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Half-yearly financial report 2026

Report on business activity

Consolidated financial statements

HALF-YEARLY FINANCIAL REPORT 2026

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The English language version of this report is a free translation from the original, which was prepared and filed with the AMF in French language. All possible care has been taken to ensure that the translation is an accurate presentation of the original. However, in all matters of interpretation, views or opinion expressed in the original language version of the report in French take precedence over the translation.

Declaration by person responsible for the half-yearly financial report

I certify that, to the best of my knowledge, the condensed financial statements at 30th June 2026 have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the company and of all the entities taken as a whole included in the consolidation, and that the attached half-yearly business report presents a fair view of the significant events that occurred during the first six months of the financial year, their impact on the financial statements, the main related party transactions as well as a description of the main risks and uncertainties for the remaining six months of the financial year.

Meudon, 23rd July 2026

Patrice Caine
Chairman & Chief Executive Officer

THALES
Building a future we can all trust

Report on 2026 first half business activity and results

Key figures[1]

In € millions *except earnings per share (in €)*	H1 2026	H1 2025	Total change	Organic change
Order intake	**12,471**	**10,352**	+21%	+22%
Order book at end of period	**52,434**	**50,038**	+5%	+4%
Sales	**10,949**	**10,265**	+6.7%	+7.8%
Adjusted EBIT[2]	**1,372**	**1,248**	+9.9%	+11.4%
as a % of sales	*12.5%*	*12.2%*	*+0.4 pts*	*+0.4 pts*
Adjusted net income, Group share[2]	**990**	**877**	+13%	
Adjusted net income, Group share, per share[2]	**4.82**	**4.27**	+13%	
Net income, Group share	**485**	**664**	(27)%	
Free operating cash flow[2]	**1,865**	**499**	+1,366	
Net cash (debt) at end of period[2]	**(519)**	**(3,427)**	+2,908	

Thales' commercial momentum remained particularly strong in the first half of 2026, with **order intake** reaching **€12,471 million**, up 21% year-on-year compared with the first half of 2025 (**+22% at constant scope and exchange rates**). This sharp progression, driven in particular by the Defence and Space segments, reflects the quality and relevance of the Group's business portfolio. The consolidated **order book** as of June 30, 2026 stood at **€52 billion**, up 5% compared with the first half of 2025, despite the removal of the order book of the orders related to the F126 programme in Germany as well as several orders in Space.

Sales totaled **€10,949 million**, up 6.7% in total change (**+7.8% at constant scope and exchange rates**) compared with the first half of 2025. This sales growth was notably supported by continued double-digit growth in Defence activities. Excluding non-recurring items impacting Space activities, organic sales growth reached +9.6% for the first half.

The Group reported an **Adjusted EBIT** of **€1,372 million** for the first half of 2026, compared with €1,248 million in the first half of 2025, up +9.9% (+11.4% on an organic basis). The Adjusted EBIT margin

[1] In order to enable better monitoring and benchmarking of its financial and operating performance, Thales presents adjusted data, including Adjusted EBIT and Adjusted net income, non-GAAP measures, which exclude non-operating and non-recurring items. Details of the adjustments are given in the "**Presentation of financial information**" in this report.
[2] Non-GAAP financial indicators, see definitions in the "**Presentation of financial information**" section.

reached 12.5% of sales, showing solid improvement compared with the first half of 2025 (12.2% of sales).

At **€990 million**, **Adjusted net income, Group share**, increased by 13% year-on-year. It includes an additional temporary contribution to corporate tax in France amounting to €57 million.

Net income, Group share amounted to €485 million in the first half of 2026, compared with €664 million last year. This evolution takes into account an exceptional charge linked to the termination of the F126 frigates programme by the German Ministry of Defence, for an impact of €331 million on the Net income, Group share for the first half of 2026.

Free operating cash flow in the first half of 2026 was significant, amounting to **€1,865 million**, compared with €499 million in the first half of 2025. This exceptional increase is driven by a significant improvement in the change in working capital requirement compared with June 30, 2025. It results from the Group's strong momentum in order intake as well as a favourable phasing of customer payments, reflecting sound management and rigorous project execution.

Net debt stood at **€519 million** as of June 30, 2026, compared with €1,618 million as of December 31, 2025 and €3,427 million as of June 30, 2025.

Presentation of financial information

Accounting policies

Thales' condensed interim consolidated financial statements for the six months ended 30 June 2026 have been prepared in accordance with the provisions of IAS 34 (Interim Financial Reporting) and with the International financial Reporting Standards (IFRS) approved by the European Union.

The condensed interim consolidated financial statements are consistent with the accounting policies applied by the Group for the full-year financial statements at 31 December 2025 (as described in the notes 1 and 13 to the consolidated financial statements).

Adjusted income statement

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**: income from operations; plus the share in net income of equity affiliates, excluding (i) expenses related to business combinations (amortization of assets valued as part of the purchase price allocation, other expenses directly linked business combinations) (ii) the impact of changes in the Thales share price on the expense recognized in the income statement in respect of LTI plans.
- **Adjusted net income**: net income, less the following elements, net of the corresponding tax effects:
    - Amortization of acquired assets (PPA);
    - Expenses recorded in the income from operations or in "financial results" which are directly related to business combinations, which by their nature are unusual;
    - Disposal of assets, change in scope of consolidation and other;
    - Impairment of assets;
    - Changes in the value of derivative instruments (recognized under "other financial income and expenses" in the consolidated financial statements);
    - Actuarial gains or losses on long-term benefits (recognized under "Finance costs on pensions and other long term employee benefits" in the consolidated financial statements);
    - Impact of changes in the Thales share price on the expense recognized in the income statement in respect of LTI plans.
- **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.

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 following tabs.

Net cash (debt) corresponds to the difference between the sum of the "Cash and cash equivalents" and "Other current financial assets" items, and short- and long-term borrowings, including lease liabilities, after deduction of interest rate hedging derivatives.

Please note that only the consolidated financial statements as of June 30, 2026 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 and calculation of which appears in Note 6.2 "Net cash (debt)", free operating cash flow, the definition and calculation of which is specified in Note 6.3 "Changes in net debt". 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 income statements at June 30, 2026 and June 30, 2025 is detailed in the tables there after.

Adjusted income statement, Adjusted EBIT and adjusted net income – H1 2026

In € millions except earnings per share (in €)	**Consolidated income statement H1 2026**	**Adjustments**					**Adjusted income statement H1 2026**
		(1)	**(2)**	**(3)**	**(4)**	**(5)**	
Sales	**10,949**	**—**	**—**	**—**	**—**	**—**	**10,949**
Cost of sales	(7,964)	149	—	—	—	4	(7,811)
Research and development expenses	(674)	—	—	—	—	—	(674)
Marketing and selling expenses	(798)	—	—	—	—	—	(798)
General and administrative expenses	(361)	—	—	—	—	—	(361)
Restructuring costs	(24)	—	—	—	—	—	(24)
Income from operations	**1,128**	**149**	**—**	**—**	**—**	**4**	**1,281**
Share in net income of equity affiliates	83	7	—	—	—	—	91
EBIT	**N/A**	**156**	**—**	**—**	**—**	**4**	**1,372**
Gains and losses on disposals of assets, changes in scope and other	(512)	—	512	—	—	—	—
Impairment of assets	—	—	—	—	—	—	—
Net financial interest	(33)	—	—	—	—	—	(33)
Other financial income and expenses	(38)	—	—	16	—	—	(22)
Finance costs on pensions and other long-term employee benefits	(24)	—	—	—	(3)	—	(27)
Income tax	(134)	(38)	(135)	(4)	1	(1)	(310)
*Effective income tax rate**	*25.6%*	—	—	—	—	—	*25.8%*
Net income	**471**	**119**	**377**	**12**	**(2)**	**3**	**980**
Non-controlling interests	14	(4)	—	—	—	—	10
Net income, Group share	**485**	**115**	**377**	**12**	**(2)**	**3**	**990**
Average number of shares (thousands)	*205,505*	—	—	—	—	—	*205,505*
Net income, Group share per share (in €)	**2,36**	**—**	**—**	**—**	**—**	**—**	**4,82**

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

Adjustments (see definitions in the “Presentation of financial information” section):

(1) Impact of business combinations: amortization of assets valued as part of the purchase price allocation, other expenses directly related to acquisitions.

(2) Income from disposals of assets, changes in scope and others.

(3) Change in fair value of foreign exchange derivatives.

(4) Actuarial gains (losses) on long-term benefits.

(5) Impact of the evolution of the share price of Thales on long-term equity compensation plans.

Adjusted income statement, EBIT and adjusted net income – H1 2025

In € millions *except earnings per share (in €)*	Consolidated income statement H1 2025	Adjustments (1)	(2)	(3)	(4)	(5)	Adjusted income statement H1 2025
Sales	**10,265**	**—**	**—**	**—**	**—**	**—**	**10,265**
Cost of sales	(7,556)	203	—	—	—	46	(7,307)
Research and development expenses	(627)	—	—	—	—	—	(627)
Marketing and selling expenses	(774)	—	—	—	—	—	(774)
General and administrative expenses	(355)	—	—	—	—	—	(355)
Restructuring costs	(55)	—	—	—	—	—	(55)
Income from operations	**898**	**203**	**—**	**—**	**—**	**46**	**1,147**
Share in net income of equity affiliates	93	8	—	—	—	—	101
EBIT	**N/A**	**211**	**—**	**—**	**—**	**46**	**1,248**
Gains and losses on disposals of assets, changes in scope and other	(22)	—	22	—	—	—	—
Impairment of assets	—	—	—	—	—	—	—
Net financial interest	(56)	—	—	—	—	—	(56)
Other financial income and expenses	(44)	—	—	14	—	—	(30)
Finance costs on pensions and other long-term employee benefits	(22)	—	—	—	(4)	—	(26)
Income tax	(205)	(51)	(7)	(4)	1	(12)	(277)
*Effective income tax rate**	*27,2%*	—	—	—	—	—	*26,7%*
Net income	**642**	**160**	**16**	**10**	**(3)**	**34**	**859**
Non-controlling interests	22	(4)	—	—	—	—	18
Net income, Group share	**664**	**156**	**16**	**10**	**(3)**	**34**	**877**
Average number of shares (thousands)	*205,390*	—	—	—	—	—	*205,390*
Net income, Group share per share (in €)	**3,22**	**—**	**—**	**—**	**—**	**—**	**4,26**

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

Adjustments (see definitions in the "Presentation of financial information" section):

(1) Impact of business combinations: depreciation of assets valued under purchase price allocation, other charges directly related to acquisitions.

