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1Q20 Results

Backlog up +12% and Order Intake +8% in 1Q20, in an environment marked by Covid-19.

- **Indra priorities through this new and challenging environment are to ensure that our employees are safe, to offer full service to our clients and to preserve Indra´s financial sustainability and competiveness in the future.**
- **Covid-19 is starting to have a major impact in the global economy and thus we expect an impact on Indra's results in the coming quarters, although it is still very difficult to estimate. Therefore, Indra's 2020 guidance is withdrawn and the decision to resume dividend payments is postponed.**
- **The impact of Covid-19 on 1Q20 results has been still limited and mainly concentrated in the T&D division (delays in specific projects).**
- **Backlog up +12%, reaching again a new record for Indra (€4.8bn).**
- **Despite Covid-19 in 1Q20, the positive commercial inertia of previous quarters continues, with order intake growing +8% in 1Q20 vs 1Q19. Both Minsait and T&D showed solid growth.**
- **Revenues remained stable in 1Q20 vs 1Q19. Minsait sales stood out and grew +4%.**
- **1Q20 EBIT decreased €-19m compared to 1Q19, mainly due to the timing and delays in Eurofighter and, to a lesser extent, delays in some other significant T&D projects due to Covid-19. Minsait's EBIT remained stable.**
- **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.**
- **The solid liquidity that Indra already had in December 2019 has been significantly strengthened. Indra has more than € 940 million between cash and credit lines available as of March 31st.**

Indra acquired SIA (Sistemas Integrados Abiertos) on December 31st, 2019. SIA balance sheet and cash flow statement are consolidated in 2019 numbers, while the income statement has started to consolidate from January 1st, 2020.

Madrid, May 11th, 2020 - Fernando Abril-Martorell, Chairman and Chief Executive Officer of Indra:

"The first quarter 2020 results are marked by the start of Covid-19. This new environment is starting to have a profound impact on the global economy and therefore on the way to act and the decisions of our clients, with an uneven impact on them, depending on the type of activity in which they are involved. The depth and duration of this impact is still uncertain and therefore difficult to quantify, and although in the first quarter it has been limited, we expect it to affect Indra´s results in the coming quarters more than 1Q20.

Indra priorities through this new and challenging environment are to ensure that our employees are safe, to offer full service to our clients and to preserve Indra´s financial sustainability and competiveness in the future.

Many of our clients operate in critical activities to face the consequences of the pandemic and the lockdowns (Public Administrations, healthcare, utilities, telecommunications, banking, defence and cybersecurity). Our technological capabilities are the key to guarantee our clients the ability to provide all these essential services, something we were ready since time ago and we have reinforced in recent weeks.

At the same time, we are dedicating all our available resources and capabilities to the protection of our employees through mass working from home, hygiene measures and protective materials in all our factories and places where face- to-face activity is essential. More than 90% of the workforce has been working from home since the second week of March. I would like to thank all of our employees for their commitment an strong effort to face this difficult situation.

Besides, our priority is also to preserve Indra´s financial sustainability in this environment whose impact and duration is uncertain. We have implemented some cost and capex contention plans and we have taken measures to strengthen our liquidity position and balance sheet. Indra faces this period with a solid financial position, which we already had at December 2019, and we have managed to further strengthen during the first quarter 2020.

The impact of covid-19 in our first quarter 2020 results has been very limited and just belongs to some weeks of March, being concentrated in Transport and Defence. This impact is the consequence of delays in some projects, because of the postponement in the decision making of some of our clients and the difficulty of carrying out certifications and deliveries in international projects due to the impossibility of traveling. The impossibility in the certification of milestones is delaying the sales and margin recognition, as they are accounted by the milestone recognition method. Furthermore, added to this is the lower operating capacity of our sales forces in this environment and the macroeconomic deterioration that affects the oil price, together with the depreciation of the currencies of some countries where we operate.

Despite this, Indra´s positive commercial inertia continues with very positive performance of the backlog and order intake, which we hope would help the recovery once the crisis is over. Backlog grew +12% in the first quarter and reached another new all-time high and order intake increased +8% showing both Minsait and Transport & Defence growth.

1Q20 revenues in reported terms remained stable, showing Minsait positive momentum (+4% growth), while Transport & Defence (-7% decline) was affected by the delays above mentioned.

1Q20 EBIT fell by €-19m compared to 1Q19, with all the drop concentrated in the Transport & Defence division, due to the timing and delays in Eurofighter and in some other significant T&D projects already mentioned. For its part, Minsait managed to maintain similar EBIT vs 1Q19.

Cash flow generation behaves positively, improving in €49m vs 1Q19.

At this moment, the impact, duration and scope of the health and economic crisis are very difficult to estimate. Consequently, all the guidance metrics are withdrawn and we postpone the decision of the return to the dividend payment, previously scheduled for this year 2020.

In summary, despite the uncertainty and lack of visibility for the rest of the year due to the Covid-19, the 1Q20 results show the extension of Indra's commercial inertia with the improvement of the backlog and the order intake and the good financial position that ensures Indra's sustainability and prospects in the long term remain positive".

