

LEONARDO

Sector: Industrials

OUTPERFORM

Price: Eu56.92 - Target: Eu63.00

FY25 results in line with consensus. New plan on 12 March

Enrico Coco +39-02-77115.230
 enrico.coco@intermonte.it

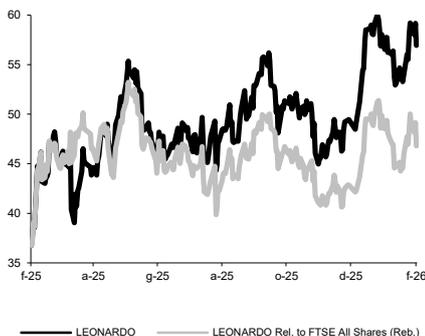
Stock Rating

Rating:	Unchanged		
Target Price (Eu):	Unchanged		
	2025E	2026E	2027E
Chg in Adj EPS	6.5%	0.0%	0.0%

Next Event

Business Plan Update March 12

LEONARDO - 12M Performance



Stock Data

Reuters code:	LDOF.MI		
Bloomberg code:	LDO IM		
Performance	1M	3M	12M
Absolute	-2.0%	25.4%	54.9%
Relative	-6.5%	15.4%	33.2%
12M (H/L)	60.00/37.51		
3M Average Volume (th):	2,674.17		

Shareholder Data

No. of Ord shares (mn):	578
Total no. of shares (mn):	578
Mkt Cap Ord (Eu mn):	32,908
Total Mkt Cap (Eu mn):	32,908
Mkt Float - Ord (Eu mn):	22,970
Mkt Float (in %):	69.8%
Main Shareholder:	
Italian Treasury	30.2%

Balance Sheet Data

Book Value (Eu mn):	10,631
BVPS (Eu):	18.39
P/BV:	3.1
Net Financial Position (Eu mn):	-358
Enterprise Value (Eu mn):	33,266

- 4Q25/FY25 results above company targets but in line with consensus.** Leonardo reported FY25 preliminary results above guidance but in line with consensus. Orders at Eu23.8bn (+15% on a like-for-like perimeter, i.e. excluding UAS) and revenues at Eu19.5bn (+11% YoY like-for-like) were 1% above consensus, with EBITA at Eu1.75bn (+18% YoY like-for-like) and FOCF at Eu1.01bn (+20% like-for-like) in line. Results beat company guidance by 5/6% on revenues, EBITA and FOCF, with orders in line (+1%). We note that guidance was raised in July 2025. All business segments reported revenues up double digit (Electronics +10% YoY, Helicopters +11%, Aeronautics +11%). Cyber (revenues up 23% YoY) contributed Eu80mn to EBITA (+63% YoY) and is quickly developing a portfolio of products. Space (revenues up 11% YoY) contributed Eu59mn to EBITA, with Telespazio doing well (Eu82mn EBITA), while TAS (Eu23mn EBITA loss) is progressing in line with its recovery plan.
- No guidance provided on FY26 pending the business plan update on 12 March.** The company provided no guidance on FY26 pending the business plan update to be presented next month (12 March) in Rome. Awaiting the plan update, we have kept estimates unchanged. We currently assume FY26 EBITA at Eu2.01bn with consensus at Eu2.03bn, and FOCF at Eu1.2bn with consensus at Eu1.1bn.
- Conference call feedback:**
 - 1) partnership in Aerostructure:** in FY25, the business lost Eu134mn at EBITA level (vs. group at Eu1.75bn) and Eu200mn at cash flow level. Standalone breakeven foreseen in 2028/29 although Boeing is now on a steadier path. CEO said they aim to close the JV with a Middle East partner by June; it will be a 50/50 JV, initially focused on technology transfer, certification, and an increase in production (also on military and space); Leonardo might then go below 50%. The asset is likely to be de-consolidated, with a positive impact on EBITA (+7% in 2026E);
 - 2) Iveco Defence:** closing confirmed by end-March. They are discussing with Rheinmetall what to do about the truck side of the business, but no fears on operating trends (solid backlog, healthy 12/13% margin);
 - 3) Hensoldt:** all options open and Leonardo might sell some shares to the Germans;
 - 4) UK helicopter contract:** CEO sounded confident on the contract (€1bn);
 - 5) DPS:** the FY25 DPS should be raised by ca. 20% to ca. Eu0.62. Slightly negative guidance for impact of working capital on FCF in FY26, in line with FY25.
- OUTPERFORM; target Eu63.** While awaiting the new plan, we maintain the Outperform rating on the stock and TP of Eu63. The business model has shifted to technology and electronics over manufacturing (focus of the new plan on hybrid/digital war, cyber, Michelangelo multidomain interoperability strategy). The product portfolio has improved and the balance sheet strengthened with almost zero debt.

