

SEPTEMBER 12, 2025

# Avio 1H 2025 Results and Growth Strategy



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# Agenda

1.

## Highlights

Giulio Ranzo, Chief Executive Officer

2.

## Avio's growth and funding strategy

Giulio Ranzo, Chief Executive Officer

3.

## 1H 2025 Financials

Alessandro Agosti, Chief Financial Officer



# Update on business and financial performance



## SPACE

- Vega VV27 mission successful, on track to deliver **4 launches in 12 months**
- Success for Ariane 6 VA263 and VA264 missions, more missions by year end
- P160C and MR10 Flight Model firing test successfully completed
- Avio designated as Vega **launch service provider** under ESA new Launchers Exploitation Declaration ("LED")
- **Avio granted ten-year administrative license** for Vega operations at the Guiana Space Centre by the French government



## DEFENSE

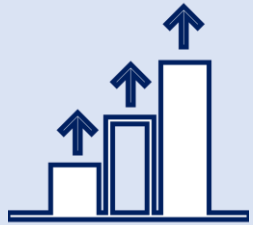
- **€60m orders** signed with MBDA in France, additional ~€30m with other defense customers
- **Signed a multi-year supplemental agreement with a U.S. Government Armed Force** to provide capability and industrial capacity for manufacturing, assembly, integration and testing of tactical missiles solid rocket motors
- **Continued momentum on defense U.S. market demand following** Raytheon and U.S. Army engagements



## FINANCIALS

- Order backlog standing at **€1.7bn (additional €0.2bn orders signed between July and August, mostly for defense)**
- **Increase in revenues (+30%) and EBITDA (+24%) vs. 1H 2024**
- **FY 2025 Guidance confirmed**

# Capital increase to support U.S. and European growth plans



## STRATEGIC INITIATIVES

- **Avio has started a process to raise financing sources supporting its ambitious growth plans, both in the U.S. and in Europe**
  - ✓ A Capital increase to be executed by way of a **rights offering** for a total maximum amount of **€400m** (expected to be completed by year end) backed by a **pre-underwriting commitment** from financial institutions;
  - ✓ Further financial resources to potentially be available via the renewal of the by-laws provision allowing the Board to issue up to **10% of the share capital on a non-pre-emptive basis**
  - ✓ **Additional government grants**, currently being pursued by the Company
- The proceeds are intended to be used to:
  - ✓ Develop Avio's **project to establish a U.S. industrial presence** for engineering and manufacturing of Solid Rocket Motors for Defense applications, expected to be operational by 2028
  - ✓ Enhance **Avio's European manufacturing base** for the development of projects in the Space and Defense sectors, through investments in new propulsion technologies, production assets, and vertical integration

