

indra

2018 Results



February 28th, 2019

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:

France: +33 170 710 159

Spain: +34 911 140 101

UK: +44 2071 943 759

US: +1 6467 224 916

Access code: 11015517#

Access to the live event:

<https://event.on24.com/wcc/r/1931864-1/8DDE8155DC35BF555A02E9A12035C8C4?partnerref=rss-events>

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 2033645147

US: +1 (646) 722-4969

Access Code: 418829989#

Access to the Webcast Replay:

<https://event.on24.com/wcc/r/1931864-1/8DDE8155DC35BF555A02E9A12035C8C4?partnerref=rss-events>

This presentation has been produced by Indra for the sole purpose expressed therein. Therefore, neither this presentation nor any of the information contained herein constitutes an offer sale or exchange of securities, invitation to purchase or sale shares of the Company or any advice or recommendation with respect to such securities.

Its content is purely for information purposes and the statement it contains may reflect certain forward-looking statements, expectations and forecasts about the Company at the time of its elaboration. These expectations and forecasts are not in themselves guarantees of future performance as they are subject to risks, uncertainties and other important factors beyond the control of the Company that could result in final results materially differing from those contained in these statements. The Company does not assume any obligation or liability in connection with the accuracy of the mentioned estimations and is not obliged to update or revise them.

This document contains information that has not been audited. In this sense, this information is subject to, and must be read in conjunction with, all other publicly available information.

This disclaimer should be taken into consideration by all the individuals or entities to whom this document is targeted and by those who consider that they have to make decisions or issue opinions related to securities issued by Indra.

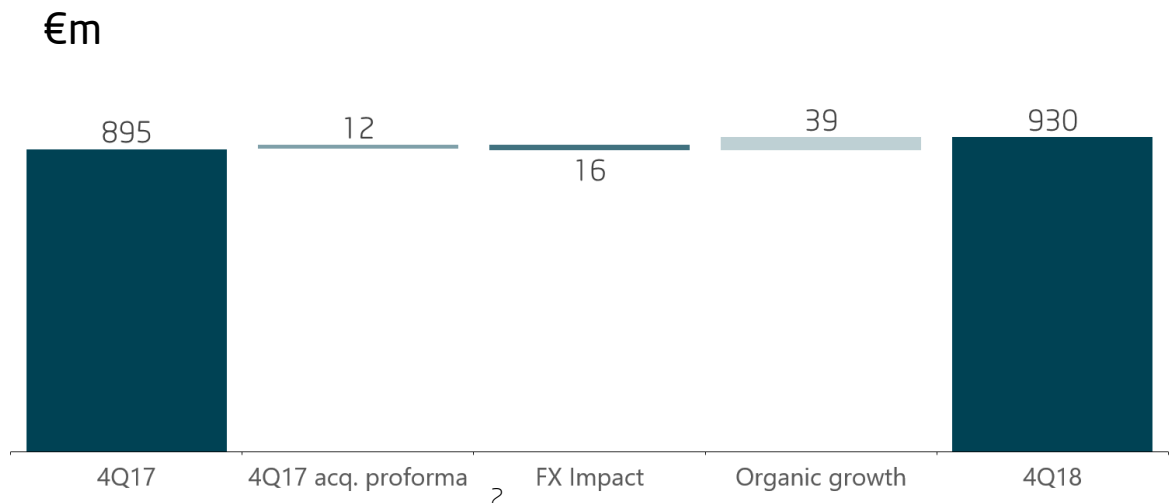
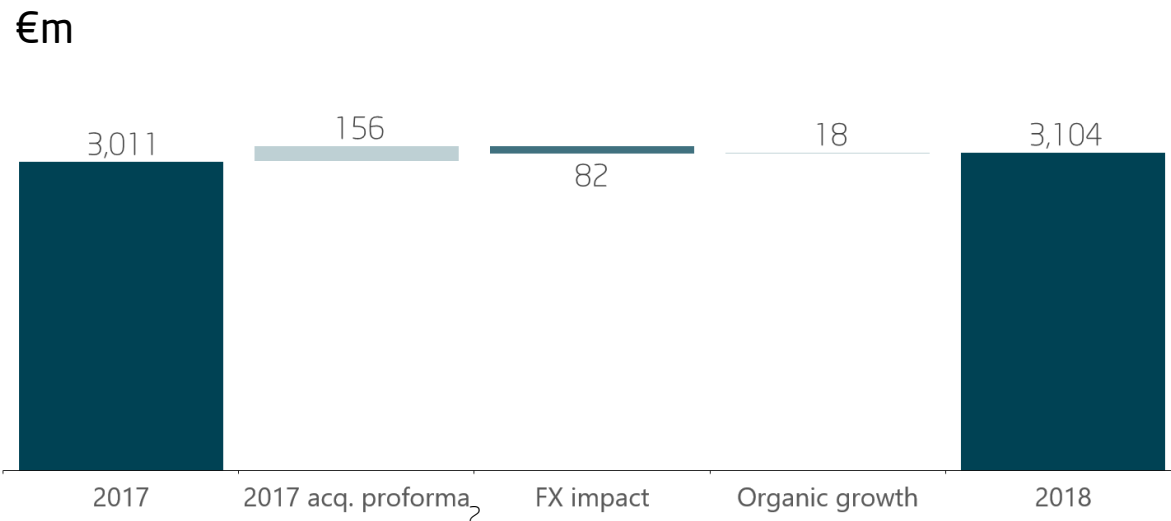
Main headlines

- 1 Order intake (+6%), revenues (+3%) and backlog (+13%) in 2018.
- 2 Organic revenues up +1% in 2018 and +4% in 4Q18.
- 3 2018 EBITDA up +10%. EBITDA margin of 9.4% in 2018 vs 8.8% in 2017.
- 4 Brazil and Transport turning around: revenue and order intake growth and positive EBIT.
- 5 FCF totaled €168m.
- 6 Net debt/EBITDA LTM down to 1.6x vs 2.2x in 2017.
- 7 2018 guidance fulfilled.

