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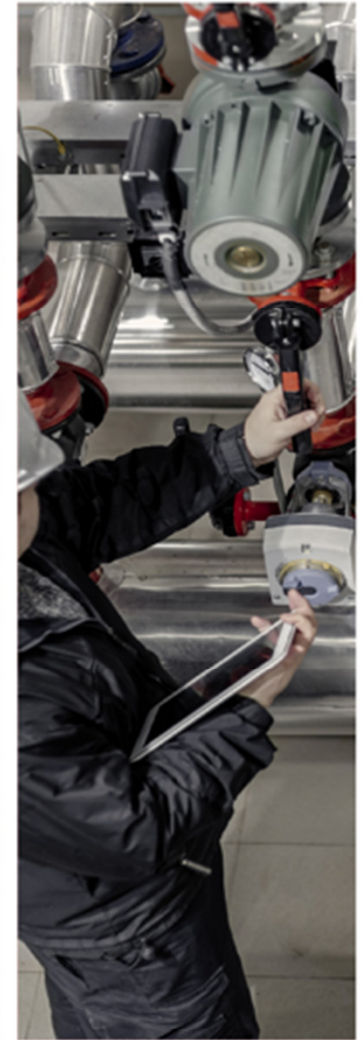
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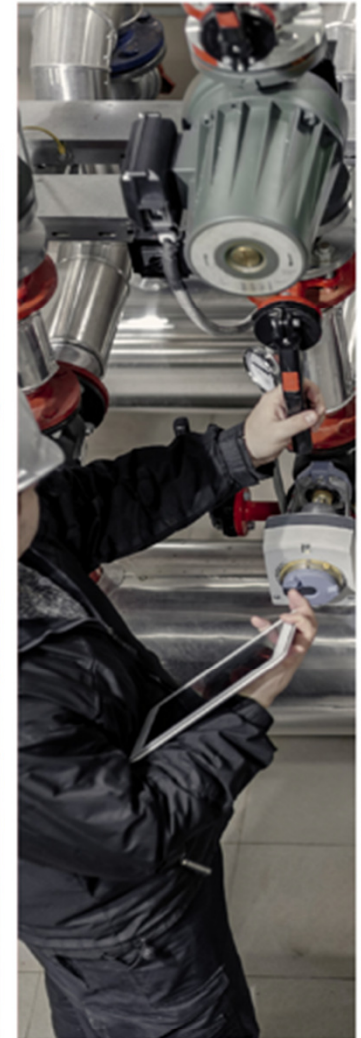
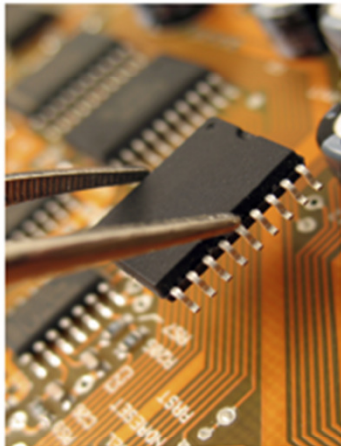


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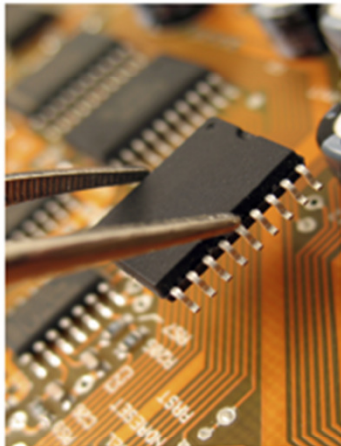
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SYSTEM CONTROL  
ENGINEERS

