

indra

1Q20 Results



May 11th, 2020

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: 98891222#

Access to the live event:

<https://event.on24.com/wcc/r/2291242-1/BF54B9B1B63EF66AAA9005DC33C67C1B?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: 418928045#

Access to the Webcast Replay:

<https://event.on24.com/wcc/r/2291242-1/BF54B9B1B63EF66AAA9005DC33C67C1B?partnerref=rss-events>

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Indra's priorities in face of Covid-19

Employees

We moved promptly to protect our employees' wellbeing, both at our premises as well as at home.

- ✓ More than 90% of Indra workforce has been working from home since the second week of March.
- ✓ Increased strict personal hygiene measures and deployment of protective equipment (liquid sanitizers, masks, Covid-19 tests, etc) in all our factories and premises in operation.

Clients & Communities

We have used our technology to guarantee the continuity of our clients' operations from day one of the pandemic.

- ✓ A significant part of our customers' operations are considered "essential" for their national economies.
- ✓ Indra has secured the continuity of our client's operations via remote and secured access

Financial Stability

We are moving decisively to respond to the potential adverse financial consequences of the current situation.

- ✓ Strengthen our financial position by securing additional liquidity and refinancing maturities over the next two years.
- ✓ Cost and capex contention plan to mitigate potential impact on financial metrics.

Covid-19 is starting to have a major impact in the global economy and thus we expect an impact which is still unclear on Indra's results in the coming quarters.

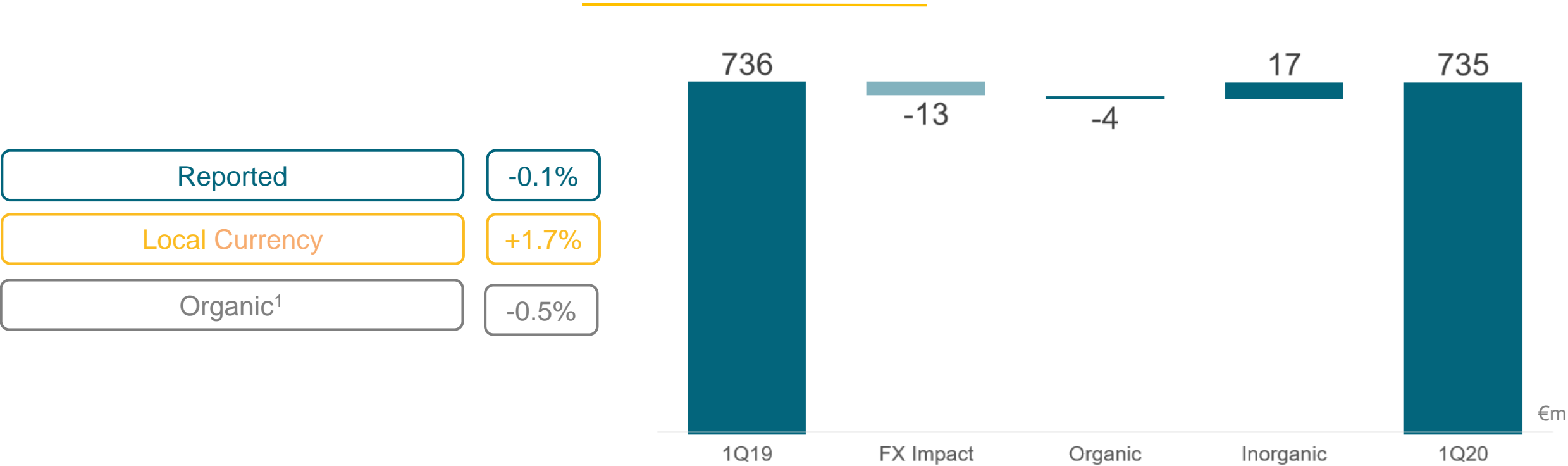
Therefore, Indra's 2020 guidance is withdrawn and the decision to resume dividend payments is postponed.

Main 1Q20 headlines

- 1 The impact of Covid-19 on 1Q20 results has been still limited and mainly concentrated in the T&D division (delays in specific projects).
- 2 Backlog up +12%, new record for Indra (€4.8bn).
- 3 1Q20 Order Intake (+8%) grew again, showing both Minsait and T&D divisions positive performance.
- 4 Revenues remained stable in 1Q20 vs 1Q19. Minsait sales up +4%.
- 5 1Q20 EBIT decreased €-19M compared to 1Q19, mainly due to the timing and delays in Eurofighter and in some other significant T&D projects due to Covid-19. Minsait's EBIT remained stable.
- 6 Improved cash generation in 1Q20 (€+49M) compared to 1Q19. Net Debt / EBITDA LTM ratio up to 2.2x (excluding the impact of IFRS 16) vs 1.9x in 1Q19.

Revenues remain stable in reported terms, +2% in local currency

1Q20 Sales Growth



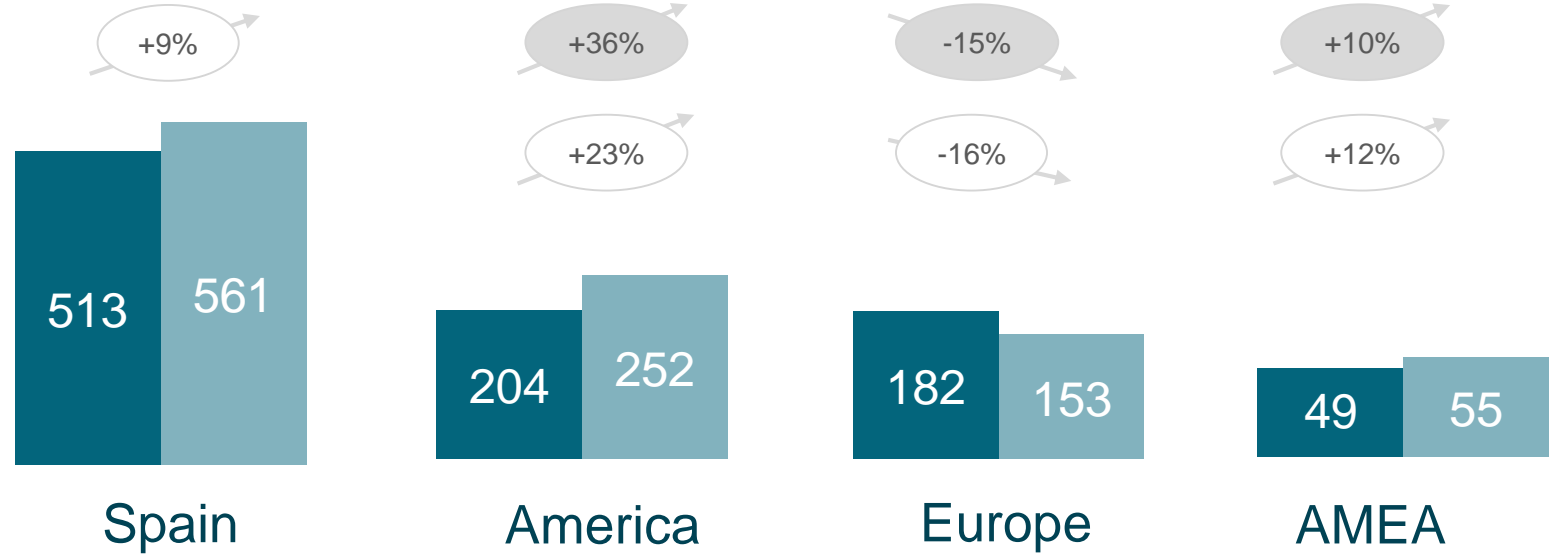
1. Excluding the SIA acquisition which started to consolidate on January 1st, 2020 and the FX impact

