

Thales reports its 2025 full-year results

- Order intake: €25.3 billion, matching 2024 record level (+1% on an organic basis¹)
- Sales: €22.1 billion, up 7.6% (+8.8% on an organic basis)
- Adjusted EBIT²: €2,740 million, up 13.3% (+14.0% on an organic basis)
- Adjusted net income, Group share²: €2,005 million, up 6% and including €(75) million of exceptional contribution to corporate tax in France
- Net income from continuing operations, Group share: €1,675 million, up 66%
- Record Free operating cash flow²: €2,577 million, up 27%
- Dividend³ of €3.90 per share, representing 40% of Adjusted net income, Group share
- Non-financial performance: further significant progress achieved in 2025
- 2026 targets⁴:
 - Book-to-bill⁵ above 1
 - Organic sales growth of between +6% and +7%, corresponding to sales between €23.3 billion and €23.6 billion
 - Adjusted EBIT margin between 12.6% and 12.8%

Thales' Board of Directors (Euronext Paris: HO) met on March 2, 2026 to review the 2025 financial statements.

"2025 was a very good year for Thales, a world leader in advanced technologies in Defence, Aerospace, Cybersecurity and Digital. The Group has successfully pursued its strategy of profitable growth. Order intake exceeded the €25 billion mark for the second year in a row, a record for the Group, confirming the strong commercial momentum, the excellence of our products and solutions portfolio and the trust of our customers and partners. This performance enables Thales to benefit from an unprecedented order book, ensuring exceptional visibility for the years ahead.

Sales now exceed €22 billion, with organic growth of 8.8% in 2025. This dynamism is reflected in a substantial improvement in the Group's profitability, with EBIT up 14% organically, demonstrating Thales' excellence in operational execution as well as our competitiveness improvement plans. Finally, thanks to the robustness of its business model, Thales generated record net cash flow of close to €2.6 billion in 2025.

Our commitment to a safer, more sustainable and more inclusive world has been strengthened, thanks to the continued implementation of our Corporate Social Responsibility policy.

Finally, in 2025, Thales continued to implement its strategic roadmap. Among the key successes last year, I am particularly proud of the signing of a Memorandum of Understanding with Airbus and Leonardo to combine our Space activities and create a leading European player.

Thales' excellent performance in 2025 is above all the result of the commitment and the passion for innovation of our 85,000 employees, to whom I extend my warmest congratulations and thanks."

Patrice Caine, Chairman & Chief Executive Officer

¹ In this press release, "organic" means "at constant scope and exchange rates". See note on methodology on page 16 and calculation on page 21.

² Non-GAAP financial indicators, see definitions in the appendices, page 16.

³ Proposed to the Annual General Meeting on May 12, 2026.

⁴ Based on March 2026 scope, including Space business consolidation, and on the assumption of an average EUR/USD exchange rate of 1.18 in 2026.

⁵ Ratio of order intake to sales.

Key figures

<i>In € millions except earnings per share and dividend per share (in €)</i>	2025	2024	Total change	Organic change
Order intake	25,264	25,289	(0)%	+1%
Order book at end of period	53,323	50,602	+5%	+7%
Sales	22,136	20,577	+8%	+9%
Adjusted EBIT⁶	2,740	2,419	+13%	+14%
<i>as a % of sales</i>	12.4%	11.8%	+0.6 pts	+0.7 pts
Adjusted net income, Group share⁶	2,005	1,900	+6%	
Adjusted net income, Group share, per share⁶	9.76	9.24	+6%	
Net income from continuing operations, Group share	1,675	1,007	+66%	
Free operating cash flow⁶	2,577	2,027	+27%	
Net cash (debt) at end of period⁶	(1,618)	(3,044)	+1,425	
Dividend per share⁷	3.90	3.70	+0.20	

Order intake for the 2025 financial year reached again the historic level of 2024 and amounted to **€25,264 million, up 1%** on an **organic basis** (at constant scope and exchange rates). The Group benefited in 2025 from strong commercial momentum across the vast majority of its businesses, particularly in the Defence and Aerospace segments. As at 31 December 2025, the consolidated **order book** reached a record level of over **€53 billion**, up by €2.7 billion compared with the end of 2024.

Sales totaled **€22,136 million** in 2025, up 7.6% from 2024 (+8.8% in organic growth). This sustained growth reflects in particular the solid performance of Aerospace and Defence segments throughout the year.

Adjusted EBIT⁶ stood at **€2,740 million** in 2025, compared with €2,419 million in 2024, an increase of 13.3% (+14.0% on an organic basis). The Adjusted EBIT margin reached 12.4% of sales, a significant increase compared to 2024 (11.8% of sales).

At **€2,005 million, Adjusted net income, Group share⁶** was up 6% compared to 2024. It incorporates a temporary additional contribution to the corporate tax in France which amounted to €75 million, excluding the effect of this contribution on Naval Group, of which Thales' share amounted to €8 million (recognized under Adjusted EBIT). Excluding this impact of €75 million, Adjusted net income, Group share was up 9%.

