Full Year Results 2021.

Investor Presentation

16 August 2021

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Contents

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Performance Update

FY21 Highlights.

Financial

Strong profitability and significant balance sheet strengthening

- 7.1% Revenue* Growth from FY20
- Significant GP Margin* expansion from 11.9% FY20 to 14.8% FY21
- EBITDA* increase from $4.1m FY20 to $11.6m FY21
- Net Debt reduced from $34.6m FY20 to $0.3m FY21

Governance & Safety

- New independent Director appointments strengthening Board
- FY21 Lost Time Injury Frequency Rate is 51% lower than FY20 and 62% lower than the industry benchmark.

Customers

- Continue to renew and win new contracts and diversify our portfolio including three-year integrated services contract with AMP Capital at Karrinyup, WA
- Continued growth in New Zealand, WA and Security Services markets
- Rebranding of WA business to Millennium

* Refer to Appendix 2 for details of non IFRS / normalization adjustments

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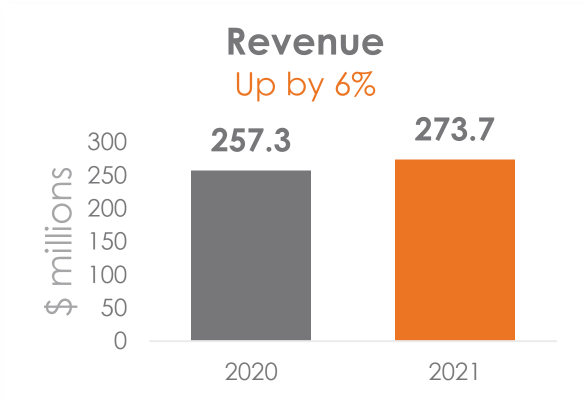
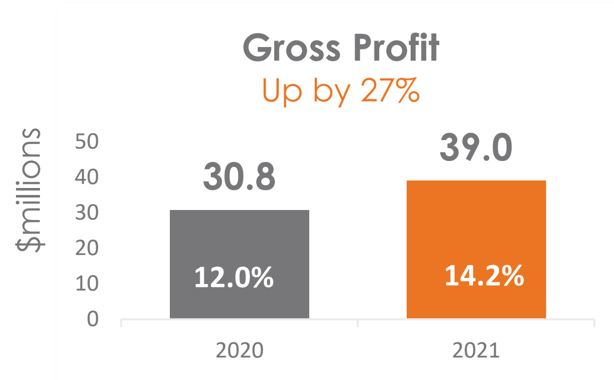
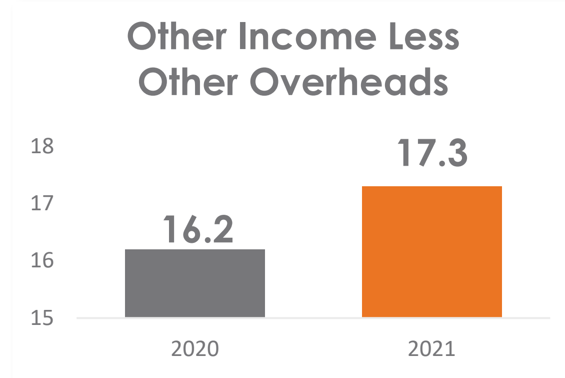
Statutory Performance



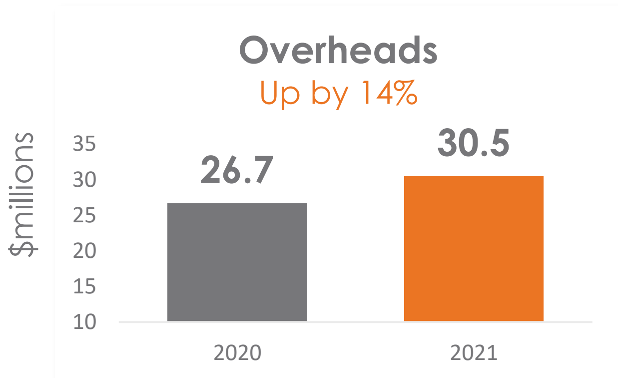
Strong adhoc revenue growth



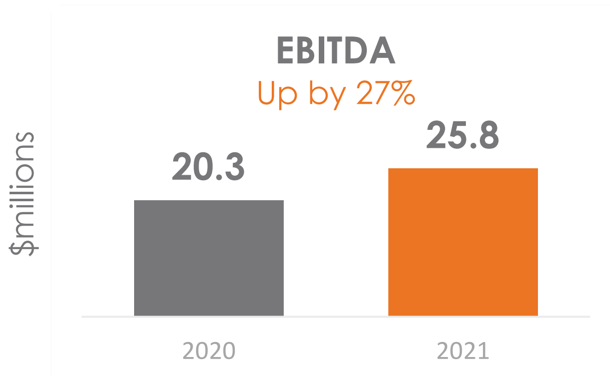
Continued labour management improvement and higher margin adhoc revenue



