

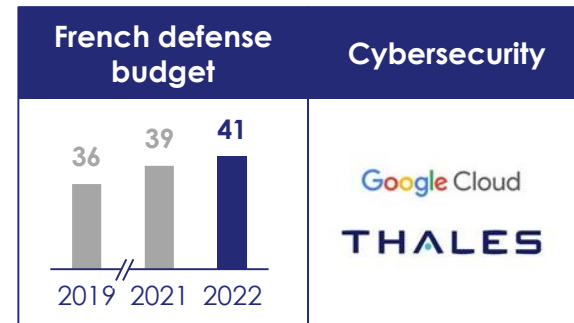


9m 2021 order intake and sales

26th October 2021



Q3 2021 highlights



Transport disposal: portfolio refocused on 3 leading businesses

- Transport now treated as discontinued operations
- Good progress on social processes
- Closing expected end 2022/early 2023

Accelerating sustainability initiatives

- Compelling portfolio of solutions, working to make the world safer, greener and more inclusive
- Ambitious commitments: net zero CO₂ emissions by 2040

Solid perspectives across portfolio

- Defense budgets in key markets
- Strategic agreement with Google Cloud to co-develop sovereign cloud offering

9m 2021 key figures – excluding Transport^(a)

€m	9m 2021	9m 2020	Change		Q3 2021	Q3 2020	change	
			total	organic			total	organic
Order intake	10,656	8,375	+27%	+28%	2,992	2,725	+10%	+9%
Sales	11,222	10,613	+5.7%	+6.2%	3,555	3,578	-0.7%	-1.4%

Solid order intake momentum continuing in Q3
Negative organic sales growth due to strong Q3 2020

(a) Excluding the contribution from the Transport business from IFRS 5 accounting treatment in 2020 and 2021 (Transport business classified as "discontinued operations")

9m 2021 order intake – excluding Transport^(a)

Continued strong commercial activity

- Q3 organic growth: +9%
- 9m organic growth: +28%

2 large^(b) orders booked in Q3 2021, for a total of 9 in 9m 2021

- 5 in Defense & Security, 4 in Space
- Across many geographies: France, Greece, Italy, Canada and Indonesia

Small orders^(c) up 5% despite continuous impact on civil aero and biometrics

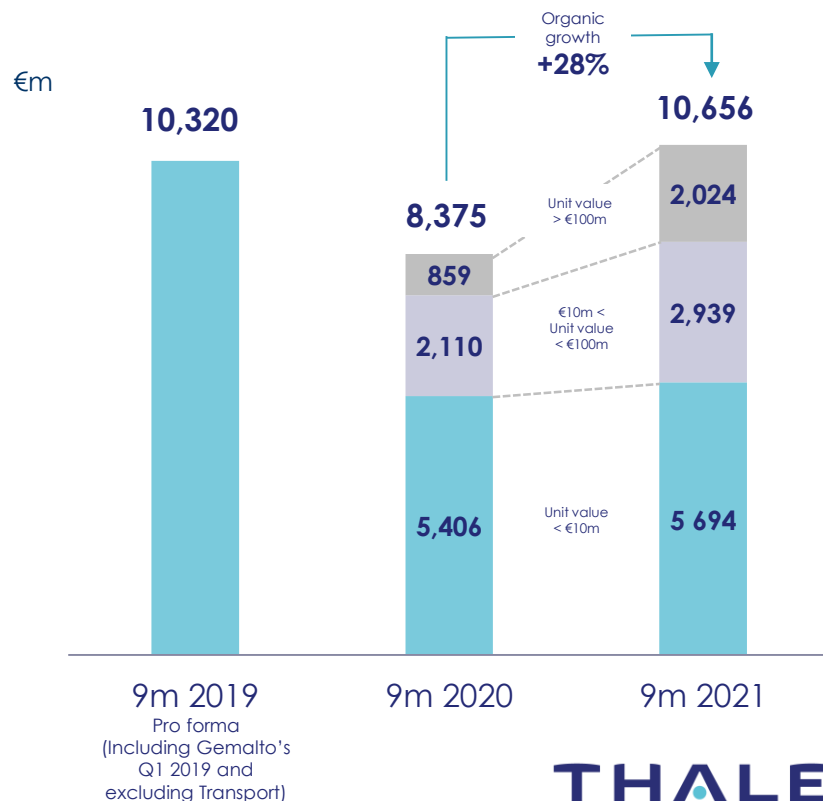
- +9% in Q3

(a) Refer to footnote (a) on slide 3

(b) With a unit value over €100m

(c) With a unit value of less than €10m

Order intake by contract unit value



9m 2021 sales growth – excluding Transport^(a)

