



INTERIM RESULTS 2018

Forward-looking information

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Agenda



Highlights

**Financial
Review**

**Future
Outlook**



Highlights

Paul McDonald
Chief Executive Officer

6 months of strategic progress

Strong financial performance and momentum

Revenue and order growth ahead of underlying markets

Maintained high levels of profitability and cash generation

Effective delivery of the strategy to enhance core business

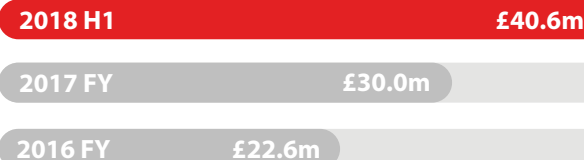
Progress made on longer-term opportunities

AEF non-core divestment provides better focus

30% increase on interim dividend

Closing order book provides visibility going into H2

Confident in 2018 expectations and future prospects



Strategic initiatives driving performance and future prospects

MILITARY

- Positive order intake and underlying revenues
- Order book increased to improve medium-term visibility
- Progress in launching new product range to DoD and ROW customers



LAW ENFORCEMENT & FIRE

- Strong performance with growth across all product lines within Law Enforcement
- Powered Air NIOSH approval with strong launch momentum
- Fire experienced tougher market conditions in both cameras and SCBA

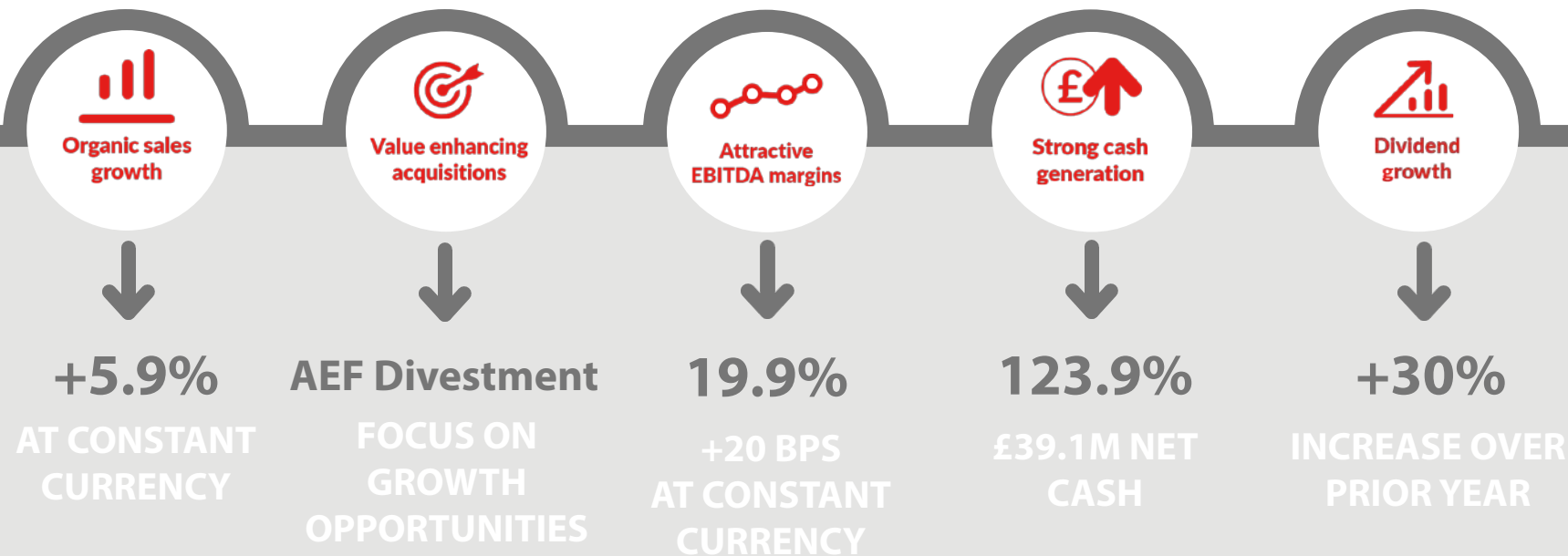


MILKRITE | INTERPULS

- Strong growth in Farm Services
- Precision, Control and Intelligence revenue growth remains positive
- Increasing feed costs during Q2 impacting farmer confidence and consequently Interface sales in North America



