



MILLENNIUM INVESTOR PRESENTATION

FY16 Half Year Results Investor Presentation

Mark Baldwin CEO
Richard Forster CFO

25 February 2016



AGENDA

1. Millennium Today
2. Highlights
3. Financial Results
4. Balance Sheet
5. Outlook
6. Disclaimer
7. Contact Details

For personal use only

1. MILLENNIUM TODAY

Millennium is a cleaning, security and integrated services specialist operating in Australia and NZ. Millennium provides its services to the retail shopping centre and commercial property sectors including Commonwealth and State Governments.



2. HIGHLIGHTS

1H16 Results Summary (1/11/15-31/12/15 with ACS from 19 /11/15)

- Operating revenue of **\$24.6m.**
- Operating EBITDA of **\$1.6m.**
- Net loss before tax of **\$2.9m** (after transaction costs and employee share grant expenses of \$4.0m).
- Successful integration of ACS business post-IPO.
- Commenced execution of growth strategy with the acquisition of National Cleaning Services Australia as at 1 February 2016 increasing share of Commonwealth Government contracts.
- Finalisation of debt facility of \$26.6m securing capacity for growth.

3. STATUTORY FINANCIAL RESULTS – 1/11/15-31/12/15

	1H16	
	A\$'000	
Operating revenue	24,632	<ul style="list-style-type: none">• Expansion into New Zealand progressing with 4 new contracts secured post IPO
Operating EBITDA (before transaction and employee share grant costs)	1,614	
Operating EBITDA Margin	6.6%	<ul style="list-style-type: none">• ACS earnings accretive, included from 19 November
EBITDA loss	(2,351)	
EBIT loss	(2,744)	<ul style="list-style-type: none">• Transaction costs (including stamp duty on the purchase of the ACS business) - \$1.92m and employee share grant expenses - \$2.04m
NPAT loss	(2,673)	

4. BALANCE SHEET

For personal use only

Consolidated Balance Sheet	Dec 15 A\$'000
Cash	2,773
Receivables	8,466
Other	1,255
Total current assets	12,494
Property, plant and equipment	6,160
Intangibles	10,689
Other	615
Deferred tax	3,678
Total assets	33,636
Trade and other payables	6,815
Borrowings	1,047
Income tax	851
Employee benefits	5,649
Deferred consideration	4,725
Other	2,464
Total current liabilities	21,551
Borrowings	1,740
Employee benefits	1,100
Deferred tax	2
Total liabilities	24,393
Equity	9,243

- Initial purchase consideration for the acquisition of the ACS business paid in cash (\$7m)
- Investment made in ACS working capital
- Intangibles are primarily goodwill and intangible assets acquired on the purchase of the ACS business
- Deferred consideration on the purchase of the ACS business based on forecast EBITDA achievement to November 2016
- Loan facility of \$26.6m, \$25.9 undrawn as at 31 December
- Other borrowings are hire purchase agreements for operational assets

5. OUTLOOK

- In accordance with prospectus guidance, the second half of FY16 will be important to full year results.
- The company is assessing the purchase price allocation and amortisation of intangible assets in respect of the businesses acquired which will impact on net profit for the full year forecast. Further guidance will be provided in respect to any non-cash amortisation charges for the period to 30 June 2016 as soon as the assessment is completed.
- The business is progressing its acquisition growth strategy in respect of extending its cleaning and security services and geographic footprint to provide a national service offering.
- Announcements expected imminently in respect of tendered contracts with major existing clients.
- The business continues to make steady progress in expansion of its operations in New Zealand with additional cleaning and security contracts secured in the first half of FY16.
- The business remains on track to achieve its statutory forecast operating EBITDA.

6. DISCLAIMER

- The material in this presentation is a summary of the results of Millennium Services Group Limited (Millennium) for half year ended 31 December 2015 together with an update on Millennium's activities and is current at the date of preparation. Further details are provided in the Company's half year results announcement released on 25 of February 2016.
- This presentation includes forward looking statements, opinions and estimates that are based on information, assumptions and contingencies which by their nature are subject to change, as are statements about market and industry trends, which are based on interpretations of current market conditions. Actual results, performance or achievements could be significantly different from those expressed in, or implied by, their forward looking statements. Such forward looking statements, opinions and estimates are not guarantees of future performance. They involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Millennium, and which may cause actual results to differ materially from those expressed or implied in this presentation.
- The information contained in this presentation is given in good faith and has been prepared from information believed to be accurate and reliable. The information presented is in summary only and is not intended to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial circumstances or needs of any particular investor. To the maximum extent permitted by law, neither Millennium nor its related corporations, directors, employees or agents, nor any other person, accepts any liability, for any loss or damage with a direct, indirect or consequential, arising from the use of the presentation, its contents or otherwise arising in connection with it.
- This presentation should be read in conjunction with other publically available material. Further information including historical results and a description of the activities of Millennium is available on our website, www.millenniumsg.com

7. CONTACT DETAILS

Millennium Services Group

Level 1, TOK H Corporate Centre

459 Toorak Road

Toorak VIC 3142

(03) 9296 2095

www.millenniumsg.com

Mark Baldwin

Chief Executive Officer

Richard Forster

Chief Financial Officer

