



Investor Presentation

Intermonte Madrid online Conference

18th November 2021

Disclaimer



This document has been prepared by Avio S.p.A. (“Avio” or the “Company”). 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.

Agenda



- **Avio Business**

- Financials

- Appendix

Avio : a pure player in Space Launchers



- 320 M€ revenues (10% CAGR 2014-19)
- 1.000 employees
- 300 M€ Mkt Cap
- 60% free float
- 4% Mgmt share

NEW 2022



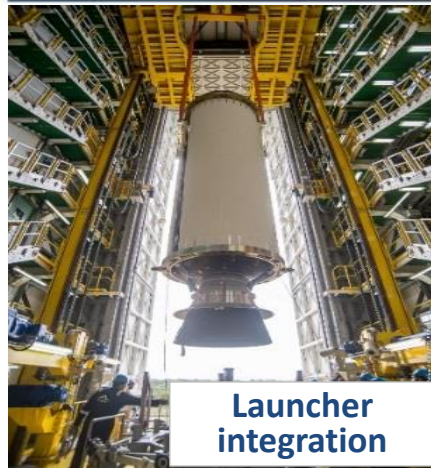
Ariane 6 Vega C



- 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

Industrial operations in Europe and French Guyana



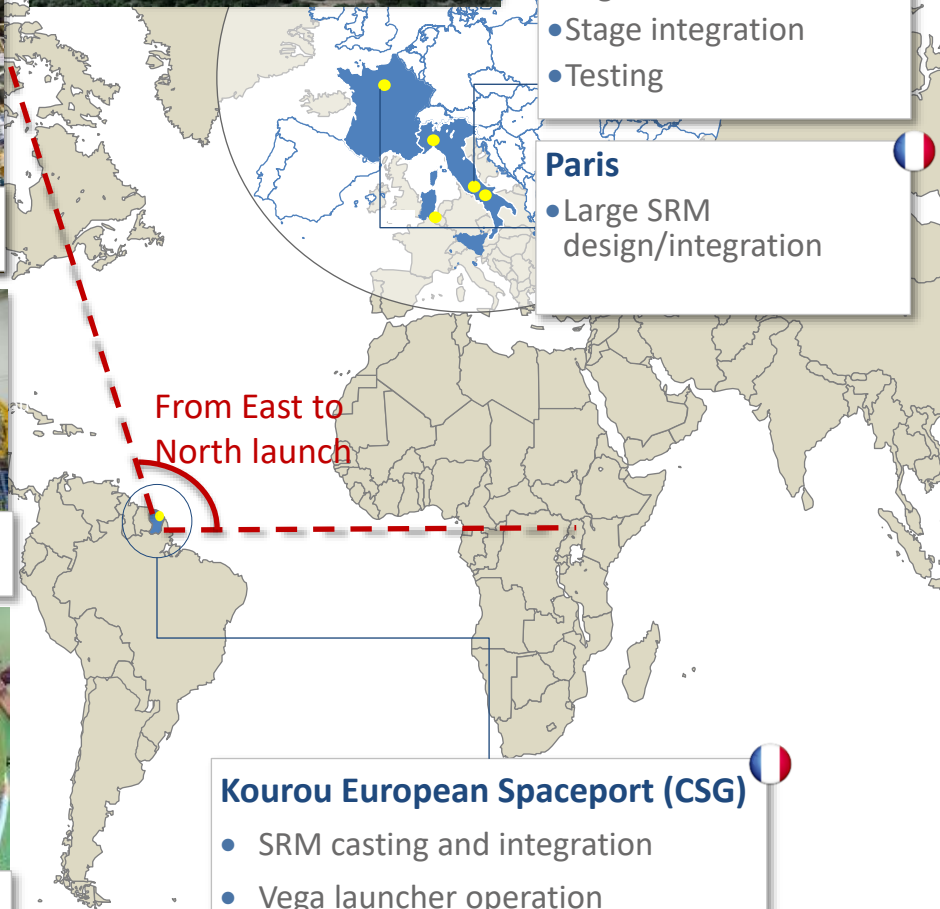
Colleferro

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



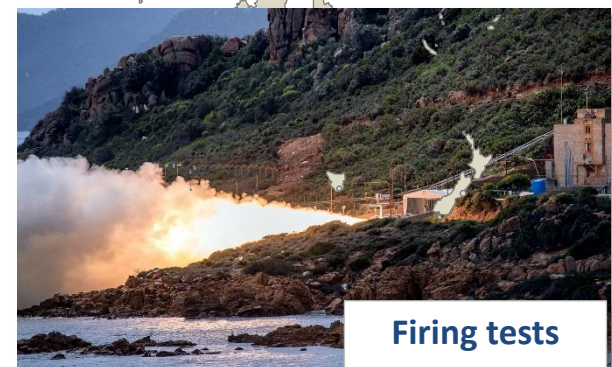
Paris

- Large SRM design/integration

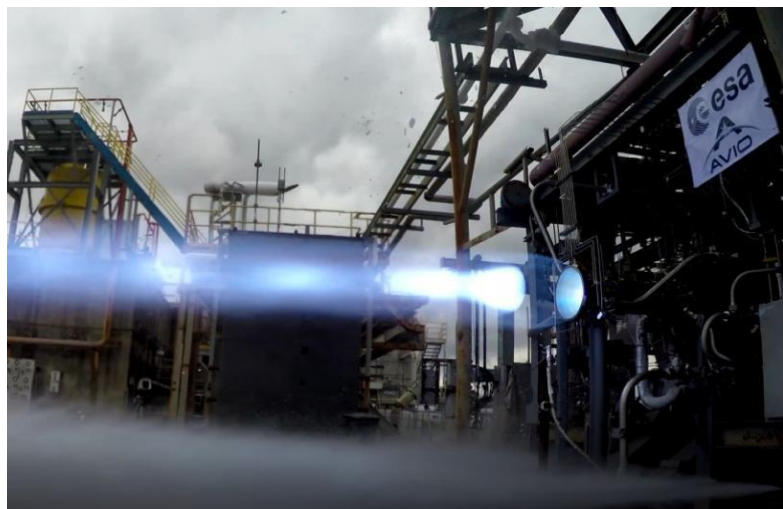


Kourou European Spaceport (CSG)

