

# FY20 HALF-YEAR RESULTS AND UPDATE

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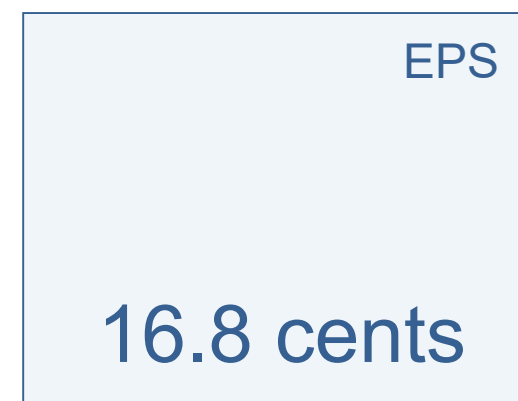
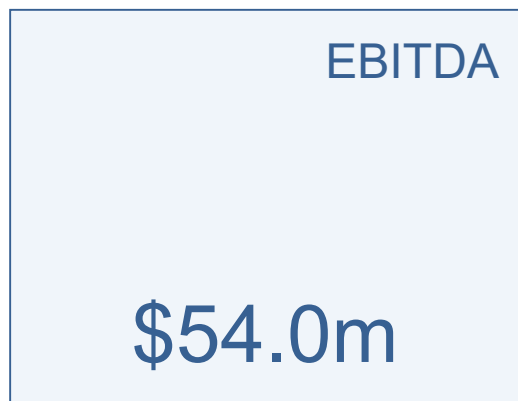
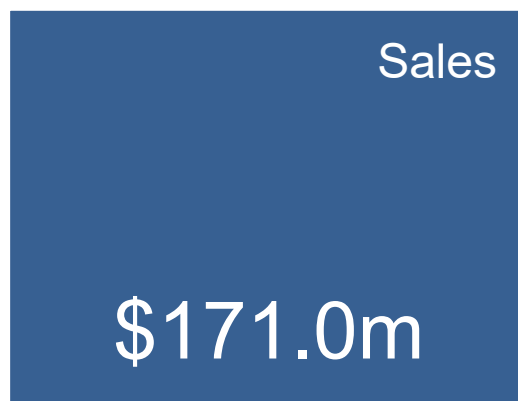
## Robust, innovative technology for global markets

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



# FY20 HALF-YEAR SUMMARY

- Highest half-year profit in the company's history
- Record Communications sales, up 65% and segment profit up 62% over prior first half
- Metal detection sales in the first half exceeded \$100 million for the first time
- Interim dividend 7.5 cents, fully franked
- Strong balance sheet - \$51 million net cash

