

18 August 2022

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

Dear Sir/Madam

FY22 Full-year investor presentation

Please find attached a copy of Codan Limited's investor presentation dated 18 August 2022 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:-

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

Kayi Li
Manager, Investor Relations
Codan Limited
(08) 8305 0392

FY22 FULL YEAR RESULTS AND UPDATE



Innovation **wherever you are**

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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.

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“The business delivered record profits, despite operating under very challenging circumstances.”

↗ Continuity of supply, despite **global supply chain shortages** and long lead times on key components

↗ **Challenging business conditions** in North Eastern Africa for the Minelab business

↗ **Ukraine conflict** impact and loss of the **Afghanistan** market

↗ **Freight** expense reduced in a disrupted global freight environment

↗ Ability to respond to **inflation pressures through increased prices**

FY22 FULL YEAR SUMMARY

- Codan group sales increased 16% to \$506 million
- Record underlying net profit after tax of \$100.5 million, increased by 3%
- More balanced and stable revenues across the Codan group
- DTC and Zetron exceeded first year acquisition targets achieving \$19 million and \$15 million EBITDA respectively
- Return on Equity of 30%

Sales

\$506.1m

Increased by 16%

EBITDA

\$162.0m

Increased by 2%

Underlying NPAT

\$100.5m

Increased by 3%

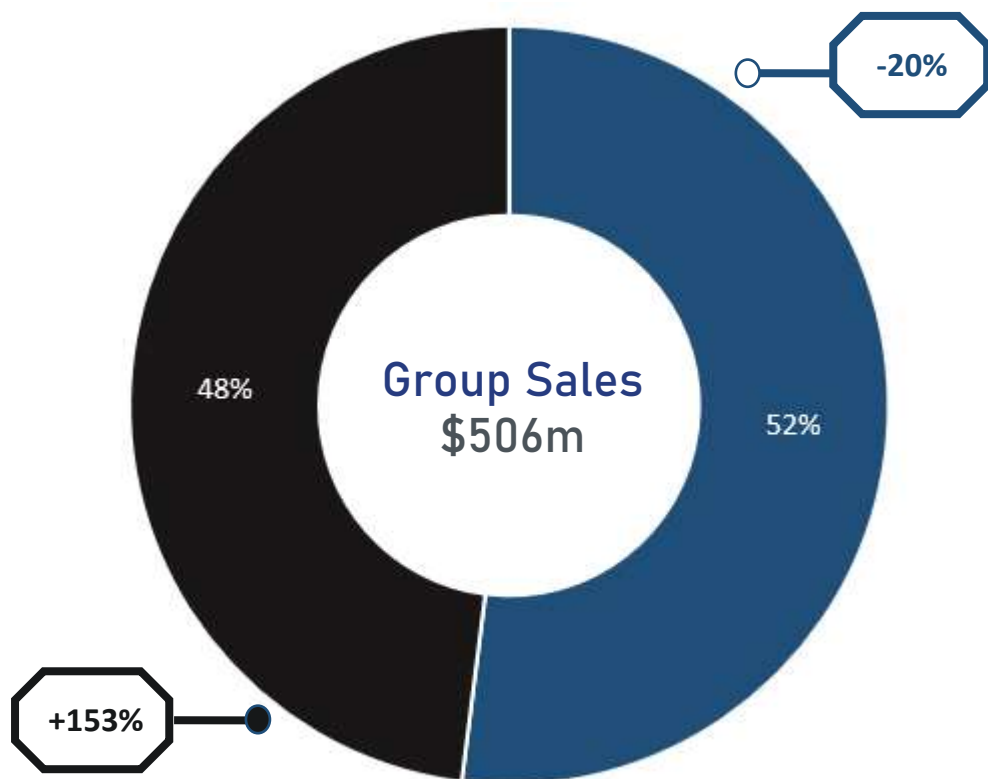
Underlying EPS

55.7 cents

Increased by 3%

FY22 FULL YEAR GROUP SALES

A strong year for Codan



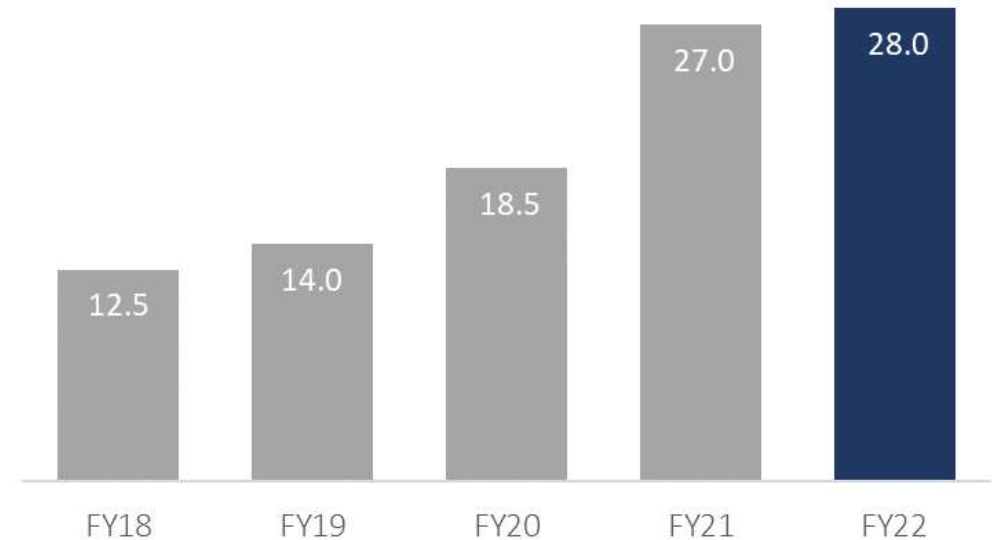
- 16% increase in sales over FY21
- Communications sales increased by 153%
 - Driven by newly acquired businesses
 - Both DTC and Zetron exceeded year one EBITDA targets, achieving \$19 million and \$15 million respectively
 - Enter FY23 with strong orderbook of \$149 million
- Metal Detection sales reduced 20% against an unprecedented FY21, FY22 was Minelab's second best year representing 11% increase over FY20
 - Disrupted business conditions in Northeast Africa
 - North America grew 9% and LATAM grew 35% off the back of record FY21 sales
 - Record FY22 Countermining sales, 60% increase over FY21

