

indra

2024-2030

Strategic Plan

Capital Markets Day

Leading the Future

March 6th, 2024



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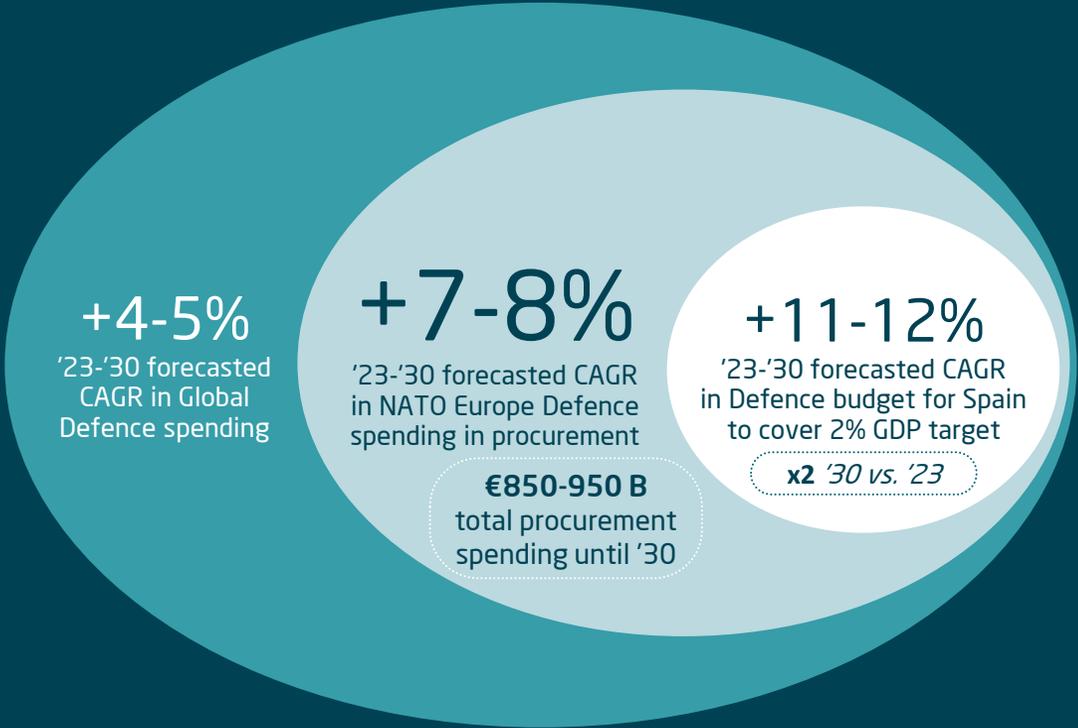


Long-term Strategic vision '24-'30

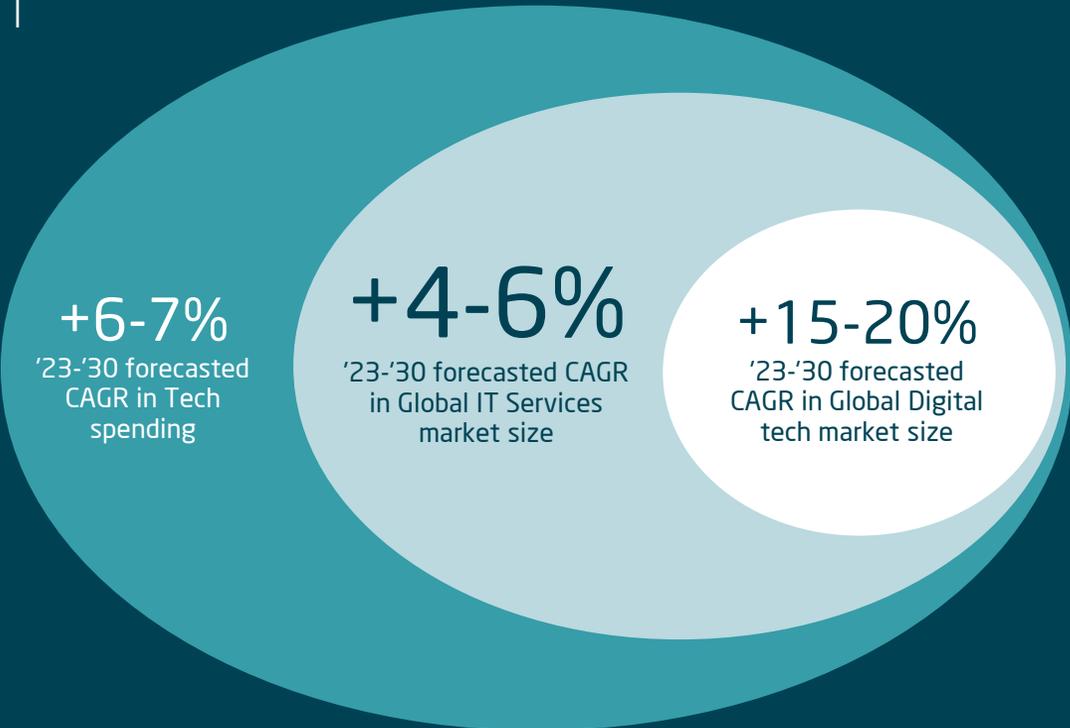
Market Environment

Growth in Defence & Technology

Defence



Technology



Source: NATO; MinsDef; Country announced budgets; Industry sources (e.g. Gartner, Forrester, and other specialized market reports); Internal analysis

Market Drivers | Five underlying drivers shaping Defence & Technology

01

Enduring and increasing military conflicts

02

New Defence investment cycle in Europe, leading to new programmes with active Spanish participation

03

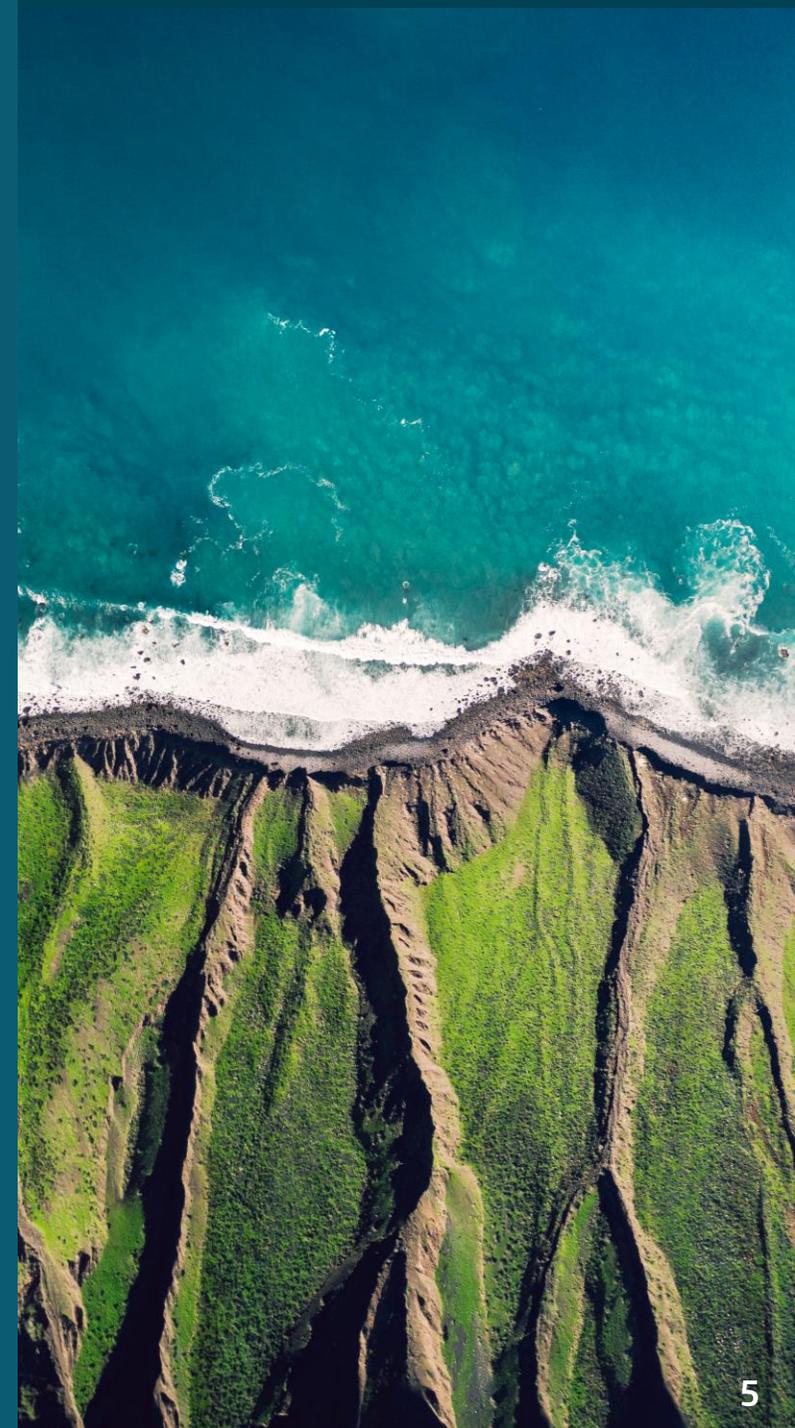
Increasing relevance of technology and share of Defence Systems due to Europe's operational platform modernization