# Recent 2025 key facts



## Space launch activity



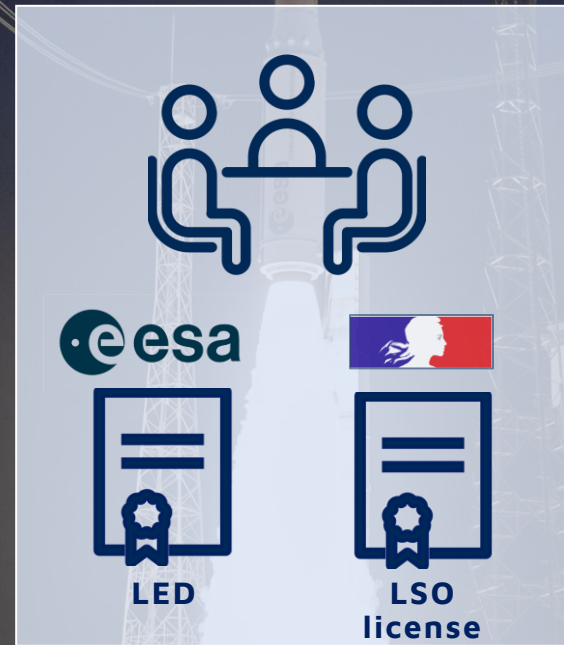
## New agreements



## Defense



## Firing tests



**VV26 - Apr 29<sup>th</sup>**  
*Launch of Biomass satellite for ESA*

**VA263 - Mar 6<sup>th</sup>**  
*Launch of CSO-3 satellite for the French Armed Forces*

**Designation of Avio as launch service provider for Vega launchers family**

**~€60m contract with MBDA in France**

**P160C firing test successfully completed on Apr 24<sup>th</sup>**

**VV27 - Jul 26<sup>th</sup>**  
*Launch of CO3D and Microcarb satellites*

**VA264 - Aug 13<sup>th</sup>**  
*Launch of Metop-SGA1 satellite for EUMETSAT*

**Ten-year license obtained by the French government to carry out launch service operator activities**

**Supplemental agreement with a U.S. Govt Armed Force**

**MR10 Flight Engine firing test successfully completed on Aug 6<sup>th</sup>**



# Ariane and Vega current view of flight manifest

**2024**

**2025**



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



**VA263**  
✓ Successfully completed on Mar 6



**VA264**  
✓ Successfully completed on Aug 13



**VV24**  
✓ Successfully completed on Sep 5



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



**VV26**  
✓ Successfully completed on Apr 29



**VV27**  
✓ Successfully completed on Jul 26



**VV28**  
Scheduled for Q4

>30 flights currently in backlog

**Future launches:**

- Satcom mega-constellations
- Galileo (EU)
- Military sats

IRIS<sup>2</sup> major upside

14 flights currently in backlog

**Future launches:**

- Copernicus (EU)
- IRIDE (EU)
- PLATiNO
- ... more opportunities in pipeline

Increased responsibilities from Launch service activities

Improving launch cadence up to 6 flights per year

Avio current assumption of contracted flight backlog roll-out

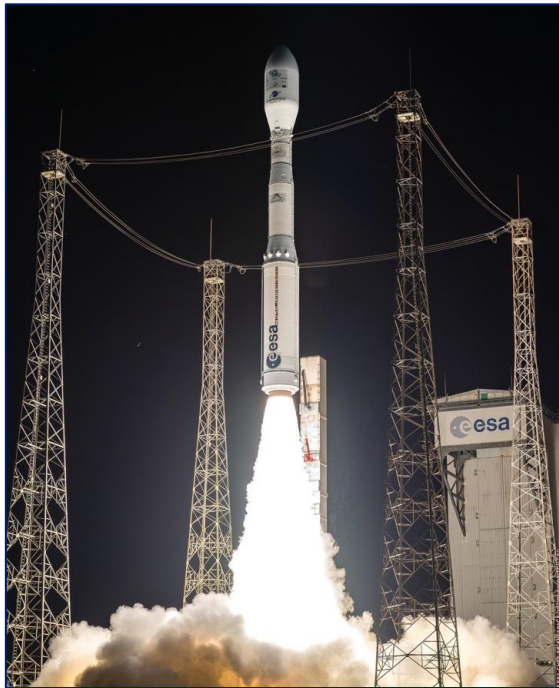
**Ariane**

**Vega**



# Success for Vega C VV27 mission

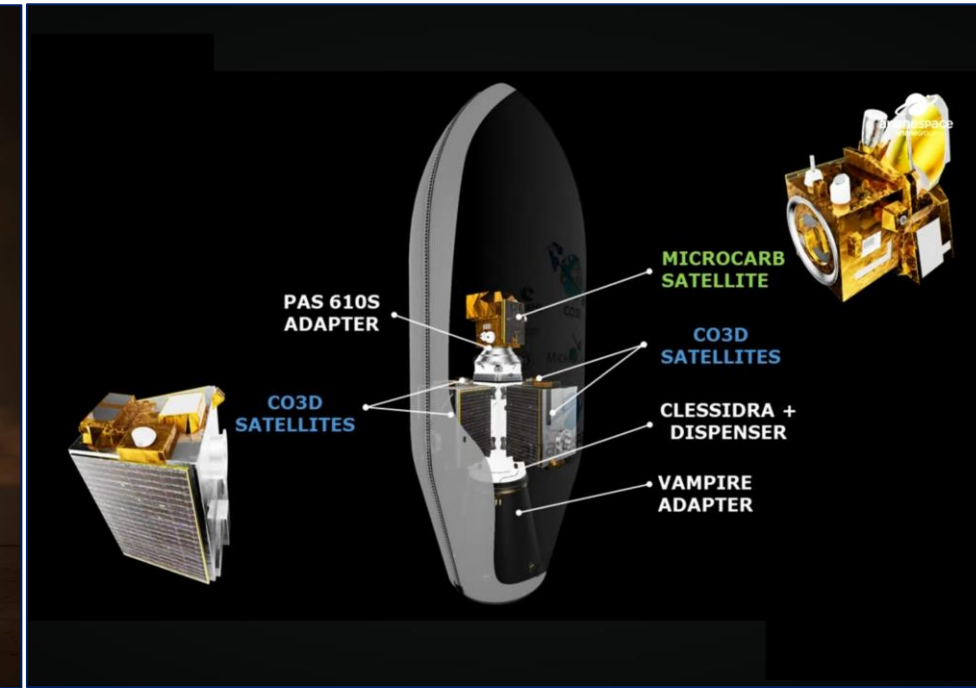
- On July 26<sup>th</sup> Vega C successfully launched and deployed **CO3D** (Airbus Defence and Space) and **MicroCarb** (CNES) satellites into orbit, **scoring the third Vega C success in ~8 months**
- Challenges of this mission:**
  - ✓ **5 passengers** (four CO3Ds and one Microcarb) on a dispenser, also using a payload adapter
  - ✓ **two different altitudes** for delivery: 495Km for CO3Ds and 650Km for Microcarb



*VV27 liftoff #1*



*VV27 liftoff #2*



*VV27 payload details*

# Ariane 6 second commercial flight successfully completed

- On August 13<sup>th</sup>, Ariane 6 launcher successfully placed EUMETSAT's **Metop-SGA1** satellite into orbit, which hosts six atmospheric sounding and imaging instrument missions, among which the Copernicus Sentinel-5 atmospheric monitoring mission part of the European Commission's Copernicus program
- 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**



*Ariane 6 on launch pad*



*Ariane 6 VA264 lift-off*



*Metop-SGA1*



# New Avio's responsibilities for Vega



- On July 10<sup>th</sup>, an amendment to the 2017 Launchers Exploitation Declaration ("LED") was approved by the concerned European Governments. The amended LED **designates Avio as the launch service provider for the Vega launchers family**, detailed arrangement to be entered into with ESA shortly



GOUVERNEMENT

Liberté  
Égalité  
Fraternité

- On August 19<sup>th</sup> **the French government granted Avio a ten-year administrative license to carry out Vega launcher operations from the Guiana Space Centre in French Guiana**



## Launch Service Provider

- ✓ Sales and marketing
- ✓ Advanced studies
- ✓ Contractual management
- ✓ Definition of customer requirements



## Launch Service Operator

- ✓ Launch safety submission
- ✓ Responsibility during flight





# Acceleration in defense business growth driven by new European and US contracts...

## Main defense contracts signed in 2024



In July '24 Avio signed a contract with **Raytheon** to initiate and progress the development of **critical solid rocket motors** for defense applications



In July '24 Avio 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**



In December '24 **Avio signed a ~€150m contract with MBDA Italia** for the supply by Avio of rocket motors for **CAMM-ER** missiles manufactured by MBDA



2025

Avio signed with MBDA in France a production order for the supply of solid rocket motors and related aerodynamic surfaces for the **ASTER 30** defense system and additional different unrelated orders for a total value of approximately **€60 million**



**U.S. Govt  
Armed Force**

2025

Avio signed a **supplemental multi-year agreement with a U.S. Government Armed Force** to provide capability and industrial capacity for **Manufacturing, Assembly, Integration and Testing of tactical missiles solid rocket motors**

