3Q/9M 2018 Results Presentation

Alessandro Profumo  
Chief Executive Officer

Alessandra Genco  
Chief Financial Officer

Rome, 8 November 2018

Investor Relations & Credit Rating Agencies
Executing the Industrial Plan
*Chief Executive Officer*

3Q/9M 2018 Results & Outlook
*Chief Financial Officer*
Steps forward in the execution of the Industrial Plan

Good 3Q/9M 2018 performance

FY2018 guidance confirmed
- Core divisions in line with our expectations
- Lower contribution from JVs

Executing our Industrial Plan aimed at long term sustainable growth
- Continued commercial momentum (NH90 Qatar, MH-139 US and AW139 China)
- Strong backlog to support sustainable long-term revenue growth
- Helicopters momentum confirmed
- Leonardo DRS growth underpinned by strong US market
- Solid contribution from Defence Electronics and Aeronautics
- Relentless focus on cost control
- Leonardo reconfirmed in the Dow Jones Sustainability Indices and joined the UN Global Compact

Doing the right things for the long-term
Strong backlog supporting revenue growth

ORDER BACKLOG as at 30 September 2018 = ca. € 35 bn

**HELICOPTERS**
- ORDER BACKLOG € 11.8 bn
  - 33% of total

**ELECTRONICS, DEFENCE AND SECURITY SYSTEMS**
- ORDER BACKLOG € 11.5 bn
  - 33% of total

**AERONAUTICS**
- ORDER BACKLOG € 12.0 bn
  - 34% of total

- Current Backlog covering almost 3 years of equivalent production
- Well balanced across all businesses
- Large orders providing long term visibility
- MH-139 Helicopter in US and DRS «soft backlog» not included
Outstanding achievements in military and civil helicopters

Continued commercial momentum

- €3 bn NH90 Qatar contract booked in August (Q3)
  - 28 NH90 (16 for land operations and 12 for naval missions), Customer Support & Training and Infrastructure
  - Leonardo prime contractor
  - Deliveries from 2022 to 2025

- U.S. Air Force selected MH-139 in September to replace UH-1N fleet
- Up to $1.4 bn Indefinite Delivery Indefinite Quantity (IDIQ) contract for up to 84 helicopters, training devices and associated support equipment
- Initial operational capability by 2021

- Sino US ordered 15 AW139 for more than €150 mln
  - Heads of agreement for additional 160 helicopters for more than €1 bn
  - Orders and deliveries expected over the next 5 years
  - Agreement signed on 5th of November
Helicopters momentum confirmed

Well positioned for long term growth of the business

- Increasing order intake supported by military export campaigns
- Slight turnaround in civil market
- Leader in 3.2-10 tonnes range
- Positive momentum for Customer Support & Training
- On track to deliver improvement in profitability

9M 2018 Deliveries

n° of delivered units

1Q17A 1Q18A 1H17A 1H18A 9M17A 9M18A FY17A FY18E
12 29 81 77 99 113 149

*Latest data available refers to 1H 2018
Leonardo DRS strong progress supported by US market

US Defence spending supporting long term growth
- Programmes awarded aligned within Pentagon’s modernisation priorities
- Book to Bill at 1.3 confirms sustainable growth

Strong «soft backlog» creates long term visibility
- Large programmes awarded only partially funded and booked
- Total opportunities up to 4-5x current funded backlog

Revenue growth reflects ability to scale production to support new programme awards
- Improving underlying profitability, in the nine months, up 13% excluding TX bid costs

Transition from development to full-rate production programmes supports long term profitability growth
- Targeting double digit profitability in the Industrial Plan horizon

9M 2018 KEY DATA

<table>
<thead>
<tr>
<th></th>
<th>9M17A*</th>
<th>9M18A</th>
</tr>
</thead>
<tbody>
<tr>
<td>NEW ORDERS</td>
<td>$1,541</td>
<td>$1,950</td>
</tr>
<tr>
<td>REVENUES</td>
<td>$1,318</td>
<td>$1,541</td>
</tr>
<tr>
<td>EBITA (RoS)</td>
<td>90</td>
<td>102</td>
</tr>
</tbody>
</table>

Excluding TX costs

*9M 2017 IFRS15 restated
Delivering results on cost control initiatives

- Over 60% of annualised savings identified delivered in the 9M
- Potential upside from further actions, mainly cost savings in staff functions
- Addressed areas:
  - Efficiency increase in Manufacturing and Engineering
  - Off-load optimisation
  - Product Should Cost/Design to Cost
  - Logistics and Supply Chain optimization
- Early retirement plan signed with Italian Unions
- LEAP 2020 Programme to optimise supply chain
Doing the right things for the long term

