

INNOVATION WHEREVER YOU ARE

ASX CEO Connect Presentation

11 December 2018

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CODAN

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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



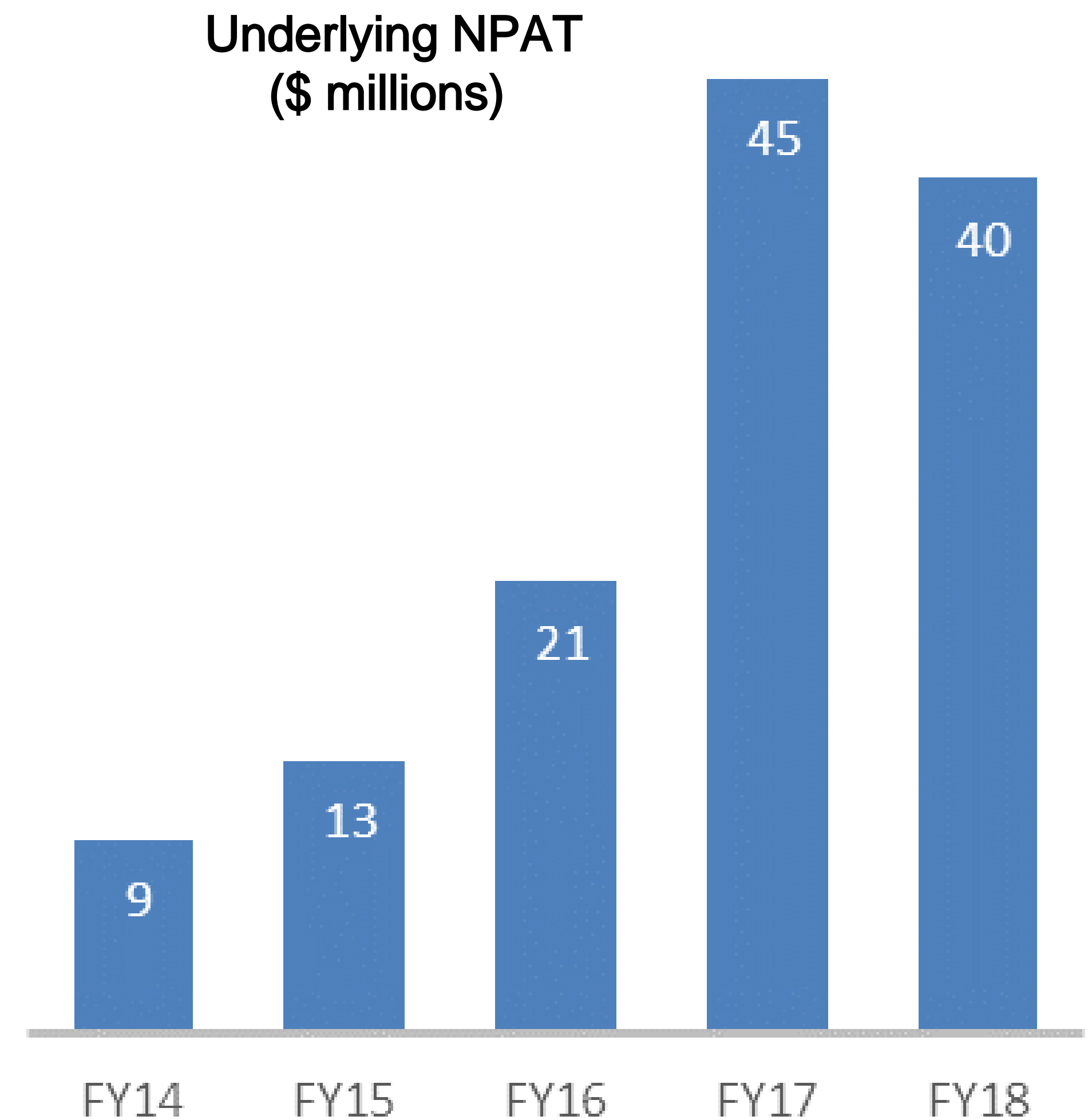
FY18 sales

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FINANCIAL SNAPSHOT

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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

