Banca Akros
Virtual Conference 2021
Agenda

- Key messages
  - Alessandro Profumo, Chief Executive Officer
- Industrial review
  - Lucio Valerio Cioffi, General Manager
- Financial review
  - Alessandra Genco, Chief Financial Officer
- Q&A
- Appendix
Key Messages

• We have successfully navigated the Group through 2020, resilient performance
• Taking actions on optimising the portfolio for growth in our core businesses
• Addressing challenges in businesses exposed to civil aeronautics
• Strong foundations and core fundamentals give us confidence in both short and medium/long term
• Well positioned for post Covid opportunities
We successfully navigated 2020 with a strong, solid & resilient business performance

We delivered on Q4 as we said we would

COMMERCIALY STRONG

- Continued momentum despite civil slowdown
- Strong support from military / governmental domestic customers
- Resilient customer support and training

SOLID RESULTS

- REVENUES € 13.4 bn
- EBITA € 938 mln
- FOCF € 40 mln

- Strong performance considering the pressure on civil aeronautics
- Aerostructures absorbed more than 300 million of FOCF during the year

STRONG LIQUIDITY AND FINANCIAL FLEXIBILITY

- Strong cash generation in Q4
- No need for additional liquidity
- No refinancing needs until 2022

*ROIC (Return on Invested Capital) = EBITA / Average Net Invested Capital

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Strong reaction to crisis

- Actions to get back to adequate levels of productivity delivered results
- More than € 500 m of cost savings, exceeding our targets
- Net investment savings of € 425 mln, ahead of plan
We see a clear path to improve efficiency, address issues in medium-longer term and mitigate effects in short term

Focus on structural issues, mainly in civil businesses, to improve profitability and cash flow

- Review of strategic options to accelerate transformation and address structural issues
  - **Aerostructures**: proactive approach
  - **ATR**: reinforcing world leadership in Turboprop
  - **Electronics**: efficiency improvement plan launched
  - Taking portfolio actions on **Automation**
Results achieved are showing we are on the right path
Continuing to execute our strategic plan “Be Tomorrow-2030” based on strengthening the core, transforming to grow and mastering the new

**KOPTER Acquisition**
- Strengthening worldwide leadership in core businesses
- Entering a new helicopter segment
- Opening new market opportunities
- New competencies boosting future developments towards more disruptive technologies (i.e. hybrid/electrical propulsion)

**DRS IPO of a minority stake**
- Transaction to allow the financial market to better assess the embedded value of DRS
- DRS to further strengthen performance transitioning programmes from development to production
- Retain a majority stake and a significant exposure in US

**Innovation**
- At the forefront of innovation
  - Leonardo Labs
  - HPC “davinci-1”
- Driving key enabling capabilities i.e. big data, cloud, AI, augmented reality, simulation
- Enhancing core capabilities deployed across divisions
  - Aircrafts
  - Helicopters
  - Radars
  - Sensors
  - C&C
Strong confidence in our core business fundamentals … well positioned for medium-long term

- Core businesses delivering well, with resilient military/governmental
- Addressing short-term challenges in a complex scenario
- Robust 2021 guidance on orders & revenues, with a solid underpinning of EBITA and FOCF, despite civil Aeronautics
- Future opportunities post Covid, leveraging transversal capabilities
- Confidence in medium-long term outlook and continuing to invest for it
- ESG enhancing our future performance
Agenda

- Key messages
  
  **Alessandro Profumo, Chief Executive Officer**

- Industrial review
  
  **Lucio Valerio Cioffi, General Manager**

- Financial review
  
  **Alessandra Genco, Chief Financial Officer**

- Q&A

- Appendix
Focussed on shaping for the future

Mission and key priorities

Streamline processes
Make Leonardo more flexible and competitive

Commercial strategic view
Managing strategic campaigns and creating additional opportunities

Focus on Civil Aeronautics
Addressing post Covid issues in Aerostructures and ATR

Puzzling existing business towards new opportunities
Leveraging existing assets and capabilities towards the future

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Positioning for the future: addressing post Covid challenges in civil Aeronautics

Two different paths for Aerostructures and ATR

**AEROSTRUCTURES**

**Taking action to address issues: clear roadmap**

- Rationalise industrial sites towards programmes and technologies
- Continue investing to increase efficiency/flexibility
- Headcount reduction
  - Early retirements (NPV positive)
  - Upskilling/Reskilling and redeployment within the Group
  - Working on ways for additional retirements to achieve the target
- Addressing issues and taking steps
  - Enhance new composite collaboration (i.e. Solvay)
  - Diversifying site production (i.e. EuroDrone)
  - New contract setup for A220 (benefits from 2H2023)