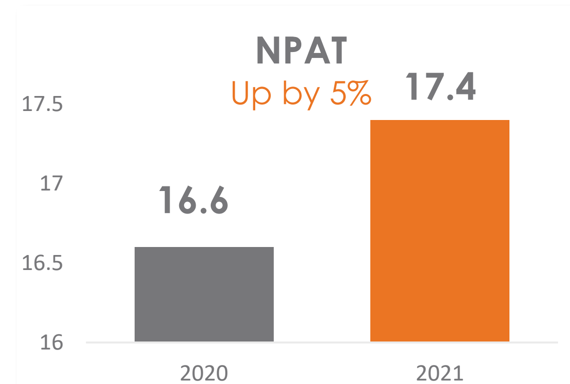
FY21 Gov't grant income $24.7m less $7.4m of wage top-ups associated with Gov't grants
FY20 Gov't grant income $24.6m less $8.4m of wage top-ups associated with Gov't grants



$1.3m STI FY20 and FY21
$1.3m non recurring increase
$0.8m Public Liability insurance
$0.4m return to office post COVID expenses



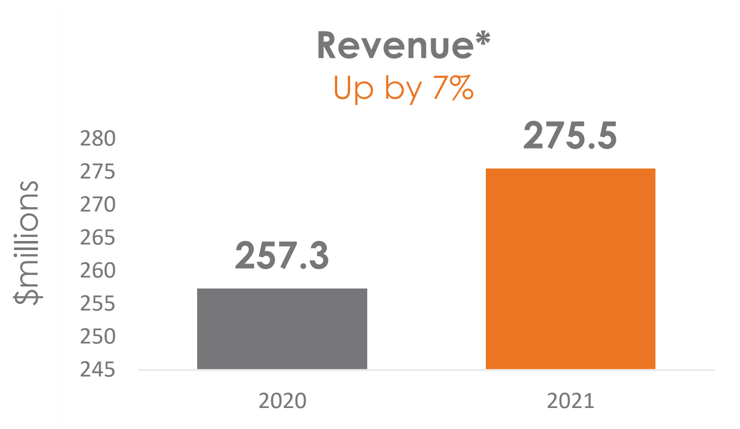
$4.4m turnaround in Statutory EBITDA excluding net Government grants.



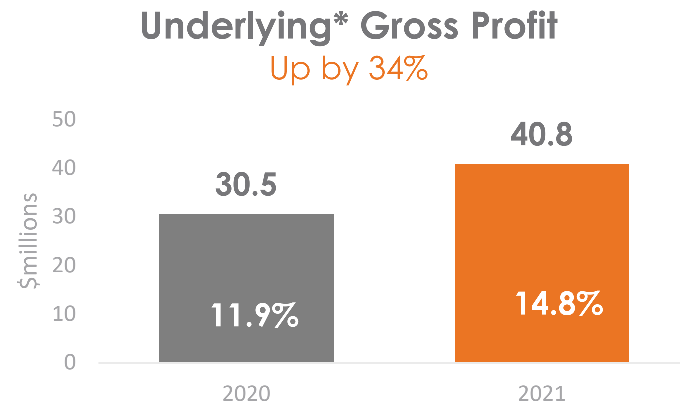
Includes recognition of deferred tax assets of $8.7m in prior year and $4.0m in current year

* Refer to Appendix 2 for details of non IFRS / normalization adjustments

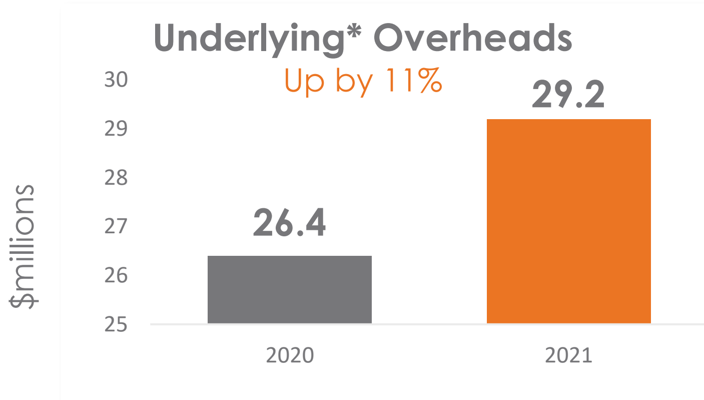
Underlying* Performance



Strong adhoc revenue growth



Continued labour management improvement and higher margin adhoc revenue



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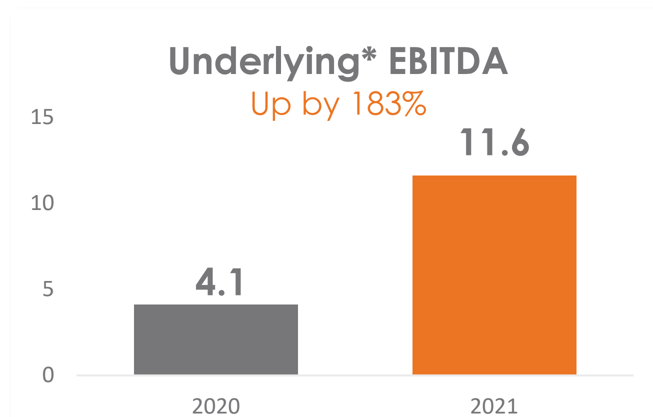