04

Integration of Land, Sea & Air with new Space & Cyberspace domains emphasizes the need for multidomain interoperability

05

New wave of digitalization led by AI, Cloud & Cybersecurity as game-changer of society and economy



Indra's
purpose

Secure the future,
powering
tech progress



National Defence & Technology
strategic autonomy guarantor



European **Defence**
Programmes **Coordinator**



Technology
ecosystem **Coordinator**



Preferred employer for
high-value **technology talent**

Defence & Aerospace Roadmap

National champions have consolidated their home markets

BAE Systems



~10 years

to consolidate the UK's defence industrial capacity

Thales



~10 years

to consolidate France's Defence Systems industrial capacity

Leonardo



~50 years

to consolidate Italy's aerospace platform and Defence Systems industrial capacity



indra

Indra will lead the Spanish ecosystem in less than **10 years**

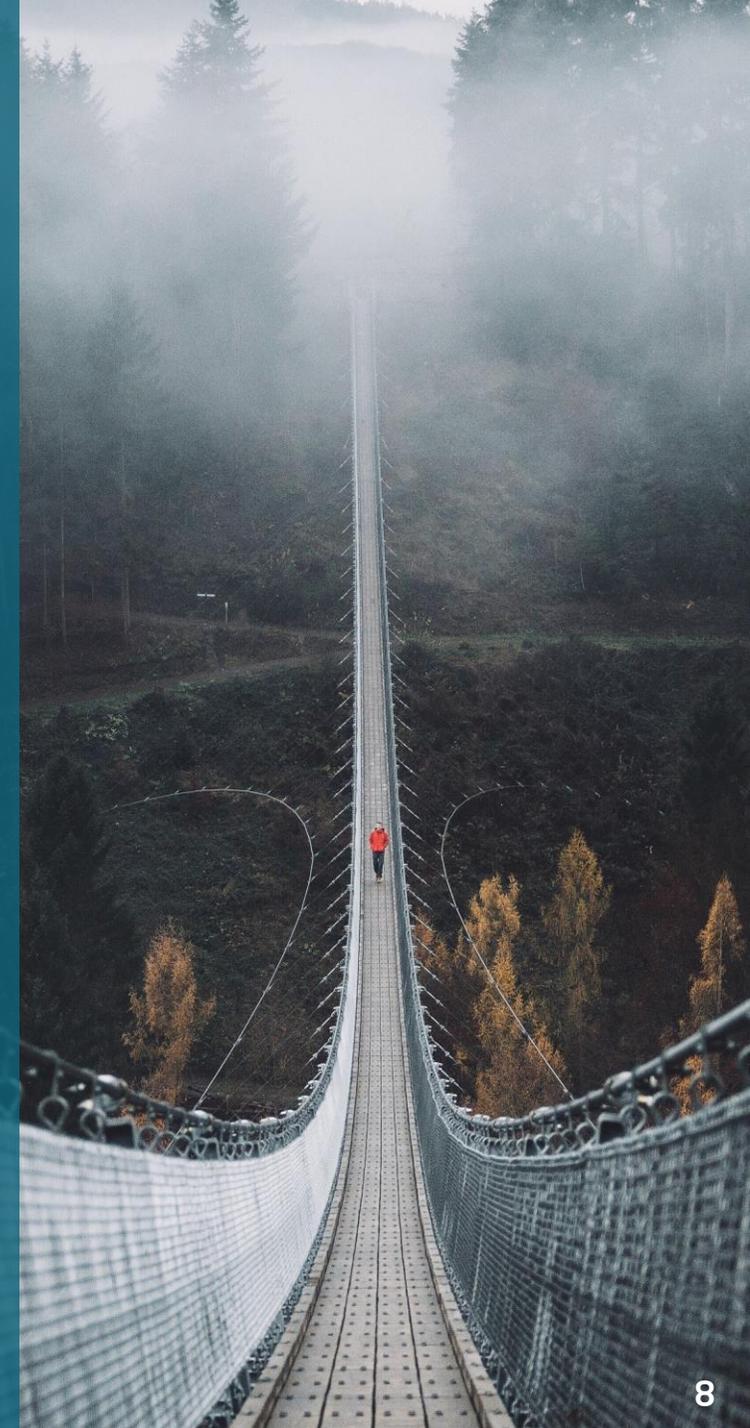
Indra's main strengths and areas for development

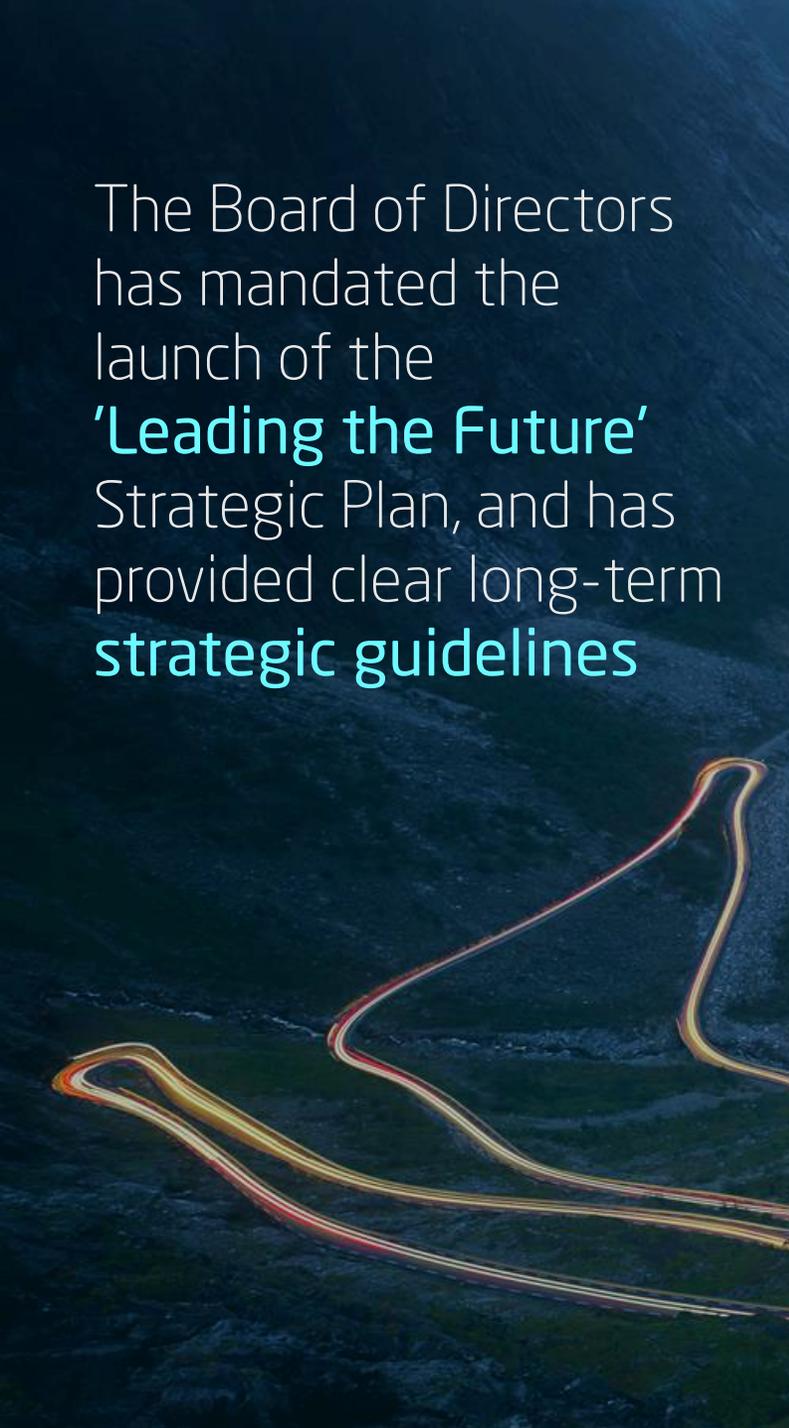
Indra has a solid track-record

- Long-term **history**
- Strong **engineering** and **technical background**
- Robust **digital talent** baseline
- **Recurrent cash generation** after successful IT business turnaround
- **Healthy** Balance Sheet

Indra needs to evolve

- Accelerate **international** mindset
- Increase **proximity** to clients to enhance **satisfaction**
- More **proactive commercial role**, embracing ambitious attitudes
- **Adjust branding** architecture





The Board of Directors has mandated the launch of the **'Leading the Future'** Strategic Plan, and has provided clear long-term **strategic guidelines**