**ATR**

**Reinforcing leadership in regional market**

- Turboprop market to recover earlier vs entire civil aeronautics
  - 2020 bottom year (10 deliveries)
- Leader in regional market
  - ATR fleet flying
  - 6 Gross orders
  - 85 New roots opened
- Good market opportunities (i.e. a/c replacement)
- Industrial efficiency plan
  - Profitability improvement
  - Enlarging portfolio (STOL)
  - Delivering new Cargo version

...Clear path to address areas which are currently challenged
New opportunities post COVID
Leveraging existing assets, capabilities and technologies to support Italian and European Next Gen
New opportunities post COVID …. key role to play in Italy’s recovery

Leonardo Technological Enablers

GLOBAL MONITORING
Continuously monitoring and securing Country’s critical infrastructure
- Satellites Earth Obs.
- Multilevel control room
- Drones
- Fire Fighting Aircrafts

SMART CITIES
Increase safety and resilience of cities by promoting sustainable mobility and direct communication with citizens
- Satellites Earth Obs.
- Sensors in urban environment
- Intelligent transportation system

HEALTH SYSTEMS
Contribute to the development of an efficient and interconnected health system
- Big Data Secure Mgmt.
- Virtual Augmented Reality
- Autonomous Transp. Systems (Drones)

DIGITAL PA
Promoting the provision of easily accessible, efficient and secure digital public services
- Scalable and modular platforms
- Blockchain Technology
- Satellite services

LOGISTICS
Contributing to a connected, automated and safe multimodal logistics for people, vehicles and goods
- National Data Lake
- Big Data Secure Mgmt.
- Port and Airport Systems

Project Streams

Italian Government priorities

- Digitalization, innovation and competitiveness
- Green revolution and ecological transition
- Mobility infrastructure
- Education, training, research and culture
- Social, gender and territorial equity
- Health

Digitalization, innovation and competitiveness

Green revolution and ecological transition

Mobility infrastructure

Education, training, research and culture

Social, gender and territorial equity

Health

New opportunities post COVID …. key role to play in Italy’s recovery
Agenda

> Key messages
  *Alessandro Profumo, Chief Executive Officer*

> Industrial review
  *Lucio Valerio Cioffi, General Manager*

> Financial review
  *Alessandra Genco, Chief Financial Officer*

> Q&A

> Appendix
Key financial highlights

• Strong commercial performance (book to bill 1x) and resilient top line

• Solid EBITA in main businesses, offsetting worsening civil market and JVs

• Record Q4 cash generation, as expected

• Strong liquidity & financial flexibility

• 2021 Guidance reflecting resilient business while also including civil aeronautics challenges

• Confidence in short and medium/long term
FY 2020 results
2020 targets met and exceeded at Order intake and FOCF level

- Successfully navigated 2020 with a strong, solid & resilient business performance

**COMMERCIAL STRATEGY**
- Orders €13.8 bn
  (€12.5 - 13.5 bn Guidance*)
- Revenues €13.4 bn
  (€13.2 - 14.0 bn Guidance*)

**OPERATING PERFORMANCE**
- EBITA €938 mln
  (€900 - 950 mln Guidance*)
- RoS 7%
- Net Result €243 mln

**CASH GENERATION AND FINANCIAL STRATEGY**
- FOCF €40 mln
  (“heading to neutral” Guidance*)
- Group Net Debt** €3.3 bn
  (in line with Guidance*)

**TRANSPARENCY INTERNATIONAL**
Ranked first in the Transparency International’s Defence Company Index 2020 for transparency and anti-corruption, reaching the A band.

Confirmed Industry Leader in Aerospace & Defence of the Dow Jones Sustainability Indices for the 2nd year in a row, included for the 11th consecutive year.

- A score in CDP, recognized for leadership in sustainability, securing a place on prestigious ‘A List’ for tackling climate change
- Included for the first time in the Gender Equality Index by Bloomberg

* 2020 Guidance revised in July 2020
**Including IFRS16 effect, Dividend paid and Kopter acquisition
Order Intake

Continued strong commercial performance also supported by domestic customers

<table>
<thead>
<tr>
<th></th>
<th>€ mln</th>
<th>Δ % YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2019A</td>
<td>14,105</td>
<td></td>
</tr>
<tr>
<td>HELICOPTERS</td>
<td>4,494</td>
<td>-3.2%</td>
</tr>
<tr>
<td>ELECTRONICS EUROPE*</td>
<td>4,710</td>
<td>+6.0%</td>
</tr>
<tr>
<td>LEONARDO DRS*</td>
<td>2,674</td>
<td>+2.4%</td>
</tr>
<tr>
<td>AIRCRAFT**</td>
<td>2,031</td>
<td>+6.7%</td>
</tr>
<tr>
<td>AEROSTRUCTURES**</td>
<td>581</td>
<td>-38.7%</td>
</tr>
<tr>
<td>ELIMINATIONS &amp; OTHER</td>
<td>-773</td>
<td></td>
</tr>
<tr>
<td>FY 2020A***</td>
<td>13,754</td>
<td>-2.5%</td>
</tr>
</tbody>
</table>