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Main Figures	1Q20 (€M)	1Q19 (€M)	Variation (%) Reported / Local currency
Net Order Intake	1,020	948	7.6 / 10.4
Revenues	735	736	(0.1) / 1.7
Backlog	4,800	4,285	12.0
Gross Operating Result (EBITDA)	51	70	(27.7) / (27.3)
EBITDA Margin	6.9%	9.5%	(2.6) pp
Operating Result (EBIT)	19	39	(50.3) / (50.2)
EBIT margin	2.6%	5.2%	(2.6) pp
Net Profit	6	18	(65.6)
Net Debt Position	633	592	6.9
Free Cash Flow	(59)	(108)	NA
Basic EPS (€)	0.036	0.104	(65.4)

Transport and Defence (T&D)	1Q20 (€M)	1Q19 (€M)	Variation (%) Reported / Local currency
Revenues	245	264	(7.2) / (6.5)
Operating Margin	15	35	(56.8)
% Revenues	6.2%	13.3%	(7.1) pp
Operating Result (EBIT)	12	31	(61.5)
EBIT margin	4.9%	11.8%	(6.9) pp

Minsait	1Q20 (€M)	1Q19 (€M)	Variation (%) Reported / Local currency
Revenues	490	472	3.9 / 6.4
Operating Margin	16	13	22.4
% Revenues	3.2%	2.7%	0.5 pp
Operating Result (EBIT)	7	7	(2.7)
EBIT margin	1.5%	1.6%	(0.1) pp

Main Highlights

Backlog reached another new historic high and stood at €4.8bn implying +12.0% growth in reported terms. T&D backlog amounted to €3.1bn and Minsait backlog totaled €1.7bn, growing +13.6% and 9.5% respectively. Backlog/Revenues LTM also reached new historic high and stood at 1.50x vs 1.37x in 1Q19.

Order intake up +10.4% in local currency (+7.6% in reported figures) in 1Q20, showing both divisions positive performance, even though we are starting to see some order intake delays due to the pandemic:

- **1Q20 Order intake in T&D** up +10.0% in local currency (+9.0% in reported terms), boosted by Transport & Traffic. Both Air Traffic Management (Enaire and European Programs) and Transport (urban transport in Spain and urban project in Kuwait) delivered growth.

- **1Q20 Order intake in Minsait** grew +10.5% in local currency (+7.2% in reported terms), with all the verticals registering growth. It is worth highlighting the contribution of Telecom & Media and Public Administrations in America.

1Q20 revenues increased by +1.7% in local currency (stable in reported terms) pushed by the Minsait division:

- **1Q20 revenues in the T&D division** decreased -6.5% in local currency, affected by the fall in Defence & Security (-17.9% in local currency), mainly impacted by the lower activity in Electronic Defence (Spain), Simulation and the worse quarterly comparison due to timing and delays in

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Eurofighter, as well as by delays due to Covid-19. On the positive side, sales in Transport & Traffic grew +4.5% in local currency, pushed by Transport (T-Mobilitat urban transport project in Spain).

- **1Q20 revenues in Minsait** went up +6.4% in local currency (+3.9% in reported terms), with three out of four verticals showing growth, standing out Telecom & Media and Financial Services. Only PPAA & Healthcare registered declines, specifically in Spain and America.
- FX impact contributed negatively €-13m in 1Q20.

Organic revenues (excluding the inorganic contribution of SIA and the FX impact) registered slight decline -0.5% in 1Q20. It is worth noting the Minsait division posting +2.9% organic revenue growth.

Digital solutions revenues reached €125m (26% of Minsait sales), which implies an increase of +18.9% vs 1Q19; chiefly pushed by the inorganic contribution of SIA (company acquired on December 31st, 2019).

1Q20 **EBITDA** stood at €51m vs €70m in 1Q19, implying -27.7% fall.

- **1Q20 EBITDA in the T&D division** reached €24m in 1Q20 vs €41m in 1Q19, with declines in both Defence & Security and Transport & Traffic.
- **1Q20 Operating Margin in Minsait** stood at €16m vs €13m in 1Q19 (equivalent to 3.2% operating margin vs 2.7% in 1Q19). Both Financial Services and Energy & Industry improved their profitability.

Total restructuring costs (T&D and Minsait) amounted to €-8m in 1Q20 vs €-6m in 1Q19.

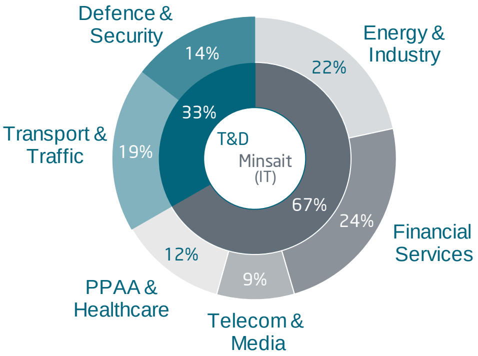
1Q20 EBIT reached €19m vs €39m in 1Q19 (equivalent to 2.6% margin vs 5.2% last year same period), mostly dragged by the decline in the T&D division, mainly due to the timing and delays in Eurofighter and, to a lesser extent, delays in some other significant T&D projects due to Covid-19.

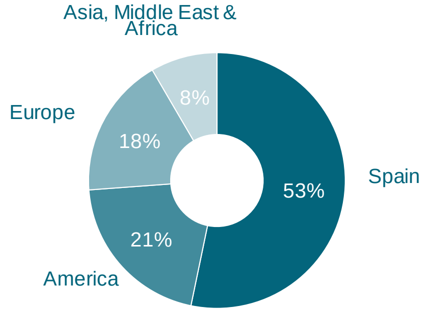
Net profit of the group stood at €6m vs €18m in 1Q19.

