



Banca Akros Virtual Conference 2021

—
Rome, 7 April 2021





Agenda

- > **Key messages**
- > Industrial review
- > Financial review
- > Q&A
- > Appendix

Alessandro Profumo, Chief Executive Officer

Lucio Valerio Cioffi, General Manager

Alessandra Genco, Chief Financial Officer



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

COMMERCIALLY STRONG	<ul style="list-style-type: none"> Continued momentum despite civil slowdown Strong support from military / governmental domestic customers Resilient customer support and training 	<p>BACKLOG* € 35.5 bn</p> <p>■ NORTH AMERICA ■ REST OF EUROPE ■ REST OF WORLD ■ UK ■ ITALY</p> <p><small>*not including Soft Backlog</small></p>		<p>ORDERS € 13.8 bn</p> <p>■ HELICOPTERS ■ AERONAUTICS ■ DEFENCE ELECTRONICS & SECURITY</p>	
	SOLID RESULTS	<p>REVENUES € 13.4 bn</p> <p>■ HELICOPTERS ■ AERONAUTICS ■ DEFENCE ELECTRONICS & SECURITY</p>	<p>EBITA € 938 mln</p> <p>■ HELICOPTERS ■ AERONAUTICS ■ DEFENCE ELECTRONICS & SECURITY</p>		<p>ROS 7%</p> <p>7.9% Excluding pass-through</p>
<p>FOCF € 40 mln</p> <ul style="list-style-type: none"> Strong performance considering the pressure on civil aeronautics Aerostructures absorbed more than 300 million of FOCF during the year 					
<p>STRONG LIQUIDITY AND FINANCIAL FLEXIBILITY</p> <ul style="list-style-type: none"> Strong cash generation in Q4 No need for additional liquidity No refinancing needs until 2022 					

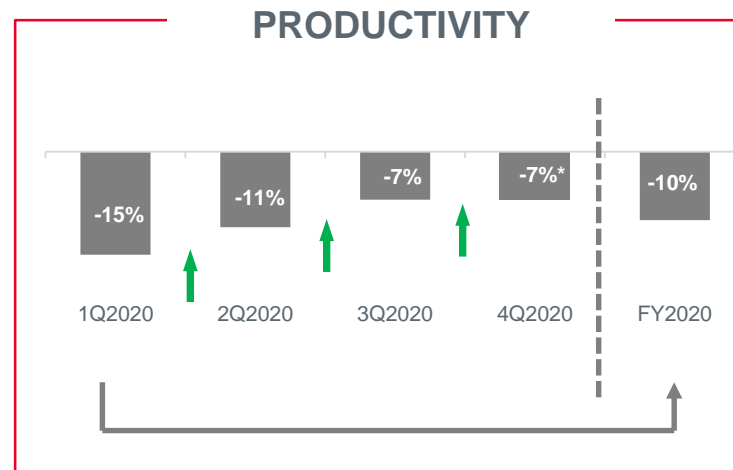
*ROIC (Return on Invested Capital) = EBITA / Average Net Invested Capital



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

**HIGHER
PRODUCTIVITY**



SAVING MEASURES BEARING FRUIT

	BUDGET 2020 BASELINE	FY2020 TARGET	FY2020 ACHIEVEMENT
LABOR COST	€ 2.9 bn	ca. € 450 mln	€ 540 mln ✓✓
CONTROLLABLE COSTS	€ 1.4 bn		
NET INVESTMENTS**	€ 700-750 mln	40-50%	€ 425 mln ✓✓

clear evidence the business is under control



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



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- > Key messages *Alessandro Profumo, Chief Executive Officer*
- > **Industrial review** ***Lucio Valerio Cioffi, General Manager***
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Focussed on shaping for the future

Mission and key priorities





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

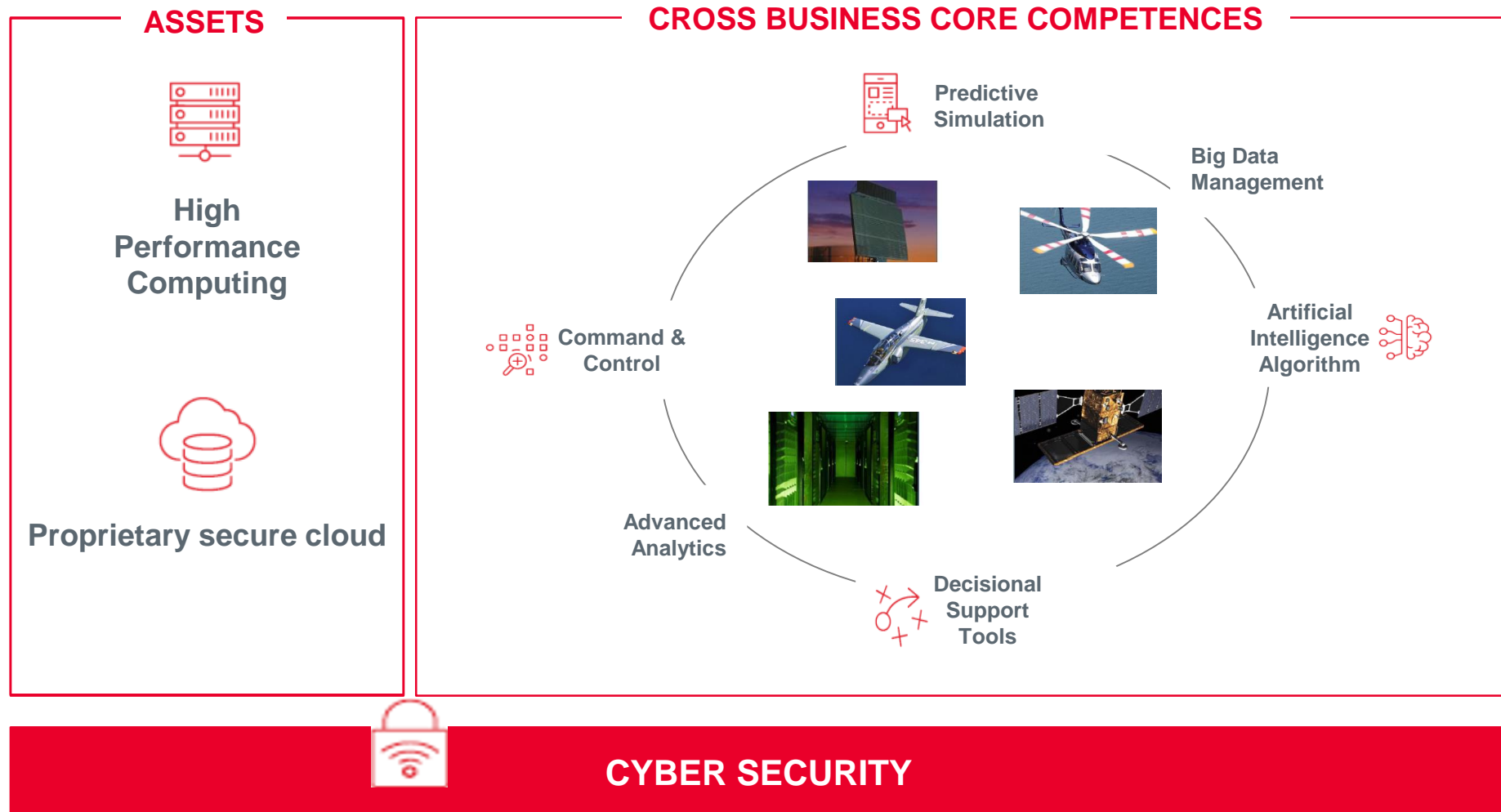
Reinforcing leadership in regional market

