

BINGO Industries Limited 2019 Annual General Meeting

Chairman's Address

Good morning fellow shareholders of BINGO Industries. My name is Michael Coleman, I am BINGO's Chairman and it is my pleasure to welcome you to BINGO Industries Limited's Annual General Meeting for 2019.

I'm advised we have a quorum, and I declare the meeting open.

Before we begin the formal proceedings, on behalf of the Board I would like to acknowledge and pay our respects to the traditional owners of the land on which we meet; the Gadigal people of the Eora Nation. We pay our respects to their Elders past, present and emerging.

Today I am joined by my fellow board members, starting from my far left:

- Maria Atkinson, Chair of the People and Culture Committee;
- Richard England, who has been chairing of the Audit and Risk Committee;
- Daniel Girgis;
- Elizabeth Crouch;
- Ian Malouf;
- Barry Buffier, Chair of the Zero Harm Committee; and
- Daniel Tartak, BINGO's Managing Director and Chief Executive Officer

They are also joined on stage by BINGO's Chief Financial Officer, Anthony Story, and Stephen Schmidhofer, our Company Secretary and General Counsel.

Maria is presenting herself to be re-elected today and she will have a few words to say during the formal part of the meeting.

During the year we welcomed Ian Malouf to our Board as part of the Dial a Dump acquisition. Ian brings over 35 years' of waste operations experience. Ian is up for election today and you will hear more from him a bit later on. Most recently, we appointed Elizabeth Crouch to the BINGO Board. Elizabeth brings a wealth of experience across public and private sector boards and extensive experience across IT, Cyber and risk management. Elizabeth is also up for election today and you will hear from her too.

Lastly, Richard England has decided to step down from the Board at the conclusion of this meeting in light of his other commitments. We thank Richard for his important contribution to BINGO's growth over the past few years and wish him all the best with his future endeavours.

Despite a year of great success, it is with a heavy heart that we reflect on the deaths during the year, while they were working for us, of two members of the BINGO family. BINGO targets Zero Harm and this is an unacceptable outcome.

The Board has established a Zero Harm Committee to assist us to achieve this outcome in this regard.

No short-term incentive payments were made in relation to FY19 to recognise that we did not achieve a satisfactory outcome.

FY19 was a transitional year for BINGO. The successful acquisition of Dial a Dump, which we completed in March, has materially changed the business and established a platform for our ongoing growth in NSW.

We also made significant progress on our development program, with our first advanced recycling facility at West Melbourne opening in April and Patons Lane becoming operational in July. And we've turned dirt on our first project at Eastern Creek with Material Processing Centre (MPC2) under construction. The Ecology Park vision is already coming to life.

Following the Dial a Dump acquisition, we also reconfigured our entire NSW network. The reconfiguration is expected to provide substantial capital recycling with approximately \$80 million expected from the sale of non-core assets, including Banksmeadow.

The organic growth of our Commercial and Industrial division has been a major focus during the year. We've implemented important changes to further grow this part of our business, and we expect the Commercial and Industrial waste stream to comprise a greater proportion of our business in future.

As Chairman, I'm pleased to advise that we continued to strengthen our governance framework across the business in FY19.

This included:

- Establishing our Risk Management Framework;
- Addressing our risks under the new Modern Slavery Act, including undertaking an audit of our supply chain;
- Publishing our first Human Rights Statement; and
- Establishing a Speak Up Whistleblower Policy and Hotline

We intend to further strengthen our governance this year with the introduction of a new supplier code of conduct, and an ongoing focus on our risk frameworks.

I encourage you to read our FY2019 Sustainability Report, which is included in our Annual Report and has also been produced as a standalone document. The report has been positively received by both investors and customers alike.

We're aiming to make sustainability a key point of difference for BINGO, and this report demonstrates how we are aiming to close the loop and play a key role in the nation's move to a circular economy.

The report outlines our sustainability performance during FY2019.

We have made significant progress against our sustainability goals this year. This includes reporting against the Taskforce for Climate-related Financial Disclosures framework,

launching our first Reconciliation Action Plan, and rolling out our new Inclusion Framework.

We also maintained our average resource recovery rate across our facilities of 77%, and in doing so abated more than 188,000 tonnes of carbon emissions.

I'm also pleased to advise that with Elizabeth's appointment we have achieved our initial target of 30% female representation on the Board.

We've made great strides towards achieving our long-term sustainability commitments, which align to the UN's Sustainable Development Goals.

The targets we have set for your Company ensure we will be kept accountable to our commitments and set BINGO up to become a leader in sustainability in the recycling and waste industries.

On behalf of the Board, I would like to take this opportunity to thank our team of GOgetters, which we call our "BINGO Family", including my fellow Board members and BINGO's management team, for their hard work and dedication throughout FY2019.

I look forward to the year ahead in anticipation of delivering future positive results for shareholders.