Revenues up +3% in reported terms

2018 Sales Growth	
Reported	+3%
Local Currency	+6%
Organic ¹	+1%

4Q18 Sales Growth	
Reported	+4%
Local Currency	+6%
Organic ¹	+4%

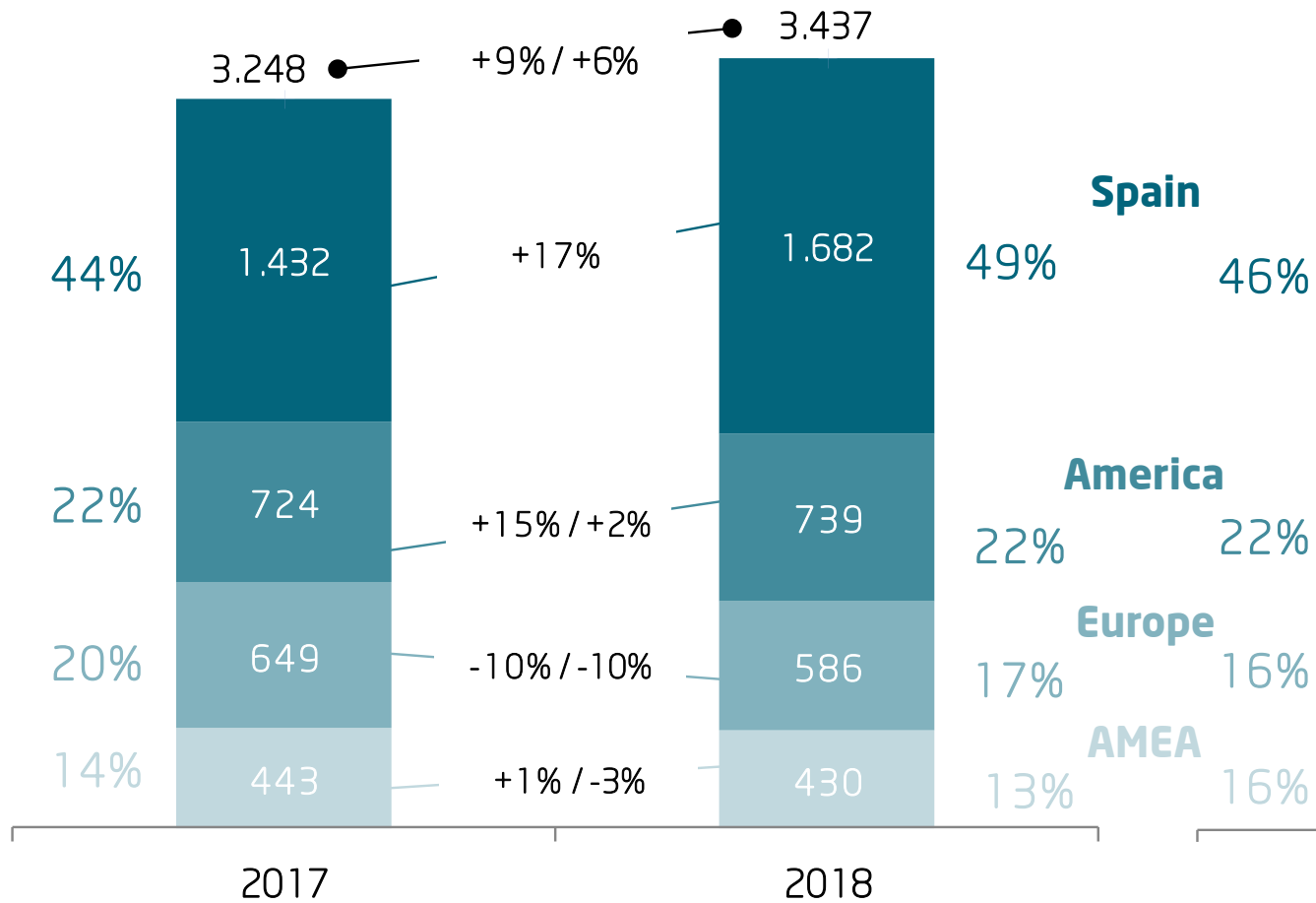


1. Organic: revenue growth in local currency and adjusted by perimeter changes (acquisitions and divestments); 2. Acquisitions Proforma: TecnoCom, which started to consolidate on 18 April 2017; Paradigma, which started to consolidate on 1 January 2018; ACS (Advanced Control Systems), which started to consolidate on 1 October 2018.

Revenues and order intake by region

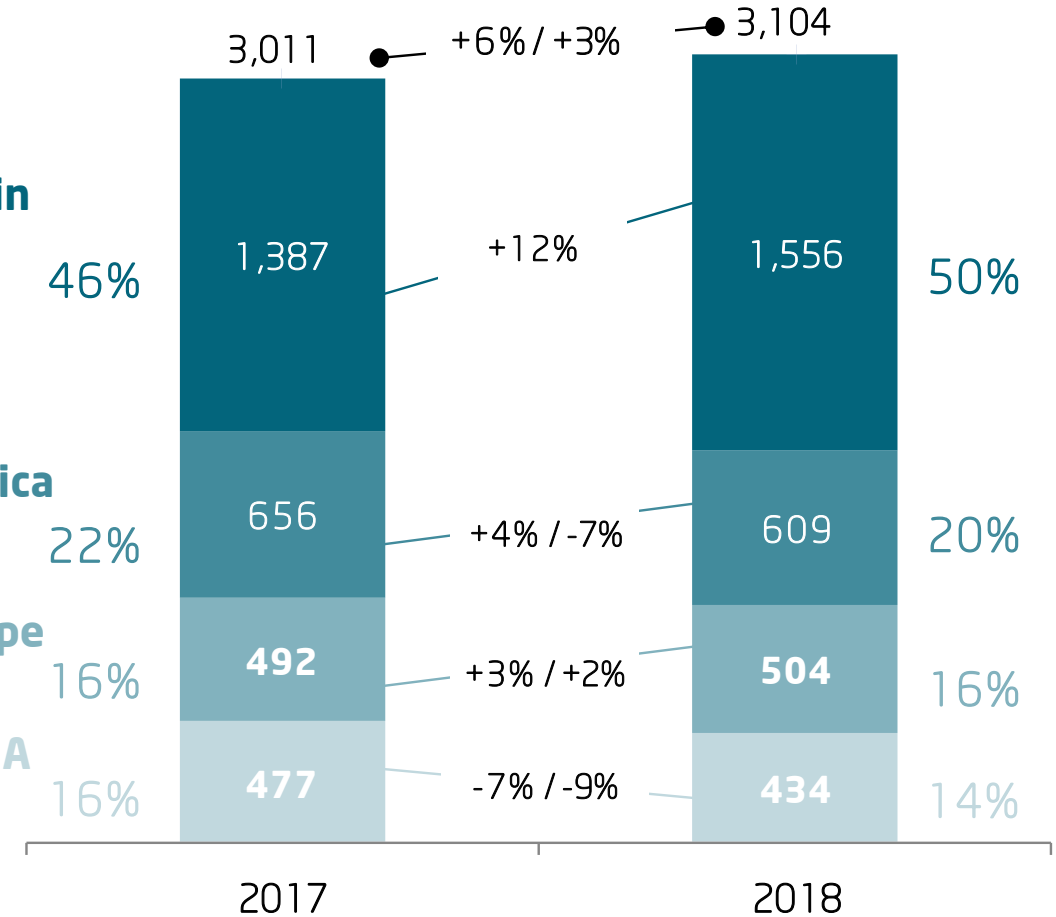
Order Intake (€m)

Local Currency / Reported



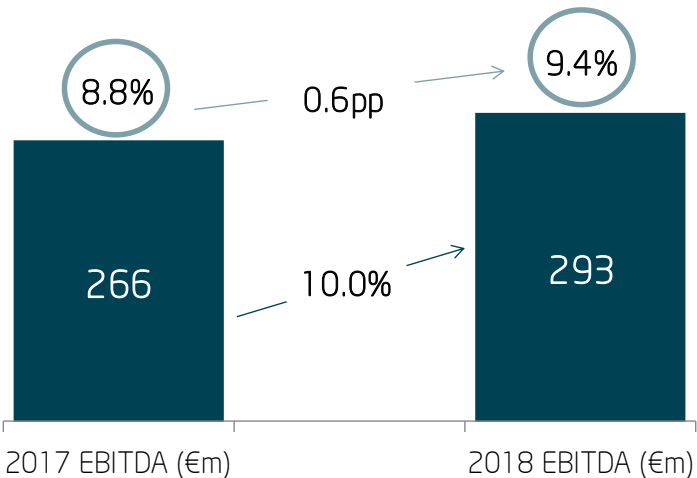
Revenues (€m)

