



# Avio 9M 2018 results

*8 November 2018*

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# 9M 2018 highlights

- **Net Revenues: €261.5M (up 15% vs 9M 2017)**
  - Increase in development activities on Vega
- **Reported EBITDA<sup>1</sup>: €22.5M (up 27% vs 9M 2017)**
  - Significant decrease of non-recurring expenses
  - 16% growth net of R&D tax credit
- **Reported EBIT<sup>1</sup>: €12.3M (up 75% vs 9M 2017)**
  - Lower impact of depreciation
- **Net Financial Position: €48.7M (+€7M on 31 December 2017)**
  - Positive cash dynamics in line with expected business seasonality
- **2018 economics' guidance confirmed; backlog ahead of schedule**
- **Most relevant business facts occurred in 9M 2018**
  - 5 Ariane 5 successful launches
  - 1 Vega successful launch in August; 1 in November
  - P120 and Z40 successful firing tests (first and second stage of Vega C and first stage of Ariane 6)
  - Several new contracts signed for Vega C missions with Institutional customers worldwide
  - New contracts with smallsat providers to fly with SSMS Vega POC flight in 2019

(1) R&D tax credit referred to the portion matured in 2017. Potential benefit of 2018 tax credit to be assessed at year end according to actual R&D eligible costs incurred.

# Vega C competitiveness generating positive market momentum – recent commercial achievements



**arianespace**  
arianeGROUP

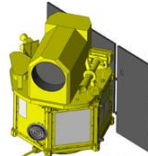


- 2 hi-resolution optical satellites
- Launch with Vega C in 2020
- 2 hi-resolution optical satellites
- Launch with Vega C in 2021

## Vega and Vega C signed contracts



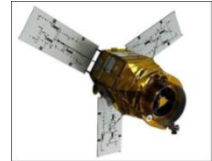
- COSMO SkyMed satellite (second generation)
- Launch with Vega C in 2021



- Thailand's second earth observation satellite THEOS-2
- Launch with Vega C in 2021



- NAOS Earth Observation satellite
- Manufactured by OHV Italia for Luxembourg and NATO
- Launch with Vega (Vega or Vega C) in 2021



- South Korean Space Agency (KARI) Earth Observation satellite KOMPSAT-7
- Launch with Vega C in 2021



European Space Agency

- 25 Oct 2018 : Joint Statement for Institutional Exploitation signed by major EU countries and ESA
- Aggregation of launch demand for EU institutional payloads in the long term
- Robust EU/domestic backlog for Ariane 6 and Vega C

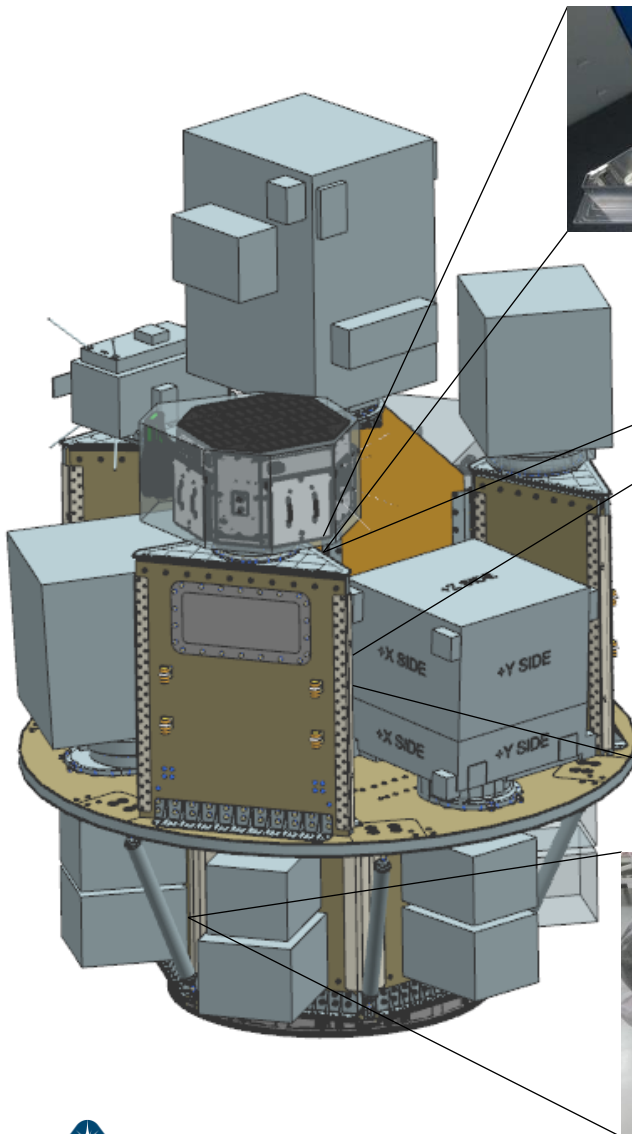


*In October the Spanish Science Minister announced the launch of the Spanish EO Sat Ingenio with Vega by end 2019*





