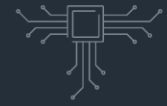




LEONARDO FY2023 PRELIMINARY RESULTS

29 February 2024



Electronics



Helicopters



Aircraft



Cyber & Security



Space



Unmanned Systems



Aerostructures

DISCLAIMER

- It should be noted that the approval of the draft statutory financial statements and the consolidated financial statements of Leonardo as of 31 December 2023 is scheduled for 11 March 2024.
- Therefore, the data reported in this document have not completed the audit process (pursuant to Legislative Decree 39/2010 and Legislative Decree 254/2016) by the appointed auditor and are to be considered “unaudited”.
- Furthermore, the activities pursuant to Law 262/2005 carried out on behalf of the Group Manager in Charge on the Corporate Accounting Information Control Model are still ongoing and not completed.



Agenda

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4. Appendix



FY 2023 preliminary results: delivering on strategy and financial targets



Orders

€17.9bn, +3.8%

Ahead of FY 2023 guidance, with book-to-bill of 1.2x, reflecting strong commercial momentum



Revenues

€15.3bn, +3.9%

In line with guidance, delivering on our strong backlog



EBITA, margin

€1.29bn, +5.8% YoY

In line with guidance, margin of 8.4%



FOCF

€635m, +17.8% YoY

Ahead of guidance, topline growth with cost & investment discipline

NET DEBT

€2.3bn, -23% YoY

Ahead of guidance, improving in line with expectations



Good strategic and financial progress in 2023

1 Reorganizing Leonardo




- Direct reports to CEO reduced from 26 to 10
- Appointed a new Chief Innovation Officer, Chief M&A and Strategy Officer, Chief Sustainability Officer and Cyber Division's Managing Director
- People Strategy focused on building a technology-based company

2 Relaunching Cyber and Space for a new concept of Defence



- Created a new Space business Division
- Telespazio fully consolidated in Leonardo's accounting from FY 2024
- Expected double digit growth for the future

3 Strengthening international alliances



- GCAP

KNDS • Land systems

4 Exit from non-core businesses



- Skydweller
- Industria Italiana Autobus (IIA)

5 Increasing financial flexibility



- Sold 8% stake in DRS in November 2023 through a secondary offering

6 Achieving investment grade rating



S&P Global
BBB-

MOODY'S
Baa3

FitchRatings
BBB-



Important progress towards ESG milestones in 2023

Decarbonisation



- -9.5% Scope 1 & 2 market-based **emissions** vs 2022
- -7.5% **water withdrawal** vs 2022
- -2.3% **energy consumption** vs 2022
- Continued commitment to **SBTi**

Innovation



- R&D as % of revenues at 14% vs 12% in 2022
- **Data computing power per capita** increased by 4.3% vs 2022
- **Data storage capacity per capita** increased by 13.9% vs 2022

Diversity and inclusion



- Greater **gender balance** in top management
- **20%** of female managers out of total managers vs 19% in 2022
- **22.4% women hires with STEM degree** on total hires with STEM degree

Commitment to sustainable finance



- **55%** of financial sources ESG linked



Key messages

- Successfully delivered on FY 2023 financial targets
- Good progress on strategy
- Focussed on our new Industrial Plan, to be presented on 12th March
- Transforming Leonardo into a global technology-based company
- Strengthening the core business, while paving the way for the future



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Fully consolidating Telespazio

- Reviewed Space Alliance agreement with Thales
- From 2024, Leonardo will fully consolidate Telespazio
- For 2022 and 2023, Proforma KPIs available to show the effects of the full consolidation of Telespazio



FY23: Strong commercial and financial performance

Financial KPI	FY 2022	FY 2023	Change	FY 2023		Pro-Forma for Telespazio consolidation ¹	
	(Actual)	(Preliminary)		(Guidance)		FY 2022	FY 2023
New Orders, €bn	17.3	17.9	3.8%	ca. 17	✓ ✓	18.0	18.7
Revenue, €bn	14.7	15.3	3.9%	15 – 15.6	✓	15.4	16.0
EBITA, €M	1,218	1,289	5.8%	1,260 – 1,310	✓	1,250	1,326
ROS, %	8.3%	8.4%	0.1 p.p	-	✓	8.1%	8.3%
FOCF, €M	539	635	17.8%	ca. 600	✓ ✓	559	652
Net debt ² , €bn	3.0	2.3	-23%	ca. 2.6	✓ ✓	3.0	2.3

1. Telespazio fully consolidated

2. Net debt includes the effect deriving from DRS transaction



Helicopters: robust performance with increasing pace of deliveries



<i>€mln</i>	2022	2023	Change
Orders	6,060	5,513	-9.0%
Revenues	4,547	4,725	3.9%
EBITA	415	422	1.7%
RoS (%)	9.1%	8.9%	-0.2 p.p.

