

NOVEMBER 8, 2024

Avio 9M 2024 Highlights



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Agenda

1.

Highlights

Giulio Ranzo, Chief Executive Officer

2.

9M 2024 Financials

Alessandro Agosti, Chief Financial Officer

9M 2024 highlights

- **Last flight of VEGA successfully completed in September, now ready to hand over to VEGA C:**
 - ✓ **Second Z40 firing test successfully completed in October**
 - ✓ **Integration operations of VEGA C stages underway in French Guiana: return-to-flight scheduled for December 3rd 2024**
- **New partnership to develop a solid rocket motor production facility in USA**
- **Growth of revenues and profit vs. 9M 2023, net financial position affected by seasonality of cash advances**
- **FY 2024 Guidance confirmed**

VEGA C return-to-flight operations underway ...

- After the first successful test performed last May, on October 3rd 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

... to target launch on December 3rd 2024

- On October 4th the first stage P120C of the Vega-C launcher arrived in French Guiana
- Integration operations have begun on the launch pad, **to target launch on December 3rd 2024**
- Vega-C will carry earth observer Sentinel 1-C, a Copernicus satellite for the European Commission



P120C arrives at the launch pad



Hoisting Zefiro-40 stage



Connecting Zefiro-40 stage

2024 shall mark the transition towards higher launch rates

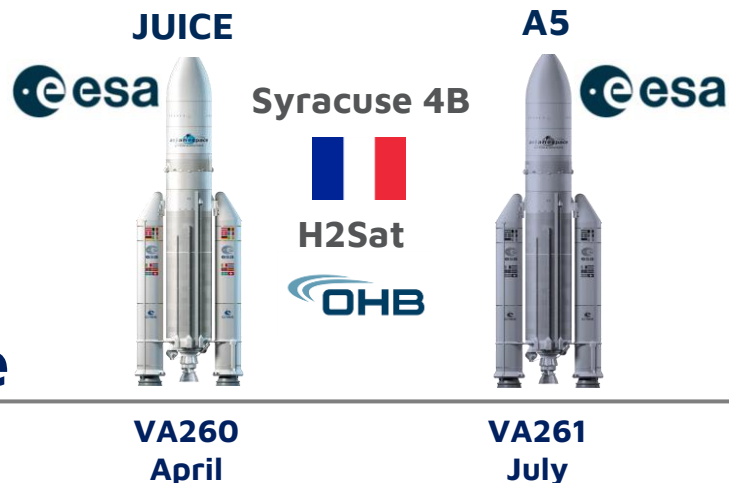


2023

2024

2025 ⁽¹⁾

Ariane



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

VV25-RTF
Dec 3rd 2024

4
(Vega C)

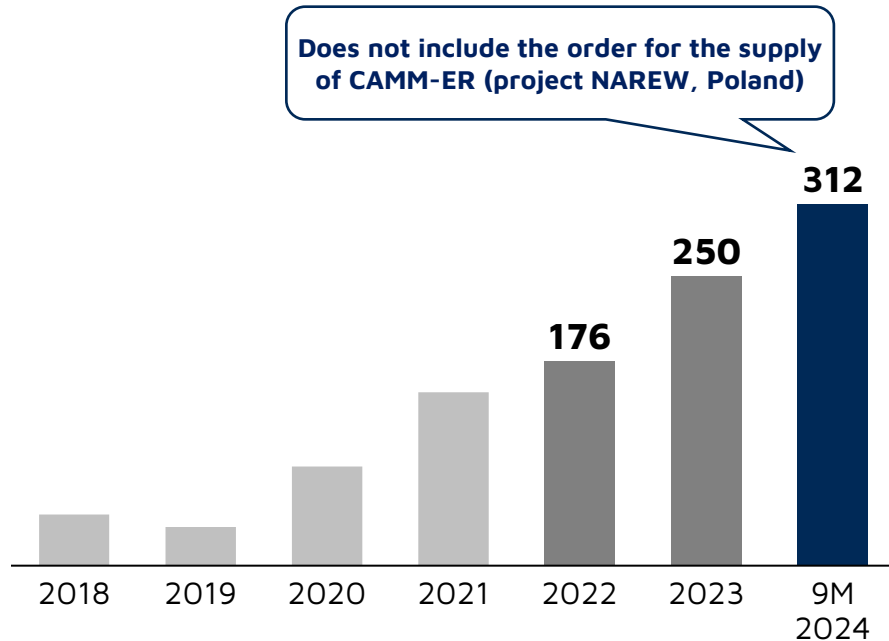
(1) Avio current assumption of contracted flight backlog roll-out

