



AirBoss of America Corp. Investor Presentation

May 2017



RUBBER
SOLUTIONS



ENGINEERED
PRODUCTS





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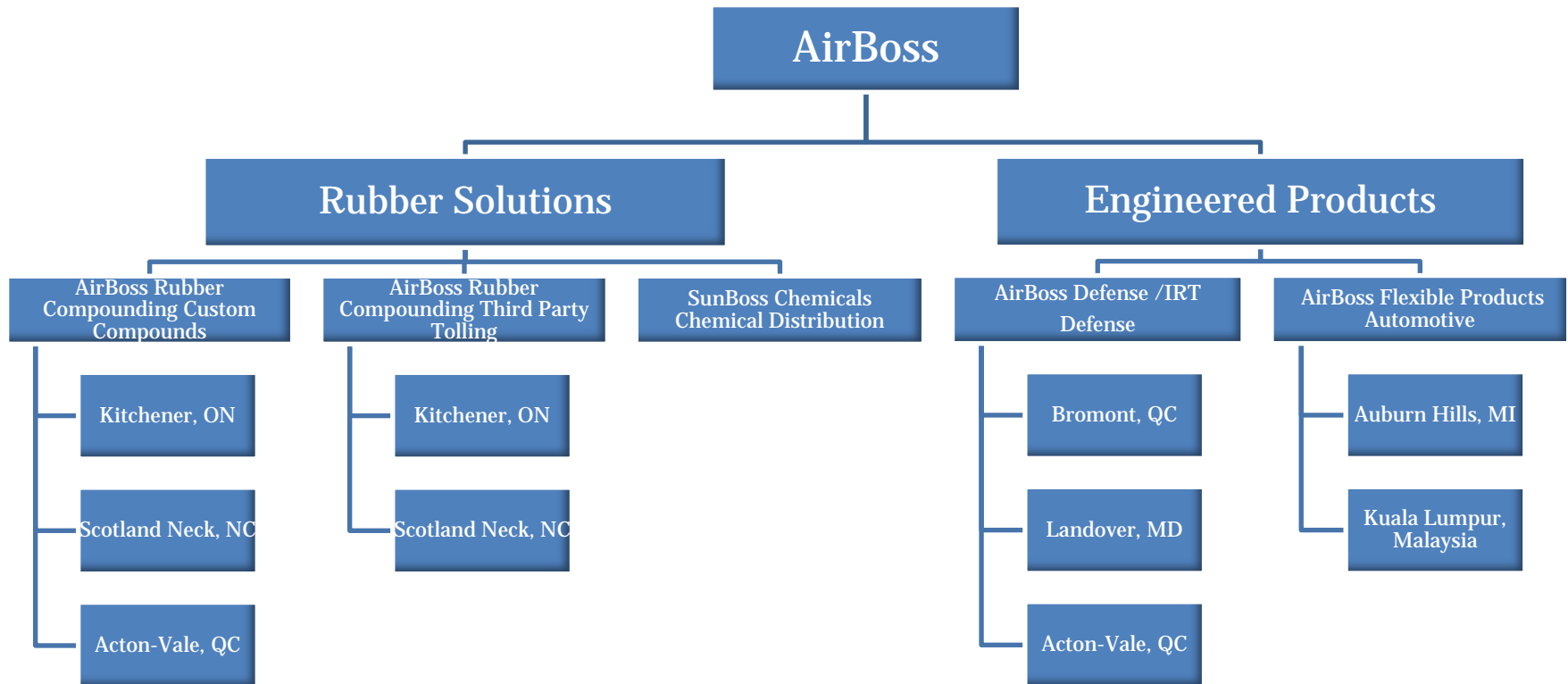
Non-IFRS Financial Measures

Within this presentation, AirBoss may disclose financial measures such as EBITDA. These measures do not have any standardized meanings prescribed by IFRS. Such measures are neither required by, nor calculated in accordance with IFRS, and therefore are considered Non-IFRS financial measures. AirBoss discloses EBITDA and as a financial measurement used by interested parties and investors to monitor the ability of an issuer to generate cash from operations for debt service, financing working capital and capital expenditures and paying dividends. They should not be considered as an alternative to, or more meaningful than, net income (or any other IFRS financial measure) as an indicator of the company's performance. Because EBITDA excludes some, but not all, items that affect net income, the EBITDA presented by the Company may not be comparable to similarly titled measures of other companies.

EBITDA represents earnings before interest income, interest expense, income taxes and depreciation and amortization.



Who We Are





Where We Are





What We Do

We transform rubber into profit.

Rubber Solutions:

Using chemistry to create customized rubber formulations.

Engineered Products:

Solving problems with those formulations.



