



Leonardo Presentation

June, 2023



Electronics



Helicopters



Aircraft



Cyber &
Security



Space



Unmanned
Systems



Aerostructures

Agenda

- **Key messages**
- Industrial review
- FY22 results & outlook
- 1Q23 results
- Sector results
- Appendix



A Stronger Leonardo

DELIVERING ON PROMISES



- Continuing to deliver and making the Group stronger, more resilient, sustainable
- Set up to capture best growth opportunities

FY22 RESULTS



- Meeting or exceeding Guidance
- Growing order book across all divisions at € 17.3 bn (+21.0%¹ YoY), Book-to-bill at 1.2x
- Revenues: € 14.7 bn, + 4.7%¹ YoY
- EBITA: € 1.2 bn, + 14.9%¹ YoY vs FY21 restated².RoS at 8.3%, +0.8 p.p. vs FY21 restated²
- FOCF: € 539m, more than doubling FY21

1Q23 RESULTS



- Order intake of € 4.9 bn, up 29.3%³ with no jumbo orders included, Book-to-bill at 1.6x
- Revenues: € 3.0 bn, up 2.6%³ YoY
- EBITA: €119⁴ mln, up 4.4%⁵ in divisions and Leonardo DRS; strategic JV -€ 21 mln YoY. RoS at 3.9% in divisions and Leonardo DRS
- FOCF: € -0.7 bn, up almost 400 million YoY

FINANCIAL STRATEGY



- Continued deleveraging, with 1Q23 Net debt down 1.1bn vs 1Q2022
- Confirming € 3 bn FOCF generation over 2021-2025
- Dividend of € 0.14 p.s.
- Moody's upgraded Leonardo to Investment Grade

PROGRESS ON ESG



- Committed to SBTi; Strengthening decarbonisation plan; Achieving results in diversity and inclusion; Demonstrating our commitment to sustainable finance with 55% of sources of funding linked to ESG

NEW MANAGEMENT APPOINTED



- BoD appointed Roberto Cingolani as Chief Executive Officer and General Manager, Lorenzo Mariani as Co-General Manager and Stefano Pontecorvo as Chairman

1) Adjusted perimeter to exclude the contribution of Global Enterprise Solutions (August-December 2021); 2) Restatement to include covid costs within EBITA as previously accounted below the line; 3) Adjusted perimeter to exclude the contribution of Global Enterprise Solutions and including the contribution of Hensoldt in 1Q22 that was not included due to financial calendar misalignment; 4) Adjusted perimeter to exclude the contribution of the strategic JVs and Hensoldt; 5) Adjusted perimeter to exclude the contribution of Global Enterprise Solutions, the strategic JVs and Hensoldt



Stepping up cash flow generation and disciplined financial strategy leading to Investment Grade


MOODY'S UPGRADED LEONARDO TO INVESTMENT GRADE




- On 3 May, 2023 Moody's upgraded Leonardo to Baa3, outlook stable
- The Investment Grade upgrade reflects
 - Leonardo's strong execution through the pandemic
 - Solid growth prospects for the Defence business
 - Track record of material deleveraging with a commitment to further delever the balance sheet, whilst maintaining a stable shareholder remuneration and strong growth prospects

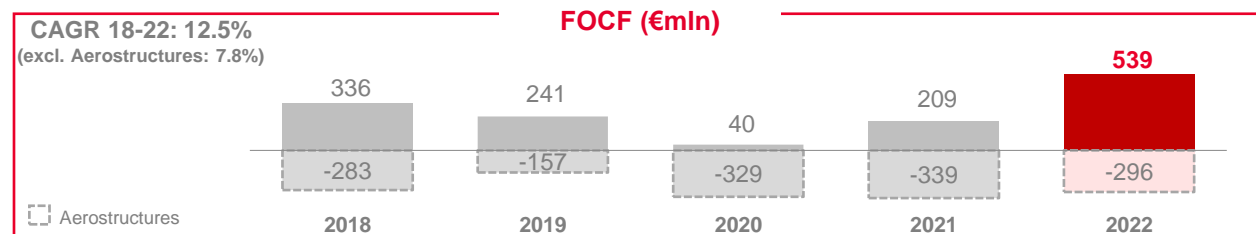
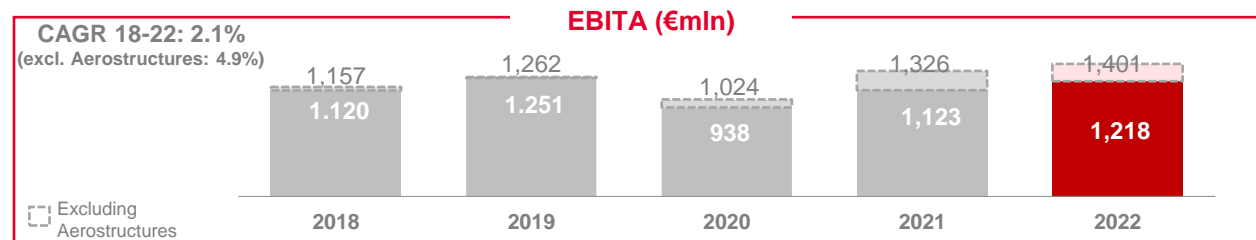
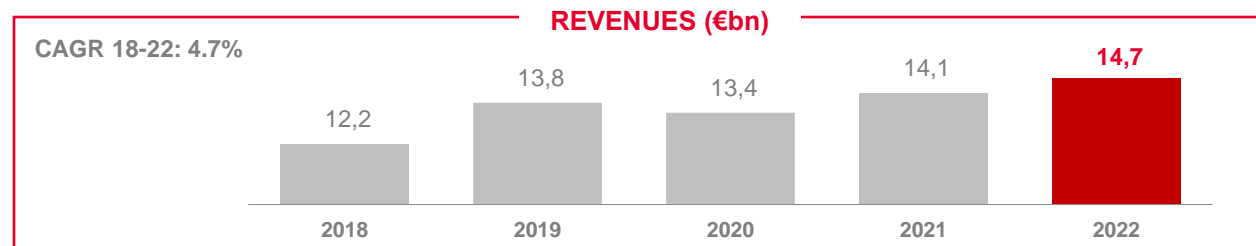
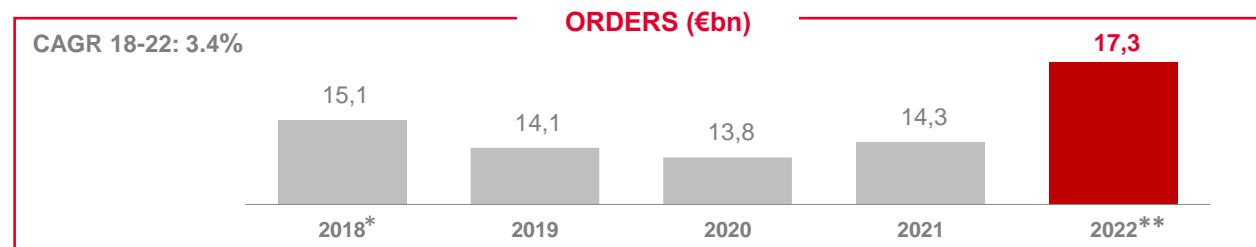


A Stronger Leonardo: Successful Delivery of 2018-2022 Industrial Plan

 Delivering results in line or exceeding yearly Guidance

 Emerging stronger commercially and financially with a more resilient and sustainable business model

 Successfully navigating a period of unprecedented global challenges



*€3 bn NH90 Qatar

** €1.4bn AW149 Poland



Significant progress delivering against our roadmap towards the future



STRENGTHEN OUR CORE

Reinforce the core business and core activities

Increasing critical mass in strategic areas and strengthening global footprint

- › Continued momentum in International co-operation programmes e.g. GCAP
- › Acquisition of 25.1% stake in HENSOLDT
- › Leonardo DRS & RADA merger
- › Acquisition of KOPTER



TRANSFORM TO GROW

Leveraging digitalisation to capture new opportunities

Making the business more modern and agile to meet customer needs

- › Leonardo Production System Programme
- › Aerostructures recovery plan - confirming target to breakeven by end-2025
 - › Re-skilling and upskilling of 3,100+ colleagues
- › Focused on supply chain



MASTER THE NEW

Create advanced technological solutions to drive innovation

Innovate and create new technologies and new high-tech markets

- › Leonardo Labs at the core of innovative R&D technologies
- › DAVINCI-1 HPC unique edge
- › Enabling capabilities in Digital Twin, Big Data, Cloud and AI



Core business growing stronger

Helicopters and Aircraft



Helicopters

2022 Backlog **€ 13.6bn**

2018-2022 Revenues*: **+4.5%**

2018-2022 EBITA*: **+4.0%**



- Continued strong commercial momentum; € 6 bn of new orders in 2022
- Global market leading product portfolio
- Defence/governmental, customer support & training core strengths, accelerated recovery in civil
- Continue to invest to capture future opportunities



Aircraft

2022 Backlog **€ 8.6bn**

2018-2022 Revenues*: **+12.4%**

2018-2022 EBITA*: **+12.2%**



- Strong performance, programme delivery and best in class profitability
- Partner in world class international cooperation programmes, e.g. next-gen GCAP
- A strong order book, product portfolio and significant contribution from customer support & training, providing good visibility for future performance

* CAGR



Core business growing stronger

Electronics and Leonardo DRS



Electronics

2022 Backlog **€ 12.4 bn**

2018-2022 Revenues*: **+4.1%**

2018-2022 EBITA*: **+9.0%**



- Technology leadership in key focus areas i.e. sensors, radars, electro-optical and combat management systems driving solid revenue and profitability growth
- Strategic presence across Air, Land and Sea, maximizing market opportunity
- Well positioned to capture upgrading and restocking demand from customers
- Exciting partnership with Hensoldt



Leonardo DRS

2022 Backlog **€ 2.7 bn**

2018-2022 Revenues*: **+6.6%**

2018-2022 EBITA*: **+18.5%**



- Successful business transformation and portfolio restructuring
- World class supplier of advanced sensing & computing solutions & integrated mission systems
- Positioned on key DoD priority programmes
- Combination with RADA strengthening market position

* CAGR



Customer, Support & Training providing resiliency, solid revenue stream & long-term visibility

~ 4,000 Helicopters flying

> 1,000 Aircrafts flying

ca. 10 years
Electronics useful life of equipment

~48,000 hours of training through flight simulators

Over 13,000 helicopter and aircraft pilots and operators trained

Ranked #1 in ProPilot's Aftersales Service Quality Ranking (since 2018)

- Net cash present value embedded in customer support of existing fleet for next 30 years equal to ca. € 5.5 bn

CUSTOMER SUPPORT & TRAINING

2017

<20%

% of Group revenue

2022 Target

>25%

% of Group revenue

2022

>28%

% of 2022 Group revenue and backlog

CS&T REVENUE CONTRIBUTION OF KEY DIVISIONS

Helicopters

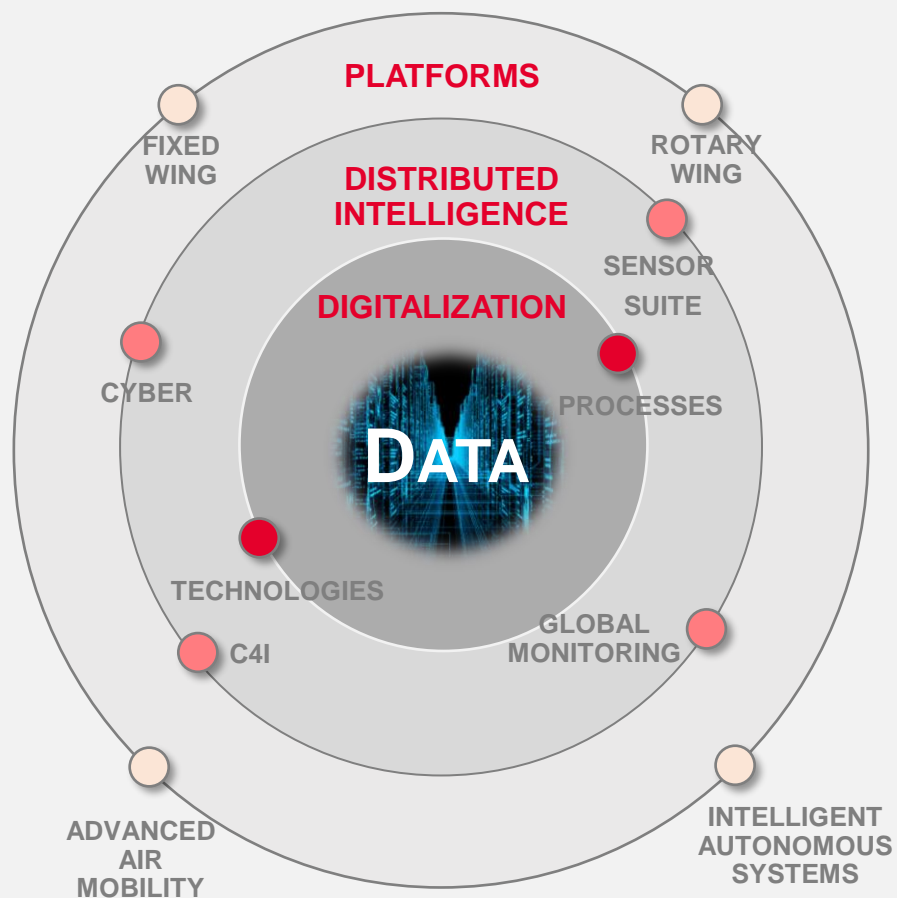
35-40%

Aircraft

30-35%



Interoperability and strategic presence across all domains



Strategic presence as leader across Helicopters, Simulation & Training and EU Defence Electronics
Key player in European Cooperation Programmes, Safety and Security partner for Institutions