FY22 DIVIDEND

Final dividend 15.0 cents

- Final dividend 15.0 cents per share
- Full year dividend 28.0 cents (Interim: 13.0 cents)
- Increasing dividends reflect strength of business
- Interim dividend will be paid
 - Record date 26 August 2022
 - Payment date 7 September 2022

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”

FY22 GLOBAL FOOTPRINT

Europe and North American sales increased 81% on FY21



STRATEGIC GROWTH PLAN

Transforming lives through innovation, wherever you are



FY22 STRATEGIC ACHIEVEMENTS



Invest in Ourselves

- Invested in excess of \$40 million during FY22 across all businesses
- Several new detectors on track for FY23 H1 release
- Strong pipeline of development projects
- ~30% of employees are engineers



Strengthen the Core

- Successfully diversified segment sales – more balanced and stable portfolio of sales
- Strengthened Communications orderbook by 23% since June 2021
- Geographic expansion continues for Minelab

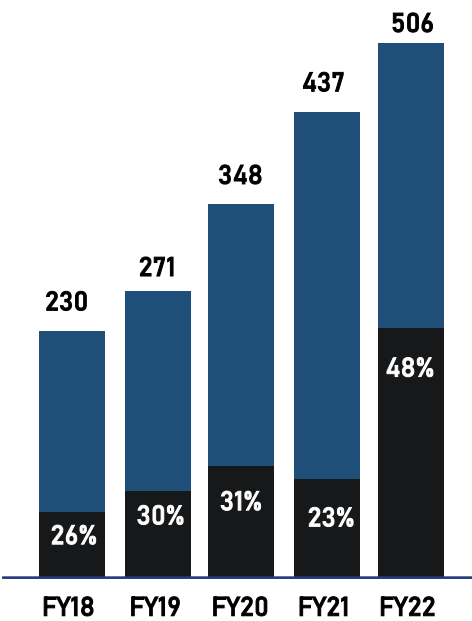


Growth by Acquisition

- Proven and repeatable acquisition and integration framework
- DTC and Zetron exceeded year 1 profit targets
- Acquired Broadcast Wireless Systems

5 YEAR FINANCIAL SUMMARY

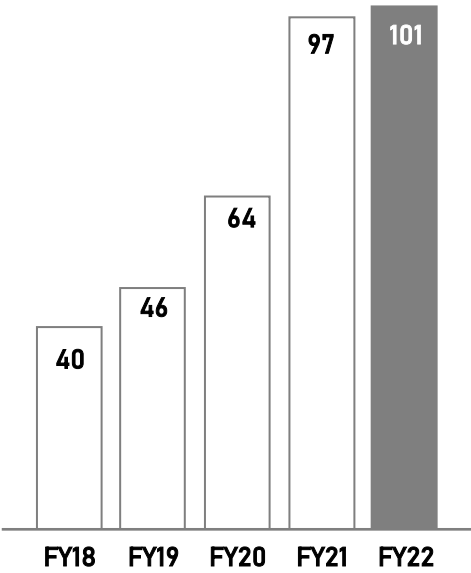
 Sales (\$m)



Delivering on strategy to diversify sales

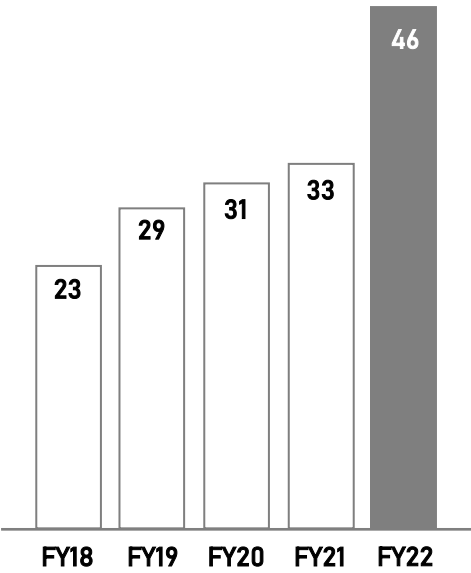
 Metal Detection
 Communications

 Underlying NPAT (\$m)




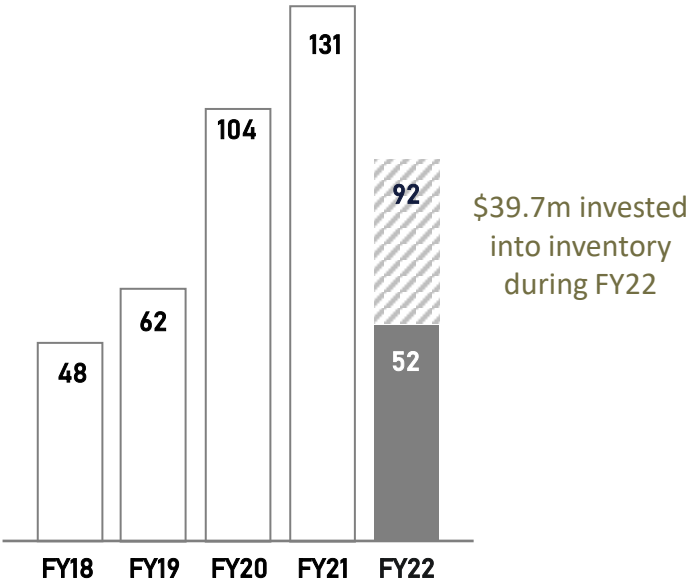
NPAT 20% of sales achieved

 Engineering Investment (\$m)