1Q20 Free Cash Flow improved in €+49m vs 1Q19 and reached €-59m vs €-108m last year same period. FCF has been affected by the working capital seasonality as well as by specific delays in some T&D projects, mainly due to Covid-19.

Net Debt amounted to €633m in 1Q20 vs €552m 1Q19. Net Debt/EBITDA LTM ratio (excluding the impact of IFRS 16) stood at 2.2x vs 1.9x in 1Q19 and 1.8x in 2019.

Sales by verticals and regions:





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Outlook 2020

2020 guidance is withdrawn due to Covid-19.

Human Resources

At the end of 1Q20, total workforce amounted to 49,998 professionals implying an increase of +9% vs 1Q19. 1Q20 average headcount increased by +12% vs 1Q19. Most of this workforce increase vs 1Q19 took place in the second and third quarter of 2019 and was related to Minsait (c. 90% of the total workforce increase), due to the beginning of highly labour intensive BPO projects, mainly in America.

Total workforce in 1Q20 decreased by -1% (351 employees less) compared to December 2019.

Final Workforce	1Q20	%	1Q19	%	Variation (%) vs 1Q19
Spain	28,717	57	27,185	60	6
America	16,807	34	14,441	32	16
Europe	2,324	5	2,089	5	11
Asia, Middle East & Africa	2,150	4	1,953	4	10
Total	**49,998**	**100**	**45,668**	**100**	**9**

Average Workforce	1Q20	%	1Q19	%	Variation (%) vs 1Q19
Spain	28,789	57	26,974	60	7
America	16,885	34	13,940	31	21
Europe	2,305	5	2,090	5	10
Asia, Middle East & Africa	2,147	4	1,951	4	10
Total	**50,126**	**100**	**44,955**	**100**	**12**

Other events over the period

On January 21st, Indra announced that we had been included in the 2020 Bloomberg Gender-Equality Index (GEI), an acknowledgment of the leading companies in terms of transparency related to gender issues and the promotion of equality and diversity, which lists 6,000 companies from 84 countries and regions around the world. Only 15 Spanish companies are listed on this renowned global diversity index.

On February 3rd, Indra was commended by "The Sustainability Yearbook 2020", the most important annual yearbook on this topic worldwide, as one of the best positioned companies in the sector in terms of facing the economic, social and environmental challenges to come.

On February 12th Indra created a payment systems subsidiary "Minsait Payments" to boost its growth potential. This subsidiary covers all products, solutions, and payment system services of the company with the purpose of increasing its business agility, boosting innovation, applying a higher management-centered approach, and gaining strategic flexibility. It brings together all its products, solutions and services in this market, and more than 1,000 professionals specialized in payment systems of Minsait in Spain, United States of America, Dominican Republic, Chile, Peru, Brazil, Mexico and Colombia.

On March 27th, Indra communicated the beginning of the procedures to submit a Temporary Labor Force Adjustment Plan ("The ERTE") and a pay-reduction program to face the negative impact of COVID-19 in its revenues. Both measures would last three months.

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Events following the close of the period

On April 3rd, Indra decided to withdraw its proposal to submit a Temporary Labor Force Adjustment Plan (ERTE) and a pay-reduction program and it will keep open a communication channel to share with Spanish workers legal representatives the forecasts evolution trusting they will support the decisions that could be necessary to implement in the future. Board of Directors, CEO, COO´s and Senior Management will apply themselves pay reduction that had been proposed.

Analysis by division

Transport & Defence (T&D)

T&D	1Q20 (€M)	1Q19 (€M)	Variation (%) Reported	Variation (%) Local currency
Net Order Intake	266	244	9.0	10.0
Revenues	245	264	(7.2)	(6.5)
- Defence & Security	107	130	(18.0)	(17.9)
- Transport & Traffic	138	134	3.2	4.5
Book-to-bill	1.09	0.92	17.5	
Backlog / Revs LTM	2.61	2.25	16.1	

1Q20 T&D revenues decreased -7% in local currency affected by the decline in Defence & Security (-18% in local currency), mainly impacted by the lower activity in Electronic Defence (Spain), Simulation, and the worse quarterly comparison due to timing and delays in Eurofighter. On the positive side, sales in Transport & Traffic grew +4% in local currency, pushed by Transport (T-Mobilitat urban transport project in Spain).

1Q20 T&D order intake grew +10% in local currency driven by Transport & Traffic, showing both Air Traffic Management (Enaire and European Programs) and Transport (urban transport in Spain and urban project in Kuwait) growth.

Backlog/Revenues LTM ratio improved to 2.61x in 1Q20 vs 2.25x in 1Q19. Book-to-bill ratio stood at 1.09x vs 0.92x in 1Q19.

Defence & Security

- 1Q20 Defence & Security sales decreased by -18% in both local currency and reported terms, affected by the lower activity registered in Electronic Defence (mainly in Platforms), Simulation and the worse quarterly comparison of the Eurofighter.
- It is worth noting the decreased registered in Spain, chiefly dragged by the lower activity in Electronic Defence and in Simulation in America.
- Region wise, most of the activity of the vertical in 1Q20 was concentrated in Europe (c. 50% of sales) and Spain (c. 40% of sales).
- 1Q20 order intake decreased by -25% in local currency and reported figures, mainly affected by the fall registered in Europe vs 1Q19, when some relevant contracts were signed in Simulation and Air Defence in UK and by the delays in some specific contracts, mainly due to Covid-19.

