



# Avio Interim Financials Q1 2018

*Colleferro, 10 May 2018*

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# Q1 2018 highlights<sup>(1)</sup>



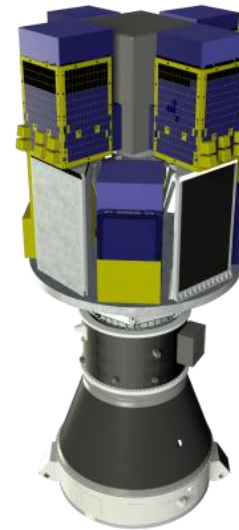
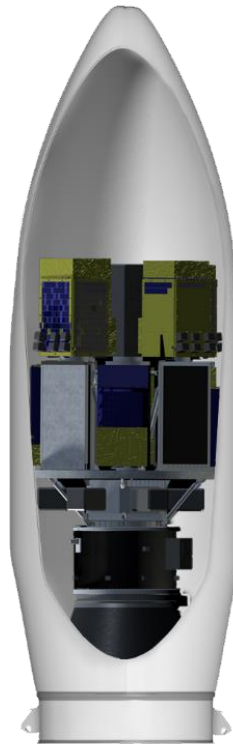
- **Net Revenues: €75.4M (up 26% vs Q1 2017)**
  - Vega: increase in development and production activities
  - Ariane: stable
- **Adjusted EBITDA: €6.3M (up 17% vs Q1 2017) – Reported EBITDA: €6.1M (up 33% vs Q1 2017)**
  - Lower impact of fixed costs on higher revenues
  - Significant decrease of non-recurring expenses
- **Adjusted EBIT: €3.0M (up 67% vs Q1 2017) – Reported EBIT: €2.8M (vs €1.0M in Q1 2017)**
  - Lower impact of depreciation due to lower Customer Relationship Asset amortization
- **Net Financial Position: €47.2M (+€5.5M on 31 December 2017)**
  - Positive cash dynamics in line with expected progress of key projects during Q1
- **Most relevant business facts occurred in Q1 2018**
  - 2 Ariane 5 successful launches (VA241 and VA242)
  - Ariane 5 PC batch signed in February (last 10 Ariane 5 flights)
  - Z40 successful firing test (second stage of Vega C)
  - Completion of new Nozzle plant in Colleferro, adaptations of Vega launch pad to Vega C in Kourou
  - First contracts with smallsat providers to fly with SSMS

(1) R&D tax credit effect included only with reference to 2017. Potential benefit of 2018 tax credit to be assessed at year end according to actual R&D eligible costs incurred

