



Leonardo Investor Day

Focus on US Business

Investor Relations and Credit Rating Agencies

—
Philadelphia, 24 October 2019





Agenda

- **Executing our Industrial Plan**
- **Focus on businesses**
 - > **Helicopters: on track for sustainable growth**
 - > **Electronics: a gem in the crown**
 - > **Leonardo DRS: poised to continue growth and expand margins**
- **Creating value building a sustainable long term business**

Alessandro Profumo, Chief Executive Officer

Gian Piero Cutillo, MD Helicopters Division

Norman Bone, MD Electronics Division

William J. «Bill» Lynn III, CEO Leonardo DRS

Alessandro Profumo, Chief Executive Officer



Key messages

- **The Industrial Plan is on track**
 - We are delivering through our businesses across the Group
 - Helicopters turnaround progressing well
 - Defence Electronics businesses going from strengths to strengths
 - DRS strongly outperforming the attractive US market
 - Achieving successful international commercial strategy
 - Ambitious about the opportunities for continued growth in the US



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On track for sustainable growth

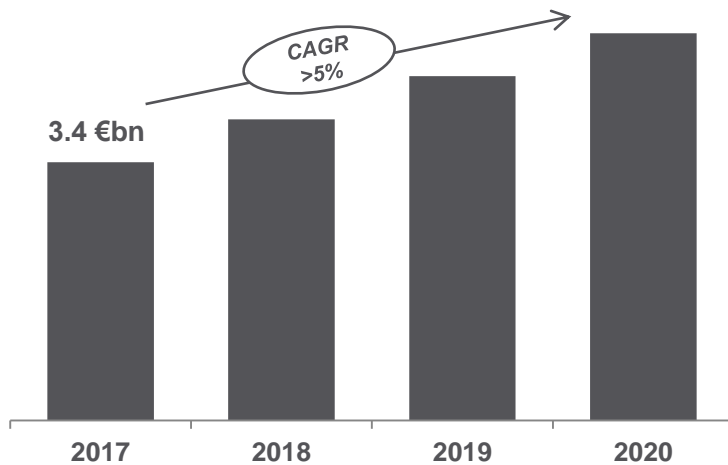
- Successfully achieving our Industrial Plan targets, notwithstanding challenging civil market
- Performing pretty well in Military market
- Weakening civil market, keeping our leadership position (especially 3-10 tonne)
- Stronger offer for Customer Support & Training and digitalization
- Targeted investments in our future products, services and technologies
- Strengthening further our commitment to Safety
- US increasing relevance



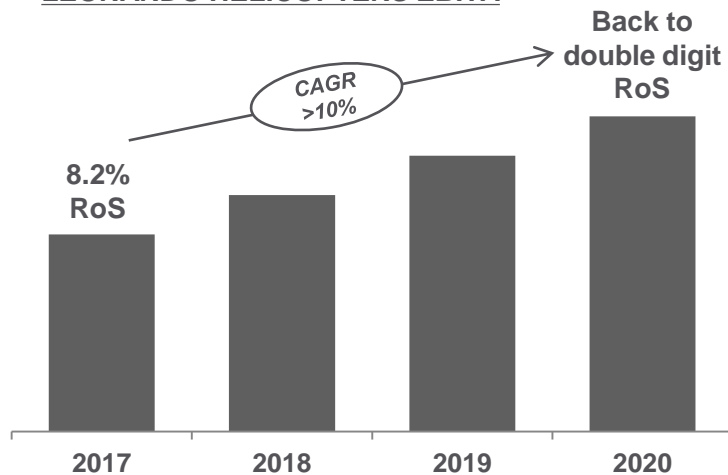


Fully focused on Industrial Plan Objectives: returning to sustainable growth

LEONARDO HELICOPTERS REVENUES



LEONARDO HELICOPTERS EBITA



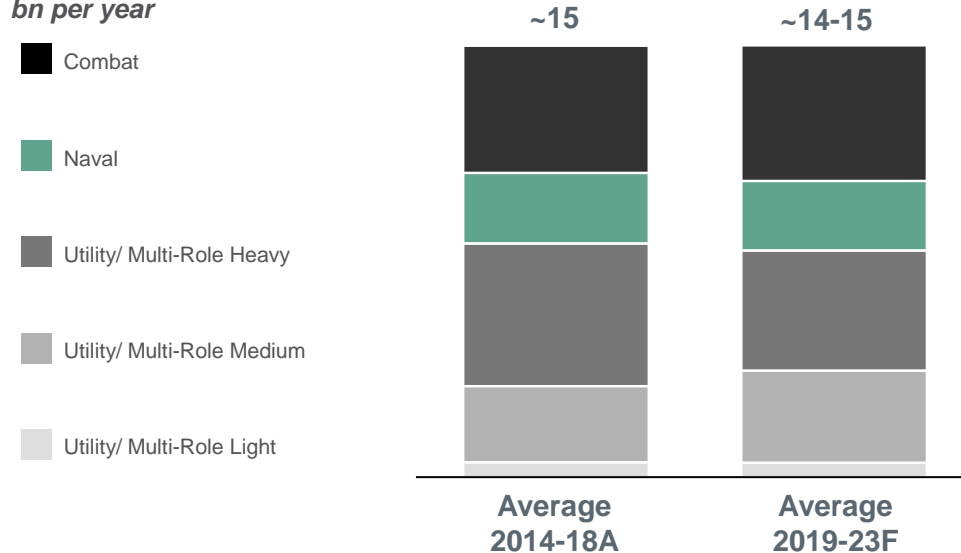
- **Committed to top line increase, 2017-2020 CAGR \geq 5%**
 - Military and Customer Support & Training ahead of schedule...
 - ...more than compensating current civil market challenges
 - New commercial initiatives to sustain civil sales
- **Double digit profitability by 2020 confirmed**
 - Reaping the benefits of launched actions
 - Profitability recovery slightly faster than planned
 - Cash conversion improving but working capital level still high
- **Increasing our international Customers base** to reduce risk and maximise geographical reach



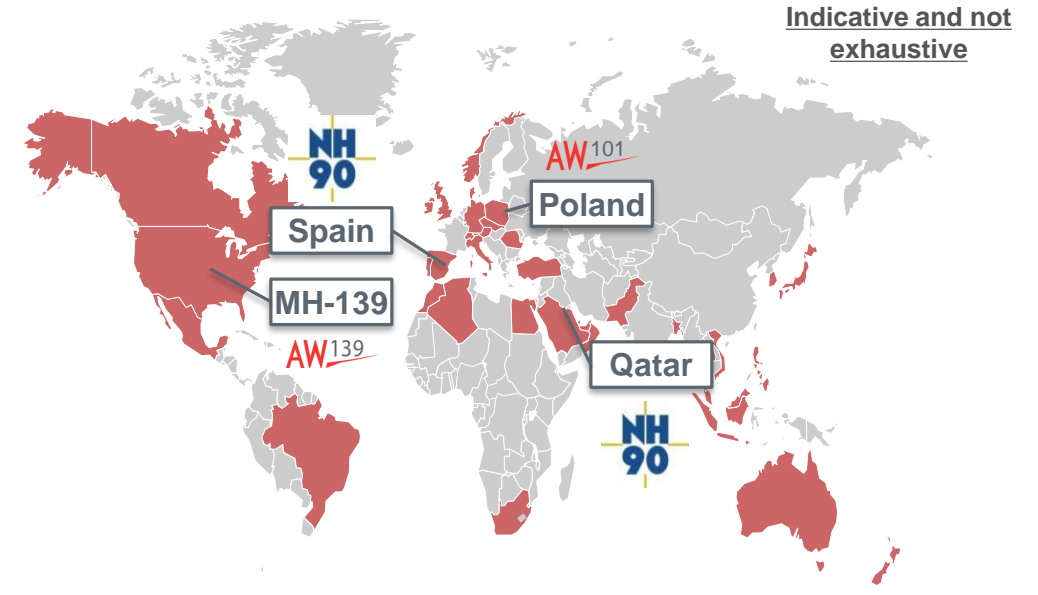
Attractive military market supported by new opportunities

GLOBAL MILITARY MARKET

Total market value \$
bn per year



FOCUSED EFFORT ON KEY GEOGRAPHIES



- Opportunistic market, **substantially flat in the next five years:**

- New procurement cycles launched in specific countries
- Need of replacing aging fleets
- Expected increasing importance of **military variant of dual use helicopters**, especially for multirole segment

- **Leonardo addressable market ~40%**

- We outperformed the **Military** market thanks to focused sales effort:

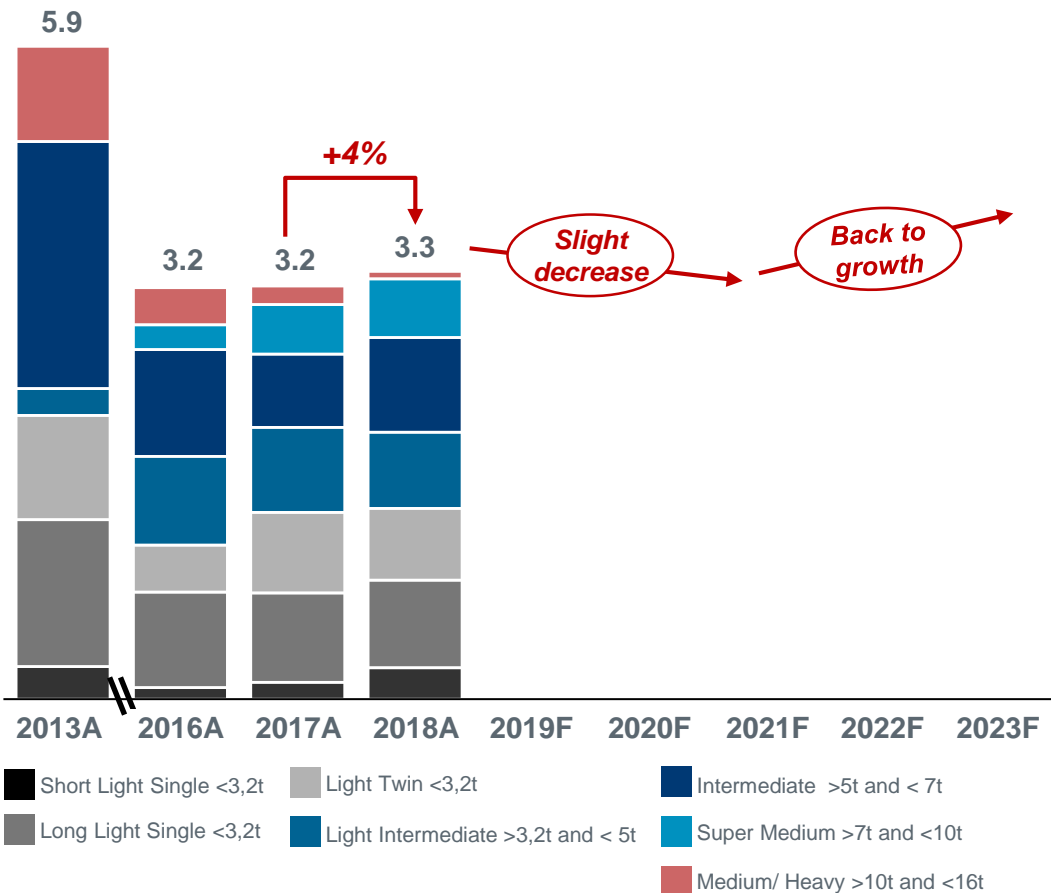
- Leveraging on **competitive dual use and specialized platforms**
- Consolidating the current Customers base and penetrating **new geographies**
- Selected **cooperative efforts**



Civil Market reducing pace, we remain leader

CIVIL HELICOPTERS MARKET EVOLUTION

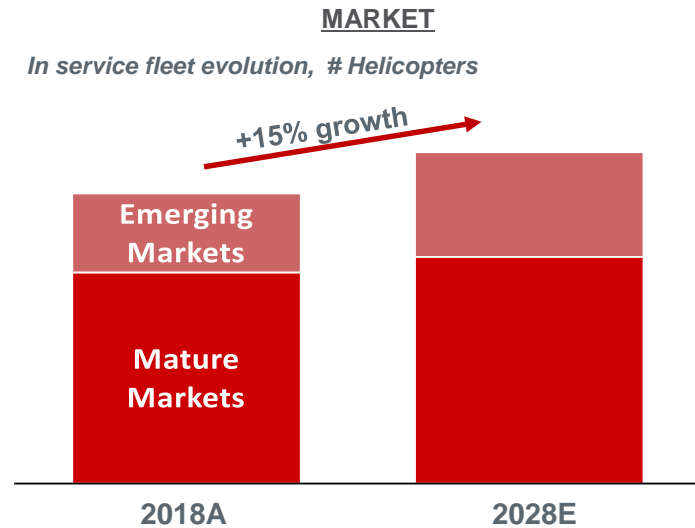
Market Value \$ bn



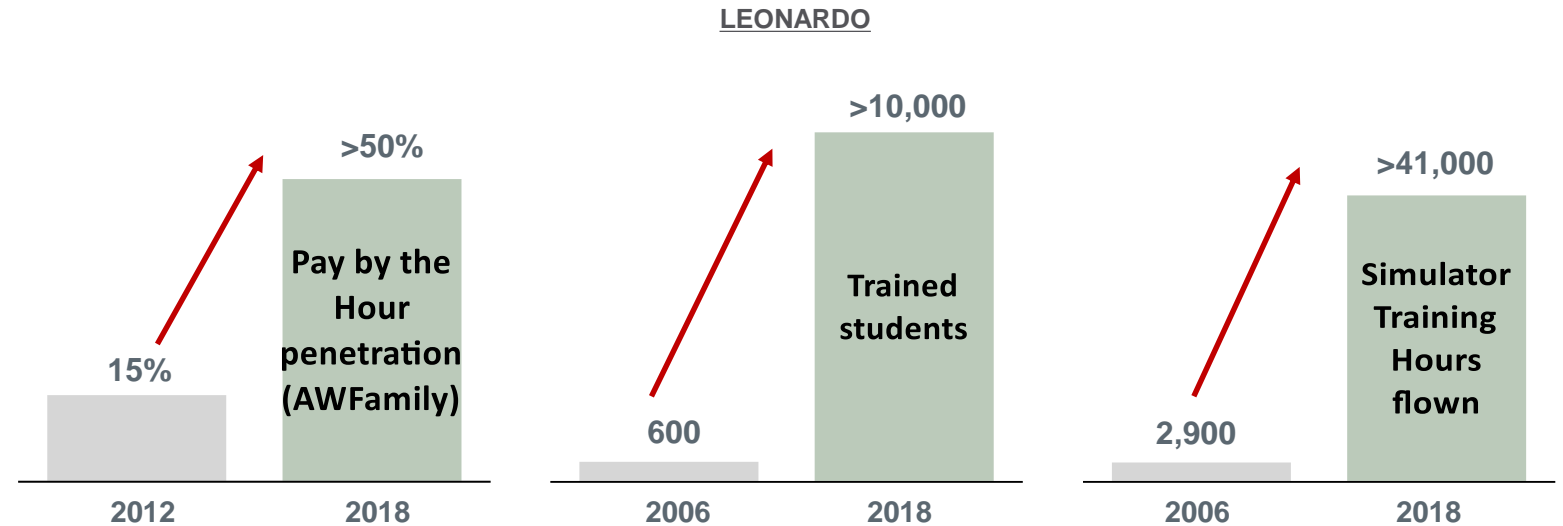
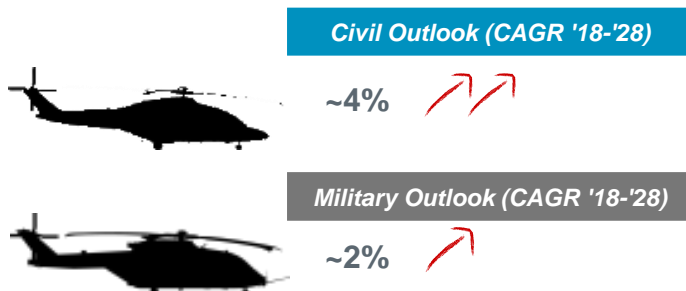
- Civil market slightly decreasing trend in 2019-21
 - Uncertain macro economic situation
 - Operating lessors financial issues
 - Difficulties of some large operators with knock-on effect on other operators
- Market expected back to growth from ~2022
 - Intermediate class main growth driver
 - EU and US by far the most important markets, China fastest pace
- We remain very well positioned
 - All our helicopters are **continuing to fly** (flight hours constantly increasing)
 - Almost the only OEM that has **performed sales in the O&G segment**
 - **Clear leadership in the twin engine**
 - **Delivered 1000th AW139** in Sept '19



Customer Support & Training is a priority business in a growing market



Maintenance & Support Services market trend



- **Priority business:**

- **Steadily growing business**, resilient to market fluctuations
- Driven by our **growing fleet**, **higher flight hours per helicopter**, **wider service portfolio**
- High impact on **Customers satisfaction and retention**
- **Mission effectiveness and safety**

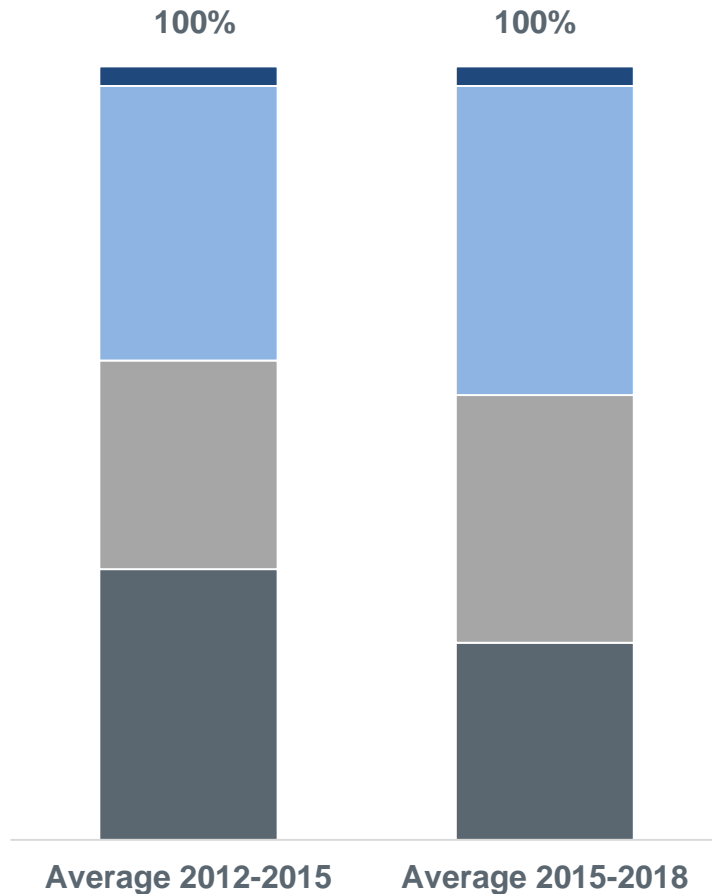
- **Key investment area:**

- **Innovative digital services** to increase Customers' service level and value generation
- **Advanced services** to maximize fleet availability
- Global footprint and **customer proximity**
- **Worldwide logistics** to guarantee next day parts delivery to Regional Customers

