

Avio 9M 2021 Results

NOVEMBER 8TH, 2021



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Agenda

- **Highlights (Giulio Ranzo, CEO)**
- 9M 2021 Financials (Alessandro Agosti, CFO)
- Conclusions (Giulio Ranzo, CEO)
- Appendix

Executive Summary

Business focused on successful launch operations across 9M21

- Focus on flight worthiness of Assembly, Integration, Testing and Launch for VV18/VV19/VV20
- Catching-up in development activities, persisting Covid-19 challenges:
 - Backlog: €811M (+10% vs December 2020/+29% vs Sep 2020) – signed new contracts for Vega and tactical propulsion
 - Revenues: €198M (-8% vs. 9M 2020) – reducing gap vs 2020
 - EBITDA Adjusted: €11.8M (-49% vs 9M 2020) – impacted by unfavorable mix (subCo content) and energy cost
 - Most project delivery milestones concentrated in Q4 (more than in previous years)
 - Profit and cash highly concentrated towards Q4-end

FY 2021 Guidance Confirmed¹:

- Backlog: €850-900 (+20% vs. FY 2020)
- Revenues: €300-330M (-2% vs. FY 2020)
- EBITDA Adjusted: €35-37M (-16% vs. FY 2020)
- Net Income €10-12M (-27% vs. FY 2020)

Outlook

- Vega VV20 launch activities on track
- Vega C Maiden Flight on track for Q1 2022
- Ariane 6 MF in Q2-Q3 2022

