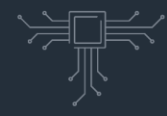




2Q/1H 2022 Results Presentation

Rome

28 July 2022



Electronics



Helicopters



Aircraft



Cyber & Security



Space



Unmanned Systems



Aerostructures



Agenda

- **Key messages**
- Financial review
- Q&A
- Sector results
- Appendix

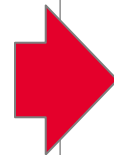
Alessandro Profumo, Chief Executive Officer

Alessandra Genco, Chief Financial Officer



Good 1H2022 results, delivering strong performance

**WELL POSITIONED
IN THE DEFENCE ARENA**



- Building on good start to the year
 - Order intake of € 7.3 bn, up 9.4%
 - Revenues at € 6.6 bn, up 3.6% YoY
 - EBITA at € 418 mln, up 12% YoY vs 1H2021 restated*
 - RoS at 6.4% (7.4% without pass through)
 - ROIC at 10.5%, vs 10.3% 1H21
 - FOCF at € -962 mln, improved by more than 400 million YoY
- € 1.76 bn gross contract for 32 AW149 in Poland signed in July
- S&P and Moody's revised outlook to positive
- FY2022 Guidance confirmed

* Restatement to include 1H2021 covid costs within EBITA as previously accounted below the line



Important strategic progresses

ESG: DEMONSTRATING DEEP COMMITMENT IN OUR FIRST ESG INVESTOR DAY



POSITIONING FOR TOMORROW'S DEFENCE MARKET



- ESG fully embedded in our Industrial Plan, LTI and Financial strategy
- Important progress and goals achieved

- In Europe: reinforced positioning in Defence Electronic through the 25.1% stake in Hensoldt
- In the US: fully delivering on promises in Leonardo DRS
 - continued growth on a stand-alone basis
 - more focused on its core business (disposal of AAC completed; disposal GES about to be finalized)
 - reinforced through the combination with RADA, also a way to list it in highly volatile markets






Leonardo DRS merger with RADA: excellent strategic fit, very well placed within Leonardo Group

- Important strategic move to strengthen our position in a very attractive market
- Leonardo DRS + RADA very well placed to be a leader in rapidly growing Force Protection market
- Creating opportunities in the US and internationally, leveraging Leonardo's global presence
- Reshaping of Leonardo DRS portfolio as promised, focusing on its core strategic businesses
 - increasing exposure to high growth and high margin market segments
 - adding Israel as a new domestic market

LEONARDO DRS + RADA

- Increased addressable market and strong fit/diversity of programs
- Complementary technologies in force protection market
- Stronger position in US market and international expansion opportunities, leveraging Leonardo's global presence
- Strong balance sheet providing flexibility
- Exciting Value creation opportunity

RADA in the wider LDO Group

Value proposition		Complementary tactical radar sensors portfolio
Business strengthening		Enhancement of market positioning in the tactical operational environment, enabling an integrated approach
Technological exploitation		RADA products will allow Leonardo to bring innovative integrated solutions to market
Broader domestic footprint		Adding Israel, a technology leader and advanced Defence customer, as a new domestic market
Exploit EU/international market		Support RADA organic expansion accessing EU / export markets and new programmes

The merger of RADA & DRS provides significant upside beyond the base case



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Alessandro Profumo, Chief Executive Officer

Alessandra Genco, Chief Financial Officer



1H 2022 Highlights

- **Strong commercial activity, with book to bill at 1.1x**
 - Backlog at € 36.4 bn
 - Order intake of € 7.3 bn, up 9.4% with no jumbo orders included
- **Continued strong demand for our products supports growing top line**
 - Revenues at € 6.6 bn, up 3.6% YoY
- **Strong profitability improvement**
 - EBITA at € 418 mln, up 11.8% YoY vs 1H2021 restated*
- **Stepping up cash flow generation as promised**
 - FOCF at € -962 mln vs € -1.4 bn in 1H21
- **Strong liquidity position**
- **2022 Guidance confirmed**

* Restatement to include 1H2021 covid costs within EBITA as previously accounted below the line



Order Intake

Commercially strong, reflecting continued strength of defence-governmental business

	€ mln	Δ % YoY	
1H2021A	6,682		
HELICOPTERS	2,183	8.7%	First order of AW609 (4 AW609 for a commercial flight operator); 6 AW189 for China Ministry of Transport; 5 AW119Kx for Israel. AW139 Commercial. Strong contribution from CS&T
ELECTRONICS EUROPE	2,540	4.4%	Export orders in Defence Systems mainly for naval. Combat systems supply for the German Navy and logistic support for Special and Diving Operations - Submarine Rescue Ship (SDO-SuRS)
LEONARDO DRS	1,307	9.8%	Mounted Family of Computer Systems (MFoCS) for US Army, IM-SHORAD (Initial-Maneuver-Short Range Air Defense)
AIRCRAFT	1,490	20.6%	Spanish order for 20 EFA; 1 C-27J for MoD Slovenia; first phase order of Euromale and further orders for JSF and logistics support for EFA
AEROSTRUCTURES	158	18.8%	Orders for A220
ELIMINATIONS & OTHER	-368		
1H2022A*	7,310	9.4%	

* Including ca. € 197 mln of positive forex



Revenues

Solid performance confirming growth path

	€ mln	Δ % YoY	
1H2021A	6,345		
HELICOPTERS	2,110	11.6%	Ramp-up mainly in NH90 Qatar and AW169
ELECTRONICS EUROPE	2,109	0.8%	+4.4% like for like** driven by Defence Systems
LEONARDO DRS	1,133	2.0%	Softness due to timing of new acquisitions and some shifts in the Supply Chain. Positive FX effect
AIRCRAFT	1,261	2.2%	Increase driven by C27-J and logistics EFA
AEROSTRUCTURES	234	-23.3%	Decrease in line with plan; production increase in 2H2022 based on customer demand
ELIMINATIONS & OTHER	-271		
1H2022A*	6,576	3.6%	

