

Thales reports its order intake and sales for the first quarter of 2025

24 Apr 2025

- Order intake: €3.8 billion, down -25% (-27% on an organic basis¹)
- Sales: €5.0 billion, up +12.2% (+9.9% on an organic basis)
- All 2025 financial objectives confirmed²

Thales (Euronext Paris: HO) today announced its order intake and sales for the first quarter of 2025.

Order intake <i>In € millions</i>	Q1 2025	Q1 2024	Total change	Organic change
Aerospace	1,530	1,003	+53%	+45%
Defence	1,302	3,122	-58%	-59%
Cyber & Digital	922	903	+2%	+1%
Total – Operating segments	3,754	5,027	-25%	-27%
Other	24	10		
Total	3,778	5,037	-25%	-27%
Of which mature markets ³	2,914	2,855	+2%	-1%
Of which emerging markets ³	864	2,182	-60%	-61%

Sales <i>In € millions</i>	Q1 2025	Q1 2024	Total change	Organic change
Aerospace	1,342	1,182	+13.5%	+8.4%
Defence	2,685	2,305	+16.5%	+15.0%
Cyber & Digital	903	916	-1.5%	-2.1%
Of which Cyber	357	351	+1.8%	+0.2%
Of which Digital	545	565	-3.5%	-3.6%
Total – Operating segments	4,929	4,403	+11.9%	+9.6%
Other	31	18		
Total	4,960	4,421	+12.2%	+9.9%
Of which mature markets ³	3,950	3,515	+12.4%	+9.7%
Of which emerging markets ³	1,010	907	+11.5%	+10.5%

“In the first quarter of 2025, Thales recorded organic sales growth of nearly 10%, demonstrating the strong momentum of our Defence and Avionics activities, as well as the excellent visibility the Group enjoys.

Order intake in the first quarter of 2025 was solid, and showed growth compared to the same periods in 2022 and 2023. The decline observed compared to the first quarter of 2024 is explained by a particularly high comparison basis.

Thanks to the commitment of our teams, we confirm all our annual financial targets for 2025, including a book-to-bill ratio over 1 for the year 2025.”

Patrice Caine, Chairman & Chief Executive Officer

Order intake

Order intake for the first quarter of 2025 amounted to **€3,778 million**, down **-27% at constant scope and exchange rates** compared to the first three months of 2024 (-25% on a reported basis) due to a very high comparison base, particularly in the Defence segment. In the first quarter of 2024, Thales had recorded, among other contracts, two contracts with a unit value exceeding €500 million each: the third phase of the contract signed by Indonesia for the acquisition of Rafale aircraft (18 out of a total of 42), as well as an order for an air surveillance system for a military customer in the Middle East. However, the Group is benefiting from a robust commercial momentum in all its activities for this first quarter of 2025, particularly in the Aerospace segment. For reference, order intake amounted to €3,422 million in Q1 2023 and €3,033 million in Q1 2022.

During the first quarter of 2025, Thales recorded **five large orders worth over €100 million each**, for a total of **€707 million**:

- Order from Space Norway, Northern Europe's leading satellite operator, for the supply of a telecommunications satellite, THOR 8;
- Order from SKY Perfect JSAT to Thales Alenia Space for 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 modernisation 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.

At **€3,071 million**, order intake with a **unit value of less than €100 million** was down -10% compared to the first three months of 2024; meanwhile, those with a **unit value of less than €10 million** were slightly up in the first quarter of 2025.

Geographically⁴, order intake in mature markets amounted to €2,914 million, similar to the first quarter of 2024 (+2% on a reported basis and a decrease of -1% at constant scope and exchange rates). Order intake in emerging markets amounted to €864 million (-61% as of March 31, 2025, in organic terms), affected by a very high comparison basis in these markets from the first quarter of 2024 (contracts for the Rafale in Indonesia and for an air surveillance system for a military customer in the Middle East mentioned previously).

Order intake in the **Aerospace** segment totaled **€1,530 million**, compared to €1,003 million in the first three months of 2024 (+45% at constant scope and exchange rates). The Avionics market continued to benefit from strong demand across its various businesses and recorded one large order with a unit value exceeding €100 million in its Training and Simulation business. In addition, Space benefited in the first quarter from favorable phasing of expected 2025 order intake, with the notification of three large orders with a unit value greater than €100 million, two related to the telecommunications business and one to the exploration business.

