

FY19 RESULTS AND STRATEGY PRESENTATION

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Robust, innovative technology for global markets

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



FY19 SUMMARY

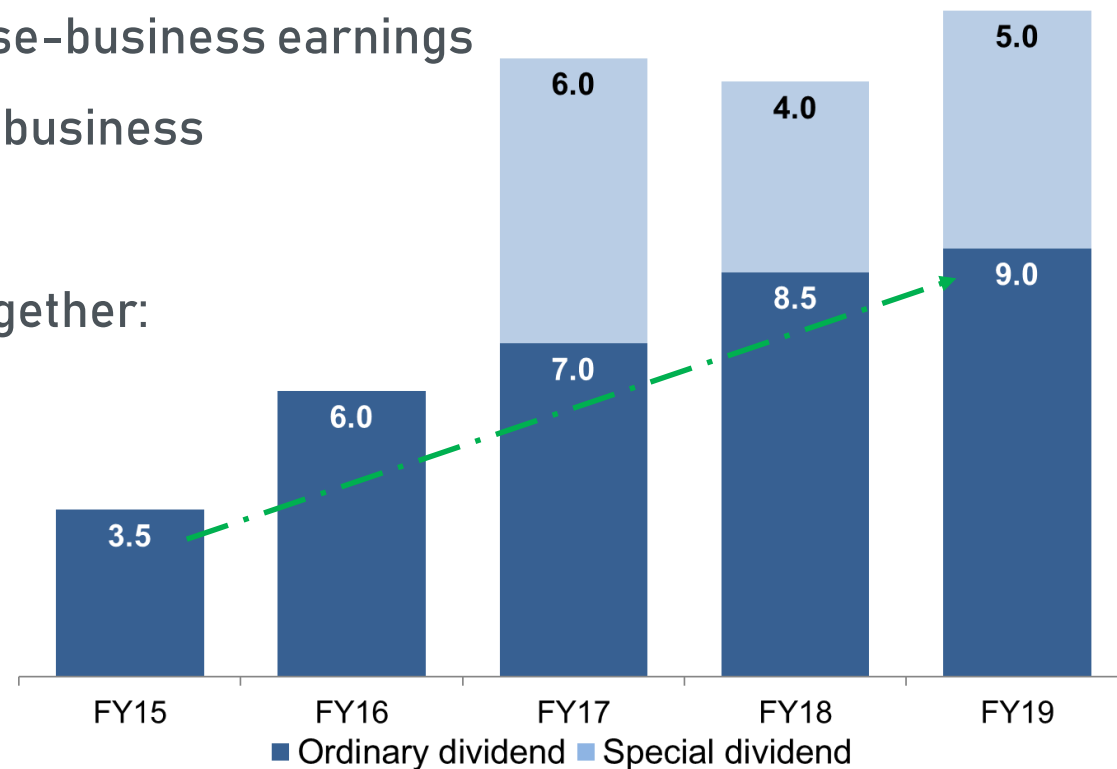
- Record sales year with another special dividend
- Returned \$27 million to shareholders through ordinary and special dividends, 50% payout ratio
- Strong balance sheet - \$38 million net cash
- \$29 million invested in engineering (11% of sales)



GROWING DIVIDENDS

Ordinary dividend up 6% + Special Dividend

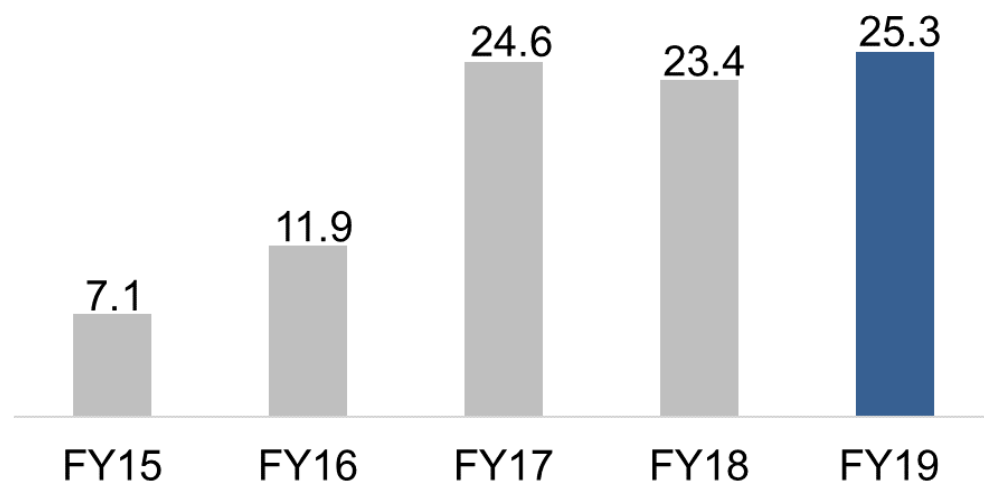
- 5.0 cent final ordinary dividend (4 cent interim)
- 2.5 cent final special dividend (2.5 cent interim)
- Increasing ordinary dividends reflect growth in base-business earnings
- Special dividends reflect performance above base business
- Maintaining a 55% dividend payout ratio
- Final ordinary and special dividends will be paid together:
 - Record date 30 August 2019
 - Payment date 13 September 2019



