

## FOR RELEASE TO MARKET

### INVESTOR DAY PRESENTATIONS

Please find attached the Company's presentations to be made to investors at 9.30am (AEDST) today.

A live webcast of these presentations can be accessed via the following link:

<https://webcast.openbriefing.com/4892/>

For those unable to listen to the live webcast, a replay will be available on the same link:

<https://webcast.openbriefing.com/4892/>

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*Cleanaway Waste Management Ltd 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 and make a sustainable future possible for all our stakeholders.*



# Capturing the value of the evolving tonne

*22 November 2018*

ASX: CWY

# 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.
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- 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.
- 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 in the FY18 financial 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.

# Event Agenda

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<b>09.30 – 10.15</b>	<b>Welcome and Strategic Overview</b>	<b>Vik Bansal</b>
<b>10.15 – 10.45</b>	<b>Solid Waste Services</b>	<b>Mark Crawford</b>
10.45 – 11.00	Coffee Break	
<b>11.00 – 11.30</b>	<b>Liquid Waste &amp; Health Services</b>	<b>Tim Richards</b>
<b>11.30 – 12.15</b>	<b>Industrial &amp; Waste Services plus Wrap Up</b>	<b>Vik Bansal</b>
12.15 – 13.15	Lunch	
13.15 – 14.15	Depart and travel to Wetherill Park	
<b>14.15 – 15.30</b>	<b>Tour of Cleanaway ResourceCo Process Engineered Fuel facility</b>	
15.30 – 15.45	Travel to Eastern Creek	
<b>15.45 – 16.45</b>	<b>Tour of Container Deposit Scheme sorting facility</b>	
16.45 – 17.45	Travel to Sydney CBD	

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*Section 1*

# ***Strategic Overview***

*Vik Bansal – CEO and Managing Director*

# Dynamics of a successful player in the waste management industry

High marginal contribution		<ul style="list-style-type: none"><li>• Network economics are 'king'</li><li>• Route density not hub and spoke</li></ul>
Mix of '2 worlds'		<ul style="list-style-type: none"><li>• Large enterprise-level selling</li><li>• Contrasted against mass market, consumer-like selling</li></ul>
Recurring revenue		<ul style="list-style-type: none"><li>• Momentum business with multi-year contracts across multiple waste streams</li><li>• 'Utility-like' spend category - low share of mind for customers</li></ul>
Prized Infrastructure		<ul style="list-style-type: none"><li>• Importance of a portfolio of prized infrastructure assets – licenses, technology, feedstock</li><li>• Monetizing complex value chain with significant variances by waste stream and region</li></ul>
Variability in local dynamics		<ul style="list-style-type: none"><li>• Revenue, costs and competitive dynamics vary market by market</li><li>• Regulatory change which provides barrier to entry</li></ul>
Sustainability		<ul style="list-style-type: none"><li>• 360° view of sustainability - Customers, Shareholders, Employees, Society/Environment</li><li>• Continued investments in resource recovery are critical to meet these objectives</li></ul>

# Australia's leading total and integrated waste management company – multiple waste streams across multiple geographies



~5,900  
Employees



4,500+  
Vehicles



115+  
Licensed  
infrastructure assets



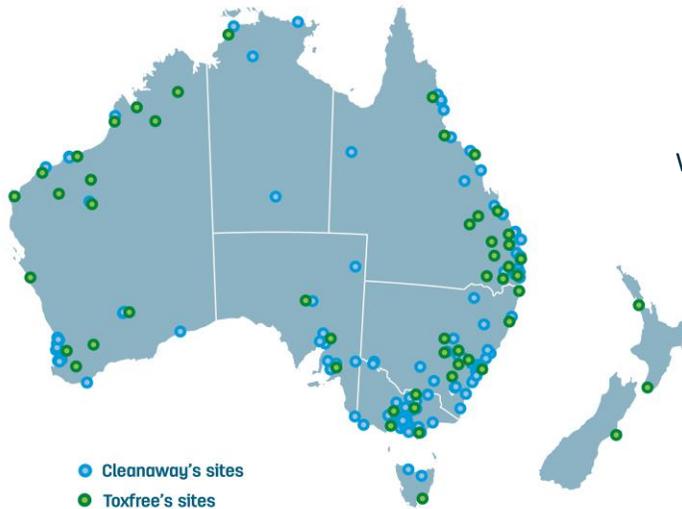
140m+ kWh  
Renewable energy generated



>320,000 tonnes  
Paper and cardboard recycled



260+  
Sites Australia wide



● Cleanaway's sites  
● Toxfree's sites



~660 million litres  
Waste Liquids collected  
and processed



~125 million litres  
Waste mineral oil collected  
for processing



~90  
Municipal Councils



>16,000 tonnes  
Plastic packaging recycled



>14,500 tonnes  
Steel recycled



~140,000  
Commercial & Industrial  
Customers



~10,000  
Medical waste customers



1.1 million kgs  
Plastic eliminated each year  
generated by the medical industry



~730,000 kgs  
Sharpsmart collections washed  
through robotic washlines

## Our Mission

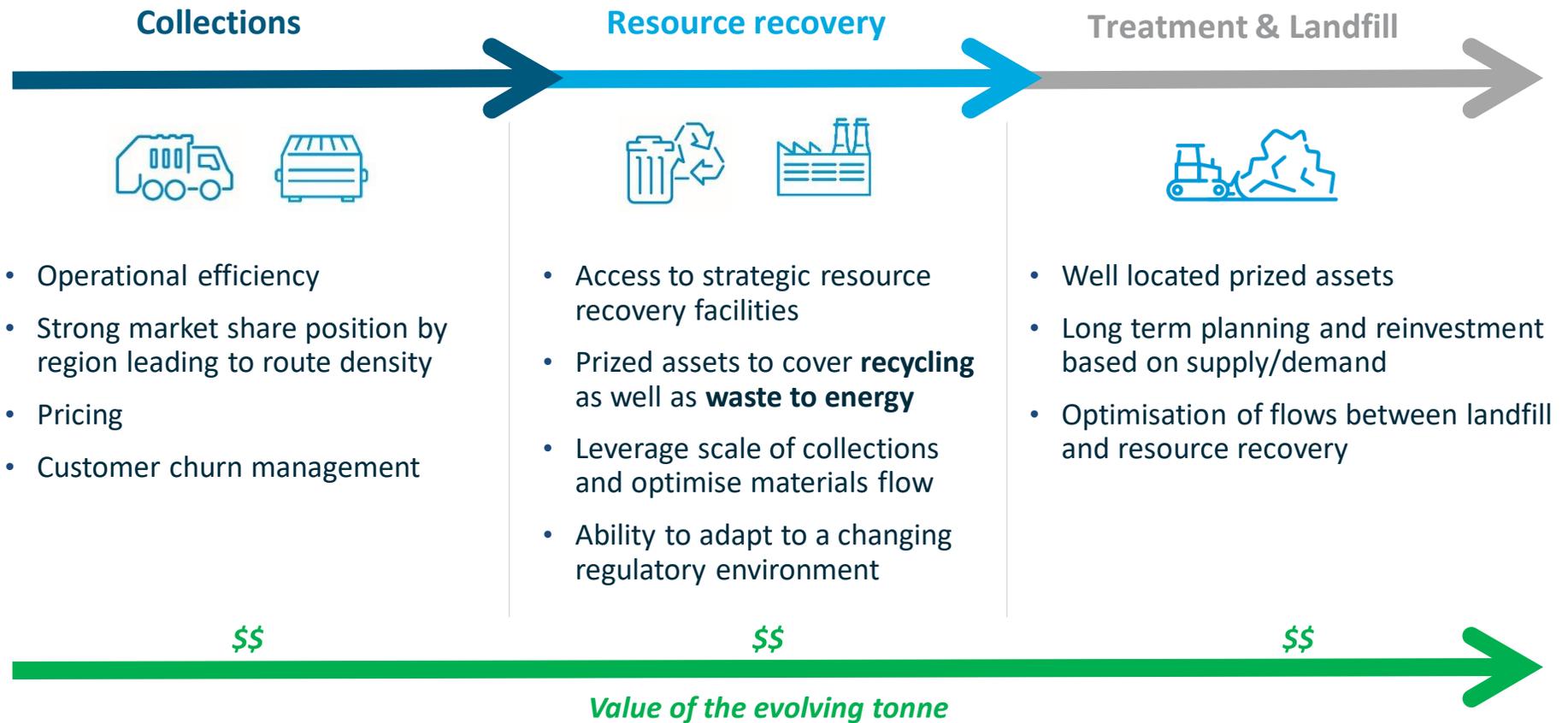
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# *Making a sustainable future possible.*

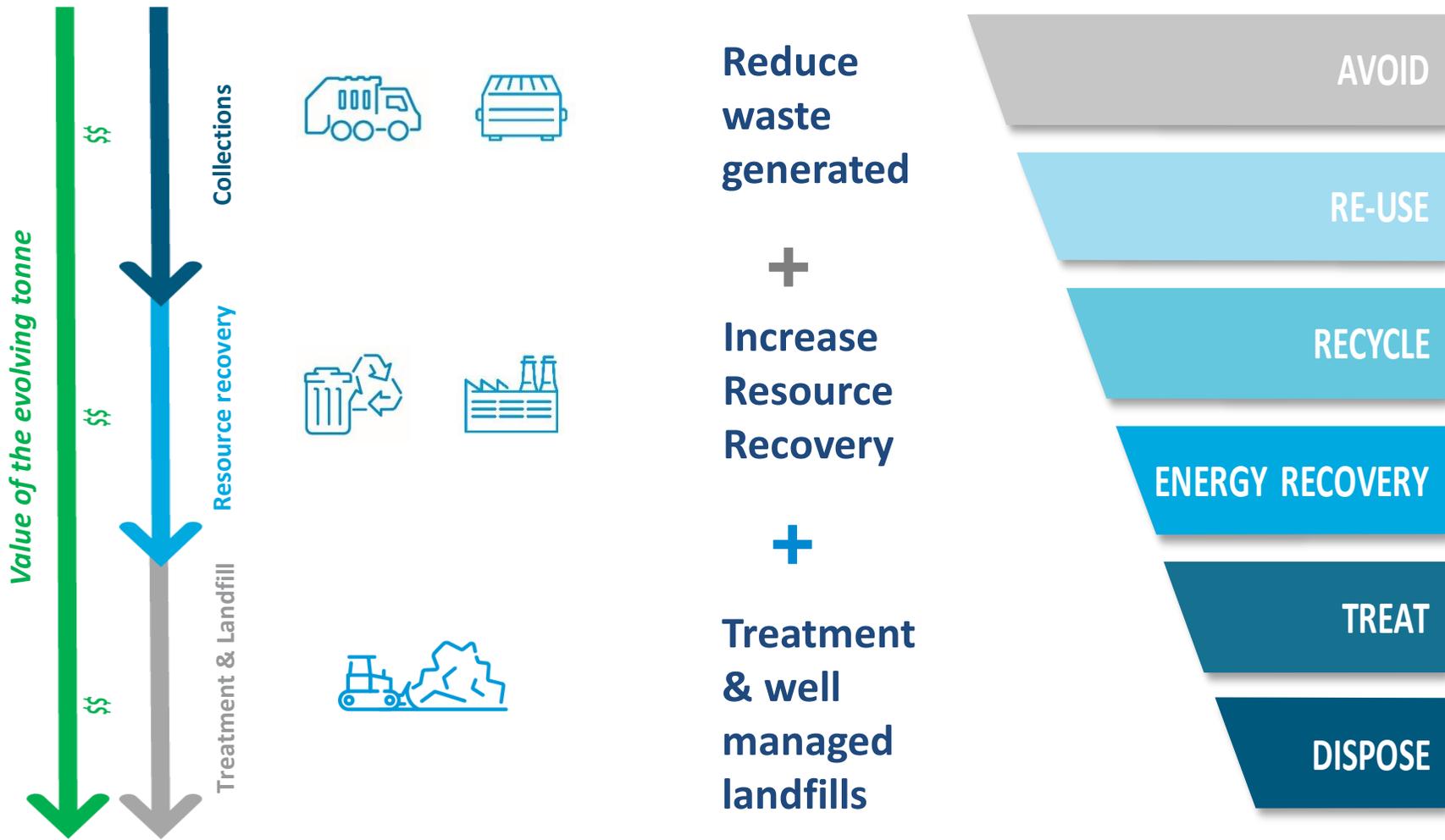
When you think about waste as a resource, it opens up a world of possibilities. Cleanaway is committed to helping industry, businesses and the community create a sustainable Australia for generations to come. It's a simpler way and a better way, because it's Cleanaway.

