



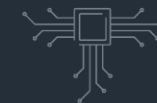
# Annual General Meeting 2023

**Alessandro Profumo**

*Chief Executive Officer*

Rome

8-9 May 2023



Electronics



Helicopters



Aircraft



Cyber &  
Security



Space



Unmanned  
Systems



Aerostructures

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# Agenda

- **2022 Results**
- Business Performance
- 2023 Guidance and medium-long term outlook
- Industrial review
- Shareholding and share price update
- Appendix



# FY2022: a year of solid execution and commercial success

## DELIVERING ON PROMISES



- Meeting or exceeding Guidance
- Continuing to deliver and making the Group stronger, more resilient, sustainable
- Set up to capture best growth opportunities

## ACCELERATING COMMERCIAL MOMENTUM



- Growing order book across all divisions at € 17.3 bn (+21.0%\* YoY), well above guidance even without the €1.4bn AW149 Poland order
- Book-to-bill at 1.2x

## IMPROVED FINANCIAL PERFORMANCE; STEPPING UP FOCF



- Revenues: € 14.7 bn, + 4.7%\* YoY
- EBITA: € 1.2 bn, + 14.9%\* YoY vs FY21 restated\*\*
- RoS: 8.3%, +0.8 p.p. vs FY21 restated\*\*
- FOCF: € 539m, more than doubling FY21
- Full redemption of 2039 and 2040 bonds and early repayment of term loan
- Confirming € 3 bn FOCF generation over 2021-2025
- Proposed dividend of € 0.14 p.s.

## PROGRESS ON ESG



- Committed to SBTi
- Strengthening decarbonisation plan (-15% Scope 1+2 CO<sub>2</sub> emissions vs 2021)
- Achieving results in diversity and inclusion (19% of female managers on total managers vs 15% in 2017)
- Demonstrating our commitment to sustainable finance (55% of sources of funding linked to ESG)

\* Adjusted perimeter to exclude the contribution of Global Enterprise Solutions (August-December 2021)

\*\*Restatement to include covid costs within EBITA as previously accounted below the line

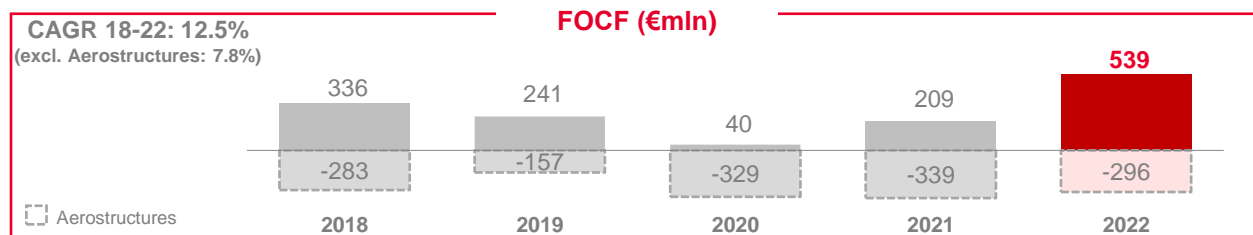
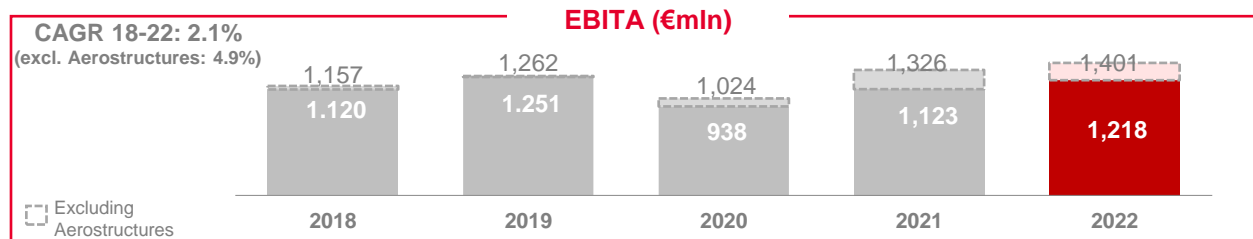
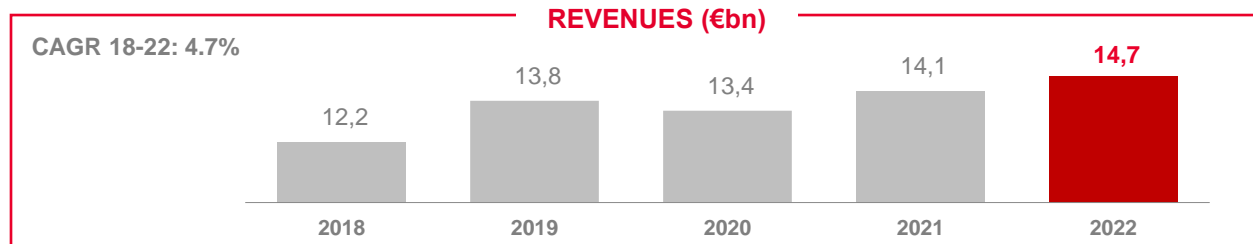
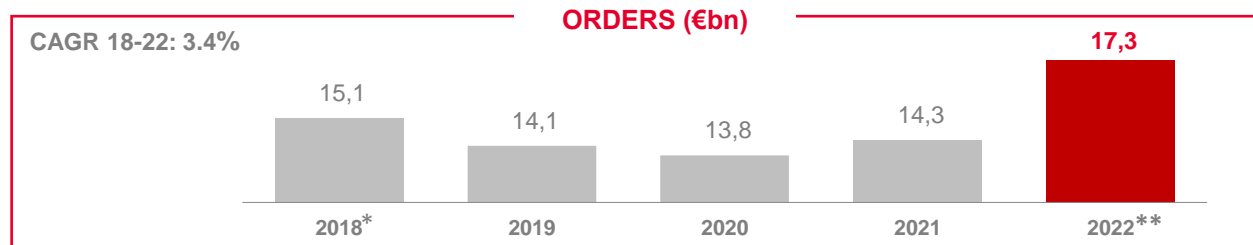


# A Stronger Leonardo: Successful Delivery of 2018-2022 Industrial Plan

✓ Delivering results in line or exceeding yearly Guidance

✓ Emerging stronger commercially and financially with a more resilient and sustainable business model

✓ Successfully navigating a period of unprecedented global challenges



\*€3 bn NH90 Qatar

\*\* €1.4bn AW149 Poland



# Significant progress delivering against our roadmap towards the future



## STRENGTHEN OUR CORE

Reinforce the core business and core activities

Increasing critical mass in strategic areas and strengthening global footprint

- › Continued momentum in International co-operation programmes e.g. GCAP
- › Acquisition of 25.1% stake in HENSOLDT
- › Leonardo DRS & RADA merger
- › Acquisition of KOPTER



## TRANSFORM TO GROW

Leveraging digitalisation to capture new opportunities

Making the business more modern and agile to meet customer needs

- › Leonardo Production System Programme
- › Aerostructures recovery plan - confirming target to breakeven by end-2025
  - › Re-skilling and upskilling of 3,100+ colleagues
- › Focused on supply chain



## MASTER THE NEW

Create advanced technological solutions to drive innovation

Innovate and create new technologies and new high-tech markets

- › Leonardo Labs at the core of innovative R&D technologies
- › DAVINCI-1 HPC unique edge
- › Enabling capabilities in Digital Twin, Big Data, Cloud and AI



# Core business growing stronger

## Helicopters and Aircraft



### Helicopters

2022 Backlog **€ 13.6bn**

2018-2022 Revenues\*: **+4.5%**

2018-2022 EBITA\*: **+4.0%**



- Continued strong commercial momentum; € 6 bn of new orders in 2022
- Global market leading product portfolio
- Defence/governmental, customer support & training core strengths, accelerated recovery in civil
- Continue to invest to capture future opportunities



### Aircraft

2022 Backlog **€ 8.6bn**

2018-2022 Revenues\*: **+12.4%**

2018-2022 EBITA\*: **+12.2%**



- Strong performance, programme delivery and best in class profitability
- Partner in world class international cooperation programmes, e.g. next-gen GCAP
- A strong order book, product portfolio and significant contribution from customer support & training, providing good visibility for future performance



\* CAGR

# Core business growing stronger

## Electronics and Leonardo DRS



### Electronics

2022 Backlog **€ 12.4 bn**

2018-2022 Revenues\*: **+4.1%**

2018-2022 EBITA\*: **+9.0%**



- Technology leadership in key focus areas i.e. sensors, radars, electro-optical and combat management systems driving solid revenue and profitability growth
- Strategic presence across Air, Land and Sea, maximizing market opportunity
- Well positioned to capture upgrading and restocking demand from customers
- Exciting partnership with Hensoldt



