

<p>Informazione Regolamentata n. 1771-38-2023</p>	<p>Data/Ora Inizio Diffusione 08 Settembre 2023 19:33:00</p>	<p>Euronext Star Milan</p>
---	--	----------------------------

Societa' : AVIO SPA

Identificativo : 180925

Informazione
Regolamentata

Nome utilizzatore : AVIONSS01 - Agosti

Tipologia : 1.2

Data/Ora Ricezione : 08 Settembre 2023 19:32:59

Data/Ora Inizio : 08 Settembre 2023 19:33:00

Diffusione

Oggetto : FIRST HALF 2023 RESULTS

<i>Testo del comunicato</i>

Vedi allegato.



FIRST HALF 2023 RESULTS

RECORD HIGH ORDER BACKLOG AND CASH IMPROVED REVENUES AND PROFITS

Highlights

- Signed and started PNRR projects strengthening visibility of product roadmap
- Significantly increased order book for tactical propulsion activities
- Vega E: achieved Preliminary Design Review; M10 new DM2 engine model successfully tested on ground
- Leadership in Europe on innovative propulsion systems
- Ariane 5 successfully completed last mission
- Ariane 6 maiden flight expected in 2024 as communicated by ESA
- Minority Investment in T4i enriches the expertise in green "storable" chemical propulsion systems, electric and thrusters
- Next Vega flight scheduled for October 4th, subsequent one in spring 2024
- Awaiting Independent Evaluation Board (IEB) results to plan Vega C return to flight

Economic and financial results

- Order Backlog: EUR 1,372.6 million (+35.4% vs Dec. 22)
- Revenues : EUR 157.7 million (+17.7% vs HY 22)
- EBITDA Reported: EUR 5.2 million (+2.0 million vs HY 22)
- EBITDA Adjusted: EUR 10.5 million (+4.8 million vs HY 22)
- EBIT Reported: EUR -3.9 million (+2.3 million vs HY 22)
- EBIT Adjusted: EUR +1.4 million (+5.1 million vs HY 22)
- Result for the period: EUR 9 million (+3,8 million vs HY 22)
- Net Cash Position: EUR 102.2 million (+37.3% vs Dec. 22, +150% vs HY 2022)

Guidance 2023 confirmed

- Net order backlog: EUR 1.150-1.250 million
- Revenues: EUR 330-350 million
- EBITDA Reported: EUR 19-25 million
- Net result: EUR 2-6 million

Rome, September 8th, 2023 – The Board of Directors of Avio S.p.A., leading aerospace company listed on the STAR segment of the Italian Stock Exchange, today reviewed and approved the first half 2023 results.

In the first half of 2023, signature and start of development contracts continued as part of the initiatives for the space industry for the implementation of the "NextGenerationEU", with the aim of enhancing the technological capabilities of the Italian industry for access to space for a total value of over 285 million EUR.

The already solid order backlog of tactical propulsion activities has been further strengthened, confirming opportunities with business prospects more than doubled in terms of volumes and production rates compared to the original estimates.

Following the first development test campaign (DM1) successfully completed last year (with 24 firings for 1300 seconds cumulatively and 200 seconds as the maximum duration of the single firing), the second engine development model (DM2) test campaign is now underway for the M10 engine since August 2023 with 5 tests already performed successfully exploring high mixture ratio and pressure conditions for the engine.

On July 6th, 2023, the Ariane 5 launcher completed its last mission, successfully placing into orbit the Heinrich-Hertz and Syracuse 4B satellites. Avio contributed to the success of Ariane 5 program through the two solid rocket boosters P230, which provide 90% of the rocket thrust at liftoff as well as the core stage engine Vulcain 2 oxygen turbopumps. Avio has been part of the Ariane 5 program since the beginning and the P230 motors performed well in all the 117 flights throughout the last 27 years, demonstrating a very consistent and stable performance. In the future, Avio will continue along this path, providing P120C solid rocket boosters for the new Ariane 6 European launcher whose maiden flight is expected in 2024.

On September 4th, 2023, Avio reached an agreement with Technology for Propulsion and Innovation S.p.A. ("T4i"), a spin-off of the University of Padua specialized in innovative propulsion systems for aerospace applications which provides for a strategic investment through a qualified minority of 17% of T4i capital for an investment of approximately EUR 2.5 million.

This investment is an important step in the growth of Avio's expertise in the area of 'green' storable chemical propulsion systems, electric propulsion systems, and attitude control thrusters. The agreement will enhance the effectiveness and time-to-market for the introduction of new functional propulsion systems in our strategic plan, thanks to T4i's agility and expertise, and the synergies with Avio's infrastructure and system vision.