* Including ca. € 158 mln of positive forex

**Reclassification of the Automation business in "Other activities" starting from January 2022



EBITA and Profitability

Improving Profitability

	€ mln	RoS	Δ % YoY
1H2021A	400	6.3%	
1H2021 Restated	374	5.9%	
HELICOPTERS	151	7.2%	2.0%
ELECTRONICS EUROPE	210	10.0%	4.5%
LEONARDO DRS	104	9.2%	8.3%
AIRCRAFT	152	12.1%	1.3%
AEROSTRUCTURES	-88	-37.6%	-7.3%
ATR	-1		+95.2%
SPACE	3		-87.0%
CORPORATE & OTHER	-113		
1H2022A*	418	6.4%	+11.8% **

→	Higher volumes with higher pass-through contribution
→	Increase across all business areas, mainly in Defence Systems
→	Confirmed margin expansion primarily driven by the transition of development programmes into production
→	Continued progress on milestone delivery, confirming strong profitability
→	Low asset utilisation due to low production volumes
→	Increase driven by efficiency plan and signing of a customer settlement
→	Decrease due to risk provisions on a contract related to Russia, in addition to the unfavorable comparison base (tax benefit accounted in 2021)

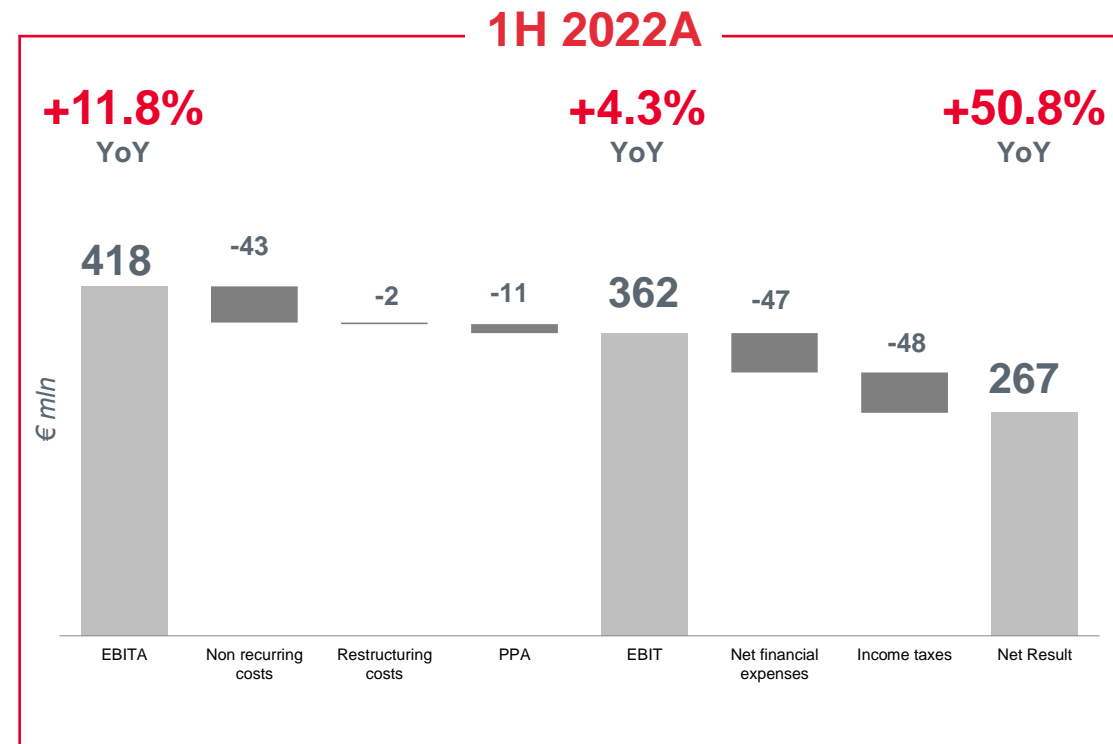
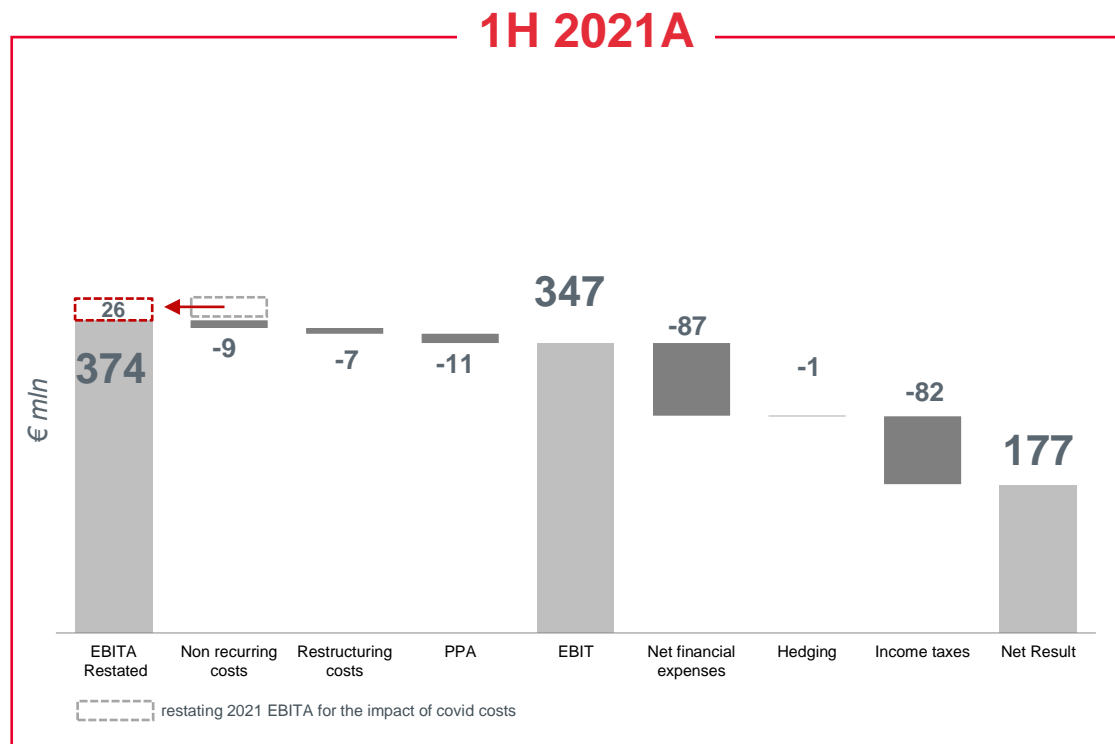
Including ca. € 11 mln of positive forex

