

FY19 HALF YEAR RESULTS REVENUE, EARNINGS AND CASH FLOW UP STRONGLY INTERIM DIVIDEND UP 50%

- All operating segments increased revenue and earnings
- Strong free cash flow and cash conversion
- Integration of Toxfree on track

Cleanaway Waste Management Limited (“Cleanaway”, ASX:CWY) today announced its financial results for the six months ended 31 December 2018, summarised below.

	Statutory		Underlying	
	1H19	vs 1H18	1H19	vs 1H18
Gross revenue (\$m)	1,149.7	+46.4%	1,149.7	+46.4%
Net revenue (\$m)	1,064.6	+47.4%	1,064.6	+47.4%
EBITDA (\$m)	220.8	+43.2%	228.9	+44.0%
EBIT (\$m)	109.1	+46.1%	117.2	+47.4%
Net profit after tax (\$m)	60.8	+35.1%	67.0	+52.6%
Earnings per share (cents)	3.0	+11.1%	3.3	+26.9%
NPATA ¹ (\$m)	66.3	+43.2%	72.5	+60.4%

	1H19	vs 1H18
Interim dividend declared (cents)	1.65	+50.0%
Cash flow from operating activities (\$m)	175.6	+55.7%
Free cash flow (\$m)	112.1	+126.5%
Net Debt to EBITDA ² (times)	1.51x	n/a

Net underlying adjustments totalled \$6.2 million after tax comprising of costs related to acquisitions and the integration of Toxfree plus the loss on sale of investments.

Notes:

1. Excludes tax effected amortisation of acquired customer and license intangibles.
2. The net debt to underlying EBITDA ratio of 1.51x assumes a full six month contribution from Toxfree for the second half of FY18.

Management Commentary

Chief Executive Officer and Managing Director of Cleanaway, Vik Bansal, said: *"I am pleased to present results which deliver on our promise and commitments.*

"The safety of everyone at Cleanaway has and always will be our number one priority. The alignment of culture and behaviours needed to ensure our target of Goal Zero remains a priority as we continue the integration of Toxfree.

"We are pleased with the Toxfree integration process and remain confident of delivering the \$35 million of synergies from the acquisition.

"While margins have improved compared to the second half of FY18, we believe that further improvements can be achieved as we continue to implement synergies and operational improvements across every one of the segments and businesses within the Company.

"Development of our prized infrastructure as part of Footprint 2025 continued at pace. During the half we completed construction of post collection facilities in Sydney and Perth, an organics facility in Melbourne and upgraded our soil treatment facility in Sydney.

"The acquisition of Toxfree and the numerous strategic initiatives which we continue to implement across the Company have further strengthened our position as the leading waste management company in Australia."

Dividend

An interim dividend of 1.65 cents per share (pcp: 1.1 cents per share) has been declared representing an increase of 50% from the corresponding period. The dividend will be fully franked and paid on 4 April 2019 to shareholders on the register as at 5pm on 5 March 2019.

The Dividend Reinvestment Plan (DRP) will be in operation for this dividend. Shareholders residing in Australia or New Zealand may elect to participate in the DRP. Under the DRP, Cleanaway shares will be issued at the average of the daily Volume Weighted Average Price (VWAP) of all shares sold on ASX over the period from 7 to 13 March 2019. No discount will be applied to shares issued under the DRP.

Underlying Segment Performance

Solid Waste Services

Solids Waste Services reported increased net revenue and earnings.

Compared to the corresponding period last year, net revenue increased 30.2% to \$682.4 million. EBITDA increased 26.2% to \$175.7 million and EBIT 27.3% to \$102.1 million.

Both revenue and earnings increased by the addition of the Toxfree Solids businesses located in North West WA and Qld.

Growth was further enhanced by the full ramp up of major contract wins such as the NSW Central Coast municipal contract, Coles, the NSW Container Deposit Scheme and commencement of the Brisbane City Council resource recovery contract on 1 July 2018.

Landfill volumes were stronger on the East Coast.

Commodity pricing stabilised compared to FY18. Some of the commodity price fluctuations have been mitigated by improved contract terms with customers.

Industrial & Waste Services

Industrial & Waste Services reported increased net revenue, earnings and margins.

Compared to the corresponding period last year, net revenue increased 129.0% to \$177.0 million. EBITDA increased 193.7% to \$23.2 million and EBIT 425.0% to \$10.5 million.

EBIT margins increased to 5.9% from 2.6% in 1H18.

The segment also achieved modest organic growth during the half after taking into account the completion of the Toxfree Wheatstone project in the corresponding period.

The acquisition of Toxfree has increased scale in this segment which allows segmentation and management across two dedicated strategic business units: Resources and Infrastructure. This has resulted in an improved customer focus and specialisation of technical ability and assets.

The pipeline of work across both infrastructure and resources markets is encouraging, although at this stage it is too early to be confident on the timing of project commencements.

Liquid Waste & Health Services

Liquid Waste & Health Services reported increased net revenue, earnings and margins.

Compared to the corresponding period last year, net revenue increased 77.1% to \$251.0 million. EBITDA increased 93.2% to \$42.7 million and EBIT 81.4% to \$26.3 million.

EBIT margins increased to 10.5% from 10.2% in 1H18.

The Toxfree Technical & Environment Services and Health Services businesses have both performed well and continue to deliver revenue and earnings growth.

Hydrocarbons had a good first half and remains on track for further growth with increased production efficiencies and improved oil price movement.

Hazardous and non-hazardous liquids performance was disappointing. We are working to improve its performance and remain confident that this will be achieved.

Packaged waste services continue to grow as new hazardous waste streams are recognised by the market.

FY19 Outlook

Positive earnings momentum is expected to continue for the remainder of the year via organic growth and further realisation of synergies.

Investor Briefing

The Company will be holding a teleconference briefing on the results at **9.30am** (AEDT) today.

Presenters: CEO and Managing Director – Mr Vik Bansal
CFO – Mr Brendan Gill

Teleconference: Australia: 1 800 123 296
International: +61 2 8038 5221

Quote Conference Code: 248 3688

Investor and Media Relations

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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 3,900 specialist vehicles working from approximately 250 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.