



BINGO INDUSTRIES LIMITED
Macquarie Conference

INVESTOR PRESENTATION

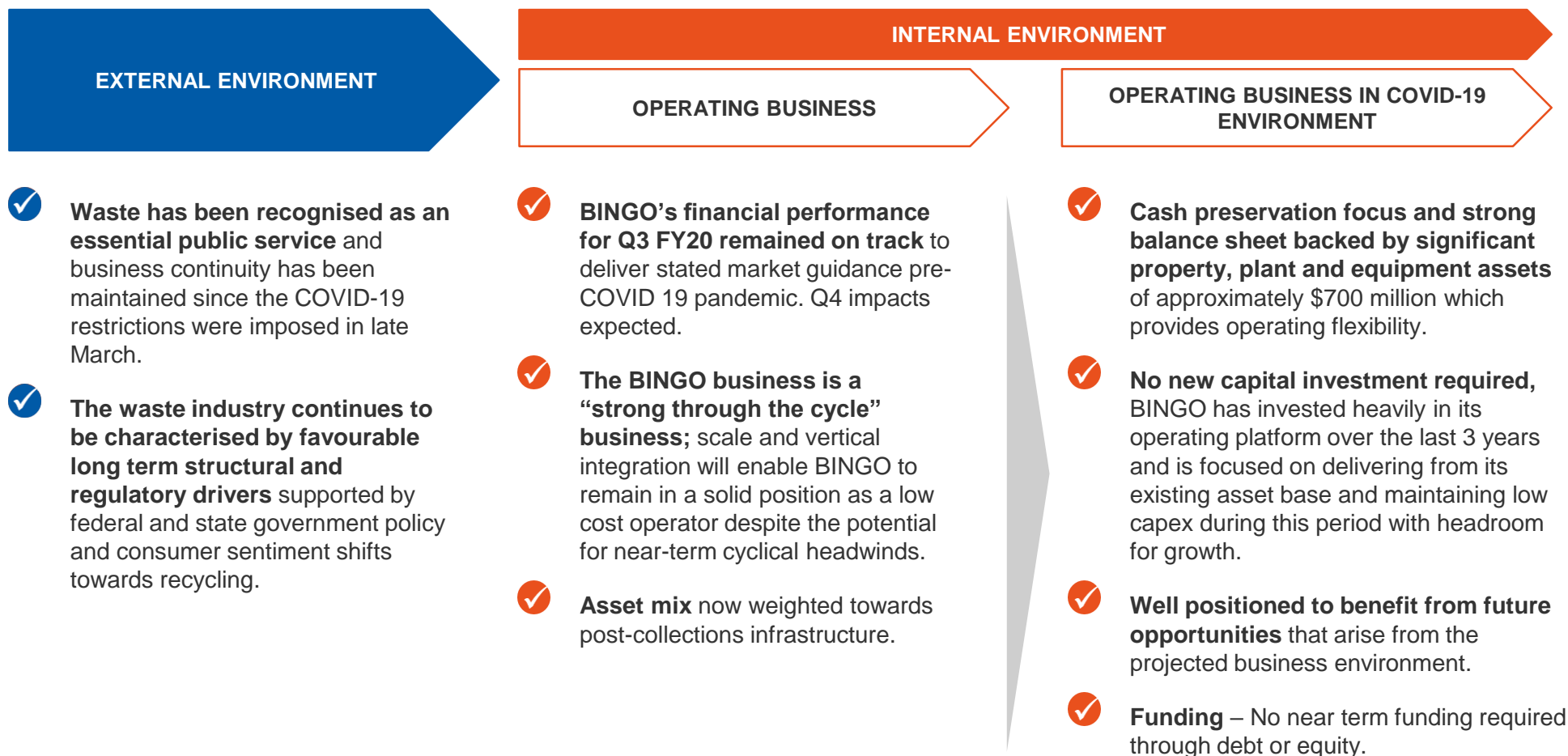
Wednesday, 6 May 2020

*Well-positioned:
Resilience, continuity
& future growth*

BINGO
INDUSTRIES

Well positioned through the cycle

Strong fundamentals and well positioned in an industry characterised by favourable long term structural and regulatory foundations.



Agenda



1

Business performance update

2

COVID-19 impacts and mitigation strategy

3

Market dynamics and outlook

4

Appendix



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SECTION 1
Business performance update

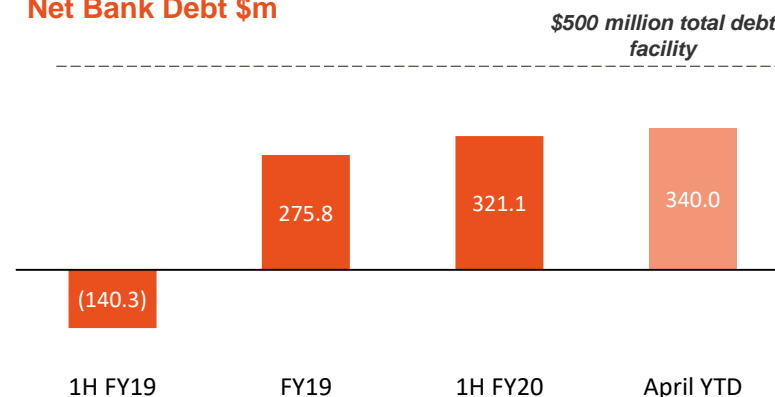
Update on FY20 business performance

Strong Q3 FY20 financial performance with EBITDA margins maintained above 30% and improved cash conversion.

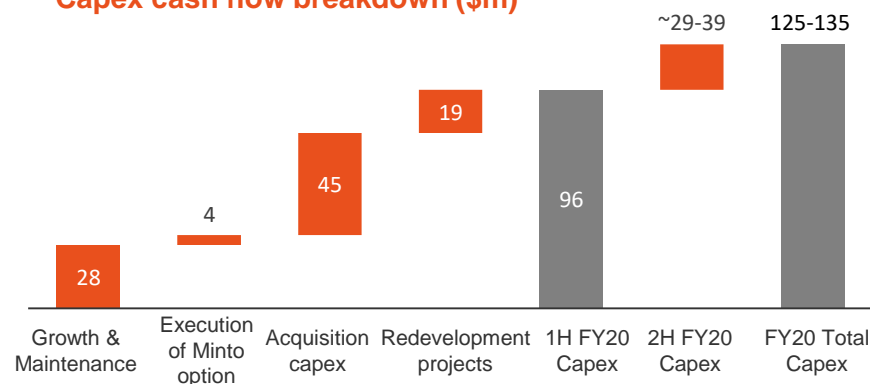
Commentary

- BINGO's March YTD financial performance remained on track to deliver its stated market guidance pre COVID-19. Expect further softening in Q4FY20.
- Group EBITDA margin maintained above 30%.
- Solid Q3 cash collection and improving cash conversion YTD.
- Balance sheet remains strong, with sufficient headroom against \$500 million debt facility.
- Net bank debt of \$340 million as at April 2020.
- Q4 capex reduced by approximately \$20 million.
- Focused on generating strong operating free cash flow going into FY21.
- Subject to the environment we have ability in FY21 for minimum capex outlay of \$50 million (\$20 million already committed for completion of MPC 2). Well below prior years.

