

MARCH 13, 2025

# Avio FY 2024 Results



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# Agenda

**1.**

## **Highlights**

**Giulio Ranzo, Chief Executive Officer**

**2.**

## FY 2024 Financials

Alessandro Agosti, Chief Financial Officer

**3.**

## Outlook and opportunities

Giulio Ranzo, Chief Executive Officer

# Record-high revenues and backlog boost growth in 2024

- **FY 2024 results in line with guidance, net revenues and order backlog exceeding expectations**
- **Success of Vega C VV25 in December, ready for VV26 mission in Q2**
- **New contracts signed with ESA:**
  - ✓ **Completion of development of Vega E**
  - ✓ **First Launch Service sold as Avio (FORUM)**
- **Ariane 6 maiden flight and 1<sup>st</sup> commercial flight successfully completed**
- **New technological development programs on track**
- **Substantial growth of orders in the defense propulsion business**
- **Proposal of dividends for 2025**

# Summary of 2024 results

Figures in €m

	<b>2023 Actual</b>	<b>2024 Actual</b>	<b>2024 Guidance</b>	
<b>Backlog</b>	<b>1.359</b>	<b>1.724</b>	<b>1.500 - 1.600</b>	
<b>Revenues</b>	<b>338,7</b>	<b>441,6</b>	<b>370 - 390</b>	
<b>EBITDA Reported</b>	<b>20,5</b>	<b>25,8</b>	<b>21 - 26</b>	
<b>EBITDA Adjusted</b>	<b>28,0</b>	<b>31,3</b>	<b>28 - 33</b> <sup>(1)</sup>	
<b>Net Income</b>	<b>6,6</b>	<b>6,4</b>	<b>6 - 10</b>	
<b>Net Financial Position</b>	<b>76,1</b>	<b>90,1</b>	<b>25 - 34</b> <sup>(2)</sup>	

(1) EBITDA Reported Guidance plus the indication of €7m of Non-recurring costs given in March 2024

(2) Min & Max values of consensus

# Avio's 2024 in brief



## Vega and Ariane



## New agreements



## Defense business



**Ariane 6 Maiden Flight**  
July 9<sup>th</sup>

**Last Vega Flight**  
September 5<sup>th</sup>

**Vega C Flight**  
December 6<sup>th</sup>



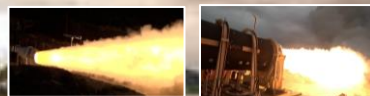
**P120C/turbopumps provided by AVIO**

**22 launches**  
**120+ satellites**

**2 Z40 firing tests**  
**2.3 tons in SSO<sup>(1)</sup>**

**Avio to conduct Vega commercial operations**  
**~€350m contracts with ESA**  
**1<sup>st</sup> contract signed as LSP<sup>(2)</sup>**

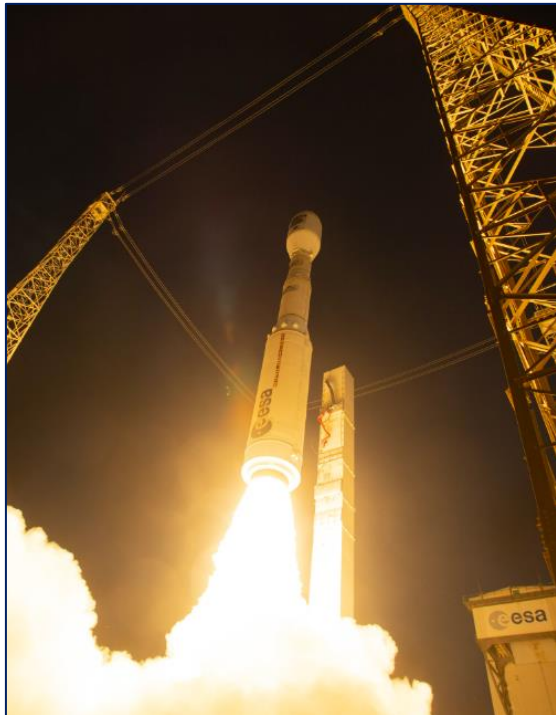
**2 contracts in USA with RTX and US Army**  
**~€150m contract with MBDA**



Source: ESA, Arianespace, MBDA website  
(1) SSO:Sun-synchronous orbit  
(2) Launch Service Provider

# Success for Vega C VV25 mission

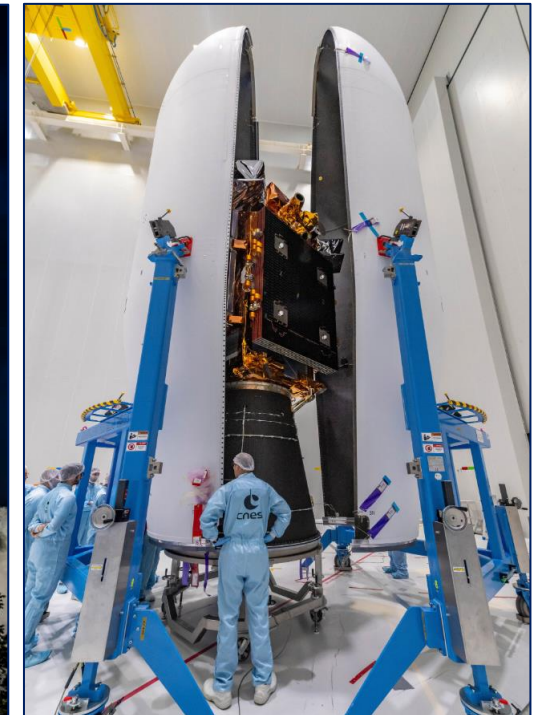
- On December 6<sup>th</sup> Vega C successfully launched and deployed into a sun-synchronous orbit (“SSO”) the Sentinel-1C Earth Observation Satellite, a dedicated mission for the European Commission Copernicus Program
- Vega C is capable to deliver **up to 2,350 kilograms in SSO**. The launcher **can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



*VV25 liftoff #1*



*VV25 liftoff #2*



*Encapsulating Sentinel-1C*

# Ariane 6 first commercial flight successfully completed

- On March 6<sup>th</sup> , Ariane 6 launcher successfully put in orbit the CSO-3 satellite for DGA<sup>(1)</sup> and CNES on behalf of the French Air and Space Force's Space Command. **This was the 1<sup>st</sup> commercial launch following the maiden flight completed on July 9<sup>th</sup> , 2024**
- 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**
- In the future, both Ariane 6 and Vega C will be equipped with a more powerful version of the booster (P160), which will increase the thrust of the launchers and their payload capacity



*Ariane 6 on launch pad*



*Ariane 6 VA263 lift-off*



*P120 booster separation*

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

- On December 18<sup>th</sup> 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
  - **Vega C cadence upgrade at the space port:** the contract will enhance ground operations to increase the number of flights per year up to six launches per year



Photo credits: ESA

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

- On December 18<sup>th</sup> 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