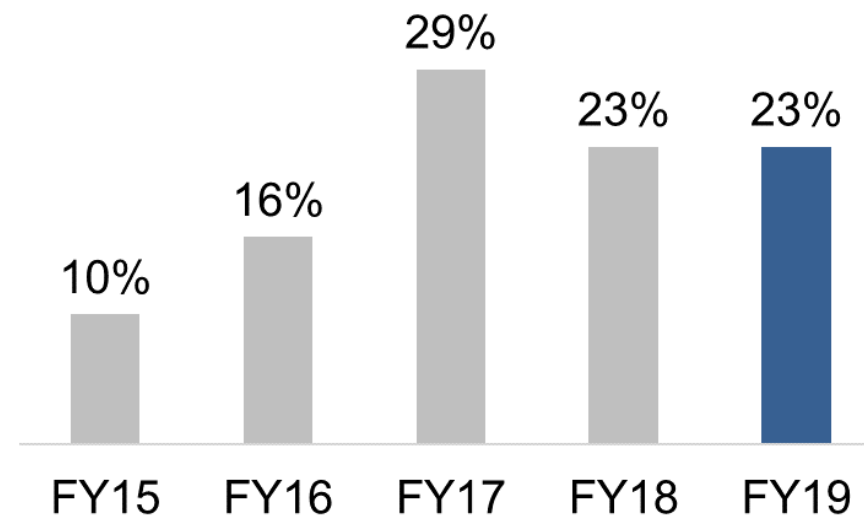
STRONG SHAREHOLDER RETURNS

- 250% increase in underlying EPS since FY15
- 23% return on equity
- Total shareholder return 236% over 3 years*

Earnings per Share (cents)