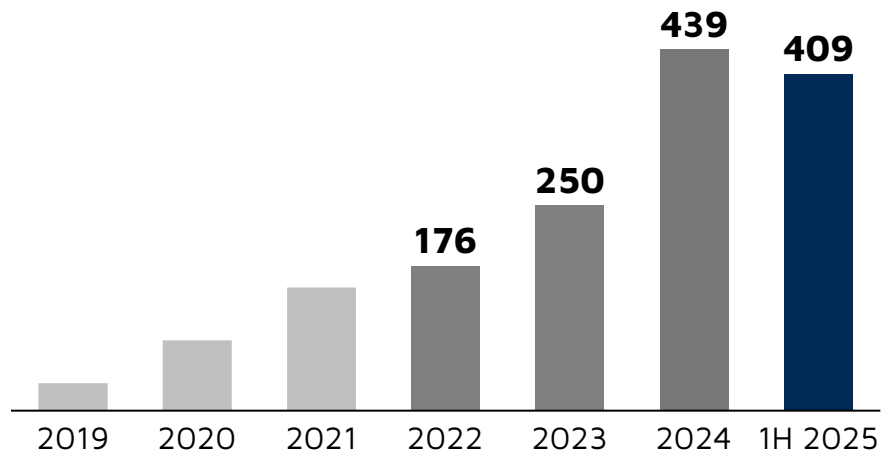


# ... generating strong backlog and providing high visibility of future production volumes

## Defense propulsion backlog (€m)

Does not include new orders signed after June 30, 2025

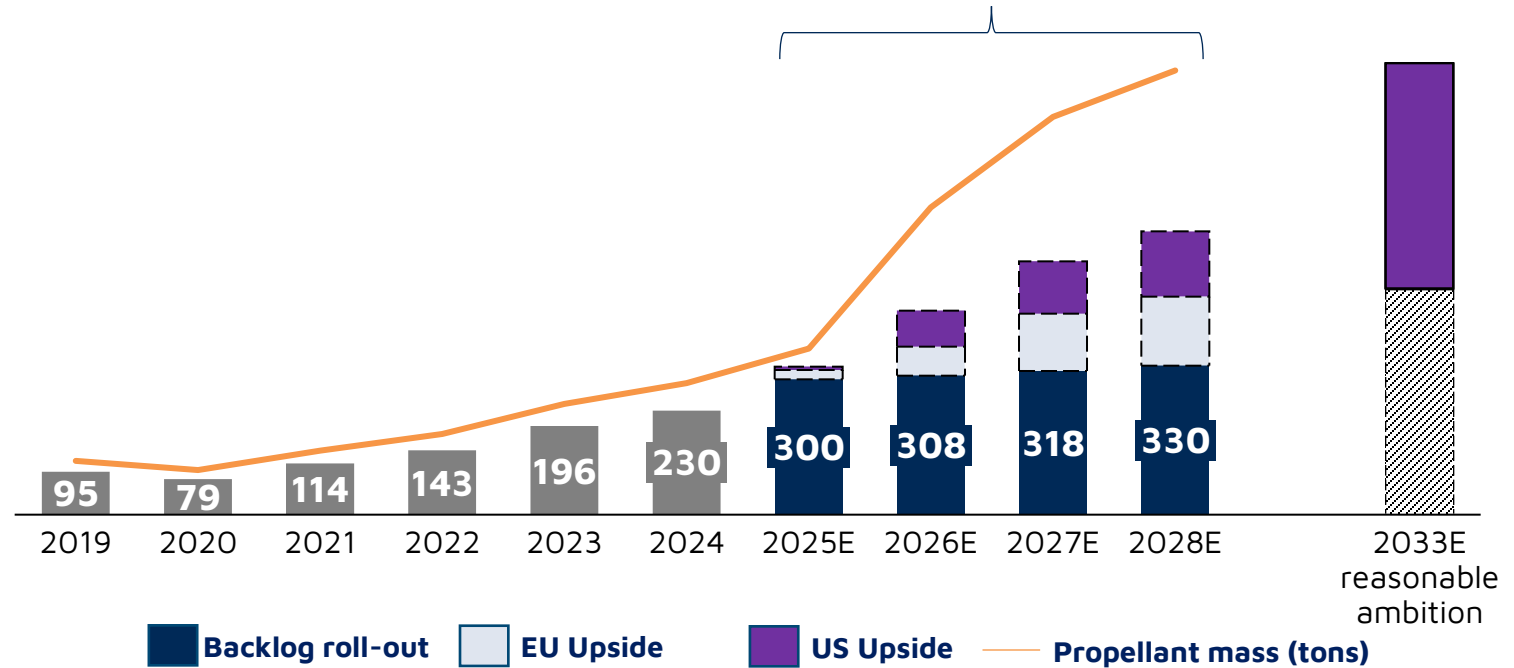
- Between July and August, >€150m new orders have been signed



## Defense propulsion production (volumes eq.)

Expected backlog roll out in production  
# ~1,300 motors

100% Italian production (Colleferro)



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## **Avio's growth and funding strategy**

**Giulio Ranzo, Chief Executive Officer**

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## 1H 2025 Financials

Alessandro Agosti, Chief Financial Officer



# Strong market demand tailwinds and increasing defense spending support Avio next phase of growth



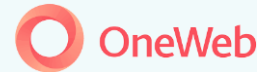
1

Benefiting from industry tailwinds in global launch markets

## Launch to Grow At Almost Double-Digit Until 2034

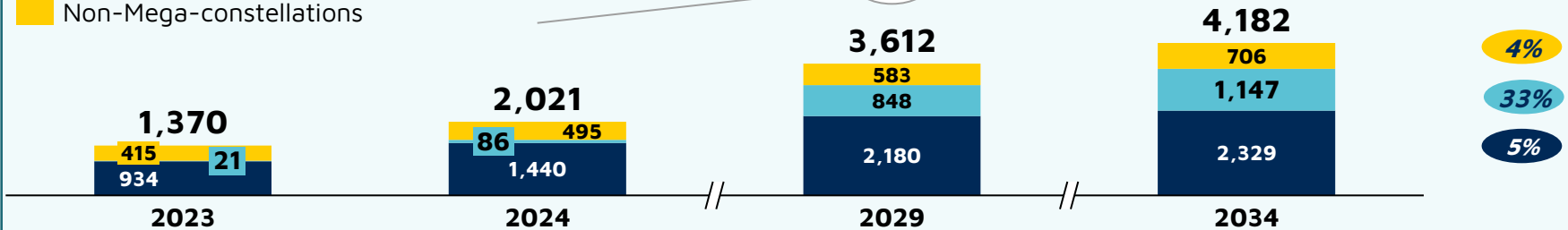
Global launch market mass (tons)

