Appendix 4D

for the half year ended 31 December 2019

Bingo Industries Limited

ABN 72 617 748 231

Reporting period: 31 December 2019

Previous corresponding period: 31 December 2018

Results for announcement to the market

	31 Dec 2019 A$'000	31 Dec 2018 A$'000	Up/Down	% Change from half year ended 31 Dec 2018
Revenue from ordinary activities	243,269	176,353	Up	37.9%
Profit from ordinary activities after tax attributable to members	38,199	13,359	Up	185.9%
Net Profit for the period attributable to members	38,199	13,359	Up	185.9%

Dividend information

	Amount per share (cents)	Franked amount per share (cents)	Tax rate for franking credit
2019 final dividend per share (paid 30 September 2019)	2.00	2.00	30%
2020 interim dividend per share (to be paid 31 March 2020)	2.20	2.20	30%

2020 interim dividend dates	
Ex-dividend date	4 March 2020
Record date	5 March 2020
Payment date	31 March 2020

The BINGO Board has approved the suspension of its Dividend Reinvestment Plan (DRP) for the half year ended 31 December 2019.

Net tangible assets per security

	31 Dec 2019 Cents	31 Dec 2018 Cents
Net tangible assets per security	51.3	100.2

Financial information

This report is based on the reviewed Bingo Industries Limited and Controlled Entities Consolidated Interim Financial Report for the half year ended 31 December 2019.

Other information required by Listing Rule 4.2A.3

Other information requiring disclosure to comply with Listing Rule 4.2A.3 is contained in the Bingo Industries Limited and Controlled Entities Consolidated Interim Financial Report for the half year ended 31 December 2019.

PUSHING FOR
A WASTE FREE
AUSTRALIA

INTERIM FINANCIAL REPORT

For the Half Year ended 31 December 2019

BINGO INDUSTRIES

Notes to the Financial Statements

Directors' Report

The Directors present their report together with the financial report of the consolidated entity, being Bingo Industries Limited ("the Company") and its controlled entities ("BINGO Industries", "BINGO" or "the Group"), for the half year ended 31 December 2019 ("1H FY20").

Directors

The name of the directors in office at any time during, or since the end of the year are:

Michael Coleman	Independent Chair and Non-Executive Director	
Maria Atkinson AM	Independent Non-Executive Director	
Daniel Girgis	Non-Executive Director	
Ian Malouf	Non-Executive Director	
Barry Buffier AM	Independent Non-Executive Director	
Elizabeth Crouch AM	Independent Non-Executive Director	(Appointed 4 October 2019)
Richard England	Independent Non-Executive Director	(Resigned 13 November 2019)
Daniel Tartak	Managing Director and Chief Executive Officer	

During the reporting period and up to 20 February 2020, the office of Company Secretary was jointly held by Rozanna Lee (BCom, LLB, GradDipACG, AGIA, AGIS) and Stephen Schmidhofer (BEc, LLB, Grad Dip Legal Practice, MBA).

Principal Activities

The principal activities of the Group during the financial period were to provide recycling and waste management solutions across Building and Demolition (B&D) and Commercial and Industrial (C&I) waste streams with capabilities across waste collections, processing, separation, recycling and disposal components of the waste value chain.

The acquisition of Dial A Dump Industries ("Dial A Dump" or "DADI"), completed in March 2019, significantly expanded the Group's post-collections operations including landfill disposal in New South Wales (NSW).

No significant change in the nature of these activities occurred during the half year ended 31 December 2019.

Dividends

The Company's statutory net profit after tax (NPAT) for the half year ended 31 December 2019 was $38.2 million. The fully franked interim dividend of 2.20 cents per share declared subsequent to half year end represents a payout ratio of 37.7% of statutory NPAT for the half year ended 31 December 2019. This is below our stated payout range of 40% to 60% of statutory NPAT, as statutory NPAT includes an amount of $22.4 million for the sale of our Banksmeadow property. As previously advised to the market, these proceeds were applied to reduce debt.

The record date of the interim dividend is 5 March 2020 with payment to be made on 31 March 2020. The financial effect of the final dividend has not been brought to account in the financial report for the half year ended 31 December 2019 and will be recognised in a subsequent financial report.

For the financial year ended 30 June 2019 the Company declared and distributed fully franked dividends totaling 3.72 cents per share ($23.2 million in aggregate), being an interim dividend of 1.72 cents per share ($10 million in aggregate) and final dividend of 2.00 cents per share ($13.2 million in aggregate).

Table 1

Recognised (Paid amounts)	2020 $'000	2019 $'000
Fully paid ordinary shares		
Final dividend for 2019: 2.00 cents per share (2018: 2.00 cents per share)	13,151	8,298
Interim dividend for 2020: Nil (2019: 1.72 cents per share)	-	10,017
Total dividends paid	**13,151**	**18,315**

The Dividend Reinvestment Plan (DRP) continued to be suspended during the half year ended 31 December 2019.

Directors' Report

Operating and Financial Review

Review of Operations

Business Overview

BINGO's operations are organised across three reporting segments:

- Collections (BINGO Bins and BINGO Commercial)
- Post-Collections (BINGO Recycling and Landfill)
- Other (includes TORO and all other segments)

Including the sites acquired as part of the DADI acquisition, BINGO's operations include a network of 10 facilities in NSW including transfer stations and integrated assets with advanced recycling capability together with disposal assets and 4 recycling and transfer stations in Victoria (VIC). BINGO has a workforce of over 1,000 people and a fleet of approximately 350 trucks across NSW and VIC.

Executive Snapshot of Performance

- A focus on improving safety outcomes through a comprehensive new safety training and communication plan has been rolled out across the business during the reporting period to support existing ISO certified management systems.

- Lost Time Injury Frequency Rate[1] (LTIFR) as at 31 December 2019 was 1.7, up from 1.4 in the prior comparative period ("PCP" or "1H FY19"). Safety lead and lag indicators continue to outperform industry averages.

- Total net revenue[2] growth of 50.7% against the PCP to $271.2 million and underlying EBITDA[3] up 74.8% to $82.0[4] million.

- Group underlying EBITDA margin continues to expand, driven by optimisation from the network reconfiguration program, DADI synergy realisation and NSW price rises. Underlying EBITDA margin was up 6.9 percentage points to 33.0%[5] (slight moderation in EBITDA margin is expected in the second half).

- Statutory[6] net profit after tax (NPAT) of $38.2 million representing a 185.9% increase against the PCP of $13.4 million.

- Solid EPS growth up from 2.5 cents per share to 5.8 cents per share.

- Solid cash flow generation with operating free cash flow of $70.4 million, up 49.1% against the PCP and cash conversion of 90.0% for the six months ended 31 December 2019.

- Interim dividend of 2.20 cents per share declared, up from 1.72 cents per share in the PCP.

- Announced development program on track including construction of Eastern Creek Materials Processing Centre (MPC2) which is well progressed.

- Subsequent to the period end Patons Lane advanced recycling equipment was commissioned and operational, and construction of Mortdale transfer facility was completed in February 2020.

- West Melbourne 24-hour license modification was approved in February. The West Melbourne recycling facility is expected to be operating to the extended hours from May 2020.

- DADI integration is nearing completion and on track to deliver cost synergies of $15 million to be achieved equally over FY20 and FY21.

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[1] LTIFR refers to Lost Time Injury Frequency Rate, the number of lost time injuries occurring in a workplace per 1 million hours worked.

[2] Revenue and other income includes $22.4 million from gain on sale of Banksmeadow.

[3] EBITDA represents profit before interest expense, income tax, depreciation and amortisation expense.

[4] Underlying EBITDA of $82.0 million includes $3.2 million associated with profits from sale of properties in the ordinary course of business.

[5] Underlying EBITDA margin excludes gain on sale of Banksmeadow of $22.4 million. Excluding property sales underlying EBITDA margin is 32.0%.

[6] The use of the term 'Statutory' refers to financial information as detailed in these financial statements and 'underlying' refers to non-statutory financial information. The underlying financial measures included in the Directors Report have been calculated to exclude the impact of various costs and adjustments associated with acquisitions, the integration of acquisitions and other one-off non-recurring items. These costs are set out on page 6. The Directors believe the presentation of the non-statutory financial measures is useful for the users of this financial report as they reflect the underlying financial performance of the business.

Executive Snapshot of Performance(continued)

- Market conditions in residential construction are expected to remain challenging for the remainder of FY20 and recover into 2H FY21, however BINGO is well positioned to benefit from strong infrastructure and commercial construction markets across both NSW and VIC. BINGO also expects to benefit from structural tailwinds over the medium term as an increased emphasis is put on recycling and "closing the loop" by governments, customers and the broader community.
- On track to deliver FY20 Underlying EBITDA guidance in the range of $159 million to $164 million.

Summary of Financial Performance

Table 2

Group	Half year ended 31 December 2019 $ millions	Half year ended 31 December 2018 $ millions	YoY Variance %
Statutory Revenue and other income	271.2	180.0	50.7%
Underlying Revenue and other income[7]	248.9	180.0	38.3%
Statutory EBITDA	96.2	38.5	149.8%
Underlying EBITDA	82.0	46.9	74.8%
Underlying EBITDA margin (i)	33.0%	26.1%	6.9%
Statutory EBIT	65.9	23.9	176.1%
Underlying EBIT	51.9	32.8	57.9%
Statutory NPAT	38.2	13.4	185.9%
Underlying NPAT	28.4	21.5	31.9%

(i) Underlying EBITDA margin = Underlying EBITDA / Underlying Revenue and other income.

[7] Underlying Revenue excludes gain on sale of Banksmeadow of $22.4 million.

Summary of Financial Performance (continued)

A reconciliation of the 1H FY20 statutory to underlying actual results is summarised as follows:

Table 3

	Note	Revenue and other income $ millions	EBITDA $ millions	EBIT $ millions	NPAT $ millions	NPATA $ millions
1H FY20 statutory results		**271.2**	**96.2**	**65.9**	**38.2**	**38.2**
Gain on sale of Banksmeadow	1	(22.4)	(22.4)	(22.4)	(22.4)	(22.4)
Write-down on Insurance receivables	2		1.6	1.6	1.6	1.6
Integration costs	3		6.6	6.6	6.6	6.6
Performance contract amortisation	4			0.1	0.1	0.1
Amortisation of certain intangibles	5					4.1
Pro forma tax adjustment	6				4.2	3.0
1H FY20 Underlying results		**248.9**	**82.0**	**51.9**	**28.4**	**31.2**

For completeness, a reconciliation of the 1H FY19 statutory to underlying actual results is also summarised below:

Table 4

	Note	Revenue and other income $ millions	EBITDA $ millions	EBIT $ millions	NPAT $ millions	NPATA $ millions
1H FY19 statutory results		**180.0**	**38.5**	**23.9**	**13.4**	**13.4**
Integration costs	3		2.2	2.2	2.2	2.2
Performance contract amortisation	4			0.1	0.1	0.1
Amortisation of certain intangibles	5					2.1
Pro forma tax adjustment	6				(0.8)	(1.5)
Acquisition costs	7		6.2	6.2	6.2	6.2
Capital raising costs	8			0.4	0.4	0.4
1H FY19 Underlying results		**180.0**	**46.9**	**32.8**	**21.5**	**23.0**

Summary of Financial Performance (continued)

Notes accompanying table on previous page:

1. Gain on sale of Banksmeadow facility of $22.4m.
2. Includes write-down on insurance receivables of $1.6m associated with the Kembla Grange rectification works incurred in FY18.
3. Integration costs represent the costs incurred by BINGO to integrate businesses acquired, or to be acquired, into the Group. Integration costs include bringing the operations in line with BINGO safety standards, compliance costs, systems, marketing and rebranding, travel and employee costs.
4. As part of an acquisition made during FY15 the Group pre-paid a portion of consideration to the vendor which was linked to the vendors continued employment. As certain employment conditions are satisfied the prepayment is amortised and recognised as remuneration expense. The amount will be fully amortised by the financial year ending 30 June 2020.
5. Includes the amortisation expense of certain intangibles being: (a) Customer contracts; and (b) Brands.
6. Represents the income tax impact of the underlying adjustments (excluding acquisition costs), calculated at 30%.
7. Prior period acquisition costs relate to the purchase of DADI.
8. Capital raising costs relate to the amortisation of performance rights granted as a transactional bonus during the year ended 30 June 2017 following the completion of the IPO. The total amount of $1.6 million was fully amortised during the financial year ended 30 June 2019.