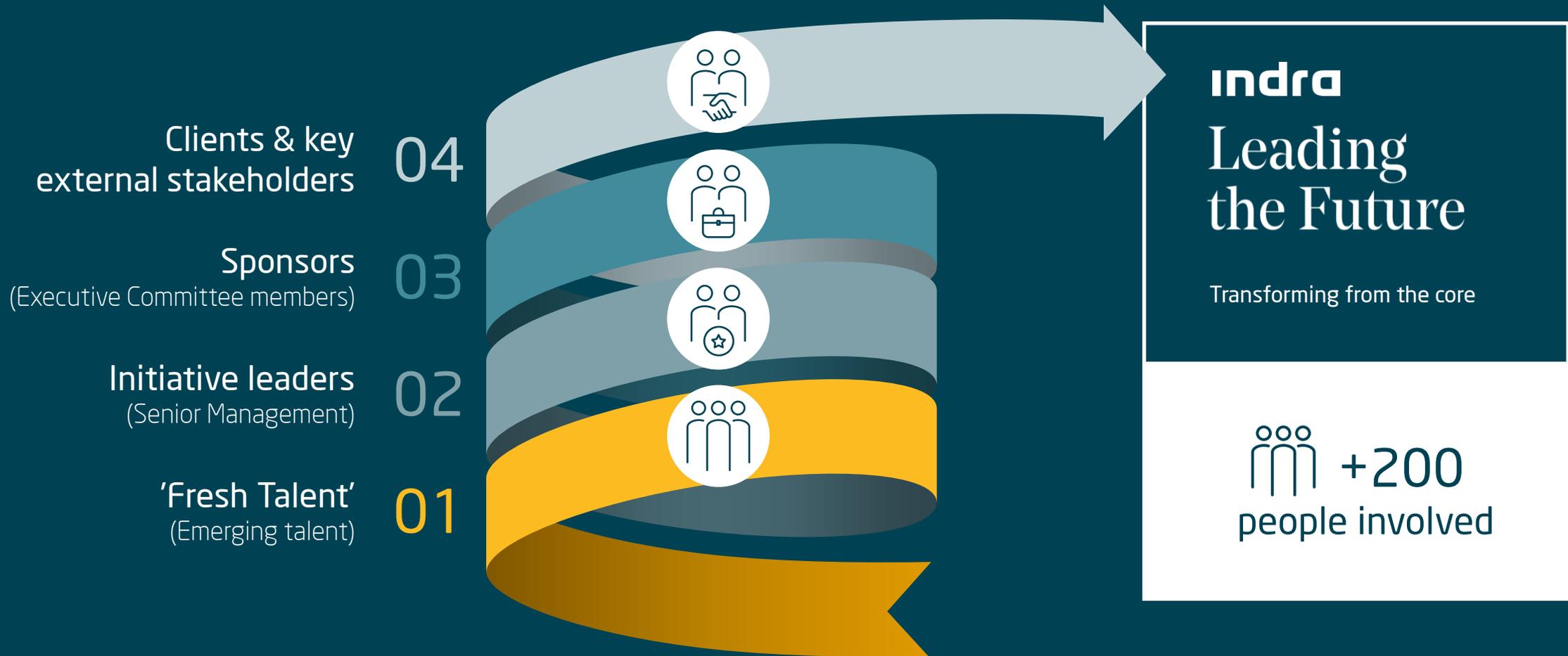
01. Accelerate transition to a **multidomain national reference** in **Defence**
 - Evolve to a Global System Integrator and Domestic Coordinator in Air & Land
 - Develop the Space domain, creating a European Tier-1 business with end-to-end capabilities
02. Reach **Global ATM leadership**, scaling-up in North America & Asia-Pacific and expanding into unmanned traffic management
03. Become the advanced **technology & services ecosystem Coordinator** across industries in Europe & LatAm
 - Foster the development of most advanced digital technologies and capabilities in AI, Cloud & Cybersecurity
04. **Divest non-core assets** and proactively **boost acquisitions and partnerships/alliances**
05. Reinforce **brands** to continue being the **preferred employer** for the **high-value technological talent** in priority geographies



'Leading
the Future'
'24 - '30
Strategic Plan

Strategic Plan Methodology

'Leading the Future' followed a bottom-up approach



Indra's Culture Evolution

Evolve towards a recognized and shared culture, fostering accountability and collaboration



Full **accountability** over processes & products



Agile **decision-making** & shared leadership model



Diverse multinational & multi-business **culture**, valuing our differences



Culture fosters **sense of belonging**: individuals as brand ambassadors



Fluid **collaboration** with external partners & across the organisation



Strong **programme management** capabilities



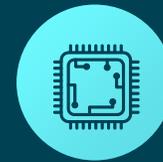
Excellence in **risk-return management**



Standardized & scalable product design & production



Simplified and focused product offering



Significant **self-funded R&D investment** in cutting-edge tech

Indra's
vision

**Become the Spanish multinational
of reference in Defence & Aerospace
and Advanced Digital Technologies**

Leading the Future



	2023	2026	2030
Revenue	€4.3 B	€6 B	€10 B
EBITDA	10.3%	>12%	>14%
EBIT	8.0%	10%	12%
FCF	€0.9 B cumulative '24-'26	€2-2.5 B cumulative '27-'30	>€3 B '24-'30

Notes: 1. Revenue in constant currency; 2. Including organic growth and M&A

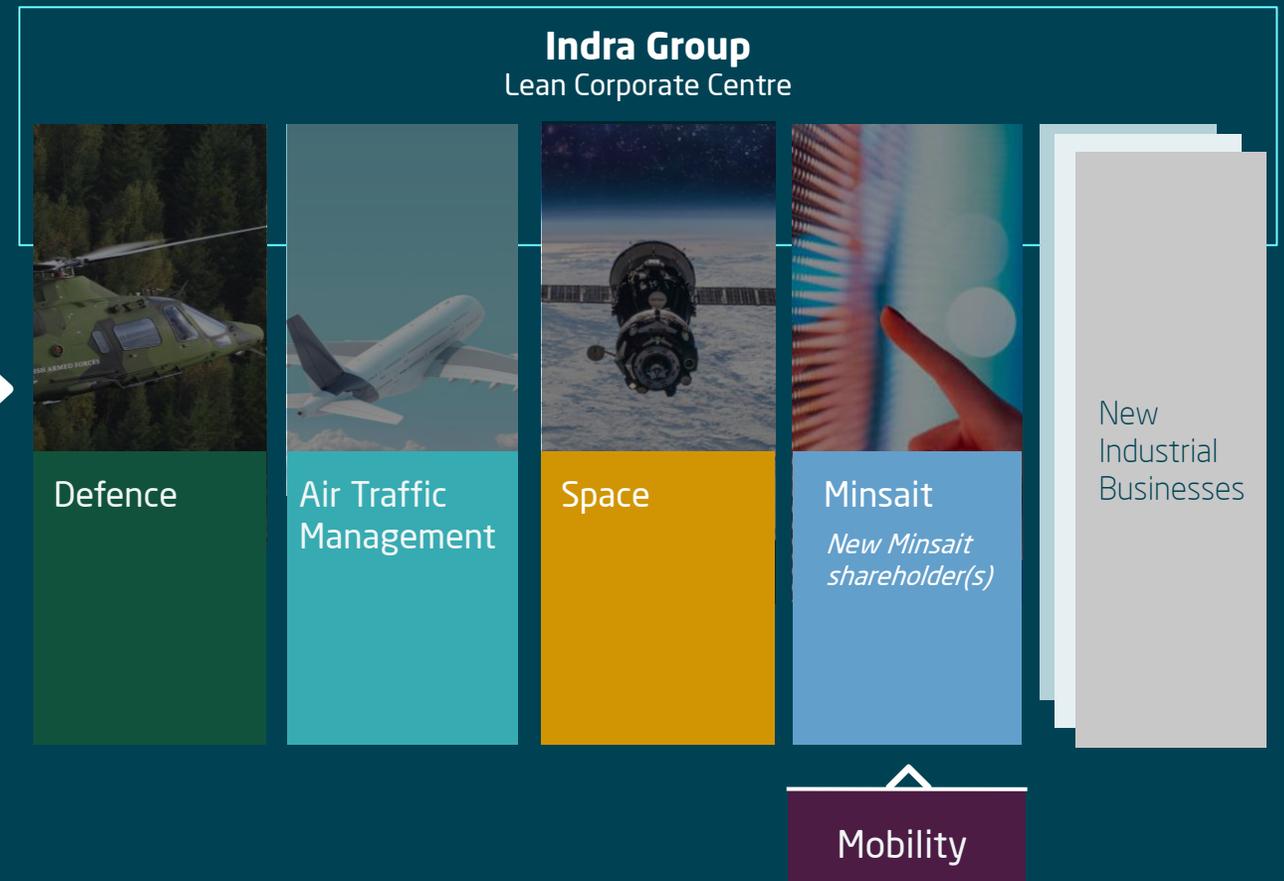
Indra's Future Structure

Indra will evolve towards a more flexible Group structure

INDRA'S CURRENT STRUCTURE



INDRA'S FUTURE STRUCTURE



Strategic Lines

'Leading the Future' pivots around seven strategic lines

Business strategic lines

1. Focus on Defence & Aerospace



Defence



Air Traffic Management

2. Create a Space NewCo



Space

3. Increase Minsait's autonomy with partner(s)



Minsait

Cross-Group strategic lines

4. Strengthen presence in new 'home markets'

5. Activate portfolio rotation (M&A) and expand the ecosystem (partnerships and alliances)

6. Increase investment in technological R&D

7. 'Double down' on critical talent

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Indra Defence
vision

Evolve into a **Land, Air & Cyberspace Spanish Coordinator** in European programmes