Slightly positive currency impact in Q3

- Q3: +€26m, +0.7% of sales
- 9m: -€49m, -0.4% of sales

9m organic sales growth: +6.2%

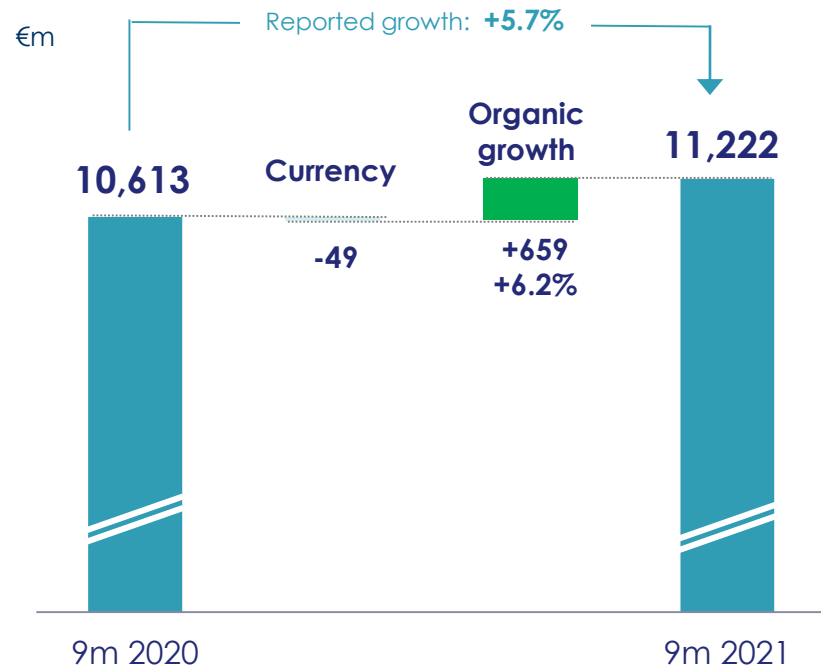
- Strong recovery against 9m 2020 Covid-19-related disruptions
- Slightly negative Q3 organic sales growth due to high comps (catch-up effect after Q2 2020 affected by the sanitary crisis)

Rebound driven by Europe

- France: +14%
- Rest of Europe (excluding UK): +13%
- Emerging countries: +3%

(a) – refer to footnote (a) on slide 3

9m sales growth drivers





Aerospace: 9m 2021 key figures

€m	9m 2021	9m 2020	Change	
			total	organic
Order intake	3,676	2,268	+62%	+63%
Sales	3,108	2,898	+7.3%	+8.1%

Order intake strongly up thanks to on-going momentum of Space

- Further significant orders in navigation (new tranche of Galileo ground mission and security facility) and exploration (Axiom space station)
- Aeronautics orders organically up 8% in Q3

Sales growth driven by strong recovery of Space

- Space sales up 27% over 9m
- Progressive recovery of aeronautics sales driven by aftermarket





Defense & Security: 9m 2021 key figures

€m	9m 2021	9m 2020	Change	
			total	organic
Order intake	4,826	3,853	+25%	+24%
Sales	5,948	5,469	+8.8%	+7.9%



Continued strong order intake momentum

- 1 large order above €100m in Q3 (support contract for French MoD)

Robust on-going sales growth

- Broad based organic sales growth confirmed
- Q3 2021 slightly negative vs Q3 2020 due to high comps (catch-up effect following a weak Q2 2020 during the trough of the sanitary crisis)





Digital Identity & Security: 9m 2021 key figures

€m	9m 2021	9m 2020	Change	
			total	organic
Order intake	2,105	2,227	-5%	-3%
Sales	2,105	2,201	-4.3%	-1.3%



Order intake structurally aligned with sales for most businesses

Sales remains slightly behind 9m 2020 due to on-going travel restrictions, and despite a strong performance on Cyber

- Biometrics sales negative over 9 months, but starting to recover in Q3
- Cybersecurity business up 11% organically vs 9m 2020
- Limited impact from semi-conductor shortage, weighing on Q3 growth



2021 financial objectives confirmed

Order intake

Book-to-bill above 1

Sales

€15.8 to 16.3 billion^(a)

EBIT margin^(b)

9.8% to 10.3%^(a)

*Transport now treated as
“discontinued operations”*

(a) Based on August 2021 scope and foreign exchange rates. Assuming no new major disruptions of the health and economic context, and no further deterioration of global semi-conductor supply chains.