Rubber Solutions | Diverse Customer Base



- Mining
- Heavy-Duty Conveyor Belts
- Infrastructure
- Oil & Gas
- Cable & Wire
- Tire & Track
- Industrial
- Automotive
- Defense



Rubber Solutions | Competitive Advantage & Barriers to Entry

- **Market leader**
 - Second-largest rubber compound manufacturer in North America (400-million annual turn-pound capacity)
 - More than 1,000 different proprietary custom compounds for a wide variety of North American customers
- **Experience & Reputation**
 - An industry leader in quality & consistency
 - Strong technical ability to work with customers in creating new compounds
- **Manufacturing Capabilities**
 - Large capacity, efficient mixing operations
- **Significant barriers to entry**
 - Capital intensive
 - Scale allows worldwide sourcing



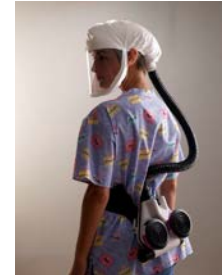
- **Increase capacity utilization**
- **Continue to diversify the customer base – several customers and opportunities have been identified**
- **Continue to develop more specialized, higher end compounds for customers**



Engineered Products - Defense | Life-Saving Products

2017

Current
Products



New
Products





Engineered Products - Defense | Competitive Advantages & Barriers to Entry

- **World Class Products**
 - World leader in the supply of CBRN gloves and overboots including sole supplier to US military and the NATO standard
 - Sole supplier of gas masks, gloves and boots to Canadian military
 - Leading supplier of filters, Powered Air Purifying Respirators (PAPRs) and decontamination shelter systems
- **Research & Development**
 - Strong commitment to R&D with new products under development
- **Customer Relationships**
 - Work closely with our customers to ensure that our protection products meet the highly demanding design and function requirements



- **Geographical diversification – Continue global sales growth**
- **Cross-sell AirBoss Defense and IRT products**
- **Broaden the product range – New products already under development**
 - Low burden glove
 - Next generation filter/PAPR
 - Complementary products
- **Engineer additional functionality into existing products**



Engineered Products – Automotive | Product Categories



Suspension



Chassis & Exhaust



Steering



Power Train & Drive



Engineered Products – Automotive | Competitive Advantages & Barriers to Entry

- A leading supplier of anti-vibration & noise reduction solutions to the automotive industry
- Proximity to customers
 - Allows for rapid engineered solutions to late cycle problems
- Engineering capabilities
 - Highly engineered value-added contribution
 - In-house design and manufacture of prototype and production moulds



Engineered Products – Automotive | Growth Opportunities

- Increase component content per vehicle
- New product development
- Geographic and customer diversification
 - Continue development of relationships with foreign automotive manufacturers



Financially Prudent

**We are in excellent
financial health.**

**Strong Balance Sheet, credit availability,
free cash flow, debt retirement.**



Results | 2017 YTD vs 2016 YTD

in USD \$000's	Q1 2017 YTD	Q1 2016 YTD	YOY Change
Net Sales	\$ 69,927	\$ 70,467	-0.8%
Gross Profit	11,096	13,164	-15.7%
EBITDA	7,015	9,230	-24.0%
Net Income	2,875	4,341	-33.8%
EPS (FD)	0.12	0.19	-36.8%
<i>Summary Statistics</i>			
<i>Gross Margin</i>	<i>15.9%</i>	<i>18.7%</i>	
<i>EBITDA Margin</i>	<i>10.0%</i>	<i>13.1%</i>	



Returns and Other Metrics

in USD \$Millions

Q1 2017 YTD

Q1 2016 YTD

Net Debt	\$50.2	\$70.0
Net Debt/Total Capital	31.2%	40.5%
Net Debt/TTM EBITDA ¹	1.8	2.2
Free Cash Flow	(\$3.7)	(\$3.6)
Return on Equity	11.6%	14.8%
Return on Invested Capital ¹	9.1%	9.5%
Return on Capital Employed	9.1%	13.9%

¹ *Net Operating Profit after Tax / Total Capital*



Well Managed

Management is highly capable
and has much skin in the game.

Incentivized:

*Insiders own 26% and are intently focused
on growing shareholder value.*

**PLUS: Bench strength is growing as we
grow.**



Integrated Performers

**We acquire intelligently,
outperforming expectation.**

AirBoss Flexible Products
Above expectations. Growing.

Immediate Response Technologies (“IRT”)
*Newest Acquisition. Highly complementary
to existing defense business.*



Well Positioned

Rubber Solutions

Market leader

Strong technical staff

Efficient operations

**Industry Consolidation - fewer competitors,
healthier industry**

Internal demand growing

Available capacity without added capex

Significant barriers to entry



Engineered Products - Defense

R&D in the downturn

New world-class CBRN products for the upturn

Diversifying — First Response and
internationally

Acquisition of IRT provides expanded product
offering and customer base



Engineered Products - Automotive

Located in Auburn Hills — next door to the
giants

Big Three plus foreign with more to come

A great reputation for responsive
engineering

Favourable macro trends (i.e. “light-
weighting” vehicles for fuel efficiency)



