Cleanaway Waste Management Limited

Australia's leading total waste management services company

Macquarie Securities 2016 Australia Conference

Presentation by

Vik Bansal
Managing Director and CEO

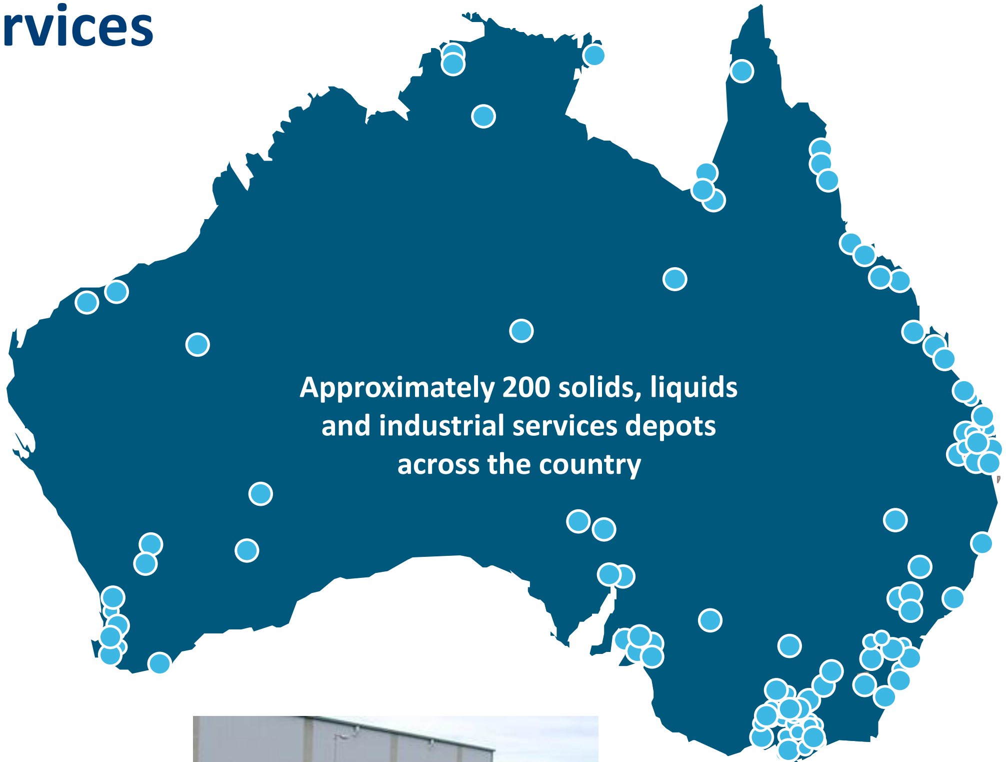
CLEANAWAY

Making a sustainable future possible

Cleanaway is Australia's leading total waste management services company, with operations across the country in solid and liquid waste and industrial services

Over 100,000 customers

8 Operational landfills



15 Transfer stations

25 Recycling sites

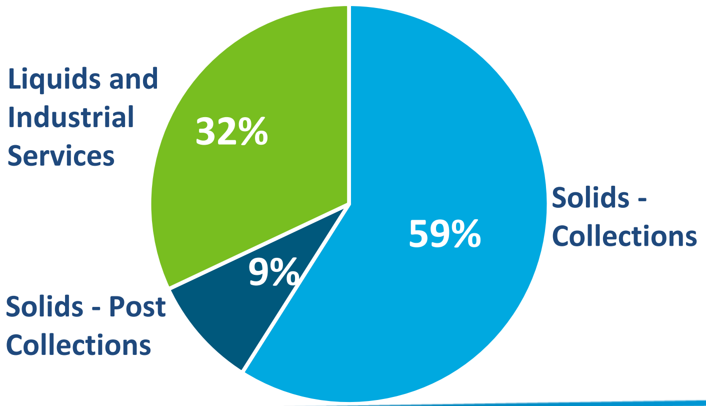
~2,500 Heavy Duty vehicles

We are a financially strong, diversified business working in a good sector with excellent market positions

Financial Summary (A$m)

	1H16	FY15
Total net external revenue	746.8	1,384.9
Underlying EBITDA	137.2	231.3
Underlying net profit after tax	29.0	45.7
Net Debt/Underlying EBITDA (times)	1.32x	1.36x

