

# Combined General Meeting

MAY 16, 2025

[www.thalesgroup.com](http://www.thalesgroup.com)





# Agenda

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2024 in brief



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Financial and extra-financial results 2024



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Strategy and perspectives



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Governance and compensation of corporate officers



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Answers to shareholders' questions



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Vote on resolutions



# 1. 2024 IN BRIEF

Introduction by Patrice Caine  
Chairman and CEO





# Highlights 2024

## > Financial results

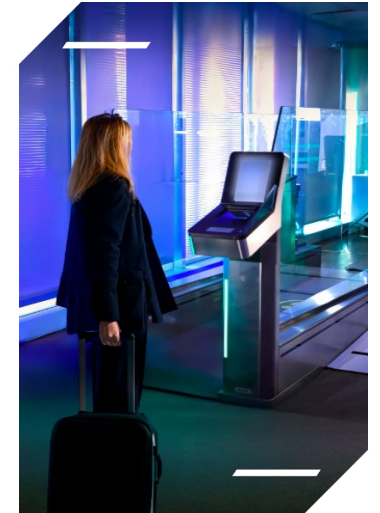
- Very strong order intake dynamic at €25.3 billion
- Organic growth of the turnover of 8.3%
- New highest Adjusted EBIT margin record at 11.8%
- Excellent cash generation

## > Extra financial results

- Continued progress towards our medium-term goals
- Integration of the CAC 40 ESG index

## > Strategy

- Synergies related to the acquisitions of Imperva and Cobham Aerocomms in line with forecasts
- Plan for ongoing adaptation of the Space activity to adapt to new market conditions
- Launch of cortAlx



# Some examples of commercial successes and achievements in 2024



Rafale contracts: Indonesia and Serbia



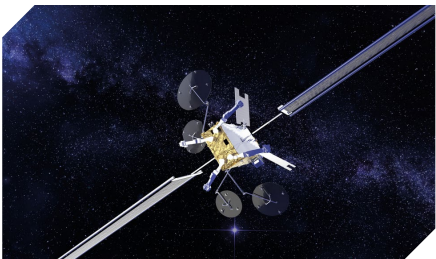
Emirates: First Airbus A350-900 equipped with AVANT Up system



Two new F126 frigates for the German Navy



Cyber: launch of the Data Risk Intelligence solution



SKY Perfect JSAT: order of the first Space INSPIRE satellite in Japan and Asia



Radars: record delivery of 28 Ground Master radars

## 2. FINANCIAL AND EXTRA-FINANCIAL RESULTS 2024

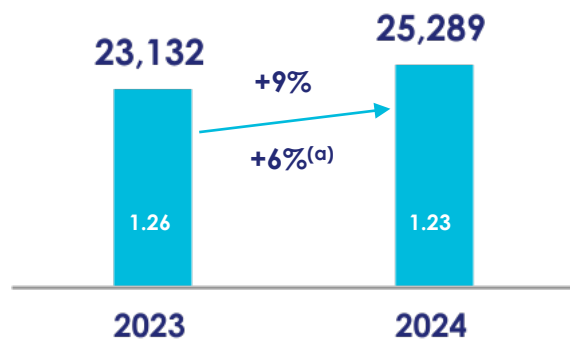
**Pascal Bouchiat**  
SEVP, Finance  
and Information Systems

**Isabelle Simon**  
SEVP, Group Secretary  
and General Counsel

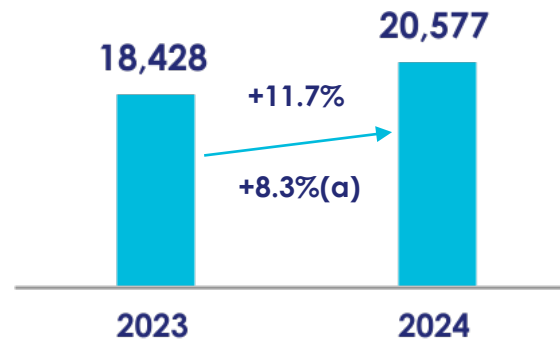


# Financial key figures 2024

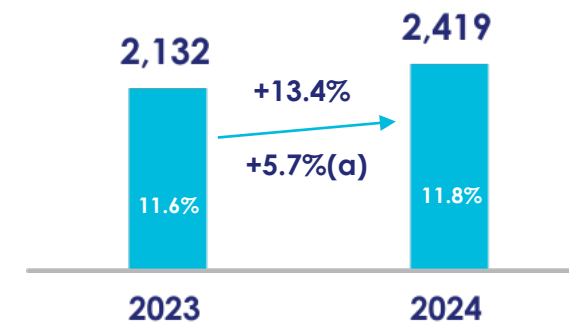
## > Order intake and book-to-bill (€m)



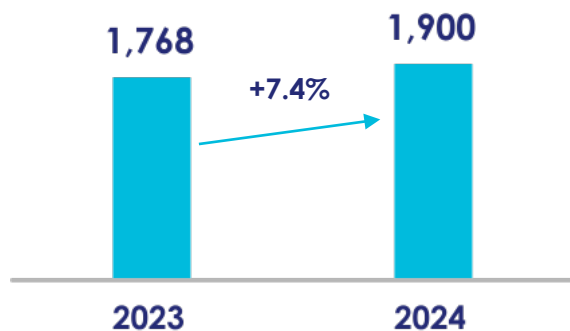
## > Sales (m€)