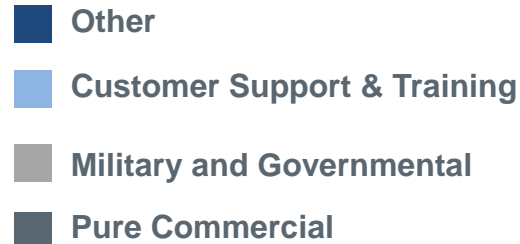


Balanced orders across Commercial, Military and Customer Support & Training

DIRECTIONAL*



- **Balanced volumes across the 3 core segment:** Commercial, Military & Governmental, Customer Support & Training
- Military & Governmental and Customer Support & Training **offsetting lower Commercial volumes**

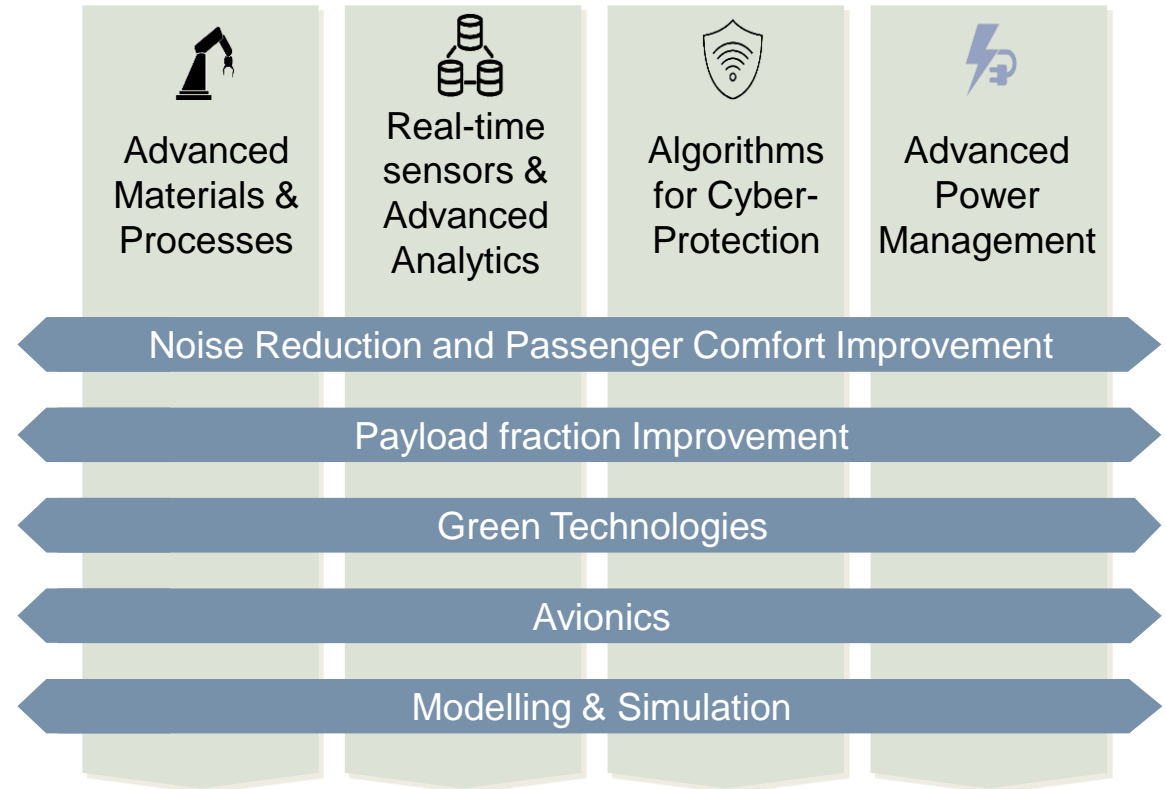


* Purely directional data

Investing in innovative products and disruptive technologies



Dual-use TiltRotors and RUAV introducing a step change in mission capabilities to better respond to current and new operational needs



Transversal technologies and helicopters-focused technologies are the key pillar to sustain long term competitive advantage

Safety is a core Company value

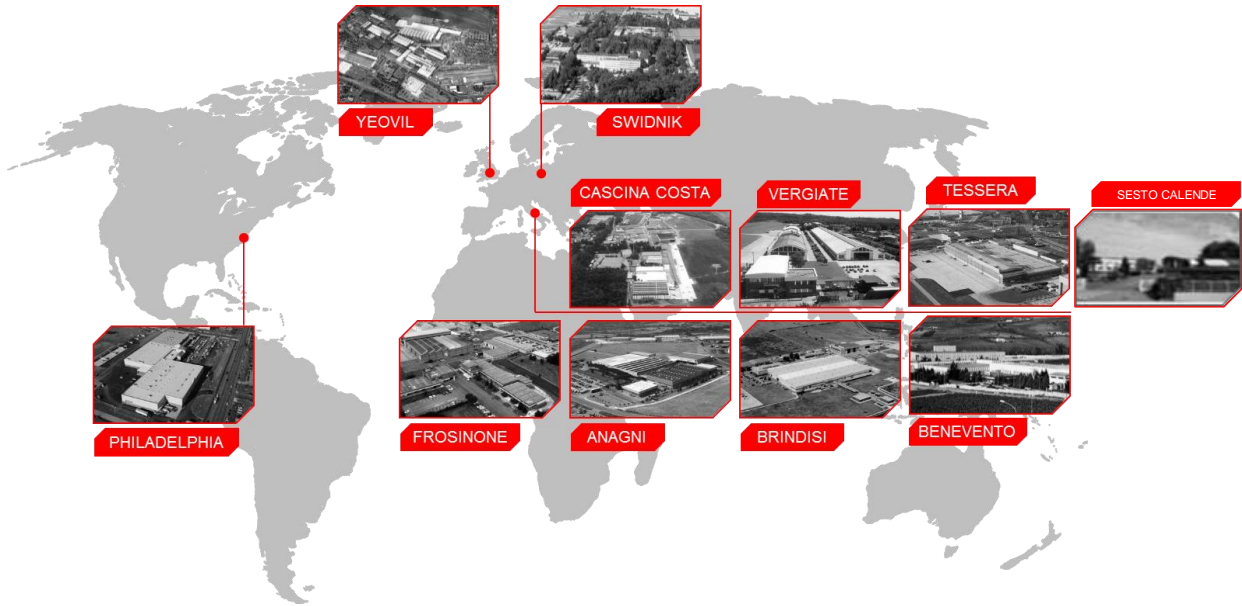


- Strongly committed towards **continuous improving our Safety**
- We look at **helicopter as a “system”**, not only as a platform
- **New “Safety Systems Governance”** in place
- Focus on **state of the art processes, products and services...**
- ... leveraging on internal **“network of safety partners”** and collaborating with external **“Safety Stakeholders”**



We have global reach

GLOBAL INDUSTRIAL FOOTPRINT



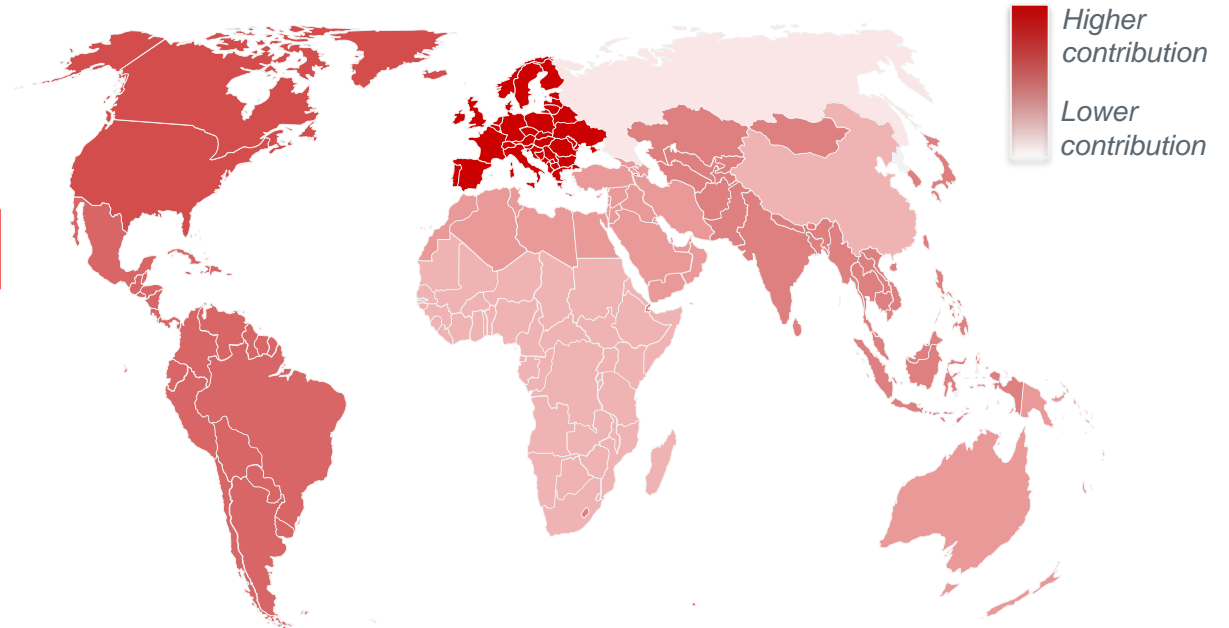
4FOUR
DOMESTIC
MARKETS

ITALY
UK
USA
POLAND



GLOBAL MARKET

Leonardo Helicopters fleet distribution



About **150**
countries use our
products, systems
and **services**

Increasing position in the US domestic market: proud to serve our Customers in American skies

Industrial Center of Excellence

- Our Philadelphia facility from assembly plant to **Centre of Excellence**
- ~500 Mln€ revenues from our US facility;
- **Home of innovative AW609** development and manufacturing
- Leadership and management of **complex programs** (i.e. **MH-139** and **TH-119 development**)
- **New state of the art Training Academy** launched in 2019