**vs 1H2021 restated



From EBITA to Net Result

Stronger bottom line thanks to EBITA increase



- Net Result benefitting from EBIT increase, with lower impact from financial expenses and income taxes

- **Stepping up cash flow : 1H 2022 FOCF at € - 962 mln, up 30.3% vs 1H 2021 (€ - 1,380 mln), in line with plan**
 - also Improving quality, as promised



2022 Guidance confirmed

		FY2021A	FY2022 Guidance ⁽¹⁾
New Orders	(€ bn)	14.3	ca. 15.0
Revenues	(€ bn)	14.1	14.5-15.0
EBITA	(€ mln)	1,123	1,180-1,220 ⁽²⁾
FOCF	(€ mln)	209	ca. 500
Group Net Debt	(€ bn)	3.1	ca.3.1 ⁽³⁾

Assuming USD/€ exchange rate at 1.18 and €/GBP exchange rate at 0.90

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

(2) Including COVID-related costs previously included among non recurring costs below EBITA

(3) Assuming 25.1% acquisition of Hensoldt for € 606 mln, disposals for ca. € 300 mln and dividend payment for € 0.14 p.s.



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Alessandro Profumo, Chief Executive Officer

Alessandra Genco, Chief Financial Officer



Q&A



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Alessandro Profumo, Chief Executive Officer

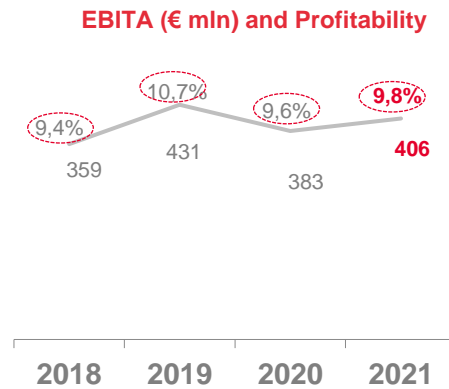
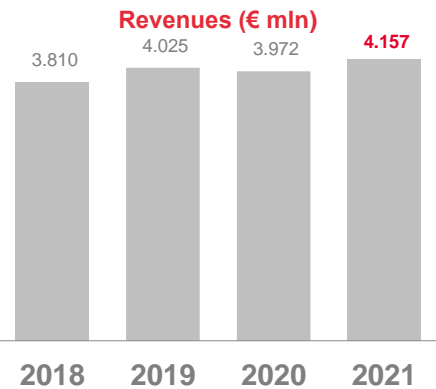
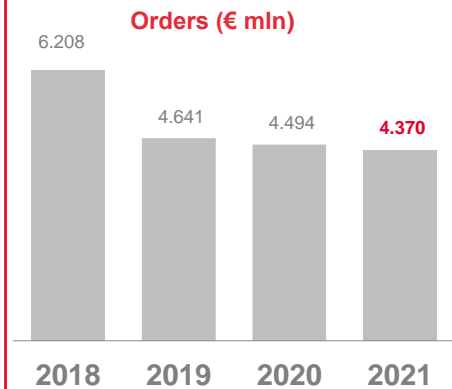
Alessandra Genco, Chief Financial Officer



Helicopters

Solid business with civil recovering

2018-2021 Results



2Q/1H22 Results

	2Q 2021	2Q 2022	% Change
Orders	1,154	1,320	14.4%
Revenues	1,098	1,187	8.1%
EBITA	117	115	-1.7%
RoS	10.7%	9.7%	-1 p.p.

	1H 2021	1H 2022	% Change
Orders	2,009	2,183	8.7%
Revenues	1,890	2,110	11.6%
EBITA	148	151	2.0%
RoS	7.8%	7.2%	-0.6 p.p.

