

25 October 2023

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

Dear Sir/Madam

2023 AGM – Investor Presentation

Please find attached a copy of Codan Limited's investor presentation dated 25 October 2023 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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CODAN

2023 AGM

Codan Limited

25th October 2023

Innovation
wherever you are

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LEADERSHIP TEAM



Alf Ianniello

Managing Director
and CEO



Michael Barton

Chief Financial Officer
and Company Secretary



Marjolijn Woods

Chief Human
Resources Officer



Peter Charlesworth

Chief Technology Officer



Ben Harvey

Executive General
Manager, Minelab



Paul Sangster

Executive General Manager,
Tactical Communications



Scott French

Executive General
Manager, Zetron



Daniel Hutchinson

Executive General Manager, Strategy,
Corporate Development and M&A

STRATEGY OVERVIEW

Codan's renewed growth strategy focused on three core pillars that drive long-term value

STRATEGY

INVEST IN OURSELVES



GETTING EVERYTHING RIGHT

- Continued focus across people, process and systems
- Drive improvement in core financial metrics
- Investment into innovation and new product development
- Strong pipeline of future projects
- Leading technology in markets we serve



QUALITY OF TOPLINE

- Global opportunity - Ongoing geographic diversification
- Expansion of product suite and full-service solutions (Communications)
- Enhance total addressable market via wider range of customers and verticals
- Diversified earnings – Building more stable and predictable revenue streams

STRENGTHEN CORE BUSINESSES

DISCIPLINED CAPITAL ALLOCATION



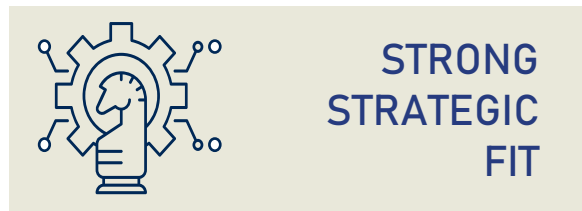
ACQUISITIONS THAT CREATE VALUE

- Seek strategically-aligned opportunities, offering scale and access to adjacent markets
- Bolt-on opportunities complementing existing technology and markets
- Target emerging technologies to further strengthen differentiated product pipeline