(b) Non-GAAP measure: see definition in appendix



Appendix



Upcoming events

Ex-interim dividend date

7 December 2021

Interim dividend payment

9 December 2021

Full Year 2021 results

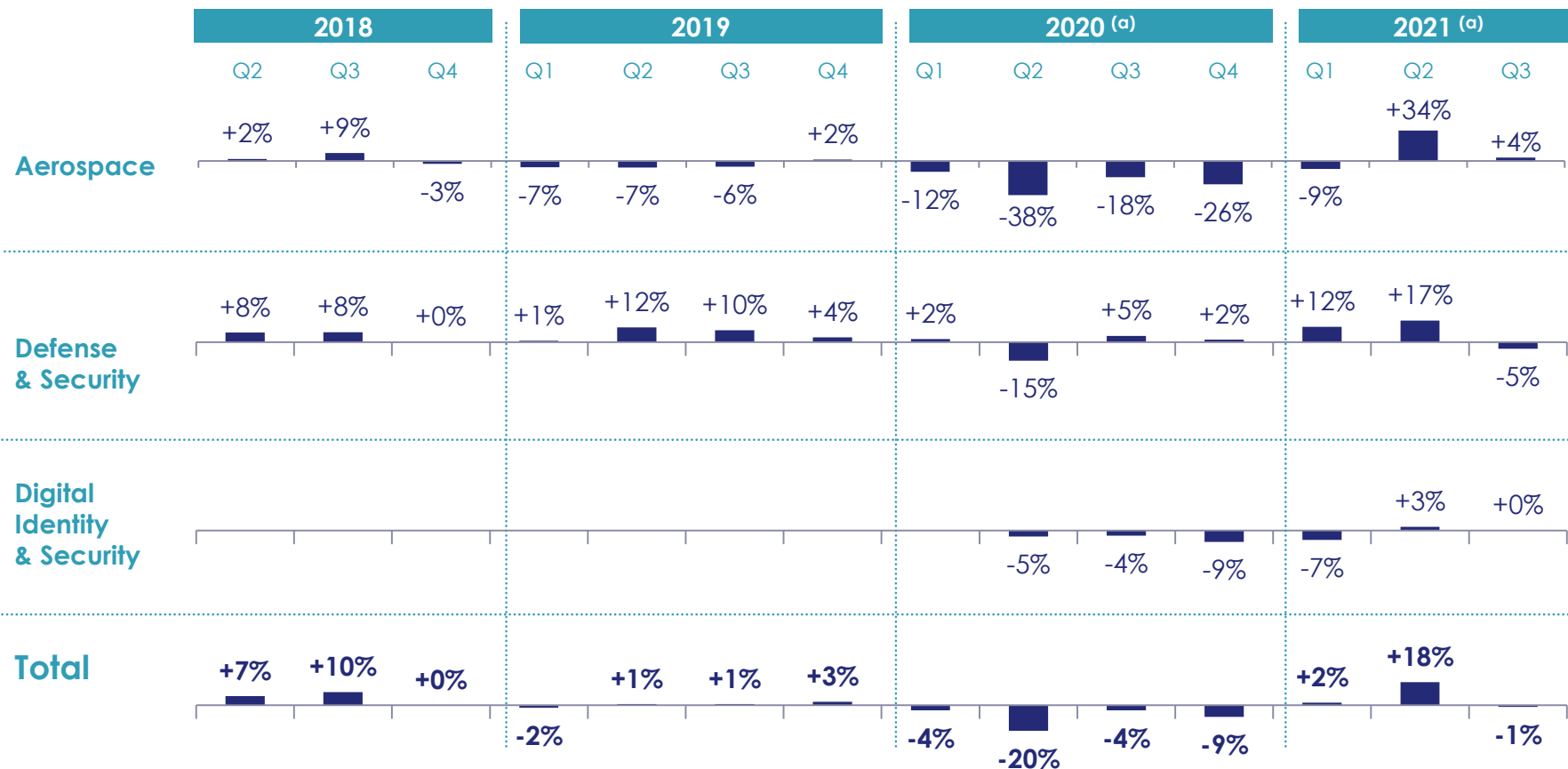
3 March 2022

(before market opening)

