

Company presentation

- October 2024

THEON
INTERNATIONAL
Advanced Optronics

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The Information contains various financial information of the Group, for the fiscal year ended December 31, 2023, and period ended September 30, 2024, and to-date thereafter. The Information (i) for the period ended September 30, 2024, and to-date thereafter is in the process of being audited (ii) the Information for the fiscal year ended December 31, 2023, is audited in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the European Union and (ii) the Information subject to update, revision, amendment, verification, correction, completion and change without notice.

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THEON AT A GLANCE

Theon International Plc is a leading developer and manufacturer of customizable night vision and thermal imaging systems for both dismounted and platform-based applications. Theon is listed on Euronext Amsterdam (AMS: THEON).

Leading pure-play optronics provider with state-of-the-art technological set-up

Established track-record

+27
years of expertise

Pure-play

100%
pure-play supplier of mission critical optronics

Tailor-made

Fully customised product offering available

Technologically advanced

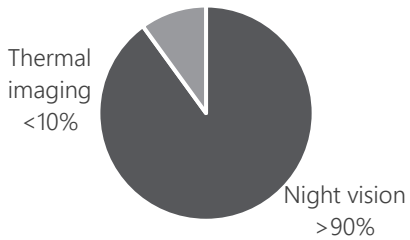
19%
workforce in Design & Development[1]

Global customer base across multiple attractive markets

Products sold

+170,000
systems

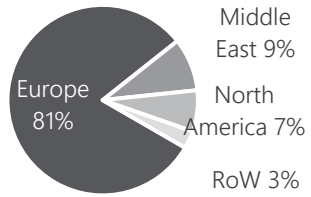
Growing markets[2]



Long-standing relationships[1]

70 countries
24 NATO states

Global reach[2]