*Sustainability as a base of the Industrial Plan*

- Membership of the United Nations Global Compact
- For the 9th year in a row in the Dow Jones Sustainability Indices
- The 1st company among the top 10 global players in the AD&S to obtain certification (*Anti Bribery Management Systems Certification*)
Fully focused on execution of the Industrial Plan

- Sharper commercial focus (+20% YoY Order Intake)
- Increasing commercial momentum
- Strong backlog to support sustainable top-line growth (€ 35 bn as at end of September)
- Solid financial strategy

...aimed at long term sustainable growth
Executing the Industrial Plan

Chief Executive Officer

3Q/9M 2018 Results & Outlook

Chief Financial Officer
3Q/9M 2018 Highlights

Good 9M 2018 performance

- Orders at € 9.4 bn, up 20% in constant currency, driven by NH90 Qatar
- Revenues at € 8.2 bn, up 4% in constant currency
- EBITA at € 632 mln, RoS at 7.7%
- Net Result at € 263 mln
- FOCF at € (800) mln, including NH90 Qatar downpayment
- Net Debt at € 3.5 bn

FY2018 Guidance confirmed, as revised upwards in July
Order intake

Strong performance, up 20%, mainly driven by NH90 Qatar

NH90 Qatar contract booked in 3Q18
Qatar Navy contract booked in 3Q17
EFA Customer Support booked in 3Q17

€ mln

9M 2017
7,945

Helicopters
4,685

Electronics, Defence and Security Systems
3,569

Aeronautics
1,420

Eliminations & Other
284

9M 2018
ca. 9,535

9,390

ca. € 145 mln of negative forex

+20% YoY

+18.2% YoY

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Revenues

_Growth and positive momentum in Helicopters & DRS_

- Deliveries up to 113 new units compared to 99 of 9M17
- Lower revenues in Aerostructures and C27-J

<table>
<thead>
<tr>
<th>Category</th>
<th>€ mln</th>
</tr>
</thead>
<tbody>
<tr>
<td>9M 2017*</td>
<td>8,048</td>
</tr>
<tr>
<td>Helicopters</td>
<td>2,656</td>
</tr>
<tr>
<td>Electronics, Defence and Security Systems</td>
<td>3,855</td>
</tr>
<tr>
<td>Aeronautics</td>
<td>2,025</td>
</tr>
<tr>
<td>Eliminations &amp; Other</td>
<td>296</td>
</tr>
<tr>
<td>9M 2018</td>
<td>8,240</td>
</tr>
<tr>
<td>ca. 8,370</td>
<td></td>
</tr>
</tbody>
</table>

*9M 2017 IFRS15 restated

Lower revenues in Aerostructures and C27-J

+10.1%   +4.8%   -6.9%

Deliveries up to 113 new units compared to 99 of 9M17

+2.4% YoY

+4% YoY

ca. € 130 mln of negative forex

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EBITA and Profitability

Solid performance across all businesses; lower contribution from ATR

Tough comparator due to 2Q17 performance

Lower contribution from ATR

€ mln

694
(RoS 8.6%)

167
(RoS 8.2%)

31

288
(RoS 7.5%)

217
(RoS 8.2%)

71

ca. 642
(RoS 7.7%)

31

9M 2017*

Helicopters

Electronics, Defence and Security Systems

Aeronautics

Space

Corporate & Other

9M 2018

-6.1%

+2.1%

-14.4%

-8% YoY
c. € 10 mln of negative forex

-8.9% YoY

*9M 2017 IFRS15 restated
Net Result impacted by early retirement agreement

**9M2017***

<table>
<thead>
<tr>
<th>Category</th>
<th>9M2017</th>
<th>9M2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT</td>
<td>694</td>
<td>632</td>
</tr>
<tr>
<td>Restruct. costs</td>
<td>60</td>
<td>17</td>
</tr>
<tr>
<td>PPA</td>
<td>72</td>
<td>73</td>
</tr>
<tr>
<td>EBIT</td>
<td>562</td>
<td>542</td>
</tr>
<tr>
<td>Net fin. expenses</td>
<td>237</td>
<td>170</td>
</tr>
<tr>
<td>Income taxes</td>
<td>60</td>
<td>177</td>
</tr>
<tr>
<td>Net Result</td>
<td>265</td>
<td>372</td>
</tr>
</tbody>
</table>

