



# Annual General Meeting 2021

Alessandro Profumo

*Chief Executive Officer*

—  
Rome, 19 May 2021





# Agenda

- > **2020 Results**
- > Business Performance & Outlook
- > Industrial review
- > Shareholding and share price update
- > Integrated report
- > 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



# 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

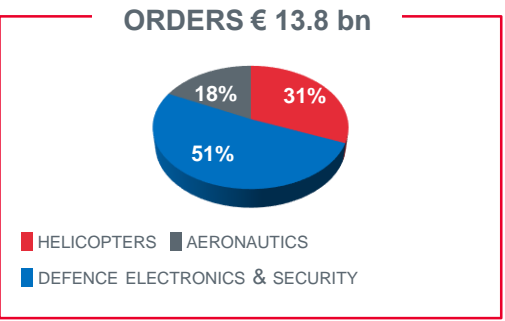
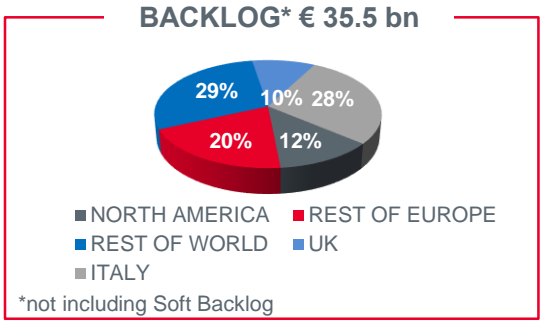


# We successfully navigated 2020 with a strong, solid & resilient business performance

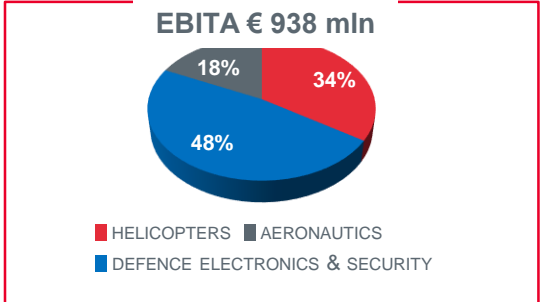
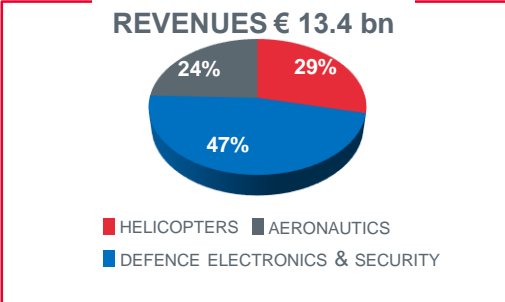
**We delivered on Q4 as we said we would**

## COMMERCIALLY STRONG

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



## SOLID RESULTS



**ROS 7%**

**7.9%**

Excluding pass-through

**ROIC\***

**11.3%**

- 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

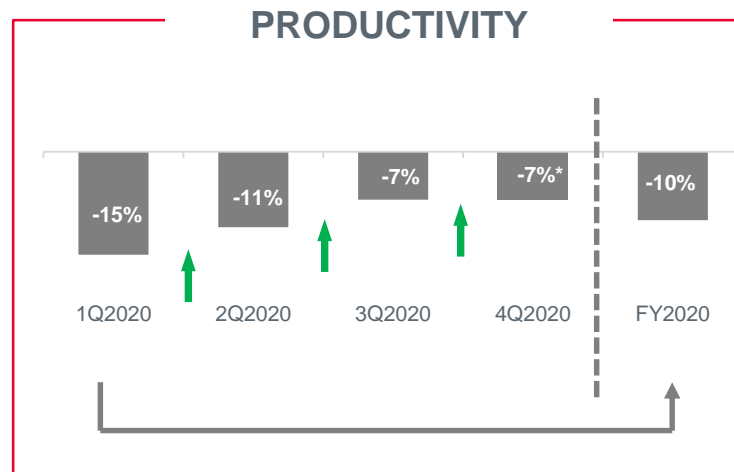
\*ROIC (Return on Invested Capital) = EBITA / Average Net Invested Capital



# 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***



# FY 2020 Group Results

## GROUP PERFORMANCE

- **Backlog** covers more than 2.5 years of production
- **New Orders** reflecting strong commercial performance (book to bill 1x)
- **Revenues** in line with 2019
- Solid **EBITA** in main businesses, offsetting worsening civil market and JVs
- **Net Result** impacted by the one-off update of the valuation of tangible and intangible assets in civil aeronautics as a result of the expected lower production rates imposed by certain customers and to the recognition of one-off costs incurred to comply with the government's guidelines on the Covid-19
- **FOCF** positive value, with record Q4 cash generation as expected
- **Group Net Debt** includes the Acquisition of Kopter and IFRS 16 effects

	FY 2019	FY 2020	% change	Guidance 2020
€ mln				
New Orders	14,105	13,754	-2.5%	Ca. 14,000
Backlog	36,513	35,516	-2.7%	
Revenues	13,784	13,410	-2.7%	13,800–14,300
EBITA	1,251	938	-25.0%	1,075–1,125
RoS	9.1%	7%	-2.1 p.p.	
EBIT	1,153	517	-55.2%	
EBIT Margin	8.4%	3.9%	-4.5 p.p.	
Net result before extraordinary transactions	722	241	-66.6%	
Net result	822	243	-70.4%	
EPS (€ cents)	1.428	0.419	-70.7%	
FOCF	241	40	-83.4%	ca. 100
Group Net Debt	2,847	3,318	+16.5%	ca. 3,200
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



# FY 2020 Leonardo Spa Results

## LEONARDO SPA PERFORMANCE

	FY 2019	FY 2020	% change
€ mln			
New Orders	9,163	8,362	-8.7%
Backlog	27,987	27,160	-3.0%
Revenues	9,010	8,654	-4.0%
EBITA	568	404	-28.9%
RoS	6.3%	4.7%	-1.6 p.p.
EBIT	538	50	-90.7%
EBIT Margin	6.0%	0.6%	-5.4 p.p.
Net result before extraordinary transactions	390	-93	-123.8%
Net result/loss	390	-93	-123.8%
EPS (€ cents)	0.674	n.a.	n.a.
FOCF	-264	-48	81.8%
Group Net Debt	3,874	4,114	+6.2%
Headcount	29,348	29,227	-0.4%





