ASX & Media Release

17 February 2022

CLEANAWAY
Making a sustainable future possible together

FY22 HALF-YEAR RESULTS
Strong Financial Performance and Blueprint for future growth

Cleanaway Waste Management Limited ("Cleanaway") ASX:CWY today announced a Statutory Net Profit of $52.5m for the six months ended 31 December 2021 ("1H22"), down 33.9% on the prior corresponding period ("pcp" or "1H21"). Statutory Net Profit was $23.8m lower than Underlying Net Profit of $76.3m predominantly due to costs associated with the acquisition and integration of the Sydney Resource Network.

HIGHLIGHTS

Financial Performance

- ✓ Strong top line growth with opportunity to drive further earnings once temporary headwinds subside
- ✓ Increased dividend underpinned by resilient business performance, higher operating cash flow and strong balance sheet

"Sydney Resource Network" transaction completed

- ✓ Completed 18 December and immediately earnings accretive
- ✓ Former Suez assets fully integrated into Cleanaway network

Strategy Refresh – BluePrint 2030

- ✓ Established our foundations and embed leadership behaviours to deliver
- ✓ Completed a deep dive across the enterprise and formulated refreshed strategy
- ✓ Added carbon, sustainability and core process capabilities
- ✓ Continued to build-out growth platforms

Executive Appointments

- ✓ New EGM appointments will bring increased capability and experience aligned to refreshed strategy

Financial Performance Summary

	1H22	1H21	Variance
Net revenue ($m)	1,229.9	1,070.2	14.9%
Underlying EBITDA ($m)	273.7	263.8	3.8%
Underlying EBIT ($m)	129.9	132.2	(1.7%)
Underlying Net profit after tax ($m)	76.3	79.0	(3.4%)
Underlying Earnings per share (cents)	3.7	3.8	(2.6%)
Statutory Net profit after tax ($m)	52.5	79.4	(33.9%)
Statutory Earnings per share (cents)	2.5	3.8	(34.2%)
Cash flow from operating activities ($m)	223.6	202.4	10.5%
Net Debt to EBITDA (times)	2.24x	1.57x	+0.67x
Interim dividend declared (cents per share)	2.45	2.25	8.9%

Net Revenue of $1,230m was 14.9% higher than the pcp with higher revenue across all segments primarily driven by a general recovery in economic conditions, new customer contracts, recent acquisitions, pandemic related clinical waste and higher commodity revenue.

Underlying EBITDA of $273.7m was 3.8% higher than the pcp reflecting higher revenue partially offset by lower volumes from higher margin activities, the first quarter impact of the lockdown in New South Wales, higher fuel and Adblue prices, significantly higher costs in the Health Services business and higher commodity shipping costs.

Underlying EBIT of $129.9m was 1.7% lower than the pcp due to higher depreciation and amortisation expenses related to new customer contracts, acquisitions and developments.

Underlying earnings per share ("EPS") attributable to ordinary equity holders of 3.7 cents per share ("cps") was 2.6% lower than the pcp.

Net operating cash flow of $223.6 million was 10.5% higher than the pcp.

The Board declared an interim dividend of 2.45 cps partially franked at 25%, 8.9% higher than the pcp.

Management Commentary

Chief Executive Officer and Managing Director of Cleanaway, Mark Schubert, said, "*Today it is my sincere privilege to report for the first time the financial and operational results for Cleanaway on behalf of the more than 6,600 hardworking, humble and willing employees that together make Cleanaway the great business that it is."*

"During the half we have redefined safety and the environment as our two foundations. We do this so if our teams need to choose then, our foundations will always come first. They are also central to our purpose of making a sustainable future possible together."

"The underlying financial performance for the half-year was pleasing with around 15% top line growth compared to the prior corresponding period. This flowed through to around 4% higher EBITDA at $273.7 million and translated into 10.5% higher underlying net operating cash flow of $223.6 million. There were a few temporary headwinds impacting margins. However, we do see these as temporary, with margin recovery expected in all segments in the second half."

"The strong underlying financial performance, together with our cash flow and strong balance sheet allowed directors to increase the interim dividend to shareholders."

"We undertook a deep review of our strategy and refreshed it. It is evident that there is significant change happening. In a relative short period, the industry has moved from a collect and dispose one to a much more complex one with a far greater focus on resource recovery through the value chain.

With sustainability here to stay in the form of lower carbon and higher circularity driven by customers and communities, our landscape review showed a long and exciting runway of domestic opportunities in our core markets, which we are well positioned to capture."

"Our Blueprint 2030 strategy is our customer led evolution of Footprint 2025. Blue represents Cleanaway, it represents sustainability and it represents the blue-sky ambition and mindset that we will bring to the strategy, while ''print'' acknowledges this as an extension of our Footprint 2025 strategy, which underpins this strategy evolution."

"In Blueprint 2030 we will create superior shareholder value by integrating and extending our leading network of infrastructure assets to provide high circularity low carbon solutions, seamless customer service and value for money for our customers."

"Our goal is to be recognized by our customers as the most innovative and sustainable waste company. We will do this with foundations of zero harm to people and the environment. We have a unique execution and delivery capability, which has underpinned our multi-year track record in performance, and we have set up exactly this to execute our strategy effectively."

"During the half we completed the significant acquisition of the Sydney Resource Network and the business has been contributing to earnings from day one. Following an efficient integration, operational control has been passed to the Solids NSW business unit. We also recently acquired 'Vins Bins', a C&D collections and resource recovery business operating in the Mornington Peninsula region of Victoria as we seek to grow our market share in that segment over time."

"As Energy-from-Waste will be a core part of our business into the future we also determined during the half to pursue our proposed Melbourne and Queensland projects on a 100% equity ownership basis. In Melbourne we have purchased a site in Wollert, which is about 30km north-east of the city and surrounded by other industrial activities. In Queensland we have an agreement in place for the purchase of a site and are finalising detailed documentation."

"We are further developing our cross-value chain partnership as we look for opportunities to recycle mixed plastics which are not suitable for our mechanical processing facilities. We are currently working with Qenos, Australia's only manufacturer of polyethylene and supplier of a diverse range of specialty polymers, on a feasibility study to chemically recycle mixed plastics and turn them into raw materials that are used to make new plastic polymers for a circular solution."

Dividend

The Board declared an interim dividend of 2.45 cents per share (prior corresponding period: 2.25 cents per share) representing an increase of 8.9% on the interim dividend paid in the prior corresponding period. The dividend will be partially franked at 25% and paid on 6 April 2022 to shareholders on the register on 1 March 2022.

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. The DRP election date is 2 March 2022. 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 3 to 9 March 2022. No discount will be applied to shares issued under the DRP.

