

indra

FY21 Results

February 23rd, 2022

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: 25430899#

Access to the live event:

<https://onlinexperiences.com/Launch/QReg/ShowUUID=2B95D9E8-03DC-405E-BB3F-4640E32CC58C>

WEBCAST REPLAY:

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

Replay dial number:

Spain: +34 910387491

France: +33 (0)170710160

UK: +44 20 3364 5147

US: +1 (646) 722-4969

Access code: 425018204#

Access to the Webcast Replay:

<https://onlinexperiences.com/Launch/QReg/ShowUUID=2B95D9E8-03DC-405E-BB3F-4640E32CC58C>

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Main 2021 headlines

Indra beats twice-revised guidance levels in all metrics, ending the year well above pre-Covid levels, and setting a number of historical records

- 1 Revenues in 2021 achieved record highs, both in Transport & Defence as well as in Minsait, both delivering double-digit growth vs 2020, and comfortably exceeding 2019 levels
- 2 EBIT margin stood at 7.5% in 2021, a significant improvement over 2019 levels (6.9%)
- 3 Net Profit reached €143m in 2021 vs €121m in 2019 (+18%)
- 4 Free Cash Flow in 2021 was €289m, a new record level, substantially above the previous one at €186m in 2017, and well above 2021 guidance of more than €140m
- 5 Net debt was reduced to €240m, a ten-year low, from €481m in December 2020, bringing Net Debt/EBITDA ratio down to 0.8x vs 2.5x in December 2020
- 6 The company announced in 2021 the payment of a dividend of €0.15 per share in July 2022, after seven years without any shareholder remuneration

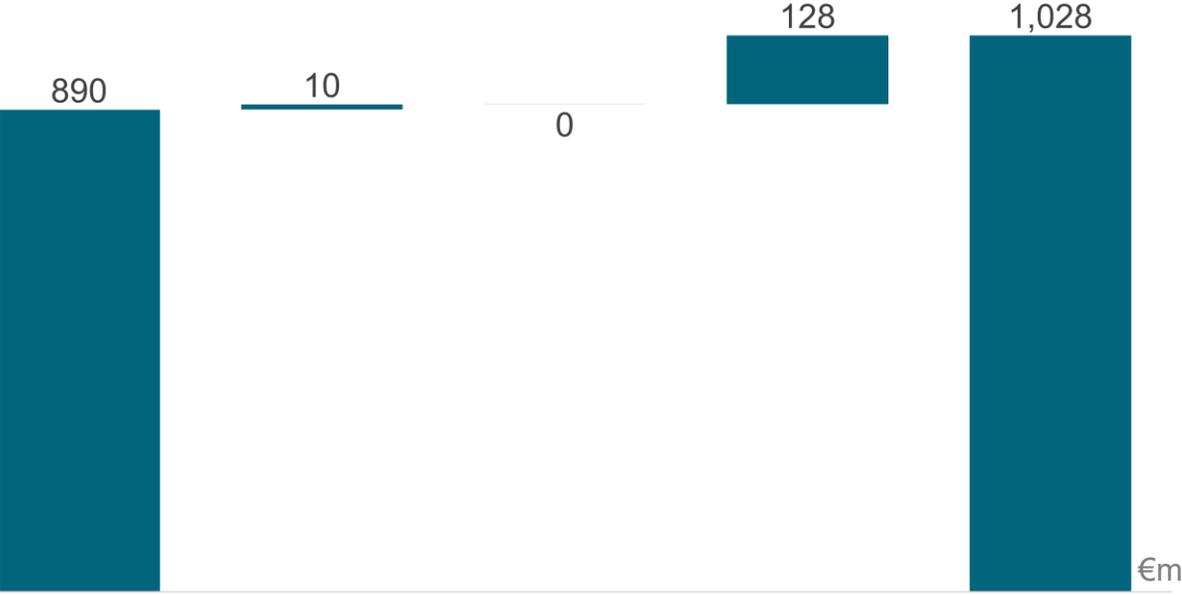
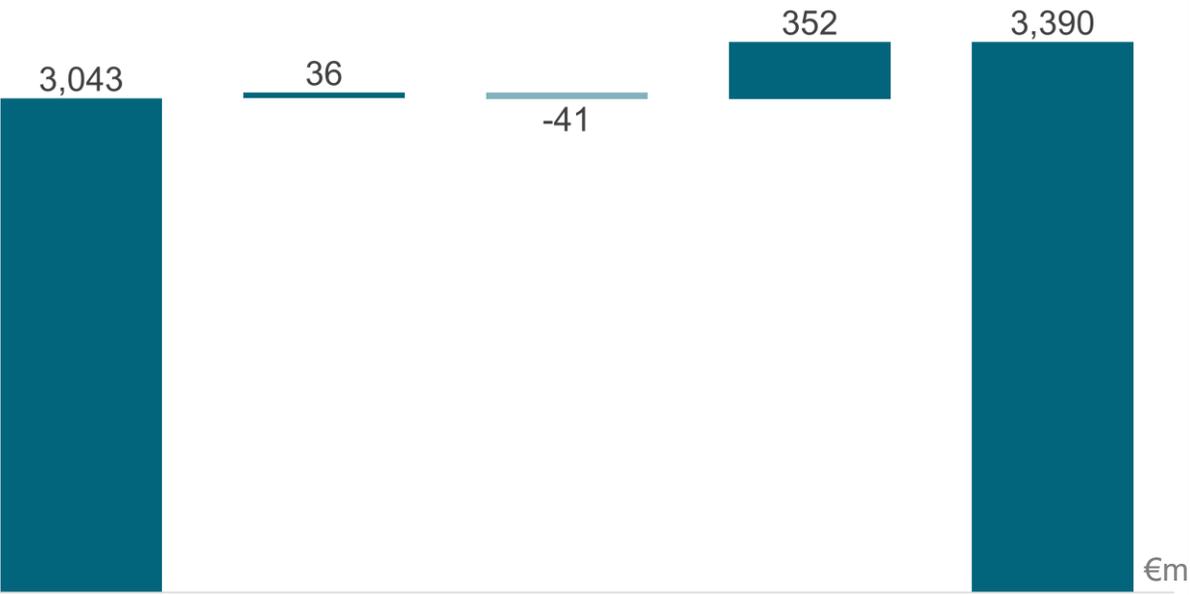
Revenue evolution

FY21

4Q21

Reported	+11%
Local Currency	+13%
Organic ¹	+11%

Reported	+15%
Local Currency	+15%
Organic ¹	+14%



FY20

SmartPaper
FY20 Sales

FX impact

Organic

FY21

€m

4Q20

SmartPaper
4Q20 Sales

FX impact

Organic

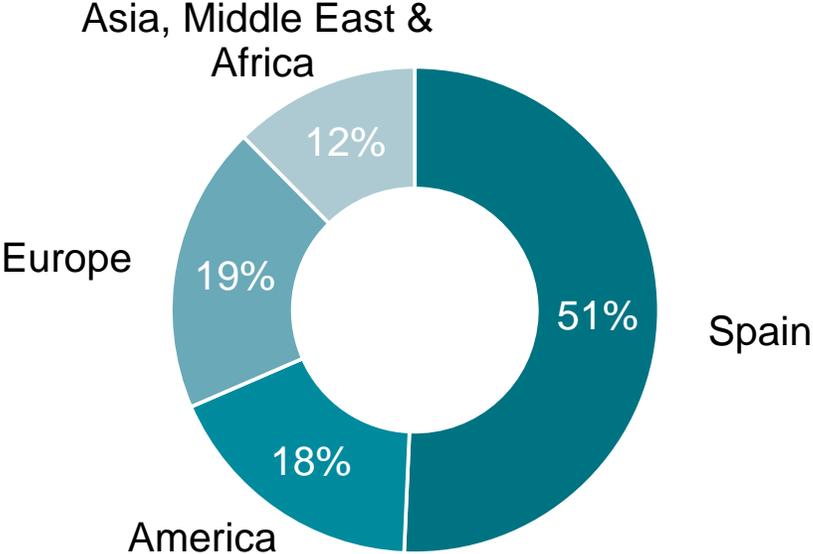
4Q21

€m

1. Excluding the impact of the SmartPaper acquisition which started to consolidate on January 1st, 2021 and FX impact for the year

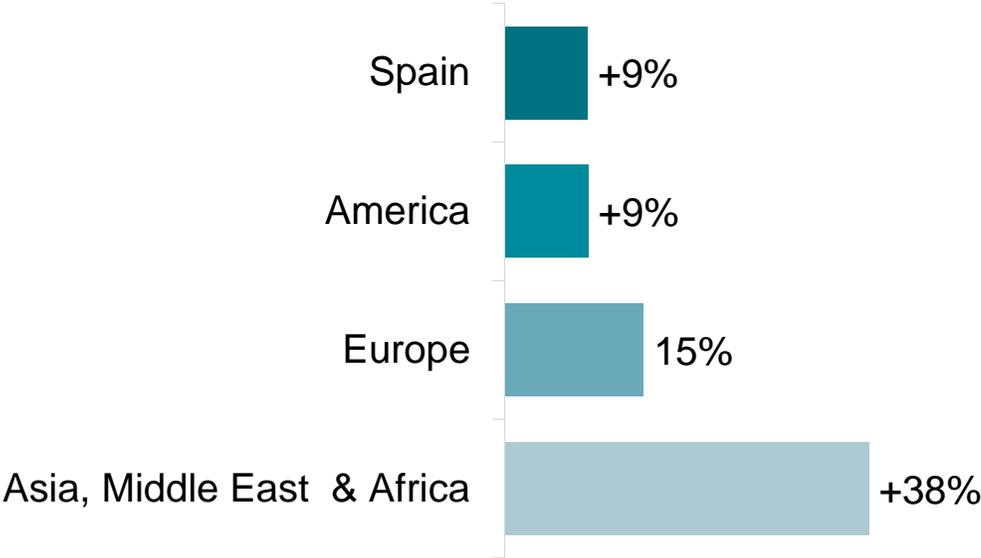
Revenues by region

2021 Breakdown



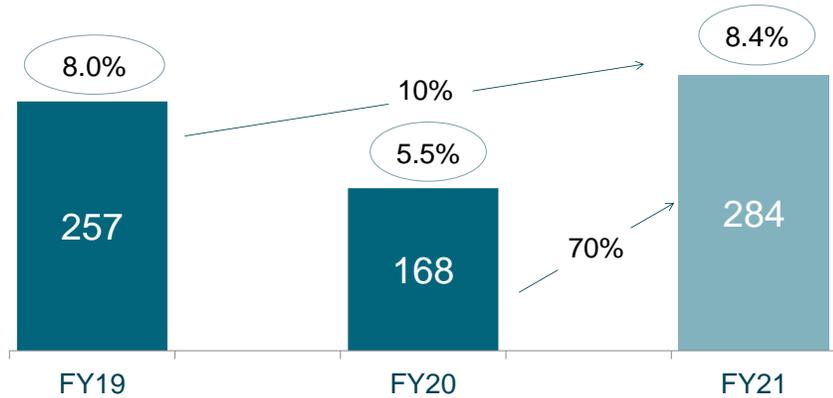
Revenue Growth 2021 vs 2020

(Constant currency)