Become a **Defence Systems Integrator of reference**

Transform the business from
National to International

1. Focus on Defence & Aerospace | Defence

Indra's Defence target evolution

	FROM 2023 - Indra		TO 2026 - Indra
Role	Product supplier	>	Defence ecosystem coordinator
Portfolio	Mostly scattered	>	Focused solutions
Value proposition	Industry-average	>	Cutting-edge technologies
Engineering & operations	Project-based	>	Standardized & scalable

1. Focus on Defence & Aerospace | Defence

Become a multidomain System Integrator;
Act as Coordinator in specific programmes



Air



Land



Sea



Cyberspace



Space

Large programmes & integrated systems

National Coordinator in European programmes
International air Defence Systems Integrator

National Coordinator in European programmes
System Integrator of reference at European/international level

Integrator of specific naval systems at National and European level

Coordinator of National and European cooperation cyberspace Defence programmes

National leader and European Tier-1 company
Detailed in strategic line #2: Create a Space NewCo

Aftermarket

Evolution towards **Aftermarket 4.0** and more sophisticated models bringing higher recurrence and margin

Indra will leverage the ecosystem to achieve the Defence vision



Europe
(M&A & partnerships)



Middle East
(Local JVs / partnerships)



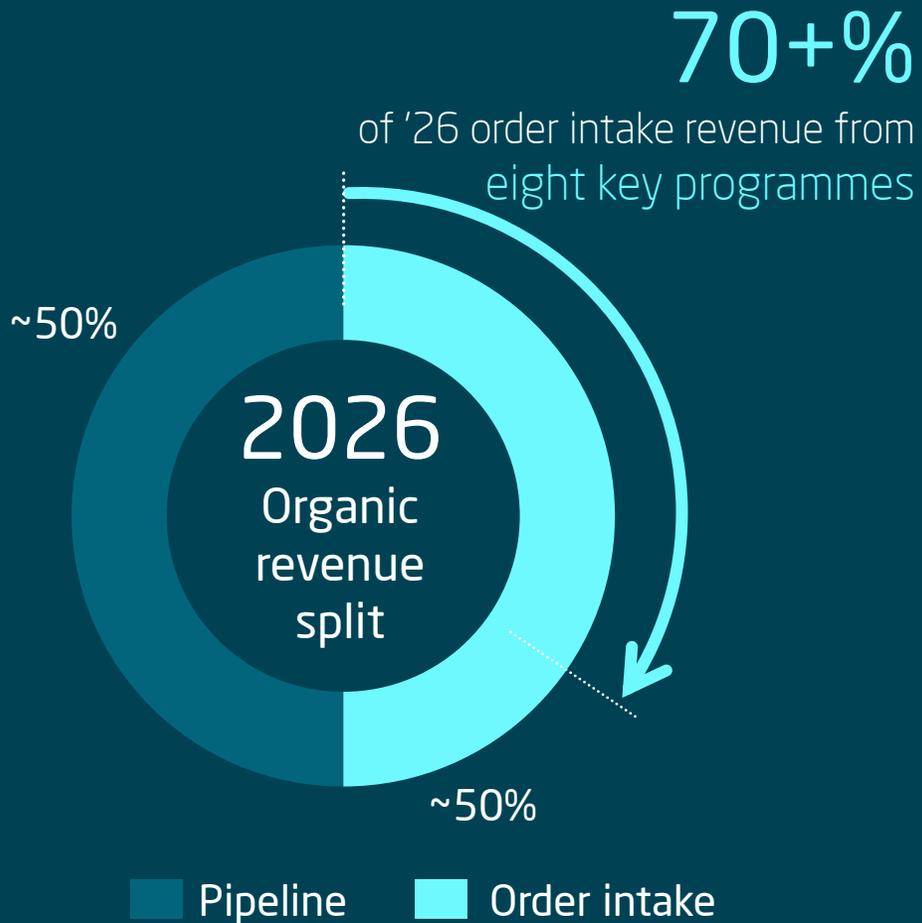
U.S.
(Local partnerships)



Rest
(Export)

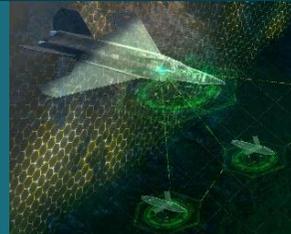
1. Focus on Defence & Aerospace | Defence

50% of '26 organic sales already committed, of which 70+% are from eight programmes



FCAS

National Coordinator for NGWS programme, & international leader for the Sensors pillar



Eurofighter

Supply of next-generation Radar & Electronic Defence Systems



NH-90

Integration of Self-protection & Simulation Systems



A-400M

Supply of Surveillance & Self-Protection Systems



MKIII (Tiger)

Modernization of Tiger helicopters with Mission & Electronic Defence Systems



Chinook

Supply of Mission & Electronic Defence Systems



VCR 8x8

Integration of Mission & Situational Awareness Systems in ~350 vehicles



F110

Integration of Electronic Defence Systems & next-generation Sensors



1. Focus on Defence & Aerospace | Defence

From 100+ products to 11 client-focused solutions built around six tech categories

100+ customized products

6 Technology categories



Radar



Electronic Defence



Electro-optics



Communications



Simulation



Command, Control, Computing & Intelligence (C3i)

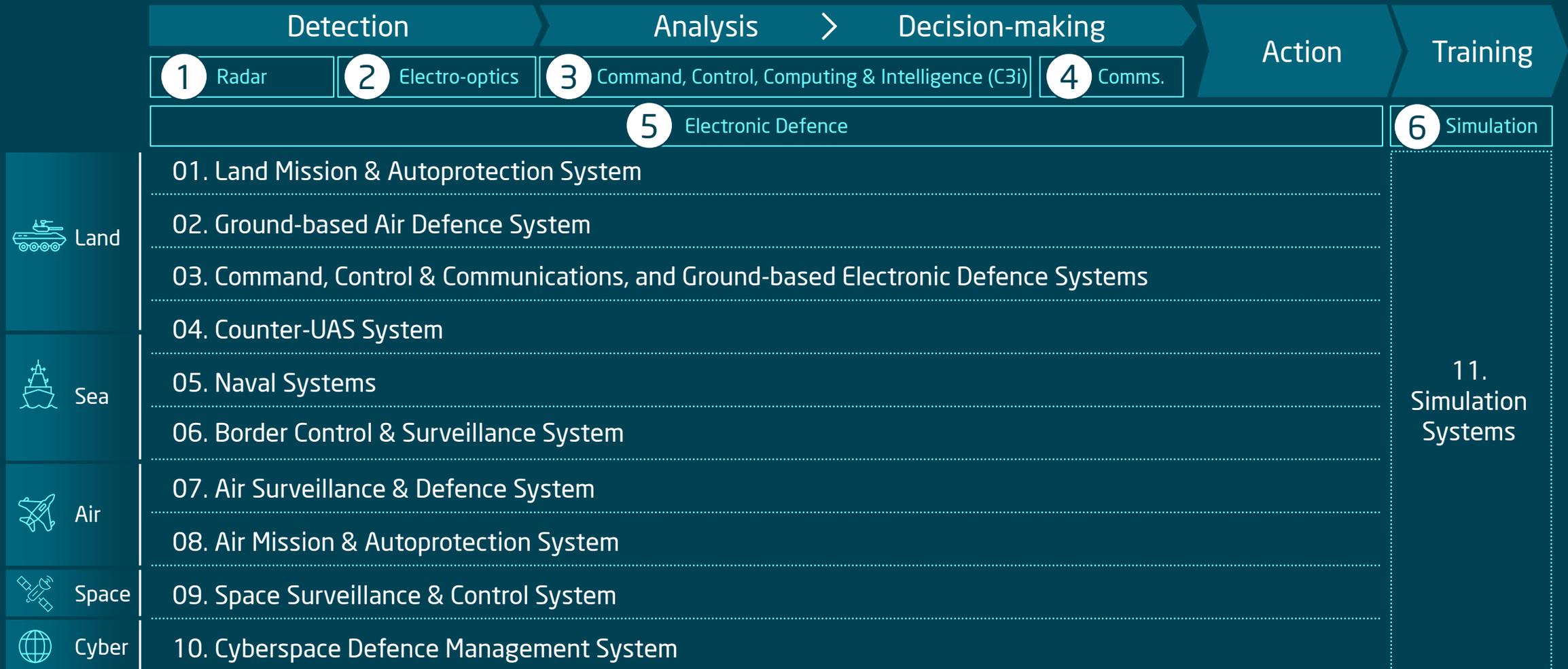


11 Integrated client-focused solutions

(completed with our extended ecosystem)

