



# SPAFID CONNECT

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Oggetto : HY 2018 RESULTS

*Testo del comunicato*

Vedi allegato.



## HALF YEAR 2018 RESULTS

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### AVIO: REVENUES, MARGINS AND BACKLOG GROWTH

- Revenues<sup>1</sup>: Euro 178.8 million (+20.3% on HY 2017)
- Reported EBITDA<sup>2</sup>: Euro 14.5 million (+29.5%)
- Reported EBIT<sup>2</sup>: Euro 7.7 million (+79.1%)
- Net Income<sup>2</sup>: Euro 6.2 million (Euro 1.7 million in HY 2017)
- Backlog of Euro 961.5 million (+34% on June 2017, +1% on December 2017)
- Distribution of dividends of Euro 10 million, equal to Euro 0.38 per share
- Net Financial Position: positive cash position of Euro 21.7 million (Euro 41.7 million at December 31, 2017)

**Colleferro (Rome), September 13, 2018** – The Board of Directors of Avio S.p.A., an aerospace leader listed on the STAR segment of the Italian Stock Exchange, today reviewed and approved the HY 2018 results.

The Group reports HY 2018 **revenues of Euro 178.8 million, up 20.3% on the same period of the previous year**. The increase is primarily due to Vega launcher operations and the greater focus on development of the new P120C engine, shared by the next generation launchers Ariane 6 and Vega C.

**Reported EBITDA of Euro 14.5 million<sup>2</sup>, up 29.5% on H1 2017**, while reported EBIT of Euro 7.7 million<sup>2</sup> grew 79.1% on the previous year, in line with the Reported EBITDA performance.

The Net Financial Position at June 30 was a positive cash position of Euro 21.7 million (Euro 41.7 million at December 31, 2017), in line with normal cash flows operating cycle and taking into account the payment of dividends in May for Euro 10 million.

**The Backlog also improved to Euro 961.5 million** (+34% on June 2017 and +1% on December 2017), **benefitting from new Ariane and Vega contracts for a total of approx. Euro 190 million**.

*“Our double-digit growth again continued in the first half of 2018, building on the Group’s 2017 results - stated Giulio Ranzo, Chief Executive Officer of Avio”.*

*“In the first half of the year - added Ranzo - we have continued to develop the new Vega C and Ariane*

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<sup>1</sup> Net of “pass-through” revenues.

<sup>2</sup> Includes the portion of the Research and Development tax credit matured in 2017, accruing to the first half of 2018, of Euro 1.2 million.

*6 launchers (which will fly respectively in 2019-2020), while completing also the fire testing of the Zefiro 40 and P120C engines (respectively second stage of the Vega C and first common stage of the Vega C and Ariane 6). Meanwhile, we have signed further launch contracts with new international clients both for Vega-SSMS and for Vega C”.*

More specifically, the contract to launch Thailand’s Earth Observation satellite (Theos 2) has been signed in the past few days, and the signing of the contract for a Satellite of the Korean Aerospace Research Institute is expected soon.

*“Just a few weeks ago, Vega completed its twelfth consecutive successful flight. The world reliability record for space launchers is firmly ours – concluded Giulio Ranzo. The performances of the European Ariane and Vega launchers, the successful development of new technologies, the growing trust of new international customers, our expanding backlog – of almost Euro one billion – allow us to look to the future with great confidence”.*

The presentation summarizing the Half-Year results will be available in the Investor Relations section of [www.avio.com](http://www.avio.com) to assist the call with financial analysts and investors scheduled for Friday, September 14 at 10.30 AM. The Half-Year Financial Report will be made available in Italian and in English in accordance with Law.

\* \* \*

The Executive Officer for Financial Reporting, Alessandro Agosti, declares in accordance with paragraph 2, Article 154-bis of the Consolidated Finance Act that the accounting information in the present press release corresponds to the underlying accounting documents, records and entries.

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**Avio** is a leading international group engaged in the construction and development of space launchers and solid and liquid propulsion systems for space travel. The experience and know-how built up over more than 50 years puts Avio at the cutting-edge of the space launcher sector, solid, liquid and cryogenic propulsion and tactical propulsion. Avio operates in Italy, France and France Guyana with 5 facilities, employing approx. 850 highly-qualified personnel, of which approx. 30% involved in research and development. Avio is a prime contractor for the Vega programme and a sub-contractor for the Ariane programme, both financed by the European Space Agency (“ESA”), placing Italy among the limited number of countries capable of producing a complete spacecraft.

