

2020

BINGO Industries

Annual General Meeting

Wednesday 11 November 2020



BINGO
INDUSTRIES

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

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

All comparisons are to the previous corresponding period of FY19 – the 12 months ended 30 June 2019, unless otherwise indicated. Certain figures provided in this document have been rounded. In some cases, totals and percentages have been calculated from information that has not been rounded, hence some columns in tables may not add exactly. Year-on-year variances have been calculated as percentages for numbers and basis points for percentages.

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

Welcome

Independent Chair and Non-Executive Director, Michael Coleman





AGENDA

1. **Welcome**
2. **Chairman's address**
3. **CEO address**
4. **Formal Business**
 - I. Financial report
 - II. Resolution 1 – Remuneration Report
 - III. Resolution 2 - Re-election of Director – Daniel Girgis
 - IV. Resolution 3 – Approval of BINGO Equity Incentive Plan
 - V. Resolution 4 - Approval to grant Short Term Incentive Performance Rights to Daniel Tartak
 - VI. Resolution 5 - Approval to grant Long Term Incentive Performance Rights to Daniel Tartak
5. **Final questions and meeting close**



Board of Directors



Michael Coleman
Independent Chair and
Non-Executive Director



Daniel Tartak
Managing Director and
Chief Executive Officer



Maria Atkinson
Independent Non-Executive
Director and Chair of the
People & Culture Committee



Ian Malouf
Non-Executive Director



Daniel Girgis
Non-Executive Director



Elizabeth Crouch
Non-Executive Director
and Chair of the Audit and
Risk Committee



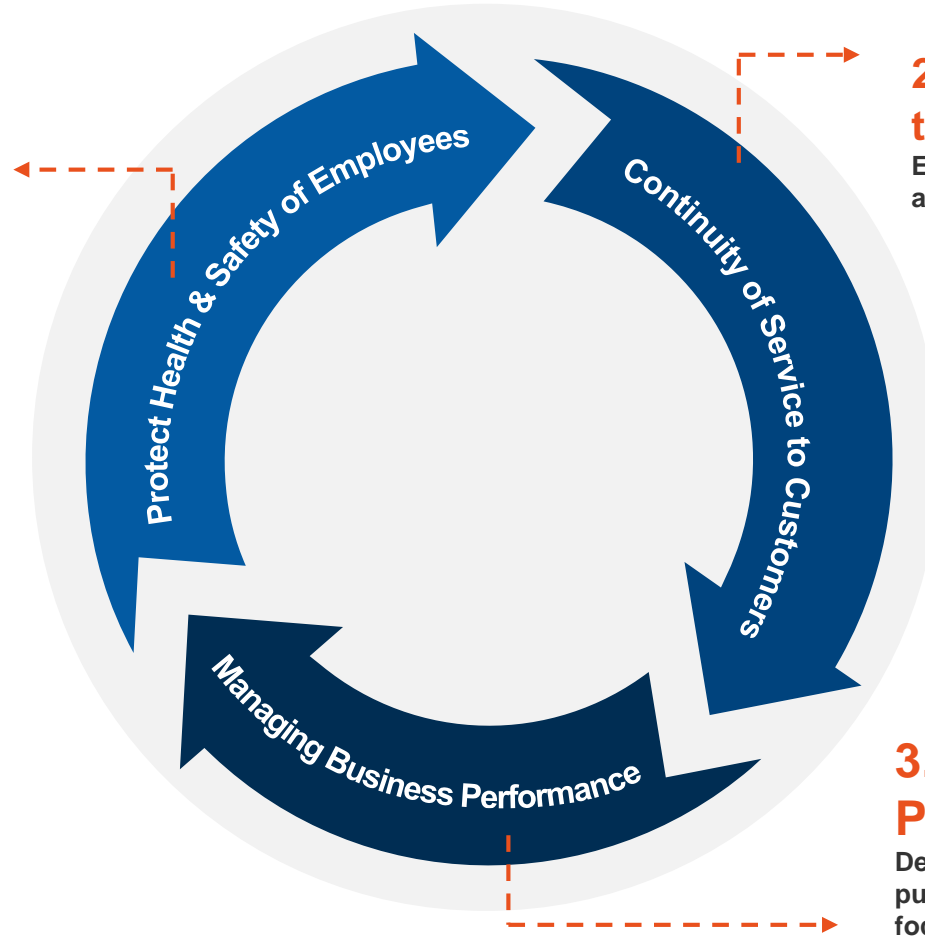
Barry Buffier
Independent Non-Executive
Director and Chair of the
Zero Harm Committee

BINGO's response to COVID-19

BINGO acted proactively to protect the safety of our people, ensure sustained services to our customers and enacted initiatives to preserve cash flow.