# First contracts signed by Arianespace with smallsat providers to fly on Vega SSMS by 2019 – SSMS facility ready



SSMS adapter clean room for satellite integration

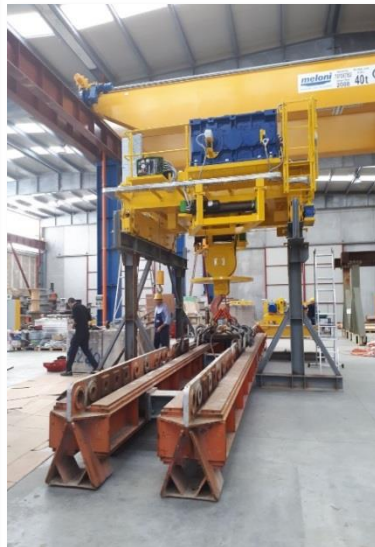




# Preparing for A6 and Vega C : new facilities and adaptations of industrial operations in Colleferro and Kourou



Regulus - new Vega C propellant casting pots



Progress on Mobile Gantry adaptation for Vega C

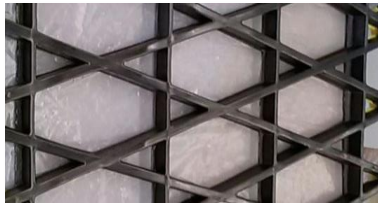
New nozzle plant in Colleferro



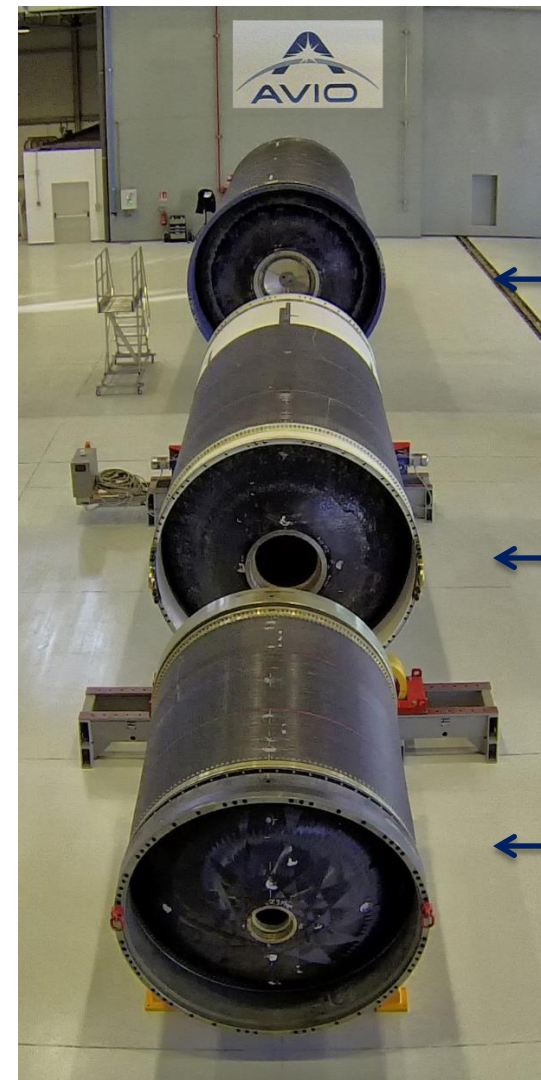
# Progress on the development of new technologies in Colleferro



CAMM-ER booster firing test



Vega C interstage structure manufacturing



P120  
first  
stage

Z40  
second  
stage

Z9  
third  
stage

Z9, Z40, P120 motor cases for Vega C

# Most relevant business activities in Q1



## Flight&Production activity



### 2018 flight schedule – upcoming flights :

- Vega VV12 carrying Aeolus satellite in August
- Ariane 5 VA244 carrying 4 Galileo satellites in July

## Development & complementary activity

- New Orders acquired (as of today) in aggregate over 130M€ (as expected according to guidance) :
- Ariane 5 production batch PC (2019-2021), covering the last 10 flight units (in parallel to Ariane 6 ramp-up)
- ASTER-30 booster production order from MBDA for the period 2019-2022
- Vega LEAP support with ESA (maintenance of operational capability for Vega for the period 2018-2019)
- SSMS integration facilities inaugurated at SAB Aerospace in Brno (Czech Republic)
- New funding support from Ministry of Economic Development (L.808) for development activities related to the extension of the Vega product family over the period 2018-2021 (up to 22M€ according to actual project progress)
- Integration activities for P120 according to plan – static firing test this summer

# Q1 economic and financial highlights<sup>(1)</sup>



Q1 2017 ACTUAL	MAIN ECONOMICS/ FINANCIALS	Q1 2018 ACTUAL	Delta	Delta	Comments
€ - M		€ - M	€ - M	%	
59.9	NET REVENUES	75.4	15.5	26%	<ul style="list-style-type: none"> <li>• Growth in Vega development and production, Ariane stable</li> <li>• Reduced incidence of fixed costs</li> <li>• Lower non-recurring costs</li> </ul>
4.6 7.7%	EBITDA REPORTED <i>% on net revenues</i>	6.1 8.1%	1.5	33%	
5.4 9.0%	EBITDA ADJUSTED <i>% on net revenues</i>	6.3 8.4%	0.9	17%	
1.0 1.7%	EBIT REPORTED <i>% on net revenues</i>	2.8 3.7%	1.8	180%	<ul style="list-style-type: none"> <li>• Additional contribution from lower amortization</li> </ul>
1.8 <sup>(2)</sup> 3.0%	EBIT ADJUSTED <i>% on net revenues</i>	3.0 4.0%	1.2	67%	
31 DEC 2017 ACTUAL		31 MAR 2017 ACTUAL	Delta	Delta	
€ - M		€ - M	€ - M	%	
41.7	NET FINANCIAL POSITION	47.2	5.5	13%	<ul style="list-style-type: none"> <li>• Improved on 2017 Year End thanks to operating cash flow</li> </ul>

(1) R&D tax credit effect included only with reference to 2017. Potential benefit of 2018 tax credit to be assessed at year end according to actual R&D eligible costs incurred

(2) Amortization of the new Customer Relationship Asset (CRA) assessed in 2017 following the Purchase Price Allocation, considered as recurring non cash item and not included in Adjusted EBIT figures in Q1 2017 and Q1 2018 for a «like for like» comparison





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