

The background of the slide is a dramatic photograph of a rocket launch. A thick, dark plume of smoke and fire trails behind a rocket as it ascends diagonally from the bottom center towards the top right. The rocket is a bright point of light at the end of the trail. The sky is filled with a dense layer of clouds, illuminated from below by the sun, creating a warm, golden glow. The top of the image transitions into a clear blue sky.

Investor Presentation

Frankfurt Virtual Conference, 9th February 2021

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Agenda

- **Avio Business**

- Financials

- Appendix

Avio : a pure player in Space Launchers



- 360 M€ revenues (10% CAGR 2014-19)
- 1.000 employees
- 350 M€ Mkt Cap
- 70% free float
- 4% Mgmt share

NEW 2021-22



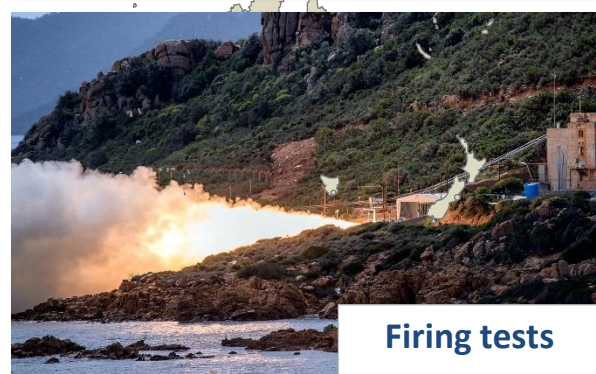
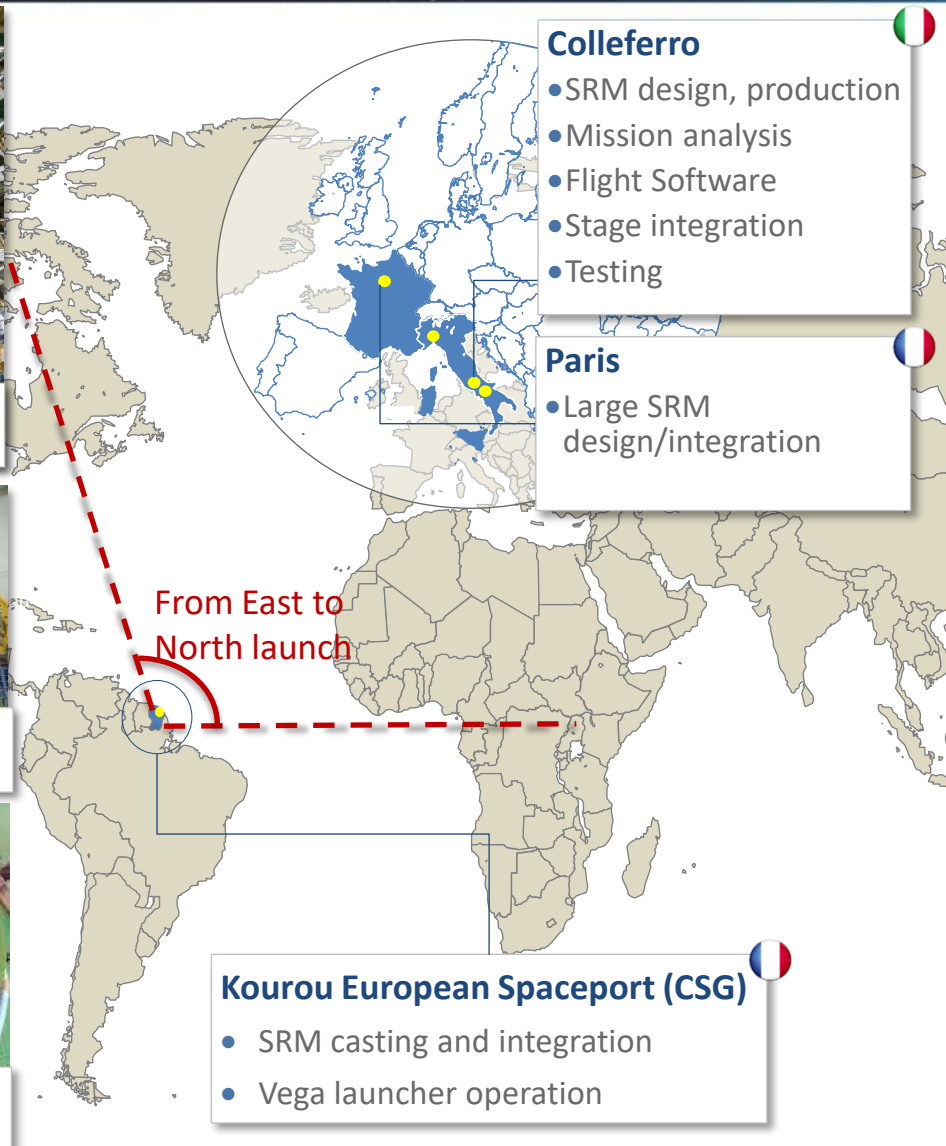
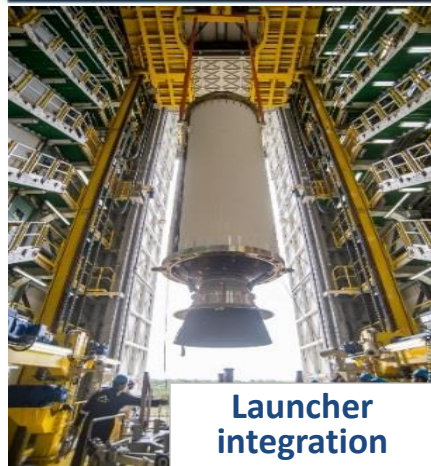
Ariane 6 Vega C



