



Avio Interim Financials Q1 2019

Rome, 13 May 2019

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Q1 2019 highlights⁽¹⁾



- **Net Revenues: €82.6M (up 10% vs Q1 2018)**
 - Increase mainly in Vega development activities
- **Reported EBITDA: €7.0M (up 15% vs Q1 2018) - Reported EBIT: €3.1M (up 11% vs Q1 2018)**
 - Lower impact of fixed costs on higher revenues
 - Low non-recurring expenses in line with Q1 2018
- **Net Financial Position: €48.7M ⁽²⁾**
 - €6.0 M improvement vs 31 December 2018 on a like-for-like basis
- **Most relevant business facts occurred in Q1 2019**
 - 1 Vega successful launch (VV14)
 - 1 Ariane 5 successful launch (VA247)
 - Development milestones and accomplishments:
 - Z40 successful firing test on 7th May
 - P120 successful firing test in January
 - Completion of the SSMS module to fly on Vega in September 2019

(1) R&D tax benefit in Q1 2019, in line with Q1 2018, recognized only on tax credit matured in 2017 and 2018. Potential benefit of 2019 tax credit to be assessed at year end according to actual R&D eligible costs incurred

(2) 31 March 2019 NFP includes €-6.4M negative effect from the application of IFRS16

Most relevant business activities in Q1 2019



Flight & Production activity



5 February

VA247

102th consecutive
successful flight

21 March

VV14

14th consecutive
successful flight

2019 flight schedule – upcoming flights :

- Vega VV15 carrying FalconEye1 satellite
- Ariane 5 VA248 carrying 2 satellites

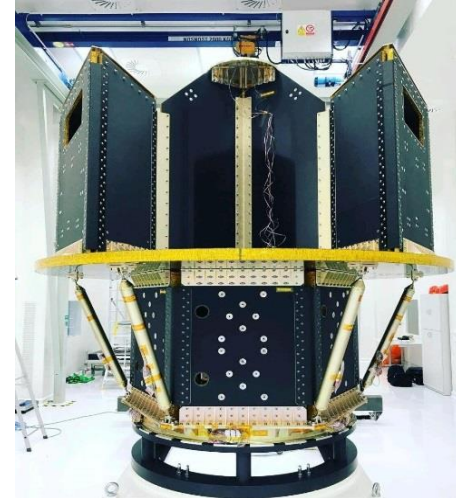
Development & complementary activity

- Development milestones and accomplishments:
 - P120 successful firing test in January
 - Z40 successful firing test in May
- Completion of the assembly of the SSMS module expected to fly on Vega in September 2019
- Closed additional funding from European Investment Bank for €10M at favorable economic conditions
- First Ariane 6 production batch for 14 launchers expected in the next few months (production contract between Ariane Group and Arianespace signed on the 6th of May 2019)

Latest industrial and development accomplishments



P120 Static Firing Test (January)



Z40 Static Firing Test (May)