Continual investment into product development

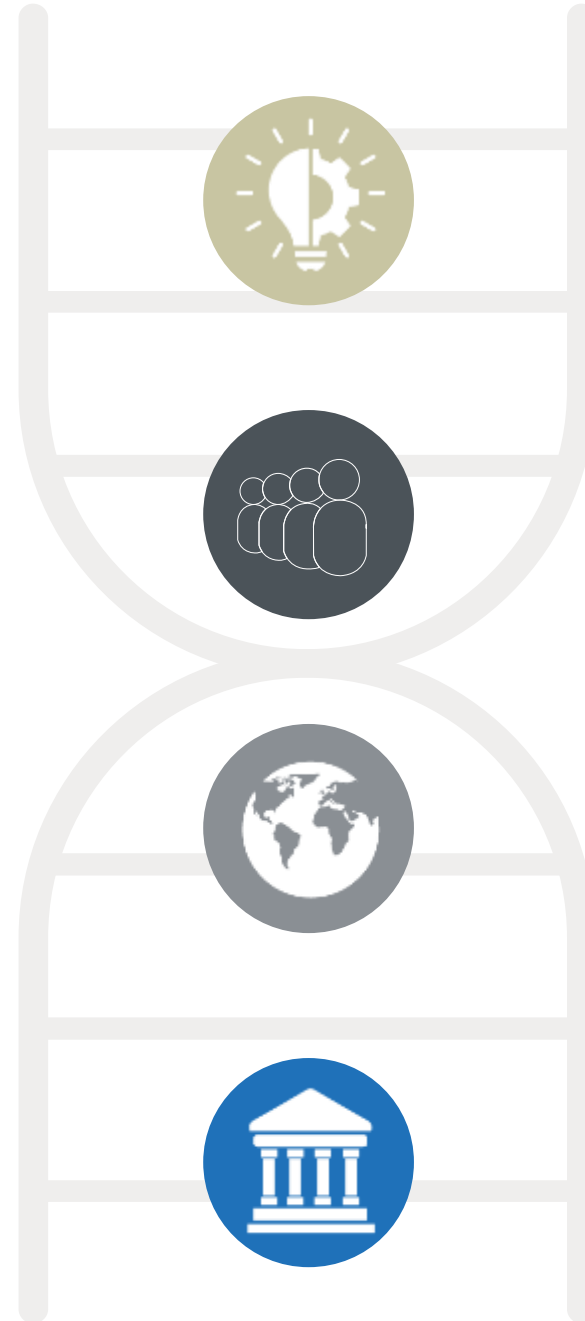
 Operating Cashflow (\$m)



Return to strong cash generation in FY22 second half

SUSTAINABILITY

During FY22 the group established a sustainability council dedicated to identifying, and managing risks, issues and opportunities that are important to our business and stakeholders



Innovation

60+ year history of innovation

Social

An avid supporter of several charities, via direct sponsorships, charity events and product donations

Environment

Review our environmental impact and work towards a net zero footprint

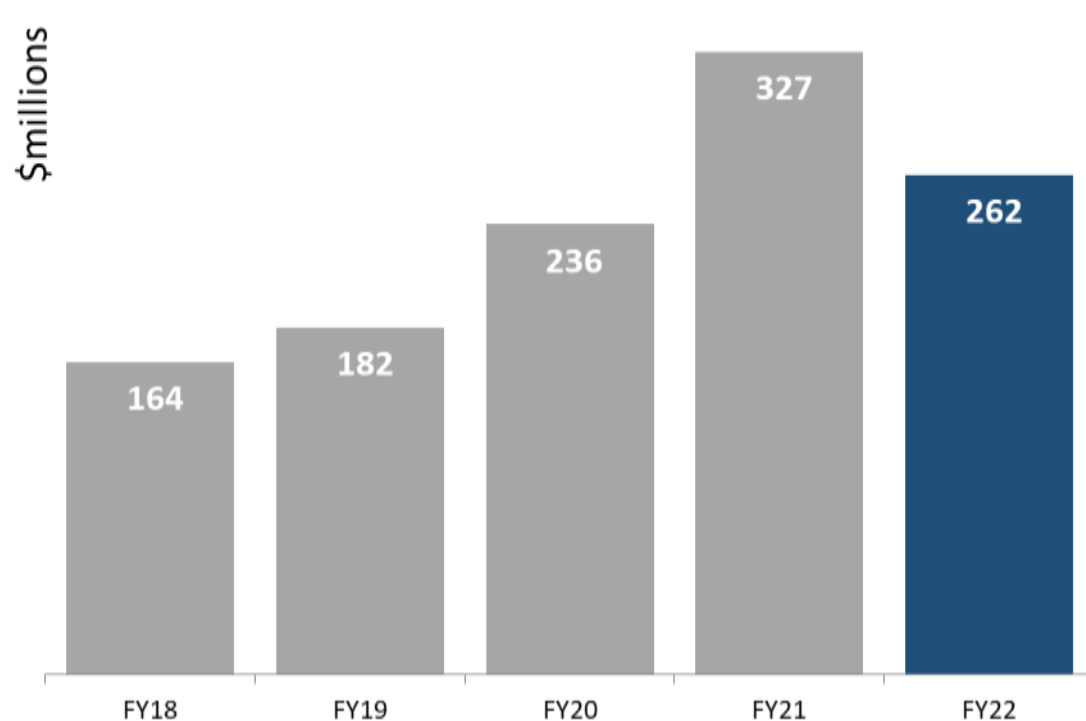
Governance

Committed to conducting business in an honest, ethical and accountable way in accordance with our core values

METAL DETECTION



Metal Detection Sales



12% CAGR Sales Growth

Sales reduced after an unprecedented FY21, FY22 was Minelab's second best year representing 11% increase over FY20

Gold Mining

- Impacted by unstable business conditions in Northeast Africa
- In-country business development activities have resumed post covid travel restrictions

Recreational

- Returned to a normalised demand profile post covid, managed inflationary pressures and the cessation of sales to Russia
- North America grew 9% and LATAM grew 35% - success in penetrating retail distribution and e-commerce

Countermining

- Record FY22 sales – new products have been very well accepted

MINELAB STRATEGIC GROWTH PLAN

Performance is everything



A circular icon with a dollar sign and two arrows forming a loop, representing investment or reinvestment.

Invest in Ourselves

- Continue to develop and leverage market leading technology across product platforms
- Several new detectors to be released towards the end of FY23 H1

A stylized icon of a classical column, representing core businesses or foundational elements.

Strengthen Core Businesses

- Territorial Expansion across key geographical markets - APAC, LATAM, Africa (regions)
- Omni-Channel Development
 - E-Commerce
 - Big box retailers

A target icon with an arrow hitting the bullseye, representing acquisition or growth.