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

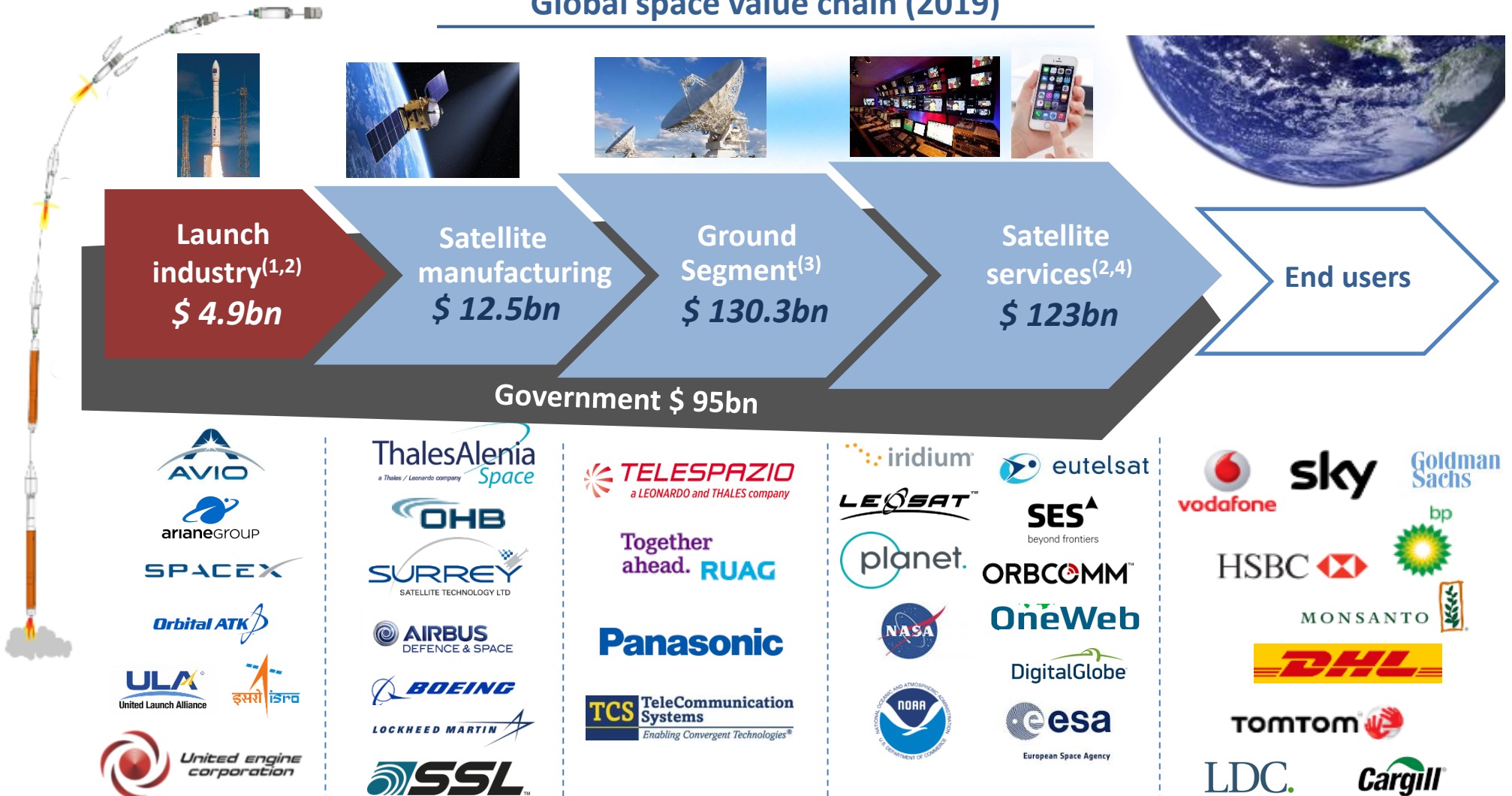
- European light launcher (1.5 tons in LEO)
- Avio: developer, manufacturer, launcher system integrator

Industrial operations in Europe and French Guyana



The launch industry is the gateway to the Space economy

Global space value chain (2019)



Source: Satellite Industry Association (2020)

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(1): Includes launcher manufacturing and launch service activities

