

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

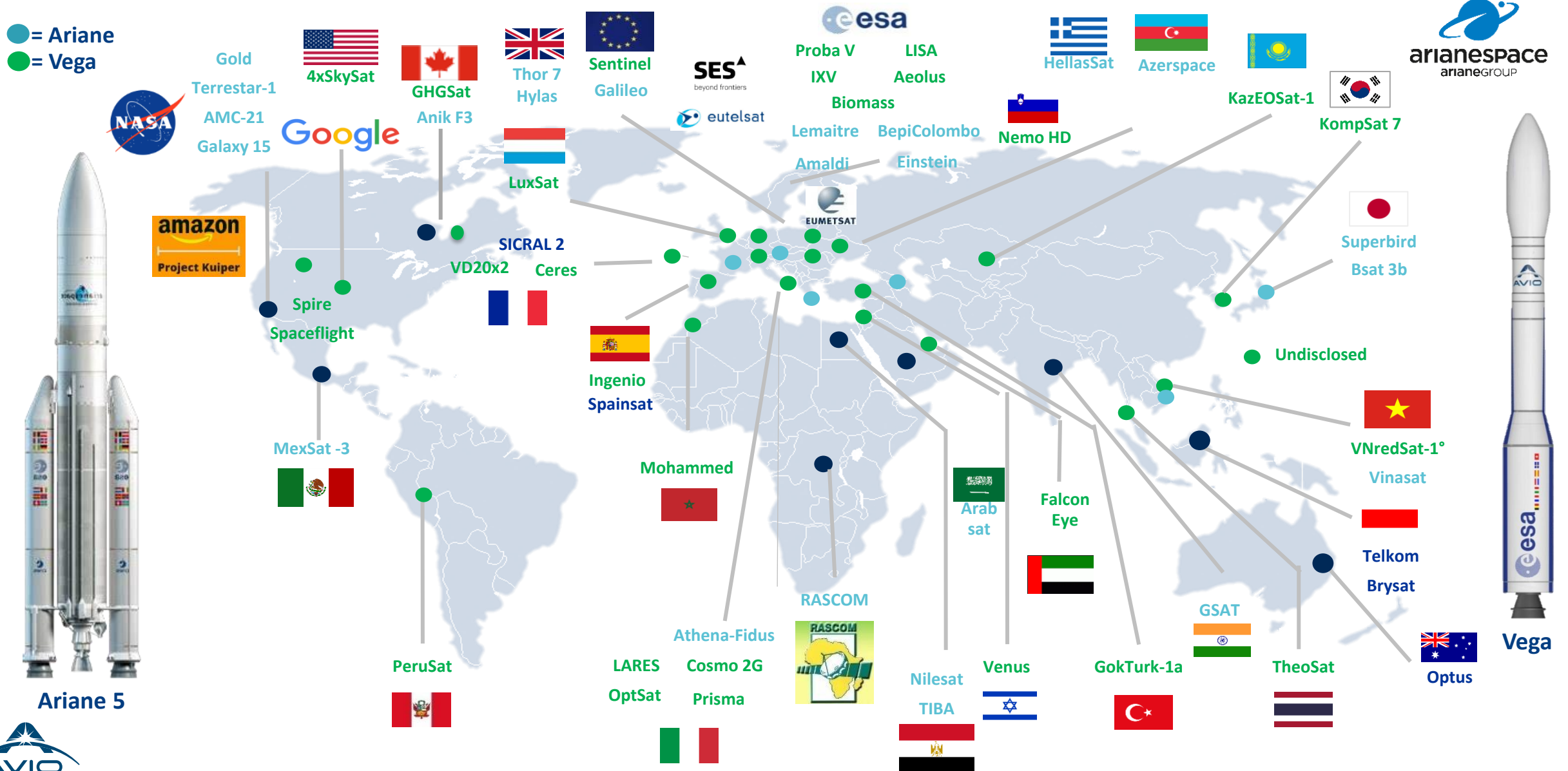
NEW 2022



European light launcher (2.3 tons in LEO)

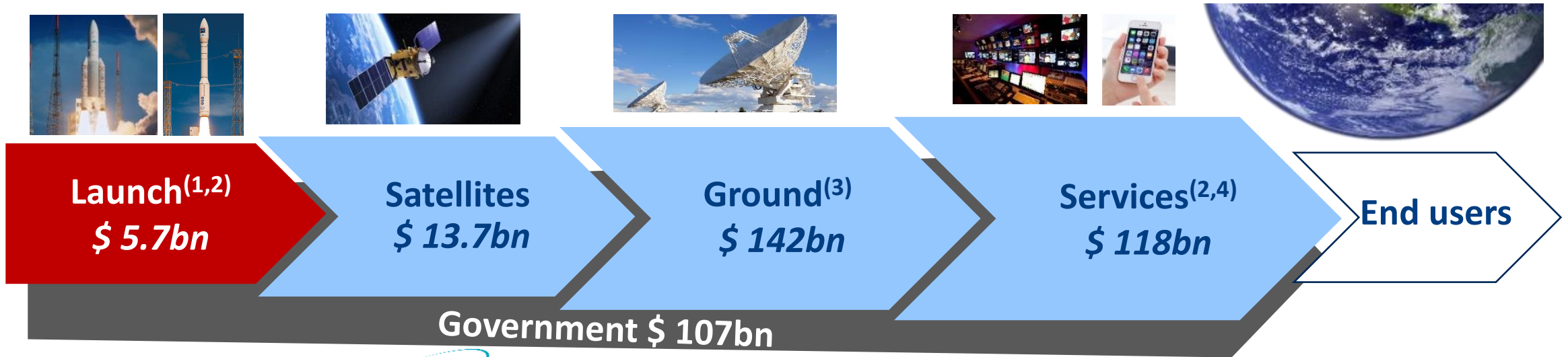
Avio: System integrator

Ariane and Vega : a global customer base



The launch segment : the gateway to the Space economy

Global space value chain (2021)



