Thales reports its 2025 half-year results

- **Order intake: €10.4 billion, down -4% (-4% on an organic basis[1])**
- **Sales: €10.3 billion, up 8.1% (+8.1% on an organic basis)**
- **Adjusted EBIT[2]: €1,248 million, up 13.9% (+12.7% on an organic basis)**
- **Adjusted net income, Group share[2]: €877 million, up 1% and including €60 million of exceptional contribution to corporate tax in France**
- **Net income from continuing operations, Group share: €664 million, up 6%**
- **Free operating cash flow[2]: €499 million, to be compared to -€85 million in the first half of 2024**
- **2025 targets[3], including upgraded sales guidance:**
    - **Book-to-bill ratio[4] above 1**
    - **Organic sales growth between +6% and +7%[5] (vs. +5 and +6% previously)**
    - **Adjusted EBIT margin: 12.2% to 12.4%**

Thales' Board of Directors (Euronext Paris: HO) met on July 22, 2025 to review the financial statements for the first half of 2025[6].

"The first half of 2025 confirms Thales' strong momentum since the beginning of the year, with a significant increase in our financial indicators.

Sales are up sharply, driven by the strength of our Defence and Avionics businesses, which are benefiting from continued increases in production capacity. This sustained performance enables us to raise our annual target for sales organic growth. Order intake continues to record solid momentum, in a favorable context for the vast majority of our businesses. They will once again exceed sales in 2025, offering exceptional visibility for the coming years. Adjusted EBIT margin has also improved significantly, demonstrating the relevance of the Group's strategy based on disruptive innovation, operational excellence and a relationship of trust with our customers.

We are also continuing to invest in research and in expanding our industrial capacities, in order to meet the major challenges of a rapidly changing world.

This solid first half is above all the result of the commitment and professionalism of Thales's 83,000 employees, to whom I extend my warmest thanks. Thanks to them, we are entering the second half of the year with an upwardly revised sales growth target."

Patrice Caine, Chairman & Chief Executive Officer

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[1] In this press release, "organic" means "at constant scope and exchange rates". See note on methodology on page 12 and calculation on page 17.
[2] Non-GAAP financial indicators, see definitions in the appendices, page 12 and 13.
[3] Assuming no new disruptions of the macroeconomic and geopolitical context. Regarding tariffs, the guidance is valid on the basis of reciprocal tariffs of 10% from Europe and 25% from Mexico, and on the assumption that Europe takes no retaliatory measures.
[4] Book-to-bill ratio: ratio of order intake to sales.
[5] Corresponding to €21.8 to €22.0 billion and based on end of June 2025 scope, average foreign exchange rates for H1 2025 and an assumption of average EUR/USD at 1.17 for H2 2025.
[6] As at the date of this press release, the limited review of the financial statements has been completed and the statutory auditors' report has been issued following the Board of Directors' meeting.

Key figures

In € millions *except earnings per share (in €)*	H1 2025	H1 2024	Total change	Organic change
Order intake	**10,352**	**10,767**	-4%	-4%
Order book at end of period	**50,038**	**46,958**	+7%	+8%
Sales	**10,265**	**9,493**	+8.1%	+8.1%
Adjusted EBIT[7]	**1,248**	**1,096**	+13.9%	+12.7%
as a % of sales	*12.2%*	*11.5%*	*+0.6 pts*	*+0.5 pts*
Adjusted net income, Group share[7]	**877**	**866**	+1%	
Adjusted net income, Group share, per share[7]	**4.27**	**4.21**	+1%	
Net income from continuing operations, Group share	**664**	**625**	+6%	
Free operating cash flow[7]	**499**	**(85)**	+584	
Net cash (debt) at end of period[7]	**(3,427)**	**(4,594)**	+1,167	

Order intake in the first half of 2025 amounted to **€10,352 million**, down -4% compared with the first half of 2024 (**-4% also at constant scope and exchange rates**). This slight decrease is explained by a high comparison basis, with the signing of three contracts with a unit value of more than €500 million in the first half of 2024 compared to only one in the first half of 2025. The sales momentum remains nonetheless very positive and the consolidated **order book** at June 30, 2025, totaled **€50 billion**, showing an increase of 7% compared to the first half of 2024. In this regard, the Group expects in the second half of this year the booking of the Air Defence contract signed with the United Kingdom for an amount of £1.16 billion, effective in July 2025.