Highlights

- Continued good order development following a strong 2022
- 185 new helicopters delivered (149 units in 2022)
- Revenue growth driven by dual-use models and CS&T contribution (43% in 2023)
- Focussed cost actions offsetting inflationary pressures



Defence Electronics: strong commercial performance with growth across all segments



Electronics Europe

€mIn	2022	2023	Change
Orders	5,628	6,521	15.9%
Revenues	4,712	4,907	4.1%
EBITA *	553	600	8.5%
RoS (%)	11.7%	12.2%	+0.5 p.p.

DRS

\$mIn	2022	2023	Change
Orders	3,156	3,516	11.4%
Revenues	2,693	2,826	4.9%
EBITA *	265	273	+3%
RoS (%)	9.8%	9.7%	-0.1 p.p.

Electronics Europe

- Double-digit order growth, with major UK order of MK2 radars for RAF Typhoon fleet, update of 90 C1 Ariete tanks and JoC COVI
- Revenue growth driven by higher volumes across segments
- EBITA growth in main business areas, Cyber Security, and greater contribution of JVs

DRS

- Strong orders, benefitting from key areas of strategic focus
- Revenue growth driven by multi-mission advanced sensing, naval and ground network computing programs
- Profitability reflecting contracts in developmental stage

* Including proportional net income of MBDA and Hensoldt



Aircraft: resilient margin and profit contribution



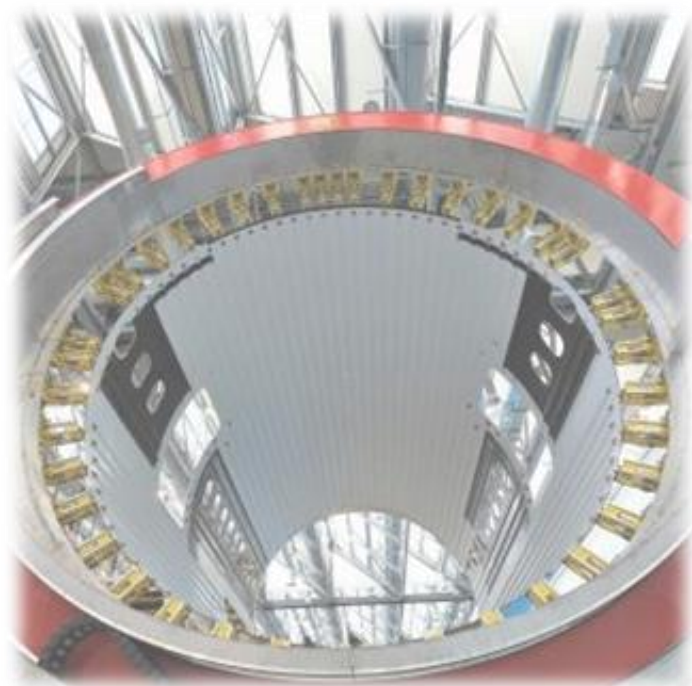
<i>€mln</i>	2022	2023	Change
Orders	2,800	2,395	-14.5%
Revenues	3,085	2,938	-4.8%
EBITA	421	419	-0.5%
RoS (%)	13.6%	14.3%	0.7 p.p.

Highlights

- Solid order intake from Fighter jets and cargo aircraft
- Postponement of some export orders now expected in H1 2024
- Revenues reflecting YoY comparison with 2022, which benefitted from ramp up of EFA Kuwait
- Continued strong profitability, with ~70bps margin improvement led by EFA and JSF programmes



Aerostructures & ATR: further progress in line with recovery plan



€mln	2022	2023	Change
Orders	420	644	53.3%
Revenues	475	636	33.9%
EBITA*	(189)	(151)	20.1%
RoS (%)	(39.8%)	(23.7%)	16.1 p.p.

Highlights

- Orderbook development reflecting continued recovery in air traffic
- 39 fuselage sections and 32 stabilizers delivered for B787 program (22 fuselages and 13 stabilizers in 2022)
- Revenue growth from increased activity across business lines
- EBITA recovery on track
- Remain committed to breakeven by end 2025
- ATR: delivery of 36 aircraft (25 in 2022) with record year for Services revenue

* Including ATR GIE



Space: building blocks in place for new focussed division



Pro-Forma for Telespazio consolidation

€mln	2022	2023	Change
Orders	780	763	-2.2%
Revenues	650	701	7.8%
EBITA*	63	53	-15.9%
RoS (%)	9.7%	7.6%	-2.1p.p.

