



RESULTS AT 30 SEPTEMBER 2024

Disclaimer:

These Results at 30 September 2024 has been translated into English solely for the convenience of the international reader. In the event of conflict or inconsistency between the terms used in the Italian version of the report and the English version, the Italian version shall prevail, as the Italian version constitutes the sole official document.

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GROUP RESULTS AND FINANCIAL POSITION

The good performance of the Group continued in the first nine months of 2024, with a growth in volumes and a solid profitability. In order to make the Group's operating performance more comparable, the indicators for the comparative period are also provided in this Report on a pro-forma basis, including the contribution of the Telespazio group, consolidated on a line-by-line basis starting from 1 January 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 (KPI)

	September 2023	September 2024	% Change	September 2023 Pro-forma	% Change	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%
Workforce	52,973	59,369	12.1%	56,158	5.7%	53,566

Please refer to Annex 2 on "Non-GAAP performance indicators" for definitions.

RESULTS AT 30 SEPTEMBER 2024

The primary changes that marked the Group's performance compared to the previous year are described below. A thorough analysis can be found in the section covering the trends in each business segment.

	30 September 2023									
	New orders	Proforma	Order backlog at 31 Dec. 2023	Proforma at 31 Dec. 2023	Revenue	Proforma	EBITA	Proforma	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%)
- of which GIE ATR							(2)	(2)		
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%

	30 September 2024				
	New orders	Order backlog	Revenue	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%)
- of which GIE ATR				-	
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%

	Change %									
	New orders	Proforma	Order backlog	Proforma	Revenue	Proforma	EBITA	Proforma	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.
- of which GIE ATR							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.

Commercial and business performance

New orders came to €bil. 14.8, 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. The Order Backlog ensures a coverage in terms of production exceeding 2.5 years.

Revenues (€bil. 12.1) 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 (€mil. 766) 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.

Likewise, **EBIT**, equal to €mil. 636, 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.

The **Net Result before extraordinary transactions**, amounting to €mil. 364 (€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.

The **Net Result** of €mil. 730 (€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.

Reclassified income statement

<i>(€ millions)</i>	<i>For the 9 months ended 30 September</i>		<i>Change</i>	<i>% Change</i>
	<i>2023</i>	<i>2024</i>		
Revenue	10,269	12,076	1,807	17.6%
Purchases and personnel expenses	(9,223)	(10,863)		
Other net operating income/(expenses)	(29)	(5)		
Equity-accounted strategic investments	53	21		
Amortisation, depreciation and write-offs	(426)	(463)		
EBITA	644	766	122	18.9%
ROS	6.3%	6.3%	0.0 p.p.	
Non-recurring income/(expenses)	(49)	(72)		
Restructuring costs	(32)	(17)		
Amortisation of intangible assets acquired as part of business combinations	(26)	(41)		
EBIT	537	636	99	18.4%
EBIT Margin	5.2%	5.3%	0.1 p.p.	
Net financial income/(expenses)	(170)	(144)		
Income taxes	(77)	(128)		
Net Result before extraordinary transactions	290	364	74	25.5%
Net result related to extraordinary transactions and discontinued operations	11	366		
Net result attributable to:	301	730	429	142.5%
- owners of the parent	278	679		
- non-controlling interests	23	51		

