



Investor meeting

December 2022

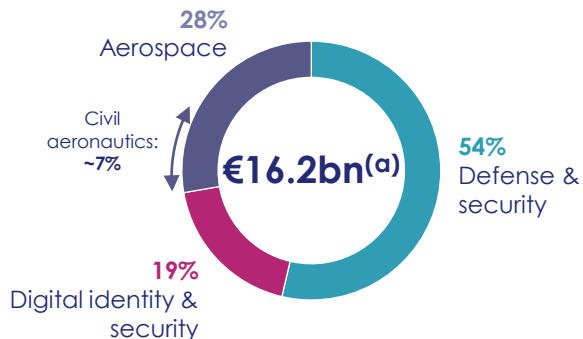


- **Introduction to Thales**
- Key priorities
- Outlook
- Sustainability: safer, greener, more inclusive
- H1 and 9m 2022 results

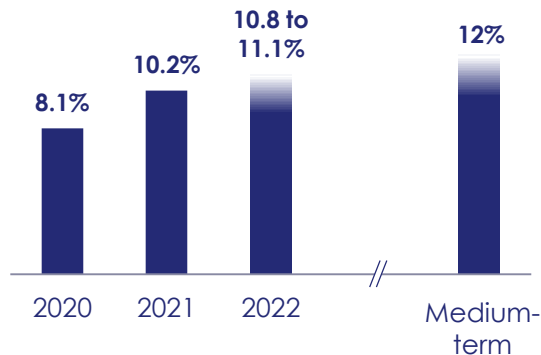


Thales today: a set of focused, technology-driven businesses

Sales by segment



EBIT margin



R&D total spend



Flight
avionics

#3
worldwide



Civil
satellites

#2
worldwide



Defense sensors
& mission systems

#1
in Europe



Air Traffic
Management

#1
worldwide



Data
protection

#1
worldwide



Smart cards
(EMV, SIM, eSIM)

#1
worldwide

(a) 2021. Excluding transport, treated as discontinued operations (IFRS5)

Thales builds on 4 key strengths

Top 100
Global
Innovator
2022

Clarivate™



nature

Cutting edge R&D

- €3.5bn+, ~20% of sales
- ~70% customer-funded
- 34,000 engineers
- Top 100 global innovator for 8th consecutive year



Deep domain knowledge

- Top 3 globally or #1 in Europe across businesses
- Leverage across end markets with many technological similarities

Connectivity
Mobility



Big data
analytics

Cyber-
security



Artificial
intelligence

Large digital asset base

- Thales portfolio: digital “by nature”
- Significant organic and inorganic initiatives, targeting 4 key digital technologies
- Large integrated network of digital native talents



Global presence

- Presence in 50+ countries and sales in 100+ countries
- Proven ability to address complex markets and partnerships
- Capitalizing on 40+ year presence

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Executing full-speed on value-maximizing strategy

- 1 Refocus portfolio on 3 leading and highly synergistic businesses
- 2 Accelerate R&D investments to reinforce technology leadership
- 3 Take our sustainability performance to the next level
- 4 Constantly roll out new operational performance action plans
- 5 Leverage sustainably high cash generation

Critical decision chain

Sensing and
data gathering

Data transmission
and storage

Data processing and
decision making



Aerospace



Observation satellites



Military communications



Flight management systems



Defense &
Security



Advanced sensors



Digital security



Airspace surveillance



Digital identity
& Security

Core digital technologies now systematically integrated in products

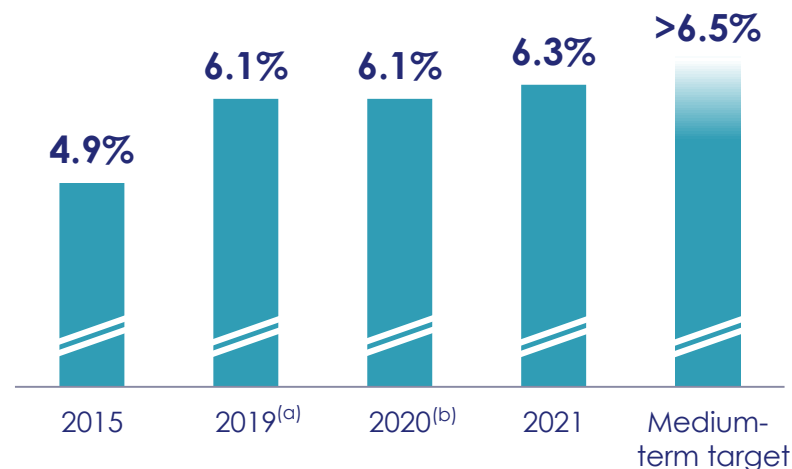
- Cybersecurity
- Big data analytics and artificial intelligence
- Connectivity, IoT
- Digital identity, biometrics

Accelerating R&D investment areas

- Edge and far edge computing
- Quantum sensors and communication
- Cloud security

Self-funded R&D

% of sales



(a) 2019 pro forma Gemalto over 12 months

(b) 2020, 2021 and medium-term: continued operations (excl. transport)

Sustainability drives growth

- Double-digit growth in cybersecurity
- Major satellite projects in navigation, environmental monitoring, and to reduce the digital divide
- Research funding for “green” aircraft/airport operations

Solid progress on key internal initiatives

- Comprehensive action plan, focused on 4 priority areas
- Emission reduction targets submitted to SBTi
- Step change in governance

Best-in-class ethics & compliance practices

Portfolio addresses major societal issues



Groupwide operational performance initiatives

Procurement performance

Engineering competitiveness

Support function efficiency

Excellence in delivery

Key 2022 priorities

- Engineering transformation
- Manufacturing competitiveness, Industry 4.0
- Deployment of Sales & Operation Planning (S&OP) best practices
- Fixed cost adaptation post transport disposal

5 Leverage sustainably high cash generation

Highly cash generative businesses, with diversified cash cycles

- Large projects with downpayments vs short-cycle flow businesses
- Commercial vs institutional customers

2019-2023 cash generation significantly above cumulative adjusted net result

Cash-in from transport disposal



Balanced capital allocation to support sustainable value creation

- Continued investment in own business
- M&A
- Dividend
- Share buyback

Strategic focus on bolt-on acquisitions

- Reinforcing group technology portfolio
- Expanding geographical footprint

4 bolt-on acquisitions implemented since January 2022

No intention to diversify into markets other than those already served

Key financial criteria

- Contribution to growth
- Potential for synergies
- Valuation

Examples of recent acquisitions

RUAG S&T

- Simulation & training solutions for security organizations and armed forces
- ~€90m sales, ~500 employees
- Strong complement to Thales's simulation and training portfolio
- Creates European leader in niche segment
- Closed in May 2022

S21Sec and Excellium

- Cybersecurity consulting, integration and managed services in Europe
- ~€60m sales, ~550 employees
- Complements Thales's cybersecurity offer
- Expands Thales's footprint in 4 European countries
- Closed in October 2022

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Aerospace: a solid multi-year recovery

Avionics and IFE benefiting from multi-year air transport rebound

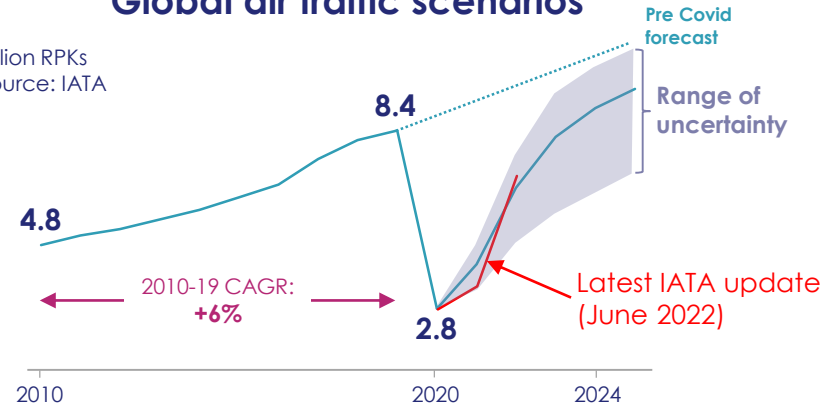
- Structural cost adaptation completed
- Margin leverage on sales recovery and development of a single global services business line

Space: continued strong order intake underpins sustained 5%+ growth

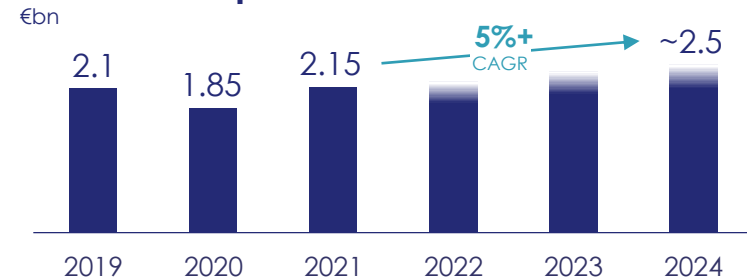
- Major wins across key institutional markets
- Flexible telco satellite product line Space Inspire selected by SES, Intelsat and Arabsat
- R&D investments sustained

Global air traffic scenarios

Billion RPKs
Source: IATA



Space sales trend^(a)



(a) Trajectory does not assume the booking of a major telecom constellation

Defense & Security: multi-year extension of mid-single digit sales growth outlook

Invasion of Ukraine driving major changes of political context in Europe

- Finland and Sweden joining NATO
- €100bn commitment by Germany
- New defense momentum at EU level