Strong and unique portfolio to address multidomain solutions



Synergies in R&D and product innovation capabilities



Challenging traditional business models with digitalisation capabilities



Driver of innovation and development in a digital and sustainable way



Important progress towards ESG milestones in 2022

Progress on environment and climate change



- -15% CO₂ Scope 1 & 2 emissions** vs 2021
- -7% intensity* of energy consumption vs 2021
- -4% intensity* of waste produced vs 2021
- -13% intensity* of water withdrawals vs 2021



Committed to SBTi

Progress on social impact and people



- >4,900 new hires
 - 24% women, 59% hold a STEM qualification, 44% under 30
- 22% women hires with STEM degree on total hires with STEM degree
- 19% of female managers on total managers

Commitment to sustainable finance



- >50% of investments SDG-aligned
- 55% of financial sources ESG linked

Recognition by third-parties



- Highest score in the A&D sector in the **DJSI**
- **Leadership band of CDP** - Climate Change
- Confirmed in the **Bloomberg gender equality** index
- **A rating from MSCI**
- Highest score in **Transparency International's** assessment

* On revenues ** Market-based



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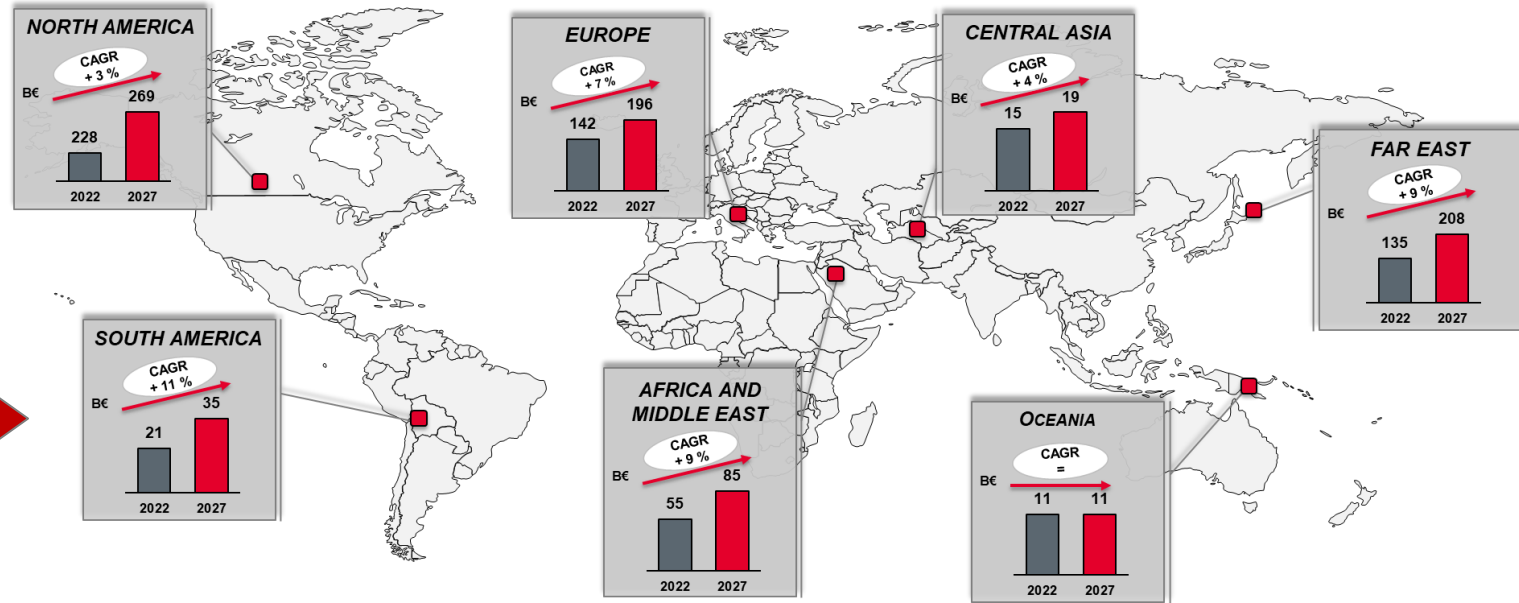
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Strong fundamental drivers of commercial outlook over medium term

Positive market outlook in our core defence markets

- A,D&S market CAGR over the next 5 years: **ca. 6%**
- A,D&S annual average market value: **ca. €800 bln**
- Leonardo's addressable market: **ca 15% of the global A,D&S market**



Defence spending as % of GDP



- Italy:** Expected to reach 2% NATO spending target* in 2028
- UK:** Increasing spending towards 3% of GDP by 2030
- Poland:** Increasing spending towards 4% of GDP in 2023

* In 2006, NATO Defence Ministers agreed to commit a minimum of 2% of their Gross Domestic Product (GDP) to defence spending to continue to ensure the Alliance's military readiness.

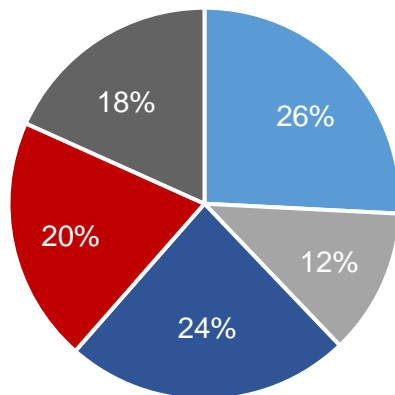


Positive order intake momentum providing long-term visibility

Well positioned to capture future opportunities

ORDER INTAKE 2018-2022

Cumulative value:
Ca. €75 bln



■ USA ■ UK ■ ITALY ■ REST OF EUROPE ■ REST OF WORLD

LEVERAGING ON GROUP STRENGTHS

- Strong position in key domestic markets
- Enhanced strength across international export markets
- Partner on large, long-term international programmes
- Unique ability to combine interoperable and multidomain capabilities across the group

OPPORTUNITIES ACROSS THE BUSINESSES

- **Opportunities in**
 - Short-term Helicopters pipeline
 - Proprietary Aircraft programmes (incl. Trainers)
 - International programmes
 - EFA follow-on activity in the pipeline for Aircraft, Electronics and Customer Support offering
- **Italian National Recovery Fund**
 - Cloud digitization (National strategic hub)
 - Global Monitoring (Critical infrastructures, environmental, ..)

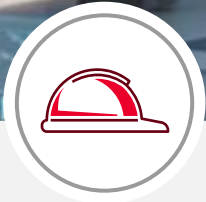
2022-2026
OUTLOOK IMPROVED

Cumulative value
Ca. € 90 bln
(prev. ca. € 80 bln)



Well positioned to capture opportunities in Global Monitoring

Our strengths



Expertise in **control room** creation and management, both in civil and defence markets



Secure-by-design solutions and predictive analysis-based integration of data from several sources



Computing and storage platform (e.g., predictive analysis, big data analytics, machine learning)



Modular solutions

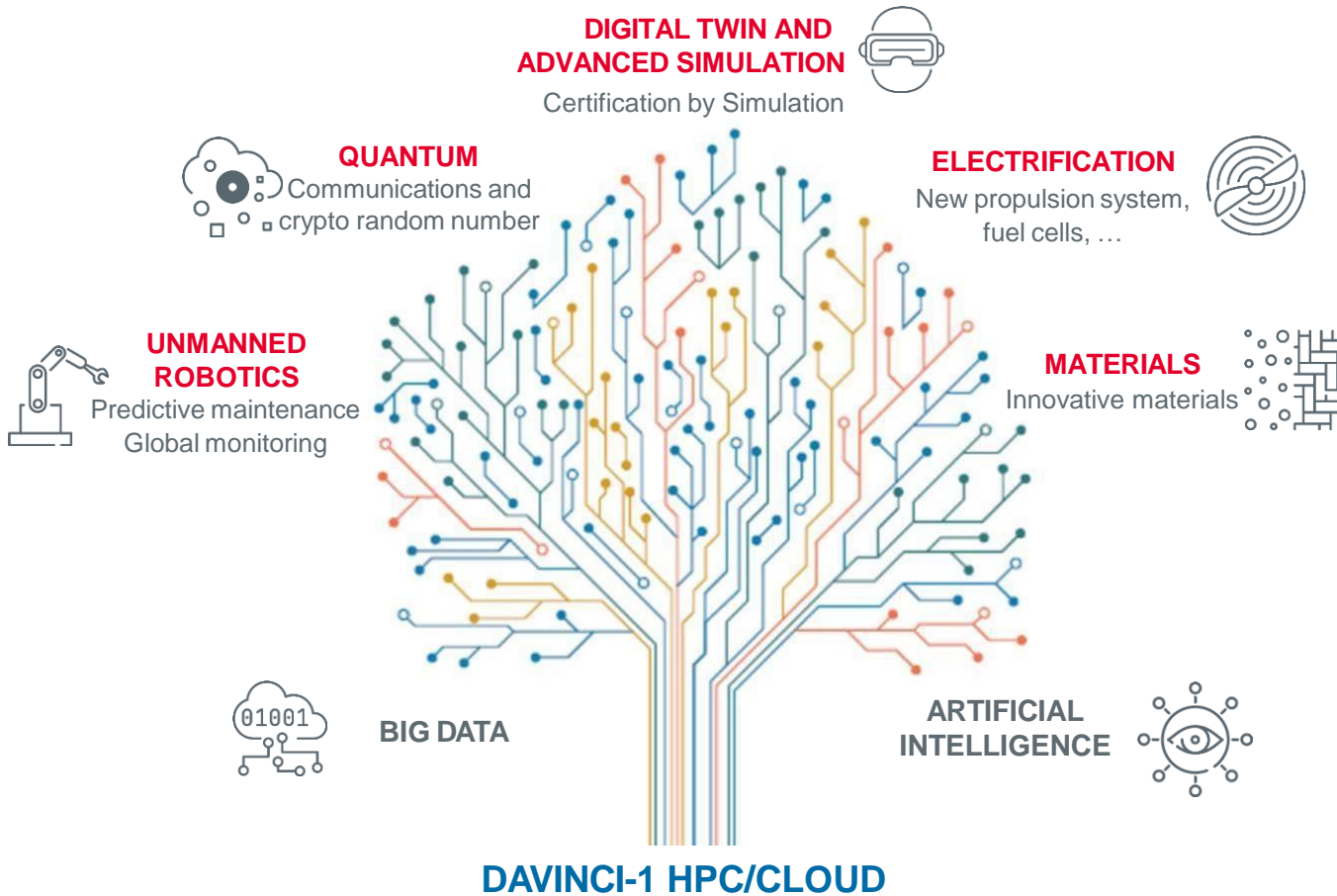


Integrating **data and systems from third parties** (e.g., Smart Road, Road Asset Management)



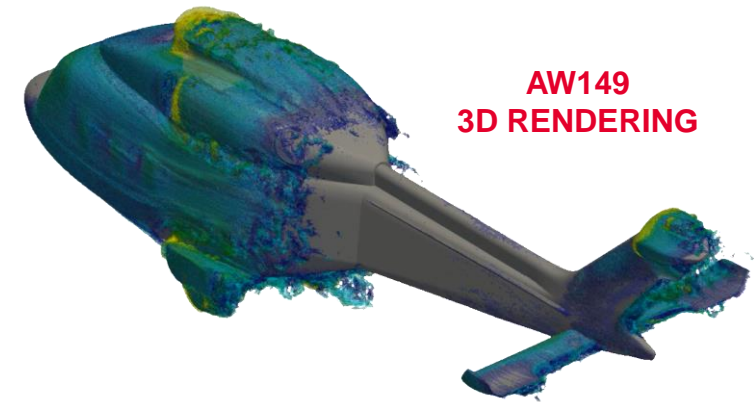
Innovation is the key for our future

Group capabilities and technological innovation to drive long-term growing commercial success



