

indra

9M18 Results



November 7th, 2018

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: 97801313#
Access to the live event:

<https://event.on24.com/wcc/r/1856671-1/50917FF140670C355DBDE82D45C6E508?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: 418795161#
Access to the Webcast Replay:

<https://event.on24.com/wcc/r/1856671-1/50917FF140670C355DBDE82D45C6E508?partnerref=rss-events>

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Main headlines

- 1 9M18 order intake kept growing above revenues (+8% vs +6% in local currency).
- 2 Backlog grew by +9% and surpassed €4bn.
- 3 Revenues up +6% (local currency). Transport revenues up +42% in 3Q18.
- 4 9M18 EBITDA totaled €183m (+7% vs 9M17). EBITDA Margin improved to 8.4% in 9M18 and to 9.4% in 3Q18.
- 5 9M18 EBIT reached €115m vs €124m in 9M17. EBIT Margin was 5.3% vs 5.8% in 9M17. Excluding Tecnocon restructuring (first-half) and the CNMC fine of €13.5m (third quarter), EBIT would have reached €142m and EBIT Margin would have improved to 6.5% in 9M18.
- 6 FCF generation amounted to €-46m in 9M18 (vs €44m in 9M17), affected by the seasonality of the third quarter and the difficult comparison vs 3Q17.
- 7 Net debt/EBITDA LTM remained stable at 2.5x vs 9M17. Ex acquisitions, it would have decreased to 1.4x.
- 8 Indra maintains its 2018 guidance (Revenues, EBIT and FCF pre working capital).