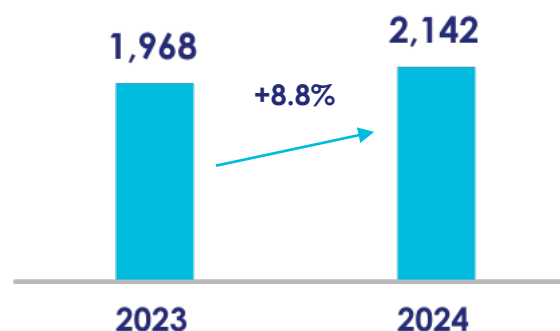
## > Adjusted EBIT<sup>(b)</sup> (€m and %)



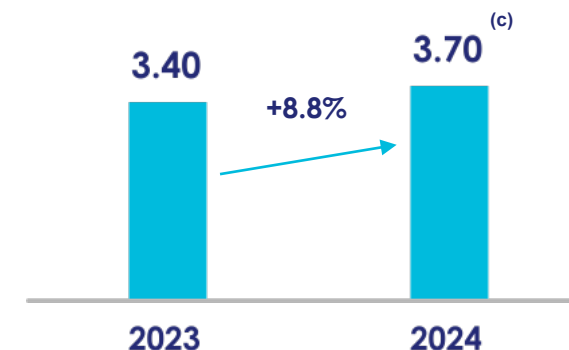
## > Adjusted net result<sup>(b)</sup> (€m)



## > Free operating cash-flow<sup>(b)</sup> from continued activities (€m)



## > Dividend (€)



a. Organic: at constant scope and exchange rates

b. The definition of non-strictly accounting indicators can be found in section 2.3.2 of the 2024 Universal Registration Document. The title of the indicator "EBIT" has changed to "Adjusted EBIT" in accordance with ESMA's recommendations. The definition remains unchanged.

c. Proposed to the General Meeting of 16 May 2025

# Order intake 2024

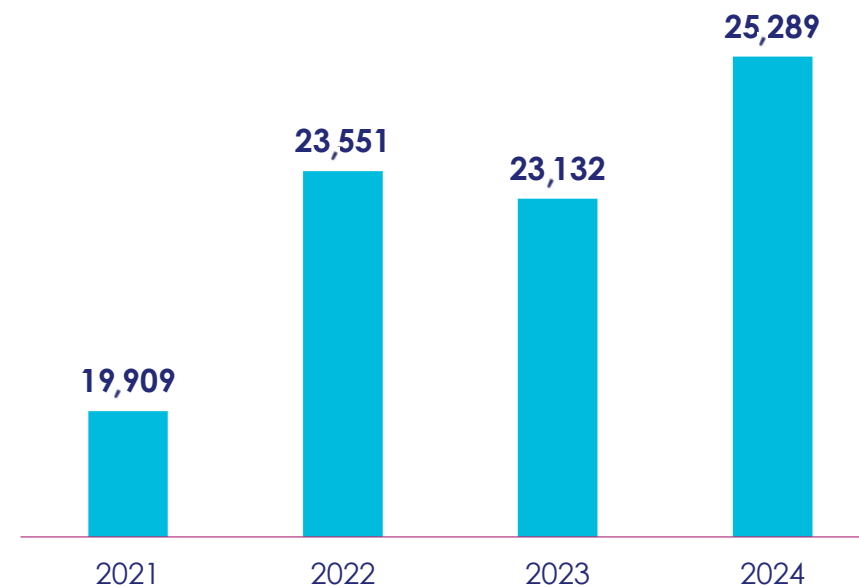
## High level of order in take, driven by large <sup>(a)</sup> orders

- ▶ 35 large orders recorded in 2024 (compared to 25 in 2023), of which
- ▶ 16 large<sup>(a)</sup> orders in Q4 2024

**The consolidated order backlog amounts to c. €51 billion and represents 3.6 years of turnover in Defence**

(a) Of a unit value above €100 million

## Order intake (in millions of euro)





# Evolution of the Adjusted EBIT between 2023 and 2024





# Aerospace: key figures 2024

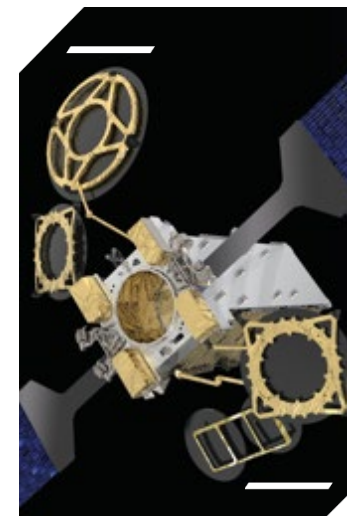
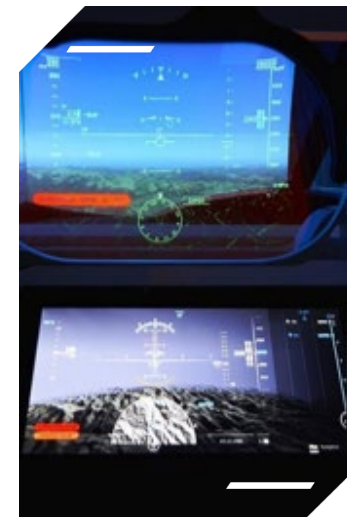
€m	2024	2023	Total Variation
<b>Sales</b>	<b>5,471</b>	<b>5,221</b>	<b>+4.8%</b>
<b>Adjusted EBIT</b>	<b>391</b>	<b>369</b>	<b>+6.0%</b>
<i>as % of sales</i>	<i>7.2%</i>	<i>7.1%</i>	

