

Annual General Meeting

24 November 2020

millennium





Welcome & Introductions

Agenda

Welcome & Introductions

Chairman's Address

Chief Executive Officer's
Address

Business of the Annual
General Meeting

Slide 3

DB2

this stays the same but with updated visuals

Darren Boyd, 9/10/2020

Millennium Board



Roger Smeed
Chairman



Darren Boyd
CEO & Managing
Director



Royce Galea
Executive Director



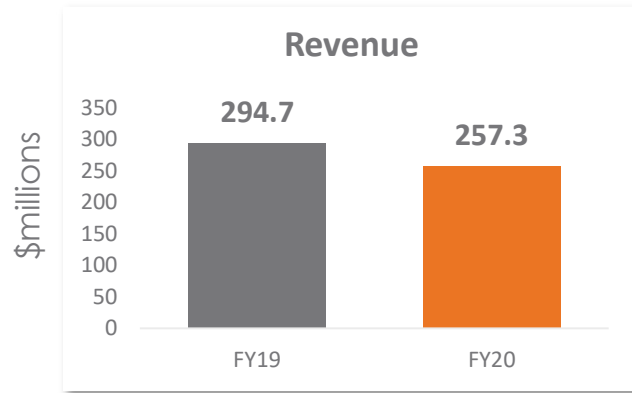
Chairman's Address

CEO's Address

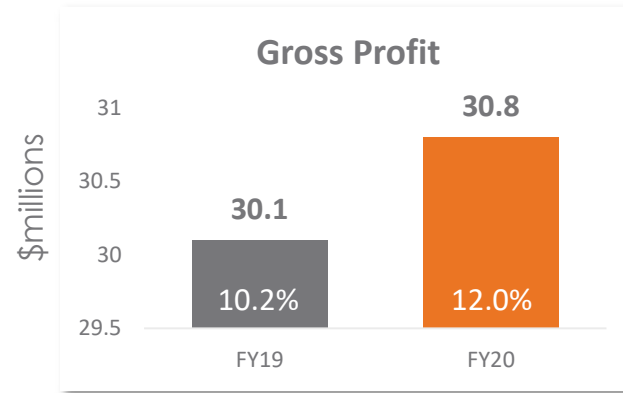


Statutory Performance

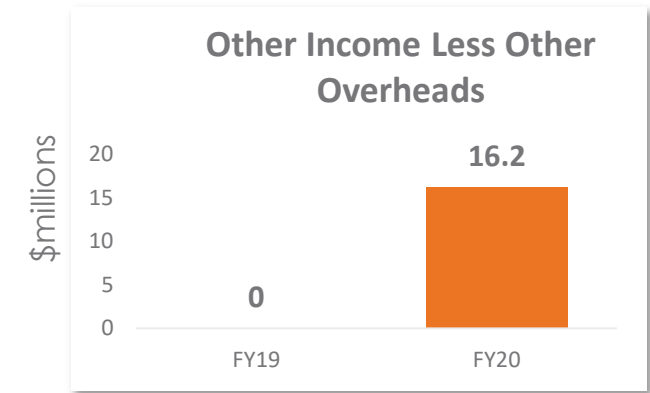