Revenues up +3% in reported terms

9M18 Sales Growth

Reported

+3%

Local Currency

+6%

3Q18 Sales Growth

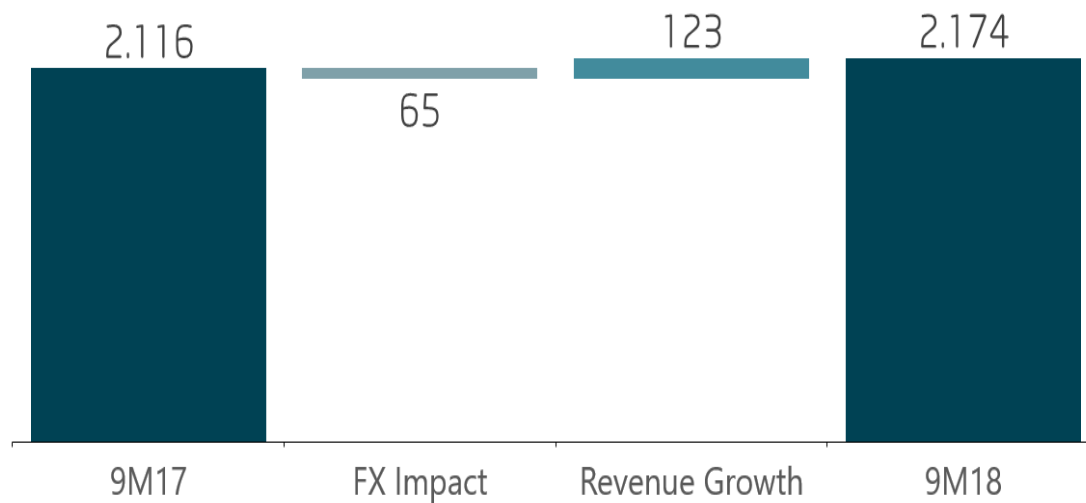
Reported

-4%

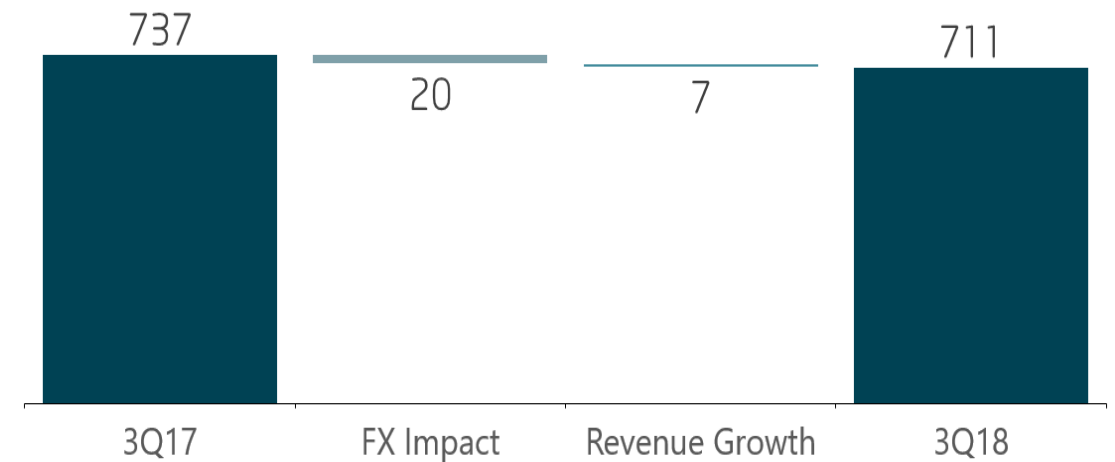
Local Currency

-1%

€m



€m



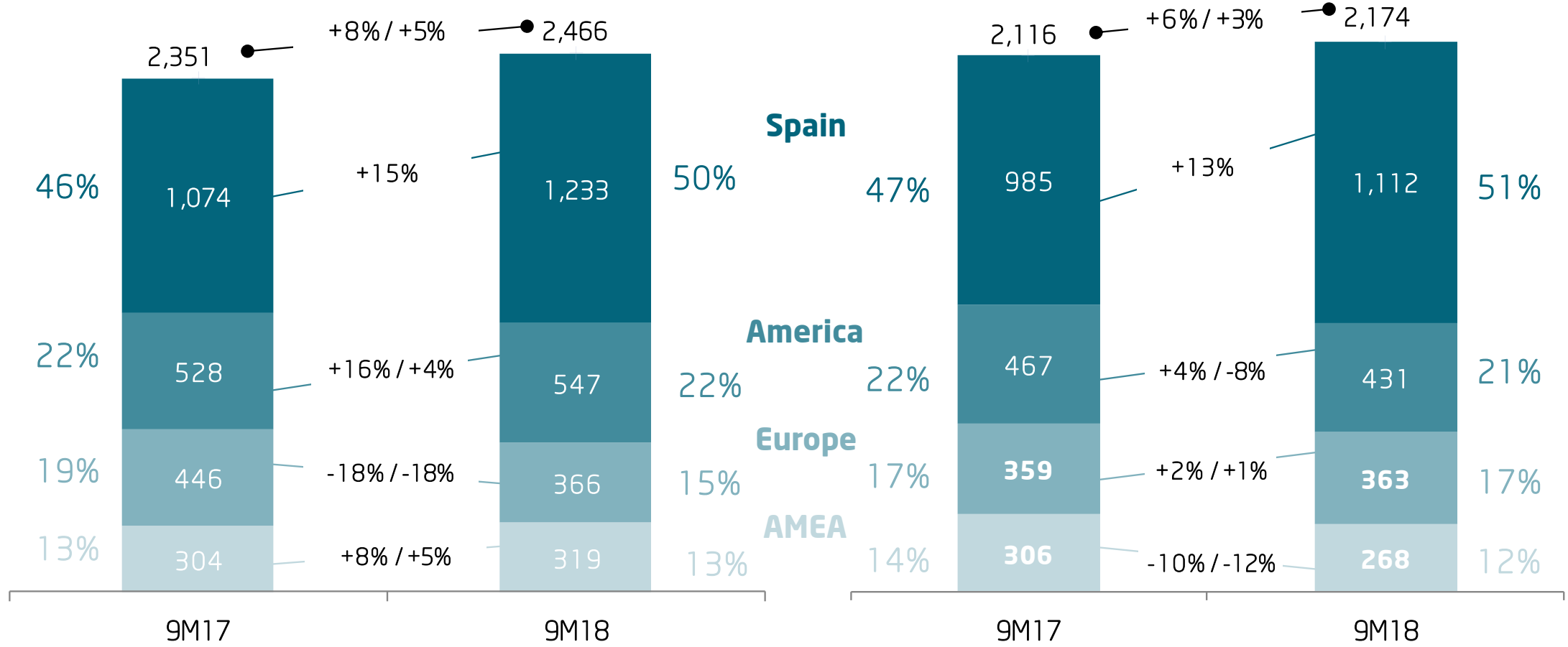
Revenues and order intake by region

Order Intake (€m)

Local Currency / Reported

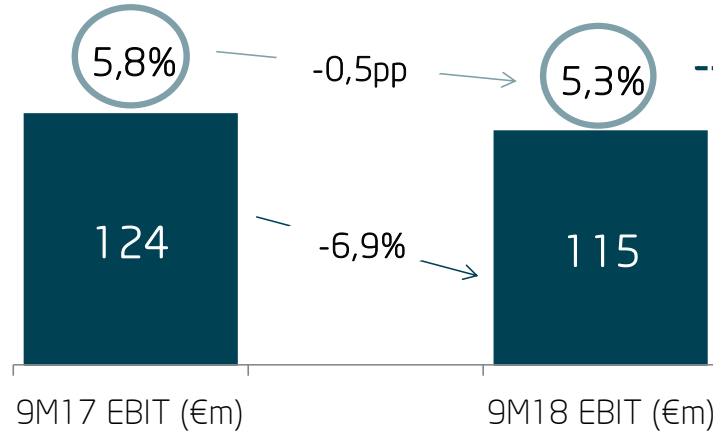
Revenues (€m)

Local Currency / Reported

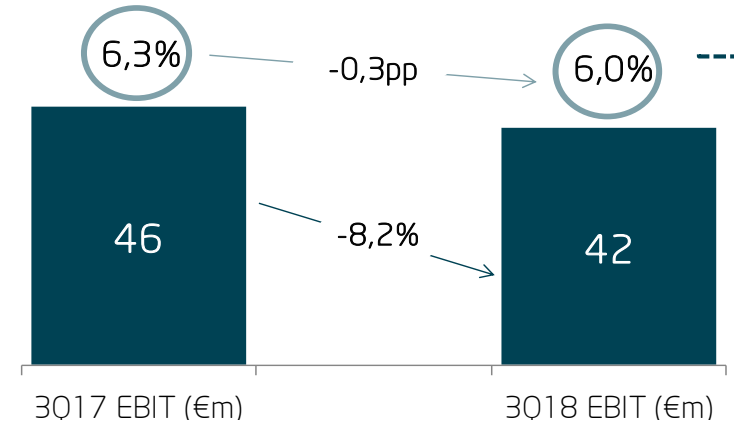


EBIT and margin evolution

9M18 EBIT and Margin



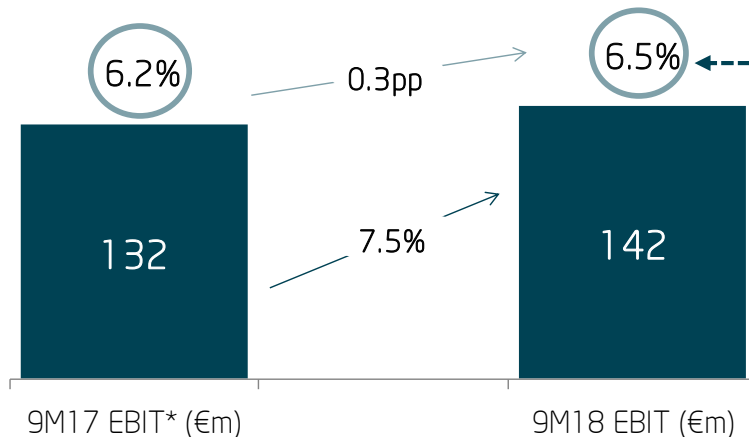
3Q18 EBIT and Margin



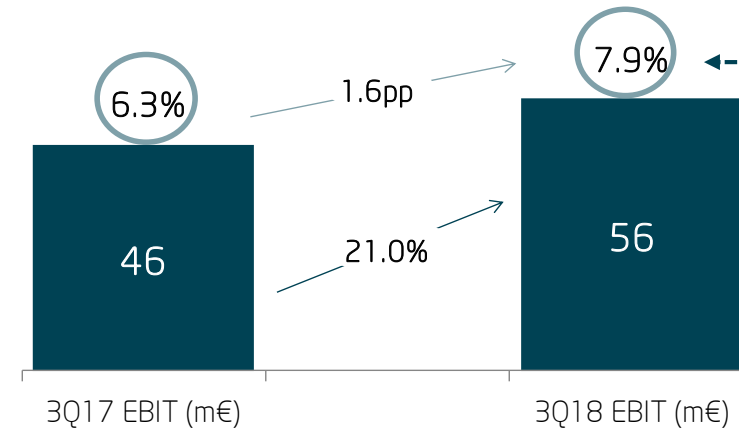
1.2pp impact

1.9pp impact

9M18 EBIT and Margin excluding the impacts of Tecnocom rest. and CNMC fine



3Q18 EBIT and Margin excluding the impact of CNMC fine

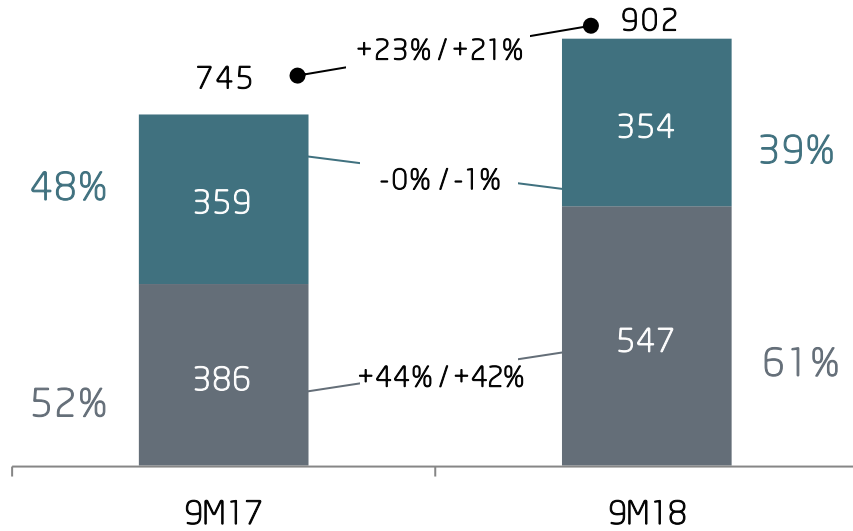


* 9M17 EBIT excluding the impact of Tecnocom restructuring costs

T&D order intake and revenues

9M18 Order Intake (€m)

