

Avio Q1 2024 Highlights

MAY 9, 2024



Disclaimer

This document has been prepared by Avio S.p.A. ("Avio" or the "Company"). This document might contain certain forward-looking statements that reflect the Company's management's current views with respect to future events and financial and operational performance of the Company and its subsidiaries. These forward-looking statements are based on Avio's current expectations and projections about future events. Because these forward-looking statements are subject to risks and uncertainties, actual future results or performance may differ materially from those expressed in or implied by these statements due to any number of different factors, many of which are beyond the ability of Avio to control or estimate. You are cautioned not to place undue reliance on the forward-looking statements contained herein, which are made only as of the date of this presentation. Avio does not undertake any obligation to publicly release any updates or revisions to any forward-looking statements to reflect events or circumstances after the date of this presentation. Any reference to past performance or trends or activities of Avio shall not be taken as a representation or indication that such performance, trends or activities will continue in the future. This document does not constitute an offer to sell or the solicitation of an offer to buy Avio's securities, nor shall the document form the basis of or be relied on in connection with any contract or investment decision relating thereto, or constitute a recommendation regarding the securities of Avio.

Agenda

1.

Highlights

Giulio Ranzo, Chief Executive Officer

2.

Q1 2024 Financials

Alessandro Agosti, Chief Financial Officer

VEGA C and Ariane 6 programs on track, return to dividend distribution

- **VEGA next flight scheduled by beginning of September**
- **VEGA C on track to return-to-flight by end 2024:**
 - ✓ **Z40 static firing test confirmed to take place by end of May / beginning of June**
- **Signature of SMILE mission agreement**
- **Ariane 6 launch campaign underway: maiden flight expected by June / July 2024**
- **Defense propulsion growing both in order backlog and revenues**
- **Dividends paid on May 2nd**
- **Q1 financials: forwarded cash advances to the supply chain, enabled revenue acceleration (+32% vs Q1 2023)**
- **FY 2024 Guidance confirmed**

VEGA C return-to-flight operations underway

- Zefiro 40 Solid Rocket Motor ("SRM") Performance Key Point completed in February 2024, and Intermediate Key Point with ESA, ASI, Arianespace and CNES **completed in April 2024**
- **Zefiro 40 QM3 nozzle integrated with SRM, Test Article shipped and arrived in Sardinia: ongoing finalization of Test Article on the test bench to target first static firing test by end of May / beginning of June**
- **VEGA C return-to-flight VC03 expected for Q4 2024**



Z40 nozzle integrated with SRM



QM3 moved to test bench #1



QM3 moved to test bench #2

VEGA C selected to launch SMILE mission

- On April 30th, 2024 ESA and Arianespace signed a contract **which ensures the launch into orbit of SMILE mission on a VEGA C rocket**
- The goal of SMILE (“Solar wind Magnetosphere Ionosphere Link Explorer”) mission is to **provide a more complete understanding of the interaction between the Sun and Earth**
- **Launch date currently expected for late 2025:** the exact launch period will be defined at a later time
- Arianespace is currently the operator and the launch service provider of VEGA C. This mandate to be transferred to Avio under the implementation of the Resolution adopted by ESA in Seville on 6 and 7 November 2023



ESA / Arianespace SMILE contract signing



SMILE mechanical testing



SMILE launcher fit-check

Ariane 6 maiden flight launch campaign main updates

- Final hot-firing test of Ariane 6 upper stage successfully completed on 12 April 2024
- Central core and the two boosters for the first Ariane 6 flight model transferred to and installed on the Kourou launch pad at the end of April
- ESA, CNES and ArianeGroup **are targeting the first launch of Ariane 6 between 15 June and 31 July 2024**