1H16 Net External Revenue



Australian Industry Position

Cleanaway is Australia's Largest:

- ✓ Collector of Commercial & Industrial Waste
- ✓ Collector of Municipal Waste
- ✓ Collector and processor of waste oil
- ✓ Collector and processor of hazardous and non-hazardous liquid waste
- ✓ Provider of environmental industrial services

Cleanaway has Australia's second largest:

- ✓ Network of landfill and transfer stations

And one of the largest waste management companies in the world

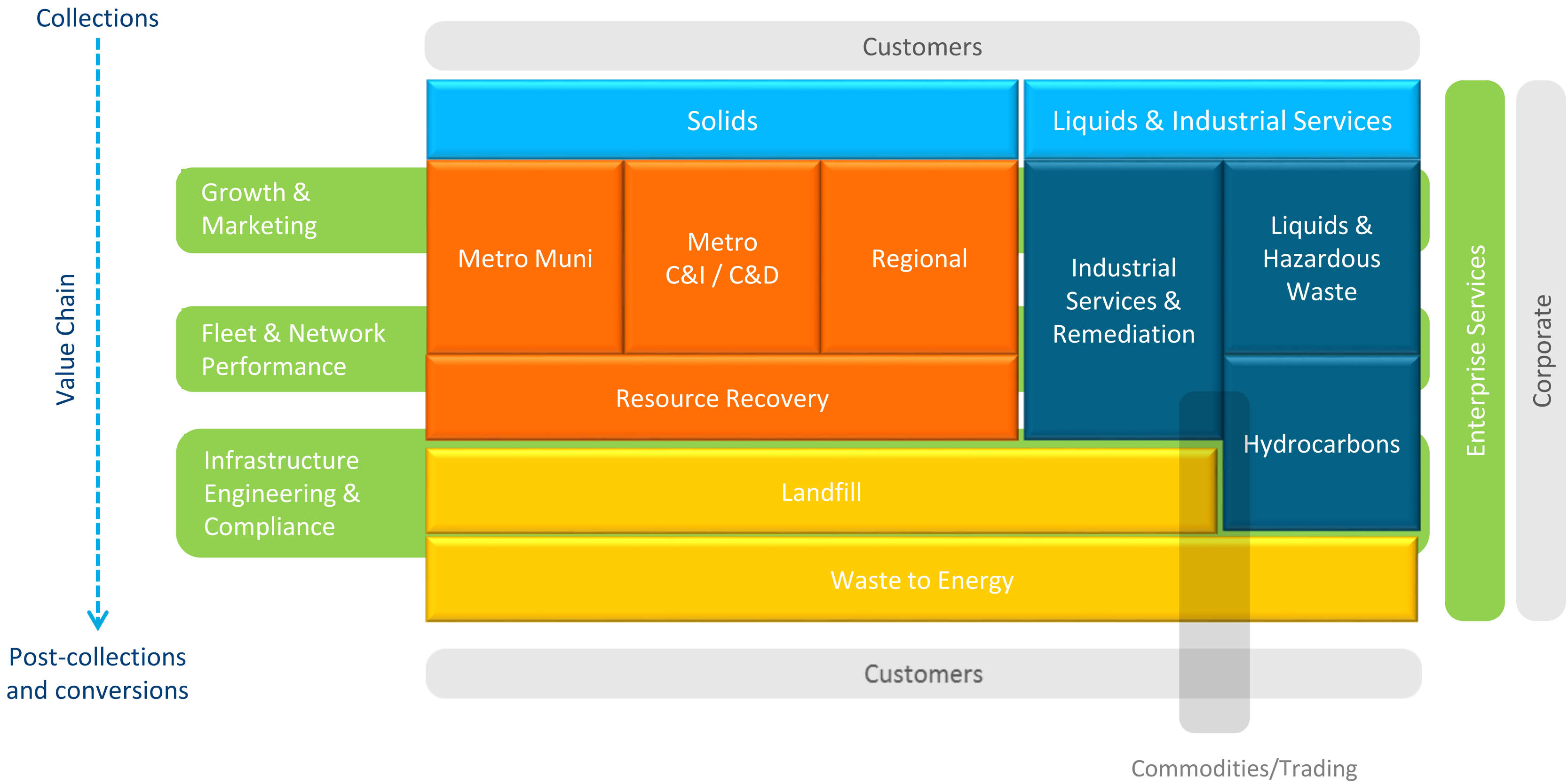
Source: 2016 Plimsoll Global Analysis and Company estimates

