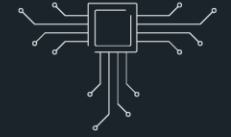




# 1Q 2024 Results Presentation

Rome

7 May 2024



Electronics



Helicopters



Aircraft



Cyber &  
Security



Space



Aerostructures

# Agenda

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- Executing the Industrial Plan
- 1Q 2024 Results
- Q&A
- Appendix

**Roberto Cingolani, *Chief Executive Officer and General Manager***

**Alessandra Genco, *Chief Financial Officer***



# Strong start to the year



- **Good progress across all KPIs\***
  - Orders up 14.9% to € 5.8 bn, with book-to-bill of 1.6x
  - Backlog at record level >€43 bn
  - Revenues up 15.3% to € 3.7 bn
  - EBITA up 67.0% to € 182 mln
  - FOCF at € (621) mln improved by 11.5%
- **FY 2024 Guidance confirmed**
- **Fully focussed on the execution of the Industrial Plan**
  - Strengthen the core business
  - Pave the way to address the global security challenge
  - Three-level strategy organic, saving, inorganic

\* 2023 pro-forma figures include Telespazio fully consolidated



# Fully focussed on Industrial Plan: Executing on the “arsenal” of initiatives

## Action area

## Progress

#1

Strengthen the core business

Reorganization and Governance



- Defining competitive organization and governance
- Focus R&D, quit off-core activities

Accelerating digitalization



- Developing strategy to leverage Generative AI and multidomain capabilities
- Introducing massive business intelligence and product digitalization
- AI and digital twin across product catalogue
- Digital Continuum initiative with Armed Forces

Efficiency boost



- Saving Plan fully in action, on track to achieve FY target
- Create new revenue streams and generate cost efficiencies

Strengthening international alliances



- Crafting the new Space Division
- Working on the European Defence Framework
- MoU with Bell in the tiltrotor technology domain

Accelerating definition of new scenarios in Aerostructures



- Boeing slower increase in B787 production and deliveries
- Immediate actions to address short term production profile
- Accelerating assessment on further initiatives aimed at restructuring and redefine new scenarios



# Acceleration on decarbonisation roadmap

## New Near-Term targets

- **Scope 1&2: -53%** of Scope I and II CO<sub>2e</sub> emissions vs. 2020 (by 2030)
- **Scope 3 - upstream: 58% of suppliers by emissions** committed to SBTs (by 2028)
- **Scope 3 - downstream: -52%** of Scope III CO<sub>2e</sub> emissions/flight hour equivalent vs. 2020 (by 2030)

SBTi has classified Leonardo's Scope 1 and 2 targets as being adequate to keep global warming within the 1.5° C threshold



# Agenda

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Roberto Cingolani, *Chief Executive Officer and General Manager*

**Alessandra Genco, *Chief Financial Officer***



# 1Q 2024 Highlights: Strong start to the year, with improvement across all KPIs

- Double digit order intake growth with book-to-bill of 1.6x, reflecting strong commercial momentum
- Record backlog >€43 bn
- Revenue growth reflecting strong delivery of backlog
- EBITA improvement driven by Electronics for Defence and Security and Helicopters
- Continuous improvement in cash absorption and net debt reduction



	1Q23	1Q23 pro-forma	1Q24	Change**
<b>New Orders, €bn</b>	4.9	5.0	5.8	14.9%
<b>Revenue, €bn</b>	3.0	3.2	3.7	15.3%
<b>EBITA, €M</b>	105	109	182	67.0%
<b>ROS, %</b>	3.5%	3.4%	5.0%	1.6 p.p
<b>FOCF, €M</b>	-688	-702	-621	11.5%
<b>Net debt, €bn</b>	3.7	3.7	2.9*	-20.7%

