

Thales reports its order intake and sales as of September 30, 2024

- **Order intake: €15.6 billion, up 23% on an organic basis¹ (+26% total change)**
- **Sales: €14.1 billion, up 6.2% on an organic basis (+9.4% total change)**
- **2024 targets confirmed:**
 - **Book-to-bill ratio above 1**
 - **Organic sales growth between +5% and +6%²**
 - **EBIT margin: 11.7% to 11.8%**

Thales (Euronext Paris: HO) today announced its order intake and sales for the period ending September 30, 2024.

Order intake <i>In € millions</i>	9m 2024	9m 2023	Total change	Organic change
Aerospace	3,639	3,403	+7%	+8%
Defence & Security	8,951	6,404	+40%	+40%
Digital Identity & Security	2,905	2,531	+15%	-1%
Total – operating segments	15,494	12,337	+26%	+23%
Other	56	34		
Total	15,551	12,370	+26%	+23%
Of which mature markets ³	11,413	9,933	+15%	+12%
Of which emerging markets ³	4,137	2,437	+70%	+69%

Sales <i>In € millions</i>	9m 2024	9m 2023	Total change	Organic change
Aerospace	3,839	3,634	+5.6%	+5.3%
Defence & Security	7,239	6,651	+8.8%	+8.5%
Digital Identity & Security	2,914	2,518	+15.7%	+0.3%
Total – operating segments	13,993	12,803	+9.3%	+6.0%
Other	76	51		
Total	14,069	12,854	+9.4%	+6.2%
Of which mature markets ³	11,220	10,224	+9.7%	+6.3%
Of which emerging markets ³	2,849	2,630	+8.3%	+5.8%

Reminder: 9m 2023 figures have been restated to include Cyber civil activities transferred from Defence and Security to Digital Identity & Security.

¹ In this press release, "organic" means "at constant scope and exchange rates".

² Between €19.9 billion and €20.1 billion based on September 2024 scope and exchange rates.

³ Mature markets: Europe, North America, Australia, New Zealand; emerging markets: all other countries.

“The third quarter confirmed the continued strong commercial momentum and organic sales growth in most of Thales’ businesses.

The Defence business enjoyed unparalleled visibility thanks to emblematic long-term contracts. Avionics was driven by the recovery in air traffic and solid growth prospects. The cybersecurity and biometrics businesses benefited from a robust environment.

We are also proud of Thales’ inclusion in the CAC 40 ESG index. This is a strong external endorsement of our non-financial performance and of our contribution to the protection of society, the planet and citizens.

We are confident that we will achieve our annual financial targets for 2024, thanks to our teams’ unwavering involvement.”

Patrice Caine, Chairman & Chief Executive Officer

Order intake

Order intake over the first nine months of 2024 amounted to **€15,551 million, up 23% on an organic basis**⁴ compared with the first nine months of 2023 (up 26% total change). The Group continued to benefit from an excellent commercial momentum in all its businesses, particularly in Defence & Security.

Over the period, Thales recorded **19 large orders with a unit value of more than €100 million**, the cumulative amount of which came to **€4,983 million**:

- Four large orders booked in Q1 2024:
 - The entry into force of the third phase of the order placed by Indonesia in 2022 for the purchase of 42 Rafale aircraft (18 aircraft and support services);
 - Order of an aerial surveillance system for a military customer in the Middle East;
 - Second tranche of the contract signed in 2023 between France and Italy for the production of 400 ASTER B1NT ground-to-air missiles;
 - Phased contract with the French Defence Procurement Agency (DGA) to develop the next generation of sonars to equip French nuclear-powered ballistic-missile submarines (SSBN).
- Eight large orders booked in Q2 2024:
 - Order of two new F126 frigates by the German Navy. This additional contract brings the number of F126 frigates acquired by the German Navy to six in the past four years;
 - Exomars 2028, a contract signed between industrial prime contractor Thales Alenia Space and the European Space Agency (ESA) to relaunch the European space mission dedicated to the exploration of the Red Planet;
 - Order by SKY Perfect JSAT to Thales Alenia Space of JSAT-31, a new generation of satellite reconfigurable in orbit using Space INSPIRE technology;
 - Order by France’s Joint Munitions Command (SiMu) of tens of thousands of 120mm rifled ammunition;
 - Order for a next generation cloud native “FLYTEDGE” InFlight Entertainment System for a major worldwide airline;
 - Order by an Asian customer of latest-generation Ground Master 400 Alpha long-range air surveillance radars;
 - Order by the Dutch Ministry of Defence of seven additional Ground Master 200 multi-mission compact radars;
 - Service contract for the maintenance of the Royal Australian Navy fleet.
- Seven major orders recorded in Q3 2024:
 - Order for the supply of communications, avionics, navigation and optronics equipment for vehicles in the French Army’s SCORPION program;
 - Order for the renovation of an air traffic management system;

⁴ Taking into account a negative currency effect of -€45 million and a positive net scope effect of €441 million.

