

Informazione Regolamentata n. 0131-48-2024	Data/Ora Inizio Diffusione 30 Luglio 2024 16:26:32	Euronext Milan
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Societa' : LEONARDO

Identificativo Informazione
Regolamentata : 194009

Utenza - Referente : LEONARDON04 - Micelisopo

Tipologia : 1.2

Data/Ora Ricezione : 30 Luglio 2024 16:26:32

Data/Ora Inizio Diffusione : 30 Luglio 2024 16:26:32

Oggetto : Leonardo's 1H 2024 Finacial Results

Testo del comunicato

Vedi allegato



PRESS RELEASE

**LEONARDO: 1H 2024 DOUBLE DIGIT GROWTH PERFORMANCE ACROSS ALL KPIs. ORDERS € 10.3 BN (+15.6%¹), REVENUES € 8 BN (+10.9%¹), EBITA € 503 MLN (+13.3%¹). FOCF € - 502 MLN, UP 8.4%¹.
FY 2024 GUIDANCE CONFIRMED.**

- Backlog at record level > € 43 billion with a book to bill at 1,3x
- Growth reflects strong delivery of backlog
- EBITA improvement driven by growing Electronics and Helicopters and acceleration of efficiency plan
- Continuous improvement of FOCF, reducing cash absorption
- Group Net Debt at € 3 billion (-18,3%¹)
- Preliminary agreements signed to strengthen international alliances and consolidating the core business

1 – vs 1H23 pro-forma

Rome, 30/07/2024 – Leonardo's Board of Directors, convened today under the Chairmanship of Stefano Pontecorvo, examined and unanimously approved 2024 first half results.

“The first half results show double-digit growth across all KPIs. In recent months we have also achieved significant goals in strengthening international alliances by taking an active role in promoting European Defense. The agreement with Rheinmetall represents a unique opportunity for the development of the new generation of land defence systems. – Roberto Cingolani, Leonardo CEO and GM, stated.

“The consolidation of the core defense business continues thanks to the acceleration of the digitalisation process and the rationalization of the portfolio with the sale of Underwater Armaments & Systems which gives further impetus to the collaboration between Leonardo and Fincantieri, and the exit from non-core businesses such as IIA and Skydweller. The creation of the new Space Division positions Leonardo in rapidly growing market segments, while targeted acquisitions will strengthen the Cybersecurity business. The efficiency plan is fully operational, with results exceeding expectations. All this confirms our clear direction of travel in line with the objectives of the Industrial Plan”.

1H 2024 financial results

The strong performance recorded by the Group in 2023 continued in the first six months of 2024, with a significant step up in volumes and a solid profitability in all the business segments, showing a further significant increase compared to the prior period. In order to make the Group's operating performance more comparable, the indicators for the comparative period are also provided in this Report on a pro-forma basis, including the contribution of the Telespazio group, consolidated on a line-by-line basis starting from 1 January 2024.

New Orders and Revenues sharply increased by 18.8% (+15.6% compared to the pro-forma figure of June 2023) and by 15.8% (+10.9% compared to the pro-forma figure) respectively, driven in particular by the Defence Electronics & Security and Helicopters businesses. The growth in Revenues was accompanied by an increase in EBITA of 17.0% (+13.3% compared to the pro-forma figure), bringing the ROS for the period to 6.3% (6.2% at 30 June 2023).

Free Operating Cash Flow for the period also improved by 2.9% (8.4% compared to the pro-forma figure), demonstrating the Group's ability to keep on the path to strengthen cash generation it has

embarked on, though being affected by the usual interim trend that is characterised by cash absorptions in the first part of the year. The FOCF performance and the sale of the minority stake in Leonardo DRS, which occurred in the last quarter of 2023, resulted in a consequent positive impact on the Group's net debt, which decreased by about 17.5% compared to the comparative period (18.3% compared to the pro-forma figure).

Key Performance Indicators

The KPIs for the period and the main changes in the Group's performance are shown below. Please refer to section "Non-GAAP performance indicators" for definitions.

The Key Performance Indicators for the comparative period are provided also on a pro-forma basis, including the effects of the line-by-line consolidation of Telespazio:

Group (Euro million)	1H 2023	1H 2024	% Chg.	1H 2023 Proforma	% Chg.	2023
New orders	8,691	10,324	18.8%	8,934	15.6%	17,926
Order backlog	39,119	43,346	10.8%	40,382	7.3%	39,529
Revenue	6,894	7,985	15.8%	7,200	10.9%	15,291
EBITDA	703	828	17.8%	730	13.4%	1,883
EBITA*	430	503	17.0%	444	13.3%	1,289
ROS	6.2%	6.3%	0.1 p.p.	6.2%	0.1 p.p.	8.4%
EBIT**	368	390	6.0%	376	3.7%	1,085
EBIT Margin	5.3%	4.9%	(0.4) p.p.	5.2%	(0.3) p.p.	7.1%
Net Result before extraordinary transactions	197	189	(4.1%)	202	(6.4%)	742
Net result	208	555	166.8%	213	160.6%	695
Group Net Debt	3,637	3,000	(17.5%)	3,674	(18.3%)	2,323
FOCF	(517)	(502)	2.9%	(548)	8.4%	635
ROI	10.8%	11.4%	0.6 p.p.	11.2%	0.2 p.p.	11.9%

*EBITA is obtained by eliminating from EBIT the following items: any impairment in goodwill; amortisation and impairment, if any, of the portion of the purchase price allocated to intangible assets as part of business combinations; restructuring costs that are a part of defined and significant plans; other exceptional costs or income, i.e. connected to particularly significant events that are not related to the ordinary performance of the business.

**EBIT is obtained by adding to Income before tax and financial expenses (the Group's share of profit in the results of its strategic investments (ATR, MBDA, Thales Alenia Space and Hensoldt), reported in the "share of profits (losses) of equity-accounted investees"

2024 Guidance

In view of the results achieved in the first half of 2024 and the expectations for the coming periods, we confirm the guidance for the entire year as drawn up when preparing the annual financial statements as at 31 December 2023.