\* Net debt includes the effect deriving from DRS stake monetization

\*\* vs 1Q23 pro-forma



# Helicopters: continuing positive momentum and increasing pace of deliveries

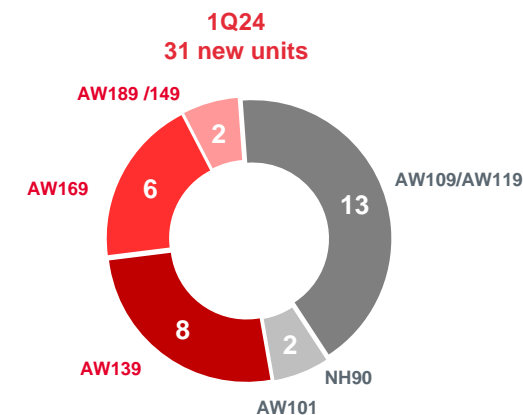


€mln	1Q23	1Q24	Change
Orders	1,889	2,043	8.2%
Revenues	880	1,085	23.3%
EBITA	38	54	42.1%
RoS (%)	4.3%	5.0%	0.7 p.p.

## Highlights

- Continued strong order growth
- Dual-use helicopters driving revenue growth
- 31 helicopters delivered in 1Q24 versus 28 in 1Q23
- Customer Support and Training 42% of revenues

## Deliveries by programme





# Defence Electronics: strong growth across all segments



## Electronics Europe

€mln	1Q23	1Q24	Change
Orders	1,624	2,242	38.1%
Revenues	1,046	1,147	9.7%
EBITA *	89	123	38.2%
RoS (%)	8.5%	10.7%	2.2p.p.

### Electronics Europe

- Double-digit order growth, mainly driven by domestic government orders for the Navy and Army, leveraging on our integration capabilities
- Revenue growth driven by higher volumes across segments
- EBITA growth anchored to operating leverage and efficiency measures

## DRS

\$mln	1Q23	1Q24	Change
Orders	749	815	8.8%
Revenues	569	688	20.9%
EBITA *	33	55	66.7%
RoS (%)	5.8%	8.0%	2.2p.p.

### DRS

- Strong orders, including production of new generation IT systems for the mission commands of the US Army
- Revenue growth mainly driven by naval power, ground systems integration, advanced sensing and network computing programs
- Profitability increase driven largely on higher volumes

\* Including proportional net income of MBDA and Hensoldt



# Aircraft: maintaining strong profitability



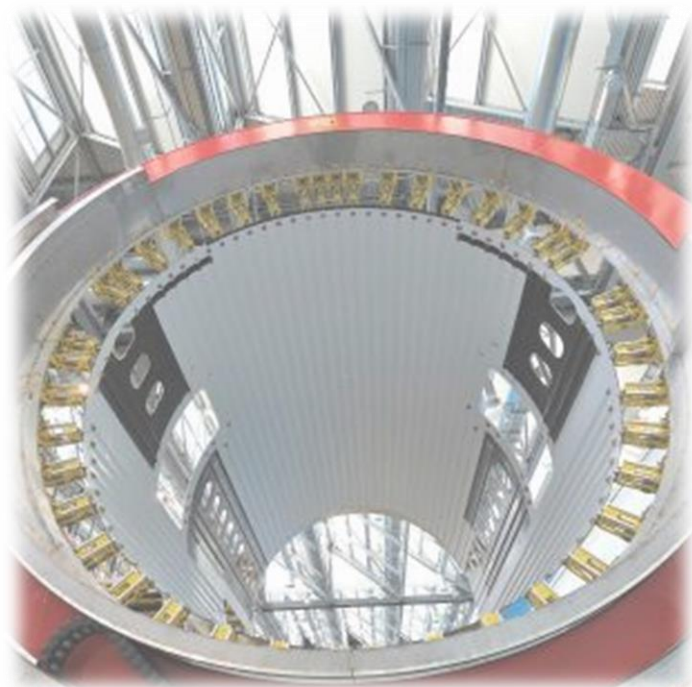
<i>€mln</i>	1Q23	1Q24	Change
Orders	731	568	-22.3%
Revenues	559	570	2.0%
EBITA	54	55	1.9%
RoS (%)	9.7%	9.6%	-0.1 p.p.