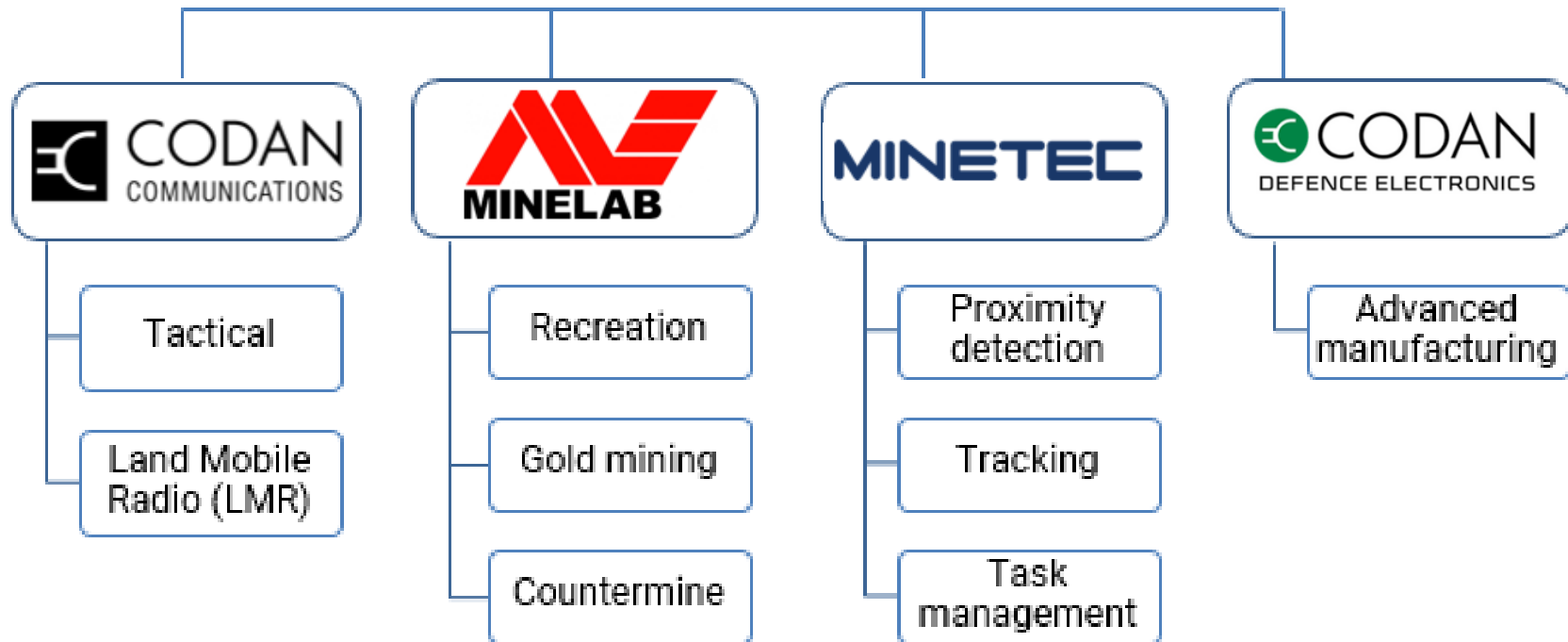


Return on Equity



BUSINESS UNITS

A portfolio of innovative technologies for global markets



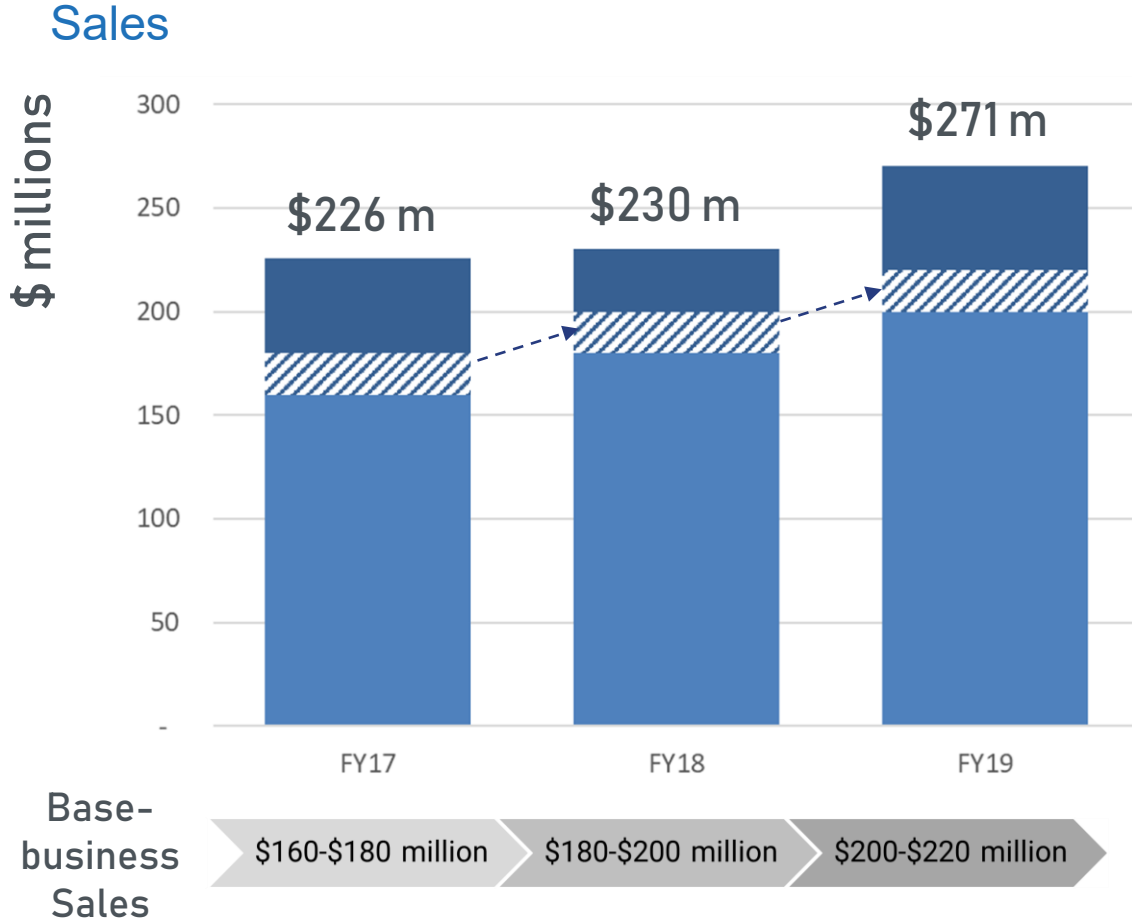
FY19 GLOBAL FOOTPRINT

Customers in 150 countries, exporting around 85% of sales



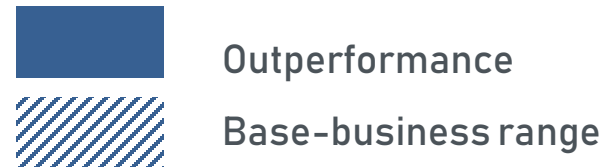
GROWTH IN BASE BUSINESS

Sales \$200- \$220 million / NPAT \$28-33 million



Base-business sales up 24% since FY17

- **Outperformance** driven by:
 - Strong demand for gold detectors in Africa
 - Large communications project wins



STRATEGY

Diversify revenues, grow the base business

Delivered in FY19



- Grew recreational detector business – EQUINOX® success
- Developed new VANQUISH™ coin & treasure detector
- Further diversified gold detector sales in Africa – Gold Monster®, SDC 2300®
- Opened Brazil office to expand Latin America
- Delivered first shipment of MDS-10® dual-sensor mine clearance detector



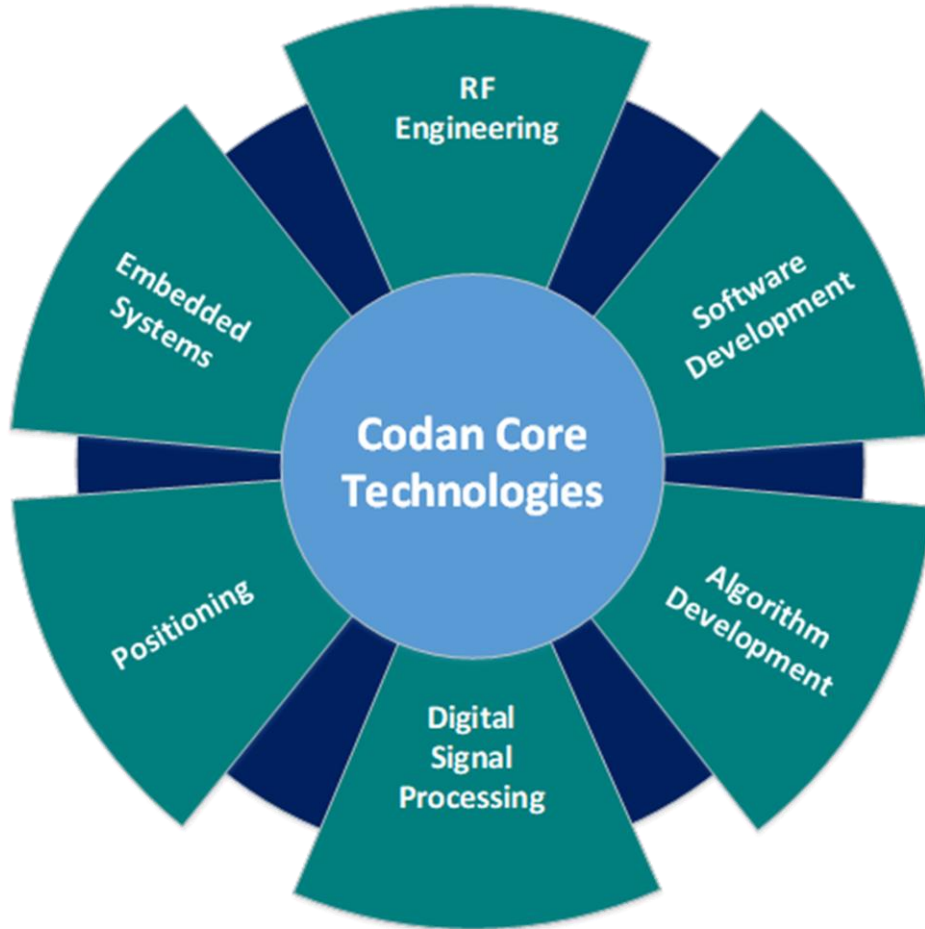
- Strengthened offering to tactical military market – Sentry® Military Manpack
- Established strategic partnerships – Tactical VHF
- Transitioned to a full solutions provider



