

**2021 Annual  
General Meeting  
29 November 2021**

**CHIEF EXECUTIVE OFFICER'S OPERATIONAL REPORT**

Thank you, Stuart and welcome, everyone.

I am really pleased to be given this opportunity and challenge and enjoying my time learning the business and working with an excellent team to make a difference.

FY21 was another challenging year with the business continuing to respond to the impacts of the COVID-19 pandemic. We've met the challenges on the customer front; with our workforce; and our financial performance through this period has proved we are resilient.

We continue to provide excellent customer service through our experienced and hardworking team members and captured market opportunities, including some created via COVID-19 related adhoc services and project work.

The company's rapid response capability, flexibility and collaborative approach and recognized industry experience have delivered increased market confidence and resulted in renewals and an expansion of services with several existing clients

This was reflected in strong profitability and significant balance sheet strengthening this year with revenue increasing by 6.4% and underlying gross profit up by 34%.

The health and wellbeing of our team and clients and their customers has remained our highest priority and in FY21 we significantly improved our lost time injury rate in the period.

We also sustained our focus on our board led governance program ensuring the company meets its legal, social, and ethical obligations. Being a well governed and compliant organisation is a key priority for Millennium. Apart from this being the right thing to do – we know that client and market expectations around ethical business practices and good governance are higher than ever.

This year, as it was last year, COVID-19 was an ever present and prevailing factor for our business. As frontline workers providing essential cleaning and security services in high-traffic public areas, the professionalism of our team has been outstanding.

Uncertainty and changing requirements tested our teams and those leading the necessary temporary stand-downs then stand ups of hundreds of staff. Through this adversity our relationships with clients strengthened as we worked closely with them to adapt and respond.

We always put well-being of people at the centre of our decisions at this difficult time. I am extremely proud of the Millennium team for how we have responded.

### **Performance**

Revenue for the FY21 year increased by 6.4% to \$273.7 million, this was substantially due to the Group winning new specialised projects and adhoc services as part of the Group's diversification growth strategy and winning new projects or contracts at market competitive margins.

Growth in the higher margin COVID-19 project and adhoc services within the Security segment contributed \$11.8m or 4.6% to the Group's increase in total revenue compared to last year. Also, we experienced a less severe impact from COVID-19 Government restrictions in the current financial year compared with FY20.

Statutory earnings before interest, tax, depreciation, and amortisation (EBITDA) improved by \$5.5m or 27% to \$25.8m compared to \$20.3m in the prior year, reflecting the resilience of our business.

The increase in gross margin of \$8.2m in the current financial year, stems from the Group's renewed focus on winning quality new contracts, retaining contracts with market competitive gross margins, as well as growth in higher margin COVID-19 project and adhoc services and continued focus on labour control.

Pleasingly, the Company substantially improved its balance sheet position compared to last year with total gross debt reducing by \$28.8m from \$36.4m to \$7.6m. Net debt as of 30 June 2021 was \$0.3m.

This significant strengthening of the balance sheet positions Millennium well to pursue its growth agenda.

## **Healthy Business Indicators**

### **Safety**

The health and wellbeing of our team, our clients and their customers has remained our highest priority.

In FY21 the Lost Time Injury Frequency Rate was 51% lower than FY20 and 62% lower than the industry benchmark.

Driven by our Safety-First culture, which supports both physical and mental wellbeing, our team has continued to deliver a highly flexible range of property services to current and new clients, confidently and safely. Safety remains as our #1 priority and we are continuing our work in this area.

### **Governance & Compliance**

In FY21 we added two new non-Executive Directors to the Board further strengthening the group responsible for governance, strategic guidance, and effective oversight of Millennium management.

We are now reaping the rewards of the introduction of a time and attendance system first introduced last year, which has significantly improved our labour controls with the automation of time and attendance data.

While, compliance starts with getting the basics like compliance to Awards and Labour Hire regulations right; we are also working to go beyond this.

This year Millennium submitted its first Modern Slavery Statement, setting out the actions taken by Millennium to identify, assess, and address modern slavery risks across our operations and supply chains in the twelve months ending 30 June 2020.

All our top 100 suppliers have completed a new Approved Supplier Application that includes key points from the Modern Slavery Act.

In 2021 we joined the Property Council of Australia's Informed 365 platform which will help us to proactively manage sustainability in our supply chain by helping us to systematically track, monitor and engage with suppliers around modern slavery risks.

### **Clients**

This year we have welcomed new clients and renewed and expanded

contracts both within the retail sector which has traditionally accounted for a large majority of our revenue but also in other sectors such as education, government, and commercial sectors.

Notable growth was achieved in New Zealand and Western Australia in FY21.

In April this year the WA business, formerly known as Airlite adopted the Millennium brand simplifying our business and assisting with continued growth of national contracts.

This year we commenced providing Security Services in the WA market for the first time with contracts for a large commercial business and at two major Perth shopping centres.

We have also secured contracts for fully integrated service management, which we believe presents the Group with significant potential business opportunity through provision of an expanded service offering in future.

We have commenced a three-year contract with AMP Capital for the fully integrated service management of their recently redeveloped flagship retail, entertainment, and dining precinct in Karrinyup, Perth.

### **COVID-19**

COVID-19 has heightened community awareness and expectation around hygiene and security services. With this, there is an emerging opportunity for business development across target industry sectors of education, transport, commercial properties, Government, and health/aged care, where clients value partnerships with companies with strong corporate governance, as well as an absolute dedication to customer service and transparency.

The business continues to be well placed to deliver COVID-19 related project and Adhoc services. The Security Business in particular was a major beneficiary of the opportunities created and has provided excellent service.

### **FY22**

There is still more work to be done to realise our full potential for employees, clients, and shareholders.

Being a people business, with more than 4,000 people we must look to how we can support and develop our human resources and manage the talent that powers our business.

Supporting our growth agenda in FY22 we will be working to optimise our organisation structure, our business development approach, and our operating efficiency to support sustainable growth of the Group

In closing, most importantly, I would like to thank the loyal Millennium team members who deliver a fantastic service to our clients, the Executive and our business support team that are working tirelessly to achieve the improved business outcomes, our clients who continue to show confidence and trust in Millennium, the Chairman and the Board for their valued guidance and our Shareholders for your support as we improve the business.

I will now hand back to the Chairman for the formal business of today's meeting.

**For further information please contact**

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