



# FORWARD-LOOKING INFORMATION

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# AGENDA

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**HIGHLIGHTS**

**FINANCIAL  
REVIEW**

**FOCUSING ON  
PROTECTION**

# Highlights

**Paul McDonald**  
**Chief Executive Officer**



# FOCUSING ON PROTECTION

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- Business refocused as a leading provider of life critical personal protection systems
- Completed acquisition of Helmets & Armor, on 2 January, with integration on track to deliver \$5m synergies
- Completed divestment of milkrite | InterPuls on 25 September
- Completed acquisition of Team Wendy on 2 November creating a global leader in military and first responder helmets
- Secured multi-year contracts with the U.S. DOD and NATO across our respiratory and ballistic protection portfolio
- Strong financial delivery - revenue growth of 30.8% delivering 22.9% EBITDA margin. No significant impact from COVID-19
- \$200m medium term bank facility provides liquidity and financing for further value enhancing acquisitions
- Well positioned to deliver further growth in 2021 and beyond

## YEAR END RESULTS 2020

Focusing on protection



## Employees

- The wellbeing of our employees and customers remains our top priority
- We have adapted our working practices and facilities to ensure our people are kept safe and well throughout this crisis
- We have not reduced headcount or used government furlough schemes

## Operations

- We have continued to operate with only minor disruption, playing a crucial role in supporting our customers ongoing requirements
- We remain in regular dialogue with our suppliers and have continued to deliver high level of service to our customers



## COVID-19 UPDATE

## Liquidity

- Net cash post Team Wendy acquisition
- New and enlarged \$200m bank facility
- Strong cash flow fundamentals with 90%+ EBITDA converted to cash
- We have not used government loan schemes

## Outlook

- No significant disruption to our trading and no material impact on our financial performance to date
- We continue to manage the situation closely and follow in country government and health authority guidance to help prevent the spread of the virus
  - Board remains confident in achieving FY21 expectations

# FURTHER PROGRESS AGAINST OUR INVESTOR PROPOSITION



**ORGANIC SALES  
GROWTH**

**0.1%**

at constant  
currency



**VALUE ENHANCING  
ACQUISITIONS**

Acquisitions of  
Helmets & Armor  
and Team Wendy



**ATTRACTIVE EBITDA  
MARGINS**

**22.9%**

+140 bps  
at organic  
constant currency



**STRONG CASH  
GENERATION**

**84.9%**

cash conversion  
123.3% excluding  
Helmets & Armor



**DIVIDEND  
GROWTH**

**+30%**

Increase over  
prior year



# Financial Review

**Nick Keveth**  
**Chief Financial Officer**

# CONTINUED STRONG FINANCIAL MOMENTUM

	2020	% Change	% Organic Constant Currency
Orders received	£160.8m	23.9%	4.5%
Closing order book	£79.8m	117.4%	19.3%
Revenue	£168.0m	30.8%	0.1%
Adjusted EBITDA	£38.4m	35.2%	6.8%
Adjusted EBITDA margin	22.9%	80 bps	140 bps
Adjusted basic earnings per share	76.5p	13.8%	(2.9%)
Dividend per share	27.08p	30.0%	30.0%
Cash conversion	84.9%		
Net cash	£93.2m		
Return on capital employed	22.7%		