# Multiple points of value creation – An Evolving Tonne

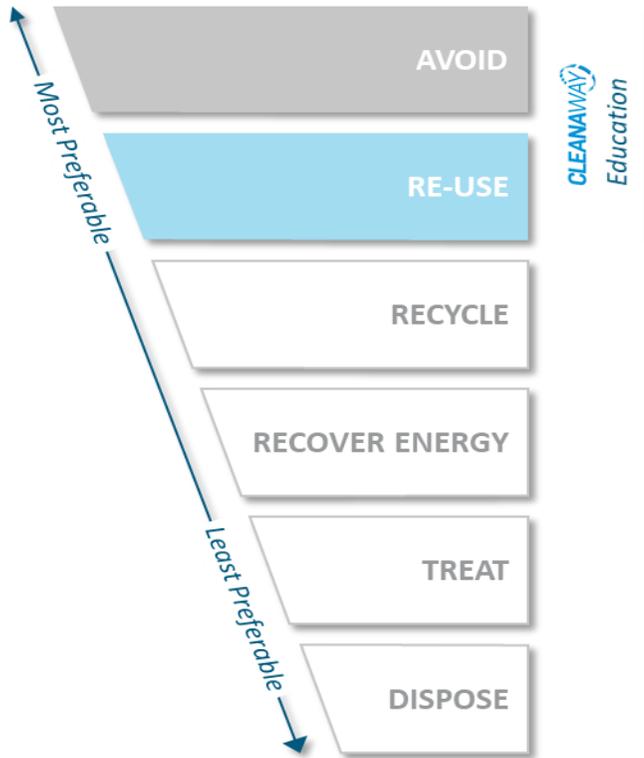
*Investing in the right 'package' of assets across the value chain through the evolving tonne*



# Footprint 2025: Investment and monetisation of waste value chain by understanding economic and social drivers of the EPA Waste Hierarchy



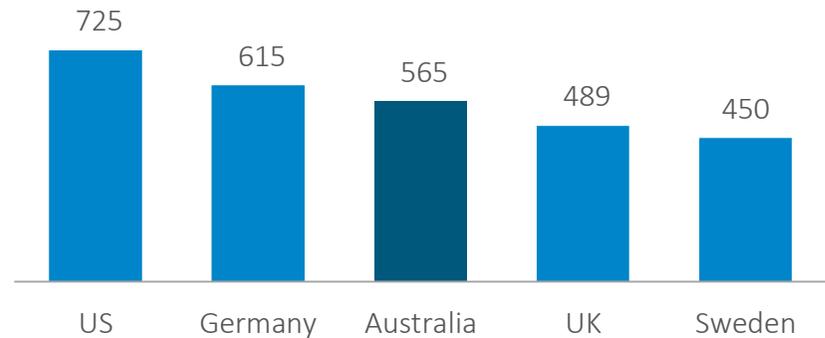
# Making a sustainable future possible – waste reduction



## Reduce waste generated

- Key role for society as a whole
- Reduction in waste e.g. packaging, disposable bags
- More and compliant source separation means less ‘waste’

Municipal waste generated per capita (kg) <sup>(1)</sup>



Notes: 1: Source: Australian National Waste Report 2016, Department of the Environment and Energy

# Making a sustainable future possible – resource recovery

Collections



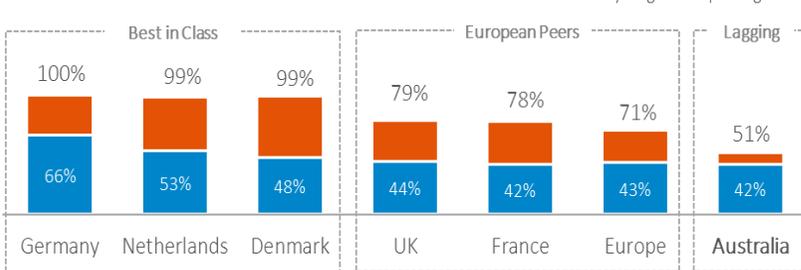
Resource recovery



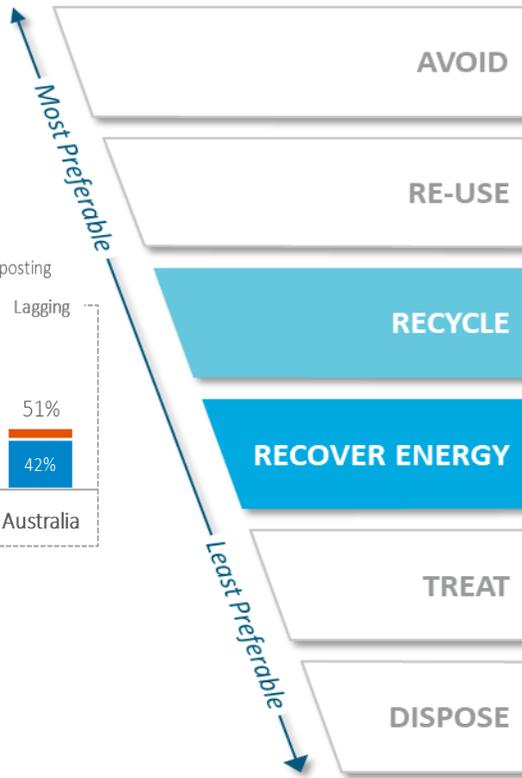
Treatment & Landfill



Recovery rates municipal waste <sup>(1)</sup>



(1) Source: OECD, Australian National Waste Report 2016, Department of the Environment and Energy

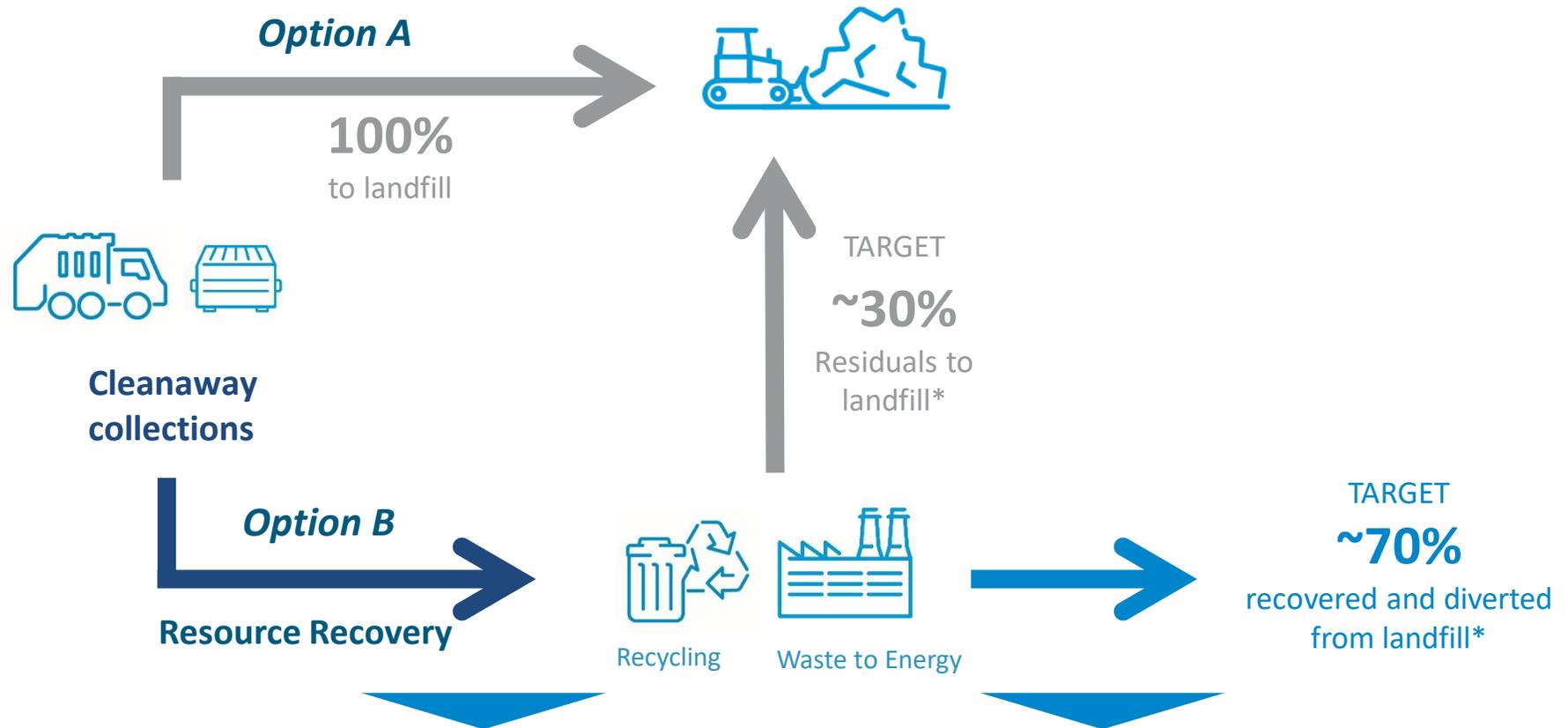


CLEANAWAY Education  
CLEANAWAY

**Increase Resource Recovery**

- Low recovery rates in Australia – a growth opportunity
- Recycling rates similar to UK/EUR – Waste to Energy is the ‘missing link’
- Key role for Cleanaway – Footprint 2025 strategy