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Sales (Eu mn)	15,982	17,763	19,503	20,397	22,006
EBITDA Adj (Eu mn)	1,911	2,219	2,429	2,720	3,111
Net Profit Adj (Eu mn)	756	773	1,054	1,355	1,617
EPS New Adj (Eu)	1.314	1.344	1.831	2.356	2.810
EPS Old Adj (Eu)	1.314	1.344	1.719	2.356	2.810
DPS (Eu)	0.280	0.520	0.550	0.600	0.650
EV/EBITDA Adj	4.8	6.5	11.2	12.2	10.4
EV/EBIT Adj	6.8	9.4	15.6	16.5	13.5
P/E Adj	43.3	42.4	31.1	24.2	20.3
Div. Yield	0.5%	0.9%	1.0%	1.1%	1.1%
Net Debt/EBITDA Adj	1.2	0.8	0.4	0.1	-0.2

IMPORTANT DISCLOSURES

The reproduction of the information, recommendations and research produced by Intermonte SIM contained herein and of any its parts is strictly prohibited. None of the contents of this document may be shared with third parties without authorisation from Intermonte.

This report is directed exclusively at market professional and other institutional investors (institutions) and is not for distribution to person other than "Institution" ("Non-Institution"), who should not rely on this material. Moreover, any investment or service to which this report may relate will not be made available to Non-Institution.

The information and data in this report have been obtained from sources which we believe to be reliable, although the accuracy of these cannot be guaranteed by Intermonte. In the event that there be any doubt as to their reliability, this will be clearly indicated. The main purpose of the report is to offer up-to-date and accurate information in accordance with regulations in force covering "recommendations" and is not intended nor should it be construed as a solicitation to buy or sell securities.

This disclaimer is constantly updated on Intermonte's website www.intermonte.it under LEGAL NOTICES. Valuations and recommendations can be found in the text of the most recent research and/or reports on the companies in question. For a list of all recommendations made by Intermonte on any financial instrument or issuer in the last twelve months consult the web page CUSTOMER AREA.

Intermonte distributes research and engages in other approved activities with respect to Major U.S. Institutional Investors ("Majors") and other Qualified Institutional Buyers ("QIBs"), in the United States, via Plural Securities LLC under SEC 15a-6 guidelines. Intermonte is not registered as a broker dealer in the United States under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and is not a member of the Securities Investor Protection Corporation ("SIPC"). Plural Securities LLC is registered as a broker-dealer under the Exchange Act and is a member of SIPC.

ANALYST CERTIFICATION

For each company mentioned in this report the respective research analyst hereby certifies that all of the views expressed in this research report accurately reflect the analyst's personal views about any or all of the subject issuer (s) or securities. The analyst (s) also certifies that no part of their compensation was, is or will be directly or indirectly related to the specific recommendation or view in this report.

The analyst (s) responsible for preparing this research report receive(s) compensation that is based upon various factors, including Intermonte's total profits, a portion of which is generated by Intermonte's corporate finance activities, although this is minimal in comparison to that generated by brokerage activities. Intermonte's internal procedures and codes of conduct are aimed to ensure the impartiality of its financial analysts. The exchange of information between the Corporate Finance sector and the Research Department is prohibited, as is the exchange of information between the latter and the proprietary equity desk in order to prevent conflicts of interest when recommendations are made.

The analyst responsible for the report is not a) a resident of US; b) an associated person of a U.S. broker-dealer; c) supervised by a supervisory principal of a U.S. broker-dealer. This Research Report is distributed in the U.S. through Plural Securities LLC, 950 3rd Avenue, Suite 1702, NY 10022, USA.

