

INNOVATION WHEREVER YOU ARE

ASX CEO Connect Presentation

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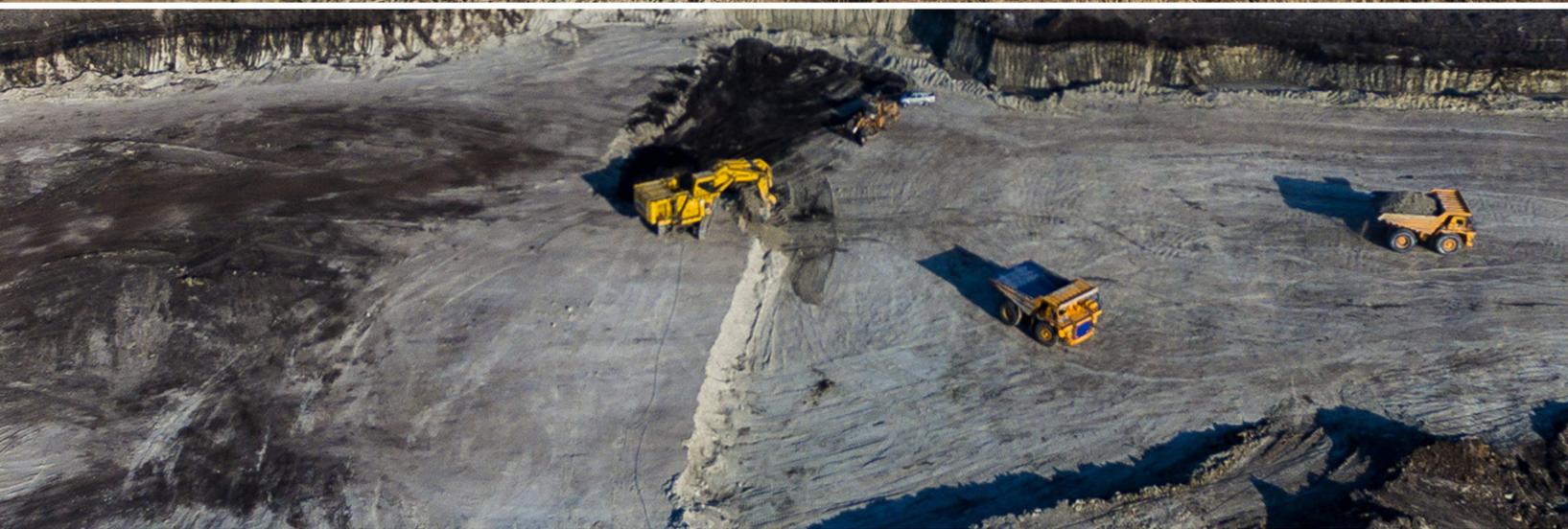
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CODAN



Robust, innovative technology for global markets

- Portfolio of technology solutions:
 - Communications
 - Metal Detection
 - Tracking
- Unique, protected intellectual property
- Superior performance in harsh environments
- Customers in 150 countries