Strong financial profile with growth visibility and asset-light model

Growth outlook

>50%
5-year revenue CAGR

Superior profitability

c.26%
Adj. EBIT margin 2023

Low capex requirements

3.5%
Capex as % of revenue 2023

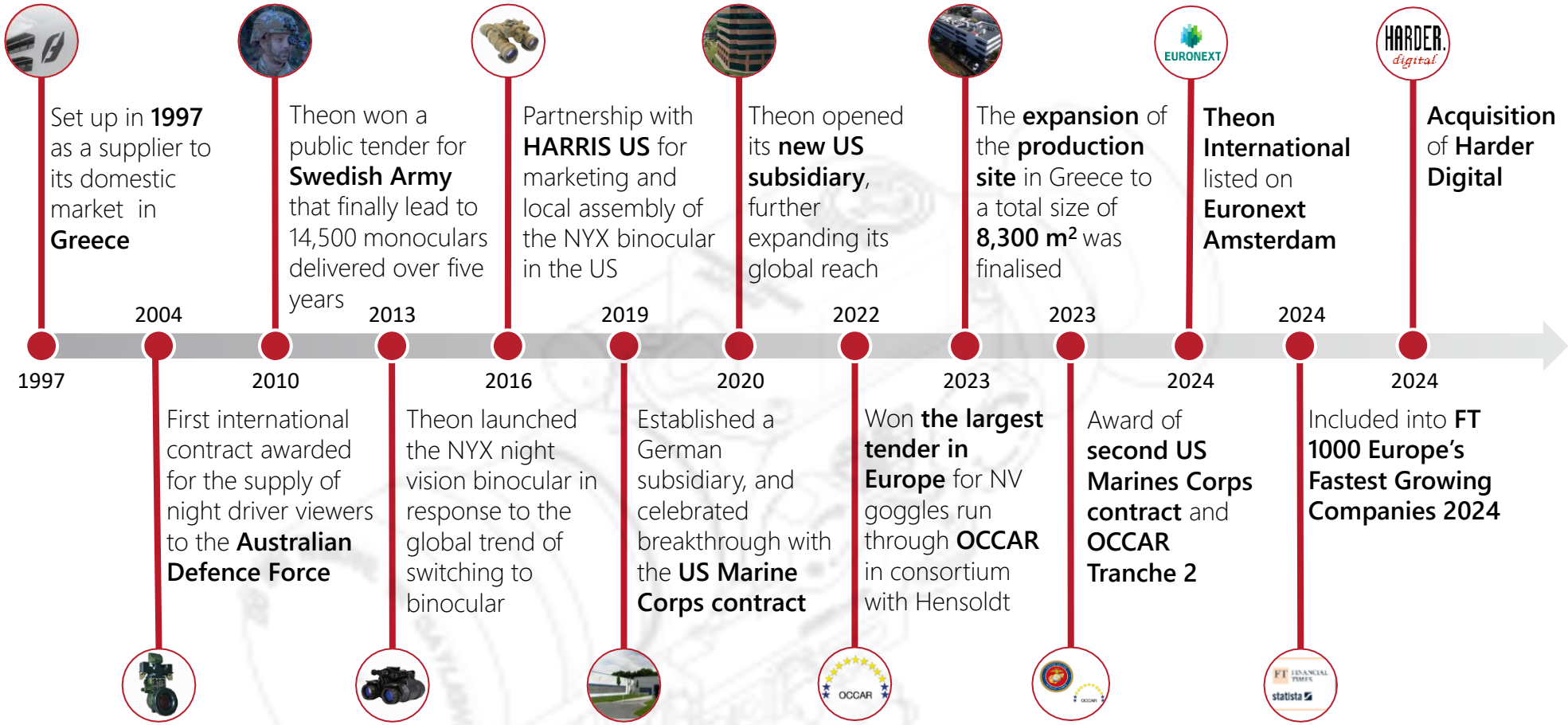
High cash distribution

40%
dividend payout

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Source: Company information
[1] As of 31 December 2023
[2] Based on revenue of 2023

THEON HAS AN ESTABLISHED TRACK RECORD AND REPUTATION

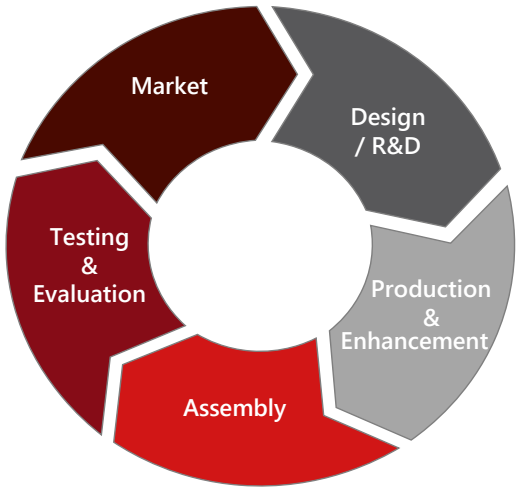


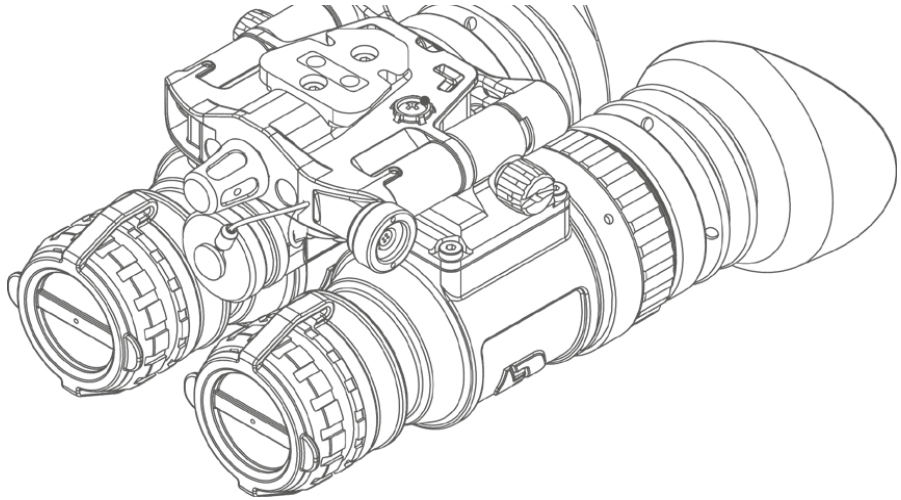
Source: Company information

DISRUPTIVE BUSINESS MODEL RELYING ON GLOBAL REACH AND PROPRIETARY TECHNOLOGICAL CAPABILITIES IN A FULLY INTEGRATED PRODUCTION SET-UP

THEON's business model leverages our technological and engineering expertise with fully integrated processes, ranging from design and production to business development. This vertical integration allows us to firmly oversee engineering and production, resulting in high-quality, cost-efficient solutions. THEON uses an international supply chain to produce all components according to its own design.