Next

**Execute on our three-year plan
to accelerate profitable growth.**

More finished goods

Increase capacity utilization

More sophisticated compounding

Continued integration, leveraging synergies

Continued margin improvement where possible

Expanded sales presence

Global plays



Appendix



Appendix | Management Team

Gren Schoch, Chairman and CEO

Lisa Swartzman, President

Darren Wasylucha, Senior Executive Vice President, Corporate

Daniel Gagnon, Chief Financial Officer

Robert Dodd, President – AirBoss Rubber Compounding

Bradley Berghouse, President – AirBoss Flexible Products

Thomas H. Ripley, President – AirBoss Defense



Appendix | Share Information (in CAD)

At May 1, 2017

Ticker	BOS
Close Price	\$12.39
52 Week High	\$17.26
52 Week Low	\$9.62
Annual Dividend	\$0.28
Basic Shares Outstanding ¹	23,074,183
Fully Diluted Shares Outstanding ¹	23,484,669
Average Daily Volume	31,437

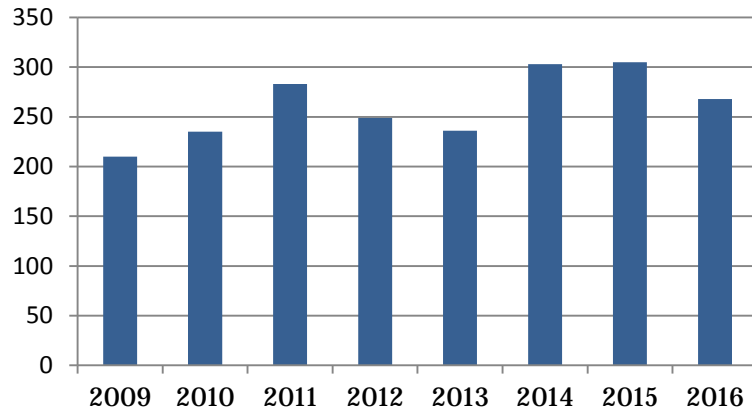
¹Weighted averages for the first quarter-ended 2017



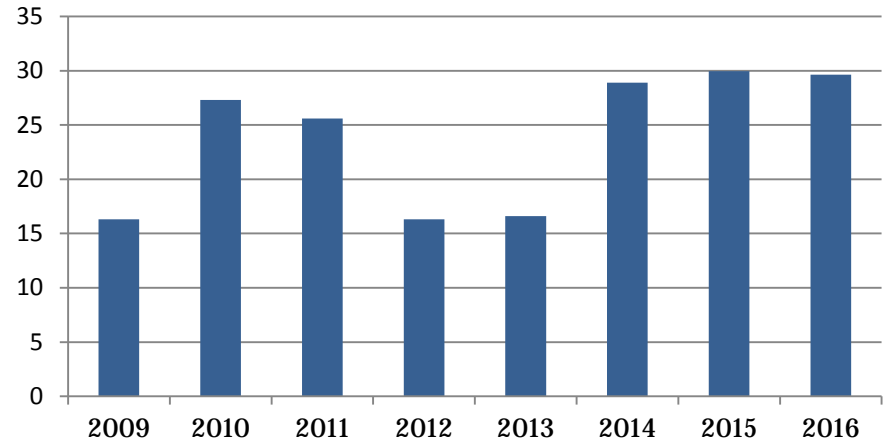
Appendix | Historical Revenue & EBITDA

(All amounts are in USD millions)

Revenue



EBITDA





Appendix | Summary P&L Information

In USD \$Millions (except EPS and Dividends)	2010	2011	2012	2013	2014	2015	2016	YTD Q1 2017
3rd Party Sales	235.5	282.5	248.7	236.3	303.2	304.9	267.6	69.9
Gross Profit	35.3	34.9	26.1	28.7	45.2	55.3	46.6	11.1
EBITDA ¹	27.2	25.6	16.3	16.6	28.9	29.9	29.6	7.0
Net Income ¹	14.5	13.0	7.2	6.4	13.7	13.3	13.8	2.9
EPS ¹	0.61	0.55	0.31	0.28	0.60	0.56	0.53	0.12
Dividend (\$CAD)	0.11	0.1425	0.1875	0.20	0.20	0.24	0.255	0.28
<i>Summary Statistics</i>								
<i>Gross Margin</i>	15.0%	12.3%	10.5%	12.1%	14.9%	18.1%	17.4%	15.9%
<i>EBITDA Margin ¹</i>	11.6%	9.1%	6.6%	7.0%	9.5%	9.8%	11.1%	10.0%
<i>Return on Capital Employed ¹</i>	21.1%	20.9%	10.8%	8.6%	14.8%	12.9%	10.5%	9.1%
<i>Return on Equity ¹</i>	17.5%	16.4%	9.1%	7.9%	16.0%	14.0%	13.2%	11.6%

¹ Not adjusted for equity compensation



Thank You