Highlights

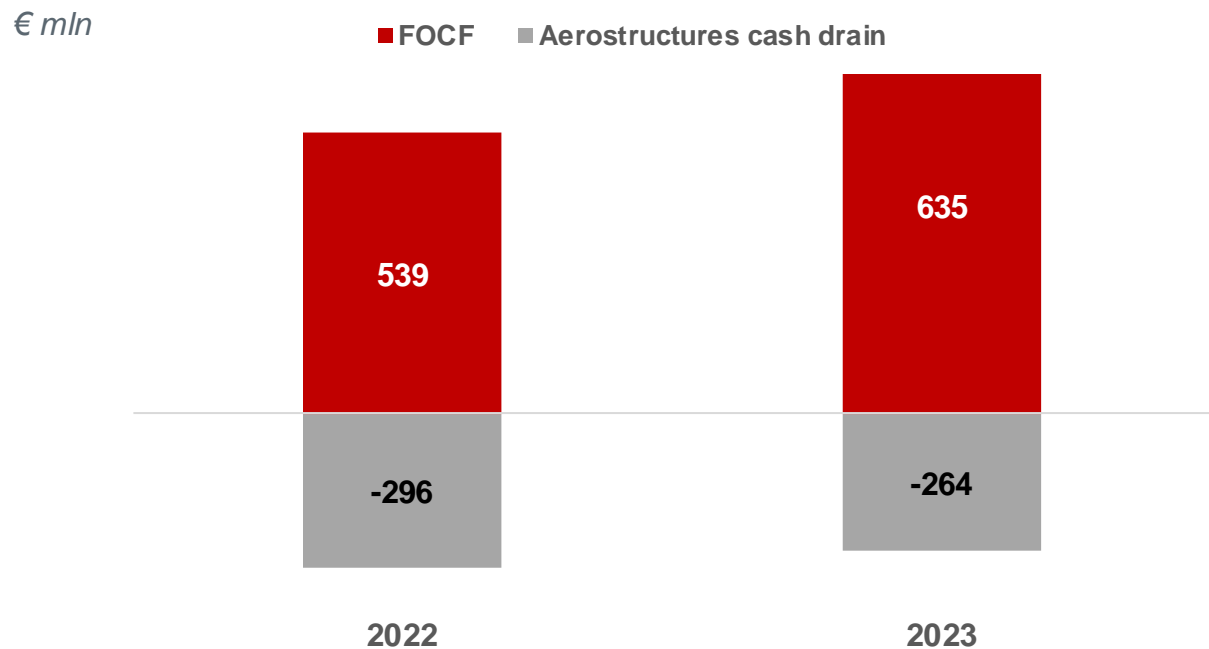
- Telespazio to be consolidated following amendment of Space Alliance agreement with Thales
- Year-on-year decline in EBITA reflects difficult market environment in satellite manufacturing for commercial telecommunication markets
- Telespazio to benefit from growing demand for services, particularly in the Geo information segments and SatCom

* Including proportional net income of TAS



Significant progress in cash generation, in line with targets

Free Operating Cash Flow



- 69% Group cash conversion*
- Slightly lower cash absorption from Aerostructures vs 2022

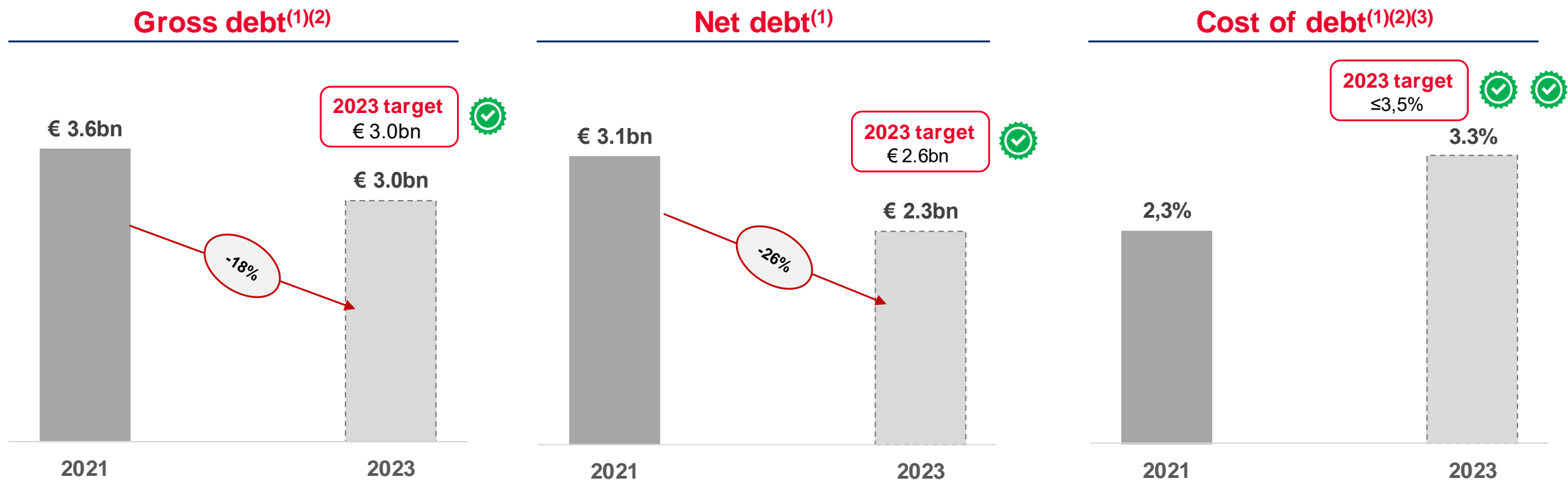
Main drivers

- Mid-single digit revenue growth
- Mid-single digit EBITA growth
- Continued cash discipline, and working capital efficiency
- Consistent contribution from JVs
- Aerostructures moving to breakeven in 2025