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

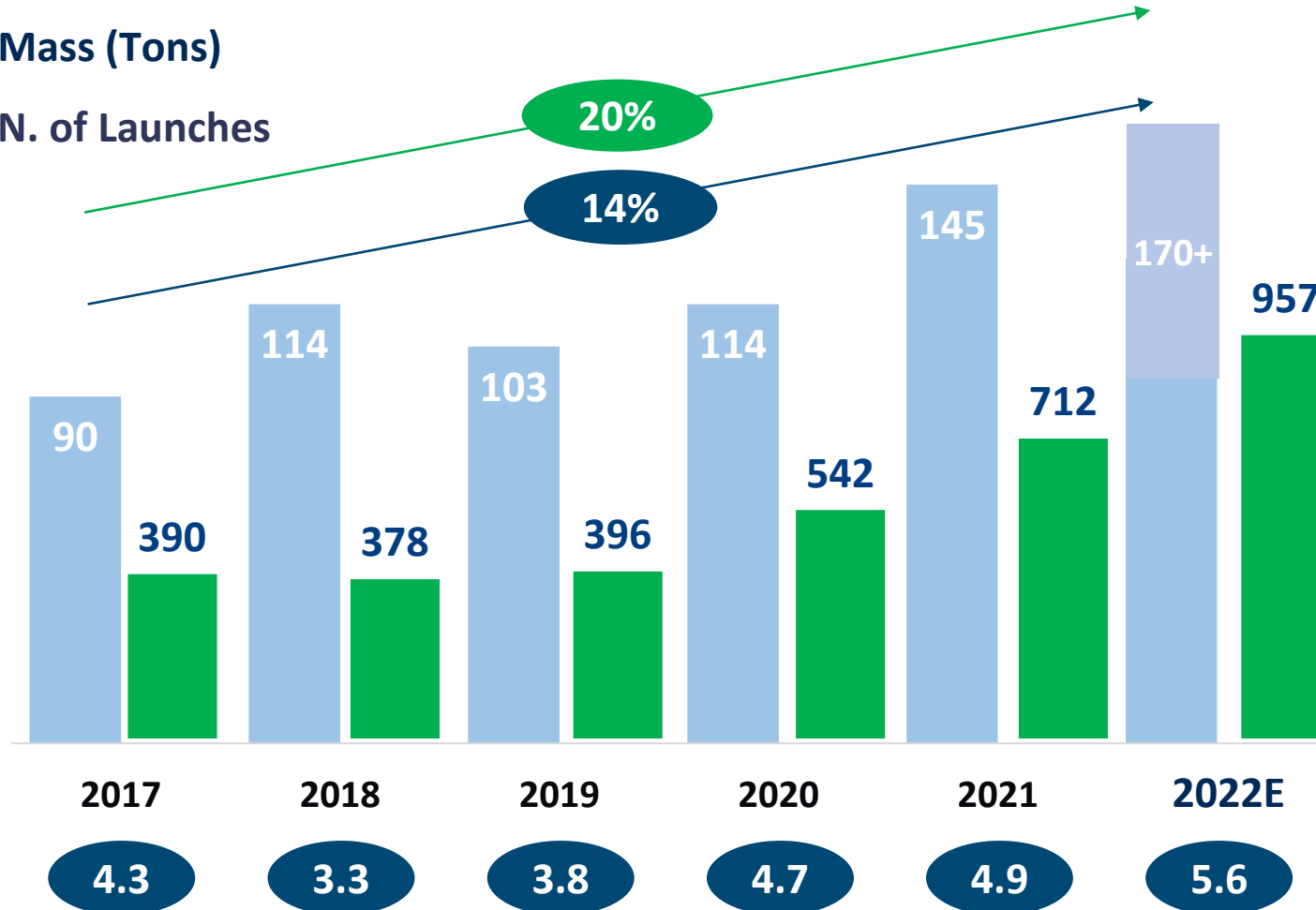
Steady growth in launch rates and launched mass at global level

Global number of Space Launches and mass

xx% → = 2017-22E CAGR

■ Mass (Tons)

■ N. of Launches

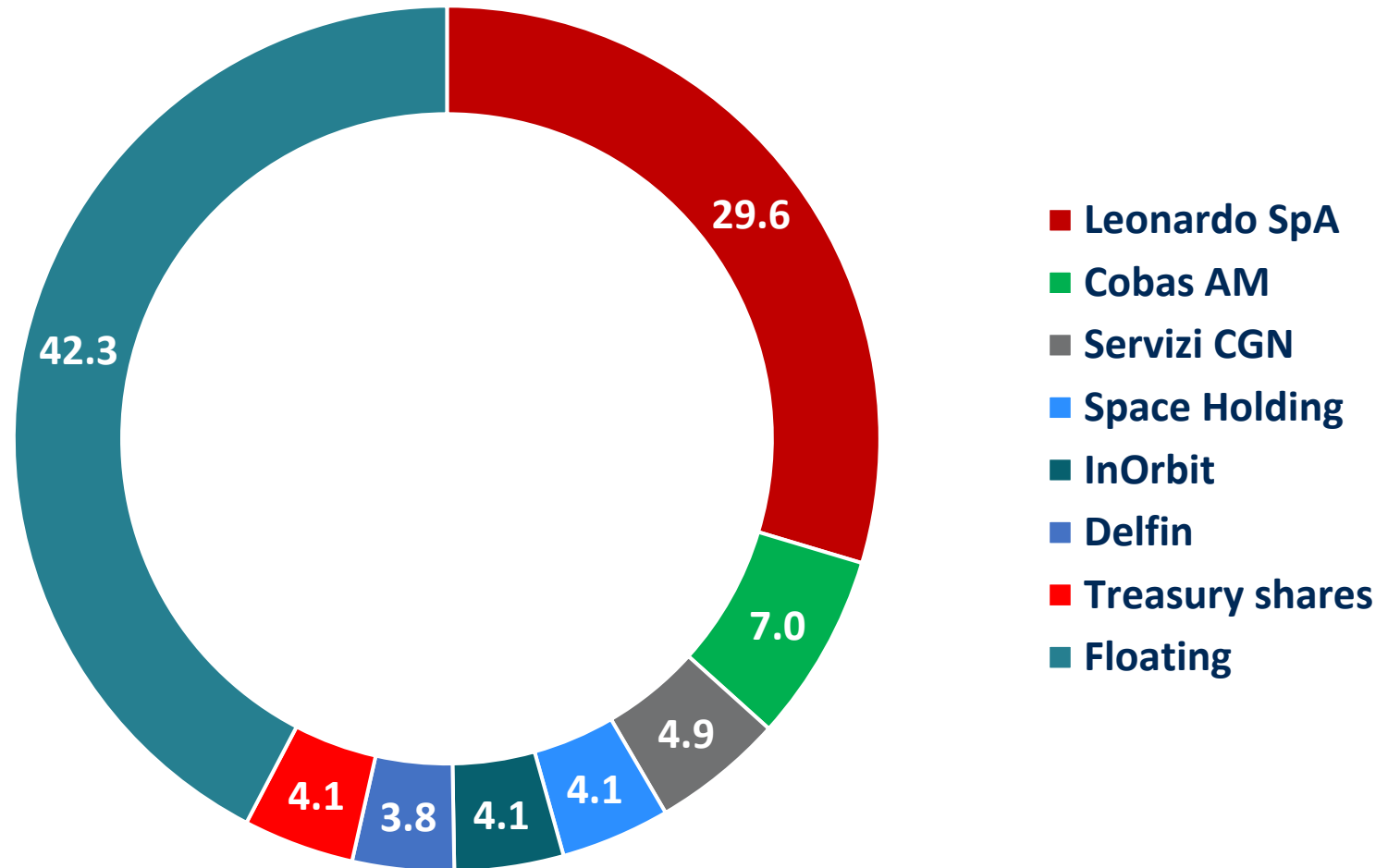


- Steady growth in launched mass per year
- Average mass at liftoff increasing with larger and larger launchers

