

Avio Presentation

Intermonte Madrid Virtual Conference

NOVEMBER 17TH, 2022



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Agenda

- **Background**
- Business update
- Financials

Avio: the European pure player in Space launchers



European heavy launcher (10.5 tons in GTO)

Avio: Strap-on boosters



300 € Mln
Mkt Cap

1,200
Employees

~45%
Free Float

4%
Mgmt Share



Ariane 6

NEW 2023



Vega C

NEW 2022

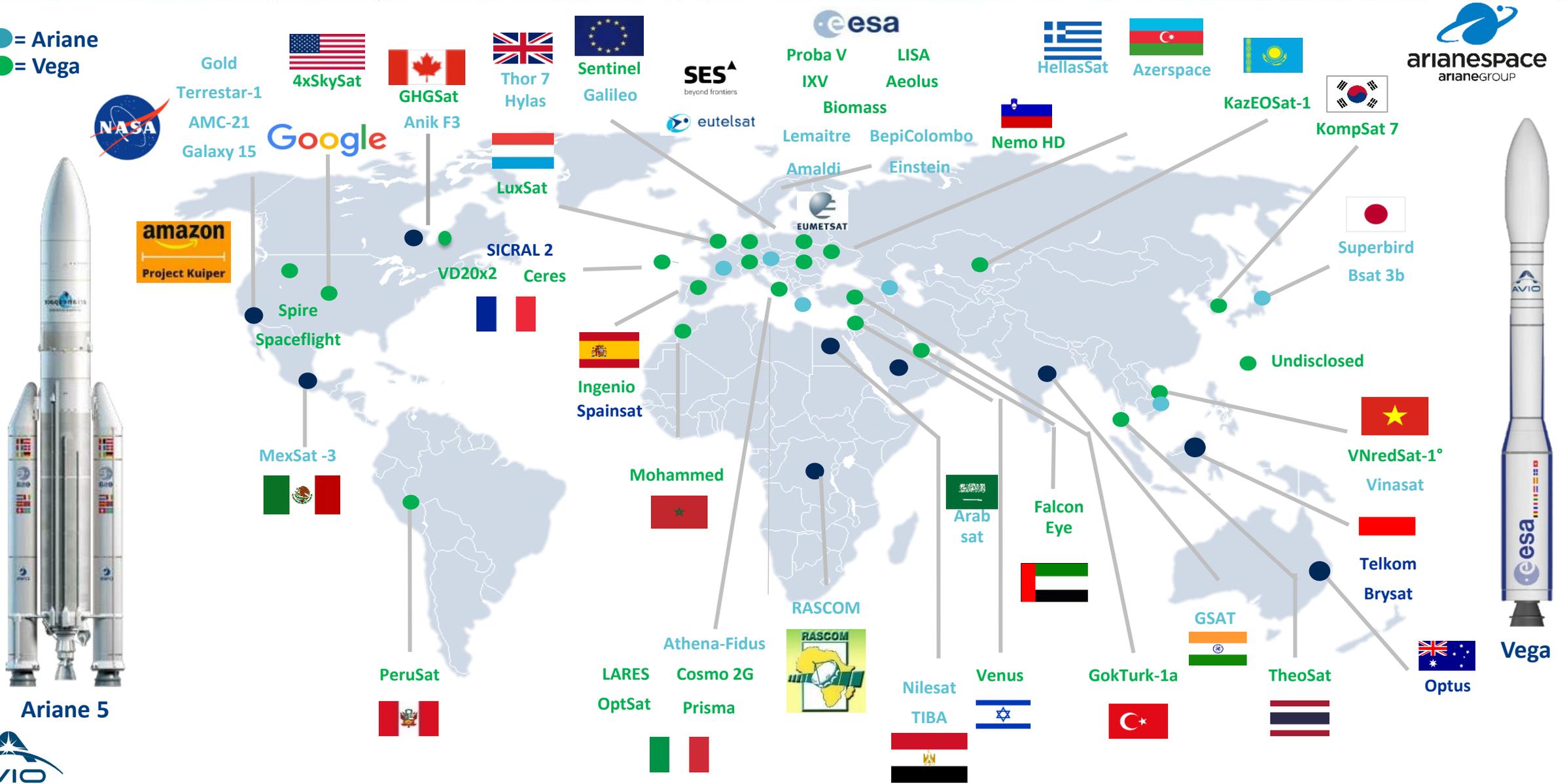


European light launcher (2.3 tons in LEO)

Avio: System integrator

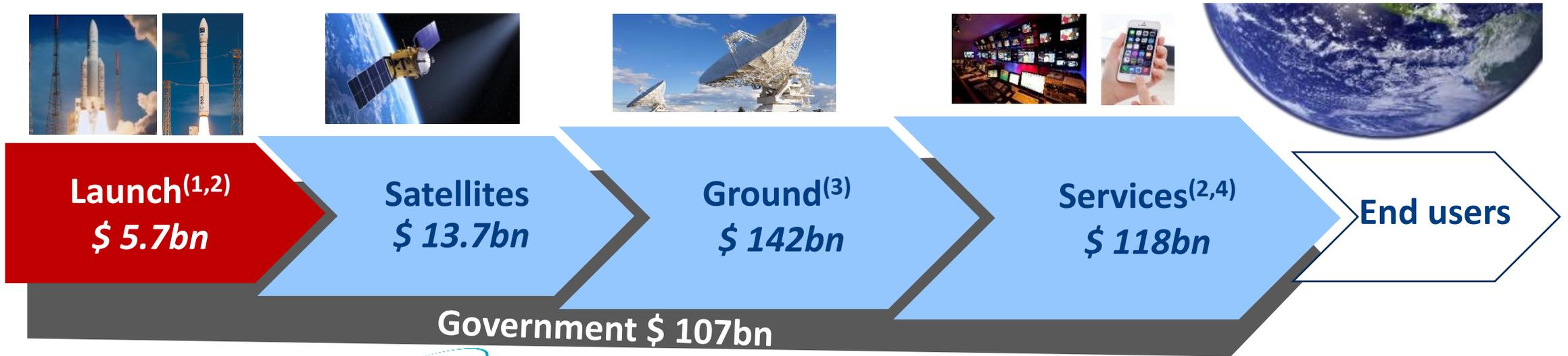
Ariane and Vega : a global customer base

● = Ariane
● = Vega



The launch segment : the gateway to the Space economy

Global space value chain (2021)



Launch: arianespace, SPACEX, ULA (United Launch Alliance), isro

Satellites: ThalesAlenia Space, OHB, AIRBUS DEFENCE & SPACE, SSL (A MAXAR COMPANY), BOEING, LOCKHEED MARTIN

Ground: Telespazio (A Finmeccanica/Thales Company), Together ahead. RUAG, Panasonic, TCS TeleCommunication Systems (Enabling Convergent Technologies®)

Services: iridium®, eutelsat, SES (beyond frontiers), planet., ORBCOMM, OneWeb, DigitalGlobe, NASA, NOAA (NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, U.S. DEPARTMENT OF COMMERCE)

End users: vodafone, sky, bp, DHL, TOMTOM, LDC (Louis Dreyfus Company)

Source: Satellite Industry Association (2022)