Financial performance

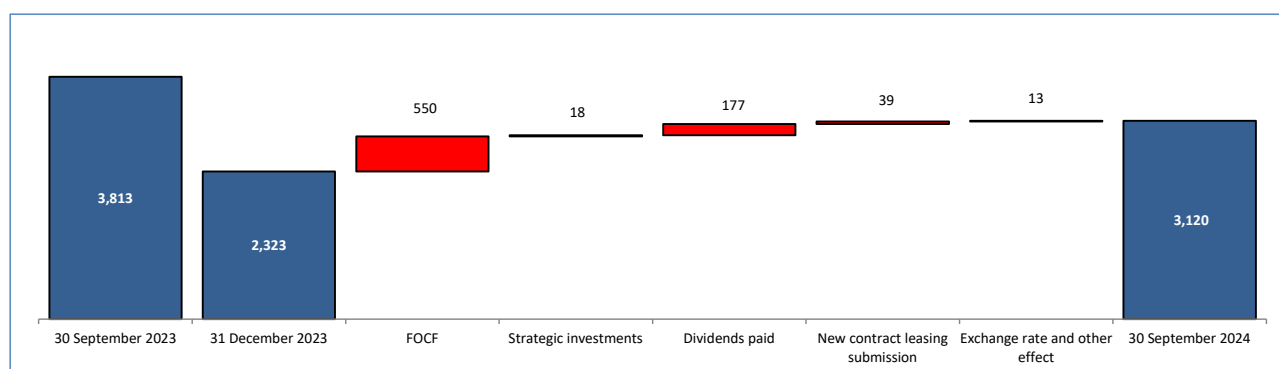
FOCF in the first nine months of 2024, negative for €mil. 550, improving compared to the performance at 30 September 2023 (negative for €mil. 604, negative for €mil. 637 in the pro-forma figure), confirmed the positive results reached thanks to initiatives to strengthen the operational performance and 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.

Reclassified cash flow statement

(€ millions)	For the 9 months ended 30 September		Change	% Change
	2023	2024		
Cash flows used in operating activities	(333)	(195)		
Dividends received	180	145		
Cash flows from ordinary investing activities	(451)	(500)		
Free Operating Cash Flow (FOCF)	(604)	(550)	54	8.9%
Strategic transactions	27	(18)		
Change in other investing activities	(36)	(14)		
Net change in loans and borrowings	82	(763)		
Dividends 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 differences and other changes	(2)	-		
Cash and cash equivalents at 30 September	895	885		

The **Group Net Debt**, equal to €mil. 3,120, 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.

Changes in the Group Net Debt

Reclassified statement of financial position

<i>(€ millions)</i>	30 September 2023	31 December 2023	30 September 2024
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)

Assets and liabilities classified as held for sale at 30 September 2024 are mainly represented by the “Underwater Armaments and Systems” business unit of Leonardo S.p.a., in relation to which a binding agreement was signed on 9 May 2024 for its sale to Fincantieri, which is expected to be finalized at the beginning of 2025. The figure at 31 December 2023 included liabilities accruing from the charges that are due to arise from the sale of the investment in the associate Industria Italiana Autobus finalized on 11 July 2024.

KEY PERFORMANCE INDICATORS BY SECTOR

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 mode 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, are now recognised separately in this Report. 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:



The sectors are commented on below in terms of business and financial performance:

		30 September 2023	30 September 2024	Change	Change %
1. Helicopters	New orders	4,177	4,805	628	15.0%
	Order backlog at 31 Dec. 2023	14,426	15,709	1,283	8.9%
	Revenue	3,202	3,622	420	13.1%
	EBITA	250	271	21	8.4%
	ROS	7.8%	7.5%		(0.3) p.p.
2. Defence Electronics & Security	New orders	6,689	7,431	742	11.1%
	Order backlog at 31 Dec. 2023	15,890	17,667	1,777	11.2%
	Revenue	4,661	5,295	634	13.6%
	EBITA	455	569	114	25.1%
	ROS	9.8%	10.7%		0.9 p.p.
3. Cyber & Security Solutions	New orders	485	586	101	20.8%
	Order backlog at 31 Dec. 2023	993	1,069	76	7.7%
	Revenue	403	447	44	10.9%
	EBITA	18	22	4	22.2%
	ROS	4.5%	4.9%		0.4 p.p.
4. Aircraft	New orders	1,824	1,228	(596)	(32.7%)
	Order backlog at 31 Dec. 2023	7,972	7,332	(640)	(8.0%)
	Revenue	1,938	1,910	(28)	(1.4%)
	EBITA	242	246	4	1.7%
	ROS	12.5%	12.9%		0.4 p.p.
5. Aerostructures	New orders	528	571	43	8.1%
	Order backlog at 31 Dec. 2023	1,095	1,165	70	6.4%
	Revenue	462	508	46	10.0%
	EBITA	(129)	(129)	-	0.0%
	ROS	(27.9%)	(25.4%)		2.5 p.p.
6. Space (*)	New orders	435	476	41	9.4%
	Order backlog at 31 Dec. 2023	1,393	1,542	149	10.7%
	Revenue	478	616	138	28.9%
	EBITA	28	1	(27)	(96.4%)
	ROS	5.9%	0.2%		(5.7) p.p.