(2): Commercial services revenues only

(3): Includes GNSS chipsets and Related

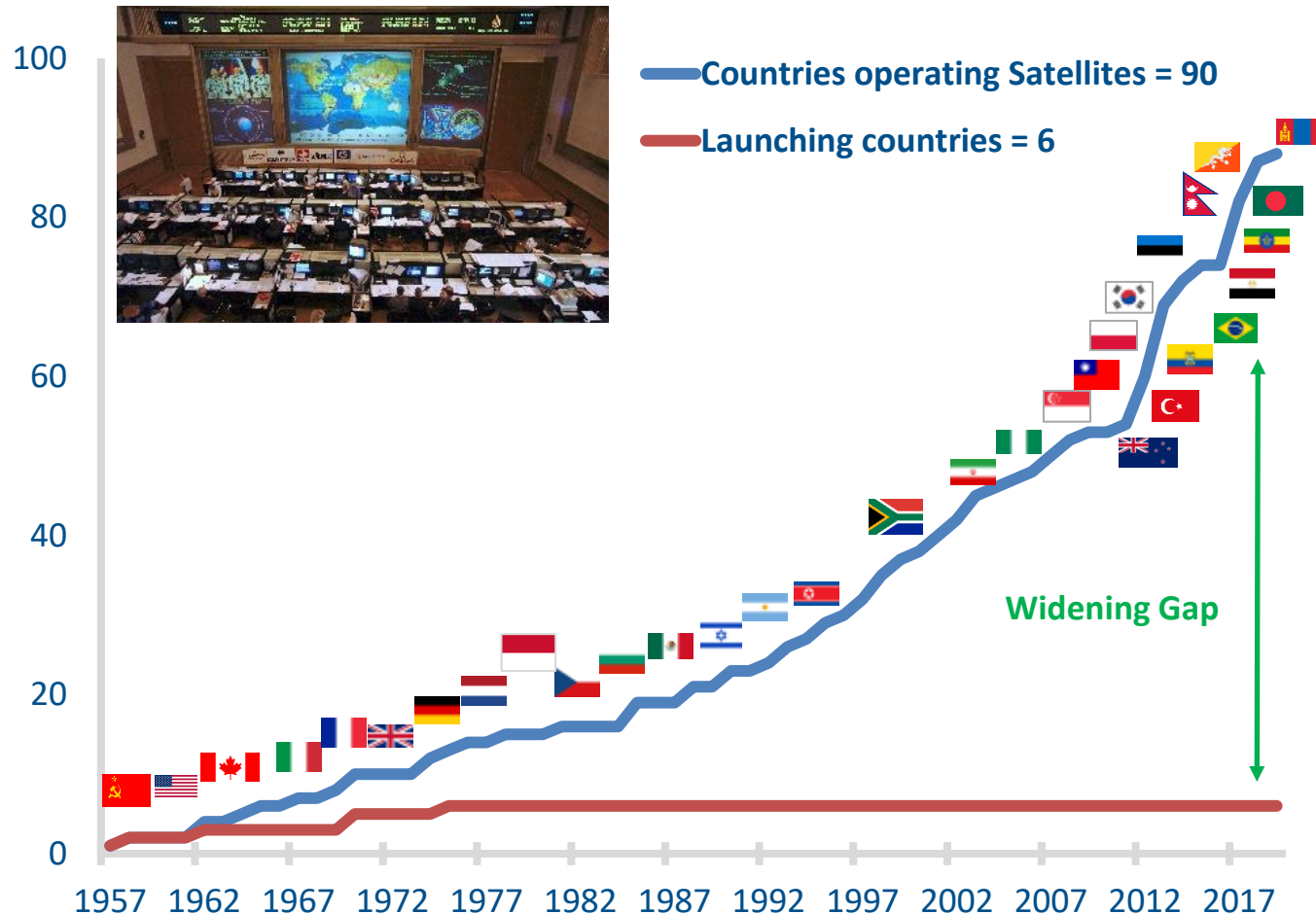
(4): Includes commercial humanflight

Increasing gap between geographic origin of demand and supply



of Countries

Population covered

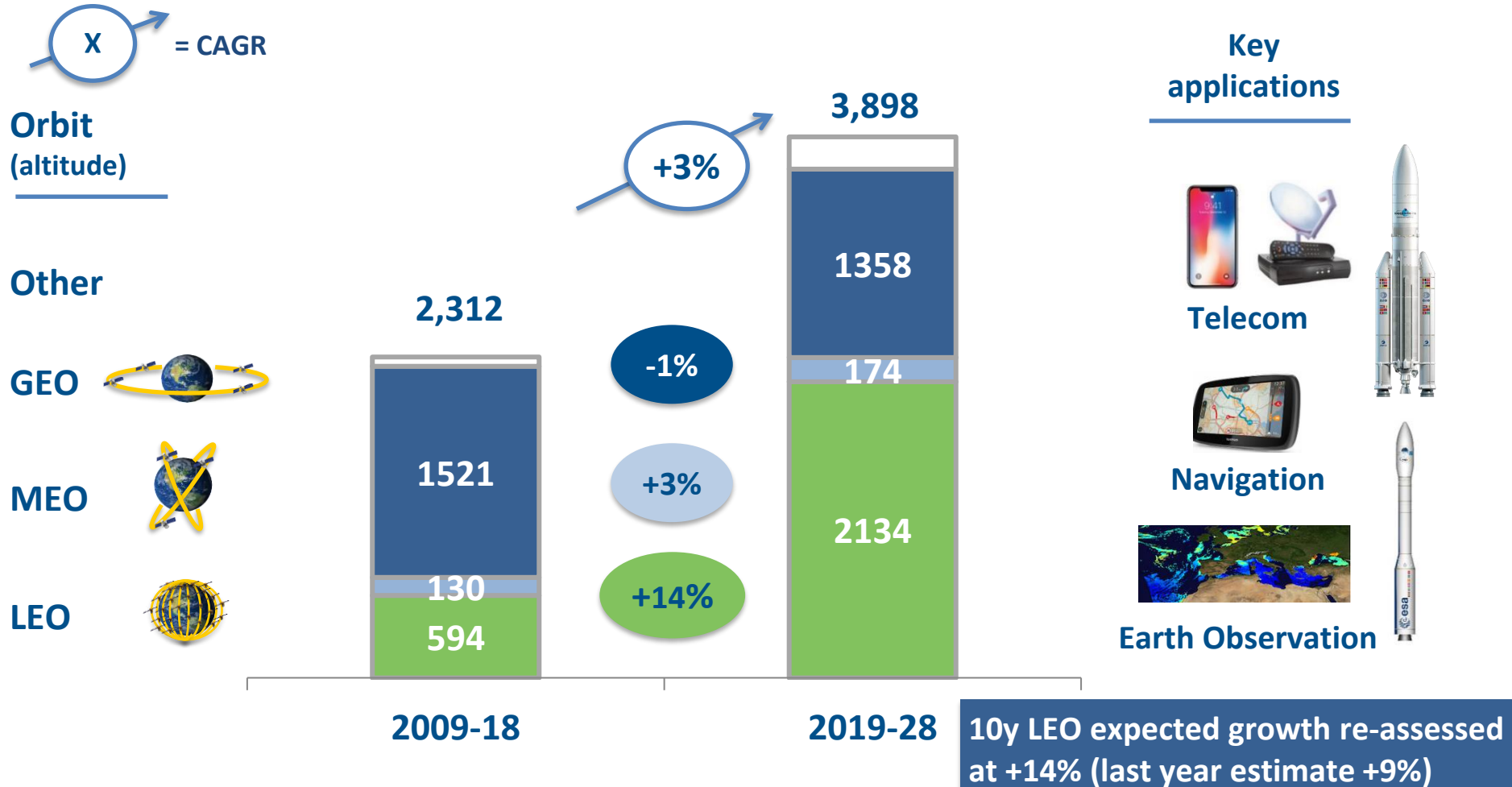


For the next decade: stable launch demand in MEO-GEO, fast-growing in LEO



World Market

World total mass at launch (tons)



Earth Observation and Connectivity services drive demand growth...



Application

Example

End Users

Infrastructure & Transportation



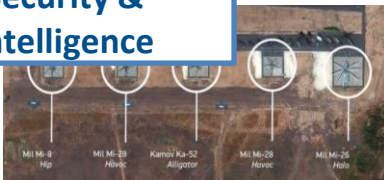
- Investors & financial analysts (Quant, Commodity)
- Intelligence analysts
- Customs & Border agents

Environment & Climate



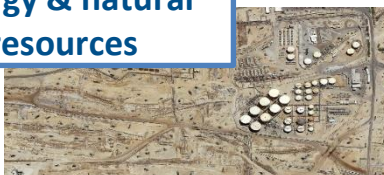
- Farmers
- Insurance companies
- Meteorological agencies
- Civil Protection agencies

Security & Intelligence



- Defense
- Intelligence agencies
- Rescue operations

Energy & natural resources



- Investors & financial analysts (Quant, Commodity)
- Insurance companies

... as well as mega-constellations



- >1,000 satellites already launched in LEO
- In October 2020 antennas for Beta testing of Starlink delivered to end-users
- Agreements in place with US Army and Microsoft Azure for connection services

- Granted the FCC authorization to launch >3,000 satellites in LEO by 2030
- \$ 10 Bn of total investments
- Target to provide direct internet access to Amazon customers

- Different size and resolution Earth Observation (both optical and Radar) satellites constellations already active in LEO
- Launched in total >150 satellites since first launch in 2008

- New LEO constellation to deliver internet connectivity
- First demonstration satellite launched in 2018
- Planned a total of > 100 sats and potentially up to 300

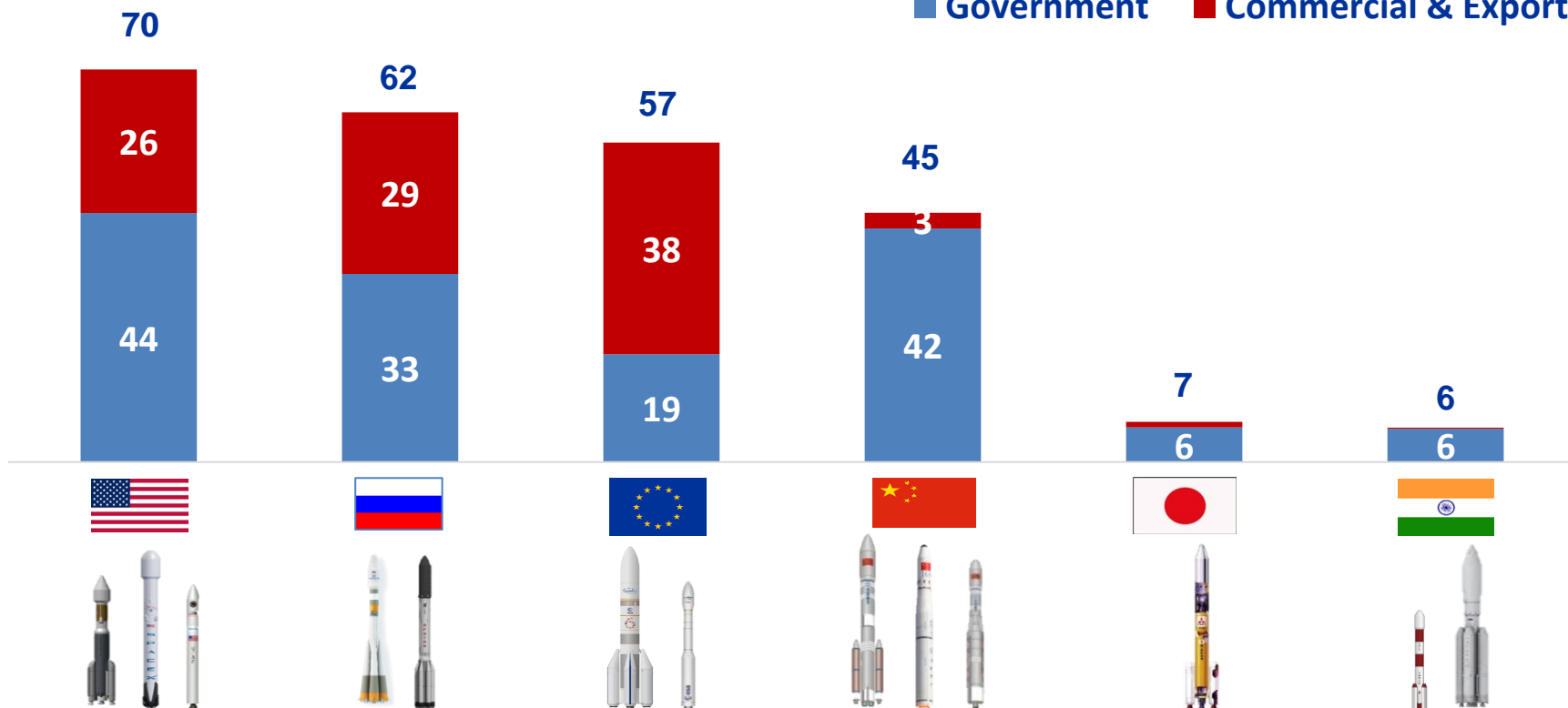


Launch capabilities concentrated in a few countries. Export capacity essentially in Europe and USA



