

2019 ANNUAL GENERAL MEETING ADDRESSES

CHAIRMAN'S ADDRESS

It is with pleasure that I once again address shareholders as Chairman of Cleanaway Waste Management Limited.

I am pleased to report that your Company continues to make positive progress and posted significant improvements in the financial results for the 2019 financial year compared to the previous year. Net profit after tax attributable to ordinary shareholders was \$123.1 million up 18.9% on the results achieved last year.

In line with this increase in profits, we increased the total fully franked dividends paid to shareholders by 42.0% to 3.55 cents per share compared to 2.5 cents per share paid last year.

The full year dividend payout ratio of 51% is in line with the Board's target range of 50% to 75% of underlying earnings per share. We expect that as our profits and cash flows continue to improve our dividend payments will also improve.

Your Company is in a robust financial position. Our balance sheet remains very strong with net debt at \$658.5 million representing a net debt to EBITDA ratio of 1.4 times. This ratio gives us the capacity to continue to grow the business and positions us well for any further opportunities to continue to grow the business that may arise. We are also considering further strengthening our debt portfolio through the use of longer tenor debt.

As I have stated in the past, one of the major focus areas of the Board and Management is the health and safety of our employees and contractors. We work in an industry that faces daily operational and situational hazards and ultimately, we have a responsibility to ensure that all our employees and contractors go home safe.

While I am pleased to report that our safety performance has improved and we saw a further 8.1% reduction in our Total Recordable Injury Frequency rate in 2019, there is still more work to be done to reach our Goal Zero target.

I am also very pleased to report the recent appointment of Samantha Hogg as a Non-Executive Director, which will take effect from 1 November 2019.

Samantha has held senior executive positions at Transurban and Western Mining Company across a broad range of portfolios including finance, strategic projects, marketing and corporate services. Her most recent executive role was as the Chief Financial Officer of Transurban.

Samantha's extensive skills and experience will be a valuable addition to the Cleanaway Board. The Cleanaway Board are very pleased to add a director of Samantha's calibre as we prepare for the next phase of the growth of the Company. I congratulate Samantha on her appointment and look forward to her contribution at Cleanaway.

As Australia's largest waste management company, we will continue to work with all stakeholders, including government, regulators and the communities in which we operate to maximise the environmentally responsible handling and disposal of waste and as our mission states – make a sustainable future possible.

I would like to thank my fellow Board members for their efforts, commitments and wise counsel over this past year and I look forward to working with them into the future.

Finally, I would like to thank Vik, his management team and the almost 6,000 employees of Cleanaway for their efforts every day in making a sustainable future possible.

I will now pass over to Vik to address the meeting.

CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR'S ADDRESS

Thank you, Mark, and good morning ladies and gentlemen.

It is again an honour and a privilege to address the shareholders of Cleanaway.

Over the past four years we have made many significant changes to your Company, and these have helped to make Cleanaway the good company it is today.

However, I believe passionately that we have potential, and we are forging ahead with plans to ensure Cleanaway is a sustainably **great** company.

I am pleased to report that your company has again experienced a year of strong financial and operational growth.

Some of the key highlights from the past year include:

- Growth in revenue and earnings again in each of our three operating segments – Solid Waste Services, Industrial & Waste Services and Liquid Waste & Health Services;
- Group net revenue increased 34.8% to \$2.1 billion;
- On an underlying basis, earnings before interest and tax increased 44.7% to \$240.8 million and net profit after tax 43.1% to \$140 million;
- Cash from operating activities increased 58.6% to \$350.8 million and our free cash flow grew 76.4% to \$206.4 million; and
- Total Dividends per share increased 42% to 3.55 cents a share.

For the first time, these results include a full year contribution from the Toxfree acquisition that was completed towards the end of the 2018 financial year.

I can state - without any hesitation - that the Toxfree acquisition and subsequent integration will meet all the expectations that were committed to at the time of entering into the transaction.

It has proven to be good for Cleanaway, good for all stakeholders and good for the industry in general.

The integration of the businesses has progressed very well - and we remain confident that the targeted \$35 million in synergies will be achieved by the end of this financial year.

As I stated in the Annual Report, one of the keys to our success has been the development of a performance driven culture within Cleanaway. And an important element of driving culture is providing clarity for all our employees.

One of the ways we do this is the implementation of the **Cleanaway Way** - which is our strategy on a page.

We have spent considerable time presenting and discussing with employees, as to what the *Cleanaway Way* is and outlining the expectations we have from everyone.

The core of our *Cleanaway Way* is our mission of “making a sustainable future possible” for all.

Our *Cleanaway Way* also provides clarity around our strategic focus and operating cadence across four areas – People, Markets, Assets and Financial.

I have covered the financial aspects earlier in my address, so will now concentrate on the other three.

People

Our safety performance in FY19 improved by 8.1% - and whilst improvements have continued for over 7 years - it is still not at a level that we are satisfied with and still short of our target of Goal Zero.

Our commitment to this target is unrelenting.

One recent area of focus is driver attentiveness. With almost 5,000 heavy vehicles on the road, we are constantly and very visibly interacting with the public every day.

We are seeing changes in the risk profile on the road, as the volume of traffic in metropolitan areas continues to rise, and the potential for people to be distracted due to inappropriate use of mobile phones or other devices becomes more prevalent.

This is not just an issue for Cleanaway, but for the whole of society.

We are aware of these issues - and whilst we have no control over other people - we've made improving driver attentiveness a key priority for FY20 and have several programs in progress to achieve this.

It goes without saying that having a workforce that is safe, takes pride in the company they work for, and believes in the Mission and Vision of the Company, goes a long way towards success.