Growth by Acquisition

- Seek diversification and complementary technologies
- Leverage distribution channels and E-Commerce

COMMUNICATIONS



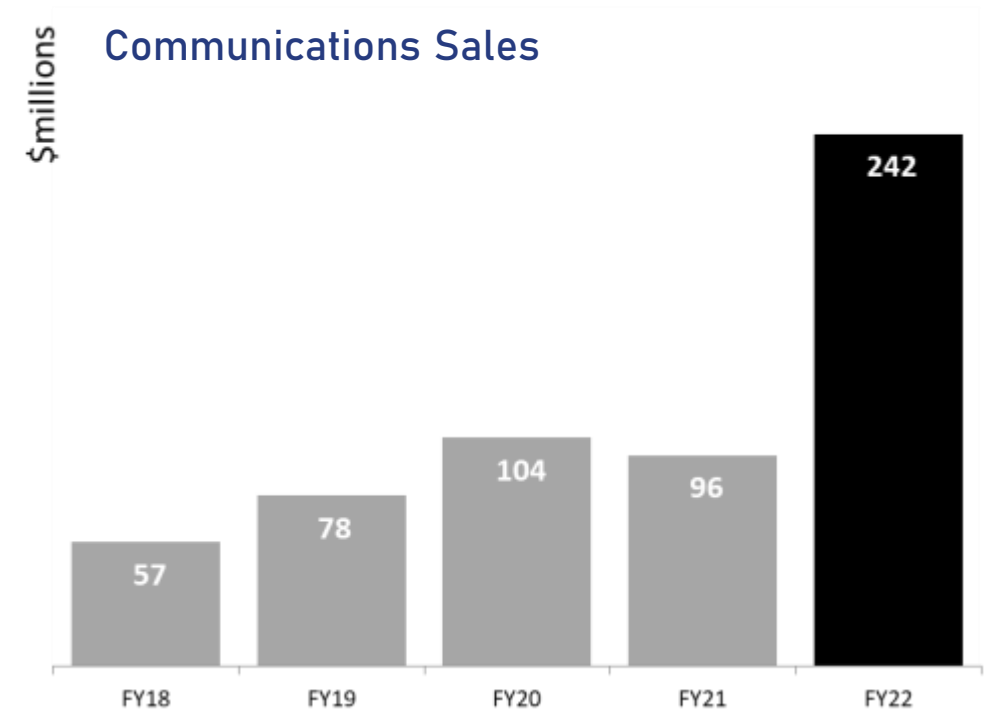
DTC and Zetron have strengthened the Communications business, with both acquisitions exceeding year one targets, achieving \$19 million and \$15 million EBITDA respectively, contributing 19% EPS growth

Tactical Communications (including DTC)

- Awarded and delivered against the largest order in Codan's history for the supply of software defined mesh radios
- Successfully integrated Broadcast Wireless System (BWS) into DTC's broadcast division
- Orderbook increased 23% against June 2021

Zetron

- FY22 Sales exceeded \$100 million
- Secured numerous large contracts including Delta Air Lines and renewal of State of Iowa contract
- Orderbook increased 24% against June 2021



The Communications division remains well positioned as we enter FY23 with a strong order book of \$149 million



TACTICAL COMMUNICATIONS STRATEGIC GROWTH PLAN

Communications that enable you to be connected when it matters most



Invest in Ourselves

- Continue to invest in front-end and Engineering capabilities
- Expand military product offering
- Further develop the Software Defined Radio platform
- Committed to future technology innovations



Strengthen Core Businesses

- Military – Programs of Record
- Unmanned systems (drones) – Geographic & Market segment expansion
- Law enforcement – Safe City system offering
- Broadcast & NGO – Remote Production market focus



Growth by Acquisition

- Strategically aligned
- Expands the core (via technology solutions)
- Penetration of adjacent markets

ZETRON STRATEGIC GROWTH PLAN

Be heard and have the power to respond



Invest in Ourselves

- Drive hosted and virtualised services
- Combine LMR and Command & Control offerings
- Low power, low current solutions, best in class RF (radio frequency) performance



Strengthen Core Businesses

- Invest in front-end, go-to-market
- Grow recurring services revenues
- Extend dominance in mountain top repeater market



Growth by Acquisition

- Strategically aligned
- Expands the core (via technology solutions)
- Penetration of adjacent markets

