

PRESS RELEASE**LEONARDO: FY 2022 GUIDANCE UPGRADE ON ORDERS, WITH SLIGHTLY BETTER FOCF AND GROUP NET DEBT.**

9M RESULTS: NEW ORDERS OF € 11.7 BN (+26.8%*), REVENUES OF € 9.9 BN (+4.0%*), EBITA OF € 619 MLN (+9%* VS 9M 2021 RESTATED), NET RESULTS BEFORE EXTRAORDINARY TRANSACTIONS OF € 387 MLN (+68%).

- *Backlog at € 37.4 billion, equal to about 2.5 years of production*
- *Book to Bill higher at 1.2, supporting revenue growth*
- *RoS 6.2%, or 7.2% excluding pass-through*
- *FOCF € - 894 million (ca. 500 mln higher YoY), with reduction in seasonality*
- *Redeeming 300 million of USD notes*

FY 2022 GUIDANCE

- *Upgrade in full year guidance of new order intake from ca. € 15 billion to a level higher than € 16 billion*
- *Slightly better FOCF Guidance now confirmed at ca. € 500 million, despite perimeter effect equal to ca. € 30 million*
- *Slightly lower Net Debt now expected at ca. € 3 billion from ca. € 3.1 billion, thanks to FOCF contribution and including extraordinary transactions*
- *Confirmed full year guidance for Revenues and EBITA, despite the change in perimeter*

*Adjusted perimeter to exclude the contribution of Global Enterprise Solutions in August and September 2021 (closing of disposal on 1/08/2022). Avg. exchange rate August-September 2021€/€ @ 1.19671.

Rome, 3 November 2022 – Leonardo's Board of Directors, convened today under the Chairmanship of Luciano Carta, examined and unanimously approved results of the first nine months 2022.

*“Our solid Q3 results - **Alessandro Profumo**, Leonardo CEO, stated - confirm the underlying strength, current and for the future, of the business, with new order intake up 26.8%* and a backlog equal to about 2.5 years of production. Our defence/governmental business remains strong, with growing opportunities both domestically & internationally. We are seeing a gradual recovery in civil Aerostructures. We continue to manage the impact of pressures from inflation, supply chain and other challenges of the external environment. Our good commercial momentum allow us to capture opportunities, we are carrying this positive commercial momentum forward, allowing us to upgrade our full year new order guidance from ca. € 15 billion to a level higher than € 16 billion, lowering our year end expected Group net debt level from around € 3.1 billion to € 3.0 billion, thanks to cash generation and including extraordinary transactions, and we are also slightly raising our FOCF for the full year, confirmed at ca. 500 million notwithstanding perimeter effect”*

*“In addition, - **Alessandro Profumo** concludes – these months has also seen important moves towards the closing of DRS and RADA deal. This will reinforce Leonardo DRS core business of sensors and integrated systems in the fastest growing segments of the US DoD budget and current global defence requirements and needs. We have also strengthened our decarbonization plan by committing to Science Based Targets Initiative (SBTi). All of this makes us confident in the medium-long term value creation benefitting all our stakeholders”.*

*Adjusted perimeter to exclude the contribution of Global Enterprise Solutions in August and September 2021 (closing of disposal on 1/08/2022). Avg. exchange rate August-September 2021€/€ @ 1.19671.

3Q/9M 2022 financial results

The results of the first nine months of 2022 continue to confirm the path to growth and increased profitability expected starting from 2020, despite the critical issues emerged at global level, especially as a result of inflation.

This path to growth is even more pronounced considering that, unlike the comparative period, EBITA for the period includes the charges related to the COVID emergency as recurring costs. The restated figures for the two periods under comparison have been provided in order to make them comparable. Additionally, the results for the nine months are affected by various changes in the scope of operations due to the strategic transactions occurred: the acquisition of the 25.1% investment in the German company Hensoldt, the pro-quota profit of which is recognised within consolidated EBITA, and the lower contribution from the disposal of the Global Enterprise Solutions business of the subsidiary Leonardo DRS.

The volume of new orders was rising in all the main Business areas and reflects, among other things, the acquisition of the order from the Polish Ministry of Defence regarding the AW149 helicopters for €bil. 1.4. It is worth noting that the volume of new orders is however increasing even excluding this order.

Revenues and EBITA showed a slight increase driven by the good steady performance of Helicopters and of Defence Electronics & Security, notwithstanding the impact of deconsolidation of Global Enterprise Solutions.

The increase in EBITA in the first nine months of 2022 is even more remarkable if we include in the EBITA figure for the comparative period the charges related to the COVID emergency, which had been previously recorded as non-recurring costs. It should be also noted that the net result for the first nine months of 2022 benefitted from the gain deriving from the sale of the businesses of Leonardo DRS Global Enterprise Solutions and of Advanced Acoustic Concepts as set out in section “Industrial transactions”.

Cash flows were also clearly improving compared with the same period of the previous year, in line with the expected trend of improvement.

Furthermore, the Group Net Debt figure is affected by the acquisition of the 25.1% investment in the German company Hensoldt (€mil. 606, plus related transaction costs), net of the proceeds from the sale of Global Enterprise Solutions and of the Joint Venture Advanced Acoustic Concepts (about USDmil. 470, after transaction costs).

Main Key Performance Indicator with perimeter effect

The 2021 comparative data include the contribution from the GES business for nine months. In order to make more comparable the Group operating performance, which in relation to the first nine months of 2022 includes the contribution from this business for seven months only, below are reported a set of key performance indicators for the comparative period, excluding August and September:

Group (Euro million)	9M 2021 Adjusted	GES (August-Sept 2021)	9M 2022	Chg.. %	GES August-Dec.2021	2021 Adjusted
New orders	9,240	26	11,719	26.8%	40	14,267
Revenues	9,531	33	9,917	4.0%	85	14,050
EBITA	603	4	619	2.7%	9	1,114
EBITA Restated⁽¹⁾	568	4	619	9%	9	1,060
ROS	6.3%		6.2%	(0.1) p.p.		7.9%
ROS Restated⁽¹⁾	6.0%		6.2%	0.2 p.p.		7.5%
FOCF	(1,410)	23	(894)	36.6%	21	188

(1) EBITA and ROS have been restated to include charges related to the COVID emergency, which until the 2021 financial statements were excluded from these indicators as they were classified as 'non-recurring charges'.