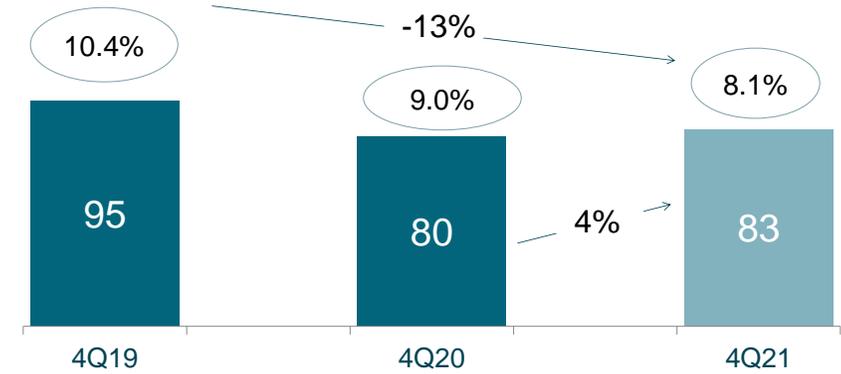


Operating Margin and EBIT evolution

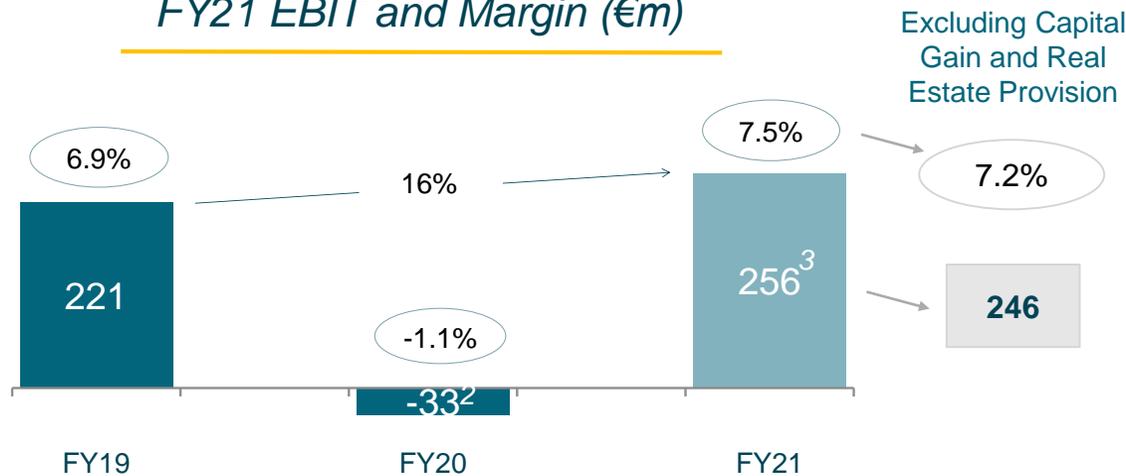
FY21 Operating Margin¹ (€m)



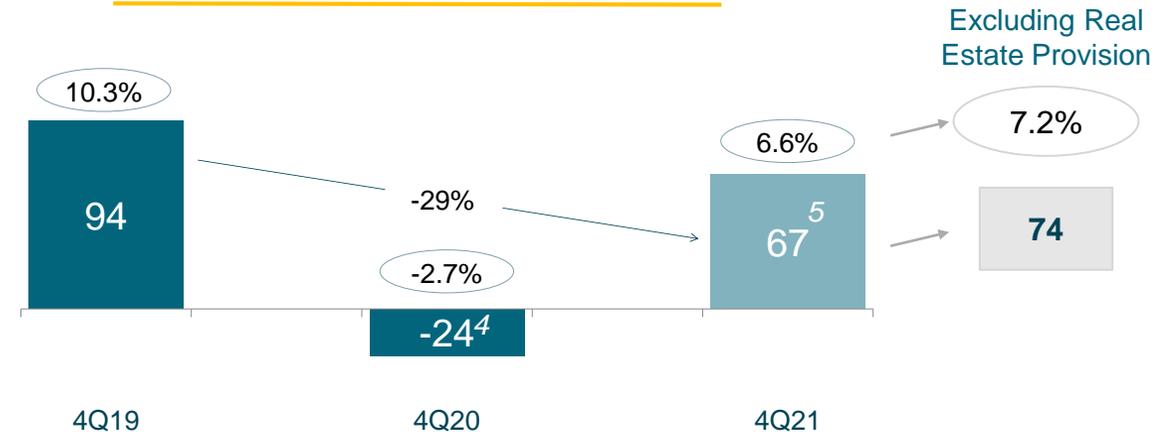
4Q21 Operating Margin¹ (€m)



FY21 EBIT and Margin (€m)

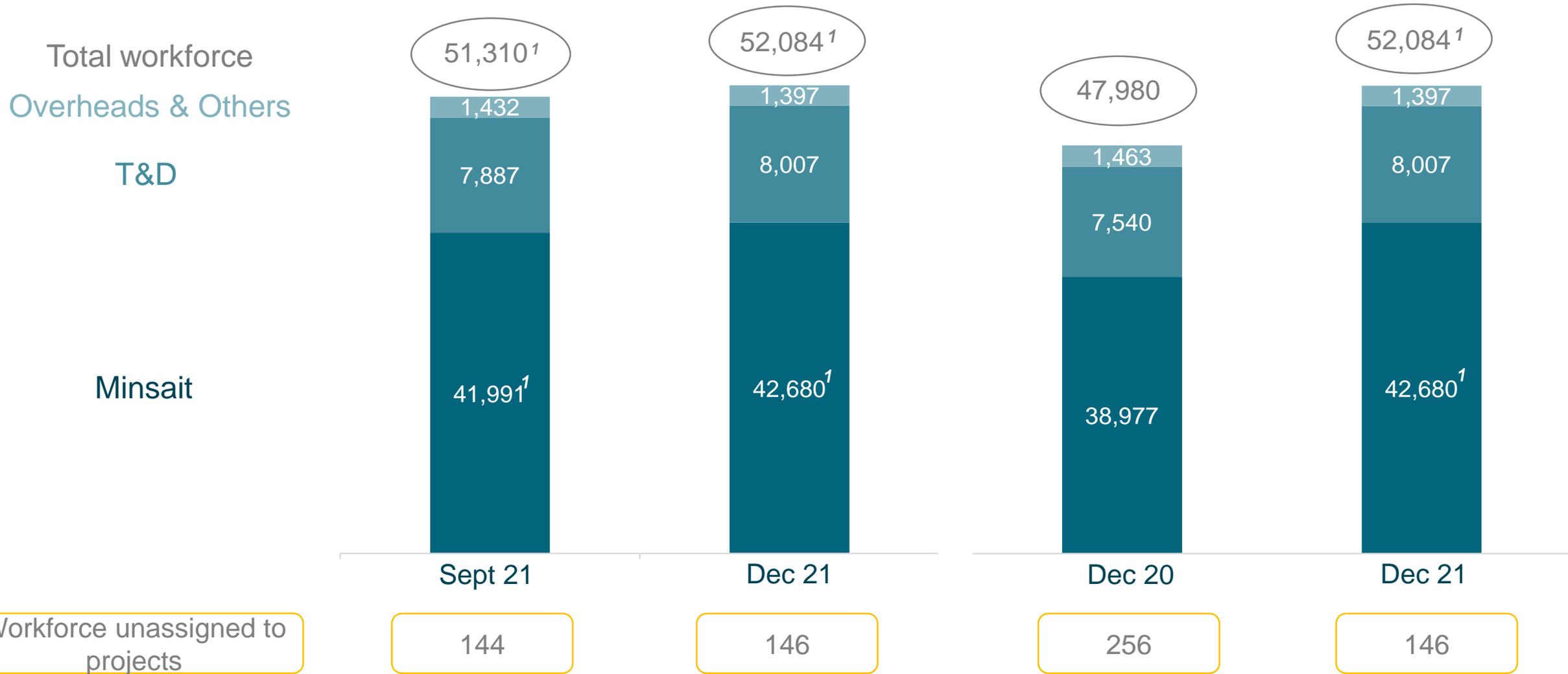


4Q21 EBIT and Margin (€m)



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. Includes €-189m from the efficiency plan and €+36m Metrocall capital gain; 3. Includes €17m from facilities sale and €-7m from the provision of the real estate plan; 4. Includes €-94m from de efficiency plan; 5. Includes €-7m from the provision of the real estate plan

Workforce evolution



1. SmartPaper workforce included (1,047 employees as of 31/12/2020)

Significant achievements in our ESG strategy

Relevant presence in the main ESG indexes



85

Nº1 industry leader in DJSI World and S&P Sustainability Award Gold Class 2022

- Member since 2006 -
Top 1%



4,1

Best score of the sector in Social practices

- Member since 2015 -
Top 16%



AA

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

Top 15%



Prime

Fulfilling ambitious absolute ESG performance requirements



Only 18 Spanish companies listed

Committed to talent



Key ESG figures 2021¹

34% Women on staff

42% Women on the Board of Directors

95% Professionals trained on Code of Ethics and Legal Compliance in the last 3 years

80% Local providers

1. Figures pending to be verified

SBT Emission targets²

Scope 1+2: -50% in 2030
carbon neutral in 2040
Scope 3: -14% in 2030
-50% in 2040
2050 net zero emissions

2. Baseline year 2019

Acting on Climate Change



Leadership level (A-)

2022 Guidance

	Guidance 2021	2021 results	Guidance 2022
Revenues (in constant currency)	>€3,300m	€3,431m (€3,390m reported)	>€3,550m
EBIT	>€230m ¹	€246m ¹	>€270m
FCF	>€140m ²	€307m ²	>€170m

1. Before the capital gain of €17m from the sale of San Fernando de Henares' facilities and €-7m from the provision of the real estate plan 2. Before the cash impact from the workforce transformation plan of 2015 (€-24m) and 2020 (€-34m), and the sale of the San Fernando facilities (€+40m).