(2) Result of disposals, changes in scope and others.

(3) Change in fair value of foreign exchange derivatives.

(4) Actuarial gains and losses on long-term benefits.

(5) Impact of the evolution of the share price of Thales on long-term equity compensation plans.

Order intake

In € millions	H1 2026	H1 2025	Total change	Organic change
Aerospace	3,260	2,658	+23%	+24%
Defence	7,351	5,762	+28%	+28%
Cyber & Digital	1,806	1,886	(4)%	(1)%
Total – operating segments	**12,417**	**10,306**	**+21%**	**+22%**
Other	54	46		
Total	**12,471**	**10,352**	**+21%**	**+22%**
Of which mature markets[3]	9,264	7,031	+32%	+33%
Of which emerging markets[3]	3,207	3,321	(3)%	(2)%

Order intake in the first half of 2026 amounted to **€12,471 million, up 21%** compared to the first half of 2025 (22% at constant scope and exchange rates). Thales' strong commercial momentum continued in the first half of 2026, despite a high comparison basis, driven by the remarkable performance of its Defence and Space activities. The book-to-bill ratio stood at 1.14 (1.01 in the first half of 2025).

Thales booked a total of **18 large orders with a unit value exceeding €100 million** in the first half of 2026, for a total amount of **€4,850 million**. Among these orders, 7 of these orders were booked in the first quarter and 11 in the second quarter, with:

- The signature of a contract with Es'hailSat, a satellite communications operator in Qatar, to develop a new generation geostationary telecommunications satellite based on the Space INSPIRE platform;
- The signature of a contract with the European Space Agency (ESA) for the development of two Sentinel-1 Next Generation satellites under the Copernicus Earth Observation programme;
- The entry into force of a new tranche of the Exomars 2028 contract signed with ESA in 2024 to relaunch the European space mission dedicated to the exploration of the Red Planet
- An order from the Australian Government for the additional delivery of 268 next-generation Bushmaster protected mobility vehicles;
- An order from a Middle Eastern country for several air surveillance systems;
- A major contract with a civil aviation authority;
- An order from the Joint Armament Cooperation Organisation (OCCAR) to the EUROSAM GIE for the development of the two-layer ASTER/VL MICA version of the SAMP/T NG;
- An order for the provision to the German Armed Forces of thousands of optronic systems, including next-generation XTRAIM thermal weapon sights and next-generation night-vision systems;
- A contract with the Greek Defence Procurement Agency (GDDIA) for the modernisation of the mission system of Hydra-class frigates;
- Under the development of the Rafale F5 standard:
    - An order from the French Defence Procurement Agency (DGA) for the development of the next generation of the SPECTRA electronic warfare suite;
    - An order from the DGA for the development of next-generation connectivity.

At **€7,621 million**, order intake **with a unit value of less than €100 million** recorded an increase of 2% compared with the first half of 2025. Orders **with a unit value of less than €10 million** were up 3%.

[3] Mature markets and emerging markets: see table in appendices of the report on 2026 first half business activity and results.

Geographically[4], order intake in mature markets amounted to €9,264 million, up strongly versus the first half of 2025 (+32% on a total basis and +33% on an organic basis). This momentum was driven in particular by France (+34% on an organic basis), other European countries (+46%) and Australia and New Zealand (+35%). Order intake in emerging markets amounted to €3,207 million, down (3)% on a total basis ((2)% on an organic basis). The Near and Middle East region recorded a very sharp increase (+202% on an organic basis), supported notably by orders in air defence and space. The decline in Asia is due to a high comparison basis resulting from the booking in the first half of 2025 of the Rafale Marine order for the Indian Navy.

Order intake in the **Aerospace** segment stood at **€3,260 million** compared to €2,658 million in the first half of 2025 (+24% at constant scope and exchange rates), driven mainly by Space activities. Demand remains strong in this business area, in particular among institutional customers and for major programmes such as Copernicus or Exomars. As a result, five orders with a unit value of more than €100 million were recorded in the first half of 2026.

At **€7,351 million** (compared to €5,762 million in the first half of 2025, i.e. +28% at constant scope and exchange rates), order intake in the **Defence** segment rose strongly again in the first half of 2026. The commercial momentum remains sustained across Thales' portfolio of products and solutions as well as in most geographies, particularly in the Middle East, where Thales' products and solutions are experiencing strong demand. During the first half of 2026, thirteen orders with a unit value exceeding €100 million were booked in Defence. The momentum seen in the first quarter accelerated in the second quarter, with the booking of eleven large orders, including two orders from the DGA related to the development of the F5 Rafale standard, as well as an order from the Australian Government for the delivery of Bushmaster protected mobility vehicles.
The segment's order book stood at **€41.1 billion** (compared to €38.9 billion in the first half of 2025), i.e. around 3.2 years of sales.

At **€1,806 million**, order intake in the Cyber & Digital segment was structurally very close to sales, as most of the activities in this segment operate on short sales cycles. The order book is therefore not significant.

[4] Mature markets and emerging markets: see table in appendices of the report on 2026 first half business activity and results.

Sales

In € millions	H1 2026	H1 2025	Total change	Organic change
Aerospace	2,779	2,759	+0.7%	+2.1%
Defence	6,316	5,593	+12.9%	+13.1%
Cyber & Digital	1,797	1,849	(2.8)%	+0.4%
Of which Cyber	*681*	*696*	*(2.2)%*	*+1.6%*
Of which Digital	*1,116*	*1,153*	*(3.2)%*	*(0.3)%*
Total – operating segments	**10,892**	**10,202**	**+6.8%**	**+7.9%**
Other	57	63		
Total	**10,949**	**10,265**	**+6.7%**	**+7.8%**
Of which mature markets[5]	8,563	8,135	+5.3%	+6.0%
Of which emerging markets[5]	2,386	2,130	+12.0%	+14.6%

Sales for the first half of 2026 totaled **€10,949 million**, compared to €10,265 million in the first half of 2025, up 6.7% in total change (+7.8% at constant scope and exchange rates).

Geographically[5], sales showed a solid increase in emerging markets, growing organically by 14.6%, with a remarkable performance in the Near and Middle East region (+36.7%). Sales in mature markets increased organically by 6.0%, driven notably by Europe (+9.4%).

In the **Aerospace** segment, sales amounted to **€2,779 million**, up 0.7% year-on-year from the first half of 2025 (+2.1% at constant scope and exchange rates). Avionics activities grew in the first half of 2026. The decrease in air traffic linked to the conflict in the Middle East had a relatively limited impact on aftermarket activity, while linefit activities benefitted from the progressive ramp-up in aircraft manufacturers' production rates. Space sales showed a solid underlying progression but were impacted by the cancellation, in May 2026, of the order for two geostationary telecommunications satellites, for a total impact of approximately €(150) million. Excluding this impact, Thales' underlying growth in Aerospace remained strong and amounted to 8.8% in the first half of 2026 (including 11.0% in the second quarter).

Sales in the **Defence** segment reached **€6,316 million**, up 12.9% compared with the first half of 2025 (+13.1% at constant scope and exchange rates). After a very strong first quarter, activity continued to record double-digit organic growth in the second quarter (+11.9%). Defence activity is reaping the benefits of the Group's ramp-up in production, notably in sensors and effectors, to meet increased demand from the Group's customers. This is particularly the case in the Near and Middle East, where the Group continues to support its customers by responding to their short- and medium-term requirements.

At **€1,797 million**, sales in the **Cyber & Digital** segment were down (2.8)% compared with the first half of 2025 (+0.4% at constant scope and exchange rates). This development reflects the return to growth in Cyber activities, as well as a high comparison basis for Digital activities:

- **Cyber** businesses recorded an increase in sales in the first half of 2026, with sales up +1.6% at constant scope and exchange rates. After a slight decline in the first quarter, second-quarter sales showed a rebound, with organic growth of +4.5%.
- **Digital** activities were almost flat in the first half of 2026 (down 0.3% at constant scope and exchange rates). After a dynamic first quarter, second-quarter growth reflected a high comparison basis in Secure Connectivity Solutions, linked to the recording in the first half of 2025 of a particularly large, non-recurring order. Within Payment Services, digital banking solutions recorded solid growth, albeit mitigated by low volumes in payment cards.

[5] Mature markets and emerging markets: see table in appendices of the report on 2026 first half business activity and results.

Adjusted results

Adjusted EBIT *In € millions*	H1 2026	H1 2025	Total change	Organic change
Aerospace	**289**	**252**	**+14.8%**	**+17.2%**
as a % of sales	*10.4%*	*9.1%*	*+1.3 pts*	*+1.3 pts*
Defence	**875**	**718**	**+21.8%**	**+22.0%**
as a % of sales	*13.8%*	*12.8%*	*+1.0 pts*	*+1.0 pts*
Cyber & Digital	**195**	**267**	**(26.9)%**	**(23.5)%**
as a % of sales	*10.9%*	*14.4%*	*(3.6) pts*	*(3.4) pts*
Total – operating segments	**1,359**	**1,237**	**+9.9%**	**+11.4%**
as a % of sales	*12.5%*	*12.1%*	*+0.4 pts*	*+0.4 pts*
Other – excluding Naval Group	(26)	(24)		
Total – excluding Naval Group	**1,333**	**1,213**	**+9.9%**	**+11.4%**
as a % of sales	*12.2%*	*11.8%*	*+0.4 pts*	*+0.4 pts*
Naval Group (share at 35%)	39	35		
Total	**1,372**	**1,248**	**+9.9%**	**+11.4%**
as a % of sales	*12.5%*	*12.2%*	*+0.4 pts*	*+0.4 pts*

The Group reported an increase in its profitability for the first half of 2026, with an **Adjusted EBIT**[6] of **€1,372 million**, representing **12.5%** of sales, compared with €1,248 million (12.2% of sales) in the first half of 2025.

The **Aerospace** segment recorded an Adjusted EBIT of **€289 million** (10.4% of sales), compared with €252 million (9.1% of sales) in the first half of 2025. The increase in the Adjusted EBIT margin is driven in particular by improved profitability in the Space activity, which benefits in 2026 from the adaptation plan implemented over the last two years, despite the effects related to the cancellation of an order for two geostationary satellites during the period.

Adjusted EBIT for the **Defence** segment amounted to **€875 million**, compared with €718 million in the first half of 2025 (+22.0% at constant scope and exchange rates). At 13.8%, the margin of this segment is showing a notable improvement compared with that of the first half of 2025 (12.8% in the first half of 2025).

