

19 August 2021

Company Announcements Office
Australian Securities Exchange
Level 4
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

FY21 full-year investor presentation

Please find attached a copy of Codan Limited's investor presentation dated 19 August 2021 for release to the market.

Yours faithfully



Michael Barton
Company Secretary
On behalf of the Board

This announcement was authorised for release to the market by the Board of Directors.

Codan is a technology company that develops robust technology solutions to solve customers' communications, safety, security and productivity problems in some of the harshest environments around the world.

FOR ADDITIONAL INFORMATION, PLEASE CONTACT:-

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Manager, Investor Relations
Codan Limited
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CODAN



**FY21 FULL YEAR
RESULTS AND UPDATE**

IMPORTANT NOTICE AND DISCLAIMER

Disclaimer

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This presentation contains summary information about the current activities of Codan and its subsidiaries. The information in this presentation does not purport to be complete nor does it purport to contain all the information that a prospective investor may require in evaluating a possible investment in Codan. This presentation should be read in conjunction with Codan's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (**ASX**), which are available at www.asx.com.au.

Statements in this presentation are made only as of the date of this presentation unless otherwise stated and the information in this presentation remains subject to change without notice. Codan is not responsible for providing updated information to any prospective investors.

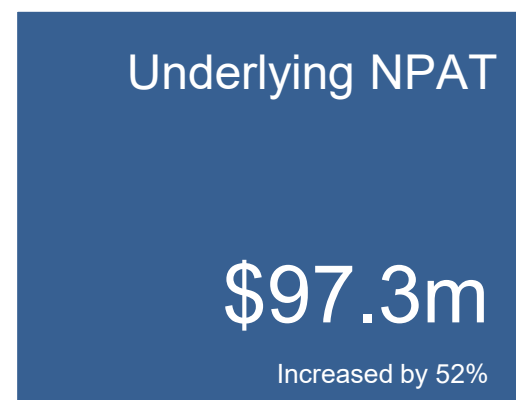
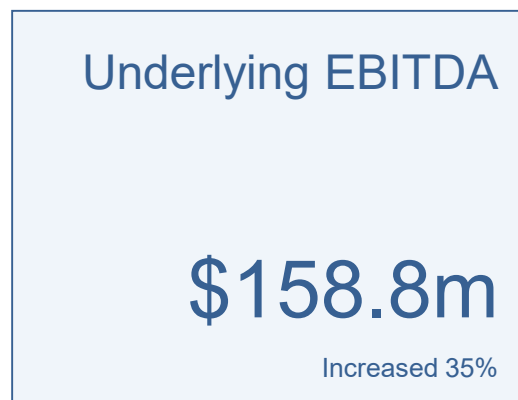
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Should you have any specific queries in respect of this disclaimer please contact Codan directly.

FY21 FULL YEAR SUMMARY

- Highest full-year sales in the company's history
- Record statutory net profit after tax of \$90.2 million, an increase of 41%
- Underlying net profit after tax of \$97.3 million, an increase of 52%
- Underlying Earnings per share of 54.0 cents, up 52%
- Return on equity of 36%
- Excellent cash generation, close to zero net debt after funding circa \$174 million for acquisitions

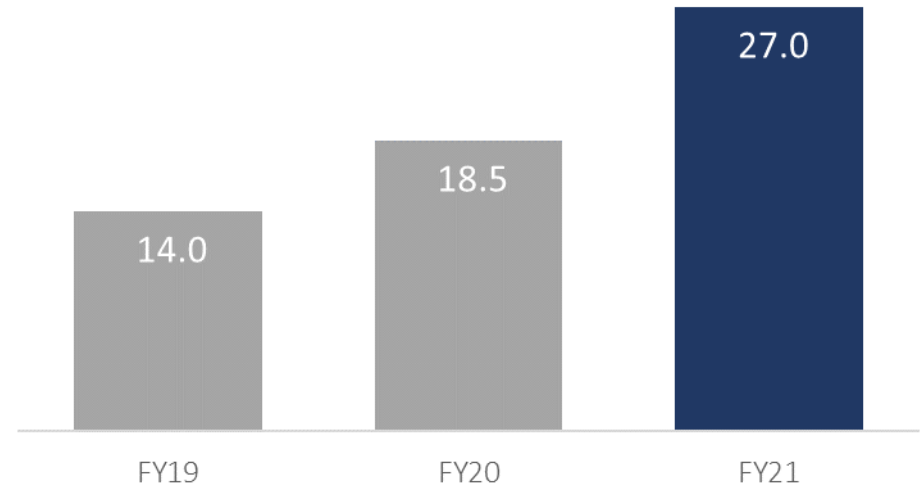


INCREASED DIVIDEND

Final dividend 16.5 cents

- Final dividend 16.5 cents per share
- Full year dividend 27.0 cents (Interim: 10.5 cents)
- Increasing dividends reflect strength of business
- Interim dividend will be paid:
 - Record date 26 August 2021
 - Payment date 10 September 2021

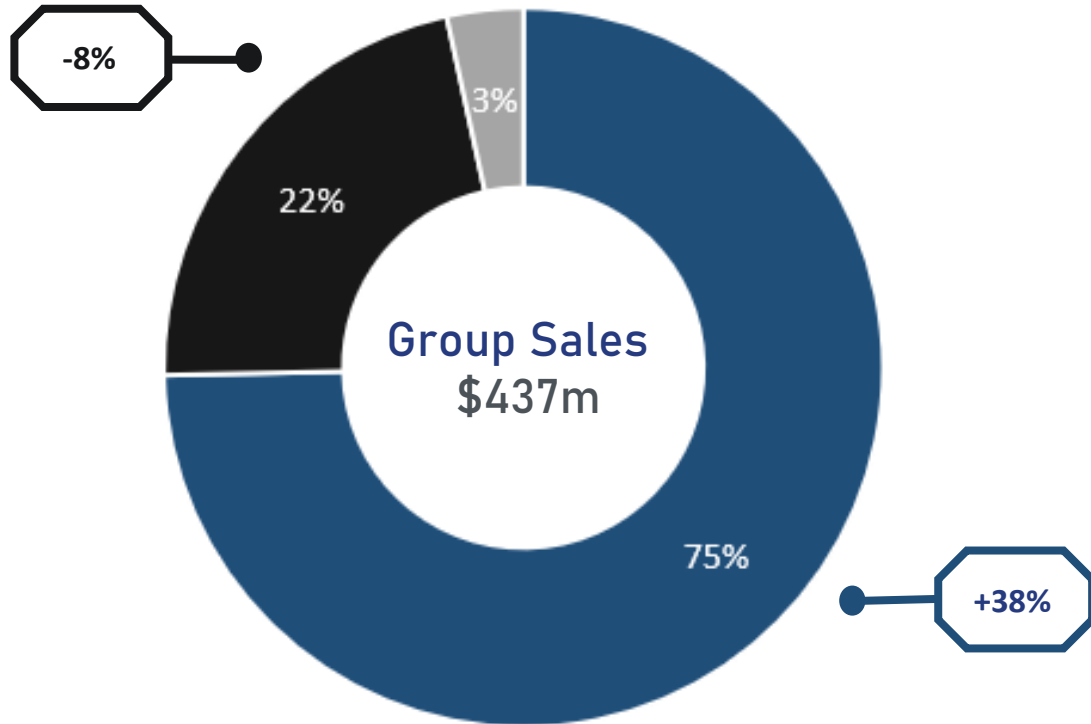
Full Year Dividend (Cents)