- Integrated Minetec technology into Caterpillar Minestar® solution
- Installed Fleet Management System in BHP's Olympic Dam mine

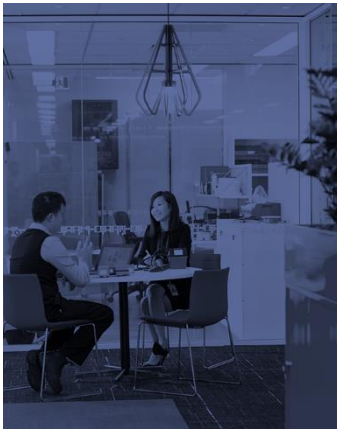
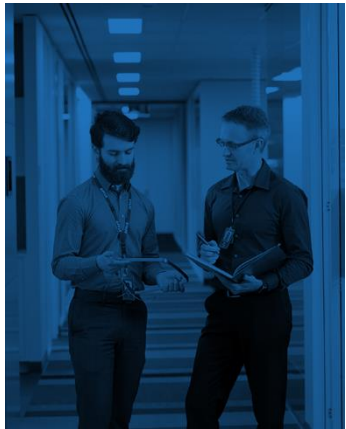
LEVERAGE CORE TECHNOLOGIES

Rugged Products, Solutions & Systems



- History of IP creation, innovation and exploitation
- Established CTO role and Technology Council
- Align opportunities to grow the business both internally and externally

BUSINESS UNITS





RECREATION

Coin & Treasure, Gold Detectors

Key markets — Australia, USA, Europe, Russia

Users:

- Treasure hunters
- Adventurers
- Gold prospectors
- Archaeologists
- Beach & deep-sea detectors



GOLD MINING

Handheld Gold Detectors

Key markets — Africa, Asia Pacific, Latin America

Users:

- Small-scale artisanal miners
- Gold prospectors



COUNTERMINE

Landmine Detectors

Market — countries impacted by war — past and present

Users:

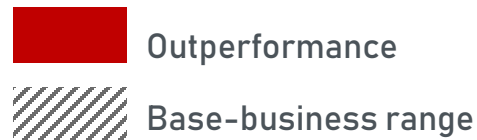
- Demining organisations
- Governments
- Defence & security forces

FY19

- Highest ever sales at \$182 million
- Increased base business by a further 18%
- A full year of new EQUINOX® sales
- Opened new gold markets in the Middle East
- Strong ongoing demand for gold detectors in Africa

Base-business sales increased to \$120 million to \$130 million, up circa \$20 million:

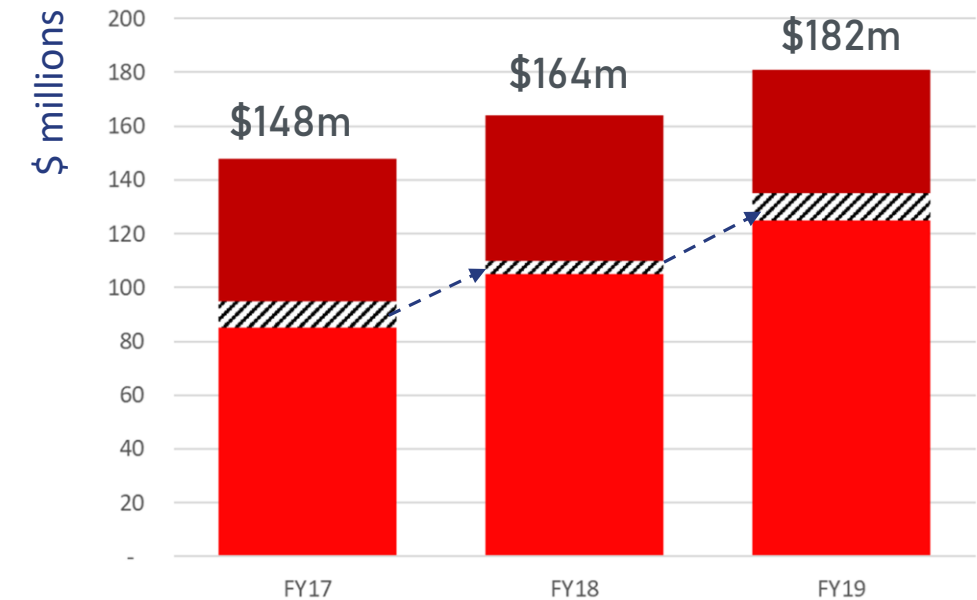
- 40% growth in recreational detector business
- Imminent release of VANQUISH™ coin & treasure detector
- Increasingly diversified gold detector sales



FY20 Goals

- Release new VANQUISH™ coin & treasure detector in Q1
- Capitalise on strong gold detector demand
- Continue geographic and retail expansion
- Further invest in new product platforms

Metal Detection sales



MULTI-IQ® SIMULTANEOUS MULTI FREQUENCY



Product features

- All Soils (including beach) — *measure the ground with multiple frequencies.*
- All Targets, All Orientations, All the Time — *e.g. low frequencies large coins, high frequencies small coins and coins on edge.*
- Reliable Discrimination — *multiple measurements from multiple simultaneous frequencies.*
- True Turn-on-and-go — *no need to think. What frequency? What ground balance? What target types? No need to change settings as conditions change.*

All Targets, All Soils, All the Time.



