

Thales reports its 2024 full-year results

- Order intake: €25.3 billion, up 9% (+6% on an organic basis¹)
- Sales: €20.6 billion, up 11.7% (+8.3% on an organic basis)
- Adjusted EBIT²: €2,419 million, up 13.4% (+5.7% on an organic basis)
- Adjusted net income, Group share²: €1,900 million, up 7%
- Consolidated net income, Group share: €1,420 million, up sharply by 39%
- Free operating cash flow from continuing operations ^{2,3}: €2,142 million, up 9%
- Free operating cash flow²: €2,027 million, stable against 2023
- Dividend⁴ of €3.70 per share, representing 40% of Adjusted net income, Group share
- Non-financial performance: steady progress towards medium to long-term targets
- 2025 objectives:
 - Book-to-bill⁵ above 1
 - Organic sales growth of between +5% and +6%, corresponding to sales between €21.7 billion and €21.9 billion
 - Adjusted EBIT margin between 12.2% and 12.4%

Thales's Board of Directors (Euronext Paris: HO) met on March 3, 2025 to review the 2024 financial statements⁶.

"2024 was once again a year of strong profitable growth for Thales.

Thales, a world leader in advanced technologies in Defence, Aerospace, Cybersecurity and Digital, maintained excellent sales momentum throughout the year, achieving a record order intake of more than €25 billion. The record order book provides unprecedented visibility for all our activities.

Sales exceeded the €20 billion mark with organic growth of 8.3%, above expectations. Defence activities, underpinned by an ongoing increase in the Group's production capacity, the technological excellence of our products and the commitment from all our colleagues, contributed in particular to this performance.

Thales also demonstrated once again its ability to generate profitable growth, with an increase in EBIT in absolute terms and as a percentage, reflecting the strength of its operating leverage. Thanks to its unique business model based on world-class products, systems and services, Thales generated free operating cash flow of more than €2 billion.

Non-financial performance was also remarkable in 2024. The validity of our CSR strategy was acknowledged as Thales joined the CAC 40 ESG index in 2024.

This historic performance is the result of the unfailing commitment of our 83,000 employees, and I would like to thank them sincerely for their dedication to our clients.

¹ In this press release, "organic" means "at constant scope and exchange rates". See note on methodology on page 18 and calculation on page 23.

² Non-GAAP financial indicators, see definitions in the appendices, page 18. The title "EBIT" has been amended to "Adjusted EBIT", in accordance with ESMA's recommendation. **The definition remains unchanged.**

³ Operating free cash flow from continuing operations, excluding the Transport activity sold on May 31, 2024.

⁴ Proposed to the Annual General Meeting on May 16, 2025.

⁵ Ratio of order intake to sales.

⁶ As at the date of this press release, the verification process on the sustainability information is ongoing. With the exception of the possible impact of the conclusions of this process, the audit procedures have been carried out. The audit report will be issued following the Board of Directors' meeting on April 2, after the finalization of the procedures related to sustainability information.

We are starting 2025 with confidence and determination and a positive outlook for the vast majority of our activities. Thales presented its new strategic roadmap in November 2024. By drawing on its unique leadership positions serving growing markets and its ability to innovate and anticipate technological breakthroughs, the Group affirms its ambition to deliver accelerated, profitable and sustainable growth over the coming years, starting in 2025."

Patrice Caine, Chairman & Chief Executive Officer

Key figures

<i>In € millions except earnings and dividend per share (in €)</i>	2024	2023	Total change	Organic change
Order intake	25,289	23,132	+9%	+6%
Order book at end of period	50,602	45,251	+12%	+11%
Sales	20,577	18,428	+11.7%	+8.3%
Adjusted EBIT⁷	2,419	2,132	+13.4%	+5.7%
<i>as a % of sales</i>	<i>11.8%</i>	<i>11.6%</i>	+0.2 pt	-0.3 pt
Adjusted net income, Group share⁷	1,900	1,768	+7%	
Adjusted net income, Group share, per share⁷	9.24	8.48	+9%	
Consolidated net income, Group share	1,420	1,023	+39%	
Free operating cash flow, continuing operations^{7,9}	2,142	1,968	+9%	
Free operating cash flow⁷	2,027	2,026	+0.1%	
Net cash (debt) at end of period⁷	(3,044)	(4,190)	+1,146	
Dividend per share⁸	3.70	3.40	+0.30	

Order intake for the 2024 financial year increased by 9% compared with 2023 at **€25,289 million** and by **+6%** on an **organic** basis (i.e. at constant scope and exchange rates). Commercial performance was once again supported by strong demand in the Defence segment and by continued sustained momentum in the Aerospace segment. As at 31 December 2024, the consolidated **order book** amounted to nearly **€51 billion**, a record level, up by nearly €5.4 billion compared with the end of 2023.

Sales totaled **€20,577 million**, up 11.7% from 2023 (+8.3% in organic growth). This robust growth reflects in particular the solid performance of the Defence business throughout the year.

Adjusted EBIT⁷ stood at **€2,419 million** in 2024 (11.8% of sales), compared with €2,132 million (11.6% of sales) in 2023, an increase of 13.4% (+5.7% organic change).

At **€1,900 million**, **Adjusted net income, Group share⁷** was up +7% compared to 2023.