Key growing market

- Our **US fleet doubled in 10 years**
- ~**250 Mln€ revenues from US customers** in 2018 (+60% vs 2016)
- We are the **OEM that generated more revenues from civil helicopter deliveries in 2018** for the second year in a row
- We want to **develop our US business further**
 - **MH-139** selected by **US Air Force** opening **new opportunities in US and abroad**
 - **TH-119** perfect choice to meet **US Navy TH-XX** requirements
 - Product specific and commercial actions focused on the **US civil customers**





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- 1. The change**
- 2. The rationale – reminder**
- 3. The journey – so far**
- 4. The plan – update**
- 5. The benefit**



Key messages

- **A bigger Division, addressing the largest part of the A&D market**
- **Bringing Business Units together to make them stronger, through**
 - Internationalisation
 - Focus on performance
 - Product Development Synergies
- **High quality businesses with real momentum**
- **Delivering on promises to execute to schedule**
- **Significant opportunity ahead**
 - Double digit profitability
 - Cash conversion well above Group average
 - CAGR in excess of market trend
 - Delivering long term sustainable growth

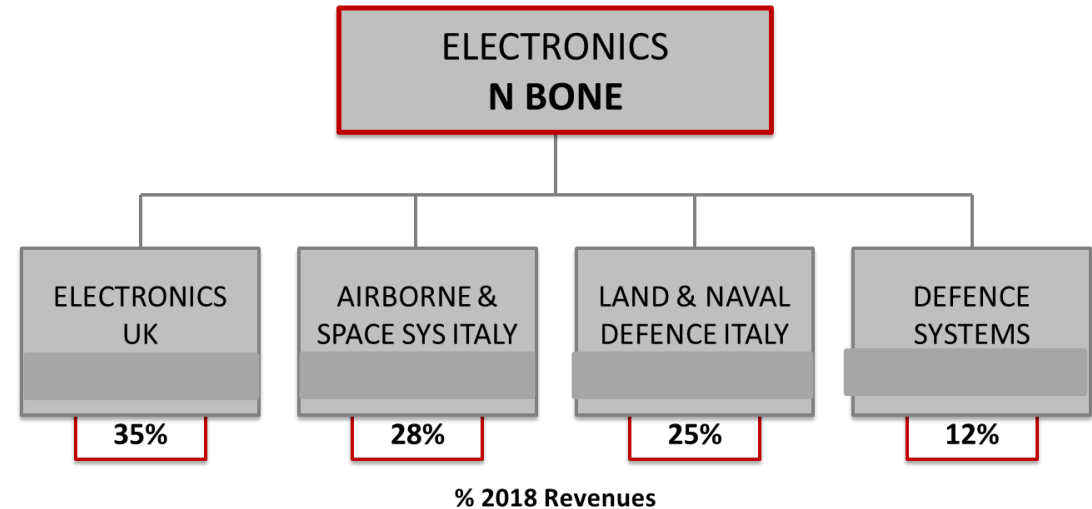
TODAY

- **Focus on performance**
- **Internationalisation**
- **US Market**
- **Sustainable Growth**



One Electronics Division within One Leonardo

- On 1st February 2019 Leonardo creates a new Electronics Division, which brings together the former
 - Airborne and Space Systems Division
 - Land and Naval Defence Electronics Division
 - Defence Systems Division
 - Automation Systems and Traffic Control Systems Lines of Business (both formerly under Security and Information Systems Division)
- Automation managed separately
 - Long term strategic direction
 - Execution issues to be addressed
- Cyber outside division – specific focus area
- Vitrociset added to perimeter
- Addressed historical inconsistencies
 - E.g. air traffic control
- Created the right structure to enhance commercial performance





How we are going to do it...





Transition Plan to be accomplished over the medium term

15 WORKSTREAMS CREATED (WS)

- Two WS are Turnaround of 2 lines of business
- Four WS relate Engineering including Research and Development
- One WS in Marketing and Sales
- Four WS in Operations and Procurement
- One WS in UK Cost Efficiency
- Two WS in People and Structure and Culture
- One WS for Information & Technology



Turnaround

AUTOMATION AS WAS

- Good Technology
- Able to compete in the market
- Poor Execution
- Inadequate disciplines
- Skilled resource shortage

TRAFFIC CONTROL SYSTEMS NOW

- Able to complete in the market
- Competitive Technology
- Delivery on time poor
- Customer support inadequate
- Organised on market structure

FUTURE AUTOMATION

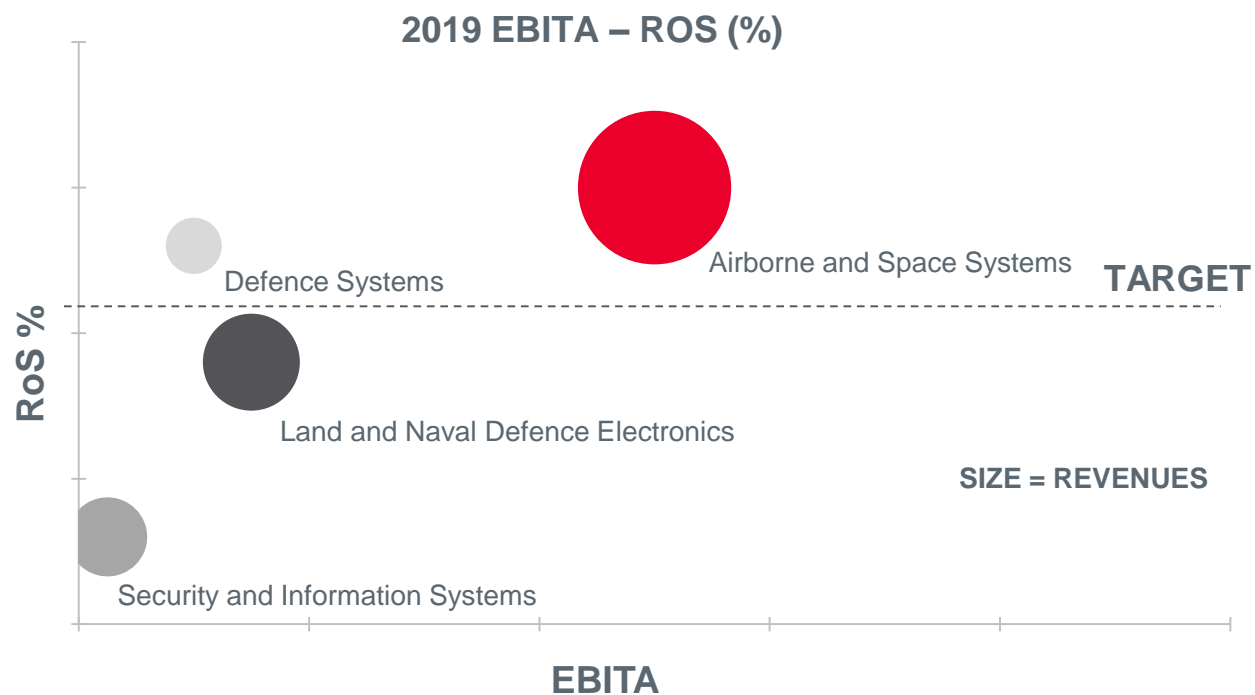
- New Structure
- Integrated Project Team
- Configuration Control
- Account management principles
- Reviewing partnership models

FUTURE TRAFFIC CONTROL SYSTEMS

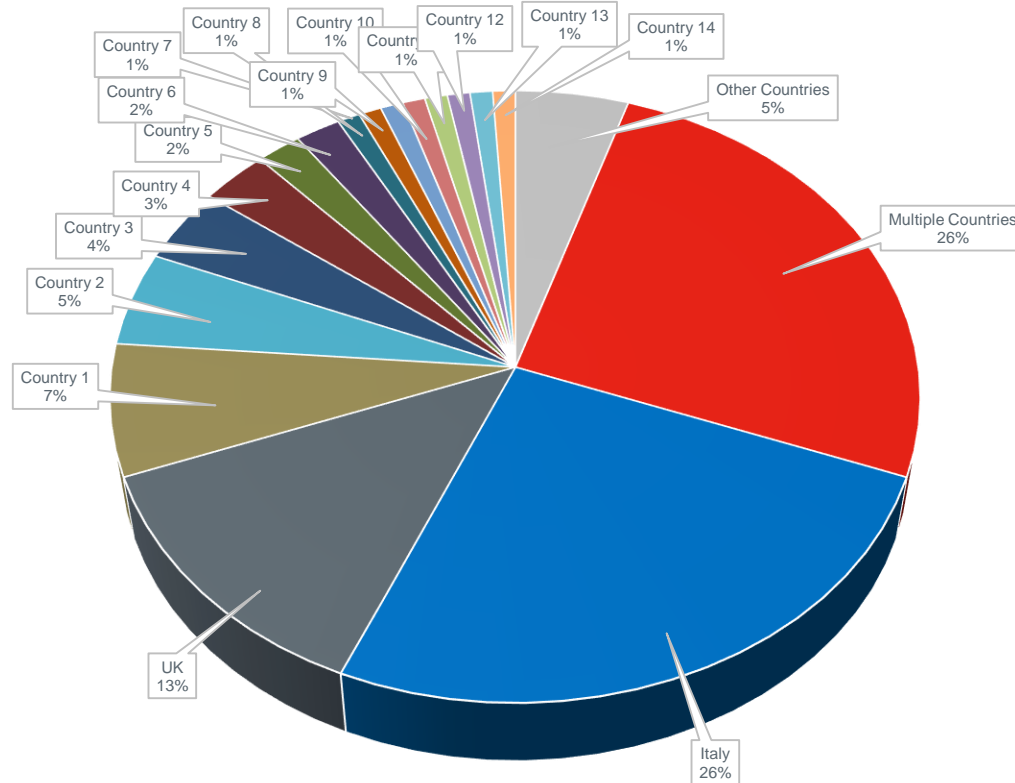
- Embedded into Land & Naval Business Unit
- Common Radar development team created between Naval/Air Defence Lines of Business and TCS
- Investing in production for support
- Account management principles
- Reviewing Strategic Market position



Our path to double digit profitability...



