

indra

2020 Results



February 24th, 2021

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:

Spain: +34 911140101

France: +33 170710159

UK: +44 2071943759

US: +1 6467224916

Access Code: 50914643#

Access to the live event:

<https://onlinexperiences.com/Launch/QReg/ShowUUID=E754D847-847A-454C-97FC-BED58835C8D4>

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)172727402

UK: +44 2033645147

US: +1 (646) 722-4969

Access code: 418962793#

Access to the Webcast Replay:

<https://onlinexperiences.com/Launch/QReg/ShowUUID=E754D847-847A-454C-97FC-BED58835C8D4>

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Main 2020 headlines

- 1 Backlog up +16%, new historic high for Indra (€5,229m). Backlog/Revenues LTM reached 1.72x in 2020.
- 2 2020 Order Intake went up +8.4% in local currency, driven by Transport & Defence.
- 3 2020 Revenues down -1.6% in local currency (-5.0% in reported terms), while 4Q20 sales grew +1.0% in local currency (-2.9% in reported terms) vs 4Q19.
- 4 Strong negative FX impact in 2020 (€-108m in Revenues and €-7.3m in EBIT).
- 5 Operating Margin stood at €168m in 2020 vs €257m in 2019 (margin of 5.5% vs 8.0% in 2019), affected by delays and lower activity. 4Q20 Operating Margin was 9.0%, helped by the first measures of the action plan.
- 6 Reported EBIT reached €-33m in 2020 vs €221m in 2019, affected by the delays and lower activity, the impacts of the action plan (€-189m) and the Metrocall capital gain (€+36m).
- 7 Net profit of the group stood at €-65m vs €121m in 2019.
- 8 Cash generation in 2020 was €83m (includes €-38m of the workforce transformation plan).
- 9 Net debt (€481m) reached its lowest level since 2010. Net Debt / EBITDA LTM ratio (excluding the impact of IFRS 16, the costs related to the action plan and the Metrocall capital gain) stood at 2.5x in 2020 vs 1.8x in 2019.

Revenues evolution

FY20 Sales Growth

Reported -5.0%

Local Currency -1.6%

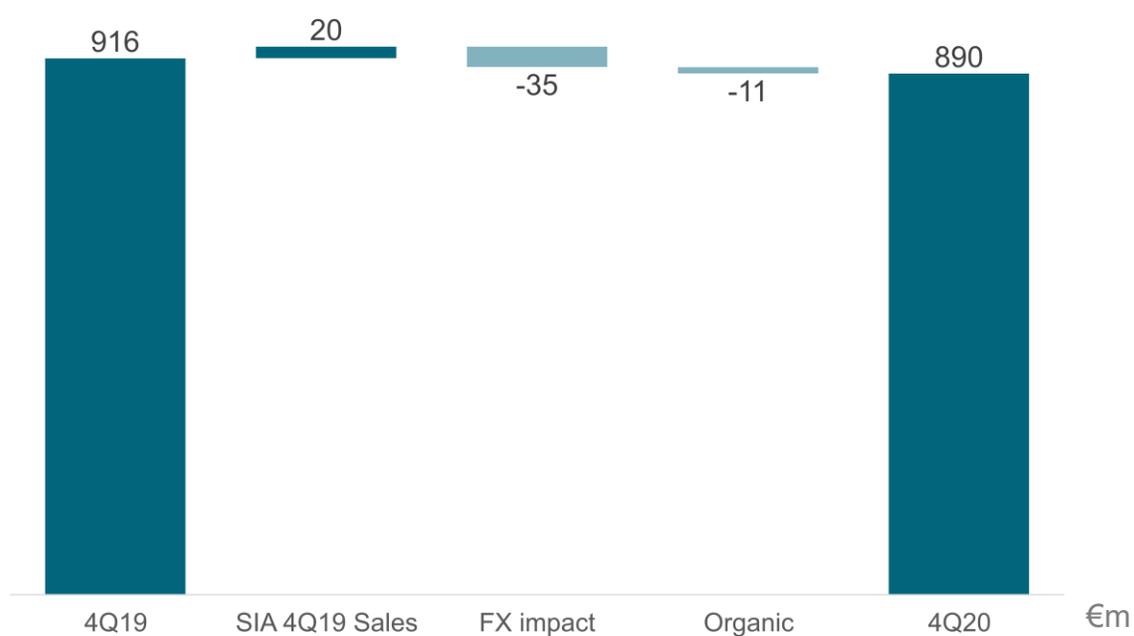
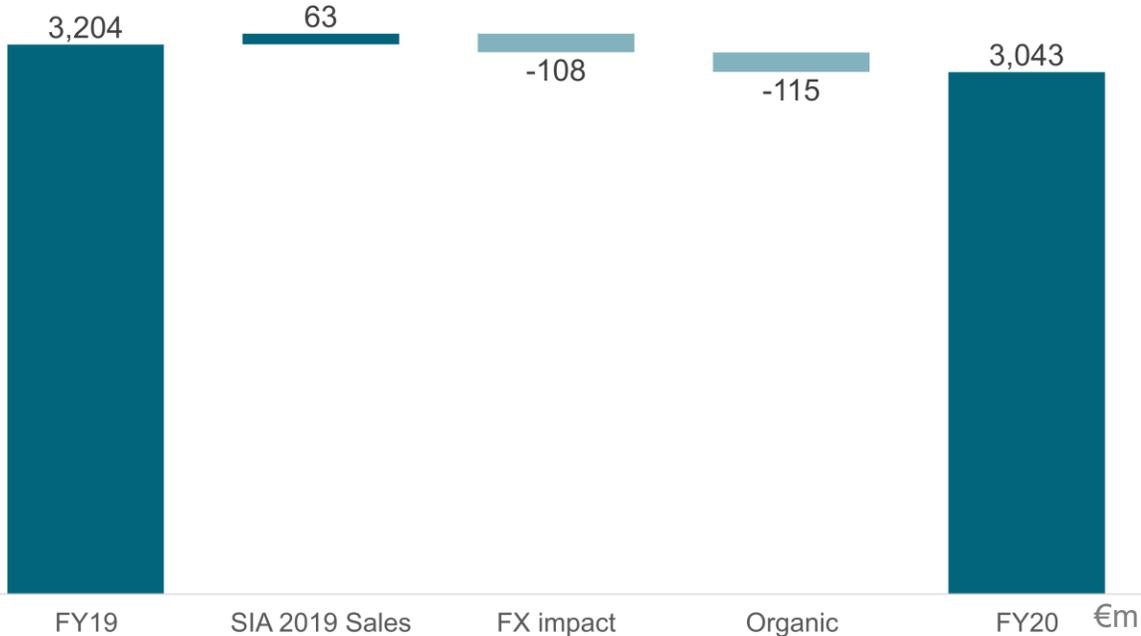
Organic¹ -3.5%

4Q20 Sales Growth

Reported -2.9%

Local Currency +1.0%

Organic¹ -1.2%



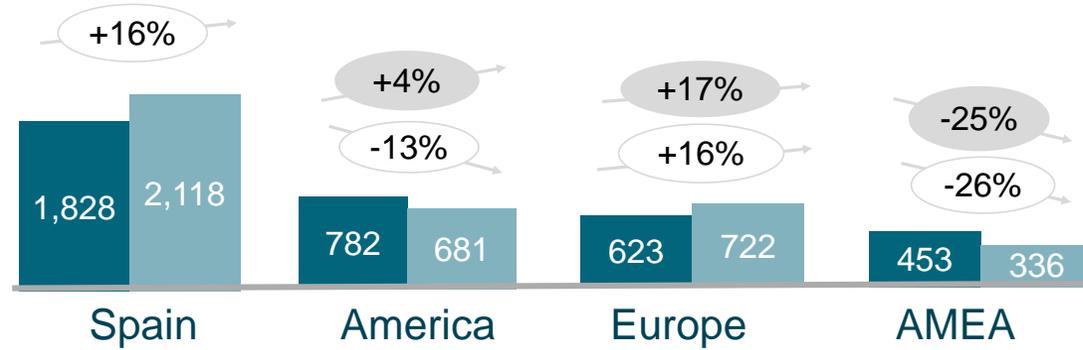
1. Excluding the impact of the SIA acquisition which started to consolidate on January 1st, 2020 and the FX impact

Revenues and order intake by region

Order Intake FY20 (€m)

Local Currency / Reported

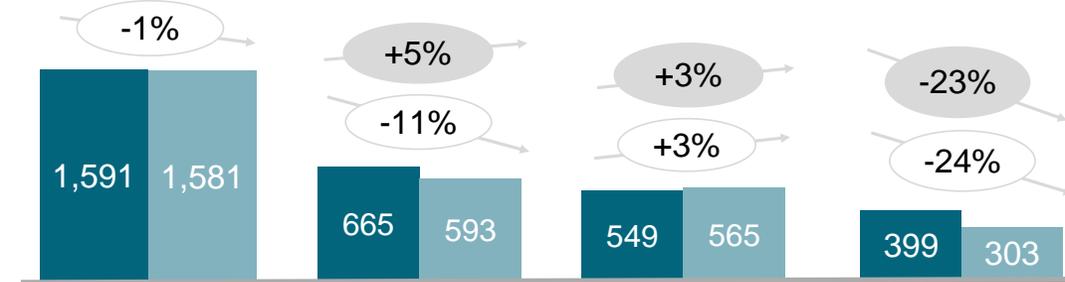
+8% +5%



Revenues FY20 (€m)

