



# Toxfree – Playing to win

Investor tour - May 2017



# Harmfree Heros



Rules  
Driven

Values  
Led

- Behaviours shift from obedience to personal commitment, team spirit and collective responsibility
- Move from discipline to positive recognition
- Drivers rewarded for safe driving practices
- Recognition of our Monthly Harmfree Hero's
- Focus on lead indicators e.g. Job Safety Interactions and hazards
- Proactive not reactive



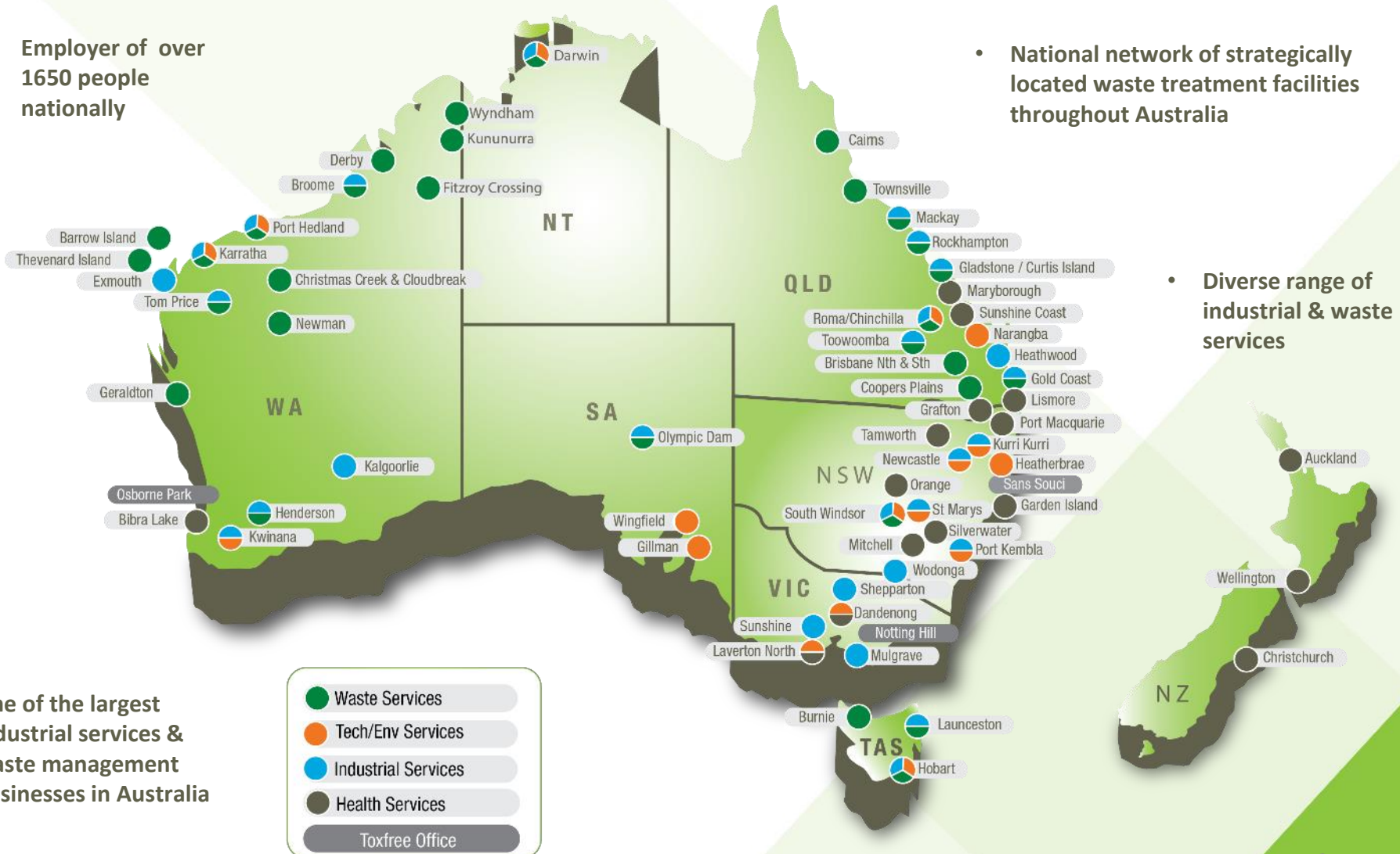


# Australia's Leading Industrial Services & Waste Management Specialist



- Employer of over 1650 people nationally

- National network of strategically located waste treatment facilities throughout Australia



- Diverse range of industrial & waste services

- One of the largest industrial services & waste management businesses in Australia

# Our Strategy



**Vision**  
*(What do we aspire to?)*

Create Australia's leading waste and industrial service specialist

**We will achieve our purpose of**  
*(Why are we here?)*

Providing satisfactory returns to shareholders

**For our beneficiaries**  
*(Who are we here for?)*

Shareholders of Toxfree

**To achieve**  
*(What benefit do they want?)*

Improved shareholder value

**Through delivering the core benefits of**  
*(Our goals)*

**BUSINESS DEVELOPMENT**

**PRODUCT & MARKET  
EXPANSION**

**BUSINESS EFFICIENCY**

**By focusing on our priorities to**  
*(Strategies we will employ to achieve our goals)*

- Win new clients in our target markets
- Build account management & cross-selling capability

- Expand scope of services
- Identify market attractiveness for new waste streams

- Leverage technology for existing waste management
- Drive utilisation, productivity and lower cost-base
- Optimise the business portfolio

**Which will see success as measured by**  
*(Our BPI)*

Growth in Earnings per Share (EpS) and Return on Invested Capital (ROIC)