Avg mass per launch (tons)

A broad range of shareholders

Avio Shareholders



50 years of track record in Space launch

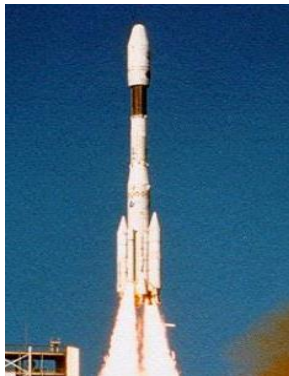
Avio Product history

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

measat
Gsat 24



Eutelsat
Connect



Galaxy 35
Galaxy 36

MAXAR



VA257
June

VA258
September

VA259
December

Ariane 5

*Maiden Flight
preparation activities*

Lares 2



Agenzia Spaziale Italiana



VC01
July



2 Pléiades
Neo



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



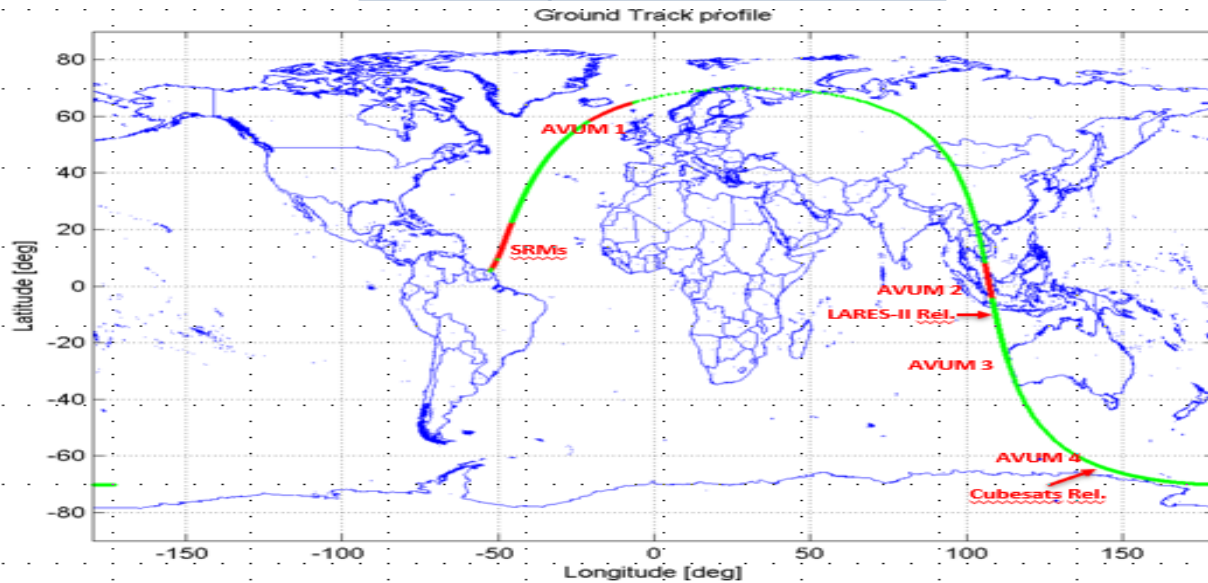
Lares 2 satellite orbital injection



Payload fairing separation

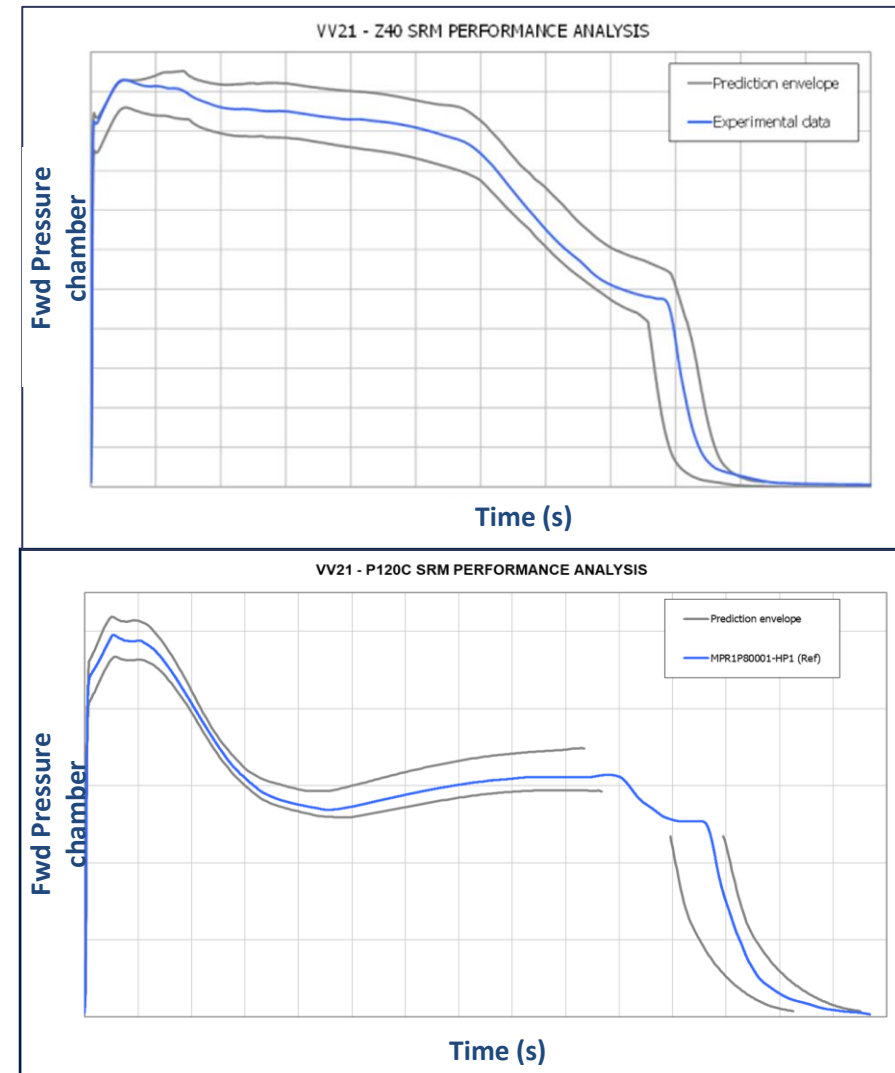
Maiden Flight results: high orbital injection accuracy