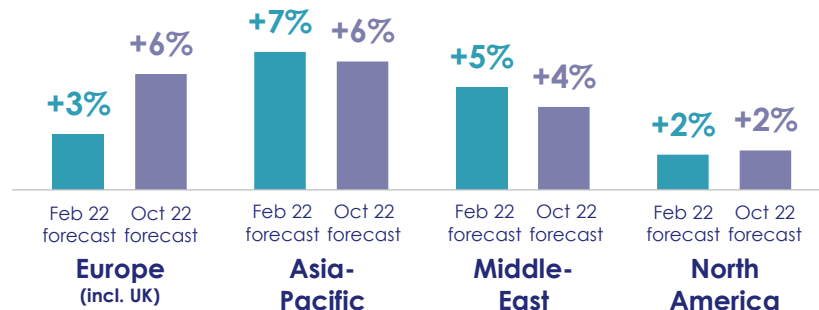
Actual spending increases to take several years to materialize

- France: new 2024-2030 military programming law to be voted in H1 2023

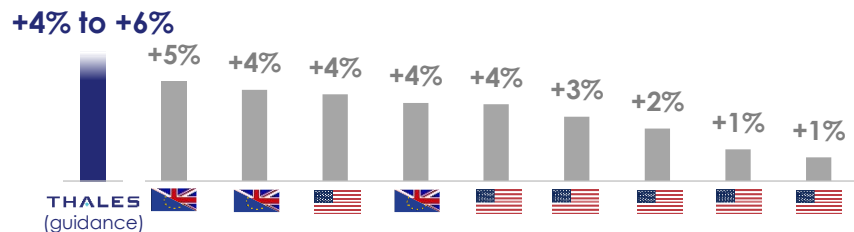
Thales: extension of mid-single digit sales growth outlook

- Position on faster growing market segments
- Record backlog

External forecasts for 2021-30
defense budget growth in key markets^(a)



Defense business 2021-24 sales growth vs peers^(b)



(a) Source: Jane's Defense, February vs October 2022 forecasts. Asia-Pacific: India, South Korea, Singapore and Australia, Middle-East: Saudi Arabia, UAE, Qatar and Egypt

(b) 10 largest US/UK/EU listed defense companies. Defense segment for non pure defense companies. Sales CAGR based on Bloomberg consensus at 13 July 2022.

DIS: delivering in line with strategic ambition

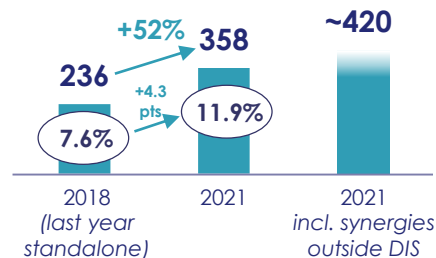
Compelling delivery on EBIT and free operating cash flow

- Cost synergies above plan
- Disciplined focus on cost and cash
- Rigorous management of chip shortage
- Creation of Telit Cinterion, the leading Western IoT solutions provider

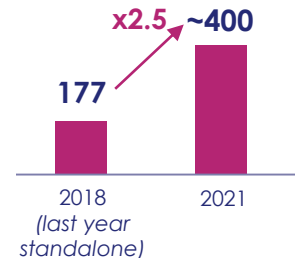
Adding several growth platforms to Group portfolio

- Data protection and cloud security
- Identity & Access Management
- 5G SIM and eSIM
- Public and commercial biometrics
- Product revenue synergies




DIS EBIT and EBIT margin



DIS Free operating cash flow



Selected DIS fast-growing markets

	2025 market size	2020-25 forecasted market growth
 Data protection	~€9bn	x2
 Identity and Access Management	~€15bn	x2
 5G SIM and eSIM shipments	~1.2bn units	x3

Sources: Gartner, IDC, ABI

Sustained and sustainable cash conversion, driving major upgrade to 2019-2023 target

3 factors driving 2021 outperformance

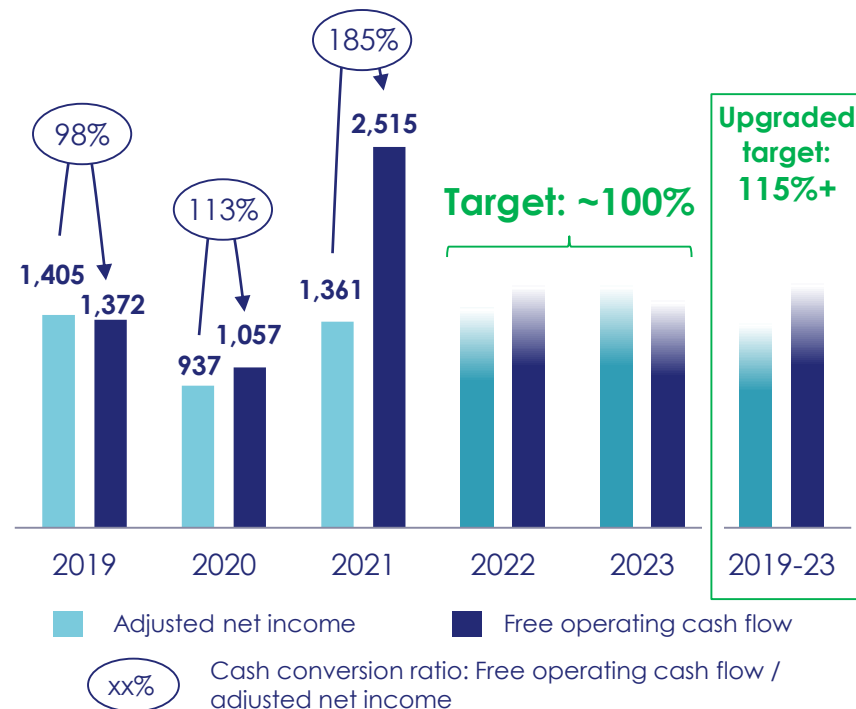
- Very strong order intake, especially in emerging markets
- Internal cash initiatives and positive one-offs
- Cut-off effects

20-point upgrade to 2019-2023 cash conversion target

- Now targeting 115%+ on a reported basis^(a)
- Equivalent to ~€5.5bn free operating cash-flow over 2021-2023
- 2022: unwinding of 2021 cut-off effects fully offset by downpayments

(a) Previous target: "around 95% on average over the 2019-2023 period, on a reported basis"

Adjusted net income conversion into Free operating cash flow



Business environment assumptions

- Strong market demand across portfolio
- Supply chain tensions remaining high, notably on semiconductors
- Soaring inflation in main markets
- Weakening of euro against other currencies

Key priorities

- Focus on short-term operational bottlenecks
 - Recruitments
 - Supply chain
- Maximize inflation pass through
- Continue to execute on 5 strategic priorities

2022 financial objectives

Order intake

Book-to-bill significantly above 1

Unchanged

Sales

+3.5% to +5.5% organic growth
corresponding to €17.2 to €17.6 billion^(a)

*Now targeted in
upper part of range*

EBIT margin^(b)

10.8% to 11.1%^(a)

Unchanged

(a) Based on October 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.

Summary

Focus on 3 leading high tech ESG-aligned businesses

- Simplified exposure to 3 long-term growth markets
- Able to sustainably deliver double-digit margins

Continued implementation of key Ambition 10 strategic levers

- Further acceleration of R&D investments
- Constant focus on operational performance

Leveraging sustainably high cash generation

- Strict M&A discipline
- Cash returns to shareholders

AMBIT10n

Sustainable
value creation

- Introduction to Thales
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- **Sustainability: safer, greener, more inclusive**
- H1 and 9m 2022 results



Sustainability ambitions anchored in our purpose

Our purpose

*“Building a future
we can all trust”*



Our ambitions

**Maximize the sustainability impact
of our portfolio of solutions**

**Embed ambitious sustainability
commitments in all processes**

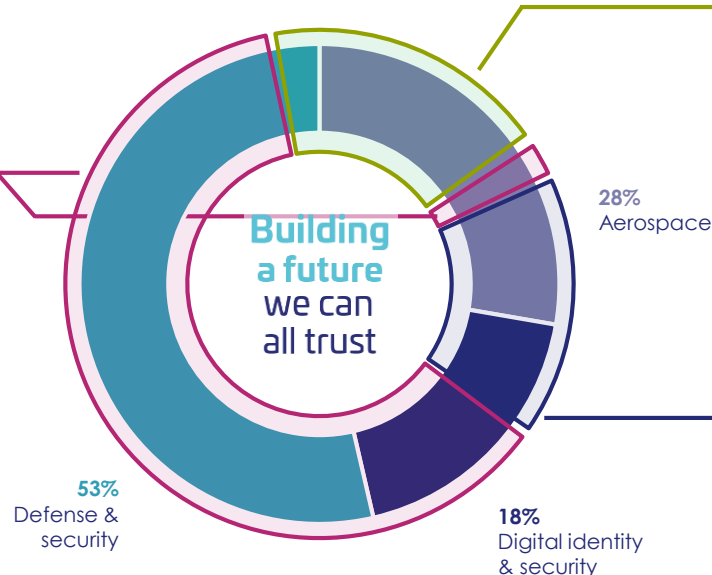
Working to make the world safer, greener and more inclusive

Addressing major societal issues through a unique portfolio of solutions

Safer: ~60%

Keep citizens safe in both physical and digital worlds

- Defense
- Digital security
- Infrastructure security



Greener: ~20%

Design solutions to observe and understand climate phenomena and to reduce the environmental impact of our customers

- Environmental monitoring and navigation satellites
- Optimization of aircraft operations
- Air Traffic Management
- Training and simulation

More inclusive: ~20%

Grant universal access to fundamental rights: legal identity, bridging the digital divide

- Telecom satellites
- Identity documents
- e-Government

Percentage based on 2021 sales (excluding transport, as per IFRS5)

