

2025 Full-Year results

3rd March 2026

www.thalesgroup.com



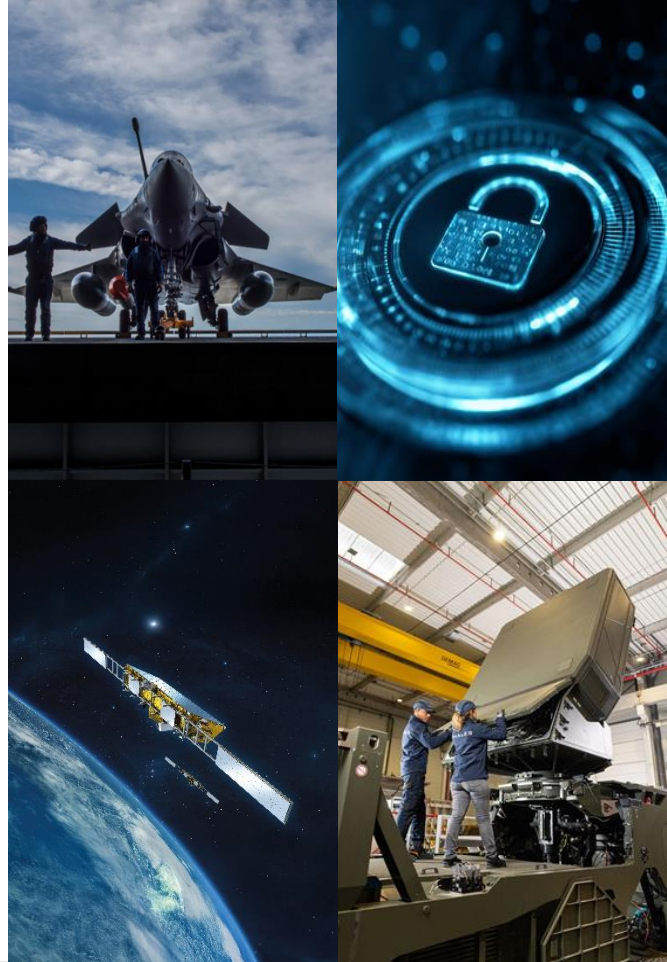
Full-Year 2025 highlights

Results

- Another year of strong order intake, supported by continued sustained momentum in all Thales' businesses
- Sales growth accelerated, outpacing guided range
- Robust improvement in profitability vs. last year
- Outstanding free operating cash-flow generation
- All 2025 financial targets achieved or exceeded

Key strategic achievements

- Further ramp-up in production capacity to capture increased Defence spending and support our clients' ramp-up
- R&D at the heart of Thales' technological leadership, new achievements in 2025
- Signature of a MoU with Airbus and Leonardo to create a leading European player in Space



Contributing to airspace sovereignty with SAMP/T NG

World-class air defence system

that offers state-of-the-art long range air defence with unique detection and tracking capability

Air sovereignty & protection

against all current and future threats: aircrafts, helicopters, UAVs, cruise, ballistic and hypervelocity missiles

Thales supplies

>50% of the system: GroundFire 300 radar, C2 system
~10% of the missile: seekers of the Aster 30 B1NT missiles



First export success in 2025:
SAMP/T NG system selected by Danish MoD



360°/90° coverage



Extensive interoperability and NATO standards



**High firepower
Low manning
Fast encamp decamp**



24/7 operation

R&D at the heart of Thales' technological leadership

– Pioneering AI for Critical Environments



800+
AI Experts

~100
PhD students



5 countries
9 sites



200 Patents
Covering full spectrum
of AI technologies



100+ products
250 use cases

Signature of a MoU with Airbus and Leonardo to create a leading European player in Space

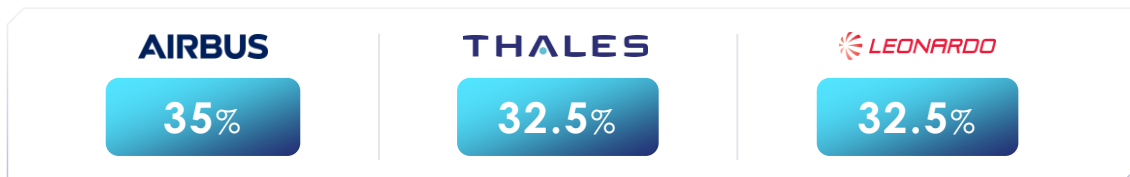
→ **New European space player** which aims to unite and enhance capabilities by combining the three respective activities to create a player present on the **entire space value chain**, excluding launchers:

- Constellations
- Ground segments
- Space services

→ **Target operational launch in 2027**, subject to regulatory approvals and closing conditions

→ **Significant value creation potential**

→ **Shareholding structure** (equal voting rights):



New Company



€6.5 bn revenues
(end of 2024, pro-forma)