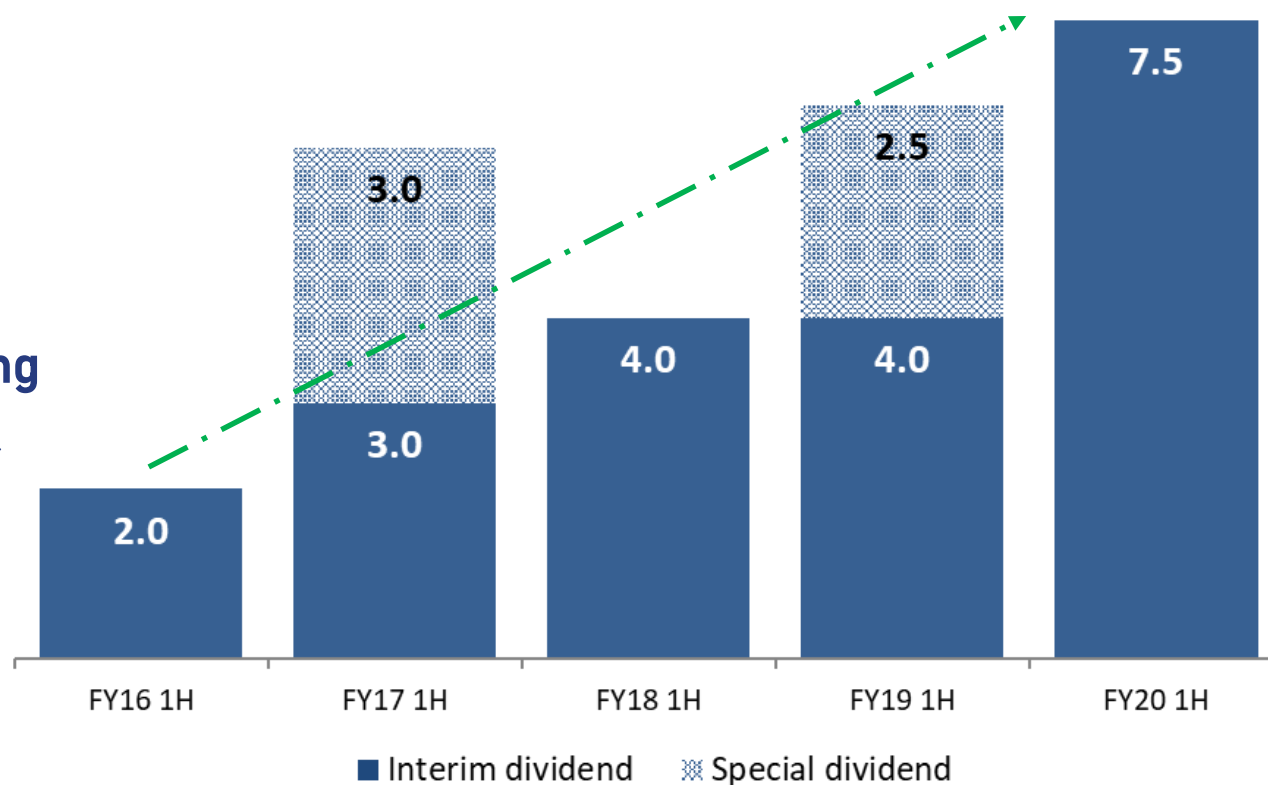


# GROWING DIVIDENDS

Interim dividend 7.5 cents

- 7.5 cent interim dividend
- Increasing dividends reflect strength of business
- Interim dividend will be paid:
  - Record date 27 February 2020
  - Payment date 12 March 2020

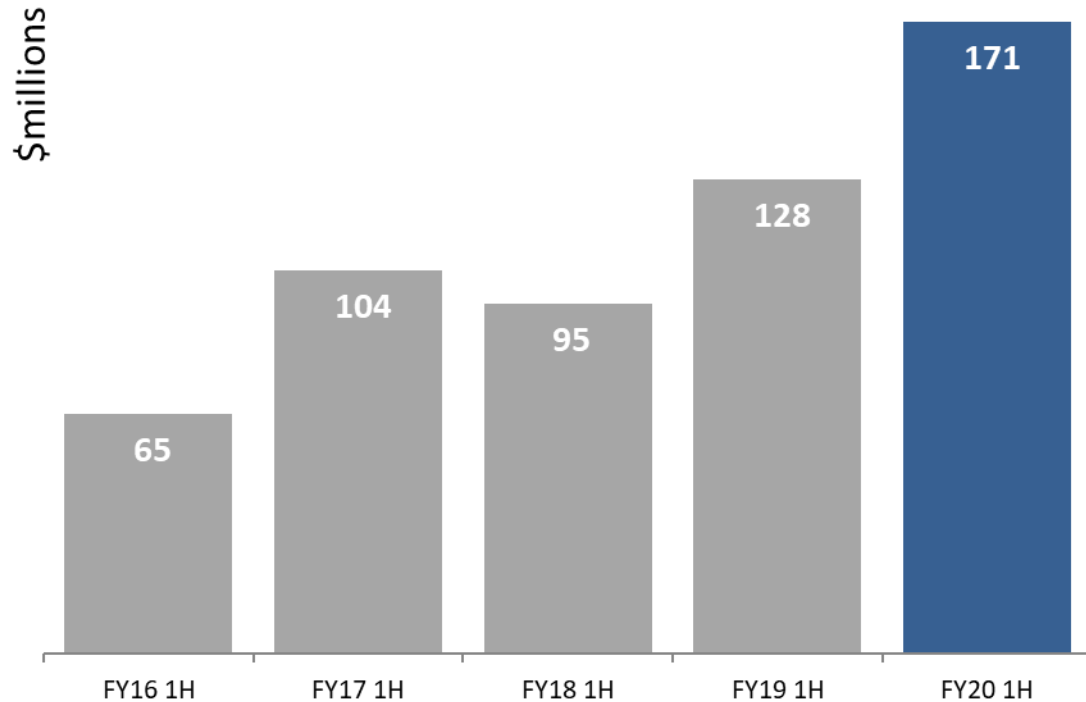
**“The board expects to continue its policy of paying shareholders in the order of 50% of our full year profits as dividends”**