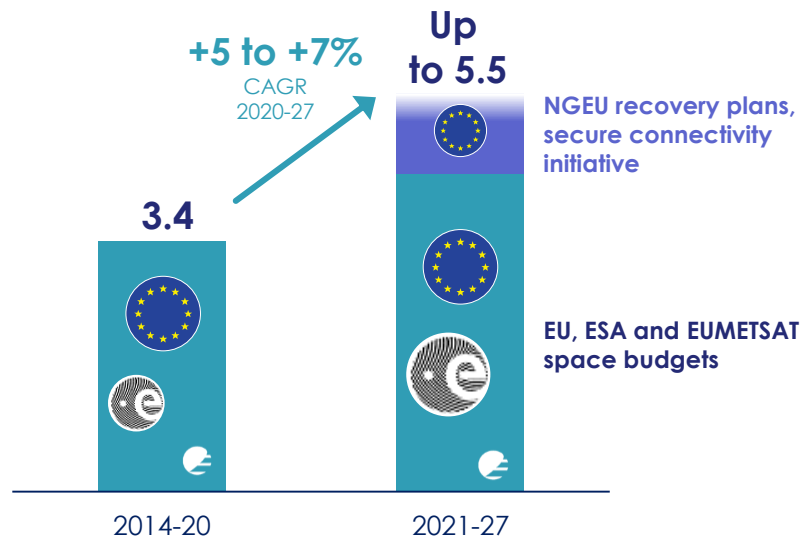
Sustainability: a strong space market growth driver, notably in Europe

Space projects at the heart of European Union political priorities, driving significant budget increases

- Unprecedented European Space Agency and EU budgets already secured
- Additional opportunities arising from new plans
 - 30% of Next Generation EU recovery plans to be dedicated to sustainability initiatives
 - "Secure connectivity initiative" under discussion, targeting space-based high-speed connectivity everywhere

Double-digit market growth forecasts for space-based commercial Internet connectivity market

Sustainability-focused European space budgets (€bn per year)



Sources: ESA Financial Obligations (ESA Stakeholders), EC MFF; estimates for NGEU recovery plans and EC's secure connectivity initiative; EUMETSAT; national agencies.
Scope: navigation, observation, telecom, space situational awareness

Optimization of aircraft operations: a major CO₂ reduction opportunity for aviation

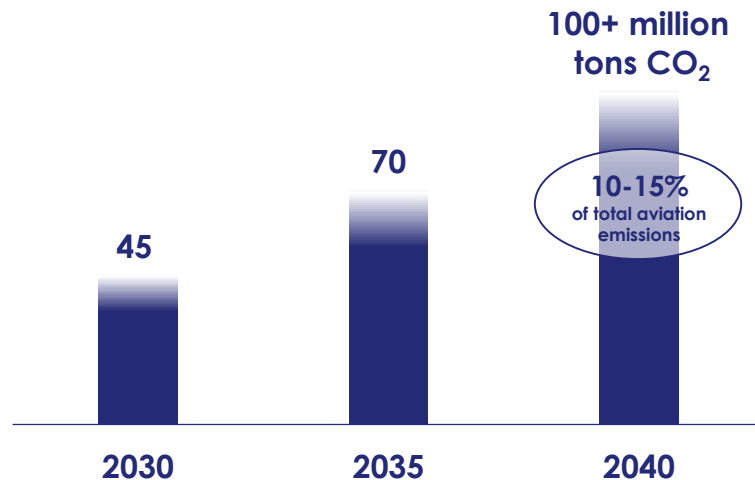
Major CO₂ emission reduction achievable through operations optimization

- > 10 to 15% CO₂ reduction
 - CO₂-optimized trajectories
 - Weather-related optimization ("windsurfing")
 - Other optimization levers: ground, fuel load
- > Non-CO₂-related benefits: condensation trails

Lever: combined digital transformation of avionics and Air Traffic Control systems

- > Development of breakthrough AI-based tools
- > Adoption of new flight and ATC procedures
- > Applicable to existing in-service aircrafts
- > Cumulative with other initiatives

Possible CO₂ emission reduction via aircraft operations optimization (avoided emissions, million tons of CO₂)



Thales is uniquely positioned to address this massive opportunity

Addressing aircraft operations optimization through continuous innovations in both avionics and Air Traffic Control



Purpose

- Improve flight trajectories (climb, cruise, descent) via end-to-end optimization functionalities/applications from both certified avionics and non-certified sources

Contributions

- Digitally-connected avionics & cloud-based services delivering up-to-date traffic and weather data
- Climate-based route design
- Certification and first sales expected in 2024



- Deliver civil Air Traffic Control solutions that promote safe, orderly and expeditious air traffic flow while minimizing environmental impacts

- Green airspace optimization solutions
- Collaborative optimization tools
- Secure digital air/ground data exchange
- First capabilities introduced in TopSky ATC One as of 2025

Capitalizing on Thales' capabilities to deliver on this opportunity

Defense is essential to safe, stable and prosperous societies



We live in a globalised and increasingly unpredictable world, facing emerging threats



Combining military capability, diplomacy and development assistance is necessary to achieve stability, resolve disputes non-violently and prevent conflicts



The protection offered by Defense to wider society provides the foundation for sustainability and protection of the planet

Thales supports nations around the world to achieve these aims and counter the physical and virtual threats they face

Thales: leading in one of the most regulated global industries

What we stand for

Operating ethically; selling our products and services responsibly

Strict compliance with laws of the countries and regions in which we operate

Core priority to **be proactive** with developing and sharing best practice; striving for continuous improvement



Strict export controls

Committed and certified to stringent export control regulations

Processes integrated in day-to-day business through training, audit, and focus on continuous improvement



Zero-tolerance on corruption

Clearly defined policy, shared with all employees and audited regularly

ISO 37001 certification



Involvement in nuclear and controversial weapons

White phosphorous fully phased out since June 2022

French nuclear missile program: < 0.1% of group sales



Making AI trustworthy

Transparent, Understandable, Ethical and Environmentally-friendly AI - putting humans at the center

Thales' solutions deliver both enhanced performance and reduced environmental footprint

Sales to defense customers by product type, 2020

Increasing mission performance whilst reducing size, weight, power and logistics



Sonoflash sonobuoy

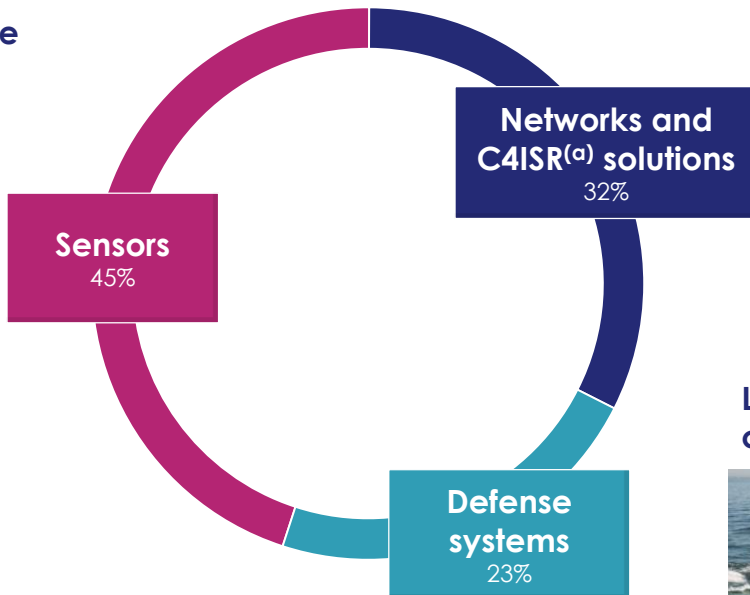


Sophie Ultima thermal imager



Talios multi-function pod

(a) C4ISR: Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance



Increased efficiency through improved asset collaboration across all domains



Collaborative combat



Synaps-H radios

Lower fuel burn and resource consumption



Autonomous mine warfare



Synthetic training & flight simulators

Cybersecurity: trusted digital identities and data privacy for all

Cybersecurity is key to sustainability

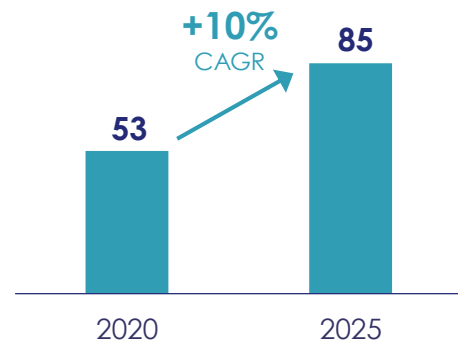
- Increasingly impacting identity thefts, data leaks, ransomware attacks undermine trust in digital transformation
- Privacy and sovereignty build trust

Thales: recognized global leader in data protection and identity & access management

- Total cybersecurity sales: €1bn+ in 2021
- 2,800+ cybersecurity engineers

€500m+ high margin incremental growth opportunity by 2025

Cybersecurity product market growth (€bn)



Source: Gartner, IDC

NIST Cybersecurity framework



Step change in ESG governance and organization

ESG governance

- Expansion of Strategy and CSR committee on the board of directors
 - Inclusion of 2 additional board members
- ESG matters put under the responsibility of a single Executive Committee member
- New internal strategic ESG committee chaired by CEO

ESG organization

- Creation of Chief Sustainability Officer position
- “Integrated” ESG department
 - Expertise on each pillar
 - ESG performance and reporting
 - Relationships with stakeholders
 - Project management office
- Network of ESG contact people in global business units, major countries and key corporate functions

Sustainability: main targets

Strategy for a low-carbon future

Reduction of operational CO₂ emissions^(a)



*Boosting product innovation
and eco-design across portfolio*

Robust engagement plan with supply chain

Action plan submitted to SBTi certification

Diversity & inclusion



of management
committees with at
least 3 women^(b)



of women
in senior
management^(c)

Ethics & compliance

Anticorruption



of exposed
employees trained
every 2 years

*Extension of
ISO 37001 certification*

*New digital ethics
charter*

Health & safety at work

*Frequency rate of
accidents at work
with subsequent
lost work time^(d)*



(a) Scope 1 + Scope 2 + Scope 3 business travel, target in absolute terms vs 2018 reference including Gemalto. Previous target: -20% by 2023 and -40% by 2030