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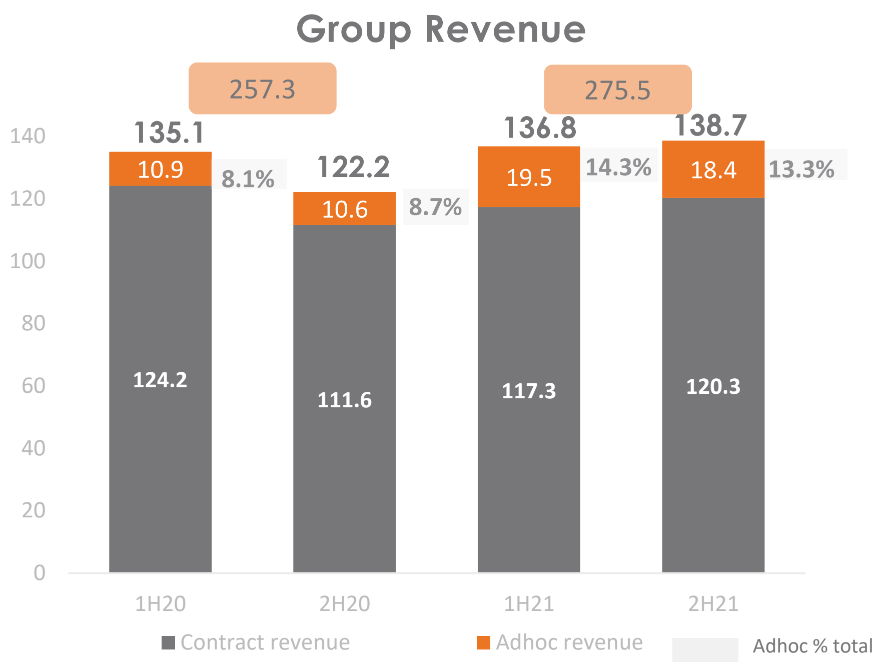
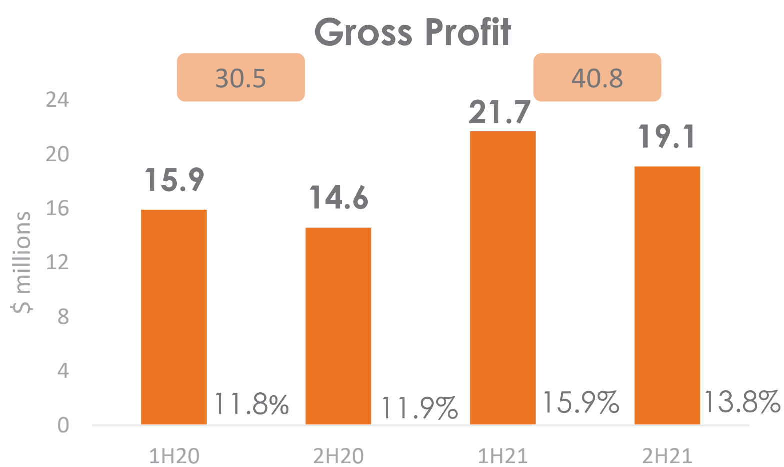
Revenue Analysis Group





- 2H20 impacted by COVID-19 Government restrictions but subsequent growth in Contract Revenue across FY21
- Very strong higher margin COVID-19 project and Adhoc services

FY22 Outlook

- Expect COVID-19 related project and Adhoc services to recede over time
- FY22 gross margin range expected to be between 14% to14.5% with stronger weighting in 2H22 due to planned direct cost procurement initiatives
- Millennium has a high visibility of revenue streams with approx. 85-90% of revenue contracted for 3 – 5 year periods with a very strong history of contract retentions

