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indra

1H21 Results

Indra's revenues and profitability exceeded the pre-crisis volumes of 1H19

Indra increased close to 10% its EBIT and FCF targets for 2021

- **Net Profit amounted to €55m in 1H21 vs €-75m in 1H20 and €34m in 1H19 (+63%).**
- **1H21 revenues went up +11.6% in local currency vs 1H20 (+9% in reported terms) and +10% in local currency vs 1H19 (+5% in reported terms), accelerating its growth until +18% in local currency in 2Q21 vs 2Q20.**
- **Reported EBIT stood at €100m in 1H21 vs €-78m in 1H20 and €79m in 1H19 (+27%).**
- **1H21 revenues in Minsait increased by +9% in constant currency vs 1H20 and +11% vs 1H19, pushing EBIT margins above 5% in the period (vs -6.2% in 1H20 and 2.8% in 1H19).**
- **1H21 T&D revenues went up +16% in local currency vs 1H20 and +8% vs 1H19; Defence & Security outperformed with +22% in local currency. 2Q21 T&D EBIT margin improved vs 2Q20 and vs 2Q19.**
- **Cash generation in 1H21 was €-25m (excluding €-25m of the workforce transformation plan) vs €-88m in 1H20.**
- **Net debt reached €546m vs €670m in June 2020. Net Debt / EBITDA LTM ratio stood at 2.1x in June 2021 vs 2.7x in June 2020.**
- **Backlog reached another new historic absolute high (€5,366m), implying 1.7x backlog/revenues LTM.**

Madrid, July 27, 2021 – Cristina Ruiz and Ignacio Mataix, Chief Executive Officers of Indra:

"The results of the first half of 2021 already confirm the clear overtaking of revenues and direct margin levels of 2019, prior to the pandemic, both in Minsait and in Transport & Defence, and all this despite the fact that certain uncertainties regarding macroeconomic developments remain due to Covid, with the economic recovery still in its initial phase in the main countries where we operate.

In addition, revenues in the second quarter of 2021 showed an evident acceleration on its growth compared to the first quarter of the year, which already reached double digits in 2Q21, as a result of the speed up of the conversion of the backlog into revenues. It is also worth noting the improvement of the margins registered in the quarter, boosted by the costs reduction plan implemented last year, especially in Minsait's EBIT margin, which reached 6.1% in 2Q21.

As a result, net profit in the first half of 2021 was already 63% higher than in 2019, before the crisis. Cash generation (excluding €-25m of the workforce transformation plan) stood at €-25m in the first half of 2021 compared to €-88m in the last year same period, which allows us to continue reducing leverage at a fast pace.

Lastly, commercial activity continued to evolve positively, with the backlog reaching a new record high in Indra's history.

All in all, although there are still some uncertainties about the containment of the pandemic, the good performance of the first half of the year allows us to increase our annual EBIT and Cash Generation targets for 2021."

Main Figures	1H21 (€m)	1H20 (€m)	Variation (%) Reported / Local currency	2Q21 (€m)	2Q20 (€m)	Variation (%) Reported / Local currency
Net Order Intake	1,849	2,087	(11.4) / (9.0)	912	1,067	(14.5) / (12.6)
Revenues	1,618	1,484	9.0 / 11.6	866	749	15.6 / 17.6
Backlog	5,366	5,094	5.3 / 7.4	5,366	5,094	5.3 / 7.4
EBITDA	146	(18)	(913.9) / (934.4)	82	(69)	(219.7) / (221.7)
EBITDA Margin %	9.0%	(1.2%)	10.2 pp	9.5%	(9.2%)	18.7 pp
Operating Margin	125	43	190.1	73	12	507.3
Operating Margin %	7.7%	2.9%	4.8 pp	8.4%	1.6%	6.8 pp
EBIT	100	(78)	(228.4) / (232.2)	61	(97)	(163.0) / (164.2)
EBIT margin %	6.2%	(5.3%)	11.5 pp	7.1%	(13.0%)	20.1 pp
Net Profit	55	(75)	(174.2)	33	(81)	(140.8)
Net Debt Position	546	670	(18.5)	546	670	(18.5)
Free Cash Flow	(50)	(88)	NA	(33)	(29)	NA
Basic EPS (€)	0.314	(0.423)	(174.2)	NA	NA	NA

Transport and Defence (T&D)	1H21 (€m)	1H20 (€m)	Variation (%) Reported / Local currency	2Q21 (€m)	2Q20 (€m)	Variation (%) Reported / Local currency
Revenues	584	505	15.5 / 16.2	321	260	23.3 / 23.7
EBITDA	63	4	1443.2 / 1451.6	35	(20)	(274.8) / (275.1)
EBITDA Margin %	10.8%	0.8%	10.0 pp	10.8%	(7.6%)	18.4 pp
Operating Margin	56	30	89.0	32	14	122.8
Operating Margin %	9.6%	5.9%	3.7 pp	10.0%	5.6%	4.4 pp
EBIT	47	(18)	(368.1) / (370.0)	28	(29)	(195.1) / (195.3)
EBIT margin %	8.0%	(3.5%)	11.5 pp	8.7%	(11.3%)	20.0 pp

Minsait	1H21 (€m)	1H20 (€m)	Variation (%) Reported / Local currency	2Q21 (€m)	2Q20 (€m)	Variation (%) Reported / Local currency
Revenues	1,034	979	5.6 / 9.3	545	489	11.6 / 14.4
EBITDA	83	(22)	(476.2) / (491.4)	47	(49)	(197.3) / (199.9)
EBITDA Margin %	8.0%	(2.2%)	10.2 pp	8.7%	(10.0%)	18.7 pp
Operating Margin	69	13	414.3	41	(2)	(1,750.4)
Operating Margin %	6.7%	1.4%	5.3 pp	7.5%	(0.5%)	8.0 pp
EBIT	54	(61)	(188.1) / (192.5)	33	(68)	(149.1) / (150.7)
EBIT margin %	5.2%	(6.2%)	11.4 pp	6.1%	(13.9%)	20.0 pp

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 €18m in 1H21 vs €17m in 1H20.