Avg. exchange rate August-September 2021 €/€ @ 1.19671.

Key Performance Indicator

Group (Euro million)	9M 2021	9M 2022	Chg.	Chg. %	2021
New orders	9,266	11,719	2,453	26.5%	14,307
Order backlog	35,235	37,353	2,118	6.0%	35,534
Revenues	9,564	9,917	353	3.7%	14,135
EBITDA(*)	921	1,008	87	9.4%	1,626
EBITA (**)	607	619	12	2.0%	1,123
EBITA Restated ⁽¹⁾	572	619	47	8.2%	1,069
ROS	6.3%	6.2%	(0.1) p.p.		7.9%
ROS Restated ⁽¹⁾	6.0%	6.2%	0.2 p.p.		7.6%
EBIT (***)	445	552	107	24.0%	911
EBIT Margin	4.7%	5.6%	0.9 p.p.	90.0%	6.4%
Net result before extraordinary transactions	229	387	158	69.0%	587
Net result	229	662	433	189.1%	587
Group Net Debt	4,690	4,359	(331)	(7.1%)	3,122
FOCF	(1,387)	(894)	493	35.5%	209
ROI	9.8%	10.3%	0.5 p.p.		12.4%
ROE	6.1%	11.5%	5.4 p.p.		10%
Workforce	50,139	50,677	538	1.1%	50,413

(*) EBITDA is given by EBITA, as defined below, before amortisation and depreciation (excluding amortisation of intangible assets arising from business combinations) and impairment losses (net of those relating to goodwill or classified among "non-recurring costs").

(**) EBITA is obtained by eliminating from EBIT the following items: any impairment in goodwill; amortisation and impairment, if any, of the portion of the purchase price allocated to intangible assets as part of business combinations, restructuring costs that are a part of defined and significant plans; other exceptional costs or income, i.e. connected to particularly significant events that are not related to the ordinary performance of the business.

(***) EBIT is obtained by adding to Income before tax and financial expenses (defined as earnings before "financial income and expense", "share of profits (losses) of equity-accounted investees", "income taxes" and "Profit (loss) from discontinued operations") the Group's share of profit in the results of its strategic investments (MBDA, GIE ATR, TAS, Telespazio and Hensoldt), reported in the "share of profits (losses) of equity-accounted investees". Until 31 December 2021 this indicator included solely the part of the results of the strategic joint ventures (MBDA, GIE ATR, TAS and Telespazio) pertaining to the Group.

(1) EBITA and ROS have been restated to include charges related to the COVID emergency, which until the 2021 financial statements were excluded from these indicators as they were classified as 'non-recurring charges'.

Commercial Performance

- **New Orders**, amounted to **EUR 11,719 million** showing significant growth (+26.8%*) compared to the first nine months of 2021. An excellent commercial performance was recorded in almost all core business sectors, and especially in the Helicopters Division – thanks to the mentioned order from the Polish Ministry of Defence – and in the Aerostructures Division supported by major orders from Airbus and under the Euromale program. It should be noted that the volume of new orders is increasing also excluding the contribution from the contract signed with the Polish Ministry of Defence for the AW149 helicopters worth €bil. 1.4

- **Backlog**, amounted to **EUR 37,353 million** ensures a coverage in terms of production equal to about 2.5 years. The book to bill ratio (the ratio of New Orders for the period to Revenues) is equal to about 1.2

**Adjusted perimeter to exclude the contribution of Global Enterprise Solutions in August and September 2021 (closing of disposal on 1/08/2022). Avg. exchange rate August-September 2021€/€ @ 1.19671.*

Business Performance

- **Revenues**, amounted to **EUR 9,917 million**, showed a positive trend (+4.0%*) compared to the first nine months of 2021 (€bil. 9.6), mainly due to the performance of Helicopters in both the military and civil segments
- **EBITA**, amounted to **EUR 619 million**, recorded an increase of 9%* compared with the restated figure for the nine months of 2021 (€mil. 572), with ROS improving by 0.2 p.p. vis-à-vis the comparative restated figure (6.0%). The comparative values have been restated to make them more comparable with the trend for the current period, which includes also the charges related to the COVID-19 emergency (classified as non-recurring costs in the first nine months of 2021)
- **EBIT**, amounted to **EUR 552 million**, compared to €mil. 445 in the first nine months of 2021, benefitted from an improvement of EBITA and from the lower restructuring costs, which in the comparative period included the effect of the planned voluntary early retirement arrangements in the Aerostructures Division. Non-recurring costs for the period included the write-down of the exposure to the countries involved in the conflict existing between Russia and Ukraine for an amount of about €mil. 33. On the contrary, the figure for the first nine months of 2021 had included, as noted, the charges linked to the COVID-19 emergency
- **Net Result before extraordinary transactions**, amounted to **EUR 387 million**, (€mil. 229 in the corresponding previous year period), benefitted from the EBIT performance, as well as from lower financial and tax charges
- **Net Result**, amounted to **EUR 662 million** (equal to the Net result before extraordinary transactions in the first nine months of 2021), reflects the capital gain from the disposals of the Global Enterprise Solutions and Advanced Acoustic Concepts businesses of Leonardo DRS as set out in the “Industrial Transactions” section below