(*) Values at 30 September 2023 are reported on a pro-forma basis, including the contribution from the Telespazio group

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

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

2. 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 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.

Key Performance Indicators of the sector

30 September 2023	New orders	Revenue	EBITA	ROS
Electronics Europe	4,418	2,925	309	10.6%
Leonardo DRS	2,309	1,753	146	8.3%
Eliminations	(38)	(17)	-	n.a.
Total	6,689	4,661	455	9.8%
30 September 2024	New orders	Revenue	EBITA	ROS
Electronics Europe	4,865	3,229	381	11.8%
Leonardo DRS	2,583	2,073	188	9.1%
Eliminations	(17)	(7)	-	n.a.
Total	7,431	5,295	569	10.7%
Change %	New orders	Revenue	EBITA	ROS
Electronics Europe	10.1%	10.4%	23.3%	1.2 p.p.
Leonardo DRS	11.9%	18.3%	28.8%	0.8 p.p.
Eliminations	n.a.	n.a.	n.a.	n.a.
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. These 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.

Leonardo DRS data in USD

	New orders	Revenue	EBITA	ROS
Leonardo DRS (\$mil.) September 2023	2,502	1,900	158	8.3%
Leonardo DRS (\$mil.) September 2024	2,807	2,253	204	9.1%

3. 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. This was up mainly due to increased operating profitability and to higher volumes.

4. 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. These 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.

5. 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.

Key Performance Indicators of the sector

30 September 2023	New orders	Revenue	EBITA	ROS
Aerostructures	528	462	(127)	(27.5%)
GIE ATR	<i>n.a.</i>	<i>n.a.</i>	(2)	<i>n.a.</i>
Total	528	462	(129)	(27.9%)
30 September 2024	New orders	Revenue	EBITA	ROS
Aerostructures	571	508	(129)	(25.4%)
GIE ATR	<i>n.a.</i>	<i>n.a.</i>	-	<i>n.a.</i>
Total	571	508	(129)	(25.4%)
Change %	New orders	Revenue	EBITA	ROS
Aerostructures	8.1%	10.0%	(1.6%)	2.1 p.p.
GIE ATR	<i>n.a.</i>	<i>n.a.</i>	100.0%	<i>n.a.</i>
Total	8.1%	10.0%	0.0%	2.5 p.p.

New orders. They increased compared to last year, mainly on the B787 and A220 programmes.

Revenues. These 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.

6. 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. Note, 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. In 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.

We show below the performance of Telespazio group:

<i>(€ millions)</i>	New orders	Revenue	EBITA	ROS
Telespazio group – September 2023	435	478	36	7.5%
Telespazio group – September 2024	383	527	41	7.8%

OUTLOOK

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:

	FY2023 (Pro-forma) ⁽¹⁾	2024 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⁾

2024 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 deteriorations*
- (3) *Assuming the increased dividend payment from € 0.14 to € 0.28 per share, new leasing contracts, strategic investments, and other minor transactions*

Main transactions of the first 9 months of 2024 and significant events occurred after the period-end

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 S.p.a., 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 S.p.a., 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 2024	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 RESULTS OF THE THIRD QUARTER

Reclassified income statement

<i>(€ millions)</i>	<i>For the Three months ended 30 September</i>	
	2023	2024
Revenue	3,375	4,091
Purchases and personnel expenses	(3,022)	(3,670)
Other net operating income/(expenses)	(9)	(32)
Equity-accounted strategic investments	24	12
Amortisation, depreciation and write-offs	(154)	(138)
EBITA	214	263
<i>ROS</i>	6.3%	6.4%
Non-recurring income/(expenses)	(36)	(2)
Restructuring costs	(1)	(2)
Amortisation of intangible assets acquired as part of business combinations	(8)	(13)
EBIT	169	246
<i>EBIT Margin</i>	5.0%	6.0%
Net financial income/(expenses)	(73)	(54)
Income taxes	(3)	(17)
Net Result before extraordinary transactions	93	175
Net result related to extraordinary transactions and discontinued operations	-	-
Net result	93	175