Before I hand over to Daniel I would like to announce an important change to the Executive Leadership Team. Anthony Story has announced his intention to retire and effective from today he will step down as Chief Financial Officer. Our Chief Development Officer, Chris Jeffrey, will take on the role of CFO from today. Chris has a deep background in finance and has been instrumental in the Company's growth over the past three years. He will maintain responsibility for the Development Team in his new role.

Anthony will remain on board to transition over the next six months and will be available to the business after that period should we require his support. I'd like to take this opportunity to thank Anthony for all his hard work over the past four years.

He has played a critical role in the Group's development since he commenced in 2015, particularly in the lead-up to the IPO and in our significant growth since then.

Michael Coleman

Chairman
Bingo Industries Limited

CEO's Address

Good morning everyone.

For the past two years I have stood here and reported how the past year was even more eventful than the last. FY19 was no exception, and based on our plans for FY20, I fully expect to be making a similar statement again this time next year.

As Michael has already mentioned, FY19 was a year of significant transition. Our successful acquisition of Dial a Dump has materially transformed our business and with the integration near complete, we expect to see the real benefits of the acquisition in FY20.

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. We have made great strides in setting our business up to benefit from the policy and regulatory changes that will further support diversion from landfill and the use of recycled products in years to come.

As CEO, there is nothing I value more than the safety of my people. One of the most important improvements we've made to the business during FY19 is our renewed focus on safety.

Earlier this year we sought advice regarding an independent review of our facilities and safety systems.

Based on our ultimate objective of Zero Harm, we have subsequently spent considerable time and effort embedding ownership of safety across every level of the business.

We've initially focused on a new approach to safety training and communication. This has included:

- Reinvigorating our **Think Safe, Be Safe, Home Safe** messaging;
- Expanding the role of the Safety Committee; and
- Launching BINGO's twelve Zero Harm Rules.

NOTHING is more important than the health and safety of the BINGO family and those under our care, and we will continue to be relentless in our pursuit of Zero Harm.

With the acquisition of Dial a Dump, the ongoing growth of our Victorian operations and the reconfiguration of our network, our operating footprint continues to evolve and grow.

In FY19, we expanded our total network capacity across NSW and Victoria to 3.8 million tonnes, we have a fleet of more than 350 trucks and in excess of 1,000 employees spread across three states.

I'm particularly proud of these achievements. In the two and half years since listing, we have quadrupled the size of our network. I expect to see the benefits of this to our bottom line, as well as, an enhancement in our Return on Capital Employed (ROCE) now that we are realising cash flow from the investments made over the last two years.

The Australian waste management industry is characterised by strong long-term growth fundamentals. We are operating in a significant growth industry.

Australia's population growth is concentrated across the urban centres along the east coast of Australia, confirming Australia as one of the most urbanised countries in the world. This supports our Group strategy to expand along the east coast.

We operate in a supportive regulatory environment. Both Federal and State policies are supportive of recycling and the diversion of waste from landfill and offer favourable economic incentives.

The profile of waste and recycling has increased significantly in this country in recent years. The unprecedented levels of infrastructure activity and construction more broadly, together with the China Sword Policy and likely banning of the export of waste has elevated waste to be a material issue for businesses, governments and the general public. We welcome this ongoing structural shift and we are well placed to benefit from it.

The industry needs to invest in technology and adhere to higher compliance and regulatory standards and these are areas we remain focused on.

Government policy is increasingly pivoting to BINGO's business model.

We made a decision a number of years ago to invest heavily in advanced recycling assets as we foreshadowed where the industry was heading. The past twelve months has seen many important developments that have reinforced that our decision was the right one.

We recently hosted the newly appointed Federal Minister for Waste Reduction at our recycling facilities, and it is clear to us that the Federal Government's agenda aligns with our own.

The decision by Council of Australian Governments (COAG) to ban the export of certain waste types possibly starting from 1 July 2020 will necessitate the development of a more robust recycling industry in this country, and the Government is already talking about introducing new targets for the use of recycled products on public projects as part of their response to this ban.

BINGO welcomes the statement from last week's Meeting of Environment Ministers (MEM) specifying the target of an 80% recovery rate of material across all waste streams, and significant increases to government procurement of recycled material align perfectly with our business model.

BINGO has been spent considerable time engaging with relevant government stakeholders to position ourselves to take advantage of the opportunities that will follow.

Building and Demolition and Commercial and Industrial waste represent 80% of waste volumes in NSW and Victoria. Just to be clear, BINGO operates in the two largest waste streams in the two largest states.

These two waste streams continue to offer us significant scope for growth, particularly Commercial and Industrial, where we currently hold a small market share in both NSW and Victoria.

In order to further diversify our earnings, we are targeting to grow our Commercial and Industrial business to around 40% of our expanded collections revenue over the next four years. We have bolstered our Commercial and Industrial team to manage this.

An Australian Construction Industry Forum (ACIF) report released last week estimates that total building and construction work in NSW and Victoria will remain steady at around historically-elevated levels of \$130 billion per annum over the next five years.

Broader Commercial and Infrastructure pipelines remain robust. The rebound in the residential building sector is expected from 2021-22, and non-residential building is expected to grow strongly into next year.