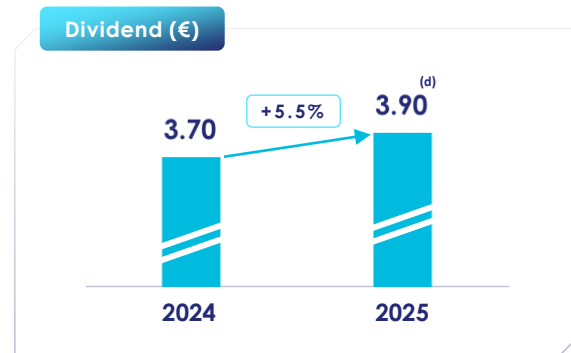
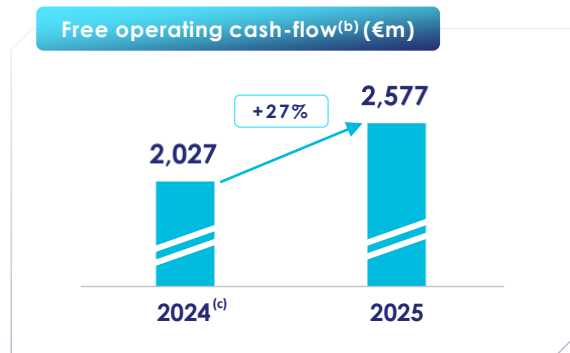
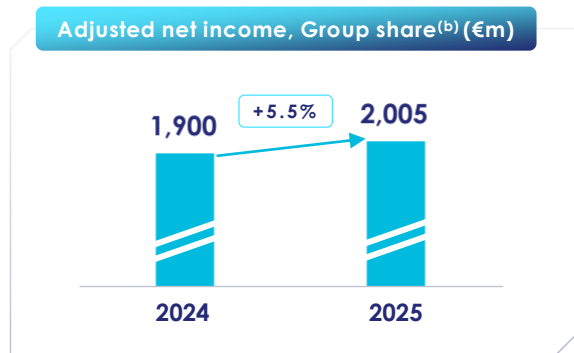
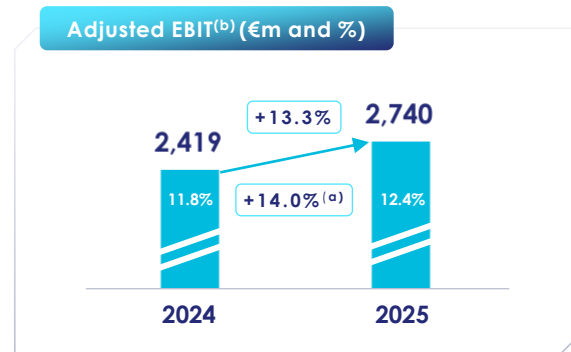
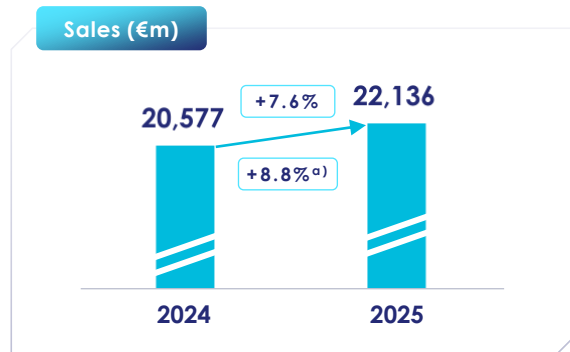
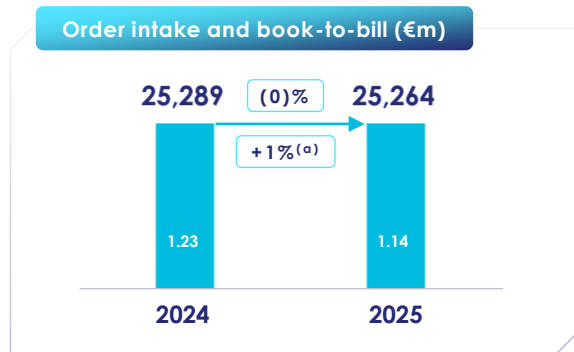


25k+ employees



Mid-triple digit m€ annual synergies
(five years after closing)

2025 key figures



- a. Organic: at constant scope and exchange rates
- b. The definition of all non-GAAP measures can be found in appendix.
- c. On the scope of continued activities, Free operating cash-flow amounted to €2,142m in 2024.
- d. Proposed to the 12th May 2026 Annual General Meeting

Continuous progress in CSR performance

2025 priorities

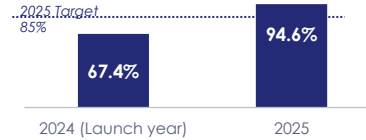


SOCIETY

Enhance employees' awareness on climate change

Thales Climate Passport training*

% of managers having completed the 4-hour training



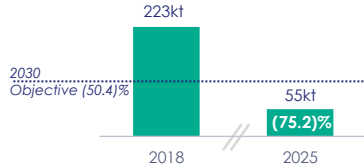
Ahead of plan



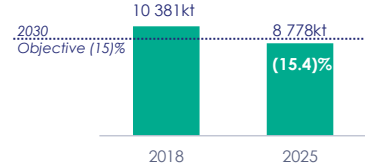
PLANET

Accelerate reduction of carbon emissions

Absolute Scopes 1 & 2 CO₂ emissions



Absolute Scope 3 CO₂ emissions



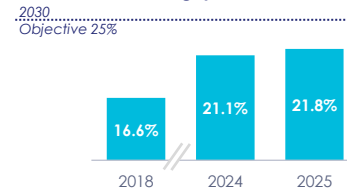
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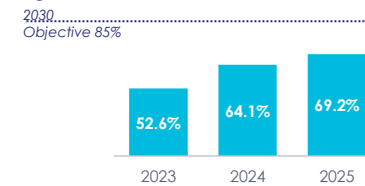
PEOPLE

Improve gender balance across senior management

Women in Senior Mgt positions**



Mgt Committees with 4+ women



On plan



FY 2025 financial review



2025 order intake

- **2025 order intake maintained at record level**
 - 14 large^(a) orders booked in Q4 2025
 - 28 large^(a) orders booked in 2025
- **2025 book-to-bill of 1.14, and 1.17 excluding Cyber & Digital, whose book-to-bill is structurally equal to 1**
- **All businesses seeing strong momentum:**
 - 20 large orders in Defence, with solid traction from Air Defence
 - 8 large orders in Aerospace, of which 5 in Space and 3 in Avionics
- **Ongoing positive trend for orders between €10m and €100m and orders below €10m**

