PARIS, OCTOBER 9TH 2024

Avio presentation
2024 Italian Excellences

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Agenda

1. Avio Profile
2. Market Update
3. Business Update
4. Financials
5. Appendix

Avio: propulsion for Space and Defense

Ariane Family
European heavy-lift launcher
Partner and supplier for strap-on boosters and turbopumps

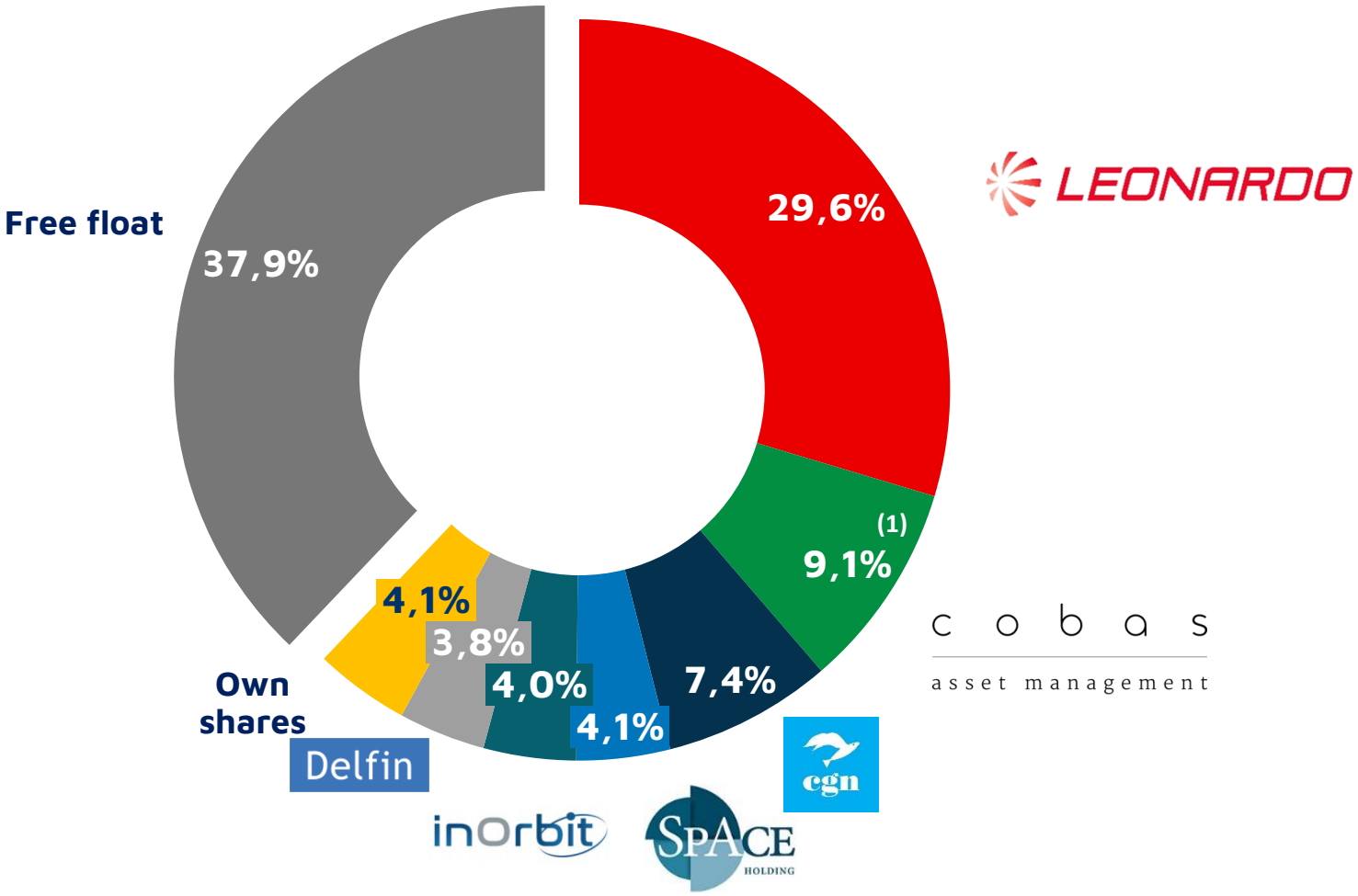
Vega Family
European small-lift launcher
Avio designs, manufactures, and integrates full launcher system

Avio is also responsible for Vega C commercial operations

Defense:
Solid Rocket Motors for Defense Missiles

Source: MBDA website

A public company managed by a team of investors



- **Public Company** listed on Euronext STAR Milan
- Approx. **~€300m market capitalization**
- **~4%** Management share
- **~40%** Free Float
- No Controlling Shareholder

(1) Through different funds
Data as of September 2024

Global customers base for space launches

NOT EXHAUSTIVE

arianespace
arianeGROUP

● = Ariane

Ariane 6

28 launches in backlog

● = Vega

Vega C

15 launches in backlog

60 years track record in space technologies

Ariane 1-3
Separation motors

1968

Ariane 4
210 ton boosters

1990

Ariane 5
240 ton boosters

1996

Vega
Launch system

2012

Vega C
Improved performance

2022

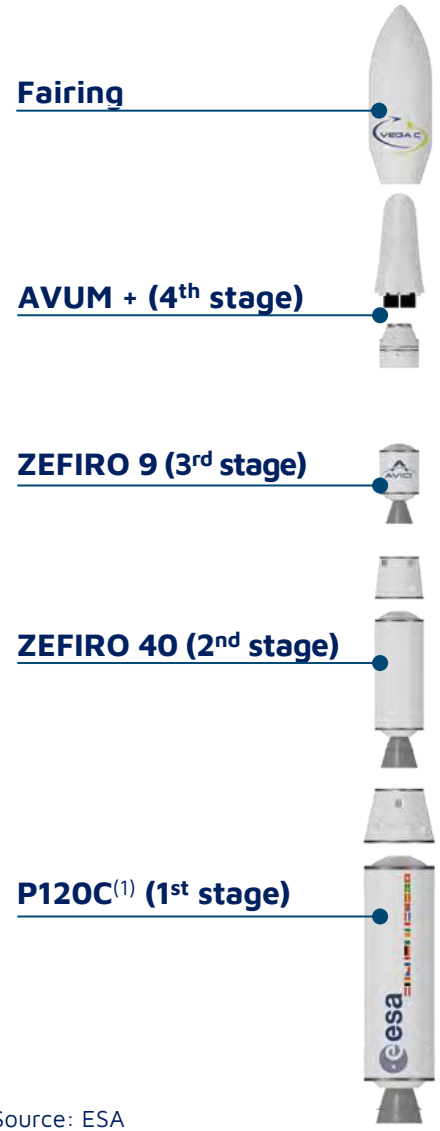
Ariane 6
280 / 560 tons boosters

2024

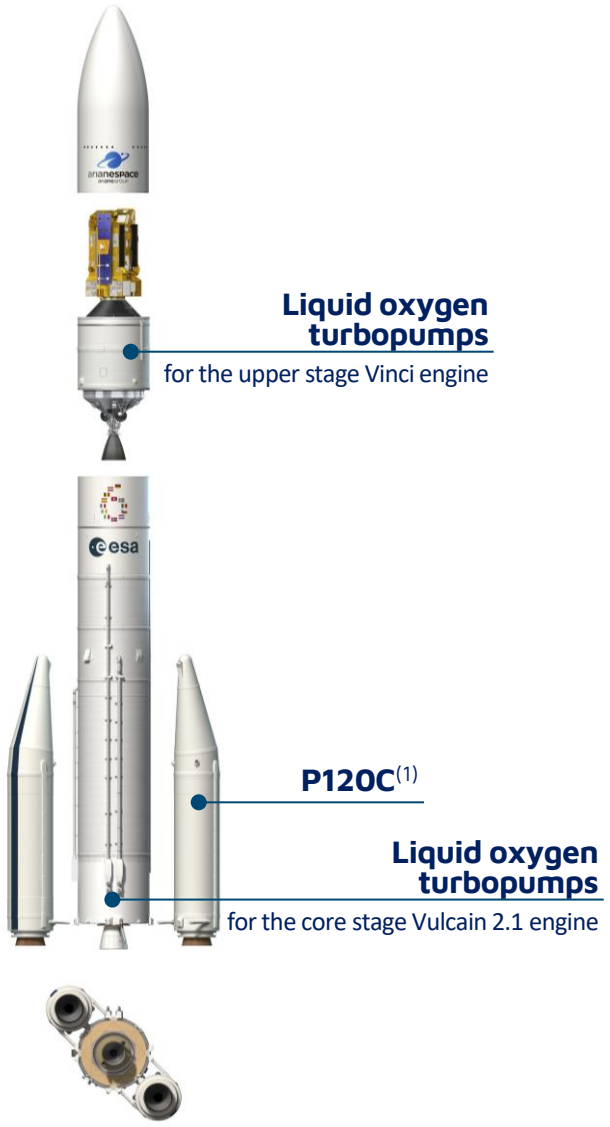
esa
The European Space Agency

AVIO

Overview of Avio main products for Space



VEGA C LAUNCHER



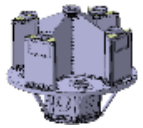
ARIANE 6 LAUNCHER (6.2)