Net income from continuing operations, Group share amounted to **€1,675 million**, up 66% compared to 2024.

Free operating cash flow⁶ amounted to **€2,577 million**, compared with €2,027 million in 2024⁸. This substantial increase reflects the solid progression of the Group's results as well as the significant improvement in the change in working capital requirement compared to 31 December, 2024, driven by strong momentum of order intake in 2025 and the continued actions taken in the context of stocks optimization. As a consequence, the cash conversion ratio of Adjusted net income, Group share, into Free operating cash flow reached 128% in 2025 (107% in 2024), an excellent performance, with the conversion ratio exceeding 100% for the sixth consecutive year.

⁶ Non-GAAP financial indicators, see definitions in the appendices, page 16.

⁷ Proposed to the Annual General Meeting on May 12, 2026.

⁸ On the scope of continued activities only, free operating cash flow amounted to €2,142 million in 2024. The conversion rate, calculated on the scope of continued activities, was 114%.

In this context, the Board of Directors decided to propose the distribution of a **dividend** of **€3.90** per share, corresponding to a payout ratio of 40% of Adjusted net income, Group share. An interim dividend of €0.95 per share was paid on 4 December 2025. The balance of €2.95 will be paid on 20 May 2026.

Order intake

In € millions	2025	2024	Total change	Organic change
Aerospace	6,122	6,434	(5)%	(5)%
Defence	15,128	14,723	+3%	+3%
Cyber & Digital	3,872	4,032	(4)%	(1)%
Total – operating segments	25,122	25,189	(0)%	+1%
Other	142	100		
Total	25,264	25,289	(0)%	+1%
Of which mature markets ⁹	19,490	19,010	+3%	+3%
Of which emerging markets ⁹	5,774	6,279	(8)%	(6)%

Order intake for the 2025 financial year amounted to **€25,264 million, flat in total change** compared with the record level recorded in 2024, and up 1% at constant scope and exchange rates. The book-to-bill ratio stood at 1.14 in 2025 (1.23 in 2024), and 1.17 excluding the Cyber & Digital business, where order intake is structurally very close to sales.

In 2025, Thales recorded **28 large orders with a unit value of more than €100 million**, for a total amount of **€7,751 million**:

- 5 large orders recorded in Q1 2025:
 - Contract signed with Space Norway, a Norwegian satellite operator, for the supply of the THOR 8 telecommunications satellite;
 - Order by SKY Perfect JSAT to Thales Alenia Space of JSAT-32, a geostationary telecommunications satellite;
 - Signing of a contract between Thales and the European Space Agency (ESA) to develop Argonaut, a future autonomous and versatile lunar lander designed to deliver cargo and scientific instruments to the Moon;
 - Order from the Dutch Ministry of Defence for the modernization and support of vehicle tactical simulators;
 - Order from the French Defence Procurement Agency (DGA) for the development, production, and maintenance of avionics equipment for various Army vehicles as part of the SCORPION programme.
- 5 large orders recorded in Q2 2025:
 - Contract related to the supply of 26 Rafale Marine to India to equip the Indian Navy;
 - As part of the SDMM (Strategic Domestic Munition Manufacturing) contract signed in 2020 for the supply of ammunition to the Australian armed forces, entry into force of years 6 to 8. The continuation of the SDMM contract concerns the design, the development, manufacture and maintenance of a variety of ammunition;
 - Contract for the delivery to Ukraine of 70 mm ammunition and the transfer of the final assembly line of certain components of this ammunition from Belgium to Ukraine;
 - Order for the production and supply of AWWs (Above-Water Warfare System) combat systems intended for frigates equipment in Europe;
 - Order by Sweden of compact multi-mission medium range Ground Master 200 radars.
- 4 large orders recorded in Q3 2025:
 - Signing of the Initial Phase Contract between Thales Alenia Space and the SpaceRISE consortium of satellite operators to engineer the system and secured payload solutions for the future European constellation IRIS²;

⁹ Mature markets: Europe, North America, Australia, New Zealand. Emerging markets: all other countries. See table on page 20.