ACQUISITION OF EAGLE – AUGUST 2023

ZETRON

Strong strategic fit, acquiring technology and capability to accelerate growth



ESG INITIATIVES

ENVIRONMENT



TCFD alignment,
ESG Reporting



Stakeholder engagement
around climate related
risks & opportunities



Sustainability Council
terms of reference



Organisational
carbon footprint

SOCIAL



University scholarship
support: Women in STEM,
Founders PhD



Investment and
development in our people



African community
engagement, funding
and support



Charitable contributions
& partnerships

GOVERNANCE



Female directors exceeds
ASX benchmark



Core values and ethical
business practices at the
heart of what we do



Company-wide
governance program



Training and education
on critical compliance
programs

FY23 HIGHLIGHTS

Revenue

\$456.5m

-10% vs. FY22

EBITDA

\$116.8m

-28% vs. FY22

Underlying NPAT

\$65.5m

-35% vs. FY22

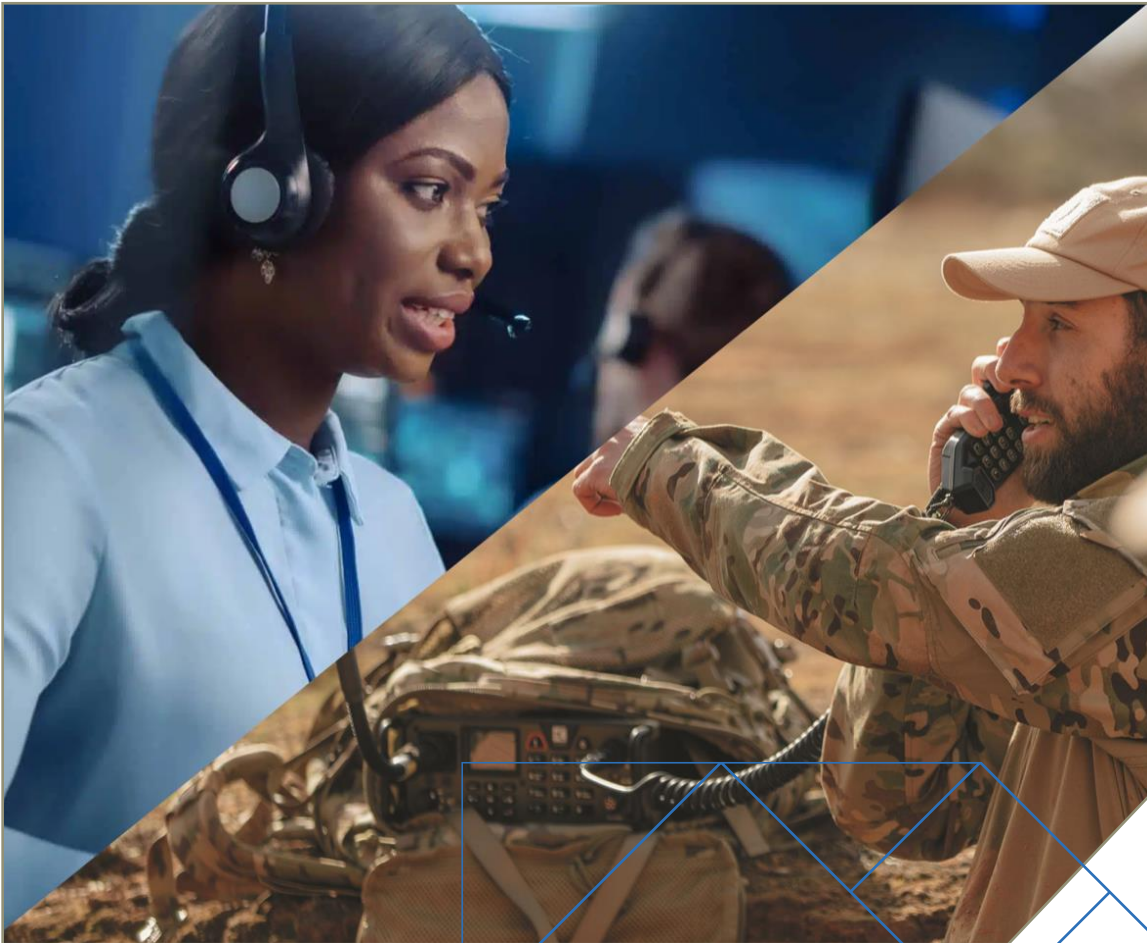
Underlying EPS

36.3 cents

-35% vs. FY22

- Strong results amidst unprecedented challenges and uncertain geopolitical and macroeconomic factors
- Group revenue of \$456.5 million, delivering statutory net profit after tax of \$67.7 million and underlying net profit after tax of \$65.5 million
- Reduction versus FY22 reflects ongoing disruption in Minelab's African market
- Partially offset by:
 - Strong organic growth within Communications, revenues +14% versus FY22, towards upper end of target range
 - Minelab Rest of World (RoW)¹ recreational detector sales remarkably resilient, supported by innovative new products

COMMUNICATIONS



- FY23 Communications revenue of \$274.5 million (FY22: \$241.7 million), +14% versus pcp (vs 10-15% targeted range)
- Both Tactical Communications and Zetron achieved double-digit growth:
 - Tactical driven by unmanned systems, broadcast and law enforcement, as well as single large military project
 - Zetron benefiting from continued expansion in U.S. public safety market
- Strong segment profit margin of 25%, in line with FY23 target (FY22: 21%)
- 9% growth in orderbook to \$163 million (vs \$149 million as at 30 June 2022)
- Continued investment in technology platforms, further enhancing value proposition to new and existing customers
- Considerable effort and investment directed towards strengthening sales teams, ensuring resources and expertise in place to pursue opportunities in key growth markets