Strong progress against investor proposition





Financial Review

Nick Keveth
Chief Financial Officer

Strong financial momentum continues

FINANCIALS¹

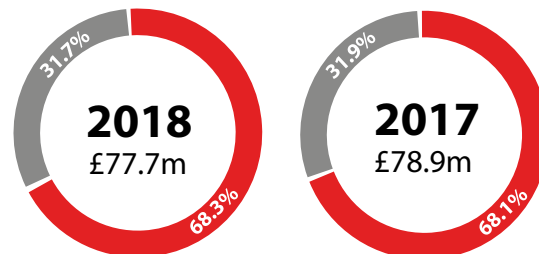
	2018	% Change	% Constant Currency
Orders received	£88.3m	(2.7%)	5.0%
Closing order book	£40.6m	17.7%	29.6%
Revenue	£77.7m	(1.5%)	5.9%
Adjusted EBITDA	£15.5m	(3.1%)	6.6%
Adjusted EBITDA margin	19.9%	(0.4%)	0.2%
Adjusted operating profit	£11.6m	6.4%	18.9%
Net cash	£39.1m		Up £14.4m ²
Adjusted basic earnings per share	32.8p	14.7%	33.7%
Interim dividend per share	5.34p	30.0%	
Return on capital employed ³	24.8%	3.7%	

¹ These financials are presented on a continuing operations basis, excluding the results of AEF from both 2017 and 2018

² Movement since 30 September 2017

³ Returns calculated over the last 12 months

REVENUE SPLIT BY BUSINESS

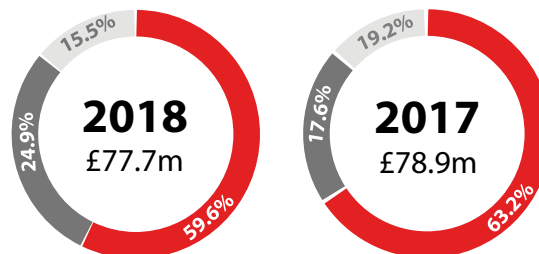


Avon Protection



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REVENUE SPLIT BY DESTINATION