## > Contrasting dynamics of organic sales growth

- Strong organic growth in Avionics
- Space turnover virtually stable compared to 2023

## > Adjusted EBIT margin stable as expected

- Growth of Avionics margins
- Space profitability impacted by telecommunications activities



# Defence: key figures 2024

€m	2024	2023	Variation Total
<b>Sales</b>	<b>10,969</b>	<b>9,628</b>	<b>+13.9%</b>
<b>Adjusted EBIT</b>	<b>1,432</b>	<b>1,270</b>	<b>+12.7%</b>
<i>as % of sales</i>	<i>13.1%</i>	<i>13.2%</i>	

## > Strong organic sales growth

- Acceleration of deliveries in a context of continuous increase in production capacities (radars, munitions, etc.)

## > Stable Adjusted EBIT margin

- In line with the best of our competitors



# Cyber & Digital: key figures 2024

€m	2024	2023	Variation Total
<b>Sales</b>	<b>4,024</b>	<b>3,504</b>	<b>+14.8%</b>
<b>Adjusted EBIT</b>	<b>585</b>	<b>491</b>	<b>+19.2%</b>
<i>as % of sales</i>	<i>14.5%</i>	<i>14.0%</i>	

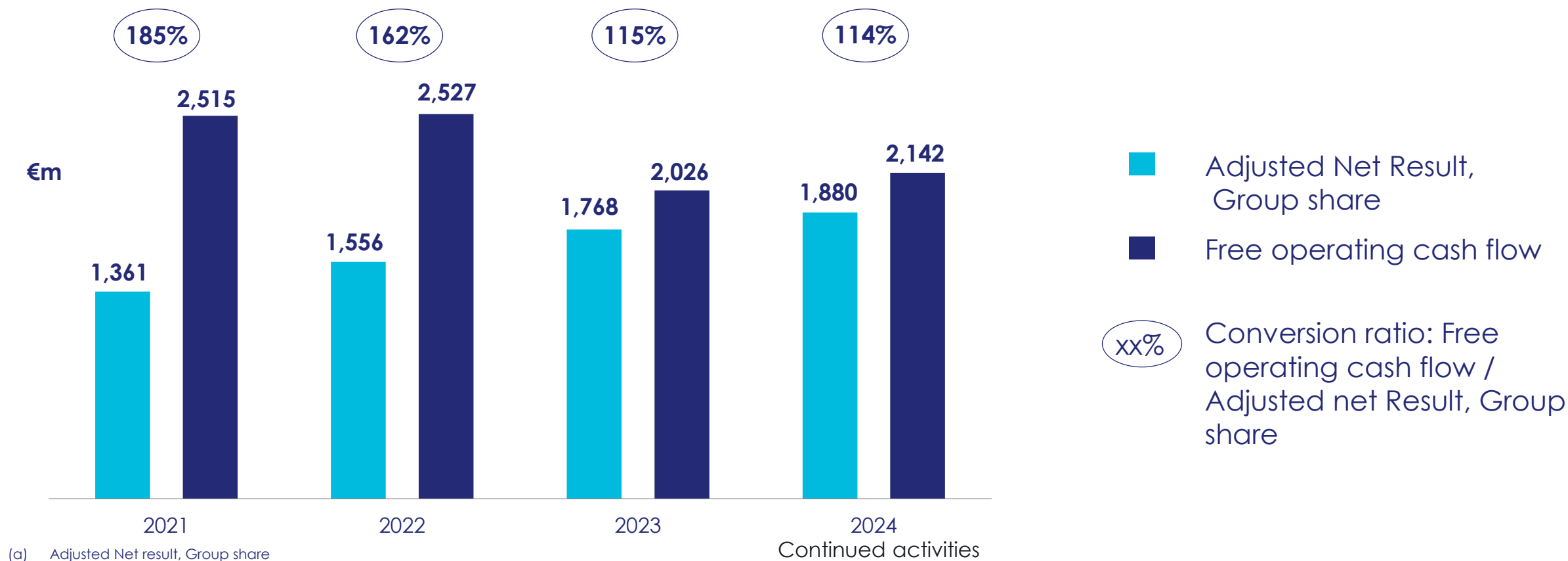
- > Acquisition of Imperva
- > Pursuit of a sustained momentum in cybersecurity
- > Solid growth of Adjusted EBIT, thanks to the successful integration of Imperva

*Reminder: 2023 amounts are being restated to integrate civilian cyber security activities transferred from the Defence activity*