2022 Outlook(*)

- Growth driven by delivery of programmes in backlog, defence-governmental business and gradual recovery in civil, still affect by the pandemic
- Profitability supported by optimisation of industrial processes and improved competitiveness, despite pass through activities and production mix

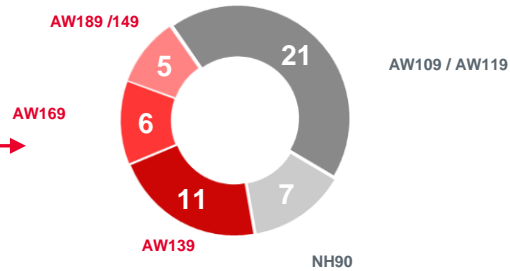
(*) Based on the current assessment of the effects deriving from the geopolitical and global health situation on the supply chain and labour market and the global economy and assuming no additional major deterioration



Helicopters

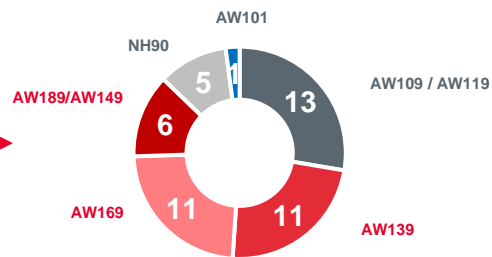
DELIVERIES BY PROGRAMME

1H2022 = 50 new units



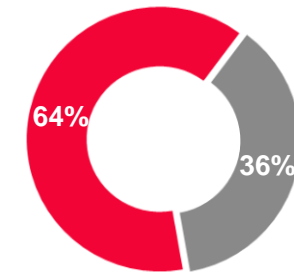
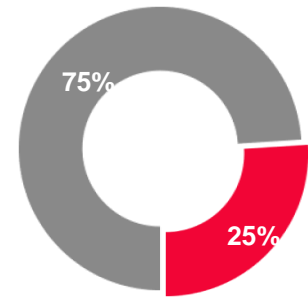
AW
FAMILY

1H2021 = 47 new units



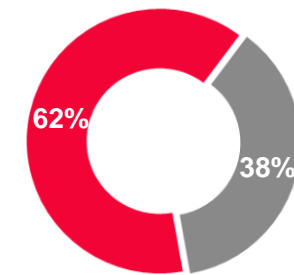
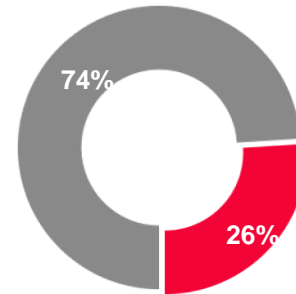
REVENUES BY CUSTOMER/SEGMENT

1H2022



■ Civil ■ Defence/Governmental ■ OE ■ CS&T/Other

1H2021



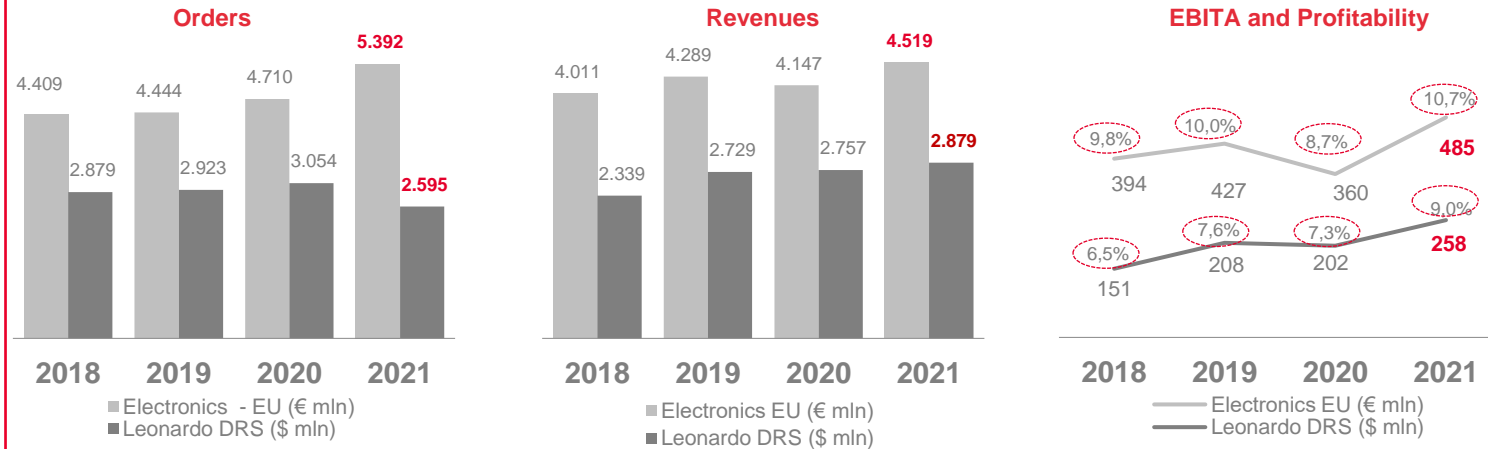
■ Civil ■ Defence/Governmental ■ OE ■ CS&T/Other



Defence Electronics & Security

Growing Revenues and Profitability

2018-2021 Results



2Q/1H22 Results

ELECTRONICS - EU

€ mln	2Q 2021	2Q 2022	% Change
Orders	889	1,051	18.2%
Revenues	1,161	1,154	-0.6%
EBITA	122	119	-2.5%
RoS	10.5%	10.3%	-0.2 p.p.

€ mln	1H 2021	1H 2022	% Change
Orders	2,433	2,540	4.4%
Revenues	2,092	2,109	0.8%
EBITA	201	210	4.5%
RoS	9.6%	10.0%	+0.4 p.p.

LEONARDO DRS

\$ mln(*)	2Q 2021	2Q 2022	% Change
Orders	720	683	-5.1%
Revenues	658	627	-4.7%
EBITA	58	52	-10.3%
RoS	8.8%	8.3%	-0.5 p.p.

\$ mln(*)	1H 2021	1H 2022	% Change
Orders	1,435	1,430	-0.3%
Revenues	1,339	1,239	-7.5%
EBITA	116	114	-1.7%
RoS	8.7%	9.2%	+0.5 p.p.