Highly skilled workforce of c. 600 employees[1]





Capacity to support growth and high operational leverage



Original Athens facility
3,500 sqm



New Athens facility
4,800 sqm



Wetzlar facility (Hensoldt JV)
300 sqm



Plymouth facility (EOTECH)
100 sqm

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Source: Company information
[1] Further to Harder Digital acquisition

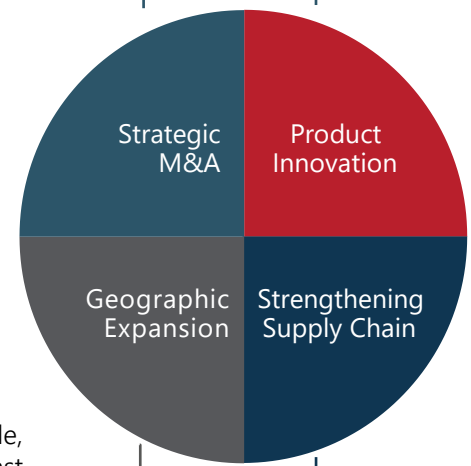
PLATFORM WELL POSITIONED TO DRIVE FURTHER ORGANIC AND INORGANIC GROWTH BEYOND CURRENT BUSINESS PLAN

Organic and inorganic growth is supported by strong market tailwinds across our addressable markets. Growth in these markets is further supported by major military spending programs, particularly in Europe, US and Middle East.

Theon aims to expand its product portfolio, adding complementary man-portable products such as day sights, laser targeting systems and fire-control systems and acquire technologies to develop more sophisticated platform products.

To-date 2024

- ✓ Harder Digital acquisition
- ◌ Active discussions with identified pipeline of targets



Theon recently launched new products within the A.R.M.E.D. ecosystem that integrate with battle management systems and provide enhanced situational awareness for soldiers.

On top of man-portable products, Theon also focuses on cutting-edge multisensory platform-based products, which are anticipated to be a larger contributor to future growth.

To-date 2024

- ✓ A.R.M.E.D.
- ✓ Outsourced R&D for platform-based optronics

Significant opportunities to expand worldwide, particularly in markets like the USA, the Middle East and the Far East.

To-date 2024

- ✓ New service centre in Denmark
- ✓ Production facility in South Korea

Theon is strengthening its supply chain by establishing long-term commercial agreements with key suppliers, including those that produce image intensification tubes, an essential component of night vision goggles.

To-date 2024

- ✓ Built-up strategic inventory
- ✓ Longer-term commercial agreement with Exosens
- ◌ Working on longer-term commercial agreements with other key suppliers

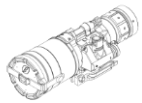
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Source: Company information

✓ Completed
◌ In Progress

FULL SUITE OF NIGHT VISION & THERMAL IMAGING PRODUCTS TAILORED TO SOLDIER NEEDS

Night Vision



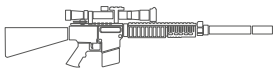
Goggles

Monoculars



Binoculars





Weapon Sights

Stand Alone

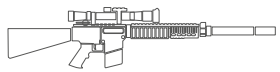


Clip-on





Thermal



Weapon Sights

Stand Alone



Clip-on





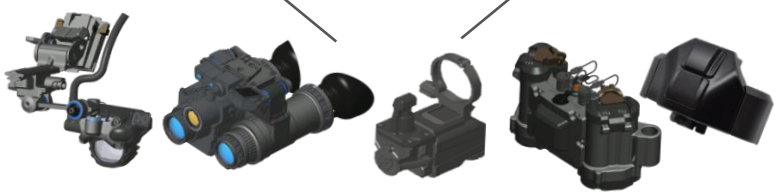
Customized Solutions

FCS





A.R.M.E.D.