Local Currency / Reported

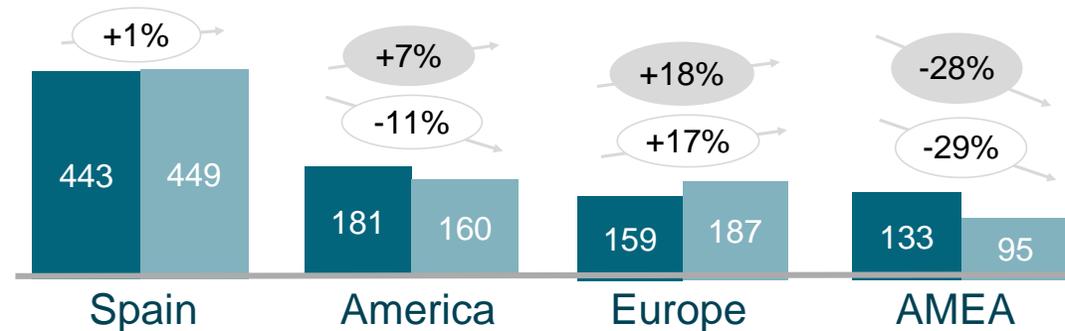
-2% -5%



Revenues 4Q20 (€m)

Local Currency / Reported

+1% -3%

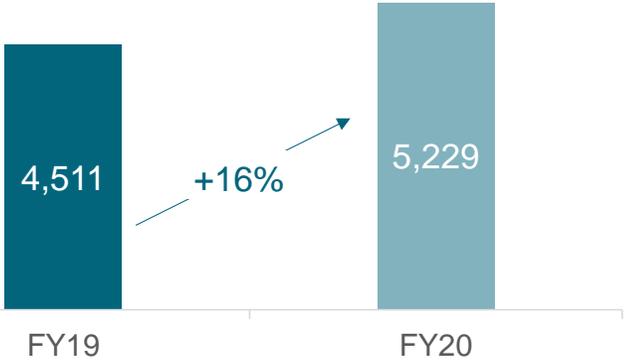


2019
2020

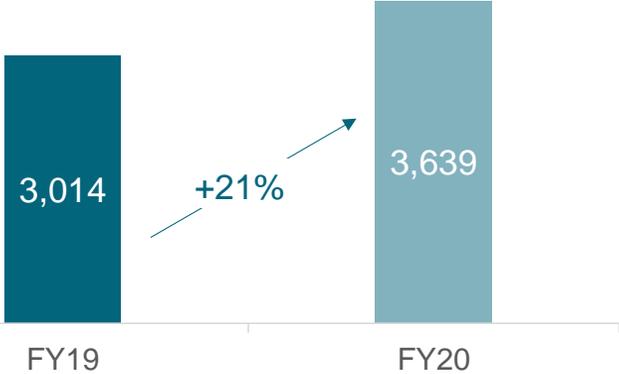
% → Growth in Local Currency
% → Growth in Reported Terms

Backlog +16% reaching new historic high

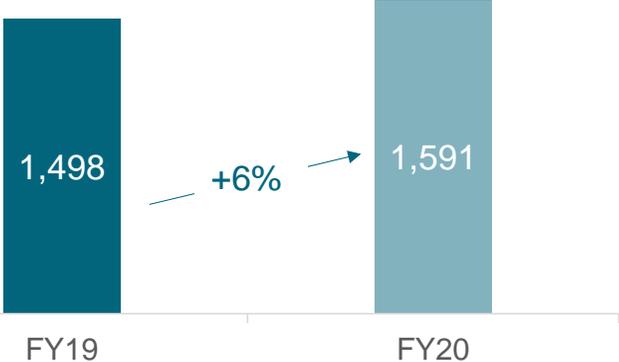
Indra backlog (€m)



T&D backlog (€m)



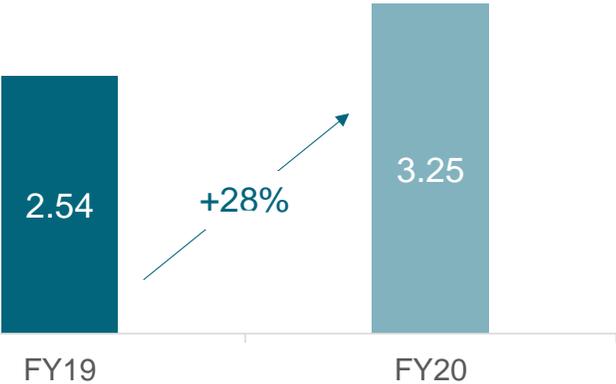
Minsait backlog (€m)



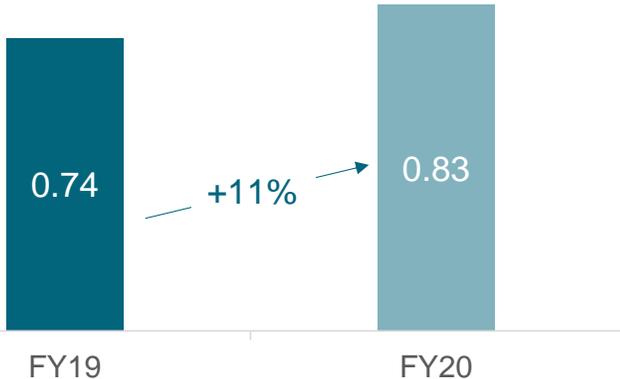
Indra backlog/revs LTM



T&D backlog/revs LTM



Minsait backlog/revs LTM



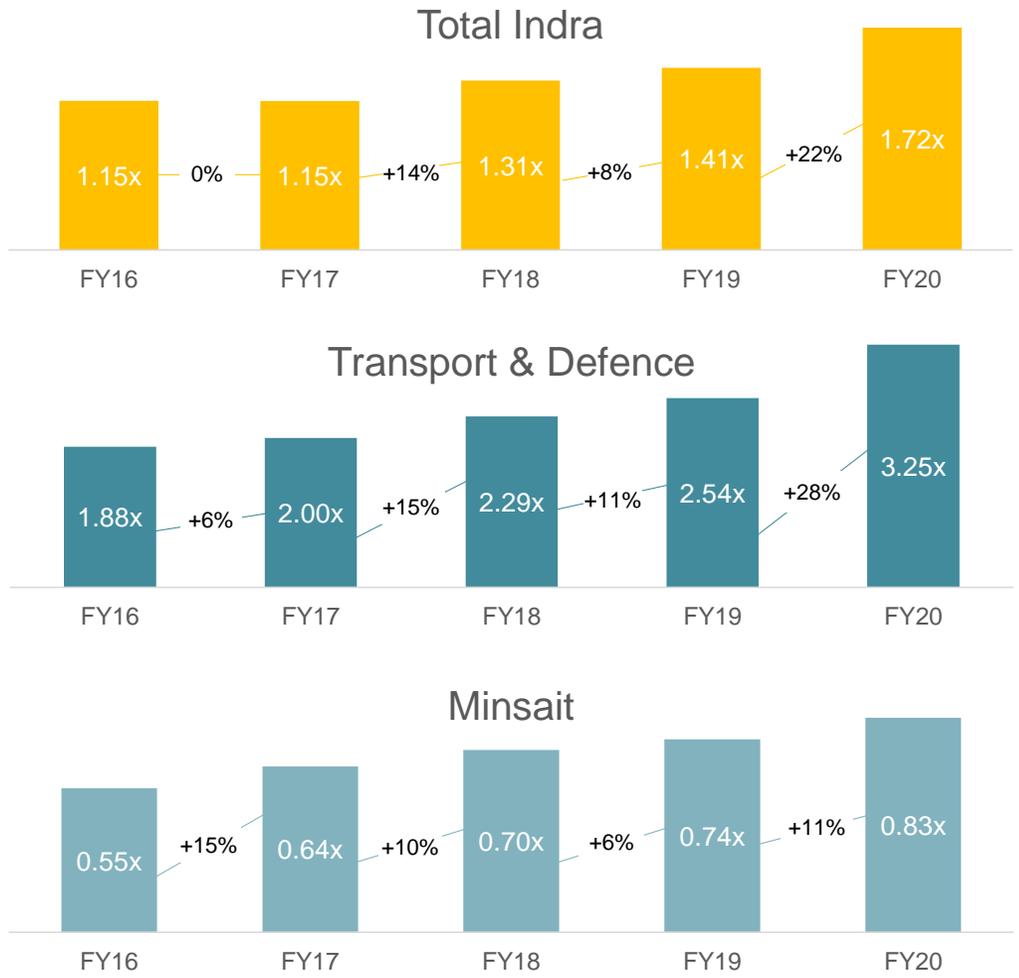
Backlog evolution

Indra backlog (€m)