Main Highlights

Backlog reached again its highest historical level and stood at €5,366m in 1H21, implying +5% growth in reported terms (+7% in local currency) vs 1H20. Transport & Defence backlog amounted to €3.6bn and increased by +7% in reported terms (+7% in local currency) in 1H21 vs 1H20, standing out Defence & Security, which amounted to €2.2bn. For its part, Minsait backlog increased by +3% in 1H21 in reported terms (+8% in local currency) and totaled €1.8bn. Backlog/Revenues LTM ratio stood at 1.69x vs 1.62x in 1H20.

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Order intake in 1H21 registered -9% decrease in local currency:

- **Order intake in the Transport & Defence division in 1H21** decreased by -29% in local currency, due to the strong order intake recorded in 1H20 both in Defence & Security (-34% in local currency in 1H21 vs 1H20, due to the F110 Frigates, Radars in UK and South Korea projects engaged in the previous year, and despite the strong order intake registered in the Eurofighter project in the current period) as well as in Transport & Traffic (-23% in local currency in 1H21 vs 1H20, dragged by the projects of control centers for rail transport in Ireland, tunnel control centers in Colombia and Air Traffic systems in European programs and Central America).

  However, order intake is expected to be accelerated in Transport & Defence in the coming quarters, mainly thanks to the materialization of relevant contracts in Defence & Security.

- **Order intake in the Minsait division in 1H21** increased by +4% in local currency, mainly driven by Energy & Industry (+16% in local currency, thanks to the inorganic contribution of Smartpaper, new contracts with Enel and the positive performance of the Industry segment in Spain) and Public Administrations & Healthcare (+8% in local currency, due to contracts with the central and regional Administrations, as well as the Election business).

1H21 revenues grew +12% in local currency (+9% in reported terms) vs 1H20 and +18% in local currency in 2Q21 vs 2Q20:

- **1H21 revenues in the T&D division** increased by +16% in local currency (+16% in reported terms) pushed by the growth registered in Defence & Security (+22% in local currency), derived from higher activity in AMEA (Azerbaijan and Vietnam), Europe (Eurofighter) and Spain (F110 Frigates, NH90 simulators and the Chinook simulator). Likewise, it is worth mentioning the growth registered in Transport &Traffic (+11% in local currency), mainly pushed by the railway transport project in Saudi Arabia, which is moving into its maintenance phase. **Revenues in 2Q21** grew +24% in local currency, driven by Defence & Security (+23% in local currency) as well as by Transport & Traffic (+25% in local currency), highlighting the recovery of the Air Traffic segment in the quarter (+14% in local currency in 2Q21 vs 2Q20 and -13% in 1Q21 vs 1Q20).

- **1H21 revenues in the Minsait division** increased by +9% in local currency (+6% in reported terms), standing out Public Administration & Healthcare (+30% in local currency, due to the higher activity with the Spanish Administrations, the Italian subsidiary and the Election business) and with all the verticals showing growth: Financial Services (+5% in local currency) backed by higher activity in Spain (derived from the consolidation process in the sector), Mexico and Peru; Energy & Industry (+5% in local currency), backed by the inorganic contribution of SmartPaper and the positive performance posted by the Italian subsidiary and in the Utilities sector in Brazil; and Telecom & Media (+1% in local currency). **Revenues in 2Q21** went up +14%, showing all the verticals solid growth: Public Administrations & Healthcare (+39% in local currency); Energy & Industry (+10% in local currency); Financial Services (+9% in local currency); and Telecom & Media (+4% in local currency).

FX impact contributed negatively with €-39m in 1H21, mainly dragged by the Latin-American currencies (Brazilian real, Argentinean peso and Peruvian soles).

Organic revenues in 1H21 increased +10% (excluding the inorganic contribution of SmartPaper and the FX impact). By divisions, Minsait posted +7% organic growth and Transport & Defence recorded +16% organic growth in 1H21. **Organic sales** in 2Q21 increased by +16% vs 2Q20, registering both Minsait (+12%) and Transport & Defence (+14%) sales growth.

Digital revenues reached €279m (27% of Minsait sales) in 1H21, which implies +12% increase vs 1H20. Digital sales in 2Q21 recorded +21% growth vs 2Q20.

1H21 reported EBITDA stood at €146m vs €-18m in 1H20 (affected by the Covid impact and the efficiency plan associated) and vs €142m in 1H19. 2Q21 reported EBITDA stood at €82m vs €-69m in 2Q20 and €72m in 2Q19.

Operating Margin amounted to €125m in 1H21 vs €43m in 1H20 (equivalent to 7.7% operating margin in 1H21 vs 2.9% in 1H20), due to the improvement in profitability in both divisions, as well as the lower amortization vs last year same period. Operating margin in 2Q21 amounted to €73m vs €12m in 2Q20 (equivalent to 8.4% margin in 2Q21 vs 1.6% in 2Q20):

- **1H21 Operating Margin in the T&D division** reached €56m vs €30m in 1H20, equivalent to 9.6% margin vs 5.9% last year same period. This 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. The improvement was achieved despite the sales without gross margin of the railway transport project in Saudi Arabia, which has already finished its investment phase and is moving into the maintenance phase. Operating margin in 2Q21 amounted to €32m vs €14m in 2Q20 (equivalent to 10.0% margin in 2Q21 vs 5.6% in 2Q20).
- **1H21 Operating Margin in Minsait** stood at €69m vs €13m in 1H20, equivalent to 6.7% operating margin vs 1.4% in 1H20. This increase is explained by the higher level of sales, the efficiency measures and savings derived from the action plan, together with the improvement of margins in all the verticals. Operating margin in 2Q21 amounted to €41m vs €-2m in 2Q20 (equivalent to 7.5% operating margin in 2Q21 vs -0.5% in 2Q20).