Diversity through internationalisation

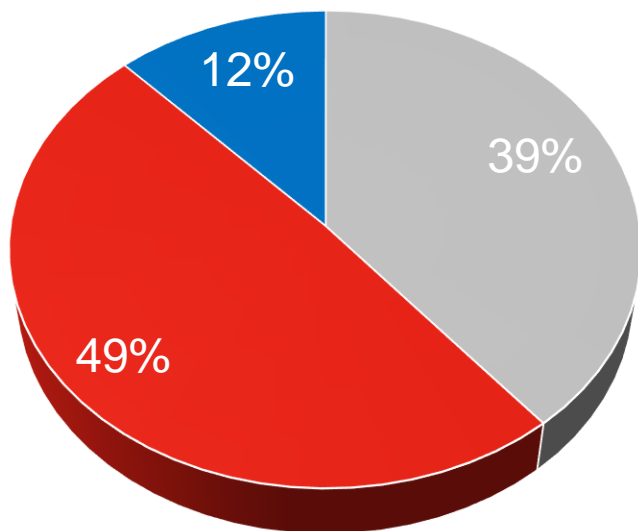


- In 2019, the Division is forecasting to take around 800 new contracts, with 90% of these being less than €10Mln in value
- More than 3500 projects and prospects are managed across the Division at any time
- 39% of Orders in 2019 are in our Italy & UK Domestic Markets
- In 2019, the Middle East is our largest export region at ~17% of order intake; Qatar is our largest customer, followed by Saudi Arabia, Kuwait and the UAE
- Central Asia is at ~6% of Order Intake with the largest export customer Naval Systems (Turkmenistan)
- ~5% of the Division's 2019 Order Intake is from ~45 other countries and agencies, most of which are <1% each of the order intake



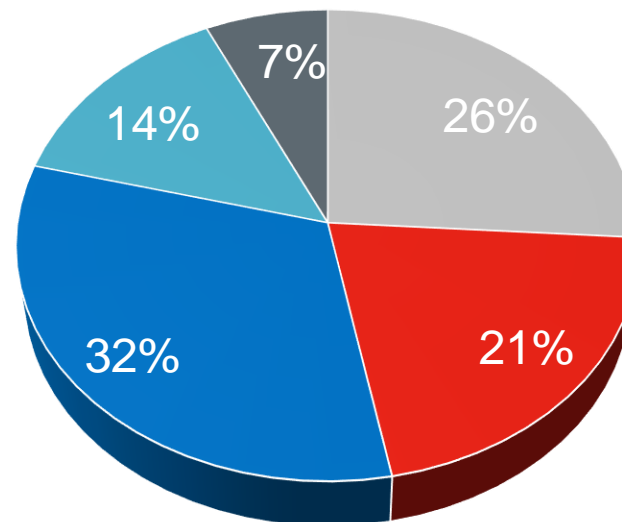
Well Diversified Order Intake Full Year 2019

MARKET



- Domestic
- Export
- Intercompany

BUSINESS UNIT



- Land and Naval
- Electronics UK
- Other
- Airborne & Space Systems
- Defence Systems



US Programmes and Platforms

- Capabilities complementary to Leonardo DRS
- Positioning European Products in US through US Primes
- Builds on Airborne Heritage



EW and Laser Designation
US Army Apache AH-64
Boeing/LMCO (EW & Laser)



IRCM (DIRCM/CIRCM)
AC-130U, C17, Rotary Platforms
NGC/USAF/US Army



Seaspray/Osprey radars & support
MEA KA350/C-550/MQ-9B
US CBP/SNC/L3/Collins UTC/GA



Osprey 30 Radar/ZPY-8 MQ-8C
Fire Scout UAS
US Navy



UAS Services
FALCO UAV
Leonardo and United Nations



HF Radio/Searchlights/Lighting & Displays
Multiple Fixed & Rotary Wing Platforms
Boeing LMCO Honeywell US Army



Type 163
Hand-held laser designator
Special Operations/US Army/USAF/NATO/FMS



BriteCloud EAD and Derivatives
Multiple Fixed Wing and UAS
US Navy, SOCOM, USAF (FCT)



Laser & repair/production + lighting solutions
F-35 Lightning II
LMCO



Laser & repair/production
F-15, F-16, F-18 etc.
Lighting and Sniper Pod
NGC and LMCO



SeaSpray Radar and support
HC-130H
USCG



SAGE ESM
MQ-9B and C-550
GA and Leidos



Key US Laser Programmes



- Next gen. rifle mounted laser rangefinder
- STORM 2
- US Army



- Efficient Ultra-Compact Laser Integrated Devices (EUCLID)
- Research & Development
- DARPA



- LDEW Components
- UK Dragonfire
- Leonardo



- LiDAR
- Automotive applications for self-driving cars
- Multiple



- M2 IFV
- Bradley Eye-safe Laser Range Finder (BELRF)
- US Army



- US Navy, Marine and Air Force Fighters and Bombers
- Advanced Laser Designators
- NGC and LMCO



- Directed Energy Components
- Directed Energy Programmes (R&D)
- Missile Defence Agency



- Lasers for medical aesthetic, diagnostic & therapeutic applications (e.g. laser hair removal)
- Multiple Customers



- Industrial applications for materials processing
- Multiple Customers

Tempest – Typhoon to Typhoon LTE and Beyond

- In July 2018 the UK Government launched its Combat Air Strategy, delivering an ambitious vision for the future
- The strategy confirmed the UK's intent to remain at the cutting edge of combat air systems development in order to meet the UK's National Security Objectives - to best protect its people, project influence and promote prosperity
- The strategy set out a clear statement of intent as to how the UK will preserve its national advantage and maintain choice in how combat air capability is delivered
- This commitment includes working alongside **international partners** to develop and deliver the best possible capability
- Leonardo UK Electronics selected as core partner



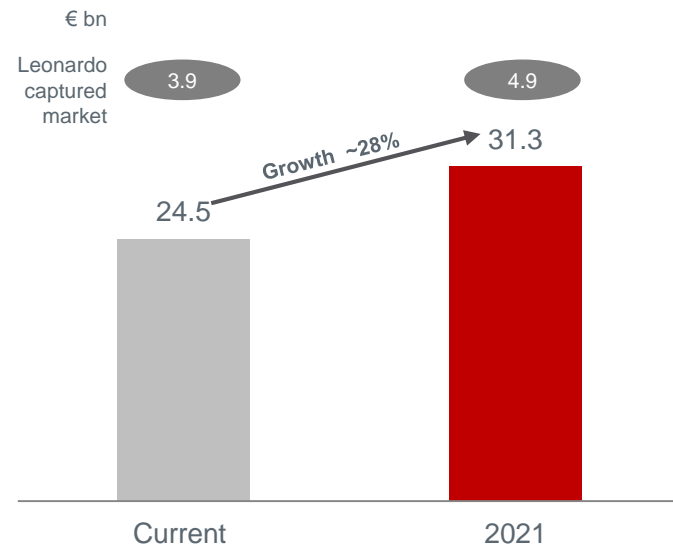
Electronics UK & Italy – Next Pillar

- On the 10th September the Governments of Italy and the UK signed a Statement of Intent (SOI) as a broad pledge to cooperate on matters of “combat air capability.” The idea is to “deepen discussions on Tempest military requirements,” come up with a “road map” for feeding advanced Eurofighter capabilities into the future programme, and facilitate an industry ecosystem to make it all happen
- The inclusion of Italy in the programme marks the third partner nation, following Sweden in July
- Both of our national industries have a strong pedigree of working well together (e.g. Tornado, Typhoon) and offer key complementary capabilities
- We also hold similar views on the future operating environment and share an aspiration for an affordable and sustainable industrial base
- Effective international partnering was identified as fundamental to the Combat Air Acquisition Programme



Achieving our full potential...

ELECTRONICS ACCESSIBLE MARKET



LEVERAGING SUCCESS AND EXPLOITING OPPORTUNITIES

- Longevity of Typhoon
- Tempest
- Future Capabilities
- Future Support Models
- Partnerships
- Addressing the Export Market





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Overview

We have eight lines of business organised into three customer-facing sectors

- Leading U.S. mid-tier defence company with over 6,500+ employees worldwide
- Recent reorganisation and customer focus has created diversified product portfolio
- *'Mid-tier'* level creating significant market advantage
 - Platform 'agnostic'
 - Agile decision making
 - Streamlined lean cost structure



NAVAL SYSTEMS

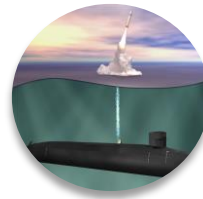
AIRBORNE & COMMUNICATIONS

Naval Power

Naval Electronics

Global Enterprise Solutions

Airborne & Intelligence Systems



ARMY SENSORS & ELECTRONICS

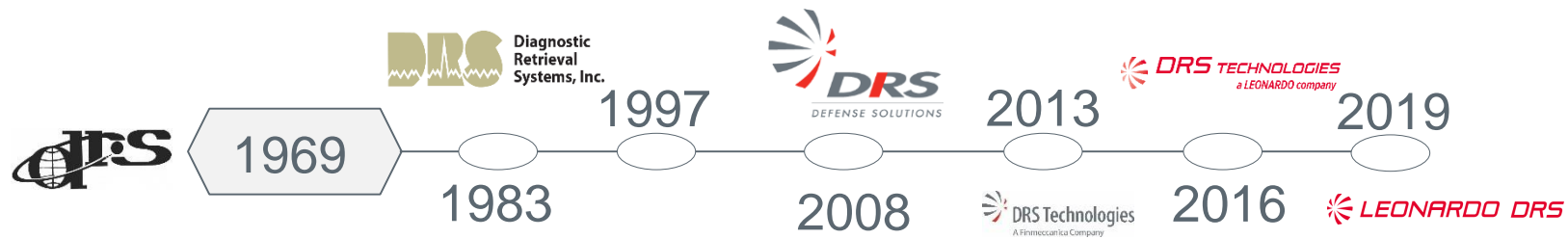


Land Electronics

Electro Optical & Infrared Systems

Land Systems

Daylight Solutions





Leonardo DRS contributing to Leonardo's Industrial Plan targets

- **US Defence Budget continues to rise**
 - 2020 Projects healthy 3% growth
 - Growth curve 'flattens' in 2021 & beyond but spending at historically high levels with bipartisan support
- **Leonardo DRS uniquely positioned to excel in current market dynamics**
 - Leonardo DRS revenue growth continues to outperform U.S. defence market
 - Mid-Tier Position enabling enhanced 'quick to market' strategy accelerating growth
 - Growth driven by **strong product alignment** with Army and Navy modernisation initiatives
- **Profitability growth**
 - Current Profit (EBITA) growing at double digit rates annually
 - Future Margin Expansion driven by a combination of factors
 - Product portfolio allows for strong EBITA to Free Cash Flow conversion

