

SEPTEMBER 2025

Avio: The Next Growth Chapter



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Who we are



*Joined Avio in 2011
CEO since 2015*

Giulio Ranzo

CEO and General Manager, Avio



Joined Avio USA in 2022

VADM (Ret.) James Syring

**CEO, Avio USA
Former Director MDA**



Joined Avio in 2024

Marco De Luca

Chief Strategy Officer, Avio



Joined Avio in 2024

Nevio Quattrin

Head of Investor Relations, Avio



Unique opportunity in the next space & defense super-cycle: Avio positioned where demand far exceeds current supply

Industry leading player in EU and US space launch and defense propulsion

Long-term relationships with sovereign and blue-chip customers

US Govt
Armed Forces

MBDA

 **Raytheon**
An RTX Business

 **esa**

 European
Commission

 **cnès**

 **AIRBUS**
DEFENCE & SPACE

60+ years of experience, proprietary technology and proven manufacturing

Addressing the evolving needs of US and EU space & defense systems

Avio today: focused on space launch & defense propulsion growth.

Ariane launcher propulsion partner

Strap-on boosters
and LOX turbopumps
sole source

~250
Launches
to date

Vega Launcher Operator

Launcher system integration
SRM manufacturing
Flight operations

27
Launches
to date

~2.5x
Growth



~2x
Growth

Air defense propulsion supplier

SRMs for air defense
missiles

>100k
SRMs
produced
to date

~7x
Growth



SRM: Solid Rocket Motors

1. Mid-term refers to the period 2029-2031 Photo credits: MBDA website

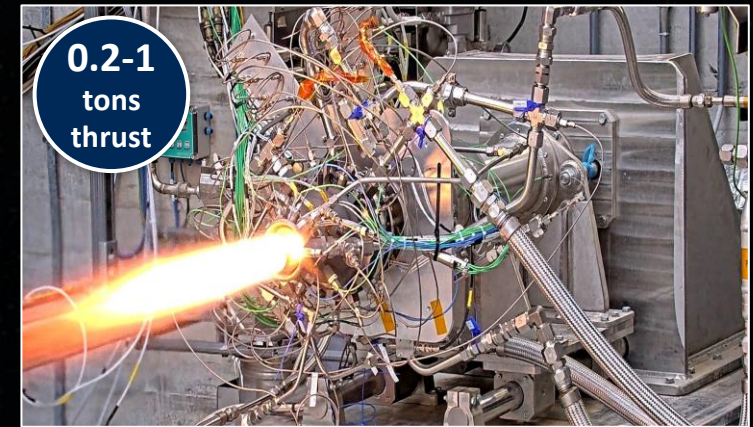
State-of-the-art technologies in space launch & defense propulsion