Mission profile and results



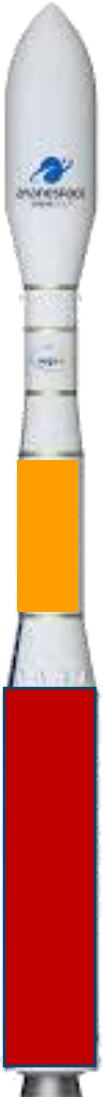
	Flight	Prediction	Delta	UM
a – Semi-major axis [km]	12270,659	12270	0.659	± 15 km
e – Eccentricity [-]	4.80e-05	0	4.80e-05	± 0.0012
i – Inclination [deg]	70.16	70.16	0.00	± 0.15
RAAN – Right Ascension of Ascending Node [deg]	0,406	0,407	0,001	± 0.2

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

 **AIRBUS**
DEFENCE & SPACE

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



M10

P120

P120

P120

TODAY

2022

2023

2025

IFD*

2026

Ariane 5

Vega

Vega C

Ariane 62

Ariane 64

**Space
Rider**

Vega E+ A6 Evo

**Established legacy and
track record**

**Commonalities and cost
reduction**

**Broader offering and
further cost reduction**

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

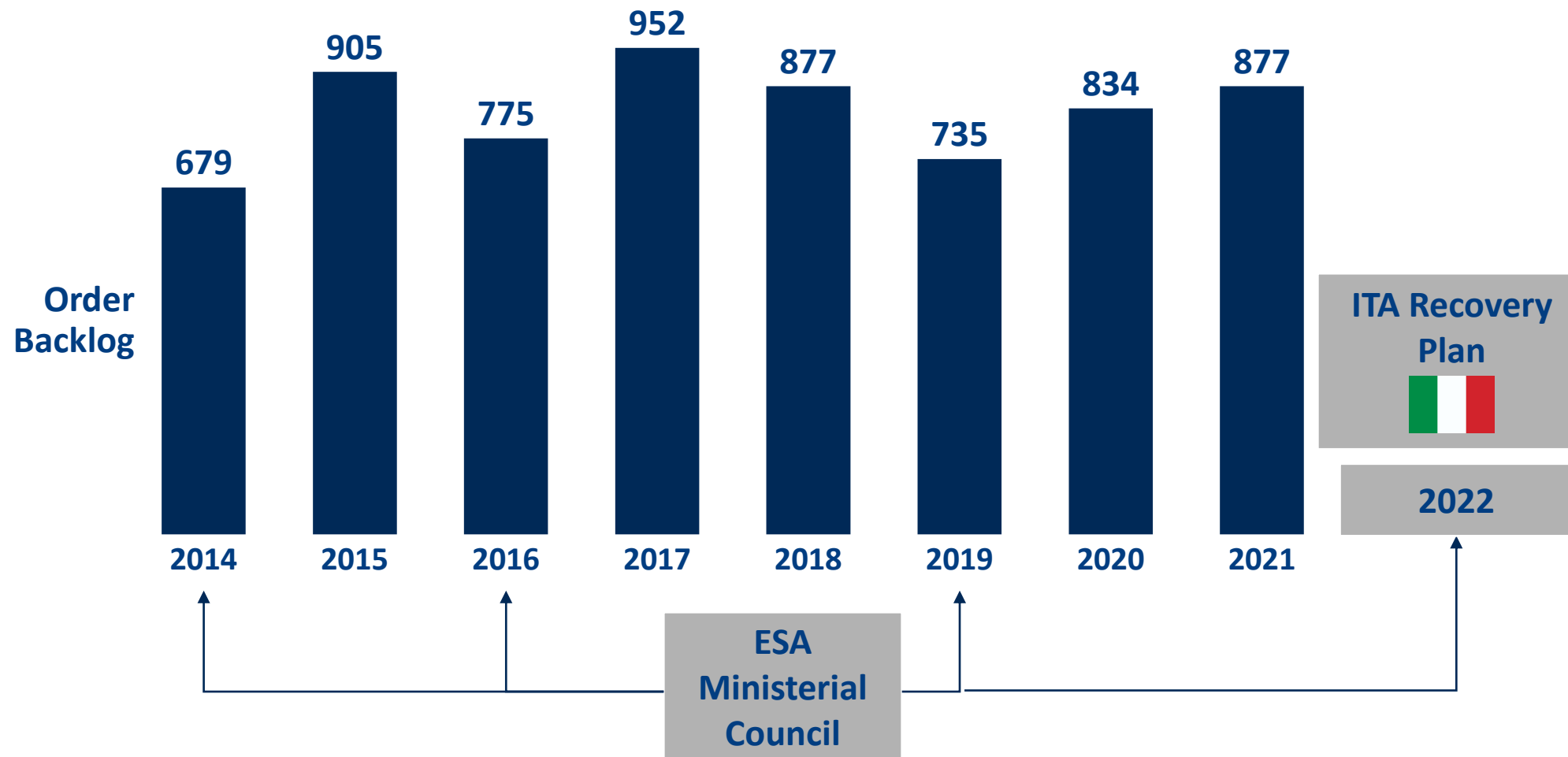
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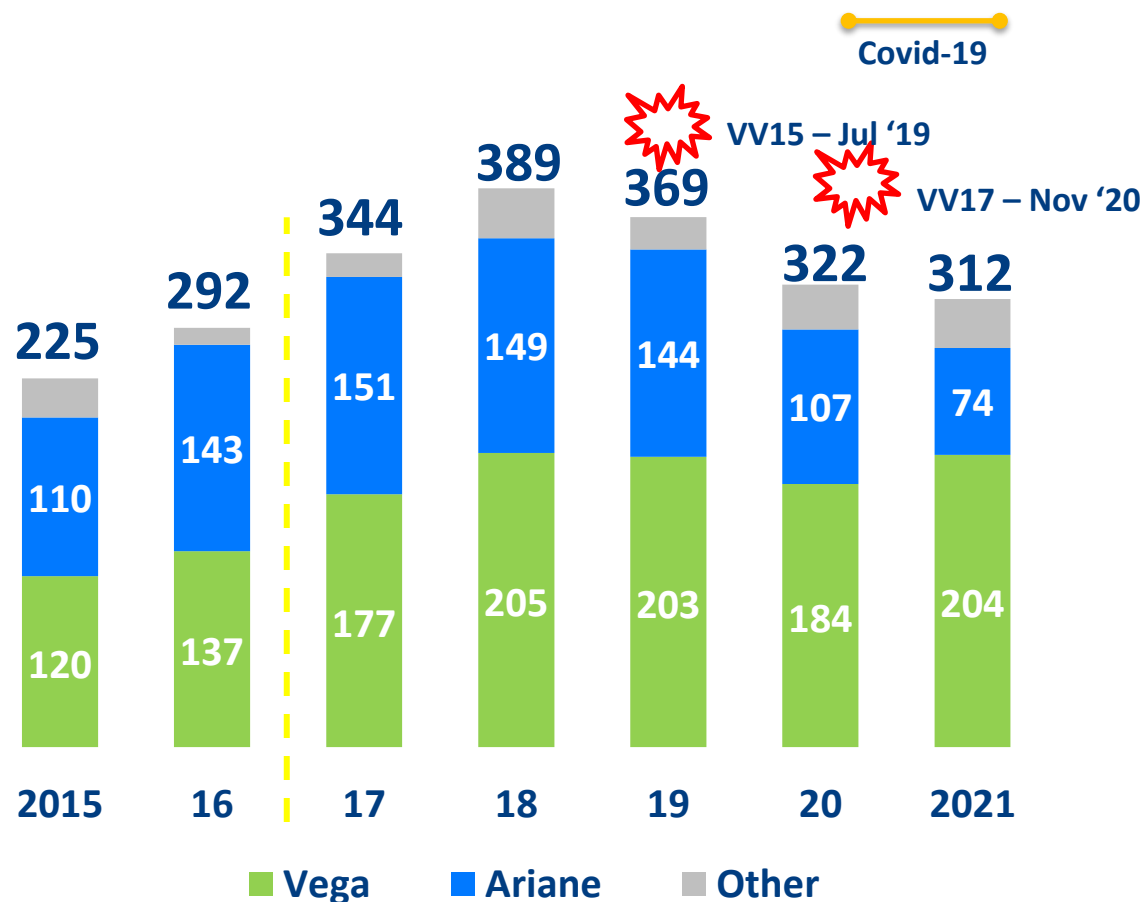
Order backlog historical trend