DAVINCI-1 HPC IN HELICOPTERS

- Digital Twin application for predictive maintenance
- Improving flow field accuracy and minimizing experimental needs and computing time
- Reducing development costs and risks



Innovation is key for our future: Global Combat Air Programme (GCAP)

Groundbreaking 'System of Systems' connecting all domains

LEAD SYSTEM INTEGRATORS



BAE SYSTEMS



**MITSUBISHI
HEAVY INDUSTRIES**



LEONARDO



- ALL DOMAIN

- CONNECTIVITY

- AUTOMATION

- AI, BIG DATA

- DIGITAL TWIN


- SECURE BY DESIGN



Aerostructures recovery plan on track

Confirming breakeven by end of 2025

PROGRESS SO FAR

ACTION PLAN 	<ul style="list-style-type: none">• Reduced headcount by 20%• Reducing cost through automation and digitalization• Final phase our investment plan to achieve manufacturing efficiency gains• Pursuing new opportunities	AEROSTRUCTURES BREAKEVEN Confirmed end of 2025
AIRBUS	<ul style="list-style-type: none">• Increasing volumes of A220 & A321 programmes• Investment in state-of-the-art A220 assembly line complete	
ATR	<ul style="list-style-type: none">• Clear strategy to strengthen leadership in regional market, providing sustainable and affordable configurations• New state of the art assembly line reducing production times and assuring higher quality level standard	
BOEING 787	<ul style="list-style-type: none">• 2022 production rate < 2/m while expected increase in activity to 4-5 shipsets per month in 2023, rising to 10/m within 2025• Breakeven from fuselage delivery n. 1,406 due to rate profile and pricing per contract	
DEFENCE	<ul style="list-style-type: none">• Robust and profitable Eurofighter and JSF production• EuroMALE providing significant industrial impacts in Grottaglie and Foggia plants	








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FY22: Making the Group stronger, resilient and sustainable

Delivering above FY22 guidance

	2021A ¹	Original 2022 Guidance	Updated 2022 Guidance	2022A	% Δ
<ul style="list-style-type: none"> Continuing on our track record of execution Strong growth in new orders with book-to-bill of 1.2x Backlog of € 37 bn providing confidence of continued revenue growth momentum Acquisition of 25.1% stake in Hensoldt entirely self-funded, while decreasing debt 	ORDERS (€bn)	14.3	ca. 15.0	ca. >16.0	17.3  +21.0%
	REVENUES (€bn)	14.1	14.5-15.0	14.4-15.0	14.7  +4.7%
	EBITA (€mln)	1,060	1,180-1,220	1,170-1,220	1,218  +14.9%
	FOCF (€mln)	209	ca. 500	ca. 500	539  +186.7%
	NET DEBT (€bn)	3.1	ca.3.1 ²	ca.3.0 ²	3.0²  -3.4%

(1) 2021 Adjusted perimeter to exclude the contribution of Global Enterprise Solutions

(2) Including the acquisition of 25.1% stake in Hensoldt net of divestitures



Order Intake

Continued strong commercial momentum

	€ mln	Δ % YoY	
FY2021A**	14,267		
HELICOPTERS	6,060	38.7%	32 AW149 Poland; modernization of AW101/CH-149 "Cormorant" fleet; US Navy TH-73A (AW119); 20 AW119Kx, 10 AW139, 4 AW169 LUH for Italy; 6 AW189 China; 5 AW119Kx Israel; MLU of 1 AW101; 4 AW609; various AW139 Commercial
ELECTRONICS	5,628	4.4%	Export orders in Defence Systems mainly naval. Combat systems for German Navy and logistic support for Special and Diving Operations - Submarine Rescue Ship (SDO-SuRS). 20 EFA Spain
LEONARDO DRS	2,997	36.6%	Growing across advanced sensing, network computing, force protection and electric power and propulsion
AIRCRAFT	2,800	4.9%	20 EFA Spain; 1 C-27J for MoD Slovenia; first phase Euromale order, modernization of C-27J fleet for AMI, JSF and EFA logistics support
AEROSTRUCTURES	420	15.1%	Orders for A220 and A321. Euromale Programme
ELIMINATIONS & OTHER	-639		
FY2022A*	17,266	21.0%**	

*Including ca. € 404 mln of positive forex

** Adjusted perimeter to exclude the contribution of Global Enterprise Solutions (August-December 2021).



Revenues

Growing top line and continued strong programme delivery

	€ mln	Δ % YoY	
FY2021A**	14,050		
HELICOPTERS	4,547	9.4%	Ramp-up in defence/governmental (NH90 Qatar and TH-73A US Navy); AW169, Customer support and training
ELECTRONICS	4,712	4.3%	Delivery on backlog and capturing new opportunities globally; Higher volumes in EU, mainly UK. Pass-through activities
LEONARDO DRS	2,558	5.1%	Some softness due to supply chain. Positive FX effect
AIRCRAFT	3,085	-5.6%	Lower production on EFA Kuwait and shifted export contracts partially offset by volumes increase on JSF and Airlifter programs other than starting activities on Euromale. EFA Kuwait rump up in 2021
AEROSTRUCTURES	475	7.5%	Increased deliveries to ATR consortium and orders by Airbus
ELIMINATIONS & OTHER	-664		
FY2022A*	14,713	4.7%**	

*Including ca. € 351 mln of positive forex

** Adjusted perimeter to exclude the contribution of Global Enterprise Solutions (August-December 2021).



EBITA and Profitability

Improving Profitability

	€ mln	RoS	Δ % YoY	
FY2021A**	1,114	7.6%		
FY2021 Restated	1,060***	7.5%***		
HELICOPTERS	415	9.1%	2.2%	Higher volumes with higher pass-through contribution
ELECTRONICS	553	11.7%	14.0%	Increase across all business areas and all domains
LEONARDO DRS	252	9.8%	15.6%	Confirmed margin expansion primarily driven by the transition of development programmes into production. Lower volumes offset by FX.
AIRCRAFT	421	13.6%	-2.4%	Confirming strong profitability driven by fighter business line
AEROSTRUCTURES	-183	-38.5%	9.9%	Increased asset utilisation
ATR	-6		75.0%	Increase driven by higher customer support and contractual renegotiation with customers
SPACE	31		-50.0%	Decrease due to risk provisions on a contract related to Russia, in addition to the unfavorable comparison base (tax benefit accounted in 2021)
CORPORATE & OTHER	-265		-3.9%	
FY2022A*	1,218	8.3%	14.9%**	

*Including ca. € 27 mln of positive forex

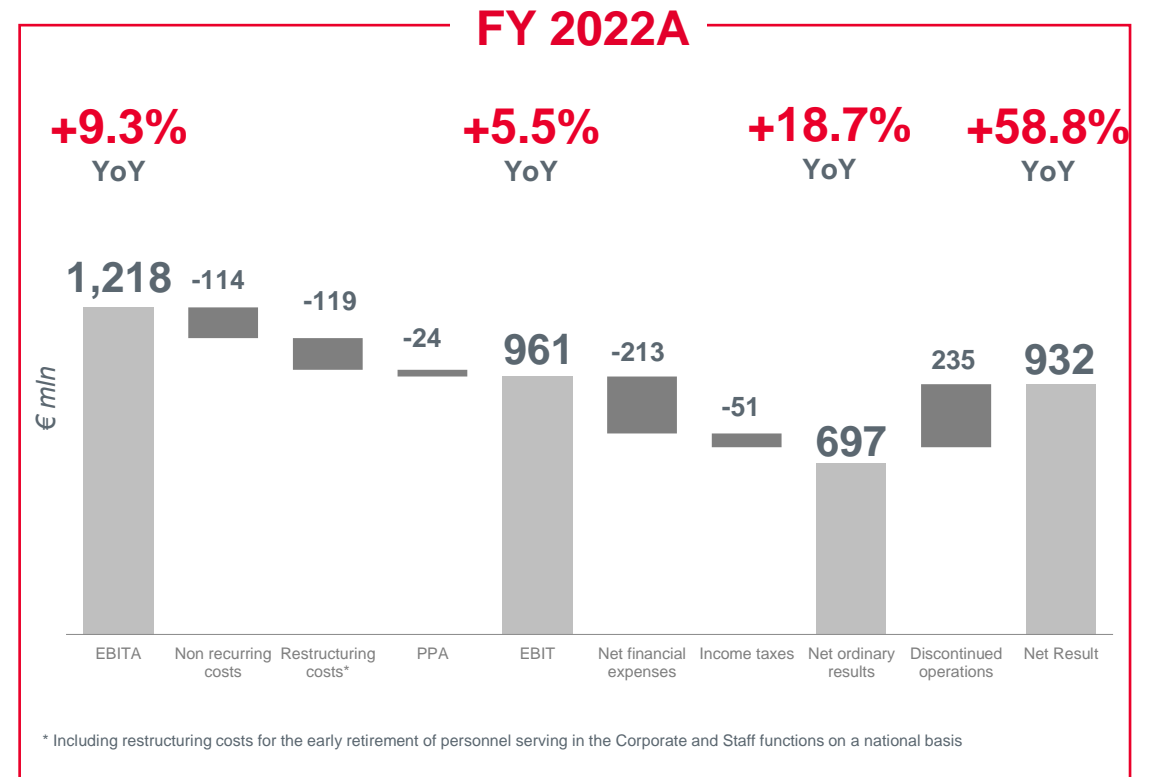
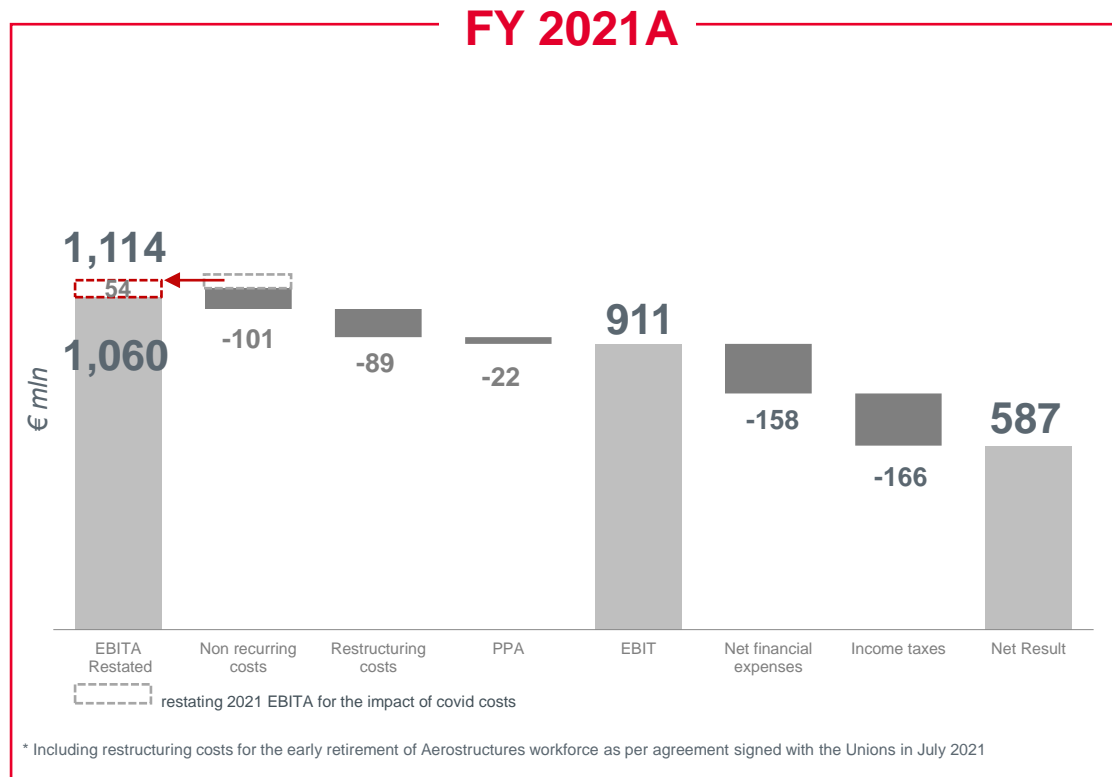
** vs FY21 restated