Legend Corporation Annual General Meeting  
10 November 2017



Legend Corporation  
AGM Presentation

CEO | Brad Dowe  
CFO | Hamish McEwin  
10 November 2017



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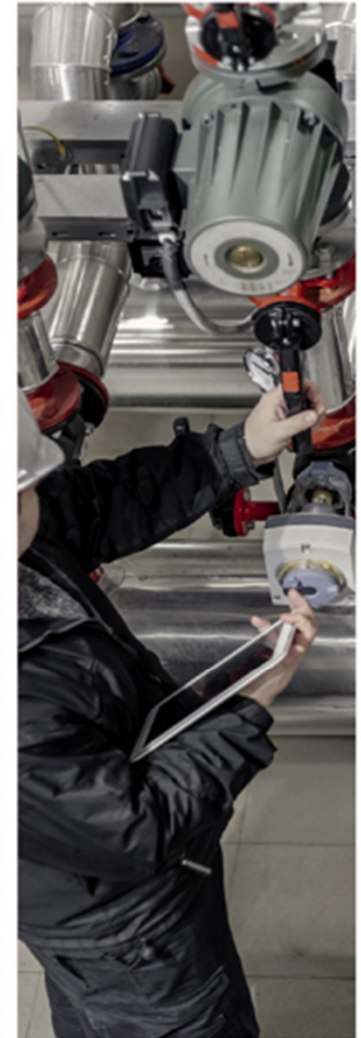
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## Divisional Snap Shots

# Disclaimer

## Outlook Statement

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

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

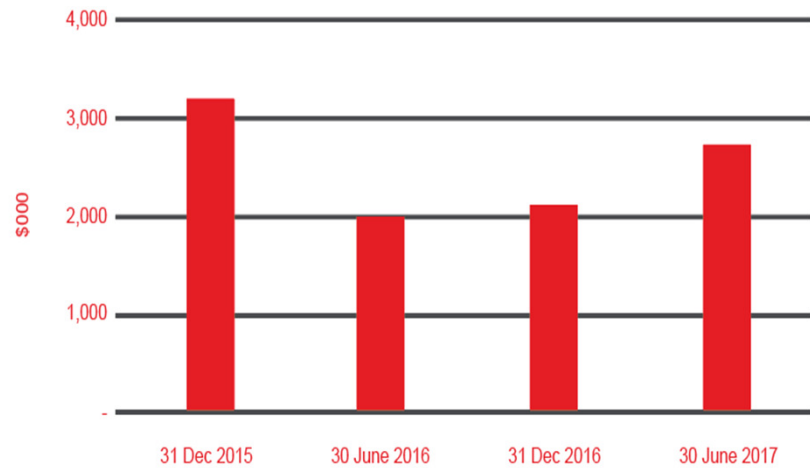
Actual future events may vary from these forecasts. Users of this information are cautioned against placing undue reliance on any forward looking statements.

# Legend Returns to Growth in FY17

Earnings for the second half of FY17 have improved on both the underlying Net Profit after Tax (NPAT) of the first half of FY17 and second half of FY16 (pcp).

Underlying NPAT for the year, excluding the impairment charge recognised during the first half, was \$4.8 million.

UNDERLYING NPAT BY HALF YEAR



# FY17 Operational Highlights

The year has seen a strong focus on cost reduction and efficiency through:

- The consolidation of six Victorian office and warehousing sites into a single facility realising significant manpower savings.
- Right-sizing of sales teams to match changing market demands.
- The consolidation of Sydney internal sales and NATA laboratories with lower cost Adelaide based facilities.
- Revisions to materials requirement planning and targeted product sales promotions to reduce stock holding and improve working capital.

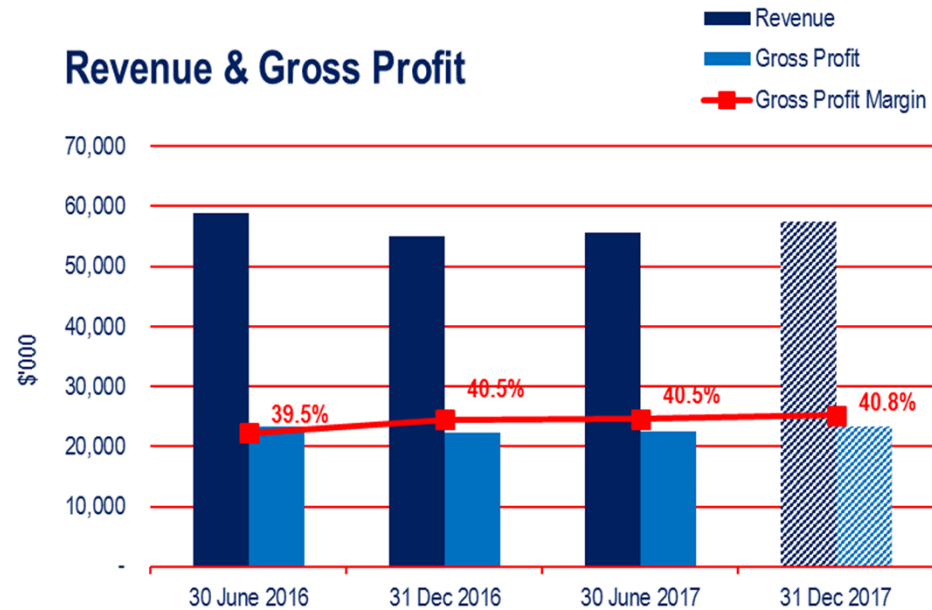
Efficiency and cost reduction initiatives have delivered \$2.8 million in year on year overhead expense savings, 8% down on pcp.