a. With a unit value over €100m



2025 sales growth

→ Remarkable organic sales growth at +8.8%

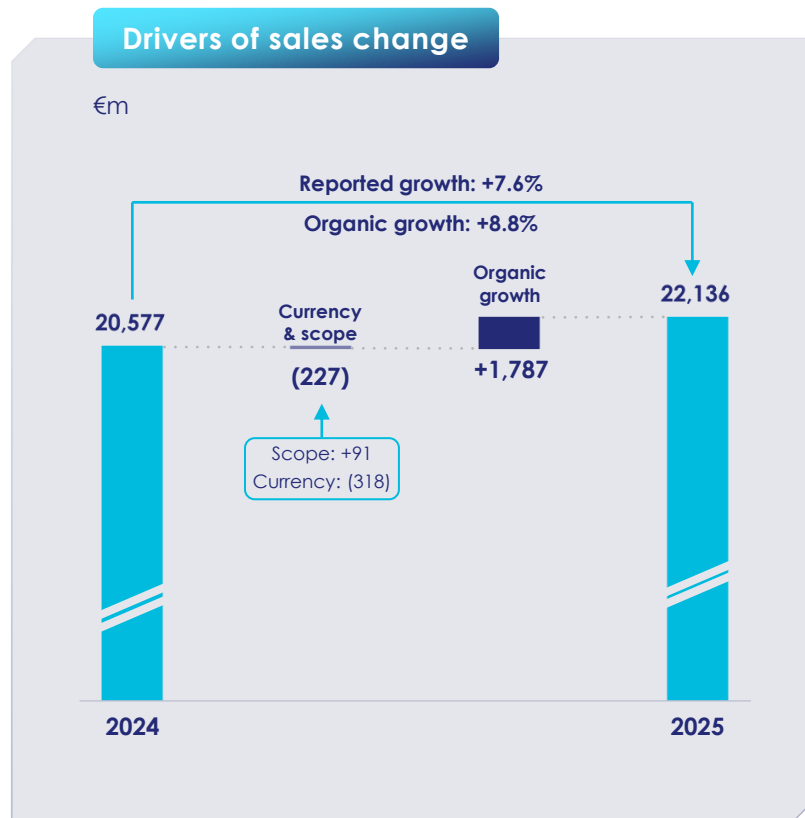
- Defence sales up double digit organically
- Aerospace up high-single digit, both Avionics and Space contributing
- Cyber & Digital slightly negative, in line with latest expectations

→ Both mature and emerging markets contributing to sales performance

- Emerging markets: +12.9%
- Mature markets: +7.8%

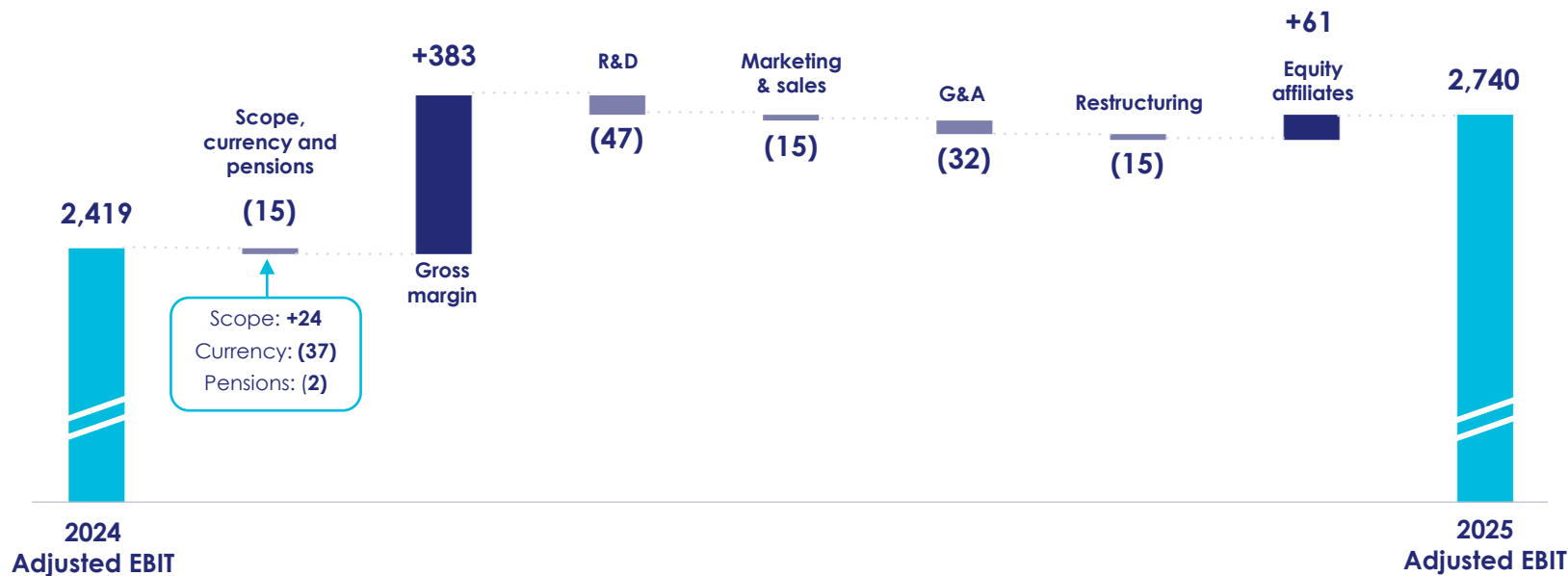
→ Scope and currency impact

- Scope impact resulting mainly from Cobham Aerospace Communications acquisition in April 2024
- Significant negative currency impact in Q4, as expected, leading to a ~1.5 pt headwind on 2025 sales reported growth



2024 to 2025 Adjusted EBIT bridge

€m



Note: The definition of all non-GAAP measures can be found in appendix.

Aerospace: 2025 key figures

€m	2025	2024	Change	
			Total	Organic
Order intake	6,122	6,434	(5)%	(5)%
Sales	5,910	5,471	+8.0%	+8.7%
Adjusted EBIT	560	391	+43.1%	+39.0%
<i>in % of sales</i>	9.5%	7.2%	+2.3 pts	+2.0 pts

→ Solid underlying momentum in both Avionics and Space

- 2025 order intake facially down on the back of high comparison basis
- Continuous momentum in Avionics across most activities
- Space: 5 large^(a) orders booked in 2025 (4 in Telco), major wins including an initial phase contract for IRIS²

→ High-single digit organic sales growth

- Avionics sales up low double-digit, all activities contributing to growth both in civil and military domains
- Space sales up in 2025, mostly driven by OEN^(b) activities

→ Adjusted EBIT margin significantly up

- Further improvement in profitability in Avionics
- Space Adjusted EBIT recovered as expected