Below is a breakdown of the indicators by sector for the third quarter:

Third quarter 2023	New orders	Revenue	EBITA	ROS
Helicopters	1,372	1,042	93	8.9%
Defence Electronics & Security	2,569	1,609	158	9.8%
Cyber & Security Solutions	207	136	6	4.4%
Aircraft	327	590	82	13.9%
Aerostructures	303	135	(52)	(38.5%)
Space	-	-	4	n.a.
Other activities	24	153	(77)	(50.3%)
<i>Eliminations</i>	<i>(218)</i>	<i>(290)</i>	-	<i>n.a.</i>
Total	4,584	3,375	214	6.3%
Third quarter 2024	New orders	Revenue	EBITA	ROS
Helicopters	1,221	1,197	99	8.3%
Defence Electronics & Security	2,418	1,835	206	11.2%
Cyber & Security Solutions	159	146	6	4.1%
Aircraft	202	638	79	12.4%
Aerostructures	207	155	(53)	(34.2%)
Space	141	217	2	0.9%
Other activities	217	165	(76)	(46.1%)
<i>Eliminations</i>	<i>(136)</i>	<i>(262)</i>	-	<i>n.a.</i>
Total	4,429	4,091	263	6.4%
Change %	New orders	Revenue	EBITA	ROS
Helicopters	(11.0%)	14.9%	6.5%	(0.6) p.p.
Defence Electronics & Security	(5.9%)	14.0%	30.4%	1.4 p.p.
Cyber & Security Solutions	(23.2%)	7.4%	0.0%	(0.3) p.p.
Aircraft	(38.2%)	8.1%	(3.7%)	(1.5) p.p.
Aerostructures	(31.7%)	14.8%	(1.9%)	4.3 p.p.
Space	n.a.	n.a.	(50.0%)	n.a.
Other activities	804.2%	7.8%	1.3%	4.2 p.p.
<i>Eliminations</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>
Total	(3.4%)	21.2%	22.9%	0.1 p.p.

EXPLANATORY NOTES

This interim reporting approved today by the Board of Directors, was made available to the public at the registered office, with Borsa Italiana S.p.A., on the Company website (www.leonardo.com, in the section Investors/Results and Reports), as well as on the website of the authorised storage mechanism NIS-Storage (www.emarketstorage.com).

The accounting policies, measurement criteria and consolidation methods used for this interim reporting at 30 September 2024, which should be read in conjunction with the Consolidated Financial Statements at 31 December 2023, are unchanged from those of the Consolidated Financial Statements at 31 December 2023 (except for those specifically applicable to interim financial reports) and the interim reporting at 30 September 2023.

This interim reporting, approved by the Board of Directors on 7 November 2024, was not subject to any statutory review.

FINANCIAL INCOME AND EXPENSE

(€ millions)

	<i>For the 9 months ended 30 September</i>	
	2023	2024
Interest	(89)	(56)
Commissions	(8)	(8)
Fair value gains (losses) through profit or loss	(3)	(9)
Premiums (paid) received on forwards	(7)	(15)
Exchange rate differences	(3)	(7)
Other financial income and expenses	(48)	(58)
Share of profits/(losses) of equity-accounted investees	(12)	9
	(170)	(144)

The increase in net financial income and expenses is mainly due to the reduction in net interest expense and the better contribution from the non-strategic investments valued at equity, partially offset by the lower value of items measured at fair value and by higher premiums paid on forwards.

LOANS AND BORROWINGS

The Group Net Debt breaks down as follows:

(€ millions)	30 September 2023	of which current	31 December 2023	of which current	30 September 2024	of which current
Bonds	1,619	623	1,631	635	1,019	521
Bank debt	1,465	192	1,312	87	1,320	121
Cash and cash equivalents	(895)	(895)	(2,407)	(2,407)	(885)	(885)
Net bank debt and bonds	2,189		536		1,454	
Current loans and receivables from related parties	(195)	(195)	(183)	(183)	(326)	(326)
Other current loans and receivables	(20)	(20)	(22)	(22)	(27)	(27)
Current loans and receivables and securities	(215)		(205)		(353)	
Hedging derivatives in respect of debt items	4	4	6	6	3	3
Other related party loans and borrowings	1,126	1,026	1,292	1,192	1,303	1,203
Lease liabilities	622	93	610	79	620	81
Other loans and borrowings	87	36	84	51	93	50
Group Net Debt	3,813		2,323		3,120	

The reconciliation with the net financial position required by CONSOB Communication no. DEM/6064293 of 28 July 2006, updated by the provisions of ESMA Guideline 32-382-1138 of 4 March 2021 as implemented by CONSOB warning notice no. 5/21 of 29 April 2021, is provided in Annex 2.