Orbital propulsion

< 10 years of experience

Orbital transfers

Re-entry into atmosphere



Cryogenic propulsion

10 years of experience

Innovative LOX-CH technology

Advanced upper stage propulsion



Solid propulsion

60 years of experience

SRMs for tactical/strategic applications

0-160 tons of propellant



0 – 80 Km

80 – 300 Km

>400 Km

Altitude
6

Current industrial footprint



SRMs Industrial JVs, French Guyana



Europropulsion Regulus

Avio USA, Arlington VA



✓ Operating under Special Security Agreement



Integration building



Launchpad



US Manufacturing Footprint Identified

Avio Guyane, French Guyana



Avio SpA, Colleferro

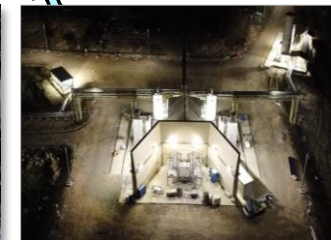


Headquarters, production plants, integration, testing



Sardinia

Test Facilities SRMs, Liquid Engines



Recent 2025 key facts



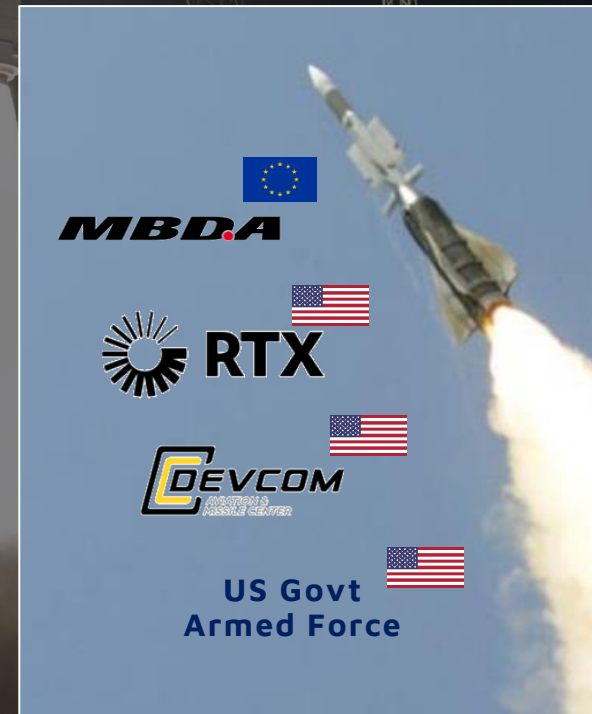
Space launch

Growing flight rates



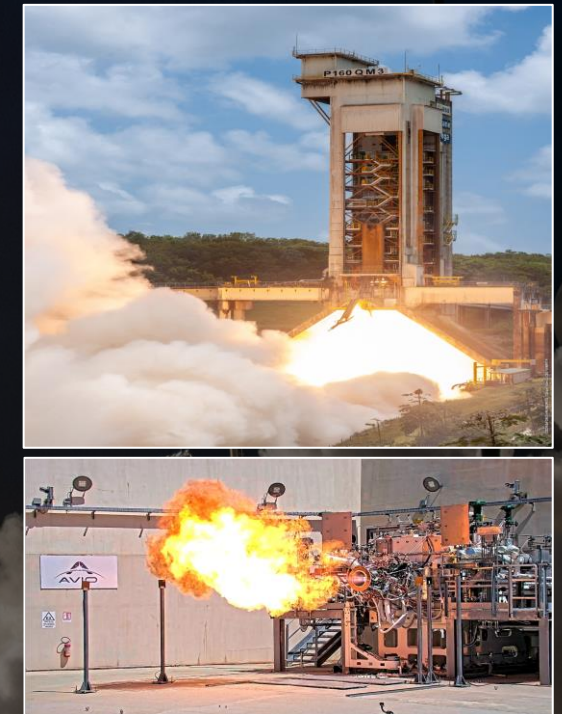
Defense

New customers



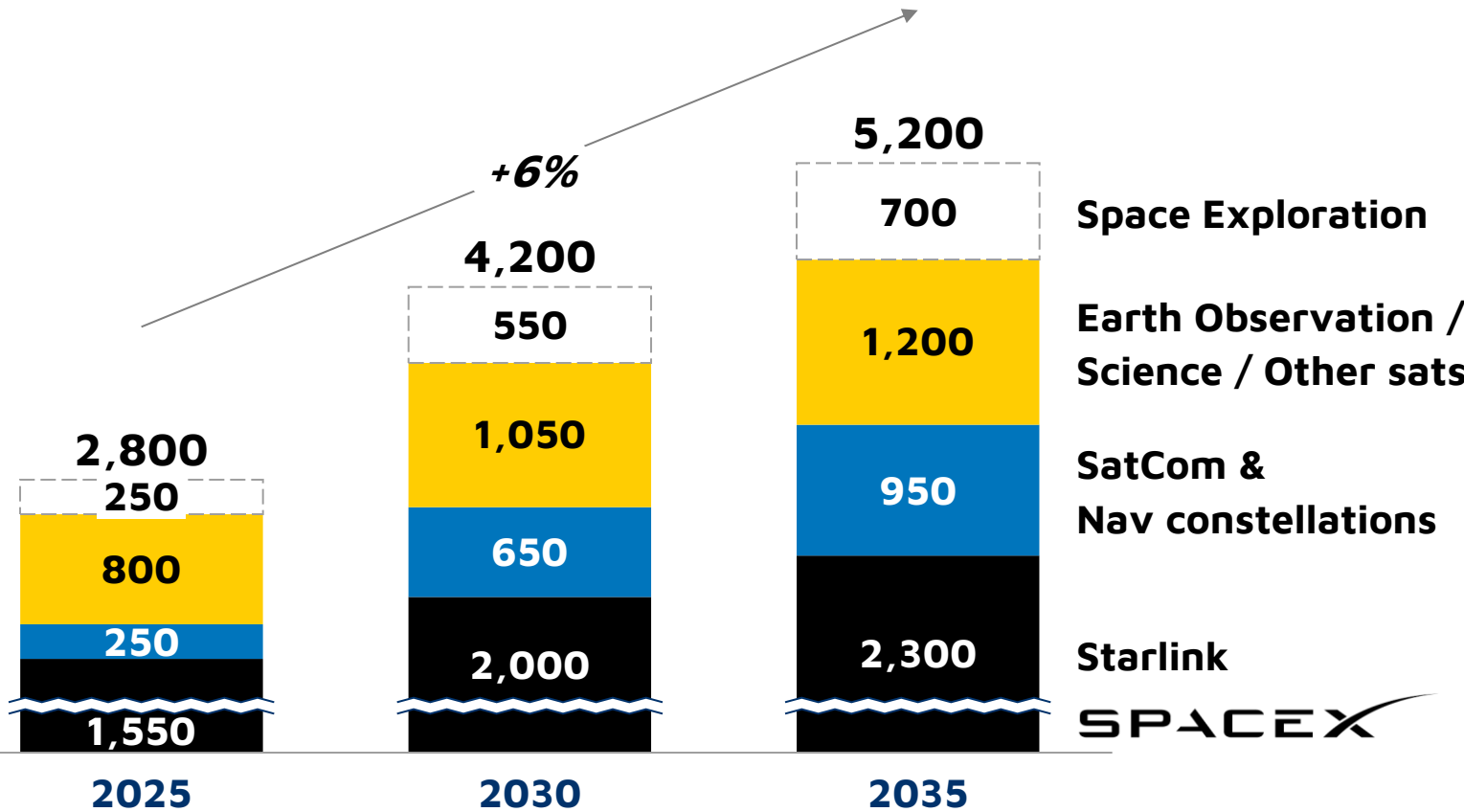
New tech developments

P160C / MR10
motors

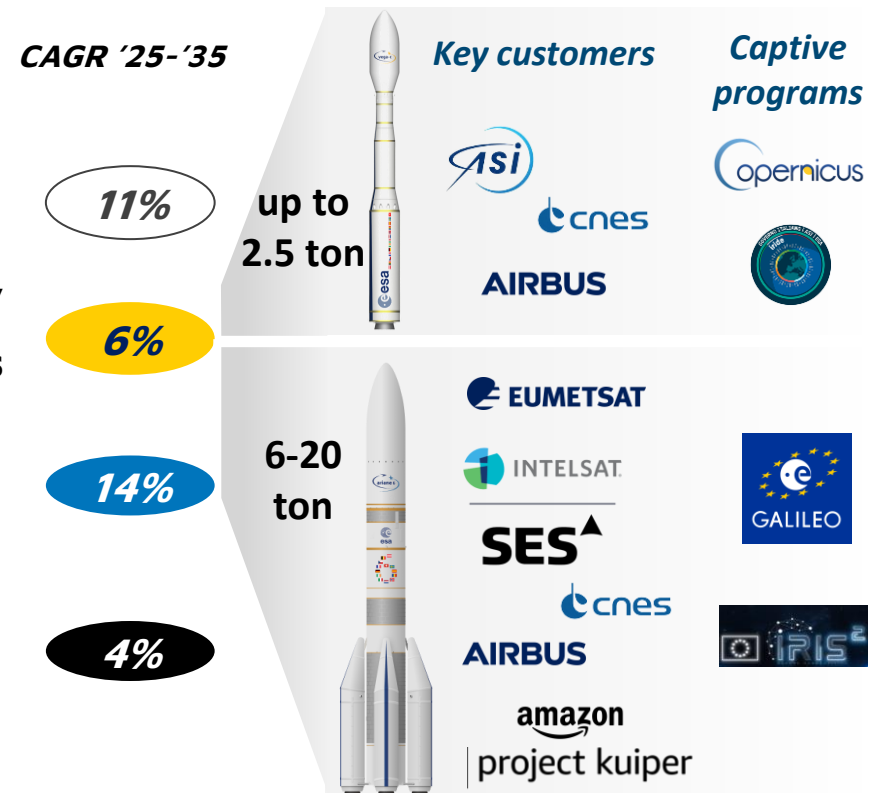


① Space launch: rapidly growing demand to orbit new spacecraft

Global Launch Market (payload tons / year)

