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Acquisitions of National Recycling Group and Patons Lane; Entitlement Offer to Raise \$120 million

- Acquisition of National Recycling Group ("NRG") and Patons Lane Recycling Centre and Landfill ("Patons Lane") (together, "the Acquisitions") support Bingo's growth strategy
- NRG is a Building & Demolition recycling and waste management business in New South Wales and Victoria
- Patons Lane is a greenfield recycling centre and landfill in Western Sydney scheduled to open in FY20
- Estimated NRG FY18 pro-forma EBITDA of approximately \$6.5 million with expected synergies of \$6 million to be realised over the next 12 months
- Estimated Patons Lane FY20 forecast EBITDA of \$20 million (pre-synergies) following opening in FY20
- Acquisition price for NRG of \$37.7 million plus \$13.4 million for two freehold properties, implying an ex-property, post-synergies acquisition multiple of 3.3x
- Acquisition price for Patons Lane of \$90 million structured over three payments between December 2017 and July 2019
- Funded via an underwritten¹ for 5.55 \$120 million pro-rata accelerated non-renounceable entitlement offer priced at \$1.90 per share ("Entitlement Offer")
- Entitlement Offer proceeds will be used to acquire NRG and Patons Lane, fund identified organic redevelopment opportunities, and repay debt used to fund the acquisition of Has-a-Bin completed in September 2017
- Members of the Tartak Family, including CEO Daniel Tartak, have committed to take up their full entitlements under the Entitlement Offer
- The Acquisitions and Entitlement Offer are expected to be EPS accretive post-synergies on an FY18 pro-forma basis
- The Acquisitions and together with the identified organic redevelopment opportunities, are expected to support increase annual network capacity expansion across Victoria and New South Wales from existing levels of 1.7 million tonnes per annum to 3.4 million tonnes of capacity per annum by 2020
- FY18 EBITDA now forecast to increase to approximately \$93 million

Acquisitions Overview

Bingo Industries Limited (BIN.ASX) ("Bingo") today announced it has entered into binding agreements to acquire National Recycling Group and Patons Lane Recycling Centre and Landfill. The Acquisitions

¹ The Entitlement Offer is underwritten other than in respect of the commitments received from entities associated with members of the Tartak family

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will be funded via a 1 for 5.55 underwritten¹ accelerated non-renounceable entitlement offer to raise \$120 million at an issue price of \$1.90.

NRG is a Building & Demolition ("B&D") recycling and waste management business servicing more than 300 customers in NSW and Victoria, and operating under the DATS Environment Services, Melbourne Recycling Centres and Harpers Bin Hires brands. Its collections business has 48 vehicles and more than 3,200 skip bins across the Sydney and Melbourne metropolitan areas. Its post-collections business includes three resource recovery centres ("RRC") and transfer stations across NSW and Victoria located in regions that will enhance Bingo's geographical coverage for post collections facilities.

Patons Lane is a 60 hectare site adjacent to the Western Sydney Priority Growth Area. It is approved for the development of a recycling centre and landfill, to receive B&D and Commercial & Industrial ("C&I") waste with approved RRC annual throughput of up to 350,000 tonnes p.a. and landfill capacity of 4.3 million tonnes with a maximum operational life of approximately 25 years. The site has development approvals in place and is expected to become operational in FY20 with forecast FY20 EBITDA of \$20 million (pre-synergies).

Rationale for the Acquisitions

Chief Executive Officer of Bingo, Daniel Tartak said:

"The Acquisitions provide compelling strategic benefits for Bingo, including accelerating entry in Victoria and enhancing depth of network coverage in NSW. They will deliver geographical and product diversity to our revenue streams and further vertical integration across our business model."

"NRG is a great business that complements Bingo's existing strengths in collections and provides an important post-collection facility in Sydney's North (Artarmon), where Bingo is currently under-represented. It also helps accelerate our recent expansion into Victoria, with resource recovery centres in the North (Campbellfield) and West (West Melbourne) of the Melbourne Metro providing Bingo with a footprint which is favourably positioned to benefit from Victoria's pipeline of major infrastructure projects."