*** Adjusted perimeter to exclude the contribution of Global Enterprise Solutions (August-December 2021)



From EBITA to Net Result

Stronger bottom line thanks to EBITA increase



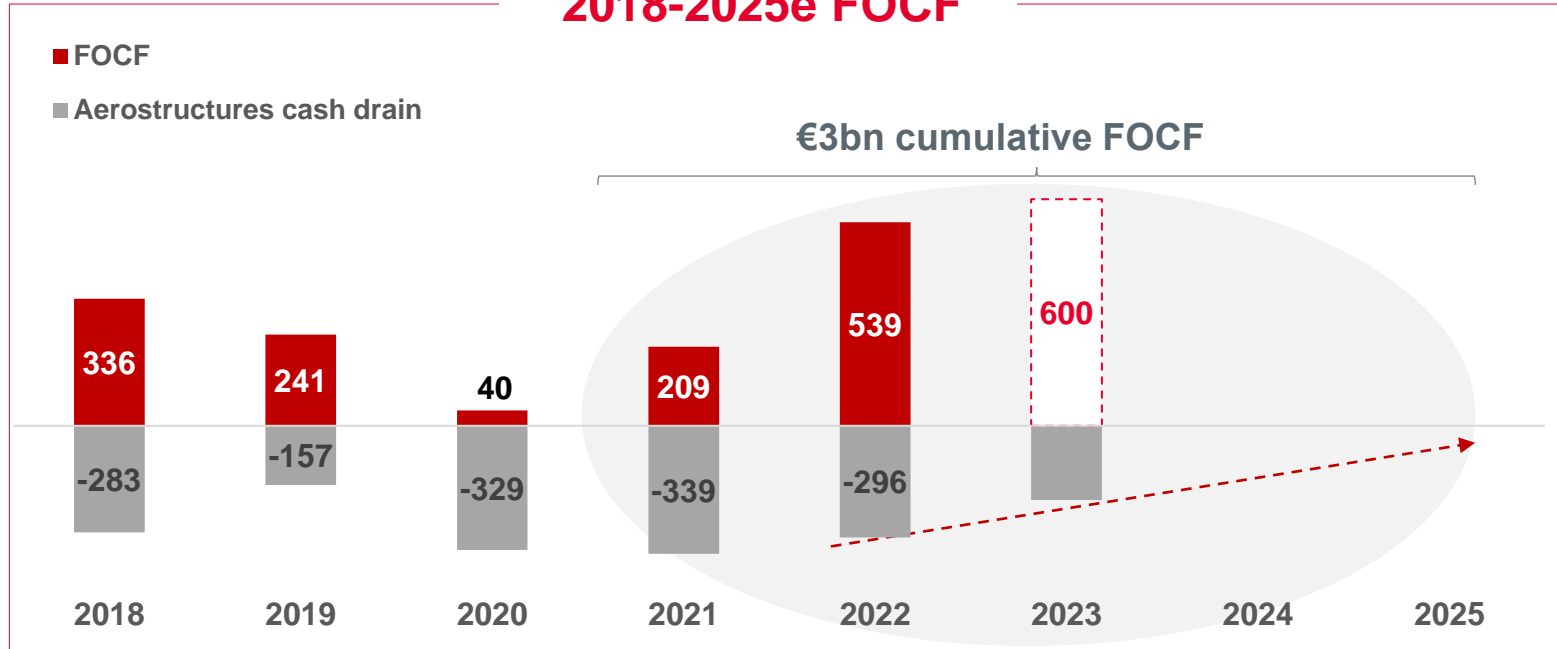
- Net Result benefitting from EBIT increase, with lower impact from income taxes, despite the “make-whole” charges related to bond buy-back by Leonardo US Holding, and the gain from the sale of GES and AAC accounted for in “Discontinued operations”



On track with our commitment to improve cash flow

(€ mln)

2018-2025e FOCF



Main drivers

- Mid-single digit revenue growth
- High single digit EBITA growth
- Continued cash discipline in core
- Consistent contribution from JVs
- Aerostructures breakeven in 2025

Achieved all targets set on 2022 cash flow generation

- ca. 70% cash flow conversion excl. Aerostructures ✔ 70%
- Slightly lower cash absorption from Aerostructures vs 2021 ✔ €40mln better vs 2021
- ca. 55% Group cash flow conversion ✔ 55%



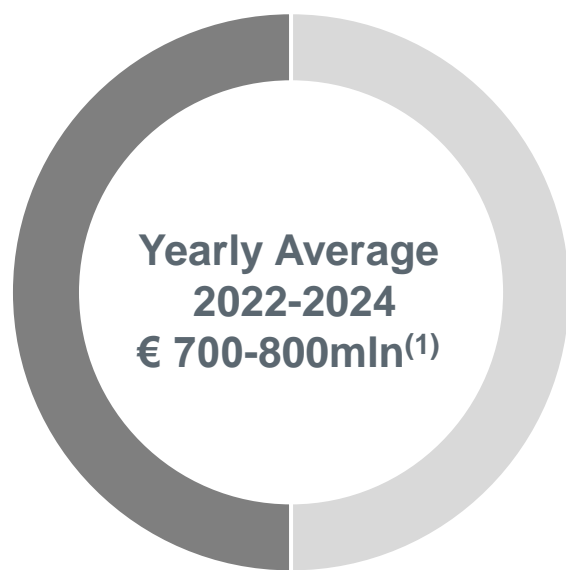
Focus on deleveraging



Leonardo investments for innovation, growth and sustainability

Strongly aligned to SDG goals

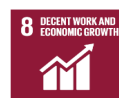
50% of SDG-aligned investments



SDG-aligned Investments

Other Investments

Our main contribution to SDG⁽²⁾



Improving resources efficiency and productivity by innovation & promoting safety at work



Ensuring resilient infrastructures, increasing efficient and digital processes and developing technologies with green impact



Supporting safe and resilient cities, preventing disasters and intervening in emergency situations



Improving energy efficiency and increasing the share of renewable energy



Improving water efficiency, reuse and water networks



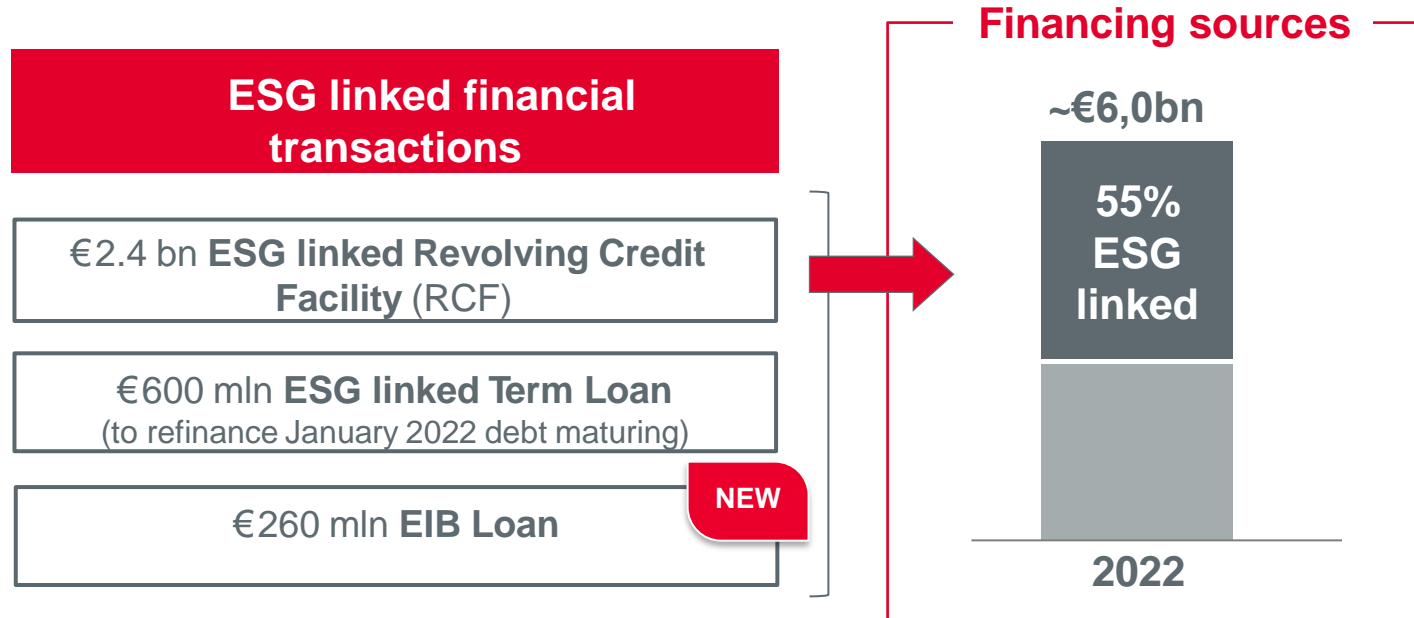
Promoting waste reduction, recycling, reuse and therefore reducing the impact on environment

(1) Including Capitalized R&D, Capex, Tooling and Other Immaterial

(2) The initiatives mainly impact SDG 9 "Industry, Innovation & Infrastructure" followed by SDG 8 "Decent work and economic growth" and SDG 11 "Sustainable Cities & Communities"



55% of Leonardo funding sources now are “ESG linked”

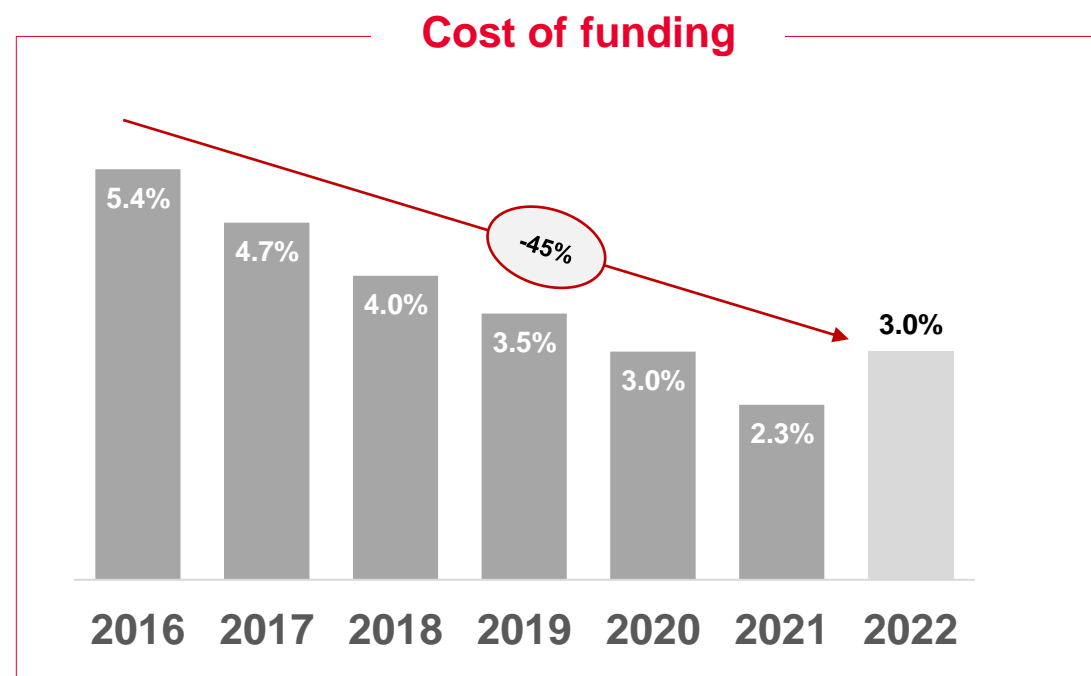
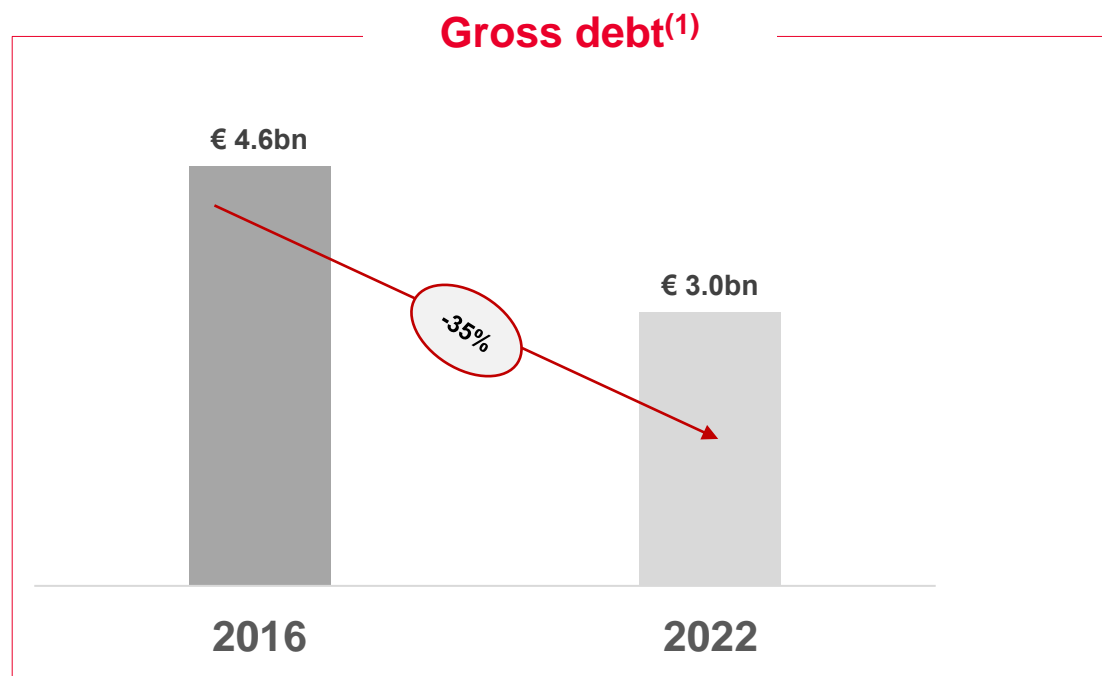