		FY2023A (Proforma) (1)	FY2024 Guidance⁽²⁾
New Orders	(€ bn)	18.7	ca. 19.5
Revenues	(€ bn)	16.0	ca. 16.8
EBITA	(€ mln)	1,326	ca. 1,440
FOCF	(€ mln)	652	ca. 770
Group Net Debt	(€ bn)	2.3	ca. 2.0 ⁽³⁾

Exchange rate assumptions: € / USD = 1.15 and € / GBP = 0.89

1) The values shown for the year 2023 enhance the full consolidation of Telespazio, effective from 2024

2) 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.

3) Assuming the increased dividend payment from € 0.14 to € 0.28 per share, new leasing contracts, strategic investments, and other minor transactions.

Commercial Performance

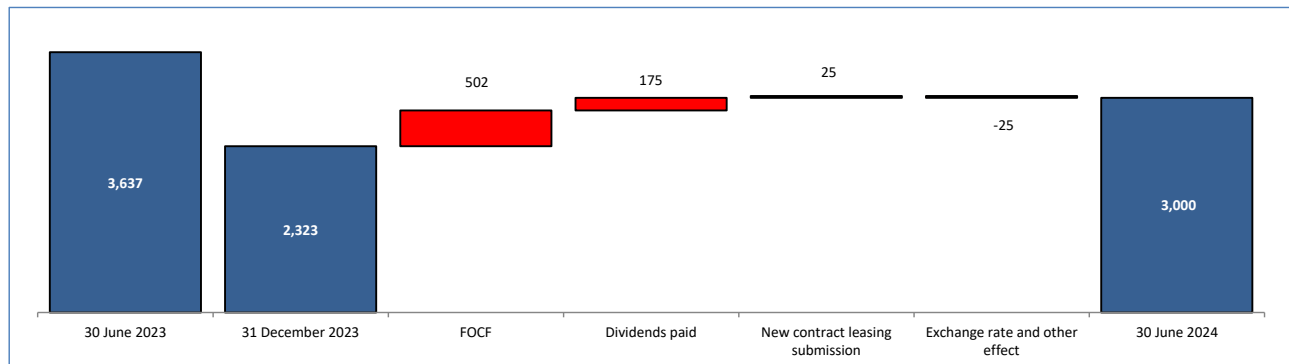
- **New Orders**, amounted to **EUR 10,324 million** significantly increasing (+18.8%, +15.6% on the pro-forma figure) compared to the first six months of 2023, thanks in particular to the excellent performance of the Defence Electronics and Security sector, in all the main business areas of the European DES component and in that of the subsidiary DRS, as well as of Helicopters in the government and commercial fields. We also note a considerable increase in the contribution given by Cyber & Security Solutions and Aerostructures. The level of Orders for the half-year 2024 is equal to a book to bill (the ratio of New orders to Revenues for the period) of about 1.3
- **Backlog**, amounted to **EUR 43,346 million** ensures a coverage in terms of production higher than 2.5 years

Economic Performance

- **Revenues**, amounted to **EUR 7,985 million**, increased compared to the first six months of 2023 (+15.8%, +10.9% on the pro-forma figures) in almost all business sectors. The contribution of the Defence Electronics and Security and Helicopters sectors was particularly important
- **EBITA**, amounted to **EUR 503 million**, reflects the solid performance of the Group's businesses, showing an increase compared to the first six months of 2023 (+17.0%, +13.3% on the pro-forma figure) in almost all sectors. The period was particularly affected by the performance of the Defence Electronics and Security, while the Space sector was affected by the expected difficulties in the manufacturing segment
- **EBIT**, amounted to **EUR 390 million**, reported a growth (+6.0%, +3.7% on the pro-forma figure) despite affected by an increase in non-recurring one-off charges, mainly due to the effects deriving from positive termination and settlement of contracts entered into in previous years, also affected by the amortisation of the Purchase Price Allocation connected with the first-time consolidation of the Telespazio group starting from 1 January 2024
- **Net Result before extraordinary transactions**, amounted to **EUR 189 million**, (€mil. 197 in the comparative period, €mil. 202 on the pro-forma figure), was affected by the higher tax burden for the period mainly due to the higher taxation of foreign components
- **Net Result**, equal to **EUR 555 million** (€mil. 208 in the comparative period, €mil. 213 on the pro-forma figure) included, in addition to the Net Result before extraordinary transactions, the capital gain (€mil. 366) recognised after the fair value measurement of the investment previously held in the Telespazio group, carried out for the purposes of its line-by-line consolidation

Financial performance

- Free Operating Cash Flow (FOCF)**, negative for **EUR 502 million**, improving compared to the performance at 30 June 2023 (negative for €mil. 517, negative for €mil. 548 in the pro-forma figure), confirmed the positive results reached thanks to initiatives to strengthen operational performance and the collection cycle, a careful investment policy in a period of business growth, an efficient financial strategy and to the actions to rationalize and make more efficient working capital
 The figure however highlighted the usual interim trend that is characterised by significant cash absorptions during the first part of the year
- Group Net Debt**, of **EUR 3,000 million**, reduced (about €bil. 0.6) against June 2023 thanks to the strengthening of the Group's cash generation and to the sale of the minority stake in Leonardo DRS occurred in the last quarter of 2023. Compared to 31 December 2023 (€mil. 2,323) the figure increased mainly as a result of the abovementioned FOCF performance, in addition to the payment of dividends for an amount equal to €mil. 175 (of which €mil. 159 relating to Leonardo S.p.a.).