* Refer to Appendix 2 for details of non IFRS / normalization adjustments

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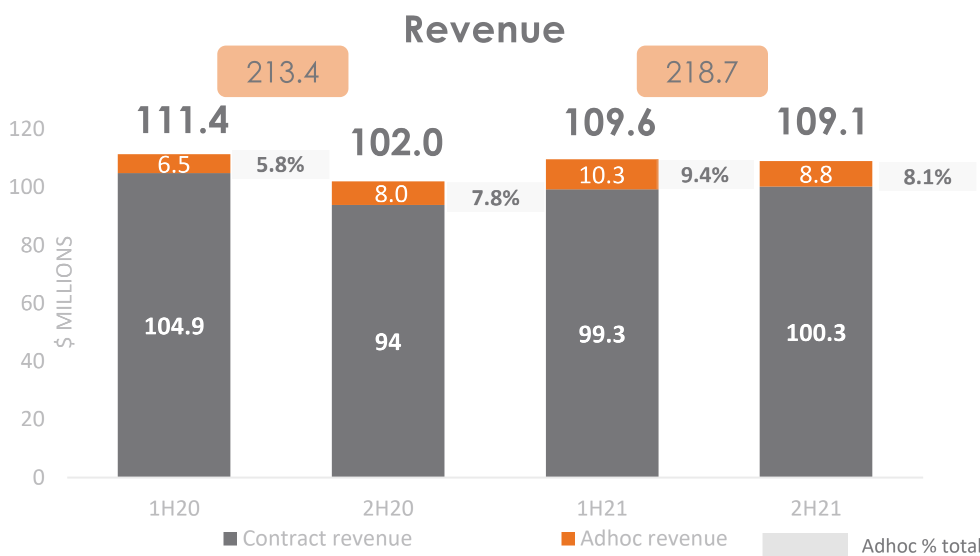
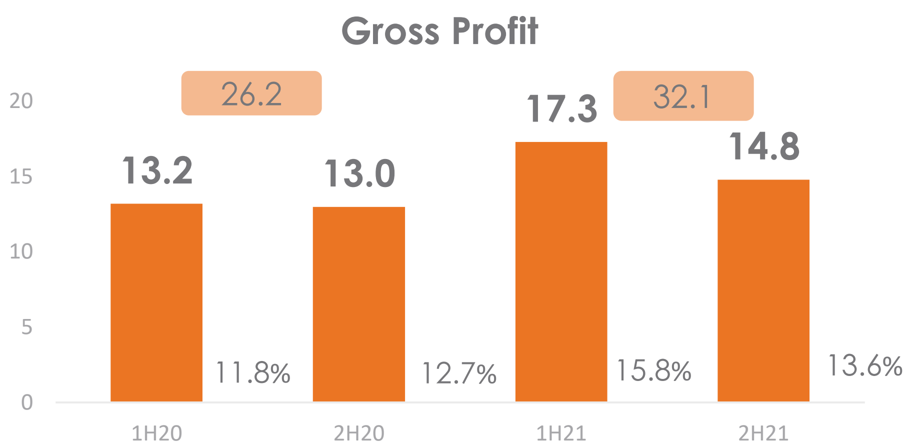
Revenue Analysis - Cleaning





- Contract revenue rebounded from COVID-19 Government restrictions in 2H20 with further slight growth in 2H21
- COVID-19 presented opportunities to deliver project and Adhoc services albeit at reduced levels.
- Higher GP in FY21 resulting from the completion of the Profit Improvement Plan and the delivery of higher margin projects and Adhoc services.
- Positive impact of the new time and attendance system roll-out.

* Refer to Appendix 2 for details of non IFRS / normalization adjustments

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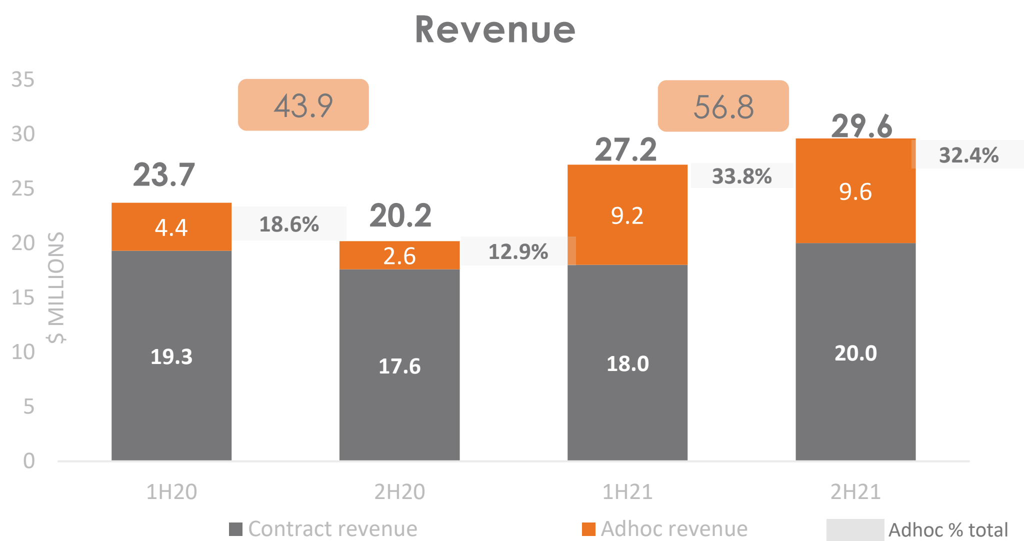
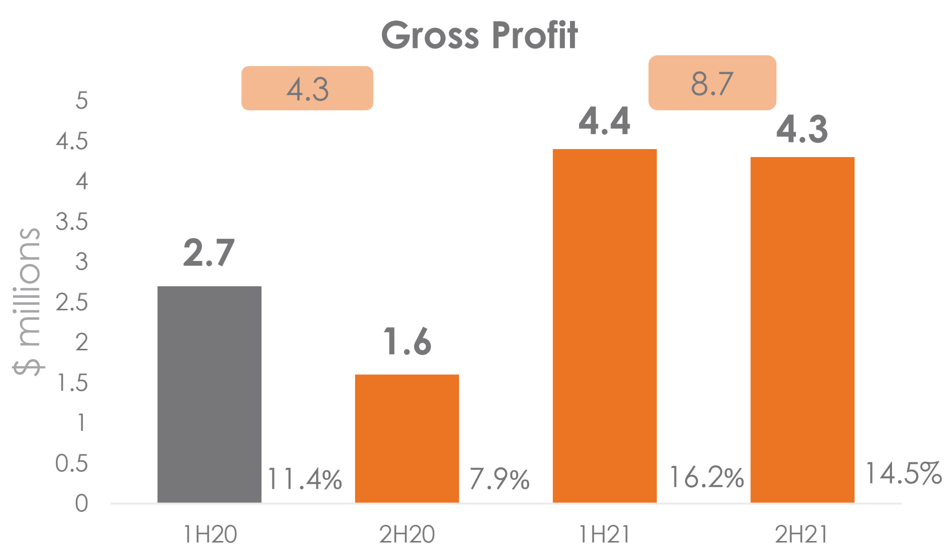
Revenue Analysis - Security





