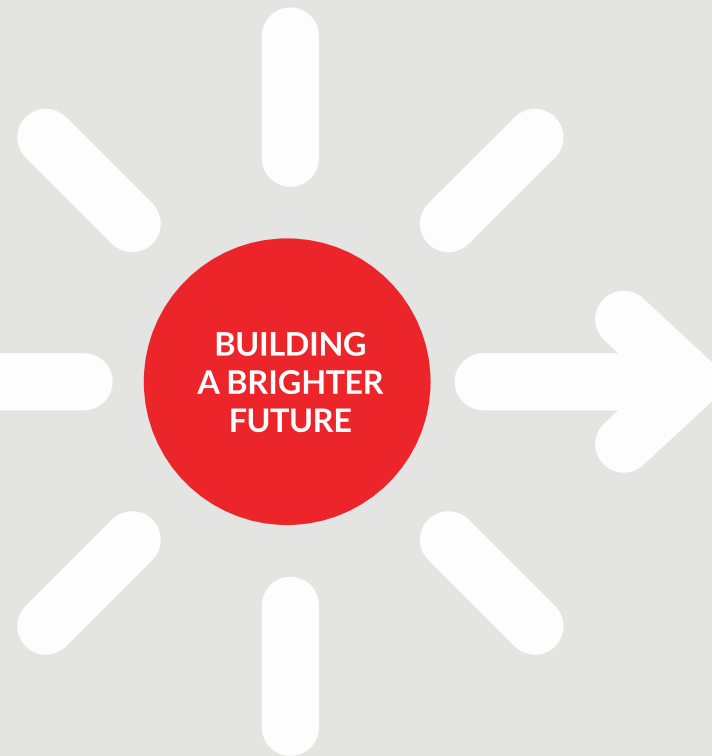


AVON

Avon Rubber p.l.c.



PRELIMINARY
RESULTS 2017

Forward-looking information

Avon Rubber p.l.c. (the 'Group') is providing the following cautionary statement: This document contains certain statements that are or may be forward-looking with respect to the financial condition, results or operations and business of the Group. These statements are sometimes, but not always, identified by the words 'may', 'anticipates', 'believes', 'expects' or 'estimates'. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. A number of factors exist that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to (i) change to the current outlook for the world market for defence, security and dairy, (ii) changes in tax laws and regulations, (iii) the risks associated with the introduction of new products and services, (iv) significant global disturbances such as terrorism or prolonged healthcare concerns, (v) the termination or delay of key contracts, (vi) long term fluctuations in exchange rates, (vii) regulatory and shareholder approvals, (viii) unanticipated liabilities and (ix) actions of competitors. Subject to the Listing Rules of the UK Listing Authority, Avon Rubber p.l.c. assumes no responsibility to update any of the forward-looking statements herein.

Agenda

Highlights

**Financial
Review**

**Strategy
and
Investor
Proposition**

**Future
Outlook**

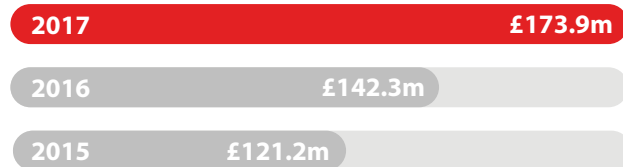


Highlights

Paul McDonald
Chief Executive Officer

A year of significant progress

- Engaged management team delivering strong results
- Ambitious strategy that is building a brighter future
- Strong financial position with cash to fund dividends, growth and future acquisitions
- 30% proposed dividend increase, reflecting confidence of the Board
- Progress made on medium-term opportunities
- Positive closing order book provides greater visibility going into FY18



All markets contributing to delivery

MILITARY

- FM50 order offsetting lower DoD M50 volumes
- Strong order book carryover for FY18
- M53A1 powered air respirator & M69 aircrew mask available for FY18 launch
- UK General Service Respirator Preferred Bidder



LAW ENFORCEMENT & FIRE

- Exceptional growth in Fire for both argus & Self-Contained Breathing Apparatus
- Strong revenue growth in Law Enforcement
- Growth in wider hoods opportunities



MILKRITE | INTERPULS

- Improving market conditions as milk prices continue to rise
- Strong revenue growth across all markets
- Farm Services delivers strong growth and expands portfolio





Financial Review

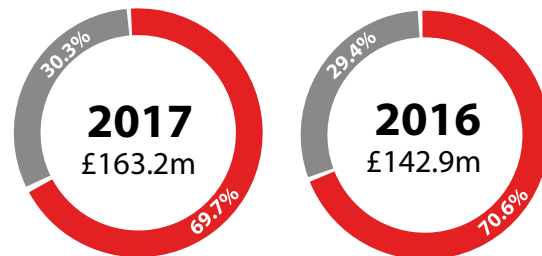
Nick Keveth
Chief Financial Officer

Strong financial performance

FINANCIALS

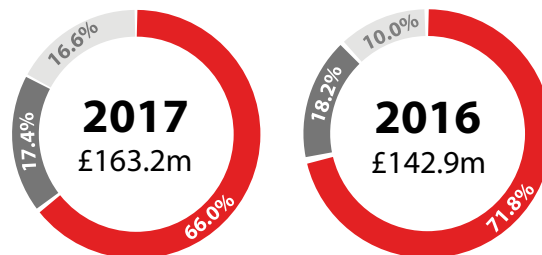
	2017	% Change	% Constant Currency
Orders received	£173.9m	22.2%	11.8%
Closing order book	£34.0m	45.3%	46.3%
Revenue	£163.2m	14.2%	4.5%
Adjusted EBITDA	£36.0m	20.4%	12.1%
Adjusted EBITDA margin	22.1%	1.2%	
Adjusted operating profit	£25.8m	23.4%	16.1%
Net cash	£24.7m	Up £22.7m	
Adjusted earnings per share	82.8p	15.2%	10.0%
Dividend per share	12.32p	30%	

