



# BINGO INDUSTRIES

Macquarie Conference Investor Presentation

1-2 May 2018





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Throughout this document non-IFRS financial indicators are included to assist with understanding Bingo's performance. The primary non-IFRS information is pro forma EBITDA, pro forma EBIT, pro forma NPAT and Operating Cash Flow before interest and tax payments.

Management believes pro forma EBITDA, pro forma EBIT, pro forma NPAT and Operating Cash Flow before interest and tax payments are appropriate indications of the on-going operational earnings and cash generation of the business and its segments because these measures do not include one-off significant items (both positive and negative) that relate to disposed or discontinued operations and post-listing costs. A reconciliation of non-IFRS to IFRS information is included where these metrics are used. This document has not been subject to review or audit by Bingo's external auditors.

All comparisons are to the previous corresponding period of 1H FY2017 – the 6 months ended 31 December 2016, unless otherwise indicated. Certain figures provided in this document have been rounded. In some cases, totals and percentages have been calculated from information that has not been rounded, hence some columns in the tables may not add exactly. Year-on-year variances have been calculated as percentages for numbers and basis points for percentages.

All forward debt and leverage metrics do not include dividends or capital management initiatives such as a share buy-back.



# Creating a sustainable business from a wasted resource



# Reasons to invest

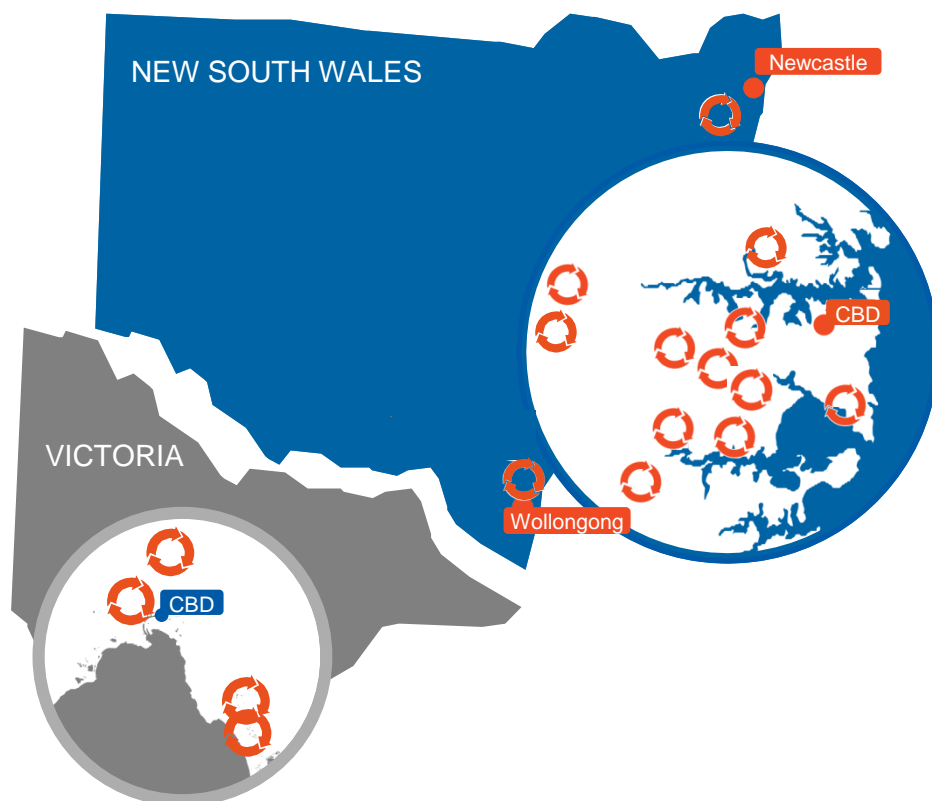
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- ✓ Compelling financial track record – 3 year EBITDA and Revenue CAGR of >50%
- ✓ Demographic shifts, economic outlook, regulatory change and volume of waste – supportive of Bingo's business model and strategic intent
- ✓ Sustainability outcomes intrinsically linked with financial performance
- ✓ Continue to lead industry through disruption and innovation
- ✓ Well progressed on growth strategy and expansion plans – strong foundation in place to continue growth trajectory