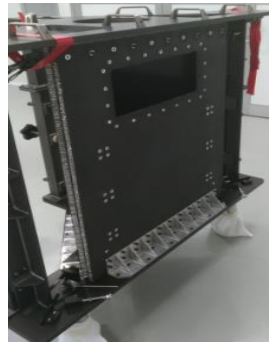
# SSMS Maiden Flight full and scheduled to fly by mid 2019



Tower aluminum parts



2 New undisclosed international customers



Tower CFRP Parts



Integration JIG of the SSMS Hexagonal lower part



# Preparing for A6, Vega C and Vega E: new technologies and tests



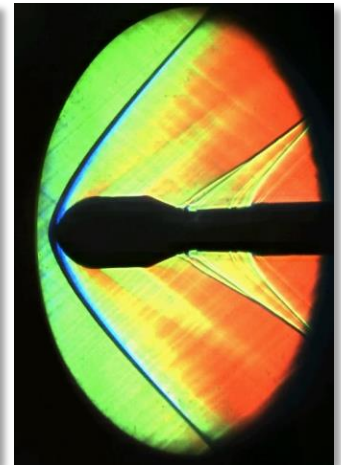
Design of new SPTF facility



New thermal protection facility



Vega C new fairing  
(manufactured by RUAG)



Wind Tunnel Test for Vega C



Ready for firing test of Vega E prototype engine



# Preparing for A6, Vega C and Vega E: new technologies and tests



New Vampire P/L dispenser (to fly on Vega C MF in 2019)



Vega C carbon fiber 2/3 interstage

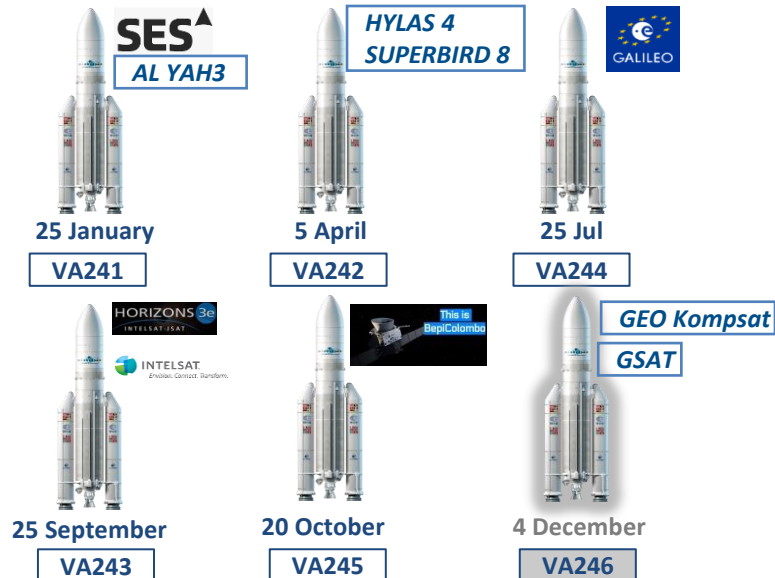


New Z40 nozzle manufacturing completed

# Most relevant business activities



## 6 launches expected in 2018



## 2 launches expected in 2018 12 successful flights in a row



## Development & Complementary

- Ariane 5:
  - Signed contracts with ISRO for 2 satellites in 2019
  - Signed last production batch (2019-2021), for the last 8-10 flight units
- Ariane 6:
  - Signed contracts for 2 Galileo satellites (EU), Multi Launch Agreement with Eutelsat, CSO-3 with CNES
  - New launch pad construction in progress. Maiden flight in 2020
- Vega:
  - Completed mechanical work at launch pad for adaptation to Vega C
  - Extension of the Vega product family (Vega E and Vega Light). €22M «L.808» funding from Ministry of Economic Development (MED) over 2018-2021
  - Space Propulsion Test Facility (SPTF) in Sardinia. Ca. €9M grants from MED and the Sardinia Region over 2018-2022
  - Signed LEAP contract with ESA for 2018-2019



