



THE EUROPEAN GATEWAY TO SPACE

Avio presentation
Banca IMI Italian Excellences
Paris, 11 October 2022

avio.com



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Avio: the European pure player in Space launchers





European heavy launcher (10.5 tons in GTO)



Avio: Strap-on boosters



250 € Mln Mkt Cap	1,200 Employees
~60% Free Float	4% Mgmt Share



NEW 2022-23





European light launcher (2.3 tons in LEO)

Avio: System integrator



The launch segment : the gateway to the Space economy worth almost 400 \$ Bn



Global space value chain (2021)



Avio: a public company managed by a team of investors

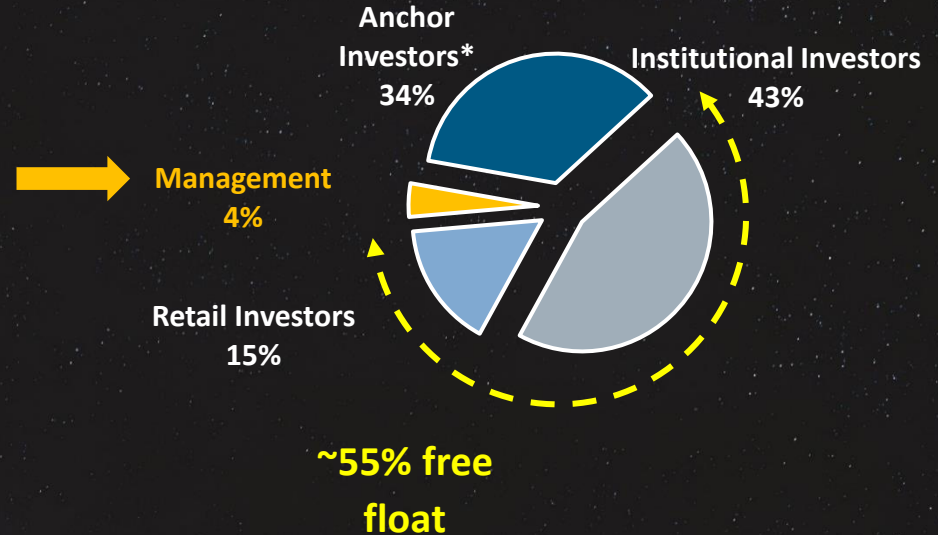


Milan Stock Exchange