2021 launch activities targeting 3 launches by Vega and Ariane

2021



Star One D2
Embratel
Eutelsat Quantum
EUTELSAT



SES-17
SES
Syracuse 4A




James Webb
Space Telescope



VA254
July

Pléiades
Neo
5 smallsats



Pléiades
Neo
4 smallsats



VA255
October

Ceres 1,2,3



VA256 Ariane
December

Return to flight activities

VV18
April

VV19
August

VV20
November

Vega

VV20 is getting ready on the launch pad for launch in Mid November



**CERES constellation of 3 satellites
for ground signal location**

Vega C Maiden Flight campaign ready to kick off



P120 motor flight item



Z40 motor flight item



Fairing flight item



Vega C new control bench



Z9 motor flight item

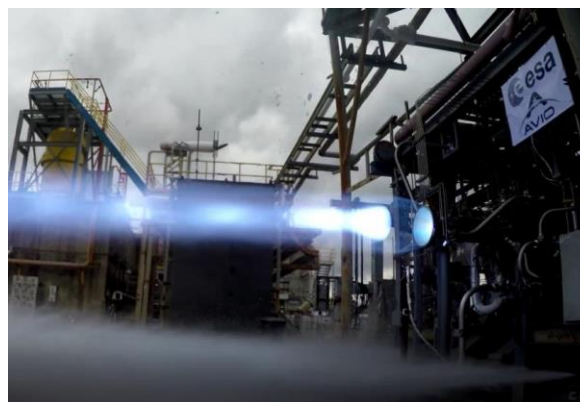


A4 upper stage flight item under integration



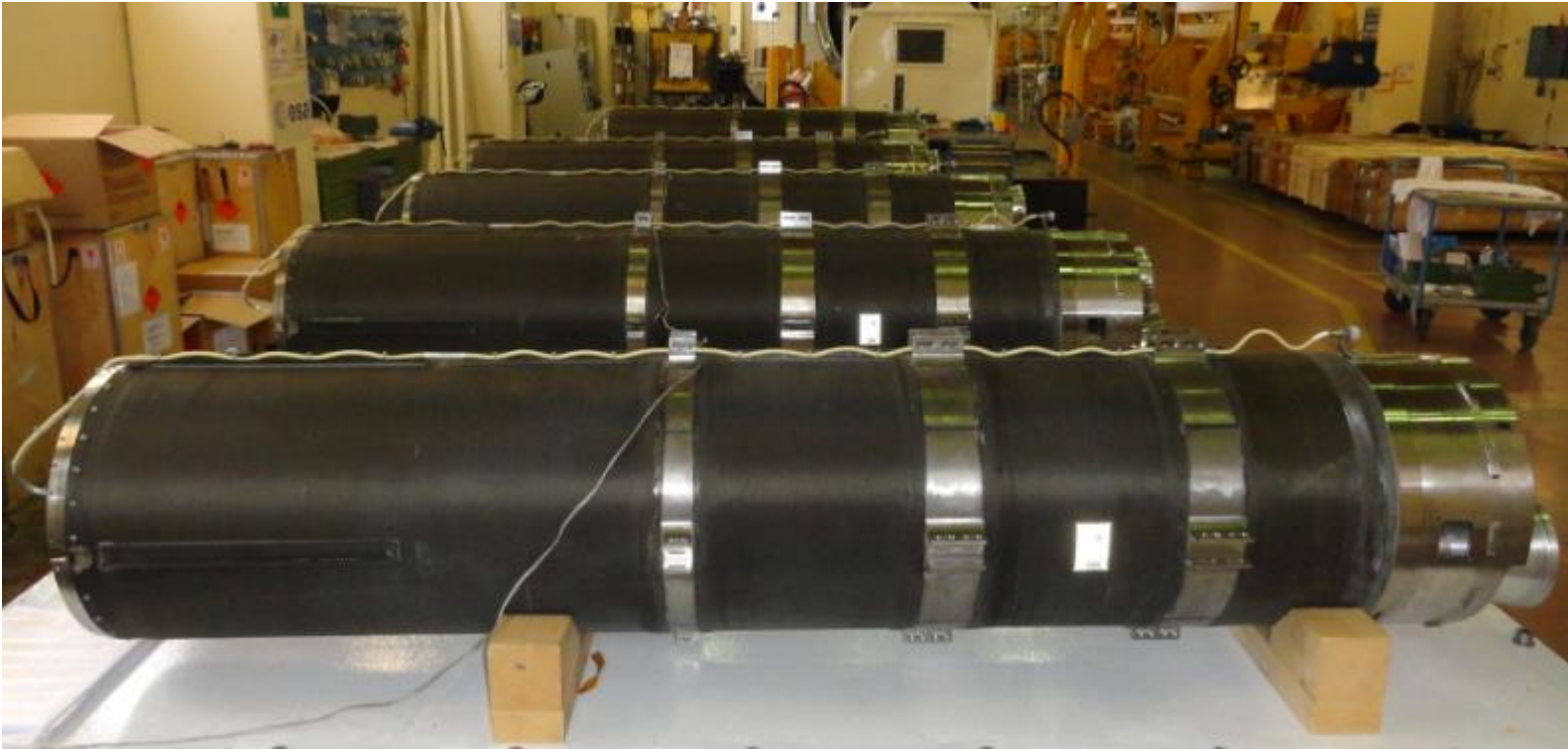
SPTF facility ready to execute M10 liquid propulsion tests very soon

SPTF in Sardinia



M10 firing test model assembled
Test at the SPTF expected by year-end

Tactical propulsion production ramping up thanks to Aster contract



- Extension of product orders by MBDA France for the production of further lots of boosters for Aster-30
- Contract Extension Value > Euro 80 mln
- Delivery expected in 2022-2030

