

## Australian Securities Exchange Announcement

22 August 2016

The Manager  
Companies Announcements Office  
Australian Securities Exchange  
Electronic Lodgment

### LEGEND REVENUE UP 16% IN CHALLENGING MARKET

- Revenue of \$119.0 million up 16%
- Operating cash flow of \$9.2 million up 45%
- NPAT of \$5.2 million down 25%
- Normalised NPAT of \$5.9 million
- Net bank debt reduced by 16% to \$17.9 million or 1.6 times EBITDA

The company reported increased revenue of \$119 million for the year (up 16.4%). Despite our established markets experiencing a reduction in demand we maintained our market share. Our acquisition of System Control Engineering has delivered on our growth expectations and provided net growth to the group.

Underlying (or normalised) Net Profit after Tax (NPAT) for the year ended 30 June 2016 was \$5.9 million. The final result included \$230,000 in one off SCE integration costs (acquired May 2015), a non-cash charge to profit of \$399,000 required by accounting standards relating to an implied interest cost on the deferred settlement payments for SCE and restructuring costs of \$277,000 associated with right sizing our power business.

We have made strong progress in the successful integration of SCE including;

- The consolidation of New South Wales, South Australian and New Zealand offices and warehouses into existing facilities.
- The integration of information technology, marketing, finance and administration within existing group resources.
- The reorganization of stock holdings to provide greater visibility for improved management and reduced working capital demands.
- The consolidation of ERP and sales and sales reporting tools.

We will consolidate all of our Victorian businesses, including SCE, into one facility by the end of September 2016 and this process will yield further operating efficiencies.

CEO Brad Dowe in commenting on the result said "I am pleased to report that Legend has continued to grow with an increase in sales of 16% to \$119 million. I am particularly excited about the rapid growth in sales of our proprietary designed Sclick range of digital dimmers, timers and heavy duty switches for residential and commercial lighting, power and energy saving applications. Over the past 12 months our sales revenue from this product has increased by more than 35% with continued sales growth expected. (<http://www.sclick.com.au/>).

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Our outlook in the coming year is for an improved profit and we expect to achieve this through a combination of the reduction in operating expenses of \$1 million, the launch of new products, a new on line sales channel (2nd quarter) and continued improvement in our Gas, Plumbing and Infrastructure businesses

In May the company paid an interim dividend of 0.6 cents per share. I am pleased to advise that the full year dividend will be 0.6 cents per share to all shareholders of record on 4 November 2016 and payable on 5 December 2016.

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