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Avio presentation

Appuntamento alle colonne



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Avio: propulsion for Space and Defense

Ariane

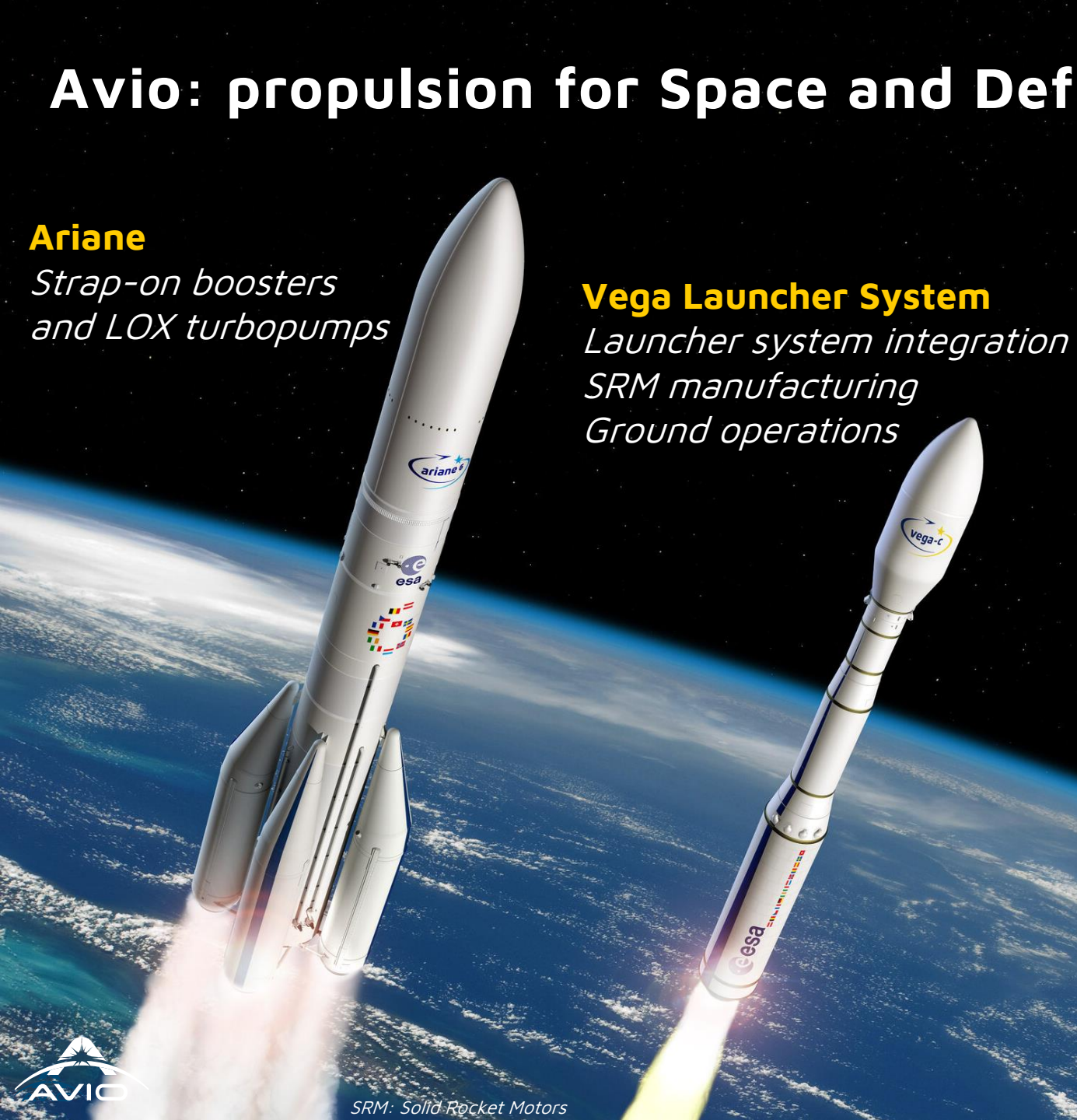
*Strap-on boosters
and LOX turbopumps*

Vega Launcher System

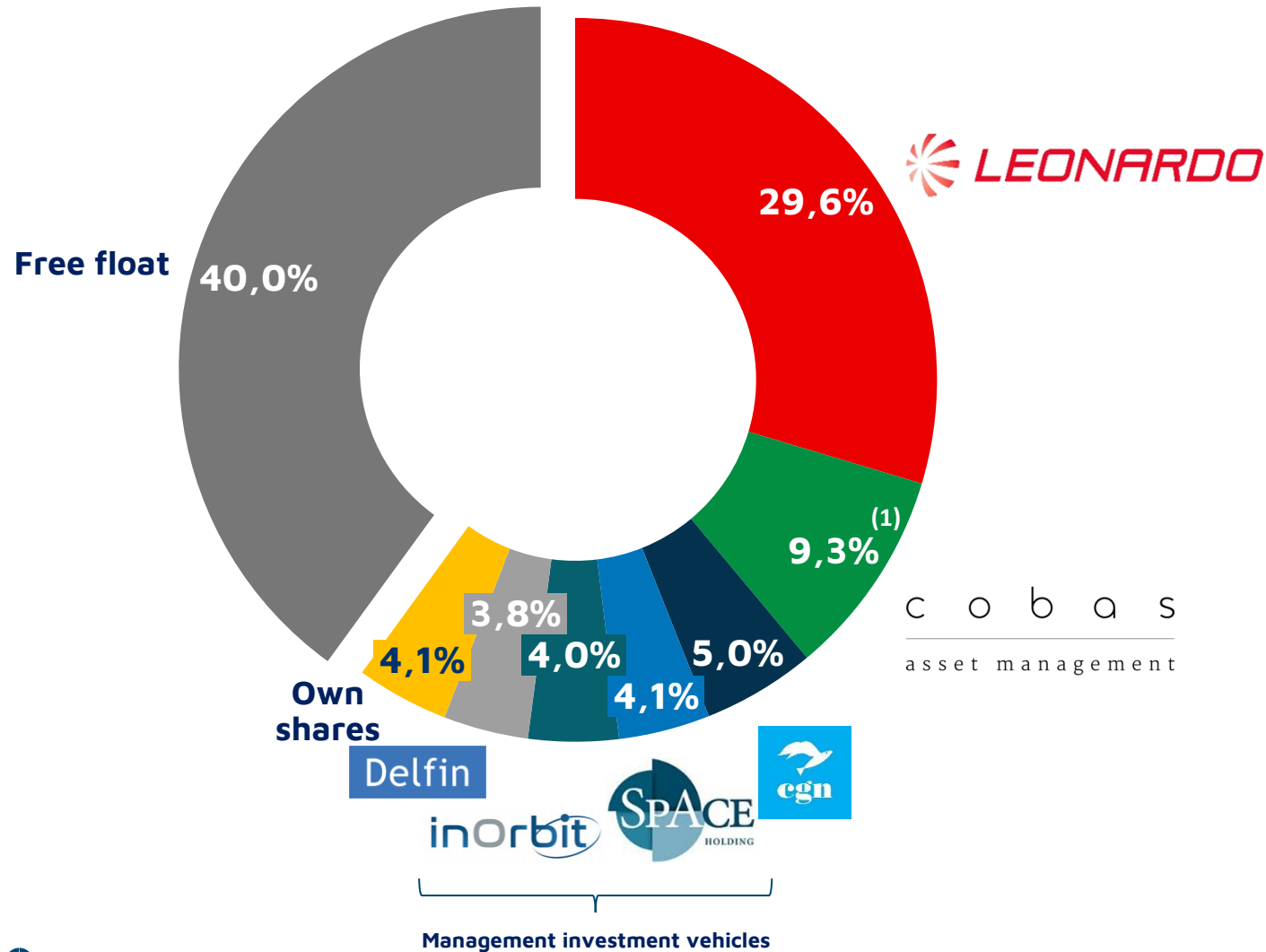
*Launcher system integration
SRM manufacturing
Ground operations*