Net Bank Debt \$m

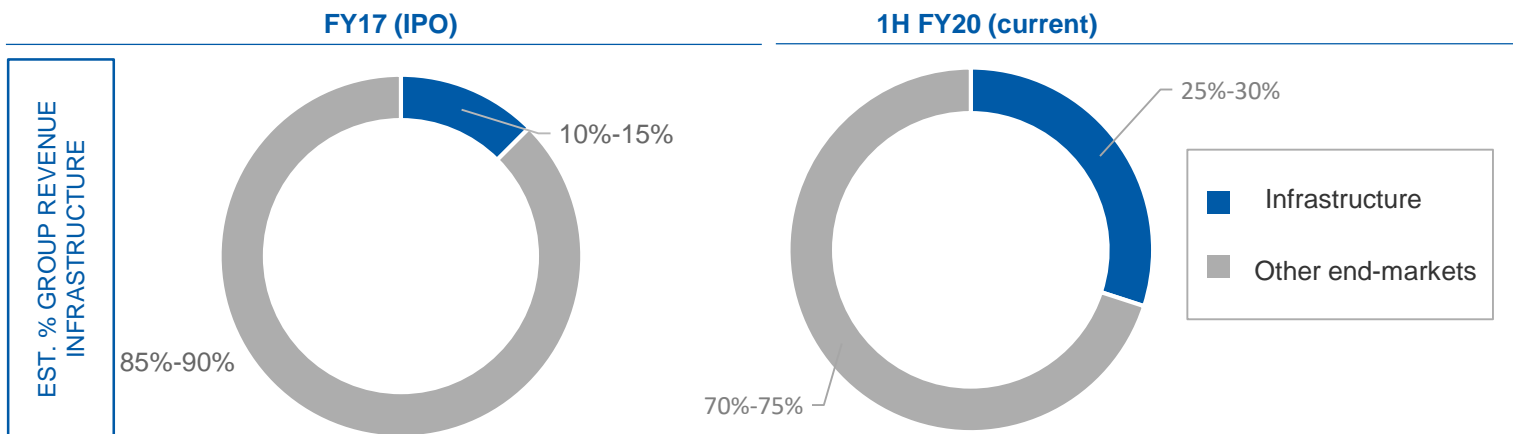
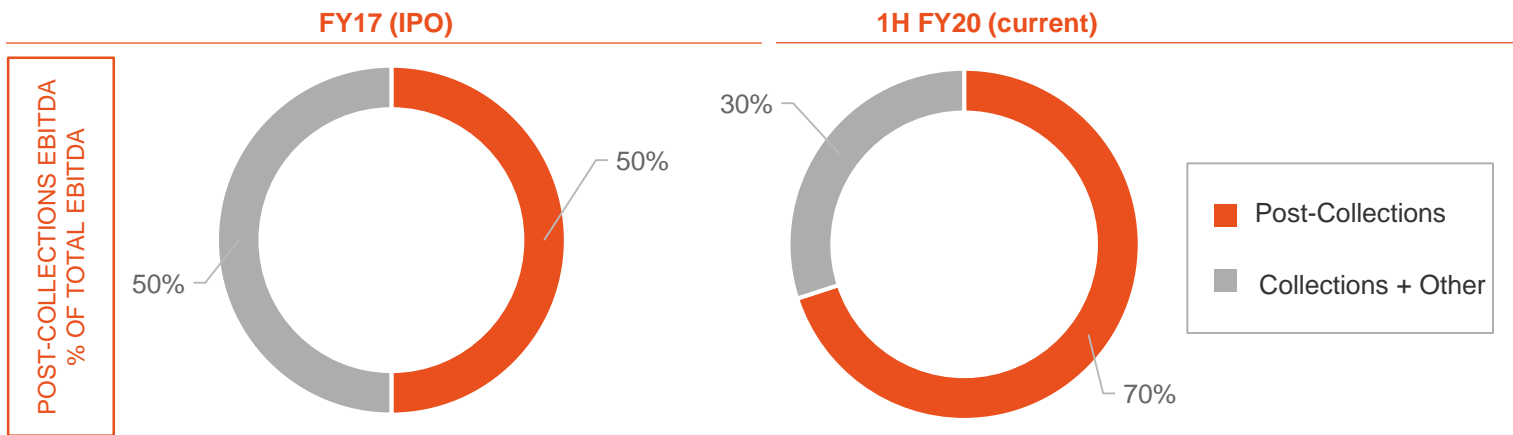


Capex cash flow breakdown (\$m)



B&D focus heavily weighted towards post collections infrastructure

BINGO remains well positioned to benefit from fast tracked fiscal stimulus on infrastructure projects with 25%-30% of (pre-COVID-19) Group revenue weighted towards infrastructure volumes.

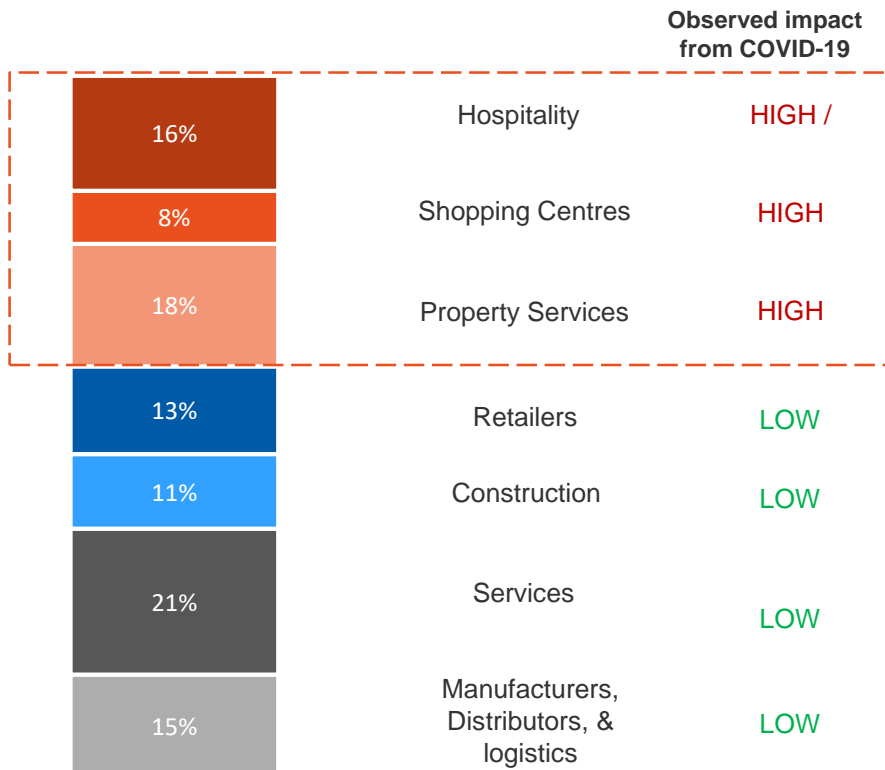


- BINGO's EBITDA is weighted to Post-Collections assets with high barriers to entry.
- Post-Collections now represents ~70% of the Group's total EBITDA.
- The acquisition of DADI has not only increased BINGO's exposure to Post-Collections but has also increased its weighting to large scale infrastructure projects.
- BINGO's Post-Collections business is more heavily weighted to infrastructure than its Collections business and on a Group revenue basis, represents 25%-30% of revenue.

BINGO's C&I collections business contributes approximately 14% of group revenue

BINGO has observed approximately a 20%-30% decline in C&I revenue from the imposed restrictions in response to COVID-19, this is expected to continue into Q4 FY20.