- SRM casting and integration
- Vega launcher operation

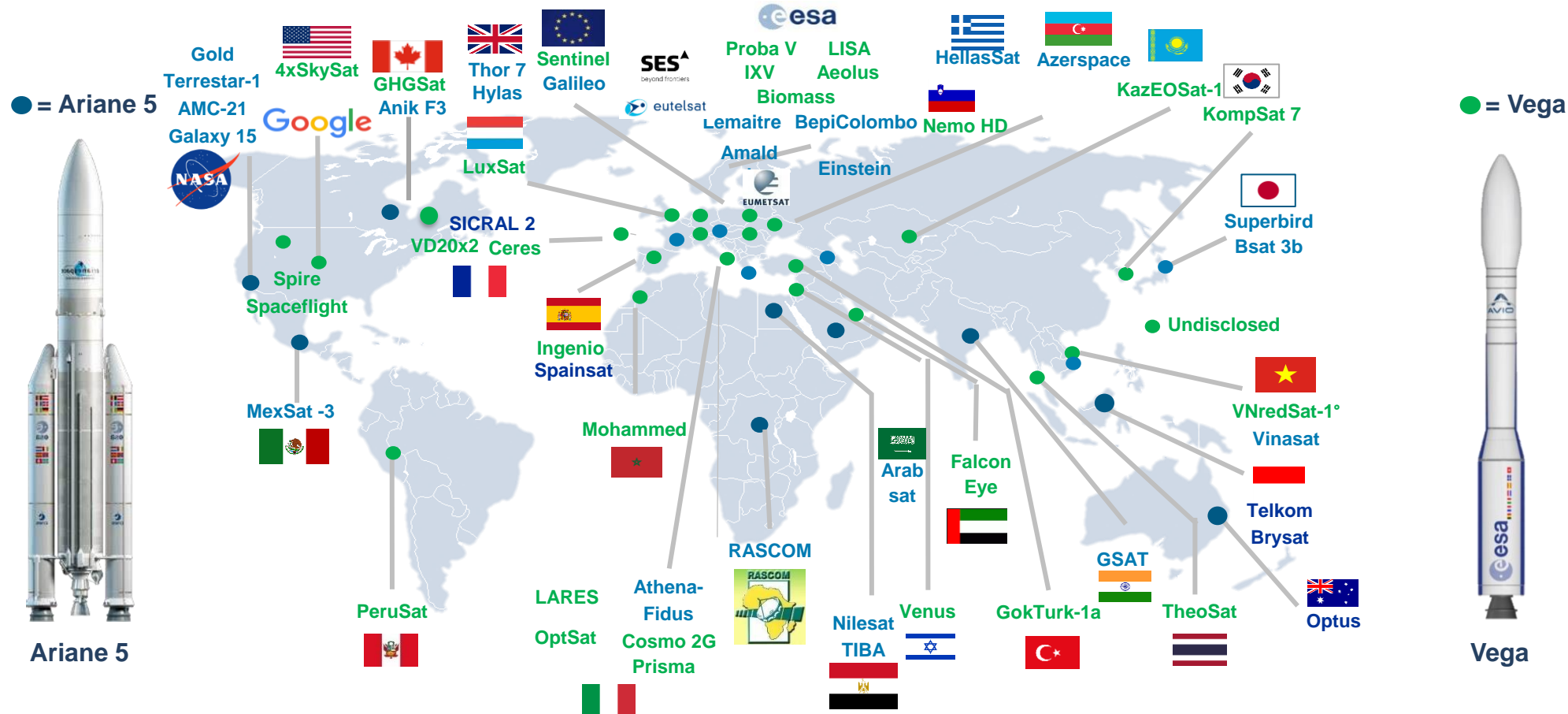


Testing and launch operations in Europe and French Guyana



Avio established as a global player through its flagship product Vega dedicated to LEO launch