**And is built on**  
*(Execution capability)*

Project Management

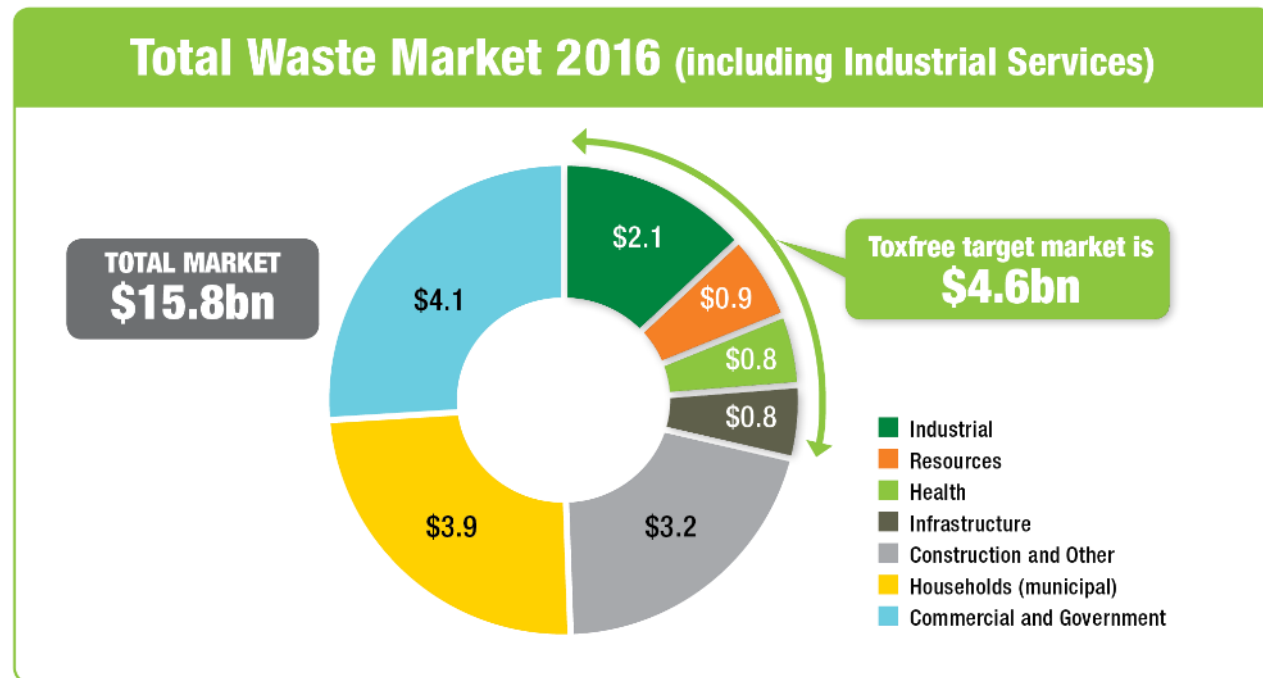
Integration Capability

Capital Management

# The Australian Waste Market - Overview

Toxfree's focus is on four target sectors, accounting for 30% of the total waste market:

1. Industrial
2. Resources
3. Infrastructure
4. Health and Technical



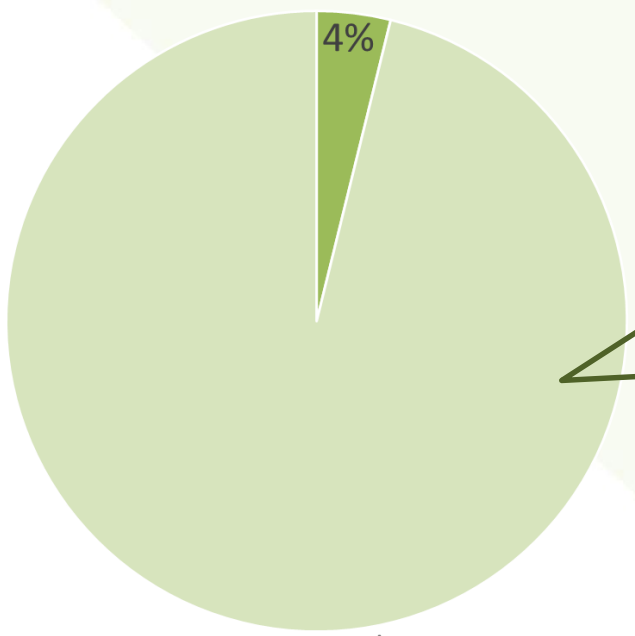
The Industrial, Resources, Infrastructure and Health sectors are attractive due to:

- These markets are expected to grow at a rate higher than the rest of the market.
- Operating margins and return on capital are higher than in the household or construction sector,
- Requirement for specialised technologies, intellectual property and operating licenses provide high barriers to entry.
- Clients in these sectors seek a one stop shop solution and Toxfree can provide all of our integrated industrial and waste management solutions.

# Where will we play?



Toxfree Share of Non-municipal Waste Market



Revenue ~ \$11bn

- Toxfree
- Rest of Market - Non-municipal

In B2B markets, being a small fish in a big pond is no fun!

