

Annual General Meeting
27 November 2017

millennium
SERVICES GROUP LIMITED

a new millennium in integrated services

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Welcome and Introductions

Introducing the Board

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Peter Anderson
Chairman



Greg McCormack
Non-executive Director



Stephen Williams
Non-executive Director



Sally McCutchan
Non-executive Director



Ross Gavanich
Executive Director



Craig Hanley
Executive Director & CEO

Agenda

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1. Welcome and introductions
2. Chairman's address – Peter Anderson
3. Chief Executive Officer's address – Craig Hanley
4. Business of the Annual General Meeting



Chairman's Address

Peter Anderson

Strong platform for future growth

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Solid Foundation

- Strong underlying business performance
- Successfully growing cash generative business with financial performance agnostic to business cycle
- Strong, long term relationships with blue chip clients

Scale & Diversification

- Strategic acquisition of Airlite cemented our national footprint
- Investing in growth of the Security division
- Scale and diversification across services, sectors, clients and geographies

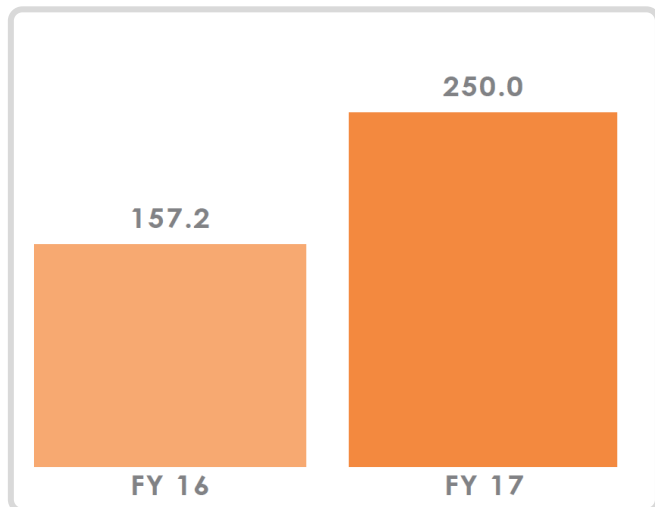
Innovation & Opportunity

- Investing in innovation and technology, notably iMop and iCart
- Strengthened leadership, corporate governance and risk management structures
- Strategically positioned to capitalise on known pipeline of opportunities in key target markets and adjacent sectors

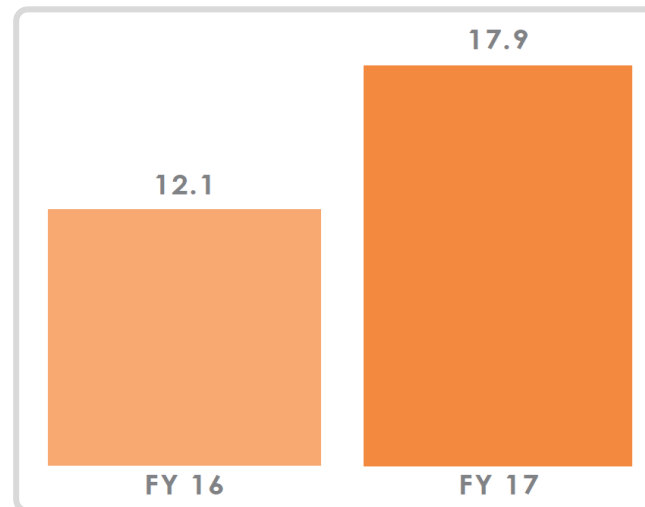
Revenue and EBITDA growth

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REVENUE (\$m)



OPERATING EBITDA (\$m)



- Pro-forma revenue of \$250.0m up 59% on FY16
- Pro-forma operating EBITDA of \$17.9m up 48% on FY16

Dividends and capital management

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- Final fully franked dividend of 5.4 cents per share
- Total dividends for FY17 of 8.9 cents per share (gross yield 8.2%)
- Record date: 15 September 2017
- Payment date: 5 October 2017
- Dividend policy remains unchanged
- Adequately funded within existing debt facilities to support future growth initiatives

Management & Board

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New CEO
Craig Hanley

New Directors
Ross Gavranich
Sally McCutchan



Remuneration

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- In FY17, the Board introduced a new Long Term Incentive Plan
- The LTI plan seeks to better align the interest of management and shareholders by allowing management to build a meaningful shareholding position in the company, subject to performance hurdles
- The LTI plan provides incentives for the sustainable and maintained long term financial performance of the Company
- For further details on Executive remuneration, please refer to the 2017 Remuneration Report contained in Millennium's Annual Report