T&D main highlights

- T&D Backlog at all-times highs, driven by multi-year Defence contracts in Spain (Lanza 3D, F110, 8x8 armoured vehicle, Helicopter NH90 and Chinook) and a new push in Eurofighter (with both new orders and mid-life upgrade contracts)
- 2021 Revenues at record highs, boosted by the strong growth in Defence (+22% vs 2020) and the beginning of the recovery of Transport & Traffic (+4% vs 2020)
- T&D EBIT Margins at double-digit levels despite Covid, which is still affecting the supply chain and delaying the milestone recognition of certain international projects

Defence

- Backlog and revenues at historical highs, ensuring good prospects for the coming years
- Best performer vertical of Indra in terms of profitability

ATM

- Delivered revenue growth (+4%) despite global air traffic decline, still c.–60%¹ below pre-pandemic levels (2019)
- Relevant contracts signed (Eurocontrol, Kuwait, South Korea,...), showing the first signs of business recovery

Transport

- Significant de-risking of main problematic projects (completion of capex in Meca-Medina plus sizeable collections from Meca-Medina and Rhyad)

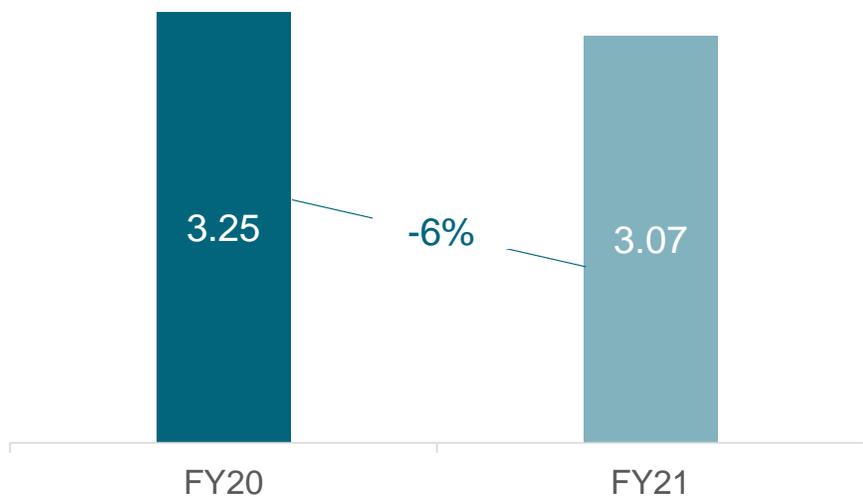
1. Source: IATA

T&D backlog and order intake

FY21 T&D Backlog(€m)

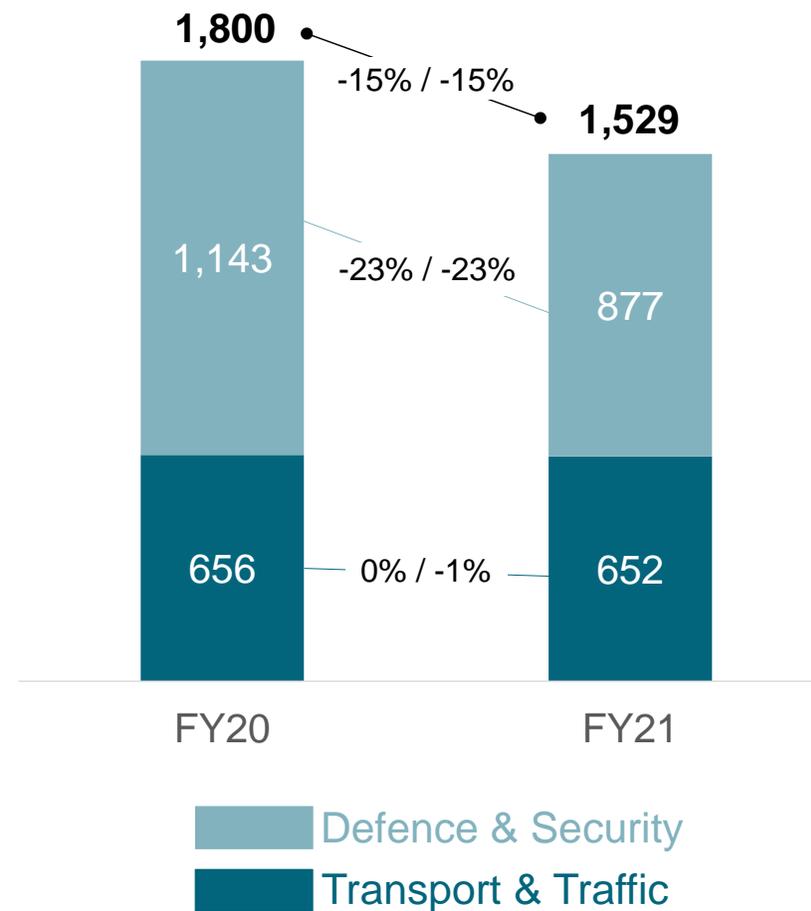


FY21 T&D backlog/revs LTM



FY21 T&D Order Intake (€m)

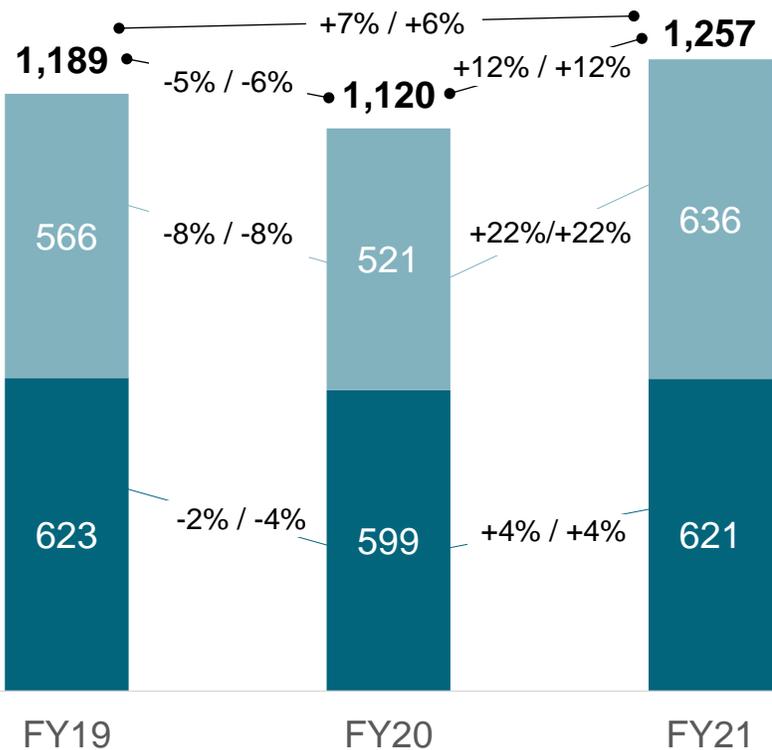
Local Currency / Reported



T&D revenues

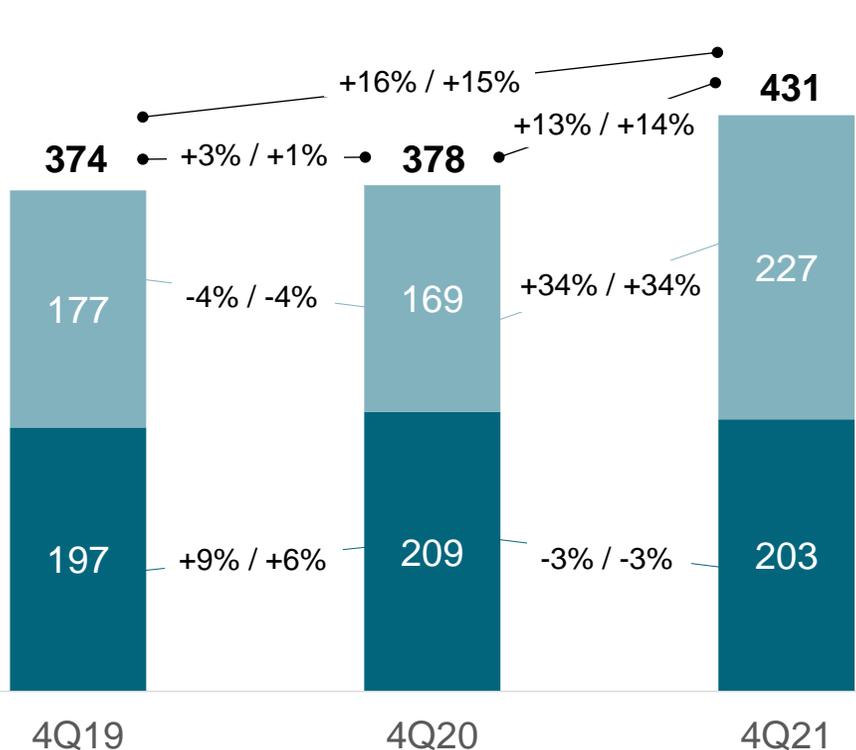
FY21 Revenues (€m)