Consolidated net income, Group share, stood at **€1,420 million**, up sharply by +39% from 2023. This increase can be explained notably by the recognition in 2023 of a non-current and non-recurring expense linked to the implementation of insurance coverage for the Group's commitments under the Thales UK Pension Scheme. These commitments were transferred to Rothesay at the end of 2023.

Free operating cash flow from continuing operations^{7,9} amounted to **€2,142 million**, compared with €1,968 million in 2023. Including the contribution of discontinued operations, **free operating cash flow⁷** amounted to **€2,027 million**, compared with €2,026 million in 2023.

Calculated on the basis of the scope of continuing operations, the cash conversion ratio of Adjusted net income, Group share, into operating free cash flow was 114%. This once again exceptional performance, which saw the cash conversion ratio exceed 100% for the fifth consecutive year, reflects the excellent momentum of new orders, the phasing effects on cash inflows related to contracts' execution and the continued Group's mobilization of its CA\$H! plan aimed at optimizing this conversion ratio.

⁷ Non-GAAP financial indicators, see definitions in the appendices, page 18.

⁸ Proposed to the Annual General Meeting on May 16, 2025.

⁹ Free operating cash flow from continuing operations, excluding the Transport activity sold on May 31, 2024.

In this context, the Board of Directors decided to propose the payment of a **dividend** of **€3.70** per share, corresponding to a payout ratio of 40% of the Adjusted net income, Group share. An interim dividend of €0.85 per share was paid on December 5, 2024. The balance of €2.85 will be paid on May 22, 2025.

Order intake

In € millions	2024	2023	Total change	Organic change
Aerospace	6,434	5,606	+15%	+14%
Defence	14,723	13,944	+6%	+5%
Cyber & Digital	4,032	3,524	+14%	+1%
Total – operating segments	25,189	23,073	+9%	+6%
Other	100	58		
Total	25,289	23,132	+9%	+6%
Of which mature markets ¹⁰	19,010	18,683	+2%	-1%
Of which emerging markets ¹⁰	6,279	4,449	+41%	+39%

Order intake for the 2024 financial year totaled **€25,289 million, up 9%** from 2023 in total change and up +6% at constant scope and exchange rates¹¹. For the fourth consecutive year, the order intake was more than 20% higher than sales (book-to-bill). The book-to-bill ratio was 1.23, flat against 2023, and 1.28 excluding the Cyber & Digital business, where the order intake is structurally very close to sales.

In 2024, Thales signed **35 large orders with a unit value of over €100 million**, representing a total of **€8,674 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);
 - 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);
 - 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.
- Eight large orders booked in Q2 2024:
 - Order for a next generation cloud native “FLYTEDGE” InFlight Entertainment System for a major worldwide airline;
 - Order by SKY Perfect JSAT to Thales Alenia Space of JSAT-31, a new generation of satellite reconfigurable in orbit using Space INSPIRE technology;
 - 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 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;
 - 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;
 - Order by an Asian customer of latest-generation Ground Master 400 Alpha long-range air surveillance radars;

¹⁰ Mature markets: Europe, North America, Australia, New Zealand; emerging markets: all other countries. See table on page 22.

¹¹ Taking into account a currency effect of €49 million and a net scope effect of €625 million.

- Order by France's Joint Munitions Command (SiMu) of tens of thousands of 120mm rifled ammunition.
- Seven major orders recorded in Q3 2024:
 - Notification by the DGA of the second tranche of the development of the future RBE2 XG radar for the Rafale F5;
 - 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;
 - Order for the renovation of an air traffic management system;
 - Order from the UK Ministry of Defence for the supply of Lightweight Multi-role Missiles (LMM) to strengthen Ukraine's air defence capabilities;
 - Order of LMM for the British armed forces;
 - Order for the supply of Ground Fire multifunction radar and engagement modules following France's acquisition of seven SAMP/T NG air defence systems;
 - Order for the supply of communications, vetronics, navigation and optronics equipment for vehicles in the French Army's SCORPION program.
- Sixteen large orders booked in Q4 2024:
 - Order for the supply of a satellite for the European Space Agency's EnVision scientific mission to understand the planet Venus;
 - Contract amendment signed with OHB System for the payload of the third satellite of the European CO2M mission focused on CO₂ emissions generated by human activity;
 - Amendment to the contract with the European Space Agency for the development of the ESPRIT communications and refueling module for the future lunar space station, Gateway;
 - Order for the development of the world's first quantum key distribution (QKD) system from geostationary orbit, in collaboration with Hispasat;
 - Contract with the Mohammed Bin Rashid Space Centre to develop the Emirates Airlock Module on board the future lunar space station Gateway;
 - Entry into force of the contract for the supply of 12 Rafale to Serbia;
 - Order from Naval Group for the supply of equipment for the submarine delivery contract in the Netherlands;
 - Order under the AJISS contract to provide In-Service Support to Royal Canadian Navy ships;
 - Order for the development and production of 430 new-generation MICA-NG interception, combat and self-defence missile seekers;
 - Order from the UK Ministry of Defence for the development and preparation of large-scale production of STARStreak HVMs (High Velocity Missiles) for the armed forces;
 - Order from the French Air Navigation Services Directorate (DSNA) aimed at improving the 4-Flight air traffic management system;
 - Amendment to the CONTACT contract with the DGA providing the armed forces with a range of software-defined radios designed for collaborative combat;
 - Order from the UK Ministry of Defence to ensure the permanence and maneuverability of the Royal Navy's operational communications;
 - Order from the DGA as part of the SYRACUSE IV program to equip the French army's SCORPION vehicles with Thales' secure satellite communications solution;
 - Order from the DGA for the design, delivery and maintenance of a resilient communication system;
 - Order from the DGA to produce an encryption key management and distribution system and key injector for the Ministry of the Armed Forces.