- 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



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

(Cloud computing – High Performance Computer – AI – Predictive Simulation – Decision Support – C2 – Cyber)



Project Streams

 GLOBAL MONITORING Continuously monitoring and securing Country's critical infrastructure	 SMART CITIES Increase safety and resilience of cities by promoting sustainable mobility and direct communication with citizens	 HEALTH SYSTEMS Contribute to the development of an efficient and interconnected health system	 DIGITAL PA Promoting the provision of easily accessible, efficient and secure digital public services	 LOGISTICS Contributing to a connected, automated and safe multimodal logistics for people, vehicles and goods
<ul style="list-style-type: none"> • Satellites Earth Obs. • Multilevel control room • Drones • Fire Fighting Aircrafts 	<ul style="list-style-type: none"> • Satellites Earth Obs. • Sensors in urban environment • Intelligent transportation system 	<ul style="list-style-type: none"> • Big Data Secure Mgmt. • Virtual Augmented Reality • Autonomous Transp. Systems (Drones) 	<ul style="list-style-type: none"> • Scalable and modular platforms • Blockchain Technology • Satellite services 	<ul style="list-style-type: none"> • National Data Lake • Big Data Secure Mgmt. • Port and Airport Systems

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			✓		



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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.

Member of Dow Jones Sustainability Indices

Powered by the S&P Global CSA

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

	€ mln	Δ % YoY	
FY 2019A	14,105		
HELICOPTERS	4,494	-3.2%	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
ELECTRONICS EUROPE*	4,710	+6.0%	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
LEONARDO DRS*	2,674	+2.4%	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
AIRCRAFT**	2,031	+6.7%	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
AEROSTRUCTURES**	581	-38.7%	Lower ATR (14 aircraft in 2020 vs 60 in 2019) and B787 (80 fuselages in 2020 vs 154 in 2019)
ELIMINATIONS & OTHER	-773		
FY 2020A***	13,754	-2.5%	

* Excluding € 10 mln of Defence Electronics & Security eliminations

** Excluding € 60 mln of Aeronautics eliminations

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



Revenues

Resilient top line performance

	€ mln	Δ % YoY	
FY 2019A	13,784		
HELICOPTERS	3,972	-1.3%	NH90 Qatar and TH-73A US offsetting expected reduction on certain programmes and civil deliveries
ELECTRONICS EUROPE*	4,147	-3.3%	Slight decrease due to slowdown in bookings related to COVID-19
LEONARDO DRS*	2,414	-1.0%	Solid performance confirmed; 2019 benefitting from the peak in deliveries of APS (Active Protection System)
AIRCRAFT**	2,634	+13.1%	EFA Kuwait ramp up more than offsetting COVID-19 slowdowns
AEROSTRUCTURES**	819	-27.2%	B787 and ATR production rates reduction due to COVID-19
ELIMINATIONS & OTHER	-480		
FY 2020A***	13,410	-2.7%	

