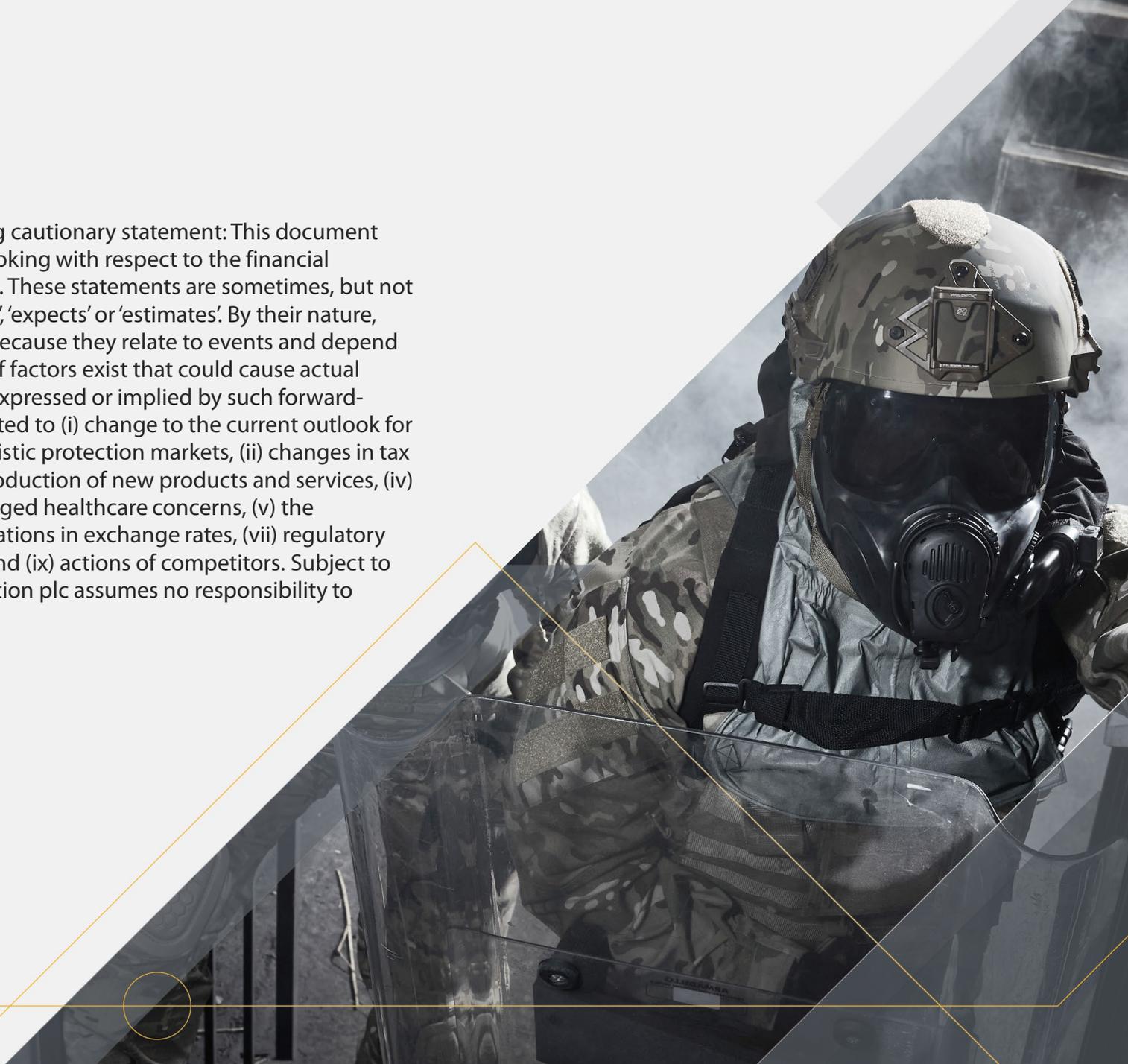


HALF YEAR RESULTS 2023

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AGENDA

01

WELCOME
Jos Sclater, CEO

02

H1 RESULTS
Rich Cashin, CFO

03

REALISING OUR POTENTIAL
Jos Sclater, CEO

01

WELCOME

JOS SCLATER, CEO

02

H1 RESULTS

RICH CASHIN, CFO

Good progress improving margins . . .