Data in € - M

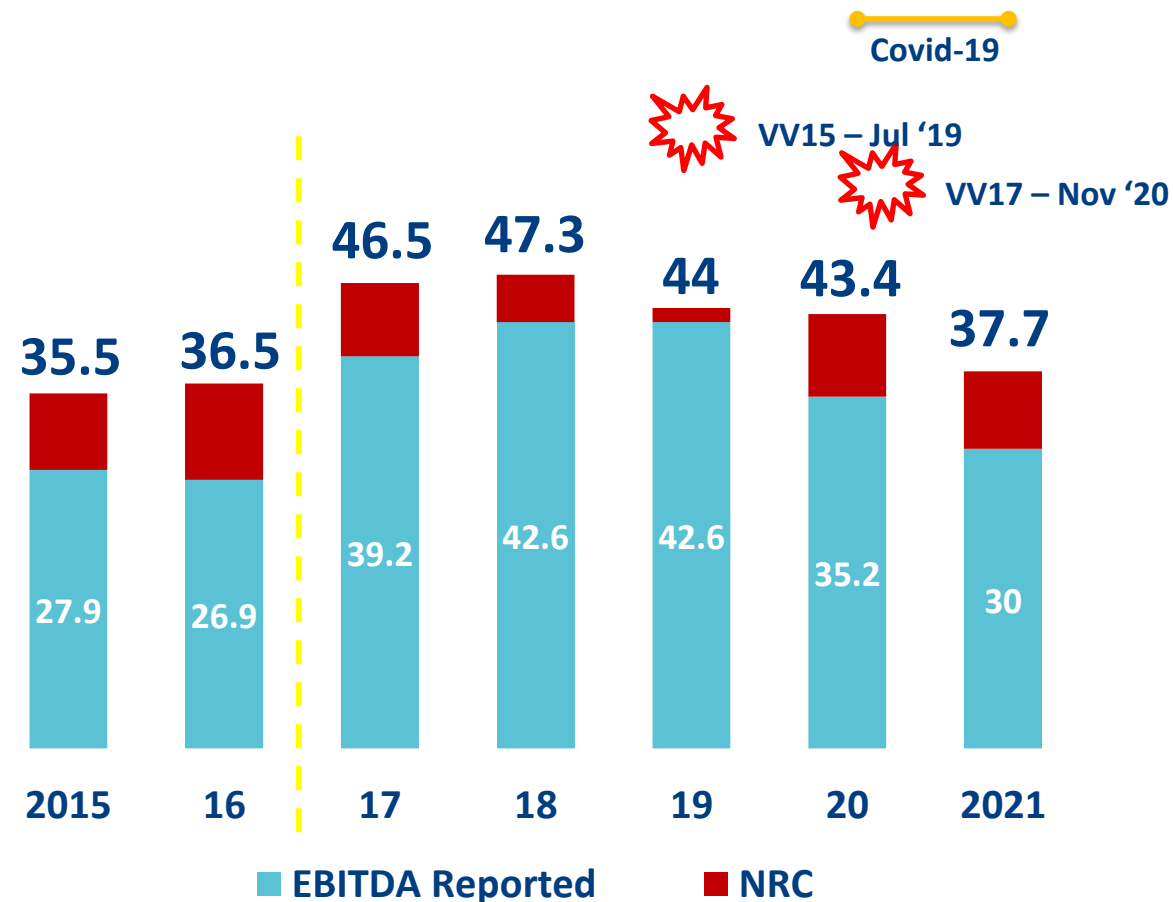


Revenues and EBITDA historical trend

Revenues (€ M)