## Highlights

- International commercial campaigns progressing in line
- Reduced order volume reflecting export order phasing, expected to be later in the year
- Revenues growth mainly driven by international cooperation programs
- Continued strong profitability, mainly driven by fighter business



# Aerostructures & ATR: further progress in line with recovery plan



€mln	1Q23	1Q24	Change
Orders	126	253	100,8%
Revenues	151	175	15.9%
EBITA*	(56)	(43)	23.2%
RoS (%)	(37.1%)	(24.6%)	12.5 p.p.

## Highlights

- Order intake doubling year-on-year; reflecting continued air traffic recovery
- Revenue growth from increased activity across all business lines
- 18 fuselage sections and 12 stabilizers delivered for B787 (10 fuselages and 8 stabilizers in 1Q23)
- ATR: delivery of 4 (2 in 1Q23) as volume growth recovers

\* Including proportional net income of ATR GIE



# Space: building blocks in place for new focussed division



€mln	1Q23*	1Q24	Change
Orders	152	102	-32.9%
Revenues	146	160	9.6%
EBITA **	5	(2)	-140%
RoS (%)	3.4%	(1.3%)	-4.7 p.p.

## Highlights

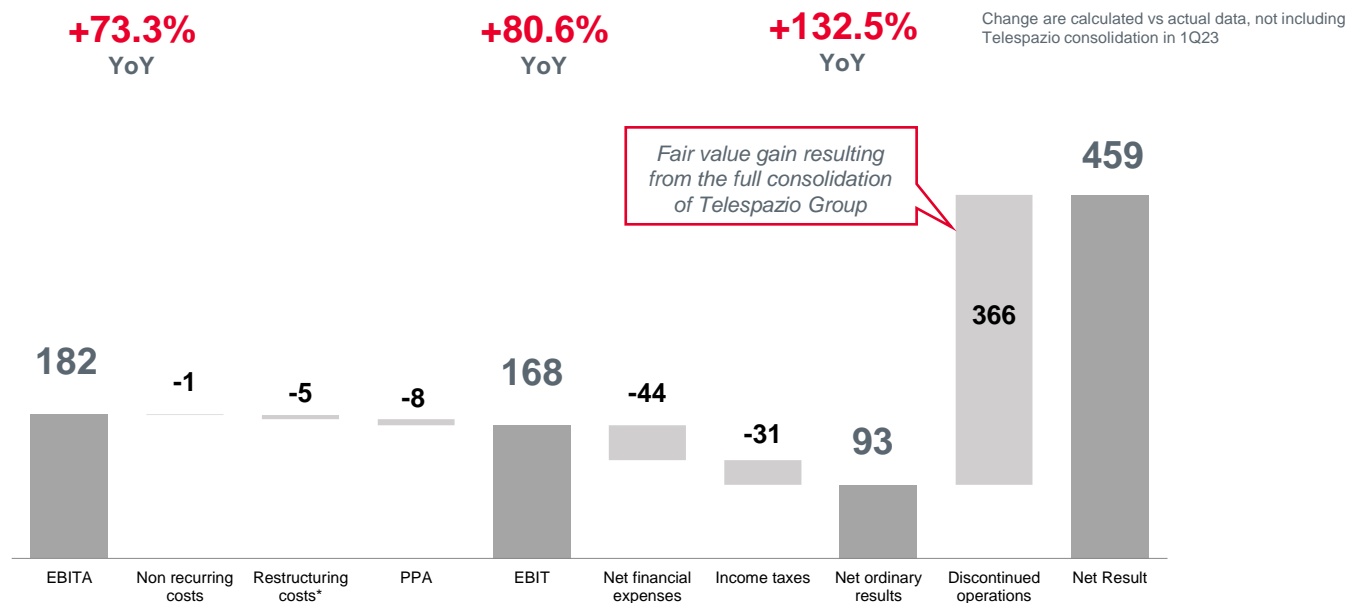
- Telespazio's revenues growth mainly driven by Satellite Systems and Operations and Geo Information
- Telespazio's operating result in line with last year
- Year-on-year decline in EBITA reflects difficult market environment in manufacturing of commercial Telco satellites