METAL DETECTION



- FY23 Minelab revenue of \$176.1 million (FY22: \$262.3 million), decline due to post-Covid reduction and continued disruption of Northeast African market
- All key markets – Rest of World (RoW)¹ recreation, African market and Countermine – delivered stronger H2
 - H2 Minelab revenues +38% versus H1
- RoW recreational detectors remained resilient, growing 9% versus FY22²
 - Continues to expand, exceeding record FY22 levels, which were driven by government stimulus and unprecedented COVID-related demand
 - Newly released Manticore, X-Terra Pro, Equinox 700 and 900 detectors well received, delivering exceptional results³
- Countermine delivered a strong result, supporting humanitarian efforts to de-mine in countries such as Ukraine
- FY23 segment profit margin remained stable versus H1 at 32%
- Ben Harvey promoted to succeed as Minelab Executive General Manager, effective October 2023

1. ROW metal detector revenue includes countries other than Africa
2. After adjusting for the ceased Russian market
3. New products commenced sales in December 2022

NEAR TERM STRATEGY

Successful execution will see a more-balanced, integrated and sustainable Codan



Enhanced offering as full solutions provider

- Increasing awareness and capabilities of DTC across several growth markets (military, law enforcement, unmanned, broadcast)
- Expand presence via improved products and solutions, targeting significant long-term soldier system military programs:
 - Industry first multi-waveform radio solution (Trellisware partnership)
 - Sentry 6161 Mesh radio
- Leverage new technology in broadcast market to maintain dominance in Europe



Expansion and growth of systems and support contracts

- Increase relevance in the public safety market
- Expand systems support contracts and predictability of recurring services revenue
- Launch next-gen MT5 LMR radio platform targeting communications in the harshest environments
- Integrate and leverage GeoConex and Eagle into command and control suite of applications and services



Promote new products & expand channels to market

- Invest into pioneering next generation of detectors
- Promote newly-launched Manticore, Equinox 700|900 and X-Terra products
- Geographical expansion, including development of sub-scale markets
- Grow recreational market share via expansion of retail distribution footprint, leveraging eCommerce channel

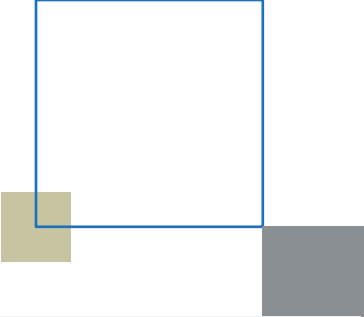
GROUP OUTLOOK



There are a number of key considerations regarding the Company's outlook for the first half of FY24:

- **Communications** revenue growth (excl. Eagle) targeting 10-15% range, after normalising for the large Communications project delivered in FY23 (approx. \$20 million), noting:
 - Continued strength of **Zetron** performance during first half to-date; and
 - **Tactical Communications** impacted by geopolitical challenges in Africa – specifically within traditional HF market.
- **Eagle** integration progressing well with performance in line with expectations; and
- **Minelab** has exceeded our expectations, with first half FY24 revenues currently expected to be in line with H2 FY23, approximately 40% uplift on H1 FY23.

BUILDING A STRONGER CODAN



GLOBAL OPPORTUNITY

Large, globally addressable market, notably within developed market economies



PROFITABLE GROWTH

Targeting sustainable revenue and profitability growth across business segments



CASH GENERATION

History of strong cash generation, ensuring appropriate working capital maintained



DIVERSIFIED EARNINGS

A more-balanced, stable and predictable revenue base



INNOVATIVE PRODUCT DEVELOPMENT

Engineering investment to enhance suite of future products and solutions



BALANCE SHEET

Strong capital position, maximising flexibility