# True believers sustainability enhancing our future performance

## Contributing to People, Planet and Prosperity



### CAPITALS

#### People and skills

- 49,882 employees
- ~8,800 people in R&D and engineering

#### Financial resources

- 1.6 €bil. in R&D
- 8.9 €bil. purchase of goods and services
- 8.5 €bil. net invested capital

#### Technologies and intellectual property

- 6.1 petaflop of computing power
- 27.1 petabyte of storage capacity
- 9 Leonardo Labs

#### Industrial assets

- 103 main sites and plants
- ~300 €mil. investments in tangible assets

#### Relations and collaborations

- ~70 Universities and research centres
- ~11,000 suppliers

#### Energy and natural resources

- 100% of electricity from renewable sources in Italy and in the UK
- 52% of waste recovered

### BUSINESS MODEL



### RESULTS AND IMPACTS

#### Financials

- 13.4 €bil revenues
- 13.8 € bil. orders
- 35.5 € bil. order backlog

#### People



- 3,222 new hires, 43% hold a STEM degree, 41% under 30 and 23% women
- ~800,000 hours of training delivered to employees
- ~780 training opportunities activated with the educational system
- -41% reduction of injury rate

#### Planet



- -8% intensity of water withdrawals
- -8% intensity of waste produced
- -3% intensity of energy consumption
- 28,770 tons of CO<sub>2</sub> avoided through the use of virtual training systems

#### Prosperity



- ~50% SDG-aligned investments
- 124,000 employed and €bil. 10.5 of direct, indirect and induced added value generated in Italy (2019 data)
- ~250 operators use Leonardo helicopters for emergency medical services



# 2020 ESG results achieved

## Performance indicators and recognitions

### GOVERNANCE

- 42% of **women** sitting on the **Board of Directors**
- Embedding **CFO Principles on Integrated SDG Investments and Finance** of the UN Global Compact
- New ESG targets proposed in the **short- and long-term incentive scheme** of the 2021 remuneration policy



- *Confirmed **Industry leader** of **Dow Jones Sustainability Indices***
- *Admitted in the **A band** of the **Transparency International's** assessment of **Defence companies Index on Anti-Corruption and Corporate Transparency***
- *Announced **UN Global Compact LEAD***

### PEOPLE

- 3,222 **new hires**, of which 43% hold a STEM degree, 41% under 30 and 23% women
- ~800,000 hours of **training** delivered to employees
- 17% **women in managerial positions** on total managers and junior managers
- ~780 training opportunities activated with the **educational system**
- -41% reduction of **injury rate**



- *Admitted in the **Bloomberg Gender Equality Index***

### PLANET

- -8% intensity of **water withdrawals**
- -8% intensity of **waste produced**
- -3% intensity of **energy consumption**
- 28,770 tons of **CO2 avoided** through the use of virtual training systems



- *Admitted in the **CDP 2020 Climate A-List***

### PROSPERITY

- 1.6 €bil. of total **R&D expenses**
- ~50% **SDG-aligned investments**
- Collaborations with more than 70 **universities and research centres**
- 198 gigaflops **computing power** per capita
- 874 gigabyte **Data storage capacity** per capita
- 82% of **purchases** related to **domestic markets**, with supply chain of more than 7,000 **SMEs**
- 124,000 employed and 10.5 €bil. of **direct, indirect and induced added value** generated in Italy (2019 data)



## Proposal to the Shareholders' Meeting

- The Company's Board of Directors resolved to submit the financial statements of Leonardo - Società per azioni at 31 December 2020 for approval to the Shareholders' Meeting, which closed with a net loss of € 93,152,464.65
- In this regard, the Company's Board of Directors resolved to propose to the Shareholders' Meeting to cover the 2020 net loss of Euro 93,152,464.65, through the use of profits carried forward



# Strategic updates in Defence Electronics & Security

## Europe

- **Acquisition of 25.1% of Hensoldt**
  - Agreement to purchase a 25.1% stake in HENSOLDT, leading European player in the field of sensor solutions for defence and security applications, for ca. € 606 million.
  - The transaction supports further cooperation between Leonardo and HENSOLDT and will enhance a strategic long term presence in the fast growing German defence market
  - Solid capital structure maintained also through disposals and DRS listing
  - Closing subject to customary conditions and expected in 2H21
- **Acquisition of 30% of GEM elettronica**
  - Strengthening our position in naval business

## US

- **DRS IPO of a minority stake**
  - Transaction to allow the financial market to better assess the embedded value of DRS
  - Leonardo continues to firmly believe in DRS's strategic role and prospects and to support its development within the Group
  - Despite the interest of investors during the roadshow, the deal has been postponed due to unfavorable market conditions and it will be reconsidered when market conditions are more favorable, allowing an adequate valuation of DRS



## 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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## Helicopters: military-governmental supporting growth



	4Q 2019	4Q 2020	% Change	FY 2019	FY 2020	% Change
€ mln						
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.

### 2020 RESULTS

- Governmental orders (32 TH 73 A for the US Navy, customer support for the UK Merlin, Italian LUH and 31 NH 90 helicopters Germany) offsetting lower demand in civil
- Revenues driven by NH 90 Qatar and TH 73 A US, offsetting expected reduction on certain programmes and civil deliveries
- 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: Solid sales and industrial performance



	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%	-2.4p.p.	10.0%	8.7%	-1.3p.p.

### 2020 RESULTS

- Order Intake driven by military governmental Next generation radars (UK EFA), IMOS (Integrated Merlin Operational Support), Italian Blindo Centauro and 4 Vulcano for Dutch Navy
- Slight decrease in revenues due to slowdown in bookings related to COVID-19
- Profitability affected by programmes in development phase and extra costs in Automation. COVID 19 effects partially offset by cost savings and efficiency improvement initiatives





## Leonardo DRS: development programmes key for future



	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

### 2020 RESULTS

- Strong order intake driven by Mounted Family of Computer Systems (MFoCS) for US Army and naval systems for CVN 80 and CVN 81 for US Navy
- Solid revenue performance confirmed; 2019 benefitting from the peak in deliveries of APS (Active Protection System)
- Profitability affected by programmes under development, key for future