REVENUE SPLIT BY BUSINESS



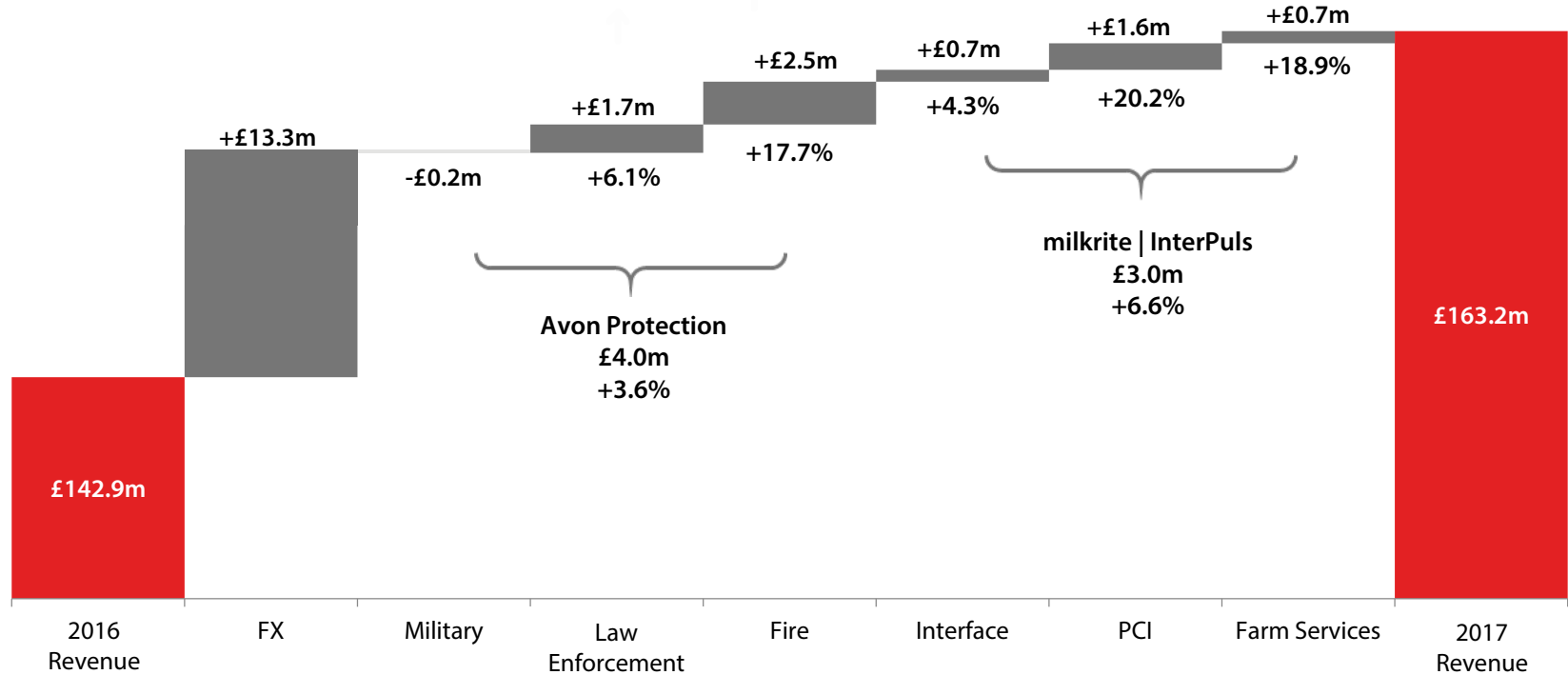
→ Avon Protection → milkrite | InterPuls