* Excluding € 36 mln of Defence Electronics & Security eliminations

** Excluding € 49 mln of Aeronautics eliminations

*** Including ca. € 95 mln of negative forex



EBITA and Profitability

Solid EBITA performance, notwithstanding COVID-19 impacts

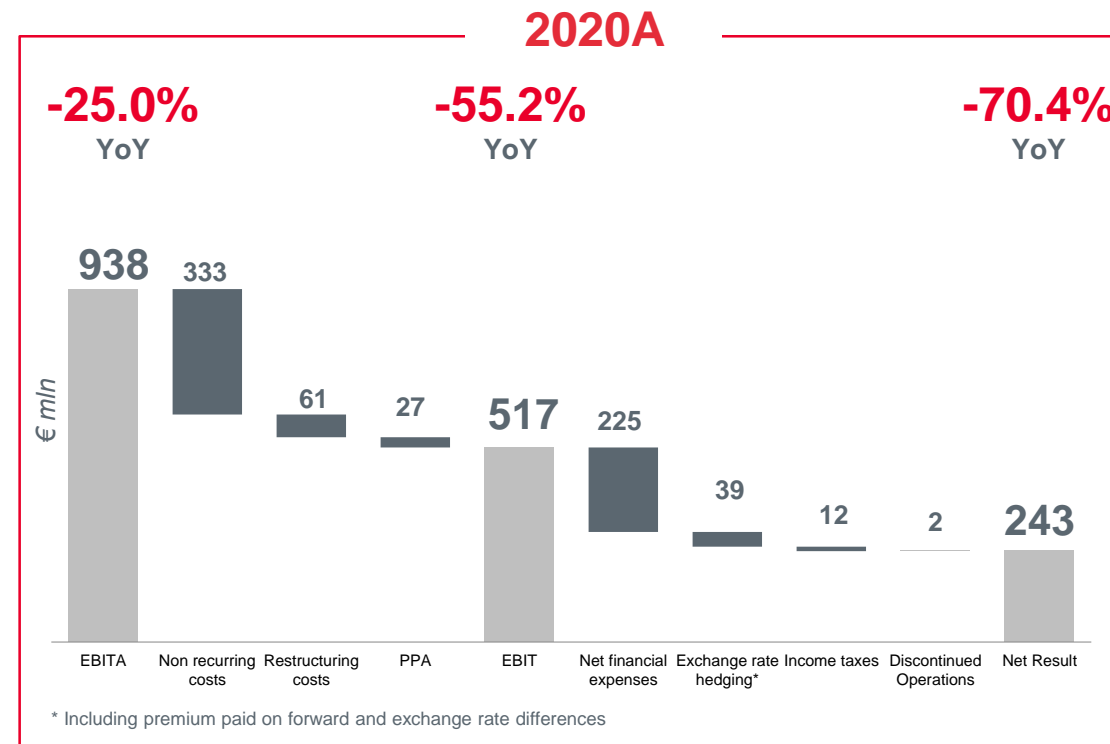
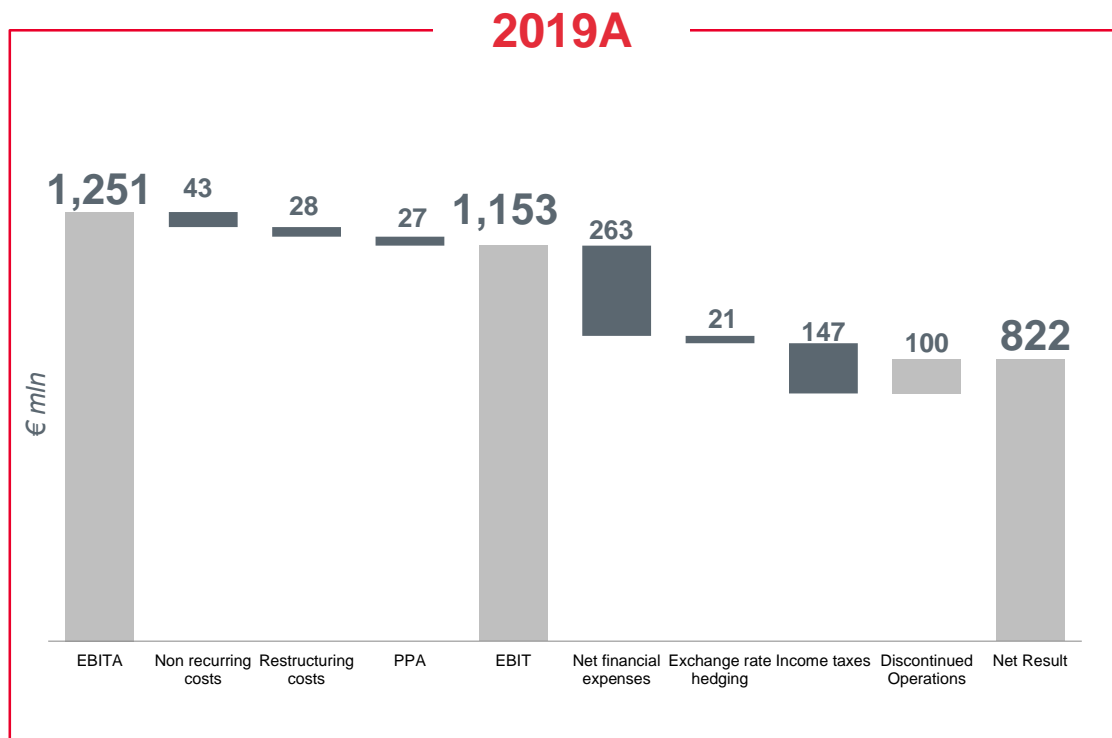
	€ mln (RoS)	RoS	Δ % YoY	
FY 2019A	1,250	9.1%		
HELICOPTERS	383	9.6%	-11.1%	Lower efficiency due to COVID-19 and less favourable mix mitigated by actions aimed at recovering productivity and containing costs. 2019 benefitted from a review of UK pension scheme
ELECTRONICS EUROPE	360	8.7%	-15.7%	Mix affected by programme in development phase and extra-costs in Automation. COVID-19 effects partially offset by cost savings and efficiency improvement initiatives
LEONARDO DRS	177	7.3%	-4.8%	Mix affected by programmes under development, key for future
AIRCRAFT	355	13.5%	+10.9%	EFA Kuwait ramp up and cost savings more than offsetting lower productivity due to COVID-19
AEROSTRUCTURES	-86	-10.5%	n.a.	Lower productive hours driving under recovery of fixed costs due to COVID-19, only partially offset by cost savings and A380 termination compensation
ATR	-69	n.a.	n.a.	Lower deliveries due to COVID-19. 10 aircraft delivered in 2020 vs 68 in 2019
SPACE	23	n.a.	-41.0%	Space Manufacturing lower activities. COVID effects on productivity and higher costs on development programmes partly mitigated by efficiency improvement and lower restructuring. Solid performance from Services
CORPORATE & OTHER	-205		-5.7%	
FY 2020A*	938	7.0%	-25.0%	

