

PRESS RELEASE

LEONARDO, THE BOD APPROVES 9 MONTHS RESULTS. GROWTH PERFORMANCE ACROSS ALL KPIs: ORDERS € 14.8 BN (+7.8%¹), REVENUES € 12.1 BN (+12.4%¹), EBITA € 766 MLN (+15%¹). FOCF € - 550 MLN, UP 13.7%¹. FY 2024 GUIDANCE CONFIRMED.

- Backlog at record level > € 43 billion with a book to bill at 1,2x
- Effective delivery of backlog, especially across in Electronics and Helicopters
- EBITA improvement driven by growing volumes, mainly in Electronics
- Continuous improvement of FOCF
- Group Net Debt at € 3.1 billion (-19%¹)
- Establishing of the JV with Rheinmetall strengthens the positioning in the international context
- Net Results at € 730 mln, including a one-off benefit of € 366 million for the fair value measurement of the Telespazio Group

1 – vs 9M23 pro-forma

Rome, 7/11/2024 – Leonardo's Board of Directors, convened today under the Chairmanship of Stefano Pontecorvo, examined and unanimously approved the 2024 first nine months results.

“The economic-financial performance of the period, together with the development of the business and the strengthening of the financial indicators, plus the implementation of the existing efficiency program, is all confirming the validity of the path undertaken in pursuing the objectives indicated in the Industrial Plan.” – **Roberto Cingolani, Leonardo CEO and GM**, stated.

“The consolidation and strengthening of our core defense business is proceeding in line with the objectives we have set thanks to the acceleration of the digitalisation process and the rationalization of the portfolio. After the creation of the new Space Division, aimed at positioning in new business segments with higher added value, the sale of Underwater Armaments & Systems to Fincantieri, and the exit from non-core businesses such as Industria Italiana Autobus and Skydweller, Leonardo has finalized the acquisition, in the radar sector, of control of GEM Elettronica. The path of international alliances has seen the establishment of the Joint Venture with Rheinmetall, which allows the company to play a key international role in the programs of the new Main Battle Tank (MBT) and the new Lynx platform for the Armored Infantry program Combat System (AICS). This achievement, achieved in less than six months, demonstrates the strategic importance of moving with agility and determination in the international competitive scenario. We have defined, together with our customers and partners, the main elements of the GCAP program which will become definitive with the formal signing of an industrial agreement by the end of the year. These elements provide strategic activities in the development of systems of systems for Leonardo. The evaluation of growth and development opportunities in the cyber and space sector also continues.” **Roberto Cingolani, Leonardo CEO and GM**, concluded.

9M 2024 financial results

In order to make the Group's operating performance more comparable, the indicators for the comparative period are also provided on a pro-forma basis, including the contribution of the Telespazio group, consolidated on a line-by-line basis starting from 1 January 2024.

In the first nine months of 2024, **New Orders** and **Revenues** increased by 11.1% (+7.8% compared to the pro-forma figure of September 2023) and by 17.6% (+12.4% compared to the pro-forma figure)

respectively, driven in particular by the Defence Electronics & Security and Helicopters businesses. The growth of Revenues was accompanied by an increase in EBITA of 18.9% (+15.0% compared to the pro-forma figure), with a ROS for the period equal to 6.3% (in line with that at 30 September 2023, increasing compared to the pro-forma figure, equal to 6.2%).

Free Operating Cash Flow for the period also improved (+8.9%, +13.7% compared to the pro-forma figure), whose performance, together with the sale of the minority stake in Leonardo DRS, which occurred in the last quarter of 2023, resulted in a consequent positive impact on the Group's net debt, which decreased by 18.2% compared to the comparative period (19.0% compared to the pro-forma figure).

Key Performance Indicators

The Key Performance Indicators for the comparative period are provided also on a pro-forma basis, including the effects of the line-by-line consolidation of Telespazio:

Group (Euro million)	9M 2023	9M 2024	% Chg.	9M 2023 Proforma	% Chg.	2023
New orders	13,275	14,753	11.1%	13,690	7.8%	17,926
Order backlog	40,186	43,618	8.5%	41,473	5.2%	39,529
Revenue	10,269	12,076	17.6%	10,740	12.4%	15,291
EBITDA	1,070	1,229	14.9%	1,111	10.6%	1,883
EBITA*	644	766	18.9%	666	15.0%	1,289
ROS	6.3%	6.3%	0.0 p.p.	6.2%	0.1 p.p.	8.4%
EBIT**	537	636	18.4%	552	15.2%	1,085
EBIT Margin	5.2%	5.3%	0.1 p.p.	5.1%	0.2 p.p.	7.1%
Net Result before extraordinary transactions	290	364	25.5%	298	22.1%	742
Net result	301	730	142.5%	309	136.2%	695
Group Net Debt	3,813	3,120	(18.2%)	3,854	(19.0%)	2,323
FOCF	(604)	(550)	8.9%	(637)	13.7%	635
ROI	10.7%	11.6%	0.9 p.p.	10.9%	0.7 p.p.	11.9%

*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 (the Group's share of profit in the results of its strategic investments (ATR, MBDA, Thales Alenia Space and Hensoldt), reported in the "share of profits (losses) of equity-accounted investees")

2024 Guidance

In view of the results achieved in the first nine months of 2024 and the expectations for the coming periods, we confirm the guidance for the full year 2024 as disclosed in March 2024.

Below is the summary table:

		FY2023A (Proforma) (1)	FY2024 Guidance ⁽²⁾
New Orders	(€ bn)	18.7	ca. 19.5
Revenues	(€ bn)	16.0	ca. 16.8
EBITA	(€ mln)	1,326	ca. 1,440
FOCF	(€ mln)	652	ca. 770
Group Net Debt	(€ bn)	2.3	ca. 2.0 ⁽³⁾

Exchange rate assumptions: € / USD = 1.15 and € / GBP = 0.89

1) The values shown for the year 2023 enhance the full consolidation of Telespazio, effective from 2024

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

3) Assuming the increased dividend payment from € 0.14 to € 0.28 per share, new leasing contracts, strategic investments, and other minor transactions.