REVENUE SPLIT BY DESTINATION

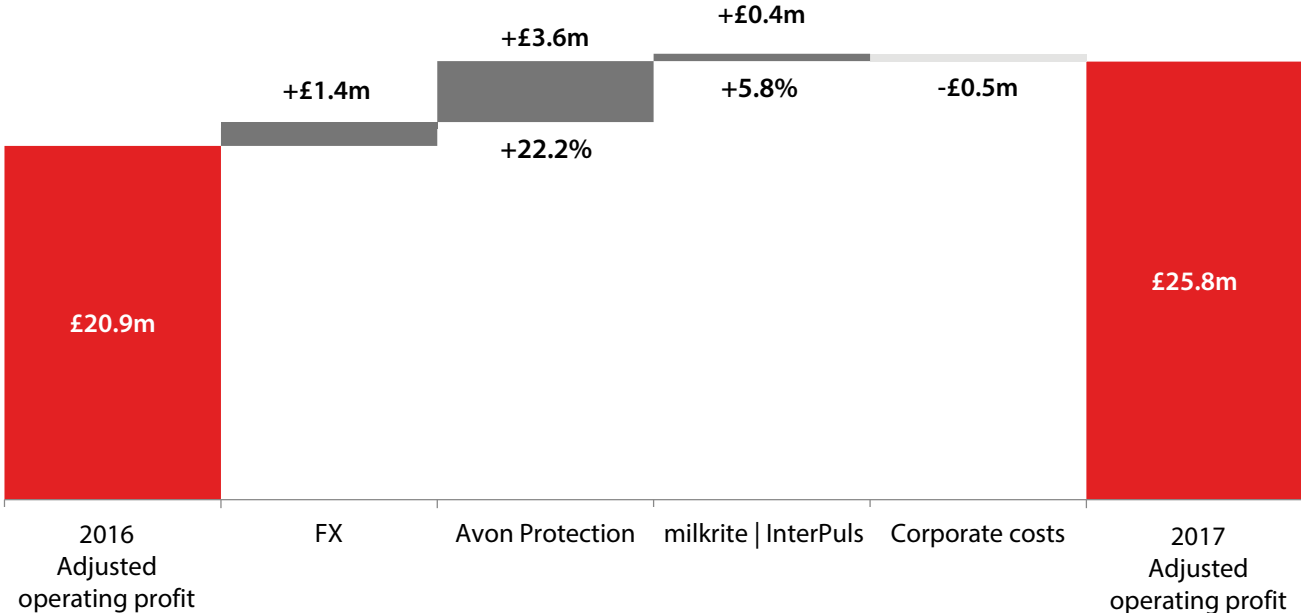


→ North America → Europe → Rest of the World

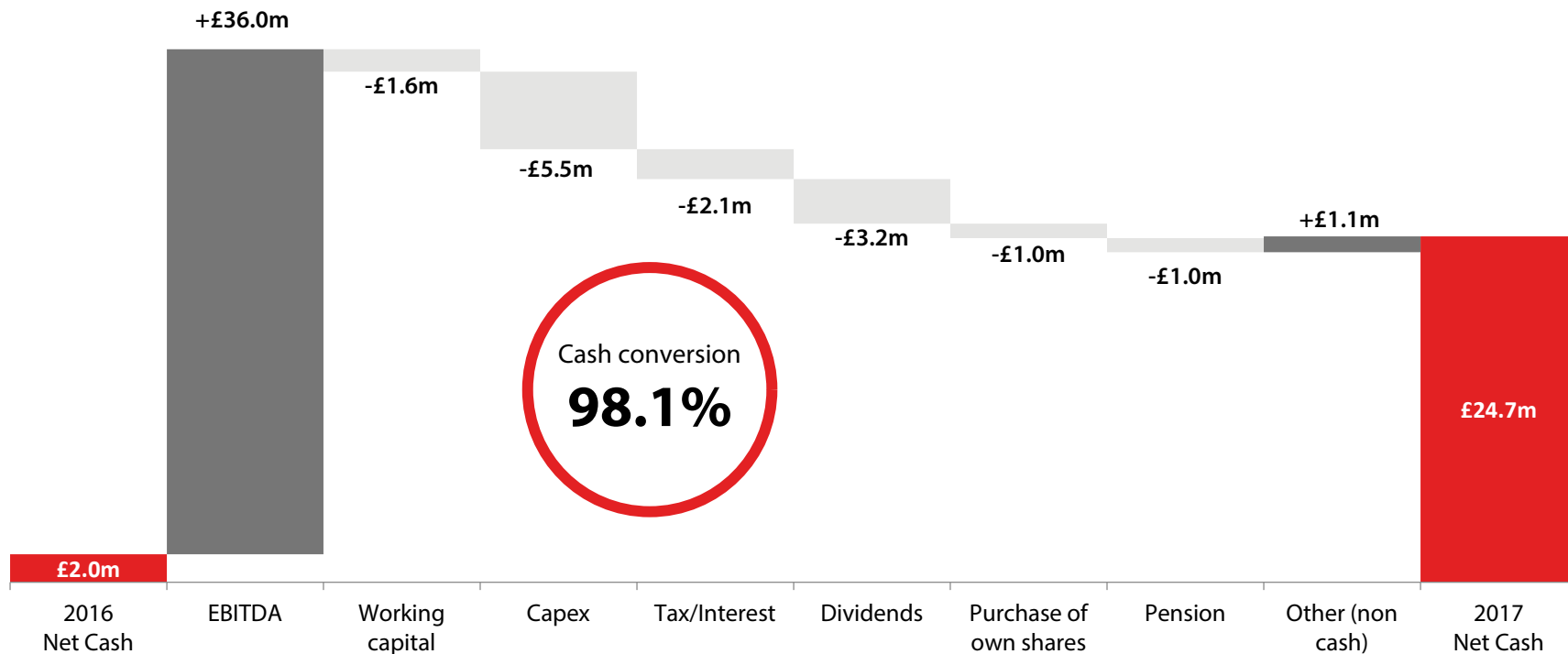
4.5% revenue growth at constant currency



16.1% adjusted operating profit growth at constant currency



£22.7m increase in net cash



Avon Protection

FINANCIALS

	2017	% Change	% Constant Currency
Orders received	£123.9m	24.3%	14.6%
Closing order book	£30.5m	45.9%	50.0%
Revenue	£113.8m	12.8%	3.6%
Adjusted EBITDA	£27.1m	26.0%	16.6%
Adjusted EBITDA margin	23.8%	2.5%	-
Adjusted operating profit	£19.8m	31.1%	22.2%

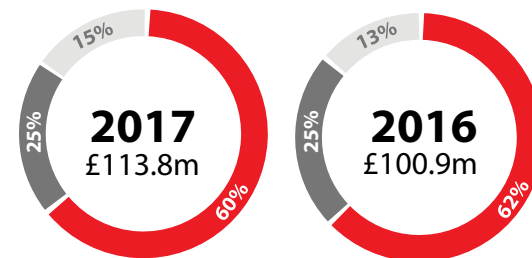
OPERATING PROFIT

H1 H2

2017	£8.0m	£11.8m
2016	£6.6m	£8.5m*
2015	£6.4m	£8.5m*
2014	£6.7m	£6.9m
2013	£4.3m	£6.7m

* Restated

REVENUE SPLIT BY MARKET



→ Military → Law Enforcement → Fire

COMMENTS

- Strong growth in Fire across the whole portfolio
- Law Enforcement growth driven in North America
- Military revenue flat at constant currency
- Improved product mix drives 23.8% EBITDA margin – up 250 bps
- Closing order book provides good visibility into 2018

milkrite | InterPuls

FINANCIALS

	2017	% Change	% Constant Currency
Orders received	£50.0m	17.4%	8.5%
Closing order book	£3.5m	40.0%	20.1%
Revenue	£49.4m	17.6%	6.6%
Adjusted EBITDA	£10.9m	11.2%	4.7%
Adjusted EBITDA margin	22.1%	(1.2%)	-
Adjusted operating profit	£8.0m	11.1%	5.8%

OPERATING PROFIT

H1 H2

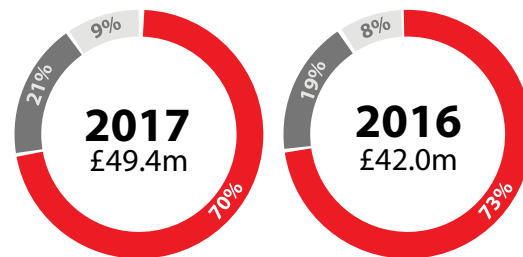
2017	£4.0m	£4.0m
2016	£3.4m	£3.8m*
2015	£3.3m	£3.1m*
2014	£2.7m	£3.0m
2013	£2.6m	£2.6m

* Restated

PRELIMINARY RESULTS 2017

Building a brighter future

REVENUE SPLIT BY MARKET



→ Interface → PCI → Farm Services

COMMENTS

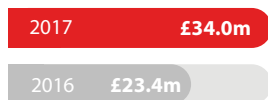
- Positive market conditions continue
- Strong growth across all markets
- Strong recovery in PCI
- Margins reflect investment to drive growth
- Farm Services expansion into pulsators and tags

How we measure our performance

Closing order book

£34.0m

+45.3%



Constant currency revenue growth

4.5%

+5.1%



Adjusted EBITDA margin %

22.1%

+1.2%



Product development % of revenue

5.1%

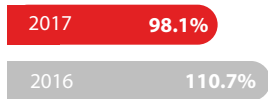
-0.7%



Cash conversion %

98.1%

-12.6%



Adjusted earnings per share

82.8p

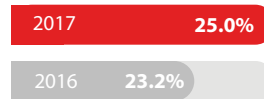
+15.2%



Return on capital employed % (ROCE)

25.0%

+1.8%





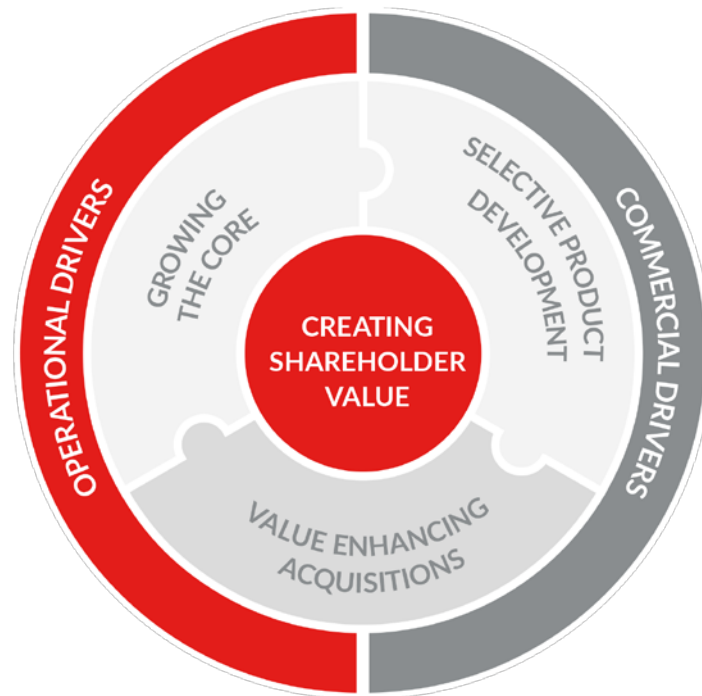
**Strategy &
Investor
Proposition**

Paul McDonald
Chief Executive Officer

Our strategy...

