



1Q 2023 Results Presentation

Rome

3 May 2023



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 start to the year: progressing in line with expectations

Leonardo is stronger, more resilient, sustainable and better set up to capture commercial opportunities

CONTINUED STRONG COMMERCIAL MOMENTUM AND FINANCIAL PERFORMANCE



- Progressing well with our plans
 - Order intake of € 4.9 bn, up 29.3%* with no jumbo orders included
 - Backlog at € 39.1 bn and Book-to-bill at 1.6x
 - Revenues at € 3.0 bn, up 2.6%* YoY
 - EBITA at €119** mln, up 4.4%*** in divisions and Leonardo DRS; strategic JV contribution down € 21 mln YoY
 - RoS at 3.9% in divisions and Leonardo DRS
 - FOCF at € -0.7 bn, up almost 400 million YoY
 - Continued deleveraging, with Net debt down 1.1bn vs 1Q2022
- Reconfirming 2023 guidance
- Sale of US ATM business completed
- Moody's just upgraded Leonardo to Investment Grade

* Adjusted perimeter to exclude the contribution of Global Enterprise Solutions

** Adjusted perimeter to exclude the contribution of the strategic JVs and Hensoldt

*** Adjusted perimeter to exclude the contribution of Global Enterprise Solutions, the strategic JVs and Hensoldt



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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 disalignment



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	8.9%	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	6.6%	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	89	8.5%	4.7%	→ Confirming strong profitability in core divisions
LEONARDO DRS	31	5.8%	-38.0%	→ Lower profitability, as expected, due to business mix. 1Q22 benefited from non-recurring step-up on the Columbia-Class program
AIRCRAFT	53	9.5%	+3.9%	→ 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%	