Local Currency / Reported

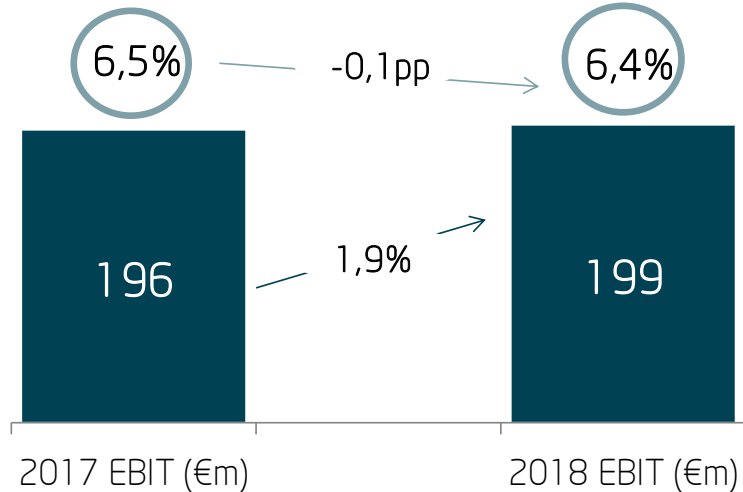


EBITDA, EBIT and margin evolution

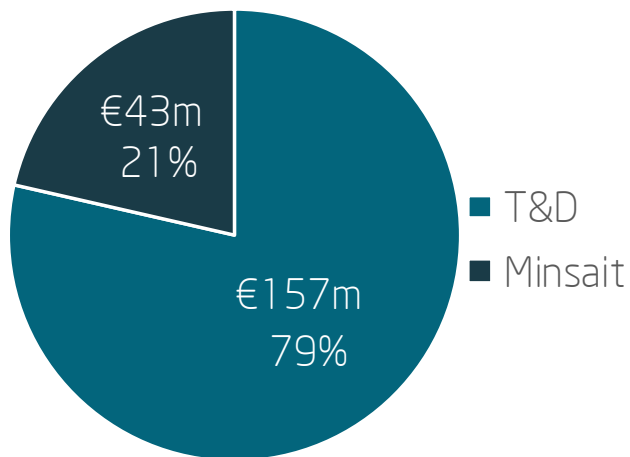
2018 EBITDA and Margin



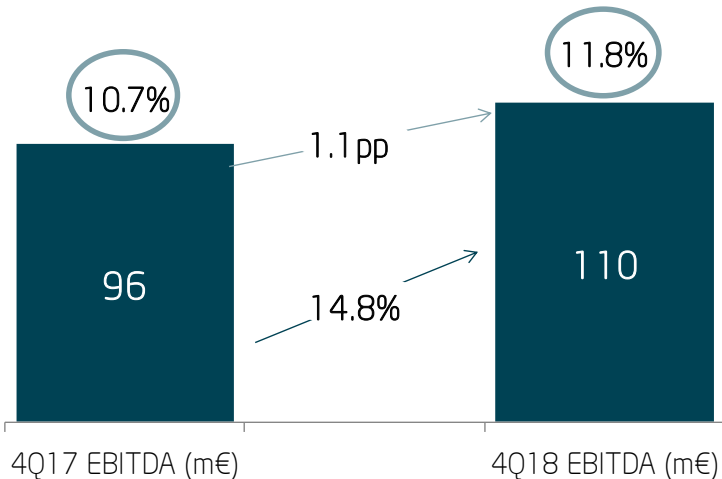
2018 EBIT and Margin



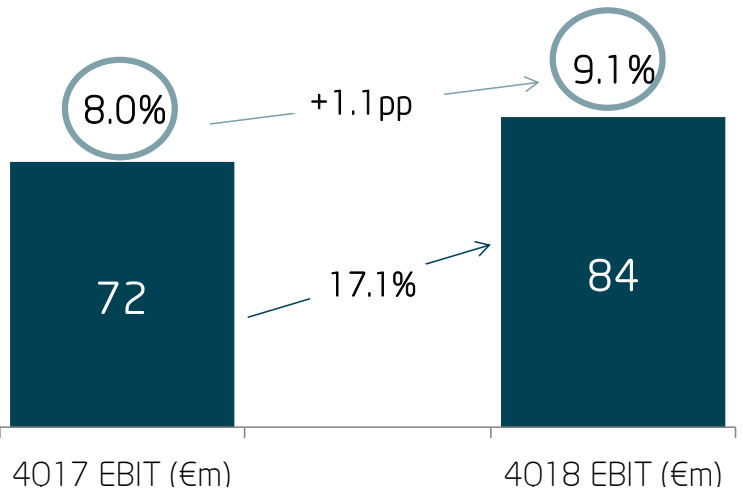
2018 EBIT breakdown by division



4Q18 EBITDA and Margin



4Q18 EBIT and Margin



Turnaround of Brazil and Transport

BRAZIL

- Main country in America (c.30% of sales)
- Order intake +11% in local currency, above revenue growth
- Revenue growth +7% in local currency
- Turnaround achieved, positive EBIT Margin
- Repositioning process towards private vs public clients on track

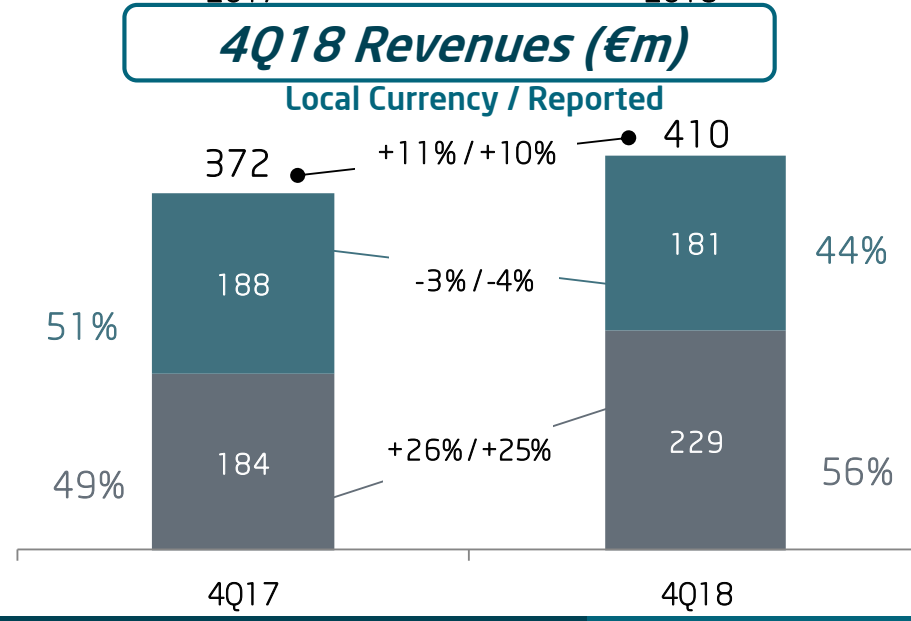
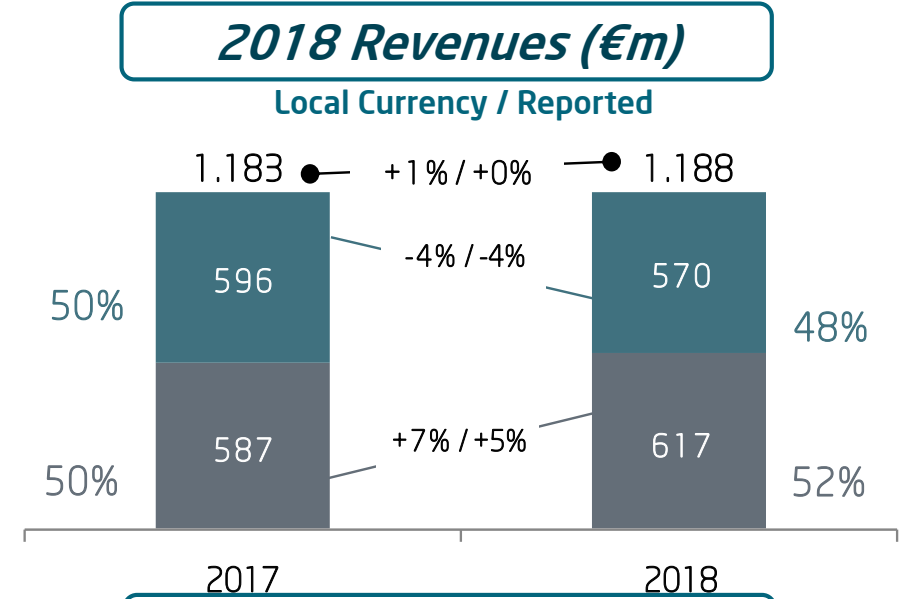
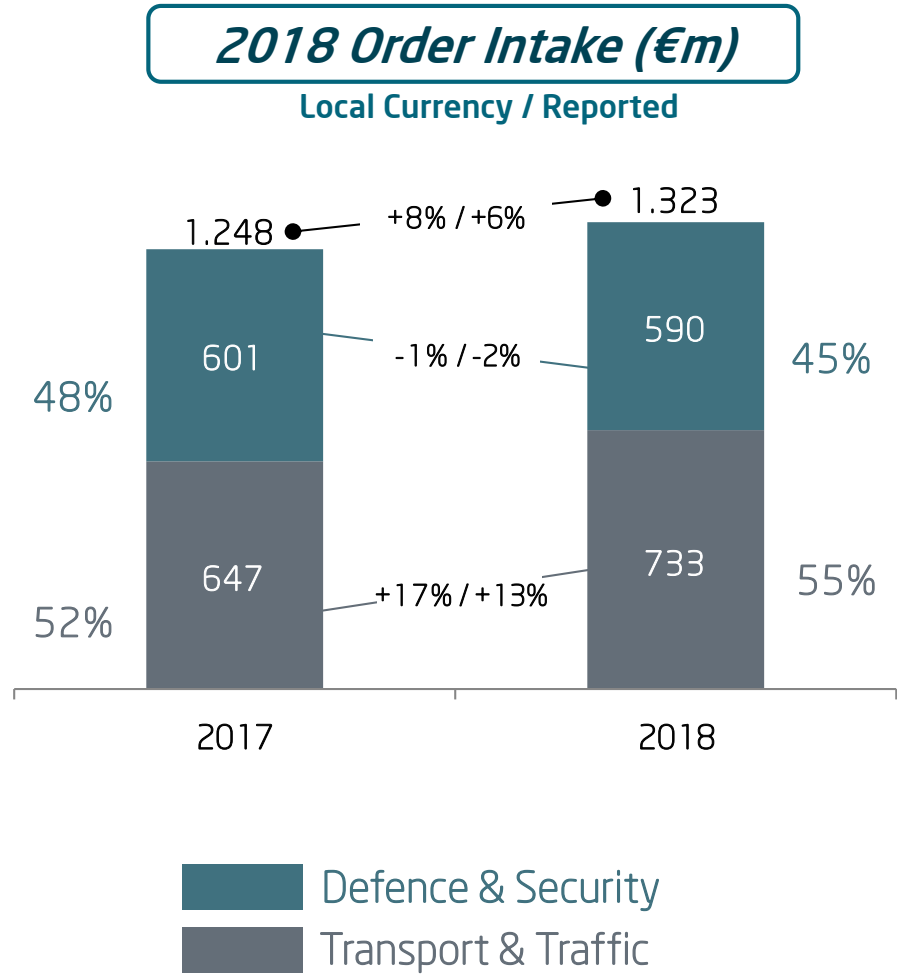
TRANSPORT

