

**BINGO
INDUSTRIES
LIMITED**

2019
**Annual General
Meeting**

13 November 2019

BINGO
INDUSTRIES

Chairman's address

“ FY19 was a transitional year for our Company. The structural change in the regulatory market continues to pivot towards our business model and the opportunity we have ahead of us is immense. ”

MICHAEL COLEMAN
*Independent Chairman
& Non-Executive Director*



Your Board is focused on continuing to deliver for shareholders



Michael Coleman
*Independent Chairman
& Non-Executive Director*



Daniel Tartak
*Managing Director and Chief
Executive Officer*



Daniel Girgis
*Non-Executive
Director*



Maria Atkinson
*Non-Executive Director &
Chair of the People & Culture
Committee*



Barry Buffier
*Non-Executive
Director & Chair of the Zero
Harm Committee*



Ian Malouf
*Non-Executive
Director (appointed 29 March
2019)*



Elizabeth Crouch
*Non-Executive Director &
Chair elect of the Audit & Risk
Committee*



Richard England
*Non-Executive
Director (stepped down
effective 13 November 2019)*

A year in review

- ✓ **Acquisition of Dial a Dump (DADI) completed** in March 2019. Integration well-progressed and annualised cost synergies of \$15 million to be delivered equally over two years on track.
- ✓ **Delivery of development program** – West Melbourne and Patons Lane delivered and operational. Construction of Mortdale and Eastern Creek Materials Processing Centre (MPC) 2 underway.
- ✓ **Continued growth and consolidation in Victoria** – gaining market share and realising margin expansion from internalising volume and resource recovery operations at West Melbourne.
- ✓ **BINGO NSW price rise** implemented from 1 July 2019 and progressing well.
- ✓ **NSW Network reconfigured** to increase returns on existing assets and reduce operating costs.
- ✓ **Renewed focus on organic C&I growth** restructure of BINGO's operating model to increase focus on C&I waste stream and enhanced resources to strengthen tender activity.

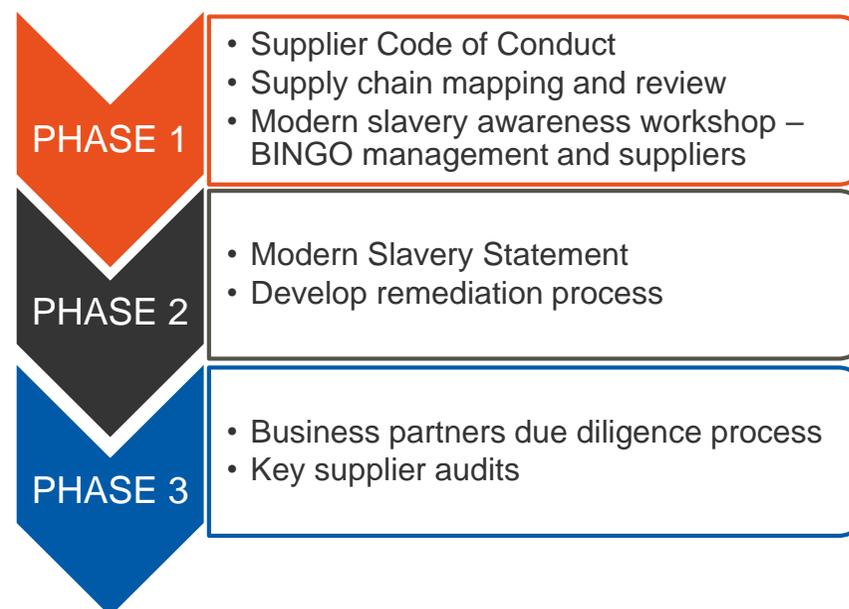
Governance at BINGO

Our strong governance framework was further strengthened in FY19.

FY19 progress

- BINGO materially strengthened its risk management through formalising its **Risk Management Framework**.
- **Modern Slavery Risk** has been incorporated into BINGO's risk register and we are committed to raising awareness of Modern Slavery. Modern Slavery audit has commenced.
- Over the next 12 months, BINGO will implement our procurement strategy which includes the introduction of a **Supplier Code of Conduct**.
- In line with the UN Sustainable Development Goals, BINGO published its **Human Rights Statement** in FY19.
- In FY19, BINGO enhanced its grievance mechanisms by implementing a **Speak Up hotline** and associated Speak Up (Whistleblower) Policy.

Supply chain Governance roadmap



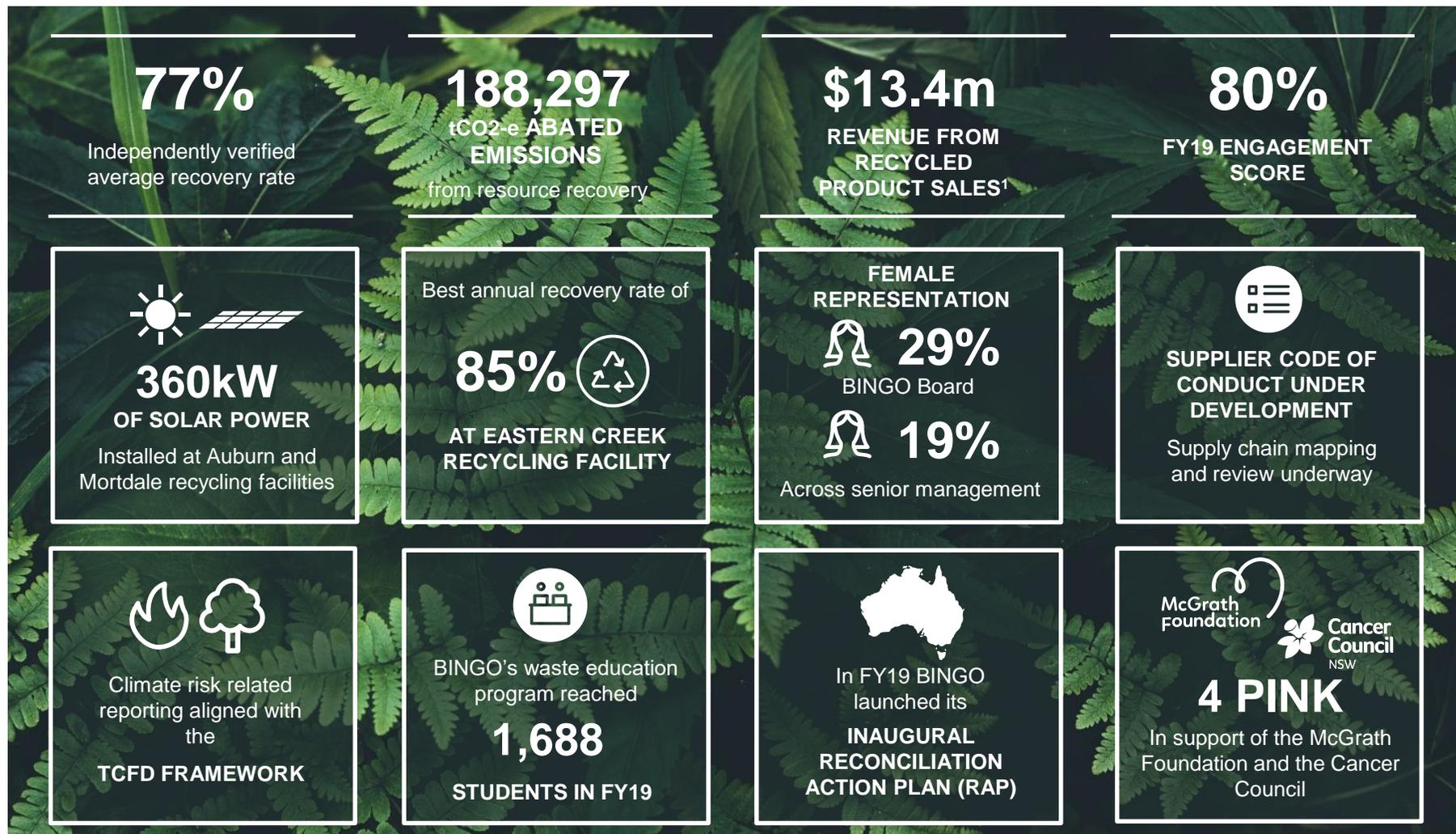
“ This year we have enhanced our already strong focus on corporate governance by looking at our supply chain, defining our position on human rights and strengthening our risk management framework. ”

