



# INVESTOR PRESENTATION

31 JANUARY 2025

AVON TECHNOLOGIES PLC

**AVON**  
PROTECTION

**TEAM**  
**WENDY**



A photograph of two men in a warehouse setting. The man on the right is wearing safety glasses and has a slight smile, looking towards the other man. The man on the left is seen from the back, also wearing safety glasses. They are in front of industrial shelving units filled with boxes. A large white semi-transparent circle is on the right side of the image, and a yellow line is on the left side.

# **A HIGH PERFORMING BUSINESS IN GROWING MARKETS**

AVON TECHNOLOGIES PLC

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PROTECTION

 **TEAM  
WENDY**

# Our aim is for heroes to survive and thrive . . .

## WHO WE ARE

Our purpose is **Protecting Lives**. It's something everyone in this business cares passionately about.

## WHAT WE DO

Our mission is to **provide unparalleled protection for those who protect us**, giving them the confidence to tackle challenging situations and helping them get home safe.

. . . no matter the mission



# A best-in-class product portfolio...

- 1 Best in class product range
- 2 Long-term, sole-source, multi-year contracts
- 3 Broadening user-base driven by changing threat landscape
- 4 Expanding product portfolio
- 5 High-growth Underwater Rebreather business

**AVON**  
PROTECTION

Sustainable  
revenue growth

Strengthened  
financial & operational  
discipline



... underpinned by strong recurring revenue streams



# Leading commercial and international opportunity ...

- 1 Multi-year contracts secured
- 2 Strong DOD order book
- 3 Large commercial & International market opportunity
- 4 Leading technology
- 5 Expanding product portfolio



Strong order book with focus on execution

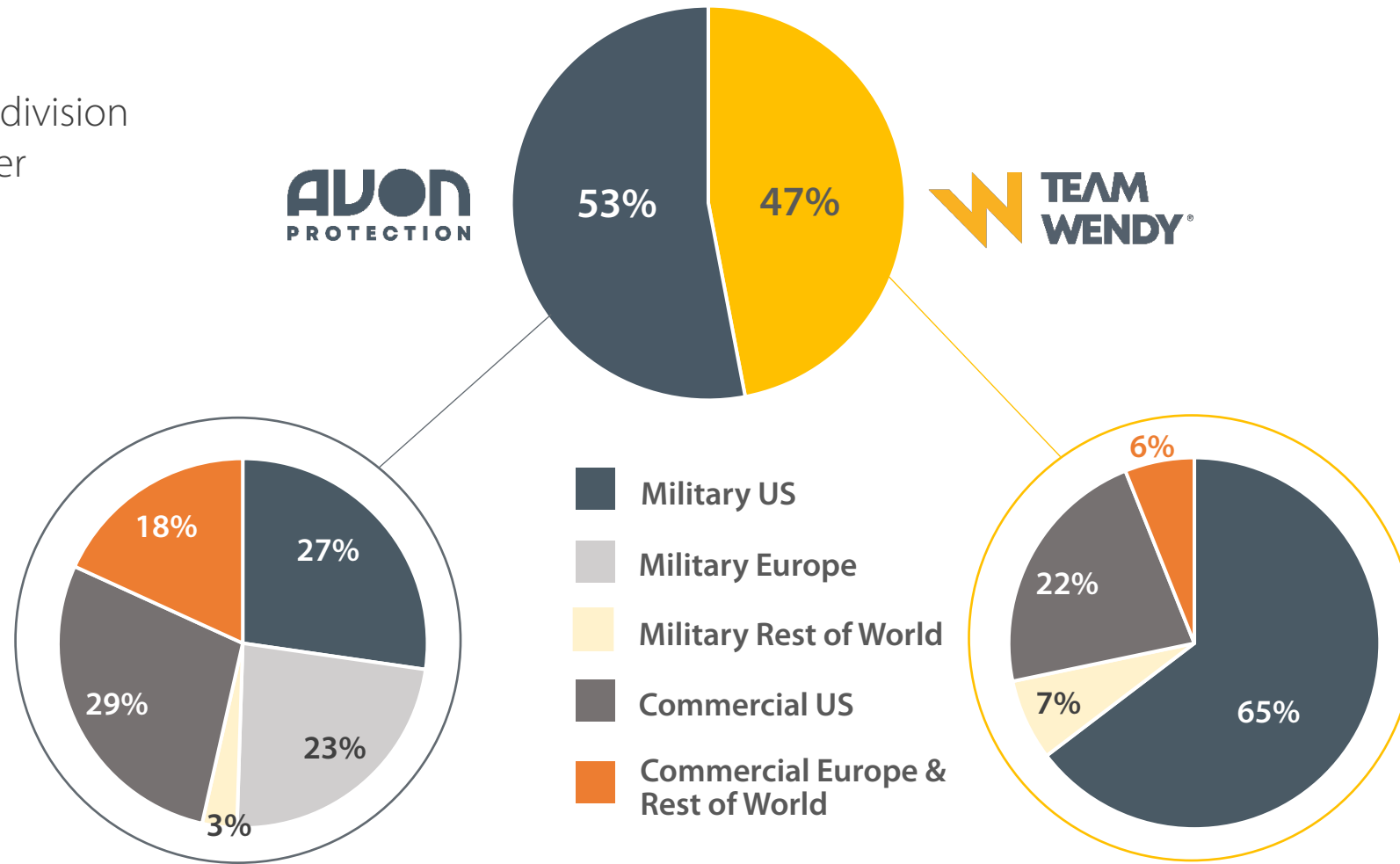
Improved margin delivery



... with considerable opportunity for margin growth through site rationalisation and Continuous Improvement

