



ACQUISITION OF TEAM WENDY

Creating a global leader in helmets

Highlights

- Acquisition of Team Wendy creates a global leader in Military and First Responder helmets
- Team Wendy is a high-quality complementary business
- Cash consideration of \$130m on a cash and debt free basis, representing 9.7 times FY19 EBITDA
- Revenue of \$44.2m in FY19 generating \$13.4m of EBITDA
- Attractive financial returns in line with stated financial criteria
- Class 1 Acquisition expected to close in Q1 FY21 following shareholder and regulatory approvals
- New \$200m bank facility provides financing for future growth



Agenda

- Strategic rationale
- Team Wendy
- Creating a global leader in helmets
- Attractive financial returns
- Summary
- Questions





Strategic rationale

Successful execution of strategy



**Growing
the
core**

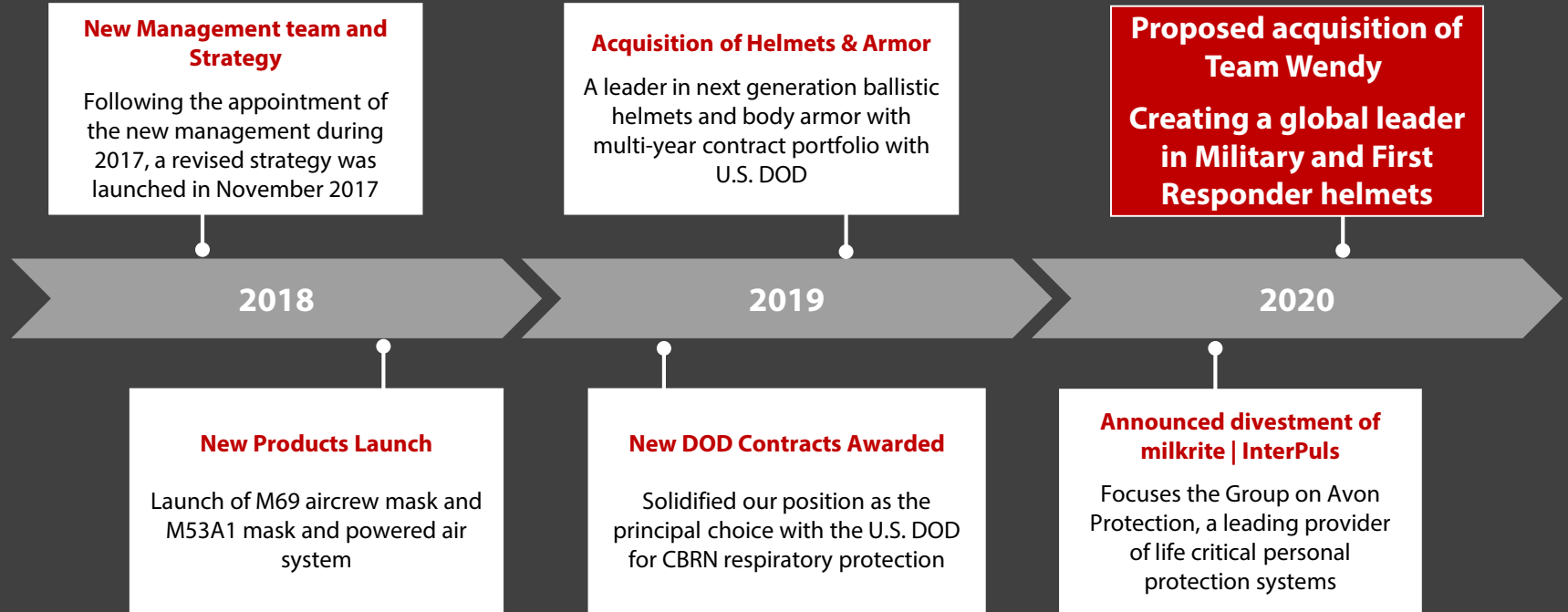


**Selective
product
development**



**Value
enhancing
acquisitions**

... has transformed the business into a leading provider of personal protection





Overview

- Family owned business, founded in 1997 in Cleveland, Ohio
- Focused on designing and manufacturing head protection systems to prevent traumatic brain injury
- Recognised as market leader in liner and retention systems
- Experienced management team led by Jose Rizo-Patron CEO since 2011
- Entered helmet market in 2012, ballistic helmets in 2014
- Established positions in Rest of World Military and First Responder helmet markets
- Diversified customer base; not reliant on a single customer or military programme
- Strong track record of delivering international growth

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Complementary product portfolio



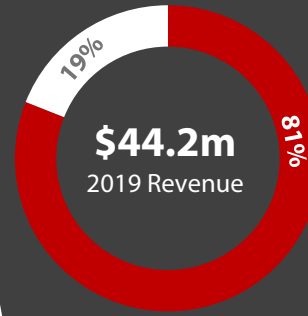
Provides product portfolio for wider Rest of World and First Responder markets