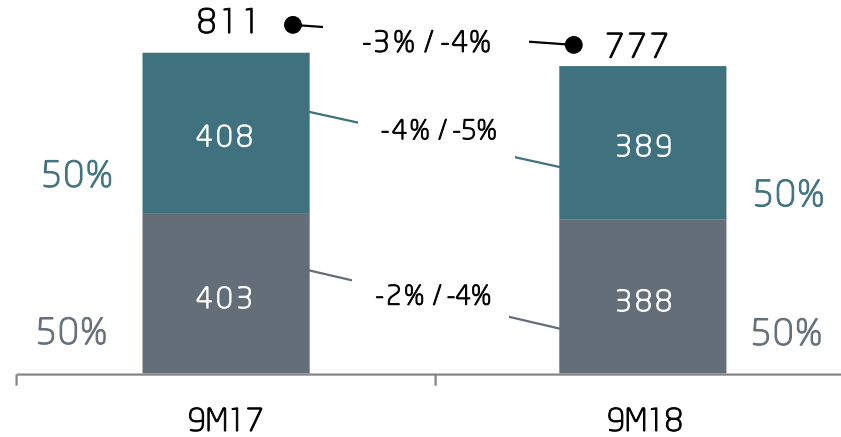
Local Currency / Reported



Defence & Security
 Transport & Traffic

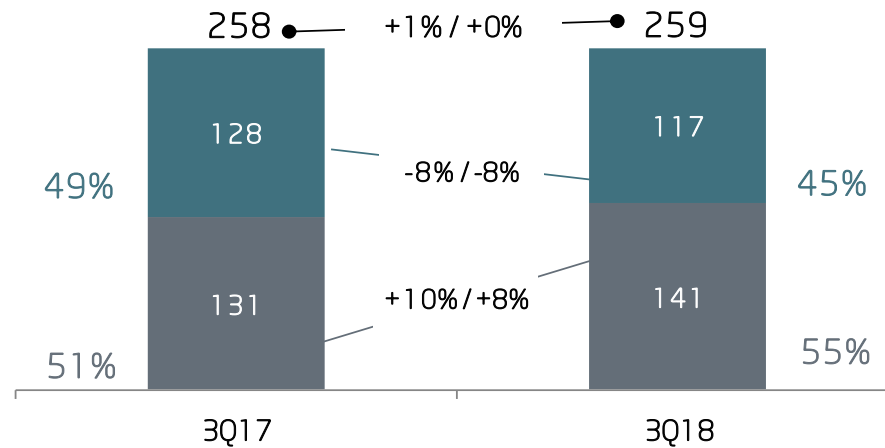
9M18 Revenues (€m)

Local Currency / Reported



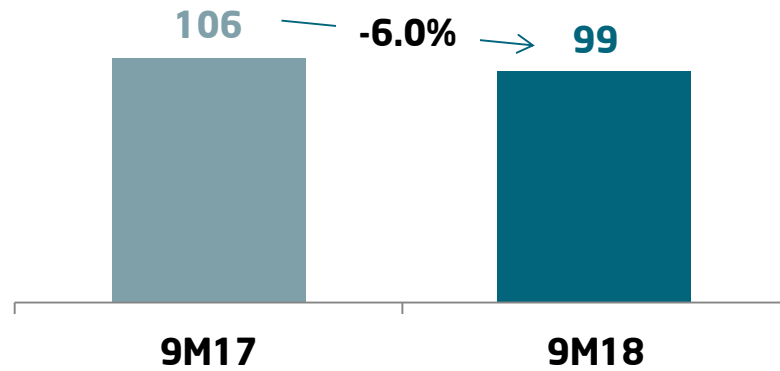
3Q18 Revenues (€m)

Local Currency / Reported

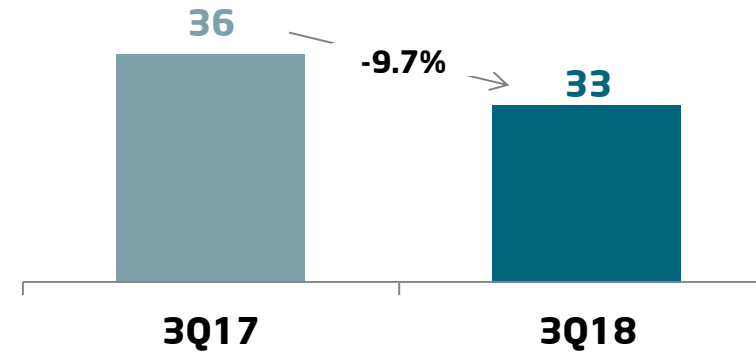


T&D EBIT and margin evolution

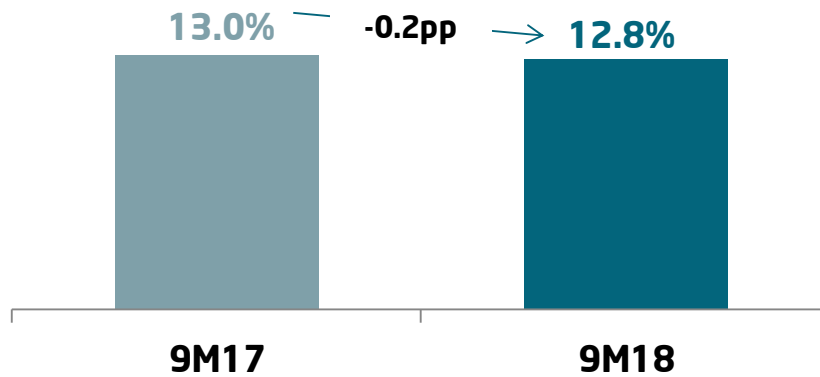
9M18 EBIT (€m)



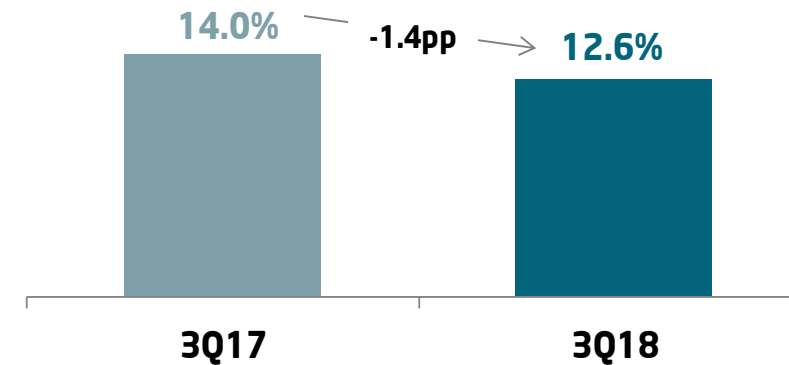
3Q18 EBIT (€m)