SOURCE: ESA, Arianespace

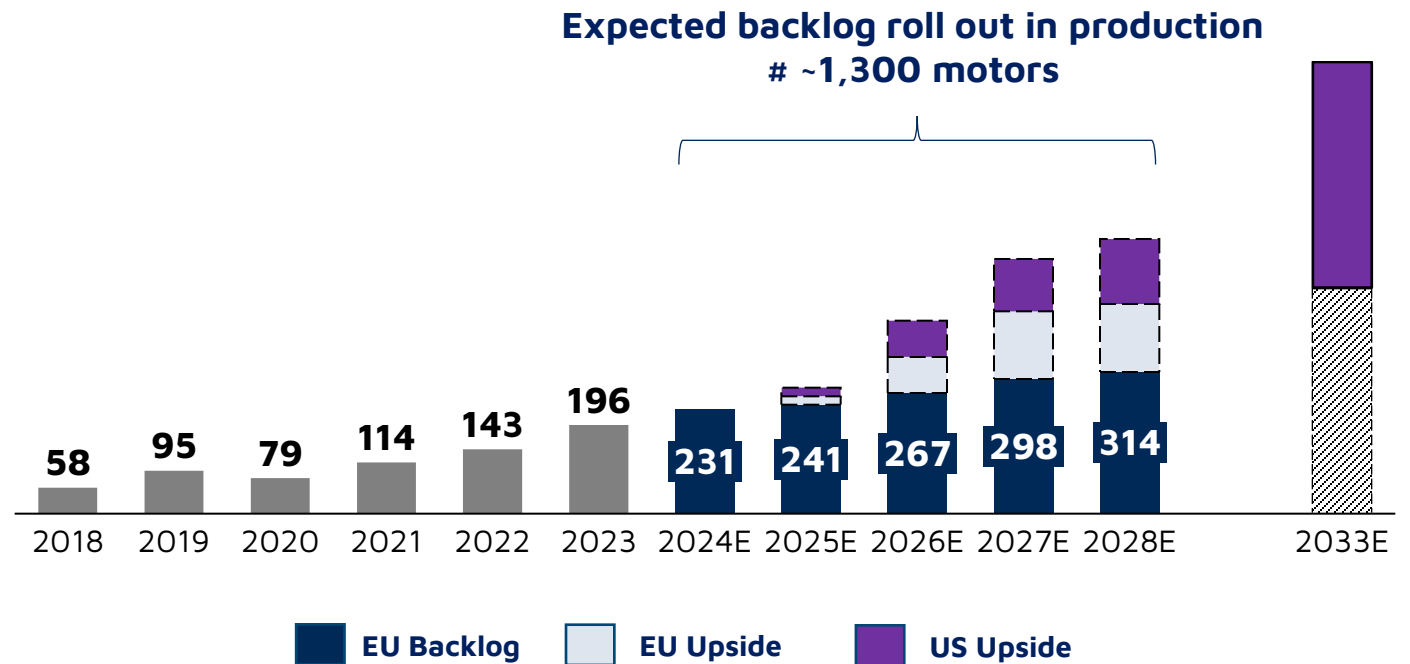


Rapid growth of defense backlog anticipates volumes surge in the next decade

Defense propulsion backlog (€m)



Defense propulsion production (volumes eq.)



Potential investment in a new solid rocket motor facility in USA

- **Avio USA** has selected **ACMI Properties** to design and plan its first solid rocket motor production facility in the United States
- The project paves the road for Avio's investment in the American market **to support the rapid increase in demand for solid rocket motors in the defense and aerospace industries**
- ACMI Properties is a commercial real estate development firm **focused on the industrial development of mission-critical facilities and innovation clusters**
- The parties are evaluating several locations to select the best possible site for the production facility by the end of first half of 2025



ACMI is the exclusive developer of 207 acres at Johnson Space Center (JSC) in Houston, Texas to support the next generation of human spaceflight



Exploration Park – NASA Johnson Space Center, TX

ACMI – working closely with Naval Surface Warfare Center, Crane is developing more than 1,100 acres across 2 different sites to support munitions development and production