Michael Coleman, Independent Chairman & Non-Executive Director

Our 2019 Sustainability Report



FY19 sustainability achievements



1. Represents FY19 revenue from recycled products. FY20 revenue from recycled products with a full year contribution of DADI, is expected to increase significantly. BINGO is targeting to expand its recycled products to be 5% of Group Revenue over the medium term.

Our long term sustainability commitments

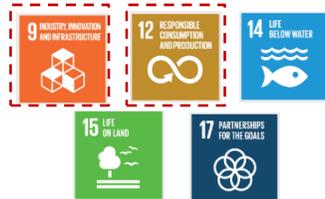
Climate Risk

Responding to climate change. BINGO is committed to further exploring climate risks and opportunities and going forward, will continue to align our approach to the Task Force on Climate-related Financial Disclosures (TCFD) framework.



Leading practice environmental management

Driving towards a circular economy. BINGO is committed to enhancing diversion of waste from landfill through investment in recycling infrastructure, innovation and consultation / collaboration with industry groups.



Health & Safety

Creating a safe environment. BINGO is committed to being relentless in our pursuit of Zero Harm for our people.



Energy & GHG Emissions

Becoming energy self sufficient. BINGO is committed to optimising the use of solar energy at its network of recycling facilities and assessing alternate fleet fuel solutions.



Diversity & Inclusion

A culture that values and leverages diversity. BINGO is committed to maintaining our long term target of 30% female representation on our BINGO Board.



PRIMARY SDGs



CEO's address



DANIEL TARTAK
*Managing Director &
Chief Executive Officer*

“ Our focus remains on maximising the diversion of waste from landfill. We are committed to contributing to a circular economy and aim to close the loop by developing innovative, technology-driven solutions to achieve more sustainable outcomes. ”

Our commitment to Zero Harm

THINK SAFE BE SAFE HOME SAFE

THINK SAFE BE SAFE HOME SAFE

THINK SAFE BE SAFE HOME SAFE

Update on safety initiatives

- Continued focus on embedding ownership of safety across the business.
- We commissioned an independent review of our facilities and safety systems to understand where further improvements or initiatives could be implemented.
- A comprehensive new safety training and communication plan is being rolled out across the business, which includes:
 - reinvigorated our **Think Safe, Be Safe, Home Safe** messaging;
 - increasing the scope, function and reach of our employee constituted **Safety Committee**;
 - the launch of the **BINGO Zero Harm Rules**; and
 - the launch of **new communication channels** and engagement protocols.

BINGO Zero Harm Rules



BINGO's operating footprint continues to evolve

● **BINGO RRC's**

NSW – 10 locations

- Alexandria
- Artarmon
- Auburn
- Eastern Creek
- Greenacre
- Kembla Grange
- Mortdale
- Patons Lane
- Revesby
- Tomago

VIC – 4 locations

- Campbellfield
- Clayton South
- Dandenong
- West Melbourne

● **TORO manufacturing**

- Auburn (NSW)
- Braeside (VIC)
- Coopers Plains (QLD)



	NSW	VIC	Total
CAPACITY (MT)	 3.2 Million tonnes	+ 0.6 Million tonnes	= 3.8 Million tonnes
OUR PEOPLE	 842¹ Employees	+ 160 Employees	= 1,002 Employees
OPERATING FLEET	 255 Trucks	+ 94 Trucks	= 349 Trucks

1. Figure includes 12 TORO employees in QLD.

Favourable market drivers support our approach

The Australian recycling and waste management industry is characterised by strong long term growth fundamentals.

- **Growth in Australian waste generation** underpinned by sustained economic and population growth. Favourable growth drivers for commercial and industrial (C&I) waste.
- **Increasing urbanisation** along the east coast of Australia. Australia is one of the most urbanised countries with 85% of Australian's living in urban areas.
- **The focus on supporting a thriving circular economy** in Australia continues to grow.
- **Supportive regulatory environment.** Federal and State policies supportive of recycling through favourable economic incentives:
 - **NSW levy** – Highest waste levy in Australia, \$143.60.
 - **QLD levy** – Waste disposal levy of \$75 per tonne introduced 1 July 2019.
 - **SA levy** – Increasing to \$140 per tonne effective from 1 January 2020.
 - **VIC levy** – \$65.90 likely to increase within the next 12 months.
- **Recycling 'crisis' raising the profile of waste in homes, for organisations and governments.** "China Sword Policy" has elevated waste to a strategic and significant issue.
- **Maturity of the Australian market.** The Australian waste market is ripe for disruption through investment in technology to move to international best practice.