RECREATIONAL PRODUCTS

Expanding EQUINOX® technology across the range



RECREATIONAL DETECTOR RANGE

- Growing the base business: new product releases have grown the recreational business by 40%
- Next new product...VANQUISH™...coming soon



HOBBYIST

ENTHUSIAST

SPECIALIST

EXPERT

GOLD PRODUCTS

Products to service all types of prospectors



GOLD DETECTOR RANGE



ولدت الذهب ١٠٠٠
GOLD MONSTER 1000

USD RRP ex tax/shipping

\$799



SDC 2300

\$3750



GPX Series

\$2699 - \$3999



GPZ 7000

\$7999

ENTRY

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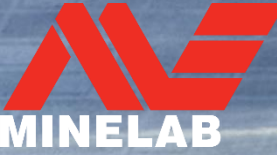
MID RANGE

-

PROFESSIONAL

COUNTERMINE

Simultaneous multi-frequency dual sensor detector



MDS-10



- Metal Detection (Multi-IQ®) tuned to landmines
- Ground Penetrating Radar (GPR)
- Entering production Q2 2019
- Delivering first 52 units to international customers
- Engineering partly funded by Australian government

Multi-IQ



Simultaneous Multi-Frequency Technology



COMMUNICATIONS



Military



NGO's



Domestic Security



Public Safety



**Remote Land
Management**

Tactical Communications Markets

Purpose-built communications solutions for maximum reliability and ruggedness

- Customers: developing world militaries in Africa, Middle East, Asia, Eastern Europe & Latin America

Land Mobile Radio Markets

Robust, dependable wireless systems for voice and low-speed data communications

- Customers: US State and Local governments in lower density areas

COMMUNICATIONS

FY19

- Strong year, sales up 37%
- Completed Sentry® Military Manpack
- Successfully transitioned into tactical military sector
- Progressed development of Cascade™ LMR solution

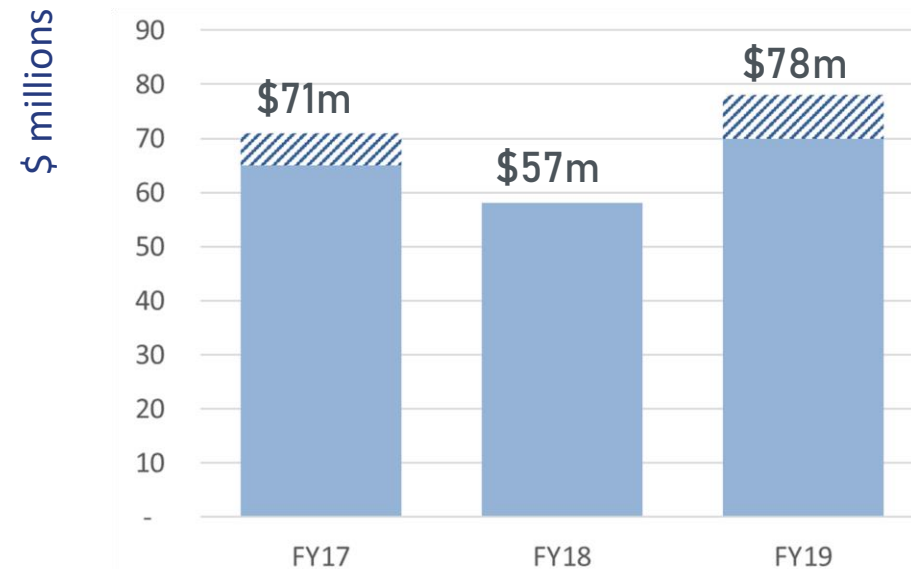
Base-business sales increased to \$70 million to \$80 million, up circa \$5 million:

- Large projects can take us to the top of this range
- Expanding product range to grow base business
- Expect FY20 sales to fall within new base-business range

FY20 Goals

- Continue transition to full communications solutions provider
- Form strategic partnerships to broaden offering
- Complete Cascade™ LMR development programme for full release in FY21
- Deliver \$15 million communications contract to East African government

Communications Sales



TACTICAL COMMUNICATIONS

Tactical Solutions Portfolio

CODAN SENTRY-H



HF MANPACK / VEHICULAR

- Smaller, lighter, digital voice, encryption
- Easy to use and competitively priced
- Integrates with existing platforms

CODAN SENTRY-V



VHF HANDHELD & SOLDIER RADIO

- Operational efficiency & awareness for those in the immediate area
- Secure, encrypted digital voice
- Technology enhanced to decrease the risk of detection & interception

CODAN RIOS



INTEROPERABILITY

- RIOS provides interoperability between any communications device
- Enables users with different vendor devices to seamlessly communicate across any platform

LAND MOBILE RADIO

Cascade – Software defined radio based on P25 Standard

First responder communications solution

Software-defined VHF P25 base station/repeater for networked communications solution

Best value solution for the market:

- Affordability
- Dependability
- Handset independence
- Emergency response reliability
- Excellent customer service, 60+ year history