Vega's next launch date is scheduled for October 4th, 2023 and the subsequent one in spring 2024, while Vega C return to flight planning is currently under evaluation, awaiting the results of the Independent Evaluation Board for the analysis of the causes of the anomaly of the static firing test of Zefiro 40 motor (second stage of the Vega C launcher).

Guidance for 2023 announced last March 2023 is confirmed.

With regard to the economic and financial results, order backlog of EUR 1,372.6 million is significantly higher than 2022 Year-end the highest in the Company history for the second consecutive quarter, thanks to the contractualization of:

- Development of an in-flight demonstrator of new technologies and projects for a two stages-to-orbit light launcher propelled by a LOX-Methane engine, with a reduced environmental impact;
- Development of a new high-performance LOX-Methane engine with reduced environmental impact and realization of demonstrators of increasing complexity;

- Development of a “Multi Purpose Green Engine” for the next technologies of “In Orbit Services” and Space Logistics;
- Tactical propulsion systems, for additional Aster-30 related orders with MBDA.

Medium and long-term business prospects are also strengthened thanks to missions already contracted by Arianespace until 2027, institutional missions for the European Commission, positioning in low orbit of the satellites of the Copernicus Earth observation constellation and for the Italian Government through the European Space Agency.

Revenues of **EUR 157.7 million for the first half of 2023, up 17.7% on the same period of the previous year**. The increase is mainly attributable to increased development activities for the Recovery and Resilience Plan (RRP) and production activities in tactical propulsion.

Reported EBITDA of EUR 5.2 million is mainly driven by the contribution of development projects and the relief of energy costs.

Adjusted EBITDA of EUR 10.5 million also increased with respect to HY 2022.

Reported EBIT and Adjusted EBIT follow the same improvement patterns of EBITDA.

The Net Cash Position is EUR 102.2 million (vs EUR 74.4 million in December 2022 and vs EUR 40.9 million in HY 2022) principally thanks to advances received related to development activities in the RRP field.

The Half-Year Report 2023 Key Financial Highlights presentation will be available in the Investors section of www.avio.com to assist the call with financial analysts and investors scheduled for Monday September 11th, 2023 at 10.00 AM CEST.

Giulio Ranzo, CEO of Avio, commented: *“The half year 2023 brought a sharp increase in net order backlog and cash for both space and defense, providing substantially improved visibility for the future. Profits improved versus 2022 thanks to a lower impact from energy costs on industrial operations. The launch of Vega is scheduled for the beginning of October and another one in spring 2024 while the planning of the return to flight of Vega C is awaiting the results of the Independent Enquiry Commission relating to the anomaly of the static firing test of the Zefiro 40 motor expected by September.”*

For further information

Investor relations contacts:

Alessandro.agosti@avio.com

Media Relations contacts:

francesco.delorenzo@avio.com

giuseppe.coccon@avio.com

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 knowhow 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. 1,200 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.

Annex – Accounting information

RECLASSIFIED STATEMENTS GROUP RESULTS & EQUITY AND FINANCIAL POSITION

Operating results

The table below summarises the comparable performance of the Group for the first half of 2023 and the first half of 2022 (in Euro thousands):

	H1 2023	H1 2022	Change
Revenues	157,721	133,516	24,205
of which: Pass-through revenues	-	(473)	473
Revenues, net of pass-through revenues	157,721	133,989	23,732
Other operating revenues and changes in inventory of finished products, in progress and semi-finished	8,855	11,152	(2,297)
Costs for goods and services, personnel, other operating costs, net of capitalised costs & pass-through	(160,604)	(140,096)	(20,508)
Effect valuation of investments under equity method - operating income/(charges)	(817)	(1,888)	1,071
EBITDA	5,155	3,158	1,997
Amortisation, depreciation & write-downs	(9,051)	(9,375)	325
EBIT	(3,896)	(6,218)	2,322
Interest and other financial income (charges)	210	(298)	508
Net financial income/(charges)	210	(298)	508
Investment income/(charges)	-	-	-
Profit/(loss) before taxes	(3,686)	(6,516)	2,830
Current and deferred taxes	(172)	(1,115)	943
Profit for the period	(3,858)	(7,631)	3,773

Balance Sheet

The Group balance sheet is broken down in the following table (in Euro thousands):

	June 30, 2023	December 31, 2022	Change
Tangible assets and investment property	144,516	141,053	3,463
Right-of-use	8,306	8,535	(228)
Goodwill	62,829	64,149	(1,320)
Intangible assets with definite life	122,553	119,814	2,739
Investments	14,788	15,605	(817)
Total fixed assets	352,992	349,156	3,837
Net working capital	(174,914)	(131,920)	(42,994)
Other non-current assets	68,105	67,470	636
Other non-current liabilities	(76,394)	(76,471)	77
Net deferred tax assets	80,878	81,471	(593)
Provisions for risks and charges	(46,379)	(53,379)	7,001
Employee benefits	(8,872)	(9,524)	653
Net capital employed	195,418	226,801	(31,383)
Non-current financial assets	2,010	2,010	-
Net capital employed & Non-current financial assets	197,428	228,811	(31,383)
Net financial position	102,214	74,450	27,764
Equity	(299,642)	(303,261)	3,619
Source of funds	(197,428)	(228,811)	31,383