\* Pro-Forma for Telespazio consolidation  
\*\* Including proportional net income of TAS



# EBITA growth driving stronger bottom line

## From EBITA to Net Result, 1Q24



- Net Result benefitting from EBITA increase and the capital gain from the evaluation at fair value of Telespazio, due to its full consolidation
- Strong cash-ins in all the Divisions and working capital under control



## FY 2024 Guidance confirmed

	FY 2023 <sup>(1)</sup>	Guidance 2024 <sup>(2)</sup>
Orders, €bn	18.7	ca. 19.5
Revenue, €bn	16.0	ca. 16.8
EBITA, €M	1,326	ca. 1,440
FOCF, €M	652	ca. 770
Net debt, €bn	2.3	ca. 2.0 <sup>(3)</sup>

2024 exchange rate assumptions: € / USD = 1.15 and € / GBP = 0.89

(1) The values shown for the year 2023 enhance the full consolidation of Telespazio which will be operational 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 payments from €0.14 to €0.28 per share, new leasing contracts, strategic investments, and other minor transactions.



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Roberto Cingolani, *Chief Executive Officer and General Manager*

Alessandra Genco, *Chief Financial Officer*



# Agenda

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Roberto Cingolani, *Chief Executive Officer and General Manager*

Alessandra Genco, *Chief Financial Officer*





# 1Q 2024 Results

€ M	1Q * 2023	1Q ** 2024	% Change	FY 2023
New Orders	4,868	5,753	18.2%	17,926
Backlog	39,126	43,153	10.3%	39,529
Revenues	3,034	3,664	20.8%	15,291
EBITA	105	182	73.3%	1,289
			1.5	
			p.p.	
	3.5%	5.0%		8.4%
EBIT	93	168	80.6%	1,085
			1.5p.	
	3.1%	4.6%	p.	7.1%
Net result before extraordinary transactions	40	93	132.5%	742
Discontinued operations	-	366		(47)
Net result	40	459	1,047%	695
EPS	0.063	0.777	1,133%	1,144
FOCF	(688)	(621)	9.7%	635
Group Net Debt	3,699	2,931	(20.8%)	2,323
Headcount	51,627	57,171	10.7%	53,566

RoS

EBIT Margin

\* Reported  
\*\* Telespazio fully consolidated

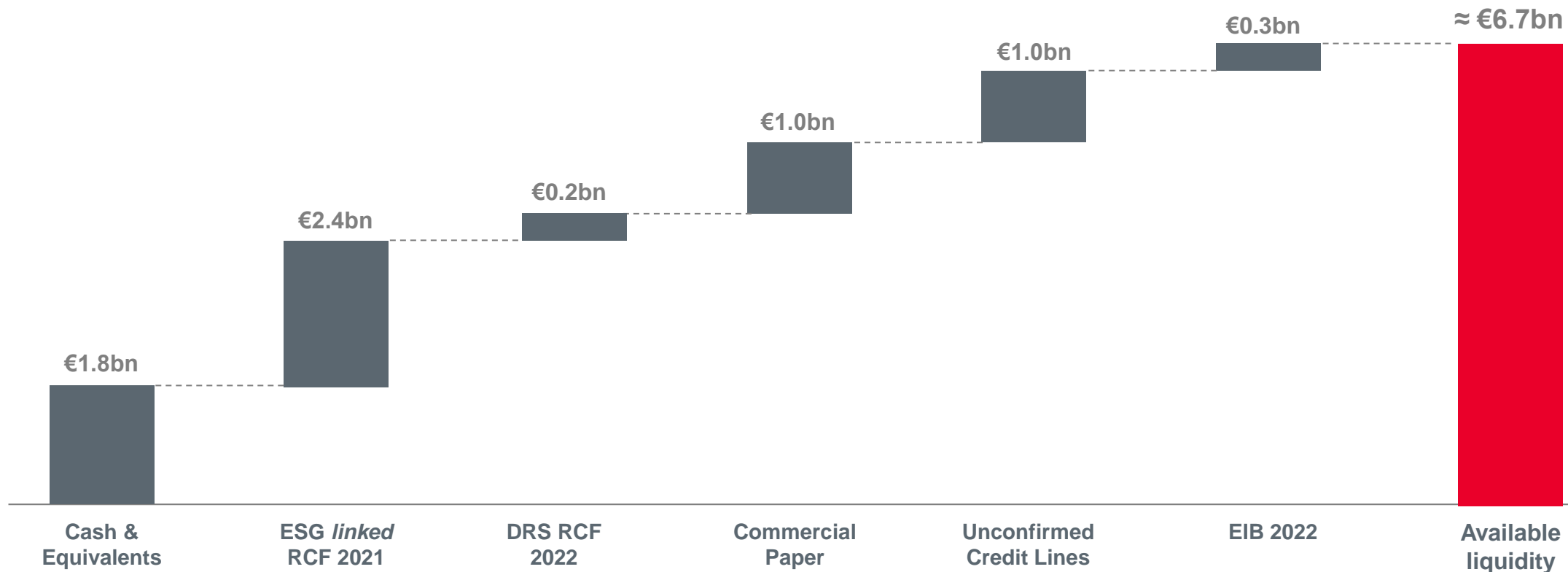
Free Operating Cash-Flow (FOCF): this is the sum of the cash flows generated by (used in) operating activities (which includes interests and income taxes paid) and the cash flows generated by (used in) ordinary investment activity (property, plant and equipment and intangible assets) and dividends received