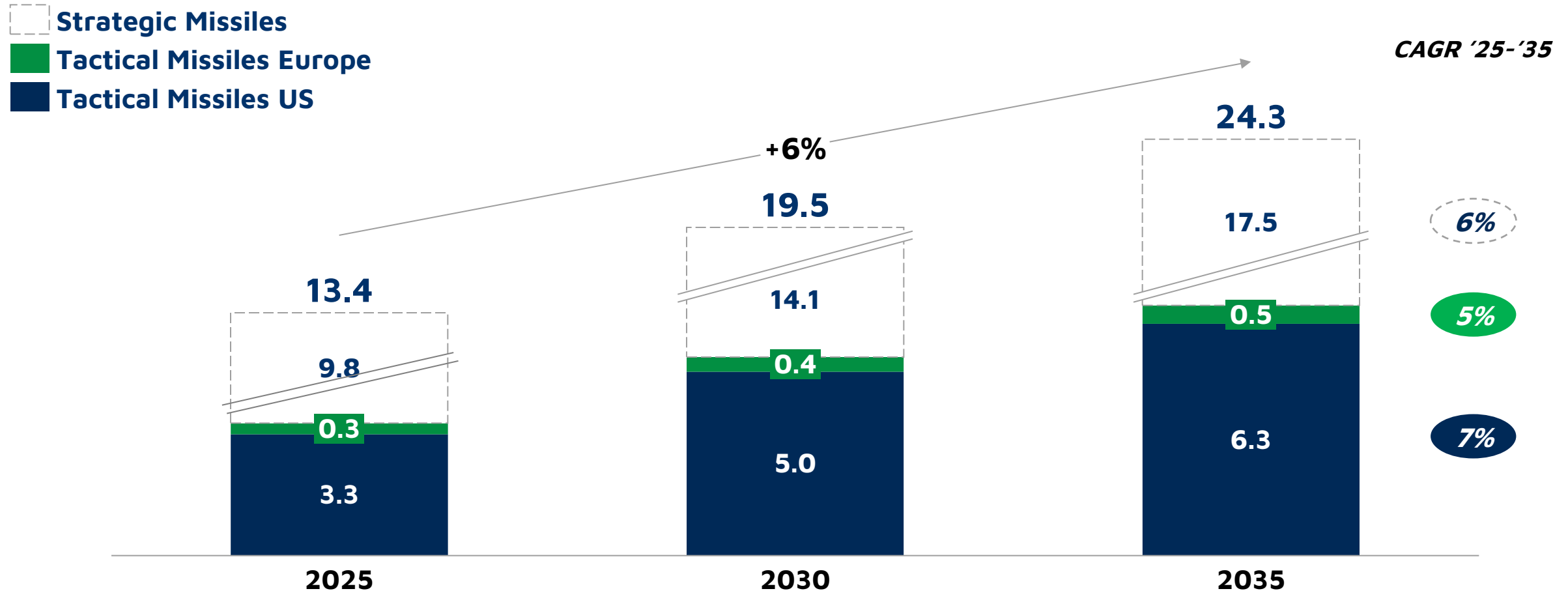


EU launchers focus



② Defense: new growth prospects via entry into US market

US & EU Missile Propulsion SRM Market (propellant k tons / year)

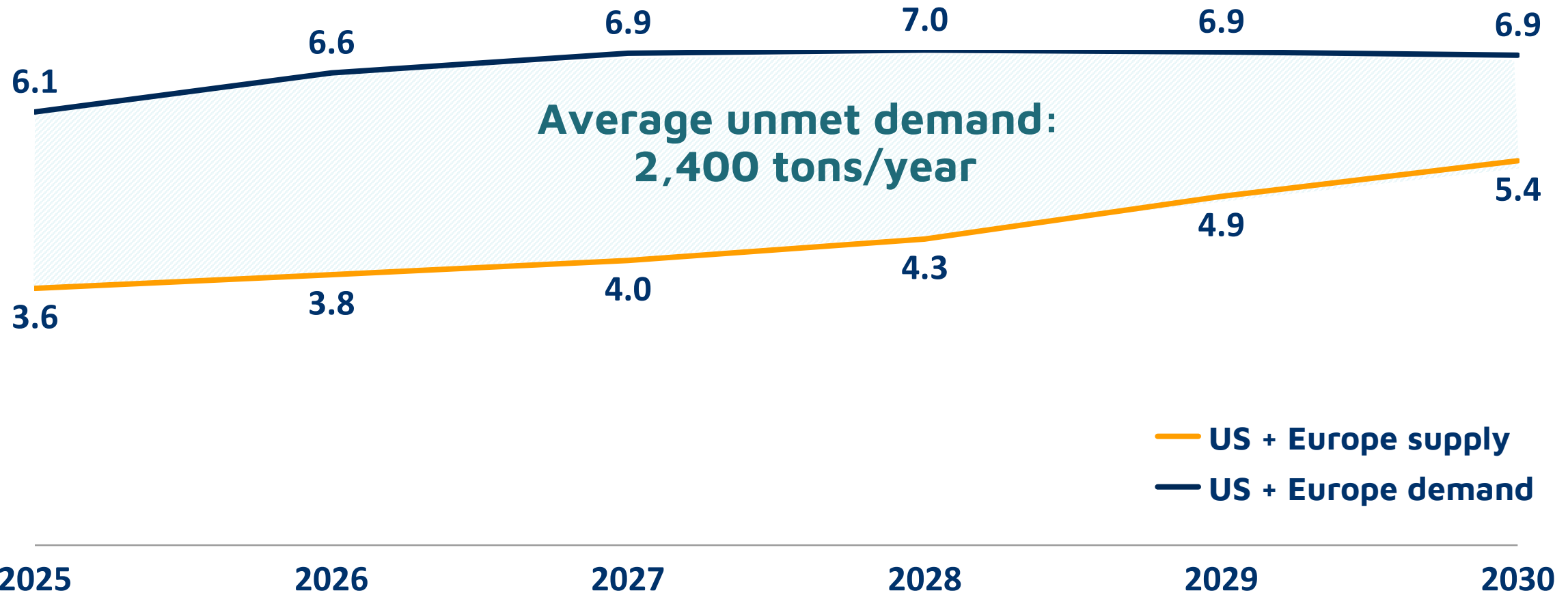


Note: European market excluding non-addressable

Sources: BCG analysis on Janes Database, DoD budget FY2025 Weapons, public information

③ Becoming a key supplier in heavy supply & demand imbalance

Current Estimate of US & EU Missile Propulsion Supply and Demand (propellant k tons / year)



A new plant in the US to capture the full market potential

Key Highlights

Engineering and production

Greenfield SRM facility

**Merchant supplier for
OEMs / Armed Forces**

>3

Customers

10+

Programs

Up to
700 Tons
of propellant
annual
production

2028
Start of
Production
in US

Operations

Site identified









Preliminary design done

Procurement started



Rendering of the plant

Key Contracts

<i>Customer</i>	<i>Production Site</i>	<i>Contract Overview</i>
		<i>New agreement for manufacturing, assembly, and testing</i>
		<i>Under contract to achieve qualification of Mk 104 SRM</i>
		<i>In discussion on multiple programs to become a second-source supplier</i>
		<i>Letter of Intent signed with an international solid rocket motor manufacturer</i>

Avio's plan: long-term revenue evolution

Revenue Target:

2025
€450 – 480m

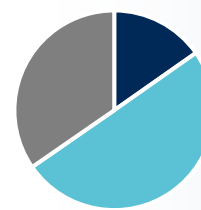
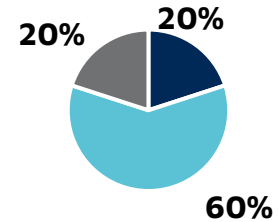
Mid-Term¹
>€1.0bn

2035
>€1.2bn

>10% CAGR

Revenues By segment

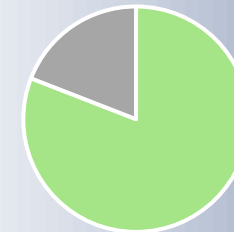
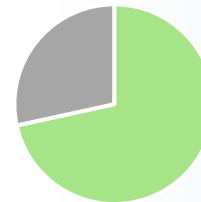
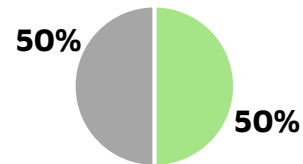
- Space Propulsion
- Launch Systems²
- Defense Propulsion



✓ Defense upside

Revenues By activity

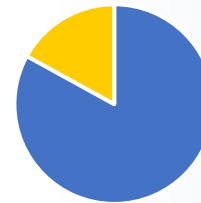
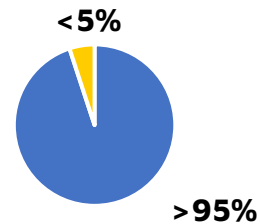
- Production
- Development