# Diversion prize – the true value of resource recovery and the evolving tonne



The **diversion prize** is the commodity value plus the landfill cost avoided minus cost of resource recovery – Higher landfill price creates economic impetus as commodity price can be volatile

# The diversion prize varies by geography and waste stream

## Geography drivers



### Landfill gate fee

Underlying gate fees vary significantly by state



### Levy

Large differences by state  
Several large recent increases



### Legislation

Legislation, such as container deposit schemes, resource recovery targets

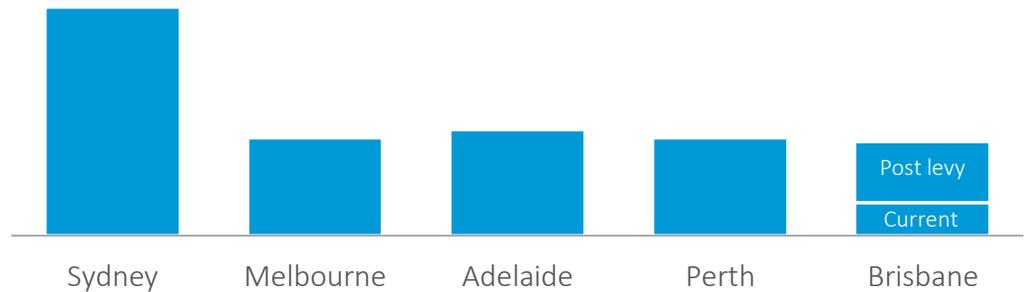
## Waste Streams



Collection fees, post collections systems and commodity values vary by waste stream