CLEANAWAY

Characteristics of the Australian Waste Industry

High marginal contribution	• Network economics are 'king' • End to end route density and profitability critical to understand
Mix of '2 worlds'	• Large enterprise-level selling juxtaposed against mass market, consumer-like selling
Recurring revenue	• Momentum business with multi-year contracts – customers generally accepting annual price increases
'Utility-like' spend category	• Low share of mind category —little incentive for customers to leave • Key is to maintain steady customer service & satisfaction levels
Variability in local dynamics	• Revenue, costs and competitive dynamics are significantly different market by market

Our operating model is centred around these sources of value



CLEANAWAY

Our Five Pillars of Focus

Pillar 1	Pillar 2	Pillar 3	Pillar 4	Pillar 5
Customer for Growth	Continuous Improvement for Cost	Capital for Cash	Clarity for Alignment	Competitive Advantage for Excellence
Increasing focus on customers and customer service to achieve stronger growth	A fit for purpose organisation with unrelenting focus on productivity	Pursuing effective cash & capital management	Ensuring transparency and accountability across the organisation. Alignment around : • Why we exist • How and What we need to do	Ensuring our elements of competitive advantage are best in class

External (Pillars 1–3) ← → Internal (Pillars 4–5)

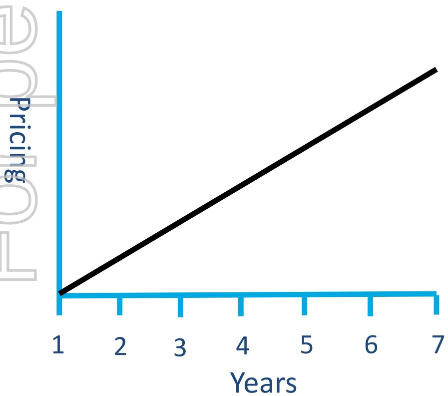
Customers for Growth

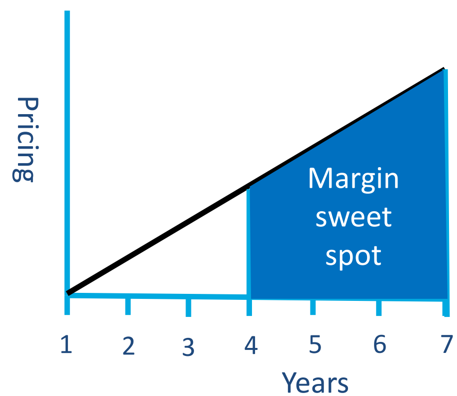
The rollout of our Sales Capability & Growth related initiatives are accelerating

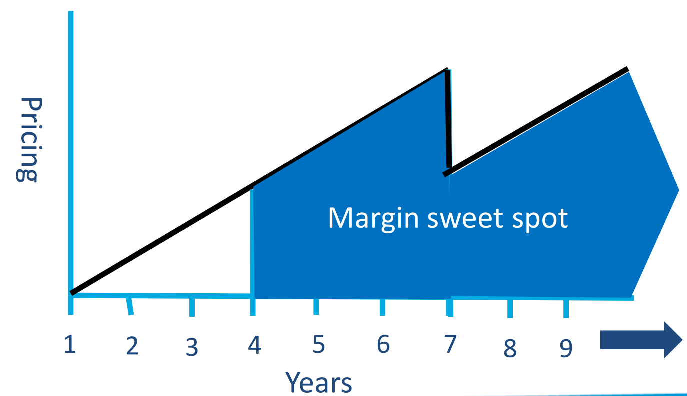
- ONE Company – ONE Brand launched in February 2016
- Building capabilities in our front line sales force
- Clarity on sales channels and segmentation with alignment of sales force
- Maximising route density via targeted campaigns
- Telesales and Save Desk

Importance of churn management

- Over 100,000 Commercial & Industrial customers
- On average ~14,000 customers per annum subject to churn
- Save desk limits churn, pricing and margin decline