Observations for the half-year include:

- Total Underlying revenue and other income of $248.9 million, an increase of $68.9 million or 38.3% from $180.0 million in the PCP, largely driven by a full six-month contribution from DADI, West Melbourne facilities and contributions from Patons Lane.
- Underlying EBITDA of $82.0[8] million, an increase of $35.1 million or 74.8% on the PCP.
- Underlying Group EBITDA margin of 33.0%, up from 26.1% in the PCP. This expansion in margin was largely due to:
    - A full six-month contribution from the DADI business including cost synergies from operational efficiencies, the NSW network reconfiguration, internalisation and overhead savings;
    - Other redeveloped or acquired post-collections assets including West Melbourne and Patons Lane coming online;
    - NSW price rise implemented from July 2019; and,
    - Proceeds from net gain on property sales of $3.2 million.
- Statutory NPAT of $38.2 million, an increase of 185.9% on the PCP.
- Underlying NPAT of $28.4 million, an increase of 31.9% on the PCP.

Total statutory expenses decreased as a proportion of total revenue and other income; total statutory expenses represented 78.6%, compared to 88.3% in the PCP. The proportionate improvement in expenses was primarily driven by:

- Cost synergies from the integration of the DADI business;
- Decreased operating costs as a result of the NSW network reconfiguration; and,
- NSW price rise offsetting higher tipping and transport costs associated with the introduction of the Queensland (QLD) waste levy and other regulatory cost increases.

[8] Underlying EBITDA of $82.0 million includes $3.2 million associated with profits from sale of properties in the ordinary course of business.

Summary of Financial Performance (continued)

Table 5

	Note	Half year ended 31 December 2019 $ millions	Half year ended 31 December 2018 $ millions	YoY Variance %
Total bank borrowings	1	335.0	0.0	n.m.
Net bank debt	2	321.1	(140.3)	n.m.
Underlying ROCE (%)	3	9.2%	13.1%	(3.9%)
Net working capital (NWC)	4	31.7	129.3	n/a
Underlying operating free cash flow	5	70.4	47.2	49.1%
Cash conversion (%)	6	90.0%	103.5%	(13.5%)

Notes:
1 Total Bank Borrowings = Bank loans only (Excludes Borrowing costs)
2 Net bank debt = Total Bank Borrowings – Cash
3 Underlying ROCE (%) = (Underlying EBIT) / (Average net bank debt + Average equity)
4 NWC = Current Assets - Current Liabilities
5 Underlying operating free cash flow = operating cash flow + income tax paid + acquisition and integration costs
6 Cash Conversion = Underlying operating free cash flow / (Underlying EBITDA - Gain/(loss) on sale of Property plant and equipment - interest income)

Observations for the half-year include:

- During the period, the Group had total bank borrowings of $335.0 million and net bank debt of $321.1 million.
- Underlying operating free cash flow up 49.1% to $70.4 million driven by a full six-month contribution of the DADI business.
- Operating cash conversion of 90.0% achieved in half year due to:
  - Stronger than expected sales in December; and,
  - Lag in cash collections from acquired DADI business.
- Underlying ROCE of 9.2% is below the Group target of 15%. We expect Underlying ROCE to incrementally improve towards the Group ROCE target of 15% when the cash flow benefit from recent acquisitions and redevelopment activities are realised, which include:
  - Full year of DADI earnings and associated cost synergies of $15 million over two years;
  - Contributions from redeveloped or acquired assets including West Melbourne, Patons Lane, Mortdale and Eastern Creek MPC2;
  - Divestment of non-core assets as part of our on-going capital management plan;
  - Modifications to license approvals at Eastern Creek and West Melbourne; and,
  - Ongoing review of balance sheet structure.
- Net working capital ("NWC") of $31.7 million, a reduction of $97.6 million from PCP.

The Group has an existing principal debt facility, which was amended during the reporting period to increase the total commitment under the Syndicated Facility Agreement (SFA), by the amount of the accordion facility (Facility C) for up to $100 million increasing the total commitment under the SFA to $500 million. This facility matures in August 2021. The facility was drawn down to $335.0 million as at 31 December 2019.

Total capital expenditure cashflow was $96.2 million for the period to 31 December 2019, which included acquisition related capital expenditure cashflow of $45 million. Capital expenditure has historically comprised expenditure on maintenance, growth projects and investment in the truck and bin fleet, as well as the acquisitions of the businesses. Excluding acquisition related capex such as stamp duty and the final payments for Patons Lane, capital expenditure for the period to 31 December 2019 was $51.2 million which included:
- $27.9 million for growth and maintenance capex;
- $4.3 million for the execution of the Minto call option; and,
- $19.0 million for development projects.

As previously advised, we expect full year capital expenditure cash flow to be in the range of $140 million to $150 million. Underlying steady state capital expenditure is estimated to be approximately 8%-10% of revenue.

Operating Sectors

As noted above, BINGO currently reports across three operating segments - Collections, Post-Collections and Other.

I. Collections

Table 6

Collections	Half year ended 31 December 2019 $ millions	Half year ended 31 December 2018 $ millions	YoY Variance %
Revenue and other income	122.0	100.4	21.5%
Statutory and Underlying EBITDA	24.7	19.3	28.0%
EBITDA margin (%)	20.3%	19.2%	1.1%

BINGO collects and transports waste from a diverse customer base across NSW and VIC to post-collections facilities across two categories – BINGO Bins (B&D) and BINGO Commercial (C&I).

Collections revenue and other income grew 21.5% to $122.0 million from $100.4 million in the PCP, primarily driven by a full 6-month contribution of the DADI collections business, and increased operating fleet in VIC. Collections EBITDA margin is up 110 basis points against PCP largely driven by a combination of route optimisation, transport cost efficiencies and customer price increases.

Outlook and Strategic Focus

The Group will continue to leverage its existing operational footprint to target the pipeline of critical infrastructure projects, commercial opportunities and residential and non-residential construction. BINGO has a solid base of civil and social infrastructure work in hand, recent contract wins and work to tender which provides good revenue visibility into FY21 and beyond. BINGO's strategy including a continual focus on diversifying its collections revenue through targeting market share growth in C&I, providing stable annuity style contracted revenue to the business.

Non-Residential construction continues to perform strongly across both NSW and VIC underpinned by sustained commercial construction and social infrastructure activity. Growth in health and education construction is well supported by funding commitments from state governments. Headwinds in multi-dwelling residential construction are expected to continue in FY20. Green shoots in the residential market supported by a low interest rate environment and ongoing population growth is expected to stimulate residential building activity in the second half of FY21, returning to growth over the forward 4-year forecast period[9]. B&D Collections remains highly competitive with low barriers to entry; this is expected to continue as the construction cycle recovers.

BINGO remains well positioned to benefit from the pipeline of significant projects announced and underway in most states across Australia. The NSW Government has an $87 billion capital program over the years 2021-22 which includes many large transport and water infrastructure projects. VIC's "Big Build" involves a $57 billion commitment to road and rail projects. Some of the major projects across NSW, VIC and QLD include the Inland Rail Project (NSW, VIC, QLD), WestConnex (NSW), North East Link (VIC) and Cross River Rail (QLD). The strong infrastructure pipeline is expected to underpin stable growth in B&D infrastructure waste volumes over the short to long-term, with BINGO securing several supplier agreements for waste management services to these projects. Notwithstanding the strong pipeline of projects, there have been timing lags in commencements of some projects and this is expected to continue in the short-term. Over the medium-long term infrastructure activity is expected to ramp up beyond current levels, as shown in the chart below.

[9] BIS Oxford Economics.

Operating Sectors (continued)

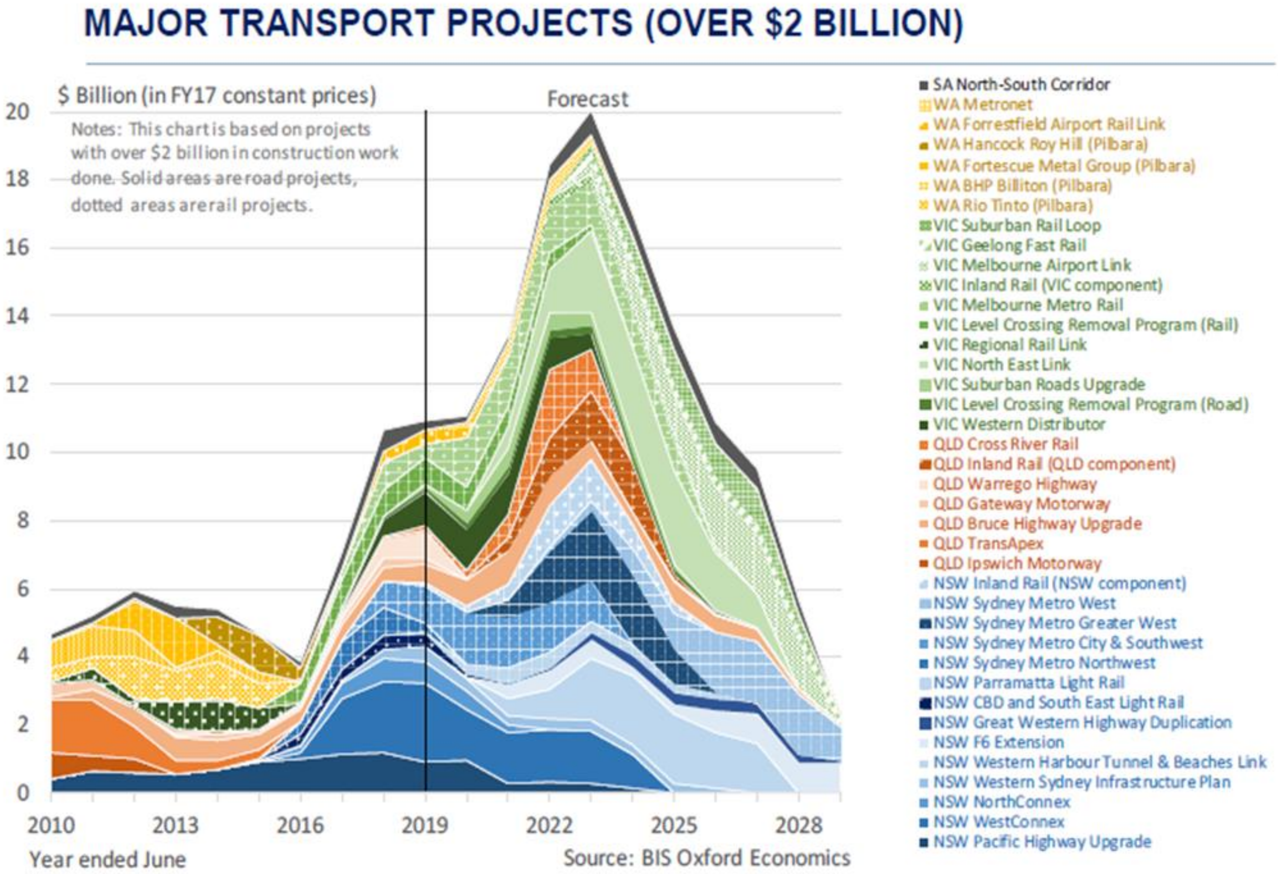

Figure 1: Source: BIS Oxford Economics.

