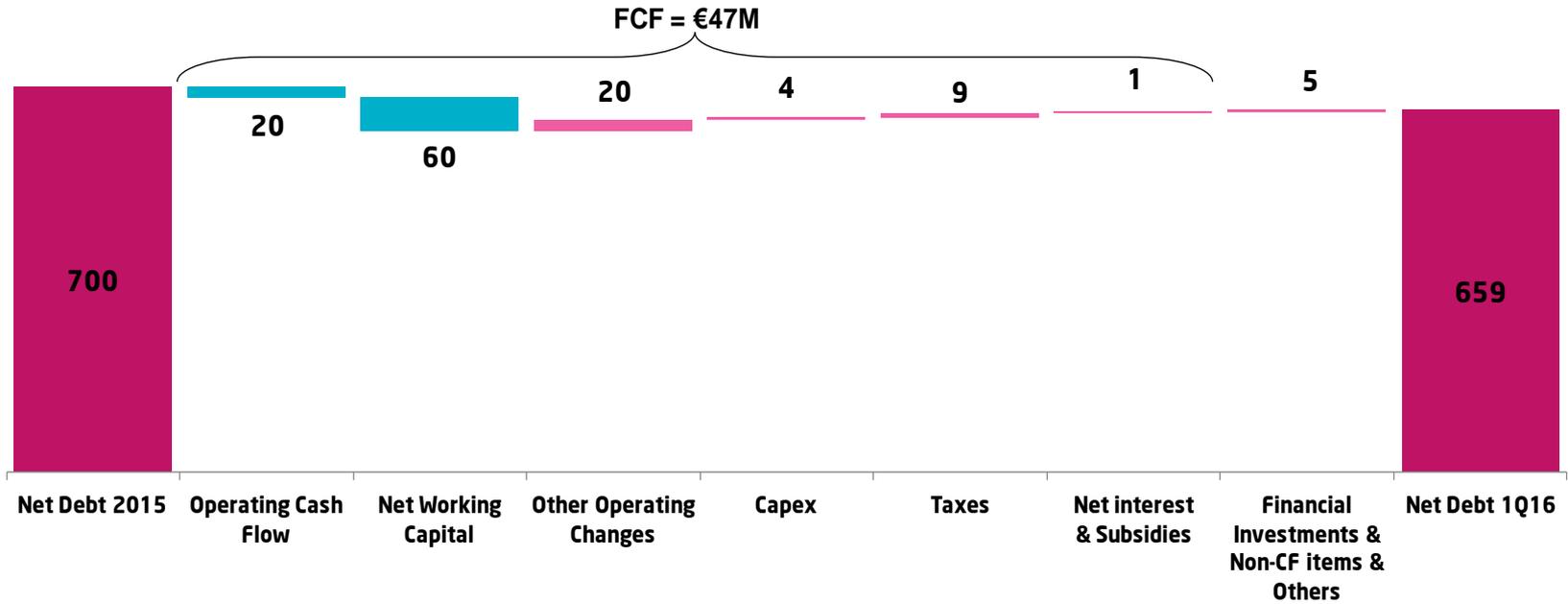


(\*) Non recourse factoring

## NET DEBT REDUCTION



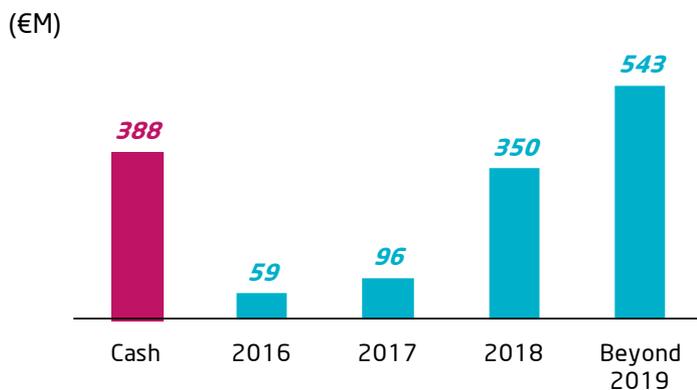
# NET DEBT BRIDGE



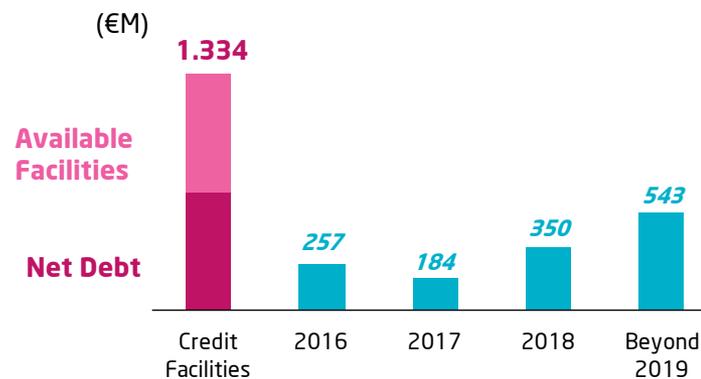
## DEBT STRUCTURE

(€M)	1Q16		2015	
	Total	% of total	Total	% of total
L/T Debt	973	93%	962	92%
S/T Debt	75	7%	79	8%
Gross Debt	1,048	100%	1,041	100%