Continuous improvement for cost

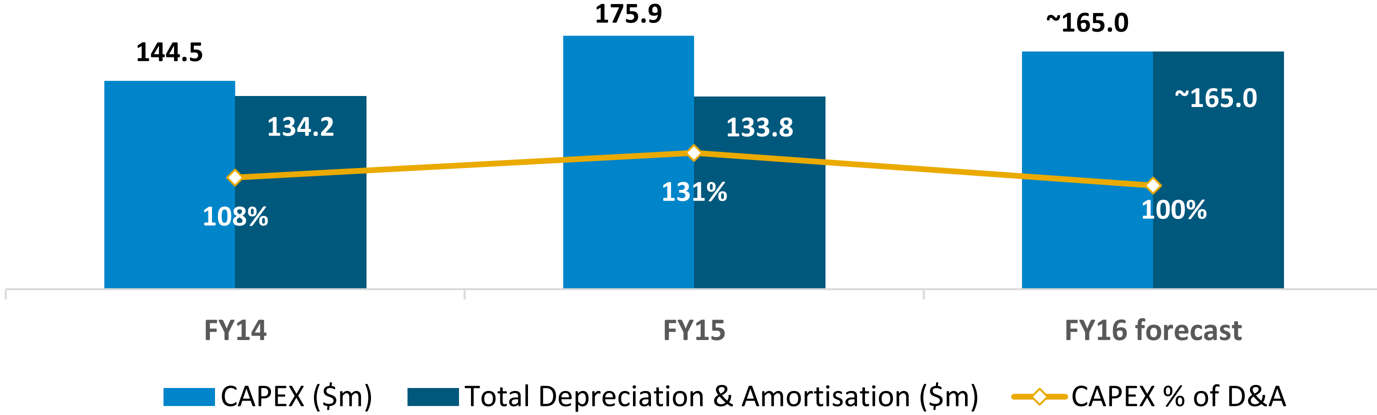
Our cost reduction program is on schedule

- As committed, initiatives in place to permanently reduce the cost base
  - Fit for purpose organisation – decentralised but standardised on key elements
  - Delayered Organisation - Empowered and accountable
  - Systems led improvement e.g. Fleet Management, Procurement
  - Productivity – labour, non-labour and depot rationalisation
- In FY16 net impact immaterial as cost savings achieved are re-invested in growth and other initiatives
- By June 2017, initiatives will generate $30 million in permanent cost reductions

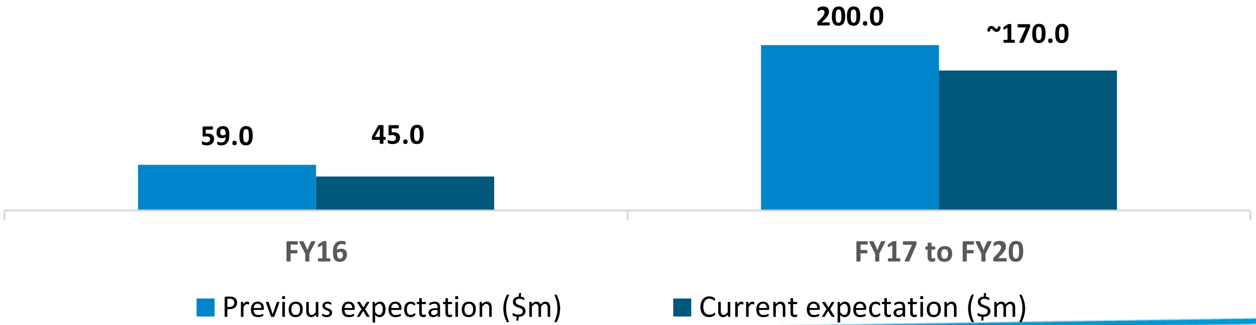
Capital for cash

Strong disciplines in place for capital and remediation spending to increase free cash flow

- Capital spending will be in-line or lower than depreciation and amortisation



- Spending rate on landfill remediation and rectification reduced over the next five years



Planning application – Melbourne Regional Landfill

- Based on expected fill rates, the Melbourne Regional Landfill facility is currently licenced for the next 7 to 10 years
- An application to extend licence for an additional 30 years was lodged with the Melton City Council and the Victorian EPA in February 2016
- As the asset is considered “state important” in Victoria’s waste policy, the planning application will now be assessed and determined by the Victorian Planning Minister
- Considering the extensive engineering and environmental work done by our engineers prior to the application being lodged, we remain confident that an extension will be granted