# A focused NATO defence and first responder business . . .

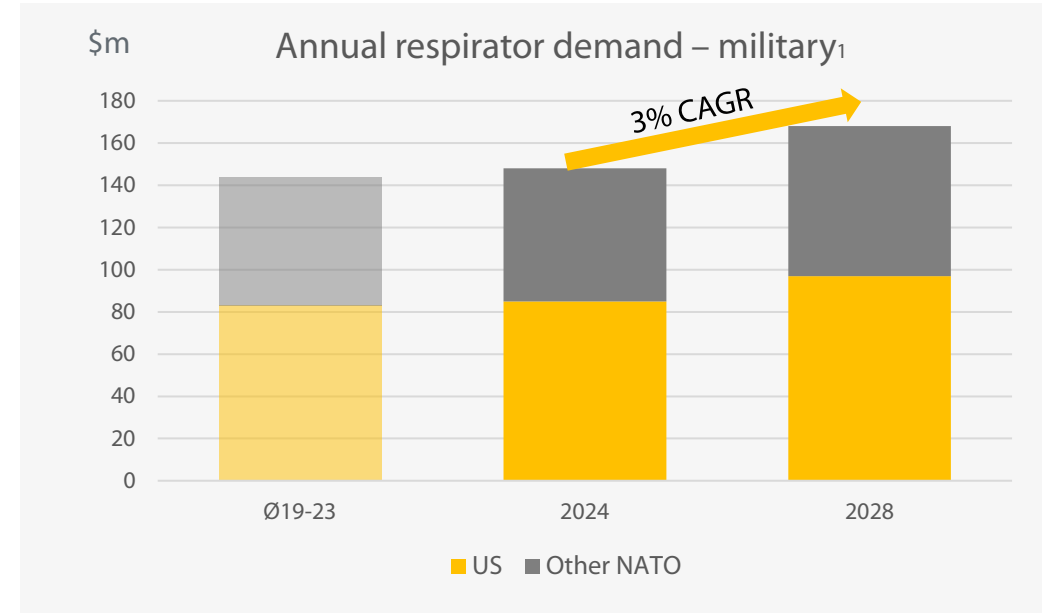
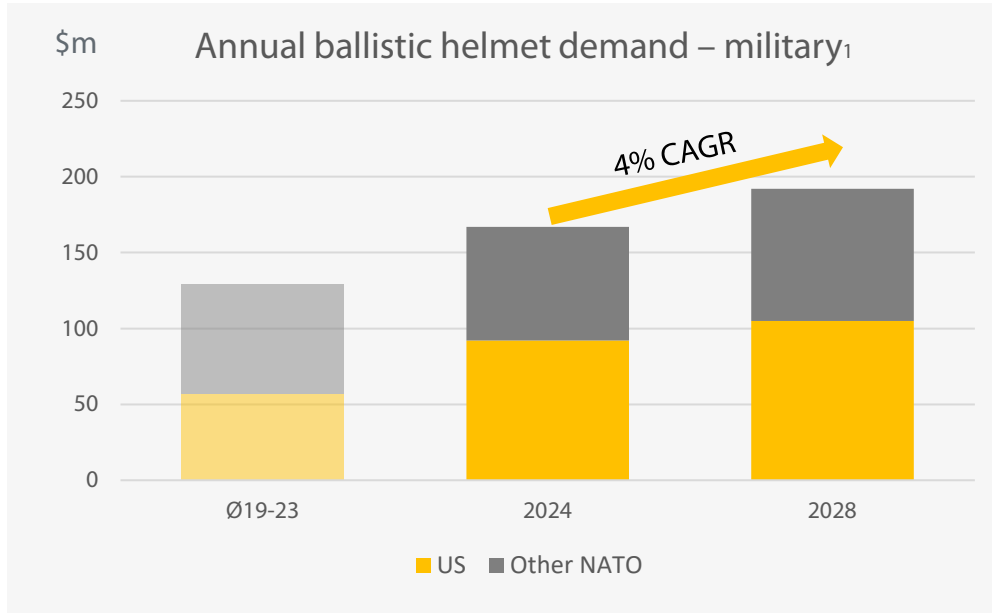
Revenue by division  
and customer



. . . with a broad customer base



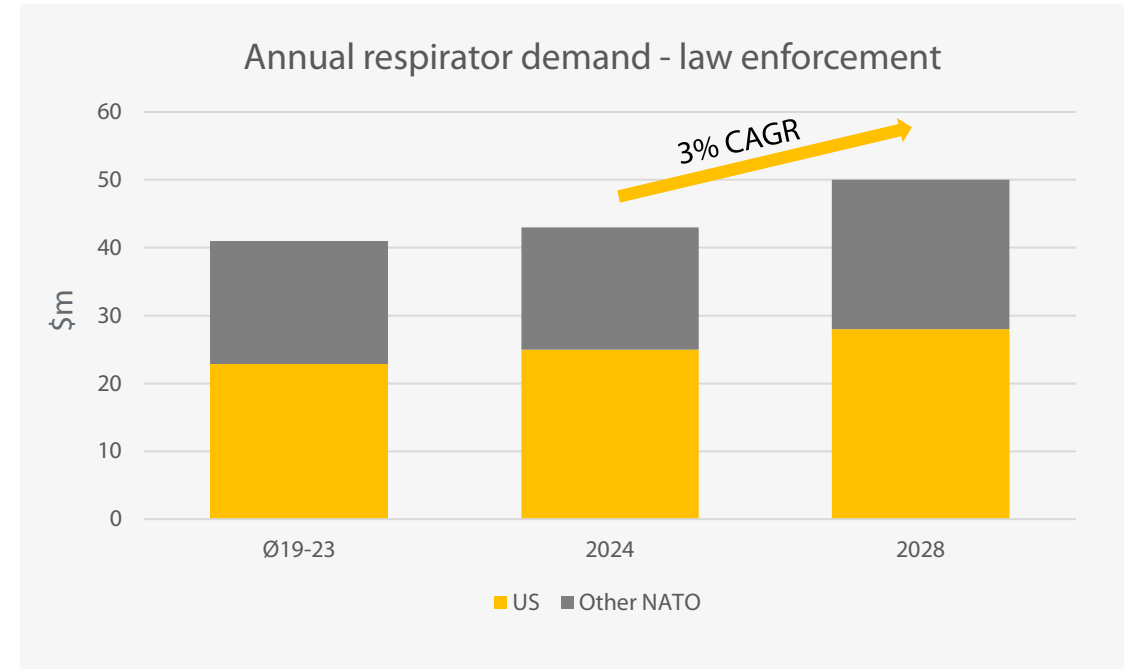
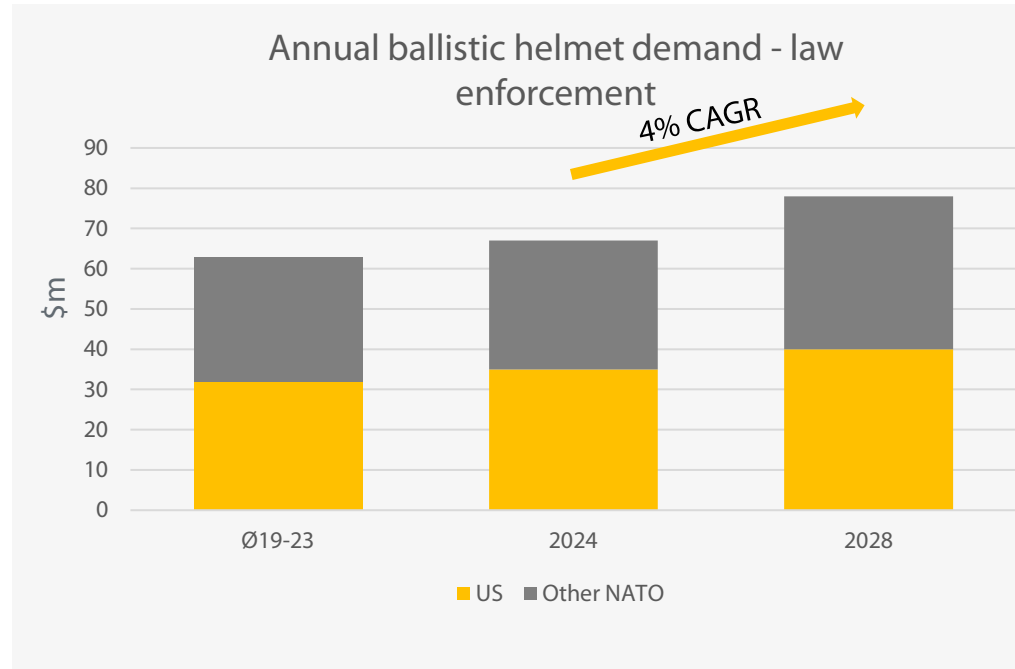
# Growing US and NATO demand for military helmets and respirators . . .



