

CODAN LIMITED

Exchange SA Conference

8 June 2017

Donald McGurk
Managing Director & CEO



DISCLAIMER

Disclaimer

This presentation has been prepared by Codan Limited (ABN 77 007 590 605) (Codan). The information contained in this presentation is for information purposes only and is not investment, financial product, legal or tax advice.

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.

Statements in this presentation are made only as of the date of this presentation unless otherwise stated and the information in this presentation remains subject to change without notice. Codan is not responsible for providing updated information to any prospective investors.

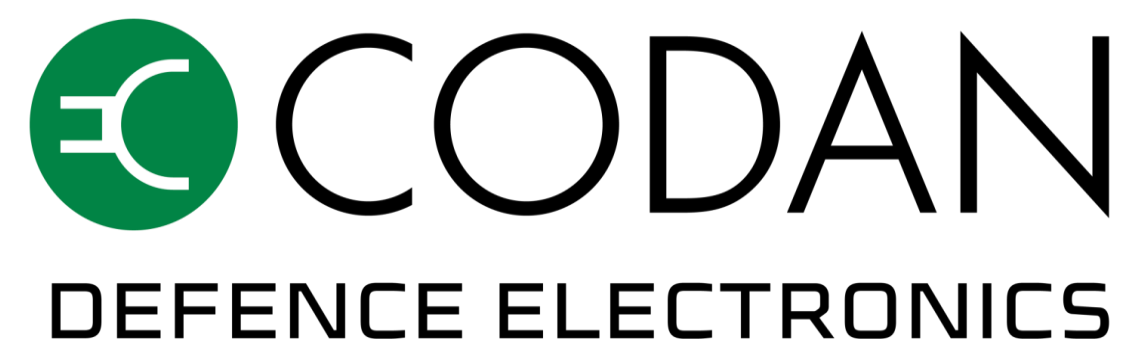
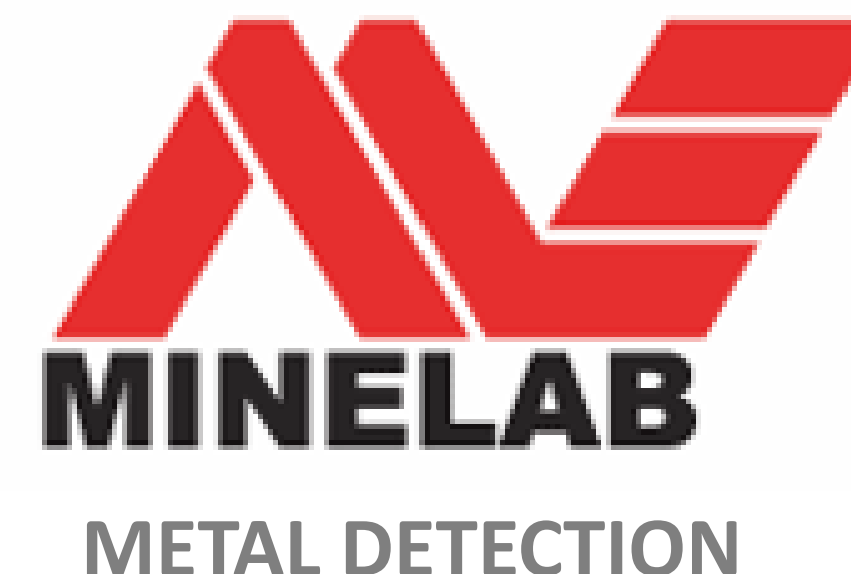
Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance. The historical information in this presentation is, or is based upon, information that has been released to the market. For further information, please see past announcements released to ASX.

This presentation may contain forward-looking statements with respect to the financial condition, results of operations, business of Codan and certain plans and objectives of the management of Codan. Actual outcomes may differ materially from forward-looking statements. Forward-looking statements, opinions and estimates provided in this presentation are likely to involve uncertainties, assumptions, contingencies and other factors. As a result, unknown risks may arise, many of which are outside the control of Codan. Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Codan disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise.

Should you have any specific queries in respect of this disclaimer please contact Codan directly.