FY22 Outlook

When comparing the second half of FY22 to the first half of FY22, the second half has six less working days to earn revenue. Excluding Sydney Resource Network contribution, we expect second half EBITDA to be similar to the first half. In addition, FY22 EBITDA will also include the Sydney Resource Network from 18 December, which is trading in line with expectations.

COVID impacts are difficult to forecast. The Omicron COVID impact in December and into the start of 2022 has resulted in higher labour and logistics costs, both of which we expect to be temporary. The impact has moderated in February, but it remains uncertain and therefore may impact the outlook.

Investor Briefing

The Company will be holding a webcast and tele-conference briefing on the results at **9.30am** (AEDT) today.

Presenters: CEO and Managing Director – Mr Mark Schubert
CFO – Mr Paul Binfield

Webcast: https://services.choruscall.com/mediaframe/webcast.html?webcastid=U0Jnjct5

Tele-conference: To participate in the teleconference please go to the following link https://s1.c-conf.com/diamondpass/10018549-rham14.html

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Making a sustainable future possible together

Cleanaway Waste Management Limited

Australia's leading total waste management services provider

FY22 half-year results presentation
for the six months ended 31 December 2021

Presenters
Mark Schubert, Managing Director & CEO
Paul Binfield, Chief Financial Officer

Disclaimer

Forward looking statements – This presentation contains certain forward-looking statements, including with respect to the financial condition, results of operations and businesses of Cleanaway Waste Management Limited ("CWY") and certain plans and objectives of the management of CWY. Forward-looking statements can generally be identified by the use of words including but not limited to 'project', 'foresee', 'plan', 'guidance', 'expect', 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'will' or similar expressions. All such forward-looking statements involve known and unknown risks, significant uncertainties, assumptions, contingencies and other factors, many of which are outside the control of CWY, which may cause the actual results or performance of CWY to be materially different from any future results or performance expressed or implied by such forward-looking statements. Such forward-looking statements apply only as of the date of this presentation.

Factors that could cause actual results or performance to differ materially include without limitation the following: risks and uncertainties associated with the Australian and global economic environment and capital market conditions, cyclical nature of various industries, the level of activity in Australian construction, manufacturing, mining, agricultural and automotive industries, commodity price fluctuations, fluctuation in foreign currency exchange and interest rates, competition, CWY's relationships with, and the financial condition of, its suppliers and customers, legislative changes, regulatory changes or other changes in the laws which affect CWY's business, including environmental and taxation laws, and operational risks. The foregoing list of important factors and risks is not exhaustive.

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Results information – This presentation contains summary information that should be read in conjunction with CWY's Consolidated Financial Report for the six months ended 31 December 2021.

All amounts are in Australian dollars unless otherwise stated. A number of figures in the tables and charts in the presentation pages have been rounded to one decimal place. Percentages (%) have been calculated on actual whole figures.

Unless otherwise stated, all earnings measures in this presentation relate to underlying earnings.

Underlying earnings are categorised as non-IFRS financial information and therefore have been presented in compliance with ASIC Regulatory Guide 230 – Disclosing non-IFRS information, issued in December 2011. Refer to CWY's Directors' Report for the definition of "Underlying earnings". The term EBITDA represents earnings before interest, income tax, and depreciation, amortisation and impairments and the term EBIT represents earnings before interest and income tax expense.

This presentation has not been subject to review or audit.

Snapshot of Cleanaway

Cleanaway is Australia’s leading total waste management, industrial, environmental and health services company.

Cleanaway is vertically integrated through the waste value chain from waste collection, to resource and energy recovery, to waste treatment and disposal.

Our services are underpinned by a diversified portfolio of prized infrastructure assets operated by a committed workforce.

- **5,000+** Vehicles
- **~250** Sites Australia wide
- **125+** Prized infrastructure assets
- **130+** Municipal councils
- **150,000+** Business customers

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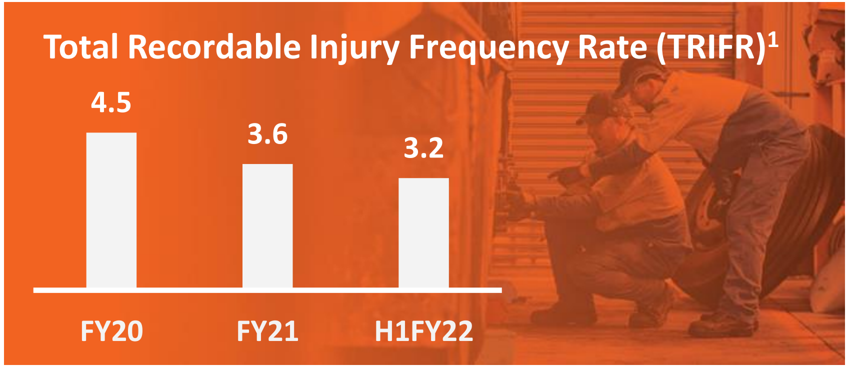
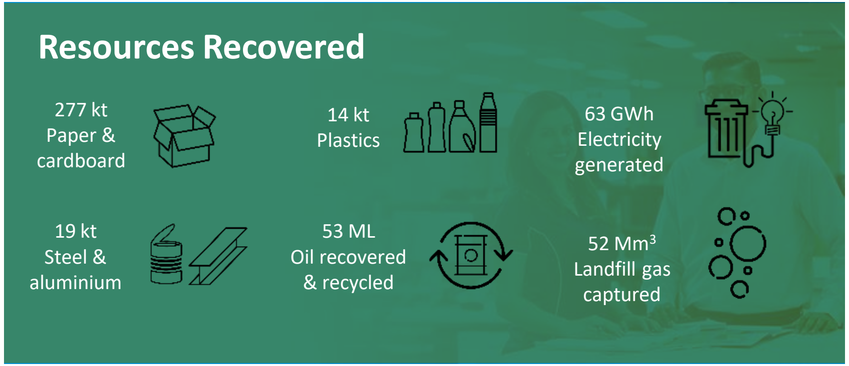
Agenda

1. H1FY22 Performance Review
   - Highlights
   - Foundations
   - Financial Performance
   - Operating Cash Flow
   - Capital Expenditure
   - Balance Sheet and Liquidity
2. Blueprint 2030 Strategy Overview
3. Outlook
4. Appendices

Our two foundations





Personal and Process Safety

- ✓ Steadily improving TRIFR performance
- ✓ Developing core processes to manage risk consistently
- ✓ Improving preventative maintenance systems for fixed assets

Environment

- ✓ Maximising resource recovery is central to making a sustainable future possible
- ✓ Protecting the environment is now a core foundation alongside safety
- ✓ Established dedicated Sustainability and Carbon teams

Note 1: Incidents per million hours worked. TRIFR includes employees and contractors

Highlights

Financial Performance

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- Increased dividend underpinned by resilient business performance, higher operating cash flow and strong balance sheet