The rationalisation of slow moving lines and improved ordering to meet evolving product mix and market demand resulted in a stock reduction of \$4.7 million during the year.

This was a major contributor to the improved operating cash flow of \$10.5 million, up 14% pcp.

# FY18 Revenue & GP Outlook to Dec 17

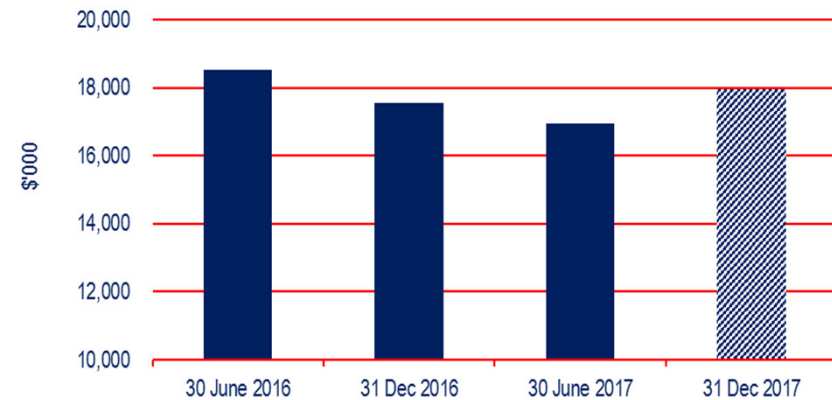
- Revenue and Gross Profit for the first half is forecast to be approximately \$57.5 million and \$23.5 million respectively  
5% up on pcp.
- A result of increased demand in particular from electrical wholesale, power utilities and New Zealand.



# FY18 Expenses Outlook to Dec 17

- Operating Expenses to Dec 17 **remains unchanged on the pcp** excluding Forex.
- A Forex gain of \$100k in the pcp and a \$300k Forex translation loss in marking the New Zealand assets to market at the end of Oct 17 has resulted in an increase in total overhead expenses of 3%.