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- Strong Contract Revenue growth across FY21
- COVID-19 presented significant opportunities to deliver project of Adhoc services.
- Substantially higher GP resulting from the completion of the Profit Improvement Plan, rollout of Time and Attendance system and the delivery of higher margin project and Adhoc services.
- COVID related Adhoc services expected to recede over time

* Figures in this slide refer to underlying performance

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Operational Performance

Healthy Business Indicators

SafetyFirst culture

- The FY21 Long Term Injury Frequency Rate is 51% lower than FY20 and 62% lower than the industry benchmark.
- During 2H21 the business has continued its focus on mental health awareness, safe work practices and launched a SafetyFirst Rewards Program to engage our people and acknowledge safety improvement initiatives.

Compliance

- Continued focus on rigorous compliance to:
  - Fair Work Australia's Modern Awards
  - Modern Slavery Act – Modern Slavery Statement published March 2021
  - Labour Hire Regulations
- FY21 controls focus on people, HSE and procurement.

Working Capital

- Focus on working capital management yielded $9.4m of working capital efficiencies above $11.6m of underlying EBITDA. This resulted in $21.0m of net operating cash inflows (excluding COVID-19 grants, COVID-19 wage top-ups and other non-recurring items).

Debt and Gearing

- Net debt was reduced by $34.3m during the financial year (from $34.6m to $0.3m).
- Gearing ratio reduced from 67.1% in June 2020 to 1.2% at June 2021.

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Business Development Update

Whilst disappointed to lose QIC Cleaning and Security contracts from October 2021, **the business continued to renew and win new contracts and diversify our portfolio.**

Cleaning

- AMP Capital, Lend Lease, Scentre Group, Vicinity and Murdoch University (WA).

Security

- Expanded into WA market, commencing large contracts with IAG, Karrinyup and Ocean Keys shopping centres.
- Continuing to provide COVID related security services for VIC Government, Department of Health
- Renewed Stockland, Airtrunk, Victorian Government Department of Health, Melbourne Racing Club

Integrated Services Case Study

Fully Integrated Service Provider – Karrinyup, WA

- In July 2021 Millennium won a contract with AMP Capital for the fully integrated service management of their recently redeveloped flagship retail, entertainment and dining precinct in Karirnyup, Perth.
- The revamp expands the centre from 60,000 square metres to 109,000 square metres.
- The centre will provide a world-class shopping, leisure and residential destination for Perth and Millennium is entrusted with services including; cleaning, security, gardening, concierge and building maintenance.
- Millennium has been working at Karrinyup during the redevelopment and will scale-up our services with full launch by Christmas 2021.
- The Karrinyup Integrated Service Provider contract is for a three-year term.

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COVID-19

Core revenue returned to pre-COVID-19 value

- The core contract monthly revenue returned from 2H20 disruptions and was maintained at approximately $20m pm across FY21. We expect this to grow in line with the organic growth strategy but noting the loss of QIC contracts from October 2021

Project and Adhoc Revenue

- The business continues to be well placed to deliver COVID-19 related project and Adhoc services. The Security Business in particular was a major beneficiary of the opportunities created particularly as Delta strain of COVID-19 continues to impact us. We expect however the levels of Adhoc and project work to reduce over FY22.

Staff and Clients

- The company is highly experienced in responding to ongoing COVID-19 related changes in the marketplace and client confidence in Millennium's response remains high.

Market Outlook

- The Company has demonstrated its capacity and capability to respond to events such as COVID-19.
- The services delivered by Millennium are deemed essential services and therefore any future pandemic type outbreaks will see Millennium continue to provide our services.