Starlink  
Other Mega-constellations  
Non-Mega-constellations



amazon | project kuiper

CAGR '24-'34



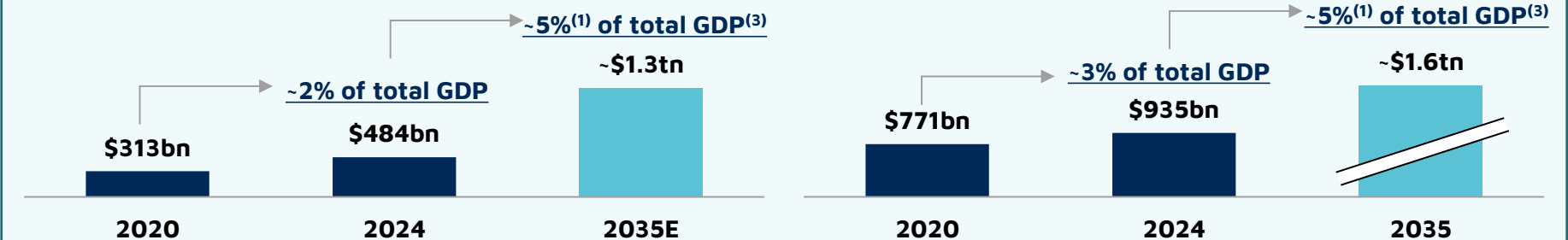
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Opportunity to benefit from record spending in defense markets

## ~5%<sup>(1)</sup> of European GDP p.a. to be Spent on Defence *as per NATO Commitment by 2035E*

NATO Members<sup>(2)</sup>

United States



Sources: Avio Analysis on Gunter's Space Page data; Novaspace; NATO Speech on "Building a better NATO" - June 2025, NATO report titled "Defence Expenditure of NATO Countries (2014-2025)" and press releases.

(1) At the 2025 Munich Security Conference, NATO agreed to raise its defence spending target for all allies to 5% of GDP by 2035E up from the previous 2% target. (2) Excludes US and Canada. (3) Assumes 2024A - 2035E GDP CAGR of 1% across all NATO members.

# Avio to capture share of the rapidly growing missile propulsion market and bridge the SRM demand-supply gap

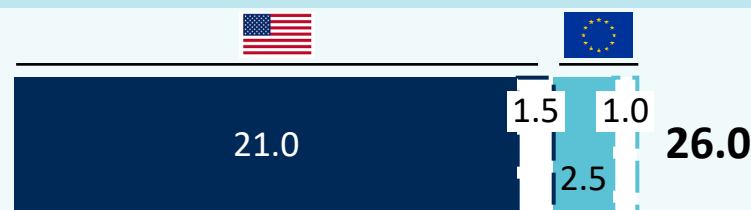


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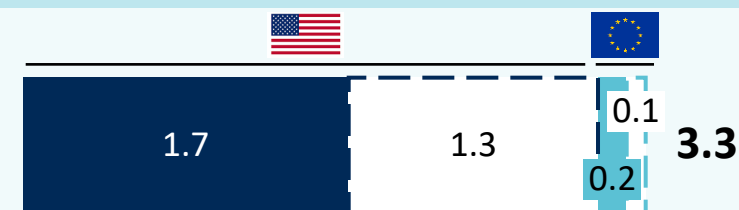
Entry in a much larger Defense market

## US: 10x addressable market vs EU

# missiles produced 2024 (k units)



Missile propulsion value 2024 (\$bn)



■ US addressable □ US hardly competitive ■ EU addressable □ EU hardly competitive

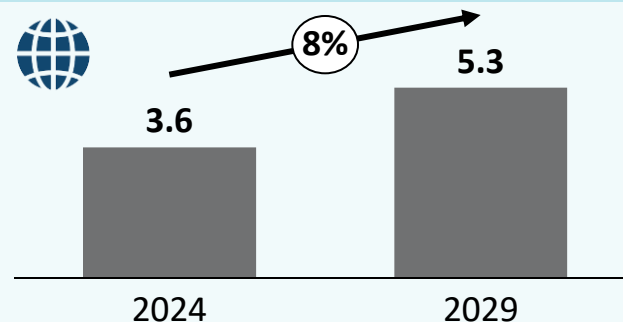


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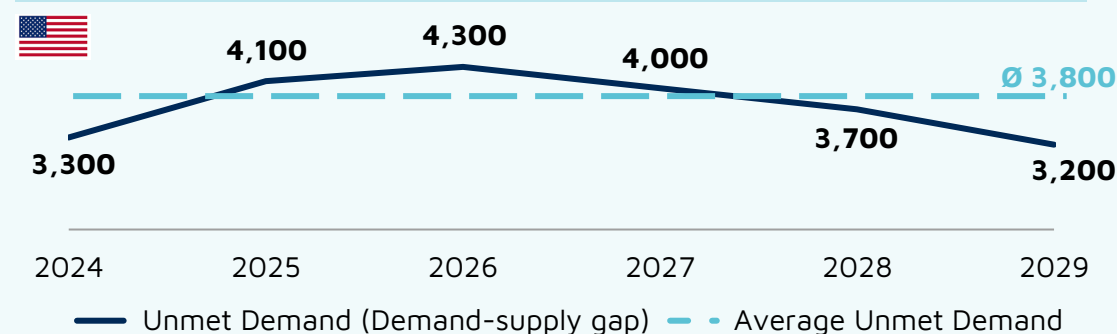
Become supplier in a heavily unbalanced Supply - Demand condition

## In a global growing market, huge supply-demand gap

Global Missile propulsion market evolution (\$b)



U.S. Missiles SRM Propellant Demand and Supply Gap (tons)



# Avio USA expansion strategy to address a \$1.7bn missile propulsion TAM<sup>(1)</sup>

## Key Highlights

Establish engineering and industrial presence with a greenfield facility to manufacture SRMs and become a merchant supplier for U.S. Defense Primes and the U.S. Armed Forces