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Transport & Traffic

- 1Q20 Transport & Traffic sales went up +4% in local currency (+3% in reported terms). The double-digit growth posted in Transport (c. 55% of sales) offset the decline in Air Traffic Management (c. 45% of sales).
- In the Transport segment, it is worth mentioning the increase posted in Spain, mainly backed by the urban transport area (T-Mobilitat), which has offset the fall in the international markets, mainly due to Covid-19.
- In the Air Traffic segment, the European Programs registered above mid-single digit growth, while the International Programs showed double-digit decline, affected by the Covid-19.
- Region wise, most of the activity of the vertical in 1Q20 was concentrated in Spain (c. 40% of sales), AMEA and Europe (c. 25% of sales each region).
- 1Q20 order intake grew by +50% in local currency (+48% in reported terms), bolstered by the strong growth in Air Traffic Management (Enaire and European Programs) as well as in Transport (urban transport projects in Spain and Kuwait).

Minsait

Minsait	1Q20 (€M)	1Q19 (€M)	Variation (%) Reported	Variation (%) Local currency
Net Order Intake	754	703	7.2	10.5
Revenues	490	472	3.9	6.4
- Energy & Industry	159	154	2.9	5.1
- Financial Services	175	163	7.4	9.9
- Telecom & Media	65	59	11.1	14.9
- PPAA & Healthcare	91	95	(4.6)	(2.8)
Book-to-bill	1.54	1.49	3.1	
Backlog / Revs LTM	0.86	0.82	3.9	

1Q20 Minsait sales went up +6% in local currency (+4% in reported terms), with three out of four verticals showing growth. It stands out double-digit growth in local currency in both Telecom & Media and Financial Services. On the contrary, PPAA & Healthcare sales decreased -3% in local currency.

Excluding the inorganic contribution of SIA (cybersecurity company acquired on December 31st ,2019) and the FX impact, Minsait sales would have grown by +3%.

Digital solutions sales amounted to €125m (which represents 26% of Minsait sales), implying an increase of +19% vs 1Q19, mainly pushed by the inorganic contribution of SIA.

1Q20 order intake in Minsait grew +11% in local currency (+7% in reported terms), with all the verticals registering growth. It is worth highlighting the contribution of Telecom & Media and Public Administrations in America.

Backlog/Revenues LTM improved to 0.86x vs 0.82x in 1Q19. Book-to-bill ratio also improved to 1.54x vs 1.49x in 1Q19.

Energy & Industry

- 1Q20 Energy & Industry revenues increased by +5% in local currency (+3% in reported figures). On the one hand, the Industry segment (c. 40% of sales of the vertical) posted double-digit growth, however it showed a strong downshift in March due to Covid-19 and we believe it will be

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one of the most affected segments. On the other hand, Energy (c. 60% of sales) recorded mid-single digit decline.

- It is worth mentioning the positive performance of Industry in Spain and Energy in America (Utilities sector in Brazil).
- By geography, most of the activity is concentrated in Spain (c. 55% of sales) and America (c. 30% of sales).
- 1Q20 order intake went up by +4% in local currency, pushed by America (Brazil) and Spain (relevant client in the Utilities sector).

Financial Services

- 1Q20 Financial Services sales increased by +10% in local currency (+7% in reported terms), showing growth in all geographies.
- It is worth highlighting the positive performance in America with key clients, in both Payment Systems and medium-sized banks. Likewise, Insurance Sector in Spain showed positive evolution.
- Region wise, Spain (c. 70% of the sales) and America (c. 30% of the sales) concentrated most of the activity of the vertical in 1Q20.
- 1Q20 order intake went up +5% in local currency (+3% in reported terms), backed by AMEA (project in Philippines) and America (key clients).

Telecom & Media

- 1Q20 Telecom & Media revenues grew by +15% in local currency (+11% in reported terms), with all geographies showing growth.
- It is worth mentioning the higher activity recorded with the main operators in Spain and America.
- By geographies, most of the activity of the vertical in 1Q20 was concentrated in Spain (c. 50% of sales) and America (c. 35% of sales).
- 1Q20 order intake went up by +39% in local currency (+29% in reported figures) chiefly thanks to the renewal of relevant contracts in America.

Public Administrations & Healthcare

- 1Q20 Public Administrations & Healthcare sales decreased by -3% in local currency (-5% in reported terms) due to falls in the main geographies (Spain and America).
- It is worth highlighting the positive performance showed in Europe, as a result of the positive activity in Belgium (project with the European Union) and in the Italian subsidiary.
- Region wise, most of the activity was concentrated in Spain (c. 65% of the sales) and America (c. 20% of the sales).
- 1Q20 order intake went up by +8% in local currency (+6% in reported figures), pushed by America (Public Administration in Peru and Colombia).

Analysis by Region

Revenues by Region	1Q20		1Q19		Variation (%)	
	(€M)	(%)	(€M)	(%)	Reported	Local currency
Spain	392	53	379	51	3.4	3.4
America	150	21	154	21	(2.4)	5.9
Europe	131	18	131	18	0.5	0.9
Asia, Middle East & Africa	62	8	72	10	(13.9)	(14.0)
Total	**735**	**100**	**736**	**100**	**(0.1)**	**1.7**

By geographies, it is worth mentioning the growth registered in America (+6% in local currency; 21% of total sales), Spain (+3%; 53% of total sales) and Europe (+1% in local currency; 18% of total sales). However, sales in AMEA decreased (-14%; 8% of total sales) due to the decline in Transport & Defence.