1. Focus on Defence & Aerospace | Defence

We will focus on six tech categories integrated into 11 client-focused solutions



Indra Air Traffic Management vision



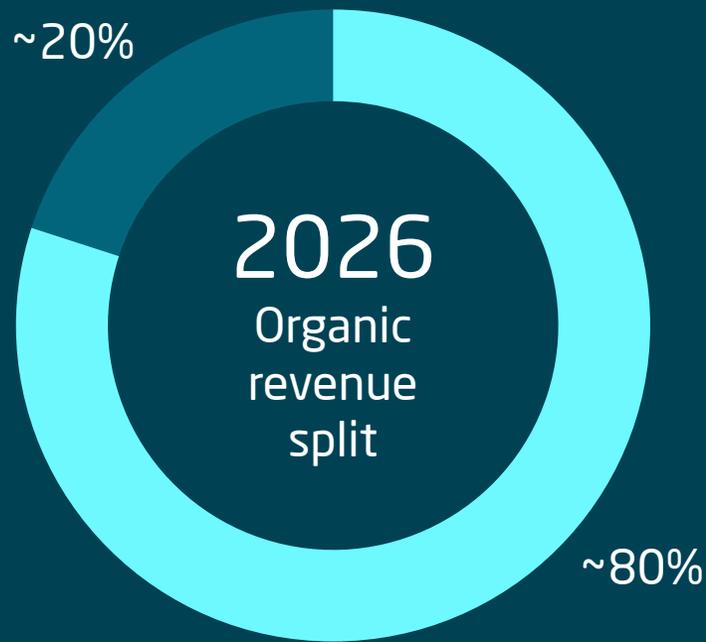
Reach the **number one position globally** by strengthening our core presence in **North America and Asia-Pacific**

Extend the **automation technological solution** to Middle East, Latin America and Asia

Maintain **leadership** in Air Traffic Management in **Europe, Middle East and Latin America**

1. Focus on Defence & Aerospace | ATM

Indra will expand its European ATM leadership to other regions & market segments



- Backlog & high-probability pipeline
- Identified opportunities



Europe

European leadership consolidation

- Reinforce **iTEC** alliance, pushing forward new **automation** solutions
- Capture **surveillance** system renewal programmes



North America



Asia-Pacific

Expansion of leadership to North America and Asia-Pacific/India

- Integration of acquisitions (*e.g. SELEX*) and scale-up with alliances & bolt-ons to strengthen positioning towards incoming **U.S.** programmes
- Capture large **system renewal opportunities** and develop **Single Sky** programmes and **technology-partner-like alliances** in Asia-Pacific



UTM

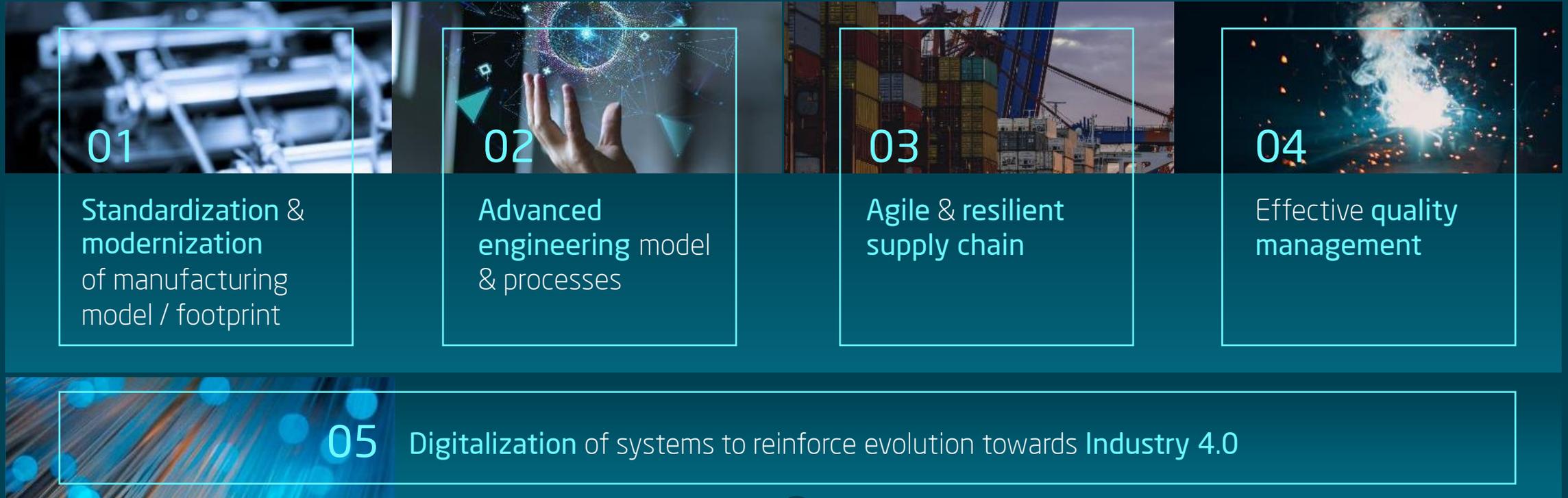
Development of local unmanned traffic management platform and opportunities

(*e.g. U-Space Service Provider*)

1. Focus on Defence & Aerospace | **Defence & ATM**

Indra will carry out a comprehensive transformation of the operations

DEFENCE & ATM OPERATIONS



New Indra Technology Hub (2026)

1. Focus on Defence & Aerospace | Defence & ATM

Illustrative example of Radar operations turnaround

AS-IS		TO-BE	
60	Annual units in production	>	x3 Annual units in production
10-30%	Radar commonalities between markets for main radar families (e.g. ATM and air defence, air defence and naval platforms)	>	+60% Radar commonalities between markets for main radar families (e.g. ATM and air defence, air defence and naval platforms)
18	Radar families	>	13 Radar families evolving from 2025 to 2030
•	~30%	Design and prototyping lead time reduction	→
•	~50%	Production lead time reduction	→
•	~20%	Radar delivery cost reduction	→

Indra Space
vision

Tier-1 European player with global footprint
and presence in main European programmes

Dual civil-military offering with
end-to-end capabilities alongside the value chain

International ecosystem of shareholders
and partners to accelerate growth

2. Create a Space NewCo

Increasing relevance of **communications** for Spain's & Europe's strategic autonomy



Space as the 5th domain in Defence, key for EU's strategic autonomy in **communications**

Next-gen satellite-based **communications**, navigation & surveillance

IoT & M2M use cases, broadband **communications**, data analytics, ...

Wide-spread presence of **Defence and ATM players** in the Space industry **with dedicated divisions** and strong M&A activity