Revenues and order intake by region

Order Intake (€m)

Local Currency / Reported

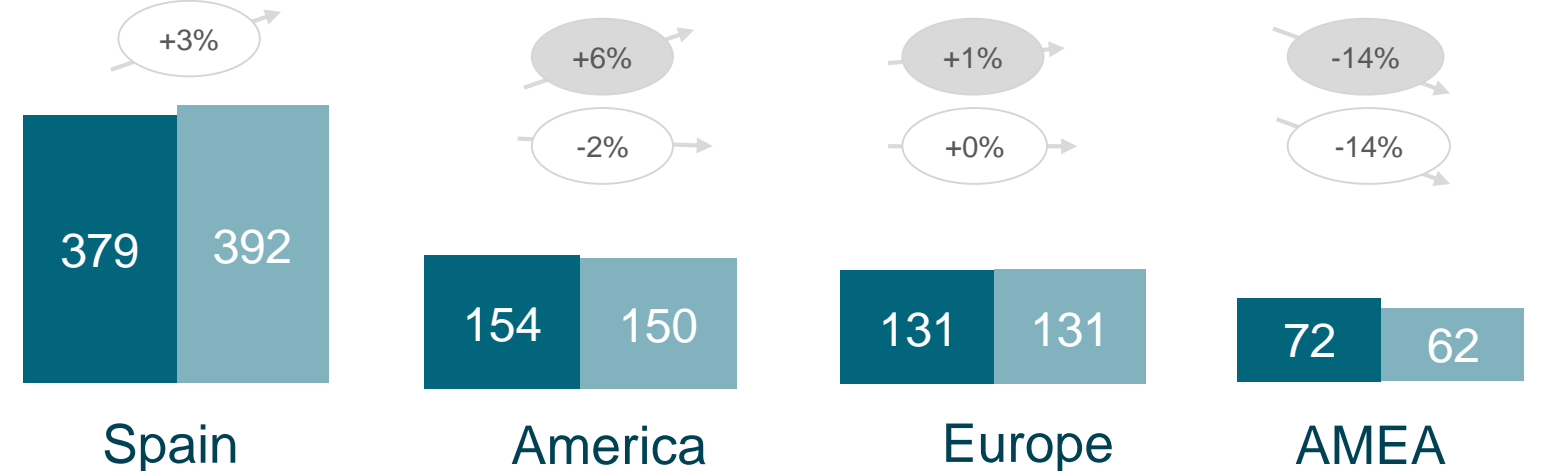
+10% +8%



Revenues (€m)

Local Currency / Reported

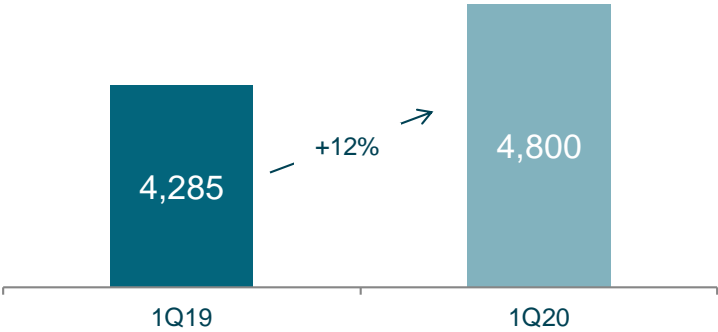
+2% 0%



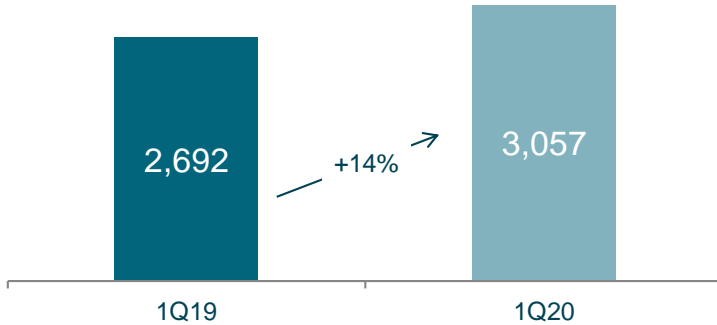
Growth in Local Currency
 Growth in Reported Terms
 1Q19
 1Q20

Backlog +12% reaching new historic high

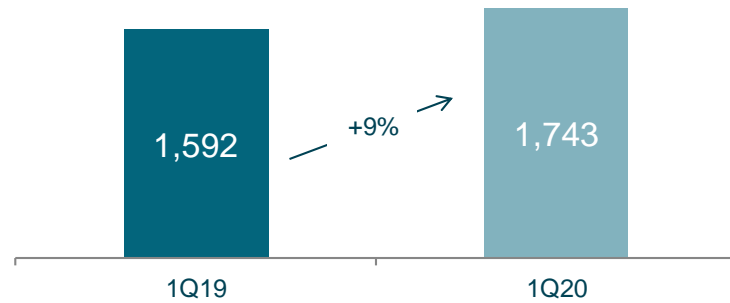
Indra backlog (€m)



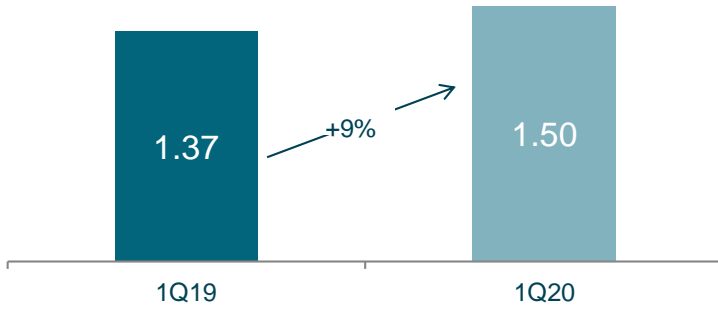
T&D backlog (€m)



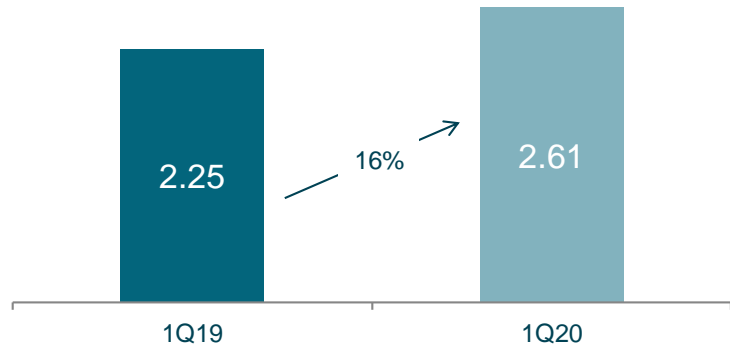
Minsait backlog (€m)