NOT EXHAUSTIVE



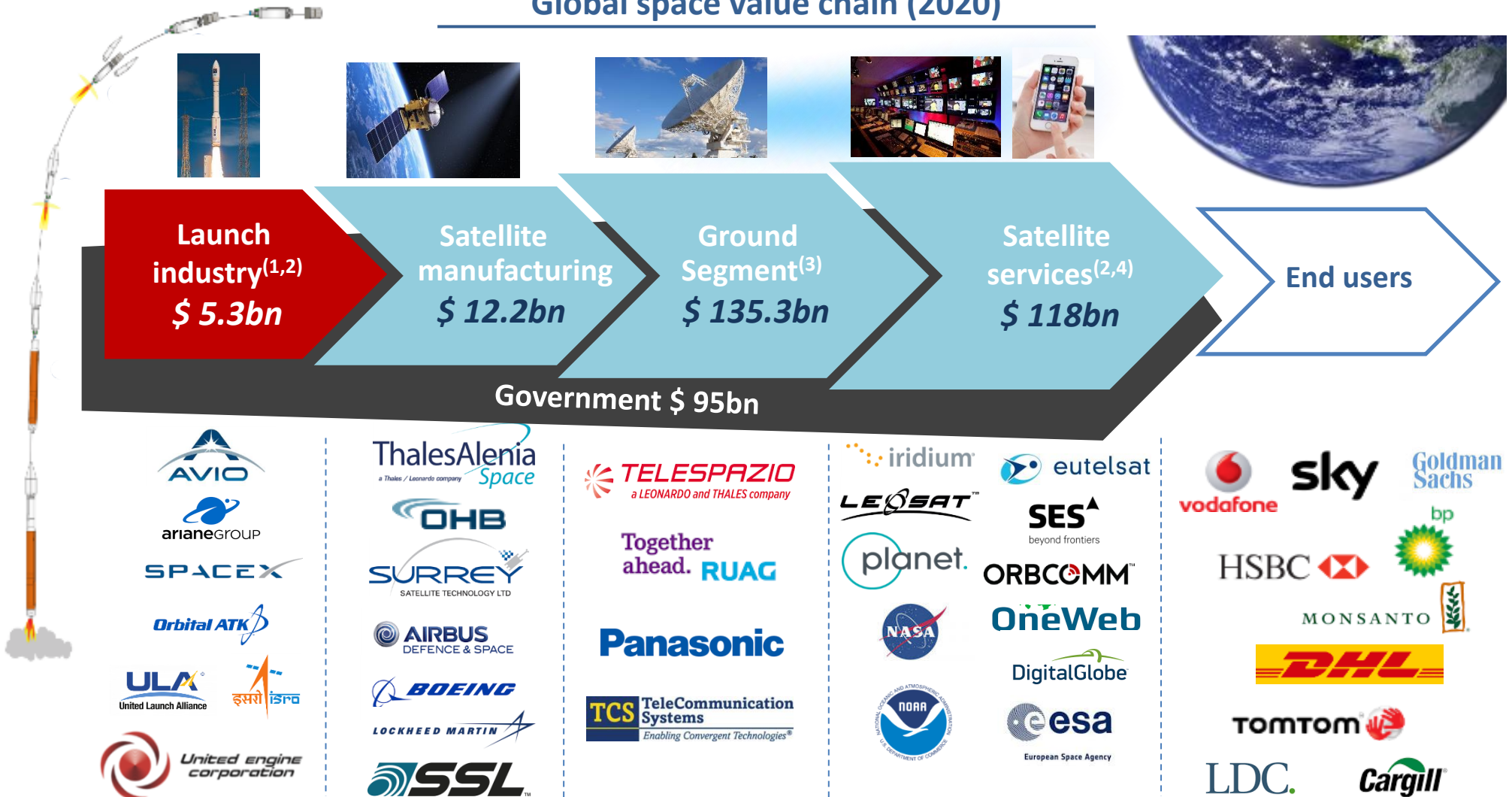
Ariane 5



Vega

The launch industry is the gateway to the Space economy

Global space value chain (2020)



Source: Satellite Industry Association (2021)

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

(1): Includes launcher manufacturing and launch service activities

(2): Commercial services revenues only

(3): Includes GNSS chipsets and Related

(4): Includes commercial humanflight

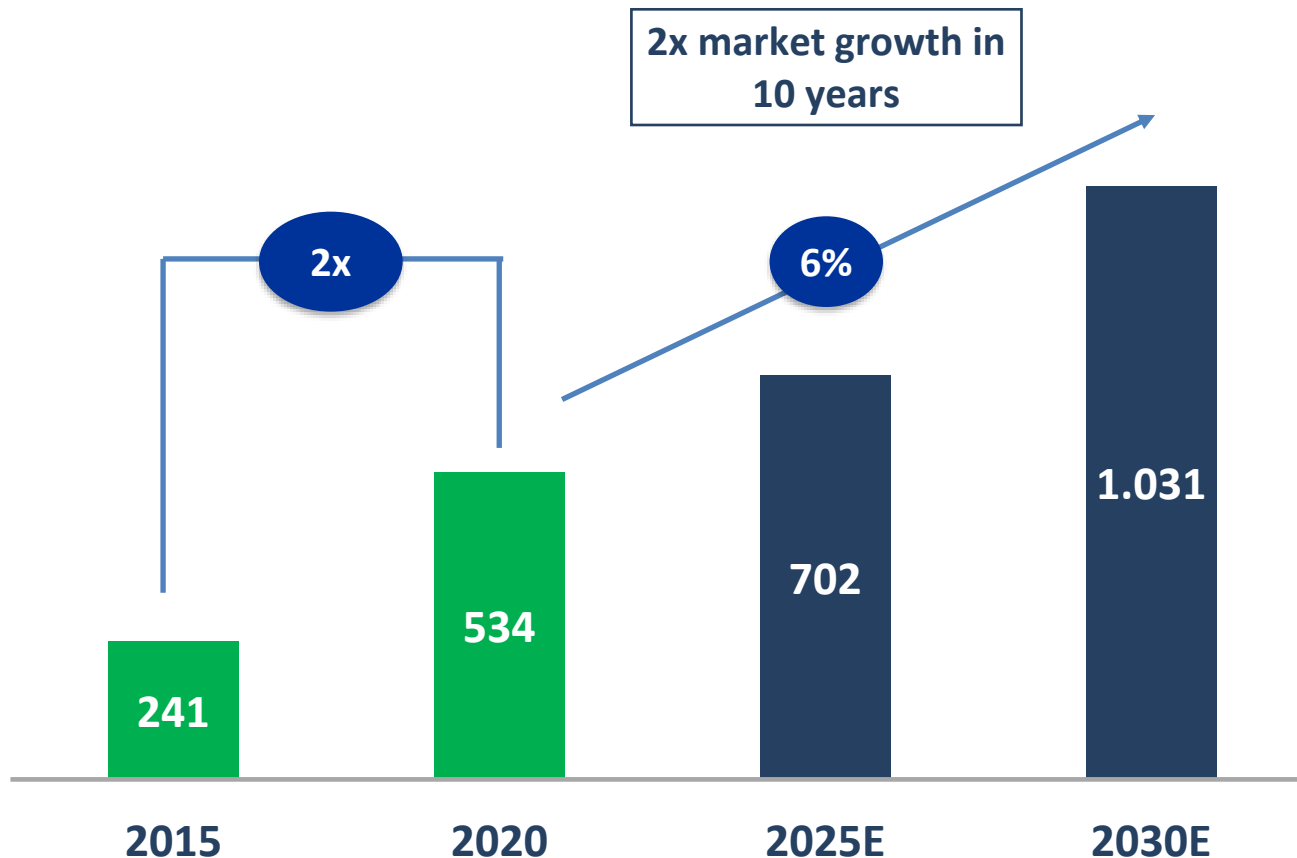
Launch demand continuing to grow fast, especially in the LEO segment (2x current volumes by the end of the decade)



