

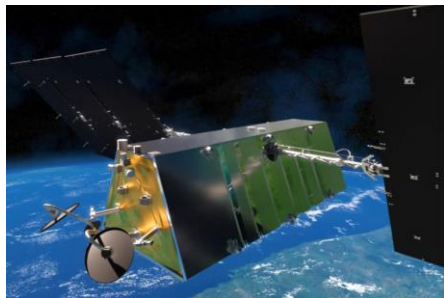
# Q1 2021 order intake and sales

06 May 2021

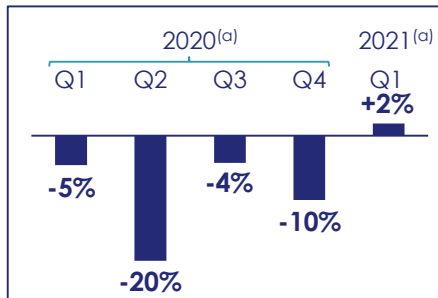


The people we all rely on  
to make the world go round,  
**they rely on Thales**

# Q1 2021 highlights



**Recovery of  
Space business  
confirmed**



**Sales back to  
growth in Q1  
despite on-going  
Covid-19 impact**



**CSR strategy  
embedded in  
remuneration of  
2/3 of employees**

(a) Organic growth

Q1 2021 order intake and sales - 2

# Q1 2021 order intake and sales

## Outlook



# Q1 2021 key figures

€m	Q1 2021	Q1 2020	change	
			total	organic
Order intake	3,416	2,663	+28%	+31%
Sales	3,917	3,899	+0.5%	+1.9%

**Strong commercial performance, driven by Defense and Space**  
**Robust sales level despite on-going Covid-19 impact on civil aero and biometrics**

# Q1 2021 order intake

**Strong start of the year, driven by contracts above €10m**

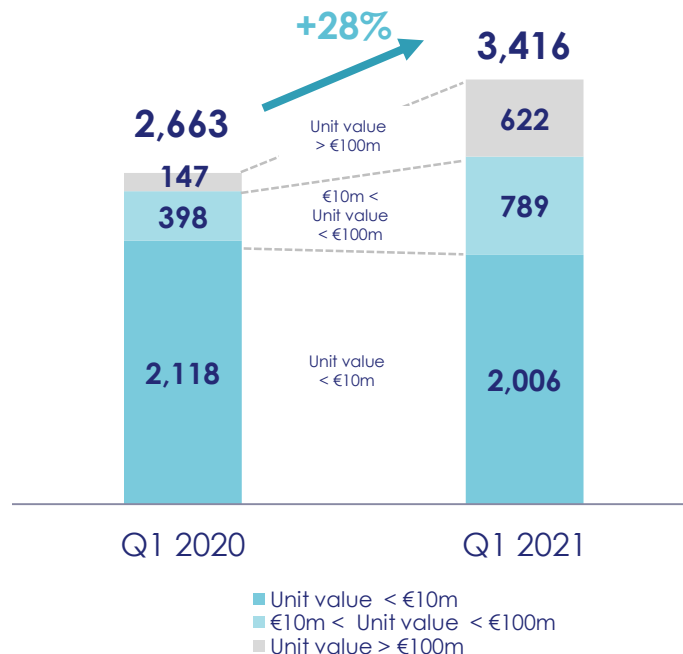
**4 orders above €100m, vs 1 in Q1 2020**

- Rafale Greece
- Rafale France
- SAMP/T NG, ground based air defense system for France and Italy
- Satria, telecommunication satellite in Indonesia
- Galileo: slightly less than €100m booked in Q1, balance of ~€650m expected by year end