Total workforce restructuring costs which are not part of the action plan amounted to €-14m in 1H21 vs €-19m in 1H20.

The impact of FX in EBIT was €-3m in 1H21.

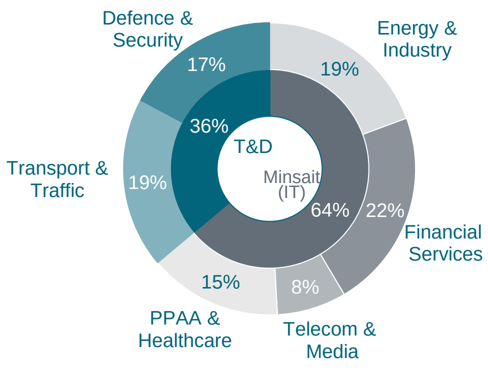
1H21 reported EBIT was €100m vs €-78m in 1H20 and vs €79m in 1H19, equivalent to 6.2% EBIT margin in 1H21 vs -5.3% in 1H20 and vs 5.1% in 1H19. EBIT in 2Q21 reached €61m vs €-97m in 2Q20 and vs €40m in 2Q19 (equivalent to 7.1% EBIT margin in 2Q21 vs -13.0% in 2Q20 and vs 5.0% in 2Q19).

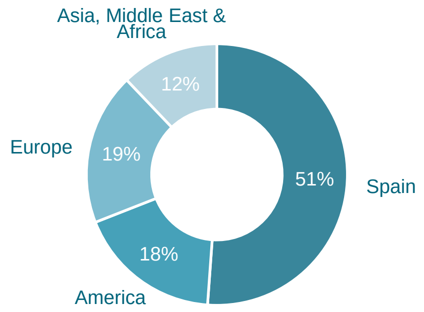
Net profit of the group stood at €55m vs €-75m in 1H20 and vs €34m in 1H19.

1H21 Free Cash Flow was €-50m (€-25m excluding the €25m cash out of the workforce transformation plan) vs €-88m last year same period, explained by the improvement in the profitability of the operations and the lower level of Capex, and despite the higher working capital consumption derived from sales compared to 1H20.

Net Debt amounted to €546m in June 2021 vs €670m in June 2020 and vs €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 impacted in 2020) stood at 2.1x in June 2021 vs 2.7x in June 2020 and 2.5x in December 2020.

Sales by verticals and regions:





Upgraded Outlook 2021

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

EBIT reported 2021: > €220m (from previous >€200m).

FCF 2021: > €130m (from previous >€120m), excluding the cash outflows of the workforce transformation plans.

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Human Resources

At the end of June 2021, total workforce amounted to 49,744 professionals implying an increase of +3.1% vs June 2020 (1,516 additional employees, which includes the workforce associated with the acquisition of SmartPaper, initially with 1,047 employees). In the quarter, final headcount at the end of June 2021 increased by +1.6% compared to March 2021 (765 more employees). This increase was concentrated in America (506 more employees) and in Spain (283 more employees).

The average headcount in 1H21 vs 1H20 remained stable (despite the contribution of SmartPaper in the current year).

Final Workforce	1H21	%	1H20	%	Variation (%) vs 1H20
Spain	27,563	55	28,142	58	(2.1)
America	16,767	34	15,638	32	7.2
Europe	3,365	7	2,332	5	44.3
Asia, Middle East & Africa	2,049	4	2,116	4	(3.2)
Total	**49,744**	**100**	**48,228**	**100**	**3.1**

Average Workforce	1H21	%	1H20	%	Variation (%) vs 1H20
Spain	27,531	56	28,616	58	(3.8)
America	16,452	33	16,507	33	(0.3)
Europe	3,404	7	2,322	5	46.6
Asia, Middle East & Africa	2,061	4	2,137	4	(3.5)
Total	**49,447**	**100**	**49,582**	**100**	**(0.3)**

Other events over the period

On May 27th Indra’s Board of Directors, adopted in the best interest of the Company the following resolutions related to the change in the Company's governance structure, taking into account that the proper performance of the chief executive's duties requires him to have the full support of its main shareholder at all times, given his status not only as representative of the state public sector, but also as the Company's main customer, whose decisions have a significant impact on its business:

- To revoke, effective, the powers delegated to D. Fernando Abril-Martorell as Executive Chairman, to dismiss him from his position as Chairman of the Board of Directors and not to submit his re-election to the Meeting, thus entailing the termination of the contract for the provision of executive services that binded the parties.
- To co-opt Mr. Marc Murtra Millar as director, with the qualification of other external.
- To appoint Mr. Marc Murtra Millar as non-executive Chairman of the Board of Directors.
- To delegate in favor of the executive board members Mr. Ignacio Mataix Entero and Ms. Cristina Ruiz Ortega, respectively responsible for the Transport and Defence and Minsait divisions, all the delegable powers of the Board, appointing them jointly and severally as Chief Executive Officers.

This governance structure was approved by the Ordinary General Shareholders' Meeting held at second call on June 30, 2021, with a quorum of 71.46% of the share capital and in which all the proposed resolutions submitted to the meeting were approved by a large majority of votes in favor.