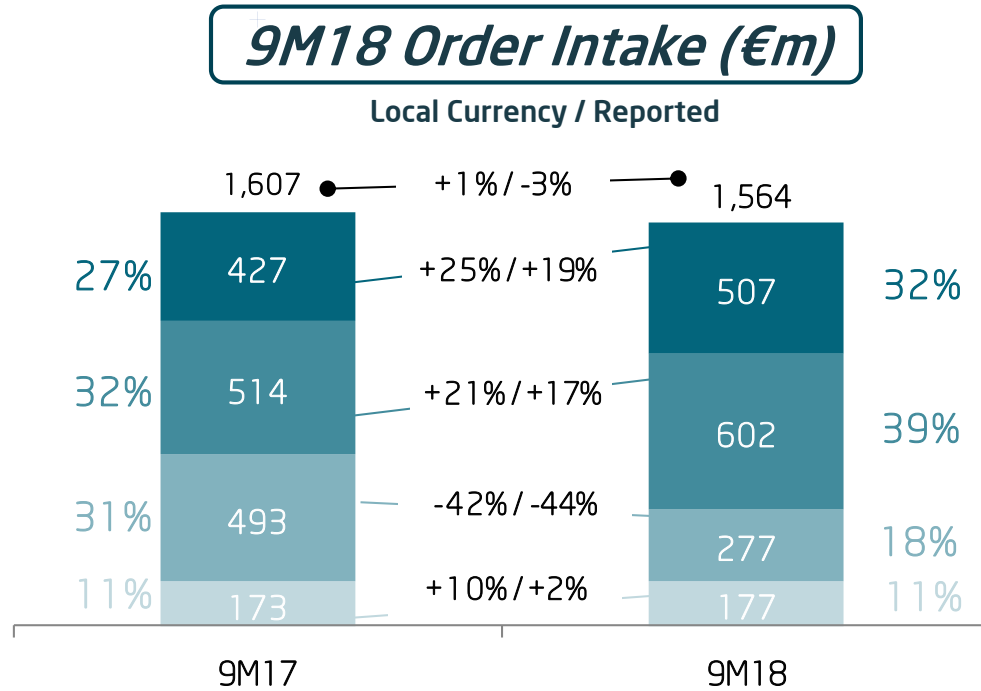
9M18 EBIT Margin (%)



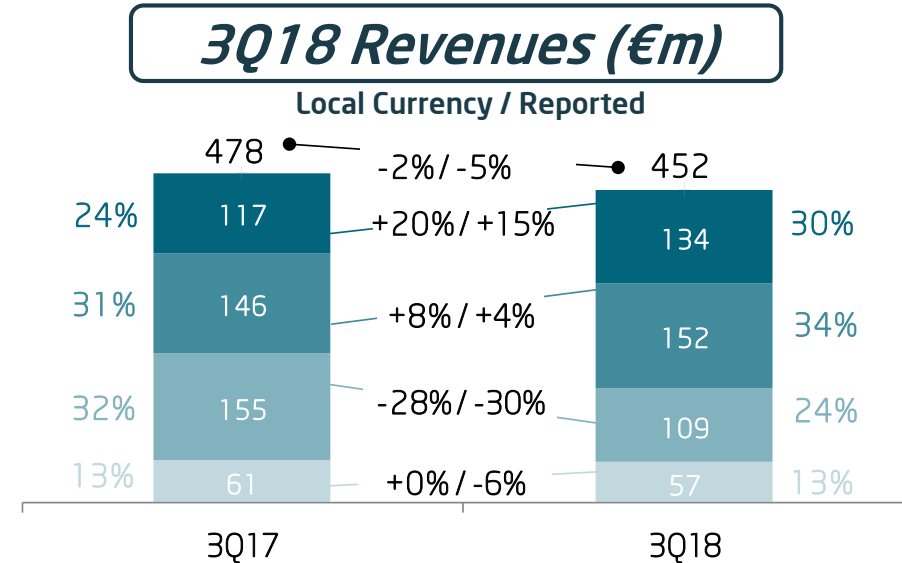
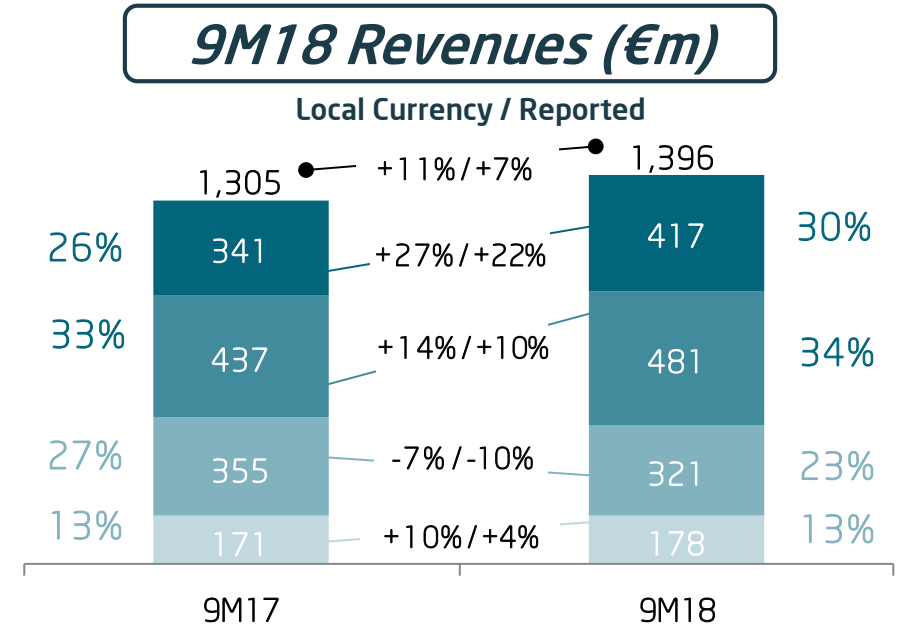
3Q18 EBIT Margin (%)