Defense Manufacturing Campus – Indiana

Source: ACMI Properties website

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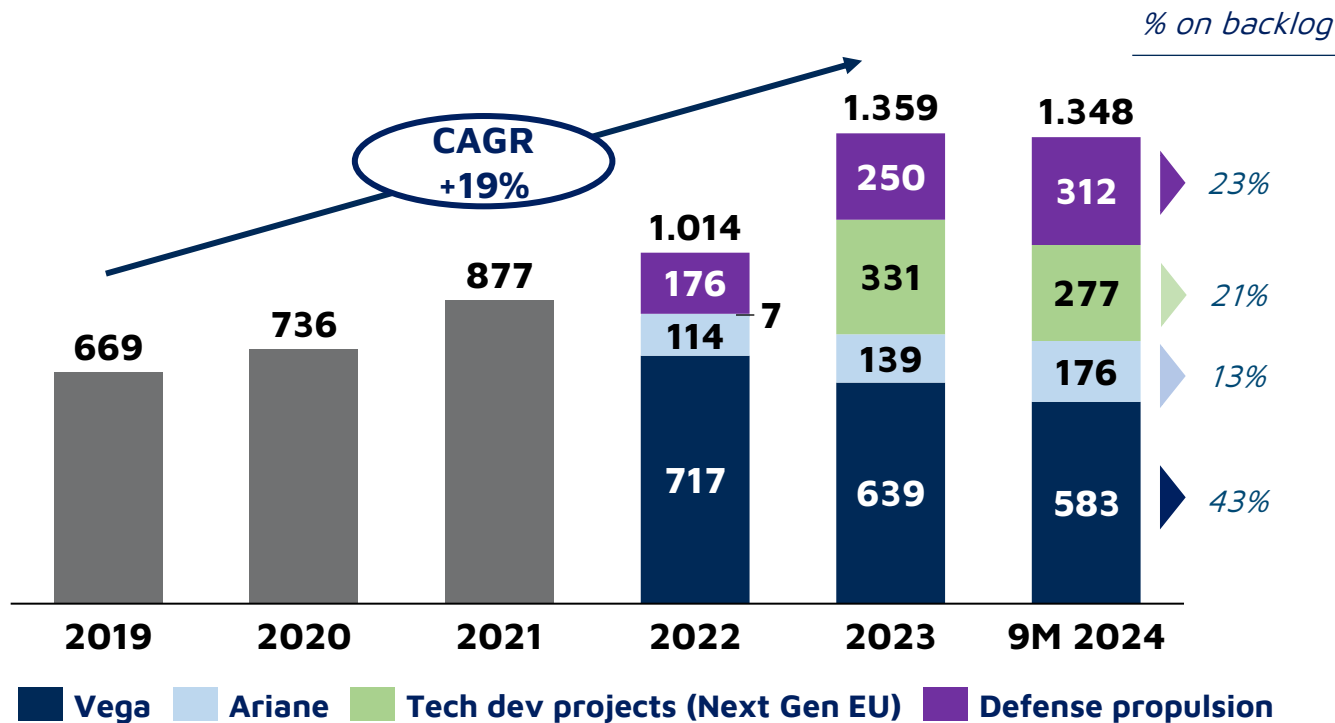
9M 2024 Financials