Ariane 6 central core lifted in vertical position



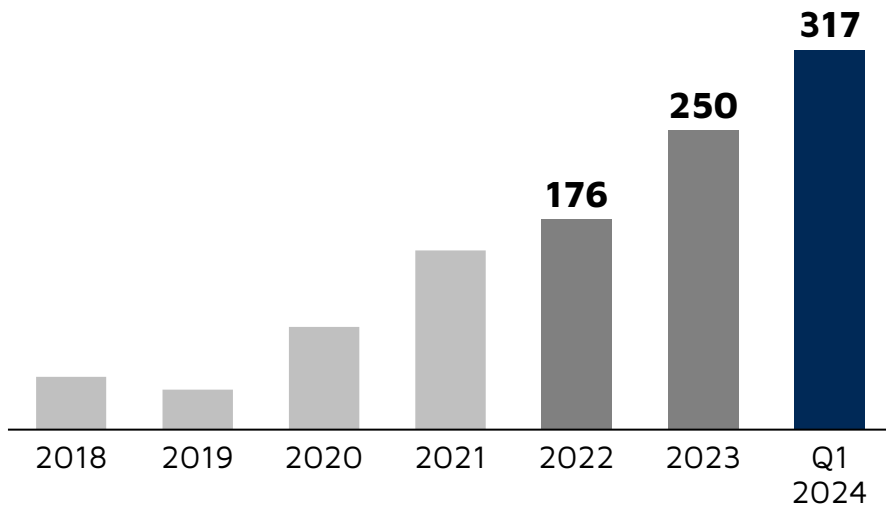
Boosters transferred to launch pad and ready to be assembled with central core



Defense propulsion: consolidating growth, with additional future production unlocked by today's development backlog

Defense propulsion backlog (€m)

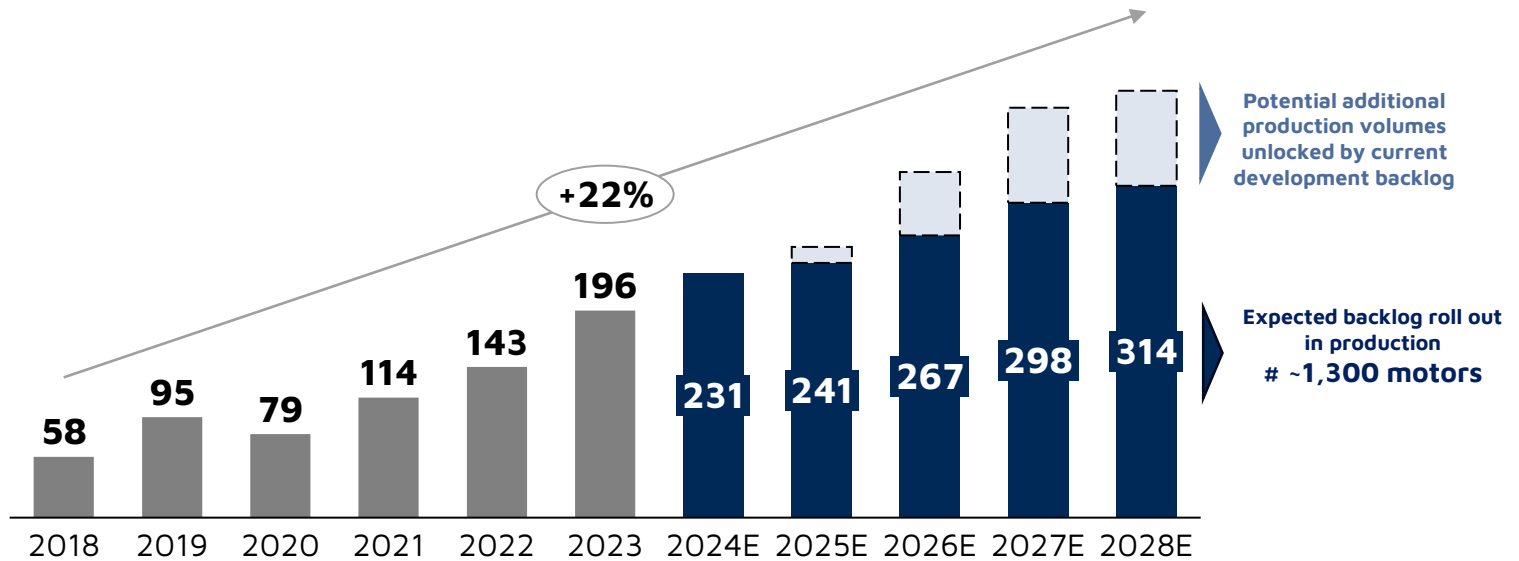
Part of the current defense propulsion backlog relates to development activities ...



- High level of defense propulsion orders in Q1 2024 (approx. €80m in Q1 2024 vs. €120m for the entire 2023)

Defense propulsion production (volumes eq.)