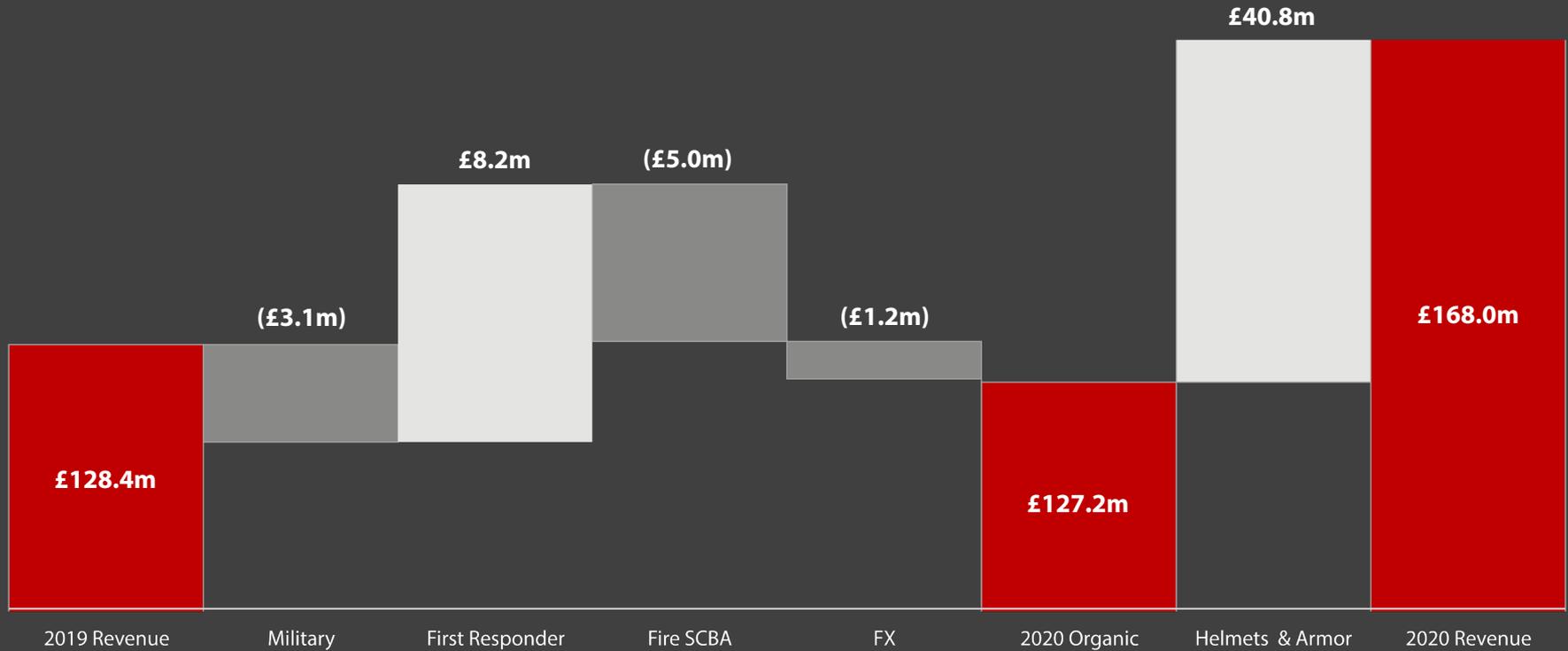
## REVENUE SPLIT BY BUSINESS



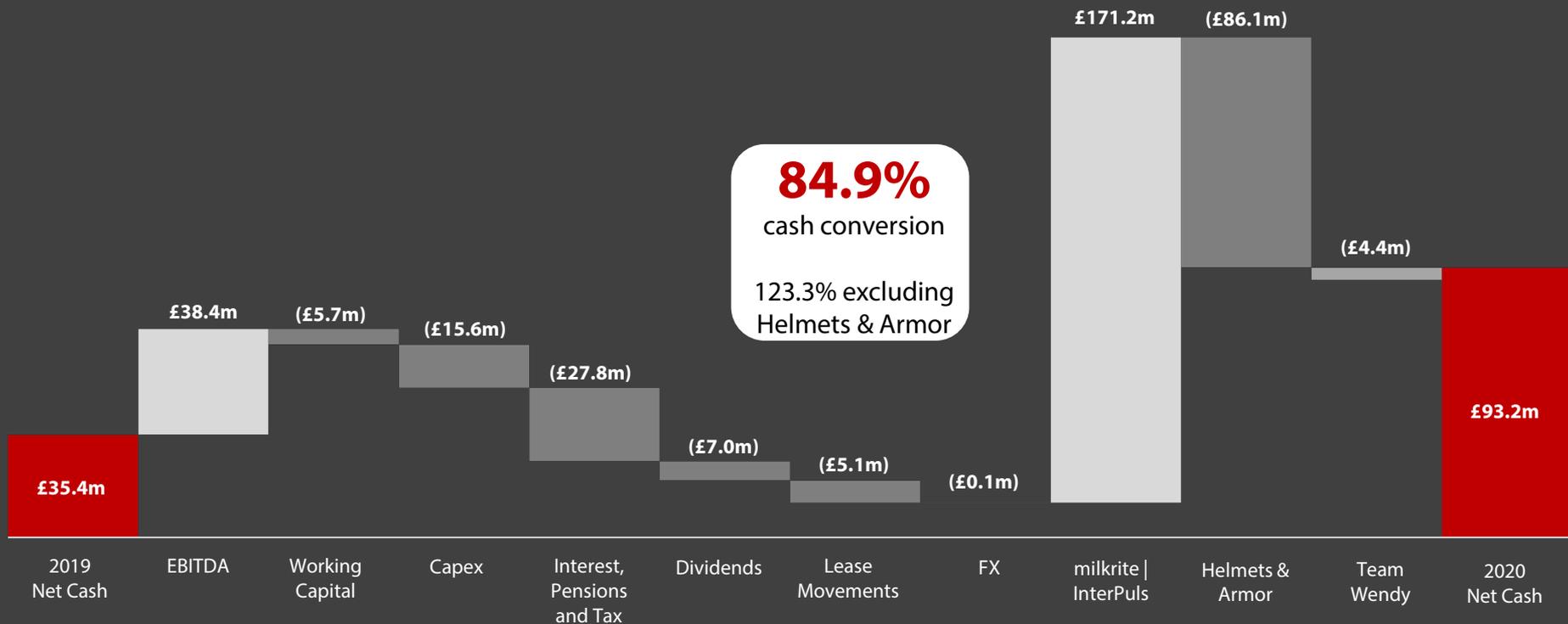
## REVENUE SPLIT BY DESTINATION



# 30.8% REVENUE GROWTH

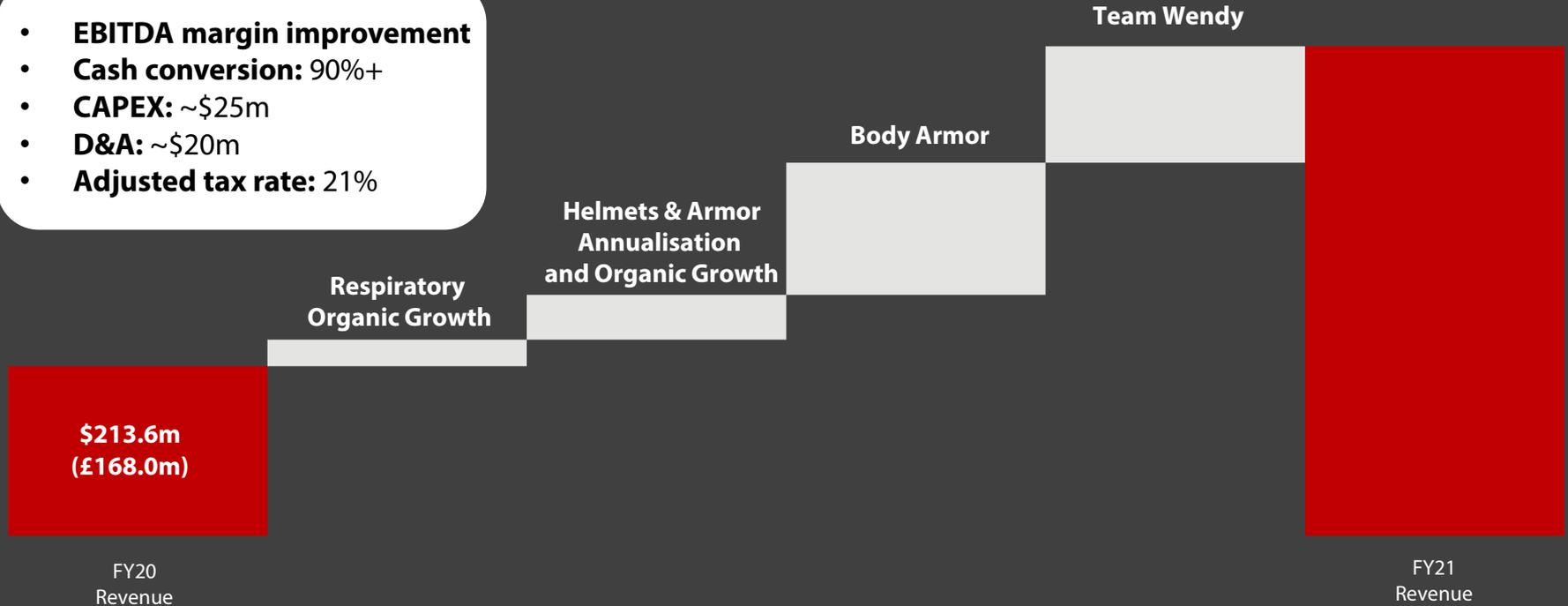


# STRONG BALANCE SHEET AND LIQUIDITY



# FY21 BUILDING BLOCKS

- **EBITDA margin improvement**
- **Cash conversion: 90%+**
- **CAPEX: ~\$25m**
- **D&A: ~\$20m**
- **Adjusted tax rate: 21%**



# CONFIDENCE IN FY21 EXPECTATIONS

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- Medium-term outlook underpinned by multi-year military contracts across the portfolio
- Military contracts, strong opening order book of \$101.7m and ongoing demand from first responders provides excellent visibility going into 2021
- 2021 benefits from full year of Helmets & Armor, plus 11 months of Team Wendy
- Operational response to date provides confidence we can continue to successfully navigate COVID-19 challenges
- Transformed and focused business positioned to deliver further growth in 2021 and beyond