Ticker: AVIO.MI – ISIN: IT0005119810

70 Avio managers

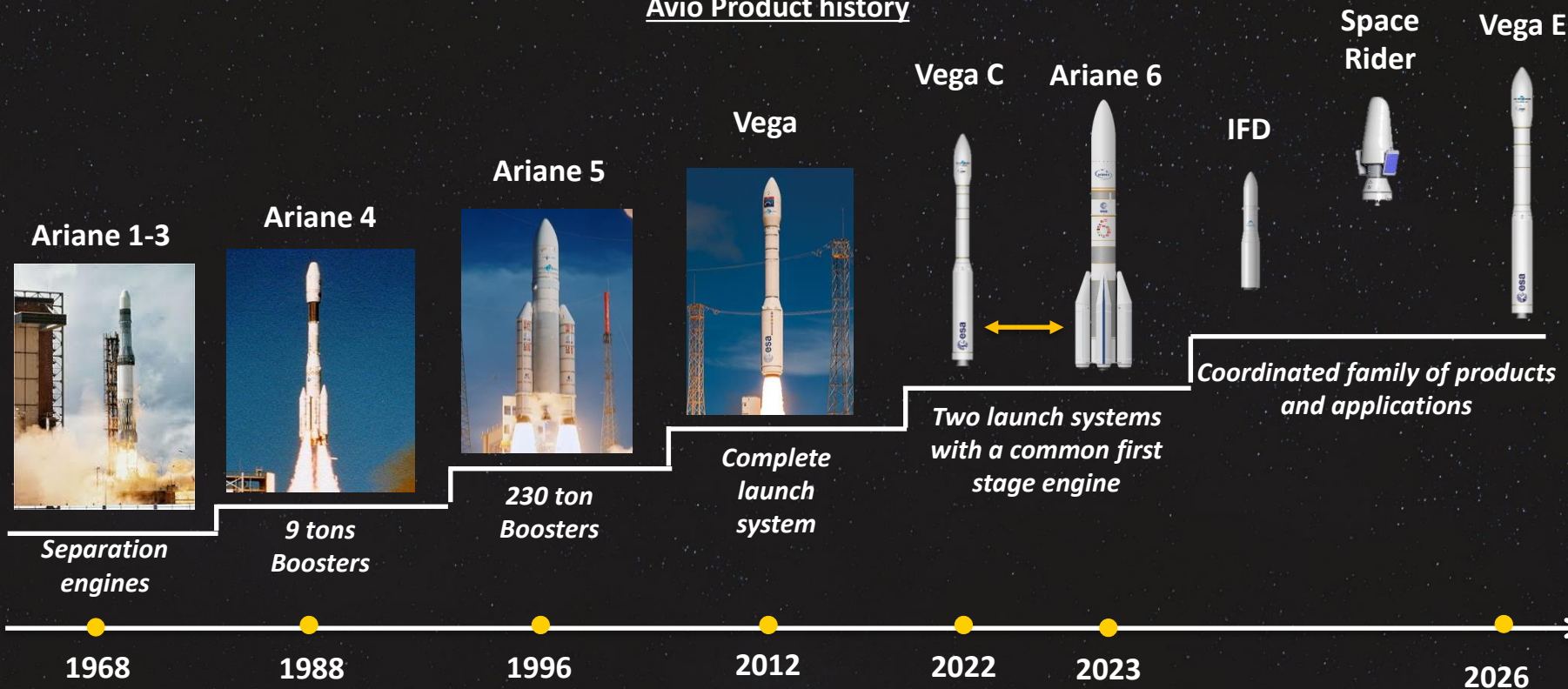
Avio shareholders' breakdown



50 years of track record in Space launch



Avio Product history




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

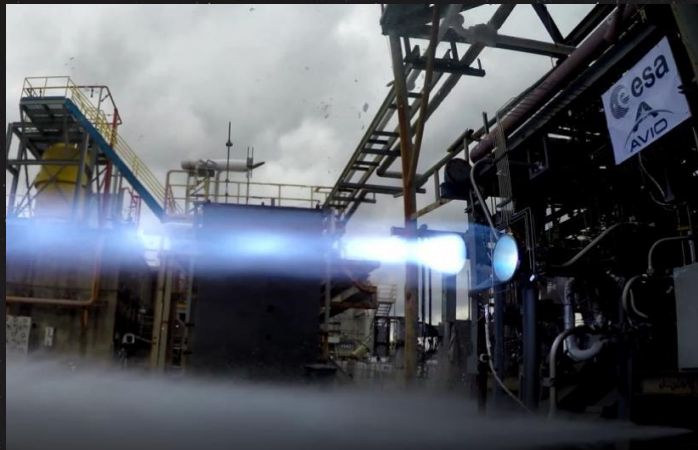


SRM Manufacturing



Upper stage integration

Testing and launch operations in Europe and French Guyana



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

SSMS
Payload
Adapter

Launch &
Re-entry

M10

P120

P120

P120

TODAY

2022

2023

2024

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

Successful Vega C Maiden Flight on the 13th of July, next Vega C flight expected in November 2022