Operating Sectors (continued)

II. Post-Collections

Table 7

Post collections	Half year ended 31 December 2019 $ millions	Half year ended 31 December 2018 $ millions	YoY Variance %
Revenue and other income	162.7	104.4	55.7%
Statutory and Underlying EBITDA	55.6	25.3	120.2%
EBITDA margin (%)	34.2%	24.2%	10.0%

BINGO's Post-Collections business consists of a network of waste infrastructure assets including transfer stations, advanced recycling facilities and disposal assets located across NSW and VIC. BINGO diverts waste from landfill by sorting and processing mixed waste received from the Building & Demolition (B&D) and Commercial & Industrial (C&I) market to be reused, recycled or sent to other facilities for further processing and disposal. BINGO's post-collections network currently consists of 10 facilities located in NSW and 4 facilities in VIC.

Post-Collections revenue and other income increased to $162.7 million which represents a 55.7% improvement on the PCP. Growth in revenue was largely driven by the higher exposure to post-collections assets as a result of the DADI acquisition and redeveloped or acquired facilities coming online including West Melbourne and Patons Lane.

Post-Collections EBITDA margin increased by 10.0 percentage points to 34.2% from 24.2% in the PCP. EBITDA margin expansion was underpinned by DADI operational efficiencies and cost synergies, NSW network reconfiguration program and NSW price rises which were partially offset by volume impact and customer losses during the period.

During the period, Post-Collections volumes in NSW were impacted by headwinds in multi-residential construction and delays in commencements of announced infrastructure projects. VIC volumes continue to increase year-on-year.

Outlook and Strategic Focus

Since listing BINGO has repositioned its focus towards Post-Collection recycling and waste infrastructure assets, with approximately 70% of underlying EBITDA now weighted towards post-collections. We expect over time earnings will continue to be weighted towards post-collections as new sites currently under development come online. BINGO's strategic focus over the next 12 months in NSW is to optimise the network of existing and new facilities, realise the benefits from the completed network reconfiguration plan and complete construction of the MPC2 at Eastern Creek together with the masterplan for the Recycling Ecology Park. MPC2 at Eastern Creek is expected to be operational late 1H FY21.

In VIC the post-collections strategy is centred on increasing recovery rates and internalisation of waste volumes to enhance margin growth. BINGO's long-term strategy is to expand along the East Coast of Australia in metropolitan areas. Over the medium-term, BINGO expects to benefit from the approval of license modifications for the West Melbourne recycling facility to operate 24 hours and the uplift in the potential VIC landfill levy. BINGO is targeting entry into the QLD market in FY21, through a combination of organic and inorganic growth.

An increased focus from federal and state governments and the private sector on corporate social responsibility and achieving greater diversion rates from landfill is expected to benefit BINGO's business model allowing the Group to bid for and win more work across both B&D and C&I waste streams. BINGO is well positioned to support the development of a circular economy in Australia with plans for the development of a Recycling Ecology Park at Eastern Creek. The Recycling Ecology Park, once complete, will considerably broaden our range of processed end products as we steward change within the waste industry towards a circular economy. By seeking alternative waste solutions, we can enhance BINGO's recovery rates beyond our target of more than 75%, and consistent with our strategic intent of diverting waste from landfill through recycling-led solutions. BINGO continues to assess alternate technology solutions to enhance diversion rates for both putrescible and non-putrescible waste including waste to energy. BINGO continues to assess potential waste to energy opportunities along the East Coast of Australia in line with our Group strategy of enhancing vertical integration and diverting waste from landfill.

Operating Sectors (continued)

III. Other

Table 8

Other	Half year ended 31 December 2019 $ millions	Half year ended 31 December 2018 $ millions	YoY Variance
Statutory Revenue and other income	39.8	17.3	129.7%
Underlying Revenue and other income	17.4	17.3	0.5%
Statutory EBITDA	15.8	(6.1)	(360.6%)
Underlying EBITDA[10]	1.7	2.4	(28.7%)
Statutory EBITDA margin (%)	39.8%	(35.1%)	n.m.
Underlying EBITDA margin (%)	9.7%	13.6%	(3.9%)

Other includes the manufacture and sale of bins for both BINGO's collections operations and for external customers through TORO, gains/(losses) on sales of property, as well as unallocated corporate costs which includes integration costs.

TORO is an important driver of BINGO's ability to provide high service levels to BINGO Bins and BINGO Commercial customers by ensuring that BINGO has sufficient supply of waste equipment to meet BINGO's standards of quality and growth objectives. TORO has three manufacturing facilities located in NSW, VIC and QLD. TORO manufactures a wide range of waste equipment including plastic and steel bins Australia wide.

Other Statutory revenue and other income increased to $39.8 million from $17.3 million in the PCP, the largest contributor of growth in revenue was the net profit from the sale of Banksmeadow which represented $22.4 million. Excluding the proceeds from Banksmeadow, underlying revenue and other income was $17.4 million up 0.5% against the PCP. Underlying EBITDA decreased from $2.4 million to $1.7 million and underlying EBITDA margin is 9.7%, a decrease of 3.9 percentage points from the PCP, impacted by:

- Lower TORO EBITDA margin due to focus during the period on the refurbishment and restoration of bins as part of the DADI integration;
- Higher insurance costs; and
- Increased corporate costs.

Outlook and Strategic Focus

TORO sales in 2H FY20 are expected to continue to benefit from the rebranding and refurbishment of bins associated with the DADI integration; however this may be offset in the near-term by residential headwinds which have softened current demand for skips bins used in residential construction. Tailwinds from the rebound in the construction cycle over the medium term are expected to increase waste volumes in the market, underpinned by the strong pipeline of civil and social infrastructure projects and a renewal of residential activity. TORO continues to target market share within the VIC and SA markets and will support BINGO in its QLD entry strategy in FY21. Mechanical waste equipment has also been identified as an area for future growth and diversification supporting BINGO's five-year strategy to further diversify its Collections revenue from the C&I business.

Strategy and Outlook

Group Strategy

BINGO's vision is: *Pushing for a waste-free Australia.* Our approach to sustainability is borne out of our vision, it informs our strategy and is central to everything we do.

Our principal strategic intent is diversion of waste from landfill through a recycling-led solution, investment in technology, continuous innovation to enhance sustainability outcomes and maximise returns. For BINGO, disruption and innovation are fundamental to our growth story.

[10] Other underlying EBITDA includes $6.6 million (2018: $2.2 million) for integration costs. These costs include bringing the operations in line with Bingo standards, compliance costs, marketing, travel, employee costs, as well as an allocation of internal management resources.

Strategy and Outlook (continued)

BINGO's Group Strategic Framework is based on three key enablers of BINGO's growth:

Table 9

Protect and optimise the core	Enhanced vertical integration	Geographic expansion
Ensure we preserve and grow our key competitive edge – customer and technology centric business model with a recycling-led solution.	Targeting greater internalisation of our volumes and increasing diversion from landfill for both putrescible and non-putrescible waste.	Expansion of our operating footprint along the East Coast of Australia, concentrating on markets with favourable growth drivers.

These enablers are underpinned by five key strategic priorities:

- **Zero harm** – zero harm to our people and the environment
- **Customer service** – continuously improving our customer value proposition
- **Growth & innovation** – through operational best practice and industry leadership
- **Sustainability** – earning our social license to operate
- **Develop & retain talent** – invest in our people, growing future leaders

The strategic focus for the remainder of FY20 is "optimising the core" through organic growth, business optimisation, and consolidation of our VIC footprint. This will allow BINGO to realise the benefits and synergies of the expanded BINGO / DADI platform, deliver efficiencies across the operating footprint and ensure we have the right foundations in place to continue to execute on our strategy. Looking ahead, the same disciplined focus on strategy and execution will enable BINGO to continue its growth journey as we further vertically integrate our business and expand along the east coast of Australia.

As a business, we will continue to pursue opportunities that ultimately lead to the diversion of waste from landfill, including technologies such as waste to energy. We aim to lead the industry in pushing for high operational and compliance standards and a truly national approach to waste policy.

Environment, Social and Governance
BINGO's business model is underpinned by a focus on sustainable growth that benefits all its stakeholders. Our business is built on diverting waste from landfill that could otherwise be recovered or recycled contributing to the circular economy in Australia. For the third consecutive year we voluntarily audited our recovery rates, achieving an average recovery rate of 77%, in line with our target of greater than 75%. As a business we have the opportunity to significantly enhance environmental outcomes through increasing diversion rates through our vision to develop a Recycling Ecology Park at Eastern Creek in Western Sydney's growth precinct. We are already well progressed towards achieving this vision, with MPC2 at Eastern Creek, our second advanced recycling facility already under construction.

As a company focused on waste management, sustainability is integral to everything we do and essential to our business success. We are well advanced in assessing and responding to climate change through defining our position within our Climate Change Statement and aligning our climate reporting to the Task Force on Climate-related Financial Disclosures (TCFD). We have also taken steps this year to assess potential modern slavery risks within our supply chain and begun preparations to make our first Modern Slavery Statement in 2020 in line with the requirements of the Australian Government's new Modern Slavery legislation. We are committed to continuous improvement through maintaining responsible and transparent supply chains.

We transparently report on our sustainability objectives and performance through various key performance indicators (KPIs) in our annual Sustainability Report available on our website https://www.bingo.industries/annualreport2019.

Industry Dynamics, Regulatory Environment and Market Outlook
Australia's waste industry has seen significant change in recent years, with a series of factors leading waste and recycling to become one of Australia's most prominent social issues. The release of the updated National Waste Policy, the development of multiple State-based waste and circular economy policies, China's import restrictions and the reintroduction of a waste levy in QLD, have combined to produce a material shift in the regulatory landscape. These factors have elevated waste as an important strategic and material risk for organisations, governments and the general public. It is expected that government and industry regulatory bodies will play an increasing role within the waste management landscape in Australia going forward. The challenges facing our industry provide opportunities for BINGO to help shape and improve the landscape in Australia for future generations. By making changes, we are working to mitigate future risks, uncover opportunities and be stewards for sustainable growth.