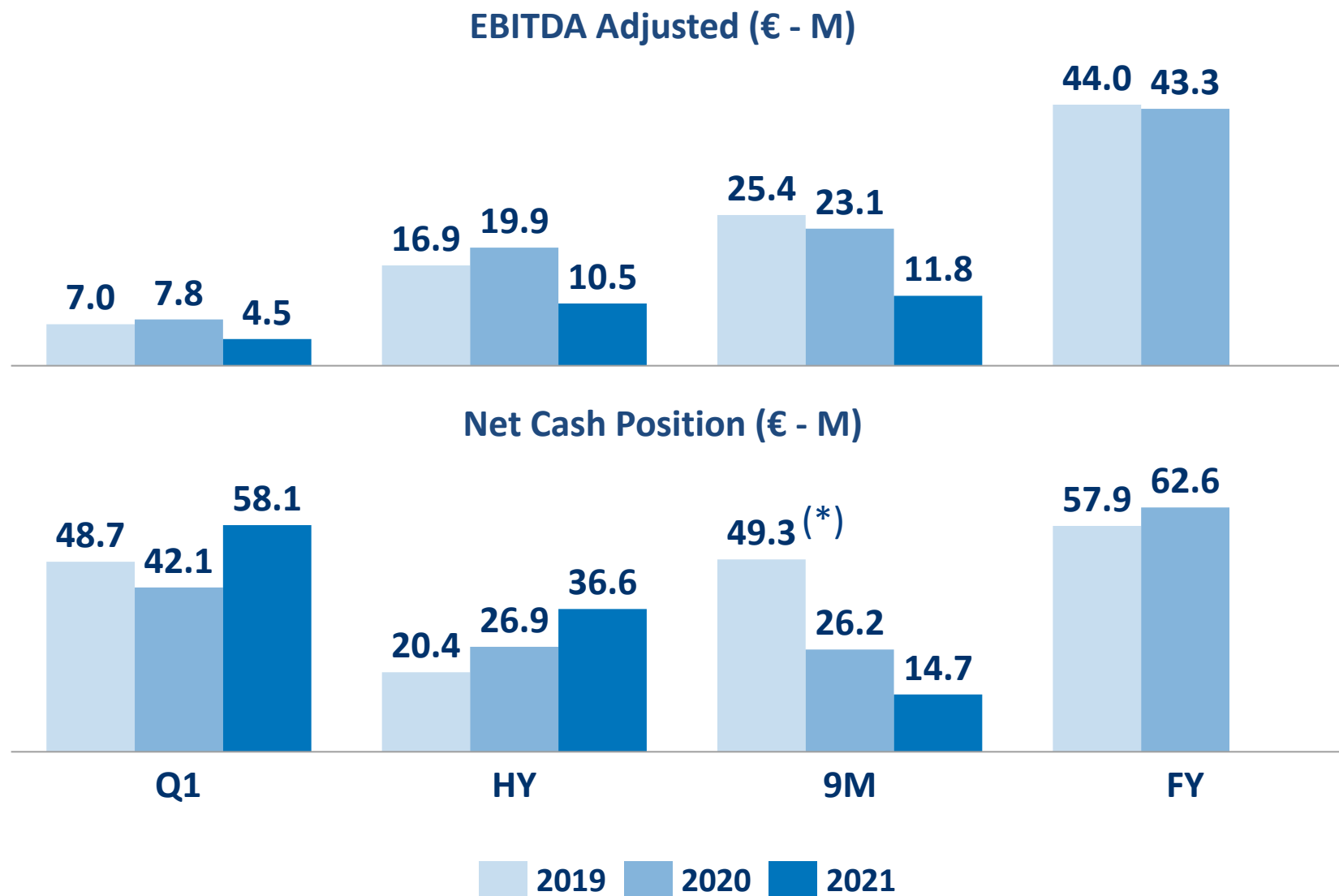
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9M 2021 financial results

9M 2020	MAIN ECONOMICS	9M 2021	DELTA	DELTA	Comments
€ - M		€ - M	€ - M	%	
735.9 ⁽¹⁾	NET ORDER BACKLOG	810.7	74.8	+10%	Growth of net backlog thanks to intakes for Vega E and tactical propulsion
215.8	NET REVENUES	197.8	(18.0)	-8%	
17.5	EBITDA REPORTED	8.0	(9.5)	-54%	Impacted by slow-down of Vega development activities and higher utilities costs
8.1%	<i>% on net revenues</i>	4.0%			
23.1	EBITDA ADJUSTED	11.8	(11.3)	-49%	
10.7%	<i>% on net revenues</i>	6.0%			
4.7	EBIT REPORTED	(7.6)	(12.3)	N.m.	Increase in depreciation for Vega C and P120
2.2%	<i>% on net revenues</i>	N.m.			
10.4	EBIT ADJUSTED	(3.8)	(14.2)	N.m.	Decrease in NR costs for minor COVID related costs
4.8%	<i>% on net revenues</i>	N.m.			
62.6 ⁽¹⁾	NET CASH POSITION	14.7	(47.9)	N.m.	Typical seasonality trend (26.2M at Sep 2020) with certain milestones shifted to Q4 2021