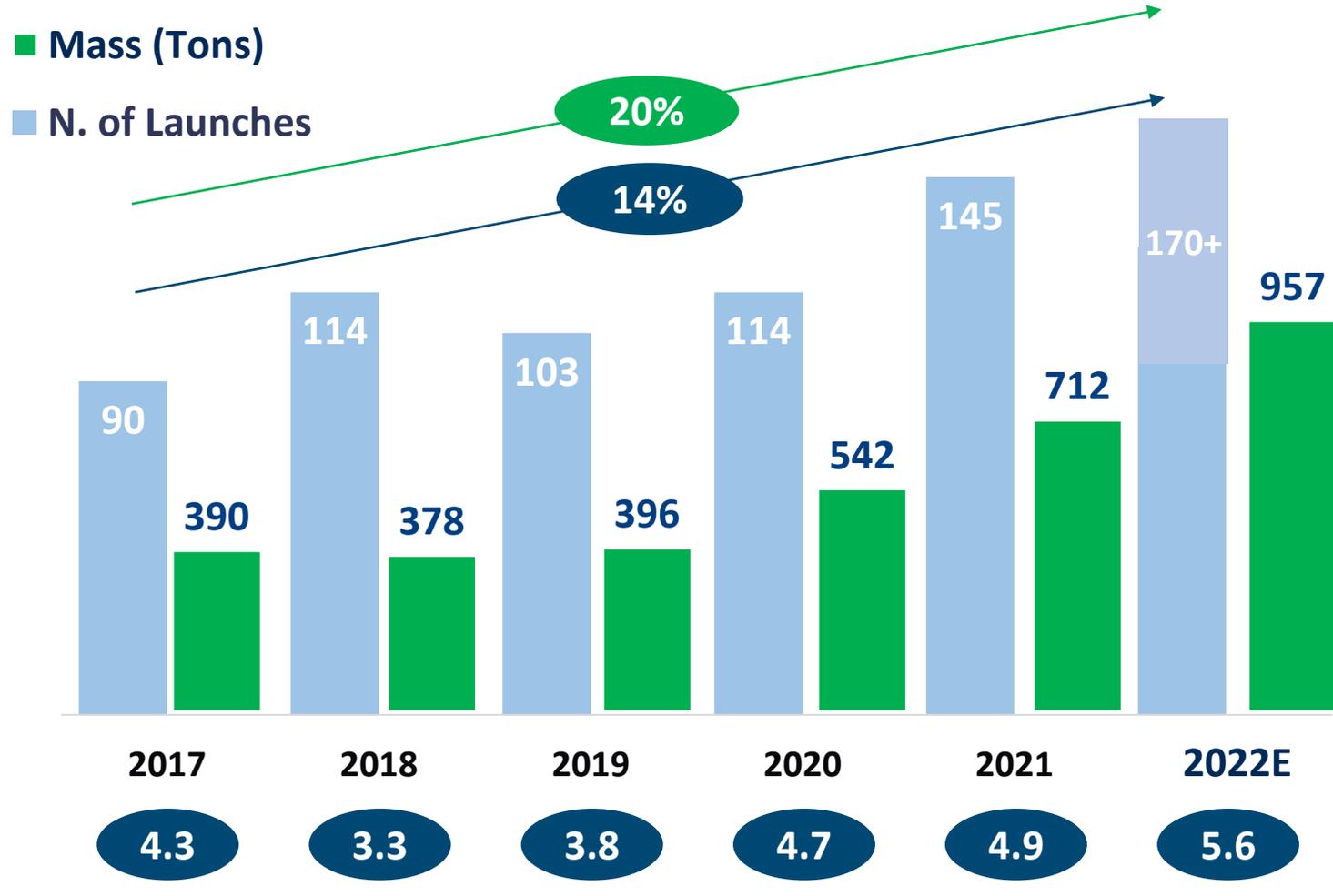
(1): Includes launcher manufacturing and launch service activities
(2): Commercial services revenues only

(3): Includes GNSS chipsets
(4): Includes commercial humanflight

Steady growth in launch rates and launched mass at global level

Global number of Space Launches and mass

xx% → = 2017-22E CAGR



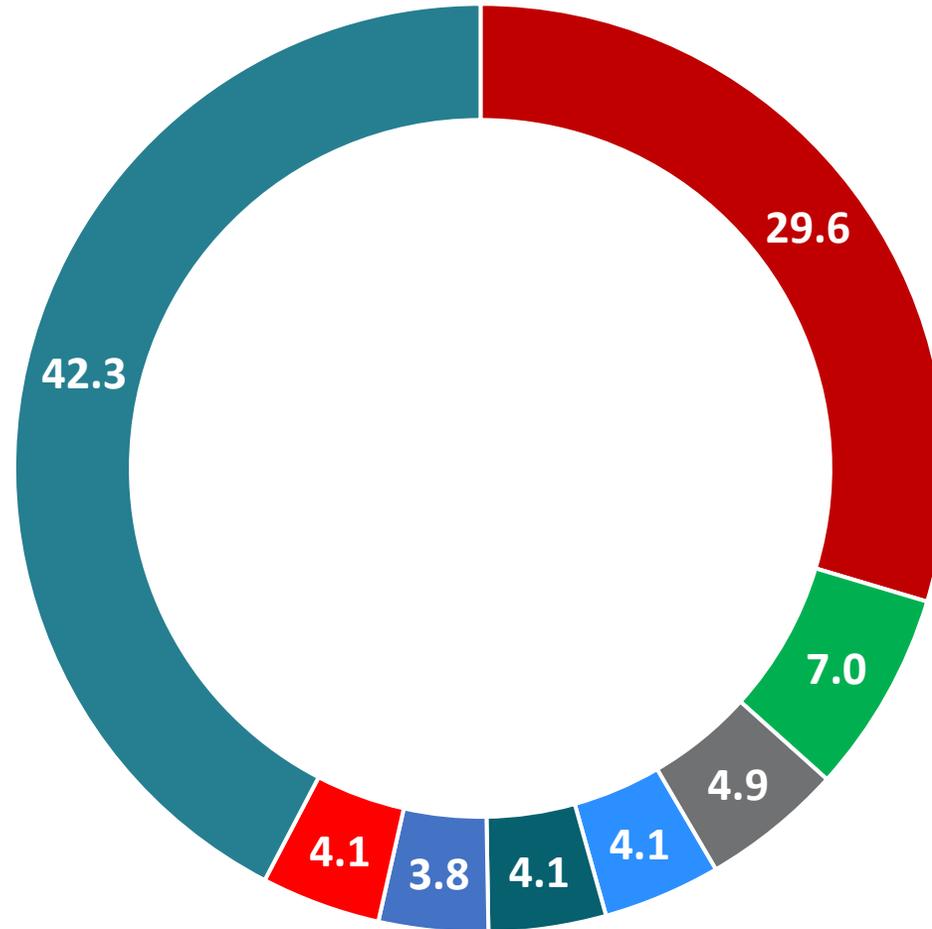
- Steady growth in launched mass per year
- Average mass at liftoff increasing with larger and larger launchers

Avg mass per launch (tons)



A broad range of shareholders

Avio Shareholders



- Leonardo SpA
- Cobas AM
- Servizi CGN
- Space Holding
- InOrbit
- Delfin
- Treasury shares
- Floating

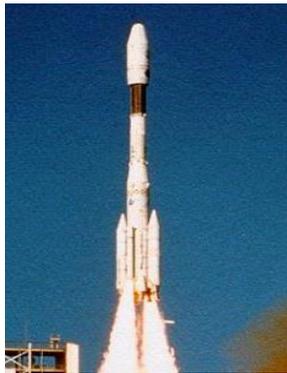
50 years of track record in Space launch