# Focusing on protection

**Paul McDonald**  
**Chief Executive Officer**

# SUCCESSFUL EXECUTION OF OUR STRATEGY...

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**GROWING  
THE CORE**



**SELECTIVE PRODUCT  
DEVELOPMENT**



**VALUE ENHANCING  
ACQUISITIONS**

# ...HAS TRANSFORMED THE BUSINESS

## RESPIRATORY PROTECTION



**RESPIRATORS**



**POWERED AIR**



**SUPPLIED AIR**

## BALLISTIC PROTECTION



**HELMETS**



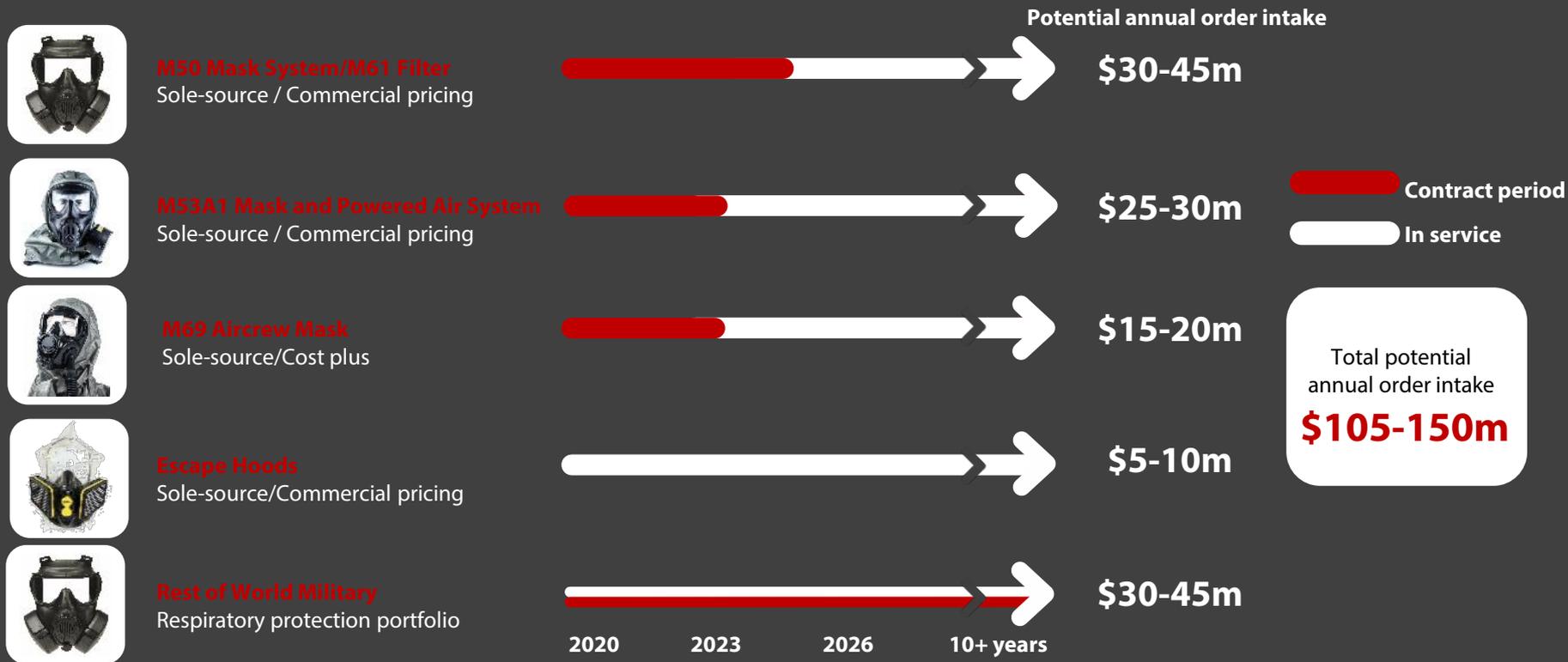
**LINER &  
RETENTION  
SYSTEMS**



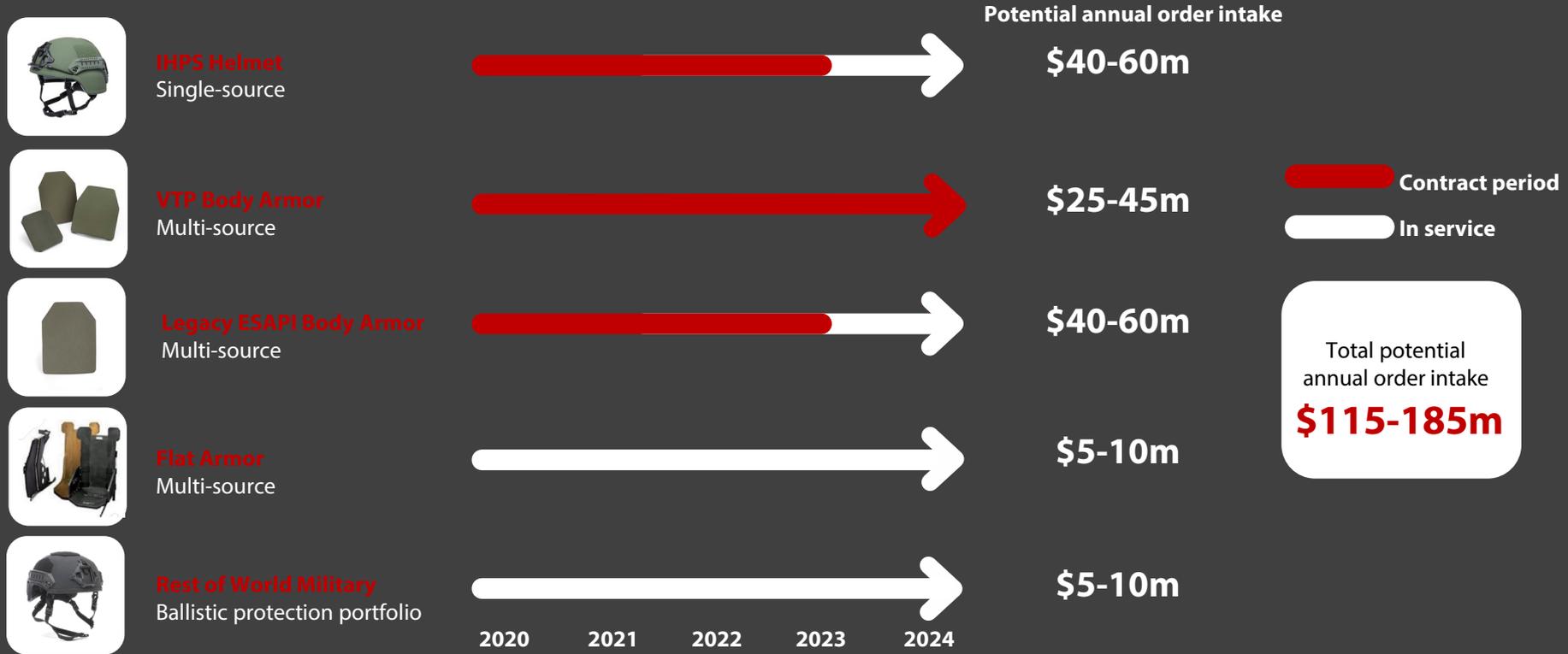
**BODY  
ARMOR**

**A LEADING  
PROVIDER OF  
LIFE CRITICAL  
PERSONAL  
PROTECTION**

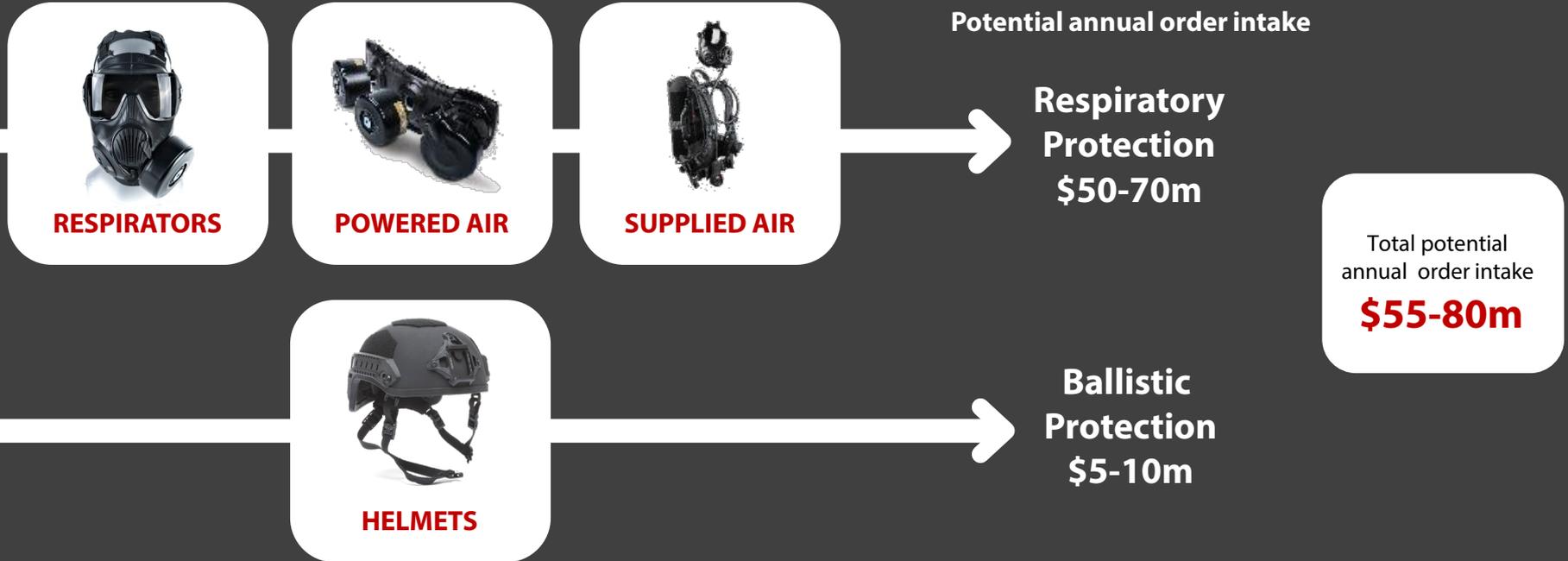
# MILITARY – RESPIRATORY OUTLOOK UNDERPINNED



# MILITARY – BALLISTIC OUTLOOK UNDERPINNED



# FIRST RESPONDER OUTLOOK



# LEVERAGING OUR EXISTING PRODUCT PORTFOLIO

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- 10-year NATO Support & Procurement Agency contract to supply FM50 mask systems, powered and supplied air systems, filters, spare parts and accessories
- Contract available to military and law enforcement agencies within all NATO members and associates
- Demonstrates our ability to generate growth from our existing product portfolio and widen our customer base
- Understanding the operational requirements of NATO forces was key to securing this contract
- Our modular respirator system selected to protect NATO troops in the most demanding environments
- We continue to actively pursue identified opportunities with Rest of World Military customers through demonstrating our technology leading product portfolio



# DEVELOPING PRODUCTS IN PARTNERSHIP

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- Our new product development is undertaken in partnership with our customers
