



Investor Presentation

Banca IMI - 2019 Italian Stock Market Opportunities

Paris, 17th May 2019

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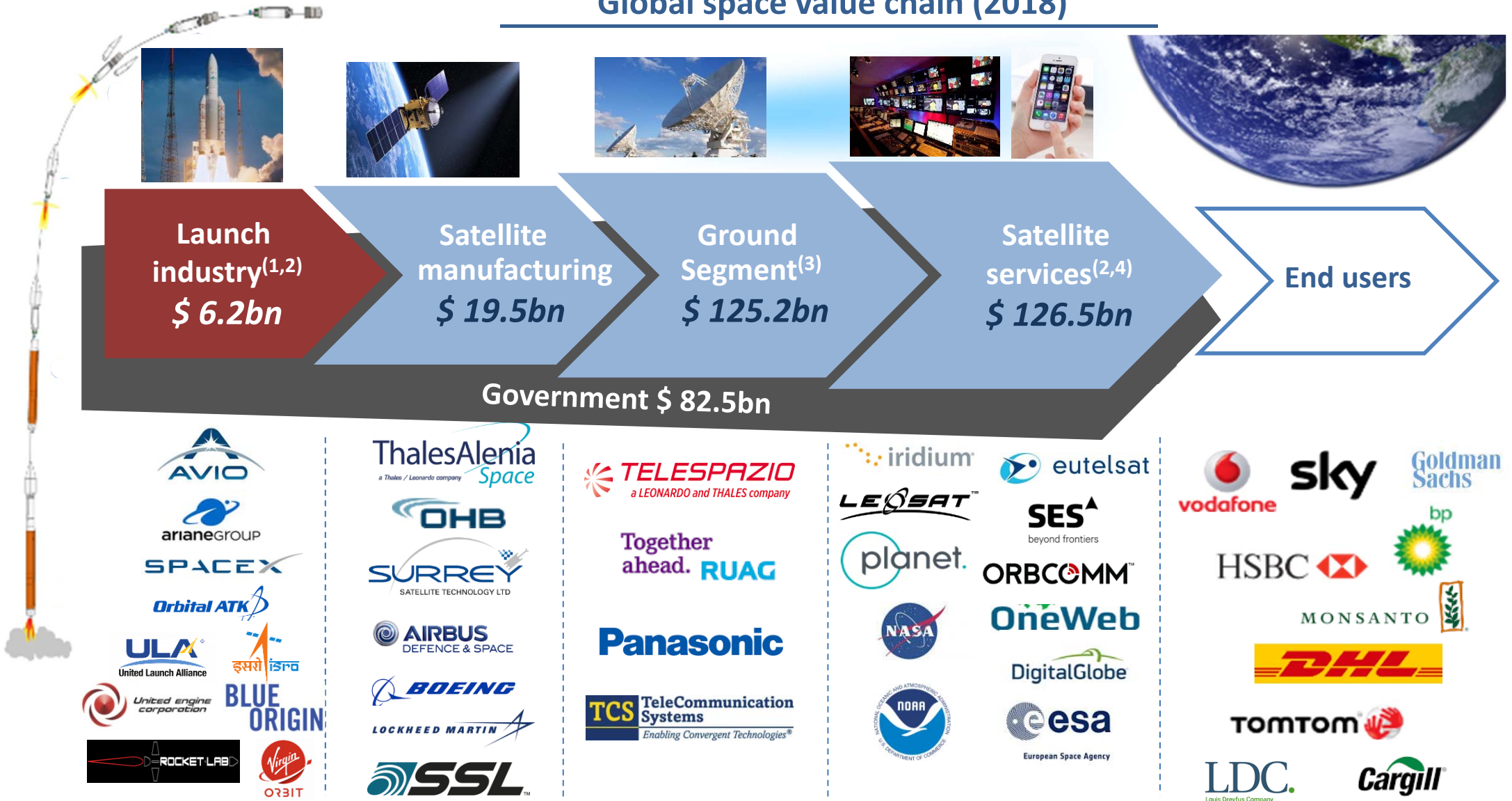
Avio: a European leader in Space Launch



-  Prime Contractor
-  Partner/Supplier
- Public company, 330M€ Mkt Cap
- >65% free float, 4% Management share
- 900 employees, ~390 M€ revenues

Launch is the upstream segment of the Space industry

Global space value chain (2018)



Source: Satellite Industry Association (2018)

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(1): Includes launcher manufacturing and launch service activities

(2): Commercial services revenues only

(3): Includes GNSS chipsets and Related

(4): Includes commercial humanflight

Space launch demand is segmented by orbit type – A total of 350 tons are launched annually worldwide