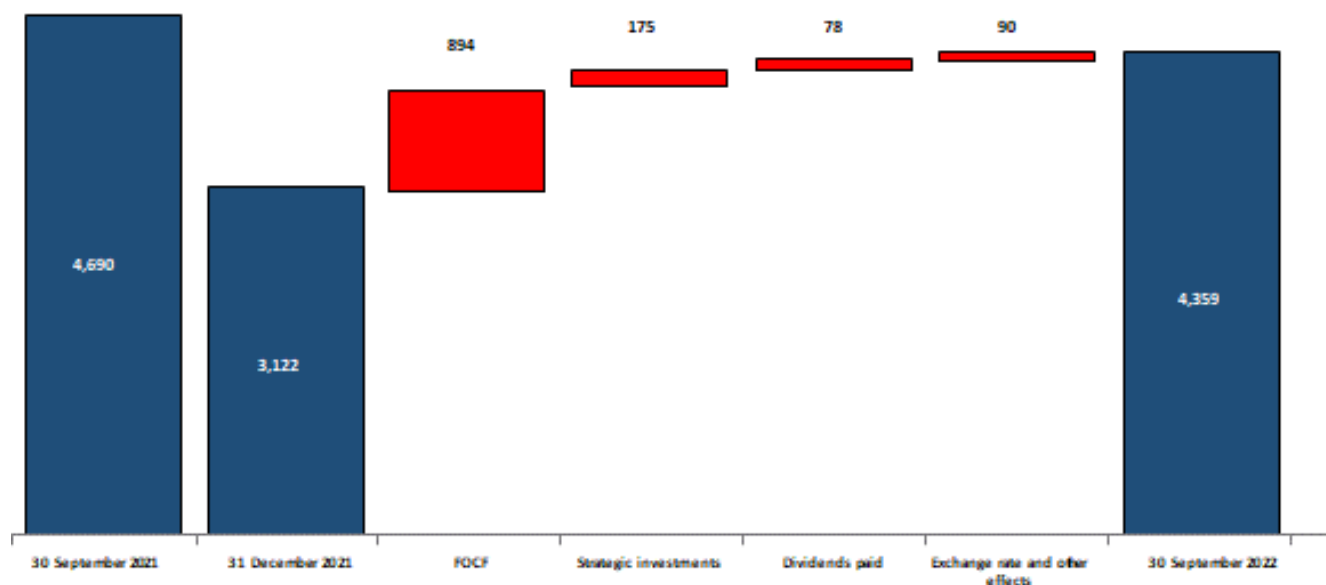
It should be recalled that the comparison with the data for the first nine months of 2021 is affected by the lower contribution from the sale of Global Enterprise Solutions which was finalised on and effective from 1 August 2022, thus fully consolidated for the entire nine-month period in the comparative figure.

**Adjusted perimeter to exclude the contribution of Global Enterprise Solutions in August and September 2021 (closing of disposal on 1/08/2022). Avg. exchange rate August-September 2021€/€ @ 1.19671.*

Financial performance

- **Free Operating Cash Flow (FOCF)**, negative for **EUR 894 million**, showed a significant improvement (+36.6%*) compared to 30 September 2021 (negative for €mil. 1,387). This result reflects the expected positive trend towards improvement, as well as the usual interim trend in this part of the year

- **Group Net Debt, of EUR 4,359 million**, showed an increase compared to 31 December 2021 (€mil. 3,122) mainly as a result of the abovementioned FOCF performance and of the following factors:
 - acquisition, completed in January 2022, of the investment in Hensoldt AG (€mil. 617, including the related transaction costs paid)
 - dividend payment in July 2022, for €mil. 78
 - the disposals finalised in July 2022 by the US subsidiary Leonardo DRS of the Global Enterprise Solutions business and of the Joint Venture Advanced Acoustic Concepts – as more amply described below – for a total amount of about USDmil. 470, after transaction costs
 - the foreign exchange negative impact



*Adjusted perimeter to exclude the contribution of Global Enterprise Solutions in August and September 2021 (closing of disposal on 1/08/2022). Avg. exchange rate August-September 2021€/€ @ 1.19671.

2022 Guidance

The first nine months of the year recorded solid results, in terms of growth in orders, increased profitability and strengthening of cash performance, in line with the objectives set.

The increased demand for defence and security linked to the geopolitical scenario generates positive prospects for the defence sector. At the same time, there is a more complex operational context, in particular in the labour market and the supply chain, which entails important challenges to be faced and managed.

In light of the solid progress in the first nine months and based on the current assessment of the impacts from the geopolitical and health situation on the labour market, on the supply chain, the outlook for the global economy and the actions taken by Leonardo to face these challenges, assuming no additional major deterioration, along side the changes in perimeter deriving from the sale of GES, the Group updates the Guidance 2022 as follows:

- Increase in new order intake from ca. € 15 billion to a level higher than € 16 billion, mainly due to the AW149 Poland contract booked in the 3Q 2022
- Confirmation of the expectations made in the preparation of the 2021 Financial Statements relating to Revenues and EBITA, taking into account the effect of change in perimeter (Revenues € 14.4-15.0 billion; EBITA € 1,170 -1,220 million)
- Upward revision of the FOCF from ca. € 470 million, including perimeter effect, to ca. € 500 million
- Reduction of the Group's Net Debt, from ca. € 3.1 billion to ca. € 3.0 billion, due to the higher disposal proceeds which more than offset the redemption cost of the US dollar bonds. The Net Debt also includes expectations relating to the FOCF, the acquisition of 25.1% of Hensoldt and the dividend payment

This is summarised in the table below:

		FY2021A	FY2022 Guidance ⁽¹⁾	FY2022 Guidance ⁽⁴⁾ New Perimeter	Updated FY Guidance 2022 ⁽¹⁾
New Orders	(€ bn)	14.3	ca. 15	ca. 14.9	ca. >16.0
Revenues	(€ bn)	14.1	14.5-15	14.4-14.9	14.4-15.0
EBITA	(€ mln)	1,123	1,180-1,220 ⁽²⁾	1,170-1,210 ⁽²⁾	1,170-1,220 ⁽²⁾
FOCF	(€ mln)	209	ca. 500	ca. 470	ca. 500
Group Net Debt	(€ bn)	3.1	ca. 3.1 ⁽³⁾	ca. 3.1 ⁽³⁾	ca. 3.0 ⁽⁵⁾

Based on USD/€ exchange rate at 1.18 and €/GBP exchange rate at 0.90

Adjusted perimeter to exclude the contribution of Global Enterprise Solutions in August and September 2021 (closing of disposal on 1/08/2022). Avg. exchange rate August-September 2021€/€ @ 1.19671

(1) Based on the current assessment of the effects deriving from the geopolitical and global health situation on the supply chain and labour market 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

(4) Guidance adjusted for seven months' contribution of GES (Jan –July 2022) vs 12 months assumed in previous guidance and 12 month contribution of Hensoldt

(5) Including higher disposal proceeds and make-whole costs

Significant recent developments

At the end of February 2022, the offensive launched by the Russian government against Ukraine – which is still ongoing – generated profound changes in the context of the world's geopolitical and economic equilibrium. The process of integration and creation of a European Defence and Security and, at the same time, the increase in Defence spending in EU and neighbouring countries have brought accelerations with consequent opportunities for companies operating in the sector. On the other hand, relations with Russia are significantly affected by the numerous logistical and economic sanctions imposed by the European Union, other countries and other International Bodies. Leonardo has no particularly significant exposure to these two countries and is continuing to monitor the situation to precisely identify the consequences on its current and prospective position. In view of the continuation of this scenario, which does not suggest a resolution in the short term, Leonardo has written down its net exposure to the two countries involved (mainly relating to Russia) by a total amount of €mil. 38, including tax effects.

