GEOFF KNOX

EXECUTIVE CHAIRMAN & GROUP CEO | HIGHCOM LIMITED



HIGHCOM GROUP

Based in Canberra and with a manufacturing facility in the US, HighCom Group is an ASX listed technology and soldier protection systems company. *ADM* Editor Nigel Pittaway caught up with Geoff Knox, the Company's Executive Chairman and Group CEO, at the recent Land Forces exposition in Perth to learn more about HighCom and its activities at home and abroad.

ADM: Can you provide our readers with an overview of who HighCom Group is?

KNOX: Yes, certainly. We're actually quite a unique business, for a couple of reasons. We're an ASX listed defence business. We've got two parts to that enterprise, so one is our technology business based out of Canberra but services this region and then we have an armour business that's based out of Columbus in Ohio, but its key differentiator is an Australian technology that we developed here.

So, we're unique for a number of reasons. One is that businesses and people might say, why are they together. And the second one, being based out of Canberra as an ASX listed company is actually quite rare; there's not many at all. But of course, that's sort of front and centre for us for key customers for the technology business.

The unique connection between the two is it's all about protecting the frontline fighter and the first responder. So, obviously body armour does that, for vehicles and vessels and for aircraft it does that, and the technologies – drones, counter-drones, tethered drones and also common control systems always, once again, protecting the frontline fighter.

So, that's the common thread between the two divisions and it gives us quite a unique perspective on what



HighCom Technology is an Australian technology integrator

HIGHCOM GROUP

we need to design for each business to come up with unique products.

ADM: Can you tell me about the history of the company and how it came into being?
KNOX: XTEK is the original Australian enterprise. It was really more of a technology business. It was looking to develop unique technologies for defence use in Australia. It developed a new technology for body armour in Adelaide, which is what we call the XTclave, it's a proprietary technology that we own, nobody else has it, and then realised that that particular technology would probably do better in the US market. It bought a US enterprise called HighCom. HighCom's been around for about 30 years. They bought that business, we then took the technology from Adelaide and introduced it into the market there in the US, and here we are in our current format.

ADM: What is the company's footprint in Australia?
KNOX: Our footprint here, because it's a technology business, is quite small. So, we have our facility down in Canberra. It's both our corporate office, the head office for our technology business and also it's the centre for our maintenance and servicing of the drones for ADF.

ADM: Can you provide a few details of your recent success in the defence market?
KNOX: Yes, so we've had quite a few actually. Starting with the technology business, we picked up a significant order for counter-UAS systems for personnel for the ADF, about a $8.9 million order, and that's an important first step as the ADF test out personnel counter-drone systems and, really important, that wasn't just a pass through, that was us working with ADF to say, what do you need, finding the right products with MyDefence out of Denmark, commissioning that system into an Australian environment and now obviously training and servicing those units now that they're out.

Similar thing for New Zealand Defence Force. We just picked up a counter-UAS order for them, which is their starting point for counter-UAS for their troops as well, so very important.

ADM: What are the patterns and trends you are seeing in defence industry and how do you take advantage of these?
KNOX: Look, the good thing about being an Australian business that's global: we get a global perspective, and we can focus on the markets that are important. So, we're seeing a couple of things. Firstly, in Australia ADF is doing some really good work on piloting what it is they're going to need to buy as they finally determine their procurement priorities, and we're heavily in that process for all of the products we've mentioned before.

In the US we get a firsthand view of what the Department of War is thinking for that region but also globally. We're in the South American marketplace, we're seeing a lot of activity for our body armour down there as they think about a more hostile environment. And then obvi-