Directors' Report

Strategy and Outlook (continued)

BINGO operates across the Building & Demolition (B&D) and Commercial & Industrial (C&I) waste streams which are exposed to cyclical and defensive growth drivers. The principle volume drivers that are expected to underpin waste generation and demand for BINGO's waste management services going forward include:

- increasing population growth;
- urbanisation in metropolitan areas along the east coast of Australia;
- rising environmental awareness and more stringent Government waste regulations favouring recycling and diversion from landfill including the introduction of a ban on the export of waste and a push domestically for a circular economy;
- growing pipeline of infrastructure and construction activity; and,
- BINGO expects medium term revenue growth to continue at above Gross Domestic Product (GDP) growth levels.

BINGO believes waste to energy has an important role to play in Australia's move to a circular economy and can play an important role in resource recovery. It provides an opportunity to extract value from residual waste, thereby increasing our resource recovery rates and diverting 90% of waste from landfill. The benefits of waste to energy include:

- net reduction in greenhouse gases;
- increased resource savings;
- improved diversion from landfill;
- reduced transport of waste; and
- power generation from residual waste.

B&D waste is generated as a result of demolition and construction of residential and commercial buildings, civil projects, infrastructure development and household renovation. B&D waste is non-putrescible and represents the largest waste category by volume across NSW and VIC[11]. Headwinds in multi-dwelling residential construction are expected to continue in FY20. Green shoots in the residential market supported by a low interest rate environment and ongoing population growth and migration to metropolitan areas are expected to stimulate residential building activity from FY21. Non-Residential construction continues to perform strongly across both NSW and VIC underpinned by sustained commercial construction and social infrastructure activity. Growth in health and education construction is supported by funding commitments from state governments.

Australia is in the midst of an infrastructure boom, with a significant pipeline of capital projects announced and underway in most states across Australia. Over the coming 10 years, half of the pipeline of major transport projects originate from projects within NSW, while the other half are from QLD and VIC[12]. The strong infrastructure pipeline is expected to underpin stable growth in B&D waste volumes over the short to long-term, with BINGO securing several contracts for waste management services to these projects. Notwithstanding the strong pipeline of projects, timing lags in commencements have been experienced in some projects and is expected to continue in the short-term. Over the medium-long term infrastructure activity is expected to ramp up beyond current levels.

Under the Greater Sydney Region Plan, by 2056, Greater Sydney will be a metropolis of 'three cities' – a Sydney CBD City, Parramatta City and Western Sydney Aerotropolis[13]. Newcastle, Wollongong and Gosford will be important economic hubs with key transport and freight gateways, and strong service-based industries. The development of Western Sydney Aerotropolis will be a catalyst for future construction activity in Sydney and BINGO remains well positioned to benefit from this development.

C&I waste is generated from a range of commercial and industrial activities by both businesses and government. Therefore, the outlook for the market can be observed with reference to the NSW and VIC economies and population growth. VIC and NSW remain the two largest economies in Australia. However, economic growth in overall Australia is expected to moderate over the next 12 months, in line with the global growth outlook. Despite softening economic growth, BINGO Commercial is expected to continue to grow strongly, through capturing market share. BINGO currently holds a market share of ~5% and <2% in NSW and VIC respectively. BINGO is seeking to continue to gain market share through leveraging its integrated post collections network and market leading recovery rates, BINGO's on-line tracking system and customer portal "BINGO Live", and TORO's capabilities in delivery of high-quality bins and waste equipment to newly contracted customers. BINGO Commercial is targeting organic growth to achieve 40% of total collections revenue over 4 years.

Outlook and Guidance

BINGO expects to achieve solid year-on-year growth in FY20 underpinned by a full year contribution from West Melbourne recycling facility, DADI and Patons Lane recycling facility (now fully operational as at February 2020).

The Group will continue to pursue strategies aimed at improving the profitability, group ROCE and market position allowing it to reaffirm FY20 Guidance of Underlying EBITDA in the range $159 million to $164 million[14].

[11] NSW EPA, Waste Avoidance and Resource Recovery Strategy and Progress Report 2017-18. Infrastructure Victoria, Recycling and Resource Recovery Infrastructure October 2019.

[12] BIS Oxford Economics.

[13] Greater Sydney Commission, A Metropolis of three cities – connecting people, October 2017

[14] Guidance range incorporates -$4.8 million associated with the AASB 16 Changes.

Group EBITDA margin has improved above our longer-term Group average of ~30%, however some slight moderation in margin is expected in 2H FY20. Headwinds in multi-dwelling residential construction are expected to continue in FY20. Infrastructure and the broader construction pipeline remains robust together with opportunities for further growth in C&I.

Material Risks and Opportunities

The below table summarises BINGO's identified key opportunities, risks and mitigants. A complete list of identified material risks can be found within our annual report on page 72 https://www.bingo.industries/annualreport2019.

Table 10

Material aspect	Opportunity	Risk	Mitigant
Health, Safety and Wellbeing	To lead the industry in SEQ performance and more specifically, our target of Zero Harm.	Failure to embed a Zero Harm workplace culture and implement safe systems and processes to protect our environment and those under our care.	Environment and Quality management systems are ISO accredited and are implemented across all BINGO sites. Our Zero Harm Committee provides oversight and guidance for all health and safety activities.
Regulatory Risk	Government policy and changes in the regulatory environment support BINGO's business model of recycling and resource recovery. New state and federal waste strategies to incentivise recycling through higher state waste levies and recycling fund grants provides significant opportunities for growth for BINGO.	Exposure to changes in the regulatory environment, including greater involvement from Government and regulatory bodies, may result in changes to BINGO's operating model. Changes in the regulatory environment could result in material loss of revenue and to the extent that fixed costs cannot be passed on to customers, could adversely impact the financial performance of BINGO.	BINGO's engages with federal and state governments and key regulators to ensure we remain abreast of all regulations relevant to BINGO and take the necessary steps to ensure we remain compliant.
Competition	Opportunity to continue to bid and secure projects and customers across our current operating markets and new markets in line with BINGO's growth strategy.	A reduction in BINGO's market share in NSW or VIC, through the emergence of disruptors or disruptive behaviours by competitors, causing a negative adjustment to BINGO's pricing resulting in a failure to deliver financial performance.	Securing long-term contracts, developing new technologies, and adopting competitive pricing strategies.

Material Risks and Opportunities (continued)

Table 10 (continued)

Material aspect	• Opportunity	Risk	Mitigant
Climate Change	We aim to promote opportunities and manage climate change risks through our Sustainability Framework specifically, through: • **Responsible Resource Use**: providing innovative recycling-led solutions that divert waste from landfill, reducing waste-generated emissions and re-using resources in the production of recycled products. • **Waste to Energy**: exploring the potential for waste to energy as a lower carbon alternative to disposal landfill and energy from fossil fuels. • **Knowledge Sharing:** working with University groups, government industry groups, government organisations and other key stakeholders to develop innovative strategies to move to low carbon and circular economy systems; and **Energy Efficiency:** improving our recycling infrastructure and assets and truck fleet to optimise energy use and reduce emissions.	Failure to adequately plan for both transition and physical risks associated with climate change.	BINGO has published its Climate Change Position Statement, which includes several actions to address climate risk, such as reducing our carbon footprint across our fleet of trucks, investigating alternatives to traditional fossil fuels and becoming energy self-sufficient where possible. This is supported by our Sustainability Framework. In addition to this, we are working towards making our first TCFD compliant disclosure relating to climate change risk and opportunities, to ensure our investors are aware and understand the potential risks our operations may face. Further detail on our TCFD framework can be found on our website www.bingoindustries.com.au/ /Task-Force-on-Climate-related-Financial-Disclosure
Project Delivery	Strong track record of greenfield and brownfield development delivery which has played a critical role in BINGO's strategy and will underpin future growth.	Failure to deliver development work across our network resulting in an inability to deliver our strategic objectives.	Our Project Development team implement a rigorous Risk Management process for all redevelopment projects. This is supported by our Stakeholder Engagement program and Community Stakeholder Engagement plans are implemented.

Significant Changes in the State of Affairs

Increased Debt Facility

On 23 August 2019, the Group invited, in accordance with the terms of the existing Syndicated Facility Agreement ('SFA'), lenders to participate in the accordion facility (Facility C) for up to $100 million. Amending Agreements subsequently entered into by the Group increased the total commitment available under the SFA to $500 million. Other than increasing the facility limits to $500 million in aggregate, the maturity date, pricing and terms and conditions of the facility were unaffected by the amendments.

Sale of Banksmeadow Facility

On 28 February 2019 the Australian Competition and Consumer Commission (ACCC) announced that they would not oppose BINGO's proposed acquisition of Dial A Dump after accepting a court-enforceable undertaking to divest its Banksmeadow recycling facility.

On 25 September 2019, BINGO executed a sale agreement for the divestment of its Banksmeadow facility to CPE Capital under the terms of the court-enforceable undertaking of 28 February 2019, which was required to support the acquisition of Dial A Dump Industries. Completion of the sale occurred on 9 October 2019, with BINGO realising a gain on sale of $22.4 million.

KMP Changes – Chief Financial Officer

On 13 November 2019, BINGO announced that Anthony Story was retiring and would be stepping down from his role as Chief Financial Officer. Chris Jeffrey, previously Chief Development Officer, undertook an expanded role to include Chief Financial Officer. As previously announced, Anthony will continue to support the business through a 6-month transition period and will be available throughout CY20 as required.

On-market share buy-back

On 28 February 2019 BINGO announced the implementation of an on-market buy-back of up to $75 million of its ordinary shares over 12 months. BINGO has purchased $8.5 million of shares on market since its announcement on 28 February 2019. The buy-back will be conducted within the "10/12 limit" in accordance with the Corporations Act 2001 (Cth). The timing and number of shares purchased under the on-market buy-back will be contingent on BINGO's share price and prevailing market conditions. BINGO reserves the right to vary, suspend or terminate the on-market buy-back at any time.

Matters Subsequent to the End of the Reporting Period

Interim dividend

On 20 February 2020, the Directors of the Company declared an interim dividend on ordinary shares with respect to the year ended 30 June 2020. The total amount of the dividend is $14.4 million, which represents a fully franked dividend of 2.2 cents per share. The dividend has not been provided for in the financial statements for the half year ended 31 December 2019.

Eastern Creek Fire

On 1 February 2020, a fire occurred at BINGO's Eastern Creek facility. The fire was contained and is being monitored. The fire caused minimal (and temporary) disruption to operations and most importantly no one was hurt as a result.

Other than the above, there have been no other matters or circumstances that have arisen since 31 December 2019 that have significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs.

Likely Developments and Expected Results of Operations

The Group expects the results to grow in future years, largely driven by its strategy to provide a differentiated approach to waste management and its investment in recycling infrastructure and collections capacity. This approach is centred on targeting a high level of service, supported by scale efficiencies, internally developed customer management technology, a strategic network of resource recovery and recycling infrastructure and continued vertical integration across waste collection, separation, recycling and disposal. The Group expects earnings growth and cash flows to continue as a result of continued growth across its diversified customer base; recent and ongoing investment across its network to expand operational capability and geographical reach.

Additional comments on the operations of the Group, its strategies and prospects are set out in the Operating and Financial Review on pages 4 to 16 of this financial report.

Environmental Regulation

The Group is subject to stringent environmental regulation under Australian Commonwealth and state law and through regulations set by industry regulatory bodies including the Environment Protection Authority.