On June 9th, Minsait (holding company of Indra's IT business) acquired Flat 101, a digital marketing consulting firm specializing in the optimization of online business with a focus on increasing sales, thereby strengthening Minsait's leading offer consisting of end-to-end solutions to support its clients in their marketing & sales strategy, digital customer acquisition & conversion, and e-commerce sales.

On June 10th, Indra was awarded in the category of "Great Company" granted by the Spanish Ministry of Science and Innovation for its important role in the digitization of different sectors, its cutting edge position in R+D+i and its role as a driving force in promoting innovation in other companies.

Events following the close of the period

On July 8th Indra received the notification of the Order of the Criminal Court of the Audiencia Nacional that decrees the definitive dismissal of the proceedings regarding the Company in the process known as "Operación Púnica".

Analysis by division

Transport & Defence (T&D)

T&D	1H21 (€m)	1H20 (€m)	Variation (%) Reported	Variation (%) Local currency	2Q21 (€m)	2Q20 (€m)	Variation (%) Reported	Variation (%) Local currency
Net Order Intake	590	834	(29.2)	(28.7)	318	568	(43.9)	(43.8)
Revenues	584	505	15.5	16.2	321	260	23.3	23.7
- Defence & Security	279	229	21.9	21.8	150	122	22.7	22.6
- Transport & Traffic	305	277	10.3	11.5	171	138	23.7	24.7
- Transport	*171*	*144*	*18.6*	*21.3*	*93*	*70*	*32.1*	*34.9*
- Air Traffic	*134*	*133*	*1.3*	*0.9*	*79*	*68*	*15.1*	*14.3*
Book-to-bill	1.01	1.65	(38.7)		0.99	2.18	(54.5)	
Backlog / Revs LTM	3.00	2.95	1.6					

Transport & Defence revenues in 1H21 went up +16% in local currency, pushed by the growth registered in both, Defence & Security (+22% in local currency) and Transport & Traffic.

Compared to 1H19, before the pandemic, revenues have grown +8% in local currency in 1H21.

Order intake in 1H21 went down by -29% in local currency, posting both Defence & Security (-34% in local currency) and Transport & Traffic (-23% in local currency) declines.

Backlog/Revenues LTM ratio continued its growth and stood at 3.00x vs 2.95x in 1H20. Book-to-bill ratio was 1.01x vs 1.65x in 1H20.

Defence & Security

- 1H21 Defence & Security sales increased by +22% in local currency, being the vertical of the T&D division 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, Vietnam and Lituania) and Simulation (NH90 Helicopter and Chinook).
- By geographies, it is worth highlighting the growth of more than double digit registered in AMEA (Azerbaijan and Vietnam), Europe (Eurofighter) and Spain (F110 Frigates, NH90 simulators and the Chinook simulator).
- 2Q21 Defence & Security sales continued showing solid growth (+23% in local currency).
- Most of the activity of the vertical in 1H21 was concentrated in Europe (c. 45% of sales) and Spain (c. 40% of sales).
- Order intake in 1H21 dropped by -34% in local currency, due to the strong activity that took place in 1H20 (F110 Frigates, Radars in the UK and South Korea) and despite the strong order intake recorded in the Eurofighter project.

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Transport & Traffic

- 1H21 Transport & Traffic sales went up +11% in local currency, mainly driven by the Transport segment.
- In the Transport segment, sales in 1H21 increased by +21% in local currency, mainly pushed by the growth achieved in AMEA (railway transport project in Saudi Arabia), which is moving into its maintenance phase.
- Revenues in the Air Traffic segment in 1H21 grew by +1% in local currency, mainly due to the solid growth recorded in Spain (higher activity with Enaire).
- 2Q21 sales posted strong growth (+25% in local currency), showing positive performances in both verticals. Transport grew by +35% in local currency (railway project in Saudi Arabia, which is finishing its implementation phase and whose sales are reported without gross margin) and sales in Air Traffic Management increased +14% in local currency (higher than double-digit growth in Spain, Europe and AMEA). It stands out the strong recovery of the Air Traffic segment compared to the first quarter of the year, in which revenues dropped by -13% in local currency.
- Region-wise, most of the activity of the vertical in 1H21 was concentrated in AMEA (c. 40% of sales), Spain (c. 30% of sales), and Europe (c. 20% of sales).
- Order intake in 1H21 fell by -23%, due to the high level of activity that took place in 1H20 in Europe (Control Centers for rail transport in Ireland and European Air Traffic Programs) and in America (tunnel management systems in Colombia and Air Traffic in Central America).

Minsait

Minsait	1H21	1H20	Variation (%)		2Q21	2Q20	Variation (%)	
	(€m)	(€m)	Reported	Local currency	(€M)	(€M)	Reported	Local currency
Net Order Intake	1,259	1,253	0.5	4.2	594	499	19.0	23.0
Revenues	1,034	979	5.6	9.3	545	489	11.6	14.4
- Energy & Industry	313	310	1.0	5.1	162	151	6.7	9.7
- Financial Services	357	351	1.7	4.9	188	176	7.1	8.8
- Telecom & Media	124	129	(3.8)	1.3	64	64	(0.6)	4.0
- PPAA & Healthcare	239	188	27.0	30.0	132	97	35.4	38.6
Book-to-bill	1.22	1.28	(4.9)		1.09	1.02	6.7	
Backlog / Revs LTM	0.90	0.86	4.0					

Minsait sales in 1H21 grew by +9% in local currency, all the verticals registering growth. It is worth mentioning the strong growth posted in Public Administrations & Healthcare (+30% in local currency). Regarding the rest of the verticals, sales went up +5% in local currency in both Energy & Industry and Financial Services, and slightly increased in Telecom & Media (+1% in local currency).