SSMS Assembly

Commercial updates



1st Japanese customer - Vega 2020 flight ✓

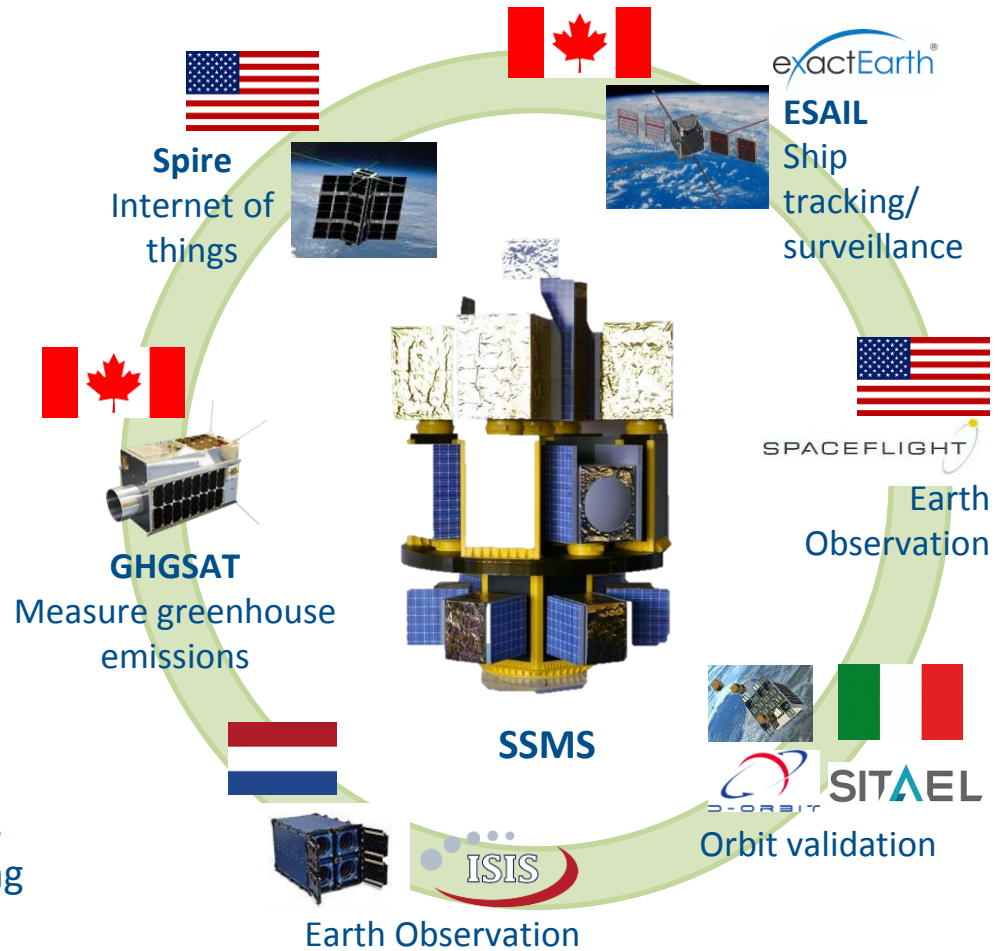
1st Vega SSMS rideshare flight - fully booked ✓



 Synspective



Mini-SAR of Japanese constellation providing geospatial information for urban development, economic activity, land/infrastructure monitoring and disaster management



Q1 2019 economic and financial highlights



Q1 2018 ACTUAL	MAIN ECONOMICS/ FINANCIALS	Q1 2019 ACTUAL	DELTA	DELTA	Comments
€ - M		€ - M	€ - M	%	
75,4	NET REVENUES	82,6	7,2	10%	<ul style="list-style-type: none"> • Growth mainly for Vega C development activities • Q1 19 results include €1.0 M of R&D Tax Credit in line with Q1 2018 • Negligible non recurring costs
6,1	EBITDA REPORTED	7,0	0,9	15%	
8,1%	% on net revenues	8,5%			
6,3	EBITDA ADJUSTED	7,1	0,8	13%	
8,4%	% on net revenues	8,6%			
2,8	EBIT REPORTED	3,1	0,3	11%	
3,7%	% on net revenues	3,8%			
3,0	EBIT ADJUSTED	3,2	0,2	7%	
4,0%	% on net revenues	3,9%			
31 DEC 2018 ACTUAL		31 MAR 2019 ACTUAL	DELTA	DELTA	
€ - M		€ - M	€ - M	%	
49,1	NET FINANCIAL POSITION	48,7	(0,4)	-1%	• 31 March 2019 NFP includes €-6.4M negative effect from the application of IFRS16 (€+6.0M and +14% on a like-for-like basis)

Next steps – key 2019 milestones



- **Upcoming Vega flight activity**
 - VV15 - Falcon Eye 1
 - VV16 - SSMS
 - VV17 - Falcon Eye 2
 - Beginning of Vega C launch campaign
- **Backlog**
 - Ariane 6 production batch expected to be signed in the next few months
 - ESA Ministerial Conference in November
- **Development**
 - August- September: M10 (LOX-CH upper stage engine) full scale test
 - October: Vega C fairing acoustic test
 - November-December: P120 QM2 test (third and last static firing test for Ariane 6)
- **Economic-financial results**
 - September 12th: H1
 - November 7th: Q3



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