



# **Investor Presentation**

## **Melius Research Industrial Tech & Aerospace Forum**

*New York City, June 2019*

# Disclaimer



*This document has been prepared by Avio S.p.A. (“Avio” or the “Company”). This document is being provided to you solely for your information and may not be reproduced or redistributed to any other person.*

*This document might contain certain forward-looking statements that reflect the Company’s management’s current views with respect to future events and financial and operational performance of the Company and its subsidiaries. These forward-looking statements are based on Avio’s current expectations and projections about future events. Because these forward-looking statements are subject to risks and uncertainties, actual future results or performance may differ materially from those expressed in or implied by these statements due to any number of different factors, many of which are beyond the ability of Avio to control or estimate. You are cautioned not to place undue reliance on the forward-looking statements contained herein, which are made only as of the date of this presentation. Avio does not undertake any obligation to publicly release any updates or revisions to any forward-looking statements to reflect events or circumstances after the date of this presentation. Any reference to past performance or trends or activities of Avio shall not be taken as a representation or indication that such performance, trends or activities will continue in the future. This document does not constitute an offer to sell or the solicitation of an offer to buy Avio’s securities, nor shall the document form the basis of or be relied on in connection with any contract or investment decision relating thereto, or constitute a recommendation regarding the securities of Avio.*

*This document may not be reproduced, redistributed or published in whole or in part without Avio’s authorization.*

# Avio : a pure player in Space launchers



- European heavy launcher (10.5 tons in GTO)
- Avio: partner and supplier for strap-on boosters

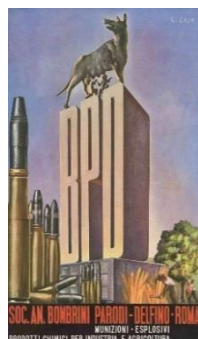
- European light launcher (1.5 tons in LEO)
- Avio: developer, manufacturer, launcher system integrator



# 50 years of consistent track record



1<sup>st</sup> listed  
Company  
in Space  
Launchers



Ammunitions

1912

Ariane 1-3



Separation  
motors

1968

Ariane 4



9.5 ton  
boosters

1990

Ariane 5



230 ton boosters

2003

Vega



Launch system

Vega C Ariane 6

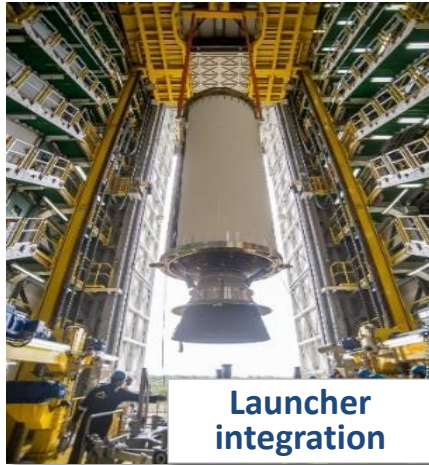


Launcher family

2017



# Industrial operations in Europe and French Guyana



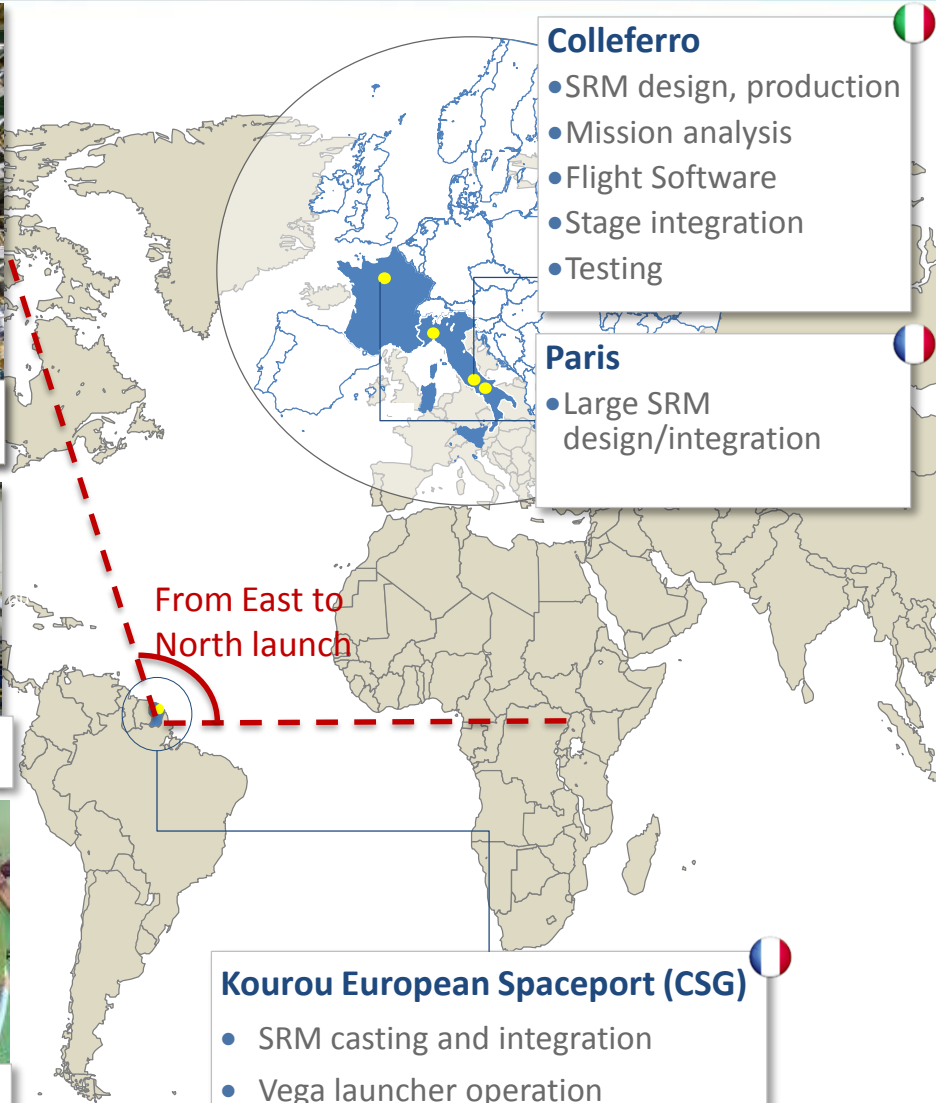
**Launcher integration**



**Main stage integration**



**Propellant casting**



## Colleferro

- SRM design, production
- Mission analysis
- Flight Software
- Stage integration
- Testing