With a total amount of **€16,615 million**, order intake **with a unit value of less than €100 million** continued to record favorable momentum.

Geographically¹², order intake in mature markets amounted to €19,010 million, very close to that recorded in 2023, which though included the £1.8 billion MSET contract in the United Kingdom. Sales

¹² See table on page 22.

momentum elsewhere was also solid, particularly in the rest of Europe (up by 16% on an organic basis) and in Australia and New Zealand (up by 13% on an organic basis). Order intake in emerging markets was up sharply in 2024, amounting to €6,279 million (+39% at constant scope and exchange rates) thanks to continued strong momentum in the Near and Middle East (with an organic increase of 80%).

Order intake in the **Aerospace** segment totaled **€6,434 million** compared to €5,606 million in 2023 (+14% at constant scope and exchange rates). This solid growth reflects several trends.

- The different segments of the Avionics market continued to record sustained demand in 2024;
- The Space business posted sustained growth in order intake, including five orders with a unit value of more than €100 million recorded in the fourth quarter, four of which in OEN (Observation, Exploration & Science and Navigation) activities.
- At December 31, 2024, the segment's order book stood at €10.5 billion, up 13% from 2023.

At **€14,723 million** compared to €13,944 million in 2023, order intake in the **Defence** segment set a new record (+5% at constant scope and exchange rates). The book-to-bill ratio was 1.34, above 1.2 for the sixth consecutive year. This high level is explained by continued strong demand in all activities, with twenty-seven contracts with a unit value of more than €100 million recorded in 2024. The segment's order book reached a new record at **€39.2 billion** (up 12%), corresponding to 3.6 years of sales, offering strong visibility for the years ahead.

At **4,032 million**, order intake in the **Cyber & Digital** segment was structurally very close to sales as most business lines in this segment operate on short sales cycles. The order book is therefore not significant.

Sales

In € millions	2024	2023	Total change	Organic change
Aerospace	5,471	5,221	+4.8%	+2.9%
Defence	10,969	9,628	+13.9%	+13.3%
Cyber & Digital	4,024	3,504	+14.8%	+1.4%
Total – operating segments	20,463	18,353	+11.5%	+8.1%
Other	113	75	+50.0%	+52.9%
Total	20,577	18,428	+11.7%	+8.3%
Of which mature markets ¹³	16,303	14,615	+11.6%	+7.9%
Of which emerging markets ¹³	4,273	3,814	+12.1%	+9.6%

Note: full-year 2023 figures have been restated to reflect the transfer of cyber civil activities from the Defence segment to the Cyber & Digital segment.

Sales for the 2024 financial year totaled **€20,577 million**, compared to €18,428 million in 2023, up 11.7% in total change and 8.3% in organic terms (at constant scope and exchange rates¹⁴), driven in particular by the robust performance of the Defence segment.

Geographically¹⁵, sales recorded solid growth in both mature markets (+7.9% in organic terms) and emerging markets (+9.6% in organic terms), driven by double-digit growth in Asia.

Sales in the **Aerospace** segment totaled **€5,471 million**, up 4.8% from 2023 (+2.9% at constant scope and exchange rates). Momentum in this segment reflects contrasting trends:

- The Avionics business posted mid-single digit organic growth in 2024, notably driven by strong momentum in both original equipment activities and aftermarket services, with a return to pre-Covid levels in air traffic. However, as expected, the fourth quarter was impacted by delays in aircraft deliveries to airlines, which postponed in-flight entertainment (IFE) sales;
- As expected, sales were almost flat in the Space business. The telecommunications segment continued to be impacted by structurally lower demand in the geostationary satellite market. Conversely, trends remain positive for OEN activities.

Sales in the **Defence** segment totaled **€10,969 million**, up 13.9% from 2023 (+13.3% at constant scope and exchange rates). This strong growth came against a backdrop of steady growth in the Group's production capacity, enabling it to meet high demand in all product lines. Growth was notably driven by land and air systems, such as tactical vehicles and systems or surface radars. The fourth quarter of 2024 also benefited from favorable cut-off effects.

At **€4,024 million**, sales in the **Cyber & Digital** segment increased by 1.4% at constant scope and exchange rates (and +14.8% in total change including the positive scope effect of the acquisitions of Imperva and Tesserent). This moderate organic sales growth reflects different trends depending on the activities:

- Strong momentum continued for cyber businesses, including a strong performance from Imperva;
- Against a high comparison basis in 2023, payment services sales were impacted by destocking by our customers in North America;

¹³ Mature markets: Europe, North America, Australia, New Zealand; emerging markets: all other countries. See table on page 22.

¹⁴ The calculation of the organic change in sales is shown on page 23.

¹⁵ See table on page 22.