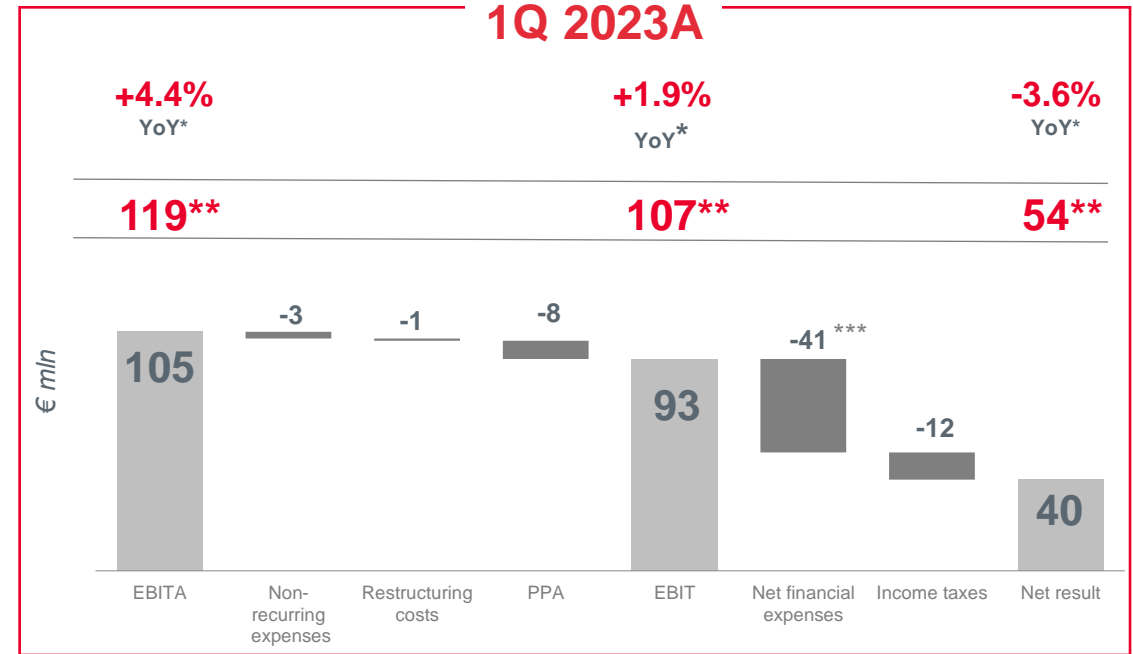
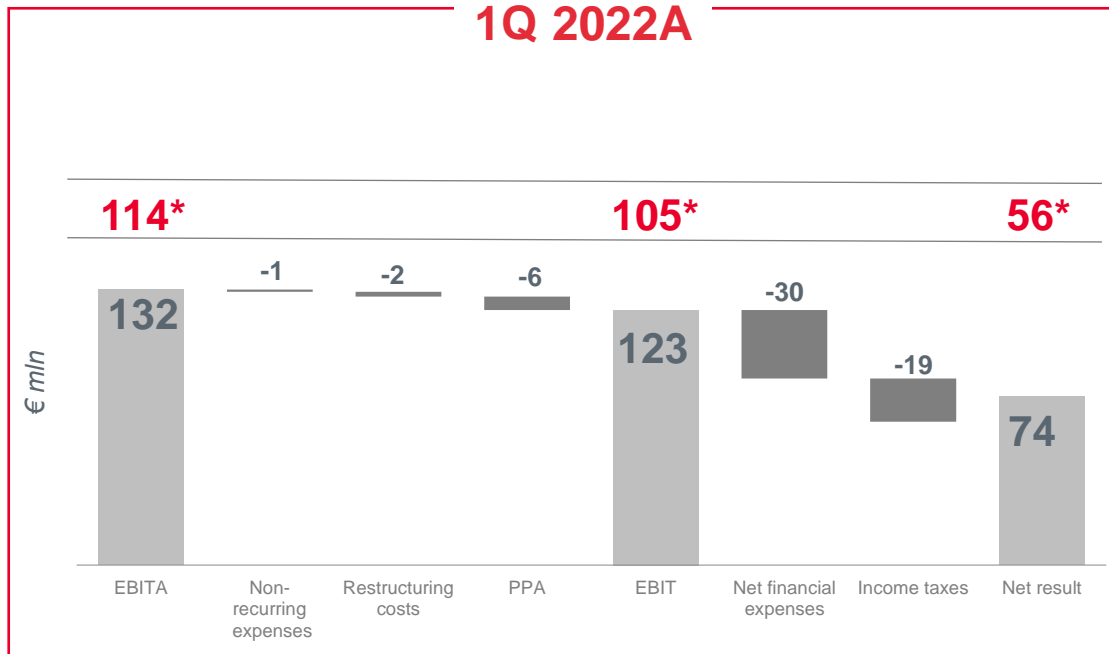
* Adjusted perimeter to exclude the contribution of Global Enterprise Solutions and including the contribution of Hensoldt in 1Q22 that was not included due to financial calendar disalignment

** 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 36.3% 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







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

2023 Guidance Confirmed

		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



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- **Q&A**
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Q&A