Alessandro Agosti, Chief Financial Officer

Defense propulsion and Ariane 6 intakes drive order backlog in 9M 2024

Figures in €m

Net order backlog evolution 2019 – 9M 2024



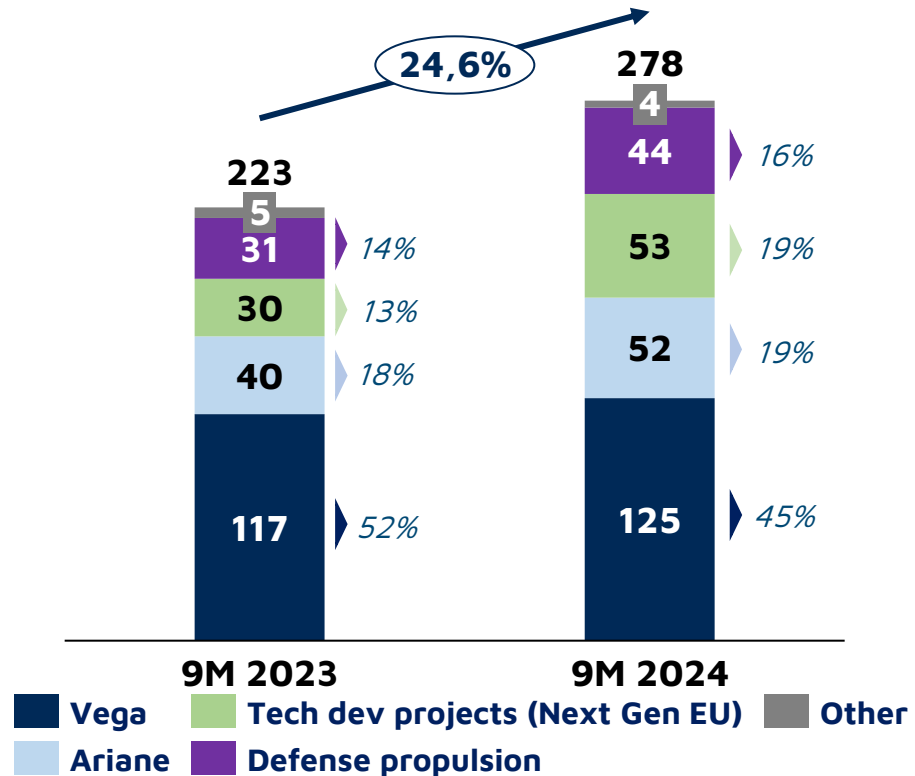
Main comments

- In 9M 2024 order intakes were over **€260m** and related to:
 - **Defense propulsion** for about €100m, mainly for ASTER missile production
 - **Ariane** for about €90m, mainly for production of P120/P160 motors
 - **Vega** for about €70m, mainly for Vega E development
- At the end of 9M 2024 approx. 60% of backlog related to production activities and 40% to development activities

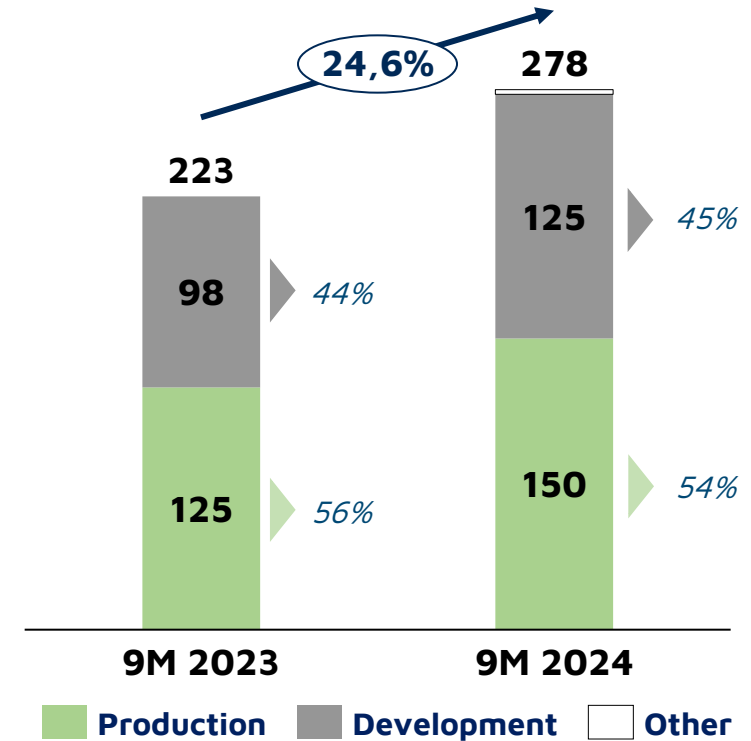
Revenues increase for Defense propulsion and Technology Development Projects

Figures in €m

Net revenues | Breakdown by Line of Business



Net revenues | Breakdown by Activity



9M 2024 vs 9M 2023 highlights

Avio Group | Main economics and financials

	9M 2023 Actual (€m)	9M 2024 Actual (€m)		Delta (€m)	Delta (%)
NET ORDER BACKLOG	1.358,9 ⁽¹⁾	1.348,2	1.	(10,6)	-0,8%
NET REVENUES	222,9	277,9	2.	55,0	24,6%
EBITDA REPORTED % on net revenues	8,7 3,9%	12,1 4,3%		3,4	38,5%
EBITDA ADJUSTED % on net revenues	14,1 6,3%	15,9 5,7%	3.	1,7	12,3%
EBIT REPORTED % on net revenues	(3,5) -1,6%	(0,7) -0,2%		2,8	n.m.
EBIT ADJUSTED % on net revenues	1,9 0,9%	3,1 1,1%		1,2	65,0%
	31 DEC 2023 Actual (€m)	30 SEP 2024 Actual (€m)		Delta (€m)	Delta (%)
NET FINANCIAL POSITION	76,1	(0,1)	5.	(76,3)	n.m.