2022 Outlook(**)

- Growing volumes supported by solid backlog of existing programmes, further strengthened in 2021
- Profitability improvement driven by execution and efficiency measures, despite pass through and programmes under development transitioning towards a more mature phase

* Avg. exchange rate €/€ @ 1.2057 in 1H2021, Avg. exchange rate €/€ @ 1.0940 in 1H2022

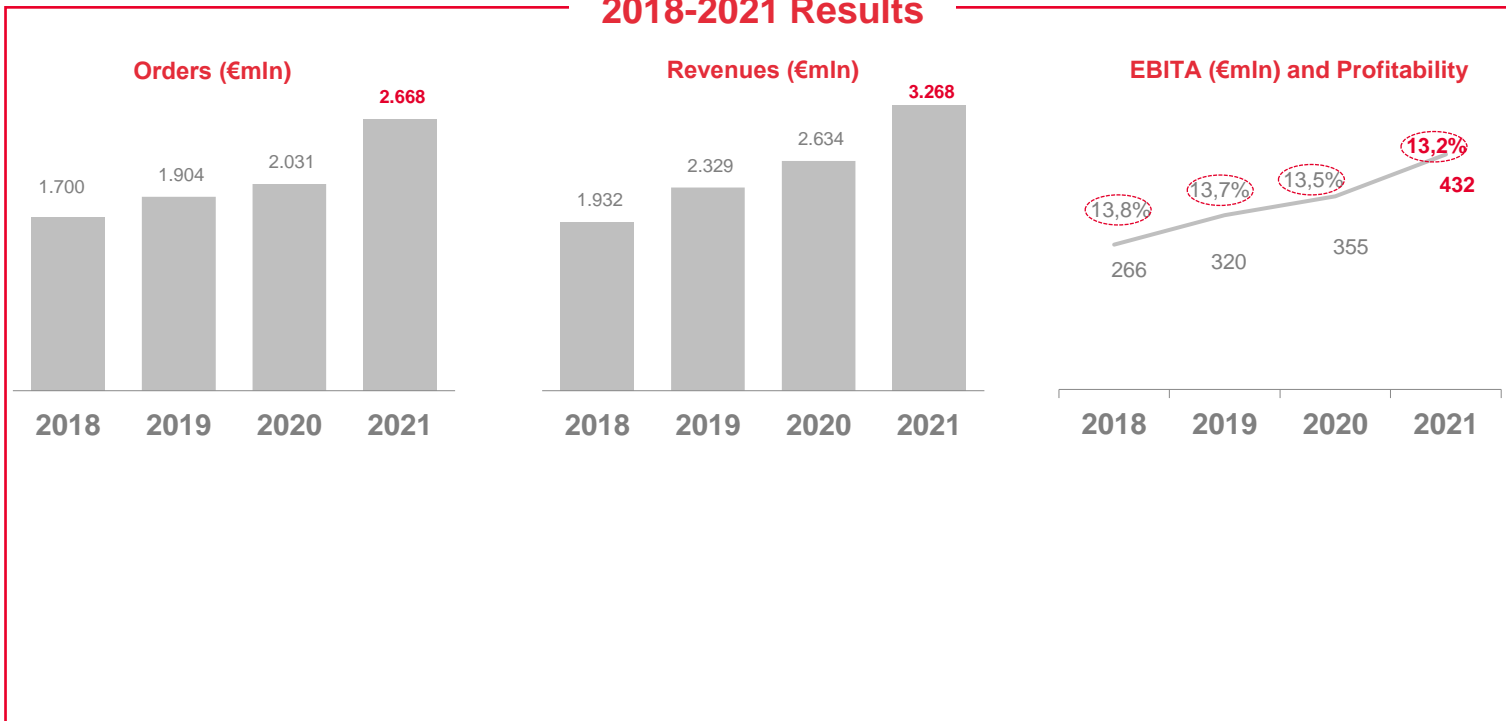
** Based on the current assessment of the effects deriving from the geopolitical and global health situation on the supply chain and labour market and the global economy and assuming no additional major deterioration



Aircraft

Solid performance

2018-2021 Results



2Q/1H22 Results

	2Q 2021	2Q 2022	% Change
Orders	640	709	10.8%
Revenues	724	690	-4.7%
EBITA	103	100	-2.9%
RoS	14.2%	14.5%	+0.3 p.p.

	1H 2021	1H 2022	% Change
Orders	1,235	1,490	20.6%
Revenues	1,234	1,261	2.2%
EBITA	150	152	1.3%
RoS	12.2%	12.1%	-0.1 p.p.

2022 Outlook(*)

- Aircraft production increase driven by EFA Kuwait and M-345/M-346; Tempest initial R&D activities expected