“The board expects to continue its policy of paying shareholders in the order of 50% of our full year profits as dividends”

FY21 FULL YEAR GROUP SALES

A strong year for Codan

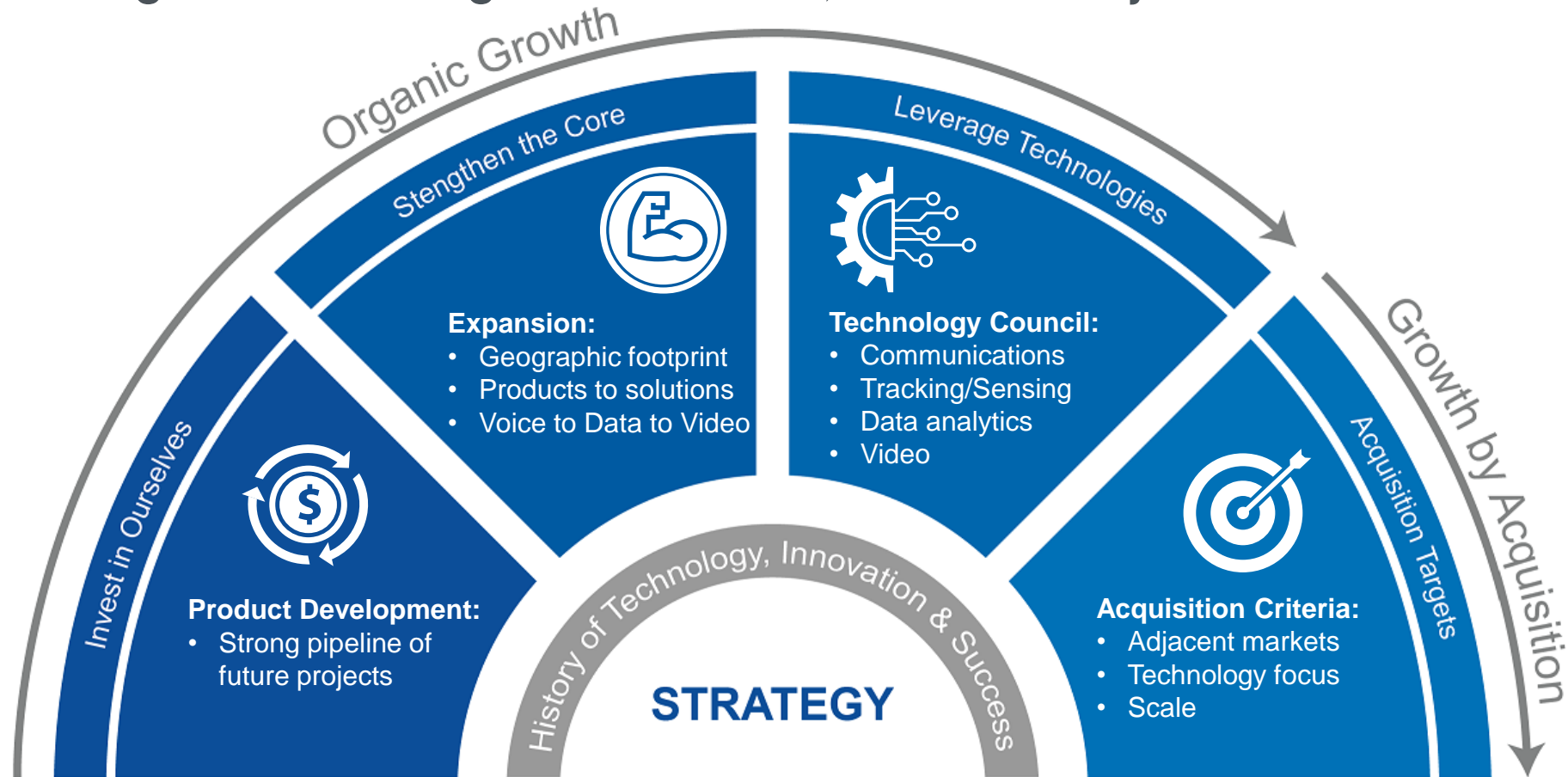


- Metal Detection
- Communications
- Tracking Solutions

- 26% increase in sales over FY20
- Metal Detection sales growth 38%:
 - Growth in Recreational (42%), Gold Mining (37%) and Countermine (34%)
 - Increased distribution into big box retailers
- Communications sales reduced by 8%:
 - As previously reported Tactical Communications business impacted by COVID-19
 - Another record year achieved in LMR
 - DTC and Zetron acquired to strengthen Communications
- Divestment of Tracking Solutions (Minetec)

STRATEGIC GROWTH PLAN

Transforming lives through innovation, wherever you are



FY21 STRATEGIC ACHIEVEMENTS



Invest in Ourselves



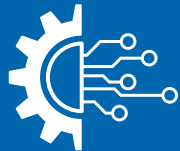
Invested in excess of \$30 million in product development;
~30% of employees are engineers



Strengthen the Core



Added video, command and control technologies;
Established Mexico office



Leverage
Technologies



Continue to explore opportunities to further develop
and deploy Codan's technologies



Acquisition Targets



Acquired DTC and Zetron

CODAN LIMITED OVERVIEW

Innovation wherever you are

 **150+** Sell to over 150 countries around the world

 **700+** employees around the world

10 sites across the globe:



AUSTRALIA



BRAZIL



CANADA



DENMARK



IRELAND



MEXICO



SINGAPORE



UAE



UK



USA

The Codan group consists of the following brands:

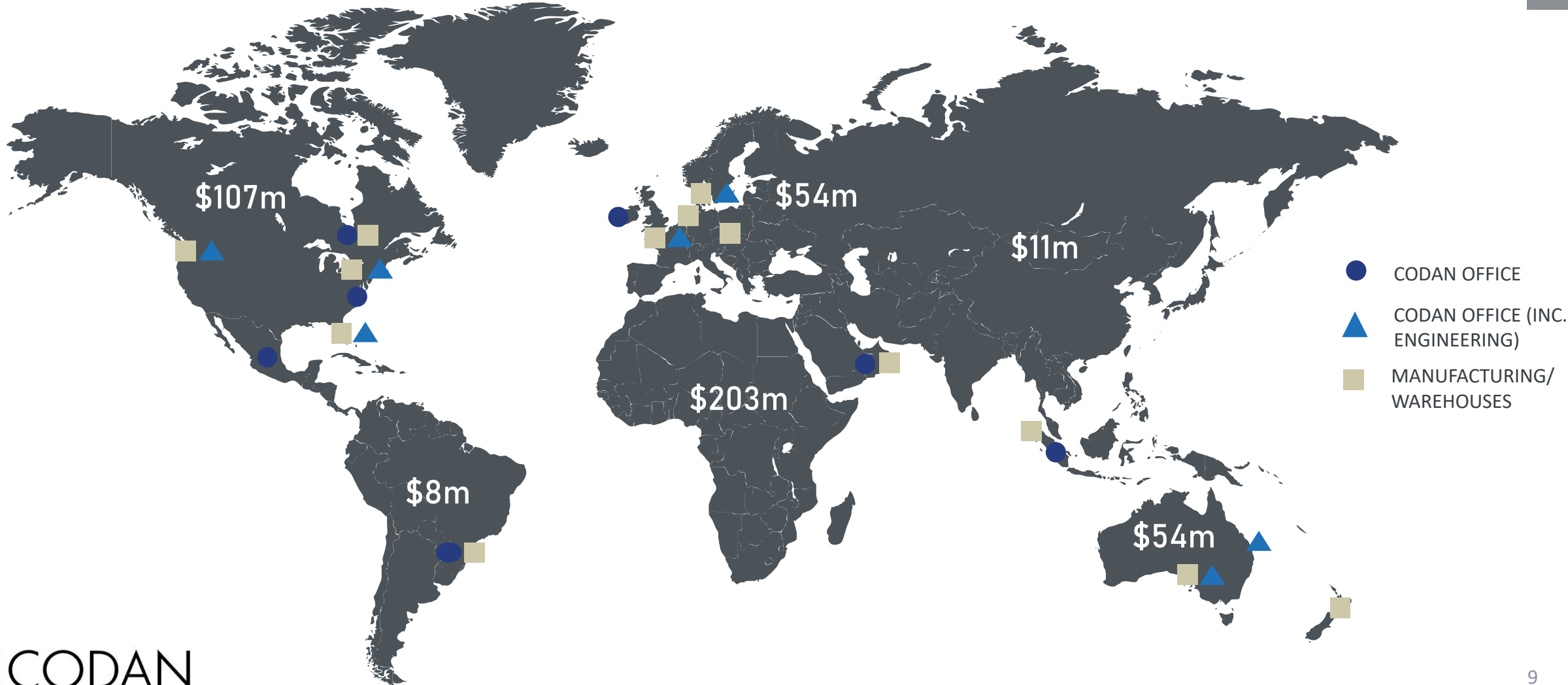


CODAN
COMMUNICATIONS



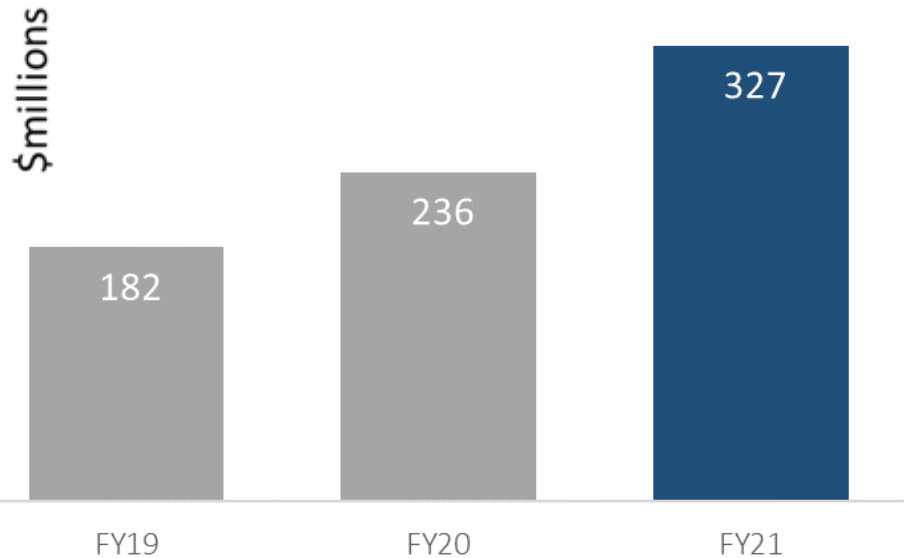
FY21 GLOBAL FOOTPRINT

Customers in 150 countries, exporting around 85% of sales



METAL DETECTION

Metal Detection Sales



Record performance – 38% growth in sales

Strong growth across all markets

Gold Mining:

- Continuing strong demand in artisanal mining, across all price points
- Gold Monster® is now entry level detector of choice for artisanal miners
- GPX6000® production now reaching targeted levels

Recreational:

- VANQUISH® coin & treasure detectors exceeded expectations
- Continue geographic and big box retail expansion