At **€195 million**, Adjusted EBIT in the **Cyber & Digital** segment decreased in the first half of 2026, compared with €267 million in the first half of 2025. The margin amounted to **10.9%** of sales (compared with 14.4% in the first half of 2025). The margin for Cyber activities was almost stable over the semester at 14.0%. The margin for Digital activities, by contrast, declined, notably due to the high comparison basis in the first half of 2025, which benefited from non-recurring elements, and due to the decline in margin within Payment Services and within Identity and Biometrics activities in challenging market contexts.

Excluding Naval Group, **unallocated EBIT** amounted to **€(26) million**, virtually stable compared to the first half of 2025 (€(24) million).

At **€39 million** in the first half of 2026, **Naval Group**'s contribution to Adjusted EBIT was higher than in the first half of 2025.

Net financial interest amounted to **€(33) million**, compared with €(56) million in the first half of 2025. This improvement is driven mainly by a net debt level that is significantly lower than at June 30, 2025. **Other adjusted financial income**[6] amounted to **€(22) million** over the first six months of 2026,

[6] Non-GAAP financial indicators, see definitions in the "**Presentation of financial information**" section.

compared with €(30) million in the first half of 2025. This evolution principally reflects a more favourable foreign exchange result in the first half of 2026. The **adjusted financial result on pensions and other long-term employee benefits** was stable at **€(27) million**, compared with €(26) million in the first half of 2025.

Adjusted net income, Group share[7] amounted to **€990 million**, compared with €877 million in the first half of 2025, after an adjusted income tax charge[7] of €(310) million, compared with €(277) million in the first half of 2025. This charge includes the additional temporary contribution of €57 million to corporate tax in France in the first half of 2026. The effective tax rate stood at **25.8%** and at 21.0% excluding the additional contribution to corporate tax in France as of June 30, 2026 (compared with 26.7% as of June 30, 2025).

Adjusted net income, Group share, per share[7] amounted to **€4.82**, up 13% compared with the first half of 2025 (€4.27).

On July 3, 2026, Thales stated that it acknowledged the decision by the German Ministry of Defence, announced on 24 June 2026, to terminate the contract relating to the programme for six F126 frigates, for which the Dutch shipyard Damen Schelde Naval Shipbuilding ("DSNS") was the prime contractor and Thales one of the subcontractors.

Following the termination of this programme, the Group recognised an exceptional and mostly non-cash charge of €450 million in the first half of 2026. This amount mainly corresponds to costs already paid by Thales to ensure the progress of the project, as well as to a conservative estimate of the financial compensation to be received. Given its exceptional nature, it has no effect on the Group's Adjusted EBIT and Adjusted Net Income. It however impacts Thales' Net income, Group share, by about €331 million in the Group's first-half 2026 consolidated statements. This charge has no material impact on the Group's free operating cash flow.

Thales will claim all its rights in order to obtain compensation for the work carried out as part of this project and for the prejudice suffered as a result of termination of the program.

[7] Non-GAAP financial indicators, see definitions in the "**Presentation of financial information**" section.

Consolidated results

Income from operations

After accounting of the purchase price allocation (PPA) and expenses directly related to acquisitions and disposals, the combined amount of which amounted to €149million (€203 million as of June 30, 2025), as well as the impact of changes in the Thales share price on the expense related to LTI's plans (-€4 million as of June 30, 2026 compared to -€46 million as of June 30, 2025), reported **income from operations** stood at €1,128 million compared with €898 million in the first half of 2025. As with Adjusted EBIT, this increase reflects the leverage effect on the increase in revenue. **Non-current income (expense) of operating activities** amounted to -€512 million in the first half of 2026 compared to -€22 million in the first half of 2025. It includes, at June 30, 2026, the exceptional charge of €450m related to the termination of the F126 frigates programme. **Income of operating activities before share in net income from equity affiliates** thus amounted to €617 million, compared with €876 million as at June 30, 2025.

Income of operating activities after share in net income (loss) of equity affiliates

The share in net income (loss) of equity affiliates was up and amounted to €83 million in the first half of 2026, against €93 million at June 30, 2025. **Income of operating activities after share in net income from equity affiliates** therefore comes to €700 million, compared to €968 million for the same period at June 30, 2025.

Net financial income (expense)

Net interest expense (**-€33 million** versus -€56 million in the first half of 2025) was down, as a consequence of the decrease in the amount of debt as at 30 June 2026 compared to June 30, 2025.

Other financial income stood at **-€38 million** over the first six months of 2026, compared with -€44 million in the first half of 2025. This evolution reflects mainly a more favorable foreign exchange result in the first half of 2026.

The financial costs on pensions and other employee benefits stood at **-€24 million** compared with -€22 million in the first half of 2025.

The **income tax charge** amounted to €134 million in the first half of 2026 compared to €205 million in the first half of 2025. This change is mainly explained by the decline in net income before tax and share in net income of equity affiliates in the first half of 2026. The effective tax rate stood at **25.6%** at June 30, 2026, compared with 27.2% at June 30, 2025.

Net income

The exceptional charge related to the termination of the F126 frigates programme had an impact of €331 million on Thales' **Net income, Group share** for the first half of 2026. Taking this impact into account, **Consolidated net income, Group share** amounted to **€485 million** as at 30 June 2026, against €664 million as at June 30, 2025.

Financial position at June 30, 2026

in € millions	H1 2026	H1 2025	Variation
Operating cash flow before working capital changes, interest and tax	**1,734[8]**	**1,526**	**+208**
+ Change in working capital and provisions for contingencies	552[8]	(530)	+1,082
+ Payment of pension contributions, excluding contributions related to the reduction of the United Kingdom pension deficit	(78)	(76)	(2)
+ Net financial interest received (paid)	(26)	(40)	+14
+ Income tax paid	(11)	(71)	+60
+ Net operating investments	(307)	(310)	+4
Free operating cash flow	**1,865**	**499**	**1,366**
+ Net balance of disposals (acquisitions) of subsidiaries and affiliates	(6)	(64)	+59
+ Contribution to the reduction of pension financing deficits in the United Kingdom	0	(1)	+1
+ Dividends paid	(606)	(586)	(21)
+ New lease liabilities (IFRS 16)	(178)	(118)	(60)
+ Exchange rates and other	24	(113)	+137
Change in net cash (debt)	**1,099**	**(383)**	**+1,483**

Net cash (debt) at start of period	(1,618)	(3,044)	+1,425
+ Change in net cash (debt)	1,099	(383)	+1,483
Net cash (debt) at end of period	**(519)**	**1,526**	**+208**

Free operating cash flow amounted to **€1,865 million**, compared with €499 million in the first half of 2025. This exceptional increase was mainly driven by an improvement in the change in working capital requirement.

During the semester, **the net balance of acquisitions and disposals of subsidiaries and affiliates** amounted to **€(6) million**, as the Group did not finalise any significant acquisition or disposal in the period.

As of June 30, 2026, **net debt** amounted to **€519 million**, compared with €1,618 million as of December 31, 2025, after taking into account primarily the net balance of acquisitions (disposals) of subsidiaries and affiliates for a net negative amount of **€(6) million**, dividend payments of **€(606) million** (€(586) million in the first half of 2025) and new lease liabilities of **€(178) million** (€(118) million in the first half of 2025).

Shareholders' equity, Group share amounted to **€8,007 million**, compared with €7,968 million as of December 31, 2025. This evolution reflects the positive contribution of net income, Group share (+€485 million), decreased by the dividend distribution (€(606) million).

[8] Excluding the impact of F126 programme cancellation for €450m.

Outlook for the current year

The performance in the first half of the year confirms the path of sustainable and profitable growth on which Thales is firmly positioned. Thanks to favourable commercial momentum across all its businesses, and the continued increase in its production capacity to meet its customers' demand, the Group enters the second half of 2026 with confidence, thereby confirming its target for organic sales growth for the year. The non-recurring items will accordingly have no effect on expected sales growth, given the underlying improvement in growth trends, notably in Defence.

With regard to the Adjusted EBIT margin, Thales confirms its expectation of a solid increase in margin, driven primarily by the margin progression in the Aerospace and Defence segments.

The robust momentum and strong visibility enjoyed by the Group, in particular within Defence activities, led to the upward revision of the expected book-to-bill ratio and conversion rate into operating free cash flow for the year on July 3, 2026.

In the absence of any changes in the macroeconomic and geopolitical environment, Thales confirms all its financial objectives for 2026:

- A book-to-bill ratio above 1.1 (objective revised upwards on July 3, 2026);
- Organic sales growth expected between +6% and +7%, corresponding to sales of €23.3 to €23.6 billion[9];
- Adjusted EBIT margin expected between 12.6% and 12.8%;
- Conversion into operating free cash flow expected between 100% and 110% (objective revised upwards on July 3, 2026).

[9] Based on end of June 2026 scope, average foreign exchange rates for H1 and an assumption of average EUR/USD at 1.18 for H2.

Appendices to the report on operations and results for the first half of 2026

Order intake by destination – H1 2026

In € millions	H1 2026	H1 2025	Total change	Organic change	2026 weighting as a %
France	2,547	1,899	+34%	+34%	20%
United Kingdom	486	433	+12%	+16%	4%
Rest of Europe	3,927	2,706	+45%	+46%	31%
Subtotal Europe	**6,960**	**5,037**	**+38%**	**+39%**	**56%**
United States and Canada	1,436	1,376	+4%	+9%	12%
Australia and New Zealand	867	618	+40%	+35%	7%
Total mature markets	**9,264**	**7,031**	**+32%**	**+33%**	**74%**
Asia	1,501	2,516	(40%)	(40%)	12%
Near and Middle East	1,238	424	+192%	+202%	10%
Rest of the world	468	381	+23%	+24%	4%
Total emerging markets	**3,207**	**3,321**	**(3%)**	**(2%)**	**26%**
Total all markets	**12,471**	**10,352**	**+21%**	**+22%**	**100%**

Sales by destination – H1 2026

In € millions	H1 2026	H1 2025	Total change	Organic change	2026 weighting as a %
France	2,947	3,002	(1.8)%	(1.7)%	27%
United Kingdom	708	708	(0.0)%	+3.0%	6%
Rest of Europe	3,305	2,669	+23.9%	+23.6%	30%
Subtotal Europe	**6,960**	**6,378**	**+9.1%**	**+9.4%**	**64%**
United States and Canada	1,091	1,312	(16.8)%	(12.8)%	10%
Australia and New Zealand	511	445	+15.0%	+10.5%	5%
Total mature markets	**8,563**	**8,135**	**+5.3%**	**+6.0%**	**78%**
Asia	1,063	999	+6.4%	+9.4%	10%
Near and Middle East	790	593	+33.1%	+36.7%	7%
Rest of the world	533	537	(0.7)%	+0.1%	5%
Total emerging markets	**2,386**	**2,130**	**+12.0%**	**+14.6%**	**22%**
Total all markets	**10,949**	**10,265**	**+6.7%**	**+7.8%**	**100%**