- Avio is the prime contractor for developing and manufacturing **Vega family launchers.** Avio is also responsible for **Vega C commercial operations**
- Avio is **partner of the Ariane 6 program**, providing the solid rocket boosters P120C(1), and the liquid oxygen turbopumps for the core stage Vulcain 2.1 engine and the upper stage Vinci engine

Source: ESA
(1) provided through the subsidiary Europropulsion

A robust roadmap for future space launch and services

Applications and services



SSMS
Payload Adapter

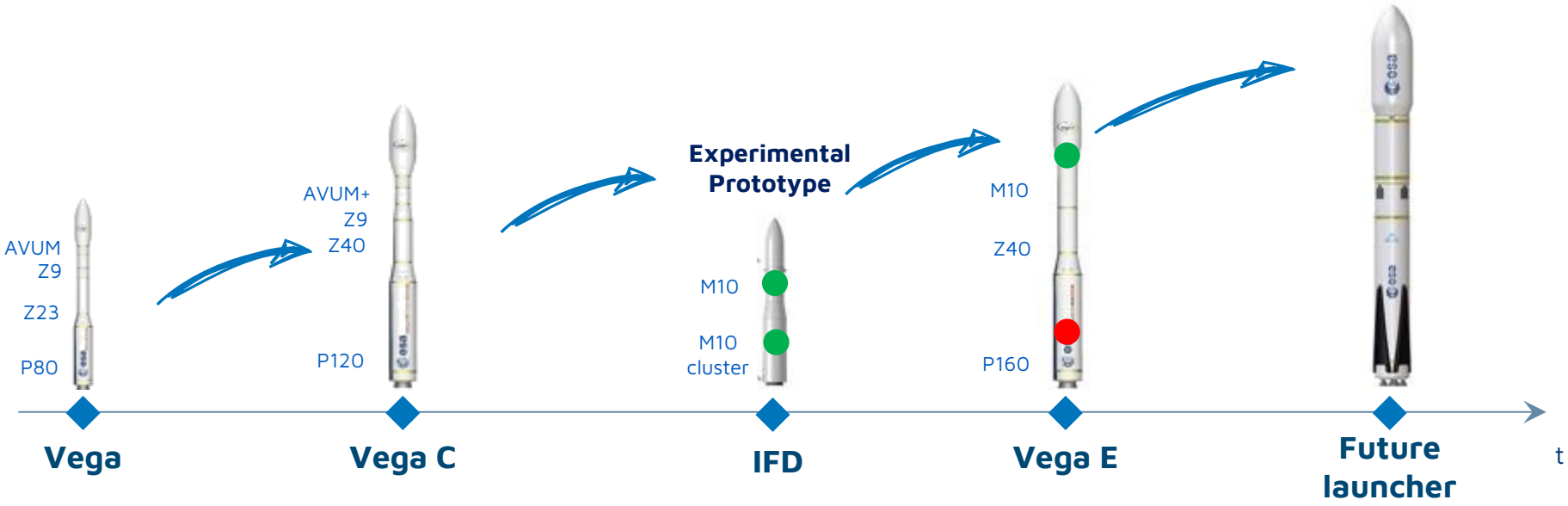
Space Rider
Launch & Re-entry

In-Orbit Service
Module

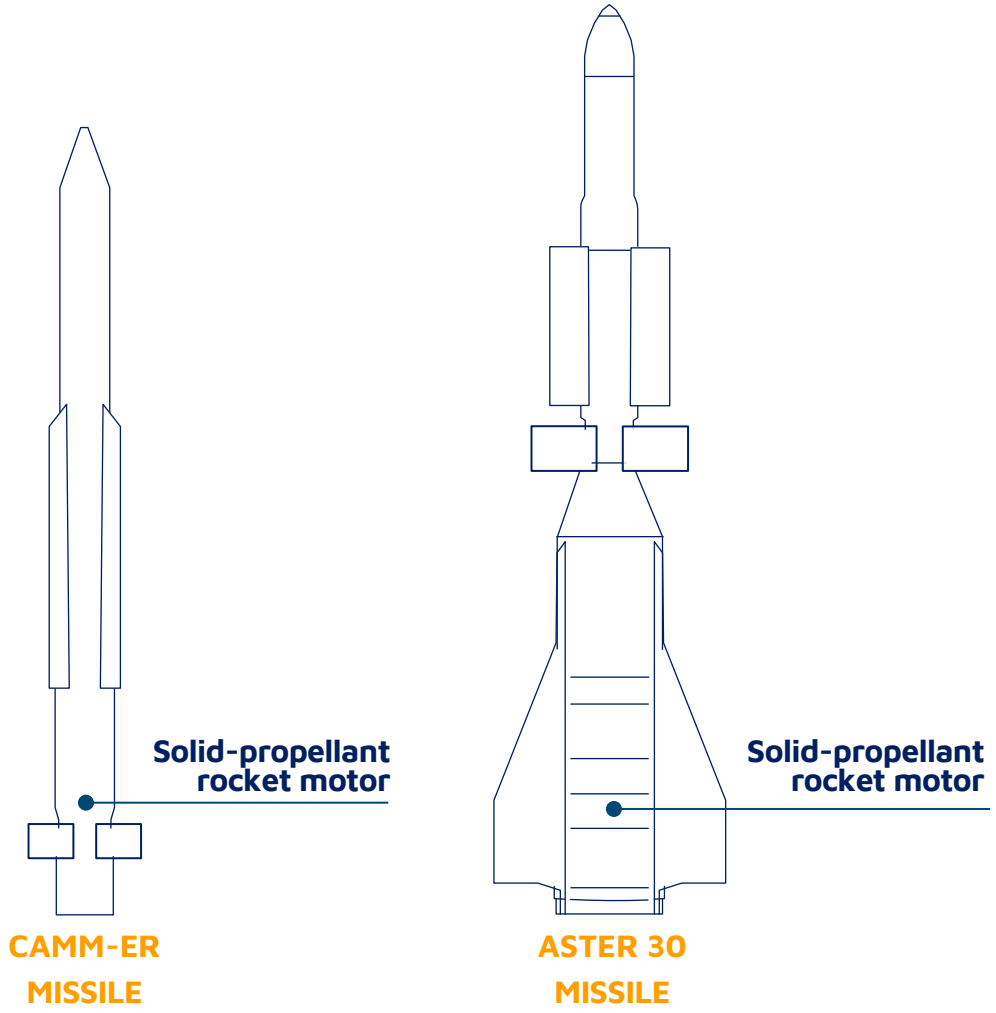
Launcher Products

Agenzia Spaziale Italiana

esa



Overview of Avio main products for Defense



- The **CAMM-ER** missile program gives to Avio, under MBDA contract, the role to **design, develop, qualify and manufacture the solid-propellant rocket motor of the CAMM-ER air defense missile (including wings)**
- The **Aster 30** first-stage booster, fully designed and produced by Avio (including fins), is considered as one of today's most powerful and technologically advanced solid-propellant rocket motors

CAMM-ER and ASTER 30 are products of MBDA Group

Current industrial footprint

Avio France – Paris
(100% Avio)

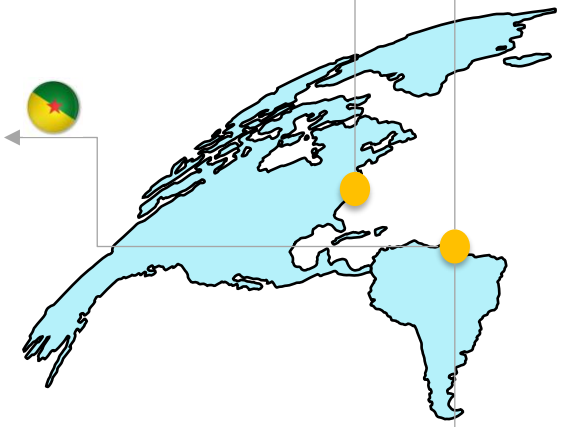
Europropulsion
(50% Avio and 50% AG)
Solid propulsion stage integration

Avio S.p.A. - Colleferro, Rome
The company's headquarters and production plants of solid and liquid propellant motors for LVs

Avio USA - Arlington, VA

Regulus
Kourou, French Guiana
(60% Avio and 40% AG)
Solid propellant

Spacelab - Colleferro, Rome
(70% Avio and 30% ASI)
Vega Launcher



Avio Guyane
Kourou, French Guiana
(100% Avio)
Launch Complex

Sardinia
SPTF Test Facilities for Liquid Engines

Airola
CFRP Facility

VEGA new facilities at CSG for cadence improvement

Vega E launch pad
(former A5)

Launcher
integration

Satellite
integration

Vega C
launch pad

Solid Rocket
Motor storage

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

Global space value chain





Launch (1,2) ***$ 7.0bn***

Satellites (MFT) ***$ 15.8bn***

Ground(3) ***$ 145bn***

Services(2,4) ***$ 113bn***

End users

Government $ 103bn

AVIO · arianespace (ariane GROUP) · SPACEX · ULA (United Launch Alliance) · NORTHROP GRUMMAN · ISRO · ROCKETLAB