	Group			Excluding armour		
	HY23 \$m	HY22 \$m	▲ *	HY23 \$m	HY22 \$m	▲ *
Orders received	125.6	113.9	11.9%	125.4	113.6	12.1%
Closing order book	160.7	135.1	20.1%	144.7	110.7	32.4%
Revenue	116.2	121.9	(3.9%)	101.6	119.4	(14.2%)
Adjusted EBITDA	11.2	6.2	30.2%	15.9	12.5	6.7%
<i>Adjusted EBITDA margin</i>	<i>9.6%</i>	<i>5.1%</i>	<i>250bps</i>	<i>15.6%</i>	<i>10.4%</i>	<i>310bps</i>
Adjusted depreciation and amortization	(7.0)	(7.4)	(1.4%)	(7.0)	(7.4)	(1.4%)
Adjusted operating profit	4.2	(1.2)	180.0%	8.9	5.1	14.1%
<i>Adjusted operating profit margin</i>	<i>3.6%</i>	<i>(1.0%)</i>	<i>240bps</i>	<i>8.8%</i>	<i>4.3%</i>	<i>220bps</i>
Adjusted net finance costs	(3.3)	(1.6)	120.0%	(3.2)	(1.5)	128.6%
Adjusted profit/(loss) before taxation	0.9	(2.8)	-	5.7	3.6	(10.9%)
Adjusted taxation	(0.2)	0.6	-	(1.1)	(0.8)	21.4%
Adjusted profit/(loss)	0.7	(2.2)	131.8%	4.6	2.8	(8.0%)
Adjusted basic earnings per share	2.4c	(7.2c)	15.3%	15.3c	9.1c	(16.9%)
Interim dividend per share	14.3c	14.3c	-			
Return on invested capital	5.6%	2.8%				

*constant currency change

- > Record order book
- > Revenue weakness, with helmet programmes slower than expected and weaker Respiratory demand
- > Year-on-year operating profit progression
- > Increased finance costs reflect higher net debt and variable rate increase
- > Flat interim dividend

. . . with further improvement planned

Slow start to the year on revenue . . .

Orders received \$m	HY23			HY22			Constant currency change		
	Resp	Head	Total*	Resp	Head	Total*	Resp	Head	Total*
U.S. DOD	23.7	18.3	42.0	21.8	12.2	34.0	8.5%	49.7%	23.3%
Commercial Americas	14.0	12.3	26.3	17.6	14.0	31.6	(20.9%)	(12.0%)	(17.0%)
U.K. & International	44.6	12.5	57.1	41.6	6.4	48.0	12.1%	96.2%	23.8%
Total*	82.3	43.1	125.4	81.0	32.6	113.6	3.8%	32.3%	12.1%

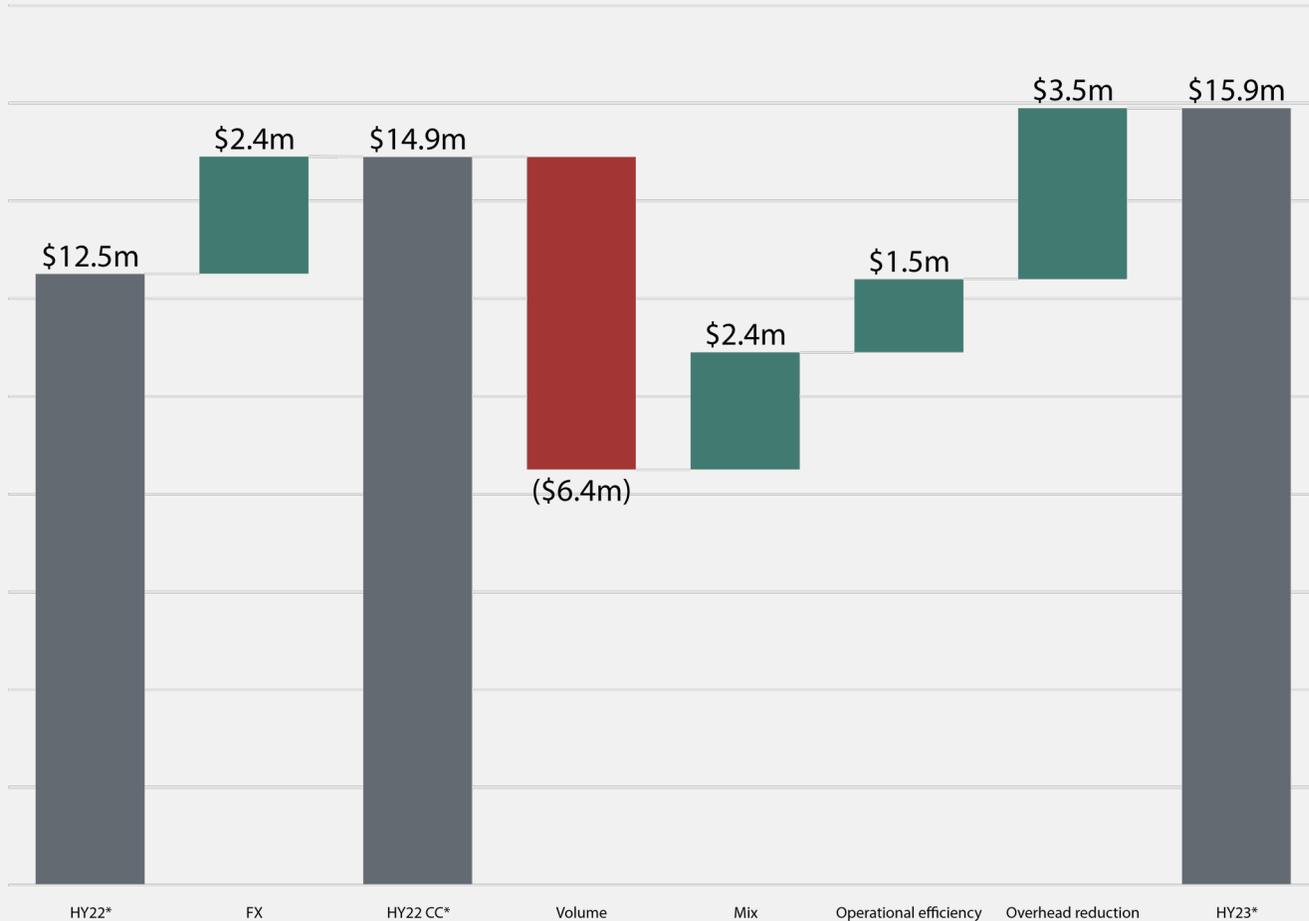
Revenue \$m	HY23			HY22			Constant currency change		
	Resp	Head	Total*	Resp	Head	Total*	Resp	Head	Total*
U.S. DOD	34.1	8.3	42.4	24.0	19.5	43.5	42.1%	(57.4%)	(2.5%)
Commercial Americas	14.5	12.1	26.7	17.7	13.0	30.7	(18.1%)	(6.9%)	(13.0%)
U.K. & International	19.8	12.7	32.5	41.0	4.1	45.2	(50.6%)	209.8%	(26.6%)
Total*	68.5	33.1	101.6	82.8	36.6	119.4	(16.3%)	(9.6%)	(14.2%)