North America

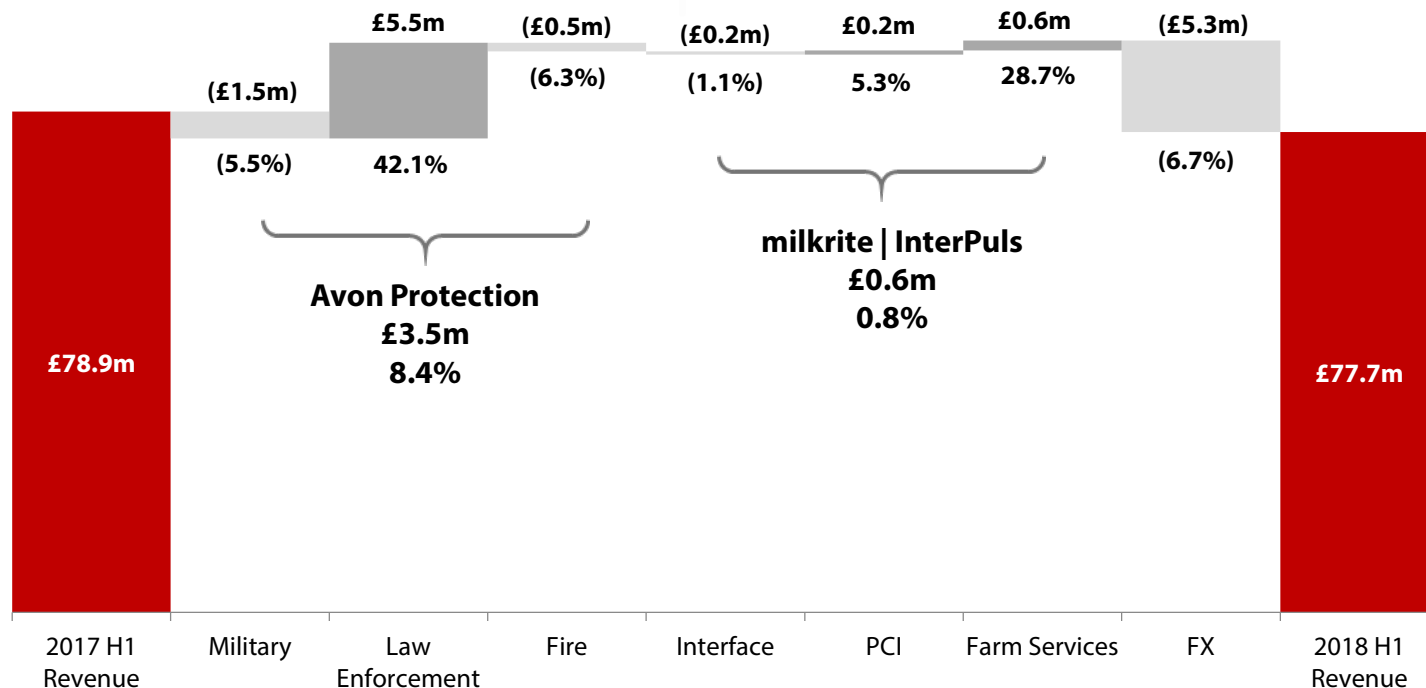


Europe

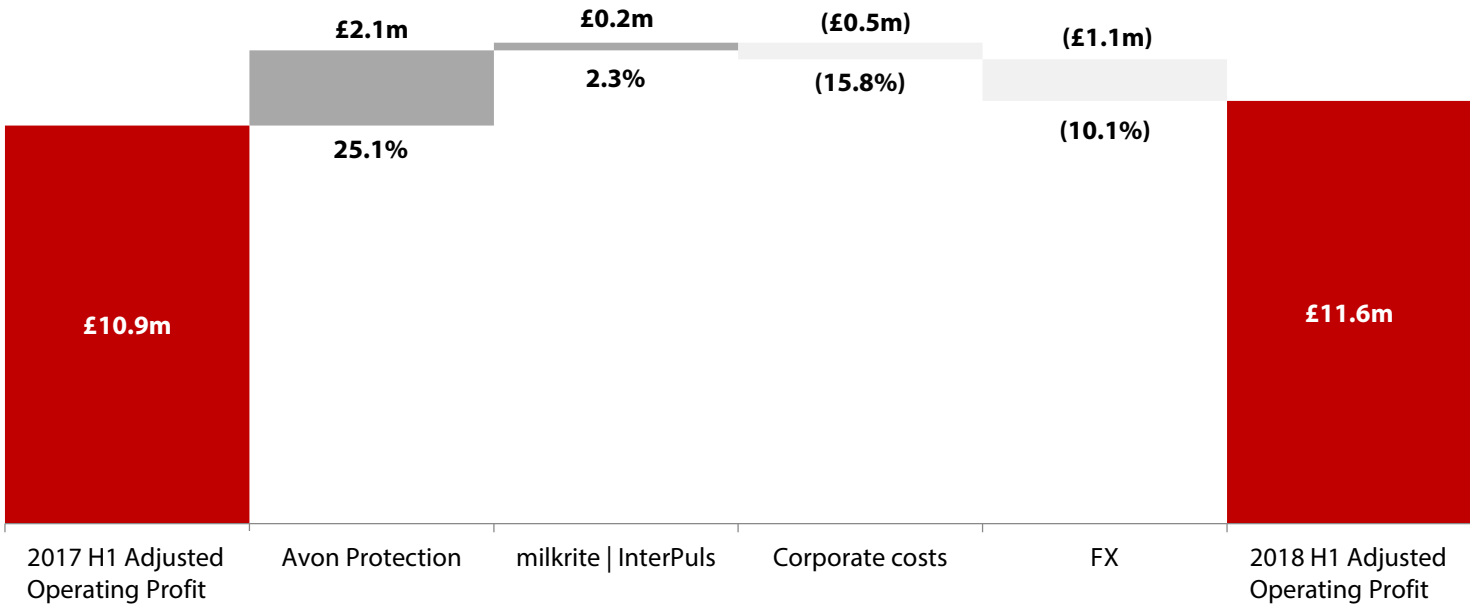


Rest of the World

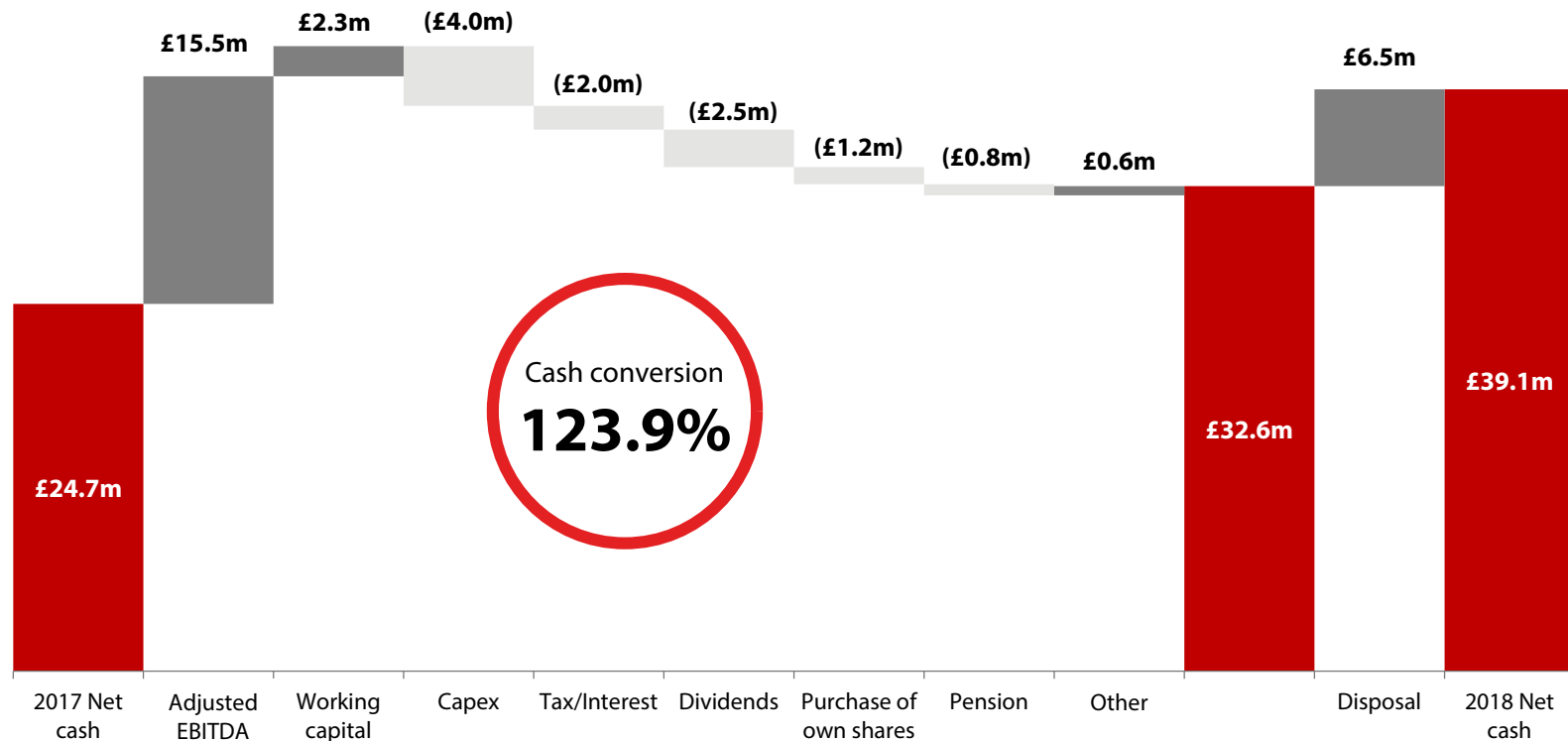
5.9% revenue growth at constant currency



18.9% adjusted operating profit growth at constant currency



£14.4m increase in net cash



Avon Protection

FINANCIALS

	2018	% Change	% Constant Currency
Orders received	£64.2m	(2.4%)	6.6%
Closing order book	£37.5m	17.9%	30.8%
Revenue	£53.1m	(1.1%)	8.4%
Adjusted EBITDA	£11.7m	0.8%	7.1%
Adjusted EBITDA margin	22.0%	0.4%	-
Adjusted operating profit	£9.2m	15.0%	25.1%