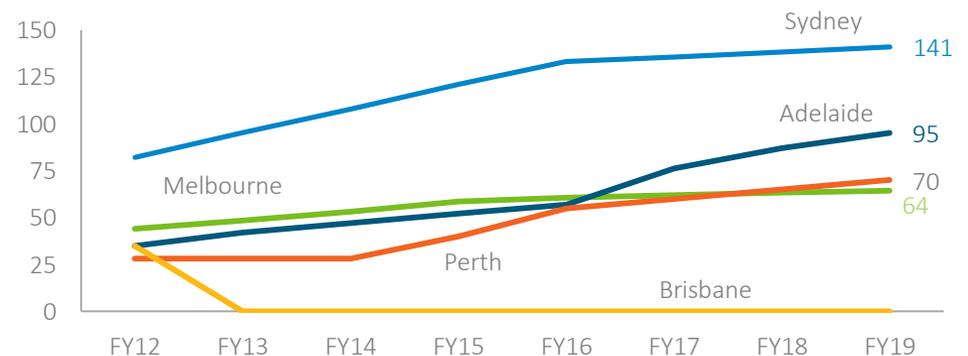
## Landfill gate fees

Levy + underlying gate fee

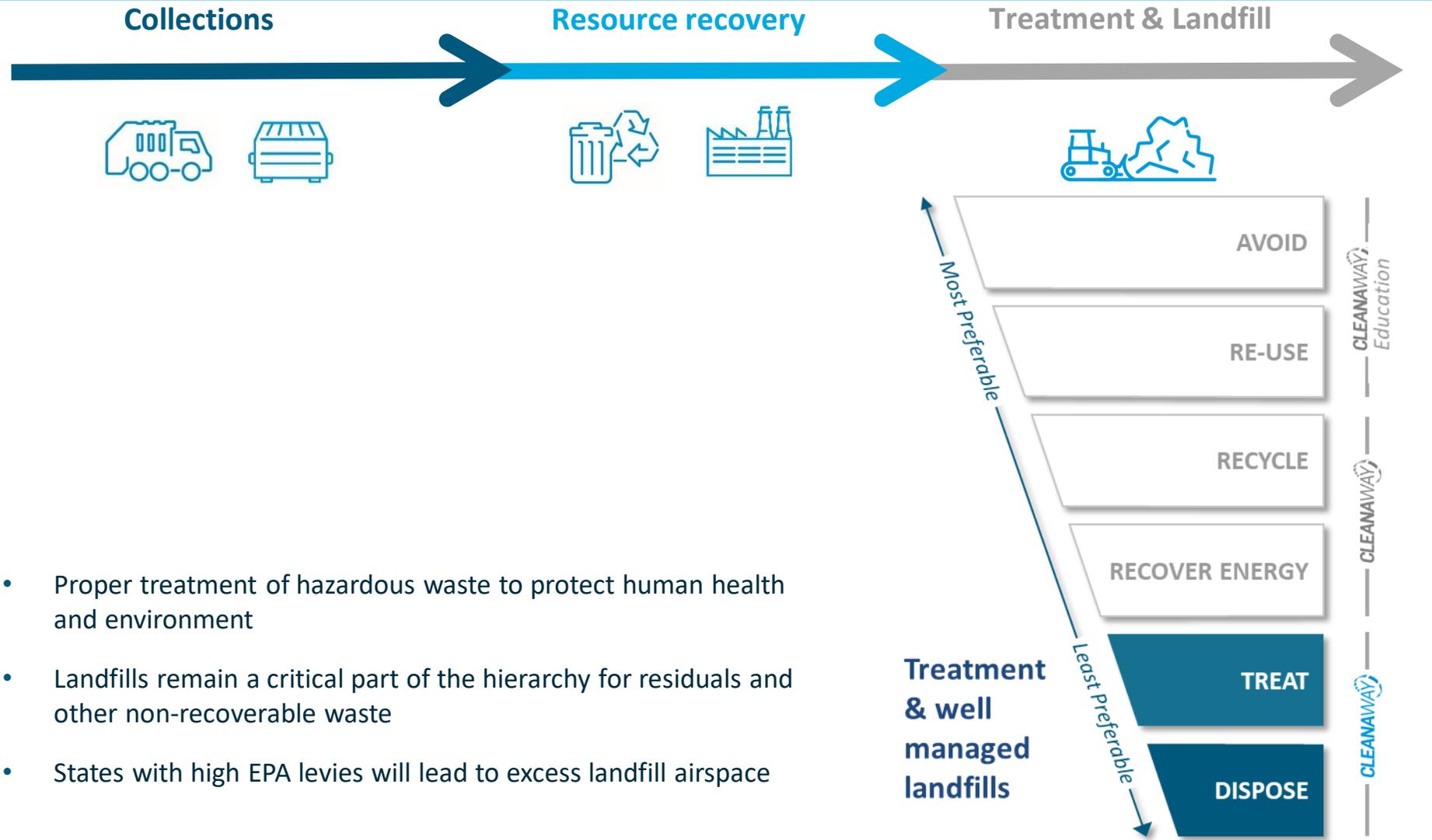


## Landfill levies are significant and increasing <sup>(1)</sup>

\$ per tonne

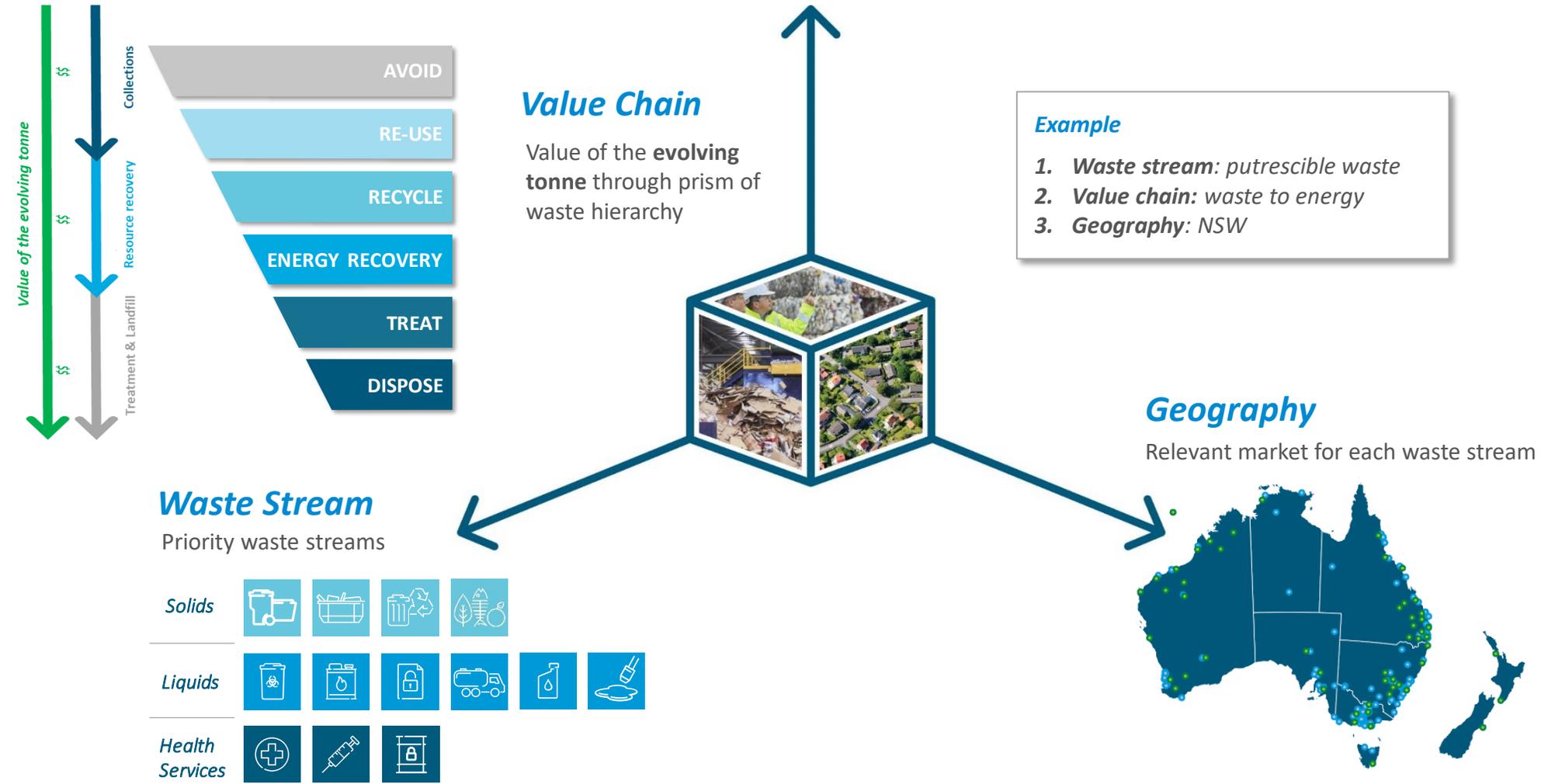


# Making a sustainable future possible – Treatment & Landfill

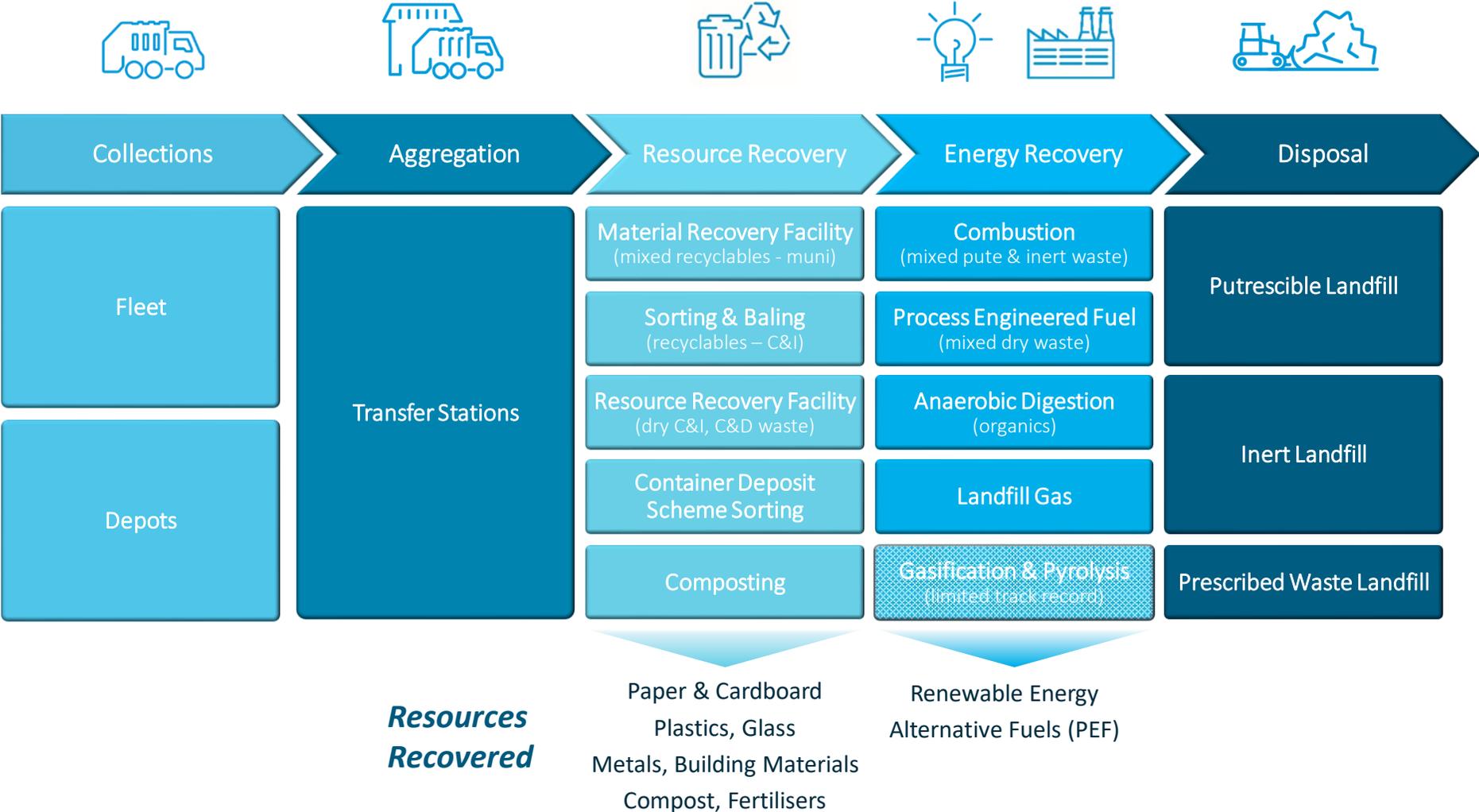


- Proper treatment of hazardous waste to protect human health and environment
- Landfills remain a critical part of the hierarchy for residuals and other non-recoverable waste
- States with high EPA levies will lead to excess landfill airspace

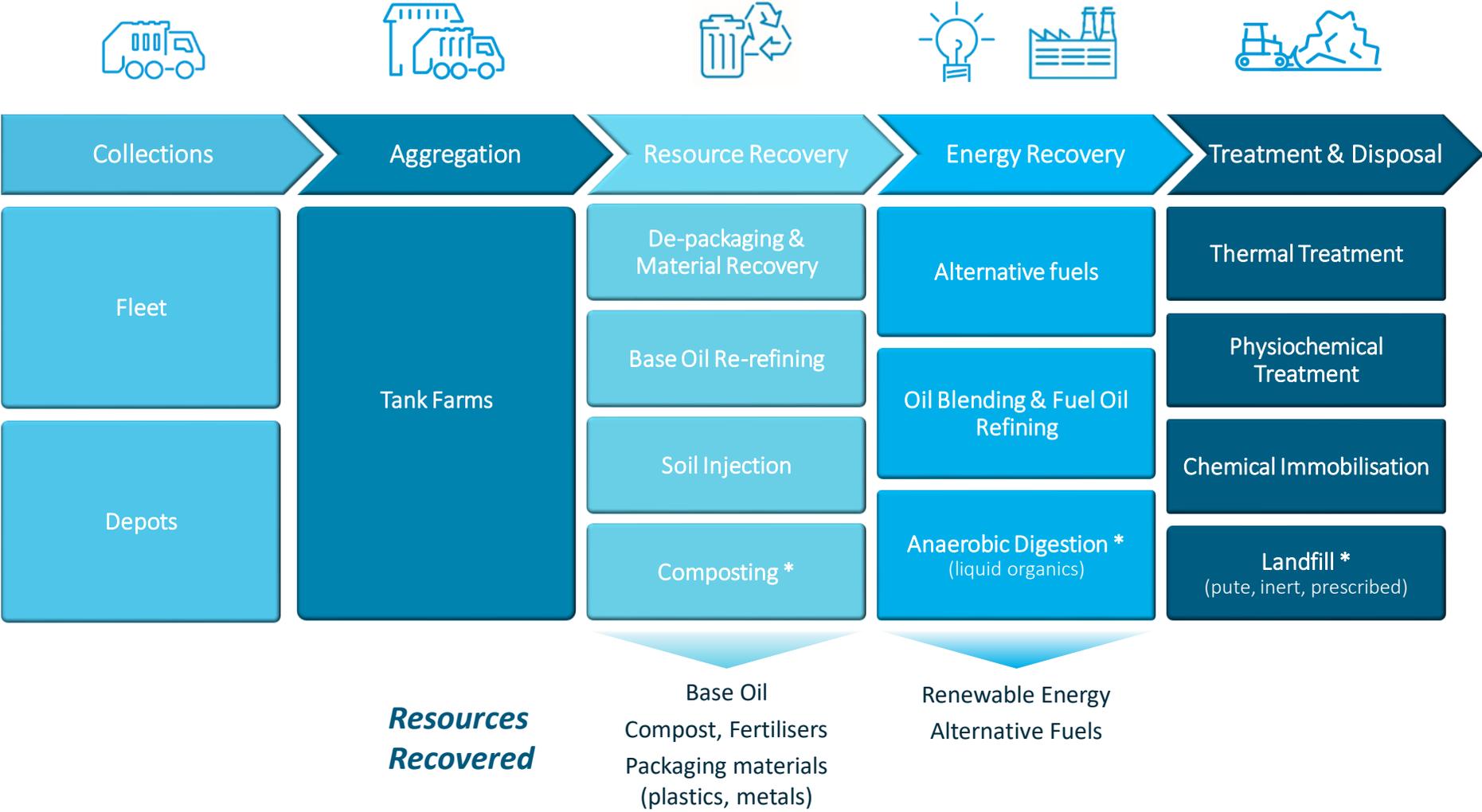
# Footprint 2025 strategy implementation considers 3 dimensions



# Solid Waste Services value chain overview



# Liquid Waste & Health Services value chain overview



# Progress on the implementation of Footprint 2025...

*Over \$100 million committed to Footprint 2025 greenfield investments since FY16 – all within our capital expectations by remaining cash disciplined – plus value accretive acquisitions*



**Perth**

**Brisbane**

**Adelaide**

**Sydney**

**Melbourne**



New material recycling facility constructed



Perth Transfer station under construction



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



New transfer station in South East Melbourne



Double electricity generating capacity at MRL



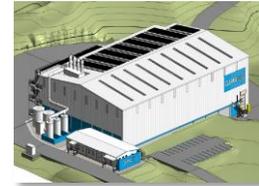
Planning permit for MRL to 2046



New paper & plastics recycling facility and transfer station



Engineering upgrade to oil recycling facility improving product quality



New transfer station and material recycling facility (completion 1H19)



Buyout of 50% JV partner of base oil recycling facility in Rutherford



New sorting and recycling of containers collected via the NSW CDS



Acquisition of 50% in Cleanaway ResourceCo PEF Facility in Sydney

# ...Plus the transformational acquisition of Toxfree

## A strategically compelling acquisition

Toxfree complements and integrates into our operating model and enhances our business, either through geography, prized infrastructure assets or value chain benefits. It also brings with it the high growth medical business.

- ✓ Affirms our leadership in each of our operating segments by enhancing our existing capabilities in Solids, Liquids and Industrial Services. Strengthens our core and increases operating leverage
- ✓ Accelerates the implementation of our Footprint 2025 strategy, adding prized infrastructure assets across the country
- ✓ Significant capital spend avoided in our Liquids & Industrial Services segment. Opportunity to align customer demand with combined infrastructure and internalisation
- ✓ Provides a leading position in the attractive medical waste sector with a post collection footprint which also enhances Liquids processing capabilities
- ✓ Expected to deliver approximately \$35m in annual synergies to be realised over 2 years, leading to significant value creation across EPSA, Free Cash Flow per share and Pre-tax Return on Invested Capital

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## Toxfree expands and enhances our capabilities and footprint

Toxfree operates a network of 81 sites including 29 licensed facilities,<sup>1</sup> 8 of which are highly prized assets

- ❖ Expansion of capabilities and services with a number of new technologies
- ❖ Expansion of our footprint to improve reach and maximise internalisation leading to operating leverage
- ❖ Footprint optimisation reducing overlap and increasing capacity utilisation
- ❖ Capital expenditure avoidance
- ❖ Health & Safety of all our employees will remain a number 1 priority and we will continue to strive for GOAL ZERO as a combined group

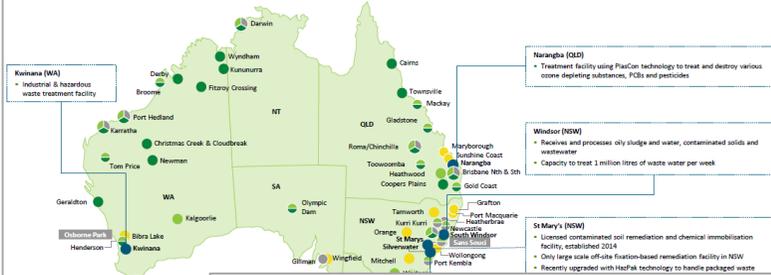
	Cleanaway	Toxfree	
Depots	~200	52	~252
Licensed infrastructure assets	90+	29 <sup>1</sup>	119+
Employees	4,000+	1,550+	5,550+
Vehicles	3,000+	~900	3,900+

Note: 1. Refers to Environment Protection Authority licenses. Source: Toxfree website, presentations and EPA licenses.