*Excluding armour

- > Order growth in DOD and UK&I segments. Notable growth in Head Protection
- > Respiratory revenue down - growth in DOD from increased M50 and filter sales more than offset by declines in CA and UK&I following strong prior year from NSPA contract
- > Head Protection revenue down with decrease in DOD due to gap between legacy and next generation IHPS. Increase in UK&I following large shipment of EXFIL helmets to ADF

. . . but strong growth in order intake

Lower revenue, strengthening fundamentals . . .



*Excluding armour

- > Volume decrease predominantly driven by reduced NSPA sales within Respiratory
- > Mix – favourable movements in Respiratory from reduced low margin NSPA sales, offsetting slight adverse movements in Head Protection from reduced sales of high margin pad system sales
- > Operational efficiency - labour and scrap improvements in Respiratory offsetting NG IHPS ramp-up in Head Protection
- > Overhead reduction – impact of overhead savings programmes, partially offset by inflationary pressures

. . . building a stronger platform for profitable growth

Increase in net debt due to inventory build . . .

	HY23 \$m	HY22 \$m
Adjusted EBITDA	11.2	6.2
Working capital and other adjustments	(22.2)	(1.0)
Cash flows from continuing operations before exceptional items	(11.0)	5.2
Exceptional costs paid and cash flows from discontinued operations	(2.0)	(1.4)
Cash flow from operations	(13.0)	3.8
Payments to pension plan	-	(2.6)
Net finance costs	(3.0)	(1.3)
Net lease payments	(1.5)	(2.1)
Tax	3.9	0.6
Capital expenditure	(4.9)	(5.8)
Acquisitions	-	(3.2)
Share buyback	-	(10.1)
Dividends to shareholders	(9.1)	(9.1)
Change in net debt	(27.6)	(29.8)
Opening net debt, excluding lease liabilities	(44.2)	(26.8)
Closing net debt, excluding lease liabilities	(71.8)	(56.6)

Working capital outflow supports H2 NG IHPS and armour deliveries, and reflects delay from H1 of a large Respiratory order

FY23 pension contributions fully prepaid in H2 FY22

Historic tax refunds received

Buyback programme cancelled

. . . to de-risk higher H2

Leverage position increased . . .

	HY23 \$m	FY22 \$m	HY22 \$m
Intangible assets	168.1	171.0	175.9
Property, plant and equipment	37.1	39.9	43.7
Net other non-current assets	21.6	16.3	21.2
Inventories	82.3	65.6	73.0
Other current assets	36.0	35.0	44.5
Current liabilities	(40.9)	(43.0)	(44.6)
Net debt, excluding lease liabilities	(71.8)	(44.2)	(56.6)
Lease liabilities	(23.1)	(23.8)	(26.7)
Retirement benefit scheme	(16.5)	(6.3)	(28.7)
Net assets	192.8	210.5	201.7
Leverage	2.58	1.99	2.63