SECTOR PERFORMANCE

The Key Performance Indicators of the business Sectors are reported below while pointing out that – starting from 1 January 2024 - the contribution from the line-by-line basis consolidation of the Telespazio group is included in the Space sector. Furthermore, with the purpose of providing a representation more increasingly in line with the Group's corporate strategies and the underlying business trends, the Defence Electronics & Security and Cyber & Security Solutions sectors, which were aggregated in the 2023 Financial Statements within the Defence Electronics & Security only, are now recognised separately in this Report. The Sectors' performance will be therefore represented and commented on with reference to the following operating sectors: Helicopters, Defence Electronics & Security, Cyber & Security Solutions, Aircraft, Aerostructures and Space (Helicopters, Defence Electronics & Security, Aircraft, Aerostructures and Space in the 2023 financial statements).

In order to make operating performance comparable, the indicators for the comparative period have been restated in this Section for ease of comparison. With reference to the Space sector, the comparative period is presented on a pro-forma basis, including the contribution of the Telespazio group.

Leonardo continued the path to growth in all sectors of its core business. The trend of new orders, revenues and EBITA by sector was as follows:





1H 2023 (Euro million)	Orders	Orders Proforma	Order Backlog 31 Dic. 2023	Order Backlog Proforma 31 Dic. 2023	Revenues	Revenues Proforma	EBITA	EBITA Proforma	ROS %	ROS % Proforma
Helicopters	2,805	2,805	14,426	14,426	2,160	2,160	157	157	7.3%	7.3%
Defence										
Electronics & Security	4,120	4,120	15,890	15,890	3,052	3,052	297	297	9.7%	9.7%
Cyber & Security Solutions	278	278	993	993	267	267	12	12	4.5%	4.5%
Aircraft	1,497	1,497	7,972	7,972	1,348	1,348	160	160	11.9%	11.9%
Aerostructures	225	225	1,095	1,095	327	327	(77)	(77)	(23.5%)	(23.5%)
of which GIE ATR	-	-	-	-	-	-	(5)	(5)	n.a.	
Space	-	258	-	1,393	-	309	2	16	n.a.	5.2%
Other activities	323	323	375	375	363	363	(121)	(121)	(33.3%)	(33.3%)
Eliminations	(557)	(572)	(1,222)	(1,241)	(623)	(626)	-	-	n.a.	n.a.
Total	8,691	8,934	39,529	40,903	6,894	7,200	430	444	6.2%	6.2%

1H 2024 (Euro million)	Orders	Order Backlog	Revenues	EBITA	ROS %
Helicopters	3,584	15,666	2,425	172	7.1%
Defence Electronics & Security	5,013	17,212	3,460	363	10.5%
Cyber & Security Solutions	427	1,052	301	16	5.3%
Aircraft	1,026	7,781	1,272	167	13.1%
Aerostructures	364	1,107	353	(76)	(21.5%)
of which GIE ATR	-	-	-	(5)	-
Space	335	1,617	399	(1)	(0.3%)
Other activities	377	472	398	(138)	(34.7%)
Eliminations	(802)	(1,561)	(623)	-	n.a.
Total	10,324	43,346	7,985	503	6.3%

Chg. %	Orders	Orders Proforma	Order Backlog	Order Backlog Proforma	Revenues	Revenues Proforma	EBITA	EBITA Proforma	ROS %	ROS % Proforma
Helicopters	27.8%	27.8%	8.6%	8.6%	12.3%	12.3%	9.6%	9.6%	(0.2)p.p.	(0.2) p.p.
Defence										
Electronics & Security	21.7%	21.7%	8.3%	8.3%	13.4%	13.4%	22.2%	22.2%	0.8 p.p.	0.8 p.p.
Cyber & Security Solutions	53.6%	53.6%	5.9%	5.9%	12.7%	12.7%	33.3%	33.3%	0.8 p.p.	0.8 p.p.
Aircraft	(31.5%)	(31.5%)	(2.4%)	(2.4%)	(5.6%)	(5.6%)	4.4%	4.4%	1.2 p.p.	1.2 p.p.
Aerostructures	61.8%	61.8%	1.1%	1.1%	8.0%	8.0%	1.3%	1.3%	2.0 p.p.	2.0 p.p.
of which GIE ATR	-	-	-	-	-	-	-	-	-	-
Space	n.a.	29.8%	n.a.	16.1%	n.a.	29.1%	(150.0%)	(106.3%)	n.a.	(5.5) p.p.
Other activities	16.7%	16.7%	25.9%	25.9%	9.6%	9.6%	(14.0%)	(14.0%)	(1.4)p.p.	(1.4) p.p.
Eliminations	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total	18.8%	15.6%	9.7%	6.0%	15.8%	10.9%	17.0%	13.3%	0.1 p.p.	0.1 p.p.

Helicopters

In the first six months of 2024, the sector continued to show a positive performance, with New orders, Revenues and EBITA showing growth compared to the first half of 2023. During the period 77 new helicopters were delivered (82 in the same period of 2023).

New Orders: up by about 30% compared to the first half of 2023, confirming the very good performance of the sector in both the government and commercial areas. Among the main acquisitions for the period we note.

- the order for additional 20 AW139 helicopters to be used in healthcare and search and rescue missions from the operator The Helicopter Company in Saudi Arabia;
- the contract signed with Galaxy Aerospace for 4 AW189 helicopters for the Malaysian Maritime Enforcement Agency (MMEA) for search and rescue missions;
- the contract for the purchase of 4 AW149 helicopters and 4 AW169 helicopters by the Ministry of Defence of North Macedonia;
- the order from Equinor for 5 AW189 helicopters for passenger transport in the Norwegian continental shelf;
- orders for 7 AW189 helicopters as part of the plan of fleet expansion on the part of Bristow;
- purchase order in relation to the contract entered between NHIndustries and NAHEMA regarding the development and qualification of the Software Release 3 (SWR3) for the NH90 helicopter

Revenues: on a rise mainly for increased activities on the dual use helicopter lines and on Customer Support, Services & Training (CSS&T).

EBITA: increased chiefly thanks to higher Revenues, with profitability substantially unchanged.