### Leonardo DRS

2022 Backlog **€ 2.7 bn**

2018-2022 Revenues\*: **+6.6%**

2018-2022 EBITA\*: **+18.5%**



- Successful business transformation and portfolio restructuring
- World class supplier of advanced sensing & computing solutions & integrated mission systems
- Positioned on key DoD priority programmes
- Combination with RADA strengthening market position

\* CAGR



# Customer, Support & Training providing resiliency, solid revenue stream & long-term visibility

~ 4,000 Helicopters flying

> 1,000 Aircrafts flying

ca. 10 years  
Electronics useful life of equipment

~48,000 hours of training through flight  
simulators

Over 13,000 helicopter and aircraft  
pilots and operators trained

Ranked #1 in ProPilot's Aftersales Service  
Quality Ranking (since 2018)

- Net cash present value embedded in customer support of existing fleet for next 30 years equal to ca. € 5.5 bn

## CUSTOMER SUPPORT & TRAINING

2017

<20%

% of Group revenue

2022 Target

>25%

% of Group revenue

2022

>28%

% of 2022 Group  
revenue and backlog

## CS&T REVENUE CONTRIBUTION OF KEY DIVISIONS

Helicopters

35-40%

Aircraft

30-35%





# Leonardo investments for innovation, growth and sustainability

Strongly aligned to SDG goals

## 50% of SDG-aligned investments



SDG-aligned Investments      Other Investments

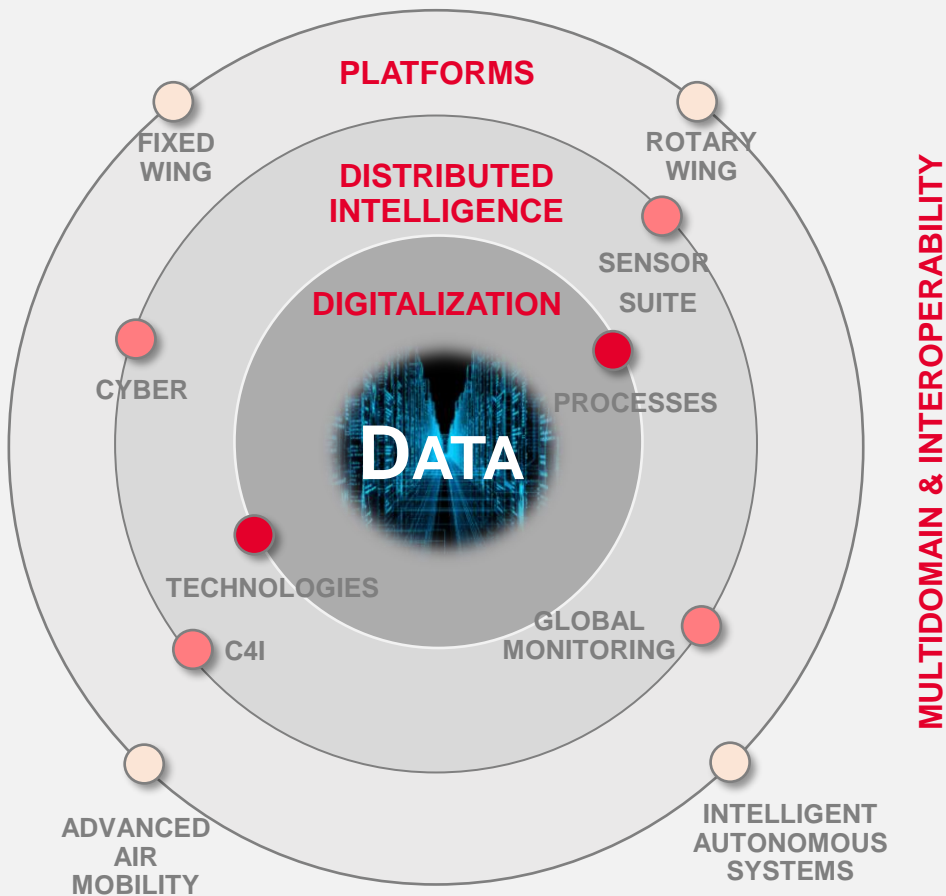
## Our main contribution to SDG<sup>(2)</sup>

|  |  |  |
|--|--|--|
|  |  | Improving resources efficiency and productivity by innovation & promoting safety at work                                     |
|  |  | Ensuring resilient infrastructures, increasing efficient and digital processes and developing technologies with green impact |
|  |  | Supporting safe and resilient cities, preventing disasters and intervening in emergency situations                           |
|  |  | Improving energy efficiency and increasing the share of renewable energy   |
|  |  | Improving water efficiency, reuse and water networks   |
|  |  | Promoting waste reduction, recycling, reuse and therefore reducing the impact on environment                                 |

(1) Including Capitalized R&D, Capex, Tooling and Other Immaterial  
(2) The initiatives mainly impact SDG 9 “Industry, Innovation & Infrastructure” followed by SGD 8 “Decent work and economic growth” and SGD 11 “Sustainable Cities & Communities”



# Interoperability and strategic presence across all domains



Strategic presence as leader across Helicopters, Simulation & Training and EU Defence Electronics  
Key player in European Cooperation Programmes, Safety and Security partner for Institutions



Strong and unique portfolio to address multidomain solutions



Synergies in R&D and product innovation capabilities



Challenging traditional business models with digitalisation capabilities



Driver of innovation and development in a digital and sustainable way



# Important progress towards ESG milestones in 2022

## Progress on environment and climate change



- **-15% CO<sub>2</sub> Scope 1 & 2 emissions\*\*** vs 2021
- **-7% intensity\*** of **energy** consumption vs 2021
- **-4% intensity\*** of **waste** produced vs 2021
- **-13% intensity\*** of **water withdrawals** vs 2021



**Committed  
to SBTi**

## Progress on social impact and people



- **>4,900 new hires**
  - **24%** women, **59%** hold a STEM qualification, **44%** under 30
- **22%** women hires with STEM degree on total hires with STEM degree
- **19%** of female managers on total managers

## Commitment to sustainable finance



- **>50%** of investments SDG-aligned
- **55%** of financial sources ESG linked

## Recognition by third-parties



- Highest score in the A&D sector in the **DJSI**
- **Leadership band of CDP** - Climate Change
- Confirmed in the **Bloomberg gender equality** index
- **A** rating from **MSCI**
- Highest score in **Transparency International's** assessment

\* On revenues \*\* Market-based



# FY 2022 Group Results

## GROUP PERFORMANCE

- **Backlog** equal to about 2.5 years of production
- **New Orders** reflecting strong commercial performance (book to bill 1.2x)
- Strong **Revenue** growth
- **EBITA** performance showing a significant double-digit increase
- **Net** Result benefitting from EBIT increase, with lower impact from income taxes, despite the “make-whole” charges related to bond buy-back by Leonardo US Holding, and the gain from the sale of GES and AAC
- **FOCF** showing an increase of 158% vs FY 2021
- **Group Net Debt** confirming deleveraging path

|  | € mln       | FY 2021 | FY 2022 | % change | Original 2022 Guidance | Updated 2022 Guidance |
|--|-------------|---------|---------|----------|------------------------|-----------------------|
| New Orders                                   |             | 14,307  | 17,266  | +20.7%   | Ca. 14,000             | Ca. >16,000           |
| Backlog                                      |             | 35,534  | 37,506  | +5.5%    |                        |                       |
| Revenues                                     |             | 14,135  | 14,713  | +4.1%    | 13,800–14,300          | 14,400–15,000         |
| EBITA  |             | 1,123   | 1,218   | +8.5%    | 1,075–1,125            | 1,170–1,220           |
|  | RoS         | 7.9%    | 8.3%    | 0.4p.p.  |                        |                       |
| EBIT   |             | 911     | 961     | +5.5%    |                        |                       |
|  | EBIT Margin | 6.4%    | 6.5%    | 0.1p.p.  |                        |                       |
| Net result before extraordinary transactions |             | 587     | 697     | +18.7%   |                        |                       |
| Net result                                   |             | 586     | 932     | +58.8%   |                        |                       |
| EPS (€ cents)                                |             | 1.019   | 1.623   | +59.3%   |                        |                       |
| FOCF   |             | 209     | 539     | +157.9%  | ca. 500                | ca. 500               |
| Group Net Debt                               |             | 3,122   | 3,016   | -3.4%    | ca. 3,100              | ca. 3,000             |
| Headcount                                    |             | 50,413  | 51,392  | +1.9%    |                        |                       |