* FOCF / Ebita Adj post interest expenses and taxes paid

Reduced gross debt by ca. 18% and net debt by ca. 26% and cost of debt below 2023 target



- Important deleveraging achieved in 2023 vs 2021, both in terms of gross (ca. -18%) and net debt (ca. -26%)
- Debt decreased notwithstanding strategic acquisition and continued investments in new products
- Disciplined financial strategy, together with upgrade to Investment Grade obtained from the three Rating Agencies, allowed Leonardo to keep cost of funding around 3.3%, below expected target



(1) End of Period
(2) Based on Bond, EIB, Term Loan e CDP

(3) 2021 Proforma repayment of the Bond expiring in January 2022

Closing remarks

- **Financial performance** in line with expectations; significant improvement in FOCF
- **Helicopters** – continued robust commercial performance, higher deliveries and customer support
- **Defence Electronics** – strong commercial performance and positive growth across all sectors
- **Cyber** – repositioning the business and leveraging Group's defence & institutional presence
- **Aircraft** – strong delivery of profit and higher margin
- **Aerostructures** – further progress in line with recovery plan
- **Space** – building blocks in place for new focussed division
- **Industrial Plan** to be presented on 12th March providing strategic direction with near and medium-term targets



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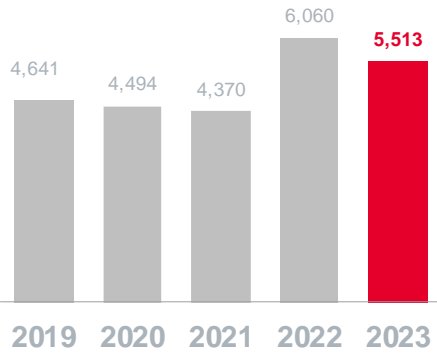
4. Appendix



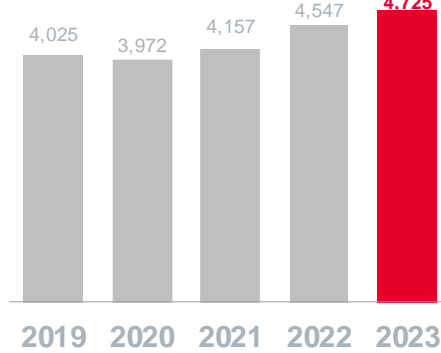
Helicopters

2019-2023 Results

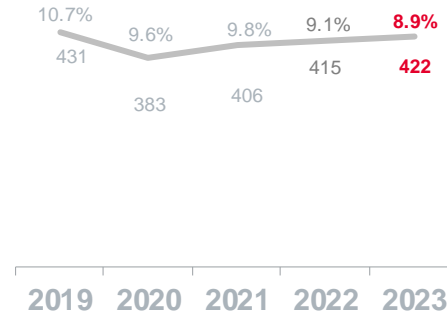
Orders (€ mln)



Revenues (€ mln)



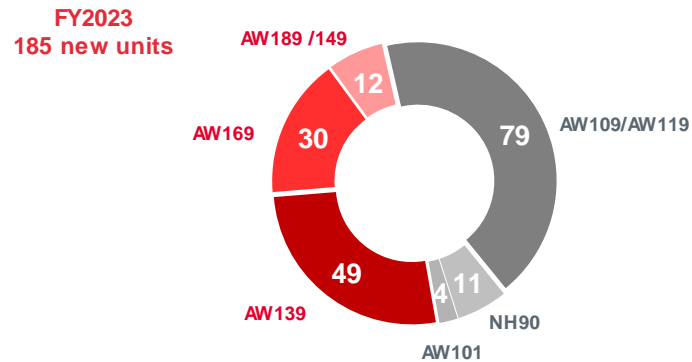
EBITA (€ mln) and Profitability



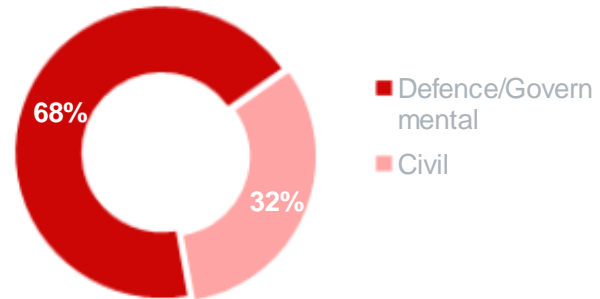
4Q23 Results

	4Q 2022	4Q 2023	% Change
Orders	1,437	1,336	-7.0%
Revenues	1,393	1,523	+9.3%
EBITA	181	172	-5.0%
RoS	13.0%	11.3%	-1.7 p.p.