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Detailed Financials

Excellent Margin Growth

Summary Income Statement*

	FY 2020	FY 2021	Change $m	Change %
Total Revenue	$257.3m	$275.5m	$18.2m	7.1%
Gross Profit	$30.5m	$40.8m	$10.3m	33.8%
Gross Margin %	11.9%	14.8%	-	-
Overheads	($26.4m)	($29.2m)	($2.8m)	(10.6%)
Overhead %	10.3%	10.6%	-	-
Underlying EBITDA	$4.1m	$11.6m	$7.5m	183%
Reported EBITDA	$20.3m	$25.8m	$5.5m	27.1%

* Refer to Appendix 2 for details of non IFRS / normalization adjustments

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Summary Balance Sheet

	Jun 21 $m	Jun 20 $m	% var	Observations
Cash	7.3	1.8	305.6%	Total debt reduction and efficiencies in working capital management realised.
Trade receivables	18.0	22.7	(20.7%)	20% decrease in debtors despite a 6% increase in Revenue. Favourable trade debtor collections in June 2021 also contributed to the comparatively lower trade receivables balance.
Government grants	-	7.1	(100.0%)	All Job-keeper (JK) grants received by October 20. Group did not qualify for JK beyond September 2020.
Inventory & prepayments	3.3	3.8	(13.2%)	Inventory: Similar stock levels as at June 2021 and June 2020 to manage COVID-19 requirements. Prepayments reduced by $0.4m.
Non-Current Assets	26.2	26.5	(1.1%)	includes $4.0m of deferred tax asset recognised as at June 2021, not previously recognised as at June 2020.
Total Assets	**54.8**	**61.9**	(11.5%)	Lower trade receivables and government grant balances as at June 2021.
Trade payables	17.3	16.3	6.1%	Increase in trading activity in FY2021 compared to the June 2020 quarter, when more stringent COVID-19 government restrictions were in place.
Income tax payable	4.7	-		Prior year tax losses recouped and move back to tax paying situation
Provisions & other	27.5	27.0	1.9%	
Deferred tax	-	2.1	(100.0%)	Deferred tax liability as at June 2020 converts to income tax payable as at June 2021.
Borrowings – current liabilities	5.5	36.4	(84.9%)	ANZ Bank facility renewed to October 2022 & total debt reduction of $28.8m (refer to next slide).
Borrowings – non-current liabilities	2.1	-	100%	
Total Liabilities	**57.1**	**81.8**	(30.2%)	Significant reduction in debt.
Net Assets / (deficiency)	**(2.3)**	**(19.9)**	**88.4%**	88% improvement over the financial year with $17.3m of profit after tax, months, including $4.0m of deferred tax assets recognised in FY2021 not previously recognised as at June 2020.

* Refer to Appendix 2 for details of non IFRS / normalization adjustments

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Borrowings and Debt Facilities

Borrowings

	Drawn Jun 21 $m	Drawn Jun 20 $m	Debt reduction $m
Term Loan	5.4	18.1	(12.7)
Asset Finance	1.2	2.3	(1.1)
Overdraft	0.0	9.2	(9.2)
Trade Debtor Financing	0.0	5.1	(5.1)
Premium Funding Loans	1.0	1.7	(0.7)
Total Debt	**7.6**	**36.4**	**(28.8)**
Cash on Hand	7.3	1.8	5.5
Net Debt	**0.3**	**34.6**	**(34.3)**

Debt Facilities

	Total Facilities Jun 21 $m	Drawn Jun 21 $m	Unused as at Jun 21 $m
ANZ Bank Facility			
Term Loan	5.4	5.4	-
Asset Finance	0.9	0.9	-
Overdraft (a)	7.0	0.0	7.0
Subtotal	**13.3**	**6.3**	**7.0**
Other Financiers			
Trade Debtor Financing	12.0	0.0	12.0
Asset Finance	0.6	0.3	0.3
Premium Funding Loans	1.0	1.0	-
Total	**26.9**	**7.6**	**19.3**

- (a) Overdraft facility limit reduces to $4,500,000 on 1 July 2021.
- The Group completed refinancing its borrowing facilities with the ANZ Bank in October 2020 for a further 2-year term expiring 31 October 2022. The Company substantially reduced its borrowing as at 30 June 2021 compared to 30 June 2020 with total debt reducing by $28.8m from $36.4m to $7.6m. Net debt reduced by $34.3m over the same period. A further $0.9m was paid down in July 2021.
- In February 2021, the Group changed its trade finance facility provider. The new provider is offering the facility at a significantly lower effective interest rate.

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Cash Profile

Operating Cash flows

	FY 2021 $m	
	Reported	**Underlying**
EBITDA	**25.8**	**11.6**
Decrease in trade and other receivables	4.8	4.8
Decrease in grants receivable (Job Keeper)	7.1	0.0
Increase in employee benefits and provisions	0.3	0.3
Increase in trade payables, net of change in prepayments	4.3	4.3
Net operating cash inflows (excluding interest and income taxes)	**42.3**	**21.0**

- Tight focus on working capital management yielded $9.4m of working capital efficiencies above $11.6m of underlying EBITDA. This resulted in $21.0m of net operating cash inflows (excluding COVID-19 grants, COVID-19 wage top-ups and other non-recurring items).
- Favourable trade debtor collections in June 2021 contributed to the comparatively lower trade receivables balance.