Inventory build ahead of H2

Increase due to a lower discount rate being applied to liabilities

. . . but expected to reduce in H2

FY23 Outlook

- Good year on year growth in Head Protection expected in FY23 and beyond, supported by strong order intake in H1
- Softer demand for mask systems seen in H1 has led to a more cautious view on H2 Respiratory revenue, which is now anticipated to be lower than initially expected for FY23
- Full year Group revenue excluding armour now expected to be 9% lower than the prior year, reflecting the Respiratory demand backdrop and some ongoing risk to shipment timings in H2
- Notwithstanding the lower revenue, following decisive action to rightsize Respiratory, full year Group EBITDA margins excluding armour expected to be broadly consistent with the 14.7% reported in the prior year
- On track to complete armour obligations by end of financial year
- Year-end net debt position expected to be broadly in line with previous year, with strong cash generation in H2 from inventory unwind

03

REALISING OUR POTENTIAL

JOS SCLATER, CEO

Avon Protection has extraordinary potential . . .

- High quality, focused business after armour exit
- Large and growing addressable markets
- Quality, technology-led products
- Excellent people
- New product launches underpin future growth
- Strong competitive moat
- Diversified customer base

. . . and can significantly improve growth, margins and ROIC

Our Respiratory Protection business . . .

- Global leading market position
- Sole-source supplier of air purifying respirators to U.S. DOD, SOCOM, U.K. MOD & NATO
- Reliable repeat business in filters, spares and accessories (over 40% of sales)
- Leading self-contained breathing apparatus (SCBA) and deep water rebreather technology; both poised for growth

. . . has emerging opportunities for growth

Head Protection has leading technology . . .

- Team Wendy performing well
- Excellent opportunity for margin expansion across Head Protection
- Well positioned in the fast-growing DOD market for helmets
 - Only FAT approved supplier on NG IHPS with 5 year IDIQ on ACH GEN II
- Large untapped global market

. . . and is well positioned for rapid growth

We have identified opportunities to improve . . .

STRATEGY

- Strategic clarity
- Buy in to direction
- Tracking
- Prioritisation

EXECUTION

- Organisation
- P&L ownership
- M&A integration
- Continuous improvement & flow
- Production planning & inventory levels
- Programme management
- Urgency and capability

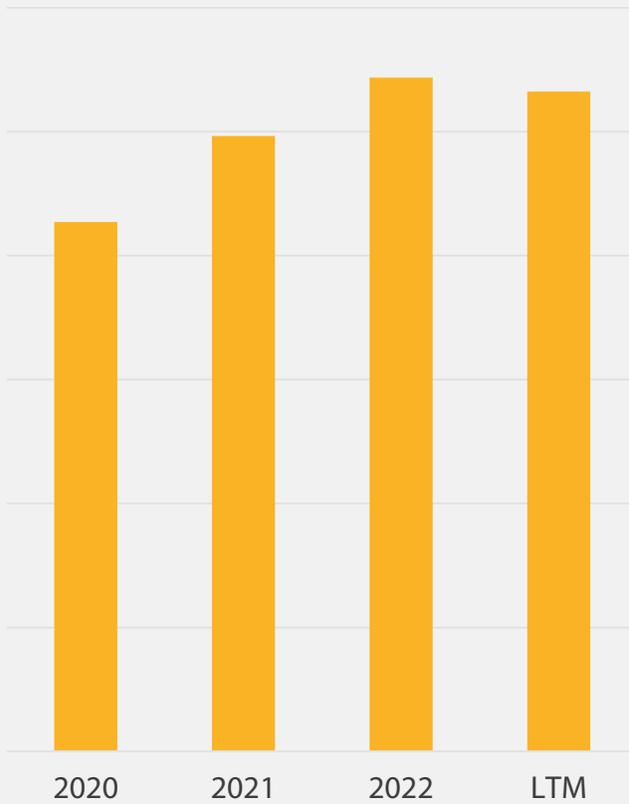
GROWTH

- Sustainment levels of DOD mask orders
- Customer focus
- Innovation
- Brand architecture and penetration of TW brand outside US

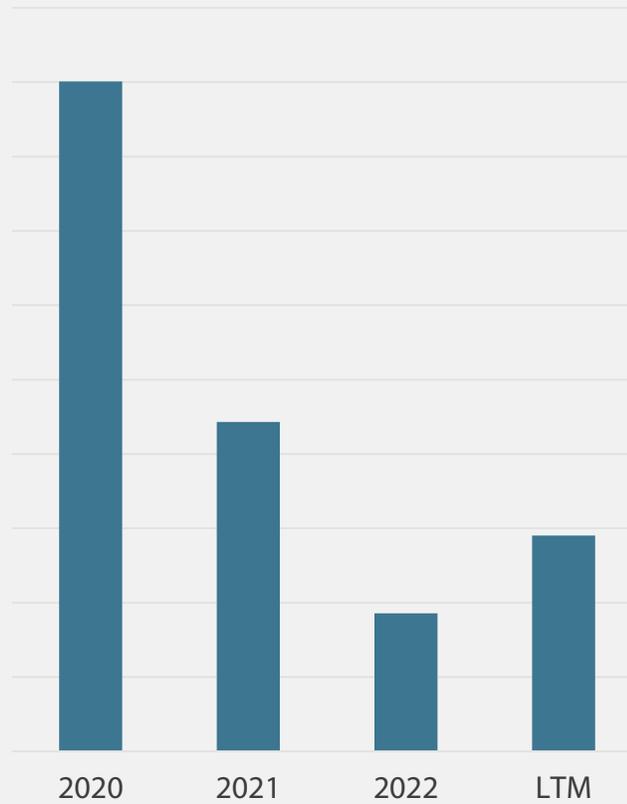
. . . which we address in the new strategy

