



Millennium Services Group Limited

Annual General Meeting

28th November 2016



Welcome and Introductions

Introducing the Board



Peter Anderson
Chairman



Greg McCormack
Non-executive Director



Stephen Williams
Non-executive Director



Mark Baldwin
Executive Director & CEO



Ross Gavranich
Executive Director



Stephen Lidbury
Executive Director &
Director of Security

Agenda

1. Welcome & Introductions
2. Chairman's Address – Peter Anderson
3. Chief Executive Officer's Address – Mark Baldwin
4. Business of the Annual General Meeting



Chairman's Address

Peter Anderson

FY16 Achievements

Key Highlights

- Initial public offering completed on 19 November 2015
- Successfully transitioned from private to listed company
- IPO raised \$49.6 million
- Expansion phase
 - Successfully completed acquisition of ACS and NCSA and integration on track
 - Profitable expansion of New Zealand operations
- FY16 financial performance - below prospectus forecast, but strongest annual result on record
- Positive safety culture, strong safety performance

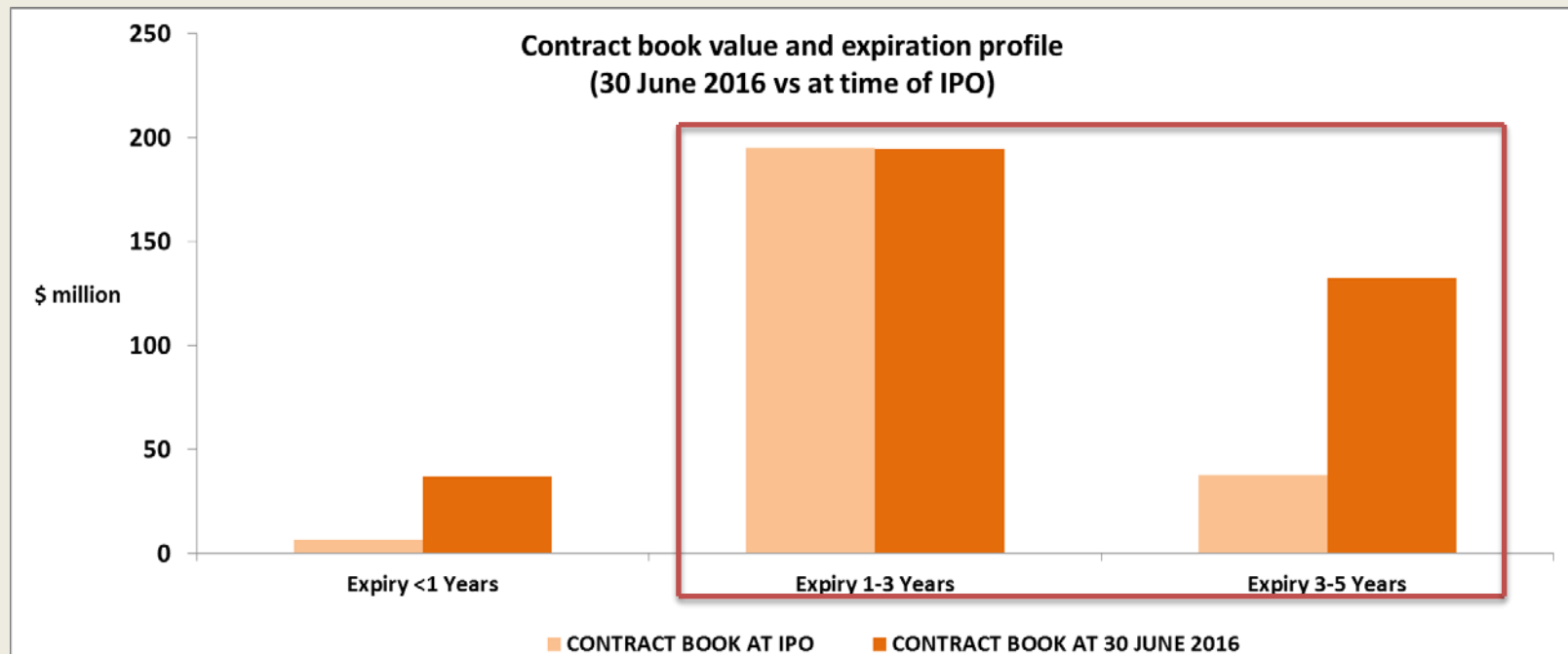
FY16 Results

Strong year on year revenue and EBITDA growth and strong gross margins

- **Strong revenue growth:** Pro-forma revenue up 30.9% YoY versus FY15 to \$157.2 million
- **Very strong EBITDA growth:** Pro-forma EBITDA up 68.1% YoY versus FY15 to \$12.1 million
- **Gross margins:** Strong gross margins maintained in FY16
- **Dividend declared (fully franked):** Final Dividend declared for 2016 of \$0.044/share, representing ~50% of H2 FY16 NPAT (after adding back contract amortisation costs of \$0.5m)
- **EPS (cents):** 1.61
- **New contracts:** Timing delay on the start of new contracts won in FY16 , shifts revenue and earnings benefits to FY17

1. FY16 pro-forma Revenue of \$157.2 million includes the contribution of National Cleaning Services Australia (NCSA) from 1 February, 2016.
2. FY16 pro-forma EBITDA of \$12.1 million includes the positive impact of \$0.4 million of consumable stock-on-hand adjustments moved to the balance sheet. These adjustments represent a change in treatment from that used in the preparation of Millennium's 2015 Prospectus.

