

Australian Securities Exchange Announcement

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The Manager
Companies Announcements Office
Australian Securities Exchange
Electronic Lodgment**2018 HALF YEAR REPORT RELEASE****LEGEND RECORDS INCREASED NPAT AND INCREASED DIVIDEND**

Legend Corporation Limited ('Legend' or 'the Group') has recorded a statutory Net Profit After Tax (NPAT) of \$2.8 million for the 6 months ended 31 December 2017, up 177% on the prior corresponding period (pcp). Earnings per Share were 1.3 cents, up 180% on pcp.

Key highlights from the half year included:

- Interim dividend increased by 17% to 0.7 cents per share.
- Revenue up 4% on pcp to \$57.2 million.
- Gross profit up 4% on pcp with margins maintained at 40.6%.
- Normalised NPAT up 32% on pcp.
- Operating cash flow up 6% to \$5.7 million.
- Net debt reduced to \$9.5 million or 0.8 times annualised EBITDA.

Group revenue was up 4% on pcp to \$57.2 million (pcp: \$55.0 million), with gross profit also up 4%. Revenue growth was driven by the Group's largest segment Electrical, Power and Infrastructure, up 6% on pcp. Gas and Plumbing continued its steady progress with 2% growth. Innovative Electrical Solutions however was down 6%.

Demand from power and infrastructure customers continued to improve, building on the growth achieved in the second half of FY17. Electrical, Power and Infrastructure also benefited from an increase in activity in the wholesale electrical market with improved ordering coming from those areas of the Australian economy less reliant on mining capital expenditure.

Having achieved significant cost savings in the prior corresponding period through efficiency and reduction initiatives, overhead expenses were up a nominal 1% on pcp. The Group's Earnings before Interest, Taxation, Depreciation and Amortisation (EBITDA) margin improved to 10%.

Operating cash flow was up 6% to \$5.7 million (pcp: \$5.3 million).

Commenting on the result, CEO Brad Dowe said: "We are pleased with the results for the first half of 2018, in particular the steady growth shown in our Electrical, Power and Infrastructure segment."

Legend announced on 22 December 2017 that it had reached agreement to acquire Celemetrix Australia Pty Ltd, Celemetrix SRC Pty Ltd and Commsforce Pty Ltd, (the Celemetrix Group or "CLX") for an initial payment of up to \$12 million subject to the financial results to 30 June 2018 and a maximum total consideration of \$15.125 million subject to the achievement of Earning before Interest and Taxation (EBIT) targets to 30 June 2020.

The share purchase agreement was subject to conditions precedent which have now been satisfied. The transaction is expected to settle in the next seven days and will be effective from that date for accounting purposes.

Speaking to the outlook for the Group Brad Dowe said: "The outlook remains positive with further profit improvement expected in the second half of this financial year."

"Electrical, Power and Infrastructure has delivered consistent and sustained revenue growth over recent months and this is expected to continue. Innovative Electrical Solutions will deliver improved results through the continuation and expansion of defence related contracts. Gas and Plumbing remains focused on margin improvement whilst continuing to grow revenue at a consistent rate."

"On completion, the acquisition of CLX is expected to be earnings per share accretive."

"We will continue to investigate complimentary acquisitions that deliver enhanced shareholder returns."

Legend announced a fully franked dividend of 0.7 cents per share, up 17% on pcp, to shareholders on record 16 March 2018, payable 27 April 2018.

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