

Strategic and complementary acquisition of Contract Resources

Key highlights

- Disciplined acquisition of a strategically aligned, market leader in production-critical technical services for the oil & gas industry for 5.9x EV/ FY25F EBITDA (including synergies).
- Adds a stable, recurring and growing earnings stream underpinned by long-term customer relationships and a track-record of delivering best-in-class production-critical services.
- Accelerates Cleanaway's decommissioning, decontamination and remediation (DD&R) growth strategy through enhancing our value proposition, expanding the addressable market and leveraging customer relationships.
- Expected to deliver approximately \$12 million in annual net cost synergies when combined with Cleanaway's Industrial Waste Services (IWS), repositioning the business and creating a leading specialist provider of integrated technical services to oil & gas, resources and industrial customers, and a platform for growth.
- Forecast to deliver high-single digit EPSA accretion post pro forma synergies¹ (while remaining EPS accretive pre-synergies) in the first 12 months of ownership and a double-digit IRR pre and post synergies.

Cleanaway Waste Management Limited (ASX: CWY) today announced it has agreed to acquire 100% of the shares of Contract Resources Group Pty Limited (Contract Resources), a specialist provider of catalyst handling, decontamination, chemical cleaning and related services, for an enterprise value of \$377 million² from shareholders, including funds managed by SCF Partners, Inc. and Viburnum Funds Pty Limited.

Mark Schubert, Managing Director and CEO of Cleanaway, said: "Acquiring Contract Resources is a strategic step in advancing our Blueprint 2030 strategy. Contract Resources is a natural fit with Cleanaway, given its market leadership, deep sector expertise, and stable recurring earnings stream. Its long-standing relationships with tier 1 oil & gas customers and attractive growth outlook is strongly aligned with our strategic vision for industrial services at Cleanaway. Its integration with Cleanaway will reposition our IWS business, enhancing its scale, and unlocking new opportunities, including cross-selling our total waste management solutions into Contract Resources' well-established customer network."

"Contract Resources' best-in-class reputation is reflected in its long-standing relationships with its top 10 customer tenure averaging 16 years. By consistently delivering integrated production-critical

¹ Excluding transaction costs of approximately \$10 million and integration costs of approximately \$14 million will be treated as an underlying adjustments, incurred over the period FY25 – FY27.

² Subject to customary purchase price adjustments at completion.

services, Contract Resources has become embedded in every major LNG and refinery site across Australia. Its location agnostic capability enabled its successful expansion into the Middle East in 2011, where it now services 8 of the 10 largest LNG sites in the region.

“For Contract Resources customers, it will be business as usual under Cleanaway’s ownership. For Cleanaway, it enhances our industrial services offering through the addition of production-critical, higher-margin, and technically complex services, strengthening our market position. Its oil & gas customer base complements our resources-focused portfolio and strengthens our market position. With a recognised and reputable brand, and long-standing customer relationships, we are creating a valuable opportunity to offer Cleanaway’s comprehensive waste management solutions to a broader network.

“Contract Resources is an accelerator of Cleanaway’s DD&R strategy. Combining Cleanaway’s complex waste treatment expertise with Contract Resources’ strong reputation, deep customer relationships, technical and project management capabilities, the acquisition strengthens our position across the DD&R value chain. This enables Cleanaway to capture a larger share of the growing DD&R market, including the estimated \$43 billion in offshore oil & gas decommissioning opportunities between 2025 and 2075³.”

Contract Resources’ FY25 EBITDA is forecast to be approximately \$52 million and EBIT of approximately \$35 million. The transaction values Contract Resources at approximately 7.3x EV/FY25F EBITDA, reducing to 5.9x when factoring in annual net cost synergies. Net cost synergies are expected to be approximately \$12 million, with full benefits to be realised from FY28 following a two-year integration period. Additional amortisation of customer contracts is expected to be approximately \$10 million per annum, reflecting the value of the long-term customer relationships.

In the first 12 months of ownership, the acquisition is forecast to deliver high-single digit EPSA accretion including synergies⁴, while remaining EPS accretive pre-synergies. In addition, it is expected to generate a double-digit IRR (on a pre and post synergies basis) and is forecast to be ROIC accretive once fully integrated.

The transaction will be fully debt funded. At completion, net debt to underlying EBITDA is expected to be ~2.5x⁵, aligned with Cleanaway’s commitment to maintaining an investment grade credit rating indicative of a strong balance sheet. Cleanaway expects progressive deleveraging via cash generation and continued earnings growth.

Completion is expected by late 2025, subject to ACCC approval and other customary conditions precedent.

³ Source: Centre of Decommissioning Australia (CODA) “A Baseline Assessment of Australia’s Offshore Oil and Gas Decommissioning Liability”

⁴ EPS accretion excluding expected transaction costs of approximately \$10m and integration costs of \$14m. These will be treated as an underlying adjustment, incurred over the period FY25 to FY27.

⁵ Calculated on a pre-AASB 16 basis and includes the impact of the pending acquisition of Citywide’s waste assets, as well as certain other immaterial adjustments to the ratio calculation for covenant testing purposes.

Analyst and investor briefing

Cleanaway will conduct an online briefing in relation to the announcement at 9.30am (Melbourne time) on Thursday 20 March 2025.

The briefing will be accessible via this [link](#) and via the Cleanaway website at cleanaway.com.au.

This media release has been authorised for release by the Board Chair.

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About Contract Resources

Contract Resources is a leading provider of specialist services to heavy industry, renowned for solving complex challenges. As a globally connected and critical path service provider, it delivers innovative solutions in catalyst handling, decontamination, chemical cleaning, and related activities, ensuring operational excellence and safety for high-value assets across Australia, New Zealand, and the Middle East.

With a strong track record of best-in-class service delivery, Contract Resources has built long-term relationships with tier 1 oil & gas clients, underpinned by a stable, recurring, and growing earnings base. Its commitment to reliability, safety, and innovation continues to drive the expansion of its service offering and reinforce its position as a trusted industry partner.

Cleanaway Waste Management Limited is Australia's leading total waste management, industrial and environmental services company. Our team of more than 7,900 highly trained staff are supported by a fleet of over 6,350 specialist vehicles working from approximately 330 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.