... which could potentially “unlock” new production volumes in the coming years



- Steep increase in Aster, CAMM-ER and MARTE production
- Excludes NAREW and other potential upside opportunities

Agenda

1.

Highlights

Giulio Ranzo, Chief Executive Officer

2.

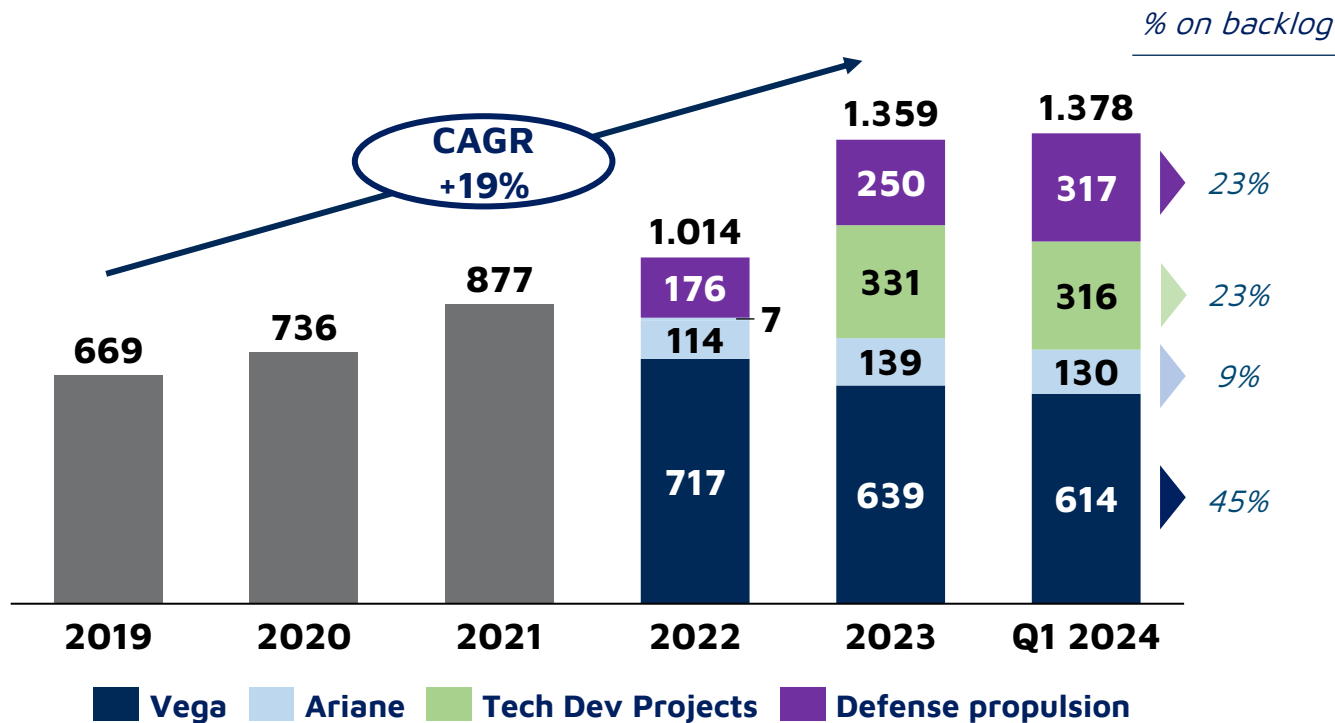
Q1 2024 Financials

Alessandro Agosti, Chief Financial Officer

Defense propulsion intakes drive order backlog in Q1 2024

Figures in €m

Net order backlog evolution 2019 - Q1 2024



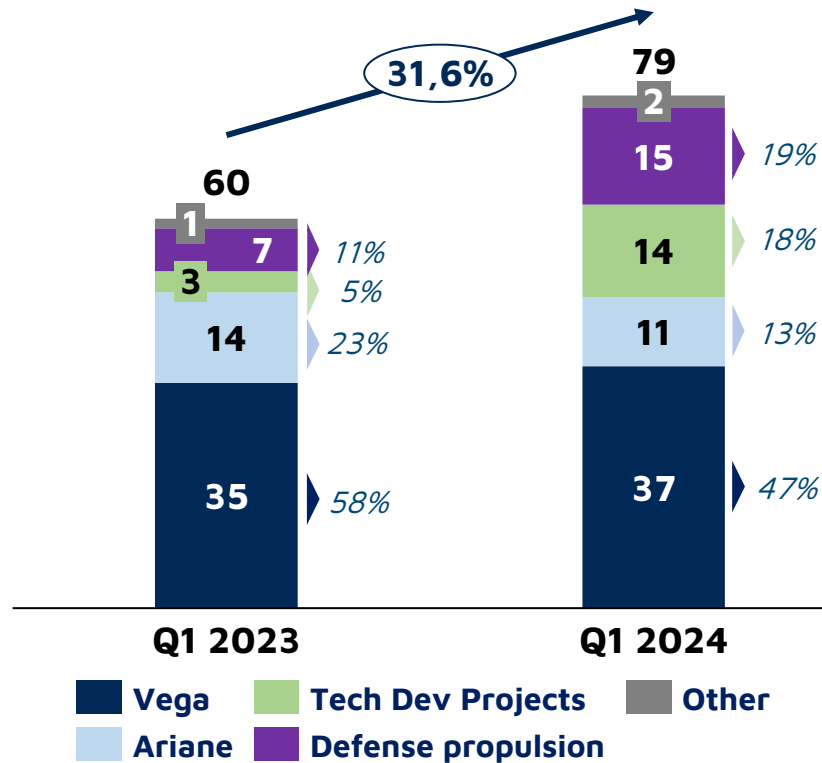
Main comments

- In Q1 2024 order intakes amounted to approx. **€100m** and are mainly composed of:
 - **Defense propulsion** for approx. €80m, mainly for ASTER missile production
 - **Vega** for approx. €15m, mainly for development activities
- **Defense propulsion** activities reached 23% of total backlog at the end of Q1 2024, approx. half of Vega backlog and currently higher than Ariane backlog waiting for Ariane 6 maiden flight
- At the end of Q1 2024 60% of backlog is for production activities and 40% for development activities

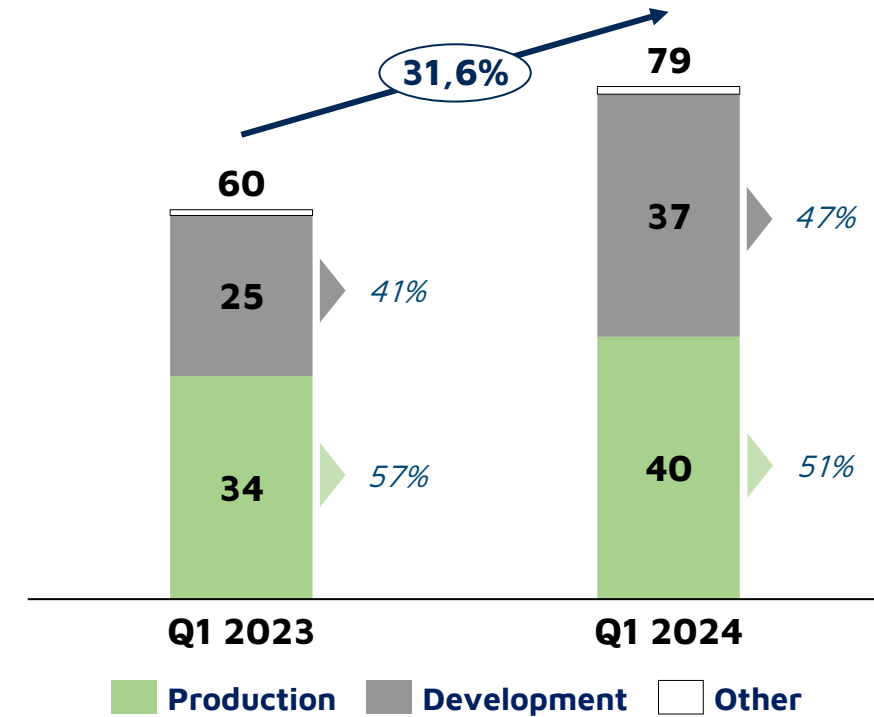
Revenues increase for Defense propulsion and Technology Development Projects