Net cash position

A statement follows of the Avio Group's financial position, prepared in accordance with the ESMA Guidelines of March 4, 2021 and the subsequent attention call No. 5/21 issued by Consob in April 2021 (figures in Euro/000):

	June 30, 2023	December 31, 2022	Change
A Cash and cash equivalents	(126,607)	(131,403)	4,796
B Other liquidity	-	-	-
C Other current financial assets	-	-	-
D Liquidity (A+B+C)	(126,607)	(131,403)	4,796
E Current financial debt (including debt instruments but excluding the current portion of non-current financial debt)	1,861	29,907	(28,046)
F Current portion of non-current bank payables	10,026	10,033	(8)
G Current financial debt (E+F)	11,886	39,940	(28,054)
H Net current financial debt (G-D)	(114,721)	(91,463)	(23,258)
I Non-current financial debt (excluding current portion and debt instruments)	12,507	17,013	(4,506)
J Debt instruments	-	-	-
K Trade payables and other non-current payables	-	-	-
L Non-current financial debt (I + J + K)	12,507	17,013	(4,506)
M Total financial debt (H + L)	(102,214)	(74,450)	(27,764)

HALF-YEAR REPORT AT JUNE 30, 2023

CONSOLIDATED BALANCE SHEET	Note	June 30, 2023	December 31, 2022
<i>(in Euro)</i>			
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	141,058,663	137,573,354
Right-of-use	3.2	8,306,362	8,534,535
- of which related parties		907,272	975,889
Investment property	3.3	3,457,331	3,479,277
Intangible assets with definite life	3.4	122,552,565	119,813,995
Goodwill	3.5	62,829,038	64,149,492
Investments	3.6	14,788,290	15,604,979
Non-current financial assets	3.7	2,010,172	2,010,172
- of which related parties		2,010,172	2,010,172
Deferred tax assets	3.8	80,878,359	81,471,150
Other non-current assets	3.9	68,105,287	67,469,542
Total non-current assets		503,986,067	500,106,495
Current assets			
Inventories and advances to suppliers	3.10	214,464,826	202,573,023
- of which related parties		41,732,841	49,828,384
Contract work-in-progress	3.11	468,362,143	426,181,595
- of which related parties		108,159,597	99,185,251
Trade receivables	3.12	2,889,693	3,725,455
- of which related parties		2,049,323	2,119,624
Cash and cash equivalents	3.13	126,607,408	131,403,014
Tax receivables	3.14	12,658,472	13,009,300
Other current assets	3.15	11,140,572	8,357,546
- of which related parties		16,552	2,208
Total current assets		836,123,114	785,249,933
TOTAL ASSETS		1,340,109,180	1,285,356,429

CONSOLIDATED BALANCE SHEET	Note	June 30, 2023	December 31, 2022
<i>(in Euro)</i>			
EQUITY			
Share capital	3.16	90,964,212	90,964,212
Share premium reserve	3.17	130,686,924	130,686,924
Other reserves	3.18	14,415,294	14,196,872
Retained earnings		57,834,429	58,249,080
Group net profit		(3,679,628)	(434,767)
Total Group Equity		290,221,232	293,662,323
Equity attributable to non-controlling interests	3.19	9,421,195	9,598,904
TOTAL EQUITY		299,642,427	303,261,227
LIABILITIES			
Non-current liabilities			
Non-current financial liabilities	3.20	7,051,250	12,076,229
Non-current financial payables for leasing - of which related parties	3.21	5,455,722 842,354	4,937,099 836,508
Employee Benefit Provisions	3.22	8,871,716	9,524,486
Provisions for risks and charges	3.23	19,467,058	29,921,216
Other non-current liabilities	3.24	76,393,694	76,471,119
Total non-current liabilities		117,239,440	132,930,149
Current liabilities			
Current financial liabilities - of which related parties	3.25	54,901 -	28,028,069 27,768,866
Current financial liabilities for leasing - of which related parties	3.26	1,805,717 83,204	1,878,679 152,433
Current portion of non-current financial payables	3.27	10,025,500	10,033,000
Provisions for risks and charges	3.23	26,911,629	23,458,025
Trade payables - of which related parties	3.28	89,528,586 5,793,493	89,825,718 17,586,964
Advances from clients for contract work-in-progress - of which related parties	3.11	766,204,818 154,920,722	667,442,685 146,219,587
Tax payables	3.29	2,862,321	4,227,922
Other current liabilities - of which related parties	3.30	25,833,841 336,387	24,270,954 318,264
Total current liabilities		923,227,314	849,165,053
TOTAL LIABILITIES		1,040,466,753	982,095,202
TOTAL LIABILITIES AND EQUITY		1,340,109,180	1,285,356,429