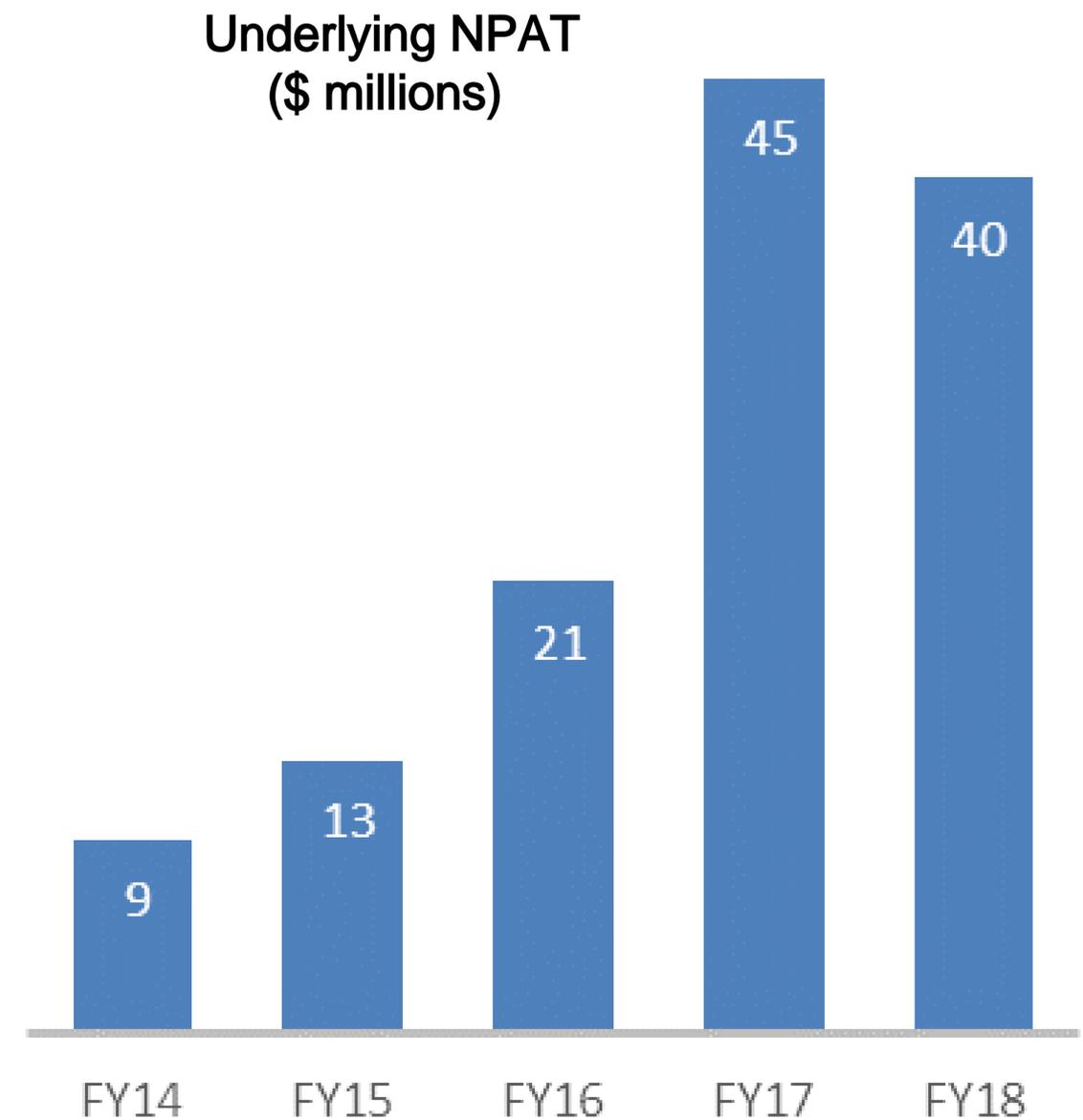
GLOBAL FOOTPRINT

> Adelaide based, exporting around 85% of sales



FINANCIAL SNAPSHOT

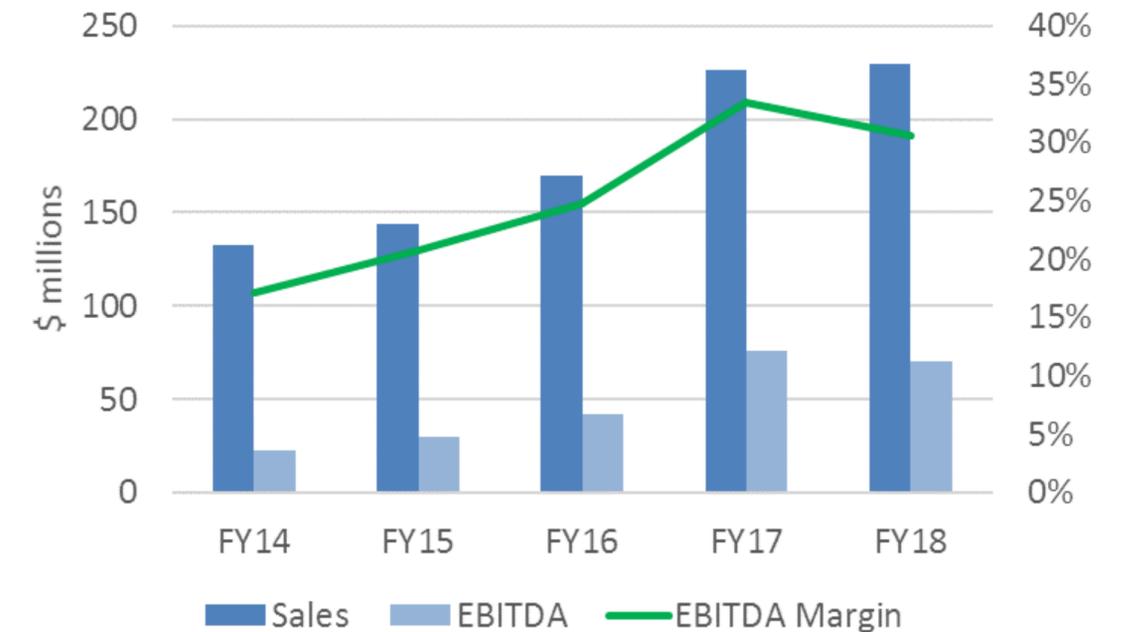
ASX Code	CDA
Shares on issue	178 million
Market capitalisation	\$550 million
FY18 NPAT	\$40 million
Dividend payout ratio	50%
Debt free	