- This ensures products are designed to customer requirements and needs are met
- During the year we have focused on:
  - Developing the next generation IHPS helmet and VTP body armor for the U.S. DOD
  - Ramping up U.K. GSR production
  - Improving the capabilities of the MCM100 underwater rebreather for U.S. Navy
- Recent contract awards during the year demonstrate our leading technology innovation



**£9.0m**

INVESTMENT IN  
PRODUCT  
DEVELOPMENT IN  
2020

# HELMETS & ARMOR ACQUISITION

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- Helmets & Armor acquisition completed on 2 January
- Adds ballistic helmets and armor to our portfolio
- High quality business, with a strong management team, backed by leading proprietary technology, established contract platforms and well invested manufacturing operations
- Secured multi-year contracts post-acquisition with U.S. DOD for next generation ballistic helmets and body armor, as well as the ongoing supply of legacy body armor
- Integration progressing as planned as we remain on track to deliver the targeted synergies of \$5m with potential for further operational efficiencies and revenue synergies in the medium term



# ACQUISITION OF TEAM WENDY

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- Acquisition of Team Wendy creating a global leader in military and first responder helmets completed on 2 November
- High-quality complementary business, with an experienced management team and a strong record of growth
- Focused on designing and manufacturing head protection systems to prevent traumatic brain injury
- Recognised as a market leader in liner and retention systems
- Established positions in Rest of World military and first responder helmet markets, which products sold in over 50 countries worldwide