* 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

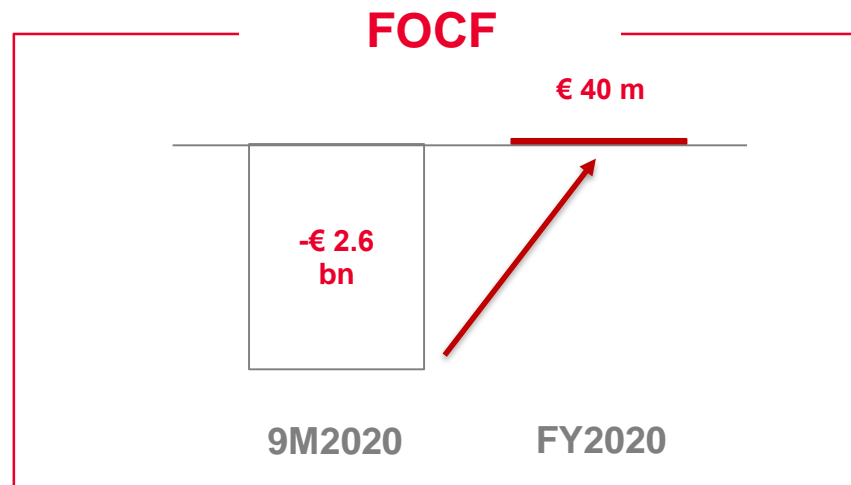


- EBIT down 55% due to EBITA decrease, write-downs in the Aerostructures against lower production rates and COVID-19 related costs
- Net Result mainly affected by EBIT performance, net of the tax benefit associated with lower taxable income and “patent box” effects and a lower impact of financial costs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



Impressive FOCF in Q4 to deliver on targets

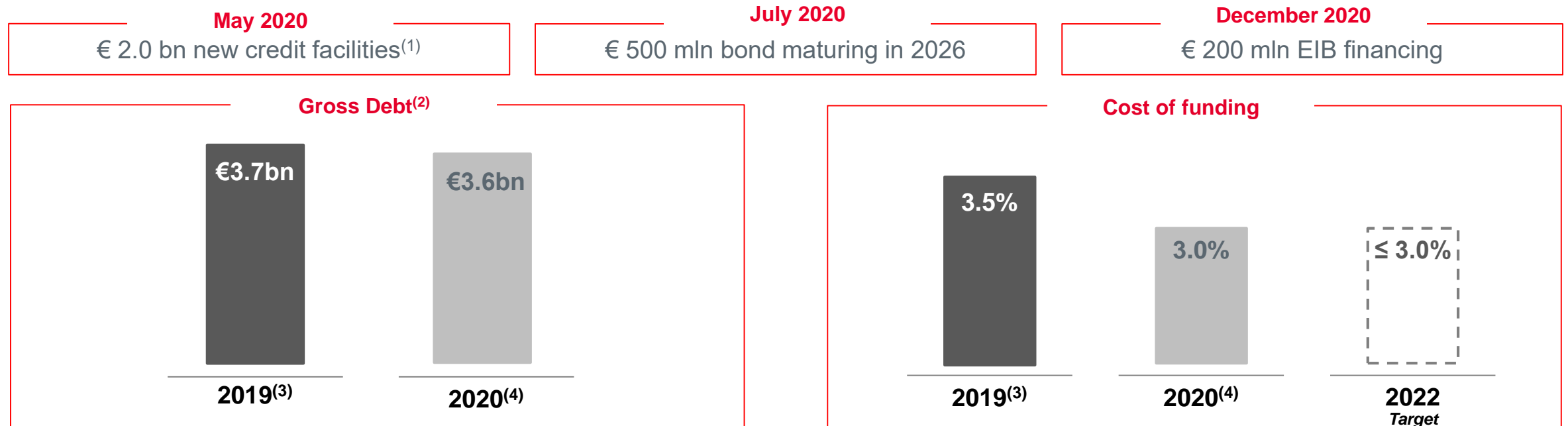
- Resilient performance at FOCF level as expected and promised
- Working capital under control in non-civil activities
- Lower investments also benefitting from extraordinary government grants cash-ins
- Cost savings measures
- Solid business performance offset growing drag from or civil businesses





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



(1) Including €750mln Term Loan fully cancelled at the end of 2020 following the bond issuance and EIB financing

