

FY2017 Full Year Results¹

Bingo delivers on IPO prospectus forecasts and reaffirms FY18 outlook

Bingo Industries Limited ("Bingo" ASX: BIN) today announced its full year results for the 12 months ended 30 June 2017. The Group delivered its IPO prospectus forecasts and reaffirmed its confidence in achieving FY18 Prospectus forecasts of pro forma EBITDA of \$81.6 million. In addition we expect there will be a \$7 million uplift in EBITDA in FY18, following acquisitions made post IPO.

Performance Highlights

- Pro forma net revenue of \$209.7 million, up 47% on FY16 and \$6.3 million above Prospectus forecast.
- Pro forma EBITDA of \$64.1 million, up 76% on FY16 and \$0.8 million above Prospectus forecast.
- Pro forma NPAT of \$32.0 million, up 112% on FY16 (\$15.1 million).
- Statutory NPAT of \$19.8m, up 45% on FY16, and \$1.8 million (10%) above prospectus forecast.
- Solid cash conversion of 95%, with operating free cash flow of \$61.0 million.
- Conservative balance sheet with the flexibility to pursue growth opportunities; leverage ratio of 1.6x (net debt / FY17 pro forma EBITDA).
- Improved safety performance with target of achieving zero harm and minimising environmental impact. LTIFR of 4.3, an improvement of 57% versus FY16.
- Accelerated expansion into Victoria with the acquisition of 3 waste management businesses in Melbourne (refer separate ASX release).
- Average diversion from landfill across the network was in excess of 75% for the 12 months ending 30 June 2017.
- Integration of acquisitions (Wollongong and Revesby) are well progressed, together with the redevelopment of both Minto and St Mary's recycling centres, which are performing well.

¹ Bingo Industries Limited was incorporated on 3 March 2017, and following a reorganisation of the group to facilitate an Initial Public Offering (IPO), is now the ultimate parent company effective 9 May 2017. We have shown full year comparative information which represents both the financial position and financial performance of Bingo pre and post IPO in order to facilitate meaningful year-on-year comparisons going forward.

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SKIP
BINS



COMMERCIAL
WASTE



LIQUID
WASTE



RECYCLING
CENTRES



CONTAMINATED
SOILS

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BINGO
INDUSTRIES
CLEANING UP

- Increased collection volumes during FY17. Post year end network capacity has increased from 1 million tonnes to 1.5 million tonnes.
- Continued revenue diversification with strong pipeline of opportunities going into FY18.

Pro Forma net revenue increased by 47% to \$209.7 million compared to the prior period. This reflects the significant ongoing momentum with new customers and our recent investment in resource recovery and recycling infrastructure at Minto, St Mary's and Wollongong.

Pro forma EBITDA increased by 76% to \$64.1 million, delivering a Group EBITDA margin of 31%. Pro forma EBITDA margin growth of 20% over the previous year was largely driven by a combination of scale efficiencies, increased network capacity and our vertically integrated recycling model. Pro forma NPAT of \$32 million increased by 112% over the prior period. Statutory NPAT of \$19.8m is up 45% on FY16, and \$1.8 million (10%) above prospectus forecast.

Management Commentary

Daniel Tartak, CEO of Bingo Industries said; "It is terrific to have exceeded our revenue and earnings forecasts. The investment we have made to expand our strategic presence, network capacity and recycling capabilities is paying off. This is an ongoing journey and we are committed to driving sustainable long-term growth."

"Sustainability is at the centre of everything we do at Bingo. We have stayed true to our core focus, which is continually improving the diversion of waste from landfill through our innovative resource recovery and recycling practices. At the same time our utmost priority is the safety of our people, and I am pleased to report a LTIFR of 4.3, an improvement of 57% over the prior period as we strive to achieve our goal of zero harm."

"We already divert more than 1 million tonnes of waste per annum from landfill. Through the addition of new facilities at Revesby and Wollongong and expansion of existing facilities, our network capacity is expected to increase from 1.5 million tonnes today with a plan to increase to 2 million tonnes in FY19. At the same time we are expanding our product capabilities to drive additional revenues and further build out our vertically integrated model, a key competitive advantage."

"We are focused on diversifying revenues both across the B&D (Building & Demolition) and C&I (Commercial & Industrial) waste streams and different industry sectors. Since the period end we have been advised that we are preferred on a number of opportunities within the C&I sector."

"There is a strong program of committed or commenced projects of circa \$140 billion of critical public infrastructure over the next 4 years in Victoria and NSW which provides considerable opportunity for Bingo given the more stringent waste removal criteria for major infrastructure projects. Whilst we are yet to see any reduction in



residential volumes, we expect this infrastructure build will more than offset any future softening in the residential housing sector beyond the strong 18 month pipeline of secured residential projects in place."

"We are continually innovating to improve our customer service that is enhancing our competitive advantage and delivering new contracts."

"We are actively pursuing geographic expansion across the Eastern Seaboard, today announcing the acquisition of three waste management businesses in Melbourne. The acquisitions bring with it a market leading B&D collections fleet comprising 40 vehicles, a C&I presence, two recycling facilities and an extensive base of national customers, we are now well positioned to drive our organic growth program in Victoria," Mr Tartak said.

Segment Performance

Collections

Revenue increased by 31% to \$121.8 million and EBITDA increased by 55% to \$28.1 million, primarily driven by increased market share across the B&D and C&I waste streams in NSW. The number of collection vehicles increased from 120 to 173 over the year.

Significant projects during the year include WestConnex, NorthConnex and a number of large residential and commercial projects.

Post-collections

Revenue increased by 70% to \$116.8 million and EBITDA increased by 111% to \$34.9 million, driven primarily by strong contributions from Auburn and Banksmeadow, and Minto and St Marys facilities coming online during the year.

Investment in new capacity has enhanced Bingo's recycling and recovery capabilities with the acquisition of Wollongong and Revesby recycling centres since the time of the IPO. With the addition of timber shredding and green waste processing at Wollongong, Bingo now re-process and re-sells 5 of the 14 waste product streams it processes and diverts most others from landfill.

Other

Revenue for the Other segment, which principally comprises the Toro bin manufacturing business, increased by 25% to \$18.7 million although EBITDA decreased by 35% to \$1.1 million. This was due to previously unallocated corporate costs and the write off of acquisition costs. The underlying performance of the Toro business was strong with EBITDA improving by 24% on the prior period.

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Dividends

As outlined in the IPO Prospectus, Bingo intends to pay future dividends in line with its stated payout ratio of 40% to 60% of NPAT. The Directors anticipate that the first dividend to shareholders will be determined in respect of the six months ending 31 December 2017, to be paid in March 2018, depending on available profits and the financial position of Bingo at the time.

Given the growth opportunity set in front of the company, the Board has also decided to initiate a Dividend Reinvestment Plan (DRP) which will be available to shareholders in respect of future dividends.

Outlook

The Company expects to build on the positive momentum of the previous financial year, through pursuing complementary organic and inorganic growth strategies. Bingo reiterates its pro forma EBITDA Prospectus forecasts of \$81.6 million. Taking into account the acquisitions since the time of the IPO we now expect pro forma EBITDA for FY18 to be in the order of \$89 million.

-ENDS-

For Further Information

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"Bingo Industries is a leading waste management and recycling company. Bingo provides end-to-end environmental and waste management solutions across the waste management supply chain. The Company's operation includes the largest network of strategically located resource recovery and recycling facilities around New South Wales."