

Millennium Services Group Limited (ASX: MIL)

23 February 2023

### 1H23 Financial Results

Millennium Services Group Limited (ASX: MIL) today announced in the half year to 31 December 2022, it grew total revenue by **12.5%** compared with 1H22, after allowing for the impact of a previously announced major contract loss and the completion of COVID-19 related project work with the Victorian Government in 2021/22.

The Company's revenue performance was underpinned by a strong underlying business which delivered solid organic growth. During the half year, Millennium commenced new long-term contracts valued at more than **\$30m** in annual revenues including with ISPT, JVL Investment Group and Newcastle Airport.

Gross profit declined \$2.9m in 1H23 compared to pcp and \$0.7m against previous six months. This was due mainly to successful completion of Victorian Government COVID19 related project work and the flow through impact of the much higher than expected National Wage increase of 4.8% announced by the Fair Work Commission in July 2022. Corrective labour cost management initiatives improved gross margins in the second quarter when gross profit increased by 2.3% basis points from 12.8% in 1Q23 to 15.1% in 2Q23.

Millennium maintains a solid financial position, with net debt of \$3.8m as at 31 December 2022. In October 2022, the Company fully repaid the ANZ bank term debt facility and the remaining ANZ overdraft and bank guarantee facilities have been extended to 29 February 2024. Millennium is well funded within its existing debt facilities, with headroom to continue to fund future growth initiatives.

#### **CEO Royce Galea stated:**

"Our reputation as a high-quality customer service driven company continues to help us to secure contracts with existing and new clients."

"Significant opportunities present themselves for continuing organic growth and diversification of our contract book and Millennium is strategically positioned to respond having invested in our business development capability in FY22. We are now focused on leveraging this investment to create value and deliver sustainable growing returns for our shareholders."

"Our first half result together with the Company's bias of earnings toward the second half, demonstrates we are on track to deliver another successful year."

Ends

#### **For further information please contact**

Royce Galea

Chief Executive Officer and Managing Director

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