1. Health & Safety

Enacted immediate social distancing initiatives to protect the health, safety and wellbeing of BINGO employees, customers and suppliers.



2. Continuity of Service to our Customers

Ensured safe and ongoing collections and waste services to our customers.

3. Managing Business Performance

Developed and implemented fit for purpose business contingency plans, focused on cost and cash management

FINANCIAL HIGHLIGHTS

Despite the challenges, BINGO made significant progress in delivering against our growth strategy. We achieved a solid financial performance despite weakening market conditions in the second half of the year.

Underlying Net Revenue

↑ **\$486.7m**

\$402.2m FY19



Underlying EBITDA Margin

↑ Expanded by

440 bps
to 31.3%

Underlying EBITDA

↑ **\$152.1m**

\$108.0m FY19

Underlying NPAT

↑ **\$53.5m**

\$53.2m FY19

Underlying Operating Free Cash Flow

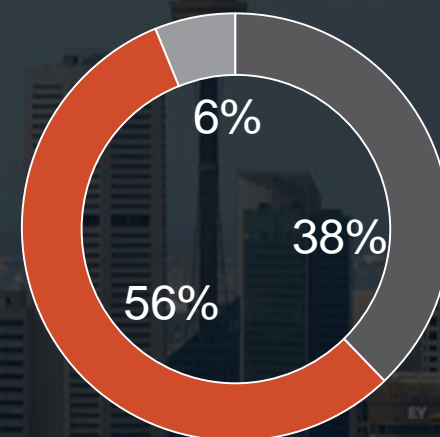
↑ **\$160.1m**

\$116.5m FY19

**FY20
DIVIDEND
3.70¢
per share**

Maintained year-on-year

Revenue by Segment (%)



● Collections
● Post-Collections
● Others

Zero Harm – FY20 safety achievements

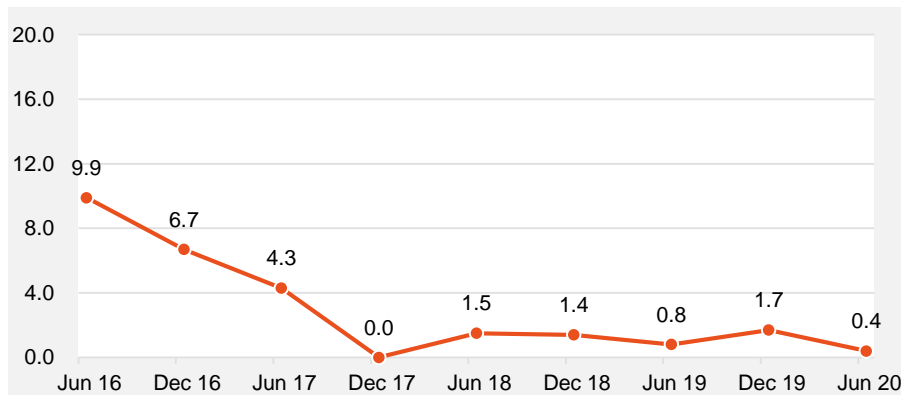
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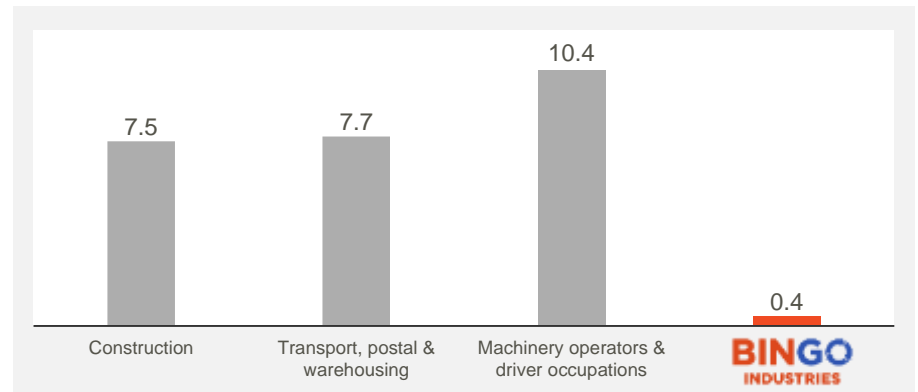
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- LTIFR of **0.4 for FY20**, down from 0.8 in FY19: Safety lead and lag indicators continue to outperform industry averages.
- Continued focus on embedding ownership of safety across the business.
- We commissioned an independent review of our facilities and safety systems to understand where further improvements or initiatives could be implemented.