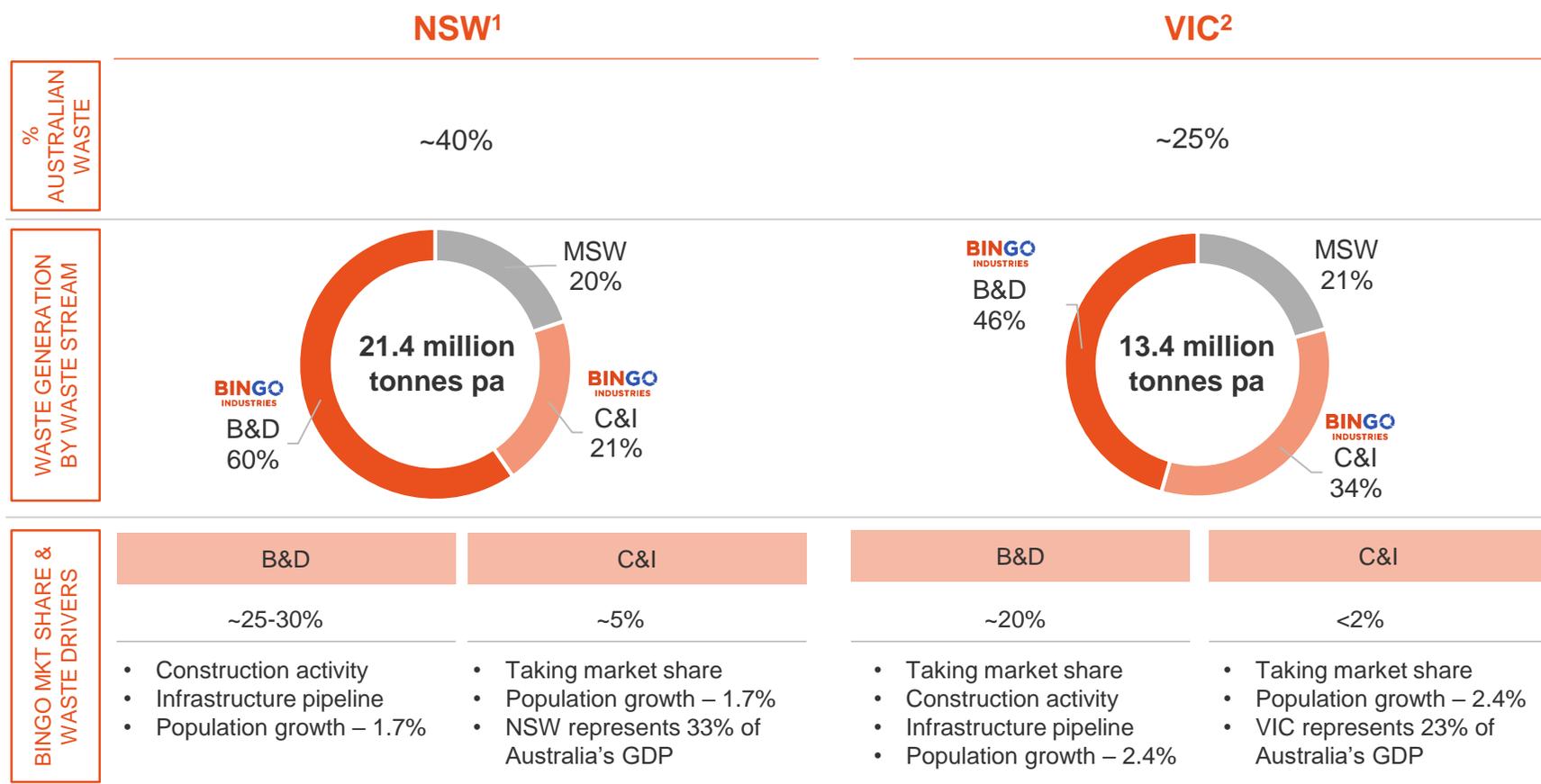
CIRCULAR ECONOMY

Government policy increasingly pivoting to BINGO's business model

- ✓ **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.
- ✓ **Federal Government has appointed its first Minister for Waste Reduction**, the Hon. Trevor Evans MP, who is focused on improving recovery rates and the development of a circular economy.
- ✓ **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.
- ✓ **Federal House Standing Committee on Industry, Innovation, Science and Resources has launched an inquiry** into Australia's waste management and recycling industries.
- ✓ **State and Federal Governments are preparing new waste strategies** which will further encourage recycling.
- ✓ **State waste disposal levies likely to continue to increase** to incentivise recycling and disincentivise sending waste to landfill.

Waste market dynamics by state

B&D and C&I are the two largest waste streams by waste generation accounting for more than 80% of the volume across NSW and VIC.



Note: Total Australian Waste Generation (core waste) 54.5 million tonnes per annum, National Waste Report 2018.

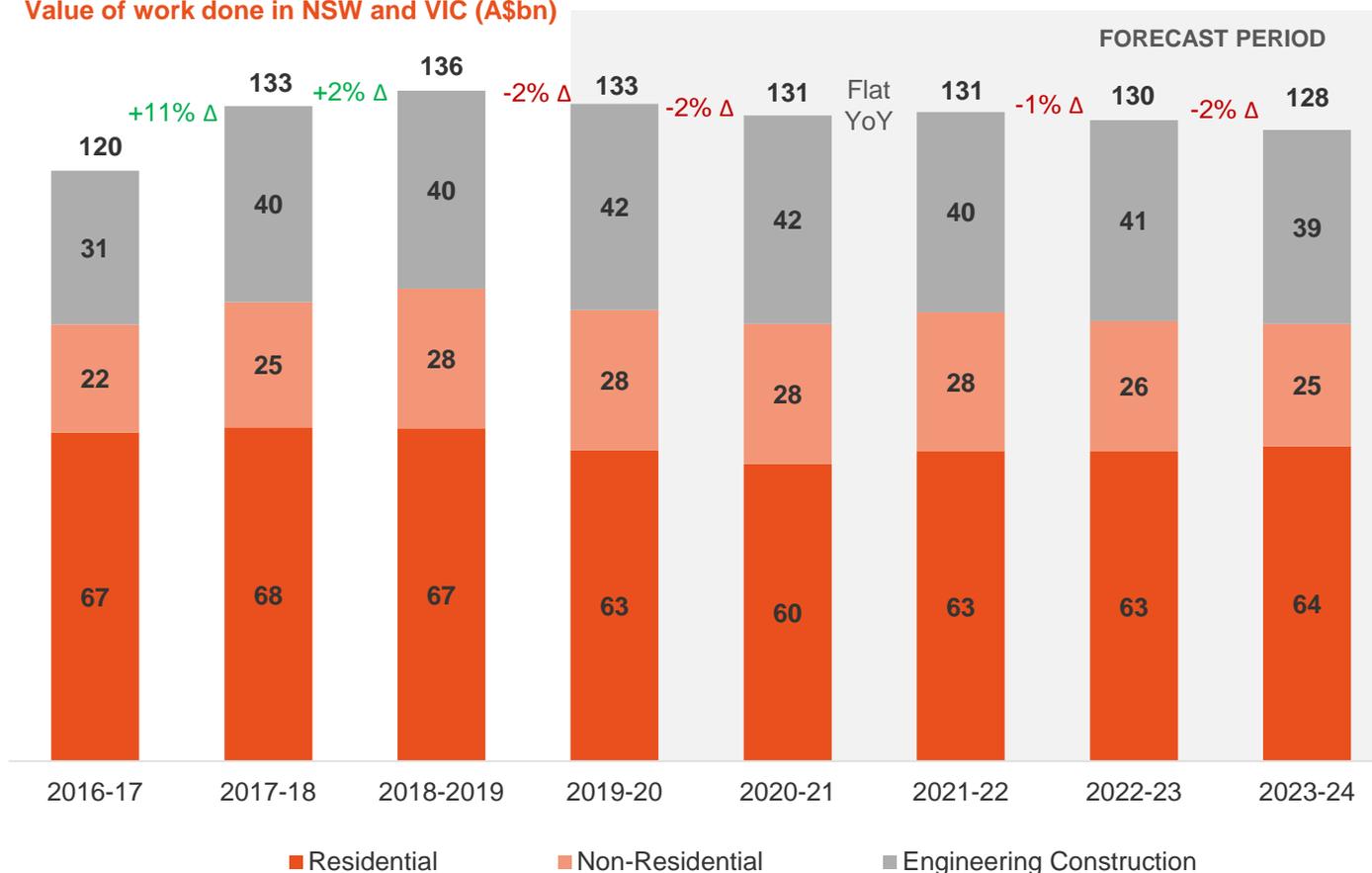
1. NSW EPA, Waste Avoidance and Resource Recovery Strategy Progress Report 2017-18.