...for creating shareholder value is based upon 3 key elements:

1. Maximise organic sales growth from our core business
2. Selective product development to maintain our innovation leadership position
3. Value enhancing acquisitions to complement our existing business and accelerate growth



Growing the core

Maximizing growth from a world leading product and service portfolio

- **Leveraging the product and customer base** – growing market share and driving increased cross-selling
- **Responding to increasingly complex needs** – migrating customers through the product portfolio
- **Offering new commercial models and solutions** – creating added-value through service offering
- **Expanding channel access through the distribution** – greater market penetration and broader reach
- **Investing in marketing and sales functions** – to enhance our commercial effectiveness
- **Continuing focus on operational effectiveness** – to drive efficiency gains whilst retaining operational flexibility

Selective product development

We have a reputation for technological excellence and innovation, with a strong tradition of new product development. We see organic growth opportunities through:

- Maintaining our innovative leadership position
- Enabling technologies and integrated systems
- Moving up the value chain in respiratory protection
- Building the dairy portfolio around service proposition
- Refer to slides 31-40 in appendices

Value enhancing acquisitions

Targeting acquisitions with Avon Protection and milkrite | InterPuls to complement organic growth

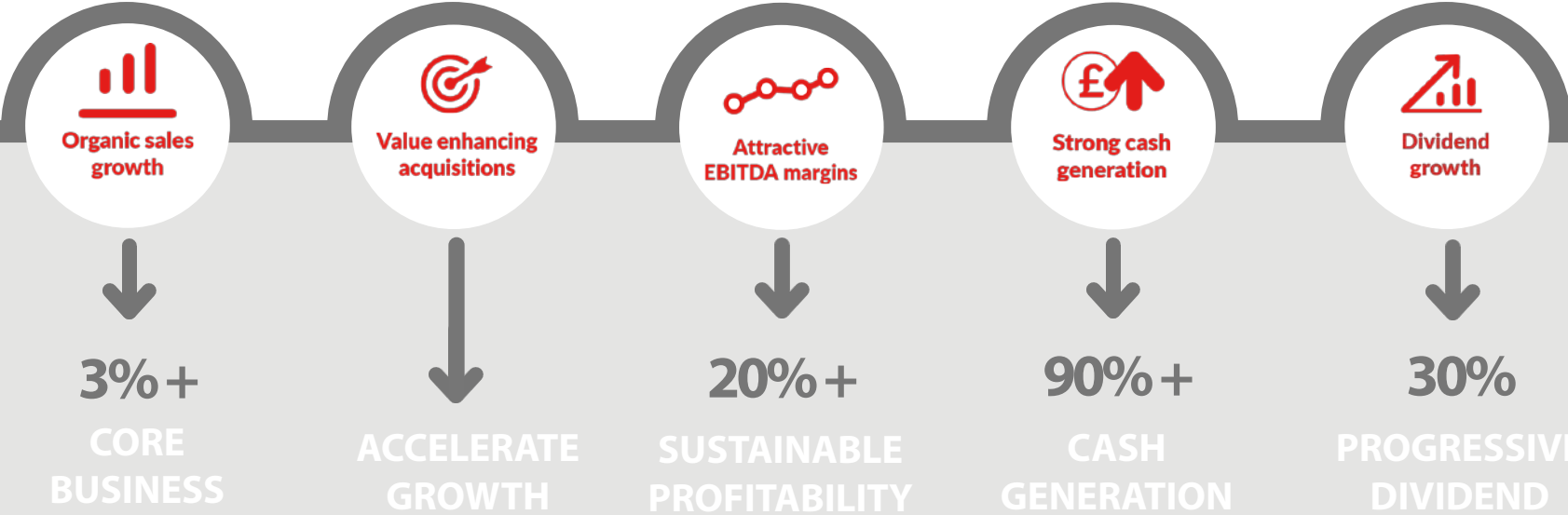
Commercial Criteria

- Strong brand recognition
- Technology which broadens our product range
- Expands our geographic reach
- Secure revenue streams or another source of profitable growth
- Strong management

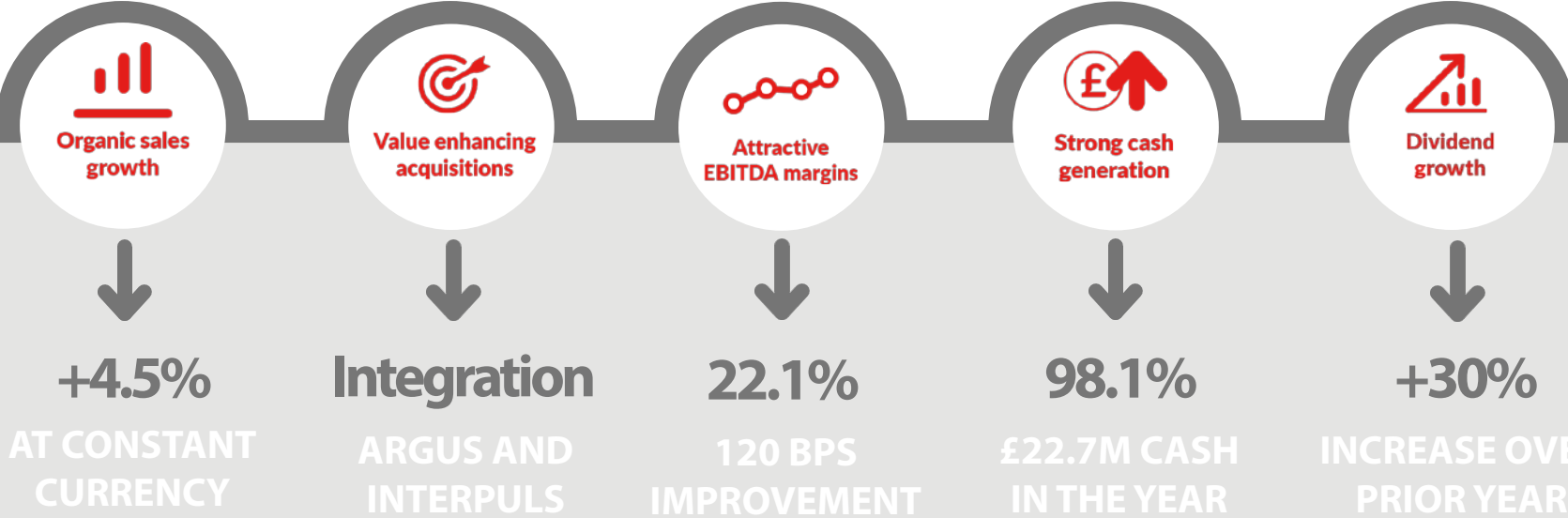
Financial Criteria

- EPS enhancement
- Organic revenue growth, margins and cash conversion potential in line with our strategic growth objectives
- Returns exceeding our WACC
- Post-acquisition net debt to EBITDA less than 2 times

Why invest in Avon Rubber?