- Transport represents c.30% of T&D sales
- Order intake +26% in reported figures, above revenues
- Revenue growth +6% in reported terms
- Positive EBIT achieved in 2018
- Turnaround in process

Guidance 2018 achieved

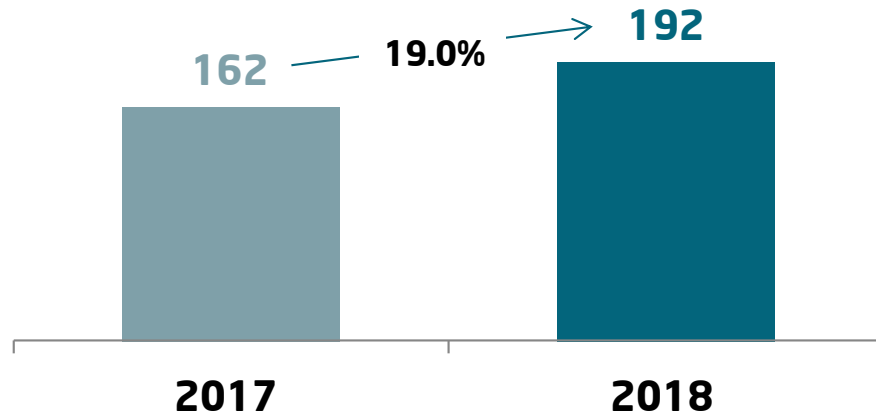
	Guidance 2018	Results 2018	Guidance 2019
Revenue growth (in constant currency)	Low single digit	+6%	Low single digit
EBIT growth (in absolute terms)	Slight increase vs 2017 reported figure	+2%	>10%
FCF before NWC	c.100 m€	€170m	>100 m€

T&D order intake and revenues

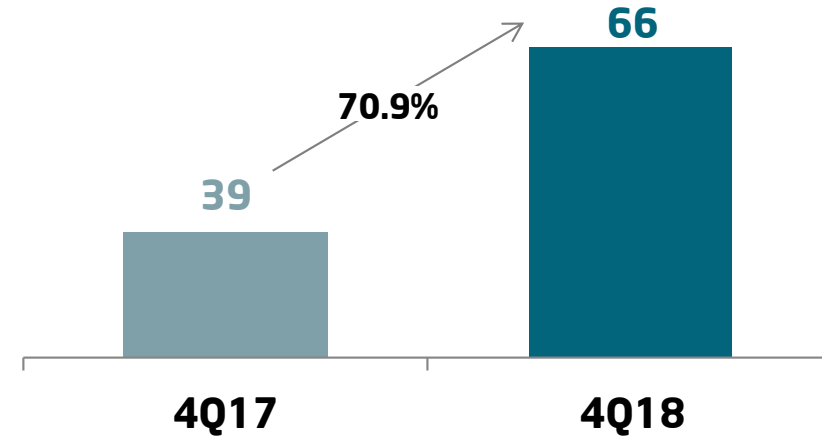


T&D EBITDA and margin evolution

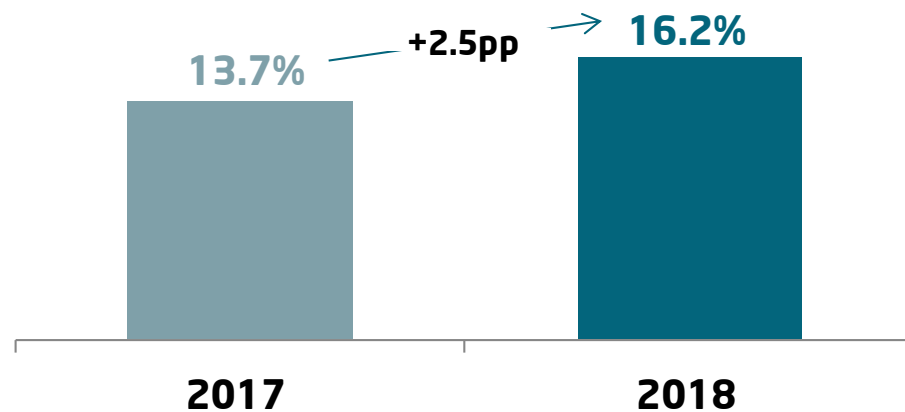
2018 EBITDA (€m)



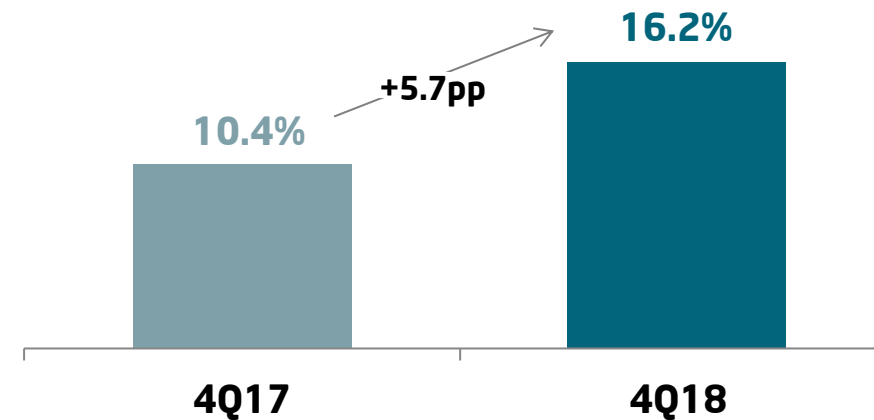
4Q18 EBITDA (€m)