- Aggregate 2024-2028 CAGR across helmets and respirators estimated at 4%
- Significant non-US & NATO market for military helmets and respirators expected to grow from Ø\$345m (2019-2023) to Ø\$380m (2024-2028)

**. . . non-NATO addressable markets also growing**

# Law enforcement markets growing 3-4% compound . . .

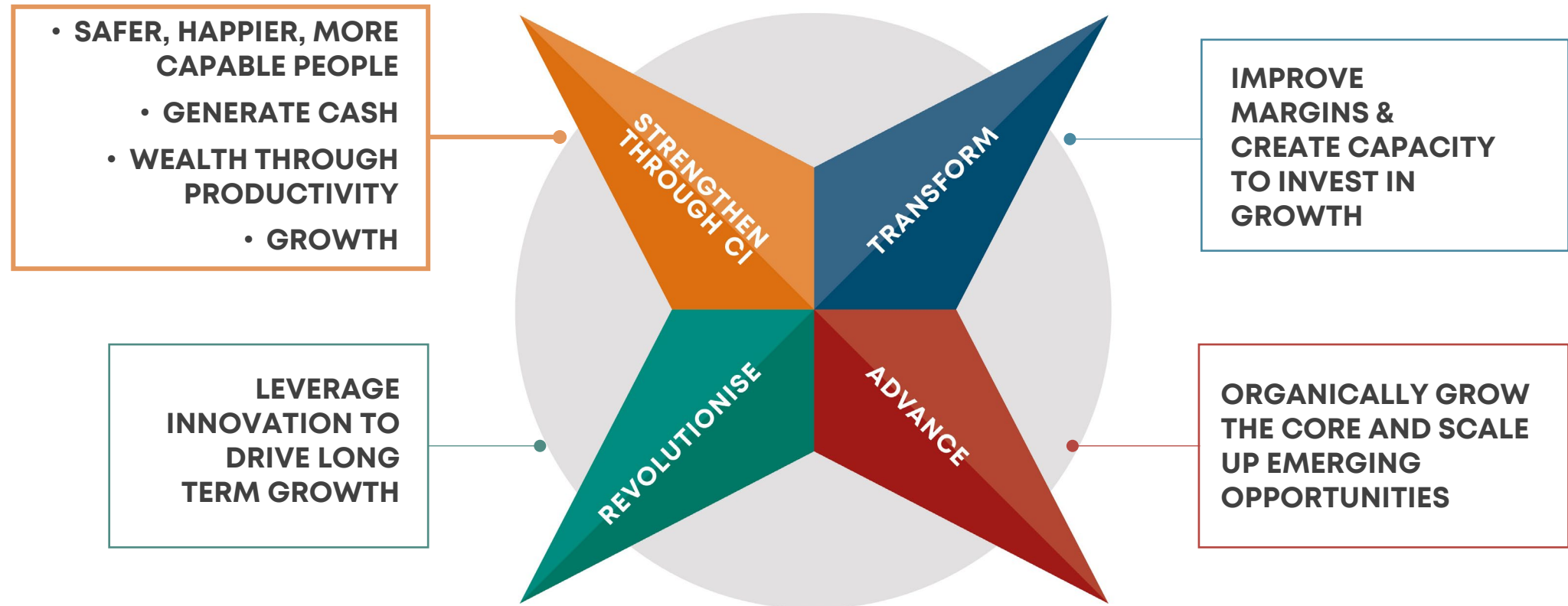


- Law enforcement officer threat exposure increasing
- Other commercial markets (firefighters, emergency medical response etc) remain robust
- Significant non-US & NATO market for commercial helmets and respirators expected to grow from Ø\$134m (2019-2023) to Ø\$159m (2024-2028)

**. . . with significant further growth in RoW**



# Strategy to deliver over medium and long term . . .



. . . Continuous Improvement now a key limb

# STRENGTHEN THROUGH CONTINUOUS IMPROVEMENT

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# What is Continuous Improvement?



## Culture & Leadership

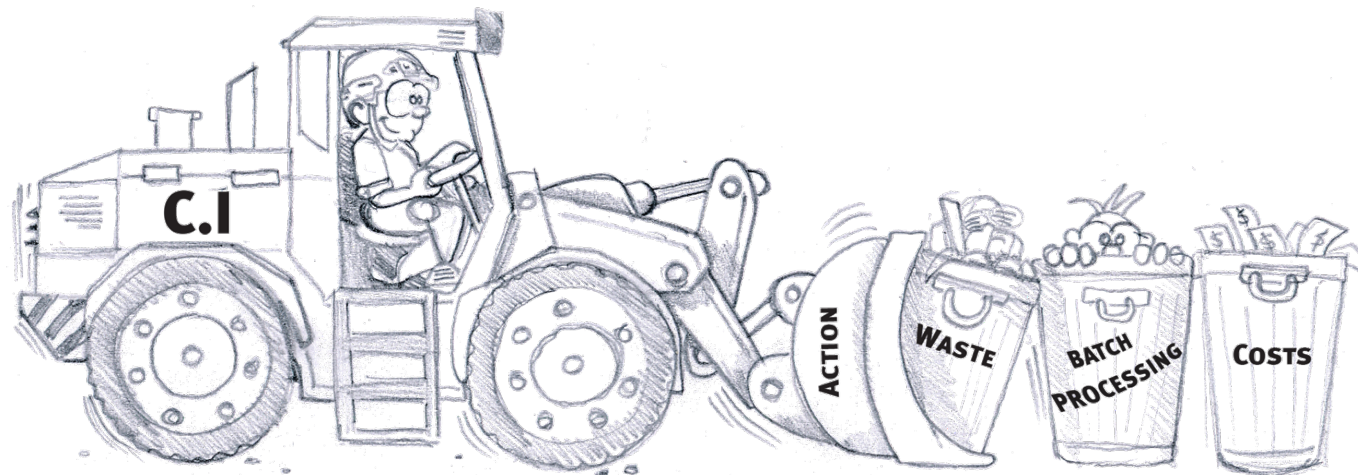
Developing our people, empowering them to take action to change things for the better