FINANCIAL RESULTS

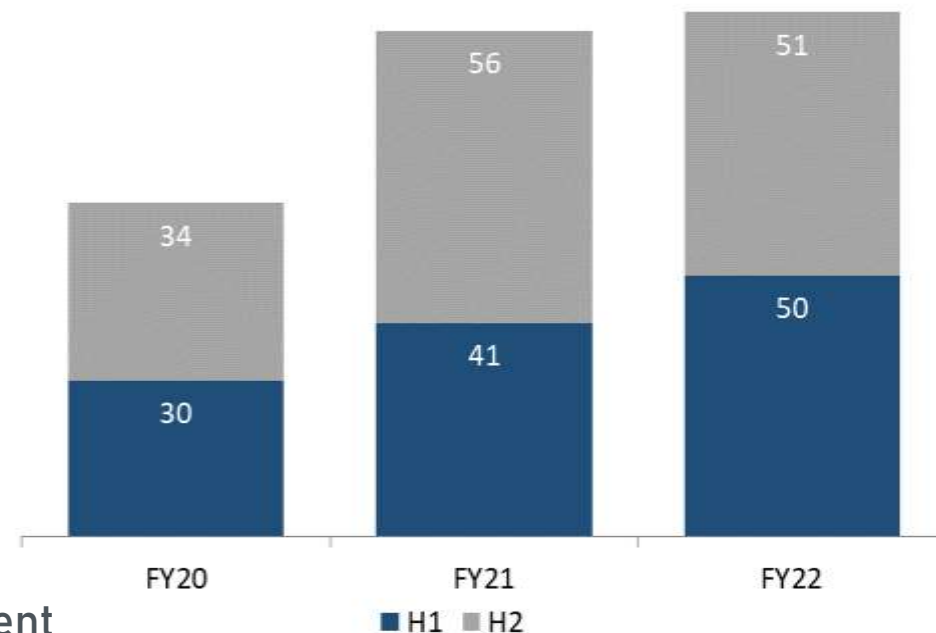


RECORD FY22 PERFORMANCE

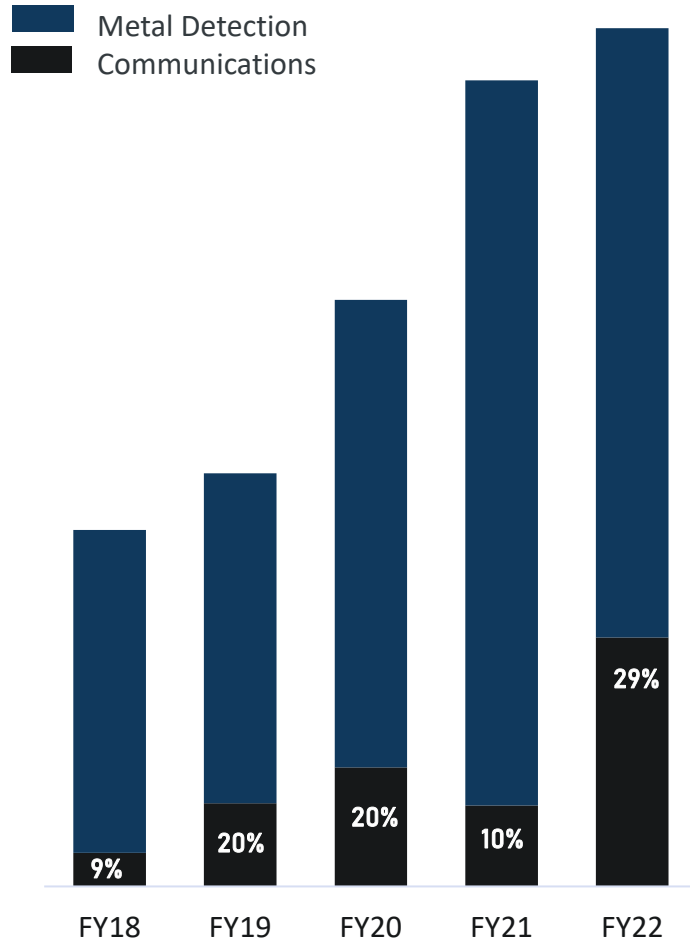
Profit & Loss	FY22	Sales	FY21
	\$m	%	\$m
Revenue			
<i>Metal Detection</i>	\$262.3	52%	\$326.5
<i>Communications</i>	\$241.7	48%	\$95.5
<i>Other</i>	\$2.2	0%	\$15.0
Total Revenue	\$506.1	100%	\$437.0
Underlying EBITDA	\$162.0	32%	\$158.8
Underlying EBIT	\$137.4	27%	\$139.8
Net Interest	(\$1.7)		(\$1.1)
Net profit before tax	\$135.7	27%	\$138.7
Underlying net profit after tax	\$100.5	20%	\$97.3
Statutory net profit after tax	\$100.5	20%	\$90.2

- Record sales and profits, despite challenging operating environment
- More balanced and diversified sales portfolio across segments
- Price increases contributed to gross margin improvement
- Maintained excellent profitability margins in a high inflationary environment
- Gain on Minetec sale offset by one-off integration and restructuring expenses
- Lower tax expense as Communications profits generated in lower tax environments

Underlying NPAT (\$m)



SEGMENT RESULT

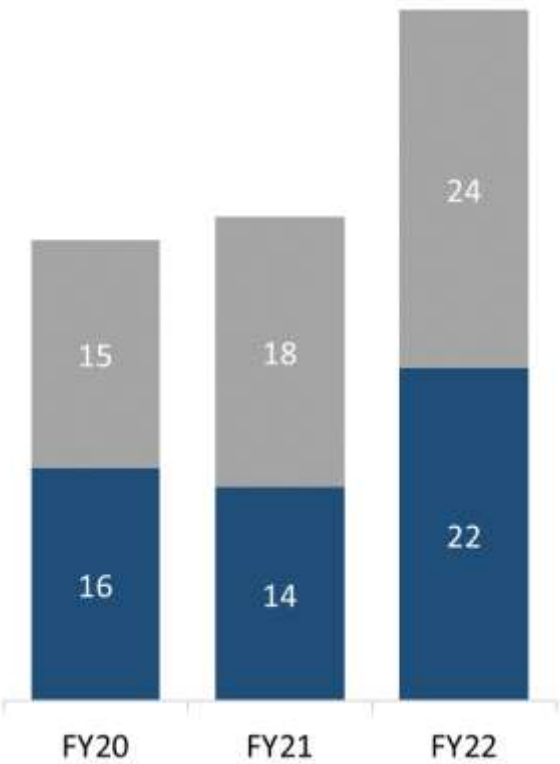


- Successfully diversified sales across Communications and Metal Detection segments, representing a 48% and 52% split in FY22
- Communications segment contribution has grown from 9% to 29% of total segment contribution in FY22
- Management remain focused on continuing to grow profit contribution from Communications into the future
- Objective for Communications to continue to increase segment contribution

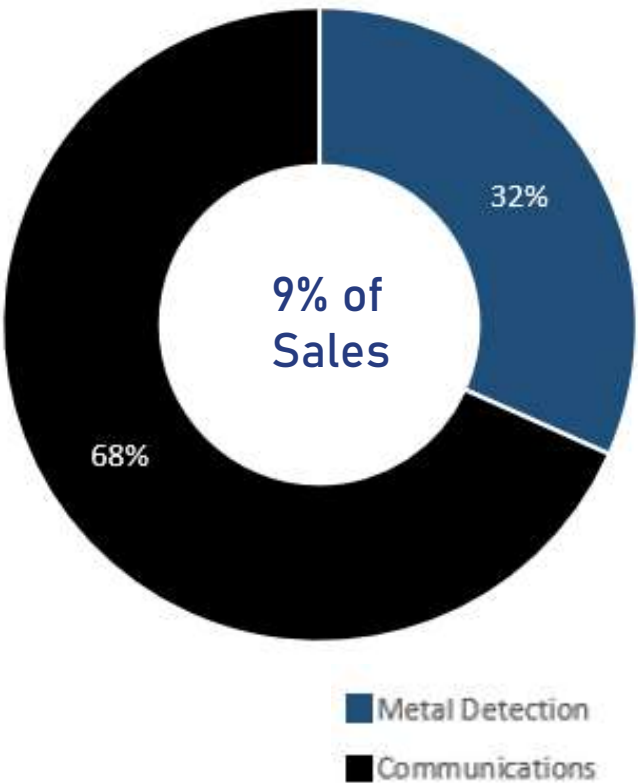
ENGINEERING INVESTMENT

Strong pipeline of projects

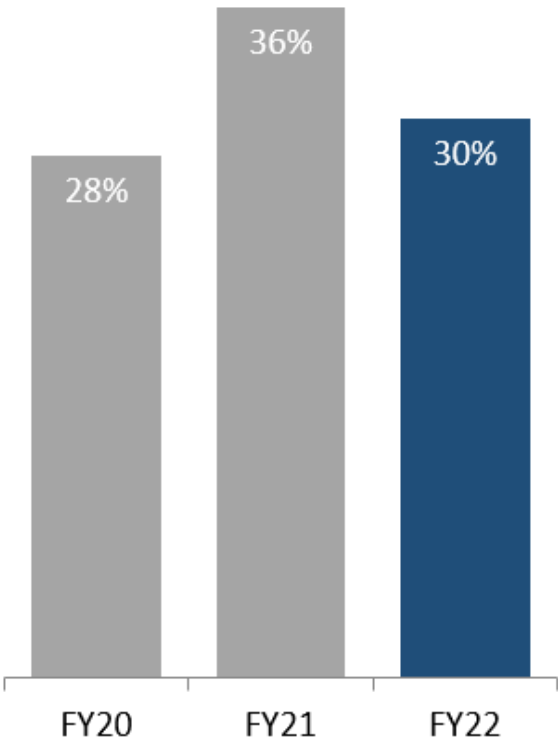
Engineering Spend (\$m)