"In addition to a further resource recovery facility, Patons Lane is a recycling facility and landfill site in a sought after location in Western Sydney. As well as adding significant capacity to our recycling network, it will also provide Bingo with its own landfill solution for residual waste from our recycling facilities, including preparing the company for possible regulatory change in Queensland related to the interstate transport of waste."

The Acquisitions are consistent with Bingo's long-term growth strategy to build a national and integrated waste management business. The Acquisitions together with organic redevelopment of existing assets will expand Bingo's network capacity across NSW and Victoria, to 3.4 million tonnes per annum by 2020, from our existing capacity of approximately 1.7 million tonnes per annum.

Bingo expects to deliver significant synergies of approximately \$6 million from the NRG acquisition over the next 12 months. These will be realised through fleet optimisation, consolidation of facilities and reduced corporate overheads, as well as through operational efficiencies derived from higher rates of internalisation of waste volumes.

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Acquisition Terms

NRG

The consideration for NRG is \$51.1 million which comprises \$37.7 million for the operating business of NRG and an additional \$13.4 million for the purchase of two freehold properties in Artarmon, NSW and Campbellfield, Victoria. NRG is forecast to generate FY18 pro-forma EBITDA of \$6.5 million on a standalone basis following the near-term ramp up of the new RRCs at Artarmon and Campbellfield (anticipated to be operational in the first quarter of the 2018 calendar year).

The NRG acquisition purchase price implies an FY18 pro-forma EV/EBITDA multiple of 6.8x or 3.3x post-synergies (ex-land).

The NRG acquisition is a staged completion, and completion (other than the acquisition of one property) is expected by 8 January 2018.

Patons Lane

The consideration for Patons Lane is \$90 million, structured over three payments: \$30 million in December 2017; \$30 million in December 2018; and \$30 million in July 2019. Completion of the Patons Lane acquisition is expected by mid-December 2017, with Bingo taking control of the site at that point. Bingo estimates an additional \$40 million capital expenditure is required to commence operations.

The Acquisitions and Entitlement Offer are EPS accretive post-synergies on an FY18 pro-forma basis¹ and does not take into account the earnings from Patons Lane.

Entitlement Offer & Other Initiatives

Bingo is today announcing an underwritten² 1 for 5.55 pro-rata accelerated non-renounceable entitlement offer to raise \$120 million. The capital raised from the Entitlement Offer is proposed to be used as follows:

1. NRG Acquisition: \$51.1 million
2. Patons Lane Acquisition upfront consideration: \$30.0 million
3. Associated transaction costs: \$3.4 million
4. Organic redevelopment opportunities funding: \$29.5 million
5. Has-a-Bin Acquisition: \$6.0 million

\$29.5 million raised through the Entitlement Offer will be invested towards the redevelopment opportunities of Bingo's existing network – Minto, Mortdale, St Marys and Revesby in NSW and West Melbourne and Braeside in Victoria – which will increase Bingo's total network capacity by 0.8 million tonnes per annum, enhance resource recovery rates and provide operational efficiencies.

¹ Prior to transaction and integration costs and amortisation of acquired intangibles

² The Entitlement Offer is underwritten other than in respect of the commitments received from entities associated with members of the Tartak family

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Additionally, \$6 million raised through the Entitlement Offer will be used to repay debt used to fund the Has-a-Bin acquisition which included the recycling centre in Greenacre which completed in September 2017¹.

Bingo's FY18 net debt/FY18 EBITDA is expected to reduce to 1.4x following the Entitlement Offer.

Eligible shareholders will be entitled to subscribe for 1 new Bingo ordinary share ("New Shares") for every 5.55 existing Bingo ordinary shares held as at 7:00pm Sydney time on 29 November 2017.

Under the Retail Entitlement Offer, eligible retail shareholders may apply for additional New Shares in excess of their entitlement up to a maximum of 25% of their entitlement under an oversubscription facility ("Oversubscription Facility"). Additional New Shares will only be available under the Oversubscription Facility to the extent that there are entitlements under the Retail Entitlement Offer that are not taken up by eligible retail shareholders. The allocation of additional New Shares under the Oversubscription Facility will be subject to the terms set out in the Retail Offer Booklet expected to be despatched to eligible retail shareholders on 4 December 2017 and which will be available on Bingo's website.