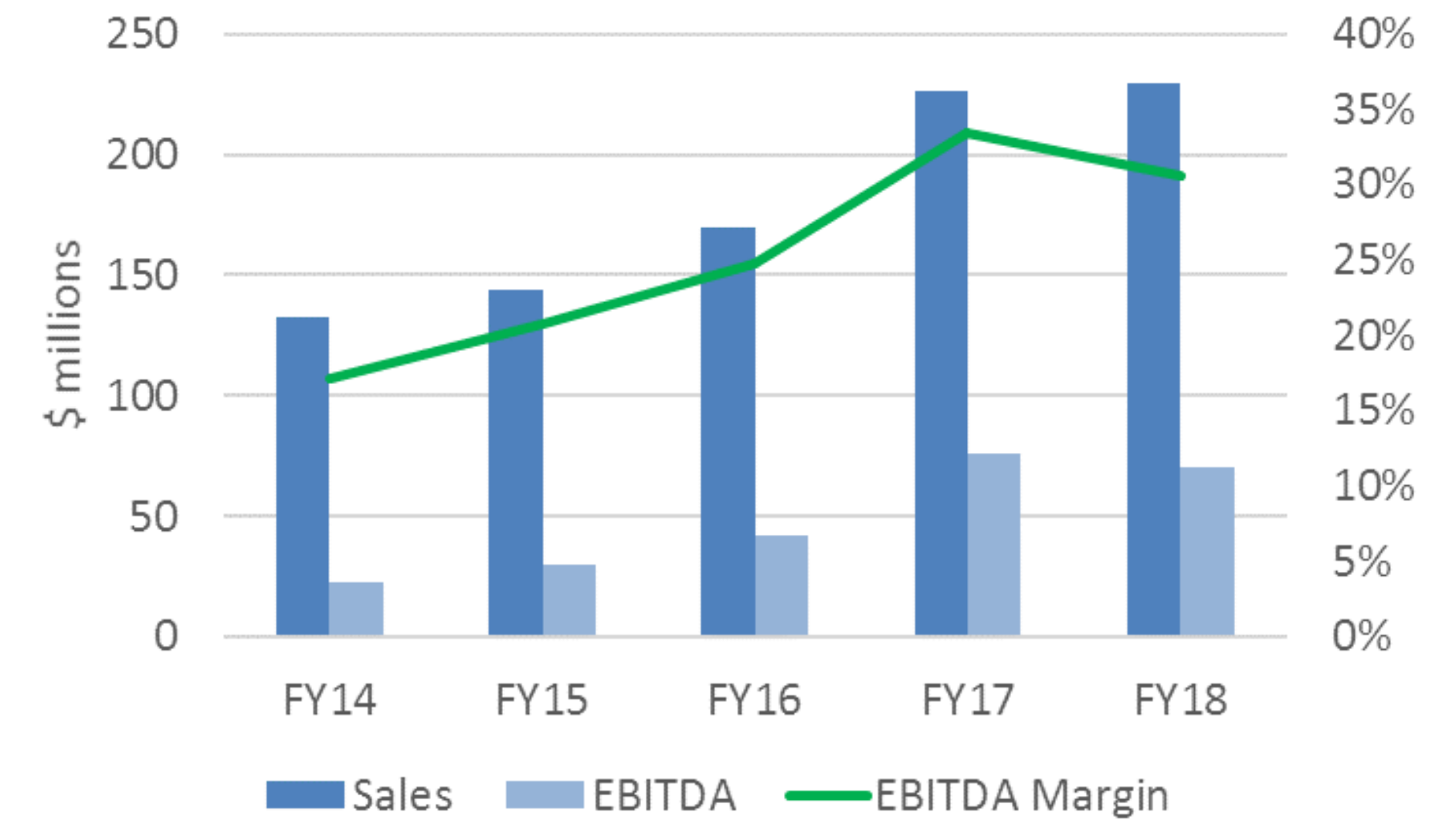


TRACK RECORD OF STRONG GROWTH AND REGULAR DIVIDENDS

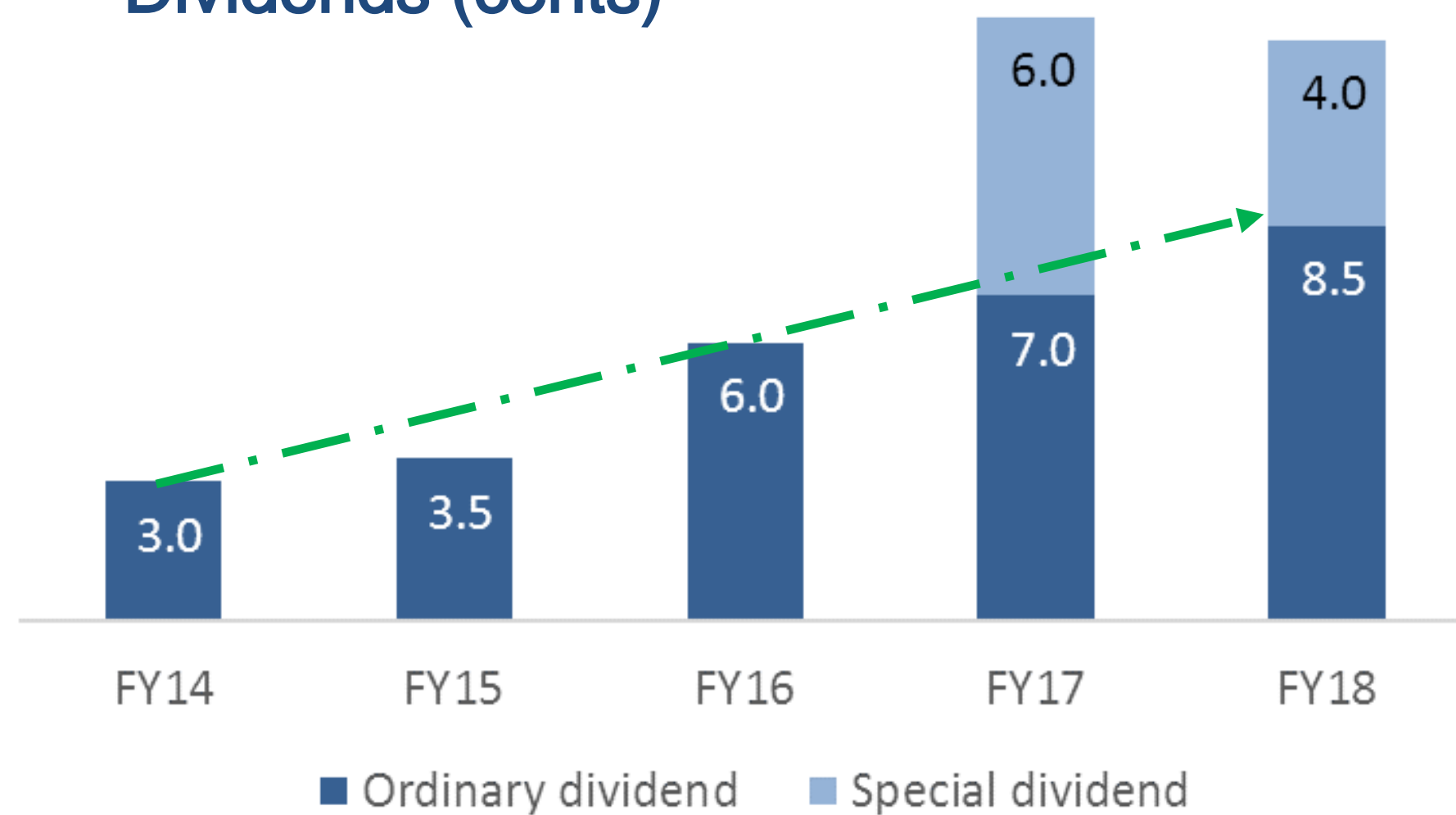
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- 15% compound annual sales growth
- 33% compound annual EBITDA growth
- 25% average EBITDA margin
- 17% average return on equity
- Increasing ordinary dividends
- Outperformance rewarded with special dividends

