



22 May 2019

**Codan Limited**  
ABN 77 007 590 605  
Technology Park  
2 Second Avenue  
Mawson Lakes SA 5095  
Australia  
  
PO Box 35  
Salisbury South SA 5106  
Australia

**COMPANY ANNOUNCEMENTS PLATFORM**  
**AUSTRALIAN SECURITIES EXCHANGE**

**BUSINESS UPDATE**

- Sales have continued to exceed our expectations in the second half
- Second half result now expected to be as strong as the first half
- FY19 underlying net profit after tax expected to be in the range of \$42 million to \$45 million
- Strong balance sheet continues with \$29 million net cash position at 30 April 2019

The Board is pleased to report that the results so far in the second half have continued to be as strong as the first half.

Metal detector sales have continued to be strong and we are no longer as reliant on GPZ 7000 gold detector sales. Recent new platform releases have diversified our product range and increased market share across all gold and recreational segments. Ongoing investment in new product development will further strengthen the base business.

The Communications business is having an excellent year, delivering a number of significant contracts and the Board now expects this division to generate sales at the top of the base-level sales range of \$75 million for FY19.

Minetec continues to integrate its technology with Caterpillar's Minestar system and is focused on launching the improved solution through Caterpillar's global dealer network. A trial of the combined technology at Newmont's Tanami mine in the Northern Territory was successfully completed in March 2019, supporting the value proposition of Minestar™ for Underground. This business unit will not meet our sales expectations for FY19 and will incur a small operating loss.

After payment of the interim and special dividend, continuing strong cash generation has resulted in a net cash position of \$29 million at 30 April 2019.

## **Outlook**

The Board has stated previously that Codan's base business has revenues in the range of \$180 million to \$200 million per annum and, at this level of sales, is expected to generate net profit after tax in the range of \$25 million to \$30 million.

Codan has the ability to sometimes surprise on the upside as a result of increased demand for gold detectors and large project wins in our communications division, and FY19 will be another one of these years.

The Board now expects that the business will deliver a full year underlying net profit after tax in the range of \$42 million to \$45 million.

On behalf of the Board



Michael Barton  
Company Secretary

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

## **FOR ADDITIONAL INFORMATION, PLEASE CONTACT:-**

Michael Barton  
Company Secretary & CFO  
Codan Limited  
(08) 8305 0392

Sarah Emms  
Manager, Investor Relations  
Codan Limited  
(08) 8305 0392