

AGM Presentation MD & CEO Mr Brad Dowe



LEGEND
CORPORATION

Disclaimer

Outlook Statement

This presentation contains forward looking statements which may be subject to significant uncertainties outside of Legend Corporation Limited's (Legend) control.

No representation is made as to the accuracy or reliability of forecasts or the assumptions on which they are based.

Actual future outcomes may vary from these forecasts. Uncertainty may include demand for the companies products, exchange rate variation and market conditions.

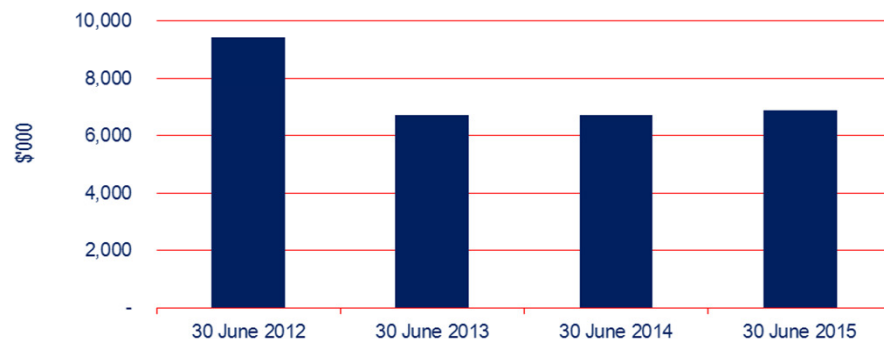
Users of this information are cautioned against relying on any forward looking statements.

FY15 In review

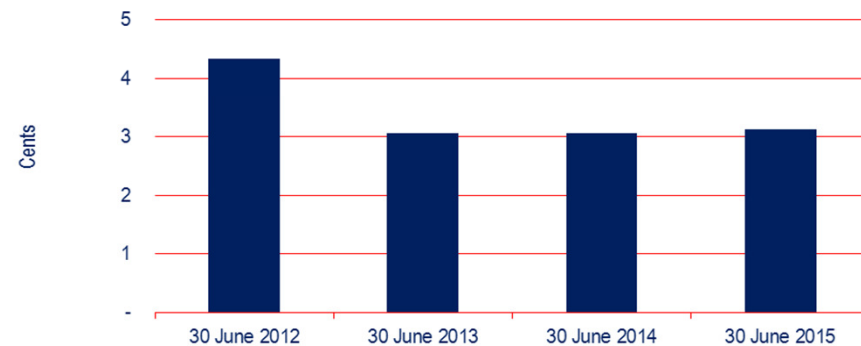
Legend Reports Improved Result in Difficult Market to End June 2015.

- NPAT of \$6.9 million or 3.1 cps was up 2% from the prior year.
- Net bank debt of \$21.2 million or 1.6 times EBITDA.
- Gross profit margins improved to 44.3%.

