

INDAILY

12 April 2021

Briefcase: Business snippets from around South Australia

Codan buys another US company

Mawson Lakes company Codan has continued its growth strategy with the 100 per cent acquisition of American communications company Zetron for \$59 million.

The sale is expected to be finalised on April 30 and follows Codan's purchase of US-based Domo Tactical Communications from a private equity firm for more than \$110 million in February.

The SA technology company with business pillars in communications, mining automation and metal detector manufacture has been on a steep trajectory in the past 12 months, reporting a record profit of \$64 million in August for the 2020 financial year.

The result included record sales in its communications and metal detection divisions totalling \$348 million and established Codan as one of the state's fastest-growing companies according the *InDaily's* South Australian Business Index, culminating in its inclusion on the ASX200 in March.

The Zetron acquisition comprises an upfront cash payment of US\$45 million (AU\$59 million) funded through a combination of existing cash and a recently approved \$100 million banking facility.

In a statement to the ASX this month, Codan said Zetron, which has more than 200 staff in the United States, United Kingdom and Australia, was expected to contribute about \$67 million in sales under Codan's ownership in FY22.

Zetron offers a suite of integrated emergency response technologies that are complementary to Codan's existing products. These include voice dispatch,

emergency call taking including Next Generation 911 (NG911), mapping, computer-aided dispatch and fire station alerting.

It will add to Codan's existing North American presence, growing our current employee base from 140 to 320 as a result of this acquisition.

Codan chief executive Donald McGurk said the acquisition of Zetron was in line with Codan's strategy to "transform our communications businesses from products to solutions".

"This acquisition allows us to capitalise on Zetron's extensive distribution network, brand strength and customer loyalty," he said.