KPIs selected fully aligned with ESG strategy and Long-Term Incentive Plan



Reduced debt by ca. 35% and decreased cost of funding by ca. 45%

Focus on deleveraging



- Important deleveraging achieved in 2022 vs 2016
 - In 2022 full redemption of 2039 and 2040 bonds and early repayment of term loan
- Cost of funding materially reduced from 5.4% to 3.0% in 2022 (70% fixed)
- Debt decreased notwithstanding strategic acquisition and continued investment in competitiveness








Capital allocation – Deleveraging is written on the cards



- Cash flow generation will be devoted to
 - Deleveraging: Priority No. 1
 - Maintaining shareholder returns constant



2023 Outlook

		2022A	2023E ¹
ORDERS (€bn)		17.3	ca.17
REVENUES (€bn)		14.7	15-15.6
EBITA (€mln)		1,218	1,260-1,310
FOCF (€mln)		539	ca. 600
NET DEBT (€bn)		3.0	ca. 2.6 ²



- Continued solid commercial momentum, with book-to-bill > 1x
- Successfully navigating inflationary pressures
- Continued improvement in FOCF and focus on deleveraging

2023 exchange rate assumptions: € / USD = 1.10 and € / GBP = 0.87

1) Based on the current assessment of the effects deriving from the geopolitical situation on the supply chain and the global economy and assuming no additional major deterioration



2) Assuming dividend payment of € 0.14 p.s. and new leases for ca 100 mln



Confidence in the medium-term

Based on strong fundamentals of our businesses

KEY ESG PRIORITIES

	SUPPORTING OUR KEY COMMERCIAL AND INDUSTRIAL GOALS
	ENABLING SUSTAINABLE GROWTH BY INNOVATION AND TECHNOLOGY
	MEETING AND ANTICIPATING CUSTOMER PRIORITIES
	PARTNERING WITH OUR SUPPLIERS
	ENHANCING HUMAN CAPITAL AND SKILLS FOR THE FUTURE
	TRANSPARENCY AND INTEGRITY AT OUR CORE
	DRIVING CAPITAL ALLOCATION AND LONG-TERM RETURNS

ESG TARGETS

ORDERS	2022-2026 Cumulated ca € 90 bn (€ 80 bn vs previous plan) Book to bill >1
REVENUES	Confirming Mid Single Digit CAGR 2023-2027 Cumulated ca € 85 bn
EBITA	Confirming High Single Digit CAGR RoS growing, at double digit at Plan end
FOCF	Confirming ca. € 3 bn cumulated in 2021-2025 (including Aerostructures)
CASH FLOW CONVERSION	ca. 70% in 2022, excluding Aerostructures ca. 70% by 2025, including Aerostructures
ROIC	ca. 13% in 2025

2023 – 2027 TARGETS¹

¹) Based on the current assessment of the effects deriving from the geopolitical situation on the supply chain and the global economy and assuming no additional major deterioration



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1Q 2023 Highlights

- Strong commercial activity
- Continued strong demand for our products supports growing top line
- Solid profitability from all divisions with expected lower JVs contribution
- FOCF up almost € 400 mln YoY
- Moody's upgrade to Investment Grade

	1Q2022A	1Q2022 Adj. ¹	1Q2023	% Δ ¹		
ORDERS (€bn)	3.8	3.8	4.9	+29.3%	↑	
REVENUES (€bn)	3.0	3.0	3.0	+2.6%	↑	
EBITA (€mln)	132	121	105			
		<i>of which Divisions and DRS</i>	114	119	+4.4%	↑
		<i>of which Strategic JVs and Hensoldt</i>	7	-14	n.m.	↓
FOCF (€mln)	-1.080	-1.081	-688	+36.4%	↑	
NET DEBT (€bn)	4.8	4.8	3.7	-22.7%	↑	

1) Adjusted perimeter to exclude the contribution of Global Enterprise Solutions and including the contribution of Hensoldt in 1Q22 that was not included due to financial calendar misalignment



Order Intake

Confirming commercial success

	€ mln	Δ % YoY	
1Q2022A*	3,765		
HELICOPTERS	1,889	118.9%	18 AW169M LUH for Austria; 3 AW159 MLU; 2 AW101 export; 13 MH-139 for the US Air Force; other orders in civil, mainly AW139
ELECTRONICS EUROPE	1,624	9.1%	Growing in all business areas i.e modernization of terrestrial multi-domain C2 Capacities in Italy, defense systems and logistic support for Philippines, Joint Operational Command of the Joint Forces (JOC-COVI) Cyber order
LEONARDO DRS	698	5.0%	Integrated electric propulsion components for Columbia-class and infrared countermeasures for the US armed forces
AIRCRAFT	731	-6.4%	1Q22 benefitted from Euromale design phase. In 1Q23, EFA logistic support and further orders for JSF
AEROSTRUCTURES	126	34.0%	Mainly driven by new orders for B787
ELIMINATIONS & OTHER	-200		
1Q2023A	4,868	29.3%	

*Adjusted perimeter to exclude the contribution of Global Enterprise Solutions



Revenues

Strong program delivery driving top line growth

	€ mln	Δ % YoY	
1Q2022A*	2,958		
HELICOPTERS	880	-4.7%	Phasing effect and expected lower contribution from NH90 Qatar
ELECTRONICS EUROPE	1,046	9.5%	Growing volumes in Defence
LEONARDO DRS	530	-2.8%	Up YoY excluding GES. 1Q22 benefited from non-recurring step-up on the Columbia-Class program
AIRCRAFT	559	-2.1%	1Q22 benefitted from higher EFA Kuwait contribution due to phasing
AEROSTRUCTURES	151	22.8%	Driven by B787 programme rate increase
ELIMINATIONS & OTHER	-132		
1Q2023A**	3,034	2.6%	

* Adjusted perimeter to exclude the contribution of Global Enterprise Solutions

** Including ca. € 5 mln of negative forex



EBITA and Profitability

Continued solid profitability from all divisions, with growing EBITA and expected €21m lower contribution from JVs

	€ mln	RoS	Δ % YoY	
1Q2022A*	121	4.1%		
HELICOPTERS	38	4.4%	5.6%	→ Solid performance driven by programme mix
ELECTRONICS EUROPE	88	8.4%	17.3%	→ Confirming strong profitability in core divisions
LEONARDO DRS	31	5.8%	-43.6%	→ Lower profitability, as expected, due to business mix. 1Q22 benefited from non-recurring step-up on the Columbia-Class program
AIRCRAFT	54	9.7%	+3.8%	→ Strong profitability driven by EFA export
AEROSTRUCTURES	-40	-26.8%	+13.0%	→ Higher asset utilisation due to higher production volumes
STRATEGIC JVs AND HENSOLDT	-14		n.m.	→ Lower contribution from Strategic JVs and Hensoldt, as expected
CORPORATE & OTHER	-52			→ Flat year on year despite growing activities
1Q2023A*	105	3.5%	-13.2%	

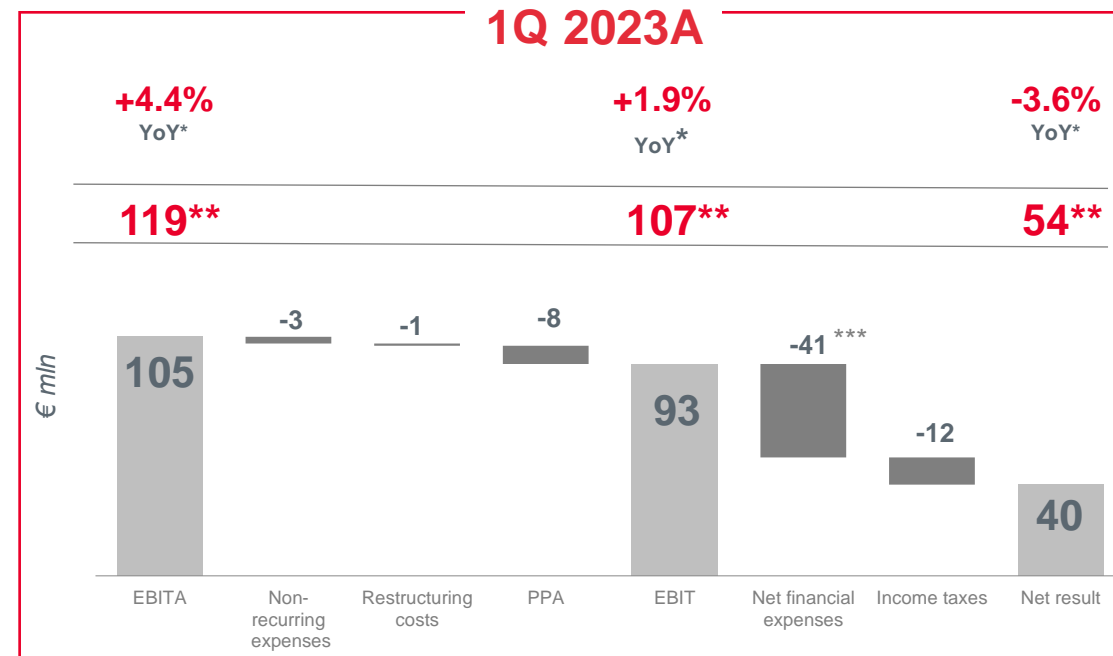
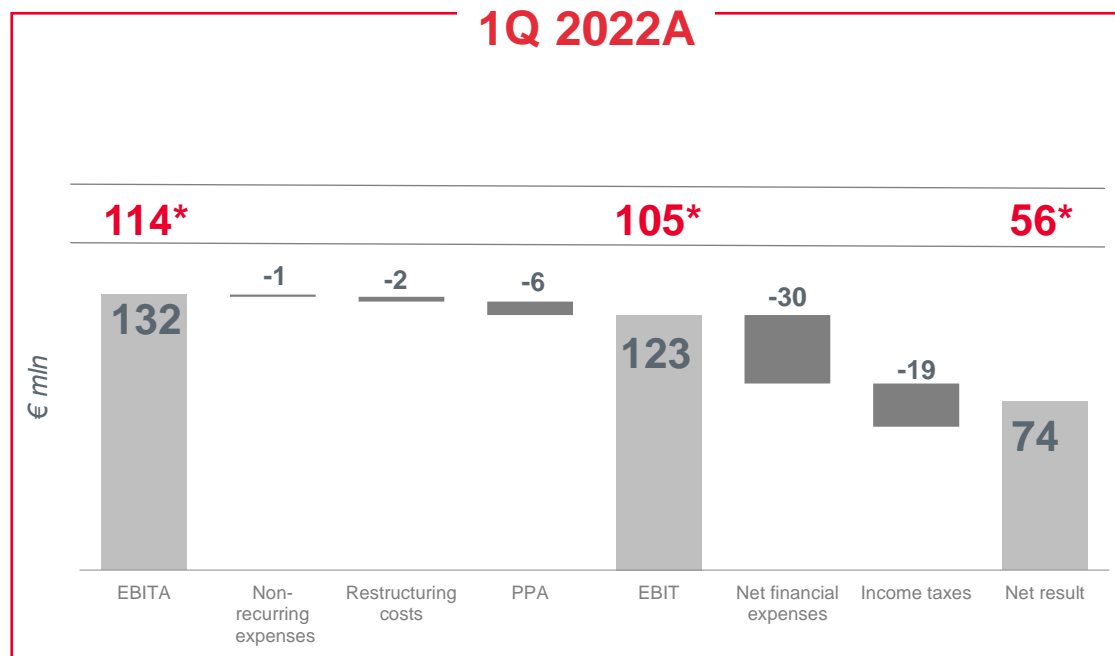
* Adjusted perimeter to exclude the contribution of Global Enterprise Solutions and including the contribution of Hensoldt in 1Q22 that was not included due to financial calendar disalignment

** Including ca. € 2 mln of negative forex



From EBITA to Net Result

Net Result in line with last year adjusted for GES, Hensoldt and strategic JVs



- Net Result in line with last year, including the perimeter adjustment and excluding the performance of JVs accounted for in EBITA

- Stepping up cash flow: 1Q 2023 FOCF at € - 688 mln, up 36.4% vs 1Q 2022 (€ - 1,080 mln)
- Continuing the strong deleveraging process with Net Debt down €1.1bn vs 1Q2022