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

TELESPAZIO (a LEONARDO and THALES company) · RUAG (pace Defence Technology) · Panasonic · LEAFSPACE · TCS TeleCommunication Systems (Enabling Convergent Technologies®)

iridium · eutelsat · LEOSAT · planet. · STARLINK · NASA · OneWeb · DigitalGlobe · NOAA · esa

vodafone · sky · DHL · bp · tomtom · LDC (Louis Dreyfus Company)

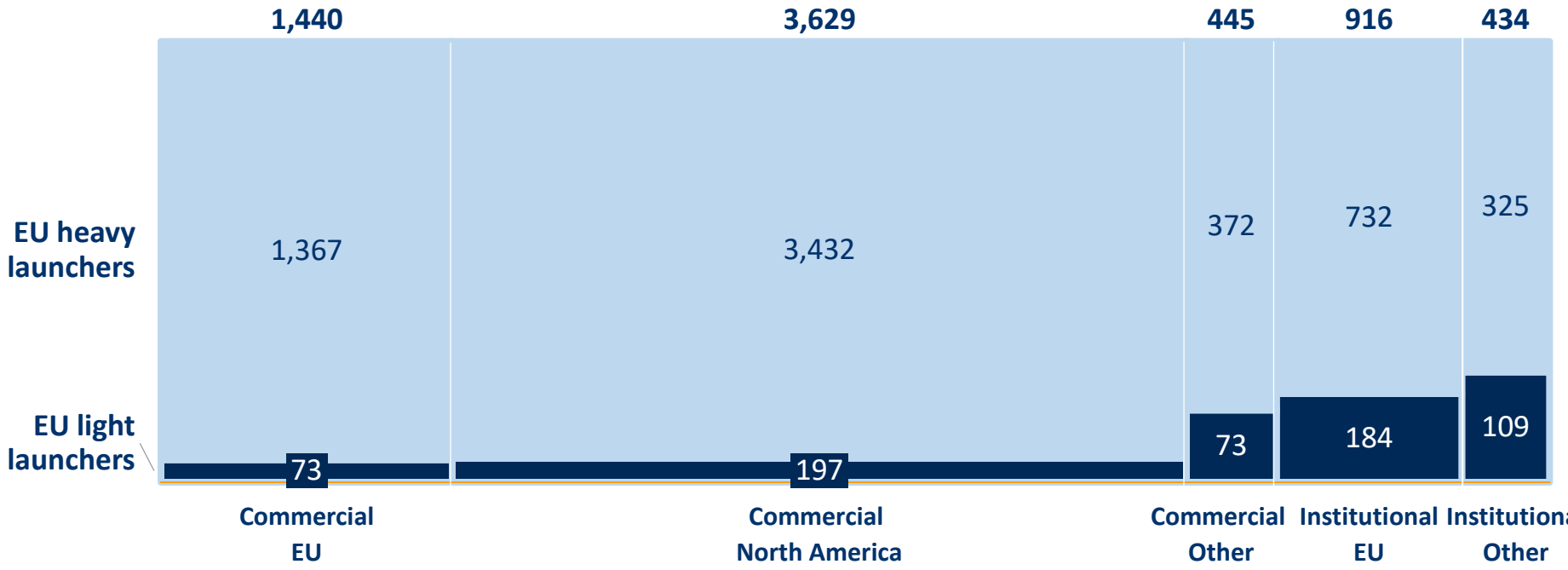
Source: Satellite Industry Association (2023)

(1): Includes launcher manufacturing and launch service activities
(2): Commercial services revenues only
(3): Includes GNSS chipsets and Related
(4): Includes commercial humanflight

EU launchers addressable markets are large and growing

- EU heavy launchers addressable market more than 10x compared to EU light launchers, 80% Commercial – 20% Institutional in mass
- Light launchers addressable payloads are 100% addressable also by heavy launchers, light launchers performing better on the Institutional market (no Mega-constellations)

Cumulated 2024-2033 EU launchers addressable market mass (tons)



TOTAL ADDRESSABLE MARKET

~6,800 TONS

CAGR '24 - '33
12% (Heavy L.)
6% (Light L.)

Source: Avio Analysis on Gunter's Space Page data; Euroconsult
EU heavy launchers addressable market: only payloads to LEO with mass ≤ 21.65 tons or to GEO with mass ≤ 11.5 tons, excluding Starlink and GuoWang Mega-constellations
EU light launchers addressable market: only payloads to LEO with a mass ≤ 3 tons and excluding Mega-constellations
No payloads from captive countries (China, Russia, Japan, North Korea and Iran) and Institutional payloads from North America

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VEGA VV24 mission successfully completed

- On **September 5th(1) VEGA launcher successfully deployed into sun-synchronous orbit Sentinel-2C, a Copernicus satellite for the European Commission.** The mission marked the handover to the VEGA C launcher
- Starting from its inaugural flight in February 2012, **VEGA has carried out a total of 22 launches:**
  - ✓ **more than 120 satellites** deployed into orbit, **with extreme orbital accuracy**
  - ✓ approximately **18 tonnes** of total launched mass (~800 Kg per launch)
  - ✓ **91%** success rate overall

Sentinel 2-C in clean room | Sentinel 2-C encapsulated in VEGA fairing

VV24 lift-off

Source: ESA, CNES, Arianespace
(1) CEST time zone

VEGA launcher: a 12-year history of success and "first times"

Most notable launches (1)

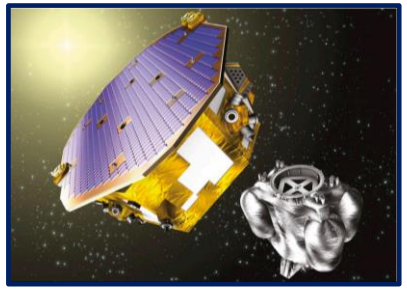
VV04 (IXV)

Launch of reentry demonstrator Intermediate eXperimental Vehicle, **that showed Europe had the technology to launch a vehicle to space and return it safely to Earth. This demonstration mission was a precursor to the reuseable Space Rider** spacecraft

Feb 11, 2015

VV06 (LISA Pathfinder)

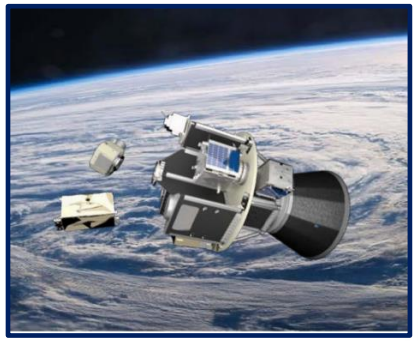
Successfully placing the LISA Pathfinder spacecraft on an elliptic low earth parking orbit, from where the satellite's own propulsion module took it on its operational orbit around the L1 Lagrange point **(i.e. 1.5 million Km from Earth)**



Dec 2, 2015

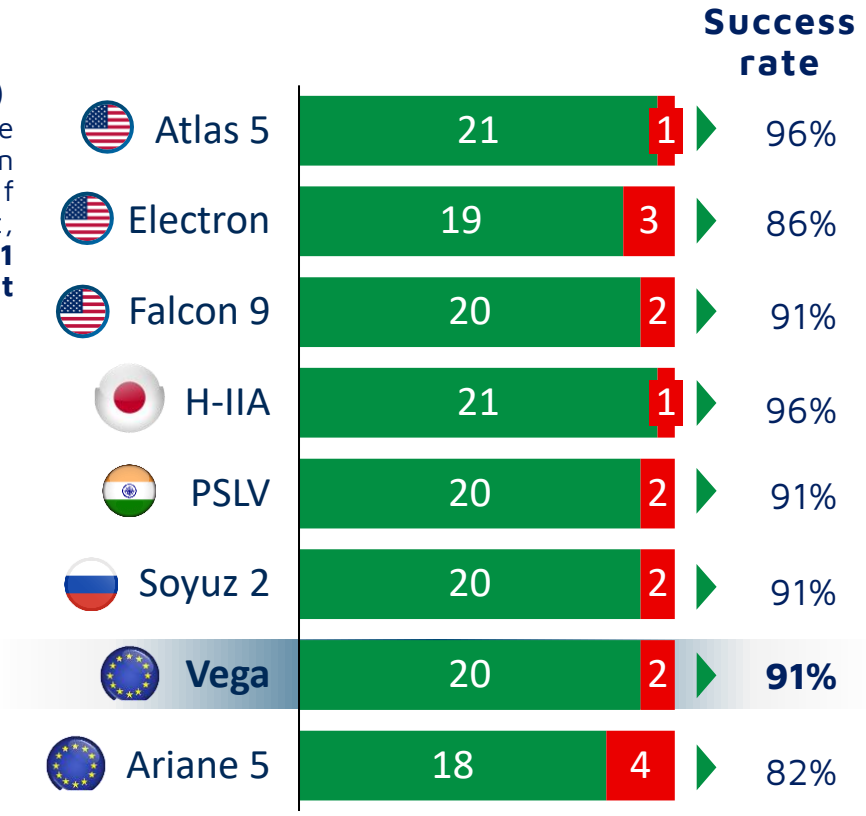
VV16 (Small Spacecraft Mission Service -SSMS-)