“Sydney Resource Network” transaction completed

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Strategy Refresh – BluePrint 2030

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- Added carbon, sustainability and core process capabilities
- Continued to build-out growth platforms

Executive Appointments

- New EGM appointments will bring increased capability and experience aligned to refreshed strategy

All figures are underlying unless stated otherwise
“PCP” refers to prior corresponding period

Group Financial Overview



Financial Performance Summary

$ (million)	Underlying H1FY22	Underlying H1FY21	Underlying Variance
Gross Revenue	1,364.6	1,170.3	16.6%
Net Revenue[1]	1,229.9	1,070.2	14.9%
EBITDA	273.7	263.8	3.8%
EBITDA Margin	*22.3%*	*24.6%*	*(230 bps)*
EBIT	129.9	132.2	(1.7%)
EBIT Margin	*10.6%*	*12.4%*	*(180 bps)*
NPAT	76.3	79.0	(3.4%)
Earnings Per Share[2]	3.7	3.8	(2.6%)
NPATA[3]	81.8	83.6	(2.2%)

$ (million)	H1FY22	H1FY21	Variance
Interim dividend (cps)	2.45	2.25	8.9%
Operating cash flow ($m)	223.6	202.4	10.5%
Cash conversion ratio[4]	97.0%	97.9%	(90 bps)
Leverage ratio[5]	2.24x	1.57x	+0.67x

Note 1: Net revenue excludes landfill levies
Note 2: Underlying EPS attributable to ordinary equity holders (refer slide 30)
Note 3: Excludes tax effected amortisation of acquired customer and license intangibles
Note 4: Refer to slide 34
Note 5: Refer to slide 13

- **Net Revenue growth**
  - + Economic recovery and health volumes
  - + New municipal contracts
  - + Acquisitions and Perth MRF
  - + Commodity prices
- **EBITDA margin compression**
  - – New Chum, Erskine Park and NSW lockdown (temporary)
  - – Fuel and Adblue prices (timing)
  - – Health Services surge demand pressure (temporary)
  - – Commodities – higher customer rebates and shipping costs

✓ **Expecting a recovery in all segment EBITDA margins in H2**

✓ **Under BAU operating conditions, tracking towards medium term segment EBITDA targets**

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Statutory NPAT Reconciliation to Underlying NPAT

$ (million)	H1FY22
Statutory Profit After Income Tax Attributable to Ordinary Equity Holders	51.5
Pre-tax adjustments:	
Acquisition and integration costs	25.0
CEO transition & restructuring projects	*7.9*
Write down loan Sydney EfW	*6.0*
Gain on sale and leaseback of property	*(8.2)*
Change in remediation provision discount rate	*(1.3)*
Total Underlying Adjustments to EBIT	***29.4***
Net finance costs to underlying adjustments	*2.3*
Tax impact of underlying adjustments	*(7.9)*
Total Underlying Adjustments	***23.8***
Underlying Profit After Income Tax Attributable to Ordinary Equity Holders	***75.3***
Non-controlling interest	*1.0*
Net profit after tax	***76.3***

COVID-19

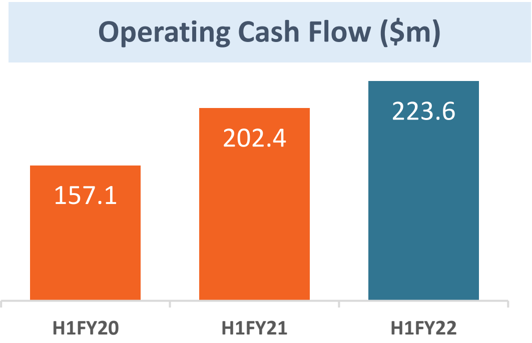
Diversified revenue streams moderating the operational impacts from the pandemic

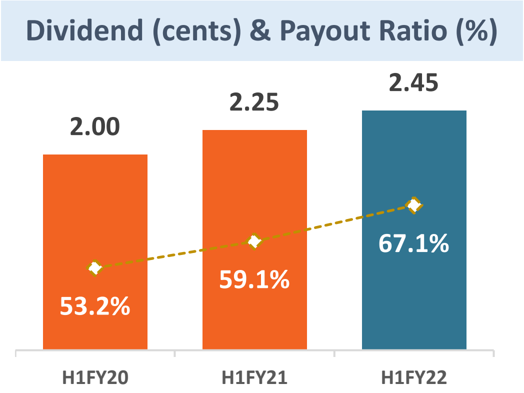
- Q1 NSW lockdowns resulted in businesses shutting down and deferred project work
- Rapidly reduced our variable cost base, but fixed costs resulted in compressed margins – some recovery in Q2
- Lockdowns unlikely to recur as we learn to ‘live with the virus’

- Unique challenges in Health business results in higher costs
  - **Collections** – labour and hire vehicles
  - **Processing** - operational labour to manage increased receptacle management and treatment
  - **Disposal** – utilisation of 3rd party infrastructure
  - **Waste movement** – ensuring we remain within individual site licence limits
- Prioritising public heath needs resulting in deferral of higher margin activity and opportunities

- Omicron labour impacts
  - Accelerated from Dec-21 into 2022 resulting in labour shortages and staff isolating
  - Paid pandemic leave, higher overtime, greater reliance on more expensive temp labour and labour hire
  - Second half uncertainty persists
- Omicron revenue impacts
  - Deferred/missed services
  - Reduced collection frequency
  - Customers deferring project work
- Vaccination mandate to enter Cleanaway site
  - Waste an “essential service”
  - Risk-based decision to ensure we protect our employees, customers, and our community, as well as adhering to public health orders

Net Operating Cash Flow

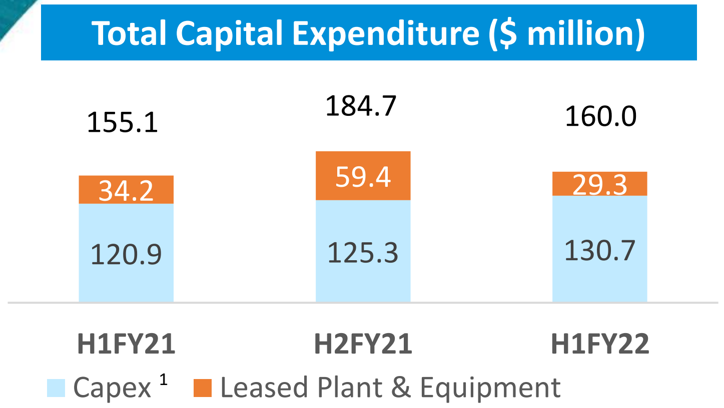


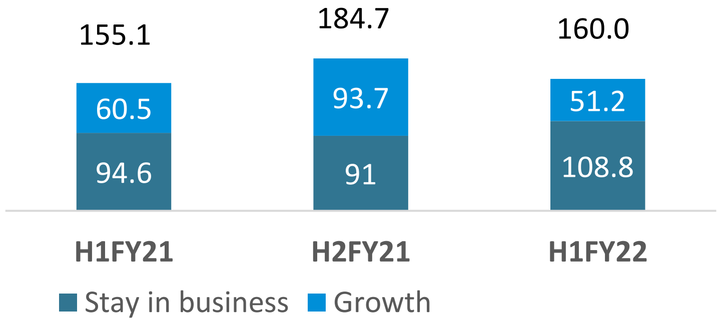


- Net cash from operating activities increased by $21.2m compared to the prior corresponding period reflecting increased underlying EBITDA and lower tax payments