Launch segments

GEO - Geostationary Earth Orbit

Altitude 36,000km



3.5 t

Avg sat mass



31 launches, 129 tons

-1% CAGR

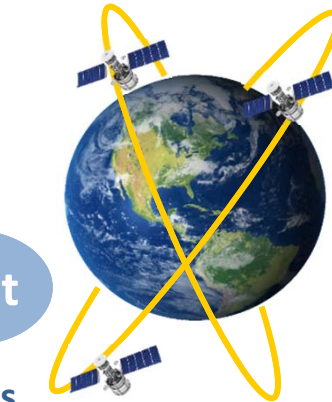
MEO - Medium Earth Orbit

Altitude 3,000-22,000km



1.4 t

Avg
sat mass



15 launches, 38 tons

+6% CAGR

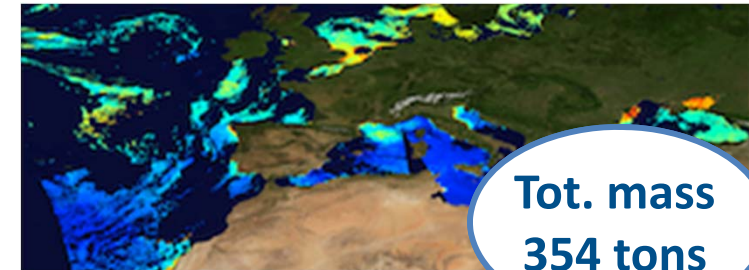
LEO - Low Earth Orbit

Altitude 500-2,000km



0.5 t

Avg sat mass



Tot. mass
354 tons

68 launches, 187 tons

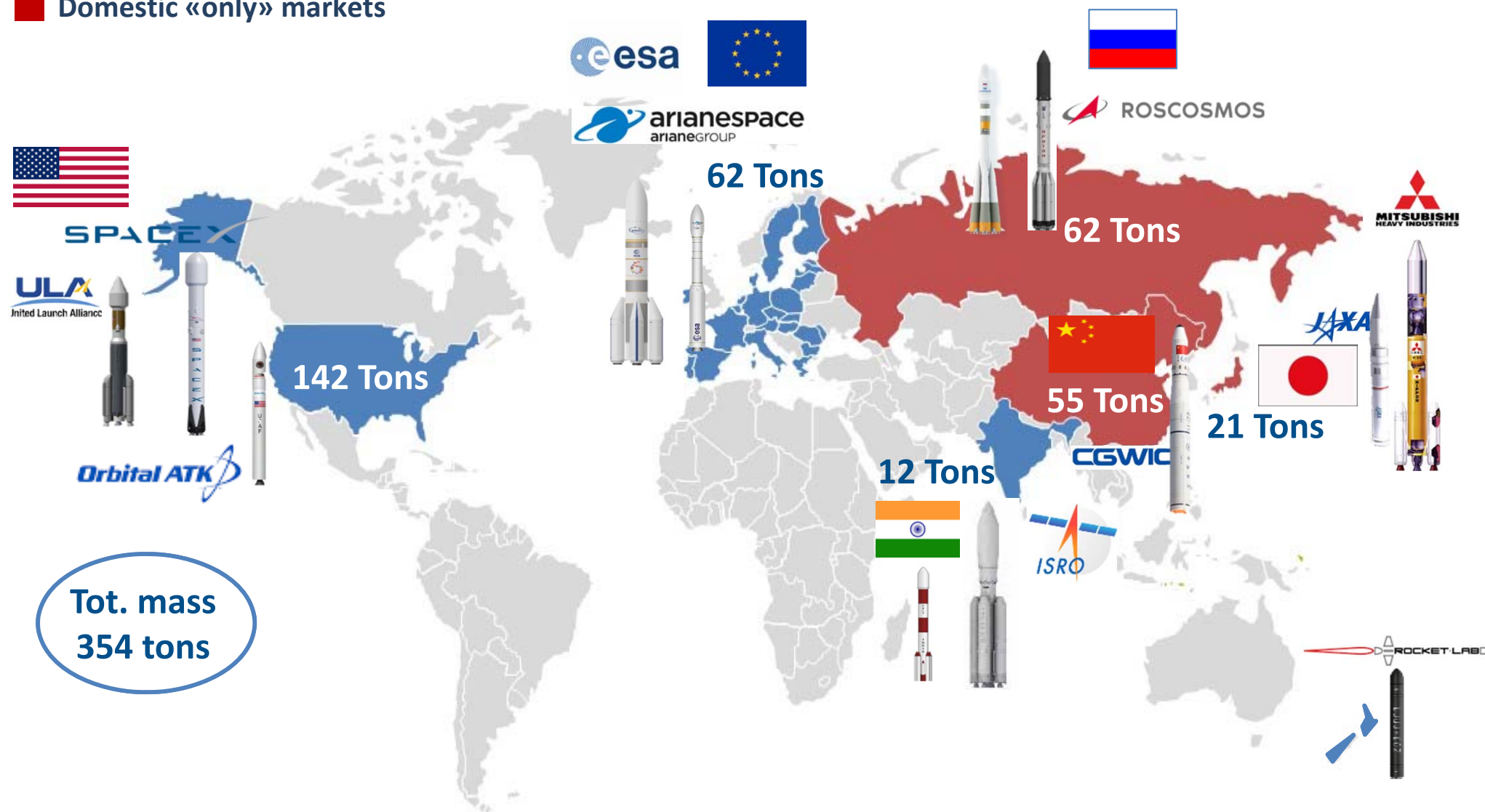
+9% CAGR

Sources: Spaceworks; International Journal of Science and Research; Avio estimate on Euroconsult data

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Global competition is concentrated on a few players

■ Domestic «only» markets



SOURCE: Avio elaboration on Gunter Space data

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Avio works across the full spectrum of the European offer side