Local Currency / Reported



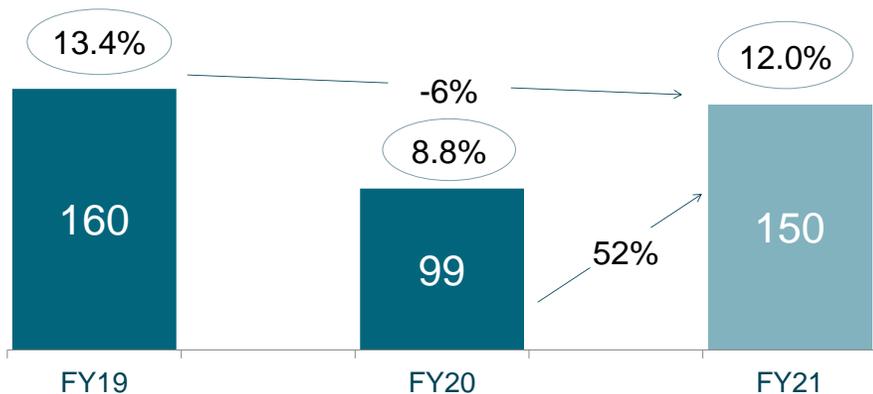
4Q21 Revenues (€m)

Local Currency / Reported

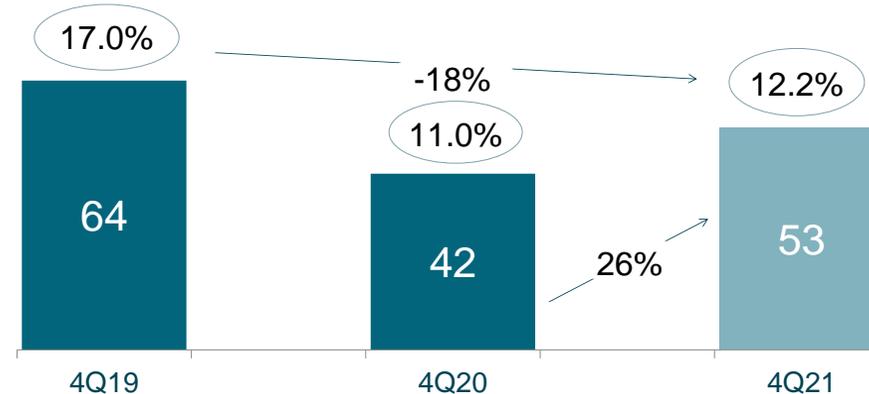


T&D Operating Margin and EBIT evolution

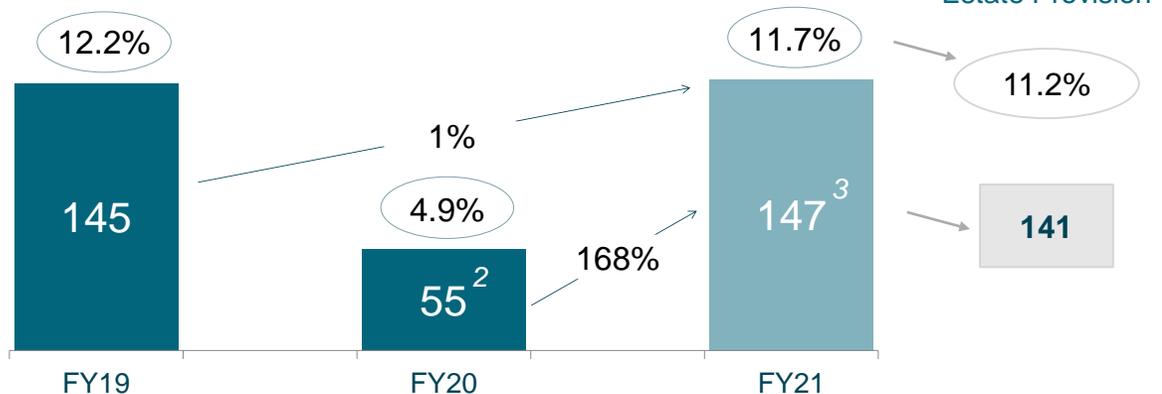
FY21 Operating Margin¹(€m)



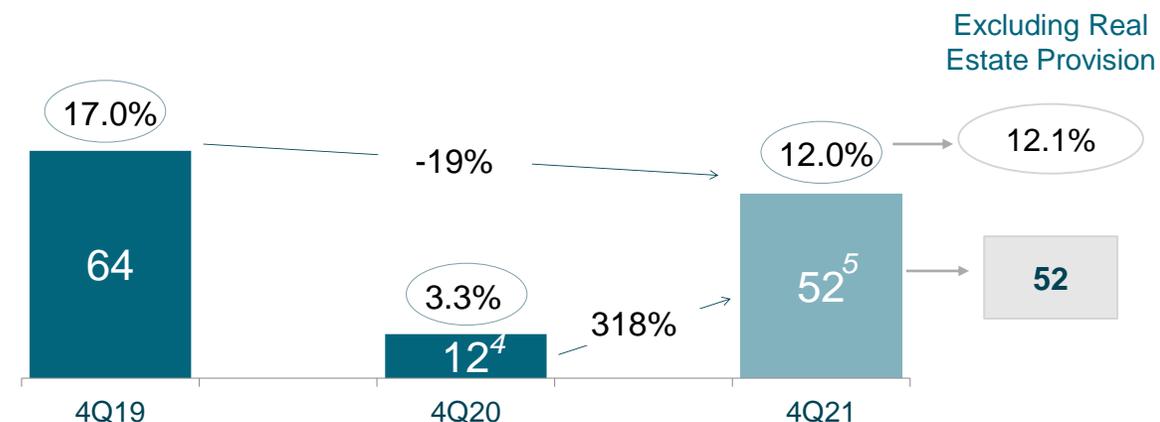
4Q21 Operating Margin¹(€m)



FY21 EBIT and Margin (€m)



4Q21 EBIT and Margin (€m)



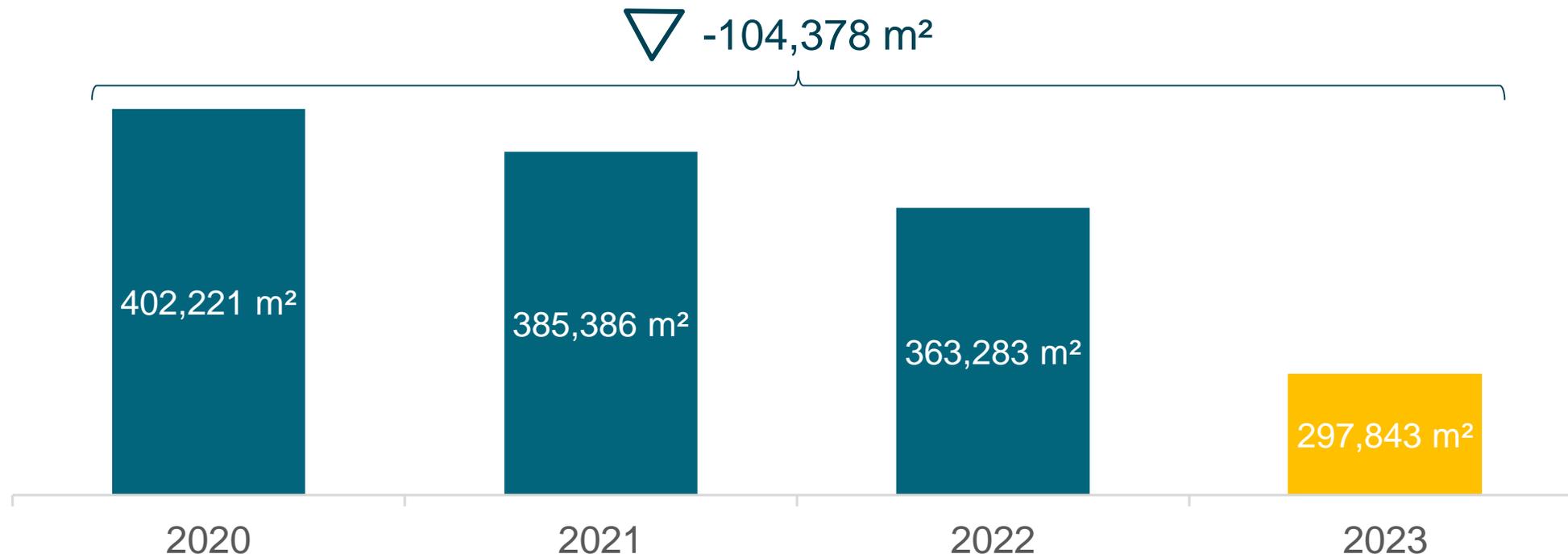
1. EBIT before Other Operating Income & Expenses, including: staff reorganization, impairments, capital gains, integration and acquisition costs, fines, amortization of intangible assets (PPA from acquisitions) and equity-based compensation; 2. Includes €-62m from the efficiency plan and €+36m Metrocall capital gain; 3. Includes €7m from facilities sale and €-1m from the provision of the real estate plan; 4. Includes €-23m from de efficiency plan; 5. Includes €-1m from the provision of the real estate plan

Minsait main highlights

- Backlog and Revenues at record highs, with revenues growing organically at +11%
- Highest historical level of EBIT Margin at 4.9%, backed by the execution of all the efficiency plans, change of mix and revenue growth
- 18% organic growth of Digital and Proprietary Solutions, now accounting for 36% of Minsait sales. Both businesses deliver margins above Minsait's average
- Very low level of workforce unassigned to projects since the completion of the transformation plan
- Six bolt-on acquisitions in 2021 (Flat 101, Consultoria Organizacional, Net Studio, Credimatic, MSS and Overview effect), focused in key strategic fields: Cybersecurity, Payment Systems, Digital Marketing and Data Analytics
- Two contracts already signed from the Next Generation European funds, and more expected to come
- High levels of demand backed by strong macro recovery in our main countries
- New Real Estate reduction plan aiming at adapting our facilities to the new post-covid working habits. The plan will deliver €11.5m run-rate savings, with initial costs of €7m already charged in 2021 accounts