- Directors declared an interim dividend of 2.45 cents per share
- The dividend will be partially franked at 25%
- Cleanaway is eligible to participate in the Commonwealth Government's Instant Asset Write Off Scheme
- Likely to not pay further tax instalments until December 2024
- Impacts the Company's ability to pay fully franked dividends in FY22 - FY24

Capital Expenditure





Note 1: Refers to capital expenditure as per cash flow statement.
Note 2: Acquisition accounting for the Sydney Resource Network assets still being completed, however our high level expectation for D&A in FY22 to be in the range of $20 – 30m.

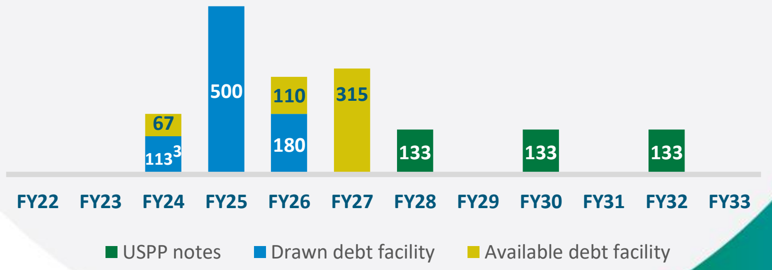
- Continuing to apply a disciplined approach to capital expenditure while pursuing value accretive opportunities
- Greater visibility over our pipeline of potential projects – capital will be allocated to maximise returns
- Growth capex attributable to new municipal contracts, Melbourne Energy-from-Waste site and equipment to service new C&I customers
- Approximately $100 million of capex in H1FY22 is eligible under the temporary instant asset write off scheme
- Leasing finance, included in capital expenditure, utilised for government related contracts to align with the contracted cash flows
- FY22 total capital expenditure expected to be marginally higher than FY21
- FY22 D&A excluding the Sydney Resource Network assets expected to be approximately $295 million[2]

Balance Sheet and Liquidity

- At 31 Dec 2021, the Group had $492[1] million of headroom under committed banking facilities
- $500 million 3 year committed debt facility utilised for purchase of Sydney Resource Network under the Group's Syndicated Facility Agreement
- Capacity to invest and support further growth
- Net debt to underlying EBITDA[2] increased from 1.61x to 2.24x
- Gearing ratio was 38.3% at 31 Dec 2021 (28.2% at 30 June 2021)
- Next refinancing due in July 2023
- The Group remains well within covenant limits of less than 3.00x for proforma leverage ratio and well above 3.00x for interest cover ratio[2]

KEY DEBT FACILITIES AT 31 DECEMBER 2021 (A$M)

$ million	31 Dec 2021	30 Jun 2021
Leases	625.6	499.4
USPP Notes	374.2	366.7
Other interest-bearing liabilities	674.0	207.2
Gross Debt	**1,673.8**	1,073.3
Cash and cash equivalents	(48.7)	(69.4)
Derivative financial instruments CCIRS	20.8	31.5
Net Debt	**1,645.9**	1,035.4
Gearing ratio	**38.3%**	28.2%
Net Debt to underlying EBITDA ratio[2]	**2.24x**	1.61x
Interest cover ratio[2]	**19.69x**	22.55x



Note 1: Excludes short term committed bank guarantee facilities.

Note 2: Covenant ratios under finance agreements are calculated on a pre AASB16 basis. Covenant ratio calculations include proforma adjustments for the Sydney Resource Network. Certain other immaterial adjustments are made to the ratio calculations for covenant testing purposes.

Note 3: In addition to debt drawdowns, facility includes bank guarantees, corporate cards and overdraft limits. Available headroom of $67m includes $45m, which is available for bank guarantees only.

Segment Review

Cleanaway comprises three segments, encompassing nine strategic business units, designed to create value through customer proximity while leveraging centralised enterprise services.

1. Solid Waste Services

- Victoria
- New South Wales/ACT
- Queensland
- Western Australia/Northern Territory
- South Australia/Tasmania