(2) Including Bond, Term Loan, EIB and CDP

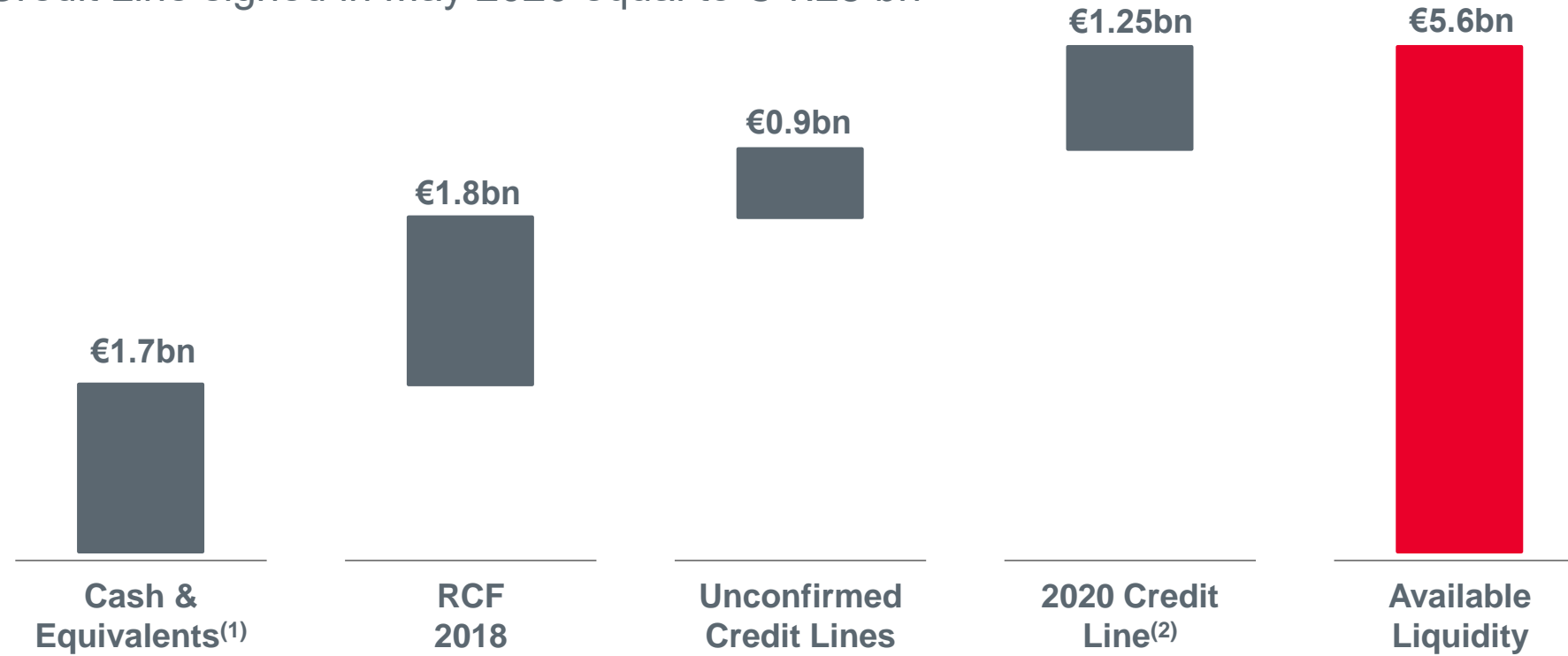
(3) Pro forma for CDP financing arranged in 2019

(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

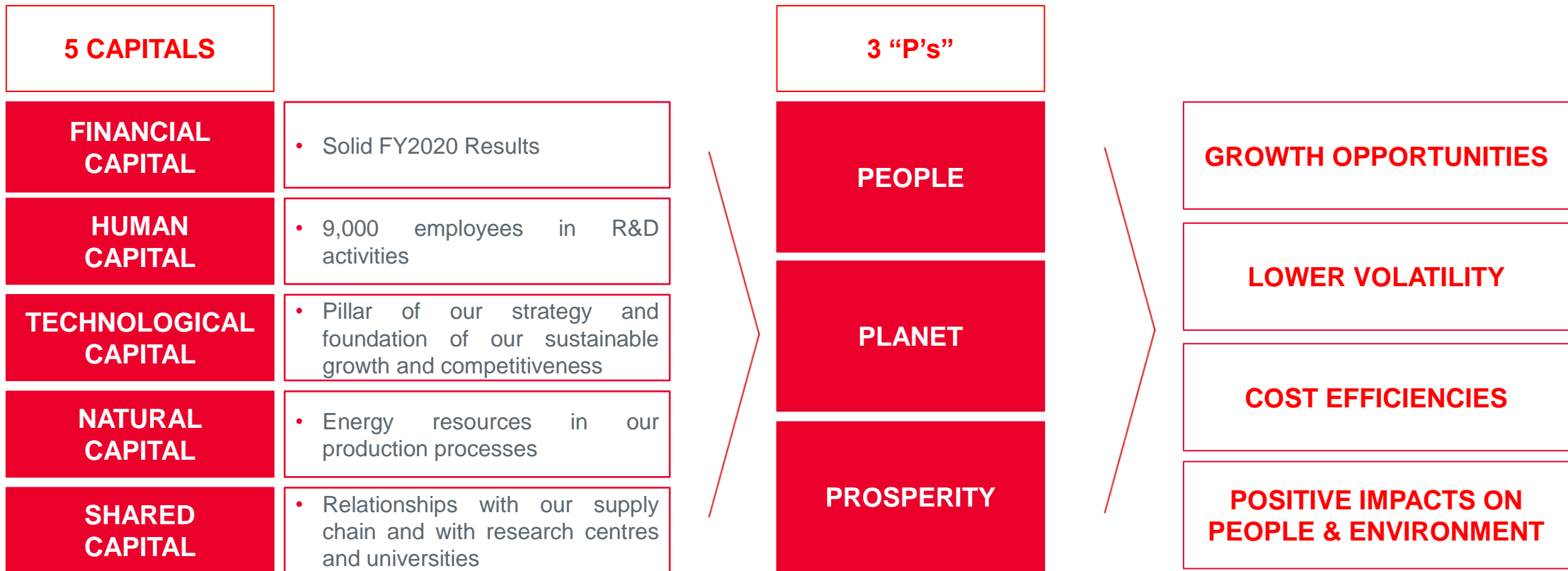
(2) Excluding €750m In Term Loan fully cancelled at the end of 2020 following the bond issuance and EIB financing