Engineering by Business Unit



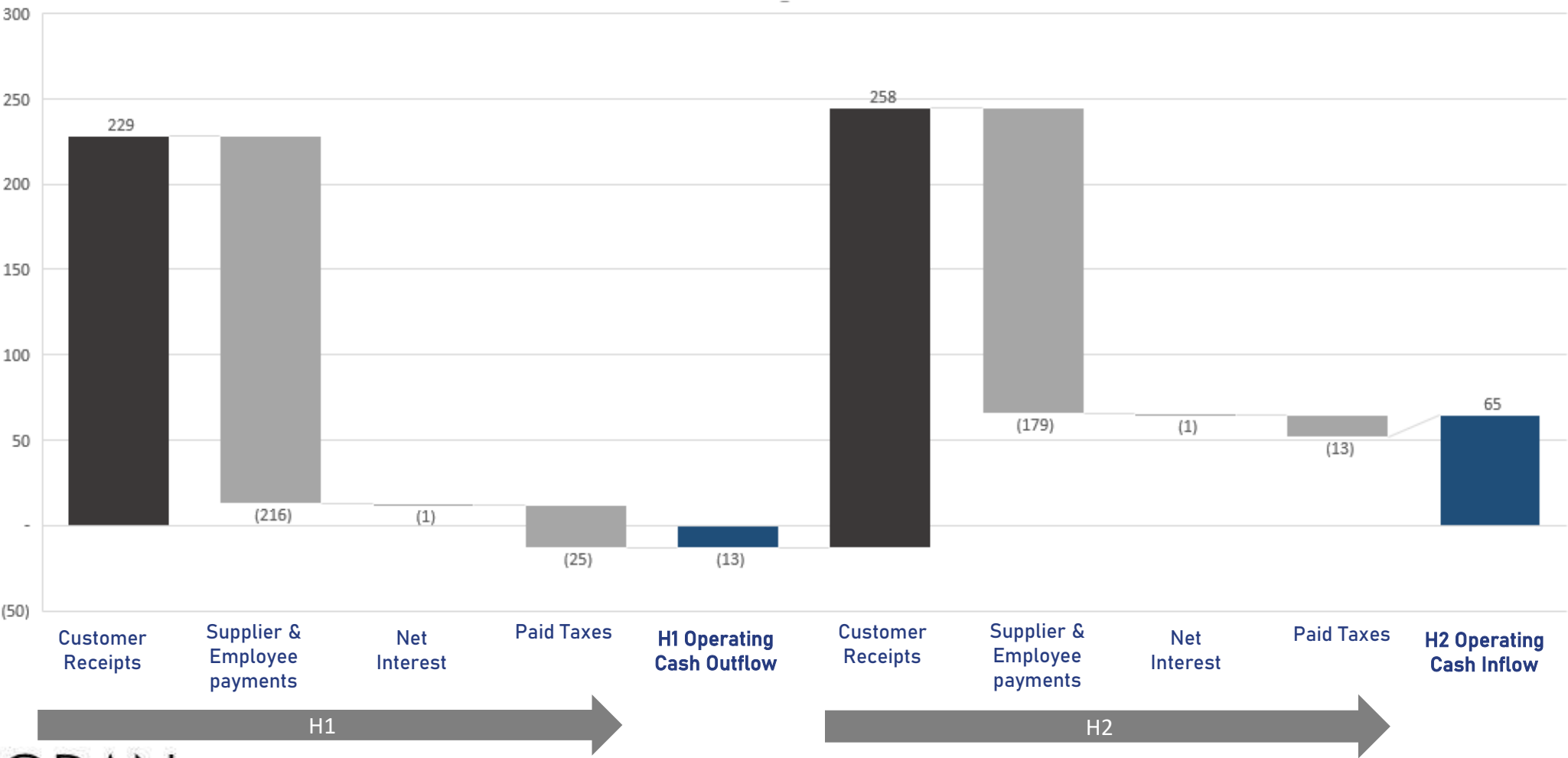
Return on Equity¹



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

FY22 H1 VS H2 OPERATING CASHFLOW

(\$ millions)



OUTLOOK

While general business conditions remain challenging, we continue to focus on building a more predictable and diversified sales base, delivering long term shareholder value. In relation to FY23 outlook