2. Liquid Waste & Health Services

- Liquid & Hazardous Waste
- Hydrocarbons
- Health Services

3. Industrial & Waste Services

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Solid Waste Services

Financial performance

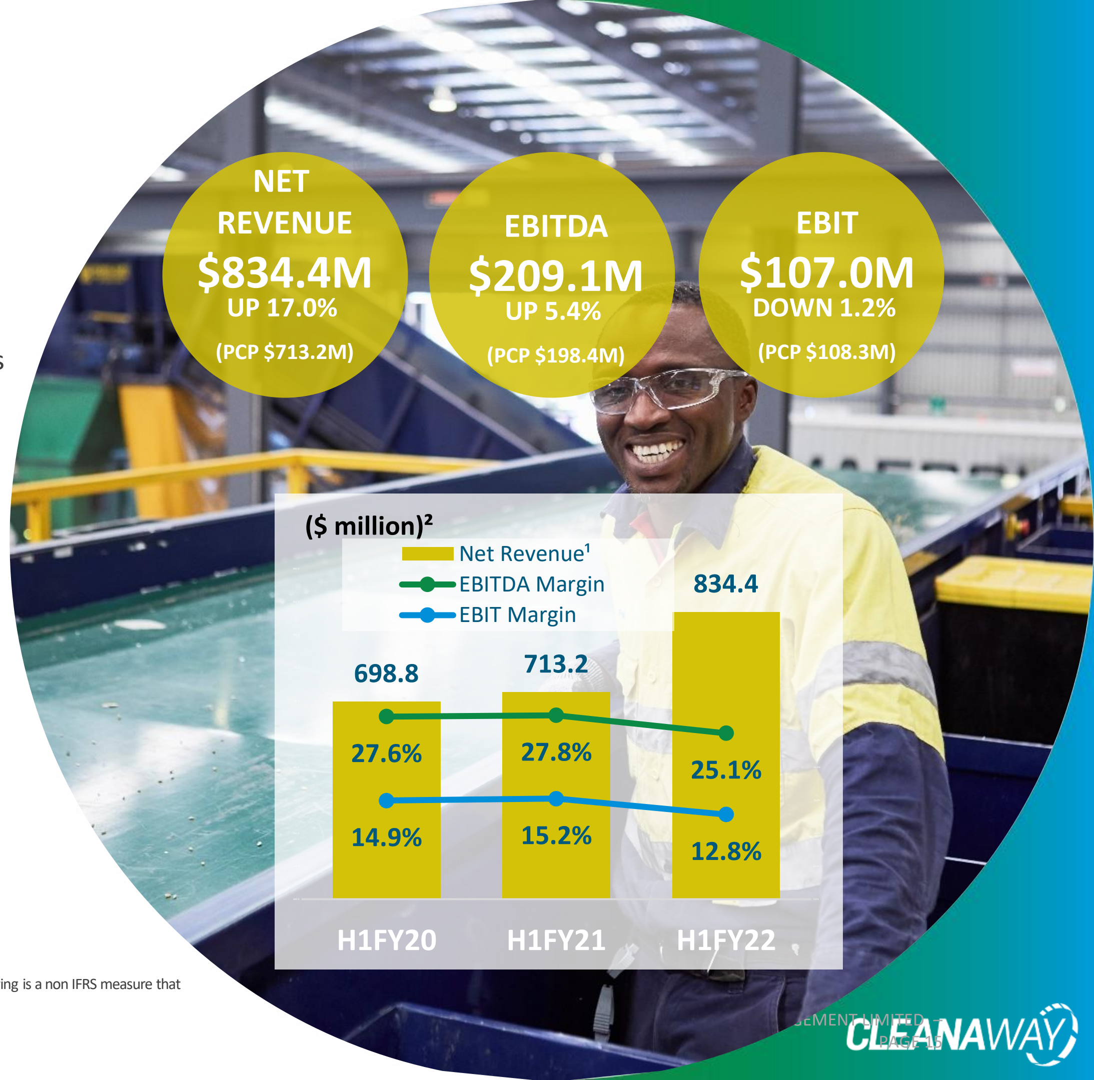
- \+ Robust economic rebound supported revenue growth
- \+ Significant new post-collection and municipal contract contributions
- \+ Reopening of Perth MRF
- ± Commodity price rises offset by rebates and shipping costs
- – Lower contribution from New Chum and Erskine Park
- – Material diesel and Adblue price increases
- – Q1 ‘delta’ lockdown, in particular NSW

Operational highlights

- ✓ MSE wall at Erskine Park (Stage 1 complete)
- ✓ Awarded Supplier Service champion of the year by Coles for supporting its landfill diversion goal
- ✓ Eurobodalla municipal contract win

Sydney Resource Network

- ✓ ~100 new employees onboarded – knowledge sharing benefits being captured enterprise wide
- ✓ Integration completed - handed over to operations and trading in line with expectations



Note 1: Net revenue excludes landfill levies collected. Note 2: Financial results are presented on an underlying basis. Underlying is a non IFRS measure that excludes non-recurring items.

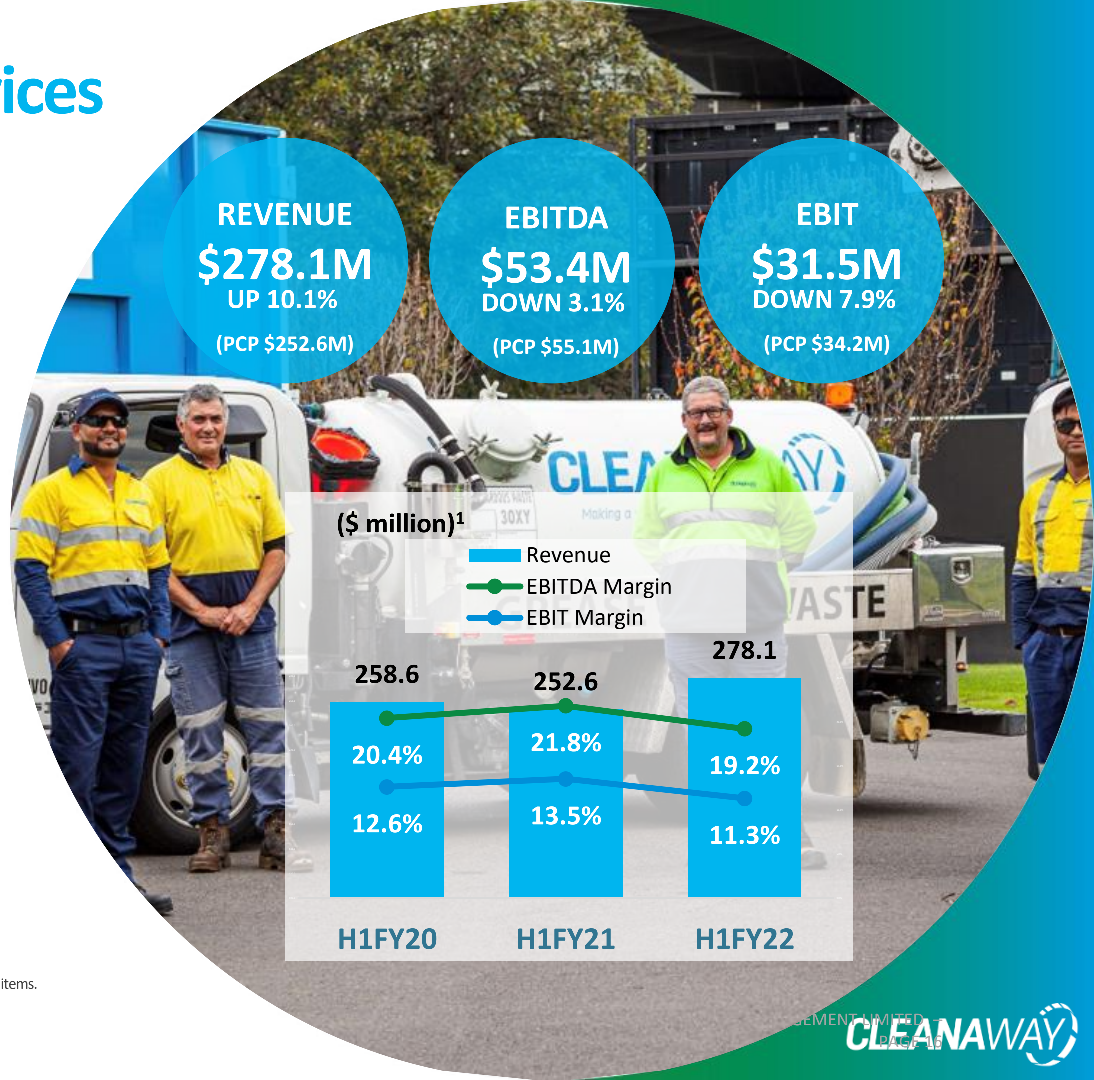
Liquid Waste & Health Services

Financial performance

- \+ Substantial LTS project work and economic recovery partially offset by NSW ‘delta’ lockdown
- \+ Strong activity in Health Services as a result of increased pandemic related volumes
- — Significant margin compression in Health Services from higher labour, disposal and transportation costs and adverse customer mix profile
- ≈ Stable contribution from Hydrocarbons

Operational highlights

- ✓ Servicing hotel quarantine, testing sites and hospitals to support customers / community pandemic needs
- ✓ Community hazardous waste collection events successfully delivered though lockdown



Note 1: Financial results are presented on an underlying basis. Underlying is a non IFRS measure that excludes non-recurring items.