Defence: 2025 key figures

€m	2025	2024	Change	
			Total	Organic
Order intake	15,128	14,723	+3%	+3%
Sales	12,234	10,969	+11.5%	+12.2%
Adjusted EBIT	1,619	1,432	+13.1%	+14.1%
<i>in % of sales</i>	13.2%	13.1%	+0.2 pts	+0.2 pts

→ Order intake reaching new highs in 2025

- Book-to-bill standing at 1.24 in 2025, above 1.2 for the seventh year in a row
- Major wins in Air Defence in 2025, supported by stronger European collaboration

→ Another year of double-digit sales organic growth

- Further production and deliveries ramp-up driving robust growth across portfolio
- Full year organic growth exceeding expectations after excellent execution throughout the year

→ Adjusted EBIT margin maintained at robust level



Cyber & Digital: 2025 key figures

€m	2025	2024	Change	
			Total	Organic
Sales	3,852	4,024	(4.3)%	(0.9)%
o/w Cyber	1,455	1,566	(7.1)%	(3.8)%
o/w Digital Identity	2,397	2,457	(2.5)%	+1.0%
Adjusted EBIT	526	585	(10.1)%	(7.2)%
in % of sales	13.7%	14.5%	(0.9) pts	(0.9) pts
o/w Cyber	225	238	(5.3)%	+0.9%
o/w Digital Identity	301	347	(13.3)%	(12.4)%

→ Sales broadly flat organically in 2025

- Cyber Products back to growth in Q4, paving the way for further growth in 2026 in a vigorous market
- Cyber Services sales down double digit over the year, hampered by soft market in Australia
- Digital Identity sales slightly up in 2025, with digital solutions driving growth

→ Adjusted EBIT margin resisted in a context of revenue decrease, thanks to efficient cost management in Cyber and positive one-off items in Digital Identity

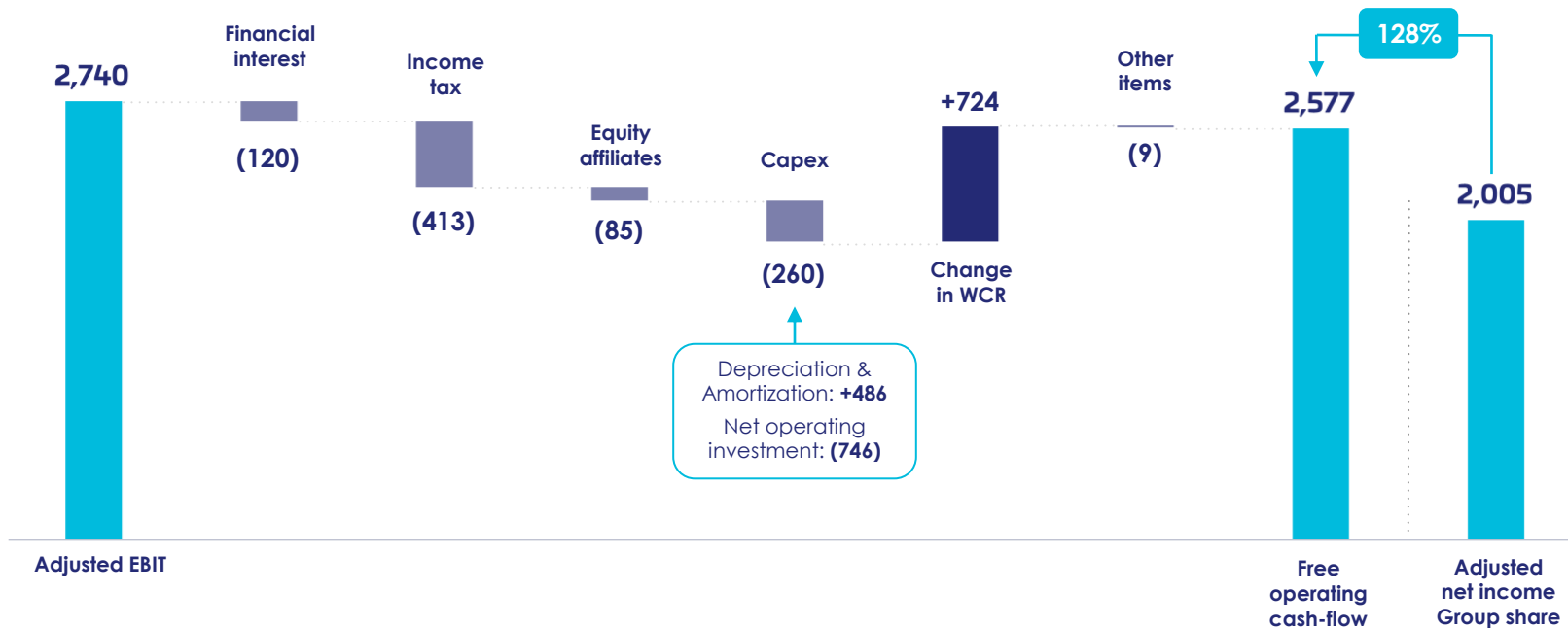


Summary adjusted P&L: from Adjusted EBIT to Adjusted net income

€m	2025	2024
Adjusted EBIT	2,740	2,419
Cost of net financial debt and other financial results	(144)	(131)
Finance costs on pensions and other employee benefits	(56)	(49)
Income tax	(561)	(427)
<i>Effective tax rate</i>	24.1%	20.4%
Adjusted net income from discontinued operations	N/A	21
Adjusted net income	1,979	1,833
Minorities	26	67
Adjusted net income, Group share	2,005	1,900
Adjusted net income, Group share, per share (in €)	9.76	9.24
Temporary additional corporate tax in France	(75)	N/A
Adjusted net income, Group share excluding temporary additional corporate tax in France	2,080	1,900

Cash conversion: from Adjusted EBIT to Free Operating Cash Flow

2025, €m



Note: The definition of all non-GAAP measures can be found in appendix.