Overhead Expenses

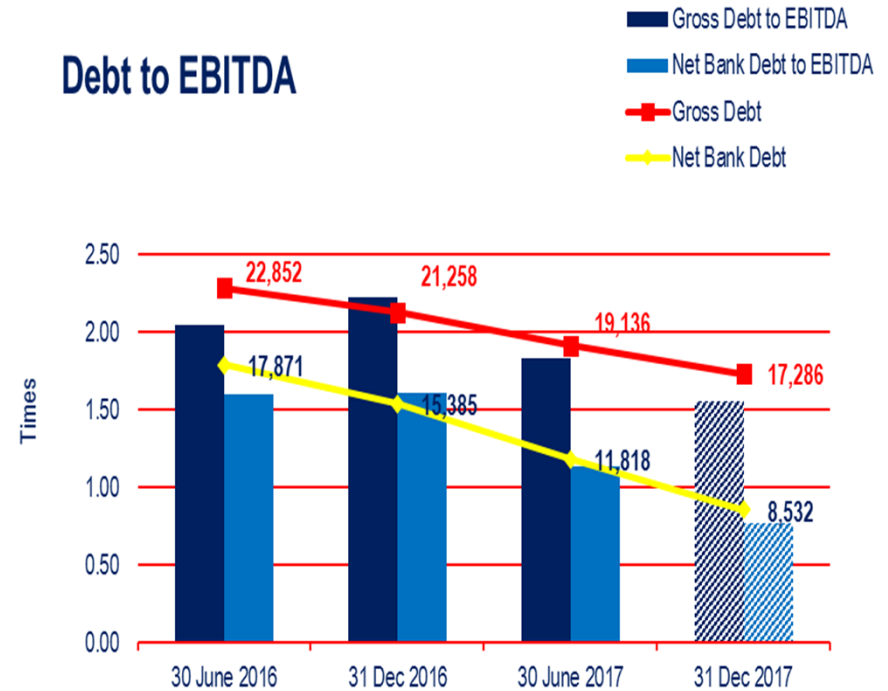




# FY18 Bank Debt Outlook to Dec 17

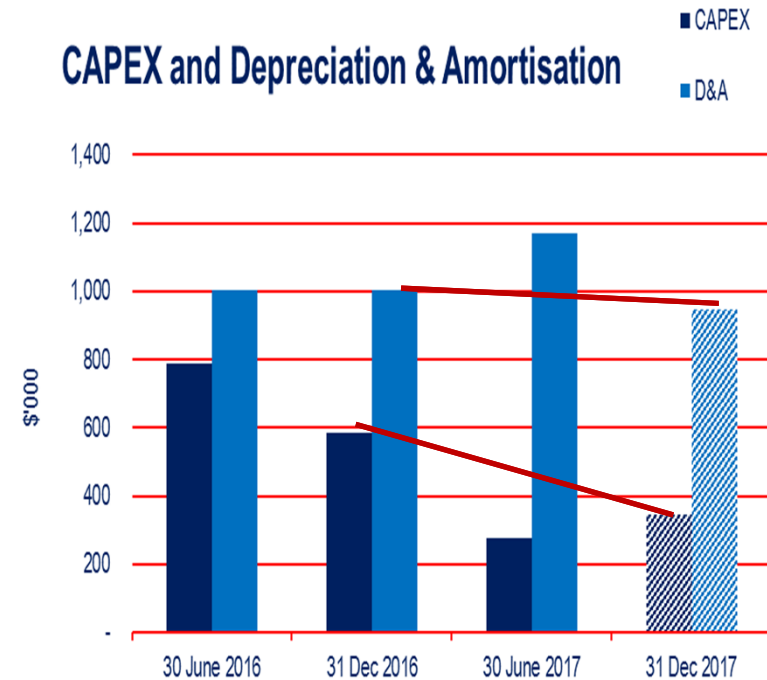
- Gross debt at 31 Dec 2017 is forecast to be approximately \$17.3 million or 1.55 times annualised EBITDA.
- Net bank debt is forecast in the range of 0.8 times EBITDA.
- Banking facilities with Australian and New Zealand Banking Group Limited were renewed on 1 May 2017 and extended until 30 April 2019

Debt to EBITDA



# FY18 Capital Expenditure Outlook to Dec 17

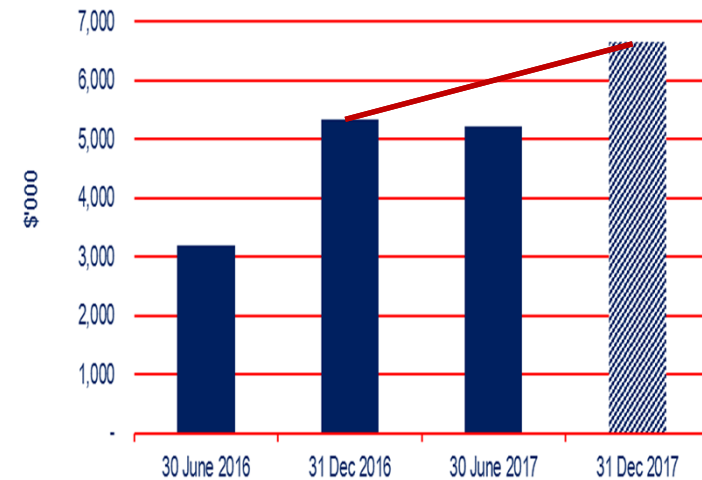
- Total CAPEX for HY18 in the region of \$350k
- Total Depreciation for HY18 in the region of \$950k
- Both represent significant declines pcp.



# FY18 Operating Cash Outlook to Dec 17

- Operating cash flow forecast in the range of \$6.7 million, up 25% on pcp.
- Note: Legend is a responsible corporate and has paid an average tax rate of 34% on Net Profit Before Tax or \$4.4 million in company tax over the past 2 years.

