

Codan investors' dividend bonus

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PAYDIRT: Codan chief executive Donald McGurk with a Manpack high-frequency radio. Picture: STEPHEN LAFFER

MAWSON Lakes technology company Codan will pay investors a second special dividend to mark its stellar full-year financial performance.

For the 12 months to June 30, Codan reported a record after-tax profit of \$45.7 million, up 10 per cent from the previous financial year, and record sales of \$271 million, up 18 per cent.

Underlying net profit after tax was up 15 per cent at \$45.7 million, higher than the \$39.8 million in the previous financial year.

In recognition of the continuing performance of the company, the directors announced a higher final dividend of 5c and a special dividend of 2.5c, to be paid on September 13.

The company previously paid investors an interim dividend of 4c and a special dividend of 2.5c at the half-year.

Consistent gold detector sales into Africa, strong growth in the sales of recreational metal detectors and a successful transition into systems and solutions in its communications business helped deliver the record

profit, chief executive Donald McGurk said.

"Profit margins have remained strong despite the business significantly diversifying its product mix.

"We continue to invest heavily in new products and have expanded into new markets in order to broaden the company's sales and reduce earnings volatility."

Codan's base-business sales have grown to a range of \$200 million-\$220 million, delivering net profit after tax in the range of \$28 million-\$33 million. The communications business saw sales rise 37 per cent to \$78 million, with profit up 147 per cent to \$16.7 million.

Its Minelab business, a market leader in handheld metal detectors, posted its highest ever sales of \$182 million.

Minetec, which makes tracking and safety solutions for underground mines, failed to meet its revenue target of \$15 million and made a small loss. The new defence electronics business is not expected to generate significant revenue this year. Codan did not provide any future profit guidance.