# Cash generation

## Conversion of the Adjusted Net Result <sup>(a)</sup> into free operating cash flow

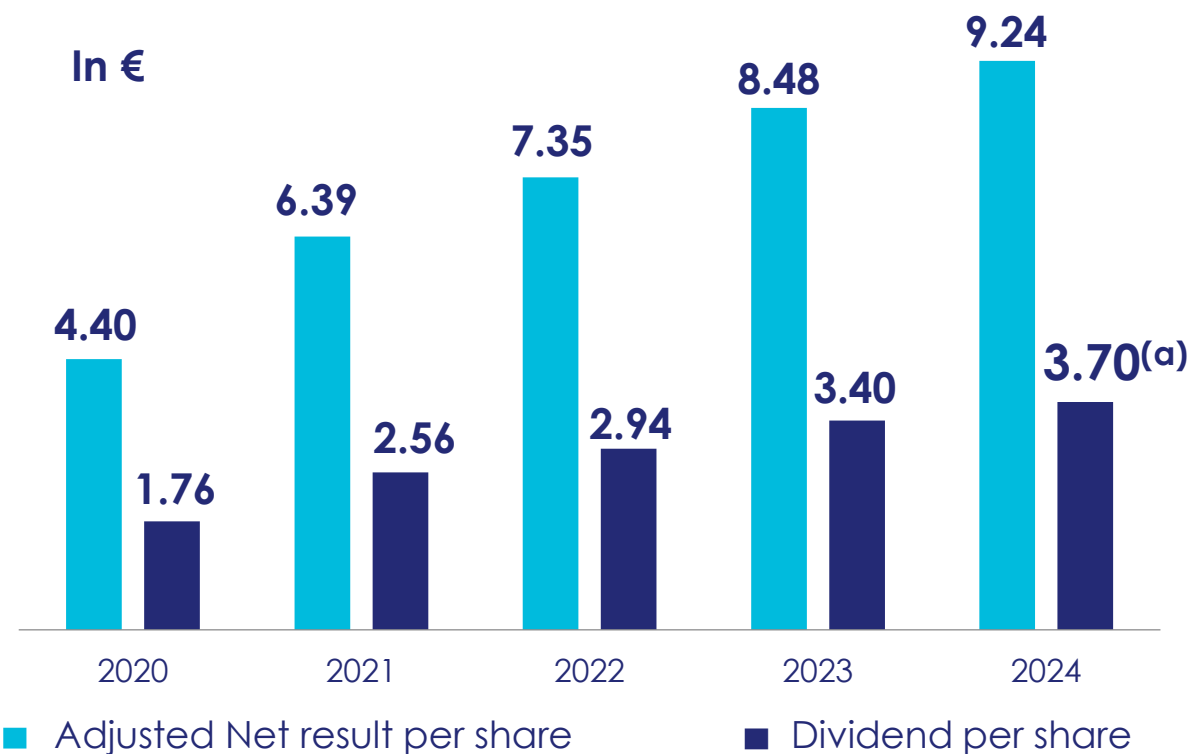




# Adjusted Net Result and dividend per share

## Adjusted Net Result and dividend per share

Adjusted Net Result per share: €9.24

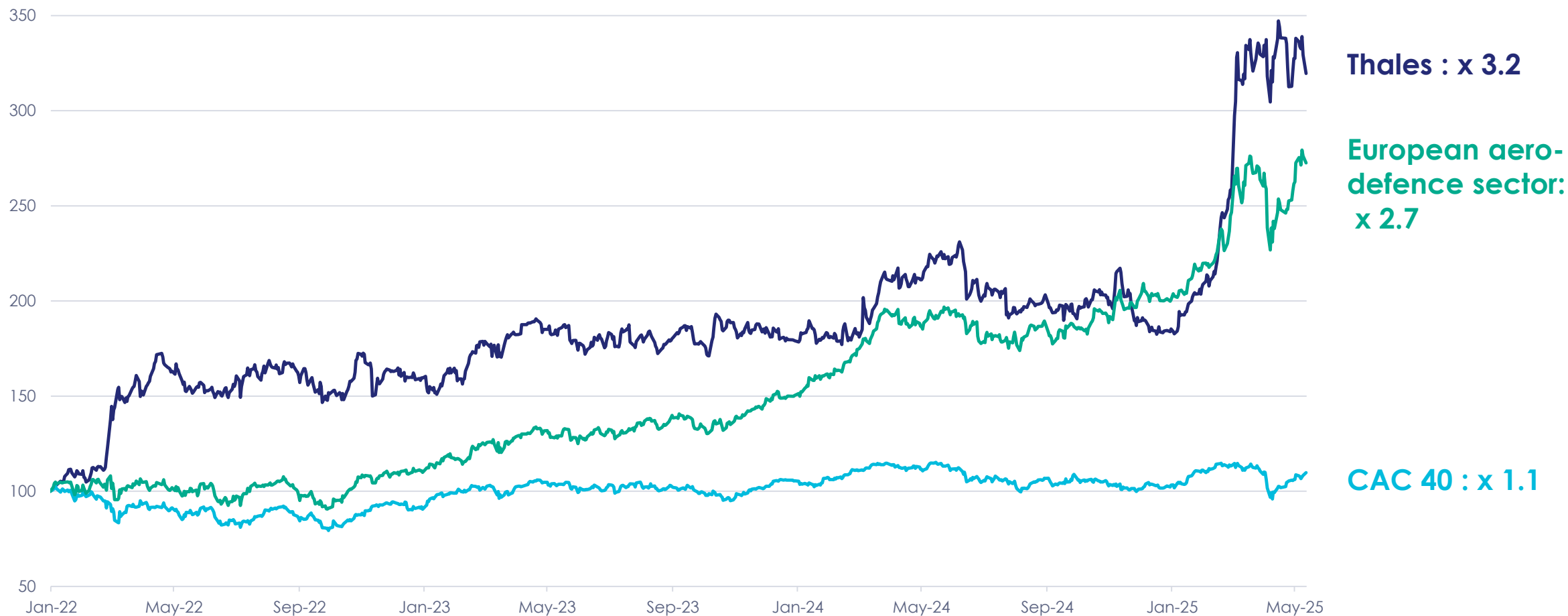


Proposed dividend (resolution #3) :  
€3.70 per share<sup>(a)</sup>

- Confirmation of the **distribution rate of 40%** of Adjusted Net Result per share
- The Net Result per share has more than doubled since 2020

(a) Subject to approval by the General Meeting

# Thales stock price: net over-performance over the past 3 years



On May 2025 ; basis 100 ; Source : Bloomberg

(1) FTSEurofirst 300 Aerospace and Defence Index EUR.

# Key figures for the first quarter 2025

€m	Q1 2025	Q1 2024	Total change
Order intake	3,778	5,037	-25%
Sales	4,960	4,421	+12.2%

