

Avio 1Q 2023 Results

MAY 10TH, 2023



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Agenda

- **Highlights (Giulio Ranzo, CEO)**
- 1Q 2023 Financials (Alessandro Agosti, CFO)

Record-high order backlog, improved profitability

- **Vega launch planned by August, Vega C year-end following Z40 static firing test in June**
- **Record-high order backlog thanks to new developments and tactical propulsion orders**
- **Improved profitability thanks to reduced industrial costs driven by low energy prices**
- **Robust cash position**
- **FY 2023 Guidance confirmed**

2022-23 flight schedule



2022

2023

Measat 3D



Galaxy 35
Galaxy 36

MAXAR



Syracuse 4B



VA257
June

VA258
September

VA259
December

VA260
April

VA261
Summer

A6 MF
EoY Ariane

Vega C Maiden
Flight preparation
activities

Lares 2



2 Pléiades
Neo



VC01
July

VC02
December

Z40 Firing test
June

VG21
August

VC02
EoY Vega

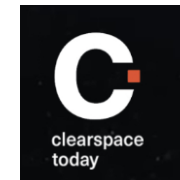


SOURCE: ESA, Arianespace, Press search

Arianespace reached record-level backlog for Vega/Vega C

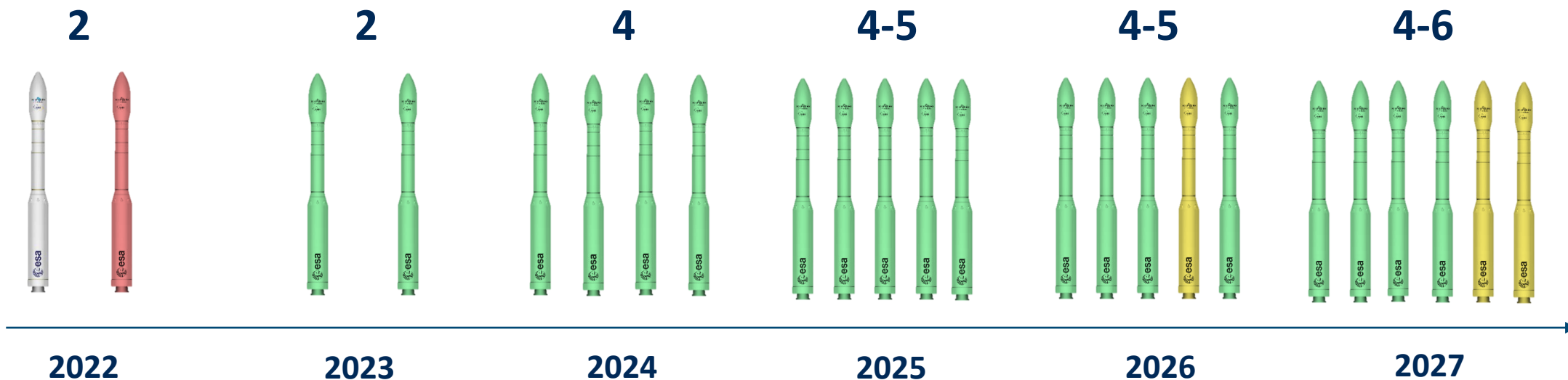


New!



Launch contracts in backlog:

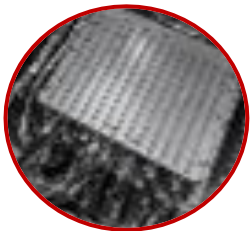
- ~20% Commercial/Export customers
- ~80% European Institutional Customers



New projects signed to develop next-gen launcher technologies and applications

Space Transportation Systems: €185 M

- In-flight demonstrator of a LOX-Methane two stage to orbit small launcher
- Two experimental launches (single stage and two stage respectively)
- Composite cryo tanks, simplified Avionics (software-based) and non-pyro separation systems



High Thrust Engine: €100 M

- 60ton thrust class LOX-Methane engine
- Innovative thermo-dynamic cycle, delivering high specific impulse



Multi-Purpose Green Engine: €55 M

- Highly versatile engine for orbital propulsion
- «Green» engine for in-orbit services and logistics



Propulsion for IOS Module

- Propulsion techs for an In-Orbit Servicing Mission to take place by 2026
- In partnership with Thales, Leonardo, Telespazio, D-Orbit



Z40 static firing test expected in June for Vega C return to flight

- New Carbon Carbon Nozzle insert procured in line with new reinforced acceptance specifications
- Z40 test motor integrated successfully
- Final acceptance activities on track
- Motor to be shipped to the test range for firing test by June
- Results of firing test key for Vega C flight by year-end



Z40 engine getting ready for the static firing test

Tactical propulsion orders steadily growing, CAMM-ER flight test successful



- Signed 90 EUR Million of new contracts for Aster 30
- Total orders for defense currently around € 200 Mln providing visibility for the next 5 years



- Qualification of the defense system
- CAMM-ER will initially support the Italian Army
- Larger motor designed by Avio to provide extended range

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- Highlights (Giulio Ranzo, CEO)

