

## CHAIRMAN'S ADDRESS

24 November 2020

FY20 has been a year that Millennium has grown its brand and reputation in the marketplace. During the most difficult of times, the Millennium team has achieved so much and have driven a substantial improvement in the business.

These include:

- Achieving savings of \$7.7M to date through the implementation of the Profit Improvement Plan well towards the target of \$11M;
- A 15% reduction in overheads;
- Lifting underlying margins from 10.5% to 11.9%; and
- Substantially reducing our costs-to-revenue ratio.

The decision to exit low margin or unprofitable contracts has also contributed to the Millennium business turnaround.

Pleasingly, despite the last quarter FY20 revenue being significantly impacted by the COVID-19 pandemic, this downturn has proven to only be short-term with the Company rebounding quickly. Ad-hoc sanitisation cleans, and non-hotel security assignments have both, positively contributed to our rapid business recovery.

The Company's revenue reduction in April of 30% ,rebounded by 30 June 2020 to be only 7% less than pre-COVID-19 revenue - but with improved margins and reduced costs. This trend is expected to continue into this financial year, but is obviously subject to any new COVID-19 or market impacts.

As our CEO outlines in his Operational Report, Millennium's results reflect the resilience and turnaround in our business.

### Our People

The character and flexibility of Millennium's 5,000 strong, directly employed team, has been challenged this year like no other.

During the year and going forward, the Board and Executive Management have ensured that all of Millennium's staff are paid in accordance with the appropriate awards and agreements.

As frontline workers providing essential cleaning and security services in high-traffic public areas, the professionalism of our team has exceeded every expectation. They are our greatest asset, and I am incredibly proud of each and every one of them.

At all times Millennium has been focused on the health and wellbeing of our staff, our clients and their customers.

### Renewed Banking Facilities

As announced last month, I am very pleased to confirm that the ANZ bank has renewed and restructured Millennium's banking facilities for a further two-year term.

The Company has also paid-down a significant amount of debt which has enabled a dramatic improvement in our Balance Sheet, while preserving a healthy cash position going forward.

Our CEO Darren Boyd will provide the details in his Operational Report.

With the significant paying down of debt, the positive resetting of the Millennium Balance Sheet, and the continuation of the recovery and growth of the business, all the signs are very encouraging, and it is possible that if profitability and the Company's cash position continues to improve, that the Company will be in a position, in the foreseeable future, to pay a dividend.

### **New Non-Executive Directors**

I am also pleased to advise that two eminent and highly experienced directors will be appointed to the Millennium Board immediately following this AGM.

They are:

#### Stuart Grimshaw

Stuart has a long and distinguished career in financial services. Most recently he was Chief Executive Officer and Board Member of EZCORP a Nasdaq listed company which he originally joined in November 2014 as Executive Chairman. Prior to joining EZCORP, he was Managing Director and Chief Executive Officer of Bank of Queensland Limited (ASX: BOQ).

During his 30-year career in financial services, Mr. Grimshaw held a wide variety of Senior Executive roles at various banking and finance companies including Caledonia Investments Pty Ltd, Commonwealth Bank of Australia, National Australia Bank and the ANZ Bank. He has also served as non-executive chairman of the board of directors of Cash Converters International Limited.

Stuart has a Bachelor of Commerce and Administration degree from Victoria University in Wellington, New Zealand, an MBA from Melbourne University and has completed the Program for Management Development at Harvard Business School. He is also a former Olympian representing New Zealand in Field Hockey at the 1984 Olympics.

#### Rohan Garnett

Rohan is presently Executive Manager, Government, and Public Affairs at Qantas Airways. Rohan has held senior Australian and International management positions with Qantas, Jetstar and British Airways. Rohan is an experienced company director, and he has an Honours degree in economics from Sydney University.

Rohan will bring significant organisational and marketing skills that will assist the Millennium Board in its planned expansion of the Millennium business.

The appointments of Stuart and Rohan is very welcome. They will join as Non-Executive Directors and will bring a high level of commercial and financial expertise and experience to the Board.

Their appointment is vital to the continued growth and profitability of the Company.

## 2020 Annual General Meeting

### **FY21**

Despite these difficult times, Millennium and our WA subsidiary Airlite continue to win new major contracts and renew or extend existing contracts.

The COVID-19 pandemic with all of its challenges, has consolidated our existing relationships and developed new ones. We expect new opportunities to emerge as our client relationships continue to deepen.

Millennium will continue to consolidate and grow. The Company continues to look for opportunities that will diversify our business and improve profitability.

### **NZ**

The Millennium New Zealand business continues to profitably grow and diversify thanks to the highly capable team that we have there.

### **In Summary**

Once again, every member of the Millennium and Airlite teams have contributed to the Company's strong performance and recovery.

The Board is determined to continue to profitably improve Millennium's business and to grow shareholder value.

My thanks to my fellow Board members and our advisers for their commitment 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 in very difficult times 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 his Operational Report.