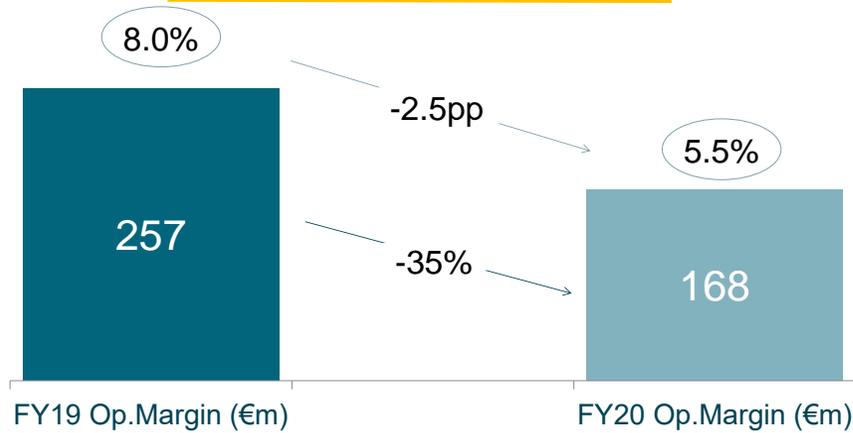
Minsait
 Transport & Defence

Backlog/revs LTM

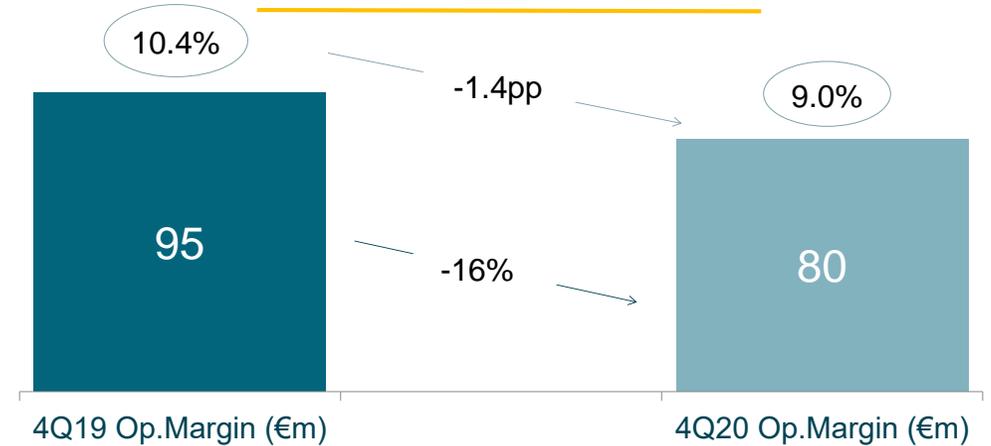


Operating Margin and EBIT evolution

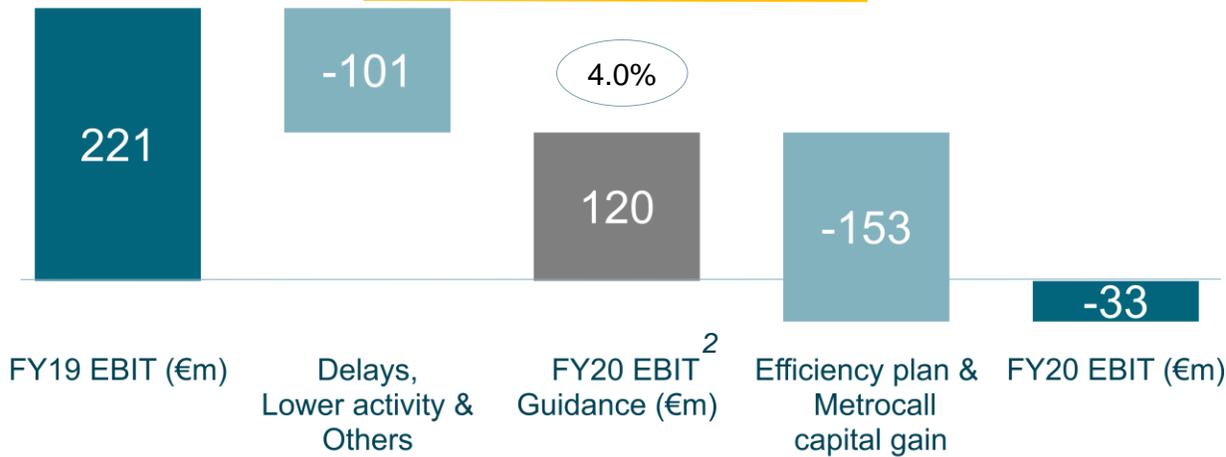
FY20 Operating Margin¹



4Q20 Operating Margin¹



FY20 EBIT and Margin



4Q20 EBIT and Margin



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

2. 2020 EBIT before impact of the efficiency plan (€189 M) and Metrocall capital gain (€36 M). 4Q20 EBIT before impact of the efficiency plan (€94 M).

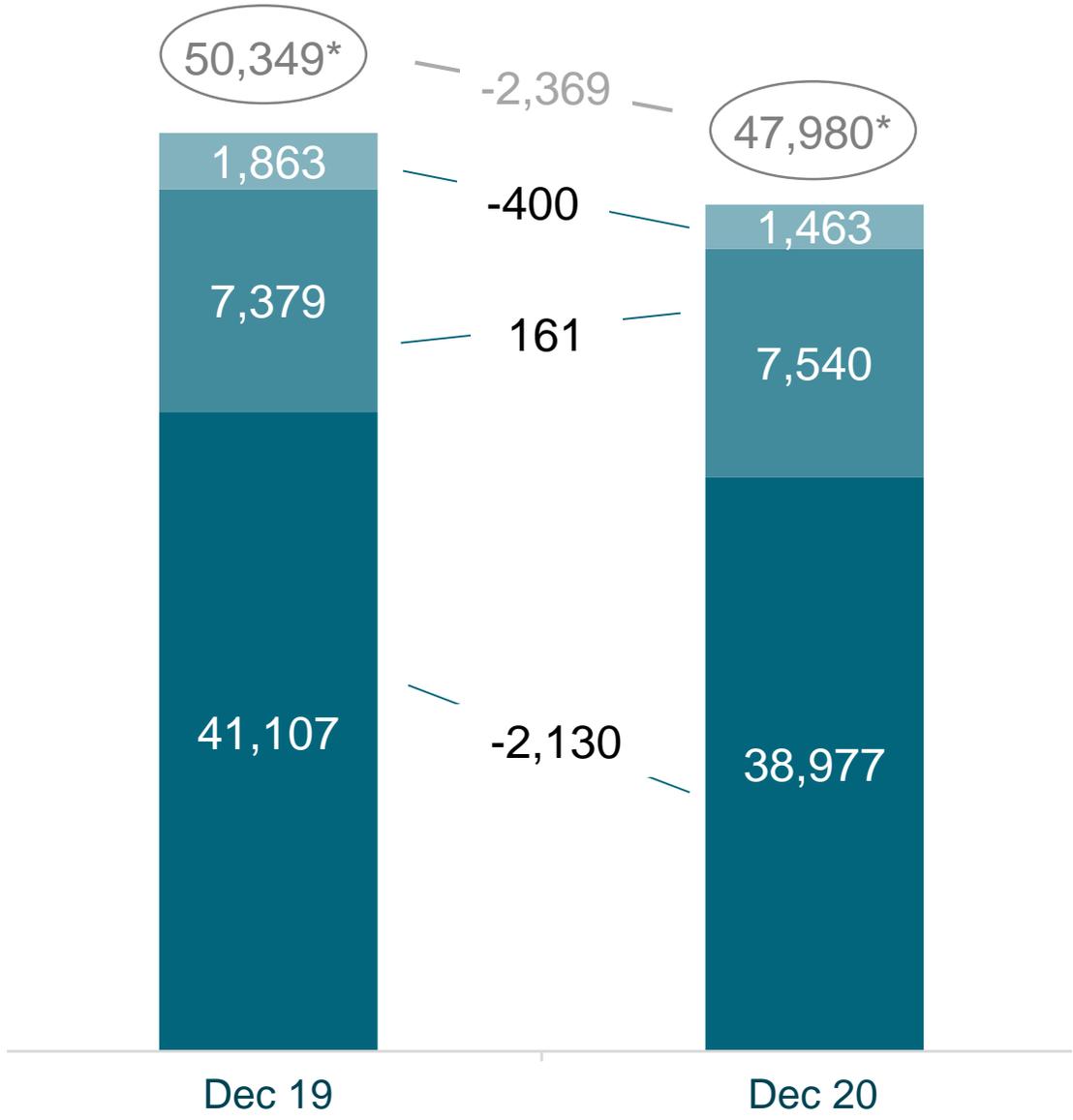
Workforce evolution

Total workforce

Overheads & Others

T&D

Minsait



* SIA employees included

Efficiency plan execution

Actions		EBIT impact M€			Cash impact M€		
		One-off costs 2020	Ongoing savings 2021	2022 and beyond	2020	2021	>2024
1	Reduction of non-personnel expenses	0	20	20	0		
2	Internal processes improvement and new workplace model	-6	18	20	0		
3	Capex investment reorientation and Balance Sheet adjustments	-95	25	25	6		
4	Workforce transformation plan	-88	44	47	-38	-35	-16
Total		-189	107	112	-32	-35	-16

Δ Savings 2021 vs 2020 of €90m

Guidance

Guidance 2020

FY20 results

Guidance 2021

Revenues
(in constant currency)

€3,150m –
€3,200m

€3,152m

Revenues
(in constant currency)

>€3,200m

EBIT guidance *

€120m - €135m

€120m

EBIT guidance

>€200m

FCF before cash
out workforce
transformation plan

>€0 m

€121m

FCF before cash out
workforce
transformation plans

>€120m

* EBIT before impact of the efficiency plan (189 M€) and Metrocall capital gain (36 M€)

Significant achievements in our ESG strategy

Relevant presence in the main ESG indexes



Now a Part of **S&P Global**

84

Sustainability Award
Gold Class 2021

- Member since 2006 -

Within **Top 1%**



FTSE4Good

4,1

Best score of the sector in
Social practices

- Member since 2015 -

Top 16%

MSCI



AA

Leading its industry in
managing the most
significant ESG risks and
opportunities

