



1Q 2022 Results Presentation

Rome

5 May 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 start to the year: progressing well with our plans

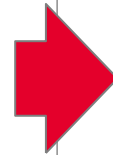
First step to achieve our FY2022 Guidance

**GOOD START TO THE YEAR
IN LINE WITH EXPECTATIONS**



- Back on a growth path
- Progressing well with our plans
 - Order intake of € 3.8 bn, up 10.8% with no jumbo orders included
 - Backlog at € 36.3 bn
 - Revenues at € 3.0 bn, up 7.7% YoY
 - EBITA at € 132 mln, up 38.9% YoY
 - RoS at 4.4%, up 1.0 p.p.
 - FOCF at € -1.1 bn, up over 300 million YoY
- S&P revised outlook to positive
- Reconfirming 2022 guidance

**STRONG DEMAND FROM DEFENCE AND
GOVERNMENTAL MARKETS**



- Leveraging on our exposure in key domestic markets
- Good continued demand in export markets
- Well positioned in markets that are committed to growing their defence spending
- Moving towards closer European co-operation

**CLEAR RECOVERY PATH IN
AEROSTRUCTURES**



- Airbus production recovering
- Boeing 787 deliveries resuming



Strategic progress update: taking actions on portfolio

Disposal of Global Enterprise Solutions and Advanced Acoustic Concepts

Sale of GES

- Leonardo DRS signed a definitive agreement to sell its Global Enterprise Solutions business (GES) to SES for \$ 450 million, gross of taxes
- The disposal will also help optimize our portfolio and make us more focused on our core businesses

Sale of AAC

- Leonardo DRS has signed a definitive agreement to transfer full ownership of Advanced Acoustic Concepts (AAC) Joint Venture to Thales subsidiary TDS, its JV partner
- The transaction is another step in the process of refocusing DRS business portfolio

The completion of both transactions is subject to regulatory clearances and customary closing conditions and is expected in 2H2022



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1Q 2022 Highlights

- **Strong commercial activity**
 - Backlog at € 36.3 bn
 - Order intake of € 3.8 bn, up 10.8% with no jumbo orders included
- **Continued strong demand for our products supports growing top line**
 - Revenues at € 3 bn, up 7.7% YoY
- **Profitability improving**
 - EBITA at € 132 mln, up 38.9% YoY
- **FOCF in line with plan**
 - FOCF at € -1.1 bn vs € -1.4 bn in 1Q21
- **Strong liquidity position**
- **2022 Guidance confirmed**



Order Intake

Commercially strong, reflecting continued strength of defence-governmental business

	€ mln	Δ % YoY	
1Q2021A	3,421		
HELICOPTERS	863	0.9%	First order of AW609 (4 AW609 for a commercial flight operator); 6 AW189 for China Ministry of Transport; 1 AW101 Japan Mid Life Upgrade (MLU)
ELECTRONICS EUROPE	1,489	-3.6%	1Q21 benefitted from the postponement of some activities from 2020. Export orders in Defence Systems mainly for naval. Combat systems supply for the IT Navy and logistic support for Special and Diving Operations - Submarine Rescue Ship (SDO-SuRS)
LEONARDO DRS	665	12.1%	Mounted Family of Computer Systems (MFOCS) for US Army, IM-SHORAD (Initial-Maneuver-Short Range Air Defense)
AIRCRAFT	781	31.3%	EuroMale and 1 C-27J for MoD Slovenia; further orders for JSF and logistics support for EFA
AEROSTRUCTURES	94	161.1%	Orders for A220 and A321, agreement on B767 for Tooling Refurbishment. No new orders recorded on B787 and GIE-ATR consortium
ELIMINATIONS & OTHER	-103		
1Q2022A*	3,789	10.8%	

* Including ca. € 82 mln of positive forex



Revenues

Solid performance confirming growth path

	€ mln	Δ % YoY	
1Q2021A	2,790		
HELICOPTERS	923	16.5%	Ramp-up mainly in NH90 Qatar and increased deliveries (19 in 1Q22 vs 13 in 1Q21)
ELECTRONICS EUROPE	955	2.6%	In line with 1Q21
LEONARDO DRS	545	-3.5%	1Q21 benefitted from the postponement of some activities from 2020. Positive FX effect.
AIRCRAFT	571	12.0%	Increase driven by EFA Kuwait and C27-J
AEROSTRUCTURES	123	10.8%	Increase driven by Airbus programmes, production rate increase
ELIMINATIONS & OTHER	-111		
1Q2022A*	3,006	7.7%	

