

# Avio 9M 2021 Results

NOVEMBER 8<sup>TH</sup>, 2021



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# Agenda

- **Highlights (Giulio Ranzo, CEO)**
- 9M 2021 Financials (Alessandro Agosti, CFO)
- Conclusions (Giulio Ranzo, CEO)
- Appendix

# Executive Summary

## Business focused on successful launch operations across 9M21

- Focus on flight worthiness of Assembly, Integration, Testing and Launch for VV18/VV19/VV20
- Catching-up in development activities, persisting Covid-19 challenges:
  - Backlog: €811M (+10% vs December 2020/+29% vs Sep 2020) – signed new contracts for Vega and tactical propulsion
  - Revenues: €198M (-8% vs. 9M 2020) – reducing gap vs 2020
  - EBITDA Adjusted: €11.8M (-49% vs 9M 2020) – impacted by unfavorable mix (subCo content) and energy cost
  - Most project delivery milestones concentrated in Q4 (more than in previous years)
  - Profit and cash highly concentrated towards Q4-end

## FY 2021 Guidance Confirmed<sup>1</sup>:

- Backlog: €850-900 (+20% vs. FY 2020)
- Revenues: €300-330M (-2% vs. FY 2020)
- EBITDA Reported: €30-32M (-12% vs. FY 2020)
- Net Income €10-12M (-27% vs. FY 2020)

## Outlook

- Vega VV20 launch activities on track
- Vega C Maiden Flight on track for Q1 2022
- Ariane 6 MF in Q2-Q3 2022

# 2021 launch activities targeting 3 launches by Vega and Ariane

2021



Star One D2  
**Embratel**  
Eutelsat Quantum  
**EUTELSAT**



SES-17  
**SES**  
Syracuse 4A  




James Webb  
Space Telescope



VA254  
July

Pléiades  
Neo  
5 smallsats  
 **AIRBUS**  
DEFENCE & SPACE



Pléiades  
Neo  
4 smallsats  
 **AIRBUS**  
DEFENCE & SPACE



VA255  
October

Ceres 1,2,3  




VA256  
December  
**Ariane**

Return to flight activities

VV18  
April

VV19  
August

VV20  
November

Vega

SOURCE: ESA, Arianespace, Press search



# VV20 is getting ready on the launch pad for launch in Mid November



**CERES constellation of 3 satellites  
for ground signal location**

# 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



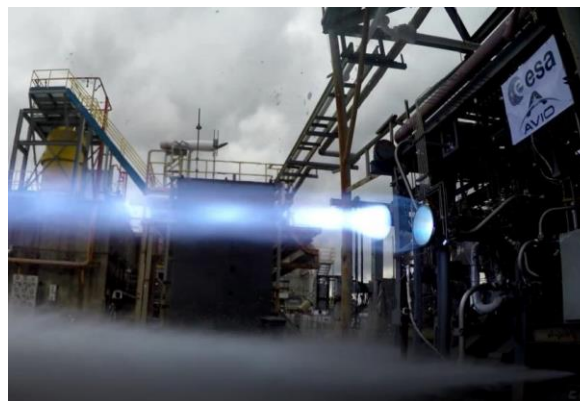
A4 upper stage flight item under integration