Financial performance has been disappointing . . .

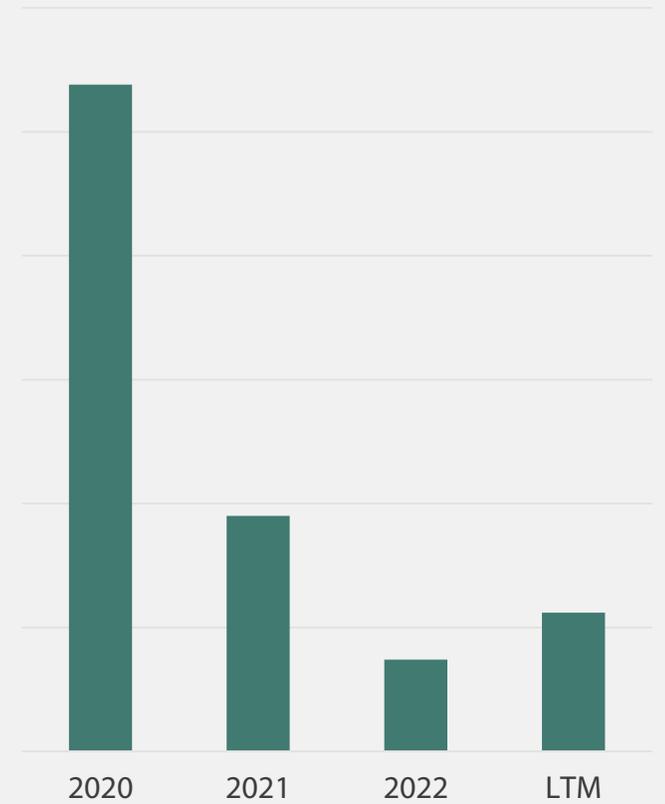
REVENUE



OPERATING PROFIT MARGIN



ROIC



HALF YEAR RESULTS 2023

. . . but we can accelerate from here

We have engaged our team

STRENGTHEN THE
FUNDAMENTALS TO
QUICKLY IMPROVE
EXECUTION

STRENGTHEN

IMPROVE
EFFICIENCY AND
WORKING
CAPITAL TURNS

TRANSFORM

LEVERAGE
INNOVATION TO
DRIVE FURTHER
GROWTH

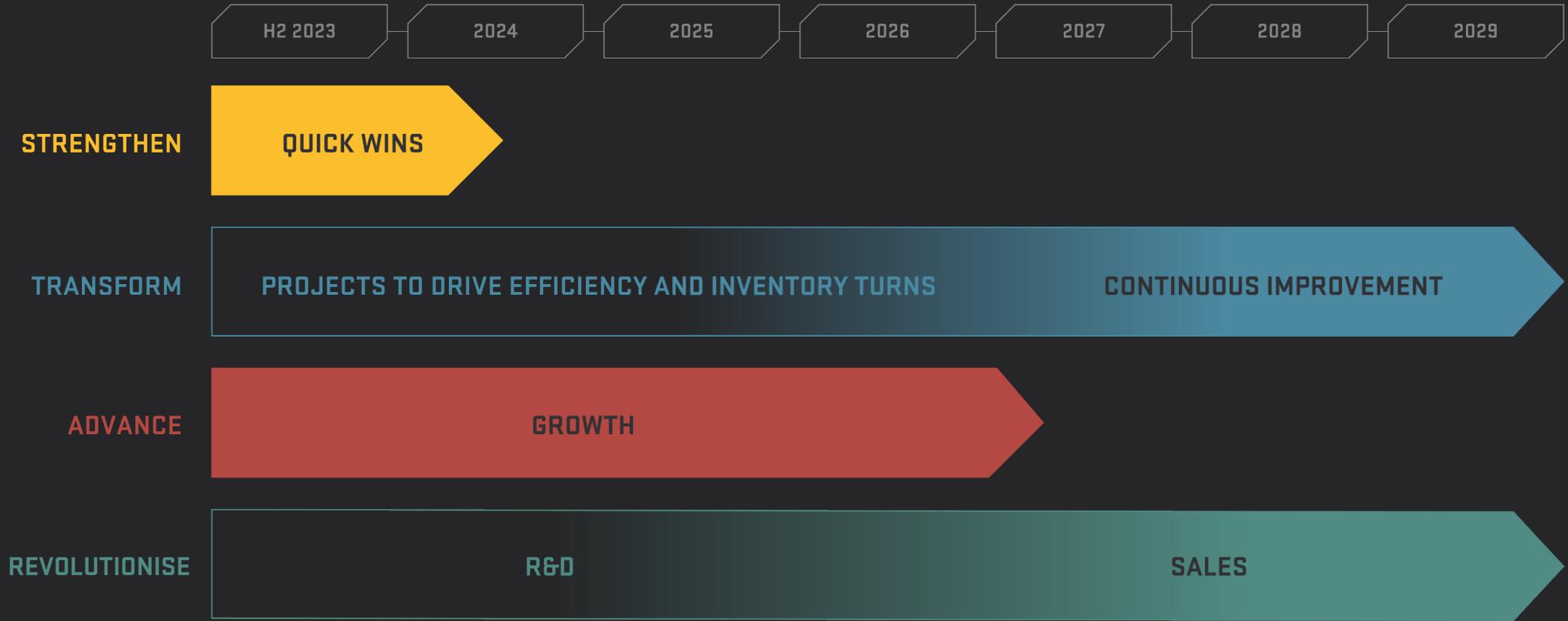
REVOLUTIONISE

ORGANICALLY GROW
THE CORE AND
SCALE UP EMERGING
OPPORTUNITIES

ADVANCE

. . . to develop the STAR strategy

STAR is a five year plan . . .



. . . with a near term focus on quick wins

We have strengthened our leadership team . . .

JOINED:
2023



JOS SCLATER
Chief Executive Officer

JOINED:
2022



RICH CASHIN
Chief Financial Officer

JOINED:
2007



MILES INGREY-COUNTER
General Counsel and Head of HR