Order intake and sales – Q2 2026

Order intake *In € millions*	Q2 2026	Q2 2025	Total change	Organic change
Aerospace	1,738	1,128	+54%	+55%
Defence	5,111	4,455	+15%	+14%
Cyber & Digital	949	968	(2)%	(2)%
Total – operating segments	**7,798**	**6,552**	**+19%**	**+19%**
Other	20	22		
Total	**7,818**	**6,574**	**+19%**	**+19%**

Sales *In millions of euros*				
Aerospace	1 395	1 417	(1.6)%	(1.4)%
Defence	3 268	2 903	+12.6%	+11.9%
Cyber & Digital	938	953	(1.5)%	(0.9)%
Of which Cyber	*358*	*345*	*+3.8%*	*+4.5%*
Of which Digital	*580*	*608*	*(4.6)%*	*(4.0)%*
Total – operating segments	**5 601**	**5 273**	**+6.2%**	**+6.0%**
Other	32	32		
Total	**5 633**	**5 305**	**+6.2%**	**+6.0%**

Organic change in sales by quarter

In € millions	2025 sales	Exchange rates effect	Impact of disposals	2026 sales	Impact of acquisitions	Total change	Organic change
Q1	4,960	(116)	(5)	5,316	+6	+7.2%	+9.7%
Q2	5,305	1	(2)	5,633	+11	+6.2%	+6.0%
H1	**10,265**	**(116)**	**(7)**	**10,949**	**+17**	**+6.7%**	**+7.8%**

THALES

Building a future we can all trust

CONDENSED CONSOLIDATED

FINANCIAL STATEMENTS

AT 30 JUNE 2026

INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT

(in € millions)	**Notes**	**First half 2026**	**First half 2025**	**2025**
Sales	note 2	**10,948.9**	**10,264.8**	**22,136.4**
Cost of sales		(7,963.5)	(7,556.0)	(16,283.2)
Research and development expenses		(674.1)	(627.3)	(1,327.8)
Marketing and selling expenses		(797.5)	(773.6)	(1,581.6)
General and administrative expenses		(361.4)	(355.3)	(725.1)
Restructuring costs		(24.2)	(54.7)	(132.0)
Income from operations	note 2	**1,128.2**	**897.9**	**2,086.7**
Disposal of assets, changes in scope of consolidation and other	note 3.2	(511.5)	(22.4)	(22.6)
Impairment of assets	note 3.2	—	—	—
Income of operating activities before share in net income of equity affiliates		**616.7**	**875.5**	**2,064.1**
Share in net income of equity affiliates	note 5.1	83.2	92.8	198.4
Income of operating activities after share in net income of equity affiliates		**699.9**	**968.3**	**2,262.5**
Financial interests on gross debt		(107.6)	(116.2)	(232.7)
Financial interests on cash and cash equivalents		74.2	60.5	116.8
Interest expense, net	note 6.1	**(33.4)**	**(55.7)**	**(115.9)**
Other financial expenses	note 6.1	(37.6)	(43.9)	(65.8)
Finance costs on pensions and other employee benefits	note 8	(24.3)	(21.8)	(44.0)
Income tax	note 9	(133.6)	(204.9)	(396.5)
Net income		**471.0**	**642.0**	**1,640.3**
Shareholders of the parent company		**485.0**	**663.7**	**1,674.5**
Non-controlling interests		(14.0)	(21.7)	(34.2)
Basic earnings per share (in euros)	note 10.2	2.36	3.23	8.15
Diluted earnings per share (in euros)	note 10.2	2.35	3.22	8.13

Segment information (including Adjusted EBIT calculation) is detailed in note 2.1.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in € millions)	First half 2026			First half 2025			2025		
	Shareholders of the parent company	Non-controlling interests	**Total**	Shareholders of the parent company	Non-controlling interests	**Total**	Shareholders of the parent company	Non-controlling interests	**Total**
Net income	**485.0**	**(14.0)**	**471.0**	**663.7**	**(21.7)**	**642.0**	**1,674.5**	**(34.2)**	**1,640.3**
Translation adjustments	193.0	1.0	194.0	(564.5)	(3.6)	(568.1)	(582.2)	(4.0)	(586.2)
Cash flow hedge	(42.9)	(1.1)	(44.0)	147.1	8.7	155.8	130.7	8.6	139.3
Equity affiliates	12.8	—	12.8	(34.1)	—	(34.1)	(19.1)	—	(19.1)
Items that may be reclassified to income	**162.9**	**(0.1)**	**162.8**	**(451.5)**	**5.1**	**(446.4)**	**(470.6)**	**4.6**	**(466.0)**
Actuarial gains (losses) on pensions	(32.0)	(0.1)	(32.1)	(16.3)	(1.6)	(17.9)	49.2	2.6	51.8
Financial assets at fair value	4.8	4.7	9.5	3.6	5.4	9.0	6.7	4.3	11.0
Deferred tax	8.3	—	8.3	3.3	—	3.3	(17.0)	(0.2)	(17.2)
Equity affiliates	0.2	—	0.2	0.1	—	0.1	13.7	—	13.7
Items that will not be reclassified to income	**(18.7)**	**4.6**	**(14.1)**	**(9.3)**	**3.8**	**(5.5)**	**52.6**	**6.7**	**59.3**
Other comprehensive income (loss) for the period net of tax	**144.2**	**4.5**	**148.7**	**(460.8)**	**8.9**	**(451.9)**	**(418.0)**	**11.3**	**(406.7)**
Total comprehensive income (loss) for the period	**629.2**	**(9.5)**	**619.7**	**202.9**	**(12.8)**	**190.1**	**1,256.5**	**(22.9)**	**1,233.6**

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in € millions)	Number of shares outstanding (thousands)	Share capital	Additional paid-in capital	Retained earnings	Cash flow hedge	Cumulative translation adjustment	Treasury shares	Shareholders of the parent company	Non-controlling interests	Total equity
At 1st January 2025	*205,313*	**617.8**	**3,132.6**	**4,079.3**	**(113.5)**	**(108.5)**	**(92.5)**	**7,515.2**	**42.9**	**7,558.1**
Net income	—	—	—	1,674.5	—	—	—	1,674.5	(34.2)	1,640.3
Other comprehensive income (loss) net of tax	—	—	—	52.6	147.4	(618.0)	—	(418.0)	11.3	(406.7)
Total comprehensive income for 2025	—	**—**	**—**	**1,727.1**	**147.4**	**(618.0)**	**—**	**1,256.5**	**(22.9)**	**1,233.6**
Parent company dividend distribution	—	—	—	(780.7)	—	—	—	(780.7)	—	(780.7)
Third-party share in dividend paid by subsidiaries	—	—	—	—	—	—	—	—	(1.2)	(1.2)
Share-based payments	—	—	—	37.3	—	—	—	37.3	—	37.3
(Acquisitions) / disposals of treasury shares	*164*	—	—	(47.2)	—	—	2.0	(45.2)	—	(45.2)
Other	—	—	—	(14.7)	—	—	—	(14.7)	0.5	(14.2)
At 31 December 2025	*205,477*	**617.8**	**3,132.6**	**5,001.1**	**33.9**	**(726.5)**	**(90.5)**	**7,968.4**	**19.3**	**7,987.7**
Net income	—	—	—	485.0	—	—	—	485.0	(14.0)	471.0
Other comprehensive income (loss) net of tax	—	—	—	(18.7)	(37.0)	199.9	—	144.2	4.5	148.7
Total comprehensive income for first half 2026	—	**—**	**—**	**466.3**	**(37.0)**	**199.9**	**—**	**629.2**	**(9.5)**	**619.7**
Parent company dividend distribution	—	—	—	(606.1)	—	—	—	(606.1)	—	(606.1)
Third-party share in dividend paid by subsidiaries	—	—	—	—	—	—	—	—	—	—
Share-based payments	—	—	—	18.2	—	—	—	18.2	—	18.2
(Acquisitions) / disposals of treasury shares	*(16)*	—	—	2.2	—	—	(3.7)	(1.5)	—	(1.5)
Other	—	—	—	(1.3)	—	—	—	(1.3)	1.0	(0.3)
At 30 June 2026	*205,461*	**617.8**	**3,132.6**	**4,880.4**	**(3.1)**	**(526.6)**	**(94.2)**	**8,006.9**	**10.8**	**8,017.7**

First half 2025

(in € millions)	*Number of shares outstanding (thousands)*	Share capital	Additional paid-in capital	Retained earnings	Cash flow hedge	Cumulative translation adjustment	Treasury shares	**Shareholders of the parent company**	Non-controlling interests	**Total equity**
At 1st January 2025	*205,313*	**617.8**	**3,132.6**	**4,079.3**	**(113.5)**	**(108.5)**	**(92.5)**	**7,515.2**	**42.9**	**7,558.1**
Net income	—	—	—	663.7		—	—	663.7	(21.7)	642.0
Other comprehensive income (loss) net of tax	—	—	—	(9.3)	147.5	(599.0)	—	(460.8)	8.9	(451.9)
Total comprehensive income for first half 2025	—	**—**	**—**	**654.4**	**147.5**	**(599.0)**	**—**	**202.9**	**(12.8)**	**190.1**
Parent company dividend distribution	—	—	—	(585.5)	—	—	—	(585.5)	—	(585.5)
Third-party share in dividend paid by subsidiaries	—	—	—	—	—	—	—	—	(2.5)	(2.5)
Share-based payments	—	—	—	16.8	—	—	—	16.8	—	16.8
(Acquisitions) / disposals of treasury shares	*60*	—	—	(5.8)	—	—	2.7	(3.1)	—	(3.1)
Other	—	—	—	(8.2)	—	—	—	(8.2)	0.7	(7.5)
At 30 June 2025	*205,373*	**617.8**	**3,132.6**	**4,151.0**	**34.0**	**(707.5)**	**(89.8)**	**7,138.1**	**28.3**	**7,166.4**

INTERIM CONSOLIDATED BALANCE SHEET

(in € millions)