Sales totaled **€10,265 million**, up 8.1% in total change and **at constant scope and exchange rates** compared with the first half of 2024. The increase in sales benefited notably from a solid performance of Avionics and Defence.

The Group reports for the first half of 2025 an **Adjusted EBIT** of **€1,248 million**, compared with €1,096 million in the first half of 2024, up 13.9% (+12.7% on an organic basis). The Adjusted EBIT margin reached 12.2% of sales, a significant increase compared to the first half of 2024 (11.5% of sales).

At **€877 million**, the **Adjusted net income, Group share** is up by 1% compared to last year. It incorporates a temporary additional contribution to the corporate tax in France amounting to €60 million. Excluding this exceptional impact, the Adjusted net income, Group share is up by 8%.

Net income from continuing operations, Group share amounted to **€664 million** compared to €625 million in the first half of 2024.

Free operating cash flow was positive and amounted to **€499 million**, compared with -€85 million in the first half of 2024. This strong increase was driven by a significant improvement in the change in working capital requirement compared to June 30, 2024, thanks notably to a continued satisfactory payment profile from Group's customers as well as ongoing actions taken in the context of stocks optimization.

Net debt reached **€3 427 million** at June 30, 2025 compared to €3 044 million at December 31, 2024.

[7] Non-GAAP financial indicators, see definitions in the appendices, page 12.

Order intake

In € millions	H1 2025	H1 2024	Total change	Organic change
Aerospace	2,658	2,688	-1%	-3%
Defence	5,751	6,120	-6%	-6%
Cyber & Digital	1,897	1,931	-2%	+0.2%
Total – operating segments	**10,306**	**10,739**	**-4%**	**-4%**
Other	46	29		
Total	**10,352**	**10,767**	**-4%**	**-4%**
Of which mature markets[8]	7,031	7,328	-4%	-5%
Of which emerging markets[8]	3,321	3,439	-3%	-3%

Order intake in H1 2025 amounted to **€10,352 million**, **down -4%** compared to H1 2024 (-4% also at constant scope and exchange rates). The Group continued to benefit from excellent sales momentum across all its activities and recorded a contract with unit value in excess of €1 billion in the second quarter related to the supply of 26 Rafale Marine to India. The book-to-bill ratio is 1.01 (1.13 in the first half of 2024).

Thales booked **10 large orders with a unit amount exceeding €100 million** in the first half of 2025, for a total amount of **€2,874 million**:

- 5 large orders booked 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 vetronics equipment for various Army vehicles as part of the SCORPION programme.
- 5 large orders booked 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.

[8] Mature markets: Europe, North America, Australia, New Zealand. Emerging markets: all other countries. See table on page 16.

At **€7,479 million,** order intake of a **unit amount below €100 million** showed an increase of 4% compared to the first half of 2024. Orders with a **unit value of less than €10 million** are up 5%.

Geographically[9], order intake in mature markets amounted to €7,031 million, down compared to the first half of 2024 (-4% in total change and -5% on an organic basis). This decline is mainly explained by a high comparison base in the first half of 2024, which included the contract related to the order of two F126 frigates by the German Navy.
Order intake in emerging markets amounted to €3,321 million, down -3% in total and organic change. The registration of the order by the Indian Navy for 26 Rafale Marine in the first half of 2025 does not fully compensate the two contracts with a unit value exceeding €500 million recorded in the first half of 2024 in those markets.

Order intake in the **Aerospace** segment stood at **€2,658 million** compared to €2,688 million in the first half of 2024 (-3% at constant scope and exchange rates). The Avionics market enjoys sustained sales momentum in its various segments. Order intake in the Space activity, which had benefited from a favorable phasing in the first quarter with 3 orders worth more than €100 million each, was slightly down over the semester.