NEW TO ROLE
THIS YEAR

JOINED:
2021



STEVE ELWELL
President, Respiratory Protection

JOINED:
2003



JAMES WILCOX
President, Head Protection

JOINED:
2023

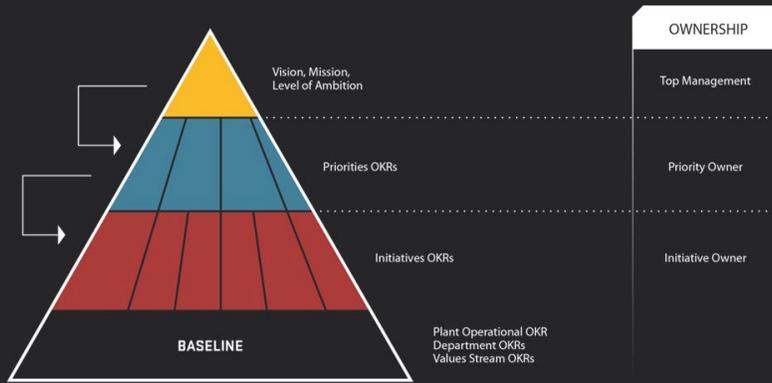


PAUL HAMILTON
President, Operational Excellence and CI

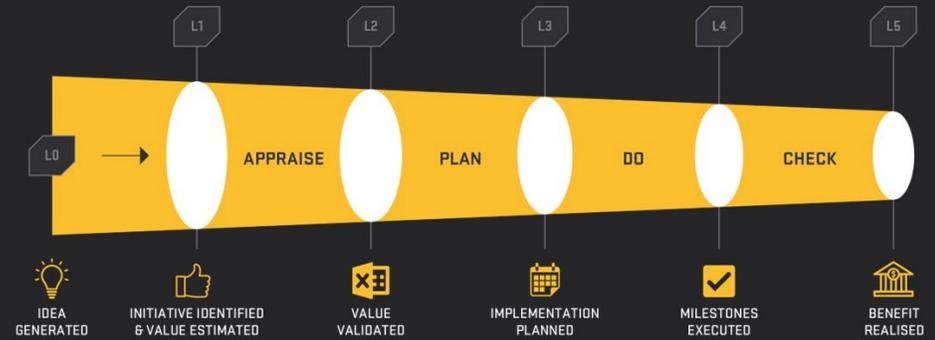
. . . to ensure we have the right capability to deliver

We have developed an execution framework . . .

PRIORITIES & INITIATIVES CASCADED WITH ACCOUNTABILITY



COMMON FUNNEL TO TRACK PROGRESS



SBU LED DELIVERY

- > SBU management owns strategic initiatives and targets
- > SBU specific improvement initiatives
- > Aligned incentives

GOVERNANCE

- > Detailed definition of each strategic priority
- > CEO, CFO and CI/Ops leaders track priorities real time

. . . to ensure initiatives are delivered

Strengthen: focus on quick wins . . .