Defense

*SRM for air defense
missiles*



A public company managed by a team of investors



- **Public Company** listed on Euronext STAR Milan
- Approx. ~**€400m market capitalization**
- ~**8%** Management share
- ~**40%** Free Float
- No Controlling Shareholder
- **Key 2024E figures** (2):
 - **Employees:** ~1,400
 - **Order backlog:** €1.6bn
 - **Revenues:** €380m
 - **EBITDA Adj.:** €31m
 - **Positive cash position**

(1) Through different funds
Data as of December 2024

(2) Mid-point of 2024 guidance

Avio's 60 years track record in space and defense

~250 Ariane launches

25 Vega Launches

Ariane 1-3
Separation motors



Ariane 4
210 tons boosters



Ariane 5
240 tons boosters



Vega Launch system



Vega C improved performance



Ariane 6
280/560 tons boosters



~150k Defense SRM produced in 60 years
Zero failures during operations throughout Avio's entire history

HAWK 



MLRS  **MILAN** 
100,000+ SRMs 23,000+ SRMs



ASPIDE 
4,000+ SRMs



ASTER 30 
2,200+ Boosters



MARTE 
300 SRMs



CAMM-ER 
Series Production in 2024



1960's

1980's

1990's

2000's

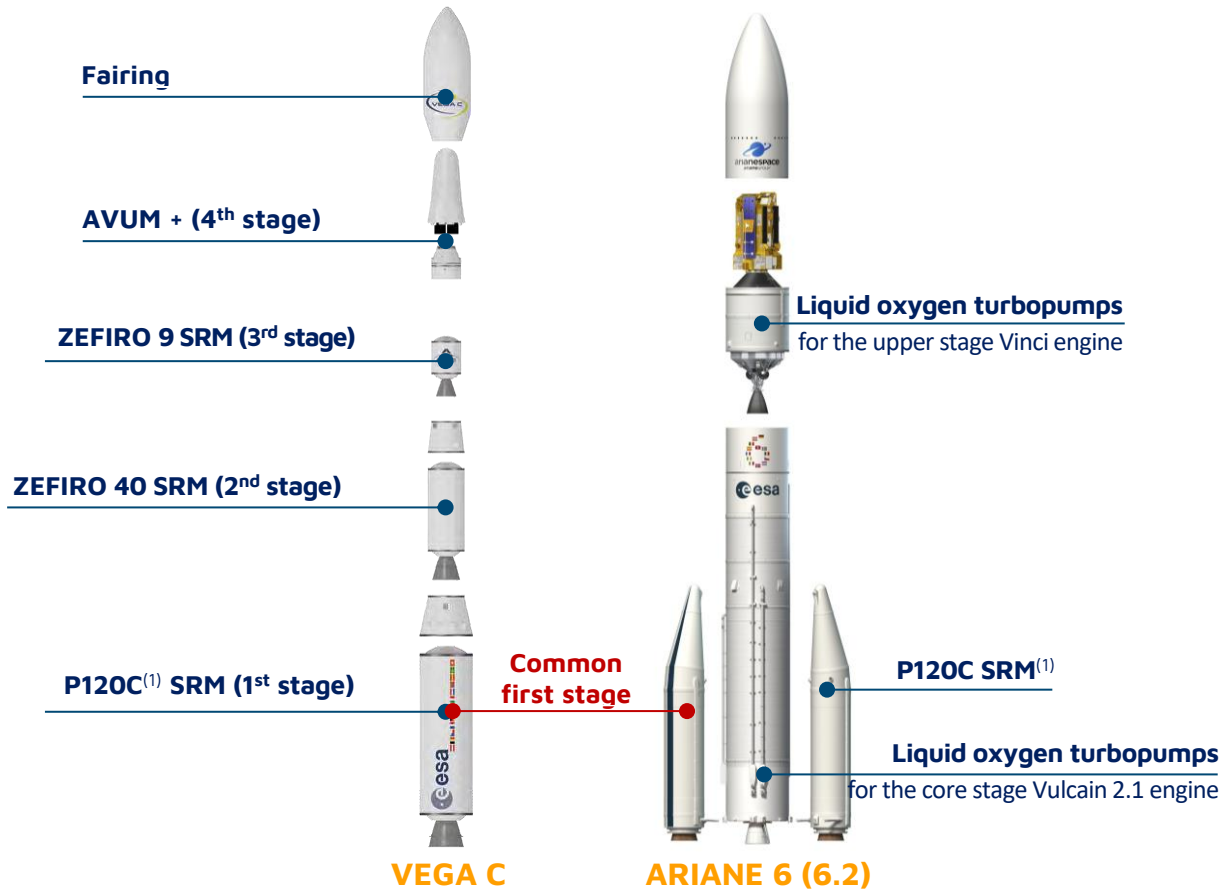
2010's

2024

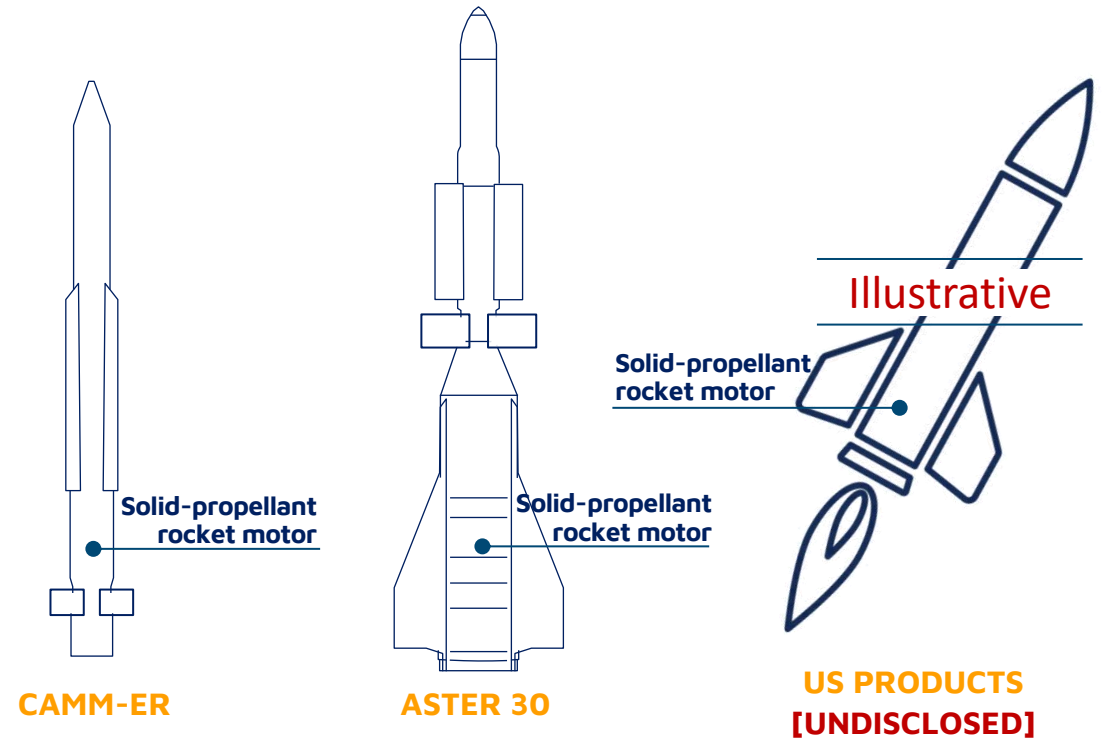
Legacy Current

Overview of Avio main products

Space



Defense



Current industrial footprint

Avio France – Paris
(100% Avio)



Europropulsion
(50% Avio and 50% AG)



Solid propulsion stage integration



Avio USA - Arlington, VA



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



Solid propellant



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



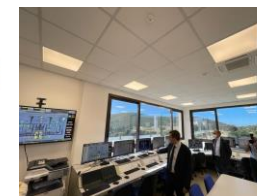
Avio S.p.A. - Colleferro, Rome

The company's headquarters and production plants of solid and liquid propellant motors for LVs