# Solid Group liquidity ensures adequate financial flexibility

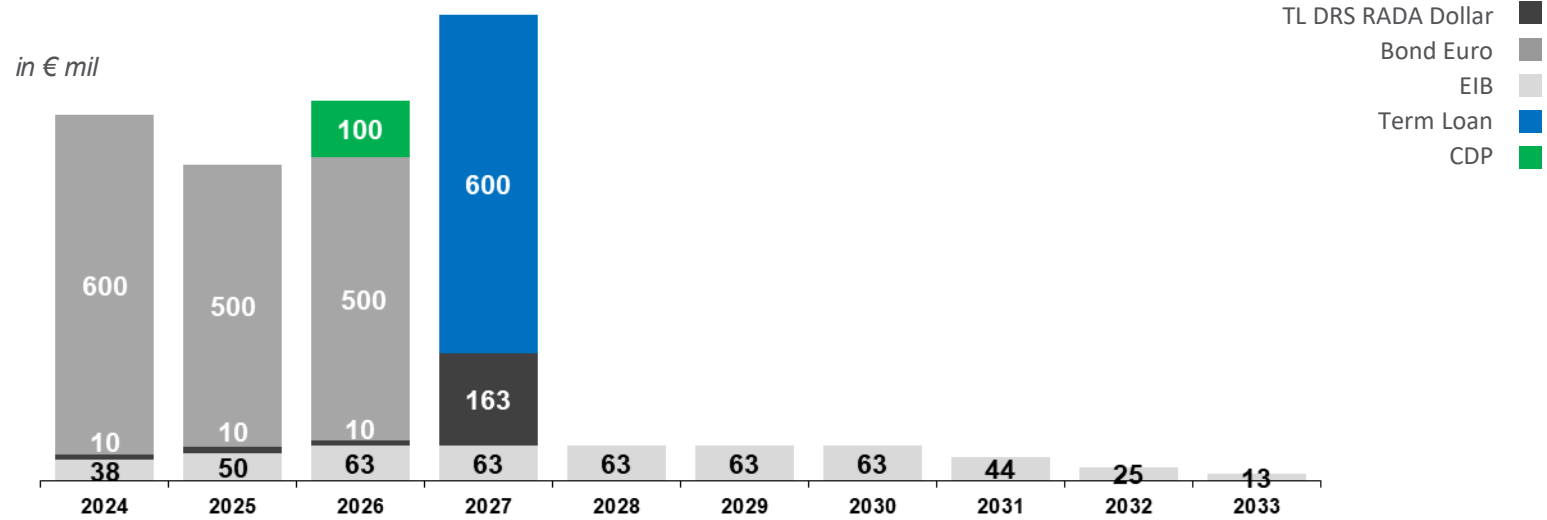
As at 31 March 2024 Leonardo had sources of liquidity available for a total of about € 6.7 bn to meet the financing needs of the Group's, broken down as follows:

- Cash in-hands equal to € 1.8 bn
- ESG Revolving Credit Facility (RCF) equal to € 2.4 bn
- Commercial Paper Program equal to € 1.0 bn
- Existing unconfirmed credit lines equal to € 1.0 bn
- «Sustainability-Linked» EIB loan equal to € 0.3 bn
- Revolving Credit Facility signed by Leonardo DRS, following the merger with RADA, equal to € 0.2 bn



# Balanced debt maturity profile

**Debt maturity**  
Average life: ≈ 2,0 years



## CREDIT RATING

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



# Covenant FY2023

	FY2023A Post IFRS 16
EBITDA*	€ 1,790 M
Net Interest	€ 95 M
<b>EBITDA / Net Interest</b>	<b>18.8</b>
<b>THRESHOLD</b>	<b>&gt;3.25</b>

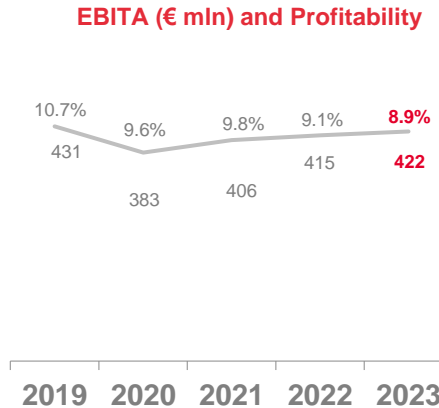
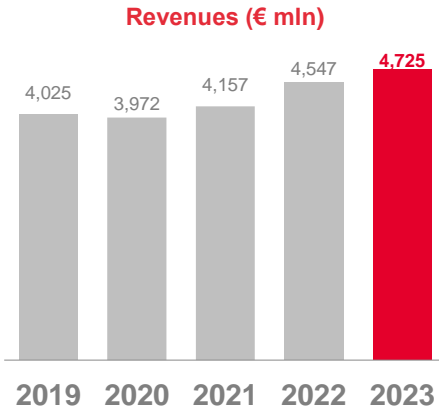
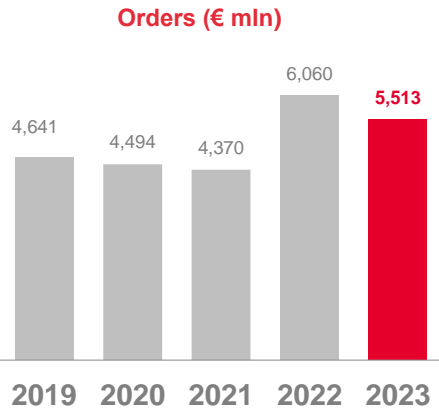
	FY2023A Post IFRS 16
Group Net Debt	€ 2,323 M
Leasing (IFRS 16)	- € 610 M
Financial Debt to MBDA	- € 1,070 M
Group Net Debt for Covenant	€ 643 M
EBITDA*	€ 1,790 M
<b>Group Net Debt / EBITDA</b>	<b>0.40</b>
<b>THRESHOLD</b>	<b>&lt;3.75</b>