Top 15%



RATED BY
ISS ESG

Prime

Prime

ESG performance **above**
the sector fulfilling
ambitious absolute
performance

Key ESG figures 2020*

34% Women on staff

89% Professionals trained on Code of
Ethics and Legal Compliance

38% Women on the Board of Directors

80% Local providers

* Figures not audited

Emissions target**

Scope 1+2 → -50% in 2030
and carbon neutral in 2040

Scope 3 → -14% in 2030
and -50% in 2040

2050 net zero emissions

** Baseline year 2019

Supporting gender equality



Only 18 Spanish
companies listed

Committed to talent



Acting on Climate Change



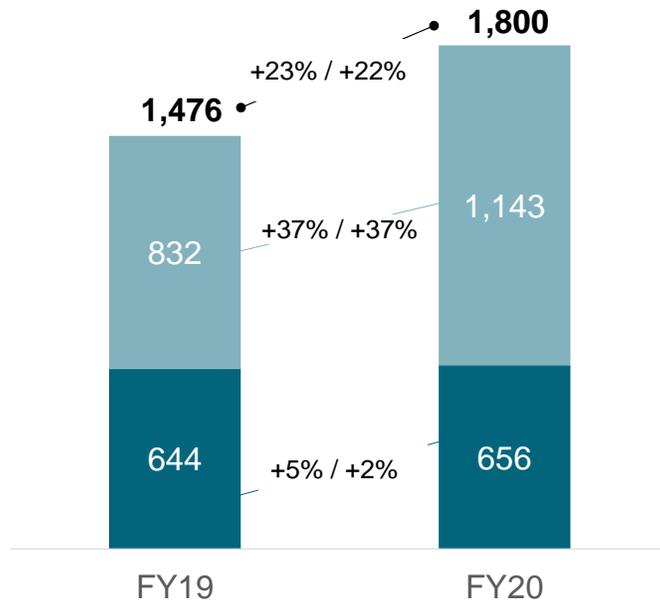
Score B

Committed with the Science Based Targets initiative (SBT)

T&D order intake and revenues

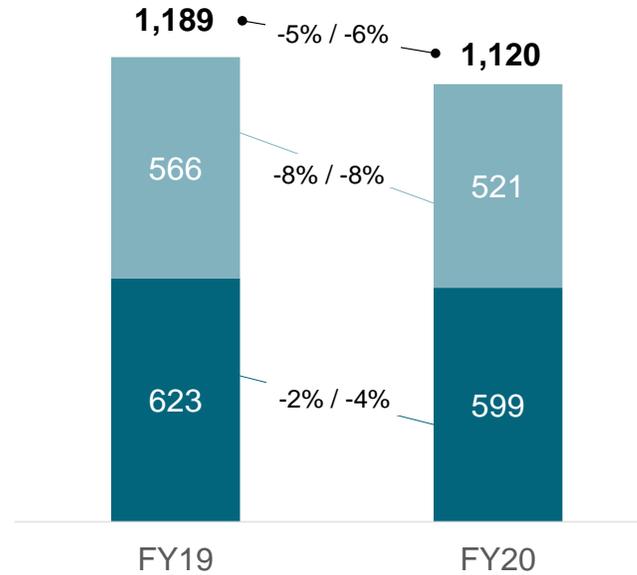
FY20 Order Intake (€m)

Local Currency / Reported



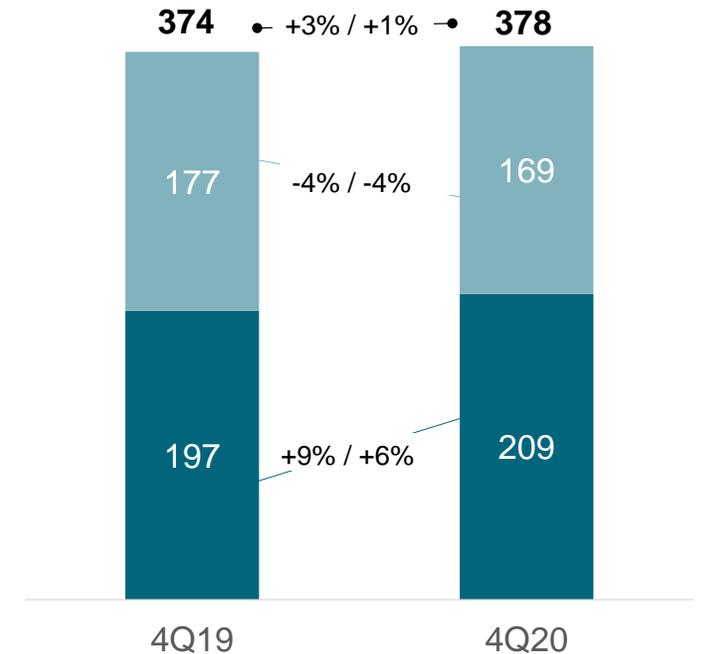
FY20 Revenues (€m)

Local Currency / Reported



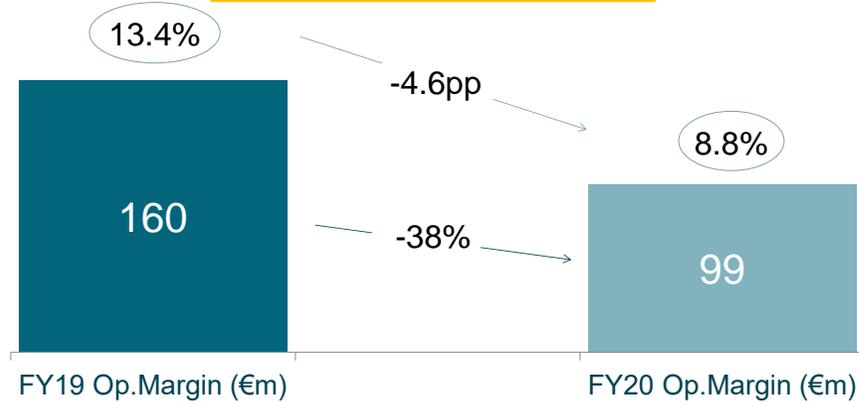
4Q20 Revenues (€m)

Local Currency / Reported

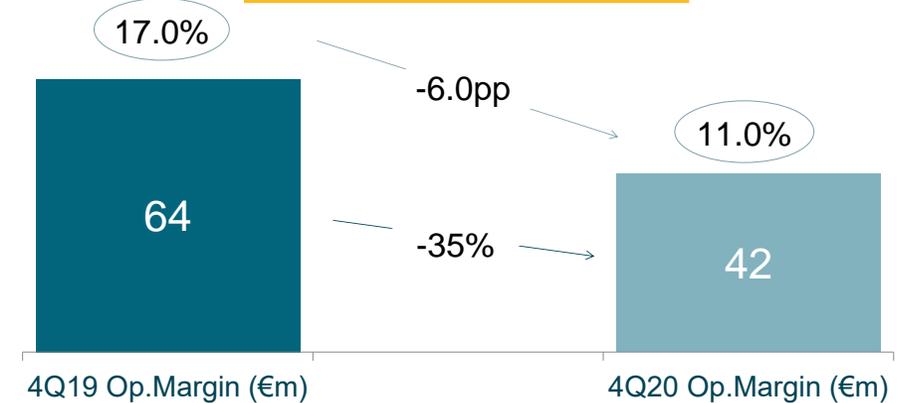


T&D Operating Margin and EBIT evolution

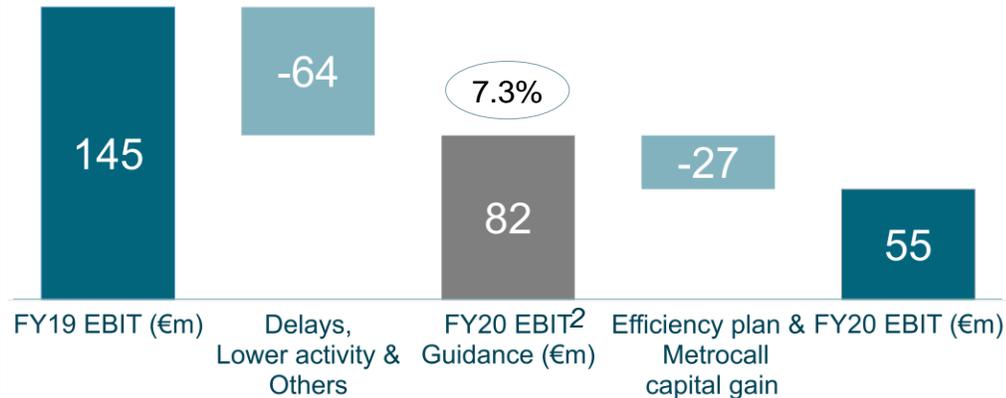
FY20 Operating Margin¹



4Q20 Operating Margin¹



FY20 EBIT and Margin



4Q20 EBIT and Margin



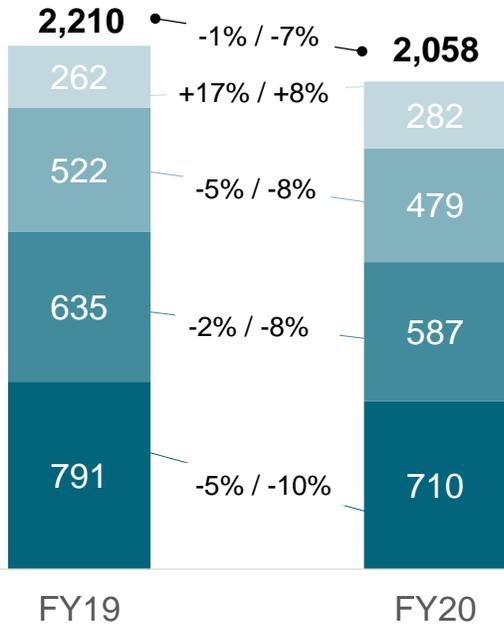
1. EBIT before Other Operating Income & Expenses, including: staff reorganization, impairments, capital gains, integration and acquisition costs, fines, amortization of intangible assets (PPA from acquisitions) and equity based compensation.