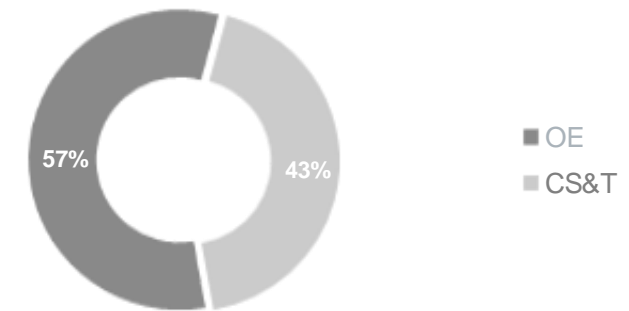
Deliveries by programme



Revenues by customer



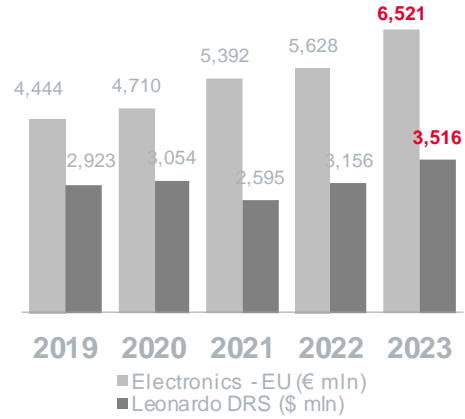
Revenues by segment



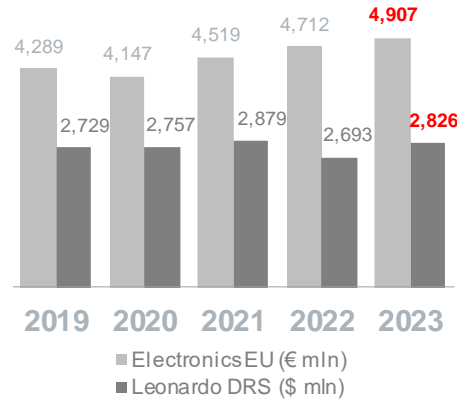
Electronics

2019-2023 Results

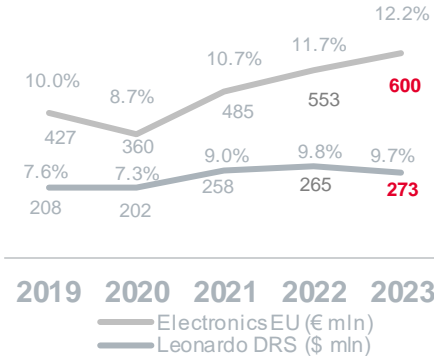
Orders



Revenues



EBITA and Profitability



4Q23 Results

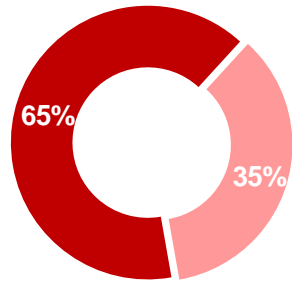
ELECTRONICS - EU

	4Q 2022	4Q 2023	% Change
Orders	2,134	1,666	-21.9%
Revenues	1,562	1,614	3.3%
EBITA	247	273	10.5%
RoS	15.8%	16.9%	+1.1 p.p.

Leonardo DRS

	4Q 2022	4Q 2023	% Change
Orders	852	1,014	19.0%
Revenues	820	926	12.9%
EBITA	104	115	10.6%
RoS	12.7%	12.4%	-0.3 p.p.

Revenues by segment

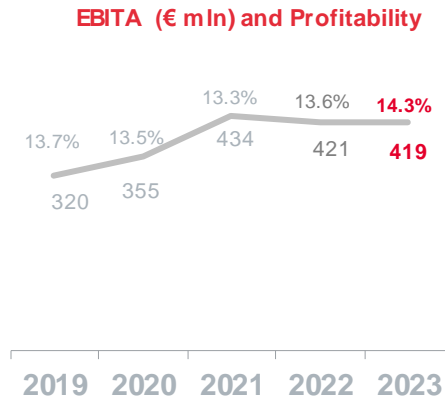
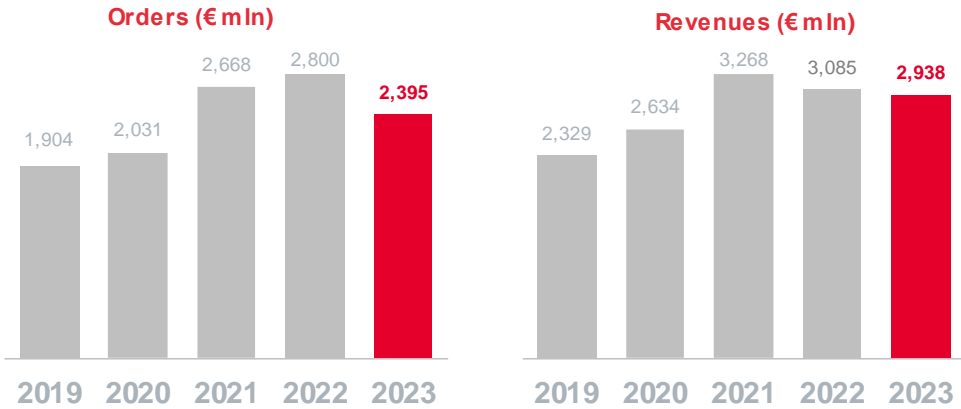