## Paris

- Large SRM design/integration

## Kourou European Spaceport (CSG)

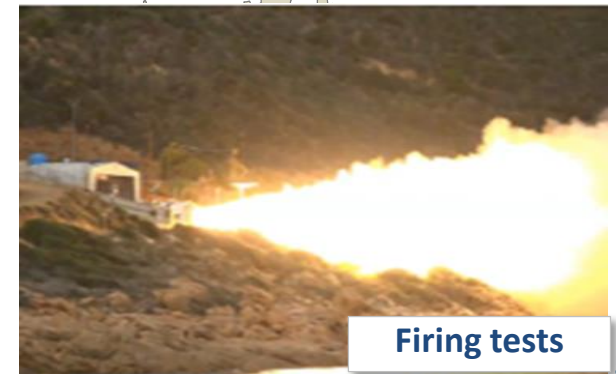
- SRM casting and integration
- Vega launcher operation



**SRM Manufacturing**



**Upper stage integration**



**Firing tests**



# Entrepreneurial Team

## Roberto Italia - Chairman



- Avio Chairman since 2017
- Avio board member since 2003
- Founder of Space Holding
- Private Equity background (Cinven, Henderson, Warburg Pincus)
- MBA at INSEAD



6% share in Avio

- European leader in SPACs
- 4 portfolio companies
- Over €1 Bn invested

## Giulio Ranzo - CEO



- Avio CEO since 2015
- Founder of Inorbit in 2016
- Avio SVP Strategy 2011-2014
- SVP BD/Finance at Cementir Holding
- Principal at Booz Allen Hamilton
- PhD in Structural Engineering University of Rome/UC San Diego



4% share in Avio

- 70 Avio managers as equity partners
- An aggregate investment of €11M

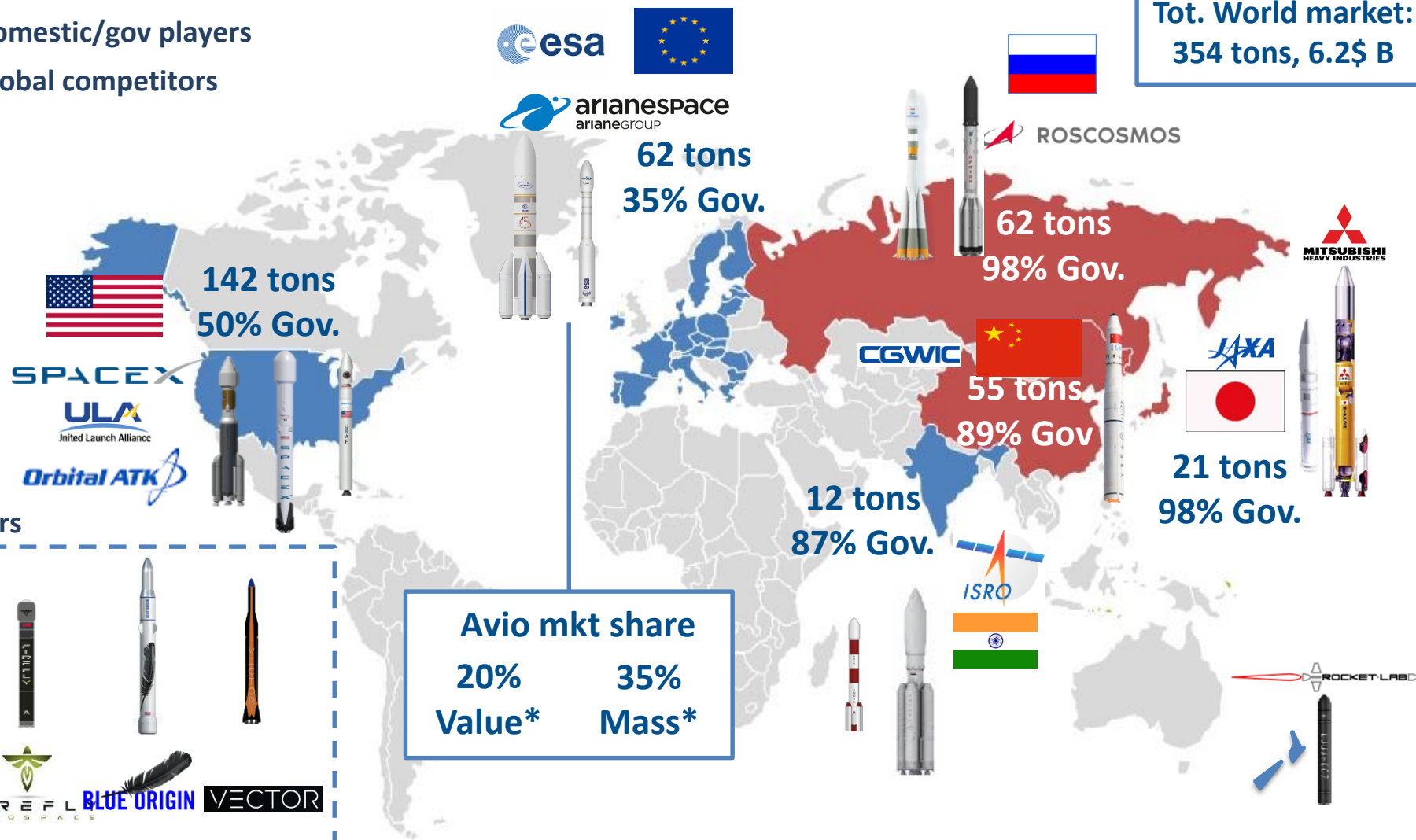


# Global competition is concentrated on a few players



- Domestic/gov players
- Global competitors

**Tot. World market:**  
354 tons, 6.2\$ B



\* Computed on addressable market (excludes government market of USA, China, Russia, Japan)