Vega C



Vega C takeoff



Stage separation



Mr Colao visiting the mobile gantry



Payload fairing separation



Lares 2 satellite orbital injection

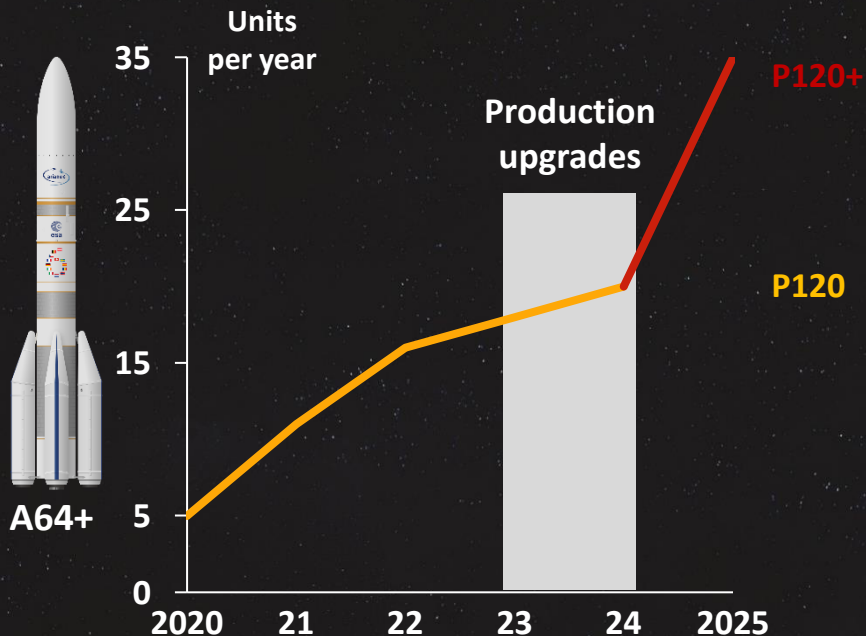


Minister Colao alongside Avio employees

New contract with Amazon to reach economies of scale



P120 production ramp-up schedule



New 4562 Building under construction

- 18 A64 launches booked, of which 16 with the more powerful version A64+ with P120+ engine
- Total expected order for Avio of 72 boosters
- P120+ development to be funded by ESA
- Production of P120+ starting in 2024
- P120+ increasing 10% performance also of Vega C and Vega E

PNRR new technology projects support long term competitiveness

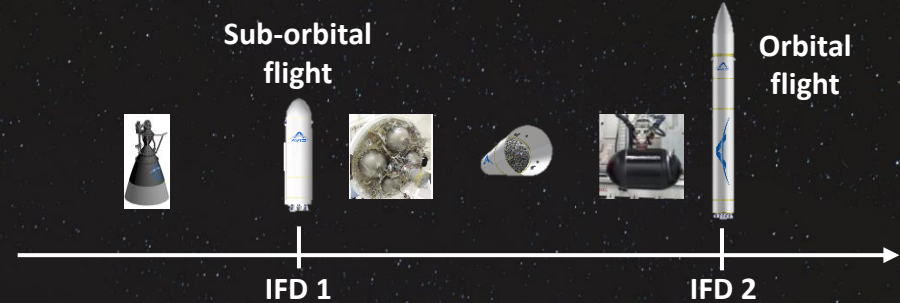


High Thrust Engine - €120 M



- LOX-CH expander cycle technology (quantum leap in performance, weight and costs)
- Ideal for upper stage applications
- Scale-up in thrust vs M10, retaining core common technology
- On-ground firing tests by 2026