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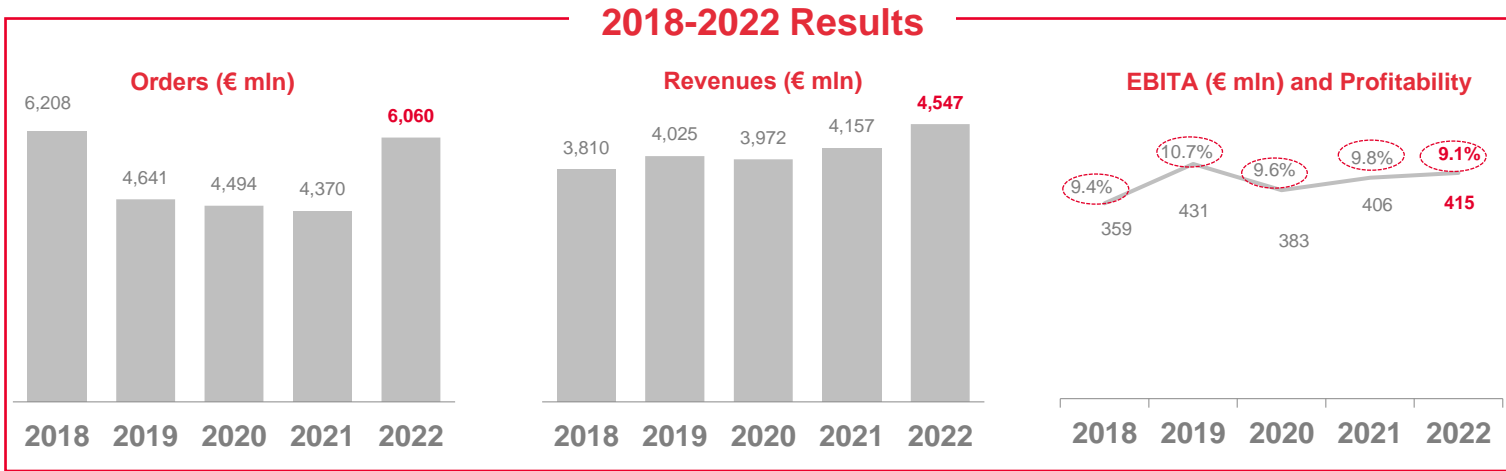
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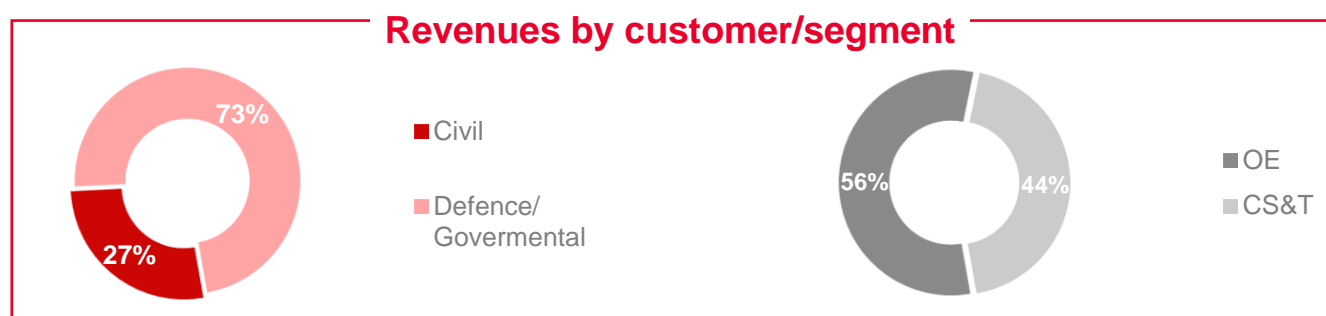
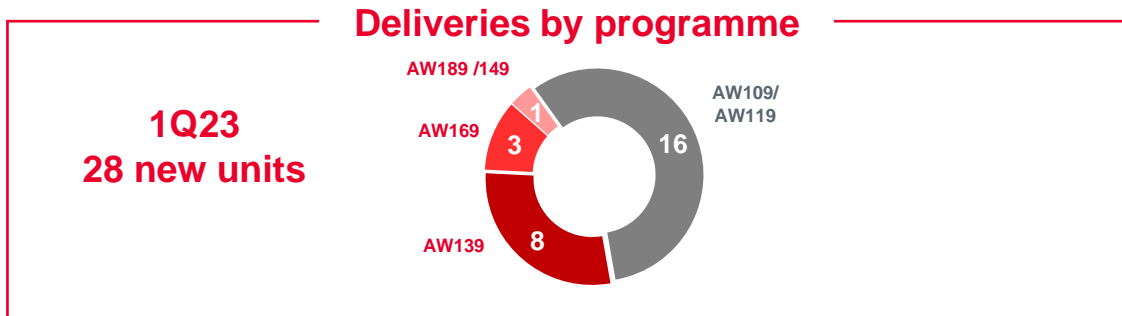
Helicopters