Spacelab - Colleferro, Rome

(70% Avio and 30% ASI)
Vega Launcher



Sardinia

SPTF Test Facilities for Liquid Engines

Airola

CFRP Facility



VEGA new facilities at CSG for cadence improvement

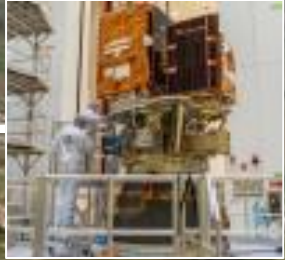


**Vega E launch pad
(former A5)**



**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

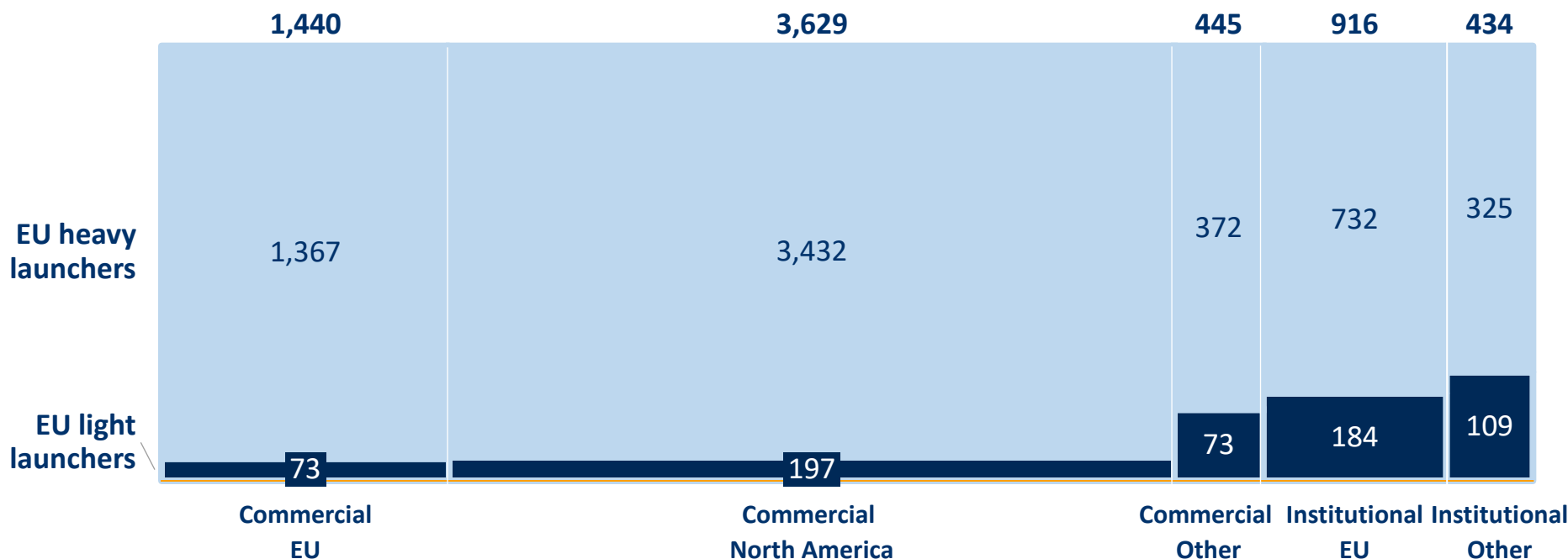
Global space value chain



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

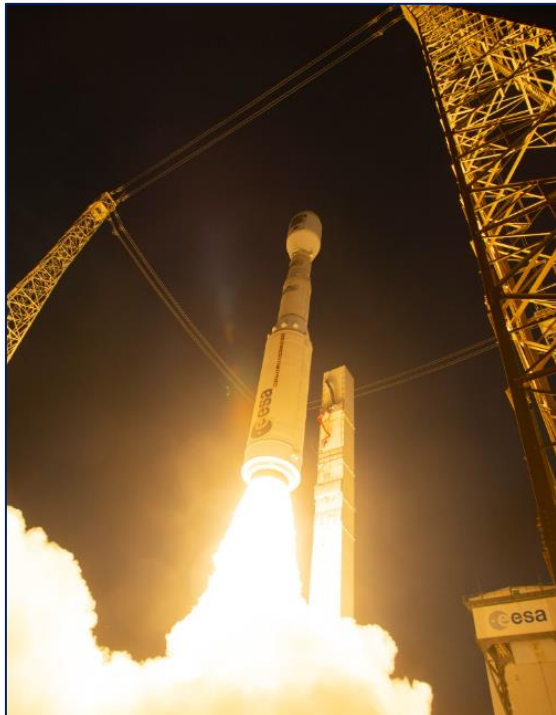


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Success for VEGA C VV25 mission

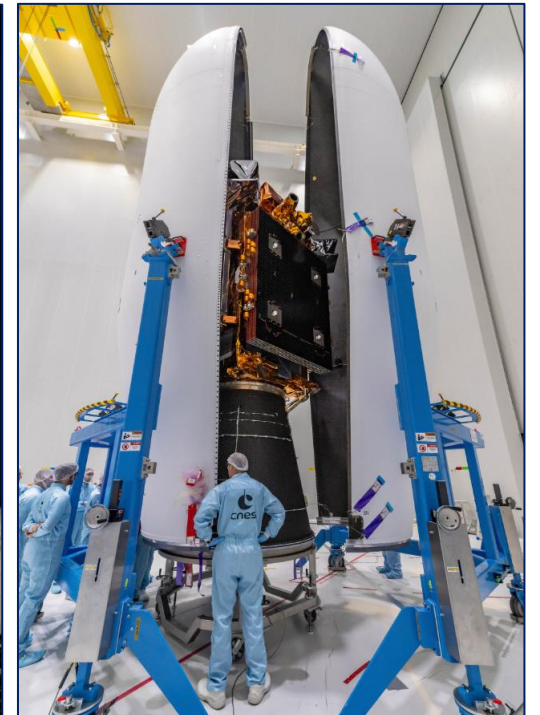
- On December 6th(1) Vega C successfully launched and deployed into a sun-synchronous orbit ("SSO") the Sentinel-1C Earth Observation Satellite, a dedicated mission for the European Commission Copernicus Program
- Vega C is capable to deliver **up to 2,350 kilograms in SSO**. The launcher **can deliver its payloads on three different orbits on the same mission thanks to the AVUM+ engine that allows for seven re-ignitions**



VV25 liftoff #1



VV25 liftoff #2



Encapsulating Sentinel-1C

New contracts with ESA pave the way for improving Vega future operations and development ...

- On December 18th ESA signed two contracts with Avio **amounting to approximately €350m** and covering a three-year time horizon
- In particular, the contracts relate to:
 - **Development of the new Vega-E launch system:** the contract covers all aspects of the launch system such as rocket assembly, launch pad building, fuelling, launch pad systems and logistics followed by integrated and combined tests of the complete Vega-E launch system
 - **Upgrades to the Vega-C ground system:** the contract will enhance ground operations to increase the number of flights per year up to six launches per year



Photo credits: ESA

... marking the role of Avio as a new European Launch Service provider

- On December 18th ESA signed with Avio a launch service contract for the upcoming **FORUM earth observation mission**. **The agreement marks the first implementation under the new Frame Contract for Procurement of Launch Services between ESA and Avio**
- FORUM – short for *Far-infrared Outgoing Radiation Understanding and Monitoring* – is a 900kg satellite which will be launched to a Sun-Synchronous Orbit around 830 km, and it will fly in tandem with the MetOp-SG A1 satellite developed by ESA for EUMETSAT, the European Meteorological Satellites Organization
- ESA's FORUM mission **will be launched by Avio as launch service provider on board of a Vega-C rocket in 2027**



Photo credits: ESA

What we are ready to do in defense

MBDA



MBDA

Avio signed a contract with **MBDA Italia** for the supply by Avio of rocket motors for CAMM-ER missiles manufactured by MBDA.

This contract, **amounting close to EUR 150 million**, together with the supply of the motors, also provides for some technological transfer activities related to part of manufacturing and integration processes of such motors

Raytheon



RTX

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](#)

US Army



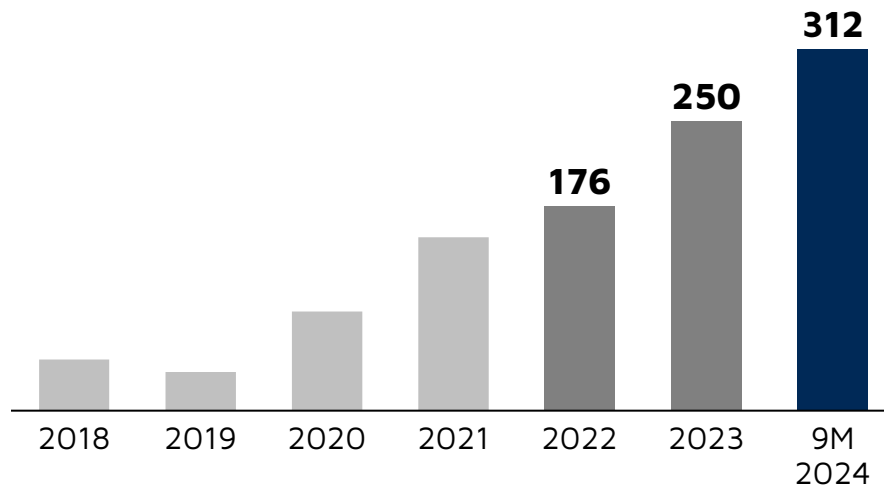
AVIO S.p.A. and **U.S. Army Combat Capabilities Development Command Aviation & Missile Center** partner for the development and fast-prototyping of a **solid rocket motor for surface-to-air applications**. The project leverages on both Parties' expertise to qualify the propulsion system in a design-to-manufacturing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