Avio activity by main product lines

Ariane 5 - Heavy launcher
(Avio Industrial partner)
40% of Revenues



P230 Boosters

Turbopump

Vega - Light launcher
(Avio Prime Contractor)
55% of Revenues



P80 motor

Zefiro 23 motor

Zefiro 9 motor

Upper stage

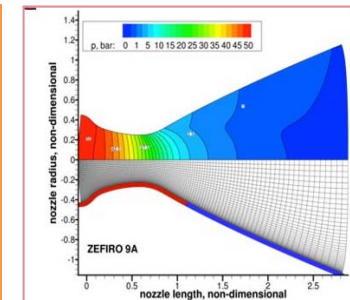
Launcher Integr

GNC software

Avio activity by type of business

Research & Product Development

40% of Revenues



Propulsion and Launcher Production

60% of Revenues



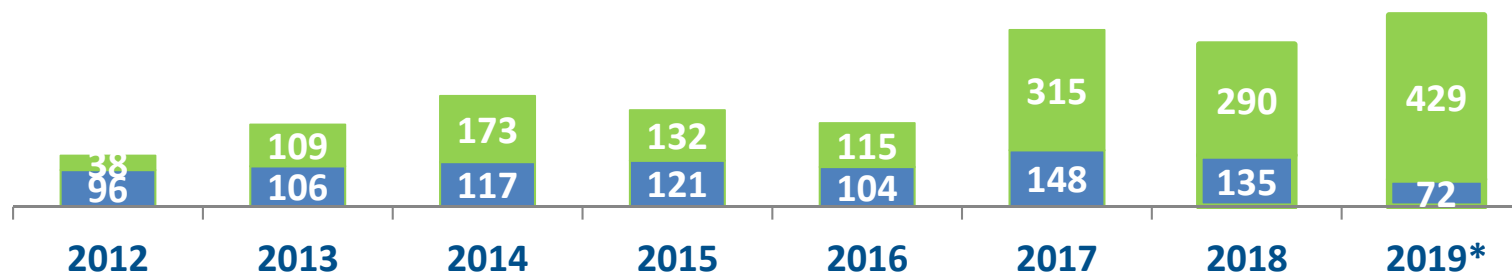
 **esa** European launchers

Vega growing rapidly with increasing demand for smallsats

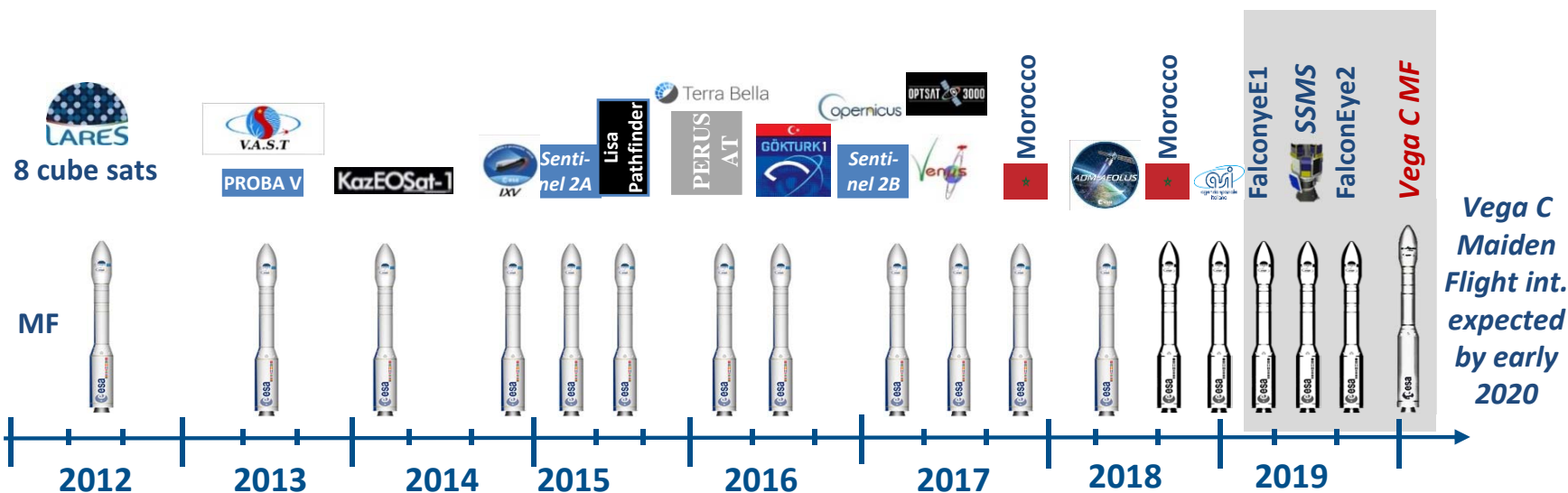


Total nr. of satellites launched into Space worldwide

■ Sats > 500 kg ■ Sats < 500 kg



Vega flight record since 2012 and near term manifest**



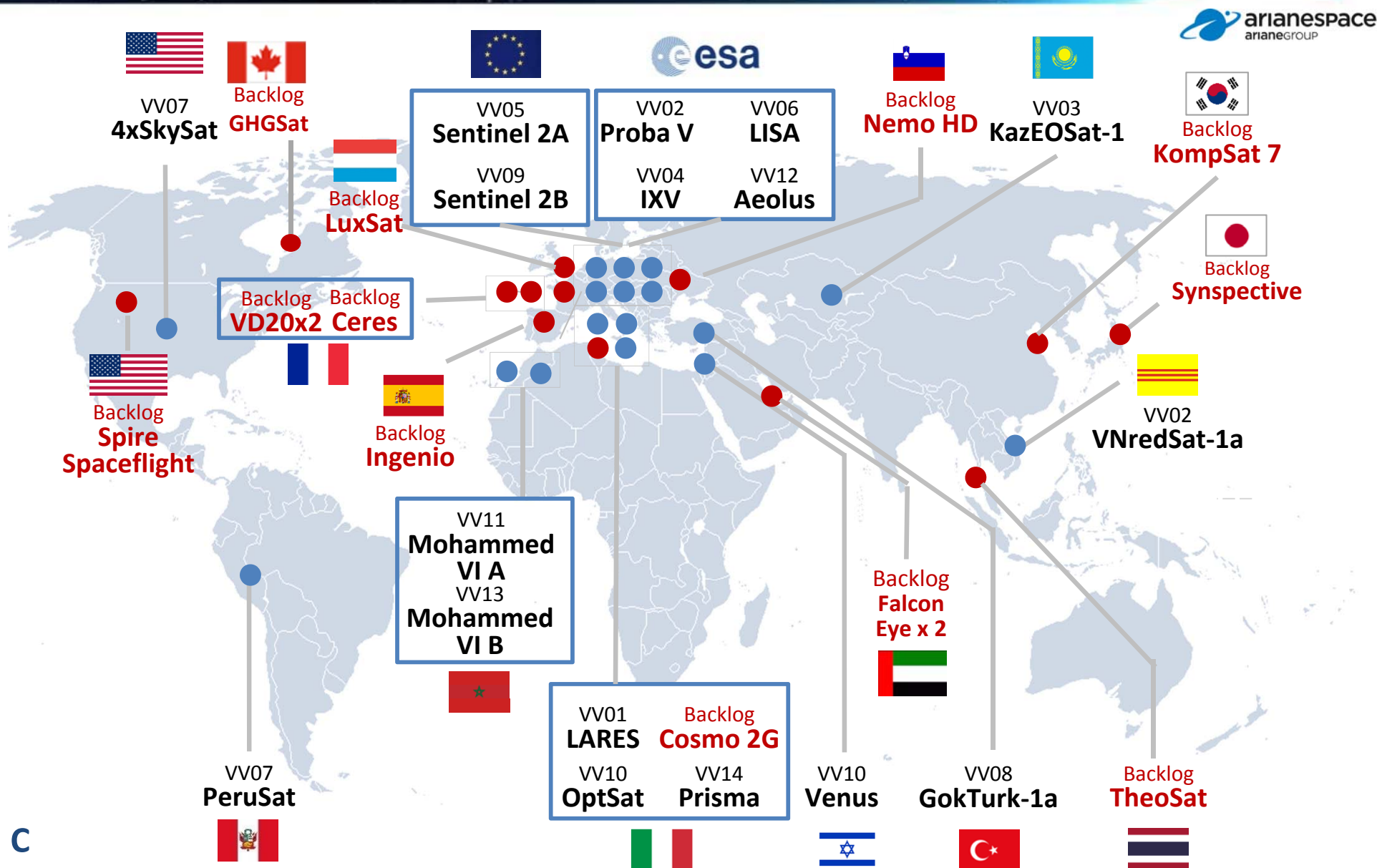
• Estimated figures for 2019 forecast

** Launches already sold and accounted for as the order backlog for 2018- 2019

Source: Space Launch Report; Gunter's Space

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● = Flights



European Launchers evolving to better meet market demand



Today

Tomorrow*



1.5 Tons
LEO

>3 Tons
MEO

10.5 Tons
GEO

2.3 Tons
LEO

>5 Tons in
LEO/MEO/GEO

10.5 Tons
GEO

Broader
product range

Lower
costs

More
flexibility

P80



Vega



Soyuz

P230



Ariane 5

P120



Vega C

P120



Ariane 6.2



Ariane 6.4



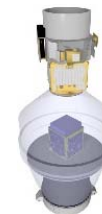
Vega
Dual Payload



Fregat
Adapter



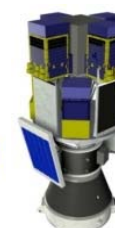
Ariane 5
Dual Payload



Vega C
Dual
Payload



Vega
Piggyback



Vega
SSMS



Space
Rider



Ariane 6
Rideshare



Ariane 6
Dual
Payload



*SOURCE: Ariane 6 user manual, Web Search
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Revolutionary automation, advanced materials, streamlined process for the main stage (P120) production