* Including ca. € 68 mln of positive forex



EBITA and Profitability

Improving Profitability

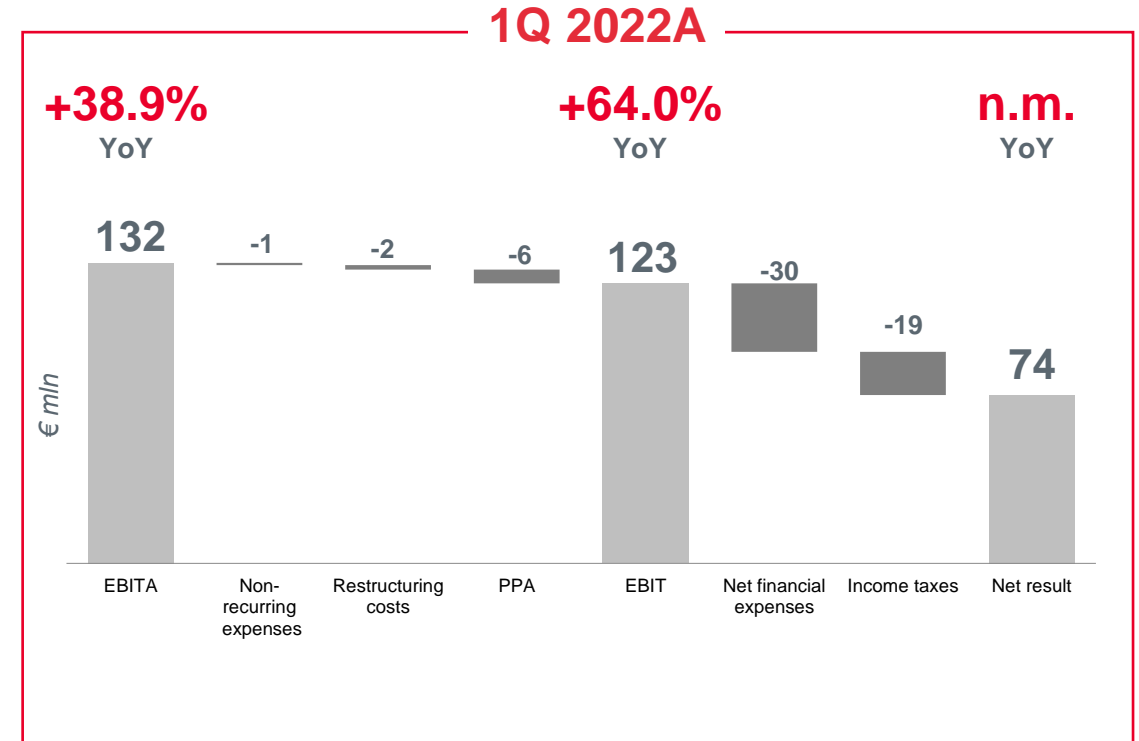
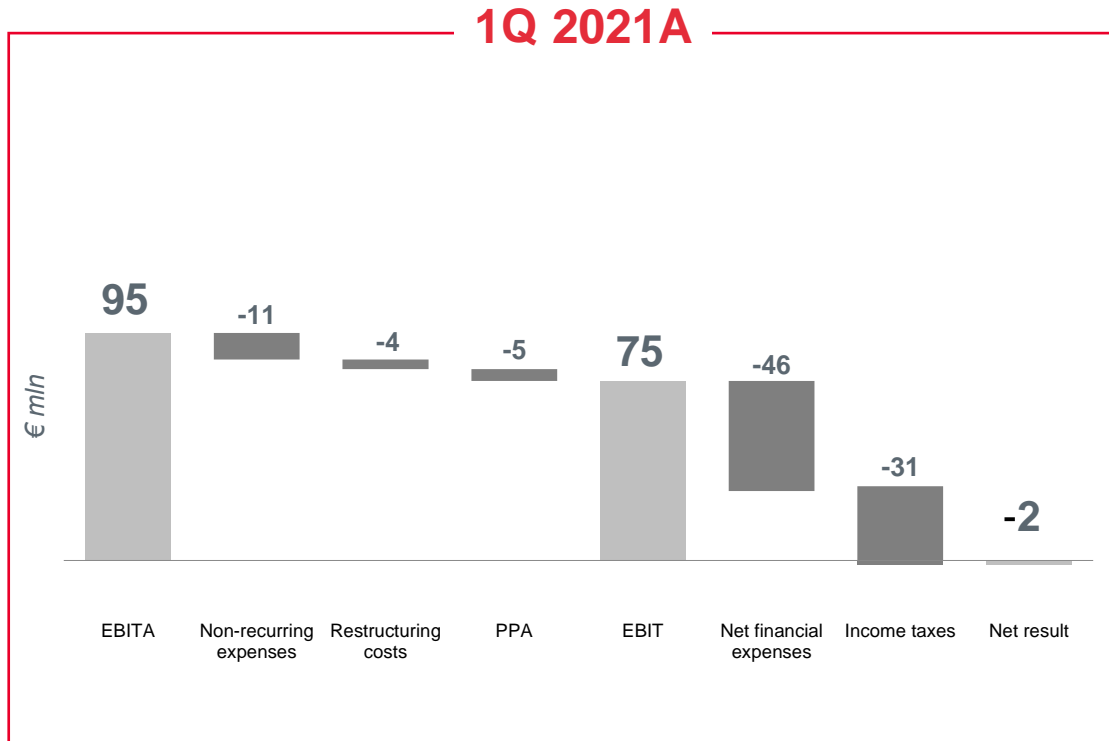
	€ mln	RoS	Δ % YoY	
1Q2021A	95	3.4%		
HELICOPTERS	36	3.9%	16.1%	Higher volumes, profitability in line with 1Q21
ELECTRONICS EUROPE	91	9.5%	15.2%	Increase across all business areas, mainly in Defence Systems
LEONARDO DRS	55	10.1%	14.6%	Confirmed margin expansion primarily driven by the transition of development programmes into production
AIRCRAFT	52	9.1%	10.6%	Higher volumes with continued profitability
AEROSTRUCTURES	-46	-37.4%	0.0%	Low asset utilisation due to low volume of production
ATR	-10		28.6%	Higher deliveries (2 in 1Q22 vs 0 in 1Q21)
SPACE	7		133.3%	Higher volumes and improved profitability in Manufacturing. Solid profitability in Services confirmed.
CORPORATE & OTHER	-53			
1Q2022A*	132	4.4%	38.9%	