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(*)

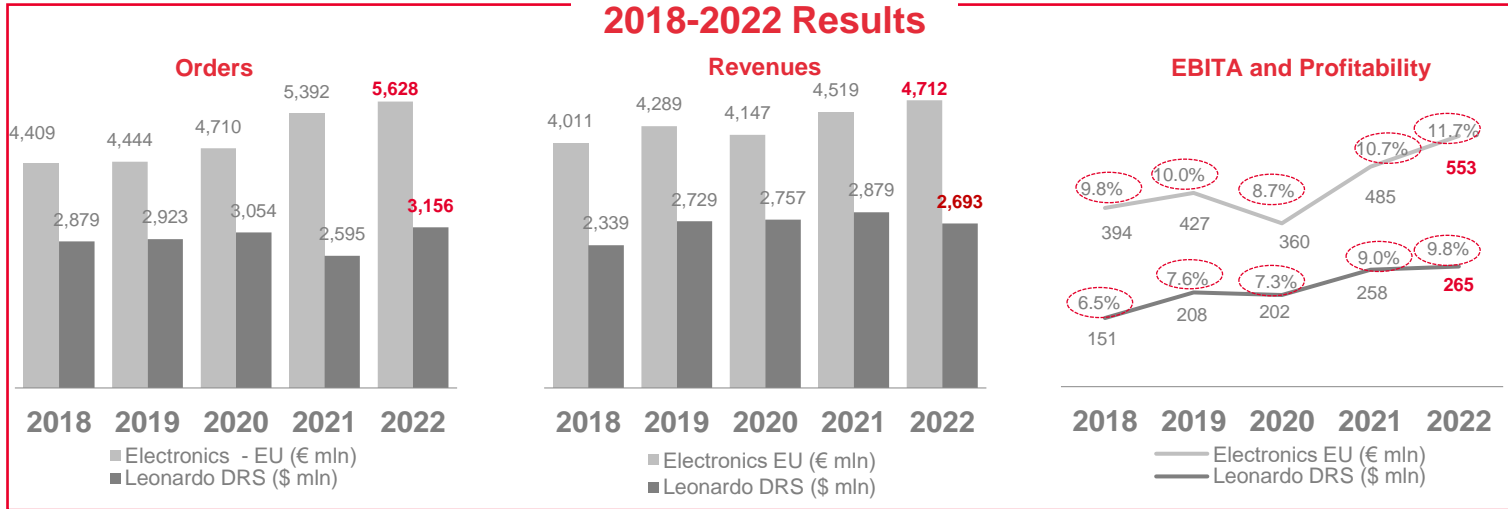
- Strong level of order intake expected both in civil and governmental; confirming increasing revenues and deliveries
- Good level of profitability supported by structured actions to offset inflationary pressure