- Order from the UK Ministry of Defence for the production and delivery of 5,000 air defence LMM missiles;
- Order from the German Ministry of Defence for the delivery to a third party country of portable land surveillance radars;
- Order from a European country for the production and delivery of 70mm ammunition.
- 14 large orders recorded in Q4 2025:
 - Order for the delivery of traveling wave tubes and amplifiers to equip defence systems;
 - Order from a US airline for the retrofit of B777 aircraft to equip them with the Thales AVANT Up inflight entertainment system;
 - Contract for the supply to the Indonesian Ministry of Defence of an observation system combining optical and radar satellites, as well as a multi-mission ground segment;
 - Contract for the delivery of vetronics systems for Scorpion vehicles as part of the CaMo (Motorized Capacity) intergovernmental agreement between France and Belgium;
 - Contract with the Royal Canadian Navy to provide predictive and corrective maintenance at various Canadian shipyards;
 - Contract for the supply of maintenance services to the Royal Australian Navy as well as for foreign ships calling at the Sydney region;
 - As part of the SNLE 3G programme for the development of the third generation of French nuclear-powered ballistic missile submarines, entry into force of a new tranche of the framework agreement with the DGA for the development and supply of the sonar suite;
 - Order from a navy in the Americas for the supply of Sonar 2087, a member of the CAPTAS family of low-frequency towed array sonars, for the equipment of destroyers;
 - Order from an Asian Navy for the delivery of the TACTICOS combat management system, the Link Y tactical data link and various sensors, as part of a corvette modernization programme;
 - Order from a European country for the supply of XTRAIM thermal weapon sights and Nellie night vision goggles;
 - Order from the DGA for the development, production and deployment of the AURORE Ultra-High Frequency radar for low-earth orbit space surveillance;
 - Order from a European country for the production and delivery of HPD anti-tank systems;
 - Order for the supply of seekers to equip ASTER B1NT missiles;
 - Order from Naval Group for the production and delivery of electronic warfare equipment, radars including the Sea Fire, sonars and secure communication systems for FDI frigates (Defence and Intervention Frigates) as part of the contract for the Greek Navy.

At **€17,513 million**, order intake **with a unit value of less than €100 million** recorded an increase and continued to benefit from favorable momentum.

Geographically¹⁰, order intake in mature markets amounted to €19,490 million, up 3% on an organic basis. Sales momentum was particularly strong in continental Europe (excluding France), with an organic growth of 26%, as well as in Australia and New Zealand (up 12% on an organic basis).

Order intake in emerging markets amounted to €5,774 million, down (6)% at constant scope and exchange rates. This change is mainly explained by a high comparison basis linked to the booking in 2024 of several contracts with a unit value exceeding €500 million. However, sales momentum was particularly strong in Asia in 2025, with organic growth of 32%.

Order intake in the **Aerospace** segment stood at **€6,122 million**, compared to €6,434 million in 2024 ((5)% at constant scope and exchange rates). In 2025, the Avionics market benefited from sustained demand in most of its activities, in both civil and military domains. The Space business,

¹⁰ See table on page 20.

which saw solid underlying momentum with five orders with a unit value of more than €100 million recorded in 2025, showed a decline in order intake due to a high comparison base, particularly in the fourth quarter of 2024. At December 31, 2025, the segment's order book reached €10.8 billion, up 6% at constant scope and exchange rates compared to 2024.

At **€15,128 million** compared to €14,723 million in 2024, order intake in the **Defence** segment reached a new historic record (+3% at constant scope and exchange rates). The book-to-bill ratio stood at 1.24, above 1.2 for the seventh consecutive year. This new increase in 2025 is driven by continued strong demand across all activities. 20 contracts with a unit value exceeding €100 million were booked during the year, with major successes, particularly in the field of air defence. The segment's order book reached a new historic record at **€41.6 billion** (up 6%), representing 3.4 years of sales, offering strong visibility for this business in the years ahead.

At **€3,872 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.

Sales

In € millions	2025	2024	Total change	Organic change
Aerospace	5,910	5,471	+8.0%	+8.7%
Defence	12,234	10,969	+11.5%	+12.2%
Cyber & Digital	3,852	4,024	(4.3)%	(0.9)%
Of which Cyber	1,455	1,566	(7.1)%	(3.8)%
Of which Digital	2,397	2,457	(2.5)%	+1.0%
Total – operating segments	21,996	20,463	+7.5%	+8.7%
Other	140	113	+24.0%	+25.9%
Total	22,136	20,577	+7.6%	+8.8%
Of which mature markets ¹¹	17,429	16,303	+6.9%	+7.8%
Of which emerging markets ¹¹	4,707	4,273	+10.2%	+12.9%

Sales for the 2025 financial year totaled **€22,136 million**, compared to €20,577 million in 2024, up 7.6% in total change and 8.8% in organic terms (at constant scope and exchange rates¹²), driven in particular by the solid performance of the Aerospace and Defence segments. Thales thus exceeded its organic sales growth target for 2025.

Geographically¹³, sales recorded robust growth in both mature markets (+7.8% in organic terms), with a notable performance in continental Europe excluding France (+20.4% in organic terms), and in emerging markets (+12.9% in organic terms), where all geographies recorded double-digit organic growth.

In the **Aerospace** segment, sales amounted to **€5,910 million**, up 8.0% from 2024 (+8.7% at constant scope and exchange rates). This solid progress reflects in particular the double-digit organic growth of the Avionics business in 2025, with solid momentum across all activities in both the civil and military domains. Original equipment activities notably benefited from higher commercial aircraft production, while the healthy momentum in air traffic benefited aftermarket services. In addition, the Space business also recorded growth in organic sales, driven in particular by the OEN (Observation, Exploration and Navigation) segment.

Sales in the **Defence** segment reached **€12,234 million**, up 11.5% from 2024 (+12.2% at constant scope and exchange rates). In 2025, Thales continued its efforts to increase production capacity in order to meet strong demand across all product lines. Land and air systems, such as surface radars and effectors, contributed particularly to the solid performance in 2025.