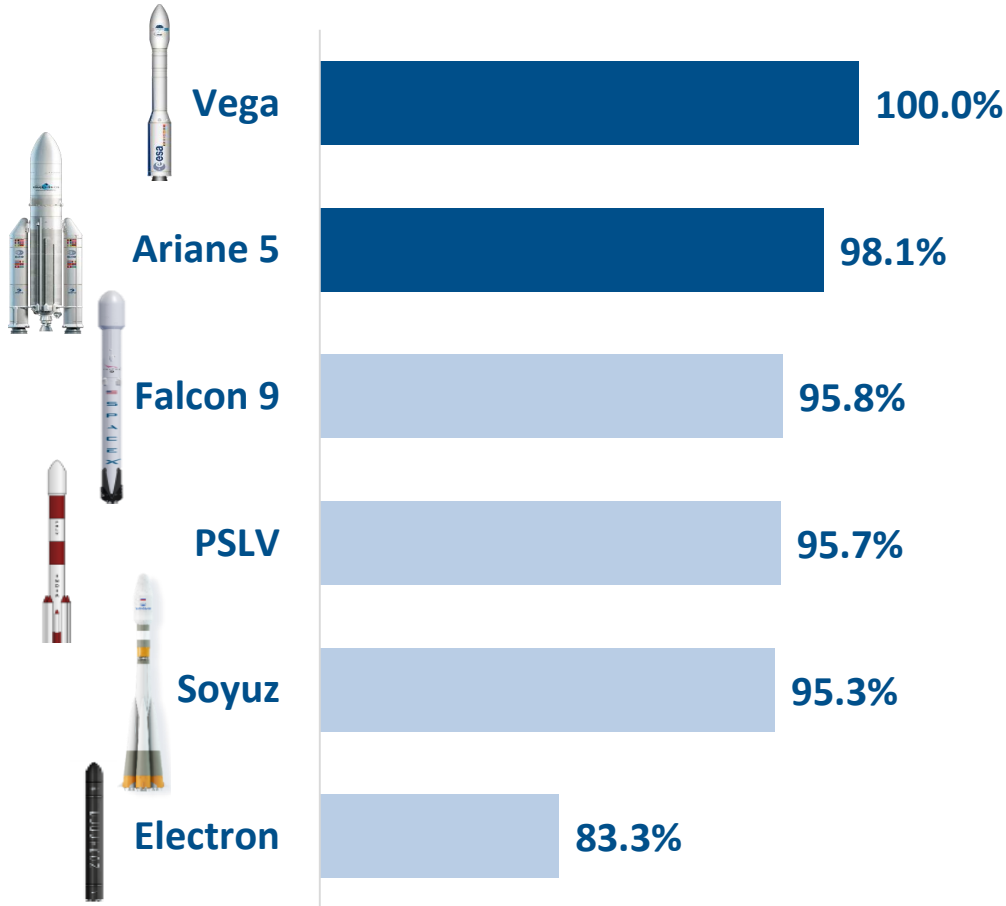
SOURCE: Avio elaboration on Gunter Space data

AVIO SpA- All rights reserved – subject to the restrictions of last page.

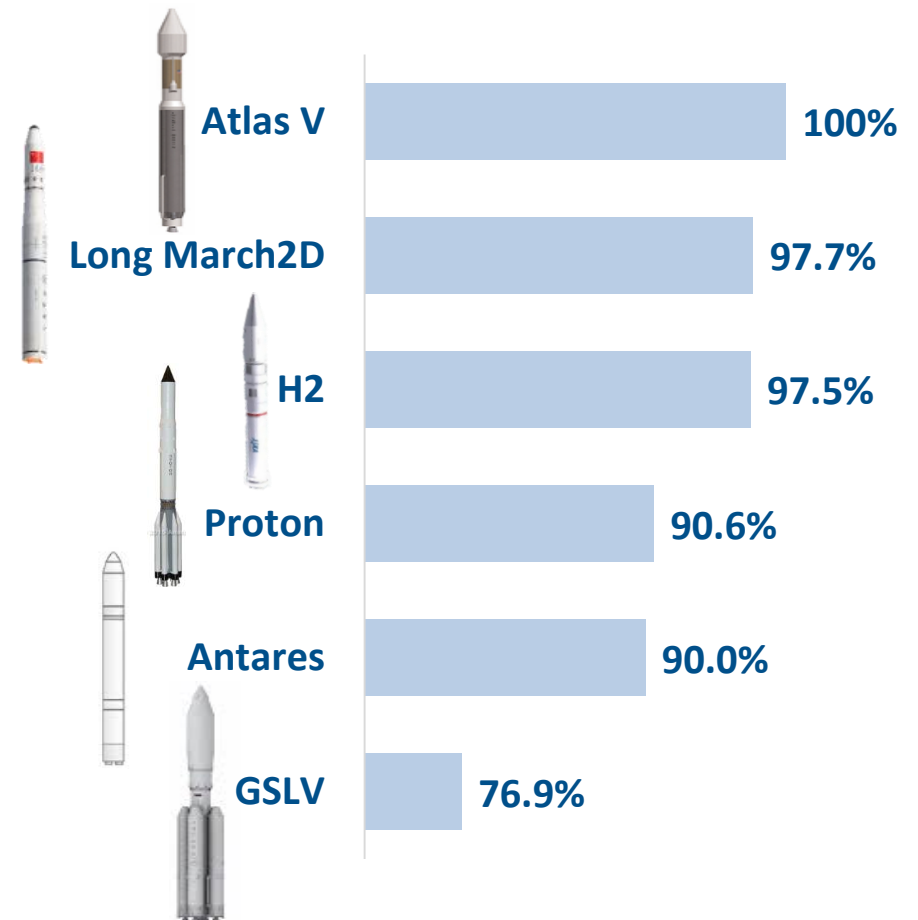
# Vega and Ariane 5 global leaders in reliability



