



Millennium Services Group Limited

Annual General Meeting

28th November 2016

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Welcome and Introductions

Introducing the Board



Peter Anderson
Chairman



Greg McCormack
Non-executive Director



Stephen Williams
Non-executive Director



Mark Baldwin
Executive Director & CEO



Ross Gavranich
Executive Director



Stephen Lidbury
Executive Director &
Director of Security



Agenda

1. Welcome & Introductions
2. Chairman's Address – Peter Anderson
3. Chief Executive Officer's Address – Mark Baldwin
4. Business of the Annual General Meeting



Chairman's Address

Peter Anderson

FY16 Achievements

Key Highlights

- Initial public offering completed on 19 November 2015
- Successfully transitioned from private to listed company
- IPO raised \$49.6 million
- Expansion phase
 - Successfully completed acquisition of ACS and NCSA and integration on track
 - Profitable expansion of New Zealand operations
- FY16 financial performance - below prospectus forecast, but strongest annual result on record
- Positive safety culture, strong safety performance

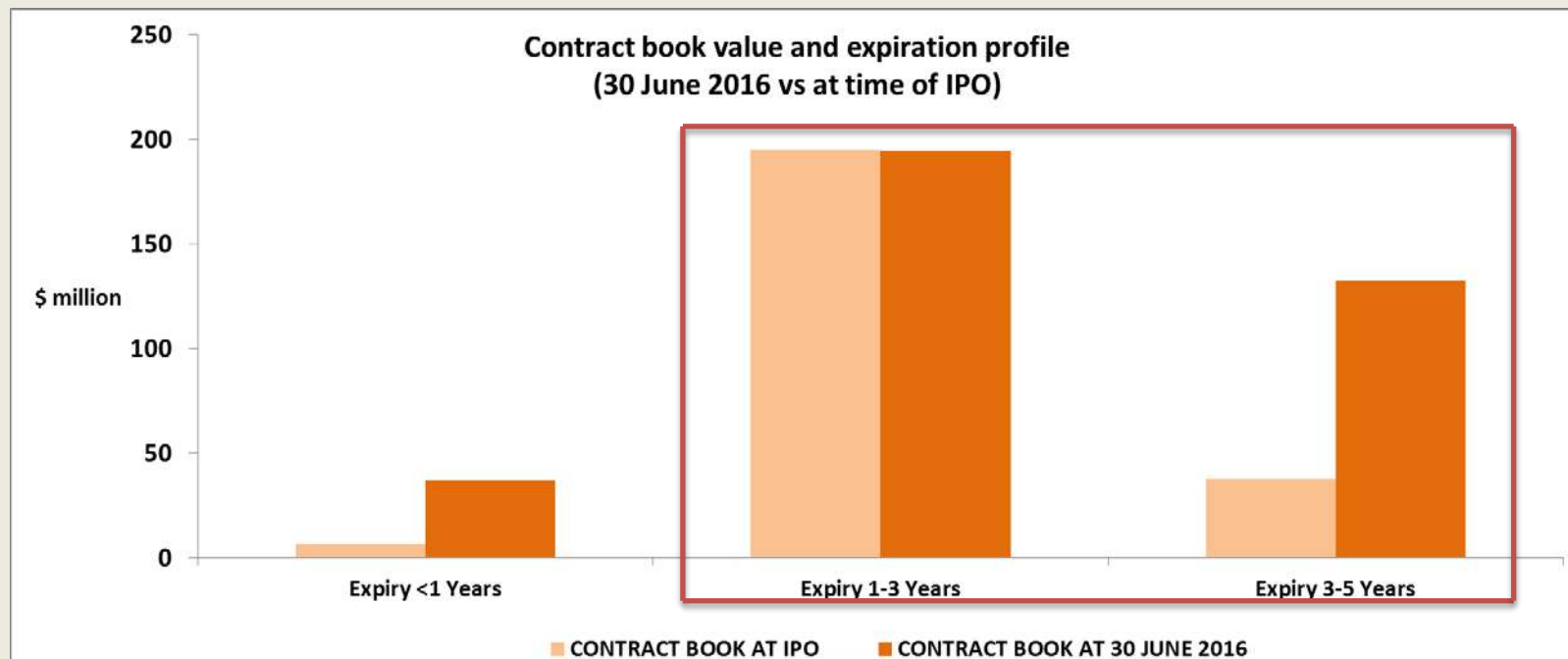
FY16 Results

Strong year on year revenue and EBITDA growth and strong gross margins

- **Strong revenue growth:** Pro-forma revenue up 30.9% YoY versus FY15 to \$157.2 million
- **Very strong EBITDA growth:** Pro-forma EBITDA up 68.1% YoY versus FY15 to \$12.1 million
- **Gross margins:** Strong gross margins maintained in FY16
- **Dividend declared (fully franked):** Final Dividend declared for 2016 of \$0.044/share, representing ~50% of H2 FY16 NPAT (after adding back contract amortisation costs of \$0.5m)
- **EPS (cents):** 1.61
- **New contracts:** Timing delay on the start of new contracts won in FY16 , shifts revenue and earnings benefits to FY17

1. FY16 pro-forma Revenue of \$157.2 million includes the contribution of National Cleaning Services Australia (NCSA) from 1 February, 2016.
2. FY16 pro-forma EBITDA of \$12.1 million includes the positive impact of \$0.4 million of consumable stock-on-hand adjustments moved to the balance sheet. These adjustments represent a change in treatment from that used in the preparation of Millennium's 2015 Prospectus.

Contract Book as at 30 June 2016