* Excluding € 10 mln of Defence Electronics & Security eliminations

** Excluding € 60 mln of Aeronautics eliminations

*** Including ca. € 104 mln of negative forex

Military/Governmental business (i.e. IMOS UK, NEES, 32 TH-73A for the US Navy and 31 NH90 helicopters for Germany) offsetting decline in civil and export market

Key orders: Next-generation radars (UK Eurofighter Typhoons), IMOS (Integrated Merlin Operational Support), Italian Blindo Centauro 2 vehicles and 4 Vulcano systems for Dutch Navy

Strong order intake driven by Mounted Family of Computer Systems (MFoCS) for US Army and naval systems for CVN80 and CVN81 ships for US Navy

Strong performance driven by modernisation EFA Germany fleet, F-35 and logistic support services for Italian C-27J and EFA aircraft, despite export delays due to COVID

Lower ATR (14 aircraft in 2020 vs 60 in 2019) and B787 (80 fuselages in 2020 vs 154 in 2019)
## Revenues

### Resilient top line performance

<table>
<thead>
<tr>
<th></th>
<th>€ mln</th>
<th>Δ % YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FY 2019A</strong></td>
<td>13,784</td>
<td></td>
</tr>
<tr>
<td>HELICOPTERS</td>
<td>3,972</td>
<td>-1.3%</td>
</tr>
<tr>
<td>ELECTRONICS EUROPE*</td>
<td>4,147</td>
<td>-3.3%</td>
</tr>
<tr>
<td>LEONARDO DRS*</td>
<td>2,414</td>
<td>-1.0%</td>
</tr>
<tr>
<td>AIRCRAFT**</td>
<td>2,634</td>
<td>+13.1%</td>
</tr>
<tr>
<td>AEROSTRUCTURES**</td>
<td>819</td>
<td>-27.2%</td>
</tr>
<tr>
<td>ELIMINATIONS &amp; OTHER</td>
<td>-480</td>
<td></td>
</tr>
<tr>
<td><strong>FY 2020A</strong>*</td>
<td>13,410</td>
<td>-2.7%</td>
</tr>
</tbody>
</table>

* Excluding € 36 mln of Defence Electronics & Security eliminations
** Excluding € 49 mln of Aeronautics eliminations
*** Including ca. € 95 mln of negative forex

- NH90 Qatar and TH-73A US offsetting expected reduction on certain programmes and civil deliveries
- Slight decrease due to slowdown in bookings related to COVID-19
- Solid performance confirmed; 2019 benefitting from the peak in deliveries of APS (Active Protection System)
- EFA Kuwait ramp up more than offsetting COVID-19 slowdowns
- B787 and ATR production rates reduction due to COVID-19
### EBITA and Profitability

**Solid EBITA performance, notwithstanding COVID-19 impacts**

<table>
<thead>
<tr>
<th></th>
<th>€ mln (RoS)</th>
<th>RoS</th>
<th>Δ % YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FY 2019A</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HELICOPTERS</td>
<td>1,250</td>
<td>9.1%</td>
<td></td>
</tr>
<tr>
<td>ELECTRONICS EUROPE</td>
<td>383</td>
<td>9.6%</td>
<td>-11.1%</td>
</tr>
<tr>
<td>LEONARDO DRS</td>
<td>360</td>
<td>8.7%</td>
<td>-15.7%</td>
</tr>
<tr>
<td>AIRCRAFT</td>
<td>177</td>
<td>7.3%</td>
<td>-4.8%</td>
</tr>
<tr>
<td>AEROSTRUCTURES</td>
<td>355</td>
<td>13.5%</td>
<td>+10.9%</td>
</tr>
<tr>
<td>ATR</td>
<td>-86</td>
<td>-10.5%</td>
<td>n.a.</td>
</tr>
<tr>
<td>SPACE</td>
<td>-69</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>CORPORATE &amp; OTHER</td>
<td>-205</td>
<td>n.a.</td>
<td>-5.7%</td>
</tr>
<tr>
<td><strong>FY 2020A</strong></td>
<td>938</td>
<td>7.0%</td>
<td>-25.0%</td>
</tr>
</tbody>
</table>

* Including ca. € 8 mln of negative forex
From EBITA to Net Result

Non-cash one time write-off of the asset base of civil aeronautics programmes to reflect revised production schedule