World Market

x% = 2020-'30E CAGR

World Total mass at Launch per year [Tons]



CAGR = 8%

Telco



CAGR = 7%

Science & Exploration



CAGR = 9%

Earth Observation

3 Vega missions successfully performed in 2021, Vega C to come in 1Q 2022



Flight & Production activity



Pléiades Neo3
SSMS-derived
Hexa Payload
Adapter with 5
ancillary payloads

29 April

VV18



Pléiades Neo 4
4 ancillary
payloads

16 August

VV19



Ceres
constellation

16 November

VV20

Flight schedule:

- Vega C Maiden Flight expected by Q1 2022

Development & complementary activity

Vega C:

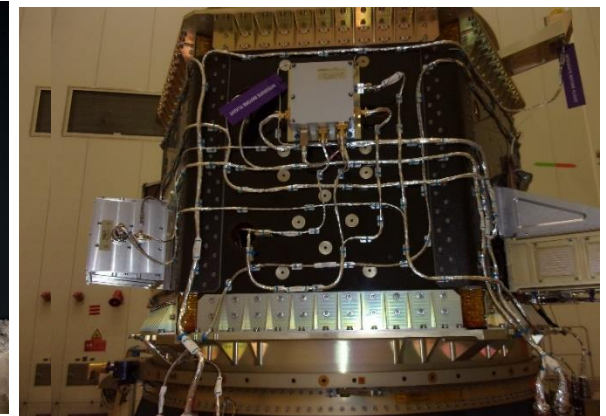
- HWIL* activities for Maiden Flight in progress
- Ground Qualification Review (GQR) in progress

Vega E:

- Signed new contract in July 2021 for the development activities
- SPTF firing test facility for liquid motors completed and commissioning underway



VV18 liftoff



VV18 SSMS-derived Hexa module

Re-established better-than-average reliability track record



IEC recommendations

Thorough identification of the anomaly and line-up of the corrective actions and processes both in Colleferro and in Kourou

Full and permanent revision of the procedures for:

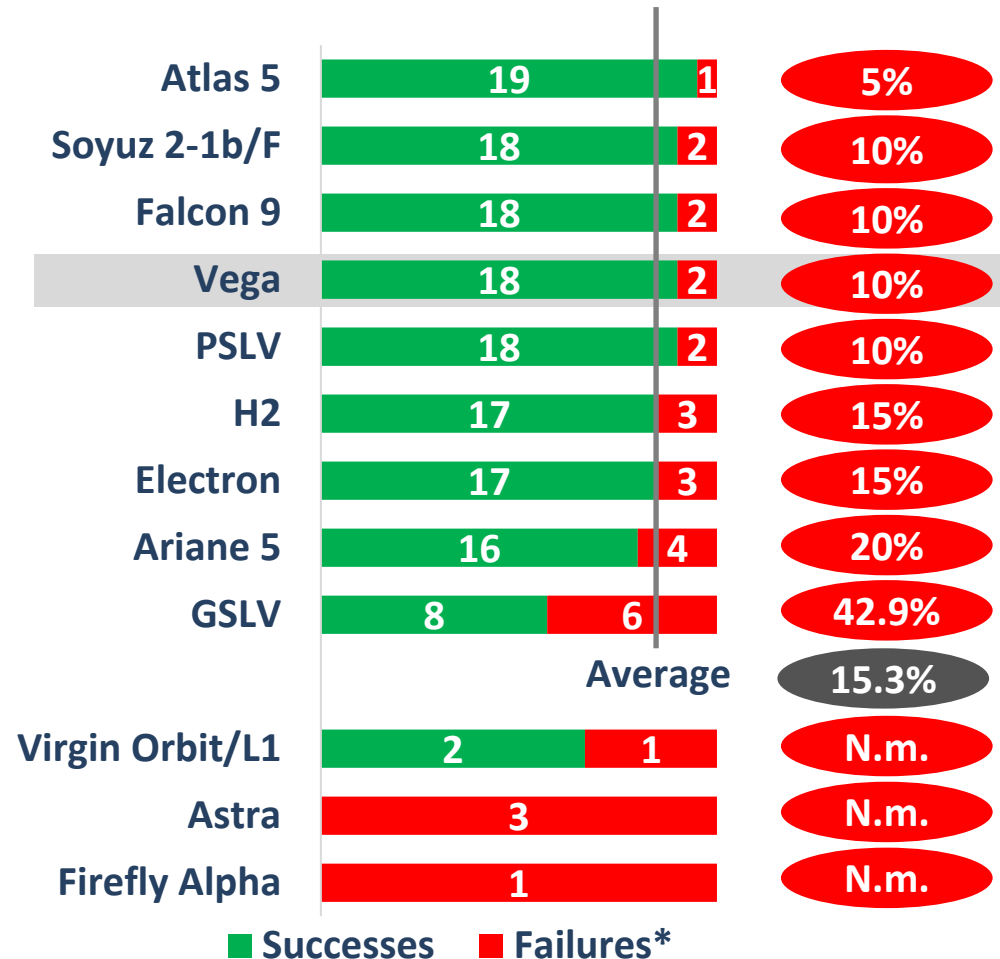
- Manufacturing
- Assembly
- Integration
- Testing

Over-inspections systematically performed on the VV18, VV19 and VV20 launchers

Delivered orbital injection accuracy above expectations for all VV18, VV19 and VV20

First 20 missions performance

Failure rate



*Includes partial failures

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

Vega E development advancing with ESA contract signature and new test facility completion



Vega E development contract

- ~€120 M development contract signed in July with ESA
- Improved version of Vega with a new **LOX-CH** upper stage engine replacing the last 2 stages of Vega C
- Further improved performance, flexibility and cost competitiveness
- Maiden Flight expected in 2026