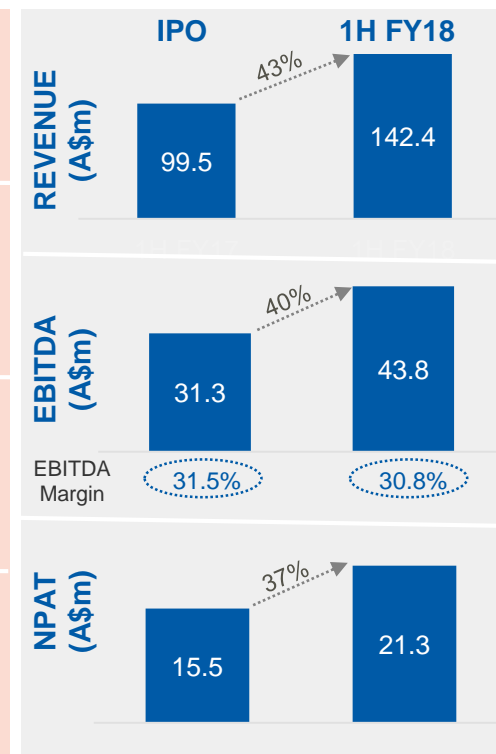
# 1 year into the journey

Bingo has grown to be one of Australia's leading recycling companies, through a combination of targeted strategic acquisitions and compelling organic growth

## Post-Collections Operating Footprint



	IPO		1H FY18	
<b>RRCS</b>		10 NSW	0 VIC	13 NSW 4 VIC
<b>CAPACITY</b>		1mt		1.7mt
		NETWORK CAPACITY		NETWORK CAPACITY
<b>FLEET</b>		158		253
		TRUCKS		TRUCKS
<b>PEOPLE</b>		570		742
		EMPLOYEES		EMPLOYEES




Note: Helensburgh site closed with operations amalgamated to upgraded Kembla Grange site. Financials at IPO represent 1H FY17 figures.

# 1 year into the journey – our achievements

**~\$150 MILLION**  
Invested in  
Recycling  
Infrastructure

## NETWORK CAPACITY

1.0  1.7  
MILLION TONNES MILLION TONNES  
↓  
**FY20 TARGET:**  
3.4 MILLION TONNES

**STRONG TRACK  
RECORD OF  
ACQUISITION  
EXECUTION**

**8 ACQUISITIONS**  
completed & integrated  
in 12 months

**STRONG FINANCIAL  
TRACK RECORD**

**55%**  
3 yr Revenue  
CAGR



**MAIDEN INTERIM  
DIVIDEND AND DRP**



**1.72 CENTS**  
PER SHARE

**GEOGRAPHIC GROWTH STRATEGY ON  
TRACK WITH EXPANSION IN NSW AND  
ENTRY TO VIC**



Achieved target of  
**Zero harm**  
LTIFR of zero down  
from 6.7

**52%**  
3 yr pro forma  
EBITDA CAGR



**>20%**  
ROCE



**~35%**  
EPS growth  
since listing



**TRANSITIONED TO  
NATIONAL  
OPERATING MODEL  
TO SUPPORT  
GROWTH**

# Favourable economic conditions and demographic trends driving waste volumes



## Strong economic growth

26 years of continuous economic growth. Forecast annual GDP growth of 3% to 2020



## Strong business conditions and confidence

Strong business confidence and profits continue. The business sector likely to be the key contributor to 2018 GDP growth



## Government infrastructure expenditure

\$80bn in funding committed from NSW Government and \$74bn VIC state capital projects underway in 2017-18