Avio Product history



Ariane 1-3

Separation engines



Ariane 4

9 tons Boosters



Ariane 5

230 ton Boosters



Vega

Complete launch system

Vega C



Ariane 6



Two launch systems with a common first stage engine

Space Rider



IFD



Vega E



Coordinated family of products and applications



Industrial operations in Europe and French Guyana



Main stage integration



Propellant casting

 Colleferro, Rome
(GMT +1) N41.727 E13.0030

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

 French Guiana
(GMT -3) N4.003 E52.999

Avio runs three facilities at the European Spaceport :

- SRM casting and integration
- Vega launcher operation

 Paris
(GMT +2) N48.856 E2.351

Large SRM design/integration



SRM Manufacturing



Upper stage integration



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2022 launch activities targeting 2 launches by Vega and 3 by Ariane



2022

Measat 3D



Eutelsat Connect



Galaxy 35
Galaxy 36

MAXAR



VA257
June

VA258
September

VA259
December

Ariane 5

Maiden Flight
preparation activities

Lares 2



Agenzia Spaziale Italiana



2 Pléiades
Neo



VC01
July

VC02
November

Vega C



Successful Vega C Maiden Flight : a boost for its commercial appeal



Vega C



Vega C lift-off



Stage separation



Mobile gantry visit



Mission Success : reached 5,893km altitude



Lares 2 satellite orbital injection



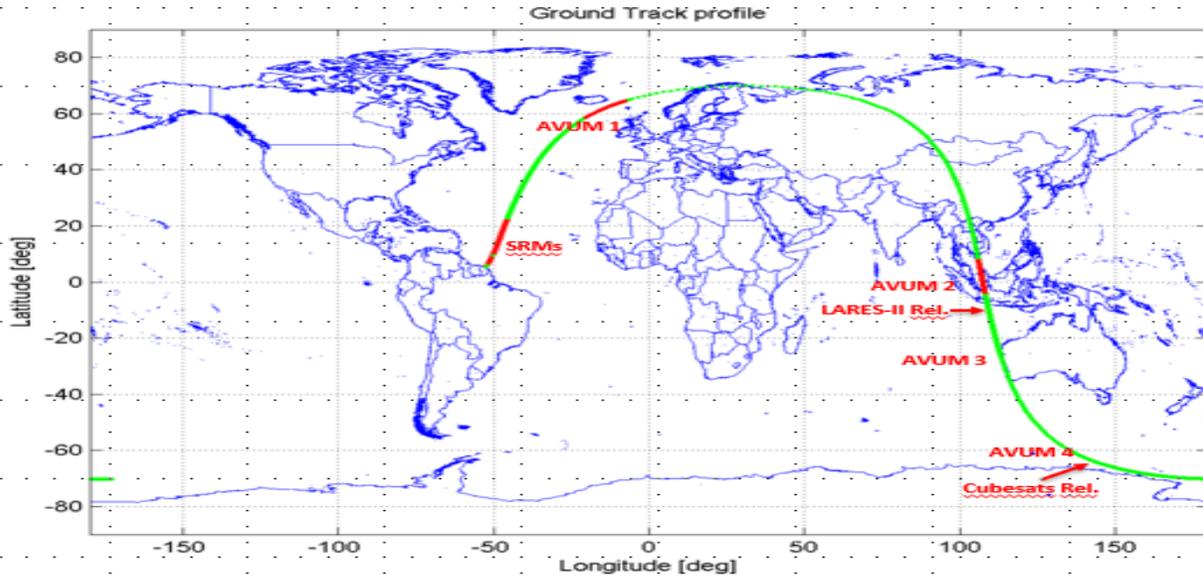
Payload fairing separation



SOURCE: ESA, Web search

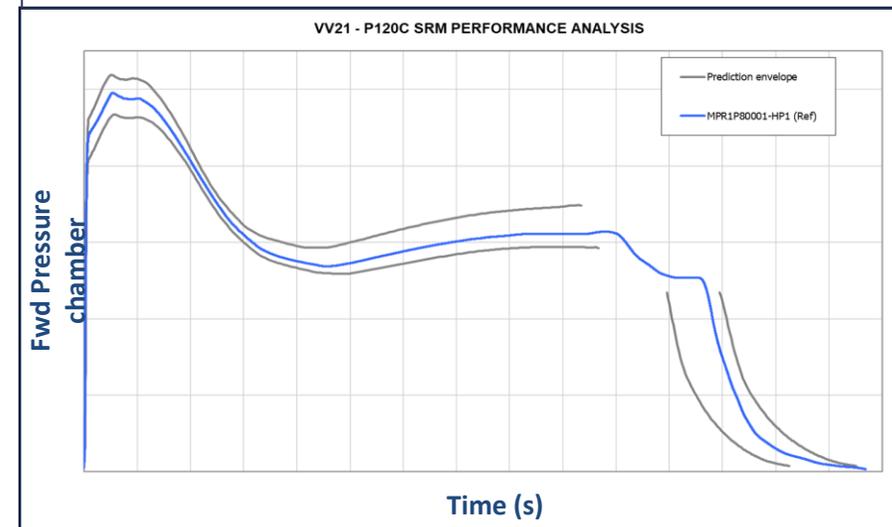
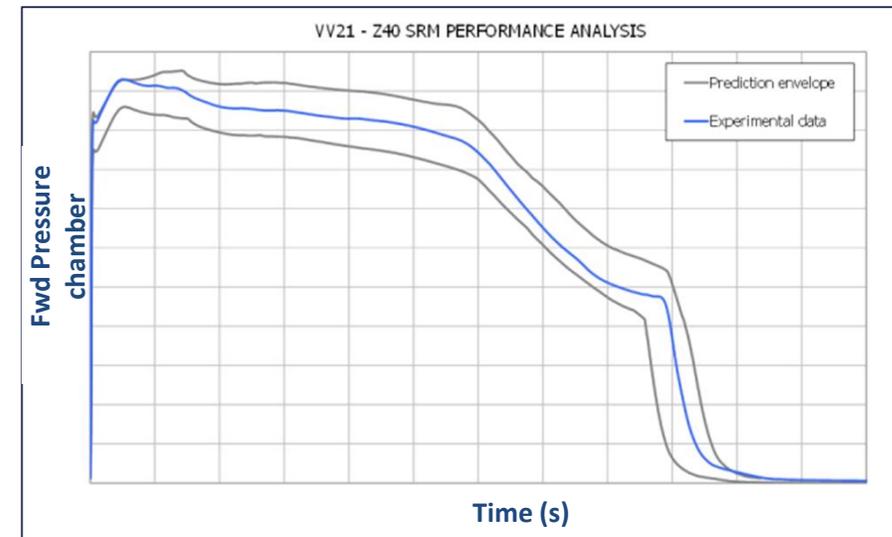
Maiden Flight results: high orbital injection accuracy

Mission profile and results



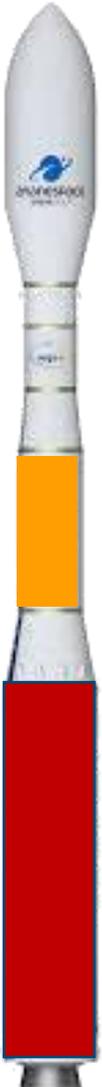
	Flight	Prediction	Delta	UM
a – Semi-major axis [km]	12270,659	12270	0.659	± 15 km
e – Eccentricity [-]	4.80e-05	0	4.80e-05	± 0.0012
i – Inclination [deg]	70.16	70.16	0.00	± 0.15
RAAN – Right Ascension of Ascending Node [deg]	0,406	0,407	0,001	± 0.2