(b) 2026 target: 75% with at least 4 women (vs 42% at end 2021)

(c) Top 13% of global workforce. Percentage of women in total workforce: 27%. 2026 target: 22.5%

(d) Compared to 2018 frequency rate

60% of workforce incentivized on sustainability KPIs

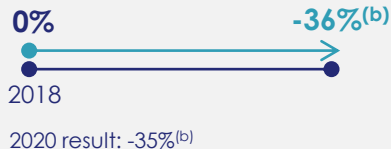
Sustainability: 2021 key figures

Targets

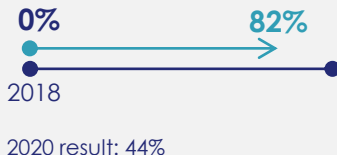


Strategy for a low-carbon future

35% reduction of operational CO₂ emissions^(a) by 2023

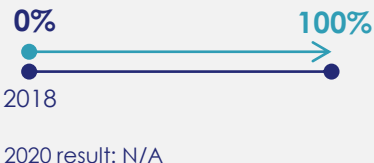


100% of new developments incorporating **eco-design** by 2023



Ethics & compliance

100% of exposed employees trained on **anticorruption** every 2 years

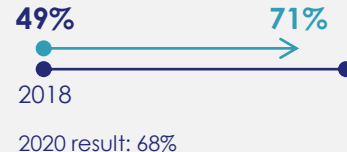


Targets

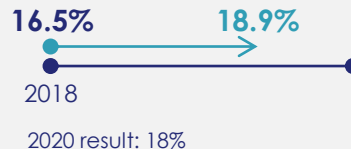


Diversity & inclusion

75% of **management committees** with at least 3 women by 2023

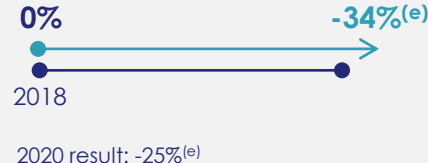


20% of **women in senior management**^(c) by 2023



Health & safety at work

30% reduction of frequency rate of **accidents at work** with subsequent lost work time^(d) by 2023



(a) Scope 1+ Scope 2 + Scope 3 business travel, target in absolute terms vs 2018 reference including Gemalto

(b) 2020 and 2021 boosted by low level of business travel due to Covid-19 crisis

(c) Top 13% of global workforce. Percentage of women in total workforce: 27%

(d) Compared to 2018 frequency rate

(e) 2020 and 2021 boosted by high level of work-from-home due to Covid-19 crisis

THALES

Building a future we can all trust

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9m 2022 order intake

Continued strong commercial activity

- Q3 organic growth: +36%
- 9m organic growth: +41%

4 large^(a) orders booked in Q3 2022, for a total of 16 in 9m 2022

- 9 in Defense & Security, 6 in Space, 1 in Aeronautics
- Across all geographies: Middle-East, France, Europe, USA, Asia and Australia

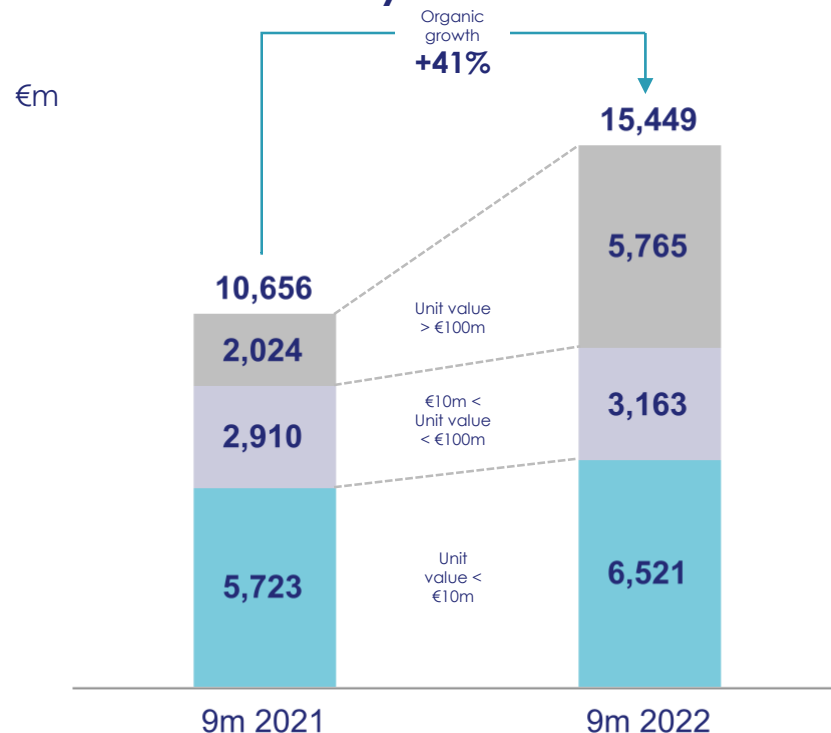
Small orders^(b) up 14%

- DIS small orders up 20%+
- Aero small orders up 10%
- Q3: +20% overall

(a) With a unit value over €100m

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

Order intake by contract unit value



9m 2022 sales growth

Strongly positive currency impact

- Q3: +€126m, 3.5% of sales
- 9m: +€282m, 2.5% of sales

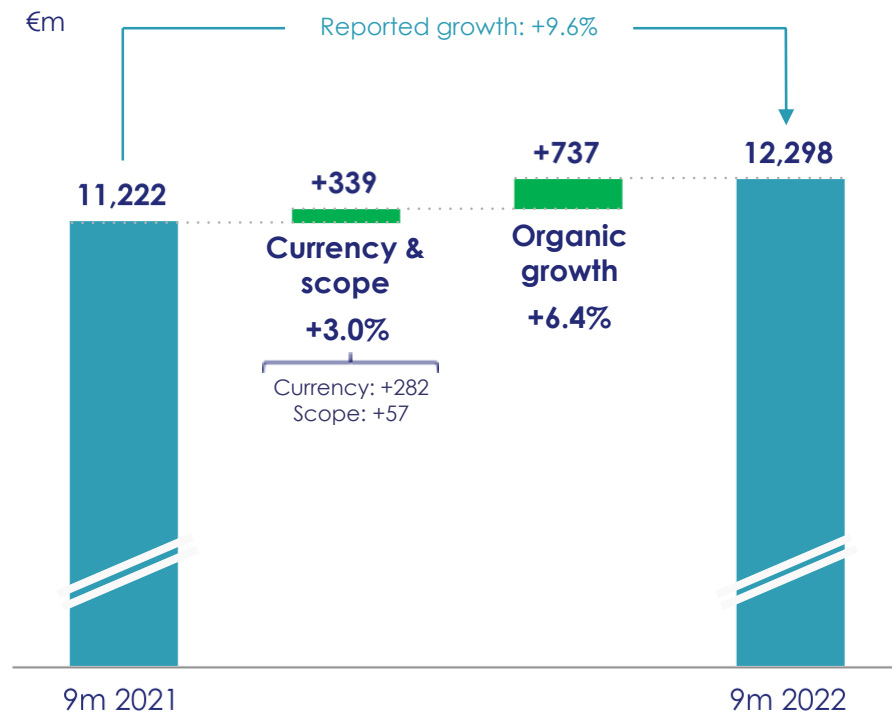
9m organic sales growth: +6.4%

- Stellar DIS performance
- Constrained Aerospace growth

Solid performance in Europe and North America

- France: +9%
- UK: +10%
- Rest of Europe: +9%
- North America: +12%

9m sales growth drivers





Aerospace: 9m 2022 key figures

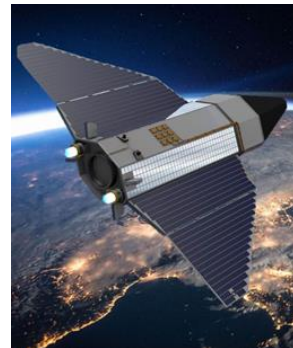
€m	9m	9m	Change	
	2022	2021	total	organic
Order intake	3,646	3,676	-1%	-3%
Sales	3,270	3,108	+5.2%	+2.1%

Order intake down due to high comps (Galileo jumbo contract booked in 2021)

- On-going momentum in Space orders: 2 large contracts booked in Q3
- Avionics orders organically strongly up in Q3: 1 large IFE contract (Emirates A350)

Sales growth impacted by Russia, high comps and softness of widebody market

- End of sales to Russia
- High comps in Space (organically up 27% over 9m 2021) and microwave tubes
- Civil avionics aftermarket activity organically up 22% in Q3





Defense & Security: 9m 2022 key figures

€m	9m	9m	Change	
	2022	2021	total	organic
Order intake	9,175	4,826	+90%	+86%
Sales	6,385	5,948	+7.4%	+5.2%



Continued strong order intake momentum

- 1 large order in Q3: second export contract for new generation naval radar SeaFire
- Q3 order intake up 34% organically vs. Q3 2021

Organic sales growth confirmed at mid-single digit over 9m

- Broad based organic sales growth confirmed
- Q3 2022 up high-single digit vs. a soft Q3 2021





Digital Identity & Security (DIS): 9m 2022 key figures

€m	9m	9m	Change	
	2022	2021	total	organic
Order intake	2,584	2,105	+23%	+16%
Sales	2,584	2,105	+22.7%	+16.2%



