Avio Interim Financials Q1 2021

Colleferro, 11 May 2021

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Q1 2021 Highlights: Vega return to flight to lead return to the new normal

- **Vega VV18 mission**
  - Mission completed on the 28th of April with Pléiades Neo 3 for AD&S and 5 mini-satellites on a SSMS derived module
  - Full review of quality and flight-worthiness processes to secure reliability
- **COVID-19 update**
  - End of “Red Zone” in Colleferro and Latium region on the 6th of April
- **Net order backlog: €727.9M (substantially in line with FY 2020)**
- **Net Revenues: €52.6M (down 34% vs Q1 2020)**
  - Slowdown in production and development activities due to COVID 19 and VV18 operations
- **Reported EBITDA: €3.0M (down 58% vs Q1 2020) - Reported EBIT: €-2.2M**
  - Higher non-recurring expenses vs Q1 2020 due to 3 months of COVID-19 effects (vs. 2 weeks in 2020)
- **Net Cash Position: €58.1M**
  - In line with 2020 year-end
- **Most relevant business facts occured in Q1 2021**
  - Signature of an advance for Vega Batch 4 production LLIs
  - Arianespace signature of Vega launch for CO3D constellation

VV18 hardware over-inspected to secure flight-worthiness

VV18 triggered a comprehensive review of procedures to increase reliability

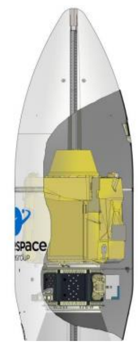
- All assembly/integration/testing procedures fully reviewed
- Increased number and depth of quality checks
- Introduced a new review layer in Avio organization to provide technical cross-check
- New trainings for operators involved in assembly/integration/testing
- Roll-out of recommendations and increased controls also to be applied on subsequent Vega flights (VV19 and VV20) as well as on VegaC

Successful return to flight with Pléiades Neo 3 and with 5 smallsats

arianespace arianeGROUP | esa | SAB Aerospace

VV18: Pléiades Neo 3 + SSMS HEXA module

- Successful launch after 5 months
- Main customer: Pléideas Neo (Airbus)
- 5 additional smallsats on board:
  - Lemur 2 of Spire
  - BRAVO of NanoAvionics
  - Norsat of Norway Space Agency
  - Eutelsat
  - Aurora Insight



AIRBUS DEFENCE & SPACE | Pléiades Neo

eutelsat | Norsk Romsenter Norwegian Space Agency | spire | nano avionics | Tyvak A Terran Orbital Corporation | Myriota