* Including ca. € 4 mln of positive forex



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 in line with plan: 1Q 2022 FOCF at € - 1,080 mln, up 24% vs 1Q 2021 (€ - 1,422 mln)



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⁾

2022 exchange rate assumptions: € / USD = 1.18 and € / GBP = 0.9

(1) Based on the current assessment of the effects deriving from the geopolitical and global health situation on the supply chain 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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Q&A



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Helicopters

Solid business with civil recovering

2018-2021 Results



1Q22 Results

	1Q 2022	1Q 2021	% Change
Orders	863	855	+0,9%
Revenues	923	792	+16.5%
EBITA	36	31	+16.1%
RoS	3.9%	3.9%	+0.0 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

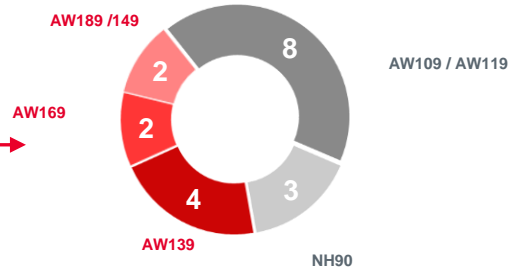
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Helicopters

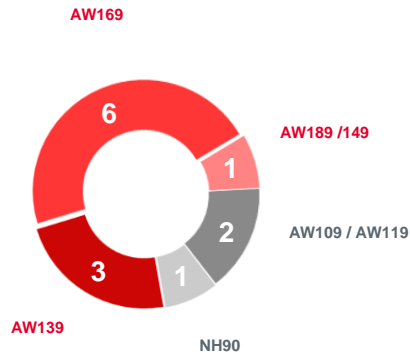
DELIVERIES BY PROGRAMME

1Q2022 = 19 new units



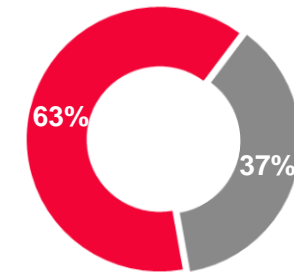
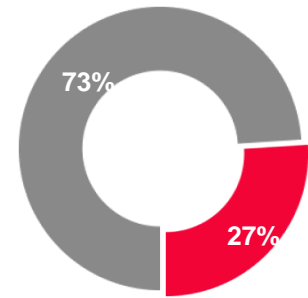
AW FAMILY