Contract Book as at 30 June 2016



- Contract book significantly strengthened
- Increased longevity of contract expiration profile
- Large increase in 3-5 year expiry segment
- Significant growth in total volume of contracts

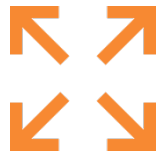
Strategic Priorities

Millennium Strategic Priorities



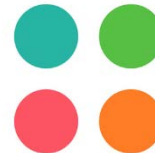
Growth

Organic
M&A



Expansion

Geographic
Sector



Diversification

Services
Customer base



People & Systems

Capability
IT & Finance
Reporting

Acquisitions Update

- Three acquisitions completed since IPO
- Integration of ACS and NCSA progressing well
- Recent Airlite acquisition provides a transformational step change in scale and national footprint
- Airlite integration phase is an immediate priority



Strengthening Management & Finance

Building management strength and capability is a priority

- Appointed Chief Operating Officer, Craig Hanley commencing in February 2017
 - Focus on growing the security division
- Damien Gray appointed Chief Financial Officer in May 2016 to strengthen finance function
 - Financial Controller appointed, implementing new finance system
- Millennium has an experienced operational management team across all states and territories

Closing Remarks

- FY16 positive performance and achieving strategic priorities
- Immediate focus for 2H17 is on acquisition integration
- Maintain delivery of quality client service
- FY17 shaping up to be a year of profitable growth





Executive Director and CEO's Address
Mark Baldwin

Introducing Senior Management



Damien Gray
Chief Financial Officer



Annabelle Brooks
General Counsel



Royce Galea
Director of Operations



Stephen Lidbury
Executive Director & Director of Security

FY16 Highlights

Pro-forma Results					
	FY16 Actual	FY16 Prospectus	FY15 Actual	Variance vs. Prospectus	Variance vs. FY15
Total Revenue	\$157.2m ¹	\$168.2m	\$120.1m	(6.6%)	30.9%
Gross Margin	17.2%	17.0%	15.1%	0.2pp	2.1pp
EBITDA	\$12.1m ²	\$13.3m	\$7.2m	(9.2%)	68.1%
NPAT	\$6.4m	\$7.6m	N/A ³	(17.1%)	N/A ³