- Contract book significantly strengthened
- Increased longevity of contract expiration profile
- Large increase in 3-5 year expiry segment
- Significant growth in total volume of contracts

Strategic Priorities

Millennium Strategic Priorities



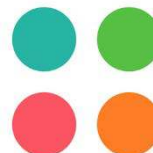
Growth

Organic
M&A



Expansion

Geographic
Sector



Diversification

Services
Customer base



People & Systems

Capability
IT & Finance
Reporting

Acquisitions Update

- Three acquisitions completed since IPO
- Integration of ACS and NCSA progressing well
- Recent Airlite acquisition provides a transformational step change in scale and national footprint
- Airlite integration phase is an immediate priority

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Strengthening Management & Finance

Building management strength and capability is a priority

- Appointed Chief Operating Officer, Craig Hanley commencing in February 2017
 - Focus on growing the security division
- Damien Gray appointed Chief Financial Officer in May 2016 to strengthen finance function
 - Financial Controller appointed, implementing new finance system
- Millennium has an experienced operational management team across all states and territories

Closing Remarks

- FY16 positive performance and achieving strategic priorities
- Immediate focus for 2H17 is on acquisition integration
- Maintain delivery of quality client service
- FY17 shaping up to be a year of profitable growth

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Executive Director and CEO's Address

Mark Baldwin

Introducing Senior Management



Damien Gray
Chief Financial Officer



Annabelle Brooks
General Counsel



Royce Galea
Director of Operations



Stephen Lidbury
Executive Director & Director of Security

FY16 Highlights

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Pro-forma Results					
	FY16 Actual	FY16 Prospectus	FY15 Actual	Variance vs. Prospectus	Variance vs. FY15
Total Revenue	\$157.2m ¹	\$168.2m	\$120.1m	(6.6%)	30.9%
Gross Margin	17.2%	17.0%	15.1%	0.2pp	2.1pp
EBITDA	\$12.1m ²	\$13.3m	\$7.2m	(9.2%)	68.1%
NPAT	\$6.4m	\$7.6m	N/A ³	(17.1%)	N/A ³

- **Revenue shortfall** due primarily to new contract delays, partially offset by the revenue contribution of the NCSA business acquired on 1 February 2016