Leonardo DRS poised to continue growth and expand margins

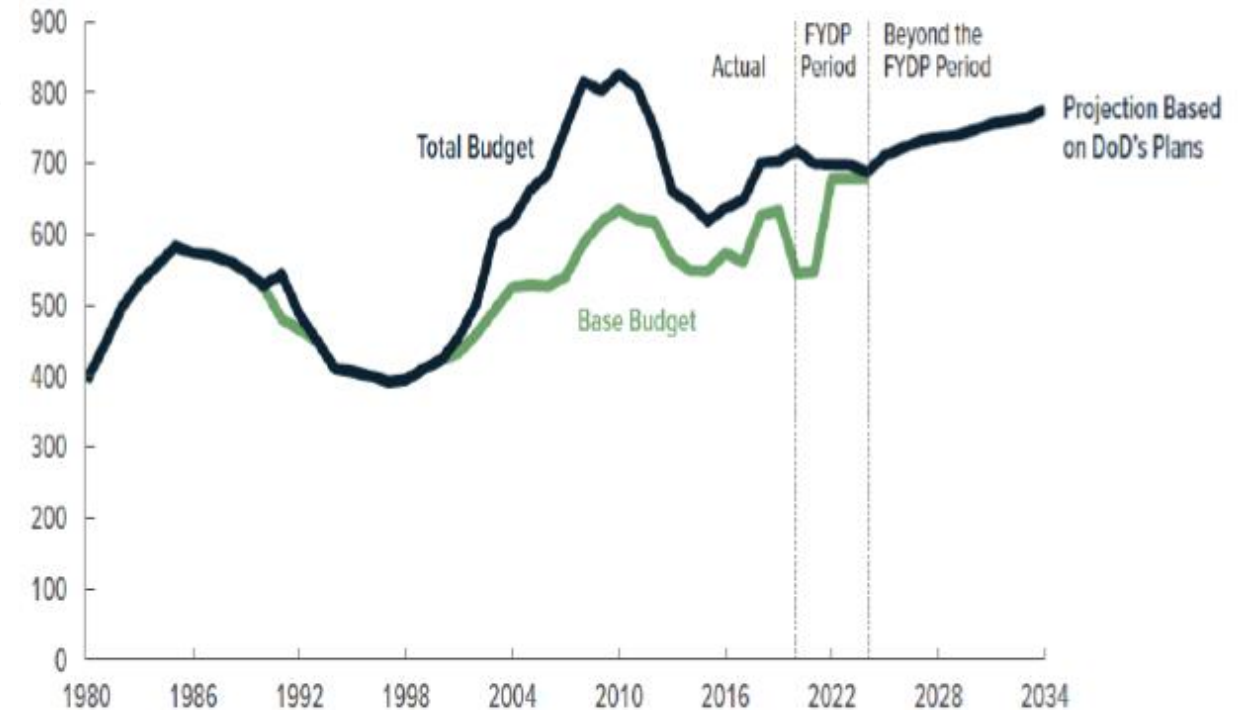


US Defense Budget Outlook

- **New Two Year Budget Deal in Congress**
 - Raises FY20 & FY21 budget caps and ends sequestration
 - Stabilised defence planning
- **DOD Budget Growth of 3%, from already high historical base levels, in FY20**
 - Strong defence budget of 5% growth for 2017-2019
 - FY20 BBA deal provides \$738B topline – 3% growth
- **FY21 and beyond, Growth Flattens Out**
 - 2021 budget only \$3B higher than 2020 – flat budget
- **Budgets Support National Defence Strategy**
 - Operationalise National Defence strategy
 - Modernise air, maritime, and land domains
 - Develop and field innovative technologies
 - Recapitalise legacy equipment to field new systems

FUNDING FOR DEPARTMENT OF DEFENCE

Billions of 2020 Dollars

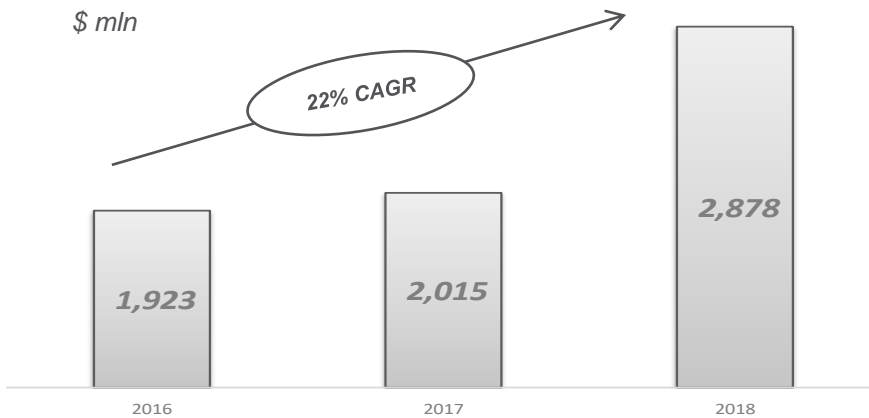


Despite 'Flattening' Budget – Leonardo DRS positioned to outperform market resulting from strategic portfolio alignment

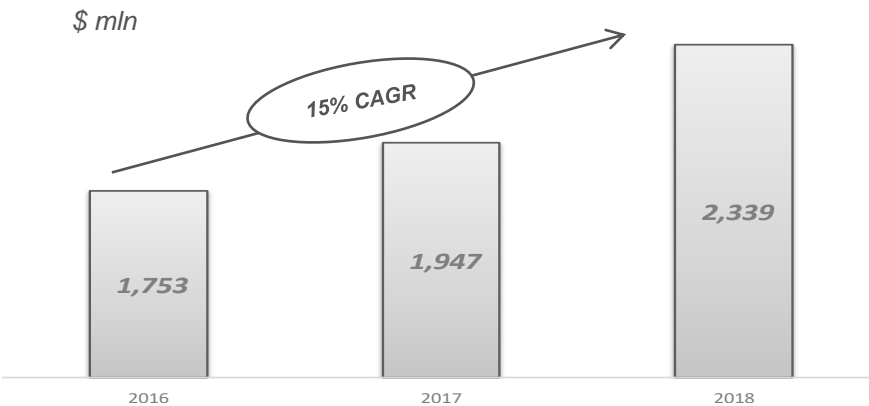


Growth: Leonardo DRS outperforming US defence market

NEW ORDERS CONTINUE ABOVE MARKET



REVENUE TRENDS EXCEED US DEFENCE MARKET



LEONARDO DRS ALIGNED IN HIGH GROWTH SEGMENTS

- **Army Electronics & Sensors**
 - Product alignment within Army's key modernization priorities fueling continued growth
 - **2018 Revenue Growth – 26%**
 - **2017 Revenue Growth – 35%**



- **Naval Systems**
 - Provides power propulsion and control technology as well as shipboard electronics and computing on the Navy's highest priority platforms
 - **2018 Revenue Growth – 32%**
 - **2017 Revenue Growth – 7%**





Six Army Modernisation Priorities Driving Growth

- **Next-Generation Combat Vehicle** ✓

- Aligned to be positioned for situational awareness and targeting, including next generation sensing and Active Protection System

- **Future Vertical Lift** ✓

- Positioned to protect the platform through combination of degraded visual environment optics as well as state of the art infrared counter-measure (IRCM) solutions

- **Network** ✓

- Leonardo DRS has secured the Army baselined rugged computing solution on all ground combat vehicles

- **Air and Missile Defence** ✓

- Received contracts to support Counter UAS and Short-Range Air Defence solutions on the ground and IRCM defences for airborne platforms

- **Soldier Lethality** ✓

- Designed next generation weapon sights and targeting systems providing soldiers battlefield over-match

- **Long-range Precision Fire**



Leonardo DRS well balanced across Army's major initiatives driving growth opportunities



Army Growth: Quick Response = Rapid Growth

- **New environment has rewarded innovative companies that are quick to market and cost competitive**
 - Leonardo DRS organisational structure affords both streamlined decision making coupled with a lean cost structure resulting above market growth
 - Across all modernisation priorities is an element of 'Force Protection' for both our soldiers, and infrastructure
 - The successful penetration of the this new market has fostered our above market growth and is fueling the optimism for sustained growth into the future
- **Force Protection Success**
 - Trophy Active Protection System – to supply 4 brigades of Abrams Tanks to automatically detect and destroy incoming projectiles
 - Counter Unmanned Aircraft Systems – supplying the US army with both hard and kinetic defeat capabilities
 - Infrared Counter Measures – Protecting aircraft from heat-seeking missiles