P120 and Z40 nominal perfo curves



Z40

P120



Getting ready to the next Vega C flight by the end of November

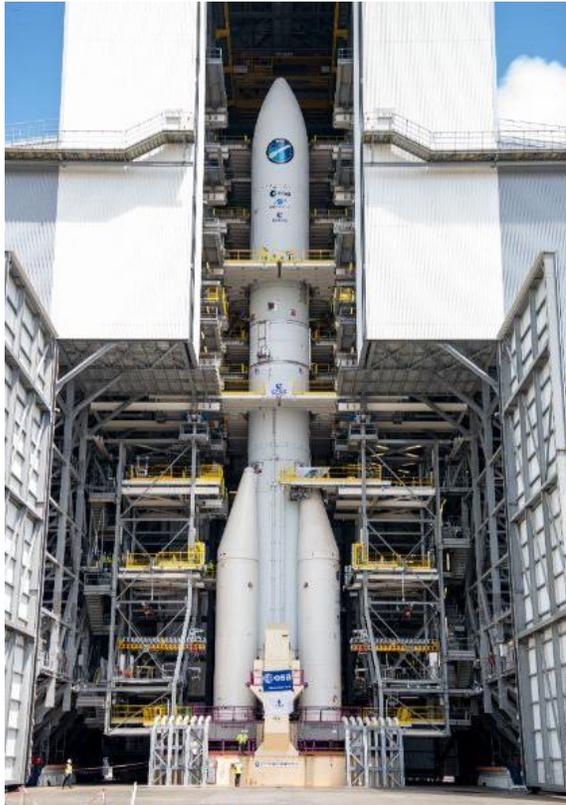


Ongoing Vega C integration in Kourou



Integration of Plèiades Neo sats

Ariane 6 Maiden Flight scheduled for 2023



Ongoing A6 combined tests in Kourou



Hot firing test of the A6 upper stage in Lampoldshausen, Germany

Main next milestones before Maiden Flight:

- Successful completion of Vinci test in Germany
- Successful Vulcain test and combined tests in French Guiana
- System Design review before launch

Strong backlog for both Vega and Ariane



Current Backlog:

- 7 Vega C missions
- 2 Vega missions
- Further opportunities in pipeline/negotiation

Vega C Customers' profile:

- 40% commercial
- 60% institutional

10% increased performance by 2025 thanks to new P160 booster

Current Backlog:

- 29 Ariane6 missions (of which 18 with Amazon for Kuiper constellation)
- 3 Ariane 5 missions

Ariane 6 Customers' profile:

- 75% commercial
- 25% institutional

20% increased performance by 2025 thanks to new P160 booster



Significant additional opportunities in the pipeline

Approaching the 2022 ESA Ministerial Council



- **Key topics and expectations for ESA 2022 MC:**
 - **Vega E funding at completion: launch expected by 2026**
 - **Vega C adaptations:**
 - **Launch rate capacity/flexibility increase**
 - **Supply risk mitigation measures**
 - **Space Rider completion/evolution**
 - **P120C+ (P160) for Vega C and Ariane 6 performance improvement**
 - **Support for production ramp-ups and new products transition**
 - **Potential further support for technology demonstrators**

European Launchers – product range evolution roadmap



Capacity
Reference Orbit

10,5 t
GTO

1,5 t
LEO

2,3 t
LEO

6 t
GTO

11 t
GTO

0,8 t
LEO

TBD
LEO

2,8 t
LEO

12 t
GTO



P120

P120

P120

M10

TODAY

2022

2023

2025

2026

Ariane 5

Vega

Vega C

Ariane 62

Ariane 64

Space Rider

IFD*

Vega E+ A6 Evo

Established legacy and track record

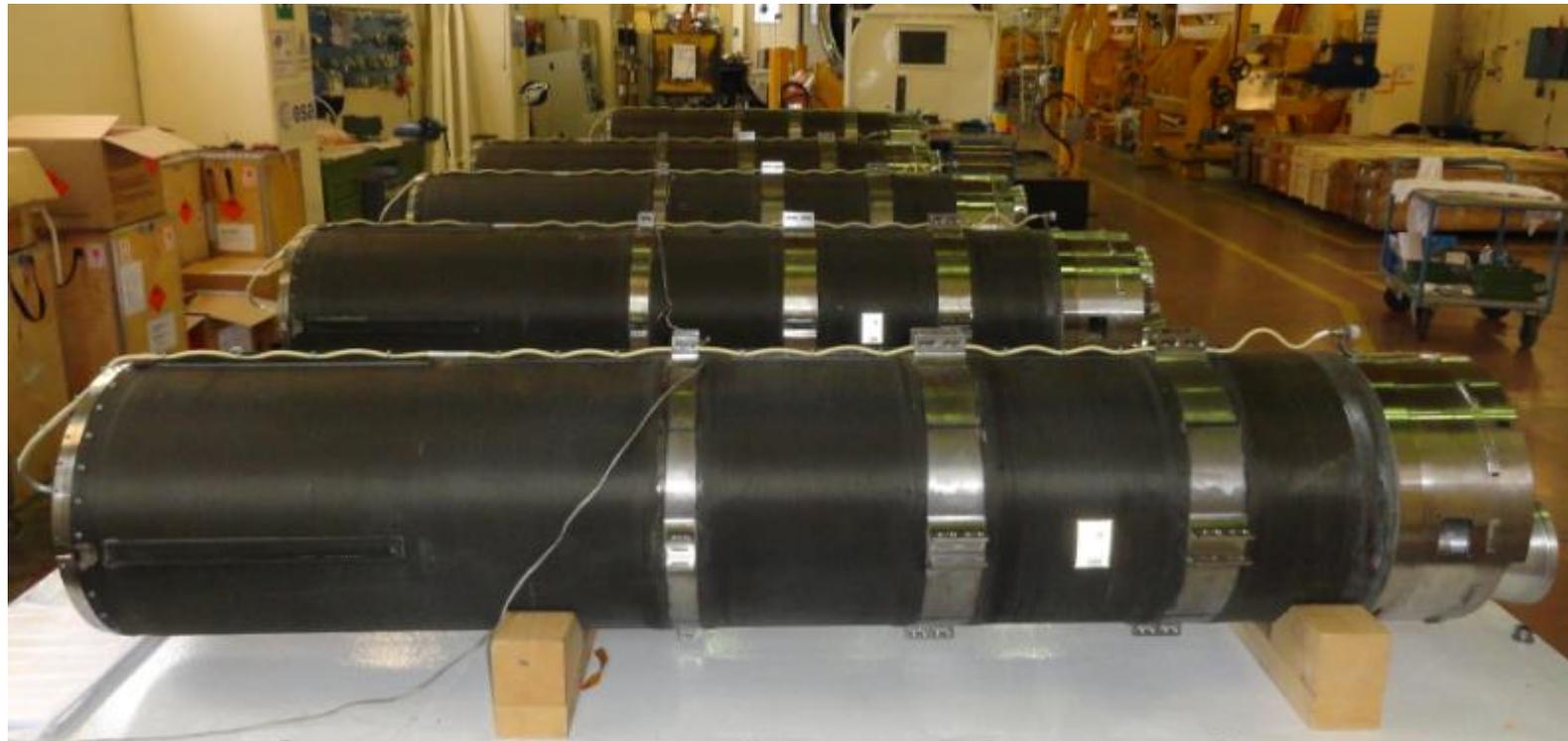
Commonalities and cost reduction

Broader offering and further cost reduction



I*n Flight-Demonstrator

Incremental orders in the defense business anticipate further growth



- Contract extension of product orders by MBDA for further lots of boosters for Aster-30
- Contract for the development of the propulsion of a new tactical missile, the Teseo Mk/2E for the Italian Navy
- Total contracts Value > Euro 40 mln
- Further orders expected to flow in the coming months/years