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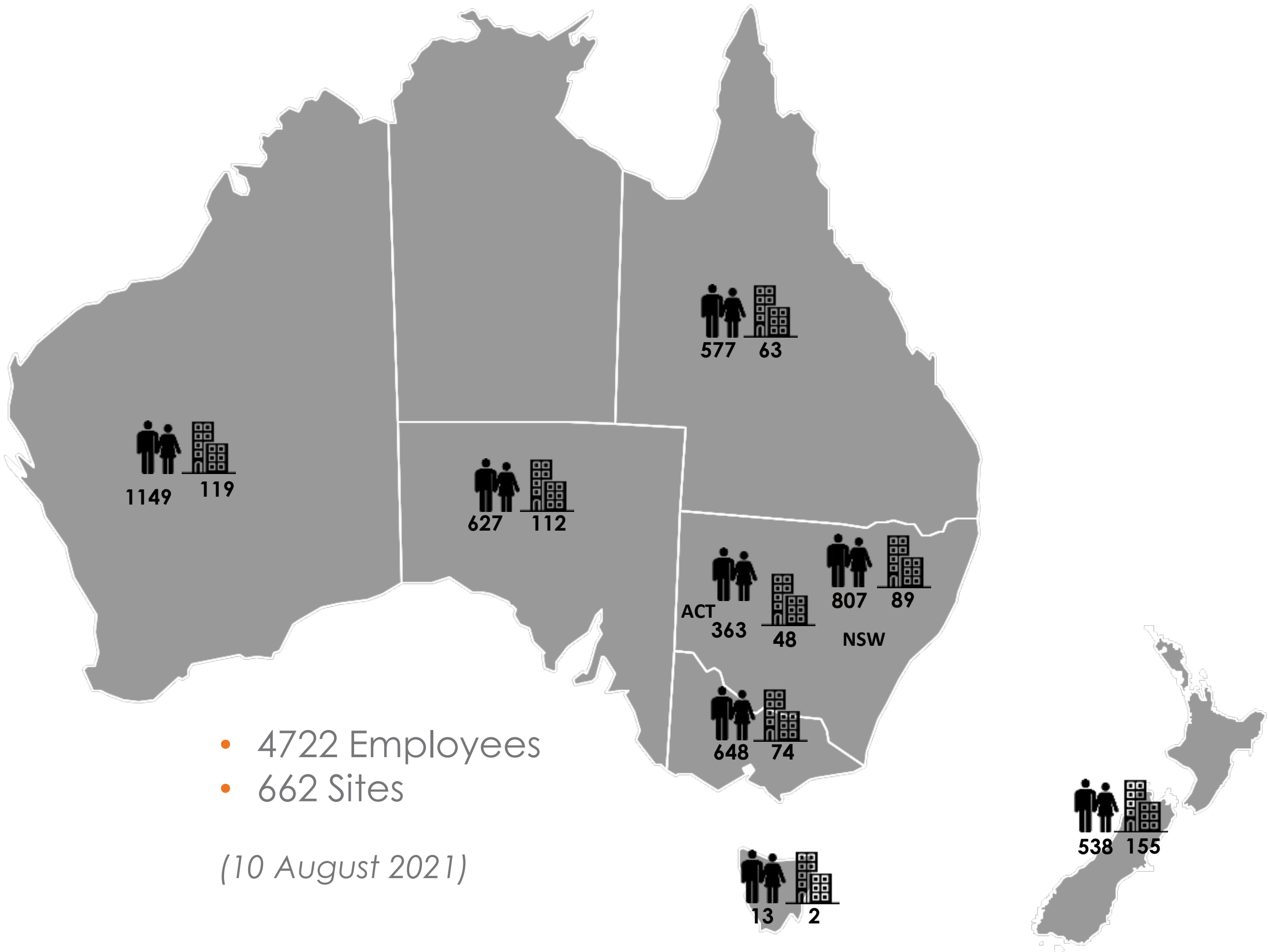
Growth & Outlook

Positioned for Growth

Millennium is a true ANZ national provider with scale to deliver growth



- 4722 Employees
- 662 Sites

(10 August 2021)

- Leading national integrated services provider strategically positioned with extensive Australia / NZ presence
- Scalable service delivery model through substantial employee base and trusted specialist partners
- Controls and Governance in place to ensure we can meet any future changes in compliance obligations or legislation
- Broad ranging client and industry base to withstand and/or capitalise on market changes in demand for services – including COVID-19