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



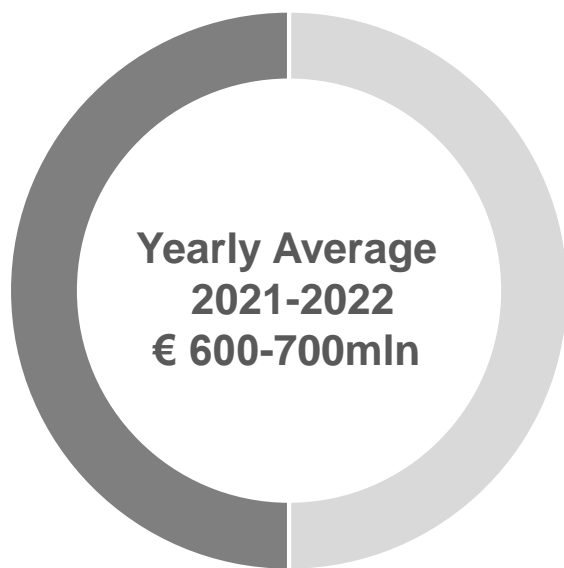


Leonardo contributes to the SDGs through investments and innovation

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



■ SDGs-aligned Investments ■ Other Investments

(1) Including Gross Capitalized R&D, Capex, Tooling and Other Immaterial

(2) Includes SDG 6; SDG 14 and SDG 15

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
		Other (2)



2021 Guidance

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

		FY2020A	FY2021 Guidance
New Orders	(€ bn)	13.8	ca. 14
Revenues	(€ bn)	13.4	13.8-14.3
EBITA	(€ mln)	938	1,075-1,125
FOCF	(€ mln)	40	ca. 100
Group Net Debt	(€ bn)	3.3	ca. 3.2*

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

*Assuming no dividend payable for 2020 results

2021 exchange rate assumptions: € / USD = 1.18 and € / GBP = 0.90

Q&A

SECTOR RESULTS



Helicopters

Military-governmental supporting growth

€ mln	4Q 2019	4Q 2020	% Change	FY 2019	FY 2020	% Change
Orders	2,407	1,340	-44.3%	4,641	4,494	-3.2%
Revenues	1,289	1,330	+3.2%	4,025	3,972	-1.3%
EBITA	161	164	+1.9%	431	383	-11.1%
RoS	12.5%	12.3%	-0.2 p.p.	10.7%	9.6%	-1.1 p.p.

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

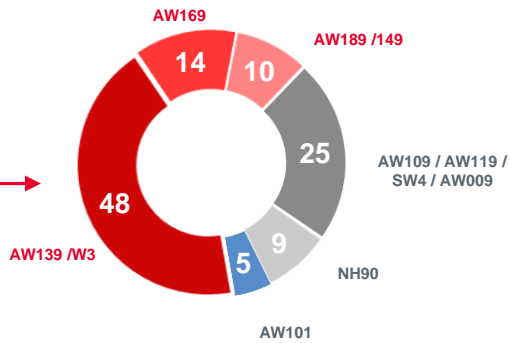
*In absence of further worsening of the pandemic and consequent additional restrictions which may compromise current scenario



Helicopters

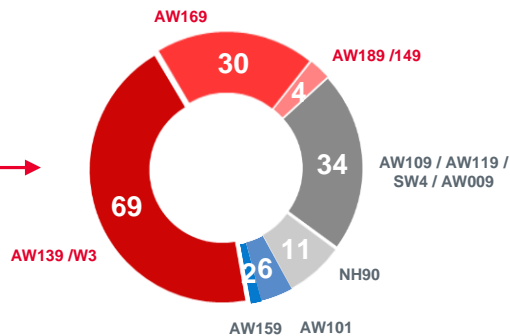
DELIVERIES BY PROGRAMME

FY2020 = 111 new units



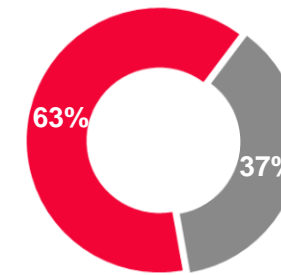
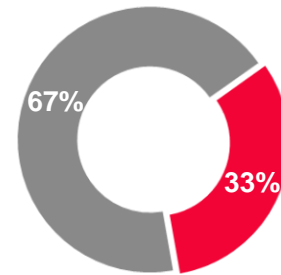
AW FAMILY

FY2019 = 156 new units



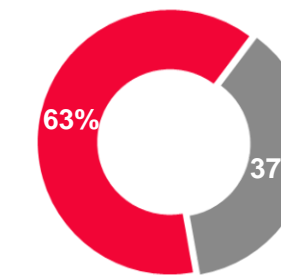
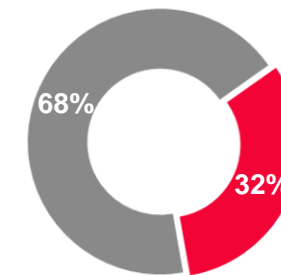
REVENUES BY CUSTOMER/SEGMENT

FY2020



■ Civil ■ Military/Governmental ■ OE ■ CS&T/Other

FY2019



■ Civil ■ Military/Governmental ■ OE ■ CS&T/Other



Defence Electronics & Security

Growing Revenues and Profitability

ELECTRONICS - EU

	4Q 2019	4Q 2020	% Change	FY 2019	FY 2020	% Change
€ mln						
Orders	1,780	2,464	38.4%	4,444	4,710	+6.0%
Revenues	1,551	1,416	-8.7%	4,289	4,147	-3.3%
EBITA	190	144	-24.2%	427	360	-15.7%
RoS	12.4%	10.2%	-2.4 p.p.	10.0%	8.7%	-1.3 p.p.

LEONARDO DRS

	4Q 2019	4Q 2020	% Change	FY 2019	FY 2020	% Change
\$ mln						
Orders	670	511	-23.7%	2,923	3,054	+4.5%
Revenues	913	825	-9.6%	2,729	2,757	+1.0%
EBITA	92	88	-4.3%	208	202	-2.9%
RoS	10.1%	10.7%	+0.6 p.p.	7.6%	7.3%	-0.3 p.p.