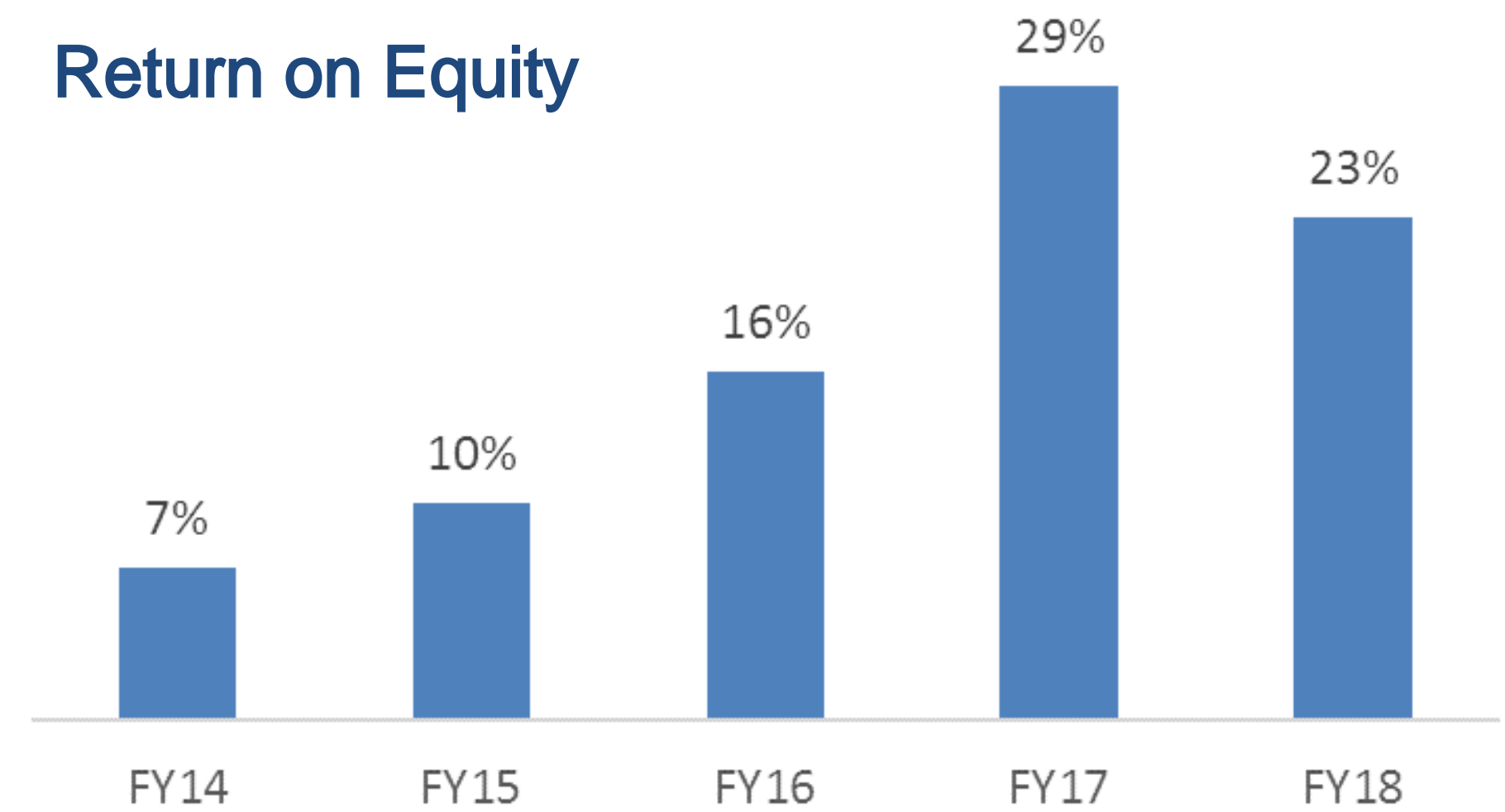
Sales and EBITDA



Dividends (cents)