(*) 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

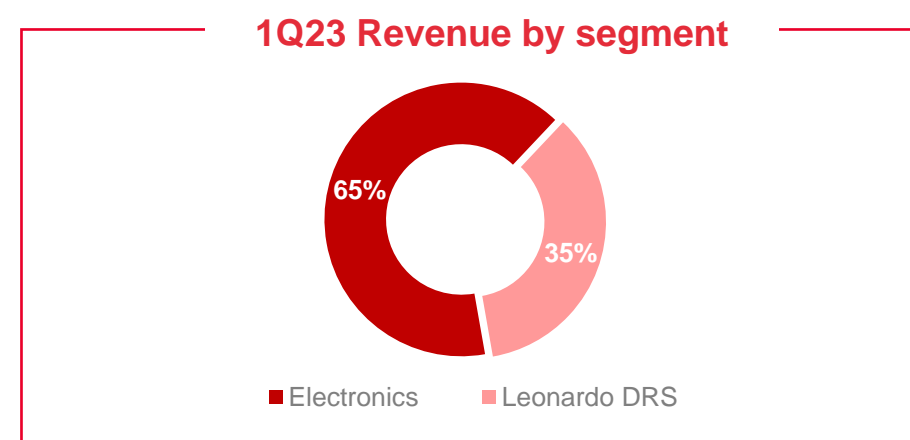


1Q23 Results

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

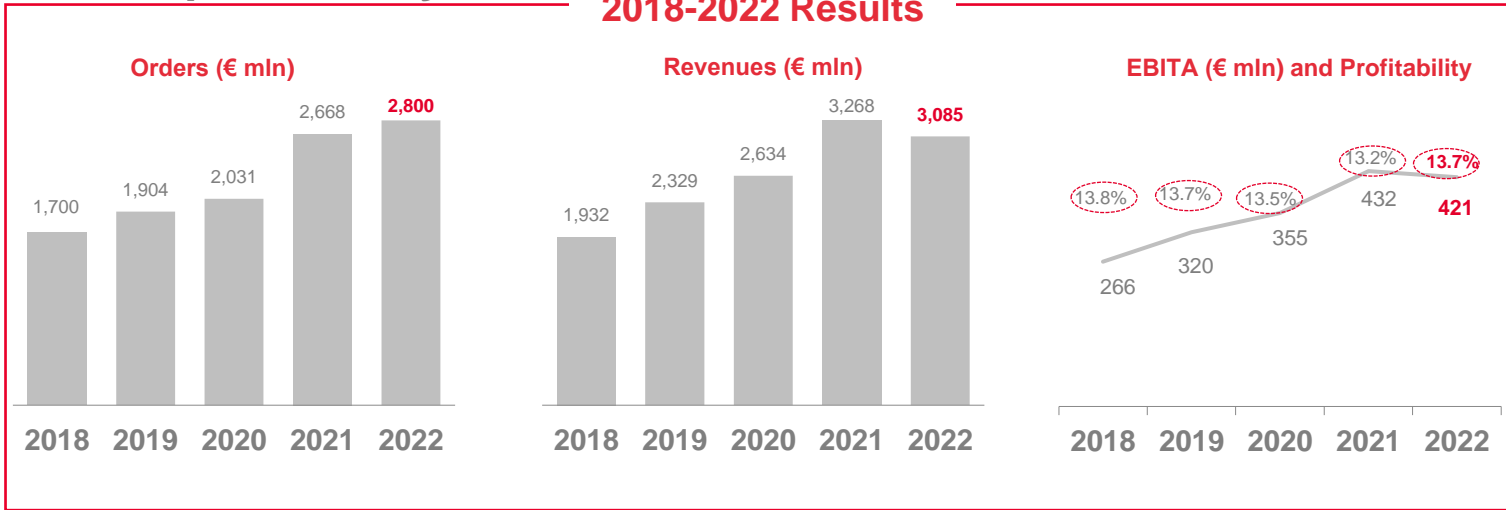
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Aircraft