## Aircraft: solid performance

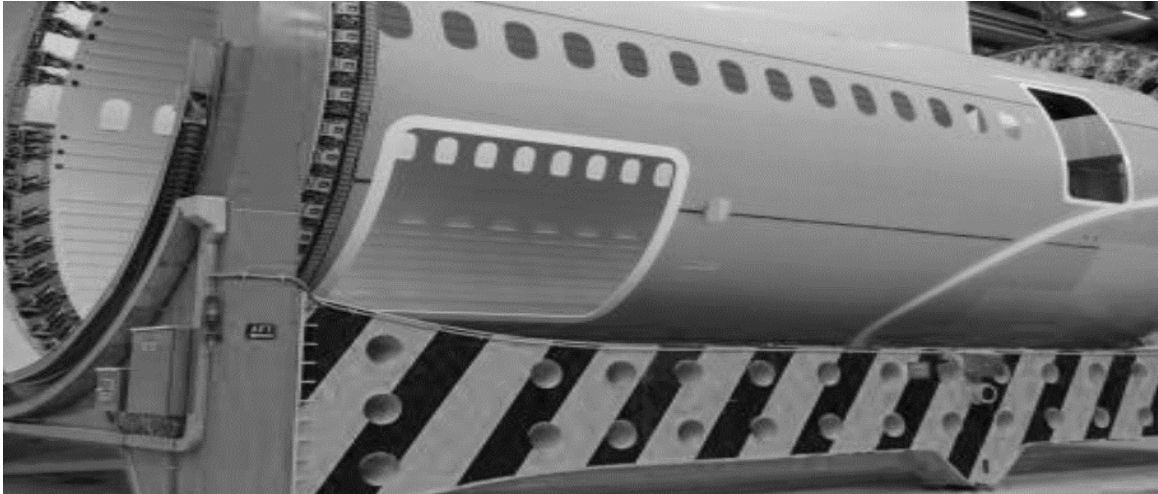


	4Q 2019	4Q 2020	% Change	FY 2019	FY 2020	% Change
Orders	383	1,259	+221.9%	1,904	2,031	6.7%
Revenues	827	930	+15.6%	2,329	2,634	+13.1%
EBITA	132	151	+14.4%	320	355	+10.9%
RoS	15.9%	16.2%	-0.01 p.p.	+13.7%	+13.5%	-0.2 p.p.

### 2020 RESULTS

- Strong performance driven by modernisation of EFA Germany fleet, F-35 and logistic support services for Italian C-27J and EFA aircraft, despite export delays due to COVID
- EFA Kuwait ramp up more than offsetting COVID-19 slowdowns at revenues and EBITA level
- Cost savings also supporting profitability

## Aerostructures: heavily impacted by the civil market downturn



	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.

### 2020 RESULTS

- Reduction in new orders as a result of the downturn in the commercial aviation market (for B787, 80 fuselages in 2020 vs 154 in 2019)
- Lower revenues due to B787 and ATR production rates reduction
- Lower productive hours driving under recovery of fixed costs due to COVID-19, only partially offset by cost savings and A380 termination compensation
- ATR Lower deliveries due to COVID-19 (10 aircraft delivered in 2020 vs 68 in 2019 due to civil market downturn)

## Space: 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

### 2020 RESULTS

- Solid performance from Services
- Space Manufacturing lower activities
- COVID effects on productivity and higher costs on telecommunication programmes partly mitigated by efficiency improvement and lower restructuring



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# 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)

## 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



# 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

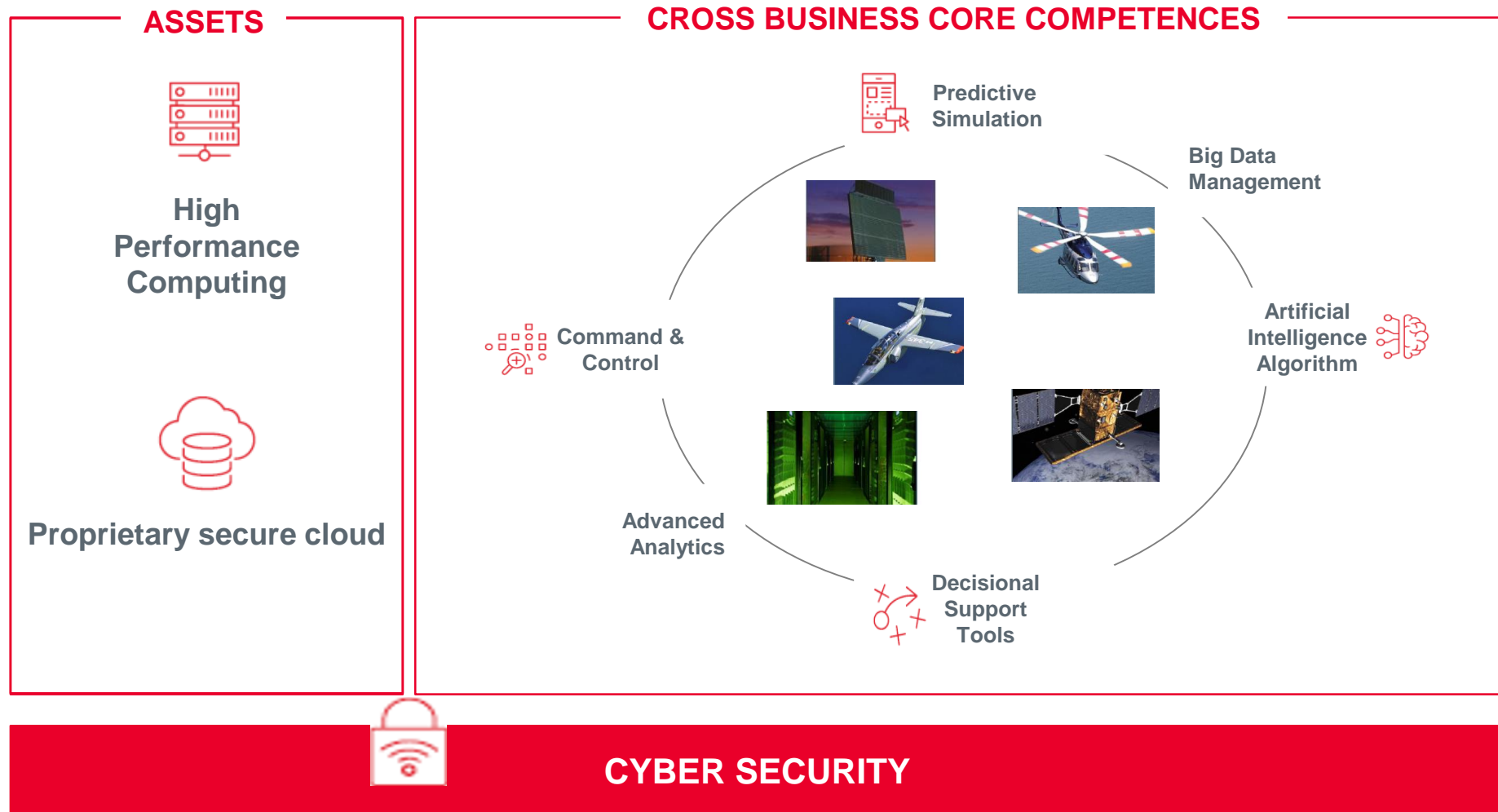
- Turboprop market to recover earlier vs entire civil aeronautics
  - 2020 bottom year (10 deliveries)
- Leader in regional market
  - ATR fleet flying
  - 6 Gross orders
  - 85 New roots opened
- Good market opportunities (i.e. a/c replacement)
- Industrial efficiency plan
  - Profitability improvement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