TECHNOLOGIES FOR GLOBAL MARKETS

- Headquartered in South Australia, Codan is an international company that develops rugged and reliable electronics solutions for government, corporate, NGO and consumer markets across the globe
- Our purpose is to create long term shareholder value through the design, development and manufacture of innovative technology solutions
- Over our 57 year history we have developed technologies which give us a sustainable competitive advantage in our chosen markets



DELIVERING SHAREHOLDER VALUE OVER THE LONG TERM

Shareholder value

We succeed by:

- Developing unique, high value technology
- Delivering superior product performance in the harshest conditions
- Solving customers' safety, security and productivity problems
- Creating multiple revenue streams from globally diversified markets

Core values



Can-Do



High Performing



Customer Driven

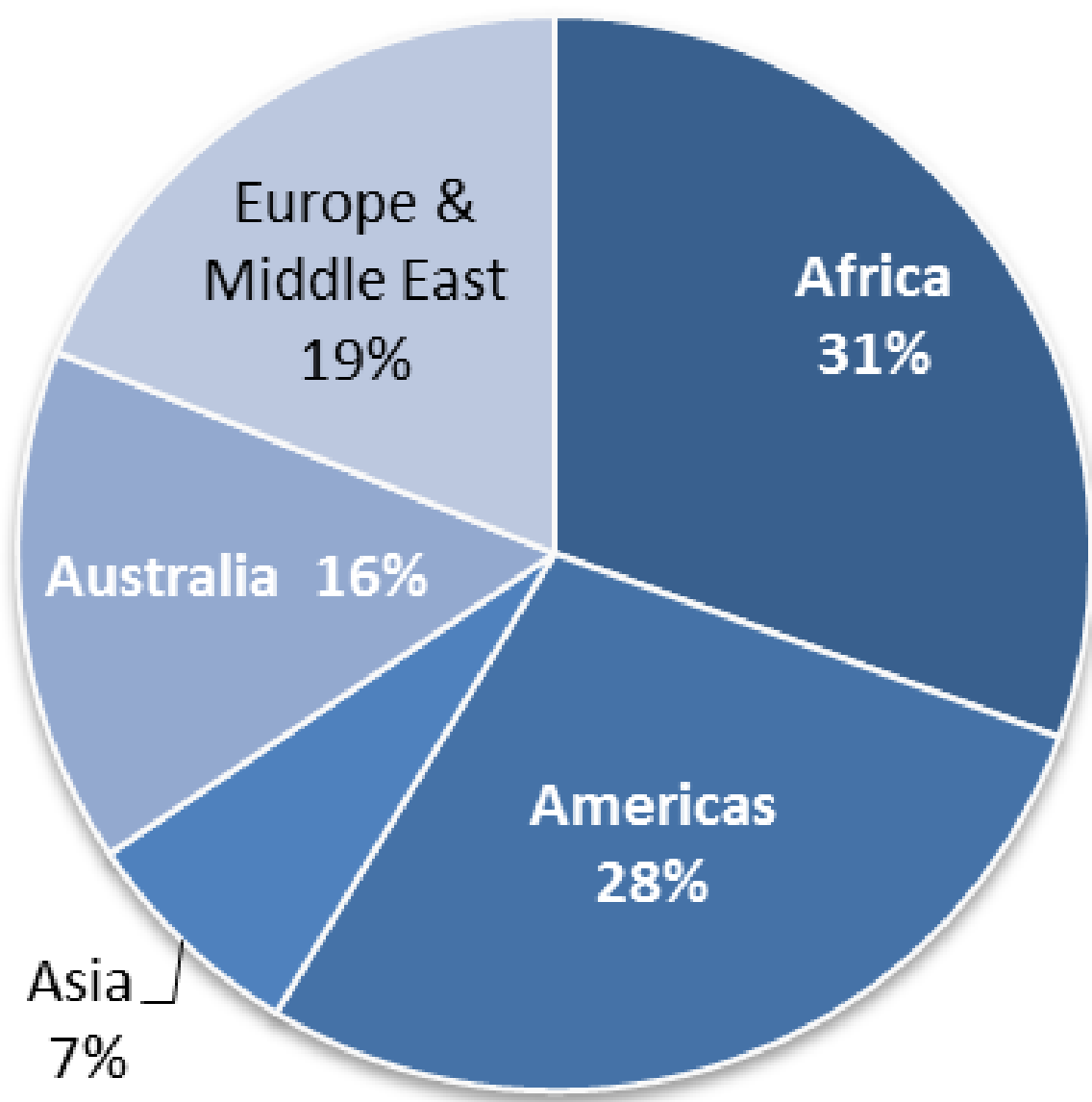


Openness & Integrity

GLOBAL FOOTPRINT – 85% OF SALES EXPORTED



FY16 sales by location

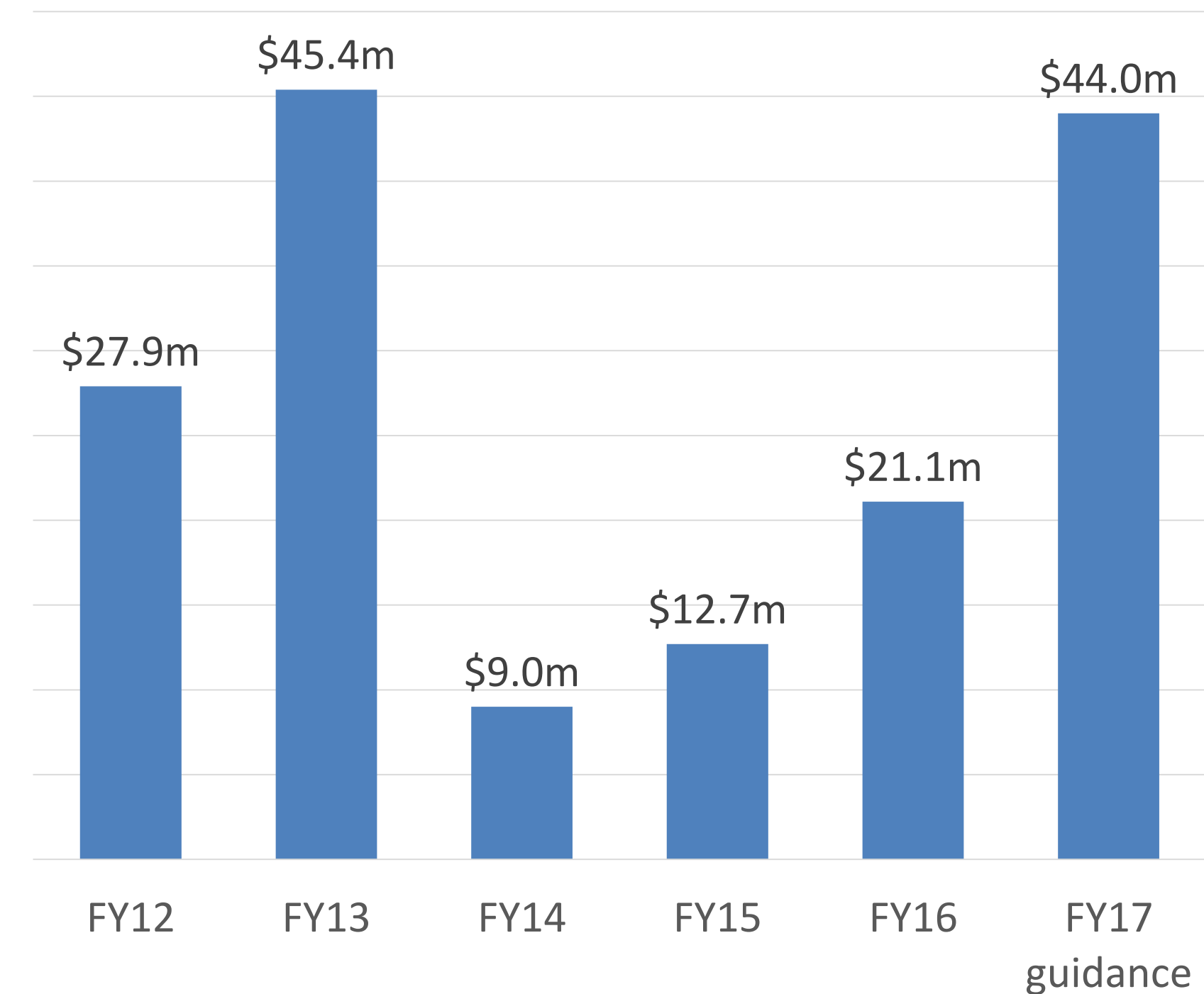


9 offices
375 employees

FINANCIAL SNAPSHOT

ASX Code	CDA
Shares on issue	177.2 million
Market capitalisation	\$420 million
FY16 NPAT	\$21 million
FY17 NPAT (guidance)	\$44 million
Debt free	