- EBIT down 55% due to EBITA decrease, write-downs in the Aerostructures against lower production rates and COVID-19 related costs
- Net Result mainly affected by EBIT performance, net of the tax benefit associated with lower taxable income and "patent box" effects and a lower impact of financial costs
- FY19 Net Result benefitted from the release of the risk provision set against guarantees given upon disposal of transportation business of AnsaldoBreda

* Including premium paid on forward and exchange rate differences
Impressive FOCF in Q4 to deliver on targets

- Resilient performance at FOCF level as expected and promised
- Working capital under control in non-civil activities
- Lower investments also benefitting from extraordinary government grants cash-ins
- Cost savings measures
- Solid business performance offset growing drag from or civil businesses

\[
\begin{align*}
9M2020 & : -€ 2.6 \text{ bn} \\ 
\text{FY2020} & : € 40 \text{ m}
\end{align*}
\]
Strong creditworthiness

- Anticipated refinancing of bonds maturing in 2021 taking advantage of favourable market conditions
- Cost of funding reduced to 3% in advance of targets

May 2020
€ 2.0 bn new credit facilities\(^{(1)}\)

July 2020
€ 500 mln bond maturing in 2026

December 2020
€ 200 mln EIB financing

Gross Debt\(^{(2)}\)

<table>
<thead>
<tr>
<th></th>
<th>2019(^{(3)})</th>
<th>2020(^{(4)})</th>
</tr>
</thead>
<tbody>
<tr>
<td>€3.7bn</td>
<td>€3.6bn</td>
<td></td>
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</tbody>
</table>

Cost of funding

<table>
<thead>
<tr>
<th></th>
<th>2019(^{(3)})</th>
<th>2020(^{(4)})</th>
<th>2022 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.5%</td>
<td>3.0%</td>
<td>≤ 3.0%</td>
<td></td>
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</tbody>
</table>

\(^{(1)}\) Including €750 mln Term Loan fully cancelled at the end of 2020 following the bond issuance and EIB financing
\(^{(2)}\) Including Bond, Term Loan, EIB and CDP
\(^{(3)}\) Pro forma for CDP financing arranged in 2019
\(^{(4)}\) Pro forma for January 2021 bond reimbursement and the EIB financing drawdown
Strong liquidity position at € 5.6bn

- Cash availability\(^{(1)}\) and credit facilities ensure a Group’s liquidity above € 5.5 bn
  - Existing credit lines (confirmed and unconfirmed) equal to € 2.7 bn
  - New Credit Line signed in May 2020 equal to € 1.25 bn\(^{(2)}\)

\(^{(1)}\) Pro forma for January 2021 bond reimbursement and the EIB financing drawdown
\(^{(2)}\) Excluding €750mln Term Loan fully cancelled at the end of 2020 following the bond issuance and EIB financing
True believers ESG enhancing our future performance

Key results achieved

- ESG is forefront of our minds and its been part of our journey for 10 years now

<table>
<thead>
<tr>
<th>5 CAPITALS</th>
<th>3 “P’s”</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FINANCIAL CAPITAL</strong></td>
<td><strong>PEOPLE</strong></td>
</tr>
<tr>
<td>• Solid FY2020 Results</td>
<td></td>
</tr>
<tr>
<td><strong>HUMAN CAPITAL</strong></td>
<td><strong>PLANET</strong></td>
</tr>
<tr>
<td>• 9,000 employees in R&amp;D activities</td>
<td></td>
</tr>
<tr>
<td><strong>TECHNOLOGICAL CAPITAL</strong></td>
<td><strong>PROSPERITY</strong></td>
</tr>
<tr>
<td>• Pillar of our strategy and foundation of our sustainable growth and competitiveness</td>
<td></td>
</tr>
<tr>
<td><strong>NATURAL CAPITAL</strong></td>
<td></td>
</tr>
<tr>
<td>• Energy resources in our production processes</td>
<td></td>
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<tr>
<td><strong>SHARED CAPITAL</strong></td>
<td></td>
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<tr>
<td>• Relationships with our supply chain and with research centres and universities</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>GROWTH OPPORTUNITIES</th>
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<tbody>
<tr>
<td></td>
<td>LOWER VOLATILITY</td>
</tr>
<tr>
<td></td>
<td>COST EFFICIENCIES</td>
</tr>
<tr>
<td></td>
<td>POSITIVE IMPACTS ON PEOPLE &amp; ENVIRONMENT</td>
</tr>
</tbody>
</table>
Leonardo contributes to the SDGs through investments and innovation
First Integrated Reporting in 2020

- In 2021-2022, Leonardo invests on yearly average around € 600-700 mln\(^{(1)}\)
- Leonardo commits to around 50% of SDGs-aligned investments
- The initiatives mainly impact SDG 9 “Industry, Innovation & Infrastructure” followed by SGD 8 “Decent work and economic growth” and SGD 11 “Sustainable Cities & Communities”