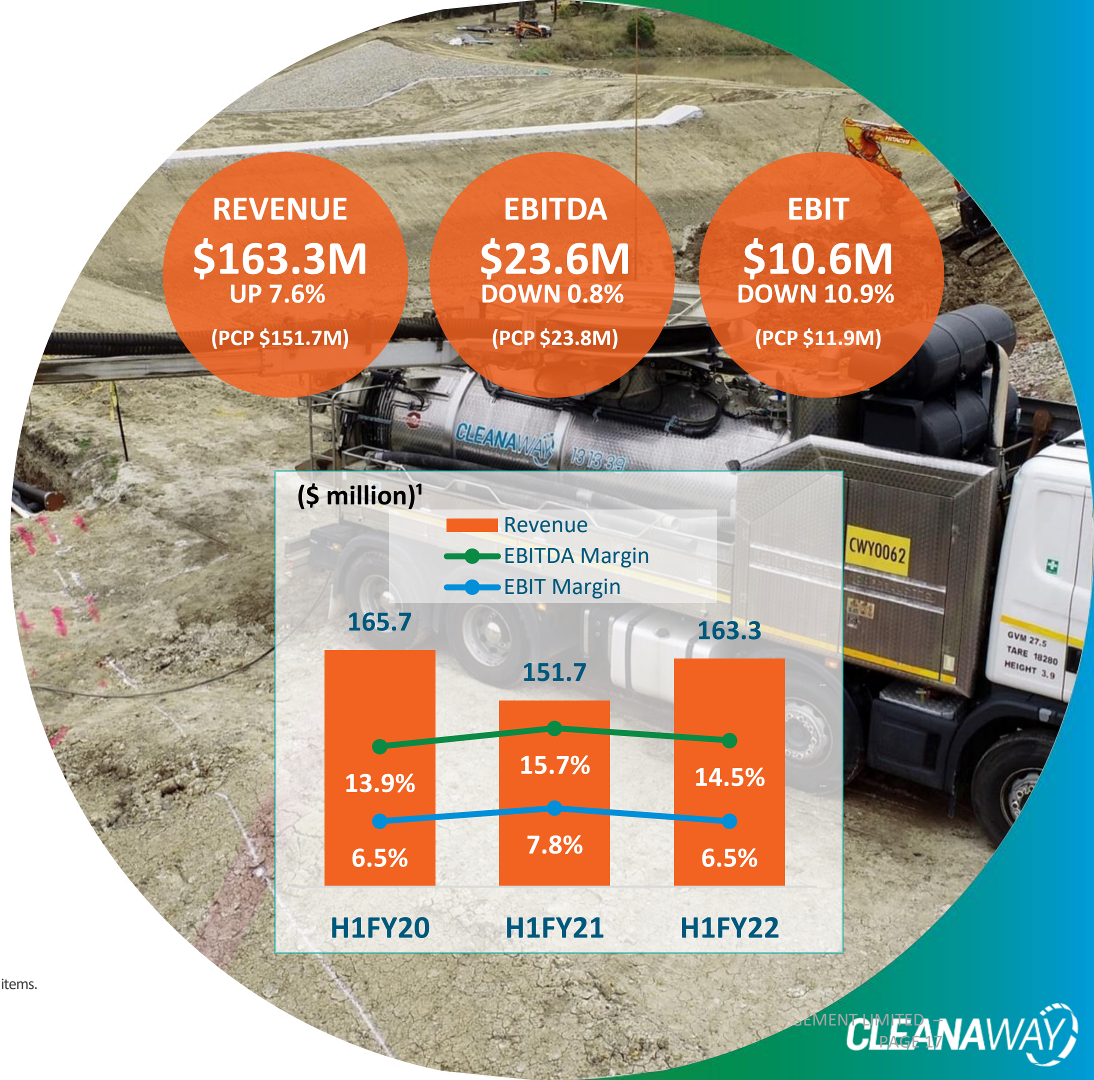
Industrial & Waste Services

Financial performance

- \+ Substantial new project work in WA, SA and NT
- – Lower contribution from project work due to postponements in NSW and VIC
- – Competitive metropolitan infrastructure sector

Operational highlights

- ✓ Retained all material contracts
- ✓ Pipeline of large contract and project opportunities in mining/mineral processing and oil & gas sectors



Note 1: Financial results are presented on an underlying basis. Underlying is a non IFRS measure that excludes non-recurring items.

Strategy Overview



Australian Waste Management Landscape

- The waste industry plays a key role in the transition to low-carbon and high-circularity world
- These trends provide significant growth opportunities for Cleanaway both within the existing portfolio and in new segments

Customers

Seeking cost-effective sustainable services with lower carbon footprint & improved circularity

Climate

Energy transition creating new waste streams

New technologies to reduce waste's carbon footprint

Communities

Increasing expectations of waste management industry

Embracing new recycling initiatives

Circularity

Emerging self-sufficiency trend

Increasing demand for recycled content

Supportive regulatory environment

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BluePrint 2030

BluePrint 2030 is our **customer led** evolution of the Footprint 2025 strategy.

In BluePrint 2030 we will create superior shareholder value by **integrating and extending our leading network of infrastructure assets** to **provide high circularity, low-carbon solutions, seamless customer service** and **value for money** for our customers.

Our goal is to be recognized by our customers as the most innovative and sustainable waste management company, with **a foundation of zero harm** to people and the environment.