# SPTF facility ready to execute M10 liquid propulsion tests very soon

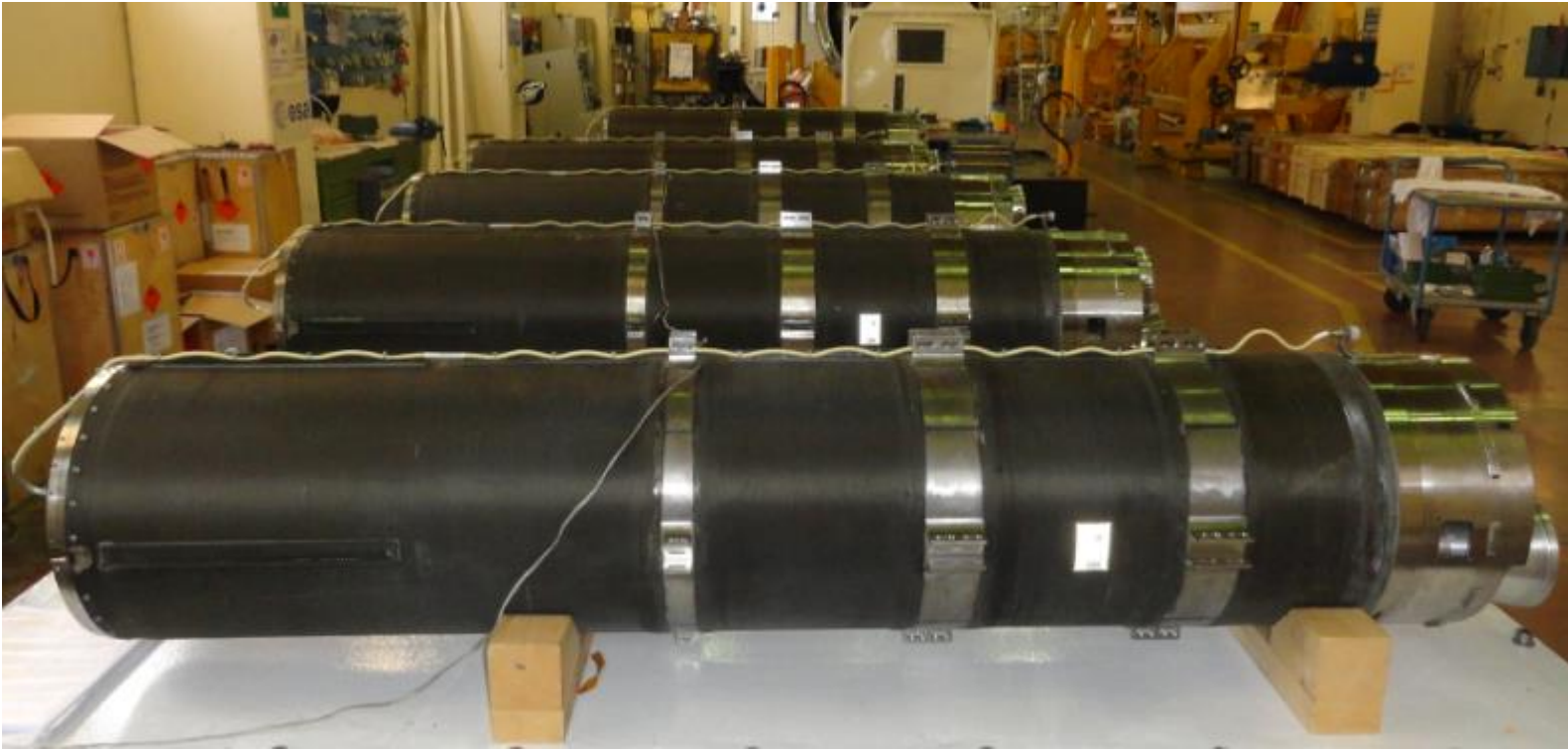
## SPTF in Sardinia



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



# Tactical propulsion production ramping up thanks to Aster contract



- Extension of product orders by MBDA France for the production of further lots of boosters for Aster-30
- Contract Extension Value > Euro 80 mln
- Delivery expected in 2022-2030