\* EBITDA net of depreciation of rights of use

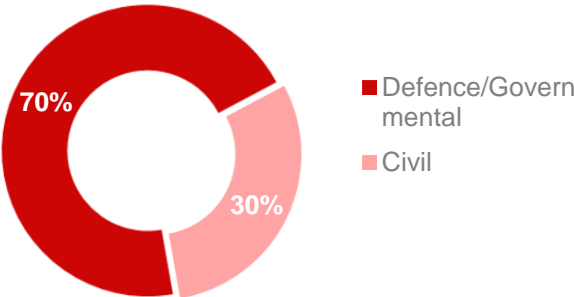


# Helicopters

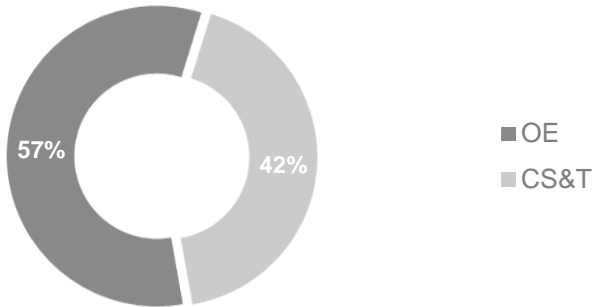
## 2019-2023 Results



### Revenues by customer



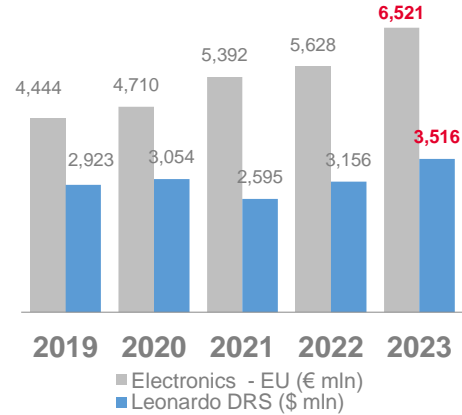
### Revenues by segment



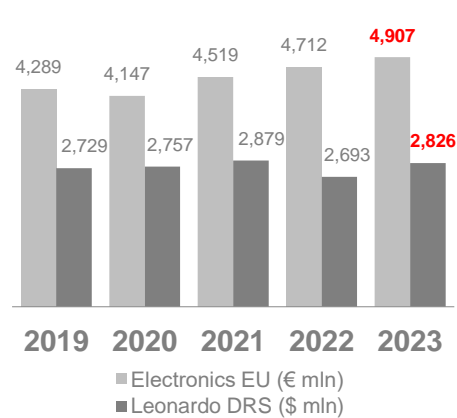
# Electronics

## 2019-2023 Results

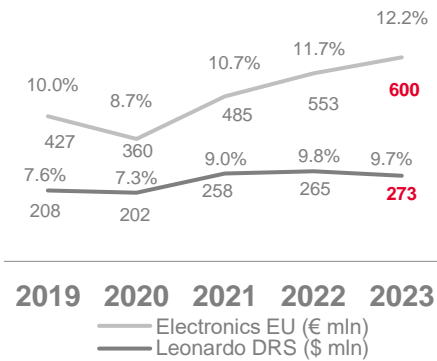
### Orders



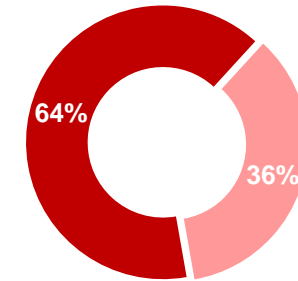
### Revenues



### EBITA and Profitability



## Revenues by segment



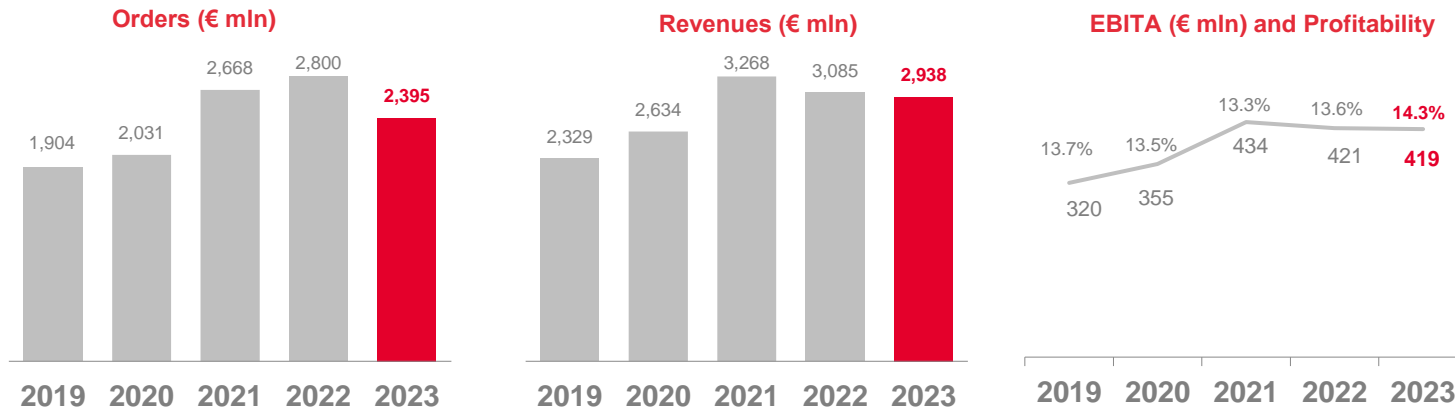
■ Electronics EU ■ Leonardo DRS