In Latam we have not seen the impact of Covid-19 yet, although we think that this impact could be 2 or 3 weeks delayed compared to Europe.

Order intake considerably increased in America (+36% in local currency), Spain (+9% in local currency) and AMEA (+10% in local currency). However, order intake decreased in Europe (-15% in local currency), due to the difficult comparison vs last year same period when some relevant contracts in Simulation and Defence in UK were signed.

Spain

- 1Q20 revenues increased by +3%, showing both T&D and Minsait divisions slight growth.
- All the Minsait verticals (c. 75% of total sales in the region) posted revenue growth in 1Q20, except for PPAA & Healthcare (Regional Administration).
- T&D revenues (c. 25% of total sales in the region) slightly increased boosted by the strong growth in Transport & Traffic, in both Transport (T-Mobilitat urban transport project) and Air Traffic Management, which offset the slight decline in Defence & Security (affected by the lower activity registered in Electronic Defence).
- 1Q20 order intake grew by +9%, mainly driven by Transport & Traffic (Enaire, T-Mobilitat and DGT).

America

- 1Q20 revenues increased by +6% in local currency (-2% reported figures), pushed by the strong growth in Minsait. FX depreciation in Latam took off 8 p.p of growth.
- By countries, Brazil, the most relevant country in America (c. 30% of total revenues in the region), posted +14% revenue growth in local currency thanks to the significant improvement in Energy & Industry and Financial Services. Likewise, it is worth highlighting the growth achieved in Chile, bolstered by the Payment Systems business).
- The activity in America is mostly concentrated in Minsait (c. 85% of total sales in the region). 1Q20 revenues posted double-digit growth pushed by Energy & Industry and Financial Services.
- T&D revenues (c. 15% of total sales in the region) registered double-digit decrease, mainly due to Defence & Security.

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- 1Q20 order intake grew by +36% in local currency (+23% in reported terms), mainly driven by the substantial growth in Minsait. It is worth mentioning Telecom & Media (renewal of some relevant contracts with one of the main operators) and PPAA & Healthcare (Peru and Colombia).

Europe

- 1Q20 revenues up +1% in local currency and reported terms, with T&D showing a better relative performance than Minsait.
- T&D sales (c. 65% of revenues in the region) slightly improved. The growth registered in European ATM Programs, offset the declines in Defence & Security.
- Minsait revenues (c. 35% of total revenues in the region) decreased as a consequence of the fall of Energy & Industry.
- 1Q20 order intake went down by -15% in local currency (-16% in reported terms), due to the difficult comparison vs last year same period when relevant contracts in Simulation and Defence in UK were signed. Likewise, some relevant contracts registered order intake delays due to Covid-19.

Asia, Middle East & Africa (AMEA)

- 1Q20 revenues in AMEA decreased by -14% in local currency and reported terms, affected by the decrease in Transport & Traffic.
- 1Q20 T&D sales (c. 75% of total revenues in the region) posted double-digit declines, due to the fall in Transport & Traffic, with both both ATM international programs (Nigeria, India and Algeria) and Transport (urban project in Riyadh) registering declines.
- 1Q20 Minsait revenues (c. 25% of total sales in the region) posted growth, as a result of the positive performance of the Philippine subsidiary in Telecom & Media and Financial Services.
- 1Q20 order intake went up by +10% in local currency (+12% in reported terms), showing double-digit growth in both T&D (Transport in Kuwait) and Minsait (Financial Services).

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Appendices

Consolidated Income Statement

	1Q20	1Q19	Variation	
	€M	€M	€M	%
Revenue	**735.1**	**735.6**	**(0.5)**	**(0.1)**
In-house work on non-current assets and other income	20.1	17.6	2.5	14.3
Materials used and other supplies and other operating expenses	(234.0)	(250.5)	16.5	(6.6)
Staff Costs	(470.5)	(432.7)	(37.8)	8.7
Other gains or losses on non-current assets and other results	(0.0)	0.1	(0.1)	NA
Gross Operating Result (EBITDA)	**50.7**	**70.1**	**(19.4)**	**(27.7)**
Depreciation and amortisation charge	(31.6)	(31.6)	0.0	(0.2)
Operating Result (EBIT)	**19.2**	**38.5**	**(19.3)**	**(50.3)**
EBIT Margin	***2.6%***	***5.2%***	***(2.6) pp***	**NA**
Financial Loss	**(9.4)**	**(10.2)**	**0.8**	**(8.0)**
Result of companies accounted for using the equity method	0.1	(1.3)	1.4	NA
Profit (Loss) before tax	**9.9**	**27.1**	**(17.2)**	**(63.4)**
Income tax	(3.0)	(7.8)	4.8	(61.9)
Profit (Loss) for the year	**6.9**	**19.3**	**(12.4)**	**(64.1)**
Profit (Loss) attributable to non-controlling interests	(0.6)	(1.0)	0.4	NA
Profit (Loss) attributable to the Parent	**6.3**	**18.3**	**(12.0)**	**(65.6)**

Earnings per Share (according to IFRS)	1Q20	1Q19	Variation (%)
Basic EPS (€)	0.036	0.104	(65.4)
Diluted EPS (€)	0.036	0.098	(63.3)

	1Q20	1Q19
Total number of shares	176,654,402	176,654,402
Weighted treasury stock	279,549	353,879
Total shares considered	176,374,853	176,300,523
Total diluted shares considered	193,464,196	193,389,866
Treasury stock in the end of the period	282,006	305,361