At **€3,852 million**, sales in the **Cyber & Digital** segment were down (0.9)% at constant scope and exchange rates ((4.3)% in total change, including negative exchange rate effects), with a fourth quarter showing slight organic growth. This evolution in sales over the year reflects different trends depending on the activities:

- Cyber businesses recorded a decrease in sales in 2025 (down (3.8)% at constant scope and exchange rates):
 - The Cyber Products business, slightly down over the full year 2025, was affected in the second and third quarters by disturbances related to the merger of the Imperva and Thales sales forces. This key integration step, now completed, will gradually unleash the full potential of the business, which recorded a return to organic growth in the fourth quarter;

¹¹ Mature markets: Europe, North America, Australia, New Zealand. Emerging markets: all other countries. See table on page 20.

¹² The calculation of the organic change in sales is shown on page 21.

¹³ See table on page 20.

- The Cyber Premium Services business was down year-on-year with double-digit organic decline. The business was notably impacted by soft demand in Australia, while the execution of the strategy to refocus the offer on segments offering profitable growth showed encouraging signs in the relevant geographies.
- Digital activities recorded organic growth of 1.0% in 2025:
 - Sales from Payment Services enjoyed strong momentum in digital banking solutions, but were affected by continued low volumes in payment cards during the year;
 - Secure Connectivity Solutions recorded strong growth in 2025, driven notably by digital solutions (including eSIM and on-demand connectivity platforms) which represent the majority of the business. The activity also benefited in 2025 from a one-off related to a large and non-recurring order from a customer in Asia.

Results

Adjusted EBIT	2025	2024	Total change	Organic change
<i>In € millions</i>				
Aerospace	560	391	+43.1%	+39.0%
<i>as a % of sales</i>	9.5%	7.2%	+2.3 pts	+2.0 pts
Defence	1,619	1,432	+13.1%	+14.1%
<i>as a % of sales</i>	13.2%	13.1%	+0.2 pts	+0.2 pts
Cyber & Digital	526	585	(10.1)%	(7.2)%
<i>as a % of sales</i>	13.7%	14.5%	(0.9) pts	(0.9) pts
Total – operating segments	2,705	2,408	+12.3%	+13.1%
<i>as a % of sales</i>	12.3%	11.8%	+0.5 pts	+0.5 pts
Other – excluding Naval Group	(59)	(83)		
Total – excluding Naval Group	2,646	2,326	+13.8%	+14.5%
<i>as a % of sales</i>	12.0%	11.3%		
Naval Group (share at 35%)	94	93		
Total	2,740	2,419	13.3%	+14.0%
<i>as a % of sales</i>	12.4%	11.8%		

In 2025, the Group posted an **Adjusted EBIT**¹⁴ of **€2,740 million**, at 12.4% of sales, compared with €2,419 million (11.8% of sales) in 2024.

The **Aerospace** segment recorded an Adjusted EBIT of **€560 million** (9.5% of sales), compared with €391 million (7.2% of sales) in 2024. The Adjusted EBIT margin thus recorded a strong increase, reflecting a positive contribution from both Avionics and Space activities. Avionics posted a solid and growing double-digit margin, supported notably by the successful integration of Cobham Aerospace Communications and by aftermarket services. The Space business saw a recovery of its Adjusted EBIT as anticipated in 2025.

Adjusted EBIT for the **Defence** segment amounted to **€1,619 million**, compared with €1,432 million in 2024, representing an increase of +14.1% at constant scope and exchange rates, driven by sales momentum. The margin for this segment was stable at 13.2%, compared to 13.1% in 2024.

At **€526 million** (13.7% of sales), Adjusted EBIT in the **Cyber & Digital** segment showed a decline in 2025, both in value and margin. Impacted by lower-than-expected sales, the operating margin of the segment nonetheless resisted well in 2025, notably thanks to tight cost management within the Cyber business, whose margin increased slightly over the year. The operating margin also benefited from several positive one-off elements within the Digital business.

Naval Group's contribution to the Group's Adjusted EBIT stood at **€94 million** in 2025, compared with €93 million in 2024. In 2025, it includes the impact of the temporary additional contribution to corporate tax in France, which amounted to €8 million for Thales' share in Naval Group.

At **€(116) million** compared to €(166) million in 2024, **net financial interest** decreased significantly, due to significantly lower average net debt in 2025 compared to 2024. **Other adjusted financial income**¹⁴ was negative at **€(28) million** in 2025 compared to a €35 million positive contribution in 2024. This change is explained by the non-recurrence of exceptional items recorded in 2024, notably the distribution of dividends from non-consolidated affiliates, and by lower foreign exchange gains. The **adjusted financial expense on pensions and other long-term employee benefits**¹⁴ increased slightly (**€(56) million** compared with €(49) million in 2024).

¹⁴ Non-GAAP financial indicator, see definitions in the appendices, page 12 and computations on pages 18 and 19.