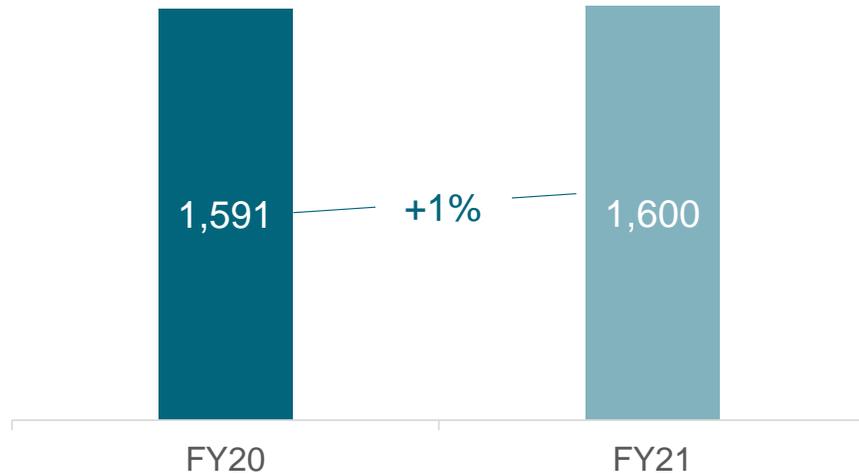
Covid-related Real Estate Action Plan

- New Real Estate Action Plan launched during 4Q21:
 - €7m provisioned in 4Q21 with estimated run-rate savings of €11.5m from 2023 onwards
 - Mainly focused on Spain, but it also includes some contribution from Latinamerica
- This new plan increases our target of space reduction to more than 100,000 m² between 2020 and 2023 and when completed will take total savings to €24m p.a.

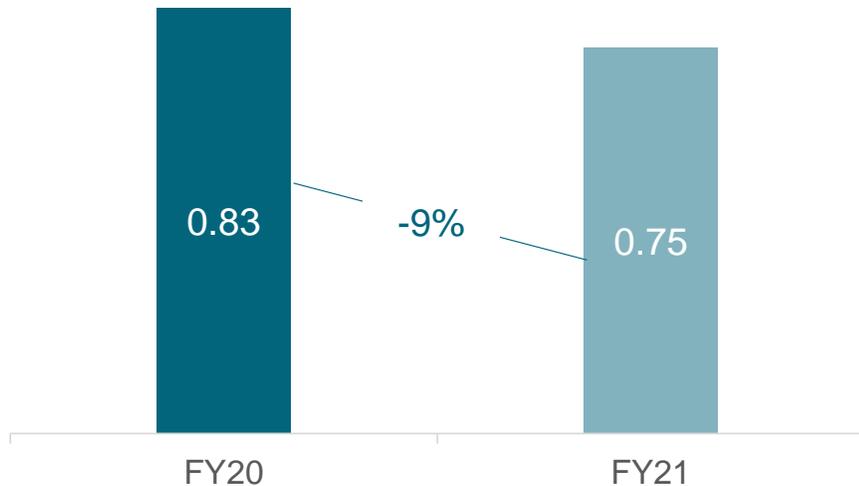


Minsait backlog and order intake

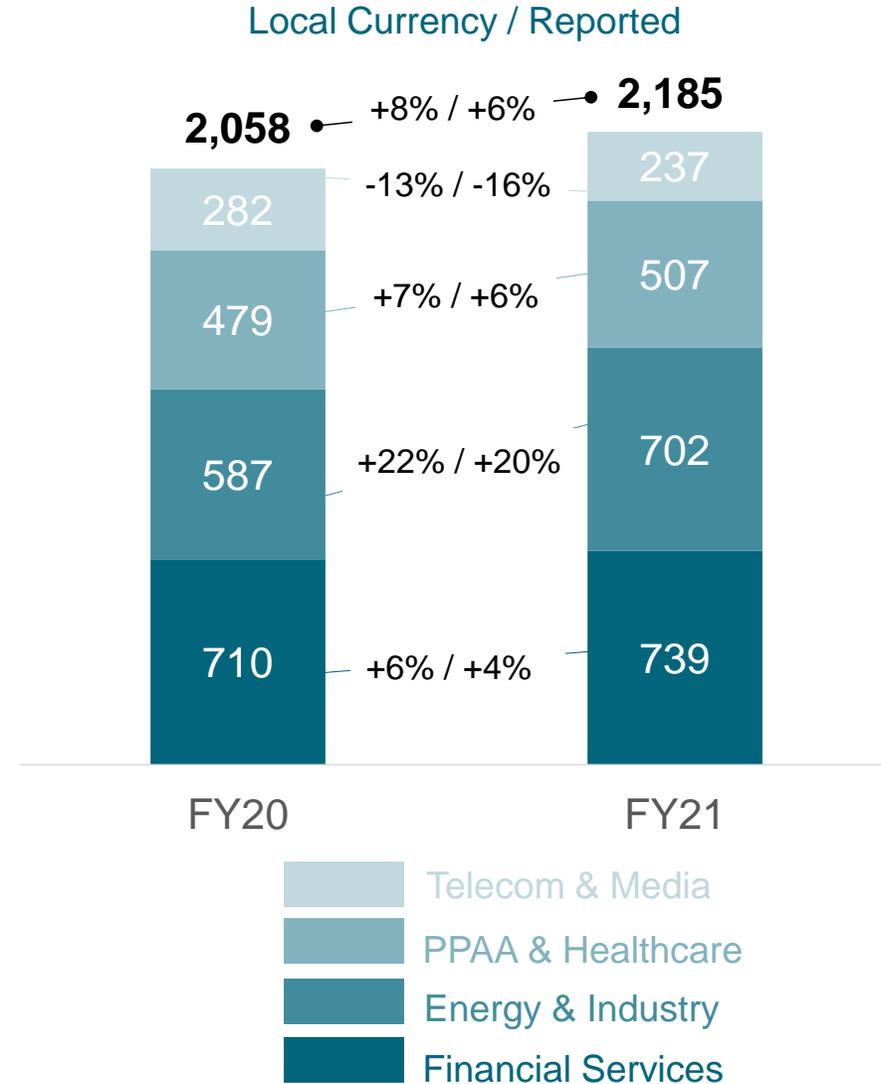
FY21 Minsait Backlog(€m)



FY21 Minsait backlog/revs LTM



FY21 Minsait Order Intake (€m)



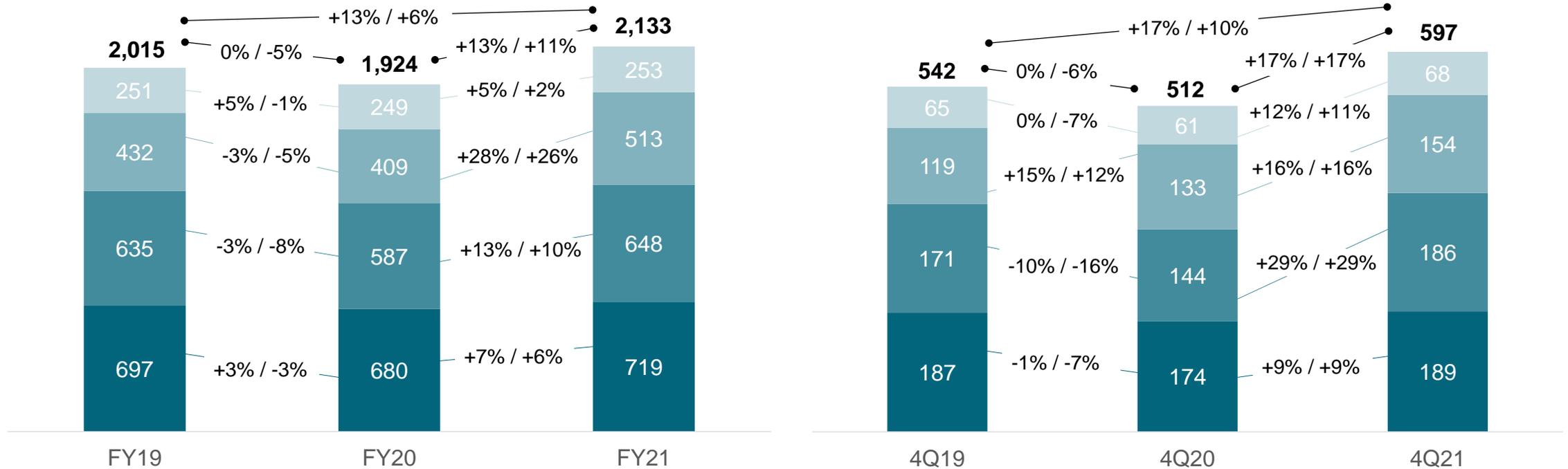
Minsait revenues

FY21 Revenues (€m)

4Q21 Revenues (€m)