- 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

### 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



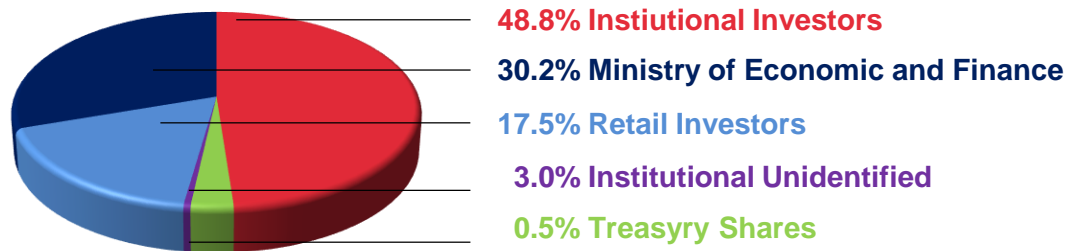

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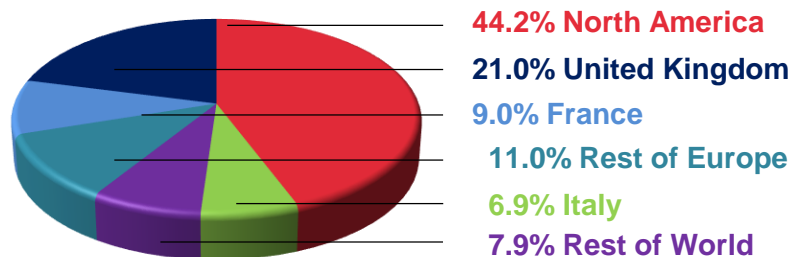
# Most of Leonardo's shareholding is held by Institutional Investors