With regard to the economic and financial scenarios that are emerging as a result of a higher demand for goods and services in the markets due to the aforementioned conflict in Ukraine, Leonardo has been taking some actions aimed at monitoring and mitigating the effects in the short and medium-term since the first signs of recovery in economy. Specifically, with respect to the recent inflationary pressures on the energy market and the consequent increase in the prices of raw materials and products used in its production processes, Leonardo has promptly entered into medium-term contracts to secure adequate supply conditions in good time, as well as has increased its inventory stock of raw materials and components, thus limiting the effects of both inflation and the shortage of mechanical and electronic components for the current financial year. Likewise, the measures put in place, based on the information available to date, ensure adequate coverage of potential effects for the year 2023 as well, although further tensions in price trends might require a revision of the forward-looking scenarios. As regards the current increases in interest rates on financial markets, Leonardo has carried out an analysis of the effects on discount rates in order to verify whether trigger events are occurring. At present, this analysis has not revealed findings that are such as to require the performance of new impairment tests, nor any evidence of impacts on existing contract assets. The aforesaid analyses will be performed again in the annual report in order to take account of any possible further development.

Furthermore, in June 2022 the Norwegian Defence Materiel Agency (NDMA) formalized a request for termination for default under the contract - governed by the Norwegian laws - for the supply of 14 NH90 helicopters, which had been entered into in 2001 with NH Industries (NHI), a company incorporated under French law the shareholdings of which are held by Leonardo, Airbus Helicopters and Fokker Aerostructure, due to alleged delays and alleged product non-conformities. The contract has been subject to extensions and amendments over the years and was expected to be completed by the end of 2023. NDMA's request is to return the 13 helicopters that have already been delivered and accepted and claim repayment of the disbursed amounts, including interest. NHI considers this request for termination for default legally groundless and reasonably challengeable in any appropriate forum due to lack of factual and legal basis, misinterpretation of the contract and the Norwegian law as well as breach of confidentiality obligations.

With the request for termination the NDMA enforced the residual bank guarantees issued by Leonardo on behalf of NHI totalling €mil. 69.7 (including €mil. 19.3 as interest). It is pointed out that Leonardo's commitment portion is proportionate to its share in the initiative – about 41% - and therefore equal to a total of €mil. 28.7 (including €mil. 7.9 as interest). During September 2022 the enforcement of the first tranche of the guarantees was finalised for a total amount of €mil. 8.8 and regarding the remaining guarantees enforced, totalling €mil. 60.9, the documentation submitted by the NDMA is still under verification for adequacy purposes by the guarantor.

With regard to the comparative period, taking account of the effects of the pandemic on the civil sector and the changed perspectives of the commercial aviation market, Leonardo had implemented the actions to mitigate the effects on the industrial performance of the Aerostructures Division. In this context, on 21 July 2021 trade union agreements were signed to make operational the instruments identified for the early retirement of employees up to 500 employees who would meet the criteria for early retirement in the three-year period 2021-2023.

SECTOR PERFORMANCE

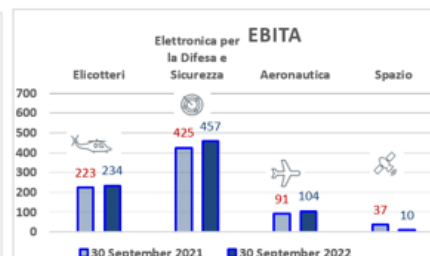
9M 2021 (Euro million)	New Orders	Order Backlog 31/12/2021	Revenues	EBITA	ROS
Helicopters	2,391	12,377	2,719	223	8.2%
Defence Electronics & Security	5,457	14,237	4,737	425	9.0%
Aeronautics	1,908	10,033	2,492	91	3.7%
Aircraft (*)	1,643		2,121	241	11.4%
Aerostructures (*)	299		405	(125)	(30.9%)
GIE ATR	n.a.		n.a.	(25)	n.a.
Space	-	-	-	37	n.a.
Other activities	98	48	285	(169)	(59.3%)
Eliminations	(588)	(1,161)	(669)	-	n.a.
Total	9,266	35,534	9,564	607	6.3%

9M 2022 (Euro million)	New Orders	Order Backlog	Revenues	EBITA	ROS
Helicopters	4,623	13,714	3,153	234	7.4%
Defence Electronics & Security	5,605	14,882	4,856	457	9.4%
Aeronautics	1,899	9,712	2,273	104	4.6%
Aircraft (*)	1,637		1,959	242	12.4%
Aerostructures (*)	342		351	(134)	(38.2%)
GIE ATR	n.a.		n.a.	(4)	
Space	-	-	-	10	n.a.
Other activities	206	308	380	(186)	(48.9%)
Eliminations	(614)	(1,263)	(745)	-	n.a.
Total	11,719	37,353	9,917	619	6.2%

Change %	New Orders	Order Backlog	Revenues	EBITA	ROS
Helicopters	93.4%	10.8%	16.0%	4.9%	(0.8) p.p.
Defence Electronics & Security	2.7%	4.5%	2.5%	7.5%	0.4 p.p.
Aeronautics	(0.5%)	(3.2%)	(8.8%)	14.3%	0.9 p.p.
Aircraft (*)	(0.4%)		(7.6%)	0.4%	1.0 p.p.
Aerostructures (*)	14.4%		(13.3%)	(7.2%)	(7.3) p.p.
GIE ATR	n.a.		n.a.	84.0%	n.a.
Space	n.a.	n.a.	n.a.	(73.0%)	n.a.
Other activities	110.2%	541.7%	33.3%	(10.1%)	10.4 p.p.
Eliminations	n.a.	n.a.	n.a.	n.a.	n.a.
Total	26.5%	5.1%	3.7%	2.0%	(0.1) p.p.