Source: Company information

NEWLY LAUNCHED A.R.M.E.D.[1] PRODUCTS

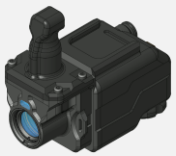
Interoperability amongst allied forces is becoming increasingly important





THEA

Heads-Up Display; helmet mounted to provide enhanced situational awareness during day and night



IRIS-C

Thermal Clip-On; can be combined with night vision goggles to provide fused capabilities



ORION

Fused Binoculars; new generation of goggles that combines night vision and thermal imaging technologies



SMART BATTERY PACK

Interconnection; provides the connection to any Battle Management System (BMS)

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Source: Company information

[1] Augmented Reality Modular Ecosystem of Devices

PLATFORM BASED PRODUCTS
CONSTANTLY EXPANDING PORTFOLIO

ISR Electro – Optical Systems

Short Range

TALOS SR100



TALOS & TRITON SR200



TALOS & TRITON SR300



Medium Range

TALOS & TRITON MR400

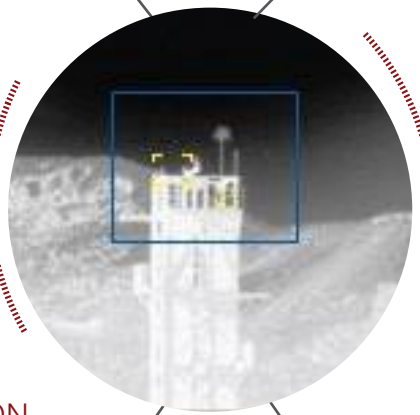


TALOS & TRITON MR500



TALOS & TRITON MR600





Border/Coastal Surveillance EO Systems

Long Range

TALOS LR700

TALOS LR800



TALOS LR900

Vehicle Driver Viewers /Cameras

Periscopes



Day/Night Camera

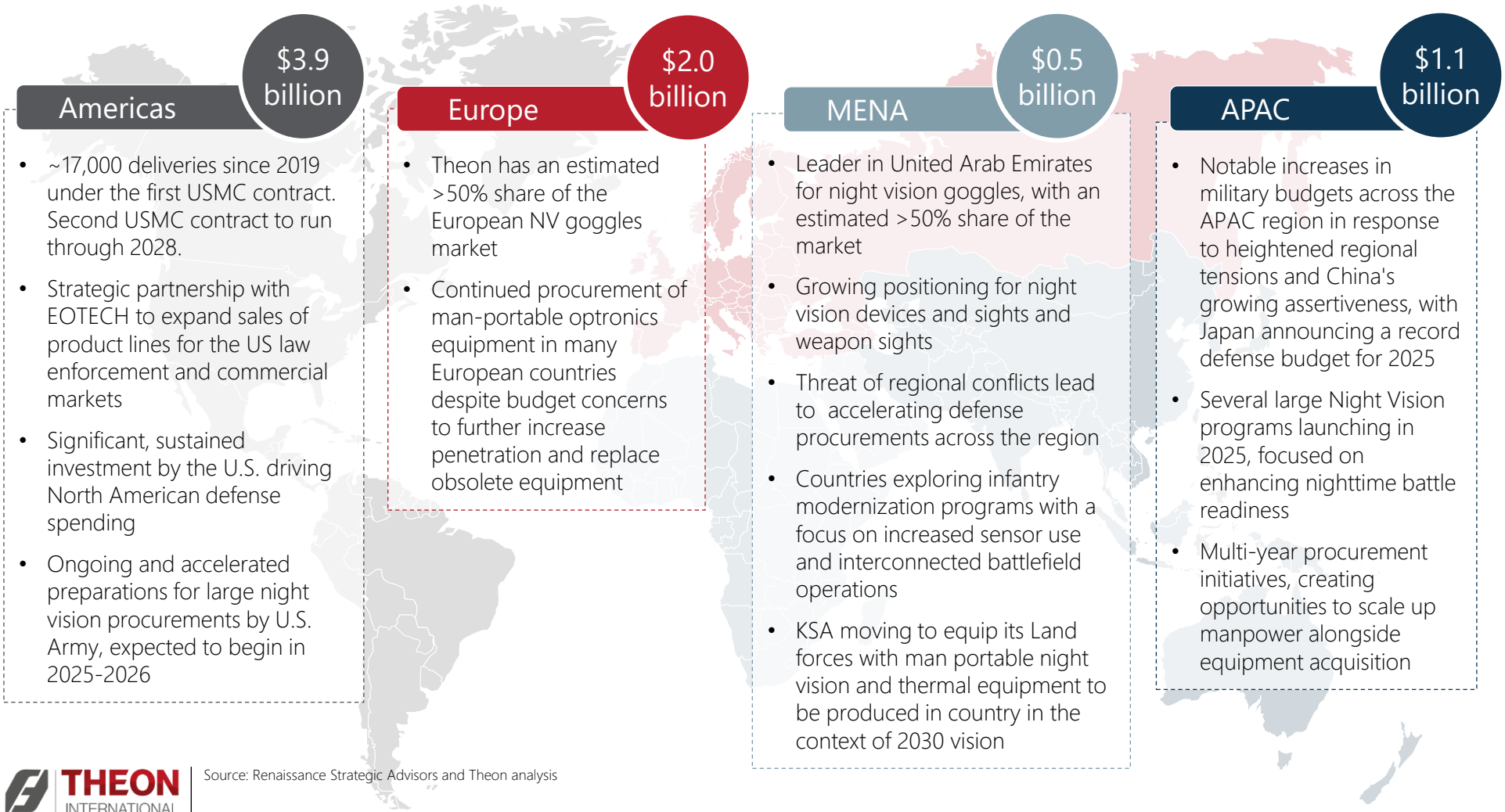
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Source: Company information