Defence Electronics & Security

As already described, starting from 2024 the Cyber & Security Solutions business was hived off from the Defence Electronics & Security (DES) sector, which included it until the 2023 financial statements, and now recognised separately. The new DES perimeter mainly includes the Electronics Division, the subsidiary Leonardo DRS and the strategic investments MBDA and Hensoldt. In order to make operating performance comparable, the indicators of the comparative period of the DES sector have been restated.

The first six months of 2024 of the new perimeter of the DES sector highlighted an excellent commercial performance, with a book to bill higher than 1, increased Revenues and profitability compared to the same period of last year in all the main business areas of the European component of the DES sector and of the subsidiary DRS, confirming the positive trend already recorded in the first quarter of 2024.

1H 2023 (Euro million)	New Orders	Revenues	EBITA	ROS %
EDS Europe	2,810	1,954	213	10.9%
Leonardo DRS	1,339	1,107	84	7.6%
Eliminations	(29)	(9)	-	n.a.
Total	4,120	3,052	297	9.7%

1H 2024 (Euro million)	New Orders	Revenues	EBITA	ROS %
EDS Europe	3,391	2,136	251	11.8%
Leonardo DRS	1,624	1,333	112	8.4%
Eliminations	(2)	(9)	-	n.a.
Total	5,013	3,460	363	10.5%

Change %	New Orders	Revenues	EBITA	ROS %
EDS Europe	20.7%	9.3%	17.8%	0.9 p.p.
Leonardo DRS	21.3%	20.4%	33.3%	0.8 p.p.
Eliminations	n.a.	n.a.	n.a.	n.a.
Total	21.7%	13.4%	22.2%	0.8 p.p.

Average €/USD exchange rate: 1.0812 (first six months of 2024) and 1.0811 (first six months of 2023)

	New Orders	Revenues	EBITA	ROS %
Leonardo DRS (\$ mln) – 1H 2022	1,447	1,197	91	7.6%
Leonardo DRS (\$ mln) – 1H 2023	1,756	1,441	121	8.4%

New Orders: increased significantly compared to the same period of 2023. Among the main acquisitions of the period in the European Electronics perimeter are:

- in the naval domain, the order for the supply and setup of combat systems falling within the broader programme to renew the surface patrol units of the Italian Navy;

- as for the Light Multirole Tactical Vehicle (LMTV) programme, the supply of new-generation Software Defined Radio (SDR) communication systems and the supply of satellite communication equipment, which will provide Satcom-On-The-Move (SOTM) capabilities, to equip new-generation vehicles used by the Italian Army to ensure mobility and safety in medium/high-intensity operational theatres and to reach areas affected by disasters;
- as part of the broader Blindo Centauro 2 programme, which aims to meet the needs of the Italian Army's line cavalry regiment, the order for the equipment of the last tranche of 28 units that will be equipped with, among other things, the HITFACT tower and Command and Control Communication systems;
- as part of the defence systems, various export orders for the supply of large multirole calibers in the naval domain

For the subsidiary Leonardo DRS we highlight.

- the additional order, as part of the broader Ohio-submarine class Replacement Programme (ORP), to supply integrated electric propulsion components for the next-generation Columbia-class submarine for the US Navy;
- the order for the production of the Family of Weapon Sights – Individual (FWS-I), that are sights with wireless connectivity with vision systems mounted on helmets, including the enhanced night vision goggle-binocular (ENVG-B) and the new generation integrated vision system (IVAS);
- the order AROS 2.0 (Aerial Refueling Operator Station) for the production of systems that will be installed by the customer on new US Air Force KC-46 Pegasus tanker aircraft. AROS was designed for the aircraft to seat two operators at the front of the tanker using displays for each operator compared to legacy tankers that use a single boom operated seated or prone in the tail looking out a window

Revenues: increased volumes compared to the same period of last year, in particular in the European Electronics, as a result of the gradual and continuous backlog increase. Also the subsidiary Leonardo DRS volumes showed an increase, attributable to higher orders

EBITA: Profitability showed a sharp increase in all the main business areas both in the European Electronics component and in the subsidiary DRS, mainly for higher volumes in the period. A positive contribution was given by the MBDA JV to the sector's profitability, while Hensoldt posted a result slightly lower than that of the comparative period.

Cyber & Security Solutions

The Cyber & Security Solutions sector mainly includes the Cyber & Security Division. The results of the first six months of 2024 of the Cyber & Security Solutions sector, which starting from 2024 was recognised separately from the Defence Electronics & Security, showed an excellent commercial performance with a book to bill higher than 1 and with increased volumes and profitability compared to the same period of the last year.

New Orders: significant growth compared to June 2023. Among the main acquisitions of the period we note:

- As part of the activities related to the Defence & Government Business, the order for the formation of the Joint Operation Center (JOC) of the Joint Operations Command (Comando Operativo di Vertice Interforze, COVI) of the Italian Defence, through the setting up of Operations Rooms and Data Centres and the development of functionalities such as Joint Common Operational Picture

(JCOP), Political Military Economic Social Information Infrastructure (PMESII) and Information Knowledge Management (IKM);

- The order aimed at developing new and innovative solutions for the National Agricultural Information System (NAIS), implementing rules envisaged by the EU's Common Agricultural Policy in terms of recognition towards the demand of Italian farmers, also introducing principles of safety and Cloud orientation;
- Various orders as part of the broader National Strategic Hub (NSH) project aimed at supporting Public Administration companies in their digital transformation by adopting a Cloud model, rationalising Data Centres and adapting connectivity by increasing the level of security of managed data

Revenues: higher volumes compared to the same period of 2023 also as a result of higher orders of the period.

EBITA: up mainly due to increased operating profitability.

