

The Advertiser



Strong sales deliver 24 per cent profit boost for SA company Codan

Valerina Changarathil, The Advertiser
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MAWSON Lakes radio communications system and metal detector maker Codan will celebrate its 24 per cent boost in net profit by increasing dividend payouts to shareholders.

Net profit after tax came in at \$15.5 million, while underlying net profit was up 67 per cent to \$21.1 million on higher sales.

The technology company said it would pay a final dividend of 4c per share on October 4, bringing the full year dividend to 6c, up 71 per cent on the previous year.

Chief executive Donald McGurk said the company was beginning to see the benefits of its significant investment in new product development across its Minelab, Land Mobile Radios and High Frequency product platforms within the metal detection and radio communications divisions, respectively.

The contribution from its metal detection business also increased by 55 per cent, assisted by the release of a new product in the high-growth African market.

The company, which employs 200 staff, will continue to pursue the sale of its vacant property at Newton, which has been on the market since mid-2015.

“In light of current market conditions, the carrying value has been reassessed and written down by \$1 million.”

The management said it anticipates a transaction will be completed in the current financial year.

The company said it was focused on delivering “more stable results for shareholders and profit improvement over the long term”.

A stronger first half is expected in the current financial year compared to the same period last year due to expected project wins.

A further business update will be provided at Codan’s annual meeting in October.

Codan shares were trading nearly five per cent stronger at \$1.25 at 3pm AEST.