More info [here](#)

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

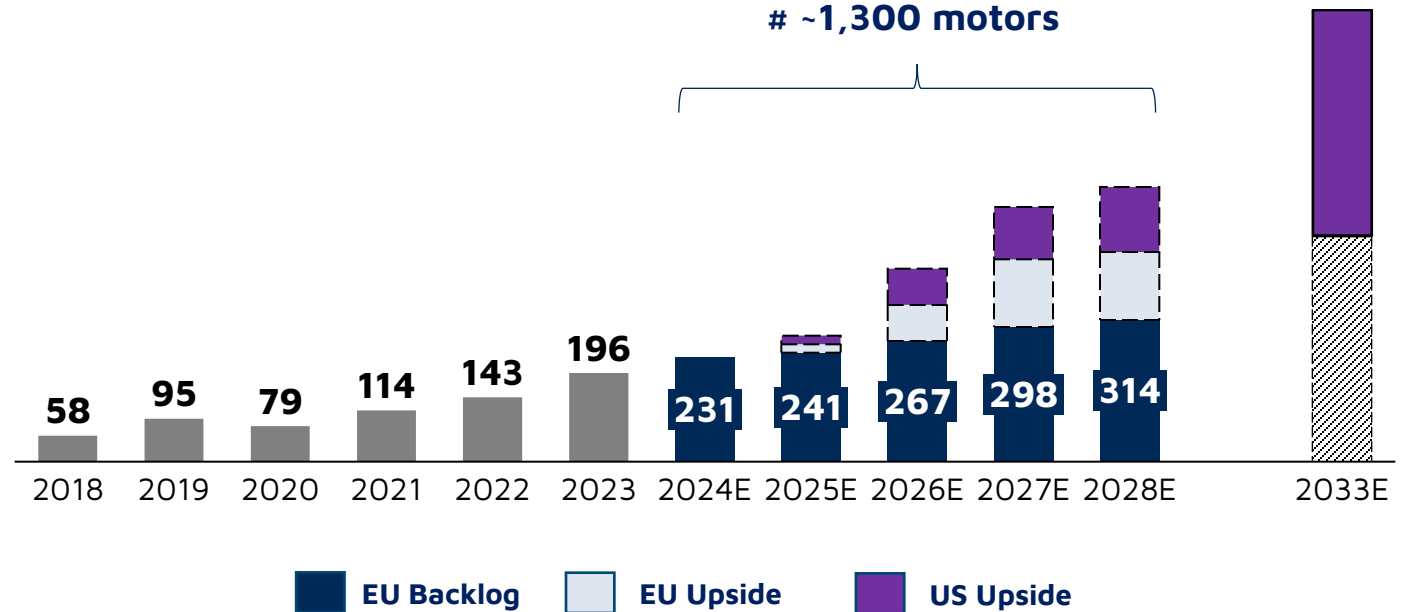
Defense propulsion backlog (€m)

Does not include ~€150m order for the supply of CAMM-ER SRM signed with MBDA in Dec 2024

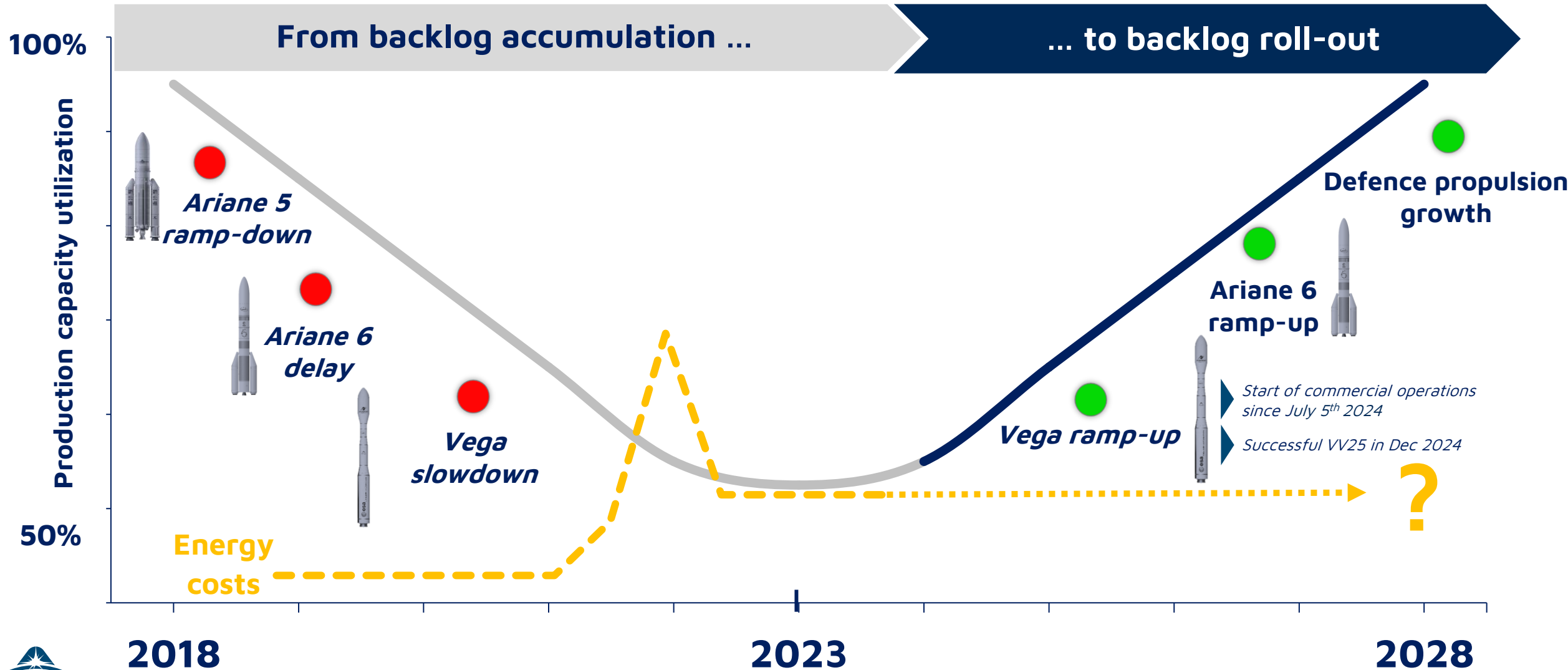


Defense propulsion production (volumes eq.)