# P160C booster ready for qualification test

## PROGRESS STATUS

PRELIMINARY DESIGN REVIEW CRITICAL DESIGN REVIEW IMC SHIPMENT LMC CASTING LMC DELIVERY QUALIFICATION TEST ON QM3 GROUND QUALIFICATION REVIEW FULL OPERATIONAL CAPABILITY DEMONSTRATION

**Customer:** European Space Agency

**Objective:** P160C Solid Rocket Motor (SRM) is the evolution of Qualified P120C SRM. P160C will be devoted to Ariane 6 Block 2, Vega C and Vega E launcher

### Status update:

Insulated Motor Case (IMC) manufacturing completed in May 2024

IMC shipment in June, with casting activity completed in October

Qualification Model #3 (QM3) firing test scheduled in Q2 2025



*1<sup>st</sup> P160 (QM3) delivered to Kourou*

# Vega E program ongoing

## PROGRESS STATUS

PRELIMINARY DESIGN REVIEW

**SUB-SYSTEMS** PRELIMINARY DESIGN REVIEW

CRITICAL DESIGN REVIEW

GROUND QUALIFICATION REVIEW

QUALIFICATION FLIGHT

FLIGHT QUALIFICATION REVIEW

**Customer:** European Space Agency

**Objective:** Vega E launcher aims to increase the payload launch capability by 25% with respect to Vega C, leveraging the MR10 Liquid Oxygen and Liquid Methane engine for the upper stage

### Status update:

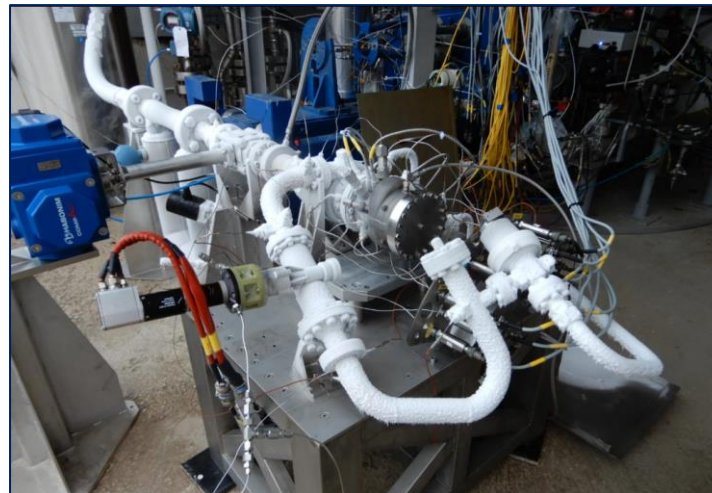
Launcher system PDR completed

Launch complex PDR completed

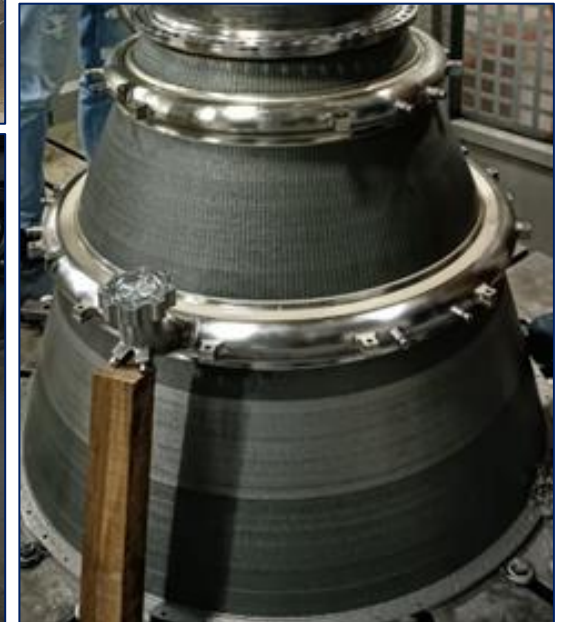
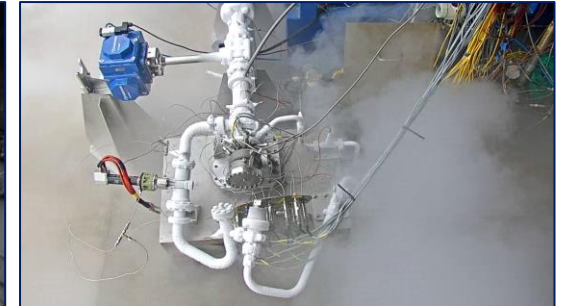
Sub-systems PDR ongoing

Chill-down test for cryogenic stage functional model validation completed

1<sup>st</sup> regenerative cooled nozzle extension for next MR10 test completed



*Cryogenic stage chill-down test*



*MR10 regenerative-cooled nozzle extension*

# Space Rider: mechanical tests ongoing

## PROGRESS STATUS

PRELIMINARY DESIGN REVIEW   CRITICAL DESIGN REVIEW   HWIL #1   HWIL #2   **UCMEC TEST**   HWIL #3   HWIL #4   AOM-RM JOINT TEST   QUALIFICATION REVIEW   LAUNCH READINESS REVIEW

**Customer:** European Space Agency

**Objective:** Development of a reusable orbital and re-entry system aimed to manage multiple commercial and institutional applications (e.g. microgravity, IOV/IOD, Earth and Space Observation applications, etc.)

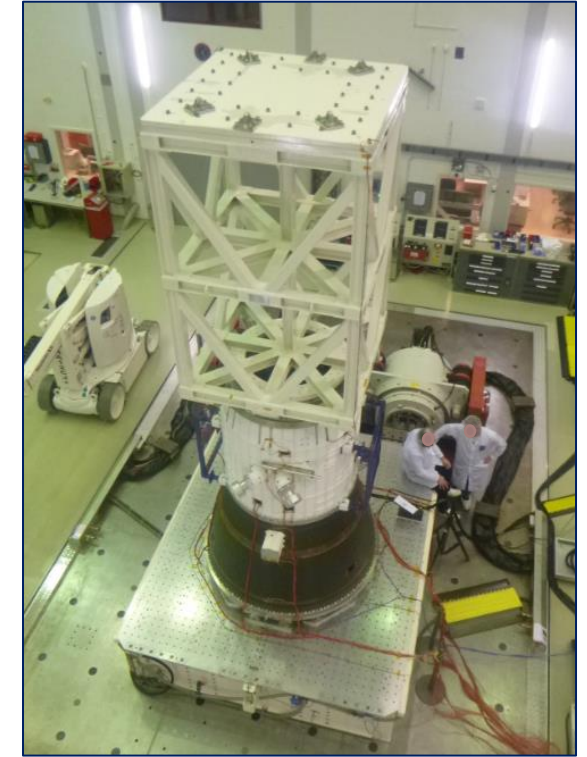
### Status update:

ALEK (AVUM Life Extension Kit) shipped to Netherlands for UCMEC tests

Expected duration of test campaign: three months



ALEK



UCMEC tests ongoing

# NextGen EU: next-gen launchers and applications progressing



**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)

*Demonstrator integration ongoing*

*Firing test expected in Q3*

## High Trust Engine

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

*Manufacturing and integration of DM3 expected in 2025*

## Multi-Purpose Green Engine

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

*1<sup>st</sup> bipropellant ignition tests of the engine's prototype successfully completed in feb-25*

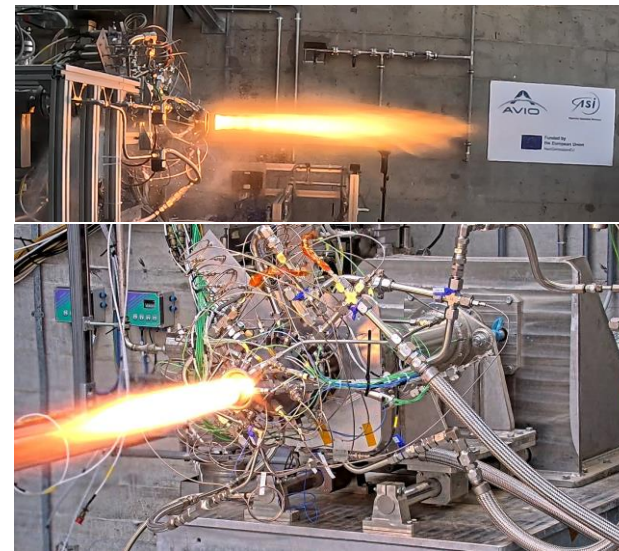
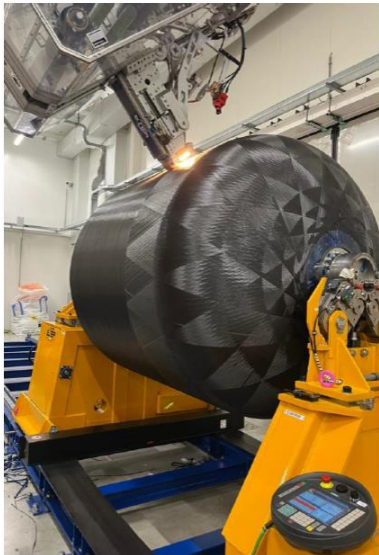
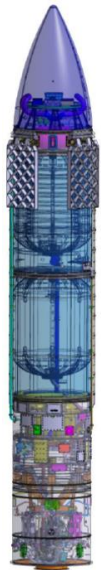
*New firing test expected in 2025*

## In-Orbit Servicing module

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

*New configuration defined*

*New Preliminary Design Review ongoing*



**ThalesAlenia partnership**  
a Thales / Leonardo company  
*Space*



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# Defense activities growing with European and US customers

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



**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

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

# Agenda

1.

Highlights

Giulio Ranzo, Chief Executive Officer

2.

**FY 2024 Financials**

**Alessandro Agosti, Chief Financial Officer**

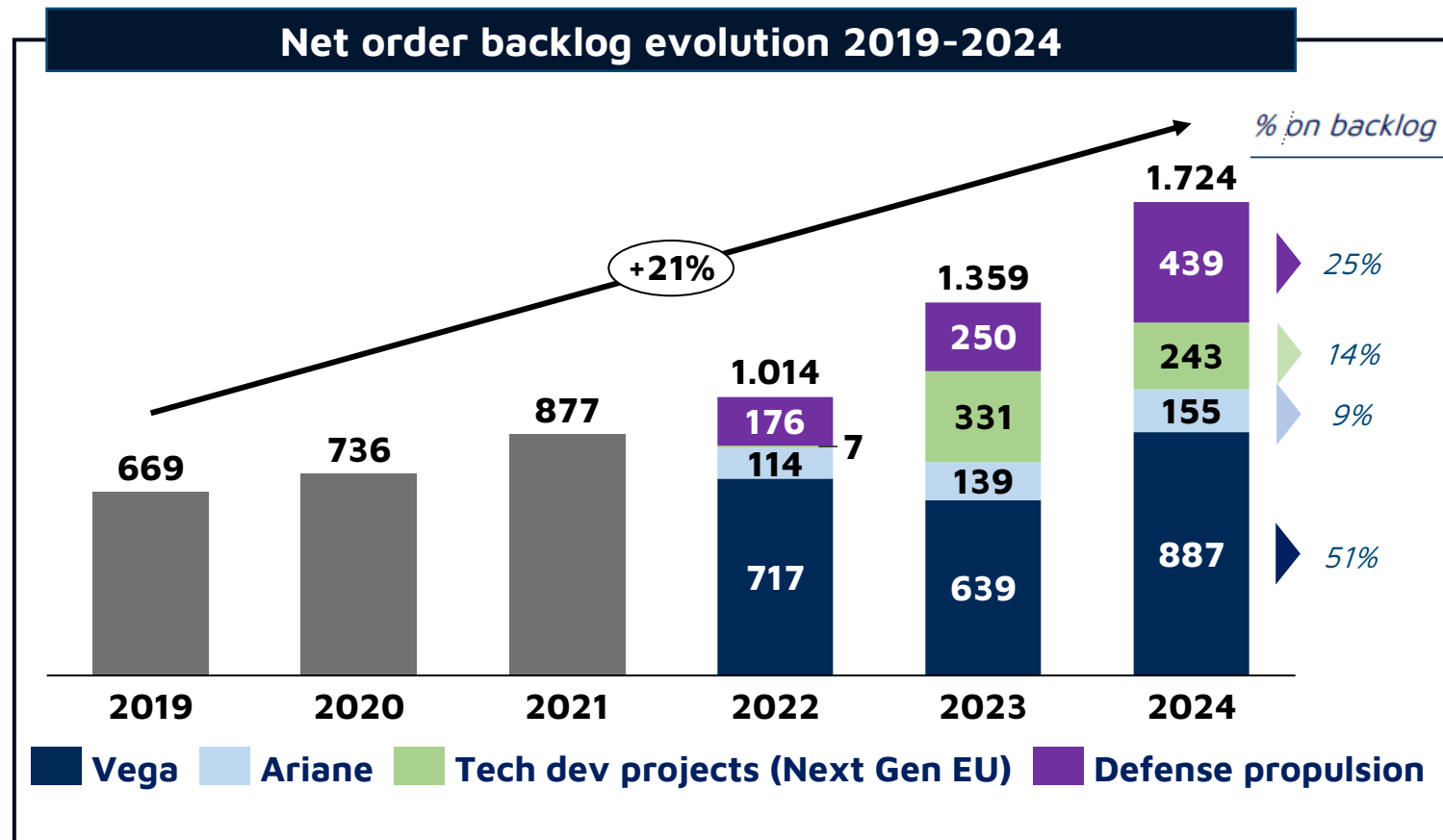
3.