**SDGs-aligned investments**

<table>
<thead>
<tr>
<th>Yearly Average</th>
<th>2021-2022</th>
<th>€ 600-700 mln</th>
</tr>
</thead>
</table>

**Our main contribution to the SDGs**

- Ensuring resilient infrastructures, increasing efficient and digital processes and developing technologies with green impact
- Improving resources efficiency and productivity by innovation & promoting safety at work
- Supporting safe and resilient cities, preventing disasters and intervening in emergency situations
- Enhancing skills & competencies
- Promoting waste reduction, recycling, reuse and therefore reducing the impact on environment
- Improving energy efficiency and increasing the share of renewable energy
- Enhancing awareness and human/institutional capacity to mitigate, adapt and prevent climate change

\(^{(1)}\) Including Gross Capitalized R&D, Capex, Tooling and Other Immaterial
\(^{(2)}\) Includes SDG 6; SDG 14 and SDG 15

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2021 Guidance
Assuming progressive improvement in the global health situation through the year with consequent normalization of operating / market conditions

<table>
<thead>
<tr>
<th></th>
<th>FY2020A</th>
<th>FY2021 Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Orders</td>
<td>13.8</td>
<td>ca. 14</td>
</tr>
<tr>
<td>Revenues</td>
<td>13.4</td>
<td>13.8-14.3</td>
</tr>
<tr>
<td>EBITA</td>
<td>938</td>
<td>1,075-1,125</td>
</tr>
<tr>
<td>FOCF</td>
<td>40</td>
<td>ca. 100</td>
</tr>
<tr>
<td>Group Net Debt</td>
<td>3.3</td>
<td>ca. 3.2*</td>
</tr>
</tbody>
</table>

*Assuming no dividend payable for 2020 results
2021 exchange rate assumptions: € / USD = 1.18 and € / GBP = 0.90

2021E
- Military/governmental business robust and resilient driving top-line growth, improving profitability and FOCF generation
- Civil Aeronautics expected to continue to be impacted by COVID related market downturn
Q&A
SECTOR RESULTS
Helicopters
Military-governmental supporting growth

<table>
<thead>
<tr>
<th></th>
<th>4Q 2019</th>
<th>4Q 2020</th>
<th>% Change</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders</td>
<td>2,407</td>
<td>1,340</td>
<td>-44.3%</td>
<td>4,641</td>
<td>4,494</td>
<td>-3.2%</td>
</tr>
<tr>
<td>Revenues</td>
<td>1,289</td>
<td>1,330</td>
<td>+3.2%</td>
<td>4,025</td>
<td>3,972</td>
<td>-1.3%</td>
</tr>
<tr>
<td>EBITA</td>
<td>161</td>
<td>164</td>
<td>+1.9%</td>
<td>431</td>
<td>383</td>
<td>-11.1%</td>
</tr>
<tr>
<td>RoS</td>
<td>12.5%</td>
<td>12.3%</td>
<td>-0.2 p.p.</td>
<td>10.7%</td>
<td>9.6%</td>
<td>-1.1 p.p.</td>
</tr>
</tbody>
</table>

2021 OUTLOOK*

- Growth driven by military/governmental business offsetting COVID related civil softness
- Profitability supported by efficiencies initiatives and impacted by prime contractorship margin dilution

*In absence of further worsening of the pandemic and consequent additional restrictions which may compromise current scenario
Helicopters

DELCIVERIES BY PROGRAMME

**FY2020** = 111 new units

- AW169: 48 units
- AW169/W3: 14 units
- AW189/149: 10 units
- NH90: 25 units

_AW FAMILY

**FY2019** = 156 new units

- AW169: 69 units
- AW169/W3: 30 units
- AW189/149: 34 units
- NH90: 11 units

REVENUES BY CUSTOMER/SEGMENT

**FY2020**

- Civil: 67%
- Military/Governamental: 33%
- OE: 63%
- CS&T/Other: 37%

**FY2019**

- Civil: 68%
- Military/Governamental: 32%
- OE: 63%
- CS&T/Other: 37%

DELIVERIES BY PROGRAMME

AW139 /W3

AW109 / AW119 / SW4 / AW009

NH90

AW101

AW101
Defence Electronics & Security
Growing Revenues and Profitability

**ELECTRONICS - EU**

<table>
<thead>
<tr>
<th></th>
<th>4Q 2019</th>
<th>4Q 2020</th>
<th>% Change</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders</td>
<td>1,780</td>
<td>2,464</td>
<td>38.4%</td>
<td>4,444</td>
<td>4,710</td>
<td>+6.0%</td>
</tr>
<tr>
<td>Revenues</td>
<td>1,551</td>
<td>1,416</td>
<td>-8.7%</td>
<td>4,289</td>
<td>4,147</td>
<td>-3.3%</td>
</tr>
<tr>
<td>EBITA</td>
<td>190</td>
<td>144</td>
<td>-24.2%</td>
<td>427</td>
<td>360</td>
<td>-15.7%</td>
</tr>
<tr>
<td>RoS</td>
<td>12.4%</td>
<td>10.2%</td>
<td>-2.4 p.p.</td>
<td>10.0%</td>
<td>8.7%</td>
<td>-1.3 p.p.</td>
</tr>
</tbody>
</table>