■ Electronics EU ■ Leonardo DRS

* Avg. exchange rate €/€ @ 1.05 in FY2022; Avg. exchange rate €/€ @ 1.08 in FY2023

Aircraft

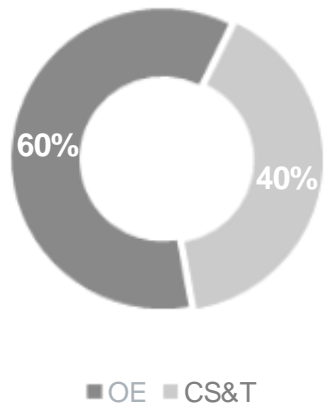
2019-2023 Results



4Q23 Results

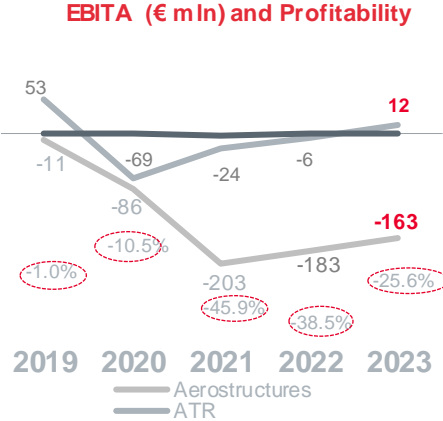
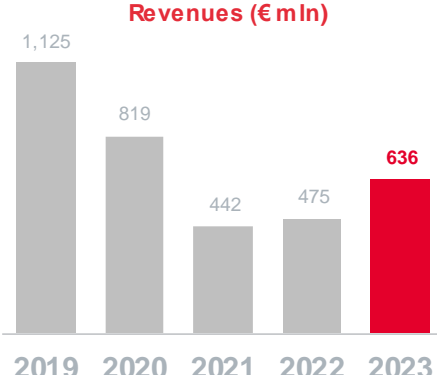
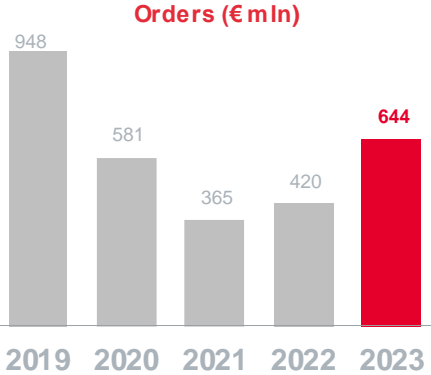
	4Q 2022	4Q 2023	% Change
Orders	1,163	570	-51%
Revenues	1,126	1,000	-11.2%
EBITA	178	177	-0.6%
RoS	15.8%	17.7%	+1.9 p.p.

Revenues by segment



Aerostructures and ATR

2019-2023 Results



4Q23 Results

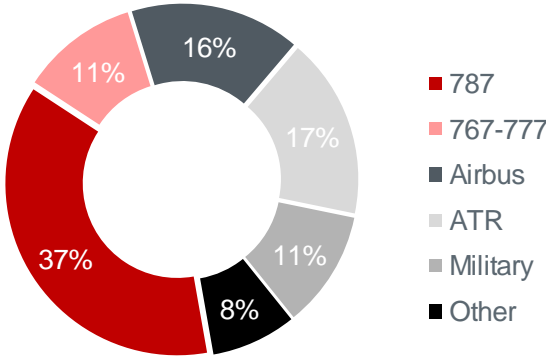
Aerostructures

€ mln	4Q 2022	4Q 2023	% Change
Orders	78	116	48.7%
Revenues	124	173	39.5%
EBITA	-49	-33	32.7%
RoS	-38.5%	-19.1%	20.4 p.p.

ATR

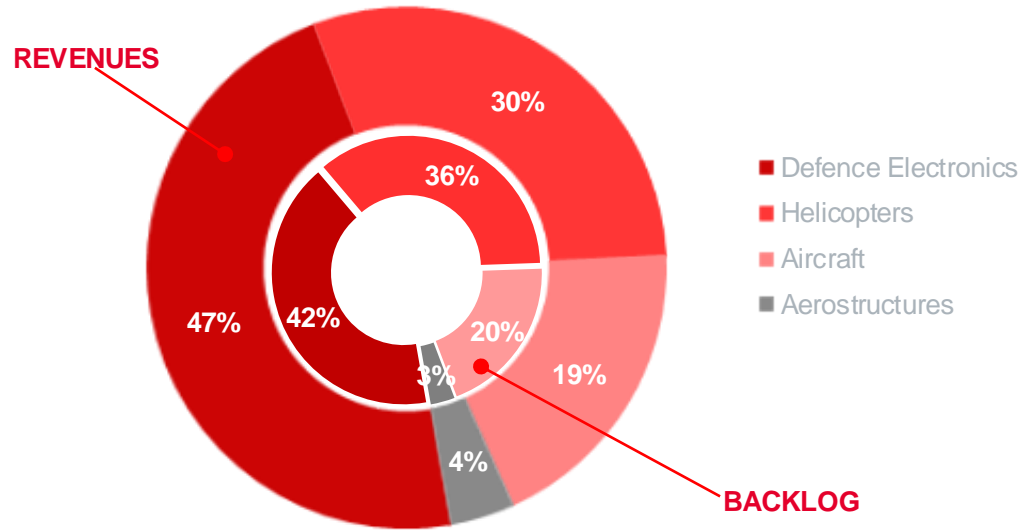
€ mln	4Q 2022	4Q 2023	% Change
EBITA	-2	14	800%