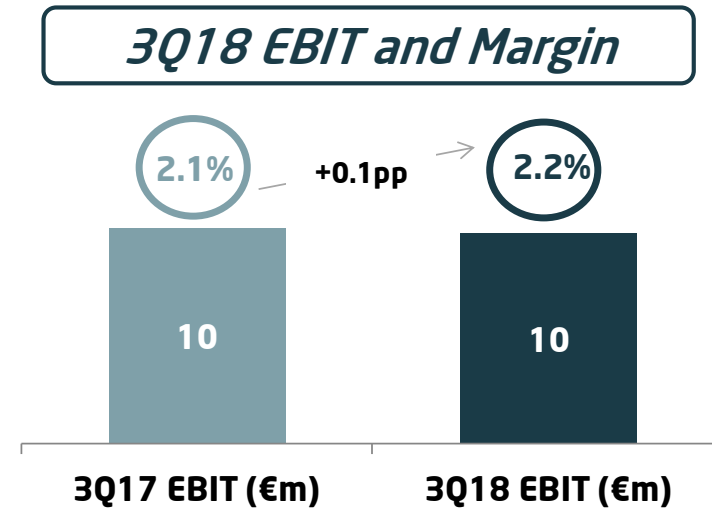
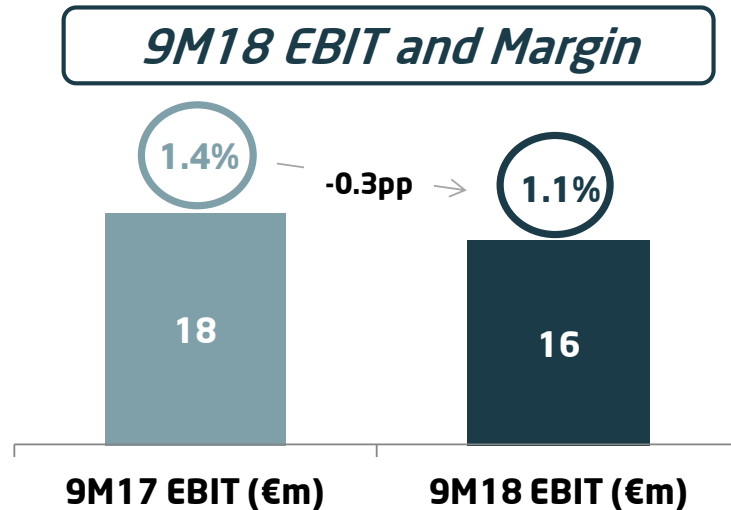
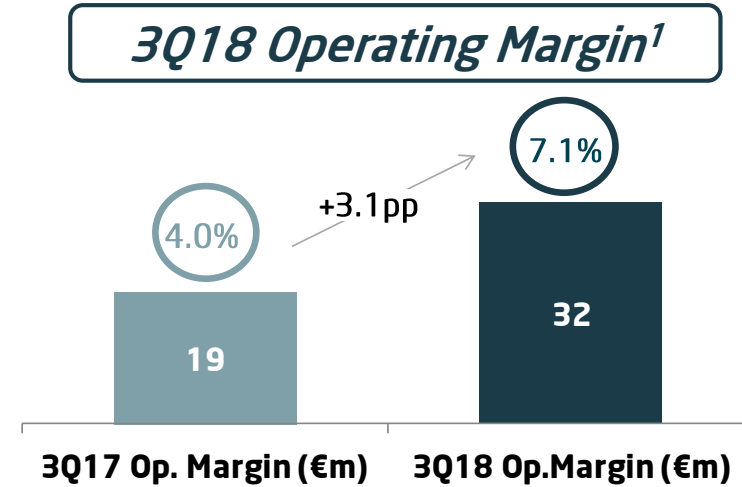
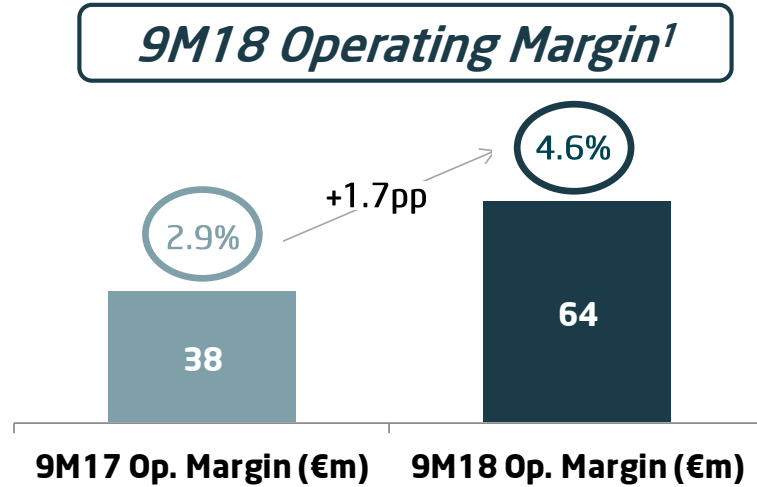
Minsait (IT) order intake and revenues



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



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.

Evolution of Brazil and the efficiencies of our “Plan IT”

BRAZIL

(local currency)	9M17	9M18	Variation
Order Intake	586,8	740,5	+26%
Revenues	569,1	609,5	+7%
EBIT	-11,6	31,1	NA
EBIT Margin	-2.0%	5.1%	+7.1pp

1 **Lean & Automation** Apply full **end-to-end Lean approach**, fostering a culture of continuous improvement and placing **automation at the core of our operations**

2 **Delayering** Reduce management layers to increase **agility and accountability** while maximising efficiency

3 **Pyramid Optimisation** Reshape our **production and delivery pyramid**

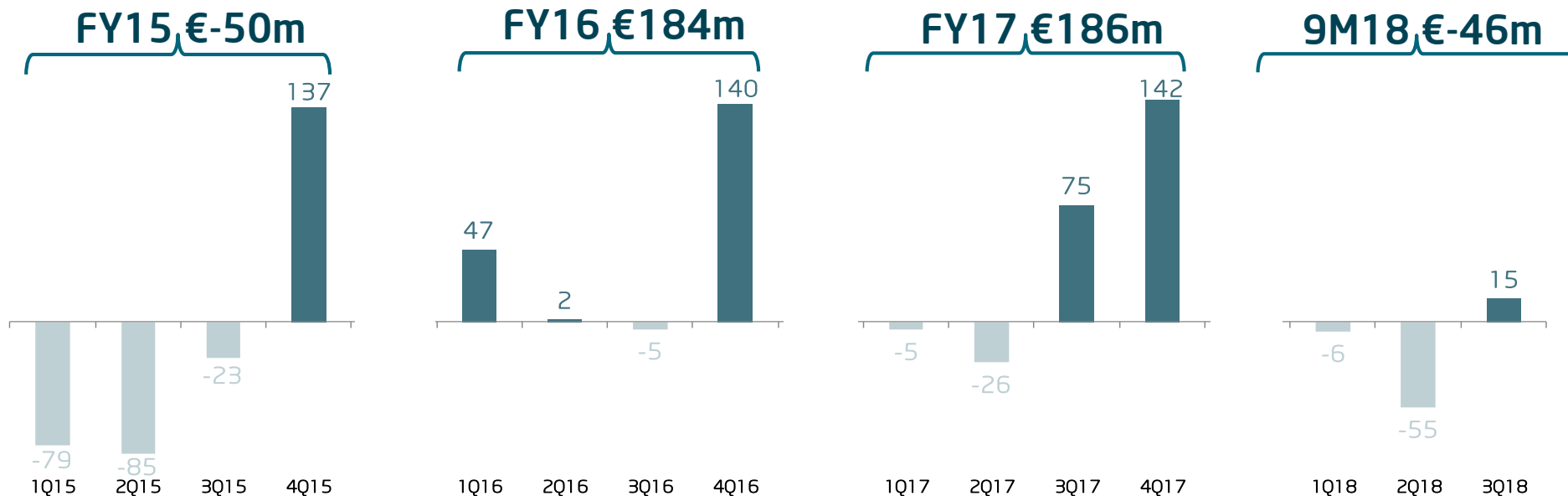
4 **Global Production** Increase **off-shoring by leveraging our existing capabilities** in Latin America