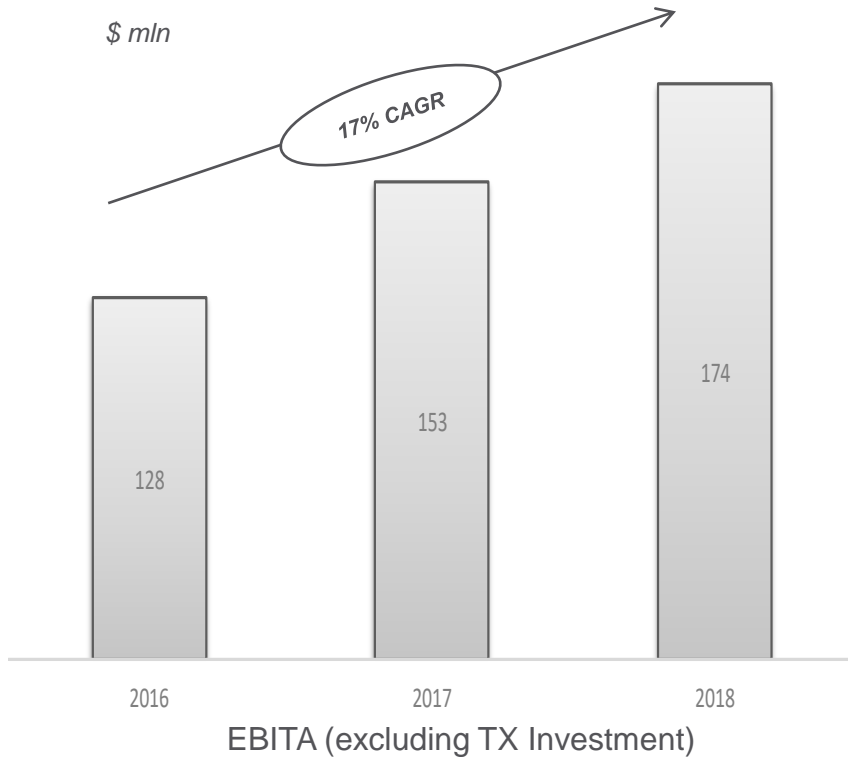


Force protection generated over \$750m of contract value received to date with 3x that amount in 'soft backlog' for production opportunities



Driving Improving Profitability

DOUBLE DIGIT EBITA GROWTH



MARGIN EXPANSION

- **17% EBITA CAGR supporting increased shareholder return**
- **Increased EBITA margins drive free cash flow generation**
 - Programme portfolio / required investments allow for above market conversion of EBITA into FCF
- **4 Levers to Further Profit Enhancement**
 - Revenue growth
 - Operation Excellence
 - Selective Investments
 - Programme life-cycle

Leonardo DRS to deliver +10% operating margins during the plan period



4 Levers of Improved Profitability

TOP LINE GROWTH EXCEEDS COST BASIS

- Revenue Growth Trend Secure
- Maintain lean environment to enable competitive advantage while increasing shareholder returns

PROGRAMME LIFE CYCLE TRANSITION

- War-Time spending accelerated procurement of mature production hardware
- Recent modernisation awards have 'refilled' the funnel driving revenue growth trends, creating larger portion of development type programs
- As these next generation programmes move towards a healthier production mix, ROS will expand



OPERATIONAL EXCELLENCE

- Project launched geared at enhancing returns through a combination of efficiencies and cost cutting efforts
 - Enhanced manufacturing – reduction in scrap and rework
 - Supply chain focus – consolidation of vendors driving out cost through economies of scale

SELECTIVE INVESTMENTS

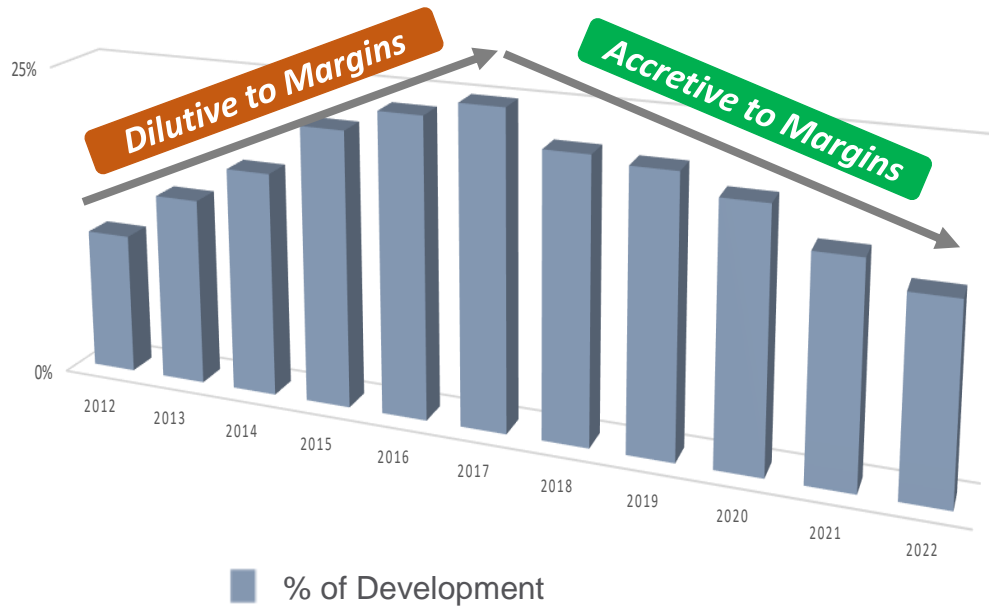
- Higher base business allows for more selective pursuits, reducing dependency on dilutive pursuits
- Stay within our Core Capabilities
- Utilise investments on existing development jobs to reduce risk on future opportunities

Multiple levers drive Leonardo DRS margin expansion

Development Programme Transition



LEONARDO DRS % OF DEVELOPMENT REVENUE



TIMELINE OF EVENTS

- ‘War-Time’ spending drove large production bubble in 2008 - 2012
- 2015-2018 Leonardo DRS awarded ‘next generation’ design programmes geared at refreshing existing technologies for network, soldier systems, ground vehicle sensing and airborne survivability
- 2019-2020 Leonardo DRS begins fielding these programmes at Low Rate Initial Production (LRIP) levels
- 2021 & Beyond – newly awarded next generation programmes transition into sustained production base returning development to normal steady state level of total revenue

Programme Life Cycle supports continued margin expansion



Key Takeaways

- **Optimistic on Growth Trajectory**

- Multi-year revenue CAGR and H1 2019 results confirm continued growth that exceeds industry peers
- Leonardo DRS remains well aligned with Pentagon's major procurement priorities
 - Army Electronics & Sensors well positioned within the U.S. Army's modernisation priorities
 - Successful penetration into adjacent markets driving increased optimism
 - Recent wins poised to enter into production, increasing revenue volumes
 - Naval Systems poised for continued growth based on ship-building and fleet modernisation efforts
 - Naval electronic systems growth driven by fleet modernisation efforts on network, radar and combat systems
 - Expanding market leading power and propulsion solutions onto increased ship-building priorities

- **Profit is Growing, Confident in Future Profitability Expansion**

- Revenue growth, programme life-cycle, efficiency efforts launched and selective pursuits all support continued margin expansion over the budget plan period
- Profit expansion will drive increased FCF performance while maintaining our already above market FCF conversion of EBITA

Leonardo DRS positioned for continued success



Agenda

- Executing our Industrial Plan
- Focus on businesses
 - > Helicopters: on track for sustainable growth
 - > Electronics: a gem in the crown
 - > Leonardo DRS: poised to continue growth and expand margins
- **Creating value building a sustainable long term business**

Alessandro Profumo, Chief Executive Officer

Gian Piero Cutillo, MD Helicopters Division

Norman Bone, MD Electronics Division

William J. «Bill» Lynn III, CEO Leonardo DRS

Alessandro Profumo, Chief Executive Officer



Execution of sustainability plan to create long-term value

Governance, reporting and culture

- A sound governance supports the achievement of sustainability targets
- Alignment of the executive pay with sustainability performance strategy
- Disclosure of non-financial information according to international standards
- Training and awareness to embed sustainability in our culture

The management of economic, environmental and social risks and opportunities creates long-term value, ensuring the robustness of returns