- Lastly, the digitalization of secure connectivity solutions maintained its strong growth. Sales generated in fully digital connectivity solutions (including eSIMs and on-demand connectivity platforms) recorded double-digit organic growth and accounted for more than half of sales of this secure connectivity solutions business in 2024.

Results

Adjusted EBIT	2024	2023	Total change	Organic change
<i>In € millions</i>				
Aerospace	391	369	+6.0%	-13.9%
as a % of sales	7.2%	7.1%	+0.1 pts	-1.1 pts
Defence	1,432	1,270	+12.7%	+13.0%
as a % of sales	13.1%	13.2%	-0.1 pts	-0.0 pts
Cyber & Digital	585	491	+19.2%	-0.8%
as a % of sales	14.5%	14.0%	+0.5 pts	-0.3 pts
Total – operating segments	2,408	2,130	+13.1%	+5.2%
as a % of sales	11.8%	11.6%	+0.2 pts	-0.3 pts
Other – excluding Naval Group	-83	-89		
Total – excluding Naval Group	2,326	2,041	+14.0%	+5.9%
as a % of sales	11.3%	11.1%		
Naval Group (share at 35%)	93	91		
Total	2,419	2,132	+13.4%	+5.7%
as a % of sales	11.8%	11.6%		

For 2024, the Group posted **Adjusted EBIT¹⁶** of **€2,419 million**, or 11.8% of sales, compared to €2,132 million (11.6% of sales) in 2023.

The **Aerospace** segment recorded Adjusted EBIT of €391 million (7.2% of sales), compared with €369 million (7.1% of sales) in 2023. The segment's Adjusted EBIT margin is driven by the Avionics business, which posted a double-digit margin and improving, including the contribution of Cobham AeroComms. However, Space activities weighed on the segment's margin, recording as expected a negative Adjusted EBIT margin in 2024 resulting from several factors: an expected increase in R&D spending, restructuring costs linked to the adaptation plan announced in March 2024 and the impact of inflation not reflected on past contracts.

Adjusted EBIT for the **Defence** segment amounted to **€1,432 million**, compared with €1,270 million in 2023 (an increase of +13.0% at constant scope and exchange rates). The margin for this segment was stable at 13.1%, compared to 13.2% in 2023.

At **€585 million** (14.5% of sales), Adjusted EBIT in the **Cyber & Digital** segment recorded solid growth in both value and margin. The improvement in profitability was notably due to the successful integration of Imperva and the robust margin on payment services and secure connectivity solutions for mobile networks in highly competitive markets.

Naval Group's contribution to the Group's Adjusted EBIT amounted to **€93 million** in 2024, compared with €91 million in 2023.

At **-€166 million**, compared with €2 million in 2023, **net financial interest** increased sharply, as expected. This increase was mainly linked to the substantial rise in debt following the acquisitions made in 2023. **Other adjusted financial income¹⁶** stood at **€35 million** in 2024 versus -€37 million in 2023, reflecting the exceptional positive impact of dividends on non-consolidated affiliates and foreign exchange gains. The **adjusted financial expense on pensions and other long-term employee benefits¹⁶** improved significantly (**-€49 million** compared with -€76 million in 2023),

¹⁶ Non-GAAP financial indicator, see definition in the appendices, page 18 and calculation, pages 20 and 21.

reflecting the removal of the interest expense following the transfer of UK pension obligations in December 2023.

At **€21 million**, compared with €105 million in 2023, the **Adjusted net income, Group share, from discontinued operations**¹⁶ was in line with trends in the Transport business, which was sold on May 31, 2024.

As a result, **Adjusted net income, Group share**¹⁶ was **€1,900 million**, compared to €1,768 million in 2023, after an adjusted income tax charge¹⁶ of -€427 million, compared to -€370 million in 2023. At 20.4% in 2024 compared to 20.1% in 2023, the effective tax rate was stable.

The **Adjusted net income, Group share, per share**¹⁶ amounted to €9.24, up **9%** from 2023 (€8.48).

Consolidated net income, Group share, stood at **€1,420 million**, up **39%** from 2023. This increase can be explained notably by the recognition in 2023 of a non-current and non-recurring expense linked to the implementation of insurance coverage for the Group's commitments under the Thales UK Pension Scheme.

Financial position at December 31, 2024

<i>in € millions</i>	2024	2023	Change
Operating cash flow before interest and tax	3,175	2,704	+471
+ Change in working capital and provisions for contingencies	26	173	-147
+ Payment of pension contributions, excluding contributions related to the reduction of the UK pension deficit	(117)	(103)	-14
+ Net financial interest received (paid)	(140)	11	-151
+ Income tax paid	(185)	(195)	+10
+ Net operating investments	(617)	(622)	+5
Free operating cash flow, continuing operations	2,142	1,968	+174
+ Free operating cash flow, discontinued operations	(116)	57	-173
Free operating cash flow	2,027	2,026	+1
+ Net balance of disposals (acquisitions) of subsidiaries and affiliates	359	(3,464)	+3,823
+ Contributions related to the reduction of the UK pension deficit	(13)	(1,078)	+1,066
+ Dividends paid	(708)	(634)	-75
+ Share buyback (program approved in March 2022)	(176)	(461)	+285
+ New lease liabilities (IFRS 16)	(143)	(166)	+24
+ Other	(199)	(378)	+179
Change in net cash (debt)	1,146	(4,155)	+5,301
Net cash (debt) at start of period	(4,190)	(35)	-4,155
+ Change in net cash (debt)	1,146	(4,155)	+5,301
Net cash (debt) at end of period	(3,044)	(4,190)	+1,146

Free operating cash flow¹⁷ amounted to **€2,027 million** compared to €2,026 million in 2023. It included a contribution of €2,142 million from continuing operations and -€116 million from discontinued operations. For continuing operations, the cash conversion ratio of Adjusted net income, Group share, into free operating cash flow was 114%.