Expected backlog roll out in production
~1,300 motors



Where is 2024 along the cycle





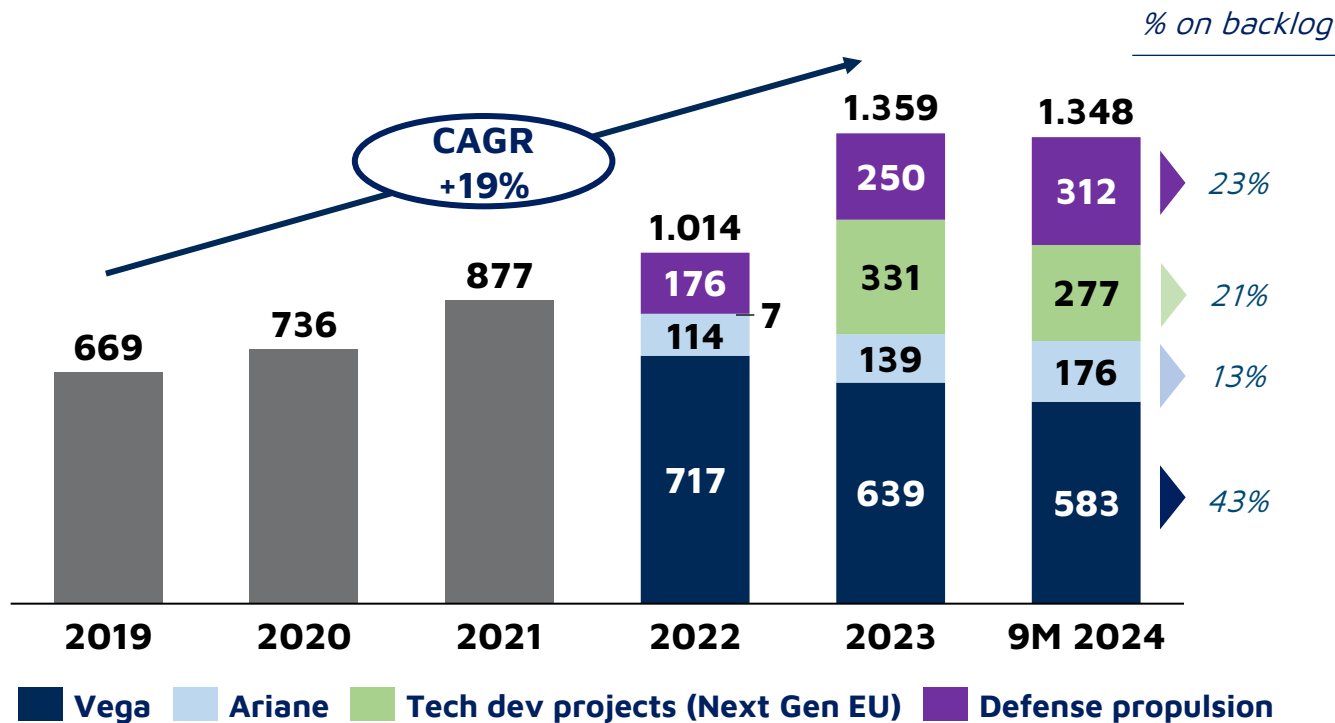
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Defense propulsion and Ariane 6 intakes drive order backlog in 9M 2024