Vega E

SPTF completion

- Firing test facility for liquid rocket engines
- Construction works completed
- Commissioning under way
- Firing tests to start by year-end

TPCH M10



TPLOx M10



Comb.
chamber



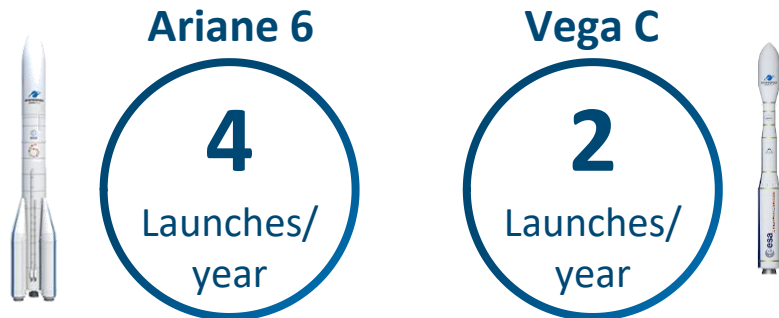
SPTF

Substantial European launch demand secured until the end of the decade

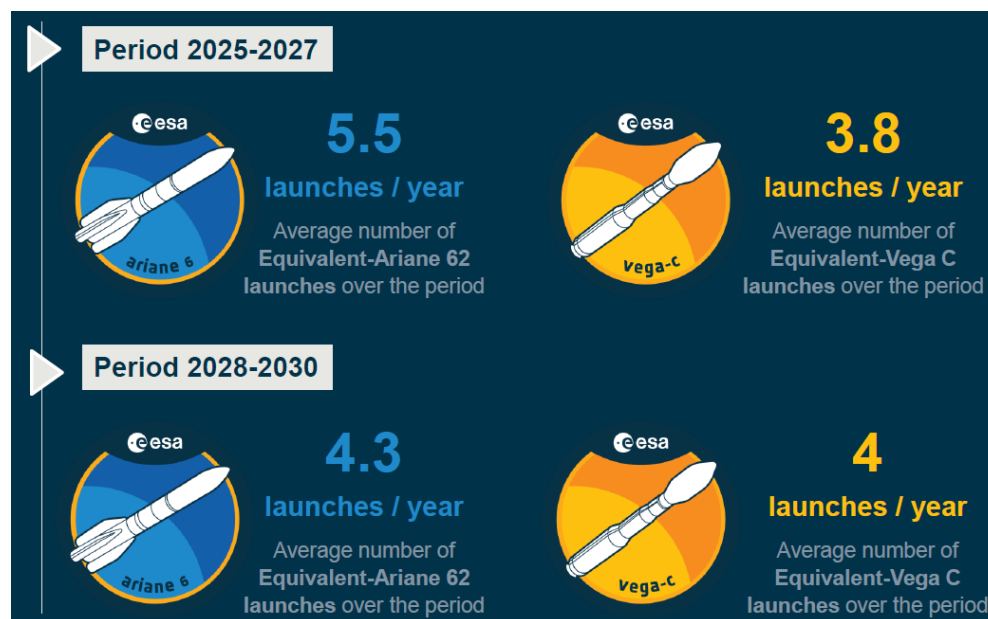


ESA launchers' exploitation framework

- Secured minimum annual launch volumes for European Institutions
- Secured support to maintain operational activities beyond minimum annual volumes
- Model applying by 2025 (i.e. beyond currently signed backlog) on 3-years rolling period



ESA expectation for European Institutional launch demand



Substantial opportunities for new developments from the Italian recovery plan



PNRR + complementary funds: €2.3B in 2022-2026



Satcom



Earth Observation



In-Orbit Services



Space factory

Scope

Initiatives

- IoT & QKD1 constellations
- Infrastructure valorization

- High revisit rate EO constellation
- Italy digital twin
- Incubator for apps and services

- Space tug services demonstration
- Telescopes

- Green & high-thrust engines dev & demonstrator
- Industry 4.0 for MAIT2 smallsats

