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Testo del comunicato

Vedi allegato



FIRST HALF 2024 RESULTS

INCREASE IN REVENUES AND PROFIT SUCCESS FOR THE LAST VEGA FLIGHT AND NEW US DEFENSE CONTRACTS

Highlights

- Increase in defense propulsion activities and technology development projects
- Last Vega flight successfully launches Sentinel-2C, Earth Observation Satellite of the European Commission Copernicus Program
- Zefiro-40 solid rocket motor successfully tested: Vega C return-to-flight confirmed in Q4 2024
- Authorization from ESA to conduct Vega commercial operations starting from July
- Ariane 6 maiden flight successfully completed
- Two new contracts with Raytheon and U.S. Army for the development and transition to production of solid rocket motors for defense applications

Economic and financial results

- Order backlog: EUR 1,386 million (+27 million vs. December 2023)
- Net Revenues: EUR 180.6 million (+14.5% vs. 1H2023)
- EBITDA *Reported*: EUR 8.1 million (+57% vs. 1H2023)
- EBITDA *Adjusted*: EUR 10.6 million (in line vs. 1H2023)
- EBIT *Reported*: EUR -0.4 million (+3.5 million vs. 1H2023)
- EBIT *Adjusted*: EUR 2.1 million (+0.7 million vs. 1H2023)
- Net Result: EUR -1.8 million (+2.1 million vs. 1H2023)
- Net Cash Position: EUR 21.5 million (-54.6 million vs. December 2023)

Guidance 2024 confirmed

- Order backlog: EUR 1.500 – 1.600 million
- Net Revenues: EUR 370 – 390 million
- EBITDA *Reported*: EUR 21 – 26 million
- Net Income: EUR 6 – 10 million

Rome, September 11 2024 – The Board of Directors of Avio S.p.A. reviewed and approved first half 2024 results.

Avio, leading aerospace company listed on the STAR segment of the Italian Stock Exchange, reports for first half 2024 **an order backlog of EUR 1,386 million**, in line with December 31, 2023 results. New orders in the first six months are equal to EUR 208 million, of which approximately half related to defense propulsion contracts and, for the remaining part, related to production activities of P160 boosters and additional Vega E development activities.

Net Revenues amounted to EUR 180.6 million, marking a 14.5% increase compared to first semester 2023. The increase is mainly related to defense propulsion activities and technological development projects (Next Gen EU).

EBITDA Adjusted, equal to EUR 10.6 million, excluding non-recurring costs, in line with the first semester 2023, reflects higher revenues, with a different business mix characterized by lower production of Ariane and Vega P120/P160 boosters, waiting for, respectively, the maiden flight of Ariane 6 (which was successfully completed in early July 2024) and the return to flight of Vega C confirmed in Q4 2024 (following the successful test of the Zefiro-40 solid rocket motor in May).

EBITDA Reported, equal to EUR 8.1 million, scored an increase compared to the same period of 2023, thanks to lower non-recurring costs incurred in the first semester of 2023 related to Vega C return to flight.

EBIT Reported and **EBIT Adjusted**, improving compared to first semester 2023, follow the same improvement patterns of EBITDA, also benefiting from the review of the useful lives of certain production assets in connection with the simultaneous *phase out* of Ariane 5 and *phase in* of Ariane 6 in parallel with the *phase out* of Vega and *phase in* of Vega C.

Net Cash Position amounts to EUR 21.5 million, scoring a decrease compared to EUR 76.1 million in December 31, 2023. The item reflects the typical seasonal trend of the business related to the flow-down of previously collected cash advances to subcontractors, and procurement of certain strategic long lead items of Vega C.