*9M 2017 IFRS15 restated

- EBIT and Net result including ca. € 170 mln of one-off early retirement costs accounted for in 2Q 2018
- Lower net financial expenses
- Net Result benefitting from the release of part of risk provision set aside against guarantees given upon disposal of Ansaldo Energia
2018 Guidance confirmed

<table>
<thead>
<tr>
<th></th>
<th>FY2017A Restated</th>
<th>FY2018E at January ‘18</th>
<th>FY2018E at July ‘18</th>
</tr>
</thead>
<tbody>
<tr>
<td>New orders</td>
<td>€ bn</td>
<td>11.6</td>
<td>12.5 – 13.0</td>
</tr>
<tr>
<td>Revenues</td>
<td>€ bn</td>
<td>11.7</td>
<td>11.5 – 12.0</td>
</tr>
<tr>
<td>EBITA</td>
<td>€ bn</td>
<td>1.08</td>
<td>1.075 – 1.125</td>
</tr>
<tr>
<td>FOCF</td>
<td>€ mln</td>
<td>537</td>
<td>ca.100</td>
</tr>
<tr>
<td>Group Net Debt</td>
<td>€ bn</td>
<td>2.6</td>
<td>ca. 2.6</td>
</tr>
</tbody>
</table>

2018 exchange rate assumptions: €/USD 1.20 and €/GBP 0.90
SECTOR RESULTS
Helicopters

Well positioned to capture growth opportunities

<table>
<thead>
<tr>
<th></th>
<th>FY2017 Restated</th>
<th>2017 Restated</th>
<th>2018</th>
<th>% Change</th>
<th>2017 Restated</th>
<th>2018</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders</td>
<td>3,153</td>
<td>568</td>
<td>3,356</td>
<td>490.8%</td>
<td>1,710</td>
<td>4,685</td>
<td>174.0%</td>
</tr>
<tr>
<td>Revenues</td>
<td>3,438</td>
<td>659</td>
<td>826</td>
<td>25.3%</td>
<td>2,413</td>
<td>2,656</td>
<td>10.1%</td>
</tr>
<tr>
<td>EBITA</td>
<td>281</td>
<td>44</td>
<td>64</td>
<td>45.5%</td>
<td>231</td>
<td>217</td>
<td>-6.1%</td>
</tr>
<tr>
<td>RoS</td>
<td>8.2%</td>
<td>6.7%</td>
<td>7.7%</td>
<td>+1.0 p.p.</td>
<td>9.6%</td>
<td>8.2%</td>
<td>-1.4 p.p.</td>
</tr>
</tbody>
</table>

2018 OUTLOOK

- Healthier market outlook driving higher volumes
- Well placed in most attractive segments, leveraging high quality product range
- Profitability gradually improving; back to double digit in 2020
## Electronics, Defence & Security Systems

**Remains strong**

### 2018 OUTLOOK

- Revenues and profitability almost flat YoY
- Upward trends in some business areas
- Efficiency improvement
- Higher contribution from development programmes
- DRS benefitting from positive market trend

### Of which DRS:

<table>
<thead>
<tr>
<th></th>
<th>FY2017 Restated</th>
<th>2017 Restated</th>
<th>2018</th>
<th>% Change</th>
<th>2017 Restated</th>
<th>2018</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders</td>
<td>2,016</td>
<td>611</td>
<td>700</td>
<td>14.6%</td>
<td>1,541</td>
<td>1,950</td>
<td>26.5%</td>
</tr>
<tr>
<td>Revenues</td>
<td>1,947</td>
<td>522</td>
<td>592</td>
<td>11.5%</td>
<td>1,318</td>
<td>1,541</td>
<td>16.9%</td>
</tr>
<tr>
<td>EBITA</td>
<td>146</td>
<td>34</td>
<td>38</td>
<td>11.8%</td>
<td>85</td>
<td>84</td>
<td>-1.2%</td>
</tr>
<tr>
<td>RoS</td>
<td>7.5%</td>
<td>6.5%</td>
<td>6.5%</td>
<td>-</td>
<td>6.4%</td>
<td>5.5%</td>
<td>-0.9 p.p.</td>
</tr>
<tr>
<td>EBITA excluding TX costs</td>
<td>153</td>
<td>37</td>
<td>45</td>
<td>21.6%</td>
<td>90</td>
<td>102</td>
<td>13.3%</td>
</tr>
<tr>
<td>RoS excluding TX costs</td>
<td>7.9%</td>
<td>7.1%</td>
<td>7.7%</td>
<td>+0.6 p.p.</td>
<td>6.8%</td>
<td>6.6%</td>
<td>-0.2 p.p.</td>
</tr>
</tbody>
</table>