- New operating model
- Clear strategy
- Address key capability gaps
- Stabilise Salem and Irvine operations
- Quarterly kaizens (change for the better) at all factories
- Stronger performance management

. . . to stabilise and gain early momentum

Transform: improve efficiency and inventory turns . . .

- Footprint optimisation
- Operational excellence
- Programme management excellence
- Supply chain optimisation
- Innovation process improvement
- Sales and marketing focus
- Finance excellence

. . . with increased pace and focus

Advance: grow the core organically . . .

RESPIRATORY PROTECTION

- Exploit market for SCBA with NIOSH & NFPA certified product
- Drive increased mask sales with new product launches
- Leverage installed mask base to sell filters and accessories
- Use leading rebreather technology to capture growing market for products and aftermarket support

HEAD PROTECTION

- Fulfil 5-10 year demand for ballistic helmets from DOD
- Maximise opportunity for pads into the DOD
- Leverage leading Ceradyne ballistic capability with Team Wendy pad technology and Team Wendy brand to expand market share outside the DOD for helmets and accessories

. . . and scale up emerging opportunities

Revolutionise: leverage our core capabilities . . .

RESPIRATORY PROTECTION

- Launch game changing Modular Integrated Tactical Respirator (MiTR)
- Improve filters market share with funded new capability filter technology
- Leverage rebreather technology to expand into adjacent markets
- Expand into hard-to-reach markets through localisation

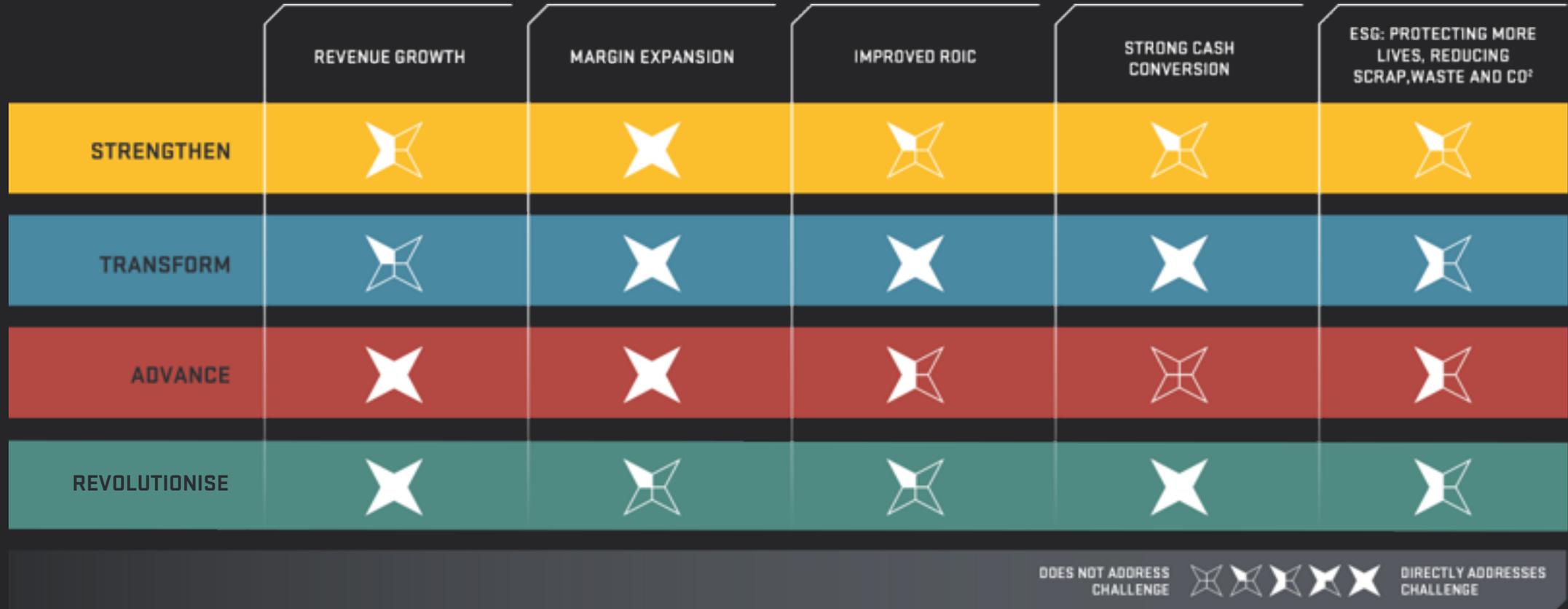
HEAD PROTECTION

- Power and data enablement
- Funded traumatic brain injury research to help develop next generation helmets
- Integrated helmet, respirator and other head-mounted technologies

. . . to drive further growth through innovation

STAR is designed to deliver improved performance . . .

HALF YEAR RESULTS 2023



. . . with more specific medium-term guidance to follow

We have already made significant progress . . .