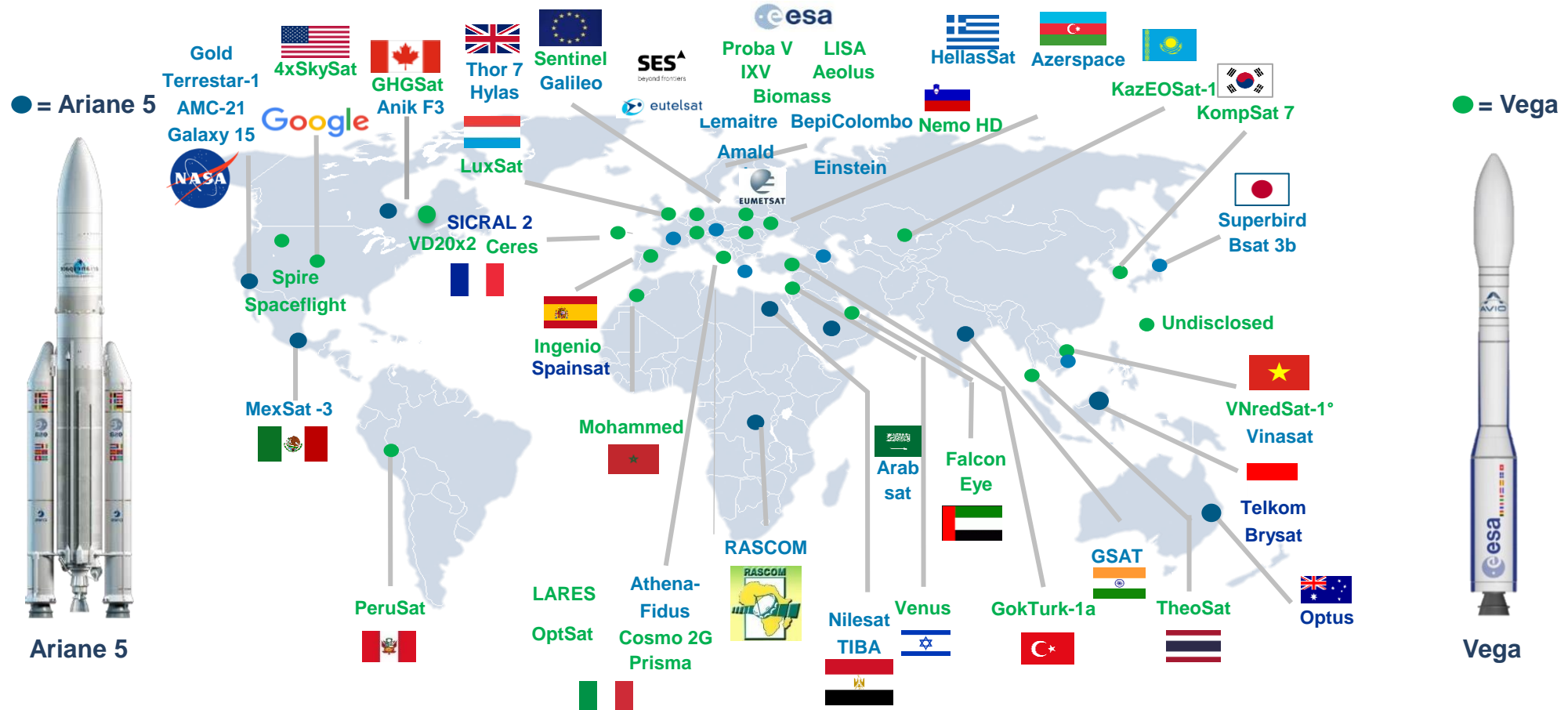
Average Annual Mass Launched in 2009-18 (Tons)

■ Government ■ Commercial & Export



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

NOT EXHAUSTIVE



Ariane 5

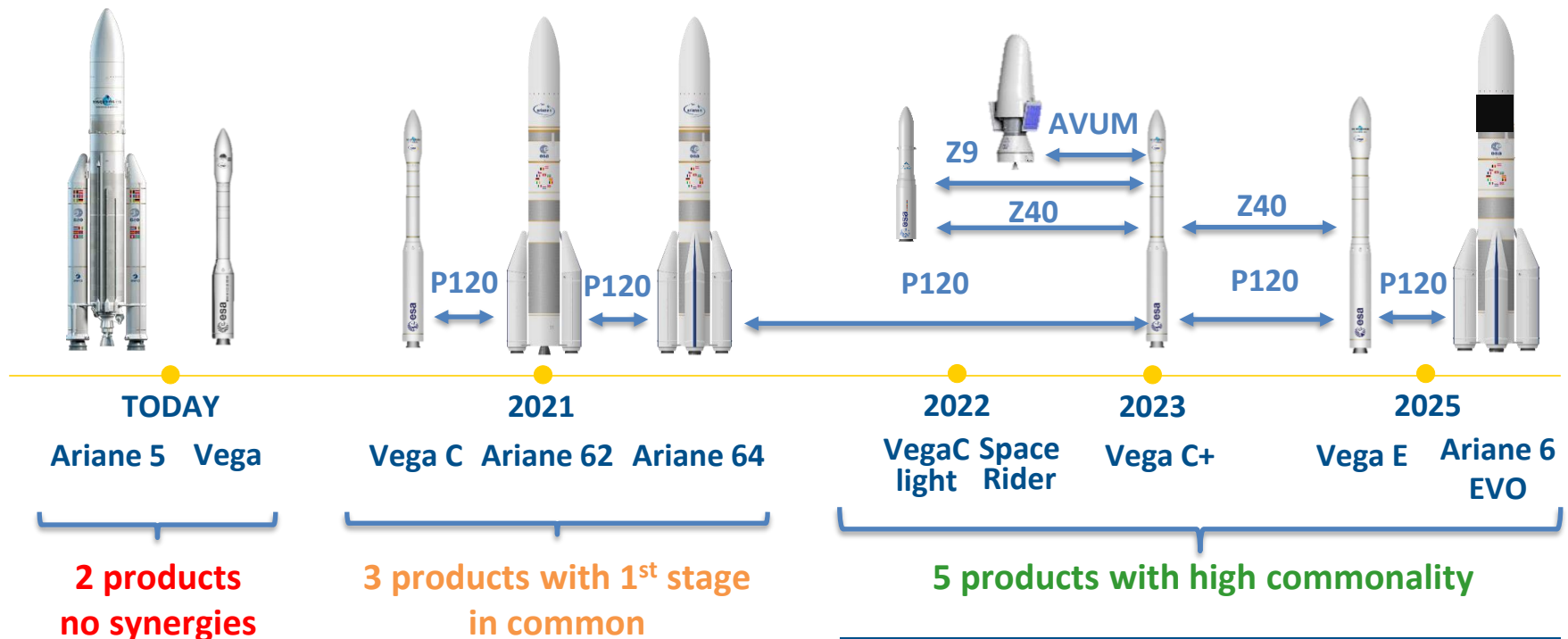


Vega

2019 – ESA Ministerial Council: secured €490M funding for new development projects