Cash & Others	388	n.m.	342	n.m.
<b>Net Debt</b>	<b>659</b>	<b>n.m.</b>	<b>700</b>	<b>n.m.</b>
Cost of Net Debt	3.1%		4.2%	

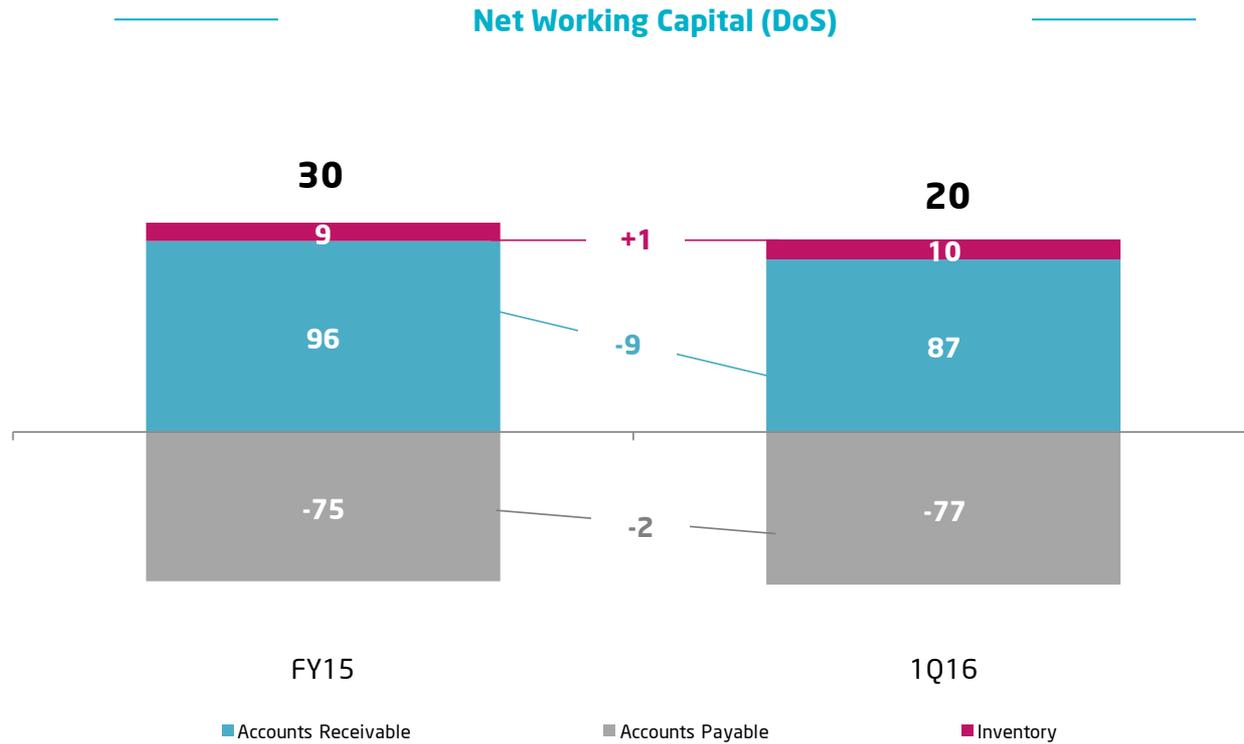
## Gross Debt Maturity Profile



## Available Credit Facilities



# NWC IMPROVING BECAUSE OF CLIENTS' COLLECTIONS





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