*ante Sector eliminations

Leonardo continued the path to growth in almost all sectors of its core business. The performance of New Orders, Revenues and EBITA by sector showed the following trend:



Helicopters

The Sector continued to show a positive performance and increasing values, compared to the same period of 2021, in line with the plan expectations. Particularly worth mentioning is the value of New Orders which were up by 93% compared with the first nine months of 2021, especially thanks to the acquisition in the period of an important contract for the supply of AW149 helicopters to the Polish Ministry of Defence. Revenues increased by 16%, with overall unchanged profitability if we exclude pass-through volumes. 87 deliveries of new helicopters were made in the period under review compared to the 73 deliveries reported at 30 September 2021. An upswing is reported in the civil sector. **New Orders:** were increasing as a result of the above-said order from Poland, in addition to the higher orders of helicopters in the Commercial and Customer Support & Training (CS&T) fields. Among the main acquisitions for the period we note:

- the aforementioned contract for the supply of 32 AW149 multi-role helicopters to the Polish Ministry of Defence;
- contracts in Italy for the supply of 20 AW119Kx helicopters to the Carabinieri Corps and 10 AW139 helicopters to the Fire Brigade;
- the contract concerning the supply of 6 AW189 helicopters for the Rescue and Salvage Bureau of the Chinese Ministry of Transport;
- the contract for the Mid Life Upgrade (MLU) of 1 AW101 helicopter for a foreign customer;
- the contract for 5 AW119Kx helicopters for Israel;
- the order for 4 AW609 convertiplanes and various orders for AW139 helicopters for commercial use

Revenues: increased, mainly due to the greater activities on the NH90 programme for Qatar, on the AW169 line and on the CS&T front

EBITA: increased as a result of the higher volumes, with profitability that was affected by pass-through revenues

Defence Electronics & Security

The first nine months of 2022 were characterised by a business performance and volumes of revenues slightly increasing against the comparative period of the previous year; the period under review benefitted also from a positive impact arising from the USD/€ exchange rate on the main indicators, even though during the year the Sector recorded the deconsolidation of the Automation business from its scope of operations (the Automation business was consolidated in the “Other activities” starting from 1 January 2022), and the sale of the GES business of the subsidiary Leonardo DRS occurred in August. Margins were on the rise almost in all the business areas with particular reference to the European component.

9M 2021 (Euro million)	New Orders	Revenues	EBITA	ROS %
Electronics – Europe	3,861	3,023	281	9.3%
Leonardo DRS	1,603	1,720	144	8.4%
Eliminations	(7)	(6)	-	n.a.
Total	5,457	4,737	425	9.0%

9M 2022 (Euro million)	New Orders	Revenues	EBITA	ROS %
Electronics – Europe	3,495	3,149	306	9.7%
Leonardo DRS	2,163	1,759	151	8.6%
Eliminations	(53)	(52)	-	n.a.
Total	5,605	4,856	457	9.4%

Change %	New Orders	Revenues	EBITA	ROS %
Electronics – Europe	(9.5%)	4.2%	8.9%	0.4 p.p.
Leonardo DRS	34.9%	2.3%	4.9%	0.2 p.p.
Eliminations	n.a.	n.a.	n.a.	n.a.
Total	2.7%	2.5%	7.5%	0.4 p.p.

Average €/USD exchange rate: 1.0650 (first nine months of 2022) and 1.1967 (first nine months of 2021)

	New Orders	Revenues	EBITA	ROS %
Leonardo DRS (\$ mln) – 9M 2021	1,919	2,059	173	8.4%
Leonardo DRS (\$ mln) – 9M 2022	2,304	1,873	161	8.6%

New Orders: They were on the rise compared to the same period of 2021 despite the different scope of operations.

The main acquisitions in the period concerned the Electronics Division and included the order for the supply of naval guns and related logistic support, with which four F126-class frigates for the German Navy will be equipped, the order for the provision of a combat system and related logistics for a special operations support unit, to support underwater operations and to rescue damaged submarines (Special

and Diving Operations - Submarine Rescue Ship, SDO-SuRS). As part of the larger Halcon programme, we note the order for the supply of electronic countermeasures and self-protection systems to remove noise and neutralize threats which will equip 20 Typhoon aircraft, which are due to replace a part of the fleet of the Boeing EF-18 Hornets currently used by the Spanish Ministry of Defence.

As for Leonardo DRS, additional orders were gained for the production of next-generation of U.S. Army mission command computing systems called Mounted Family of Computer Systems (MFoCS) and the IM-SHORAD (Initial Manoeuvre-Short Range Air Defense) order for the initial supply of a Mission Equipment Package, which will be integrated into heavy Stryker-type vehicles and which will enable the neutralisation of low-altitude aerial threats, including threats from remotely-controlled drones.

Revenues: despite the changed scope, these were increasing due to the higher volumes of the European component, which also recorded an increase in pass-through activities. As regards Leonardo DRS, there was a decline in volumes due to certain postponements in the supply chain more than offset by the positive effect of the USD/€ exchange rate

EBITA: this increased in all the main European business areas and in particular in the Electronics Division. As regards Leonardo DRS, a positive trend was confirmed despite lower volumes more than offsetting by the positive effect of the USD/€ exchange rate, and in spite of the different scope of operations as mentioned earlier.

Defence Electronics & Security with perimeter effect

9M 2021 (Euro million)	New Orders	Revenues	EBITA	ROS %
Electronics – Europe	3,861	3,023	281	9.3%
Leonardo DRS*	1,577	1,687	140	8.3%

9M 2022 (Euro million)	New Orders	Revenues	EBITA	ROS %
Electronics – Europe	3,495	3,149	306	9.7%
Leonardo DRS	2,163	1,759	151	8.6%

Change %	New Orders	Revenues	EBITA	ROS %
Electronics – Europe	(9.5%)	4.2%	8.9%	0.4 p.p.
Leonardo DRS*	37.2%	4.3%	7.9%	0.3 p.p.

	New Orders	Revenues	EBITA	ROS %
Leonardo DRS (\$ mln) – 9M 2021*	1,888	2,019	168	8.3%
Leonardo DRS (\$ mln) – 9M 2022	2,304	1,873	161	8.6%

*Adjusted perimeter to exclude the contribution of Global Enterprise Solutions in August and September 2021 (closing of disposal on 1/08/2022). Avg. exchange rate August-September 2021€/€ @ 1.19671.