BINGO Lost Time Injury Frequency Rate (LTIFR)



Industry comparison (LTIFR)¹



1. Source: Safe Work Australia, Key WHS Statistics Australia 2019. BINGO.

Sustainability highlights



- On-track to deliver all actions by the end of 2021, with plans to implement a higher level **Reconciliation Action Plan** or STRETCH RAP in 2022.



- Launched **Supplier Code of Conduct** to promote sustainable business practices within our supply chain.
- Improved supplier due diligence questionnaire

- Joined RE100**
- Committed to achieving 100% renewable electricity by 2025
- Setting Science Based Target

SOCIAL TRADERS

- Increased social procurement through joining Social Traders, 6 new social enterprises on-boarded to BINGO's supply chain in FY20, including 3 Indigenous suppliers

Modern Slavery work recognised

- BINGO was awarded an Australasia Supply Management (CIPS) Award for excellence in supply chain risk management to assess Modern Slavery risk.



Headwinds and tailwinds



	Headwinds	Tailwinds
Economic	<ul style="list-style-type: none"> COVID-19 impact on operating environment with closure of non-essential businesses seen throughout Q1 FY21. Recession and reduction in migration in near-term. 	<ul style="list-style-type: none"> Domestic economy – well placed to recover from the economic impact of COVID-19, including forecast medium-term economic and population growth.
B&D Market	<ul style="list-style-type: none"> Headwinds in construction activity – decline in construction activity is anticipated across residential and non-residential construction. Rebound in residential construction activity pushed out by ~12-18 months, to mid to late CY2021. Increased pricing pressure from competition in B&D collections and post-collections – as volumes are impacted by COVID-19. Timing lag between announced infrastructure projects and commencement – significant pipeline of announced projects expected to commence construction over the next 12-24 months. 	<ul style="list-style-type: none"> Strong existing infrastructure investment – NSW and VIC state governments have committed a combined \$125 billion to infrastructure projects over 4 years. Further fiscal stimulus of ~ \$50 billion in NSW and VIC likely to stimulate economic activity post COVID-19 through essential infrastructure and small to medium construction activity. Well positioned to benefit from fiscal response across multiple government levels and end-to-end construction. Strength of BINGO's network of vertically integrated waste infrastructure assets. Supply changes NSW - Closure of landfills expected over the next 3-5 years may increase BINGO landfill volumes.
C&I Market	<ul style="list-style-type: none"> C&I impacted by COVID-19 restrictions – shopping centres, hospitality, and property services end-markets impacted the most by COVID-19 restrictions. Lower volumes forecast to continue in FY21. 	<ul style="list-style-type: none"> Growing waste generation – BINGO is exposed to both cyclical and defensive end-markets. Scope to build market share in C&I business – BINGO currently has ~5% market in NSW and management estimates <2% in VIC.
Regulatory	<ul style="list-style-type: none"> Exposure to changes in the regulatory environment including greater involvement from government and regulatory bodies and implications for compliance costs. ACCC market investigation ongoing and BINGO continues to co-operate. Outcome yet to be determined. Viable near term end-markets for recycled products – subject to local markets for BINGO's recycled products, ECO product. 	<ul style="list-style-type: none"> 2020 COAG ban on waste exports will necessitate the development of the domestic recycling market. Increasing state waste disposal levies. VIC levy to increase initially to \$85.90 and increasing to \$125.90 within 2 years. Federal Government recycled content targets for new developments. Higher minimum standards for compliance increasing barriers to entry. Maturity of the Australian waste market – ripe for disruption through innovation and investment in technology. The Circular Economy – the push to scale up and accelerate the development of a Circular Economy in Australia will increase need for BINGO's recycled content "Closing the Loop".