ASSETS	Notes	30/06/26	31/12/25
Goodwill	note 4.1	8,644.1	8,530.5
Other intangible assets, net	note 4.2	1,892.9	1,996.1
Property, plant and equipment, net	note 4.2	4,015.7	3,899.2
Investments in equity affiliates	note 5	1,668.9	1,712.5
Non-consolidated investments		147.6	140.8
Other non-current financial assets		297.1	277.5
Deferred tax assets		1,426.5	1,276.5
Non-current assets		**18,092.8**	**17,833.1**
Inventories and work in progress	note 7.1	5,654.7	4,964.2
Contract assets	note 7.1	3,452.9	3,535.0
Advances to suppliers	note 7.1	880.6	892.0
Accounts, notes and other current receivables	note 7.1	6,414.9	6,845.8
Current derivatives – assets	note 7.1	136.2	149.9
Current tax receivables		212.3	320.7
Loans maturing in less than one year		107.7	103.6
Other current financial assets	note 6.2	58.9	64.6
Cash and cash equivalents	note 6.2	4,997.2	4,446.5
Current assets		**21,915.4**	**21,322.3**
Total assets		**40,008.2**	**39,155.4**

EQUITY AND LIABILITIES	Notes	30/06/26	31/12/25
Capital, additional paid-in capital and other reserves		8,627.7	8,785.4
Cumulative translation adjustment		(526.6)	(726.5)
Treasury shares		(94.2)	(90.5)
Total attributable to shareholders of the parent company		**8,006.9**	**7,968.4**
Non-controlling interests		10.8	19.3
Total equity	note 10.1	**8,017.7**	**7,987.7**
Long-term loans and borrowings	note 6.2	3,560.9	3,999.4
Non-current derivatives – liabilities		(0.6)	—
Pensions and other long-term employee benefits	note 8	1,505.0	1,420.0
Deferred tax liabilities		479.7	509.6
Non-current liabilities		**5,545.0**	**5,929.0**
Contract liabilities	note 7.1	12,480.4	12,384.0
Reserves for contingencies	note 7.1	1,968.6	1,679.2
Accounts, notes and other current payables	note 7.1	9,438.8	8,652.3
Current derivatives – liabilities	note 7.1	240.1	151.2
Current tax receivable		302.6	241.9
Short-term loans and borrowings	note 6.2	2,015.0	2,130.1
Current liabilities		**26,445.5**	**25,238.7**
Total equity and liabilities		**40,008.2**	**39,155.4**

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

(in € millions)	Notes	First half 2026	First half 2025	2025
Net income		**471.0**	**642.0**	**1,640.3**
Add (deduct):				
Income tax expense (gain)		133.6	204.9	396.5
Net interest expenses		33.4	55.7	115.9
Share in net income of equity affiliates	note 5.1	(83.2)	(92.8)	(198.4)
Dividends received from equity affiliates	note 5.1	107.4	105.1	128.2
Depreciation and amortisation of PPE and intangible assets	note 4.2	533.7	526.6	1,087.3
Provisions for pensions and other employee benefits	note 8	71.6	69.0	143.3
Loss (gain) on disposal of assets and other		61.1	22.4	22.6
Provisions for restructuring, net		(29.2)	(1.1)	15.9
Other items		(15.2)	(5.8)	14.3
Operating cash flows before working capital changes, interest and tax		**1,284.2**	**1,526.0**	**3,365.9**
Change in working capital and reserves for contingencies	note 7.1	1,001.8	(530.2)	723.5
Cash contributions to pension plans and other long-term employee benefits, o.w.:		(78.3)	(77.3)	(234.8)
- UK buy-out remaining payments		—	*(0.9)*	*(1.1)*
- Recurring contributions/benefits		*(78.3)*	*(76.4)*	*(233.7)*
Interest paid		(69.3)	(86.0)	(225.8)
Interest received		43.6	46.2	106.0
Income tax received (paid)		(10.5)	(70.7)	(413.0)
NET CASH FLOW FROM OPERATING ACTIVITIES	**- I -**	**2,171.5**	**808.0**	**3,321.8**
Acquisitions of property, plant and equipment and intangible assets		(307.0)	(311.3)	(756.7)
Disposals of property, plant and equipment and intangible assets		0.4	0.9	10.4
Capital expenditures	note 4.2	**(306.6)**	**(310.4)**	**(746.3)**
Acquisitions of subsidiaries and affiliates	note 7	(14.1)	(4.3)	(9.2)
Disposals of subsidiaries and affiliates	note 7	(63.6)	(77.1)	(76.9)
Decrease (increase) in loans and non-current financial assets		(18.6)	(56.1)	64.7
Decrease (increase) in current financial assets		4.8	(38.5)	(142.1)
Net financial investments		**(91.5)**	**(176.0)**	**(163.5)**
NET CASH FLOW USED IN INVESTING ACTIVITIES	**-II-**	**(398.1)**	**(486.4)**	**(909.8)**
Parent company dividend distribution	note 10	(606.1)	(585.5)	(780.7)
Third party share in dividend distribution of subsidiaries and other		(6.4)	(2.5)	(2.2)
Purchase of treasury shares		(1.4)	(2.9)	(45.2)
Issuance of debt		96.7	117.3	51.1
Repayment of debt		(755.7)	(707.7)	(1,879.1)
NET CASH FLOW FROM FINANCING ACTIVITIES	**-III-**	**(1,272.9)**	**(1,181.3)**	**(2,656.1)**
Exchange rate variation and other	- IV -	50.2	(70.3)	(76.5)
CHANGE IN CASH AND CASH EQUIVALENTS	I+II+III+IV+V	**550.7**	**(930.0)**	**(320.6)**

The Group's net debt position and the changes from one period to the next are presented in notes 6.2. and 7.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All monetary amounts included in these notes are expressed in millions of euros.

Thales's condensed interim consolidated financial statements for six months ended 30 June 2026 were approved and authorised for issue by its Board of Directors on 22 July 2026.

Thales (parent company) is a French publicly traded joint-stock company (*société anonyme*) registered with the Nanterre Trade and Companies' Register under number 552 059 024.

1. Accounting standards Framework

The condensed interim consolidated financial statements of the Thales Group have been prepared in accordance with IAS 34 - Interim Financial Reporting, as adopted by the European Union. As these are condensed interim financial statements, the notes do not include all the information required under IFRS for the preparation of full annual financial statements.

The condensed interim consolidated financial statements are consistent with the accounting policies applied by the Group for the full-year consolidated financial statements at 31 December 2025, as described in the 2025 Universal Registration Document (notes 1 and 13 to the consolidated financial statements).

Amendments to IFRS 9 and IFRS 7 "*Classification and Measurement of Financial Instruments*", particularly regarding the recognition date for financial assets and liabilities related to electronic payments, and "*Contracts Referencing Nature-dependent Electricity*" have no significant impact on Group Financial statements.

Furthermore, on April 2024, the IASB issued IFRS 18, "Presentation and Disclosure in Financial Statements". IFRS 18 is intended to provide investors with more transparent and comparable information about corporate financial performance. It focuses on three main areas:
- improved income statement comparability, with the introduction of new income and expense categories (operating, investing and financing) and of new mandatory and optional sub-totals;
- improved disclosures about performance measures; and
- a review of the relevance of disclosures in primary financial statements and notes to the financial statements, to make them more useful for investors.

IFRS 18 was endorsed by the European Union on 16 February 2026 and will be applicable retrospectively from 1 January 2027. The Group is currently analysing the impact on the presentation of the primary financial statements and the notes thereto, but will not early adopt IFRS 18 in 2026. Anyway, this standard should not affect Management Performance Measures.

a) Measurement procedures used for the condensed interim consolidated financial statements

Pensions and other long-term employee benefits

Pension costs for interim periods are recognised based on the actuarial valuations performed at the end of the prior year. When appropriate, these valuations are adjusted to take into account (i) curtailments, settlements or other major non-recurring events that occurred during the period and (ii) significant impacts linked to evolution of the discount rate and the inflation rate.

Income taxes

Current and deferred income tax expense for interim periods is calculated at each tax entity level by applying the average estimated annual effective tax rate for the current year to the income of the period. When required, this amount is adjusted to take into account the tax effects of specific events of the period.

Goodwill

Impairment tests are performed at each annual closing, and whenever an indication of impairment occurs (note 4.1).

b) Seasonality of business

In accordance with accounting policies, revenues are recognised, as at year end, over the period of their realisation. In previous years the level of business has been higher in the last quarter, and particularly in December. Revenues and income from operations have been generally lower in the first half of the year due to the seasonality of business. The company has noted that this pattern is of a recurring nature, even though its extent varies from year to year and business sectors.

2. Segment information

2.1. Commercial activity and EBIT by segment

In order to monitor the operating and financial performance of Group entities, the Group's management regularly considers certain key non-GAAP indicators as defined in note 13-a of the appendix to the 2025 consolidated financial statements, which enable them to exclude some non-operating and/or non-recurring items.

In particular, Adjusted EBIT, as presented below by segment, corresponds to income from operations, plus the share in net income of equity affiliates, excluding (i) expenses related to business combinations (amortisation of assets valued as part of the purchase price allocation, other expenses directly linked to business combinations) and (ii) the impact of changes in the Thales share price on the expense recognised in the income statement in respect of LTI plans.

First half 2026	Aerospace	Defence	Cyber & Digital	Other	Thales
Order book – non-Group at 30 June	**10,392.8**	**41,100.2**	**824.3**	**116.3**	**52,433.6**
Order intake – non-Group	**3,260.1**	**7,350.9**	**1,805.5**	**54.2**	**12,470.7**
Sales – non-Group	2,779.4	6,315.6	1,797.1	56.8	**10,948.9**
Sales – intersegment	74.6	181.9	44.0	(300.5)	—
Total Sales	**2,854.0**	**6,497.5**	**1,841.1**	**(243.7)**	**10,948.9**
Adjusted EBIT	**289.4**	**874.6**	**195.2**	**12.6**	**1,371.8**
Of which, Naval Group	—	—	—	*39.0*	***39.0***
Excluding Naval Group	*289.4*	*874.6*	*195.2*	*(26.3)*	***1,332.9***

First half 2025	Aerospace	Defence	Cyber & Digital	Other	Thales
Order book – non-Group at 30 June	**10,181.2**	**38,971.1**	**807.8**	**77.3**	**50,037.5**
Order intake – non-Group	**2,658.2**	**5,761.7**	**1,886.0**	**46.3**	**10,352.3**
Sales – non-Group	2,759.3	5,593.4	1,849.1	63.0	**10,264.8**
Sales – intersegment	74.1	163.5	42.6	(280.2)	**—**
Total Sales	**2,833.4**	**5,756.9**	**1,891.7**	**(217.3)**	**10,264.8**
Adjusted EBIT	**252.0**	**718.0**	**266.9**	**10.9**	**1,247.9**
Of which, Naval Group	—	—	—	*34.6*	***34.6***
Excluding Naval Group	*252.0*	*718.0*	*266.9*	*(23.8)*	***1,213.2***

2025	Aerospace	Defence	Cyber & Digital	Other	Thales
Order book – non-Group 31 Dec.	**10,804.3**	**41,616.8**	**795.7**	**105.7**	**53,322.5**
Order intake – non-Group	**6,121.6**	**15,140.5**	**3,859.6**	**142.2**	**25,263.9**
Sales – non-Group	5,910.2	12,256.0	3,829.9	140.3	**22,136.4**
Sales – intersegment	176.6	354.1	120.7	(651.5)	**—**
Total Sales	**6,086.8**	**12,610.2**	**3,950.6**	**(511.2)**	**22,136.4**
Adjusted EBIT	**560.1**	**1,615.4**	**529.7**	**34.4**	**2,739.6**
Of which, Naval Group	—	—	—	*93.6*	***93.6***
Excluding Naval Group	*560.1*	*1,615.4*	*529.7*	*(59.1)*	***2,646.1***

Order book, order intake and sales included in the "Other " column relate to corporate activities (Thales parent company, Thales Global Services, Group R&D centers, facilities management), and to the elimination of transactions between business segments.