## DISTRIBUTION OF SHAREHOLDERS



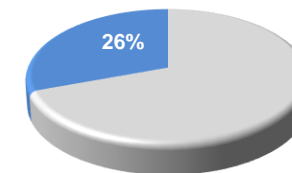
## GEOGRAPHICAL DISTRIBUTION OF INSTITUTIONAL SHAREHOLDERS FLOATING RATE

- Over 90% of the free float is owned by International Funds



## SIGNATORIES OF THE PRINCIPLES FOR RESPONSIBLE INVESTMENT (PRI)

- 26% of the shareholding is owned by PRI signatories

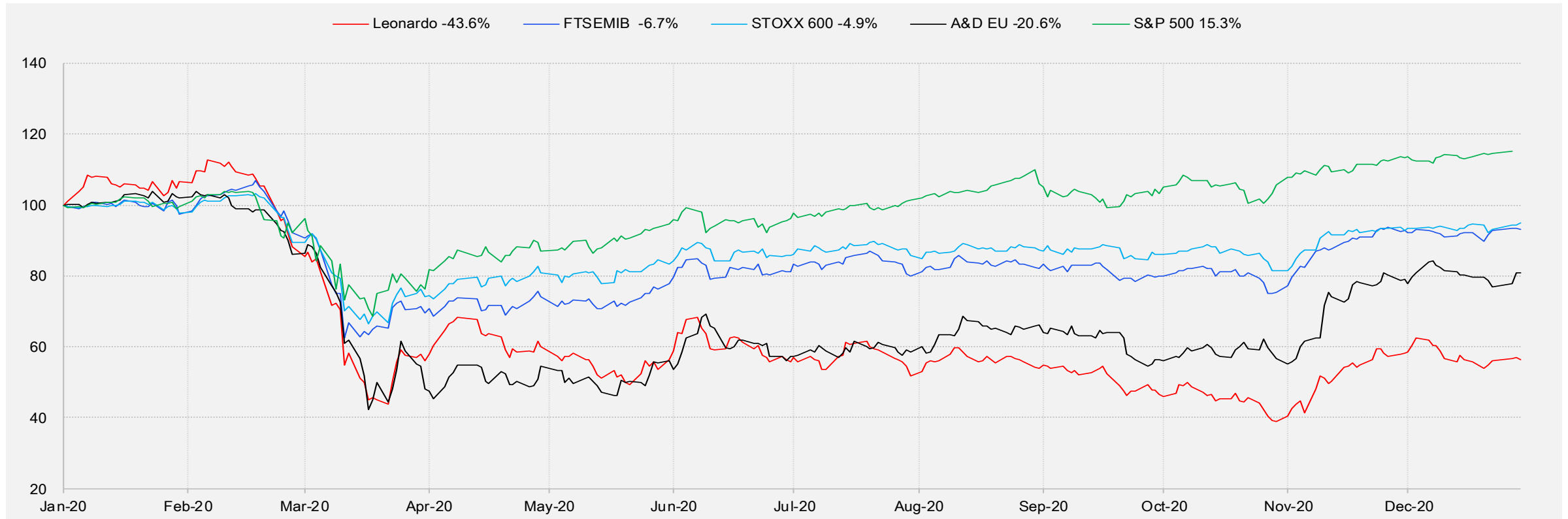


Update at February 2021



# In 2020 Financial markets and Leonardo share price materially affected by COVID 19

2 January 2020 – 31 December 2020



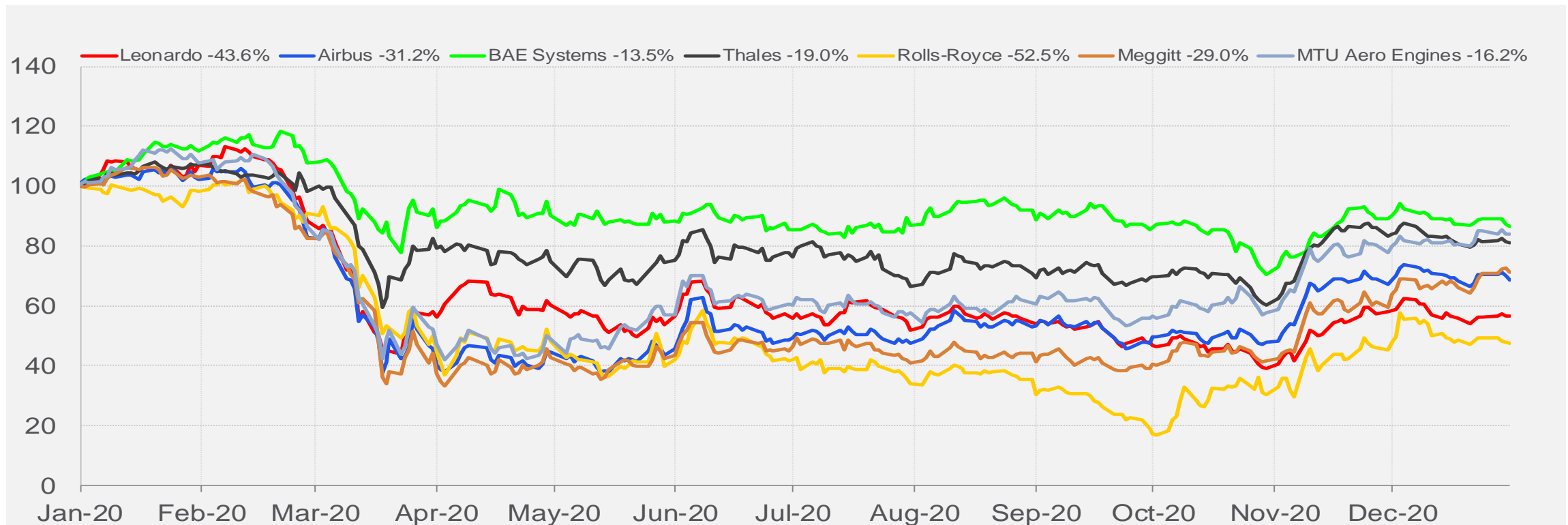
\*A&D EU = Bloomberg EMEA Aerospace Defence Index. It is a capitalisation weighted index of the leading stocks in European, Middle Eastern and African region

- In 2020, before COVID 19 outbreak, Leonardo share price outperformed market indices
- From March 2020, the spread of the pandemic in Europe (starting from Italy) and the COVID-19 effects on the air traffic materially affected European A&D sector and Leonardo



# A&D sector share price performance materially affected by COVID-19 with a recovery starting from November 2020

2 January 2020 – 30 December 2020

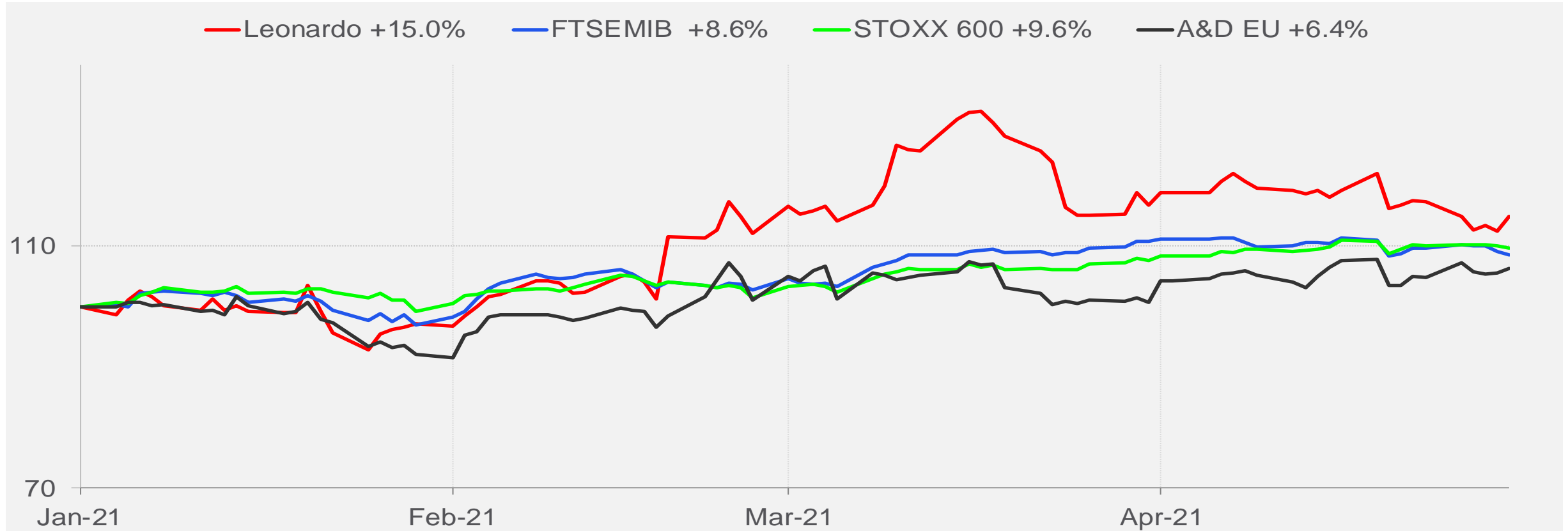


- First signs of recovery started in November 2020, also driven by news on coronavirus vaccines which led to increased market optimism