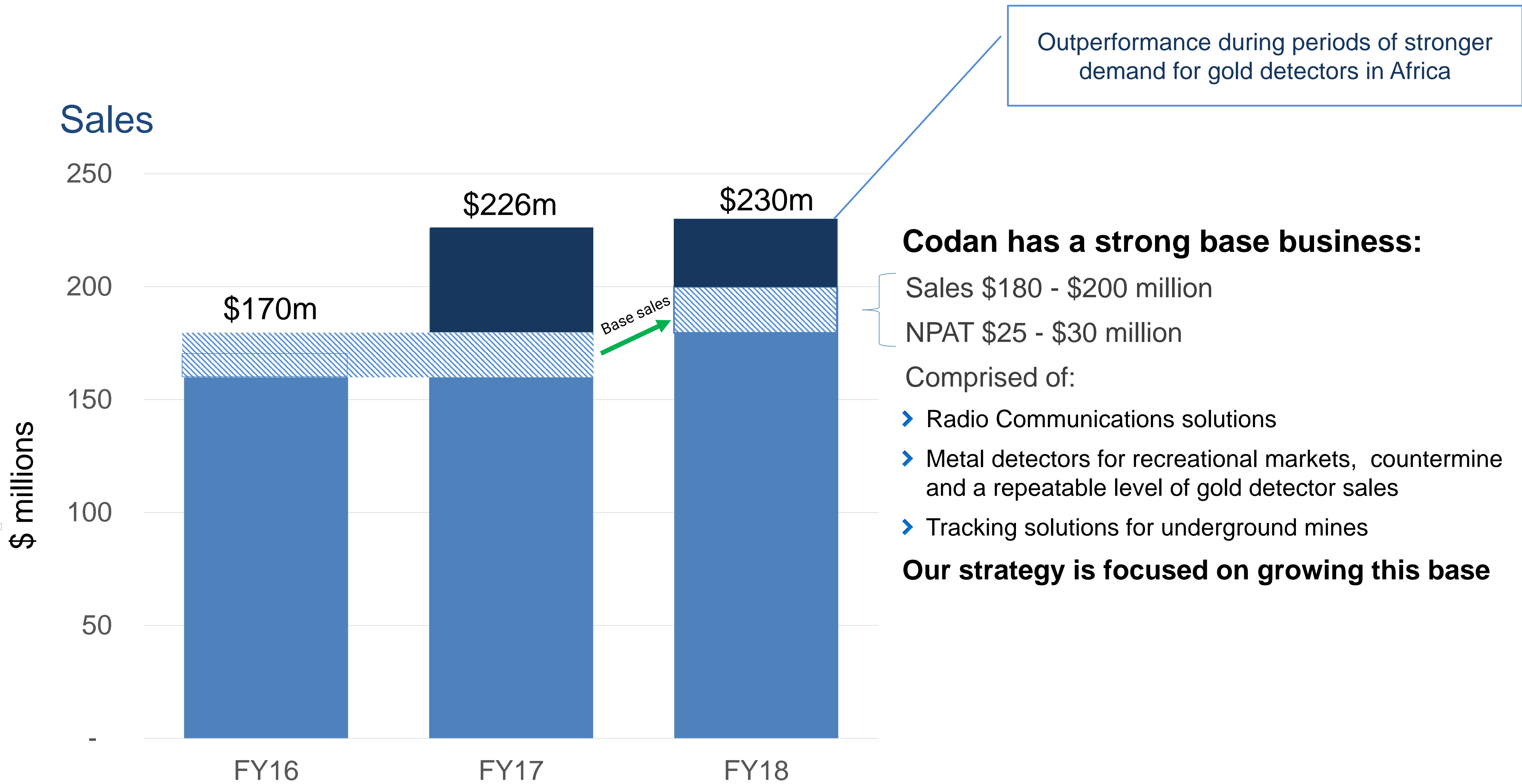


Return on Equity



BASE BUSINESS INCREASED 20% IN FY18

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FOUR BUSINESS UNITS

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 **CODAN**
RADIO COMMUNICATIONS