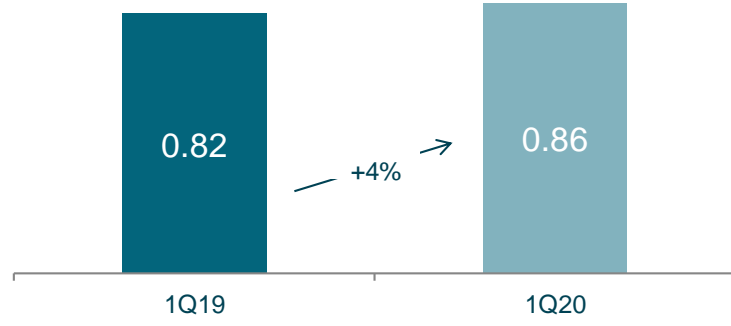
Indra backlog/revs LTM



T&D backlog/revs LTM

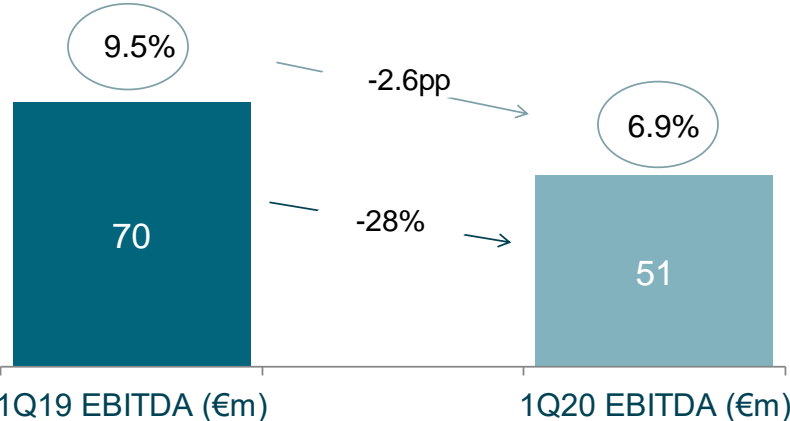


Minsait backlog/revs LTM

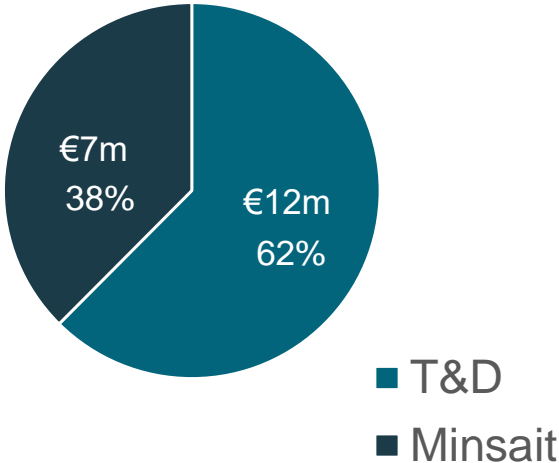


EBITDA, EBIT and margin evolution

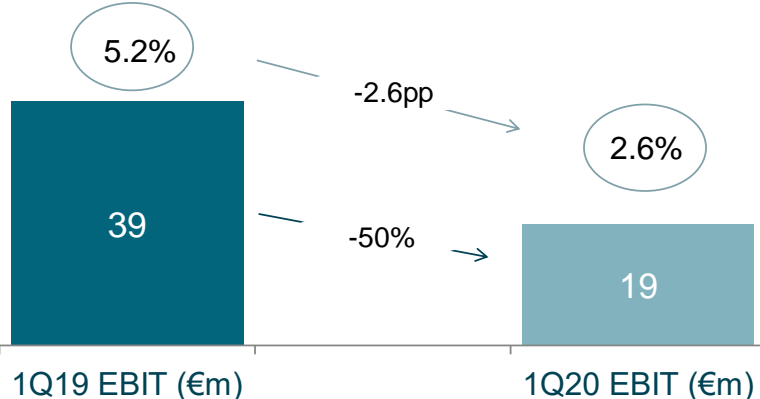
1Q20 EBITDA and Margin



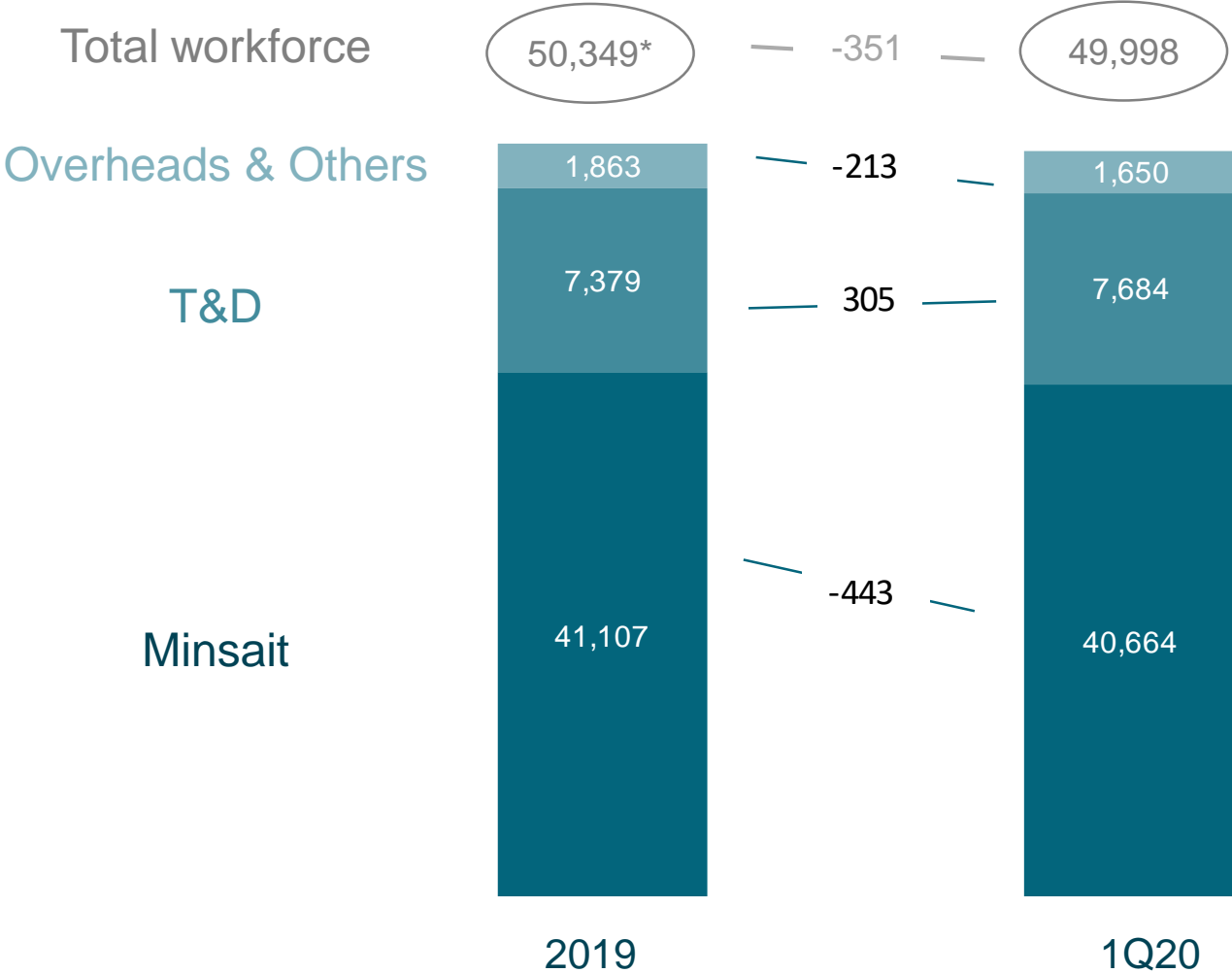
1Q20 EBIT by divisions



1Q20 EBIT and Margin