## Competing for commercial and export launches (% of success)



## Primarily for domestic government launches (% of success)

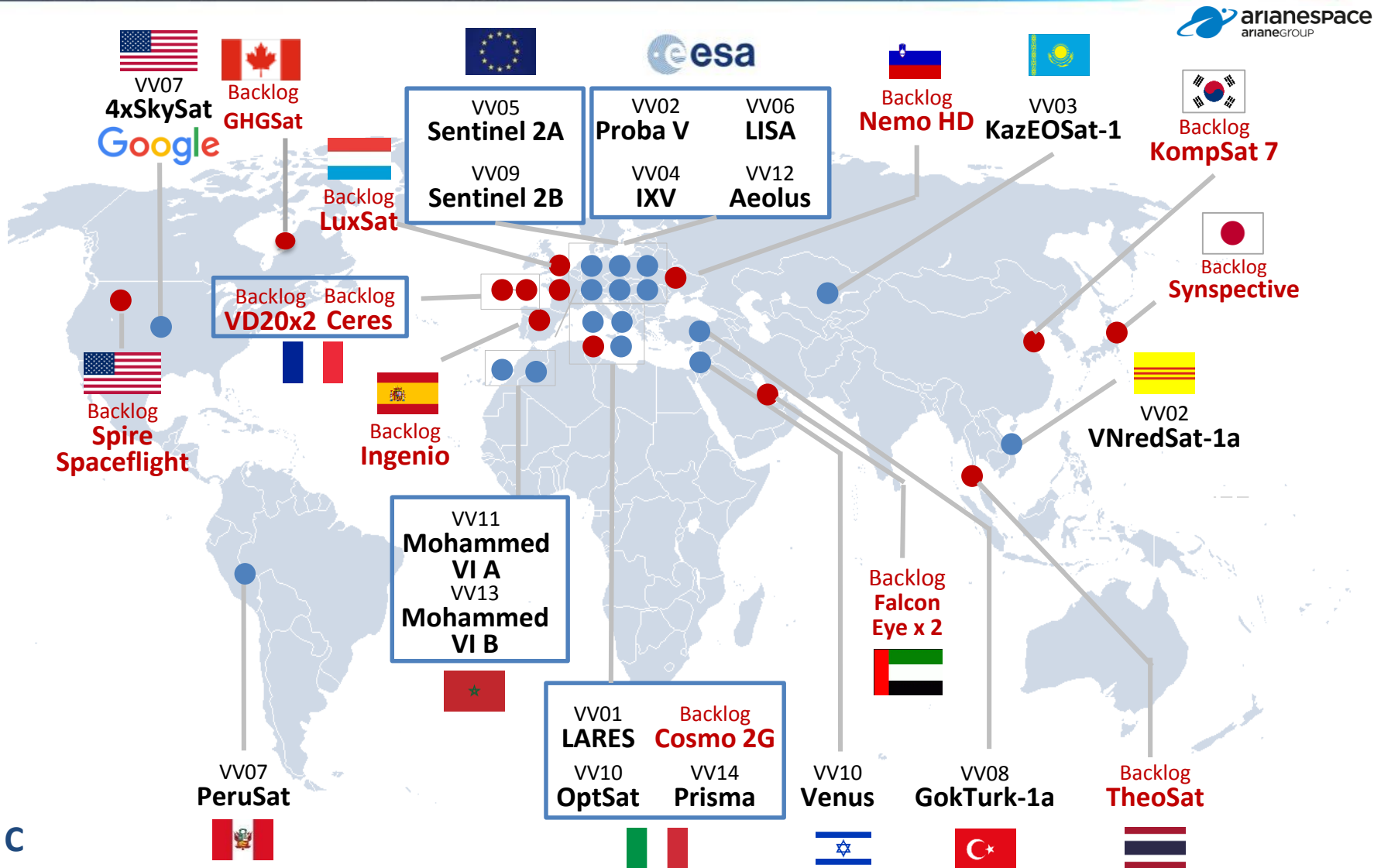




# Vega global customer base since its 2012 maiden flight



● = Backlog  
● = Flights

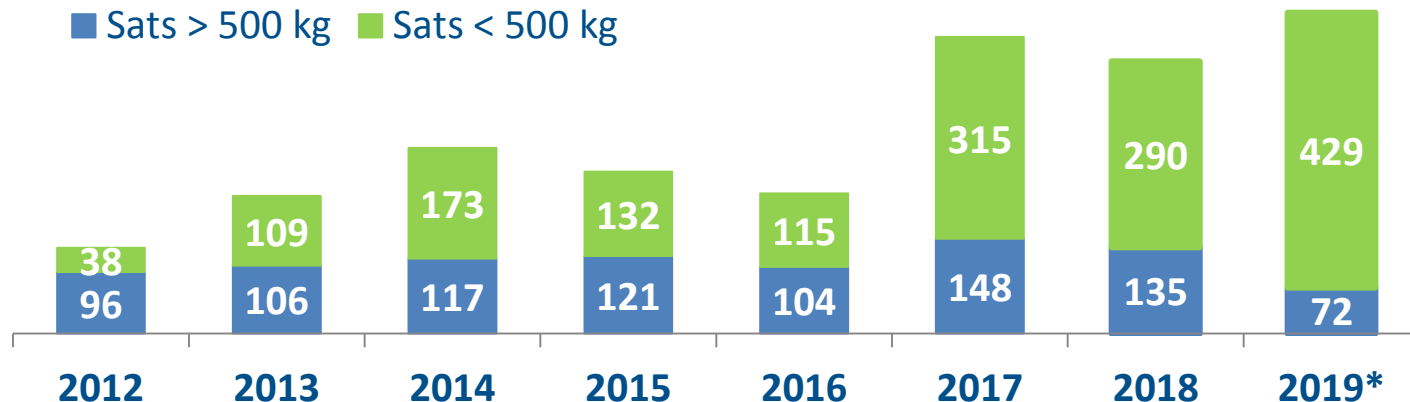


# Vega growing rapidly with increasing demand for smallsats

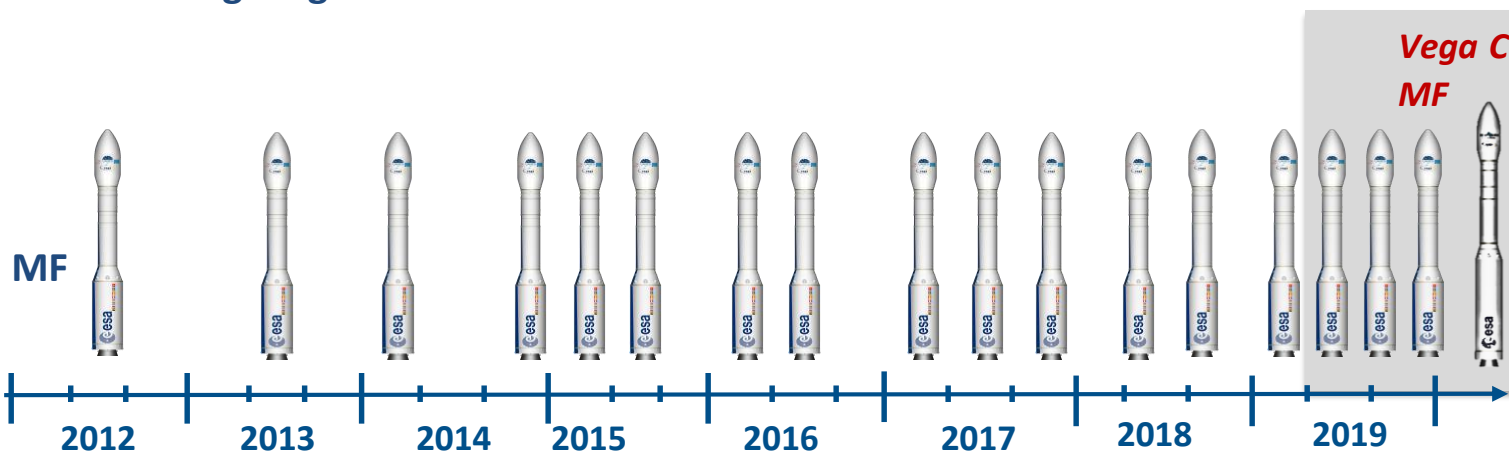