With an amount of **€5,751 million** (compared to €6,120 million in the first half of 2024, i.e., -6% at constant scope and exchange rates), order intake in the **Defence** segment continued to benefit from strong commercial momentum, while the basis for comparison with 2024 is high. Six orders with a unit amount exceeding €100 million were booked in the first half of 2025, including an order exceeding €1 billion from India for 26 Rafale Marine. The Group confirms its objective of a book-to-bill ratio above 1 in 2025 for the Defence segment, notably with the expected booking of new important contracts in the second half of the year, including the Air Defence contract with the United Kingdom for an amount of £1.16 billion, effective in July 2025. The order book stood at **€38.9 billion** (compared to €36.5 billion in the first half of 2024), representing approximately 3.4 years of sales.

At **€1,897 million**, order intake in the Cyber & Digital sector is aligned with sales, as most of the activities in this segment operate on short cycles. The order book is therefore not significant.

[9] See table on page 16.

Sales

In € millions	H1 2025	H1 2024	Total change	Organic change
Aerospace	2,759	2,582	+6.8%	+5.8%
Defence	5,581	4,938	+13.0%	+12.7%
Cyber & Digital	1,862	1,934	-3.7%	-1.9%
Of which Cyber	*708*	*746*	*-5.0%*	*-3.5%*
Of which Digital	*1,153*	*1,188*	*-2.9%*	*-0.8%*
Total – operating segments	**10,202**	**9,454**	**+7.9%**	**+7.8%**
Other	63	39		
Total	**10,265**	**9,493**	**+8.1%**	**+8.1%**
Of which mature markets[10]	8,135	7,545	+7.8%	+7.4%
Of which emerging markets[10]	2,130	1,947	+9.4%	+10.7%

Sales for the first half of 2025 stood at **€10,265 million**, compared to €9,493 million in the first half of 2024, up 8.1% both in total and organic changes.

From a **geographical** standpoint[10], sales recorded solid growth in emerging markets, with organic growth of +10.7%. Sales in mature markets grew organically by +7.4%, driven notably by Europe (+8.9%).

In the **Aerospace** segment, sales amounted to **€2,759 million**, up 6.8% compared with the first half of 2024 (+5.8% at constant scope and exchange rates). This solid growth reflects the continued strong momentum in the Avionics market, driven by aftermarket activities and the military domain. Space sales remained affected by last two years' low demand in telecommunications satellites; OEN (Observation, Exploration, Navigation) showed good performance.

Sales in the **Defence** segment totaled **€5,581 million**, up 13.0% compared to the first half of 2024 (+12.7% at constant scope and exchange rates). After a very strong first quarter (+15.0% at constant scope and exchange rates), the segment continued to record double-digit growth in the majority of its activities in the second quarter.

At **€1,862 million**, sales in the **Cyber & Digital** segment decreased by -3.7% compared to the first half of 2024 (-1.9% at constant scope and exchange rates). This evolution reflects the following trends:

- Cyber businesses recorded a decrease in the first half of 2025 (-3.5% at constant scope and exchange rates):
    - The Cyber Products business, slightly down in the second quarter after a first quarter of growth, remained affected as expected by disturbances related to the merger of Thales and Imperva's sales forces. This now completed merger is the final step of Imperva's integration and paves the way to the deployment of its product offering to its full potential. A progressive ramp-up in sales trajectory is expected in the second half of the year;
    - The Cyber Services business was affected by soft market demand during the first half of the year. With this offer, which represents approximately 20% of the Cyber activity (as per 2024 sales), the Group continues to refocus its strategy on segments offering profitable growth. This process, which involves streamlining and standardizing operations, aims at improving operating margin and can occasionally weigh on volumes.

[10] Mature markets: Europe, North America, Australia, New Zealand. Emerging markets: all other countries. See table on page 16.