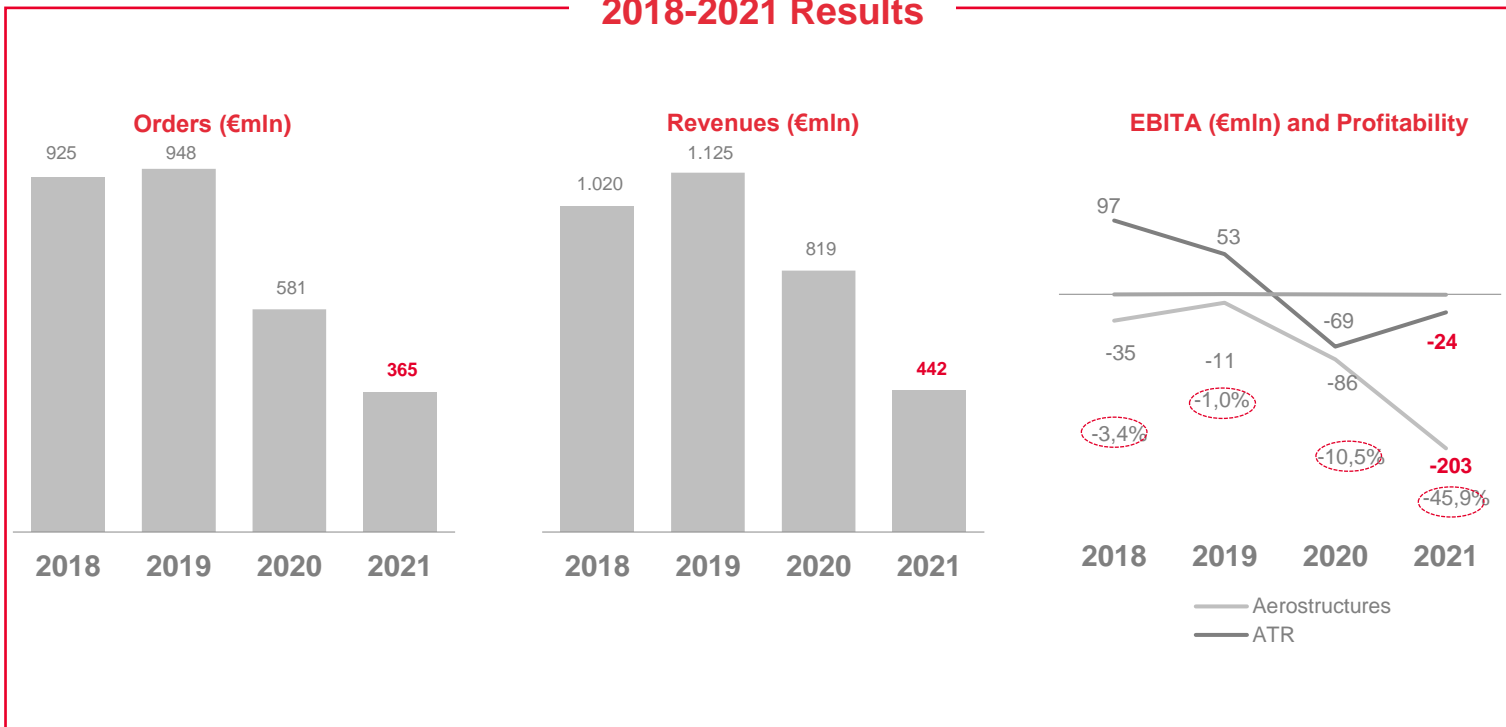
* Based on the current assessment of the effects deriving from the geopolitical and global health situation on the supply chain and labour market and the global economy and assuming no additional major deterioration



Aerostructures and ATR

Gradual recovery

2018-2021 Results



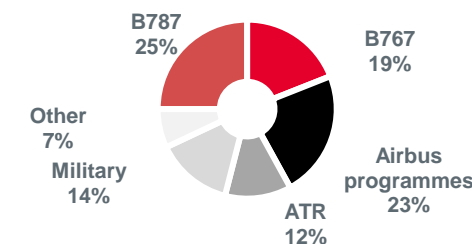
2Q/1H22 Results

Aerostructures			
€ mln	2Q 2021	2Q 2022	% Change
Orders	97	64	(34.0%)
Revenues	194	111	(42.8%)
EBITA	(36)	(42)	(16.7%)
RoS	(18.6%)	(37.8%)	(19,2 p.p)
€ mln	1H 2021	1H 2022	% Change
Orders	133	158	18.8%
Revenues	305	234	(23.3%)
EBITA	(82)	(88)	(7.3%)
RoS	(26.9%)	(37.6%)	(10.7 p.p.)
ATR			
€ mln	2Q 2021	2Q 2022	% Change
EBITA	(7)	9	+228.6%
€ mln	1H 2021	1H 2022	% Change
EBITA	(21)	(1)	95.2%

2022 Outlook(**)

- Aerostructures gradual recovery despite continued softness in target civil market; ATR recovering faster, leveraging 2021 results

Aerostructures 1H22 revenue by programme



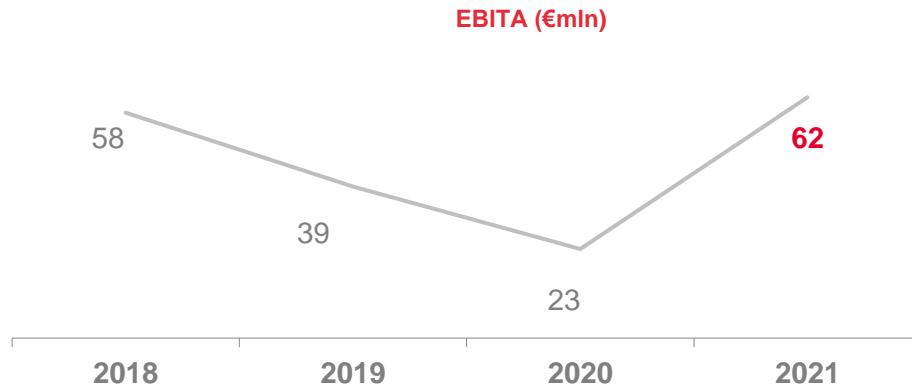
* Based on the current assessment of the effects deriving from the geopolitical and global health situation on the supply chain and labour market and the global economy and assuming no additional major deterioration



Space

Recovery of Manufacturing and confirmed solid performance of Satellite services

2018-2021 Results



2Q/1H22 Results

	2Q 2021	2Q 2022	% Change
EBITA	20	-4	-120.0%

	1H 2021	1H 2022	% Change
EBITA	23	3	-87.0%

2022 Outlook^(*)

- Growing volumes driven by increased backlog and profitability improvement expected in Manufacturing due to efficiency actions in place to recover competitiveness on Telecommunication business