Full release in FY21





MineStar® for Underground, powered by Minetec

Minetec enablers:

- Real-time sub-metre tracking
 - Precise employee location for better safety
 - Precise equipment location to improve productivity
- High speed data (video back-haul)
- Digitalisation of mining information
- Traffic management to improve vehicle interactions
- Real-time task management for greater productivity

TRACKING SOLUTIONS

MINETEC

FY19

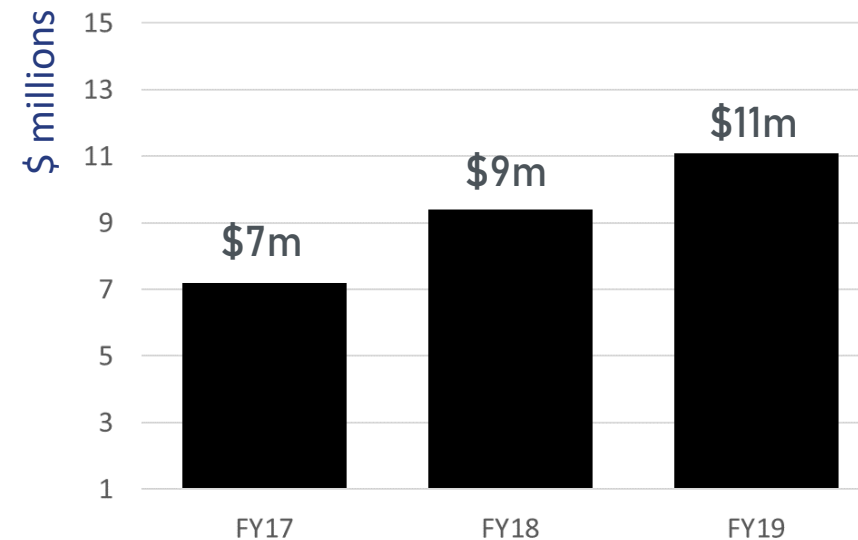
- Integrated Minetec into CAT Minestar[®]
- Completed trial at Newmont's Tanami mine
- Commenced CAT dealer education & training
- Installed Fleet Management System in BHP's Olympic Dam mine
- Sales through CAT dealer network delayed

FY20 Goals

- Maximise BHP Olympic Dam opportunity and other key reference sites
- Leverage CAT dealer network to grow sales
- Complete 2nd stage development of Minestar[®] for Underground targeting Block Cave
- Targeting circa \$15 million revenue



Minetec Sales



FLEET MANAGEMENT SYSTEM

BHP Olympic Dam

MINETEC

- Contract for Fleet Management System awarded in May 2018
 - Installation complete
 - Working through site and user acceptance testing
- Extended in December 2018 to include underground enabling communication infrastructure (Wi-Fi WASP)
- Olympic Dam has approximately 450 kms underground roads
 - Contracted to complete 80 kms

OLYMPIC DAM

- 4th largest copper mine in the world
- Largest single deposit of uranium
- 1000 underground employees



Financial Results

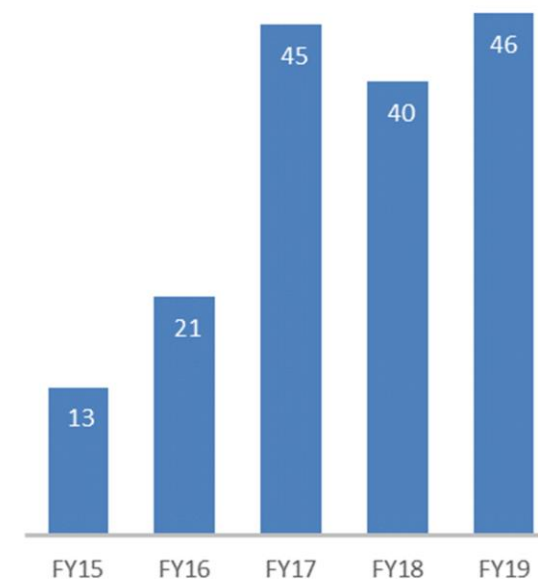


ANOTHER STRONG YEAR

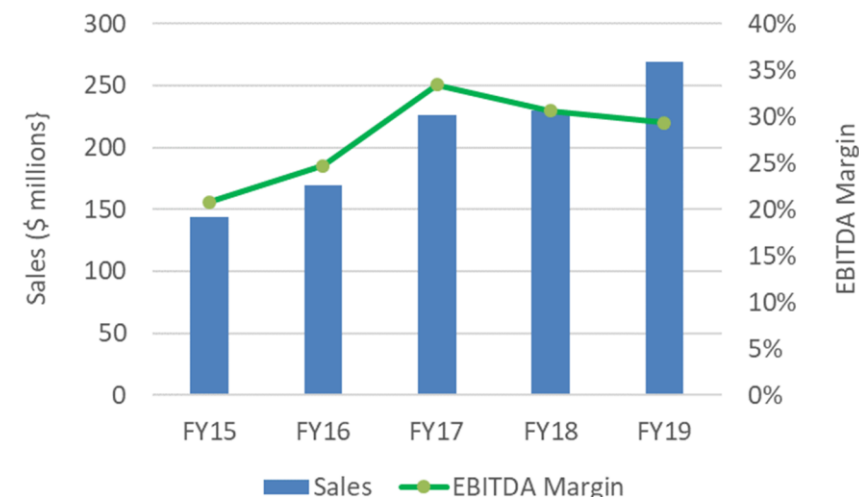
Underlying business performance	FY17	FY18	FY19
	\$m	\$m	\$m
Revenue	\$226.1	\$229.9	\$270.8
<i>Underlying business performance</i>			
EBITDA	\$75.6	\$70.4	\$78.6
EBIT	\$61.5	\$53.7	\$63.4
Net interest	(\$0.8)	(\$0.5)	(\$0.1)
Net profit before tax	\$60.7	\$53.2	\$63.3
Underlying net profit after tax	\$44.7	\$39.8	\$45.7
Statutory net profit after tax	\$43.5	\$41.5	\$45.7
EBITDA margin	33%	31%	29%
NPAT margin	20%	17%	17%