# GROWTH IN SALES

Diversified portfolio

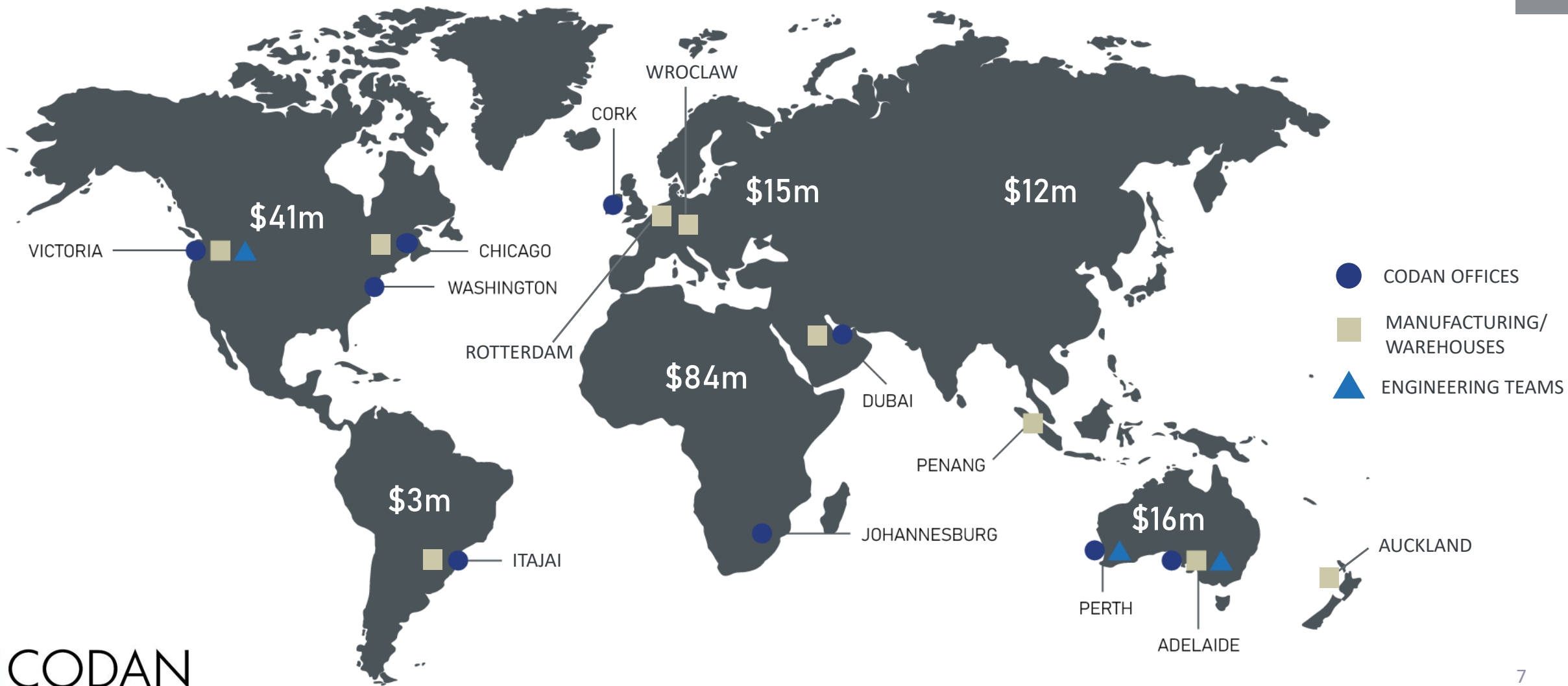
## Group Sales



- Record first-half financial result
- 34% increase in sales over FY19 H1
- Strong performance driven by:
  - Strong demand for gold detectors in Africa across multiple products
  - Large communications project wins

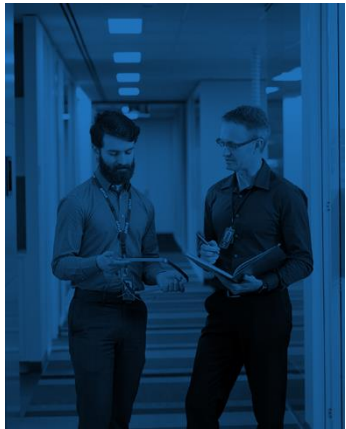
# FY20 H1 GLOBAL FOOTPRINT

Customers in 150 countries, exporting around 85% of sales





# 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

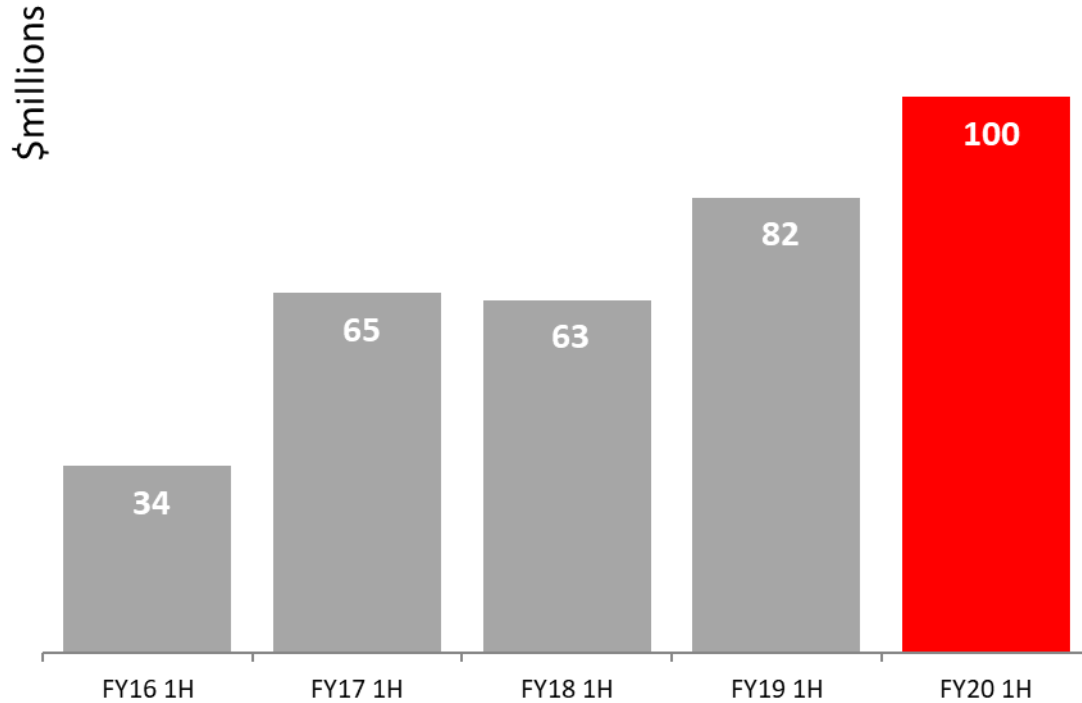
Users:

- Demining organisations
- Governments
- Defence & security forces



# METAL DETECTION

## Metal Detection Sales



Record first half – 22% growth in sales and 33% increase in segment profit in the 1st half

### Gold Mining:

- Continuing strong demand for gold detectors in Africa, across multiple gold detector products
- Gold Monster is now entry level detector of choice for artisanal miners

### Recreational:

- Released new VANQUISH™ coin & treasure detector in H2
- Continue geographic and retail expansion

*Cabela's*

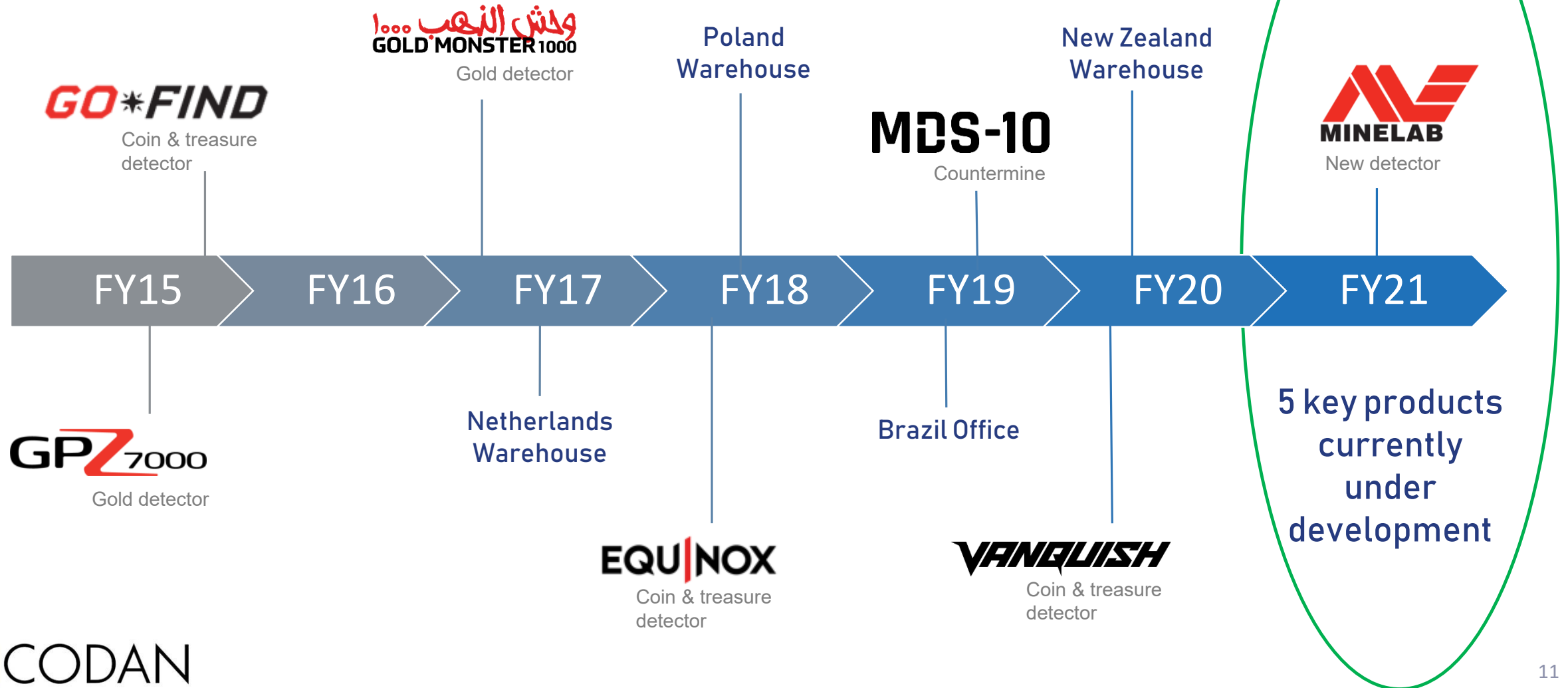


**SCHEELS**



# METAL DETECTION

Continual innovation and geographic expansion



# 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 MULTI-IQ® technology across the range



## RECREATIONAL DETECTOR RANGE

NEW RELEASE



GO\*FIND



VANISH



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

# 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

-

MID RANGE

-

PROFESSIONAL

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

- Customers: North America Federal, Provincial and State and Local governments in lower density areas

**Record first half for both Tactical and LMR – sales up 65%, segment profit up 62% over prior 1st half**

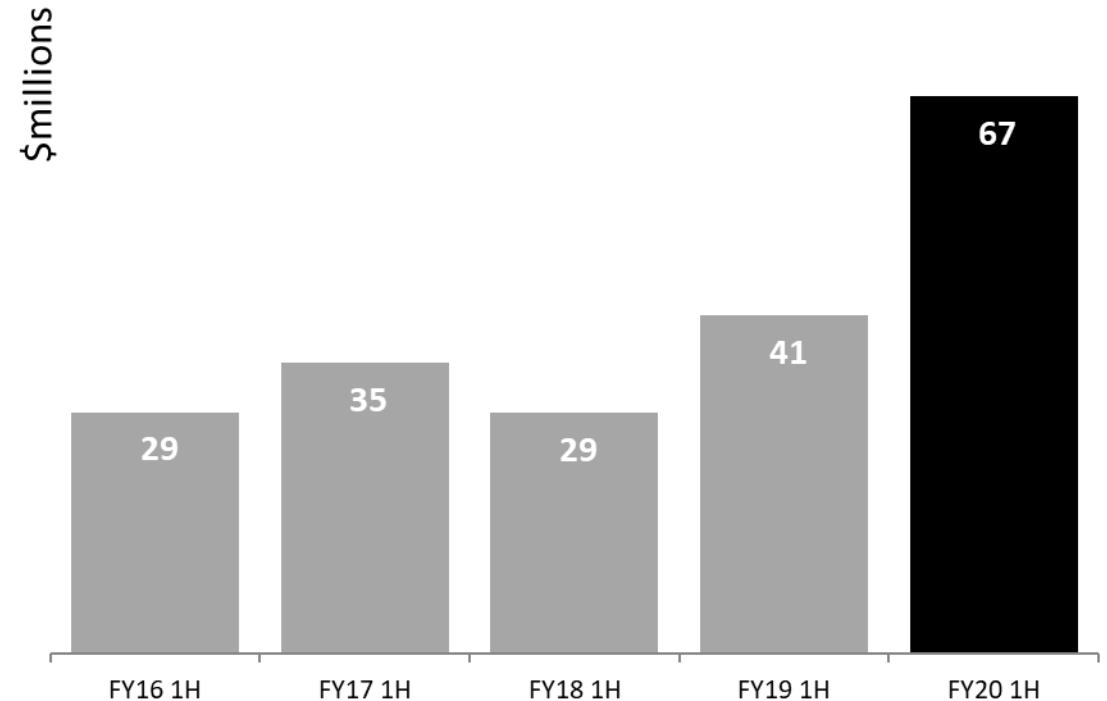
## Tactical Communications:

- Delivered two major contracts (Kenyan & Philippines)
- 135% increase in sales to military customers over prior 1st half
- Sentry® Military Manpack now available for sale

## Land Mobile Radio (LMR):

- Delivered several systems solutions in 1st half
- Progressed development of Cascade™ LMR solution, on track for full release in FY21

## Communications Sales





# TACTICAL COMMUNICATIONS

## Strategy for growth

- Penetrating the global tactical Mil2 market – increasing our addressable market
- Forming strategic partnerships that complement our core product range
- Transitioned to a full solutions provider

*“Larger military programs can have longer sales cycles..”*



# LAND MOBILE RADIO

## Cascade – Software defined radio based on P25 Standard



**Fully interoperable first responder communications solution with leading edge performance and reliability**

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

Best value solution for the market:

- Interoperability
- Dependability
- Reliability
- Handset agnostic
- Excellent customer service, 60+ year history



Full release in FY21

# TRACKING SOLUTIONS

MINETEC

## Caterpillar collaboration:

- Awarded purchase order to supply hardware associated with the implementation of the Minestar® system into Newmont's Tanami mine
- Commenced commissioning of Minestar® system into a large block cave mine in Indonesia
- Established joint Tiger Team to increase sales
- Completed block cave development for CAT Minestar® system