Thales Elbit Systems

RTX Lockheed Martin

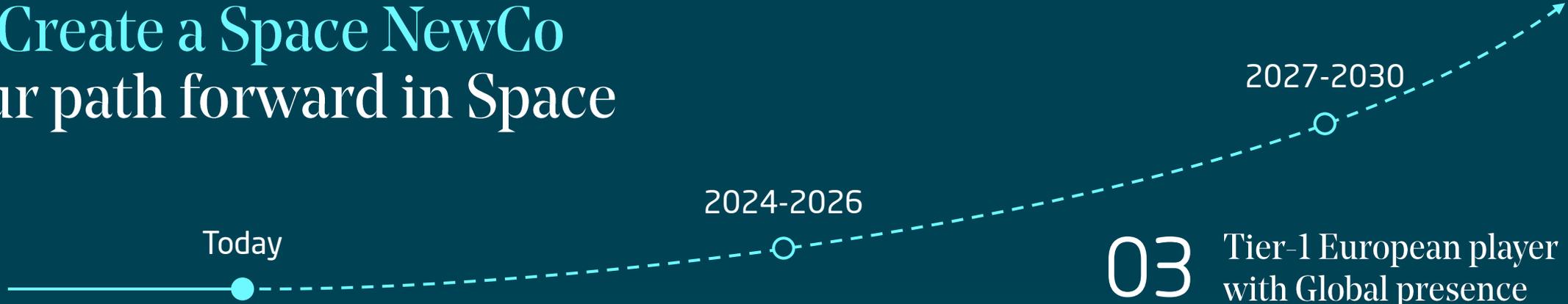
Northrop Grumman

Airbus Defence & Space

BAE Systems

2. Create a Space NewCo

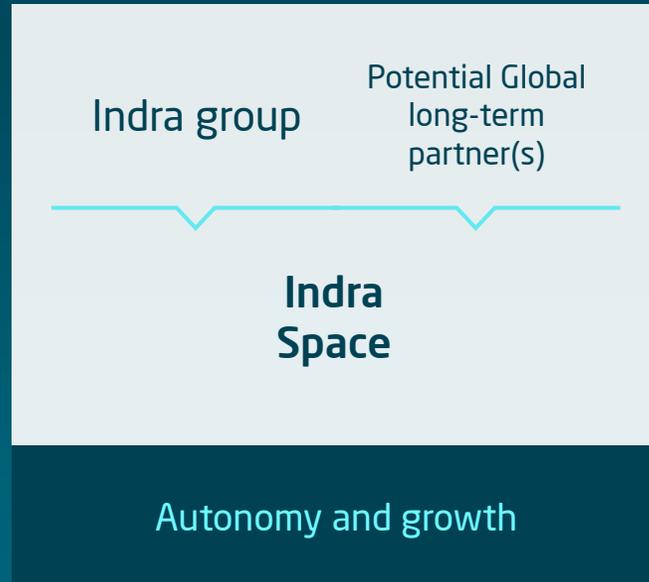
Our path forward in Space



01 Aggregate current capabilities



02 Creation of a NewCo



03 Tier-1 European player with Global presence



Indra's vision
for Minsait

Become one of the **main European and Latin American IT Services players**

Aggressively rebalance portfolio towards most-advanced **digital business** lines

Accelerate expansion into **higher-value geographies**

3. Increase Minsait's autonomy

01

Higher operating **autonomy** inside the Group, with **dedicated governance**

02

Partner with minority or majority **strategic shareholder(s)** to boost ambitious growth plan

03

Mobility as new business line to leverage Minsait capabilities

04

Divestment of **non-core businesses**

05

Reinforce **group-wide digital capabilities** to provide services to other Indra's businesses

3. Increase Minsait's autonomy

New partner(s) will be the cornerstone of Minsait's growth & repositioning plan

01



Operational excellence

Capture efficiencies through Gen AI roll-out; optimize unitary costs of production pyramids

02



Sales effectiveness

Deploy a proactive commercial model around priority offerings and target clients; develop joint sales plans with large techs

03



Maximization of value offer

Focus on digital: AI, Cloud, Cybersecurity & other high-potential tech (*AR/VR, IoT, IT-OT, blockchain*)

04



Consolidation of international presence

Focus on value geographies (Europe, Middle East); scale-up LatAm operations



Unique management of business & tech talent



Systematization of M&A (*bolt-ons*) to reinforce shift towards digital and value geographies

3. Increase Minsait's autonomy

Maximization of value offer

Focus on digital



Artificial Intelligence

Data/ knowledge, foundational models, integration, use cases/ implementation in business processes

Cloud

Modernization of traditional applications (*new architectures, new technologies*) and cloud migration

Cybersecurity

Advanced services (*AI/ anticipation*), next-gen solutions (*information security and operations security*)

Payments

Value chain end-to-end proprietary software, in an as-a-Service format, for processors, end clients and fintechs

Sustainability

Digital assets/ use cases on energy transition, environment protection, circular economy, financial inclusion

Other high-potential technologies

New relationship models (*AR/VR*), physical operations automation (*IoT, edge, IT-OT, 5G/6G*), blockchain/ ledgers

Strategic Lines

'Leading the Future' pivots around seven strategic lines

Business strategic lines

1. Focus on Defence & Aerospace



Defence



Air Traffic Management

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Space

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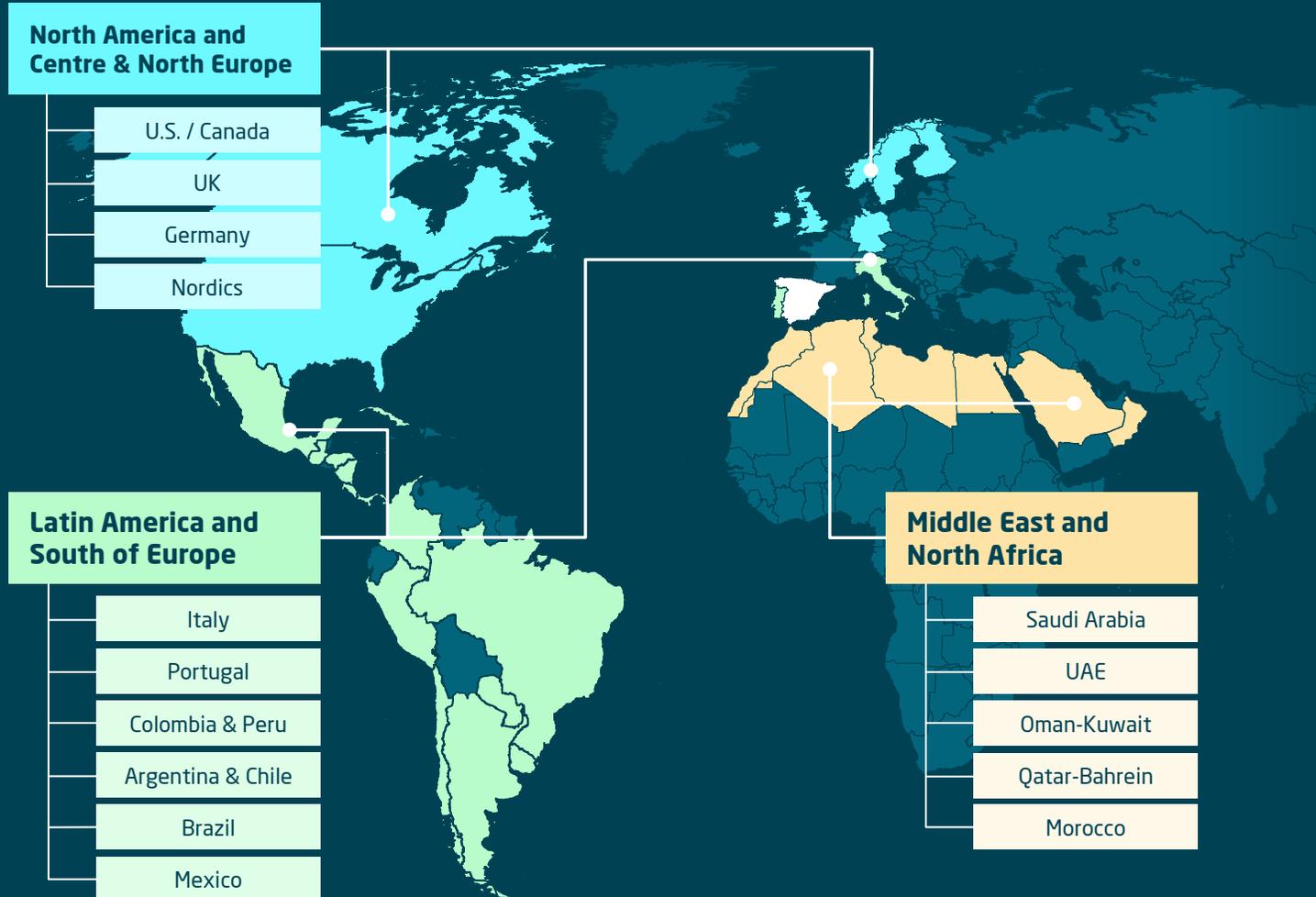
Minsait

Cross-Group strategic lines

4. Strengthen presence in new 'home markets'
5. Activate portfolio rotation (M&A) and expand the ecosystem (partnerships and alliances)
6. Increase investment in technological R&D
7. 'Double down' on critical talent

4. Strengthen presence in new 'home markets'

Roll-out of three new clusters of 'home markets'



- 01 Implementation of three clusters of Home markets to strengthen local positioning and proximity to clients
- 02 Responsibility of the regions over the implementation of plans **locally** and in coherence with the global Group
- 03 Businesses accountable for P&L
- 04 Export model in **Rest of the World**

5. Activate portfolio rotation (M&A) and expand the ecosystem (partnerships and alliances)

M&A

Acquisitions – M&A operations rationale



Defence

- Reinforce capabilities in **Land** domain
- Develop home markets in **Western Europe**
- Strengthen **sensors, Edge avionics** and **C-UAS** capabilities



ATM

- Develop **North American** market
- Reinforce **tower capabilities**



Space

- **Scale-up NewCo** at Global level
- **Acquire end-to-end capabilities** in **Upstream & Downstream**, with civil-military duality



Minsait *(inc. Mobility)*

- **Strengthen** capabilities in **digital technologies**
- Expand in high-value geographies: **Europe and Middle East**

Divestitures

- **Divest** non-core assets

Alliances

*Alliances/JVs
to be developed in
next slide*

5. Activate portfolio rotation (M&A) and expand the ecosystem (partnerships and alliances)

M&A

Alliances

Acquisitions

Divestitures

Alliances/JVs – Main alliances

Navantia

✓ Co-development of combat cloud, naval Command & Control and ship simulator

Escribano

✓ Co-development of directed energy-based actuators for C-UAS systems

Tecnobit

✓ Consolidation of electro-optical systems (IRST) and co-development of photonic technology