Adjusted net income, Group share¹⁵ thus amounted to **€2,005 million**, compared with €1,900 million in 2024, after an adjusted income tax charge¹⁵ of €(561) million, compared with €(427) million in 2024. This change is mainly explained by higher results and the recording in 2025 of the additional temporary contribution to corporate tax in France, which reduced Adjusted net income by €75 million. The effective tax rate thus stood at 24.1%, and at 20.9% excluding the additional contribution in 2025 (compared to 20.4% in 2024).

Adjusted net income, Group share, per share¹⁵ amounted to **€9.76**, up **6%** compared with 2024 (€9.24).

Net income from continuing operations, Group share amounted to **€1,675 million**, up **66%** compared to 2024.

¹⁵ Non-GAAP financial indicator, see definitions in the appendices, page 12 and computations on pages 18 and 19.

Financial position at December 31, 2025

<i>in € millions</i>	2025	2024	Change
Operating cash flow before working capital changes, interest and tax	3,366	3,175	+191
+ Change in working capital and provisions for contingencies	724	26	+697
+ Payment of pension contributions, excluding contributions related to the reduction of the United Kingdom pension deficit	(234)	(117)	(116)
+ Net financial interest received (paid)	(120)	(140)	+20
+ Income tax paid	(413)	(185)	(228)
+ Net operating investments	(746)	(617)	(130)
Free operating cash flow, continuing operations	2,577	2,142	+435
Free operating cash flow, discontinued operations	—	(116)	+116
Free operating cash flow	2,577	2,027	+550
+ Net balance of disposals (acquisitions) of subsidiaries and affiliates	(69)	359	(428)
+ Contribution to the reduction of pension financing deficits in the United Kingdom	(1)	(13)	+11
+ Dividends paid	(781)	(708)	(72)
+ Share buybacks (program approved in March 2022)	N/A	(176)	N/A
+ New lease liabilities (IFRS 16)	(205)	(143)	(62)
+ Exchange rates and other	(96)	(199)	+104
Change in net cash (debt)	1,425	1,146	+279
Net cash (debt) at start of period	(3,044)	(4,190)	+1,146
+ Change in net cash (debt)	1,425	1,146	+279
Net cash (debt) at end of period	(1,618)	(3,044)	+1,425

Free operating cash flow¹⁶ amounted to **€2,577 million** in 2025, compared with €2,027 million in 2024¹⁷. This strong increase was mainly driven by the Group's strong results for the year as well as the significant improvement in the change in working capital requirement. The cash conversion ratio of Adjusted net income, Group share, into free operating cash flow reached 128%, compared to 107% in 2024.

The **net balance of acquisitions and disposals of subsidiaries and affiliates** amounted to **€(69) million**. This amount mainly consisted of the final price adjustment related to the sale to Hitachi Rail of the Transport activity on May 31, 2024. The Group did not finalize any significant acquisition or disposal in 2025.

As of December 31, 2025, **net debt** amounted to **€1,618 million**, compared with €3,044 million as of December 31, 2024. This significant decrease reflects the strong generation of free operating cash flow, and mainly takes into account dividend payments of €781 million (€708 million in 2024) and new lease liabilities for €205 million (€143 million in 2024).

Shareholders' equity, Group share amounted to **€7,968 million**, compared with €7,515 million as of December 31, 2024. This evolution mainly reflects the positive contribution of consolidated net income, Group share (+€1,675 million) less the dividend payout (€(781) million).

¹⁶ Non-GAAP financial indicator, see definitions in the appendices, page 16.

¹⁷ On the scope of continued activities only, free operating cash flow amounted to €2,142 million in 2024. The conversion rate, calculated on the scope of continued activities, was 114%.

Non-financial performance

	Target	2025	2024
Reduction in scope 1 and 2 CO ₂ emissions, market-based, absolute value	2030: (50.4)% vs. 2018	(75.2)%	(66.3)%
Reduction in scope 3 CO ₂ emissions, absolute value	2030: (15)% vs. 2018	(15.4)%	(27.1)%
Thales Climate Passport managers' training	2025: 85% trained	94.6 %	67.4%
Percentage of women at the highest levels of responsibility	2030: 25%	21.8%	21.1%
Management committees with at least 4 women	2030: 85%	69.2%	64.1%

Note: 2024 data for CO₂ emissions reduction for scopes 1 and 2 differ from the data presented in 2024 due to changes in scope.

Thales's CSR program, PROTECT, is structured around commitments for 2030 based on three pillars: **Society**, **Planet**, and **People**, aiming to position the Group as a leader in sustainable development within its markets.

Society: in 2025, the large-scale awareness of employees regarding climate change intensified through the continued deployment of the "Thales Climate Passport" training course, initiated in 2024 across the Group. 94.6% of managers—representing over 50,120 employees—had completed the training by the end of 2025, thus exceeding the 85% target set for the year.