GUIDE TO FUNDAMENTAL RESEARCH

The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium between 5.5% - 6.0% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the FTSEMIB40 Index, most of those on the MIDEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.

A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

Explanation of our ratings system:

BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

NEUTRAL: stock performance expected at between +10% and -10% compared to the market over a 12 month period;

UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: the prices reported in the research refer to the price at the close of the previous day of trading

CURRENT INVESTMENT RESEARCH RATING DISTRIBUTIONS

Intermonte SIM is authorised by CONSOB to provide investment services and is listed at n° 246 in the register of brokerage firms.

As at 26 February 2026 Intermonte's Research Department covered 133 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	31.58%
OUTPERFORM:	38.35%
NEUTRAL:	29.32%
UNDERPERFORM:	00.75%
SELL:	00.00%

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (72 in total) is as follows:

BUY:	54.17%
OUTPERFORM:	31.94%
NEUTRAL:	12.50%
UNDERPERFORM:	01.39%
SELL:	00.00%

CONFLICT OF INTEREST

In order to disclose its possible conflicts of interest Intermonte SIM states that:

Intermonte SIM S.p.A. operates or has operated in the last 12 months as the person in charge of carrying out the share buyback plan approved by the shareholders' meeting of AZIMUT, ELEN., ELICA, INTERCOS, INTRED, PHARMANUTRA, SESA, STAR7, SYS-DAT, TMP GROUP, UNIDATA, VALSOIA, WEBUILD

Intermonte SIM S.p.A. provides or has provided corporate brokerage services to ALLCORE, ALMAWAVE, ANTARES VISION, AQUAFIL, AVIO, CASTA DIVA GROUP, CUBE LABS, CY4GATE, DOMINION HOSTING HOLDING, ELICA, ESPRINET, EVISIO, EXECUS, FINE FOODS & PHARMACEUTICALS NTM, FNM, FRANCHI UMBERTO MARMI, GPI, GREEN OLEO, HIGH QUALITY FOOD, IGD, IKONISYS SA, INTRED, ISCC FINTECH, LEMON SISTEMI, LUVÉ, MAPS, MARE ENGINEERING GROUP, NEODECORTECH, NOTORIOUS PICTURES, PREATONI GROUP, REDELFI, REDFISH LONGTERM CAPITAL, REVO INSURANCE, REWAY GROUP, SERI INDUSTRIAL, SPINDOX, STAR7, TECNO, ULISSÉ BIOMED, XENIA HOTELLERIE SOLUTION, Zest Group SpA in the last 12 months

Intermonte SIM S.p.A. operates or has operated in the last 12 months as Financial Content Provider on the company ALLCORE, ALMAWAVE, B&C SPEAKERS, BANCA SISTEMA, BIFIRE, CASTA DIVA GROUP, COFLE, CUBE LABS, CY4GATE, DIGITOUCH, DOMINION HOSTING HOLDING, ECOSUNTEK, ELES, ELICA, ENERGY, EVISIO, EXECUS, FIERA MILANO, FILA, FOPE, G.M. LEATHER, GREEN OLEO, HIGH QUALITY FOOD, IGD, IKONISYS SA, INTERCOS, INTRED, ISCC FINTECH, LEMON SISTEMI, MAPS, MARE ENGINEERING GROUP, MASI AGRICOLA, MATECA FINTEC, MISITANO & STRACUZZI SPA, NEODECORTECH, NOTORIOUS PICTURES, OLIDATA, PREATONI GROUP, RACING FORCE, REDELFI, REDFISH LONGTERM CAPITAL, SG COMPANY, SIMONE, SPINDOX, TAMBURI, TECNO, TMP GROUP, TPS, ULISSÉ BIOMED, XENIA HOTELLERIE SOLUTION, Zest Group SpA

Intermonte SIM S.p.A. performs or has performed in the last 12 months the role of intermediary appointed in the public purchase and/or exchange offer transaction of ANTARES VISION, MARE ENGINEERING GROUP, TINEXTA

Intermonte SIM S.p.A. operates or has operated in the last 12 months as liquidity provider of BANCA SISTEMA, Zest Group SpA

Intermonte SIM has acted as counterparty to WIIT Fin S.r.l. in connection with call and put options having WIIT S.p.A. shares and dividends as reference underlying.