✓ Production yields

Revenues By geography

- Europe
- US



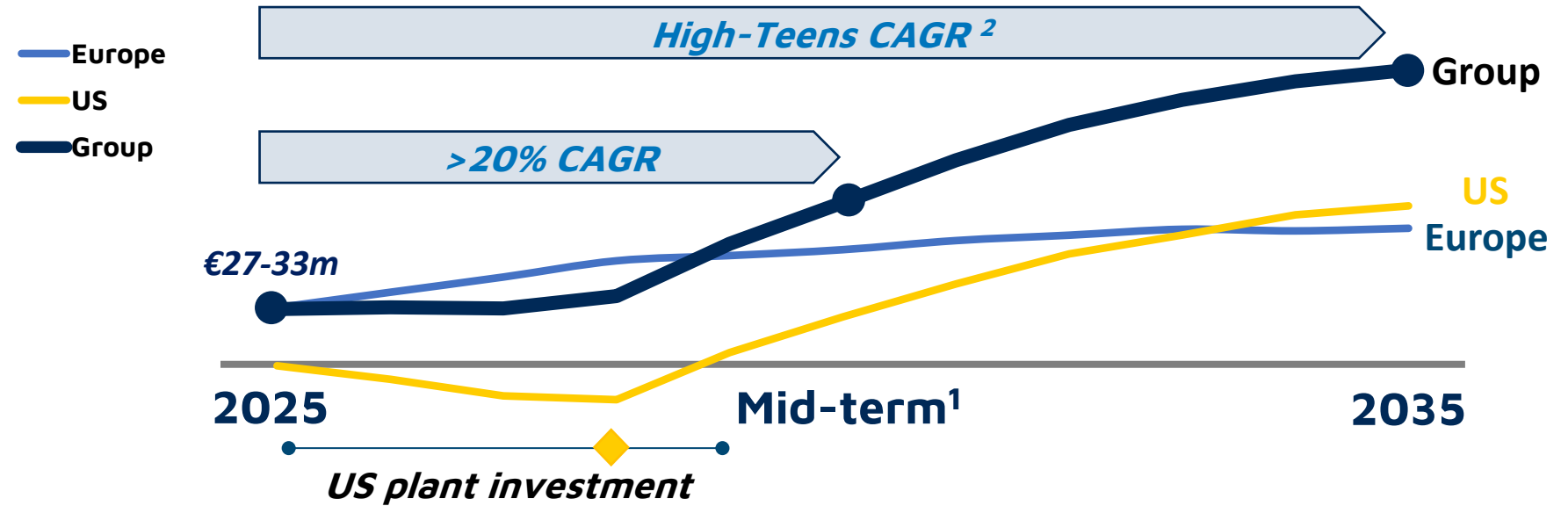
✓ Diversification

1: Mid-term refers to the period 2029-2031

2: "Launch systems" also includes Tech Dev Projects (Next Gen EU)

Long-term EBITDA evolution

EBITDA Development



EBITDA Growth components

Illustrative

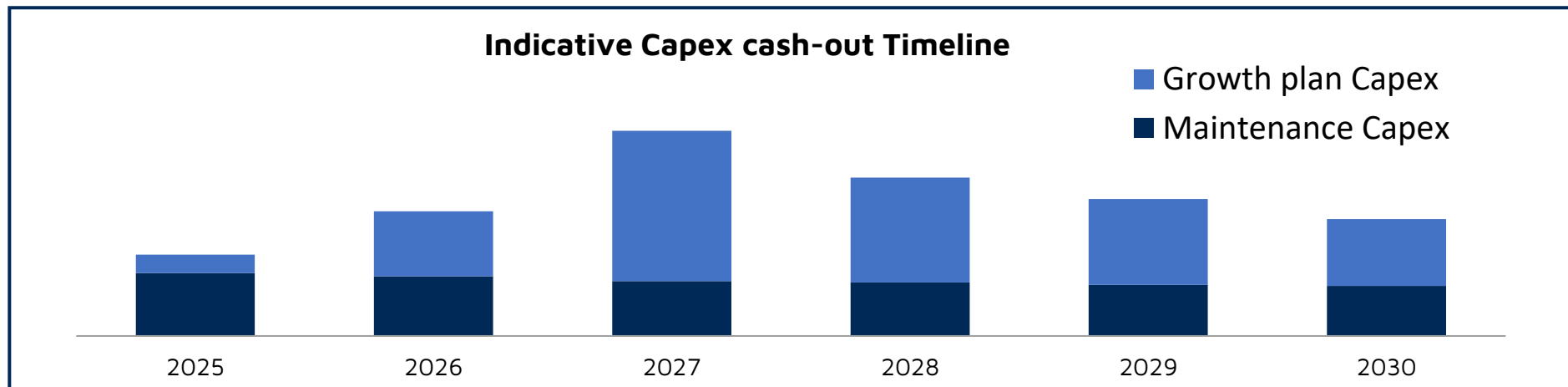
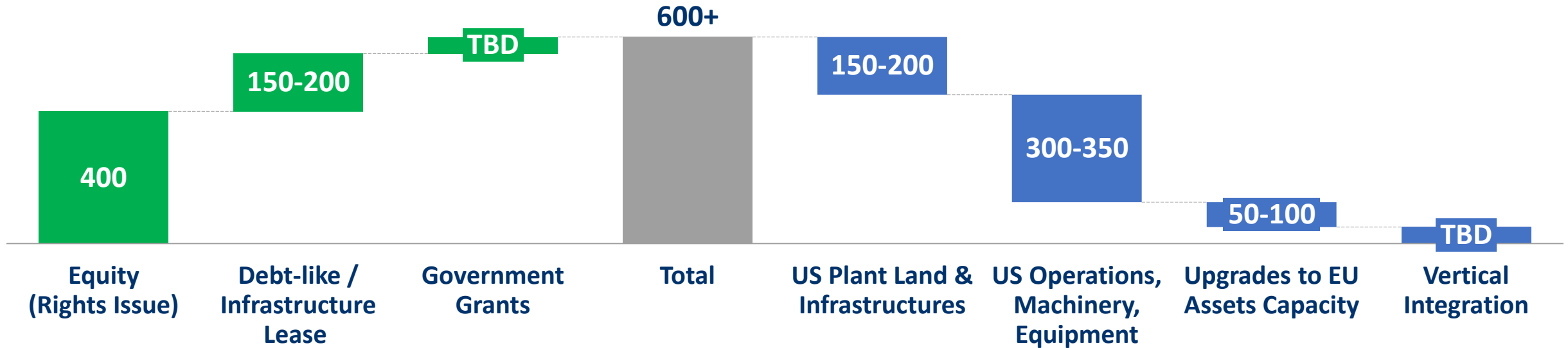


Note: EBITDA refers to EBITDA Reported

1: Mid-term refers to the period 2029-2031; 2: 80%+ of EBITDA growth expected beyond 2028

Investment plan to support long term strategic growth

Sources and uses (€m)



Potential for further upside opportunity beyond plan

Drivers for upside:

- More defense programs
- Higher than anticipated demand volumes
- Larger market shares than planned
- Entry in additional market segments