Launch relevance



European Launchers – product range evolution roadmap



Capacity
Reference
Orbit

10.5 t
GTO

1.5 t
LEO

SSMS

6 t
GTO

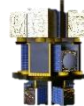
11 t
GTO

2.3 t
LEO

0.8 t
LEO
Launch & Re-entry

2,8 t
LEO

12 t
GTO



TODAY

2021/2022

2023

2025

Ariane 5

Vega

Ariane 62

Ariane 64

Vega C

Space
Rider

Vega E

A6 Evo

Established legacy and
track record

Commonalities and cost
reduction

Broader offering and
further cost reduction

European Launchers – product range evolution roadmap



Star One D2
Embratel
Eutelsat Quantum
EUTELSAT

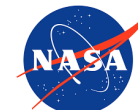


2021

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
December

Ariane



VV18
April

VV19
August

VV20
November

Vega

Return to flight activities



Vega C Maiden Flight campaign ready to kick off



P120 motor
flight item



Z40 motor
flight item



Fairing flight
item



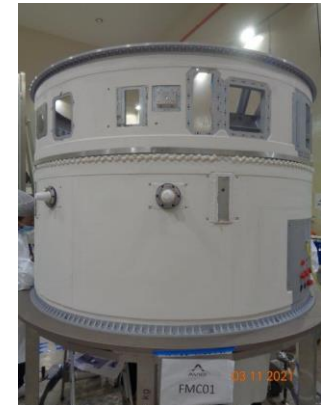
Vega C new
control bench



Z9 motor
flight item



A4 upper stage flight item under integration



Agenda

- Avio Business

- **Financials**

- Appendix

9M 2021 financial results



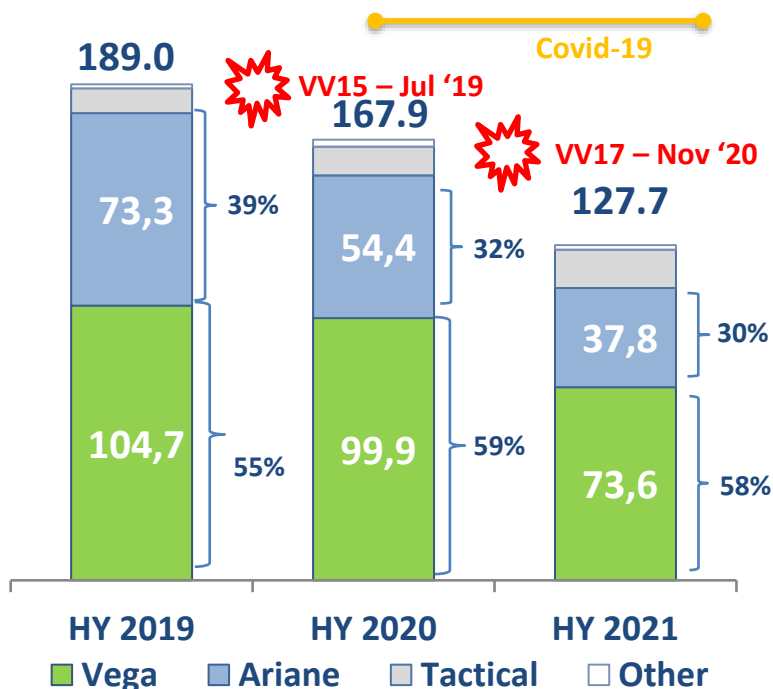
9M 2020	MAIN ECONOMICS	9M 2021	DELTA	DELTA	Comments
€ - M		€ - M	€ - M	%	
735.9 ⁽¹⁾	NET ORDER BACKLOG	810.7	74.8	+10%	Growth of net backlog thanks to intakes for Vega E and tactical propulsion
215.8	NET REVENUES	197.8	(18.0)	-8%	Revenues lower than 9m 2020 due to Vega return to flight and slow-down of development activities
17.5	EBITDA REPORTED	8.0	(9.5)	-54%	Impacted by slow-down of Vega development activities and higher utilities costs
8.1%	% on net revenues	4.0%			
23.1	EBITDA ADJUSTED	11.8	(11.3)	-49%	Increase in depreciation for Vega C and P120
10.7%	% on net revenues	6.0%			
4.7	EBIT REPORTED	(7.6)	(12.3)	N.m.	Decrease in NR costs for minor COVID related costs
2.2%	% on net revenues	N.m.			
10.4	EBIT ADJUSTED	(3.8)	(14.2)	N.m.	
4.8%	% on net revenues	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

Revenues affected by slowdown in Vega C development

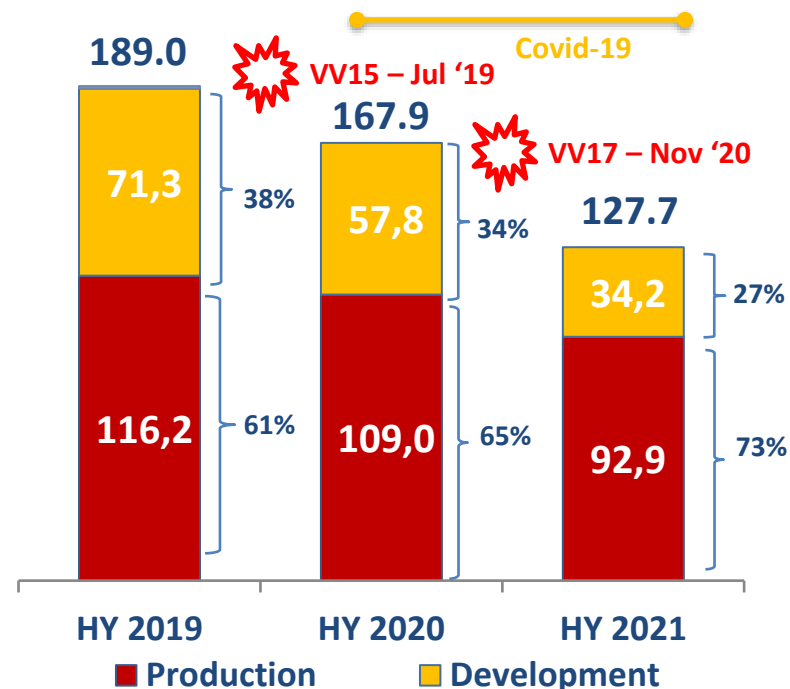


- Almost completed Ariane 5 production and delay in transition to Ariane 6
- Postponement in Vega C development due to Vega return to flight activities

Revenues by Line of Business (€ - M)



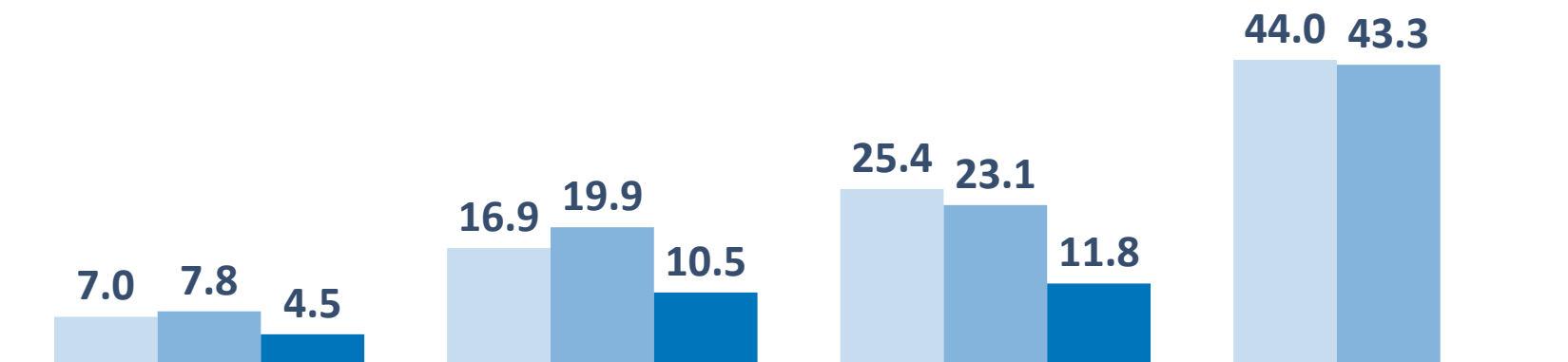
Revenues by Activity (€ - M)