Remarkable cash conversion in 2025

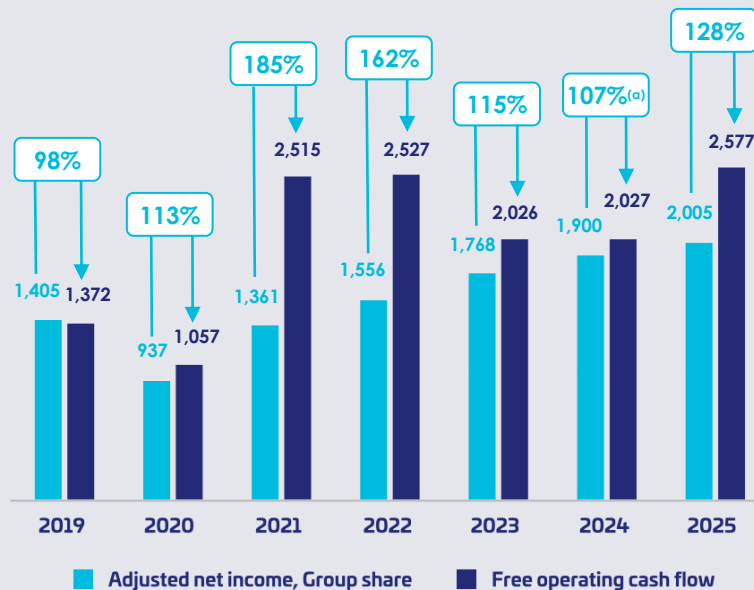
→ Cash conversion at 128% in 2025, ahead of expectations

- Strong momentum of order intake throughout the year
- Positive outcome of stocks optimization action plan

→ 2026 conversion ratio expected at 95%-100%

→ Confidence to achieve high-end of guidance range of 95% to 105% on average over 2024-28

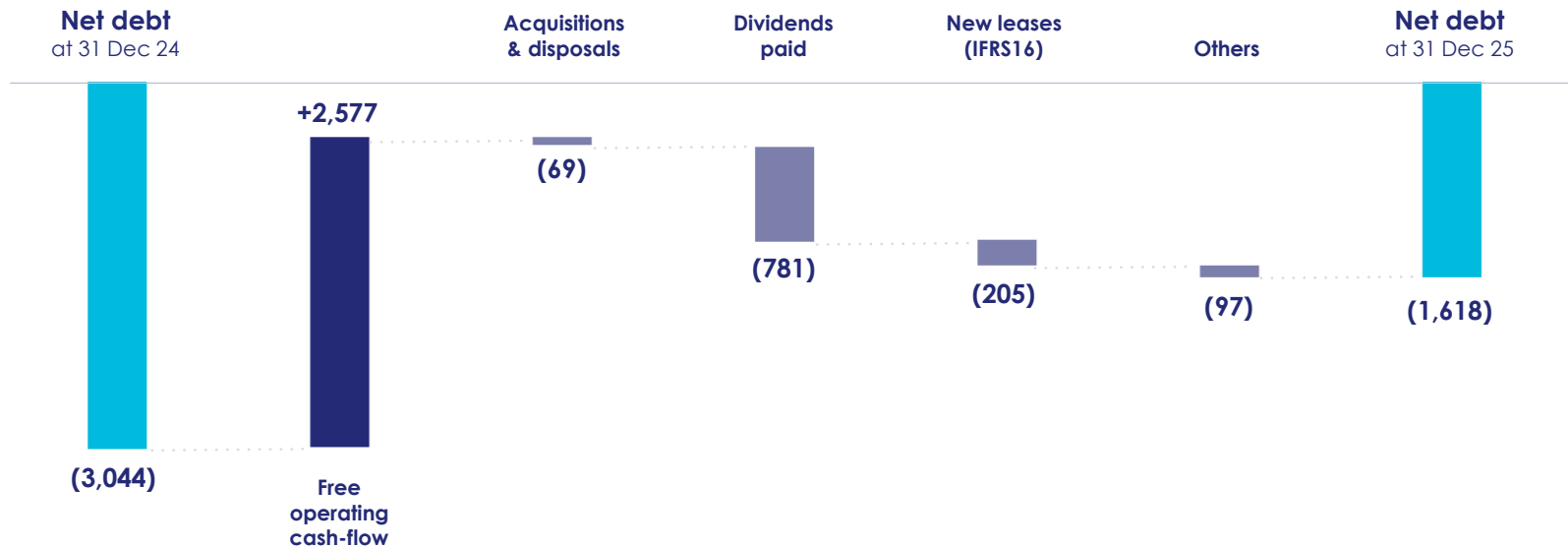
Adjusted net income conversion into Free operating cash-flow



xx% Cash conversion ratio: Free operating cash flow / Adjusted net income, Group share