2. Infrastructure Victoria, Recycling and Resources Recovery Infrastructure October 2019.

Construction activity outlook – NSW and VIC

Total value of construction work is expected to remain robust over the next 5 years.

Value of work done in NSW and VIC (A\$bn)



Residential Building

- Signs of improvements in some indicators, such as auction volumes, values and clearance rates.
- Rebound in residential building activity is expected in 2021.

Non-Residential Building

- Expanded business investment in accommodation, industrial, offices and other commercial buildings has buoyed non-residential building activity.
- Above trend growth is expected to be carried through the remainder of this year and into 2020-21.

Engineering Construction

- New major projects are being added to the already solid pipeline.
- Some delays in projects commencing in 2018-19, expected to return to growth in 2019-20 and 2020-21.

Operations update

Our FY20 strategy is focused on ‘optimising the core’ through the integration of DADI and increasing returns on the existing asset base.

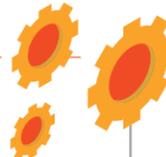
- ➔ **DADI integration well progressed** and expected to complete by June 2020. Cost synergies are being realised, through operational efficiencies, internalisation and overhead savings. On track to be achieved equally over FY20 and FY21.
- ➔ **Banksmeadow divested and network reconfiguration delivering efficiencies.** Banksmeadow was divested in September 2019 for \$50 million. Non-core asset sales ongoing and expected to deliver a further \$30 million in capital in FY20.
- ➔ **NSW price rise implemented from July 2019.** Pricing in the market has now stabilised and expected to provide a net benefit to BINGO in FY20.
- ➔ **Growth in the VIC operations** achieving greater recovery rates and internalisation at West Melbourne. Further margin expansion expected in FY20. Victorian business continues to grow market share in B&D and C&I.
- ➔ **Growing proportion of contracted¹ B&D Work In Hand (WIH)** – B&D WIH as a proportion of revenue has increased to ~40% from ~30% in the prior year and healthy pipeline underpin outlook.
- ➔ **Solid pipeline of C&I opportunities** focused on increasing tender activity and targeting customers with BINGO’s unique value proposition in non-putrescible resource recovery, technology and sustainability credentials. C&I WIH up ~25% since FY19 result.
- ➔ **Transition of Chief Financial Officer role** – Anthony Story, has stated his intention to retire, and effective from today will be stepping down as Chief Financial Officer. Chris Jeffrey, currently Chief Development Officer, will take on an expanded role combining the Chief Financial Officer role with his existing responsibilities.

1. Contract is defined as contract relating to a project, company wide agreement or master service agreement.

Key achievements in line with strategy

Our strategy is focused on retaining our competitive advantage in technology, customer service and recycling.

PROTECT AND OPTIMISE THE CORE



ACHIEVED

- ✓ **Market leading position in B&D** collections and post-collections in both states
- ✓ **Double digit revenue growth in C&I** and organic entry in C&I in VIC
- ✓ **Enhanced network capacity**

FY20 Focus Areas

- **Superior SEQ performance** committed to Zero Harm and zero non-conformances
- **Preserve EBITDA margins** optimising network and reduced operating costs
- **Grow market share in C&I** across NSW and VIC and as a % of revenue
- **Increase recovery rates towards 80-85%** through investment in advanced recycling equipment
- **Business systems optimisation** deliver technology platform upgrades
- **Optimise digital customer channel** through website roll out, improved user experience and call centre operations

ENHANCED VERTICAL INTEGRATION



ACHIEVED

- ✓ **Advanced recycling processing capacity** in NSW and VIC
- ✓ **Delivery of Patons Lane** recycling and landfill
- ✓ **100% internalisation** of non-putrescible volumes in NSW
- ✓ **Recovery rates of >75%** in NSW

FY20 Focus Areas

NSW

- **Integrate DADI business**
- **Capacity enhancement - deliver MPC2** at DADI Eastern Creek, Mortdale upgrades and modifications to the Easter Creek license
- **Develop C&I post-collections offering** assess/scope suitable post-collections solutions for putrescible C&I waste i.e. EfW
- Deliver **Eastern Creek Recycling Ecology Park** Master Plan

VIC

- **Assess Energy from Waste (EfW) opportunities in VIC** for BINGO's residual waste volumes enhancing diversion rates
- **Enhance recycling capacity** and internalisation in VIC

GEOGRAPHIC EXPANSION



ACHIEVED

- ✓ **Expansion in NSW** and space to optimise business operations
- ✓ **Entry and expansion in VIC**
- ✓ **Market scoping for QLD entry**

FY20 Focus Areas

VIC

- **Enhance network and fleet utilisation** through optimisation of current footprint
- **Increase recovery rates** and waste internalisation
- **Diversification of markets**; grow C&I footprint; develop new & sustainable end product markets
- **Leverage national customer accounts** and target umbrella agreements
- **Deliver modifications to West Melbourne** operating hours to 24 hour operations

QLD

- **Target entry into QLD market** in FY21

Development update

West Melbourne



- West Melbourne opened in April 2019.
- Ramp up of plant on-going, currently operating at above 90% uptime and will be able to achieve recovery rates in excess of 75%.
- Pending 24 hour site approval to fully utilise processing capacity.

Patons Lane



- Patons Lane opened in July 2019.
- Patons Lane is being used as an integrated asset with Eastern Creek to optimise operating costs and throughput.
- Installation of advanced recycling equipment expected in 2Q FY20 – while the current basic recycling facility remains operational.