# FY 2022 Leonardo Spa Results

## LEONARDO SPA PERFORMANCE

|  | FY 2021 | FY 2022 | % change |
|--|---------|---------|----------|
| € mln  |         |         |          |
| New Orders                                   | 9,206   | 9,060   | -1.6%    |
| Backlog                                      | 26,480  | 25,866  | -2.3%    |
| Revenues                                     | 9,332   | 9,556   | +2.4%    |
| EBITA  | 437     | 525     | +20.1%   |
| RoS  | 4.7%    | 5.5%    | 0.8 p.p. |
| EBIT   | 306     | 354     | +15.7%   |
| EBIT Margin                                  | 3.3%    | 3.7%    | 0.4 p.p. |
| Net result before extraordinary transactions | 177     | 1,701   | +861.0%  |
| Net result/loss                              | 177     | 1,701   | +861.0%  |
| FOCF   | 104     | 484     | 365.4%   |
| Group Net Debt                               | 4,237   | 4,442   | +4.8%    |
| Headcount                                    | 29,739  | 30,457  | 2.4%     |



# Proposal to the Shareholders' Meeting

- The Company's Board of Directors resolved to submit the financial statements of Leonardo - Società per azioni at 31 December 2022 for approval to the Shareholders' Meeting, which closed net profit of Euro 1,700,507,630.03.
- In this regard, the Company's Board of Directors resolved to propose to the Shareholders' Meeting to allocate FY2022 net profit of € 1,700,507,630.03 as follows:
  - › as to Euro 85,025,381.50, equal to 5% of the profit, to legal reserve;
  - › as to Euro 0.14, on account of dividend, by paying it, including any withholding prescribed by law, as from 24 May 2023, with "detachment date" of coupon no. 13 falling on 22 May 2023 and "record date" (i.e. date on which the dividend is payable, pursuant to Art.83-terdecies of Legislative Decree no. 58 of 24 February 1998 and Art. 2.6.6, paragraph 2, of the Regulations for the Markets organised and managed by Borsa Italiana S.p.A.) falling on 23 May 2023; the above provisions refer to each ordinary share that will be outstanding at the detachment date of the coupon, excluding treasury shares in portfolio at that date, without prejudice to the regime of those that will be actually awarded, under the current incentive plans, during the current financial year;
  - › with regard to the remaining amount, to retained earnings



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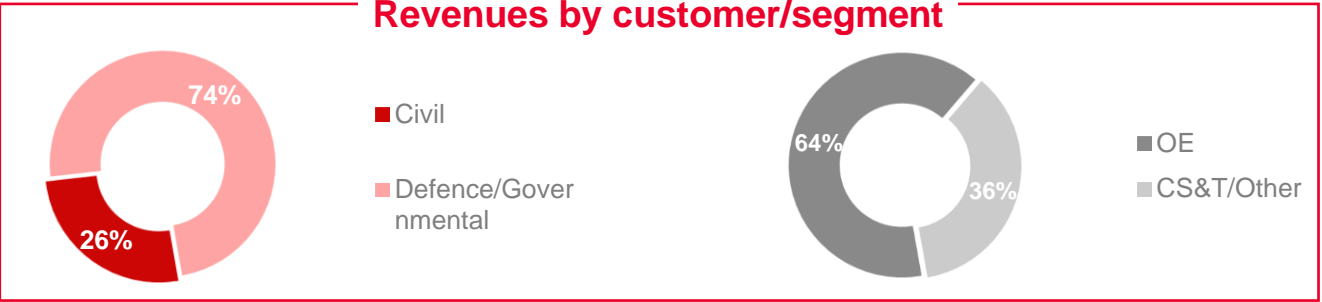
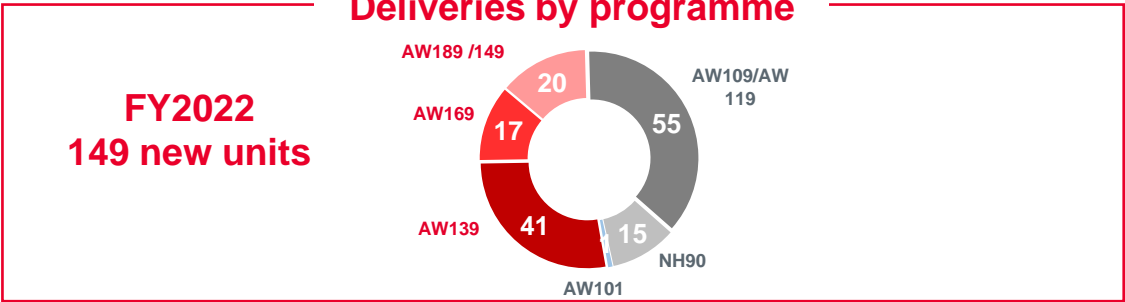
# Helicopters

## Solid business with accelerated civil recovery



4Q22 Results

|          | 4Q 2021 | 4Q 2022 | % Change |
|----------|---------|---------|----------|
| Orders   | 1,979   | 1,437   | -27.4%   |
| Revenues | 1,438   | 1,393   | -3.1%    |
| EBITA    | 183     | 181     | -0.5%    |
| RoS      | 12.7%   | 13,0%   | +0.3p.p. |



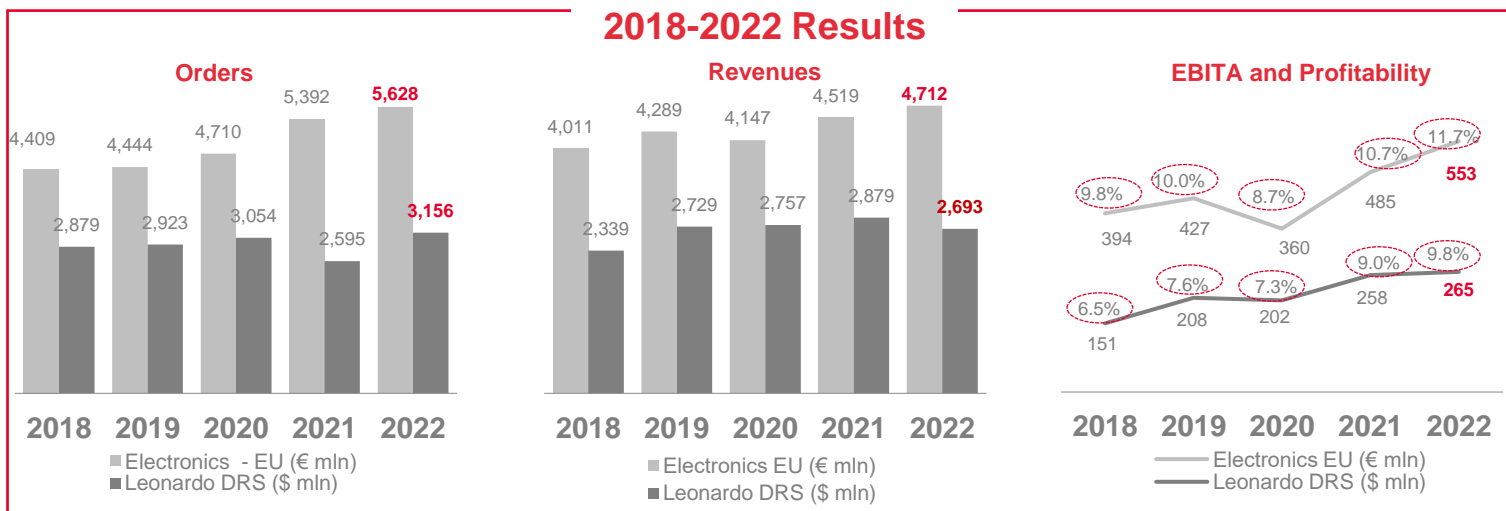
- 2022 Results
- Order intake increase as a result of major orders gained from both governments, mainly thanks to the recognition of the aforesaid order for Poland, and in the commercial aviation business segment. Among the main acquisitions for the period we must note: 32 AW149 Polonia; AW119 US Navy; 10 AW139, 20 AW 119Kx, 4 AW169 LUH Italy; 5 AW119Kx Israel; 6 AW189 China; AW609 convertiplanes
  - Revenue increase mainly due to the greater activities on the NH90 programme for Qatar, TH-73A (AW119) US Navy, on the AW169 line and on the CS&T front
  - EBITA increase as a result of the higher volumes, with a stable profitability, if pass-through revenues are excluded





# Electronics

## Growing Revenues and Profitability



## 4Q22 Results

### ELECTRONICS - EU

|          | 4Q 2021 | 4Q 2022 | % Change |
|----------|---------|---------|----------|
| Orders   | 1,529   | 2,134   | 41.5%    |
| Revenues | 1,496   | 1,562   | 7.9%     |
| EBITA    | 203     | 247     | 21.7%    |
| RoS      | 13.6%   | 15.8%   | 2.2 p.p. |