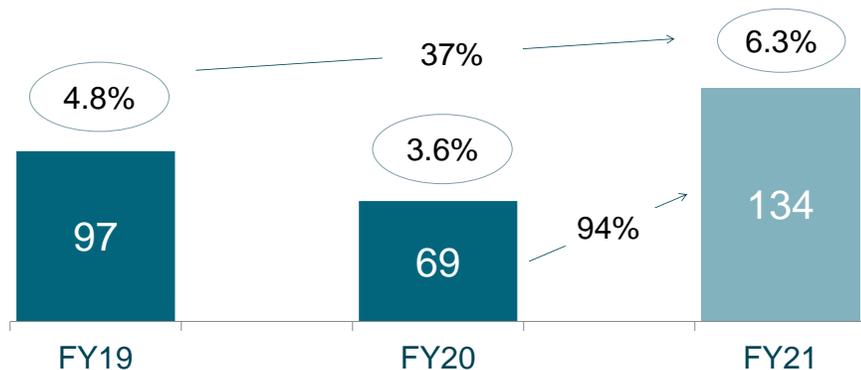
Local Currency / Reported

Local Currency / Reported

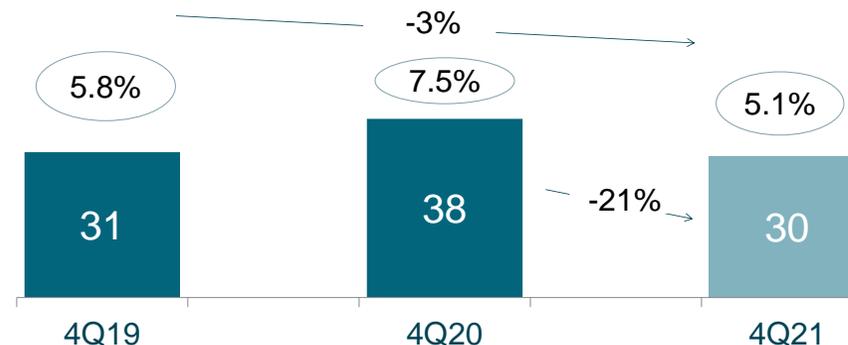


Minsait Operating Margin and EBIT evolution

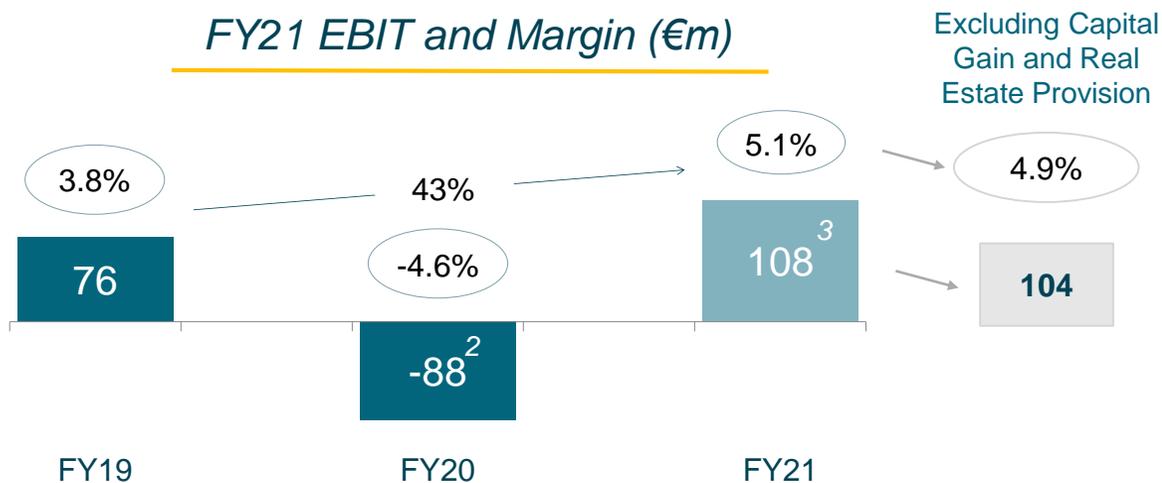
FY21 Operating Margin¹ (€m)



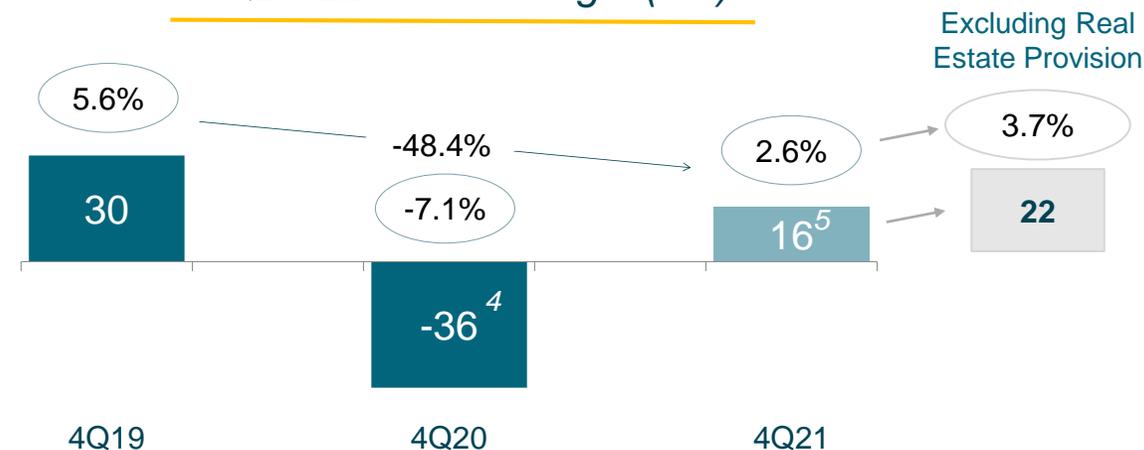
4Q21 Operating Margin¹ (€m)



FY21 EBIT and Margin (€m)



4Q21 EBIT and Margin (€m)

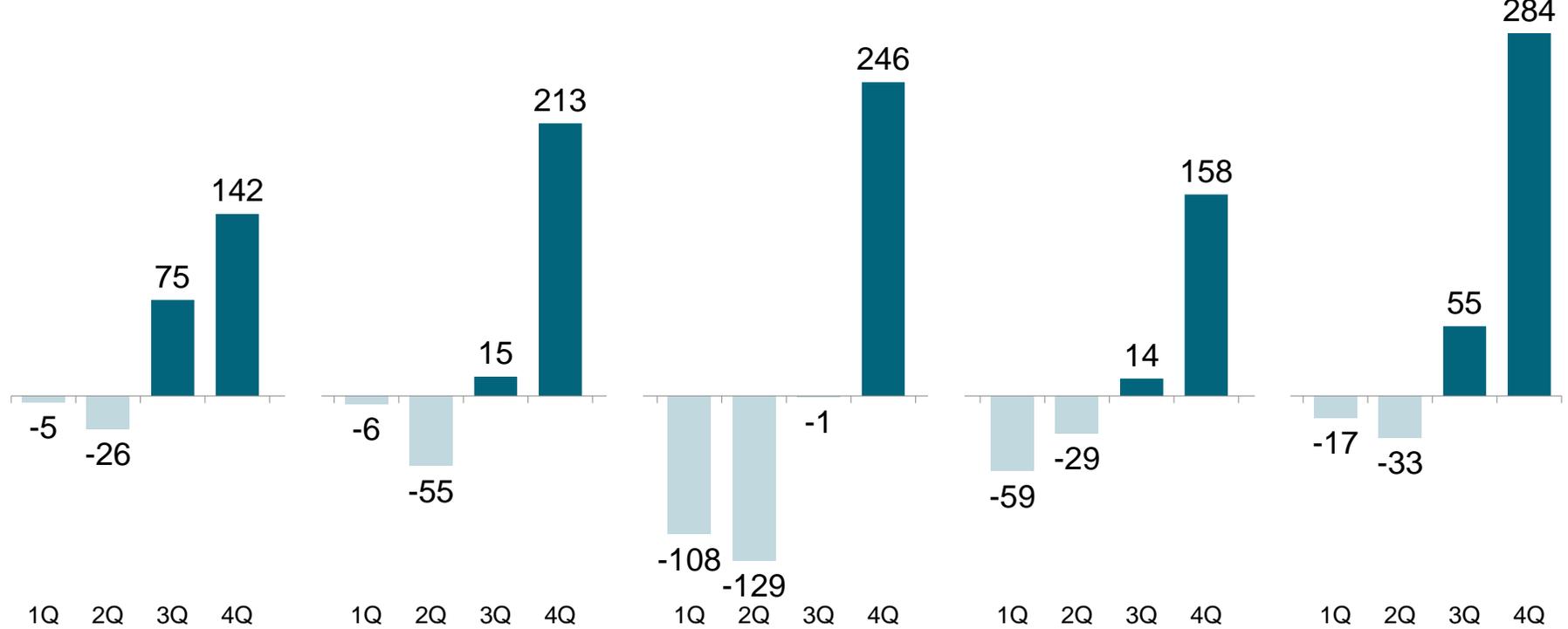


1. EBIT before Other Operating Income & Expenses, including: staff reorganization, impairments, capital gains, integration and acquisition costs, fines, amortization of intangible assets (PPA from acquisitions) and equity based compensation; 2. Includes €-127m from the efficiency plan; 3. Includes €10m from facilities sale and €-6m from the provision of the real estate plan; 4. Includes €-71m from de efficiency plan; 5. Includes €-6m from the provision of the real estate plan

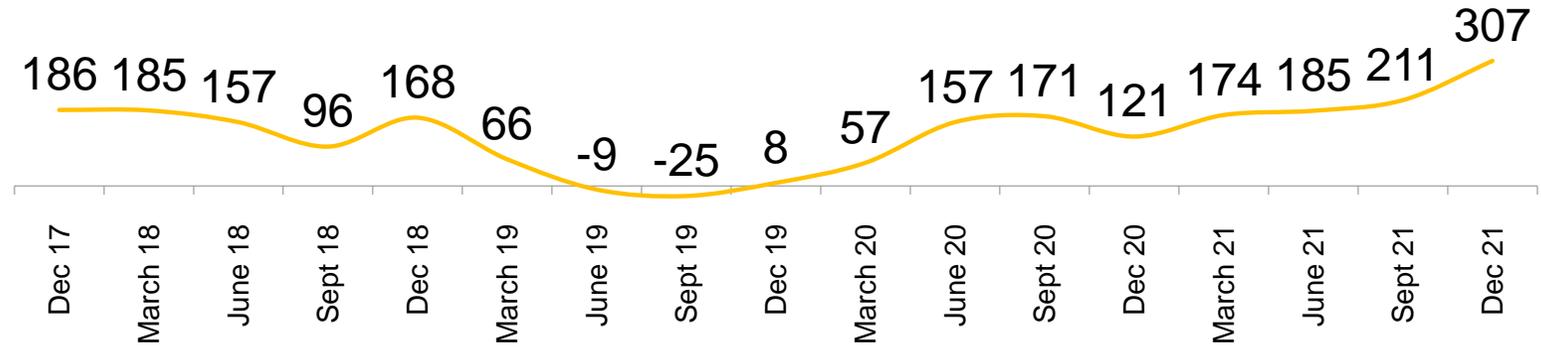
FCF Generation

FY17 €186m FY18 €168m FY19 €8m FY20 €83m FY21 €289m

Quarterly reported FCF (€m)