Space Transportation Systems - €220 M



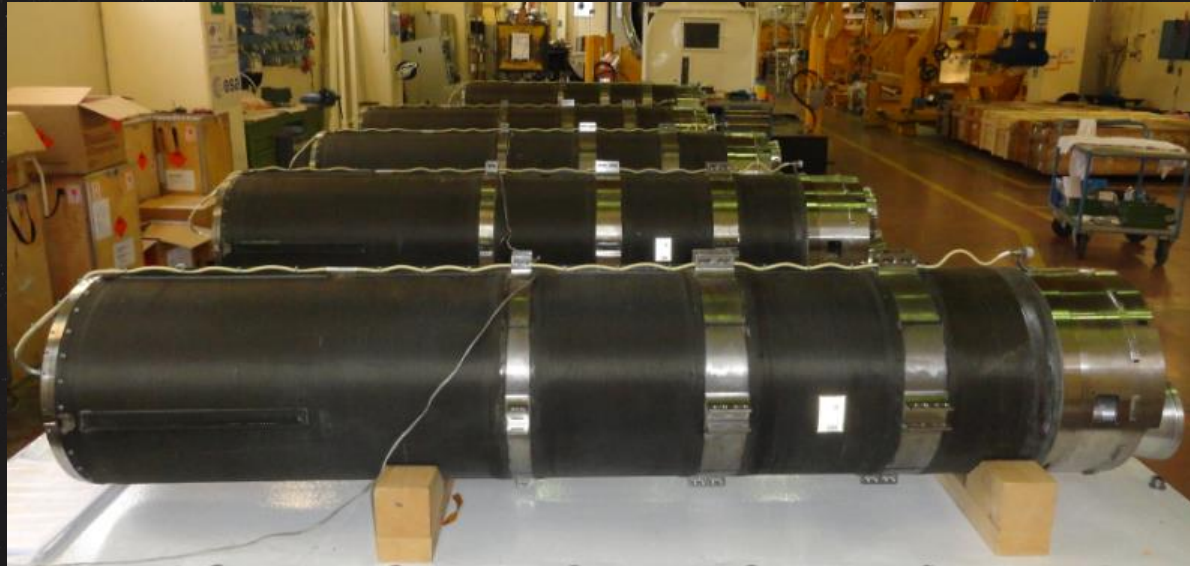
- Start from small LOX-CH engine knowledge
- Cryotanks and lightweight stage technology
- Simplified Avionics
- Non-pyro separation systems
- Single-stage parabolic flight – IFD 1
- Two-stage to orbit launch demonstrator – IFD 2

- Initial contracts signed for 10 Euro million, contracts at completion by Q1 2023
- Development programs to be completed by 2026 as per PNRR requirements

Incremental orders in the defense business anticipate further growth



MBDA
MISSILE SYSTEMS

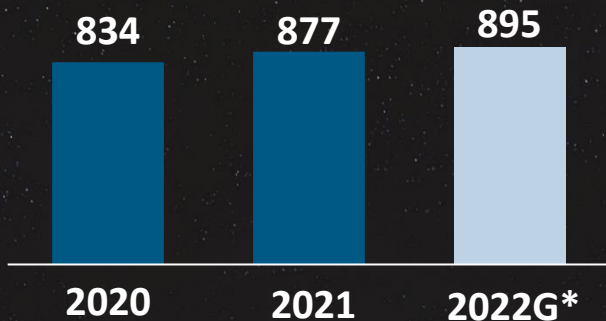


- Contract extension of product orders by MBDA for further lots of boosters for Aster-30
- Contract for the development of the propulsion of a new tactical missile, the Teseo Mk/2E for the Italian Navy
- Total contracts Value > Euro 40 mln
- Further orders expected to flow in the coming months/years