*Excluding the contribution of Global Enterprise Solutions, Hensoldt and Strategic JVs

** Excluding the contribution of Hensoldt and Strategic JVs

*** Reflecting the performance of equity holdings



Agenda

- Key messages
- Industrial review
- FY22 results & outlook
- 1Q23 results
- **Sector results**
- Appendix



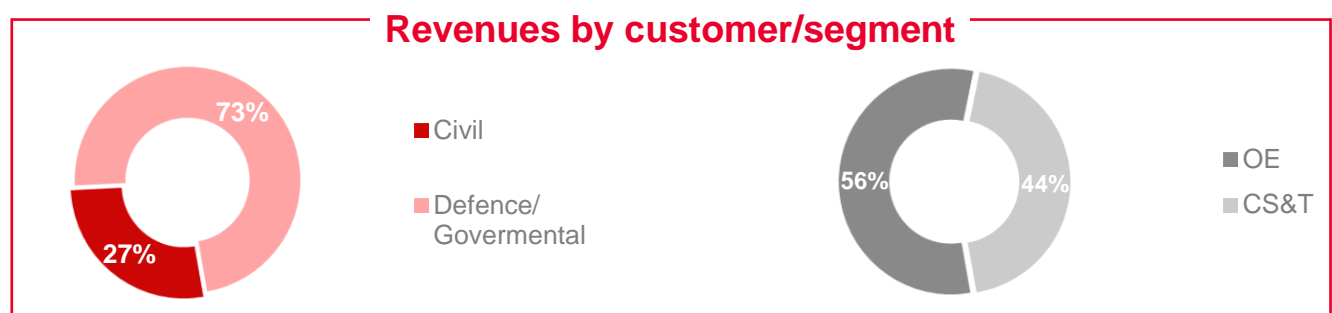
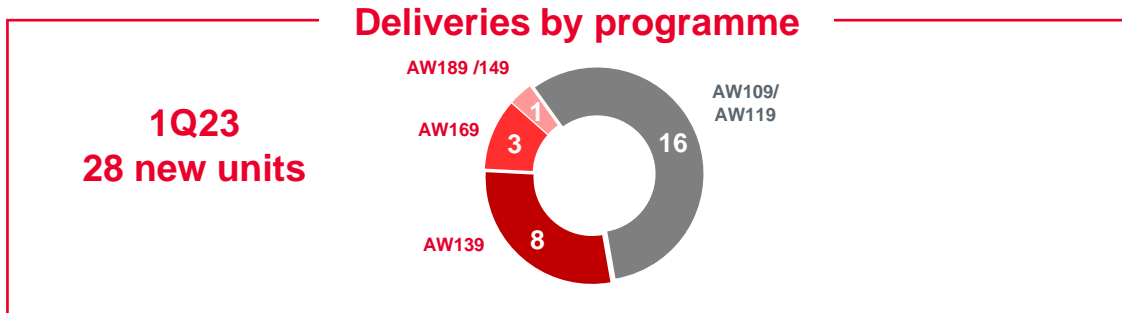
Helicopters

Confirmed strong performance



1Q23 Results

€ mln	1Q 2022	1Q 2023	% Change
Orders	863	1,889	118.9%
Revenues	923	880	-4.7%
EBITA	36	38	5.6%
RoS	3.9%	4.3%	+0.4 p.p.



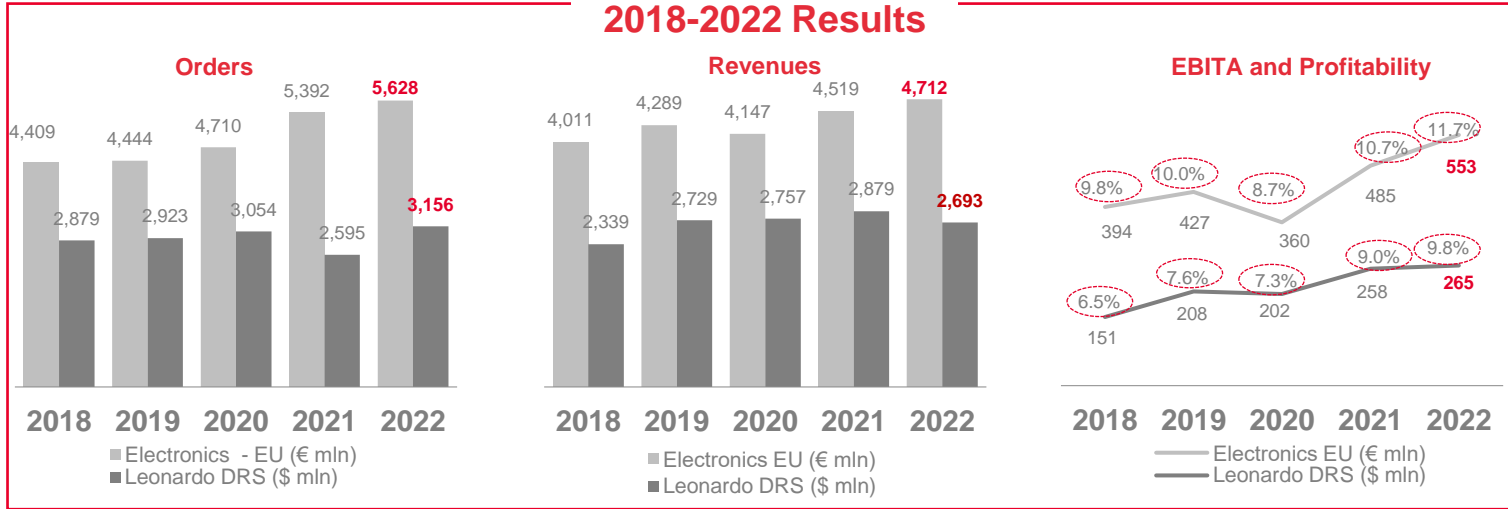
- ### 2023 Outlook(*)
- Strong level of order intake expected both in civil and governmental; confirming increasing revenues and deliveries
 - Good level of profitability supported by structured actions to offset inflationary pressure

(*) Based on the current assessment of the effects deriving from the geopolitical situation on the supply chain and the global economy and assuming no additional major deterioration



Electronics

Strong commercial performance

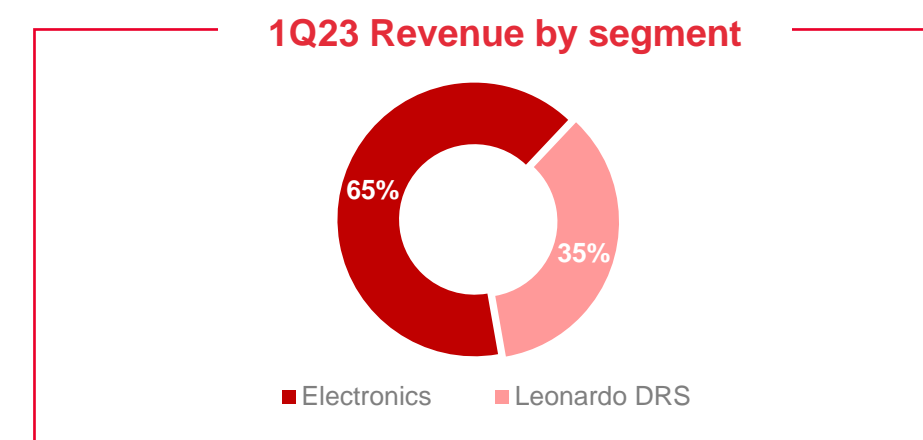


1Q23 Results

ELECTRONICS - EU			
€ mln	1Q 2022	1Q 2023	% Change
Orders	1,489	1,624	9.1%
Revenues	955	1,046	9.5%
EBITA	91	89	-2.2%
RoS	9.5%	8.5%	-0.9 p.p.

Leonardo DRS			
\$ mln(*)	1Q 2022	1Q 2023	% Change
Orders	747	749	0.3%
Revenues	612	569	-7.0%
EBITA	62	33	-46.7%
RoS	10.1%	5.8%	4.3 p.p.

- ### 2023 Outlook(**)
- Growing volumes and profitability driven by improving execution of backlog and investments
 - Market dynamics still reflecting inflationary pressure and supply chain



* Avg. exchange rate €/€ @ 1.12 in 1Q22; Avg. exchange rate €/€ @ 1.07 in 1Q23

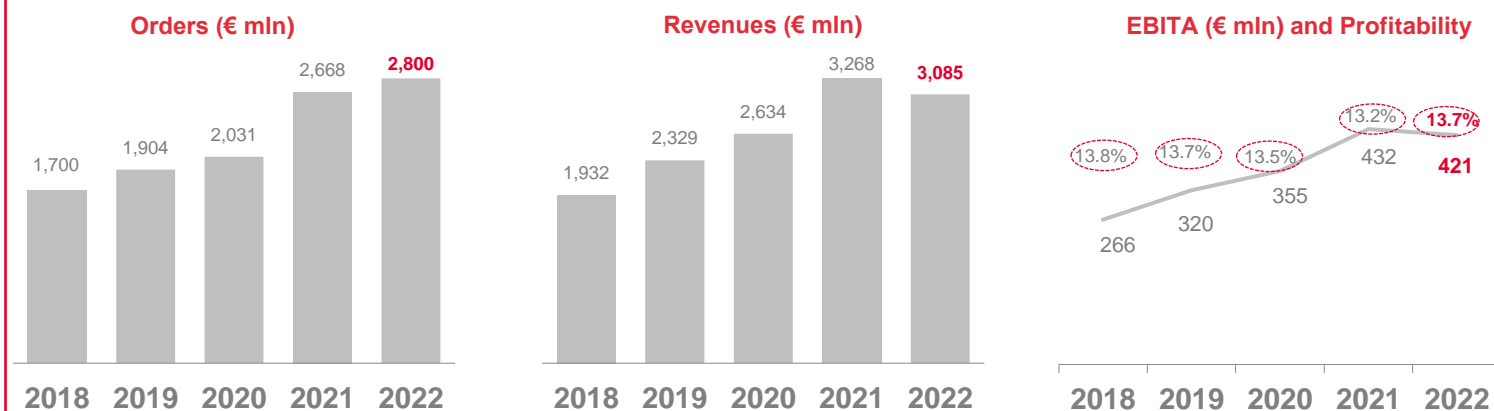
** Based on the current assessment of the effects deriving from the geopolitical situation on the supply chain and the global economy and assuming no additional major deterioration



Aircraft

Solid profitability

2018-2022 Results



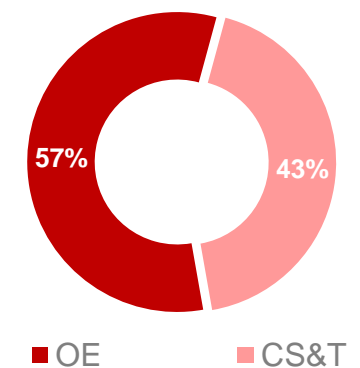
1Q23 Results

	1Q 2022	1Q 2023	% Change
Orders	781	731	-6.4%
Revenues	571	559	-2.1%
EBITA	52	54	3.8%
RoS	9.1%	9.7%	0.6 p.p.