Figures in €m

Net revenues | Breakdown by Line of Business



Net revenues | Breakdown by Activity



Q1 2024 results

Main economics and financials

	Q1 2023 Actual (€m)	Q1 2024 Actual (€m)		Delta (€m)	Delta (%)
NET ORDER BACKLOG	1.358,9 ⁽¹⁾	1.377,5	1.	18,7	1,4%
NET REVENUES	59,8	78,8	2.	18,9	31,6%
EBITDA REPORTED	1,3	1,6	3.	0,3	25,3%
% on net revenues	2,1%	2,0%			
EBITDA ADJUSTED	2,6	3,4		0,8	29,1%
% on net revenues	4,4%	4,3%			
EBIT REPORTED	(3,5)	(2,8)	4.	0,7	n.m.
% on net revenues	-5,8%	-3,6%			
EBIT ADJUSTED	(2,1)	(1,0)		1,1	n.m.
% on net revenues	-3,5%	-1,2%			
	31 DEC 2023 Actual (€m)	31 MAR 2024 Actual (€m)		Delta (€m)	Delta (%)
NET CASH POSITION	76,1	9,6	5.	(66,6)	-87,4%

Main comments

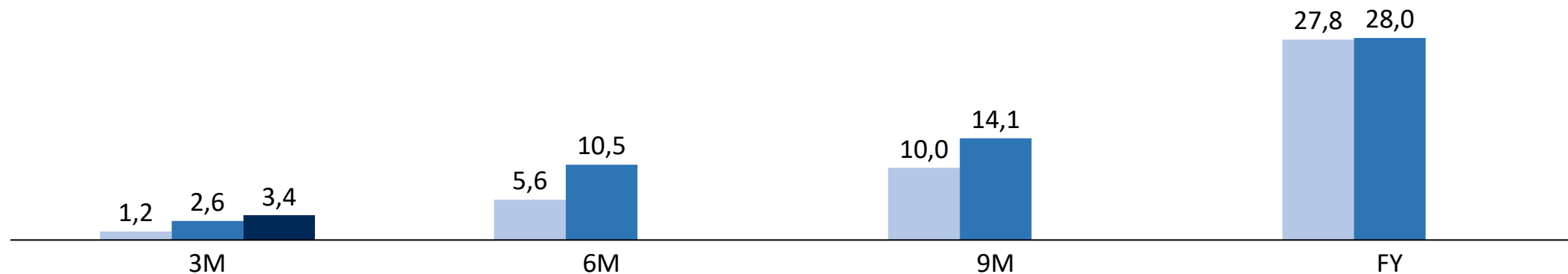
- Defense propulsion order intakes** drive order backlog in Q1 2024
- Significant increase in revenues** thanks to Defense propulsion production and Technology Development Projects
- EBITDA higher than Q1 2023** driven by above increase in revenues
- Positive** effect on **EBIT** also driven by lower depreciations following the review in the second half of 2023 of economic useful lives of certain production assets
- As expected, net cash position significantly lower vs. 2023 year-end** due to flow-down to sub-contractors of cash advances received in 2023 as part of typical business cycle and procurement of certain strategic Long Lead Items of Vega C

(1) Data as of December 2023

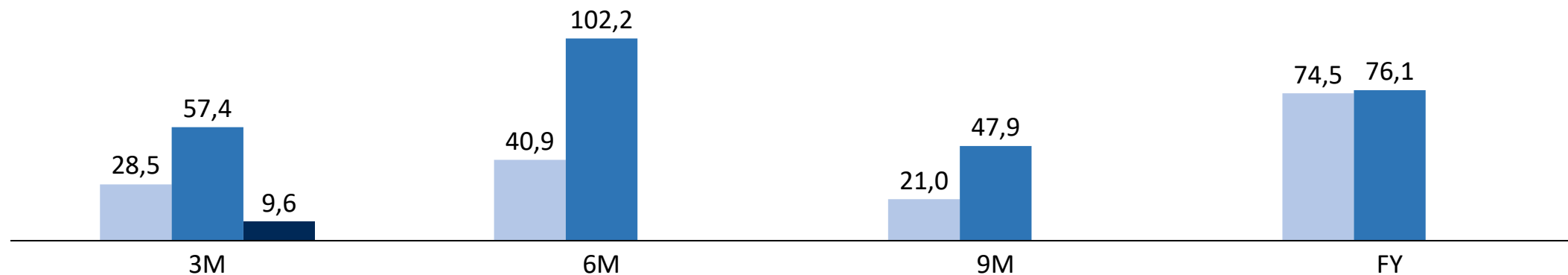
Quarterly evolution of EBITDA and Net Cash Position