2. 2020 EBIT before impact of the efficiency plan (€62 M) and Metrocall capital gain (€36 M). 4Q20 EBIT before impact of the efficiency plan (€23 M).

Minsait order intake and revenues

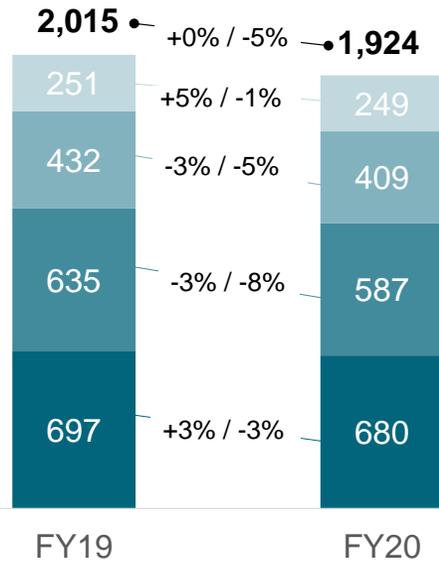
FY20 Order Intake (€m)

Local Currency / Reported



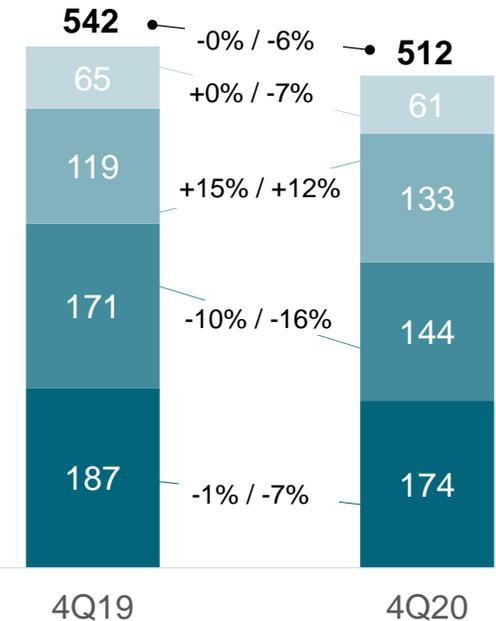
FY20 Revenues (€m)

Local Currency / Reported



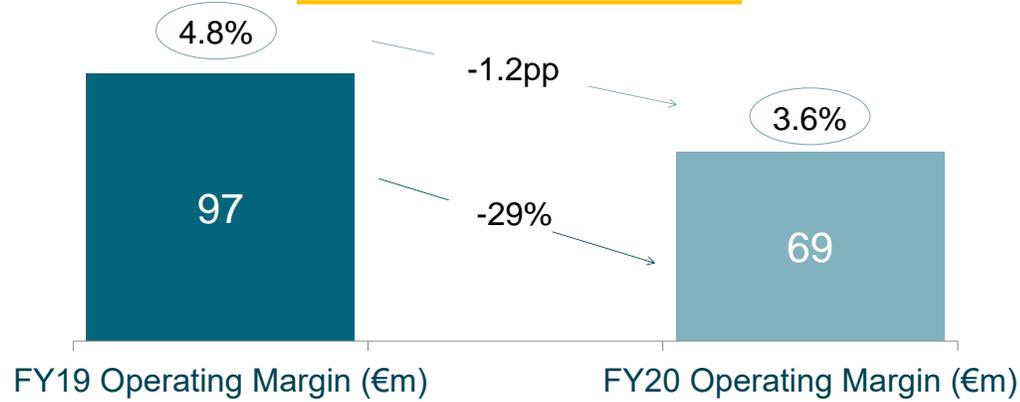
4Q20 Revenues (€m)

Local Currency / Reported

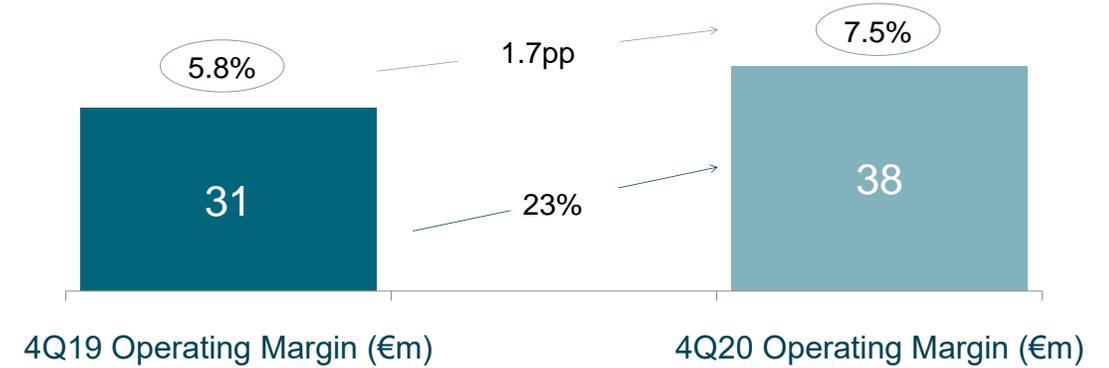


Minsait Operating Margin and EBIT evolution

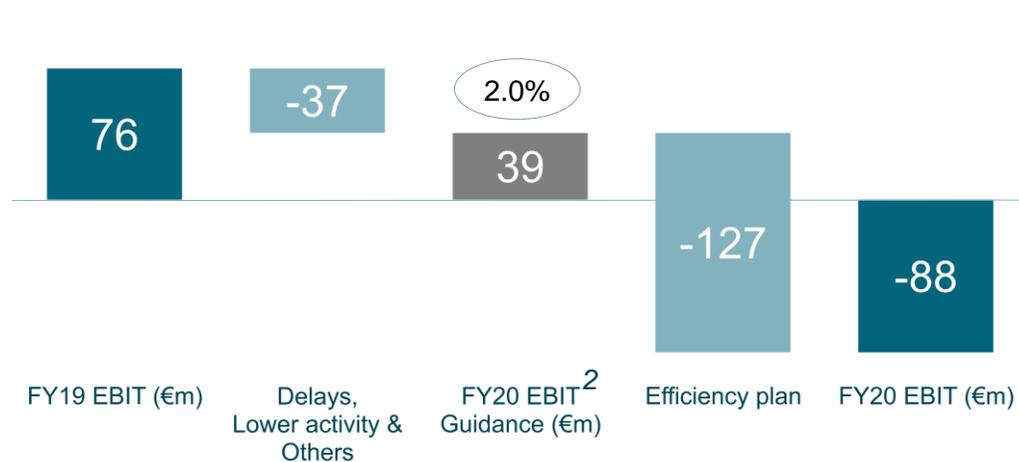
FY20 Operating Margin¹



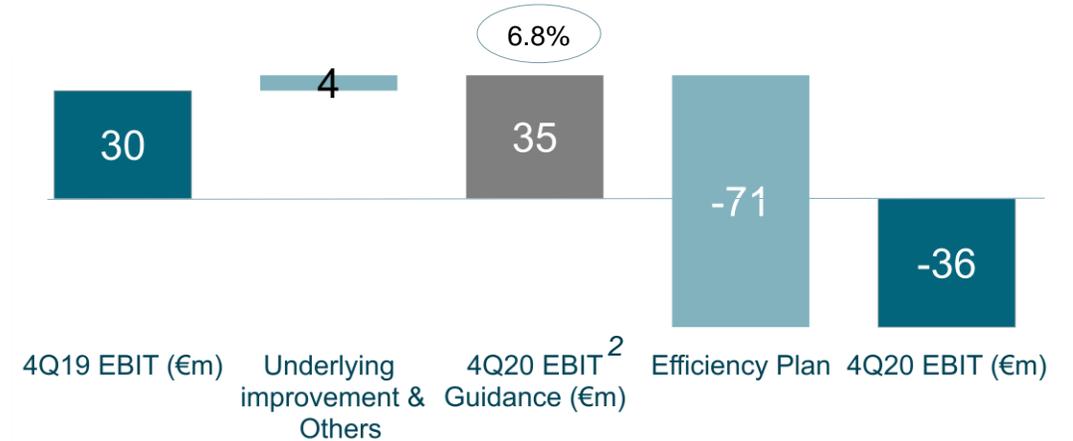
4Q20 Operating Margin¹



FY20 EBIT and Margin



4Q20 EBIT and Margin



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

2. 2020 EBIT before impact of the efficiency plan (€127 M). 4Q20 EBIT before impact of the efficiency plan (€71 M).