Outlook and opportunities

Giulio Ranzo, Chief Executive Officer

# 2024 record in terms of orders intakes and backlog

Figures in €m



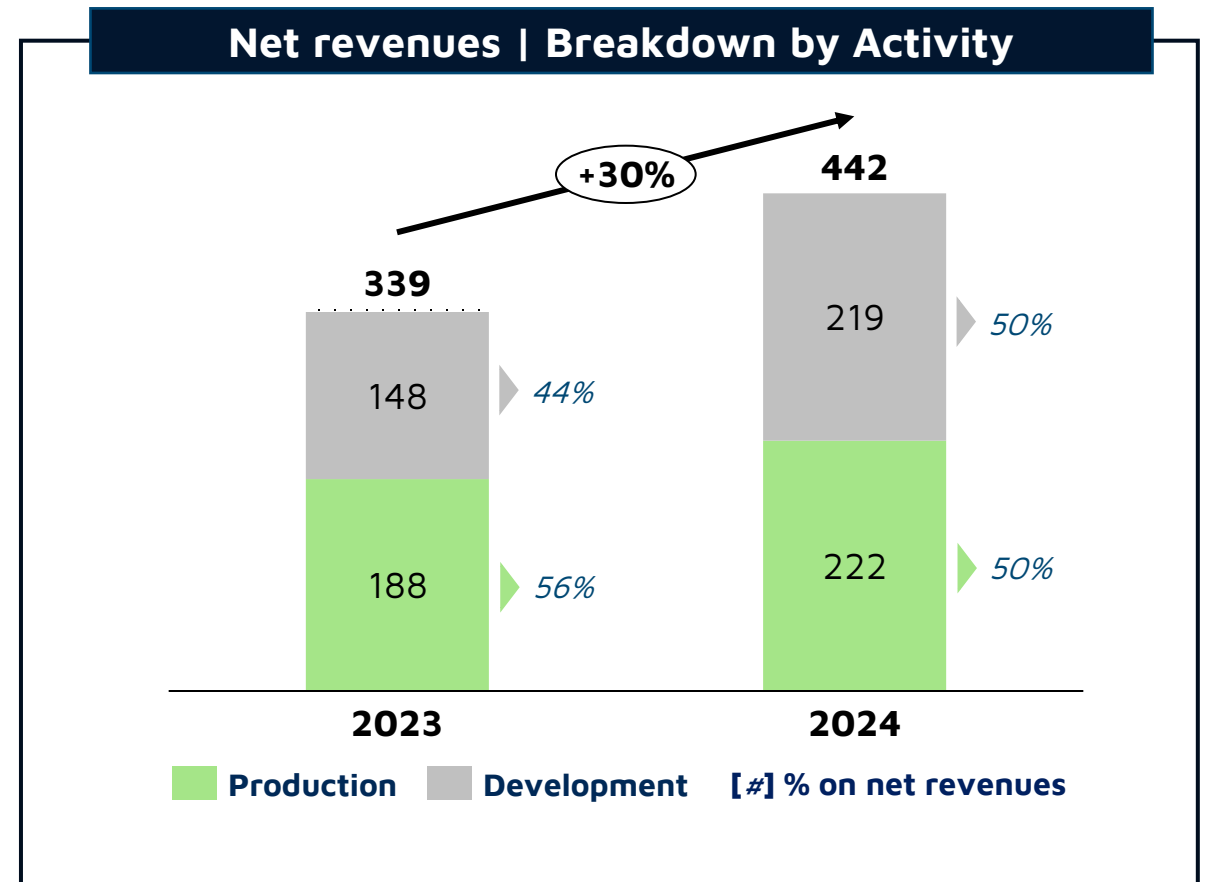
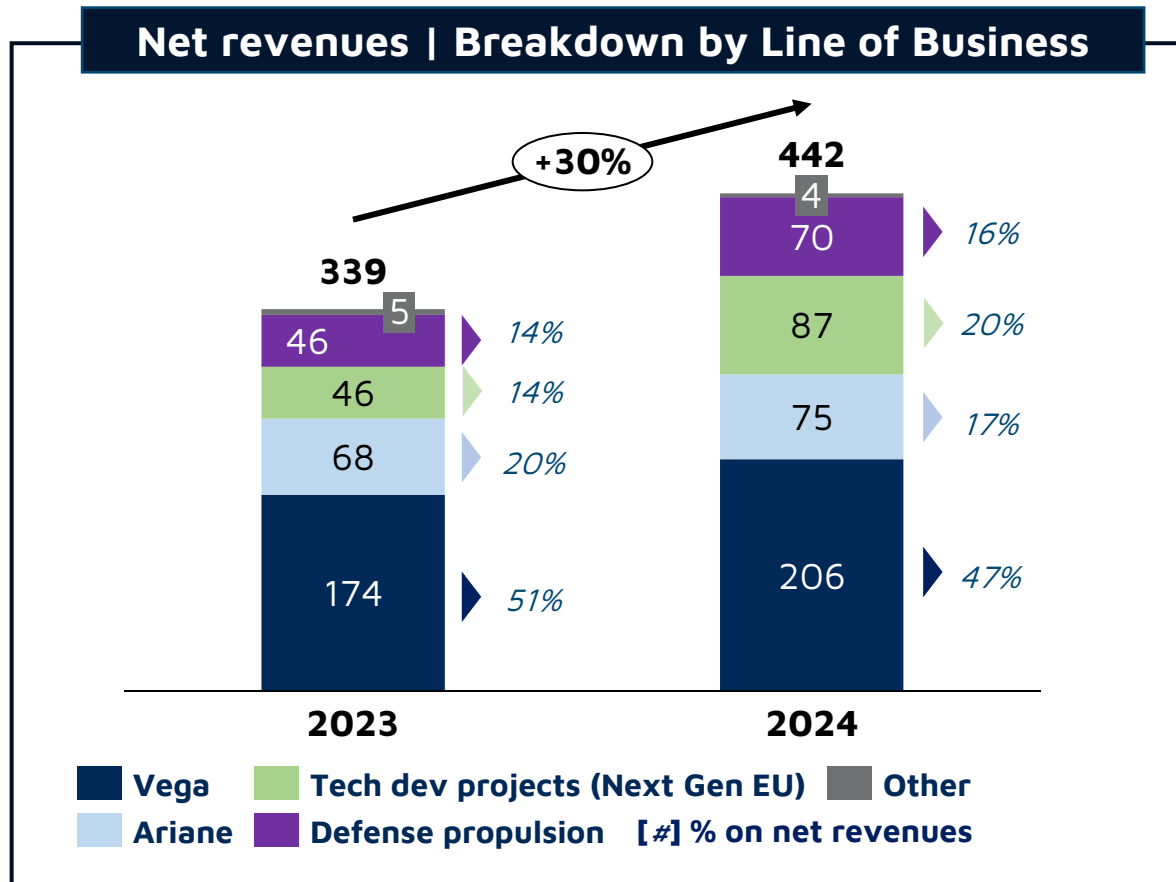
## Main comments