Commercial Performance

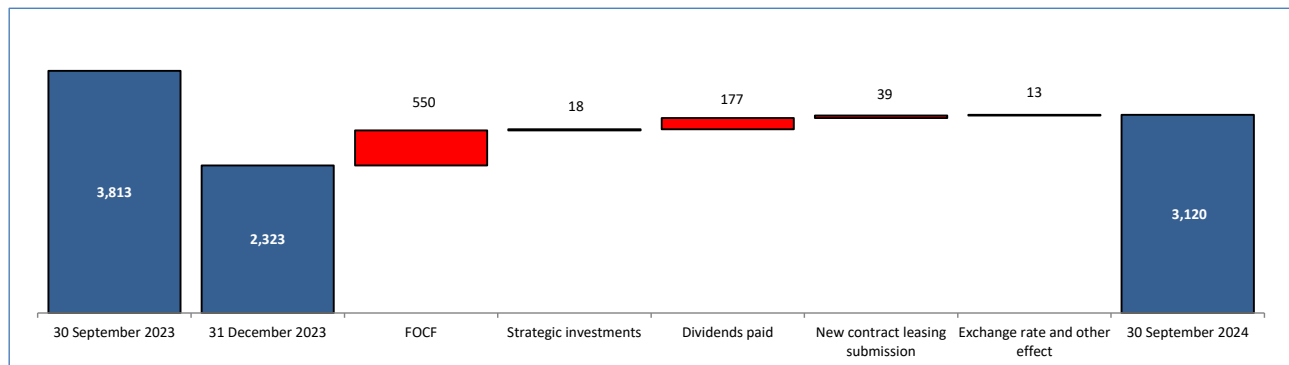
- **New Orders**, amounted to **EUR 14,753 million** significantly increasing (+11.1%, +7.8% on the pro-forma figure) compared to the first nine months of 2023, with a particular positive performance of the Defence Electronics and Security (DES) business, both of the European DES component and of the subsidiary Leonardo DRS, as well as of Helicopters in the government and commercial fields. We also note an increase in the Cyber & Security Solutions and Aerostructures. The level of New orders is equal to a book to bill (the ratio of New orders to Revenues for the period) of about 1.2
- **Backlog**, amounted to **EUR 43,618 million** ensures a coverage in terms of production exceeding 2.5 years

Economic Performance

- **Revenues**, amounted to **EUR 12,076 million**, increased compared to the first nine months of 2023 (+17.6%, +12.4% on the pro-forma figure) in almost all business sectors, with a significant contribution from the Defence Electronics and Security and Helicopters sectors
- **EBITA**, amounted to **EUR 766 million**, reflected the solid performance of the Group's businesses, showing an increase compared to the first nine months of 2023 (+18.9%, +15.0% on the pro-forma figure), mainly as a result of the increase in the activity volumes. The period was particularly affected by the performance of the Defence Electronics and Security, sharply improving compared to the same period of the prior year, while the Space sector was affected by the expected difficulties in the manufacturing segment
- **EBIT**, amounted to **EUR 636 million**, reported a growth (+18.4%, +15.2% on the pro-forma figure) despite being affected by an increase in non-recurring one-off charges, mainly due to the effects deriving from the positive termination and settlement of contracts entered into in previous years. Additionally, EBIT was also affected by the amortisation of the Purchase Price Allocation connected with the first-time consolidation of the Telespazio group starting from 1 January 2024. The above-said charges were partially offset by lower restructuring costs compared to the comparative period
- **Net Result before extraordinary transactions**, amounted to **EUR 364 million**, (€mil. 290 in the comparative period, €mil. 298 on the pro-forma figure), benefitted from the improvement of EBIT and from lower finance costs, partially offset by the higher taxation for the period
- **Net Result**, equal to **EUR 730 million** (€mil. 301 in the comparative period, €mil. 309 on the pro-forma figure) included, in addition to the Net Result before extraordinary transactions, the capital gain (€mil. 366) recognised after the fair value measurement of the Telespazio group, carried out for the purposes of its line-by-line consolidation

Financial performance

- **Free Operating Cash Flow (FOCF)**, negative for **EUR 550 million**, improving compared to the performance at 30 September 2023 (negative for €mil. 604, negative for €mil. 637 in the pro-forma figure), confirmed the positive results reached thanks to initiatives to strengthen the operational performance and the collection cycle, a careful investment policy in a period of business growth and an efficient financial strategy. The figure however highlighted the usual interim trend that is characterised by significant cash absorptions during the first part of the year
- **Group Net Debt**, of **EUR 3,120 million**, reduced significantly (about €bil. 0.7) against September 2023, thanks to the strengthening of the Group's cash generation and to the sale of the minority stake in Leonardo DRS, occurred in the last quarter of 2023. Compared to 31 December 2023 (€mil. 2,323) the value increased mainly as a result of the FOCF performance, in addition to the payment of dividends for an amount equal to €mil. 177 (of which €mil. 160 relating to Leonardo S.p.a.) and to the signing of new lease agreements in the period, for a value of €mil. 39