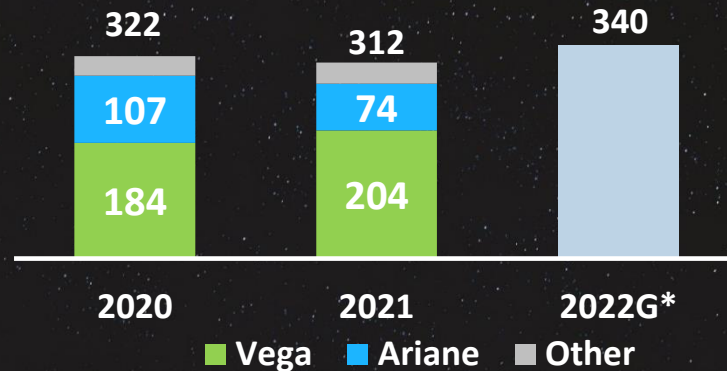
Revenues and EBITDA trend



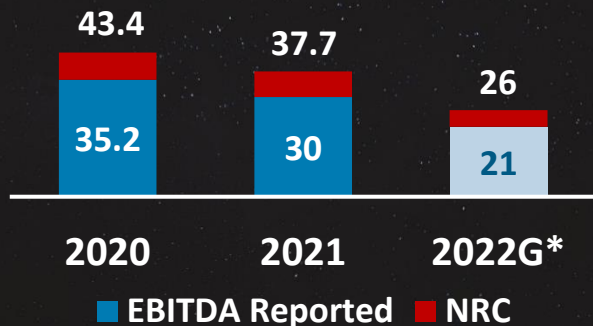
Backlog (€ M)



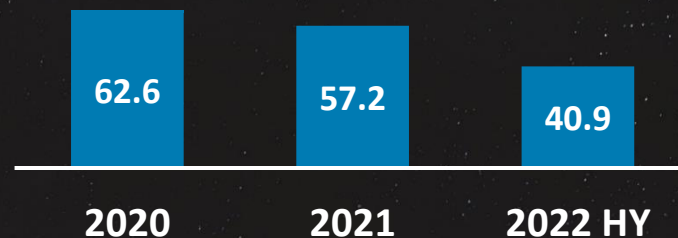
Revenues (€ M)



EBITDA (€ M)



Net Cash Position (€ M)



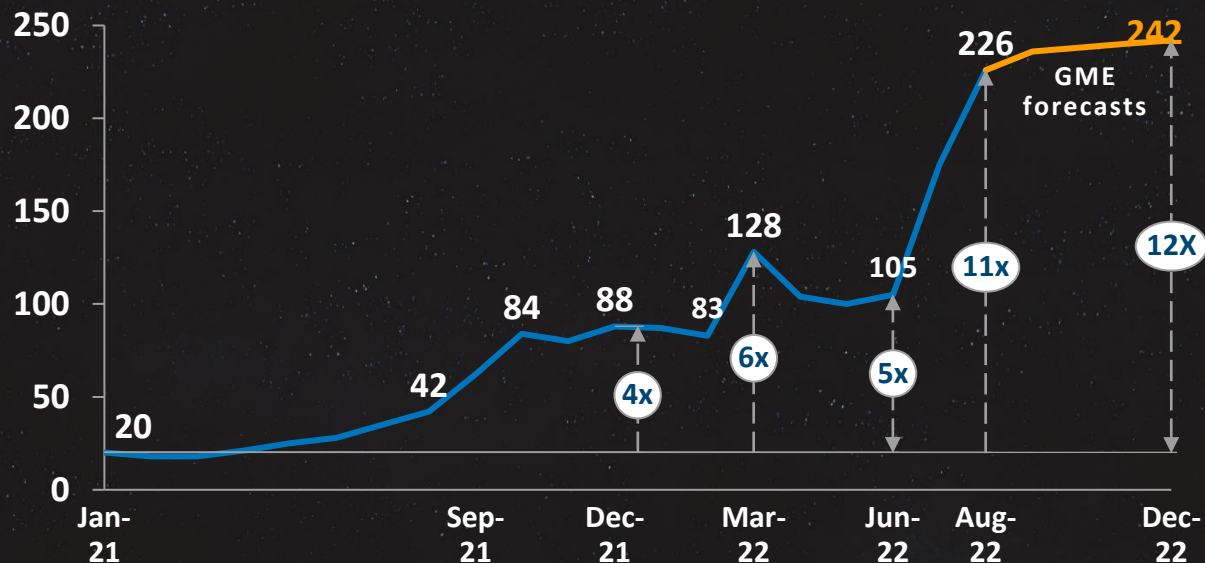
Gas prices rapidly increasing due to current geopolitical situation



Italian average monthly gas purchase prices (€/MWh)

Relevance for Avio

- Secured supplies for the future in a domestic and international shortage scenario
- Guaranteed best economic conditions for future ind. activities