- Order from the UK Ministry of Defence for the supply of LMM missiles to strengthen Ukraine's air defence capabilities;
- Order of LMM missiles for the British armed forces;
- Order for the supply of Ground Fire multifunction radars and engagement modules following France's acquisition of seven SAMP/T NG air defence systems;
- Order for the supply of anti-submarine warfare systems for the first phase of the construction of six HUNTER-class frigates for the Royal Australian Navy;
- Notification by the DGA of the second tranche of the development of the future RBE2 XG radar for the Rafale F5.

At **€10,567 million**, order intake **with a unit value of less than €100 million** increased by 6% compared to the first nine months of 2023; while order intake with a **unit value of less than €10 million** was up by 7% at September 30, 2024.

From a **geographical**⁵ point of view, order intake in mature markets recorded organic growth of 12%, to €11,413 million, driven by strong sales momentum in the United Kingdom (up 28% on an organic basis) as well as in Australia and New Zealand (up 34% on an organic basis). Order intake in emerging markets amounted to €4,137 million, with strong organic growth of 69% as at September 30, 2024. This performance reflected excellent momentum in the Near and Middle East (up 175% on an organic basis) and in Asia (up 49% on an organic basis).

Order intake in the **Aerospace** segment totaled **€3,639 million**, versus €3,403 million over the first nine months of 2023 (+8% at constant scope and exchange rates). This increase reflects two contrasting trends. On the one hand, the avionics market remained strong, our activities growing double-digit organically. On the other hand, the order intake in the space business declined due to a high comparison basis (two large orders signed as at September 30, 2024 versus five as of September 30, 2023).

At **€8,951 million** (compared with €6,404 million for the first nine months of 2023), order intake in the **Defence & Security** segment continued to record a strong momentum, with organic growth of 40%. Seven new orders with a unit value of more than €100 million in the third quarter were added to the nine already recorded in the first half of the year. The order book stood at **€37.0 billion**, compared with €35.1 billion at September 30, 2023.

At **€2,905 million**, order intake in the **Digital Identity & Security** segment was in line with sales over the period, as most of the activities in this segment operate on short cycles.

⁵ See table on page 6.

Sales

Sales for the first nine months of 2024 amounted to **€14,069 million**, compared with €12,854 million for the same period in 2023, an increase of 6.2% at constant scope and exchange rates.

From a **geographical**⁵ point of view, sales growth was strong in mature markets (+6.3% on an organic basis), driven in particular by Europe (+9.0%) including France (+9.4%), and Australia and New Zealand (+8.5%). Emerging markets posted organic growth of +5.8% over the period.

Sales in the **Aerospace** segment amounted to **€3,839 million**, up 5.6% compared to the first nine months of 2023 (+5.3% at constant scope and exchange rates). This growth reflected ongoing robust demand in the avionics market, leading the activity to grow mid-single digit plus. It was however mitigated by the low-single digit organic growth of the space business.

Sales in the **Defence & Security** segment totaled **€7,239 million**, up +8.8% compared to the first nine months of 2023 (+8.5% at constant scope and exchange rates). After sustained growth recorded in the first half of the year, this segment confirmed its strong momentum in the third quarter. Growth was driven in particular by land and air systems.

In the **Digital Identity & Security** segment, sales totaled **€2,914 million**, up 15.7% in the first nine months of 2024 (+0.3% at constant scope and exchange rates), including the positive scope effect linked to the acquisitions of Tesserent and Imperva. The stability in organic growth in this segment reflects contrasting trends:

- Banking and Payment solutions, negatively affected by a high comparison basis, continued to suffer from further destocking in North America;
- Steady pace of growth in Cyber and Biometrics activities;
- Continued ramp-up on Connectivity Solutions market, recording double-digit organic growth.

Outlook

Thales continues to benefit from its solid positioning in all its major markets and enjoys robust medium-term outlook, as illustrated by the continued strong sales momentum in the third quarter of 2024.

As a result, assuming there are no major new disruptions in the global economy or global supply chains, Thales confirms its 2024 annual targets:

- A **book-to-bill ratio above 1**;
- **Organic sales growth** of between **+5%** and **+6%**, corresponding to sales in the range of €19.9 billion to €20.1 billion⁶;
- An **EBIT margin** between **11.7%** and **11.8%**.