Aircraft

The Aircraft sector showed a further improvement in business profitability, which was already recorded in 2023, supported by an important performance of the military business. From a production point of view, for the military programmes of the Aircraft Division no. 23 wings were delivered to Lockheed Martin for the F-35 programme (no. 21 wings delivered in the first half of 2023) and no. 4 fuselages to the Eurofighter consortium and no. 3 wings for the Typhoon programme (no. 3 fuselages and no. 4 wings delivered in the same period of 2023). There were 2 deliveries of aircraft to Kuwait, compared to the 3 deliveries recorded in the first half of 2023:

New Orders: decreased compared to the same period of the prior year, due to acquisitions postponed to the second half of 2024. Among the main acquisitions of the current year, we highlight the logistic component of the EFA and C-27J aircraft, in addition to the supply of wings for the JSF programme.

Revenues: declined compared to the first half of 2023 due to export order deferment and lower pass-through activities.

EBITA: higher than in the first six months of 2023, furtherly increasing the high level of profitability, mainly supported by programmes of the Fighter line.

Aerostructures

The Aerostructures sector showed an increase in volumes, with results in line with the first half of 2023. From an industrial point of view:

- 23 fuselage sections were delivered for the B787 programme (18 fuselages in 2023) and 16 fuselages were delivered under the ATR programme (against 6 fuselages in 2023);
- for GIE-ATR 11 deliveries were registered compared to the 12 ones recorded in the same period of 2023

New Orders: recorded an important increase compared to last year, benefitting from the recovery of the orders for Boeing and ATR fuselages and the increase in the Airbus orders.

Revenues: improved thanks to the increased activities in the period on the B787 programme.

EBITA: The result posted by the GIE Consortium is in line with the first half of 2023 as it almost confirmed the same number of deliveries. The same applies to Aerostructures where the improvement of the production sites which were working at lower capacity, offset the increase in production costs, such as labour and energy costs.

1H 2023 (Euro Million)	New Orders	Revenues	EBITA	ROS %
Aerostructures	225	327	(72)	(22.0%)
GIE ATR	n.a.	n.a.	(5)	n.a.
Total	225	327	(77)	(23.5%)

1H 2024 (Euro Million)	New Orders	Revenues	EBITA	ROS %
Aerostructures	364	353	(71)	(20.1%)
GIE ATR	n.a.	n.a.	(5)	n.a.
Total	364	353	(76)	(21.5%)

Change %	New Orders	Revenues	EBITA	ROS %
Aerostructures	61.8%	8.0%	1.4%	1.9 p.p.
GIE ATR	n.a.	n.a.	n.a.	n.a.
Total	61.8%	8.0%	1.3%	2.0 p.p.

Space

In the first half of 2024 the Sector recorded a good level of acquisitions, considering the positive effects of the NRRP in the period compared to the prior year. The table below highlights the economic performance and profitability of the Space Sector as of 30 June 2024, also with specific reference to Leonardo's Business Space and the Telespazio Group:

1H 2024 (Euro Million)	Ricavi	EBITA	ROS %
Space	399	(1)	(0.3%)
<i>Of which Business Space Leonardo and Telespazio</i>	399	29	7.3%

New Orders: among the main acquisitions of the first half of the year we highlight:

- For the service segment of the subsidiary Telespazio:
 - the order for the preliminary activities under the LCNS (Lunar Communication and Navigation System, better known as MoonLight) programme with the European Space Agency;
 - the orders for Engineering Services for the ESOC (European Space Operations Centre);
- for the manufacturing segment of the Space business line of Leonardo S.p.a.:
 - the order for the phase 2 of the Rubidium POP EQM project aimed at developing a new atomic clock with ESA;

Revenues: for the subsidiary Telespazio, higher volumes thanks to the better performance of the Satellite Systems and Operations and Geo Information Lobs, particularly on institutional programmes.

EBITA: in the service segment, the subsidiary Telespazio recorded an increasing operating result compared to that of last year. Note that in the manufacturing segment the performance of the investee in the Space Alliance was affected, as expected, by significant increases in development costs related to the commercial telecommunication business not reflected in the corresponding six months of 2023

Industrial transactions

Below are the main industrial transactions occurred during 2024:

- ***Consolidation of the Telespazio group.*** Following the amendments to the arrangements originally provided for in the "Space Alliance" with Thales, signed at the start of 2024, Telespazio group was consolidated on a line-by-line basis by Leonardo from 1 January 2024. The transaction brought a capital gain for the Leonardo Group equal to about €mil. 366, recognized following the fair value measurement of the investment previously held in the Telespazio group.
- ***Acquisition of Alea.*** On 16 April 2024, Leonardo finalized the acquisition of the remaining 30% of the quota capital of Alea S.r.l (hereinafter "Alea"), with a total disbursement of about €mil. 1.5. Leonardo entered the quota capital of Alea in 2021, signing an agreement to acquire 70% of the quota capital with an option for a subsequent future acquisition of the remaining portion through a call option mechanism. Following the exercise of its option under the agreed terms and conditions, Leonardo now holds the entire quota capital of Alea.
- ***Disposal of the Underwater Armaments & Systems (UAS) business.*** On 9 May 2024, Leonardo announced the signing of a definitive agreement to sell the Underwater Armaments & Systems (UAS) line of business to Fincantieri for an amount based on an Enterprise Value comprising a fixed component of €mil. 300, subject to usual price adjustment mechanisms, plus a variable component of up to €mil. 115 subject to the achievement of certain 2024 performance targets, for a total

Enterprise Value up to €mil. 415. The closing of the transaction is expected for the beginning of 2025 and is subject to usual authorisations for such transactions.

- **Sale of Industria Italiana Autobus.** On 19 June 2024, Leonardo announced the signing of an agreement to sell its stake in Industria Italiana Autobus to Seri Industrial S.p.A. The transaction was concluded on 11 July 2024.

On 3 July 2024, Leonardo and Rheinmetall signed a Memorandum of Understanding for the industrial development and subsequent commercialization of the new Main Battle Tank (MBT) and the new Lynx Platform for the Armoured Infantry Combat System (AICS), within the Italian Army's ground systems programs. The agreement provides for the creation of a new 50:50 Joint Venture, headquartered in Italy, which will be the Lead System Integrator, prime-contractor and system integrator, in both the Italian programs and will define the roadmap for the participation in the future European Main Ground Combat System (MGCS).