## Just In Time

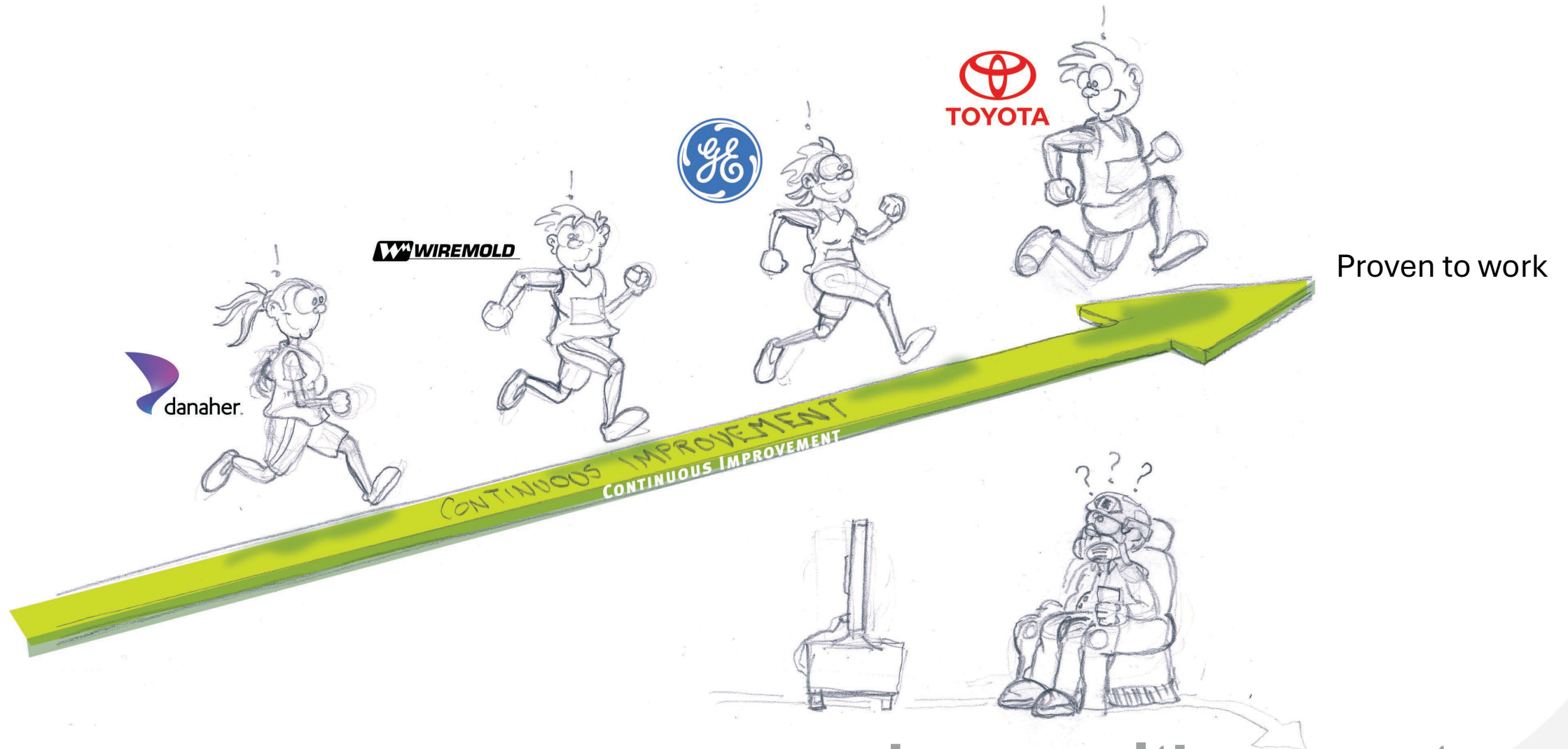
Reduce waste, improve inventory turns and deliver on time

## No defects

Detect and stop defects



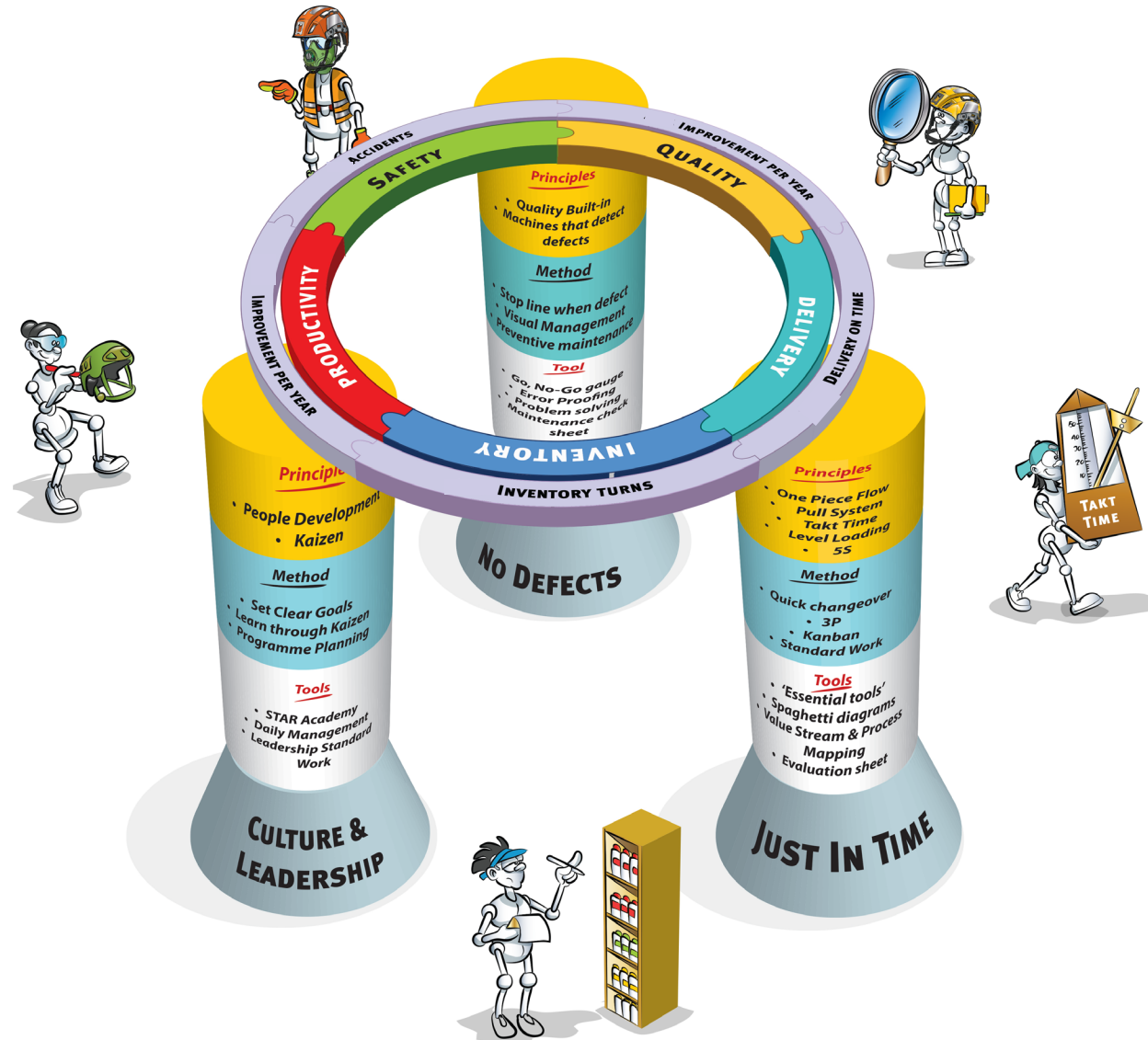
# Why did we choose Continuous Improvement?