BINGO is committed to achieving the highest standards of environmental performance and monitors its environmental compliance requirements carefully, including tracking all environmental risks, aspects and impacts through our Safety, Environment and Quality (SEQ) management system and governance framework. BINGO’s management systems are aligned to international leading practices, including certification under ISO 14001:2015 Environmental Management Systems.

During the reporting period, the Environment Protection Authority (EPA) concluded proceedings against Minto Recycling Pty Ltd in respect of throughput exceedances in 2016-17. Following a ruling by the Land and Environment Court of NSW on 13 December 2019, BINGO was fined $90,000 and was required to pay NSW EPA legal costs related to BINGO’s breach of its Environment Protection License (EPL) for its Minto recycling facility.

There were no material breaches of environmental statutory requirements and no material prosecutions during the period.

Rounding of Amounts

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the Directors’ Report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Auditor’s Independence Declaration

A copy of the auditor’s independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 20.

This report is made in accordance with a resolution of directors, pursuant to section 306(3) of the Corporations Act 2001.

On behalf of the directors

Michael Coleman
Non-Executive Director and Chair

Daniel Tartak
Managing Director and Chief Executive Officer

20 February 2020
Sydney

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20 February 2020

The Board of Directors
Bingo Industries Limited
305 Parramatta Road
Auburn NSW 2144

Dear Board Members

Bingo Industries Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Bingo Industries Limited.

As lead audit partner for the review of the financial statements of Bingo Industries Limited for the half-year ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Tara Hill
Partner
Chartered Accountants

Condensed Consolidated Statement of Profit or Loss

for the half year ended 31 December 2019

	Note	Half year ended 31 Dec 2019 $'000	Half year ended 31 Dec 2018 $'000
Revenue	3	243,269	176,353
Other income	3	27,979	3,605
Total revenue and other income		**271,248**	**179,958**
Tipping and transportation costs		(88,765)	(78,811)
Employee benefits expenses		(59,624)	(40,949)
Depreciation and amortisation expenses	4	(30,148)	(14,081)
Trucks and machinery costs		(7,995)	(5,438)
Net finance costs	15	(7,782)	(2,843)
Acquisition costs		-	(3,690)
Rent and outgoings		(465)	(1,030)
Capital raising costs		-	(410)
Other expenses		(18,379)	(11,690)
Total expenses		**(213,158)**	**(158,942)**
Profit before income tax		58,090	21,016
Income tax expense		(19,891)	(7,657)
Profit for the period attributable to owners of the Company		**38,199**	**13,359**
Earnings per share			
Basic earnings per share	6	5.8 cents	2.5 cents
Diluted earnings per share	6	5.8 cents	2.5 cents

Condensed Consolidated Statement of Other Comprehensive Income

for the half year ended 31 December 2019

	Note	Half year ended 31 Dec 2019 $'000	Half year ended 31 Dec 2018 $'000
Profit for the period attributable to owners of the Company		**38,199**	**13,359**
Other Comprehensive income			
Items that may be reclassified to profit or loss			
(Loss)/gain on cash flow hedges		(568)	-
Income tax relating to these items		170	-
Other Comprehensive income, net of tax		**(398)**	**-**
Total comprehensive income for the period attributable to the owners of the Company		**37,801**	**13,359**

The above statement should be read in conjunction with the accompanying notes

Condensed Consolidated Statement of Financial Position

as at 31 December 2019

	Note	As at 31 Dec 2019 $'000	As at 30 Jun 2019 $'000
Assets			
Current assets			
Cash and cash equivalents		13,905	39,189
Trade and other receivables		100,400	71,317
Contract assets		539	530
Inventories		7,407	7,552
Assets held for sale	13	3,800	24,928
Other assets	7	12,174	12,468
Total current assets		**138,225**	**155,984**
Non-current assets			
Property, plant and equipment	8	682,298	679,167
Right-of-use assets	9	40,435	-
Intangible assets	10	507,623	497,476
Total non-current assets		**1,230,356**	**1,176,643**
Total assets		**1,368,581**	**1,332,627**
Liabilities			
Current liabilities			
Trade and other payables	11	97,576	145,681
Income tax payable		3,887	6,391
Provisions		5,087	5,011
Total current liabilities		**106,550**	**157,083**
Non-current liabilities			
Borrowings	14	333,323	313,255
Deferred tax liabilities		30,913	25,852
Provisions		13,536	9,987
Other payables	11	41,323	-
Total non-current liabilities		**419,095**	**349,094**
Total liabilities		**525,645**	**506,177**
Net assets		**842,936**	**826,450**
Equity			
Issued capital	17	1,282,575	1,288,923
Other contributed equity		1,244	1,244
Reserves		(542,889)	(541,825)
Retained earnings		102,006	78,108
Total equity		**842,936**	**826,450**

The above statement should be read in conjunction with the accompanying notes

Condensed Consolidated Statement of Changes in Equity

for the half year ended 31 December 2019

	Note	Issued Capital $'000	Other Contributed Equity $'000	Group Reorganisation Reserve $'000	Employee Equity Benefits Reserve $'000	Hedging Reserve $'000	Retained Earnings $'000	Total $'000
Balance 1 July 2018		**748,137**	**1,244**	**(545,068)**	**1,452**	**-**	**74,500**	**280,265**
Effects of adoption of new Accounting standard AASB 9							(342)	(342)
Balance 1 July 2018 as restated		748,137	1,244	(545,068)	1,452	-	74,158	279,923
Profit for the period		-	-	-	-	-	13,359	13,359
Total comprehensive income for the period		-	-	-	-	-	13,359	13,359
Transactions with owners, in their capacity as owners and other transfers								
• Issue of shares	17	425,569	-	-	-	-	-	425,569
• Costs capitalised to equity (net of tax)	17	(5,248)	-	-	-	-	-	(5,248)
• Recognition of equity settled share-based payments		-	-	-	888	-	-	888
Dividends paid or provided during the period	18	-	-	-	-	-	(8,298)	(8,298)
Balance 31 December 2018		**1,168,458**	**1,244**	**(545,068)**	**2,340**	**-**	**79,219**	**706,193**
Balance 1 July 2019		**1,288,923**	**1,244**	**(545,068)**	**3,243**	**-**	**78,108**	**826,450**
Effect of adoption of new accounting standard AASB 16	2	-	-	-	-	-	(1,150)	(1,150)
Balance 1 July 2019 as restated		**1,288,923**	**1,244**	**(545,068)**	**3,243**	**-**	**76,958**	**825,300**
Profit for the period		-	-	-	-	-	38,199	38,199
Other Comprehensive Income (net of tax)		-	-	-	-	(398)	-	(398)
Total comprehensive income for the period		-	-	-	-	(398)	38,199	37,801
Transactions with owners, in their capacity as owners and other transfers								
• Issue of shares	17	120	-	-	-	**-**	-	120
• Share buyback	17	(8,500)	-	-	-	**-**	-	(8,500)
• Costs capitalised to equity (net of tax)	17	(45)	-	-	-	**-**	-	(45)
• Recognition of equity settled share-based payments		-	-	-	1,411	**-**	-	1,411
• Issue of shares on vesting of performance rights	17	2,077	-	-	(2,077)	**-**	-	-
Dividends paid or provided during the period	18	-	-	-	-	-	(13,151)	(13,151)
Balance 31 December 2019		**1,282,575**	**1,244**	**(545,068)**	**2,577**	**(398)**	**102,006**	**842,936**

The above statement should be read in conjunction with the accompanying notes

Condensed Consolidated Statement of Cash Flows

for the half year ended 31 December 2019

	Note	Half year ended 31 Dec 2019 $'000	Half year ended 31 Dec 2018 $'000
Receipts from customers		252,970	186,926
Payments to suppliers and employees		(192,229)	(147,623)
Income tax paid		(17,170)	(17,256)
Net Cash Flows from Operating Activities		**43,571**	**22,047**
Purchase of property, plant and equipment	8,11,14	(77,857)	(150,766)
Purchase of business	12	(15,641)	(2,504)
Purchase of intangible assets	10	(12,553)	(2,589)
Net proceeds from sale of non-current assets		1,475	585
Net proceeds from sale of assets held for sale	13	47,402	-
Interest received	3	72	-
Net Cash Flows used in Investing Activities		**(57,102)**	**(155,274)**
Proceeds from issue of shares		-	424,926
Capital raising costs		(45)	(7,249)
Proceeds from borrowing	14	90,000	18,000
Repayment of borrowing	14	(70,000)	(176,000)
Principal payment for lease liabilities		(2,533)	-
Dividend paid		(13,151)	(7,753)
Share buy-back	17	(8,500)	-
Interest paid		(7,524)	168
Net Cash Flows (Used in)/Provided by Financing Activities		**(11,753)**	**252,092**
Net increase/(decrease) in cash held		**(25,284)**	**118,865**
Cash at the beginning of the period		39,189	21,443
Cash at the end of the period		**13,905**	**140,308**

The above statement should be read in conjunction with the accompanying notes

Note 1. General Information

Bingo Industries Limited ("the Company") is a company incorporated in Australia and listed on the Australian Securities Exchange. The Company was incorporated as a public company on 3 March 2017.

The interim consolidated financial statements of the Company and its controlled entities ("the Group") were authorised for issue by the Directors on 20 February 2020.

The principal activities of the Group during the financial period were to provide waste management solutions for domestic and commercial business, operate state-of-the-art waste processing centres and the manufacture of bins. No significant change in the nature of these activities occurred during the financial period.

The address of its registered office and principal place of business are as follows:

305 Parramatta Road
Auburn NSW 2144

Note 2. Summary of Significant Accounting Policies

Statement of compliance

These general purpose financial statements for the half year ended 31 December 2019 have been prepared in accordance with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with IAS 34.

These interim financial statements do not include all the notes that are normally included in the annual financial statements. Therefore, the statements should be read in conjunction with the annual report for the year ended 30 June 2019 along with any public announcements by Bingo Industries Limited during the half year ended 31 December 2019 in accordance with the continuous disclosure requirements under the *Corporations Act 2001*.

Basis of preparation

The interim consolidated financial statements have been prepared on the basis of historical cost as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars. The Company is a Company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The interim consolidated financial statements incorporate the assets, liabilities and results of entities controlled by the Company at the end of the reporting period. Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Comparative information

Prior year balances have been adjusted to reflect reclassifications within the Condensed Consolidated Statement of Profit or loss. Comparative Interest Income of $1,307,000 has been reclassified from Net Finance Costs to Other Income. This reclassification has been undertaken to reflect the nature of balance.

Prior year balances have been adjusted to reflect reclassifications within the Condensed Consolidated Statement of Financial Position. Comparative current liabilities of $7,000 has been reclassified from Borrowings to Trade and Other Payables on adoption of AASB 16 *Leases*. Refer 'new and amended standards adopted by the group' for the full impact of first-time adoption of AASB 16.

Note 2. Summary of Significant Accounting Policies (continued)

New and amended standards adopted by the Group

The Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to their operations and effective for the current financial year.

AASB 16 'Leases'

The Group has initially adopted AASB 16 *Leases* from 1 July 2019. AASB 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets, and lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies.

The Group has applied AASB 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly, the comparative information presented for 2019 has not been restated – i.e. it is presented, as previously reported, under AASB 117 and related interpretations. The details of the changes in accounting policies are disclosed below.