GLOBAL MOMENTUM FOR MAN-PORTABLE PRODUCTS

Total addressable Night Vision (NV) market sums up to $7.5 billion in 2024-2029 period.

Proliferation of sensors and the retooling of dismounted infantry is a key focus of modernization; plans to fit major combat units with a 1:1 ratio of NVG to soldiers, as well as providing great night vision training



Americas — $3.9 billion

- ~17,000 deliveries since 2019 under the first USMC contract. Second USMC contract to run through 2028.
- Strategic partnership with EOTECH to expand sales of product lines for the US law enforcement and commercial markets
- Significant, sustained investment by the U.S. driving North American defense spending
- Ongoing and accelerated preparations for large night vision procurements by U.S. Army, expected to begin in 2025-2026

Europe — $2.0 billion

- Theon has an estimated >50% share of the European NV goggles market
- Continued procurement of man-portable optronics equipment in many European countries despite budget concerns to further increase penetration and replace obsolete equipment

MENA — $0.5 billion

- Leader in United Arab Emirates for night vision goggles, with an estimated >50% share of the market
- Growing positioning for night vision devices and sights and weapon sights
- Threat of regional conflicts lead to accelerating defense procurements across the region
- Countries exploring infantry modernization programs with a focus on increased sensor use and interconnected battlefield operations
- KSA moving to equip its Land forces with man portable night vision and thermal equipment to be produced in country in the context of 2030 vision

APAC — $1.1 billion

- Notable increases in military budgets across the APAC region in response to heightened regional tensions and China's growing assertiveness, with Japan announcing a record defense budget for 2025
- Several large Night Vision programs launching in 2025, focused on enhancing nighttime battle readiness
- Multi-year procurement initiatives, creating opportunities to scale up manpower alongside equipment acquisition

Source: Renaissance Strategic Advisors and Theon analysis

LONG-STANDING RELATIONSHIPS WITH A DIVERSIFIED GLOBAL CUSTOMER BASE LEADING TO REPEATING BUSINESS

- Diverse, global customer base **across 70 countries**
- Low churn and **high repeat business**

Governmental procurement agencies and armed forces[1]

SELECTED KEY CUSTOMERS

OCCAR Since 2021	**Armasuisse** Since 2018
US Marine Corps Since 2019	**Swedish Army** Since 2010
UK Ministry of Defence Since 2021	**Austrian Armed Forces** Since 2019

OTHER KEY CUSTOMERS

Latvia, Brazil, Denmark, UAE, Italy, Saudi Arabia

Defence primes[1]

DISMOUNTED

SAFRAN, Elbit Systems, SAAB, RHEINMETALL

PLATFORMS

IVECO, BAE SYSTEMS, GENERAL DYNAMICS, KMW (Krauss-Maffei Wegmann)