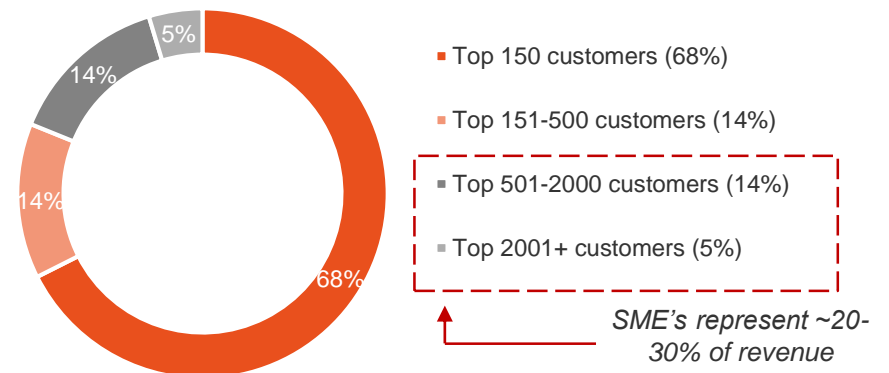
C&I Revenue by end-market¹



Commentary

- Approximately 40% of BINGO's C&I revenue has been impacted to some extent by COVID-19 restrictions. The resultant run-rate C&I revenue impact is currently ~20%-30%.
- The end-markets that have been impacted the most have been shopping centres, property services (commercial offices) and hospitality.
- Retailers have held up with very little change to revenue largely driven by outperformance by some NSW retailers.
- Over 4,000 C&I customers, with the top 150 accounting for ~70% of revenue. SME's are estimated to account for ~20-30% of revenue.
- Steep rebound expected post-lifting of restrictions.

Concentration of C&I book



1. Analysis of end-markets based on the top 2000 customers (pre-COVID revenue) which represents 95% of total revenue. Property Services predominately represents services to commercial towers. Services include waste management services, facilities management, health services, and other service based industries.

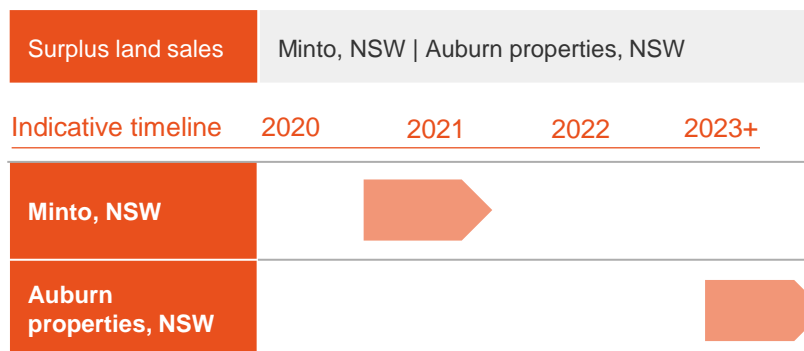
BINGO's PPE owned on balance sheet

BINGO has a strong balance sheet, backed by significant property, plant and equipment assets providing operational flexibility during the COVID-19 environment.

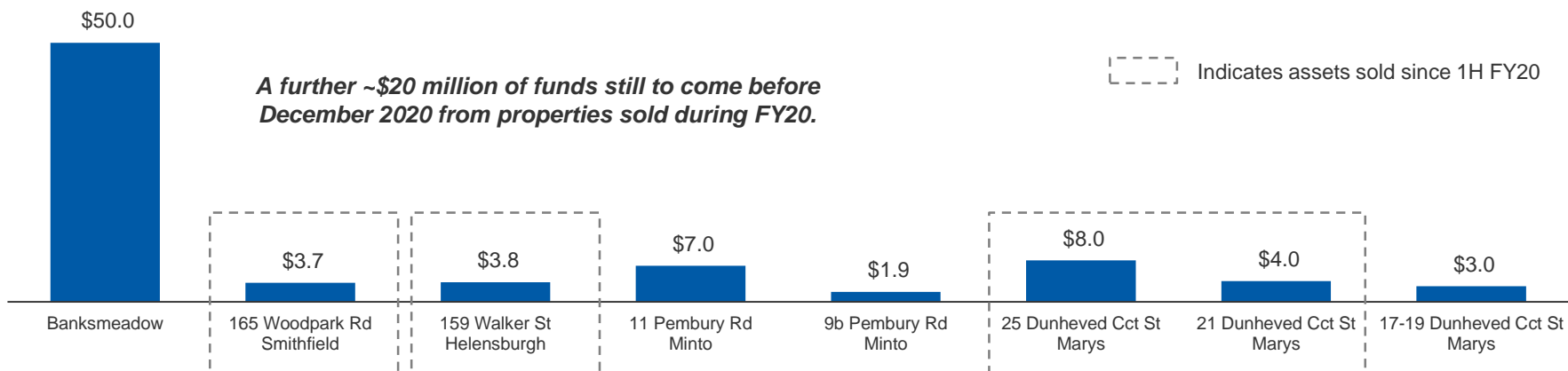
Overview

- BINGO's balance sheet is backed by ~\$700 million of property, plant and equipment. Of this, BINGO's current property and infrastructure portfolio has a book value of approximately \$446 million¹ and includes 20 of properties with ~145 hectares of land across NSW and VIC.
- BINGO holds options to purchase an additional c.\$170 million of land covering ~30 hectares of property in Alexandria, Clayton South and Eastern Creek.
- Recycling over \$30 million in capital through property sales (excluding Banksmeadow) in FY20.

Potential future surplus land sales



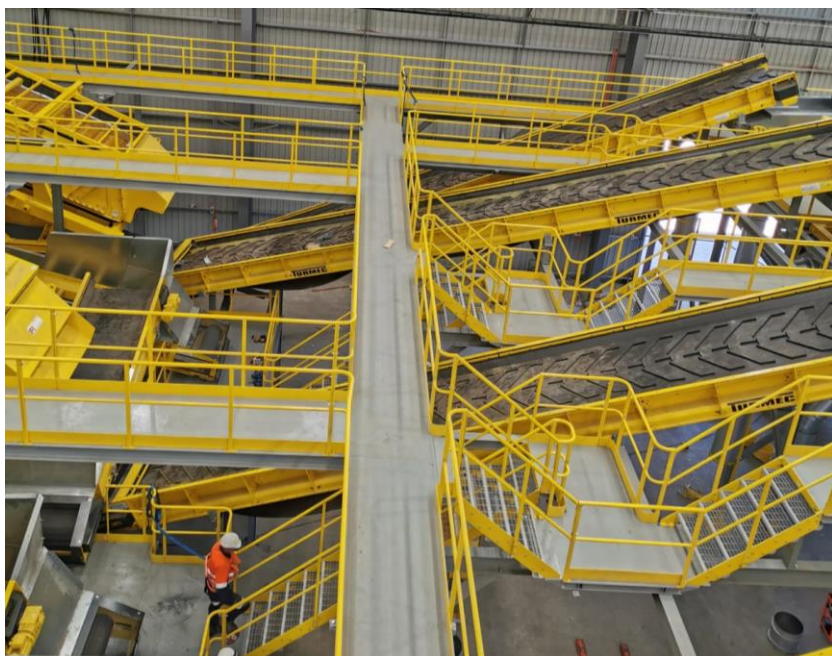
Proceeds from sale of surplus property assets \$m



1. Includes value of property (land and buildings) including landfill land, excludes value attributable to landfill void space.