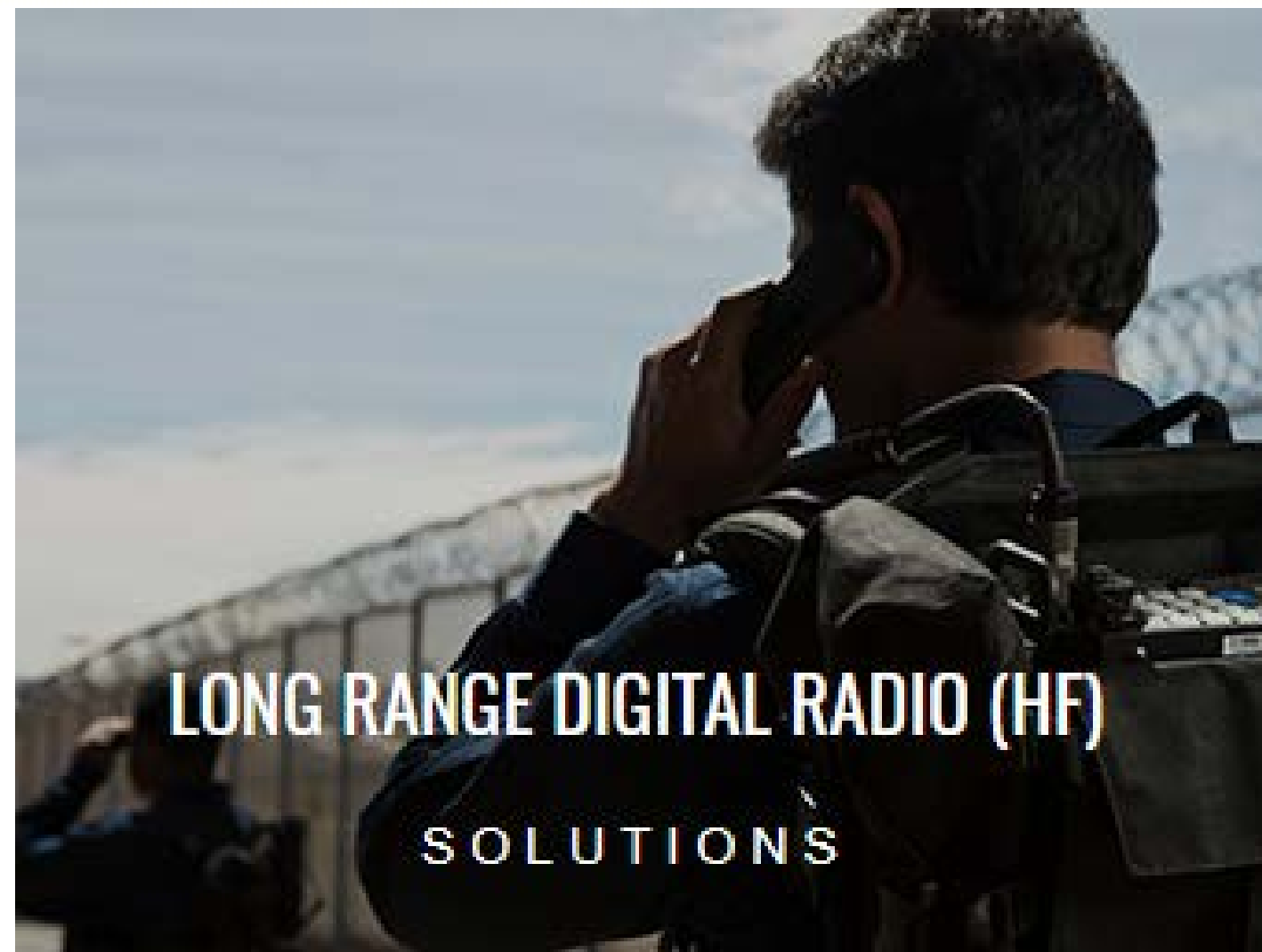

MINELAB

MINETEC

 **CODAN**
DEFENCE ELECTRONICS

RADIO COMMUNICATIONS