## Total # of satellites launched into Space worldwide

■ Sats > 500 kg ■ Sats < 500 kg



## Vega flight record since 2012 and near term manifest\*\*



• Estimated figures for 2019 forecast

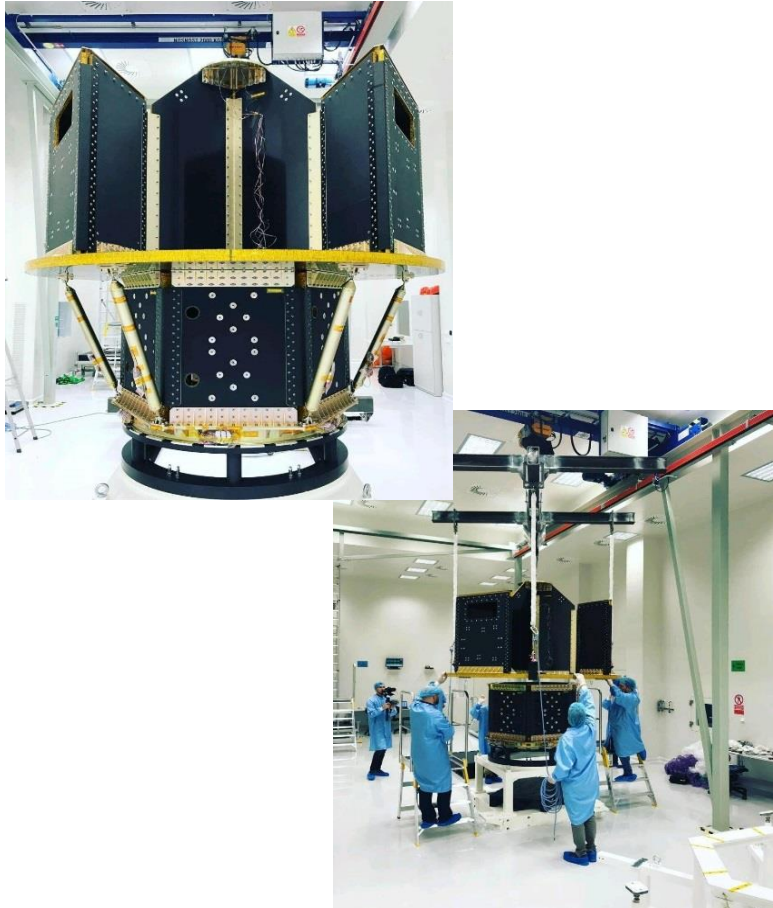
\*\* Launches already sold and accounted for as the order backlog for 2018- 2019

Source: Space Launch Report; Gunter's Space

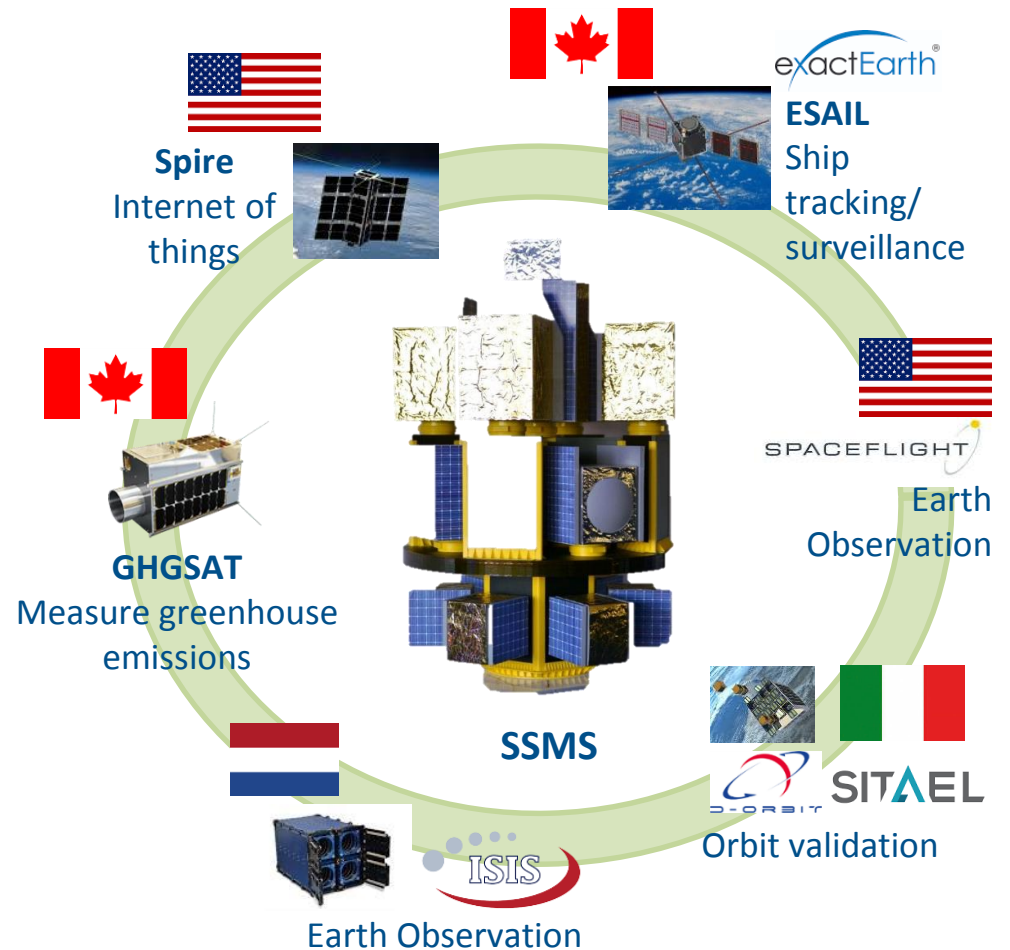
AVIO SpA- All rights reserved – subject to the restrictions of last page.