Markets

Our Growth strategy is focussed on increasing both pricing and market share, and its success is reflected in the organic growth in revenues we experienced in FY19.

While positive, the levels of service we provide to every one of our customers drives our market success.

Service levels have increased considerably over the past several years, but they are still not at a standard that I would consider reflects what great companies do.

We have several initiatives in progress across the entire organisation to ensure that the hundreds of thousands of commercial and industrial customers - and the millions of households we service every year - are serviced to a level that totally meet their waste management needs.

Assets

Our Footprint 2025 strategy is a 10-year plan we developed in 2015.

It is about the development of prized infrastructure assets, that optimise the waste value chain from collection to disposal, and we continued this strategy at pace during the year.

We believe in the waste value chain and the concept of the evolving tonne.

We know that building strong prized infrastructure assets provides a strategic moat to your company.

It is only through these waste resource recovery and disposal assets, that we can provide our customers with world class infrastructure to sustainably manage the large volumes of waste generated.

We have by far the best and most extensive network of these prized infrastructure assets in Australia - and recently announced plans to further expand that network.

These assets are critical for us to deliver:

- Recycling of over 380,000 tonnes of paper and cardboard;
- Collecting and processing of approximately 115 million litres of used oil;
- Recycling of over 15,500 tonnes of plastic packaging and 25,000 tonnes of steel;
- Capturing approximately 115 million cubic metres of landfill gas, which is used to generate 135 million kilowatt hours of energy. This is enough renewable energy to power over 27,000 homes; and
- Collecting and recycling over 3 billion containers since the inception of the Container Deposit Schemes in New South Wales and Queensland.

In early October we announced the launch of a proposal to build an Energy-from-Waste centre in Western Sydney.

This is an integral piece of prized infrastructure. As the population grows rapidly and the Western Sydney region expands, it will provide the residences and businesses of Western Sydney with a safe, sustainable option for their general waste.

Recovering residual waste to generate energy means increased landfill diversion and more cost-effective, sustainable options for our customers.

Energy-from-waste is an exciting frontier for the Australian waste industry and a significant step forward for Cleanaway.

We intend to use safe and proven technology, that is well established in similar plants around the world.

Our proposed Energy & Resource Recovery Centre would accept up to 500,000 tonnes of residual waste from Western Sydney per year, to generate safe green energy for approximately 65,000 homes.

Community engagement, which is a very important element of the planning approval process, is fully operational.

Over the last few weeks we have letterboxed over 11,000 homes and businesses in suburbs surrounding the proposed facility and inviting every resident and business to contact us with any questions they may have.

We have had some very positive conversations with the community as the understanding of the technology and how safe it is increases.

If approved, this project will be another milestone for our Footprint 2025 strategy, and I look forward to reporting to shareholders on our progress over the coming years.

You would all understand that since the implementation of the China National Sword policy almost two years ago, the focus on waste by the media, governments, and more importantly society, has increased.

What we are now experiencing is an industry in evolution. In the old days, waste management was basically lift and dump.

Then we went to some level of recycling. However, in Australia we are sorting, not recycling. The recycling of products from our homes only occurs when the product placed in the recycling bin is turned into a new product.

When China implemented its National Sword policy of no longer accepting contaminated waste from western societies - a policy increasingly being adopted by other developing nations - other countries were forced to start to think about establishing their own circular economies, where the recyclable waste is turned into new products.

No circular economy can exist without a waste management company.

We provide the link to the creation of new products via the collection, sorting and subsequent provision of usable material to the manufacturers of those products.

This provides significant opportunities for Cleanaway and leads me to the recent acquisition of the SKM assets announced earlier in October.

SKM was the largest processor of recyclable household material in Victoria. Their economic model was centred around being a manufacturer, rather than a waste manager.

Once China and then other Asian countries implemented their National Sword policy, this economic model collapsed. The consequence of this was the stockpiling of waste, and the creation of significant health and safety issues for the people of Victoria.

By purchasing their assets, Cleanaway is now working with councils to provide them with a correctly priced solution to their kerbside co-mingled waste.

We are well advanced in our planning for the operation of the SKM assets once the acquisition is finalised at the end of this month and are quite confident that the acquisition of these assets will add value to the Company.

I would now like to take the opportunity to advise shareholders on how trading is progressing in the current financial year.

We remain confident all three of our operating segments – being Solid Waste Services, Industrial Waste Services and Liquid Waste & Health Services – will report improved earnings in FY20 on FY19.

Due to a combination of lower economic activity, softness in commodity prices versus the first half of FY19 and a reduction in local Queensland volumes following the introduction of the landfill levy, we expect earnings in the first half of FY20 to be in line with the first half of FY19.

Based on the confidence we have in the underlying performance of all operating segments, pricing initiatives in action and cost reductions already implemented, we believe earnings in the second half of FY20 will be stronger than the first half of FY20 and the corresponding second half of FY19.

In closing, I would like to thank our Chairman, Mark Chellew, and the Board for their unwavering support and wise counsel to me, and our Management team over the past year.

I also want to thank all the employees of Cleanaway for their tireless efforts every single day. Their commitment and passion to Cleanaway is an inspiration to all of us.

Ladies and gentlemen, and I will now pass back to Mark for the formal resolutions.

For investor enquiries:

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Cleanaway Waste Management Limited is Australia's leading total waste management, industrial and environmental services company. Our team of more than 6,000 highly trained staff are supported by a fleet of over 4,900 specialist vehicles working from approximately 300 locations across Australia. With the largest waste, recycling and liquids collections fleets on the road - and supported by a network of recycling facilities, transfer stations, engineered landfills, liquids treatment plants and refineries - we are working hard to deliver on our mission of making a sustainable future possible for all our stakeholders.