...because it's proven to work



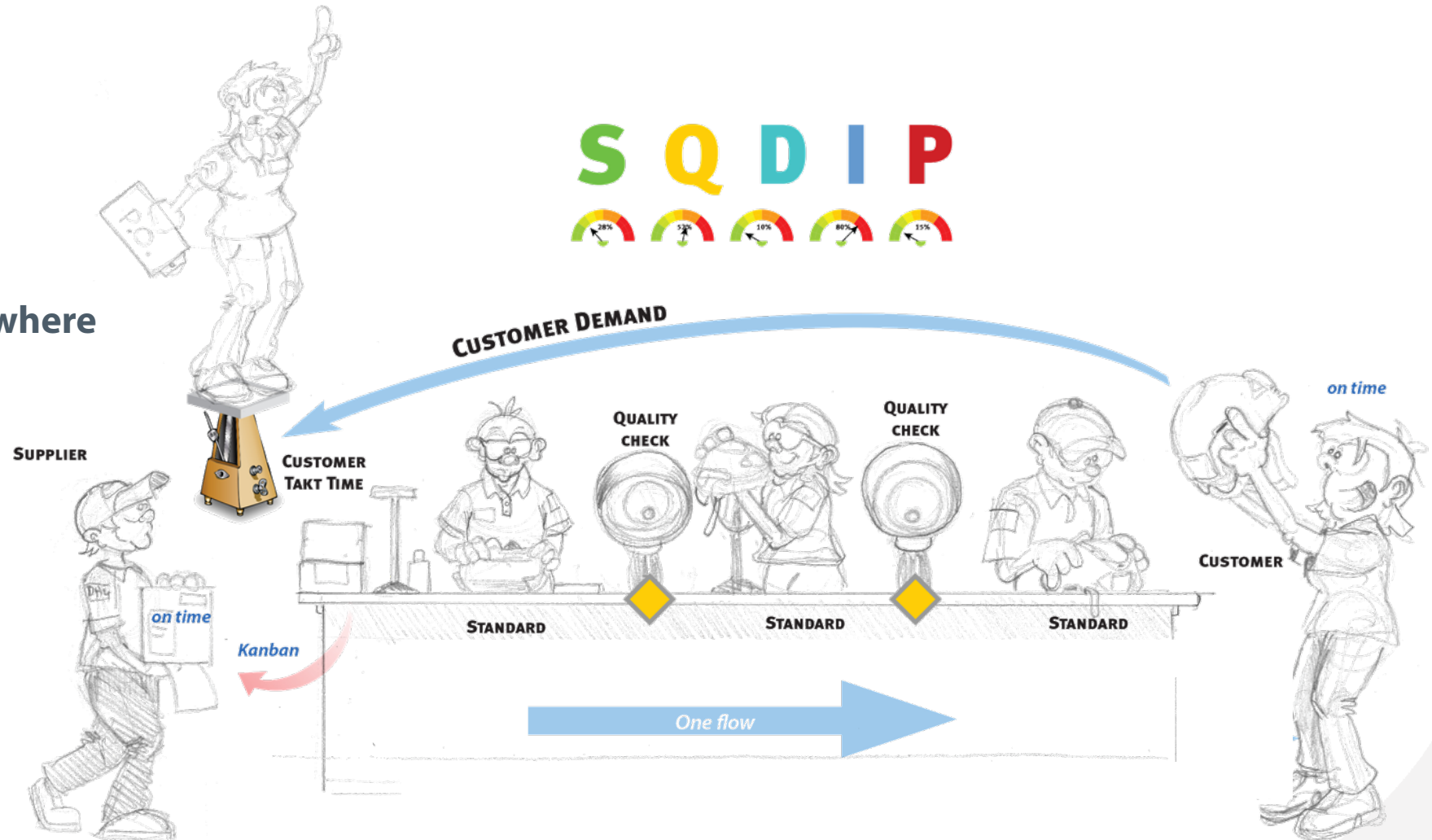
# The Strengthen Avon System (SAS)...