First flight items
production

Vega C MF
Ariane 6 MF

P120 Full volume
production

2018

2019

2020

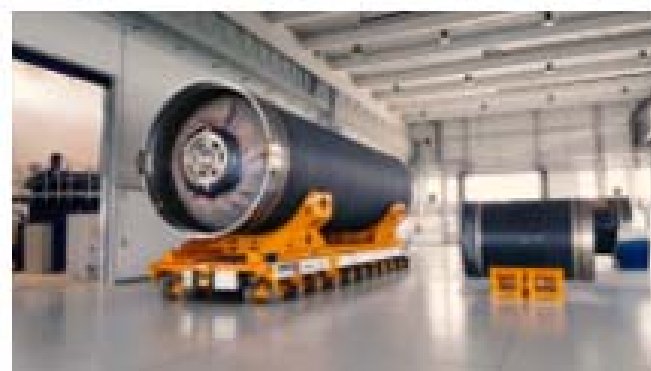
2021

2022

2023

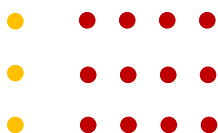


Vega Ariane 5



Vega C Ariane 6.2 Ariane 6.4

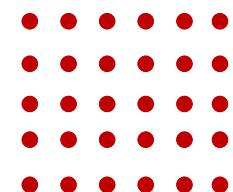
P80 P230



Single main-stage, higher volumes

Economies of scale

P120



Motors for Vega C and Ariane 6 ready



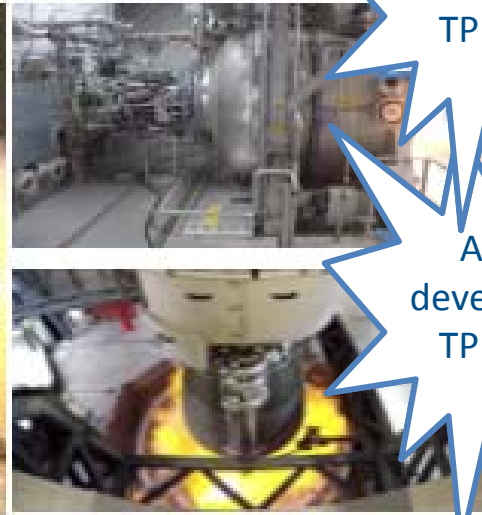
✓ Vega C
Launcher CDR