Highlights

- Strong brand heritage
- Proprietary technology
- Experienced management team with a track record of delivering growth
- Diversified international customer base, with products sold in over 50 countries

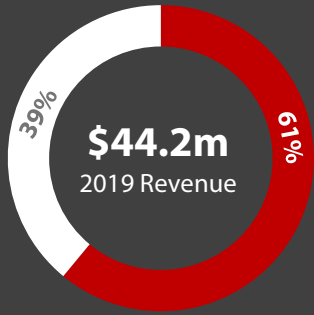


Customer



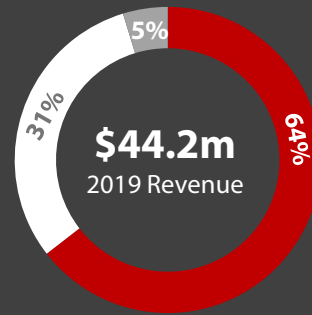
Military
First Responder

Geography



North America
Rest of World

Product



Helmets
Liner and Retention Systems
Other

Financial track record

3 YEAR FINANCIAL PERFORMANCE

\$m	2019	2018	2017	CAGR (%)
Revenue	44.2	29.4	27.2	27.5%
EBITDA	13.4	8.2	10.5	13.0%
EBITDA %	30.3%	27.9%	38.6%	
Operating profit	12.1	7.4	9.6	12.3%
Net assets	47.5	35.9	29.1	

Financial profile consistent with our strategic growth objectives





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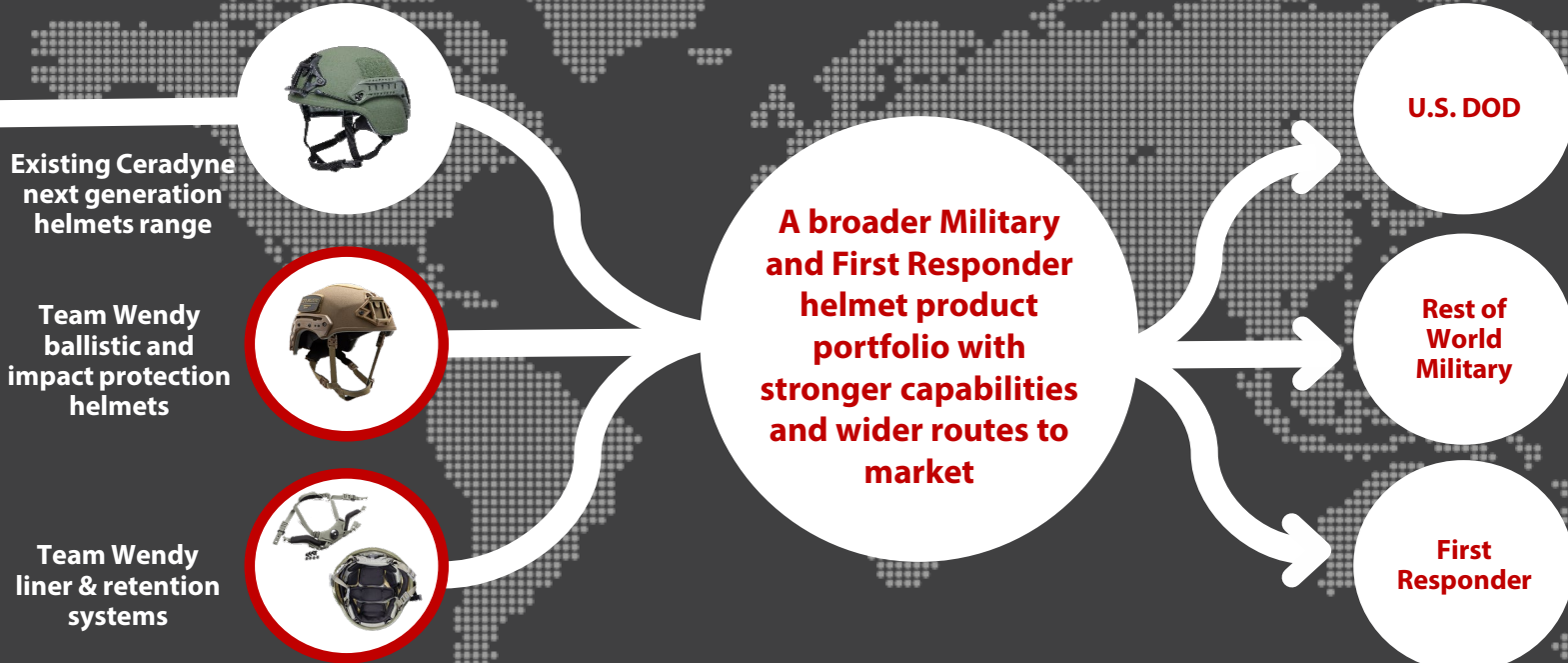
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- Existing Helmets & Armor business focussed on next generation ballistic helmets and body armor for the U.S. DOD. Team Wendy adds leading helmet liner and retention systems.
- Established positions in Rest of World Military and First Responder helmet markets, with products sold in over 50 countries worldwide
- Complementary customer base and well established global footprint, with significant business development opportunities over the medium term
- Team Wendy will continue to operate from its Cleveland, Ohio base, benefiting from the wider Avon Protection infrastructure
- Enlarged helmet business better positioned for investment in next generation products
- Establishes a platform into which other technologies can be incorporated