# Positive market trend in 2021, strong Leonardo share price performance

1 January 2021 – 30 April 2021

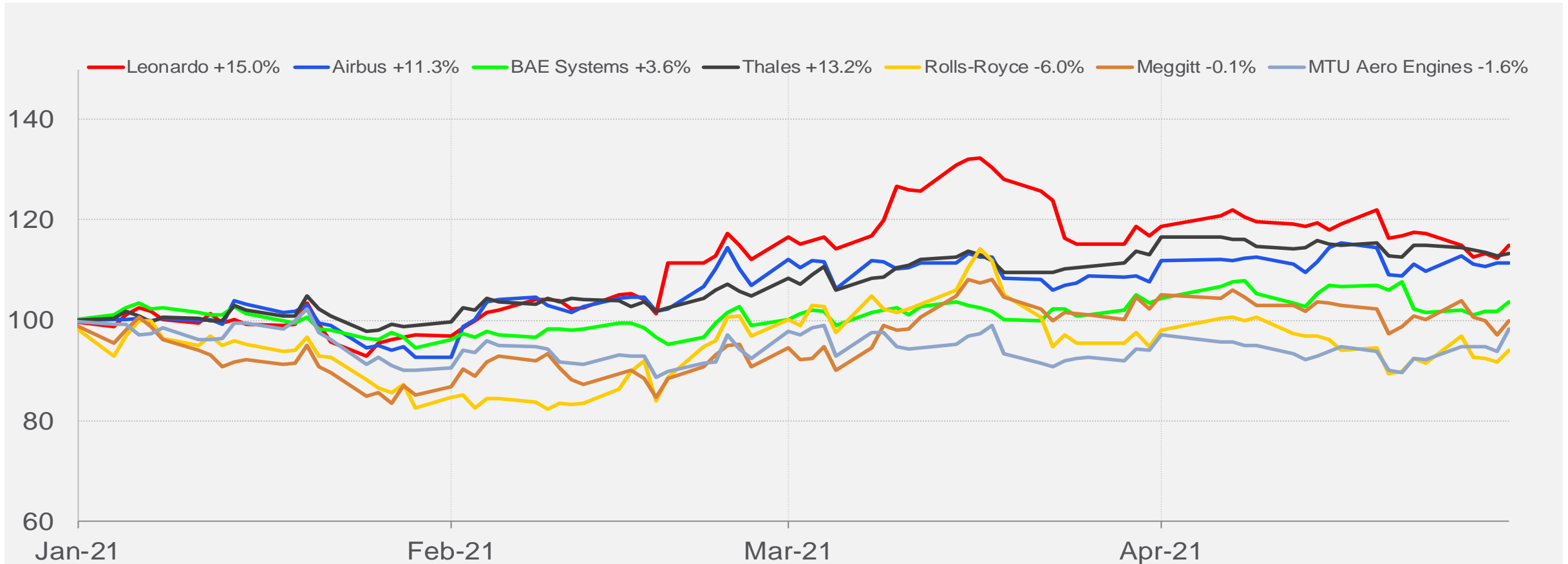


- In 2021, financial markets performed well, as the investors saw an excellent environment for the equity markets beyond the Covid-19 pandemic : strong economic recovery, low inflation, accommodative monetary policy, decline in political risks
- Leonardo stock recorded a strong performance above European indices



# Leonardo share price performance above European peers

1 January 2021 – 30 April 2021



- Strong YTD performance, above the major European peers, mainly driven by the DRS IPO announcement and cash flow expectations in the medium long term





# Agenda

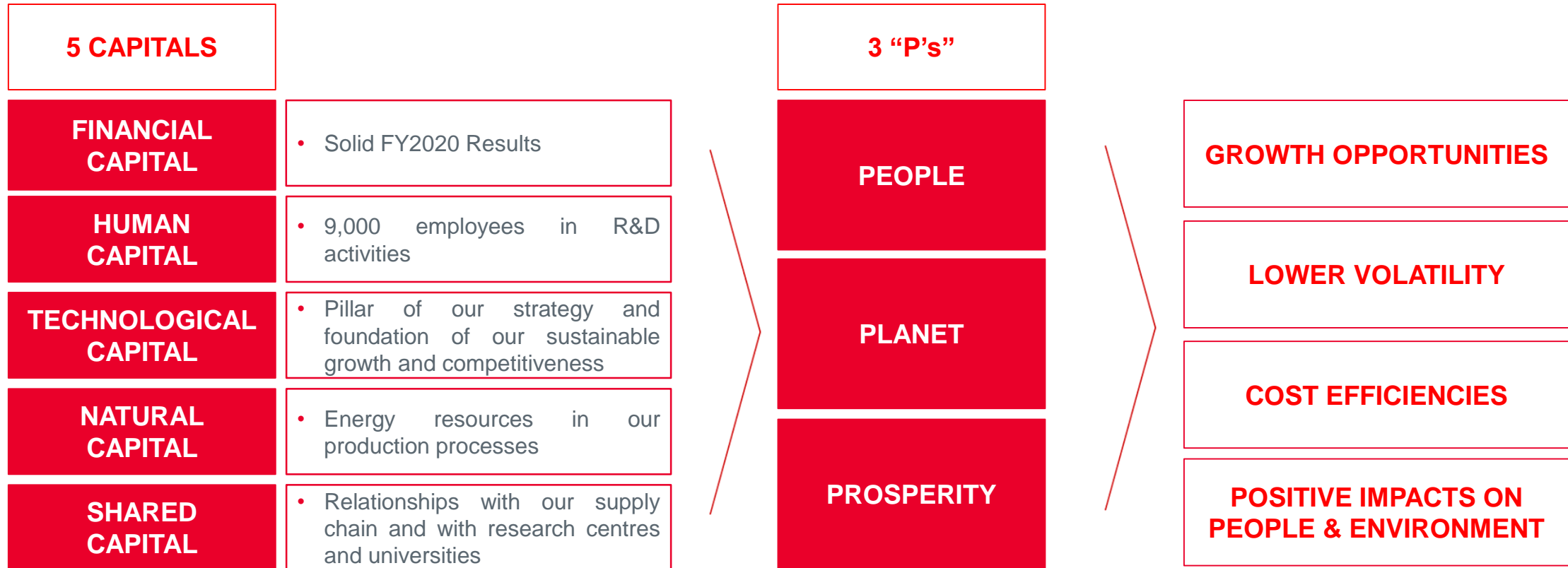
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# True believers ESG enhancing our future performance

## Key results achieved

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

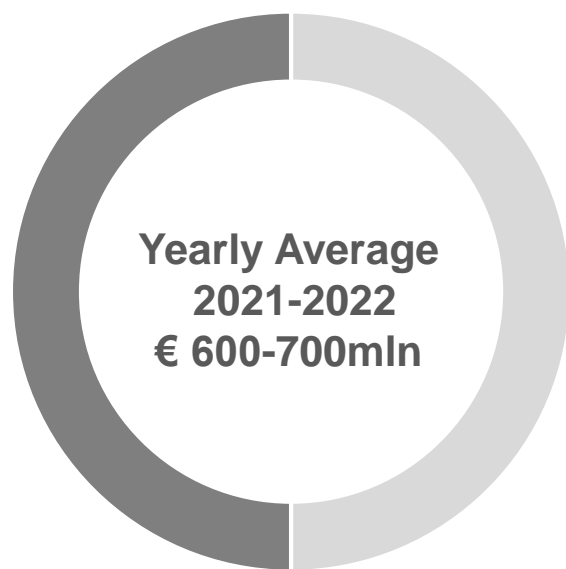




# Contributing to the SDGs through investments and innovation

- In 2021-2022, Leonardo invests on yearly average around 600-700 €mIn<sup>(1)</sup>
- Leonardo commits to around 50% of SDGs-aligned investments
- The initiatives mainly impact SDG 9 “Industry, Innovation & Infrastructure” followed by SDG 8 “Decent work and economic growth” and SDG 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