- **Record backlog level of €1.7bn** (+27% vs. 2023)
- **Order intakes** in 2024 for **~€0.8bn** including:
  - **Vega ~€450m**: mainly for Vega E development and Vega C cadence improvement
  - **Defense ~€260m**: mainly for CAMM-ER and Aster missiles propulsion
  - **Ariane ~€90m**: **P160** motor for long lead items procurement

**Vega** accounts for **~50%** of 2024 backlog and **Defense propulsion ~25%**.  
**Production** accounts for **~60%** of 2024 backlog, **Development ~40%**

# Revenues increased by 30% compared to previous year

Figures in €m



**Significant increase** in revenues mainly driven by **Defense propulsion, Technology Development Projects** as well as Vega production and development

# FY 2024 results vs 2023

## AVIO Group | Main financials

	FY2023 Actual (€m)	FY2024 Actual (€m)		Delta (€m)
<b>NET REVENUES</b>	<b>338,7</b>	<b>441,6</b>	<b>1.</b>	<b>102,9</b>
<b>EBITDA REPORTED</b>	<b>20,5</b>	<b>25,8</b>		<b>5,3</b>
% on net revenues	6,1%	5,8%		
<b>EBITDA ADJUSTED</b>	<b>28,0</b>	<b>31,3</b>	<b>2.</b>	<b>3,3</b>
% on net revenues	8,3%	7,1%	<b>3.</b>	
<b>EBIT REPORTED</b>	<b>5,2</b>	<b>8,4</b>		<b>3,2</b>
% on net revenues	1,5%	1,9%		
<b>EBIT ADJUSTED</b>	<b>12,7</b>	<b>13,8</b>	<b>4.</b>	<b>1,1</b>
% on net revenues	3,8%	3,1%		
<b>PROFIT BEFORE TAX</b>	<b>6,6</b>	<b>6,8</b>	<b>5.</b>	<b>0,2</b>
% on net revenues	1,9%	1,5%		
<b>NET INCOME</b>	<b>6,6</b>	<b>6,4</b>		<b>(0,2)</b>
% on net revenues	2,0%	1,4%		

N/R  
7,5

N/R  
5,5

## Main comments

- 1. Significant increase in revenues (+30%)** mainly for defense propulsion production, Vega and technology development projects (NextGen EU)
- 2. EBITDA adjusted increase (+12%)** driven by higher revenues and lower energy costs
- 3.** Reduction of non-recurring costs (mainly related to the return to flight of the Vega C) contributed to a **significantly higher EBITDA Reported vs. 2023 (+26%)**
- 4. EBIT** increase despite higher depreciations mainly for Vega Cadence increase and IT improvement projects
- 5.** Lower interest income for lower cash available during the year invested in short-term deposits, as well as higher financial expenses and negative foreign exchange rates

# Cash from new contracts contributes to a structurally negative working capital

Figures in €m

## AVIO Group | Sources and uses

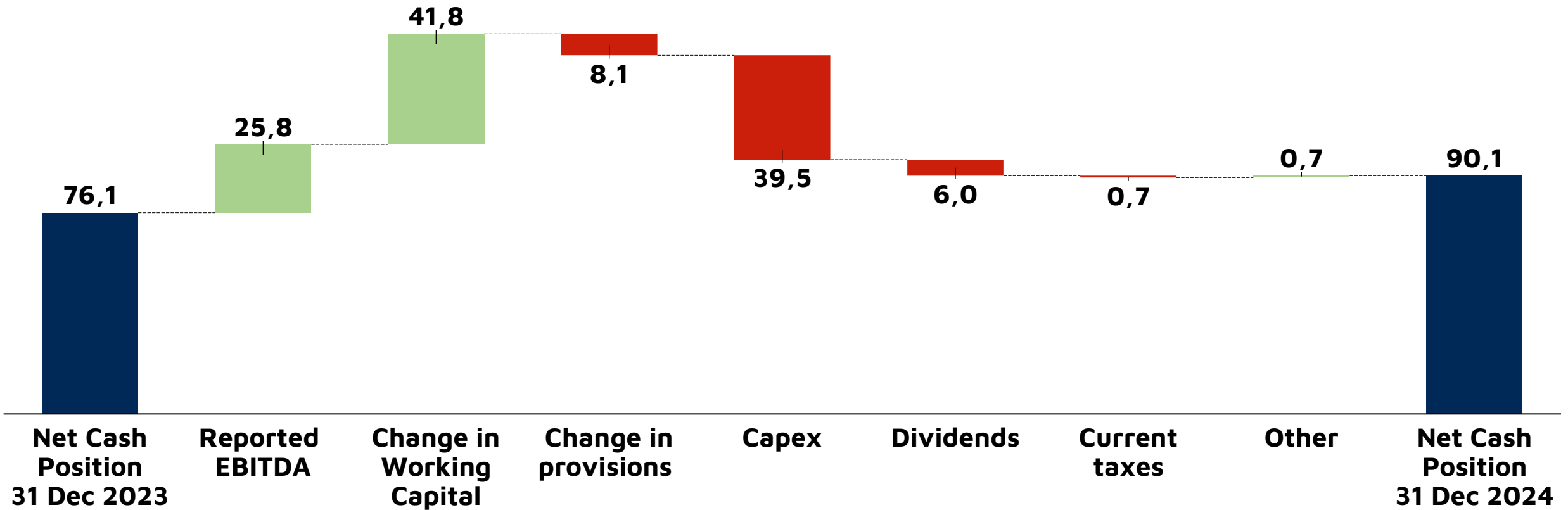
	31 DEC 2023 Actual (€m)	31 DEC 2024 Actual (€m)	
<b>WORKING CAPITAL</b>	<b>(171)</b>	<b>(213)</b>	<b>1.</b>
<b>DEFERRED TAX ASSETS</b>	<b>81,2</b>	<b>87,5</b>	
<b>PROVISIONS</b>	<b>(52,8)</b>	<b>(51,8)</b>	
<b>GOODWILL AND OTHER INTANGIBLE</b>	<b>89,2</b>	<b>86,1</b>	
<b>FIXED ASSETS</b>	<b>285,6</b>	<b>311,8</b>	<b>2.</b>
<b>FINANCIAL RECEIVABLES</b>	<b>2,0</b>	<b>2,0</b>	
<b>NET INVESTED CAPITAL</b>	<b>234,2</b>	<b>222,8</b>	
<b>NET CASH POSITION</b>	<b>76,1</b>	<b>90,1</b>	<b>3.</b>
<b>EQUITY</b>	<b>(310,4)</b>	<b>(312,9)</b>	
<b>TOTAL SOURCES</b>	<b>(234,2)</b>	<b>(222,8)</b>	

## Main comments

1. Working capital structurally negative thanks to cash advances from order intakes
2. Mainly for capex for Vega cadence increase, IT improvement projects/A.I., net of depreciation
3. Net cash position improved vs previous year 2023 for collection of cash advances mainly from order intakes of Vega E and defense propulsion