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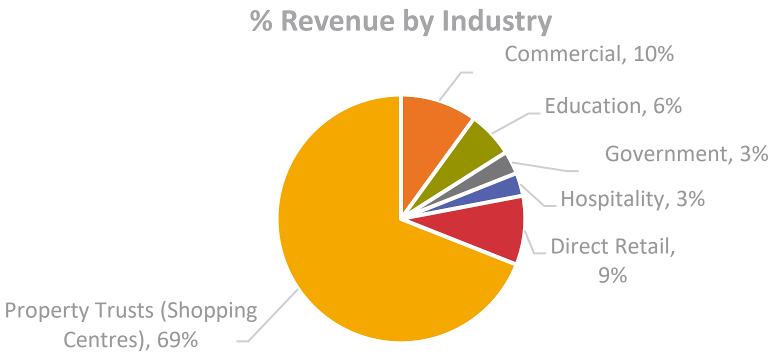
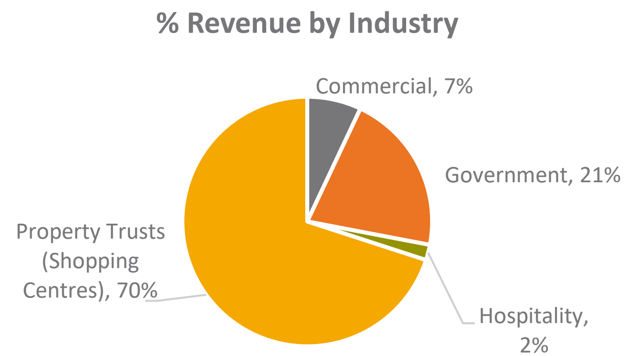
Business Profile

Millennium serves a range of customers, industries and geographies.

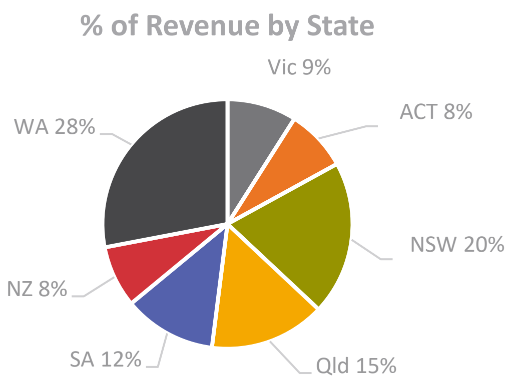
Cleaning - Industry Segments



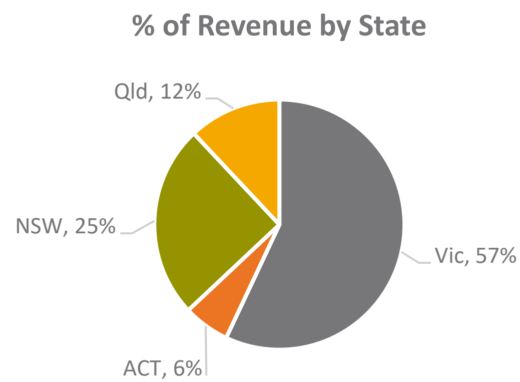
Security - Industry Segments



Cleaning - Geographies



Security - Geographies



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Outlook

- Business is well placed to continue to deliver additional project and Adhoc services in response to the continued impact of COVID-19.
- We expect COVID related Adhoc services to recede over time.
- Gross Margin is expected around target range of 14.0% to 14.5% for FY22 with a higher weighting to 2H22 due to planned procurement initiatives involving Direct Costs.
- Overheads are not expected to increase.
- Business is focused on growth and set for increased market activity in FY22.
- Significant focus on improving Business Development outcomes as the business aims to enhance its Integrated Service capabilities with a view to expanding diversification of portfolios.
- Business currently finalising three-year Growth Strategy including a review of the Organisational Structure to ensure all stakeholder outcomes are maximised

Appendices

Appendix 1 -Summary Statutory Income Statement

	FY 2020 $m	FY 2021 $m
Total Revenue	257.3	273.7
Gross Margin	**30.8**	**39.0**
Other income	24.6	24.7
Incremental wage top-ups (Job Keeper)	(8.4)	(7.3)
Overheads	(26.7)	(30.6)
Reported EBITDA	**20.3**	**25.8**
Depreciation	(5.9)	(5.1)
Finance costs	(3.1)	(1.8)
Profit Before Income Tax	**11.3**	**18.9**
Deferred tax asset (in relation deductible differences) recognised	8.7	4.0
Income Tax Benefit / (Expense)	(3.4)	(5.5)
Total Income Tax Benefit / (Expense)	**5.3**	**(1.5)**
Net Profit After Income Tax (NPAT)	**16.6**	**17.4**

Appendix 2 -Summary of Non-Recurring Items

	FY 2020 $m	FY 2021 $m
EBITDA reported	**20.3**	**25.8**
Adjust for non-recurring items		
Revenue and Gross Profit impact : COVID-19 related customer incentives	-	1.8
Gross Profit impact: Reversal of prior year EBA provision - cleaning	(0.6)	-
Gross Profit impact: Reversal of prior year EBA provision - security	(0.5)	-
Gross Profit impact: COVID 19 related one-off labour costs - cleaning	0.8	-
Other income: Government grants recognised (Job Keeper)	(24.6)	(24.7)
Overheads: Incremental wage top-ups (Job Keeper)	8.4	7.3
Overheads: Advisor fees, integration costs, terminations & other overheads	0.3	1.4
EBITDA Underlying	**4.1**	**11.6**

Appendix 3 -Use of Job-keeper funds

	$ million
Total Job-keeper funds received: May–Oct 2020	49.3
Less incremental wage top ups	(15.7)
Net benefit before tax	33.6
Income tax attributable	10.08
After tax benefit	23.52
Amount used to repay borrowings	23.52