2023 Outlook(*)

- Growing export market for proprietary platforms
- Confirming strong contribution from Fighter business lines (F-35 and Eurofighter)

1Q23 Revenues by platform

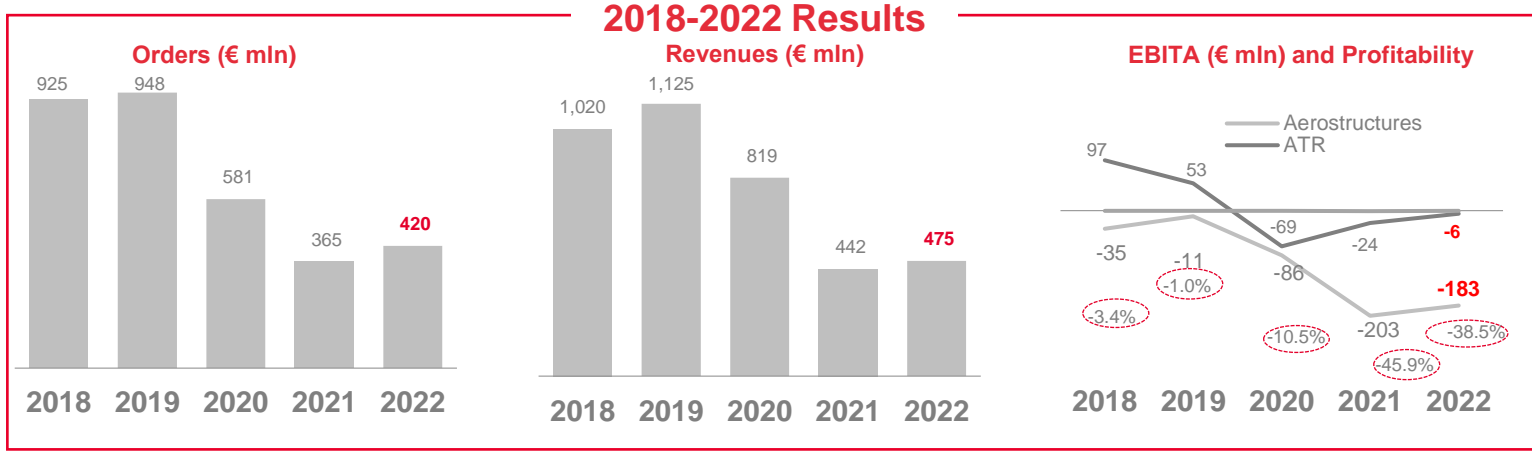


* Based on the current assessment of the effects deriving from the geopolitical situation on the supply chain and the global economy and assuming no additional major deterioration



Aerostructures and ATR

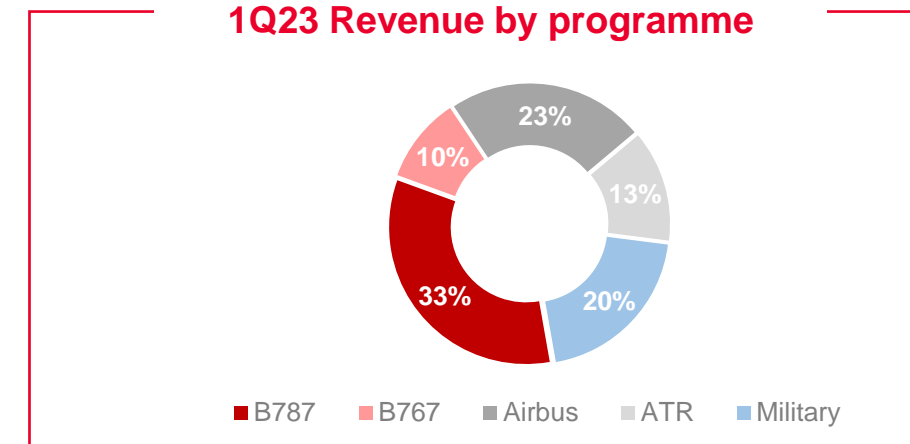
Recovery on track



1Q23 Results

	1Q 2022	1Q 2023	% Change
Aerostructures			
Orders	94	126	34.0%
Revenues	123	151	22.8%
EBITA	-46	-40	13.0%
RoS	-37.4%	-26.5	10.9 p.p.
ATR			
ATR			
EBITA	-10	-16	-60%

- 2023 Outlook(*)**
- Increasing volume driven by increasing production rate by Airbus and Boeing 787
 - Better profitability driven by higher asset utilisation
 - GIE-ATR expected increase deliveries

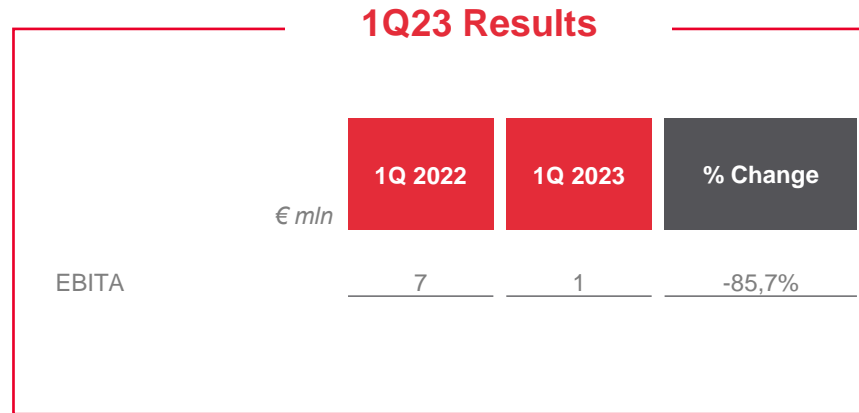
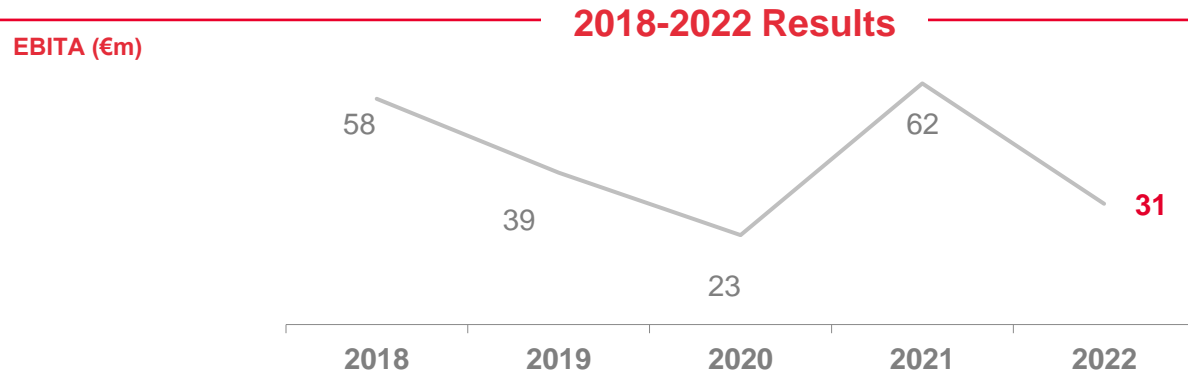


* Based on the current assessment of the effects deriving from the geopolitical situation on the supply chain and the global economy and assuming no additional major deterioration



Space

Manufacturing slowdown and confirmed solid performance of Satellite services



2023 Outlook(*)

- Growing volumes driven by solid and increasing backlog
- Satellite business confirmed strong fundamentals in Europe and Latin America with top line and EBITA increase

* Based on the current assessment of the effects deriving from the geopolitical situation on the supply chain and the global economy and assuming no additional major deterioration



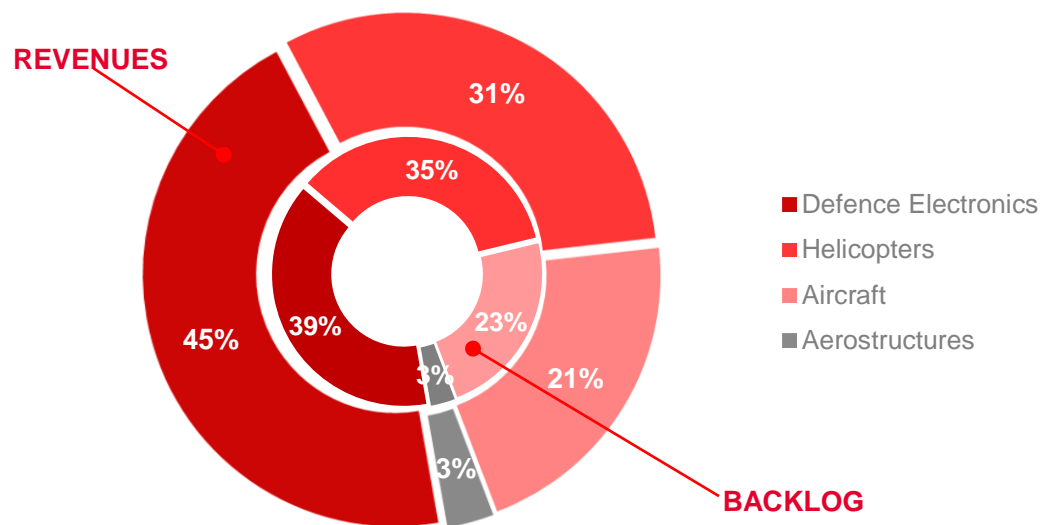
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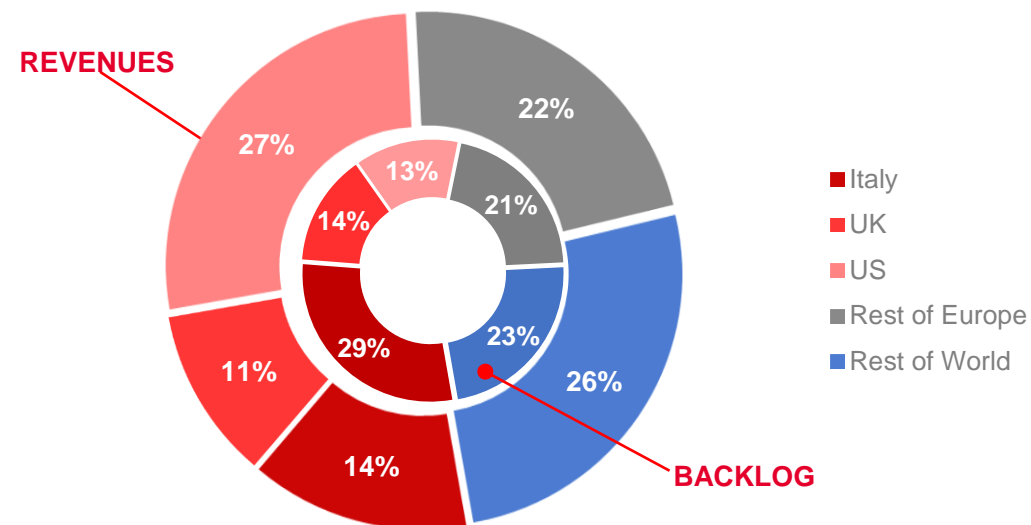


FY22 Revenue and Backlog diversification

REVENUES AND BACKLOG BY BUSINESS



REVENUES AND BACKLOG BY GEOGRAPHY



REVENUES	NEW ORDERS	ORDER BACKLOG	EBITA
€ 14.7 BN	€ 17.3 BN	€ 37.5 BN	€ 1.2 BN



1Q 2023 Results

Group Performance

	€ mln	1Q 2022	1Q 2023	% Change	FY 2022
New Orders		3,789	4,868	28.5%	17,266
Backlog		36,278	39,126	7.9%	37,506
Revenues		3,006	3,034	0.9%	14,713
EBITA		132	105	-20.5%	1,218
	<i>RoS</i>	4.4%	3.5%	-0.9 p.p.	8.3%
EBIT		123	93	-24.4%	961
	<i>EBIT Margin</i>	4.1%	3.1%	-1.0 p.p.	6.5%
Net result before extraordinary transactions		74	40	-45.9%	697
Net result		74	40	-45.9%	932
EPS (€ cents)		0.129	0.063	95.5%	1.623
FOCF		-1,080	-688	36.4%	539
Group Net Debt		4,788	3,699	-22,7%	3,016
Headcount		50,106	51,627	3.0%	51,392

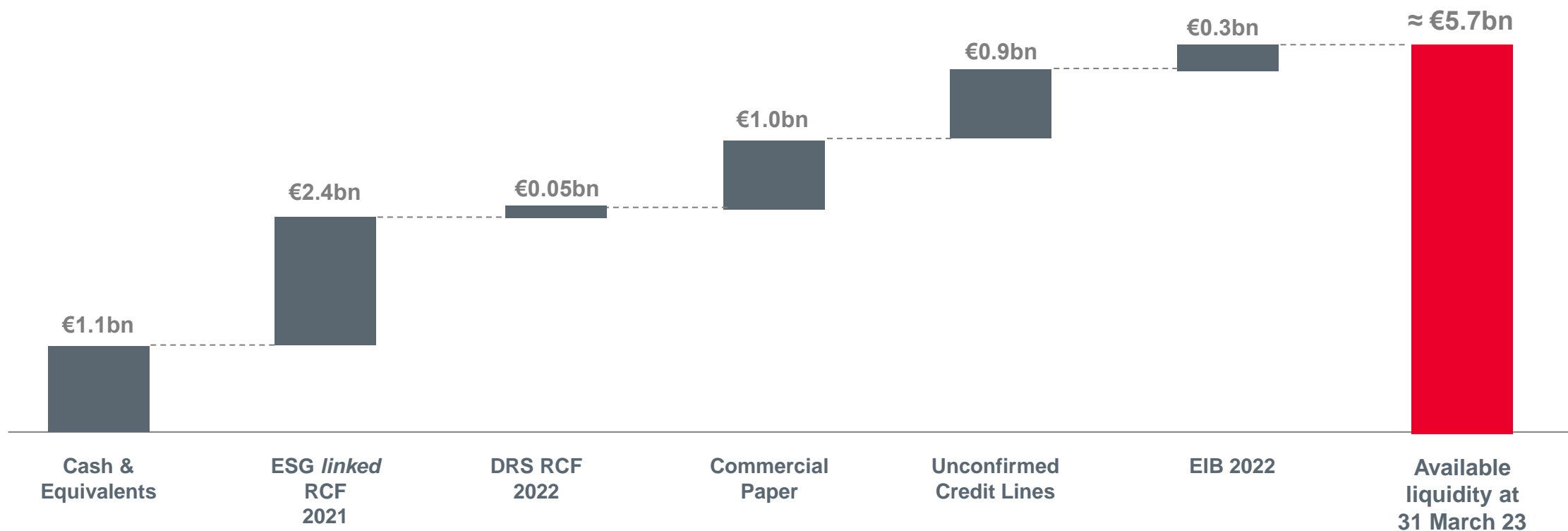
Free Operating Cash-Flow (FOCF): is the sum of the cash flows generated by (used in) operating activities (which includes interests and income taxes paid) and the cash flows generated by (used in) ordinary investment activity (property, plant and equipment and intangible assets) and dividends received