# Agenda

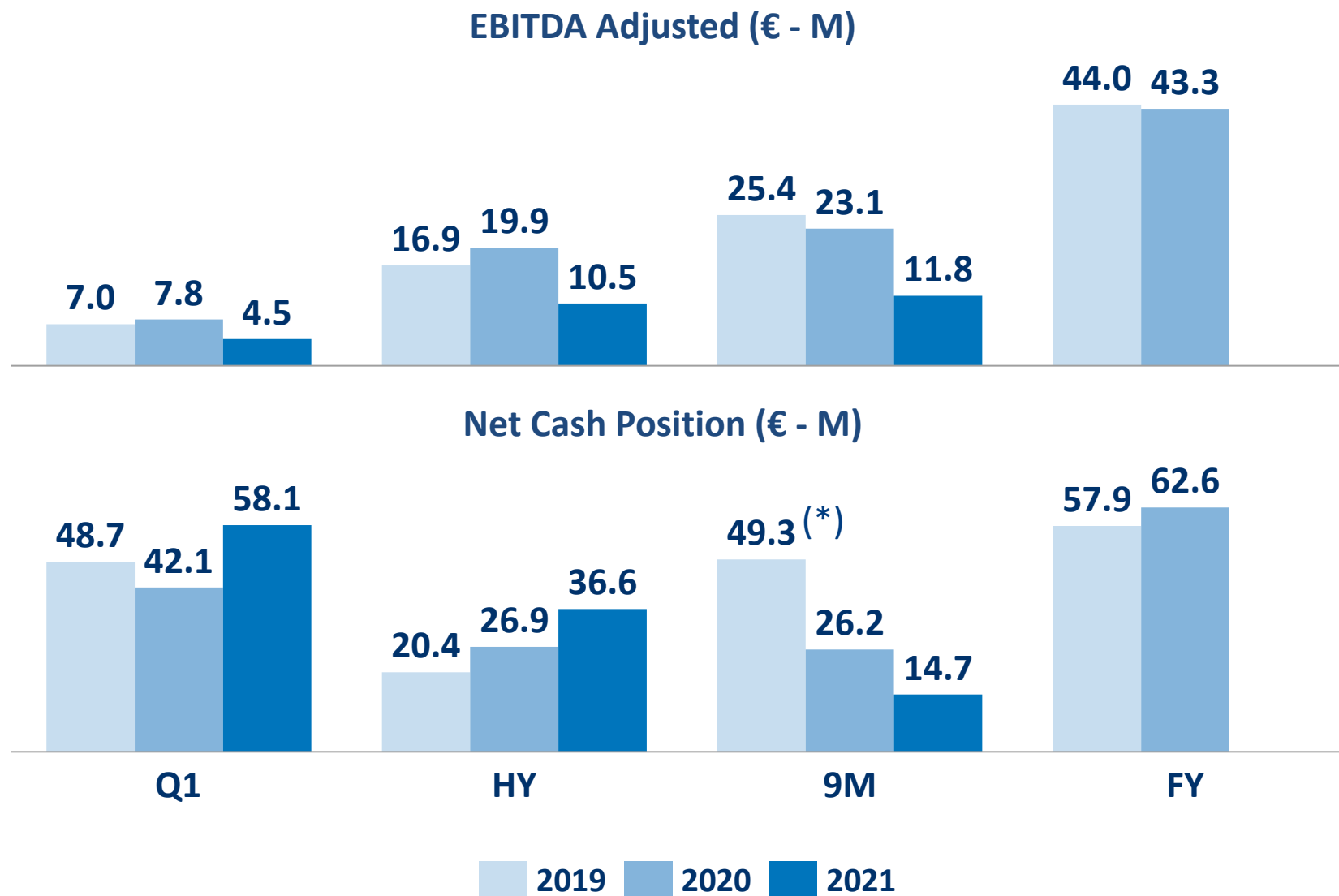
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# 9M 2021 financial results

9M 2020	MAIN ECONOMICS	9M 2021	DELTA	DELTA	
€ - M		€ - M	€ - M	%	Comments
735.9 <sup>(1)</sup>	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%	
10.7%	% on net revenues	6.0%			
4.7	EBIT REPORTED	(7.6)	(12.3)	N.m.	Increase in depreciation for Vega C and P120
2.2%	% on net revenues	N.m.			
10.4	EBIT ADJUSTED	(3.8)	(14.2)	N.m.	Decrease in NR costs for minor COVID related costs
4.8%	% on net revenues	N.m.			
62.6 <sup>(1)</sup>	NET CASH POSITION	14.7	(47.9)	N.m.	Typical seasonality trend (26.2M at Sep 2020) with certain milestones shifted to Q4 2021



