



ESA MINISTERIAL COUNCIL BROADENS EUROPEAN SPACE LAUNCHERS PROSPECTS

AVIO GUIDANCE FOR 2019 CONFIRMED

- **36% growth of ESA 2020-22 total budget (on 2017-19); 38% growth for contribution to launchers**
 - **65% growth of total Italian contribution (on 2017-19)**
 - **€ 400+ Mln in the next years for Avio's programs, including Vega C, Vega E, and Space Rider programs**
 - **Avio 2019 Guidance confirmed**
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Rome, 6th December 2019 – The ESA 2019 Ministerial Council, held in Seville (Spain) last week, concluded its work on the allocation of the ESA Space budget for research and development for the years 2020-2022.

The European Space budget has grown by 36% vs the previous 3-year period, reaching and all-time-high of € 14.4 Bn.

Italy re-affirmed its leading role in the European Space Sector, with a total budget of € 2.3 Bn (+72% with respect the previous 3 years), accounting for 16% of the total subscriptions of the ESA Member States.

The programs dedicated to Access to Space, such as Vega, Ariane and Space Rider, in which Avio plays a key role, have been fully confirmed and received a total budget allocation of about € 2.2 Bn (growing by 39%), confirming the strategic importance of the European independent access to Space.

More into the details, the programs in which Avio is involved, such as **Vega C, Ariane 6, Vega Evolution, Vega C light and Space Rider have been fully subscribed** and been given broader prospects.

Based on ESA deliberations, Avio expects to be assigned contracts for research, development and support to operations higher than **€ 400 Mln** starting from 2020.

Avio is able to **confirm the 2019 Guidance** anticipated at the start of the year. Specifically:

- **Net Order Backlog:** year-end value **slightly lower than expected** due to the signing of some contracts postponed to early 2020;
- **Revenues: close to Guidance**, despite a partial slow-down of some activities after VV15 failure;
- **EBITDA Reported: Guidance confirmed;**
- **Net income: Guidance confirmed.**

The impact of VV15 and the activities required to allow Vega return to flight will be balanced with ESA programs devoted to the treatment of flight anomalies.

Giulio Ranzo, Avio CEO, commented: "The ESA Ministerial Council in Seville recorded an unprecedented growth for European Space Programs, with a significant growth of the role of Italy, which now accounts for 16% of the total budget. The future of European launchers will be based on

investments oriented to further improve the already advanced technologies for Ariane 6 and Vega C, the new Vega Evolution with the LOX-methane upper stage, and the Space Rider program, based on an unmanned re-entry spacecraft. Furthermore, the initial development of the technologies for the mini launcher Vega C Light has been subscribed. We look enthusiastically towards the future and we are ready to work to further improve the competitiveness of the European access to space solutions. In 2020 we plan to go back to fly with Vega and launch Vega C, thus continuing to meet the increasing requirements of European and international customers, with the support of Arianespace”.

The review of the main outcomes of the ESA Ministerial Council and Avio 2019 Guidance will be discussed in a conference call with analysts and investors scheduled at 11.30 AM CET for today, 6th December.

Conference call details are the following:

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Avio is a leading international group operating in the manufacturing and development of space launchers and propulsion systems. The experience and knowhow built up over more than 50 years puts Avio at the cutting edge of the space launcher sector, solid, liquid and cryogenic propulsion and tactical propulsion. Avio operates 5 industrial facilities in Italy, France and France Guyana, employing approx. 1,000 highly-qualified personnel, of which approx. 30% involved in research and development. Avio is a prime contractor for the Vega programme and a sub-contractor for the Ariane programme, both funded by the European Space Agency (“ESA”), placing Italy among the limited number of countries capable of producing a complete spacecraft.

For more information

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