successful



Z40

P120

Vega C



Avio
developed
TP LOX

Avio
developed
TP LOX

Vinci

Vulcain

P120



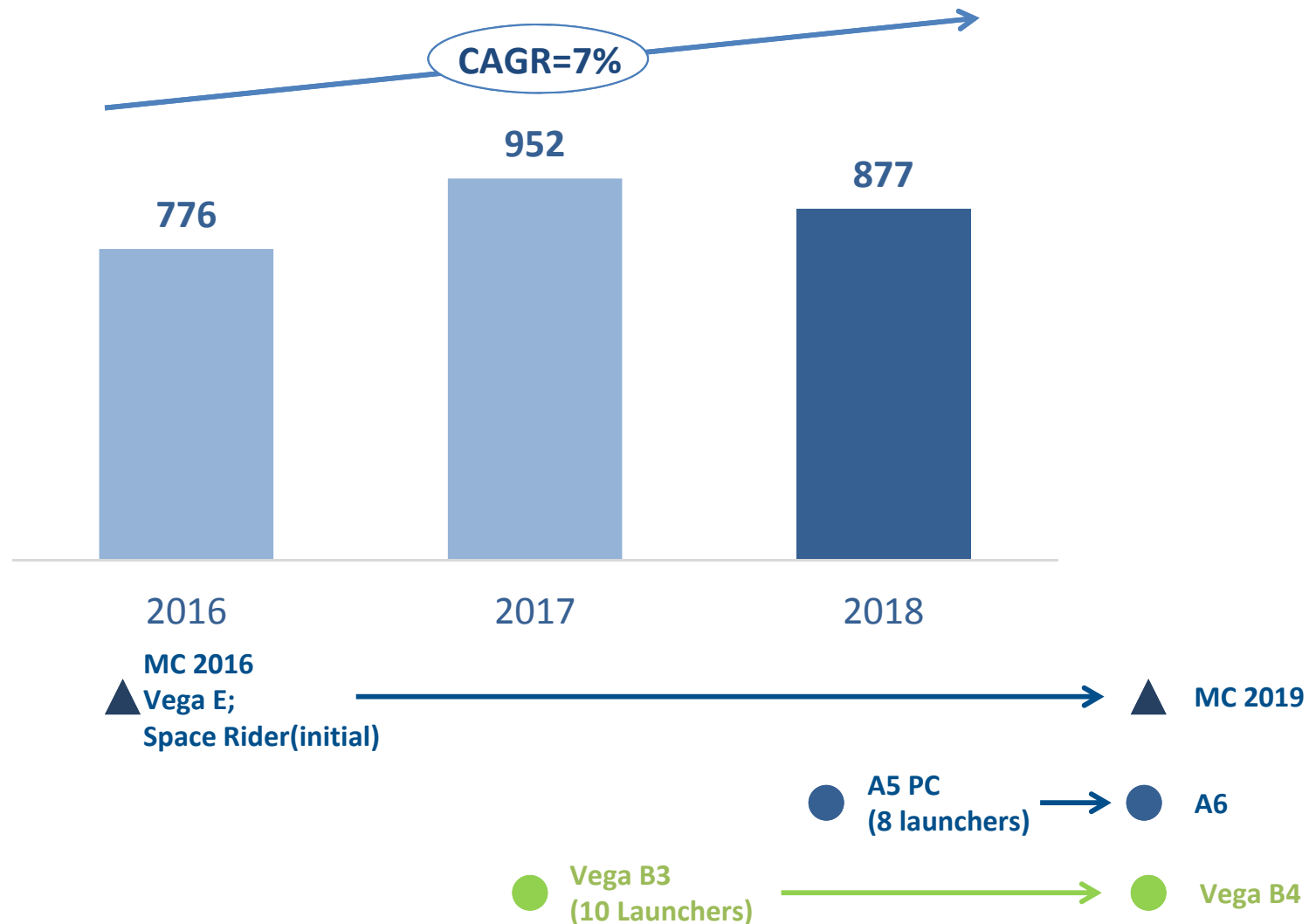
Ariane 6



SOURCE for Vinci and Vulcain tests: <https://www.youtube.com/watch?v=HjeEaW9nSgk>; <https://www.youtube.com/watch?v=t7TAGtIRmN8>
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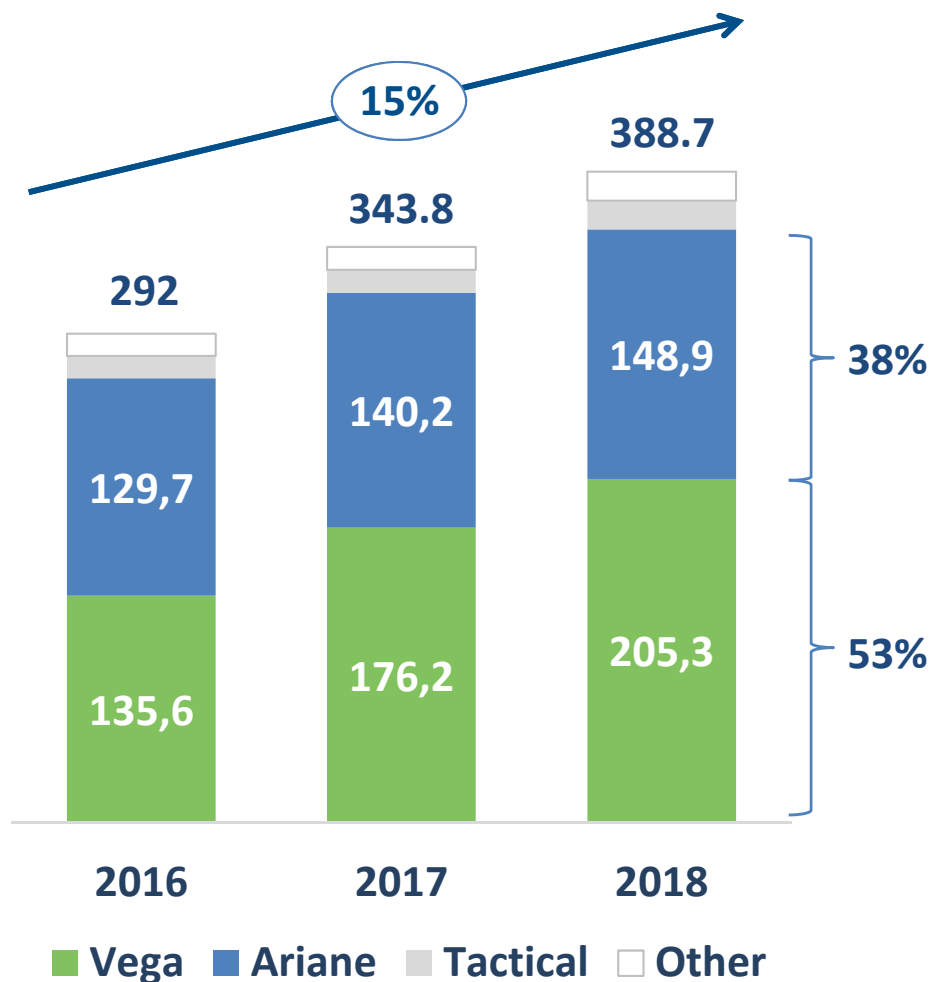
Net Order Backlog on a growth trend

Net Order Backlog Evolution (€ - M)



