

28 October 2020

## MILLENNIUM RENEWS ITS BANKING FACILITIES AND SIGNIFICANTLY STRENGTHENS ITS BALANCE SHEET

Millennium Services Group Limited (ASX: MIL) (**Millennium** or the **Company**) is a major provider of cleaning and security services across multiple sectors in Australia and New Zealand with a long-term contract book currently standing at \$850M.

The Company is pleased to announce that it has substantially reduced its borrowings and extended its current facility with ANZ Bank for a further 2 years.

The revised banking facility, together with its existing debtor finance facility ensures that Millennium has access to an appropriate level of ongoing working capital to continue to improve the business and to further deliver the benefits of its Profit Improvement Plan that it commenced in early 2019.

### KEY POINTS

- A renewed two-year term facility expiring 31<sup>st</sup> October 2022.
- Total Borrowings reduced by \$20.0m from \$36.4m at 30<sup>th</sup> June 2020 to approximately \$16.4m at 31<sup>st</sup> October 2020.
- ANZ Term Loan, from the acquisition of Airlite in 2016, will be immediately paid down from \$18.1m at 30<sup>th</sup> June 2020 to \$7.2m by 31<sup>st</sup> October 2020.
- Ongoing ANZ Term Loan repayments of \$0.9m per quarter with Term Loan repaid in full by 31<sup>st</sup> October 2022.
- Overdraft facility steps down from \$10m to \$4.5m between 1<sup>st</sup> April 2021 and 1<sup>st</sup> July 2021.
- Existing simplified Financial Covenants remain in place until September 2021 when they will be reset to traditional covenants.
- Current Asset Finance facilities remain in place.
- \$10.0m Debtor Finance facility remains in place.

### Borrowings Update

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	6.4	(2.8)	3.6
Other Borrowings	1.7	0.9	(0.8)	-
<b>Total</b>	<b>36.4</b>	<b>16.4</b>	<b>(20.0)</b>	<b>13.6</b>

Of the \$16.4m Total Borrowings as at 31<sup>st</sup> October 2020, \$4.3m is now considered non-current (at 30<sup>th</sup> June 2020 Nil Borrowings were considered non-current).

The Company is pleased with the continued improvement in normalised earnings since 30<sup>th</sup> June 2020 with the continued focus on driving its Profit Improvement Plan, improved contract margins and enhanced governance processes in both the Cleaning and Security sectors.

Millennium's Chief Executive Officer, Darren Boyd, said "the implementation of the Company's turnaround strategy and continued focus on labour control has improved the earnings forecast placing the Company in a position where we have agreed a pathway to reduce debt, secure working capital, strengthen the balance sheet and return to a normalised banking position. The signing of this new agreement with the ANZ Bank is an important and significant achievement for Millennium and our Shareholders".

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