FY19 vs FY20



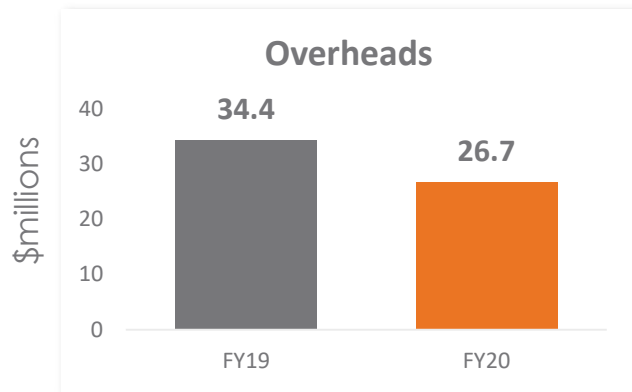
See commentary on the next slide



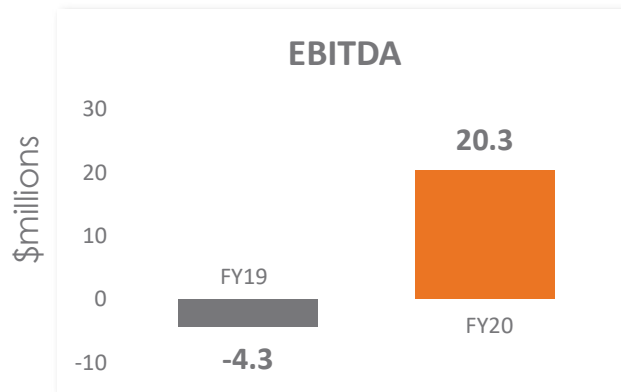
See commentary on the next slide



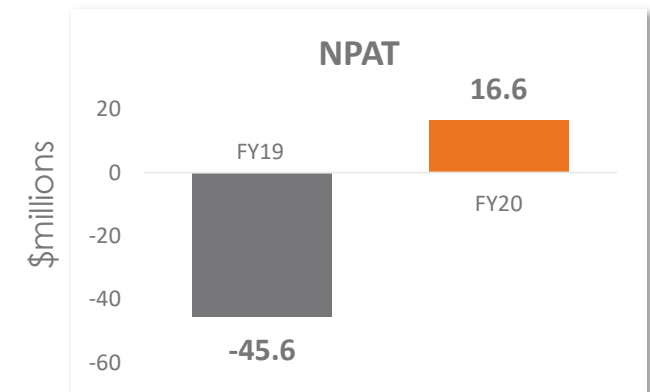
Government grant income \$24.6m less \$8.4m of wage top-ups associated with Government grants



See commentary on the next slide

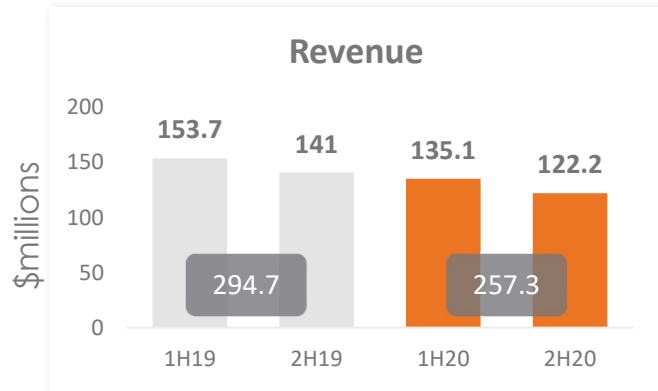


\$8.4m turnaround in Statutory EBITDA excluding net Government grants,

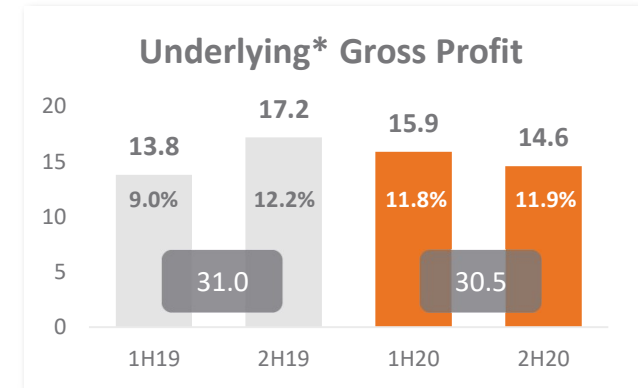


Includes recognition of Government grants & deferred tax assets recognized in current year