### Leonardo DRS

|          | 4Q 2021 | 4Q 2022 | % Change |
|----------|---------|---------|----------|
| Orders   | 676     | 852     | 26.0%    |
| Revenues | 820     | 820     | 0.0%     |
| EBITA    | 85      | 104     | 22.4%    |
| RoS      | 10.4%   | 12.7%   | 2.3 p.p. |

## 2022 Results

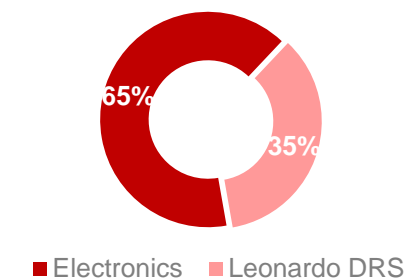
### Electronics

- Orders: naval guns for four F126-class frigates for the German Navy; EFA Spain. In Cyber, Cyber Information Superiority
- Revenues: delivery on backlog and capturing new opportunities globally; Higher volumes in EU, mainly UK. Pass-through activities
- EBITA Increase across all business areas and all domains

### Leonardo DRS

- Growing orders across advanced sensing, network computing, force protection and electric power and propulsion
- Revenue softness due to supply chain. Positive FX effect
- EBITA: confirming positive trend

## FY22 Revenue by segment



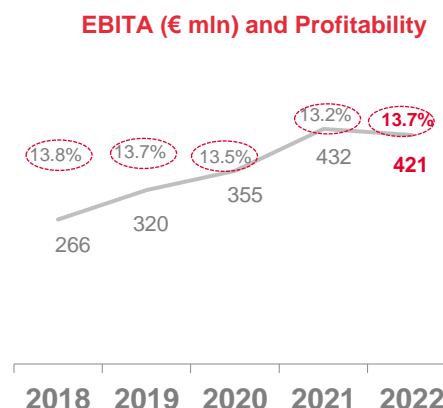
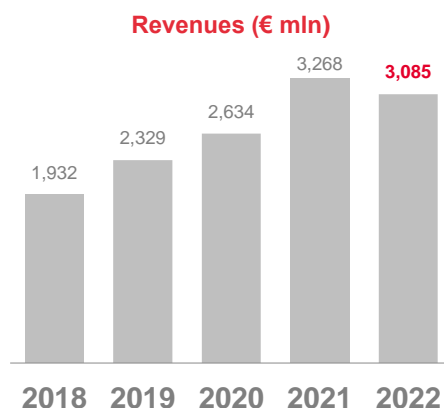
\* Avg. exchange rate €/€ @ 1.18 in FY2021; Avg. exchange rate €/€ @ 1.05 in FY2022



# Aircraft

## Solid performance

### 2018-2022 Results



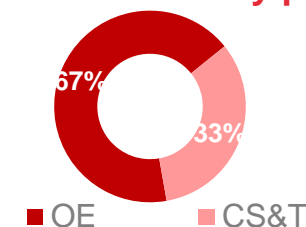
### 4Q22 Results

|          | 4Q 2021 | 4Q 2022 | % Change  |
|----------|---------|---------|-----------|
| Orders   | 1,025   | 1,163   | 13.5%     |
| Revenues | 1,147   | 1,126   | -1.8%     |
| EBITA    | 191     | 176     | -7.9%     |
| RoS      | 16.7%   | 15.6%   | -0.9 p.p. |

### 2022 Results

- Order increase vs 2021. 20 EFA Spain; 1 C-27J for MoD Slovenia; first phase Euromale order, modernization of C-27J fleet for AMI
- Revenue slight decrease due to lower production on EFA Kuwait and shifted export contracts
- Confirming strong profitability driven by fighter business line

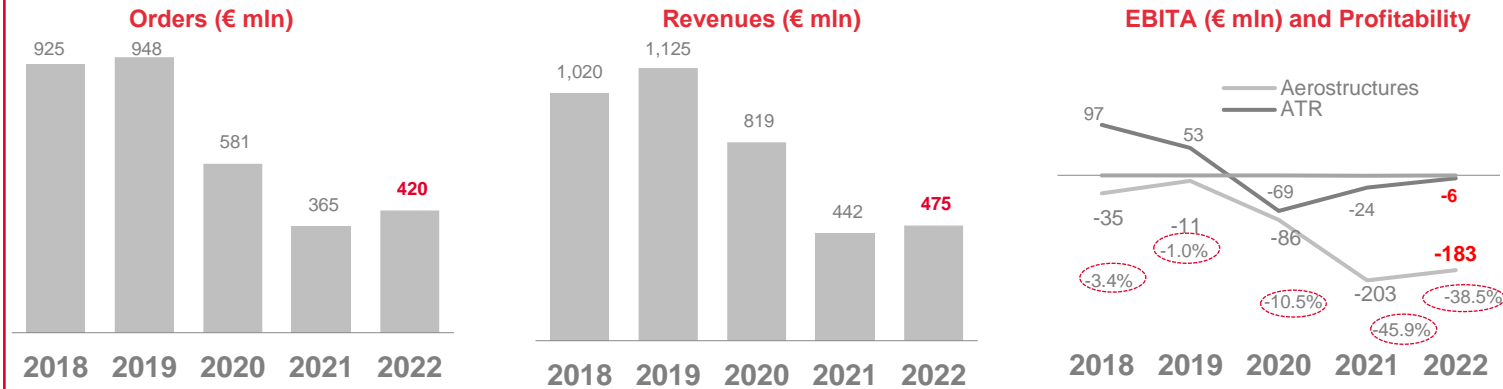
### FY22 Revenues by platform



# Aerostructures and ATR

## Gradual recovery

### 2018-2022 Results



### 4Q22 Results

#### Aerostructures

| € mln    | 4Q 2021 | 4Q 2022 | % Change   |
|----------|---------|---------|------------|
| Orders   | 66      | 78      | 18.2%      |
| Revenues | 37      | 124     | 235.1%     |
| EBITA    | -78     | -49     | 37.2%      |
| RoS      | -210.8% | -39.5   | 171.3 p.p. |

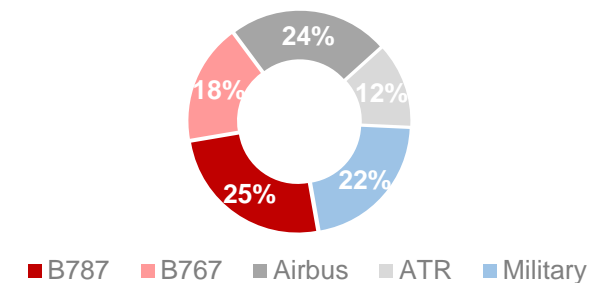
#### ATR

| € mln | 4Q 2021 | 4Q 2022 | % Change |
|-------|---------|---------|----------|
| EBITA | 1       | -2      | -300%    |

### 2022 Results

- Orders for A220 and A321, confirming trend. Stable ATR and Boeing programmes
- Revenues increase due to deliveries to ATR consortium and orders by Airbus
- Increased asset utilisation

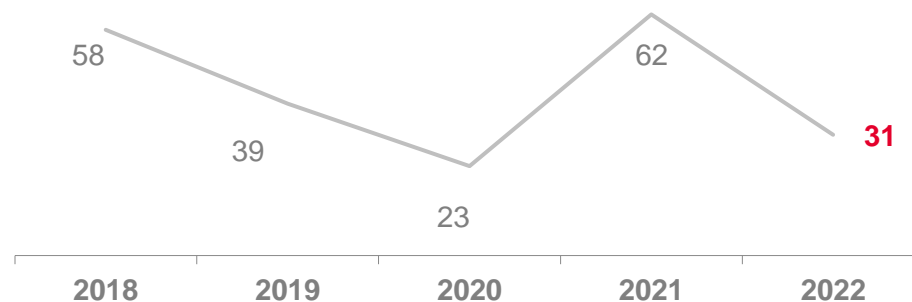
### FY22 Revenue by programme



# Space

## Recovery of Manufacturing and confirmed solid performance of Satellite services

EBITA (€m) **2018-2022 Results**



**4Q22 Results**

|       | 4Q 2021 | 4Q 2022 | % Change |
|-------|---------|---------|----------|
| EBITA | 25      | 21      | -16,0%   |

### 2022 Results

- The sector still impacted by the performance of the manufacturing segment, which was heavily affected by exogenous factors (such as the Russian-Ukrainian crisis, with the recognition of charges for risks associated with contracts to Russia, and the increase in inflation)
- Increasing volume of revenues and a profitability that benefitted from the greater contribution given by the Observation Exploration and Navigation Domain compared to the Telecommunications Domain
- The segment of satellite services recorded a good performance in 2022 too, in terms of volumes and a sharply increasing result, benefiting from the greater contribution ensured by the Satellite Systems and Operations