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



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Alessandro Profumo, Chief Executive Officer

Alessandra Genco, Chief Financial Officer



2Q/1H 2022 Results

Group Performance

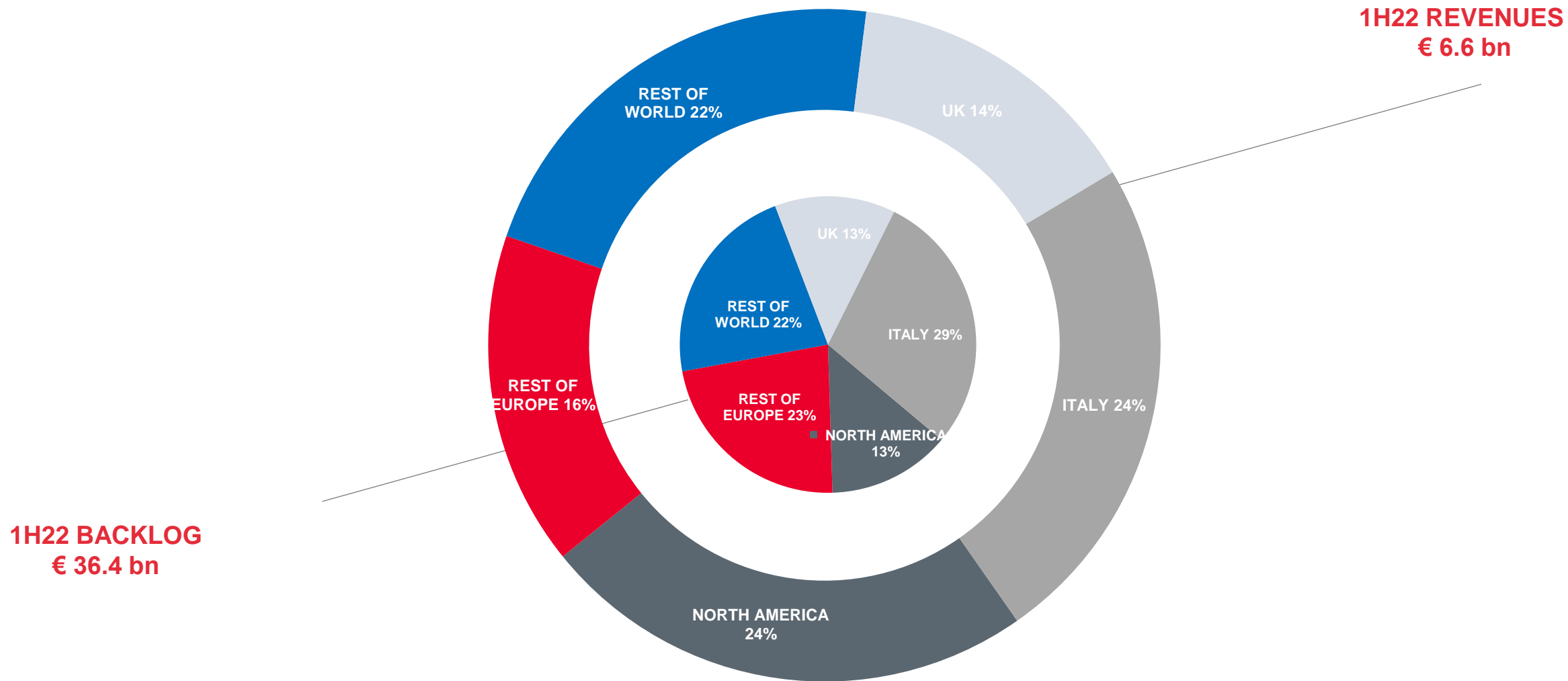
	€ mln	2Q 2021	2Q 2022	% Change	1H2021	1H2022	% Change	FY 2021
New Orders		3,261	3,521	+7.9%	6,682	7,310	+9.4%	14.307
Backlog					35,883	36,358	+1.3%	35.534
Revenues		3,555	3,570	+0.4%	6,345	6,576	+3.6%	14.135
EBITA		305	286	-6.2%	400	418	+4.5%	1.123
EBITA Restated*		290	286	-1.4%	374	418	+11.8%	1.069
	RoS	8.6%	8.0%	-0.6 p.p.	6.3%	6.4%	+0.1 p.p.	7.9%
	RoS Restated*	8.2%	8.0%	-0.2 p.p.	5.9%	6.4%	+0.5 p.p.	7.6%
EBIT		272	239	-12.1%	347	362	+4.3%	911
	EBIT Margin	7.7%	6.7%	-1 p.p.	5.5%	5.5%	0.0 p.p.	6.4%
Net result before extraordinary transactions		179	193	+7.8%	177	267	+50.8%	587
Net result		179	193	+7.8%	177	267	+50.8%	587
EPS (€ cents)		0.309	0.333	+7.8%	0.306	0.462	+50.8%	1.019
FOCF		42	118	+181.0%	-1,380	-962	+30.3%	209
Group Net Debt					4,613	4,793	+3.9%	3.122
Headcount					49,980	50.441	0.9%	50.413

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

* Restatement to include covid costs in 2021 as they were accounted below the line in 2021 and on EBITA in 2022