# 9M economic and financial highlights



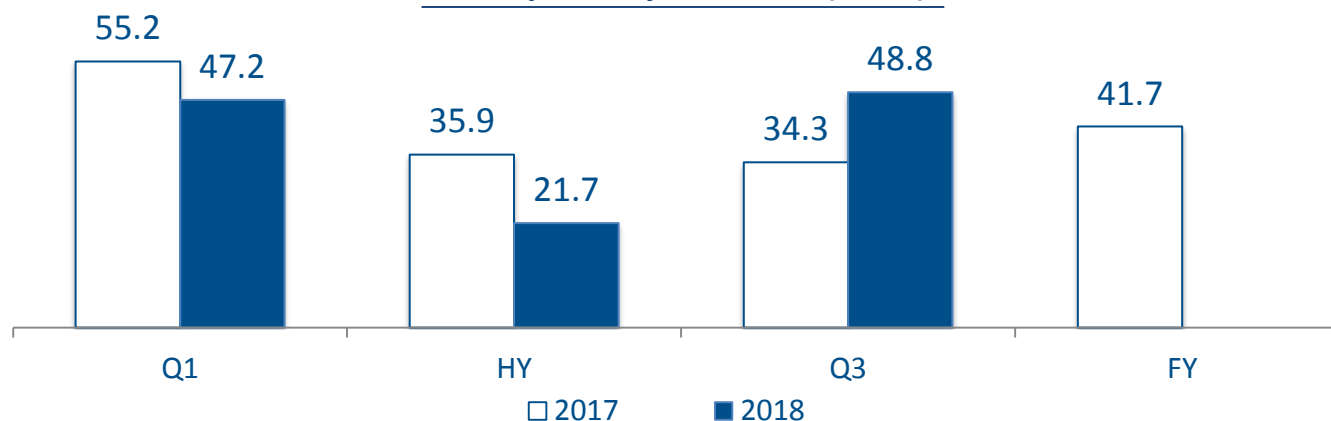
9M 2017 "PRO-FORMA" <sup>(1)</sup> ACTUAL € - M	MAIN ECONOMICS/ FINANCIALS	9M 2018 ACTUAL € - M	Delta € - M	Delta %	Comments
228.4	NET REVENUES	261.5	33.1	15%	• Growth mainly for Vega C development activities
17.8 7.8%	EBITDA REPORTED % on net revenues	22.5 8.6%	4.7	27%	<ul style="list-style-type: none"> <li>• 9M18 results include €1.8M of R&amp;D Tax Credit matured in 2017 (not present in 9M17)</li> <li>• R&amp;D tax credit 2018 to be assessed at year end on the basis of actual progress achieved on development activities</li> <li>• Non-recurring costs reduced by 60%</li> </ul>
23.5 10.3%	EBITDA ADJUSTED % on net revenues	24.9 9.5%	1.4	6%	
7.0 3.1%	EBIT REPORTED % on net revenues	12.3 4.7%	5.2	75%	
12.7 5.6%	EBIT ADJUSTED % on net revenues	14.6 5.6%	1.9	15%	
31 DEC 2017 ACTUAL € - M		30 SEP 2018 ACTUAL € - M	Delta € - M	Delta %	
41.7	NET FINANCIAL POSITION	48.7	7.0	17%	• Improved on 2017 Year End thanks to operating cash flow

(1) "Pro-forma" figures following the business combination with Space2 S.p.A. which led to the company's stock market listing in April 2017, for a like for like comparison with 9M 2018 figures

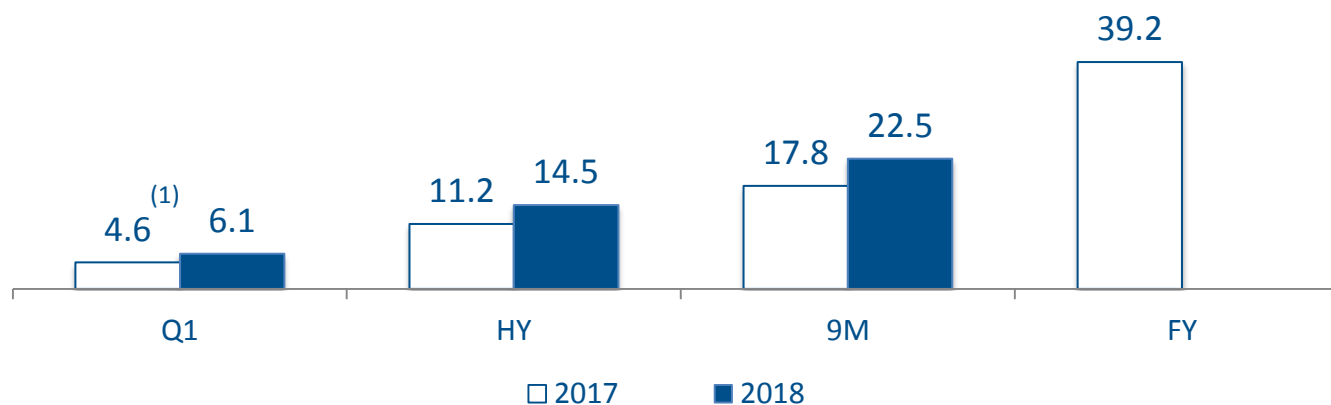
# Net Financial Position and EBITDA quarterly pattern



NFP quarterly evolution (€ - M)



EBITDA reported quarterly evolution (€ - M)





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