PLAN IT

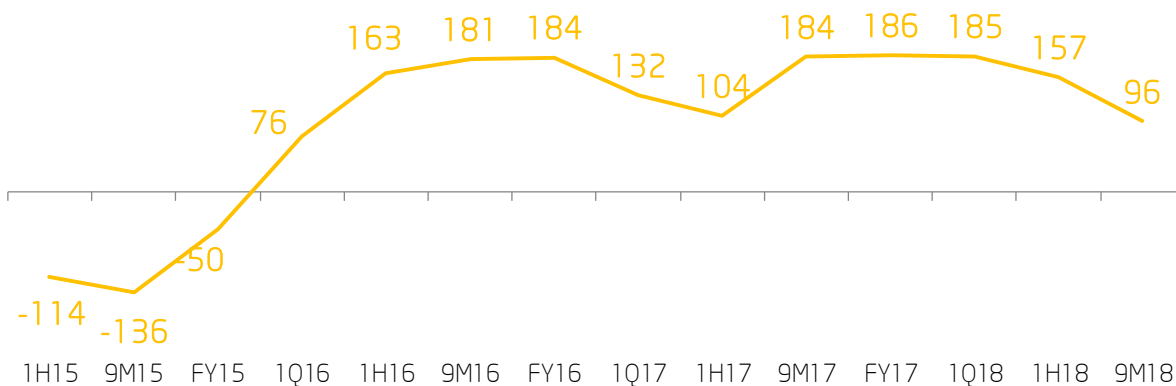
	2018	2019	2020	9M18
Costs	€21m	€1m	€0m	€11m
Synergies	€24m	€41m	€42m	€13m

FCF Generation

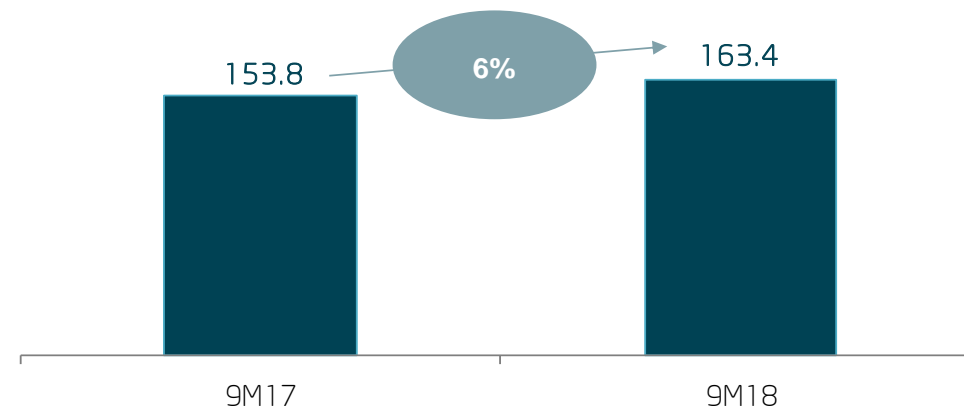
Quarterly FCF (€m)



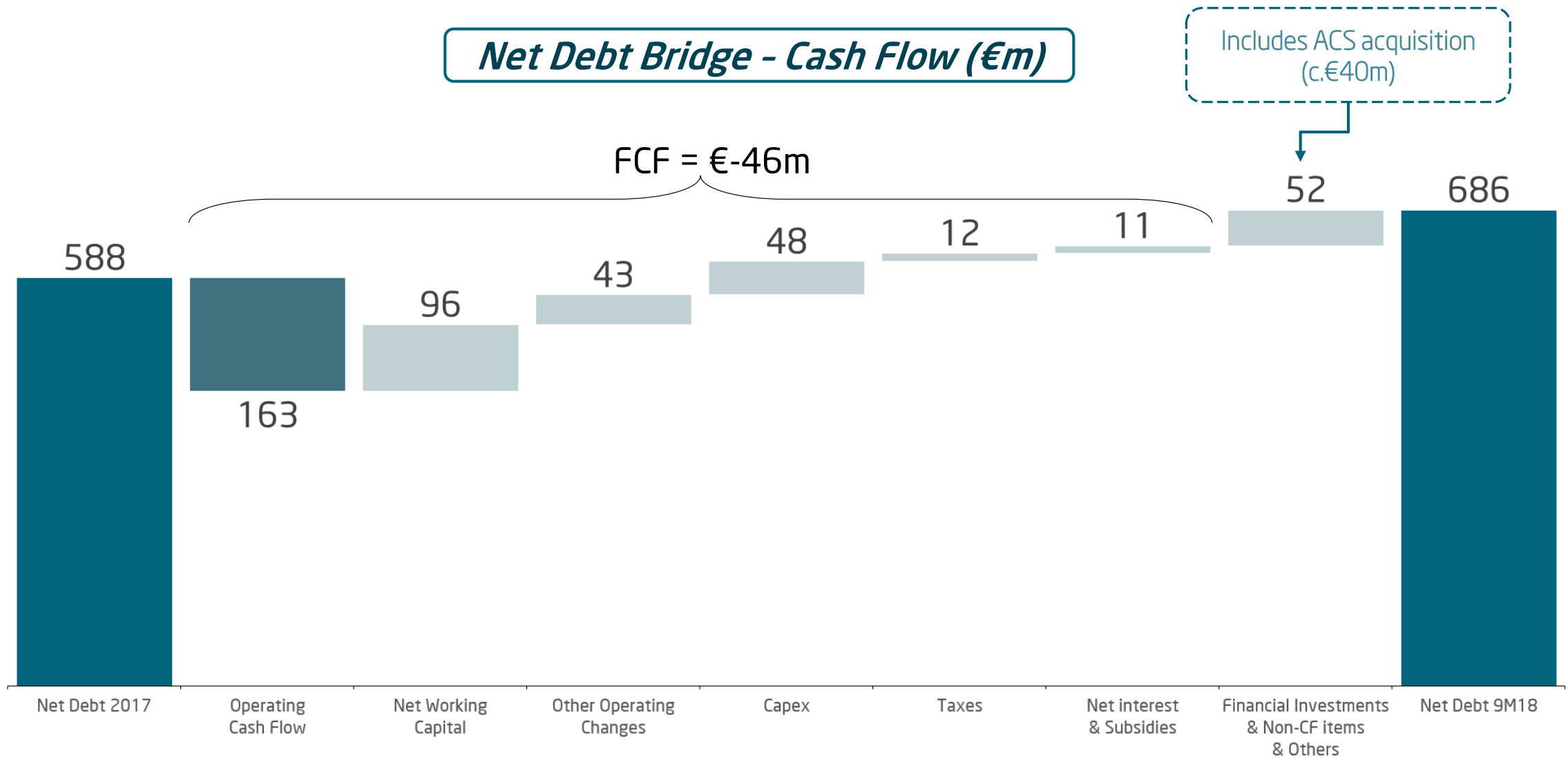
Accumulated FCF LTM (€m)