Eastern Creek



- Construction of Materials Processing Centre (MPC) 2 commenced in June 2019 and is expected to be complete 1H FY21. MPC 2 will process C&I and B&D material and provides further recycling capacity.
- Modification to licence which includes expansion of tonnes into the landfill and extension of site operating hours continues to be progressed.
- Site planning for delivering of Eastern Creek Recycling Ecology Park underway.

Mortdale

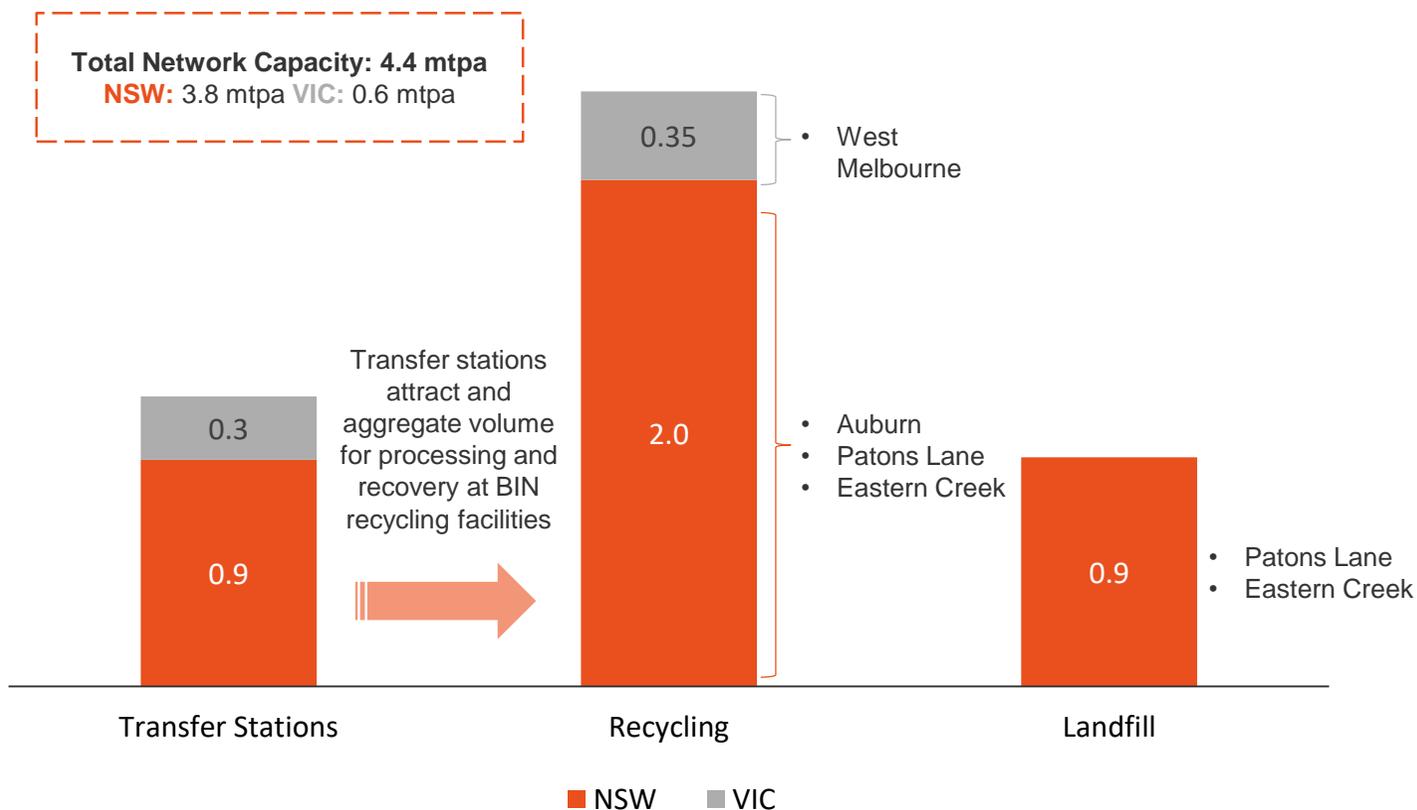


- Mortdale transfer station in NSW is under construction and expected to be complete 4Q FY20.
- Building works including installation of solar panels substantially complete.
- Outstanding activities include plant and weighbridge installations and office and amenities buildings.

Network post reconfiguration

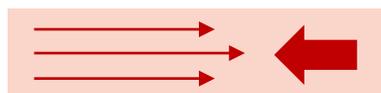
BINGO’s network reconfiguration is already realising operational efficiencies through utilising transfer stations and integrated advanced recycling and disposal facilities to optimise throughput.

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



- The Eastern Creek facility provides 2.0 million tonnes of capacity (FY19 utilised 1.3 mtpa).
- MPC 2 at Eastern Creek enhances the ability to utilise the full 2.0 million tonnes of capacity and increases diversion from landfill.
- If approved, modification 6 will enhance annual landfill capacity by >40%.
- Proposed 24 hour licence amendment will enable BINGO to fully utilise West Melbourne capacity and defer the need for further capital to enhance recycling capacity in the short term.
- Banksmeadow divested in September; other asset sales ongoing and expected to return a further \$30 million.
- FY20 strategy focused on enhancing utilisation of the network and increasing the return on our existing investments.

Headwinds and tailwinds for BINGO



Headwinds

- **Exposure to cyclical end-markets** – less than 25% of BINGO's revenue is related to the residential market which has moderated in line with expectations in FY20. Counter-cyclicality within construction sub-markets will help offset this together with ongoing focus on growth in C&I.
- **Pricing pressure from competition in B&D collections** – predominately across residential, smaller projects and individuals end-markets.
- **Higher regulatory compliance** – higher cost of compliance for waste infrastructure assets i.e. fire safety and EPA compliance.
- **Viable near term end-markets for recycled products** – subject to local markets for BINGO's recycled products, ECO product.
- **Lag between announced infrastructure projects and commencement** – significant pipeline of announced projects expected to commence construction over the next 24 months.



Tailwinds

- **Continued economic and population growth** – providing favourable drivers for waste generation over the long term.
- **Growing waste generation** – BINGO is exposed to both cyclical and defensive end-markets.
- **Strong infrastructure investment**– Federal and State Government infrastructure funding of \$100 billion over 10 years and \$93 billion and \$107 billion in NSW and VIC.
- **Sustained overall construction activity** – forecast to remain elevated over the next five years.
- **Scope to build market share in Commercial & Industrial business** – BINGO currently has ~5%² market in NSW and <2%² in VIC.
- **Supportive regulatory environment for recycling** – Federal and State policies supportive of recycling. QLD levy introduction and SA levy increase positive for further state levy increases. VIC state government expected to increase its levy in FY20.
- **Strength of BINGO's network of vertically integrated waste infrastructure assets** – building a stronger asset rich, defensive business.
- **Maturity of the Australian waste market** – ripe for disruption through investment in technology (i.e. EfW) to move to international best practice.
- **The Circular Economy** – the push to scale up and accelerate the development of a Circular Economy in Australia.
- **Export changes** - promoting the development of domestic end-markets and over time EfW.