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# 2023 Outlook

|                       |  | 2022A | 2023E <sup>1</sup>   |
|-----------------------|--|-------|----------------------|
| <b>ORDERS</b> (€bn)   |   | 17.3  | ca.17                |
| <b>REVENUES</b> (€bn) |   | 14.7  | 15-15.6              |
| <b>EBITA</b> (€mln)   |   | 1,218 | 1,260-1,310          |
| <b>FOCF</b> (€mln)    |   | 539   | ca. 600              |
| <b>NET DEBT</b> (€bn) |  | 3.0   | ca. 2.6 <sup>2</sup> |



- Continued solid commercial momentum, with book-to-bill>1x
- Successfully navigating inflationary pressures
- Continued improvement in FOCF and focus on deleveraging

2023 exchange rate assumptions: € / USD = 1.10 and € / GBP = 0.87

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

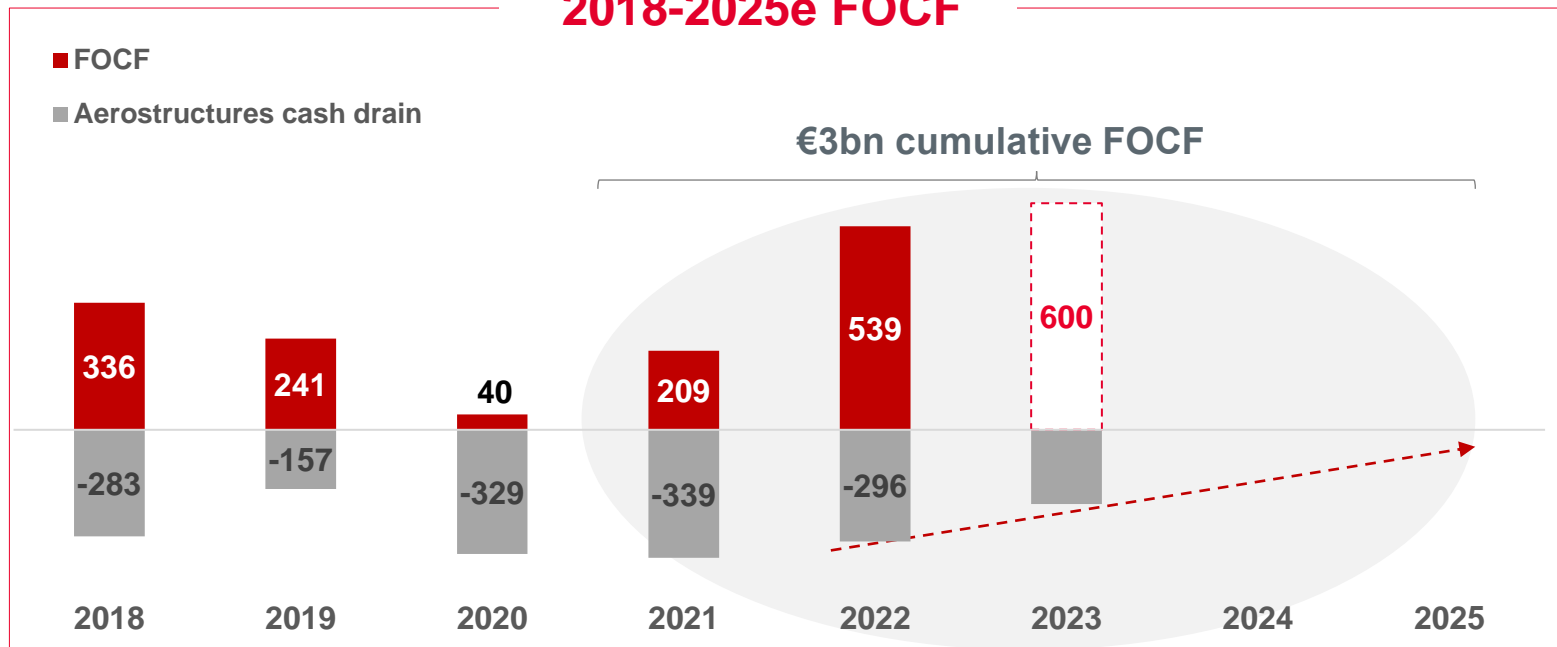
2) Assuming dividend payment of € 0.14 p.s. and new leases for ca 100 mln



# On track with our commitment to improve cash flow

(€ mln)

## 2018-2025e FOCF



## Main drivers

- Mid-single digit revenue growth
- High single digit EBITA growth
- Continued cash discipline in core
- Consistent contribution from JVs
- Aerostructures breakeven in 2025

## Achieved all targets set on 2022 cash flow generation

- ca. 70% cash flow conversion excl. Aerostructures ✓ 70%
- Slightly lower cash absorption from Aerostructures vs 2021 ✓ €40mln better vs 2021
- ca. 55% Group cash flow conversion ✓ 55%










**Focus on deleveraging**



# Confidence in the medium-term

Based on strong fundamentals of our businesses

## KEY ESG PRIORITIES

-  SUPPORTING OUR KEY COMMERCIAL AND INDUSTRIAL GOALS
-  ENABLING SUSTAINABLE GROWTH BY INNOVATION AND TECHNOLOGY
-  MEETING AND ANTICIPATING CUSTOMER PRIORITIES
-  PARTNERING WITH OUR SUPPLIERS
-  ENHANCING HUMAN CAPITAL AND SKILLS FOR THE FUTURE
-  TRANSPARENCY AND INTEGRITY AT OUR CORE
-  DRIVING CAPITAL ALLOCATION AND LONG-TERM RETURNS

## ESG TARGETS

**ORDERS**

**2022-2026 Cumulated ca € 90 bn  
(€ 80 bn vs previous plan)  
Book to bill >1**

**REVENUES**

**Confirming Mid Single Digit CAGR  
2023-2027 Cumulated ca € 85 bn**

**EBITA**

**Confirming High Single Digit CAGR  
RoS growing, at double digit at Plan end**

**FOCF**

**Confirming ca. € 3 bn cumulated in 2021-2025  
(including Aerostructures)**

**CASH FLOW  
CONVERSION**

**ca. 70% in 2022, excluding Aerostructures  
ca. 70% by 2025, including Aerostructures**

**ROIC**

**ca. 13% in 2025**

## 2023 – 2027 TARGETS<sup>1</sup>



<sup>1</sup>) 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



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# Strong confidence in our core business fundamentals

- Leonardo is stronger, more robust, resilient and sustainable
- Successfully capturing increasing opportunities
- Continued strong commercial activity globally building our backlog
- Top line growth across all defence/governmental sectors
- Robust profitability benefitting from increasing volumes and solid industrial performance
- More solid, structurally increasing cash flow and deleveraging
- Digitalization and supercomputing at the base of technological and product competitiveness
- Confirmed our commitment on ESG for a long-term growth
- Fully committed to create value for all our stakeholders



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# Agenda

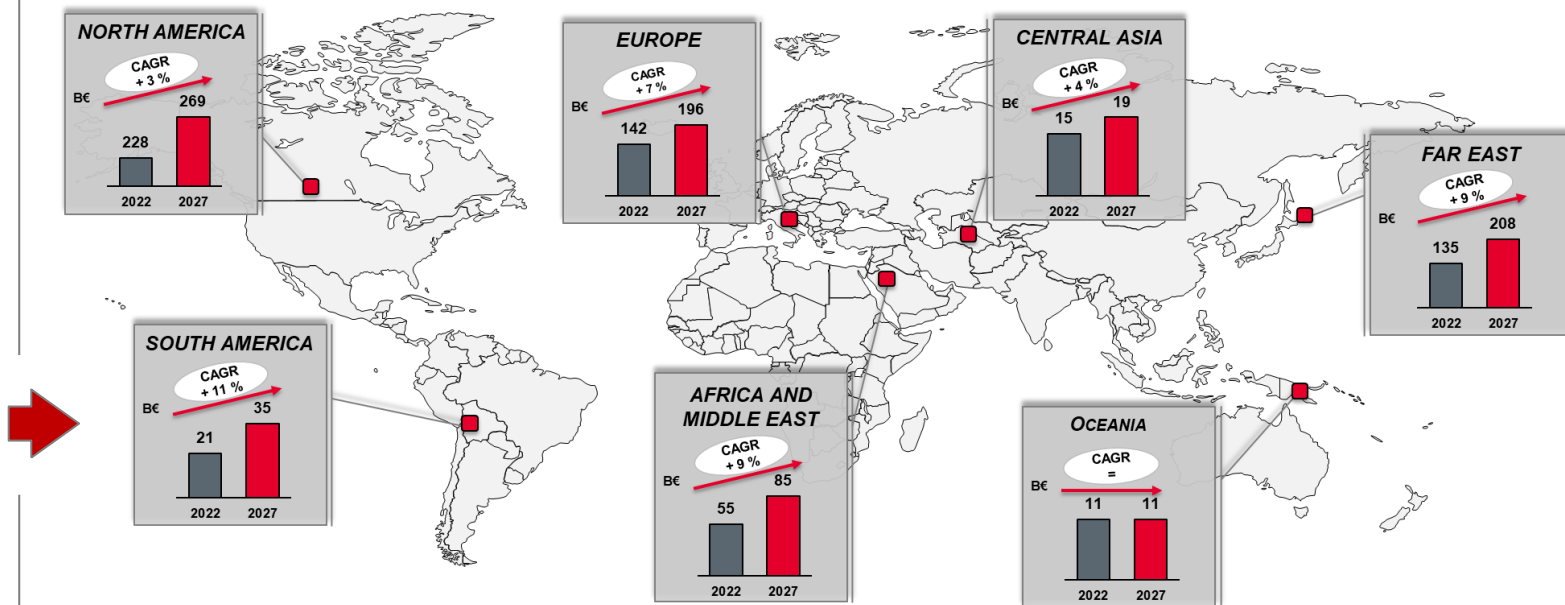
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# Strong fundamental drivers of commercial outlook over medium term