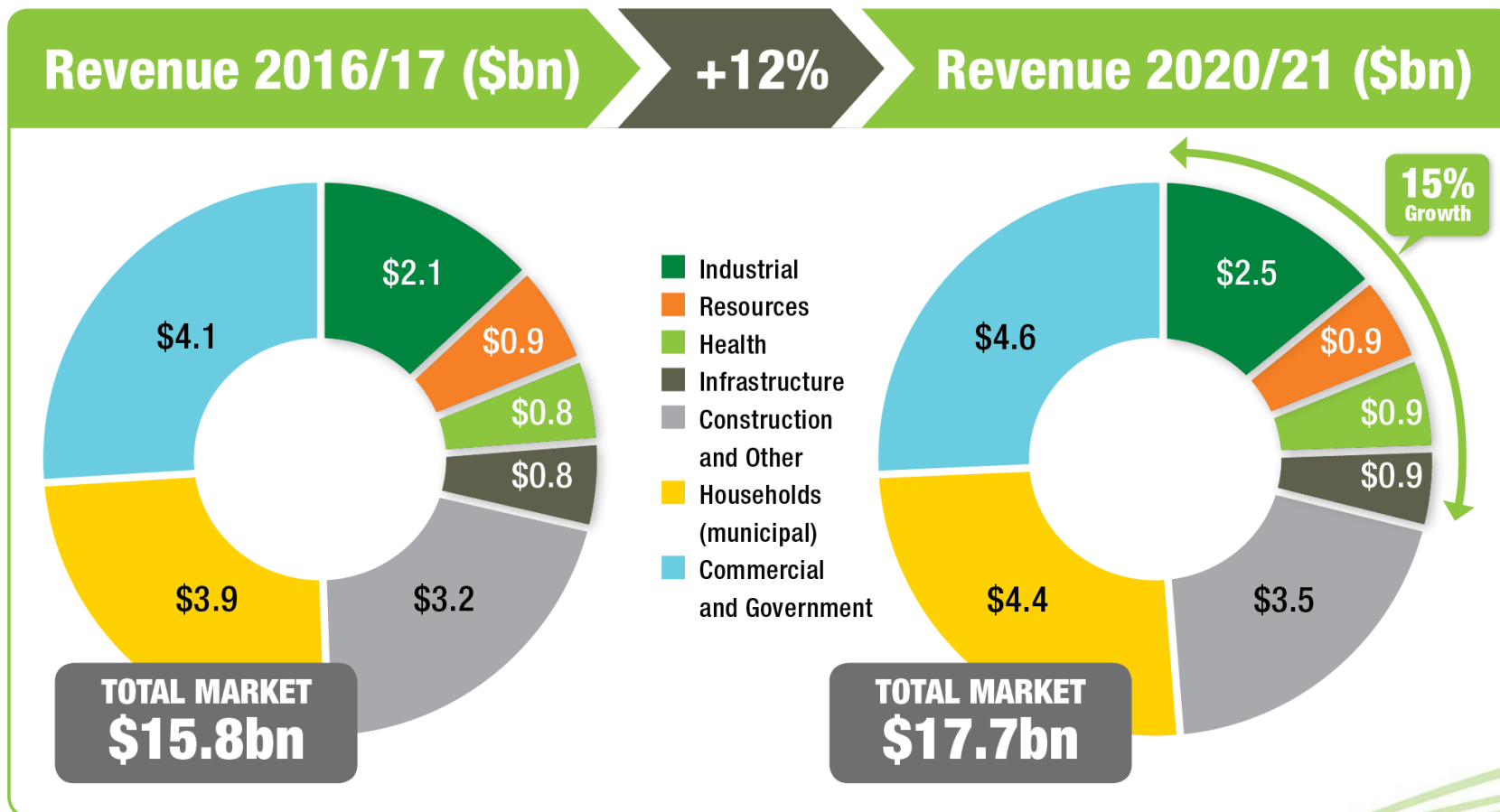


Solution – pick a pond that you can dominate!

Source: IBISWorld Industry Reports; Toxfree analysis; Barrington Consulting Group analysis

