

ADDRESS BY THE CHAIRMAN

On behalf of the Directors I welcome shareholders to the Annual General Meeting of Legend Corporation.

I am pleased to report that our company has continued to grow and improve profitability as demonstrated by our annual revenues increasing by 15% to \$114.9 million and Net Profit after Tax (NPAT) has also improved by 60% to \$6.0 million. These achievements have largely been the result of increased demand in our Electrical, Power and Infrastructure division.

In our established markets we have seen an increase in infrastructure activity along with construction, power utility network investment which has resulted in improved sales of our products in these sectors. Revenue in FY18 was up across all segments of our business with Electrical, Power and Infrastructure the star performer up 21% through a combination of organic and acquisitive activity.

Gross margin on a same business basis was similar to last year at 44%, while at the Group level after consolidation with the Celemetrix Group (acquired in March 2018) the gross margin was 43%. Overhead expenses were up \$2.5 million or 7% primarily as a result of the acquired activities of the Celemetrix Group.

FY18 operating cash flow was down 38% on last year to \$6.5 million due to a combination of strong trading in May and June increasing debtors at year end along with an accumulation of inventory towards year end to satisfy expected demand early in the new financial year.

Our business performance has continued to improve into this new financial year and we are forecasting Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) for the half year to 31 December 2018 to be in the range of \$7.3 to \$7.6 million, with Net Profit After Tax (NPAT) to be in range of \$3.6 to \$3.8 million (pcp \$2.8 million).

Managing Director Mr. Brad Dowe has more detail on our business and operating performance and his presentation will follow the formal considerations to be voted on at this meeting.

Turning to corporate governance, your board of Directors are committed to ensure the company is properly managed through the implementation of sound strategies and action plans and demonstrating high standards of corporate governance and compliant with the Australian Securities Exchange requirements. Our Remuneration Report is set out in the annual report and sets out the Group's remuneration policies, board performance and the senior executive remuneration and compensation.

On behalf of the Directors I wish to thank Brad Dowe, his senior management team and all employees, for their hard work during the year. I also thank our customers and shareholders for their continuing support for Legend Corporation.

Bruce E Higgins
Chairman
Legend Corporation Limited
26th October 2018