#### **For further information**

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**AVIO GROUP CONSOLIDATED FINANCIAL STATEMENTS**

<b>CONSOLIDATED BALANCE SHEET</b>	<b>June 30, 2018</b>	<b>December 31, 2017</b>
<i>(in Euro)</i>		
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	70,669,054	71,852,360
Investment property	2,808,236	2,832,219
Goodwill	61,005,397	61,005,397
Intangible assets with definite life	118,372,902	117,577,280
Investments	5,034,420	6,346,612
Non-current financial assets	7,440,000	7,440,000
Deferred tax assets	75,527,895	76,546,723
Other non-current assets	66,241,000	65,521,105
<b>Total non-current assets</b>	<b>407,098,905</b>	<b>409,121,695</b>
<b>Current assets</b>		
Inventories and advances to suppliers	117,038,090	125,789,247
Contract work-in-progress	205,076,884	111,236,680
Trade receivables	4,640,605	8,507,533
Cash and cash equivalents	73,509,159	107,033,059
Current tax receivables	67,839,236	72,230,694
Other current assets	12,601,757	8,663,659
<b>Total current assets</b>	<b>480,705,730</b>	<b>433,460,873</b>
Assets held-for-sale and Discontinued Operations	-	-
	-	-
<b>TOTAL ASSETS</b>	<b>887,804,635</b>	<b>842,582,567</b>

<b>CONSOLIDATED BALANCE SHEET</b>	<b>June 30, 2018</b>	<b>December 31, 2017</b>
<i>(in Euro)</i>		
<b>EQUITY</b>		
Share capital	90,964,212	90,964,212
Share premium reserve	144,255,918	163,897,217
Other reserves	14,487,640	(4,682,849)
Retained earnings	8,996,515	3,611,315
Group net profit for the period	5,947,648	18,360,625
<b>Total Group Equity</b>	<b>264,651,933</b>	<b>272,150,519</b>
<b>Equity attributable to non-controlling interests</b>	<b>11,512,456</b>	<b>10,054,880</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>276,164,389</b>	<b>282,205,399</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Non-current financial liabilities	40,000,000	40,000,000
Employee benefit provisions	11,122,941	10,906,705
Provisions for risks and charges	7,640,281	7,788,960
Other non-current liabilities	122,995,905	116,269,657
<b>Total non-current liabilities</b>	<b>181,759,127</b>	<b>174,965,322</b>
<b>Current liabilities</b>		
Current financial liabilities	11,749,221	25,259,221
Current portion of non-current financial payables	60,000	60,000
Provisions for risks and charges	6,904,448	8,550,872
Trade payables	111,904,255	89,441,365
Advances from clients for contract work-in-progress	276,173,989	242,518,981
Current income tax liabilities	2,040,444	1,981,723
Other current liabilities	21,048,762	17,599,685
<b>Total current liabilities</b>	<b>429,881,119</b>	<b>385,411,847</b>
<b>TOTAL LIABILITIES</b>	<b>611,640,246</b>	<b>560,377,169</b>
Liabilities available-for-sale and discontinued operations	-	-
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>887,804,635</b>	<b>842,582,567</b>