Net cash position at 30 November	\$12 million



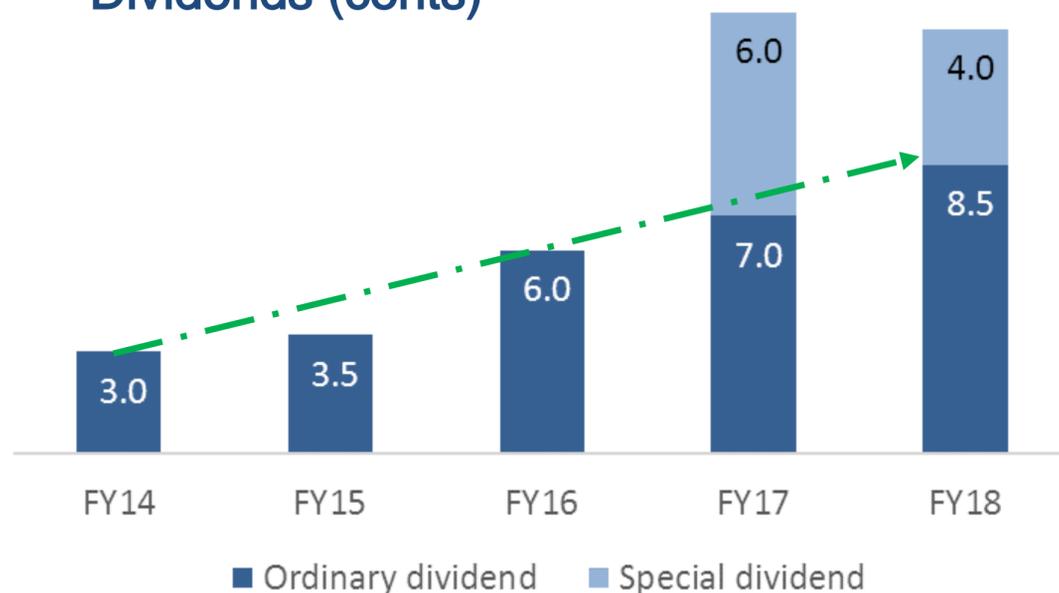
TRACK RECORD OF STRONG GROWTH AND REGULAR DIVIDENDS

- 15% compound annual sales growth
- 33% compound annual EBITDA growth
- 25% average EBITDA margin
- 17% average return on equity
- Increasing ordinary dividends
- Outperformance rewarded with special dividends