Net Profit After Tax

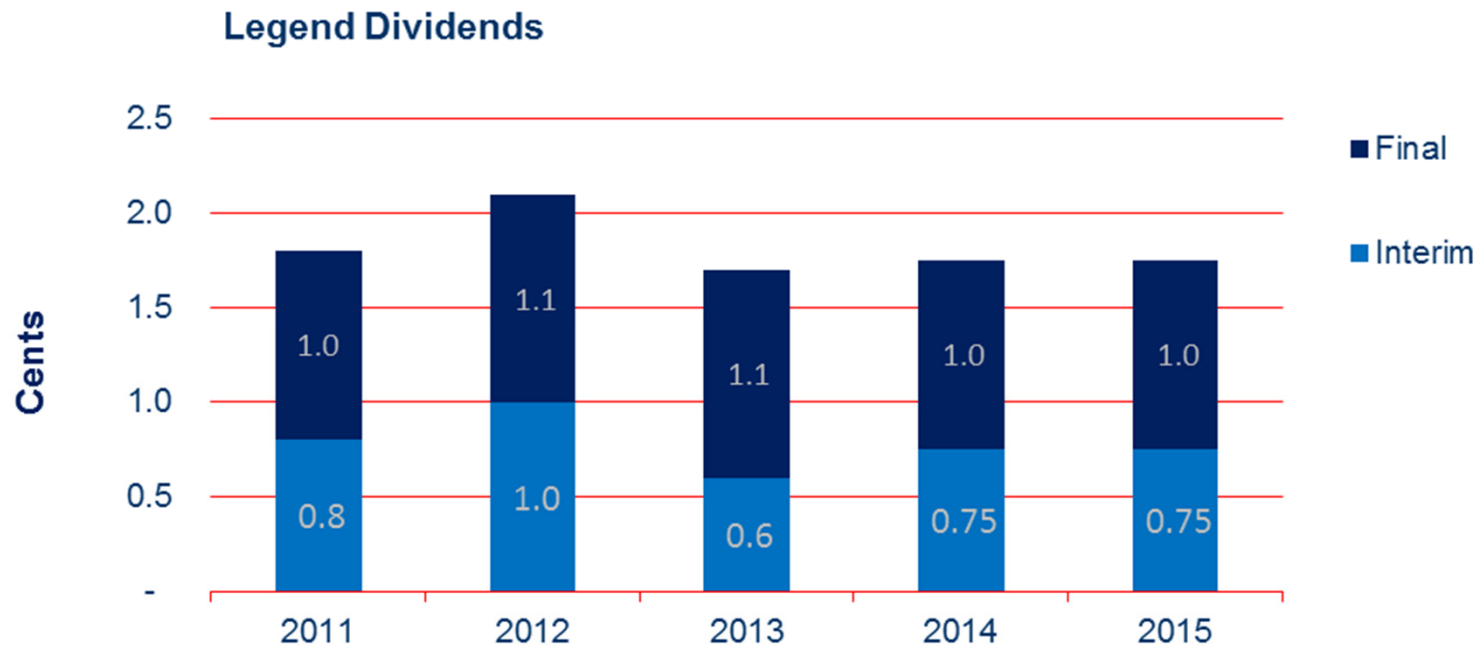


Earnings Per Share



FY15 Final Dividend

- A final fully franked dividend of 1 cent was declared for 2015 with a Record Date of 25 September 2015 and Payment Date of 23 October 2015.
- Dividends for the year were 1.75 cents per share, consistent with the prior year, representing a 7% yield on our recent share price of \$0.25.



FY15 in Review - Highlights

- Legend has performed well in a difficult market environment with a 2% improvement in NPAT on flat revenue.
- FY15 saw the continuing impact of the rapid decline in engineering construction which resulted in reduced demand for our products.
- We successfully dealt with what has been a declining market by expanding our product range and investing in improved stock availability, client representation and other market initiatives.