The **net balance of acquisitions and disposals of subsidiaries and affiliates** amounted to **€359 million**. Under its acquisition strategy, the Group completed two major operations in 2024:

- The acquisition (on April 2, 2024) of **Cobham Aerospace Communications**, a leading supplier of cutting-edge technologies enabling flexible, integrated and more-autonomous avionics systems, based primarily in the United States and generating sales of approximately \$200 million in 2023 (see press releases dated July 12, 2023 and April 2, 2024);
- The sale (on 31 May 2024) to Hitachi Rail of the **Transport** business, a global leader in rail signaling and train control systems, telecommunications and supervision systems, and fare collection solutions (see press releases dated August 4, 2021 and May 31, 2024). This business generated sales of €1,822 million in 2023.

As part of the **share buyback program** covering a maximum of 3.5% of the capital announced in March 2022 and completed in March 2024, 1,245,757 shares were repurchased during 2024, representing 0.6% of the share capital, for **€176 million**. The Group repurchased a total of 7,469,396 shares under this program, 3.5% of the share capital.

¹⁷ Non-GAAP financial indicator, see definition in the appendices, page 18.

At December 31, 2024, **net debt** amounted to **€3,044 million** compared with €4,190 million at December 31, 2023. This decrease reflects the impact of free operating cash flow generation, acquisitions and disposals for -€359 million (€3,464 million in 2023), the payment of €708 million in dividends (€634 million in 2023), new lease liabilities for €143 million (€166 million in 2023) and the share buyback program.

Equity, Group share amounted to **€7,515 million**, compared with €6,830 million at December 31, 2023. This increase reflects the positive contribution of consolidated net income, Group share (€1,420 million) less the dividend payout (-€708 million) and share buybacks (-€176 million).

Non-financial performance

	Target	2024	2023
Reduction in scope 1 and 2 CO ₂ emissions, absolute value	2030: -50% vs. 2018	-56.8%	-57.3%
Reduction in scope 3 CO ₂ emissions, absolute value	2030: -15% vs. 2018	-24.7%	-24.4%
Thales Climate Passport Training	2024: 50% trained	67.4%	
Percentage of women at the highest levels of responsibility	2026: 22.5%	21.1%	20.4%
Management committees with at least 4 women	2026: 75%	61.5%	52.6%
Anti-corruption training for relevant persons	Each year: 100%	100%	100%
% of Group sales generated by certified entities ISO 37001 Anti-bribery management systems		64%	58%

In line with its corporate purpose of "Building a future we can all trust", Thales has set itself the ambition in terms of Corporate Social Responsibility (CSR): to contribute to a safer, greener and more inclusive world. First, the Group will seek to maximize the contribution of its portfolio of solutions to the planet and society. Secondly, Thales has set itself ambitious targets on three main priorities:

- The fight against global warming;
- Strengthening gender diversity at all levels;
- The implementation of the best standards in terms of ethics and compliance.

In terms of the **fight against global warming**, scope 1 & 2 CO₂ emissions fell by 56.8% in 2024 compared to 2018 and scope 3 emissions fell by 24.7% compared to 2018. The Group has thus achieved its 2030 targets ahead of schedule for the second consecutive year. The absolute value reduction targets for carbon footprint remain relevant for 2030 given the Group's growth prospects. To raise employee awareness to climate change and its impacts on society and on the Group, a voluntary training named "Thales Climate Passport" was deployed in 2024 with the aim of training 50% of managers. Over 67.4% of managers, representing around 35,000 employees, completed this training course in 2024, demonstrating the great success of this training.

With regard to **strengthening diversity**, Thales has set itself an ambitious target for 2026 to have 75% of management committees with at least 4 women. Thus, at the end of 2024, 61.5% of the Group's management committees had at least 4 women, compared to 52.6% at the end of 2023. The highest levels of responsibility comprised 21.1% women at the end of 2024^[1]; a performance in line with the Group's trajectory to reach the set goal of 22.5% by 2026 (compared to 20.4% at the end of 2023 and 16.6% at the end of 2018).

In the area of **ethics and compliance**, 100% of employees concerned by the 2024 anti-corruption training campaign have been trained, demonstrating the Group's continuous commitment to train all employees potentially exposed to risk situations. In 2024, the ISO 37001 certification "Anti-bribery management systems" was renewed for 3 years and extended to Germany, Australia, and New Zealand after Canada and the United States in 2023, and the United Kingdom and the Netherlands in 2022. Thus, in 2024, the revenue generated by certified entities represents 64% of the Group's revenue (vs. 58% in 2023).

[1] Percentage of women in the total workforce: 27.4%.