Our 2017 numbers speak for themselves





Future Outlook

Paul McDonald
Chief Executive Officer

Future outlook

MILKRITE | INTERPULS

- Market outlook remains positive
- Precision, Control & Intelligence product growth for all regions
- Farm Services launch of Pulsator & Tag Exchange



LAW ENFORCEMENT & FIRE

- Continued growth in Law Enforcement - masks & hoods
- Launch of Powered Air in North America during H1
- Normalised growth in Fire as argus growth stabilises



MILITARY

- Flat Military revenue with higher margins
- Lower M50 mask systems offset by new programmes
- UK GSR contract award with delivery during 2019



GROUP

- Strong finish for 2017
- Confident in prospects for 2018
- Strategy underpinning future delivery





Questions & Answers

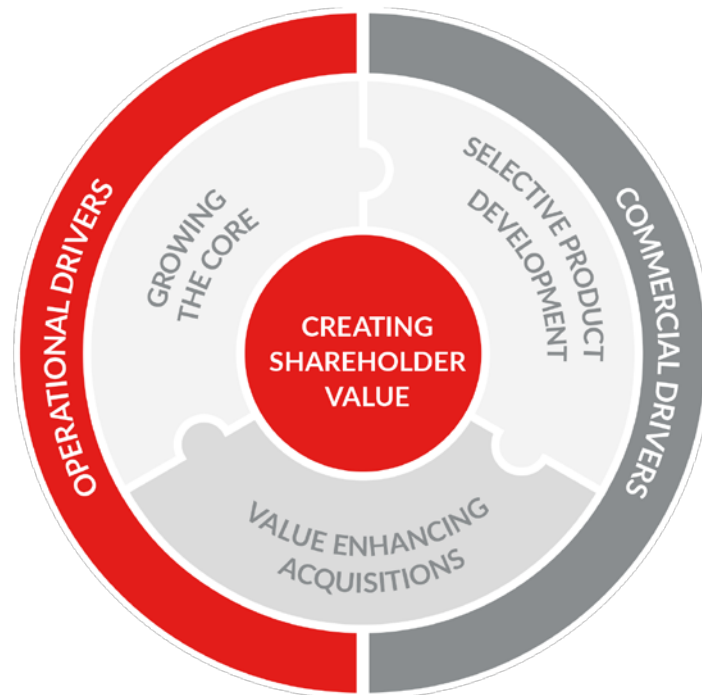


Appendices

Our strategy in detail...

...for creating shareholder value is based upon 3 key elements:

1. Maximise organic sales growth from our core business
2. Selective product development to maintain our innovation leadership position
3. Value enhancing acquisitions to complement our existing business and accelerate growth



Growing the core

We have established ourselves as a technology and service leader in our chosen markets, with a range of innovative products and an established global customer base. We see opportunities to generate further, profitable growth from our core business through a number of initiatives:

- **Leveraging the product and customer base** - Cross sell the wider product portfolio to our existing customers. We have seen with the acquisitions of argus and InterPuls, that strong brand positions in complementary markets provide an opportunity to accelerate multi-product sales.
- **Responding to customers' growing needs.** Through our focus on innovation we are constantly enhancing the functionality and capability of our premium product range and see a clear opportunity to migrate them to our premium offerings as their requirements increase.
- **Offering new models and solutions.** The success of our Farm Services programmes have demonstrated the benefits of combining our leading product technology with a service that the customer values.
- **Expanding our reach through distribution.** Expanding our distribution network of agents and dealers will allow us to access wider market opportunities more quickly, in both new and existing territories.
- **Enhancing our commercial effectiveness.** As we target a wider market with increasingly sophisticated technical offerings, we are investing in our people to improve the effectiveness of our sales teams to optimise the relationship with our global distribution partners and customers.
- **Continuing focus on operational excellence.** We have invested in a global manufacturing capability and supply chain to meet the high quality requirements of our products and customers. We continue to continuous improvement culture to further reduce costs and enhance product margins.

Selective product development

As the established leader, we are committed to remaining at the forefront of technology evolution in our markets. To generate the best return on our innovation investment we need to ensure that our development is closely aligned with our customers to enable us to deliver the performance, capability and efficiency that they are looking for:

- **Moving up the value chain in respiratory protection.** Whilst we will continue to expand the portfolio of mask platforms, variant systems and consumables to cater for the specific needs of particular customers or applications, we are actively developing more advanced systems such as the Powered Air, Magnum SCBA & CS Elite targeted at specialist customer groups.
- **Enabling technologies and integrated systems.** The equipment of the military fighter of the future is expected to be increasingly sophisticated, with seamless integration of the soldier's protection and technology systems. We are investing in our expertise in enabling technologies, following an Internet of Things (IoT) principle, to allow greater integration of respiratory protection systems with data and communications technology.
- **Building the dairy portfolio around the service proposition.** We are expanding the Farm Services product portfolio to include Cluster Exchange, Pulsator Exchange & Tag Exchange and leverage the unique value of this product offering.

Value enhancing acquisitions

Through 'Growing the Core' and 'Selective Product Development', we believe that Avon can sustain attractive and profitable organic growth into the future. However, we also see the potential to complement this growth and accelerate our strategy through additional carefully selected 'Value Enhancing Acquisitions' within both Avon Protection and milkrite | InterPuls. These acquisitions have the potential to give us access to new technology and market segments.

Our recent track record demonstrates Avon's ability to generate real value by bringing complementary products onto its market leading platform:

- **InterPuls (2015)**, significantly expanded the product portfolio of the Dairy business. Consistent with our 'Growing the Core' principles, integration focused on combining the brands and maximising the cross selling opportunity for the expanded product range. The acquired best-in-class manufacturing footprint in Italy was established as the lead development location allowing it to accelerate the 'Selective Product Development' phase of the strategy to widen the portfolio for the global market.
- **argus (2015)**, followed the 'Growing the Core' principles when consolidating the thermal imaging camera production into our UK manufacturing facility, whilst adding sales and marketing infrastructure to support organic growth with the traditional argus customers and launching a cross selling initiative with the existing North American SCBA Fire network. Over the mid term we will follow the 'Selective Product Development' principles to develop product upgrades to further enhance the product portfolio over the mid term.