- In May of 2015 Legend acquired \$12.98 million in assets as part of the acquisition of System Control Engineering (SCE) for an initial consideration of \$10 million, increasing Legends net debt to \$21.2 million.

System Control Engineering (SCE)



Industry Leaders in Gas and HVAC&R

SCE is an industry leader specialising in the supply of components, tools, consumables and value add services to the Gas and HVAC & R industries.

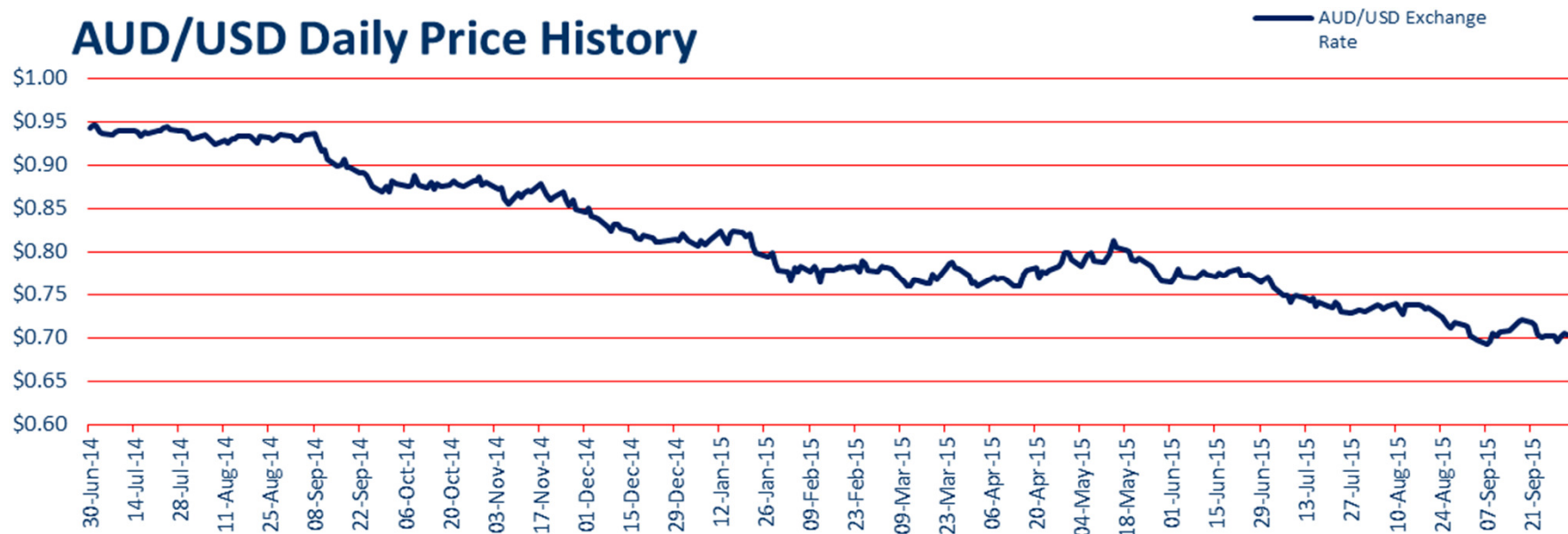
- Major supplier to the industry for almost 50 years.
- Servicing Gas, Heating, Ventilation, Air Conditioning & Refrigeration.
- Sales offices and warehouse operations covering all of Australasia; VIC, NSW, QLD, SA, NZ, WA (agent)
- 15,000 line items.
- SCE Represents over 30 important international component brands.