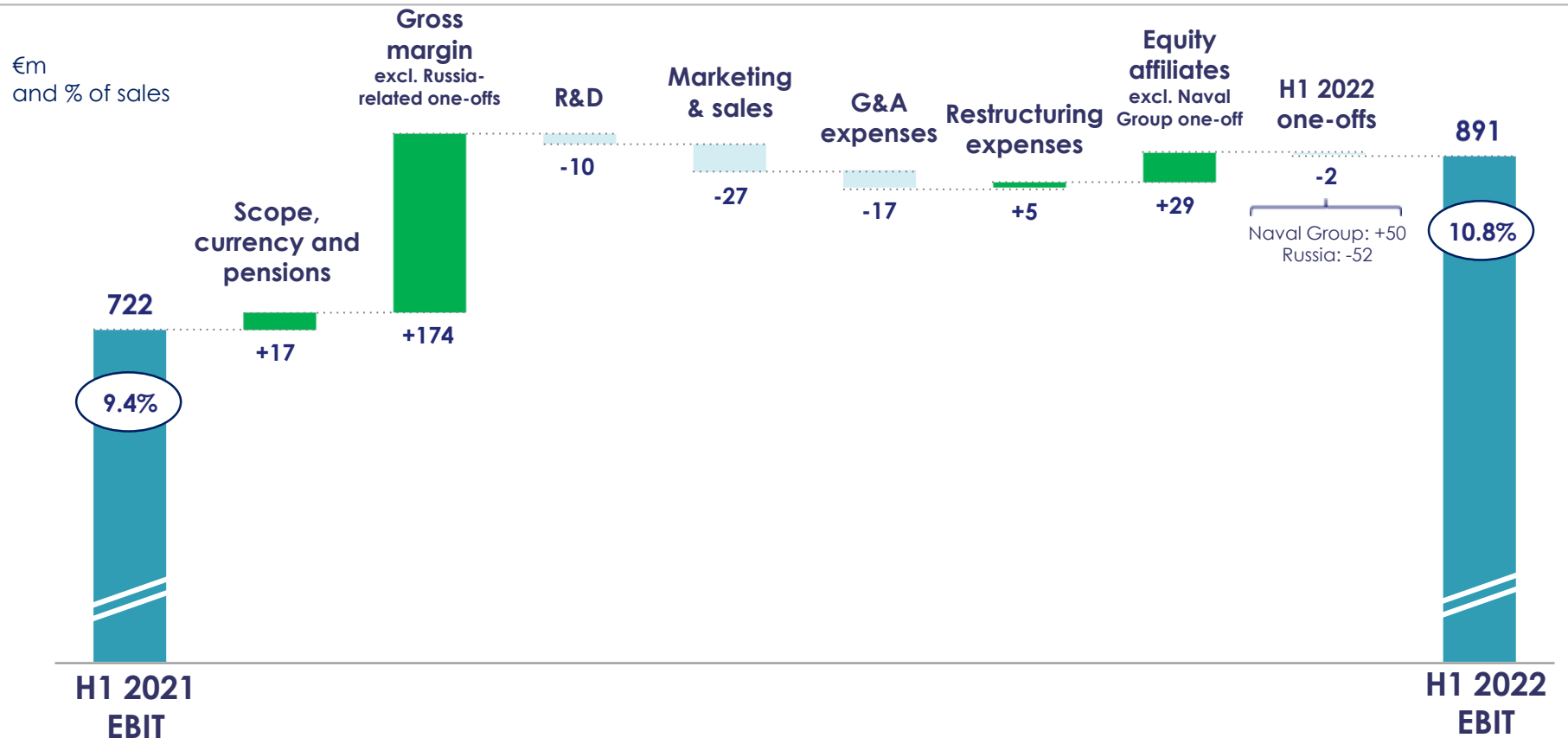
Order intake structurally aligned with sales

Strong sales momentum, up double-digit for the 4th quarter in a row

- On-going Smart cards momentum at double-digit organic growth over 9m, benefiting from pricing effect on higher purchasing costs
- Biometrics recovery, up low double-digit despite supply-chain tensions
- Double-digit organic growth in Cybersecurity, driven by Encryption



H1 2021 to H1 2022 EBIT bridge



H1 2022 Free operating cash-flow

Robust free operating cash-flow performance in H1

- Strong commercial dynamics, including significant UAE Rafale downpayment
- Internal “CASH” project
- Confirmed improved H1/H2 balance of working capital
- Tight control of capex

Cash management remains a key focus across the Group

€m	H1 2022	H1 2021
Operating cash flow before WCR changes, interest and tax	1,176	1,064
+ Change in WCR and reserves for contingencies	4	(382)
+ Pension cash out, excluding deficit payment on UK pensions	(56)	(78)
+ Net financial interests	(32)	(37)
+ Income tax received (paid)	29	34
+ Net operating investments	(184)	(181)
= Free operating cash-flow, continuing operations	938	420
+ Free operating cash-flow, discontinued operations	(118)	0
= Free operating cash-flow	820	420

Focus on strategy execution: solid progress over 9 months

1

Portfolio refocus

- Transport disposal fully on track to close in early 2023
- Solid progress on DIS revenue synergies

2

Technology leadership

- New-generation Flight Management System selected by Airbus
- Captas-4 sonar selected by US navy for Constellation class frigates

3

Sustainability

- Full exit from White Phosphorous achieved in line with plan
- CO₂ emission reduction targets submitted to SBTi

4

Operational efficiency

- Global talent acquisition function scaled up to address massive recruitment needs – 8,700 staff recruited over 9 months
- Fixed cost structure adaptation post transport disposal

5

Capital deployment

- 4 bolt-on acquisitions implemented since January 2022
- Cash returns: 25%+ of share buy back plan completed

Appendix



A strong set of focused businesses

Segment	Sub-segment		Civil	Military	2021 sales ^(a) (€m)	Market position
Aerospace 28% of 2021 sales ^(a)	Flight avionics including cockpit avionics, communications, electrical systems, training and simulation (of which civil: ~€900m, military: ~€600m)				~1,500	#3 worldwide (flight avionics)
	Connected in-flight entertainment (IFE)				~300	#2 worldwide
	Microwave tubes for satellite, medical, scientific and military applications				~500	#1 worldwide
	Space solutions for telecom, observation, navigation and exploration				~2,150	#2 worldwide (civil satellites)
Defense & security 53% of 2021 sales ^(a)	Sensors and mission systems including radars, sonars, optronics, mission systems for aircraft, ships and submarines, missiles and armored military vehicles				~4,500	#1 in Europe
	Communications, command and control systems including military communications and networks, military command and control systems (C4I), cybersecurity, Air Traffic Management, and homeland security solutions				~4,100	#2 worldwide (military tactical communications)
Digital identity & security 18% of 2021 sales ^(a)	Digital identity and security solutions including identity management & data protection, biometrics, Internet of Things connectivity modules, mobile connectivity solutions (removable SIM and eSIM) and EMV payment cards				~3,000	#1 worldwide

(a) Transport now treated as discontinued operations (IFRS5)

Aerospace segment: identity card

2 Global Business Units

Avionics
Space

17,100 employees
in 31 countries

Main industrial footprint

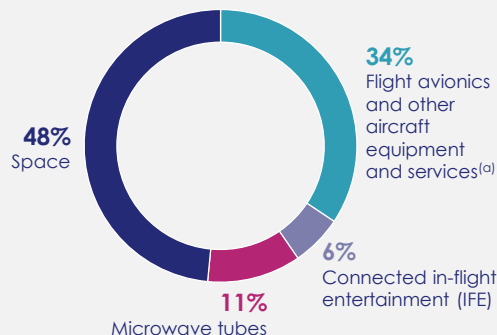
France, Italy, Spain, UK, USA,
Singapore

€4.4bn 2021 sales

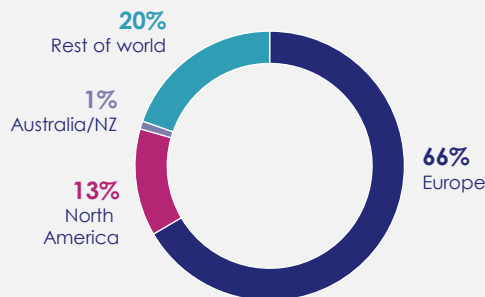
4.5% 2021 EBIT margin

1.8 years Dec 21 backlog

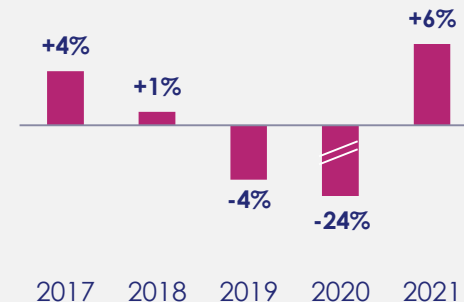
Sales by solutions



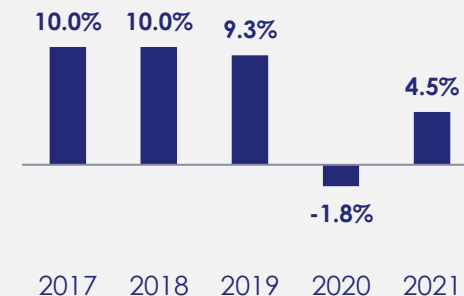
Sales by region



Organic sales growth



EBIT margin



(a) Includes electrical systems business (€124m sales in 2021), under exclusive negotiations to be sold to Safran.