Additional sources

Issuance of **up to 10%** of the share capital on a non-pre-emptive basis

Further **Government Grants**

Additional **lending/funding sources**

Additional uses

Larger US Plant Capacity / Capability

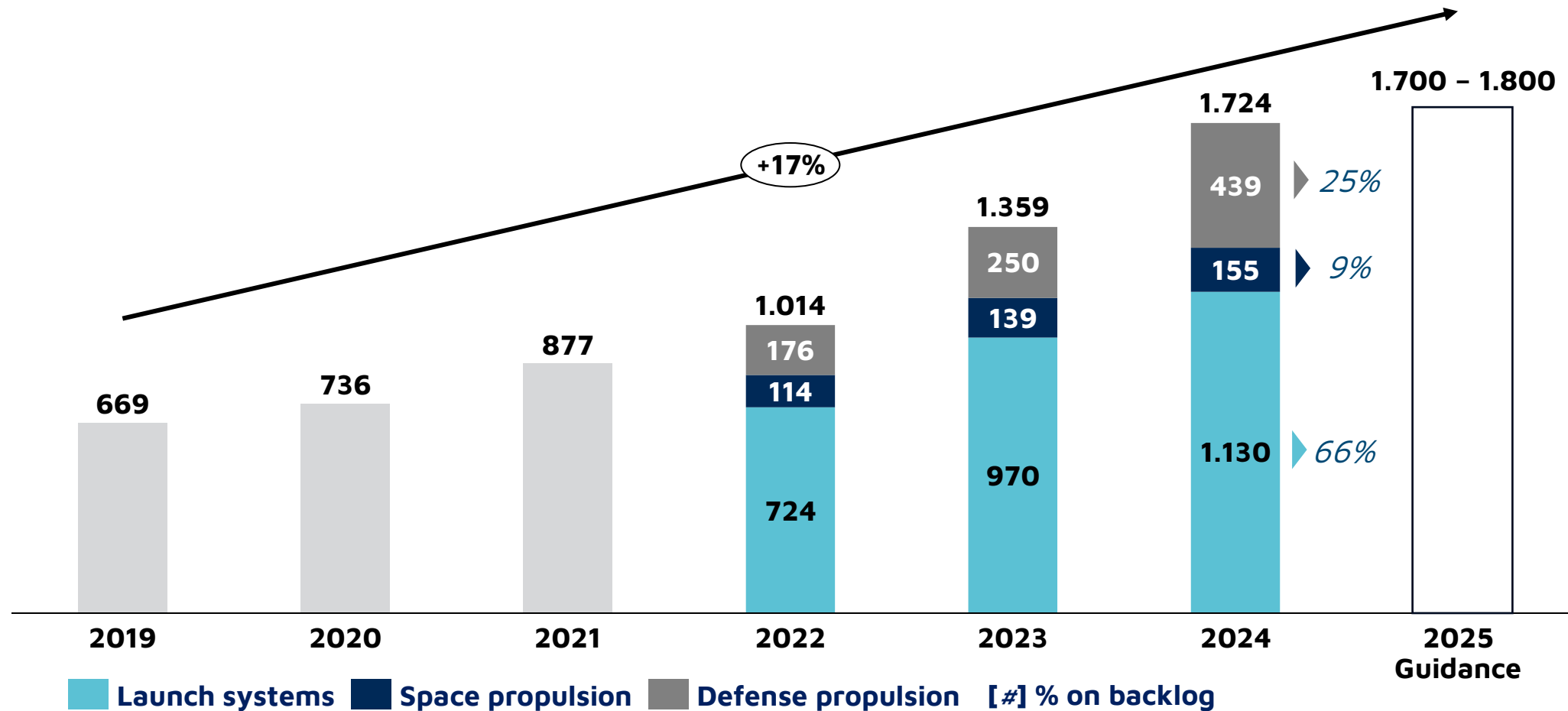
More vertical integration

Further Increase of European capacity

- ✓ **US plant: modular approach** to enable **long-term scalability**
- ✓ More **vertical integration** in critical supplies / technologies

Backlog evolution provides visibility on future revenue growth

Net order backlog (€m)



"Launch systems" also includes Tech Dev Projects (Next Gen EU)
CAGR illustratively calculated assuming mid-point of 2025 Guidance