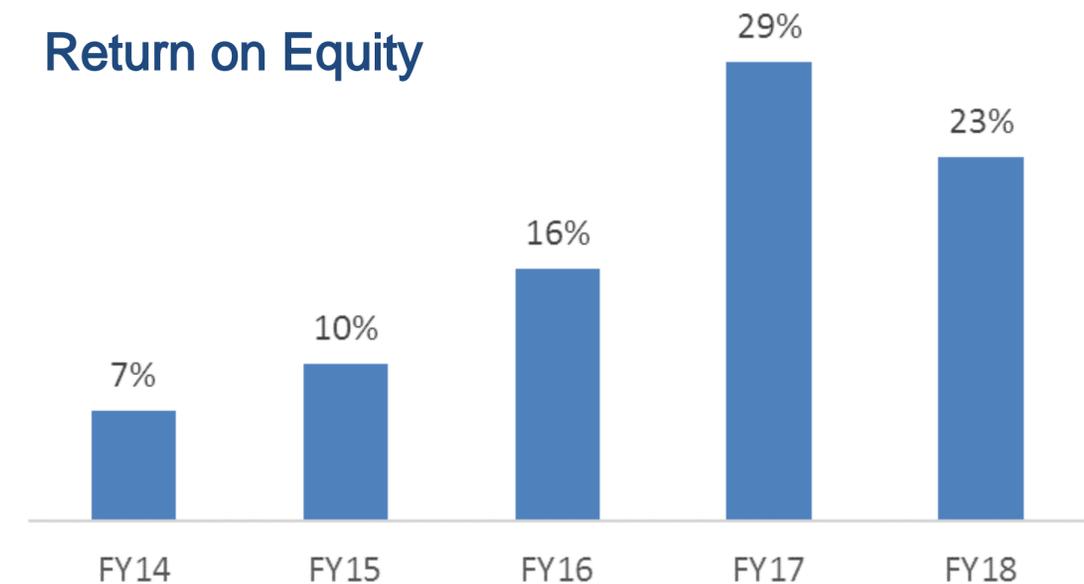
Sales and EBITDA



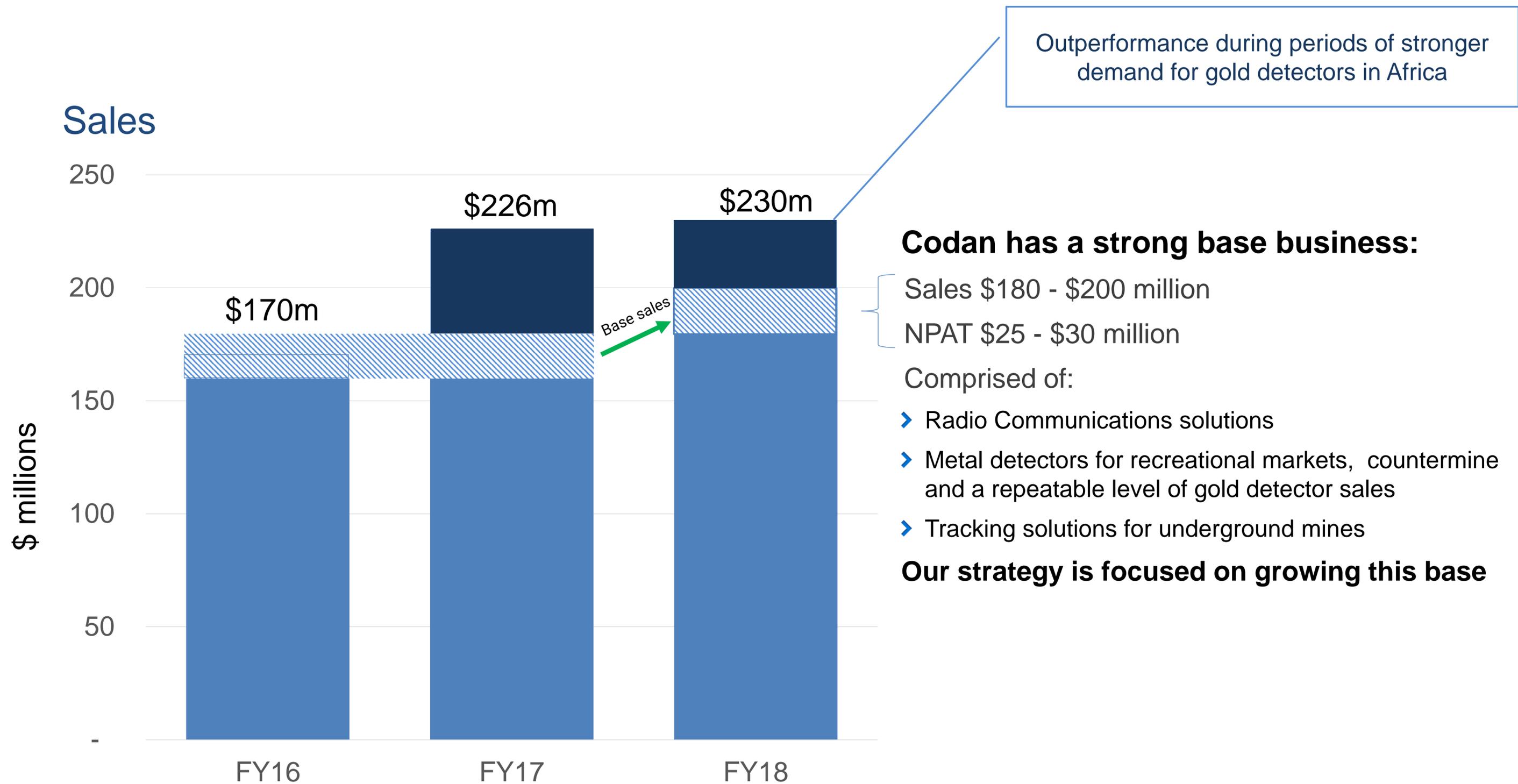
Dividends (cents)