Aeronautics

The first nine months of 2022 bear witness to the good performance of the Aircraft Division, and an improved performance in the regional civil transport. Some criticalities remain in the civil component still heavily affected by the effects of the pandemic, with decreasing production volumes in the Aerostructures Division in line with expectations, which anticipated an acceleration of production in the last quarter of 2022.

9M 2021 (Euro million)	New Orders	Revenues	EBITA	ROS %
Aircraft	1,643	2,121	241	11.4%
Aerostructures	299	405	(125)	(30.9%)
GIE ATR	n.a.	n.a.	(25)	n.a.
Eliminations	(34)	(34)	-	n.a.
Total	1,908	2,492	91	3.7%

9M 2022 (Euro million)	New Orders	Revenues	EBITA	ROS %
Aircraft	1,637	1,959	242	12.4%
Aerostructures	342	351	(134)	(38.2%)
GIE ATR	n.a.	n.a.	(4)	n.a.
Eliminations	(80)	(37)	-	n.a.
Total	1,899	2,273	104	4.6%

Change %	New Orders	Revenues	EBITA	ROS %
Aircraft	(0.4%)	(7.6%)	0.4%	1.0 p.p.
Aerostructures	14.4%	(13.3%)	(7.2%)	(7.3) p.p.
GIE ATR	n.a.	n.a.	84.0%	n.a.
Eliminations	n.a.	n.a.	n.a.	n.a.
Total	(0.5%)	(8.8%)	14.3%	0.9 p.p.

Aircraft

From a production point of view for the military programmes of the Division 31 wings and 8 final assemblies were delivered to Lockheed Martin under the F-35 programme (32 wings and 8 final assemblies delivered in the same period of the previous year). we must note 4 additional deliveries of Typhoon aircraft to Kuwait.

New Orders: the Division recorded orders essentially in line with the comparative period; it obtained orders for 20 Spain Typhoon export aircraft, 1 C-27J aircraft to the Slovenian MoD and for the remotely piloted aircraft system Euromale, in addition to further orders on the JSF (Joint Strike Fighter) and logistic support programmes for the Typhoon aircraft.

Revenues: lower production volumes, especially on the business lines of the Trainers and EFA Kuwait programme. Note that the reduction related to the EFA Kuwait programme is due to the ramp-up occurred in 2021. Major activities were reported in the European military business especially related to the logistic operations on the Typhoon and on the Airlifters business line for the new C-27J order.

EBITA: recorded an EBITA figure in line with September 2021, confirming the high level of profitability.

Aerostructures

From a production point of view, 16 fuselage sections and 9 stabilisers were delivered under the B787 programme (32 fuselages and 16 stabilisers were delivered in the first nine months of 2021) and 14 fuselages were delivered under the ATR programme (10 in September 2021); the GIE-ATR consortium delivered 10 aircraft, compared with the 16 deliveries recorded in 2021.

New Orders: the Division benefitted from higher orders from customer Airbus, specifically on the A220 and A321 programmes, in addition to the Euromale programme. During the period no new orders were acquired from customer Boeing (B787 programme) and from the GIE consortium.

Revenues: was affected by the lower operations on the Boeing programme partially offset by the higher production rates on the Airbus programmes programmes.

EBITA: the slight decline in the Aerostructures Division was due to the concentration of activities during the last quarter of the year in order to mitigate the impact coming from production sites working at lower capacity

GIE-ATR

EBITA: recorded higher results compared to those of 2021 thanks to the improved profitability and the effects from contractual redefinitions made in the period.

Space

Compared with the corresponding period of the previous year, the first nine months of 2022 showed a decline attributable to the manufacturing business, which for the Italian component had benefitted, in the first nine months of 2021, from the significant effects arising from the realignment between the tax and statutory value of goodwill. To this must be added the recognition of costs for risks associated with contracts in Russia due to the conflict that is now in progress.

As regards the satellite services segment, good industrial performance was confirmed with growing revenues and solid profitability.

Industrial transactions

- **Acquisition of equity investment in Hensoldt AG.** 3 January 2022 saw the completion of the acquisition from Square Lux Holding II S.à r.l., a company controlled by funds advised by Kohlberg Kravis & Roberts & Co. L.P., of a 25.1% stake in Hensoldt AG, a company that is the leading German player in the field of sensor solutions for defence and security applications, with an ever-expanding portfolio in sensors, data management and robotics, at a price of €mil. 606. The transaction is an important step towards achieving the strategic objective of acquiring a leading position in the European Defence Electronics market, as defined in the “Be Tomorrow – Leonardo 2030” Plan, and reflects Leonardo's determination to play a leading role in the ongoing consolidation process, also with a view to future cooperation programmes at continental level
- **National Strategic Hub for the Cloud** On 11 July 2022, following the exercise of the pre-emption right, in compliance with the applicable legislation and the tender documentation, the partnership composed of TIM, Leonardo, Cassa Depositi e Prestiti (CDP, through the subsidiary CDP Equity) and Sogei, was notified the award of the tender for the design, creation and management of the Polo Strategico Nazionale (PSN) [National Strategic Hub - NSH] infrastructure to supply cloud services for the Public Administration. On 4 August 2022, a joint venture was set up between the members of the partnership in the form of an Italian law stock company, with a view to ensuring the highest possible level of data efficiency, security and reliability to support the Public Administration. On 24

August 2022, the company PSN signed the Convention with the Department for Digital Transformation of the Presidency of the Council of Ministers for the assignment of the infrastructure under a 13-year concession