This press release contains certain forward-looking statements. Although Thales believes that its expectations are based on reasonable assumptions, actual results may differ significantly from the 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).

⁵ See table on page 6.

⁶ Based on September 2024 scope and exchange rates.

About Thales

Thales (Euronext Paris: HO) is a global leader in advanced technologies specialized in three business domains: Defence & Security, Aeronautics & Space, and Cybersecurity & Digital Identity. It develops products and solutions that help make the world safer, greener and more inclusive.

The Group invests close to €4 billion a year in Research & Development, particularly in key innovation areas such as AI, cybersecurity, quantum technologies, cloud technologies and 6G.

Thales has nearly 81,000 employees in 68 countries. In 2023, the Group generated sales of €18.4 billion.

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UPCOMING EVENTS

Capital Markets Day	November 14, 2024
Ex-dividend date	December 3, 2024
Interim dividend payment	December 5, 2024
2024 annual results	March 4, 2025 (before stock market opening)
Annual General Meeting	May 16, 2025

Order intake by destination – 9m 2024

Order intake <i>in € millions</i>	9 months 2024	9 months 2023	Total change	Organic change	9m 2024 weighing as a %
France	3,507	3,141	+12%	+11%	23%
United Kingdom	989	752	+31%	+28%	6%
Rest of Europe	4,006	3,739	+7%	+7%	26%
Subtotal Europe	8,502	7,632	+11%	+11%	55%
United States and Canada	2,034	1,690	+20%	+7%	13%
Australia and New Zealand	878	610	+44%	+34%	6%
Total mature markets	11,413	9,932	+15%	+12%	73%
Asia	2,185	1,442	+52%	+49%	14%
Near and Middle East	1,285	466	+176%	+175%	8%
Rest of the world	667	529	+26%	+25%	4%
Total emerging markets^(a)	4,137	2,437	+70%	+69%	27%
Total all markets	15,551	12,370	+26%	+23%	100%

Sales by destination – 9m 2024

Sales <i>in € millions</i>	9 months 2024	9 months 2023	Total change	Organic change	9m 2024 weighing as a %
France	4,267	3,880	+10.0%	+9.4%	30%
United Kingdom	941	841	+11.9%	+7.9%	7%
Rest of Europe	3,399	3,099	+9.7%	+8.9%	24%
Subtotal Europe	8,607	7,819	+10.1%	+9.0%	61%
United States and Canada	1,927	1,826	+5.5%	-6.4%	14%
Australia and New Zealand	686	578	+18.6%	+8.5%	5%
Total mature markets	11,220	10,224	+9.7%	+6.3%	80%
Asia	1,335	1,205	+10.8%	+6.7%	9%
Near and Middle East	794	760	+4.5%	+3.3%	6%
Rest of the world	719	665	+8.2%	+6.9%	5%
Total emerging markets	2,849	2,630	+8.3%	+5.8%	20%
Total all markets	14,069	12,854	+9.4%	+6.2%	100%

Order intake and sales – Q3 2024

Order intake	Q3 2024	Q3 2023	Total change	Organic change
<i>In € millions</i>				
Aerospace	951	1,054	-10%	-11%
Defence & Security	2,831	1,906	+49%	+48%
Digital Identity & Security	974	837	+16%	+1%
Total – operating segments	4,756	3,797	+25%	+22%
Other	28	10		
Total	4,783	3,807	+26%	+22%

Sales

<i>In € millions</i>				
Aerospace	1,257	1,165	+7.9%	+6.1%
Defence & Security	2,302	2,107	+9.2%	+8.5%
Digital Identity & Security	980	845	+15.9%	+0.1%
Total – operating segments	4,539	4,118	+10.2%	+6.2%
Other	37	21		
Total	4,576	4,138	+10.6%	+6.6%

Organic change in sales by quarter

<i>In € millions</i>	Sales 2023	Exchange rate effect	Impact of disposals	Sales 2024	Impact of acquisitions	Total change	Organic change
1st quarter	4,026	-17	-32	4,421	+131	+7.9%	+9.4%
2nd quarter	4,690	+1	-34	5,071	+211	+3.6%	+6.3%
1st half	8,716	-16	-66	9,493	+342	+5.6%	+7.7%
3rd quarter	4,138	-22	-33	4,576	+226	+10.6%	+6.6%
9 months	12,854	-38	-99	14,069	+568	+9.4%	+6.2%

Main scope effects:

Acquisitions:

- Tesseract
- Imperva
- Cobham Aerospace Communications

Disposal:

- Aeronautical Electrical Systems