- **Revenue shortfall** due primarily to new contract delays, partially offset by the revenue contribution of the NCSA business acquired on 1 February 2016

1. Pro-forma FY16 Revenue includes the contribution of NCSA from 1 February 2016

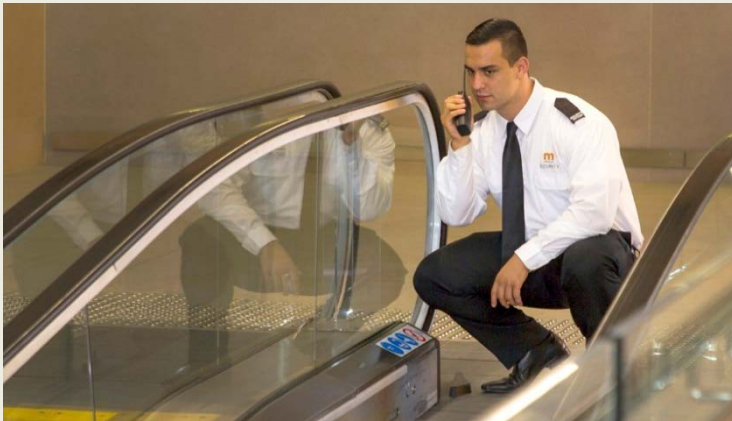
2. Pro-forma FY16 EBITDA includes the positive impact of \$0.4m of consumable stock adjustments. Pro-forma FY16 NPAT includes the positive impact of \$0.4m of consumable stock adjustments and the positive impact of \$0.1m of non-cash accounting adjustments (\$0.6m relating to the change in depreciation method from diminishing value to straight line, offset by \$0.5m of contract amortisation expense).

3. N/A = not applicable due to absence of historic comparables

Growth

Organic and M&A:

- Cross-selling additional services to enhance value and client relationship
- Build Security division to circa 30% of revenue
- Actively pursue accretive acquisitions (e.g. Airlite Group)