Annual General Meeting

11 May 2022

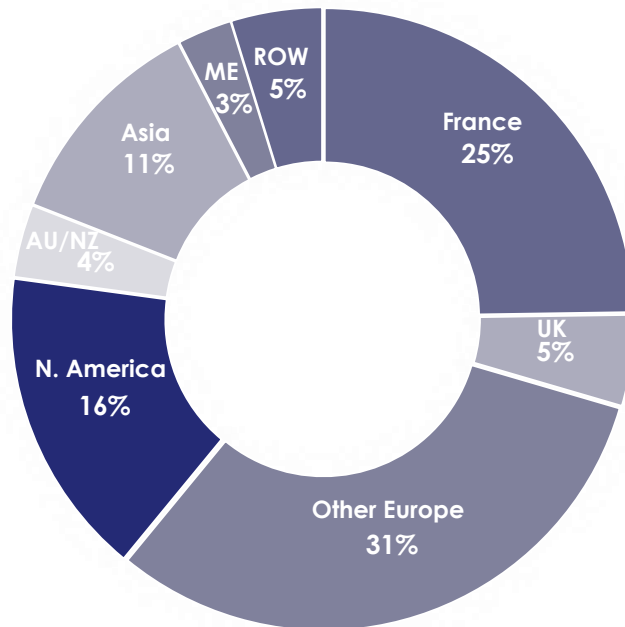
Organic sales growth per quarter



(a) – excluding Transport in Total 2020 and 2021, refer to footnote (a) on slide 3

9m 2021 order intake by destination – excluding Transport^(a)

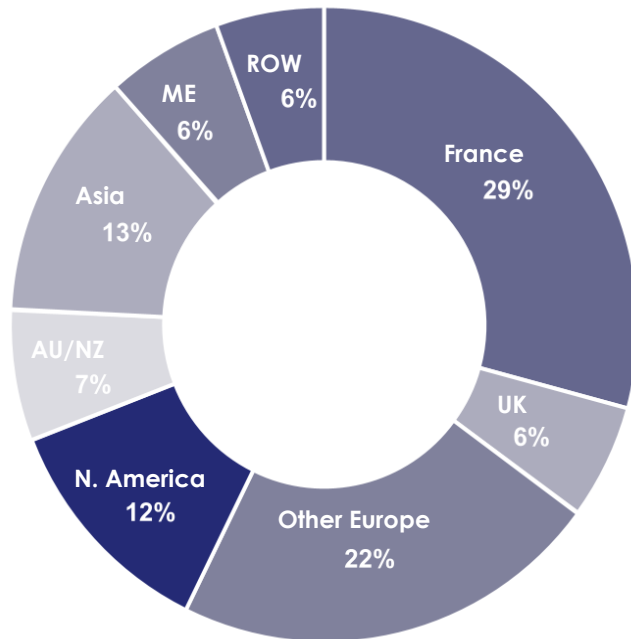
In € millions	9m	9m	Change	
	2021	2020	Total	Organic
France	2,638	2,159	22%	22%
United Kingdom	485	452	7%	5%
Rest of Europe	3,445	1,711	101%	101%
Europe	6,569	4,323	52%	52%
North America	1,686	1,499	12%	17%
Australia / NZ	415	604	-31%	-35%
Mature markets	8,669	6,426	35%	35%
Asia	1,159	940	23%	26%
Middle East	313	502	-38%	-36%
Rest of the world	515	507	2%	4%
Emerging markets	1,987	1,949	2%	4%
Total	10,656	8,375	27%	28%



(a) – refer to footnote (a) on slide 3

9m 2021 sales by destination – excluding Transport^(a)

In € millions	9m	9m	Change	
	2021	2020	Total	Organic
France	3,282	2,877	14.1%	14.1%
United Kingdom	656	714	-8.0%	-10.1%
Rest of Europe	2,490	2,212	12.6%	12.5%
Europe	6,429	5,803	10.8%	10.5%
North America	1,326	1,413	-6.2%	-2.6%
Australia / NZ	747	694	7.6%	2.4%
Mature markets	8,502	7,911	7.5%	7.5%
Asia	1,419	1,380	2.8%	4.6%
Middle East	673	666	1.2%	2.9%
Rest of the world	628	656	-4.4%	-2.3%
Emerging markets	2,720	2,702	0.7%	2.5%
Total	11,222	10,613	5.7%	6.2%