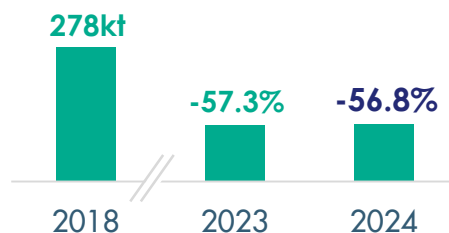
- > Continued strong business momentum
- > Strong revenue growth driven by the dynamism of the Defence and Avionics businesses

# Continuous progress in sustainable performance



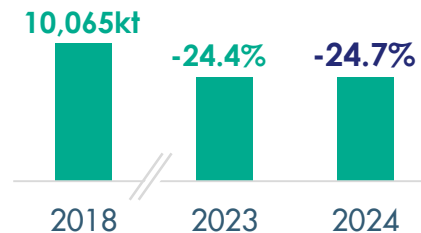
## Scopes 1 & 2 CO<sub>2</sub> Emissions In absolute value vs 2018

**2030 Objective: -50%**



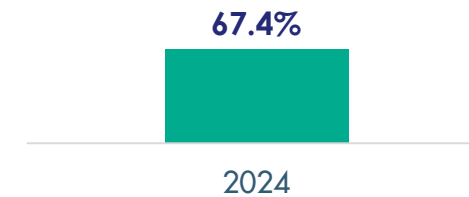
## Scope 3 CO<sub>2</sub> Emissions In absolute value vs 2018

**2030 Objective: -15%**



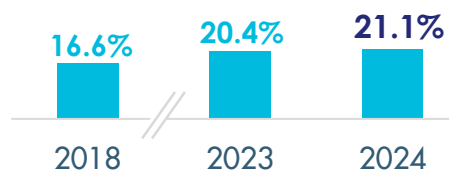
## Climate Passport Training % of managers trained

**2024 Objective: 50%  
2025 Objective: 85%**



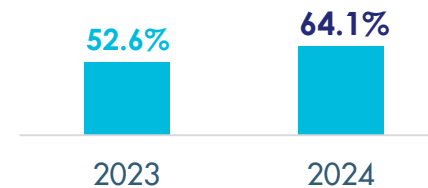
## Women at the highest levels of responsibility

**2026 Objective: 22.5%  
2030 Objective: 25%**



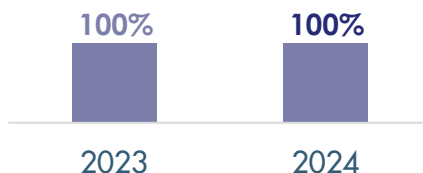
## Management Committees with at least 4 women