Cumulative FCF LTM¹ (€m)



1. For 2020 and 2021 excludes extraordinary items related to employee restructuring plans and asset disposals

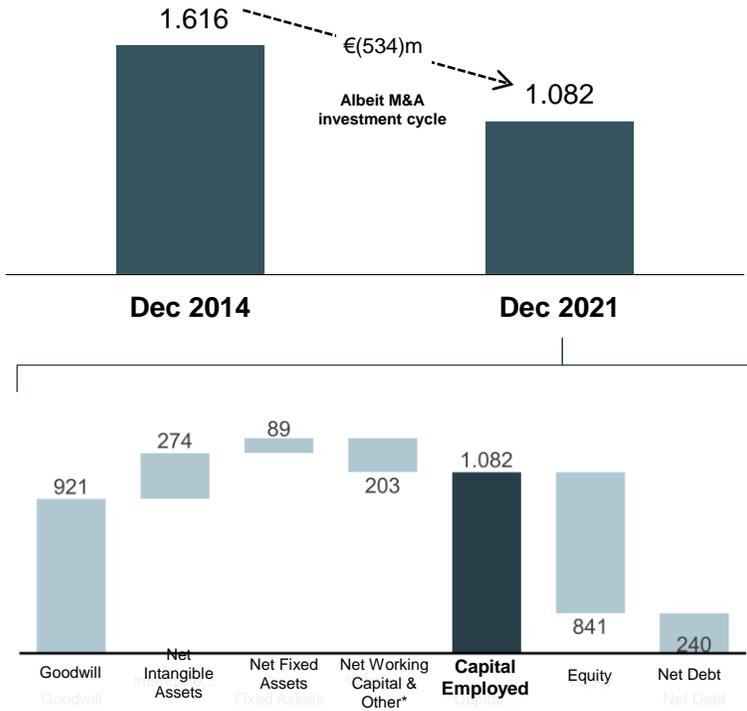
Return on Capital Employed

The combination of a lean capital management strategy...

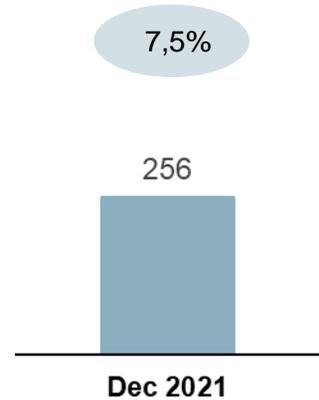
... with increasing profitability...

... results in an world-class Return on Capital Employed

Capital Employed (€m)



EBIT (€m) & EBIT %



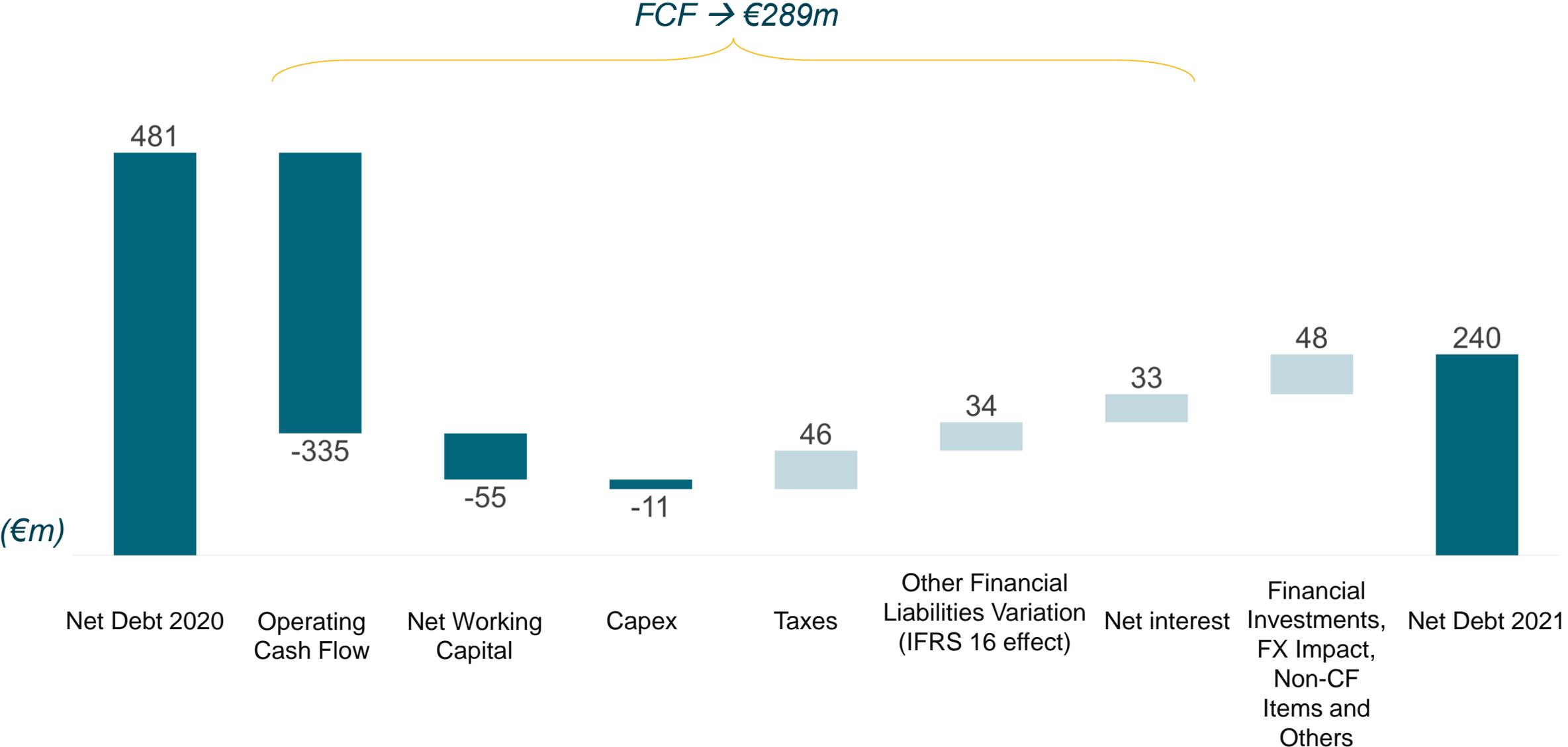
ROCE* expansion since 2015



*Includes trade working capital balances, group financial assets, balances with public entities, grants, JV's in Defense and IFRS 16 balances

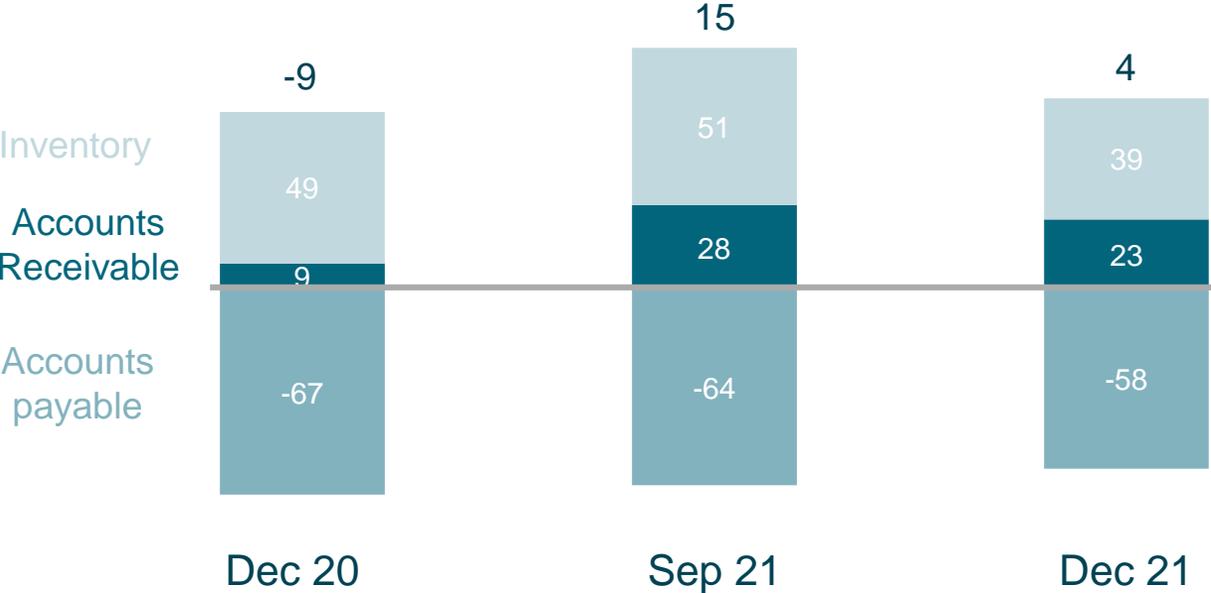
* ROCE = Earnings before interests and after taxes divided by Capital Employed