Sustainability reporting excellence



- ❶ BINGO's 2019 Sustainability Report achieved a Gold Award in the 2020 Australasian Reporting Awards, making BINGO one of only four companies to achieve this distinction during the year.
- ❷ Our 2019 Annual Report received a Silver Award in the same awards.



From the CEO

Managing Director and Chief Executive Officer, Daniel Tartak



Ensuring our business exits the COVID-19 environment a better business than we entered

Addressing COVID-19

Immediate focus on implementing COVID-Safe Plan, including:

- ✓ Hygiene and physical distancing protocols
- ✓ Mandatory COVID safety training
- ✓ Remote working and updated leave policies
- ✓ Contactless bin delivery system



Post COVID-19 environment

The aim of our post COVID-19 strategy is to re-emerge in a position of strength as:

- ✓ **Bigger** – hold on to existing revenue and build greater market share across NSW and VIC supported by government work.
- ✓ **Better** - improved BAU processes and procedures, renewed focus on customer service, and streamlined project delivery focus.
- ✓ **Stronger business** – innovate to generate new revenue opportunities and greater focus on cost and capital management.

Zero Harm – FY20 lead and lag indicators

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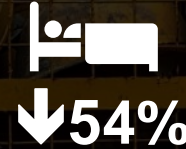


0.40

Lost-Time Injury
Frequency Rate



Transport incident
rate
Down 33% on FY19



Fatigue management
breaches
Down 54% on FY19



94
Senior leadership and
Board site visits and
ride-alongs



+4,500
LEADER LED
SEQ CONVERSATIONS



+3,000
HAZARD & CONTROL
REPORTS



+3,000
FATIGUE MANAGEMENT
AUDITS CONDUCTED



+250
PLANT/TRUCK SERVICE
AUDITS CONDUCTED



100%

of all hazards raised at
skip/hook job customer
site were controlled in
some way



100%

of all hazards raised at
commercial job customer site
were controlled in some way



100%

Of all loads leaving a
BINGO site were accepted



100%

Passed product quality
tests before sale of
product

Development milestones

FY20 was transformational for BINGO's operating footprint

BINGO achieved all its development milestones for FY20; focus is now on utilising these assets to increase returns and cash flow



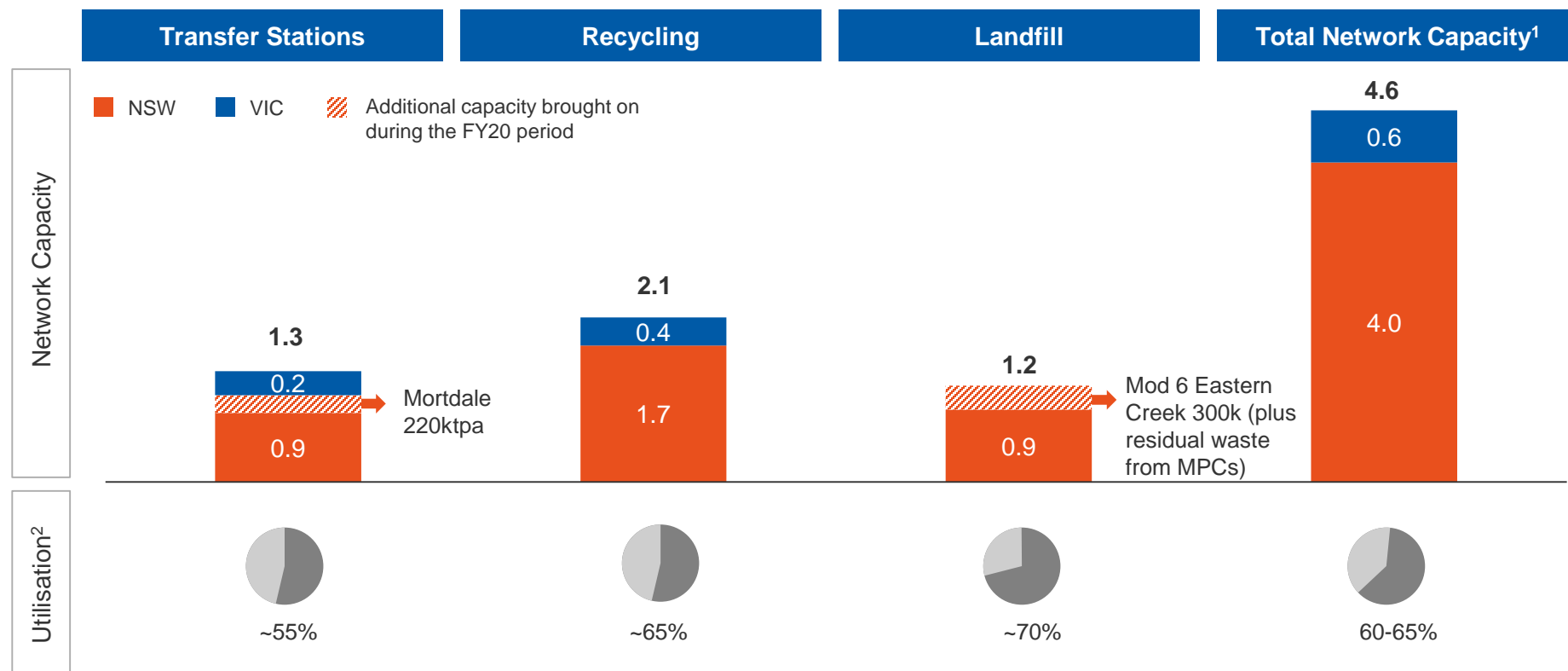
BINGO's Recycling Ecology Park and MPC 2