1. Pro-forma FY16 Revenue includes the contribution of NCSA from 1 February 2016

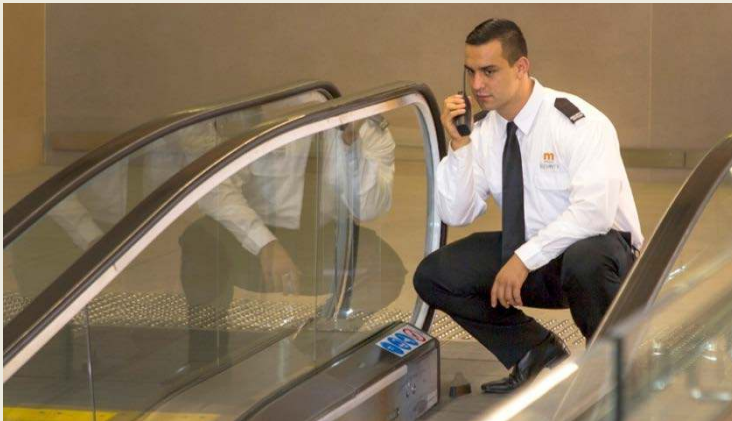
2. Pro-forma FY16 EBITDA includes the positive impact of \$0.4m of consumable stock adjustments. Pro-forma FY16 NPAT includes the positive impact of \$0.4m of consumable stock adjustments and the positive impact of \$0.1m of non-cash accounting adjustments (\$0.6m relating to the change in depreciation method from diminishing value to straight line, offset by \$0.5m of contract amortisation expense).

3. N/A = not applicable due to absence of historic comparables

Growth

Organic and M&A:

- Cross-selling additional services to enhance value and client relationship
- Build Security division to circa 30% of revenue
- Actively pursue accretive acquisitions (e.g. Airlite Group)