Solid profitability

2018-2022 Results



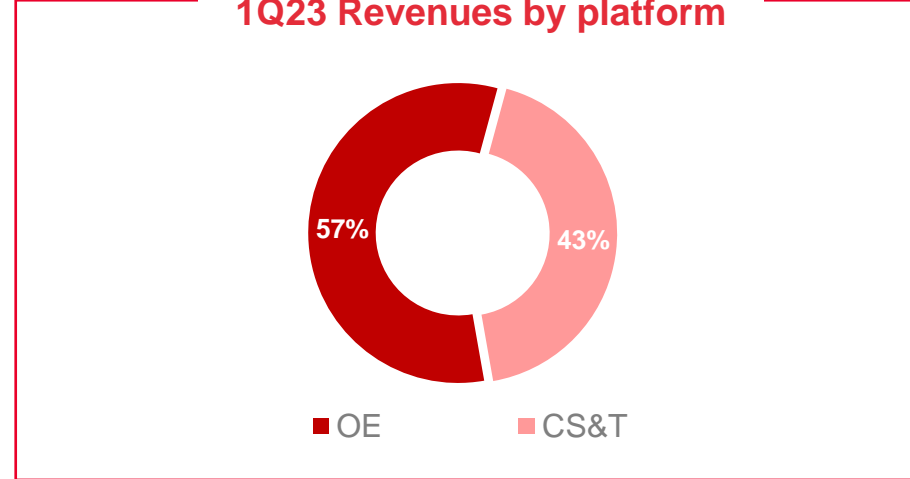
1Q23 Results

	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

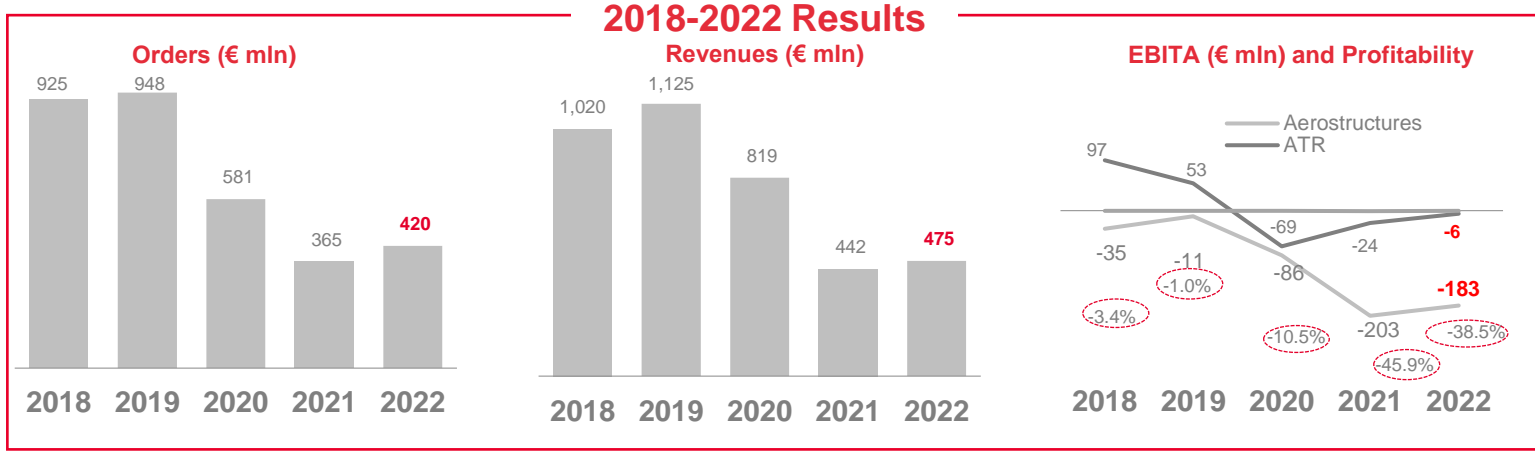


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Aerostructures and ATR

Recovery on track

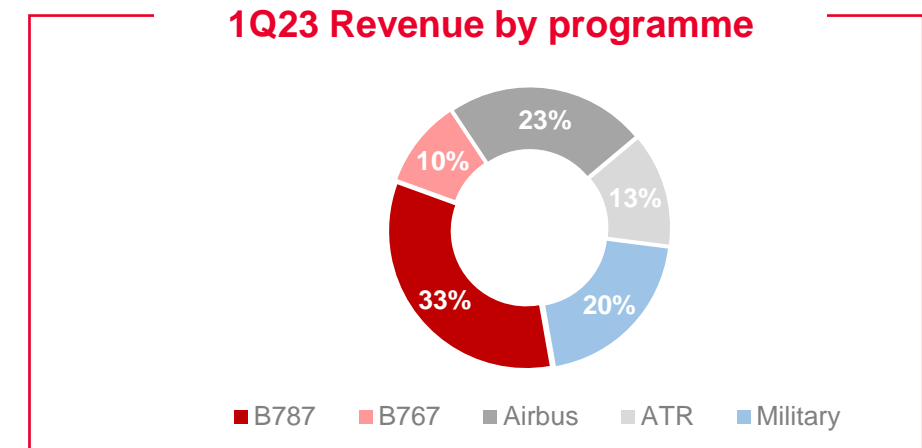


1Q23 Results

Aerostructures	€ mln	1Q 2022	1Q 2023	% Change
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				