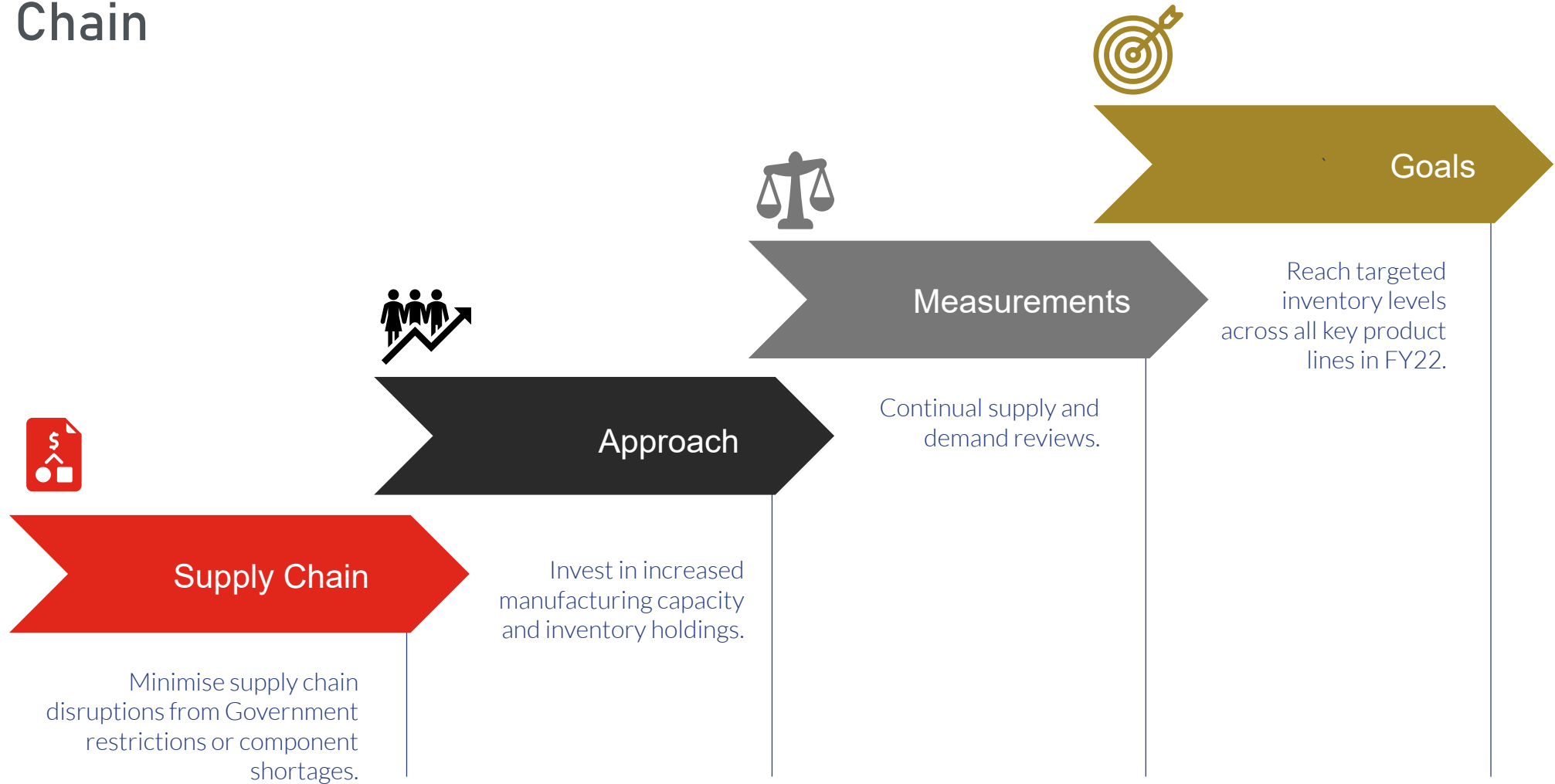
Countermine:

- 34% increase in sales against FY20
- Released new MF5® single sensor Countermine detector



METAL DETECTION

Supply Chain



GPX 6000™



- High performance
- Easy to use
- Lightweight
- Collapsible
- Waterproof
- RRP USD \$5,999

POWERED BY

GEO
SENSE-PI™

COMMUNICATIONS

Strengthened Communications segment by adding DTC and Zetron into our portfolio

Tactical Communications:

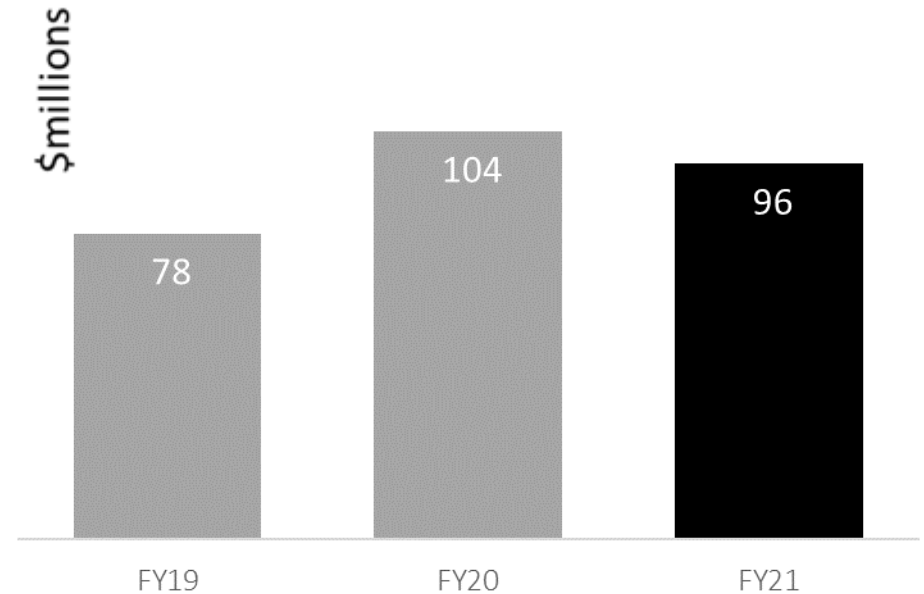
- Business impacted by COVID-19 – Government contract deferrals and travel restrictions
- Delivered our largest ever order of Sentry HF radio units to an African military customer

Land Mobile Radio (LMR):