On September 5, 2024 Vega successfully launched the Sentinel-2C Earth Observation Satellite, a dedicated mission for the European Commission Copernicus Program. The payload was put into a Sun-Synchronous orbit at an altitude of approximately 775 kilometers. The Copernicus Sentinel-2C satellite, with its wide swath, high-resolution, and multi-spectral imaging capabilities, will support a broad range of operational applications including agriculture, water quality monitoring, natural disaster management (e.g. wildfires, volcanoes, floods), and methane emissions detection. After 12 years of service, 22 launches and more than 120 satellites deployed into space, the Vega launcher is now retiring and its legacy will continue with its successor, the Vega C launcher, starting with the next launch before the end of 2024.

During the first six months of 2024, the Company continued to focus on preparatory activities for the safe return to flight of Vega C: on May 28, 2024 the Zefiro-40 solid rocket motor, the second stage of the Vega C rocket, was successfully tested. Initial post-test review indicates that the new nozzle assembly performed as expected throughout the scheduled 94 seconds burning time of the test, simulating a nominal in-flight performance.

A second firing test will be conducted in October before the return-to-flight of Vega C currently scheduled in Q4 2024.

The first months of 2024 have been marked by important discussions related to the governance at European level related to space launchers, following from the Resolution adopted by ESA Council in Seville on November 6, 2023, which set the stage for Vega launcher to be commercialized by Avio. In particular, the Resolution adopted on July 5, 2024 transferred to Avio the responsibilities to conduct Vega C commercial operations. Arianespace will remain the operator for Vega C until Vega flight 29 (VV29), scheduled for the fourth quarter of 2025.

On July 9, 2024 Ariane 6 launcher successfully completed its maiden flight: the new launcher lifted-off from the French Guiana Space Centre, placing into orbit multiple payloads. 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. The P120C motors had an optimal performance. Avio will continue to provide those boosters, which will be used in a two or four boosters configuration, depending on the payload to be transported in orbit. Avio is already working on a more powerful version of the booster, called P160, which will increase the thrust of the launcher and its payload capacity, to accomplish the missions for the Amazon Kuiper satellite constellation among the other things. The P160 will be the world largest carbon fiber monolithic motor and will also be equipped on Vega C.

The first part of 2024 saw an increase in defense demand at international level, with a corresponding growth in defense propulsion activities for the Company. In such a scenario, following the establishment of Avio USA, on July 23, 2024 the Company announced two important new contracts. The first one with Raytheon, leader 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 second one with U.S. Army Combat Capabilities Development Command Aviation & Missile Center for the development and fast-prototyping of a solid rocket motor for surface-to-air applications. Together with the development, both contracts pave the way for a future transition to production.

2024 Guidance announced last March 2024 is confirmed.

"The first part of 2024 was marked by many important events: after Vega's last flight, which was successfully completed, Vega C launcher will pick up the legacy of its predecessor and ensure autonomous access to space for Europe in the future, together with Ariane 6" said Giulio Ranzo, CEO of Avio. "At the same time, the important news related to the defense propulsion sector have marked a new trajectory and exciting new goals for the future of the Company's business: aware of our experience, with passion and determination we will start working with our new American partners to support them and achieve increasingly challenging goals".

1H 2024 results presentation will be made available in the "Investors" section of www.avio.com and presented during the conference call with financial analysts and investors scheduled for Thursday September 12, 2024 at 10.00 AM CEST.

