



**ACQUISITION OF 3M'S BALLISTIC-PROTECTION BUSINESS**

Transforming our future

**AVON**  
Avon Rubber p.l.c.

# Acquisition highlights

Milestone transaction; in line with our strategy and acquisition criteria

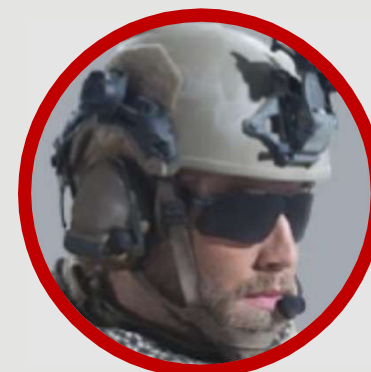
Acquisition of 3M's Ballistic-Protection business

A leader in next generation ballistic helmets and body armour with multi-year contract portfolio with U.S. DOD

Acquisition subject to U.S. regulatory approvals; expected to close in H1 2020

In financial year 2018 delivered revenue of \$85.4m and EBITDA of \$10.8m

Consideration funded from available cash and increased \$85m bank facility; leverage not expected to exceed 1.0x following acquisition



# Agenda

**Strategic  
Background**

**Introduction  
to the  
Business**

**Financial  
Overview**

**Summary  
and Q&A**





# Strategic Background

4

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## Clear alignment with our strategy

### What does the Business bring to Avon Protection?

- Respected brand and product range
- A leader in critical protection equipment
- Strong and capable management team
- Long standing relationship with U.S. DOD
- Established multi-year contract portfolio
- Additional, proven R&D capability
- Attractive financial profile and track record
- Well invested U.S. manufacturing footprint



## Clear alignment with our strategy

### Strategic opportunities for the Group

- Positions Avon at forefront of technology evolution
- Much broader technology and product portfolio
- Significant cross-selling opportunity
- Deepens the relationship with the U.S. DOD
- Diversifies Avon Protection's contract base
- Enhanced divisional R&D capability
- Scope to enhance returns with significant synergies
- Greater capacity and flexibility in manufacturing



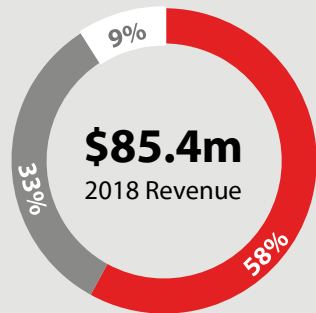
# Introduction to the Business

7

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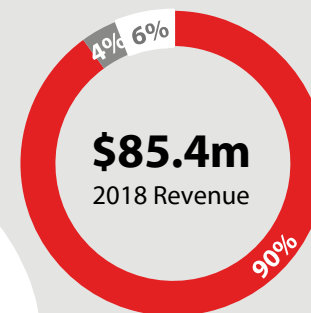
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## Product



- Helmets
- Body Armour
- Flat Armour

## Customer



- U.S. Military
- Rest of World Military
- Law Enforcement

## Business Overview

## Operations



## Highlights

- Proprietary technology
- Established contract platforms
- Well invested manufacturing operations
- Proven R&D capability



## Background

- A leader in next generation ballistic armour
- Established positions on Soldier Protection System with multi-year contracts for next generation ballistic helmet and body armour
- Track record of innovation
- Established position with U.S. DOD

## Market opportunity

- Expanded product portfolio meets broader operational needs of core customers
- Deepening relationship with U.S. DOD
- Organic opportunity for expansion into Rest of World Military and Law Enforcement customer base
- Enhanced R&D capability to make next generation products

**Expanding our portfolio by adding capabilities for ballistic helmets and body armour**

## Product Range



### Helmets

Ballistic helmets to protect against small-arms projectiles and bomb fragmentation



### Body Armour

Lightweight armour plates for multi-hit protection



### Flat Armour

Protection for seating, wing panels, cockpits, engines, and further parts, for helicopters and fixed wing aircraft

**A leading technology and personal protection product offering**

# Combined product portfolio



**Respirators**



**Powered Air**



**Supplied Air**



**Helmets**



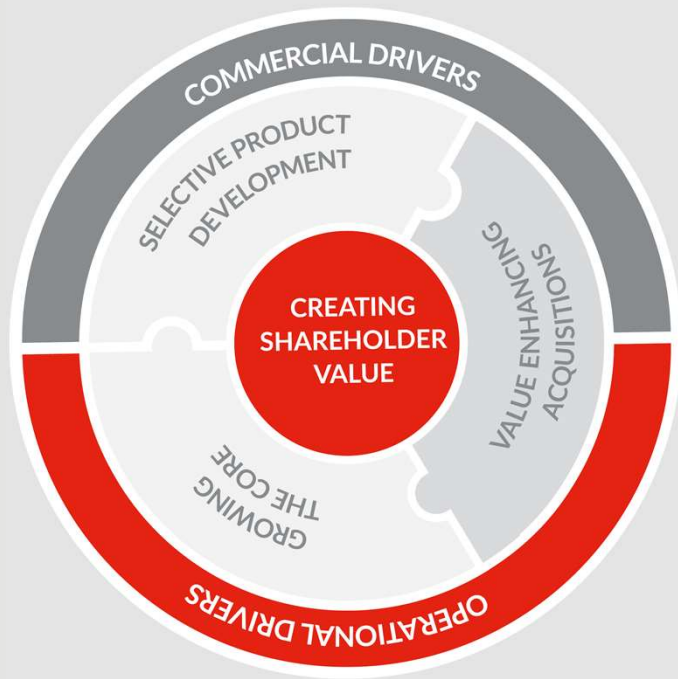
**Body  
Armour**

**Expanded  
portfolio of  
personal  
protection  
products**



# Financial Overview

# Financial acquisition criteria met



**EPS enhancing**

**Organic revenue growth, margins and cash conversion in line with our strategic objectives**

**Returns exceeding the Group's WACC in first full year**

**Retaining a strong post-acquisition financial position**



## Financial Information

- For the year ended 31 December 2018
  - Revenue - \$85.4m
  - EBITDA - \$10.8m
  - Profit before tax - \$3.3m
  - Gross assets - \$45.2m



## Deal Structure

- Initial cash consideration of \$91m
- Contingent consideration of up to \$25m depending on outcome of pending tenders
- Funded from existing cash and an increased bank facility of \$85m
- Post-acquisition net debt to EBITDA is not expected to exceed 1.0x
- Expected to complete in the first half of our 2020 financial year



# Summary



# A transformational acquisition

Further progress in the execution of our strategy

Organic growth opportunities through broadening of ROW  
Military and Law Enforcement customer base

Significantly enhances our technology and personal protection  
product offering

Enhanced research and development capability from the  
combined group

Meets our commercial and financial acquisition criteria





# Questions & Answers