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Source: Company information

[1] Illustrative and non exhaustive list

ATTRACTIVE FINANCIAL PROFILE CHARACTERISED BY HIGH REVENUE GROWTH, HIGH PROFITABILITY AND DIVIDEND DISTRIBUTION

2023 Revenue
€218.7 m
53.1% growth y-o-y

9m 2024 Revenue
€222.6 m
92.3% growth y-o-y

2023 Adj. EBIT
€56.5 m
25.8% margin

9m 2024 Adj. EBIT
€50.6 m
22.7% margin

2023 Net cash
€0.1 m
(0.0)x leverage

9m 2024 Net cash[1]
€35.9 m
(0.4)x leverage (LTM)

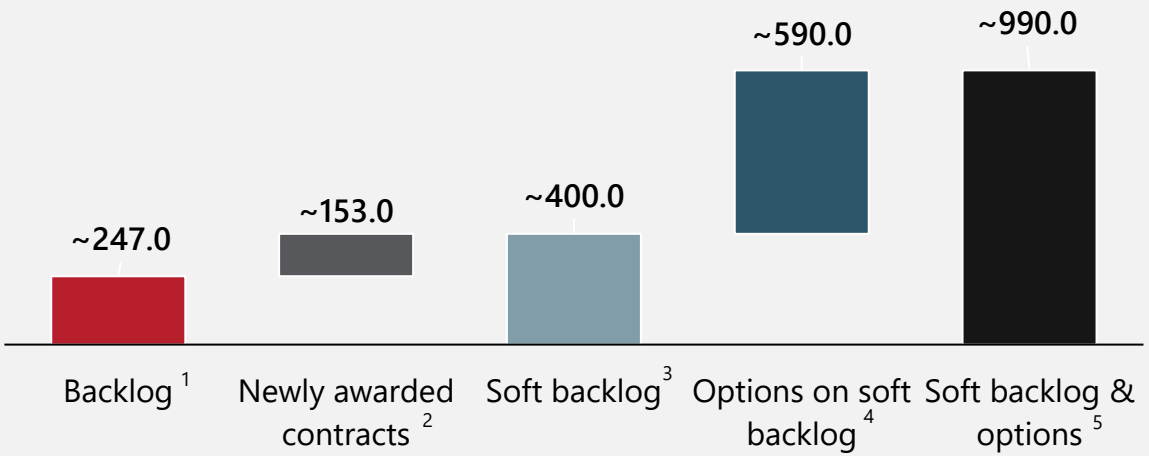
Dividend paid
€14.4 m
40% of Net Income of FY23

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Source: Company information
[1] Including €50 million term deposit

BACKLOG PROVIDES VISIBILITY

Soft backlog and options (€ m)



Commentary

- Approx. 30% of the Soft backlog is expected to be invoiced in 2024, 60% in 2025 and 10% from 2026 onwards
- Part of the Options is expected to be exercised in 2025 to address customers' needs

Notes:

[1] Backlog is defined as the value of the order book at the respective reporting date by keeping record of customer orders starting from the opening stock and taking into account revenue and adjustments for the respective reporting period, and ending with the final stock

[2] Awarded contracts resulting in expected incoming order intake volume, subject to contract finalization and ratification by national parliaments in certain cases

[3] Soft backlog is defined as the sum of the backlog as of 30 September 2024 (as set forth in footnote [1]) plus the newly awarded contracts (as set forth in footnote [2])

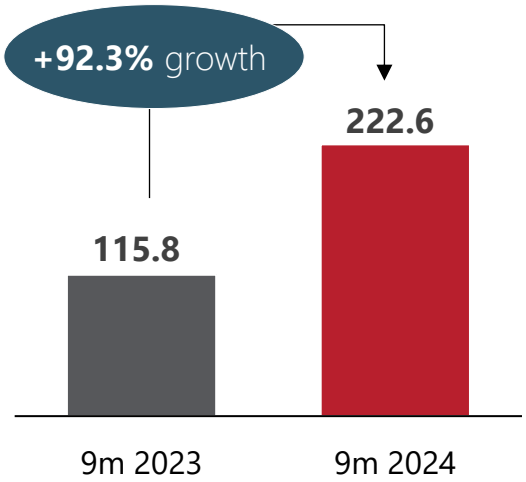
[4] Company estimates for ~€590m of potential options on newly awarded contracts as described in footnote [2]; Options to be exercised at further discretion of the customer