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 generation plant



Acquired TEMIS, a strategic supplier in telemetry and avionics

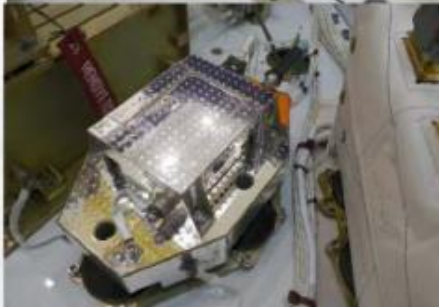


- Provider of avionics, on board telemetry and cameras for Vega (since VV01) and Vega C
- 20 employees
- Avio legacy supplier
- Subsidiary of ART Group (active in the sports cars on-board software)
- Acquisition financed partly in cash and partly with own shares
- Signed long-term agreement with ART to secure equipment manufacturing
- Acquired also 5% share of ART

Power Distribution and Satellite Separation Unit



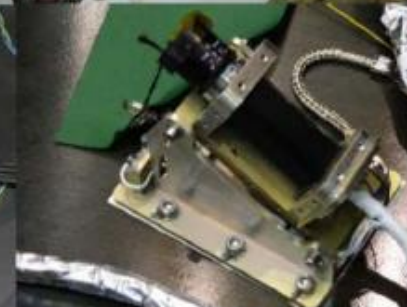
Autonomous Telemetry System (Video)



S-Band Transmitter



Heat Flux Sensor Conditioner

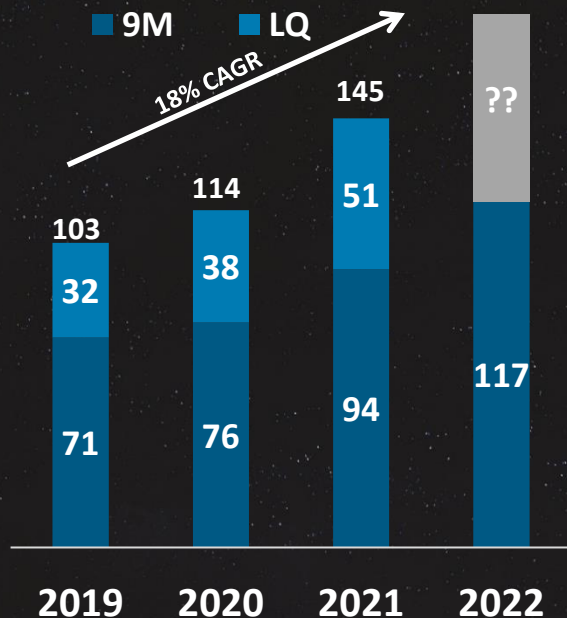


Video Cameras for Launcher

Launch demand grows high double digit, driven by new applications



of global Space launches



Telecommunication (example)



- Apple to start using LEO satellites from Globalstar for emergency services on future Iphone 14
- LEO telecommunications because consumer applications (e.g. Starlink & T-Mobile, Amazon Kuiper, Apple & Globalstar)
- Launch demand concentrated in LEO

Earth Observation (example)



- First example in the world of a country-wide observation network
- Optical and radar technology combined to ensure night/day monitoring on Italian territory
- Vega C to support the deployment of the satellites

FY 2022 Guidance adjusted to reflect new global energy scenario



• Net Order Backlog	Unchanged • €870M – €920M	}	• New orders expected for both development and production
• Net Revenues	Unchanged • €330M – €350M		• ESA MC 2022 subscriptions (although not to be in backlog by 2022 year-end)
• EBITDA Reported	Updated • €17M-25M	}	• Production activities ramp-up (P120)
• Net Income	Updated • €-2M - €+3M		• New development projects ramp-up (Vega E, Space Rider, VegaC+, liquid propulsion)
		}	• 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
			• One-off taxation effects

* Implying an Adjusted EBITDA of €22-30 M



Strong backlog and net cash position (now de-risked after Vega C MF, Amazon contract and PNRR contracts) point at robust long-term growth