**2026 Objective: 75%  
2030 Objective: 85%**

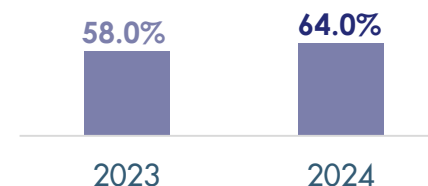


## Employees trained in corruption prevention

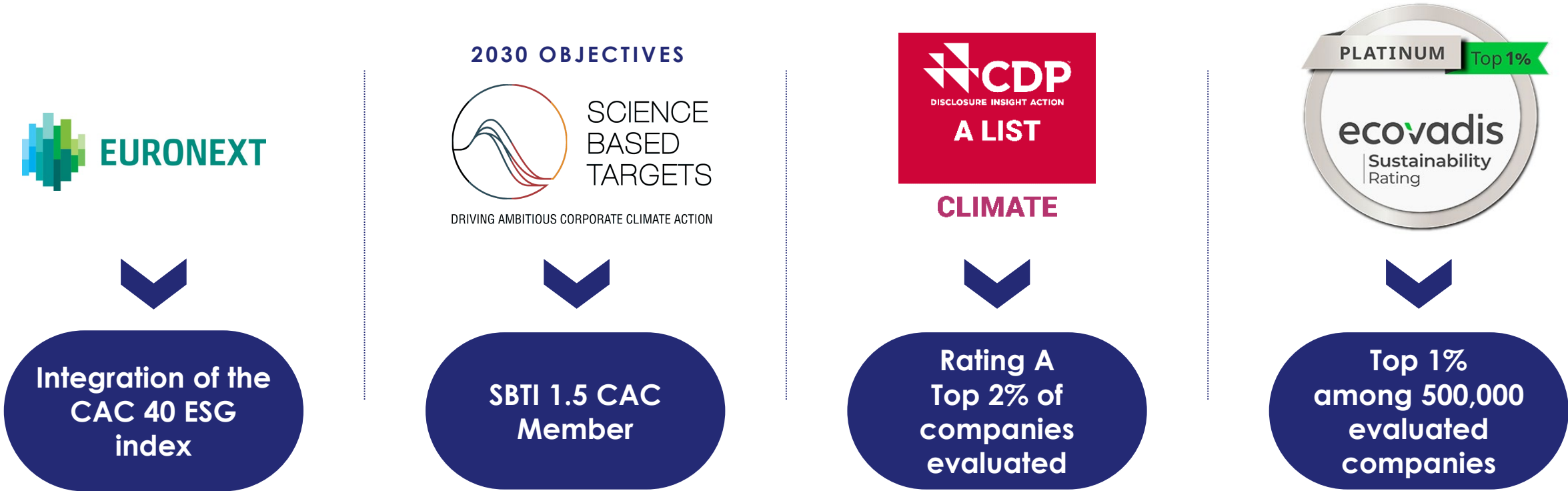
**Objective: 100% of target population**