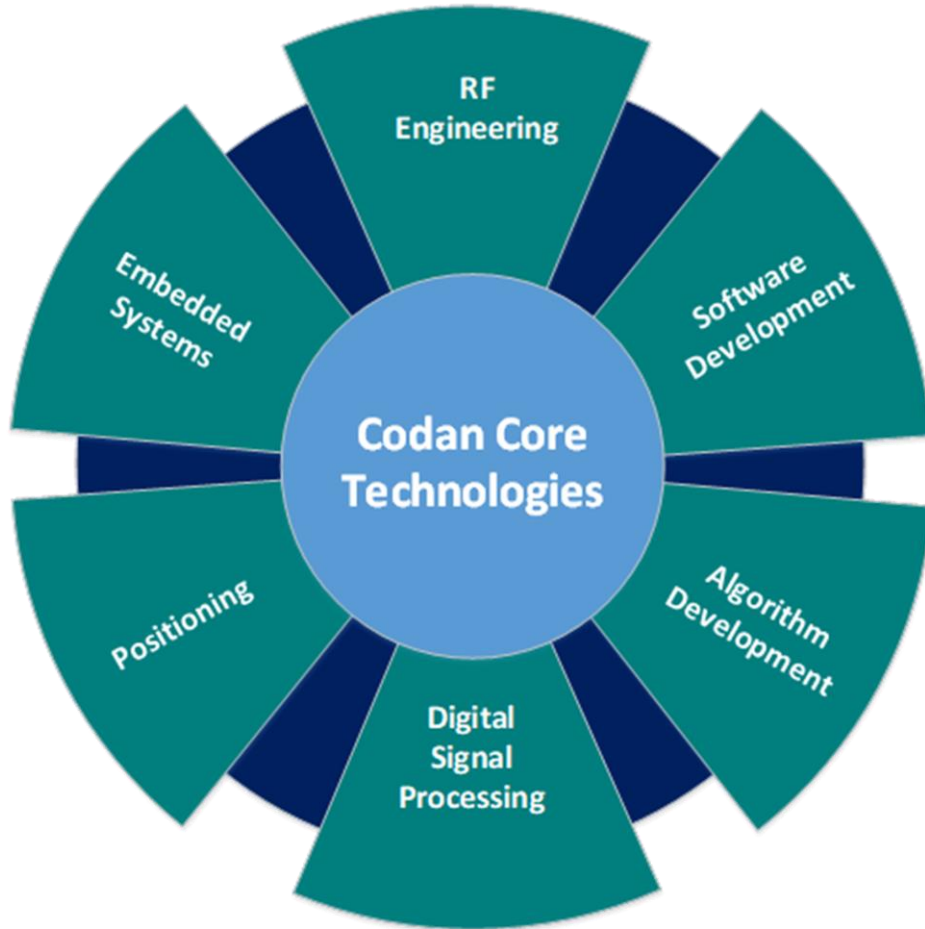
## BHP Olympic Dam contract:

- Installed Fleet Management System in BHP's Olympic Dam mine
- Customising software solution into BHP's unique operating environment at Olympic Dam



# TECHNOLOGY COUNCIL

Leverage core technologies/applications



## Rugged Products, Solutions & Systems

- History of IP creation, innovation and exploitation
- Explore opportunities to grow the business both internally and externally
- Focus on developing world markets
- Core applications:
  - Communications
  - Tracking
  - Sensing
  - Data analytics



# Financial Results



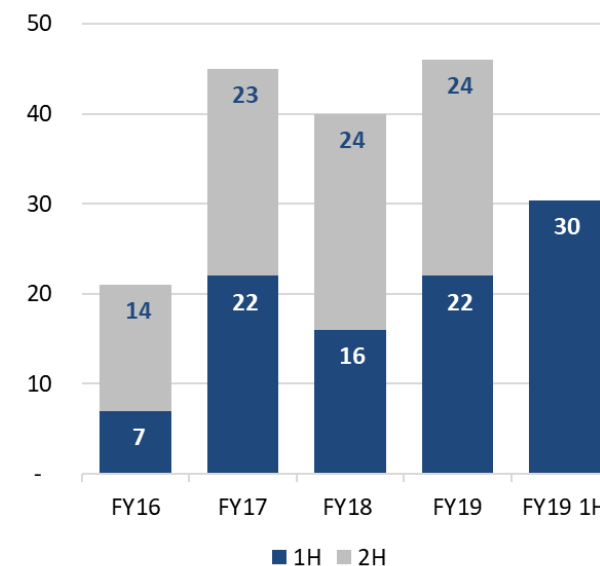
# RECORD FIRST HALF

Underlying business performance	Half Year Dec 17	Half Year Dec 18	Half Year Dec 19
	\$m	\$m	\$m
Revenue	\$94.7	\$128.4	\$171.0
<i>Underlying business performance</i>			
EBITDA	\$27.4	\$38.0	\$54.0
EBIT	\$20.9	\$30.4	\$43.7
Net interest	(\$0.2)	-	(\$0.3)
Net profit before tax	\$20.7	\$30.4	\$43.4
<b>Net profit after tax</b>	<b>\$15.8</b>	<b>\$22.2</b>	<b>\$30.4</b>
<i>EBITDA margin</i>	29%	30%	32%
<i>NPAT margin</i>	17%	17%	18%