Planet: the implementation of the Group's low-carbon strategy continued in 2025. Between 2018 and 2025, scope 1 and 2 CO₂ emissions fell by 75.2%, while scope 3 emissions decreased by 15.4%. Thales thus achieved its 2030 targets ahead of schedule. The carbon footprint of scopes 1 and 2 now represents less than 0.7% of the Group's total footprint, or 55 kt of CO₂. The absolute value reduction targets for carbon footprint remain relevant for 2030, taking into account the Group's growth prospects.

People: strengthening the representation of women in the highest levels of responsibility and increasing the number of management committees with at least four women remain the Group's priorities regarding gender diversity. At the end of 2025, the highest levels of responsibility comprised 21.8% of women^[1], and 69.2% of management committees included at least four women. This progress reflects a positive momentum, in line with the Group's 2030 objectives: highest levels of responsibility comprising at least 25% of women and 85% of management committees with at least four women.

[1] Percentage of women in the total workforce: 27.6%.

Proposed dividend

The Board of Directors decided to propose to the shareholders, who will convene at the Annual General Meeting on May 12, 2026, the payment of a **dividend** of **€3.90** per share. This corresponds to a payout ratio of 40% of the Adjusted net income, Group share, per share.

If approved, the ex-dividend date will be May 18, 2026, and the payment date will be May 20 2026. This dividend will be paid fully in cash and will amount to €2.95 per share, after deducting the interim dividend of €0.95 per share paid in December 2025.

Outlook

Thales benefits from solid short- and medium-term perspectives across all its markets, supported by strong visibility.

In 2026, the **Avionics** business will be driven by both original equipment activities, which will continue to benefit from the announced ramp-up in commercial aircraft production, and aftermarket services, supported by air traffic that is expected to remain dynamic. The In-Flight Entertainment (IFE) business will continue its recovery, driven by Thales' innovative solutions for airlines such as FlytEdge. Regarding the **Space** business, growth prospects remain favorable in Observation, Exploration & Science, Navigation, and civil and military telecommunications activities. 2026 will benefit from the contribution of contracts secured in late 2024 and in 2025, such as the initial phase contract for IRIS². The Adjusted EBIT margin of the Space business is expected to continue its progression as planned.

The **Defence** segment, whose prospects and visibility were further strengthened in 2025 by a high level of orders, benefits from an order book reaching a historic level. 2026 should see continued strong demand, driven notably by the increase in military budgets, particularly in the geographic areas where Thales operates. The Group, relying on its portfolio of premium and innovative solutions, is ideally positioned to meet its customers' needs in this context. Furthermore, Thales intends to continue the efforts initiated several years ago to increase its production capacity.

Lastly, **Cyber and Digital** businesses will remain supported by growing underlying markets where Thales' technological leadership is a key asset. Within the Cyber business, the completion of Imperva's integration allows the Group to benefit from the full potential of the activity and to gradually return to solid growth during 2026. Growth is expected to be more measured within the Digital businesses, reflecting a market that remains sluggish in terms of physical payment card volumes and a high comparison basis for secure connectivity solutions.

Finally, Thales anticipates net investment expenses to increase compared to 2025 (€746 million in 2025), allowing the Group to adapt its industrial footprint and increase its technological leadership in its markets.

As a result, and assuming no new major disruptions in the macroeconomic and geopolitical context, Thales sets the following targets for 2026¹⁸:

- A book-to-bill ratio above 1;
- Organic sales growth of between +6% and +7%, corresponding to sales in the range of €23.3 billion to €23.6 billion;
- An Adjusted EBIT margin between 12.6% and 12.8%, up 20 to 40 basis points compared to 2025.

In addition, the Group expects to maintain a high cash conversion ratio in 2026, between 95% and 100%.

Thales is firmly committed to the execution of its strategic roadmap to 2028, unveiled during the Capital Markets Day held in 2024. Given the momentum recorded since 2024, the Group is confident in its ability to:

¹⁸ Based on March 2026 scope, including Space business consolidation, and on the assumption of an average EUR/USD exchange rate of 1.18 in 2026.

- Reach the upper end of the organic sales growth range communicated on that occasion (5-7% organic CAGR over 2024-2028);
- Continue improving its profitability in line with the target of reaching an Adjusted EBIT margin between 13% and 14% in 2028;
- Maintain a high cash conversion ratio, at the upper end of the 95% to 105% range on average over 2024-2028.

Impact of tax measures in France

Following the adoption of the 2026 budget, the temporary additional contribution to corporate tax has been renewed for the year 2026, leading as in 2025 to an additional tax of 41.2% applicable in 2026 and resulting in an overall tax rate of 36.13% (instead of the normative rate of 25.83%). For the 2026 financial year, Thales thus expects an additional tax expense of €90 to €100 million.

Furthermore, it should be noted that the impact of the temporary additional contribution to corporate tax for Naval Group could have a negative impact of around €8 million on Thales' Adjusted EBIT in 2026.

These various impacts are expected to result in a corresponding cash outflow in 2026.