## Extension of ISO 37001 certification for anti-bribery management systems % of Group Sales



# Integration of ESG CAC 40 and progression in extra-financial ratings





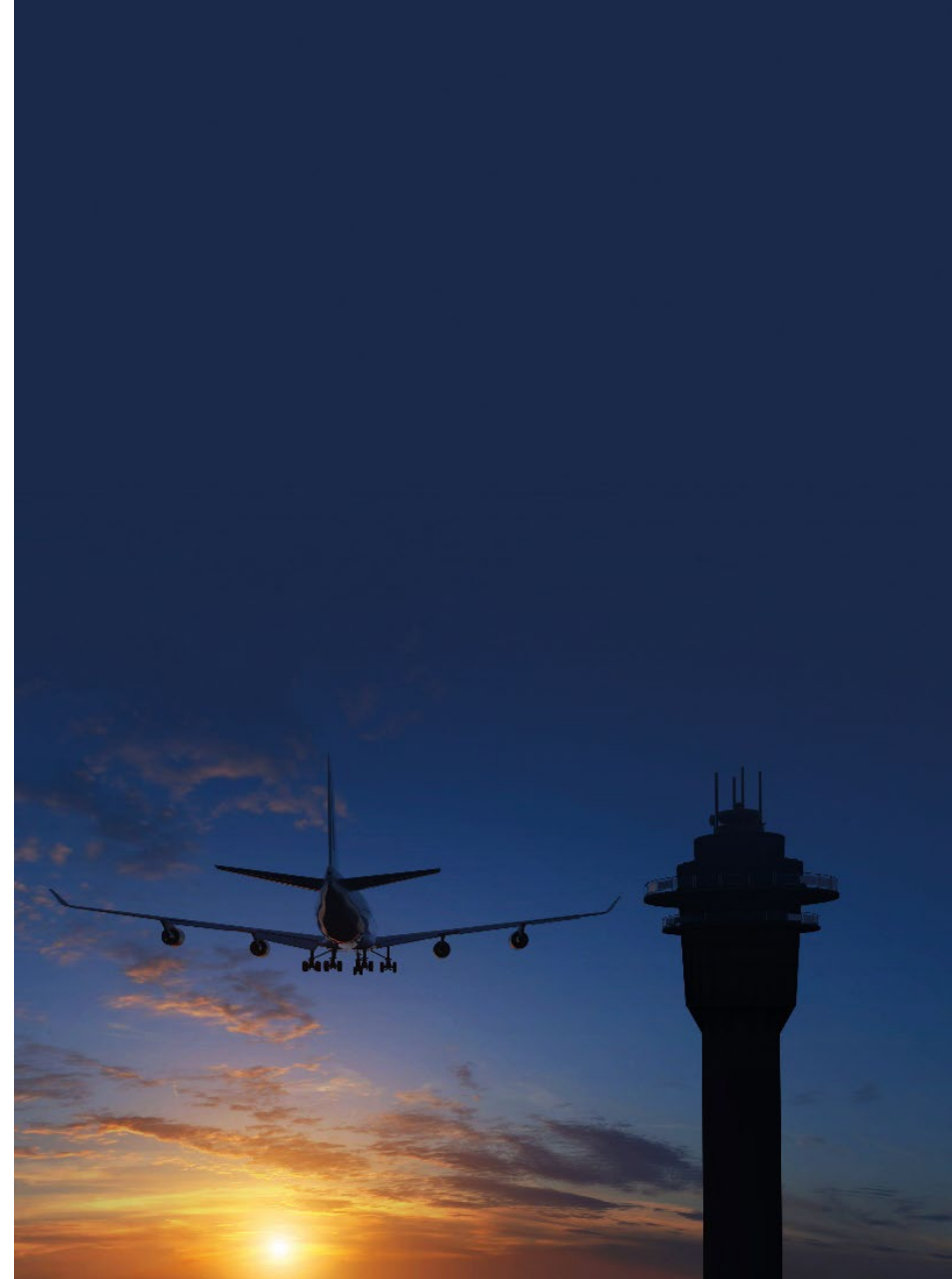
### 3. STRATEGY AND PERSPECTIVES

**Patrice Caine**  
Chairman and CEO



# Our strategic priorities for 2025

- 1 Investments in people and industrial capacity:  
continuing our ramp-up
- 2 Ensuring the return to profitability of our Space  
activities
- 3 Differentiating ourselves through innovation
- 4 Strengthening our CSR strategy



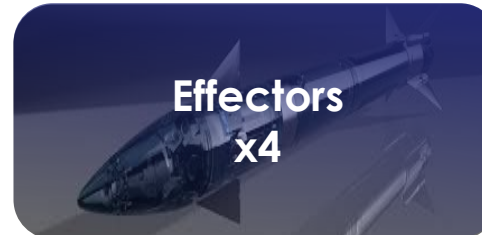
# 1. Investments in people and industrial capacity: continuing our ramp-up

## ATTRACTING AND RECRUITING TOP TALENT

- > **An attractive company and a strong brand**
  - 1 million applications in 2024
- > **Recruitment now focused on high expertise positions**
  - **Approx. 8,000 recruitments** planned in 2025, of which 3,000 in France
- > **“Learning Company”**: 35 internal academies

## INCREASE PRODUCTION CAPACITY

- > **Several ramp-ups achieved**



**Thales invests to meet strong customer demand**

## 2. Ensuring the return of our space activities to profitability

### > Continuing the adaptation plan to ensure the return

- **Adapting to the situation of the space telecoms market...**
  - Approximately 1,300 positions involved
  - Adjustment of structural costs
- **... while retaining skills and preserving employment**
  - Repositioning teams internally
  - 67% of positions already redeployed at the end of March 2025
- **Adjusted EBIT margin of 7%+ planned for 2028**

### > Growth perspectives

- **Stabilization of demand in the telecommunications sector**
- **Strong demand in Observation, Exploration & Science and Navigation**





### 3. Differentiating ourselves through innovation

#### > Thales is a world-class innovator

- 33,000 employees in R&D
- Annual investment of €4.2 billion (20% of sales)
- Awarded 12 times by Clarivate Top 100 innovators
- Over 400 patents filed every year

#### > cortAlx: Trust AI accelerator

- 800 AI experts by the end of 2025 and approximately 100 PhD students
- More than 100 products and services with Thales AI
- An AI that feeds our internal functioning
- Thales is the European leader in AI R&D applied to critical systems



**Data risk intelligence**

*Combining the best technologies from Thales and Imperva*



**FlytEDGE**

*World first: connected and cloud-based on-board entertainment system*



**GM 200 Defence Radar**

*Accelerating our leadership in ground-based radar with new AI capabilities*



**MMCM**

*World's first autonomous drone system for mine warfare*



## 4. Strengthen our CSR strategy

### AN AMBITIOUS CSR PROGRAM DIVIDED INTO 3 PILLARS AND 9 KEY COMMITMENTS



#### SOCIETY

##### + PROMOTION OF SCIENCE



- > A new grant and mentoring program



#### PLANET

##### + LOW-CARBON STRATEGY



- > Carbon footprint reduction targets validated by the SBTi



#### PEOPLE

##### + GENDER BALANCE



- > A plan for action at all levels of the organization

## 4. GOVERNANCE AND COMPENSATION OF CORPORATE OFFICERS

**Patrice Caine**  
Chairman and CEO

**Loïc Rocard**  
Chairman of the  
Governance and  
Remuneration  
Committee



# 2024 Activity of the Board of Directors and its Committees

## BOARD OF DIRECTORS

7 meetings with 95% participation

### STRATEGIC AND SOCIAL AND ENVIRONMENTAL RESPONSIBILITY COMMITTEE

Chair: **Patrice Caine**,  
Chairman and CEO

5 meetings  
97% participation

- Annual budget
- Strategic acquisition and partnership projects
- CSR strategy and performance

### AUDIT AND ACCOUNTS COMMITTEE

Chair: **Anne-Claire Taittinger**, Independent  
Administrator

5 meetings  
96% participation

- Review of annual and half-yearly accounts
- Audit, internal control and risk mapping
- Preparation of the sustainability report
- Off-balance sheet commitments

### GOVERNANCE AND REMUNERATION COMMITTEE

Chair: **Loïc Rocard**,  
Independent Director

6 meetings  
100% participation

- Compensation of the CEO and of the directors
- Employee share ownership transaction
- Long-term compensation policy for Group executives
- Board CSR governance