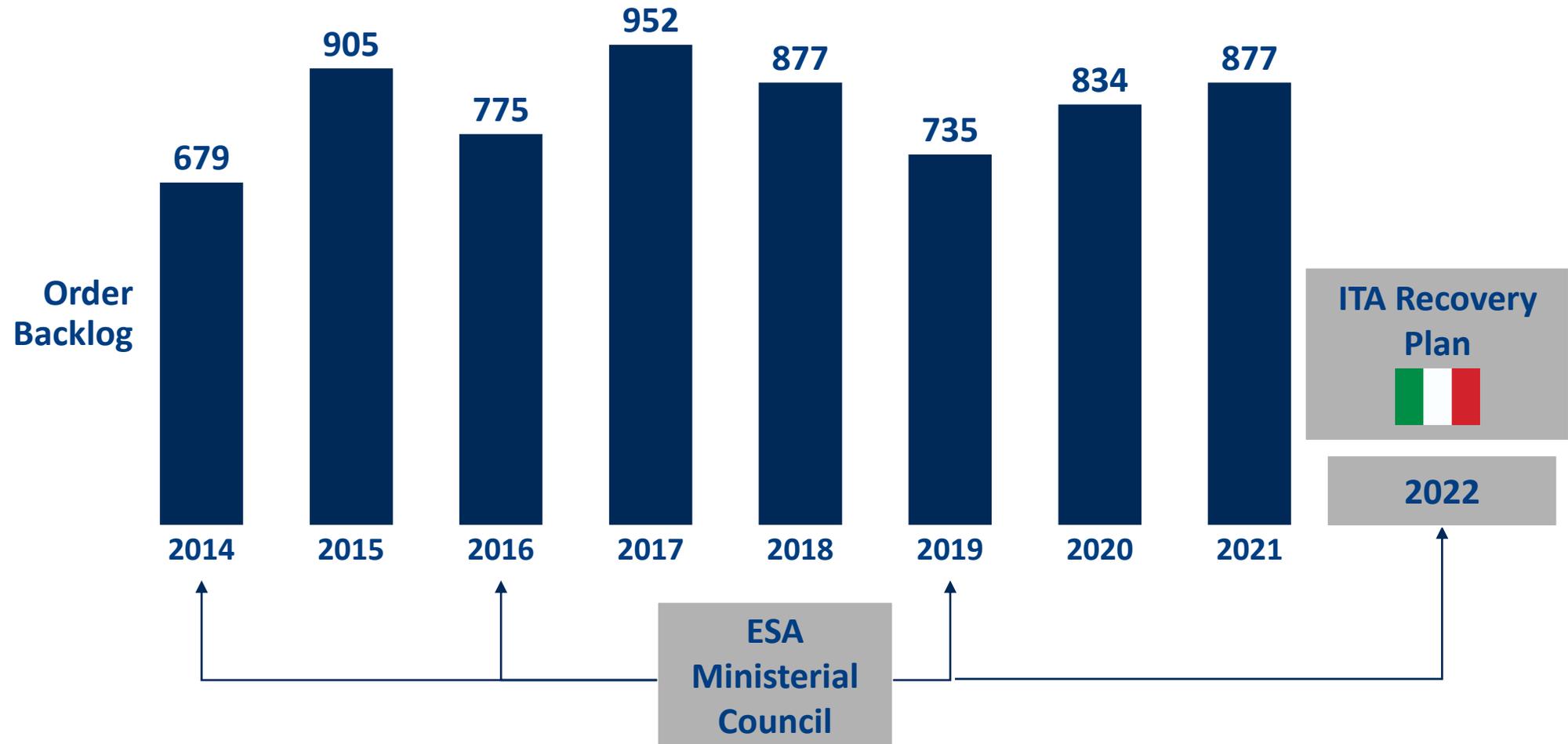
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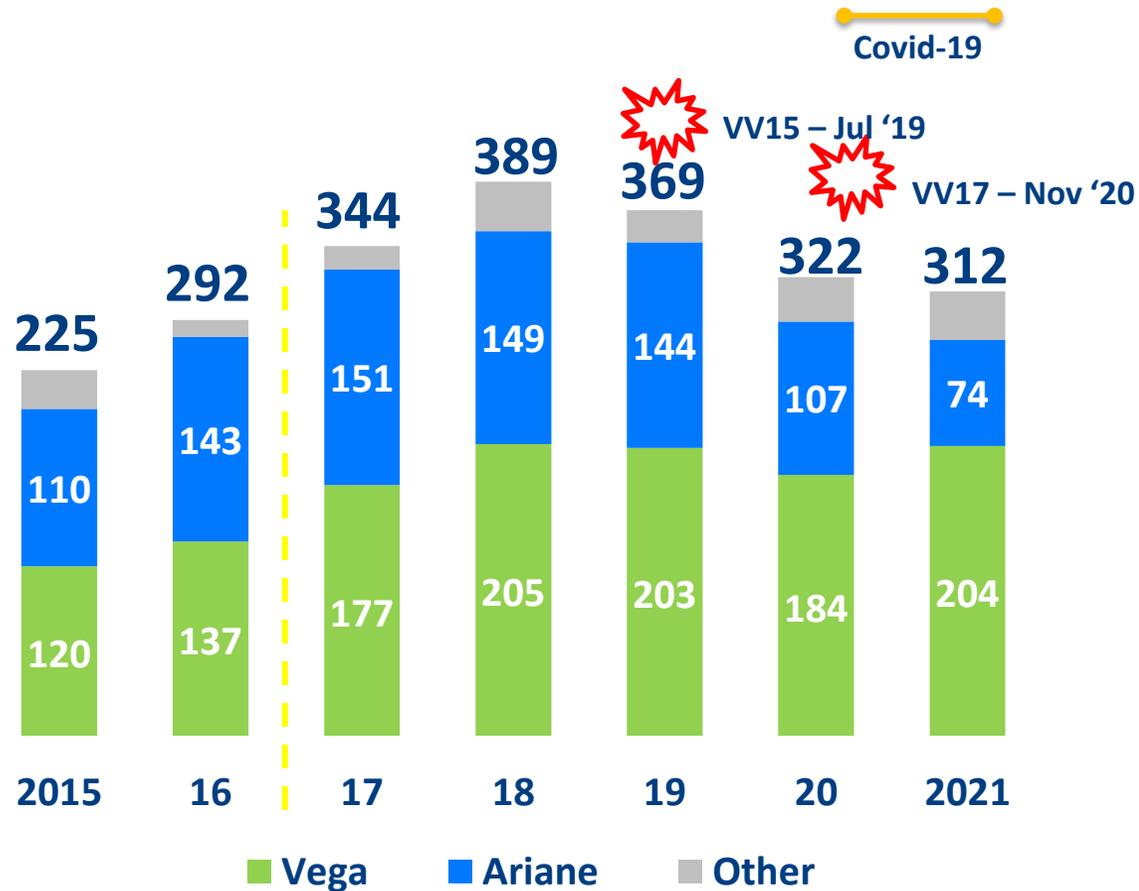
Order backlog historical trend