Avg. exchange rate €/€ @ 1.1195 in FY2019
Avg. exchange rate €/€ @ 1.1422 in FY2020

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

	4Q 2019	4Q 2020	% Change	FY 2019	FY 2020	% Change
€ mln						
Orders	383	1,259	+221.9%	1,904	2,031	6.7%
Revenues	827	930	+15.6%	2,329	2,634	+13.1%
EBITA	132	151	+14.4%	320	355	+10.9%
RoS	15.9%	16.2%	-0.01 p.p.	+13.7%	+13.5%	-0.2 p.p.

AEROSTRUCTURES

	4Q 2019	4Q 2020	% Change	FY 2019	FY 2020	% Change
€ mln						
Orders	413	132	-62.9%	948	581	-38.7%
Revenues	279	189	-24.0%	1,125	819	-27.2%
EBITA	16	-39	-337.5%	-11	-86	-681.8%
RoS	5.73%	-20.7%	-23.6 p.p.	-1.0%	-10.5%	-9.5 p.p.

ATR

	4Q 2019	4Q 2020	% Change	FY 2019	FY 2020	% Change
€ mln						
EBITA	49	-7	-114.3%	53	-69	-230.2%

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

	4Q 2019	4Q 2020	% Change	FY 2019	FY 2020	% Change
EBITA	16	24	+50.0%	39	23	-41.0%

€ mln

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

APPENDIX



4Q/FY 2020 Results

Group Performance

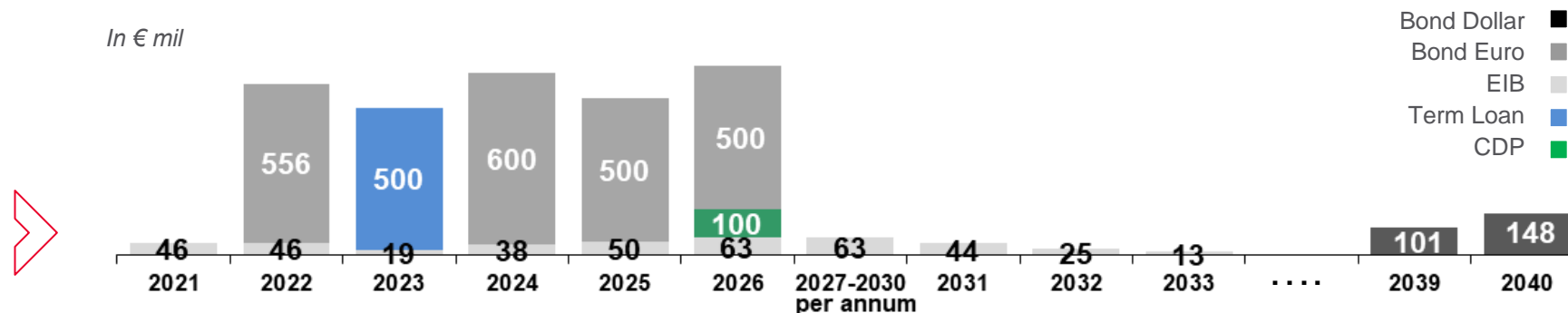
	4Q 2019	4Q 2020	% Change	FY 2019	FY 2020	% Change
€ mln						
New Orders	5,526	5,244	-5.1%	14,105	13,754	-2.5%
Backlog				36,513	35,516	-2.7%
Revenues	4,650	4,385	-5.7%	13,784	13,410	-2.7%
EBITA	565	441	-21.9%	1,251	938	-25.0%
RoS	12.2%	10.1%	-2.1 p.p.	9.1%	7%	-2.1 p.p.
EBIT	505	122	-75.8%	1,153	517	-55.2%
EBIT Margin	10.9%	2.8%	-8.1 p.p.	8.4%	3.9%	-4.5 p.p.
Net result before extraordinary transactions	355	106	-70.1%	722	241	-66.6%
Net result	357	106	-70.5%	822	243	-70.4%
EPS (€ cents)	0.619	0.182	-70.6%	1.428	0.419	-70.7%
FOCF	1,458	2,636	+80.8%	241	40	-83.4%
Group Net Debt				2,847	3,318	+16.5%
Headcount				49,530	49,882	+0.7%

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

- €500mln 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

	As of today	Before last review	Date of review
Moody's	Ba1 / <i>Stable Outlook</i>	Ba1 / <i>Positive Outlook</i>	October 2018
S&P	BB+ / <i>Stable Outlook</i>	BB+ / <i>Positive Outlook</i>	April 2020
Fitch	BBB- / <i>Negative Outlook</i>	BBB- / <i>Stable Outlook</i>	May 2020

(1) Pro forma for January 2021 bond reimbursement and the EIB financing drawdown



Development costs capitalised as intangible assets as at 31 December 2020

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

(*) Movements w/o cash and PL effects

(**) Kopter



Covenant FY2020

	FY2020A Post IFRS 16
EBITDA*	€ 1,378 mln
Net Interest	€ 168 mln
EBITDA / Net Interest	8.2
THRESHOLD	> 3.25

	FY2020A Post IFRS 16
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

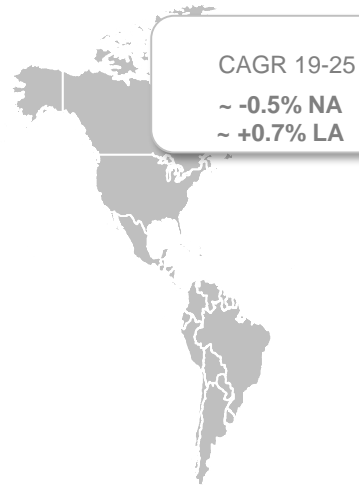
* EBITDA net of depreciation of rights of use