# Forward-looking perspective: ESG targets for 2021-2030

## Integrated in our value chain and supporting the SDGs

### Governance

<b>Promote a responsible business model</b>	Issue of a Trade Compliance Guideline including Human Rights Impact Assessment (HRIA) and development of country risk assessment tools for Leonardo SpA	2021
	Extending Trade Compliance Directive to the Group	2022
	Renewal/maintenance of the international ISO 37001:2016 “Anti-Bribery Management System” certification standard	2023
	Expanding the business compliance training to other types of third parties (distributors/resellers), making it a mandatory prerequisite for the completion of the engagement	2022



### Impacts on SDGs



### People

<b>Attract and promote talent</b>	More than 100 training hours per employee in the period 2018-2022	2022
	Under 30 equal to at least 40% of total new hires	2022
<b>Promote an inclusive environment</b>	Women equal to at least 32% of total new hires	2022
	Women equal to 30% of total new hires in STEM areas	2025
	20% female representation at management levels	2025





# Forward-looking perspective: ESG targets for 2021-2030

## Integrated in our value chain and supporting the SDGs

### Planet

<b>Reduce energy consumption and CO<sub>2</sub> emissions</b>	10% reduction in electricity consumption*	2025
	4% reduction in emissions Scope I + Scope II (Location Based)*	2025
	40% reduction in emissions Scope I + Scope II (Market Based)**	2030
<b>Reduce environmental impacts</b>	10% reduction in water withdrawals*	2025
	10% reduction in the amount of waste produced*	2025

### Prosperity

<b>Develop the supply chain</b>	Implement supply chain development programmes and medium/long-term partnerships, focused on SMEs, to improve business sustainability	2023
	Manage more than 75% of the value of orders placed by Leonardo Divisions with digital collaboration platforms ***	2022
	Raise awareness of/deliver training on SDGs and supporting tools for reporting to more than 80% of key suppliers (over 500 suppliers)	2023
	100% of LEAP2020 partners with set targets and plans on green energy, CO <sub>2</sub> emission reduction, waste recycling, water consumption	2023
<b>Strengthen digitalisation and processing capacity</b>	Increasing computing power by 40% per capita ****	2025
	Increasing storage capacity by 40% per capita****	2025

### Impacts on SDGs



\* Calculated in relation to revenues. 2019 year baseline.

\*\* Reduction in absolute value. 2019 year baseline

\*\*\* Includes recurring suppliers. Leonardo DRS is not included in the scope

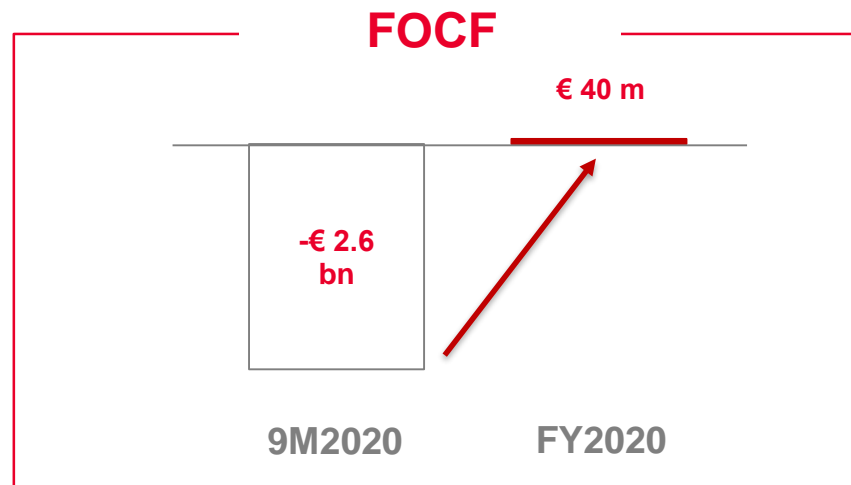
\*\*\*\* Calculated as the number of Flops and Bytes in relation to employees in Italy. 2020 year baseline

# APPENDIX



## Impressive FOCF in Q4 to deliver on targets

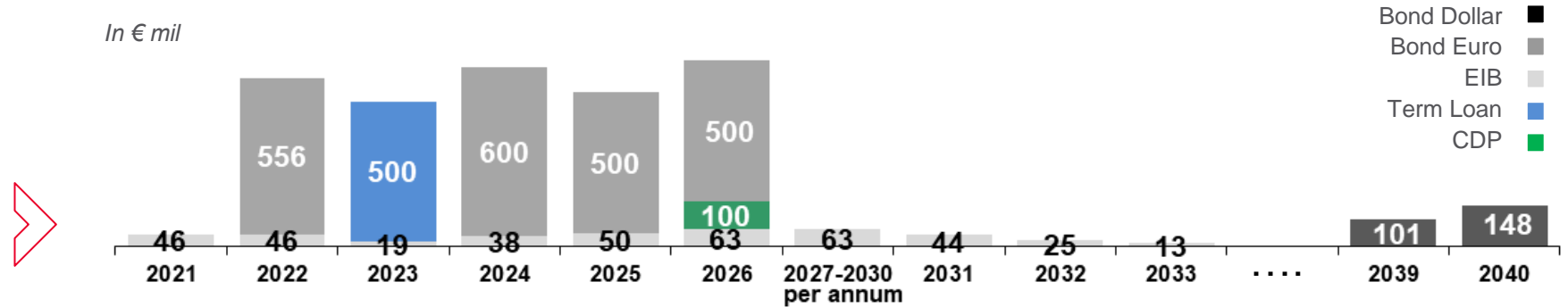
- Resilient performance at FOCF level as expected and promised
- Working capital under control in non-civil activities
- Lower investments also benefitting from extraordinary government grants cash-ins
- Cost savings measures
- Solid business performance offset growing drag from or civil businesses





# Balanced debt maturity profile

**DEBT MATURITY**  
Average life: ≈ 4,9 years <sup>(1)</sup>



## 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
<b>Moody's</b>	Ba1 / <i>Stable Outlook</i>	Ba1 / <i>Positive Outlook</i>	October 2018
<b>S&amp;P</b>	BB+ / <i>Stable Outlook</i>	BB+ / <i>Positive Outlook</i>	April 2020
<b>Fitch</b>	BBB- / <i>Negative Outlook</i>	BBB- / <i>Stable Outlook</i>	May 2020