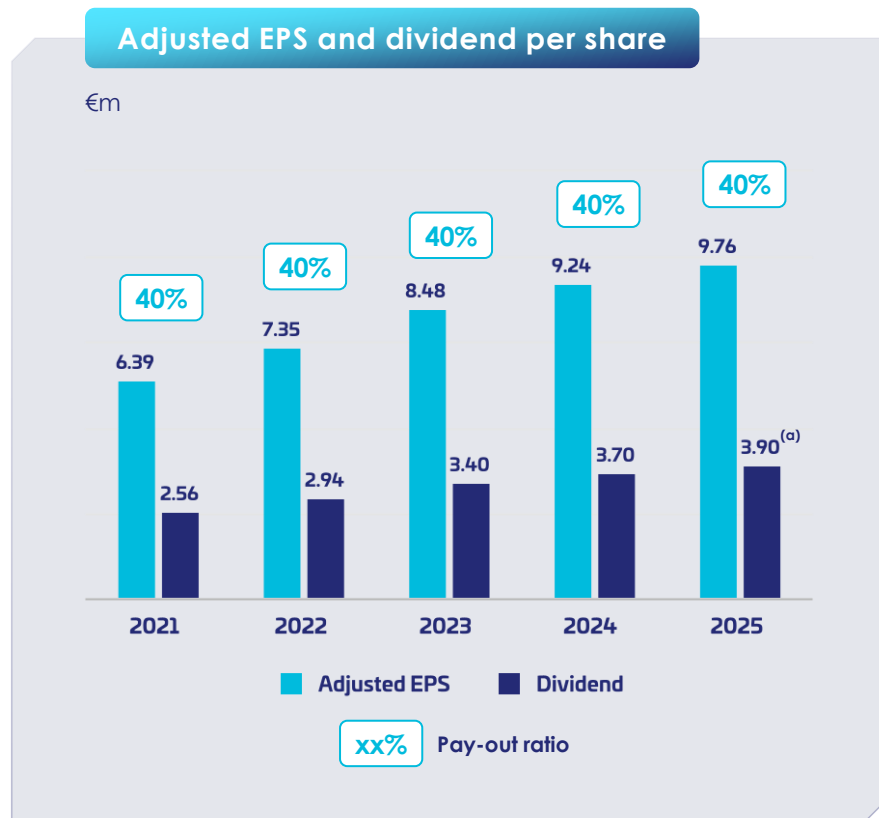
Movement in net debt over 2025

€m



Adjusted EPS and dividend

- Steady and continued increase of Adjusted EPS since 2021
- Proposed 2025 dividend up +5.5% at €3.90 per share^(a)
 - Pay-out ratio at 40%, in line with capital allocation policy



a. Subject to approval by the 12th May 2026 Annual General Meeting



2025 full-year results

Strategy and outlook



Thales is a unique player, present in markets with strong growth and long term visibility



Defence

- Global geopolitical instability and multiplication of conflict zones
- Defence budgets increases



Aerospace

- Air traffic growth and commercial fleet renewal
- Expanding applications and rising government investments in Space



Cyber & Digital

- Mounting cyber threats and digitalization of the economy
- Increase in cybersecurity needs and in digital solutions

GROWTH DRIVERS

- Cutting-edge products and systems, augmented with AI
- Uniquely positioned at the heart of European rearmament

DIFFERENTIATORS

- Diversified portfolio ready to address future "*green, digital and connected*" aircraft
- Complete Space portfolio, ready for growth
- World-class Cyber products in DataSec, AppSec and IAM
- Digital activities ideally positioned for Cloud migration

2026 Key priorities

Group Focus



- Scale-up production
- Operational excellence
- AI driving productivity



- Answer sovereign needs through localization
- At scale, AI-enhanced, combat-proven solutions

1

**CAPTURING
PROFITABLE GROWTH**

Segment Priorities



Outlook

	2026	Mid-term	
	Financial objectives ^(a)	Targets set at 2024 CMD	Update
Order Intake	Book-to-bill above 1		
Organic sales growth	+6% to +7% corresponding to €23.3 to €23.6 billion	+5% to +7% 2024-28 CAGR	Confidence to achieve high-end of range
Adjusted EBIT margin	12.6% to 12.8%	13% to 14% in 2028	Well on track
FOCF conversion ratio	95% to 100%	95% to 105% average 2024-28	Confidence to achieve high-end of range

a. Based on March 2026 scope, (i.e including the consolidation of the Space activity), an average EUR/USD rate of 1.18 over 2026; assuming no new major disruptions of macroeconomic and geopolitical context.

b. Non-GAAP measure: see definition in appendix.

→ Appendix



2026 upcoming events



21st April

(Before market)

Q1 2026 sales



12th May

**Annual
General Meeting**



20th May

**Dividend
payment^(a)**



23rd July

(Before market)

H1 2026 results



22nd October

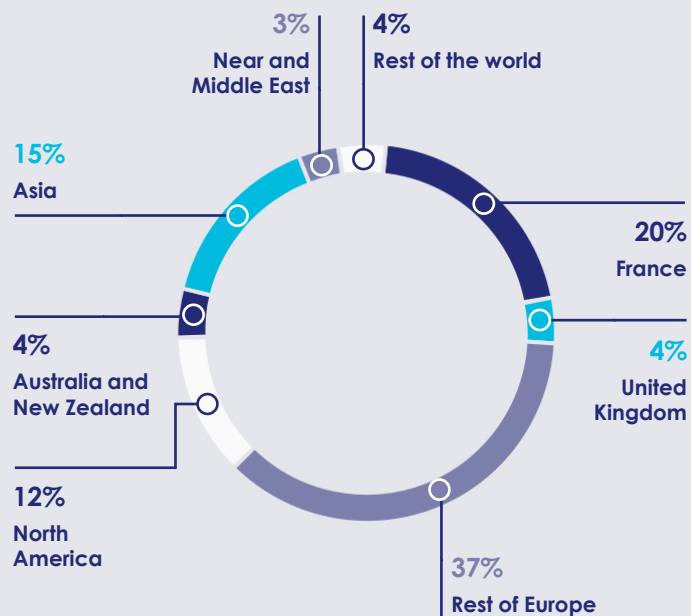
(Before market)

**Q3 and 9m
2026 sales**

a. Subject to approval by the 12th May 2026 Annual General Meeting. Ex-dividend date: 18th May 2026.