The Executive Officer for Financial Reporting, Alessandro Agosti, declares in accordance with Article 154-bis, paragraph 2, of the Consolidated Law on Finance 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, liquid and cryogenic propulsion systems. The experience and knowhow built up over more than 50 years puts Avio at the cutting edge of the space launcher sector and defence program. Avio is present in Italy, France, United States and France Guyana with 5 facilities, employing approx. 1,300 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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CONSOLIDATED BALANCE SHEET	<i>Note</i>	June 30, 2024	December 31, 2023
<i>(in Euro)</i>			
ASSETS			
Non-current assets			
Property, plant and equipment	<i>3.1</i>	157,594,154	155,866,000
Right-of-use		8,424,619	8,513,118
<i>- of which related parties</i>	<i>3.2</i>	<i>770,038</i>	<i>838,655</i>
Investment property	<i>3.3</i>	3,751,512	3,784,642
Intangible assets with definite life	<i>3.4</i>	123,903,293	126,222,348
Goodwill	<i>3.5</i>	62,829,038	62,829,038
Investments	<i>3.6</i>	15,830,139	17,582,073
Non-current financial assets		2,010,172	2,010,172
<i>- of which related parties</i>	<i>3.7</i>	<i>2,010,172</i>	<i>2,010,172</i>
Deferred tax assets	<i>3.8</i>	80,615,548	81,200,112
Other non-current assets	<i>3.9</i>	66,330,342	67,599,761
Total non-current assets		521,288,817	525,607,264
Current assets			
Inventories and advances to suppliers		304,121,088	284,427,153
<i>- of which related parties</i>	<i>3.10</i>	<i>62,281,000</i>	<i>66,495,501</i>
Contract work-in-progress		143,966,546	123,472,715
<i>- of which related parties</i>	<i>3.11</i>	<i>18,703,395</i>	<i>16,561,817</i>
Trade receivables		2,964,718	2,943,798
<i>- of which related parties</i>	<i>3.12</i>	<i>1,462,000</i>	<i>1,287,722</i>
Cash and cash equivalents	<i>3.13</i>	35,773,076	95,593,462
Tax receivables	<i>3.14</i>	17,107,385	16,023,877
Other current assets		7,546,402	7,036,837
<i>- of which related parties</i>	<i>3.15</i>	<i>46,000</i>	<i>31,088</i>
Total current assets		511,479,215	529,497,842
TOTAL ASSETS		1,032,768,032	1,055,105,106

CONSOLIDATED BALANCE SHEET	<i>Note</i>	June 30, 2024	December 31, 2023
<i>(in Euro)</i>			
EQUITY			
Share capital	<i>3.16</i>	90,964,212	90,964,212
Share premium reserve	<i>3.17</i>	130,920,685	130,920,685
Other reserves	<i>3.18</i>	15,800,028	14,643,773
Retained earnings		58,046,748	57,600,667
Group net profit/(loss)		(423,679)	6,487,372
Total Group Equity		295,307,994	300,616,709
Equity attributable to non-controlling interests	<i>3.20</i>	8,377,292	9,736,010
TOTAL EQUITY		303,685,286	310,352,719
LIABILITIES			
Non-current liabilities			
Non-current financial liabilities	<i>3.21</i>	1,721,970	2,051,250
Non-current financial liabilities for leasing	<i>3.22</i>	4,556,200	5,619,845
<i>- of which related parties</i>		<i>627,783</i>	<i>697,780</i>
Employee provisions	<i>3.23</i>	9,095,398	8,915,891
Provisions for risks and charges	<i>3.24</i>	20,662,001	25,435,752
Other non-current liabilities	<i>3.25</i>	75,016,173	75,062,281
Total non-current liabilities		111,051,743	117,085,019
Current liabilities			
Current financial liabilities		38,406	25,509
<i>- of which related parties</i>	<i>3.26</i>	-	-
Current financial liabilities for leasing	<i>3.27</i>	1,957,332	1,746,805
<i>- of which related parties</i>		<i>125,287</i>	<i>134,937</i>
Current portion of non-current financial payables	<i>3.28</i>	6,010,500	10,018,000
Provisions for risks and charges	<i>3.24</i>	15,216,109	18,401,797
Trade payables	<i>3.29</i>	114,845,170	113,159,259
<i>- of which related parties</i>		<i>16,989,000</i>	<i>5,291,293</i>
Advances from clients for contract work-in-progress	<i>3.11</i>	446,080,439	452,830,019
<i>- of which related parties</i>		<i>114,618,927</i>	<i>79,136,521</i>
Current income tax payables	<i>3.30</i>	2,977,547	2,512,648
Other current liabilities	<i>3.31</i>	30,905,500	28,973,331
<i>- of which related parties</i>		<i>67,000</i>	<i>124,617</i>
Total current liabilities		618,031,003	627,667,368
TOTAL LIABILITIES		729,082,746	744,752,387
TOTAL LIABILITIES AND EQUITY		1,032,768,032	1,055,105,106