Workforce growth stabilized

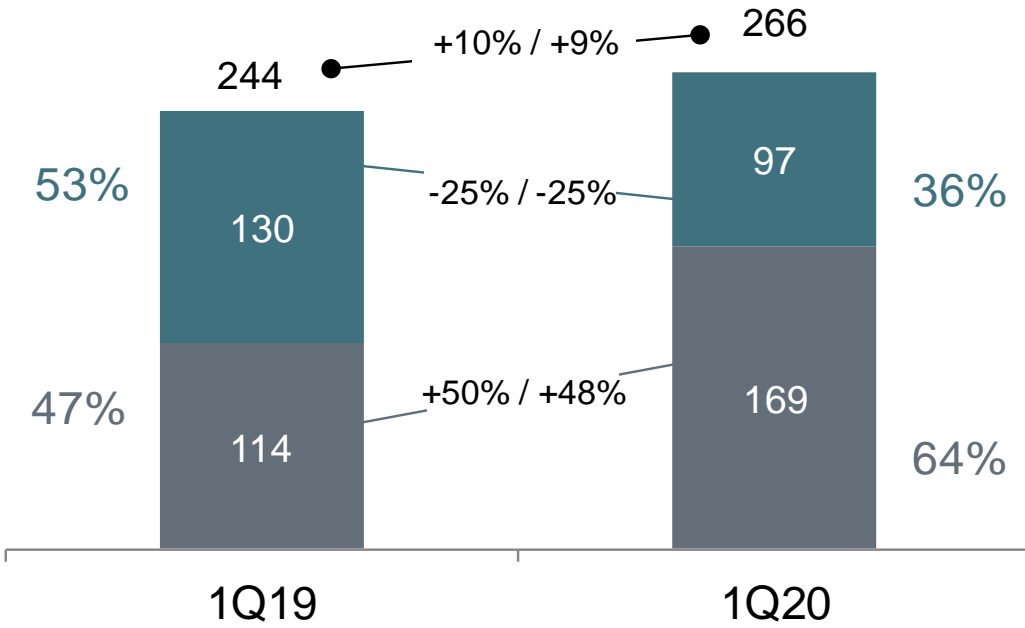


* 742 SIA employees included

T&D order intake and revenues

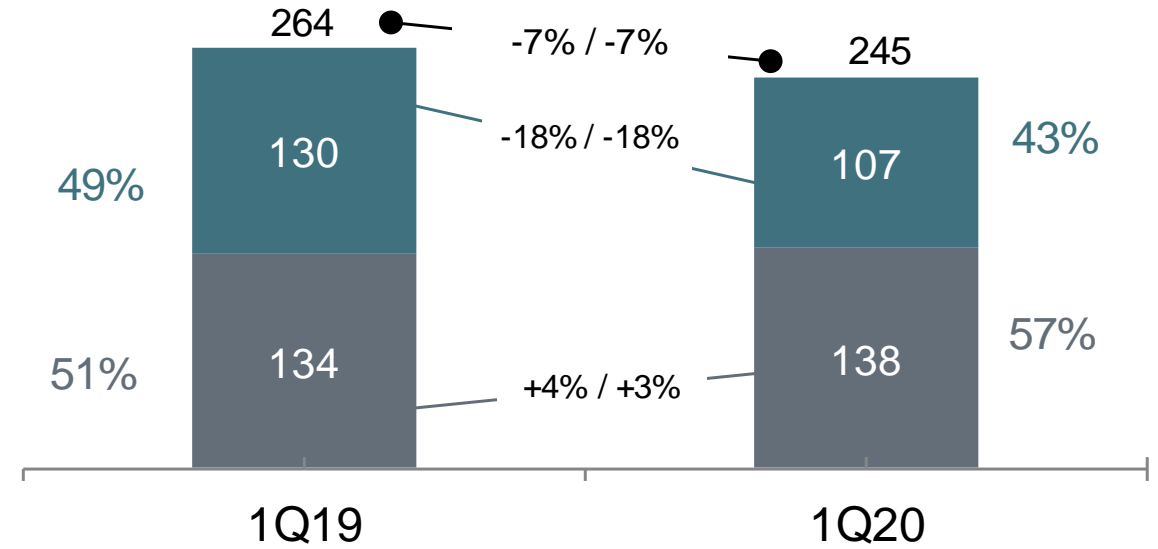
1Q20 Order Intake (€m)

Local Currency / Reported



1Q20 Revenues (€m)

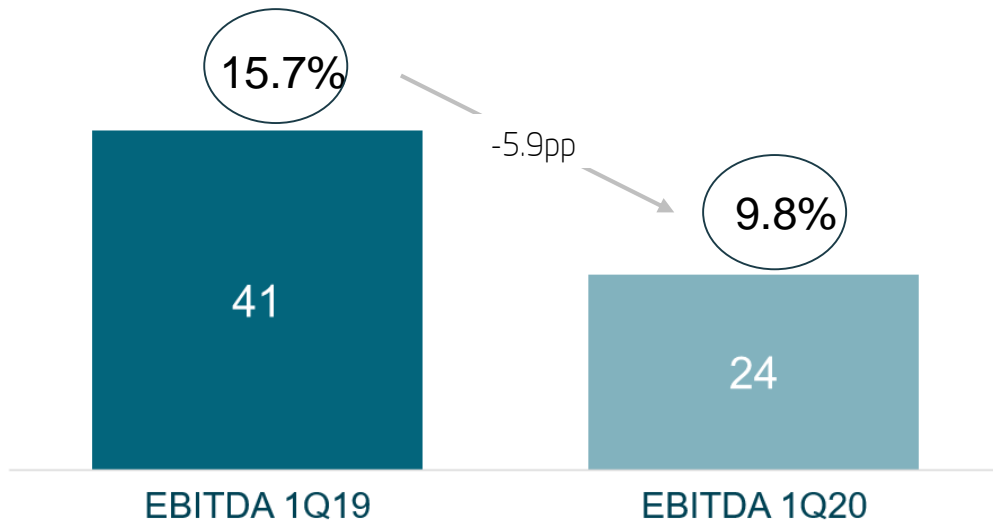
Local Currency / Reported



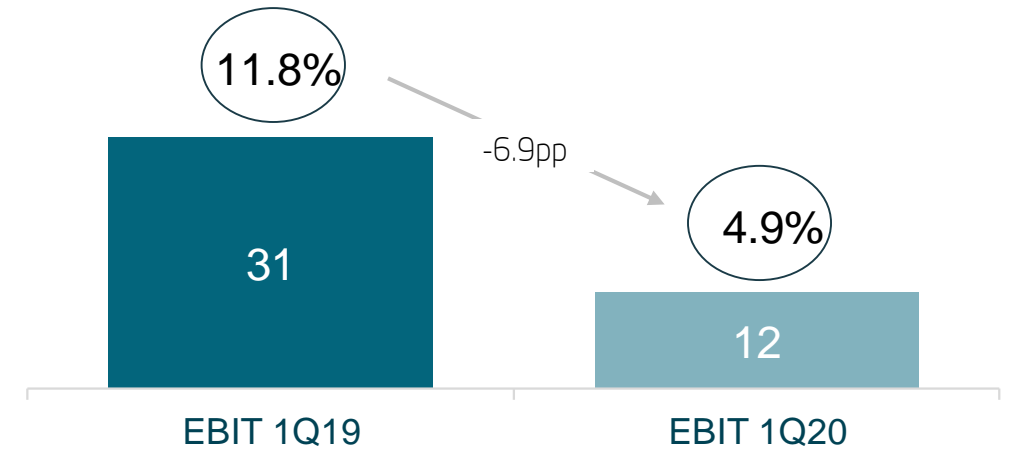
- Defence & Security
- Transport & Traffic