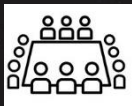
Market and commercial **opportunities growing more than anticipated** (both in Space and Defense), evident from full commercial pipeline



EU institutional demand across the decade addressable by Vega C (the sole qualified EU LEO launcher with full and flexible capability for EO satellites)

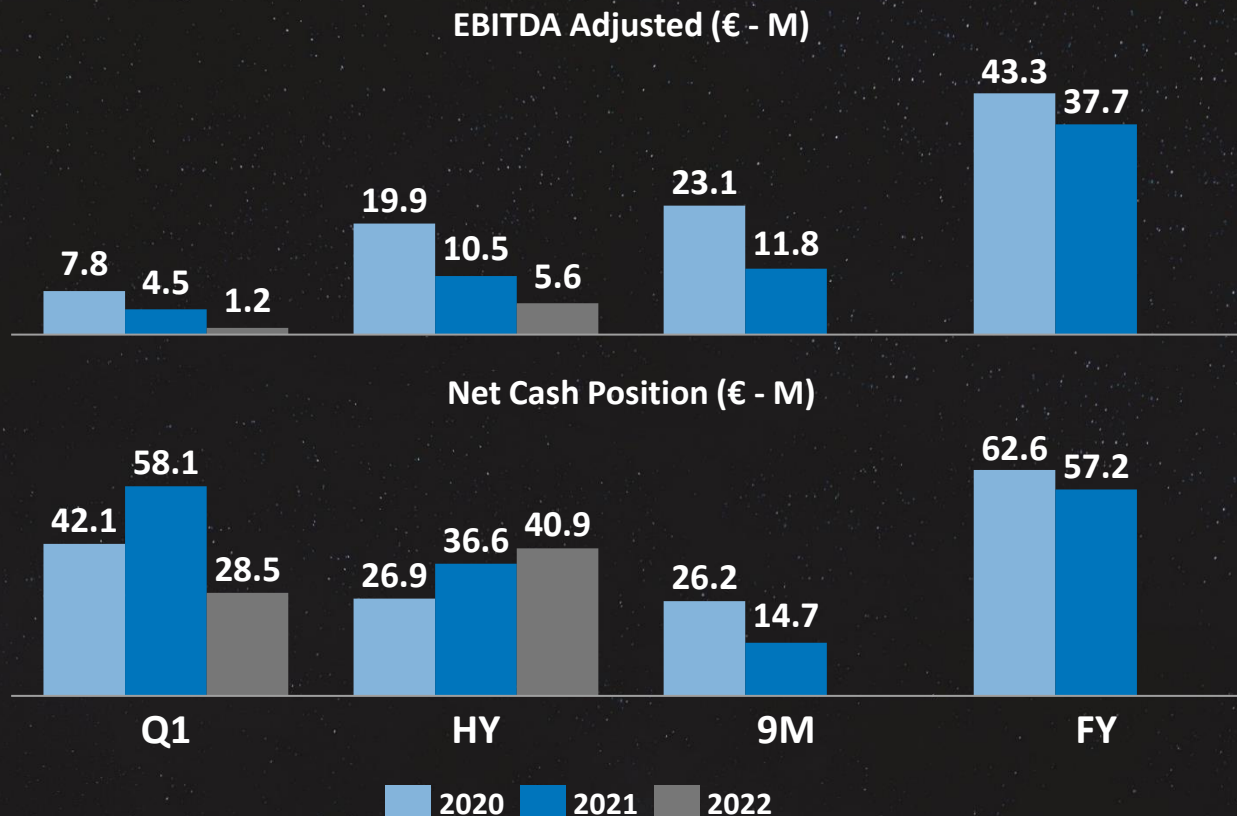


2022 PNRR opportunities to support **incremental technological advances** in the period 2022-2026, now underway and securing long-term competitiveness



Preparing the 2022 ESA Ministerial Council in November to **secure new development contracts** for Vega E, Space Rider and P160 to further extend product roadmap

EBITDA and Cash generation heavily concentrated on Q4s





THANK YOU

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