CONSOLIDATED INCOME STATEMENT	<i>Note</i>	H1 2024	H1 2023
<i>(in Euro)</i>			
Revenues	3.32	210,606,100	157,720,909
- of which related parties		56,352,796	17,331,097
Change in inventory of finished products, in progress and semi-finished		(1,381,178)	3,439,388
Other operating income	3.33	5,260,821	5,415,221
- of which related parties		200,000	197,929
Consumption of raw materials	3.34	(57,706,922)	(54,453,977)
Service costs	3.35	(94,166,385)	(61,423,069)
- of which related parties		(44,203,000)	(14,098,043)
Personnel costs	3.36	(52,650,226)	(46,931,285)
Amortisation and depreciation	3.37	(8,458,784)	(9,050,608)
Other operating costs	3.38	(1,967,181)	(2,705,875)
Effect valuation of investments under equity method - operating income/(charges)	3.39	(1,751,934)	(816,689)
Costs capitalised for internal works	3.40	1,837,838	4,910,211
EBIT		(377,852)	(3,895,774)
Financial income	3.41	279,566	896,714
- of which related parties		-	-
Financial charges	3.42	(401,468)	(686,816)
- of which related parties		(5,000)	(303,312)
NET FINANCIAL INCOME/(CHARGES)		(121,902)	209,898
Other investment income/(charges)		-	-
INVESTMENT INCOME/(CHARGES)		-	-
PROFIT/(LOSS) BEFORE TAXES		(499,754)	(3,685,876)
Income taxes	3.43	(1,282,828)	(171,989)
NET PROFIT/(LOSS) FOR THE PERIOD		(1,782,582)	(3,857,865)
-- of which: Owners of the parent		(423,679)	(3,679,628)
Non-controlling interests		(1,358,903)	(178,238)
Basic earnings/(losses) per share	3.44	(0.02)	(0.15)
Diluted earnings/(losses) per share	3.44	(0.02)	(0.14)

CONSOLIDATED CASH FLOW STATEMENT

(Euro thousands)

	H1 2024	H1 2023
OPERATING ACTIVITIES		
Net Profit/(loss) for the period	(1,783)	(3,858)
Adjustments for:		
- Income taxes	1,283	172
- (Income)/expenses from measurement at equity	1,752	817
- Amortisation & Depreciation	8,459	9,051
Net change provisions for risks and charges	(7,959)	(7,001)
Net change employee provisions	246	(632)
Changes in:		
- Inventories and Advances to suppliers	(19,694)	(11,892)
- <i>of which related parties</i>	4,215	8,096
- Contract work-in-progress & advances from clients	(27,243)	56,582
- <i>of which related parties</i>	33,341	(273)
- Trade receivables	(21)	836
- <i>of which related parties</i>	(174)	70
- Trade payables	1,686	(297)
- <i>of which related parties</i>	11,698	(11,793)
- Other current & non-current assets	261	(2,475)
- <i>of which related parties</i>	(15)	(14)
- Other current & non-current liabilities	2,157	(340)
- <i>of which related parties</i>	(58)	18
Income taxes paid	-	-
Interest paid	(122)	(66)
Net liquidity generated/(employed) in operating activities	(A) (40,979)	40,896
INVESTING ACTIVITIES		
Investments in:		
- Tangible assets and investment property	(4,416)	(6,799)
- Intangible assets with definite life	(2,301)	(5,516)
Disposal price of tangible, intangible & financial assets	-	-
Liquidity generated (employed) in investing activities	(B) (6,717)	(12,315)
FINANCING ACTIVITIES		
EIB loan	(5,000)	(5,000)
Centralised treasury effect with Europropulsion S.A. joint control company	-	(27,769)
- <i>of which related parties</i>	-	(27,769)
Dividends paid by the parent Avio S.p.A.	(6,000)	-
Treasury share purchases	-	-
Other changes to financial assets and liabilities	(1,124)	(608)
- <i>of which related parties</i>	(11)	5
Liquidity generated (employed) in financing activities	(C) (12,124)	(33,377)
INCREASE/(DECREASE) IN NET CASH AND CASH EQUIVALENTS	(A)+(B)+(C) (59,820)	(4,796)
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	95,593	131,403
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD	35,773	126,607