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Strategy Evolution – BluePrint 2030

Footprint 2025	Blueprint 2030		
Prized assets	**Strategic infrastructure growth**	**Sustainable customer solutions**	**Productivity & culture**
Built Australia's leading total waste management services provider through a network of prized infrastructure assets Embedded a financial performance culture	Invest strategically to extend our infrastructure & services platforms Capture value from waste industry transition and decarbonization	Integrate our prized assets for circularity, carbon and seamless customer service Grow our market share through delivery of value for money tailored customer solutions	Align our culture with our strategy and extend the performance culture to the frontline to deliver for today and improve for tomorrow Work smarter through data & analytics and digitisation
	Our foundations - safety & environment		

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BluePrint 2030
Strategic Infrastructure Growth

Creating our East Coast Energy from Waste platform…

- ✓ NSW options under review (51% equity, Macquarie 49%)
- ✓ Melbourne site purchased (100% equity)
- ✓ Queensland site agreement in place (100% equity)
- ✓ Dedicated Energy from Waste team and strong partnership with Macquarie Capital across platform
- ✓ Energy from Waste policies developing in key jurisdictions, including landfill levies
- ✓ Stakeholder consultations underway

…to turn residual waste into energy and reduce carbon

BluePrint 2030
Strategic Infrastructure Growth

Expanding our resource recovery platform…

Material Recovery Facilities

- ✓ Six Material Recovery Facilities for advanced sorting

Plastics

- ✓ Developing the leading plastics reprocessing platform
- ✓ Feasibility study with Qenos for advanced recycling of mixed plastics

Organics

- ✓ Investment opportunities in growing ‘FOGO’ segment
- ✓ Scaling up bioconversion facility with Hatch

Construction & Demolition

- ✓ Acquired ‘Vins Bins’ C&D collections and resource recovery
- ✓ Further resource recovery infrastructure options under assessment

…to turn more waste into high quality recycled products

Example

Our leading Plastics Reprocessing Platform

- ✓ **Albury**: 20ktpa food-grade rPET facility in Albury operational
- ✓ **Melbourne**: 20ktpa food-grade rPET facility under development
- ✓ **Melbourne**: 15ktpa food-grade rHDPE and 5ktpa rPP facility under development (located at our Laverton MRF site)
- ✓ **Perth**: PET/HDPE/PP facility under review

EMENT LIMITED – PAGE 23

BluePrint 2030
Sustainable Customer Solutions

Creating our future customer platform….

Service

Creating a scalable, seamless & digitised **service** experience across the customer journey through *CustomerConnect*

- Business led multi-year program to enable customer service and engagement

Value

Delivering **value-for-money** solutions by providing customers tailored access to our prized & scale infrastructure

Sustainability

Integrating our infrastructure, capabilities & systems to deliver future **customer sustainability** needs

- Expert carbon team on boarded
- Dedicated sustainability team established

….to grow market share

BluePrint 2030
Productivity & Culture

Creating best-in-class productivity and culture…

- ✓ Aligning our strategy and our culture
- ✓ Harnessing the potential of our frontline teams
  - Piloting 'Lighthouse Branches' – including continuous improvement of branch level value drivers
- ✓ Continuous improvement through core processes for safe, reliable and compliant operations
- ✓ Working smarter using data & analytics to achieve best-in-class:
  - Customer profitability
  - Route optimisation
  - Sales effectiveness
  - Procurement savings
  - Fleet cost efficiency

…to drive sustainable margin expansion

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BluePrint 2030
Strategy Update

Over the coming year, a series of deep dives is being planned for investors across our three strategic pillars

1. Strategic Infrastructure Growth
2. Sustainable Customer Solutions
3. Productivity & Culture

Next:

Strategic Infrastructure Growth – Q2 2022

BluePrint 2030: creating superior shareholder value by integrating and extending our leading network of infrastructure assets to provide high-circularity low-carbon solutions, seamless service and value for money for our customers.

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Priorities & Outlook

Foundations

- Deliver continued improvements in our foundations (safety & environment)

Strategy

- Make material progress on BluePrint 2030 strategic pillars in the near term

Financial performance

- Deliver continued growth in earnings and profitability

OUTLOOK

- Second half EBITDA expected to be similar to the first half, excluding contribution from Sydney Resource Network
    - Second half aided by full contribution from Sydney Resource Network
    - Uncertain financial impact of Omicron
    - Fewer working days in second half

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Questions

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Appendices



Financial Performance Summary

$ (million)	Underlying H1FY22	Underlying H1FY21	Underlying Variance	Statutory H1FY22	Statutory H1FY21	Statutory Variance
Gross Revenue	1,364.6	1,170.3	16.6%	1,364.6	1,170.3	16.6%
Net Revenue	1,229.9	1,070.2	14.9%	1,229.9	1,070.2	14.9%
EBITDA	273.7	263.8	3.8%	253.2	256.9	(1.4%)
EBITDA Margin	*22.3%*	*24.6%*	*(230 bps)*	*20.6%*	*24.0%*	*(340 bps)*
EBIT	129.9	132.2	(1.7%)	100.5	125.3	(19.8%)
EBIT Margin	*10.6%*	*12.4%*	*(180 bps)*	*8.2%*	*11.7%*	*(350 bps)*
NPAT	76.3	79.0	(3.4%)	52.5	79.4	(33.9%)
Earnings Per Share[1]	3.7	3.8	(2.6%)	2.5	3.8	(34.2%)
NPATA[2]	81.8	83.6	(2.2%)	58.0	84.0	(31.0%)

$ (million)	H1FY22	H1FY21	Variance
Interim dividend per share (cents)	2.45	2.25	8.9%
Cash from operating activities ($m)	223.6	202.4	10.5%
Cash conversion ratio	97.0%	97.9%	(90 bps)
Leverage ratio[3]	2.24x	1.57x	+0.67x

Note 1: Underlying EPS attributable to ordinary equity holders based on NPAT attributable to ordinary equity holders of $75.3m (1H21: $77.9m) and 2,060.7m (1H21: 2,056.2m) weighted average ordinary shares.

Note 2: Excludes tax effected amortisation of acquired customer and license intangibles.

Note 3: Ratios presented are for finance agreements covenant testing purposes. Refer to slide 13.

Group Income Statement – Statutory and Underlying Results

$ (million)	Statutory Result H1FY22	Statutory Result H1FY21	Adjustments H1FY22	Adjustments H1FY21	Underlying Result H1FY22	Underlying Result H1FY21
Sales revenue external and other revenue (Gross Revenue)	**1,364.6**	1,170.3	-	-	**1,364.6**	1,170.3
Share of profits/(losses) in equity accounted investments	(0.1)	(1.3)	-	-	(0.1)	(1.3)
Expenses (net of other income)	(1,111.3)	(912.1)	20.5	6.9	(1,090.8)	(905.2)
Total EBITDA	**253.2**	256.9	**20.5**	6.9	**273.7**	263.8
Depreciation, amortisation and write-offs	(152.7)	(131.6)	8.9	-	(143.8)	(131.6)
Total EBIT	**100.5**	125.3	**29.4**	6.9	**129.9**	132.2
Net cash interest expense	(18.7)	(15.2)	2.5	-	(16.2)	(15.2)
Non-cash finance costs	(5.8)	(5.9)	-	-	(5.8)	(5.9)
Debt modification gain and amortisation	(0.9)	7.5	-	(7.9)	(0.9)	(0.4)
Changes in fair value of derivatives and USPP borrowings	0.2	(0.3)	(0.2)	0.3	-	-
Profit before income tax	**75.3**	111.4	**31.7**	(0.7)	**107.0**	110.7
Income tax expense	(22.8)	(32.0)	(7.9)	0.3	(30.7)	(31.7)
Profit after income tax	52.5	79.4	23.8	(0.4)	76.3	79.0
Non-Controlling Interest	(1.0)	(1.1)	-	-	(1.0)	(1.1)
Attributable Profit after Tax	51.5	78.3	23.8	(0.4)	75.3	77.9
Weighted average number of shares	2,060.7	2,056.2	-	-	2,060.7	2,056.2
Basic earnings per share (cents)	2.5	3.8	1.2	-	3.7	3.8