Underlying NPAT



- Baseline business: Revenue \$160 - \$180 million NPAT \$20 million - \$25 million
- Revenue upside driven by strong demand for gold detectors and large radio contracts

FINANCIAL PERFORMANCE

- **Revenue of \$191 million for the ten months to 30 April**
(33% higher than prior comparative period)
- **FY17 NPAT guidance double FY16**
- **Strong cash flow generation over the second half**
 - \$20 million net cash position at 30 April
- **History of 50% dividend payout ratio – fully franked**
 - FY17 interim dividend 3 cents (50% higher than prior comparative period)
 - Also paid 3 cent special dividend to reflect outperformance
- **Up to \$85 million debt facility available to fund future growth**

BUSINESS UNITS



 **CODAN**
RADIO COMMUNICATIONS


MINELAB

MINETEC™

 **CODAN**
DEFENCE ELECTRONICS

RADIO COMMUNICATIONS

Best in class solutions



- Two technology platforms:
 - Long range digital radio (HF)
 - Land Mobile Radio (LMR)
- Transitioning from a product to a solutions business
- Key markets in Africa, Asia, North America

RADIO COMMUNICATIONS

Long range digital radio (HF)

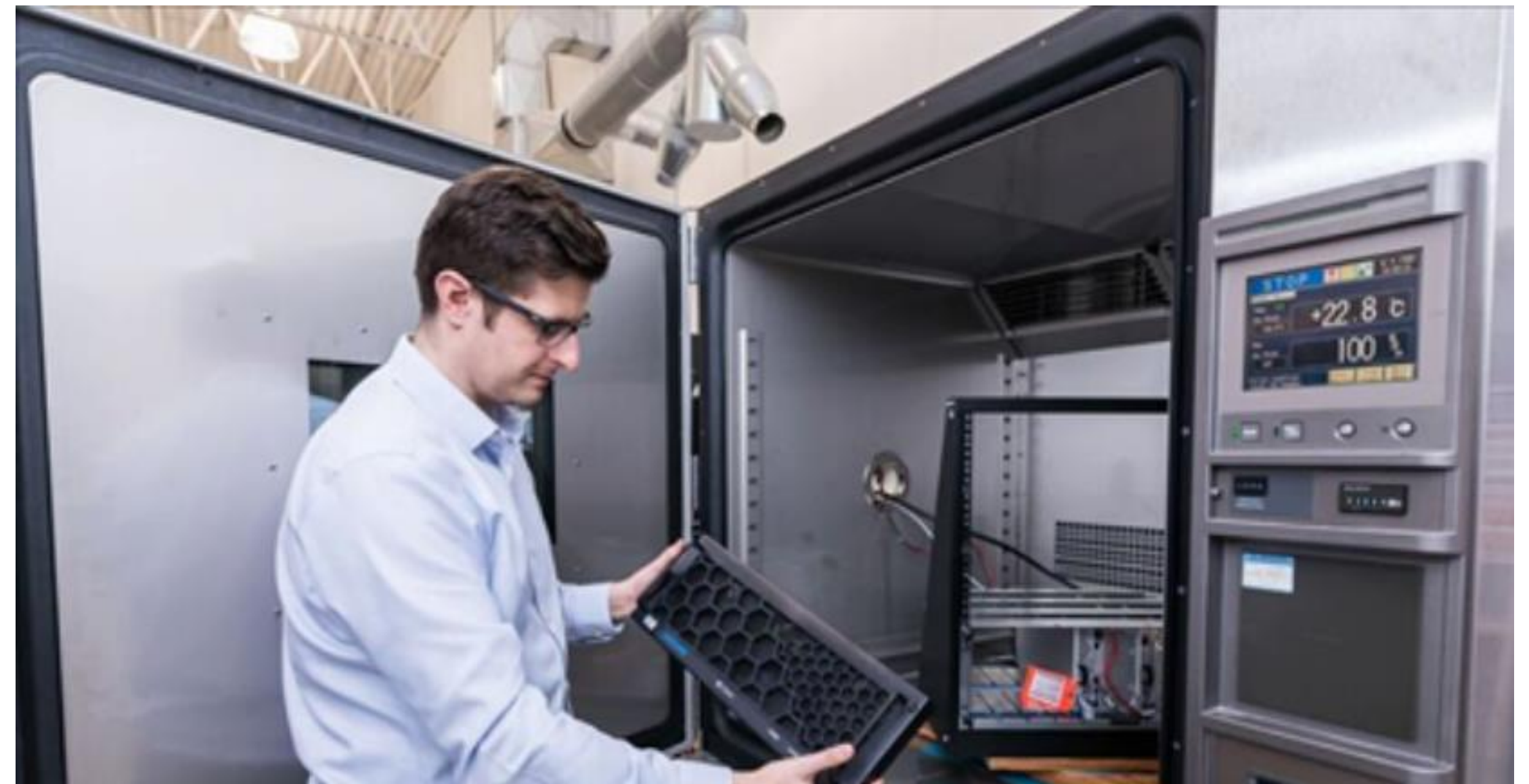
- New products for global military markets
- Acquisition of Stealth antenna technology (Jan 2017) has expanded product line
- Large project wins can lift revenues