The decrease in bonded loans compared to 31 December 2023 is attributable to the repayment of the bond issued by Leonardo S.p.a. for €mil. 600, which reached its natural expiry date in June 2024.

It should be noted that financial covenants are included both in the ESG-linked Revolving Credit Facility and in the ESG-linked Term Loan, which were signed in 2021 and which require Leonardo to comply with two Financial ratios (the ratio of Group net debt - excluding payables to the joint ventures MBDA and Thales Alenia Space and lease liabilities / EBITDA, including amortisation of the right of use assets, must be no higher than 3.75 and the ratio of EBITDA, including amortisation of the right of use assets / Net interest must be no lower than 3.25), tested annually based on consolidated data, which were largely complied with at 31 December 2023. These covenants, tested on an annual basis, are included in the loan agreement with CDP of €mil. 100, as well as in all EIB loans in place (they were used for a total amount of €mil. 463 at 30 September 2024).

In addition, there are margin adjustment clauses based on the achievement of certain indicators (KPIs) related to ESG targets under the ESG-linked financing agreements illustrated above:

- Reduction in CO2 emissions of the Group ¹; such KPI is included in the RCF and in the Term Loan signed in 2021 as well as in the Sustainability-Linked Loan granted by the European Investment Bank in 2022;
- Promotion of female employment with STEM degrees; such KPI is included in the RCF and in the Term Loan signed in 2021;

¹ Calculated as the ratio between the intensity of emissions/revenues generated by the Group.

- Increase in per capita computing power of the Group ²; such KPI is included in the Sustainability-Linked Loan granted by the European Investment Bank in 2022.

Financial covenants, in line with U.S. standard practices, are also provided for in bank loans granted in favour of Leonardo DRS. Also such financial ratios (Net debt / adj. EBITA no higher than 3.75 and adj. EBITA /Net interest no lower than 3.0, to be determined based on the data obtainable from the US GAAP financial statements of the Leonardo DRS Group) were met at the date of the last reported data.

CONTINGENT LIABILITIES

During the third quarter of 2024 there were no updates as to the criminal proceedings involving, for various reasons, Group companies in comparison with what is set out in the notes to the consolidated financial statements at 31 December 2023, and in respect of the developments included in the financial report at 30 June 2024.

* * * * *

With regard to the provisions for civil, tax and administrative disputes, it is underlined that the operations of the Leonardo Group's companies regard industries and markets where many disputes, both as petitioner and plaintiff, are settled only after a considerable period of time, especially in cases where the customer is a government entity. Pursuant to the IFRSs, provisions have only been set aside for risks that are deemed probable and for which the amount can be determined. No specific provisions have been set aside for certain disputes in which the Group is defendant as these disputes are reasonably expected to be settled, based on current knowledge, satisfactorily and without significantly impacting the Group. Compared to what has been already discussed in the financial report at 30 June 2024, to which reference is made, of particular note are the following disputes:

- With reference to the proceedings brought by Firema under extraordinary management before the Court of Naples, following the hearings of 14 March, 21 May and 19 September 2024, the Court adjourned the case at the hearing of 7 November 2024 to obtain the opinion of the Supervisory Committee of Firema under extraordinary management and all the parties' endorsement of the settlement proposal. In light of this, expert activities have been suspended.
- With reference to the proceedings brought with writ of summons notified on 24 September 2024 by the Bankruptcy Bodies of Moreggia & C. S.p.a., a supplier of *mechanical components*, including a claim for damages allegedly caused by Leonardo for misuse of management and coordination activities under article 2497 of the Italian Civil Code, Leonardo intends to join the lawsuit, believing the charges brought against it to be groundless. The first hearing in the writ of summons has been scheduled for 19 May 2025.