BELOW: The HighCom ACH Boltless (Advanced Combat Helmet High Cut) helmet



HIGHCOM GROUP

PROFILE

2026	Executive Chairman and Group CEO, HighCom Limited
2020	Managing Director, CEO, Eptec Group
2017	EGM Infrastructure, Eptec Group
2012	Global CEO GE Mining & Chief Executive GE Transportation (Australia), General Electric
2007	Managing Director and Chief Executive Officer, Dower EDI Ltd
2005	Chairperson, Hatch Associates Australia Asia
1999	Global Executive Director, Hatch Associates
1999	Global Managing Director Infrastructure, Iron and Steel, and Project and Construction Management, Hatch Associates (BHP sold to Hatch 1999)
1996	President BHP Engineering, Vice President BHP Project Management, founding member Capital Projects Review Committee, BHP Engineering
1987	Director Asian Development, National Development Manager, State Manager NSW/ Victoria Mechanical Division, Baulderstone Hornibrook
1985	Construction Planning Engineer, Australian Submarine Corporation (seconded from CBI)
1979	Contracts Supervisor, Chicago Bridge and Iron Constructors
1979	Bachelor of Civil Engineering, University of Western Australia



HIGHCOM GROUP

ously we spend a fair bit of time in Europe; we've spent most of July in Europe actually, and there for us is basically a body armour marketplace and because of our unique technology we've got ultra-light body armour that no one else has and we also have female form-fit armour which is new to the market, surprisingly, after all this time.

ADM: Equally, what are the challenges to doing business with Defence and how do you overcome these?

KNOX: Our process allows us to produce better ballistic outcomes than others can in that market. So, we're getting huge interest in Europe. The further east you are in Europe, the more intense the procurement cycle and the shorter and the faster they innovate. The further west you go, the slower the cycle. The US is obviously fast but around one or two particular battlefronts, and becoming faster. South America is following and in Australia, as I say, there's some really good technology platform piloting going.

"WE PICKED UP A SIGNIFICANT ORDER FOR COUNTER-UAS SYSTEMS FOR PERSONNEL FOR THE ADF"

ADM: Can small defence businesses survive in Australia, or do they have to look overseas?

KNOX: So, for us, as I say, we're actually really happy to be where we are. We are working with Defence. We're a user-based design company, so we work with the user – in this case, ADF – understanding their needs and helping them make the decision process. We understand the procurement cycle they need to go through, and we're nicely placed in that. So, we actually see it as well placed and getting ready for quite a significant run later in the investment cycle.

So, it depends on what you do. Prior to this I looked after a sustainment business for Navy. It's a business that's successful, running well, it's got good volumes of work, so it's got good, steady, predictable work because of sustainment. If you're in product supply, it's harder. It's peaky unless you're able to defray your market risk into other markets, which we have. As I said, we're in the Americas, we're in Europe, and we're here in this region, yeah, it can be peaky and that makes it hard as a small business to survive. So, you've got to have a more international outlook, just to defray your client risk.

ADM: What are the challenges involved in export?

KNOX: So, basically for us we're bringing products into Australia for the technology business and out into New Zealand, which is relatively limited. So, we don't have a lot of issues there, it's more a matter of getting export permits to bring them in from other countries rather than to actually be issues here.

For the armour business, it's 30 years of sending armour all over the world. It knows how to get stuff around and into the right places. As an example, 40 per cent of the body armour in Ukraine is ours. We had no trouble getting that manufactured in the US and shipped across to Ukraine.

ADM: What are HighComs's prospects in the short, medium and long-term and what emerging technologies are you looking at?

KNOX: I've only been on board in the business now for just on nine months. So, the first six months were stabilising the business and setting the strategic direction because we've got unique products and we're getting them into the market. So that was Phase 1.

LEFT: HighCom's armour division is based in the United States

BELOW: HighCom has developed lightweight body armour for soldier protection

Phase 2 now is actually delivering that to the marketplaces that are there and at the same time, as I say, we've broadened our focus from just US and particularly US lawmakers to now US Department of War plus law enforcement plus South America plus Canada plus Europe. And in doing so, we're now reset. So, that's what the US business has been focusing on.

Most important for that is getting its products into the market for people to realise that we've had it on a stand here. People pick up a heavy set of armour and then they pick up our lighter product, and they say 'damn that's light' or words to that effect.

But the same for the female form armour. It is light and it's female shaped, so the ergonomics for the female fighter are significant. We've just got to get it in the hands of the users. Once they get it, they want it and that's what we're in, that phase of getting it into the hands of the users to make their procurement decisions.

So, prospects for the business, as I say right now, the technology business is good, it's stable, heading in the right direction and looking forward to the procurement cycles which are later in this decade but it's prepared and ready for that, and busy doing what it's doing, which is good, so growing nicely.