## Urbanisation

86% of Australian's live in urban cities. Almost half of the population live in Sydney, Melbourne and Brisbane



## Strong construction pipeline

75% of cranes erected on construction sites are in Sydney and Melbourne. Forecast building and construction investment of \$59bn in NSW and \$47bn in VIC over 2018-19

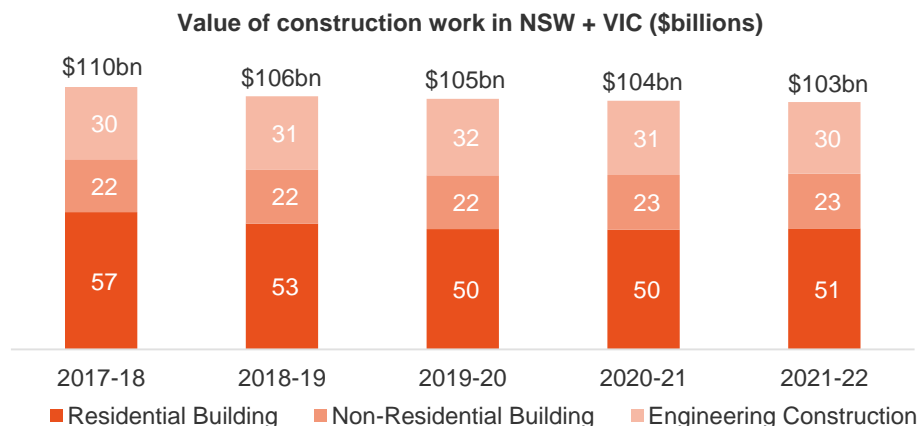


## Growing population

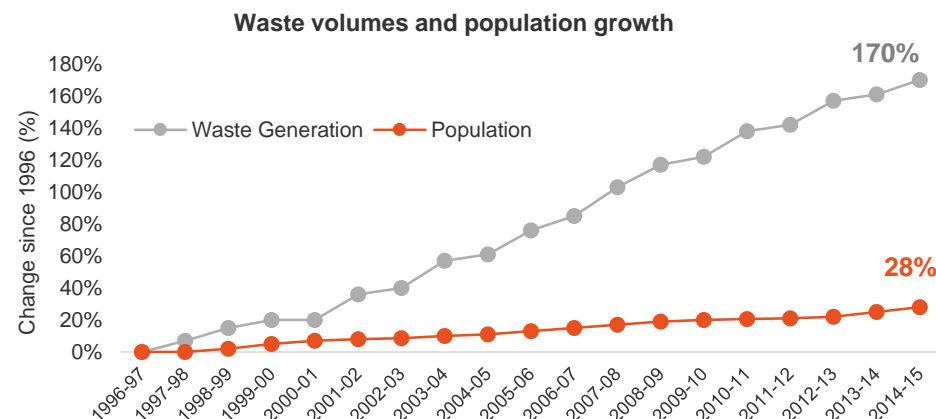
2055 total population of 39.7 million – an increase of 60%

# Waste industry dynamics – looming capacity constraints

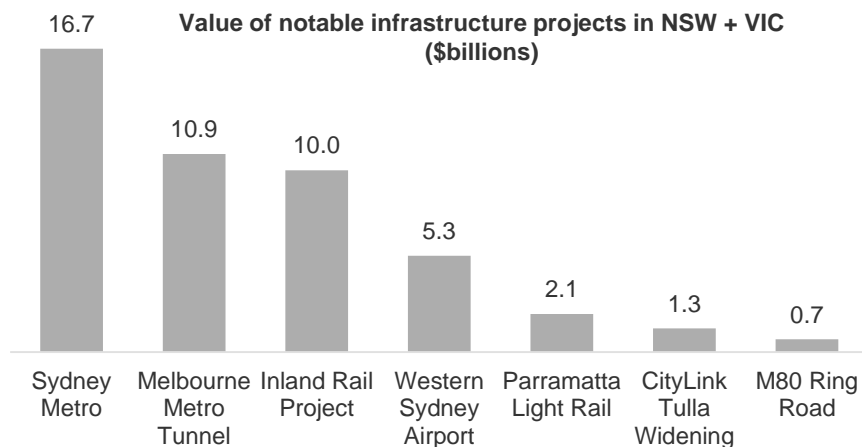
## Sustained construction activity<sup>1</sup>...