Revenues by programme

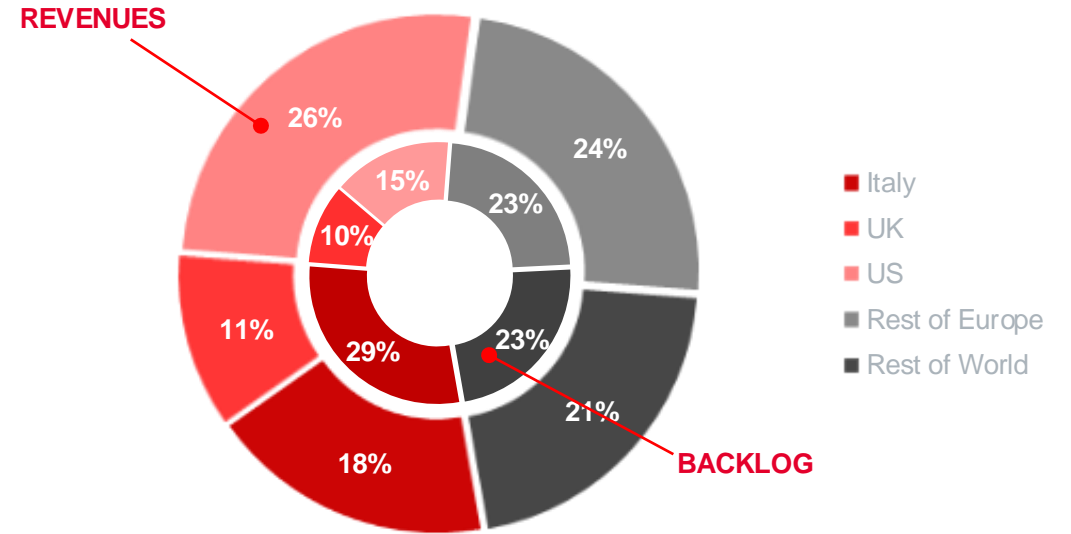


Revenue and Backlog diversification

Revenues and backlog by business



Revenues and backlog by geography

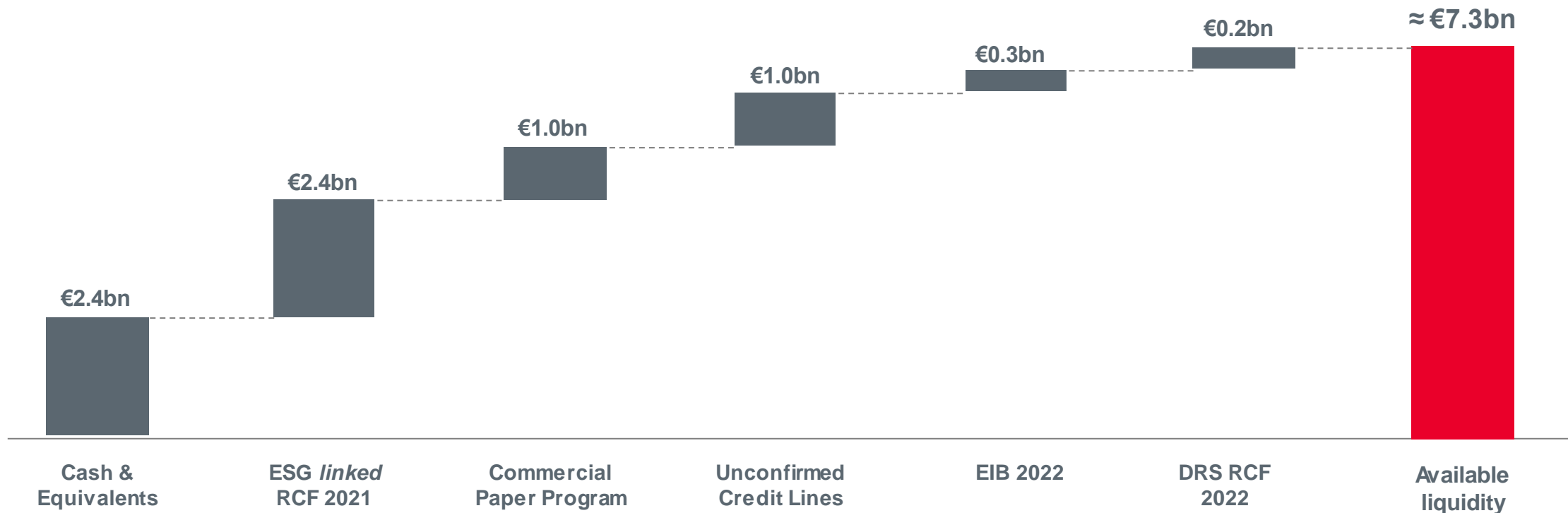


REVENUES	NEW ORDERS	ORDER BACKLOG	EBITA
€ 15.3 BN	€ 17.9 BN	€ 39.5 BN	€ 1.3 BN



Solid Group liquidity ensures adequate financial flexibility

- As at 31 December 2023 Leonardo had sources of liquidity available for a total of about € 7.3bn to meet the financing needs of the Group's, broken down as follows:
- Cash in-hands equal to € 2.4bn
- ESG Revolving Credit Facility (RCF) equal to € 2.4bn
- Commercial Paper Program equal to € 1.0bn
- Existing unconfirmed credit lines equal to € 1.0bn
- «Sustainability-Linked» EIB loan equal to € 0.3bn