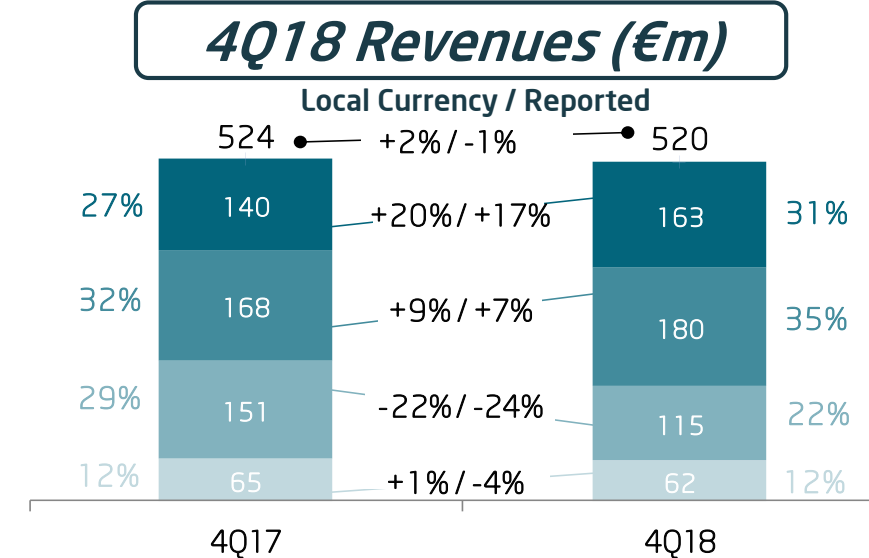
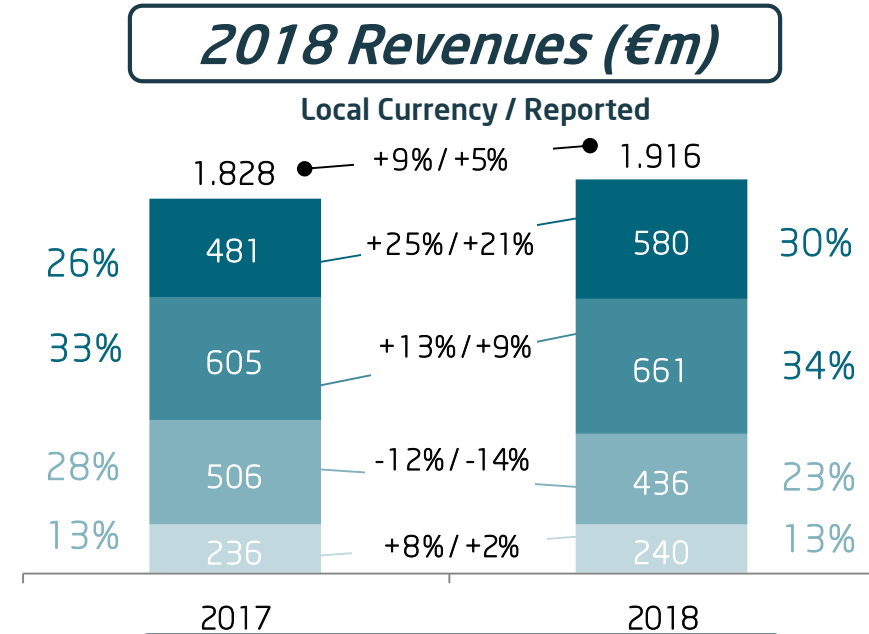
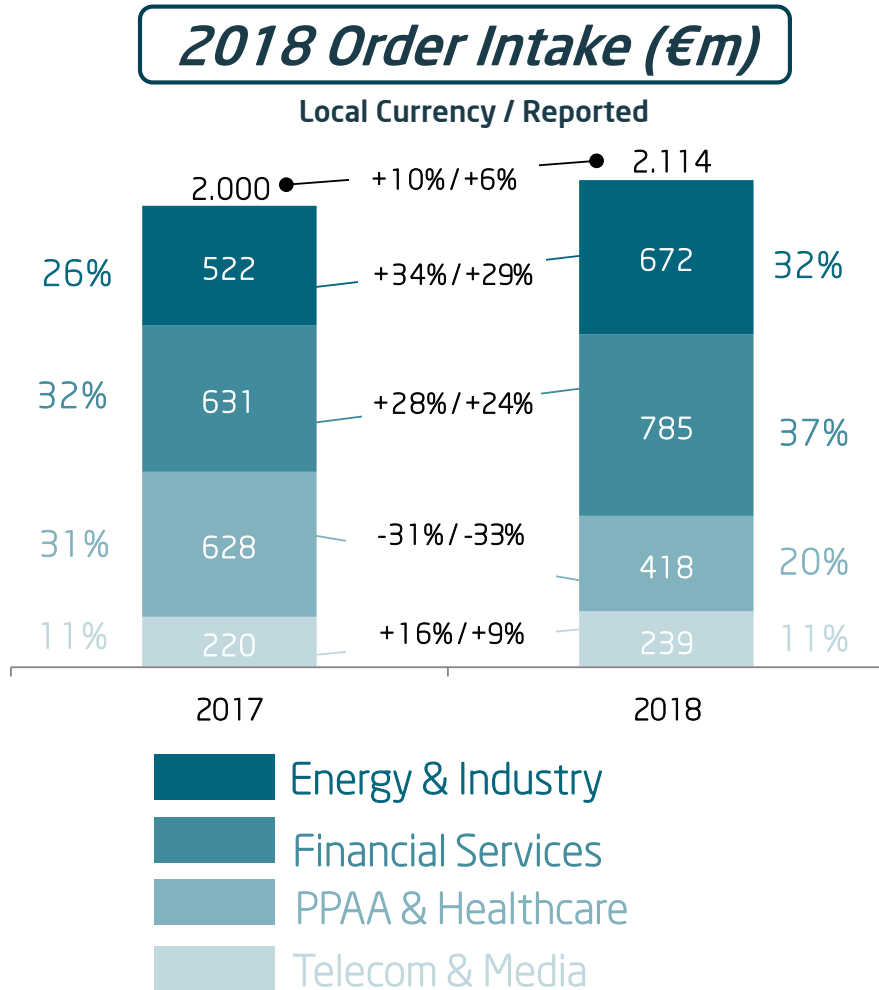
2018 EBITDA Margin (%)



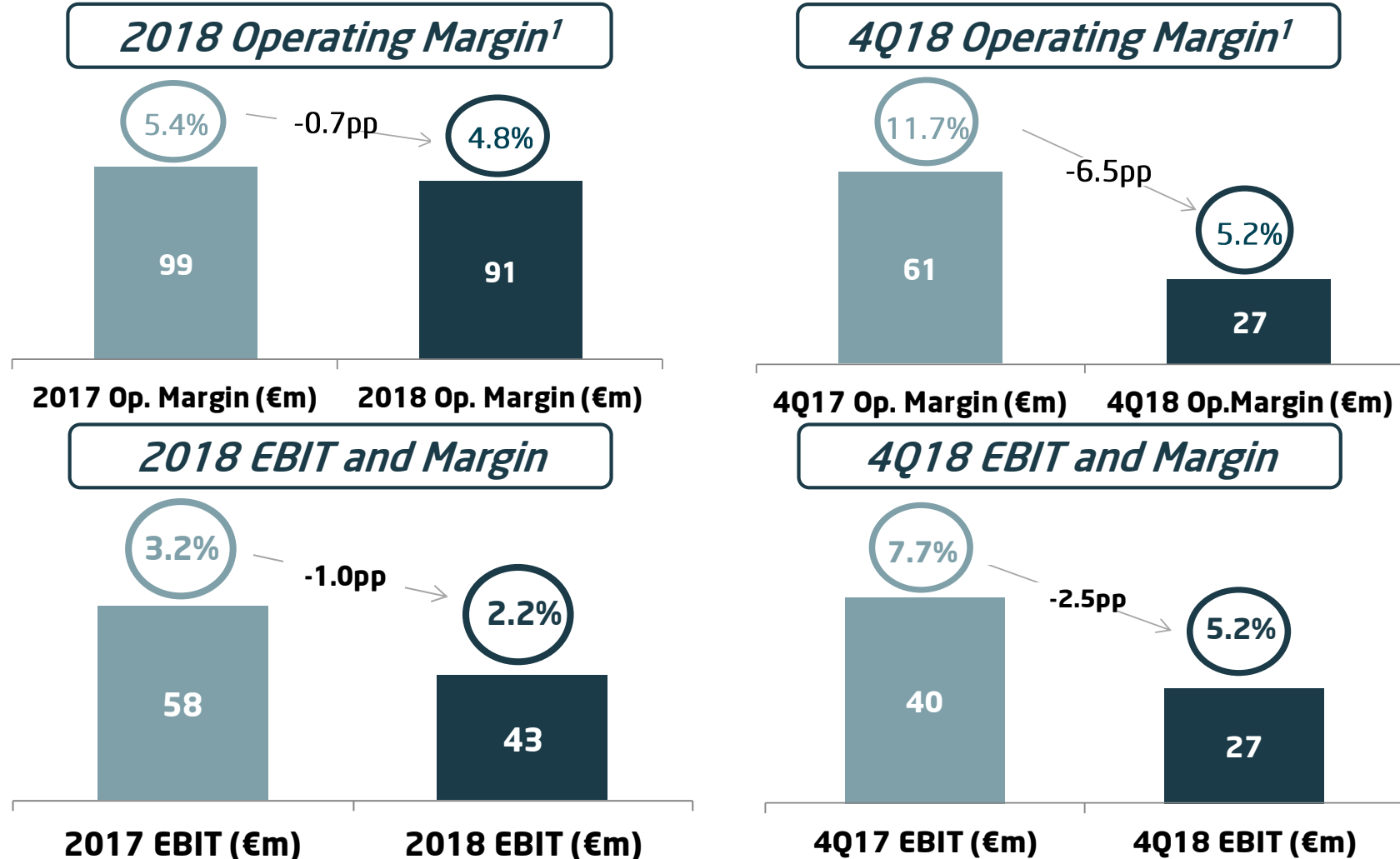
4Q18 EBITDA Margin (%)