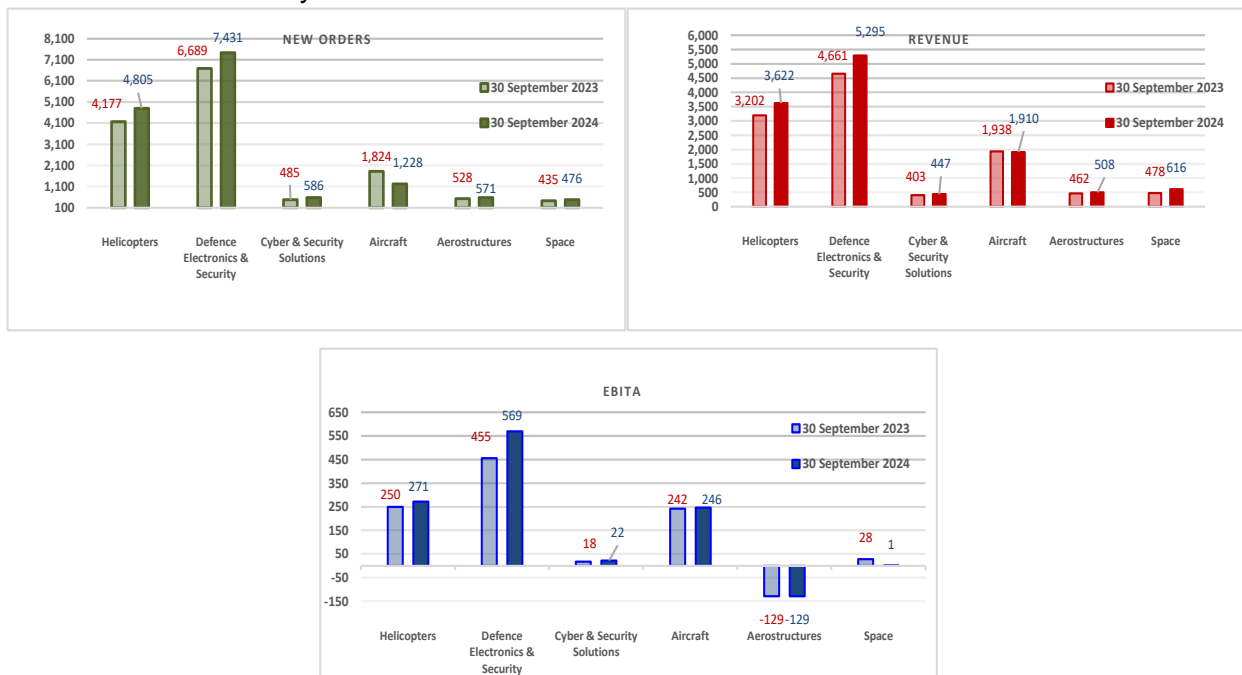


SECTOR PERFORMANCE

The Key Performance Indicators of the business Sectors are reported below while pointing out that – starting from 1 January 2024 - the contribution from the line-by-line basis consolidation of the Telespazio group is included in the Space sector. Furthermore, with the purpose of providing a representation more increasingly in line with the Group’s corporate strategies and the underlying business trends, the Defence Electronics & Security and Cyber & Security Solutions sectors, which were aggregated until the 2023 Financial Statements within the Defence Electronics & Security only. The Sectors’ performance will be therefore represented and commented on with reference to the following operating sectors: Helicopters, Defence Electronics & Security, Cyber & Security Solutions, Aircraft, Aerostructures and Space (Helicopters, Defence Electronics & Security, Aircraft, Aerostructures and Space in the 2023 financial statements).

In order to make operating performance comparable, the indicators for the comparative period have been restated in this section for ease of comparison. With reference to the Space sector, the comparative period is presented on a pro-forma basis, including the contribution of the Telespazio group.

Leonardo continued the path to growth in all sectors of its core business. The trend of New orders, revenues and EBITA by sector was as follows:



9M 2023 (Euro million)	Orders	Orders Proforma	Order Backlog 31 Dec. 2023	Order Backlog Proforma 31 Dec. 2023	Revenues	Revenues Proforma	EBITA	EBITA Proforma	ROS %	ROS % Proforma
Helicopters	4,177	4,177	14,426	14,426	3,202	3,202	250	250	7.8%	7.8%
Defence										
Electronics & Security	6,689	6,689	15,890	15,890	4,661	4,661	455	455	9.8%	9.8%
Cyber & Security Solutions	485	485	993	993	403	403	18	18	4.5%	4.5%
Aircraft	1,824	1,824	7,972	7,972	1,938	1,938	242	242	12.5%	12.5%
Aerostructures	528	528	1,095	1,095	462	462	(129)	(129)	(27.9%)	(27.9%)
<i>of which GIE ATR</i>	-	-	-	-	-	-	(2)	(2)	n.a.	n.a.
Space	-	435	-	1,393	-	478	6	28	n.a.	5.9%
Other activities	347	347	375	375	516	516	(198)	(198)	(38.4%)	(38.4%)
Eliminations	(775)	(795)	(1,222)	(1,241)	(913)	(920)	-	-	n.a.	n.a.
Total	13,275	13,690	39,529	40,903	10,269	10,740	644	666	6.3%	6.2%

9M 2024 (Euro million)	Orders	Order Backlog	Revenues	EBITA	ROS %
Helicopters	4,805	15,709	3,622	271	7.5%
Defence Electronics & Security	7,431	17,667	5,295	569	10.7%
Cyber & Security Solutions	586	1,069	447	22	4.9%
Aircraft	1,228	7,332	1,910	246	12.9%
Aerostructures	571	1,165	508	(129)	(25.4%)
<i>of which GIE ATR</i>				-	
Space	476	1,542	616	1	0.2%
Other activities	594	576	563	(214)	(38.0%)
Eliminations	(938)	(1,442)	(885)	-	n.a.
Total	14,753	43,618	12,076	766	6.3%

Chg. %	Orders	Orders Proforma	Order Backlog	Order Backlog Proforma	Revenues	Revenues Proforma	EBITA	EBITA Proforma	ROS %	ROS % Proforma
Helicopters	15.0%	15.0%	8.9%	8.9%	13.1%	13.1%	8.4%	8.4%	(0,3) p.p.	(0,3) p.p.
Defence										
Electronics & Security	11.1%	11.1%	11.2%	11.2%	13.6%	13.6%	25.1%	25.1%	0,9 p.p.	0,9 p.p.
Cyber & Security Solutions	20.8%	20.8%	7.7%	7.7%	10.9%	10.9%	22.2%	22.2%	0,4 p.p.	0,4 p.p.
Aircraft	(32.7%)	(32.7%)	(8.0%)	(8.0%)	(1.4%)	(1.4%)	1.7%	1.7%	0,4 p.p.	0,4 p.p.
Aerostructures	8.1%	8.1%	6.4%	6.4%	10.0%	10.0%	0.0%	0.0%	2,5 p.p.	2,5 p.p.
<i>of which GIE ATR</i>							100.0%	100.0%		
Space	n.a.	9.4%	n.a.	10.7%	n.a.	28.9%	(83.3%)	(96.4%)	n.a.	(5,7) p.p.
Other activities	71.2%	71.2%	53.6%	53.6%	9.1%	9.1%	(8.1%)	(8.1%)	0,4 p.p.	0,4 p.p.
Eliminations	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total	11.1%	7.8%	10.3%	6.6%	17.6%	12.4%	18.9%	15.0%	0,0 p.p.	0,1 p.p.