Closing remarks

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- FY17 strong financial performance
- The achievement of our strategic objectives has laid the foundation for future growth
- Millennium has the scale, diversification, national footprint and breadth of services to drive profitable growth and sustainable value for shareholders and all stakeholders



Chief Executive Officer's Address

Craig Hanley

Strong increase in full year profit

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Summary Pro Forma Income Statement			
	FY17	FY16	% var
Total Revenue	\$250.0m	\$157.2m	59.0%
Operating EBITDA	\$17.9m	\$7.6m	135.5%
Dividend	8.9cps	4.4cps	102%

CLEANING
87% of
total FY17
revenue

SECURITY
13% of
total FY17
revenue

Acquisitions: consolidating national footprint

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- National footprint cemented through transformational acquisition of Airlite Group
- Airlite successfully integrated with 'best of breed' systems and processes embedded across Millennium's network
- Leveraging reputation, scale and geographical reach to secure contracts with national clients
- Disciplined approach to evaluating opportunities for further growth

Strong organic growth

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- **Contract wins** - 41 new or renewed contracts worth more than \$70 million in annualised revenues
- **Improved longevity** - over 80% of the contract book in the > 3 year expiry segment
- **Myer contract win**
 - National, long term contract
 - Cleaning services to around 70 stores and distribution centres
 - First national footprint contract success
 - Validates client value proposition and strategic plan

Strength of contract book

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\$229.987m
FY17 CONTRACT REVENUE

91%
OF REVENUE IN CONTRACT

747
CONTRACTS

80%
OF CONTRACTS > 3 YEAR EXPIRY

Strategy

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1.

CONSOLIDATE Executive Leadership Group

- Strengthened management capability
- Enhanced finance function
- Investment in talent – Security

2.

GROW Security Cleaning Integrated Services

- Grow security to circa 30% of group revenue within 2 years
- Drive organic growth from critical mass in cleaning and integrated services
- Strategic acquisitions in complementary sectors and services

3.

CENTRALISE Processes

- Improve quality, efficiency and consistency through centralisation of internal services

4.

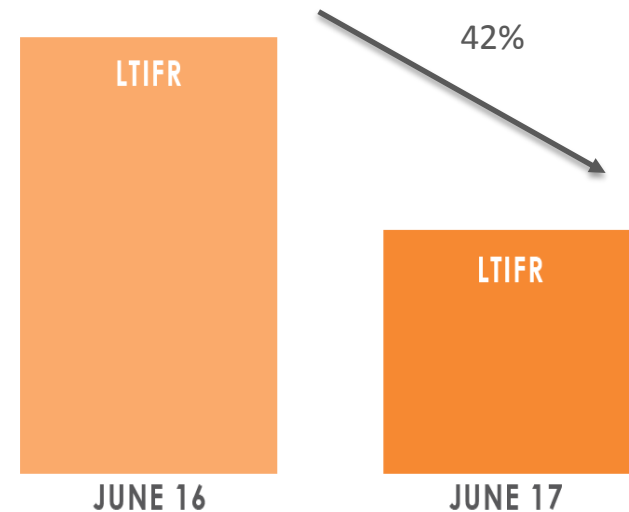
ENHANCE CRM Governance Incentives

- Implement enhanced CRM and strengthened governance structures to support strategic plans
- Introduce STI & LTI

Committed to safety

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- Safety of our 5000-plus employees is of paramount importance
- Lost Time Injury Frequency Rates (LTIFR) reduced by more than 42% from 2016
- Safety compliance is governed by our IMS and aligned to international ISO: 9001 standards
- This year, Millennium achieved WGEA compliance, a step towards achieving greater diversity



FY18 Outlook

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- **Strong start to FY18**
 - Recent contract wins and pipeline of opportunities in line with expectations
- **Reaffirm FY18 guidance**
 - FY18 pro-forma revenue expected to be approximately \$290 million
 - FY18 pro-forma EBITDA expected to be approximately \$20 million
 - FY18 earnings will be strongly weighted towards the second half
 - 1H/2H weighting revenue: 46/54
 - 1H/2H weighting EBITDA: 30/70

Closing remarks

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- Our business is in great shape
- Solid platform for future growth
- Strength of contract book
 - Value
 - Longevity

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