Development update

Modification 6 at Eastern Creek approved & Construction of MPC 2 at Eastern Creek on track for completion in 1H FY21.



Development Update

- Modification 6 approved in April 2020, which includes:
 - 24 hour operating approval
 - Increase from 700k to 1 million tonnes p.a. into landfill (excluding tonnes from MPC's)
 - Near-term upside from operational efficiencies.
- Construction of MPC 2 commenced in June 2019 and is on track to be completed late 1H FY21.
- Total capex of \$60 million (~\$40 million incurred in FY20 and ~\$20 million in FY21).
- Master planning for Eastern Creek Recycling Ecology Park well underway.

Completed Activities – MPC 2

- ✓ Main building structure and roofing
- ✓ Internal overhead gantry cranes
- ✓ Fire and electrical building services

Activities to be completed – MPC 2

- Recycling plant installation
- Installation of rooftop solar panels
- Wall cladding
- External driveways and drainage
- Power upgrades to site
- Amenities buildings



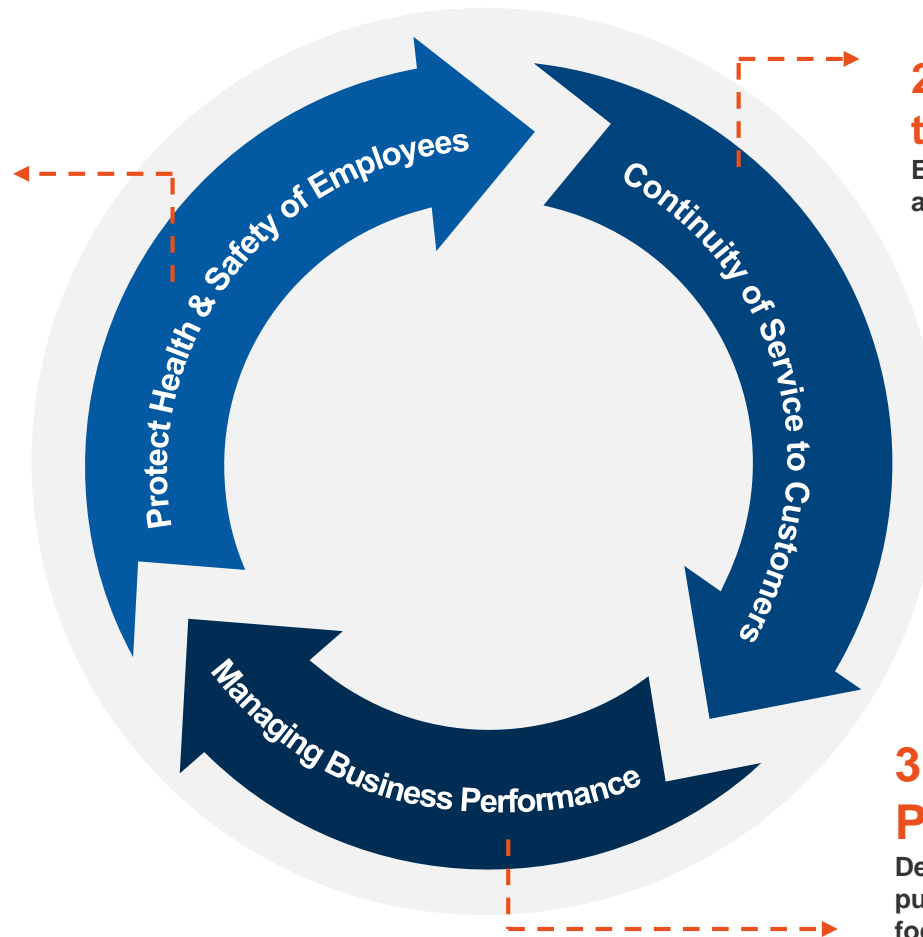
SECTION 2
COVID-19 impacts and mitigation strategy

BINGO's response to COVID-19

BINGO acted proactively to protect the safety of our people, ensure sustained services to our customers and enacted initiatives to preserve cash flow.

1. Health & Safety

Enacted immediate social distancing initiatives to protect the health, safety and wellbeing of BINGO employees, customers and suppliers.



2. Continuity of Service to our Customers

Ensured safe and ongoing collections and waste services to our customers.

3. Managing Business Performance

Developed and implemented fit for purpose business contingency plans, focused on cost and cash management

How we have positioned in a COVID-19 environment

The aim of our strategy in a COVID-19 environment is to:

- ✔ Protect employee welfare.
- ✔ Improve customer experience to enhance “stickiness” and support customers through the COVID-19 environment.
- ✔ Protect existing volumes.
- ✔ Protect balance sheet and be disciplined with costs, cash and capital.

COVID-19 impacts and mitigation strategy

Pro-active cost management initiatives were enacted immediately, including the deferral of all non-essential capex, reduction in operating costs and a cash management focus.

COVID-19 impacts

C&I

- The C&I end-markets that have been most impacted are shopping centres, property services (commercial offices) and hospitality.
- The resultant run-rate C&I revenue impact is currently down ~20%-30%, or 4% of our overall revenue as C&I is approximately 14% of group revenue.
- Rebound expected post removal of restrictions.

B&D

- Strong B&D performance in March with construction activity deemed an essential public service and existing projects continuing unabated.
- Volume impacts expected April-June as timing delays materialise with new projects.

COVID-19 mitigation strategy

- **Reduced capex and opex** – all non-essential capex suspended for the remainder of FY20, lowering remaining capex by 40% or ~\$20 million and reduce operating expenditure by ~\$8-\$10 million for March-June.
- **Labour savings** – proactive labour saving initiatives implemented from 1 April which included:
 - 20% reduction in corporate overhead costs.
 - Reduction in site overtime aligned with lower volumes.
 - Compulsory two week office shut-down over Easter period.
 - 20% reduction in Director fees for the remainder of FY20.
- **Reforecast and sensitivity analysis** – full year reforecast and sensitivity analysis completed in March to calibrate operational levers.
- **Cash focus enhanced** – increased resourcing and reporting resulting in March and April being strongest cash collections months YTD.
- **Provisions** – bad debt provisions – likely increase from \$3.5 million to \$7 million - \$10 million.
- **Eligibility for fiscal support** – we continue to assess potential opportunities for fiscal support with \$8 million - \$10 million of support for capital investment expected. BINGO does not meet the criteria to access JobKeeper at the Group level as it requires a 30% decline in revenue.

Well positioned exiting the COVID-19 cycle

Significant ability to manage our cost line through a challenging environment with variable costs representing 75% of the Group's cost base.

CAPEX INVESTED; NETWORK ESTABLISHED

- BINGO has invested significant capital in its operating platform over the last few years and has sufficient capacity for growth.
- Well positioned to operate within free cash flow for first year since IPO.
- There is no near term to medium term requirement for significant growth capex (sans opportunistic asset acquisitions).
- Strategy focused on 'sweating' existing asset base – upside leverage.
- Young fleet with average age ~2.5 years, owned on balanced sheet.
- Can operate with minimal capex into FY21, estimated sustaining/growth maintenance capex of \$50 million.

LEVERAGE OPERATING COST BASE

- BINGO fleet and network of facilities owned on balance sheet with very limited leasing obligations¹.
- BINGO has a highly variable cost base with 75% of the Group's cost base variable.
- Ability to further flex variable cost base through the cycle as required.
- Low operating leverage will enable BINGO to continue to generate strong margins in a challenging environment.