Figures in €m

Net order backlog evolution 2019 – 9M 2024

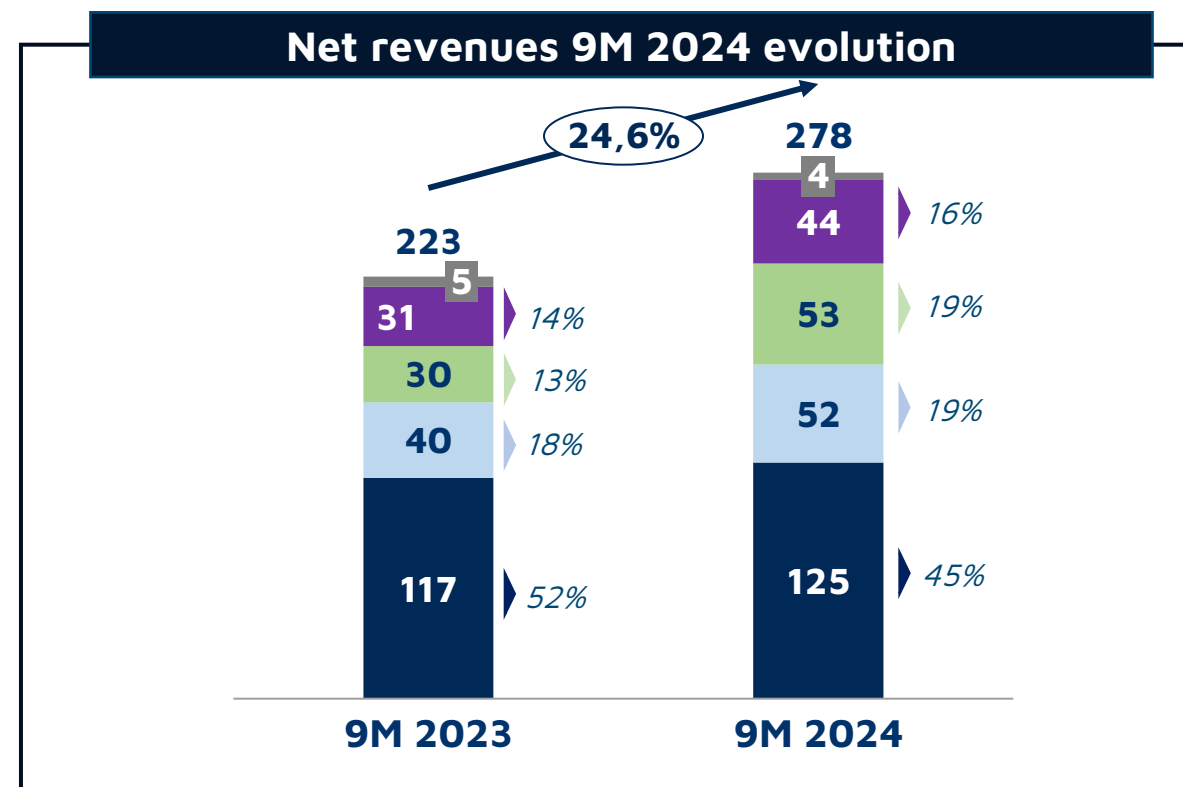
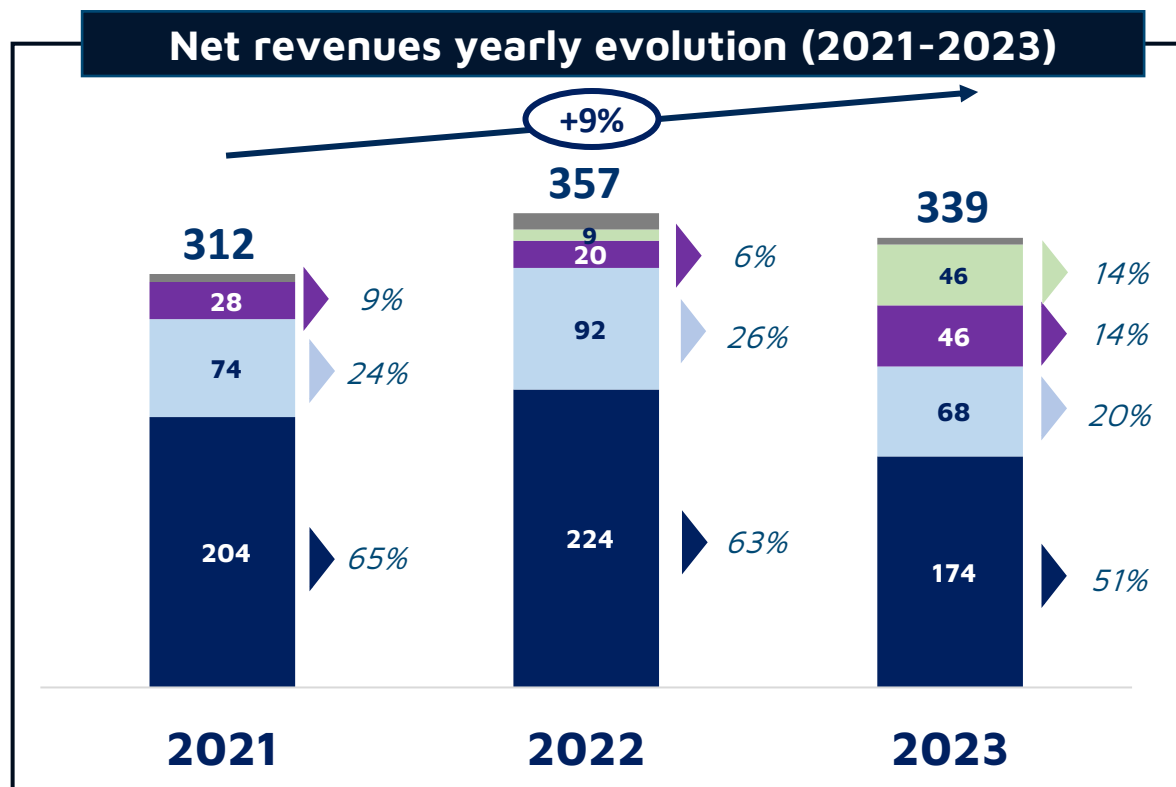


Main comments

- 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

Net revenues evolution by line of business

Figures in €m



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

- In 9M 2024, revenues refer for 46% to Development and for 54% to Production activities

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

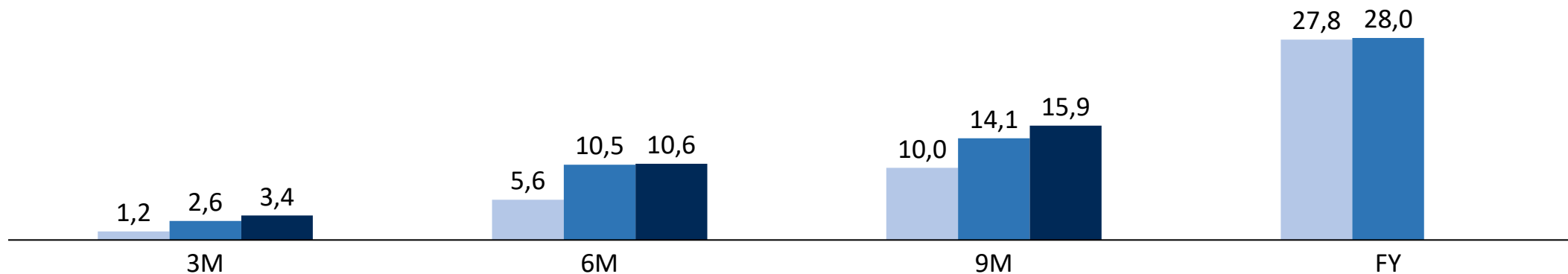
- Orders related to defense propulsion, long lead items on Ariane 6 boosters and development of VEGA E** drive order backlog in 9M 2024
- Significant increase in revenues** mainly for defense propulsion production activities and technology development projects (NextGen EU)