Figures not audited

Basic EPS *is calculated by dividing net profit by the average number of outstanding shares during the period less the average treasury shares of the period.*

Diluted EPS *is calculated by dividing net profit (adjusted by the impact of the €250m convertible bond issued in October 2016 with a conversion price of €14.629), by the average number of outstanding shares during the period less the average treasury shares of the period and adding the theoretical new shares to be issued once assuming full conversion of the bonds.*

The average number of shares *used in the calculation of the EPS and dilutive EPS for treasury shares, total number of shares and theoretical shares to be issued related to the convertible bonds, are calculated using daily balances.*

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- 1Q20 revenues remained stable (-0.1% in reported figures).
- Other income stood at €20m vs €18m in 1Q19. The increase is due to higher other operating income. Works for own non-current assets stood at €15m, same figure as in 1Q19.
- Materials used and other supplies and other operating expenses decreased by -7%, due to the lower level of subcontracting and other expenses like travels, supplies, etc.
- Personnel expenses only increased by +9% in the first quarter, despite the increase in the average workforce (+12%).
- 1Q20 EBITDA went down by -28% and stood at €51m vs €70m in 1Q19.
- 1Q20 D&A remained stable and amounted to €32m.
- 1Q20 EBIT stood at €19m vs €39m in 1Q19.
- Financial results improved €1m vs 1Q19 due to lower hedging differences in the changes in milestones and scopes. 1Q20 gross debt borrowing costs was 1.8%, same figure as in 1Q19.
- Tax expenses was equivalent to a tax rate of 30% vs 29% in 1Q19. The 30% tax rate is explained by the higher tax rate applied to some foreign subsidiaries (Italy, Philippines, Colombia and Mexico).
- Net profit of the group stood at €6m vs €18m in 1Q19.

Income Statement by Division

1Q20

M€	T&D	IT	Total
Total Sales	245	490	735
Contribution Margin	32	52	84
Contribution Margin (%)	*13,1%*	*10,5%*	*11,4%*
EBIT	12	7	19
EBIT Margin (%)	*4,9%*	*1,5%*	*2,6%*

1Q19

M€	T&D	IT	Total
Total Sales	264	472	736
Contribution Margin	54	55	109
Contribution Margin (%)	*20,5%*	*11,6%*	*14,8%*
EBIT	31	7	39
EBIT Margin (%)	*11,8%*	*1,6%*	*5,2%*

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Consolidated Balance Sheet

	1Q20 €M	2019 €M	Variation €M
Property, plant and equipment	114.5	117.2	(2.7)
Property investments	1.3	1.3	0.0
Assets for the rigth of use	117.5	129.6	(12.1)
Other Intangible assets	360.8	372.6	(11.8)
Investments for using the equity method and other non-current financial assets	220.6	218.2	2.4
Goodwill	881.2	884.9	(3.7)
Deferred tax assets	150.6	151.1	(0.5)
Total non-current assets	**1,846.6**	**1,874.9**	**(28.3)**
Assets classified as held for sale	10.6	13.4	(2.8)
Operating current assets	1,434.2	1,445.4	(11.2)
Other current assets	126.1	128.3	(2.2)
Cash and cash equivalents	820.1	854.5	(34.4)
Total current assets	**2,390.9**	**2,441.6**	**(50.7)**
TOTAL ASSETS	**4,237.5**	**4,316.5**	**(79.0)**
Share Capital and Reserves	751.5	780.1	(28.6)
Treasury shares	(2.4)	(2.8)	0.4
Equity attributable to parent company	**749.1**	**777.3**	**(28.2)**
Non-controlling interests	24.2	23.5	0.7
TOTAL EQUITY	**773.3**	**800.8**	**(27.5)**
Provisions for contingencies and charges	54.2	55.2	(1.0)
Bank borrowings and financial liabilities relating to issues of debt instruments and other marketable securities	1,350.2	1,379.6	(29.4)
Other non-current financial liabilities	204.8	202.5	2.3
Deferred tax liabilities	1.4	1.6	(0.2)
Other non-current liabilities	6.1	13.8	(7.7)
Total Non-current liabilities	**1,616.6**	**1,652.7**	**(36.1)**
Liabilities classified as held for sale	0.0	0.0	0.0
Current bank borrowings and financial liabilities relating to issues of debt instruments and other marketable securities	103.3	26.7	76.6
Other current financial liabilities	75.4	85.2	(9.8)
Operating current liabilities	1,298.9	1,397.0	(98.1)
Other current liabilities	370.0	354.1	15.9
Total Current liabilities	**1,847.6**	**1,863.0**	**(15.4)**
TOTAL EQUITY AND LIABILITIES	**4,237.5**	**4,316.5**	**(79.0)**

Current bank borrowings and financial liabilities relating to issues of debt instruments and other marketable securities	(103.3)	(26.7)	(76.6)
Bank borrowings and financial liabilities relating to issues of debt instruments and other marketable securities	(1,350.2)	(1,379.6)	29.4
Gross financial debt	(1,453.4)	(1,406.3)	(47.1)
Cash and cash equivalents	820.1	854.5	(34.4)
Net Debt	***(633.4)***	***(551.8)***	***(81.6)***

Figures not audited

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Consolidated Cash Flow statement