FCF Generation

FY16 €184m

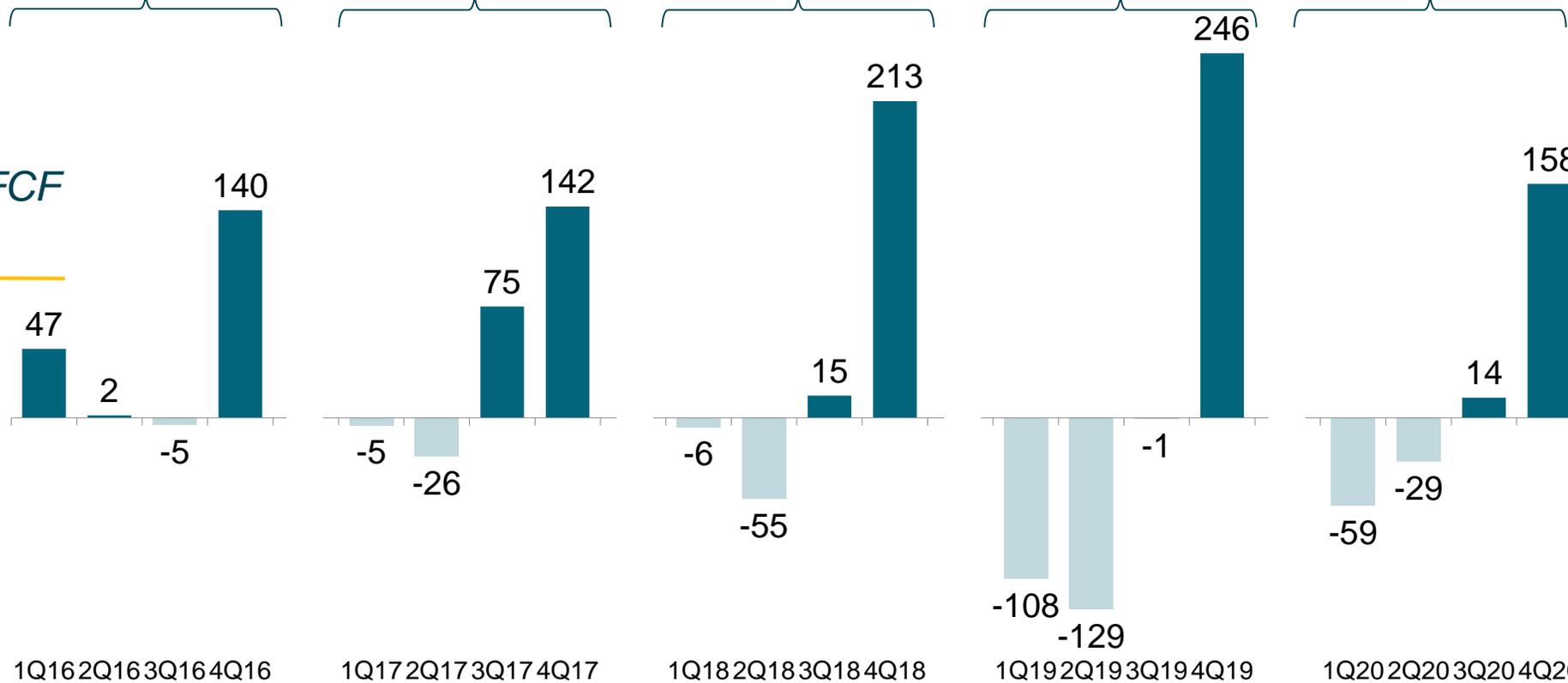
FY17 €186m

FY18 €168m

FY19 €8m

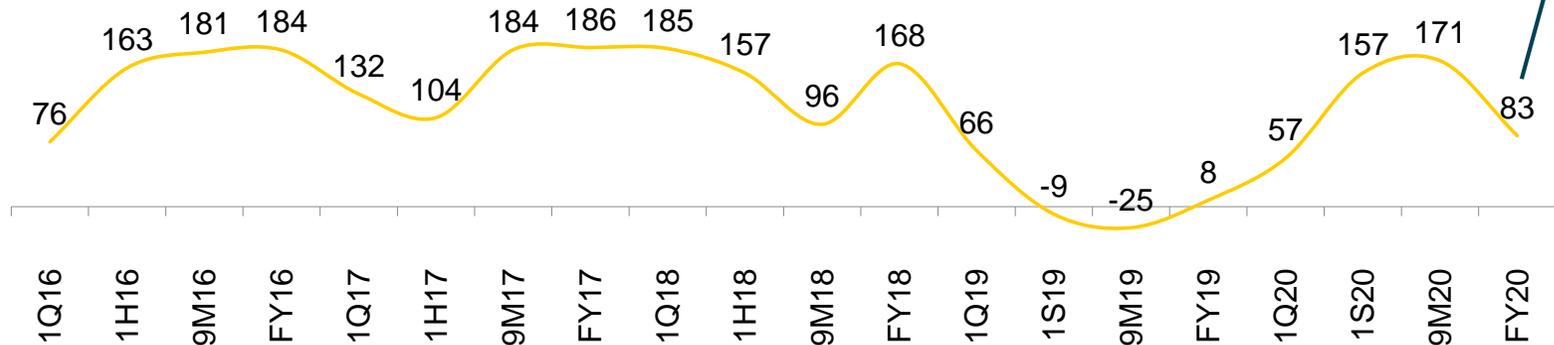
FY20 €83m

Quarterly FCF (€m)

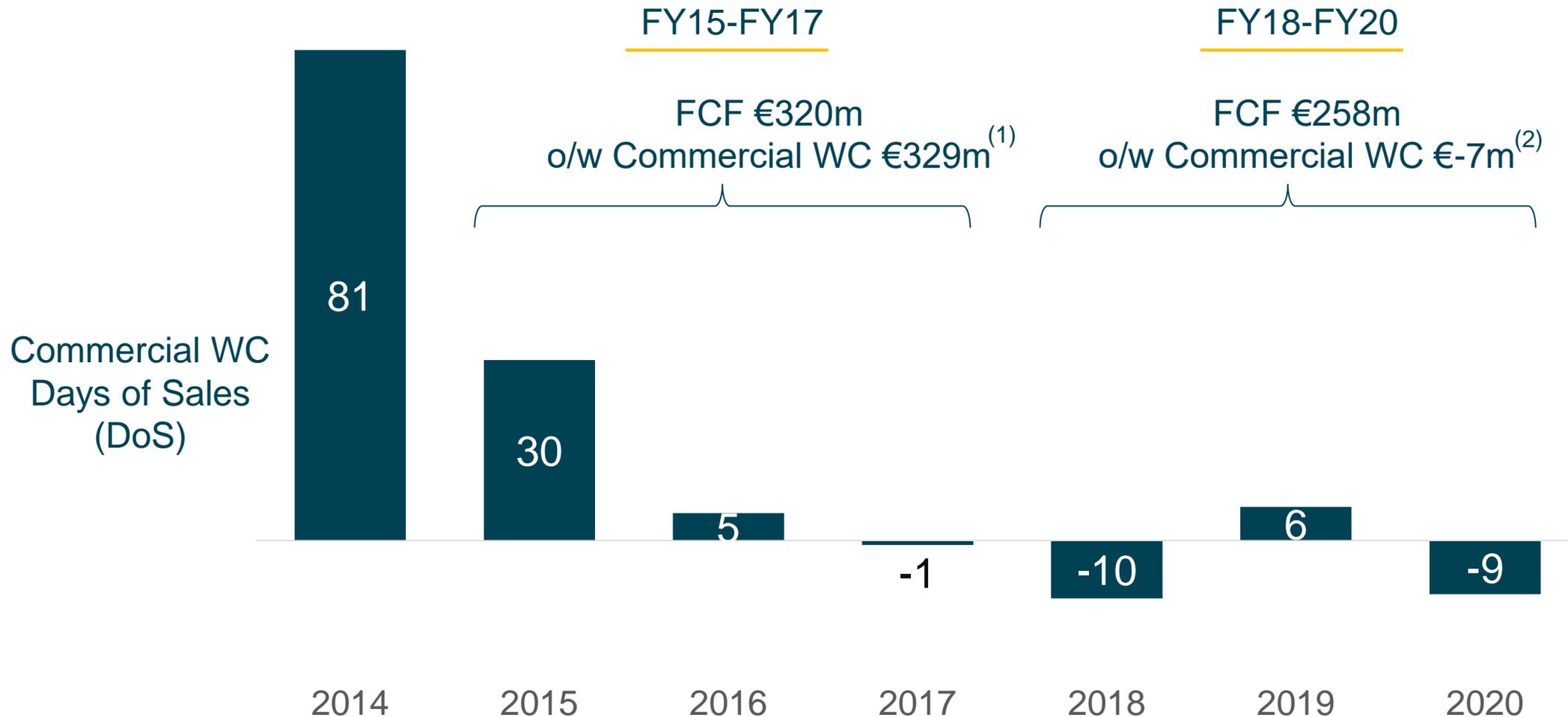


€121m excluding €-38m of the workforce transformation plan

Accumulated FCF LTM (€m)



FCF Generation and NWC contribution

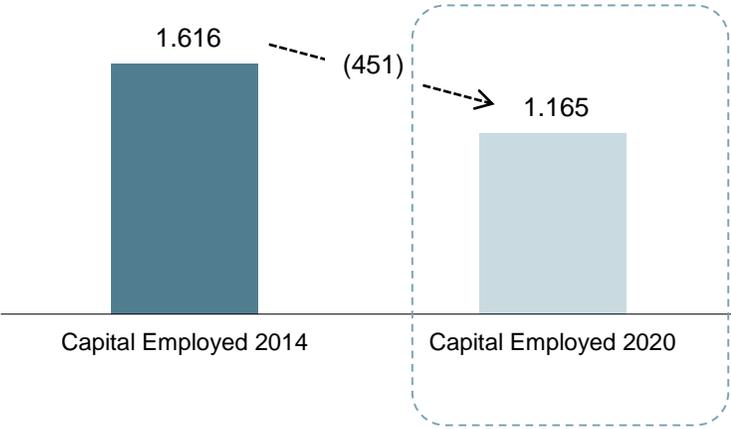


(1) Delta Working Capital Variation of 82 DoS, equivalent to €654m o/w €220m are write-offs and €105m reclassifications from short to long term.