* * * * *

Moreover, given their complexity, their cutting-edge technological content and the nature of the customers, the Group's long-term contracts are sometimes affected by disputes with customers in relation to the compliance of works with customer specifications and product performances. The Group adjusts the

² Calculated as number of flops (Floating Point Operations Per Second)/ number of the Group employees in Italy.

estimated contract costs for foreseeable issues, also taking into account the possible developments in the relevant disputes.

With regard to contracts in progress affected by uncertainties and issues under discussion with customers, compared to what has been already described in the financial report at 30 June 2024, to which reference is made, it should be noted that as part of the agreement entered into with Nav Canada on 21 July 2015 and amended in 2019, for the supply of goods and services related to the replacement of 12 radar systems in as many sites ("Terminal Surveillance Radar (TSR) Replacement Project"), following the notice of termination sent by the customer in March 2024, on 2 August 2024 the parties reached a settlement agreement, whose effects have been reflected in the current reporting at 30 September 2024.

For the Board of Directors

The Chairman

Stefano Pontecorvo

ANNEXES

ANNEX 1: SCOPE OF CONSOLIDATION

Below are the changes in the scope of consolidation at 30 September 2024 in comparison with 30 September 2023:

Company	Event	Month
<u>Companies which entered the scope of consolidation:</u>		
E2E Engineering Ltd	acquired	November 2023
E2E Satcom Ltd	acquired	November 2023
E2E Services Ltd	acquired	November 2023
Leonardo Us Automation Inc.	newly established	February 2024
Leonardo Pension Scheme (Trustee) Ltd (*)	newly established	April 2024
Leonardo Technologies and Marketing Services Egypt Llc (*)	newly established	May 2024
Wass Submarine Systems Srl	newly established	June 2024

Companies which left the scope of consolidation:

Industria Italiana Autobus Spa (*)	sold	July 2024
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Companies involved in merger transactions:

Merged company	Merging company	Month
Agustawestland Spa	Leonardo Partecipazioni Spa	March 2024
Selex Es Spa (in liquidation)	Leonardo Partecipazioni Spa	March 2024

Companies which changed their name:

Old name	New name	Month
Vega Deutschland GmbH	Leonardo GmbH	March 2024
Selex Es Llc	Leonardo US Cyber and Security Solutions Llc	April 2024

(): companies valued at equity*

Starting from 1 January 2024 the Telespazio group, valued at equity until the 2023 consolidated financial statements, has been consolidated on a line-by-line basis by the Leonardo Group.

ANNEX 2: “NON-GAAP” PERFORMANCE INDICATORS

Leonardo Management assesses the Group’s performance and that of its business segments based on a number of indicators that are not envisaged by the IFRSs. Specifically, EBITA is used as the primary indicator of profitability, since it allows us to analyse the Group’s margins by eliminating the impact of the volatility associated with non-recurring/extraordinary items or items unrelated to ordinary operations.

As required by Consob Communication 0092543 of 3 December 2015 implementing the ESMA guidelines 2015/1415 on alternative performance indicators, below is a description of the components of each of these indicators:

- **New orders:** this figure includes sales contracts signed with customers in the period, which are of a commercial nature and which provide for the counterparties’ obligation to comply therewith.
- **Order backlog:** this figure is the sum of the order backlog for the preceding period and new orders, less revenues during the reference period.
- **EBITDA:** this 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:** it is arrived at by eliminating from EBIT, as defined below, 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, as required by IFRS 3;
 - restructuring costs that are a part of defined and significant plans. This item includes personnel costs as well as any and all other costs deriving from the reorganisation (e.g. impairment of assets, costs for the closure of sites, relocation costs, etc.);
 - other non-recurring costs or income, i.e. connected to particularly significant and extraordinary events that are not related to the ordinary performance of the business. This item includes costs incurred in M&A transactions, as well as costs connected with businesses and/or products and systems held for disposal, and the recognition of losses on contracts that have become onerous as a result of events that are not connected with operations.

L’EBITA is then used to calculate return on sales (ROS) and return on investment (ROI).

