

## **CHAIRMAN'S ADDRESS**

27 November 2019

I have just completed my first year as Chairman of this wonderful company. As I indicated in my Full Year results announcement, released in August, FY19 was a year for us to reset the Company for consolidation, profitability and growth.

Our whole of business strategic review, conducted towards the end of 2018, identified a number of challenges, this resulted in the creation of a Business Improvement Plan for the whole Company.

With the aggressive implementation of this Plan, which commenced in the second half of FY19, I am pleased to say that we have either overcome or have initiated plans to actively address the challenges identified in the review.

As a result, there is now a noticeable improvement in the performance of the Company – both financially and operationally.

The Business Improvement Plan, focuses on our people, our clients and the financial structure of our business and remains the highest priority for Millennium. The Plan is making significant progress to restoring Millennium's profitability and growth. We are well on track to progressively achieve the anticipated \$11M annualised cost savings throughout FY20 and into FY21. This is being achieved without compromising Millennium's excellent service delivery to our many clients.

As I have said many times in the last few months – FY19 has been a year of two halves for Millennium. Since the New Board commenced in October last year the Company has:

- Achieved a \$4.9M turnaround in underlying EBITDA for FY19 - from a (\$2.4M) underlying EBITDA in the first half, to an underlying EBITDA of \$2.5M in the second six months;
- Received confirmation from the ANZ Bank of their continuing support which will allow time to review the terms and conditions of a debt restructure;
- Improved our cash position by reducing outstanding debtor days and by negotiating a trade finance facility with Scottish Pacific;
- Introduced technology to improve reporting, controls, rostering, and the delivery of our services to our clients;
- Acted to restore client, shareholder and market confidence;
- Ensured that all of Millennium's 5300 staff are paid in accordance with the appropriate awards. In addition, I can advise that the entitlement issue identified in the FY19 Accounts has been addressed and fully funded;
- Taken steps to achieve sustainable and commercial margins;
- Won new major contracts and renewed a substantial number of existing contracts – both in the cleaning and security sectors in a very competitive environment.

## 2019 Annual General Meeting

It is from this positive base that Millennium will continue to consolidate and grow our business.

Adjustments made over the past year to the Company's Balance Sheet have had a significant impact on our FY19 statutory results, however in the view of the Board this was necessary to reset the Company for future success.

Over the next two years, Millennium will look to diversify and de-risk our business and improve profitability. We will do this by continuing to grow our market leading retail cleaning business and our security business, and also by looking for new opportunities in commercial (non-retail) cleaning, facilities management, and other related services.

We also expect new opportunities to emerge as our relationships with existing and new clients develop and continue to deepen.

Our WA based subsidiary, Airlite, and our New Zealand based business are leading the way, with the Company recently awarded long-term cleaning contracts for the entire Westfield NZ portfolio of 4 major shopping centres. This includes including their new flagship centre "Newmarket", in Auckland.

Millennium now has a major presence in both the North and South Islands and expects strong and profitable growth in NZ as a result.

Every member of the Millennium and Airlite teams have contributed to the Company's strong performance and ongoing recovery. They are our greatest asset and I am incredibly proud of each and every one of them. They are the key to what we do and are our ambassadors to our clients.

A key focus for our leadership team in FY20 will be to ensure that the efforts of our people are recognised, especially in the areas of workplace safety, customer service, compliance and profitability,

I am confident that the actions that have been taken, and are being taken, will improve Millennium's business further, will grow confidence in the Company and improve profitability and shareholder value.

My thanks to my fellow Board members for their commitment to the Company and wise counsel. Also, to our executive team, in particular CEO Darren Boyd and CFO Michael Constable, and to everyone on the Millennium and Airlite teams for their hard work, support and loyalty over the last year.

Finally, my thanks to you – our shareholders. I look forward to sharing our future successes with you.

Thank You

I will now hand over to Millennium's CEO, Darren Boyd to provide an operational update.