## Positive market outlook in our core defence markets

- A,D&S market CAGR over the next 5 years: **ca. 6%**
- A,D&S annual average market value: **ca. €800 bln**
- Leonardo's addressable market: **ca 15% of the global A,D&S market**



**Defence  
spending as  
% of GDP**



**Italy:** Expected to reach 2% NATO spending target\* in 2028



**UK:** Increasing spending towards 3% of GDP by 2030



**Poland:** Increasing spending towards 4% of GDP in 2023

\* In 2006, NATO Defence Ministers agreed to commit a minimum of 2% of their Gross Domestic Product (GDP) to defence spending to continue to ensure the Alliance's military readiness.

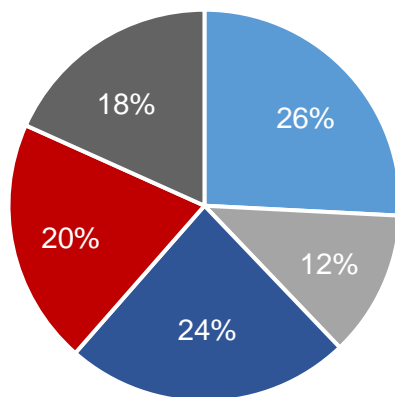


# Positive order intake momentum providing long-term visibility

Well positioned to capture future opportunities

## ORDER INTAKE 2018-2022

Cumulative value:  
Ca. €75 bln



■ USA ■ UK ■ ITALY ■ REST OF EUROPE ■ REST OF WORLD

## LEVERAGING ON GROUP STRENGTHS

- Strong position in key domestic markets
- Enhanced strength across international export markets
- Partner on large, long-term international programmes
- Unique ability to combine interoperable and multidomain capabilities across the group

## OPPORTUNITIES ACROSS THE BUSINESSES

- **Opportunities in**
  - Short-term Helicopters pipeline
  - Proprietary Aircraft programmes (incl. Trainers)
  - International programmes
  - EFA follow-on activity in the pipeline for Aircraft, Electronics and Customer Support offering
- **Italian National Recovery Fund**
  - Cloud digitization (National strategic hub)
  - Global Monitoring (Critical infrastructures, environmental, ..)

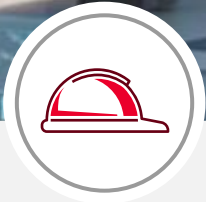
## 2022-2026 OUTLOOK IMPROVED

**Cumulative value**  
**Ca. € 90 bln**  
(prev. ca. € 80 bln)



# Well positioned to capture opportunities in Global Monitoring

## Our strengths



Expertise in **control room** creation and management, both in civil and defence markets



**Secure-by-design** solutions and predictive analysis-based integration of data from several sources



**Computing and storage** platform (e.g., predictive analysis, big data analytics, machine learning)



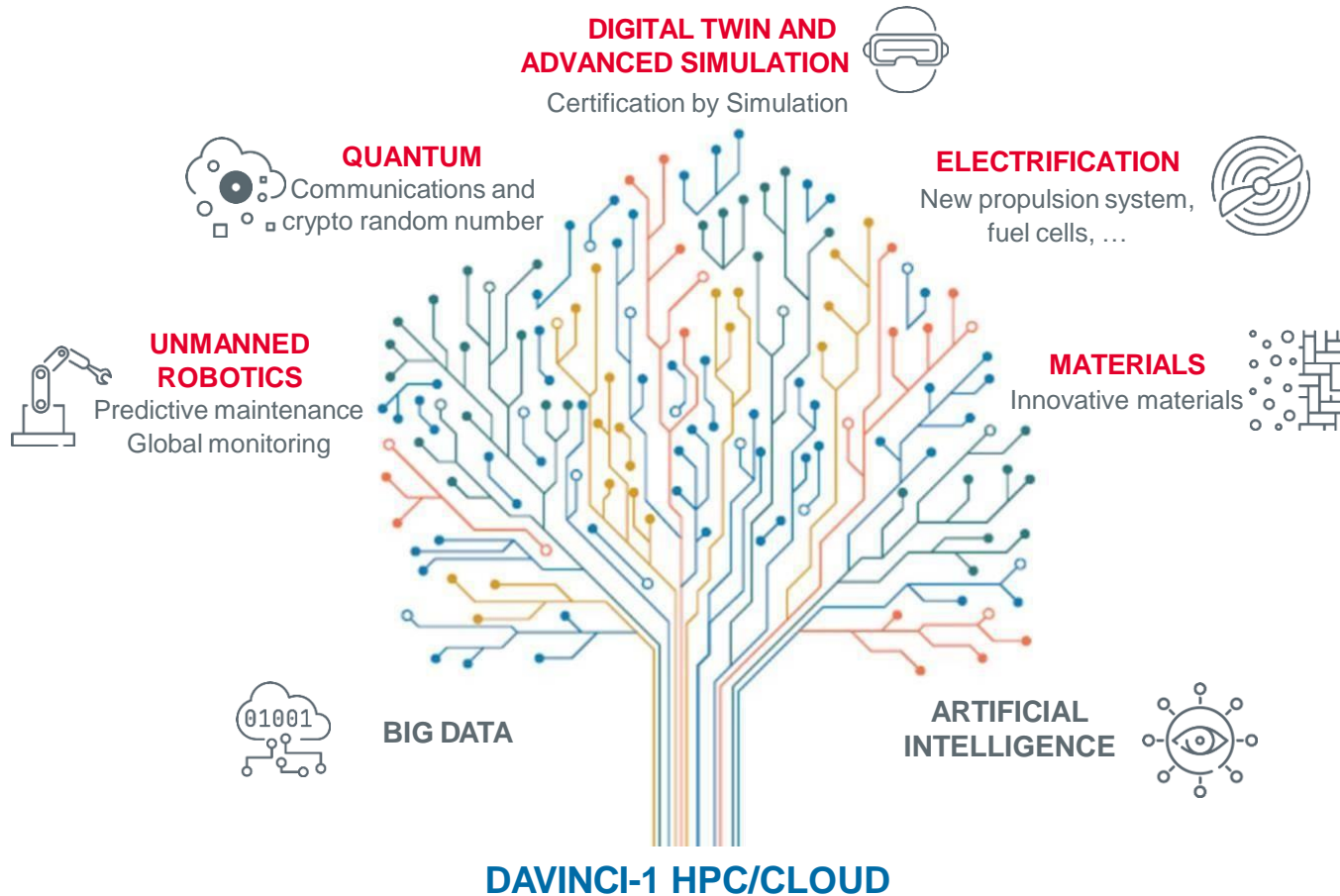
**Modular solutions**



Integrating **data and systems from third parties** (e.g., Smart Road, Road Asset Management)