The order book as of June 30, 2026, reflects contract cancellations during the half-year, including the F126 program in the amount of €1789 million, so as several projects in the Space business for a total amount of € 986 million.

Unallocated Adjusted EBIT includes the Group's share (35%) in the net income of Naval Group and corporate income from operations which is not assigned to the segments. Other costs (mainly the costs of foreign holding companies not invoiced) are reallocated to business segments proportionally to their respective non-Group sales.

The 2025 data has been restated, where necessary, to reflect internal reorganizations.

The Cyber activities contribute as follows to the *Cyber & Digital* segment:

	First half 2026	First half 2025	2025
Order intake – non-Group	693.9	694.4	1,445.2
Sales – non-Group	680.8	695.8	1,433.1
Adjusted EBIT	95.5	98.4	229.2

The reconciliation between income from operations and adjusted EBIT is analysed as follow:

	First half 2026	First half 2025	2025
Income from operations	**1,128.2**	**897.9**	**2,086.7**
Share in net income of equity from affiliates	**83.2**	**92.8**	**198.4**
Restatements:			
Amortisation of acquisition-related assets & liabilities:	**148.6**	**195.0**	**380.3**
- Intangible assets	146.7	188.6	367.9
- Deferred revenues	1.9	6.4	12.4
Expenses directly linked to business combinations	**0.2**	**7.9**	**14.3**
P&L impact of change in Thales' share price relating to LTI plans	**4.2**	**46.4**	**44.9**
PPA amortisation related to equity affiliates entities	**7.4**	**7.9**	**15.0**
Adjusted EBIT	**1,371.8**	**1,247.9**	**2,739.6**

2.2. Sales

First half 2026	Aerospace	Defence	Cyber & Digital	Other	Thales
Country of destination:					
France	637.0	2,200.8	83.1	26.6	2,947.5
United Kingdom	81.5	506.6	116.9	2.5	707.5
Rest of Europe	1,298.3	1,589.2	405.9	12.1	3,305.5
Sub-total Europe	**2,016.8**	**4,296.6**	**605.9**	**41.2**	**6,960.5**
USA	169.1	214.6	463.6	—	847.3
Canada	40.6	152.1	48.8	2.6	244.1
Australia and New Zealand	27.6	435.1	48.3	0.2	511.2
Total mature markets	**2,254.1**	**5,098.4**	**1,166.6**	**44.0**	**8,563.1**
Emerging markets (a)	525.3	1,217.2	630.5	12.8	2,385.8
TOTAL	**2,779.4**	**6,315.6**	**1,797.1**	**56.8**	**10,948.9**

First half 2025	Aerospace	Defence	Cyber & Digital	Other	Thales
Country of destination:					
France	652.3	2,242.3	78.0	29.1	3,001.7
United Kingdom	84.5	513.0	107.9	2.3	707.7
Rest of Europe	1,187.8	1,077.3	390.3	13.5	2,668.9
Sub-total Europe	**1,924.5**	**3,832.5**	**576.2**	**44.9**	**6,378.2**
USA	320.4	290.7	514.4	0.1	1,125.6
Canada	39.1	95.9	48.4	3.1	186.6
Australia and New Zealand	23.8	371.5	49.0	0.4	444.7
Total mature markets	**2,307.8**	**4,590.6**	**1,188.1**	**48.6**	**8,135.1**
Emerging markets (a)	451.5	1,002.8	661.0	14.4	2,129.7
TOTAL	**2,759.3**	**5,593.4**	**1,849.1**	**63.0**	**10,264.8**

2025	Aerospace	Defence	Cyber & Digital	Other	Thales
Country of destination:					
France	1,378.1	4,507.6	179.2	60.5	6,125.4
United Kingdom	175.7	1,033.4	220.1	5.0	1,434.2
Rest of Europe	2,565.1	2,785.4	829.1	28.3	6,207.8
Sub-total Europe	**4,118.9**	**8,326.4**	**1,228.3**	**93.8**	**13,767.4**
USA	712.9	624.8	1,025.6	0.1	2,363.3
Canada	87.3	200.5	93.1	6.1	387.1
Australia and New Zealand	62.8	750.6	97.1	0.8	911.2
Total mature markets	**4,981.8**	**9,902.4**	**2,444.1**	**100.7**	**17,429.0**
Emerging markets (a)	928.3	2,353.7	1,385.8	39.6	4,707.4
TOTAL	**5,910.2**	**12,256.0**	**3,829.9**	**140.3**	**22,136.4**

(a) Emerging markets: all countries outside Europe, USA & Canada, Australia and New Zealand.

The 2025 data has been restated, where necessary, to reflect internal reorganizations.

3. Impact of changes in scope consolidation

3.1. Main changes in scope of consolidation

There were no significant change in scope during the periods in consideration.

The information presented in note 3.1 of the Notes to the consolidated accounts, as included in the 2025 Universal Registration Document and relating to the project to merge the Space activities of Thales, Airbus, and Leonardo, remains applicable as of June 30, 2026.

3.2. Non-current income (expense) of operating activities

	First half 2026	First half 2025	2025
Disposal of investments	11.4	(2.9)	(3.2)
Acquisition and disposal related fees	(19.0)	(19.2)	(34.1)
Disposal of real estate and other tangible and intangible assets	0.9	(0.2)	0.5
Impact of settlements / amendments to pensions plans (a)	(54.4)	(0.1)	14.2
Other non recurring items (b)	(450.4)	—	—
Disposal of assets, changes in scope of consolidation and other	**(511.5)**	**(22.4)**	**(22.6)**

a) In France, the Finance Law for 2026 has cancelled the individual income tax exemption that had previously applied, up to a limit of one month's base salary, to bonuses paid when the long-service awards are granted.

By analogy with the income tax position, these bonuses were previously exempt from social contributions. In this context, the abolition of the tax exemption has led the administration to reconsider its position of tolerance. As of 1 January 2027, these bonuses are now fully subject to social contributions.

The associated actuarial debt (€117.2 million at the end of 2025) was reassessed accordingly, resulting in the recognition, in the first half of 2026, of an additional liability of €49 million.

b) On 24 June 2026, the German Ministry of Defence decided to terminate the contract for the six F126 frigates programme, for which the Dutch shipyard Damen Schelde Naval Shipbuilding ("DSNS") was the prime contractor and Thales one of the sub-contractors.

Thales had been selected by DSNS in November 2020 to supply radars, sensors, combat management and fire control systems, as well as for the integration of the combat platform for this program.

Thales is assessing the consequences of this decision in consultation with its partners on this project and the relevant authorities. In connection with the termination of this program, the Group has recorded an exceptional charge of €450.4 million in the first half of 2026. This amount mainly corresponds to costs already paid by Thales to ensure the progress of the project as well as to a conservative estimate of the financial compensation to be received.

4. Property, plant and equipment and intangible assets

4.1. Goodwill

Goodwill relating to fully-consolidated subsidiaries has been allocated to cash-generating units (CGUs) corresponding to the Group's Global Business Units (GBUs). Changes in goodwill are presented below:

	01/01/26	Acquisitions	Disposal	Exchange rate & other	30/06/26
Avionics	**962.9**	—	—	1.3	**964.2**
Space	**487.6**	—	—	0.4	**488.0**
Secured Communications and Information Systems	**812.0**	16.3	—	5.8	**834.1**
Land and Air Systems	**334.1**	—	—	0.7	**334.8**
Defence Mission Systems	**498.9**	—	—	4.1	**503.0**
Cyber & Digital	**5,435.0**	—	—	85.0	**5,520.0**
Total	**8,530.5**	**16.3**	**—**	**97.3**	**8,644.1**

	01/01/25	Acquisitions	Disposals	Exchange rate & other	31/12/25
Avionics	**962.9**	—	—	—	**962.9**
Space	**488.0**	—	—	(0.4)	**487.6**
Secured Communications and Information Systems	**833.5**	(17.0)	—	(4.5)	**812.0**
Land and Air Systems	**335.9**	—	—	(1.8)	**334.1**
Defence Mission Systems	**506.9**	—	—	(8.0)	**498.9**
Cyber & Digital	**5,772.0**	—	—	(337.0)	**5,435.0**
Total	**8,899.2**	**(17.0)**	**—**	**(351.7)**	**8,530.5**

Goodwill is subject to annual impairment tests following the Group’s budgetary timetable.

In the context of the interim closing, Cash-Generating Units (CGUs) for which there is an indication of impairment are subject to new tests incorporating the effects of the latest events known at the half-year closing date.

At 30 June 2026, no indication of impairment had been identified.