# 2023 – 2024 Net Cash Position bridge

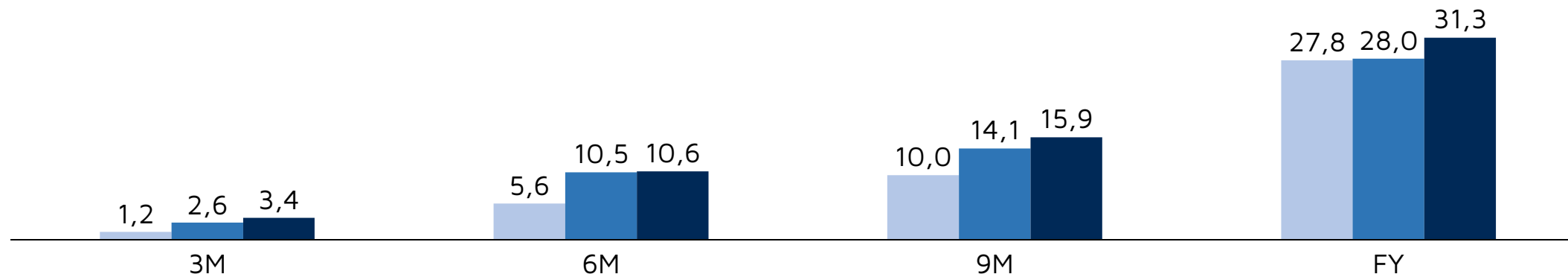
Figures in €m



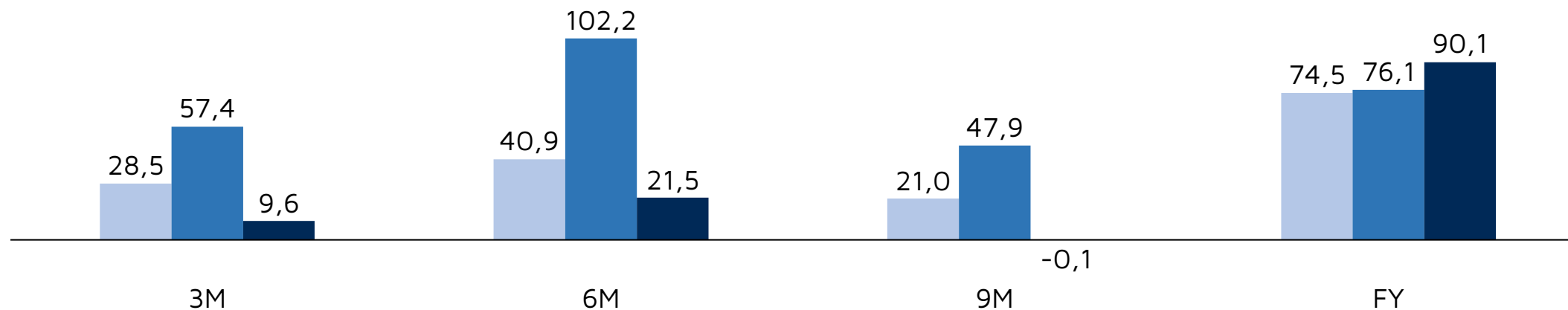
# EBITDA generation heavily concentrated in Q4

Figures in €m

## EBITDA Adjusted | Quarterly evolution



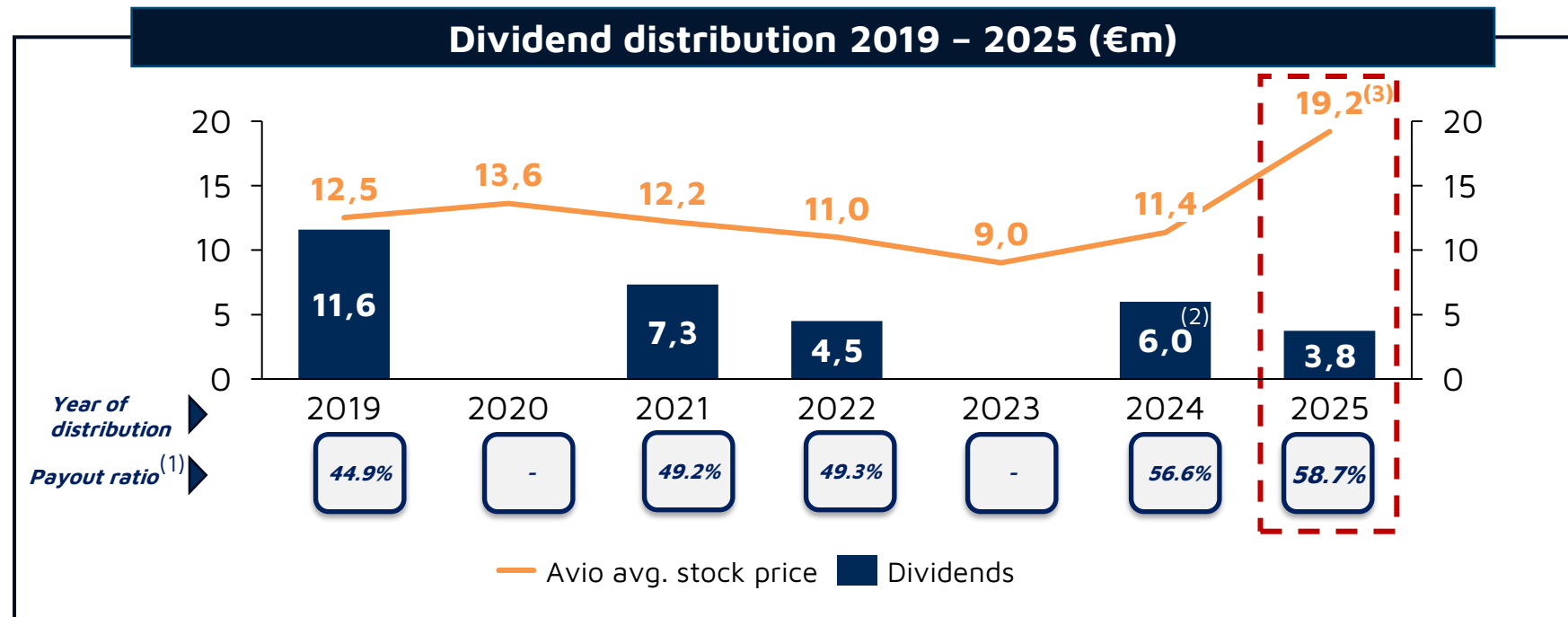
## Net cash position | Quarterly evolution



2022 2023 2024

# Proposed dividend distribution for 2025

- **Shareholders return in 2024** benefited from **dividends of €6m** as well as of the increase in share price
- **2024 Net Income** drives proposal to the Shareholders' Meeting of April 30, 2025 for **dividend distribution of €3.75m**



(1) Calculated as ordinary dividends out of consolidated net income

(2) Incorporates €2,250m of extraordinary dividend from distributable reserves

(3) Avio share price as of March 12, 2025

# Agenda

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Giulio Ranzo, Chief Executive Officer

