

SA COMPANY DETECTS RECORD GAINS



Codan chief executive Donald McGurk with a gold detector at its Mawson Lakes facility. Picture: Stephen Laffer

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SA electronics company Codan's highest ever sales delivered a record profit of \$64m, up 40 per cent on the previous year, improving its share price by 15 per cent on Thursday.

Sales for the full year ended June 30 came in at \$348m due to a strong performance by its metal detector and communications divisions.

Investors will receive a final dividend of 11c a share on September 11, taking total dividends for the financial year to 18.5c, up 32 per cent on the previous period.

Positioned for "another successful year", the company said it was too early to provide forecasts.

But the board expects to continue its policy of paying shareholders about 50 per cent of its full year profit

as dividends. The results and the assurance saw Codan's share price close \$1.37 higher at \$10.35.

"Despite the pandemic challenges in FY20, Codan has had a very strong 12 months," chief executive Donald McGurk said. "This was driven by the strength of gold detector sales into the artisanal gold mining market, continued growth in sales of our recreational metal detectors and

several major contracts delivered by the communications business."

The net cash position of the business was \$92.8m at June 30. "We continue to invest heavily in new products, with FY20 engineering spend in excess of \$30m," Mr McGurk said.

"This will ensure that our products remain leading-edge and continue to drive future growth in the business."