Launch of **53 satellites** on the Small Spacecraft Mission Service (SSMS) Proof of Concept (PoC) flight, performed **on behalf of 21 customers from 13 different countries**



Sep 2, 2020

Reliability during first 22 missions



AVERAGE: 90%

Source: ESA, Arianespace (1) illustrative, not exhaustive (2) Includes partial failures

VEGA C return-to-flight operations underway

- After the first successful test performed last May, on October 3rd a redesigned Zefiro-40 solid rocket motor, the second stage of the Vega-C rocket, **was successfully fired up for the second time**
- Whereas the first test in May was performed under high operating pressure and with a short burning time, the second test was conducted at a low operating pressure and burnt for longer
- **This concludes the qualification tests for the improved engine nozzle design of the Zefiro-40, allowing Vega-C to be launched by the end of 2024**

QM4 moved to test bench

QM4 hot firing test

QM: Qualification Motor

Success for Ariane 6 maiden flight

- On July 9th , Ariane 6 launcher **successfully completed its maiden flight** from the French Guiana Space Centre, placing into orbit multiple payloads
- Avio is partner of the Ariane 6 program **providing the solid rocket boosters P120C and the liquid oxygen turbopumps for the core stage Vulcain 2.1 engine and the upper stage Vinci engine. The P120C motors had an optimal performance**
- **Avio is already working on a more powerful version of the booster (P160)** which will increase the thrust of the launcher and its payload capacity. **The P160 will be the world largest carbon fiber monolithic motor and will also be equipped on Vega C**

Ariane 6 on launch pad

Ariane 6 lift-off

Source: ESA, CNES, Arianespace, ArianeGroup

2024 shall mark the transition towards higher launch rates

arianespace
ariane GROUP

2023

2024

2025 (1)

Ariane

JUICE

Syracuse 4B

H2Sat

OHB

A5

VA260
April

VA261
July

A6 MF
✓ Successfully completed on July 9

Today

6
(Ariane 6)

Vega

Z40 Firing test
June

VV23
October

1st Z40 Firing test
✓ Successfully completed as expected on May 28

VV24
✓ Successfully completed on Sep 5

2nd Z40 Firing test
✓ Successfully completed as expected on Oct 3

VV03-RTF
Q4 2024

4
(Vega C)

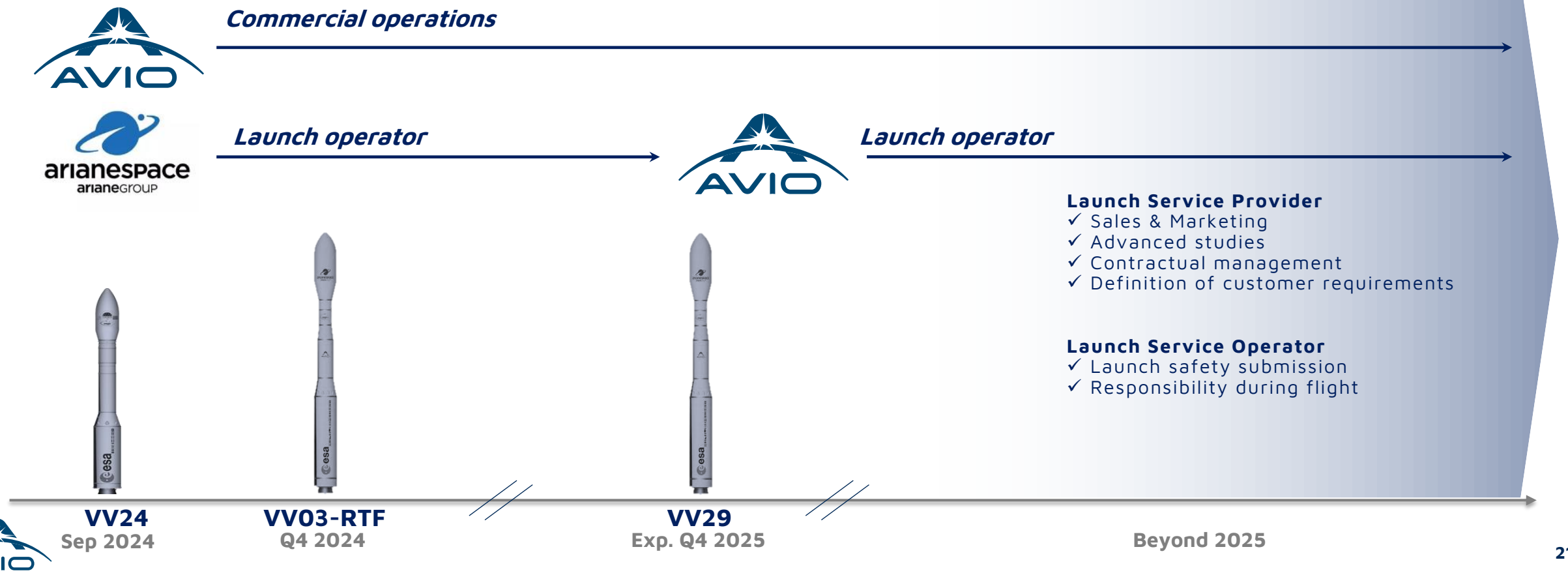
(1) Avio current assumption of contracted flight backlog roll-out

SOURCE: ESA, Arianespace

AVIO

Evolution of responsibilities on VEGA launcher activities

- On July 5th ESA Council **authorized Avio to conduct VEGA commercial operations and to be launch operator of VEGA following VV29 (Q4 2025)**, pending award of license from French authorities



NextGen EU: next-gen launchers and applications progressing as expected

Launcher Products acceleration
LOX-CH technology

Applications and services acceleration
Orbital propulsion technology

Space Transportation Systems

Objective: Accelerate development and know-how with 2 small Flight Demonstrators (design, manufacturing & launch)

Start of HWIL activities in apr-24

M10 firing test planned in October '24

M10: manufacturing on going, TCA and Nozzle Printed in house

High Trust Engine

Objective: Achieve full-scale hot firing demonstration of a 60ton LOX-Methane engine by 2026

Pre-burner firing test by end of March

Assembly line operative by end of '24

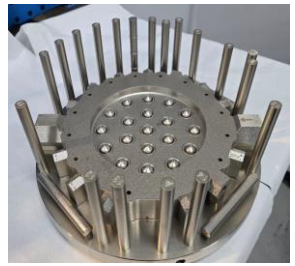
Multi-Purpose Green Engine

Objective: Create a highly versatile "Green" engine for orbital propulsion and in-orbit services and logistics

Manufacturing and integration of the first two engine models by Oct. 2024

Thrust chamber

Injector section



In-Orbit Servicing module

Objective: Develop enabling technologies to fulfil in-orbit-servicing mission objectives

System Req. Review passed

Preliminary Design review ongoing

ThalesAlenia Space partnership
a Thales / Leonardo company

HWIL: Hardware in the Loop
TCA: Thrust Chamber Assembly

Finanziato dall'Unione europea NextGenerationEU

Avio USA to play a pivotal role in engaging the US market

- **Avio established Avio USA**, a wholly owned subsidiary headquartered in Arlington, Virginia, which is **structured to operate in compliance with US security and export-control regulations and is governed by a US-led board of directors**

Marty Bollinger – Chairman of Avio USA

- Ret. Senior Partner at Booz Allen Hamilton
- Extensive consulting experience in US Aerospace & Defense
- Lecturer for Navy Officers

James Syring – CEO of Avio USA

- Ret. US Navy Vice Admiral
- Former Director of the US Missile Defense Agency
- Former President, USAA Insurance Company

New opportunities in the US defense propulsion market

- As a result of the scouting and the engaging activities performed by Avio and Avio USA since its inception, **on July 23rd Avio announced two important contracts with two different US counterparts, Raytheon and US Army, which mark a very important milestone for the future development of the defense propulsion business of the company**

Avio signed a contract with **Raytheon**, an RTX (NYSE: RTX) business, leaders in defense solutions for the U.S. Government and Allied Demand, to initiate and progress the development of critical solid rocket motors for defense applications. The contract furthers the systems engineering work required to mature these solid rocket motors into a production-ready state