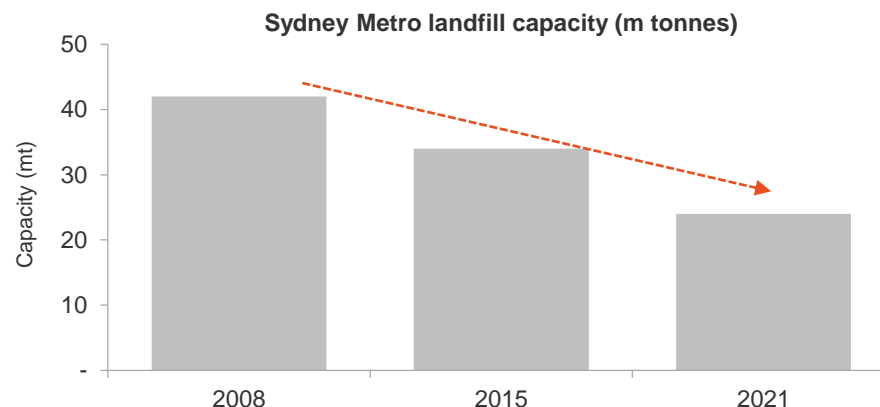
## Unprecedented growth in waste volumes<sup>2</sup>...



## Record infrastructure expenditure and project pipeline....



## ... with diminishing landfill capacity and increasing landfill levies



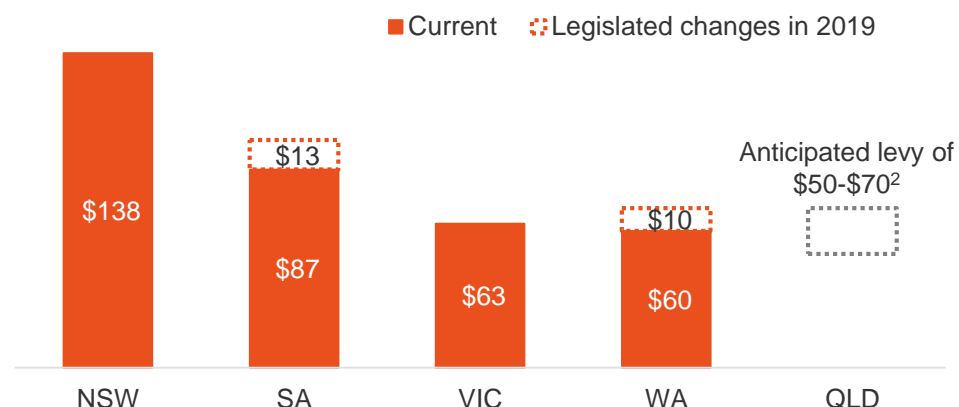
1. Australian Construction Market Report, November 2017.  
2. MRA Consulting, state of waste 2016. Management estimates.