- Increase of EBITDA Adjusted** 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

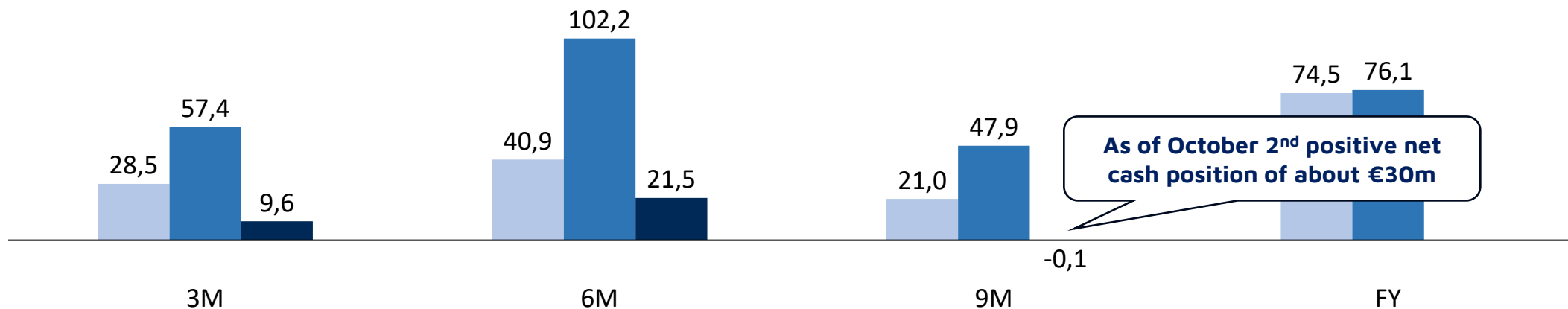
Quarterly evolution of EBITDA and Net Financial Position

Figures in €m

EBITDA Adjusted | Quarterly evolution



Net financial position | Quarterly evolution



2022 2023 2024

FY 2024 Guidance



BACKLOG

€m
1.500

€m
1.600

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



REVENUES

€m
370

€m
390

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



EBITDA REPORTED ⁽¹⁾

€m
21

€m
26

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



NET INCOME

€m
6

€m
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



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Avio fields unparalleled capabilities in SRM product design, manufacturing and testing ...