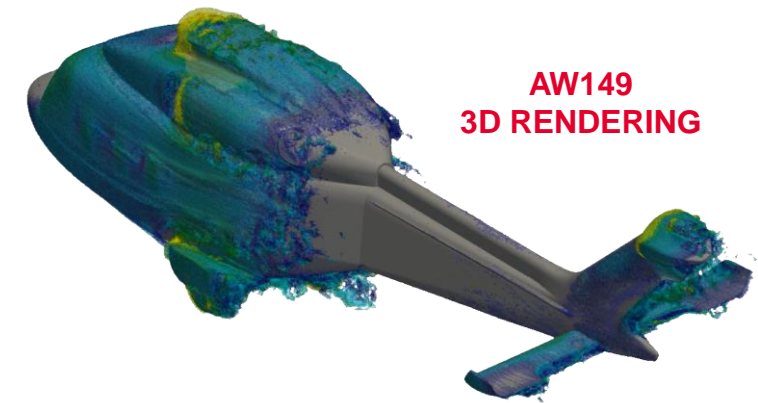
# Innovation is the key for our future

Group capabilities and technological innovation to drive long-term growing commercial success



## DAVINCI-1 HPC IN HELICOPTERS

- Digital Twin application for predictive maintenance
- Improving flow field accuracy and minimizing experimental needs and computing time
- Reducing development costs and risks





# Innovation is key for our future: Global Combat Air Programme (GCAP)

Groundbreaking 'System of Systems' connecting all domains

## LEAD SYSTEM INTEGRATORS



**BAE SYSTEMS**



**MITSUBISHI  
HEAVY INDUSTRIES**



**LEONARDO**





- ALL DOMAIN
- CONNECTIVITY
- AUTOMATION
- AI, BIG DATA
- DIGITAL TWIN
- SECURE BY DESIGN



# Aerostructures recovery plan on track

Confirming breakeven by end of 2025

## PROGRESS SO FAR

|  |   |   |
|--|---|---|
| <b>ACTION PLAN</b>  | <ul style="list-style-type: none"><li>• Reduced headcount by 20%</li><li>• Reducing cost through automation and digitalization</li><li>• Final phase our investment plan to achieve manufacturing efficiency gains</li><li>• Pursuing new opportunities</li></ul>                   | <b>AEROSTRUCTURES<br/>BREAKEVEN</b><br><br> <b>Confirmed<br/>end of 2025</b> |
| <b>AIRBUS</b>  | <ul style="list-style-type: none"><li>• Increasing volumes of A220 &amp; A321 programmes</li><li>• Investment in state-of-the-art A220 assembly line complete</li></ul>   |   |
| <b>ATR</b>   | <ul style="list-style-type: none"><li>• Clear strategy to strengthen leadership in regional market, providing sustainable and affordable configurations</li><li>• New state of the art assembly line reducing production times and assuring higher quality level standard</li></ul> |   |
| <b>BOEING 787</b>  | <ul style="list-style-type: none"><li>• 2022 production rate &lt; 2/m while expected increase in activity to 4-5 shipsets per month in 2023, rising to 10/m within 2025</li><li>• Breakeven from fuselage delivery n. 1,406 due to rate profile and pricing per contract</li></ul>  |   |
| <b>DEFENCE</b>   | <ul style="list-style-type: none"><li>• Robust and profitable Eurofighter and JSF production</li><li>• EuroMALE providing significant industrial impacts in Grottaglie and Foggia plants</li></ul>  |   |





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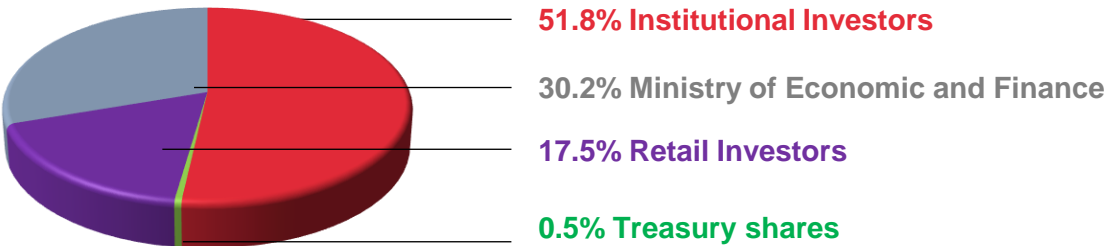
# Agenda

- 2022 Results
- Business Performance
- 2023 Guidance and medium-long term outlook
- Industrial review
- **Shareholding and share price update**
- Appendix



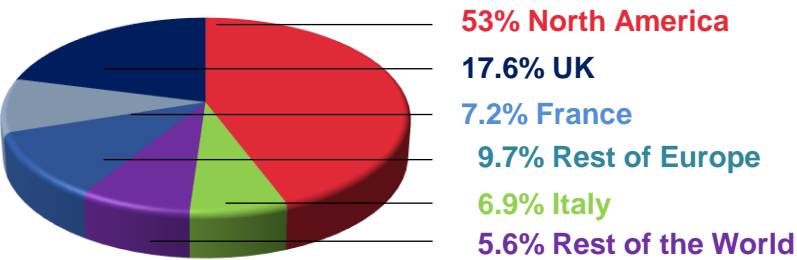
# Shareholding Composition

## DISTRIBUTION OF SHAREHOLDERS



## GEOGRAPHICAL DISTRIBUTION OF INSITUTIONAL SHAREHOLDERS FLOATING RATE

- Over 90 of the free float is owned by International Funds



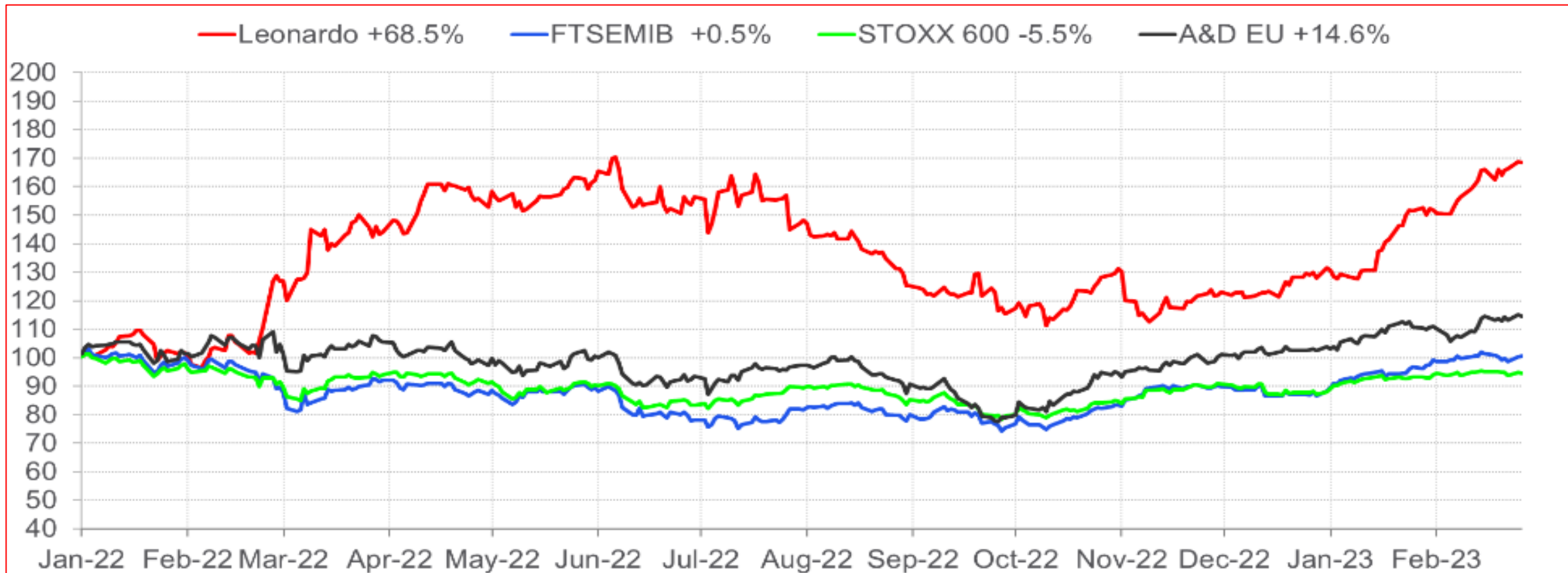
## SIGNATORIES OF THE PRINCIPLES FOR RESPONSIBLE INVESTMENT (PRI)

- 30% of the shareholding is owned by PRI signatories



# 2022 Share price performance

2 January – 28 February 2023



A&D EU = Bloomberg EMEA Aerospace Defence Index.