BENEFITING FROM VERTICAL INTEGRATION

- Vertically integrated operating footprint across NSW and VIC. High quality assets in key locations.
- Strength of integrated post-collections network.
- Recycling-led business model enables BINGO to make more from one tonne of waste than pure collections plays.
- Low cost operator on the cost curve relative to industry peers.
- Well positioned to maintain and grow market share through the cycle.
- Potential for further vertical integration opportunities and distressed asset sales.

1. Alexandria transfer facility in NSW and West Melbourne Recycling facility in VIC are leased properties.



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SECTION 3

Market dynamics and outlook

Much achieved since IPO & investment to support growth largely completed for near to medium term

Notable highlights:

- ✓ Listed on the ASX
- ✓ Expanded in NSW to Newcastle and Wollongong
- ✓ Opened Minto and St Marys
- ✓ Financial outperformance against prospectus targets
- ✓ Increased network capacity from 1.0 mtpa to 1.5 mtpa
- ✓ Delivered first sustainability report
- ✓ Delivered market entry strategy in VIC ahead of schedule

- ✓ Achieved LTIFR of zero
- ✓ Established our sustainability credentials
- ✓ Successfully executed acquisition program in VIC
- ✓ Acquired NRG / DATS
- ✓ Acquired Patons Lane
- ✓ Completed development upgrades for Artarmon, Greenacre, Campbellfield
- ✓ Grew our C&I business into VIC
- ✓ Strong growth in C&I NSW
- ✓ Achieved recovery rate of 75%

- ✓ NSW expansion achieved
- ✓ Acquired Dial a Dump
- ✓ Delivered greenfield development of Patons Lane
- ✓ Reconfigured NSW network
- ✓ Completed West Melbourne upgrade – VIC's first recycling facility
- ✓ Acquired Dandenong in VIC
- ✓ TORO expanded QLD and launched into VIC
- ✓ Launched new operating model
- ✓ Achieved recovery rate of 75%
- ✓ Expanded recycled product offering

- ✓ Safety communications roll-out
- ✓ Launched RAP & responsible supply chain model
- ✓ Network capacity now 4.6 mtpa.
- ✓ Completed DADI integration
- ✓ Delivered price rise in a challenging market
- ✓ Delivered 24 hour licence for West Melbourne & Eastern Creek
- ✓ Increased contracted revenue base for the business
- ✓ Commenced systems improvement program
- ✓ 100% internalisation of non-putrescible waste
- ✓ QLD expansion scoped
- ✓ C&I growth continues

	FY17 (IPO)	FY18	FY19	FY(f)20 (Pre COVID)
REVENUE	~\$210 million	~\$300 million	~\$400 million	~\$520 million
EBITDA	~\$64 million	~\$94 million	~\$106 million	~\$159-164 million ¹
POST-COLLECTIONS % EBITDA	~53%	~52%	~63%	~70%
COLLECTIONS EXPOSURE TO RESI	25%	21%	15%	12%
EMPLOYEES	720 employees	788 employees	990 employees	1,000 + employees
FLEET	~200 trucks	~250 trucks	~350 trucks	~350 trucks

1. Guidance withdrawn in March 2020

BINGO's group strategy remains unchanged. Two years into our five year strategy and we have delivered against stated objectives.

- FY21 initiatives will be predominately focused on protecting and optimising the core.
- Opportunity for vertical integration in VIC and W2E ongoing.

STRATEGIC ENABLERS

PRIMARY FOCUS

PROTECT AND OPTIMISE THE CORE

Ensure we preserve and grow our key competitive edge – customer and technology centric business model with a recycling led solution.

GEOGRAPHIC EXPANSION

Expansion of our operating footprint along the East Coast of Australia, concentrating on markets with favourable growth drivers.

ENHANCED VERTICAL INTEGRATION

SECONDARY FOCUS

Targeting greater internalisation of our volumes and increasing diversion from landfill for both putrescible and non-putrescible waste

PRIORITIES

ZERO HARM
Zero harm to our people and the environment



CUSTOMER EXPERIENCE
Continuous improvement to achieve market leading customer service.



SUSTAINABILITY
Earning our social license to operate



GROWTH & INNOVATION
Agility to maintain competitive advantage.



DEVELOP & RETAIN TALENT
Invest in our people, growing future leaders



Summary of headwinds and tailwinds for BINGO



Headwinds



Tailwinds

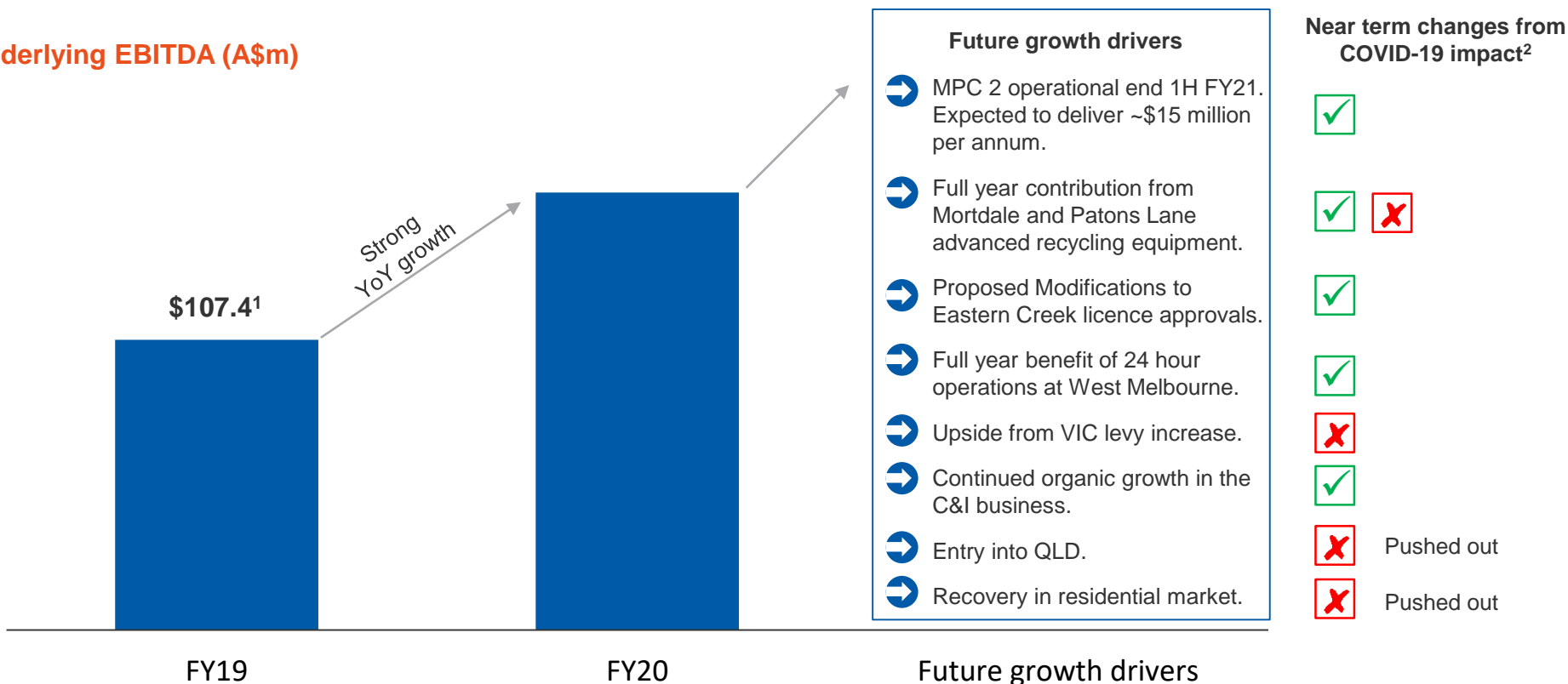
ECONOMIC	<ul style="list-style-type: none"> • COVID-19 impact on operating environment with closure of non-essential businesses. • Near-term economic recession and resultant reduction in migration. 	<ul style="list-style-type: none"> • Robust economy – well placed to recover from the economic impact of COVID-19, including forecast medium-term economic and population growth.
B&D MARKET	<ul style="list-style-type: none"> • Headwinds in construction activity – decline in construction activity is anticipated across residential and non-residential construction. Rebound in residential construction activity pushed out by circa 12 months, to mid to late 2021. • Increased pricing pressure from competition in B&D collections and post-collections – as volumes are impacted by COVID-19. • Timing lag between announced infrastructure projects and commencement – significant pipeline of announced projects expected to commence construction over the next 24 months 	<ul style="list-style-type: none"> • Strong existing infrastructure investment – Federal commitment of \$100 billion + and State Government infrastructure funding \$125 billion of committed government funding in NSW and VIC (\$71 billion in NSW and \$53 billion) over the next 4 years. • Further fiscal stimulus likely to boost the economic turnaround post COVID-19 through essential infrastructure and small to medium construction. Well positioned to benefit from fiscal response across multiple Government levels and end-to-end construction. • Strength of BINGO’s network of vertically integrated waste infrastructure assets.
C&I MARKET	<ul style="list-style-type: none"> • C&I impacted by COVID-19 restrictions – shopping centres, hospitality, and property services end-market impacted the most by COVID-19 restrictions. 	<ul style="list-style-type: none"> • Growing waste generation – BINGO is exposed to both cyclical and defensive end-markets. • Scope to build market share in Commercial & Industrial business – BINGO currently has ~5%¹ market in NSW and <2%¹ in VIC.
REGULATORY	<ul style="list-style-type: none"> • Exposures to changes in the regulatory environment including greater involvement from Government and regulatory bodies and implications for compliance costs. • Viable near term end-markets for recycled products – subject to local markets for BINGO’s recycled products, ECO product. 	<ul style="list-style-type: none"> • Supportive regulatory environment for recycling – Federal and State policies supportive of recycling. Increase in VIC levy to \$85.90, with set increases to \$125.90 over 2 years. • Maturity of the Australian waste market – ripe for disruption through innovation and investment in technology. • The Circular Economy – the push to scale up and accelerate the development of a Circular Economy in Australia will increase need for BINGO’s recycled content.

