

PRESS RELEASE

LEONARDO ANNOUNCES THE DISPOSAL OF ITS UNDERWATER BUSINESS “UNDERWATER ARMAMENTS SYSTEMS” TO FINCANTIERI.

Rome, 09/05/2024 – Leonardo announced today the signing of a definitive agreement to sell its Underwater Armaments Systems (UAS) business line to Fincantieri for an Enterprise Value consideration comprising a fixed component amounting to € 300 million, subject to the usual price adjustment mechanisms, plus a variable component of up to € 115 million subject to the achievement of certain 2024 performance targets, making for a total Enterprise Value up to €415 million. Closing of the transaction is expected at the beginning of 2025 and is subject to the usual customary regulatory approval.

“The disposal of the Underwater Armaments Systems is part of the plan of rationalizing Leonardo’s business portfolio. The initiative gives further emphasis to the cooperation between Leonardo and Fincantieri, within the framework aimed at achieving more effective defence and global competitiveness.” **Roberto Cingolani, CEO and MG of Leonardo, stated.**

Underwater Armaments Systems

Whitehead Alenia Sistemi Subacquei S.p.A., a historic 100% subsidiary of Leonardo, was founded as a company specialising in the construction of submarine defense systems and in particular torpedoes, countermeasures and sonars. In early 2016, the company merged into Leonardo S.p.A., becoming a business line, and was renamed “Underwater Armaments & Systems” (“UAS”). The business line also includes a 50% participation in GEIE EuroTorp (established with Naval Group and Thales), dedicated to the design and construction of the MU90 light torpedo, and is located in two locations, Livorno and Pozzuoli. In 2023, the UAS line of business generated revenues of approximately € 160 million and an EBITDA of € 34 million.

Advisors

For the transaction, Leonardo was assisted by Rothschild & Co as financial advisor, by Studio Cappelli RCCD as legal advisor and by PwC in the preparation of the financial documentation of the business unit.

UBS supported Leonardo's Control and Risks Committee in evaluating the transaction, providing a fairness opinion on the economic terms of the transaction.

Related Party Transaction

For Leonardo the above Transaction, given the correlation relationship between Leonardo and Fincantieri (both companies controlled by the Ministry of Economy and Finance), is a Related Party Transaction of “lesser importance” pursuant to current regulations and the Company’s Procedure.

The Transaction was approved by the Leonardo’s Board of Directors following a reasoned and unanimous favourable, non-binding, opinion expressed by the Control and Risks Committee in the exercise of the relevant functions as Committee for Related Parties Transactions, regarding the Company's interest into the Transaction’s completion as well as the convenience and substantial fairness of the corresponding term.

Leonardo is a leading global Aerospace, Defence and Security (AD&S) company. With 51,000 employees worldwide, it operates in the fields of Helicopters, Electronics, Aircraft, Cyber & Security and Space, and is a key partner in major international programmes including Eurofighter, NH-90, FREMM, GCAP and Eurodrone. Leonardo has significant industrial capabilities in Italy, the UK, Poland, and the US and also operates through subsidiaries, joint ventures and stakes, including 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), Leonardo reported new orders of €17.3 billion in 2022, with an order backlog of €37.5 billion and consolidated revenues of €14.7 billion. The company is included in the MIB ESG index and has been part of the Dow Jones Sustainability Indices (DJSI) since 2010.

Investor Relations

Ph +39 0632473512
ir@leonardo.com

Press Office

Ph +39 0632473313
leonardopressoffice@leonardo.com

leonardo.com