1Q2021 = 13 new units



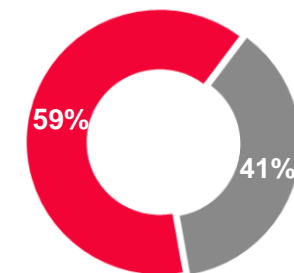
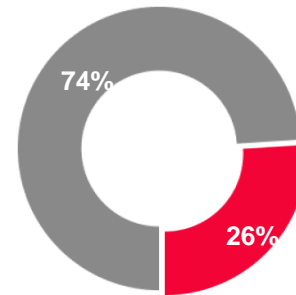
REVENUES BY CUSTOMER/SEGMENT

1Q2022



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

1Q2021



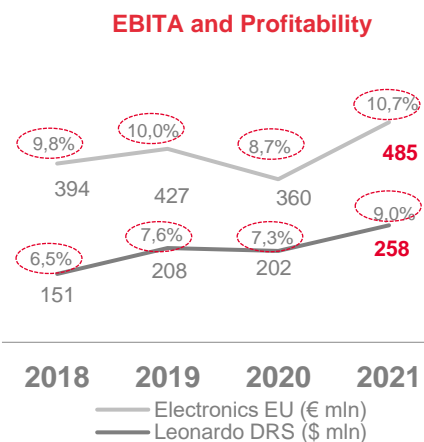
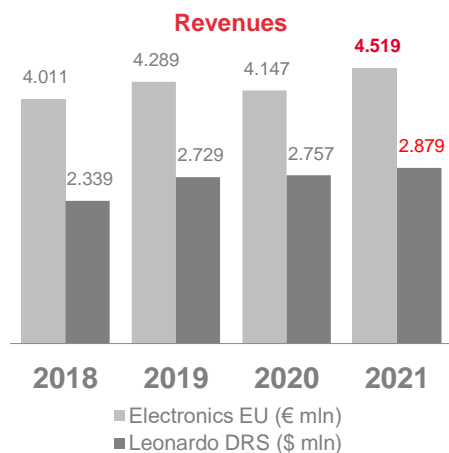
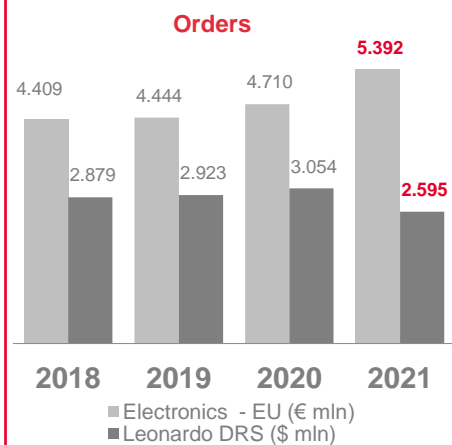
■ Civil ■ Defence/Governmental ■ OE ■ CS&T/Other



Defence Electronics & Security

Growing Revenues and Profitability

2018-2021 Results



1Q22 Results

ELECTRONICS - EU

	€ mln	1Q 2022	1Q 2021	% Change
Orders		1,489	1,544	-3.6%
Revenues		955	931	+2.6%
EBITA		91	79	+15.2%
RoS		9.5%	8.5%	+1.0 p.p.

LEONARDO DRS

	\$ mln(*)	1Q 2022	1Q 2021	% Change
Orders		747	715	+4.5%
Revenues		612	681	-10.1%
EBITA		62	58	+6.9%
RoS		10.1%	8.5%	+1.6 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 €/€ @ 1.2056 in 1Q2021, Avg. exchange rate €/€ @ 1.1225 in 1Q2022