Definition of a lease
Under AASB 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to AASB 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied AASB 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under AASB 117 and Interpretation 4 were not reassessed. Therefore, the definition of a lease under AASB 16 has been applied only to contracts entered into or changed on or after 1 July 2019.

The Group as a Lessee
The Group leases many assets, including and predominantly, related to property leases and heavy equipment. Under AASB 16, the Group recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

At transition, for leases classified as operating leases under AASB 117, the Group has elected to apply the below practical expedients:

- Not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term;
- Exclude initial direct costs in measuring right-of-use assets at the date of initial application;
- The use of hindsight, in determining the lease term, if the contract contains options to extend or terminate the lease.

Lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 July 2019. Right-of-use assets were measured at their carrying amount as if AASB 16 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application. The Group presents right-of-use assets separately and presents lease liabilities in "Trade and Other Payables" in the Condensed Consolidated Statement of Financial Position.

Significant accounting policies
The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. The right-of-use assets are depreciated on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate applicable for each lease.

Note 2. Summary of Significant Accounting Policies (continued)

AASB 16 'Leases' (continued)

The lease liability is subsequently increased by the interest cost on the lease liability (recognised in 'Net finance costs' in the Condensed Consolidated Statement of Profit or Loss) and decreased by the lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

The Group as a Lessor
In contracts where the Group is a lessor, the Group determines whether the lease is an operating lease or finance lease at inception of the lease. The accounting policies applicable to the Group as a lessor are not different from those under AASB 117. The Group was not required to make any adjustments on transition to AASB 16 for leases in which it acts as a lessor.

Impact on Financial statements

Impact on transition
On transition to AASB 16, the Group recognised right-of-use assets, deferred tax asset and lease liabilities, recognising the difference in retained earnings, net of tax. The impact on transition is summarised below:

Particulars	As at 1 Jul 2019 $'000
Right-of-use assets	41,972
Deferred tax asset	493
Lease liabilities	(43,615)
Retained earnings, net of tax	1,150

Lease terms range from 1 to 30 years. The weighted average incremental borrowing rate of 8.24% is high due to the long-term leases held on the West Melbourne Recycling Centre and Alexandria properties.

Impacts for the period

As a result of initially applying AASB 16, in relation to the leases previously classified as operating leases, the Group recognised $42.0 million of right-of-use assets and $43.6 million of lease liabilities as at 1 July 2019.

Since the release of the 2019 Annual Report the Group has reviewed its judgement with respect to the incremental borrowing rate and the expected lease terms, resulting in reduced balances being applied on transition.

During the six months ended 31 December 2019, the Group also recognised $1.4 million of depreciation charges and $1.8 million of interest costs from these leases instead of $2.4 million in operating lease expense.

AASB Interpretation 23 'Uncertainty Over Income Tax Treatments'

Interpretation 23 clarified the application of the recognition and measurement criteria in AASB 112 *Income Taxes* (AASB 112) where there is uncertainty over income tax treatments and requires an assessment of each uncertain tax position to determine whether it is probable that a taxation authority will accept the position. Where it is not probable, the effect of the uncertainty is reflected in determining the relevant taxable profit or loss, tax bases, unused tax losses and unused tax credits or tax rates. The amount is determined as either the single most likely amount or the sum of the probability weighted amounts in a range of possible outcomes, whichever better predicts the resolution of the uncertainty. Judgements are reassessed as and when new facts and circumstances are presented.

Interpretation 23 is effective for the Group's annual financial reporting period beginning on 1 July 2019. The application of Interpretation 23 has not had a material impact on the Group's financial statements.

The Group submitted an application for a Private Ruling to the Australian Taxation Office (ATO) to obtain certainty regarding the tax treatment of the sale of its Banksmeadow Facility during the period ended 31 December 2019. The status of the application is still pending.

The Group has concluded it is probable the ATO will accept the tax treatment planned to be used in its income tax filings and has determined the accounting tax position relevant to the sale of its Banksmeadow facility on this basis.

Note 3. Revenue and Other Income

The majority of revenue is recognised at a point in time under AASB 15.

	Note	Half year ended 31 Dec 2019 $'000	Half year ended 31 Dec 2018 $'000
Revenue		**243,269**	**176,353**
Other income			
Equipment rental – other		1,735	2,310
Net gain/(loss) on sale of property, plant & equipment		3,734	(45)
Net gain on sale of assets held for sale(i)		22,391	-
Interest income(ii)		72	1,307
Other income		47	33
Total other income		**27,979**	**3,605**
Total revenue and other income		**271,248**	**179,958**

(i) Gain on sale of the Banksmeadow recycling facility disposed of as part of the undertaking to ACCC to purchase Dial A Dump Industries.
(ii) Interest income in the prior period was reclassified as other income (previously net finance costs).

The table below provides a disaggregation of segment revenues from contracts with customers (refer also to Note 5).

Disaggregated segment revenue Including eliminations	Half year ended 31 Dec 2019 $'000	Half year ended 31 Dec 2018 $'000
Collections	121,325	100,389
Post Collections	113,408	67,546
Other	8,536	8,418
	243,269	**176,353**

Note 4. Depreciation and Amortisation Expenses

Profit before income tax includes the following specific expenses:

	Half year ended 31 Dec 2019 $'000	Half year ended 31 Dec 2018 $'000
Depreciation(i)	20,524	11,441
Amortisation(ii)	9,624	2,640
Depreciation and amortisation expenses	**30,148**	**14,081**

(i) During the six months ended 31 December 2019, the Group recognised $1.4 million (2018: Nil) of depreciation charges on Right-of-use assets. See Note 2 for details regarding the implementation of AASB 16 Leases.
(ii) Includes amortisation of intangibles of $9.5 million (2018: $2.6 million) and of other assets of $0.1 million (2018: Nil).

Note 5. Segment Reporting

The Group has identified its operating segments based on how the Chief Operating Decision Maker (CODM) reviews internal reports in order to assess the performance of the Group. The CODM of the Group is the Board of Directors. Based on management's assessment of the internal reports being reviewed by the CODM, the Group has identified the following reportable segments:

- Collections – includes hire of bins and collection of building, demolition, industrial and commercial waste; and
- Post Collections – includes landfill and facility centres which recycle, or disposal of collected construction waste.

Note 5. Segment Reporting (continued)

All other segments are reflected as "Other" on the basis that these are not considered reportable segments. The "Other" category includes manufacture and supply of bins, gains/(losses) on sale of properties, as well as unallocated corporate costs which includes acquisition and integration costs.

Assets, liabilities and taxes are not disclosed and are only reported on a group basis. The Group only operates in Australia. No single customer contributed 5% or more to the Group's revenue for either the half year ended 31 December 2019 or 31 December 2018.

Half year ended 31 December 2019	Collections	Post Collections	Other[iv]	Eliminations[ii]	Total
	$'000	$'000	$'000	$'000	$'000
Sales	121,325	160,880	14,257	(53,193)	243,269
Other income	641	1,783	25,555	-	27,979
Total revenue and other income	**121,966**	**162,663**	**39,812**	**(53,193)**	**271,248**
EBITDA[i] [iii]	24,714	55,618	15,830	-	96,162
Depreciation and amortisation expenses					(30,148)
Performance contract amortisation					(142)
Net finance costs					(7,782)
Profit before income tax					58,090
Income tax expense					(19,891)
Profit after tax					**38,199**

(i) EBITDA represents earnings before interest, income tax, depreciation and amortisation.
(ii) Eliminations relate to Post Collections sales ($47.5 million) and Other sales ($5.7 million).
(iii) EBITDA for the Group excludes certain Performance contract amortisation ($0.1 million).
(iv) EBITDA for Other segment includes Integration costs of $6.6 million to integrate businesses acquired, or being acquired, into the Group.

Half year ended 31 December 2018	Collections	Post Collections	Other[iv]	Eliminations[ii]	Total
	$'000	$'000	$'000	$'000	$'000
Revenue					
Sales	100,389	102,138	16,034	(42,208)	176,353
Other income	-	2,310	1,295	-	3,605
Total revenue and other income	**100,389**	**104,448**	**17,329**	**(42,208)**	**179,958**
EBITDA[i] [iii]	19,311	25,256	(6,076)	-	38,491
Depreciation and amortisation expenses					(14,081)
Capital raising costs					(410)
Performance contract amortisation					(141)
Net finance costs					(2,843)
Profit before income tax					21,016
Income tax expense					(7,657)
Profit after tax					**13,359**

(i) EBITDA represents earnings before interest, income tax, depreciation and amortisation.
(ii) Eliminations relate to Post Collections sales ($34.6 million) and Other sales ($7.6 million).
(iii) EBITDA for the Group excludes Capital raising costs ($0.4 million) and Performance contract amortisation ($0.1 million).
(iv) EBITDA for Other segment includes $6.2 million incurred on acquisition costs reflecting fees paid to advisors, travel, employee costs, as well as an allocation of internal management resources. It also includes Integration costs of $2.2 million to integrate businesses acquired, or being acquired, into the Group.

Note 6. Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing the net profit after income tax attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts basic earnings per share to take into account the after-tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Dilutive potential ordinary shares are limited to performance rights issued under the Group's long-term and short-term incentive plans. The dilutive effect of the performance rights on the basic earnings per share reported below is minimal.

		Half year ended 31 Dec 2019	Half year ended 31 Dec 2018
Basic earnings per share		5.8 cents	2.5 cents
Diluted earnings per share		5.8 cents	2.5 cents
Profit for the period attributable to owners of the Company	$'000	38,199	13,359
Weighted average number of ordinary shares used in the calculation of:			
• Basic earnings per share	No. of shares	655,443,400	525,389,888
• Diluted earnings per share	No. of shares	657,961,853	527,630,527
Reconciliation of weighted average number of ordinary shares used in the calculation of:			
• Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share (i)	No. of shares	655,443,400	525,389,888
Adjustments for calculation of diluted earnings per share: - Weighted average number of dilutive options and rights	No. of shares	2,518,453	2,240,639
• Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share (i)	No. of shares	657,961,853	527,630,527

(i) The basic EPS denominator is the aggregate of the weighted average number of shares after deduction of shares permanently cancelled through the on-market share buy-back during the period.

Note 7. Other Assets

	As at 31 Dec 2019 $'000	As at 30 Jun 2019 $'000
Performance consideration(i)	-	142
Deposits paid(ii)	2,474	3,175
Prepayments	4,213	1,749
Other(iii)	5,487	7,402
Total other assets	**12,174**	**12,468**

(i) Performance consideration in prior period refers to a previously made payment for a one-off remuneration arrangement as a result of a business combination made in the year ended 30 June 2015. This balance was amortised over the period of employment services.

(ii) Deposits paid includes security deposits, deposits on plant and equipment and other items.

(iii) Other includes insurance receivables, prepaid contribution for infrastructure and other items.

Note 8. Property, Plant & Equipment

Landfill Assets
Landfill assets comprise:

- landfill land;
- site infrastructure and landfill site improvement costs;
- cell development costs; and,
- the asset related to future landfill site restoration and monitoring.

Landfill land
Landfill land will be recognised separately from other landfill related assets when it is considered to have value at the end of the landfill site's useful life for development. This land is not depreciated; it is carried at its original cost and tested for impairment.

Remediation assets
A remediation asset is recorded based on estimated costs to cop, remediate and monitor the landfill site over its useful life and post closure. These assets are depreciated based on units of consumption.