Thales

✓ Co-development of next-generation civil & military radar technology

Lockheed Martin

✓ Global collaboration agreement in multiple areas of activity (*e.g., radars, simulation, electronic warfare*)

Hyperscalers

(Microsoft, AWS, Google)

✓ Alliances to drive joint business plans and strengthen the digital offering

SAP, Salesforce

✓ Minsait as Top partner implementing software solutions in multiple business areas

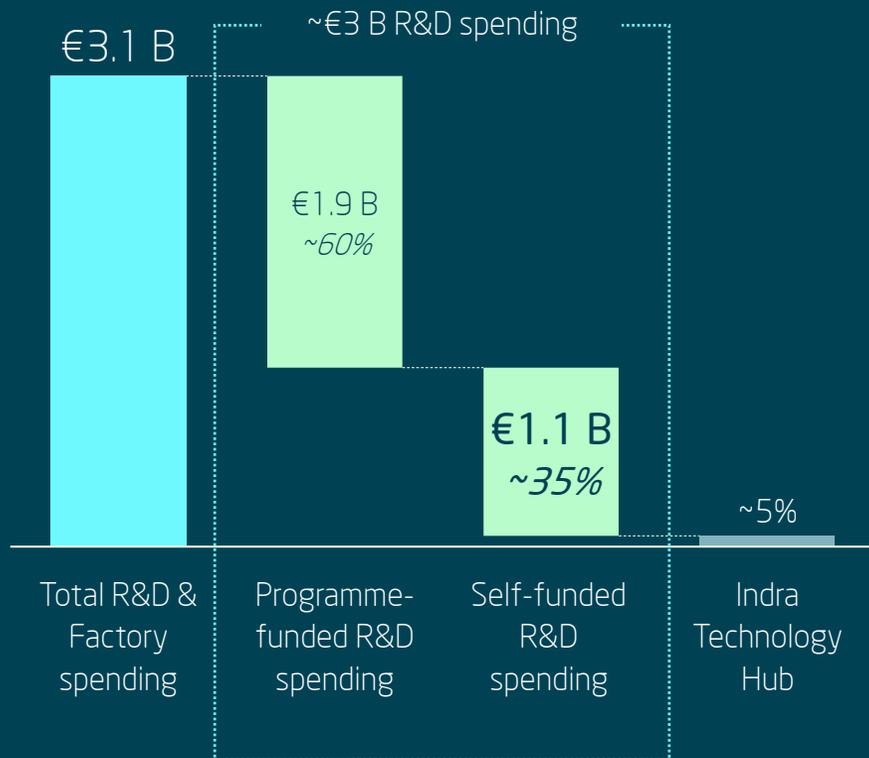
EDGE



JV based in Abu Dhabi for the development and manufacturing of next-generation radars to be marketed in non-NATO territories

6. Increase Investment in Tech R&D

We will invest €3.1 B in tech development until '30; €1.1 B self-funded



Digital technologies

AI

Cloud/Edge Computing

IoT

VR/AR

- Expand current Systems, Functions and Applications to new limits
- Enable new intelligent, autonomous, reconfigurable & cognitive Systems



Cutting-edge technologies

Microelectronics / SiP¹

AESA / Gallium Nitride

Photonics

- Improve performance, compactness and electronic integration

Directed energy

Advanced optronics

Quantum

- Become forerunners in new technological developments

7. 'Double Down' on Critical Talent

Indra will cultivate a truly differential culture, pivoting around five pillars



Creation of **5,000+** high-value technology and digital jobs until 2026

We will reaffirm ourselves as market reference for ESG

Main '24-'26 ESG commitments

- **Accelerate decarbonisation** roadmap: Net Zero across all value chain by 2040
- Adopt **eco-design** criteria in all **new products**
- Improve **sustainability** in our **supply chain**
- Incorporate best practices for **responsible use of AI & data privacy in our solutions**
- Increase **diversity at leadership & management levels**
- Strengthen **oversight of ESG risks by governance bodies**



Comprehensive ESG Plan structured around **16 strategic lines** with **more than 15 KPIs**

Indra is currently recognized by most relevant ESG ratings

Dow Jones	>	Top 1 in sector
MSCI	>	AA (<i>2nd best score</i>)
Sustainalytics	>	Low ESG risk
ecovadis	>	Platinum score



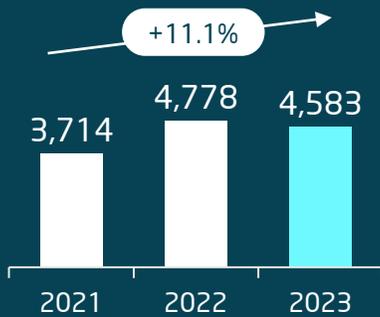
Financial projections

'21-'23 Financials

Indra has overcome 2023 Guidance

Net Order Intake

(€M)



Revenue

(€M)



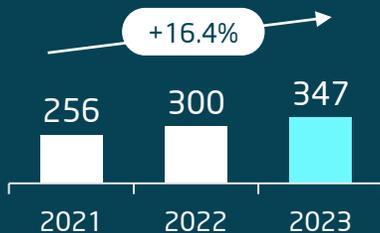
EBITDA

(€M)



EBIT

(€M)



FCF

(€M)



Net Debt / EBITDA



2023 Guidance achieved¹

>€4,000 M
Revenue



>€315 M
EBIT



>€200 M
FCF



1. Original 2023 Guidance

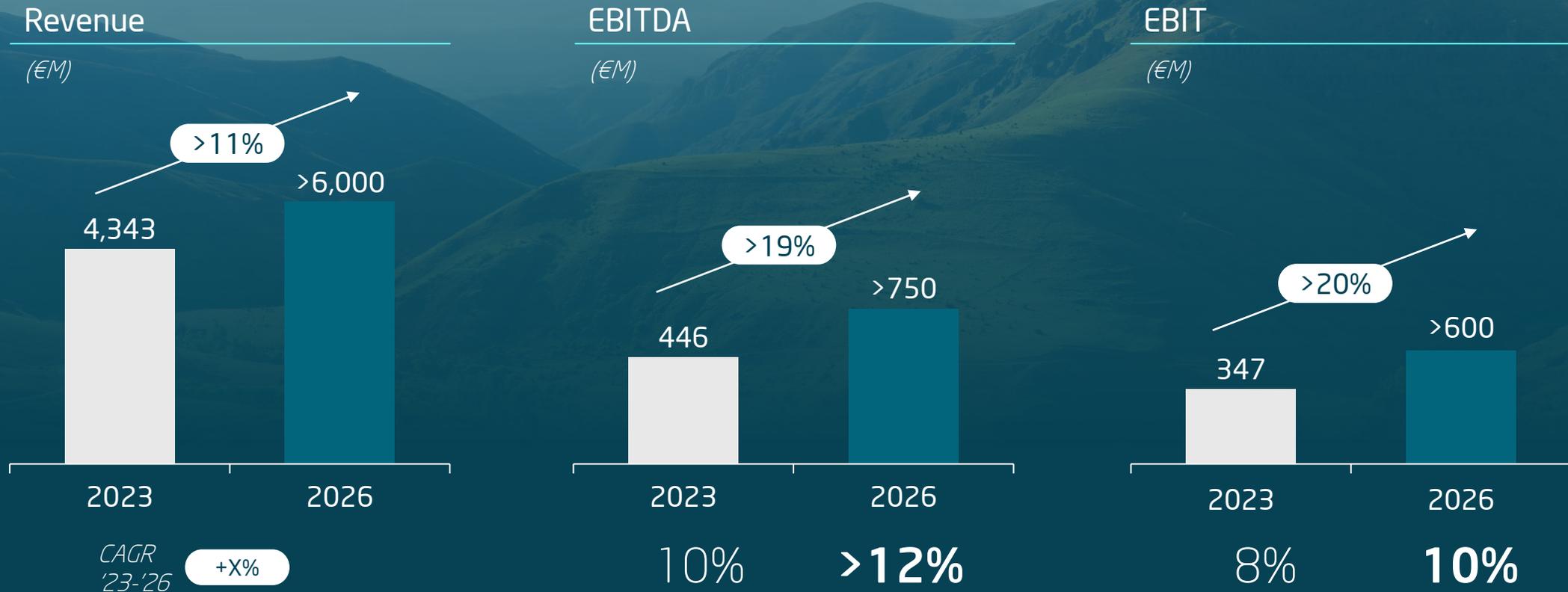
Leading the Future



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FCF	€0.9 B cumulative '24-'26	€2-2.5 B cumulative '27-'30	>€3 B '24-'30