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## Toxfree's operations

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



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## Medical business overview

A vertically integrated provider of healthcare waste products and services, including collection, transport and treatment of sharps, clinical and related waste

### Customers

- ❖ Hospitals, Medical Centres and Pathology providers

### Key services

- ❖ Sharps management
- ❖ Medical waste
- ❖ Pharmaceutical waste
- ❖ Healthcare hazardous waste
- ❖ Quarantine waste

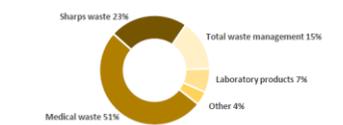
### Key assets

- ❖ Two high temperature incinerators located in Sydney and Melbourne which can also process hazardous liquid waste as fuel
- ❖ Six autoclaves
- ❖ 10 regional transfer stations
- ❖ Five robotic washlines
- ❖ Sharpsmart
- ❖ Clinismart

### Daniels Health historical pro forma revenue (\$m)



### Daniels Health FY17 revenues by service (%)

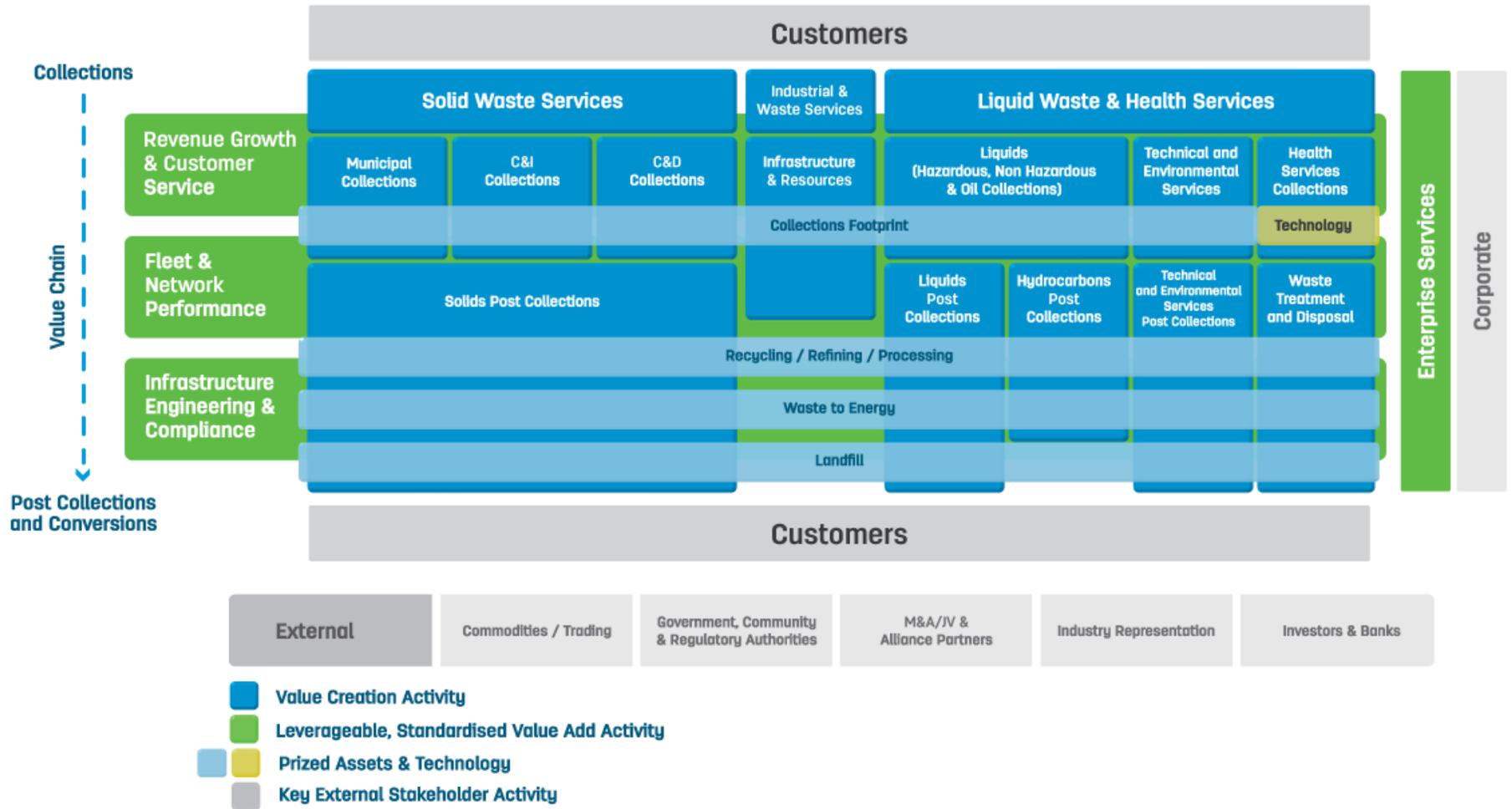


Note: 1. Annualized revenue based on 7 months contribution post completion of acquisition of Daniels Health by Toxfree in December 2016. Source: Toxfree.

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# Value Operating Model



*Section 2*

# ***Solid Waste Services***

*Mark Crawford*

*Executive General Manager*

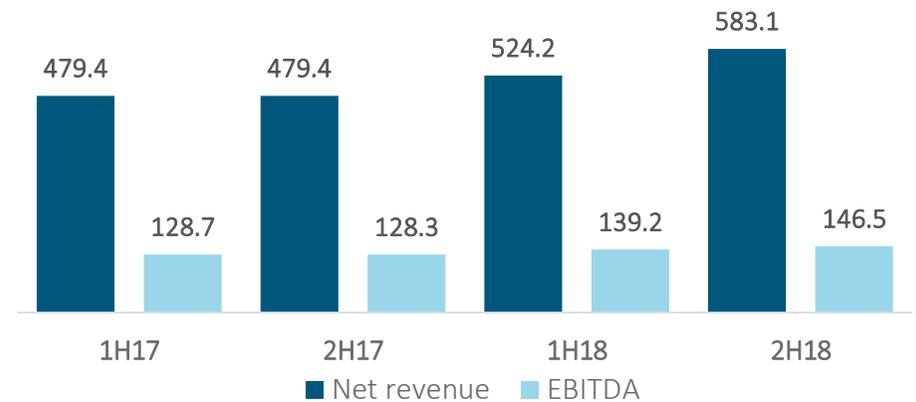
# Solid Waste Services overview

- Market leader in Australia with strong national presence in each capital city and regionally
- We serve over 140,000 C&I customers and approximately 90 municipal councils with a fleet of approximately 3,000 vehicles and 3,100 employees
- Integrated business with strength across the value chain from fleet to resource recovery to landfills

## Solid Waste Services Snapshot



## Key Financials



Note: 2H18 includes seven weeks trading results for Tox

# SWS: Municipal and Commercial & Industrial market dynamics

## Municipal



- Long term contracts 7-10 years
- Significant capex upfront (leasing)
- 'Utility type' revenue
- Steady market volumes
- Competitive tender processes



## Commercial & Industrial



- Typically 3 year plus contracts
- Recurring, 'sticky' revenue
- Steady market volumes
- Large and national accounts typically through tenders



# SWS: Waste streams

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- Majority of the volumes we collect are in a mixed form
  - Limit to pre-sorting customers are prepared to do and trade-off source separation vs. efficiency
- Material recovery rates are a function of the diversion prize (incl. commodity value) and cost to extract
- Removing quality materials from mixed general waste bins is challenging with most currently sent to landfill – waste to energy is a higher order alternative for this residual waste stream