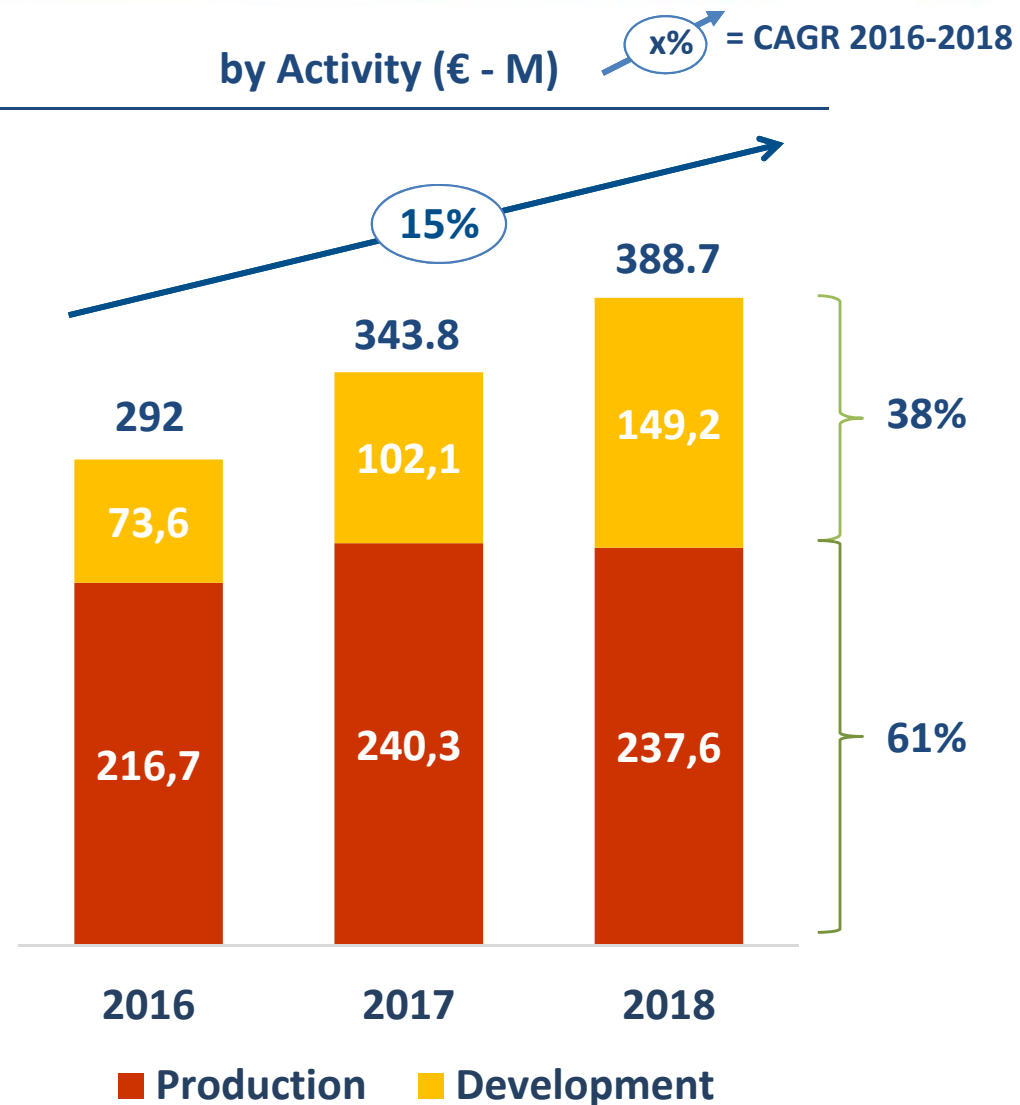
Net Revenues growth fueled by Vega and development activities

by Line of Business (€ - M)



Vega growing launch rate and dev't activity

by Activity (€ - M)

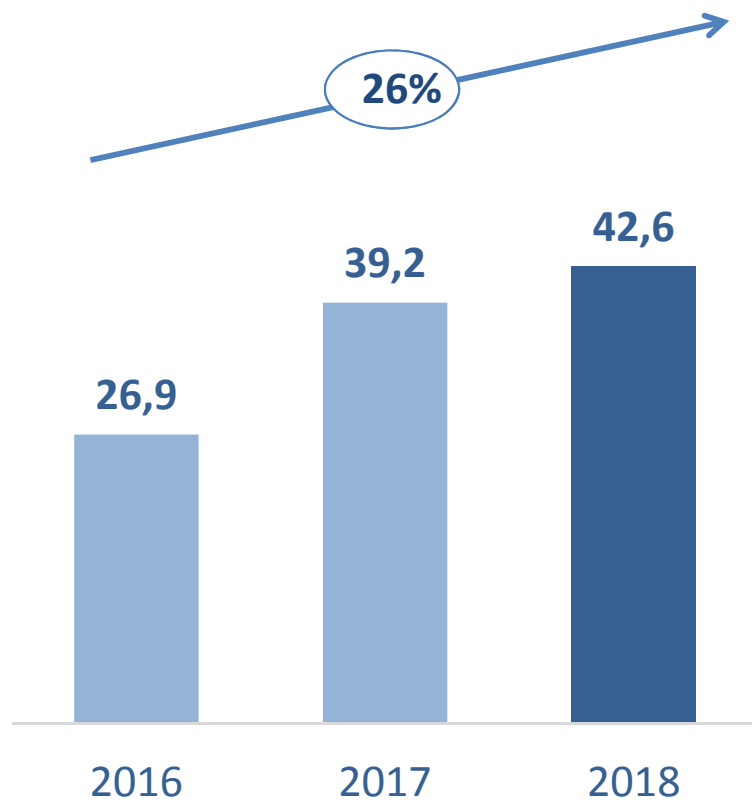


P120 and Vega dev't ramping up

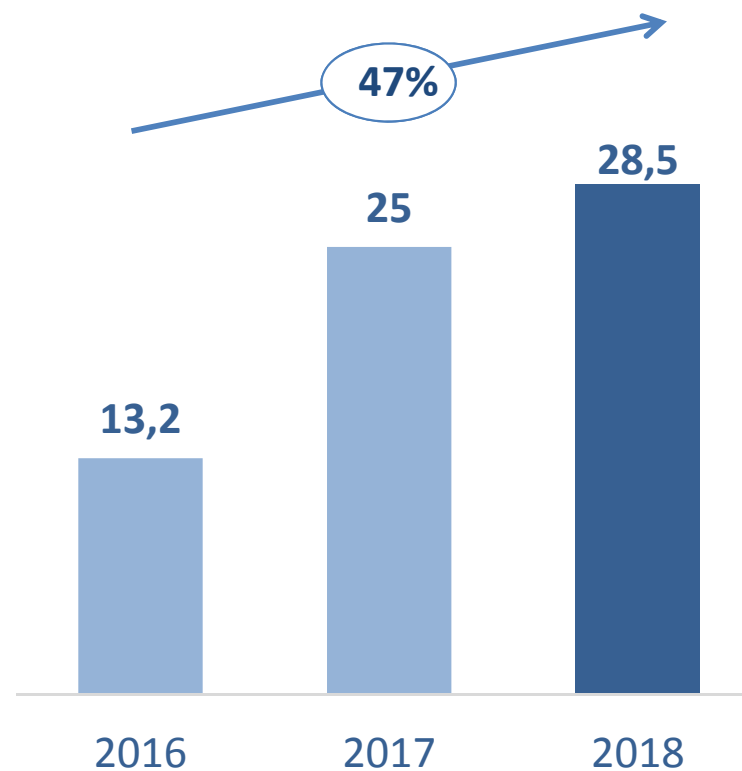
EBITDA and EBIT growing – High operating leverage

x% = CAGR 2016-2018

EBITDA (€ - M)