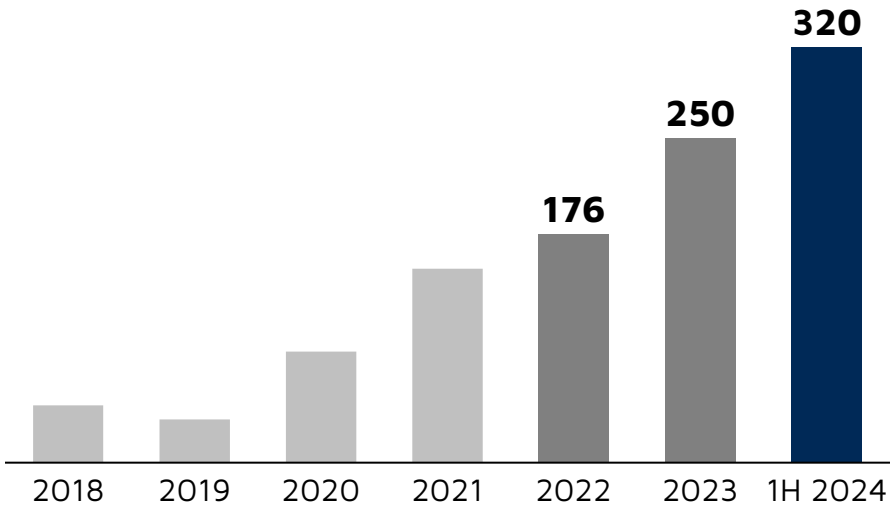
More info here

AVIO S.p.A. and **U.S. Army Combat Capabilities Development Command Aviation & Missile Center** partner for the development and fast-prototyping of a solid rocket motor for surface-to-air applications. The project leverages on both Parties' expertise to qualify the propulsion system in a design-to-manufacturing approach, offering possibility for a future rapid transition to Production

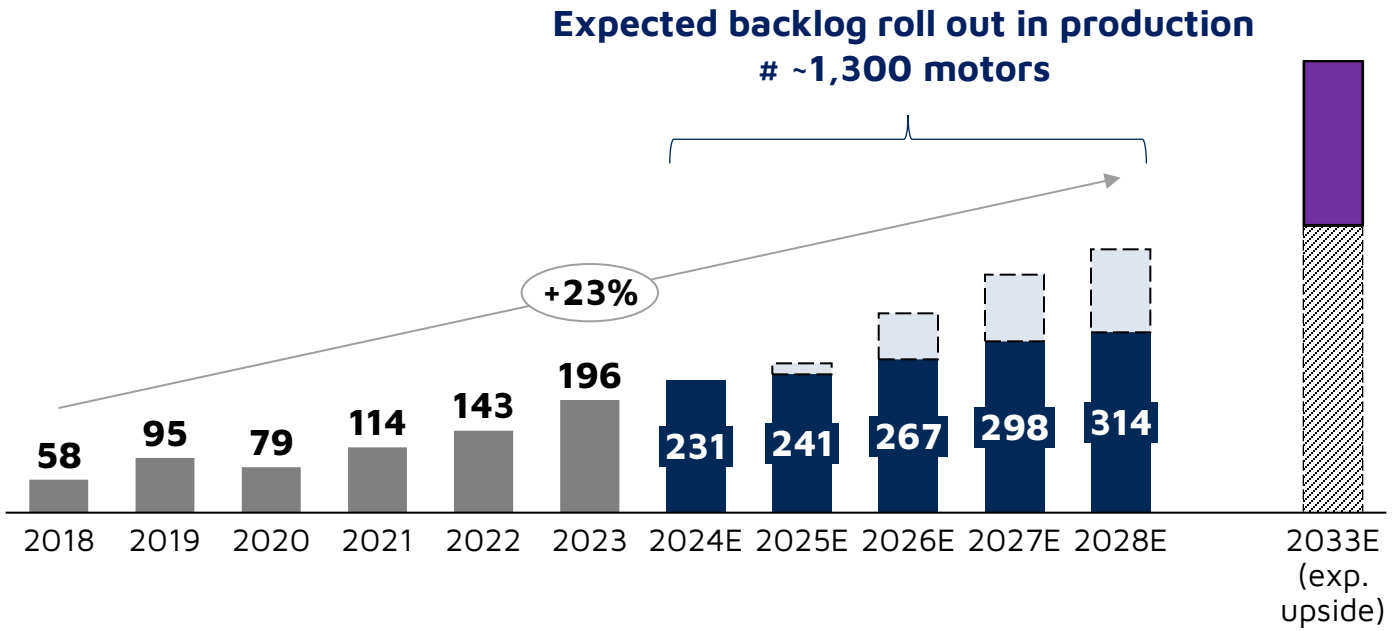
More info here

These wins further extend growth prospects in defense business

Defense propulsion backlog (€m)



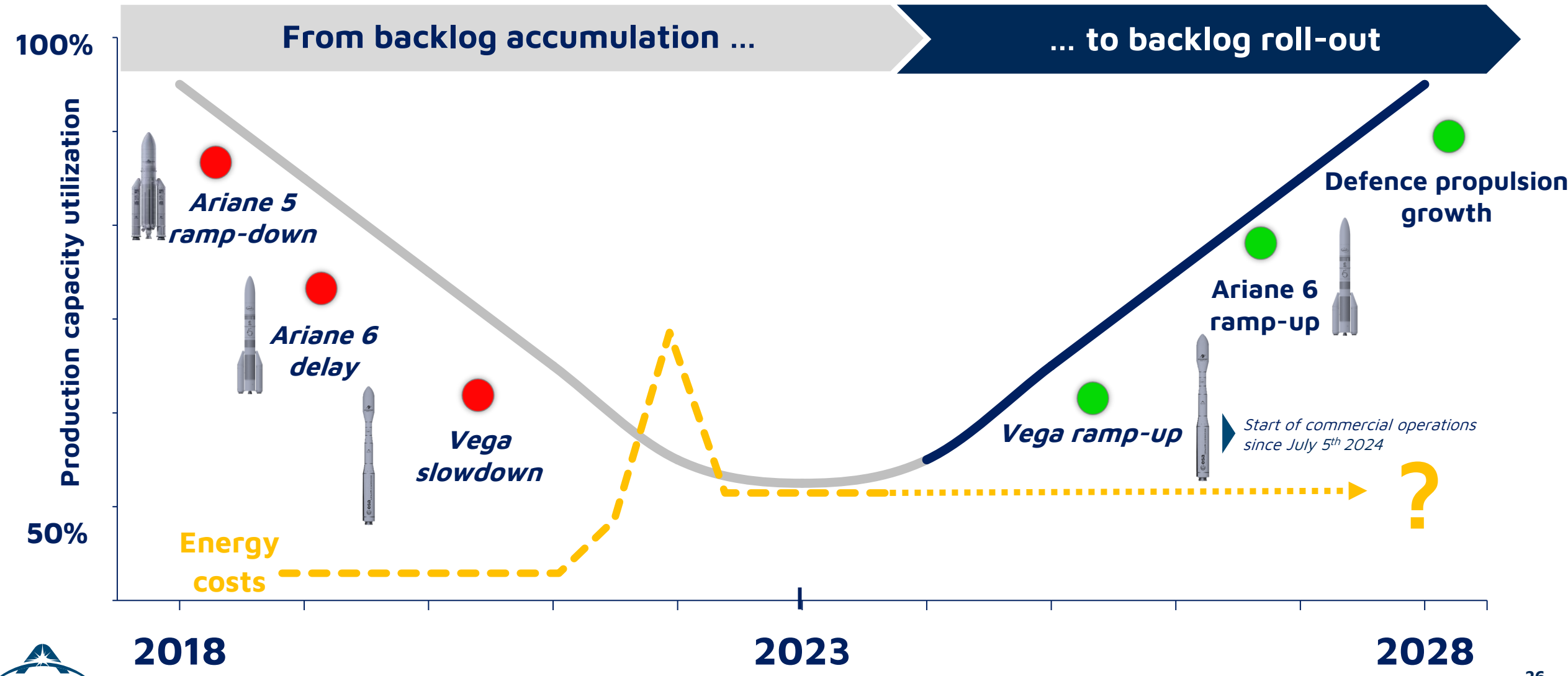
Defense propulsion production (volumes eq.)



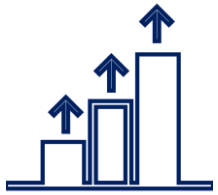
- **High level of defense propulsion orders in 1H 2024 (approx. €100m)**

- Steep **increase in Aster, CAMM-ER and MARTE** production
- **Includes expected rollout from new EU and US contracts**

Where is 2024 along the cycle



Beyond 2024



- Net Order backlog to remain high and stable in spite of growing annual revenues
- Potential new product lines possible to enable orbital services businesses

- Sustained growth both in space launch and defense propulsion
- Growing volumes in P120/P160 production to sustain Ariane 6 / Vega C ramp-up
- Completion of technology innovation projects to expand future product range

- Margin expansion objectives linked to three main drivers:
  - Progressively higher utilization of installed production capacity
  - Insourcing of «Launch service provider» and «Launch operator» activities
  - Higher contribution from the defense propulsion business

- Upside opportunities in the defence propulsion activities
  - New product developments for existing customers
  - New markets/customers for additional production activities