**Avg. exchange rate €/$ @ 1.1949 in 9M2018**

**Avg. exchange rate €/$ @ 1.1132 in 9M2017**
Aeronautics

Aircrafts positive outlook offsetting lower ATR and Aerostructures

2018 OUTLOOK

- Revenues expected almost flat YoY
  - Aircraft benefitting from EFA Kuwait
  - Aerostructures volumes expected to decline

- Profitability in line with 2017
  - Efficiency improvement
  - Higher Aircraft performance
  - ATR contribution lower than expected
  - Unsatisfactory Aerostructures performance

<table>
<thead>
<tr>
<th></th>
<th>FY2017 Restated</th>
<th>2017 Restated</th>
<th>2018</th>
<th>% Change</th>
<th>2017 Restated</th>
<th>2018</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders</td>
<td>2,615</td>
<td>183</td>
<td>291</td>
<td>59.0%</td>
<td>1,983</td>
<td>1,420</td>
<td>-27.7%</td>
</tr>
<tr>
<td>Revenues</td>
<td>3,093</td>
<td>731</td>
<td>599</td>
<td>-18.1%</td>
<td>2,175</td>
<td>2,025</td>
<td>-6.9%</td>
</tr>
<tr>
<td>EBITA</td>
<td>311</td>
<td>67</td>
<td>44</td>
<td>-34.3%</td>
<td>195</td>
<td>167</td>
<td>-14.4%</td>
</tr>
<tr>
<td>RoS</td>
<td>10.1%</td>
<td>9.2%</td>
<td>7.3%</td>
<td>-1.9 p.p.</td>
<td>9.0%</td>
<td>8.2%</td>
<td>-0.8 p.p.</td>
</tr>
<tr>
<td>EBITA excluding TX costs</td>
<td>311</td>
<td>76</td>
<td>47</td>
<td>-38.2%</td>
<td>204</td>
<td>174</td>
<td>-14.7%</td>
</tr>
<tr>
<td>RoS excluding TX costs</td>
<td>10.1%</td>
<td>10.4%</td>
<td>7.8%</td>
<td>-2.6 p.p.</td>
<td>9.4%</td>
<td>8.6%</td>
<td>-0.8 p.p.</td>
</tr>
</tbody>
</table>
Space

Stable outlook

2018 OUTLOOK

- Revenues expected almost in line with 2017
- Profitability slightly lower compared to 2017
APPENDIX
### 3Q/9M 2018 Results

**Group Performance**

<table>
<thead>
<tr>
<th></th>
<th>€ min</th>
<th>FY2017 Restated</th>
<th>2017 Restated</th>
<th>2018</th>
<th>% Change</th>
<th>2017 Restated</th>
<th>2018</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Orders</td>
<td></td>
<td>11,595</td>
<td>2,884</td>
<td>4,786</td>
<td>66.0%</td>
<td>7,945</td>
<td>9,390</td>
<td>18.2%</td>
</tr>
<tr>
<td>Backlog</td>
<td></td>
<td>33,507</td>
<td>34,032</td>
<td>34,501</td>
<td>1.4%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td></td>
<td>11,734</td>
<td>2,552</td>
<td>2,651</td>
<td>3.9%</td>
<td>8,048</td>
<td>8,240</td>
<td>2.4%</td>
</tr>
<tr>
<td>EBITA</td>
<td></td>
<td>1,077</td>
<td>189</td>
<td>162</td>
<td>-14.3%</td>
<td>694</td>
<td>632</td>
<td>-8.9%</td>
</tr>
<tr>
<td>RoS</td>
<td></td>
<td>9.2%</td>
<td>7.4%</td>
<td>6.1%</td>
<td>-1.3 p.p.</td>
<td>8.6%</td>
<td>7.7%</td>
<td>-0.9 p.p.</td>
</tr>
<tr>
<td>EBIT</td>
<td></td>
<td>844</td>
<td>139</td>
<td>132</td>
<td>-5.0%</td>
<td>562</td>
<td>372</td>
<td>-33.8%</td>
</tr>
<tr>
<td>EBIT Margin</td>
<td></td>
<td>7.2%</td>
<td>5.4%</td>
<td>5.0%</td>
<td>-0.4 p.p.</td>
<td>7.0%</td>
<td>4.5%</td>
<td>-2.5 p.p.</td>
</tr>
<tr>
<td>Net result before extraordinary transactions</td>
<td></td>
<td>279</td>
<td>52</td>
<td>58</td>
<td>11.5%</td>
<td>265</td>
<td>164</td>
<td>-38.1%</td>
</tr>
<tr>
<td>Net result</td>
<td></td>
<td>279</td>
<td>52</td>
<td>157</td>
<td>201.9%</td>
<td>265</td>
<td>263</td>
<td>-0.8%</td>
</tr>
<tr>
<td>EPS (€ cents)</td>
<td></td>
<td>0.482</td>
<td>0.089</td>
<td>0.271</td>
<td>204.5%</td>
<td>0.460</td>
<td>0.456</td>
<td>-0.9%</td>
</tr>
<tr>
<td>FOCF</td>
<td>537</td>
<td>-441</td>
<td>9</td>
<td>N.S.</td>
<td></td>
<td>-972</td>
<td>-800</td>
<td>17.7%</td>
</tr>
<tr>
<td>Group Net Debt</td>
<td>2,579</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4,004</td>
<td>3,503</td>
<td>-12.5%</td>
</tr>
<tr>
<td>Headcount</td>
<td>45,134</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>45,737</td>
<td>46,413</td>
<td>1.5%</td>
</tr>
</tbody>
</table>