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## FY 2024 Financials

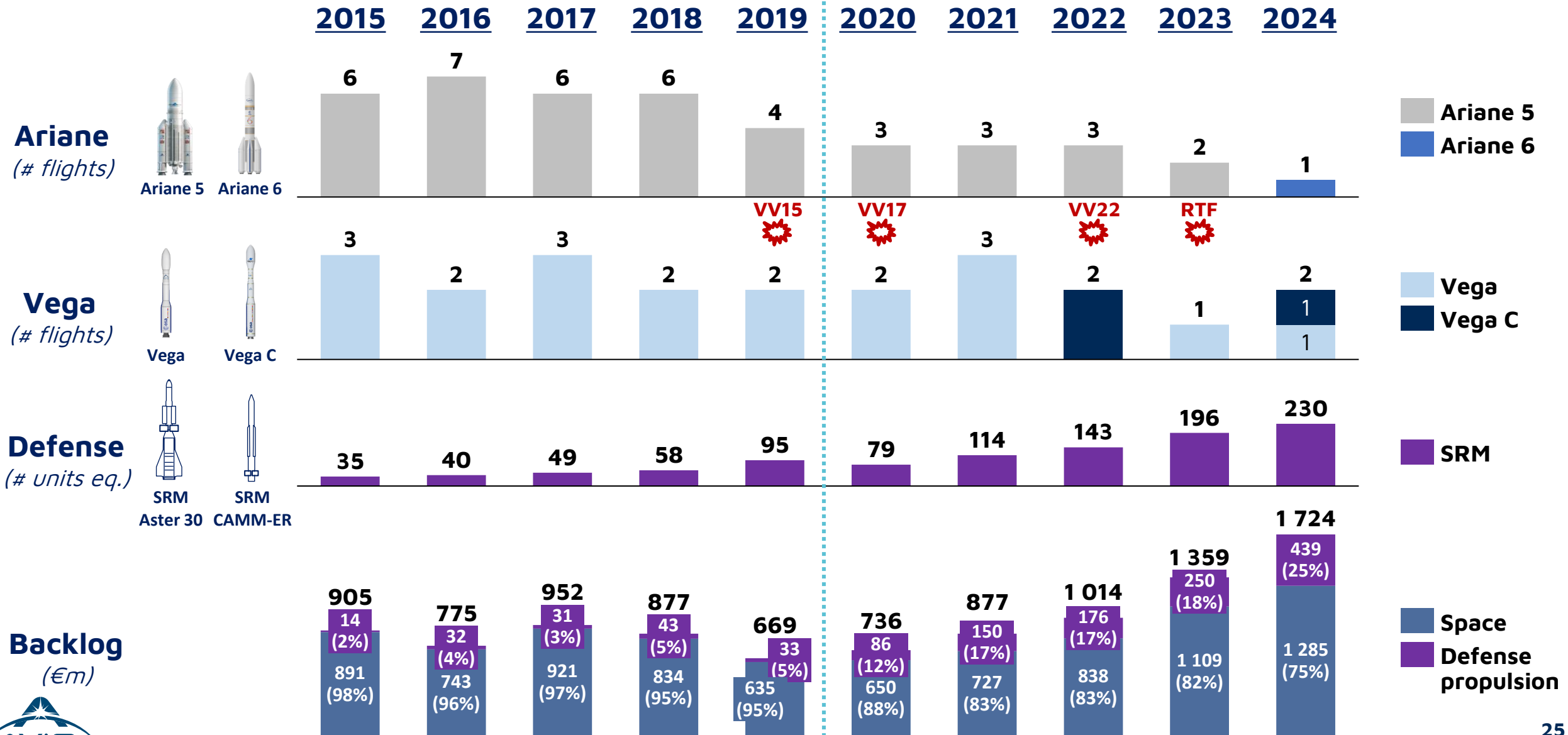
Alessandro Agosti, Chief Financial Officer

3.

## **Outlook and opportunities**

**Giulio Ranzo, Chief Executive Officer**

# 2015-2024 review: flights, SRM deliveries and backlog evolution



# Ariane and Vega current view of flight manifest

**2024**

**2025**



**A6 MF**  
 ✓ Successfully completed on Jul 9



**VA263**  
 ✓ Successfully completed on Mar 6



**VV26**  
 Scheduled for Q2



**VV24**  
 ✓ Successfully completed on Sep 5



**VV25-RTF**  
 ✓ Successfully completed on Dec 6

32 flights currently in backlog

Future launches:

- Project Kuiper (Amazon)
- Galileo (EU)
- Military sats

IRIS<sup>2</sup> major upside

15 flights currently in backlog

Future launches:

- Copernicus (EU)
- IRIDE (EU)
- PLATiNO

Increased responsibilities from Launch service activities

Improving launch cadence up to 6 flights per year



# ESA Ministerial Council in Nov '25 to secure future space activities

25th ESA Ministerial Council Nov 26th-27th, Bremen (DE)

