

## **Leonardo: MoU with CDP and ELITE for the sustainable growth of the Aerospace and Defence supply chains**

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- The aim of the memorandum of understanding is to provide CDP's financial support for the growth of Leonardo's supply chain and is part of the initiatives launched by the national AD&S champion with the LEAP2020 programme and ELITE
- The agreement represents a best practice at the international level, and fits within the framework of a programme in which ELITE and the CDP Group will commit for the growth of Italy's supply chains, pillars of the Italian economy
- For Leonardo, the signing of the MoU will help improve the sustainability and performance of its business, while contributing to the development of a system made up of solid companies, with a strong background for investments, that are able to innovate and compete internationally
- For CDP, the agreement is a step in line with the goal set by its Strategic Business Plan to support 60,000 Italian companies, through an integrated offer to support their innovation, growth and internationalisation needs
- For ELITE, the agreement represents the first example of a virtuous model for supporting the real Italian economy, which has always been at the heart of its mission
- Today saw the unveiling of the first group of Leonardo suppliers joining ELITE through the "ELITE Leonardo Lounge": 22 companies, with a combined revenue of 360 million Euros and more than 2,400 employees.

**Milan, 6 May 2019** – Leonardo, CDP and ELITE today signed a memorandum of understanding (MoU) dedicated to supporting the growth of the companies that make up Leonardo's supply chain. The agreement – which is linked to the partnership announced by ELITE and Leonardo last February and is part of Leonardo's LEAP2020 programme – provides for the launch of a partnership aimed at fostering the growth of Leonardo's strategic suppliers, providing structured financial and non-financial tools and solutions to accelerate their growth and support their development plans.

Leonardo, CDP and ELITE have decided to pool their own strengths in order to support the manufacturers on their paths of growth and development by adopting a system approach. The

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**Leonardo**, a global high-technology company, is among the top ten world players in Aerospace, Defence and Security and Italy's main industrial company. Organized into five business divisions, Leonardo has a significant industrial presence in Italy, the United Kingdom, Poland and the USA, where it also operates through subsidiaries such as Leonardo DRS (defense electronics), and joint ventures and partnerships: ATR, MBDA, Telespazio, Thales Alenia Space and Avio. Leonardo competes in the most important international markets by leveraging its areas of technological and product leadership (Helicopters, Aircraft, Aerostructures, Electronics, Cyber Security and Space). Listed on the Milan Stock Exchange (LDO), in 2017 Leonardo recorded consolidated restated revenues of €11.7 billion and invested €1.5 billion in Research and Development. The Group has been part of the Dow Jones Sustainability Index since 2010.

aim of the agreement is to launch a concrete collaboration among the parties for the study, research and evaluation of possible solutions for the member companies of the “ELITE Leonardo Lounge”, with the goal of improving their financial soundness and supporting their consolidation and dimensional growth process.

Consistent with its role as the National Promotional Institution, CDP promotes Italy’s development, responsibly using the country’s savings to foster growth and employment by supporting company innovation and the competitiveness, infrastructures and the nation as a whole. With its new 2019-2021 Business Plan, CDP foresees the mobilisation of 83 billion Euros of its own resources in loans to companies over the three-year period, through an integrated offer focused on innovation, growth and international expansion. With the goal of reaching 60,000 enterprises over the period of the plan, this offer covers areas such as facilitated credit arrangements, interventions to support exports and internationalisation, alternative financing instruments, support for access to credit for companies, and equity interventions.

With this aim in mind, CDP has identified some of Italy’s main strategic sectors that have a significant impact on the development of our country’s competitiveness, launching specific initiatives – such as this agreement in the Aerospace and Defence field – intended to support companies in those sectors.

ELITE is London Stock Exchange Group’s international platform, launched in Borsa Italiana in 2012 in collaboration with Confindustria – with which it shares the goal of supporting the best Italian companies by increasingly exploiting synergies – and seeks to accelerate companies’ growth through an innovative process of organisational and managerial development aiming at making already deserving enterprises even more competitive, more visible and more attractive to investors at global level.

The international ELITE community currently has reached the number of 1,160 companies, of which more than 700 are Italian, with a total of 84 billion Euros in revenues and 490,000 employees.

In 2018, in line with its Industrial Plan, Leonardo initiated a programme of an in-depth analysis of activities with its suppliers, at the group level, dubbed “LEAP2020”, with the objective of strengthening its supply chain in order to make it sustainable in the medium to long term. The ultimate goal is to strengthen the base of suppliers in certain high-impact categories, contributing to their dimensional and qualitative growth; to help a selected pool of partners to grow, that are integrated into the Leonardo production ecosystem and capable of competing in

the market, including at the international level, consolidating centres of excellence in certain technologies and managing “critical” relationships with uncompetitive suppliers.

Thanks to Leonardo, the first group of 22 companies accepted into ELITE as part of Leonardo’s supply chain was announced today, through the ELITE Leonardo Lounge, a model developed in co-design to meet the specific needs of those companies. The agreement with ELITE allows those suppliers in Leonardo’s supply chain who decide to join the programme to structure their growth and expansion plans, where high transversal skills are required, particularly in terms of international development and internal organisational structure.

This first group of companies in Leonardo’s supply chain that is today setting out on its own path originates from 11 Italian regions and operates in the Aerospace and Defence industry, providing further confirmation of the importance of this sector in the country’s real economy. The companies have a combined turnover of 360 million Euros and employ more than 2,400 people.

**Alessandro Profumo, CEO of Leonardo:**

*“We are very happy about the agreement with CDP and ELITE because it represents another step forward on the path that we have undertaken, in accordance with our Industrial Plan and with the achievement of the Sustainable Development Goals of the UN’s 2030 Agenda, to build a supply chain that is robust and reliable in the Aerospace, Defence and Security (AD&S) sector in Italy. We firmly believe in the value of this initiative, and we are convinced that the collaboration agreed upon with CDP and ELITE can bolster the development of the entrepreneurial framework, which is a fundamental element of the national economic and industrial system”.*

**Fabrizio Palermo, CEO of Cassa depositi e prestiti:**

*“The Defence and Aerospace sectors represent a significant portion of the country’s industrial and technological assets, with important implications for our economy, including in terms of spin-offs. By adopting a system approach, we have begun a structured collaboration aimed at actively contributing to sustainable growth, the creation of new technological skills and the internationalisation of Italian companies operating in these sectors. Thanks to an integrated and wide-ranging offer of financial products, Cassa Depositi e Prestiti is able to offer concrete support to the companies, including SMEs, that make up Leonardo’s manufacturing supply chain, helping to support their competitiveness even beyond our national borders”.*

**Raffaele Jerusalem, Chairman of ELITE and CEO of Borsa Italiana:**

*“We are proud to present today this important system agreement with CDP and Leonardo, which aims to support the economic growth of our industry. Production chains as a matter of*

*fact represent a strategic asset of the Italian economy and promoting their sustainability and further growth is one of the fundamental elements of ELITE's mission. Thanks to an integrated collaboration model, ELITE will offer those companies that are part of Leonardo Lounge an international programme of preparation and mentorship to support their managerial, strategic and governance growth as well as to facilitate their access to sources of capital in order to further boost the growth of the companies in Leonardo's supply chain".*