Data in € - M

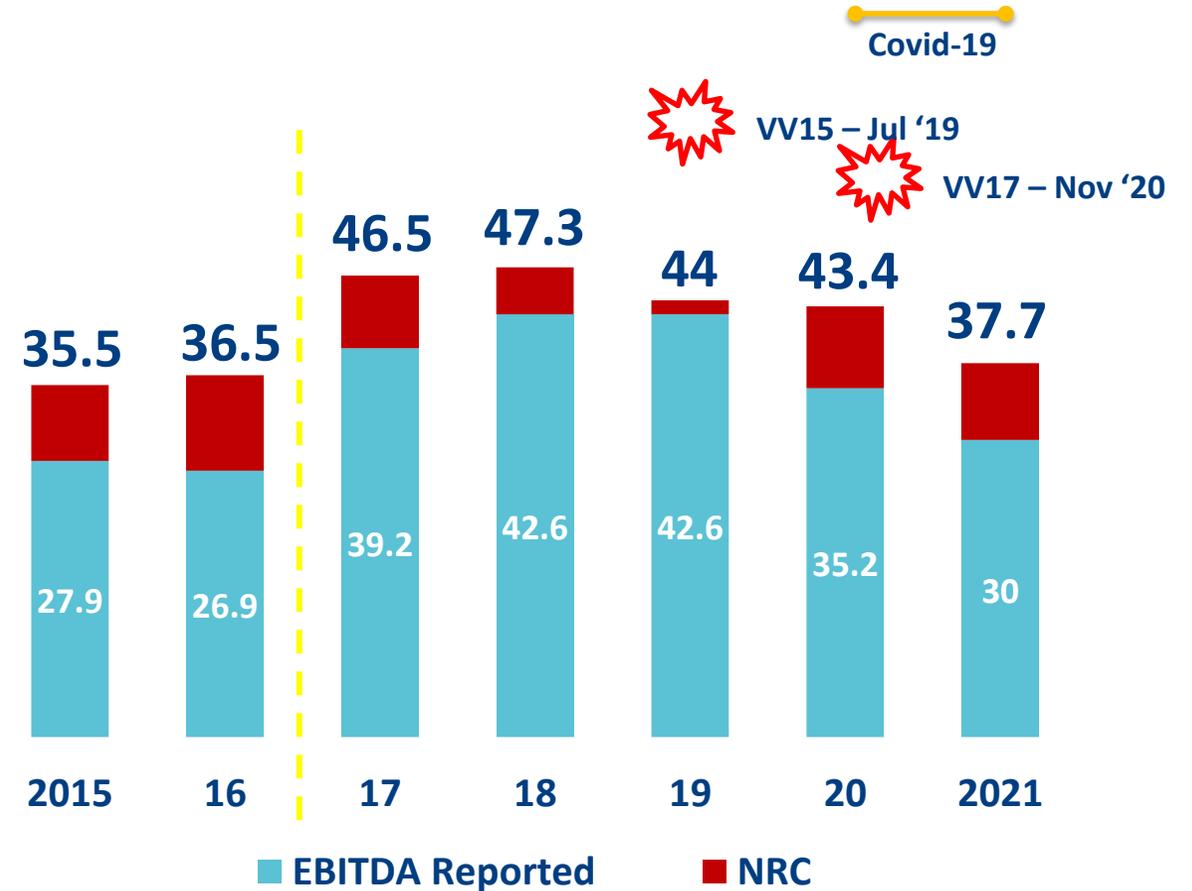


Revenues and EBITDA historical trend

Revenues (€ M)

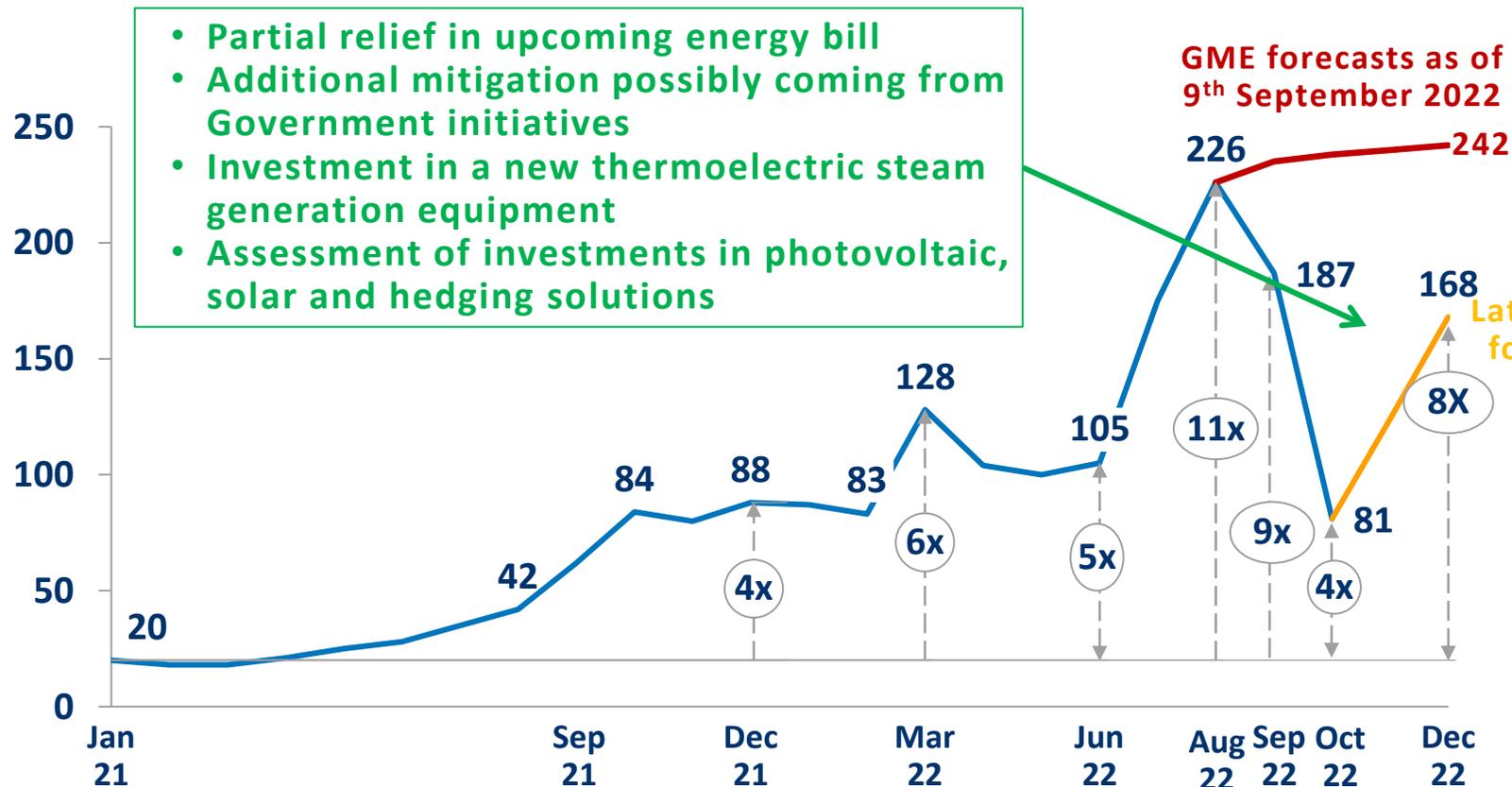


EBITDA Reported and Adjusted (€ M)