**LEONARDO DRS**

<table>
<thead>
<tr>
<th></th>
<th>4Q 2019</th>
<th>4Q 2020</th>
<th>% Change</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders</td>
<td>670</td>
<td>511</td>
<td>-23.7%</td>
<td>2,923</td>
<td>3,054</td>
<td>+4.5%</td>
</tr>
<tr>
<td>Revenues</td>
<td>913</td>
<td>825</td>
<td>-9.6%</td>
<td>2,729</td>
<td>2,757</td>
<td>+1.0%</td>
</tr>
<tr>
<td>EBITA</td>
<td>92</td>
<td>88</td>
<td>-4.3%</td>
<td>208</td>
<td>202</td>
<td>-2.9%</td>
</tr>
<tr>
<td>RoS</td>
<td>10.1%</td>
<td>10.7%</td>
<td>+0.6 p.p.</td>
<td>7.6%</td>
<td>7.3%</td>
<td>-0.3 p.p.</td>
</tr>
</tbody>
</table>

2021 OUTLOOK*

- Slight growth in revenues recovering 2020 pandemic slow down
- Profitability improvement supported by efficiency despite pass through and programmes under development

*In absence of further worsening of the pandemic and consequent additional restrictions which may compromise current scenario
## Aeronautics

### Solid Aircraft performance, Aerostructures still impacted by COVID-19

### AIRCRAFT

<table>
<thead>
<tr>
<th></th>
<th>4Q 2019</th>
<th>4Q 2020</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders</td>
<td>383</td>
<td>1,259</td>
<td>+221.9%</td>
</tr>
<tr>
<td>Revenues</td>
<td>827</td>
<td>930</td>
<td>+15.6%</td>
</tr>
<tr>
<td>EBITA</td>
<td>132</td>
<td>151</td>
<td>+14.4%</td>
</tr>
<tr>
<td>RoS</td>
<td>15.9%</td>
<td>16.2%</td>
<td>-0.01 p.p.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders</td>
<td>1,904</td>
<td>2,031</td>
<td>6.7%</td>
</tr>
<tr>
<td>Revenues</td>
<td>2,329</td>
<td>2,634</td>
<td>+13.1%</td>
</tr>
<tr>
<td>EBITA</td>
<td>320</td>
<td>355</td>
<td>+10.9%</td>
</tr>
<tr>
<td>RoS</td>
<td>+13.7%</td>
<td>+13.5%</td>
<td>-0.2 p.p.</td>
</tr>
</tbody>
</table>

### AEROSTRUCTURES

<table>
<thead>
<tr>
<th></th>
<th>4Q 2019</th>
<th>4Q 2020</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders</td>
<td>413</td>
<td>132</td>
<td>-62.9%</td>
</tr>
<tr>
<td>Revenues</td>
<td>279</td>
<td>189</td>
<td>-24.0%</td>
</tr>
<tr>
<td>EBITA</td>
<td>16</td>
<td>-39</td>
<td>-337.5%</td>
</tr>
<tr>
<td>RoS</td>
<td>5.73%</td>
<td>-20.7%</td>
<td>-23.6 p.p.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders</td>
<td>948</td>
<td>581</td>
<td>-38.7%</td>
</tr>
<tr>
<td>Revenues</td>
<td>1,125</td>
<td>819</td>
<td>-27.2%</td>
</tr>
<tr>
<td>EBITA</td>
<td>-11</td>
<td>-86</td>
<td>-681.8%</td>
</tr>
<tr>
<td>RoS</td>
<td>-1.0%</td>
<td>-10.5%</td>
<td>-9.5 p.p.</td>
</tr>
</tbody>
</table>

### ATR

<table>
<thead>
<tr>
<th></th>
<th>4Q 2019</th>
<th>4Q 2020</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITA</td>
<td>49</td>
<td>-7</td>
<td>-114.3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITA</td>
<td>53</td>
<td>-69</td>
<td>-230.2%</td>
</tr>
</tbody>
</table>

### 2021 OUTLOOK*

- Aircraft production increase driven by EFA Kuwait, F35 and proprietary products (M-345, M-346)
- Aerostructures and GIE-ATR still heavily impacted by the civil market downturn caused by COVID