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

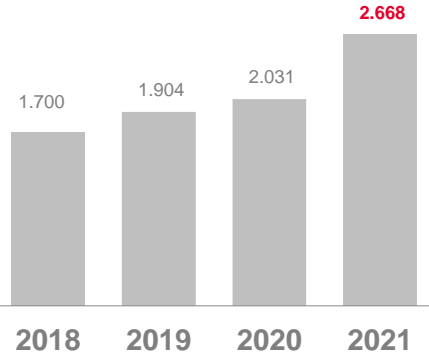


Aircraft

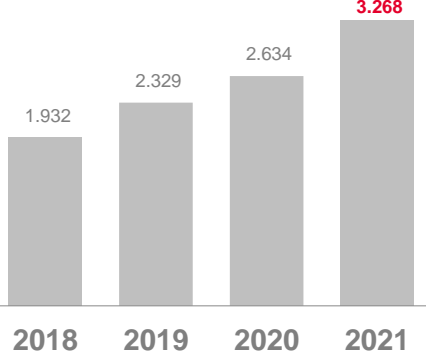
Solid performance

2018-2021 Results

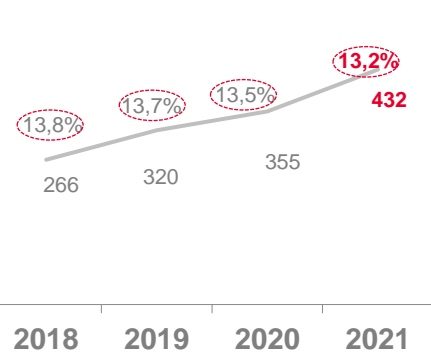
Orders (€mln)



Revenues (€mln)



EBITA (€mln) and Profitability



1Q22 Results

	1Q 2022	1Q 2021	% Change
Orders	781	595	+31.3%
Revenues	571	510	+12.0%
EBITA	52	47	+10.6%
RoS	9.1%	9.2%	-0.1 p.p.

2022 Outlook^(*)

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

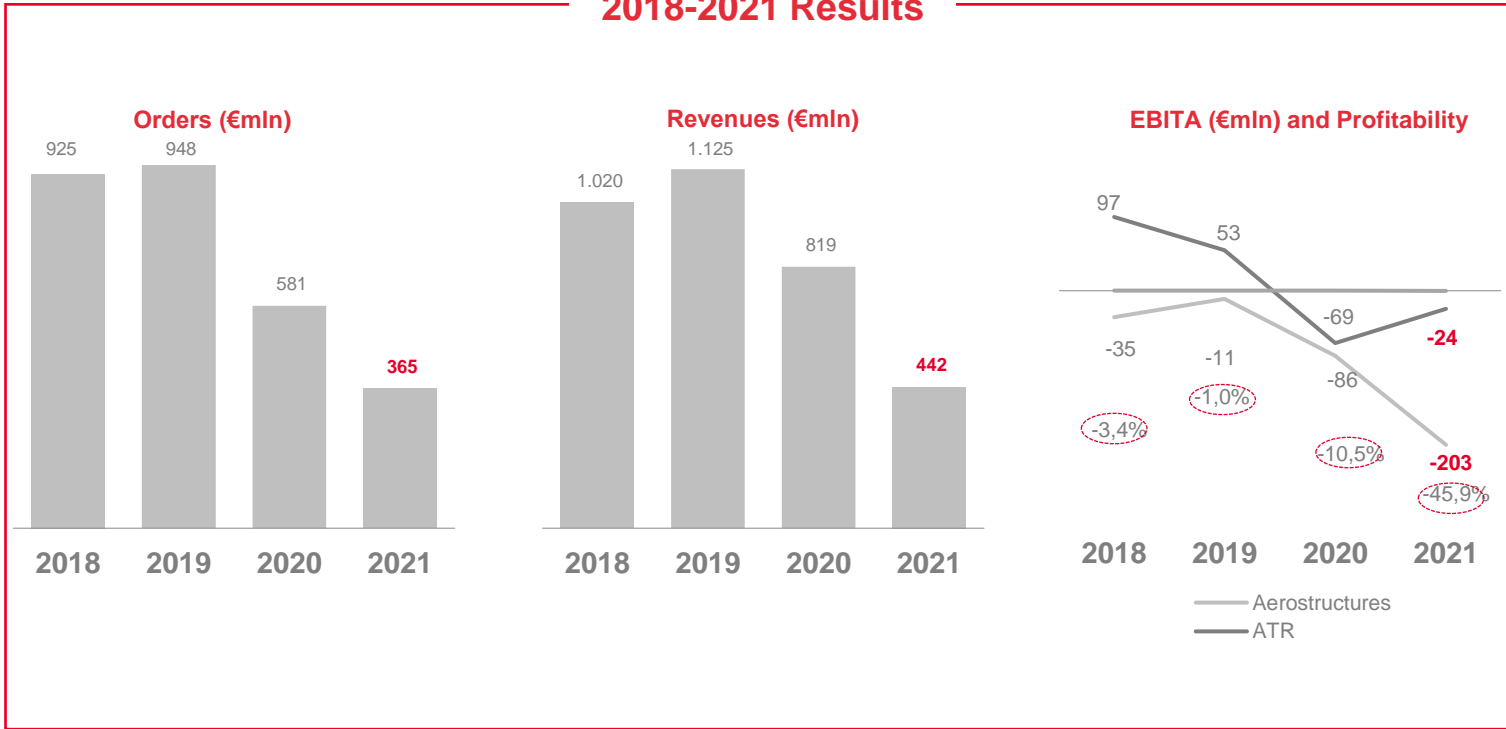
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Aerostructures and ATR