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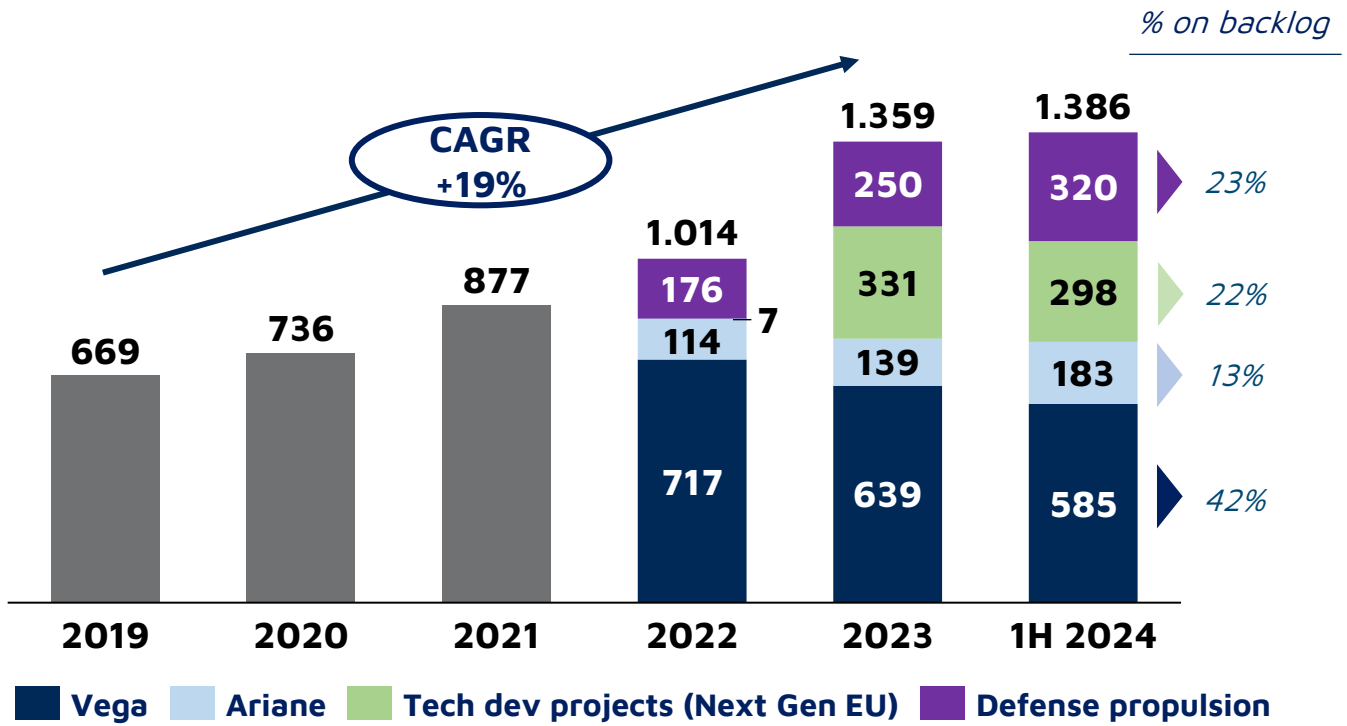
Defense propulsion and Ariane 6 intakes drive order backlog in 1H 2024

Figures in €m

Net order backlog evolution 2019 – 1H 2024



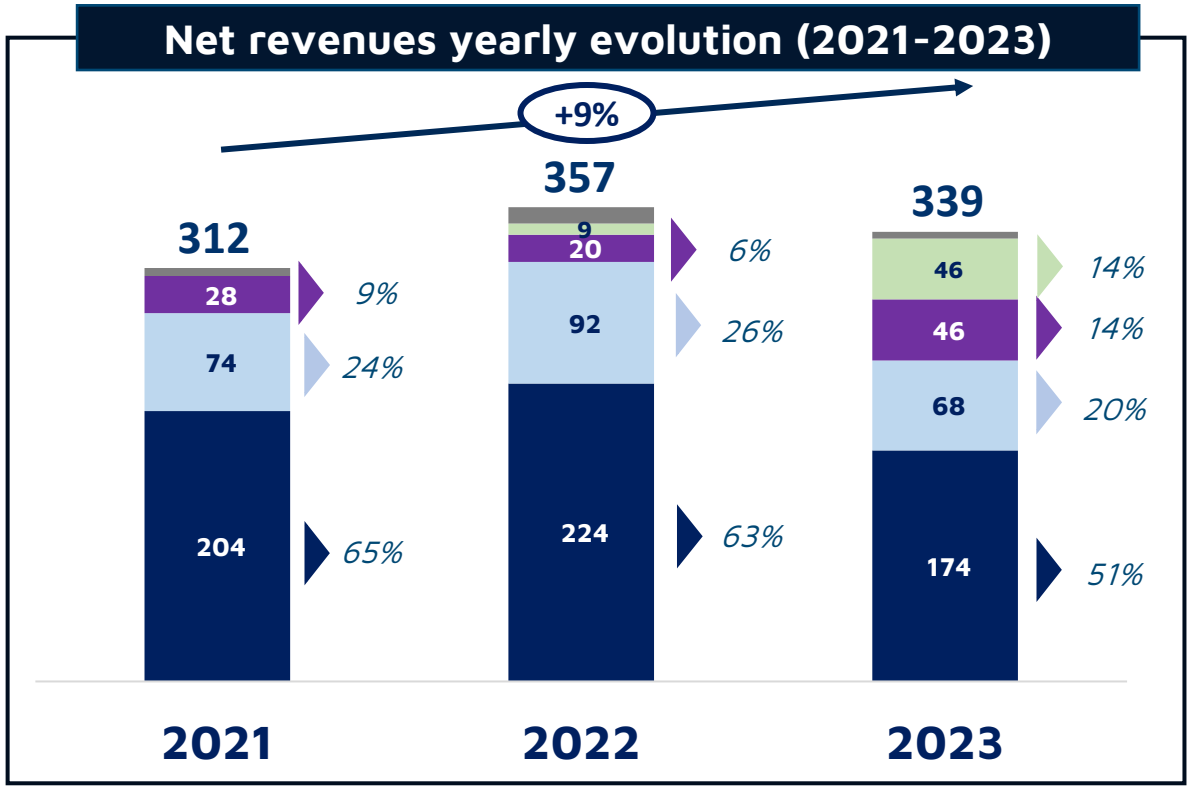
Main comments

- In 1H 2024 order intakes were over **€200m** and related to:
  - **Defense propulsion** for about €100m, mainly for ASTER missile production
  - **Ariane** for about €80m, mainly for production of P120/P160 motors
  - **Vega** for about €30m, mainly for Vega E development
- Defense propulsion activities reached 23% of total backlog at the end of 1H 2024, more than half of Vega backlog
- At the end of 1H 2024 approx. 60% of backlog related to production activities and 40% to development activities

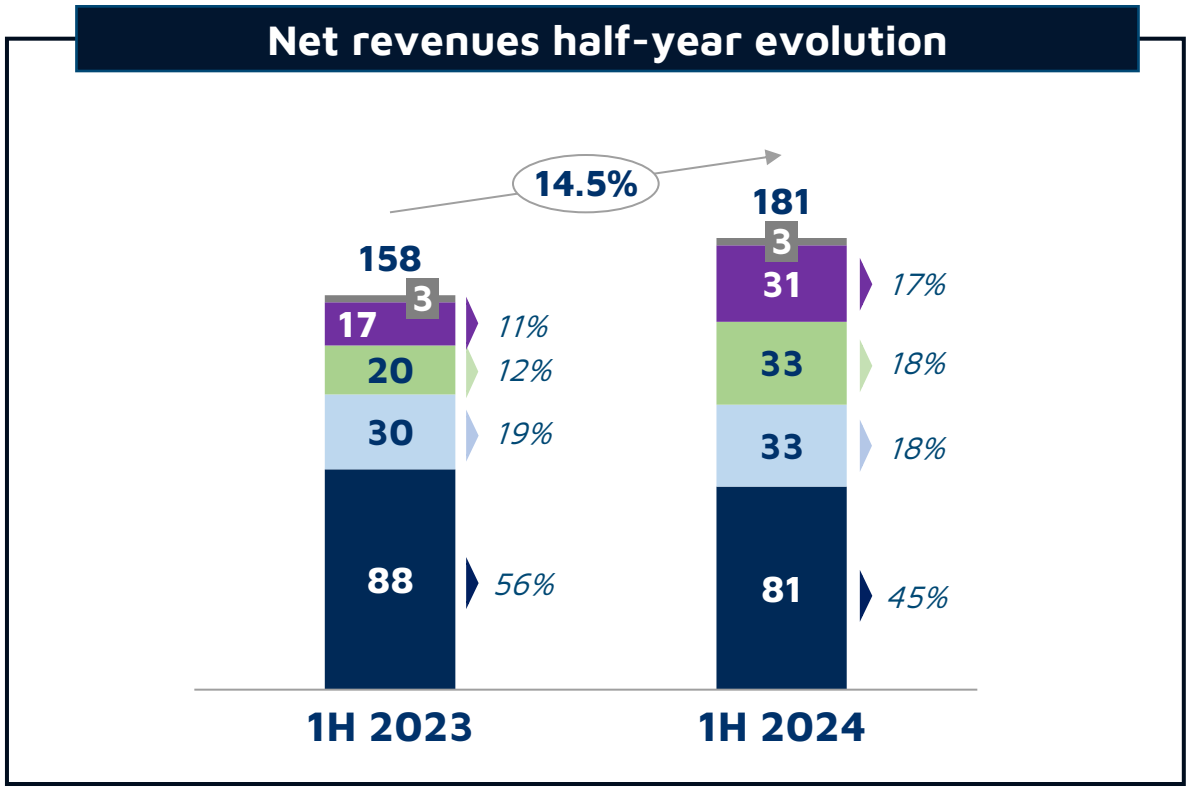
Net revenues evolution by line of business