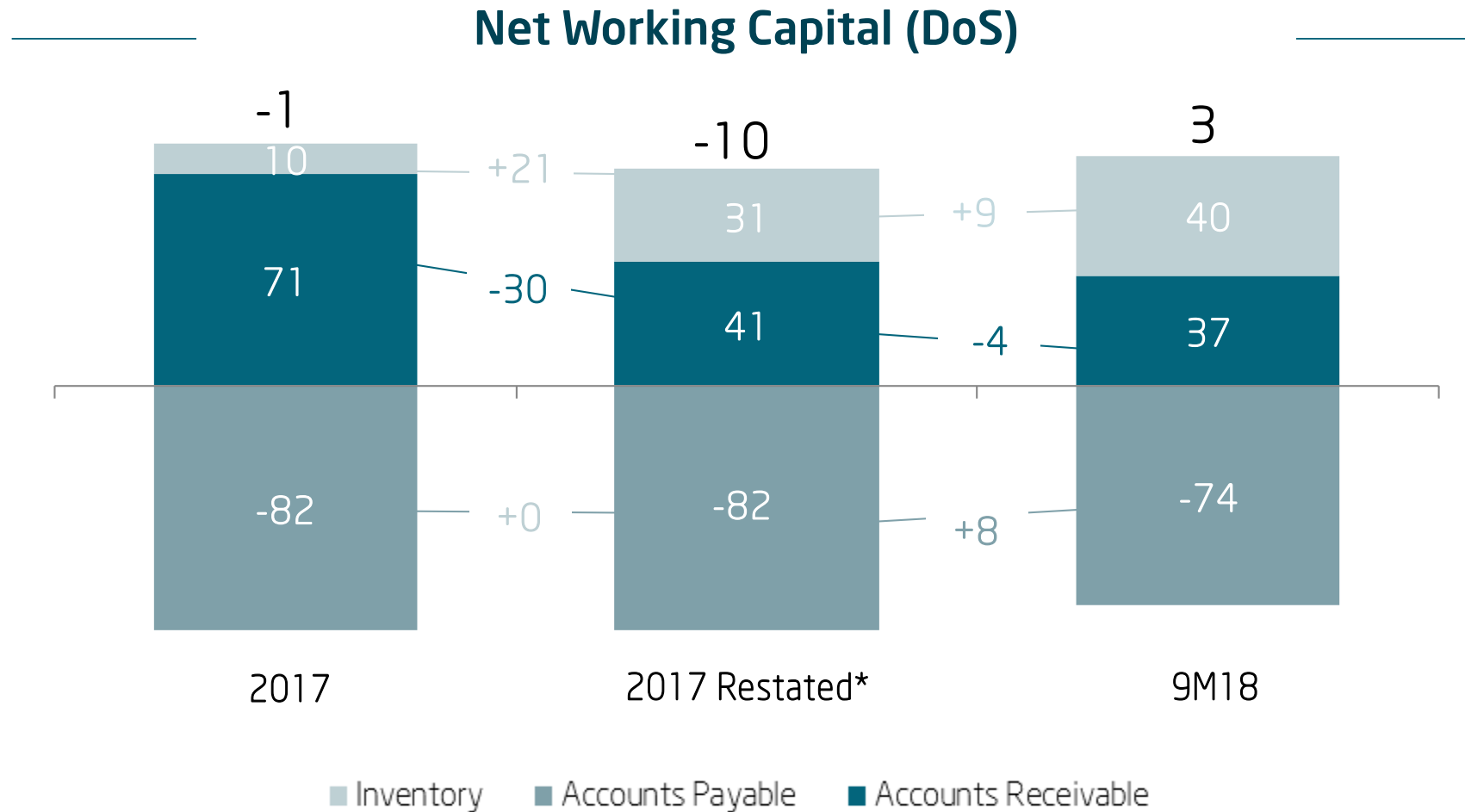
OPERATING FCF BEFORE WC (€m)



Net Debt Bridge

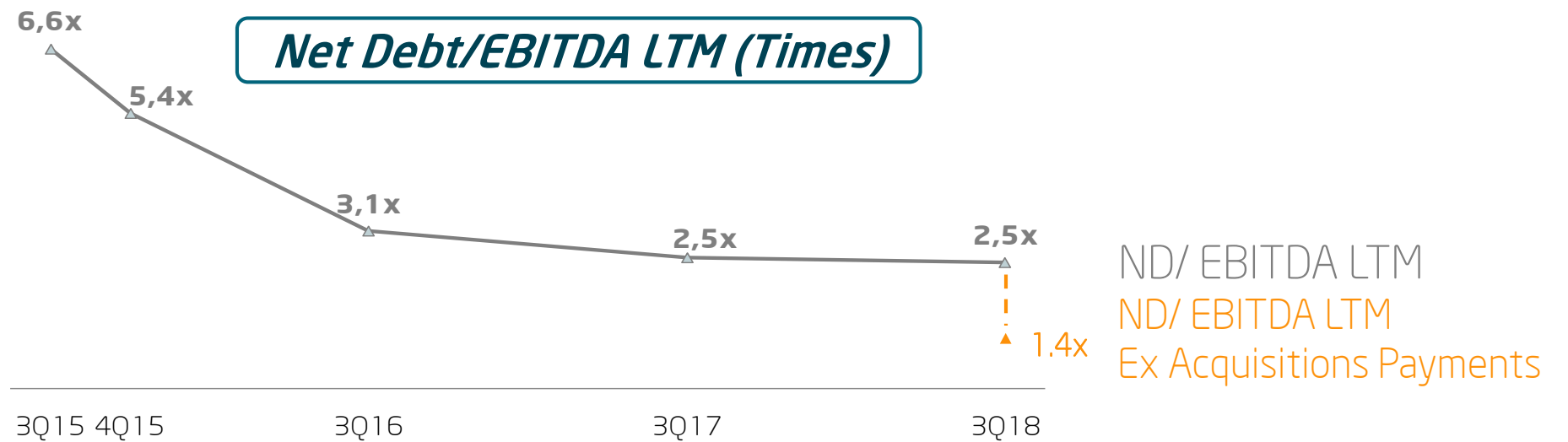
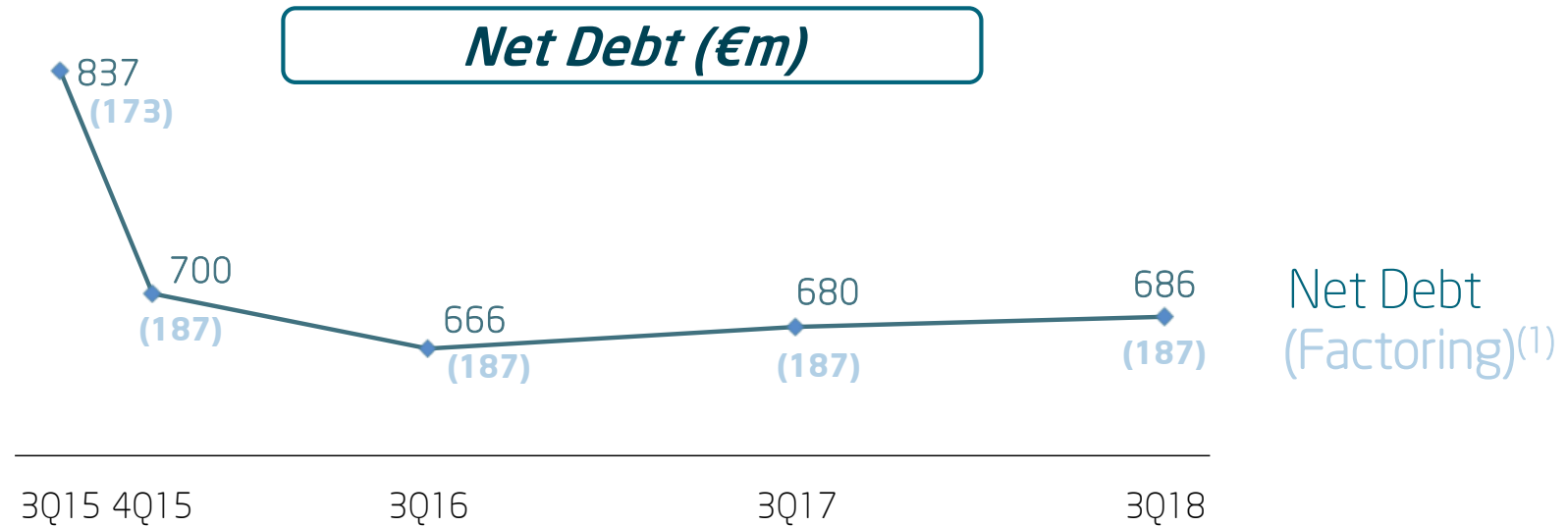