Network capacity provides significant future upside

We now have ~35-40% additional network capacity to support future growth with no new investment required

FY20 network capacity across NSW and VIC (mtpa)



1. Total Network Capacity based on licence limits as at 30 June 2020. Existing portfolio provides 4.6 mtpa without further investment in Eastern Creek Ecology Park.

2. Utilisation rates represent the utilisation of assets during FY20, noting redeveloped assets came online sequentially during the period. Landfill utilisation is based on total capacity including modification 6 (Mod 6).

YTD Trading Update



Well positioned through the cycle

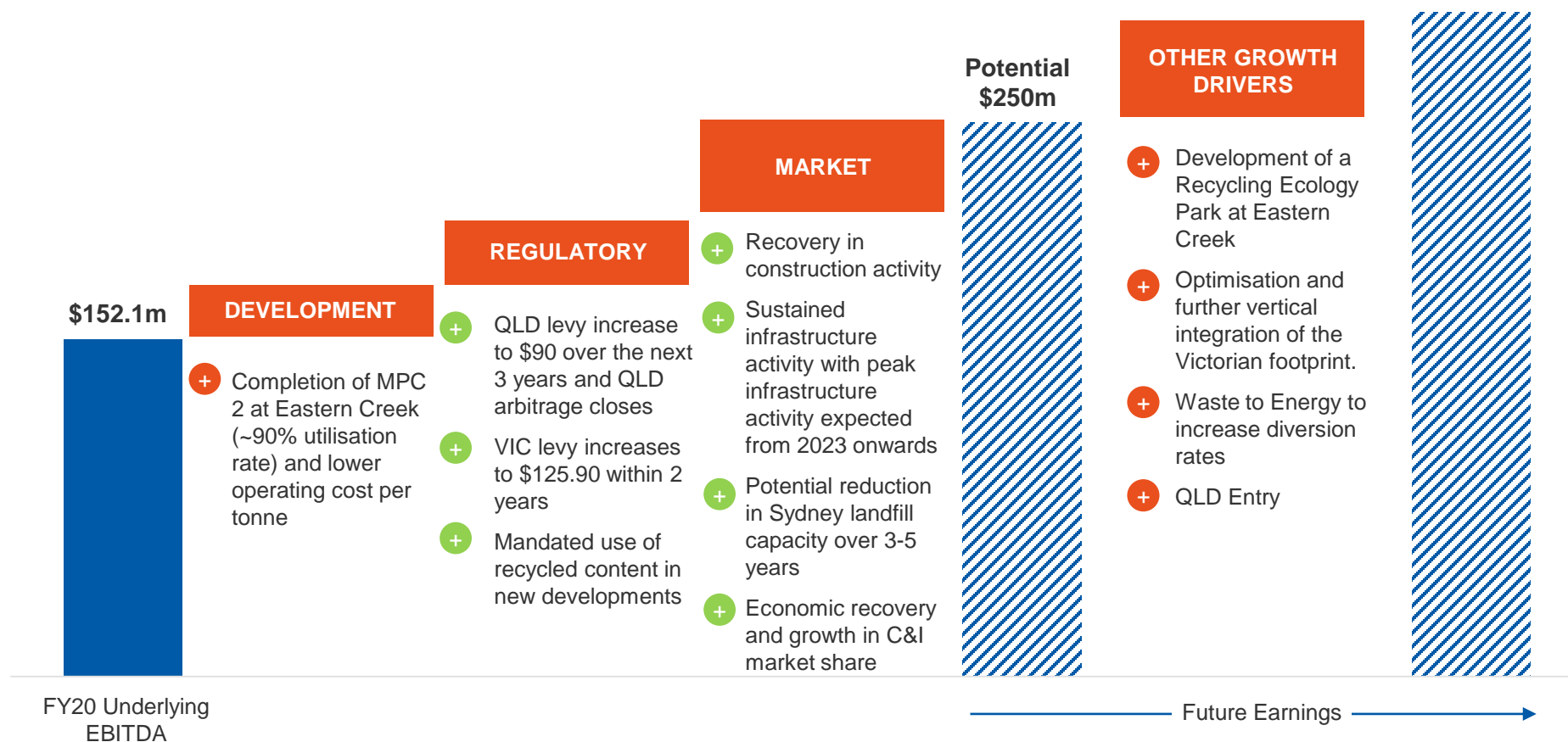
- Solid momentum to the end of October, despite COVID-19 impacts in Victoria.
- Our views on the outlook for FY21 remain unchanged.
- We have started the year strongly and are seeing increasingly positive signs for our business. While we anticipate COVID-19 related economic and market headwinds may continue to impact the business in FY21.
- At the time of release of BINGO's FY20 results on 25 August 2020, BINGO provided a number of observations on volume and price trends since the onset of COVID-19 and into early FY21. Our observations across the period are broadly in line with these previous trends, including:
 - Post-Collections, which accounts for approximately 72% of Group EBITDA, continued its strong momentum in volumes in the first four months of FY21. July and September were record months for volumes with September average daily volumes 5% higher than July 2020.
 - Average daily Collections volumes continue to be affected by the ongoing impacts of COVID-19 on BINGO's Victorian Building and Demolition (B&D) and the Commercial & Industrial (C&I) business more broadly, with total daily volumes across in the first four months ~10-15% below pre-COVID-19 levels. Volumes improved across September and October and we anticipate further improvement in activity as COVID-19 restrictions are lifted.
 - Prices remain below pre COVID-19 levels, however they have remained relatively stable across the business in Q1 FY21, with a modest uplift occurring since September 2020.