**Free Operating Cash-Flow (FOCF):** this is the sum of the cash flows generated by (used in) operating activities (which includes interests and income taxes paid) and the cash flows generated by (used in) ordinary investment activity (property, plant and equipment and intangible assets) and dividends received.
No material impact from IFRS15

- Leonardo applies retrospectively IFRS15 in 2018
- FY2017 and 2017 quarters fully restated in accordance with IFRS15
- Not material impacts on FY2017 KPI’s (higher revenues by ca. 2% and higher EBITA by ca. 1%)
- Cumulative catch-up adjustment to be recognised in equity; ca. 5% reduction of Group net equity as of 31 December 2017
- More exposed area of activity is civil helicopters
Solid Financial Position as end of September 2018

DEBT MATURITY
Average life: ≈ 5 years

REVOLVING CREDIT FACILITY
Lower margin
Longer life

RCF renegotiated lowering margin (from 100 bps to 75 bps) and amount (from € 2.0 bn to € 1.8 bn). The facility will expire in 2023

CREDIT RATING

<table>
<thead>
<tr>
<th>Credit Rating</th>
<th>As of today</th>
<th>Before last review</th>
<th>Date of review</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moody’s</td>
<td>Ba1 / Stable Outlook*</td>
<td>Ba1 / Positive Outlook</td>
<td>October 2018</td>
</tr>
<tr>
<td>S&amp;P</td>
<td>BB+ / Stable Outlook</td>
<td>BB+ / Negative Outlook</td>
<td>April 2015</td>
</tr>
<tr>
<td>Fitch</td>
<td>BBB- / Stable Outlook</td>
<td>BB+ / Positive Outlook</td>
<td>October 2017</td>
</tr>
</tbody>
</table>

*Moody’s stated that this review is not due to Leonardo’s stand-alone credit rating but is the consequence of Italy’s country downgrade

...fully committed to Investment Grade
Availability of adequate committed liquidity lines as end of September 2018

In order to cope with possible swings in financing needs, Leonardo can leverage:

- 30 September cash balance of € 1.0 bn
- Credit lines worth € 2.5 bn (confirmed and unconfirmed)
- Revolving Credit Facility renegotiated on 14 February 2018, lowering margin (from 100 bps to 75 bps) and amount (from € 2.0 bn to € 1.8 bn). The facility will expire in 2023
- Bank Bonding lines of ca. € 3.0 bn to support Leonardo’s commercial activity

<table>
<thead>
<tr>
<th>Tenor</th>
<th>July 2023</th>
<th>12 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Margin</td>
<td>75 bps (1)</td>
<td>~15 bps (2)</td>
</tr>
</tbody>
</table>

(1) Based on rating as of 30/09/2018
(2) Average. Expected to be renewed at maturity
Prime contractor business supporting long term visibility and growth

*Lower margin pass-through but without capital invested*

- Large prime contractor business wins supporting long term visibility and better positioning in reference markets
  - Higher margin activities under our responsibility
  - Lower margin pass-through business but with no capital invested

- Rising level of pass-through activities due to large prime contractor wins
  - 2017 pass-through revenues > €1 bn (ca. 9%)
  - 2017 profitability at 9.2%, up to 10.1% excluding pass-through
Balanced Remuneration Policy