Product roadmap funded at ESA Ministerial Council '19



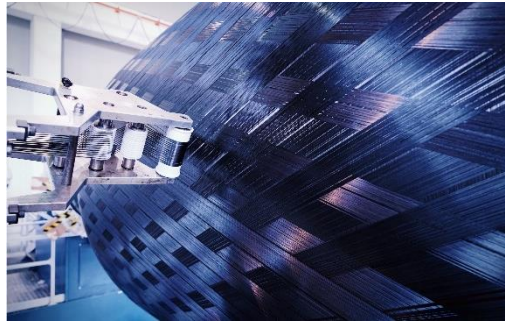
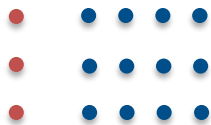
MC '19: €2.2B funding for launchers
(of which ~€490M for Avio)

Automation and standardization to increase cost competitiveness



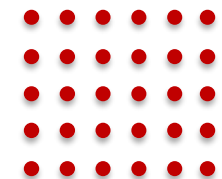
Vega Ariane 5

P80 **P230**



Vega C Ariane 62 Ariane 64

P120



Single main-stage, higher volumes, economies of scale

*First flight items
production*

Vega C MF

Ariane 6 MF

*P120 Full volume
production*

2018

2019

2020

2021

2022

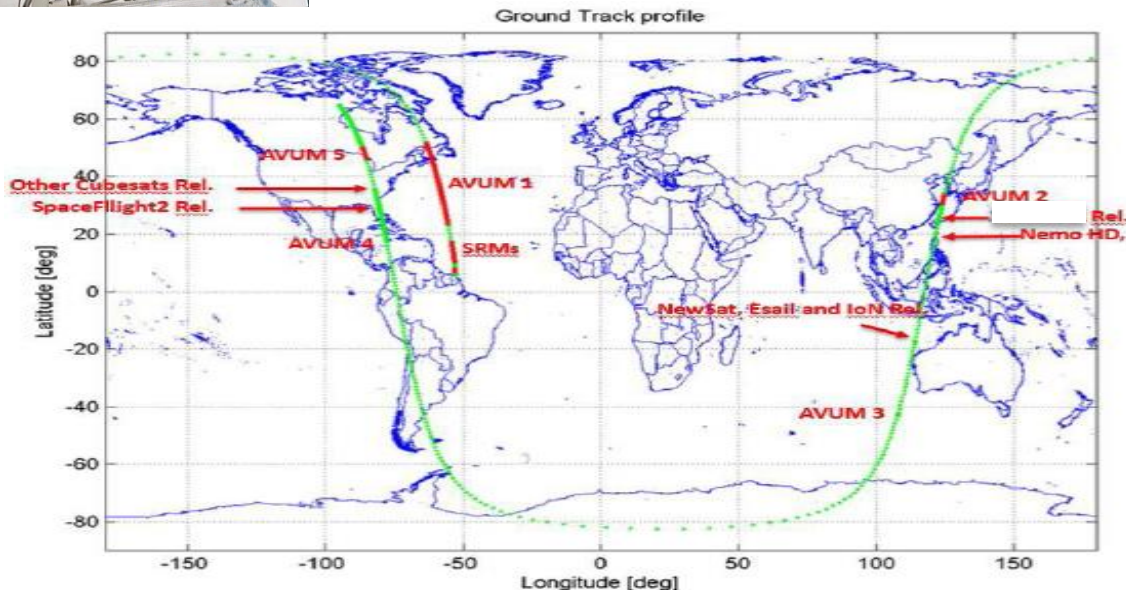
2023

Vega successfully returned to flight with Europe's first rideshare mission



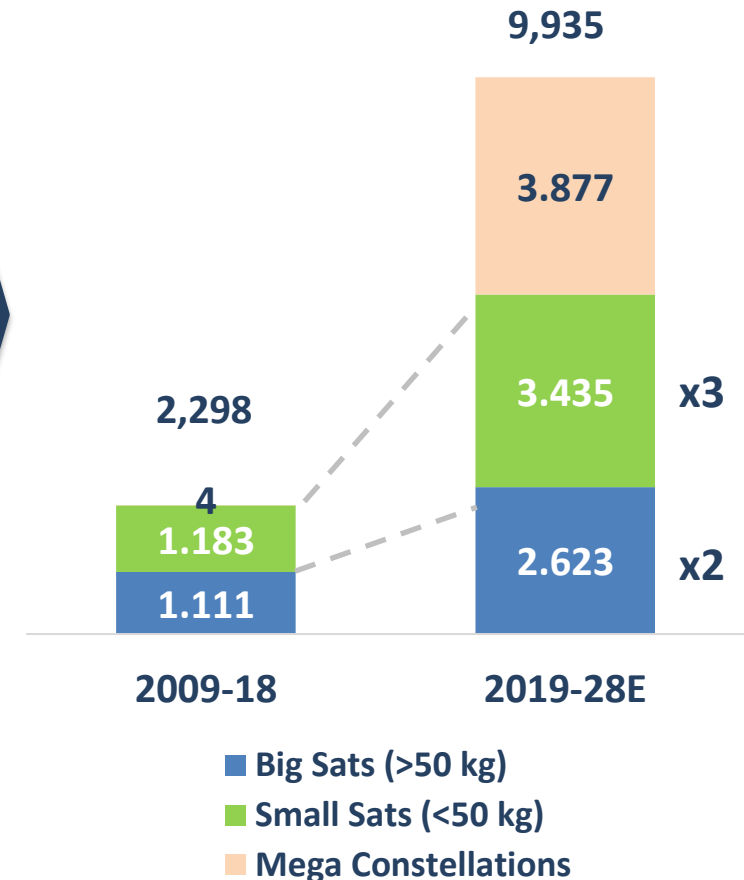
VV16 – Vega return to flight with SSMS

- Qualified SSMS as a new standard for smallsat rideshare
- Delivered to Space 53 satellites from 21 customers
- Sat mass from 1 to 150 kg
- Released on two different orbital planes (1st time)



VV16 mission profile

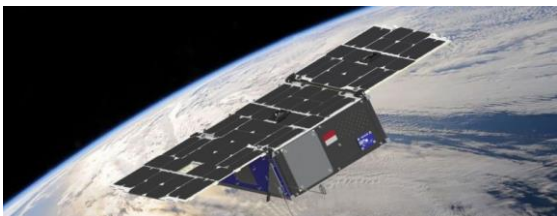
of sats to be launched by size*



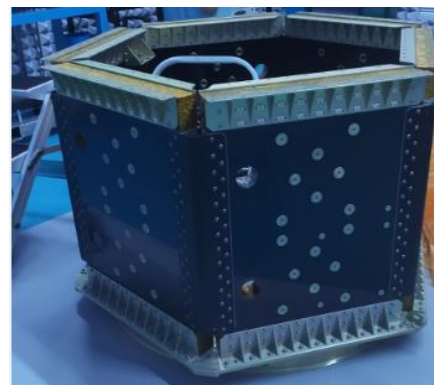
First tangible result of the SSMS success: unlocked full load factor for VV18 on a derived module



FSSCat B and A [UPC]



- Main customer an Earth Observation satellite
- Added a SSMS derived hexagonal module hosting 6 micro-satellites from 5 different customers
- Spire with SAB-LS and Tyvak (as integrators) represent SSMS returning customers
- Vega Load factor optimised
- Mission launch expected by early February 2021