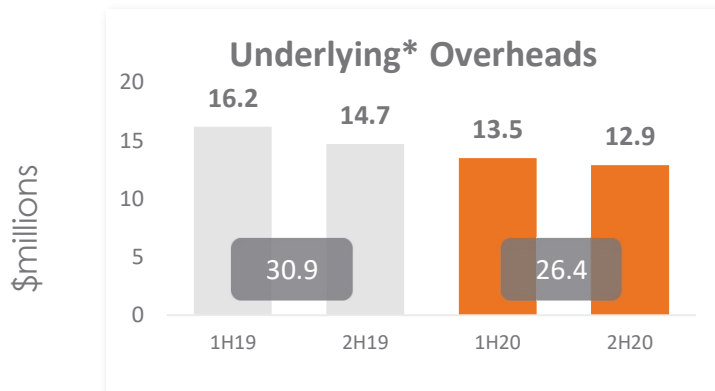
Underlying* Performance



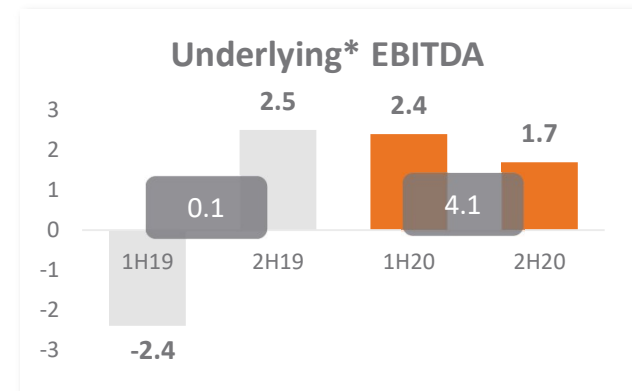
- 2H19 & 1H20 Revenue reduction due the exiting of unprofitable contracts, partly offset by contracts won at higher margins
- 2H20 reduction is a COVID-19 related reduction and is expected to be temporary. Revenue already recovering.



- 2H19 Margin improvement driven by the introduction of the Profit Improvement Plan
- 1H20 Margin % step down associated with moving to the Modern Award. Efficient application of the Award, and subsequent roster changes resulted in a benefit realisation time-lag in Q1. Recovery would have been reflected in 2H20 if not for COVID-19 impact



- 2H20 overheads held whole during COVID-19 to manage the quicker than expected rebound.

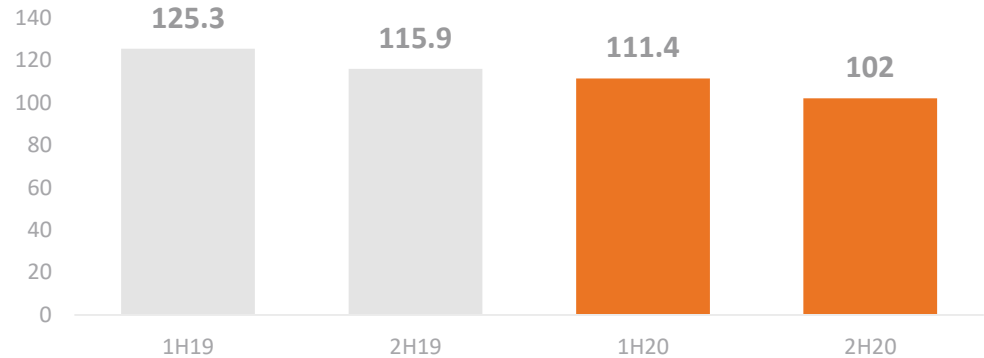


- 2H20 \$1.3m COVID-19 related Gross Margin dollar reduction offset partially by \$0.6m overhead reduction

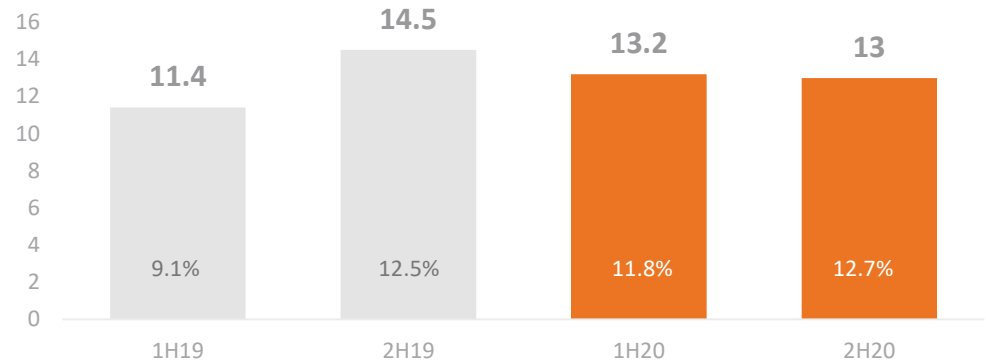
Cleaning Segment

- 2H20 revenue reduction associated with COVID-19 reductions proven to be temporary and already recovering
- Gross Margin continues to improve with improved labour management and pricing initiatives associated with Profit Improvement Plan