**Orders below €10m up 4% excluding avionics and IFE**

## Order intake by contract unit value

€m



# Q1 2021 sales growth

## Positive organic growth despite on-going health crisis

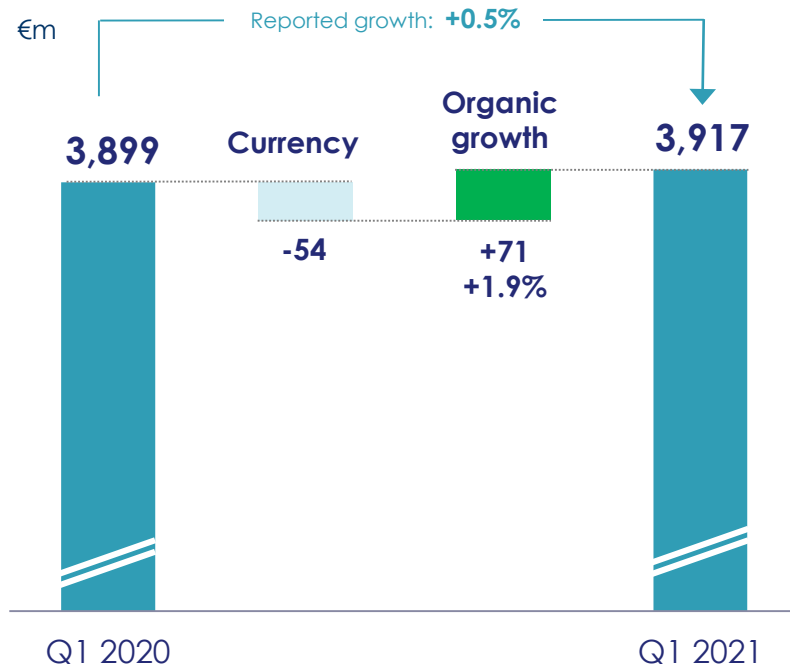
- Organic growth: +1.9%, despite avionics and IFE still down ~30% vs Q1 2020

## Strong recovery of Space and continuous growth in Defense

## Geographically contrasted organic sales growth

- Mature markets: +4.5%
- Emerging markets: -5.9%

## Q1 sales growth drivers



# Aerospace: Q1 2021 key figures

€m	Q1 2021	Q1 2020	Change	
			total	organic
Order intake	998	778	+28%	+31%
Sales	971	1,083	-10.3%	-8.7%

## Order intake clearly up thanks to strong performance of Space

- Satria (over €100m), Galileo tranche #1 slightly under €100m
- Lower decline in avionics orders vs. Q3 and Q4 2020

## Strong recovery of Space sales offsets majority of negative Covid-19 impact on civil aero

- Space sales up 24%
- Avionics and IFE: -30% vs Q1 2020 (vs -34% in Q3 2020 and -41% in Q4 2020)





# Transport: Q1 2021 key figures

€m	Q1 2021	Q1 2020	Change	
			total	organic
Order intake	259	156	+66%	+67%
Sales	344	347	-0.8%	+0.5%

Order intake boosted by catch-up effect from 2020 and easy comps in Q1 2020

Sales slightly up organically, mainly due to growth of Main Line business, offset by lower Urban Rail sales

- Further phasing down of major urban rail projects<sup>(a)</sup>
- Travel restrictions still disrupting progress on projects

(a) London, Doha, Hong Kong





# Defense & Security: Q1 2021 key figures

€m	Q1 2021	Q1 2020	Change	
			total	organic
Order intake	1,513	960	+58%	+57%
Sales	1,949	1,724	+13.1%	+12.3%



## Robust commercial performance across defense markets

- 3 large contracts (over €100m) signed in Q1 2021 vs. 1 in Q1 2020

## Solid sales growth across most business lines

- Surface radars
- Naval domain: F126, T31, MMCM
- Network infrastructure systems and military cybersecurity



# Digital Identity & Security: Q1 2021 key figures

€m	Q1 2021	Q1 2020	Change	
			total	organic
Order intake	636	761	-16%	-11%
Sales	636	727	-12.5%	-7.4%

Order intake structurally aligned with sales for most businesses

Contrasted sales dynamics and significant negative currency impact

- Significant decline of smart card sales vs. high comps in Q1 2020, in line with expectations
- Continuous Covid-19 impact on biometrics
- Strong organic growth in cyber and IoT modules



# Q1 2021 order intake and sales Outlook



# 2021 financial objectives

**Order intake**

**Book-to-bill above 1**

**Sales**

**€17.1 to 17.9 billion<sup>(a)</sup>, depending notably on pace of recovery in air travel**

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

**9.5% to 10%<sup>(a)</sup>**

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

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

# Appendix



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# Upcoming events

**Annual General Meeting**

**6th May 2021**

(3pm this afternoon)

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

**20th May 2021**

**H1 2021 results**

**23<sup>rd</sup> July 2021**

(before market)

**ESG investor day**

**05<sup>th</sup> October 2021**

(virtual)

