

Millennium Services Group Limited
(ASX: MIL)

2023 Annual General Meeting 22 November 2023

CHIEF EXECUTIVE OFFICER'S OPERATIONAL REPORT

Thank you, Darren, and welcome everyone.

This year, we have continued to provide excellent customer service through our loyal and hardworking team and strengthened our contract book with renewals, extensions, and new business wins.

In 2023, we met and exceeded our commitments to the market concerning organic growth, diversification and expansion of our business into new services, industries and geographies.

I am happy to report that in the 2023 financial year, we have strengthened our balance sheet and achieved strong growth in net assets from \$0.4m as of 30 June 2022 to \$1.4m (as of 30 June 2023). Revenue for the year ending 30 June 2023 increased 2.0% to \$265.8 million (2022: \$260.6m).

This year, we continued to drive a board-led governance program, ensuring the company meets its legal, social, and ethical obligations. Being a well-governed and compliant organisation is critically important for Millennium. We know client and market expectations around ethical and sustainable business practices and good governance are higher than ever. And apart from that – we think it's good business and the right thing to do.

We have recently completed International Standards audits across Australia and New Zealand, and Millennium has successfully maintained its triple ISO accreditation for Quality, Safety and Environment management systems.

Driven by our Safety-First culture, which supports physical and mental well-being, our team has continued confidently and safely delivering a highly flexible range of property services to current and new clients.

I am incredibly proud of our achievements as a team across the year.

Now, I will provide a high-level summary of some of the major business achievements:

- This year, we have welcomed new clients and renewed and expanded contracts both within the retail sector, which has traditionally accounted for a large majority of our revenue, and also in other sectors such as education, government, aviation, and commercial sectors.
- Throughout the year, Millennium has bolstered its contracted revenue pipeline with blue-chip clients whilst simultaneously expanding gross margins and continuing to invest into business development to support future organic growth into diversified and less capital-intensive markets.
- The Group announced in November 2022 that it had been successful in winning several new long-term contracts, including a major contract for cleaning of 23 retail assets and seven commercial assets for a major property investment company.
- We also secured contract extensions with a major client of more than \$310 m in cleaning and security contracts across 13 major assets until June 2028.
- We have achieved significant growth in the security segment in WA, securing multiple large contracts, with the security portfolio percentage of revenue for the State now set to approach double figures in FY24
- In terms of our diversification strategy, it was pleasing for Millennium to re-enter the Northern Territory this year with a cleaning contract at a large shopping centre in Darwin.
- From an industry diversification point of view, we have signed a three-year contract with a new global client, Amazon, across eight logistics centres in WA, SA, VIC, and NSW

The current tender pipeline and available marketplace opportunities provide a very positive outlook.

Millennium will continue to explore opportunities to partner with other Australian and international property and facilities management companies where there is sufficient strategic rationale and opportunity to create value from doing this.

Of course, there is still more work to be done to reach our potential for employees, clients, and shareholders.

Being a people business with close to 5,000 people, we continue to look to improve how we support and develop our human resources and manage the people and underlying business processes that power our business.

Supporting our growth and business development agendas in FY24, we will be working to optimise our organisation structure, operating models and overall efficiency to support sustainable growth of the Group. This includes continuing investment in technology and automation to underpin and improve service delivery for clients and to enable workforce productivity.

Finally and most importantly, I would like to thank:

- our Shareholders for your support.
- our dedicated Millennium team members
- the executive and our business support team working tirelessly to keep improving;
- our clients who continue to show confidence and trust in Millennium; and
- the Chairman and the Board for their valued guidance.

I will now hand back to the Chairman for the formal business of today's meeting.

For further information, please contact:

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Chief Executive Officer and Managing Director

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