



# Q1 2022 order intake and sales

28th April 2022



# Q1 2022 highlights

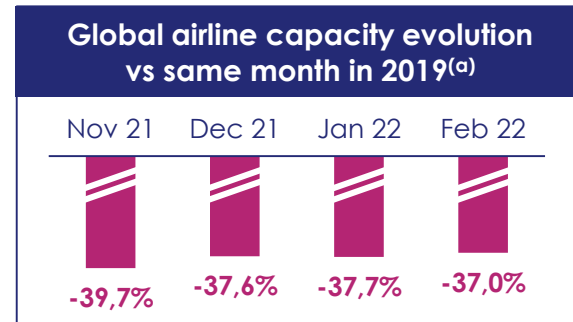


**New geopolitical context drives multi-year defense reinvestment in Europe**



## Improving ESG investment framework

- Clear European Commission statements
- Investors moving away from blanket exclusions



**Progressive air traffic recovery driving aero aftermarket and biometrics**

(a) Global ASK capacity vs same month in 2019, source: IATA

# Q1 2022 key figures

€m	Q1 2022	Q1 2021	Change	
			total	organic
Order intake	3,033	3,157	-4%	-6%
Sales	3,730	3,573	+4.4%	+2.7%

**Solid order intake vs. strong Q1 2021**  
**Q1 sales above pre-crisis levels**

# Q1 2022 order intake

## On-going solid commercial activity

- Negative organic growth due to high basis of comparison

## 2 large<sup>(a)</sup> orders booked in Q1 2022 vs. 4 in Q1 2021

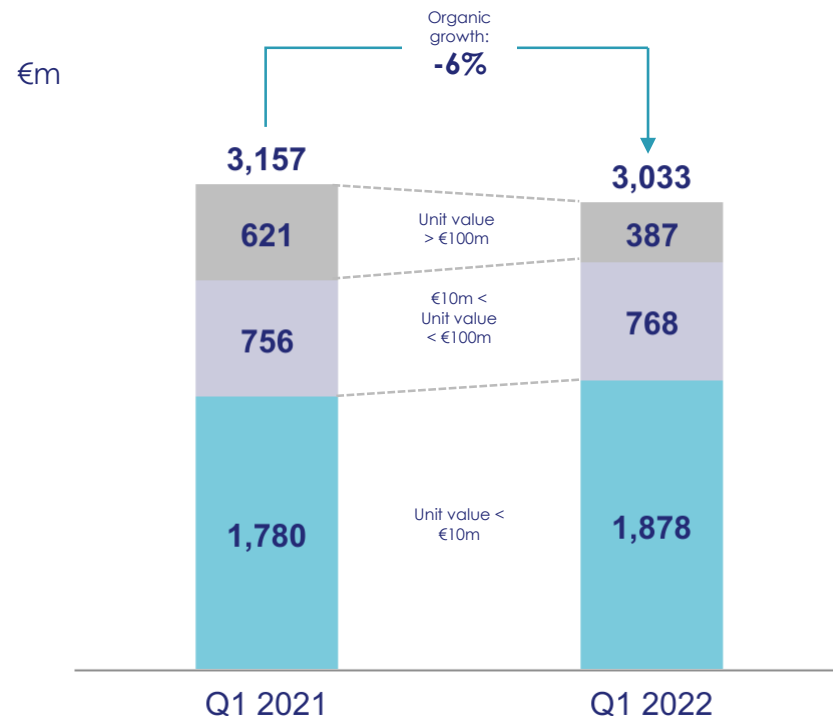
- 2 Space Inspire satellites for Intelsat
- 1 additional Space Inspire satellite for SES