A reconciliation of Income before tax and financial expense, EBIT and EBITA is shown below:

(€ millions)

	For the 9 months ended 30 September	
	2023	2024
Income before tax and financial expenses	484	615
Equity-accounted strategic investments	53	21
EBIT	537	636
Amortisation of intangible assets acquired as part of business combinations	26	41
Restructuring costs	32	17
Non-recurring (income) expense	49	72
EBITA	644	766

Non-recurring costs for the period mainly reflected the effect of the final settlement of disputes and positive termination of contracts, entered into in previous years, and concerning the construction of the Al Bayt stadium in DOHA with GSIC and PSC and an air traffic control system with the customer Nav Canada, respectively. Specifically, with reference to the DOHA order, after the double transaction occurred at the end of June 2024, which was related to the arbitration proceedings against the general contractor GSIC and the dispute brought before the Court of Rome against PSC, Leonardo obtained a considerable part of the sum recognised in the arbitration award and recorded charges in respect of the remainder, equal to a net amount of about €mil. 28. With reference to Nav Canada, taking into account the ongoing mediation process, Leonardo accounted for charges for €mil. 35 in respect of the remaining values in the net working capital.

The amortisation of the Purchase Price Allocation includes the component due to the first-time consolidation of the Telespazio group occurred starting from 1 January 2024.

- **Return on Sales (ROS):** this is calculated as the ratio of EBITA to revenue.
- **EBIT:** this 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 and Hensoldt), reported in the “share of profits (losses) of equity-accounted investees”.
- **Net result before extraordinary transactions:** this is the Net Result before the result from discontinued operations and the effects of the extraordinary transactions (acquisitions and disposals).
- **Group Net Debt:** this includes cash, financial receivables and current securities, net of (current and non-current) loans and borrowings and of the fair value of derivatives covering financial debt items. The reconciliation with the net financial position required by CONSOB Communication no. DEM/6064293 of 28 July 2006, updated by the provisions of ESMA Guideline 32-382-1138 of 4 March 2021 as implemented by CONSOB warning notice no. 5/21 of 29 April 2021, is provided below:

(€ millions)	31 December 2023	30 September 2024
A - Cash	(2,407)	(885)
C - Other current financial assets	(205)	(353)
D - Liquidity	(2,612)	(1,238)
E - Current financial debt (*)	1,409	1,455
F - Current portion of non-current financial debt	635	521
G - Current financial debt	2,044	1,976
H - Net current financial debt (funds)	(568)	738
I - Non-current financial debt (*)	2,885	2,379
J - Debt instruments (**)	6	3
K - Trade payables and other non-current debt	212	225
L - Non-current financial debt	3,103	2,607
M - Total financial debt	2,535	3,345

(*) Includes payables for leases of €mil 81 in current payables and €mil. 539 in non-current payables (€mil. 79 current and €mil. 531 non-current at 31 December 2023)

(**) Includes the fair value of FX hedging derivatives in respect of debt items

- **Free Operating Cash-Flow (FOCF):** this is the sum of the cash flows generated by (used in) operating activities (excluding the changes in the Group Net Debt), the cash flows generated by (used in) ordinary investing activities (property, plant and equipment, intangible assets, and equity investments, net of cash flows from the purchase or sale of equity investments that, due to their nature or significance, are considered “strategic investments”), dividends received and collections pursuant to Law 808/1985. The calculation of FOCF is presented in the reclassified cash flow statement shown in the section “Group results and financial position”.
- **Return on Investments (ROI):** this is calculated as the ratio of EBITA to the average net capital invested in the 12 months before the period.
- **Workforce:** the number of employees recorded in the register on the last day of the period.

**STATEMENT OF THE OFFICER IN CHARGE OF FINANCIAL
REPORTING PURSUANT TO ART. 154 BIS, PARAGRAPH 2
OF LEGISLATIVE DECREE NO. 58/98 AS AMENDED AND
SUPPLEMENTED**

In accordance with the provisions of article 154-bis, paragraph 2 of Legislative Decree no. 58/1998 as amended and supplemented, the undersigned Alessandra Genco, the Officer in charge of Financial Reporting of Leonardo Società per azioni certifies that this interim reporting at 30 September 2024 corresponds to the related accounting records, books and supporting documentation.

Rome, 7 November 2024

Officer in charge of Financial
Reporting
(Alessandra Genco)