1. National Waste Report, 2018. Blue Environment.
2. BINGO management estimate.

Market update and FY20 outlook

Outlook commentary

- BINGO expects to achieve solid year-on-year growth in FY20 underpinned by a full year contribution from Patons Lane Recycling Centre and Landfill, West Melbourne Recycling Centre and DADI.
- Acquisitions and developments continue to perform in line with expectations.
- Prices in the market have now stabilised and will be a net positive benefit to the business after allowing for volume impacts in FY20.
- Group EBITDA margin continues to expand and is ahead of schedule in returning to our longer term Group target of ~30%.
- As previously advised, FY20 earnings is expected to be slightly skewed to 2H FY20 consistent with prior years and driven by development activity which includes;
 - Patons Lane advanced recycling equipment installation in 2Q FY20;
 - Potential extension to West Melbourne operating hours in 4Q FY20; and
 - Mortdale operational in 4Q FY20.
- Headwinds in multi-dwelling residential construction are expected to continue in FY20; Infrastructure and the broader construction pipeline remains robust together with opportunities for growth in C&I.
- Prior investment positions the business favourably for further growth, with the completion of MPC 2 at Eastern Creek, further consolidation in VIC and entry into QLD in FY21.

FY20 Guidance:

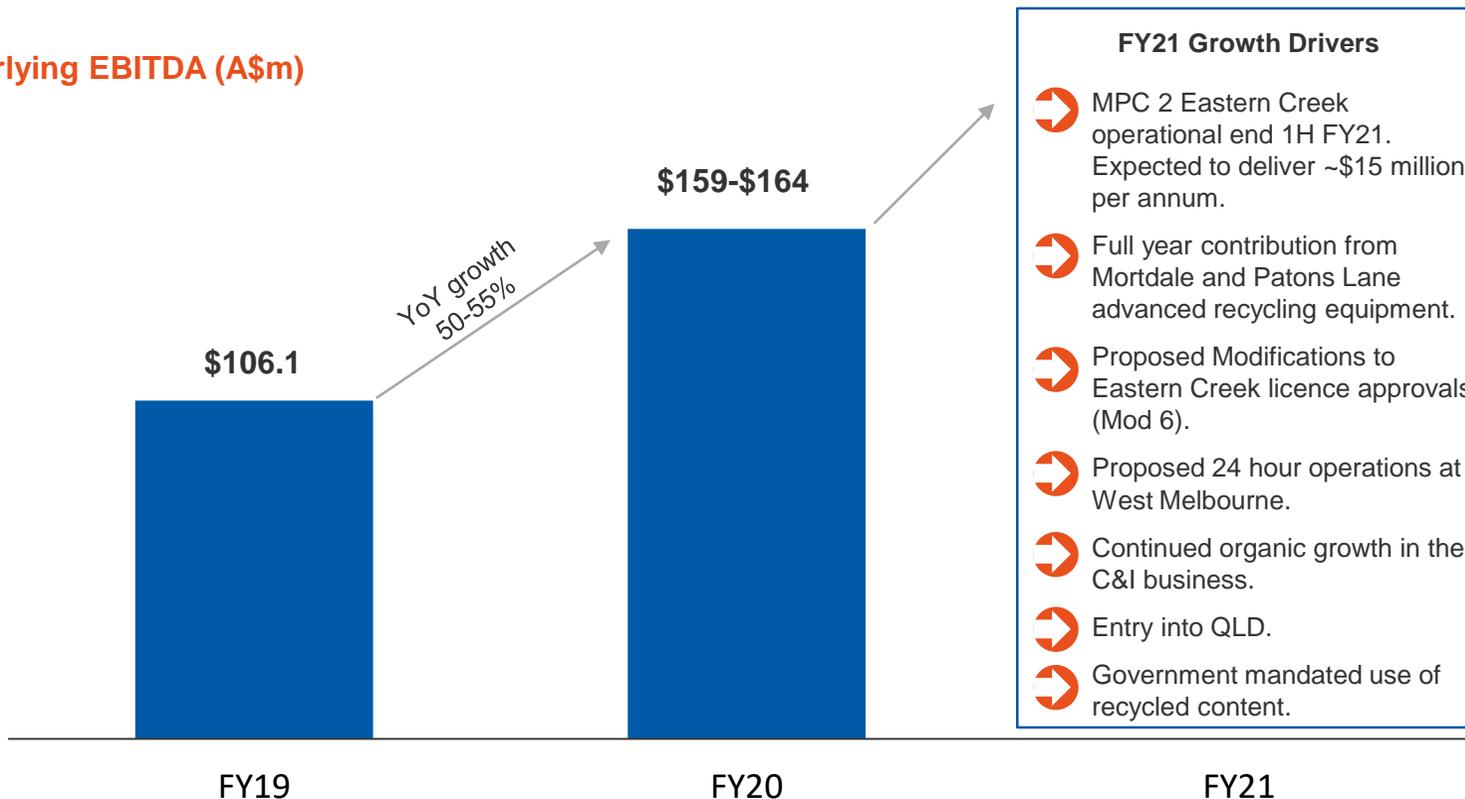
BINGO expects to report Underlying EBITDA¹ in the range of \$159 million - \$164 million for the financial year ending 30 June 2020.

1. Underlying EBITDA excludes acquisition, capital raising, integration costs and prepayment amortisation.

Looking ahead – FY21 and beyond

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

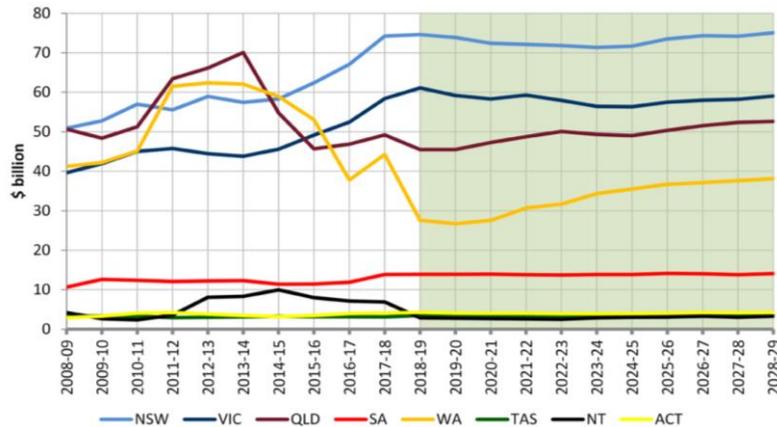
Underlying EBITDA (A\$m)