Figures in €m

Net revenues yearly evolution (2021-2023)



Net revenues half-year evolution



Vega | Ariane | Tech dev projects (Next Gen EU) | Defense propulsion | Other

- In 1H 2024, revenues refer for 47% to Development and for 53% to Production activities

1H 2024 results vs 1H 2023

Avio Group | Main financials

	1H 2023 Actual (€m)		1H 2024 Actual (€m)		Delta (€m)	Delta (%)
NET REVENUES	**157,7**		**180,6**	1.	**22,9**	**14,5%**
EBITDA REPORTED	**5,2**		**8,1**		**2,9**	**56,8%**
% on net revenues	3,3%		4,5%			
N/R 5,3		*N/R 2,5*				
EBITDA ADJUSTED	**10,5**		**10,6**	2.	**0,1**	**1,2%**
% on net revenues	6,6%	3.	5,9%			
EBIT REPORTED	**(3,9)**		**(0,4)**	4.	**3,5**	**n.m.**
% on net revenues	-2,5%		-0,2%			
EBIT ADJUSTED	**1,4**		**2,1**		**0,7**	**n.m.**
% on net revenues	0,9%		1,2%			
PROFIT BEFORE TAX	**(3,7)**		**(0,5)**		**3,2**	**-86,4%**
% on net revenues	-2,3%		-0,3%			
NET RESULT	**(3,9)**		**(1,8)**		**2,1**	**-53,8%**
% on net revenues	-2,4%		-1,0%			

Main comments

1. **Significant increase in revenues** mainly for defense propulsion production activities and technology development projects (NextGen EU)

2. **EBITDA Adjusted in line with 1H 2023,** driven by higher revenues compensated by a slowdown in Ariane 6 and Vega production activities

3. The reduction of non-recurring costs, mainly related to the return to flight of the Vega C, contributed to a **significantly higher EBITDA Reported vs. 1H 2023**

4. **Positive** effect on **EBIT** driven by EBITDA and lower depreciations following the review, in the second half of 2023, of economic useful lives of certain production assets in connection with the phase-out/phase-in of both Ariane (A5>A6) and Vega (Vega>Vega C)

1H 2024 results vs 2023 | Sources and uses

Avio Group | Sources and uses

	31 DEC 2023 Actual (€m)	30 JUN 2024 Actual (€m)	
WORKING CAPITAL	(171)	(128)	1.
DEFERRED TAX ASSETS	81,2	80,6	
PROVISIONS	(52,8)	(45,0)	2.
GOODWILL AND OTHER INTANGIBLE	89,2	87,6	
FIXED ASSETS	285,6	284,7	3.
FINANCIAL RECEIVABLES	2,0	2,0	
NET INVESTED CAPITAL	234,2	282,2	
NET CASH POSITION	76,1	21,5	4.
EQUITY	(310,4)	(303,7)	
TOTAL SOURCES	(234,2)	(282,2)	

Main comments

1. Structurally negative working capital thanks to cash advances from order intakes. Typical seasonal trend driven by cyclical flow down to sub-contractors and procurement of certain strategic Long Lead Items of Vega C to sustain future production volumes

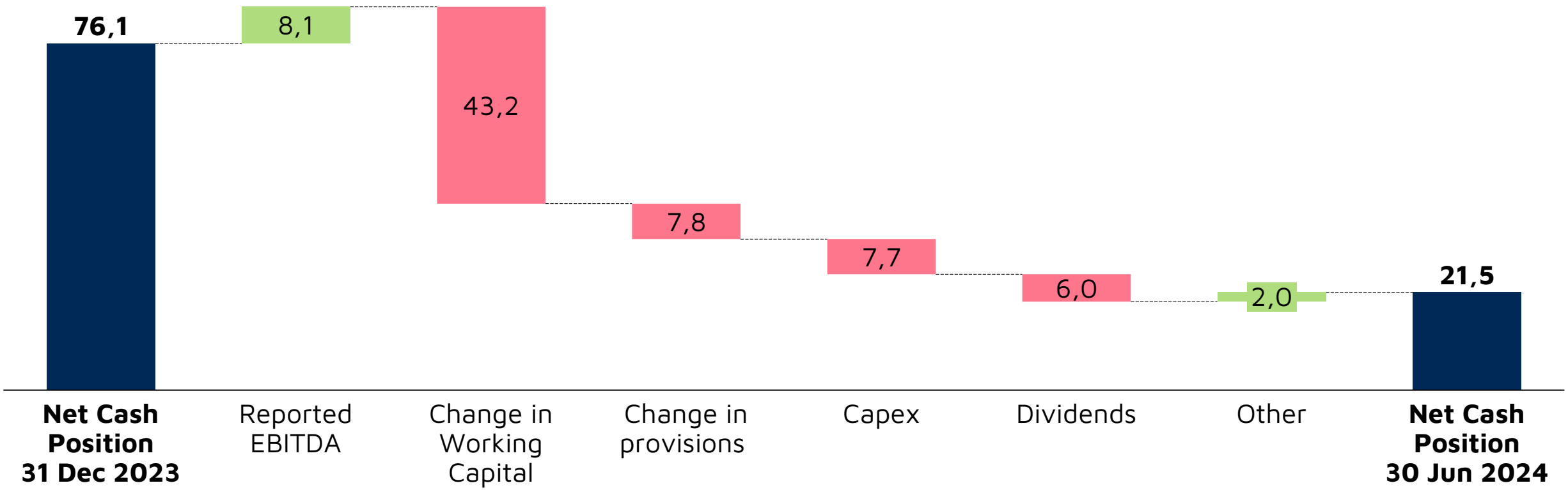
2. Decrease in provisions mainly for use against Vega C return-to-flight costs incurred in the semester and previously provided for

3. Mainly for capex for technology development projects, Vega cadence increase and innovation projects (AI), net of depreciation

4. Typical seasonal trend of Net Financial Position mainly driven by working capital

Net Cash Position bridge

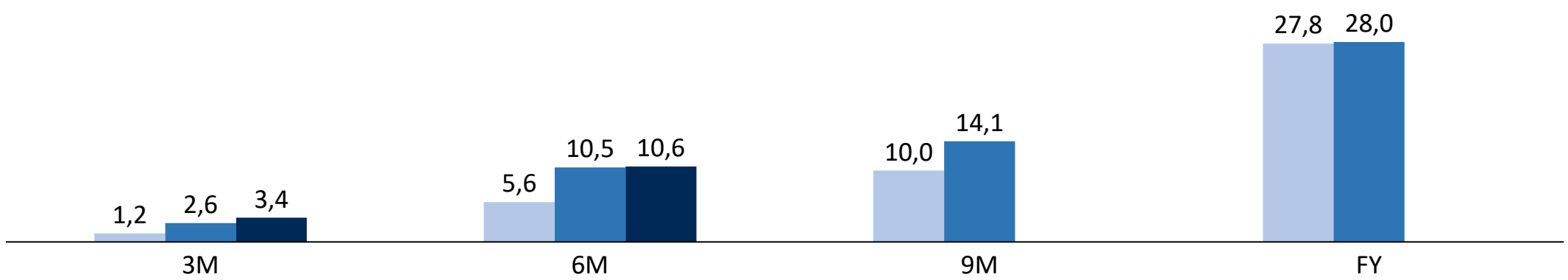
Figures in €m



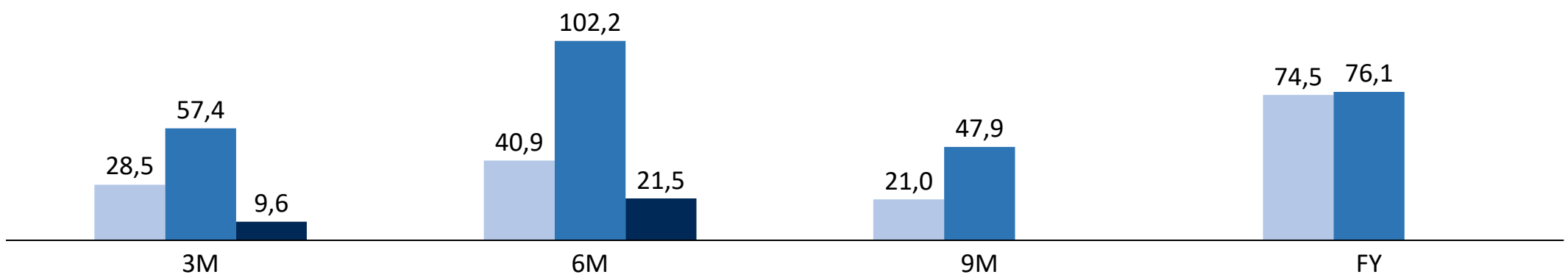
Quarterly evolution of EBITDA and Net Cash Position

