Australia’s leading total waste management company
### Dynamics of a successful player in the waste management industry

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As Australia’s leading waste management company Cleanaway has built a complete asset base and services portfolio:

- 4,000+ Licensed infrastructure assets
- 3,000+ Vehicles
- 90+ Municipal Councils
- ~120,000 Commercial & Industrial Customers
- ~200 Sites Australia wide
- ~550 million litres Waste Liquids collected and processed
- ~130 million litres Waste Mineral Oil collected for processing
- ~230,000 tonnes Paper and cardboard recycled
- ~10,000 tonnes Plastic packaging recycled
- ~13,000 tonnes Steel recycled
- 90m+ kWh Renewable energy generated

Note: Excludes Toxfree acquisition
Currently, our reporting segments comprise

**Solids Collections**
- Largest solid waste services fleet and widest network across Australia
- Over 120,000 customers ranging from local small business to large national corporates across all industries
- Servicing over 90 Councils and 2 million residences per week

**Solids Post Collections**
- Landfill assets located in every mainland state of Australia
- Growing network of transfer stations across Australia
- Gas generated from landfills used to produce over 90 million kWh of renewable energy
- Growing base of resource recovery assets across Australia

**Liquids and Industrial Services**
- Largest collector and processor of waste liquids in Australia
- Largest hydrocarbon recycler in Australia
- Largest provider of a wide range of environmentally focussed industrial services in Australia
Three years ago we started our journey from a good to great company

**Pillar 1**

*Customer for Growth*

- Increasing focus on customers and customer service to achieve stronger growth

**Pillar 2**

*Continuous Improvement for Cost*

- A fit for purpose organisation with unrelenting focus on productivity and cost

**Pillar 3**

*Capital for Cash*

- Pursuing effective and disciplined capital management

**Pillar 4**

*Clarity for Alignment*

- Ensuring transparency and accountability across the organisation

**Pillar 5**

*Competitive Advantage for Excellence*

- Ensuring our elements of competitive advantage are best in class
## The good to great company journey so far

### Pillar 1
**Customer for Growth**
- Rebranded the Company to Cleanaway
- Over 80% of our revenues are contracted
- Changed sales structures and “Go to Market” approach
- Implemented an Internal Sales and Save Desk structure that has reduced customer churn rates
- Greatly improved our pricing model
- Achieved organic revenue growth every year over the past three years plus significant major contract wins in FY17

### Pillar 2
**Continuous Improvement for Cost**
- $30 million in permanent cost reductions achieved by the end of FY17
- Streamlined the organisation into a “fit for purpose” structure
- The Cleanaview propriety in-cab system is generating further efficiencies
- Rationalisation of depots and branches with sub-standard returns
- One ERP and significant improvement in business line of sight

### Pillar 3
**Capital for Cash**
- Disciplined, predictable capital spend
- Maintained cash capital expenditure at below the depreciation and amortisation rate
- Remediation and Rectification spend under control
- Major Infrastructure spend within capital expenditure targets
- Improved free cash flow generation from $18.9 million in FY15 to $62.6 million in FY17
With over 80% of revenues contracted, customer churn is a key driver of performance

- Over 120,000 Commercial & Industrial customers
- Save desk limits churn, pricing and margin decline
Financial performance improving

### Net Revenue ($million)

- **FY15**: $1,301.1
- **FY16**: $1,320.7
- **FY17**: $1,350.6

### EBITDA ($million) and EBITDA margin (%)

- **FY15**: $231.3, 17.8%
- **FY16**: $281.3, 21.3%
- **FY17**: $301.3, 22.3%

### EBIT ($million) and EBIT margin (%)

- **FY15**: $97.5, 7.5%
- **FY16**: $122.6, 9.3%
- **FY17**: $142.9, 10.6%

### NPAT ($million) and NPAT margin (%)

- **FY15**: $45.7, 3.5%
- **FY16**: $63.3, 4.8%
- **FY17**: $77.5, 5.7%

### Free Cash Flow ($million)

- **FY15**: $18.9
- **FY16**: $50.7
- **FY17**: $62.6

### Dividends (cents)

- **FY15**: 1.5 cents
- **FY16**: 1.7 cents
- **FY17**: 2.1 cents

**Notes:**

1. Gross revenues less landfill levies.
2. Underlying results.
3. Free cash flow defined as cash from operating activities excluding interest and tax less capital expenditure.