ADJUSTED OPERATING PROFIT

H1 H2

2018 **£9.2m**

2017 **£8.0m**

£11.8m

2016 **£6.6m**

£8.5m

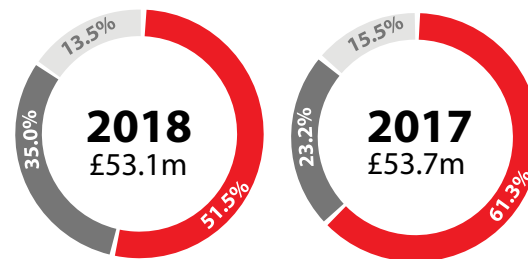
2015 **£6.4m**

£8.5m

2014 **£6.7m**

£6.9m

REVENUE SPLIT BY MARKET



→ Military → Law Enforcement → Fire

COMMENTS

- Strong order and revenue growth driven by Law Enforcement in North America and Europe
- In Military flat US DoD revenues, with higher revenues from spares offsetting planned lower M50 volumes
- Stable EBITDA margins
- Lower amortisation of development costs contributing to operating profit growth
- Closing order book provides good visibility into H2

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FINANCIALS

	2018	% Change	% Constant Currency
Orders received	£24.1m	(3.6%)	1.0%
Closing order book	£3.1m	14.8%	16.1%
Revenue	£24.6m	(2.4%)	0.8%
Adjusted EBITDA	£5.0m	(9.1%)	0.2%
Adjusted EBITDA margin	20.3%	(1.5%)	(0.5%)
Adjusted operating profit	£3.6m	(10.0%)	2.3%

ADJUSTED OPERATING PROFIT

H1 H2

2018 **£3.6m**

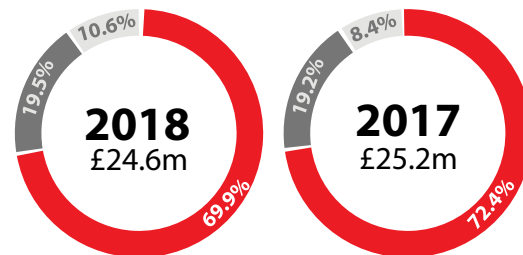
2017 **£4.0m** £4.0m

2016 **£3.4m** £3.8m

2015 **£3.3m** £3.1m

2014 **£2.7m** £3.0m

REVENUE SPLIT BY MARKET



→ Interface → PCI → Farm Services

COMMENTS

- Strong growth in Farm Services and PCI
- Interface impacted by North American market conditions
- PCI and Pulsator Exchange building momentum in North America
- Cost control drives operating profit improvement



Future Outlook

Paul McDonald
Chief Executive Officer

Confident of achieving expectations

MILITARY

- M50 order book visibility for FY18 and FY19
- Additional DoD orders anticipated in H2
- First customer MCM100 deliveries and UK GSR remain on track
- Further opportunities with ROW militaries



LAW ENFORCEMENT & FIRE

- Continued growth in Law Enforcement expected
- Newly launched Powered Air range building momentum
- Magnum SCBA to be launched at the end of the year



MILKRITE | INTERPULS

- Continued growth in Farm Services and Precision, Control and Intelligence (PCI) ahead of underlying markets
- Launch of heavy duty PCI range in North America
- Market softness in North America expected to continue into H2 impacting Interface



OUTLOOK

- Strong underlying financial performance and momentum in H1
- Positive closing order book provides visibility going into H2
- Strategic initiatives and new product portfolio provide opportunities for further progress
- Confident of achieving current year expectations





Questions & Answers



Appendices

Group income statement

	2018 £m	2017 £m
Revenue	77.7	78.9
EBITDA	15.5	16.0
Depreciation and amortisation	(3.9)	(5.1)
Operating profit before amortisation of acquired intangibles, exceptional items and defined benefit pension costs	11.6	10.9
Amortisation of acquired intangibles, exceptional items and defined benefit pension costs	(1.7)	(1.3)
Operating profit	9.9	9.6
Interest income	0.1	-
Interest expense	(0.1)	(0.1)
Other finance expense	(0.5)	(0.6)
Profit before taxation	9.4	8.9
Taxation	(0.9)	(1.4)
Profit for the period from continuing operations	8.5	7.5
Profit/(loss) from discontinued operations	1.6	(0.3)
Profit for period	10.1	7.2
Adjusted basic earnings per share from continuing operations	32.8p	28.6p

Reported to adjusted reconciliation

	2018 £m	2017 £m
Operating profit	9.9	9.6
Amortisation of acquired intangible assets	1.5	1.4
Post-acquisition working capital adjustment	-	(0.3)
Defined benefit pension scheme administration costs	0.2	0.2
Adjusted operating profit	11.6	10.9