Gas prices volatility continues with lower than expected price levels

Italian average monthly gas purchase prices (€/MWh)



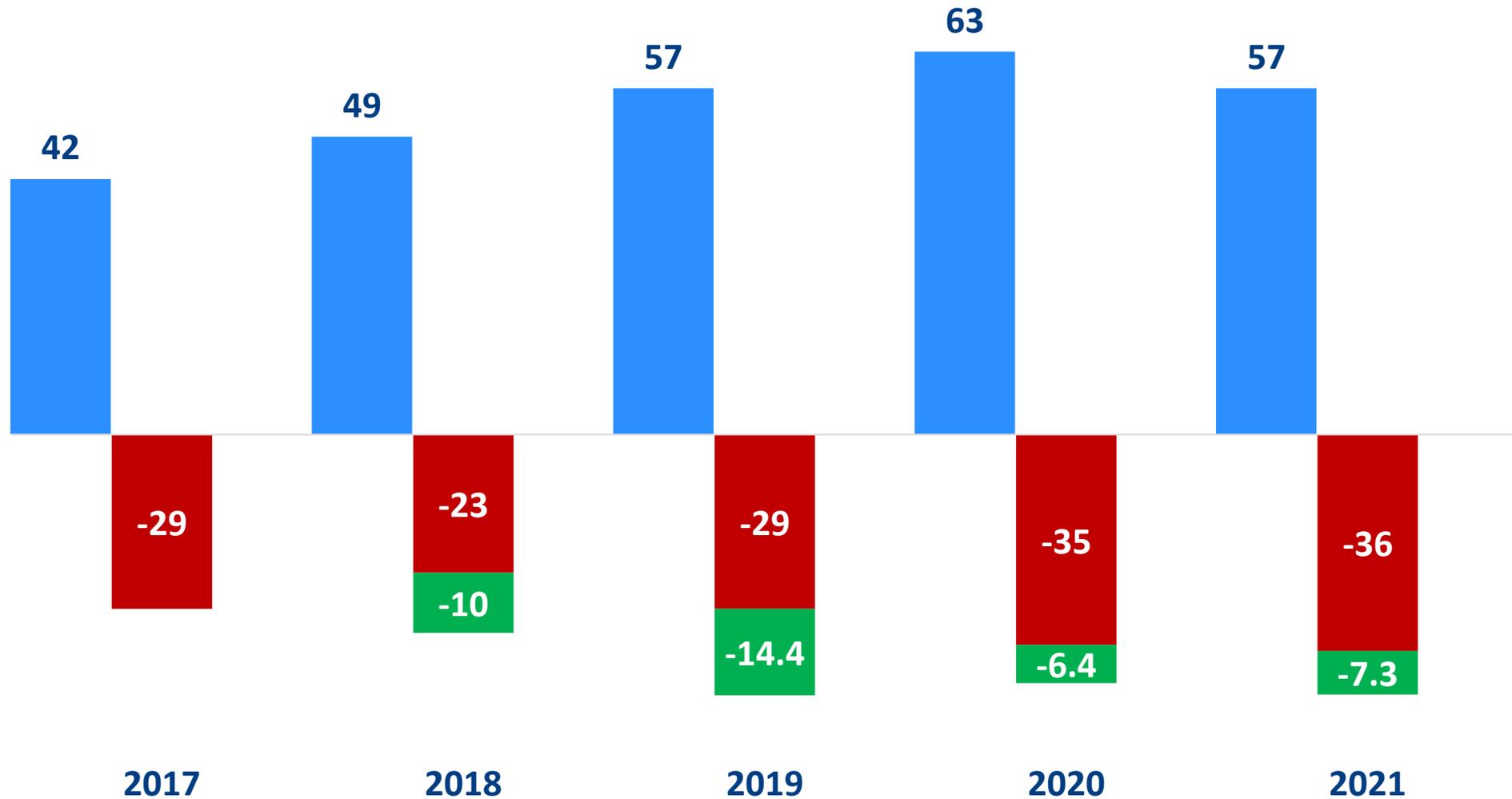
- Partial relief in upcoming energy bill
- Additional mitigation possibly coming from Government initiatives
- Investment in a new thermoelectric steam generation equipment
- Assessment of investments in photovoltaic, solar and hedging solutions

Actions already implemented

- New partnership since December 2021 with Cogenio/EnelX for Termica Colleferro project financing (Cogenio/EnelX 60% and Avio 40%) to economically manage a thermoelectric steam generation plant



Sustained Cash generation for CAPEX and returns to shareholders



■ Net Cash Position

■ CAPEX

■ Capital Returns

9M 2022 results

9M 2021	MAIN ECONOMICS/ FINANCIALS	9M 2022	DELTA	DELTA		
€ - M		€ - M	€ - M	%		
877(*)	NET ORDER BACKLOG	870.2	(6.8)	-1%		
197.8	NET REVENUES	219.9	22.1	+11%		
N/R 3.8	8.0 4.0%	EBITDA REPORTED % on net revenues	6.5 3.0%	N/R 3.5	(1.5)	-19%
	11.8 6.0%	EBITDA ADJUSTED % on net revenues	10.0 4.5%		(1.8)	-15%
(7.6) N.m.	EBIT REPORTED % on net revenues	(7.7) N.m.	(0.1)	N.m.		
(3.8) N.m.	EBIT ADJUSTED % on net revenues	(4.2) N.m.	(0.4)	N.m.		
31 DEC 2021		30 SEP 2022	DELTA	DELTA		
€ - M		€ - M	€ - M	%		
57.2	NET CASH POSITION	21	(36.2)	-63%		

Net backlog, in line with December 2021, does not yet include expected PNRR and ESA MC 2022 Revenues higher than 9M 2021 thanks to Vega C and Vega E development activities
EBITDA impacted by increase in energy costs
Non recurring costs mainly due to Vega C MF

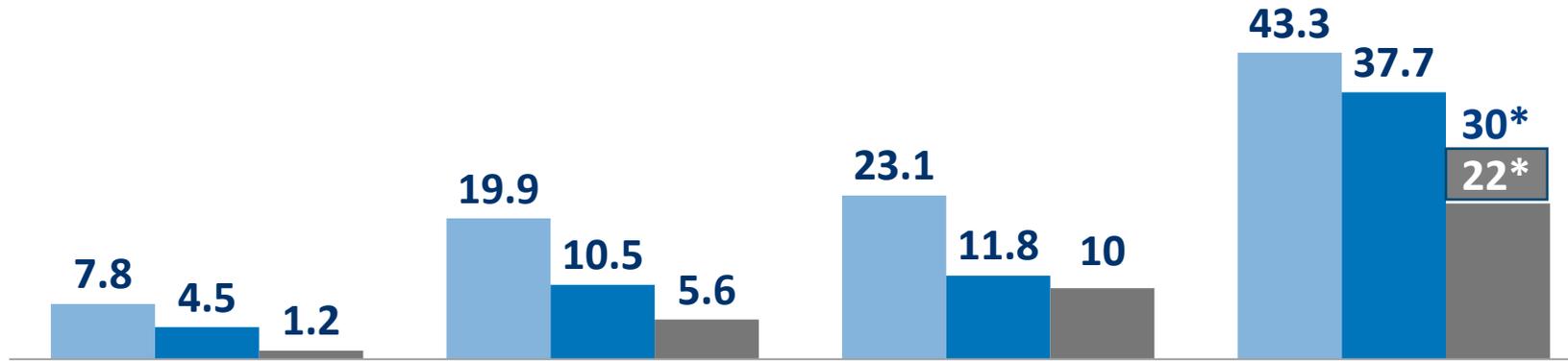
Lower amortization for certain Vega investments whose benefits will also extend to Vega C