In infrastructure, new major projects are being added to an already solid pipeline. We've seen some delays in projects commencing in 2018-19, but we expect to see the infrastructure market return to growth as state and federal governments move to stimulate the economy.

Our strategy for FY20 is focused on optimising the returns from our existing asset base.

The integration of Dial a Dump is near complete and we will realise our forecast cost synergies of \$15 million over two years which will be achieved equally over FY20 and FY21.

We successfully divested our Banksmeadow facility for \$50 million and we expect to deliver a further \$30 million from the sale of non-core assets this financial year.

Pricing in the market has increased and now stabilised post the 1 July price rise and we expect this to provide us with a net benefit this year.

The opening of our state-of-the-art recycling facility in West Melbourne has seen our Victorian operations continue to grow.

An increasing proportion of our current work in hand is contracted, and we have a very healthy pipeline of opportunities underpinning a positive outlook for the company.

Our five-year strategy remains unchanged and is driven by three simple pillars: optimising the core; vertical integration; and geographical expansion. We continue to focus on retaining our competitive advantage in technology, customer service and our recycling-led solution.

Most importantly, this strategy and associated tactical steps required to achieve it are well understood across our business and are directly linked to both the short-term and long-term incentive structure.

Over the past two years we have invested significant capital in recycling infrastructure across NSW and Victoria in order to expand our network and improve our recycling recovery rates.

We opened our new facilities at West Melbourne and Patons Lane this year. Both are operating successfully and will make major contributions in FY20.

Construction of MPC 2 at Eastern Creek commenced in June and will be completed in the first half of FY21. When complete, MPC 2 will be able to process Commercial and Industrial and Building and Demolition waste and provide significant additional recycling capacity to our NSW network.

Our Mortdale transfer station development is also well advanced, with building works, including the installation of solar panels, substantially complete. The project is due for completion in the third quarter of FY20.

Over the last two years our internal development team have proven our ability to simultaneously deliver multiple greenfield and brownfield projects.

The infrastructure network that BINGO has created over the last couple of years is significant and sustainable and will stand the test of time. Once the Mortdale development is complete, our total network capacity will be 4.4 million tonnes. This includes our transfer stations, our advanced recycling centres and landfills.

Licence amendments that we are seeking for West Melbourne, together with Modification 6 and the development of MPC 2 at Eastern Creek will enable us to fully utilise our existing capacity at these sites which will increase the return on our existing investments and enhance internalisation of volume.

As anticipated, the multi-dwelling residential Building and Demolition market remains subdued, and competition continues to be tough in Building and Demolition collections.

We're also seeing delays in the commencement of major infrastructure projects, but we expect these projects will come online together with mobilisation of new projects in the next 12-24 months. Overall, construction volumes remain robust.

There are many favourable drivers for waste generation including continued population growth. Infrastructure investment remains strong and government policy continues to pivot towards BINGO's business model.

FY19 was a transitional year that provided the foundation for increased EBITDA growth in FY20 and beyond.

I am confident today to report that I expect Underlying EBITDA of at least \$159 million for the financial year ending 30 June 2020.

Our FY20 result will be underpinned by a full year contribution from Dial a Dump, West Melbourne and Patons Lane, as well as, the NSW pricing increase. Group EBITDA margin continues to expand and is ahead of schedule in returning to our longer-term Group target of 30%.

We expect to reap the benefit of the NSW price rise implemented from 1 July 2019.

We have observed the market stabilise and we believe we are well placed to hold a percentage price rise in the mid-teens across our book including collections, post-collections and landfill.

As expected, we have seen some decline in volume as a result of the price-led strategy in NSW. However, allowing for volume and price impact we expect to realise a net positive benefit for the business in FY20.

Our investment in waste and recycling infrastructure has positioned us for further growth well beyond FY20, with: the completion of MPC 2 at Eastern Creek; full year contributions from Mortdale and Patons Lane advanced recycling equipment; proposed license amendments underway for West Melbourne and Eastern Creek; continued growth in Commercial and Industrial and Victoria; and our much-anticipated entry into the Queensland market.

We're very confident that we have the right strategy and the right team in place to capitalise on a compelling growth outlook for the company.

This morning we advised the market that I intend to increase my economic interest in BINGO from 15.19% to 19.83% at the end of today's blackout period. I'm pleased to be increasing my shareholding at such an exciting time for the Company. We're setting up the business for the long-term and the operating and regulatory environment continues to pivot to our business model. I'm looking forward to being part of a sustainably successful company for many years to come.

I'd like to take this opportunity to publicly thank Anthony for his efforts over the past four years. He's helped guide the business through a period of significant change.

He's been a great contributor to the leadership team, and on behalf of everyone at BINGO I'd like to wish him well for his eventual retirement.

I'd also like to thank Michael and the Board for their support during the year, and the whole BINGO family for their continued hard work and dedication. I look forward to another exciting year working with you all.

Daniel Tartak

Managing Director and Chief Executive Officer

Bingo Industries Limited

-ENDS-

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