Figures in €m

EBITDA Adjusted | Quarterly evolution



Net cash position | Quarterly evolution



2022 2023 2024

Capital returns to shareholders

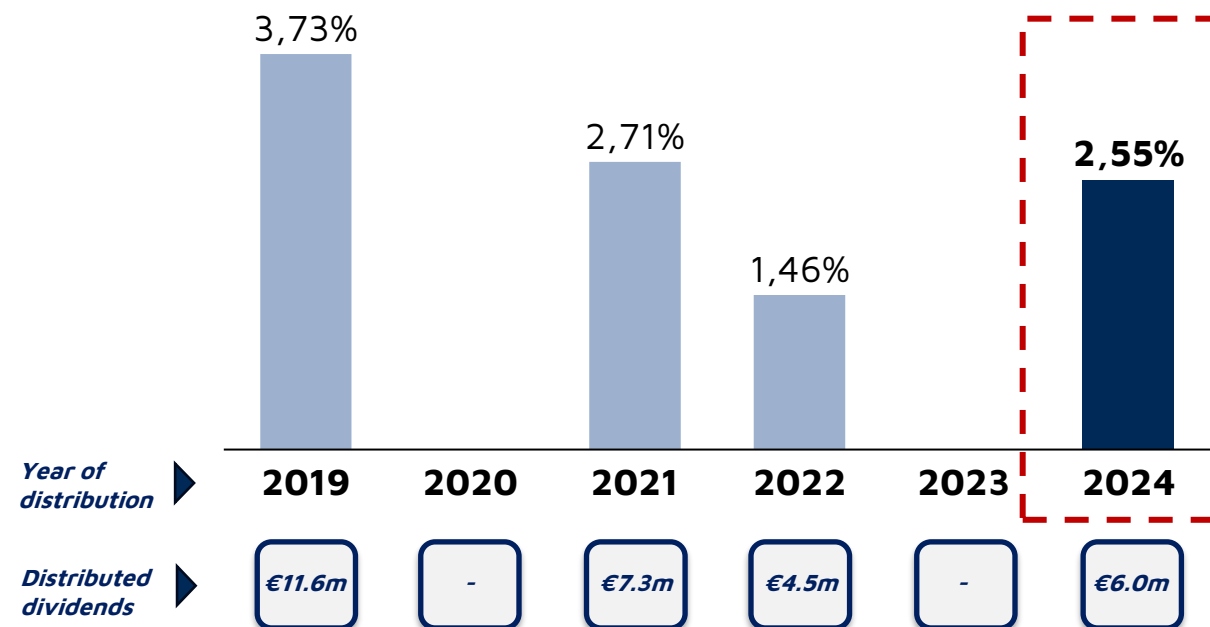
On April 23rd, 2024, **the Shareholders' meeting unanimously approved** the Board proposal of:

- **a dividend distribution of €6.0m** (0.24 per share) with a dividend yield of 2.55%⁽¹⁾, composed of:
 - **€3.75m as ordinary dividend**, equivalent to €0.15 per share
 - **€2.25m as extraordinary dividend from available distributable reserves**, equivalent to €0.09 per share

The dividends have been paid on May 2nd

- **a shares buy-back program** for an amount of **€4.9m**

Dividend yield payment 2019 – 2024



(1) As per Avio FY2023 Result presentation

FY2024 Guidance confirmed



€m €m
1.500 1.600

- **10%-15% growth vs 2023**
- **New orders from defense propulsion business**
- **Backlog expected to start roll-out**



€m €m
370 390

- **10% growth vs 2023**
- **Growth on defense propulsion activities and Technological Development Projects**



€m €m
21 26

- **10% growth vs 2023**
- **Backlog roll-out to "unlock" production and economies of scale**



€m €m
6 10

- **10%-20% growth vs 2023**
- **Marginal effect of financial charges and taxation**

(1) Implying an EBITDA Adjusted ranging from €28m to €33m considering €7m as non recurring costs

THANK YOU FOR YOUR ATTENTION



CONTACTS

Investor.relations@avio.com



The information contained in this document is Avio S.p.A. proprietary and is disclosed in confidence. It is the property of Avio S.p.A. and shall not be used, disclosed to others or reproduced, without the express written consent of Avio S.p.A.