## Key Waste Streams Collected



Mixed Inert



Mixed Putrescible

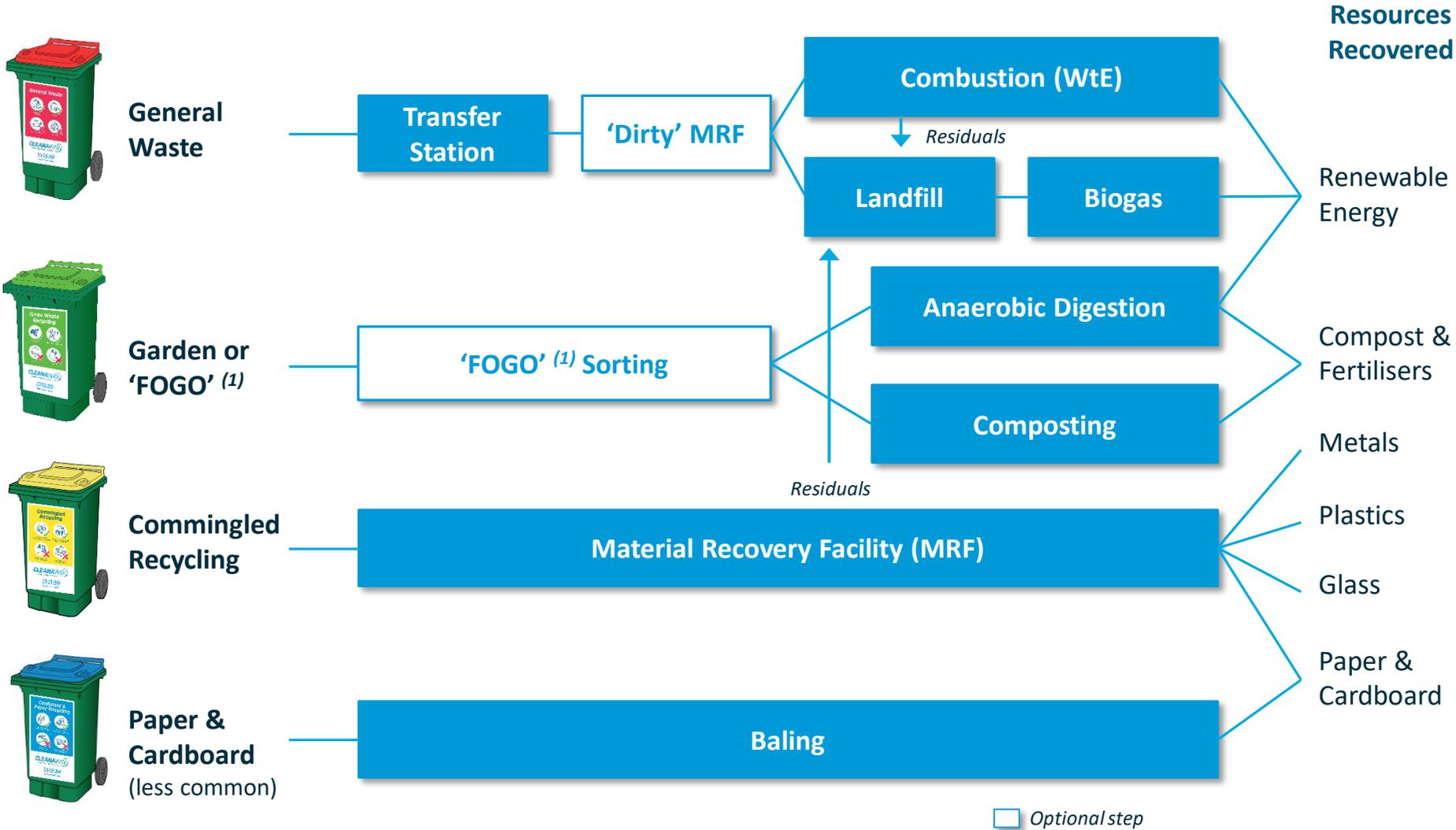


Organics

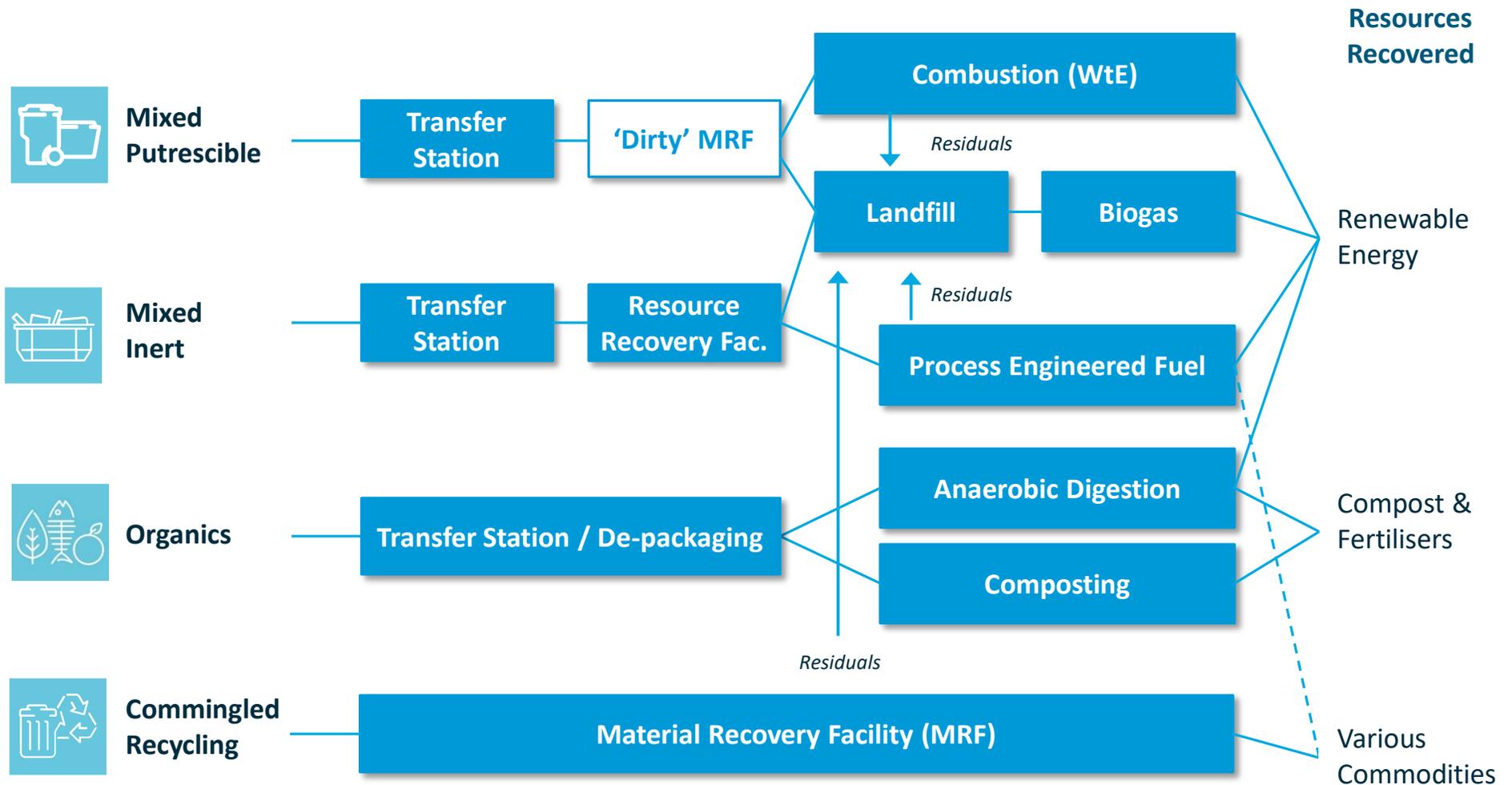


Recycling

# SWS: Value chain example – Municipal waste



# SWS: Value chain example – Commercial & Industrial waste



# SWS: Footprint overview

*Strength across the value chain – Footprint 2025 will further cement our leadership position*



Strong national network of depots and transfer stations



Network of prized resource recovery assets including Material Recycling Facilities, Anaerobic Digestion and Process Engineered Fuel (WtE)



Putrescible landfills in VIC, WA and SA with an inert landfill in QLD; Sydney inert landfill near end of life

# SWS: Sample of Prized Assets – Melbourne

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*South East Melbourne Transfer Station*



*Melbourne Regional Landfill (MRL)*



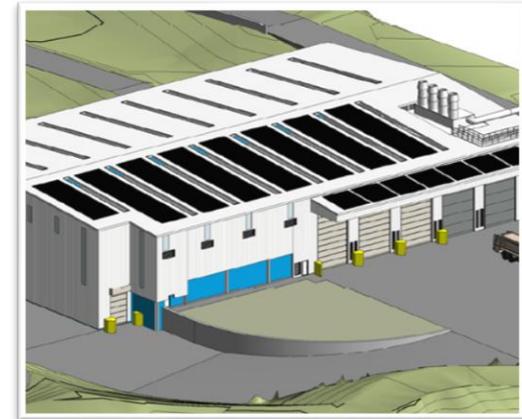
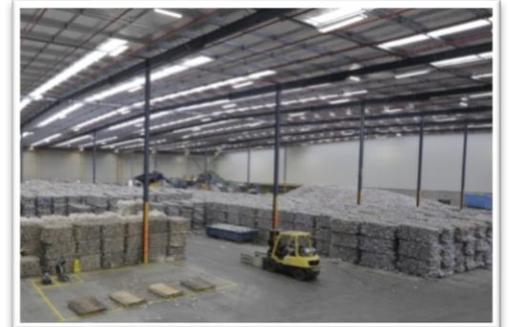
*Landfill Gas to Energy at MRL*

# SWS: Sample of Prized Assets – Sydney

*Sydney Process Engineered Fuel Facility*



*CDS Collections Network and Sorting Facility*



*Erskine Park Transfer Station (1H19)*

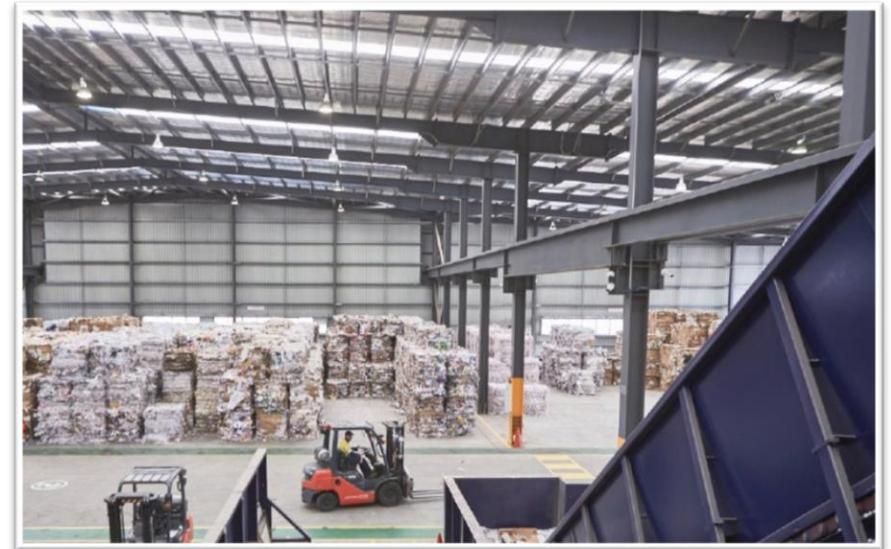
# SWS: Sample of Prized Assets – Perth & Brisbane

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*Perth Material Recovery Facility*



*Brisbane Paper & Plastics Resource Recovery Facility*



*Section 3*

# *Liquid Waste & Health Services*

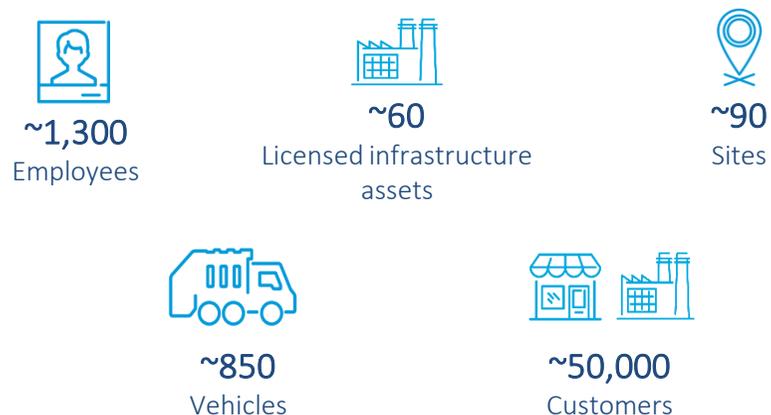
*Tim Richards*

*Executive General Manager*

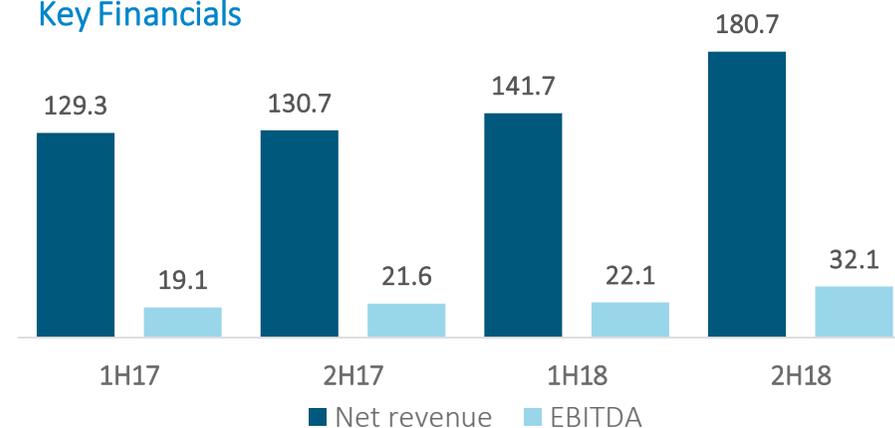
# Liquid Waste & Health Services overview