This press release contains certain forward-looking statements. Although Thales believes that its expectations are based on reasonable assumptions, actual results may differ significantly from the forward-looking statements due to various risks and uncertainties, as described in the Company's Universal Registration Document, which has been filed with the French financial markets authority (Autorité des marchés financiers – AMF).

About Thales

Thales (Euronext Paris: HO) is a global leader in advanced technologies for the Defence, Aerospace, and Cyber & Digital sectors. Its portfolio of innovative products and services helps address several major challenges: sovereignty, security, sustainability and inclusion.

The Group allocates €4.5 billion per year in Research & Development in key areas, particularly for critical environments, such as Artificial Intelligence, Cybersecurity, Quantum and Cloud technologies.

Thales has more than 85,000 employees in 65 countries. In 2025, the Group generated sales of €22.1 billion.

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UPCOMING EVENTS

Q1 2026 order intake and sales	April 21, 2026 (before market)
Annual General Meeting	May 12, 2026
Ex-dividend date	May 18, 2026
Dividend Payment	May 20, 2026
2026 half-year results	July 23, 2026 (before market)
Order intake and sales as of September 30, 2026	October 22, 2026 (before market)

Appendices

Note on methodology

In this press release, amounts expressed in millions of euros are rounded to the nearest million. As a result, the sums of the **rounded amounts** may differ very slightly from the reported totals. All ratios and changes are calculated based on underlying amounts.

“**Organic change**” measures the movement in monetary indicators excluding the effects of changes in exchange rates and scope of consolidation. It is obtained by calculating the difference between the indicator for the previous year discounted at the exchange rates applicable for the current year for entities whose reporting currency is not the euro, less the contribution of entities divested during the current year, and the value of the indicator for the current year, less the contribution of entities acquired during the current year. The calculation of organic change in sales is detailed on page 21.

Definitions of non-GAAP financial indicators

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

- **Adjusted EBIT:** 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 non-current assets;
 - Changes in the fair value of derivative foreign exchange 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.

The definition of those two indicators has been changed as of 30 June 2025 and now excludes the 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 pages 18 and 19.

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 December 31, 2025 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 December 31, 2025 and December 31, 2024 is detailed in the tables on pages 18 and 19. The calculation of free operating cash flow is detailed on page 11.

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

In € millions except earnings per share (in €)	Consolidated income statement 2025	Adjustments					Adjusted income statement 2025
		(1)	(2)	(3)	(4)	(5)	
Sales	22,136	—	—	—	—	—	22,136
Cost of sales	(16,283)	395	—	—	—	45	(15,844)
Research and development expenses	(1,328)	—	—	—	—	—	(1,328)
Marketing and selling expenses	(1,582)	—	—	—	—	—	(1,582)
General and administrative expenses	(725)	—	—	—	—	—	(725)
Restructuring costs	(132)	—	—	—	—	—	(132)
Income from operations	2,087	395	—	—	—	45	2,526
Share in net income of equity affiliates	198	15	—	—	—	—	213
EBIT	N/A	410	—	—	—	45	2,740
Gains and losses on disposals of assets, changes in scope and other	(23)	—	23	—	—	—	—
Impairment of assets	—	—	—	—	—	—	—
Net financial interest	(116)	—	—	—	—	—	(116)
Other financial income and expenses	(66)	—	—	37	—	—	(28)
Finance costs on pensions and other long-term employee benefits	(44)	—	—	—	(12)	—	(56)
Income tax	(397)	(99)	(48)	(9)	3	(12)	(561)
<i>Effective income tax rate*</i>	21.6%	—	—	—	—	—	24.1%
Net income from continuing operations	1,640	310	(25)	29	(9)	33	1,979
Net income from discontinued operations	—	—	—	—	—	—	—
Net income	1,640	310	(25)	29	(9)	33	1,979
Non-controlling interests	34	(8)	—	—	—	—	26
Net income, Group share	1,675	302	(25)	29	(9)	33	2,005
Net income from continuing operations, share of the Group	1,675	302	(25)	29	(9)	33	2,005
Net income from discontinued operations, share of the Group	—	—	—	—	—	—	—
Average number of shares (thousands)	205,476	—	—	—	—	—	205,476
Net income, Group share per share (in €)	8.15	—	—	—	—	—	9.76

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

Adjustments (see definitions on pages 16 and 17):

- (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 other, and impairment losses on non-current assets
- (3) Change in fair value of foreign exchange derivatives
- (4) Actuarial gains (losses) on long-term benefits
- (5) Impact of the evolution of the share price of Thales on long-term equity compensation plans.