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

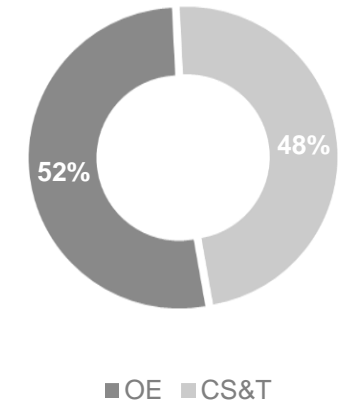


# Aircraft

## 2019-2023 Results

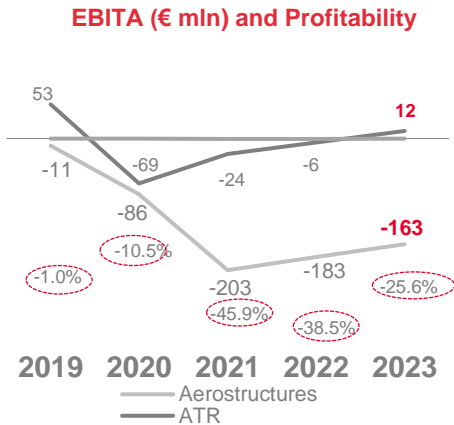
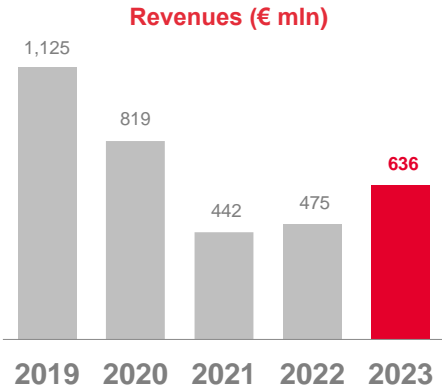
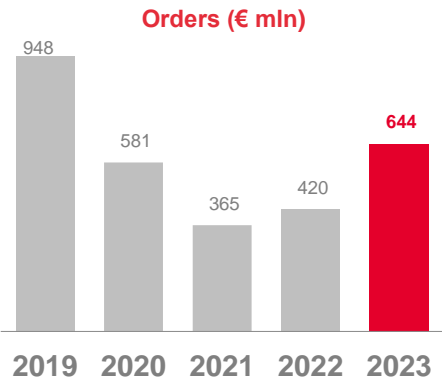


## Revenues by segment

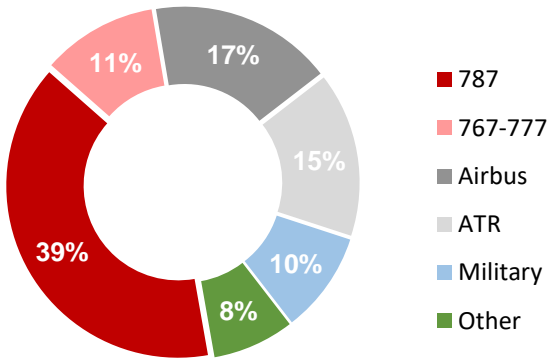


# Aerostructures and ATR

## 2019-2023 Results



## Revenues by programme





# SAFE HARBOR STATEMENT

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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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