RADIO COMMUNICATIONS

Land Mobile Radio (LMR)

- LMR used by first responders (police, fire, emergency services)
- New Cascade™ product range released from July 2017
- Software Defined Radio (SDR) – customer can upgrade without buying hardware



METAL DETECTION

World's best metal detecting technology



Key markets - Australia, USA, Europe, Russia

Users:

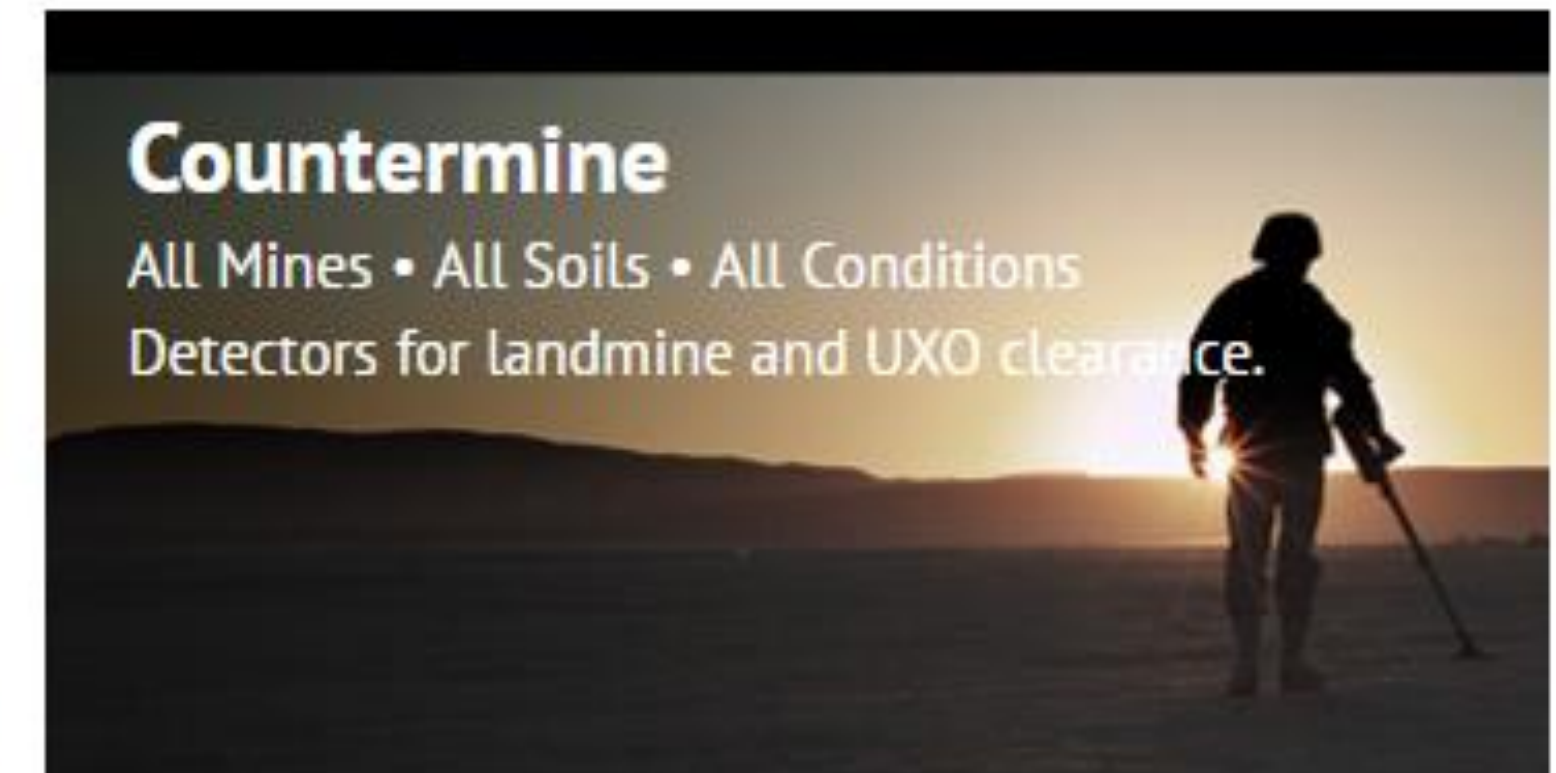
- Families
- Weekend enthusiasts
- Serious treasure hunters
- Keen gold prospectors
- Archaeologists
- Beach & deep sea detectors