Agenda

- Avio Business

- **Financials**

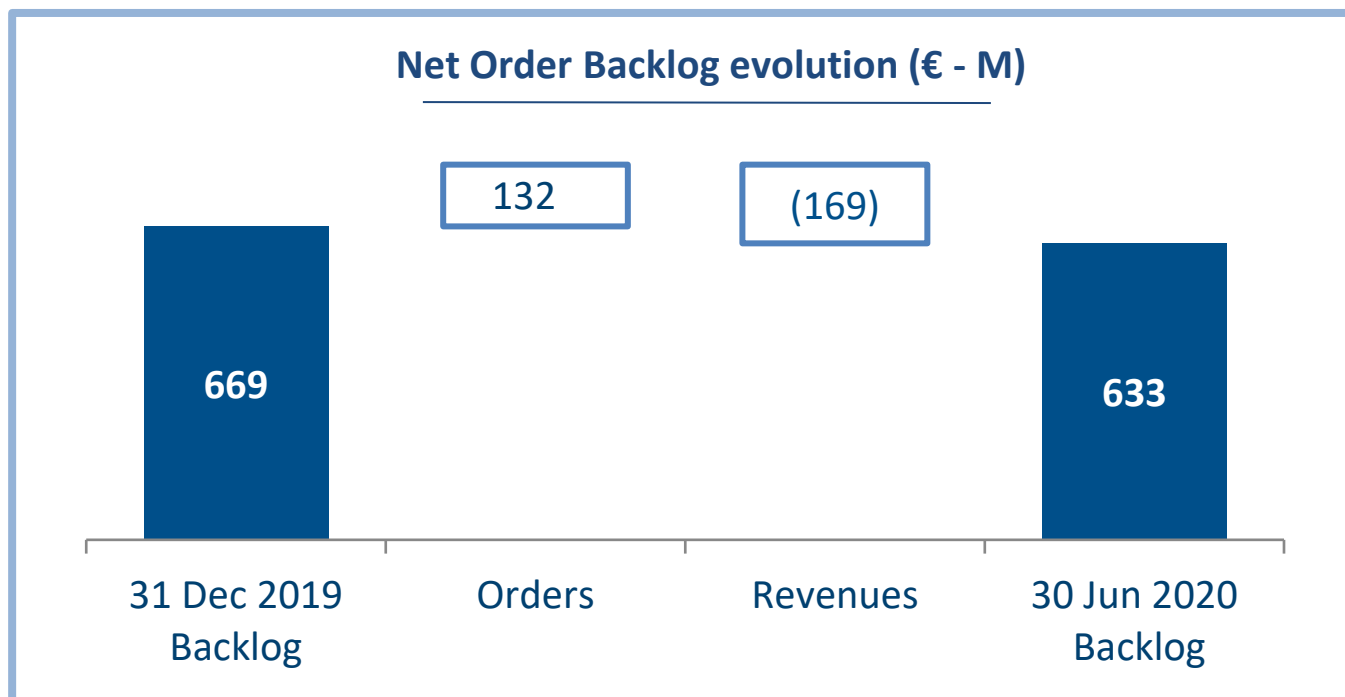
- Appendix

Slowdown of revenues and EBITDA for Vega RTF and A6 ramp-up both postponed for Covid – Cash in line with seasonality trend



9M 2019 ACTUAL	MAIN ECONOMICS/ FINANCIALS	9M 2020 ACTUAL	DELTA € - M	DELTA %	Comments
€ - M		€ - M	€ - M	%	
270,3	NET REVENUES	216,1	(54,3)	-20%	<ul style="list-style-type: none"> • Slowdown due to COVID in Vega RTF, A5 ramp-down only in part compensated by A6 ramp-up and some delays in development contracts • Lower contribution to profit of Ariane and Vega compared to 9M 2019 • COVID-19 non-recurring costs of €5 M offset by savings in fixed industrial costs (e.g. utilities) and in G&A expenses (e.g. travel, support staff expenses)
23,5 8,7%	EBITDA REPORTED <i>% on net revenues</i>	17,5 8,1%	(6,0)	-26%	
25,4 9,4%	EBITDA ADJUSTED <i>% on net revenues</i>	23,1 10,7%	(2,3)	-9%	
11,7 4,3%	EBIT REPORTED <i>% on net revenues</i>	4,7 2,2%	(7,0)	-60%	
13,6 5,0%	EBIT ADJUSTED <i>% on net revenues</i>	10,3 4,8%	(3,2)	-24%	
31 DEC 2019 ACTUAL		30 SEP 2020 ACTUAL	DELTA	DELTA	
€ - M		€ - M	€ - M	%	
57,9	NET CASH POSITION	26,2	(31,8)	-55%	• Typical seasonality trend

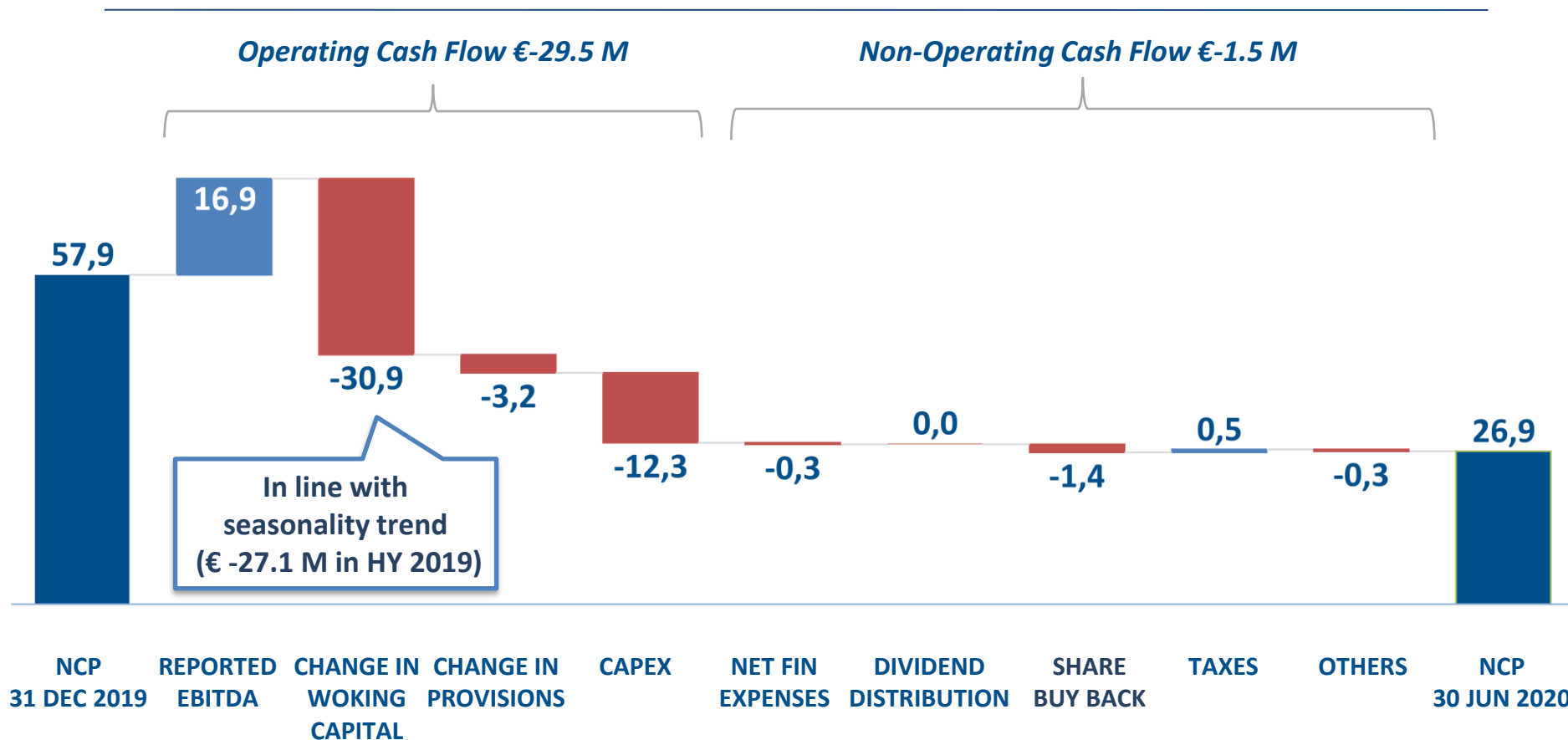
Net Order Backlog trend not affected by COVID-19