Avio: a unique opportunity to invest in global space & defense



1

Focus on high supply-demand imbalanced segments

2

Proprietary and innovative propulsion technologies

3

Decades of proven experience and successful deliveries

4

Attractive earnings growth profile, with potential upside

5

Leadership team aligned as investors since 2017

THANK YOU

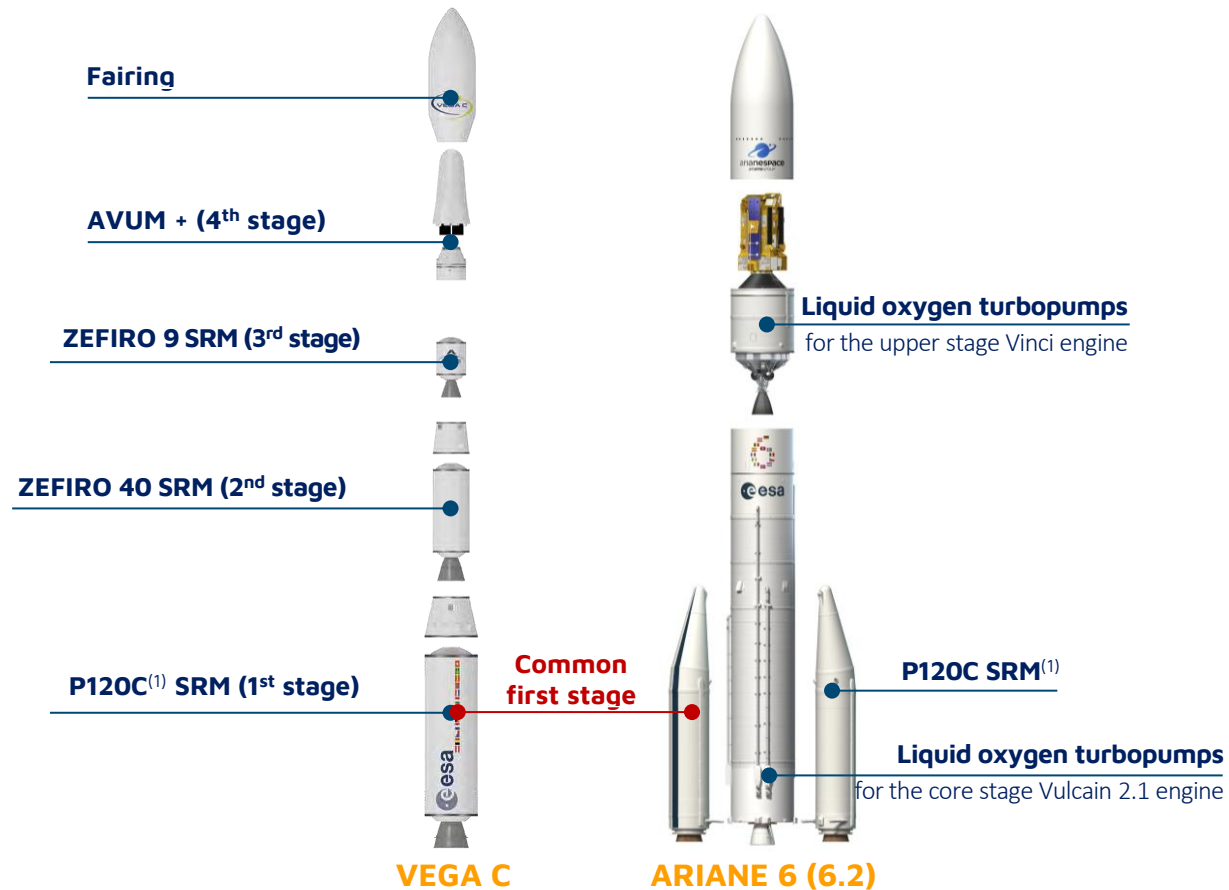


APPENDIX

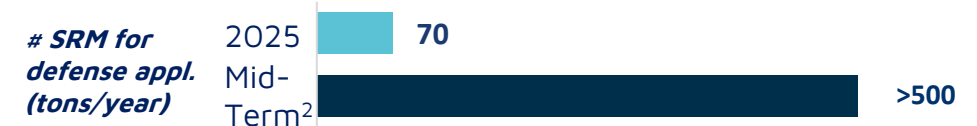
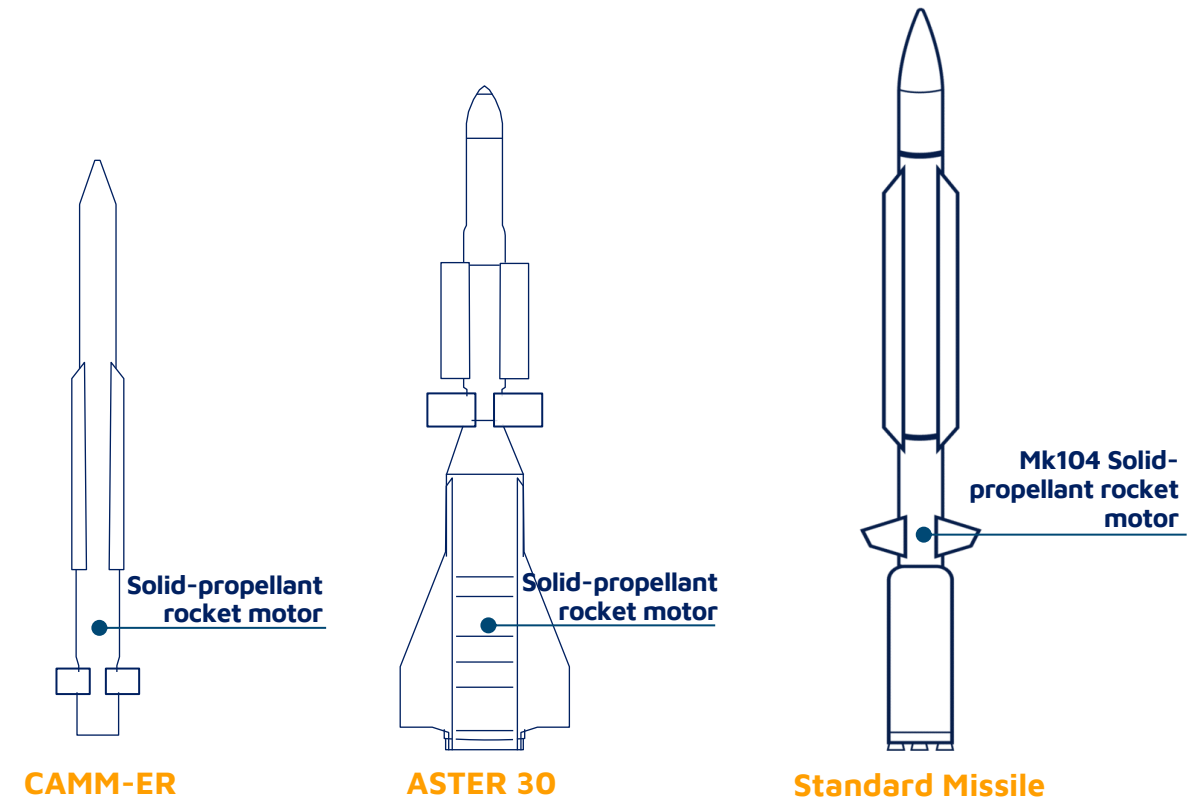


Overview of Avio main products

Space



Defense



Avio's 60 years track record in space and defense propulsion

SPACE

Ariane 1-3
Separation motors



Ariane 4
9 tons boosters



Ariane 5
240 tons boosters



Vega
Launch system



Vega C
improved performance



Ariane 6
280/560 tons boosters



DEFENSE

HAWK 



MLRS 
100,000+ SRMs



MILAN 
23,000+ SRMs



ASPIDE 
4,000+ SRMs



ASTER 30 
2,200+ Boosters



MARTE 
300 SRMs



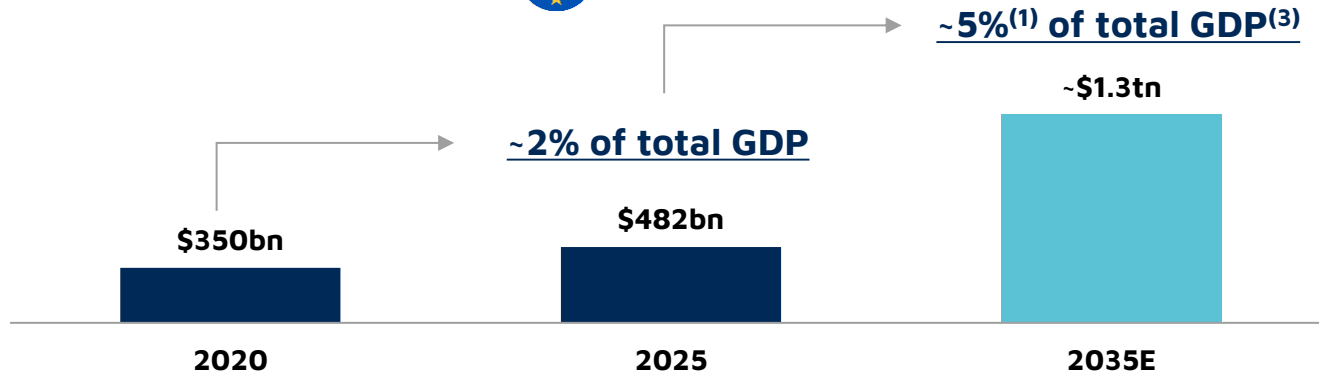
CAMM-ER 
Series Production in 2024



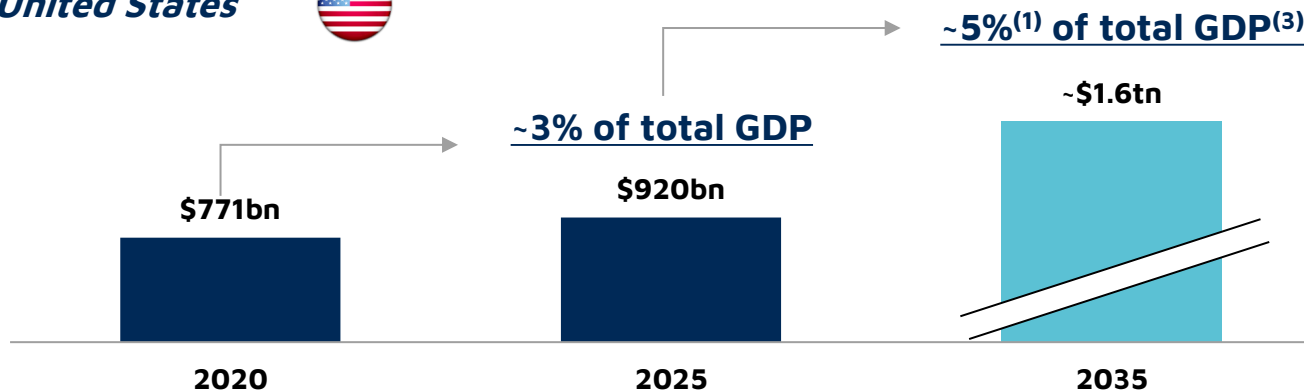
2 Record spending in defense markets

Defense spend growing towards 5%⁽¹⁾ of GDP

European NATO Members⁽²⁾



United States



Long-Term Growth in Defense Funding

Readiness 2030 (previously ReArm Europe)