Defense & Security segment: identity card

3 Global Business Units

Land & Air Systems
Defense Mission Systems
Secure Communications &
Information Systems

32,000 employees
in 36 countries

Main industrial footprint

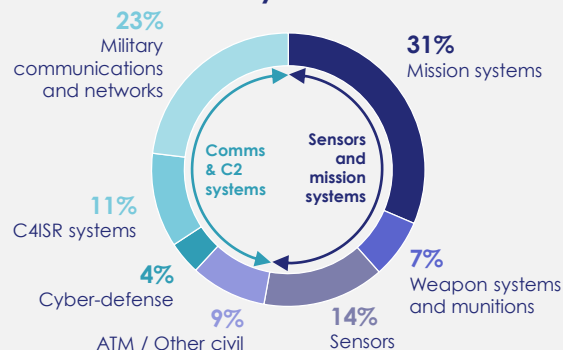
Australia, Canada, France,
Netherlands, UK

€8.6bn 2021 sales

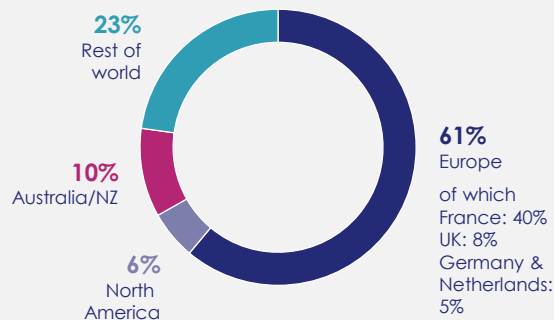
12.9% 2021 EBIT margin

3.0 years Dec 21 backlog

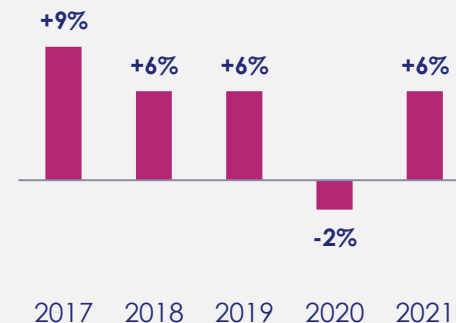
Sales by solutions



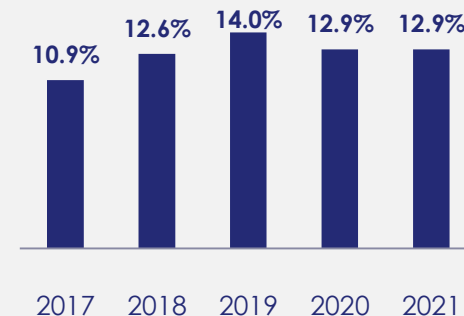
Sales by region



Organic sales growth



EBIT margin



Digital Identity & Security (DIS) segment: identity card

1 Global Business Unit

Digital Identity and Security

14,700 employees
in 53 countries

Main industrial footprint

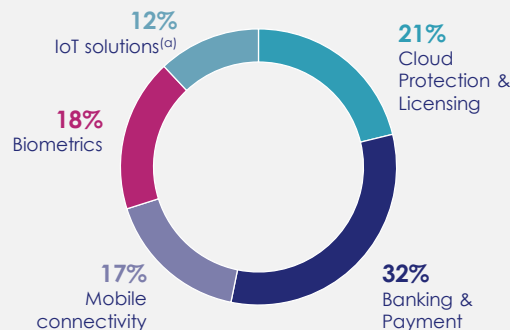
France, USA, Singapore,
Mexico

€3.0bn 2021 sales

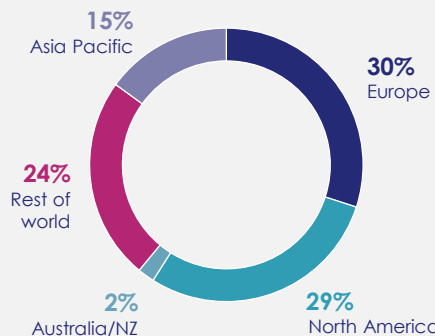
11.9% 2021 EBIT margin

NM Dec 21 backlog

Sales by solutions

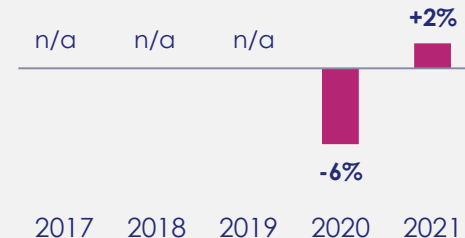


Sales by region



(a) The majority of this business (€300m+ in 2021) is expected to be deconsolidated in the framework of the creation of Telit Cinterion, in which Thales would retain a 25% stake.

Organic sales growth



EBIT margin

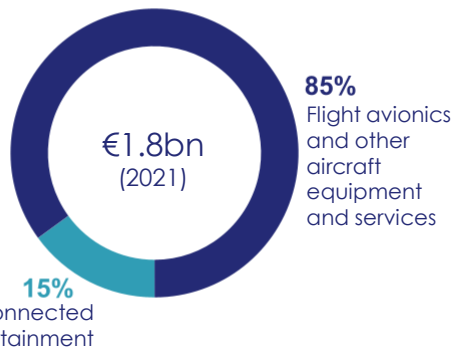


(b) Underlying
(c) Pro forma 12 months

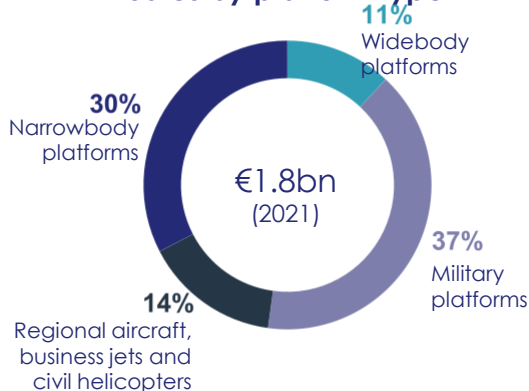
THALES
Building a future we can all trust

Global leader in flight avionics and connected in-flight entertainment

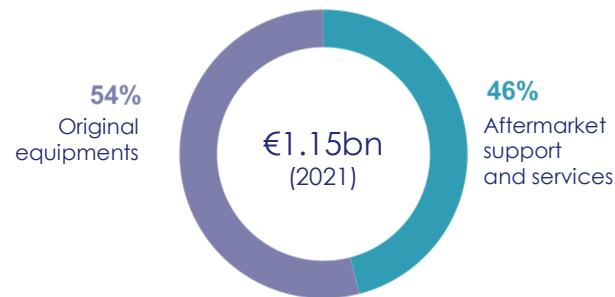
Sales by solutions



Sales by platform type



Commercial sales by activity type



Main avionics platforms



Air transport

A320
A330/340
A350
B787
B747

ATR
Dash 8
CRJ
SSJ 100



Business jets

Bombardier
Cessna
Dassault
Gulfstream



Helicopters

Airbus helicopters
Airbus Tiger
NHI NH90
Bell Cobra/Huey
Sikorsky



Military aircraft

Airbus 400M
Airbus MRTT
Boeing F/A-18

Dassault Rafale
Dassault Mirage 2000
LM F-16

Connected in-flight entertainment (IFE)