Other landfill assets
Site infrastructure and landfill site improvement costs, as well as cell development costs, are capitalised as incurred and are recorded at cost. These amounts are depreciated based on units of consumption

Depreciation
Depreciable landfill assets are depreciated over their useful lives based on units of consumption. The useful life is determined based on actual landfill capacity available and, where appropriate, probable capacity that will become available once the planned development work is performed. Similarly, the cost to be depreciated is determined based on actual cost incurred and management's estimate of costs to be incurred to realise the expected future capacity. A change to the expected future capacity or management's estimate of future costs will be treated as a change in estimate and applied prospectively.

The depreciation applied to landfill assets requires a considerable amount of judgment and estimation. The critical judgments include:

- Management's best estimate of costs to develop expected capacity;
- Estimated compaction rate which determines the volume that will fit into the landfill; and
- Probable capacity of the landfill site.

Changes in the above estimates will change the depreciation rate.

Note 8. Property, Plant & Equipment (continued)

	As at 31 Dec 2019 $'000	As at 30 Jun 2019 $'000
Land at cost	242,562	183,549
Land accumulated depreciation	-	-
Land net	**242,562**	**183,549**
Buildings at cost	113,430	91,128
Buildings accumulated depreciation	(4,327)	(2,640)
Buildings net	**109,103**	**88,488**
Landfill assets at cost	96,267	51,300
Landfill assets accumulated depreciation	(771)	-
Landfill assets net	**95,496**	**51,300**
Leasehold improvements at cost	23,585	22,430
Leasehold improvements accumulated depreciation	(1,865)	(829)
Leasehold improvements net	**21,720**	**21,601**
Plant and equipment at cost	158,404	147,033
Plant and equipment accumulated depreciation	(46,520)	(36,568)
Plant and equipment net	**111,884**	**110,465**
Trucks and machinery at cost	74,876	74,741
Trucks and machinery accumulated depreciation	(20,390)	(17,816)
Trucks and machinery net	**54,486**	**56,925**
Work in progress net (i) (ii) (iii)	**47,047**	**166,839**
Total property plant & equipment	**682,298**	**679,167**

(i) The prior period includes the acquisition of land at Paton's Lane ("Paton's Lane"), which was purchased on 11 December 2017, and other costs of construction. Paton's Lane is a greenfield resource recovery centre ("RRC") and landfill in Western Sydney with development approvals in place. The carrying value of Paton's Lane as at 30 June 2019 was $136.2 million, which includes capitalised costs to date for construction works completed subsequent to year-end. The site commenced its recycling operations in July 2019.

(ii) As at 31 December 2019, the Group had paid a deposit of EUR 0.89 million ($1.4 million) and a stage payment of EUR 3.56 million ($5.6 million) for certain plant and equipment under construction for the Paton's Lane recycling plant. Further stage payments, and completion and installation payments are expected in FY20. A final retention payment is expected in FY21. The contractual stage payments are included in the summary of the Group's commitments in Note 19.

(iii) As at 31 December 2019, the Group had paid a deposit of EUR 2.81 million ($4.5 million) for certain plant and equipment under construction for the Material Processing Centre (MPC2) at Eastern Creek. Further stage payments, and completion and installation payments are expected in FY20. The contractual stage payments are included in the summary of the Group's commitments in Note 19.

Note 8. Property, Plant & Equipment (continued)

	Land at cost	Buildings at cost	Landfill assets at cost	Leasehold improvements at cost	Plant and equipment at cost	Trucks and machinery at cost	Work in progress at cost	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cost								
Balance at 1 July 2018	66,322	56,145	-	4,381	95,934	53,294	125,043	401,119
Additions	26,532	18,322	-	447	22,997	13,572	18,012	99,882
Transfer from Leasehold Improvements (i)	-	1,329	-	(1,397)	68	-	-	-
Disposals	-	-	-	(57)	(701)	(434)	-	(1,192)
Balance as at 31 December 2018	**92,854**	**75,796**	**-**	**3,374**	**118,298**	**66,432**	**143,055**	**499,809**
Balance at 1 July 2019	183,549	91,128	51,300	22,430	147,033	74,741	166,839	737,020
Additions	4,495	7,163	7,581	1,155	9,354	2,152	19,304	51,204
Transfer from Work in progress	66,823	15,139	25,225	-	4,356	-	(111,543)	-
Transfer to/from intangibles	-	-	12,161	-	-	-	(27,553)	(15,392)
Disposals	(7,844)	-	-	-	(2,339)	(2,017)	-	(12,200)
Reclassification to Asset held for sale (ii)	(4,461)	-	-	-	-	-	-	(4,461)
Balance as at 31 December 2019	**242,562**	**113,430**	**96,267**	**23,585**	**158,404**	**74,876**	**47,047**	**756,171**

	Land at cost	Buildings at cost	Landfill assets at cost	Leasehold improvements at cost	Plant and equipment at cost	Trucks and machinery at cost	Work in progress at cost	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Accumulated depreciation								
Balance at 1 July 2018	-	994	-	374	22,752	12,293	-	36,413
Depreciation expense	-	645	-	202	7,269	3,342	-	11,458
Write back on disposal	-	-	-	(190)	(333)	(56)	-	(579)
Balance as at 31 December 2018	**-**	**1,639**	**-**	**386**	**29,688**	**15,579**	**-**	**47,292**
Balance at 1 July 2019	-	2,640	-	829	36,568	17,816	-	57,853
Depreciation expense	-	1,687	771	1,036	11,238	4,229	-	18,961
Write back on disposal	-	-	-	-	(1,286)	(1,655)	-	(2,941)
Balance as at 31 December 2019	**-**	**4,327**	**771**	**1,865**	**46,520**	**20,390**	**-**	**73,873**
Net book value at 30 June 2019	**183,549**	**88,488**	**51,300**	**21,601**	**110,465**	**56,925**	**166,839**	**679,167**
Net book value at 31 December 2019	**242,562**	**109,103**	**95,496**	**21,720**	**111,884**	**54,486**	**47,047**	**682,298**

(i) Following the acquisition of the properties any leasehold improvements to such properties have been reclassified to either Buildings or Plant and Equipment.

(ii) During the year the Group reclassified $4.5 million of property located at Helensburgh from 'Property plant and equipment' to 'Assets held for sale'.

Note 8. Property, Plant & Equipment (continued)

The Property, Plant and Equipment (PPE) have been pledged to secure the borrowings of the Group (see Note 14).

As detailed below, the Group exercised its rights under the following Option agreement. No other changes were made to options retained.

Deed of Call Option – Minto Premises

During the period the call option for the purchase of the Minto premises was exercised by the Group. The option was granted at market value in October 2017 at a purchase price of $4.25 million. The call option fee of $0.1 million was treated as a deposit against the purchase price.

The property was subsequently sold during the period for $6.95 million. Profit on sale of $2.4 million is included in the Condensed Consolidated Statement of Profit or Loss as Other Income.

Note 9. Right-of-use Assets

	As at 31 Dec 2019 $'000	As at 30 Jun 2019 $'000
Land and buildings	40,113	-
Equipment	322	-
Total Right-of-use assets(i)	**40,435**	**-**

(i) See Note 2 for details regarding the implementation of AASB 16 Leases and Note 4 for related depreciation.

Note 10. Intangible Assets

	As at 31 Dec 2019 $'000	As at 30 Jun 2019 $'000
Goodwill	324,293	328,398
Landfill void	144,504	133,228
Customer relationships	28,042	26,791
Patents and trademarks	84	84
Software	9,242	6,892
Brand	1,458	2,083
Total intangibles	**507,623**	**497,476**

The landfill void located at Eastern Creek and acquired as part of the DADI acquisition has been measured at fair value on acquisition using a discounted cashflow method and amortised over its useful life. The landfill void located at Paton's Lane has been measured at cost after taking into account the value attributable to the land. The Paton's Lane landfill void is also amortised over its useful life.

Note 10. Intangible Assets (continued)

	Goodwill $'000	Landfill void $'000	Customer relationships $'000	Patents and trademarks $'000	Software $'000	Brands $'000	Total $'000
Balance 1 July 2018	105,423	-	13,778	80	2,589	-	121,870
Acquisition of businesses	761	-	-	-	-	-	761
Additions	-	-	-	3	2,586	-	2,589
Amortisation	-	-	(2,136)	-	(504)	-	(2,640)
Balance 31 December 2018	**106,184**	**-**	**11,642**	**83**	**4,671**	**-**	**122,580**
Consists of:							
Costs	106,184	-	19,796	83	6,193	-	132,256
Accumulated amortisation	-	-	(8,154)	-	(1,522)	-	(9,676)
Balance 31 December 2018	**106,184**	**-**	**11,642**	**83**	**4,671**	**-**	**122,580**
Balance 1 July 2019[(i)]	328,398	133,228	26,791	84	6,892	2,083	497,476
Acquisition of businesses	(4,105)	165	4,660	-	-	-	720
Additions	-	-	-	-	3,553	-	3,553
Transfer to/from PPE	-	15,392	-	-	-	-	15,392
Amortisation	-	(4,281)	(3,409)		(1,203)	(625)	(9,518)
Balance 31 December 2019	**324,293**	**144,504**	**28,042**	**84**	**9,242**	**1,458**	**507,623**
Consists of:							
Costs	324,293	151,619	42,344	84	12,494	2,500	533,334
Accumulated amortisation	-	(7,115)	(14,302)	-	(3,252)	(1,042)	(25,711)
Balance 31 December 2019	**324,293**	**144,504**	**28,042**	**84**	**9,242**	**1,458**	**507,623**

(i) At 30 June 2019, the fair values of the assets and liabilities acquired during March 2019 were provisional values. The fair values were finalised at 31 December 2019 in a restatement of the previously disclosed provisional values. A reconciliation between balances provisionally accounted for as at 30 June 2019 and finalised balances at 31 December 2019 is disclosed in Note 12.

Impairment of assets

Goodwill has been allocated for impairment testing purposes to the following cash generating units:

- Collections – NSW
- Collections – VIC
- Post Collections – NSW
- Post Collections – VIC
- Other

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. An impairment loss, if any, is recognised for the amount by which the carrying amount exceeds its recoverable amount. Based on the Director's assessment, there are no indications of impairment at 31 December 2019.

Note 11. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Group that remain unpaid at the end of the reporting year or are required to be reimbursed to management where such expenses have been paid by management on behalf of the Group. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the Groups' incremental borrowing rate. They are subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect lease payments made. The Group remeasures the lease liability where there is a change in future lease payments. A corresponding adjustment is made to the carrying value of the right-of-use asset.

	As at 31 Dec 2019 $'000	As at 30 Jun 2019 $'000
Current		
Trade creditors	27,718	37,329
Other creditors and accruals	67,409	77,190
Lease liabilities(i)	1,321	7
Derivative liabilities	614	-
Deferred settlement(ii)	-	30,635
Related party payables(iii)	514	520
Total trade and other payables	**97,576**	**145,681**
Non-current		
Lease liabilities(i)	41,323	-
Other payables	**41,323**	**-**

(i) See Note 2 for details regarding the implementation of AASB 16 Leases on 1 July 2019.
(ii) On 11 December 2017, the Group completed the purchase of land at Paton's Lane. The consideration for Paton's Lane was $90 million, structured over three payments of $30 million paid in December 2017, December 2018 and July 2019. The amount recognised as a current liability at 30 June 2019 ($29.997 million) was measured as the present value of the expected future payment.
(iii) Includes amounts outstanding to entities associated with directors for rent, printing, management services and reimbursement of business expenses.