Helicopters

In the first nine months of 2024, the sector continued to show a positive performance, with New orders, Revenues and EBITA showing growth compared to the same period of 2023. 109 new helicopters were delivered during the period (120 in the same period of 2023).

New Orders: Up by 15% compared to the same period of 2023, confirming the very good performance of the sector in both the government and commercial areas. Among the main acquisitions for the period we note.

- the order for additional 20 AW139 helicopters to be used in healthcare and search and rescue missions from the operator The Helicopter Company in Saudi Arabia;
- the contract signed with Galaxy Aerospace for 4 AW189 helicopters for the Malaysian Maritime Enforcement Agency (MMEA) for search and rescue missions;
- the contract for the purchase of 4 AW149 helicopters and 4 AW169 helicopters by the Ministry of Defence of North Macedonia;
- the order received from Equinor for 5 AW189 helicopters for passenger transport in the Norwegian continental shelf;
- orders for 7 AW189 helicopters as part of the plan of fleet expansion on the part of Bristow;
- purchase order in relation to the contract entered between NHIndustries and NAHEMA regarding the development and qualification of the Software Release 3 (SWR3) for the NH90 helicopter;
- the contract, signed under the Government-to-Government (G2G) agreement between Italy and Slovenia, for the supply of 6 AW139M multi-role helicopters to the Slovenian Defence Ministry;
- the contract with Boeing for the supply of additional 7 helicopters related to the MH-139 programme for the US Air Force

Revenues: there were on a rise mainly for increased activities on the dual use helicopter lines and on Customer Support, Services & Training (CSS&T).

EBITA: increased chiefly thanks to higher revenues, with profitability substantially unchanged.

Defence Electronics & Security

As already described, starting from 2024 the Cyber & Security Solutions business was hived off from the Defence Electronics & Security (DES) sector, which included it until the 2023 financial statements, and are now recognised separately. The new DES perimeter mainly includes the Electronics Division, the subsidiary Leonardo DRS and the strategic investments MBDA and Hensoldt. In order to make operating performance comparable, the indicators of the comparative period of the DES sector have been restated.

The results for the period highlighted new orders sharply increasing compared to the same period of the prior year, with a book to bill equal to 1.4, Revenues and profitability significantly higher than the same period of last year in all the main business areas of the European component of the DES sector and of the subsidiary Leonardo DRS, confirming the positive trend already recorded in the first half of 2024.

9M 2023 <i>(Euro million)</i>	New Orders	Revenues	EBITA	ROS %
DES Europe	4,418	2,925	309	10.6%
Leonardo DRS	2,309	1,753	146	8.3%
<i>Eliminations</i>	<i>(38)</i>	<i>(17)</i>	-	<i>n.a.</i>
Total	6,689	4,661	455	9.8%

9M 2024 <i>(Euro million)</i>	New Orders	Revenues	EBITA	ROS %
DES Europe	4,865	3,229	381	11.8%
Leonardo DRS	2,583	2,073	188	9.1%
<i>Eliminations</i>	<i>(17)</i>	<i>(7)</i>	-	<i>n.a.</i>
Total	7,431	5,295	569	10.7%

Change %	New Orders	Revenues	EBITA	ROS %
DES Europe	10.1%	10.4%	23.3%	1.2 p.p.
Leonardo DRS	11.9%	18.3%	28.8%	0.8 p.p.
<i>Eliminations</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>
Total	11.1%	13.6%	25.1%	0.9 p.p.

Average exchange rate €/USD: 1.0870 (first nine months of 2024) and 1.0835 (first nine months of 2023)

	New Orders	Revenues	EBITA	ROS %
Leonardo DRS (\$ mln) – 9M 2023	2,502	1,900	158	8.3%
Leonardo DRS (\$ mln) – 9M 2024	2,807	2,253	204	9.1%

New Orders: increased significantly compared to the same period of 2023. Among the main acquisitions of the period in the European Electronics perimeter are:

- in the naval domain, the order for the supply and setup of combat systems falling within the broader programme to renew the surface patrol units of the Italian Navy;
- as for the Light Multirole Tactical Vehicle (LMTV) programme, the supply of new-generation Software Defined Radio (SDR) communication systems and the supply of satellite communication equipment, which will provide Satcom-On-The-Move (SOTM) capabilities, to equip new-generation vehicles used by the Italian Army to ensure mobility and safety in medium/high-intensity operational theatres and to reach areas affected by disasters;
- as part of the broader Blindo Centauro 2 programme, which aims to meet the needs of the Italian Army's line cavalry regiment, the order for the equipment of the last tranche of 28 units that will be equipped with, among other things, the HITFACT tower and Command and Control Communication systems;
- the order for the supply of Combat Systems that will equip the new-generation Minehunters Naval Units, highly innovative and able to perform a wide spectrum of missions. Among these, the securing of waterways and the so-called seabed surveillance operations for the control and protection of critical underwater infrastructures (i.e. oil&gas pipelines and maritime data networks) and the protection of cultural heritage and the marine environment;
- as part of the broader Safe Soldier ("Soldato Sicuro" or SIC) programme, the additional order for the renewal of the individual equipment of the land component of the Armed Forces

For the subsidiary Leonardo DRS we highlight.