- ✓ Mobilizes €800bn in European defense spending
- ✓ Significant portion earmarked to air and missile defense
- ✓ Strong “Buy European” mandate

Reconciliation Bill 2025



- ✓ Enables \$150bn of additional US defense spending, on top of Budget
- ✓ Allocates \$25bn to the “Golden Dome for America” project
- ✓ Further \$25bn designed to address higher munitions supply and SRM industrial base

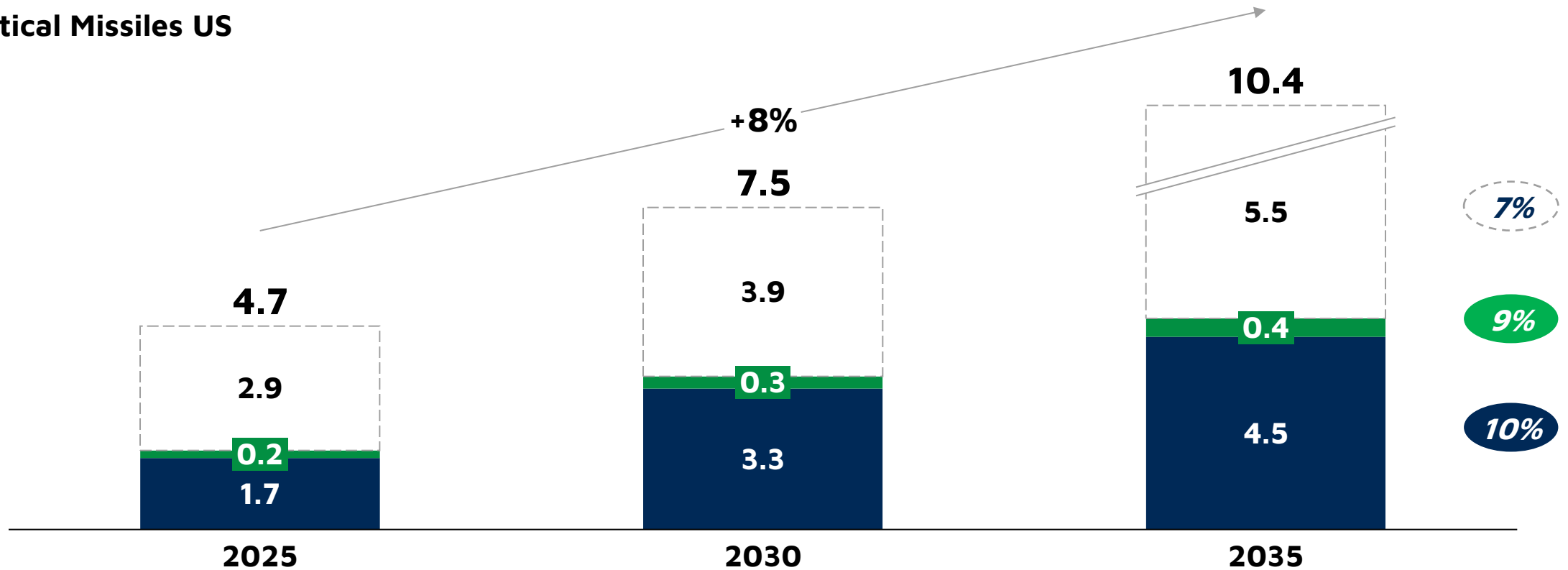
Sources: ISPRI, NATO Speech on “Building a better NATO” - June 2025, NATO report titled “Defence Expenditure of NATO Countries (2014-2025)” and press releases.
 (1) At the 2025 Munich Security Conference, NATO agreed to raise its defence spending target for all allies to 5% of GDP by 2035E up from the previous 2% target. (2) Excludes US and Canada, includes UK and Turkey. (3) Assumes 2024A – 2035E GDP CAGR of 1% across all NATO members.

② Defense: €1.7B TAM¹ in US SRM Market

Missile Propulsion SRM Market (€B)

- Strategic Missiles
- Tactical Missiles Europe
- Tactical Missiles US

CAGR '25-'35



1. TAM = Total Addressable Market; Note: European market excluding non-addressable
Sources: BCG analysis on Janes Database, DoD budget FY2025 Weapons, public information

Recently announced US customer agreements rapidly transitioning towards production

Contracts in US announced in 2024 are rapidly progressing from development to production

2024

2025

...