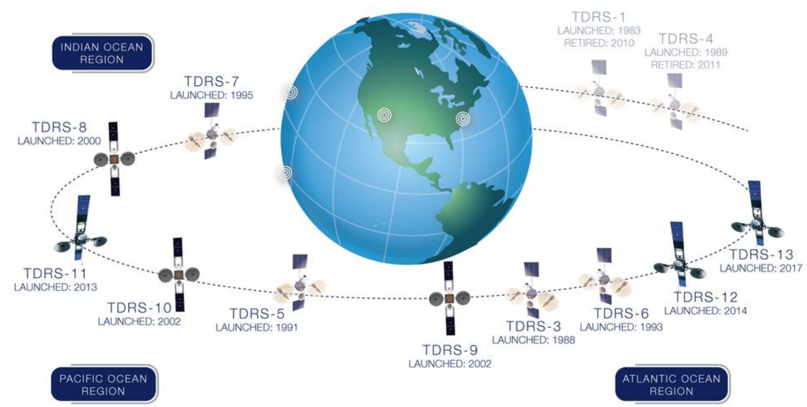
SOURCE: ESA, Arianespace, Press search

VV18 successfully tested satellite telemetry for the first time in Europe

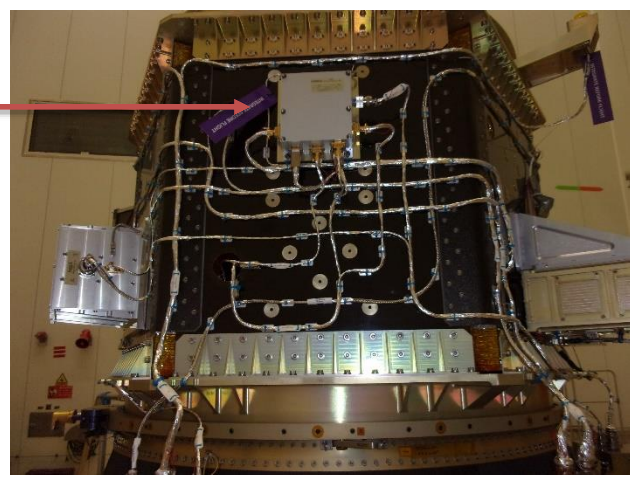
- **VV18 first Vega mission ever to use Space-based telemetry systems to track the launcher throughout its flight**

- **The telemetry is provided by a constellation of NASA satellites orbiting in Geostationary orbit**

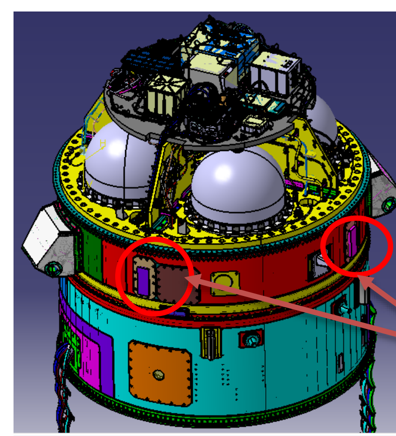
- **Tangible Benefits:**
  - **Lower reliance on ground stations**
  - **Enhanced mission control**



TDRS FBATT



VEGA A4 Assy



TDRS Antennas

Financials affected by return to flight activities

Q1 2020 ACTUAL	MAIN ECONOMICS/ FINANCIALS	Q1 2021 ACTUAL	DELTA	DELTA
€ - M		€ - M	€ - M	%
735,9(*)	NET ORDER BACKLOG	727,9	(8,0)	-1,1%
80,0	NET REVENUES	52,6	(27,4)	-34,3%
7,2	EBITDA REPORTED	3,0	(4,2)	-58,4%
9,0%	% on net revenues	5,7%		
7,8	EBITDA ADJUSTED	4,5	(3,4)	-42,9%
9,8%	% on net revenues	8,5%		
3,1	EBIT REPORTED	(2,2)	(5,4)	N.m.
3,9%	% on net revenues	-4,3%		
3,8	EBIT ADJUSTED	(0,8)	(4,5)	N.m.
4,7%	% on net revenues	-1,5%		

31 DEC 2020 ACTUAL		31 MAR 2021 ACTUAL	DELTA	DELTA
€ - M		€ - M	€ - M	%
62,6	NET CASH POSITION	58,1	(4,6)	-7,3%

(*): As of 31 December 2020

Comments

- Backlog in line with Year End 2020 thanks to new intake in Q1 2021 for Vega and Ariane
- Return to Flight activities slowed down production and development revenues

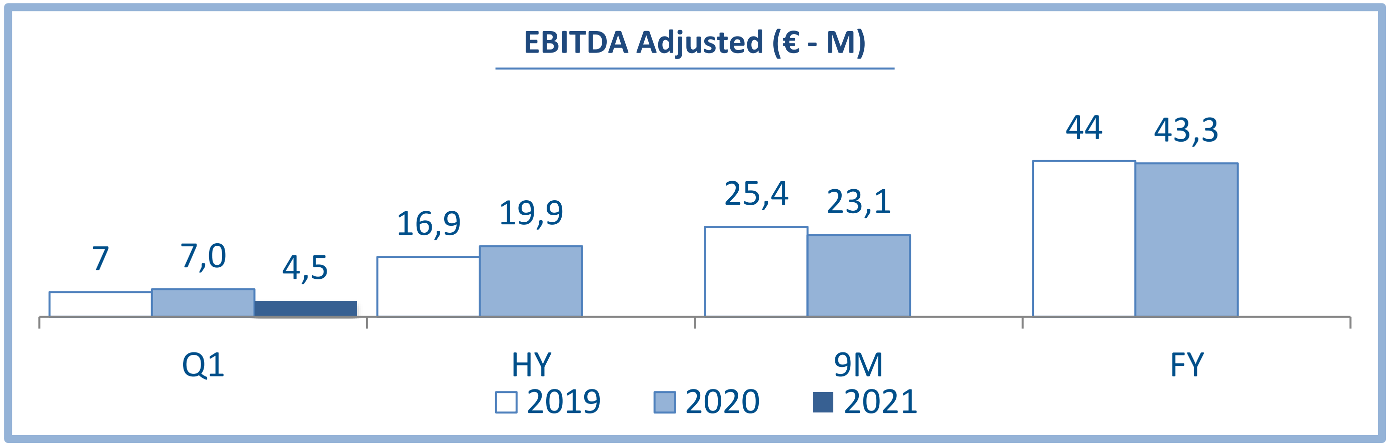
Lower contribution to profit driven by lower level of activities