Avon Protection



Military

Global leader within Military CBRN for masks and filters, with leading portfolio of respirators and filters and long term pedigree for military contracting and supply chain excellence. Avon Protection is the proud sole source supplier to the US DoD of the joint service general purpose mask (JSGPM), whilst expanding into wider respiratory technology applications in both air and sea.



Law Enforcement

Supplying a range of NIOSH & CE approved mask solutions for global law enforcement customers, whilst organically expanding a wider portfolio of filters, hoods and powered air offerings to complement the mask, to increase capability of the law enforcement community in responding to global threats.



Fire

Leading provider of thermal imaging camera technology and one of the top 5 NFPA certified self-contained breathing apparatus suppliers.

Masks

MILITARY

LAW ENFORCEMENT

FIRE

EXISTING PRODUCT

NEW PRODUCT



FM12



EL50



FM50



M53A1



M69

With an unrivalled pedigree in mask design dating back to the 1920s we have developed an extensive range of mask systems for military and civil use. In addition to market leading M50 and FM50 general service respirators we have developed a range of masks for Law Enforcement and first responder use (PC50 and C50) and for Military special forces (FM53 and FM54). The latest additions to our range include the M69 aircrew mask for use in the DoD's fixed wing aircraft, the M53A1 powered air respirator and the entry level EL50 mask.

Product range:

- FM12
- PC50
- EL50
- C50
- FM50
- FM53
- FM54
- HMK150
- M53A1
- M69

Supplied & Powered Air

MILITARY

LAW ENFORCEMENT

FIRE

EXISTING PRODUCT

NEW PRODUCT

Under Project Fusion we have developed a modular range of supplied and powered air products. This range combines our mask systems with self-contained breathing apparatus ("SCBA") and powered air purifying respirators ("PAPR").

Our PAPR range has recently received the CE European safety approval enabling marketing to commence in Europe. NIOSH approval is in progress and we anticipate launching the range in North America once this approval is obtained.



CS-PAPR



CS-Elite

Product range:

- EZAir
- MP-PAPR
- CS-PAPR
- ST53
- ST53SD
- CS-Elite

Fire

MILITARY

LAW ENFORCEMENT

FIRE

EXISTING PRODUCT

NEW PRODUCT



Mi-TIC S



Deltair



Magnum

Product range:

- Mi-TIC E
- Mi-TIC E L
- Mi-TIC 320
- Mi-TIC S
- P-Type
- TT-Type
- Deltair
- Magnum

Our fire range comprises the argus thermal imaging camera and the Deltair SCBA. We are in the process of upgrading our SCBA system to comply with the latest NFPA fire safety standards and will market the upgraded range under the Magnum brand name.

Filters

MILITARY

LAW ENFORCEMENT

FIRE

EXISTING PRODUCT

NEW PRODUCT

The FM61 uses pioneering conformal filter technology for closer integration and designed with a bayonet quick fit for use only with the M50 mask.

The MILCF50 filter has a unique conformal shape providing a low profile close fit with the mask. The filter design minimises snag and pull hazards as well as reducing neck loading.



FM61



MILCF50

Product range:

- MILCF50
- FM61
- CTC50
- CBRNCF50e
- CBRNF12CE
- CSCF50
- GPCF50

Escape hoods

MILITARY

LAW ENFORCEMENT

FIRE

EXISTING PRODUCT

NEW PRODUCT

The NH15 Escape Hood range is the smallest NIOSH-certified CBRN/CO air purifying escape respirator on the market and is designed for police, emergency medical services and fire officers seeking immediate or emergency respiratory protection in a CBRN/CO scenario.



NH15



NH15 Combo

Product range:

- NH15
- NH15 Combo

Underwater

MILITARY

LAW ENFORCEMENT

FIRE

EXISTING PRODUCT

NEW PRODUCT

The MCM100 is a state of the art underwater rebreather range for military diving use. During 2017 we obtained the CE European safety approval for the product and post year end we have secured the first orders for this product from military customers. Our underwater product range also includes the MDC150 dive computer which is also designed for military use.



MDC150



MCM100

Product range:

- MDC150
- MCM100

milkrite | InterPuls



Interface

milkrite | InterPuls is the market leader for cluster technology to remove milk from the cow in the most efficient way and maximise the performance of the farm with improved cost benefits for the farmer and improved animal health for the cow.



Precision, Control, Intelligence

Precision refers to the set up of the air system within the milking process to maximise the performance and efficiency of the system to provide the most efficient milking process.

Control is the physical control of the milking system to provide automation opportunities to minimise labour inputs.

Intelligence is the critical part of the dairy system which extracts data from the cow and integrates this within the farm herd management system or dairy management system when supplied as an integrated solution.



Farm Services

Whilst offering the entire product range on a resale basis, milkrite | InterPuls have developed the unique Farm Services offering, where clusters, pulsators & tags are offered to the farm on a lease hire basis, with a fully incorporated service and warranty scheme managed directly to the farm.

Interface

DAIRY

EXISTING PRODUCT

NEW PRODUCT



Liners

The Impulse and Impulse Air ranges are designed to minimise slip and improved animal health with their unique interlocking anti-twist shell design.

Impulse Air takes innovation one step further using a unique air flow to draw the milk away quickly.



Tubing

Our premium silicone tubing is made from a strong material, with superior tear strength, with proven performance from benchmark testing against similar products.



Impulse Claw 300

The Impulse Claw 300 with its durable, lightweight and ergonomic design makes the claw easier for the operator to handle and reduces the overall weight of the cluster, improving cow comfort.



Shells

Our lightweight shells are designed to optimise the performance of our Impulse and Impulse Air liners by increasing the liners' responsiveness to the pulsation signal.



Wash Trays

Our liner washing systems are designed to meet the cleaning and sanitisation needs of the dairy farmer.

Precision, Control & Intelligence

DAIRY

EXISTING PRODUCT

NEW PRODUCT



LO2Air

We are the world-leading manufacturer of state of the art electronic pulsators designed to facilitate gentle, complete and uniform milking.

Other products:

- Pneumatic Pulsator
- Electronic Pulsator
- Control Valves
- Controller
- Bucket Milker



iMilk600

We provide a range of control products used to manage the milking process. iMilk600 is a state of the art milk meter with advanced electronics and sensors. The user-friendly panel displays real time milk yield, temperature, milking time, cow number and conductivity.

Other products:

- MMV
- Auto Remover
- Sorting Gate



iFarm

Our iFarm software consolidates and analyses data captured from neck and leg tags as well as the milking process to drive improved efficiency and farm performance.