---

*In absence of further worsening of the pandemic and consequent additional restrictions which may compromise current scenario*
Space

Recovery of manufacturing and confirmed solid performance of satellite services

<table>
<thead>
<tr>
<th>€ mln</th>
<th>4Q 2019</th>
<th>4Q 2020</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITA</td>
<td>16</td>
<td>24</td>
<td>+50.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>€ mln</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITA</td>
<td>39</td>
<td>23</td>
<td>-41.0%</td>
</tr>
</tbody>
</table>

2021 OUTLOOK*

- Volumes and profitability expected to increase supported by gradual recovery of manufacturing
- Confirmed solid performance of satellite services

*In absence of further worsening of the pandemic and consequent additional restrictions which may compromise current scenario
# 4Q/FY 2020 Results

## Group Performance

<table>
<thead>
<tr>
<th></th>
<th>4Q 2019</th>
<th>4Q 2020</th>
<th>% Change</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Orders (€ mln)</td>
<td>5,526</td>
<td>5,244</td>
<td>-5.1%</td>
<td>14,105</td>
<td>13,754</td>
<td>-2.5%</td>
</tr>
<tr>
<td>Backlog</td>
<td></td>
<td></td>
<td></td>
<td>36,513</td>
<td>35,516</td>
<td>-2.7%</td>
</tr>
<tr>
<td>Revenues (€ mln)</td>
<td>4,650</td>
<td>4,385</td>
<td>-5.7%</td>
<td>13,784</td>
<td>13,410</td>
<td>-2.7%</td>
</tr>
<tr>
<td>EBITA</td>
<td>565</td>
<td>441</td>
<td>-21.9%</td>
<td>1,251</td>
<td>938</td>
<td>-25.0%</td>
</tr>
<tr>
<td>EBIT</td>
<td>505</td>
<td>122</td>
<td>-75.8%</td>
<td>1,153</td>
<td>517</td>
<td>-55.2%</td>
</tr>
<tr>
<td>EBIT Margin</td>
<td>10.9%</td>
<td>2.8%</td>
<td>-8.1 p.p.</td>
<td>8.4%</td>
<td>3.9%</td>
<td>-4.5 p.p.</td>
</tr>
<tr>
<td>Net result before extraordinary transactions</td>
<td>355</td>
<td>106</td>
<td>-70.1%</td>
<td>722</td>
<td>241</td>
<td>-66.6%</td>
</tr>
<tr>
<td>Net result (€ mln)</td>
<td>357</td>
<td>106</td>
<td>-70.5%</td>
<td>822</td>
<td>243</td>
<td>-70.4%</td>
</tr>
<tr>
<td>EPS (€ cents)</td>
<td>0.619</td>
<td>0.182</td>
<td>-70.6%</td>
<td>1.428</td>
<td>0.419</td>
<td>-70.7%</td>
</tr>
<tr>
<td>FOCF</td>
<td>1,458</td>
<td>2,636</td>
<td>+80.8%</td>
<td>241</td>
<td>40</td>
<td>-83.4%</td>
</tr>
<tr>
<td>Group Net Debt</td>
<td></td>
<td></td>
<td></td>
<td>2,847</td>
<td>3,318</td>
<td>+16.5%</td>
</tr>
<tr>
<td>Headcount</td>
<td></td>
<td></td>
<td></td>
<td>49,530</td>
<td>49,882</td>
<td>+0.7%</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.
Balanced debt maturity profile

DEBT MATURITY
Average life: ≈ 4.9 years (1)

Repayment Conditions of New Debt Instruments
• €500mn bond issued in July 2020 is characterized by a 5 year bullet repayment
• EIB financing is a 12 year amortizing loan with a 4 year grace period

CREDIT RATING

<table>
<thead>
<tr>
<th></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+ / Positive Outlook</td>
<td>April 2020</td>
</tr>
<tr>
<td>Fitch</td>
<td>BBB- / Negative Outlook</td>
<td>BBB- / Stable Outlook</td>
<td>May 2020</td>
</tr>
</tbody>
</table>

(1) Pro forma for January 2021 bond reimbursement and the EIB financing drawdown
# Development costs capitalised as intangible assets as at 31 December 2020

<table>
<thead>
<tr>
<th>€ mln</th>
<th>Self Funded National Security</th>
<th>Self Funded Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>01 January 2020 Opening Balance</td>
<td>1,805</td>
<td>503</td>
<td>2,308</td>
</tr>
<tr>
<td>Gross R&amp;D capitalised</td>
<td>(18)</td>
<td>121</td>
<td>103</td>
</tr>
<tr>
<td>Depreciation and write offs</td>
<td>(56)</td>
<td>(88)</td>
<td>(144)</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>(2)</td>
<td>(2)</td>
</tr>
<tr>
<td>Subtotal</td>
<td>(74)</td>
<td>31</td>
<td>(43)</td>
</tr>
<tr>
<td>Other Changes (*)</td>
<td>(21)</td>
<td>179(**)</td>
<td>158</td>
</tr>
<tr>
<td>Net R&amp;D capitalised</td>
<td>(95)</td>
<td>210</td>
<td>115</td>
</tr>
<tr>
<td>31 December 2020</td>
<td>1,710</td>
<td>713</td>
<td>2,423</td>
</tr>
</tbody>
</table>