Compared to 1H19, before the pandemic, 1H21 revenues grew by +11% in local currency.

Excluding the inorganic contribution of SmartPaper (BPO Company based in Italy, acquired on December 31st, 2020) and the FX impact, Minsait sales in 1H21 would have grown +7%.

1H21 order intake in Minsait went up +4% in local currency, with all the verticals registering growth except for Telecom & Media.

Backlog/Revenues LTM improved to 0.90x vs 0.86x in 1H20. Book-to-bill ratio slightly declined and stood at 1.22x vs 1.28x in 1H20.

Digital sales amounted to €279m (which represents 27% of Minsait sales) in 1H21, implying an increase of +12% vs 1H20. In 2Q21, Digital revenues went up by +21% vs 2Q20.

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Minsait	1H21 (€m)	1H20 (€m)	Variation (%) Reported	2Q21 (€m)	2Q20 (€m)	Variation (%) Reported
Digital	279	248	12.3	149	123	21.3
Proprietary solutions	84	74	13.0	44	36	23.2
Implementation of third party solutions & Others	159	164	(2.9)	81	86	(5.5)
Technological and Process Outsourcing	516	500	3.2	273	248	10.1
Eliminations	(4)	(8)	N/A	(2)	(4)	N/A
Total	**1,034**	**979**	**5.6**	**545**	**489**	**11.6**

Energy & Industry

- 1H21 Energy & Industry sales increased +5% in local currency, boosted by the Energy segment (inorganic contribution of SmartPaper). Revenues in the Industry segment slightly grew.
- The Energy segment represents approximately 60% of the vertical sales vs 40% the Industry segment.
- Revenues in 1H21 grew in Europe (Italian subsidiary due to the contribution of SmartPaper) and America (Utilities sector in Brazil), while they decreased in Spain (both in the Energy and Industry segments).
- Revenues in 2Q21 in the Energy & Industry segment increased by +10% in local currency, highlighting the double-digit growth in Industry (positive activity in all geographies, seeing a reactivation in the sector, which has been heavily penalized by the pandemic and is starting to recover strongly), as well as the growth recorded in Energy (inorganic contribution of SmartPaper).
- By geographies, most of the activity was concentrated in Spain (c. 50% of sales), America (c. 25% of sales), and Europe (20% of sales).
- 1H21 order intake went up +16% in local currency, boosted by the growth achieved in Europe (Enel and the inorganic contribution of SmartPaper) and Spain (mainly in the Industry sector).

Financial Services

- 1H21 Financial Services sales increased by +5% in local currency, both the banking and the insurance sectors grew.
- The Banking Sector (c. 85% of total sales) concentrated most of the activity of the vertical in 1H21 in respect to the Insurance Sector (c. 15% of total sales).
- Sales in 1H21 grew in its main two geographies, America (Mexico and Peru) and Spain (increase in activity derived from the current banking consolidation in the sector).
- Sales in 2Q21 increased by +9% in local currency, showing positive performance on its two main geographies (America and Spain).
- Region-wise, Spain (c. 70% of the sales) and America (c. 25% of the sales) concentrated most of the activity of the vertical in 1H21.
- Order intake in 1H21 increased by +2%, mainly due to the order intake registered in America (BPO in Brazil).

Telecom & Media

- 1H21 Telecom & Media sales increased by +1% in local currency, very positive performance considering that 1H20 sales grew by +10%.
- The increase in Telecom & Media sales in 1H21 were bolstered by close to double-digit growth in America. However, sales in Spain declined slightly.
- Sales in 2Q21 up +4% in local currency terms, mostly driven by the growth recorded in America.
- By geography, most of the vertical activity in 1H21 was concentrated in Spain (c. 50% of sales), America (c. 30% of sales).
- Order Intake in 1H21 fell -17% due to the renewal of relevant contracts in America with the main operators in 1H20.

Public Administrations & Healthcare

- 1H21 Sales in Public Administrations & Healthcare have increased by +30% in local currency, being the company's vertical with the best performance in 1H21.
- All the segments of the vertical (Public Administrations, Healthcare and Elections) showed double-digit growth in 1H21.
- The Public Administrations segment (c. 75% of sales) concentrates the highest vertical activity with respect to Healthcare and Elections.
- All geographies showed double-digit growth, standing out the positive performance in Spain (higher activity with the central and regional Administrations).
- Revenues in 2Q21 grew by +39% in local currency, highlighting the positive performance of Spain (Electoral Processes and Healthcare) and, to a lower extent, America.
- By geography, most of the vertical activity in 1H21 was concentrated in Spain (c. 70% of sales), Europe (c. 15% of sales) and America (c. 10% of sales).
- Order intake in 1H21 grew by +8% in local currency, mainly backed by the order intake registered in Spain.

Analysis by Region

Revenues by Region	1H21 (€m)	1H20 (€m)	Variation (%) Reported	Variation (%) Local currency	2Q21 (€m)	2Q20 (€m)	Variation (%) Reported	Variation (%) Local currency
Spain	832	787	5.8	5.8	445	395	12.6	12.6
America	283	302	(6.2)	6.9	145	152	(4.6)	5.4
Europe	305	264	15.8	15.7	161	132	21.8	21.5
Asia, Middle East & Africa	197	133	48.8	49.1	116	71	64.3	64.5
Total	**1,618**	**1,484**	**9.0**	**11.6**	**866**	**749**	**15.6**	**17.6**

All geographies reported sales growth in 1H21, highlighting AMEA (+49% in local currency; 12% of total sales) and Europe (+16% in local currency; 19% of total sales). For its part, Spain (+6%; 51% of total sales) and America (+7% in local currency; 18% of total sales) also showed solid growth.