## New lease standard December 19 impact:

- EBITDA increased \$1.8 million
- EBIT increased \$0.3 million

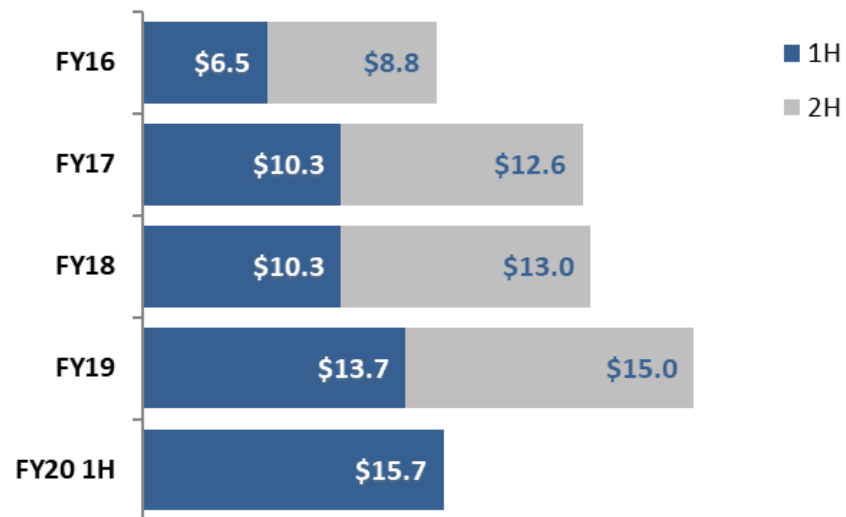
## Underlying NPAT (\$m)



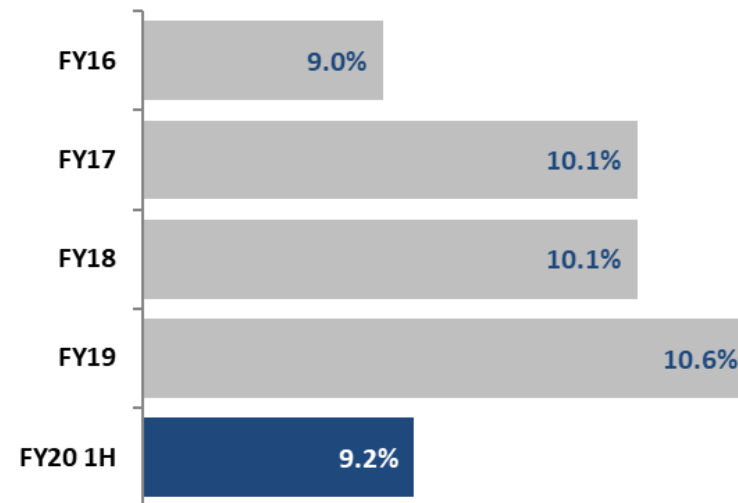
# ENGINEERING INVESTMENT

Significant investment in product development

Engineering spend (\$m)



Engineering spend (% sales)



- Record engineering investment to drive future growth
- Significant pipeline of future projects

# BALANCE SHEET

	Dec-18	Jun-19	Dec-19
	\$m	\$m	\$m
Receivables	21.1	19.0	20.6
Inventories	43.7	36.7	35.4
Payables	(36.3)	(44.2)	(39.1)
<b>Total working capital</b>	<b>28.5</b>	<b>11.5</b>	<b>16.9</b>
Property, plant & equipment	17.3	17.9	17.7
Right-of-use assets	-	-	27.0
Product development	64.0	69.9	74.4
Intangible assets	86.4	87.8	87.5
Other assets	3.2	5.5	8.4
Lease liabilities	-	-	(32.1)
Other liabilities	(16.3)	(18.9)	(22.4)
<b>Net assets before debt</b>	<b>183.1</b>	<b>173.7</b>	<b>177.3</b>
Net cash (debt)	13.0	37.5	51.0
<b>Net assets</b>	<b>196.1</b>	<b>211.2</b>	<b>228.3</b>