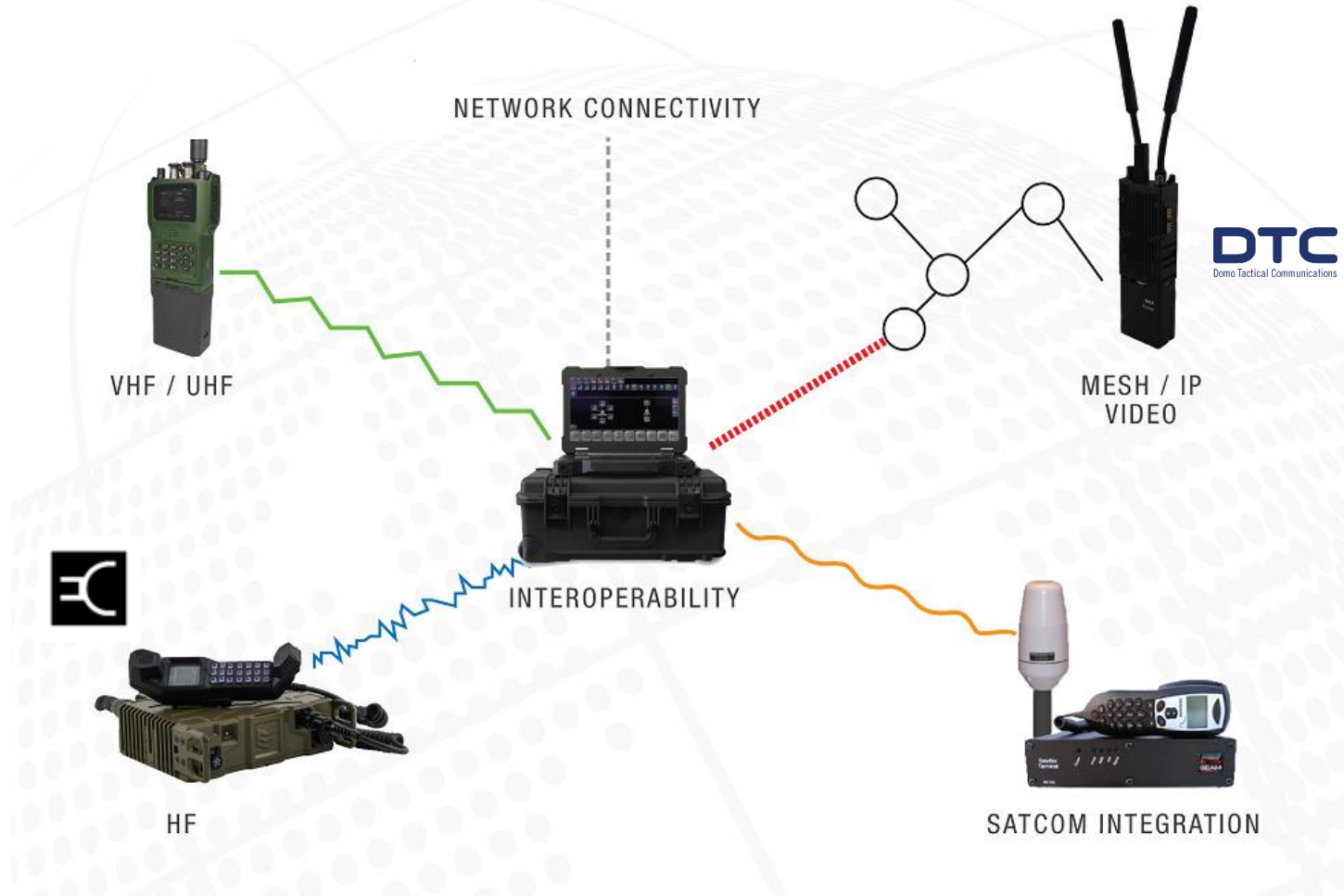
- Another record year delivering multiple systems projects

Integration for both acquisitions proceeding in line with approved plans

Communications Sales



TACTICAL COMMUNICATIONS



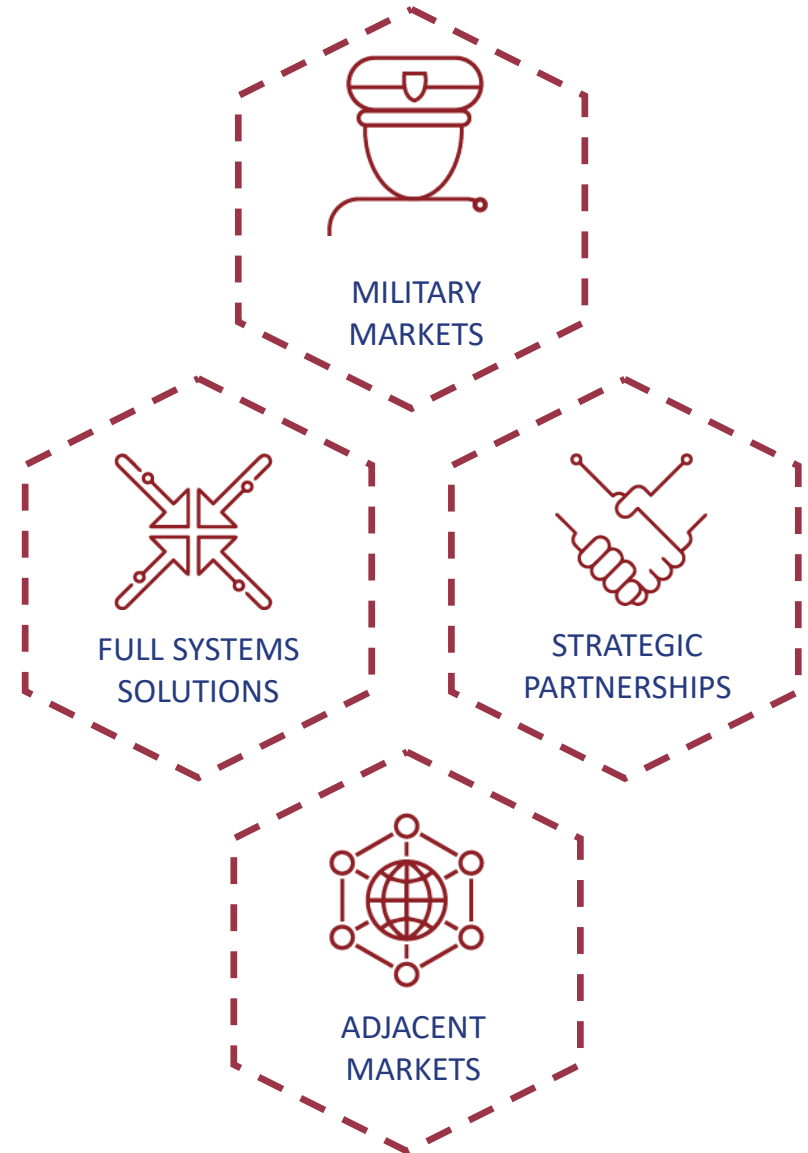
Expanding our voice product offering to video and data driven solutions