## Small orders<sup>(b)</sup> up 6% despite continuous impact of Covid-19 on civil aero and biometrics

(a) With a unit value over €100m

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

## Order intake by contract unit value



# Q1 2022 sales growth

## Positive currency impact in Q1

- Main driver: USD strengthening

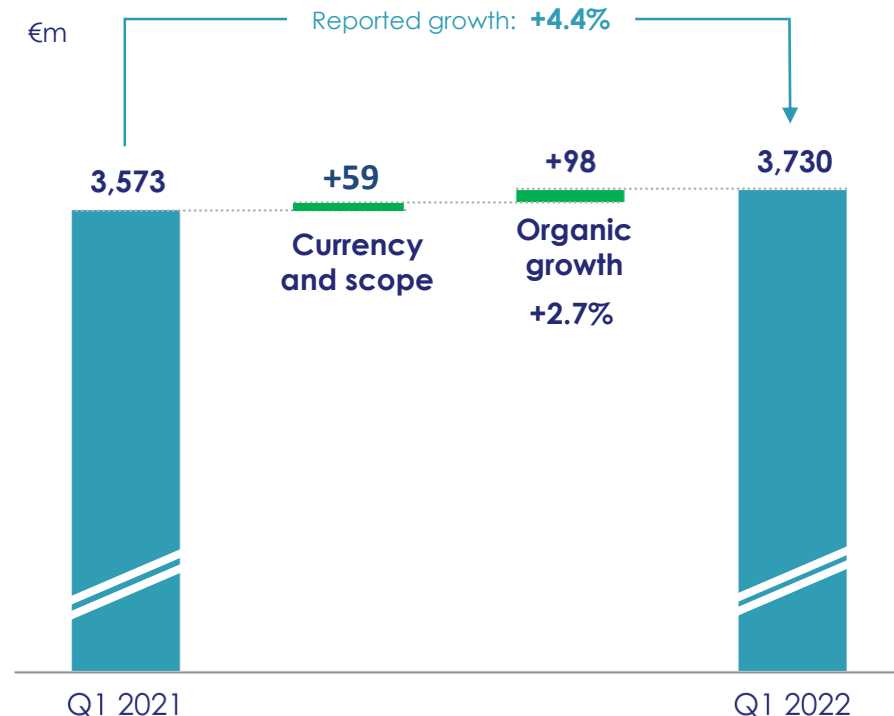
## Q1 organic sales growth: +2.7%

- Strong DIS performance
- On-going space momentum
- Slightly negative organic growth in Defense & Security vs. strong Q1 2021

## Solid performance in mature markets

- France: +4%
- Rest of Europe (excluding UK): +6%
- North America: +17%

## Q1 sales growth drivers





# Aerospace: Q1 2022 key figures

€m	Q1 2022	Q1 2021	Change	
			total	organic
Order intake	1,182	998	+19%	+17%
Sales	1,025	971	+5.6%	+4.2%

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

- 2 contracts above €100m (3 Space Inspire satellites) vs 1 in Q1 2021

## Sales growth driven by on-going momentum of Space

- Space sales still up after an exceptional growth in Q1 2021
- Progressive recovery of aeronautics sales driven by aftermarket, up by 15% vs. Q1 2021





# Defense & Security: Q1 2022 key figures

€m	Q1 2022	Q1 2021	Change	
			total	organic
Order intake	1,100	1,513	-27%	-29%
Sales	1,950	1,949	+0.0%	-1.1%



## Order intake below Q1 2021 due to high comps

- 3 large orders above €100m in Q1 2021 vs. none in Q1 2022
- UAE Rafale jumbo order to be booked in Q2 2022

## Slightly negative sales growth vs. high comps, due to phasing effects

- Q1 2021 organic growth vs Q1 2020: +12%
- Acceleration confirmed from Q2 onwards



# Digital Identity & Security (DIS): Q1 2022 key figures

€m	Q1 2022	Q1 2021	Change	
			total	organic
Order intake	739	636	+16%	+12%
Sales	739	636	+16.1%	+12.0%



Order intake structurally aligned with sales

Strong sales growth in spite of supply chain challenges

- Cyclical recovery of biometrics sales
- Sustained growth in cybersecurity
- Strong smart cards performance, driven by precautionary buying and pricing effect on higher purchasing costs