- Record sales and profit
- Sales increased 88% since FY15, 17% CAGR
- Strong EBITDA margin maintained
- Profit margins remained strong despite significantly diversified product mix

Underlying NPAT



Sales & EBITDA margin

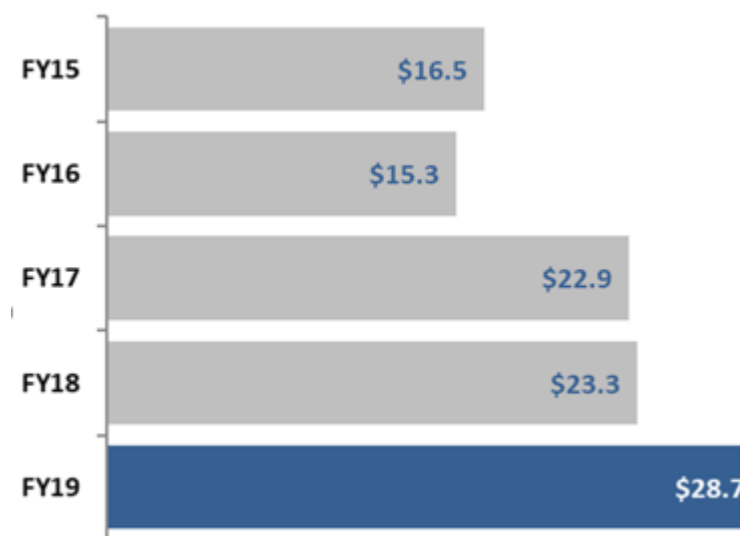


ENGINEERING INVESTMENT

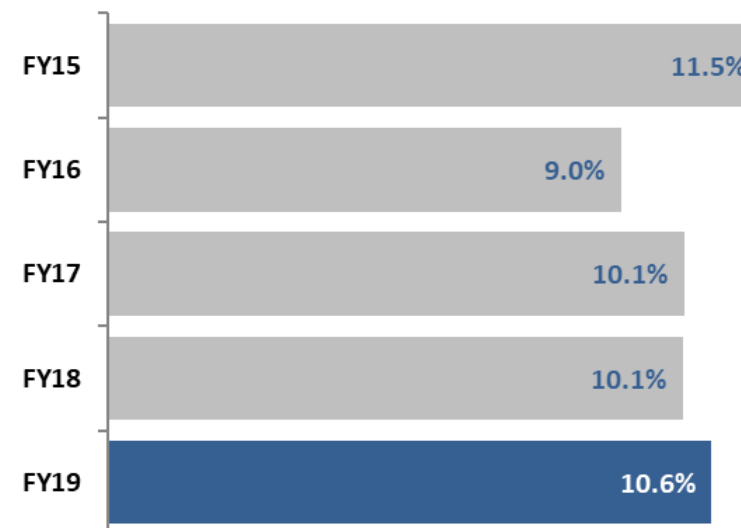
Continuing to invest in ourselves

- Engineering investment will drive future growth
- Fundamental to our strategy of growing the base business
- Increased Minelab development projects from three to five
- Established Technology Council to leverage existing core capabilities
- Significant pipeline of future projects

Engineering spend (\$m)



Engineering spend (% sales)



BALANCE SHEET

	Jun-18	Dec-18	Jun-19
	\$m	\$m	\$m
Receivables	\$29.8	\$21.1	\$19.0
Inventories	\$31.6	\$43.7	\$36.7
Payables	(\$46.3)	(\$36.3)	(\$44.2)
Total working capital	\$15.0	\$28.5	\$11.5
Property, plant & equipment	\$16.2	\$17.3	\$17.9
Product development	\$59.8	\$64.0	\$69.9
Intangible assets	\$86.6	\$86.4	\$87.8
Other assets	\$2.6	\$3.2	\$5.5
Other liabilities	(\$19.9)	(\$16.3)	(\$18.9)
Net assets before cash/debt	\$160.4	\$183.2	\$173.7
Net cash (debt)	\$27.7	\$13.0	\$37.5
Net assets	\$188.1	\$196.1	\$211.2

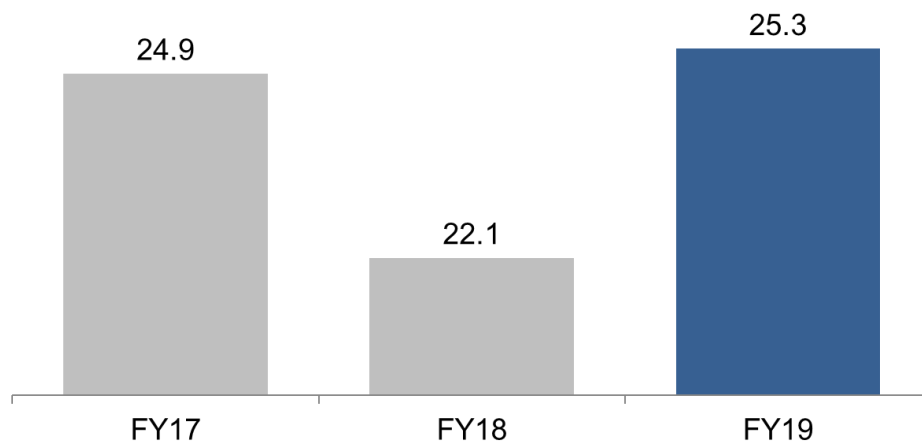
Strong balance sheet

- \$62 million cash generated from operations, strong cash conversion
- Debt-free since 2017, \$37.5 million net cash position
- Payables increased due to increased production requirements to build inventory