Proposed dividend

The Board of Directors decided to propose to the shareholders, who will convene at the Annual General Meeting on May 16, 2025, the payment of a **dividend** of **€3.70** per share. This corresponds to a payout ratio of 40% of the Adjusted net income, Group share, per share.

If approved, the ex-dividend date will be May 20, 2025, and the payment date will be May 22 2025. This dividend will be paid fully in cash and will amount to €2.85 per share, after deducting the interim dividend of €0.85 per share paid in December 2024.

Outlook

Thales is embarking on 2025 with confidence, bolstered by good visibility in the vast majority of its activities.

In 2025, the Avionics business will be driven by both the original equipment and aftermarket services activities, the continued growth of the Cobham AeroComms business, and the gradual recovery of the IFE business. In the Space business, the outlook remains positive, particularly in the Observation, Exploration & Science, Navigation and military telecommunications activities. However, the structural weakness of demand in the geostationary satellite market will dampen the growth of this activity. Thales will continue to implement its cost adaptation plan, with the objective of an Adjusted EBIT margin of 7%+ in the Space business in 2028.

The **Defence** segment, which enjoys a record order book, will be further supported by strong demand in 2025, against a backdrop of increasing military spending, particularly in the geographical areas where the Group operates. With the increase in its production capacity over the past several years and a portfolio of premium solutions incorporating differentiating leading technologies, Thales is ideally positioned to meet its customers' needs.

Lastly, the **Cyber and Digital** segment will benefit from positive momentum in 2025, supported by Thales' unique positioning and leadership. The continued development of Imperva will strengthen the differentiating value proposition in cybersecurity activities in order to take advantage of the buoyant environment. The payment services business is also expected to gradually return to growth.

The Group expects net investment expenses to slightly exceed €700 million in 2025 (after €617 million in 2024) to meet the need to increase production capacity, particularly in the Defence business.

As a result, Thales sets the following targets for 2025:

- A book-to-bill ratio above 1;
- Organic sales growth of between +5% and +6%, corresponding to sales in the range of €21.7 billion to €21.9 billion;
- An Adjusted EBIT¹⁸ margin between 12.2% and 12.4%, up 40 to 60 basis points from 2024.

The Group also expects to maintain a high cash conversion ratio of between 95% and 100% in 2025.

Note: assuming no new major disruptions of macroeconomic and geopolitical context; including tariff increase.

¹⁸ The title "EBIT" has been amended to "Adjusted EBIT", in accordance with ESMA's recommendation. **The definition remains unchanged.**

Impact of new tax measures in France

Following the adoption of the 2025 budget, which introduces various tax changes, the impacts for the Thales Group are as follows:

- An additional tax expense of ~€80 million related to the temporary additional corporate tax charge, giving rise to an additional tax of 41.2% in 2025, resulting in an overall tax rate of 36.13% (instead of the current rate of 25.83%);
- ~€8 million in taxes payable on share cancellations made in October 2024 as part of the share buyback program.

The temporary additional contribution to corporate tax for Naval Group could have a negative impact of around €8 million on Thales' Adjusted EBIT in 2025.

These different impacts will represent an equivalent cash outflow in 2025.

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).

About Thales

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

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

Thales has more than 83,000 employees in 68 countries. In 2024, the Group generated sales of €20.6 billion.

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Appendices

Note on methodology

In this press release, 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 changes are calculated based on underlying amounts.

“Organic change” measures the movement in monetary indicators excluding the effects of changes in exchange rates and scope of consolidation. It is obtained by calculating the difference between the indicator for the previous year discounted at the exchange rates applicable for the current year for entities whose reporting currency is not the euro, less the contribution of entities divested during the current year, and the value of the indicator for the current year, less the contribution of entities acquired during the current year. The calculation of organic change in sales is detailed on page 23.

Definitions of non-GAAP financial indicators

In order to facilitate the monitoring and benchmarking of its financial and operating performance, the Group presents three key non-GAAP indicators, which exclude non-operating and/or non-recurring items. They are determined as follows:

- **Adjusted EBIT**, an adjusted operating indicator, corresponds to income from operations plus the share in the net income of equity affiliates, before the impact of entries recorded as part of business combinations (amortization of assets valued when determining the purchase price allocation, other expenses directly related to acquisitions). In application of IFRS5, it does not include the contribution to EBIT from discontinued operations.
- **Adjusted net income** corresponds to net income, excluding the following items and net of the corresponding tax effects:
 - Amortization of assets valued when determining the purchase price allocation (business combinations);
 - Expenses recognized in income from operations or in finance costs that are directly related to business combinations;
 - Gains and losses on disposals of assets, changes in scope and other;
 - Impairment of assets;
 - Changes in the fair value of derivative instruments (recognized under “Other financial income and expenses” in the consolidated financial statements);
 - Actuarial gains (losses) on long-term benefits (recognized under “Finance costs on pensions and other long-term employee benefits” in the consolidated financial statements).

In accordance with IFRS5, this indicator includes net income from discontinued operations, after deduction of the corresponding adjustment items.

- **Free operating cash flow** corresponds to the net cash flow from operating activities before contributions to reduce the pension deficit in the United Kingdom, and after deducting net operating investments.

To facilitate comparison with Adjusted net income, free operating cash flow is obtained by summing free cash flow from continuing operations and free cash flow from discontinued operations.