1. BINGO management estimate.

Our medium term outlook remains strong

BINGO has invested significantly in its post-collections network of infrastructure assets and prior to COVID-19 expected above trend growth to continue into FY21 and beyond.

Underlying EBITDA (A\$m)



1. FY19 Underlying EBITDA adjusted to include interest income of \$1.3 million.

2. FY20 EBITDA guidance of \$159-\$164 million (ex property sales) withdrawn on 23 March 2020 due to uncertainty surrounding COVID-19 impact.

How we want to be positioned post COVID-19

We are strengthening the foundations of the business in order to better position for growth. We are using this time to ensure that the projects and processes required to improve our business are completed.

The aim of our post COVID-19 strategy is to re-emerge from the cycle with the business :

✓ **Bigger** - Protect existing revenue and grow market share as opportunities arise in existing markets and innovate to generate new revenue opportunities; and






✓ **Better** - Greater focus on cost and capital. Improved BAU systems, processes and procedures, renewed focus on customer service and streamlined project delivery. Resulting in...

✓ **A stronger business** – Notwithstanding the current environment we will be guided by our existing stated ROCE and EBITDA targets.



FY20 calibration of key line items post COVID-19

Indicative figures for key line items provided below:

Item	Comment	FY20 (pre-COVID-19)	F20 (post-COVID-19)
Capex	<ul style="list-style-type: none"> Capex is expected to be within the following range¹ 	\$140-\$150 million	 \$125-\$135 million
Interest	<ul style="list-style-type: none"> Interest is based current year average. Debt maturity profile approx. 2 years Incorporates AASB16. 	\$15-\$16 million	No change
Tax	<ul style="list-style-type: none"> Taxation is based on normal tax profile and recent business performance 	Effective Tax Rate ~30%	No change
Depreciation	<ul style="list-style-type: none"> Depreciation will increase incorporating DADI and Patons Lane in FY20; and AASB16 	~\$40 million	No change
Amortisation	<ul style="list-style-type: none"> Amortisation includes customer contracts, acquired brands and remaining void space of landfill assets 	Amortisation of: <ul style="list-style-type: none"> Customer contracts ~\$6-7 million Void space ~\$12-14 million Brand ~\$2 million 	 Amortisation of: <ul style="list-style-type: none"> Customer contracts ~\$6 million Void space ~\$12-13 million Brand ~\$1.2 million
DADI Integration Costs	<ul style="list-style-type: none"> Relates to rebranding, compliance, systems integration and redundancies 	\$10-\$11 million	No change
Eliminations	<ul style="list-style-type: none"> BINGO and DADI eliminations in revenue 	\$110-\$120 million	 \$100-\$105 million

AASB 16 impact (No changes since 1H20 presentation):

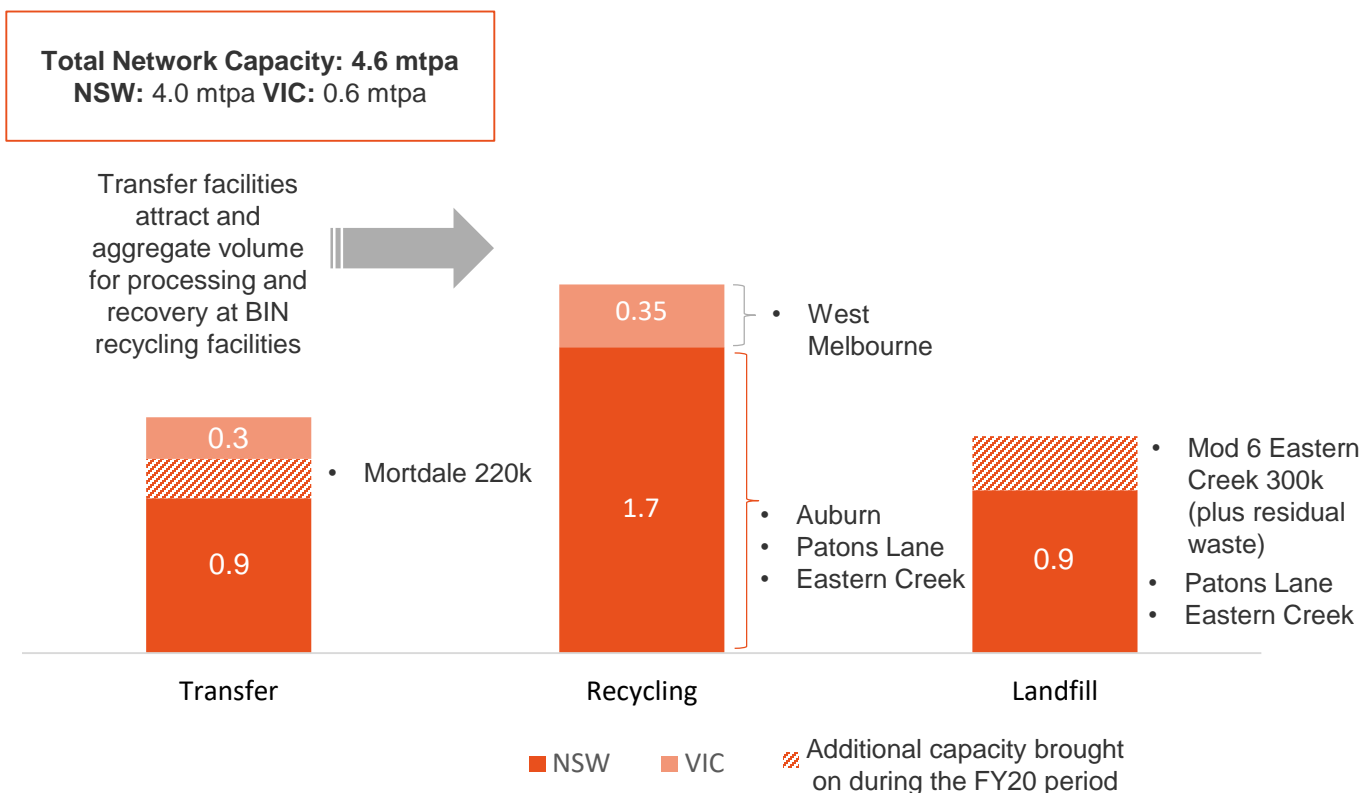
\$m	Previous AASB 117	AASB 16	Impact	Description
EBITDA	(4.8)	-	4.8	Reduction in rent expense
Interest expense	0	3.3	3.3	Increase in Interest expense
Depreciation	0	3.0	3.0	Increase in Depreciation expense
NPBT	(4.8)	(6.3)	(1.5)	Decrease in Net Profit Before Tax