1H21 Order intake showed declines in all the geographies: Spain (-9%), America (-11% in local currency), Europe (-5% in local currency) and AMEA (-12% in local currency).

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Spain

- 1H21 revenues increased by +6%, showing growth in both Minsait and in Transport & Defence.
- Minsait revenues (c. 75% of sales) in 1H21 showed more than mid-single-digit growth, mainly driven by the double-digit increase posted in Public Administrations & Healthcare, as well as by the increase recorded in Financial Services.
- Revenues in 1H21 in the Transport & Defence division (c. 25% of revenues) showed more than mid-single-digit growth as well, driven by double-digit growth in Defence & Security (Platforms & Simulators area) and Air Traffic (higher activity with Enaire).
- Revenues in 2Q21 increased by +13%, mainly boosted by double-digit growth in Public Administrations, Defence & Security and Air Traffic Management.
- Order intake in 1H21 down -9%, due to the strong order intake that took place in 1H20 (F110 Frigates).

America

- Revenues in 1H21 increased +7% in local currency, bolstered by the growth registered in the Minsait division. FX depreciation in Latam took off -13 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 +4% revenue growth in local currency, backed by Energy & Industry and Mexico (c. 20% 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 (Financial Services and Public administrations & Healthcare) and Argentina (Public Administrations & Healthcare and Transport & Traffic).
- The activity in America is mostly concentrated in Minsait (c. 85% of total sales in the region). 1H21 revenues posted higher than mid-single-digit growth in local currency with all verticals showing growth, highlighting Financial Services.
- Revenues in the Transport & Defence division (c. 15% of revenues) in 1H21 fell due to the drops recorded in Defence & Security (lower activity in Naval Systems in the US), which have not been compensated by the growth recorded in Transport (I-66 Highway toll systems in the US, Urban Transport in Argentina and tunnel management systems in Colombia).
- Revenues in 2Q21 increased +5% in local currency, driven by Minsait, which recorded more than double-digit growth, compensating the declines posted in Defence & Security.
- Order intake in 1H21 went down by -11% in local currency due to the difficult comparison vs the previous year. 1H20 order intake grew by +23% in local currency (due to the strong order intake recorded in Telecom & Media as a result of the renewal of relevant contracts with the main operators and in Transport in Colombia and US).

Europe

- 1H21 revenues increased by +16% in local currency, pushed by double-digit growth registered in both divisions.
- 1H21 T&D sales (c. 60% of revenues in the region) posted more than double-digit growth, driven by Defence & Security (Eurofighter project).

- 1H21 Minsait revenues (c. 40% 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).
- Revenues in 2Q21 grew by +21% in local currency, posting growth in both Transport & Defence (double-digit growth recorded in Defence & Security and Air Traffic, showing a strong recovery compared to the previous quarter) and Minsait (Italian subsidiary).
- Order intake in 1H21 fell by -5% in local currency, affected by the strong order intake that took place in 1H20 in Transport & Traffic (Control Centers for rail transport in Ireland and European Air Traffic programs), and despite the growth recorded in Defence & Security (Eurofighter project).

Asia, Middle East & Africa (AMEA)

- 1H21 revenues in AMEA up +49% in local currency, pushed by the strong growth registered in the Transport & Defence division.
- 1H21 Transport & Defence sales (c. 85% 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).
- 1H21 sales in Minsait (c. 15% of the region's sales) grew at double-digit rates, being Public Administrations the vertical with the best performance.
- Revenues in 2Q21 grew by +64%, driven by Transport & Defence, with strong growth in both Transport & Traffic (railway project in Saudi Arabia and recovery of the Air Traffic business) and Defence & Security (Azerbaijan and Vietnam).
- Order intake in 1H21 decreased by -12% in local currency, due to the strong order intake that took place in 1H20 in Defence & Security (Radars in South Korea).

Appendices

Consolidated Income Statement

	1H21	1H20	Variation		2Q21	2Q20	Variation	
	€m	€m	€m	%	€m	€m	€m	%
Revenue	**1,617.7**	**1,484.3**	**133.4**	**9.0**	**866.4**	**749.2**	**117.2**	**15.6**
In-house work on non-current assets and other income	20.4	34.8	(14.4)	(41.5)	10.5	14.7	(4.2)	(28.9)
Materials used and other supplies and other operating expenses	(546.3)	(493.8)	(52.5)	10.6	(300.3)	(259.8)	(40.5)	15.6
Staff Costs	(945.8)	(958.8)	13.0	(1.4)	(494.0)	(488.3)	(5.7)	1.2
Other gains or losses on non-current assets and other results	(0.4)	(84.4)	84.0	NA	(0.4)	(84.4)	84.0	NA
Gross Operating Result (EBITDA)	**145.6**	**(17.9)**	**163.5**	**NA**	**82.2**	**(68.6)**	**150.8**	**(219.7)**
Depreciation and amortisation charge	(45.2)	(60.3)	15.1	(25.1)	(20.8)	(28.8)	8.0	(27.8)
Operating Result (EBIT)	**100.4**	**(78.2)**	**178.6**	**NA**	**61.4**	**(97.4)**	**158.8**	**(163.0)**
EBIT Margin	***6.2%***	***(5.3%)***	***11.5 pp***	**NA**	***7.1%***	***(13.0%)***	***20.1 pp***	**NA**
Financial Loss	**(20.5)**	**(19.8)**	**(0.7)**	**3.2**	**(10.3)**	**(10.5)**	**0.2**	**(1.5)**
Result of companies accounted for using the equity method	0.1	(0.1)	0.2	NA	(0.7)	(0.2)	(0.5)	NA
Profit (Loss) before tax	**80.1**	**(98.2)**	**178.3**	**NA**	**50.4**	**(108.1)**	**158.5**	**(146.6)**
Income tax	(23.6)	24.8	(48.4)	NA	(16.6)	27.8	(44.4)	(159.7)
Profit (Loss) for the year	**56.5**	**(73.4)**	**129.9**	**(177.0)**	**33.8**	**(80.3)**	**114.1**	**(142.1)**
Profit (Loss) attributable to non-controlling interests	(1.2)	(1.2)	0.0	NA	(0.8)	(0.6)	(0.2)	NA
Profit (Loss) attributable to the Parent	**55.3**	**(74.6)**	**129.9**	**NA**	**33.0**	**(80.9)**	**113.9**	**(140.8)**