# Quarterly pattern of Adjusted EBITDA and Net Cash Position



*\*Includes Non-recurring tax effect*

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# 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



# Outlook beyond 2021



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



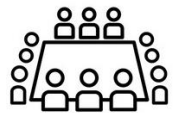
Market and commercial **opportunities growing more than anticipated** (2X market growth by 2030)



**Secured EU institutional demand** across the decade



2022 PNRR opportunities to support **incremental technological advances** in the period 2022-2026

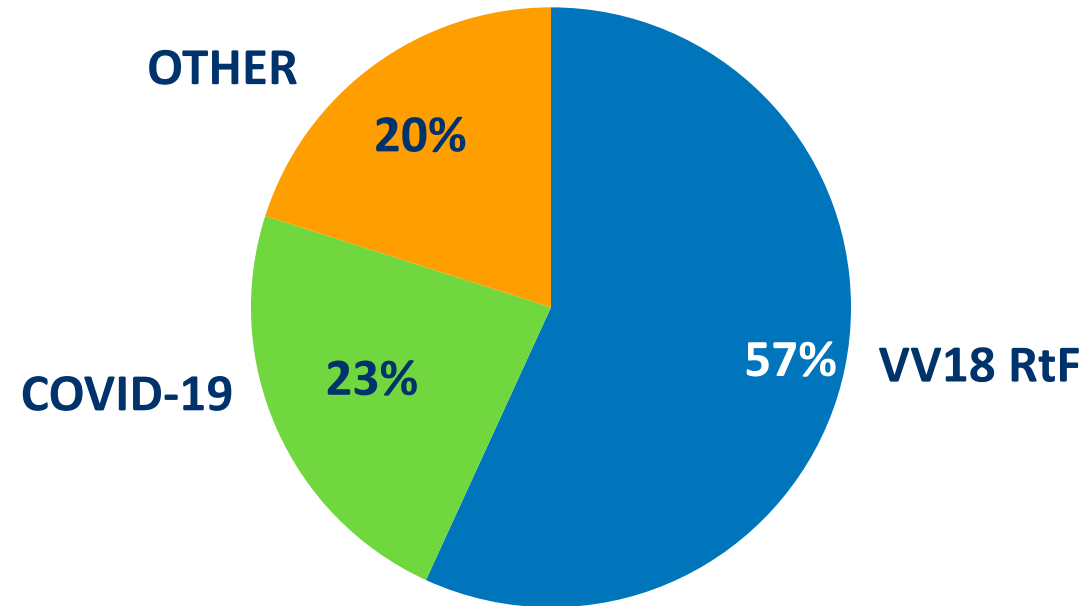


Preparing the 2022 ESA Ministerial Council **to secure new development contracts** to further extend product roadmap

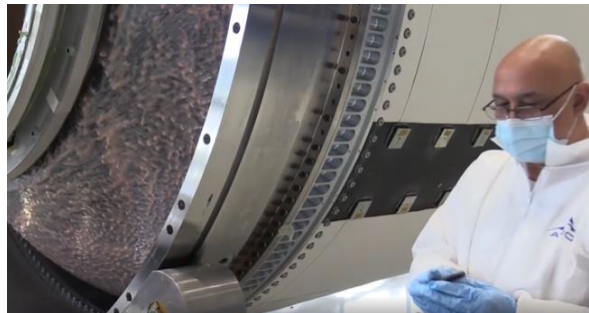
# Appendix

# 9M 2021 non-recurring costs by nature

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





# FY 2021 Guidance issued on the 10<sup>th</sup> of September 2021

## 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

\* Implying an Adjusted EBITDA of €35-37 M

## CONTACTS

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



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