- **1Q 2023 Financials (Alessandro Agosti, CFO)**

Q1 2023 results

Q1 2022 ACTUAL	MAIN ECONOMICS/ FINANCIALS	Q1 2023 ACTUAL	DELTA	DELTA
€ - M		€ - M	€ - M	%
1,014.0 (*)	NET ORDER BACKLOG	1,266.1	252.1	24.9%
65.9	NET REVENUES	59.8	(6.0)	-9.2%
0.2	EBITDA REPORTED	1.3	1.1	n.m.
0.3%	% on net revenues	2.1%		
1.2	EBITDA ADJUSTED	2.6	1.4	118.5%
1.8%	% on net revenues	4.4%		
(5.1)	EBIT REPORTED	(3.5)	1.7	n.m.
-7.8%	% on net revenues	-5.8%		
(4.1)	EBIT ADJUSTED	(2.1)	2.0	n.m.
-6.3%	% on net revenues	-3.5%		
31 DEC 2022 ACTUAL		31 MAR 2023 ACTUAL	DELTA	DELTA
€ - M		€ - M	€ - M	%
74.5	NET CASH POSITION	57.4	(17.1)	-23.0%

Comments

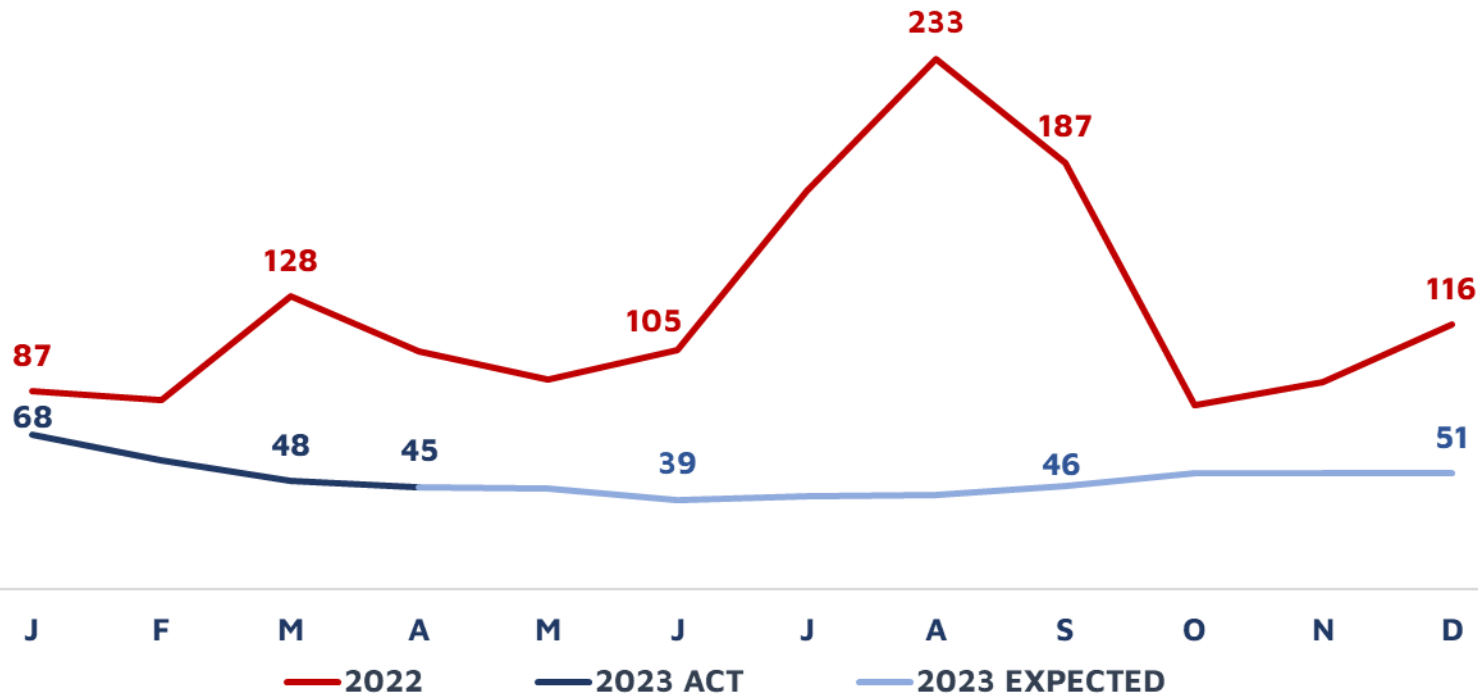
- Increase in backlog for new liquid propulsion technology development contracts
 - Slowdown in P120 production for the new Ariane 6, partially compensated by increase in tactical production
- EBITDA higher than Q1 2022 for lower energy costs and new development on LOX-Methane technologies
- Lower amortization for certain intangible assets fully depreciated

Higher than typical Q1 seasonality for certain advances on Vega production

Gas price decrease in Q1 2023 compared to Q1 2022 with positive impact on industrial production costs



Italian average monthly gas prices 2022-2023 (€/MWh)



Actions already implemented

- Investment in a new thermoelectric steam generation equipment
- Assessment of investments in photovoltaic and solar plants