Aligned with stakeholders interests

- Clear link between pay and degree of achievement of targets
- Aligning the remuneration package with international market best practices
- Reducing risk-oriented behaviour
- Attracting / retaining resources regarded by the Company as key performers
- Complying with Transparency and Merit system behind Leonardo strategy
- Including Sustainability/ESG objectives, consistently with business strategy
CEO performance: Management by Objectives

**TARGETS**

- **GROUP EBITA**: 30% of REM.
- **GROUP FOCF**: 30% of REM.
- **SUSTAINABILITY**: 10% of REM. - ON/OFF
- **INDUSTRIAL PLAN OBJECTIVES**: 30% of REM.

**Management by objectives (MBO)** is a management model that aims to improve the performance by clearly defining objectives. MBO remuneration is yearly paid in cash.

- **Target linked to the inclusion of Leonardo in Dow Jones Sustainability Indexes**
- **Structured into 3 specific KPIs**
  1. 2018 business performance of Helicopters and Aerostructures
  2. Technology Innovation: implementation of strategic projects, creation of UAVs Business Unit and Training Academy business case
  3. Book to Bill >=1
Remuneration scheme: Methodology

CLAW-BACK CLAUSE

- Provided for all the variable incentives assigned starting from 2014
- Leonardo is entitled to request repayment of the variable remuneration paid in the event of incorrect or misstated data

SEVERANCE

- If CEO appointment is:
  - revoked
  - terminated early
  - terminated by CEO with just cause
- …he will receive the total remuneration (fixed and variable elements) as would have been until the natural expiry of the term of office (descending down to zero upon natural expiry)

TSR PEER GROUP (LTIP)

- Leonardo’s performance will be measured in relation to a “peer group” selected on comparability
  - Aerospace and Defence companies
  - Industrial companies in the FTSE MIB
Long Term Incentive Plan (LTIP)

**BENEFICIARIES**
- Chief Executive Officer
- Executive directors, employees and/or associates with a decisive impact on the achievement of business results (210 people)

**LOCK UP**
- 1 year

**VESTING PERIOD**
- 3 year

**FREQUENCY**
- 3 year cycles assigned yearly on a rolling bonus

**PAYOUT**
- Shares only for Management, Key Management Personnel and other Top Executive
- Shares & Cash for other Beneficiaries (70% shares and 30% cash or vice versa)

**AWARD**
- Max 53.6% € 500,000 CEO
- Max 140% of gross annual remuneration ESR
LTIP Performance conditions

**TSR Relative**

**Award max**
100% of bonus ≥ TSR of company at the Top 4 position

**Award target**
50% 5th-6th position

**Award min**
25% 7th position

**Relative (peer)**
Saab, Bae Systems, Thales, Cobham, Meggitt, L-3, Textron, Huntington Ingalls, CNH, Prysmian, Saipem, Fincantieri

**RETURN ON SALES OF THE GROUP**
25%

Return on Sales measured as average of the final values of each year during the vesting period of the Plan

**NET FINANCIAL POSITION OF THE GROUP**
25%

- **Award min**
  Minimum threshold of 5% below budget (50% of bonus)

- **Award max**
  Maximum threshold equal to the budget (100% bonus)
SAFE HARBOR STATEMENT

NOTE: Some of the statements included in this document are not historical facts but rather statements of future expectations, also related to future economic and financial performance, to be considered forward-looking statements. These forward-looking statements are based on Company's views and assumptions as of the date of the statements and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Given these uncertainties, you should not rely on forward-looking statements.

The following factors could affect our forward-looking statements: the ability to obtain or the timing of obtaining future government awards; the availability of government funding and customer requirements both domestically and internationally; changes in government or customer priorities due to programme reviews or revisions to strategic objectives (including changes in priorities to respond to terrorist threats or to improve homeland security); difficulties in developing and producing operationally advanced technology systems; the competitive environment; economic business and political conditions domestically and internationally; programme performance and the timing of contract payments; the timing and customer acceptance of product deliveries and launches; our ability to achieve or realise savings for our customers or ourselves through our global cost-cutting programme and other financial management programmes; and the outcome of contingencies (including completion of any acquisitions and divestitures, litigation and environmental remediation efforts).

These are only some of the numerous factors that may affect the forward-looking statements contained in this document.

The Company undertakes no obligation to revise or update forward-looking statements as a result of new information since these statements may no longer be accurate or timely.
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