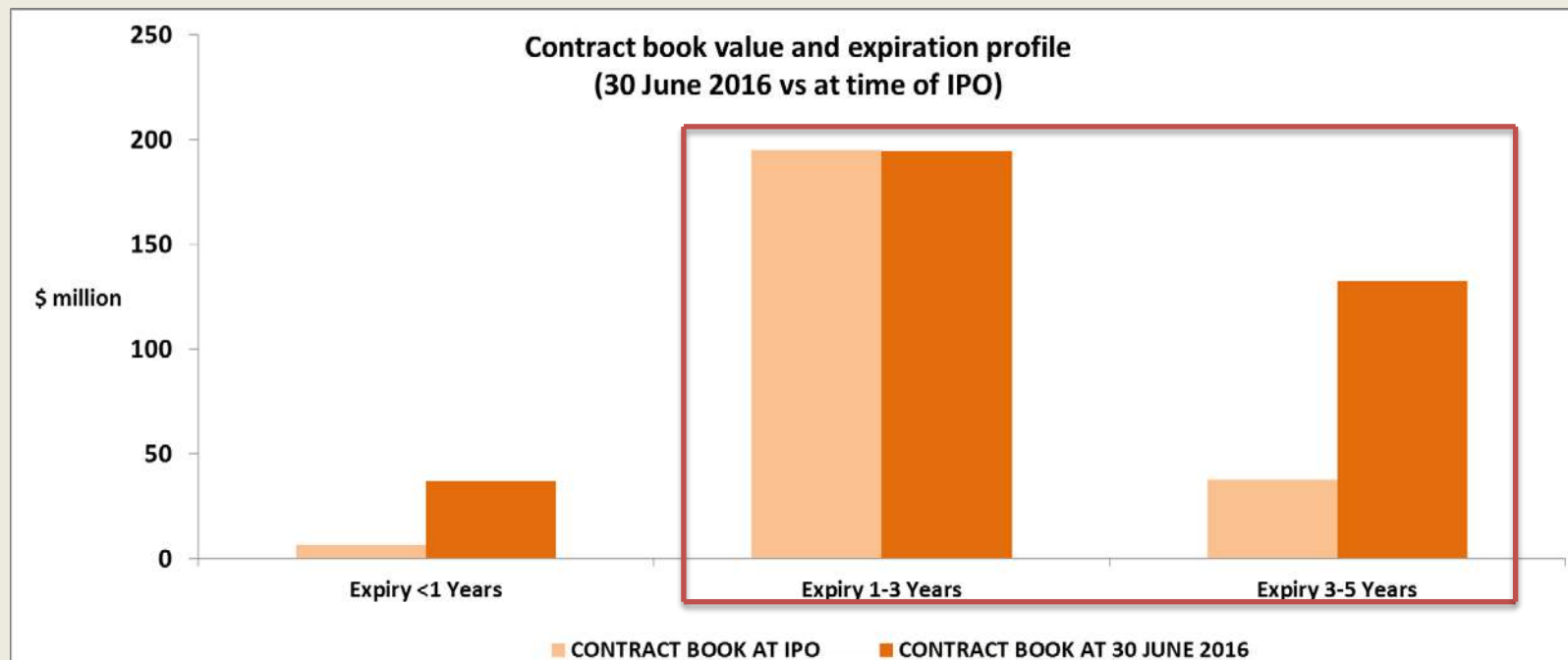


Airlite Group – Strategic Acquisition

Acquired WA's premier integrated services business – Millennium now a truly national service provider

- Leading provider of specialist cleaning, maintenance and integrated services
- Leader in Western Australian market, with offices in Sydney, Melbourne and Gold Coast
- 50 years of growth, expansion and diversification
- 1,500 employees
- Immediately EPS accretive

Contract Book as at 30 June 2016



- Success in FY16 tender activity
- Significantly enhanced expiry profile, as compared to IPO
- Large increase in 3-5 year expiry segment with national clients
- Significant growth in total volume of contracts

Contract Book Profile Strengthened

Our Blue-Chip Clients

SCENTRE GROUP

QIC



AMP CAPITAL



PACIFIC GROUP



KILDAIR INVESTMENTS



CBRE

RetPro



Expansion Activities (Geography & Sector)

Key driver of incremental shareholder value

- The ACS business is providing a regional base in the high growth corridors of NSW Central Coast and the Hunter region
- The NCSA acquisition in Canberra has provided a solid platform for ongoing expansion in Government commercial cleaning, unlocking a significant volume of opportunity
- New Zealand operations expanding and profitable
- Airlite Group acquisition creates a national footprint



Diversification

Leveraging national footprint, scale, broader service offering and increased competitiveness

- **Services**
 - Expand service offering (e.g. property development cleaning, hygiene services, pest control, building and landscape maintenance)
- **Customer base**
 - Deepen market penetration with existing major clients
 - Establish long-term partnership through integrated service solutions



Millennium's People and Safety

Committed to training, development and safety

- Positive safety culture
- Track record of service and customer satisfaction
- Engaged teams
- Online training and induction programs
- Independently monitored whistleblower hotline
- Employee base grown to 4,000 employees
- Triple-certified to international standards
in QA, OHS & EMS



Trading Update and FY17 Outlook

Updated full year FY17 Outlook on 21 October 2016

- **FY17 pro-forma revenue expected to be in the range of \$246 million to \$256 million**
- **FY17 pro-forma EBITDA to be in the range of \$17.7 million to \$18.6 million (inclusive of approximately \$1.3 million of incremental acquisition and integration related costs)**
- **Pro-forma capital expenditure is expected to be in the range of \$4.1 million - \$4.6 million**
- **With no existing presence in Western Australia, no material overhead savings are anticipated for the combined Group in FY17**

Summary

- Immediate priority is managing the successful integration of Airlite Group
- Focus on cross-selling additional services
- Growth of security division
- Millennium is a high potential growth business and the Company is positioned to take advantage of the many sector growth opportunities



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