Booster cases



Structures



Thermal protection



Nozzle manufacturing



SRM testing



SRM casting



Composite materials



Automation

... as well as in plant design, manufacturing and maintenance

New plant, built in 2018



≈25 acres of buildings

Dedicated machines manufactured upon Avio design



SRM case manufacturing



1800G mixer



Multi-purpose Skidder

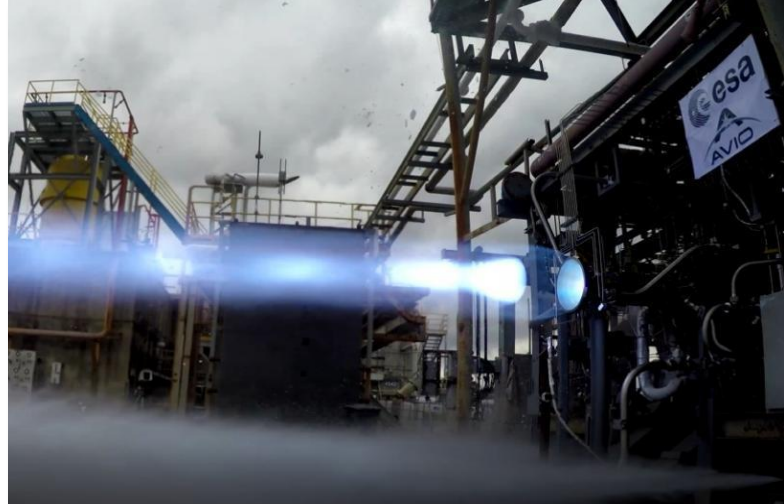


Nozzle integration robot

Testing and launch operations in Europe



SRM testing (P120 and Z40)



Liquid engines testing (MR10)

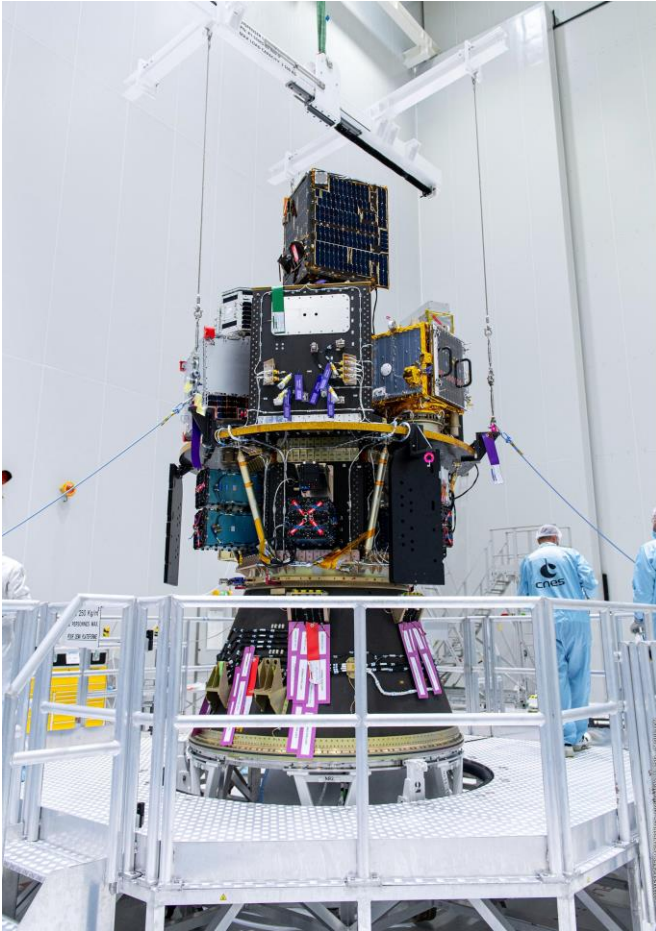


Vega integration

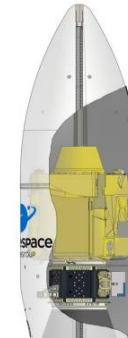


Space launch capabilities today

Vega C
2,3ton Payload in LEO



Vega C - SSMS
Piggyback/Rideshare



Ariane 6
20ton LEO, 11ton GEO



Avio mastership of solid rocket motors: full vertically integrated capabilities

Full autonomy for Solid Rocket materials formulation, test and production



Propellant Casting



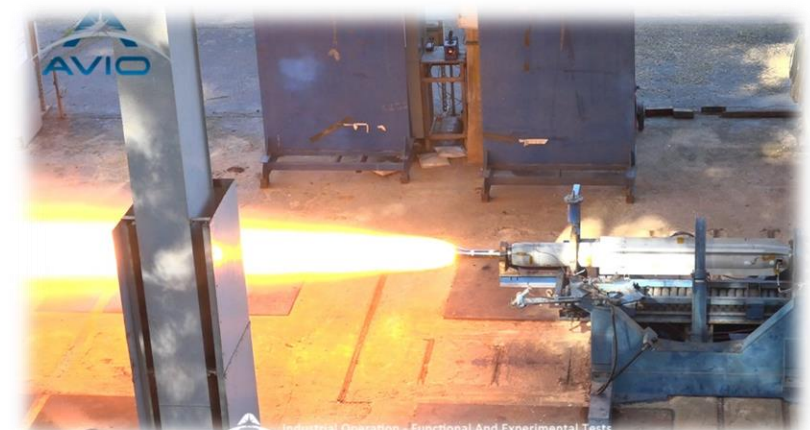
Filament Winding CFRP Inert Motor Cases Manufacturing



Nozzle MAIT



Full Spectrum of Testing capabilities (non-destructive, destructive, static firings, ...)



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