<b>CONSOLIDATED INCOME STATEMENT</b>	<b>H1 2018</b>	<b>H1 2017 <sup>(1)</sup></b>
<i>(in Euro)</i>		
Revenues	202,004,928	101,287,263
Change in inventory of finished products, in progress and semi-finished	4,286,641	3,042,871
Other operating income	1,452,047	1,238,298
Consumption of raw materials	(64,882,242)	(32,209,358)
Service costs	(96,064,636)	(49,875,647)
Personnel expenses	(32,651,367)	(16,643,677)
Amortisation & Depreciation	(6,841,259)	(3,329,720)
Write-down and write-backs	-	-
Other operating costs	(4,983,914)	(1,264,493)
Effect valuation of investments under equity method - operating income/(charges)	1,767,620	259,026
Costs capitalised for internal works	3,576,441	754,775
<b>EBIT</b>	<b>7,664,259</b>	<b>3,259,337</b>
Financial income	590,413	653,645
Financial charges	(824,925)	(2,143,712)
<b>NET FINANCIAL INCOME/(CHARGES)</b>	<b>(234,512)</b>	<b>(1,490,067)</b>
Effect valuation of investments under equity method - financial income/(charges)	-	-
Other investment income/(charges)	-	-
<b>INVESTMENT INCOME/(CHARGES)</b>	<b>-</b>	<b>-</b>
<b>PROFIT BEFORE TAXES AND DISCONTINUED OPERATIONS</b>	<b>7,429,747</b>	<b>1,769,270</b>
Income taxes	(1,222,549)	575,014
<b>PROFIT FROM CONTINUING OPERATIONS</b>	<b>6,207,198</b>	<b>2,344,284</b>
<b>NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS</b>	<b>-</b>	<b>-</b>
<b>NET PROFIT FOR THE PERIOD</b>	<b>6,207,198</b>	<b>2,344,284</b>
-- of which: Owners of the parent	5,947,648	2,060,107
Non-controlling interests	259,549	284,177

<sup>(1)</sup> In consideration of the business combination on March 31, 2017 with Space 2 S.p.A., the amounts of Space 2 S.p.A. operations in the half-year including Avio Group operations for the second quarter 2017 are reported. For a detailed analysis, reference should be made to the Director's Report.

## CONSOLIDATED CASH FLOW STATEMENT

(Euro thousands)

	H1 2018	H1 2017 <sup>(1)</sup>
<b>OPERATING ACTIVITIES</b>		
Net profit for the period	6,207	2,344
Adjustments for:		
- Income taxes	1,223	(575)
- (Income)/charges from equity investments	(1,768)	-
- Financial (Income)/Charges	235	1,490
- Amortisation & Depreciation	6,841	3,330
Dividends received from Europropulsion S.A.	3,080	2,460
Net change provisions for risks and charges	(1,795)	(8,855)
Net change employee provisions	216	(28)
Changes in:		
- Inventories	8,751	3,893
- Contract work-in-progress & advances	(60,185)	(19,042)
- Trade receivables	3,867	1,642
- Trade payables	22,463	15,591
- Other current & non-current assets	752	(9,476)
- Other current & non-current liabilities	8,901	(4,208)
Income taxes paid	(476)	(289)
Interest paid	(120)	(2,622)
<b>Net liquidity generated/(employed) in operating activities</b>	<b>(A) (1,807)</b>	<b>(14,346)</b>
<b>INVESTING ACTIVITIES</b>		
Investments in:		
- Tangible assets and investment property	(1,635)	(4,905)
- Intangible assets with definite life	(4,795)	(733)
- Equity Investments		
- Savings Bonds/Restricted Bank Deposits		
Disposal price of tangible, intangible & financial assets		
<b>Changes in consolidation scope</b>		
<i>Avio Business combination</i>		
- Price paid		(84,871)
- Cash and cash equivalents of Avio Group acquired at March 31, 2017		111,140
Disposal price financial assets		152,978
<b>Liquidity generated (employed) in investing activities</b>	<b>(B) (6,430)</b>	<b>173,610</b>
<b>FINANCING ACTIVITIES</b>		
Senior Term and Revolving Facilities Agreement Repayments		(63,360)
Centralised treasury effect with Europropulsion S.A. joint control company	(13,510)	(615)
Dividends paid by the parent Avio S.p.A.	(10,017)	
Dividends paid by subsidiaries concerning minority shareholdings of the Avio Group	(1,760)	(1,920)
Other changes to financial assets and liabilities		(30,440)
<b>Liquidity generated (employed) in financing activities</b>	<b>(C) (25,287)</b>	<b>(96,335)</b>
<b>INCREASE/(DECREASE) IN NET CASH AND CASH EQUIVALENTS</b>	<b>(A)+(B)+(C) (33,524)</b>	<b>62,930</b>
<b>NET CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>107,033</b>	<b>445</b>
<b>NET CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>73,509</b>	<b>63,375</b>

<sup>(1)</sup> In consideration of the business combination on March 31, 2017 with Space 2 S.p.A., the amounts of Space 2 S.p.A. operations in the half-year including Avio Group operations for the second quarter 2017 are reported. For a detailed analysis, reference should be made to the Director's Report.

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