- Cash consideration of \$130m on a cash and debt free basis
- Revenue of \$44.6m generating \$13.9m of EBITDA in year ending 30 September 2020
- Attractive financial returns in line with stated financial criteria

## YEAR END RESULTS 2020

Focusing on protection



# CONFIDENCE IN THE MEDIUM-TERM OUTLOOK

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- Focused life critical personal protection business
- Military contracts underpin our medium-term outlook with significant growth opportunities in all our markets
- Significant opportunity across all product lines to continue delivering against our three strategic priorities of growing the core, selective product development and value enhancing acquisitions
- Business performing well and equipped to manage uncertainty ahead
- Balance sheet strength and new \$200m bank facility ensures resilience and supports further acquisitions over the medium-term
- Board remains confident that the business is well placed to deliver sustainable growth in the medium-term

## YEAR END RESULTS 2020

Focusing on protection



# Questions



# Income statement

	<b>2020</b> £m	2019 £m (Restated)	<b>2020</b> \$m	2019 \$m (Restated)
Revenue	<b>168.0</b>	128.4	<b>213.6</b>	162.0
Adjusted EBITDA	<b>38.4</b>	28.4	<b>49.0</b>	36.2
Adjusted depreciation and amortisation	<b>(8.2)</b>	(5.8)	<b>(10.5)</b>	(7.4)
Adjusted operating profit	<b>30.2</b>	22.6	<b>38.5</b>	28.8
Adjusted net finance costs	<b>(2.0)</b>	(0.4)	<b>(2.6)</b>	(0.5)
<b>Adjusted profit before taxation</b>	<b>28.2</b>	22.2	<b>36.0</b>	28.3
Adjusted taxation	<b>(4.8)</b>	(1.7)	<b>(6.1)</b>	(2.2)
<b>Adjusted profit for the period</b>	<b>23.4</b>	20.5	<b>29.9</b>	26.1
<b>Adjusted basic earnings per share</b>	<b>76.5</b>	67.2	<b>97.6</b>	85.6
<b>Dividend per share</b>	<b>27.08pps</b>	20.83pps	<b>34.53cps</b>	26.58cps