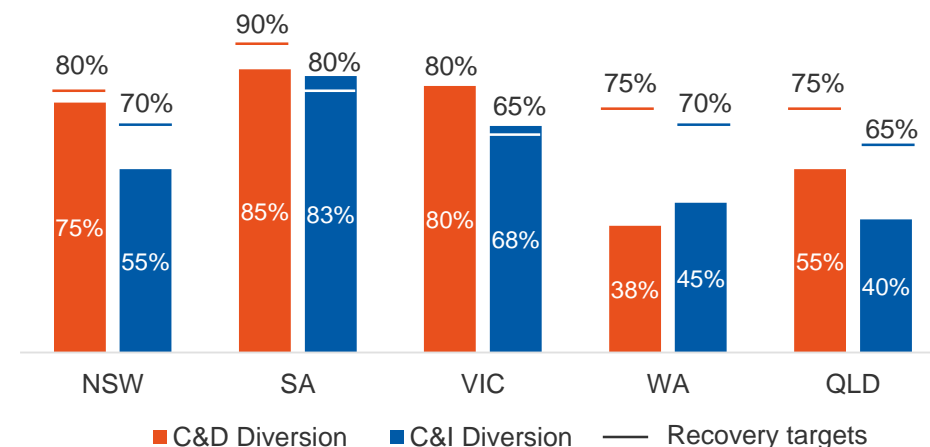
# Supportive regulatory environment

- Recycling is a sustainable long term solution for waste disposal which is supported by state government legislation
- Rising landfill prices are driving resource recovery infrastructure investment – Bingo leading the way
- Strong correlation between landfill levies and recovery rates
- Long way to go to achieve state government recycling targets
- China's introduction of contamination thresholds for recyclables means more investment in recycling and product stewardship is required to develop the domestic recycling market
- We continue to engage with key stakeholders in the industry to evolve regulatory frameworks to support the increasing demand and waste volumes in the market

## Increasing state waste levies<sup>1</sup>



## State recycling targets and recovery rates<sup>1</sup>



1. State of Waste 2016.  
2. Management estimates.

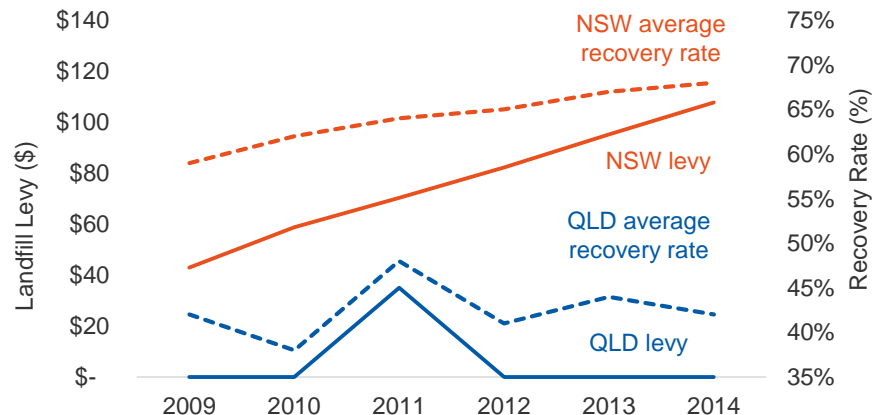
# Bingo supports the introduction of a QLD levy

The introduction of a waste levy in QLD will directly benefit the resource recovery industry, promoting a recycling market in QLD and should result in greater recovery rates

## Policy

- Bingo has publicly advocated for the introduction of a waste levy in QLD
- The QLD government has now confirmed plans to reintroduce a waste levy
- The objective of the levy is stop the interstate transportation of waste and achieve greater recovery rates to drive better environmental outcomes
- **The waste levy is likely to be \$50-\$70 a tonne and is expected to be implemented in 2019**