(*) Movements w/o cash and PL effects
(**) Kopter
# Covenant FY2020

<table>
<thead>
<tr>
<th></th>
<th>FY2020A Post IFRS 16</th>
<th>FY2020A Post IFRS 16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA</strong></td>
<td>€ 1,378 mln</td>
<td>€ 1,378 mln</td>
</tr>
<tr>
<td><strong>Net Interest</strong></td>
<td>€ 168 mln</td>
<td></td>
</tr>
<tr>
<td><strong>EBITDA / Net Interest</strong></td>
<td>8.2</td>
<td></td>
</tr>
<tr>
<td><strong>THRESHOLD</strong></td>
<td>&gt; 3.25</td>
<td>&lt; 3.75</td>
</tr>
</tbody>
</table>

* EBITDA net of depreciation of rights of use

**Group Net Debt**
- € 3,318 mln

**Leasing (IFRS 16)**
- € 555 mln

**Financial Debt to MBDA**
- € 663 mln

**Group Net Debt for Covenant**
- € 2,100 mln

**EBITDA**
- € 1,378 mln

**Group Net Debt / EBITDA**
- 1.5

**THRESHOLD**
- < 3.75
Defence Budget perspectives

USA

- USA: the main defense spender worldwide (> 700B $ in 2020)
- Return to growth expected from 2026

Asia Pacific

- China the main spender
- Significant Defense budgets in South Korea, India and Japan, with annual values > 50B $
- Australia Defense Budget <30B $ 
- In Southeast Asia, defense budgets ranging between $ 5B and $ 11B per year

Middle East - Africa

- Modest recovery expected starting from 2023
- Slowdown in defense spending also due raw materials price and Covid-19

Europe

- Germany: Defense Budget increased in 2021 (~ € 47B)
- France: Defense Budget increased in 2021 (~ € 39B)
- UK: Defense Budget up +17B £ over the next 4 years
- Italy: at 25.6B in 21-22 (1.4% GDP, still below NATO target)
Current estimations on Helicopter market

**CIVIL REFERENCE MARKET**

- **Market value of new western-built**
  helicopters ($bn)

- **AW Family classes**
  >55%

- **Yearly Avg 2016-2020A**
  Medium/Heavy
  >10t and <16t

- **Yearly Avg 2021-2025F**
  Medium
  >7t and <10t

- **Intermediate**
  >5t and <7t

- **Light Intermediate**
  >3.2 and <5t

- **Light Twin**
  <3.2t

- **Long Light Single**
  <3.2t

- **Short Light Single**
  <3.2t

- **Total market value ($bn)**
  ~$3.0bn

- **Total market value ($bn)**
  ~$2.5bn

**GLOBAL MILITARY MARKET**

- **Total market value ($bn)**
  ~$13.6bn

- **Total market value ($bn)**
  ~$15bn

- **Yearly Avg 2016-2020A**
  Medium/Heavy
  >10t and <16t

- **Yearly Avg 2021-2025F**
  Medium
  >7t and <10t

- **Intermediate**
  >5t and <7t

- **Light Intermediate**
  >3.2 and <5t

- **Light Twin**
  <3.2t

- **Long Light Single**
  <3.2t

- **Short Light Single**
  <3.2t

- **Military**
  ~$19.2bn

- **Civil**
  ~$20bn

**GLOBAL CS&T MARKET**

- **Global CS&T market**, includes all OEMs and main MRO service providers (Engine, Avionics, etc);
  **Upgrades** (~$2bn per year) are excluded

- **Yearly Avg 2016-2020A**
  ~$19.2bn

- **Yearly Avg 2021-2025F**
  ~$20bn

**Note**: excluded eastern-built helicopters (Russian H., Avicopter, HAL, KAI and TAI);

**Source**: LH Internal analysis (based on deliveries evaluated at standard prices, Economic Conditions 2020).

- **Decrease** of civil demand in 2020 due to pandemic, but less than expected
- **Civil market expected to grow again**, reaching pre-Covid level by 2024-2025
- **Opportunistic market**, more resilient and less impacted by the pandemic
  - Expected increasing importance of military variant of dual use helicopters, especially for multirole segment
  - **Leonardo addressable market is around ~40%**
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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