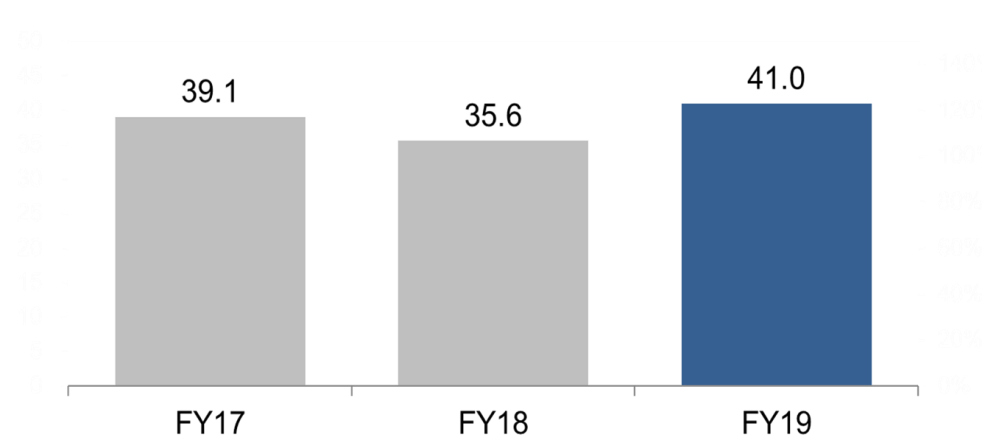
KEY RATIOS

Debt free, strong cash generation

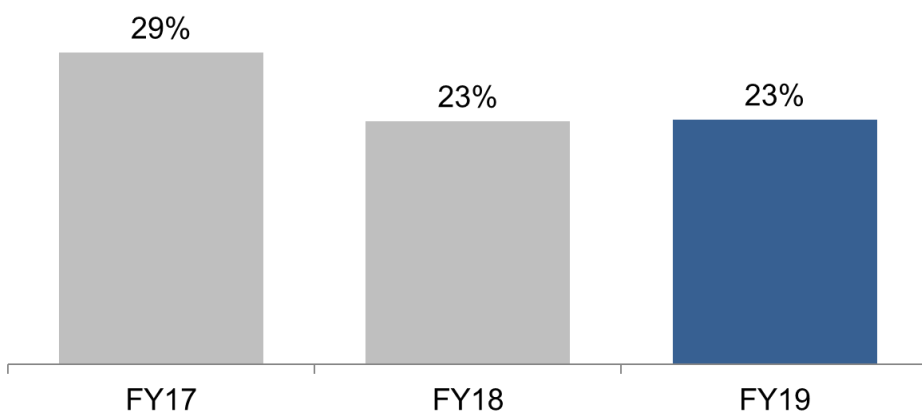
Underlying earnings per share (cents)



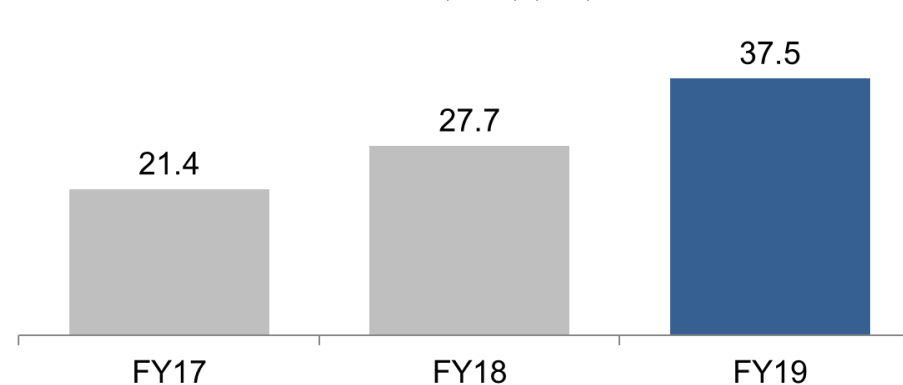
Free cash flow (\$m)²



Return on equity (%)¹



Net cash (debt) (\$m)



STRATEGY

Diversify revenues, grow the base business

FY20 Goals



- Release new Vanquish coin & treasure detector
- Maintain dominant market position through continual product innovation
- Grow addressable markets through geographic and channel expansion



- Increase tactical military market share by delivering more full solutions
- Form strategic partnerships that complement our core product range
- Complete Cascade LMR development for full release in FY21



- Leverage Caterpillar distribution to significantly scale the business
- Complete phase 2 integration with CAT Minestar® for Underground
- Maximise BHP Olympic Dam opportunity and other key reference sites

FY20 OUTLOOK

Base business sales and profitability increased

- Sales range: \$200 million to \$220 million
- NPAT range: \$28 million to \$33 million

Potential to again exceed base business sales and profit in FY20

- Expect a stronger second half in FY20 due to normal seasonality:
 - FY19 first half was particularly strong due to new gold market in Middle East
 - We do not expect to repeat this level of gold detector sales in the first half of FY20
- Expect Communications sales of \$70-\$80 million (within base business range)
- Minetec sales target \$15 million

Too early to give guidance

Business update at AGM on 30th October 2019