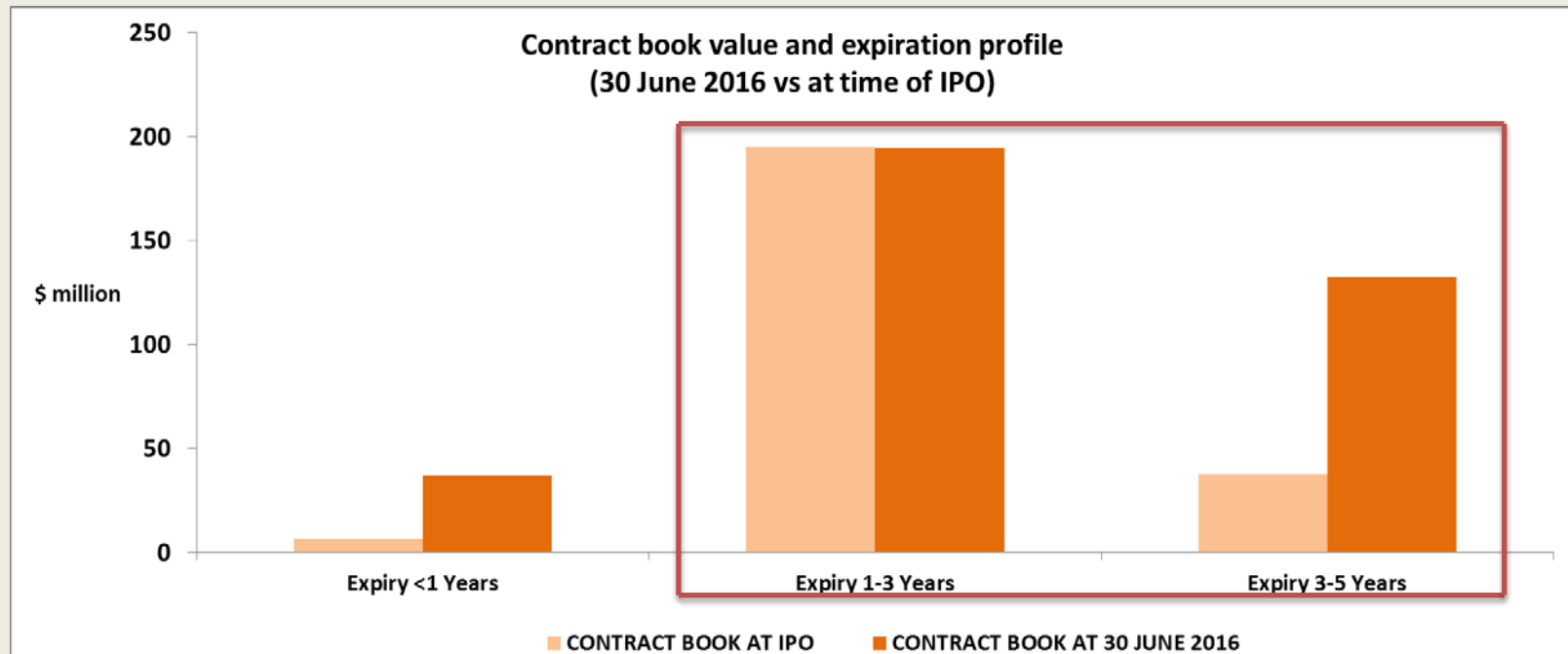


Airlite Group – Strategic Acquisition

Acquired WA's premier integrated services business – Millennium now a truly national service provider

- Leading provider of specialist cleaning, maintenance and integrated services
- Leader in Western Australian market, with offices in Sydney, Melbourne and Gold Coast
- 50 years of growth, expansion and diversification
- 1,500 employees
- Immediately EPS accretive

Contract Book as at 30 June 2016



- Success in FY16 tender activity
- Significantly enhanced expiry profile, as compared to IPO
- Large increase in 3-5 year expiry segment with national clients
- Significant growth in total volume of contracts

Contract Book Profile Strengthened

Our Blue-Chip Clients



Expansion Activities (Geography & Sector)

Key driver of incremental shareholder value

- The ACS business is providing a regional base in the high growth corridors of NSW Central Coast and the Hunter region
- The NCSA acquisition in Canberra has provided a solid platform for ongoing expansion in Government commercial cleaning, unlocking a significant volume of opportunity
- New Zealand operations expanding and profitable
- Airlite Group acquisition creates a national footprint



Diversification

Leveraging national footprint, scale, broader service offering and increased competitiveness

- **Services**
 - Expand service offering (e.g. property development cleaning, hygiene services, pest control, building and landscape maintenance)
- **Customer base**
 - Deepen market penetration with existing major clients
 - Establish long-term partnership through integrated service solutions



Millennium's People and Safety

Committed to training, development and safety

- Positive safety culture
- Track record of service and customer satisfaction
- Engaged teams
- Online training and induction programs
- Independently monitored whistleblower hotline
- Employee base grown to 4,000 employees
- Triple-certified to international standards
in QA, OHS & EMS



Trading Update and FY17 Outlook

Updated full year FY17 Outlook on 21 October 2016

- FY17 pro-forma revenue expected to be in the range of \$246 million to \$256 million
- FY17 pro-forma EBITDA to be in the range of \$17.7 million to \$18.6 million (inclusive of approximately \$1.3 million of incremental acquisition and integration related costs)
- Pro-forma capital expenditure is expected to be in the range of \$4.1 million - \$4.6 million
- With no existing presence in Western Australia, no material overhead savings are anticipated for the combined Group in FY17

Summary

- Immediate priority is managing the successful integration of Airlite Group
- Focus on cross-selling additional services
- Growth of security division
- Millennium is a high potential growth business and the Company is positioned to take advantage of the many sector growth opportunities



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