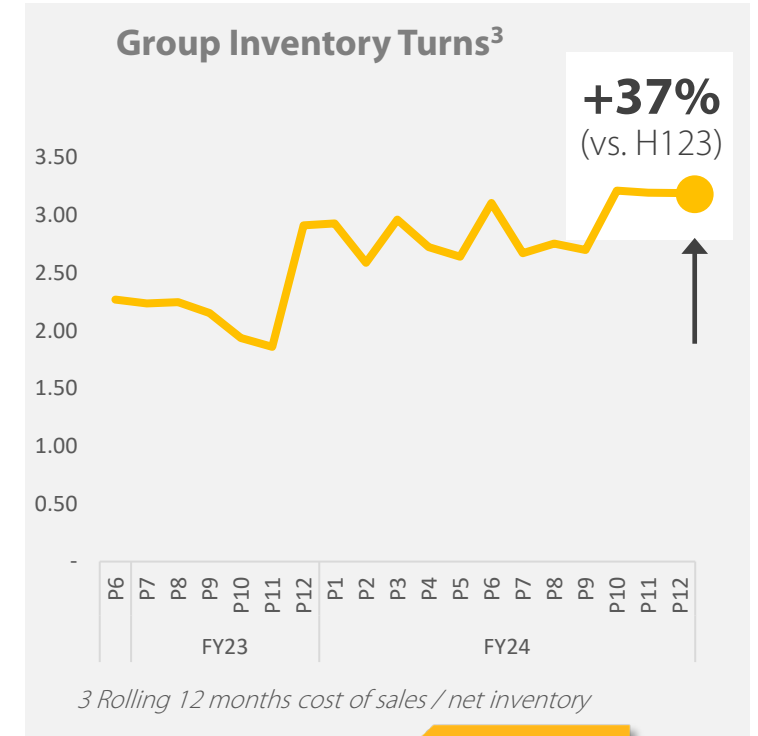
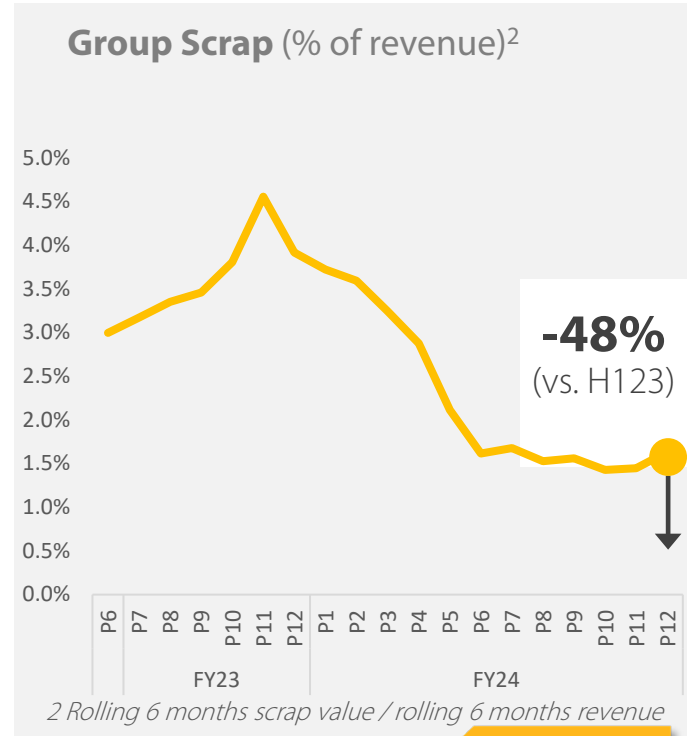
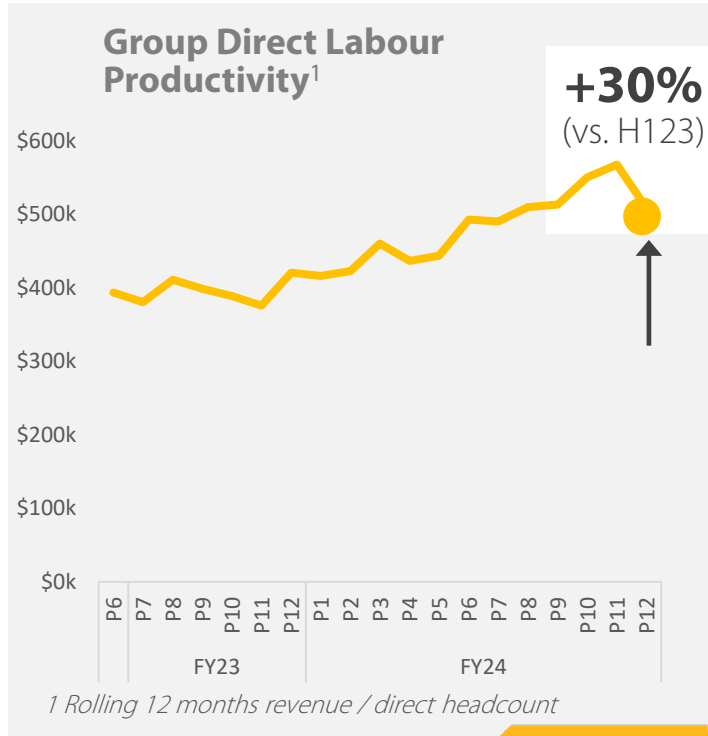
...our approach to Continuous Improvement

# What are we trying to achieve with our processes?

- One Piece Flow
- Pull System
- Work to Takt Time
- Standard Work everywhere
- Quality built in
- Stop when problem
- Level load
- Set clear goals



# And we're making progress against these...



**Targets:**

**35%**

**Productivity**

**>60%**

**Reduction in  
scrap**

**>5x**

**inventory**

## ... underpinning increase in productivity target

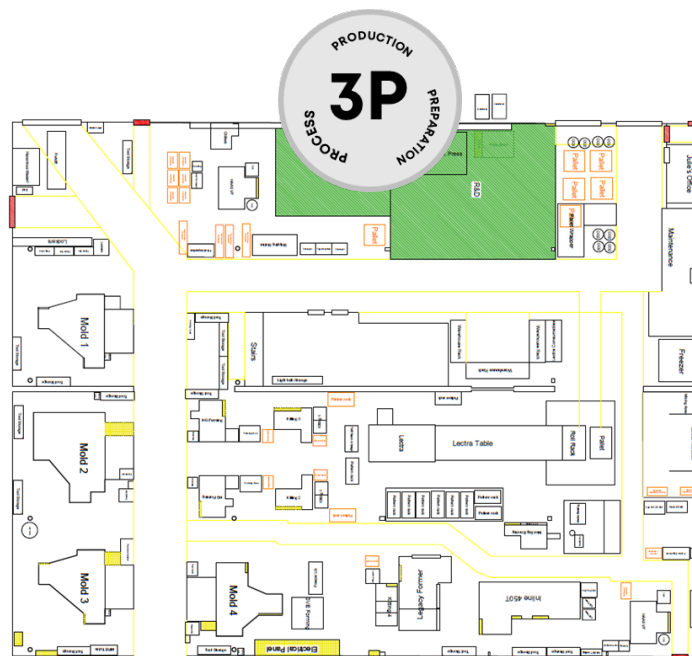


# Kaizen is our number one tool for improvement



The diagram illustrates the material flow in a composite manufacturing plant. The process begins with **Material Cutting**, followed by **Receiving / Shipping**. The flow then moves to **Warehouse Racks**, where it branches into **Forming 1** and **Forming 2**. From **Forming 2**, the material goes to **Mtl Kitting**, then to **Moulding 1**, and finally to **Moulding 2**. The process continues through **Bonding**, **Surface Prep**, and **Trimming**. After **Trimming**, the material can go to **Paint Prep** and **Paint**, or directly to **Final Inspection**. The flow also includes a return path from **Final Inspection** back to **Receiving / Shipping**. Red arrows indicate the primary material flow, while purple arrows show secondary or alternative paths. Black icons represent material handling equipment like forklifts and cranes at various stages.

- Push based model
- Poor material & information flow
  - Over production
  - Longer lead times
  - High levels of WIP
  - High levels of defects



- Large scale plant transformation with only 3 pieces of equipment not being moved
- Walls removed to promote material flow

```

graph LR
    MK1[Mtl Kitting 1] --> F1[Forming 1]
    F1 --> M1[Moulding 1]
    M1 --> T1[Trimming 1]
    T1 --> PP[Paint Prep]
    PP --> P[Paint]
    P --> FI1[Final Inspection 1]
    FI1 --> MC[Material Cutting]
    MC --> MK2[Mtl Kitting 2]
    MC --> F2[Forming 2]
    F2 --> M2[Moulding 2]
    M2 --> T2[Trimming 2]
    T2 --> FI2[Final Inspection 2]
    FI2 --> Pkg[Packaging]
    Pkg --> SR[Shipping / Receiving]
    Pkg --> WH[Warehousing]
    WH --> SR
    WH --> Pkg
    WH --> MC
    WH --> MK2
    WH --> F2
    WH --> M2
    WH --> T2
    WH --> FI2
    WH --> Pkg
    WH --> SR
    WH --> Maintenance
    
```