FY16 First Half Environment

- The fall in the AUD and did not impact our COGS immediately in FY15 due to the Legend's strong stock carry.
- This impact is now fully reflected in current operating margins. Margin recovery will rely on the effectiveness of recent price increases.

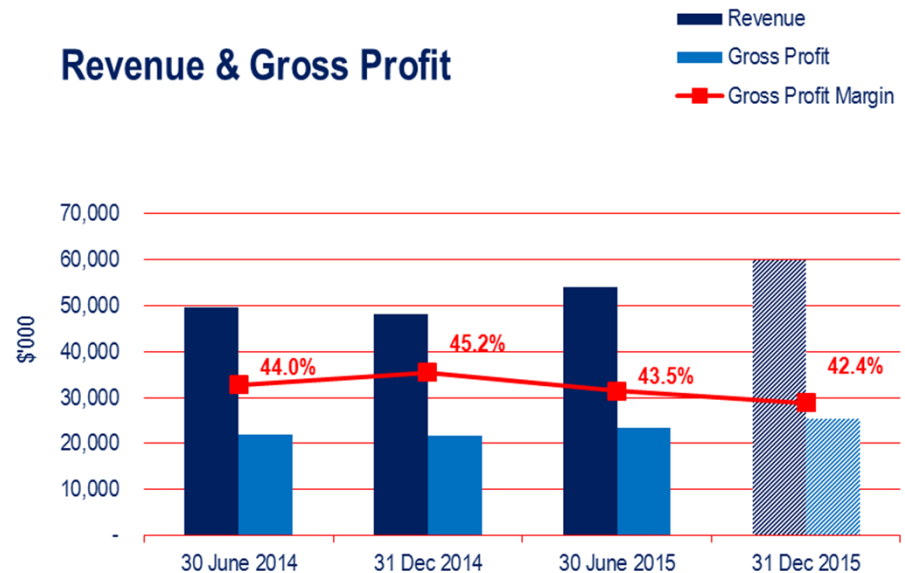
AUD/USD Daily Price History



FY16 Outlook – 1st Half

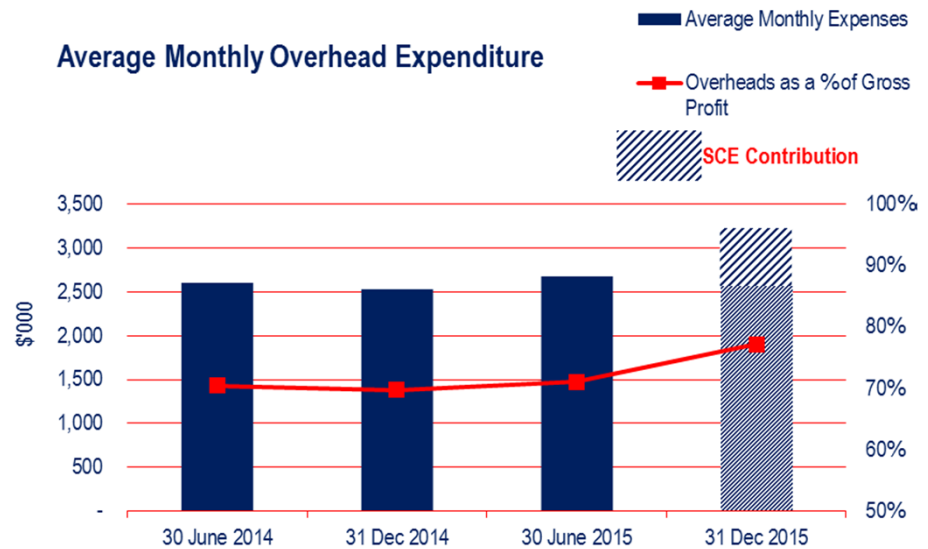
- Revenue for the half forecast at 24% up on PCP on margins of 42% (PCP 45%). Impact of the falling AUD/USD now being felt in COGS. A price rise has been implemented October 2015 the benefits of which will not be seen until the second half of the year.

Revenue & Gross Profit



- Overhead expenses for the half forecast 26% up on PCP due the inclusion of SCE within the Group. Overheads 77% of Gross Profit (PCP 71%) due to softer margin in electrical and reduced revenue in power.

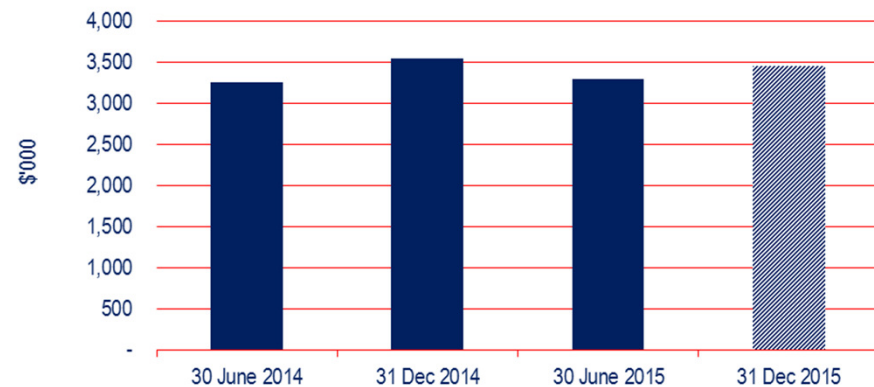
Average Monthly Overhead Expenditure



FY16 Outlook – 1st Half

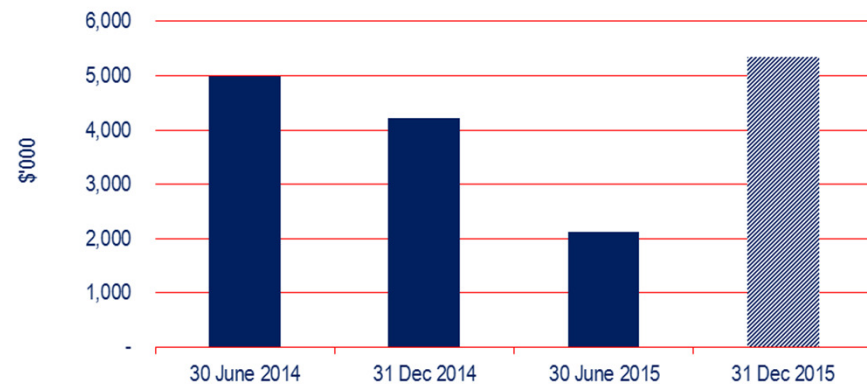
- Net Profit After Tax for the 6 months to 31 December 2015 will be in the range of \$3.10 million to \$3.30 million (PCP \$3.55million).

Net Profit After Tax



- Operating cash flow likely to be up 25% on PCP.

Operating Cash Flow



FY16 Outlook

- Legend remains both well resourced and positioned for the future.
- New product ranges and new Infrastructure projects represent a major opportunity for the group.
- Re focusing of our Power division assets in response to the current delay to utility capital works programs
- Margin recovery to offset increased costs driven by the falling dollar remains a major challenge.
- The Group's balance sheet is strong with net debt of approximately \$21 million and interest cover of better than 10 times
- We continue to focus on both organic business development and accretive acquisitions aligned with corporate strategy.
- A further update will be provided with the Group's half year result in February 2016.



Thank you

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