By 2028
Production



US Government
Armed Forces



Partnership for **development**
and **fast-prototyping** of SRMs

Manufacturing, Assembly,
Integration and Testing
agreement

 **Raytheon**
An RTX Business



PDR⁽¹⁾ of critical SRMs for
defense applications

Funding secured through the
CDR⁽²⁾ phase and Long-Lead
for qualification

Other primes

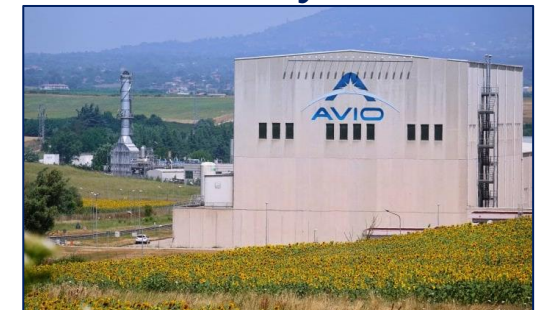


... to come

US



Italy



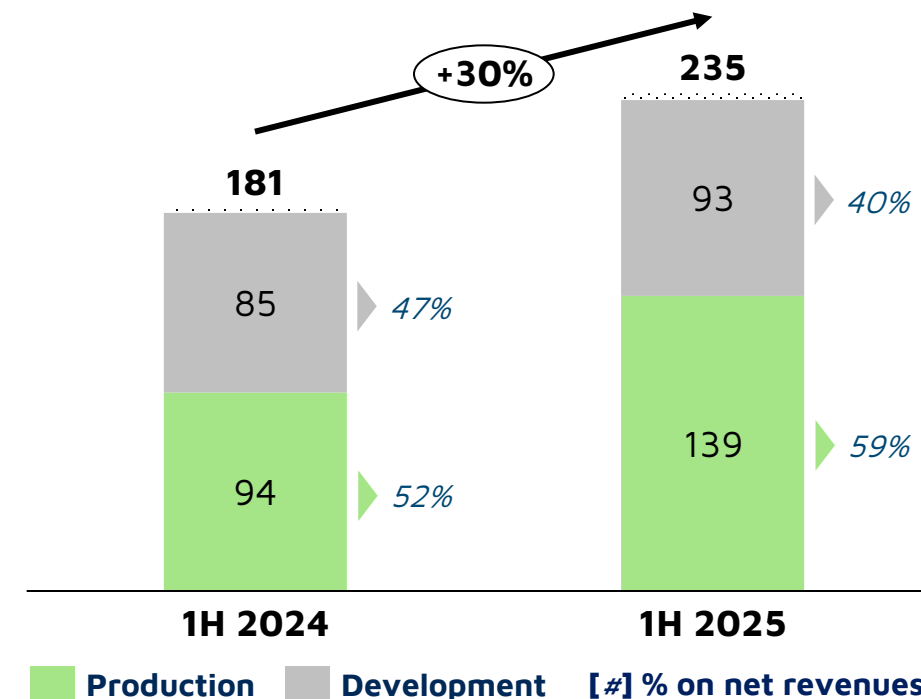
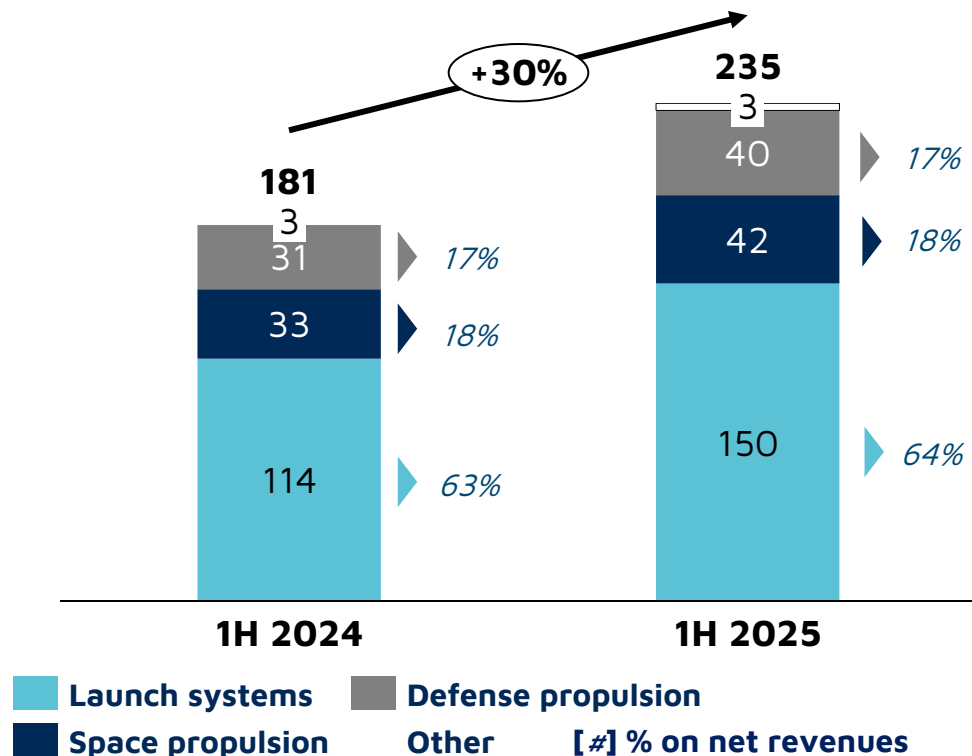
(1) Preliminary Design Review
(2) Critical Design Review

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 (%)
NET REVENUES ⁽²⁾	180,6	234,9	1.	54,3	30,0%
EBITDA REPORTED	8,1	10,0		1,9	23,7%
% on net revenues	4,5%	4,3%			
EBITDA ADJUSTED	8,3	11,4	2.	3,1	36,7%
% on net revenues	4,6%	4,8%	3.		
EBIT REPORTED	(0,4)	0,0	4.	0,4	n.m.
% on net revenues	-0,2%	0,0%			
EBIT ADJUSTED	(0,1)	1,4		1,6	n.m.
% on net revenues	-0,1%	0,6%			
PROFIT BEFORE TAX	(0,5)	0,4	5.	0,9	n.m.
% on net revenues	-0,3%	0,2%			
NET RESULT	(1,8)	(0,2)	6.	1,6	n.m.
% 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

(2) Net of pass-through

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 ⁽¹⁾	(213)	(198)	1.
DEFERRED TAX ASSETS	87,5	87,6	
PROVISIONS ⁽²⁾	(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)	

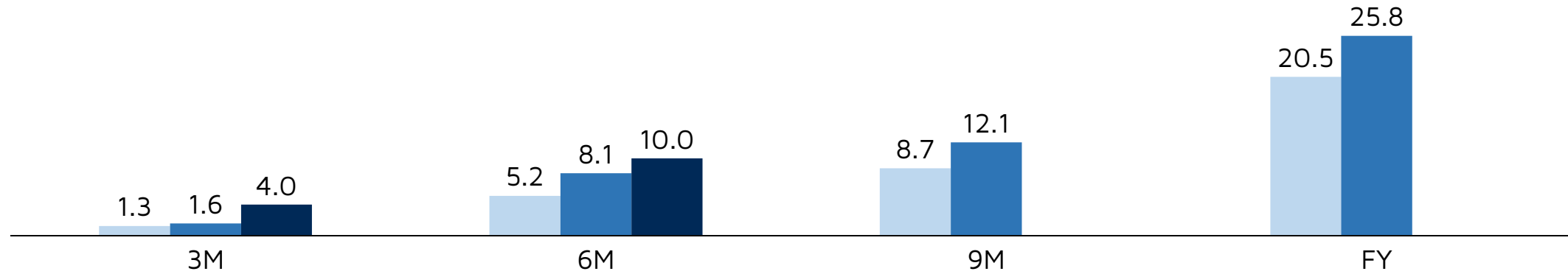
Main comments

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

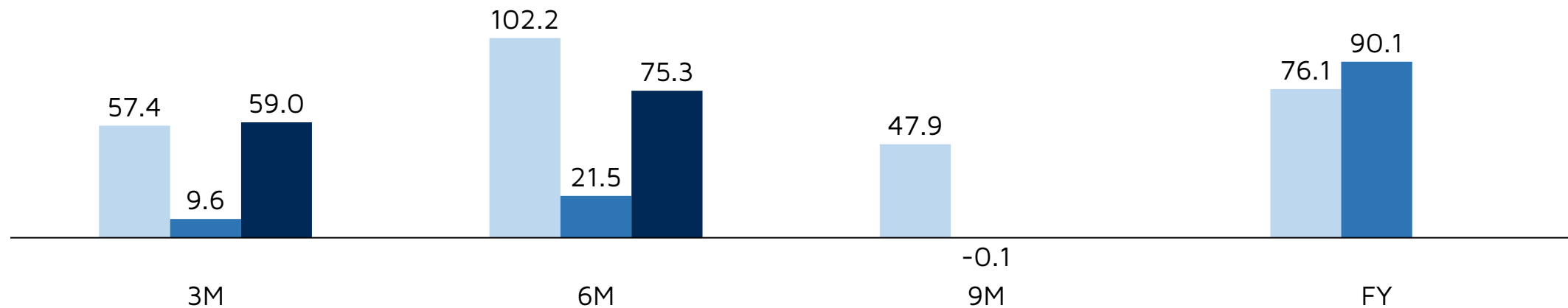
Quarterly evolution of EBITDA and Net Cash Position

Figures in €m

EBITDA Reported | Quarterly evolution



Net cash position | Quarterly evolution



FY 2025 Guidance


BACKLOG

€m 1.700 €m 1.800

- *New orders from defense propulsion business*


REVENUES

€m 450 €m 480

- *Growth in defense propulsion and Vega activities*


EBITDA REPORTED ⁽¹⁾

€m 27 €m 33

- *AVIO USA accounted in general expenses*


NET INCOME

€m 7 €m 10

- *Increased taxes*

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

CONTACTS

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