

RULE 4.2A.3

APPENDIX 4D

Half Year report

1. Company Details

Name of entity

Energy Technologies Limited

ABN or equivalent company
reference

38 002 679 469

Reporting Period ('current
period')

31 December 2017

Previous corresponding period
(previous period')

31 December 2016

2. Results for announcement to the market

		%		\$A'000
2.1 Revenues from ordinary activities	Up	45.6%	to	8,911
2.2 Loss from ordinary activities after tax attributable to members	Up	13.2%	to	(1,579)
2.3 Loss for the period attributable to members	Up	13.2%	to	(1,579)
2.4 Dividends				
		Amount per security		Franked amount per security
Final dividend ***		-¢		-¢
Interim dividend		-¢		-¢
2.5 Record date for determining entitlements to the dividend	No dividend proposed or paid.			

Brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood

REVIEW AND RESULTS OF OPERATIONS

Half-year results

Despite continuing to report a loss the group half year result for the period ended 31 December 2017 was improved when compared to the previous period. EGY reported a consolidated loss after tax and minorities of \$1,579,107 (FY2016 Half Year \$1,819,383).

On an EBITDA basis EGY reported a consolidated Half Year EBITDA loss of \$692,711 against an EBITDA loss of \$1,264,030 for the previous corresponding period. The consolidated loss after tax and minorities for the current period is impacted by an increase in interest expense for the Half Year, primarily related to EGY's increase in debenture debt which has been used to fund productivity upgrades and current and anticipated growth.

With revenue growth levels of 45% experienced in its operating subsidiary over the past 6 months and strong growth in both sales (24%) and order intake (27%) continuing in the first two months of this calendar year it is expected that profitability will further improve on an NPAT basis as productivity improvements implemented in the third and fourth quarters impact.

EGY's wholly owned subsidiary Bambach Wires and Cables Pty Ltd (BWC) reported a loss after tax of \$654,935, much improved on the FY2016 Half Year loss of \$1,205,344. BWC Revenue from continuing operations was \$8,902,291, an increase of 45.8% on the previous corresponding FY2016 Half Year of \$6,104,757. EBITDA improved to a loss of \$353,104 (FY2016 Half Year \$991,515). Until 30 November EBITDA for BWC was close to breakeven but the short December month with only 14 production days and an unforeseen disruption to copper supply in the first week of the month impacted the BWC December result reducing anticipated invoiced sales and recovery.

BWC rebounded in January on the back of strong order intake and reported sales in excess of \$1.4 million for the month in line with expectations and experienced a 16% increase on the previous corresponding period. Sales in February month to date as of 27 February 2018 are 35% above last year, and it is expected that the full month's sales will be substantially higher than February 2017.

New order intake for the 6 months to 31 December 2017 was 33% up on the previous comparable period and in January this trend continued with new order intake growth of 25% compared to the same period last year. In February month to date new order intake is up 29%.

BWC continues to experience improved efficiencies in the factory as a result of equipment upgrades and the company continues to invest in new equipment to improve factory recovery and develop new ranges of cables.

Significant margin improvement due to more efficient equipment has also occurred and is ongoing. BWC will continue to improve margins as new more advanced and more efficient equipment is introduced to the business.

Importantly there remains large room for improvement in margins.

Management expects the financial performance of the company to continue to improve as more new products are brought on stream. Having achieved substantial growth in the past year the company will now focus even more carefully on margin and cost control over the remaining six months of the financial year.

Whilst it is disappointing that the company is still reporting losses, the strong growth in BWC finally shows that the business plan implemented some three years ago is impacting as initially envisaged. The company is now winning substantial business from infrastructure projects with its full range of Australian made, rail power and signaling cables and significant business from sales of its all states range of Australian made road traffic cables. The company has also invested heavily in the development of cables related to the coming defence projects and in cables for rolling stock applications. The continued growth in demand for rail and road related cables will continue to propel growth for Bambach's products over the next three years whilst anticipated demand from the defence sector will drive Bambach's growth after that and lead it into developing a viable and sustainable export market for its products.

Central to Bambach's continued rapid growth will be a benign AUD/USD rate of no greater than 0.85 with less being preferable. That said, the gathering impact of "buy Australian" provisions and rhetoric is an important hedge against less favorable exchange rates and appears to be gaining traction across all states.

3.1 Net Tangible Assets per security	Current period	Previous corresponding period
Net tangible assets per security	(2.22) cents	(1.12) cents

4. Details of entities over which control has been gained or lost during the period

4.1 A	Name of entity	N/A
4.2 A	Date from which control was gained	
4.3 A	Where material to an understanding of the report – the contribution of such entity to the reporting entity's profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period	

4.1 B	Name of entities	N/A
4.2 B	Date from which control was lost	
4.3 B	Where material to an understanding of the report – the contribution of such entities to the reporting entity's profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period	

5. Details of Individual and Total Dividends

	Date dividend is payable	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Dividend 1		¢	¢	¢

Total dividend per security:

	Current year	Previous year
Ordinary securities	¢	¢
Preference securities	¢	¢

6. Dividend reinvestment plan

Details of any dividend reinvestment plans in operation:

None

The last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan:

N/A

7. Details of Associates and Joint Ventures:

<i>Name of entity</i>	<i>Percentage holding 31/12/17</i>	<i>Percentage holding 31/12/16</i>

7.1 Where material to an understanding of the report - aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period:

N/A

8. For foreign entities, details of origin of accounting standards used in compiling the report (e.g. International Financial Reporting Standards)

Dulhanty Engineering Limited (formerly Dulhanty Power International Limited) which adopts Australian Accounting Standards

9. For all entities, if the accounts contain an independent audit report or review that is subject to a modified opinion, emphasis of matter or other matter paragraph, a description of the modified opinion, emphasis of matter or other matter paragraph:

Emphasis of Matter paragraph in relation to Going Concern

Sign here:

Date: 28 February 2018



Alfred J Chown (Director)