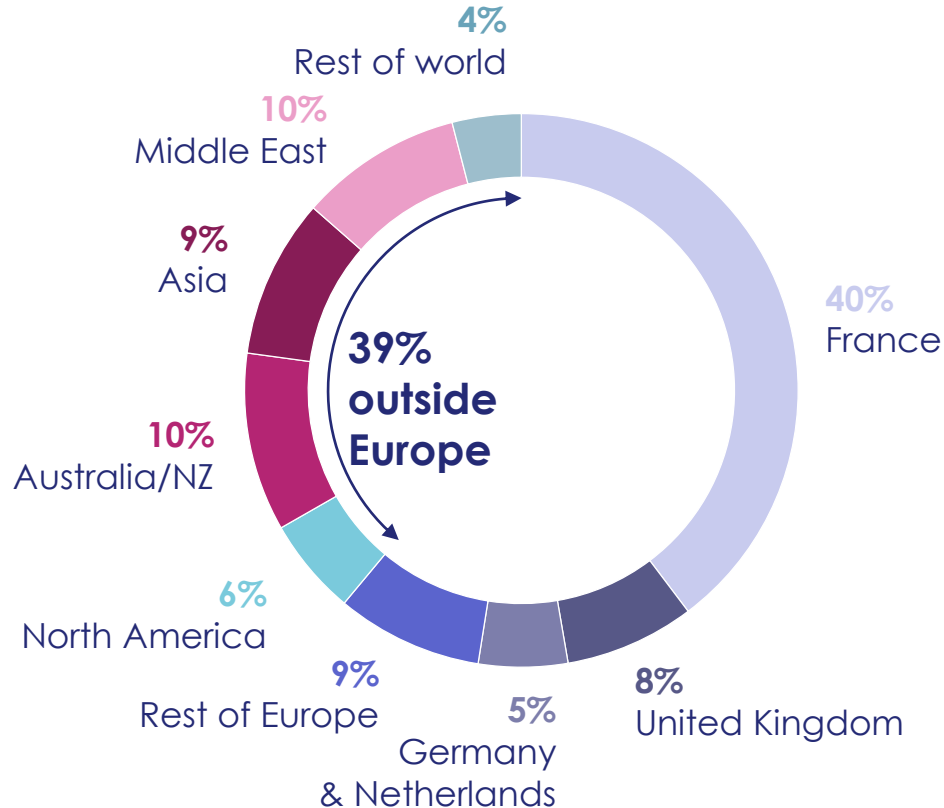
Main platforms

A330/A340
A350
B787
B777

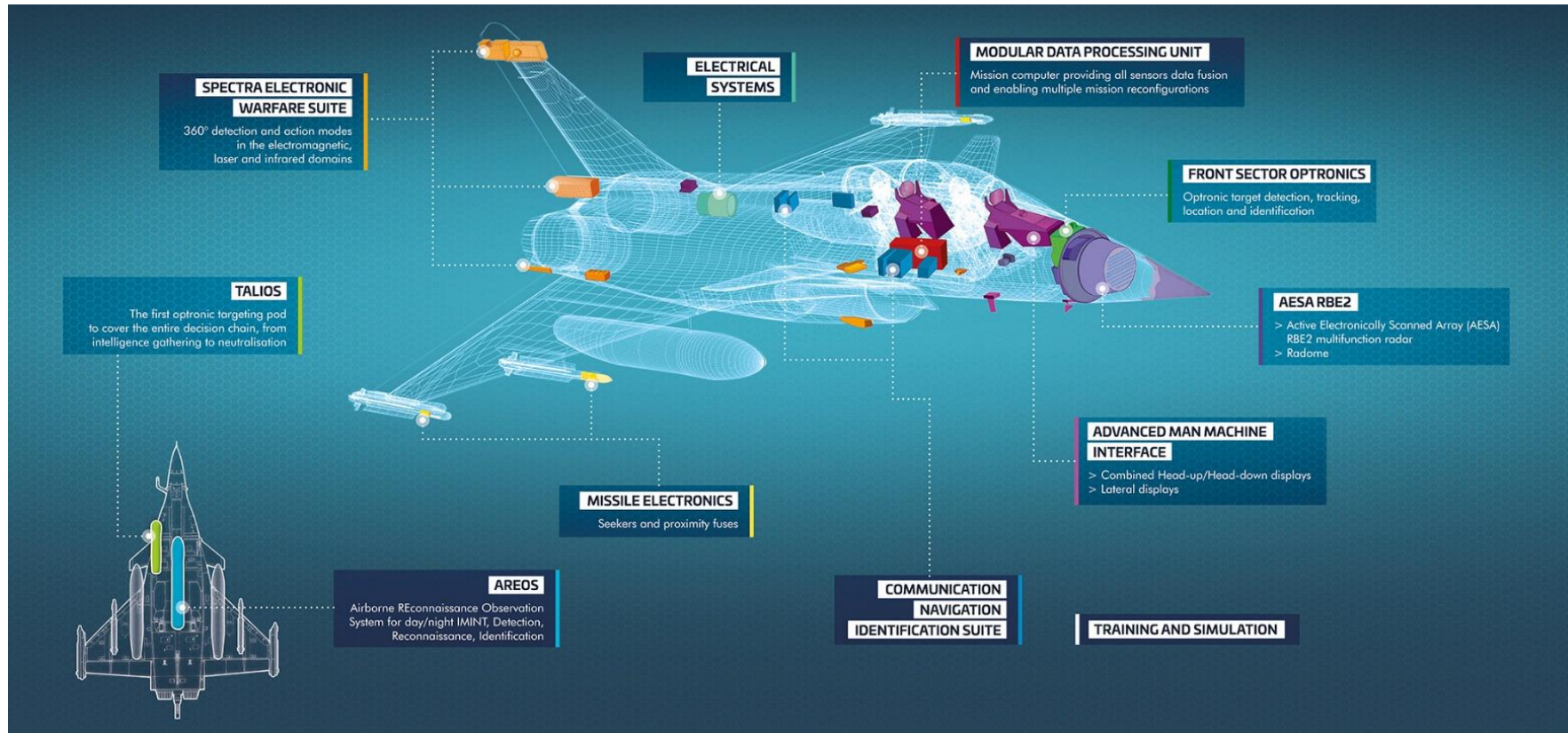
A320
B737

Highly diversified Defense & Security customer base

Defense & Security sales by region, 2021



Thales on board the Rafale



Summary adjusted P&L: from sales to EBIT

	H1 2022		H1 2021		Change	
	€m	% of sales	€m	% of sales	total	organic
Sales	8,256		7,669		+7.7%	+5.4%
Gross margin	2,220	26.9%	2,049	26.7%	+8.4%	+6.0%
Indirect costs	(1,416)	-17.2%	(1,331)	-17.4%	+6.4%	+3.9%
o/w R&D expenses	(486)	-5.9%	(465)	-6.1%	+4.7%	+2.1%
o/w Marketing & Sales expenses	(639)	-7.7%	(598)	-7.8%	+6.8%	+4.3%
o/w General & Administrative expenses	(291)	-3.5%	(268)	-3.5%	+8.5%	+6.1%
Restructuring costs	(35)		(39)		-9.9%	-12.4%
Share in net result of equity-accounted affiliates, excluding Naval Group	33		9			
EBIT, excluding Naval Group	803	9.7%	688	9.0%	+17%	+14%
Share in net result of Naval Group	89		34			
EBIT	891	10.8%	722	9.4%	+23%	+21%

Summary adjusted P&L: from EBIT to adjusted net income

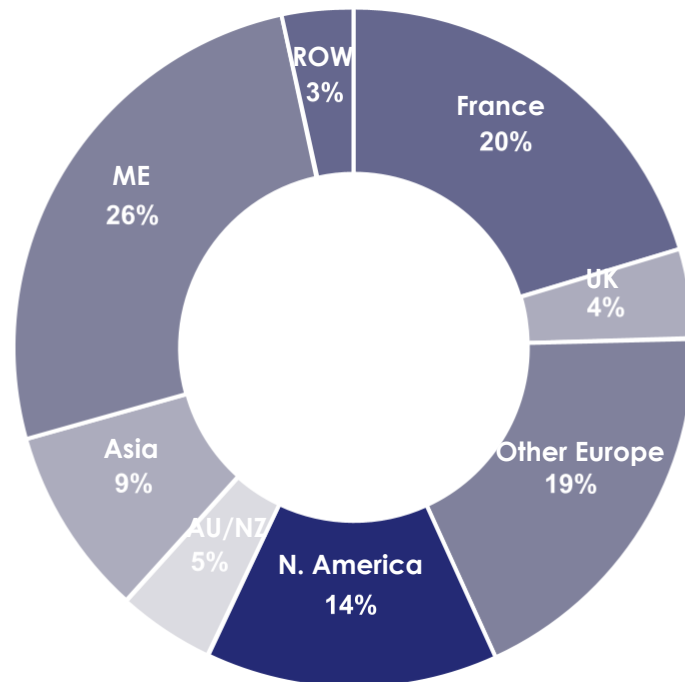
€m	H1 2022	H1 2021
EBIT	891	722
Cost of net financial debt and other financial results	(42)	(36)
Finance costs on pensions and other employee benefits	(15)	(15)
Income tax	(141)	(88) ^(a)
<i>Effective tax rate</i>	19.7%	14.0%
Adjusted net income - discontinued operations	31	32
Adjusted net income	724	616
Minus, Minorities	2	(25) ^(b)
Adjusted net income, Group share	726	591
EPS: Adjusted net income, Group share, per share (in €)	3.41	2.78

(a) Includes €51m non cash one-off items related to tax law changes in Italy and the UK. Tax rate excluding one-offs: 22.1%

(b) Minorities excluding €(15)m impact of tax one-offs: €(10)m.

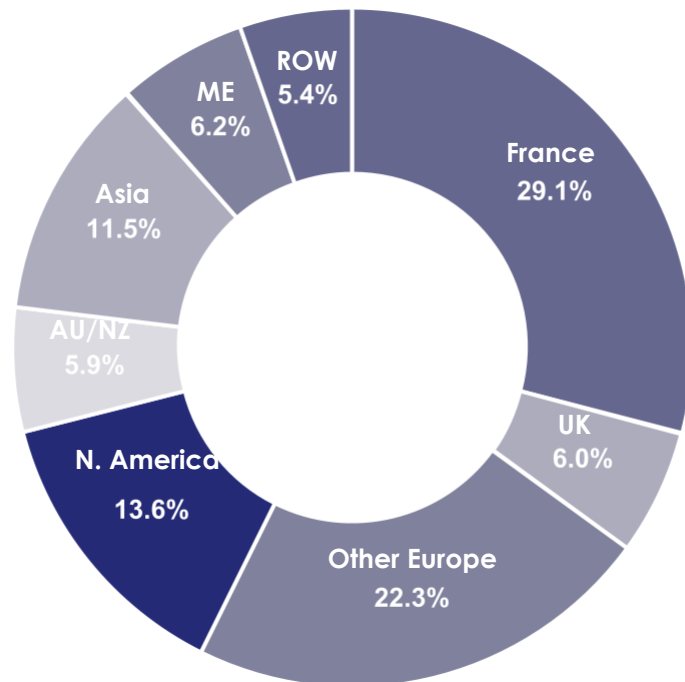
9m 2022 order intake by destination

In € millions	9m	9m	Change	
	2022	2021	Total	Organic
France	3,143	2,638	+19%	+19%
United Kingdom	656	485	+35%	+33%
Rest of Europe	2,870	3,445	-17%	-17%
Europe	6,669	6,569	+2%	+1%
North America	2,147	1,686	+27%	+14%
Australia / NZ	709	415	+71%	+63%
Mature markets	9,525	8,669	+10%	+7%
Asia	1,394	1,159	+20%	+20%
Middle East	4,004	313	NM	NM
Rest of the world	526	515	+2%	-5%
Emerging markets	5,924	1,987	+198%	+189%
Total	15,449	10,656	+45%	+41%