- the additional order, as part of the broader Ohio-submarine class Replacement Programme (ORP), to supply integrated electric propulsion components for the next-generation Columbia-class submarine for the US Navy.
- the order for the production of the Family of Weapon Sights – Individual (FWS-I), that are sights with wireless connectivity with vision systems mounted on helmets, including the enhanced night vision goggle-binocular (ENVG-B) and the new generation integrated vision system (IVAS).
- the order AROS 2.0 (Aerial Refueling Operator Station) for the production of systems that will be installed by the customer on new US Air Force KC-46 Pegasus tanker aircraft. AROS was designed for the aircraft to seat two operators at the front of the tanker using displays for each operator compared to legacy tankers that use a single boom operated seated or prone in the tail looking out a window

Revenues: increased volumes compared to the same period of last year, in particular in the European component of DES, as a result of the gradual and continuous backlog increase. Also the subsidiary Leonardo DRS volumes showed an increase, attributable, among other things, to higher orders.

EBITA: profitability sharply increasing in all the main business areas both in the European component of DES and in the subsidiary Leonardo DRS, mainly for higher volumes in the period. A positive contribution was given by the MBDA JV to the sector's profitability, while Hensoldt posted a result lower than that of the comparative period.

Cyber & Security Solutions

The Cyber & Security Solutions sector mainly includes the Cyber & Security Solutions Division. The results of the first nine months of 2024 of the Cyber & Security Solutions sector, which starting from 2024 was recognised separately from the Defence Electronics & Security, confirmed the positive trend already recorded in June with increased volumes and profitability compared to the same period of last year.

New Orders: good commercial performance, with a book to bill equal to 1.3 and new orders level significantly growing compared to September 2023. Among the main acquisitions of the period we note:

- As part of the activities related to the Defence & Government Business, the order for the formation of the Joint Operation Center (JOC) of the Joint Operations Command (Comando Operativo di Vertice Interforze, COVI) of the Italian Defence, through the setting up of Operations Rooms and Data Centres and the development of functionalities such as Joint Common Operational Picture (JCOP), Political Military Economic Social Information Infrastructure (PMESII) and Information Knowledge Management (IKM);
- The order aimed at developing new and innovative solutions for the National Agricultural Information System (NAIS), implementing rules envisaged by the EU's Common Agricultural Policy in terms of recognition towards the demand of Italian farmers, also introducing principles of safety and Cloud orientation;
- Various orders as part of the broader Polo Strategico Nazionale (PSN) project aimed at supporting Public Administration companies in their digital transformation by adopting a Cloud model, rationalising Data Centres and adapting connectivity by increasing the level of security of managed data.

Revenues: higher volumes compared to the same period of 2023, also as a result of higher volumes of orders in the period.

EBITA: up mainly due to increased operating profitability and to higher volumes.

Aircraft

The Aircraft sector showed an increase in the business profitability despite lower orders recorded and the consequent lower production volumes. From a production point of view:

- for the military programmes of the Aircraft Division no. 36 wings were delivered to Lockheed Martin for the F-35 programme (against 30 wings delivered in September 2023) and no. 7 fuselages and no. 6 wings to the Eurofighter consortium for the Typhoon programme (against 6 fuselages and 6 wings delivered in the same period of 2023);
- as for the EFA Kuwait aircraft 2 deliveries were recorded compared to the 3 ones in 2023 due to delays in the acceptance process on the part of the Customer

New Orders: decreased compared to the same period of the prior year, during which the Division benefitted from important orders specifically on the JSF and C-27J programmes, also due to the postponement to the last quarter of some important domestic and export orders.

Revenues: essentially stable, year on year, net of higher pass-through activities recorded in 2023

EBITA: slightly higher than the 2023 results, thanks to the improvement of profitability in some programmes.

Aerostructures

The Aerostructures sector showed an increase in volumes due to a partial demand recovery of the main Original Equipment Manufacturers (OEM). From an industrial point of view:

- 37 fuselage sections and 25 stabilizers were delivered for the B787 programme (against 27 fuselage sections and 23 stabilizers in 2023) and 20 fuselages were delivered under the ATR programme (against 21 fuselages in 2023);
- for GIE-ATR 20 deliveries were registered compared to the 21 ones recorded in the same period of 2023

9M 2023 (Euro Million)	New Orders	Revenues	EBITA	ROS %
Aerostructures	528	462	(127)	(27.5%)
GIE ATR	n.a.	n.a.	(2)	n.a.
Total	528	462	(129)	(27.9%)

9M 2024 (Euro Million)	New Orders	Revenues	EBITA	ROS %
Aerostructures	571	508	(129)	(25.4%)
GIE ATR	n.a.	n.a.	-	n.a.
Total	571	508	(129)	(25.4%)

Change %	New Orders	Revenues	EBITA	ROS %
Aerostructures	8.1%	10.0%	(1.6%)	2,1 p.p.
GIE ATR	n.a.	n.a.	100.0%	n.a.
Total	8.1%	10.0%	0.0%	2,5 p.p.

New Orders: increased compared to last year, mainly on the B787 and A220 programmes.

Revenues: improved compared to the same period of the prior year, thanks to higher activities on the ATR and A321 programmes.

EBITA: the result recorded by the Aerostructures Division was substantially in line with the third quarter of 2023, as the greater absorption for the increase in production hours offset the increase in costs due to inflationary phenomena. The result posted by the GIE Consortium slightly improved compared to September 2023 despite deliveries are basically unchanged.

Space

In the first nine months of 2024 the Sector recorded a good level of acquisitions, considering the positive effects of the NRRP in the current period compared to the prior year.