DTC & TACTICAL

Integration plan

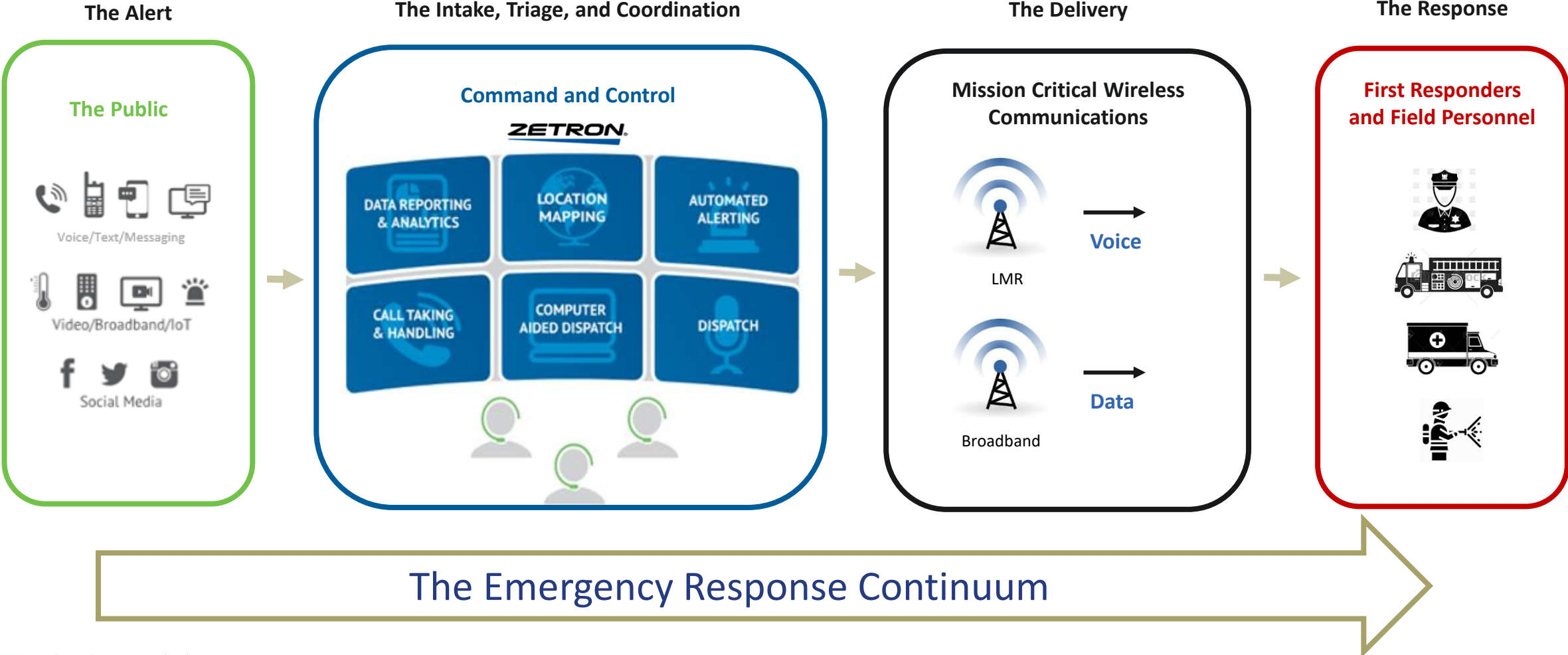


Expecting DTC to deliver FY22 EBITDA \$14 million



PUBLIC SAFETY COMMUNICATIONS

Strategic fit of Zetron with LMR



ZETRON & LMR

Integration plan



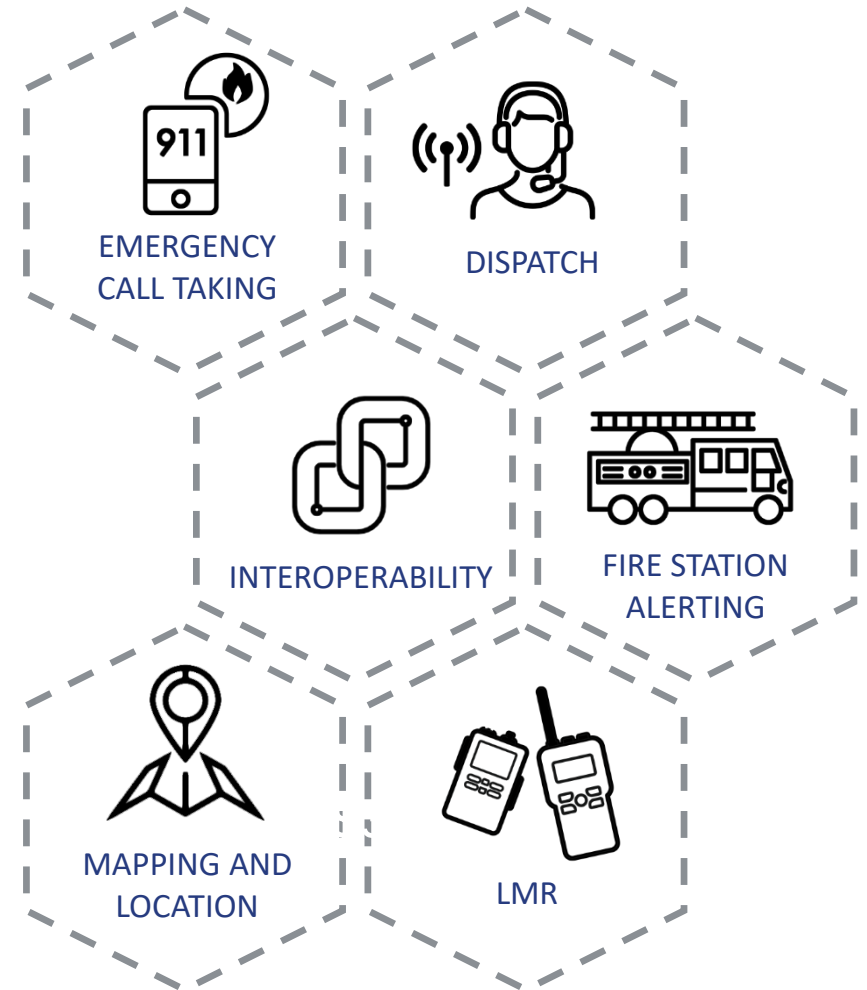
Integrate into one business

Offer full suite of mission critical solutions

Operate under the Zetron brand

Capitalise on Next Generation 911

Expecting Zetron to deliver FY22 EBITDA \$8 million

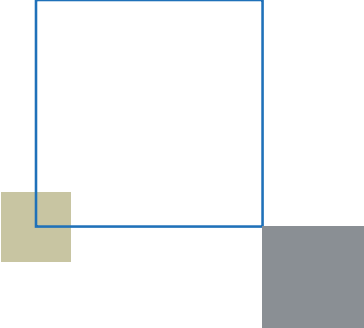




Sale of Minetec to Caterpillar:

- Sale price \$18 million up-front cash
- 5-year earn out and supply agreement
- Settled 1 July 2021