1. Long term underlying growth and maintenance capex is expected to be equal to depreciation which represents 8-10% of revenue.

Network capacity by state and function

BINGO's network consists of centrally located transfer facilities and integrated recycling precincts for advanced processing, separation and disposal.

FY20 network capacity across NSW and VIC (million tonnes per annum)



- Mortdale transfer facility completed in February and provides an additional 220k tonnes of annual capacity to the NSW network.
- Patons Lane advanced recycling facility operational from February 2020.
- The Eastern Creek facility provides 2.0 million tonnes of capacity (FY19 utilised 1.3 mtpa).
- Modification 6 approved at Eastern Creek expanding the annual landfill capacity to 1 mtpa (excluding residual waste from recycling operations on site).
- MPC 2 at Eastern Creek will enable BINGO to fully utilise the 2.0 million tonnes of capacity and increase diversion from landfill.
- Approved operating hours extension to 24 hours at West Melbourne recycling facility will enable BINGO to increase operational capacity and defer the need for further capital to enhance recycling capacity in the short term.

A tale of three markets

CONSTRUCTION ACTIVITY

RESIDENTIAL

- ✓ Pent-up demand likely to drive a steeper recovery, assisted by numerous stimulus measures from FY22 onwards.
- ✓ Given limited activity over the last 24 months and declines already experienced, % decline in residual activity expected to moderate.
- ✗ Decline in activity in single dwelling, alterations and multi-dwelling construction expected in FY20 and FY21.
- ✗ Correction in house prices expected in Sydney and Melbourne in CY20.
- ✗ Residential recovery likely pushed out 12-18 months.

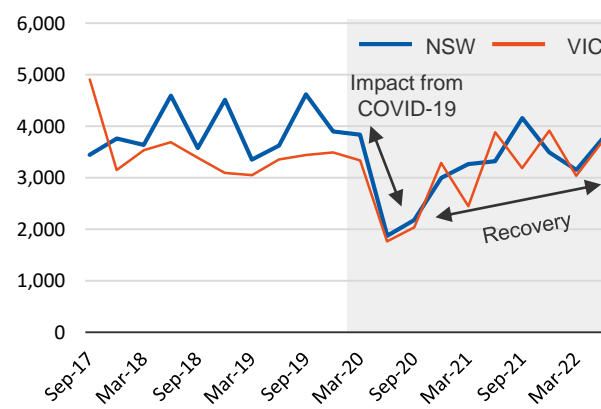
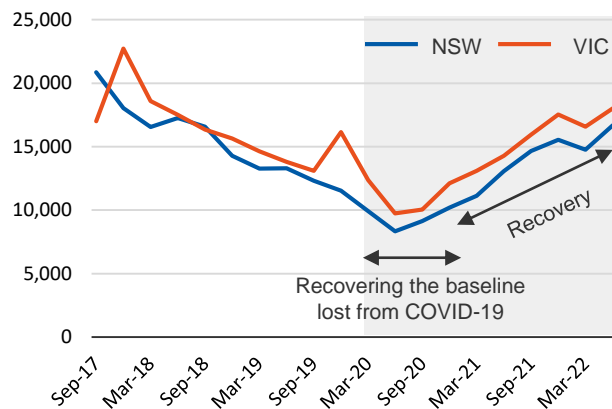
NON-RESIDENTIAL

- ✓ Upside for public investment in non-residential construction as part of fiscal stimulus packages (particularly health, education and prisons).
- ✓ Investment in Health likely to remain strong.
- ✗ Private investment in Non-Residential construction in NSW and VIC could decline.
- ✗ Private investment in Commercial, Education, Aged Care, Accommodation, Retail construction end-markets likely to be impacted.

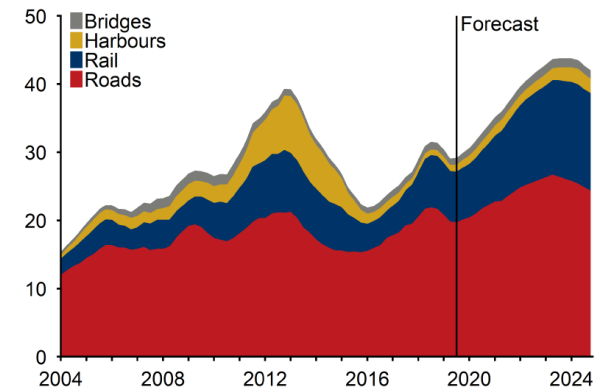
INFRASTRUCTURE

- ✓ Reaffirmed Federal and State Government commitment to infrastructure activity. infrastructure pipeline funded by the public sector will continue to remain robust over the next 10 years.
- ✓ Further Infrastructure projects across all levels of government likely to be fast-tracked with ongoing govt stimulus to be announced.
- ✓ Focus likely to be on medium sized infra activity and large existing pipeline of transport projects.
- ✗ Timing of commencements of infrastructure projects TBD.