T&D EBITDA, EBIT and margin evolution

1Q20 EBITDA and Margin

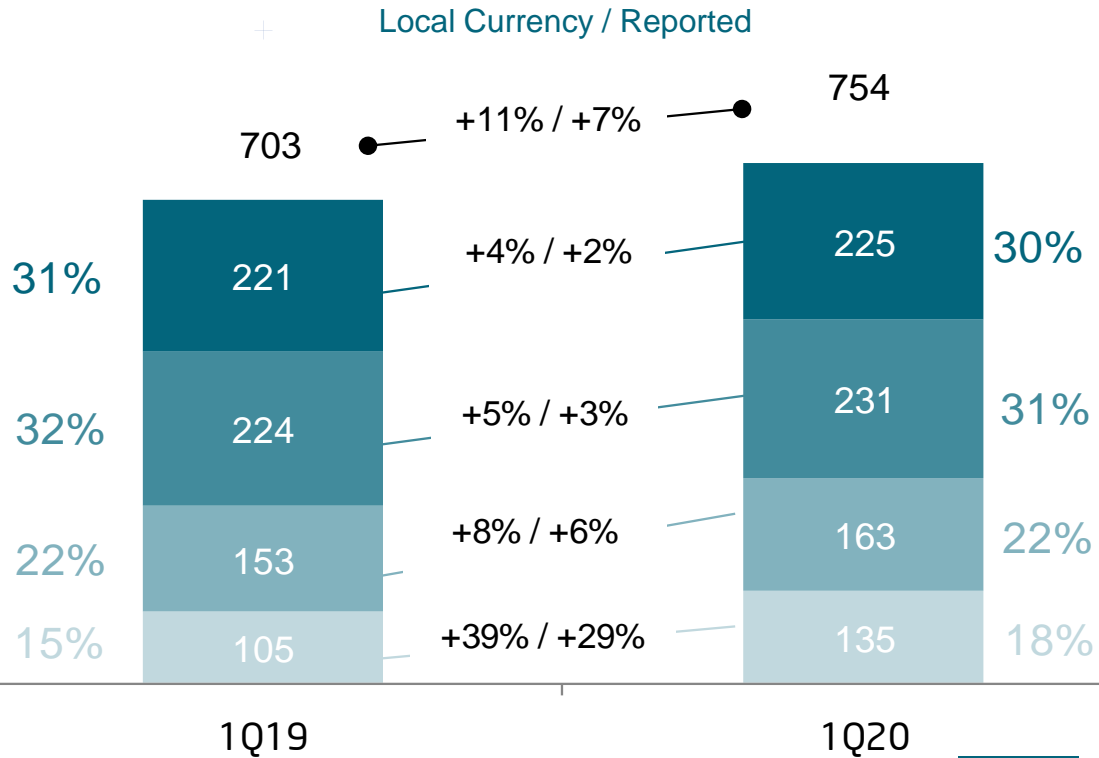


1Q20 EBIT and Margin

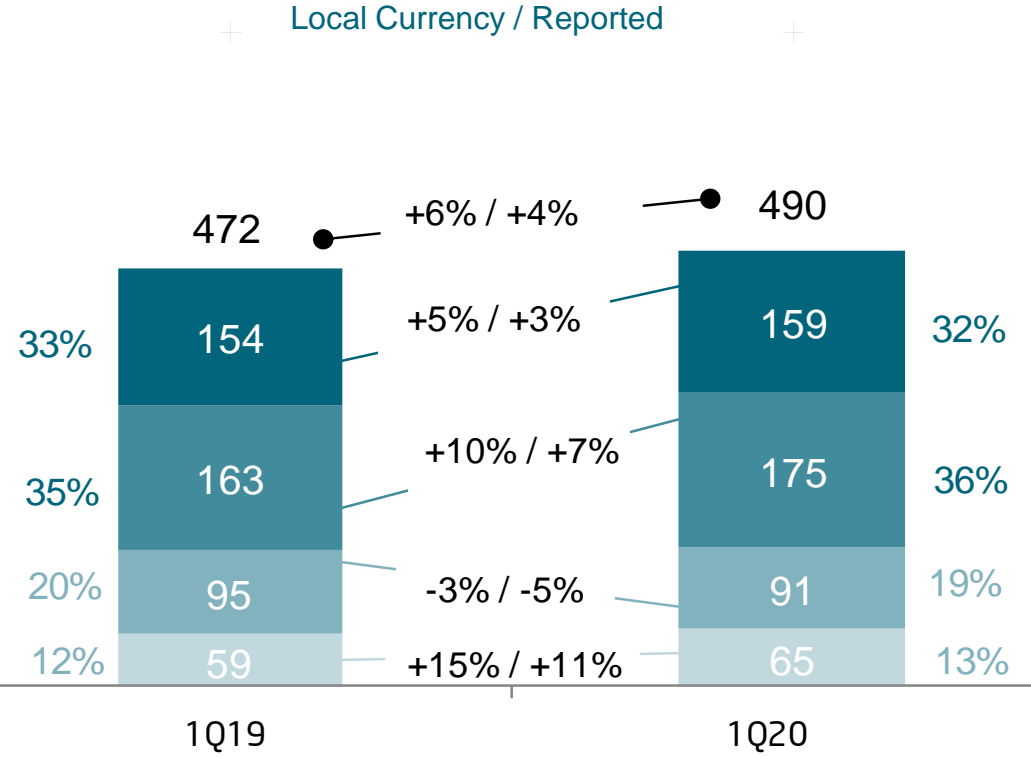


Minsait order intake and revenues

1Q20 Order Intake (€m)



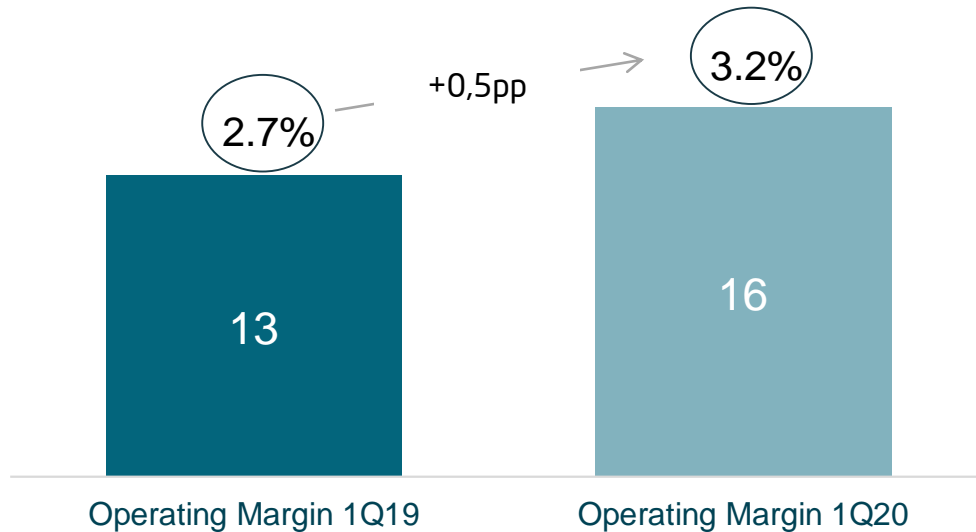
1Q20 Revenues (€m)