New Orders: among the main acquisitions we highlight:

- For the service segment of the subsidiary Telespazio:
 - the order for the preliminary activities under the LCNS (Lunar Communication and Navigation System, better known as MoonLight) programme with the European Space Agency
 - the orders for Engineering Services for the ESOC (European Space Operations Centre)
 - the orders for additional activities on the Tropospheric Communication System in Romania
 - the order for the geo-information service for the Ministry of Agriculture, Forests and Rural Development in Romania
 - the order from OCCAR for logistic support orders (ISS) on the Italian-French system MUSIS CIL
 - the order to upgrade the space capacity of the Sardinia Deep Space Antenna (SDSA) with the Italian Space Agency
- for the manufacturing segment of the Space business line of Leonardo S.p.a.:
 - the order for the phase 2 of the Rubidium POP EQM project aimed at developing a new atomic clock with ESA
 - the order from Airbus related to the creation of on-board power control and distribution unit (MPCV PCDU ESM 4-9) of the European Service Module, i.e. the Orion spacecraft service module
 - the VIGIL order aimed at creating an instrument for monitoring solar storms, whose customer is Airbus
 - the order Comet Interceptor for the construction of a camera and instruments to measure the comet

Revenues: for the subsidiary Telespazio, higher volumes thanks to the contribution of the Satellite Systems and Operations and Geo Information Lobs, particularly on institutional programmes.

EBITA: the service segment, the subsidiary Telespazio recorded an increasing operating result compared to that of last year. Note that in the manufacturing segment the performance of the investee Thales Alenia Space in the Space Alliance was still affected by significant increases in development costs related to the commercial telecommunication business.

	New Orders	Revenues	EBITA	ROS %
Gruppo Telespazio (€ mln) – 9M 2023	435	478	36	7.5%
Gruppo Telespazio (€ mln) – 9M 2024	383	527	41	7.8%

Industrial transactions

Below are the main industrial transactions occurred during 2024:

- **Consolidation of the Telespazio group.** Following the amendments to the arrangements originally provided for in the “Space Alliance” with Thales signed at the start of 2024, the Telespazio group was consolidated on a line-by-line basis by Leonardo starting from 1 January 2024. The transaction brought a capital gain for the Leonardo Group equal to about €mil. 366, recognized following the fair value measurement of the investment previously held in the Telespazio group.
- **Acquisition of Alea.** On 16 April 2024, Leonardo finalized the acquisition of the remaining 30% of the quota capital of Alea S.r.l. (hereinafter “Alea”), with a total disbursement of about €mil. 1.5. Leonardo entered the quota capital of Alea in 2021, signing an agreement to acquire 70% of the quota capital with an option for a subsequent future acquisition of the remaining portion through a call option mechanism. Following the exercise of its option under the agreed terms and conditions, Leonardo now holds the entire quota capital of Alea.
- **Disposal of the Underwater Armaments & Systems (UAS) business.** On 9 May 2024, Leonardo announced the signing of a definitive agreement to sell the Underwater Armaments & Systems (UAS) line of business to Fincantieri for an amount based on an Enterprise Value comprising a fixed component of €mil. 300, subject to usual price adjustment mechanisms, plus a variable component of up to €mil. 115 subject to the achievement of certain 2024 performance targets, for a total Enterprise Value up to €mil. 415. The closing of the transaction is expected for the beginning of 2025 and is subject to usual authorisations for such transactions.
- **Sale of Industria Italiana Autobus.** On 19 June 2024, Leonardo announced the signing of an agreement to sell its stake in Industria Italiana Autobus to Seri Industrial S.p.A.. The transaction was concluded on 11 July 2024.
- **Acquisition of GEM Elettronica.** On 20 September 2024, Leonardo acquired an additional 35% of GEM Elettronica S.r.l. (“GEM”), for a consideration of about €mil. 16. Following the closing, Leonardo holds 65% and the control of the company, which has been consolidated on a line-by-line basis starting from the acquisition date. This transaction will enable Leonardo to strengthen and complete full suite of radar and systems for naval and coastal applications thanks to a portfolio complementary to the offering. Leonardo will be also entitled to acquire an additional 35% within three years through a call/put mechanism.
- **Joint Venture with Rheinmetall.** On 15 October 2024, Leonardo and Rheinmetall signed an agreement with the aim of forming a new European nucleus for the development and production of military combat vehicles in Europe which followed a corresponding Memorandum of Understanding (MoU) signed on 3 July 2024. The agreement calls for the establishment of a joint venture, in which Rheinmetall AG e Leonardo S.p.A. will be equal shareholders (50% each), the primary objective being the industrial development and subsequent commercialization of the new Main Battle Tank (MBT) and the new Lynx Platform for the Armoured Infantry Combat System (AICS), within the Italian Army’s ground systems programs. The definition of the agreement and the establishment of the company, whose name will be Leonardo Rheinmetall Military Vehicles (LRMV), with registered office in Rome and operating premises in La Spezia, are expected by the first quarter 2025.

Financial transactions

No new transaction was carried out on the financial markets during the first nine months of 2024. However, in June 2024 Leonardo S.p.a. repaid €mil. 600 of the bond issued in June 2017, which had reached its natural expiry.

As at 30 September 2024 Leonardo SpA had sources of liquidity for a total of about €mil. 4,220 (a pro-forma value of approx. €mil. 3,620 due to the expiry on 7 October 2024 of the €mil. 600 tranche of the ESG-linked Revolving Credit Facility) to meet the financing needs of the Group's recurring operations, all unused at 30 September 2024 and broken-down as follows:

- an ESG-linked Revolving Credit Facility for a total amount of €mil. 2,400, divided into two tranches: the one of €mil. 1,800 expiring on 7 October 2026 and the €mil. 600 tranche expired, as mentioned above, at the current reporting date;
- additional unconfirmed short-term lines of credit of about €mil. 820;
- a framework programme for the issue of commercial papers on the European market (Multi-Currency Commercial Paper Programme) for a maximum amount of €bil. 1 expiring on 2 August 2025.

The Company also has a €mil. 260 Sustainability-linked financing granted by the European Investment Bank (EIB) – with a contract signed in November 2022 – entirely unused at the date of this report.

Furthermore, Leonardo has unconfirmed lines of credit for a total of €mil. 11,166, of which €mil. 3,531 still available as at 30 September 2024.

Finally, other Group subsidiaries have the following credit facilities.

- Leonardo DRS has a Revolving Credit Facility for an amount of USDmil. 275 (€mil. 246) unused at 30 September 2024;
- Leonardo US Corporation has short-term revocable credit lines, guaranteed by Leonardo Spa, for USDmil. 210 (€mil. 188), which were used for USDmil. 51 (€mil. 46) at 30 September 2024;
- Leonardo US Holding has short-term revocable credit lines, guaranteed by Leonardo Spa, for USDmil. 5 (€mil. 4), which were unused at 30 September 2024.