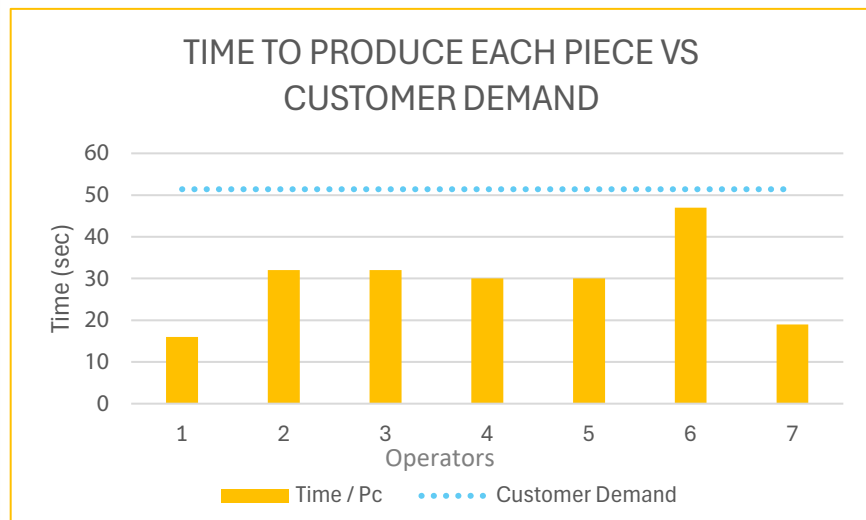
- Reduced travel time from 474 to 89 seconds
- Reduced WIP from 1712 to 391 pieces
- 6% total reduction in footprint

### Long-term goals set out by the Kaizen:

- Reduce WIP by 60%
- Reduce Direct Labour by 20%
- Improve First Pass yield by 10%
- Improve productivity by 20%
- Improve Throughput by 10%

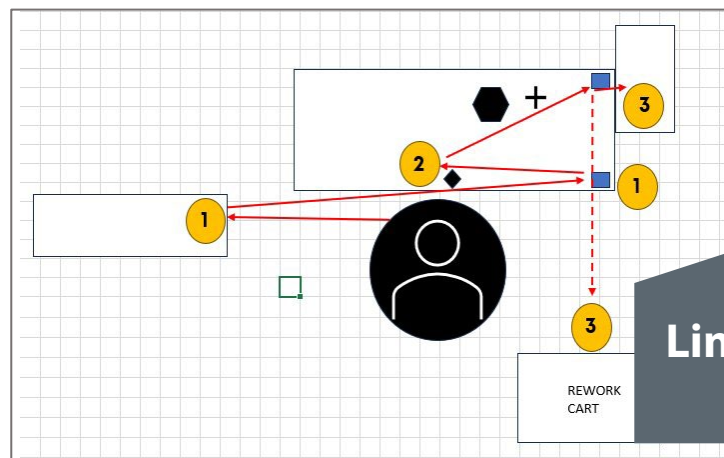
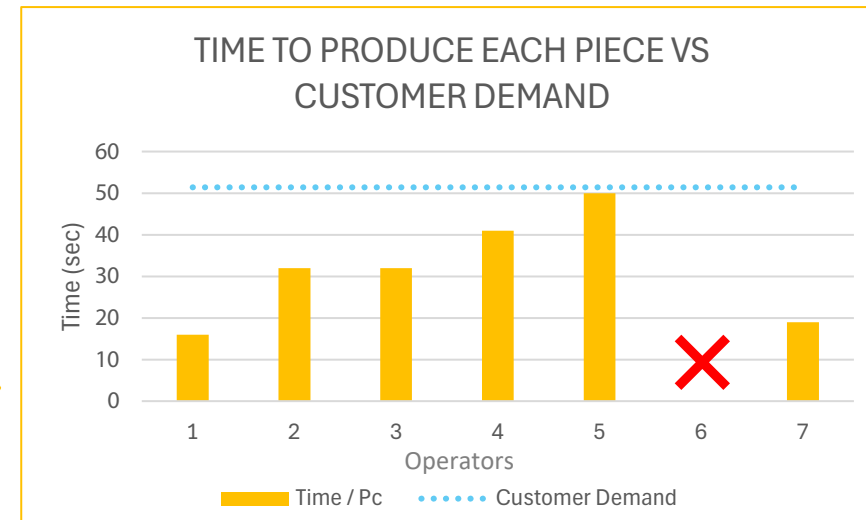
# Improving productivity on face blank bonding line

## CURRENT STATE:

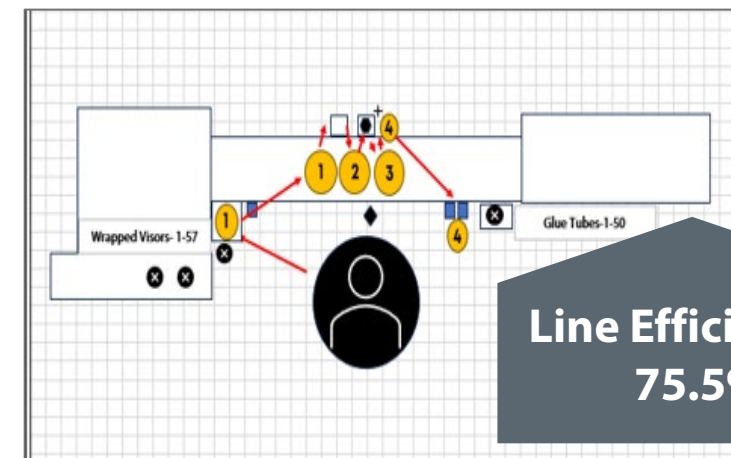


Optimised level loading to achieve customer demand level and improved standard work, (transport & motion) for operator

## FUTURE STATE:



Line Efficiency =  
69.5%



Line Efficiency =  
75.5%

...changing 20+ year old processes and flow





# ORDER BOOK & PIPELINE EXPANDING

AVON TECHNOLOGIES PLC

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# Biggest ever order book . . .



## Thales renewal

Up to £10m, 6 year contract



## UK MOD

First orders under the new 4 year GSR contract



## US DOD

M50 order & accessories



## Australian Military FM54 order

First order under new deployment contract



## Rebreathers

Germany and New Zealand



## US DRSKO

Self-Contained Breathing Apparatus



## Next Generation IHPS

\$42m FY24 orders + new \$18m order from US Army



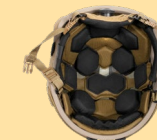
## ACH GEN II

Total of \$34m delivery orders



## NAVAIR

\$6.7m of orders for bump helmets for the US Navy



## Pads

Orderbook of \$11m, including \$3m for Cloudline

# . . . demonstrating the strength and depth of the portfolio



# Revolutionising our product base..



**Elite Round Threat Protection (RTP):** NIJ Level III design shields against 7.62x39 MSC, 7.62x51mm FMJ and 5.56 M193 BT rounds at muzzle velocities.