Financial transactions

No new transaction was carried out on the financial markets during the first half of 2024. However, in June 2024 Leonardo S.p.a. repaid €mil. 600 of the bond issued in June 2017, which had reached its natural expiry.

As at 30 June 2024 Leonardo S.p.a. had sources of liquidity for a total of about €mil. 4,210 to meet the financing needs of the Group's recurring operations, all unused at 30 June 2024 and broken-down as follows:

- an ESG-linked Revolving Credit Facility for an amount of €mil. 2,400, divided into two tranches of €mil. 600 and of €mil. 1,800 expiring on 7 October 2024 and on 7 October 2026 respectively;
- additional unconfirmed short-term lines of credit of about €mil. 810;
- a framework programme for the issue of commercial papers on the European market (Multi-Currency Commercial Paper Programme) for a maximum amount of €bil. 1 expiring on 2 August 2025.

The Company also has a €mil. 260 Sustainability-linked financing granted by the European Investment Bank (EIB) – with a contract signed in November 2022 – entirely unused at the date of this report.

Furthermore, Leonardo has unconfirmed lines of credit for a total of €mil. 10,979, of which €mil. 3,385 still available as at 30 June 2024.

Finally, other Group subsidiaries have the following credit facilities.

- Leonardo DRS has a Revolving Credit Facility for an amount of USDmil. 275 (€mil. 257) which was entered into at the same time as the completion of the merger with RADA, entirely unused at 30 June 2024;
- Leonardo US Corporation has short-term revocable credit lines, guaranteed by Leonardo Spa, for USDmil. 210 (€mil. 196), which were used for USDmil. 20 (€mil. 19) at 30 June 2024;
- Leonardo US Holding has short-term revocable credit lines, guaranteed by Leonardo, for USDmil. 5 (€mil. 5), which were unused at 30 June 2024.

Finally, Leonardo had in place an EMTN (Euro Medium Term Note) programme, renewed in May 2024 for an additional 12-month period, for the possible issue of bonds on the European market for a total of €bil. 4 that, at the date of this report, was still available for €mil. 3,000. Outstanding bond issues are given a medium/long-term financial credit rating by the international rating agencies Moody's, Standard&Poor's and Fitch.



In this regard it should be noted that, on the reporting date, thanks to the positive results shown by the Group during 2022 and 2023, Leonardo's credit ratings, compared to those preceding the last change, were as follows:

Agency	Last update	Previous		Updated	
		Credit Rating	Outlook	Credit Rating	Outlook
Moody's	May 2023	Ba1	positive	Baa3	stable
Standard&Poor's	August 2023	BB+	positive	BBB-	stable
Fitch	January 2022	BBB-	negative	BBB-	stable

With regard to the impact of positive or negative changes in Leonardo's credit ratings, the only possible effects deriving from further changes, if any, to the credit ratings refer to rate margins applied to certain payables of Leonardo (Revolving Credit Facility and Term Loan).

Furthermore, it should be noted that the Funding Agreement between MBDA and its shareholders also provides, among other things, that any change in the rating assigned to the shareholders will result in a change in the applicable margin.

At the date of this report, Leonardo S.p.a. turns out to be the Group's only issuer in the bond market. Leonardo's issuance programmes are governed by regulations laying down standard legal clauses for this type of transactions carried out by corporate entities in institutional markets, which do not require any commitment with respect to specific financial covenants, while they include, among others, negative pledge and cross default clauses. According to negative pledge clauses, Leonardo and its Material Subsidiaries (i.e. entities in which Leonardo holds more than 50% of the capital and whose gross revenues and total assets account for at least 10% of consolidated gross revenues and total assets) are specifically prohibited from creating collaterals or any other encumbrance as security for their debt comprised of bonds or financial instruments that are either listed or capable of being listed, unless these guarantees are extended to all the bondholders. This prohibition shall not apply to securitisation transactions and to any set of assets intended for specific businesses pursuant to Articles 2447-bis and ff. of the Italian Civil Code. On the contrary, cross default clauses grant the bondholders the right to request early repayment of bonds in their possession upon the occurrence of an event of default on the part of Leonardo and/or any of its Material Subsidiaries, the result of which would be their failure to make payments above the established limits.

Financial covenants are included in the ESG-linked Revolving Credit Facility and in the ESG-linked Term Loan signed in 2021 which require Leonardo to comply with two Financial ratios (the ratio of Group net debt - excluding payables to the joint ventures MBDA and Thales Alenia Space and lease liabilities / EBITDA, including amortisation of the right of use assets, must be no higher than 3.75 and the ratio of EBITDA, including amortisation of the right of use assets / Net interest must be no lower than 3.25), tested annually based on consolidated data and which had been complied with in full at 31 December 2023. These covenants are tested annually and are included in the loan agreement with CDP of €mil. 100, as well as in all EIB loans in place (they had been used for a total amount of €mil. 463 at 30 June 2024).

In addition, the ESG-linked loans illustrated above envisaged margin adjustment clauses based on the achievement of certain indicators (KPIs) related to ESG objectives. Specifically:



- Reduction in CO2 emissions of the Group; such KPI is included in the RCF and in the Term Loan signed in 2021 as well as in the Sustainability-Linked Loan granted by the European Investment Bank in 2022;
- Promotion of female employment with STEM degrees; such KPI is included in the RCF and in the Term Loan signed in 2021;
- Increase in per capita computing power of the Group; such KPI is included in the Sustainability-Linked Loan granted by the European Investment Bank in 2022

Financial covenants, in line with U.S. standard practices, are also provided for in bank loans granted in favour of Leonardo DRS, following its listing on the market. Also such financial ratios (Net debt / adj. EBITA no higher than 3.75 and adj. EBITA /Net interest no lower than 3.0, to be determined based on the data obtainable from the US GAAP financial statements of the Leonardo DRS Group) were met at the date of the last reported data.