4.2. Property, plant and equipment and intangible assets

	01/01/26	Acquisitions	Disposal	Depr. and amort.	Change in scope and exch. rate	30/06/26
Acquired Intangible assets	1,813.9	—	—	(146.7)	42.3	1,709.5
Capitalised development costs	41.8	14.4	—	(8.7)	0.7	48.2
Other	140.4	23.4	—	(16.3)	(12.3)	135.2
Intangible assets	**1,996.1**	**37.8**	**—**	**(171.7)**	**30.7**	**1,892.9**
Right-of-use from lease contracts	1,225.5	178.1	—	(138.7)	6.8	1,271.7
Property, plant and equipment	2,673.7	263.9	(0.4)	(223.3)	30.1	2,744.0
Tangible assets	**3,899.2**	**442.0**	**(0.4)**	**(362.0)**	**36.9**	**4,015.7**
Total	**5,895.3**	**479.8**	**(0.4)**	**(533.7)**	**67.6**	**5,908.6**
Less, not paid yet		5.3				
Less, new lease contracts		(178.1)				
Capital expenditure (a)		**307.0**				

	01/01/25	Acquisitions	Disposal	Depr. and amort.	Change in scope and exch. rate	31/12/25
Acquired Intangible assets	2,348.8	—	—	(367.9)	(167.0)	1,813.9
Capitalised development costs	42.3	20.5	—	(18.4)	(2.6)	41.8
Other	141.6	49.1	—	(42.5)	(7.8)	140.4
Intangible assets	**2,532.7**	**69.6**	**—**	**(428.8)**	**(177.4)**	**1,996.1**
Right-of-use from lease contracts	1,282.0	205.1		(233.3)	(28.3)	1,225.5
Property, plant and equipment	2,433.5	707.7	(10.4)	(425.2)	(31.9)	2,673.7
Tangible assets	**3,715.5**	**912.8**	**(10.4)**	**(658.5)**	**(60.2)**	**3,899.2**
Total	**6,248.2**	**982.4**	**(10.4)**	**(1,087.3)**	**(237.6)**	**5,895.3**
Less, not paid yet		(20.6)				
Less, new lease contracts		(205.1)				
Capital expenditure (a)		**756.7**	**(10.4)**			

(a) As presented in the statement of cash flows.

5. Investments in equity affiliates

5.1. Change in investment in equity affiliates

	30/06/26	31/12/25
Investment at opening	**1,712.5**	**1,648.2**
Share in net income of equity affiliates	**83.2**	**198.4**
Translation adjustment	6.9	(35.8)
Cash flow hedge	5.9	16.7
Actuarial gains (losses) on pensions	0.2	13.7
Share in comprehensive income of equity affiliates	**96.2**	**193.0**
Dividends paid	(107.4)	(128.2)
Dividends voted and not paid yet	(26.7)	—
Change in scope and other	(5.7)	(0.5)
Investments at closing	**1,668.9**	**1,712.5**
Including Naval Group	*911.3*	*924.4*

5.2. Naval Group: summary financial information

Balance sheet - 100% interest	**30/06/26**	**31/12/25**
Non-current assets	2,021.9	1,909.9
Current assets	6,738.1	6,469.3
Total assets	**8,760.0**	**8,379.2**
Restated equity, attributable to shareholders	1,769.4	1,806.8
Non-controlling interests	(0.1)	(0.1)
Non-current liabilities	431.2	331.6
Current liabilities	6,559.5	6,240.9
Total equity and liability	**8,760.0**	**8,379.2**
Net Cash	**1,939.9**	**1,447.6**

Thales's share	**30/06/26**	**31/12/25**
Thales's share (35%) in restated equity	619.3	632.4
Goodwill	292.0	292.0
Share in net assets of Naval Group	**911.3**	**924.4**

Income statement - 100% interest	**First half 2026**	**First half 2025**	**2025**
Sales	2,456.8	2,223.8	4,678.8
Income from operating activities, after share in net income of equity affiliates	133.2	107.9	282.4
Financial income (loss)	19.4	17.5	42.4
Tax	(57.0)	(43.7)	(93.4)
Discontinued activities	(0.7)	0.8	3.3
Restated net income	**94.9**	**82.5**	**234.7**
Of which, attributable to shareholders of the company	*94.9*	*82.4*	*234.7*
Of which, attributable to non-controlling interests	*—*	*0.1*	*—*
Thales's share:			
Thales's share in net income attributable to shareholders of the company	**33.2**	**28.9**	**82.1**
Of which, PPA amortisation	(5.7)	(5.7)	(11.5)
Share in net income, before PPA	**39.0**	**34.6**	**93.6**
Dividends received from Naval Group	46.7	46.5	46.5

6. Financing and financial instruments

6.1. Financial income

a) Net interest income

	First half 2026	First half 2025	2025
Financial interests related to lease contracts	(20.9)	(17.4)	(36.0)
Other interest expense	(86.7)	(98.8)	(196.7)
Interest income on cash and cash equivalents	74.2	60.5	116.8
Total	**(33.4)**	**(55.7)**	**(115.9)**

b) Other financial income

	First half 2026	First half 2025	2025
Foreign exchange gains (losses)	(0.2)	(34.2)	(31.2)
Cash flow hedges, ineffective portion	6.2	(0.9)	3.7
Change in fair value of derivatives (a)	(15.8)	(13.6)	(37.4)
Other	(27.8)	4.8	(0.9)
Total	**(37.6)**	**(43.9)**	**(65.8)**

a) Includes the change in the fair value of swap points (-€13.7 million in first half 2026, -€15.3 million in the first half of 2025 and -€44.5 million in 2025).

6.2. Net cash (net debt)

Group net cash (debt), as defined in Note 13-a of 2025 consolidated accounts, is as follows:

		30/06/26	31/12/25
Other current financial assets		58.9	64.6
Cash and cash equivalents		4,997.2	4,446.5
Cash and other short-term investments	(a)	**5,056.1**	**4,511.1**
Financial debt		4,174.7	4,796.7
Lease debt		1,400.6	1,332.8
Gross debt (a)	(b)	**5,575.3**	**6,129.5**
Net cash (debt)	(a-b+c)	**(519.2)**	**(1,618.4)**
(a) Including:			
Long-term financial debt		*3,560.9*	*3,999.4*
Short-term financial debt		*2,015.0*	*2,130.1*
Fair value of interest rate hedging derivatives		*(0.6)*	*—*

Bonds: key features at the end of June 2026:

Nominal value	Issue date	Maturity	Type of rate	Coupon	Effective rate	
					Before hedging	After hedging
€ 500 million	Jan. 2020	Jan. 2027	fixed	0.25%	0.33%	0.33%
€ 700 million	May 2020	May 2028	fixed	1.00%	1.10%	1.10%
€ 600 million	Oct. 2023	Oct. 2028	fixed	4.13%	4.28%	4.28%
€ 500 million	June 2023	June 2029	fixed	3.63%	3.83%	3.83%
€ 600 million	Oct. 2023	Oct. 2031	fixed	4.25%	4.42%	4.42%

6.3. Summary of financial assets and liabilities

At end of June 2026, the classification of financial assets and liabilities (including the corresponding fair value hierarchy) remained identical to the one disclosed in note 6.5 to the 2025 consolidated financial statements.

The fair value of financial assets and liabilities approximates their carrying amount, except for long-term debts for which the fair value is €3,596.9 million, compared to €3,560.9 million for their carrying amount at 30 June 2026 (€4,041.5 million vs. €3,999.4 million at 31 December 2025).

7. Change in net cash (net debt)

	First half 2026	First half 2025	2025
Net debt at opening	**(1,618.4)**	**(3,043.6)**	**(3,043.6)**
Net cash flow from operating activities	2,171.5	808.0	3,321.8
Less, UK buy-out remaining payments	—	0.9	1.1
Capital expenditures	(306.6)	(310.4)	(746.3)
Free operating cash flow	***1,864.9***	***498.5***	***2,576.6***
Net investment in subsidiaries and affiliates (a)	(5.6)	(64.3)	(69.0)
Of which, Transport business	—	*(55.0)*	*(55.0)*
Of which, other	*(5.6)*	*(9.3)*	*(14.0)*
Changes in non-current financial assets	(18.6)	(56.1)	(36.2)
Contribution to UK buy-out remaining payments	—	(0.9)	(1.1)
Dividends paid by the parent company	(606.1)	(585.5)	(780.7)
Third-party share in dividend distributions of subsidiaries and other	(6.4)	(2.5)	(2.2)
Purchase of treasury shares	(1.4)	(2.9)	(45.2)
New lease debts	(178.1)	(117.7)	(205.1)
Changes in exchange rates and other	50.5	(52.0)	(11.9)
Net debt at closing	**(519.2)**	**(3,427.0)**	**(1,618.4)**

(a) Net of cash (debt) of companies acquired/divested and repayments of shareholders' loans.

7.1. Working capital requirements

Current operating assets and liabilities include working capital (WCR) components and reserves for contingencies.

The changes in these items are presented below:

Change for the period	01/01/25	Changes in WCR and reserves	Scope, exch. rate and reclass.	31/12/25	Changes in WCR and reserves	Scope, exch. rate and reclass.	30/06/26
Inventories & work in progress	4,935.5	148.4	(119.7)	4,964.2	657.5	33.0	5,654.7
Contract assets (a)	3,242.7	435.7	(143.4)	3,535.0	(143.0)	60.9	3,452.9
Advance to suppliers	895.7	8.8	(12.5)	892.0	(13.3)	1.9	880.6
Accounts, notes and other receivables	7,146.2	264.5	(564.9)	6,845.8	(410.7)	(20.2)	6,414.9
Current derivatives - assets	135.1	15.0	(0.2)	149.9	(102.6)	88.9	136.2
Contract liabilities	(11,541.1)	(1,501.9)	659.0	(12,384.0)	11.5	(107.9)	(12,480.4)
Reserves for contingencies (a)	(1,964.7)	159.3	126.2	(1,679.2)	(299.6)	10.2	(1,968.6)
Accounts, notes and other payables	(8,332.7)	(269.2)	(50.4)	(8,652.3)	(672.4)	(114.1)	(9,438.8)
Current derivatives - liabilities	(352.7)	—	201.5	(151.2)	—	(88.9)	(240.1)
WCR and reserves, net	**(5,836.0)**	**(739.4)**	**95.6**	**(6,479.8)**	**(972.6)**	**(136.2)**	**(7,588.6)**
Restructuring provisions		**15.9**			**(29.2)**		
Increase (decrease) in WCR and reserves		**(723.5)**			**(1,001.8)**		

a) Including, in the first half of 2026, the impact of F126 program termination (note 3.2).