	€ mln	1Q 2022	1Q 2023	% Change
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

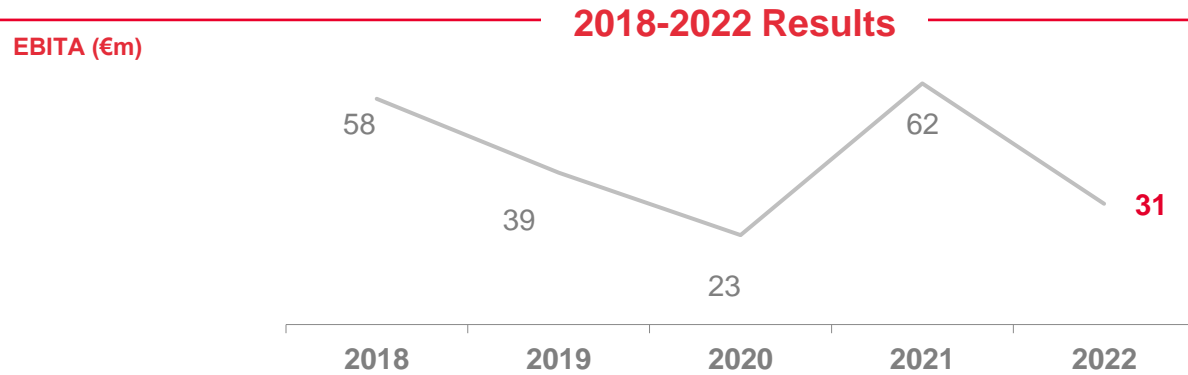


* Based on the current assessment of the effects deriving from the geopolitical situation on the supply chain and the global economy and assuming no additional major deterioration



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

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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	36.3%	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