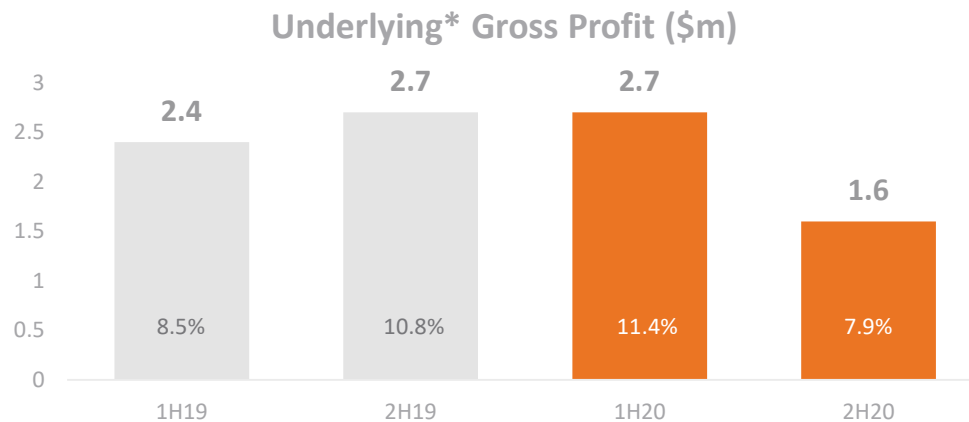
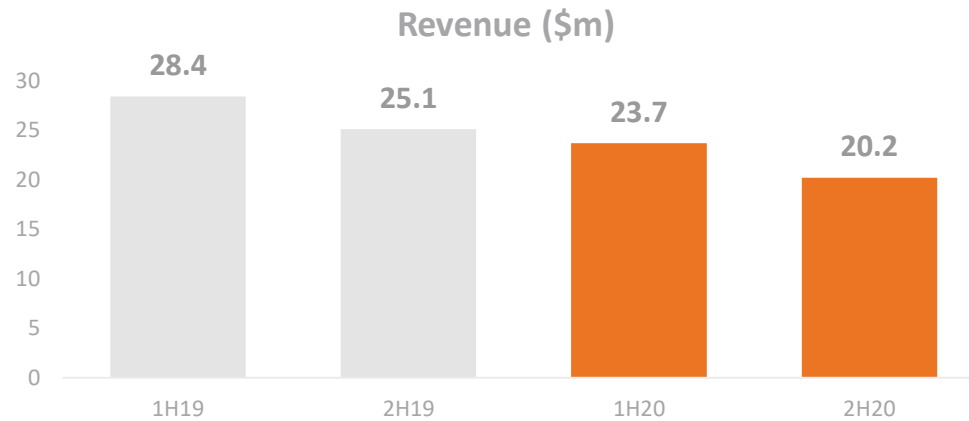
Revenue (\$m)



Underlying* Gross Profit (\$m)



Security Segment



- The security business continues to win new contracts (including contracts with Metro Trains Sydney and Crown) and renew existing ones, however this was offset as a result of exiting a number of loss-making contracts resulting in a decline in revenue in 2H19 & 1H20
- 2H20 Revenue and Gross Margin was impacted by COVID-19 but is recovering

Reduction in Total Borrowings

Facility	30 June 2020 (Audited) \$M	31 October 2020 (Unaudited) \$M	Movement \$M	Undrawn Facilities 31 October 2020 \$M
Interchangeable Term Loan	18.1	7.2	(10.9)	-
Trade Finance	5.1	-	(5.1)	10.0
Hire Purchase	2.3	1.9	(0.4)	-
Bank Overdraft	9.2	4.4	(4.8)	5.6
Other Borrowings	1.7	0.8	(0.9)	-
Total	36.4	14.3	(22.1)	15.6