- We serve over 50,000 customers with a specialised liquids fleet of approximately 850 vehicles and 1,300 employees
- Prized assets to recover resources, treat and safely dispose of hazardous and non-hazardous liquids
- Leading, vertically integrated provider of services to the health sector through Daniels
- Largest collector of waste lube oil with a network of assets to produce recycled base oil and fuel oils

## Liquid Waste & Health Services Snapshot



## Key Financials



Note: 2H18 includes seven weeks trading results for Tox

# LW&HS: Waste Streams and Customers

- Waste streams include hazardous and non-hazardous liquids, hydrocarbons and health services waste
- Majority generated by commercial and industrial customers but municipalities also generate liquid and hazardous waste
- Management of hazardous waste streams is closely regulated with 'cradle to grave' tracking
- High volumes in liquid organics including biosolids and grease trap waste

## Key Waste Streams Collected



**Chemical Waste**



**Product Destruction**



**Hydrocarbons**



**Liquid Organics**



**POP\***



**Combustible Liquids**

## Select Customer Segments

Hospitality

Resources

Hospitals

Petrochemical

Clinics

PSO Schemes

Manufacturing

Workshops

Fire Departments

Household Hazardous

# LW&HS: Footprint overview

*Strength across Liquids, Technical & Environmental Services and Health Services*

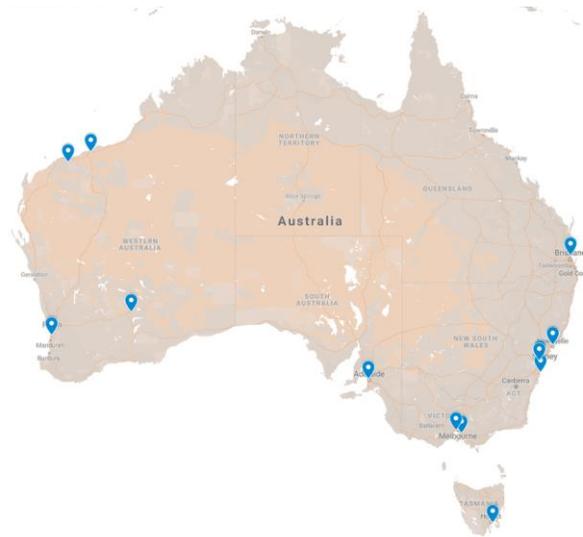
## Liquids

Hazardous, Non-hazardous  
and Hydrocarbons



Strong network of liquids  
collections and processing facilities

## Technical and Environmental Services



Highly prized and technical  
post collections facilities

## Health Services



National leader with sophisticated  
collection systems, incinerators,  
autoclaves and robotic wash lines

# LW&HS: Sample of Prized Assets – Leadership through technology

*PFAS treatment*



*Hydrocarbons*



# LW&HS: Sample of Prized Assets – Leadership through technology

## De-packaging And Recycling



## E-waste Treatment And Recycling



# LW&HS: Sample of Prized Assets – Leadership through technology

*Daniels provides the health services sector with systems and solutions to make healthcare safer*



- ✓ Integrated system
- ✓ Advanced product technology
- ✓ Leading in sustainability through re-usable containers
- ✓ Prized post collections assets for safe treatment and disposal



# LW&HS: Leadership through technology

## Daniels collections system



### Sharps Solutions

UNRIVALLED SAFETY

- Since 1999 it is estimated that Sharpsmart systems have saved more than 20,000 Australian healthcare workers from needlestick injuries.



### Clinical Waste Solutions

OPTIMISED MOVEMENT

- Leakproof body and lid seals securely to contain fluids and odours
- Cost savings through point-of-use-positioning
- Secure safety locks to prevent tampering



### Pharmaceutical Waste Solutions

PUTTING SECURITY FIRST

- Inbuilt safety tray to prevent unauthorised access
- Inbuilt safety locks to prevent tampering
- All sites monitored by 24 hour surveillance

### Storage & Logistics System

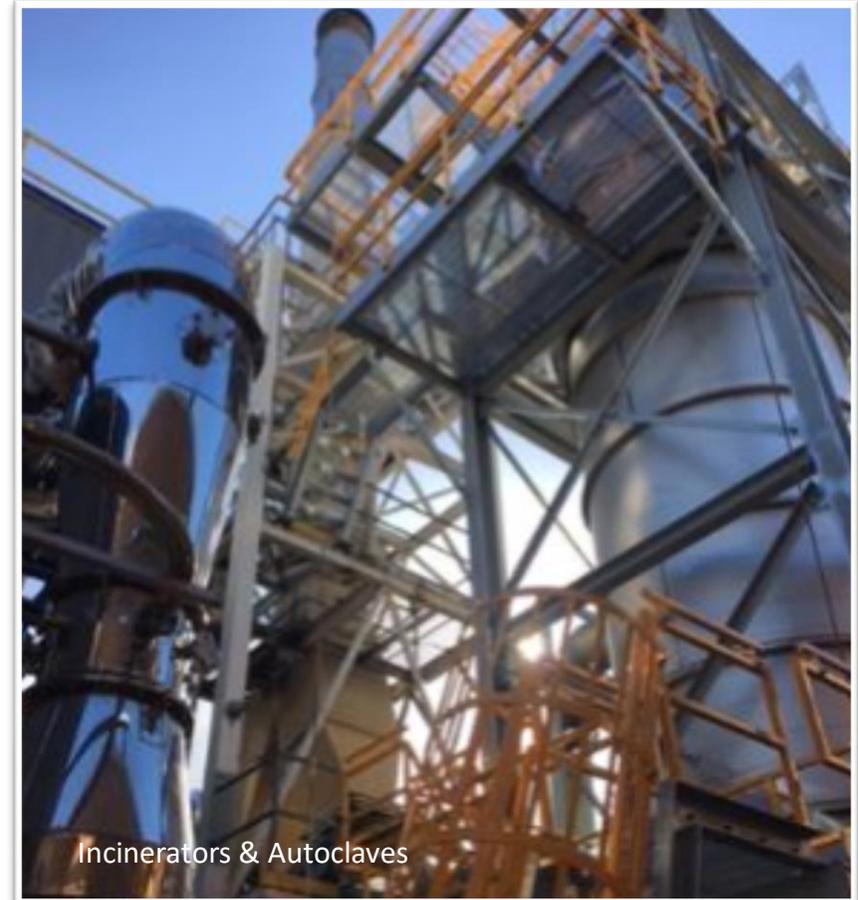
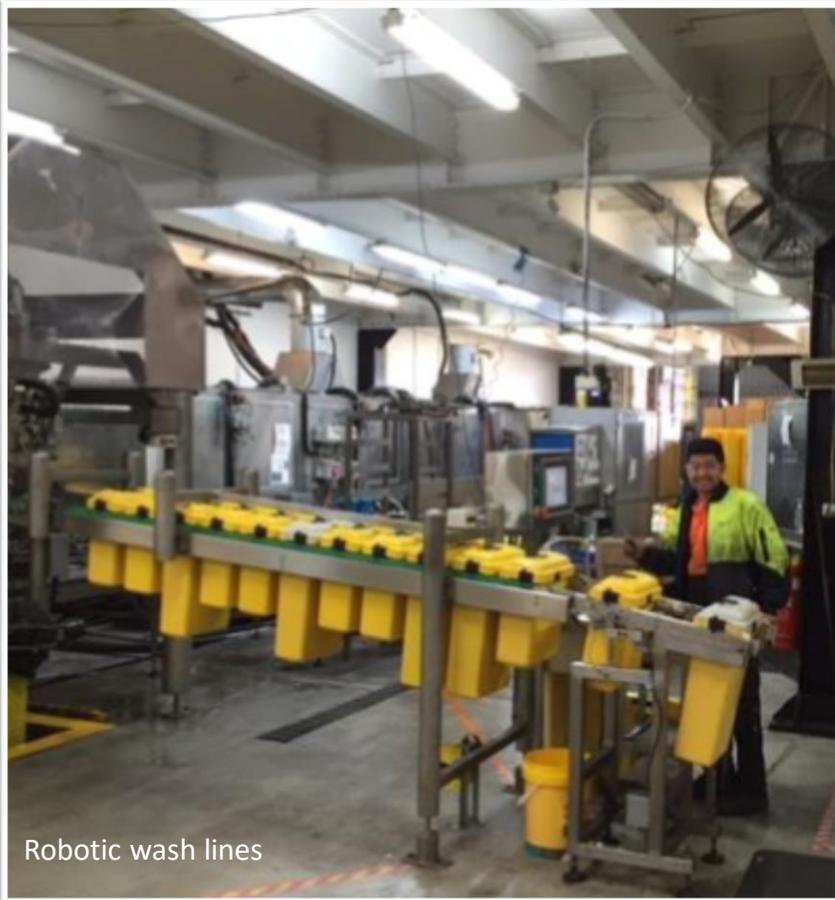
EFFICIENCY AND MOVEMENT

- Patented engineered accessory systems to optimise space and logistics and enable point-of-use disposal
- Collectors always suspended from the ground and mobility provides safe point-of-use disposal and movement