N/R
5,4

N/R
3,8

4.

3.

5.

Main comments

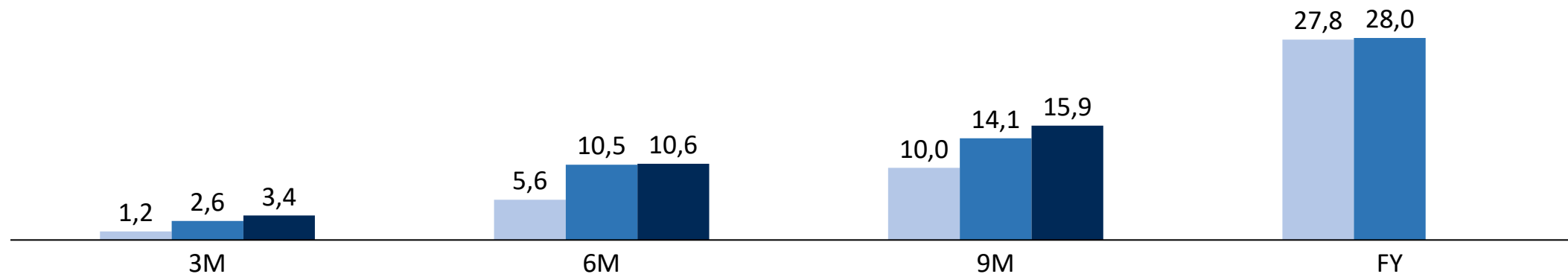
- Orders related to defense propulsion, long lead items on Ariane 6 boosters and development of VEGA E** drive order backlog in 9M 2024
- Significant increase in revenues** mainly for defense propulsion production activities and technology development projects (NextGen EU)
- Increase of EBITDA Adjusted** driven by higher revenues and lower energy costs
- 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. 9M 2023**
- Expected decrease in net financial position** attributable to flow-down to sub-contractors as well as seasonality of cash advances (as of October 2nd positive net cash position of about €30m)

(1) Data as of December 2023

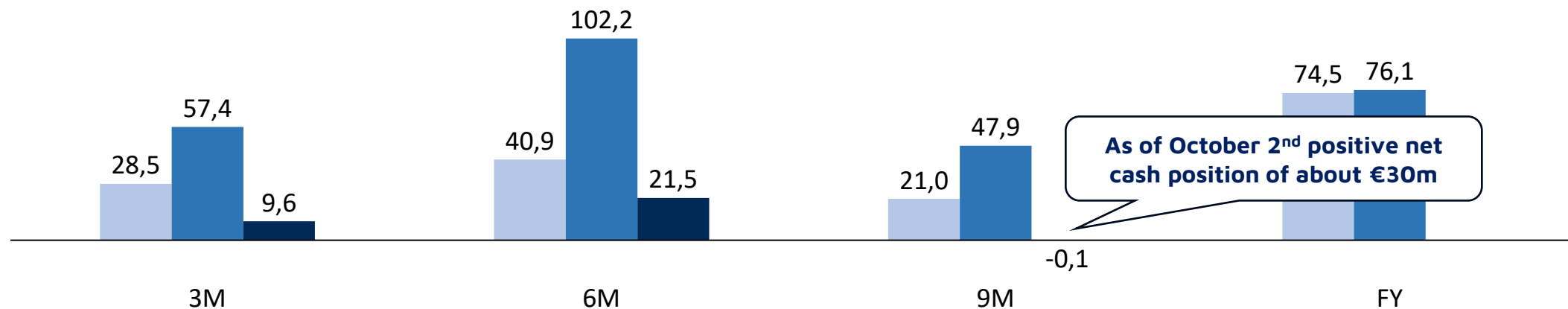
Quarterly evolution of EBITDA and Net Financial Position

Figures in €m

EBITDA Adjusted | Quarterly evolution



Net financial position | Quarterly evolution



2022 2023 2024

FY 2024 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 in defense propulsion activities and Technology 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



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