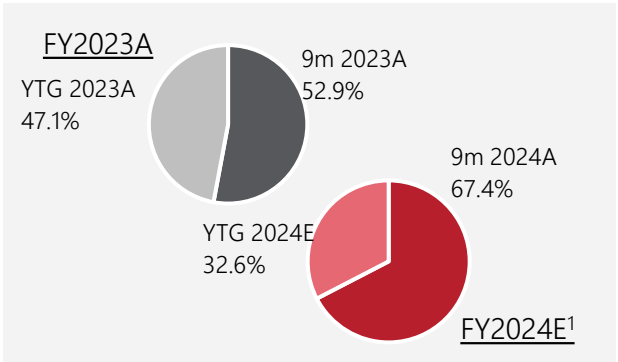
[5] Total of backlog (as set forth in footnote [1]) plus newly awarded contracts (as set forth in footnote [2]) plus potential options on newly awarded contracts (as set forth in footnote [4])

Source: Company information

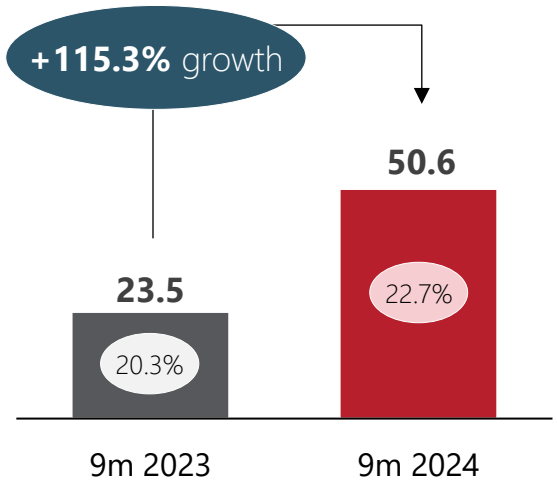
9m 2024 TRADING UPDATE: LOWER SEASONALITY AND STRONG PERFORMANCE COMPARED TO PREVIOUS YEAR

Revenue (€ m)

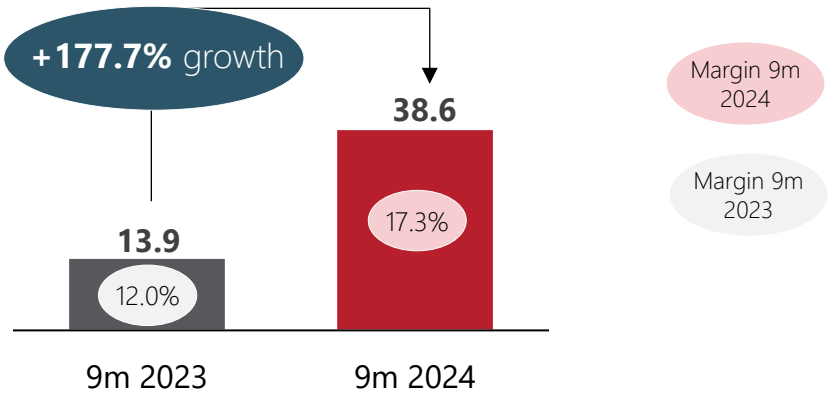




Adj. EBIT (€ m)



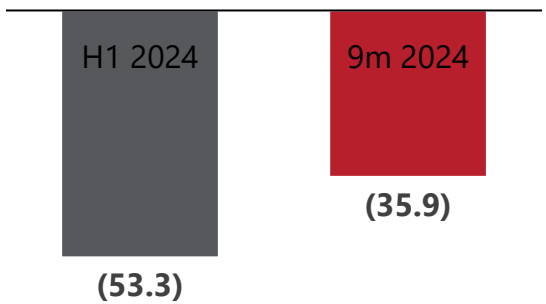
Net Profit/ (Loss) (€ m)



Margin 9m 2024

Margin 9m 2023

Net debt/ (Cash) (€ m)[2]



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Source: Company information
[1] Based on lower end of the guidance (€330 m)
[2] Including term deposit of €40 million in H1 and €50 million in 9m 2024 respectively

GUIDANCE

	2024	Medium-Term
Revenue	€330 - 350 m	Growth in line with addressable market
EBIT Margin	Mid-twenties	Mid-twenties
Capex	€15 m	Capex as % of revenue in line with historical levels excluding Athens facility expansion
Dividend payout	40% of 2023 net income distributed	30-40%

Source: Company information