Net Debt Bridge

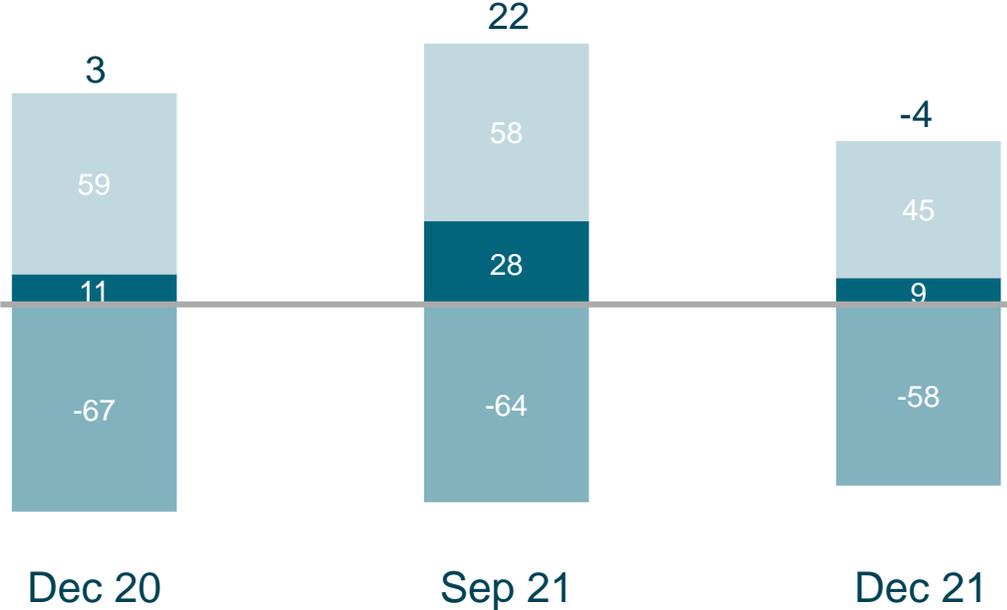


Net Working Capital Evolution

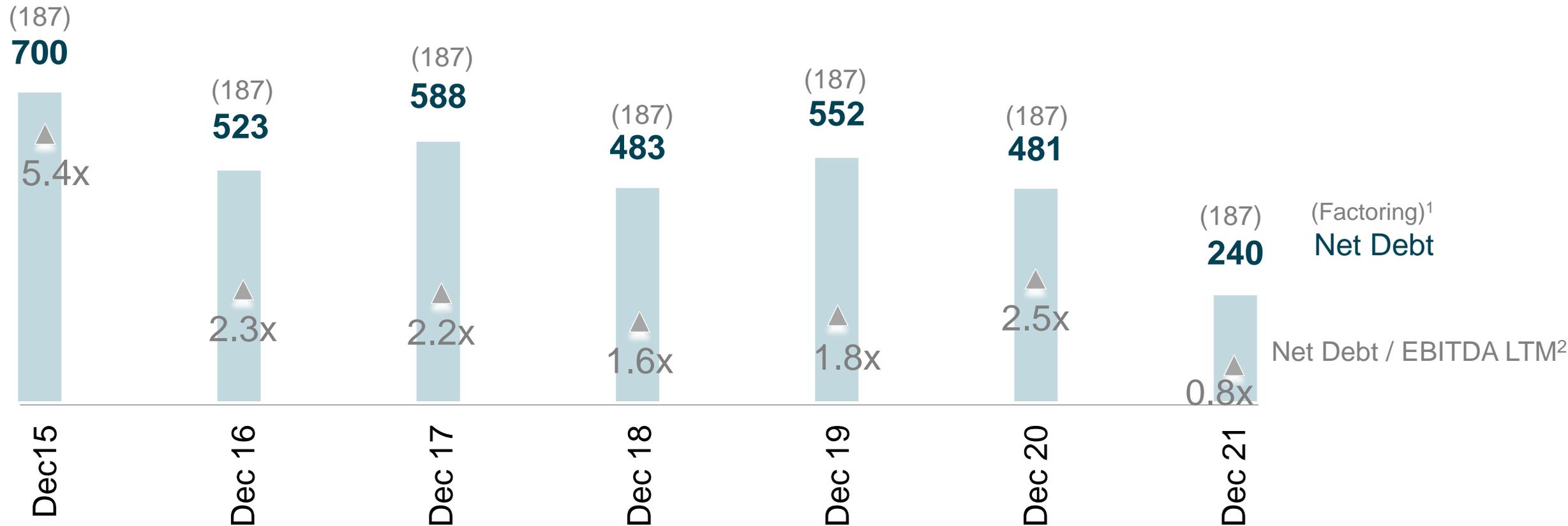
Net Working Capital ST (DoS)



Net Working Capital ST+LT (DoS)



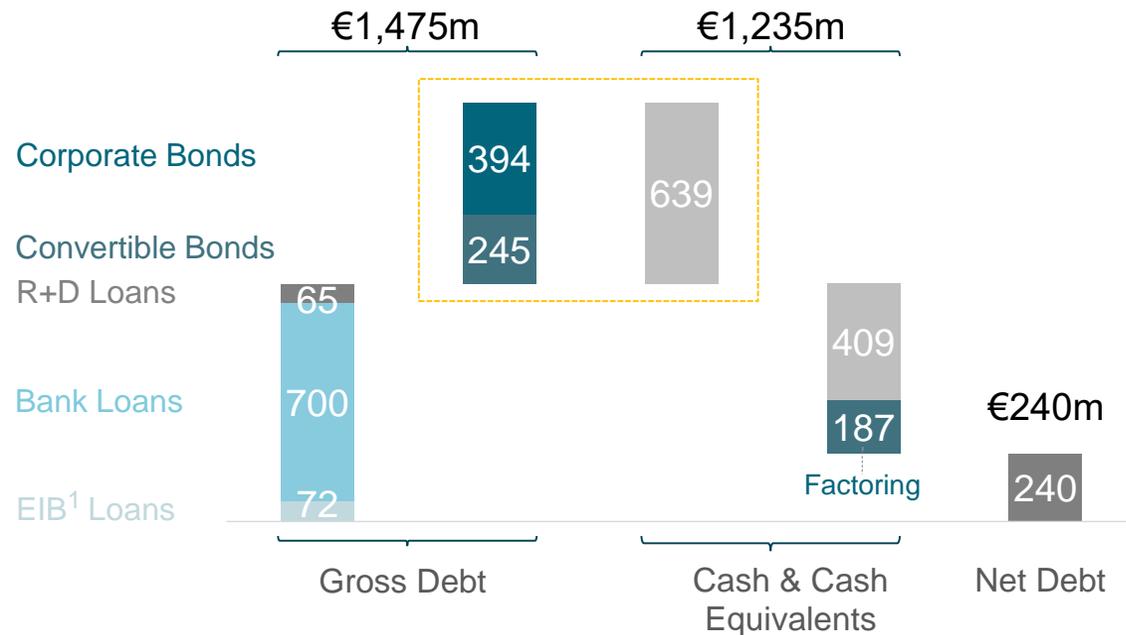
Net Debt Evolution



1. Non-recourse factoring; 2. EBITDA LTM excluding IFRS 16 (€34m in 2021), 2020 cost of the efficiency plan (€189m), Metrocall Capital gain (€36m in 2020), Capital gain of San Fernando facilities sale (€17m in 2021) and the provision of the Real Estate plan (€7m in 2021)

Diversified debt structure

Gross and Net Debt Structure

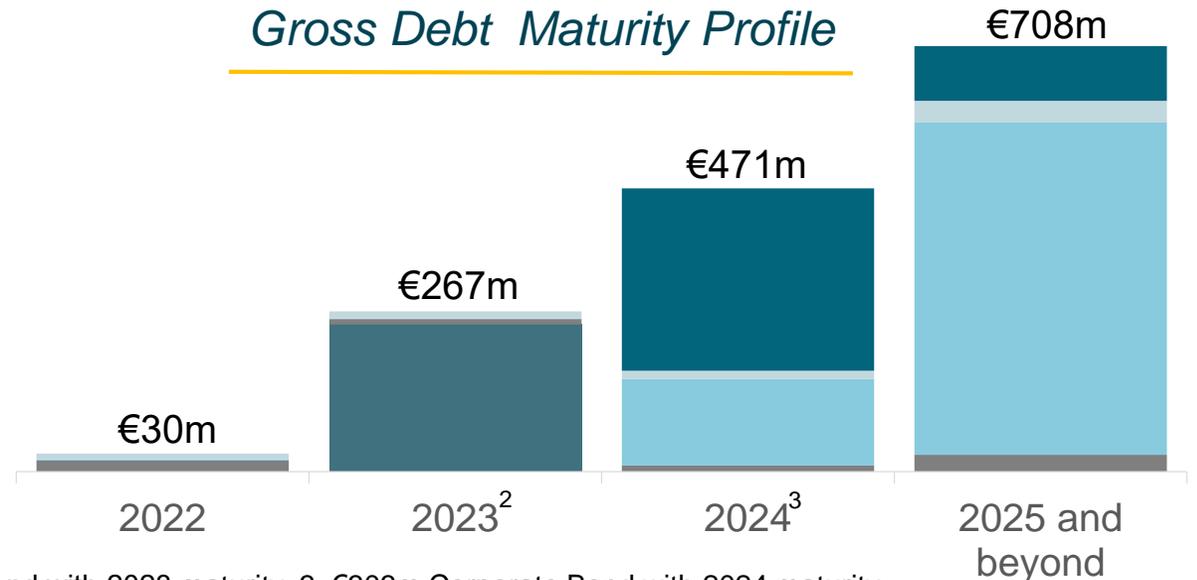


Other available credit facilities: €86m

	FY21	FY20
Average life (years)	2.9	3.2
Average life ex bonds (years)	3.5	3.3

	FY21	% total	FY20	% total
L/T Debt	1,436	97%	1,373	82%
S/T Debt	39	3%	293	18%
Gross Debt	1,475	100%	1,666	100%
Cost of Gross Debt	1.9%		1.9%	
Cash & Others	1,235	n.m.	1,185	n.m.
Net Debt	240	n.m.	481	n.m.

Gross Debt Maturity Profile



1. European Investment Bank; 2. Including €245m Convertible Bond with 2023 maturity; 3. €303m Corporate Bond with 2024 maturity



Investor Relations

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Annex 1: Number of Shares owned by the CEOs

Number of Shares	Actual Position	% Capital Position
Cristina Ruiz	154.945	0,09%
Ignacio Mataix	151.083	0,09%
Total	306.028	0,17%

- Approximately 50% of the total Remuneration is paid in shares:
 - Fixed Remuneration (25% of total) is paid in cash
 - Variable Annual Remuneration (35% of total) is paid 70% in cash and 30% in shares (deferred over a 3 year period)
 - Medium Term Remuneration 2021-2023 (40% of total) is fully paid in shares. Linked to cumulative 3-year targets, including a component directly linked to share price performance
- CEO's contractually committed to owning 2x of their Fixed Remuneration in shares (obligation to maintain them for 3 years)
- Rest of top management's remuneration structured along similar lines
- All Board Members invest 50% of its total remuneration in shares