# Ready for the first smallsat rideshare mission

SSMS Integration completed ✓



1<sup>st</sup> Vega SSMS rideshare flight - fully booked ✓



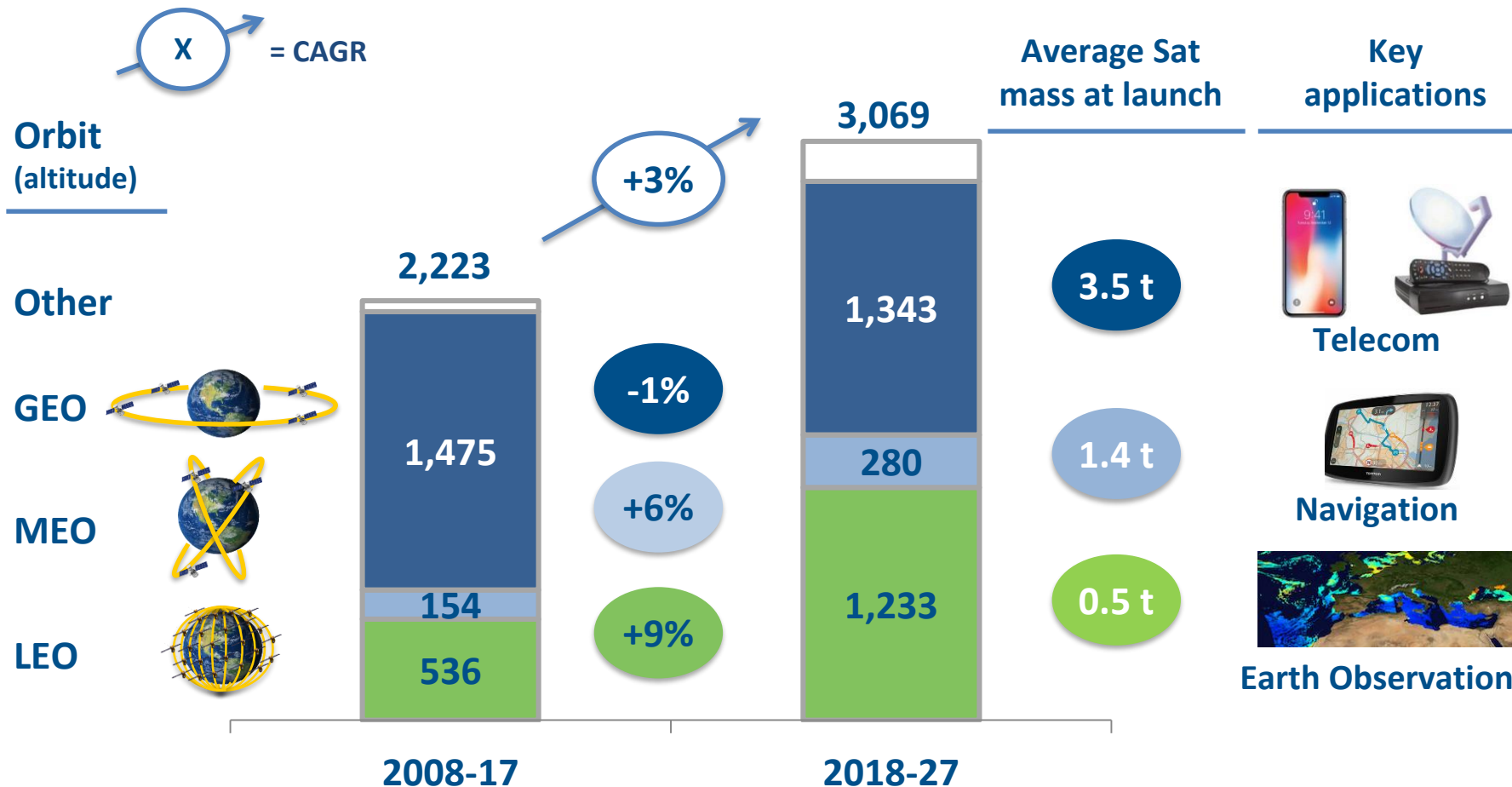


# Launch demand : stable in MEO-GEO, fast-growing in LEO



## World Market

### World total mass at launch (tons)



Source : Avio estimate on Euroconsult data; Excludes sats with mass <50 Kg

AVIO SpA- All rights reserved – subject to the restrictions of last page.

# 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  
(Licensed)

P230



Ariane 5

P120



Vega C



Ariane 6.2

P120



Ariane 6.4



Vega  
Dual Payload



Fregat  
Adapter



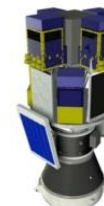
Ariane 5  
Dual Payload



Vega C  
Dual  
Payload



Vega  
Piggyback



Vega  
SSMS



Ariane 6  
Rideshare



Ariane 6  
Dual  
Payload

# 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

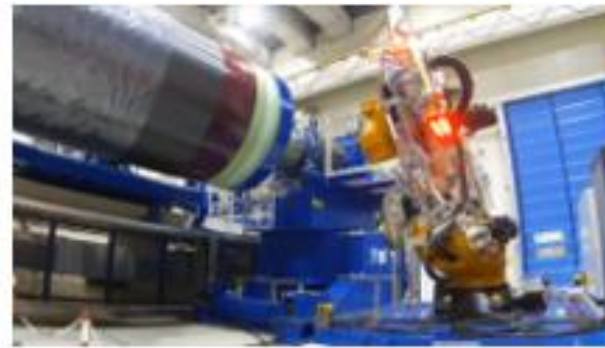
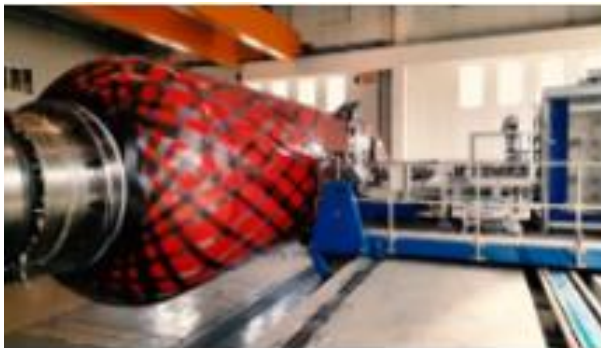
2021