Resilient business model positions BINGO to respond to an uncertain environment

- **We are seeing an increase in activity in NSW and have seen an increase in volumes**, with solid momentum in business performance maintained in the first four months of FY21.
- **A softening in BINGO's addressable market is expected in FY21.**
 - Infrastructure activity is expected to remain strong, benefiting from the existing pipeline of committed projects and COVID-19 economic stimulus in FY21 and beyond.
 - Weaker construction activity is expected in residential and non-residential construction end-markets in FY21.
 - Initiatives announced in the Federal budget should provide positive stimulus to the recycling and construction sectors in the near-to-medium-term.
- **In order to maintain and grow volumes, BINGO expects Group EBITDA margin to decline in FY21** by approximately 200-300 bps, before rebounding to its longer-term target of 30%.
- **BINGO is strong through the cycle.** Our vertically integrated network, scale, available capacity and low cost base makes the company very resilient.
- **FY22 and beyond has the potential to offer significant upside** and is expected to provide the foundation for sustained future growth underpinned by regulatory and market tailwinds increasing the addressable market size and the ability to better utilise our network capacity.
- **We have a clear pathway to EBITDA in excess of \$250 million** from our existing asset base

BINGO's investment proposition is underpinned by significant medium term growth drivers

BINGO has invested significantly in its Post-Collections network of infrastructure assets. The existing asset base has the potential to deliver in excess of \$250 million EBITDA per annum



Note: Chart is for illustrative purposes only and does not represent the individual contributions of Development, Regulatory, Market and Other Growth Drivers to the potential uplift in EBITDA over the medium or long-term and are subject to market conditions.



BINGO controlled factors



External factors



Thank you

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