# Reported to adjusted reconciliation

	<b>2020</b> <b>£m</b>	2019 £m (Restated)	<b>2020</b> <b>\$m</b>	2019 \$m (Restated)
Operating profit	<b>5.9</b>	9.9	<b>8.9</b>	12.6
Amortisation of acquired intangible assets	<b>6.5</b>	4.7	<b>8.3</b>	6.0
Defined benefit scheme past service costs	-	3.5	-	4.5
Acquisition costs and accounting adjustments	<b>17.8</b>	4.5	<b>21.3</b>	5.7
Adjusted operating profit	<b>30.2</b>	22.6	<b>38.5</b>	28.8

# Revenue by line of business

	2020 £m	2019 £m
Military	82.8	87.2
First Responder	44.4	41.2
Respiratory	127.2	128.4
Helmets & Armor	40.8	-
<b>Total</b>	<b>168.0</b>	128.4

	2020 £m	2019 £m
Military	121.2	87.2
First Responder	46.8	41.2
<b>Total</b>	<b>168.0</b>	128.4

	2020 \$m	2019 \$m
Military	104.8	108.8
First Responder	56.8	53.2
Respiratory	161.6	162.0
Helmets & Armor	52.0	-
<b>Total</b>	<b>213.6</b>	162.0

	2020 \$m	2019 \$m
Military	150.3	108.8
First Responder	63.3	53.2
<b>Total</b>	<b>213.6</b>	162.0

# Balance sheet

	<b>2020</b> <b>£m</b>	2019 £m (Restated)	<b>2020</b> <b>\$m</b>	2019 \$m (Restated)
Intangible assets	<b>70.2</b>	35.3	<b>89.4</b>	43.5
Property, plant and equipment	<b>51.7</b>	30.6	<b>65.9</b>	37.7
Current assets	<b>64.6</b>	56.1	<b>82.3</b>	69.1
Current liabilities	<b>(46.1)</b>	(35.3)	<b>(58.7)</b>	(43.5)
Non-current assets	<b>9.0</b>	7.2	<b>11.5</b>	8.9
Net cash	<b>93.2</b>	35.4	<b>118.7</b>	43.6
Retirement benefit scheme	<b>(62.5)</b>	(54.1)	<b>(79.6)</b>	(66.7)
Net assets	<b>180.1</b>	75.2	<b>229.5</b>	92.6

# Cash flow

	2020 £m	2019 £m (Restated)	2020 \$m	2019 \$m (Restated)
Cash flows from continuing operations before the impact of exceptional items	<b>32.6</b>	18.4	<b>41.6</b>	23.5
Cash impact of exceptional items and discontinued operations	<b>(4.8)</b>	6.6	<b>(6.1)</b>	8.4
Cash flows from operations	<b>27.8</b>	25.0	<b>35.5</b>	31.9
Net interest	<b>(3.3)</b>	(0.9)	<b>(4.2)</b>	(1.1)
Payments to pension plan	<b>(21.8)</b>	(1.5)	<b>(27.8)</b>	(1.9)
Tax	<b>(2.7)</b>	(6.1)	<b>(3.4)</b>	(7.8)
Purchase of property, plant and equipment	<b>(6.1)</b>	(2.2)	<b>(7.8)</b>	(2.8)
Capitalised development costs and purchased software	<b>(9.5)</b>	(3.5)	<b>(12.1)</b>	(4.5)
Acquisitions	<b>(71.8)</b>	-	<b>(91.2)</b>	-
Divestments, investing and financing activities used in divestments	<b>162.9</b>	(2.9)	<b>207.2</b>	(3.7)
Purchase of own shares	-	(1.3)	-	(1.7)
Dividends to shareholders	<b>(7.0)</b>	(5.4)	<b>(8.9)</b>	(6.9)
Net proceeds from loan drawdowns	<b>29.3</b>	-	<b>38.0</b>	-
Foreign exchange and other items	<b>0.8</b>	0.6	<b>2.4</b>	(2.7)
Increase in net cash	<b>98.6</b>	1.8	<b>127.7</b>	(1.2)
% Cash conversion from EBITDA	<b>84.9%</b>	64.8%	<b>84.9%</b>	64.9%

# U.S. \$ 5 year track record

	2020	2019	2018	2017	2016
Closing order book	\$101.8m	\$45.2m	\$47.5m	\$38.6m	\$26.5m
<b>Revenue</b>	<b>\$213.6m</b>	<b>\$162.0m</b>	<b>\$155.7m</b>	<b>\$139.1m</b>	<b>\$136.8m</b>
Adjusted EBITDA	\$49.0m	\$36.2m	\$32.8m	\$31.8m	\$27.5m
Adjusted EBITDA margin	22.9%	22.4%	21.0%	22.9%	20.1%
Adjusted operating profit	\$38.5m	\$28.8m	\$24.6m	\$22.0m	\$18.9m
Adjusted EPS	97.6c	85.6c	70.0c	74.5c	76.8c
Net cash	\$118.7m	\$43.6m	\$44.7m	\$16.4m	\$(13.8m)

**Basis of preparation in accordance with the guidance defined in IAS 21 “The Effects of Changes in Foreign Exchange Rates”:**

Assets and liabilities were translated into US Dollars at closing rates of exchange.