**Q3 and 9m 2021 sales**

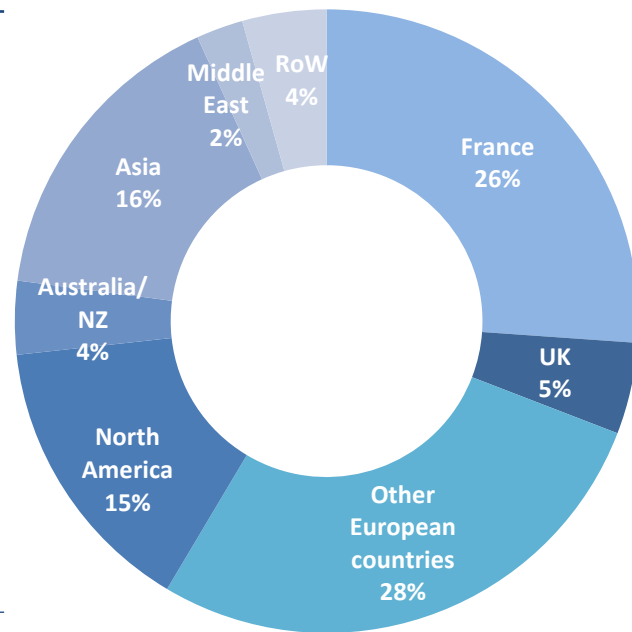
**26 October 2021**

(before market)

(a) Subject to approval by the 6<sup>th</sup> May 2021 Annual General Meeting. Ex-dividend date: 18th May 2021.

# Q1 2021 order intake by destination

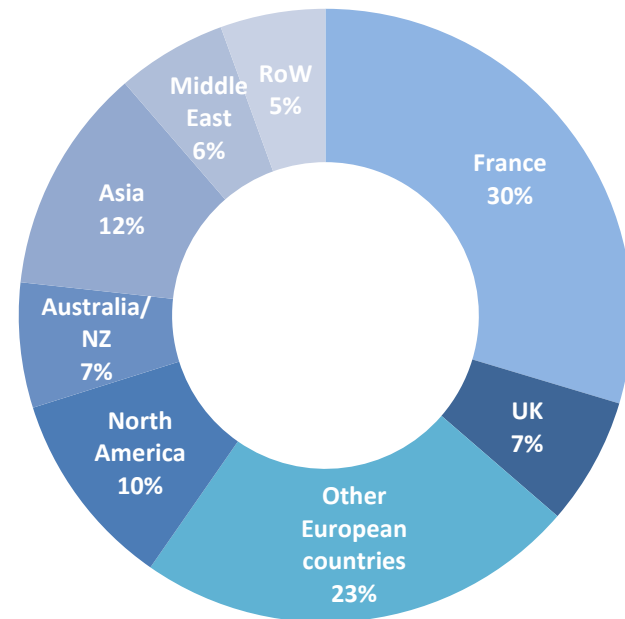
€m	Q1 2021	Q1 2020	change	
			total	organic
France	892	568	+57%	+57%
United Kingdom	162	139	+17%	+18%
Other European countries	946	581	+63%	+63%
<b>Europe</b>	<b>2,001</b>	<b>1,289</b>	<b>+55%</b>	<b>+56%</b>
North America	503	446	+13%	+20%
Australia/NZ	130	76	+71%	+58%
<b>Mature markets</b>	<b>2,634</b>	<b>1,811</b>	<b>+45%</b>	<b>+47%</b>
Asia	551	407	+35%	+40%
Middle East	83	303	-73%	-72%
Rest of the world	149	142	+4%	+11%
<b>Emerging markets</b>	<b>782</b>	<b>852</b>	<b>-8%</b>	<b>-4%</b>
<b>Total</b>	<b>3,416</b>	<b>2,663</b>	<b>+28%</b>	<b>+31%</b>