Gradual recovery

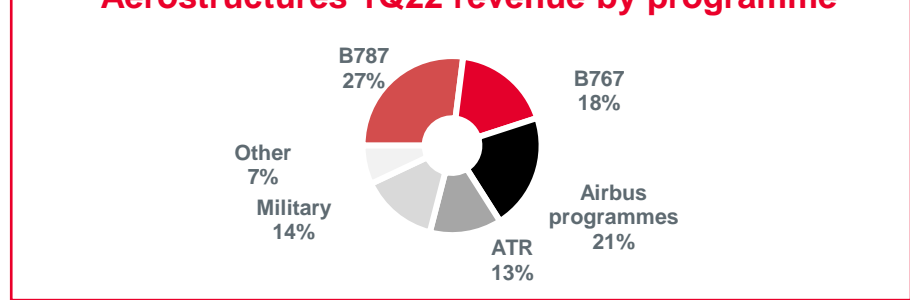
2018-2021 Results



1Q22 Results

Aerostructures		1Q 2022	1Q 2021	% Change	
Orders	€ mln	94	36	+161.1%	
Revenues		123	111	+10.8%	
EBITA		-46	-46	0.0%	
RoS		-37.4%	-41.4%	+4.0 p.p.	
ATR					
EBITA		€ mln	1Q 2022	1Q 2021	% Change
			-10	-14	+28.6%

Aerostructures 1Q22 revenue by programme



2022 Outlook(**)

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

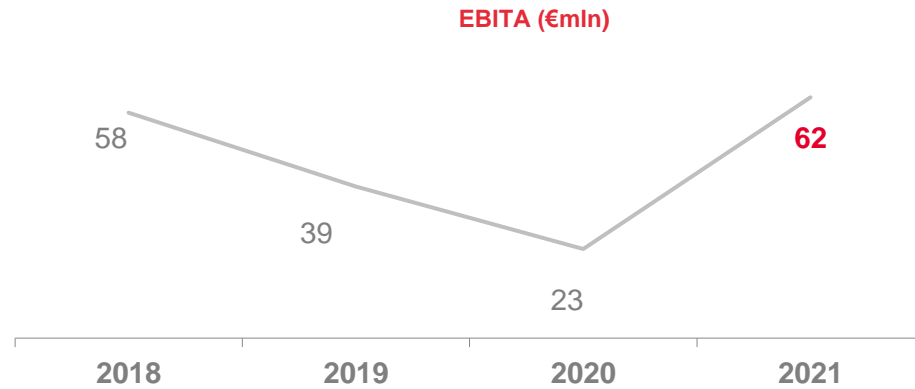
* Based on the current assessment of the effects deriving from the geopolitical and global health situation on the supply chain and the global economy and assuming no additional major deterioration



Space

Recovery of Manufacturing and confirmed solid performance of Satellite services

2018-2021 Results



1Q22 Results

	1Q 2022	1Q 2021	% Change
EBITA	7	3	+133,3%

€ mln

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 the global economy and assuming no additional major deterioration