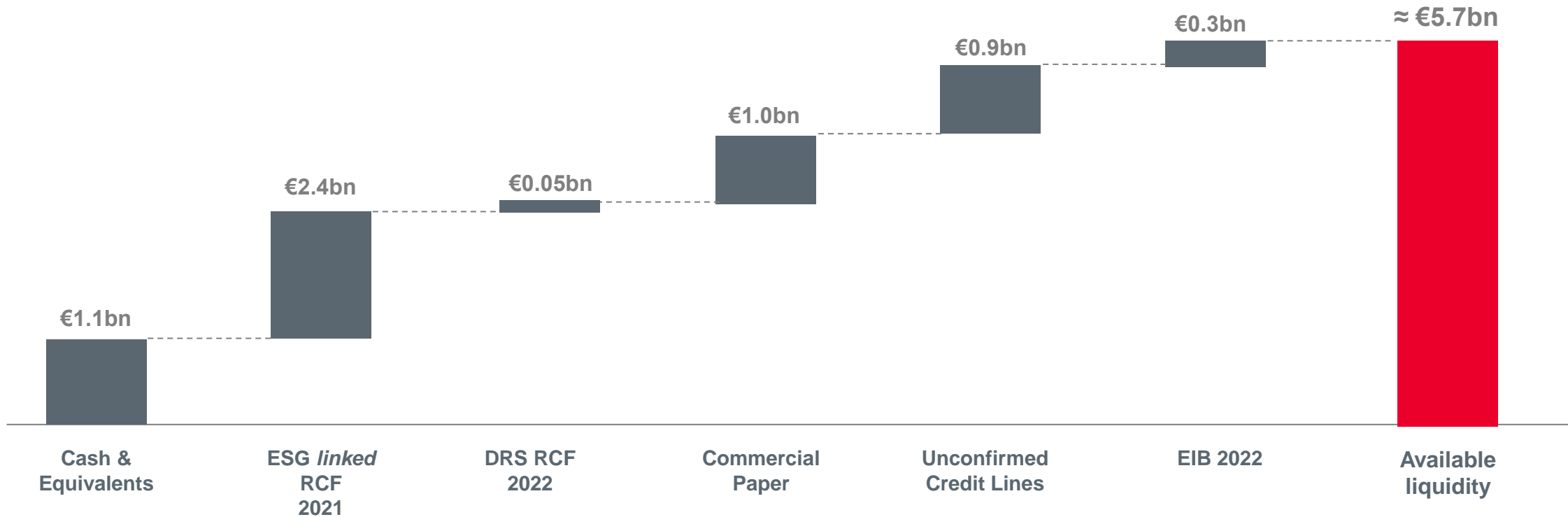


Solid Group liquidity ensures adequate financial flexibility

- Available credit lines

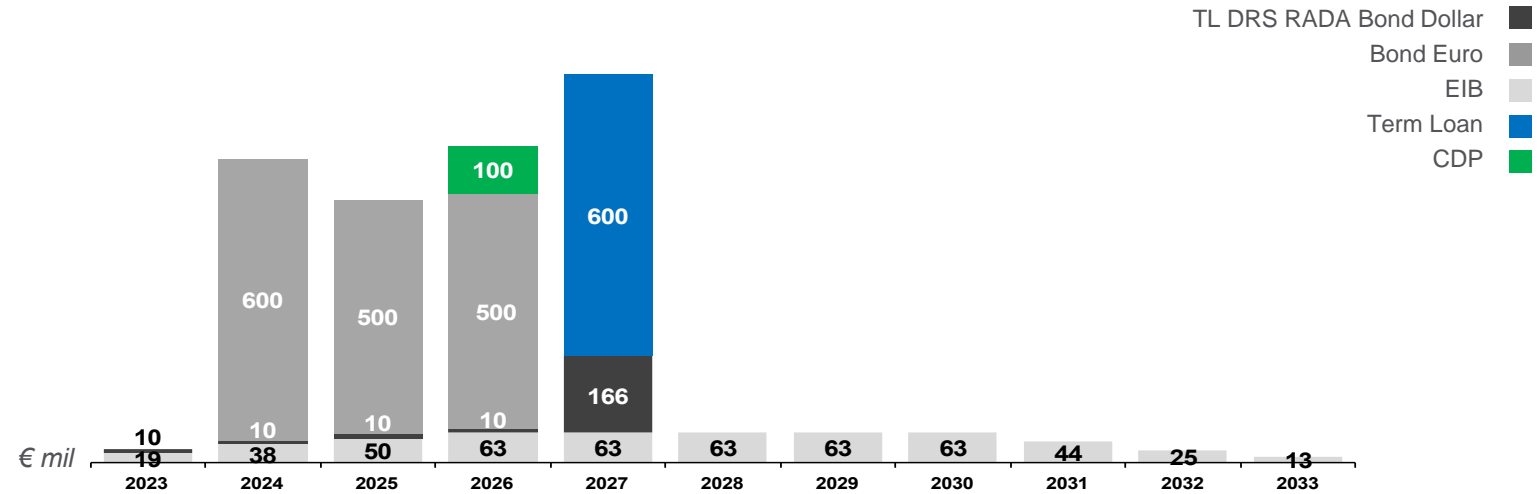
- ESG Credit Line signed in October 2021 equal to € 2.4 bn
- Existing unconfirmed credit lines equal to € 0.9 bn
- Commercial Paper, signed in August 2022, equal to € 1.0 bn
- New «Sustainability-Linked» EIB loan equal to € 0.3 bn

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



Covenants 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



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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