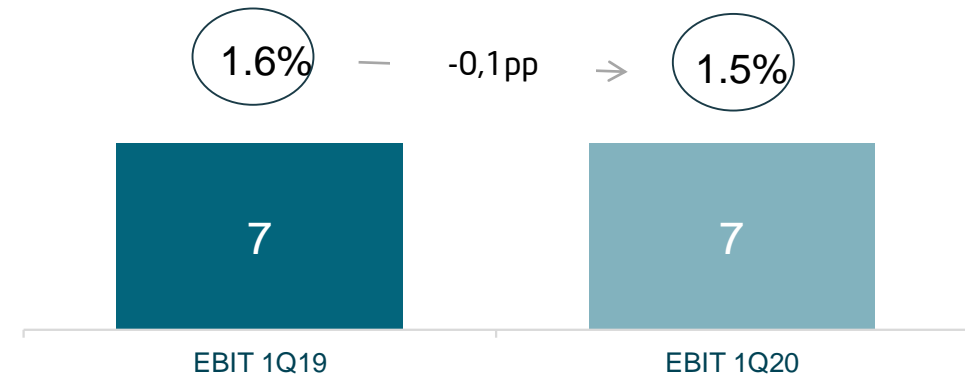
- Energy & Industry
- Financial Services
- PPAA & Healthcare
- Telecom & Media

Minsait operating margin and EBIT evolution

1Q20 Operating Margin¹

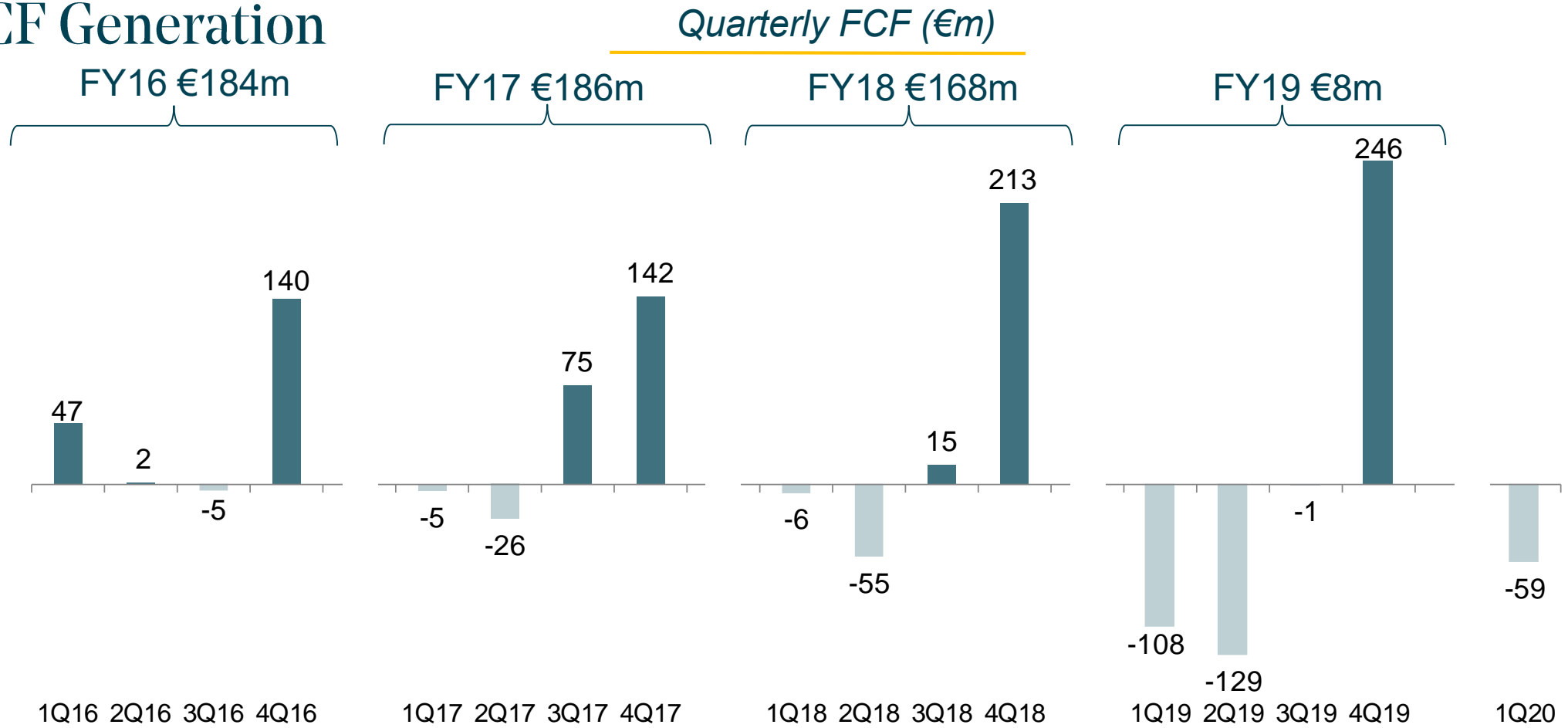


1Q20 EBIT and Margin

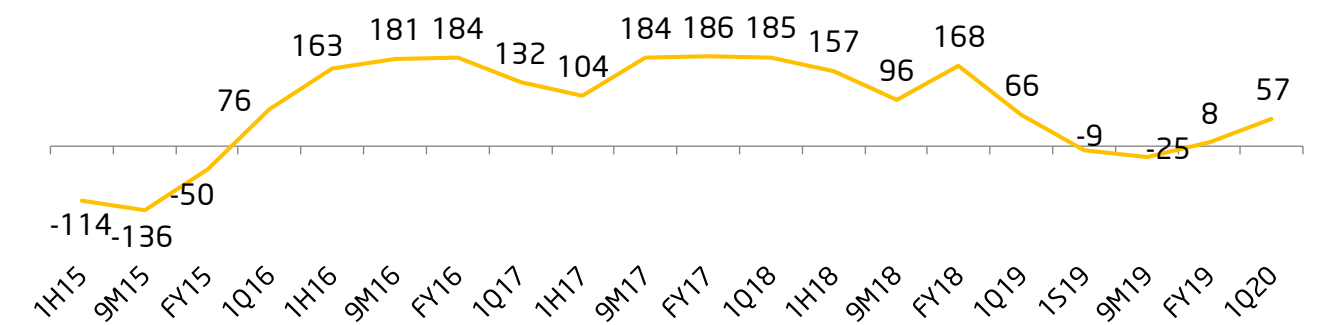


1. EBIT before Other Operating Income & Expenses, including: staff reorganization, integration and acquisition costs, fines, amortization of intangible assets (PPA from acquisitions) and equity based compensation.

FCF Generation



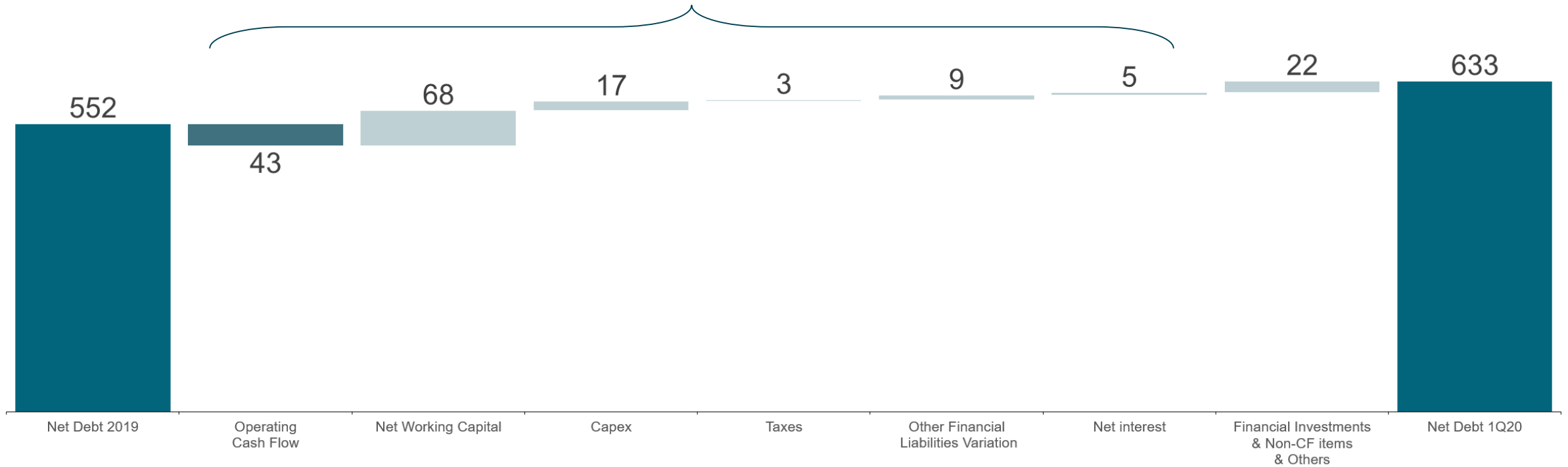
Accumulated FCF LTM (€m)