Other products:

- Leg Tag
- Neck Tag
- Precision Farming
- iFarm

Farm services

DAIRY

EXISTING PRODUCT

NEW PRODUCT



Cluster Exchange Service

Through our first exchange offering, the Cluster Exchange Service, farmers lease complete milking clusters and outsource their liner change process to us. This is managed through service centres established in our existing facilities, with the support of our dealers and third-party logistics specialists.



Pulsator Exchange Service

During 2017 we expanded Farm Services with the launch of the Pulsator Exchange Service. Farmers lease our market leading pulsators and we provide periodic servicing and maintenance.



Tag Exchange Service

We are currently piloting the Tag Exchange Service whereby farmers lease leg and neck tags again with periodic servicing and maintenance provided by us. This enables farmers to remove the burden of capital investment and to flex the number of tags according to changes in the size of their herds.

Group income statement

	2017 Adjusted £'m	2016 Adjusted (restated) £'m
Revenue	163.2	142.9
EBITDA	36.0	29.9
Depreciation and amortisation	(10.2)	(9.0)
Operating profit before amortisation of acquired intangibles, exceptional items and defined benefit pension costs	25.8	20.9
Amortisation of acquired intangibles, exceptional items and defined benefit pension costs	(6.0)	(4.1)
Operating profit	19.8	16.8
Interest income	0.1	-
Interest expense	(0.3)	(0.2)
Other finance expense	(1.0)	(0.7)
Profit before taxation	18.6	15.9
Tax credit	2.9	2.0
Profit for the period from continuing operations	21.5	17.9
Adjusted earnings per share	82.8p	71.9p

Avon Protection income statement

	2017 £'m	2016 (restated) £'m
Revenue	113.8	100.9
Adjusted EBITDA	27.1	21.5
Adjusted operating profit	19.8	15.1
Adjusted EBITDA margin%	23.8%	21.3%
Adjusted operating profit margin %	17.4%	15.0%

milkrite | InterPuls income statement

	2017 £'m	2016 (restated) £'m
Revenue	49.4	42.0
Adjusted EBITDA	10.9	9.8
Adjusted operating profit	8.0	7.2
Adjusted EBITDA margin%	22.1%	23.3%
Adjusted operating profit margin %	16.2%	17.1%

Reported to adjusted reconciliation

	2017 £'m	2016 (restated) £'m
Statutory operating profit	19.8	16.8
Amortisation of acquired intangible assets	3.0	3.3
Impairment of capitalised development expenditure	2.6	-
Impairment of plant and machinery	0.3	-
Post-acquisition working capital adjustment	(0.3)	-
Integration costs	-	0.5
Defined benefit pension scheme administration costs	0.4	0.3
Adjusted operating profit	25.8	20.9

Balance sheet

	2017 £'m	2016 £'m
Intangible assets	40.4	47.3
Property, plant and equipment	26.3	30.1
Current assets	45.8	40.6
Current liabilities	36.9	34.2
Non-current liabilities	0.6	3.9
	75.0	79.9
Net cash	24.7	2.0
	99.7	81.9
Retirement benefit scheme	44.1	39.9
Net assets	55.6	42.0

Cash flow

	2017 £'m	2016 £'m
Cash generated from operations	35.6	32.4
Interest paid/received	(0.1)	(0.4)
Payments to pension scheme	(1.0)	(0.7)
Tax paid	(2.0)	(1.0)
Purchase of property, plant and equipment	(2.6)	(3.6)
Capitalised development costs and purchased software	(2.9)	(3.3)
Acquisitions	-	(3.3)
Dividends paid to shareholders	(3.2)	(2.4)
Purchase of own shares	(1.0)	(1.8)
Exchange and other	(0.1)	(0.7)
Movement in net cash	22.7	15.2
Opening net cash/(debt)	2.0	(13.2)
Closing net cash	24.7	2.0
% Cash conversion from EBITDA	98.1%	110.7%
% Cash conversion from operating profit	136.8%	158.4%

Foreign exchange and sensitivities

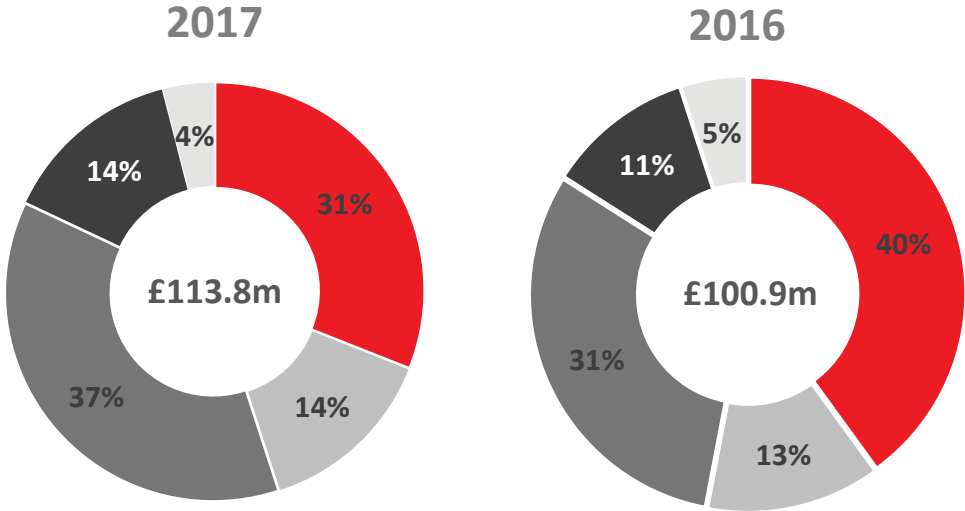
	Average rate 2017	Closing rate 2017	Average rate 2016	Closing rate 2016
US Dollar	1.267	1.339	1.423	1.296
Euro	1.147	1.134	1.282	1.161

	1\$ cent movement £m	1€ cent movement £m
Revenue	1.0	0.1
Operating profit	0.1	-
Net assets	0.3	0.2