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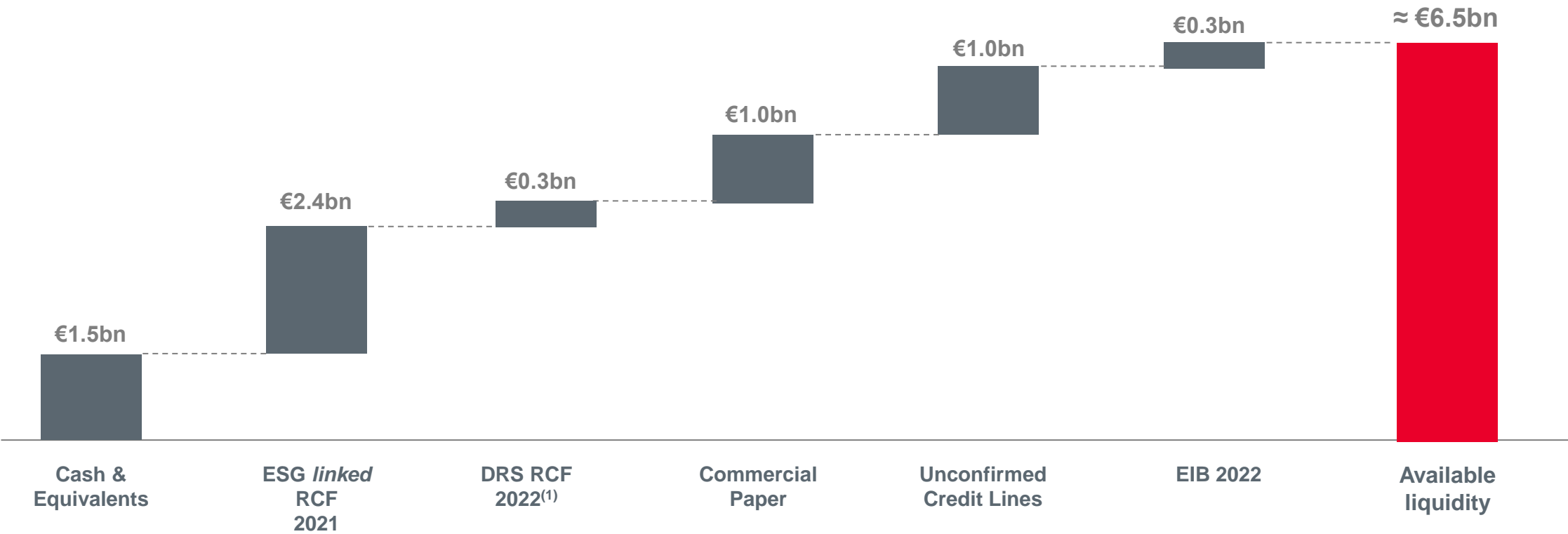
# Agenda

- 2021 Results
- Business Performance
- 2022 Guidance and medium-long term outlook
- Industrial review
- Shareholding and share price update
- **Appendix**



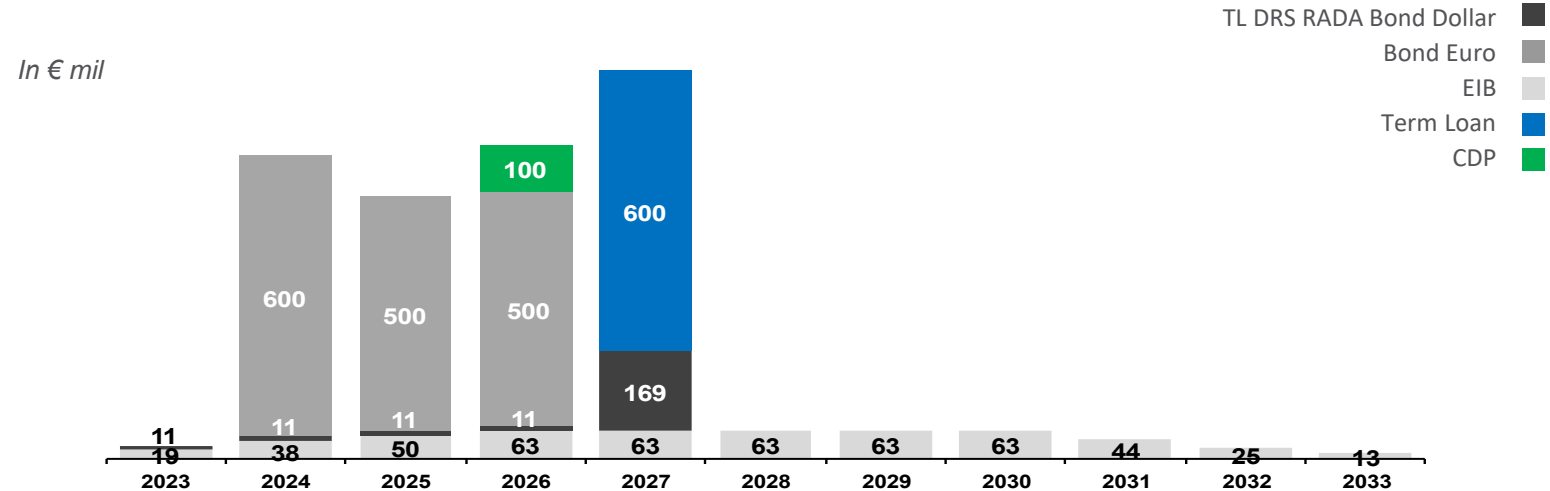
# Solid Group liquidity ensures adequate financial flexibility

- Available credit lines
    - ESG Credit Line signed in October 2021 equal to € 2.4 bn
    - Existing unconfirmed credit lines equal to € 1.0 bn
    - Commercial Paper, signed in August 2022, equal to € 1.0 bn
    - New «Sustainability-Linked» EIB loan equal to € 0.3 bn
- together with the Revolving Credit Facility signed in November 2022 by Leonardo DRS, following the merger with RADA, equal to \$ 0.3 bn and cash in-hands ensure a Group's liquidity of approx. € 6.5bn



# Balanced debt maturity profile

**Debt maturity**  
Average life: ≈ 3,3 years



## Repayment Conditions of New Debt Instruments



- Leonardo DRS, following the merger with the company RADA, has signed total funding of \$500mil expiring in 5 years (of which \$225mil Term Loan fully drawn on December 31, 2022 and agreement for \$275mil Revolving Credit Facility fully undrawn on December 31, 2022)

## CREDIT RATING

|         | As of today            | Before last review      | Date of review |
|---------|------------------------|-------------------------|----------------|
| Moody's | Ba1 / Positive Outlook | Ba1 / Stable Outlook    | July 2022      |
| S&P     | BB+ / Positive Outlook | BB+ / Stable Outlook    | May 2022       |
| Fitch   | BBB- / Stable Outlook  | BBB- / Negative Outlook | January 2022   |



# Development costs capitalised as intangible assets as at 31 December 2022

| € mln                           | Self Funded National Security | Self Funded Other | Total |
|---------------------------------|-------------------------------|-------------------|-------|
| 01 January 2022 Opening Balance | 1,760                         | 849               | 2,609 |
| Gross R&D capitalised           | 98                            | 133               | 231   |
| Depreciation and write offs     | (85)                          | (40)              | (125) |
| Disposals                       | -                             | (1)               | (1)   |
| Subtotal                        | 13                            | 92                | 105   |
| Other Changes (*)               | 1                             | 2                 | 3     |
| Net R&D capitalised             | 14                            | 94                | 108   |
| 31 December 2022                | 1,774                         | 943               | 2,717 |

(\*) Movements w/o cash and PL effects



# Capex initiatives that align our portfolio with SDGs represent 50% of the total

## New initiatives increasing industrial process efficiency

### Energy efficiency

Transition to LED technology for most industrial plants

### Water efficiency

Reduction of consumption through modernisation of water networks and correct recovery of wastewater

### Re-industrialization projects

Implementation of automated equipment and digital solutions in order to increase competitiveness and product reliability for both existing and upcoming programs (ATR and EuroMALE)

### Barrel production line

Production line improvement with machines substitution in order to increase production rate and to reduce waste in the process

### Digitalization

Digitalization of manufacturing and engineering processes driven by upgrade applications (such as SAP and Product Life-cycle Management) in order to reduce waste and improve quality



## New products included in our SDGs-aligned portfolio

### M-346 and M-345

Our trainers through a greater use of simulation systems allow a reduction of the flight-hours resulting in benefits on carbon footprint and emissions

### AW609

First civil tiltrotor to be certified which will represent and enabler technology for prosperity and progress combining into one aircraft the benefits of helicopter and fixed-wing aircraft

### AW169

Light Intermediate helicopter with class-leading technology that guarantees the highest performance also representing a solution for a healthier planet along with operating capability in the most challenging conditions

### Integrated Sensors Suite

New AESA multifunctional radars suite for naval platforms with state-of-the-art technologies. The new materials and manufacturing process for AESA antennas reduce power consumption and increase sustainable production

### Falco Xplorer

RPAS designed for persistent multi-sensor strategic surveillance with situation awareness capability. The increase in performance in terms of persistence allows to reduce the number of missions and to optimize the flight profiles, leading to carbon footprint reduction.





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# 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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