**Best-in-Class Balance:** Lightweight design ensures protection without sacrificing agility



**No-Through-Hole Technology:** Enhances ballistic strength by avoiding shell punctures.

**Performance Optimised:** Lightweight construction achieves the best protection-to-weight ratio.



## **Harness System**

- Can be worn on its own, under a helmet (if rails are not an option) or baseball cap.

## **Lightweight & Easy to carry**

- Compact fits in gear pouch.
- Can be rapidly deployed.

**Left/right filter configuration**

- Uncompromised weapon sighting

**Low profile design**

- Integration with other tactical equipment.

## **Helmet Attachment**

- Rapidly donned/doffed, without compromising protection of head.
- Does not require chin strap extender.



# ...two new solutions launched this month



A photograph of three people in a meeting. A woman in the center, wearing glasses and a grey hoodie, is pointing at a document on a table. To her left, a man in a grey hoodie and lanyard stands looking on. To her right, another man in a dark polo shirt stands looking at the document. The background is a modern office setting with a curved wall and recessed lighting. A large black circular graphic is on the right side of the image.

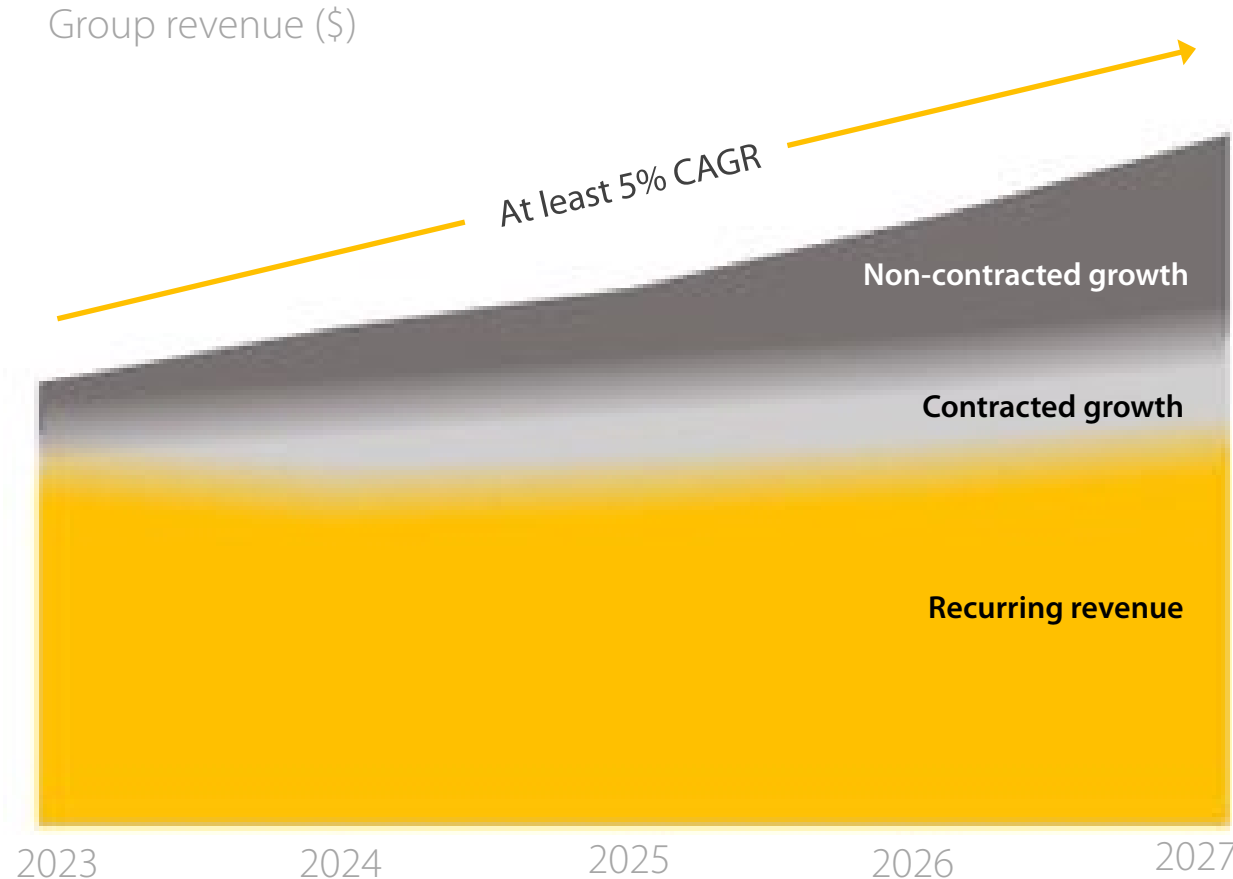
# CONFIDENT OF DELIVERING IMPROVED RETURNS

AVON TECHNOLOGIES PLC

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# Supportive markets and leading positions drive growth . . .



- Contracted and non-contracted growth will drive incremental recurring revenue over time
- Market growth and new product development underpins confidence
- Cost base anchored off recurring and contracted revenue
- Incremental growth will drop through at strong OP margin

. . . with strong recurring revenue underpin

# A lot done on our Transformation...



... progress remains on track

## On track to deliver our medium-term goals . . .

|             | Revenue growth | Margin        | ROIC            | Cash conversion | Leverage              |
|-------------|----------------|---------------|-----------------|-----------------|-----------------------|
| FY23        | (7.5)%         | 8.7%          | 8.7%            | 7%              | 1.94x net debt/EBITDA |
| FY24        | 12.2%          | 11.5%         | 13.7%           | 157.8%          | 0.91x net debt/EBITDA |
| Medium term | At least 5%    | <b>14-16%</b> | <b>&gt; 17%</b> | 80-100%         | 1-2x net debt/EBITDA  |

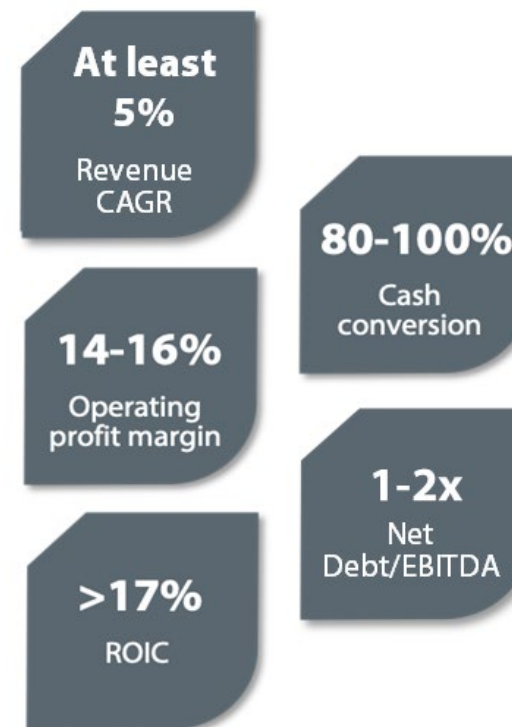
. . . potential to reach target margin and ROIC range in FY26



# Pace accelerating ...



## Financial goals



... Avon well positioned to deliver exceptional shareholder value