STRENGTHEN

Kaizens

Kaizen education and improvement sprints held at all factories

Capability gaps

Improved capability in our Salem and Irvine facilities

Strengthened DOD Respiratory team

New operating model

Disposal of armour assets agreed

New SBU organisation announced

TRANSFORM

Footprint optimisation

In-sourced EXFIL SL at Team Wendy
Right-sized respiratory capacity

Programme excellence

New programme management process for DOD helmets projects

ADVANCE

Fulfil DOD demand

Completed first lot of NG IHPS

Maximise pads opportunity

New pad technology approved on DOD helmet programme

Leverage ballistic and pads technology

Launched the new EPIC helmet range

REVOLUTIONISE

Tactical respirator

Positive customer feedback on novel concept advanced prototype for MiTR

Funded R&D

New capability filters

Next generation traumatic brain injury mitigation technology

. . . to advance our strategy

The new strategy means some changes to capital allocation . . .

- Net debt to EBITDA between 1 and 2 times
- No further buyback envisaged
- Investing for sustainable organic growth
- Little appetite for M&A until we have proved our Strengthen and Transform initiatives work
- Dividend policy to be reviewed during H2

. . . with a near term focus on organic growth



Creating a world-class business . . .

- Increased urgency
- New strategy and leadership team
- We are underway and moving fast
- STAR focused on short term wins, medium term efficiency and growth, and building a pipeline for further growth beyond 2027
- Significant opportunity to grow the top line, increase margins and improve cash returns on capital

. . . with world-class performance



QUESTIONS





APPENDIX



Technical Guidance FY23

	2021 \$m	2022 \$m	2023 guidance \$m
Research and development expenditure	19.1	10.9	11-13
Of which customer funded	2.3	1.4	2
Group expenditure	16.8	9.5	9-11
Capitalised development costs	15.0	5.8	5-6
Expensed development costs	1.8	3.7	4-5
Other capital expenditure	16.6	3.1	4-6
Total capital expenditure	31.6	8.9	9-12
Amortization of acquired intangibles	14.2	6.8	6
Adjusted depreciation, amortisation and impairment	15.6	15.4	14-16
Adjusted interest	3.1	4.0	6-8
Cash pension contribution	2.9	8.5	-
Cash conversion	83.2%	142.7%	>80%
1 cent increase in £:\$ FX rate increases revenue by			~\$0.2m
1 cent increase in £:\$ FX rate decreases operating profit by			~\$0.2m

Income statement by line of business

HY23	Armour \$m	Excluding Armour \$m	Total \$m
Orders received	0.2	125.4	125.6
Closing order book	16.0	144.7	106.7
Revenue	14.6	101.6	116.2
Adjusted EBITDA	(4.7)	15.9	11.2
Adjusted EBITDA margin	(32.2%)	15.6%	9.6%
Adjusting operation profit/(loss)	(4.7)	8.9	4.2

Reported to adjusted reconciliation

	HY23 \$m	HY22 \$m
Statutory operating loss	(1.6)	(10.7)
Amortisation of acquired intangibles	3.1	3.5
Impairment of non-current assets	-	3.8
Restructuring costs	2.3	1.4
Transaction costs	0.4	0.8
Adjusted operating profit	4.2	(1.2)

Abbreviations

Term	Explanation
50 Series	A range of masks based on the proven technology of the M50 mask system
ADF	Australian Defence Force
AGM	Annual General Meeting
APAC	Asia-Pacific
APC	Avon Protection Ceradyne
BPS	Basis points
CA	Commercial America
CBRN	Chemical, Biological, Radiological, Nuclear
DLA	U.S. Defense Logistics Agency
DOD	U.S. Department of Defense
ESAPI	Enhanced small arms protective inserts
ESG	Environmental, social and governance
ESPP	Employee Stock Purchase Plan
FAT	First article testing
FX	Foreign exchange
FY	Financial year
GHG	Greenhouse gas
H1/H2	First half of the financial year (October – March) / Second half of financial year (April – September)
IDIQ	Indefinite delivery indefinite quantity
ITAR	International Traffic in Arms Regulation

Term	Explanation
JSGPM	Joint service general protection mask
KPIs	Key Performance Indicators
LTIP	Long Term Incentive Plan
MENA	Middle East and North Africa
MOD	Ministry of Defence
NATO	North Atlantic Treaty Organization
NG IHPS	Next Generation Integrated Head Protection System
NSPA	NATO Support and Procurement Agency
PAPR	Powered Air Purifying Respirator
PSP	Performance Share Plan
SCBA	Self-contained breathing apparatus
SIP	Share Incentive Plan
SOCOM	United States Special Operations Command
SSA	Special Security Agreement
TBI	Traumatic Brain Injury
TFCD	Task Force for Climate Related Financial Disclosures
TW	Team Wendy
UK&I	U.K. & International
UN SDGs	United Nations Sustainable Development Goals
VTP	Vital Torso Protection