Net Debt Bridge

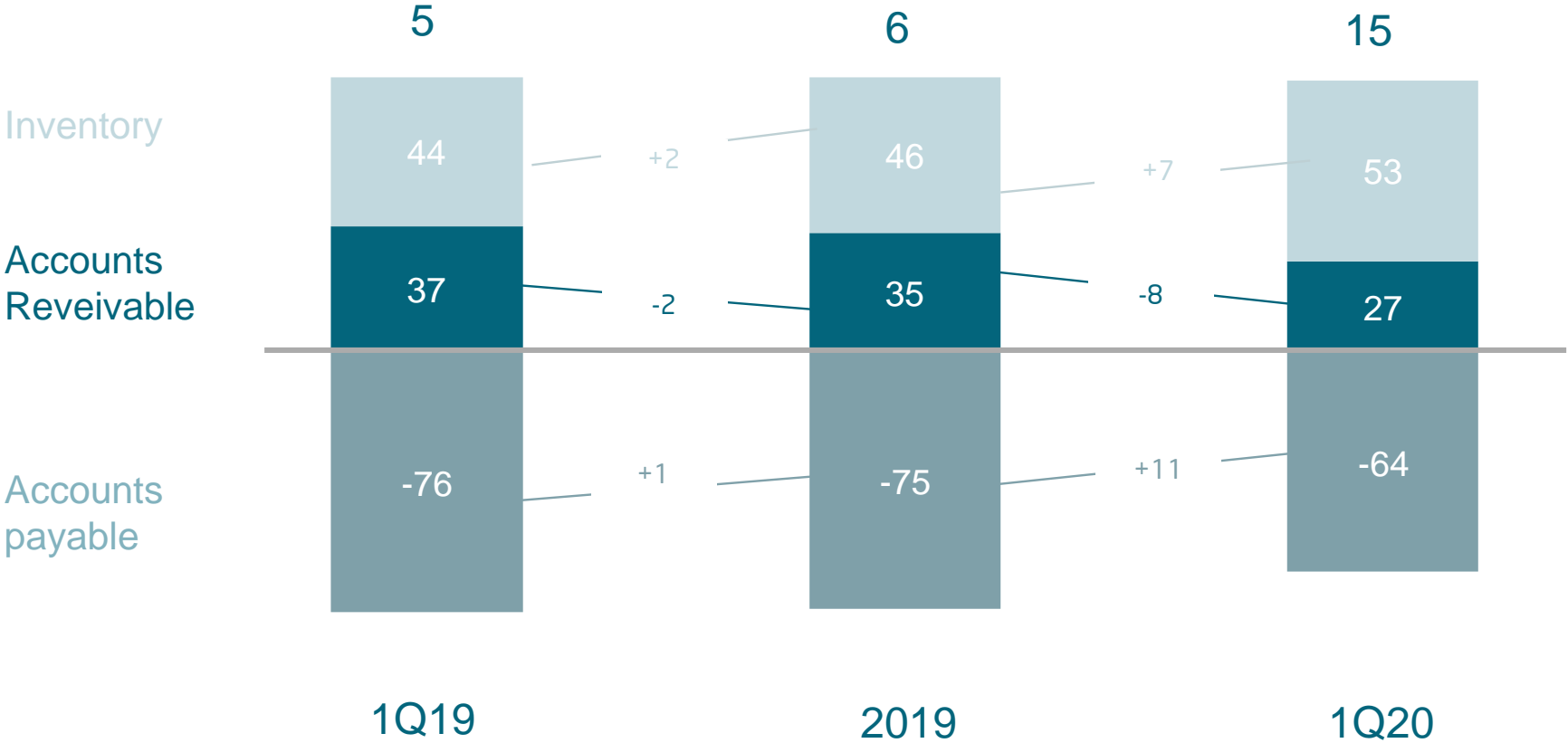
Net Debt Bridge – Cash Flow (€m)

FCF = €-59m

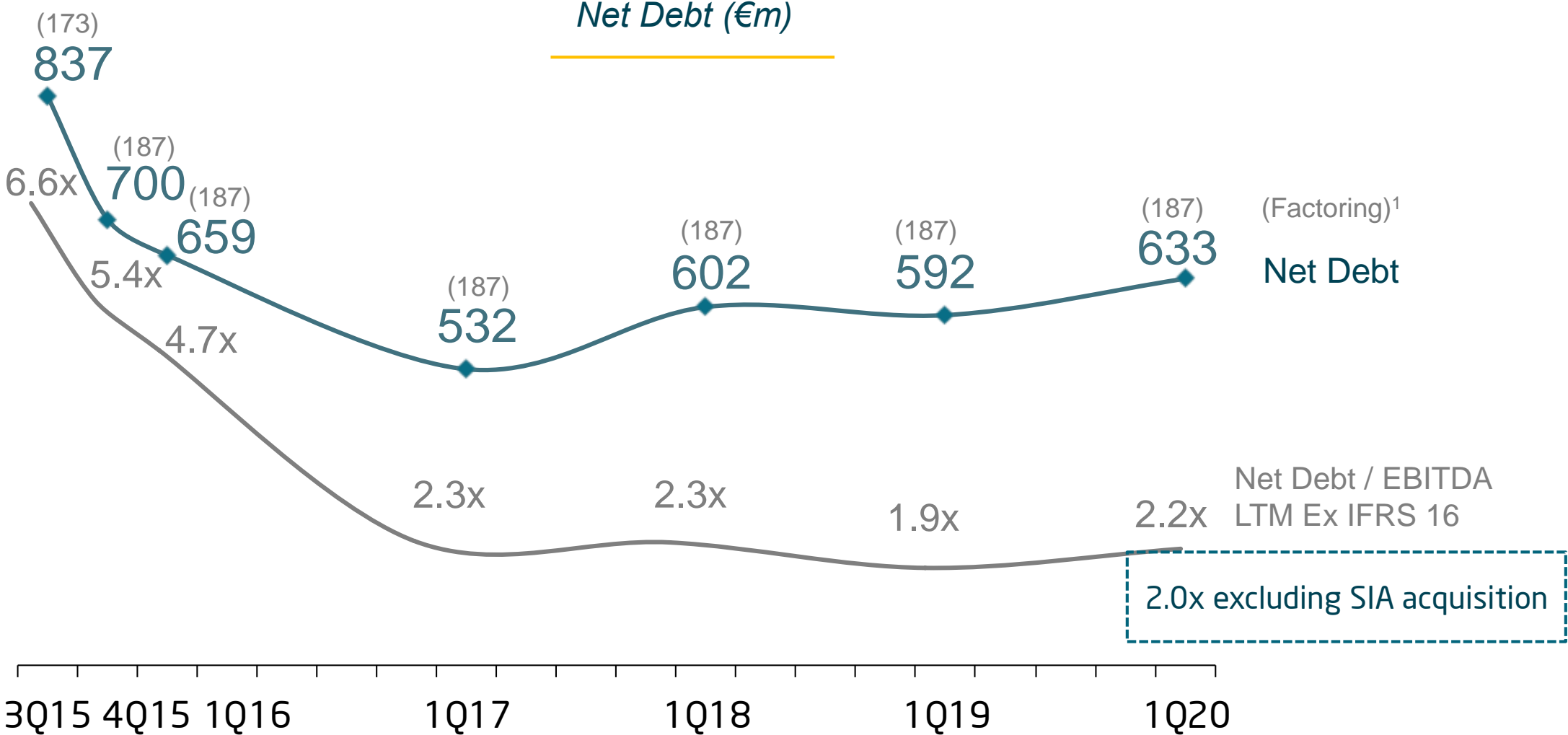


Net Working Capital Evolution

Net Working Capital (DoS)