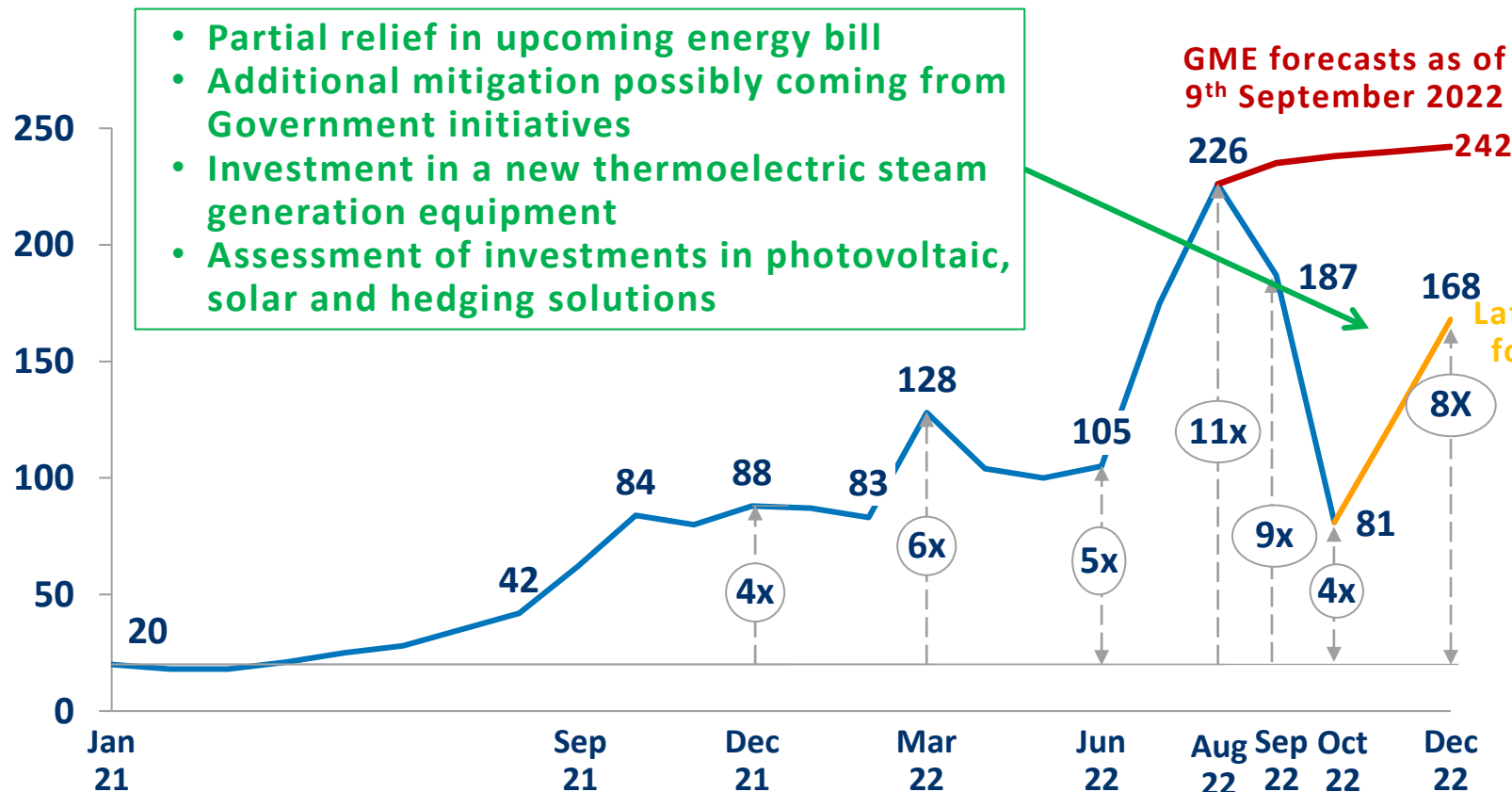


EBITDA Reported and Adjusted (€ M)



Gas prices volatility continues with lower than expected price levels

Italian average monthly gas purchase prices (€/MWh)