Trading results were translated into US Dollars at average rates of exchange for the period.

All exchange rates used were extracted from the Group’s underlying financial records.

# Foreign exchange and sensitivities

	<b>Average rate</b>	<b>Closing rate</b>	Average rate	Closing rate
	<b>2020</b>	<b>2020</b>	2019	2019
U.S. Dollar	<b>1.275</b>	<b>1.274</b>	1.276	1.232

	<b>1 \$ cent movement</b>
	<b>£m</b>
Revenue	<b>0.9</b>
Operating profit	<b>0.2</b>
Net assets	<b>0.3</b>

# IFRS 16 Leases Impact

	Organic	Helmets & Armor	Total
Adjusted EBITDA	1.0	1.2	2.3
Adjusted operating profit	0.5	(0.1)	0.4
Adjusted earnings	-	(0.1)	(0.1)

	Organic	Helmets & Armor	Total	Total (\$m)
Right of use asset	7.3	12.9	20.2	25.7
Lease liability	(10.0)	(12.8)	(22.8)	(29.0)
Deferred tax asset	0.5	-	0.5	0.6
Net assets	(2.2)	0.1	(2.1)	(2.7)

# Glossary of financial terms

Term	Explanation
Adjusted basic earnings per share	Adjusted profit for the period divided by the weighted average number of shares in issue
Adjusted EBITDA	Adjusted EBITDA is defined as operating profit before depreciation, amortisation, exceptional items and defined benefit pension scheme costs. It excludes any effect of discontinued operations
Adjusted EBITDA margin	The ratio of Adjusted EBITDA to revenue
Adjusted operating profit	Operating profit adjusted to exclude amortisation of acquired intangibles, pension administration costs and any exceptional items
Cash conversion	The ratio of cash generated from operations before the effect of exceptional items, as a percentage of adjusted EBITDA
Closing order book	Orders held by the Group at the end of the period which are not yet fulfilled
Constant currency	Comparative performance measures are retranslated at current year exchange rates to present a comparison unaffected by currency movements
Continuing operations	The segments of the Group that are expected to still be operating in the future
Discontinued operations	The segments of the Group that no longer function within the core business and which are separately disclosed within the Income Statement

# Glossary of financial terms (continued)

<b>Term</b>	<b>Explanation</b>
Dividend per share	Dividends paid / proposed, divided by the weighted average number of shares in issue
EBITDA	The Group's earnings before charging interest, tax, depreciation and amortisation
Exceptional items	Significant non-recurring items such as acquisition costs, restructuring and project cancellation costs
Intellectual Property	Intangible property created by the Group through research and development, that is protected through patents, copyrights or trademarks
Net cash/debt	Net cash is the Group's cash net of any drawn debt or overdraft. Net debt is the Group's drawn debt and overdrafts net of any cash balance
Orders received	The orders received throughout the period and recognised as revenue together with orders in the closing order book
Organic	Results are excluding the impact of acquisitions
Return on capital employed	Adjusted operating profit as a percentage of average capital employed. Capital employed is the sum of shareholders' funds adjusted for non-current liabilities and current borrowings
Product development as % of revenue	Total expenditure on research and development expressed as a percentage of revenue

# Abbreviations

<b>Term</b>	<b>Explanation</b>
50 Series	A range of masks based on the proven technology of the M50 mask system
BPS	Basis points
CBRN	Chemical, Biological, Radiological, Nuclear
CE	CE markings indicate conformity to health and safety standards sold within the European Economic area
DLA	Defense Logistics Agency
DOD	Department of Defense
ESAPI	Enhanced small arms protective inserts
FX	Foreign exchange
FY	Financial year
GSR	General Service Respirator
H1/H2	First half of the financial year (October – March) / Second half of financial year (April – September)
H&A	Helmets & Armor

# Abbreviations (continued)

<b>Term</b>	<b>Explanation</b>
IHPS	Integrated Head Protection System
MOD	Ministry of Defence
PAPR	Powered air breathing apparatus
ROW	Rest of World
SCBA	Self-contained breathing apparatus
VTP	Vital Torso Protection
XSBI	X-Side Ballistic Insert
XSAPI	X-Small Arms Protective Insert