# 2022 financial objectives confirmed

**Order intake**

**Book-to-bill above 1**

**Sales**

**€16.6 to 17.2 billion<sup>(a)</sup>**  
corresponding to +2% to +6% organic growth

**EBIT margin<sup>(b)</sup>**

**10.8% to 11.1%<sup>(a)</sup>**

(a) Based on February 2022 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

**Annual General Meeting**

**11 May 2022**

**Ex-dividend date <sup>(a)</sup>**

**17 May 2022**

**Dividend payment <sup>(a)</sup>**

**19 May 2022**

**H1 2022 Sales**

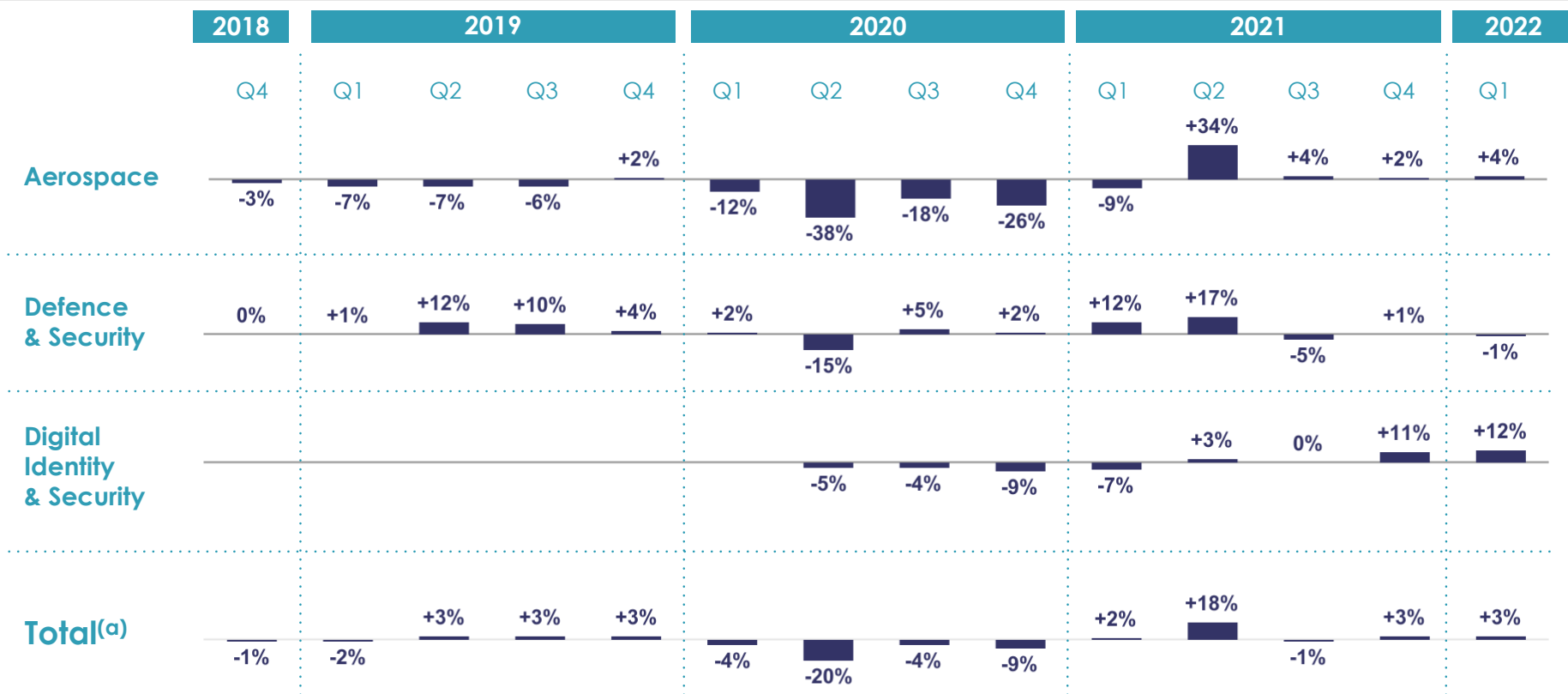
**22 July 2022**  
*(before market opening)*

**Q3 and 9m 2022 Sales**

**26 October 2022**  
*(before market opening)*

(a) Subject to approval by the 11th May 2022 Annual General Meeting.

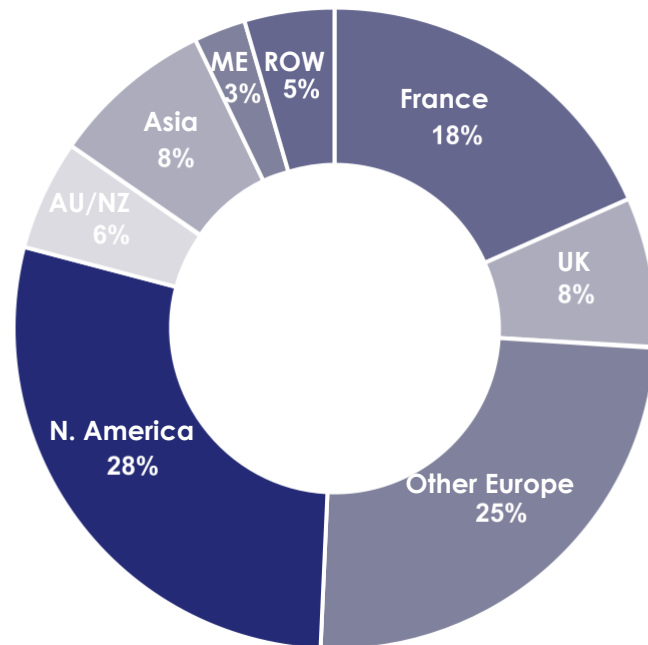
# Organic sales growth per quarter



(a) Excluding Transport in all periods (Transport business classified as "discontinued operations" as of 1/1/21)