# LW&HS: Sample of Prized Assets – Leadership through technology

## *Daniels Post Collections*



*Section 4*

# *Industrial & Waste Services*

*Vik Bansal*

*CEO and Managing Director*

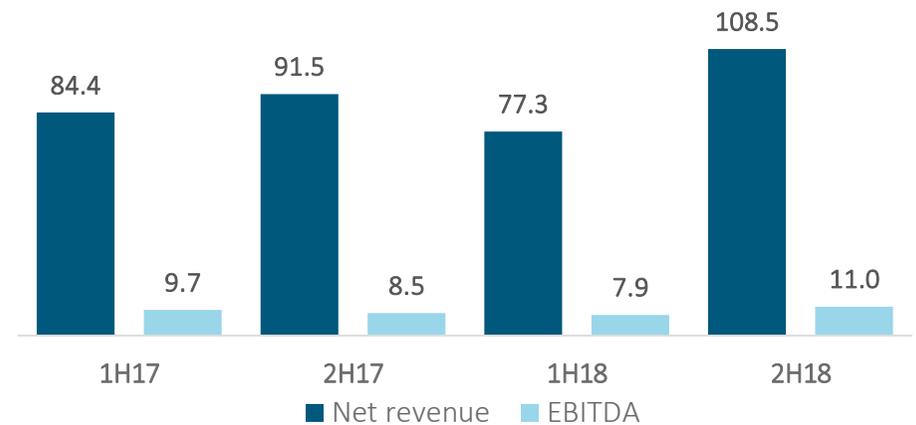
# Industrial & Waste Services overview

- We serve over 2,000 customers with specialised equipment, a fleet of approximately 1,000 vehicles and 1,100 employees
- Services include drain cleaning, non-destructive digging, vacuum loading and high pressure cleaning
- I&WS delivers over 20,000 bespoke jobs, each with a strong presence in infrastructure and resources
- Generates in excess of \$10 million of internalised waste revenue for other parts of the business

## Industrial & Waste Services Snapshot



## Key Financials



Note: 2H18 includes seven weeks trading results for Tox

# I&WS: Customers and market dynamics

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## Infrastructure



### ***Customer Segments***

- Utilities
- Civil infrastructure
- Municipalities
- Manufacturing

## Resources



- Oil & Gas (CSG, LNG, offshore)
- Mining
- Base metals
- Refineries

### ***Market Dynamics***

- Mostly contracted work on 1-3 year terms
  - Services provided on demand
  - Business operates from a network of depots in key markets
  - Mixed growth patterns within the customer segments
- Typically 3-5 year contracts
  - Mostly operates from customer sites (often remote)
  - Integral part of customer operations
  - Services provided through the life cycle of operations
  - Overall activity levels linked to resource sector volumes

# I&WS: Services provided

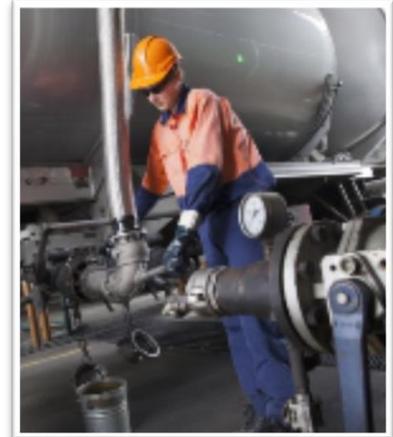
*High Pressure Water Cleaning*



*Vacuum Loading*



*Pipeline Maintenance and CCTV*



# I&WS: Services provided

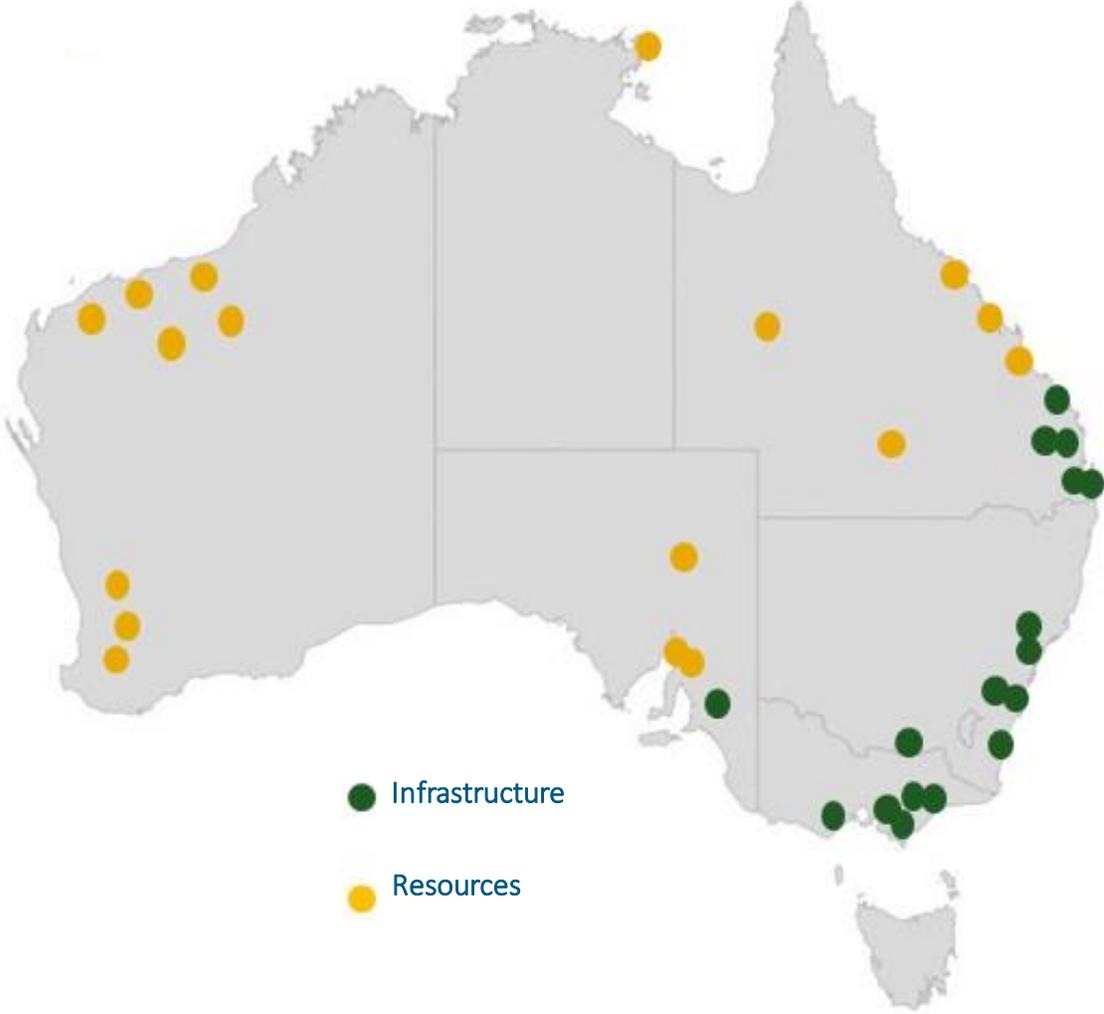
*Non-Destructive Digging*



*Concrete & Cold Cutting*



# I&WS: Footprint overview



*Section 5*

# *Closing*

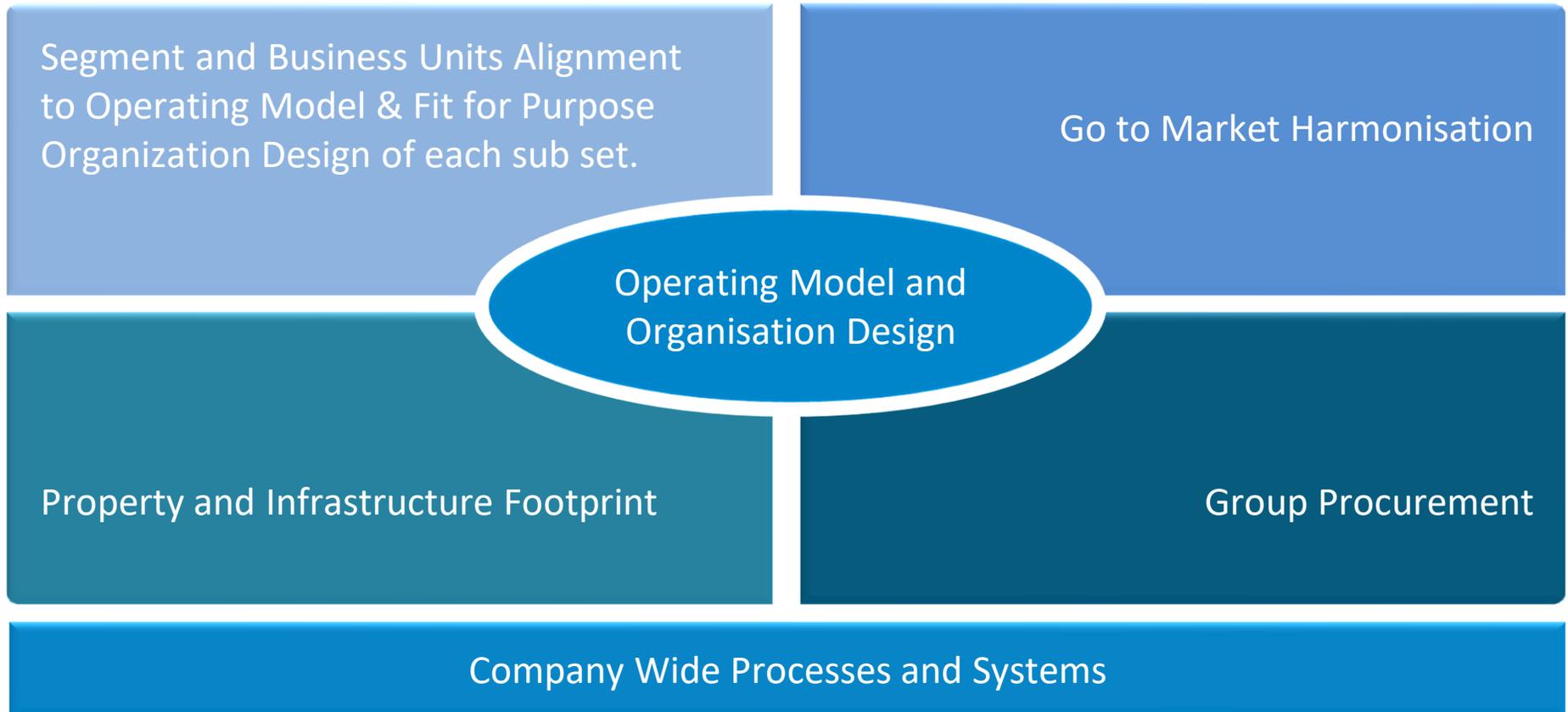
*Vik Bansal*

*CEO and Managing Director*

# Toxfree integration is on track

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Confident of achieving the \$35 million in synergies over the next two years



# Cleanaway: Capturing the value of the evolving tonne

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- Momentum is gaining for Australia to catch up with other developed markets in resource recovery
- Maintaining leadership across identified waste streams, across the value chain and across geographies in Australia remains an integral part of Cleanaway's strategy to capture value in every evolving tonne
- Cleanaway already play a key role in resource recovery and treatment with an unrivalled and growing network of prized assets
- Our Footprint 2025 strategy is about further expanding this footprint as well as enhancing existing prized assets by adding capacity, new technologies or capabilities
- We will remain focussed on returns and capital disciplined with average cash capital expenditure ~10% of net revenue, which includes the investment required for Footprint 2025