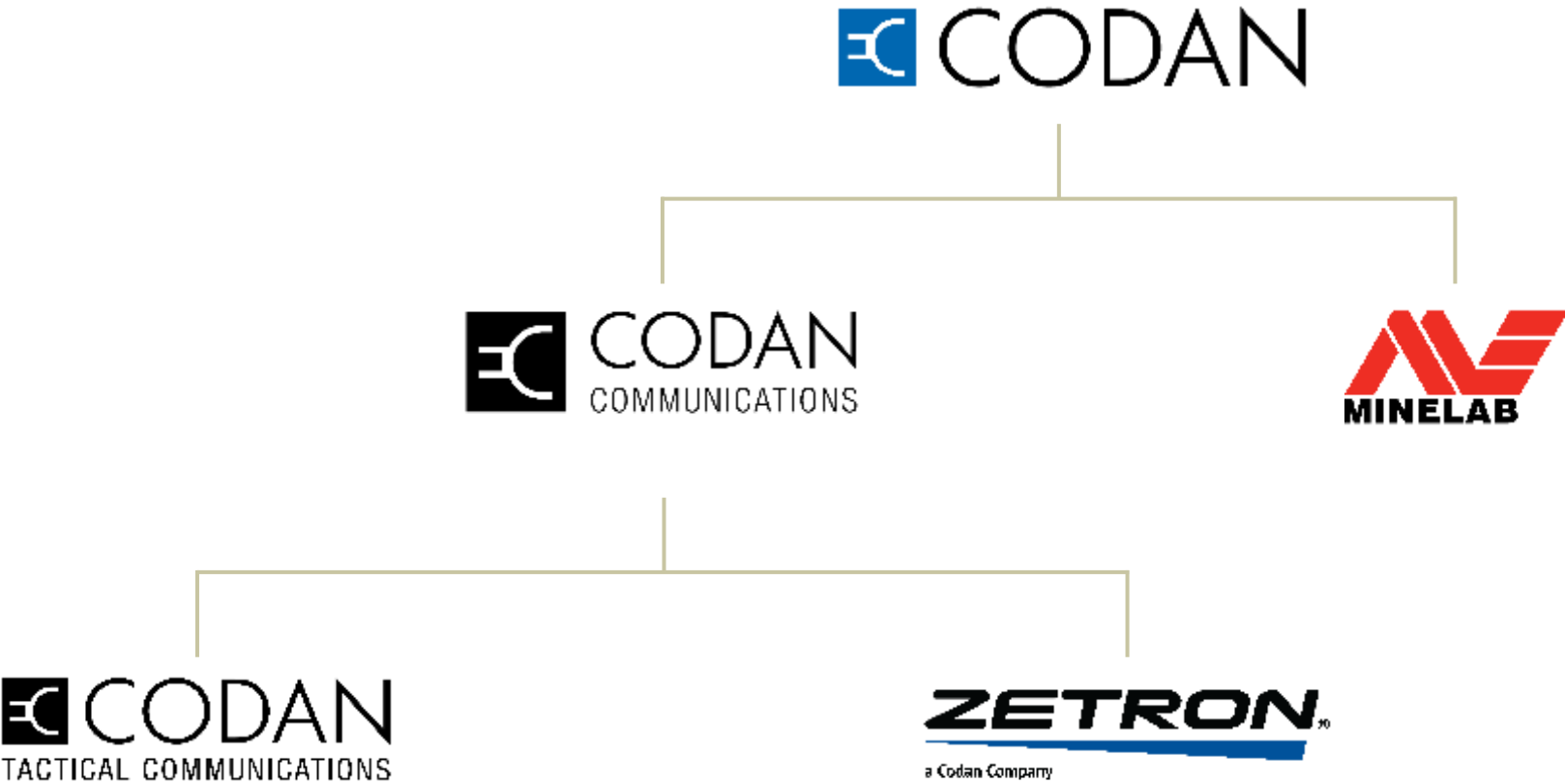
- Sales and marketing initiatives and global business development activities have resumed across all businesses
- The business conditions Minelab experienced in the second half of FY22 are expected to continue into the first half of FY23. Minelab's sales in the first half of FY22 were increased by a carryover of demand from FY21 of approximately \$15 million and when coupled with the cessation of sales into Russia, Minelab's sales in the first half of FY23 may not reach the level achieved in H1 of FY22
- We expect the second half sales to improve as business development activities continue and additional new Minelab products are released
- We have a strong Communications orderbook of \$149 million and a growing pipeline of quality opportunities
- Tactical Communications is focussed on business development opportunities, in particular military programs, given the increased instability in the world
- Zetron is now successfully integrated, the business expects to realise greater sales synergies in FY23; and
- The business will continue to manage inflationary pressures to maintain profitability, maximise cash generation and seek to execute on its acquisition strategy

We believe that our Communications business will achieve strong growth in FY23. As explained above, Minelab's sales in the first half of FY23 may not reach the level achieved in FY22, however with new product releases we are confident of a stronger second half. We will continue to keep shareholders updated as the year progresses

Appendix A - Business



CODAN LIMITED OVERVIEW



GLOBAL OVERVIEW

Continuing to build a global technology business



Sell to over 150 countries around the world



\$0.5 Bn

Annual Sales



20%

Net profit after tax margins



700+

Employees around the world



200+

Engineers globally



10 sites across the globe:



AUSTRALIA



BRAZIL



CANADA



DENMARK



IRELAND



MEXICO



SINGAPORE



UAE



UK



USA

METAL DETECTION

Products & Markets



RECREATION

Coin & Treasure, Gold Detectors

Key markets — Australia, USA, Europe, Asia

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

PRODUCT RANGE

Gold Prospecting/Mining

ولش الذهب 1000
GOLD MONSTER 1000



SDC 2300



GPX 5000



GPX 6000



GPZ 7000



Surface Detection
Gold Recovery

Recreational / Professional

GO*FIND SERIES



VANQUISH



EQUINOX Series



E-TRAC



CTX 3030



EXCALIBUR



Fun & Adventure
Treasures to Monetise

Countermine

F3



F3Ci



F3COMPACT



MF5



MDS-10



Mines & Triggers
Tactical/MIL & Demining

RELATIVE DETECTOR DEPTH



ولمش الذهب 1000
GOLD MONSTER 1000

GOLD EVERYDAY



SDC 2300

EXTREME DETECTING



GPX 6000

THE PATCH HUNTER



GPZ 7000

THE PROFESSIONAL

Mineralization Meter

LIGHT

MEDIUM - HEAVY

MEDIUM - HEAVY

HEAVY



GOLD TOOLBOX / DEPTH COMPARISON

For illustration purposes only

MARKETS DIVERSITY ENSURES REVENUE STABILITY AND GROWTH



MILITARY

Market Segment

- Army
- Navy
- Airforce

Customer Type

- Defence
- Para Military
- Special Forces



LAW ENFORCEMENT & INTELLIGENCE

Market Segment

- Safe Cities
- Domestic Security

Customer Type

- Intelligence Community
- Public Safety
- Homeland Security



UNMANNED

Market Segment

- Air
- Ground
- Surface

Customer Type

- Military
- Law Enforcement
- Commercial



BROADCAST

Market Segment

- Wireless camera
- Remote production

Customer Type

- Sports
- News
- Entertainment



COMMERCIAL / NGO

Market Segment

- NGO
- Commercial
- Oil & Gas

Customer Type

- Humanitarian
- Peacekeeping
- Transport

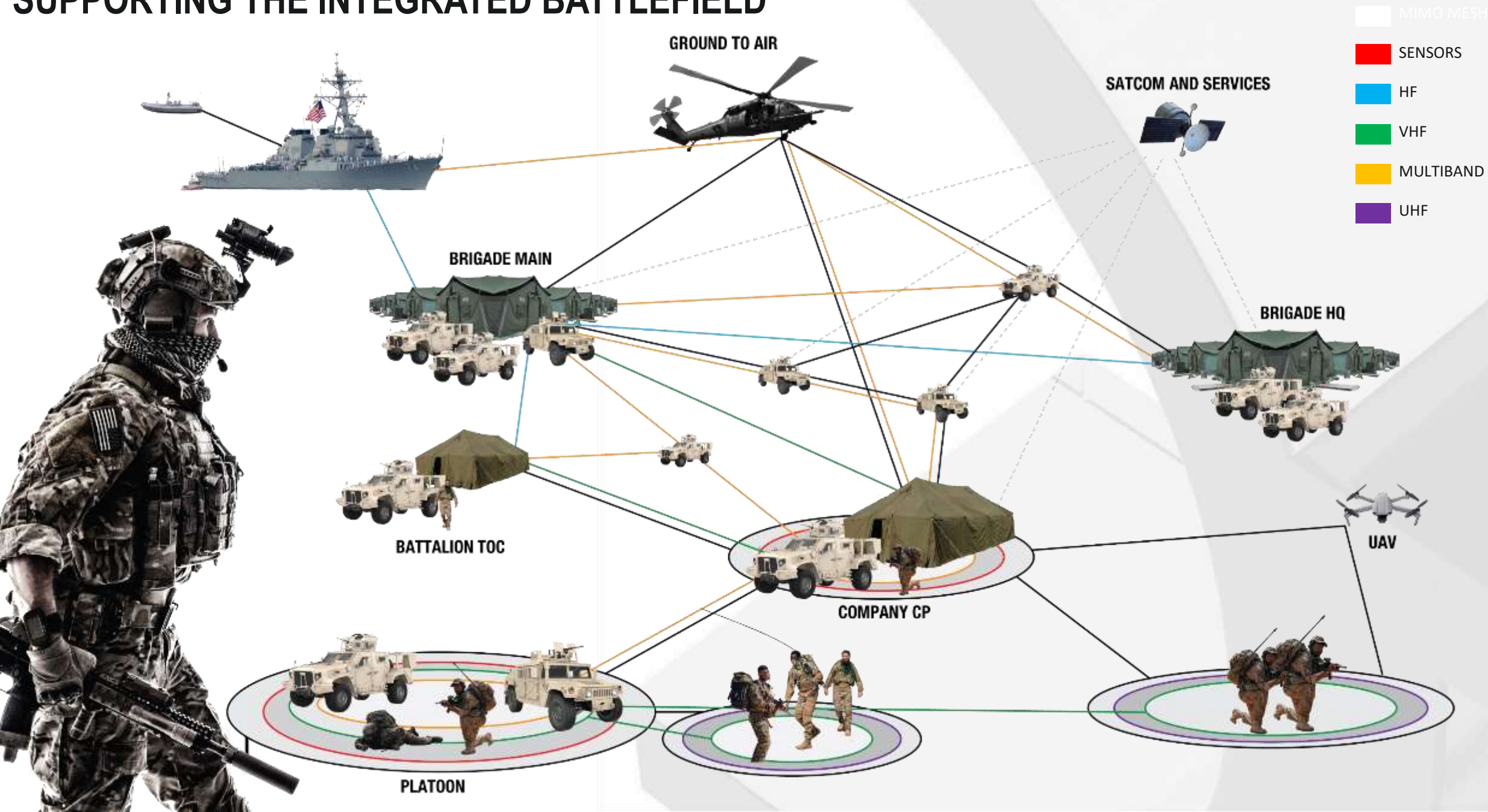
COMPLETE TACTICAL COMMUNICATIONS SOLUTIONS PROVIDER

Tactical Communications

- Modern tactical battlefield communication includes voice, data & **VIDEO**, & increasing demand for high quality infrastructure-less comms



SUPPORTING THE INTEGRATED BATTLEFIELD



Markets We Serve

Primary Markets



Public Safety

Emergency Communications Centers | Police | Fire | EMS

Integrated systems that streamline emergency response and management



Transportation

Air | Rail | Maritime | DOT

Command & Control solutions powering the most complex control room environments in the world



Utilities

Electric | Natural Gas | Water | Waste

Communications that help keep the lights on and restore vital services when they're down



Domestic Security

Quickly deployed transportable communications wherever the motorcade, rally or event goes



Natural Resources

Oil & Gas | Mining | Forestry | Land Management

Reliable communications connecting HQ with land, sea or underground field operations



Institutional

Higher Education | Healthcare | Corrections

Campus communications for staff, student, patient and population efficiency and safety

EMERGENCY RESPONSE LIFECYCLE

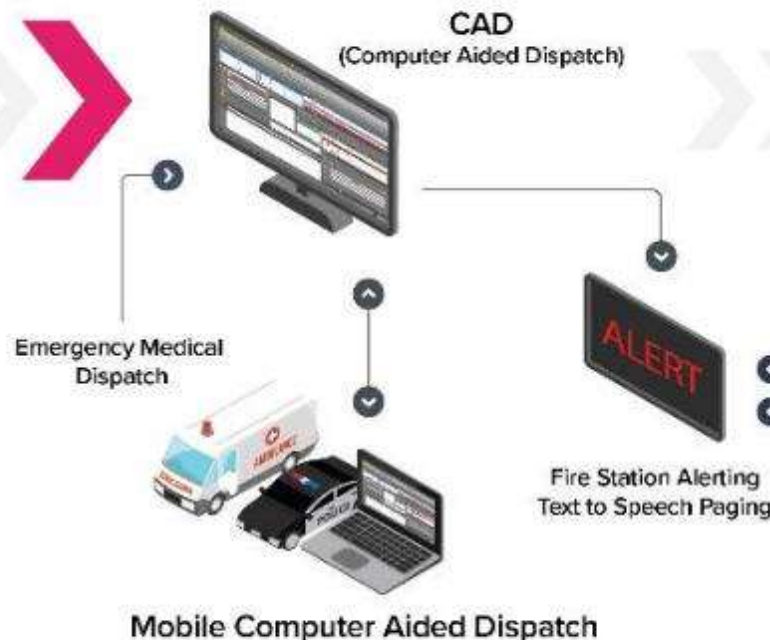
INCIDENT/CALL



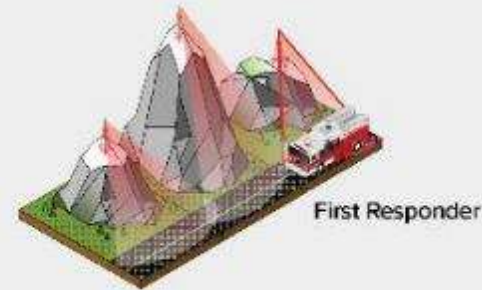
CALL HANDLING/TRIAGE



COORDINATION



RESPONSE



Connection to Radio Network