Figures in €m

EBITDA Adjusted | Quarterly evolution



Net cash position | Quarterly evolution



FY 2024 Guidance confirmed

BACKLOG	€m 1.500	€m 1.600
REVENUES	€m 370	€m 390
EBITDA REPORTED (1)	€m 21	€m 26
NET INCOME	€m 6	€m 10

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

- *10% growth vs 2023*
- *Growth in defense propulsion activities and Technology Development Projects*

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

- *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

Agenda

1 Avio Profile

2 Market Update

3 Business Update

4 Financials

5 Appendix

Avio technology portfolio

Solid Propulsions

Structures

Liquid Propulsion (upper stage)

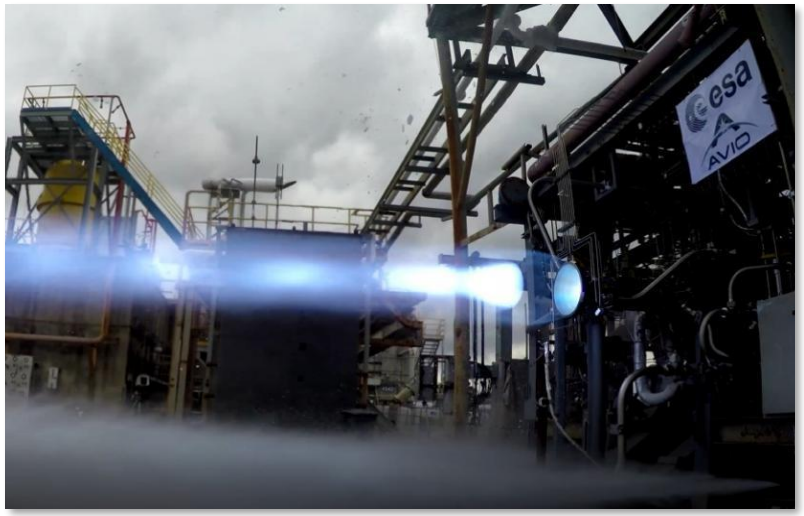
Avionics

Launch operations

Composite materials

Testing and launch operations in Europe

SRM testing (P120 and Z40)

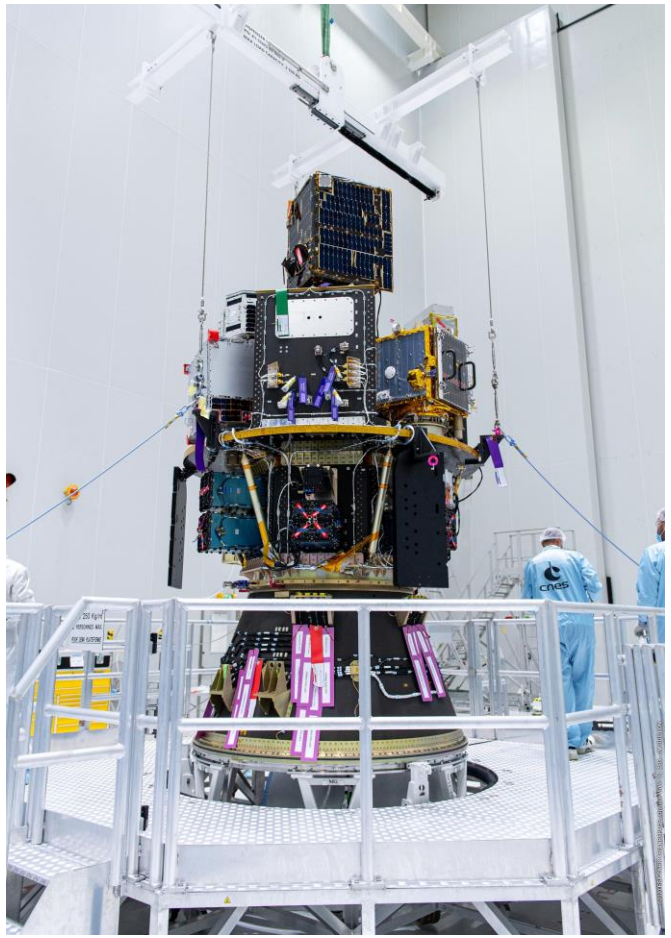


Liquid engines testing (M10)

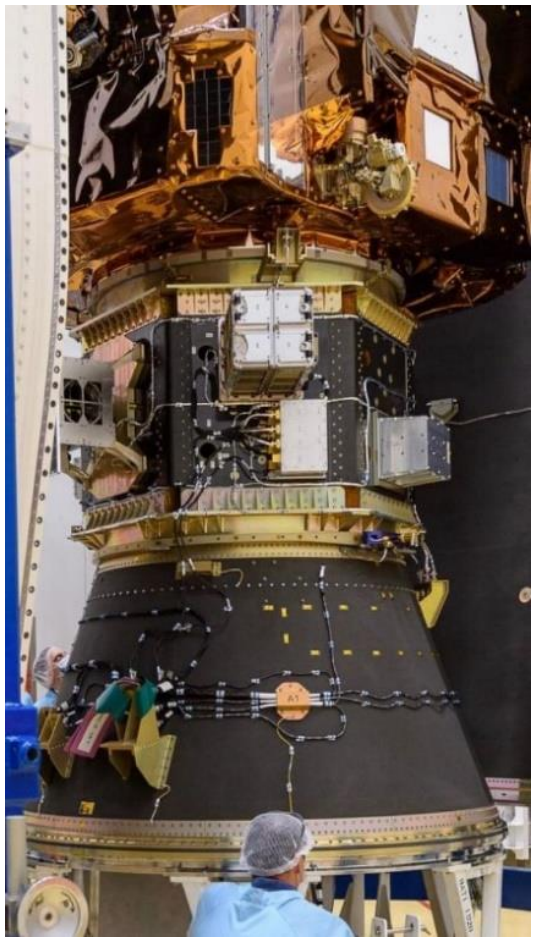
Vega integration

Space launch capabilities today

Vega C
2,3ton Payload in LEO



Vega C - SSMS
Piggyback/Rideshare



Ariane 6
20ton LEO, 11ton GEO

FY 2023 results vs 2022

AVIO Group | Main financials

	2022 Actual (€m)		2023 Actual (€m)		2023 vs. 2022 (€m)
NET REVENUES	**357**		**339**	1.	**(18,6)**
EBITDA REPORTED	**21,4**	*N/R*	**20,5**		**(0,9)**
% on net revenues	6,0%		6,1%		
EBITDA ADJUSTED	**27,8**	*6,4*	**28,0**	2.	**0,2**
% on net revenues	7,8%		8,3%		
EBIT REPORTED	**2,2**		**5,2**		**3,0**
% on net revenues	0,6%		1,5%		
EBIT ADJUSTED	**8,6**		**12,7**	4.	**4,1**
% on net revenues	2,4%		3,8%		
PROFIT BEFORE TAX	**1,4**		**6,6**		**5,3**
% on net revenues	0,4%		2,0%		
NET INCOME	**1,3**		**6,6**	5.	**5,3**
% on net revenues	0,4%		2,0%		

N/R 7,5 3.

Main comments

1. Slightly lower revenues (-5%) as a result of lower Vega C (due to return to flight) and P120 production activities partially offset by **boost in technology development projects and defence propulsion**

2. **EBITDA adjusted in line with previous year** for the combined effect of lower energy costs and lower utilization rate of production facilities for slow-down of launchers production activities

3. **Non-recurring** costs mainly related to **Vega C return-to-flight** and exploration of new potential business

4. **Positive** effect on **EBIT** also driven by lower depreciations following the review of economic useful lives of certain production assets in connection with the **phase-out/phase-in** of both **Ariane** (A5>A6) and **Vega** (Vega>Vega C)

5. **Net result at ~€7m** also benefited from positive **financial incomes** (also thanks to cash advances) and **neutral tax** burden

Cash from new contracts contributes to a structurally negative working capital

Figures in €m

AVIO Group | Sources and uses

	2022 Actual (€m)	2023 Actual (€m)	
WORKING CAPITAL	(140,9)	(171,0)	1.
DEFERRED TAX ASSETS	81,5	81,2	
PROVISIONS	(62,9)	(52,8)	2.
GOODWILL	91,8	89,2	
FIXED ASSETS	257,4	285,6	3.
FINANCIAL RECEIVABLES	2,0	2,0	
NET INVESTED CAPITAL	**228,8**	**234,2**	
NET CASH POSITION	74,4	76,1	4.
EQUITY	(303,3)	(310,4)	5.
TOTAL SOURCES	**(228,8)**	**(234,2)**	

Main comments

1. Working capital structurally negative thanks to cash advances from order intakes
2. Decrease in provisions mainly related to extraordinary costs for Vega C Return to Flight activities (net of ESA compensations) and for the execution of future programs provided for in previous year
3. Mainly for capex for Vega cadence increase, technological innovation projects, A.I. and development of new launchers of Vega family, net of depreciation
4. Net cash position in line with 2022
5. Increase in equity mainly for net income 2023

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