Net Debt Evolution



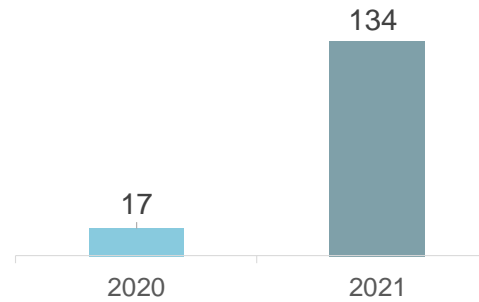
1. Non-recourse factoring

Strengthening Indra's Financial Position

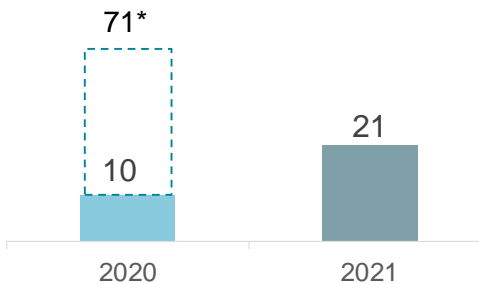
Evolution of Debt Maturity Profile

Evolution of Short-term Liquidity Facilities

31 Dec, 2019



31 Mar, 2020

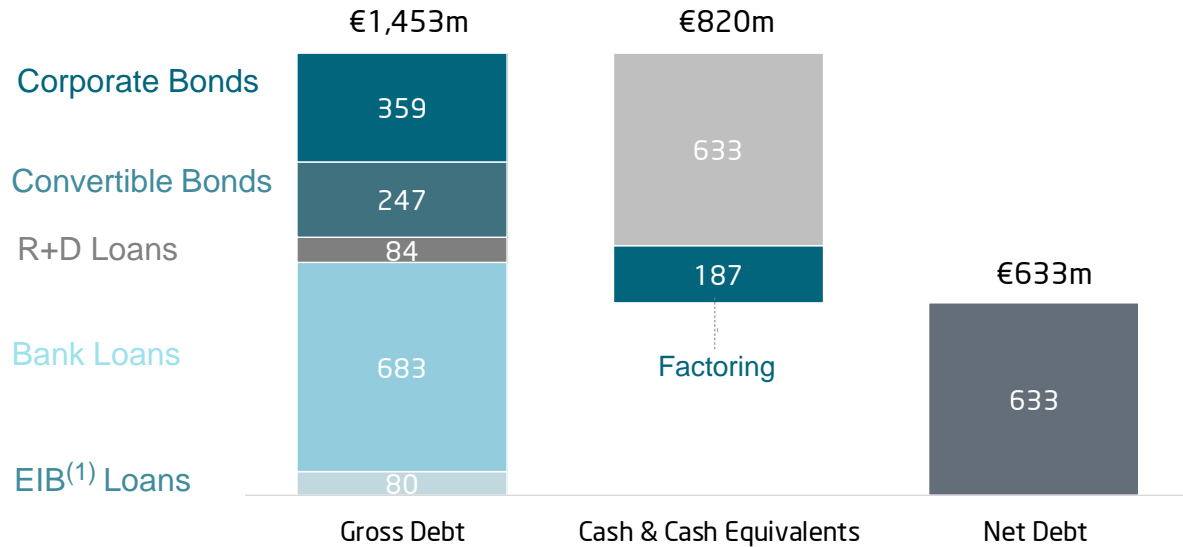


- Only €31m maturing until end of 2021, €39m in 1H2022
 - ✓ €120m loan maturities thru YE2021, plus €55m thru 1H2022, pushed forward
- €336m short term liquidity facilities as of May 10th
 - ✓ Currently negotiating up to c. €200m additional lines
- No financial covenants
 - ✓ Except capital ratio in €80m EIB facility (with ample room)

*Facilities drawn for practical reasons to ensure access to liquidity

Diversified debt structure

Gross and Net Debt Structure

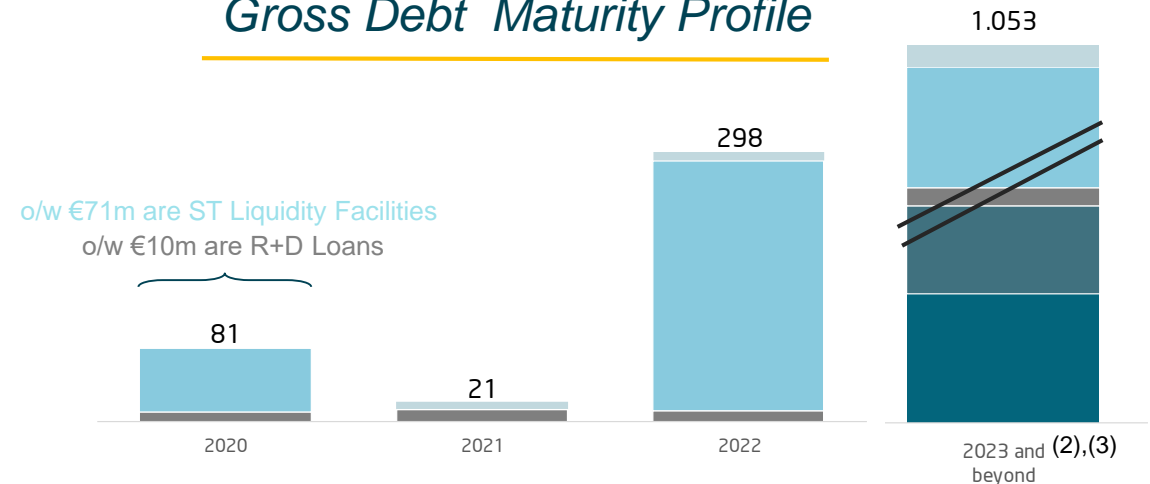


Other available credit facilities: €124m

	1Q20	FY19
Average life (years)	3.6	3.7

	1Q20	% total	2019	% total
L/T Debt	1,350	93%	1,380	98%
S/T Debt	103	7%	27	2%
Gross Debt	1,453	100%	1,406	100%
Cost of Gross Debt	1.8%		1.8%	
Cash & Others	820	n.m.	855	n.m.
Net Debt	633	n.m.	552	n.m.
Cost of Net Debt	3.3%		2.7%	

Gross Debt Maturity Profile



1. European Investment Bank. 2. Including €246m Convertible Bond with 2023 maturity and €296m Corporate Bond with 2024 maturity. 3. The 2023 convertible bond has a put option not considered in 2021 maturities



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