2022

2023

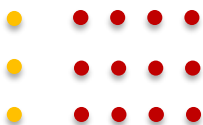


**Vega Ariane 5**



**Vega C Ariane 6.2 Ariane 6.4**

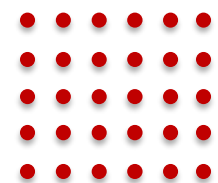
**P80 P230**



*Single main-stage, higher volumes*

*Economies of scale*

**P120**

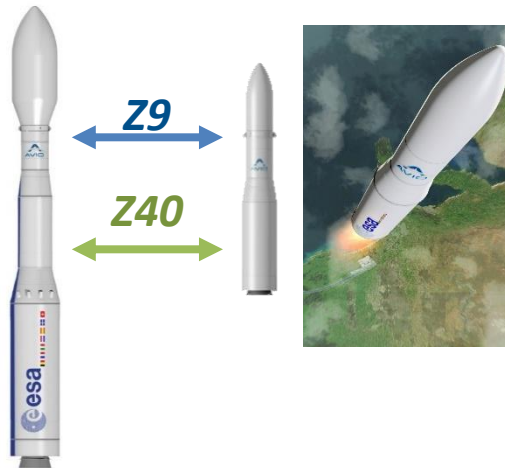




# Further growth opportunities beyond 2020



## 2021: Vega Light



300 kg to LEO

- Dedicated launch service for smallsats
- Leverage of 2nd and 3rd stages of Vega C
- Rapid deployment