* A \$2.1M improvement on the numbers released on the 28th October 2020

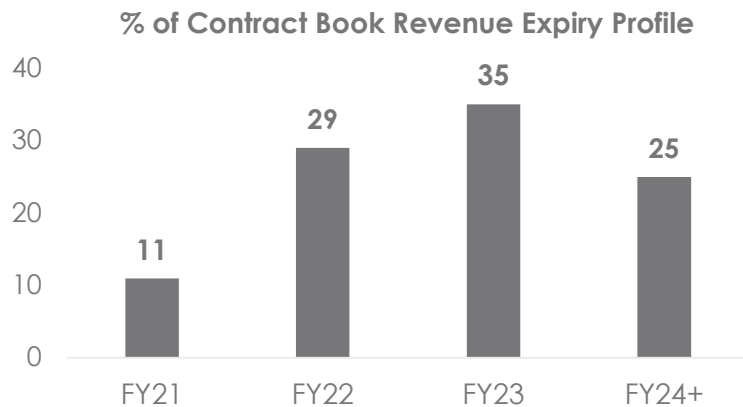
Contract Book

as at 30 June 2020

Figure 1: Contract book profile*



Figure 2: Contract book expiration profile as at 30 June 2020



Observations

Additional billings

- Periodical works, ad-hoc requests, events

92.1% in contract

- 14 contracts >\$3m p.a.
- 46 contracts \$1m-\$3m p.a.
- 603 contracts <\$1m p.a.

- 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
- High contract retention rate
- Number of key contracts have renewed without going to tender

FY20 Focus

Improving working capital

Driving the Profit Improvement Plan

Focus on overhead efficiency

Improving HSE and Public Liability

Strengthen the leadership team

Compliance and Governance

Covid-19

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FY21 Focus



Improving balance sheet

Completing the Profit Improvement Plan

Continued focus on overhead efficiency

Continued improvement in HSE and Public Liability

Investment in People

Enhanced systems platform

Diversified Growth

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**Business of
the Annual
General
Meeting**

Shareholder Question to the Auditor received prior to AGM

Is the auditor aware of the **Reflections Group** business failure, and if so, has this impacted the conduct of the MIL audit?

Answer

Yes, I was aware of the liquidation of Reflections Group Pty Ltd and the existence of a business relationship between Mr Roger Smeed and Mr Wayne Crewes.

Under Australian Auditing Standards ASA 315 *Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment* and ASA 330 *The Auditor's Responses to Assessed Risks*, the auditor is required to obtain an understanding of key risks which may lead to financial misstatement, including the Control Environment and the integrity and competency of the individuals Charged with Governance of the organisation and address them. All significant relationships that may relate to the financial statements of the company known to the auditor are considered, including the relationship mentioned above. Where a risk is identified, it is appropriately documented and addressed throughout the course of the audit.

Slide 16

DB18

take the items from the notice

Darren Boyd, 9/10/2020



Item 1: Consolidated Financial Statements, Directors' Report and Auditor's Report

To receive and consider the consolidated financial statements, directors' report and auditor's report for the period ended 30 June 2020.

Note: this item of business does not require Shareholders to vote on a resolution to adopt the received reports.

Item 2: Re-election of Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, in accordance clauses 62 and 63 of the Company’s Constitution, Mr Royce Galea be re-elected as a Director of the Company.”

Slide 18

DB19

take the words from the meeting notice

Darren Boyd, 9/10/2020

Item 3: Adoption of the Remuneration Report

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, for the purposes of section 250R(2) of the Corporations Act, the Company’s Remuneration Report for the period ended 30 June 2020 is adopted.”

Note: The Remuneration Report is set out on pages 36 to 43 of the Annual Report.

Note: Under the Corporations Act, the vote on this resolution is advisory only and does not bind the directors or the Company.

Slide 19

DB20

take the words from the meeting notice

Darren Boyd, 9/10/2020

Item 4: Withdrawn

Slide 20

DB21

take the words from the meeting notice

Darren Boyd, 9/10/2020

Item 5: Approval of additional 10% Placement Capacity

To consider, and if thought fit, pass the following resolution as a special resolution:

‘That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.’

Slide 21

DB21

take the words from the meeting notice

Darren Boyd, 9/10/2020



Slide 22

DB23

just change the design

Darren Boyd, 9/10/2020

Questions



Thank You

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