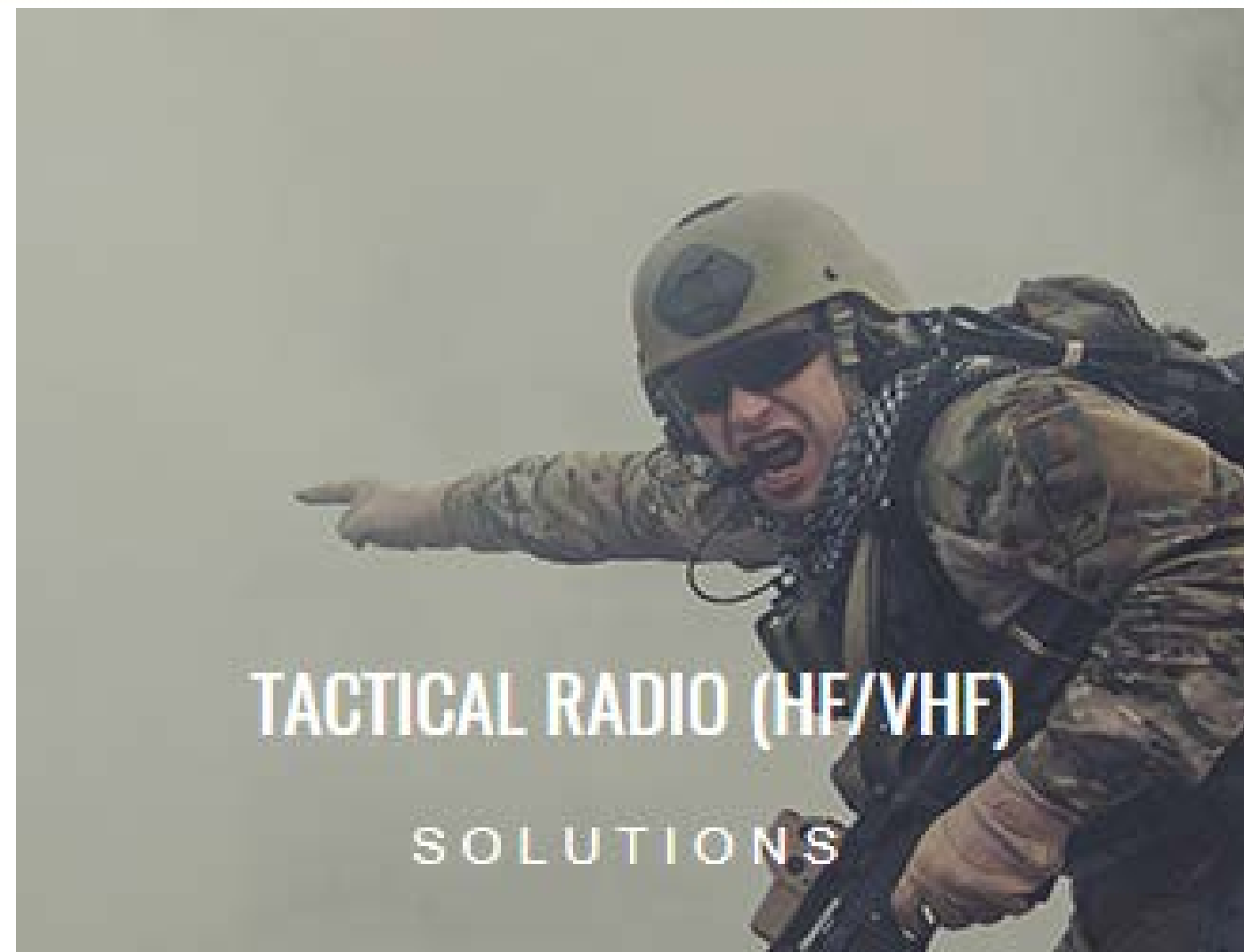
➤ Expanding Tactical and Land Mobile Radio offerings