Finally, Leonardo had in place an EMTN (Euro Medium Term Note) programme, renewed in May 2024 for an additional 12-month period, for the possible issue of bonds on the European market for a total of €bil. 4 that, at the date of this report, was still available for €mil. 3,000. Outstanding bond issues are given a medium/long-term financial credit rating by the international rating agencies Moody's, Standard&Poor's and Fitch.

In this regard it should be noted that, mainly bearing in mind the solid results achieved by Leonardo in the first six months of 2024 and of the prospective resilient performance in 2025 based on the deleveraging target, on the growth of the defense industry and, accordingly, on the expected improvement of the credit metrics, on 16 August 2024 Standard&Poor's confirmed the "BBB-" rating and upgraded the outlook on Leonardo, which passed from "stable" to "positive". On the reporting date, Leonardo's credit ratings, compared to those preceding the last change, were as follows:

Agency	Last update	Previous		Updated	
		Credit Rating	Outlook	Credit Rating	Outlook
Moody's	May 2023	Ba1	positive	Baa3	stable
Standard&Poor's	August 2023	BBB-	stable	BBB-	positive
Fitch	January 2022	BBB-	negative	BBB-	stable

With regard to the impact of positive or negative changes in Leonardo's credit ratings, the only possible effects deriving from further changes, if any, to the credit ratings refer to higher or lower borrowing costs applied to certain payables of the Group (Revolving Credit Facility and Term Loan).

Furthermore, it should be noted that the Funding Agreement between MBDA and its shareholders also provides, among other things, that any change in the rating assigned to the shareholders will result in a change in the applicable margin.

At the date of this report, Leonardo S.p.a. turns out to be the Group's only issuer in the bond market. Leonardo's issuance programmes are governed by regulations laying down standard legal clauses for this type of transactions carried out by corporate entities in institutional markets, which do not require any commitment with respect to specific financial covenants, while they include, among others, negative pledge and cross default clauses. According to negative pledge clauses, Leonardo and its Material Subsidiaries (i.e. entities in which Leonardo holds more than 50% of the capital and whose gross revenues and total assets account for at least 10% of consolidated gross revenues and total assets) are specifically prohibited from creating collaterals or any other encumbrance as security for their debt comprised of bonds or financial instruments that are either listed or capable of being listed, unless these guarantees are extended to all the bondholders. This prohibition shall not apply to securitisation transactions and to any set of assets intended for specific businesses pursuant to Articles 2447-bis and ff. of the Italian Civil Code. On the contrary, cross default clauses grant the bondholders the right to request early repayment of bonds in their possession upon the occurrence of an event of default on the part of Leonardo and/or any of its Material Subsidiaries, the result of which would be their failure to make payments above the established limits.

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

<i>€mil.</i>	9M 2023	9M 2024	Var. YoY	3Q 2023	3Q 2024	Var.YoY
Revenues	10,269	12,076	1,807	3,375	4,091	716
Purchases and personnel expense	(9,223)	(10,863)	(1,640)	(3,022)	(3,670)	(648)
Other net operating income/(expense)	(29)	(5)	24	(9)	(32)	(23)
Equity-accounted strategic JVs	53	21	(32)	24	12	(12)
Amortisation and depreciation	(426)	(463)	(37)	(154)	(138)	16
EBITA	644	766	122	214	263	49
<i>ROS</i>	6.3%	6.3%	0,0 p.p.	6.3%	6.4%	0.1 p.p.
Non recurring income (expense)	(49)	(72)	(23)	(36)	(2)	34
Restructuring costs	(32)	(17)	15	(1)	(2)	(1)
Amortisation of intangible assets acquired as part of Business combinations	(26)	(41)	(15)	(8)	(13)	(5)
EBIT	537	636	99	169	246	77
<i>EBIT Margin</i>	5.2%	5.3%	0.1 p.p.	5.0%	6.0%	1.0 p.p.
Net financial income/ (expense)	(170)	(144)	26	(73)	(54)	19
Income taxes	(77)	(128)	(51)	(3)	(17)	(14)
Net result before extraordinary transactions	290	364	74	93	175	82
Net result related to extraordinary transactions and discontinued operations	11	366	355	-	-	-
Net result	301	730	429	93	175	82
<i>attributable to the owners of the parent</i>	278	679	401	82	153	71
<i>attributable to non-controlling interests</i>	23	51	28	11	22	11
Earning per share (Euro)						
<i>Basic e diluted</i>	0.483	1.180	0.697	0.142	0.266	0.124
Earning per share of continuing operation (Euro)						
<i>Basic e diluted</i>	0,483	1,180	0,697	0,142	0,266	0,124
Earning per share of discontinuing operation (Euro)						
<i>Basic e diluted</i>	-	-	-	-	-	-

CONSOLIDATED BALANCE SHEET

	30.09.2023	31.12.2023	30.09.2024
	€mil.		
Non-current assets	14,007	14,295	15,091
Non-current liabilities	(2,193)	(2,248)	(2,359)
Capital assets	11,814	12,047	12,732
Inventories	1,534	596	1,673
Trade receivables	3,541	3,685	3,583
Trade payables	(3,057)	(3,268)	(3,522)
Working capital	2,018	1,013	1,734
Provisions for short-term risks and charges	(1,072)	(1,087)	(930)
Other net current assets (liabilities)	(946)	(1,049)	(956)
Net working capital	-	(1,123)	(152)
Net invested capital	11,814	10,924	12,580
Equity attributable to the Owners of the Parent	7,458	7,800	8,450
Equity attributable to non-controlling interests	544	761	1,099
Equity	8,002	8,561	9,549
Group Net Debt	3,813	2,323	3,120
Net (assets)/liabilities held for sale	(1)	40	(89)