At **€1,302 million** (compared to €3,122 million in the first three months of 2024, representing an organic change of -59%), order intake in the **Defence** segment compared to a very high base in Q1 2024. One large order with a unit value over €100 million was recorded in the first quarter of 2025 compared to four in the same period in 2024. The Group reaffirms its objective of a book-to-bill ratio greater than 1 for the Defence segment in 2025.

At **€922 million**, order intake in the **Cyber & Digital** segment was structurally very close to sales as most business lines in this segment operate on short sales cycles. The order book is therefore not significant.

Sales

Sales for the first quarter of 2025 reached **€4,960 million**, compared to €4,421 million in the first quarter of 2024, up 9.9%⁵ at constant scope and exchange rates (up 12.2% on a reported basis).

Geographically⁶, sales recorded solid growth in both mature markets (+9.7% in organic terms), notably in the United Kingdom (+14.9%) and emerging markets with organic growth of +10.5% during the period.

Sales in the **Aerospace** segment amounted to **€1,342 million**, up 13.5% compared to the first quarter of 2024 (+8.4% at constant scope and exchange rates). This growth reflects ongoing robust demand in the Avionics market, leading the business to grow double-digit and achieve a solid performance across all activities as well as in both civil and military domains. Sales in the Space business continue to be impacted by the weak demand observed over the past two years in telecommunications satellites.

Sales in the **Defence** segment totaled **€2,685 million**, up +16.5% compared to the first quarter of 2024 (+15.0% at constant scope and exchange rates). This growth is observed across all businesses in the Defence segment, notably in land and air systems, which benefitted from production capacity expansion projects being deployed, especially for radars' production.

Sales in the **Cyber & Digital** segment stood at **€903 million**, down -1.5% compared to the first three months of 2024 (-2.1% at constant scope and exchange rates), reflecting contrasting trends:

- Cyber businesses were stable in the first quarter of 2025 (+0.2% at constant scope and exchange rates):
 - The Cyber Security Products business is recording growth, leveraging Imperva's complementary offer. The beginning of 2025 is moreover marked by the merger of the Imperva and Thales' sales teams, a key step in the integration process that will unlock the full potential of the business, though its execution may generate some short-term disturbances;
 - The Cyber Premium Services business was impacted by a soft market demand start this first 2025 quarter, notably in Australia, and reported a decline in sales compared to the first quarter of 2024. For this business, which represents approximately 20% of total Cyber activity, the Group's priority is to standardise operations to improve margins and focus the sales strategy on selective profitable growth segments.
- In Digital businesses (down -3.6% at constant scope and exchange rates):
 - Sales from Payment Services returned to positive growth in the first quarter of 2025, after five consecutive quarters of decline;
 - Sales in Identity and Biometrics solutions declined. This business faced revenues downturn due to COVID in 2020. Post pandemic, an important catch-up effect

occurred through to 2024, in the travel documents segment. As a consequence, the comparison effect is not favourable as this business is now normalising to a more usual run rate.

Outlook

Thales continues to benefit from a strong visibility in the vast majority of its businesses and enjoys a robust medium to long-term outlook.

The Group has initiated preliminary work to assess the impacts of the increase in tariffs, as they are stand today. Such analysis takes into account the affected flows on the one hand, and the cases of exemption from tariffs on the other hand (such as in defence activities), along with certain protective contractual conditions in our export contracts (incoterms). Furthermore, Thales is working on mitigation plans in response to these new regulations: use of specific customs programmes such as duty drawback or temporary Importations under Bonds, the redirection of certain production flows, transfer pricing, supply chain adjustments (alternate sourcing), customer surcharging...

These estimates are based on the latest available information on announced tariffs increases and exemptions as known on April 24, 2025, and Thales' estimates to date. At this stage, the Group estimates that the net direct impact from those elements is contained. The potential indirect impact is not known at this stage.

As a result, assuming no new disruptions of the macroeconomic geopolitical context and the evolution of new tariffs, Thales confirms all of its 2025 financial objectives, as listed below:

- **A book-to-bill ratio above 1;**
- **Organic sales growth** of between **+5%** and **+6%**, corresponding to annual sales in the range of €21.7 billion to €21.9 billion⁷;
- **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).