Net Working Capital Evolution



*2017 restated for IFRS 15 and IFRS 9

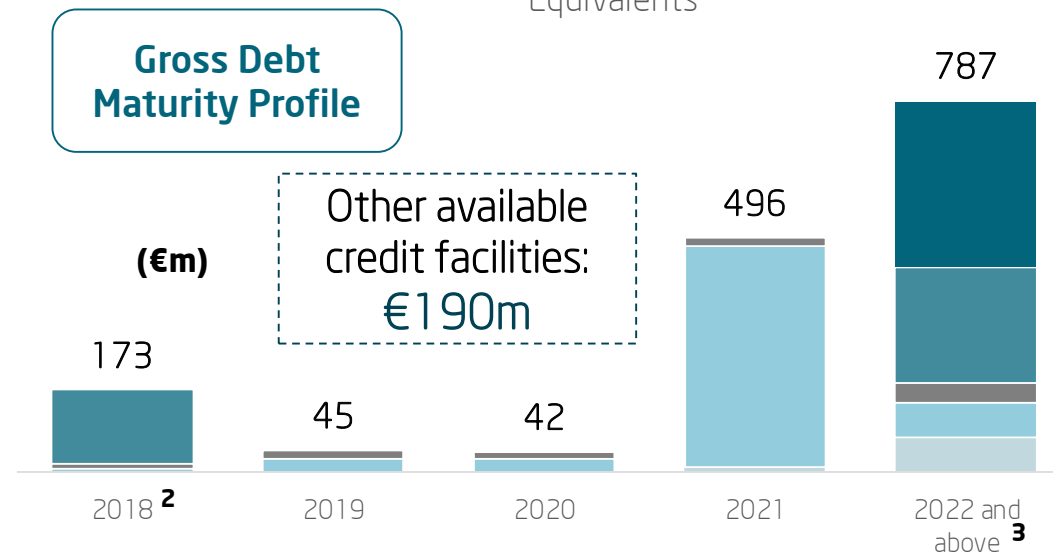
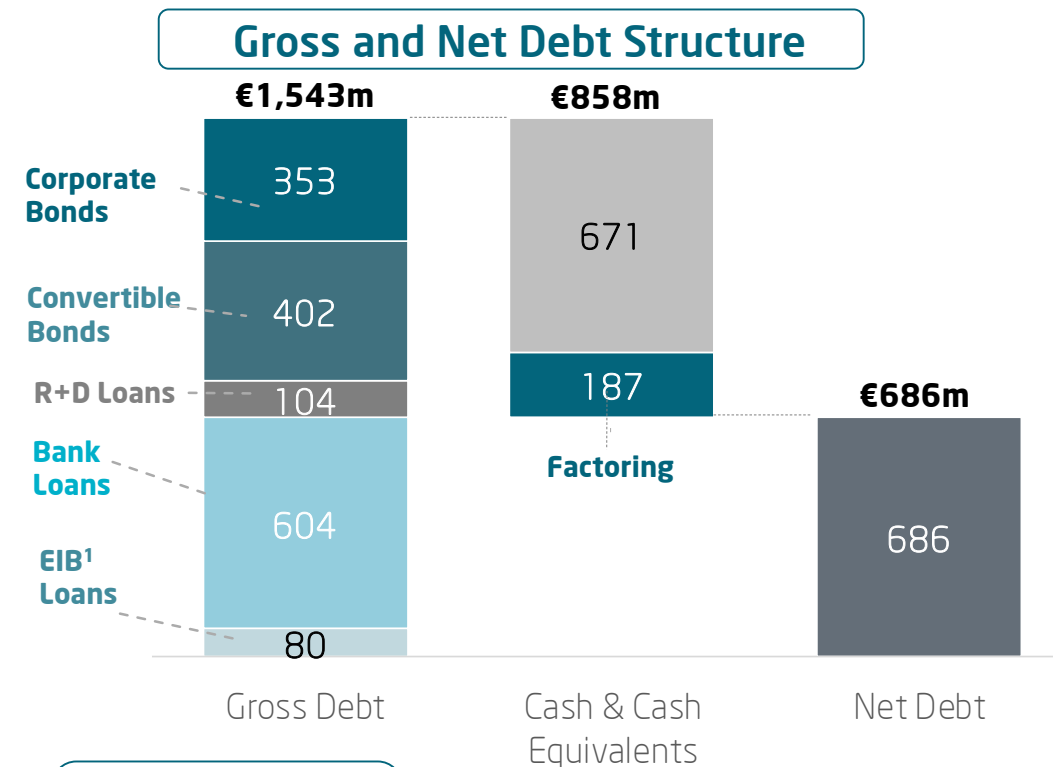
Net Debt Evolution



(1) Non-recourse factoring

Diversified Debt structure

	9M18	% total	2017	% total
L/T Debt	1,338	87%	1,016	79%
S/T Debt	205	13%	271	21%
Gross Debt	1,543	100%	1,287	100%
Cost of Gross Debt	2.1%		2.2%	
Cash & Others	858	n.m.	699	n.m.
Net Debt	686	n.m.	588	n.m.
Cost of Net Debt	3.4%		3.0%	



1. European Investment Bank .2. Including €156m Convertible Bond 3. Including €246m Convertible Bond with 2023 maturity and €298m Corporate Bond with 2024 maturity



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