7.2. Reserves for contingencies

	01/01/26	Utilisation	Additions	Reversal (surplus)	Exch. rate and other	30/06/26
Restructuring	66.5	(29.5)	2.7	(2.4)	0.5	37.8
Litigation	261.5	(27.4)	29.0	(5.3)	(1.9)	255.9
Guarantees	230.5	(18.3)	30.9	(4.3)	2.3	241.1
Losses at completion	469.7	(97.6)	114.0	(16.7)	0.1	469.5
Provisions on contracts (a)	362.1	(22.0)	329.7	(1.1)	(4.4)	664.3
Other (b)	288.9	(17.9)	36.7	(0.9)	(6.8)	300.0
Total	**1,679.2**	**(212.7)**	**543.0**	**(30.7)**	**(10.2)**	**1,968.6**

	01/01/25	Utilisation	Additions	Reversal (surplus)	Exch. rate and other	31/12/25
Restructuring	60.3	(38.5)	46.6	7.8	(9.7)	66.5
Litigation	242.9	(37.2)	79.6	(38.5)	14.7	261.5
Guarantees	246.2	(54.7)	66.7	(25.0)	(2.7)	230.5
Losses at completion	436.4	(134.3)	162.3	(15.4)	20.7	469.7
Provisions on contracts	459.7	(59.4)	100.5	(24.2)	(114.5)	362.1
Other (b)	519.2	(246.3)	64.9	(14.2)	(34.7)	288.9
Total	**1,964.7**	**(570.4)**	**520.6**	**(109.5)**	**(126.2)**	**1,679.2**

a) Additions include provisions booked in the context of F126 program termination.

b) This line includes technical provisions for reinsurance companies, obligations to restore facilities, provisions for tax (excluding income tax) and social risks, provisions for seller warranties, and other risks.

8. Provisions for pensions and other long-term employee benefits

8.1. Actuarial assumptions

At 30 June 2026, the market value of plan assets as well as discount and inflation rates assumptions in France (representing 80% of the Group's net obligation) were updated:

30 June 2026	
Inflation rate	1.82%
Discount rate	4.09%
30 June 2025	
Inflation rate	2.06%
Discount rate	3.66%
2025	
Inflation rate	1.83%
Discount rate	3.99%

8.2. Changes in provision

	First half 2026	First half 2025	2025
Provision at opening	**(1,420.0)**	**(1,589.3)**	**(1,589.3)**
Current service cost (income from operations)	**(47.3)**	**(47.1)**	**(99.3)**
Past service cost and settlements (non recurring operating income - a-)	**(54.4)**	**(0.1)**	**14.2**
Net interest cost	(27.2)	(26.3)	(55.2)
Pension fund management cost	—	0.1	(0.5)
Actuarial gains and losses on other long-term employee benefits	2.9	4.4	11.7
Finance costs on pensions and other long-term employee benefits	**(24.3)**	**(21.8)**	**(44.0)**
Total expense for the period	**(126.0)**	**(69.0)**	**(129.1)**
Actuarial gains and losses (other comprehensive income)	**(32.1)**	**(17.9)**	**51.8**
Benefits and contributions	**78.3**	**77.3**	**234.8**
- of which, buy-out remaining payments in the UK	*—*	*0.9*	*1.1*
- of which, other benefits and contributions	*78.3*	*76.4*	*233.7*
Translation adjustment	**(5.0)**	**9.7**	**10.0**
Changes in scope of consolidation and other	**(0.2)**	**(1.0)**	**1.8**
Provision at closing	**(1,505.0)**	**(1,590.2)**	**(1,420.0)**

a) Impact on actuarial provision linked to Long-service awards in France, newly subject to social contributions (note 3.2).

9. Income tax

	First half 2026	First half 2025	2025
Net income	471.0	642.0	1,640.3
Less: share in net income of equity affiliates	(83.2)	(92.8)	(198.4)
Less: income tax	133.6	204.9	396.5
Net income before tax and share in net income of equity affiliates	**521.4**	**754.1**	**1,838.4**
Income tax benefit (expense)	**(133.6)**	**(204.9)**	**(396.5)**
of which temporary additional income tax in France	(57.4)	(59.7)	(74.8)
Effective tax rate	**25.6%**	**27.2%**	**21.6%**

The income tax expense excludes research tax credit which is recorded in income from operations (respectively €101.0 million, €94.9 million and €169.5 million in the first half of 2026 and 2025 and in 2025).

10. Equity and earnings per share

10.1. Shareholders' equity

a) Share capital

	30/06/26			31/12/25		
	Number of shares	**% of share capital**	**% of voting rights**	**Number of shares**	**% of share capital**	**% of voting rights**
T.S.A.	54,786,654	26.60%	36.34%	54,786,654	26.60%	36.35%
French State (including one golden share)	2,060	—%	—%	2,060	—%	—%
Public sector (a)	54,788,714	26.60%	36.34%	54,788,714	26.60%	36.35%
Dassault Aviation (b)	54,750,000	26.59%	29.95%	54,750,000	26.59%	29.91%
Thales (c)	480,882	0.23%	—%	464,490	0.23%	—%
Employees (d)	6,039,500	2.93%	3.76%	6,164,289	2.99%	3.81%
Other shareholders	89,882,817	43.65%	29.95%	89,774,420	43.59%	29.93%
Total	**205,941,913**	**100.00%**	**100.00%**	**205,941,913**	**100.00%**	**100.00%**

(a) Under the terms of shareholders' agreement with Dassault Aviation (the "Industrial Partner"), the "Public Sector" is represented by the company TSA, excluding the French State directly. All Thales shares held directly and indirectly by the French State have been directly registered for more than two years and thus have double voting rights as of 30 June 2026.

(b) As of 30 June 2026, Dassault Aviation holds 44,372,918 directly registered shares, of which 35,569,349 have been held for more than two years and therefore have double voting rights as of 30 June 2026, and also holds 10,377,082 bearer shares.

(c) Treasury shares represented 79,697 bearer shares held under a liquidity contract and 401,185 directly registered shares.

(d) This line shows total employees share ownership. For information purposes, since Law No 2019-486 of 22 May 2019, employee share ownership within the meaning of French Commercial Code (article L. 225-102), excludes shares granted free of charge under the LTI plans prior to 2016 (in the absence of an amendment to the by laws to include such shares) and amounted, as of 30 June 2026 to 4,852,089 shares and 9,147,089 voting rights, i.e.,2.36% of the capital stock and 3.03% of the exercisable voting rights, respectively.

b) Treasury shares

Thales (parent company) held 480,882 of its own shares at 30 June 2026. They are accounted for as a deduction from consolidated equity in the amount of €-94.2 million. In accordance with the authorisations given to the board of Directors at the Annual General Meeting, the Company carried out, in 2025 and in the first half of 2025 and 2026 the following operations:

	First half 2026	First half 2025	2025
Treasury shares at opening	**464,490**	**628,731**	**628,731**
Purchases as part of a liquidity agreement	855,594	234,211	1,023,742
Disposals as part of a liquidity agreement	(849,202)	(261,650)	(1,034,176)
Transfer to employees as part of the employee share purchase plan	—	(32,307)	(32,307)
Delivery of free shares	—	(250)	(286,500)
Market purchases	10,000	—	165,000
Treasury shares at closing	**480,882**	**568,735**	**464,490**

c) Parent Company dividend distribution

For the years 2024 and 2025, dividends per share amounted respectively to €3.70 and €3.90. Dividends paid in 2025 and 2026 are described below:

Year	Approved by	Description	Dividend per share (in euro)	Payment date	Payment method	Total (€ million)
2026	General Meeting on 12 May 2026	Balance for 2025	€2.95	May 2026	cash	606.1
2025	Board of Directors on 30 September 2025	2025 interim dividend	€0.95	Dec. 2025	cash	195.2
	General Meeting on 16 May 2025	Balance for 2024	€2.85	May 2025	cash	585.5
	Total dividends paid in 2025					**780.7**

10.2. Earnings per share

		First half 2026	First half 2025	2025
Numerator (in € million):				
Net income, Group share	**(a)**	**485.0**	**663.7**	**1,674.5**
Denominator (in thousands):				
Average number of shares outstanding	**(b)**	**205,505**	**205,390**	**205,476**
Free shares and units plans *		503	536	403
Diluted average number of shares outstanding	**(c)**	**206,008**	**205,926**	**205,879**
Net earnings per share (in euros)	**(a) / (b)**	**2.36**	**3.23**	**8.15**
Diluted net earnings per share (in euros)	**(a) / (c)**	**2.35**	**3.22**	**8.13**
Average share price		**€245.63**	**€224.08**	**€230.97**

* Performance shares are only taken into account when the performance targets are achieved.

11. Administrative, judicial or arbitration claims

As of the date of publication of the interim consolidated financial statements, the judicial investigation initiated in 2022 in relation to the business relations of Gemalto (now Thales Communication et Sécurité Numériques) prior to its acquisition by Thales in 2019 is still ongoing.

In June 2024, several searches took place at various sites in France, the Netherlands, and Spain, as part of two preliminary investigations initiated by the French Parquet National Financier (PNF).

In November 2024, the French Parquet National Financier (PNF) and the British Serious Fraud Office (SFO) initiated an investigation in relation to four Thales entities located in France and the United Kingdom, regarding the performance of a project in Asia. These investigations are all ongoing.

In all these investigations, Thales denies the allegations brought to its knowledge and is fully cooperating with the judicial authorities. However, the outcome of these proceedings, including potential financial consequences if any, cannot be assessed at this time.

As of the date hereof, there is no other administrative, judicial or arbitration claim, pending or threatened, which could have any significant effect on the financial position or profitability of the Company and/or the Group.

12. Related party transactions

Main related party transactions are disclosed in Note 13-a of the consolidated financial statements included in the 2025 Universal Registration Document.

Revenues with the French State amounted to €2,080.0 million in the first half of 2026 and €2,055.1 million in the first half of 2025.

Revenue with Dassault Aviation for the first half of 2026 amounted to €779.6 million

13. Subsequent events

Early July, Thales signed a binding agreement with the Gorgé family concert for the acquisition of their combined 35.51% stake in Exail Technologies, with a view to acquiring 100% of Exail, through a mandatory tender offer, in each case for a price of €134.00 per share. With this acquisition, Thales aims to increase its scale in the underwater warfare market, and to expand its capabilities in inertial navigation systems through the addition of Exail' complementary expertise.
The closing of the acquisition of the Gorgé family's stake is expected by Q3 2027, upon completion of customary antitrust and regulatory approvals. Following the closing of the acquisition of this stake, Thales will file a mandatory tender offer with closing expected at the beginning of 2028 at the latest.

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of the information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Thales

Period from January 1 to June 30, 2026

Statutory auditors' review report on the half-yearly financial information

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Commissaire aux Comptes
Membre de la compagnie
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Thales

Period from January 1 to June 30, 2026

Statutory auditors' review report on the half-yearly financial information

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meetings and in accordance with the requirements of Article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Thales, for the period from January 1 to June 30, 2026;

- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements were prepared under the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the Financial Statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific Verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject of our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, July 22, 2026

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit		ERNST & YOUNG Audit	
Cédric Haaser	Edouard Cartier	Serge Pottiez	Vincent Gauthier

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Building a future we can all trust