ASX Announcement

22 August 2019

FY19 Full Year Results

BINGO delivers underlying EBITDA of $106.1 million, up 13.2%

BINGO Industries Limited (ASX:BIN) ("BINGO") today announced its full year results for the 12 months ended 30 June 2019. Net revenue was up 32.4% to $402.2 million and underlying EBITDA was up 13.2% to $106.1 million.

The underlying EBITDA was in-line with guidance, comprising $92.5 million in EBITDA from the BINGO business and $13.6 million EBITDA from Dial a Dump Industries (DADI).

Performance highlights:

$million	FY18	FY19	Variance
Net Revenue	303.8	402.2	32.4%
Underlying EBITDA	93.7	106.1	13.2%
Underlying EBITDA margin	30.8%	26.4%	(440 bps)
Underlying NPATA	48.2	58.9	22.2%
Statutory NPAT[1]	38.0	22.3	(41.4%)
Operating Free Cash Flow	88.9	116.5	31.0%
Cash Conversion	94.9%	109.8%	1,490 bps
Net Debt[2]	136.6	275.8	102.0%
FY19 dividend per share	3.7 cents	3.7 cents	-

- Completed transformational acquisition of DADI with integration well progressed. On track to deliver annualised cost synergies of $15 million over two years from FY20.
- Successfully delivered on development program, with West Melbourne Recycling Centre and Patons Lane Recycling Centre and Landfill online during the year. Construction of Mortdale Recycling Centre well progressed and Eastern Creek Materials Processing Centre (MPC) 2 now underway.
- Network capacity target of 3.4 million tonnes per annum exceeded in FY19 following completion of announced development program and acquisition of DADI. Network reconfiguration plan well advanced and expected to return $80 million through the sale of non-core assets and Banksmeadow in FY20.
- BINGO New South Wales price rise implemented from 1 July 2019.

[1] Statutory NPAT includes $18.9 million transaction and integration costs and $14.8 million of stamp duty associated with the DADI acquisition.
[2] Net debt calculated as borrowings less cash and finance leases related to properties under put and call options. Bank facility of $400 million and accordion of $100 million.

- Well positioned for further growth in FY20 with a full year contribution from DADI, Patons Lane and West Melbourne.
- Focused on optimising the core, delivering organic growth and margin expansion over the next 12 months.
- FY20 guidance to be provided at BINGO's Annual General Meeting on 13 November 2019.

Management commentary

BINGO's Managing Director and Chief Executive Officer, Daniel Tartak, said that the BINGO business, excluding DADI performed broadly in-line with the prior financial year, in what was flagged as a transitional year for the business.

"The acquisition of DADI has materially changed our business and we've made great progress since completion, integrating DADI into our operations. The contribution from DADI since the completion of the acquisition was in-line with expectations. The asset base we've secured through the acquisition will help transform our business for many years to come, while supporting our vision for a waste-free Australia.

"We have largely completed the development program we announced soon after our IPO in 2017 and are well progressed in reconfiguring our network to optimise its performance.

"We've had more than two years of constant activity and investment since our IPO and we now expect to start reaping the financial benefits. We'll begin to see the positive cash flow impacts from Patons Lane, West Melbourne and a full year run-rate of DADI in FY20. With this in mind, we expect to see our EBITDA margins return towards our long-term target and our return on capital employed (ROCE) to steadily improve. Given the changing nature of our asset base, we are targeting a blended Group ROCE of 15% over the medium-term, including land assets," he said.

Segmental performance

Collections

Collections revenue was up 20.7% to $213.5 million largely driven by a full year contribution of the Victorian business and a partial year contribution of DADI collections revenue. Collections Underlying EBITDA was $38.4 million, down 7.8% against the prior comparative period ("PCP") of $41.6 million. Collections EBITDA margin decreased by 5.5 percentage points to 18.0%, largely impacted by a softening residential construction market and competitor pricing pressure flagged at the half year. Despite Collections pricing holding flat from January 2019, the reduced margin reflects the full six months impact at lower prices. Subsequent price increases were implemented in July 2019.