The officer in charge of the company's financial reporting, Alessandra Genco, hereby declares, in accordance with the provisions of Article 154-bis, paragraph 2, of the Consolidated Law on Finance, that the accounting information included in this press release corresponds to the accounting records, books and supporting documentation.

The BoD approved the start of the merger by incorporation of UTM

The Leonardo's Board of Directors, at today's meeting, also approved the merger by incorporation plan into Leonardo S.p.a of UTM Systems & Services S.r.l., company focused on the development and provision of low-altitude air traffic management services for remotely piloted aircraft and of all other kinds of aircraft falling into the unmanned aerial vehicles ("UAV") class.

Today, the merger by incorporation plan has also been approved by the Board of Directors of UTM.

The operation, proposed for economic-organizational reasons and, more specifically, for rationalization and simplification of the corporate chain within the scope of the Program relating to the provision of UTM Services to ENAV, envisages - before the signing of the Merger Deed - the purchase by Leonardo (which currently holds 66.666% of the capital of UTM) of the shareholding held by Telespazio S.p.A. in the same UTM (33.333%) which, therefore, would become entirely owned by Leonardo. Following the merger, Leonardo will directly provide the services currently carried out by UTM.

Pursuant to current regulations, the operation - which benefits from the simplified provisions concerning the absorption of wholly-owned companies - will be submitted for approval to the Extraordinary Meeting of the merging company and to the Board of Directors of Leonardo. The merger is based on the latest financial statements as of 30 June 2024 approved today by the two companies, will be effective (also accounting and tax) with effect from 1st January 2025 and will not involve for Leonardo any issue of new shares, nor assignment of Leonardo shares. Furthermore, the Leonardo's Articles of Association shall not be amended.

The documents relating to the aforementioned merger will be made available to the public according to terms and conditions set forth in the current regulations.

The transaction benefited from the exclusion from the application of the regulatory and procedural provisions regarding transactions between related parties, as a transaction to be carried out with a subsidiary company, as well as "of a Small Amount" pursuant to the "Procedure for Transactions with Related Parties" adopted by the Leonardo's Board of Directors.

CONSOLIDATED INCOME STATEMENT

<i>€mil.</i>	1H 2023	1H 2024	Var. YoY	1H 2023	1H 2024	Var.YoY
Revenues	6,894	7,985	1,091	3,860	4,321	461
Purchases and personnel expense	(6,201)	(7,193)	(992)	(3,425)	(3,874)	(449)
Other net operating income/(expense)	(20)	27	47	(16)	31	47
Equity-accounted strategic JVs	29	9	(20)	43	13	(30)
Amortisation and depreciation	(272)	(325)	(53)	(137)	(170)	(33)
EBITA	430	503	73	325	321	(4)
<i>ROS</i>	6.2%	6.3%	<i>0,1 p.p.</i>	8.4%	7.4%	<i>(1,0) p.p.</i>
Non recurring income (expense)	(13)	(70)	(57)	(10)	(69)	(59)
Restructuring costs	(31)	(15)	16	(30)	(10)	20
Amortisation of intangible assets acquired as part of Business combinations	(18)	(28)	(10)	(10)	(20)	(10)
EBIT	368	390	22	275	222	(53)
<i>EBIT Margin</i>	5.3%	4.9%	<i>(0,4) p.p.</i>	7.1%	5.1%	<i>(2,0) p.p.</i>
Net financial income/ (expense)	(97)	(90)	7	(56)	(46)	10
Income taxes	(74)	(111)	(37)	(62)	(80)	(18)
Net result before extraordinary transactions	197	189	(8)	157	96	(61)
Net result related to extraordinary transactions and discontinued operations	11	366	355	11	-	(11)
Net result	208	555	347	168	96	(72)
<i>attributable to the owners of the parent</i>	196	526	330	160	79	(81)
<i>attributable to non-controlling interests</i>	12	29	17	8	17	9
Earning per share (Euro)						
<i>Basic e diluted</i>	0.341	0.914	0.573	0.278	0.137	(0.141)
Earning per share of continuing operation (Euro)						
<i>Basic e diluted</i>	0.341	0.914	0.573	0.278	0.137	(0.141)
Earning per share of discontinuing operation (Euro)						
<i>Basic e diluted</i>	-	-	-	-	-	-

CONSOLIDATED BALANCE SHEET

<i>€mil.</i>	30.06.2023	31.12.2023	30.06.2024
Non-current assets	13,876	14,295	15,037
Non-current liabilities	(2,216)	(2,248)	(2,353)
Capital assets	11,660	12,047	12,684
Inventories	1,183	596	1,219
Trade receivables	3,474	3,685	3,856
Trade payables	(2,739)	(3,268)	(3,299)
Working capital	1,918	1,013	1,776
Provisions for short-term risks and charges	(1,057)	(1,087)	(986)
Other net current assets (liabilities)	(978)	(1,049)	(1,138)
Net working capital	(117)	(1,123)	(348)
Net invested capital	11,543	10,924	12,336
Equity attributable to the Owners of the Parent	7,387	7,800	8,306
Equity attributable to non-controlling interests	520	761	1,091
Equity	7,907	8,561	9,397
Group Net Debt	3,637	2,323	3,000
Net (assets)/liabilities held for sale	(1)	40	(61)

CONSOLIDATED CASH FLOW STATEMENT

<i>€mil.</i>	1H 2023	1H 2024
Cash flows used in operating activities	(405)	(294)
Dividends received	177	136
Cash flow from ordinary investing activities	(289)	(344)
Free operating cash flow (FOCF)	(517)	(502)
Strategic investments	27	-
Change in other investing activities	(13)	7
Net change in loans and borrowings	161	(686)
Dividend Paid	(82)	(175)
Net increase/(decrease) in cash and cash equivalents	(424)	(1,356)
Cash and cash equivalents at 1 January	1,511	2,407
Exchange rate gain/losses and other movements	-	16
Cash and cash equivalents at 30 June	1,087	1,067