Intermonte SIM is acting as financial advisor to Banca CF+ in the context of the public tender offer promoted on Banca Sistema.

Intermonte SIM is acting as financial advisor to TIM in relation to the company's saving shares conversion.

Intermonte SIM S.p.A. performs or has performed in the last 12 months the role of financial advisor for BANCA GENERALI, BANCO BPM, MARE ENGINEERING GROUP, TELECOM ITALIA, TINEXTA

Intermonte SIM S.p.A. operates or has operated in the last 12 months as market maker on financial instruments with underlying shares issued by AZA, AMPLIFON, AZIMUT, BANCA GENERALI, BANCA IFIS, BANCA MEDIOLANUM, BANCO BPM, BCA MPS, BCA POP SONDRIO, BFF BANK, Bper Banca, BREMBO, BUZZI, CAMPARI, DANIELI & C, DIASORIN, ENEL, ENI, ERG, FERRARI, FINCOBANK, INDUSTRIE DE NORA, INTERPUMP GROUP, INTESA SANPAOLO, INWIT, IREN, ITALGAS, IVECO GROUP, LEONARDO, LOTTOMATICA GROUP, MEDIOBANCA, MFE B, MONCLER, MONDADORI EDIT., NEXI, OVS, PIRELLI & C, POSTE ITALIANE, PRYSMIAN, SAPEM, SESA, SNAM S.p.A., STELLANTIS, STMICROELECTRONICS, TECHNOGYM, TECHNOPROBE, TELECOM ITALIA, TELECOM ITALIA R, TENARIS, TERNA, UNICREDIT, UNIPOL, WEBUILD

Intermonte Sim S.p.A. has or had in the last 12 months a marketing contract on instruments issued by BARCLAYS, BNP PARIBAS, GOLDMAN SACHS GROUP INC, LEONTEQ, MAREX FINANCIAL, MEDIOBANCA, MORGAN STANLEY, NATIXIS, SOCIETE GENERALE, UNICREDIT, VONTOBELN

Intermonte SIM S.p.A. performs or has performed in the last 12 months the role of specialist on financial instruments issued by ABITARE IN, BANCA IFIS, BANCA SISTEMA, COFLE, DIGITOUCH, ECOSUNTEK, ELEN., EMAK, ENERGY, GREEN OLEO, INTRED, MISITANO & STRACUZZI SPA, MONDADORI EDIT., OLIDATA, OMER, PHARMANUTRA, QF ALPHA IMM, REPLY, SESA, SG COMPANY, SOMECC, STAR7, SYS-DAT, TAMBURI, TESMEC, THE ITALIAN SEA GROUP, TINEXTA, TMP GROUP, TXT E-SOLUTIONS, UNIDATA, WIIT with the obligation to disseminate studies

Intermonte SIM S.p.A. plays or has played in the last 12 months the role of sponsor for UNIDATA S.p.A.

© Copyright 2026 by Intermonte SIM - All rights reserved

It is a violation of national and international copyright laws to reproduce all or part of this publication by email, xerography, facsimile or any other means. The Copyright laws impose heavy liability for such infringement. The Reports of Intermonte SIM are provided to its clients only. If you are not a client of Intermonte SIM and receive emailed, faxed or copied versions of the reports from a source other than Intermonte SIM you are violating the Copyright Laws. This document is not for attribution in any publication, and you should not disseminate, distribute or copy this e-mail without the explicit written consent of Intermonte SIM.

INTERMONTE will take legal action against anybody transmitting/publishing its Research products without its express authorization.

INTERMONTE Sim strongly believes its research product on Italian equities is a value added product and deserves to be adequately paid.

Intermonte Sim sales representatives can be contacted to discuss terms and conditions to be supplied the INTERMONTE research product.

INTERMONTE SIM is MIFID compliant - for our Best Execution Policy please check our Website <https://www.intermonte.it/it/avvertenze-legali/mifid-ii.html>

Further information is available.