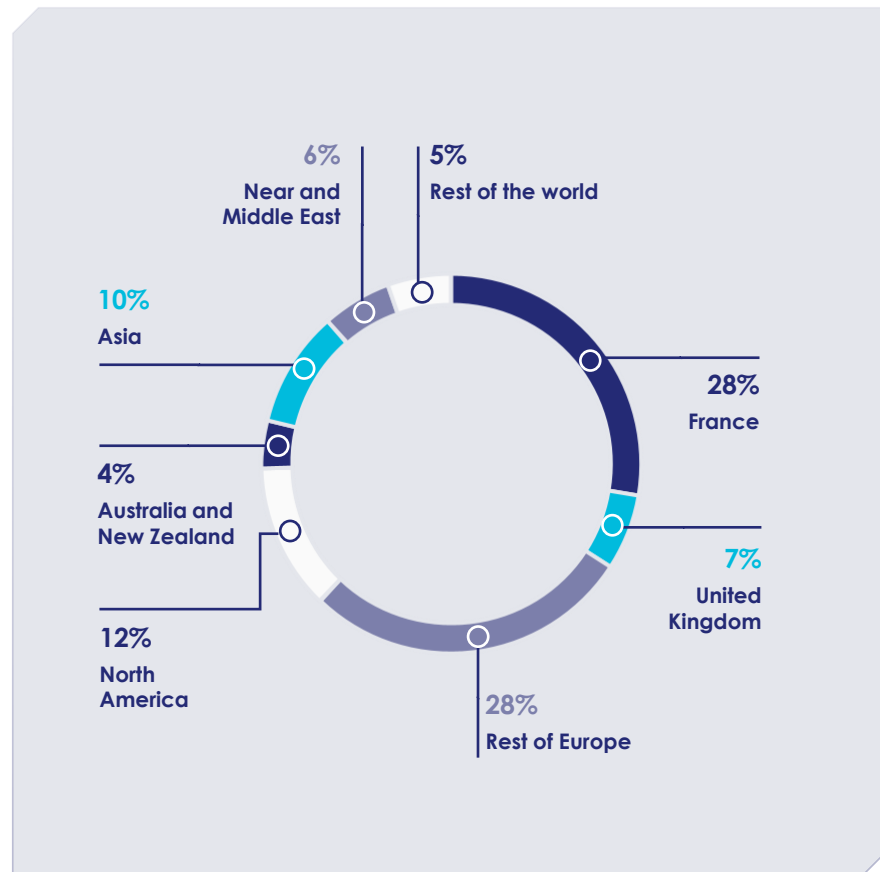
2025 order intake by destination

In € millions	FY	FY	Change	
	2025	2024	Total	Organic
France	5,133	6,229	(18)%	(18)%
United Kingdom	989	1,682	(41)%	(41)%
Rest of Europe	9,224	7,292	+26%	+26%
Europe	15,345	15,203	+1%	+1%
North America	3,083	2,796	+10%	+13%
Australia / NZ	1,062	1,011	+5%	+12%
Mature markets	19,490	19,010	+3%	+3%
Asia	3,892	2,990	+30%	+32%
Middle East	851	2,263	(62)%	(62)%
Rest of the world	1,031	1,027	+0%	+5%
Emerging markets	5,774	6,279	(8)%	(6)%
Total	25,264	25,289	(0)%	+1%



2025 sales by destination

In € millions	FY	FY	Change	
	2025	2024	Total	Organic
France	6,125	5,932	+3.3%	+3.0%
United Kingdom	1,434	1,355	+5.8%	+7.1%
Rest of Europe	6,208	5,155	+20.4%	+20.4%
Europe	13,767	12,442	+10.6%	+10.7%
North America	2,750	2,921	(5.8)%	(3.5)%
Australia / NZ	911	940	(3.1)%	+3.3%
Mature markets	17,429	16,303	+6.9%	+7.8%
Asia	2,194	1,977	+11.0%	+13.3%
Middle East	1,310	1,210	+8.2%	+10.4%
Rest of the world	1,203	1,086	+10.8%	+14.7%
Emerging markets	4,707	4,273	+10.2%	+12.9%
Total	22,136	20,577	+7.6%	+8.8%



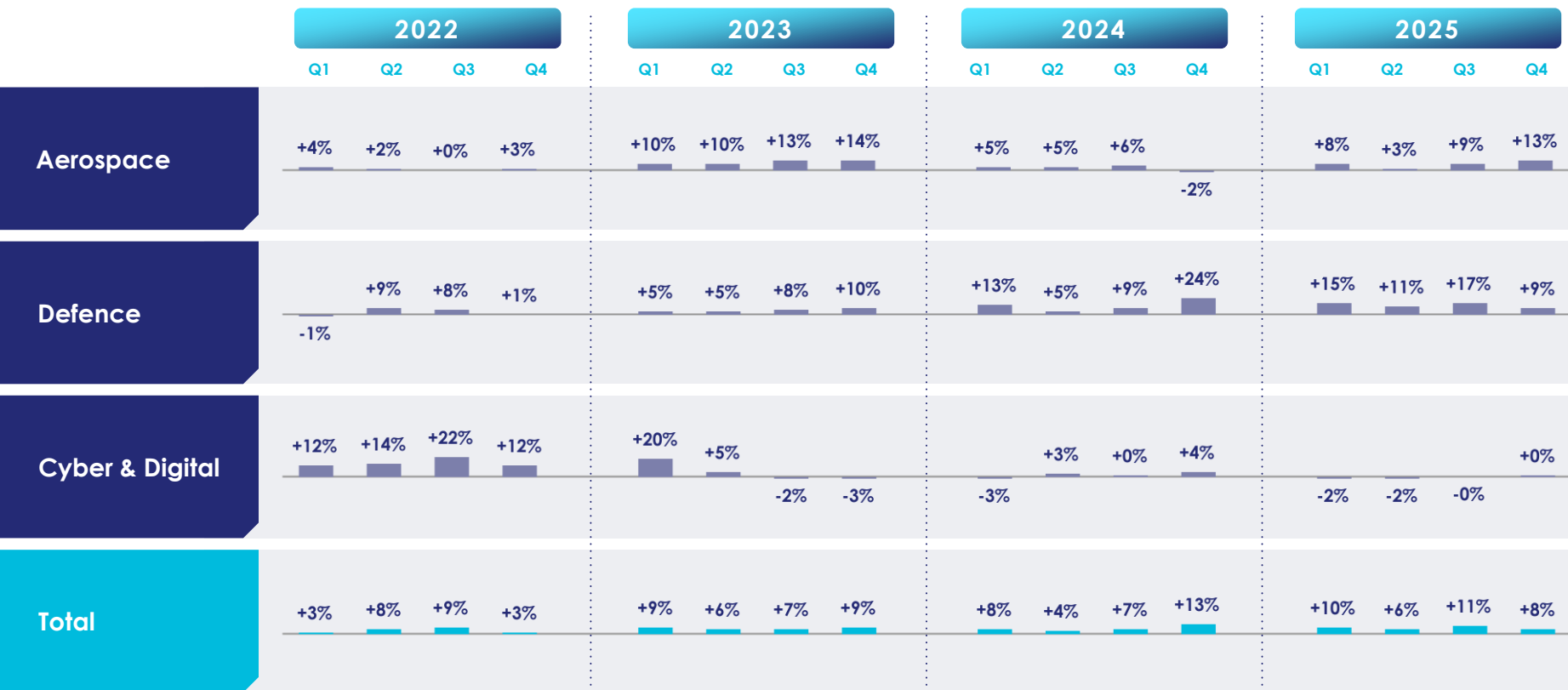
Summary adjusted P&L: from sales to Adjusted EBIT

