

ASX Announcement

29 August 2017



BINGO INDUSTRIES ANNOUNCES EXPANSION INTO VICTORIAN MARKET

Bingo Industries Limited (ASX:BIN) today announced the Company's entry into the Victorian waste management market, with the acquisition of three waste management businesses located in the Melbourne metropolitan area. The businesses acquired are Konstruct Recycling, Resource Recovery Victoria, and AAZ Recycling, and associated entities. Following the acquisition Bingo will have a market leading B&D (Building & Demolition) collections fleet in Victoria comprising 40 vehicles, a C&I (Commercial & Industrial) business, two recycling facilities, and approximately 100 employees.

All businesses, including one parcel of land were acquired for a combined price of \$38 million through existing debt facilities, with a three year call option to purchase an additional property for \$7 million. A further \$8 million will be invested to acquire additional equipment for the businesses.

The businesses have been acquired from the vendors on a blended acquisition multiple of 4.75 times EBITDA (including land of \$4 million). After allowing for the initial capital expenditure outlay, the multiple to Bingo is approximately 5.75 times EBITDA. The acquisitions are expected to be Earnings Per Share (EPS) accretive in year one, with the combined annualised EBITDA before synergies of approximately \$8 million.

Daniel Tartak, CEO of Bingo Industries said; "We are excited to be moving into Victoria buying three strategically placed businesses. From day one we are well positioned to replicate the vertically integrated collections and recycling model that has been instrumental in helping Bingo to establish its market leading position in NSW."

"The Victorian end market is attractive; growth fundamentals are strong; and government legislation is supportive of our business model that diverts waste from landfill for recycling."

"The transactions, which comprises 3 collections businesses and two recycling facilities, mark an important step in the Company's strategy to expand nationally over the next five years."

"In addition there are significant operational synergies we can capture. With the scalability of our platform, operating systems and back office we are well positioned to grow into Victoria," Mr Tartak said.

Victoria is the second largest Commercial and Industrial (C&I) and Building and Demolition (B&D) waste generating state in Australia behind New South Wales.

-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."

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