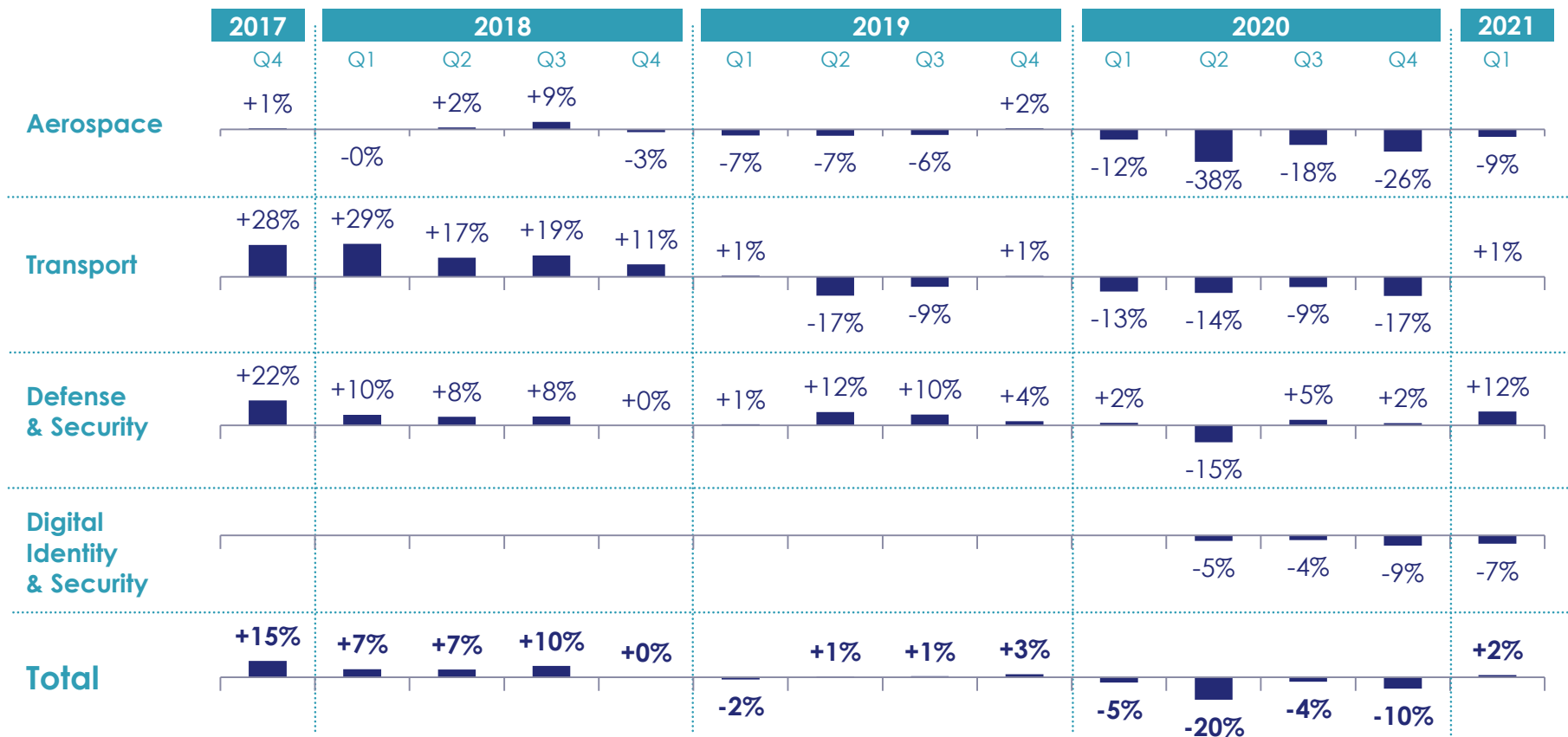


# Q1 2021 sales by destination

€m	Q1 2021	Q1 2020	change	
			total	organic
France	1,160	1,105	+5.0%	+5.1%
United Kingdom	263	263	-0.1%	+1.0%
Other European countries	913	823	+11.0%	+11.1%
<b>Europe</b>	<b>2,337</b>	<b>2,192</b>	<b>+6.6%</b>	<b>+6.8%</b>
North America	410	503	-18.6%	-13.0%
Australia/NZ	258	200	+29.4%	+18.9%
<b>Mature markets</b>	<b>3,005</b>	<b>2,895</b>	<b>+3.8%</b>	<b>+4.5%</b>
Asia	467	515	-9.2%	-6.3%
Middle East	227	257	-11.7%	-8.7%
Rest of the world	217	232	-6.2%	-2.0%
<b>Emerging markets</b>	<b>912</b>	<b>1,004</b>	<b>-9.2%</b>	<b>-5.9%</b>
<b>Total</b>	<b>3,917</b>	<b>3,899</b>	<b>+0.5%</b>	<b>+1.9%</b>



# Organic sales growth per quarter



## Q1 2021 order intake by operating segment

€m	Q1 2021	Q1 2020	change	
			total	organic
Aerospace	998	778	+28%	+31%
Transport	259	156	+66%	+67%
Defense & Security	1,513	960	+58%	+57%
Digital Identity & Security	636	761	-16%	-11%
Other	10	7	nm	nm
<b>Total</b>	<b>3,416</b>	<b>2,663</b>	<b>+28%</b>	<b>+31%</b>

## Q1 2021 sales by operating segment

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Aerospace	971	1,083	-10.3%	-8.7%
Transport	344	347	-0.8%	+0.5%
Defense & Security	1,949	1,724	+13.1%	+12.3%
Digital Identity & Security	636	727	-12.5%	-7.4%
Other	16	18	nm	nm
<b>Total</b>	<b>3,917</b>	<b>3,899</b>	<b>+0.5%</b>	<b>+1.9%</b>

# 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 35 and 36 of the 2020 Universal Registration Document 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.

## 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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