# Say on pay ex-post

**Resolution no. 10**  
“say on pay  
ex-post for the  
CEO”

**Fixed salary paid: €1,000,000**

**Allocated variable compensation: €1,341,352**

- Financial criteria (75%): achieved 146% => €1,093,852
- Non-financial criteria (25%): achieved 99% => €247,500

**2021 LTI Plan:**

- Final acquisition of **10,318 units** valued at **€1,784,499**
- **Conversion of these units into free shares if resolutions 12 and 15 are also approved** (failing this, payment would be 50% cash and 50% Thales shares at the stock exchange price of May 19, 2025)

**2022 LTI Plan:**

- Performance 2021-2023: **97%, or 13,617 units**, subject to presence in March 2026
- **Conversion of these units into free shares** if resolutions 12 and 15 are also approved

**LTI 2024 Plan:**

- Performance shares measured over 3 exercises (+ *presence condition 2028*)
- Allocation at target of 8,570 shares (or 120% of fixed salary, €1200K) in IFRS value, and at maximum of 12,855 performance shares (or 180% of fixed salary)

**Benefits in kind: €45,256**

**Defined contribution pension plan:** Premium paid to the insurer for 2024: **€316,000**

**Remuneration allocated to other corporate officers for 2024: €995,680**

**Resolution no. 11**  
“say on pay ex-post  
for other corporate  
officers”

# Say on pay ex-ante: stability of CEO and directors' compensation policies

## Resolution no. 12 "say on pay ex-ante of the CEO"

**Fixed salary unchanged** at €1,000,000

**Variable remuneration unchanged** at €1,000,000 at target

- The nature, weight, distribution of objectives and ability to outperform are **also unchanged**

**2025 LTI plan unchanged**

- Target and maximum levels, **unchanged** at 120% and 180% of annual fixed remuneration respectively
- **Same objective structure** and performance measurement over 3 years  
(+ attendance condition onto 2029)

**Other remuneration elements unchanged compared to 2024**

**Conversion of units into free shares: 23,965 shares to be granted in 2027** instead of 10,318 units in 2025 (2021 LTI plan) and 13,617 units in 2026 (2022 LTI plan)

Also subject to the approval of resolution no. 15

## Resolution no. 13 "say on pay ex-ante of the directors"

**Remuneration policy of the other directors unchanged:** maximum of €1,200,000



## 5. AUDITORS' REPORTS

**Serge Pottiez**  
EY Audit

**Cédric Haaser**  
PricewaterhouseCoopers  
Audit





# Auditors' reports

## > Ordinary General Meeting

- Report on the consolidated financial statements for the year ended 31 December 2024
- Report on the annual accounts for the year ended 31 December 2024
- Special report on regulated agreements
- Certification report on sustainability and taxonomy information

## > Extraordinary General Meeting

- Reports on various operations on the capital

# Reports on consolidated and annual accounts

## > Report on the Thales Group consolidated accounts

*(Pages 332 to 337 of the 2024 Universal Registration Document)*

- ▶ We have certified that the consolidated financial statements of the Thales group as at 31 December 2024 are, with respect to the IFRS framework adopted in the European Union, regular and truthful and give a true and fair view of the assets, the financial position, as well as the result of all persons and entities included in the consolidation.
- ▶ The key points of the audit of the accounts of the Thales group relate to:
  - Impairment tests of cash generating units (UGT);
  - Accounting of turnover and costs of commercial contracts;
  - Determination of recognized assets and liabilities in the acquisition of Imperva.

## > Report on the annual accounts of Thales S.A.

*(Pages 338 to 340 of the 2024 Universal Registration Document)*

- ▶ We have certified that the annual accounts of Thales S.A. as at 31 December 2024 are, in accordance with French accounting rules and principles, fair and sincere and give a true and fair view of the results of operations for the past financial year as well as of the financial position and assets of Thales S.A. at the end of that year.
- ▶ The key point of the audit of the annual accounts of Thales S.A. is related to the valuation of equity securities.

# Other reports

## > Special report on regulated agreements

*(Page 251 of the 2024 Universal Registration Document)*

- We have not received notice of any agreement authorized and concluded during the past financial year to be submitted for approval by the General Meeting in accordance with the provisions of article L.225-38 of the Commercial Code.
- We were given notice of an agreement already approved by the general meeting in a previous financial year, which continued to be executed during the past financial year:
- With Dassault Systèmes S.E. : creation in 2022 of the economic interest group «Software République».

## > Reports on various operations on the capital

*(Pages 47 and 48 of the Supplementary File of the Assembly)*

- Free allocation of 23,935 existing shares to the Chairman and CEO (resolution no.15).
- Cancellation of shares acquired as part of a share buy-back programme (resolution no. 16).

## > Certification report on sustainability and taxonomy information

*(Pages 223 to 226 of the 2024 Universal Registration Document)*

- Audit conclusion: Based on our audits, we have not identified any material errors, omissions or inconsistencies with respect to the compliance of the information published.
- Note: Please refer to the information in section 5.1.1.1. General Basis for the Sustainability Report"

## 6. ANSWERS TO SHAREHOLDERS' QUESTIONS



## 7. VOTE ON RESOLUTIONS





# Combined General Meeting

MAY 16, 2025

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