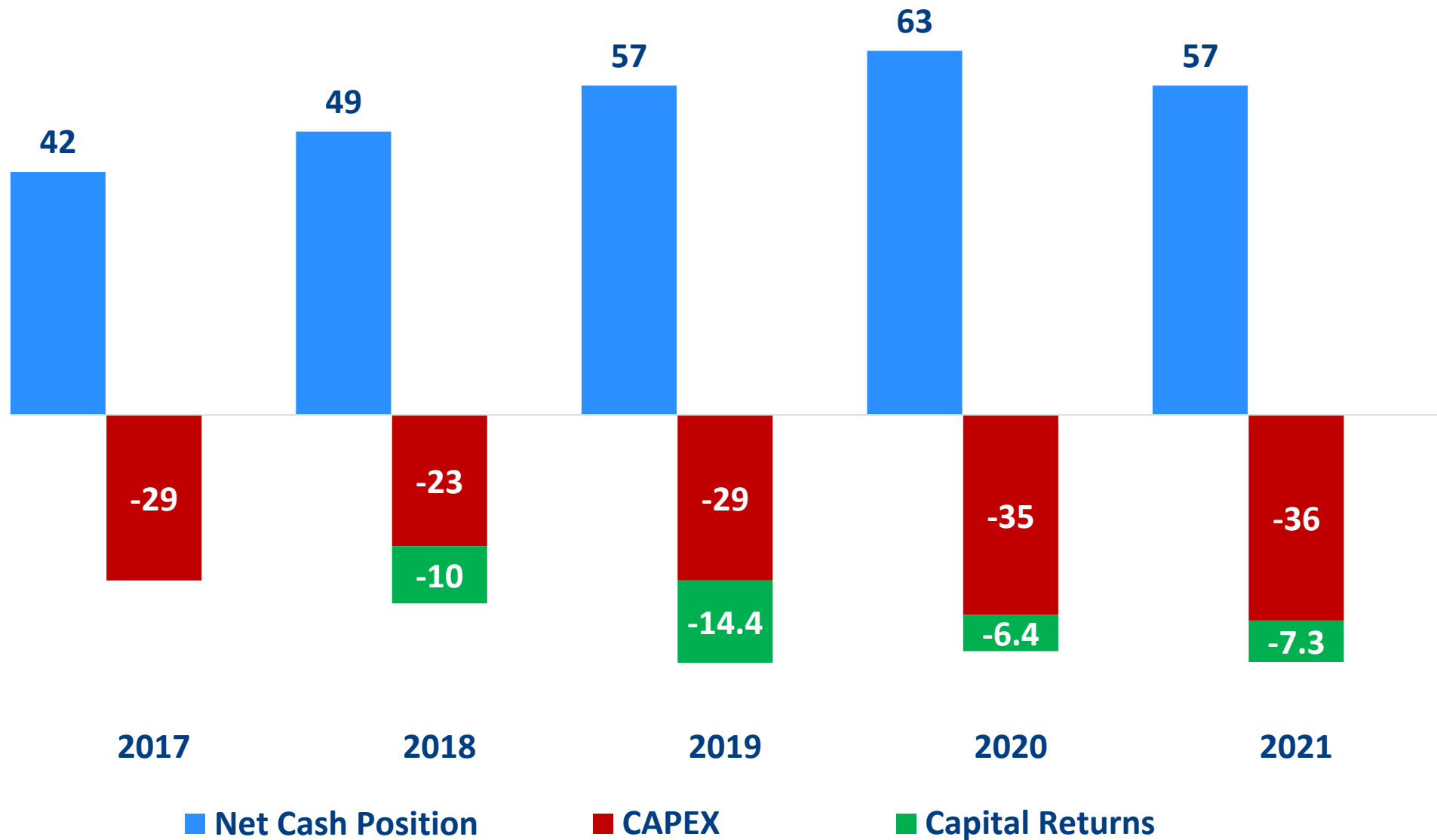


Actions already implemented

- 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



9M 2022 results

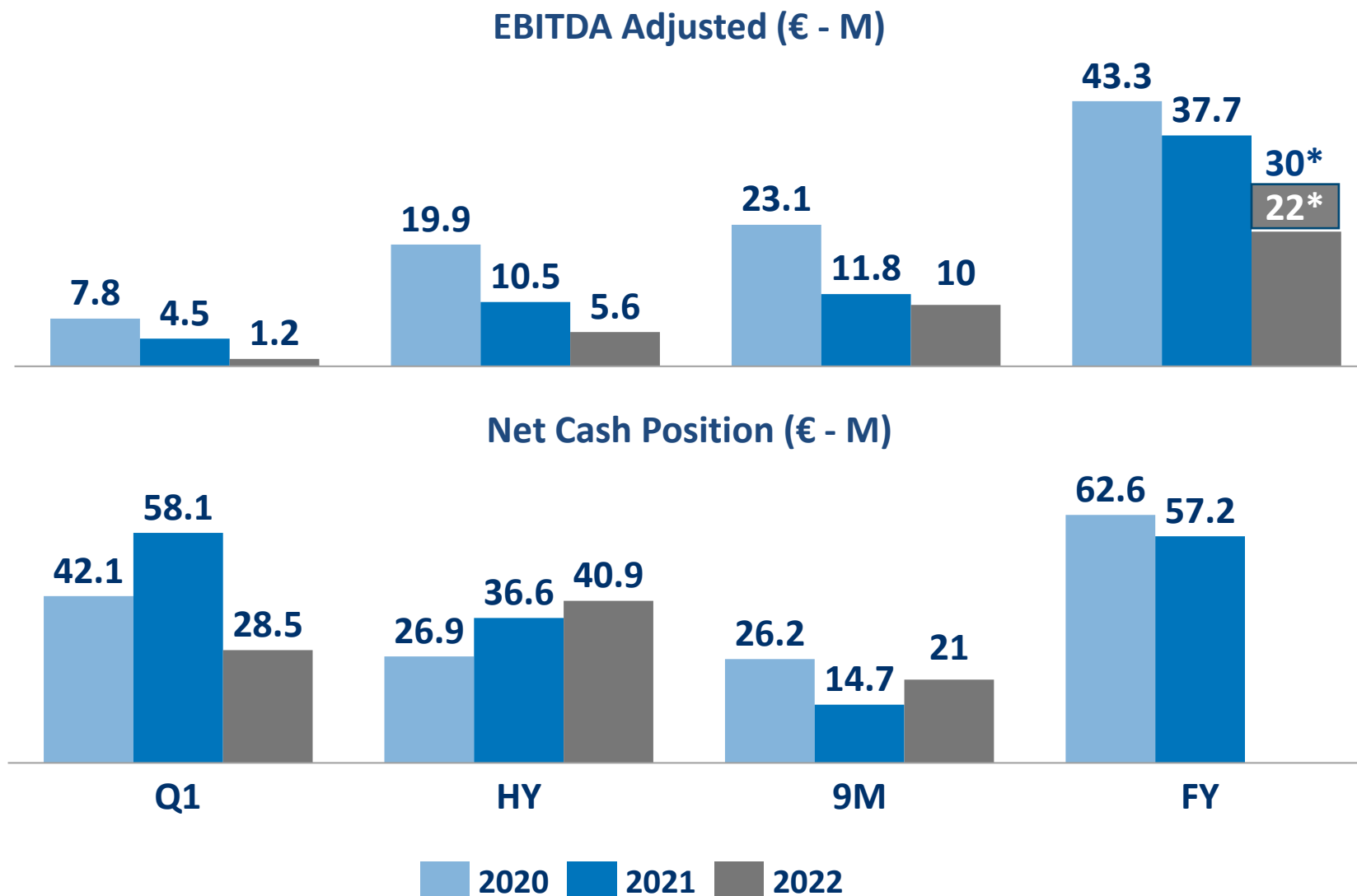
	9M 2021	MAIN ECONOMICS/ FINANCIALS	9M 2022	DELTA	DELTA
	€ - M		€ - M	€ - M	%
	877(*)	NET ORDER BACKLOG	870.2	(6.8)	-1%
	197.8	NET REVENUES	219.9	22.1	+11%
N/R 3.8	8.0	EBITDA REPORTED	6.5	(1.5)	-19%
	4.0%	% on net revenues	3.0%		
	11.8	EBITDA ADJUSTED	10.0	(1.8)	-15%
	6.0%	% on net revenues	4.5%		
	(7.6)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