HIGHCOM GROUP




HIGHCOM GROUP

LEFT: HighCom partners with other companies, including AeroVironment to provide solutions for its customers

ADM: Is it feasible, to be able to move manufacture around the world like that?
KNOX: Yes, it is for what we do for the right volumes. So, if you think about Europe as a series of country buyers, as distinct from one country buyer, there's enough volume there to justify the investment and, indeed, some of the major bodies over there would likely fund it. So, that's easy to do.

In the US, Columbus has got enough capacity for the next 3–5 years. So, it's good, it can handle that region easily and for what we need globally. And then in Australia we don't ever see their need being a need to have that size manufacturing footprint down here for body armour, however, in terms of the drones, we need some local capacity for basically componentry for drones rather than the assembly in total.

ADM: You mentioned that you have 40 per cent of the market in Ukraine. Can you give me an idea of the market share overall?
KNOX: So, our market share overall globally is tiny. You'll see that our market cap is small. Our market cap under-realises the real value of the enterprise but that's something for the market to do. But really for us, our market share is small, the upside is high and the products are under demand right now; people like what we're doing. So, I think the chance to steal share is high. In Europe we are tiny, but we don't intend to stay that way for long.

ADM: What sets you apart from your competitors?
KNOX: So, a couple of things. Obviously in the armour business no one else has this new XTclave process; it's ours, it's proprietary to us and out of which our armour is generally lighter, the form fit is safer for ballistics because we have less micro-cracks in the ceramics. So, there's a whole range of factors that differentiate what we do and it's price competitive.

In the technology business the thing that separates us, we don't design our own tech, which means we don't have to invest a lot of money to maybe run down the wrong rabbit burrow. We talk to the users, we work out what they want, and we source the best products worldwide to bring in. So, our counter-drone system that we use is from MyDefence out of Denmark. They have probably what's one of the best systems in the world. We are a valued partner of theirs in its development but also in its outlay

> In the armour business we basically had hardly any market for armour in the US last year as the government shut down its budgets, so we've had to recover from that, which we're in the process of doing and getting it out into the marketplace, but the demand through the pricing cycle is high, we've just now got to win our share. And the same in Europe, the response to the products is terrific and we're now involved in the procurement cycles, we've now got to win our share. So that's kind of medium term.
>
> And then long term, everybody's going for industry content, local industry content. Depending on volumes we then have to think about whether we need manufacturing footprints. Europe wants European product, Australia wants Australian product, or some combination thereof and it's addressing those in the longer term.

into the Australian marketplace. That sets us apart. A lot of people are pumping the product they've got; they've got DroneX by DroneX. Well, we say, what drone do you need and let's provide that, as an example.

Because of the XTclave we can get the weight down. We can shape it any shape you want. A lot of what is coming out of the market for female body armour is coming out of a press, which means once you've made the moulds, that's it. Whereas ours, we can make moulds quickly and cheaply, change size quickly and easily and, plus, our process, you've normally got a ceramic plate in there somewhere, the ceramics get cracked, you get micro-cracks in them when you put them in a big press. Our technology doesn't do that, so we don't have the micro-crack problem that others have.

There's a major issue in Europe right now where there's been a failure of pressed products and they've got micro-cracks. Micro-cracks mean you've got a ballistic weakness. We don't have that problem.

"IN THE US WE GET A FIRSTHAND VIEW OF WHAT THE DEPARTMENT OF WAR IS THINKING FOR THAT REGION BUT ALSO GLOBALLY"

ADM: And finally?

KNOX: Well, as I say, I think the notable thing, because there's a lot of people down on Australian Defence procurement, we're pretty impressed with what ADF is doing in piloting what are very new technologies and that are evolving fast, working out what's best in class and then buying that in bulk forward. That's pretty impressive and I don't think the public see enough of that, and I think they need to realise that within the machine there's some people doing some really good procurement work in what is a fast-evolving marketplace. It's hard to buy right now because what you buy today could be different tomorrow. I think they're doing really good work in piloting those ideas and then working out what they want so that they buy well. ■