Minsait (IT) order intake and revenues

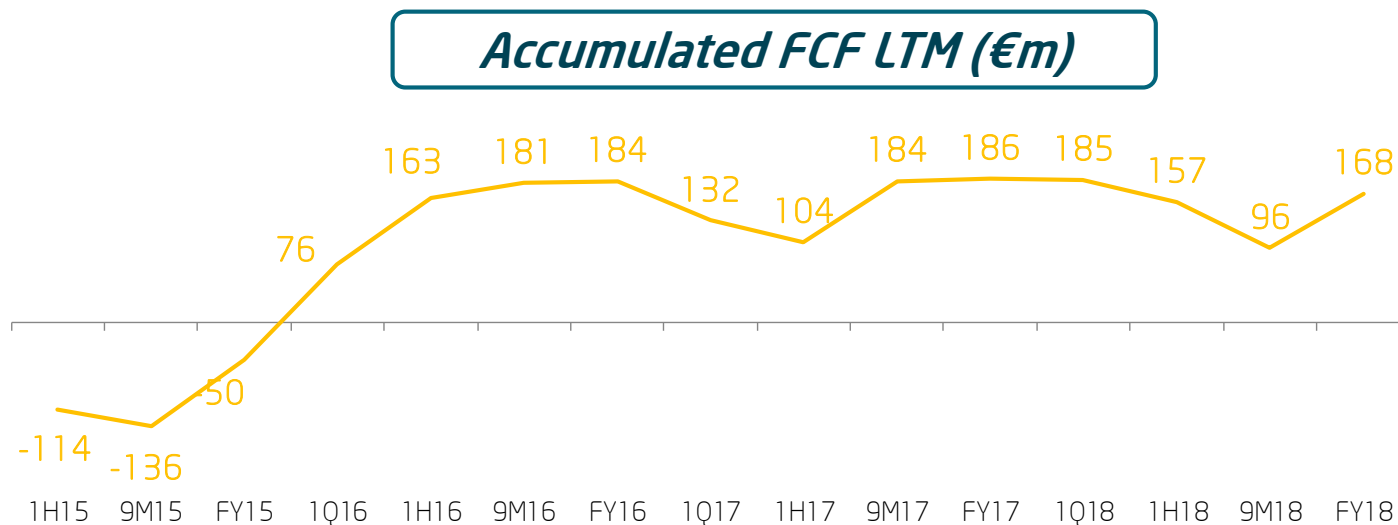
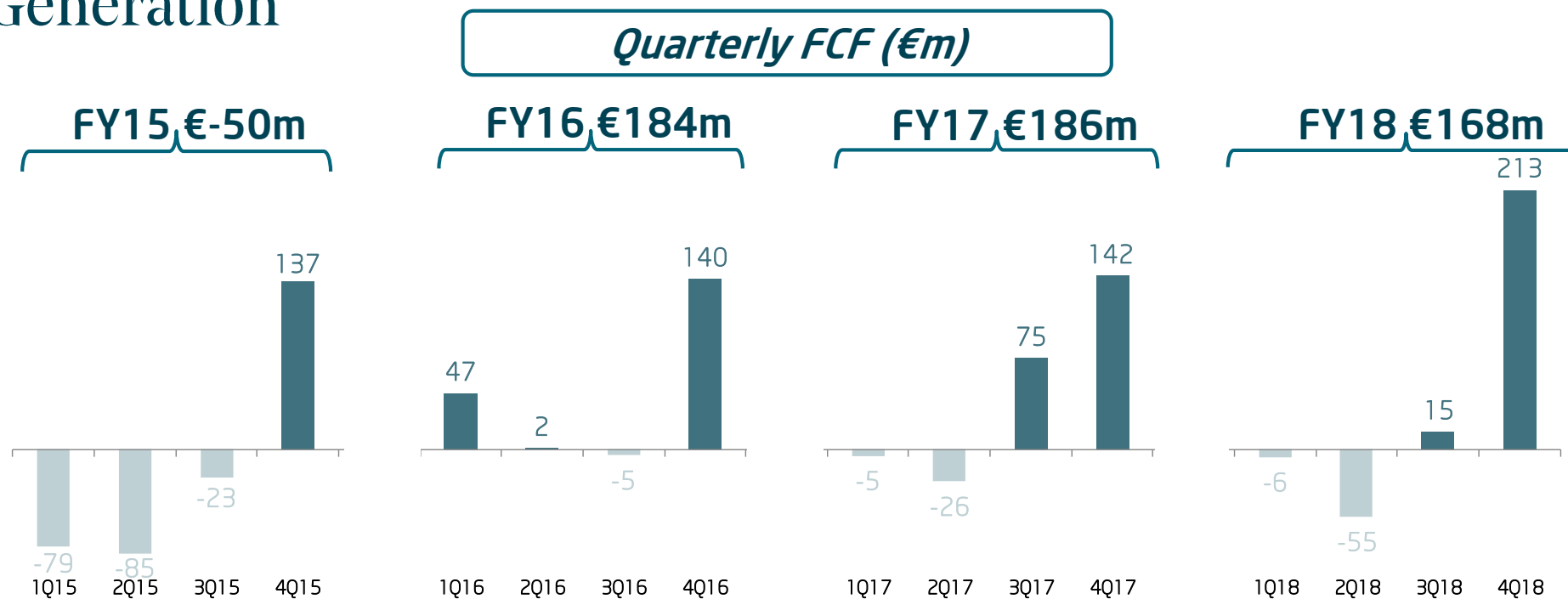