EBITDA and Cash generation heavily concentrated on Q4s

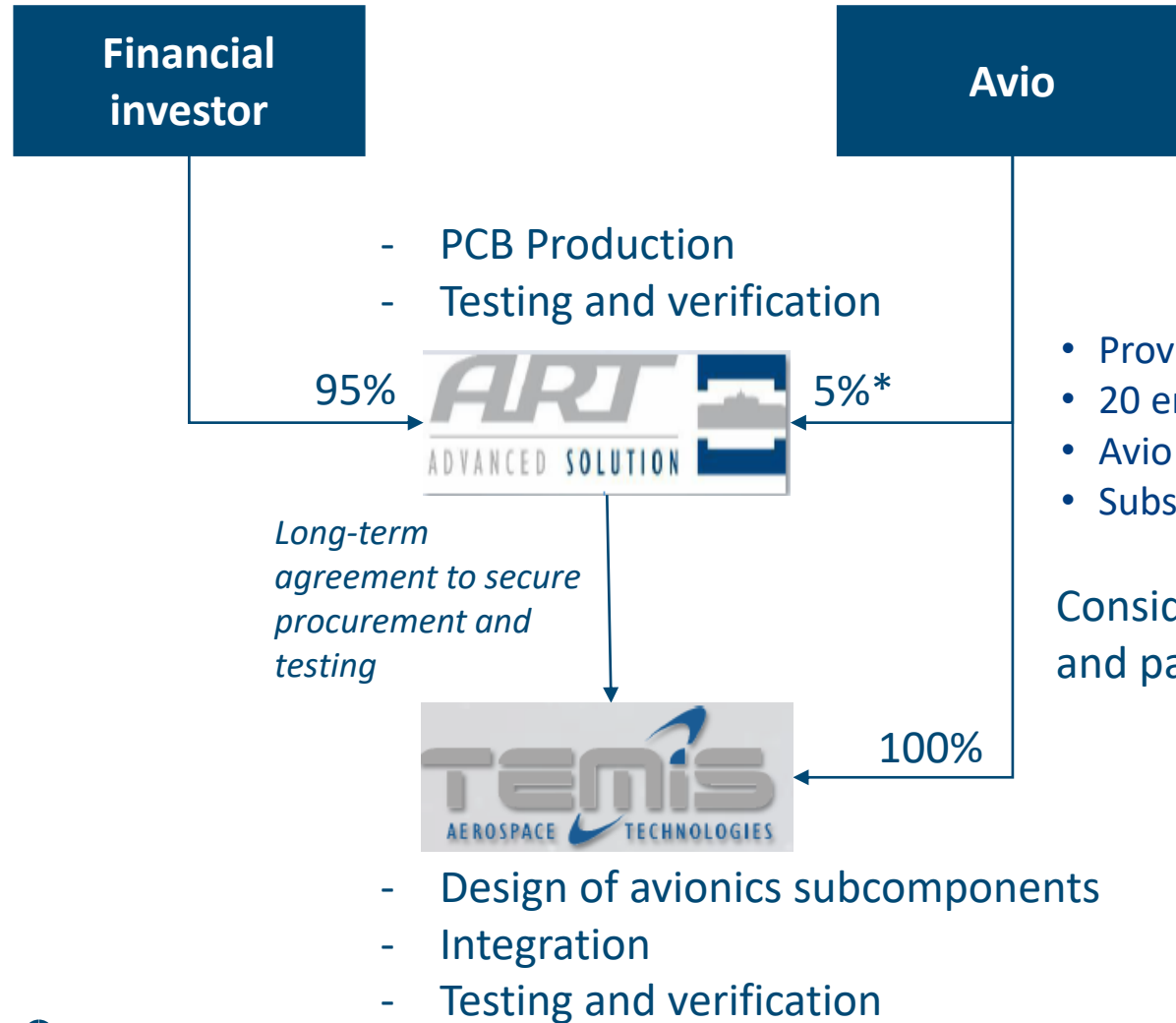


FY 2022 Guidance adjusted to reflect new global energy scenario

• Net Order Backlog	Unchanged	• €870M – €920M	}	• 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	}	• Production activities ramp-up (P120)
				• New development projects ramp-up (Vega E, Space Rider, VegaC+, liquid propulsion)
• EBITDA Reported	Updated	• €24M-30M • €17M-25M	}	• Higher than expected impact of energy costs (hardly predictable), pending mitigation measures
				• Estimated impact of 5M non-recurring costs*
• Net Income	Updated	• €5M-10M • €-2M - €+3M	}	• Strong performance focus on Q4 (Q1 and Q2 soft) as in 2021
				• One-off taxation effects

Appendix

Temis & ART deal structure



- 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)

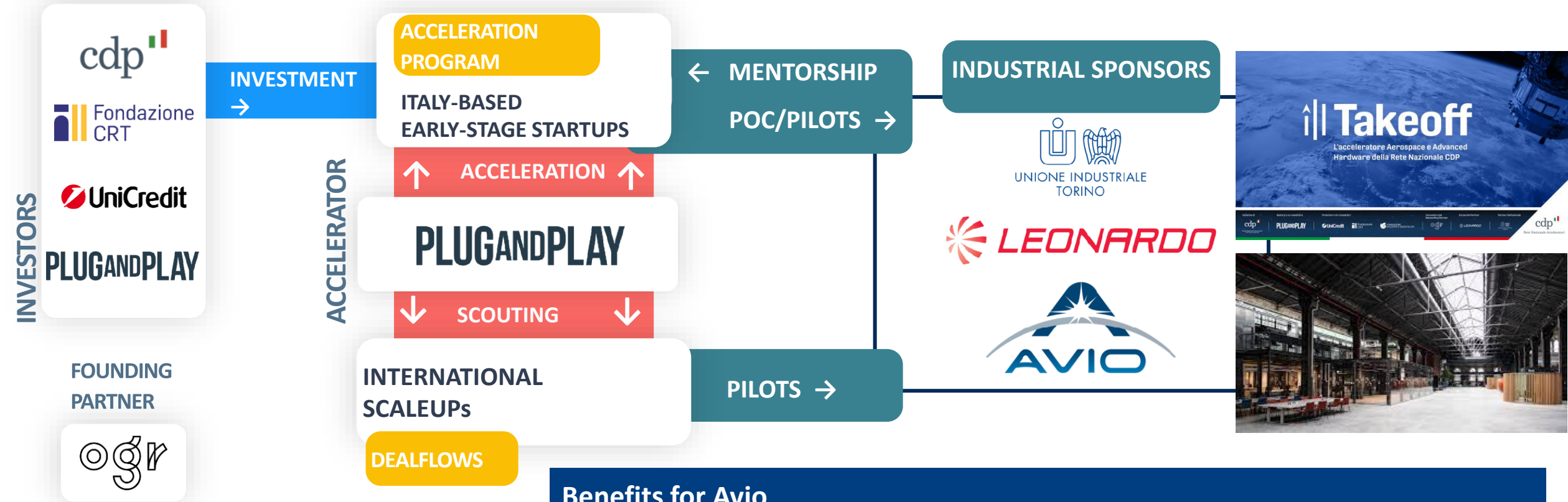
Consideration paid partly in cash and partly using own shares



* And one seat in the Board of Directors

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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