The Offer Price of \$1.90 per New Share represents a 8.2% discount to the closing price of Bingo shares of \$2.07 on 24 November 2017 (being the last trading day before announcement of the Acquisitions and Entitlement Offer) and a 7.0% discount to TERP² of \$2.04.

Approximately 63.2 million New Shares are expected to be issued under the Entitlement Offer. Each New Share issued under the Entitlement Offer will rank equally with existing Bingo shares on issue. Bingo will, upon issue of the New Shares, seek quotation of the New Shares on ASX.

Members of the Tartak family (including CEO Daniel Tartak) who in aggregate have a 30% shareholding have committed to take up their full entitlements under the Entitlement Offer.

The Entitlement Offer is underwritten by UBS AG Australia Branch, with CCZ Statton Equities acting as co-manager and Herbert Smith Freehills acting as legal advisers.

¹ Includes Greenacre site which was part of the Has-a-Bin acquisition in September 2017. The Greenacre property is owned by the Tartak family and leased to Bingo.

² The theoretical ex-rights price ("TERP") is the theoretical price at which Bingo shares should trade at immediately after the ex-date for the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which Bingo shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equal TERP. TERP is calculated by reference to Bingo's closing price of \$2.07 on Friday, 24 November 2017.

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Timetable

A timetable of key dates in relation to the Entitlement Offer is set out below. The timetable is indicative only and dates and times are subject to change without notice.

Dates and times are subject to change without notice	Date (Sydney time)
Trading halt and announcement of Acquisitions and Entitlement Offer	Monday, 27 November 2017
Institutional Entitlement Offer opens	Monday, 27 November 2017
Institutional Entitlement Offer closes	Tuesday, 28 November 2017
Shares recommence trading / Announcement of results of Institutional Entitlement Offer	Wednesday, 29 November 2017
Entitlement Offer record date	7.00pm on Wednesday, 29 November 2017
Retail offer booklet despatched to Eligible Retail Shareholders	Monday, 4 December 2017
Retail Entitlement Offer opens	Monday, 4 December 2017
Settlement of New Shares issued under the Institutional Entitlement Offer	Tuesday, 5 December 2017
Allotment and commencement of trading of New Shares issued under the Institutional Entitlement Offer	Wednesday, 6 December 2017
Retail Entitlement Offer closes	Thursday, 14 December 2017
Settlement of New Shares issued under the Retail Entitlement Offer	Wednesday, 20 December 2017
Allotment of New Shares issued under the Retail Entitlement Offer	Thursday, 21 December 2017
Commencement of trading of New Shares issued under the Retail Entitlement Offer	Friday, 22 December 2017
Holding statements sent to retail holders	Wednesday, 27 December 2017

Note: The above timetable is indicative and subject to variation. Bingo reserves the right to alter the timetable at its absolute discretion and without notice, subject to ASX Listing Rules and Corporations Act 2001 (Cth) and other applicable law. All dates and times refer to Sydney time.

FY18 Update and Outlook

The trading momentum for the business remains strong. The underlying business is performing in line with forecast. FY18 EBITDA is now forecast to be approximately \$93 million.

Through the remainder of FY18 Bingo's focus will be on successfully integrating the recent acquisitions and driving value from its Victorian business.

Further Information

Further information on the Acquisitions and the Entitlement Offer is set out in the Investor Presentation separately lodged with the ASX today. The Investor Presentation contains important information including key risks and foreign selling restrictions with respect to the Entitlement Offer, which you are encouraged to review.

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If you have any questions in relation to the Entitlement Offer, please contact the Bingo Offer Information Line on 1300 405 577 between 8:30am and 5.30pm (Sydney time) Monday to Friday. For other questions, you should consult your stockbroker, solicitor, accountant or other professional adviser.

-ENDS-

For more information:

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