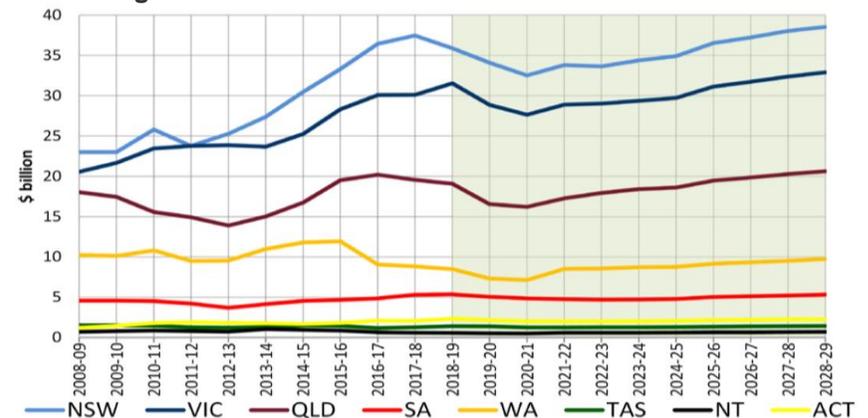


Robust indicators underpin construction forecast

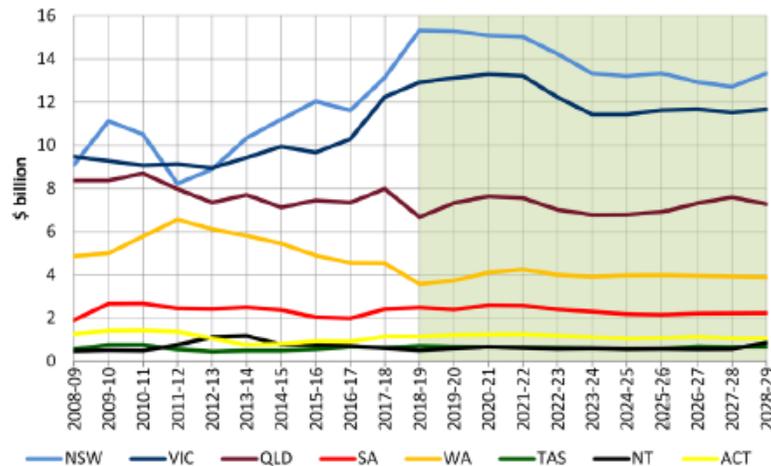
Total construction work forecast to remain at an elevated levels..



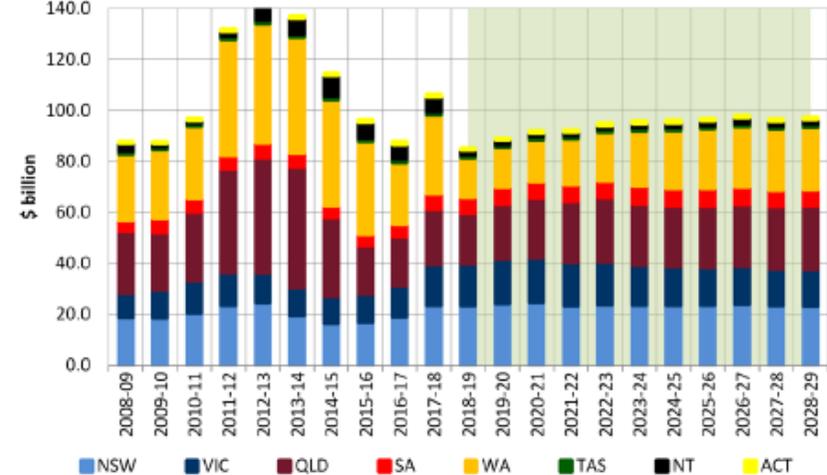
...with residential building expected to continue to soften before rebounding from 2020-21



A period of substantive growth in non-residential activity before tapering off.

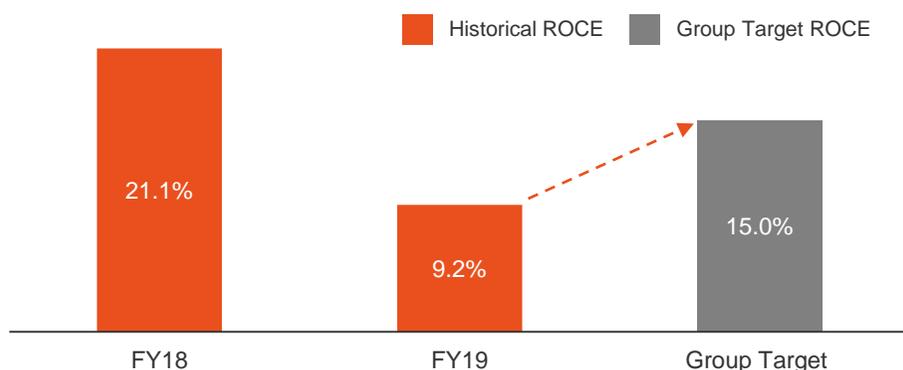


Supported by continual infrastructure construction in NSW, VIC and QLD maintained over the 5 year forward period

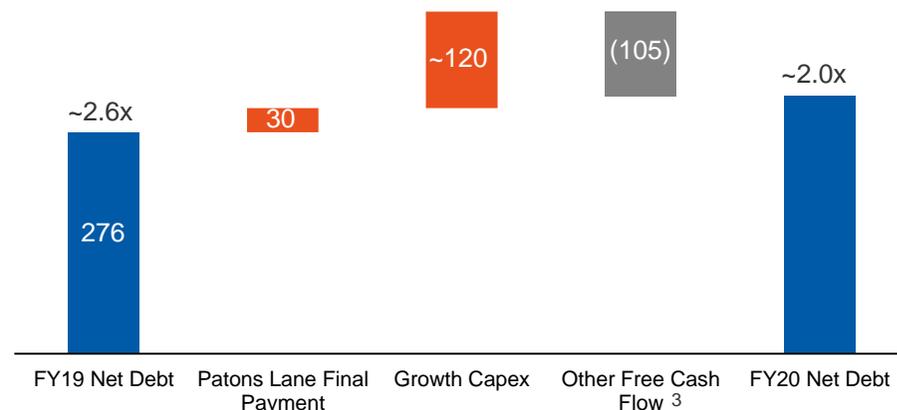


Progress towards ROCE and leverage targets

Group Return on Capital Employed (ROCE¹) (%)



Forecast FY20 Net Debt² \$m



- We expect to achieve a 15% Group ROCE in the medium term through:
 - full year of DADI earnings and cost synergies of \$15 million over two years.
 - full year contribution from Patons Lane and West Melbourne.
 - driving efficiencies from existing assets and increasing returns on assets through our NSW network reconfiguration plan.
 - divestment of non-core assets and Banksmeadow as part of an on-going capital management plan.
 - modifications to Eastern Creek licence approvals (Mod 6).
 - Mortdale and Eastern Creek MPC 2 operational.
 - Review of balance sheet structure.
- Net bank debt expected to reduce in FY20 with free cash flow generation from a full year contribution from DADI, Patons Lane, West Melbourne and the sale of non-core assets.
- BINGO expects a leverage ratio of ~2.0x by the end of FY20.
- Strong balance sheet supported by approximately \$680 million of property, plant and equipment held on balance sheet providing balance sheet flexibility (does not fully reflect valuation of associated licenses).