Residential Building Number of Commencements (QoQ) Value of private non-residential commencements (\$m)



Engineering construction work done (\$bn)



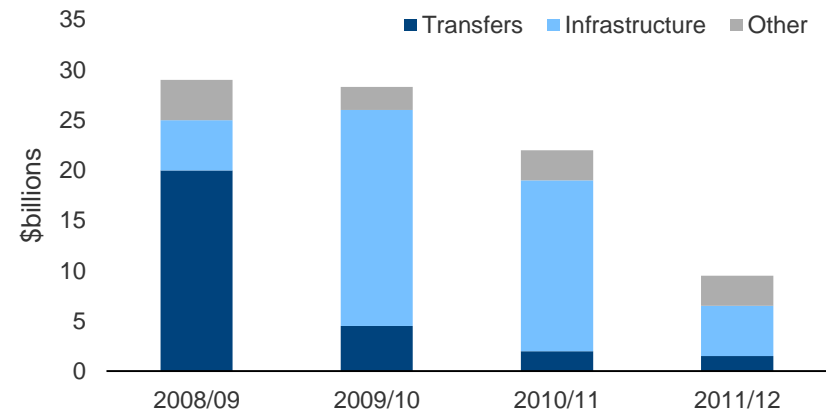
BINGO is well positioned to benefit from fast-tracked fiscal stimulus

Once the immediate health crisis has been addressed infrastructure projects and shovel ready construction projects likely to be the key initiatives to boost the economic recovery.

Commentary

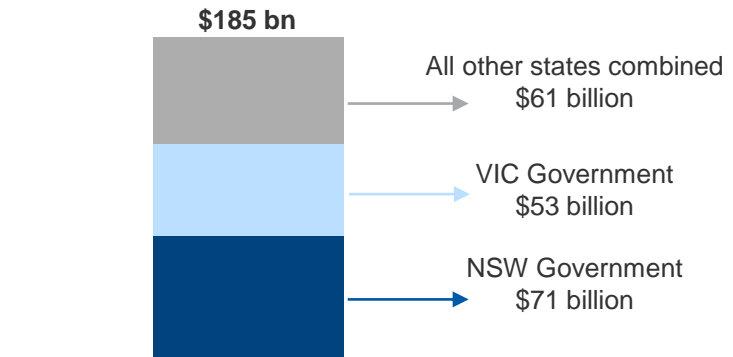
- Both Federal and State Governments have sent a clear message that they want to keep infrastructure and civil works going.
- Federal Government remains committed to delivering its planned \$100 billion in 10-year infrastructure pipeline.
- NSW and VIC state governments have committed a combined \$125 billion to infrastructure projects over the next four years (representing 68% of total infrastructure funding).
- The Australian Government is also looking for opportunities to fast-track spending on infrastructure construction that would underpin jobs and support the economy.
- State Governments are taking a similar approach with NSW Government already announcing the fast-tracking of 24 shovel-ready projects worth \$7.5 billion.
- This sentiment has been supported by the Property Council who are also pushing for an acceleration of construction projects
- BINGO is well positioned to benefit from infrastructure stimulus with a strong existing book of infrastructure projects.

Australia Government fiscal response to GFC (\$bn)



Source: Parliament of Australia.

Pre- Existing State government commitment to infrastructure over the next 4 years (\$bn)



Source: NSW and VIC State Budgets.

Supportive regulatory landscape

BINGO remains well positioned over the medium-term to capitalise on the positive future regulatory and market tailwinds underpinning the business.

Regulatory dynamic

2020 COAG ban on waste exports	<p>Council of Australian Governments (COAG) to ban the export of waste plastic, paper, glass and tyres in 2020, which will necessitate the development of a more robust domestic recycling capability.</p>
State waste disposal levies¹	<p>State waste disposal levies likely to continue to increase to incentivise recycling and disincentivise sending waste to landfill.</p>
Federal Government recycled content targets	<p>Federal Government preparing to unveil ambitious new targets for recycled products requiring all states and territories to spend a portion of their procurement budgets on recycled materials for public projects.</p>
Heightened compliance focus from EPA	<p>Heightened focus from EPA on raising and enforcing higher compliance standards for the waste industry (i.e. fire, environmental etc.).</p>
Increased regulator scrutiny	<p>Recent consolidation in the waste industry has led to increased scrutiny from market regulators.</p>

Implication for BINGO

State and Federal Governments are conducting industry inquiries and preparing waste strategies and incentives which will further encourage investment in domestic recycling. BINGO continues to contribute to these inquiries/strategies.

QLD and SA levy increases implemented in 2019. BINGO to benefit from VIC levy increase to \$85.90 from 1 Jan 2021 with pathway to \$125.90 within 2 years.

BINGO produces over 500k tonnes of recycled products contributing ~4.0% of the Group's revenue. This will likely increase over the medium term as recycled products are mandated for use in new developments.

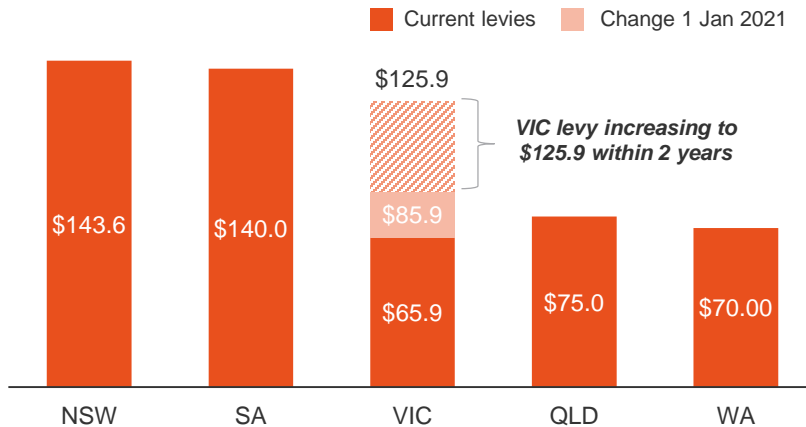
Higher minimum standards for compliance increase barriers to entry.

ACCC investigation into the NSW B&D waste sector price increase ongoing.

1. Refer to slide 26 for further information on state levies and recovery targets.

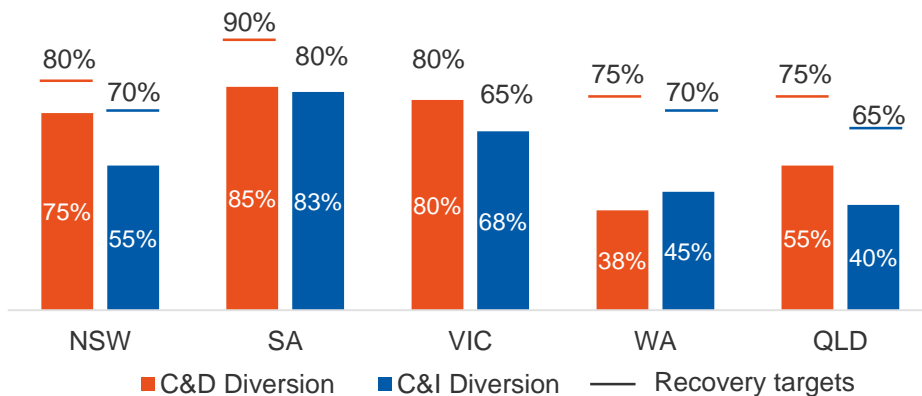
State regulatory environment

Increasing state waste levies



- The SA government announced the levy increase in its 2019/20 State Budget. The solid waste levy increased to \$110 per tonne on 1 July 2019, followed by \$140 per tonne on 1 January, 2020.
- VIC levy increasing to \$125.90 over the next 2 years.
- Rising landfill prices are driving resource recovery infrastructure investment – BINGO leading the way.
- China’s introduction of contamination thresholds for recyclables means more investment in recycling and product stewardship is required to develop the domestic recycling market.
- Increased government investment in the sector and EPA funding to enhance compliance outcomes suits BINGO business model.

State recycling targets and recovery rates



The Waste Hierarchy in Australia