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

In € millions except earnings per share (in €)	Consolidated income statement 2024	Adjustments				Adjusted income statement 2024
		(1)	(2)	(3)	(4)	
Sales	20,577	—	—	—	—	20,577
Cost of sales	(15,203)	573	—	—	—	(14,630)
Research and development expenses	(1,274)	—	—	—	—	(1,274)
Marketing and selling expenses	(1,590)	—	—	—	—	(1,590)
General and administrative expenses	(693)	—	—	—	—	(693)
Restructuring costs	(118)	—	—	—	—	(118)
Income from operations	1,699	573	—	—	—	2,272
Share in net income of equity affiliates	95	52	—	—	—	147
EBIT	N/A	625	—	—	—	2,419
Gains and losses on disposals of assets, changes in scope and other	(279)	—	279	—	—	—
Impairment of assets	(158)	—	158	—	—	—
Net financial interest	(166)	—	—	—	—	(166)
Other financial income and expenses	39	—	—	(4)	—	35
Finance costs on pensions and other long-term employee benefits	(51)	—	—	—	3	(49)
Income tax	(247)	(143)	(38)	1	(1)	(427)
<i>Effective income tax rate*</i>	22.8%	—	—	—	—	20.4%
Net income from continuing operations	932	482	399	(3)	2	1,812
Net income from discontinued operations	412	—	(393)	2	—	21
Net income	1,344	482	6	(1)	2	1,833
Non-controlling interests	75	(8)	—	—	—	67
Net income, Group share	1,420	474	6	(1)	2	1,900
Net income from continuing operations, share of the Group	1,007	474	399	(3)	2	1,880
Net income from discontinued operations, share of the Group	412	—	(393)	2	—	21
<i>Average number of shares (thousands)</i>	205,523	—	—	—	—	205,523
Net income, Group share per share (in €)	6.91	—	—	—	—	9.24

(*) Income tax divided by net income before income tax and share in the profit of equity-accounted companies.

Adjustments (see definitions on pages 16 and 17):

- (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 (losses) on long-term benefits.

Order intake by destination – 2025

	2025	2024	Total change	Organic change	2025 weighting as a %
<i>In € millions</i>					
France	5,133	6,229	(18)%	(18)%	20%
United Kingdom	989	1,682	(41)%	(41)%	4%
Rest of Europe	9,224	7,292	+26%	+26%	37%
Subtotal Europe	15,345	15,203	+1%	+1%	61%
United States and Canada	3,083	2,796	+10%	+13%	12%
Australia and New Zealand	1,062	1,011	+5%	+12%	4%
Total mature markets	19,490	19,010	+3%	+3%	77%
Asia	3,892	2,990	+30%	+32%	15%
Near and Middle East	851	2,263	(62)%	(62)%	3%
Rest of the world	1,031	1,027	+0%	+5%	4%
Total emerging markets	5,774	6,279	(8)%	(6)%	23%
Total all markets	25,264	25,289	+0%	+1%	100%

Sales by destination – 2025

	2025	2024	Total change	Organic change	2025 weighting as a %
<i>In € millions</i>					
France	6,125	5,932	+3.3%	+3.0%	28%
United Kingdom	1,434	1,355	+5.8%	+7.1%	6%
Rest of Europe	6,208	5,155	+20.4%	+20.4%	28%
Subtotal Europe	13,767	12,442	+10.6%	+10.7%	62%
United States and Canada	2,750	2,921	(5.8)%	(3.5)%	12%
Australia and New Zealand	911	940	(3.1)%	+3.3%	4%
Total mature markets	17,429	16,303	+6.9%	+7.8%	79%
Asia	2,194	1,977	+11.0%	+13.3%	10%
Near and Middle East	1,310	1,210	+8.2%	+10.4%	6%
Rest of the world	1,203	1,086	+10.8%	+14.7%	5%
Total emerging markets	4,707	4,273	+10.2%	+12.9%	21%
Total all markets	22,136	20,577	+7.6%	+8.8%	100%

Order intake and sales – Q4 2025

Order intake	Q4 2025	Q4 2024	Total change	Organic change
<i>In € millions</i>				
Aerospace	2,203	2,796	(21)%	(20)%
Defence	5,185	5,773	(10)%	(10)%
Cyber & Digital	1,045	1,127	(7)%	(2)%
Total – operating segments	8,433	9,695	(13)%	(12)%
Other	69	44		
Total	8,502	9,739	(13)%	(11)%

Sales	Q4 2025	Q4 2024	Total change	Organic change
<i>In € millions</i>				
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>Of which Cyber</i>	396	427	(7.2)%	(1.1)%
<i>Of which Digital</i>	652	683	(4.5)%	+0.9%
Total – operating segments	6,842	6,471	+5.7%	+8.3%
Other	39	37		
Total	6,881	6,508	+5.7%	+8.3%

Organic change in sales by quarter

	Sales 2024	Exchange rate effect	Impact of disposals	Sales 2025	Impact of acquisitions	Total change	Organic change
<i>In € millions</i>							
Q1	4,421	17	(6)	4,960	+90	+12.2%	+9.9%
Q2	5,071	(89)	(12)	5,305	+14	+4.6%	+6.4%
H1	9,493	(73)	(17)	10,265	+104	+8.1%	+8.1%
Q3	4,576	(91)	(7)	4,991	+10	+9.1%	+11.2%
Q4	6,508	(154)	(6)	6,881	+7	+5.7%	+8.3%
FY	20,577	(318)	(30)	22,136	+121	+7.6%	+8.8%