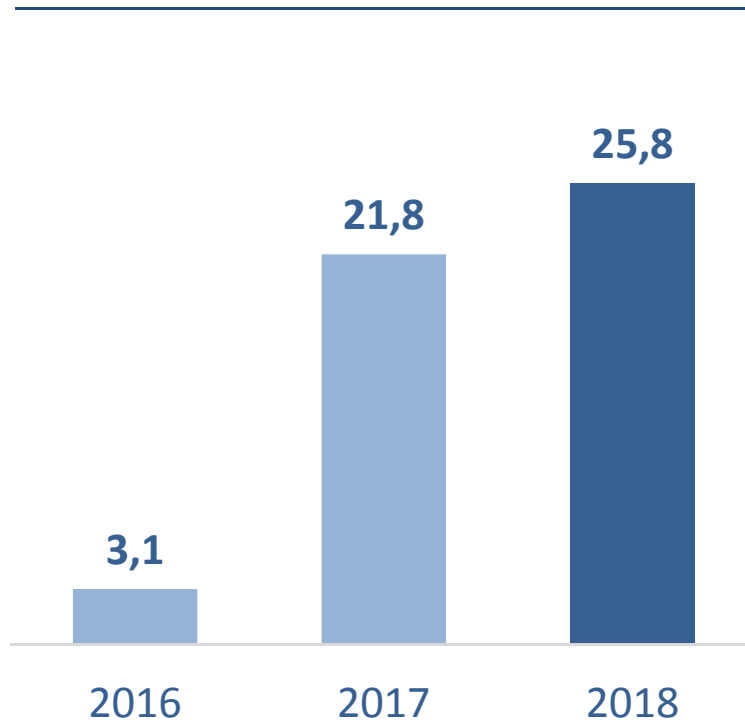
EBIT (€ - M)



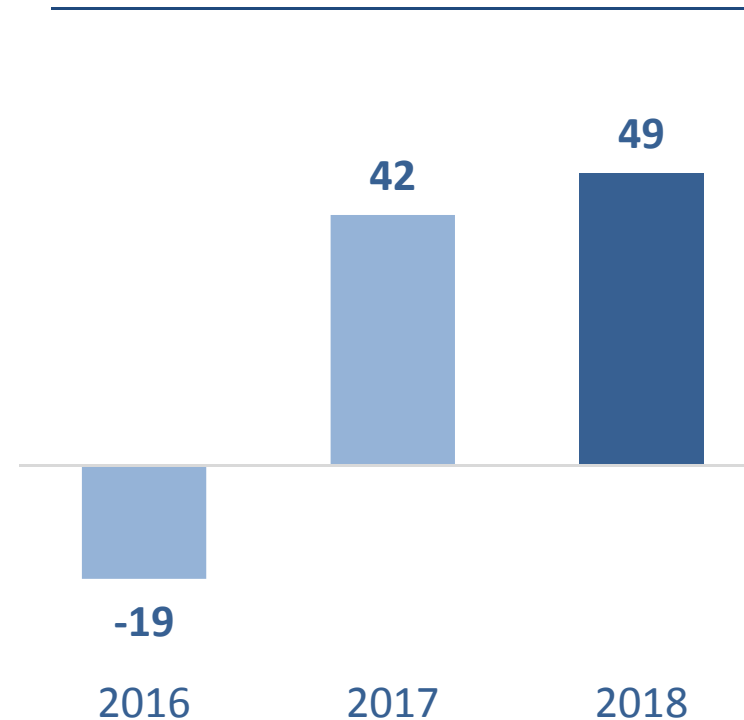
Growing Earnings and Cash supporting dividends and capex



Net Income (€ - M)



Net Financial Position (€ - M)



**Dividends
(€ - M)**

Year	Dividends (€ - M)
2016	-
2017	10
2018	11.5

**CAPEX
(€ - M)**

Year	CAPEX (€ - M)
2016	25
2017	29
2018	23

1Q19, 2019 guidance and long term outlook



	Q1 2019 (% change YOY)	Guidance 2019	2023 outlook
• Net Order Backlog	• Not disclosed	• €750M – €800M	<ul style="list-style-type: none"> • Market expansion and presence in the LEO segment driving revenue growth • Revenue Mix evolving progressively more towards production than development activities
• Net Revenues	• +10%	• €380M – €405M	
• EBITDA	• +15%	• €42-44M	<ul style="list-style-type: none"> • Efficiency improvement through single main stage (P120) industrial strategy • Further operating leverage leading to P&L optimization and Net Income expansion
• Net Income	• Not disclosed	• €25M - €28M	

Analysts' coverage



Target Price

16.0

16.8

18.0

16.5

16.8

Recommendation

Buy

Buy

Buy

Buy



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