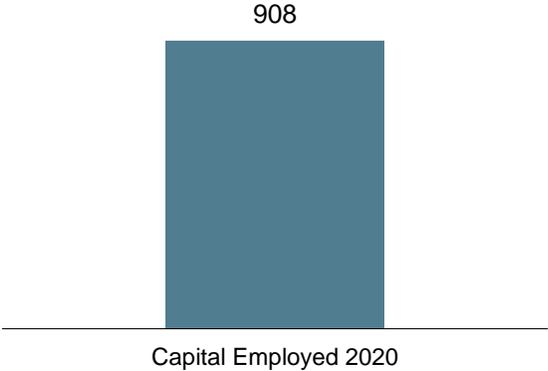
(2) Delta Working Capital Variation of 8 DoS, equivalent to €67m o/w €75m are reclassifications due to IFRS15 and IFRS9.

Lean capital management

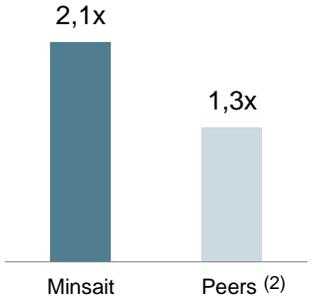
Capital Employed⁽¹⁾ Indra Group FY2014 – FY2020 (€m)



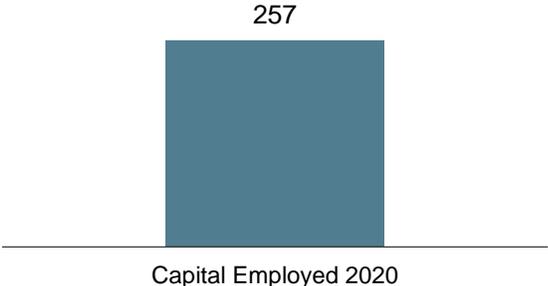
Capital Employed⁽¹⁾ Minsait FY2020 (€m)



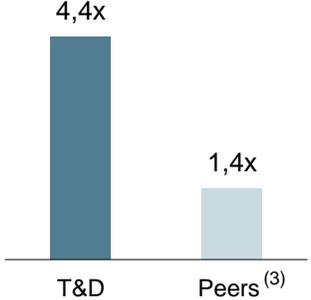
Revenues over Capital Employed FY2020



Capital Employed⁽¹⁾ Transport & Defence FY2020 (€m)



Revenues over Capital Employed FY2020



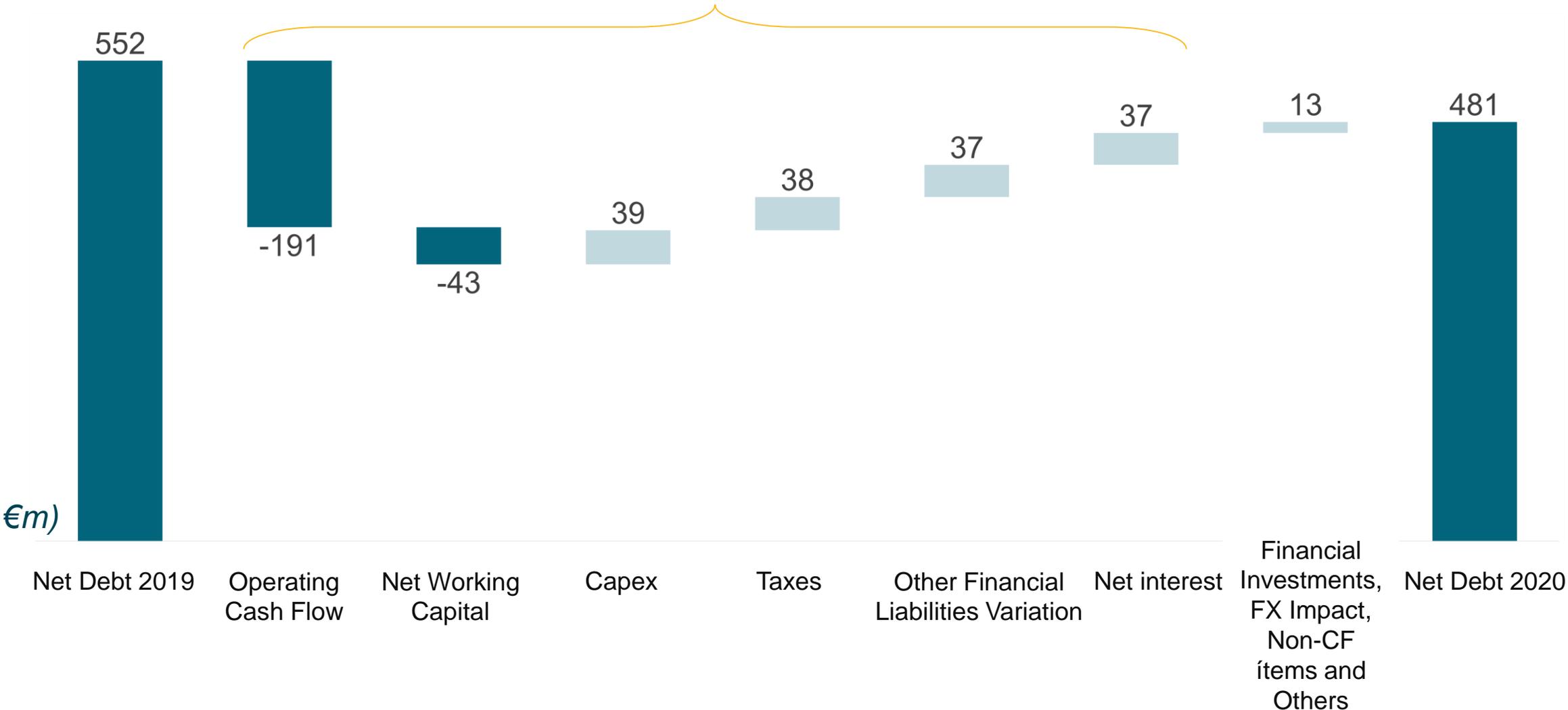
⁽¹⁾ Capital employed includes fixed assets (material, goodwill, immaterial and financial), net working capital and all the other assets and liabilities as recorded in the balance sheet except for net debt and equity

⁽²⁾ Minsait peers include Sopra Steria, Atos, Tieto and Capgemini. Figures based on internal analysis of FY2019 reported results

⁽³⁾ T&D peers include Thales, Leonardo, SAAB, Ultra Electronics, Chemring Group and Hensoldt. Figures based on internal analysis of FY2019 reported results