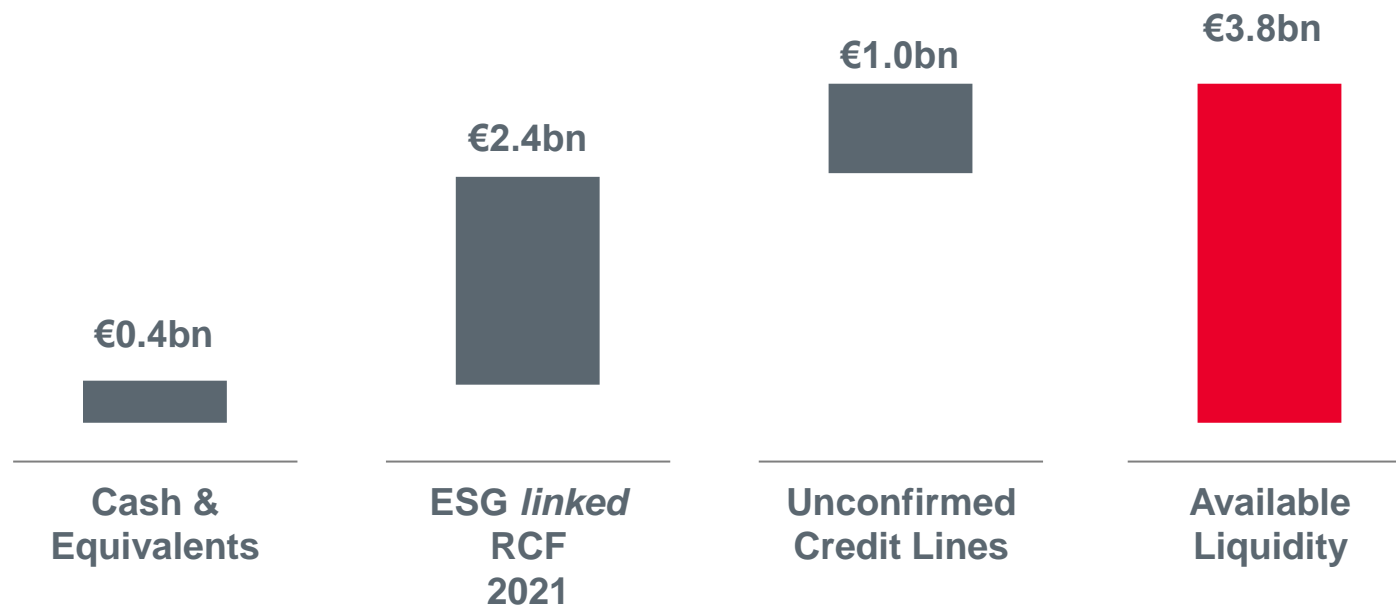


Backlog and revenues by Geography



Solid Group liquidity ensures adequate financial flexibility

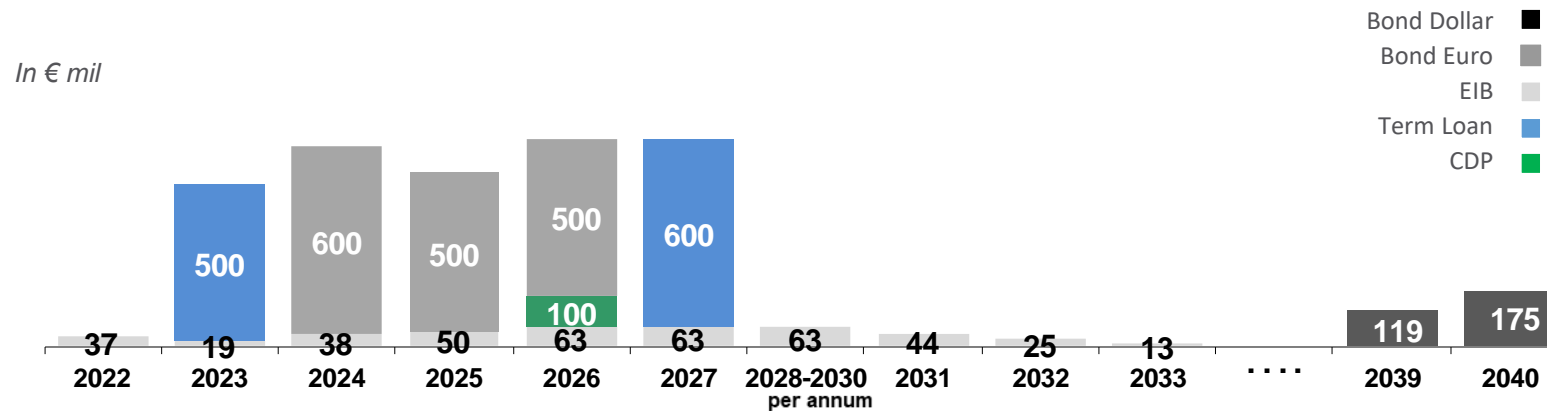
- Available credit lines
 - New ESG Credit Line signed in October 2021 equal to € 2.4 bn
 - Existing credit lines unconfirmed equal to € 1.0 bn
- together with cash in-hands ensure a Group's liquidity of approx. € 3.8 bn



Balanced debt maturity profile

DEBT MATURITY

Average life: ≈ 4,4 years



CREDIT RATING

	As of today	Before last review	Date of review
Moody's	Ba1 / <i>Positive Outlook</i>	Ba1 / <i>Stable Outlook</i>	July 2022
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



Covenants FY2021

	FY2021A Post IFRS 16
EBITDA*	€ 1,538 mln
Net Interest	€ 138 mln
EBITDA / Net Interest	11.1
THRESHOLD	> 3.25

	FY2021A Post IFRS 16
Group Net Debt	€ 3,122 mln
Leasing (IFRS 16)	- € 568 mln
Financial Debt to MBDA	- € 664 mln
Group Net Debt for Covenant	€ 1,890 mln
EBITDA*	€ 1,538 mln
Group Net Debt / EBITDA	1.2
THRESHOLD	< 3.75

* EBITDA net of depreciation of rights of use



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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