(a) – refer to footnote (a) on slide 3

Q3 2021 order intake by operating segment – excluding Transport^(a)

€m	Q3	Q3	Change	
	2021	2020	Total	Organic
Aerospace	791	643	+23%	+22%
Defense & Security	1,451	1,428	+2%	+1%
Digital Identity & Security	736	640	+15%	+13%
Other	14	13		
Total	2,992	2,725	+10%	+9%

(a) – refer to footnote (a) on slide 3

Q3 2021 sales by operating segment – excluding Transport^(a)

€m	Q3	Q3	Change	
	2021	2020	Total	Organic
Aerospace	996	952	+4.6%	+4.0%
Defense & Security	1,796	1,881	-4.5%	-5.3%
Digital Identity & Security	736	728	+1.0%	+0.4%
Other	28	18		
Total	3,555	3,578	-0.7%	-1.4%

(a) – refer to footnote (a) on slide 3



Transport: 9m 2021 key figures

€m	9m 2021	9m 2020	Change total	Change organic
Order intake	963	805	+20%	+20%
Sales	1,121	1,102	+1.7%	+1.7%

Order intake clearly up vs. low comps in 2020 due to the sanitary crisis

- Good dynamics in mainline signaling (in Europe) and ticketing (in emerging countries)

Sales slightly up organically, mainly due to growth of mainline business, partly offset by phasing out effect on urban rail projects^(a)

(a) London, Doha, Hong Kong



Definition of non-GAAP measures and other remarks

Rounding of amounts in euros

In the context of this presentation, the amounts expressed in millions of euros are rounded to the nearest million. As a result, the sums of the rounded amounts may differ very slightly from the reported totals. All ratios and variances are calculated based on underlying amounts, which feature in the consolidated financial statements.

Definitions

- **Organic:** at constant scope and exchange rates;
- **Book-to-bill ratio:** ratio of orders received to sales;
- **Mature markets:** All countries in Europe excluding Russia and Turkey, North America, Australia and New Zealand;
- **Emerging markets:** All other countries, i.e. Middle East, Asia, Latin America and Africa.

Non-GAAP measures

This presentation contains non-Generally Accepted Accounting Principles (GAAP) financial measures. Thales regards such non-GAAP financial measures as relevant operating and financial performance indicators for the Group, as they allow non-operating and non-recurring items to be excluded. Thales definitions for such measures may differ from similarly titled measures used by other companies or analysts.

- **EBIT:** income from operations; *plus* the share of net income or loss of equity affiliates *less:* amortization of acquired assets (PPA), expenses recorded in the income from operations that are directly related to business combinations. See also notes 13-a and 2 of the consolidated financial statements at 31 December 2020.
- **Adjusted net income:** net income, *less* the following elements, net of the corresponding tax effects: (i) amortization of acquired assets (PPA), (ii) expenses recorded in the income from operations or in "financial results" which are directly related to business combinations, which by their nature are unusual, (iii) disposal of assets, change in scope of consolidation and other, (iv) impairment of non-current assets, (v) changes in the fair value of derivative foreign exchange instruments (recognized under "other financial income and expenses" in the consolidated financial statements), (vi) actuarial gains or losses on long-term benefits (recognized under "finance costs on pensions and employee benefits" in the consolidated financial statements). See note 13-a of the consolidated financial statements at 31 December 2020. This definition implies the definition of several other adjusted financial measures, such as adjusted gross margin, adjusted tax, adjusted EPS See page 14 and 15 of the 2020 results press release for detailed calculation of these other indicators.
- **Free operating cash flow:** net cash flow from operating activities, *less:* capital expenditures, *less:* deficit payments on pensions in the United Kingdom. See notes 13-a and 6.3 of the consolidated financial statements at 31 December 2020.
- **Net cash (debt):** difference between the sum of "cash and cash equivalents" and "current financial assets" items and short and long-term borrowings, after deduction of interest rate derivatives. See note 6.2 of the consolidated financial statements at 31 December 2020.

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