Earnings per Share (according to IFRS)	1H21	1H20	Variation (%)
Basic EPS (€)	0.314	(0.423)	(174.2)
Diluted EPS (€)	0.320	(0.379)	(184.4)

	1H21	1H20
Total number of shares	176,654,402	176,654,402
Weighted treasury stock	545,640	310,451
Total shares considered	176,108,762	176,343,951
Total diluted shares considered	193,198,105	193,433,294
Treasury stock in the end of the period	549,509	523,497

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.*

- Revenues in reported terms grew by +9% in 1H21.
- Other income stood at €20m vs €35m in 1H20. The decrease is explained by the lower level of works for own non-current assets.
- Materials used and other supplies and other operating expenses increased by +11% in 1H21, due to lower changes in inventories compared to last year same period.
- Personnel expenses decreased by -1% in 1H21 vs 1H20, in line with the slight decline of the average workforce posted in the period (-0.3%).
- 1H21 EBITDA stood at €146m vs €-18m in 1H20 (affected by the Covid impact and the efficiency plan associated)
- 1H21 D&A stood at €45m, €15m less than in 1H20, due to the impairment of intangible assets that took place in 2020.
- 1H21 EBIT stood at €100m vs €-78m in 1H20 (affected by the Covid impact and the efficiency plan associated), boosted by the improvement of the profitability together with lower amortization charge in 1H21 vs 1H20.
- Financial results was €-20m 1H21, similar levels than in 1H20. Gross debt borrowing costs was 1.9% for both 1H21 and 1H20 periods.
- Tax income stood at €-24m in 1H21 vs €+25m in 1H20 (mainly due to the activation of tax loans in Spain because of the losses registered). Tax rate was 29% in 1H21.
- Net profit of the group stood at €55m vs €-75m in 1H20.

Consolidated Balance Sheet

	1H21 €m	2020 €m	Variation €m
Property, plant and equipment	92.9	96.2	(3.3)
Property investments	1.2	1.2	0.0
Assets for the rigth of use	104.5	119.5	(15.0)
Goodwill	912.3	889.5	22.8
Other Intangible assets	267.5	278.9	(11.4)
Investments using the equity method and other non-current financial assets	222.3	260.0	(37.7)
Deferred tax assets	196.5	199.1	(2.6)
Total non-current assets	**1,797.1**	**1,844.4**	**(47.3)**
Assets held for sale	10.4	9.6	0.8
Operating current assets	1,459.5	1,292.0	167.5
Other current assets	132.0	132.2	(0.2)
Cash and cash equivalents	933.0	1,184.9	(251.9)
Total current assets	**2,535.0**	**2,618.6**	**(83.6)**
TOTAL ASSETS	**4,332.1**	**4,462.9**	**(130.8)**
Share Capital and Reserves	731.1	668.5	62.6
Treasury shares	(4.2)	(3.8)	(0.4)
Equity attributable to parent company	**726.9**	**664.8**	**62.1**
Non-controlling interests	19.1	19.1	0.0
TOTAL EQUITY	**746.0**	**683.9**	**62.1**
Provisions for contingencies and charges	66.0	65.9	0.1
Bank borrowings and financial liabilities relating to issues of debt instruments and other marketable securities	1,204.1	1,372.8	(168.7)
Other non-current financial liabilities	223.3	224.5	(1.2)
Subsidies	25.7	28.3	(2.6)
Other non-current liabilities	0.7	0.7	0.0
Deferred tax liabilities	1.8	1.5	0.3
Total Non-current liabilities	**1,521.6**	**1,693.8**	**(172.2)**
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	275.0	293.4	(18.4)
Other current financial liabilities	69.0	75.0	(6.0)
Operating current liabilities	1,356.8	1,365.4	(8.6)
Other current liabilities	363.5	351.5	12.0
Total Current liabilities	**2,064.4**	**2,085.2**	**(20.8)**
TOTAL EQUITY AND LIABILITIES	**4,332.1**	**4,462.9**	**(130.8)**
Current bank borrowings and financial liabilities relating to issues of debt instruments and other marketable securities	(275.0)	(293.4)	18.4
Bank borrowings and financial liabilities relating to issues of debt instruments and other marketable securities	(1,204.1)	(1,372.8)	168.7
Gross financial debt	(1,479.1)	(1,666.2)	187.1
Cash and cash equivalents	933.0	1,184.9	(251.9)
Net Debt	***(546.1)***	***(481.4)***	***(64.7)***

Working Capital	1H21 €m	2020 €m	Variation €m
Inventories	440.3	411.4	28.9
Accounts Receivable	1,019.2	880.5	138.7
Operating current assets	**1,459.5**	**1,292.0**	**167.5**
Preypayments from clients	781.2	809.0	(27.8)
Accounts Payable	575.6	556.4	19.2
Operating current liabilities	**1,356.8**	**1,365.4**	**(8.6)**
Working Capital	**102.7**	**(73.4)**	**176.1**

Figures not audited

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Consolidated Cash Flow statement