9m 2022 sales by destination

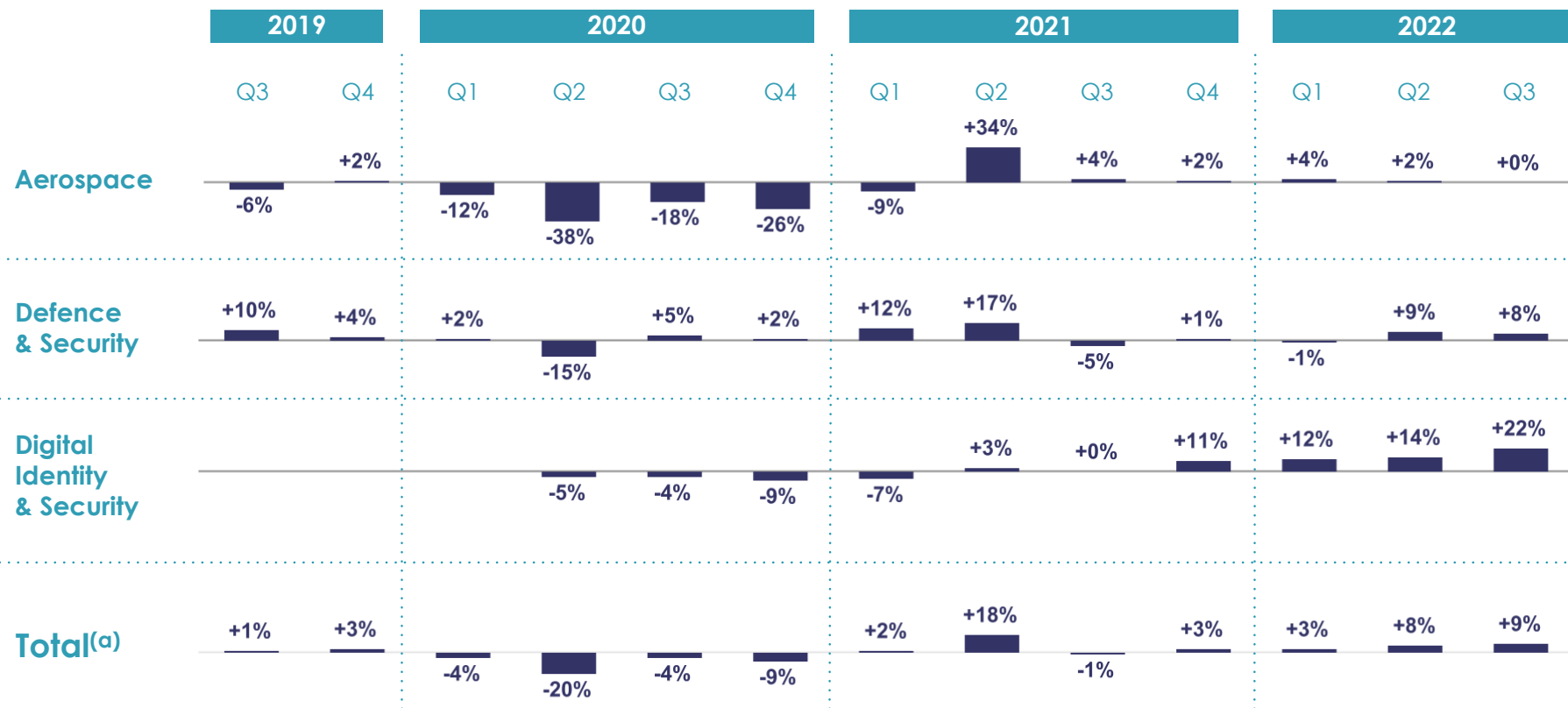
In € millions	9m	9m	Change	
	2022	2021	Total	Organic
France	3,576	3,282	+8.9%	+8.7%
United Kingdom	736	656	+12.2%	+10.4%
Rest of Europe	2,741	2,490	+10.0%	+8.6%
Europe	7,053	6,429	+9.7%	+8.8%
North America	1,678	1,326	+26.5%	+11.9%
Australia / NZ	726	747	-2.8%	-7.6%
Mature markets	9,457	8,502	+11.2%	+7.9%
Asia	1,419	1,419	—%	-0.9%
Middle East	762	673	+13.1%	+9.5%
Rest of the world	660	628	+5.2%	-0.4%
Emerging markets	2,842	2,720	+4.5%	+1.8%
Total	12,298	11,222	+9.6%	+6.4%



H1 2022 EBIT by operating segment

€m / % of sales	H1 2022		H1 2021		Change	
					total	organic
Aerospace	97	4.4%	69	3.3%	+41.6%	+39.8%
Defense & Security	545	12.4%	497	12.0%	+9.7%	+9.8%
Digital Identity & Security	201	12.3%	152	11.1%	+32.6%	+21.5%
EBIT - operating segments	843	10.3%	717	9.4%	+17.6%	+15.3%
Other	-41		-29			
EBIT - excluding Naval Group	803	9.7%	688	9.0%	+16.6%	+14.4%
Naval Group	89		34			
EBIT - total	891	10.8%	722	9.4%	+23.4%	+21.1%

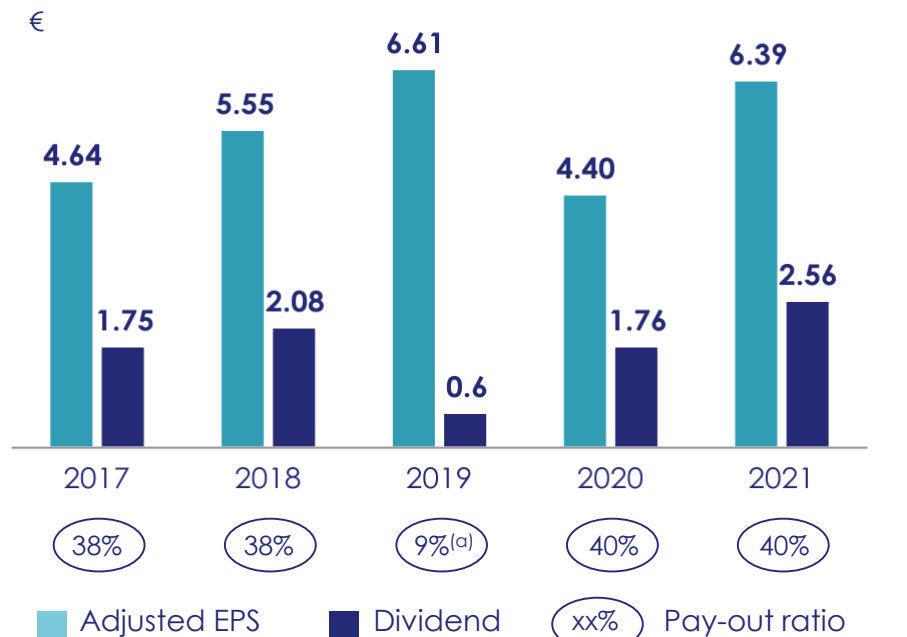
Organic sales growth per quarter



(a) Excluding Transport in all periods (Transport business classified as "discontinued operations" as of 01/01/2021)

Adjusted EPS and cash returns

Adjusted EPS and dividend per share



(a) Pay-out adjusted in April 2020 in the context of the Covid-19 crisis. Initial ratio: 38%

(b) Approximately 7.47 million shares

2021 adj. EPS only 3% below 2019

- Up 8% per year since 2017

2021 dividend: €2.56 per share

- Pay-out ratio confirmed at 40%
- Up 10% per year since 2017

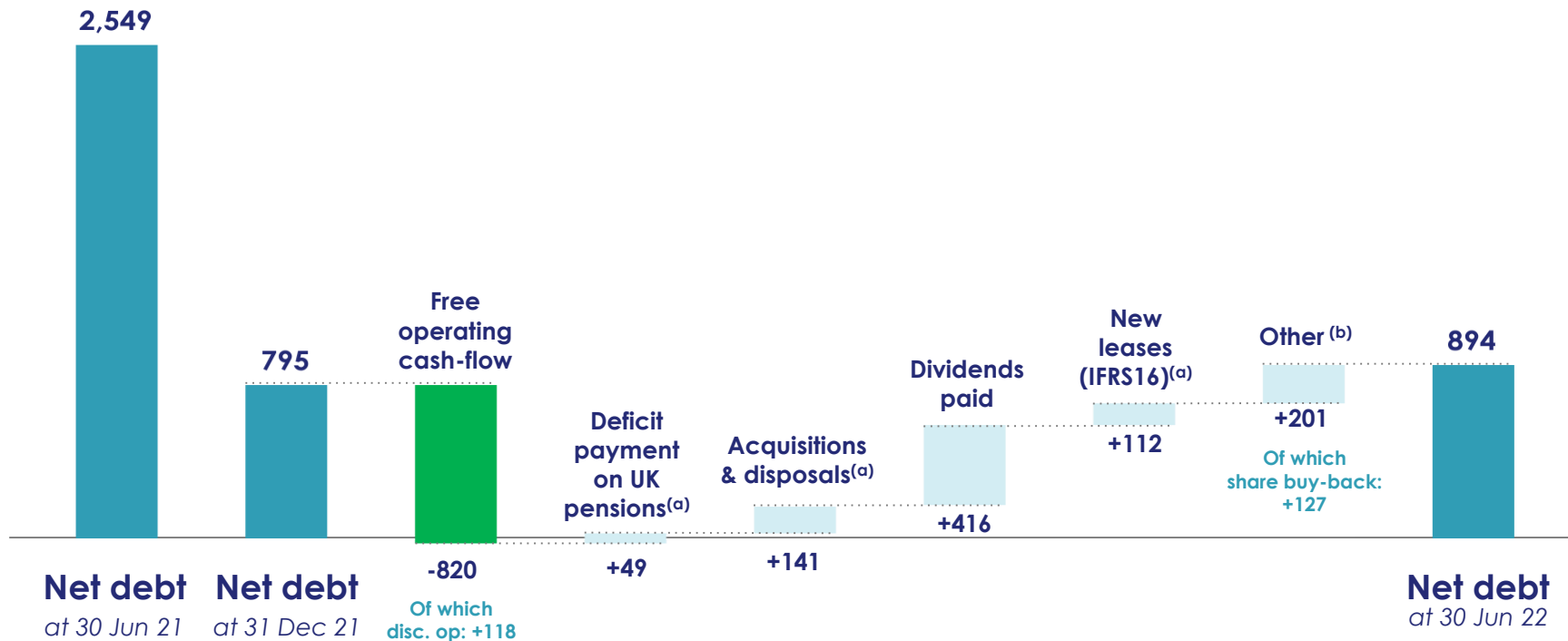
2022: €0.70 interim dividend to be paid in December 2022

Share buy back program on 3.5% of the share capital^(b)

- 2.4m shares repurchased at mid November 2022 (30%+ of program)

Movement in net debt over H1 2022

€m



(a) Continued operations

(b) Continued and discontinued operations

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, 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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This presentation contains certain forward-looking statements. Although Thales believes that its expectations are based on reasonable assumptions, actual results may differ significantly from these forward-looking statements due to various risks and uncertainties, as described in the Company's Universal Registration Document, which has been filed with the French financial markets authority (Autorité des marchés financiers – AMF).

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