- ~ €130 M of new contracts signed in HY 2020 including:
 - Vega and Vega C: industrial activities and maintenance (ca 60M)
 - ASTER-30 booster production order in May (> 50M)

Net cash evolution in line with seasonality

Net cash evolution and Cash Flows (€ - M)





FY 2020 Guidance

• Net Order Backlog	• €650M – €680M	}	• Development contracts finalisation pending (Q3-Q4 2020)
• Net Revenues	• €325M – €345M		• Achievement of revenue target linked to effective progress across sub-contractors industrial chain
• EBITDA Reported	• €34-36M	}	• Impact of 7M non-recurring cost (largely COVID-19)*, partly offset by industrial fixed costs and G&A costs savings
• Net Income	• €16M - €19M		• Slight reduction in recurring financial expenses (Gross Debt reduced from 50M to 42M)

* Implying an Adjusted EBITDA of €41-43 M

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The way forward



- **Timely return-to-flight key priority for all involved stakeholders: Customers, Avio, Arianespace, ESA, CNES**
- **2021 Vega manifest to be updated once corrective actions will be finalized by the Independent Inquiry Commission**
- **Continue in parallel the various development streams:**
 - **Vega C: Qualification Review kick-off imminent - preparing for Maiden Flight**
 - **Space Rider: First tranche of contract approved this week**
 - **Vega E: First tranche of contract approved this week**
 - **Space Exploration Propulsion Systems: new opportunities captured**
 - **Space Propulsion Test Facility in Sardinia: construction well in progress**
- **Execute on production activities:**
 - **P120 production ramp-up: 2021-22 volumes under definition**
 - **Increase ASTER-30 production**
- **FY 2020 Guidance confirmed**

Agenda

- Avio Business
- Financials
- **Appendix**

50 years of expertise in Space technologies with consistent track record



Ammunitions

**Ariane 1-3
Separation
motors**

**Ariane 4
9.5 ton
boosters**

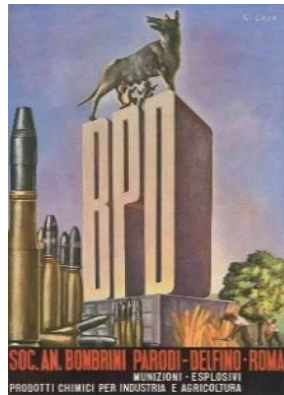
**Ariane 5
230 ton
boosters**

**Vega
Launch
system**

VegaC Ariane6

**VegaC Space
Light Rider**

Vega E



1912

1968

1990

2000

2012

2021-22

2025

Managed by a team of Investors

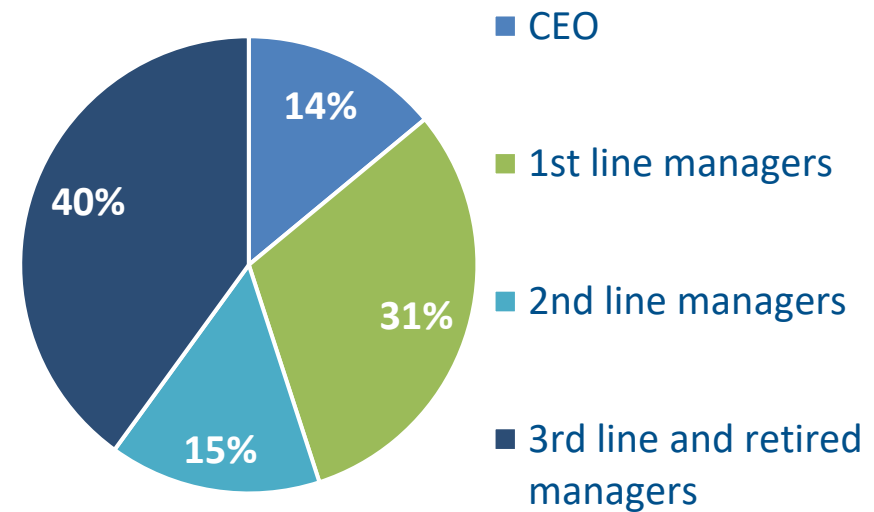


4% share in Avio

70 Avio managers as equity partners

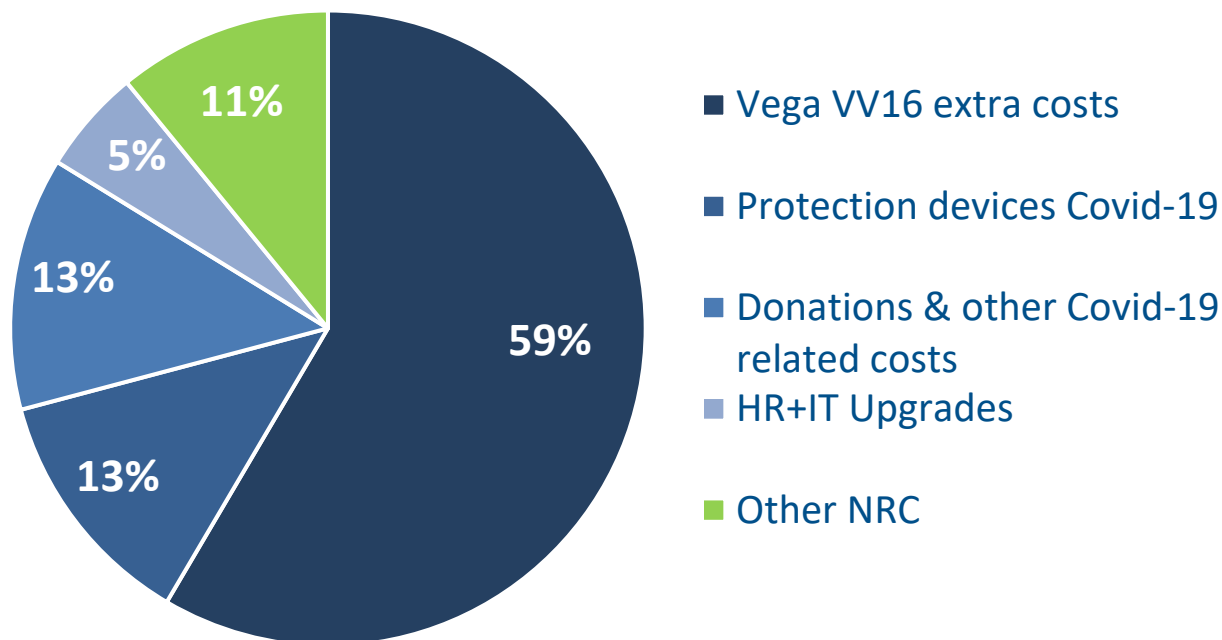


InOrbit shareholding breakdown



9 months 2020 non-recurring costs by nature

9M2020 Non Recurring Costs = 5.6 EUR Mln = 100%



Completed share buyback program launched in August 2019



Objectives

- **Efficient use of liquidity** generated by the ordinary business activities through a **medium-long term investment**
- Offer an additional **return to shareholders** along with dividend payments
- Possible use **own shares in M&A transactions**

Program scheme

- **€~9M** maximum investment approved by shareholders' meeting in April 2019 lasting until October 2020
- First mandate by BoD in August 2019 for **€5M**
- Second mandate by BoD in August 2020 for **€4M**
- Share Buyback carried out by an independent broker (Equita SIM S.p.A.)