Post-Collections

Our Post-Collections infrastructure assets now account for approximately 63% of our EBITDA and continue to support the repositioning of the business. Post-Collections revenue was up 41.3% from $172.6 million to $243.8 million. Underlying EBITDA was up 37.9% to $67.2 million, despite several sites being offline for development in FY19. The redistribution of volumes across the BINGO network together with the addition of DADI assets in New South Wales contributed to this growth. Higher barriers to entry in Post-Collections have insulated EBITDA margin relative to the

Collections segment. Post-Collections Underlying EBITDA margin remained largely flat against the PCP, at 27.6% from 28.2% in FY18.

Other

Other revenue and income increased to $31.1 million, a 12.2% increase against the PCP. Underlying EBITDA decreased from $3.3 million to $0.5 million. This was primarily driven by an increase in corporate costs, including higher insurance costs, no earnings from equipment rental, higher public company and corporate costs, and the implementation of the long-term incentive program.

TORO continues to perform strongly, with revenue up 11% against PCP and EBITDA up by 48% to $5.9 million.

Strategy and Development

Significant progress was made on our redevelopment program with the delivery of BINGO's first recycling centre in Victoria opening in April 2019. The West Melbourne facility will enhance internalisation and recovery rates in Victoria and is expected to improve EBITDA margins in that state. Patons Lane Recycling Centre and Landfill asset in New South Wales officially opened in July 2019. Our total network capacity, including contribution from the acquisition of DADI, increased from 2.2 million tonnes in FY18 to 3.8 million tonnes in FY19 and will be closer to 4.4 million tonnes by the end of FY20 allowing for Patons Lane and Mortdale redevelopments

"These redevelopments are a testament to our experienced development team who have delivered these projects over the last 18 months," Mr Tartak said.

During the year, BINGO reconfigured its New South Wales network as part of the DADI integration. The reconfiguration involved rationalising some sites and converting others into transfer stations to attract and aggregate waste volume for processing at BINGO's advanced recycling centres. This reconfiguration will enhance operational efficiencies for transport and reduce the operating costs of the network.

Dividends

The Board has declared a final dividend of 2.0 cents per share to be paid to shareholders. Together with the half year dividend of 1.72 cents paid in March 2019, this brings the total dividend for the year to 3.72 cents per share.

Outlook

BINGO expects to achieve solid growth in FY20, underpinned by a full year contribution from Patons Lane Recycling Centre and Landfill, West Melbourne Recycling Centre and DADI, together with associated synergies and uplift from the redevelopment program. The business also expects to benefit from the Queensland waste levy introduction that commenced on 1 July 2019 and associated pricing increases.

The regulatory environment continues to support BINGO's long-term strategy and business model. While the broader economic outlook remains flat and headwinds are expected to continue in the multi-dwelling residential construction sector over the next 12-24 months, the outlook remains strong for infrastructure construction and the commercial and industrial (C&I) waste sector.

"FY20 will be a transformational year for BINGO. Our strategic focus will be on 'optimising the core' through organic growth, business optimisation and consolidation in our existing markets. Our priority is to improve EBITDA margin, deliver efficiencies across our operating footprint and ensure we have the right foundations in place to continue to execute on our growth strategy.

"Specifically, our FY20 strategy is focused on completing the integration of DADI, further growth in our C&I business, and consolidating the Victorian business in order to maximise our earnings and ROCE and position the business for sustainable growth," Mr Tartak said.

A trading update together with FY20 guidance will be provided at our Annual General Meeting on 13 November 2019.

Investor Briefing

The Company will be holding a webcast briefing on the results at 10:00am (AEDT) today.

Presenters:

Daniel Tartak	**Anthony Story**	**Chris Jeffrey**
Managing Director and CEO	*Chief Financial Officer*	*Chief Development Officer*

Slides and Audio Webcast: http://webcast.openbriefing.com/5368/

Note: public access to the webcast will only be available from 9.45am. Prior to that a lobby page will be displayed.

-ENDS-

For Further Information:

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