- Digital businesses were stable in the first half of 2025 (-0.8% at constant scope and exchange rates):
    - Identity and Biometrics solutions were down over half-year. The activity, which had experienced a decline in sales in 2020 due to COVID, is affected in 2025 by an unfavorable comparison effect related to the significant catch-up that occurred post-pandemic and until 2024. The segment thus returns to a more usual run rate in 2025;
    - Secure Connectivity solutions experienced robust and profitable growth, driven by digital solutions (including eSIMs as well as on-demand connectivity platforms);
    - Within the Payment Services business, digital banking solutions stood out particularly this semester and recorded a solid performance.

Results

Adjusted EBIT *In € millions*	H1 2025	H1 2024	Total change	Organic change
Aerospace	**252**	**167**	**+50.9%**	**+36.4%**
as a % of sales	*9.1%*	*6.5%*	*+2.7 pts*	*+1.9 pts*
Defence	**720**	**639**	**+12.6%**	**+13.5%**
as a % of sales	*12.9%*	*12.9%*	*0.0 pts*	*+0.1 pts*
Cyber & Digital	**265**	**272**	**-2.5%**	**-0.6%**
as a % of sales	*14.2%*	*14.1%*	*+0.2 pts*	*+0.2 pts*
Total – operating segments	**1,237**	**1,078**	**+14.7%**	**+13.6%**
as a % of sales	*12.1%*	*11.4%*	*+0.7 pts*	*+0.6 pts*
Other – excluding Naval Group	(24)	(26)		
Total – excluding Naval Group	**1,213**	**1,052**	**+15.3%**	**+14.1%**
as a % of sales	*11.8%*	*11.1%*	*+0.7 pts*	*+0.6 pts*
Naval Group (share at 35%)	35	44		
Total	**1,248**	**1,096**	**+13.9%**	**+12.7%**
as a % of sales	*12.2%*	*11.5%*	*+0.6 pts*	*+0.5 pts*

The Group posted an **Adjusted EBIT**[11] of **€1,248 million** for the first half of 2025, at **12.2%** of sales, compared to €1,096 million (11.5% of sales) in the first half of 2024.

The **Aerospace** segment recorded an Adjusted EBIT of **€252 million** (9.1% of sales), compared with €167 million (6.5% of sales) in the first half of 2024. The Adjusted EBIT margin recorded a strong increase, driven by the solid performance of the Avionics activities that posted a robust double-digit margin. It also benefited from the significant Adjusted EBIT improvement in Space, which is expected to be positive in 2025 before restructuring costs.

Adjusted EBIT for the **Defence** segment amounted to **€720 million**, compared with €639 million in the first half of 2024 (+13.5% at constant scope and exchange rates). At 12.9%, the margin in this sector is stable compared to last year (12.9% in the first half of 2024).

The **Cyber & Digital** segment recorded an Adjusted EBIT of **€265 million** in the first half of 2025 compared to €272 million in the first half of 2024. The margin was up slightly and amounted to **14.2%** of sales (against 14.1% in the first half of 2024). This evolution reflects the Group's ability to preserve its commercial margins thanks to a strict discipline in terms of pricing policy.

Excluding Naval Group, **unallocated EBIT** amounted to **-€24 million** compared to -€26 million in the first half of 2024.

At **€35 million** in the first half of 2025, **Naval Group**'s contribution to Adjusted EBIT is lower compared to the first half of 2024. This change is mainly explained by the temporary additional contribution to corporate tax in France, whose impact on Naval Group's share amounts to €5 million this semester and is expected to reach €8 million for the full year.

Cost of net financial debt amounts to **-€56 million** compared to -€87 million in the first half of 2024. This improvement is mainly explained by a significantly lower net debt than at June 30, 2024. **Other adjusted financial income**[11] amounted to **-€30 million** over the first 6 months of 2025, compared with €32 million in the first half of 2024. This evolution reflects the non-recurrence in the first half of 2025 of exceptional items recorded during the first half of 2024, notably the distribution of dividends

[11] Non-GAAP financial indicator, see definitions in the appendices, page 12 and computations on pages 14 and 15.

from non-consolidated affiliates as well as foreign exchange gains. **The adjusted financial expense on pensions and other long-term employee benefits**[12] was stable at **-€26 million** compared to -€28 million in the first half of 2024.