1. Return on Capital Employed (ROCE) calculated as pro forma EBIT / Average (Net Debt + Equity).

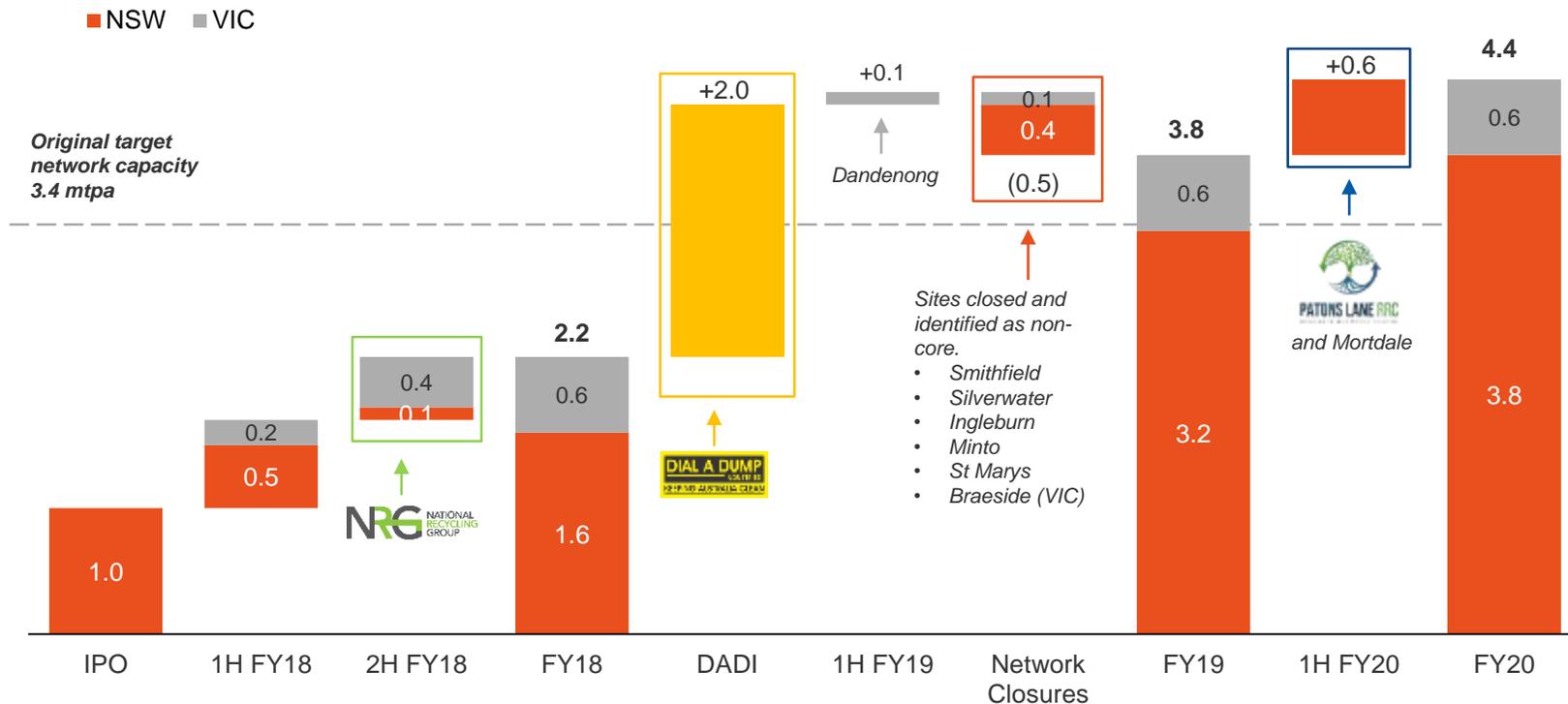
2. Net bank debt calculated as bank borrowings less cash.

3. Other Free Cash Flow includes cash generated in the ordinary course of business and proceeds from sale of non-core assets and Banksmeadow; offset by maintenance capex, interest and dividends.

Network capacity growth targets exceeded

As part of BINGO’s network reconfiguration sites have been rationalised to improve return on assets, reduce operating costs and ‘right size’ network capacity post DADI acquisition.

Network capacity – Resource Recovery Centres and landfill (million tonnes p.a.)



Note: Assumes Banksmeadow and Alexandria net each other in terms of network capacity.

1. FY19 throughput at Eastern Creek was 1.3 million tonnes across the recycling, product manufacturing and landfill.

Recycling Ecology Park at Eastern Creek

The masterplan for the development of BINGO's Recycling Ecology Park at Eastern Creek has commenced.



Development Update

- ✓ **Development of MPC 2 at Eastern Creek underway**
 - operational 1H FY21.
 - estimated capex of \$60 million (including plant) with ROCE of 20%.
 - expected to deliver EBITDA of ~\$15 million per annum.
 - processing both C&I and B&D.
- ✓ **Planning approval modifications continue to be progressed, which include:**
 - increased annual landfill capacity limit to 1 million tonnes per annum from 0.7 million tonnes per annum.
 - extension of MPC 1 operations to 24 hrs.
 - Masterplan development commenced.

Mortdale and Eastern Creek MPC 2 development update

The development of Eastern Creek MPC 2 will provide additional recycling capacity and utilise the headroom under the existing license capacity.

Mortdale



Expected to be operational

- 4Q FY20

Activities commenced / completed

- Roofing and wall cladding - 98% complete
- External services - 100% complete
- Fire and electrical services – 98% complete
- Solar panel installation – 100% complete
- Internal / external concrete walls / floors – 95% complete

Key activities outstanding

- Office / amenities buildings
- Plant installation
- Weighbridge installation

Eastern Creek – MPC 2



- 1H FY21

- Bulk earthworks – 95% complete
- Inground Services – 20% complete
- Plant ordered

- Footings and ground slabs
- Structural steel framing
- Roofing and cladding
- Solar panels
- Building Services (Mechanical / Hydraulic / Electrical / Fire)
- Plant installation

BINGO

INDUSTRIES

Thank you