Defence Budget perspectives

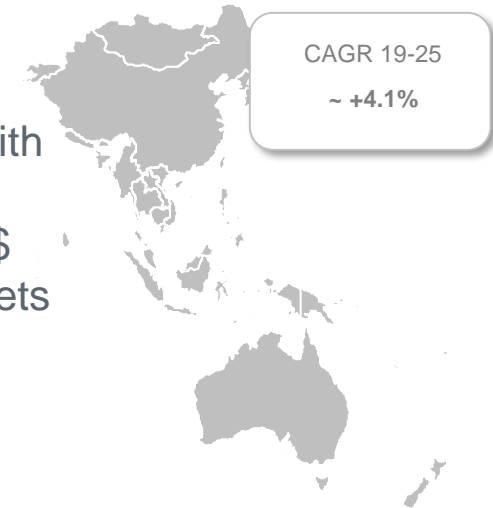
USA

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



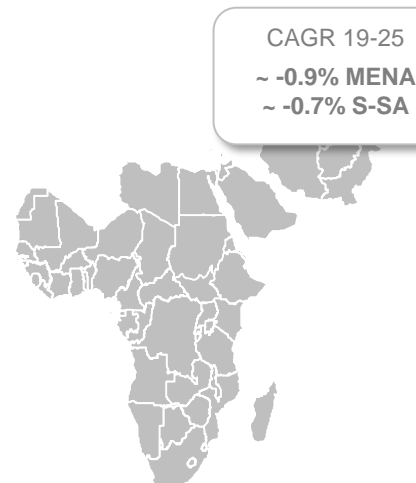
Asia Pacific

- 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

- Contraction of Defense Budget due to the Covid crisis: from \$ 160B in 2020 to \$ 150B in 2021, up to \$ 140B in 2022.
- 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)

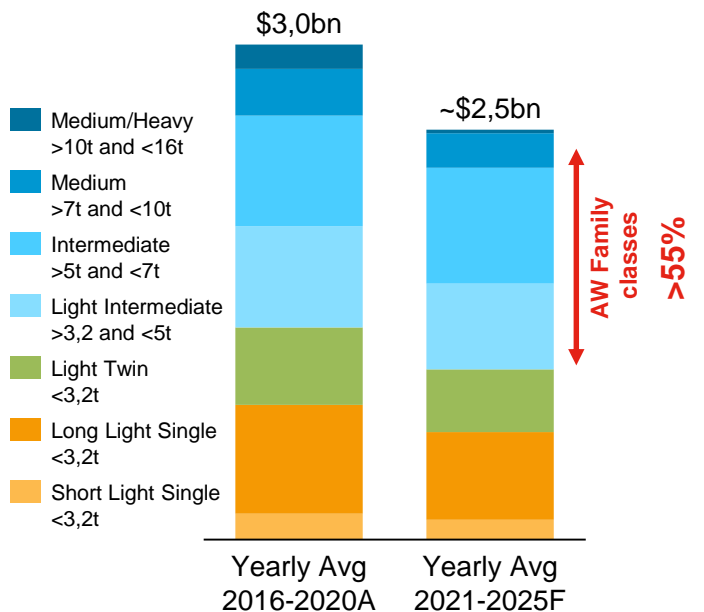




Current estimations on Helicopter market

CIVIL REFERENCE MARKET

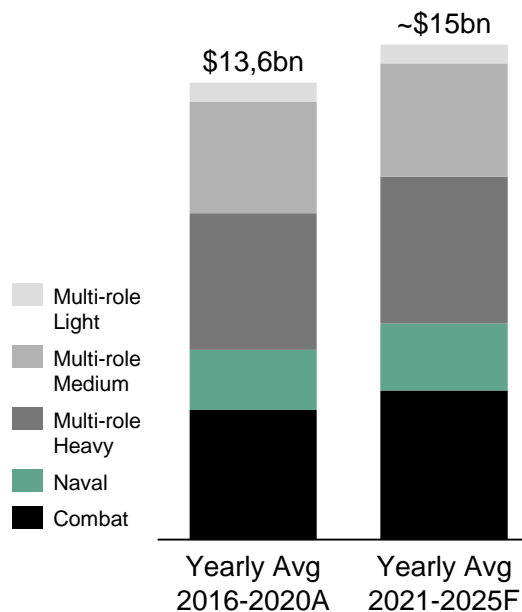
Market value of new western-built* helicopters (\$bn)



- **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

GLOBAL MILITARY MARKET

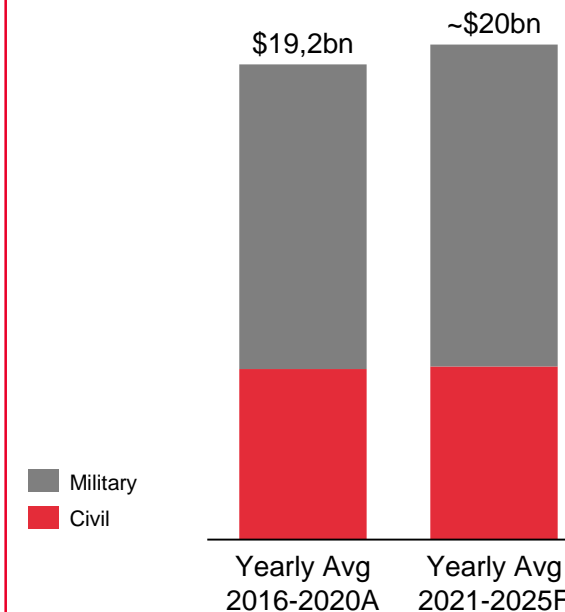
Total market value (\$bn)



- 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%

GLOBAL CS&T MARKET

Total market value (\$bn)



- Global **CS&T** market, includes **all OEMs** and **main MRO service providers** (Engine, Avionics, etc); **Upgrades** (~\$2bn per year) are **excluded**
- **Growth** in 2021-2025 mainly driven by **military programs**
- Leonardo **addressable market** is the one **related to LH fleet only** (~10% of total fleet)

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).



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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