Adjusted net income, Group Share[12] thus amounted to **€877 million,** compared with €866 million in the first half of 2024, after an adjusted income tax charge[12] of -€277 million compared with -€193 million in the first half of 2024. This change is mainly explained by the recording in the first half of 2025 of the additional temporary contribution to corporate tax in France, which reduced Adjusted net income by €60 million. The effective tax rate as of June 30, 2025 stood at **26.7%** and at 21.0% excluding the additional contribution to corporate tax in France (compared to 20.4% as of June 30, 2024).

Adjusted net income, Group share, per share[12] amounted to **€4.27**, up 1% compared with the first half of 2024 (€4.21).

Net income from continuing operations, Group share amounted to **€664 million**, an increase of 6% compared to June 30, 2024 (€625 million).

[12] Non-GAAP financial indicator, see definitions in the appendices, page 12 and computations on pages 14 and 15.

Financial position as of June 30, 2025

In € millions	H1 2025	H1 2024	Variation
Operating cash flow before working capital changes, interest and tax	**1,526**	**1,472**	**+54**
+ Change in working capital and provisions for contingencies	(530)	(995)	+465
+ Payment of pension contributions, excluding contributions related to the reduction of the United Kingdom pension deficit	(76)	(57)	(20)
+ Net financial interest received (paid)	(40)	(74)	+34
+ Income tax paid	(71)	(54)	(17)
+ Net operating investments	(310)	(270)	(40)
Free operating cash flow, continuing operations	**499**	**23**	**+475**
Free operating cash flow, discontinued operations	N/A	(108)	+108
Free operating cash flow	**499**	**(85)**	**584**
+ Net balance of disposals (acquisitions) of subsidiaries and affiliates	(64)	528	(592)
+ Contribution to the reduction of pension financing deficits in the United Kingdom	(1)	(11)	+10
+ Dividends paid	(586)	(534)	(51)
+ Share buybacks (program approved in March 2022)	N/A	(176)	N/A
+ New lease liabilities (IFRS 16)	(118)	(95)	(23)
+ Exchange rates and other	(114)	(31)	(83)
Change in net cash (debt)	**(383)**	**(404)**	**+21**

Net cash (debt) at start of period	(3,044)	(4,190)	+1,146
+ Change in net cash (debt)	(383)	(404)	+21
Net cash (debt) at end of period	**(3,427)**	**(4,594)**	**+1,167**

Free operating cash flow was positive at **€499 million,** compared to -€85 million in the first half of 2024. This strong increase was mainly driven by the improvement in the change in working capital requirements.

Over 2025 half-year, the **net balance of acquisitions and disposals of subsidiaries and affiliates** of **-€64 million** 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 over the period.

As of June 30, 2025, the **net debt** amounted to **€3,427 million,** compared with €3,044 million as of December 31, 2024. This change mainly takes into account the net balance of disposals (acquisitions) of subsidiaries and affiliates for a negative net amount of -**€64 million**, dividends payments for **-€586 million** (-€534 million in the first half of 2024) and new lease liabilities for **-€118 million** (-€95 million in the first half of 2024).

Shareholders' equity, Group share amounted to **€7,138 million**, compared with €7,515 million as of December 31, 2024. This evolution reflects the positive contribution of net income from continuing operations, Group share (+€664 million) less the dividend paid (-€586 million).

Outlook

The robust sales performance in the first half, driven by the strength of the Avionics and Defence businesses, allows the Group to raise its annual organic sales growth target.
The commercial momentum in the second half is also well oriented as Thales continues to benefit from favorable prospects in the vast majority of its markets in the short, medium and long term.

Thales confirms its expectation of a solid increase in Adjusted EBIT margin, mainly driven by the margin progression in the Aerospace segment and continued high margin in Defence.

The Group still anticipates a contained direct impact of tariffs based on the information available as of July 23, 2025. Thus, the 2025 guidance assumes reciprocal tariffs of 10% from Europe and 25% from Mexico, and exclude any retaliatory measures that might be taken by Europe in this context.