Quarterly pattern of Adjusted EBITDA and Net Cash Position



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Major milestones in Q4 to close the year successfully



Vega VV20 flight in November – post-flight progress invoice



Vega C last tranche of ground adaptations and kick-off of integration campaign



Completion and invoice of 2021 Vega Maintenance of Operational Conditions activities



Award from ESA of:

- Contract extensions for Vega C development up to completion
- P120/Ariane 6 low rate production sustainment support (ramp-up)
- Vega C improvement program (CIP) – last devel. contract from CM19



Vega E progress with sub-contractors orders and invoices



Further progress on P120 production contract and Vega B4 production contract



Ariane 5 (James Webb Space Telescope) flight in December

Outlook beyond 2021



Strong backlog and net cash position to fuel growth back at pre-Covid levels across 2022 and 2023



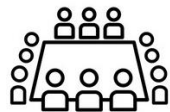
Market and commercial **opportunities growing more than anticipated** (2X market growth by 2030)



Secured EU institutional demand across the decade



2022 PNRR opportunities to support **incremental technological advances** in the period 2022-2026

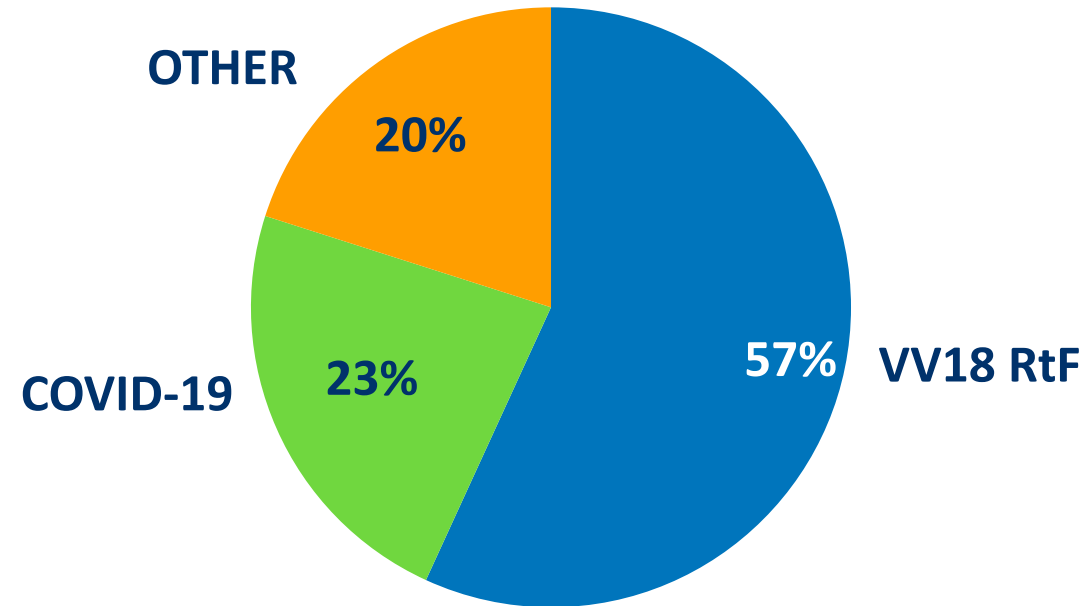


Preparing the 2022 ESA Ministerial Council **to secure new development contracts** to further extend product roadmap

Appendix

9M 2021 non-recurring costs by nature

9M 2021 non-recurring Costs = 3.8 EUR Mln (100%)



- In-Company vaccination campaign carried out in June 2021
- Standardization and simplification of Vega campaigns thanks to Green Pass



FY 2021 Guidance issued on the 10th of September 2021

FY 2021 Guidance

• Net Order Backlog	• €850M – €900M	}	• Development and production contracts finalisation (Q3-Q4 2021)
• Net Revenues	• €300M – €330M		• Catch-up of development revenues in the 2H 2021
• EBITDA Reported	• €30M-32M	}	• Impact of 5M non-recurring cost (largely COVID-19)*
• Net Income	• €10M - €12M		• Marginal effect of financial charges and taxation

* Implying an Adjusted EBITDA of €35-37 M

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