

XTEK buys American armour company

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XTEK has entered into a binding agreement to acquire US market provider of body armour and personal protective equipment, HighCom Armor Solutions.

HighCom is based in Columbus, Ohio, where it designs, develops, tests, manufactures and distributes hard and soft armour products and ballistic and personal protective gear. All HighCom products are certified by the US Department of Justice's National Institute of Justice, which represents the highest compliance standard in the industry.

"This is a great opportunity for an Australian business to further expand and I congratulate XTEK on their announcement," Minister for Defence Industry Melissa Price said.

"As the Prime Minister has said, if you have a go, you'll get a go – and our success in Australia's defence industry is a result of companies like XTEK who are taking every opportunity to have a go."

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The acquisition of HighCom supports XTEK's strategy to commercialise its high-performance ballistic protection products by accelerating XTclave™ based products entry into key target markets in the US.

HighCom's existing personal protective equipment expands XTEK's proprietary product portfolio by growing its high margin ballistic armour product range, which is expected to enhance XTEK's profitability.

Through the acquisition, XTEK will gain access to HighCom's well established US distribution network and existing manufacturing capability necessary to address the US military market. This allows immediate and de-risked market penetration into the US.

"We thank Minister Price for her support of this transformational transaction, which represents a key milestone in XTEK's evolution to becoming a leading ballistic armour player globally," Philippe Odouard, XTEK Managing Director, said.

“XTEK is now in a strong position to accelerate the commercialisation of its proprietary products by combining XTclave technology and existing manufacturing capabilities with an established and growing distribution network in the US, the largest defence market globally.

“We believe the acquisition of HighCom presents significant growth opportunities, with the potential to be the ballistic armour and personal protective equipment supplier of choice and to leverage this success and momentum into other key target markets globally.”

“This transaction is highly strategic and allows the combined entity to grow its customer base, deliver high quality and proprietary products, expand geographic reach and accelerate entrance into new markets,” James Black, Director of HighCom Global Security, said.

“More importantly, the deal structure enables shareholders of both XTEK and HighCom the opportunity to participate in the upside of a leading ballistic armour manufacturer.

“We are confident that the complementary combination will result in significant benefits to all shareholders, with the opportunity for a potential re-rating for the expanded shareholder base from enhanced presence, earnings and capital markets profile.”

<http://www.australiandefence.com.au/news/xtek-buys-american-armour-company>