Assuming no new disruption in the macroeconomic and geopolitical contexts, and assuming the aforementioned assumptions regarding tariffs, Thales upgrades its sales organic growth target for 2025 and confirms its other targets:

- An unchanged book-to-bill ratio above 1;
- An expected organic sales growth between +6% and +7%, versus to +5 to +6% previously, corresponding to a sales range of €21.8 to €22.0 billion[13];
- An Adjusted EBIT margin between 12.2% and 12.4%.

***

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).

[13] Based on end of June 2025 scope, average foreign exchange rates for H1 2025 and an assumption of average EUR/USD at 1.17 for H2 2025.

About Thales

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

The Group invests more than €4 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 83,000 employees in 68 countries. In 2024, the Group generated sales of €20.6 billion.

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Appendices

Note on methodology

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

"Organic change" measures the movement in monetary indicators excluding the effects of changes in exchange rates and scope of consolidation. It is obtained by calculating the difference between the indicator for the previous year discounted at the exchange rates applicable for the current year for entities whose reporting currency is not the euro, less the contribution of entities divested during the current year, and the value of the indicator for the current year, less the contribution of entities acquired during the current year. The calculation of organic change in sales is detailed on page 17.

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 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 14 and 15.

Net cash (debt) corresponds to the difference between the sum of the "Cash and cash equivalents" and "Current financial assets" items, investments including the assets taken over from UK pension funds, and short- and long-term borrowings, after deduction of interest rate hedging derivatives. From January 1, 2019, it incorporates the lease liability recorded in the balance sheet pursuant to IFRS 16. Its calculation appears in Note 6.2 to the consolidated financial statements.

Please note that only the consolidated financial statements as of December 31, 2024 are audited by the statutory auditors, including Adjusted EBIT, the calculation of which is outlined in Note 2 “Segment information”, net cash (debt), the definition 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, 2025 and June 30, 2024 is detailed in the tables on pages 14 and 15. The calculation of free operating cash flow is detailed on page 9.

THALES
Building a future we can all trust

Adjusted income statement, Adjusted 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)	(3)	1	(12)	(277)
*Effective income tax rate**	*27.2%*	—	—	—	—	—	*26.7%*
Net income from continuing operations	642	160	16	10	(3)	34	859
Net income from discontinued operations	—	—	—	—	—	—	—
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**
Net income from continuing operations, share of the Group	664	156	16	10	(3)	34	877
Net income from discontinued operations, share of the Group	—	—	—	—	—	—	—
Average number of shares (thousands)	*205,390*	—	—	—	—	—	*205,390*
Net income, Group share per share (in €)	**3.23**	**—**	**—**	**—**	**—**	**—**	**4.27**

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

Adjustments (see definitions on pages 12 and 13):
(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 – H1 2024

In € millions *except earnings per share (in €)*	Consolidated income statement H1 2024	Adjustments (1)	(2)	(3)	(4)	Adjusted income statement H1 2024
Sales	**9,493**	**—**	**—**	**—**	**—**	**9,493**
Cost of sales	(6,985)	263	—	—	—	(6,722)
Research and development expenses	(599)	—	—	—	—	(599)
Marketing and selling expenses	(776)	—	—	—	—	(776)
General and administrative expenses	(335)	—	—	—	—	(335)
Restructuring costs	(32)	—	—	—	—	(32)
Income from operations	**765**	**263**	**—**	**—**	**—**	**1,029**
Share in net income of equity affiliates	59	8	—	—	—	67
EBIT	**N/A**	**271**	**—**	**—**	**—**	**1,096**
Gains and losses on disposals of assets, changes in scope and other	(20)	—	20	—	—	—
Impairment of assets	—	—	—	—	—	—
Net financial interest	(87)	—	—	—	—	(87)
Other financial income and expenses	30	—	—	2	—	32
Finance costs on pensions and other long-term employee benefits	(30)	—	—	—	2	(28)
Income tax	(124)	(66)	(3)	—	(1)	(193)
*Effective income tax rate**	*18.8%*	—	—	—	—	*20.4%*
Net income from continuing operations	595	206	17	2	1	820
Net income from discontinued operations	392	(12)	(363)	1	—	19
Net income	**987**	**194**	**(346)**	**4**	**1**	**839**
Non-controlling interests	31	(4)	—	—	—	27
Net income, Group share	**1,017**	**190**	**(346)**	**4**	**1**	**866**
Net income from continuing operations, share of the Group	625	202	17	2	1	847
Net income from discontinued operations, share of the Group	392	(12)	(363)	1	—	19
Average number of shares (thousands)	*205,818*	—	—	—	—	*205,818*
Net income, Group share per share (in €)	**4.94**	**—**	**—**	**—**	**—**	**4.21**