Key markets – Africa / AsiaPac / LATAM

Users:

- Small scale artisanal miners



Key market – countries impacted by war – past and present

Users:

- Demining organisations
- Governments
- Security forces

METAL DETECTION

GPZ 7000[®] – released in Africa October 2015



- Ground-breaking technology
- Up to 40% depth improvement over GPX 5000[™]
- Deepest ground penetration available
- Driving a replacement market
- High return on investment



METAL DETECTION

New product – Gold Monster 1000®



- Specifically designed for harsh African conditions
- Challenge competitors at lower price point
- Rugged and easy to use
- Launched in May 2017



Highly accurate tracking of assets to improve mine productivity and safety

- “GPS” for an underground mine
- Numerous installed mines, critical reference sites for further sales
- Gaining market traction
- Operating profitably



TRACKING
VISUALISATION



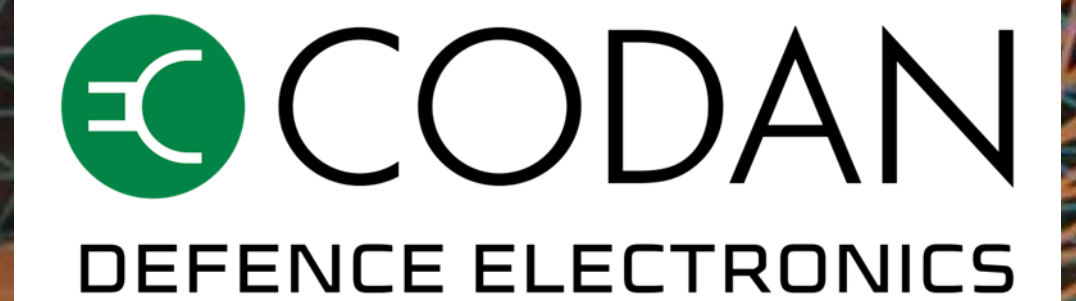
TASK
MANAGEMENT



PROXIMITY
DETECTION

DEFENCE ELECTRONICS

Leveraging our Defence capability



- Recent initiative to capitalise on our long history of supplying the defence sector
- Core technical competence in RF sub-system design
- Supplying large defence contractors



THANK YOU