Minsait (IT) operating margin and EBIT evolution



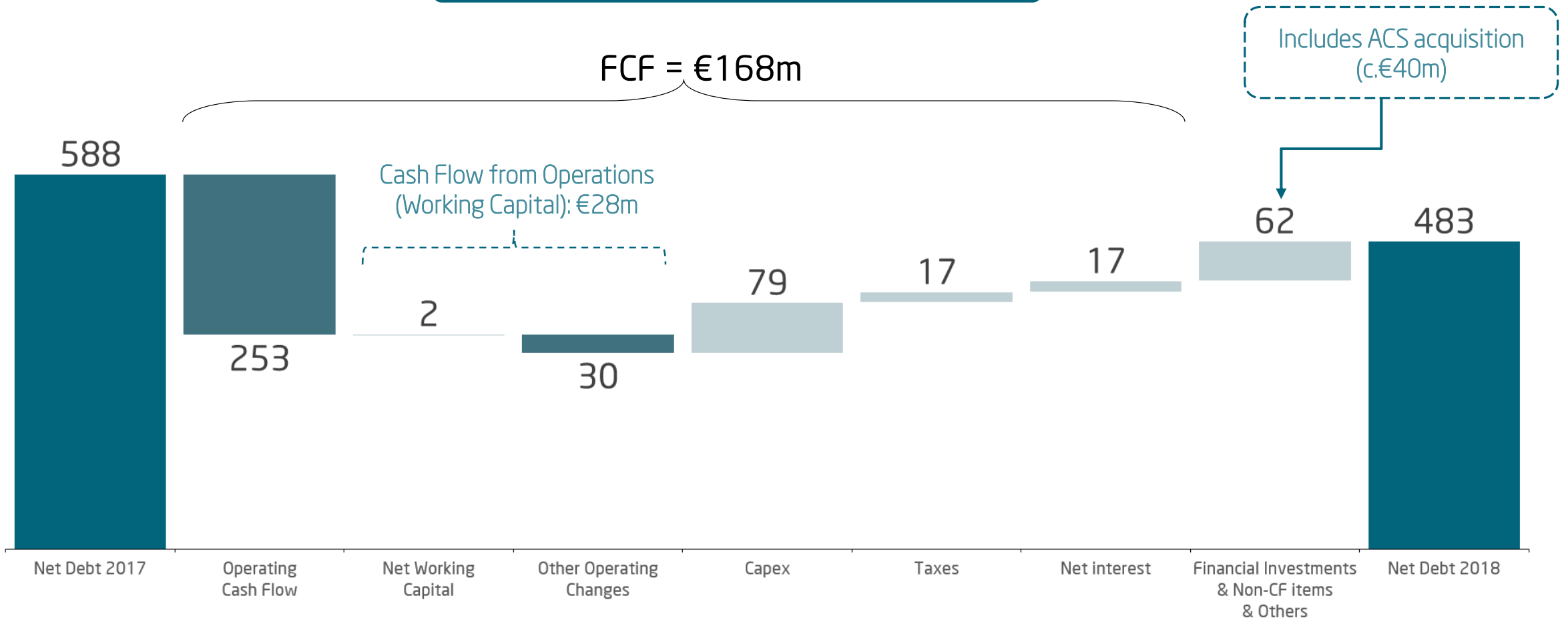
1. EBIT before Other Operating Income & Expenses, which includes: staff reorganization, integration and acquisition costs, fines, amortization of intangible assets (PPA from acquisitions) and equity based compensation.

FCF Generation

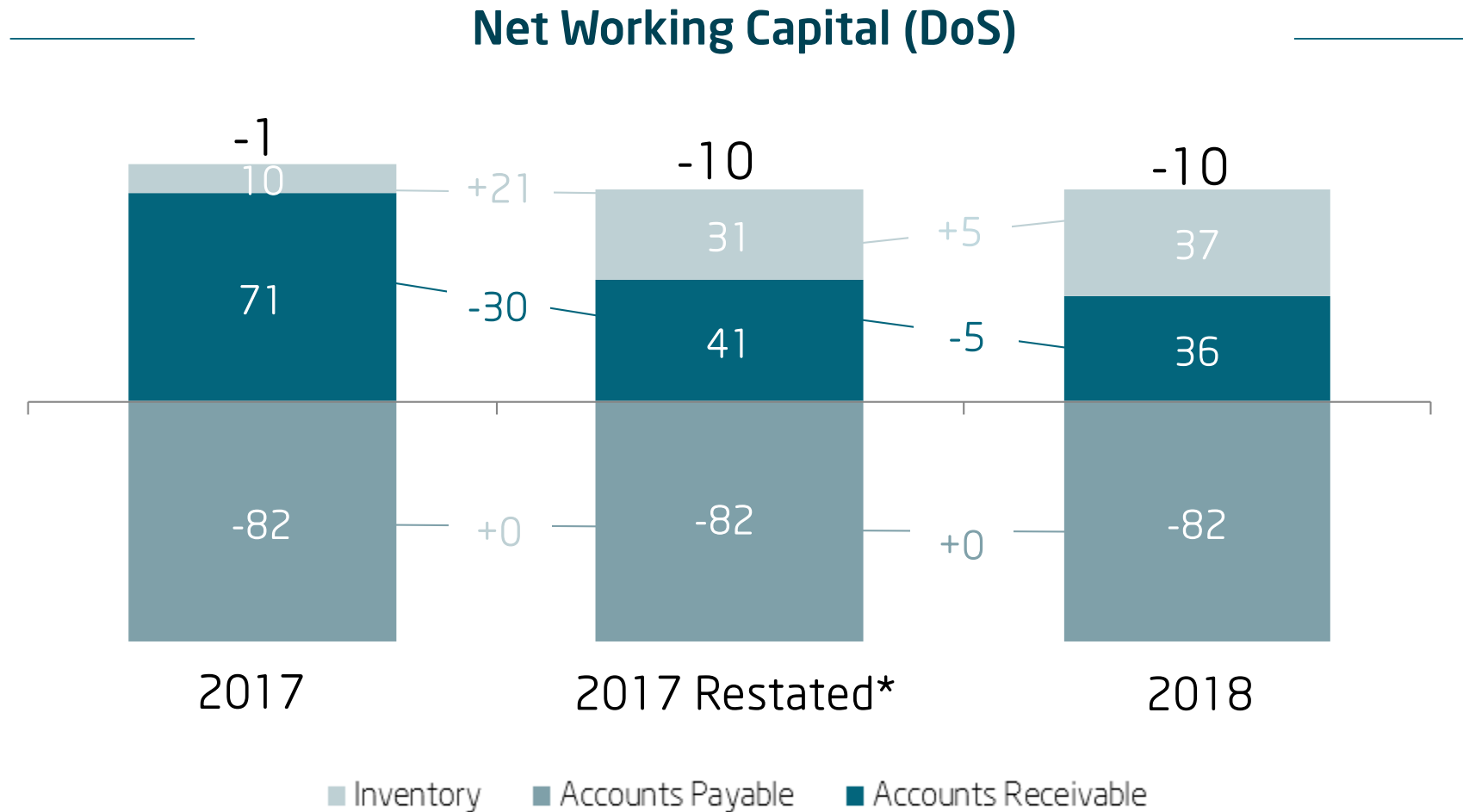


Net Debt Bridge

Net Debt Bridge - Cash Flow (€m)