CLEANAWAY

Cleanaway Waste Management Limited

Australia's leading total waste management services company

Cleanaway Waste Management Limited

Appendices

Appendix: Solids division

Solid - Collections

Commercial and industrial ("C&I"), municipal and residential collection services for all types of solid waste streams, including general waste, recyclables, construction and demolition waste and medical and washroom services as well as resource recovery and recycling facilities, commodities trading and secure product destruction and quarantine treatment operations

	1H16	2H15	1H15	FY15
Net external revenue	393.2	372.0	383.8	755.8
EBITDA	74.1	64.8	73.4	138.2
Margin (%)	*18.8%*	*17.4%*	*19.1%*	*18.3%*
EBIT	43.6	35.5	45.5	81.0
Margin (%)	*11.1%*	*9.5%*	*11.9%*	*10.7%*

Solid – Post Collections

Ownership and management of waste transfer stations and landfills

	1H16	2H15	1H15	FY15
Net external revenue **	57.8	48.0	38.9	86.9
EBITDA	43.4	37.0	22.8	59.8
Margin (%)	*75.1%*	*77.1%*	*58.6%*	*68.8%*
EBIT	11.9	13.0	5.0	18.0
Margin (%)	*20.6%*	*27.1%*	*12.9%*	*20.7%*

** Excludes levies and carbon tax

CLEANAWAY

Appendix: Liquids and Industrial Services division

Liquids and Industrial Services

Collection, treatment, processing, refining and recycling of liquid and hazardous waste, including hydrocarbons for disposal or re-sale, cleaning, vacuum tanker loading, site remediation, sludge management, concrete remediation, CCTV, corrosion protection and emergency response services

	1H16	2H15	1H15	FY15
Net external revenue	211.4	216.8	229.1	445.9
EBITDA	26.8	24.0	31.8	55.8
Margin (%)	*12.7%*	*11.1%*	*13.9%*	*12.5%*
EBIT	14.7	11.9	17.0	28.9
Margin (%)	*7.0%*	*5.5%*	*7.4%*	*6.5%*

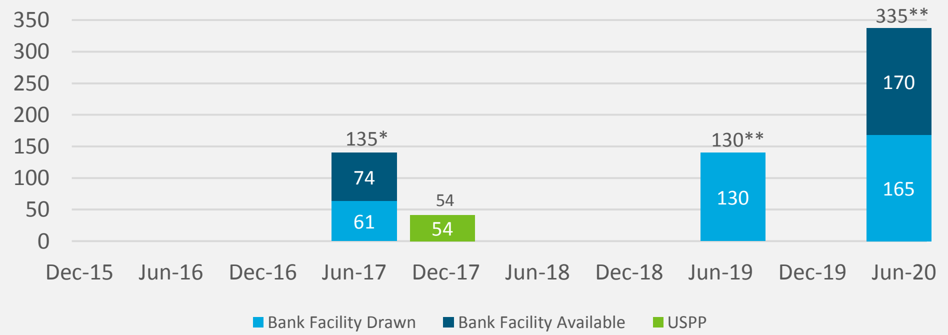
CLEANAWAY

Appendix: Capital Structure – Debt

Key Finance Measures – Net Debt Comprises

A$ million	31 Dec 15	30 Jun 15	31 Dec 14
Current interest bearing liabilities	**0.7**	0.7	1.8
Non current interest bearing liabilities	**359.7**	351.0	162.7
Gross Debt	**360.4**	351.7	164.5
Cash and cash equivalents	**(35.3)**	(37.0)	(41.1)
Net Debt/(cash)	**325.1**	314.7	123.4

Funding Facility Maturity Profile ($m)



* The Working Capital drawn mainly comprises bank guarantee
** Facilities extended to July-19 and July-20 on 5 January 2015

Key Points

- At 31 December 2015 the Group had $244 million of headroom under the syndicated banking facilities.
- Average debt maturity at 31 December 2015 is 3.1 years (pcp: 4.3 years)
- Debt maturity now extended to 4.0 years following facility extensions to 2019 and 2020 on 5 January 2016.