'23-'26 Strategic Plan Financials

We will accelerate growth in EBITDA and EBIT



'23-'26 Strategic Plan Financials | Business Overview

		Organic			Organic		Organic		Organic		
		Revenue Evolution			EBITDA Evolution		EBIT Evolution		FCF		
		2023 (€M)	2026 (€M)	CAGR '23-'26	2023 (€M, % revenue)	2026 (€M, % revenue)	2023 (€M, % revenue)	2026 (€M, % revenue)	2024-2026 (€M, cumulative)		
	Defence	773	1,100	+12%	156 20%	220 20%	140 18%	185 17%	800		
	ATM	361	500	+11%	57 16%	80 16%	44 12%	67 13%			
	Space	44	60	+11%	7 15%	10 16%	6 13%	8 13%			
	Minsait <i>(inc. Mobility)</i>	3,165	3,640	+5%	226 7%	340 9%	157 5%	265 7%			
Indra (€M)		4,343	5,300		446 10%	650 12%	347 8%	525 10%			
		CAGR 23-'26			+7%	CAGR 23-'26		+13%	CAGR 23-'26		+15%

Capital Allocation Priorities



M&A Acceleration

Allocate >75% of acquisitions spend on **Defence & Aerospace**

Minsait's **firepower** expected to **increase** with the arrival of a new **partner**

Focus of M&A targets in **Spain, Western Europe, Middle East & North America**

M&A transactions will be **aligned** with **strategy** and **growth story**, and **accretive** for shareholders



Continued increase in technology investment

+€1.2 B technology spending **until 2026**

- ~€0.7 B programme-funded R&D spending
- ~€0.4 B other R&D spending
- ~€0.1 B Indra Technology Hub



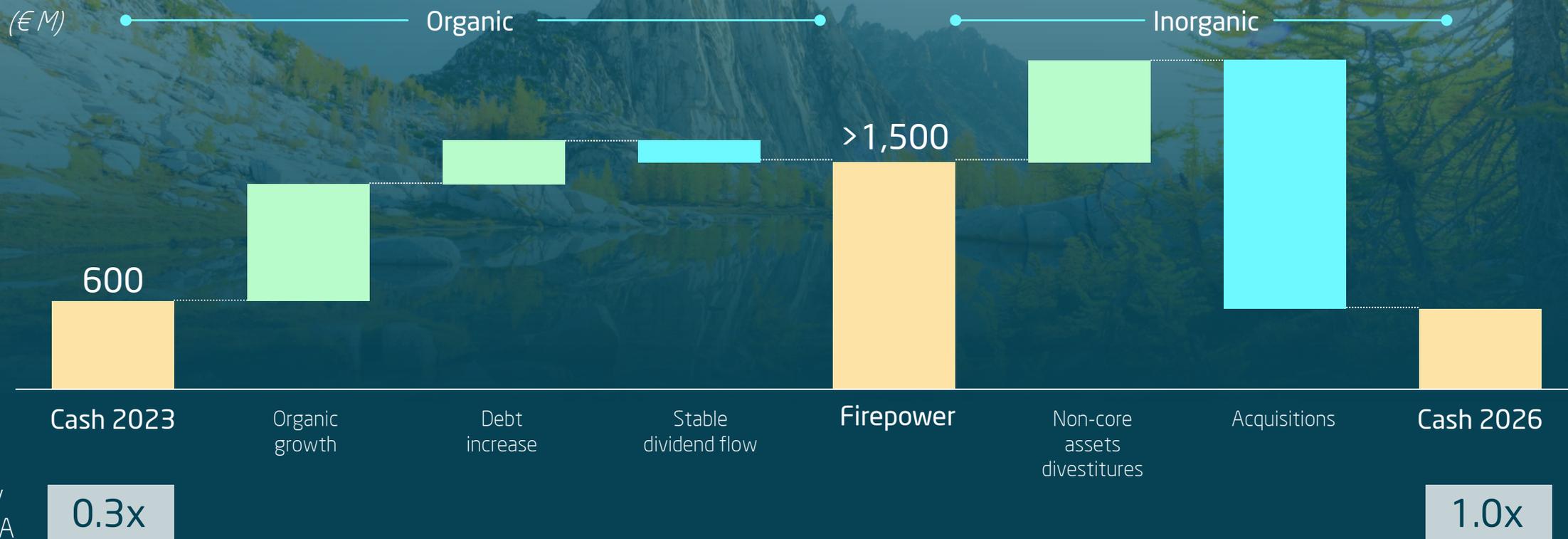
Financial stability & greater shareholder returns

2026 Net Financial Debt / EBITDA of 1.0x – below industry peers – with a maximum threshold of up to 2.0x in '24-'26 period

Dividend practice **in line** with current payout ratios (*~20%*), consistent with company strategy

'23-'26 Cash Bridge

We will unfold 'Leading the Future' while maintaining healthy leverage and cash positions

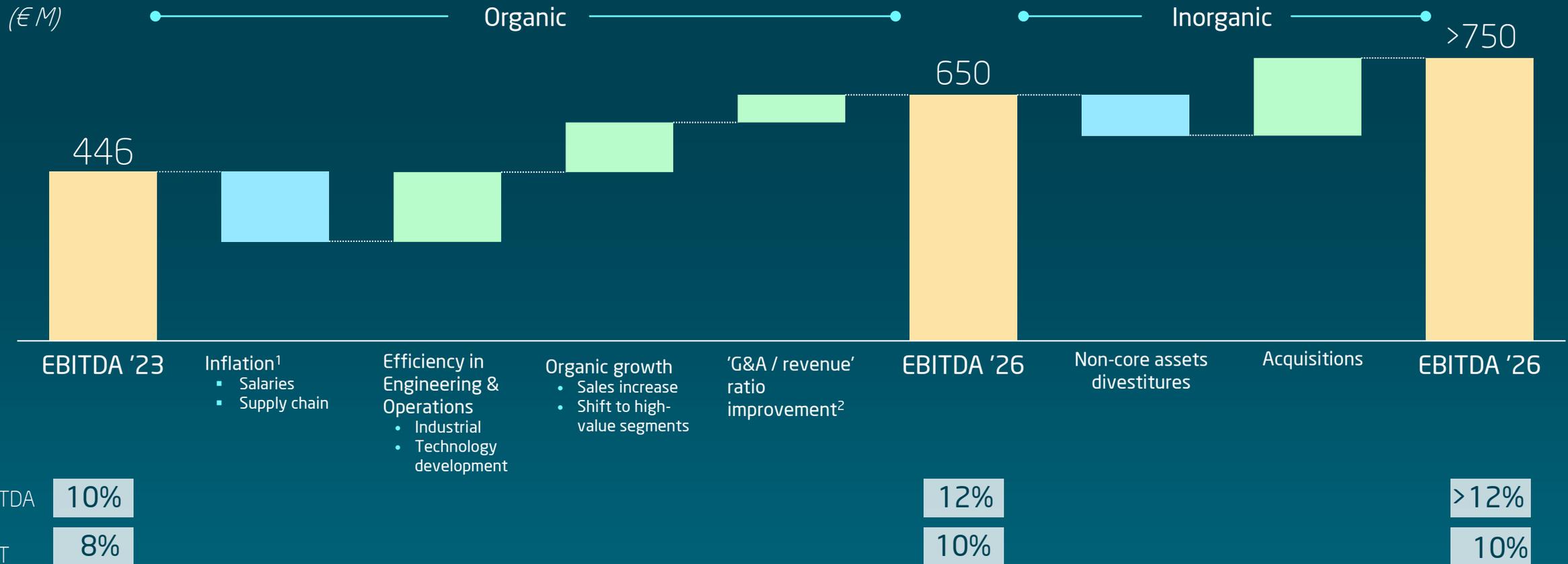


Divestiture of assets (on top of non-core ones already considered) will only be executed to enable strategic and accretive additional acquisitions

1. Net Financial Debt
 Note: Size of areas may not reflect reality

'23-'26 EBITDA Bridge

Key levers to increase EBITDA margin



Divestiture of assets (on top of non-core ones already considered) will only be executed to enable strategic and accretive additional acquisitions

1. Netting pass-through to clients; 2. -1.5 p.p. 2026 vs. 2023
 Note: Size of areas may not reflect reality

'23 vs. '26 EBITDA

Defence & Aerospace contribution to EBITDA increasing significantly within 2023 to 2026 period

2023 EBITDA split

Minsait



Defence &
Aerospace

2026 EBITDA split

Minsait



Defence &
Aerospace

'26 Guidance



Divestiture of assets (on top of non-core ones already considered) will only be executed if Guidance targets are met

Top-management mid-term incentive scheme (IMP) will be linked to this Guidance

indra

Strategic Plan

2024-2030

Capital Markets Day

Q&A



A teal-tinted background image of a hot air balloon festival over a valley. Numerous hot air balloons of various colors and patterns are scattered across the sky, floating over a landscape of rolling hills and valleys. The overall scene is serene and celebratory.

Closing Remarks

indra
At the core