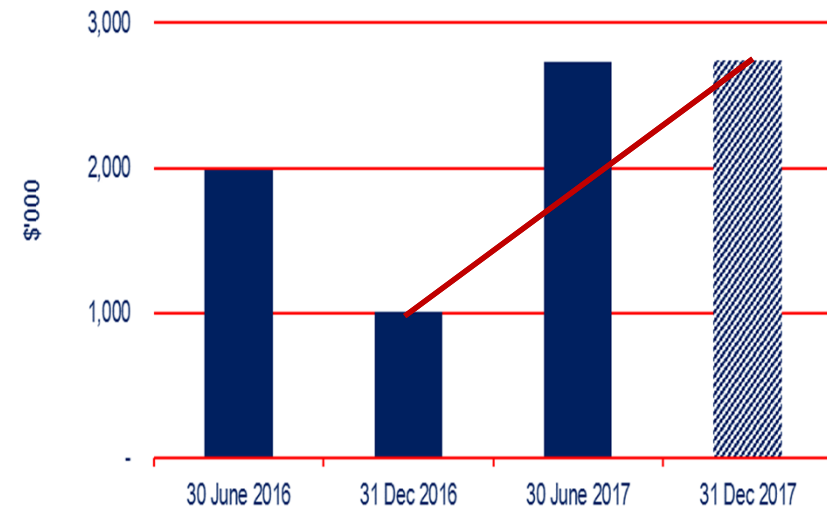
Operating Cash Flow



# FY18 NPAT Outlook to Dec 17

- As released to the ASX earlier today; NPAT for the first half of FY18 is forecast to be in the range of \$2.6 to \$2.8 million.
- The pcip included \$1.5 million of one-off impairment, restructure and integration costs.

## Net Profit After Tax



## FY18 Outlook : Further Growth

Continued focus on prudent cost control, cash generation and debt reduction for the balance of FY18.

Online sales platforms are expected to be significant contributors to future income.

Conditions in electrical, power and infrastructure markets continue to improve.

The outlook for FY18 is for growth in our existing businesses and growth through acquisition.



13

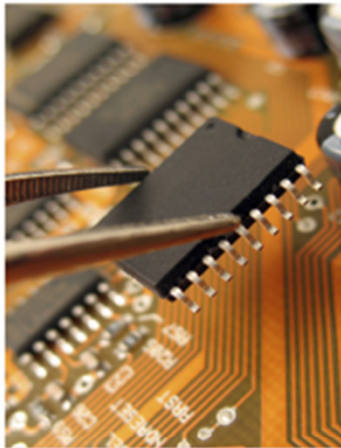
I would like to thank our business partners, team members,  
board and our shareholders for their continued support.



Brad Dowe, CEO  
Email: [bdowe@legend.com.au](mailto:bdowe@legend.com.au)  
[www.legendcorporate.com](http://www.legendcorporate.com)

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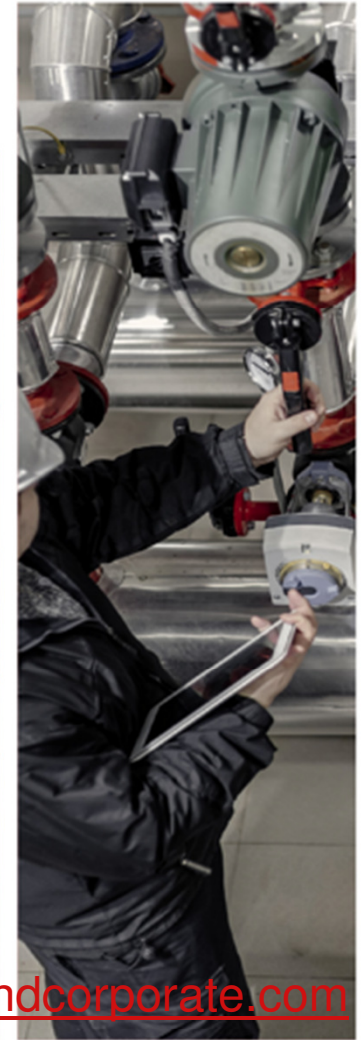


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Thank You