	2025		2024		Change	
	€m	% of sales	€m	% of sales	Total	Organic
Sales	22,136		20,577		+7.6%	+8.8%
Gross margin	6,293	28.4%	5,947	28.9%	+5.8%	+6.5%
Indirect costs	(3,634)	(16.4)%	(3,557)	(17.3)%	(2.2)%	(2.7)%
<i>o/w R&D expenses</i>	<i>(1,328)</i>	<i>(6.0)%</i>	<i>(1,274)</i>	<i>(6.2)%</i>	<i>(4.2)%</i>	<i>(3.7)%</i>
<i>o/w Marketing & Sales expenses</i>	<i>(1,582)</i>	<i>(7.1)%</i>	<i>(1,590)</i>	<i>(7.7)%</i>	<i>0.5%</i>	<i>(0.9)%</i>
<i>o/w General & Administrative expenses</i>	<i>(725)</i>	<i>(3.3)%</i>	<i>(693)</i>	<i>(3.4)%</i>	<i>(4.6)%</i>	<i>(4.7)%</i>
Restructuring costs	(132)		(118)		(11.7)%	(12.9)%
Share in net result of equity-accounted affiliates, excluding Naval Group	120		54			
Adjusted EBIT, excluding Naval Group	2,646	12.0%	2,326	11.3%	+13.8%	+14.5%
Share in net result of Naval Group	94		93			
Adjusted EBIT	2,740	12.4%	2,419	11.8%	+13.3%	+14.0%

Adjusted EBIT by operating segment

€m / % of sales	2025		2024		Change	
					Total	Organic
Aerospace	560	9.5%	391	7.2%	+43.1%	+39.0%
Defence	1,619	13.2%	1,432	13.1%	+13.1%	+14.1%
Cyber & Digital	526	13.7%	585	14.5%	(10.1)%	(7.2)%
Adjusted EBIT - operating segments	2,705	12.3%	2,408	11.8%	+12.3%	+13.1%
Other	(59)		(83)			
Adjusted EBIT - excluding Naval Group	2,646	12.0%	2,326	11.3%	+13.8%	+14.5%
Naval Group	94		93			
Adjusted EBIT - total	2,740	12.4%	2,419	11.8%	+13.3%	+14.0%

Organic sales growth per quarter



Q4 2025 order intake by operating segment

€m	Q4	Q4	Change	
	2025	2024	Total	Organic
Aerospace	2,203	2,796	(21)%	(20)%
Defence	5,185	5,773	(10)%	(10)%
Cyber & Digital	1,045	1,127	(7)%	(2)%
Other	69	44		
Total	8,502	9,739	(13)%	(11)%

Q4 2025 sales by operating segment

€m	Q4	Q4	Change	
	2025	2024	Total	Organic
Aerospace	1,803	1,632	+10.5%	+12.9%
Defence	3,991	3,730	+7.0%	+8.6%
Cyber & Digital	1,049	1,110	(5.5)%	+0.1%
<i>dont Cyber</i>	396	427	(7.2)%	(1.1)%
<i>dont Digital</i>	652	683	(4.5)%	(0.9)%
Other	39	37		
Total	6,881	6,508	+5.7%	+8.3%

Definition of non-GAAP measures and other remarks

Rounding of amounts in euros

In the context of this presentation, the amounts expressed in millions of euros are rounded to the nearest million. As a result, the sums of the rounded amounts may differ very slightly from the reported totals. All ratios and variances are calculated based on underlying amounts, which feature in the consolidated financial statements.

Definitions

- **Organic:** at constant scope and exchange rates;
- **Book-to-bill ratio:** ratio of orders received to sales;
- **Mature markets:** all countries in Europe excluding Russia and Turkey, North America, Australia and New Zealand;
- **Emerging markets:** all other countries, i.e. Middle East, Asia, Latin America and Africa.

Non-GAAP measures

This presentation contains non-Generally Accepted Accounting Principles (GAAP) financial measures. Thales regards such non-GAAP financial measures as relevant operating and financial performance indicators for the Group, as they allow non-operating and non-recurring items to be excluded. Thales definitions for such measures may differ from similarly titled measures used by other companies or analysts.

- **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. See also notes 13-a and 2 of the consolidated financial statements at 31 December 2025.

- **Adjusted net income:** net income, less the following elements, net of the corresponding tax effects: (i) amortization of acquired assets (PPA), (ii) expenses directly related to business combinations, (iii) disposal of assets, change in scope of consolidation and other, (iv) impairment of non-current assets, (v) changes in the fair value of derivative foreign exchange instruments (recognized under "other financial income and expenses" in the consolidated financial statements), (vi) actuarial gains or losses on long-term benefits (recognized under "finance costs on pensions and employee benefits" in the consolidated financial statements), (vii) impact of changes in the Thales share price on the expense recognized in the income statement in respect of LTI plans. See note 13-a of the consolidated financial statements at 31 December 2025. This definition implies the definition of several other adjusted financial measures, such as adjusted gross margin, adjusted tax, adjusted EPS. See page 19 of the 2025 results press release for detailed calculation of these other indicators.
- **Free operating cash flow:** net cash flow from operating activities, less: capital expenditures, less: deficit payments on pensions in the United Kingdom. See notes 13-a and 6.3 of the consolidated financial statements at 31 December 2025.
- **Net cash (debt):** difference between the sum of "cash and cash equivalents" and "current financial assets" items and short and long-term borrowings, including lease liabilities, after deduction of interest rate derivatives. See note 6.2 of the consolidated financial statements at 31 December 2025.