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Leading to improved shareholder returns

Relative share price performance
Cleanaway v ASX100 Industrials
1 July 2015 to 1 May 2018

ASX Code: CWY
Share price: $1.59
(1 May 2018)
Market Capitalisation: $3.2 billion
Index: S&P/ASX100

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We will extract maximum value through the value chain

**Collections**
- Operational efficiency
- Strong market share position by region leading to route density
- Pricing
- Customer churn management

**Resource recovery**
- Access to strategic resource recovery facilities
- Scale of collections
- Agile optimisation of materials flow
- Ability to adapt to a changing regulatory outlook

**Landfill/alternative waste disposal**
- Well located prized assets
- Long term planning and reinvestment based on supply/demand
- Optimisation of flows between landfill/alternative waste disposal and resource recovery

Investing in the right ‘package’ of assets for us to compete effectively and extract maximum returns across the value chain

The Toxfree acquisition accelerates the implementation of the Footprint 2025 strategy
Prized infrastructure assets completed during the last 24 months or in construction stage

- New paper recycling facility and transfer station acquired
- Brisbane
- Sydney
- Melbourne
- Adelaide
- Perth

New transfer station and material recycling facility. Scheduled completion 2H18

- Ownership of 100% of base oil recycling facility in Rutherford and engineering upgrade at Wetherill Park refinery to now produce Category 1 base oil

Engineering upgrade to oil recycling facility improving product quality

Ownership of 100% of base oil recycling facility in Rutherford and engineering upgrade at Wetherill Park refinery to now produce Category 1 base oil

Double electricity generating capacity at MRL

Planning permit for MRL to 2046

New transfer station in South East Melbourne

3 transfer stations and resource recovery facilities following acquisition of SA Waste in July 2017

New material recycling facility constructed and transfer station acquired
Recycling and the China Sword Program
Cleanaway has limited exposure to the change in the recycling markets

- Commercial & Industrial (C&I) and waste oil collections remain the major source of commodities
- Cleanaway contracts with Municipals are a mix of collection only (50%)\(^1\), collection and on sell the comingled waste to third party sorters or take the material through our own recycling facility
- Only 7% of commodity revenues relate to Municipal
- Pricing increases to a number of Municipals have commenced

Note 1: Municipals retain risk on commodity end markets

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Acquisition of Toxfree

The acquisition of Toxfree Solutions was approved by the ACCC on 26 April 2018. The transaction is still subject to customary closing conditions including Toxfree shareholder approval and court approval. We are confidant that all approvals will be received with the scheme expected to become effective on 11 May 2018 and implemented on 25 May 2018.
### Acquisition of Toxfree

#### A strategically compelling acquisition
- Affirms Cleanaway’s leadership in each of our operating segments by enhancing our existing capabilities
- Accelerates the implementation of our Footprint 2025 strategy
- Significant capital spend avoided in our Liquids & Industrial Services segment
- Provides a leading position in the attractive medical waste sector

#### Synergies
- The integration of the Cleanaway and Toxfree businesses is expected to deliver ~$35 million in annual synergies to be realised over 2 years with total synergy benefits fully reflected in FY21
- Cleanaway has undertaken due diligence to quantify expected synergy benefits
- Estimated one-off integration costs of ~$35 million to be incurred during the 2 year integration process

#### Financial impact
- Pro forma historical FY17 EPS accretive pre synergies (before amortisation of intangibles and one-off transaction and integration costs)
- Assuming full-year annual synergies:
  - More than 25% EPS accretive\(^1\)
  - More than 80% Free Cash Flow per share accretive\(^2\)
  - Approximately 10% Pre-tax Return on Invested Capital on the Acquisition\(^3\)

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Note: 1. Based on NPAT excluding transaction costs, one-off integration costs and amortisation of acquired identifiable intangibles. The impact of purchase price accounting has not been completed, which will impact future depreciation and amortisation charges. In accordance with AASB 133, Cleanaway standalone EPS has been restated based on an adjustment factor to take into account the bonus element of the entitlement offer launched on 11 December 2017. 2. Free Cash Flow per share defined as operating cash flow excluding interest, tax and one-off transaction and integration costs less capital expenditure, divided by the weighted average number of shares on issue. Cleanaway standalone free cash flow per share has been restated based on an adjustment factor to take into account the bonus element of the Offer. 3. Defined as EBIT excluding one-off transaction and integration costs before amortisation of acquired identifiable intangibles divided by the total consideration.
Toxfree’s operations

Toxfree operates a strategic national network of prized waste infrastructure including a number of facilities with valuable licenses and treatment technologies

Note: Excludes Daniels New Zealand Joint Venture.

Source: Toxfree.