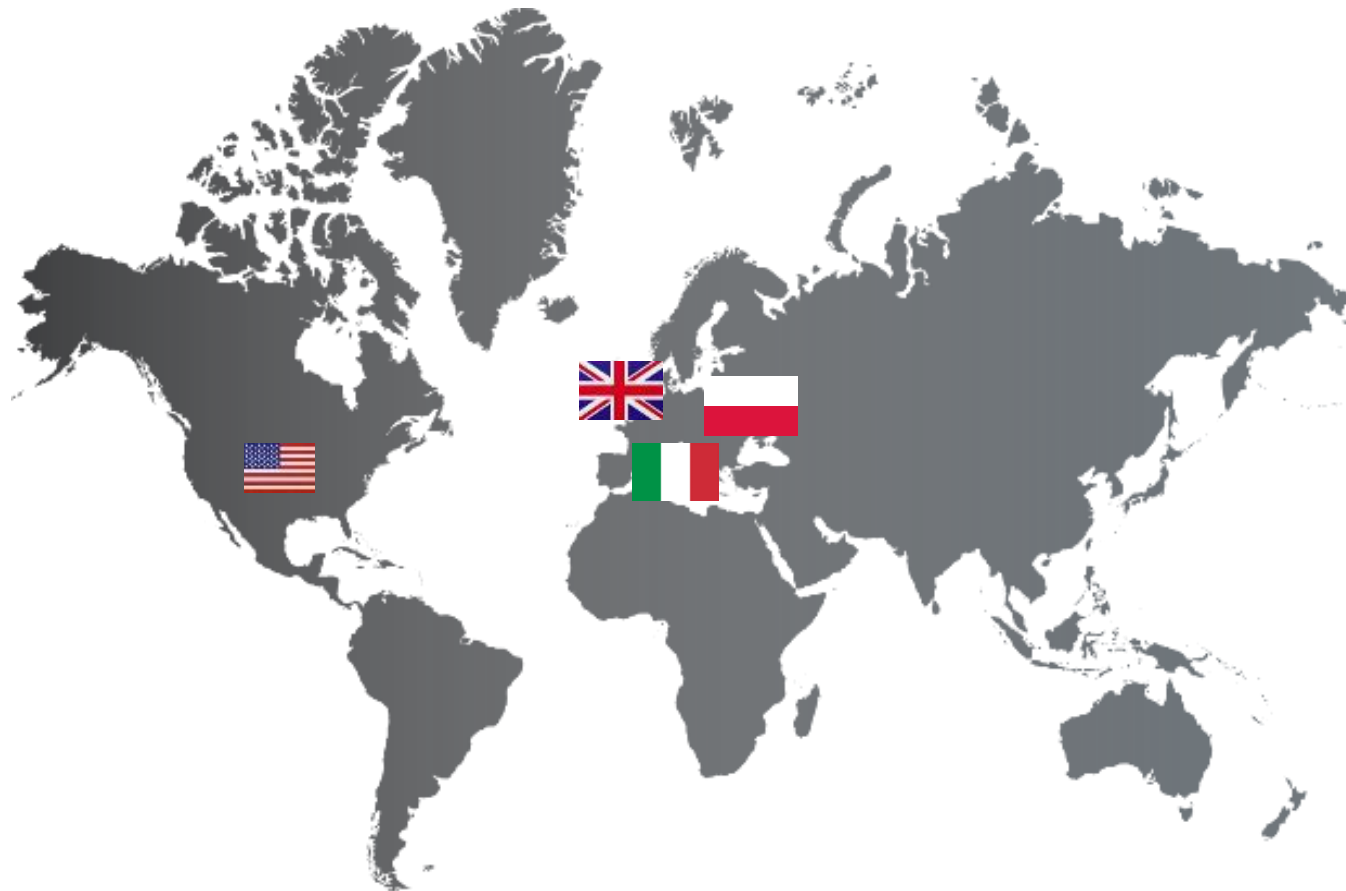
Q&A

APPENDIX



Increasing presence in international market

- Well balanced worldwide footprint and well positioned in key-high growth market



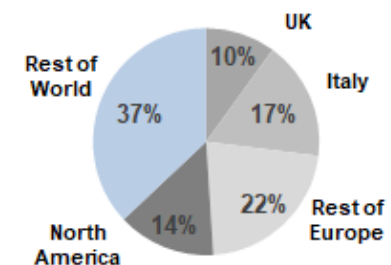
Strong industrial presence in four markets: **Italy, UK, USA** and **Poland**

46,462 employees in **170 sites** and offices worldwide

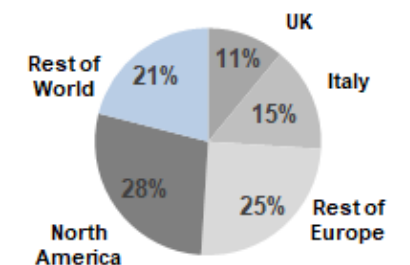
About **150 countries** use our products, systems, and services

Strategic partnerships in the most important high potential international markets

WORLDWIDE PRESENCE
(FY18 BACKLOG = € 36 BN)



WORLDWIDE PRESENCE
(FY18 REVENUES = € 12 BN)





1H 2019 Results

Group Performance

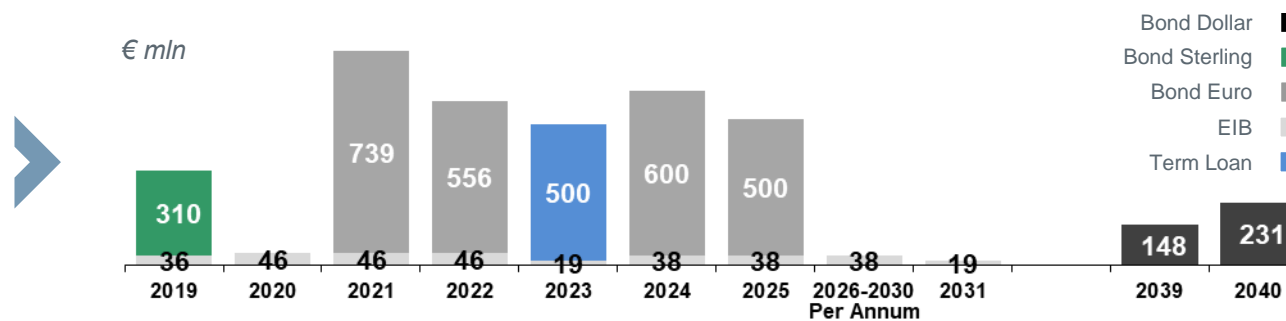
	2Q 2018	2Q 2019	% Change	1H 2018	1H 2019	% Change	FY 2018
€ mln							
New Orders	2,440	3,627	+48.6%	4,604	6,145	+33.5%	15,124
Backlog				32,611	36,321	+11.4%	36,118
Revenues	3,138	3,237	+3.2%	5,589	5,962	+6.7%	12,240
EBITA	317	324	+2.2%	470	487	+3.6%	1,120
RoS	10.1%	10.0%	-0.1 p.p.	8.4%	8.2%	-0.2 p.p.	9.2%
EBIT	119	306	+157.1%	240	462	+92.5%	715
EBIT Margin	3.8%	9.5%	+5.7 p.p.	4.3%	7.7%	+3.4 p.p.	5.8%
Net result before extraordinary transactions	56	175	+212.5%	106	252	+137.7%	421
Net result	56	272	+385.7%	106	349	+229.2%	510
EPS (€ cents)	0.098	0.473	+382.7%	0.185	0.607	+228.1%	0.888
FOCF	248	64	-74.2%	-809	-1,050	-29.8%	336
Group Net Debt				3,474	4,098	+18.0%	2,351
Headcount				45,989	48,755	+6.0%	46,462

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

Solid Financial Position as at end of June 2019

DEBT MATURITY

Average life: ≈ 5.5 years ⁽¹⁾



Repayment Conditions of New Debt Instruments

The Term Loan Facility is characterised by a 5 years bullet repayment; the EIB financing is a 12 year amortising loan with a 4 year grace period

CREDIT RATING

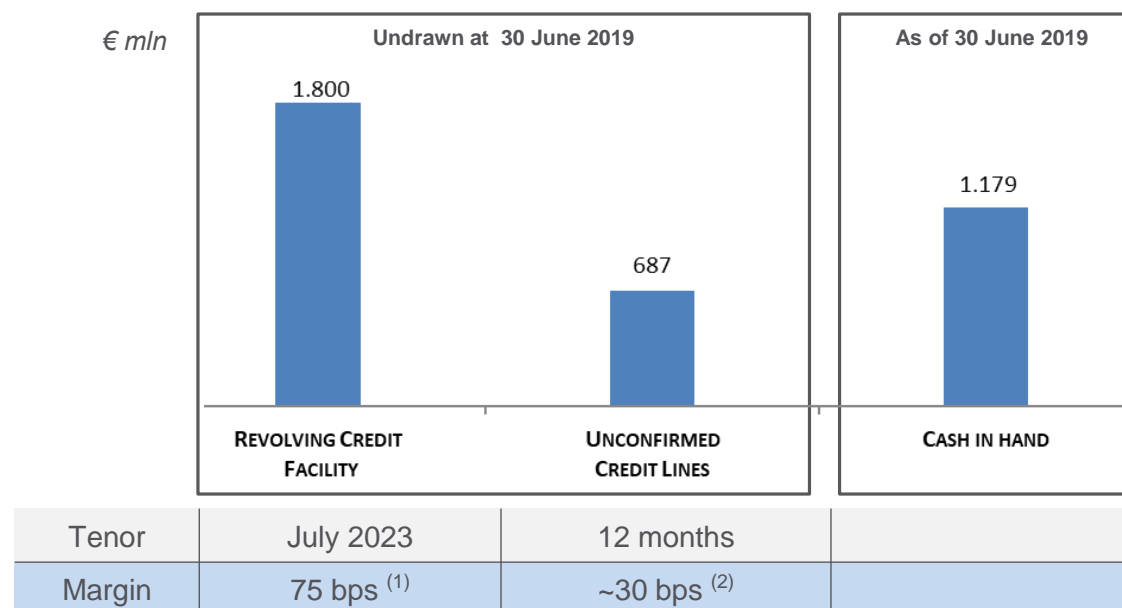
	As of today	Before last review	Date of review
Moody's	Ba1 / <i>Stable Outlook</i>	Ba1 / <i>Positive Outlook</i>	October 2018*
S&P	BB+ / <i>Stable Outlook</i>	BB+ / <i>Negative Outlook</i>	April 2015
Fitch	BBB- / <i>Stable Outlook</i>	BB+ / <i>Positive Outlook</i>	October 2017

* In May 2019, Moody's upgraded Leonardo's Baseline Credit Assessment (BCA) to ba1 from ba2 and affirmed the Ba1 Corporate Family Rating (CFR)

⁽¹⁾ Excluding reimbursements due in 2019

Availability of adequate committed liquidity lines as at end of June 2019

- In order to cope with possible swings in financing needs, Leonardo can leverage:
 - 30 June cash balance of €1.2 Bn
 - Credit lines worth €2.5 Bn (confirmed and unconfirmed)
 - The Revolving Credit Facility signed on 14 February 2018 amounts at €1.8 Bn with a margin of 75bps and will expire in 2023
 - Bank Bonding lines of approximately €3.3 Bn to support Leonardo's commercial activity



(1) Based on rating as of 30/06/2019

(2) Average. Expected to be renewed at maturity



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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