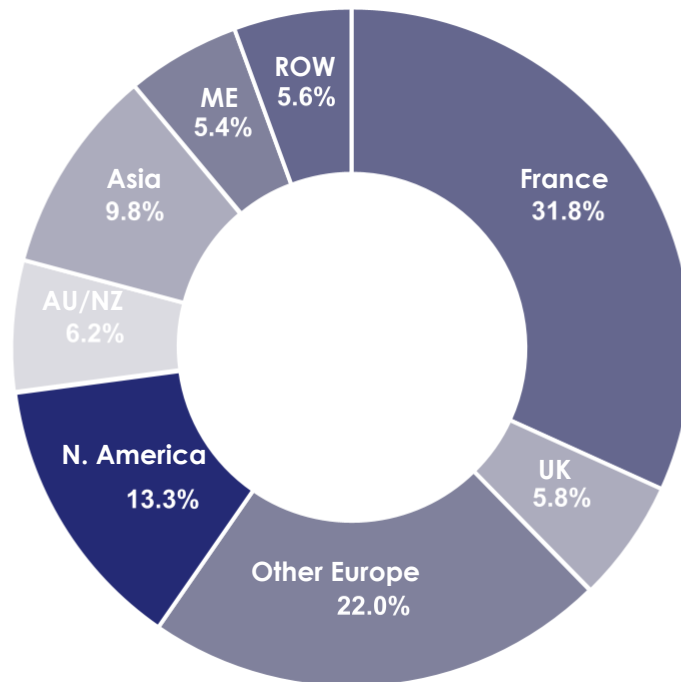
# Q1 2022 order intake by destination

In € millions	Q1	Q1	Change	
	2022	2021	Total	Organic
France	558	881	-37%	-37%
United Kingdom	229	143	+60%	+54%
Rest of Europe	751	781	-4%	-4%
<b>Europe</b>	<b>1,539</b>	<b>1,805</b>	<b>-15%</b>	<b>-15%</b>
North America	860	476	+81%	+69%
Australia / NZ	168	128	+31%	+30%
<b>Mature markets</b>	<b>2,566</b>	<b>2,409</b>	<b>+7%</b>	<b>+5%</b>
Asia	249	520	-52%	-52%
Middle East	79	82	-4%	-8%
Rest of the world	138	146	-6%	-11%
<b>Emerging markets</b>	<b>466</b>	<b>748</b>	<b>-38%</b>	<b>-39%</b>
<b>Total</b>	<b>3,033</b>	<b>3,157</b>	<b>-4%</b>	<b>-6%</b>



# Q1 2022 sales by destination

In € millions	Q1	Q1	Change	
	2022	2021	Total	Organic
France	1,188	1,144	+4%	+4%
United Kingdom	217	206	+5%	+2%
Rest of Europe	819	768	+7%	+6%
<b>Europe</b>	<b>2,224</b>	<b>2,118</b>	<b>+5%</b>	<b>+5%</b>
North America	495	393	+26%	+17%
Australia / NZ	233	245	-5%	-6%
<b>Mature markets</b>	<b>2,951</b>	<b>2,756</b>	<b>+7%</b>	<b>+5%</b>
Asia	366	420	-13%	-13%
Middle East	202	209	-3%	-5%
Rest of the world	210	188	+12%	+7%
<b>Emerging markets</b>	<b>779</b>	<b>817</b>	<b>-5%</b>	<b>-6%</b>
<b>Total</b>	<b>3,730</b>	<b>3,573</b>	<b>+4%</b>	<b>+3%</b>



# Q1 2022 order intake by operating segment

€m	Q1	Q1	Change	
	2022	2021	Total	Organic
Aerospace	1,182	998	+19%	+17%
Defense & Security	1,100	1,513	-27%	-29%
Digital Identity & Security	739	636	+16%	+12%
Other	12	10		
<b>Total</b>	<b>3,033</b>	<b>3,157</b>	<b>-4%</b>	<b>-6%</b>

# Q1 2022 sales by operating segment

€m	Q1	Q1	Change	
	2022	2021	Total	Organic
Aerospace	1,025	971	+5.6%	+4.2%
Defense & Security	1,950	1,949	+0.0%	-1.1%
Digital Identity & Security	739	636	+16.1%	+12.0%
Other	15	16		
<b>Total</b>	<b>3,730</b>	<b>3,573</b>	<b>+4.4%</b>	<b>+2.7%</b>



# Transport: Q1 2022 key figures

€m	Q1 2022	Q1 2021	Change	
			total	organic
Order intake	349	259	+35%	+32%
Sales	377	344	+9.6%	+7.1%

Order intake clearly up, driven by urban signaling and ticketing

Robust, broad-based sales growth



# 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 2021.
- **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 2021. This definition implies the definition of several other adjusted financial measures, such as adjusted gross margin, adjusted tax, adjusted EPS .... See page 16 and 17 of the 2021 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 (continued operations) and 1.4 of the consolidated financial statements at 31 December 2021.
- **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 2021.

## Tour Carpe Diem

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