Program completed

Avio S.p.A. holds # 671,233 own shares corresponding to 2.55% of total Avio's shares

Reduction in revenues and focus on fixed cost control



HY 2019	MAIN ECONOMICS	HY 2020	DELTA	
€ - M		€ - M	%	Comments
668.7 ⁽¹⁾	NET ORDER BACKLOG	632.6	-5%	• Backlog stable... awaiting more substantial order intake in Q3/Q4 (ESA MC '19)
189.0	REVENUES	167.9	-11%	<ul style="list-style-type: none"> • Ariane 5 ramp-down only in part compensated by Ariane 6 ramp-up, and some delay in development contracts • Ariane and Vega contribution to profit comparable to HY 2019 in aggregate • COVID-19 non-recurring costs of €2.3M offset by savings in fixed industrial costs (e.g. utilities) and G&A expenses (e.g. travel, support staff expenses)
16.1 8.5%	EBITDA REPORTED % on net revenues	16.9 10.1%	+5%	
16.9 8.9%	EBITDA ADJUSTED % on net revenues	19.9 11.8%	+18%	
8.1 4.3%	EBIT REPORTED % on net revenues	8.5 5.1%	+5%	
8.9 4.7%	EBIT ADJUSTED % on net revenues	11.5 6.8%	+29%	
7.1 3.7%	NET INCOME % on net revenues	8.4 5.0%	+18%	• Benefit on income taxes of €0.5M from COVID-19 measures

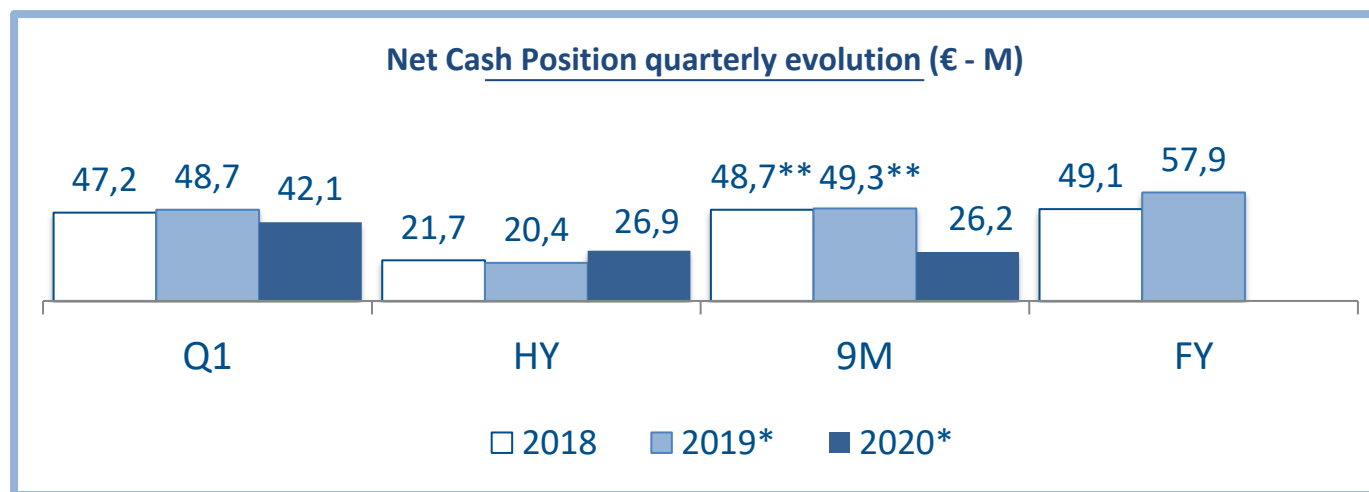
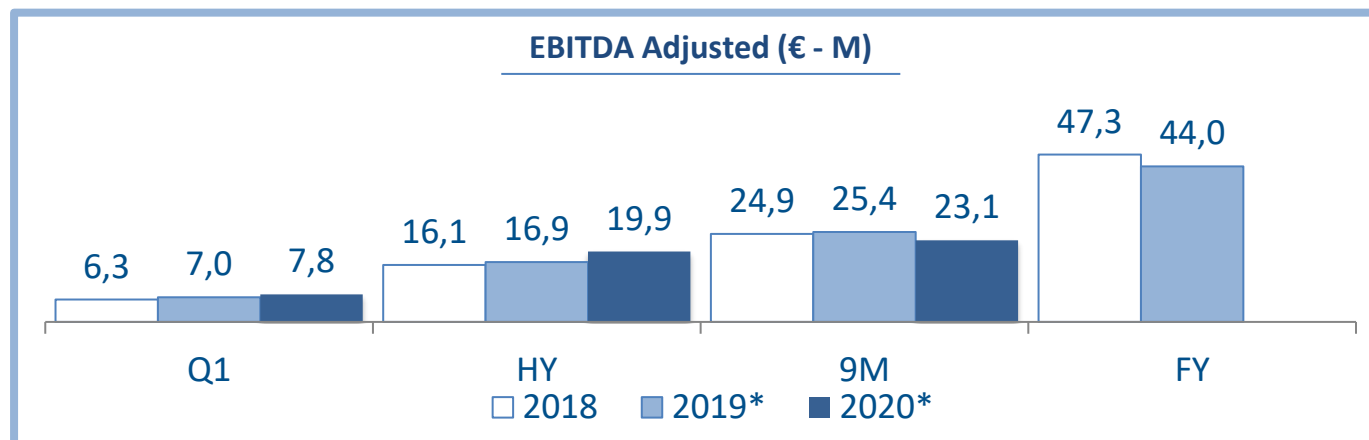
(1) As of 31st December 2019

Invested capital and net cash position influenced by CAPEX and working capital seasonality



31 DEC 2019 ACTUAL	MAIN SOURCES AND USES	30 JUN 2020 ACTUAL	DELTA	
€ - M		€ - M	€ - M	Comments
(96,2)	WORKING CAPITAL	(65,3)	30,9	• Typical seasonality of Net WIP for activities vs advances already collected
(43,4)	PROVISIONS (EMPLOYEES' BENEFITS AND RISKS)	(40,2)	3,2	
77,8	DEFERRED TAX ASSETS	77,5	(0,3)	
61,0	GOODWILL	61,0	(0,0)	
36,6	CUSTOMER RELATIONSHIP ASSET	35,1	(1,5)	
204,0	FIXED ASSETS	209,5	5,5	• Capex, including P120, Vega cadence improvement and Vega E development, net of the depreciation of the period
6,1	FINANCIAL RECEIVABLES	6,2	0,1	
245,9	NET INVESTED CAPITAL	283,9	37,9	
57,9	NET CASH POSITION	26,9	(31,0)	• Typical seasonality trend
(303,9)	EQUITY	(310,8)	(6,9)	• HY 2020 net income less share buy back
(245,9)	TOTAL SOURCES	(283,9)	(38,0)	

Quarterly pattern of Adjusted EBITDA and Net Cash Position



- Includes effects of IFRS 16
- Includes Non-recurring tax effect



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