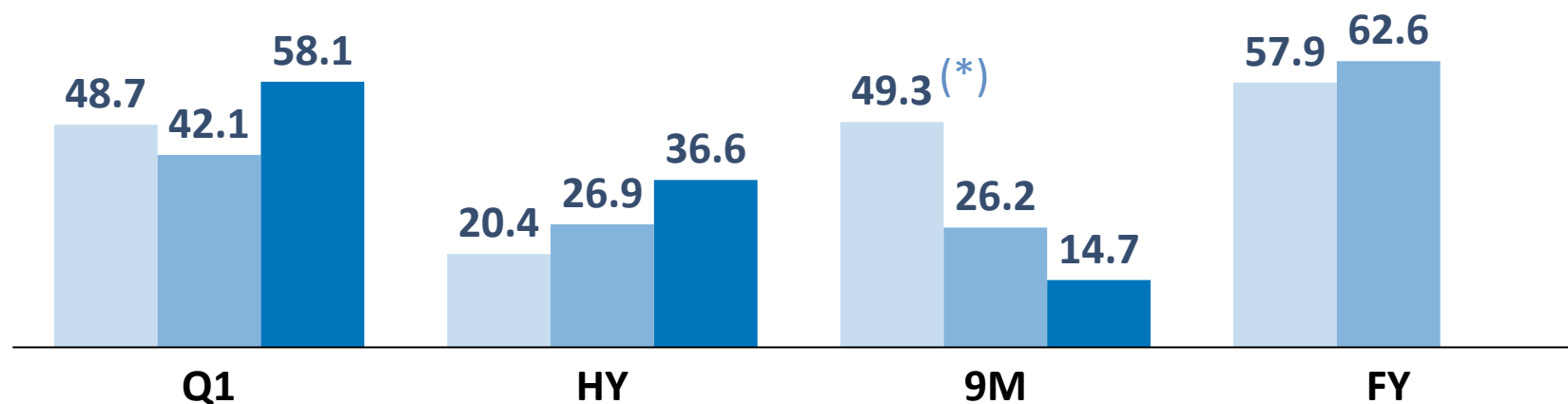
Quarterly pattern of Adjusted EBITDA and Net Cash Position



EBITDA Adjusted (€ - M)



Net Cash Position (€ - M)



2019 2020 2021

**Includes Non-recurring tax effect*

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

Avio FY 2021 Guidance



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

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

Beyond 2021



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



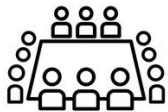
Market and commercial **opportunities growing more than anticipated** (2X market growth by 2030)



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

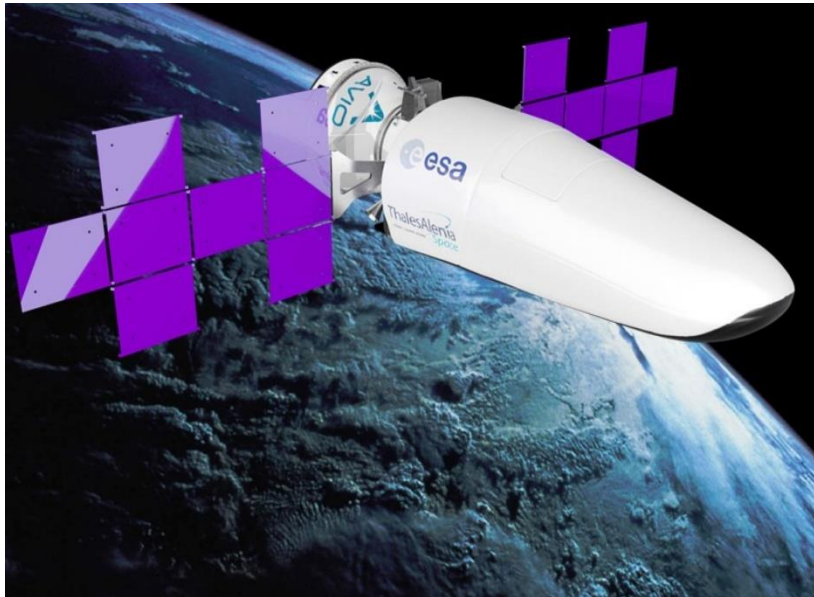
Agenda

- Avio Business
- Financials
- **Appendix**

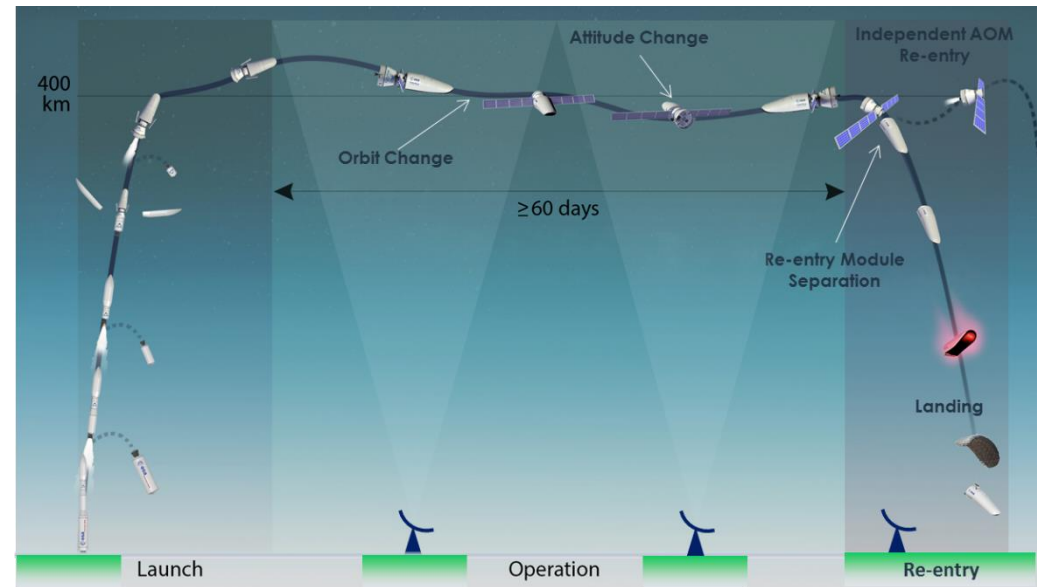
Space Rider: expanding Vega capabilities to in-orbit operations and re-entry