Typical seasonality trend (14.7M on 30 Sep 2021)

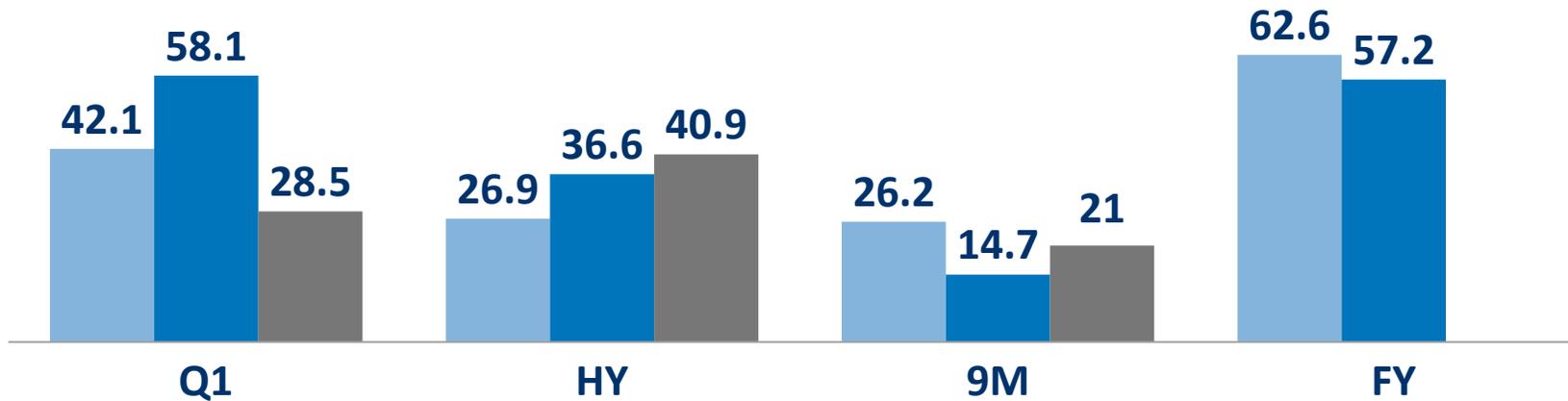
* As of 31 Dec 2021

EBITDA and Cash generation heavily concentrated on Q4s

EBITDA Adjusted (€ - M)



Net Cash Position (€ - M)



2020 2021 2022

*Min and Max levels for FY 2022 Guidance

FY 2022 Guidance adjusted to reflect new global energy scenario

• Net Order Backlog	Unchanged	• €870M – €920M	}	<ul style="list-style-type: none"> • New orders expected for both development and production • ESA MC 2022 subscriptions (although not to be in backlog by 2022 year-end)
• Net Revenues	Unchanged	• €330M – €350M	}	<ul style="list-style-type: none"> • Production activities ramp-up (P120) • New development projects ramp-up (Vega E, Space Rider, VegaC+, liquid propulsion)
• EBITDA Reported	Updated	<ul style="list-style-type: none"> • €24M-30M • €17M-25M 	}	<ul style="list-style-type: none"> • Higher than expected impact of energy costs (hardly predictable), pending mitigation measures • Estimated impact of 5M non-recurring costs* • Strong performance focus on Q4 (Q1 and Q2 soft) as in 2021
• Net Income	Updated	<ul style="list-style-type: none"> • €5M-10M • €-2M - €+3M 	}	<ul style="list-style-type: none"> • One-off taxation effects

Appendix

Temis & ART deal structure

Financial investor

Avio

- PCB Production
- Testing and verification



Long-term agreement to secure procurement and testing



- Design of avionics subcomponents
- Integration
- Testing and verification



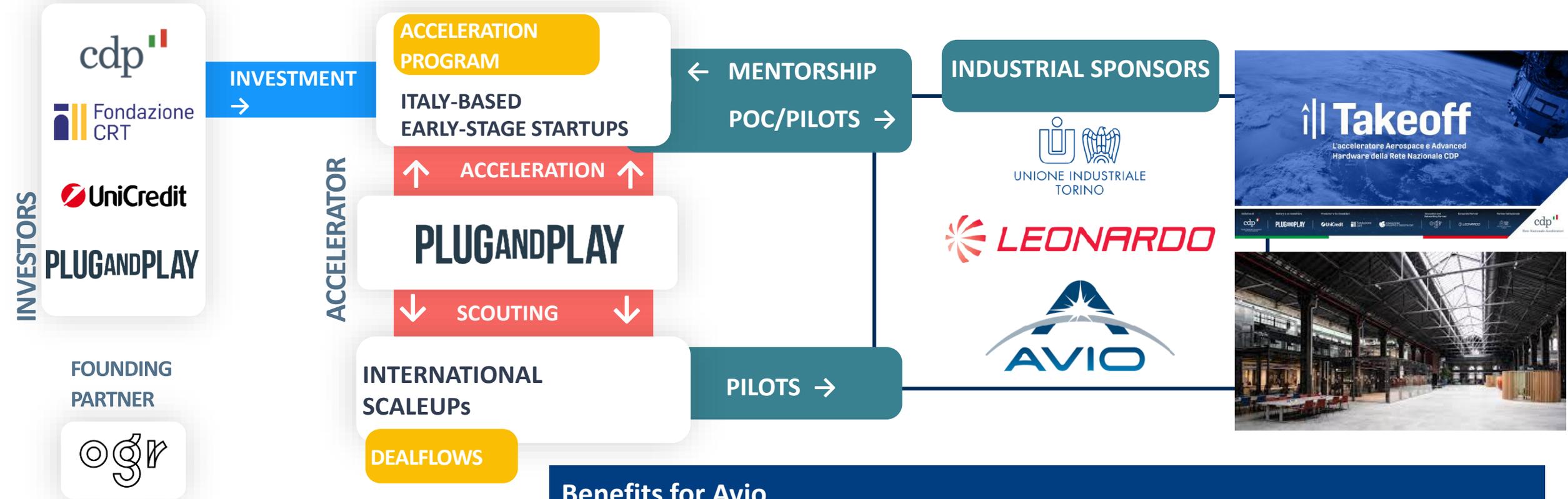
- Provider of avionics, on board telemetry and cameras for Vega and Vega C
- 20 employees
- Avio legacy supplier
- Subsidiary of ART Group (active in the sports cars on-board software)

Consideration paid partly in cash and partly using own shares



Enabling open-innovation through participation to CDP space startup accelerator

Participation to Turin CDP aerospace start-up accelerator “Takeoff”



- ### Benefits for Avio
- Explore the Italian start-up ecosystem with a structured approach
 - Additional access to worldwide selected start-ups according to Avio's needs through customized dealflow service
 - Access new technologies and outsource development and research projects

CONTACTS

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