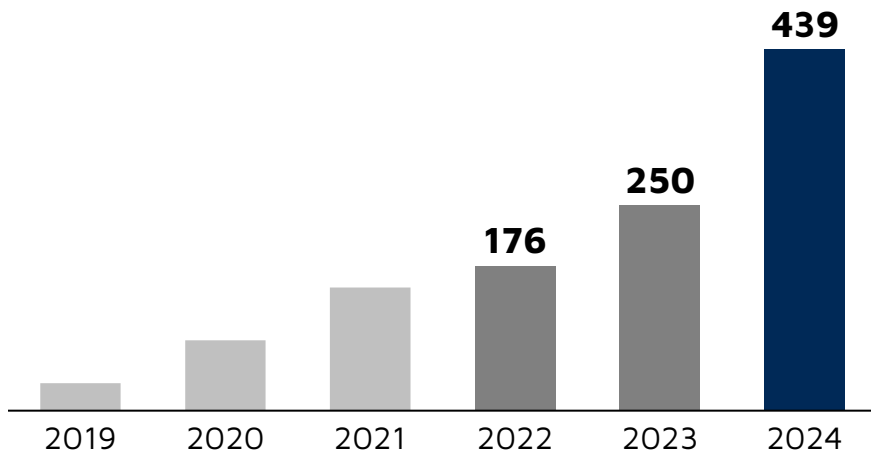


## Key objectives and pursuits for funding:

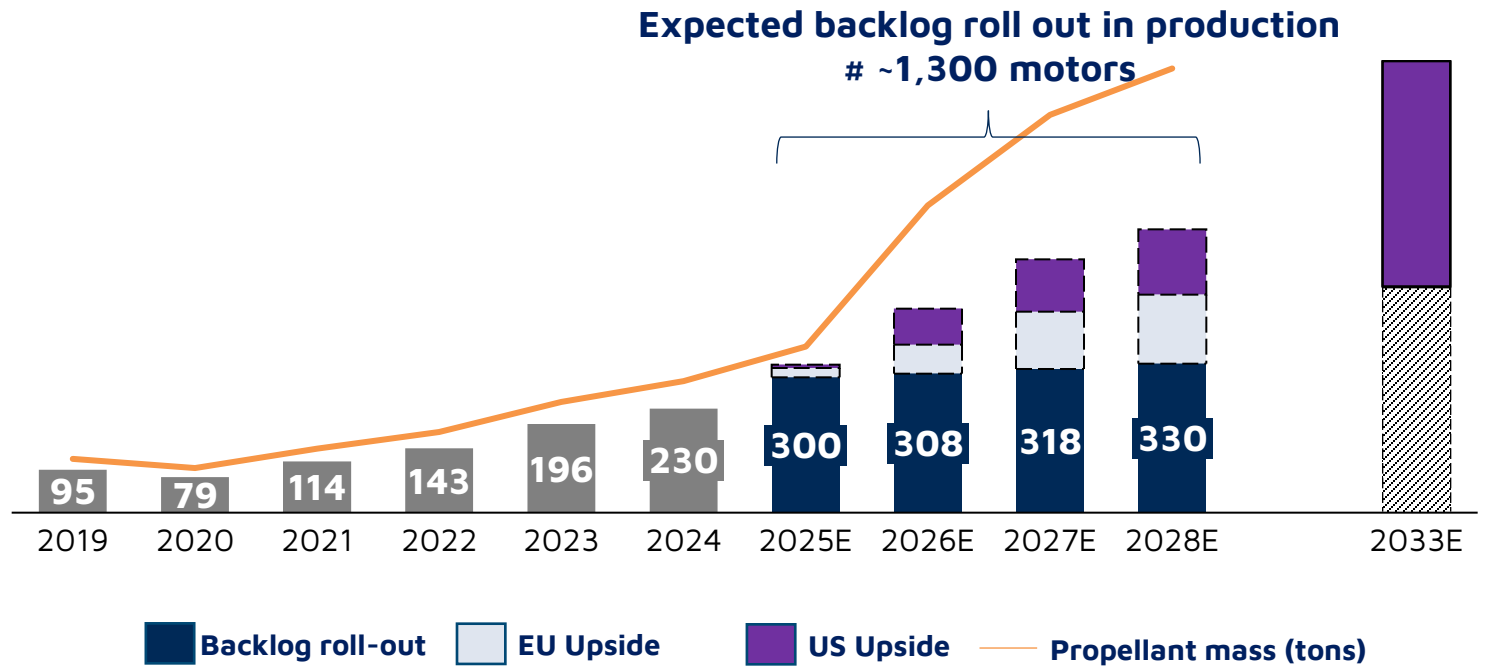
- ✓ **Vega C consolidation** (full-rate increase to 6/year and further product improvements)
- ✓ **Vega E development completion and optimization**
- ✓ **New LOX-CH4 propulsion further evolutions towards next-gen launchers**
- ✓ **Ariane 6 (P160) and Vega C support for exploitation**

# Defense backlog almost doubled: high visibility of future production with significant prospects ahead

Defense propulsion backlog (€m)



Defense propulsion production (volumes eq.)



- Defense propulsion orders more than doubled vs. 2023 (~€260m in 2024 vs. ~€120m in 2023)

# We stand ready to capture upside from EU ReArm Plan

According to announced **ReArm Plan**, EU is targeting **€800bn<sup>1</sup>** Total Defense Expenditure

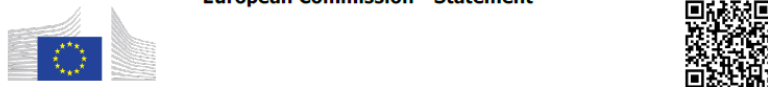
EU to propose new common fundraising to fuel defence splurge

*Financial Times, March 4<sup>th</sup>*

EU chief unveils €800bn plan to 'rearm' Europe

*The Guardian, March 4<sup>th</sup>*

**European Commission - Statement**



**Press statement by President von der Leyen on the defence package**  
Brussels, 4 March 2025

[...]

This is why today I have written a letter to Leaders ahead of Thursday's European Council. This is why we are here together today. **And I have outlined in this letter to the leaders the ReArm Europe Plan.** This set of proposals focuses on how to use all of the financial levers at our disposal – in order to help Member States to quickly and significantly increase expenditures in defence capabilities. Urgently now but also over a longer time over this decade. There are five parts to this.

**The first part of this ReArm Europe plan is to unleash the use of public funding in defence at national level.** Member States are ready to invest more in their own security if they have the fiscal space. And we must enable them to do so. This is why we will shortly propose to activate the national escape clause of the Stability and Growth Pact. It will allow Member States to increase significantly their defence expenditures without triggering the Excessive Deficit Procedure. For example: If Member States would increase their defence spending by 1,5% of GDP on average this could create fiscal space of close to **EUR 650 billion** over a period of four years.

**The second proposal will be a new instrument.** It will provide **EUR 150 billion** of loans to Member States for defence investment. This is basically about spending better – and spending together. We are talking about pan-European capability domains. For example: air and missile defence, artillery systems, missiles and ammunition drones and anti-drone systems; but also to address other needs

Avio is ready to **rapidly double the Defense production capacity in Italy in case of demand surge:**



Leveraging our existing asset base on core solid propulsion technologies



Expanding our equipment thanks to three investment sources:

- ✓ **Grants** through government funds already applied for
- ✓ **Support from customers** to **rapidly boost** capacity on existing platforms
- ✓ **Self-funded** investment for infrastructure future optimization

**These actions untap opportunities to reach up to >4x current production levels**

# FY 2025 Guidance



**BACKLOG**

€m	€m
1.700	1.800

- *New orders from defense propulsion business*



**REVENUES**

€m	€m
450	480

- *Growth in defense propulsion and Vega activities*



**EBITDA REPORTED (1)**

€m	€m
27	33

- *AVIO USA accounted in general expenses*



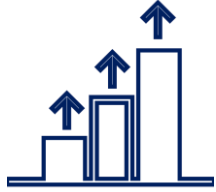
**NET INCOME**

€m	€m
7	10

- *Higher taxation vs. previous year*

(1) Implying an EBITDA Adjusted ranging from €30m to €36m assuming €3m as non recurring costs

# Beyond 2025



- **Guaranteeing long term visibility of the business, with net order backlog to remain high and stable**
- **Increasing responsibilities from Launch service activities**



- **Consolidating Vega C flight cadence, keeping strategic position in Europe**
- **Boost of P120/P160 production to sustain both Ariane 6/Vega C launch schedule**
- **Development of liquid propulsion-based solutions to expand future product range**



- **Margins improvement thanks to economies of scale and growth of defense business contribution**
- **Enhancement of financial profile, driving remuneration for shareholders**



- **Capitalize on SRM market opportunities in a globally changing environment**
- **Further expansion opportunity in US:**
  - **Potential investment in a new SRM facility**
  - **New customers for additional production activities**

**THANK YOU FOR YOUR ATTENTION**



## CONTACTS

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