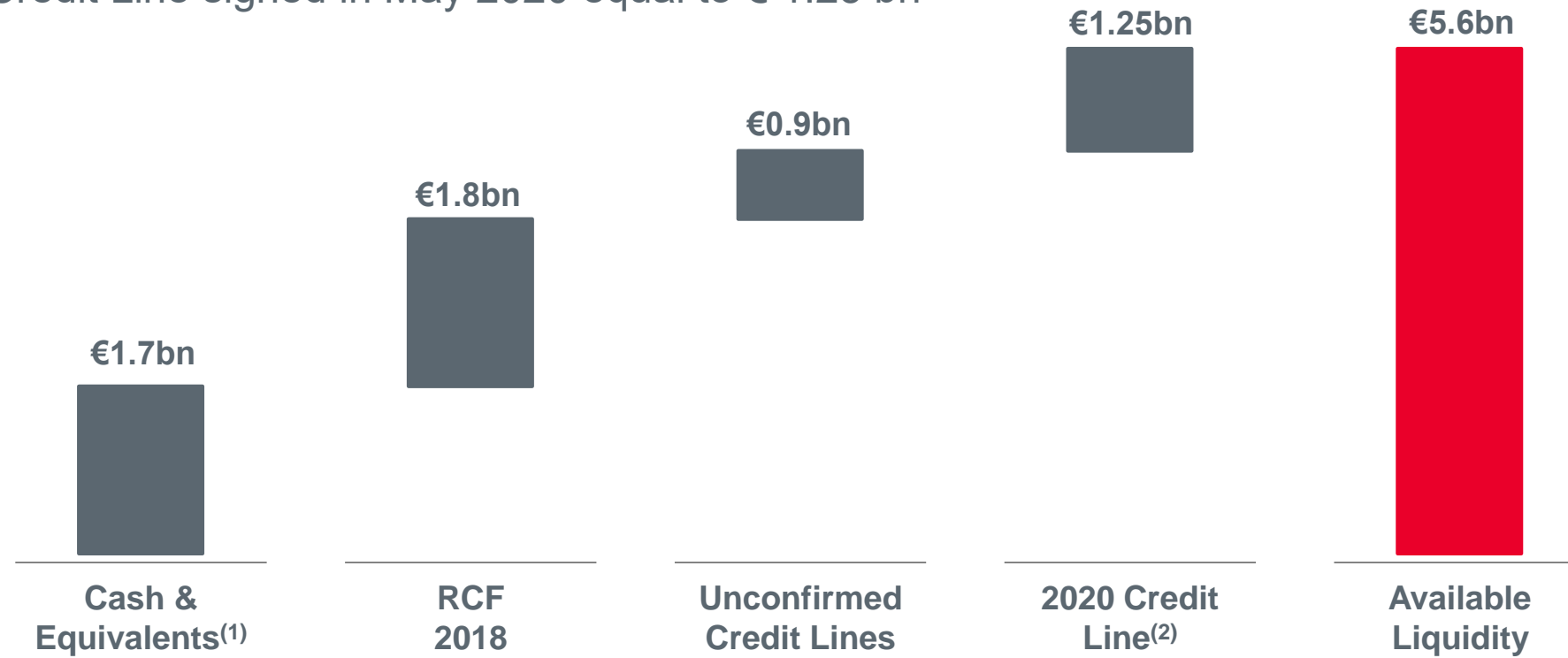
(1) Pro forma for January 2021 bond reimbursement and the EIB financing drawdown





## Strong liquidity position at € 5.6bn

- Cash availability<sup>(1)</sup> 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<sup>(2)</sup>



(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



## Development costs capitalised as intangible assets as at 31 December 2020

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

(\*) Movements w/o cash and PL effects

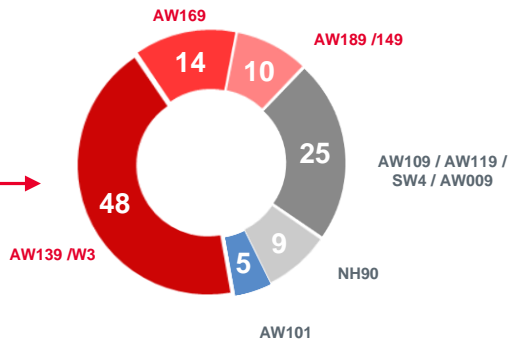
(\*\*) Kopter



# Helicopters

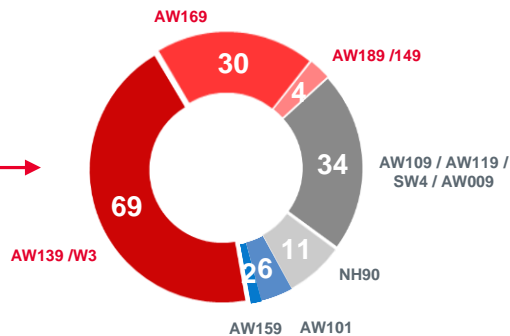
## DELIVERIES BY PROGRAMME

FY2020 = 111 new units



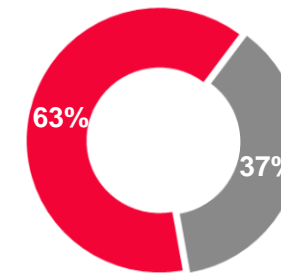
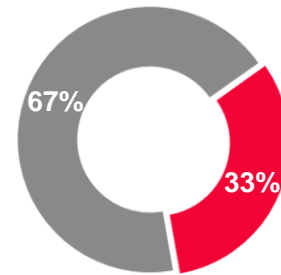
AW FAMILY

FY2019 = 156 new units



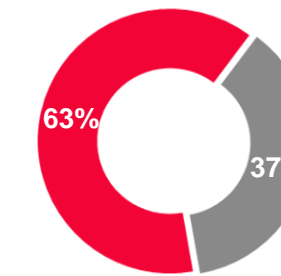
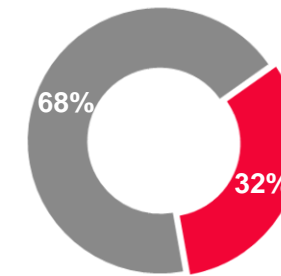
## REVENUES BY CUSTOMER/SEGMENT

FY2020



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

FY2019



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



## 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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