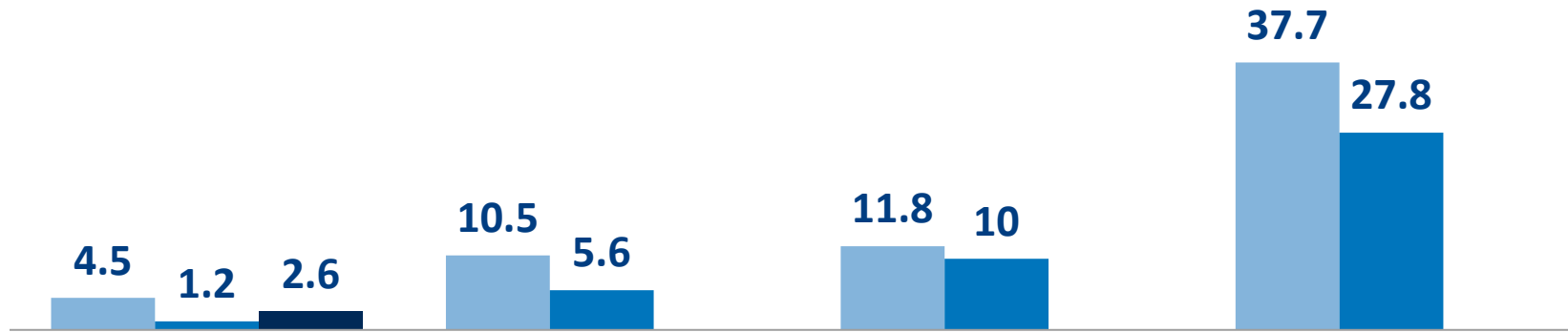
Year	Yr avg Gas price
€/MWh	
2023	48
2022	123

Expected in near future

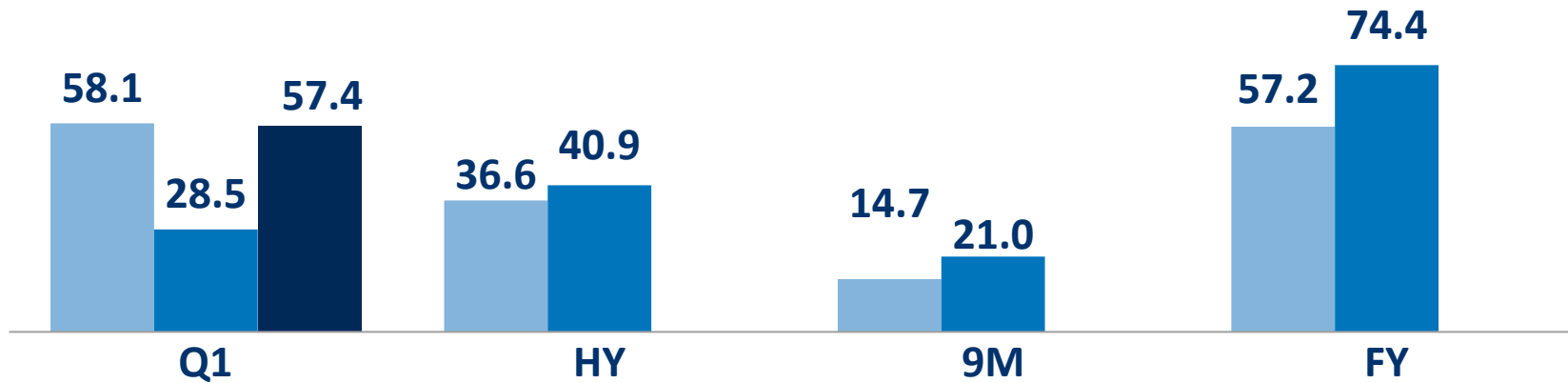
- Expected stability trend in 2023 for Gas price (current: 48 €/Mwh)

EBITDA and Cash generation heavily concentrated on Q4s

EBITDA Adjusted (€ - M)



Net Cash Position (€ - M)



2021 2022 2023

FY 2023 Guidance confirmed

<ul style="list-style-type: none">• Net Order Backlog	<ul style="list-style-type: none">• Min €1,150M• Max €1,250M	} <ul style="list-style-type: none">• New orders expected for both development and production• ESA MC 2022 subscriptions and Italian PNRR contracts to turn into backlog
<ul style="list-style-type: none">• Net Revenues	<ul style="list-style-type: none">• Min €330M• Max €350M	} <ul style="list-style-type: none">• New development projects ramp-up (Vega E, Space Rider, VegaC+, liquid propulsion)
<ul style="list-style-type: none">• EBITDA Reported	<ul style="list-style-type: none">• Min €19M• Max €25M	} <ul style="list-style-type: none">• Enduring impact of inflation and under-absorption of fixed costs due to reduced production• Estimated impact of 6M non-recurring costs*
<ul style="list-style-type: none">• Net Income	<ul style="list-style-type: none">• Min €2M• Max €6M	} <ul style="list-style-type: none">• Marginal effect of financial charges and taxation

CONTACTS

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