Waste Services

Technical and Environmental Services

Industrial Services

Health Services

Toxfree Office

Key Site

Waste Services

Technical and Environmental Services

Industrial Services

Health Services

Toxfree Office

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Acquisition is “in country, in sector and in our operating space” enhancing most core parts of the Company

- **5,550+** Employees +39%
- **119+** Licensed infrastructure assets +32%
- **3,900+** Vehicles +30%
- **~252 Sites** Australia wide
- **90+** Municipal Councils
- **~680 million litres** Waste Liquids collected and processed +24%
- **~245,000 tonnes** Paper and cardboard recycled +7%
- **~140,000** Commercial & Industrial Customers +17%
- **~140 million litres** Waste Mineral Oil collected for processing +8%
- **~140,000** Municipal Councils +39%
- **~11,000 tonnes** Plastic packaging recycled +10%
- **~14,000 tonnes** Steel recycled +8%
- **90m+ kWh** Renewable energy generated +10%
Reducing risk via multiple sector exposures

**Solids**
Consolidates and balances:
- Increase in QLD footprint where Cleanaway is relatively underweight
- Strengthens Cleanaway’s position in regional areas of WA – resources exposed
- Internalisation and waste diversion

**Liquids, Health & Industrial Services**
Consolidates, re-weights and adds new high growth medical waste services
- Broader, enhanced footprint
- Leader in medical waste
- Internalisation and waste diversion
- Exposure to infrastructure & regional resources sectors

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**Cleanaway Net Revenue by reporting segment and markets FY17**

- **Solids**
  - Residential
  - Commercial
  - Industrial
  - Construction

- **Liquids**
  - Regulated waste
  - Industrial
  - Manufacturing
  - Energy

- **Industrial Services**
  - Resources
  - Infrastructure

**Pro forma consolidated Net Revenue by possible reporting segment and markets FY17**

- **Solids**
  - Residential
  - Commercial
  - Industrial
  - Construction

- **Liquids & Health Services**
  - Regulated waste
  - Industrial
  - Manufacturing
  - Energy
  - Healthcare

- **Industrial Services**
  - Resources
  - Infrastructure

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Note: 1. Cleanaway net revenue is net of levies and before intersegment and intercompany eliminations. Toxfree net revenue includes intercompany eliminations. 2. Medical Waste Services revenue based on 7 months contribution post completion of acquisition of Daniels Health by Toxfree in December 2016.
Integrating Toxfree

Realising the $35 million in synergies over 2 years

- Integration of Corporate and Enterprise services
- Remove duplication in the operating structure
- Footprint optimisation – new technologies, increased utilisation, rationalisation
- Route density and fleet utilisation optimisation
- Total benefits expected to be fully reflected in FY21

The integration process

- An integration team has already been established reporting directly to the CEO
- Team comprises both Cleanaway and Toxfree people
- Significant preparatory work has been undertaken to implement the integration benefits and extract synergies
- Formal process will start as soon as control achieved
Cleanaway (incl. Tox) will rank amongst the top 20 waste management companies globally and largest in the Asia Pacific region - based on 2017 revenue

Note: Cleanaway: Cleanaway gross revenue (incl. levies shown). Cleanaway and Tox based on FY17 figures.
Other companies: Excludes revenue for segments other than waste management and related services where available. Based on last reported results. Source: Company filings and reports, industry reports, FactSet and estimates.
There are five key elements that make Cleanaway Australia’s number one waste management company

| Customer & Waste Diversity | Servicing the residential, commercial, industrial, manufacturing, infrastructure, resources, healthcare and energy sectors  
| | An essential services company with multiple waste streams management |
| Best in Class Infrastructure Base | Over 90 prized infrastructure assets across the country  
| | Growing to over 120 following the Toxfree acquisition  
| | Difficult to duplicate |
| Value Chain & Operating Leverage | Leading position in Collections, Resource Recovery and Post Collection Assets  
| | Fleet Assets, Customer Base and Route Density |
| Customer Proximity & Footprint | Currently ~200 sites Australia wide  
| | Growing to ~252 following the Toxfree acquisition |
| Strongest brand Sustainability Mission | Number one brand recognition across the waste industry in Australia |
Outlook for FY18 – Excluding the Toxfree acquisition, no change

- The major contract wins in FY17 have established a firm base for revenue growth in our Solids businesses and we continue to remain optimistic of continuing improvement in the Liquids & Industrial Services business.

- Cost disciplines remain in place and along with further initiatives being implemented across the Company should result in both the Solids and Liquids & Industrial Services segments further increasing operational earnings in FY18.

- FY18 earnings are expected to be in line with current market expectations, excluding the impact of the acquisition of Toxfree.
Questions

Cleanaway True Blue