Note 12. Business Combinations

There were no business combinations completed during the half year ended 31 December 2019.

No net acquisition costs have been expensed during the half year ended 31 December 2019 (2018: $3.69 million). The prior period amount reflects fees paid to external advisors in relation to the acquisition of Dial A Dump Industries (DADI) that were incurred prior to 31 December 2018.

Reconciliation of DADI fair values that were finalised during the period

At 30 June 2019, the fair values of the assets and liabilities acquired as part of the acquisition of the DADI Group during March 2019 were provisional values. The fair values were finalised at 31 December 2019 in a restatement of the previously disclosed provisional values. A reconciliation of these changes is included in the table below. These changes have resulted in additional depreciation and amortisation of $0.3 million relating to the prior period.

DADI Group	Provisional values at 30 June 2019			Finalised values at 31 December 2019			Change
	Collections $'000	Post Collections $'000	Total $'000	Collections $'000	Post Collections $'000	Total $'000	$'000
Assets							
Cash	176	1,672	1,848	176	1,672	1,848	-
Debtors and other assets	4,070	34,485	38,555	4,070	34,485	38,555	-
Land and buildings	4,934	91,475	96,409	4,934	91,475	96,409	-
Landfill land	-	51,300	51,300	-	54,461	54,461	3,161
Landfill assets	-	-	-	-	9,000	9,000	9,000
Plant and equipment	2,721	12,946	15,667	2,721	12,946	15,667	-
Trucks and machinery	743	3,582	4,325	743	3,582	4,325	-
Work in progress	-	188	188	-	188	188	-
Landfill void	-	136,062	136,062	-	124,066	124,066	(11,996)
Customer relationships	14,711	3,075	17,786	15,835	6,611	22,446	4,660
Brands	2,500	-	2,500	2,500	-	2,500	-
Software	19	91	110	19	91	110	-
Liabilities							-
Trade and other payables	(3,682)	(35,072)	(38,754)	(3,682)	(35,072)	(38,754)	-
Provision for rectification	-	(9,000)	(9,000)	-	(9,000)	(9,000)	-
Employee entitlements	(338)	(3,216)	(3,554)	(338)	(3,216)	(3,554)	-
Deferred tax liability	(3,563)	(33,935)	(37,498)	(3,900)	(34,098)	(37,998)	(500)
Lease liability	(2)	(17)	(19)	(2)	(17)	(19)	-
Total Net identifiable assets	22,289	253,636	275,925	23,076	257,174	280,250	4,325
Goodwill	67,717	160,224	227,941	66,951	156,885	223,836	(4,105)
Consideration transferred	**90,006**	**413,860**	**503,866**	**90,027**	**414,059**	**504,086**	**220**

Reconciliation of Cozee fair values that were finalised during the period

At 30 June 2019, the fair values of the assets and liabilities acquired as part of the acquisition of the Cozee business during February 2019 were provisional values. The fair values were finalised at 31 December 2019. No changes were made to the provisional values.

Note 13. Assets Held for Sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification and subsequent gains and losses on measurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity accounted investee is no longer equity accounted.

	As at 31 Dec 2019 $'000	As at 30 Jun 2019 $'000
Land and buildings	3,800	15,264
Property, plant and equipment	-	1,631
Goodwill	-	7,500
Customer relationships	-	665
	3,800	25,060
Less: Employee liabilities held for sale	-	(132)
Net Assets held for sale	**3,800**	**24,928**

Assets held for sale as at 30 June 2019 relate to the Banksmeadow business and property. A component of the Post Collections – NSW goodwill has been allocated to the disposal group as at the date of initial classification as held for sale. The Group divested this business as part of the undertaking to the Australian Competition and Consumer Commission (ACCC) in relation to the DADI acquisition. The Banksmeadow business was sold for $50 million resulting in a profit on sale of $22.4 million (after disposal costs) which is included in the Other Income in the Condensed Consolidated Statement of Profit or Loss.

Assets held for sale as at 31 December 2019 relate to property located at Helensburgh. The Group reclassified $4.5 million of land and building from 'Property plant and equipment' to 'Assets held for sale'. The Group has written down the value of the property to its fair value less costs to sell, and subsequent to the period end has been sold at fair value.

Note 14. Borrowings

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial amount of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

The Group may borrow funds from financial institutions to fund acquisitions and capital.

The banking facilities as at 31 December 2019 contain financial covenants and other undertakings which are customary for similar facilities made available to corporate borrowers. The following financial covenants apply and are tested semi-annually:

- Total Leverage Ratio, being the ratio of net debt to EBITDA, not to exceed 3.00x; and
- Interest Cover Ratio, being the ratio of EBITDA to net interest expense, must be at least 3.00x.

For the purpose of calculating the financial covenants, a number of prescribed pro forma adjustments are made to EBITDA, net debt and net interest expense. These adjustments are not reflected in EBITDA, net debt or net interest expense, and therefore these measures will be different to the values used for covenant calculation under the banking facilities. Accordingly, the ratios for covenant calculations will not necessarily reflect the key ratios reported on by the Group.

A breach of the covenants and undertakings (which are not remedied within any applicable grace period) will be an event of default under the banking facilities and will, among other consequences, prevent the Group from paying dividends.

The Group was in compliance with these financial covenants during the period.

	As at 31 Dec 2019 $'000	As at 30 Jun 2019 $'000
Non-current - secured		
Bank loan(i)	335,000	315,000
Borrowing costs	(1,677)	(1,745)
Total Borrowings (Non-Current)	**333,323**	**313,255**

(i) During the period ended 31 December 2019, bank loans increased from $315.0 million as at 30 June 2019 to $335.0 million as at 31 December 2019. This was due to drawdowns of $90 million that were partially offset by repayments of $70 million during the period.

On 23 August 2019, the Group increased its total commitment under the Syndicated Facility to include the $100 million accordion facility, bringing the total facility commitment value to $500 million. The Facility maturity date, pricing, and terms and conditions of the facility remain unchanged. The Syndicated Facility is secured against the operations and assets of the Group.

Note 15. Net Finance Costs

	Half year ended 31 Dec 2019 $'000	Half year ended 31 Dec 2018 $'000
Interest expense – Loans	5,277	2,153
Interest expense – Lease liabilities(i)	1,856	(144)
Interest expense – Deferred purchase payment(ii)	-	1,022
Interest expense – Remediation assets	187	-
Amortised borrowing costs(iii)	470	1,011
Capitalised borrowing included in the cost of qualifying asset	(8)	(1,199)
Net Finance costs	**7,782**	**2,843**

(i) See Note 2 for details regarding the implementation of AASB 16 Leases.

(ii) Implicit interest on the deferred payment purchase structure of the Paton's Lane qualifying asset.

(iii) During the prior period, deferred borrowing costs of $0.5 million relating to set up of original syndicated bank loan arrangement were expensed during the period as a consequence of amendments made to the loan agreement (also refer to Note 14).

Note 16. Fair Values of Financial Assets and Financial Liabilities

The carrying value of all financial assets and liabilities approximate fair value.

Note 17. Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Share capital	As at 31 December 2019		As at 31 December 2018	
Details	Number of shares	$'000	Number of shares	$'000
Ordinary share capital				
Fully paid ordinary shares	653,784,477	1,282,575	582,389,878	1,168,458

Movements in ordinary share capital		As at 31 December 2019		As at 31 December 2018	
Date	Details	Number of shares	$'000	Number of shares	$'000
	On issue at 1 July	656,442,495	1,288,923	414,883,467	748,137
	Movements:				
30/08/2018	Issue of shares under Entitlement Offer (Institutional tranche) (i)			138,720,619	352,350
14/09/2018	Issue of shares under Entitlement Offer (Retail tranche) (i)			28,573,079	72,576
27/09/2018	Issue of shares under dividend reinvestment program			176,268	545
20/12/2018	Employee Gift Offer			36,445	98
19/07/2019	Employee Gift Offer	53,640	120	-	-
25/07/2019	Issue of shares under Employee Incentive Plan	1,073,683	2,077	-	-
	Share buy-backs during the period	(3,785,341)	(8,500)	-	-
	Capital raising transaction costs during the period (net of tax) (ii)		(45)	-	(5,248)
	On issue at 31 December	**653,784,477**	**1,282,575**	**582,389,878**	**1,168,458**

(i) On 21 August 2018, the Group announced it had entered into a binding agreement to acquire Dial-A-Dump Industries ("DADI"). The acquisition was partly funded by an underwritten 1 for 2.48 pro-rata accelerated, non-renounceable entitlement offer priced at $2.54 per ordinary share to raise $425 million.

(ii) Prior period gross capital raising transaction costs were $7.2 million ($5.2 million net of tax).

Note 18. Dividends

The Company declared a fully franked dividend on ordinary shares for the half year ended 31 December 2019 of 2.20 cents per share. The record date of the interim dividend is 5 March 2020 with payment to be made on 31 March 2020. Details of the dividends in respect of the financial period are as follows:

	Cents per share	Total '$'000	Cents per share	Total '$'000
Dividends paid during the period				
Final dividend relating to prior period	2.00	13,151	2.00	8,298
	2.00	**13,151**	**2.00**	**8,298**
Dividend determined in respect of the period				
Interim dividend relating to current period declared subsequent to period end	2.20	14,383	1.72	10,017
	2.20	**14,383**	**1.72**	**10,017**

Note 19. Commitments

	As at 31 Dec 2019 $'000	As at 30 Jun 2019 $'000
Capital commitments		
Significant capital expenditure contracted for at the end of the reporting period but not recognised as a liability is as follows:		
Property, plant & equipment	59,510	14,375

Capital commitments are predominately with respect of plant and equipment under construction for the Paton's Lane recycling facility ($6.5 million to April 2020) and the MPC2 at Eastern Creek ($48.6 million to November 2020).

Note 20. Contingent Liabilities

The Group does not have any contingent liabilities at 31 December 2019.

Note 21. Events Subsequent to the End of the Reporting Period

Interim dividend

On 20 February 2020, the Directors of the Company declared an interim dividend on ordinary shares with respect to the year ended 30 June 2020. The total amount of the dividend is $14.4 million, which represents a fully franked dividend of 2.2 cents per share. The dividend has not been provided for in the financial statements for the half year ended 31 December 2019.

Eastern Creek Fire

On 1 February 2020, a fire occurred at BINGO's Eastern Creek facility. The fire was contained and is being monitored. The fire caused minimal (and temporary) disruption to operations and most importantly no one was hurt as a result.

Directors Declaration

The Directors declare that:

(a) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(b) In the Director's opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of Directors, pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the Directors

Michael Coleman
Non-Executive Director and Chair

Daniel Tartak
Managing Director and Chief Executive Officer

20 February 2020
Sydney

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Independent Auditor's Review Report to the Members of Bingo Industries Limited

We have reviewed the accompanying half-year financial report of Bingo Industries Limited, which comprises the condensed statement of financial position as at 31 December 2019, the condensed consolidated statement of profit or loss, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year.

Directors′ Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Bingo Industries Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Bingo Industries Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Deloitte.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Bingo Industries Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Tara Hill
Partner
Chartered Accountants
Sydney, 20 February 2020