>3

Customers

10+

Programs

Up to  
**700** Tons  
of propellant  
annual  
production

**2028**  
Start of  
Production  
in USA

## Operations






Manufacturing site has been identified

Design and procurement plan well advanced



Artistic rendering of the plant

## Key Contracts

Customer	Production Site	Contract Overview
U.S. Gov't Armed Forces		Supplemental agreement to provide capability and industrial capacity for manufacturing, assembly, integration and testing of tactical missiles SRMs
 <b>Raytheon</b> An RTX Business		Under contract to achieve qualification of a US SRM production
U.S. Prime B		In discussion on multiple programs to become a second-source supplier
International Defense Customer		Letter of Intent signed with an international solid rocket motor manufacturer



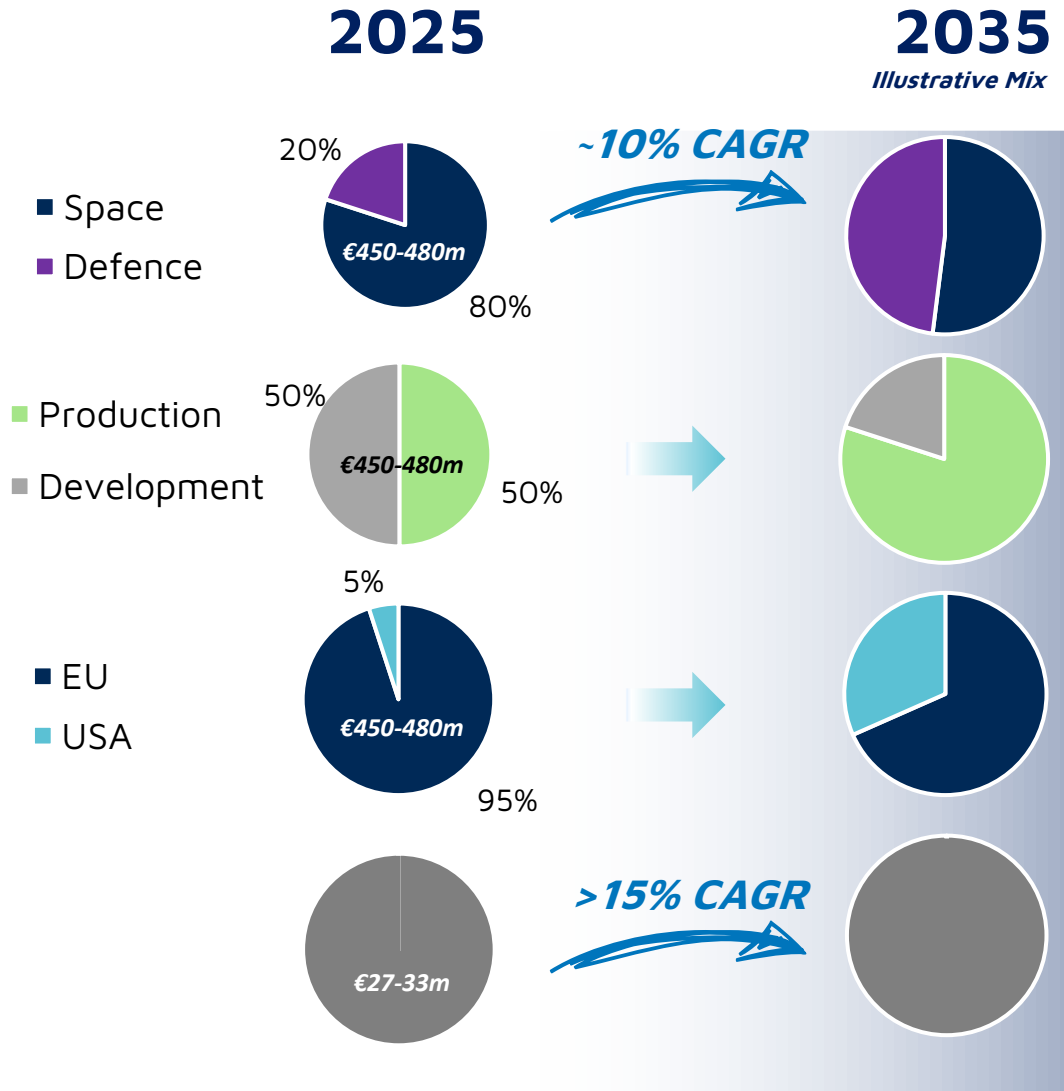
# Avio of the future

## Revenues By segment

## Revenues By activity

## Revenues By geography

## EBITDA



✓ Further exposure to Defense upside

✓ Focus on Production activities

✓ Diversify geography towards US

✓ Increase quality of earnings

# Unique opportunity to drive Avio's new stage of growth

## Key Highlights

-  ✓ Strengthening **Avio's position as a scaled European space and defence investment opportunity** with a strong track record of success – *doubled revenues and orders in the last decade*
-  ✓ Opportunity to **benefit from the unprecedented defense spending growth** across the US and EU
-  ✓ Expand **Industry-leading SRM capabilities to capture the \$1.7bn US TAM**
-  ✓ Maintain market leadership by **developing new propulsion technology**
-  ✓ Execute **long term production commitments with leading defense suppliers, create strong backlog and provide long-term revenue visibility**