## Strong positive correlation between waste levy and recovery rates<sup>1</sup>



1. State of Waste 2016.

## The key benefits to Bingo from the introduction of a waste levy in QLD include:

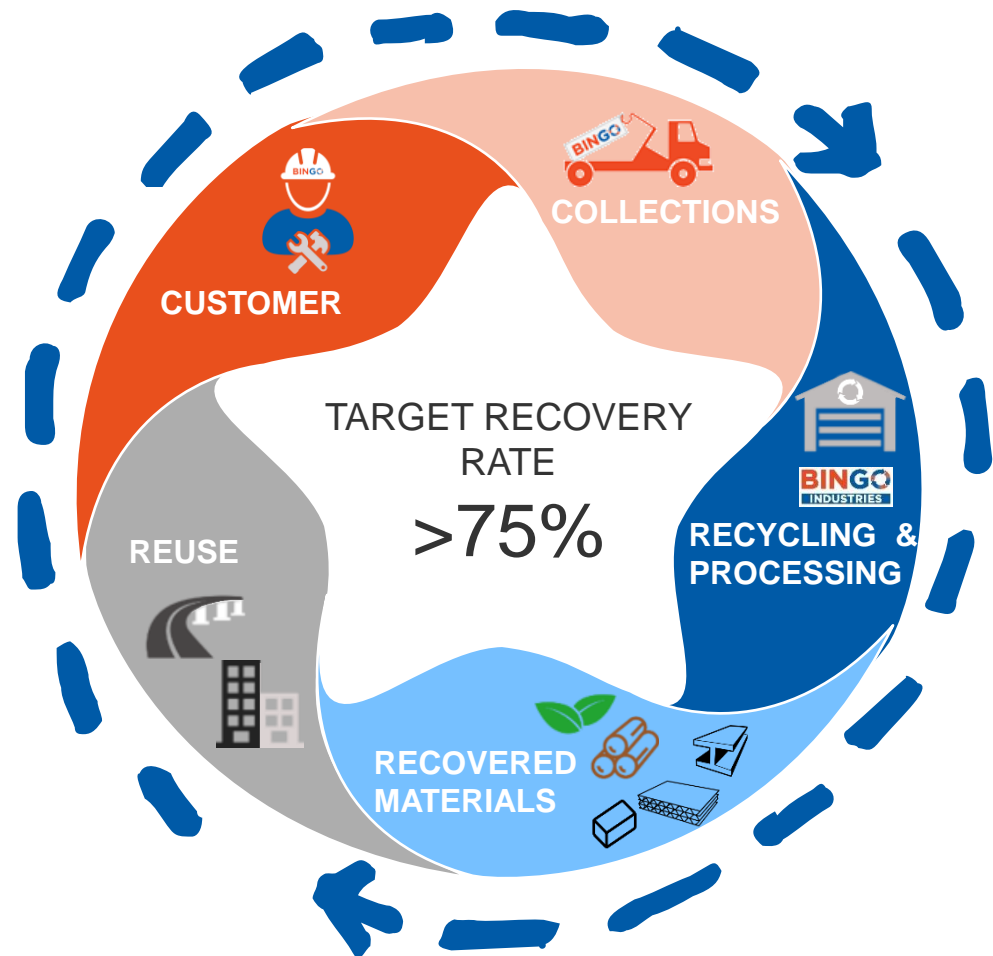
- ✓ **Promotes a recycling industry in QLD**
- ✓ **Opens up an opportunity for investment in QLD** — Bingo is targeting expansion along the East Coast of Australia
- ✓ **Increases waste volumes in NSW** — greater waste volumes will remain in the NSW market as interstate transportation of waste ceases
  - An additional +1 million tonnes per annum in NSW
- ✓ **Should increase NSW landfill prices** — landfill capacity is finite in Sydney metro, increased volumes in NSW should result in increased landfill prices
  - Bingo's gate fees at its resource and recovery centres are pegged to landfill prices
- ✓ **Positive financial impact** — the combination of increased prices and volumes is likely to increase Bingo's EBITDA by an additional c.\$7 million on an annualised basis

# Focus on building a sustainable business

Resource recovery is more than waste management – we are uniquely positioned to drive change and have a lasting positive impact on the environment