	1Q20 €M	1Q19 €M	Variation €M
Profit Before Tax	**9.9**	**27.1**	**(17.2)**
Adjusted for:			
- Depreciation and amortization charge	31.6	31.6	0.0
- Provisions, capital grants and others	(8.1)	(14.1)	6.0
- Result of companies accounted for using the equity method	(0.1)	1.3	(1.4)
- Financial loss	9.4	10.2	(0.8)
Dividends received	**0.0**	**0.0**	**0.0**
Profit (Loss) from operations before changes in working capital	**42.6**	**56.0**	**(13.4)**
Changes in trade receivables and other items	44.4	(20.9)	65.3
Changes in inventories	(64.9)	(61.9)	(3.0)
Changes in trade payables and other items	(47.3)	(56.7)	9.4
Cash flows from operating activities	**(67.8)**	**(139.4)**	**71.6**
Tangible (net)	(8.3)	(5.1)	(3.2)
Intangible (net)	(9.0)	(12.4)	3.4
Capex	**(17.4)**	**(17.5)**	**0.1**
Interest paid and received	**(4.7)**	**(2.8)**	**(1.9)**
Other financial liabilities variation (1)	**(8.7)**	**0.0**	**(8.7)**
Income tax paid	**(3.0)**	**(4.5)**	**1.5**
Free Cash Flow	(59.0)	(108.2)	49.2
Changes in other financial assets	(4.1)	0.8	(4.9)
Financial investments/divestments	(0.1)	(0.2)	0.1
Dividends paid by companies to non-controlling shareholders	0.0	0.0	0.0
Dividends of the parent company	0.0	0.0	0.0
Shareholders contributions	0.0	0.0	0.0
Changes in treasury shares	(0.7)	0.7	(1.4)
Cash-flow provided/(used) in the period	**(63.9)**	**(106.9)**	**43.0**

Initial Net Debt	**(551.8)**
Cash-flow provided/(used) in the period	(63.9)
Foreign exchange differences and variation with no impact in cash	(17.8)
Final Net Debt	***(633.4)***

Cash & cash equivalents at the beginning of the period	**854.5**	**917.8**	**(63.3)**
Foreign exchange differences	(14.3)	1.7	(16.0)
Increase (decrease) in borrowings	43.7	26.7	17.0
Net change in cash and cash equivalents	(63.9)	(106.9)	43.0
Ending balance of cash and cash equivalents	**820.1**	**839.4**	**(19.3)**
Long term and current borrowings	**(1,453.4)**	**(1,431.9)**	**(21.5)**
Final Net Debt	***(633.4)***	***(592.5)***	***(40.9)***

(1) The IFRS 16 effect is included in "other financial liabilities variation" and amounted to €-8.7m. In 1Q19 this item was included in "changes in trade payables and other items" and amounted to €-8.5m.

Figures not audited

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- Operating Cash Flow before net working capital reached €+43m in 1Q20 vs €+56m in 1Q19.
- Cash Flow from operating activities (working capital) stood at €-68m in 1Q20 vs €-139m in 1Q19, improving thanks to the positive performance of clients (improvement of €+65m vs 1Q19).
- Net Working Capital (Operating Current Assets – Operating Current Liabilities) stood at €+135m, equivalent to 15 DoS vs 6 DoS in December 2019 and vs 5 Dos in 1Q19. This increase was due to higher level of Inventories (+7 DoS vs 2019), mainly due to the difficulties in the certification of milestones as a consequence of Covid-19, and lower level of Accounts payable (+11 DoS), as a result of less purchases vs last year. On the positive side, Clients improved in 8 DoS as a consequence of higher cash collections in the T&D division.
- Non-recourse factoring lines remain stable at €187m.
- CAPEX (net of subsidies) stood at €17m, similar as in 1Q19.
- Financial Results payment was €5m vs €3m in 1Q19, explained by higher interest in the long-term loans and other financial expenses.
- Tax payment was €3m vs €4m in 1Q19, due to the lower profit and withholdings.
- 1Q20 Free Cash Flow improved €+49m vs 1Q19, and stood at €-59m vs €-108m in 1Q19. Free Cash Flow was affected by the seasonality of the working capital, as well as by delays in some T&D projects, mainly due to the Covid-19.
- Net Debt amounted to €633m vs €552m in 2019. Net Debt/EBITDA LTM ratio (excluding the impact of IFRS 16) stood at 2.2x in 1Q20 vs 1.9x in 1Q19 and 1.8x in 2019.

Alternative Performance Measures (APMS)

Due to the application of the Alternative Performance Measures (APM) published by the European Securities and Markets Authority (EMSA), Management of the Group considers that certain APMs provides useful financial information that should be considered to evaluate the performance of the Group by users. Additionally, Management uses these APMs for making financial, operating and strategic decisions, as well as to evaluate the Group performance. It should be noted that the amounts of the APMs have not been subject to any type of audit or review by the auditors of the Company.

Organic Revenues

Definition/Conciliation: Revenues adjusted by foreign exchange impact and perimeter changes of consolidation (acquisitions and divestments). Foreign exchange impact is adjusted by calculating the revenues with the average forex of the previous period. Perimeter changes are adjusted taken into account the acquisitions as if they had been consolidated in the previous period.

Explanation: Metric that reflects the revenue growth excluding the impacts coming from the perimeter changes (acquisitions and divestments) and the foreign exchange.

Coherence in the criteria applied: There is no change in the criteria applied compared to last year.

Operating Result (EBIT):

Definition/Conciliation: It is defined in the consolidated income statement.

Explanation: Metric that the Group uses to define its operating profitability and widely used by investors when evaluating businesses.