Space Rider Configuration



Typical Mission Profile



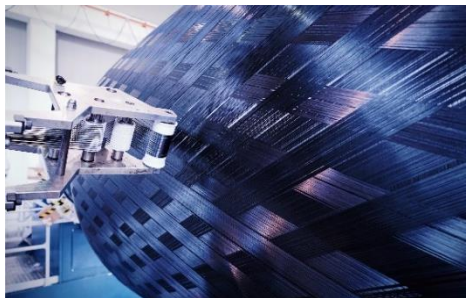
- Launched on Vega-C and powered by Vega C upper stage
- Reusable orbital space laboratory for Earth Observation, Science, Robotics (800 kg payload)
- Re-enters atmosphere and lands on an airstrip

Transition to Ariane 6 and Vega C will drive significant improvement in industrial efficiency



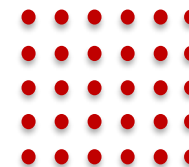
Vega Ariane 5

P80 **P230**

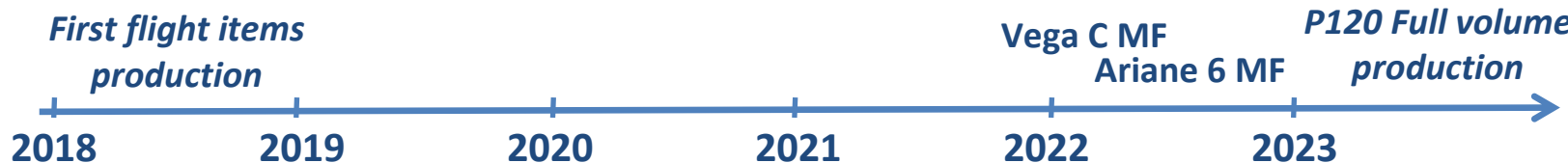


Vega C Ariane 62 Ariane 64

P120



Single main-stage, higher volumes, economies of scale



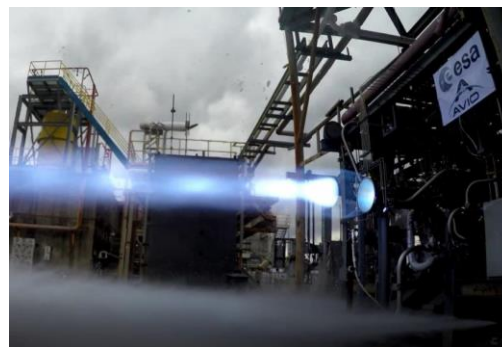
SPTF facility ready to execute M10 liquid propulsion tests very soon



SPTF in Sardinia



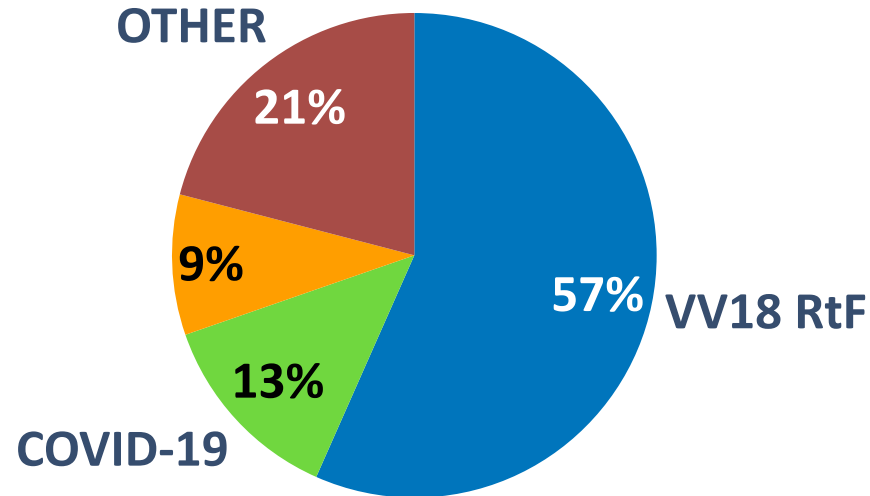
M10 firing test model assembled
Test at the SPTF expected by year-end



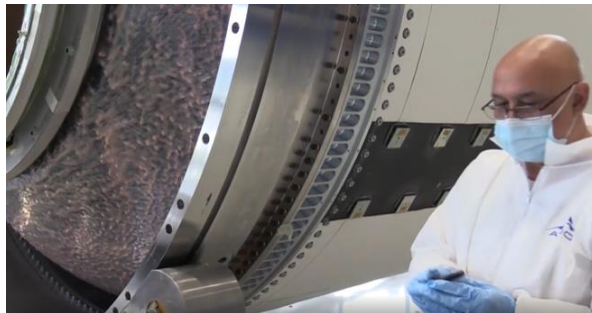
Transition to Ariane 6 and Vega C will drive significant improvement in industrial efficiency



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





Contacts

+39 0697285158

+39 3420726648

investor.relations@avio.com