CONSOLIDATED INCOME STATEMENT	Note	H1 2023	H1 2022
<i>(in Euro)</i>			
Revenues	3.31	157,720,909	133,516,251
- of which related parties		17,331,097	10,892,401
Change in inventory of finished products, in progress and semi-finished		3,439,388	4,290,754
Other operating income	3.32	5,415,221	6,861,350
- of which related parties		197,929	
Consumption of raw materials	3.33	(54,453,977)	(39,718,094)
Service costs	3.34	(61,423,069)	(60,766,834)
- of which related parties		(14,098,043)	(10,613,762)
Personnel costs	3.35	(46,931,285)	(40,663,756)
Amortisation and depreciation	3.36	(9,050,608)	(9,375,274)
Other operating costs	3.37	(2,705,875)	(1,973,403)
Effect valuation of investments under equity method - operating income/(charges)	3.38	(816,689)	(1,887,561)
Costs capitalised for internal works	3.39	4,910,211	3,499,026
EBIT		(3,895,774)	(6,217,540)
Financial income	3.40	896,714	252,955
- of which related parties		-	80,000
Financial charges	3.41	(686,816)	(551,012)
- of which related parties		(303,312)	(6,668)
NET FINANCIAL INCOME/(CHARGES)		209,898	(298,058)
Other investment income/(charges)			
INVESTMENT INCOME/(CHARGES)		-	-
PROFIT/(LOSS) BEFORE TAXES		(3,685,876)	(6,515,598)
Income taxes	3.42	(171,989)	(1,115,136)
NET PROFIT/(LOSS) FOR THE PERIOD		(3,857,865)	(7,630,733)
-- of which: Owners of the parent		(3,679,628)	(9,453,889)
Non-controlling interests		(178,238)	1,823,156
Basic earnings/(losses) per share	3.43	(0.15)	(0.37)
Diluted earnings/(losses) per share	3.43	(0.14)	(0.36)

CONSOLIDATED CASH FLOW STATEMENT

(Euro thousands)

	H1 2023	H1 2022
OPERATING ACTIVITIES		
Net Profit/(loss) for the period	(3,858)	(7,631)
Adjustments for:		-
- Income taxes	172	1,115
- (Income)/expenses from measurement at equity	817	1,888
- Amortisation & Depreciation	9,051	9,375
Net change provisions for risks and charges	(7,001)	(3,990)
Net change employee provisions	(632)	(547)
Changes in:		
- Inventories and Advances to suppliers	(11,892)	(26,948)
- <i>of which related parties</i>	8,096	(15,293)
- Contract work-in-progress & advances from clients	56,582	43,444
- <i>of which related parties</i>	(273)	27,956
- Trade receivables	836	1,359
- <i>of which related parties</i>	70	(3,132)
- Trade payables	(297)	(18,801)
- <i>of which related parties</i>	(11,793)	(1,066)
- Other current & non-current assets	(2,475)	5,017
- <i>of which related parties</i>	(14)	(14)
- Other current & non-current liabilities	(340)	(939)
- <i>of which related parties</i>	18	3,149
Income taxes paid	-	-
Interest paid	(66)	(96)
Net liquidity generated/(employed) in operating activities	(A) 40,896	3,247
INVESTING ACTIVITIES		
Investments in:		
- Tangible assets and investment property	(6,799)	(6,147)
- Intangible assets with definite life	(5,516)	(4,247)
Disposal price of tangible, intangible & financial assets	-	-
Liquidity generated (employed) in investing activities	(B) (12,315)	(10,394)
FINANCING ACTIVITIES		
EIB loan	(5,000)	(5,000)
Centralised treasury effect with Europropulsion S.A. joint control company	(27,769)	(5,000)
- <i>of which related parties</i>	(27,769)	(5,000)
Dividends paid by the parent Avio S.p.A.	-	(4,493)
Acquisition of treasury shares	-	(4,592)
Other changes to financial assets and liabilities	(608)	(1,298)
- <i>of which related parties</i>	5	(59)
Liquidity generated (employed) in financing activities	(C) (33,377)	(20,383)
INCREASE/(DECREASE) IN NET CASH AND CASH EQUIVALENTS	(A)+(B)+(C) (4,796)	(27,529)
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	131,403	104,614
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD	126,607	77,085

Fine Comunicato n.1771-38

Numero di Pagine: 13