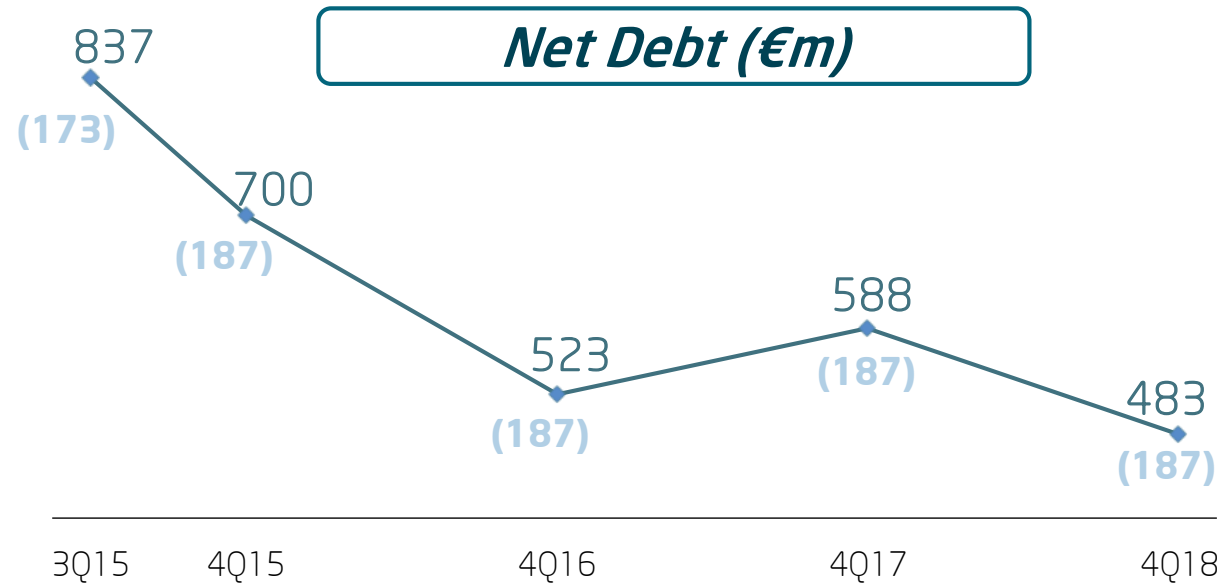


Net Working Capital Evolution

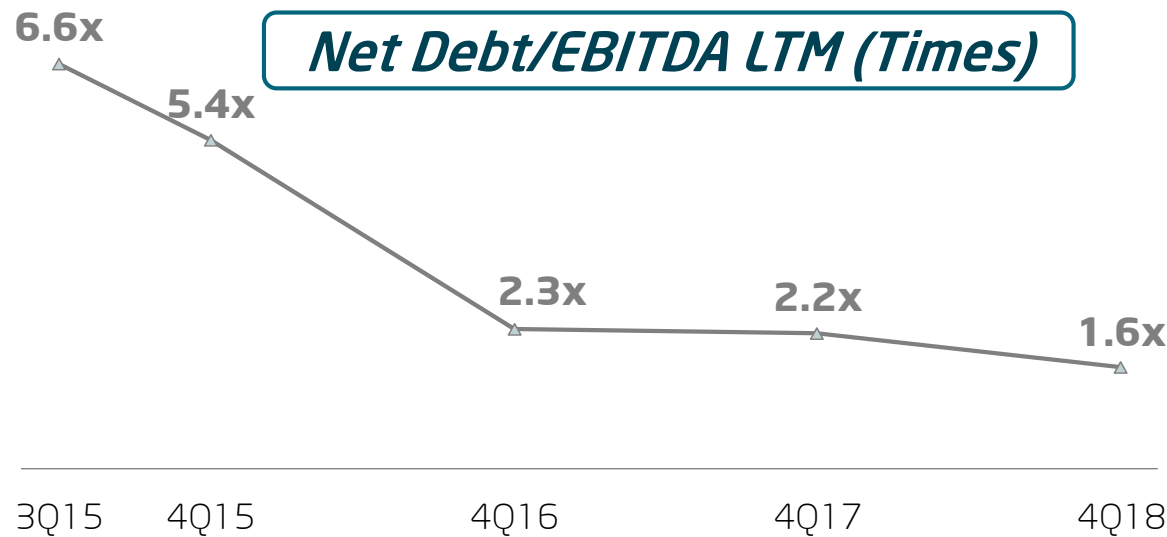


*2017 restated for IFRS 15 and IFRS 9

Net Debt Evolution



Net Debt
(Factoring)⁽¹⁾

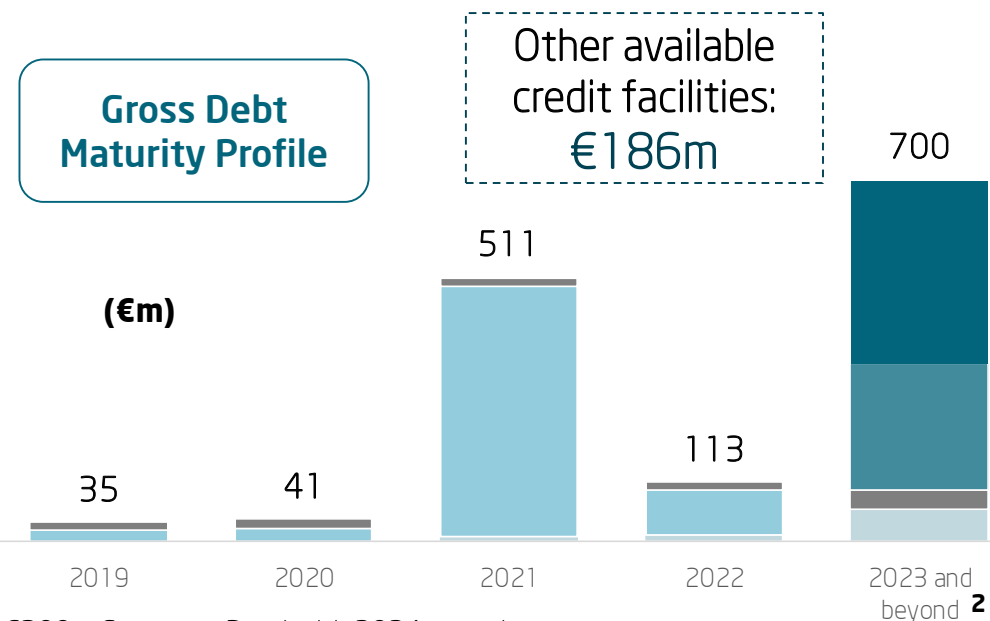
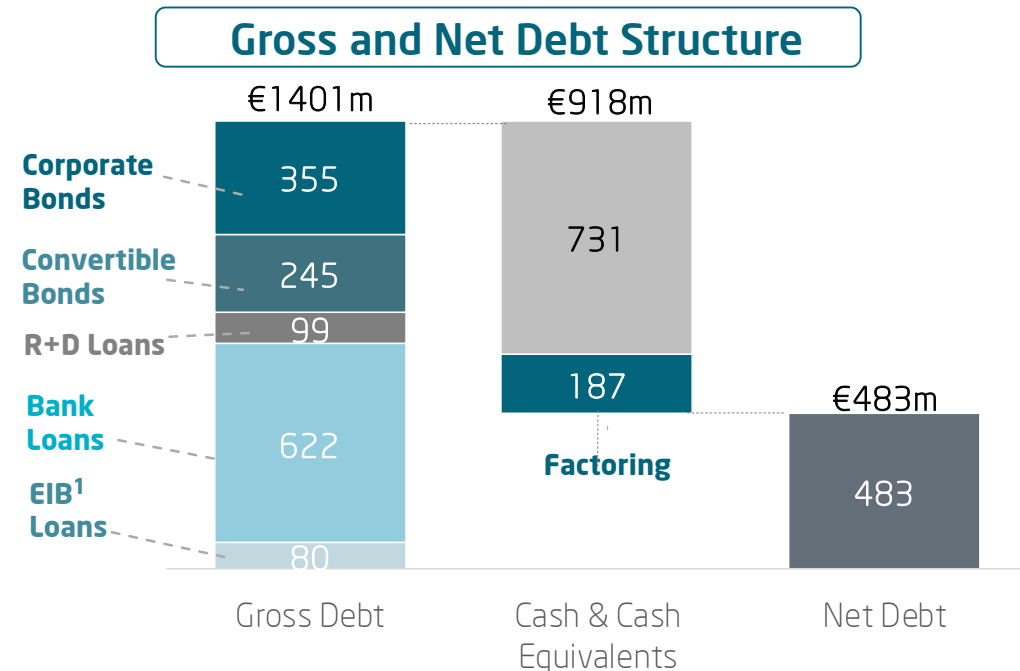


ND/ EBITDA LTM

(1) Non-recourse factoring

Diversified debt structure

	2018	% total	2017	% total
L/T Debt	1,359	97%	1,016	79%
S/T Debt	42	3%	271	21%
Gross Debt	1,401	100%	1,287	100%
Cost of Gross Debt	2.0%		2.2%	
Cash & Others	918	n.m.	699	n.m.
Net Debt	483	n.m.	588	n.m.
Cost of Net Debt	3.2%		3.0%	
	2018	2017		
Average life (years)	4,0	3,3		



1. European Investment Bank . 2. Including €245m Convertible Bond with 2023 maturity and €300m Corporate Bond with 2024 maturity



Investor Relations
irindra@indra.es
Avenida de Bruselas, 35
28108 Alcobendas
Madrid Spain
T +34 91 480 98 00
www.indracompany.com