Defining Adjusted EBIT and Adjusted net income involves defining other indicators in the **adjusted income statement**: adjusted cost of sales, adjusted gross margin (corresponding to the difference between sales and the adjusted cost of sales), adjusted indirect costs, other adjusted financial income, adjusted financial income on pensions and long-term employee benefits, adjusted income tax, Adjusted net income, Group share, per share, calculated as described on pages 20 and 21.

Net cash (debt) corresponds to the difference between the sum of the “Cash and cash equivalents” and “Current financial assets” items, investments including the assets taken over from

UK pension funds, and short- and long-term borrowings, after deduction of interest rate hedging derivatives. From January 1, 2019, it incorporates the lease liability recorded in the balance sheet pursuant to IFRS 16. Its calculation appears in Note 6.2 to the consolidated financial statements.

Please note that only the consolidated financial statements as of December 31, 2024 are audited by the statutory auditors, including Adjusted EBIT, the calculation of which is outlined in Note 2 "Segment information", net cash (debt), the definition of which appears in Note 13a) "Presentation of the financial statements", free operating cash flow from continuing operations, the definition of which is specified in Note 13a) "Presentation of the financial statements" and the calculation in Note 6.3 "Changes in net debt", and free operating cash flow from discontinued operations, the calculation of which is set out in Note 1.3 "Disposal of Transportation business". Adjusted financial information other than that provided in the notes to the consolidated financial statements is subject to the verification procedures applicable to all information included in this press release.

The impact of these adjustment entries on the profit and loss accounts at December 31, 2024, and at December 31, 2023, is detailed in the tables on pages 20 and 21. The calculation of free operating cash flow is detailed on page 12.

Adjusted income statement, Adjusted EBIT and Adjusted net income – 2024

In € millions except earnings per share (in €)	Consolidated income statement 2024	Adjustments				Adjusted income statement 2024
		(1)	(2)	(3)	(4)	
Sales	20,577	—	—	—	—	20,577
Cost of sales	(15,203)	573	—	—	—	(14,630)
Research and development expenses	(1,274)	—	—	—	—	(1,274)
Marketing and selling expenses	(1,590)	—	—	—	—	(1,590)
General and administrative expenses	(693)	—	—	—	—	(693)
Restructuring costs	(118)	—	—	—	—	(118)
Income from operations	1,699	573	—	—	—	2,272
Share in net income of equity affiliates	95	52	—	—	—	147
Income from operations, including net income of equity affiliates	1,794	—	—	—	—	N/A
Adjusted EBIT	N/A	625	—	—	—	2,419
Gains and losses on disposals of assets, changes in scope and other	(279)	—	279	—	—	—
Impairment of assets	(158)	—	158	—	—	—
Net financial interest	(166)	—	—	—	—	(166)
Other financial income and expenses	39	—	—	(4)	—	35
Finance costs on pensions and other long-term employee benefits	(51)	—	—	—	3	(49)
Income tax	(247)	(143)	(38)	1	(1)	(427)
<i>Effective income tax rate*</i>	22.8%	—	—	—	—	20.4%
Net income from continuing operations	932	482	399	(3)	2	1,812
Net income from discontinued operations	412	—	(393)	2	—	21
Net income	1,344	482	6	(1)	2	1,833
Non-controlling interests	75	(8)	—	—	—	67
Net income, Group share	1,420	474	6	(1)	2	1,900
Average number of shares (thousands)	205,523	—	—	—	—	205,523
Net income, Group share, per share (in €)	6.91	—	—	—	—	9.24

(*) Income tax divided by net income before income tax and before share in net income of equity affiliates.

Adjustments (see definitions on pages 18 and 19):

- (1) Impact of business combinations: amortization of assets valued as part of the purchase price allocation, other expenses directly related to acquisitions and disposals.
- (2) Income from disposals of assets, changes in scope and other, and impairment losses on non-current assets.
- (3) Change in fair value of foreign exchange derivatives.
- (4) Actuarial gains (losses) on long-term benefits.

Adjusted income statement, Adjusted EBIT and Adjusted net income – 2023

In € millions except earnings per share (in €)	Consolidated income statement 2023	Adjustments				Adjusted income statement 2023
		(1)	(2)	(3)	(4)	
Sales	18,428	—	—	—	—	18,428
Cost of sales	(13,662)	390	—	—	—	(13,272)
Research and development expenses	(1,108)	—	—	—	—	(1,108)
Marketing and selling expenses	(1,384)	—	—	—	—	(1,384)
General and administrative expenses	(621)	—	—	—	—	(621)
Restructuring costs	(91)	—	—	—	—	(91)
Income from operations	1,562	390	—	—	—	1,952
Share in net income of equity affiliates	147	32	—	—	—	180
Income from operations, including net income of equity affiliates	1,710	—	—	—	—	N/A
Adjusted EBIT	N/A	422	—	—	—	2,132
Gains and losses on disposals of assets, changes in scope and other	(388)	—	388	—	—	—
Impairment of assets	—	—	—	—	—	—
Net financial interest	2	—	—	—	—	2
Other financial income and expenses	(65)	—	—	28	—	(37)
Finance costs on pensions and other long-term employee benefits	(78)	—	—	—	2	(76)
Income tax	(252)	(97)	(14)	(5)	—	(370)
Effective income tax rate*	24.4%	—	—	—	—	20.1%
Net income from continuing operations	929	325	373	22	1	1,651
Net income from discontinued operations	74	—	20	11	—	105
Net income	1,003	325	394	33	1	1,756
Non-controlling interests	21	(8)	—	—	—	13
Net income, Group share	1,023	317	394	33	1	1,768
Average number of shares (thousands)	208,507	—	—	—	—	208,507
Net income, Group share, per share (in €)	4.91	—	—	—	—	8.48

(*) Income tax divided by net income before income tax and before share in net income of equity affiliates.