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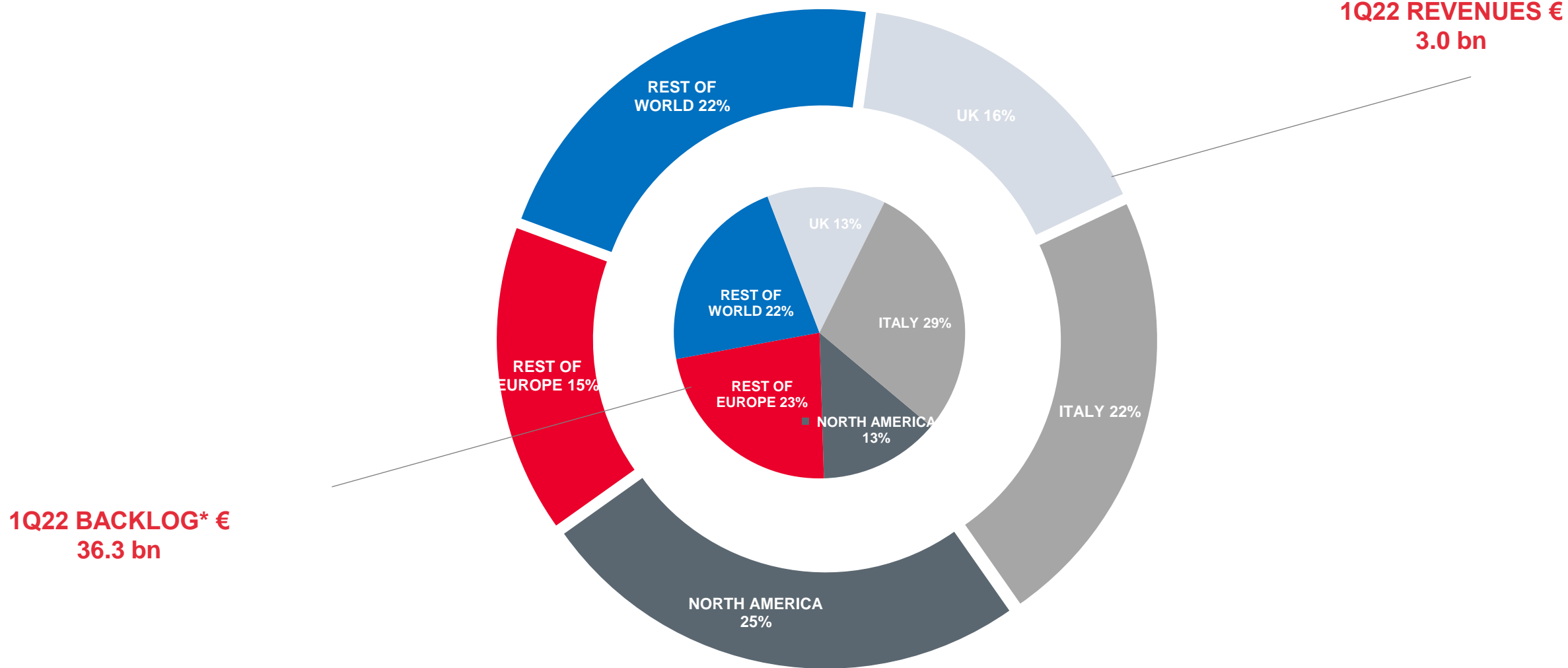
Group Performance

	€ mln	1Q 2022	1Q 2021	% Change	FY 2021
New Orders		3,789	3,421	10.8%	14.307
Backlog		36,278	36,414	-0.4%	35.534
Revenues		3,006	2,790	7.7%	14.135
EBITA		132	95	38.9%	1.123
	<i>RoS</i>	4.4%	3.4%	1.0 p.p.	7.9%
EBIT		123	75	64.0%	911
	<i>EBIT Margin</i>	4.1%	2.7%	1.4 p.p.	6.4%
Net result before extraordinary transactions		74	-2	3,800.0%	587
Net result		74	-2	3,800.0%	587
EPS (€ cents)		0.129	-0.003	4,400.0%	1.019
FOCF		-1,080	-1,422	24.1%	209
Group Net Debt		4,788	4,640	3.2%	3.122
Headcount		50,106	49,780	0.7%	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