## 2022: Space Rider



800 kg to and from LEO

- Re-entry vehicle
- Space Debris removal
- Sub-orbital experiments

## 2024: Vega E



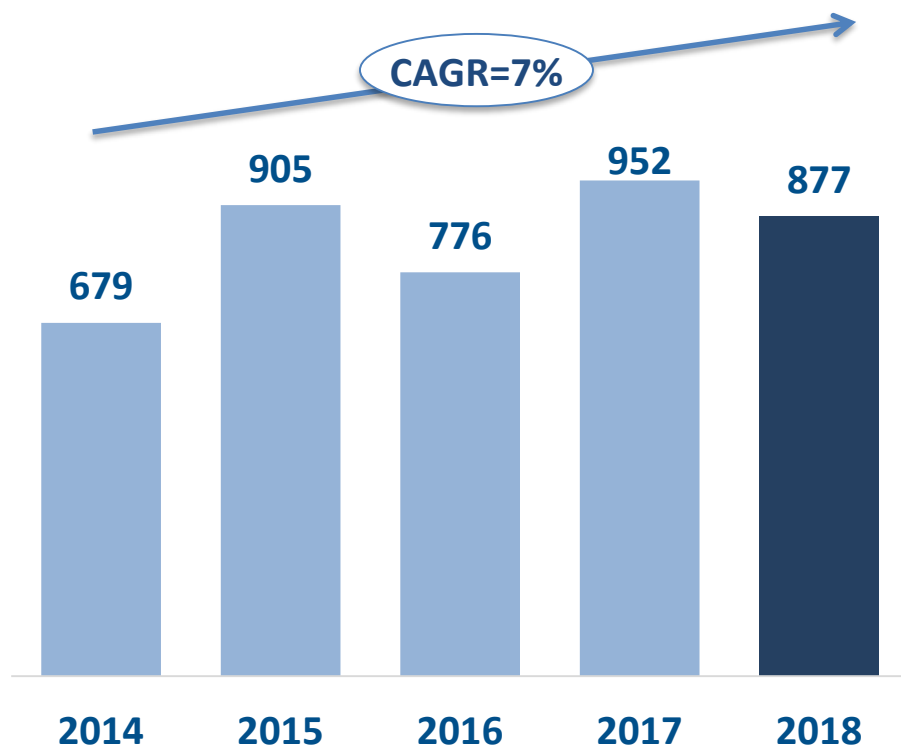
2,900 kg to LEO

- Lower cost/kg than Vega C
- Increased in-orbit flexibility

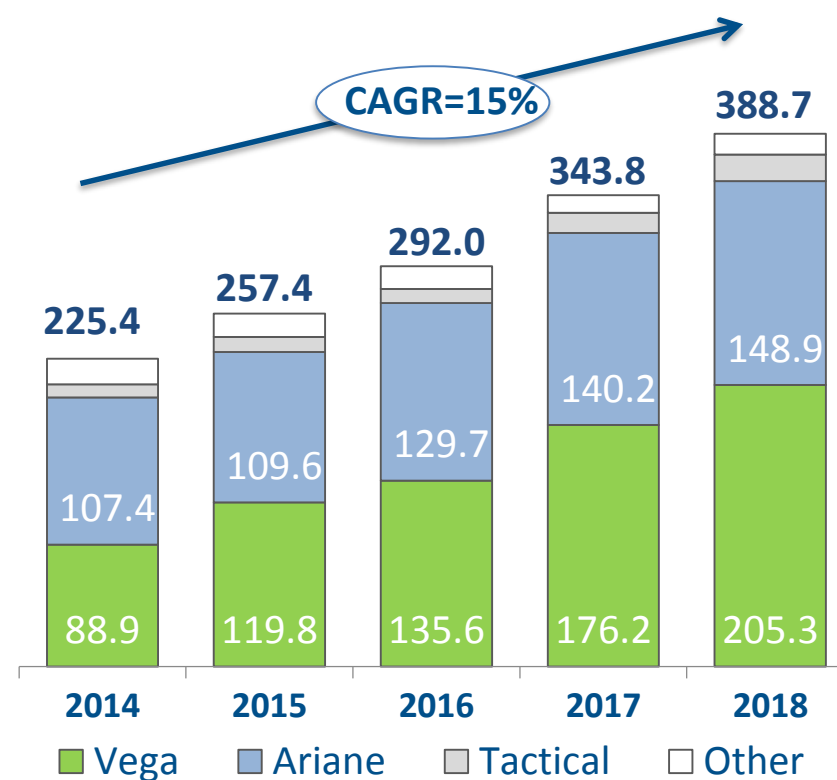
# Net Order Backlog and revenues



## Net Order Backlog Evolution (€ - M)



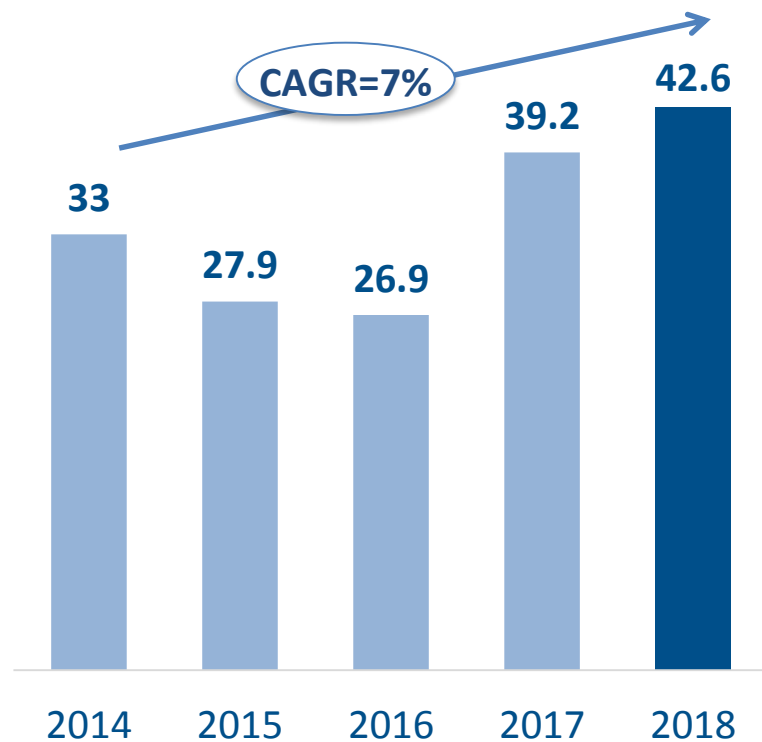
## Revenues by Line of Business (€ - M)



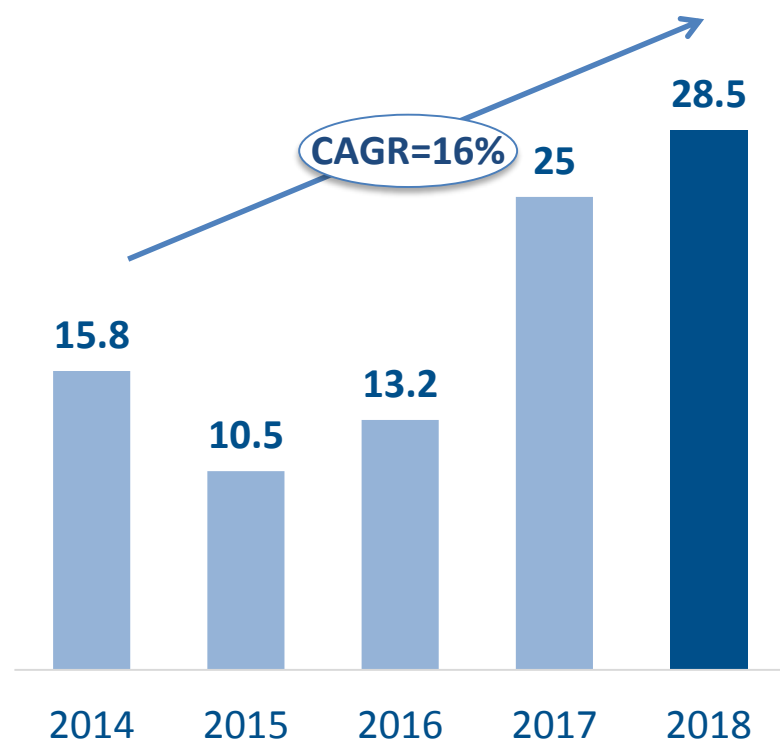
# EBITDA and EBIT growing – High operating leverage



EBITDA (€ - M)



EBIT (€ - M)

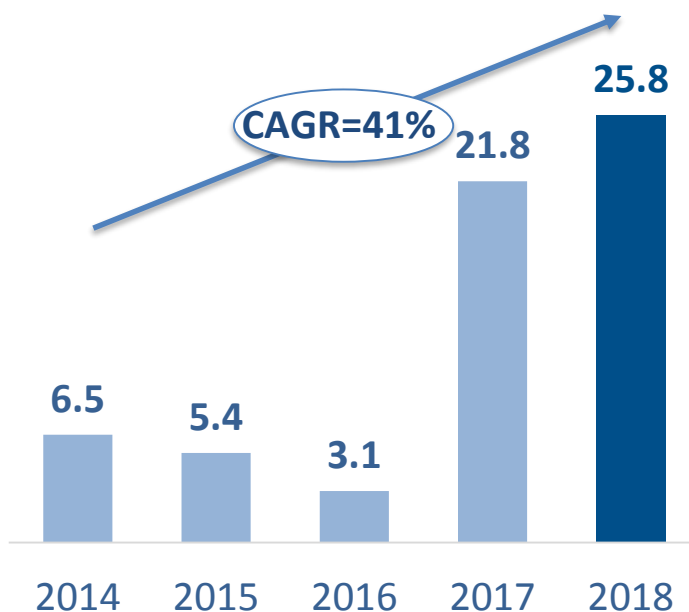




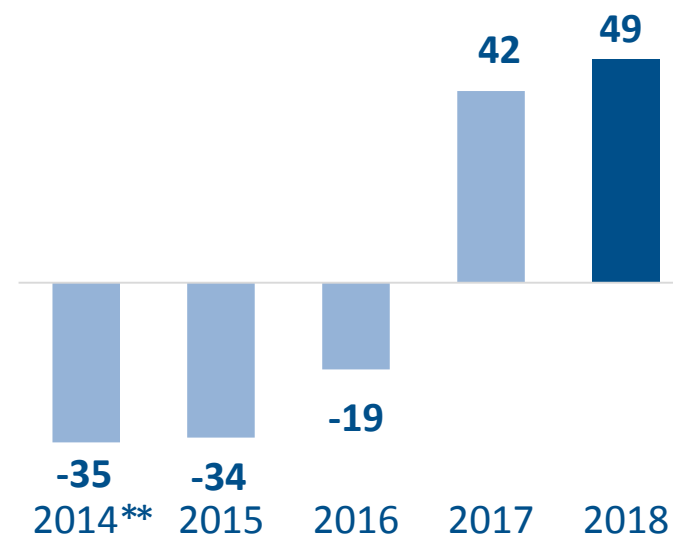
# Growing Earnings and Cash supporting dividends and capex



## Net Income (€ - M)



## Net Financial Position (€ - M)



## Dividends (€ - M)

2014	-	220*	-	10	11.5
------	---	------	---	----	------

## CAPEX (€ - M)

2014	17	14	25	29	23
------	----	----	----	----	----

\* Extraordinary dividend \*\* Pro-forma to account for extraordinary dividend financing

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

# Analysts' coverage



Target Price	16.0	16.8	18.0	16.5
Forward EV/EBITDA*	5.4	7.0	5.6	6.9
Forward P/E*	13.4	13.0	12.4	12.1
Forward EPS*	0.97	1.00	1.05	1.07
Recommendation	Buy	Buy	Buy	Buy

16.8





## **Contacts**

+39 0697285158

+39 3420726648

[investor.relations@avio.com](mailto:investor.relations@avio.com)