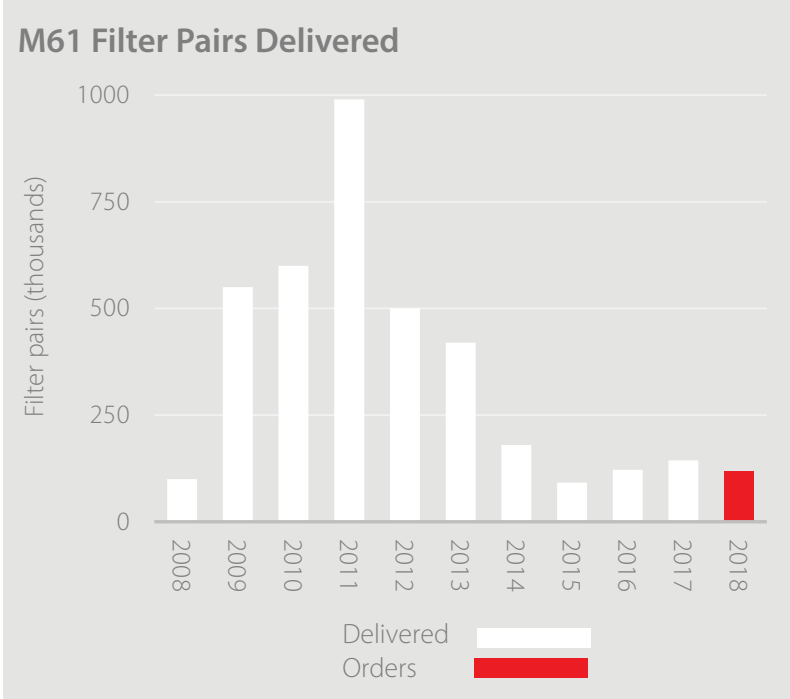
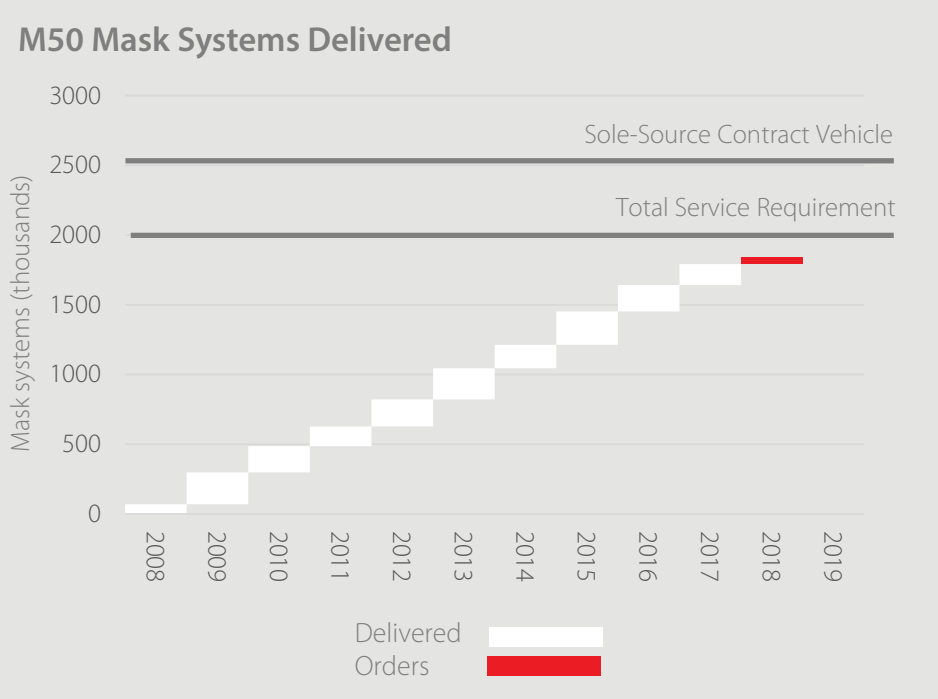
Share based payment restatement

	2016			2015		
	As reported	Restatement	Restated	As reported	Restatement	Restated
	£m	£m	£m	£m	£m	£m
Adjusted operating profit	21.8	(0.9)	20.9	20.2	(1.0)	19.2
Operating profit	17.7	(0.9)	16.8	18.9	(1.0)	17.9
Profit before tax	16.8	(0.9)	15.9	17.9	(1.0)	16.9
Tax	1.8	0.2	2.0	(2.7)	0.2	(2.5)
Profit for the year	18.3	(0.7)	17.6	13.7	(0.8)	12.9
Adjusted basic eps	74.2p	(2.3)p	71.9p	56.1p	(2.6)p	53.5p
Basic eps	60.4p	(2.3)p	58.1p	45.4p	(2.7)p	42.7p

Avon Protection - Revenue Split

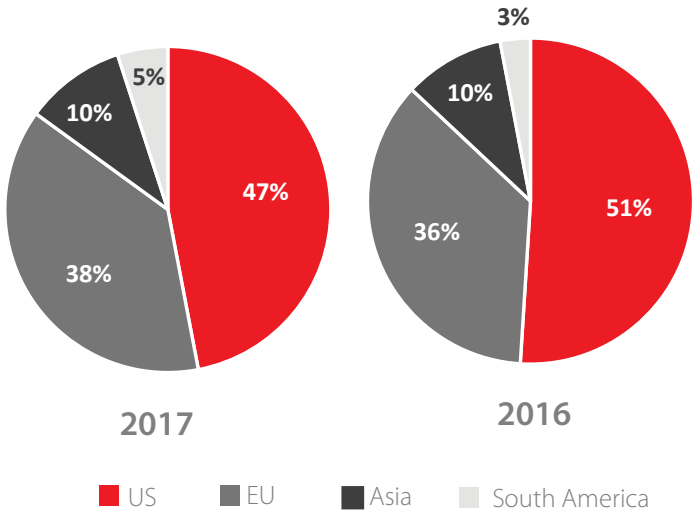


Avon Protection – M50 Masks and M61 Filter Pairs

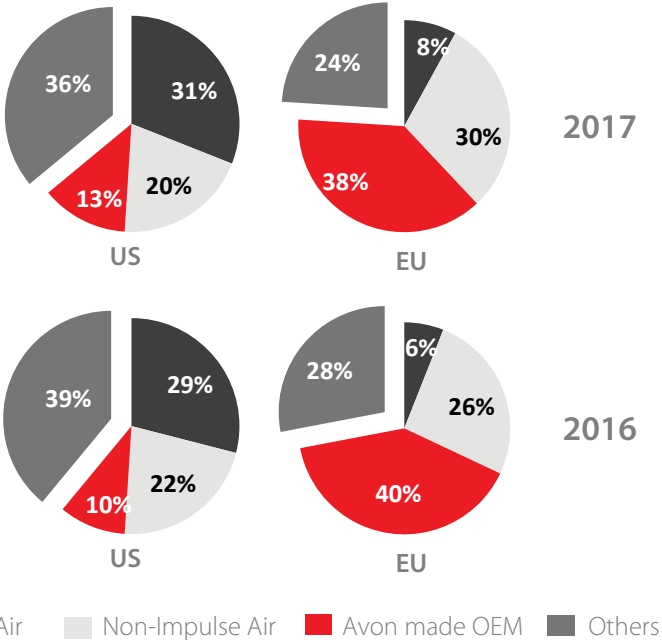


milkrite | InterPuls – Revenue split and market share

Revenue split by geography



Liner market share



milkrite | InterPuls – Revenue split