- Revolving Credit Facility signed by Leonardo DRS, following the merger with RADA, equal to € 0.2bn

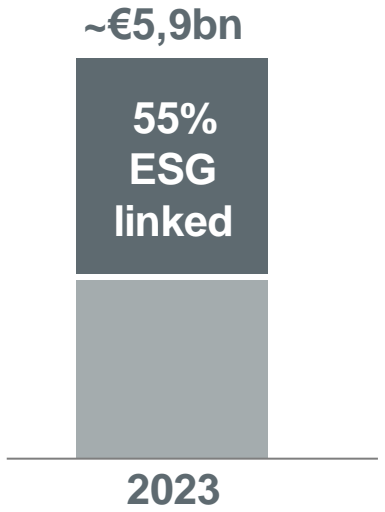


55% of Leonardo funding sources are “ESG linked”




- ESG linked financial transactions**
- €2.4 bn **ESG linked Revolving Credit Facility (RCF)**
- €600 mln **ESG linked Term Loan**
- €260 mln **EIB Loan**



Financing sources



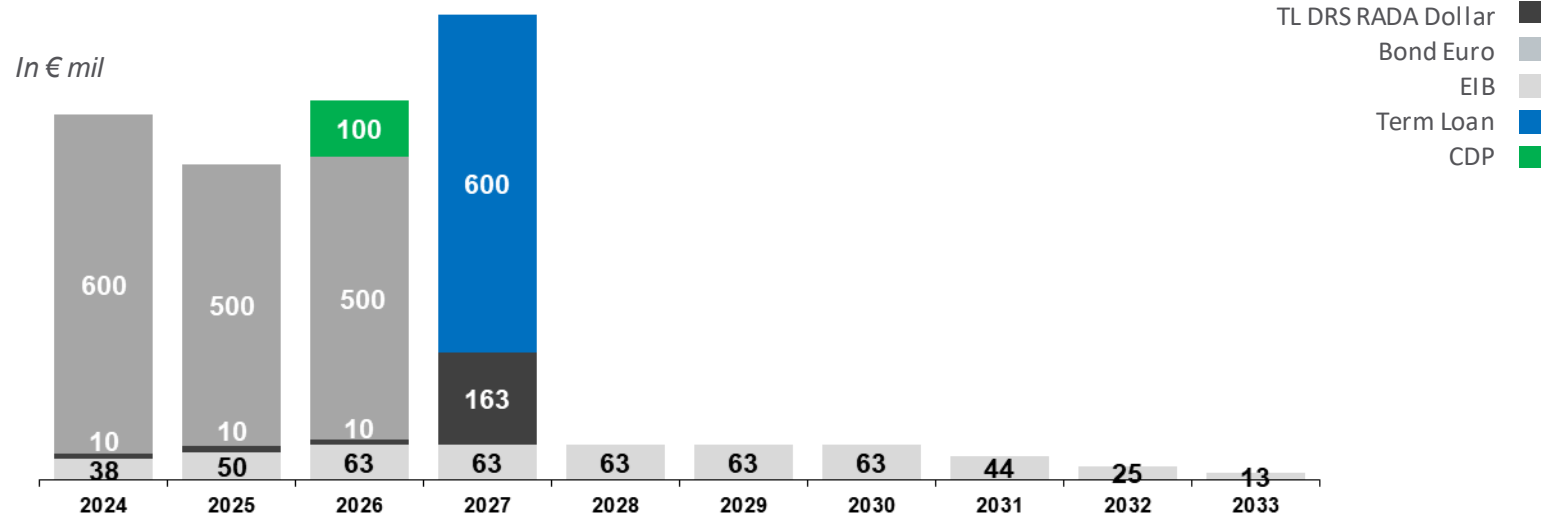
KPIs selected fully aligned with ESG strategy and Long-Term Incentive Plan

- Reduction of CO₂ emissions 
- Employment of women with STEM degree 
- Computing power per capita 



Balanced debt maturity profile

Debt maturity
Average life: ≈ 2,3 years



CREDIT RATING

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



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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