- **Sale of Global Enterprise Solutions.** On 22 March 2022 the US subsidiary Leonardo DRS signed a definitive agreement to sell its Global Enterprise Solutions (GES) business to SES S.A. for USDmil. 450, gross of taxes, subject to customary working capital adjustments at closing. GES is the largest provider of commercial satellite communications for the US government and offers mission-critical communications and global-class security solutions. The closing of the transaction occurred on 1 August 2022
- **Sale of equity investment in JV Advanced Acoustic Concepts.** On 26 April 2022 the US subsidiary Leonardo DRS signed a binding agreement to sell its investment in the Advanced Acoustic Concepts (AAC) Joint Venture to TDSI, a subsidiary of the French company Thales, thus marking a further step in the process of refocusing DRS' business portfolio. The US company AAC is active in the sector of advanced sonar, training and knowledge management systems. The company works with the US Navy as a contractor in the US sector, providing innovative systems and solutions in the underwater sensor domain. The closing of the transaction occurred on 27 July 2022
- **Acquisition of RADA.** On 21 June 2022, the US subsidiary Leonardo DRS and RADA Electronic Industries Ltd. signed a binding agreement that will lead to the acquisition of 100% of RADA's share capital by Leonardo DRS through a merger transaction involving RADA. RADA Electronic Industries Ltd. is listed on the NASDAQ and Tel Aviv Stock Exchange (TASE) and is a leading provider of advanced software-defined tactical military radars serving attractive and high-growth markets, including critical infrastructure protection, border surveillance, active military protection, and counter-drone applications. This transaction will give Leonardo a stronger position in emerging areas of the tactical operational segment and a domestic footprint in Israel. As a result of the merger, Leonardo DRS will also acquire 100% of RADA's share capital in exchange for the assignment to RADA's current shareholders of about 19.5% in Leonardo DRS, in which Leonardo will continue to hold 80.5% through its US subsidiary Leonardo Holding. Upon closing of the transaction, which is expected by the end of 2022, Leonardo DRS will be listed on both NASDAQ and TASE under the symbol "DRS".

Moreover, we note that on 8 February 2022 Leonardo interrupted the process of selecting a partner for the automation business, as none of the parties that had expressed interest could guarantee the requirements of a long-term vision and an adequate investment plan that Leonardo had always considered to be essential elements. Leonardo is completing the analysis process to identify targeted actions on processes, organisation and governance in order to better face the reference market.

Financial transactions

No new transaction was carried out on the financial markets during the first nine months of 2022. However, in January 2022 the remaining amount of €mil. 556 of the bond issued in December 2009 was repaid, having reached its natural expiry.

Moreover, in June 2022 the EMTN (Euro Medium Term Note) programme was renewed for further 12 months, which regulates possible bond issues on the European market for a maximum nominal value of €bil. 4. At the date of this report, the Programme is used for a total of €bil. 1.6.

Finally, it should be noted that in August 2022 Leonardo endorsed a framework Programme for the issuance of Commercial Papers on the European market (Multi-Currency Commercial Paper Program), for a maximum amount of €bil. 1 still unused at the date of this report.

As at 30 September 2022 Leonardo had credit facilities available for a total of about €mil. 3,210, to meet the financing needs of the Group's recurring operations, broken down as follows: an ESG-linked Revolving Credit Facility, for an amount of €mil. 2,400, structured into two tranches, and additional unconfirmed short-term lines of credit of about €mil. 810, which had not been used at the reporting date. Furthermore, the subsidiary Leonardo US Holding has short-term revocable lines of credit in dollars, guaranteed by Leonardo Spa, for a total counter-value of €mil. 256, which were entirely unused at 30 September 2022. Finally, Leonardo has unconfirmed unsecured bank lines of credit for a total of €mil. 9,919, an amount of €mil. 2,887 of which was available at 30 September 2022.

Outstanding bond issues are given a medium/long-term financial credit rating by the international rating agencies: Moody's Investors Service (Moody's), Standard & Poor's and Fitch. In July 2022 Moody's upgraded Leonardo's outlook from stable to positive in view of the operational performance Leonardo had recorded over the past two years, the favourable conditions in its industry, and the improvement in credit metrics it had estimated over the next 12 to 18 months. At the date of presentation of this report, Leonardo's credit ratings, compared to those preceding the last change, were then as follows:

Agency	Last update	Previous		Updated	
		Credit Rating	Outlook	Credit Rating	Outlook
Moody's	July 2022	Ba1	stable	Ba1	positive
Standard&Poor's	May 2022	BB+	stable	BB+	positive
Fitch	January 2022	BBB-	negative	BBB-	stable

Finally, it should be noted that after the closing of the reporting period, on 3 November 2022 the subsidiary Leonardo US Holding, LLC has elected to redeem in full its bonds maturing in 2039 and 2040, for a total residual nominal principal amount of USDmil. 305.

The officer in charge of the company's financial reporting, Alessandra Genco, hereby declares, in accordance with the provisions of Article 154-bis, paragraph 2, of the Consolidated Law on Finance, that the accounting information included in this press release corresponds to the accounting records, books and supporting documentation.

The interim results, approved today by the Board of Directors, are made available to the public at the Company's registered office, at Borsa Italiana S.p.A., on the Company's website (www.leonardo.com, section Investors/Results and reports), as well as on the website of the authorised storage mechanism eMarket Storage (www.emarketstorage.com).

CONSOLIDATED INCOME STATEMENT

€mIn.	9M 2021	9M 2022	Var. YoY	3Q 2021	3Q 2022	Var. YoY
Revenues	9,564	9,917	353	3,219	3,341	122
Purchases and personnel expense	(8,619)	(9,005)	(386)	(2,870)	(3,039)	(169)
Other net operating income/(expense)	(66)	59	125	(48)	19	67
Equity-accounted strategic JVs	42	37	(5)	13	8	(5)
Amortisation and depreciation	(314)	(389)	(75)	(107)	(128)	(21)
EBITA	607	619	12	207	201	(6)
ROS	6.3%	6.2%	(0.1) p.p.	6.4%	6.0%	(0.4) p.p.
EBITA Restated	572	619	47	198	201	3
ROS Restated	6.0%	6.2%	0.2 p.p.	6.2%	6.0%	(0.2) p.p.
Non recurring income (expense)	(45)	(45)	-	(10)	(2)	8
Restructuring costs	(101)	(5)	96	(94)	(3)	91
Amortisation of intangible assets acquired as part of Business combinations	(16)	(17)	(1)	(5)	(6)	(1)
EBIT	445	552	107	98	190	92
EBIT Margin	4.7%	5.6%	0.9 p.p.	3.0%	5.7%	2.7 p.p.
Net financial income/ (expense)	(132)	(96)	36	(44)	(49)	(5)
Income taxes	(84)	(69)	15	(2)	(21)	(19)
Net result before extraordinary transactions	229	387	158	52	120	68
Net result	229	662	433	52	395	343
attributable to the owners of the parent	228	662	434	52	396	344
attributable to non-controlling interests	1	-	1	-	(1)	(1)
Earning per share (Euro)						
Basic e diluted	0.396	1.151	0.755	0.090	0.689	0.599
Earning per share of continuing operation (Euro)						
Basic e diluted	0.396	1.151	0.755	0.090	0.689	0.599
Earning per share of discontinuing operation (Euro)						
Basic e diluted	-	-	-	-	-	-