Return on Equity



BASE BUSINESS INCREASED 20% IN FY18



FOUR BUSINESS UNITS



 **CODAN**
RADIO COMMUNICATIONS

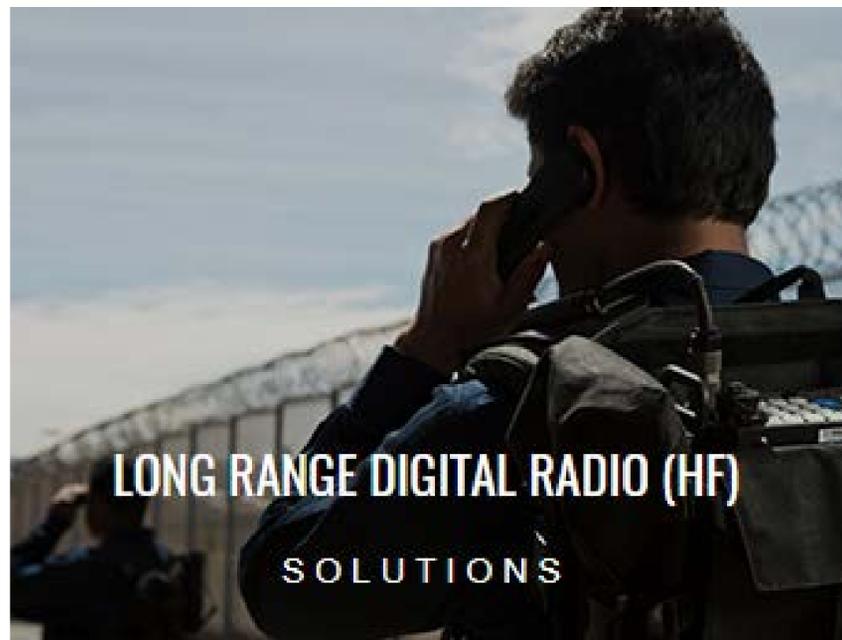

MINELAB

MINETEC

 **CODAN**
DEFENCE ELECTRONICS

RADIO COMMUNICATIONS

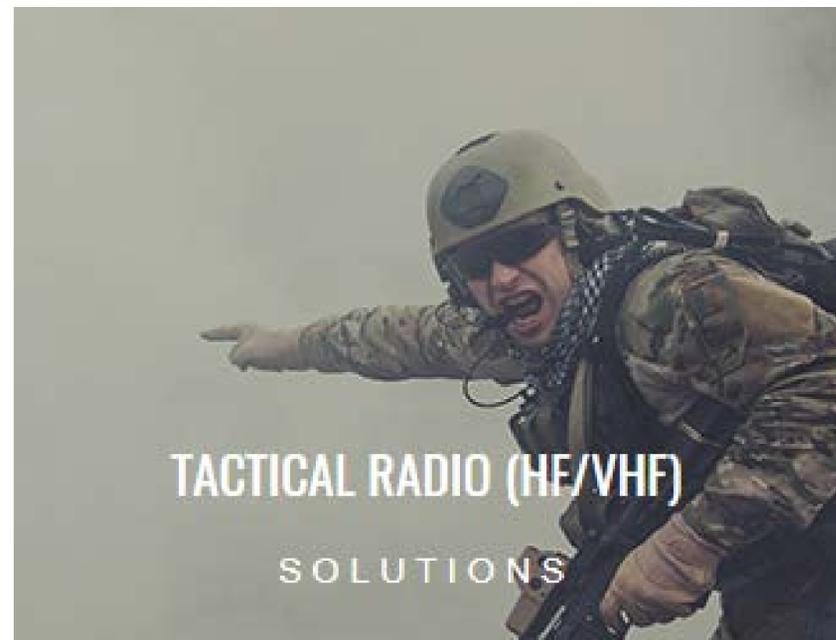
➤ Expanding Tactical and Land Mobile Radio offerings



Infrastructure free, long range radio communications

Key markets – Africa, Asia

Users - Humanitarian, Peacekeeping, Public Safety

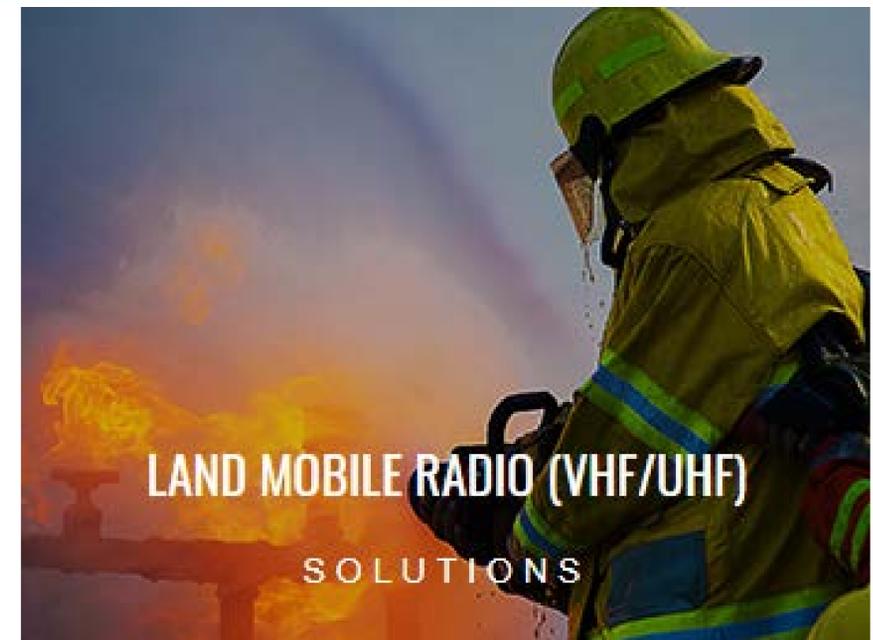


Purpose-built radios for maximum reliability and ruggedness

Key markets – Africa, Middle East, Eastern Europe, Latin America, Asia

Users - Military

New military manpack radio in FY20



Robust, dependable wireless systems

Key markets – North America, Australia

Users - Police, Fire, Emergency Services

New Cascade solution under development

METAL DETECTION



> Developing new products, entering new markets



Coin & Treasure, Gold Detectors

Key markets - Australia, USA, Europe, Russia

Users:

- > Weekend enthusiasts
- > Serious treasure hunters
- > Gold prospectors
- > Archaeologists

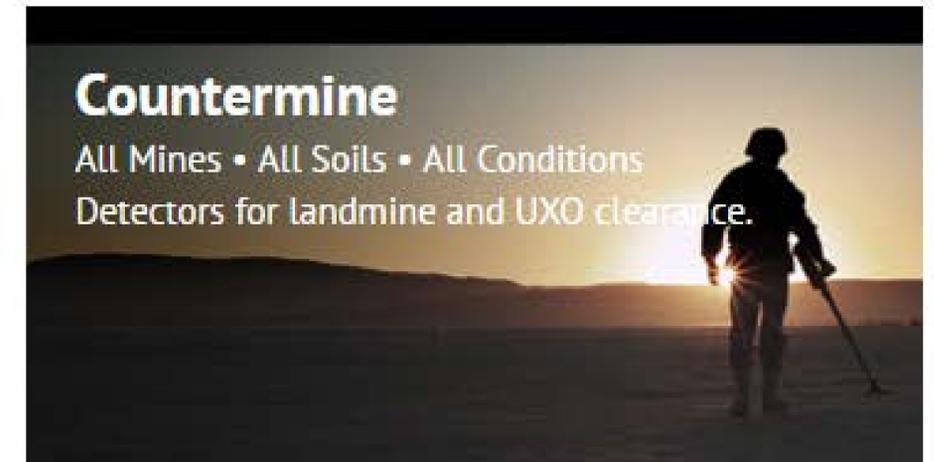


Hand-held Gold Detectors

Key markets – Africa, AsiaPac, Latin America

Users:

- > Small scale artisanal miners
- > Gold prospectors



Land Mine Detectors

Key market – countries impacted by war – past and present

Users:

- > Demining organisations
- > Governments
- > Security forces
- > Armed forces

Major technology upgrade
(Equinox)

Investment in new markets
(Brazil)

EQUINOX®

➤ Major technology upgrade in recreational market

➤ **NEW technology**

- Simultaneous multi-frequency
- Adaptable for all target types and ground conditions
- Obsoletes all single frequency VLF detectors

➤ **Mid-range recreational detector**

- Waterproof
- Wireless audio
- Lightweight
- Easy set-up
- RRP \$649 - \$899 USD
- Successful release, gaining market share

EQUINOX Series



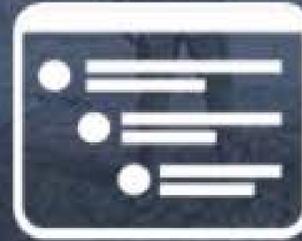
TRACKING SOLUTIONS

MINETEC

- Commercialising a unique solution for underground mines



TRACKING VISUALIZATION



TASK MANAGEMENT



PROXIMITY DETECTION

- TRACKING + DATA COMMUNICATIONS + SOFTWARE
- One system for real time tracking and communications in underground hard rock mines

Exclusive partnership with Caterpillar



CAT MINESTAR™

MINETEC

> Working in partnership with Caterpillar

Integrated solution to improve mine productivity



COMMAND



FLEET



HEALTH

Existing CAT Solution



Existing Minetec Solution

Combined offering:



for Underground

DEFENCE ELECTRONICS

> Leveraging Codan's RF defence capability

The opportunity: \$200 billion of Australian defence equipment procurement over the next ten years

- > Qualified Australian partner for Defence Primes
- > Approved supplier to Rheinmetall for LAND400 Combat Reconnaissance Vehicles construction starting 2018/19
- > Approved supplier to BAE Systems for SEA5000 program (9 Hunter-class frigates) construction in Adelaide starting 2020

Prime Contractors:



Technologies



LAND 400 Boxer Combat Reconnaissance Vehicle



SEA 5000 future frigate

POSITIVE OUTLOOK FY19

- Strong start to FY19
 - Radio Communications sales for the first half will exceed prior first half
 - Metal detection sales strong
- Expect NPAT in the range of \$20 to \$22 million in the first half
- Potential to again exceed base business sales and profit in FY19





Thank you