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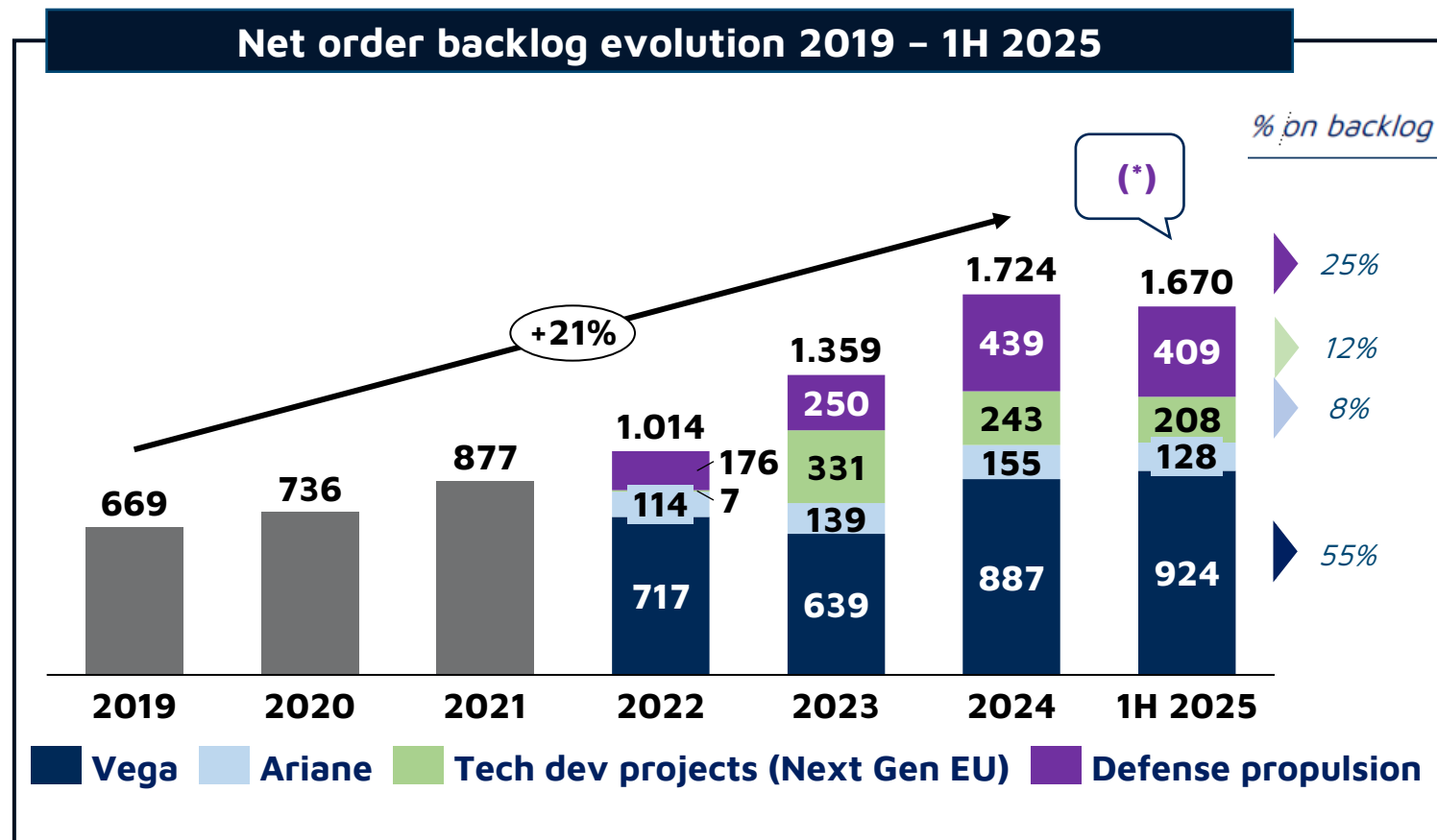
## 1H 2025 Financials

Alessandro Agosti, Chief Financial Officer



# Backlog in 1H 2025 substantially in line with 2024 year-end

Figures in €m



## Main comments

- **Backlog standing at ~€1.7bn**
- **Order intakes** in 1H 2025 for ~€180m, including:
  - **Vega** for ~€150m mainly for Launch Service Provider contracts transferred by Arianespace to Avio
  - **Ariane** for ~€15m for ESA contribution for ramp-up in production of P120 motors
  - **Defense propulsion** for ~€10m

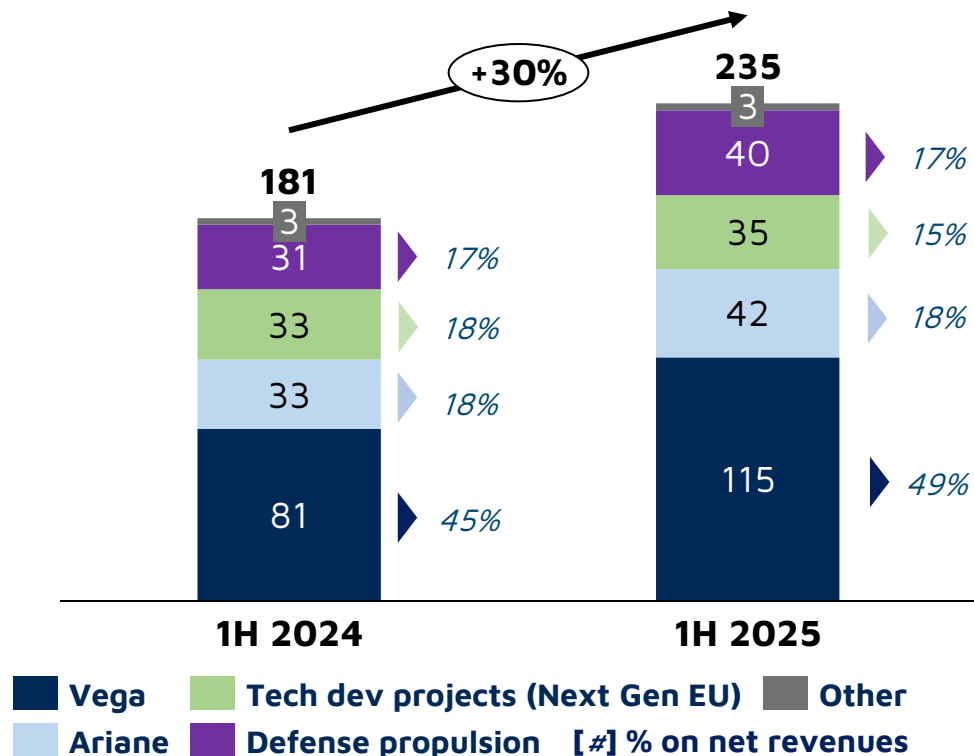
**(\*) Between July and August 2025** signed additional ~€200m including Defense production orders in EU and U.S. for ~€180m and Vega development orders for ~€20m

