
PRESS NOTE

LEONARDO PRESENTS THE ELECTRONICS DIVISION'S DEVELOPMENT PLAN TO THE ITALIAN MINISTRY OF ECONOMIC DEVELOPMENT

Rome, 14 June 2022 – Leonardo announced the conclusion of a series of meetings with various departments of the Ministry of Economic Development (MISE), to which it presented the optimisation and growth plan for the company's Electronics Division. In particular, the company presented its road map for establishing European leadership in the strategic Defence Electronics sector through the industrial upgrading of facilities in Italy, where it will establish 18 centres of technological excellence.

Leonardo informed MISE of its major investments to strengthen the product portfolio (EUR 300 million per year, of which EUR 200 million in Italy), plus a further EUR 50 million over three years to optimise the Italian production footprint and introduce new industrial process technologies. Through these investments financed entirely by Leonardo, the activities of the Electronics Division will be focused in 18 centres of technological excellence, with defined and strengthened missions. The new centres will need to handle growing volumes and provide more efficient and sustainable production processes to maximise the expected benefits, in line with the division's digitisation plan. The model adopted will be that of the smart factory ('factory of the future'), incorporating the concepts of Industry 4.0 and Digital Manufacturing.

This three-year Plan guarantees full business continuity, increasing direct and indirect employment, with no reduction in the Division's workforce and no impacts on the supplier chain. As also emerged during the meetings between the Ministry and Leonardo's management, the growth in turnover forecast for the next five years will be accompanied by an increase in the workforce, through the gradual hiring of new personnel. The company forecasts that by the end of 2022, the total workforce will already exceed the sum of current resources and those transferred through site mergers.

During the meetings, the stages of the operation to transfer the activities and resources of the Giugliano site to the Fusaro site, the Pomezia site to the Cisterna di Latina and Roma Tiburtina sites, the Carsoli site to the Roma Tiburtina site, and the Taranto site to the Grottaglie site were discussed in detail. The company also specified that the activities hitherto handled at the Pisa site will be transferred to the Helicopter Division's Pisa plant. At the same time, the resources and activities currently carried out at Genoa Hermada will be transferred to the Genoa Puccini site.

In the Lazio area, Leonardo confirmed the creation of the Santa Palomba Logistics HUB, which will manage all reception, logistics and storage activities for Lazio materials.

Leonardo confirmed its willingness to provide timely, ongoing information to all the Institutions involved and, in particular, to MISE, in line with the progressive implementation of the Industrial Plan. This plan constitutes a strategic opportunity for the entire sector to grow and develop skills and technological and production capabilities in the European context. Leonardo also explained that it is actively engaged in developing local plans to enhance the sites through projects that involve other industrial entities and maintain the operability of the plants subject to transfer.

In taking note of the elements of the plan announced by the company and the willingness to inform it regularly of the progress of the Plan, MISE - in half-yearly discussions with the company - will monitor the positive effects of the investments on industrial development and on the increase in employment levels.

Leonardo, a global high-technology company, is among the top world players in Aerospace, Defense and Security and Italy's main industrial company. Organized into five business divisions, Leonardo has a significant industrial presence in Italy, the United Kingdom, Poland and the USA, where it also operates through subsidiaries that include Leonardo DRS (defense electronics), and joint ventures and partnerships: ATR, MBDA, Telespazio, Thales Alenia Space and Avio. Leonardo competes in the most important international markets by leveraging its areas of technological and product leadership (Helicopters, Aircraft, Aerostructures, Electronics, Cyber & Security Solutions and Space). Listed on the Milan Stock Exchange (LDO), in 2021 Leonardo recorded consolidated revenues of €14.1 billion and invested €1.8 billion in Research and Development. The company has been part of the Dow Jones Sustainability Indices (DJSI) since 2010 and has been confirmed among the global sustainability leaders in 2021. Leonardo is also included in the MIB ESG index.

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