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

Adjustments (see definitions on pages 12 and 13):
(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.

Order intake by destination – H1 2025

In € millions	H1 2025	H1 2024	Total change	Organic change	2025 weighting as a %
France	1,899	2,099	-10%	-10%	18%
United Kingdom	433	571	-24%	-25%	4%
Rest of Europe	2,706	2,884	-6%	-7%	26%
Subtotal Europe	**5,037**	**5,554**	**-9%**	**-10%**	**49%**
United States and Canada	1,376	1,274	+8%	+6%	13%
Australia and New Zealand	618	501	+23%	+30%	6%
Total mature markets	**7,031**	**7,328**	**-4%**	**-5%**	**68%**
Asia	2,516	1,823	+38%	+38%	24%
Near and Middle East	424	1,124	-62%	-62%	4%
Rest of the world	381	492	-22%	-20%	4%
Total emerging markets	**3,321**	**3,439**	**-3%**	**-3%**	**32%**
Total all markets	**10,352**	**10,767**	**-4%**	**-4%**	**100%**

Sales by destination – H1 2025

In € millions	H1 2025	H1 2024	Total change	Organic change	2025 weighting as a %
France	3,002	2,940	+2.1%	+1.2%	29%
United Kingdom	708	624	+13.5%	+11.7%	7%
Rest of Europe	2,669	2,250	+18.6%	+18.3%	26%
Subtotal Europe	**6,378**	**5,814**	**+9.7%**	**+8.9%**	**62%**
United States and Canada	1,312	1,268	+3.4%	+2.3%	13%
Australia and New Zealand	445	463	-3.9%	+1.2%	4%
Total mature markets	**8,135**	**7,545**	**+7.8%**	**+7.4%**	**79%**
Asia	999	929	+7.6%	+7.8%	10%
Near and Middle East	593	554	+7.1%	+7.9%	6%
Rest of the world	537	464	+15.8%	+20.0%	5%
Total emerging markets	**2,130**	**1,947**	**+9.4%**	**+10.7%**	**21%**
Total all markets	**10,265**	**9,493**	**+8.1%**	**+8.1%**	**100%**

Order intake and sales – Q2 2025

Order intake *In € millions*	**Q2 2025**	**Q2 2024**	**Total change**	**Organic change**
Aerospace	1,128	1,685	-33%	-32%
Defence	4,449	2,998	+48%	+50%
Cyber & Digital	975	1,028	-5%	-1%
Total – operating segments	**6,552**	**5,711**	**+15%**	**+17%**
Other	22	19		
Total	**6,574**	**5,730**	**+15%**	**+17%**

Sales *In € millions*				
Aerospace	1,417	1,400	+1.2%	+3.5%
Defence	2,896	2,633	+10.0%	+10.6%
Cyber & Digital	959	1,017	-5.8%	-1.6%
Of which Cyber	*351*	*394*	*-11.0%*	*-7.0%*
Of which Digital	*608*	*623*	*-2.4%*	*+1.8%*
Total – operating segments	**5,273**	**5,050**	**+4.4%**	**+6.2%**
Other	32	21		
Total	**5,305**	**5,071**	**+4.6%**	**+6.4%**

Organic change in sales by quarter

In € millions	**2024 sales**	**Exchange rates effect**	**Impact of disposals**	**2025 sales**	**Impact of acquisitions**	**Total change**	**Organic change**
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%**

Main scope effects:

Acquisition:

- Cobham Aerospace Communications

Cession:

- Aeronautical Electrical Systems