**Vega** accounts for ~55% of backlog and **Defense propulsion** ~25%.  
**Production** accounts for ~60% of backlog, **Development** ~40%

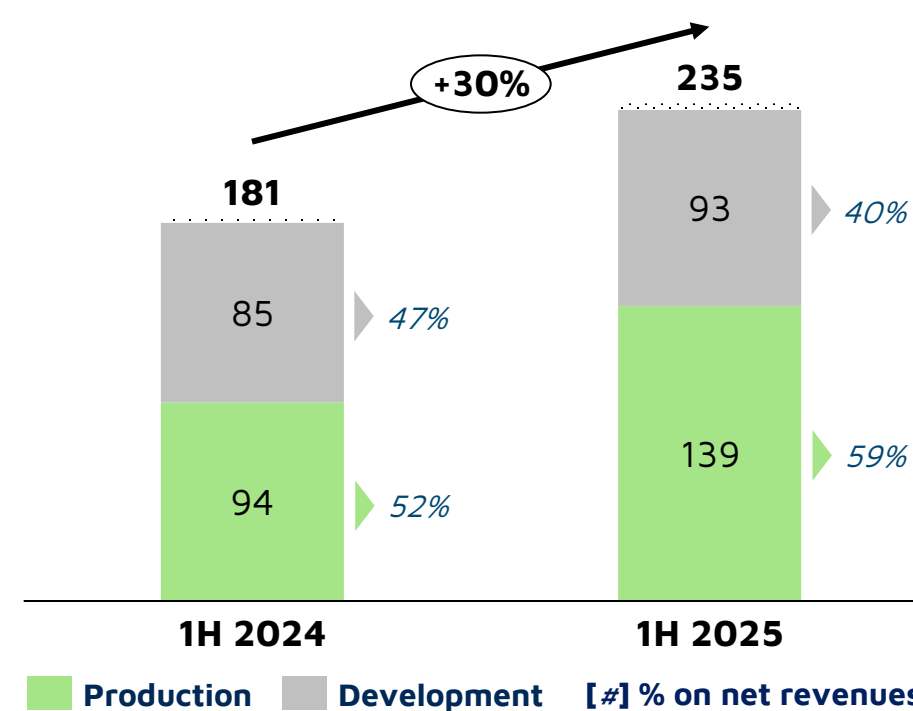
# Revenues increased by 30% compared to 1H 2024

Figures in €m

## Net revenues | Breakdown by Line of Business



## Net revenues | Breakdown by Activity



**Significant increase in revenues** mainly for Vega C production driven by cadence increase following return to flight, production of motors P120 for Ariane 6 as well as defense propulsion activities

# 1H 2025 results vs. 1H 2024

## AVIO Group | Main financials

	1H 2024 Actual (€m)	1H 2025 Actual (€m)		Delta (€m)	Delta (%)
<b>NET REVENUES</b>	<b>180,6</b>	<b>234,9</b>	<b>1.</b>	<b>54,3</b>	<b>30,0%</b>
<b>EBITDA REPORTED</b>	<b>8,1</b>	<b>10,0</b>		<b>1,9</b>	<b>23,7%</b>
% on net revenues	4,5%	4,3%			
<b>EBITDA ADJUSTED</b>	<b>8,3</b>	<b>11,4</b>	<b>2.</b>	<b>3,1</b>	<b>36,7%</b>
% on net revenues	4,6%	4,8%	<b>3.</b>		
<b>EBIT REPORTED</b>	<b>(0,4)</b>	<b>0,0</b>	<b>4.</b>	<b>0,4</b>	<b>n.m.</b>
% on net revenues	-0,2%	0,0%			
<b>EBIT ADJUSTED</b>	<b>(0,1)</b>	<b>1,4</b>		<b>1,6</b>	<b>n.m.</b>
% on net revenues	-0,1%	0,6%			
<b>PROFIT BEFORE TAX</b>	<b>(0,5)</b>	<b>0,4</b>	<b>5.</b>	<b>0,9</b>	<b>n.m.</b>
% on net revenues	-0,3%	0,2%			
<b>NET RESULT</b>	<b>(1,8)</b>	<b>(0,2)</b>	<b>6.</b>	<b>1,6</b>	<b>n.m.</b>
% on net revenues	-1,0%	-0,1%			

## Main comments

- Significant increase in revenues (+30%)**  
mainly thanks to Vega C production, Ariane 6 P120 motors and Defense propulsion activities
- EBITDA** increase driven by higher revenues, partially offset by higher energy costs
- Higher Non-recurring costs for certain personnel severance
- EBIT** increase, despite higher depreciations mainly for IT new technologies (AI)
- Profit before tax** increase higher than EBIT thanks to interest income on average cash available higher than 1H 2024 invested in time deposit
- Lower taxes** mainly for certain higher non-tax deductible costs in 2024

(1) Costs for exploration of new potential business in the US reported as recurring in both half-years

# 1H 2025 results vs 2024 | Sources and uses

Figures in €m

## AVIO Group | Sources and uses

	31 DEC 2024 Actual (€m)	30 JUN 2025 Actual (€m)	
WORKING CAPITAL	(213)	(198)	1.
DEFERRED TAX ASSETS	87,5	87,6	
PROVISIONS	(51,8)	(44,4)	
GOODWILL AND OTHER INTANGIBLE	86,1	84,5	
FIXED ASSETS	311,8	314,3	2.
FINANCIAL RECEIVABLES	2,0	2,0	
NET INVESTED CAPITAL	222,8	245,7	
NET CASH POSITION	90,1	75,3	3.
EQUITY	(312,9)	(321,0)	
TOTAL SOURCES	(222,8)	(245,7)	