CONSOLIDATED BALANCE SHEET

€mil.	30.09.2021	31.12.2021	30.09.2022
Non-current assets	12,507	12,810	13,576
Non-current liabilities	(2,186)	(2,216)	(2,116)
Capital assets	10,321	10,594	11,460
Inventories	2,147	1,292	1,731
Trade receivables	3,128	3,203	3,558
Trade payables	(3,002)	(3,372)	(3,026)
Working capital	2,273	1,123	2,263
Provisions for short-term risks and charges	(1,176)	(1,111)	(1,042)
Other net current assets (liabilities)	(827)	(1,046)	(1,301)
Net working capital	270	(1,034)	(80)
Net invested capital	10,591	9,560	11,380
Equity attributable to the Owners of the Parent	5,891	6,428	6,993
Equity attributable to non-controlling interests	10	27	34
Equity	5,901	6,455	7,027
Group Net Debt	4,690	3,122	4,359
Net (assets)/liabilities held for sale	-	(17)	(6)

CONSOLIDATED CASH FLOW STATEMENT

€mil.	9M 2021	9M 2022
Cash flows used in operating activities	(1,022)	(604)
Dividends received	26	124
Cash flow from ordinary investing activities	(391)	(414)
Free operating cash flow (FOCF)	(1,387)	(894)
Strategic investments	(20)	(175)
Change in other investing activities	3	(2)
Net change in loans and borrowings	(364)	(675)
Dividends paid	-	(78)
Net increase/(decrease) in cash and cash equivalents	(1,768)	(1,824)
Cash and cash equivalents at 1 January	2,213	2,479
Exchange rate gain/losses and other movements	22	76
Cash and cash equivalents at 30 September	467	731

CONSOLIDATED FINANCIAL POSITION

	30.09.2021	31.12.2021	30.09.2022
	€mil.		
Bonds	2,451	2,481	1,928
Bank debt	1,270	1,648	1,605
Cash and cash equivalents	(467)	(2,479)	(731)
Net bank debt and bonds	3,254	1,650	2,802
Current loans and receivables from related parties	(65)	(45)	(78)
Other current loans and receivables	(18)	(16)	(18)
Current loans and receivables and securities	(83)	(61)	(96)
Hedging derivatives in respect of debt items	10	(8)	30
Related-party leasing liabilities	30	30	25
Other related-party loans and borrowings	834	856	932
Leasing liabilities	532	538	562
Other loans and borrowings	113	117	104
Group net debt	4,690	3,122	4,359

EARNINGS PER SHARE

	9M 2021	9M 2022	Var. YoY
Average shares outstanding during the reporting period (in thousands)	575,203	575,307	104
Earnings/(losses) for the period (excluding non-controlling interests) (€ million)	228	662	434
Earnings/(losses) - continuing operations (excluding non-controlling interests) (€ million)	228	662	434
Earnings/(losses) - discontinued operations (excluding non-controlling interests) (€ million)	-	-	-
BASIC AND DILUTED EPS (EUR)	0.396	1.151	0.755
BASIC AND DILUTED EPS from continuing operations	0.396	1.151	0.755
BASIC AND DILUTED EPS from discontinuing operations	575,203	575,307	104

9M 2021 (Euro million)	Helicopters	Defence Electronics & Security	Aeronautics	Space	Other activities	Eliminations	Total
New orders	2,391	5,457	1,908	-	98	(588)	9,266
Order backlog 31.12.2021	12,377	14,237	10,033	-	48	(1,161)	35,534
Revenues	2,719	4,737	2,492	-	285	(669)	9,564
EBITA	223	425	91	37	(169)	-	607
<i>EBITA margin</i>	8.2%	9.0%	3.7%	<i>n.a.</i>	(59.3%)	<i>n.a.</i>	6.3%
EBIT	208	394	(21)	37	(173)	-	445
Amortisation	61	107	49	-	57	-	274
Investments	143	151	62	-	35	-	391
Workforce (no.) 31.12.2021	12,392	24,871	11,342	-	1,808	-	50,413

9M 2022 (Euro million)	Helicopters	Defence Electronics & Security	Aeronautics	Space	Other activities	Eliminations	Total
New orders	4,623	5,605	1,899	-	206	(614)	11,719
Order backlog	13,714	14,882	9,712	-	308	(1,263)	37,353
Revenues	3,153	4,856	2,273	-	380	(745)	9,917
EBITA	234	457	104	10	(186)	-	619
<i>EBITA margin</i>	7.4%	9.4%	4.6%	<i>n.a.</i>	(48.9%)	<i>n.a.</i>	6.2%
EBIT	204	426	100	10	(188)	-	552
Amortisation	70	124	51	-	65	-	310
Investments	151	145	83	-	49	-	428
Workforce (no.)	12,374	24,071	11,280	-	2,952	-	50,677

3Q 2021 (Euro million)	Helicopters	Defence Electronics & Security	Aeronautics	Space	Other activities	Eliminations	Total
New Orders	382	1,839	568	-	15	(220)	2,584
Revenues	829	1,537	981	-	90	(218)	3,219
EBITA	75	128	44	14	(54)	-	207
<i>EBITA margin</i>	9.0%	8.3%	4.5%	<i>n.a.</i>	(60.0%)	<i>n.a.</i>	6.4%
EBIT	71	118	(50)	14	(55)	-	98
Amortisation and depreciation	22	36	18	-	20	-	96
Investments	47	52	22	-	19	-	140

3Q 2022 (Euro million)	Helicopters	Defence Electronics & Security	Aeronautics	Space	Other activities	Eliminations	Total
New Orders	2,440	1,806	272	-	38	(147)	4,409
Revenues	1,043	1,627	798	-	120	(247)	3,341
EBITA	83	143	41	7	(73)	-	201
<i>EBITA margin</i>	8.0%	8.8%	5.1%	<i>n.a.</i>	(60.8%)	<i>n.a.</i>	6.0%
EBIT	81	134	42	7	(74)	-	190
Amortisation and depreciation	24	41	17	-	22	-	104
Investments	51	55	38	-	22	-	166

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 and Space). Listed on the Milan Stock Exchange (LDO), in 2020 Leonardo recorded consolidated revenues of €13.4 billion and invested €1.6 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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