GROUP OPERATING PERFORMANCE AND FINANCIAL AND EQUITY POSITION

Operating results

The table below summarises the comparable performance of the Group for the first half of 2024 and the first half of 2023 (in Euro thousands):

	H1 2024	H1 2023	Change
Revenues	210,606	157,721	52,885
of which: Pass-through revenues	30,000	-	30,000
Revenues, net of pass-through revenues	180,606	157,721	22,885
Other operating revenues and changes in inventory of finished products, in progress and semi-finished	3,880	8,855	(4,975)
Costs for goods and services, personnel, other operating costs, net of capitalised costs & pass-through	(174,653)	(160,604)	(14,049)
Effect valuation of investments under equity method - operating income/(charges)	(1,752)	(817)	(935)
EBITDA	8,081	5,155	2,926
Amortisation, depreciation and write-downs	(8,459)	(9,051)	592
EBIT	(378)	(3,896)	3,518
Interest and other financial income (charges)	(122)	210	(332)
Net financial income/(charges)	(122)	210	(332)
Investment income/(charges)	-	-	-
Profit/(loss) before taxes	(500)	(3,686)	3,186
Current and deferred taxes	(1,283)	(172)	(1,111)
Net Profit	(1,783)	(3,858)	2,075

Balance Sheet

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

	June 30, 2024	December 31, 2023	Change
Tangible assets and investment property	161,346	159,651	1,695
Right-of-use	8,425	8,513	(88)
Goodwill	62,829	62,829	-
Intangible assets with definite life	123,903	126,222	(2,319)
Investments	15,830	17,582	(1,752)
Total fixed assets	372,333	374,797	(2,464)
Net working capital	(119,103)	(163,571)	44,468
Other non-current assets	66,330	67,600	(1,269)
Other non-current liabilities	(75,016)	(75,062)	46
Net deferred tax assets	80,616	81,200	(585)
Provisions for risks and charges	(35,878)	(43,838)	7,959
Employee benefits	(9,095)	(8,916)	(180)
Net capital employed	280,186	232,210	47,976
Non-current financial assets	2,010	2,010	-
Net capital employed & Non-current financial assets	282,197	234,221	47,976
Net financial position	21,489	76,132	(54,643)
Equity	(303,685)	(310,353)	6,667
Source of funds	(282,197)	(234,221)	(47,976)

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, 2024	December 31, 2023	Change
A Cash and cash equivalents	(35,773)	(95,593)	59,820
B Other liquidity	-	-	-
C Other current financial assets	-	-	-
D Liquidity (A+B+C)	(35,773)	(95,593)	59,820
E Current financial debt (including debt instruments but excluding the current portion of non-current financial debt)	1,996	1,772	223
F Current portion of non-current debt	6,011	10,018	(4,008)
G Current financial debt (E+F)	8,006	11,790	(3,784)
H Net current financial debt (G-D)	(27,767)	(83,803)	56,036
I Non-current financial debt (excluding current portion and debt instruments)	6,278	7,671	(1,393)
J Debt instruments	-	-	-
K Trade payables and other non-current payables	-	-	-
L Non-current financial debt (I + J + K)	6,278	7,671	(1,393)
M Total financial debt (H + L)	(21,489)	(76,132)	54,643

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