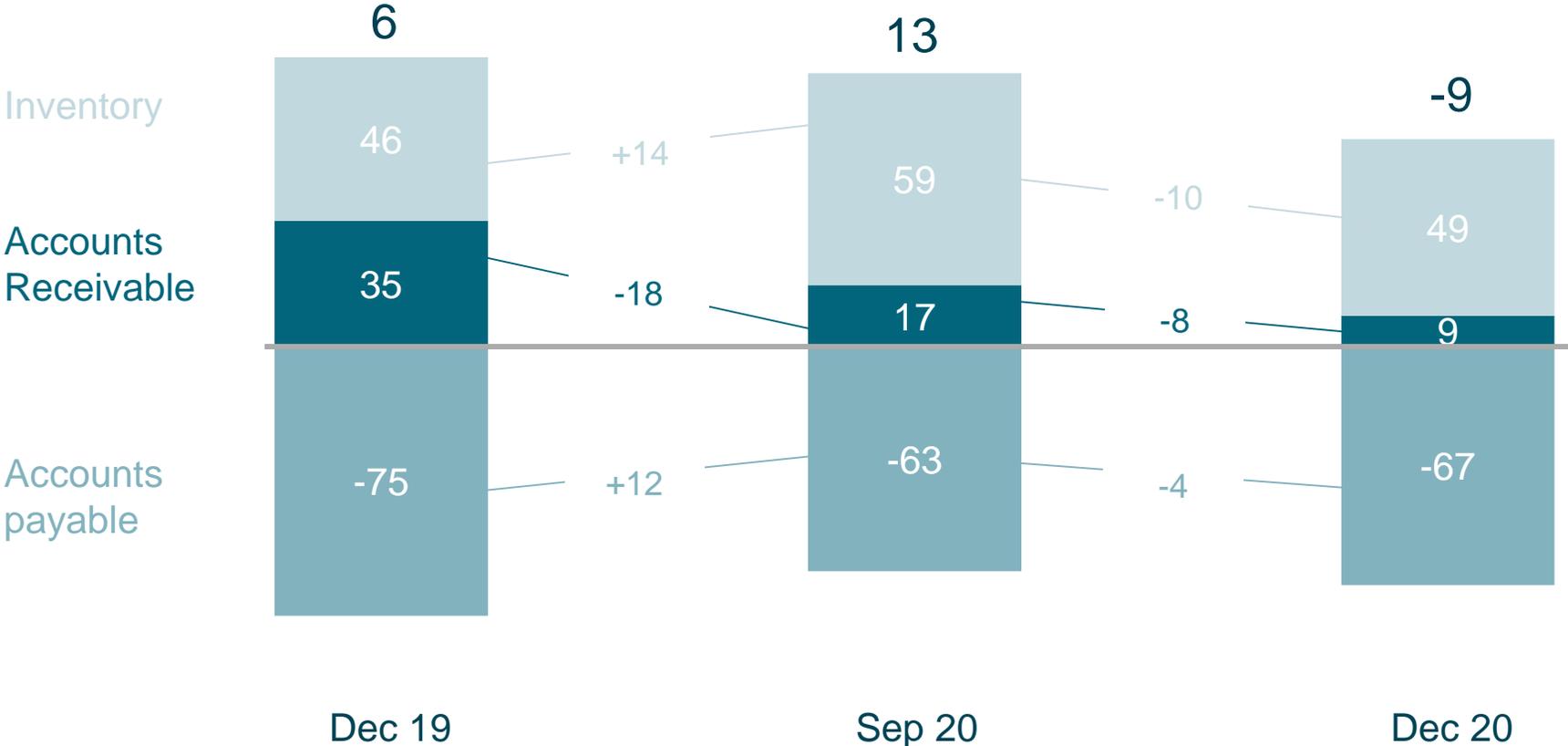
Net Debt Bridge

FCF → €83m

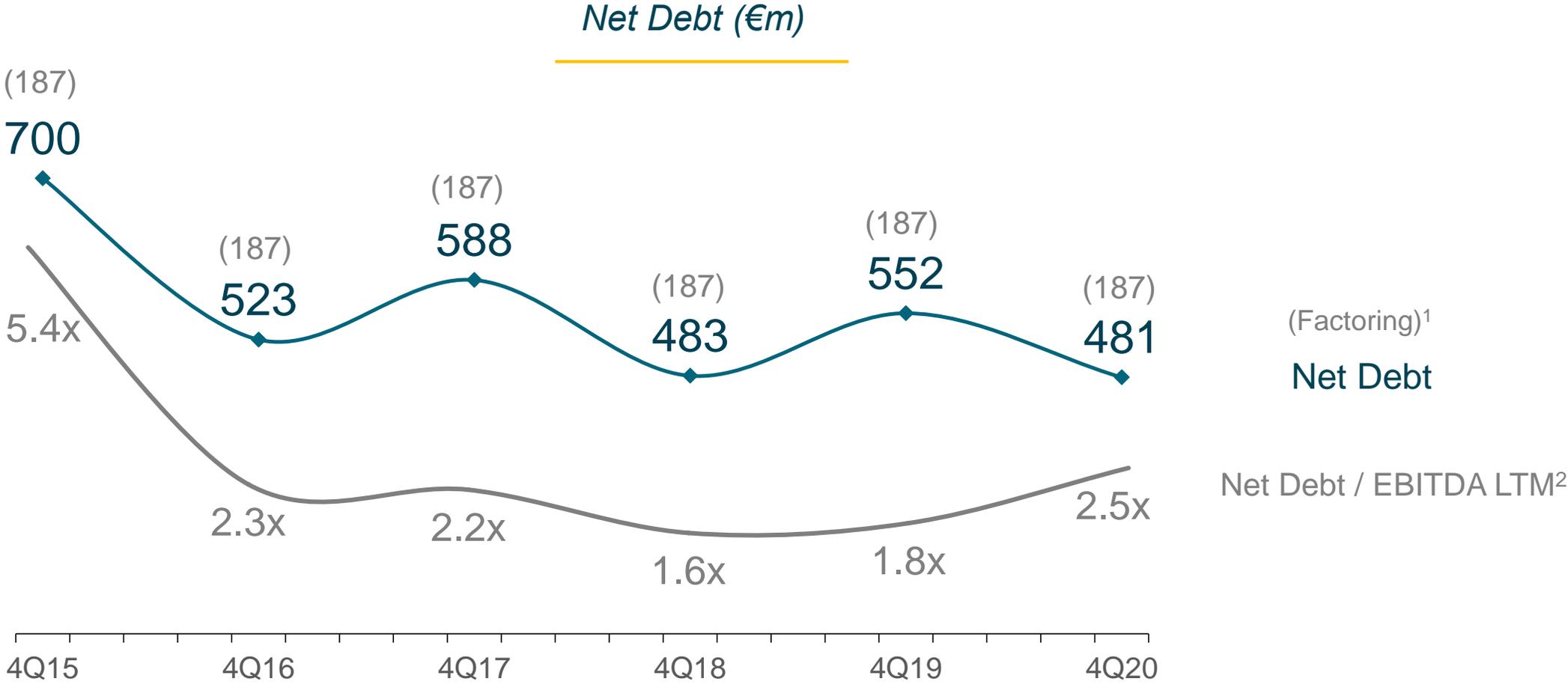


Net Working Capital Evolution

Net Working Capital (DoS)



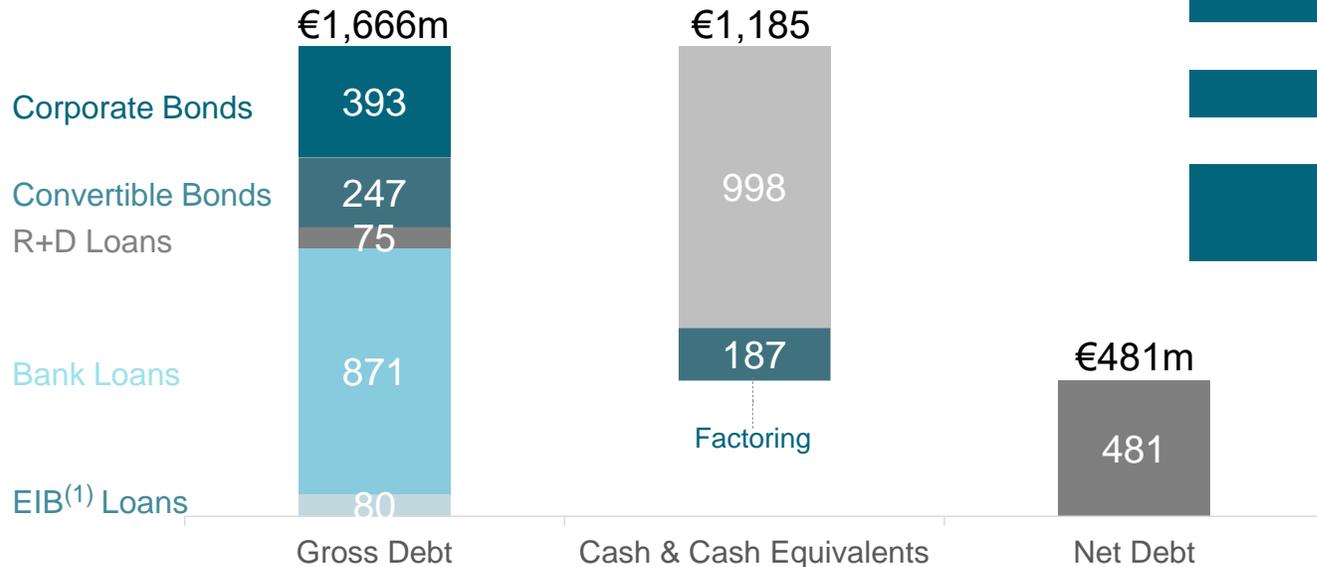
Net Debt Evolution



1. Non-recourse factoring; 2. EBITDA LTM excluding IFRS 16 (€37M), costs of the efficiency plan (€189M) and Metrocall capital gain (€36M)

Diversified debt structure

Gross and Net Debt Structure



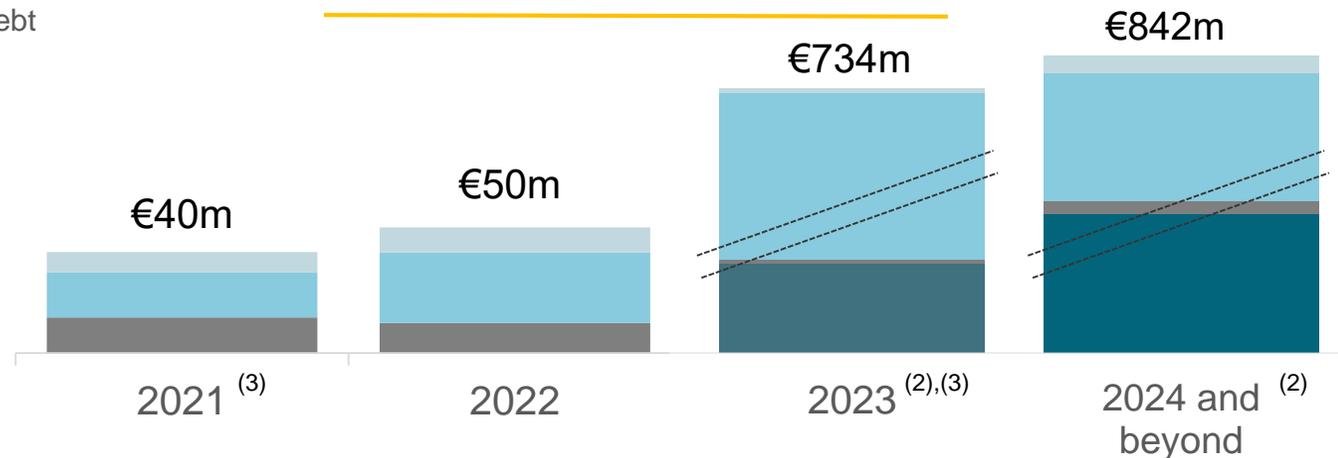
Other available credit facilities: €186m

Average life (years)

	FY20	FY19
Average life (years)	3.2	3.7

	FY20	% total	FY19	% total
L/T Debt	1,373	82%	1,380	98%
S/T Debt	293	18%	27	2%
Gross Debt	1,666	100%	1,406	100%
Cost of Gross Debt	1.9%		1.8%	
Cash & Others	1,185	n.m.	855	n.m.
Net Debt	481	n.m.	552	n.m.
Cost of Net Debt	3.0%		2.7%	

Gross Debt Maturity Profile



1. European Investment Bank. 2. Including €247m Convertible Bond with 2023 maturity and €296m Corporate Bond with 2024 maturity.
3. The 2023 convertible bond has a put option in October 2021 which has not been considered as part of 2021 maturities



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