## Strong balance sheet

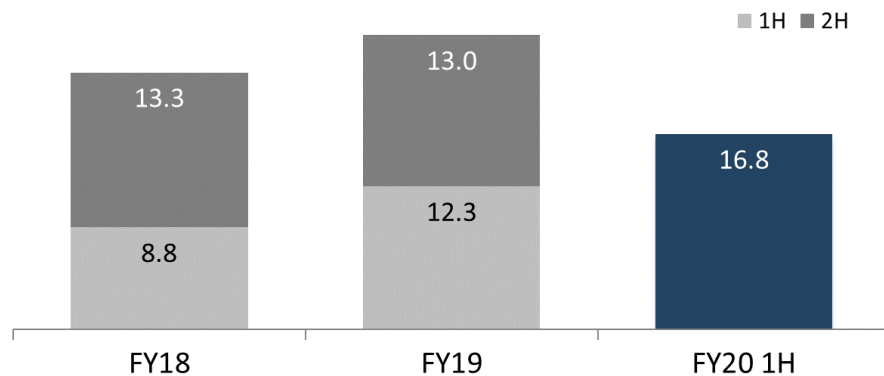
- Debt-free since 2017, \$51 million net cash position
- Strong cash conversion
- Newton property to settle in February 2020
- Right-of-use assets and lease liabilities relate to the new lease accounting standard adopted since 1 July 2019



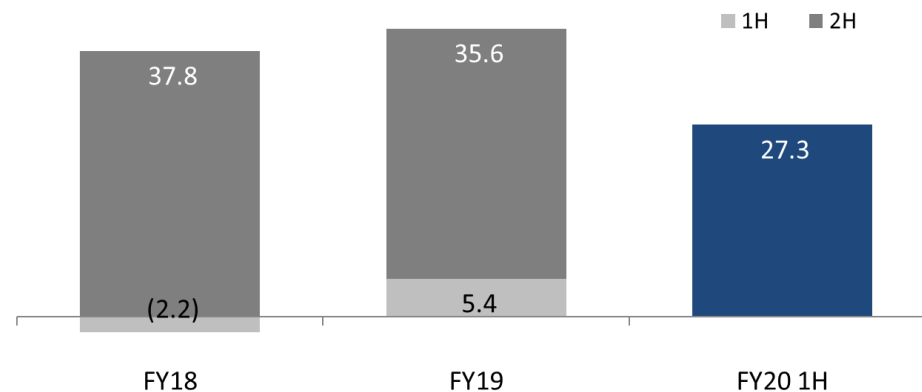
# KEY RATIOS

## Debt free, strong cash generation

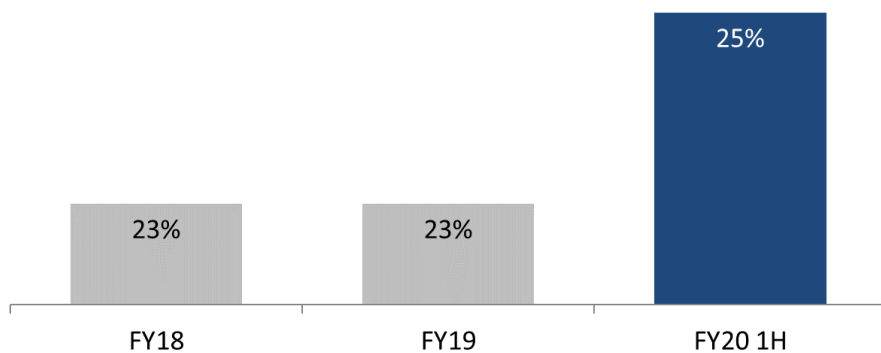
Underlying earnings per share (cents)



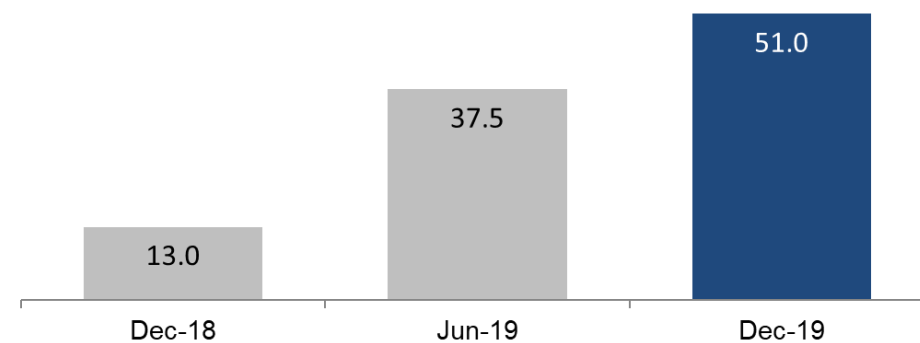
Free cash flow (\$m)<sup>2</sup>



Return on equity (%)<sup>1</sup>



Net cash (debt) (\$m)



# FY20 OUTLOOK

## Well positioned for H2:

- Strong backorders for Vanquish™, to be delivered in H2
- Continued strength of gold detecting sales, run-rates consistent with first half
- Communications delivered \$21 million large contracts in H1 – which may not be repeated in second half
- Difficult to forecast whether normal H2 seasonality will occur

**We will continue to keep shareholders updated as the year progresses**