Underlying Segment Disclosures

$ (million)	Solid Waste Services	Industrial & Waste Services	Liquid Waste & Health Services	Equity Accounted Investments	Corporate & Other	Eliminations – Group	GROUP
Revenue							
Sales of goods and services	940.5	158.9	248.6	-	-	-	1,348.0
Other revenue	5.7	-	10.9	-	-	-	16.6
Internal sales	22.9	4.4	18.6	-	-	(45.9)	-
Gross Revenue	**969.1**	**163.3**	**278.1**	-	-	**(45.9)**	**1,364.6**
Underlying EBITDA	**209.1**	**23.6**	**53.4**	**(0.1)**	**(12.3)**	**-**	**273.7**
Depreciation and amortisation	(102.1)	(13.0)	(21.9)	-	(6.8)	-	(143.8)
Underlying EBIT	**107.0**	**10.6**	**31.5**	**(0.1)**	**(19.1)**	**-**	**129.9**

Net Finance Costs

$ (million)	Underlying H1FY22	Underlying H1FY21	Statutory H1FY22	Statutory H1FY21
Cash interest expense				
Bank interest and leases	10.6	10.2	10.6	10.2
Commitment and Guarantee fees	2.4	1.8	2.4	1.8
USPP Notes	3.3	3.4	3.3	3.4
Transaction costs expensed	-	-	2.5	-
Interest received	(0.1)	(0.2)	(0.1)	(0.2)
Net cash interest expense	**16.2**	15.2	**18.7**	15.2
Non-cash finance costs				
Amortisation of capitalised borrowing costs	0.3	1.3	0.3	1.3
Unwinding of discount on provisions	2.5	1.5	2.5	1.5
Unwinding of discount on MRL fixed payments	3.0	3.1	3.0	3.1
Gain on modification of fixed rate borrowings	-	-	-	(7.9)
Amortisation of gain on modification of borrowings	0.9	0.4	0.9	0.4
Total non-cash finance costs	**6.7**	6.3	**6.7**	(1.6)
Changes in fair value				
Fair value loss/(gain) on USPP Notes	-	-	6.6	(53.8)
Fair value (gain)/loss cross currency interest rate swaps	-	-	(6.8)	54.1
Total changes in fair value	**-**	-	**(0.2)**	0.3
Total net finance costs	**22.9**	21.5	**25.2**	13.9

Cash Flow

$ (million)	31 Dec 20	30 Jun 21	31 Dec 21
Underlying EBITDA	263.8	535.1	273.7
Cash flow of underlying adjustments	(14.8)	(26.1)	(11.6)
Other non-cash items	3.4	(2.1)	0.2
Payments for rectification and remediation of landfills	(6.0)	(21.0)	(8.8)
Other changes in working capital	(7.6)	12.8	(8.4)
Net interest paid	(17.0)	(32.2)	(15.5)
Tax paid	(19.4)	(42.1)	(6.0)
Net Cash from operating activities	**202.4**	**424.4**	**223.6**
Capital expenditure	(120.9)	(246.2)	(130.7)
Payments towards purchase of businesses [1]	(42.8)	(46.9)	(505.7)
Net proceeds from sale of PP&E and investments	1.5	17.7	18.1
Payments towards equity accounted investments	(8.1)	(17.0)	(11.4)
Dividends received from equity accounted investments	0.6	1.3	0.6
Net Cash used in investing activities	**(169.7)**	**(291.1)**	**(629.1)**
Net repayment and proceeds from borrowings	(40.1)	(59.2)	434.0
Payment of debt and equity raising costs	(0.8)	(0.9)	(3.1)
Payment of ordinary dividend	(39.8)	(82.6)	(46.1)
Payment of dividend to non-controlling interests	-	(1.0)	-
Net Cash from/(used in) financing activities	**(80.7)**	**(143.7)**	**384.8**
Net decrease in cash and cash equivalents	**(48.0)**	**(10.4)**	**(20.7)**
Opening Cash	**79.8**	**79.8**	**69.4**
Closing Cash	**31.8**	**69.4**	**48.7**

- Net cash from operating activities increased by $21.2m compared to the prior corresponding period reflecting increased underlying EBITDA of $9.9m and lower tax payments of $13.4m
- Free cash flow[2] decreased marginally by $3.5m to $114.4m due to higher cash capex offset by higher net cash from operating activities
- Higher cash capex is attributable to new municipal contracts, Melbourne Energy-from-Waste site purchase, and equipment to service new C&I customers
- Ratio of cash flow from operating activities to underlying EBITDA 97.0%[3] (pcp: 97.9%)

Note 1: Includes fixed deferred settlement payments associated with the Melbourne Regional landfill.
Note 2: Free cash flow defined as net cash from operating activities excluding interest and tax less capital expenditure.
Note 3: Calculated as net cash from operating activities before remediation of landfills, underlying adjustments, net interest and tax divided by underlying EBITDA before share of profits from equity accounted investments.

Balance Sheet

$ (million)	31 Dec 20	30 Jun 21	31 Dec 21
ASSETS			
Cash and cash equivalents	31.8	69.4	48.7
Trade and other receivables	359.4	372.2	436.2
Inventories	18.7	22.1	24.3
Property, plant and equipment	1,209.9	1,241.5	1,316.6
Right-of-use assets	432.2	479.2	601.7
Intangible assets	2,333.9	2,320.4	2,758.0
Other assets	155.5	146.7	126.4
Total Assets	**4,541.4**	**4,651.5**	**5,311.9**
LIABILITIES			
Trade and other payables	270.6	297.6	373.6
Remediation and rectification provisions	309.4	322.7	304.5
Interest bearing liabilities	1,011.1	1,073.3	1,673.8
Deferred settlement liability	89.6	83.4	83.7
Other liabilities	251.1	238.2	229.0
Total Liabilities	**1,931.8**	**2,015.2**	**2,664.6**
Net Assets	**2,609.6**	**2,636.3**	**2,647.3**

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