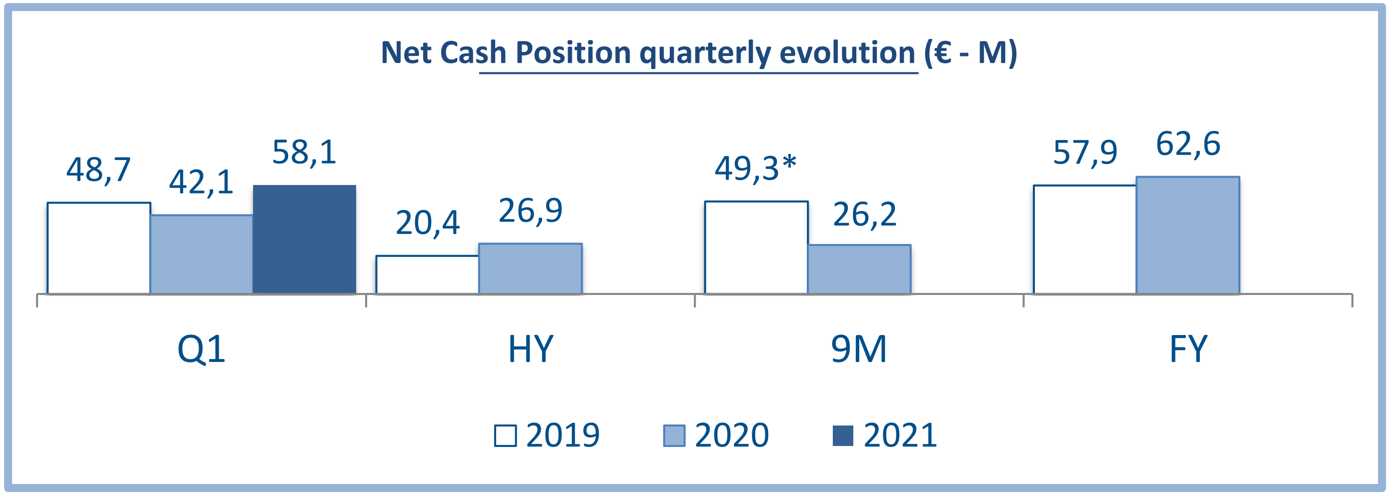
Increase of non-recurring costs for return to flight activities and COVID

Increase in depreciation mainly related to Vega C and P120

- Confirmed the robustness of Year End

Quarterly pattern of Adjusted EBITDA and Net Cash Position





*Includes Non-recurring tax effect

Next steps for a busy 2021

- **Upcoming flight activity**
  - VV19 3rd quarter 2021
  - VV20 4th quarter 2021
  - Adaptation of ground systems for Vega C
  - Vega C - launch campaign to start 4th quarter 2021
- **Progressive ramp-up of development activities for:**
  - **Space Rider**
  - **Vega E**
- **Progressive production ramp-up for:**
  - **P120**
  - **Tactical Propulsion**
- **2021 Financial results**
  - September 10th: HY 2021 – possible definition of the FY 2021 Guidance
  - November 8th: 9M 2021 results

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