FINANCIAL RESULTS

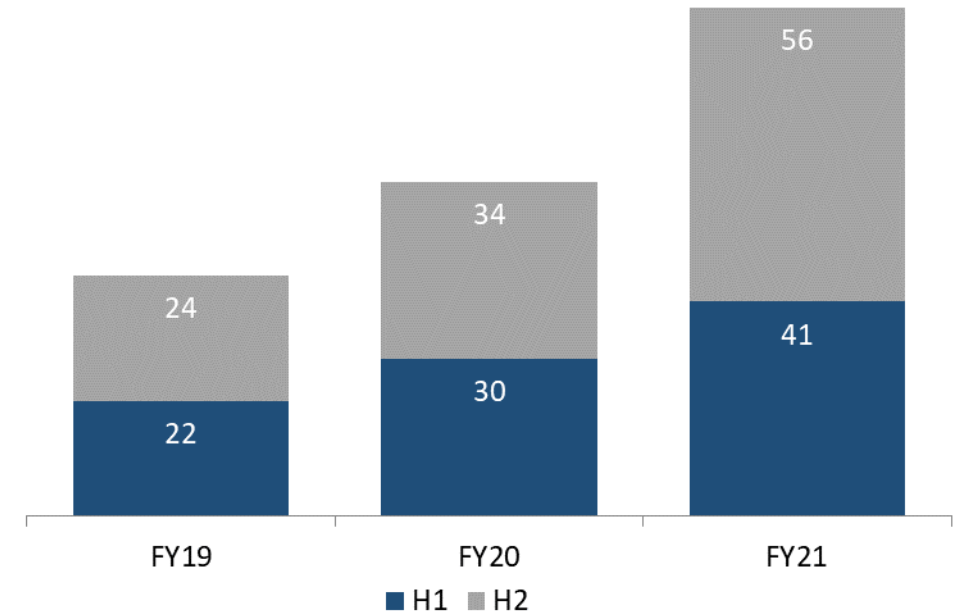


RECORD FY21 PERFORMANCE

Profit & Loss	FY21	FY20	Change
	\$m	\$m	%
Revenue			
<i>Metal Detection</i>	\$326.5	\$236.4	38%
<i>Communications</i>	\$95.5	\$104.0	-8%
<i>Tracking Solutions</i>	\$15.0	\$7.6	97%
Total Revenue	\$437.0	\$348.0	26%
Underlying EBITDA	\$158.8	\$117.8	35%
Underlying EBIT	\$139.8	\$89.6	56%
Net interest	(\$1.1)	(\$0.6)	
Net profit before tax	\$138.7	\$89.0	56%
Underlying net profit after tax	\$97.3	\$64.0	52%
Statutory net profit after tax	\$90.2	\$64.0	41%

- Record sales and profits, despite strong AUD appreciation
- Strong demand for Metal Detectors across all markets
- Sales growth translated to NPAT, economies of scale
- Investment in manufacturing capacity and inventory to minimise supply disruption and reduce freight costs

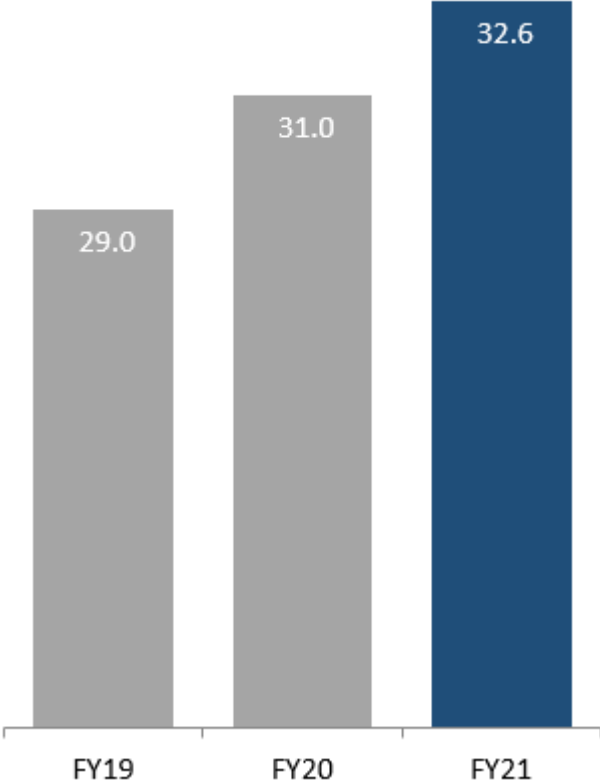
Underlying NPAT (\$m)



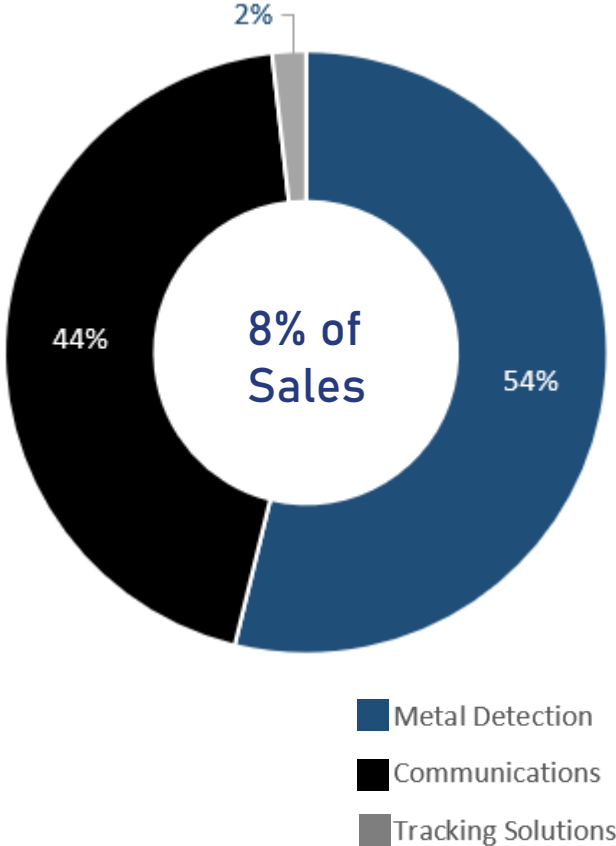
ENGINEERING INVESTMENT

Strong pipeline of projects

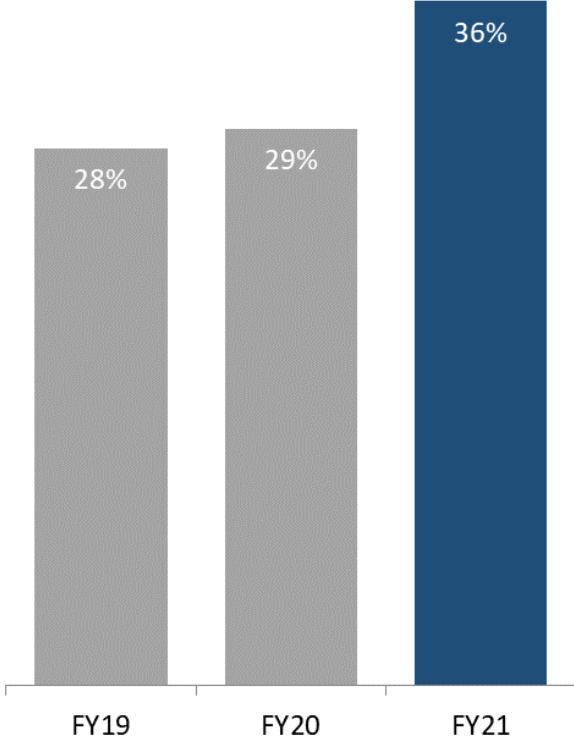
Engineering spend (\$m)