Solid Group liquidity ensures adequate financial flexibility

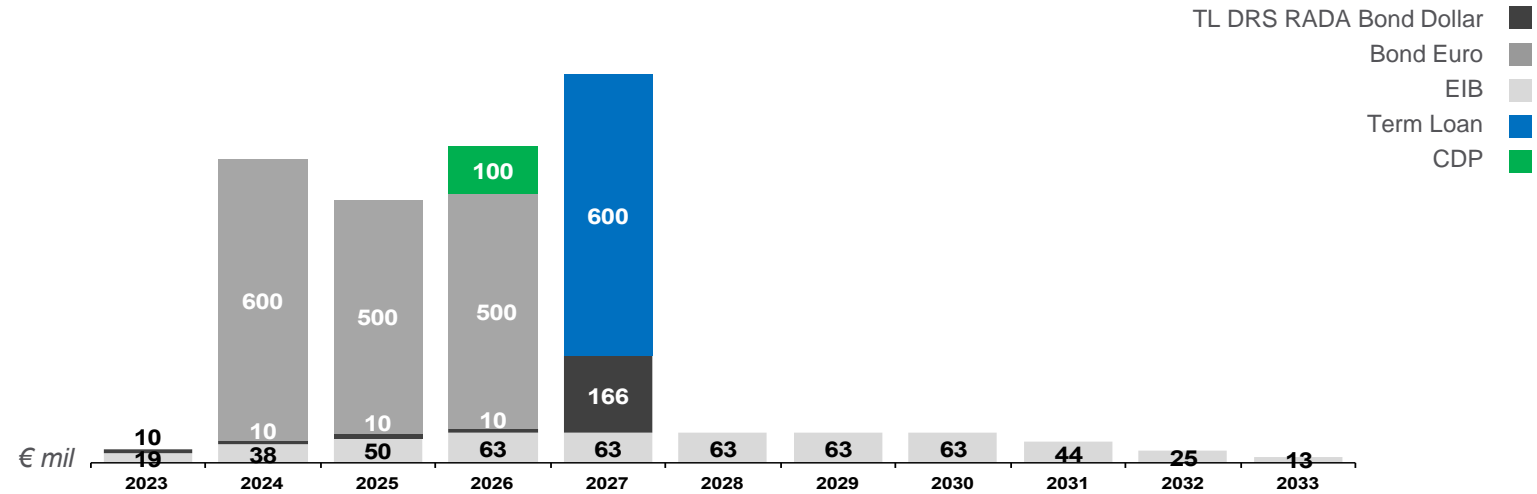
- Available credit lines
 - ESG Credit Line signed in October 2021 equal to € 2.4 bn
 - Existing unconfirmed credit lines equal to € 0.9 bn
 - Commercial Paper, signed in August 2022, equal to € 1.0 bn
 - New «Sustainability-Linked» EIB loan equal to € 0.3 bn

together with the Revolving Credit Facility signed in November 2022 by Leonardo DRS, following the merger with RADA, available for \$ 0.05bn (nominal value \$ 0.3 bn) and cash in-hands ensure a Group's liquidity of approx. € 5.7bn



Balanced debt maturity profile

Debt maturity
Average life: ≈ 3 years



CREDIT RATING

	As of today	Before last review	Date of review
Moody's	Baa3 / <i>Stable Outlook</i>	Ba1 / <i>Positive Outlook</i>	May 2023
S&P	BB+ / <i>Positive Outlook</i>	BB+ / <i>Stable Outlook</i>	May 2022
Fitch	BBB- / <i>Stable Outlook</i>	BBB- / <i>Negative Outlook</i>	January 2022



Capex initiatives that align our portfolio with SDGs represent 50% of the total

New initiatives increasing industrial process efficiency

Energy efficiency

Transition to LED technology for most industrial plants

Water efficiency

Reduction of consumption through modernisation of water networks and correct recovery of wastewater

Re-industrialization projects

Implementation of automated equipment and digital solutions in order to increase competitiveness and product reliability for both existing and upcoming programs (ATR and EuroMALE)

Barrel production line

Production line improvement with machines substitution in order to increase production rate and to reduce waste in the process

Digitalization

Digitalization of manufacturing and engineering processes driven by upgrade applications (such as SAP and Product Life-cycle Management) in order to reduce waste and improve quality



New products included in our SDGs-aligned portfolio

M-346 and M-345

Our trainers through a greater use of simulation systems allow a reduction of the flight-hours resulting in benefits on carbon footprint and emissions

AW609

First civil tiltrotor to be certified which will represent and enabler technology for prosperity and progress combining into one aircraft the benefits of helicopter and fixed-wing aircraft

AW169

Light Intermediate helicopter with class-leading technology that guarantees the highest performance also representing a solution for a healthier planet along with operating capability in the most challenging conditions

Integrated Sensors Suite

New AESA multifunctional radars suite for naval platforms with state-of-the-art technologies. The new materials and manufacturing process for AESA antennas reduce power consumption and increase sustainable production

Falco Xplorer

RPAS designed for persistent multi-sensor strategic surveillance with situation awareness capability. The increase in performance in terms of persistence allows to reduce the number of missions and to optimize the flight profiles, leading to carbon footprint reduction.



Development costs capitalised as intangible assets as at 31 December 2022

<i>€ mln</i>	Self Funded National Security	Self Funded Other	Total
01 January 2022 Opening Balance	1,760	849	2,609
Gross R&D capitalised	98	133	231
Depreciation and write offs	(85)	(40)	(125)
Disposals	-	(1)	(1)
Subtotal	13	92	105
Other Changes (*)	1	2	3
Net R&D capitalised	14	94	108
31 December 2022	1,774	943	2,717

(*) Movements w/o cash and PL effects



Covenant FY2022

	FY2022A Post IFRS 16
EBITDA*	€ 1,671 mln
Net Interest	€ 104 mln
EBITDA / Net Interest	16.1
THRESHOLD	> 3.25

	FY2022A Post IFRS 16
Group Net Debt	€ 3,016 mln
Leasing (IFRS 16)	- € 570 mln
Financial Debt to MBDA	- € 713 mln
Group Net Debt for Covenant	€ 1,733 mln
EBITDA*	€ 1,671 mln
Group Net Debt / EBITDA	1.0
THRESHOLD	< 3.75

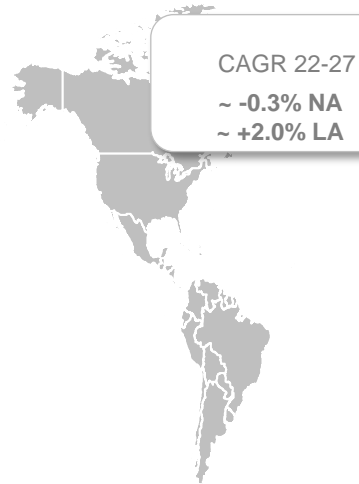
* EBITDA net of depreciation of rights of use



Defence Budget perspectives

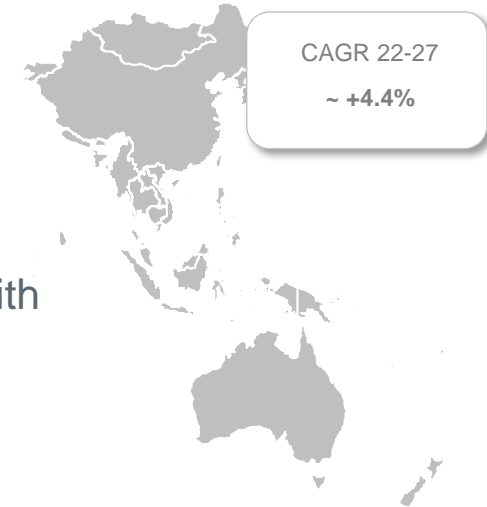
USA

- USA: the main defense spender worldwide (> 780B \$ in 2022)
- Return to growth expected from 2026 (>840 B \$ expected in 2023)



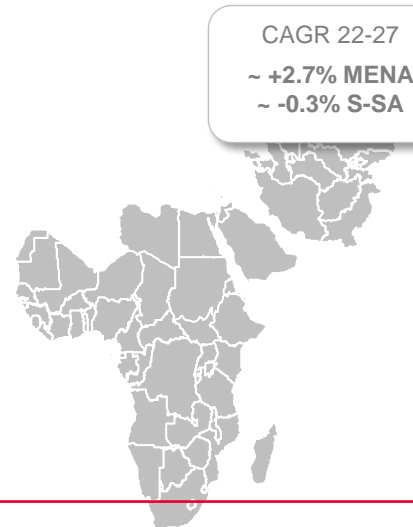
Asia Pacific

- Asia Pacific: > 570B \$ in 2022
- China the main spender
- Significant Defense budgets in South Korea, India and Japan, with annual values > 50B \$



Middle East - Africa

- Iran and Saudi Arabia are the major spenders
- Defence budget in this area started decreasing from 2017, due to lower crude oil price
- Growing tensions in the area are expected to change this trend



Europe

- Germany: € 57B – target 2% in 2023
- France: € 60B - target 2% in 2025
- UK: € 70B - target 3% in 2030
- Italy: € 33B - target 2% in 2028
- Poland: € 13B - target 4% in 2023



Important progress towards ESG from 2018

Progress on environment and climate change



2018 – 2022 progress

- -37% intensity* CO₂ **Scope 1 & 2 emissions** location based
- -24% intensity* of **energy** consumption
- -26% intensity* of **waste** produced
- -30% intensity* of **water** withdrawals
- **75%** of employees work at sites with certified **environmental management systems** (from 66% in 2017)

Progress on social impact and people



- +14% workforce growth vs 2017
- >22,000 people hired
- **Under 30** employees from 8.2% in 2017 to **11.2%** in 2022
- **Female managers** on total managers from 15% in 2017 to **19%** in 2022
- **Injury rate reduction by 53%** vs 2017
- **80%** of employees work at sites with certified **health and safety** management systems (from 56% in 2017)

Data baseline 2017

* On revenues



Our main ESG achievements in 2022

	LEONARDO RATING	SCALE (low high)	LEONARDO RANKING in the sector	SECTOR Score average
MSCI	A	CCC AAA	Top 10	BBB
SUSTAINALYTICS	21.2 <i>medium risk</i>	40+ 0 <i>Severe - Negligible</i>	2 nd /99	34.9
S&P	87	0 100	1 st /92	22
CDP	A-	D- A	-	C
MOODY'S ESG	62	0 100	3 rd /19	41
ISS ESG	C	D- A+	Decile 1	D+



Confirmed for the third time in **Bloomberg's Gender Equality Index (GEI)**.



Confirmed in the **MIB ESG Index**, including the best 40 Italian listed companies for ESG performance.

TRANSPARENCY INTERNATIONAL

Included in **band A**, the **highest** in the Defence Companies Index on Anti-Corruption and Corporate Transparency



SAFE HARBOR STATEMENT

NOTE: Some of the statements included in this document are not historical facts but rather statements of future expectations, also related to future economic and financial performance, to be considered forward-looking statements. These forward-looking statements are based on Company's views and assumptions as of the date of the statements and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Given these uncertainties, you should not rely on forward-looking statements.

The following factors could affect our forward-looking statements: the ability to obtain or the timing of obtaining future government awards; the availability of government funding and customer requirements both domestically and internationally; changes in government or customer priorities due to programme reviews or revisions to strategic objectives (including changes in priorities to respond to terrorist threats or to improve homeland security); difficulties in developing and producing operationally advanced technology systems; the competitive environment; economic business and political conditions domestically and internationally; programme performance and the timing of contract payments; the timing and customer acceptance of product deliveries and launches; our ability to achieve or realise savings for our customers or ourselves through our global cost-cutting programme and other financial management programmes; and the outcome of contingencies (including completion of any acquisitions and divestitures, litigation and environmental remediation efforts).

These are only some of the numerous factors that may affect the forward-looking statements contained in this document.

The Company undertakes no obligation to revise or update forward-looking statements as a result of new information since these statements may no longer be accurate or timely.



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