Infrastructure free, long range radio communications

Key markets – Africa, Asia

Users - Humanitarian, Peacekeeping, Public Safety

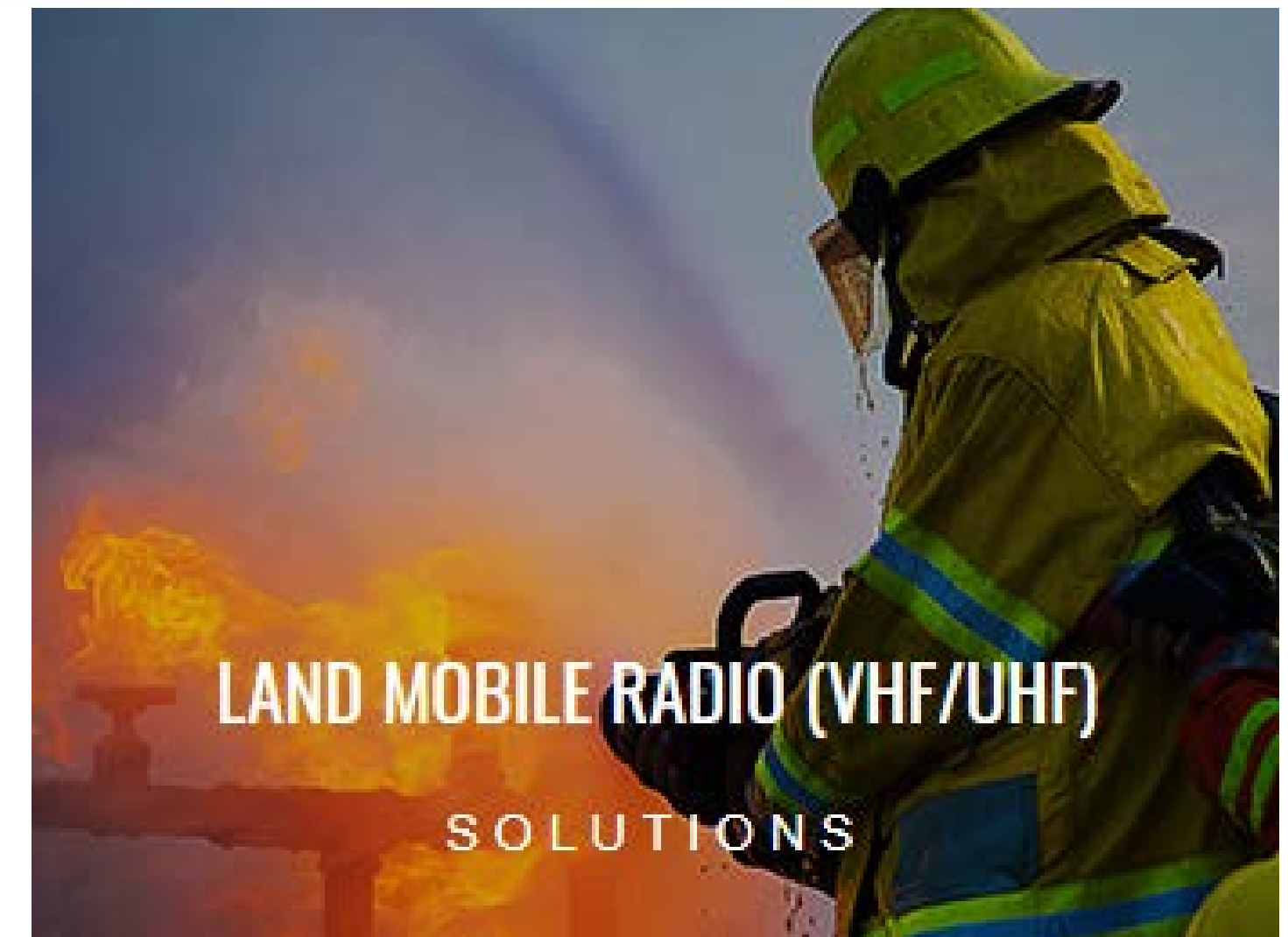


Purpose-built radios for maximum reliability and ruggedness

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

Users - Military

New military manpack radio in FY20



Robust, dependable wireless systems

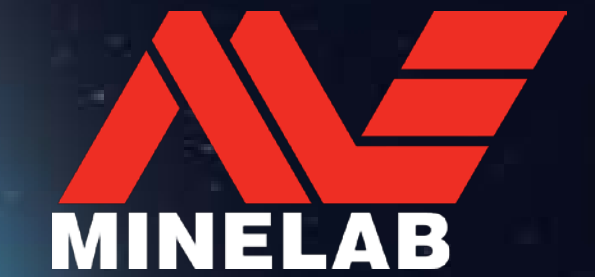
Key markets – North America, Australia

Users - Police, Fire, Emergency Services

New Cascade solution under development

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METAL DETECTION



➤ Developing new products, entering new markets

Recreation

Adventure • Treasure • Gold
We have recreational detectors for all skill levels.



Coin & Treasure, Gold Detectors

Key markets - Australia, USA, Europe, Russia

Users:

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

Gold Mining

Prospecting • Community • Environment
Gold Detectors for the small scale gold miner.



Hand-held Gold Detectors

Key markets – Africa, AsiaPac, Latin America

Users:

- Small scale artisanal miners
- Gold prospectors

Countermine

All Mines • All Soils • All Conditions
Detectors for landmine and UXO clearance.



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)

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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



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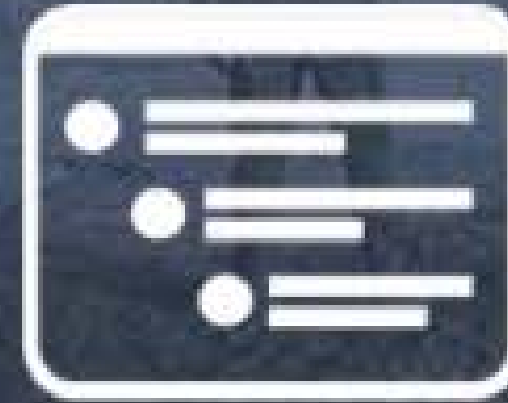
TRACKING SOLUTIONS

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

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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

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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