## For Bingo sustainability and profitability are inextricably linked

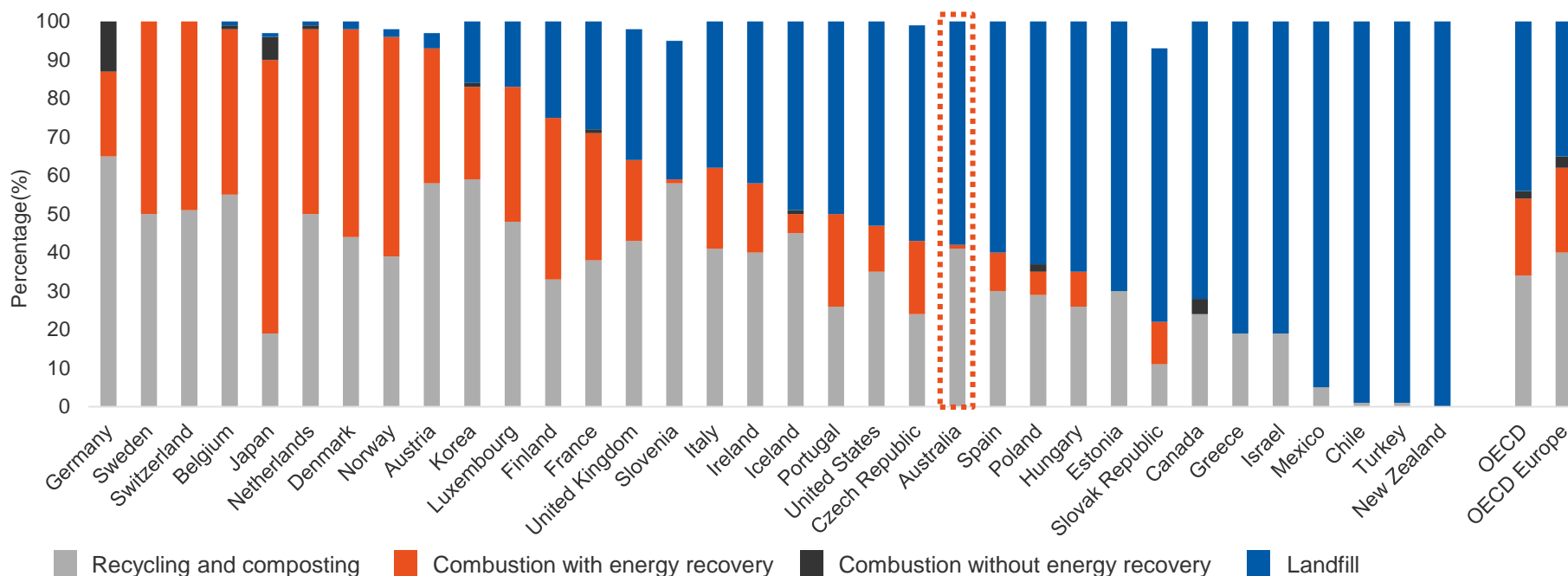
- Waste going to landfill is a loss of valuable resources
- Through resource recovery materials can be used as inputs to create products of value
- Bingo achieves market leading resource recovery rates driven by investment in advanced recycling technology
- This is reflected in our bottom line with recycling representing more than 50% of Group EBITDA
- Market demands are evolving which supports new models of sustainability
- Closing the loop – 5 out of our 14 recovered products are revenue producing





# Driving change through innovation and technology

## Global solid waste disposal and recovery<sup>1</sup>



### How do we get there?

- Greater recovery of end products
- Focus on diversion from landfill<sup>2</sup>
- Automated processing
- Enhance systems to drive efficiency – from customer engagement transformation through to reprocessing

1. World Bank (2015), Global Review of Solid Waste.

2. Through investment in advanced recycling equipment, Alternate Waste Treatment (AWT), RDF and other alternate technology.

# Highlights and outlook

- ➔ Disruption and innovation are fundamental to our growth story and have the potential to shape the industry going forward
- ➔ Recycling is a long term sustainable solution for waste and we still have a long way to go in achieving state recovery targets and global benchmarks
- ➔ We have achieved significant growth over the last 12 months and the environment continues to support long term sustainable growth
- ➔ We have a significant pipeline of developments and committed capital to deliver capacity requirements
- ➔ ***Reaffirm FY18 pro forma EBITDA guidance of approximately \$93 million***