



Coats
Group plc

COMPLETION OF ORTHOLITE ACQUISITION AND ANNOUNCEMENT OF NEW GROUP STRUCTURE

30 October 2025

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AGENDA

01 OrthoLite Acquisition

02 Organisational Structure





ACQUISITION HIGHLIGHTS

ACCELERATING FOOTWEAR GROWTH STRATEGY THROUGH \$770M COMBINATION WITH MARKET LEADER IN INSOLE TECHNOLOGY

Key highlights

Exceptional Opportunity

Creating a market-leading Tier 2 supplier of critical footwear components

Growth Accelerator

OrthoLite exposed to an expanding TAM in faster growing market

Strong Strategic Fit

Aligned coverage of segments and customers; global footprint and go-to-market strategies

Improves Portfolio Quality

High growth and margin Footwear division becomes a materially larger segment of the group

Strong cash generation

Net leverage expected to fall below 2x by end of 2026

OrthoLite - a high growth, quality asset through the cycle

8%

Revenue growth¹

90%+

Operating cash conversion²

26%

FY24 EBIT margin

c.36%

Market share³

Benefits of the combination

c.\$700m

Coats Footwear FY24 proforma revenue

EPS accretive

From first full year

\$20m



Joint cost synergies to be delivered by 2028

ROIC > WACC

By third year (FY28) at latest

STRATEGIC RATIONALE

COMBINING MARKET LEADING PLATFORMS TO CREATE A HIGH GROWTH MARKET LEADER

		 COATS Footwear	 OrthoLite	Strategic rationale
1	Creating a leading 'Tier 2' in the footwear segment	#1 Global #1 in threads Global #1 structural components	#1 Global #1 open-cell foam insoles	Greater scale, deep brand intimacy; enhanced innovation and sustainability
2	Strong customer relationships	c.350 brand partners 29% market share ¹	c.550 brand partners c.36% market share ²	Further access to brands and Tier 1s - additional opportunities
3	Clear product category leaders	✓ Quality ✓ Sustainability ✓ Innovation	✓ Quality ✓ Sustainability ✓ Innovation	Strong alignment on key growth enablers
4	Synergy optimisation	Strong track record of M&A integration	Geographic footprint overlap Consolidation opportunities	Initial \$20m joint cost synergies; significant revenue synergy potential
5	Attractive financial profile	24-26% EBIT margins ³	>26% EBIT margins ⁴	Margin accretive business

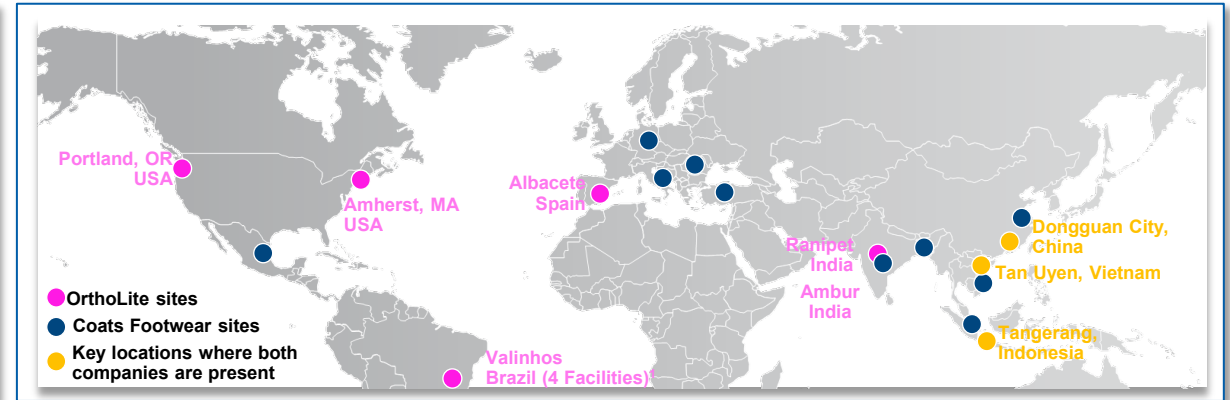
HIGHLY COMPLEMENTARY BUSINESSES

ALIGNED COMMERCIAL AND OPERATIONAL GLOBAL FOOTPRINTS, WITH COMMON APPROACH TO EXECUTION

Deepening relationships with global footwear brands



Similar, strategically located global footprints



Built on common pillars

Value Proposition

- Critical-to-value components
- Superior product quality and range
- Exceptional customer service
- Reliability as a supply chain partner

Innovation

- Deep customer intimacy
- High degree of customisation at scale
- Technology disruption

Sustainability

- Strong in sustainability
- Pioneers in recycled material technology
- Embedded in owned manufacturing

Global Manufacturing

- Similar production processes
- Key sites within close proximity in Vietnam, China & Indonesia
- Flexible global footprint for tariff mitigation

NEW ORGANISATIONAL STRUCTURE

REFLECTS THE GROUP'S TRANSFORMED PROFILE

FY24 Structure

Apparel

Footwear

Performance Materials

Acquired Business

 **Ortholite®**

Disposed Business

*North American Yarns**



New Structure

Apparel
Adrian Elliot

Coats Apparel

Performance Threads~

Personal Protection~

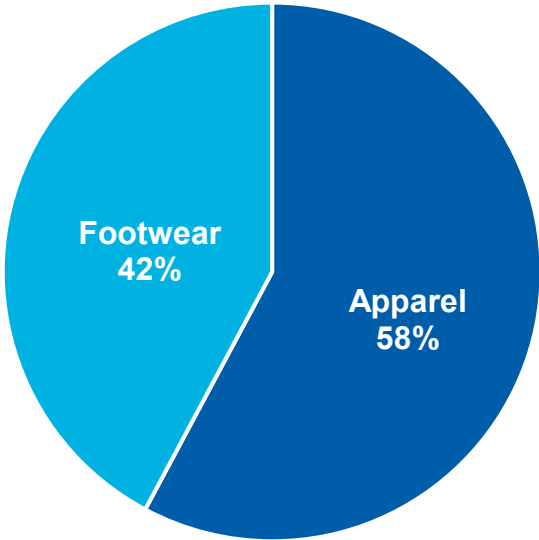
Footwear
Pasquale Abruzzese

Coats Footwear

OrthoLite

Telecom & Energy~

FY24 Revenue pro forma



- ✓ Reflects Group's new profile
- ✓ Aligns the divisions and their underlying technologies
- ✓ Reduces management complexities

THE Q&A SESSION WILL BEGIN SHORTLY

If you would like to ask a question, please dial

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