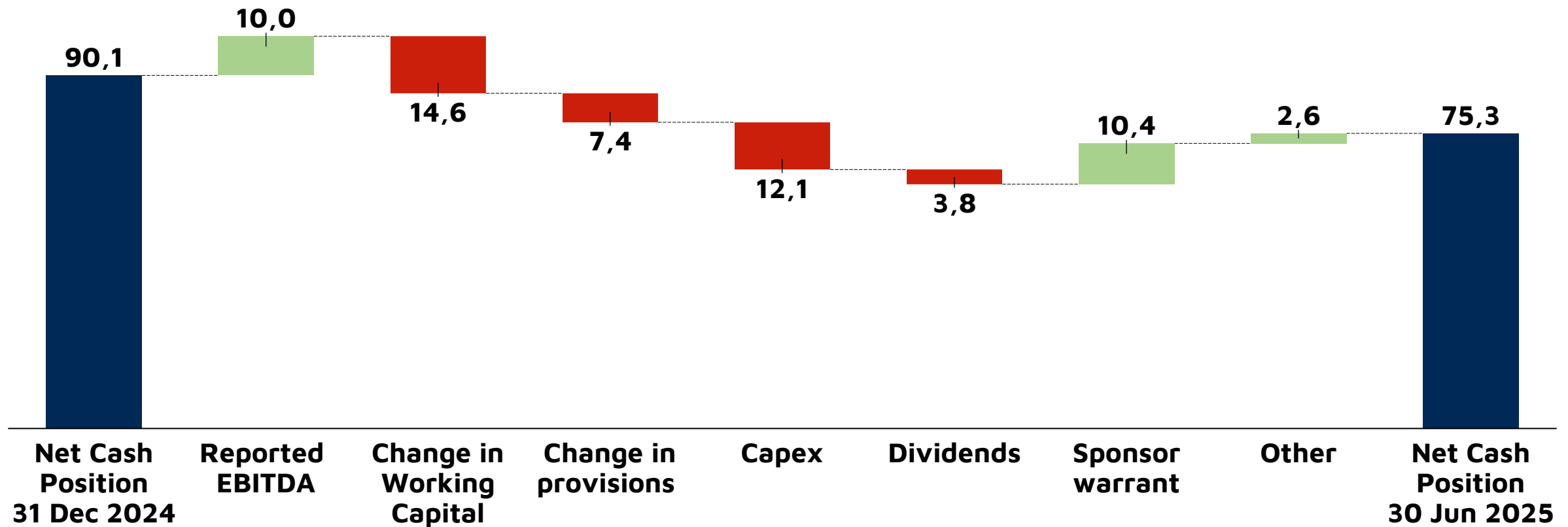
## Main comments

1. Working capital structurally negative thanks to cash advances from order intakes
2. Mainly for capex for IT improvement projects and new technologies (A.I.), net of depreciation
3. Net cash position higher than typical seasonality trend for certain delays, with timing effect, in flow-down of cash advances to suppliers and sub-contractors, as well as for about 10 million from conversion of Space Holding sponsor warrants which increased Equity



# Net Cash Position bridge

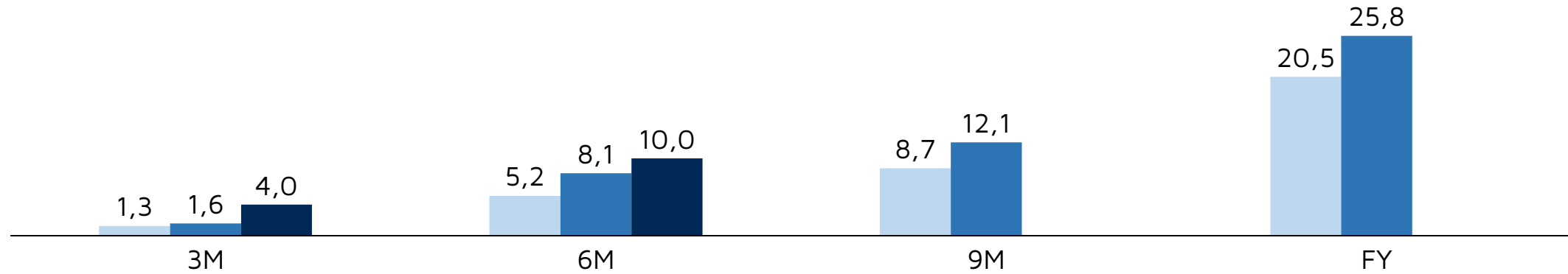
Figures in €m



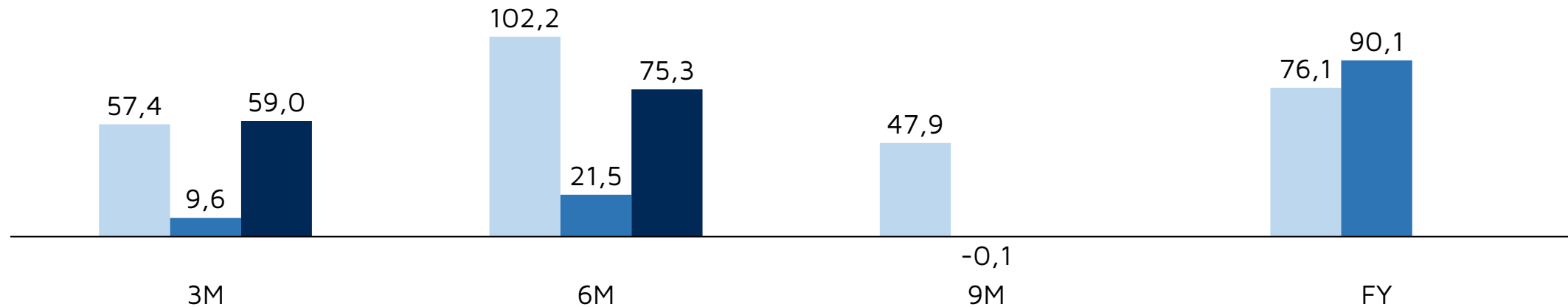
# Quarterly evolution of EBITDA and Net Cash Position

Figures in €m

## EBITDA Reported | Quarterly evolution



## Net cash position | Quarterly evolution



# 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 <sup>(1)</sup>**

€m                      €m  
**27                      33**

- *AVIO USA accounted in general expenses*

  
**NET INCOME**

€m                      €m  
**7                      10**

- *Higher taxation vs. previous year*

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

# THANK YOU FOR YOUR ATTENTION





## CONTACTS

[Investor.relations@avio.com](mailto:Investor.relations@avio.com)



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