A world leading helmet product range



Our expanded product portfolio



Respirators



Powered Air



Supplied Air



Broadened helmet range



Liner & Retention Systems



Body Armor

A leading provider of life critical personal protection systems



**Attractive
financial
returns**

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AVON
Avon Rubber p.l.c.

Attractive financial returns

- \$130m cash acquisition, meeting our stated financial and commercial criteria
- Compelling opportunity to reinvest proceeds from the milkrite | InterPuls divestment and replace earnings stream
- Organic revenue growth, margins and cash conversion in line with our strategic objectives
- Higher margins and ROCE post the divestment of milkrite | InterPuls and acquisition of Team Wendy
- ROIC expected to exceed WACC within 2 years of ownership
- Strong balance sheet to fund future investment



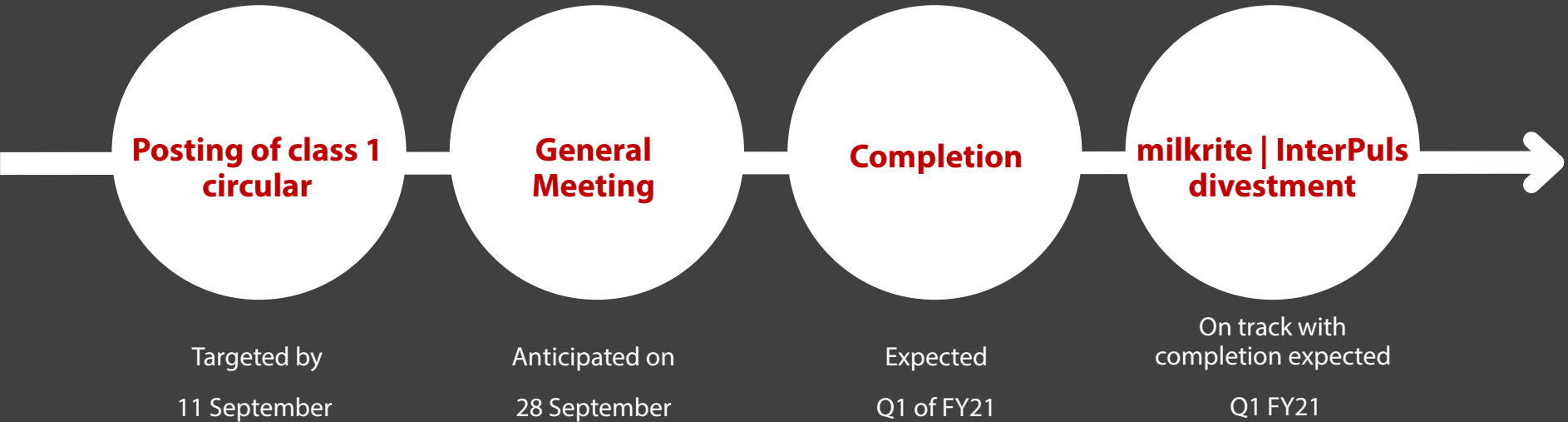
Strong balance sheet to fund future growth

- Cash consideration of \$130m⁽¹⁾ on a cash and debt free basis, plus \$8m deal costs; being £106m in total at the current exchange rate
- Financed by milkrite | InterPuls net proceeds of £140m⁽¹⁾ after deal costs, tax and £20m UK pension contribution
- Net cash anticipated post completion of both transactions
- New \$200m RCF bank facility provides bridge financing if completion occurs before the milkrite | InterPuls proceeds received
- \$200m RCF also provides medium term financing for further value enhancing M&A

(1) Subject to customary adjustments



Timetable





Summary

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Key strategic takeaways

- Another significant acquisition, further strengthening our position as a leading provider of personal protection
- Creating a global leader in Military and First Responder helmets
- High-quality complementary business, with an experienced management team and a strong record of growth
- Attractive financial returns in line with our stated financial criteria
- Re-positioned business with higher margins and returns, well funded to drive future growth
- Strong balance sheet with \$200m RCF providing medium term financing for further value enhancing M&A
- General Meeting to approve acquisition anticipated to be held on 28 September





Questions

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