CONSOLIDATED GROUP NET DEBT

<i>€mil.</i>	30.06.2023	31.12.2023	30.06.2024
Bonds	1,607	1,631	1,009
Bank debt	1,488	1,312	1,277
Cash and cash equivalents	(1,087)	(2,407)	(1,067)
Net bank debt and bonds	2,008	536	1,219
Current loans and receivables from related parties	(114)	(183)	(276)
Other current loans and receivables	(23)	(22)	(27)
Current loans and receivables and securities	(137)	(205)	(303)
Hedging derivatives in respect of debt items	(5)	6	(4)
Related-party loans and borrowings	1,070	1,292	1,376
Leasing liabilities	621	610	641
Other loans and borrowings	80	84	71
Group net debt	3,637	2,323	3,000

EARNINGS PER SHARE

	1H 2023	1H 2024	Chg. YoY
Average shares outstanding during the reporting period (in thousands)	575,307	575,307	-
Earnings/(losses) for the period (excluding non-controlling interests) (€ million)	196	526	330
Earnings/(losses) - continuing operations (excluding non-controlling interests) (€ million)	196	526	330
Earnings/(losses) - discontinued operations (excluding non-controlling interests) (€ million)	-	-	-
BASIC AND DILUTED EPS (EUR)	0.341	0.914	0.573
BASIC AND DILUTED EPS from continuing operations	0.341	0.914	0.573
BASIC AND DILUTED EPS from discontinuing operations	-	-	-



1H 2023 (Euro million)	Helicopters	Defence Electronics & Security	Cyber & Security Solutions	Aircraft	Aerostructures	Space	Other activities	Eliminations	Total
New orders	2,805	4,120	278	1,497	225	-	323	(557)	8,691
Order backlog 31.12.2023	14,426	15,890	993	7,972	1,095	-	375	(1,222)	39,529
Revenues	2,160	3,052	267	1,348	327	-	363	(623)	6,894
EBITA	157	297	12	160	(77)	2	(121)	-	430
<i>EBITA margin</i>	7.3%	9.7%	4.5%	11.9%	(23.5%)	n.a.	(33.3%)	n.a.	6.2%
EBIT	152	262	3	159	(77)	2	(133)	-	368
Amortisation	44	95	6	12	25	-	47	-	229
Investments	91	96	4	40	24	-	33	-	288

1H 2024 (Euro million)	Helicopters	Defence Electronics & Security	Cyber & Security Solutions	Aircraft	Aerostructures	Space	Other activities	Eliminations	Total
New orders	3,584	5,013	427	1,026	364	335	377	(802)	10,324
Orders backlog	15,666	17,212	1,052	7,781	1,107	1,617	472	(1,561)	43,346
Revenues	2,425	3,460	301	1,272	353	399	398	(623)	7,985
EBITA	172	363	16	167	(76)	(1)	(138)	-	503
<i>EBITA margin</i>	7.1%	10.5%	5.3%	13.1%	(21.5%)	(0.3%)	(34.7%)	n.a.	6.3%
EBIT	170	304	(14)	167	(80)	(13)	(144)	-	390
Amortisation	47	107	6	21	17	22	48	-	268
Investments	132	111	4	32	18	8	44	-	349

2Q 2023 (Euro million)	Helicopters	Defence Electronics & Security	Cyber & Security Solutions	Aircraft	Aerostructures	Space	Other activities	Eliminations	Total
New orders	916	1,979	112	766	99	-	190	(239)	3,823
Revenues	1,280	1,600	137	789	176	-	190	(312)	3,860
EBITA	119	183	6	106	(21)	1	(69)	-	325
<i>EBITA margin</i>	9.3%	11.4%	4.4%	13.4%	(11.9%)	n.a.	(36.3%)	n.a.	8.4%
EBIT	115	157	(2)	121	(37)	1	(80)	-	275
Amortisation	23	48	3	7	12	-	26	-	119
Investments	46	53	2	26	14	-	20	-	161

2Q 2024 (Euro million)	Helicopters	Defence Electronics & Security	Cyber & Security Solutions	Aircraft	Aerostructures	Space	Other activities	Eliminations	Total
New orders	1,541	2,213	223	458	111	233	76	(284)	4,571
Revenues	1,340	1,801	162	702	178	239	206	(307)	4,321
EBITA	118	198	8	112	(33)	1	(83)	-	321
<i>EBITA margin</i>	8.8%	11.0%	4.9%	16.0%	(18.5%)	n.a.	(40.3%)	n.a.	7.4%
EBIT	118	152	(22)	112	(37)	(11)	(90)	-	222
Amortisation	24	50	3	10	8	16	26	-	137
Investments	70	65	3	20	7	6	26	-	197



Leonardo is an international industrial group, among the main global companies in Aerospace, Defence, and Security (AD&S). With 53,000 employees worldwide, the company approaches global security through the Helicopters, Electronics, Aircraft, Cyber & Security and Space sectors, and is a partner on the most important international programmes, within these sectors, such as Eurofighter, NH-90, FREMM, GCAP, and Eurodrone. Leonardo has significant production capabilities in Italy, the UK, Poland, and the USA. Leonardo utilises its subsidiaries, joint ventures, and shareholdings, which include Leonardo DRS (72.3%), MBDA (25%), ATR (50%), Hensoldt (22.8%), Telespazio (67%), Thales Alenia Space (33%), and Avio (29.6%). Listed on the Milan Stock Exchange (LDO), in 2023 Leonardo recorded new orders for €17.9 billion, with an order book of €39.5 billion and consolidated revenues of €15.3 billion. Included in the MIB ESG index, the company has also been part of the Dow Jones Sustainability Indices (DJSI) since 2010.

Press Office

Ph +39 0632473313

leonardopressoffice@leonardo.com

Investor Relations

Ph +39 0632473512

ir@leonardo.com

leonardo.com

Fine Comunicato n.0131-48-2024

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