Adjustments (see definitions on pages 18 and 19):

- (1) Impact of business combinations: amortization of assets valued as part of the purchase price allocation, other expenses directly related to acquisitions and disposals.
- (2) Income from disposals of assets, changes in scope and other, and impairment losses on non-current assets.
- (3) Change in fair value of foreign exchange derivatives.
- (4) Actuarial gains (losses) on long-term benefits.

Order intake by destination – 2024

	2024	2023	Total change	Organic change	2024 weighting as a %
<i>In € millions</i>					
France	6,229	6,132	+2%	+1%	25%
United Kingdom	1,682	3,095	-46%	-48%	7%
Rest of Europe	7,292	6,248	+17%	+16%	29%
Subtotal Europe	15,203	15,476	-2%	-3%	60%
United States and Canada	2,796	2,368	+18%	+5%	11%
Australia and New Zealand	1,011	839	+21%	+13%	4%
Total mature markets	19,010	18,683	+2%	-1%	75%
Asia	2,990	2,403	+24%	+22%	12%
Near and Middle East	2,263	1,246	+82%	+80%	9%
Rest of the world	1,027	799	+28%	+28%	4%
Total emerging markets	6,279	4,449	+41%	+39%	25%
Total all markets	25,289	23,132	+9%	+6%	100%

Sales by destination – 2024

	2024	2023	Total change	Organic change	2024 weighting as a %
<i>In € millions</i>					
France	5,932	5,437	+9.1%	+8.3%	29%
United Kingdom	1,355	1,208	+12.2%	+7.6%	7%
Rest of Europe	5,155	4,578	+12.6%	+11.4%	25%
Subtotal Europe	12,442	11,223	+10.9%	+9.5%	60%
United States and Canada	2,921	2,581	+13.2%	+1.1%	14%
Australia and New Zealand	940	812	+15.8%	+8.3%	5%
Total mature markets	16,303	14,615	+11.6%	+7.9%	79%
Asia	1,977	1,728	+14.4%	+10.3%	10%
Near and Middle East	1,210	1,111	+8.9%	+7.6%	6%
Rest of the world	1,086	974	+11.5%	+10.5%	5%
Total emerging markets	4,273	3,814	+12.1%	+9.6%	21%
Total all markets	20,577	18,428	+11.7%	+8.3%	100%

Order intake and sales – Q4 2024

Order intake	Q4 2024	Q4 2023	Total change	Organic change
<i>In € millions</i>				
Aerospace	2,796	2,204	+27%	+23%
Defence	5,773	7,540	-23%	-25%
Cyber & Digital	1,127	993	+13%	+5%
Total – operating segments	9,695	10,737	-10%	-12%
Other	44	25		
Total	9,739	10,761	-10%	-12%

Sales	Q4 2024	Q4 2023	Total change	Organic change
<i>In € millions</i>				
Aerospace	1,632	1,587	+2.8%	-2.4%
Defence	3,730	2,977	+25.3%	+23.9%
Cyber & Digital	1,110	986	+12.5%	+4.1%
Total – operating segments	6,471	5,550	+16.6%	+12.9%
Other	37	24		
Total	6,508	5,574	+16.7%	+13.0%

Organic change in sales by quarter

	Sales 2023	Exchange rate effect	Impact of disposals	Sales 2024	Impact of acquisitions	Total change	Organic change
<i>In € millions</i>							
Q1	4,026	(17)	(32)	4,421	+131	+9.8%	+7.9%
Q2	4,690	1	(34)	5,071	+211	+8.1%	+4.4%
H1	8,716	(16)	(66)	9,493	+342	+8.9%	+6.0%
Q3	4,138	(22)	(33)	4,576	+226	+10.6%	+6.6%
Q4	5,574	22	(1)	6,508	+182	+16.7%	+13.0%
FY	18,428	(15)	(100)	20,577	+749	+11.7%	+8.3%

Main scope effects on sales

	Q1	Q2	Q3	Q4	2024
<i>In € millions</i>					
Acquisitions					
Aerospace		59	60	75	194
Cobham AeroComms		59	60	75	194
Defence		6	13	25	44
Get Sat		6	12	15	33
Other			1	10	11
Cyber & Digital	131	146	154	80	511
Imperva	116	127	136	80	459
Tesseract	15	19	18	0	52
Total acquisitions	131	211	226	182	749
Disposals					
Aerospace	(31)	(33)	(33)	0	(97)
Aeronautical electrical systems business	(31)	(33)	(33)	0	(97)
Defence					
Cyber & Digital	(1)	(1)	(1)	(1)	(4)
Other	(1)	(1)	(1)	(1)	(4)
Total disposals	(32)	(34)	(33)	(1)	(100)
Net impact	100	176	193	181	649