Engineering by Business Unit



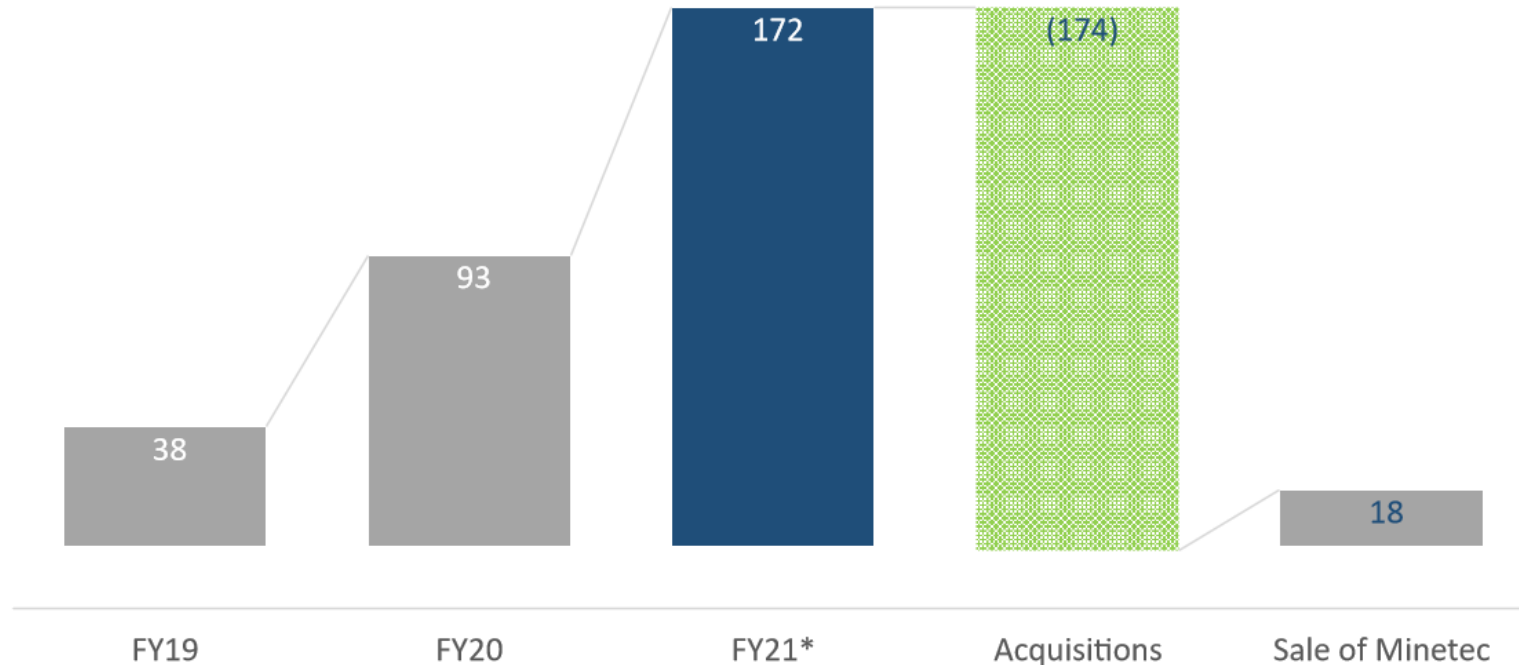
Return on Equity¹



¹Return on equity = rolling 12 month net profit after tax divided by average equity

CASH GENERATION

Net Cash/(Debt) Balance (\$m)



*Cash position at 30 June 2021 before funding DTC and Zetron acquisition

- Excellent cash generation – close to zero net debt at 30 June after funding \$174m for acquisitions
- Proceeds from Minetec were received 1 July 2021
- Expect further inventory investment in FY22

FY22 OUTLOOK

Well positioned for FY22:

- strong start to the year and in line with FY21 run-rate;
- demand for our metal detection products remains strong;
- Minelab will benefit from a full year of GPX6000® sales;
- Communications segment to include a full year of the acquired DTC and Zetron – FY22 will be a year of integration for these two new businesses; and
- uncertainty around Tactical Communications and supply chain due to COVID-19 still exists.

Donald McGurk has advised the Board that it is his intention to retire from his role as Managing Director of Codan sometime within the next 9-12 months. Donald will remain as Managing Director until such time as a successor is appointed to ensure a smooth transition.

We will update shareholders on FY22 trading at the Company's virtual AGM.



Appendix



Products & Markets



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

GOLD PRODUCTS

Products to service all types of prospectors



GOLD DETECTOR RANGE

NEW RELEASE



والتنين الذهب 1000
GOLD MONSTER 1000

USD RRP ex tax/shipping

\$899



SDC 2300

\$3299



GPX Series

\$3999



GPX 6000™

\$5999



GPZ 7000

\$7999

ENTRY

-

MID RANGE

-

PROFESSIONAL

RECREATIONAL PRODUCTS

Expanding MULTI-IQ[®] technology across the range



RECREATIONAL DETECTOR RANGE



All Targets, All Soils, All the Time.



GO*FIND
series



VANQUISH



EQUINOX
Series



EXCALIBUR II



E-TRAC



CTX 3030

USD RRP ex tax/shipping

\$99 - \$249

\$199 - \$499

\$649 - \$899

\$1499

\$1549

\$2499

HOBBYIST

ENTHUSIAST

SPECIALIST

EXPERT

DTC PRODUCTS, SOLUTIONS & MARKETS

Diverse Portfolio to Address various Markets

DTC

VIDEO

Audio & Low Latency Video
Transmission/Receive, Broadcast &
supporting Surveillance



- Law Enforcement
- TV Broadcast
- Live Sports

DTC

MIMO/MESH

Addresses challenges of increased
operations with limited available RF
spectrum



- Tactical Communications
(US Army, International
MoDs and DoDs)
- National Security
- Unmanned Systems

SPECTRONIC

SURVEILLANCE

Audio and video capabilities to
support surveillance operations



- Law Enforcement
- National Security
- Intelligence

**CORP TEN
INTERNATIONAL**

COMMAND AND CONTROL

C2 location & associated Meta-data
collection creating a cohesive
operational view for the user



- Law Enforcement
- Defence