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Likewise, the Group uses it as an indicator of the performance of the EBIT margin, which is the result of the ratio between EBIT and the amount of sales for the same period. This indicator is explained as the operating profit of the Group for each euro of sales.

Coherence in the criteria applied: There is no change in the criteria applied compared to last year.

Operating Margin

Definition/Conciliation: Represents the Operating Result (EBIT) plus staff reorganization costs, integration and acquisition costs, amortization of intangible assets from acquisitions, equity based compensation and possible fines.

Explanation: Metric that the Group uses to define its operating profitability before certain extraordinary costs and widely used by investors when evaluating Information Technology businesses.

Likewise, the Group uses it as an indicator of the performance of the Operating Margin (%) that is the result of the ratio between Operating Margin and the amount of sales for the same period.

Coherence in the criteria applied: There is no change in the criteria applied compared to last year.

Gross Operating Result (EBITDA):

Definition/Conciliation: It is calculated by adding the Depreciations and Amortizations to the "Operating Result (EBIT)" as indicated in the consolidated income statement

Explanation: Metric that the Group uses to define its operating profitability, and widely used by investors when evaluating businesses.

Likewise, the Group uses it as an indicator of the performance of the EBITDA margin, which is the result of the ratio between EBITDA and the amount of sales for the same period. This indicator is explained as the operating profit of the Group plus Depreciations and Amortizations for each euro of sales.

Coherence in the criteria applied: There is no change in the criteria applied compared to last year.

Net Financial Debt:

Definition/Conciliation: Represents Non-current Loans and Borrowings and Current Loans and Borrowings less Cash and Cash equivalents. Net Financial Debt is obtained by subtracting the balances corresponding to the headings of the Consolidated Balance Sheet, "Long and Current borrowings with Credit Institutions" and "Financial Liabilities for Issuance of Non-current and Other Marketable Securities", the amount of the heading "Cash and cash equivalents".

Explanation: Financial proxy that the Group uses to measure its leverage.

Likewise, the Group uses the ratio Net Financial Debt over EBITDA as an indicator of its leverage and repayment capacity of its financial debt. For that reason, the figure used to calculate the ratio for intermediate periods is made by taking into consideration the equivalent last twelve months EBITDA immediately preceding the calculation date of the ratio.

Coherence in the criteria applied: There is no change in the criteria applied compared to last year.

Free Cash Flow:

Definition/Conciliation: These are the funds generated by the Company excluding dividend payment, net financial investments/divestments and others, and the investment in treasury stock. It is calculated starting from "Profit Before Tax" as indicated in the consolidated statement of cash flows; adding depreciation and amortization, deducting provisions, capital grants and others, adding result of companies accounted for using the equity method, adding financial losses, adding dividend received, adding cash flow from operating activities, deducting capex, deducting interest paid and received and deducting income tax paid.

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Explanation: It is the treasury made by the operations of the Group that is available to providers (shareholders and financial creditors) once the investment needs of the Group are already satisfied. It is an indicator used by investors when evaluating businesses.

Coherence in the criteria applied: There is no change in the criteria applied compared to last year.

Contribution Margin:

Definition/Conciliation: It is the difference between revenues and direct and indirect costs of the segments or businesses of the Group. Direct costs are those directly attributable to the sales recognized in a specific period of time and include the cost of the headcount or subcontractors used in the projects as well as any incurred costs related to the development and completion of the project; such as material costs, travel expenses of the project, among others. Indirect costs are those which, although are linked to a segment or businesses of the Group, are not directly attributable to billable projects or to revenues accounted for a specific period of time; such as, commercial costs, cost of making offers, the cost of management of a specific segment, among others. Contribution margin does not include overheads as these costs are not directly attributable to a particular segment or business.

Explanation: contribution margin measures the operating profitability of a segment or business of the Group excluding overheads, as these costs are not directly attributable to a particular segment or business.

Likewise, in order to ease the comparison between segments with different relative weight over the total revenues of the Group, it is used the contribution margin ratio over revenues of a segment or business. This indicator is explained as the contribution margin for each euro of sales of a specific segment.

Coherence in the criteria applied: There is no change in the criteria applied compared to last year.

Order Intake:

Definition/Conciliation: It is the amount of contracts won over a period of time. Order intake cannot be confused with revenues or the net amount of sales because the amount of a contract won in a specific period of time (and that computes as Order Intake in that period of time) can be executed over several years.

Explanation: Order intake is an indicator of the future performance of the Group because it is the amount of the contracts won over a period of time.

Coherence in the criteria applied: There is no change in the criteria applied compared to last year.

Backlog:

Definition/Conciliation: It is the amount of accumulated order intake less revenues executed, plus/minus forex adjustments and the renegotiation of the contracts, among others. It is the pending revenues figure until the completion of the project to complete the order intake figure.

Explanation: Backlog is an indicator of the future performance of the Group because it is the amount of the contracts won still to be executed.

Coherence in the criteria applied: There is no change in the criteria applied compared to last year.

Glossary

AMEA: Asia, Middle East and Africa.

ATM: Air Traffic Management.

BPO: Business Process Outsourcing.

Book-to-Bill: Order intake/Revenues ratio.

CAPEX: Capital Expenditure.

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DoS: Days of Sales.

EBITDA: Earnings Before Interests, Taxes, Depreciations and Amortizations.

EBIT: Earnings Before Interests and Taxes.

EPS: Earnings Per Share.

IT: Information Technology

LTM: Last Twelve Months.

MoD: Ministry of Defence.

R&D: Research & Development.

T&D: Transport & Defence.

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