CONSOLIDATED CASH FLOW STATEMENT

	9M 2023	9M 2024
	€mil.	
Cash flows used in operating activities	(333)	(195)
Dividends received	180	145
Cash flow from ordinary investing activities	(451)	(500)
Free operating cash flow (FOCF)	(604)	(550)
Strategic investments	27	(18)
Change in other investing activities	(36)	(14)
Net change in loans and borrowings	82	(763)
Dividend Paid	(83)	(177)
Net increase/(decrease) in cash and cash equivalents	(614)	(1,522)
Cash and cash equivalents at 1 January	1,511	2,407
Exchange rate gain/losses and other movements	(2)	-
Cash and cash equivalents at 30 September	895	885

CONSOLIDATED GROUP NET DEBT

<i>€mil.</i>	30.09.2023	31.12.2023	30.09.2024
Bonds	1,619	1,631	1,019
Bank debt	1,465	1,312	1,320
Cash and cash equivalents	(895)	(2,407)	(885)
Net bank debt and bonds	2189	536	1,454
Current loans and receivables from related parties	(195)	(183)	(326)
Other current loans and receivables	(20)	(22)	(27)
Current loans and receivables and securities	(215)	(205)	(353)
Hedging derivatives in respect of debt items	4	6	3
Related-party loans and borrowings	1.,126	1,292	1,303
Leasing liabilities	622	610	620
Other loans and borrowings	87	84	93
Group net debt	3,813	2,323	3,120

EARNINGS PER SHARE

	9M 2023	9M 2024	Chg. YoY
Average shares outstanding during the reporting period (in thousands)	575,307	575,555	248
Earnings/(losses) for the period (excluding non-controlling interests) (€ million)	278	679	401
Earnings/(losses) - continuing operations (excluding non-controlling interests) (€ million)	278	679	401
Earnings/(losses) - discontinued operations (excluding non-controlling interests) (€ million)	-	-	-
BASIC AND DILUTED EPS (EUR)	0.483	1.180	0.697
BASIC AND DILUTED EPS from continuing operations	0.483	1.180	0,697
BASIC AND DILUTED EPS from discontinuing operations			

9M 2023 (Euro million)	Helicopters	Defence Electronics & Security	Cyber & Security Solutions	Aircraft	Aerostructures	Space	Other activities	Eliminations	Total
New orders	4,177	6,689	485	1,824	528	-	347	(775)	13,275
Order backlog 31.12.2023	14,426	15,890	993	7,972	1,095	-	375	(1,222)	39,529
Revenues	3,202	4,661	403	1,938	462	-	516	(913)	10,269
EBITA	250	455	18	242	(129)	6	(198)	-	644
<i>EBITA margin</i>	7.8%	9.8%	4.5%	12.5%	(27.9%)	n.a.	(38.4%)	n.a.	6.3%
EBIT	245	381	5	240	(130)	6	(210)	-	537
Amortisation	64	154	10	19	38	-	69	-	354
Investments	147	155	7	56	37	-	65	-	467

9M 2024 (Euro million)	Helicopters	Defence Electronics & Security	Cyber & Security Solutions	Aircraft	Aerostructures	Space	Other activities	Eliminations	Total
New orders	4,805	7,431	586	1,228	571	476	594	(938)	14,753
Orders backlog	15,709	17,667	1,069	7,332	1,165	1,542	576	(1,442)	43,618
Revenues	3,622	5,295	447	1,910	508	616	563	(885)	12,076
EBITA	271	569	22	246	(129)	1	(214)	-	766
<i>EBITA margin</i>	7.5%	10.7%	4.9%	12.9%	(25.4%)	0.2%	(38%)	n.a.	6.3%
EBIT	267	500	(8)	246	(132)	(17)	(220)	-	636
Amortisation	69	161	10	30	25	31	71	-	397
Investments	193	166	6	50	28	14	74	-	531

3Q 2023 (Euro million)	Helicopters	Defence Electronics & Security	Cyber & Security Solutions	Aircraft	Aerostructures	Space	Other activities	Eliminations	Total
New orders	1,372	2,569	207	327	303	-	24	(218)	4,584
Revenues	1,042	1,609	136	590	135	-	153	(290)	3,375
EBITA	93	158	6	82	(52)	4	(77)	-	214
<i>EBITA margin</i>	8.9%	9.8%	4.4%	13.9%	(38.5%)	n.a.	(50.3%)	n.a.	6.3%
EBIT	93	119	2	81	(53)	4	(77)	-	169
Amortisation	20	59	4	7	13	-	22	-	125
Investments	56	59	3	16	13	-	32	-	179

3Q 2024 (Euro million)	Helicopters	Defence Electronics & Security	Cyber & Security Solutions	Aircraft	Aerostructures	Space	Other activities	Eliminations	Total
New orders	1,221	2,418	159	202	207	141	217	(136)	4,429
Revenues	1,197	1,835	146	638	155	217	165	(262)	4,091
EBITA	99	206	6	79	(53)	2	(76)	-	263
<i>EBITA margin</i>	8.3%	11.2%	4.1%	12.4%	(34.2%)	0.9%	(46.1%)	n.a.	6.4%
EBIT	97	196	6	79	(52)	(4)	(76)	-	246
Amortisation	22	54	4	9	8	9	23	-	129
Investments	61	55	2	18	10	6	30	-	182

Leonardo is an international industrial group, among the main global companies in Aerospace, Defence, and Security (AD&S). With 53,000 employees worldwide, the company approaches global security through the Helicopters, Electronics, Aircraft, Cyber & Security and Space sectors, and is a partner on the most important international programmes, within these sectors, such as Eurofighter, NH-90, FREMM, GCAP, and Eurodrone. Leonardo has significant production capabilities in Italy, the UK, Poland, and the USA. Leonardo utilises its subsidiaries, joint ventures, and shareholdings, which include 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), in 2023 Leonardo recorded new orders for €17.9 billion, with an order book of €39.5 billion and consolidated revenues of €15.3 billion. Included in the MIB ESG index, the company has also been part of the Dow Jones Sustainability Indices (DJSI) since 2010.

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