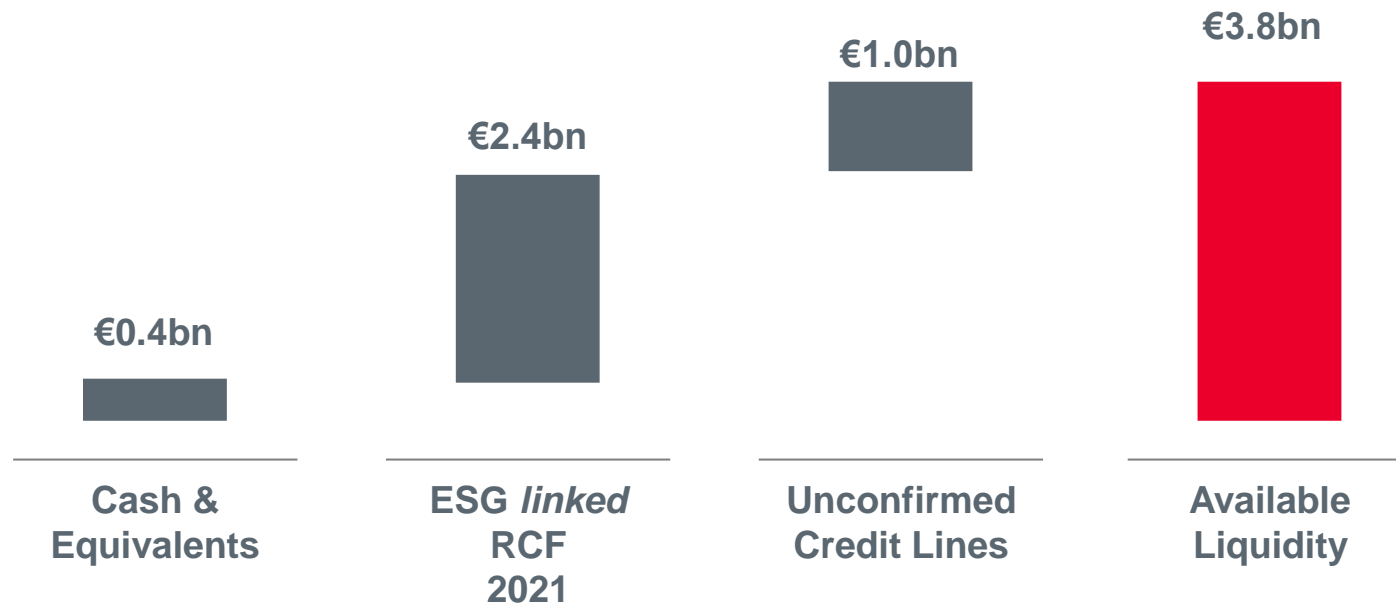


Backlog and revenues by Geography



Solid Group liquidity ensures adequate financial flexibility

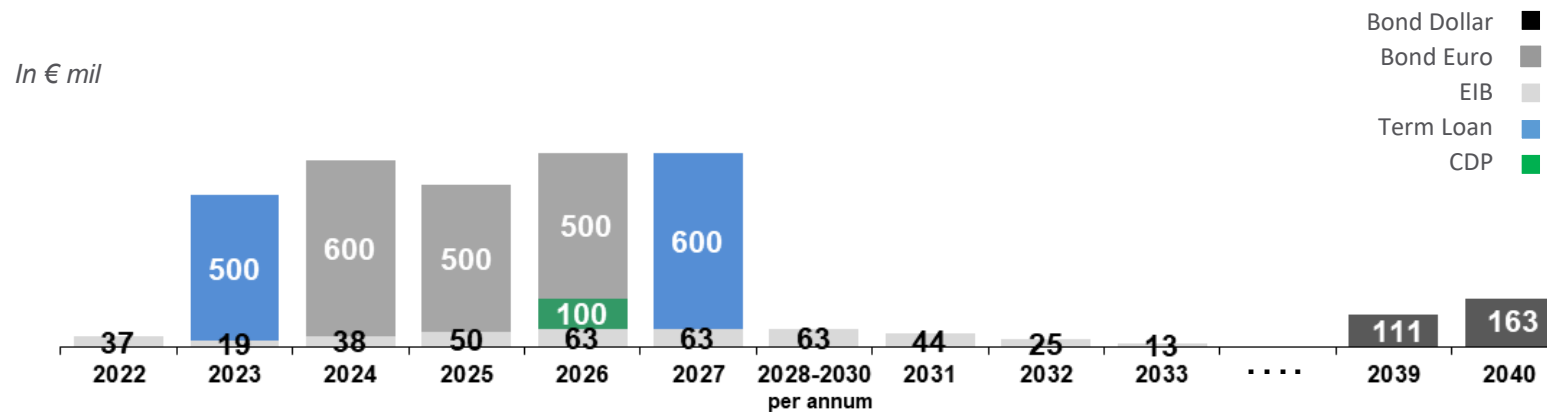
- Available credit lines
 - New ESG Credit Line signed in October 2021 equal to € 2.4 bn
 - Existing credit lines unconfirmed equal to € 1.0 bn
- together with cash in-hands ensure a Group's liquidity of approx. € 3.8 bn



Balanced debt maturity profile

DEBT MATURITY

Average life: ≈ 4,6 years



CREDIT RATING

	As of today	Before last review	Date of review
Moody's	Ba1 / <i>Stable Outlook</i>	Ba1 / <i>Positive Outlook</i>	October 2018
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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