Revenue by line of business

	2018 H1	2017 H1	2017
Military	£27.3m	£32.9m	£64.2m
Law Enforcement & Civil	£18.6m	£12.5m	£29.0m
Fire	£7.2m	£8.3m	£16.6m
Avon Protection	£53.1m	£53.7m	£109.8m
Interface	£17.2m	£18.3m	£34.5m
Precision, Control & Intelligence	£4.8m	£4.8m	£10.4m
Farm Services	£2.6m	£2.1m	£4.5m
milkrite InterPuls	£24.6m	£25.2m	£49.4m
Group total	£77.7m	£78.9m	£159.2m

Balance sheet

	2018 £m	2017 £m
Intangible assets	39.1	45.4
Property, plant and equipment	21.9	29.1
Current assets	41.0	41.6
Current liabilities	(36.0)	(37.0)
Non-current liabilities	(0.7)	(3.0)
	65.3	76.1
Net cash	39.1	12.6
	104.4	88.7
Retirement benefit scheme	(42.5)	(40.7)
Net assets	61.9	48.0

Cash flow

	2018 £m	2017 £m
Cash flows from continuing operations	19.2	16.8
Cash impact of exceptions	-	0.3
Cash flows from discontinued operations	(0.2)	0.2
Cash generated from operations	19.0	17.3
Interest paid/received	-	(0.1)
Payments to pension scheme	(0.8)	(0.4)
Tax paid	(2.0)	(0.7)
Disposal of business	6.5	-
Purchase of property, plant and equipment	(1.4)	(1.7)
Capitalised development costs and purchased software	(2.6)	(1.0)
Dividends paid to shareholders	(2.5)	(1.9)
Purchase of own shares	(1.2)	(1.0)
Exchange and other	(0.6)	0.1
Movement in net cash	14.4	10.6
Opening net cash	24.7	2.0
Closing net cash	39.1	12.6
% Cash conversion from EBITDA	123.9%	105.0%

Foreign exchange and H1 sensitivities

	Average rate H1 2018	Closing rate H1 2018	Average rate H1 2017	Closing rate H1 2017	Average rate FY2017	Closing rate FY2017
US Dollar	1.359	1.408	1.240	1.250	1.267	1.339
Euro	1.130	1.143	1.157	1.169	1.147	1.134

	1\$ cent movement £m	1€ cent movement £m
Revenue	0.4	-
Operating profit	0.1	-
Net assets	0.3	0.2

2017 Restatements

Adjusted	H1 2017				FY 2017			
	As previously reported	Share based payments	AEF discontinued operations	Restated	As previously reported	AEF discontinued operations	Restated	
	£m	£m	£m	£m	£m	£m	£m	
Orders received	90.7	-	-	90.7	173.9	(7.9)	166.0	
Closing order book	35.0	-	(0.5)	34.5	34.0	(4.0)	30.0	
Revenue	81.1	-	(2.2)	78.9	163.2	(4.0)	159.2	
EBITDA	16.5	(0.3)	(0.2)	16.0	36.0	(0.3)	35.7	
Operating profit	10.9	(0.3)	0.3	10.9	25.8	0.3	26.1	
Profit before tax	10.7	(0.3)	0.3	10.7	25.6	0.3	25.9	
Tax	(2.0)	-	-	(2.0)	(0.4)	-	(0.4)	
Profit for the period ⁽¹⁾	8.7	(0.3)	0.3	8.7	25.2	0.3	25.5	

Statutory

Orders received	90.7	-	-	90.7	173.9	(7.9)	166.0
Closing order book	35.0	-	(0.5)	34.5	34.0	(4.0)	30.0
Revenue	81.1	-	(2.2)	78.9	163.2	(4.0)	159.2
EBITDA	16.6	(0.3)	(0.2)	16.1	35.9	(0.3)	35.6
Operating profit	9.6	(0.3)	0.3	9.6	19.8	0.3	20.1
Profit before tax	8.9	(0.3)	0.3	8.9	18.6	0.3	18.9
Tax	(1.4)	-	-	(1.4)	2.9	-	2.9
Profit for the period ⁽¹⁾	7.5	(0.3)	0.3	7.5	21.5	0.3	21.8

⁽¹⁾ Profit for the period from continuing operations