CODAN

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ASX RELEASE

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H1 FY27 Trading Update

Codan Limited (**Codan**) is pleased to provide the following trading update for H1 FY27 and updated outlook for full-year FY27.

H1 FY27 Trading Update

Communications:

Codan advised the market on 20 August 2026 that, given unprecedented levels of demand primarily for unmanned systems combined with strong order momentum, its Communications segment expected H1 FY27 revenue to significantly exceed the pcp, with full-year FY27 revenue growth targeted in the order of 20% (above the long-term sales growth target of 10% to 15%).

Trading and order intake in the Communications segment have continued to strengthen during Q1 FY27, and Codan now has visibility on expected performance through Q2 FY27.

Outside of conflict regions, Codan expects the Communications segment to deliver H1 FY27 revenue growth in the order of 20% vs. pcp, in line with our outlook statement issued on 20 August 2026, with broad-based growth across regions and markets reinforcing the global relevance of our technologies. Demand from conflict regions is currently exceptionally strong, reflecting the proven performance and reliability of our technology in these contested environments. With this elevated demand, Codan expects revenue generated from conflict regions to represent approximately 50% of Communications segment revenue in H1 FY27 (vs. approximately 20% in the pcp).

Codan now expects the Communications segment to deliver H1 FY27 revenue of between $400 million and $410 million. This compares to $221.8 million in the pcp and $506.2 million in full-year FY26. The elevated level and mix of demand is expected to generate significant operating leverage, resulting in a H1 FY27 EBIT margin for the Communications segment in the order of 40% (compared to 26% in the pcp and 31% in full-year FY26). The demand from conflict regions is difficult to forecast beyond 3 months and accordingly it is too early in the financial year to determine if demand and margin will continue at similar levels in H2 FY27.

Metal Detection:

Minelab has had a solid start to H1 FY27, driven by demand for the recently launched GPZ8000 and Gold Monster 2000 detectors, a favourable gold price, and the continued expansion of its Rest of World business. Codan advised the market on 20 August 2026 that Minelab was tracking broadly in line with H2 FY26 revenue levels. Minelab's H1 FY27 revenue run-rate is now slightly above H2 FY26 levels.

Group:

Codan continues to actively seek ways to mitigate potential supply chain related constraints resulting from the order momentum in both the Communications and Minelab businesses. Based on order visibility across Q2 FY27, subject to final product mix and shipments, Codan currently expects to achieve Group NPAT for H1 FY27 of not less than $160 million, vs. $71.2 million in the pcp and $175.2 million in full-year FY26.

Full-Year FY27 Outlook

While current indications are that the elevated sales order momentum in the Communications segment may continue into H2 FY27, order visibility in conflict regions is low and it is too early to determine whether the elevated demand and margin experienced in H1 FY27 will continue in H2 FY27. Balancing these factors, Codan is currently targeting full-year FY27 revenue growth for the Communications segment to be in the range of 30% to 40% compared to full-year FY26.

On behalf of the Board

Daniel Widera
Company Secretary

This announcement was authorised 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.

– ENDS –

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