	1H21 €m	1H20 €m	Variation €m	2Q21 €m	2Q20 €m	Variation €m
Profit Before Tax	**80.1**	**(98.2)**	**178.3**	**50.4**	**(108.1)**	**158.5**
Adjusted for:						
- Depreciation and amortization charge	45.2	60.3	(15.1)	20.8	28.8	(8.0)
- Provisions, capital grants and others	(1.1)	97.6	(98.7)	4.6	105.7	(101.1)
- Result of companies accounted for using the equity method	(0.1)	0.1	(0.2)	0.7	0.2	0.5
- Financial loss	20.5	19.8	0.7	10.3	10.5	(0.2)
Dividends received	**0.5**	**0.0**	**0.5**	**0.0**	**0.0**	**0.0**
Profit (Loss) from operations before changes in working capital	**145.0**	**79.7**	**65.3**	**86.8**	**37.1**	**49.7**
Changes in trade receivables and other items	(159.6)	28.4	(188.0)	(115.4)	(16.1)	(99.3)
Changes in inventories	(6.6)	(82.4)	75.8	13.3	(17.5)	30.8
Changes in trade payables and other items	38.6	(31.7)	70.3	28.5	15.6	12.9
Cash flows from operating activities	**(127.6)**	**(85.8)**	**(41.8)**	**(73.6)**	**(18.0)**	**(55.6)**
Tangible (net)	(6.3)	(15.7)	9.4	(2.1)	(7.4)	5.3
Intangible (net)	(4.6)	(18.9)	14.3	(5.0)	(9.8)	4.8
Capex	**(10.8)**	**(34.6)**	**23.8**	**(7.1)**	**(17.3)**	**10.2**
Interest paid and received	**(25.1)**	**(18.9)**	**(6.2)**	**(17.4)**	**(14.2)**	**(3.2)**
Other financial liabilities variation (1)	**(16.6)**	**(18.0)**	**1.4**	**(8.3)**	**(9.3)**	**1.0**
Income tax paid	**(14.7)**	**(10.6)**	**(4.1)**	**(13.2)**	**(7.7)**	**(5.5)**
Free Cash Flow	**(49.8)**	**(88.3)**	**38.5**	**(32.8)**	**(29.3)**	**(3.5)**
Changes in other financial assets	0.0	0.0	0.0	0.0	4.1	(4.1)
Financial investments/divestments	(15.6)	(15.1)	(0.5)	(16.8)	(15.0)	(1.8)
Dividends paid by companies to non-controlling shareholders	(1.1)	0.0	(1.1)	(1.1)	0.0	(1.1)
Dividends of the parent company	0.0	0.0	0.0	0.0	0.0	0.0
Shareholders contributions	0.0	0.0	0.0	0.0	0.0	0.0
Changes in treasury shares	(5.0)	(2.5)	(2.5)	(0.0)	(1.8)	1.8
Cash-flow provided/(used) in the period	**(71.5)**	**(105.9)**	**34.4**	**(50.7)**	**(42.0)**	**(8.7)**

Initial Net Debt	**(481.4)**
Cash-flow provided/(used) in the period	(71.5)
Foreign exchange differences and variation with no impact in cash	6.8
Final Net Debt	***(546.1)***

Cash & cash equivalents at the beginning of the period	**1,184.9**	**854.5**	**330.4**
Foreign exchange differences	3.9	(14.6)	18.5
Increase (decrease) in borrowings	(184.2)	93.2	(277.4)
Net change in cash and cash equivalents	(71.5)	(105.9)	34.4
Ending balance of cash and cash equivalents	**933.0**	**827.3**	**105.7**
Long term and current borrowings	**(1,479.1)**	**(1,497.0)**	**17.9**
Final Net Debt	***(546.1)***	***(669.7)***	***123.6***

(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 €+145m in 1H21 vs €+80m in 1H20, due to the higher operating profitability.
- Cash flow from operating activities (working capital) was €-128m in 1H21 vs €-86m in 1H20, worsening due to the variation of Trade receivables (€188m in 1H21 vs 1H20) explained by the strong growth in sales recorded in the quarter, as well as by the seasonality of the first half of the year (which was not reflected in 1H20 due to the high amount of advances received). On the contrary, Inventories (€76m in 1H21 vs 1H20) and Accounts Payable (€70m in 1H21 vs 1H20) improved.
- Net Working Capital (Operating Current Assets – Operating Current Liabilities) stood at €103m, equivalent to 12 DoS vs 13 DoS in June 2020 and -9 DoS in December 2020.
- Non-recourse factoring lines remained stable at €187m.
- 1H21 CAPEX (net of subsidies) stood at €11m, €24 million less compared to 1H20, 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 received in 1H21 vs 1H20 (€+4m).
- Financial Results payment in the first half of the year was €25m vs €19m in 1H20, explained by higher interest in financing and other financial expenses.
- Tax payment stood at €15m vs €11m in 1H20 as a result of the higher profit reported.
- Free Cash Flow in 1H21 was €-50m (€-25m excluding the €25m cash out of the workforce transformation plan) vs €-88m in 1H20.
- Net Debt amounted to €546m in June 2021 vs €670m in June 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 2.1x in June 2021 vs 2.7x in June 2020 and 2.5x in December 2020.

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, adjusted for depreciation and amortization, deducting provisions, capital grants and others, result of companies accounted for using the equity method and financial loss, and adding dividend received, adding cash flow from operating activities, deducting capex, deducting interest paid and received, deducting other financial liabilities variation and deducting income tax paid. This figure could exclude the cash outflow due to some extraordinary impacts, including but not limited to (non-exhaustive): workforce adjustments, write offs, fines, project write-offs and others.

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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.

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.

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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