# Market Growth

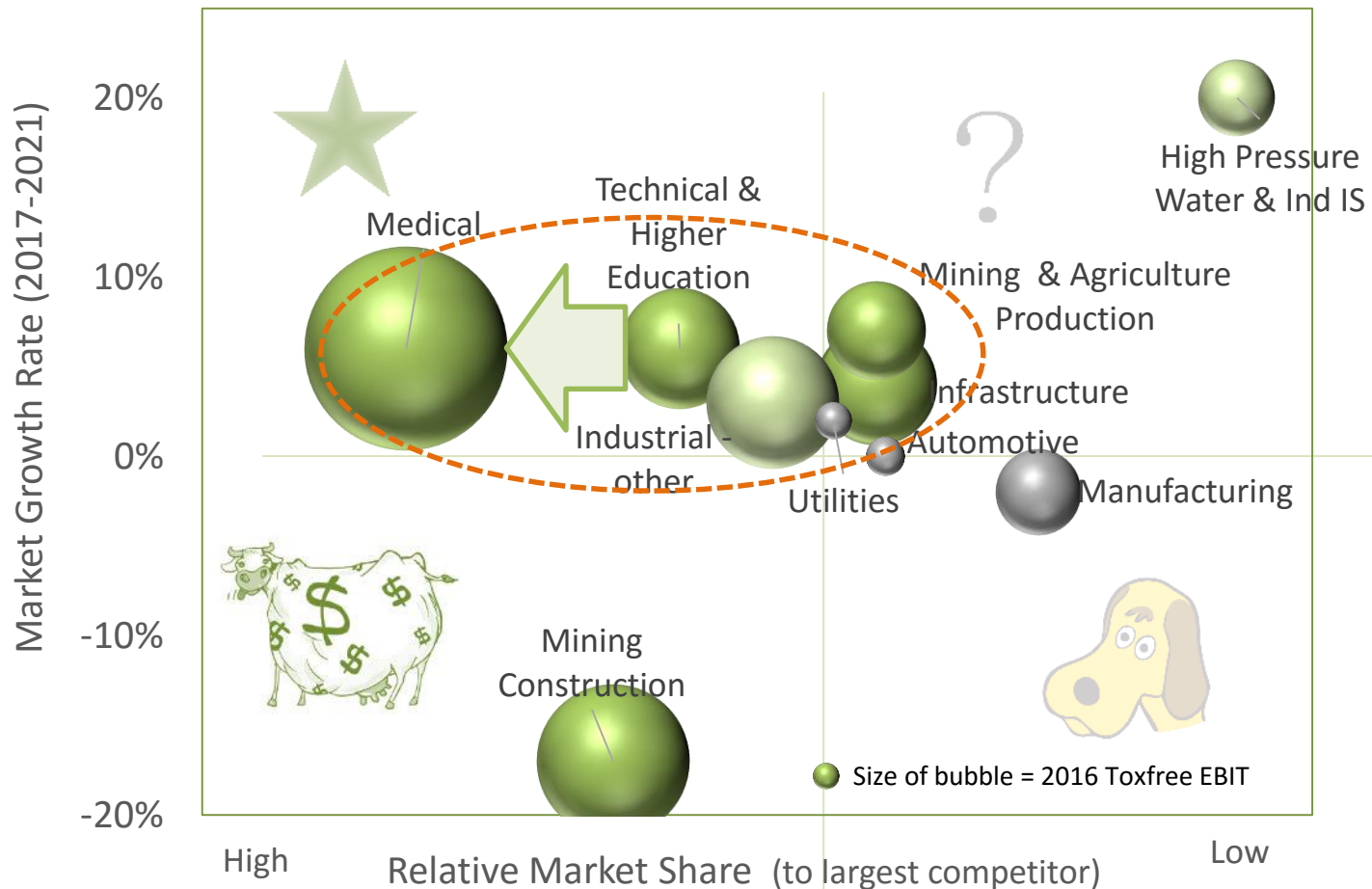
- By 2021 the total market is expected to grow by 12% to \$17.7Bn  
Toxfree's target segments are anticipated to grow at a higher rate of combined 15% due to a number of market, environmental and regulatory drivers



Source: IBISWorld Industry Reports; Commonwealth Government, Budget Strategy and Outlook Budget Paper No. 1, 2016-17; Toxfree analysis; Barrington Consulting Group analysis

# Which segments are attractive?

Attractive market segments have strong growth, scale and profits

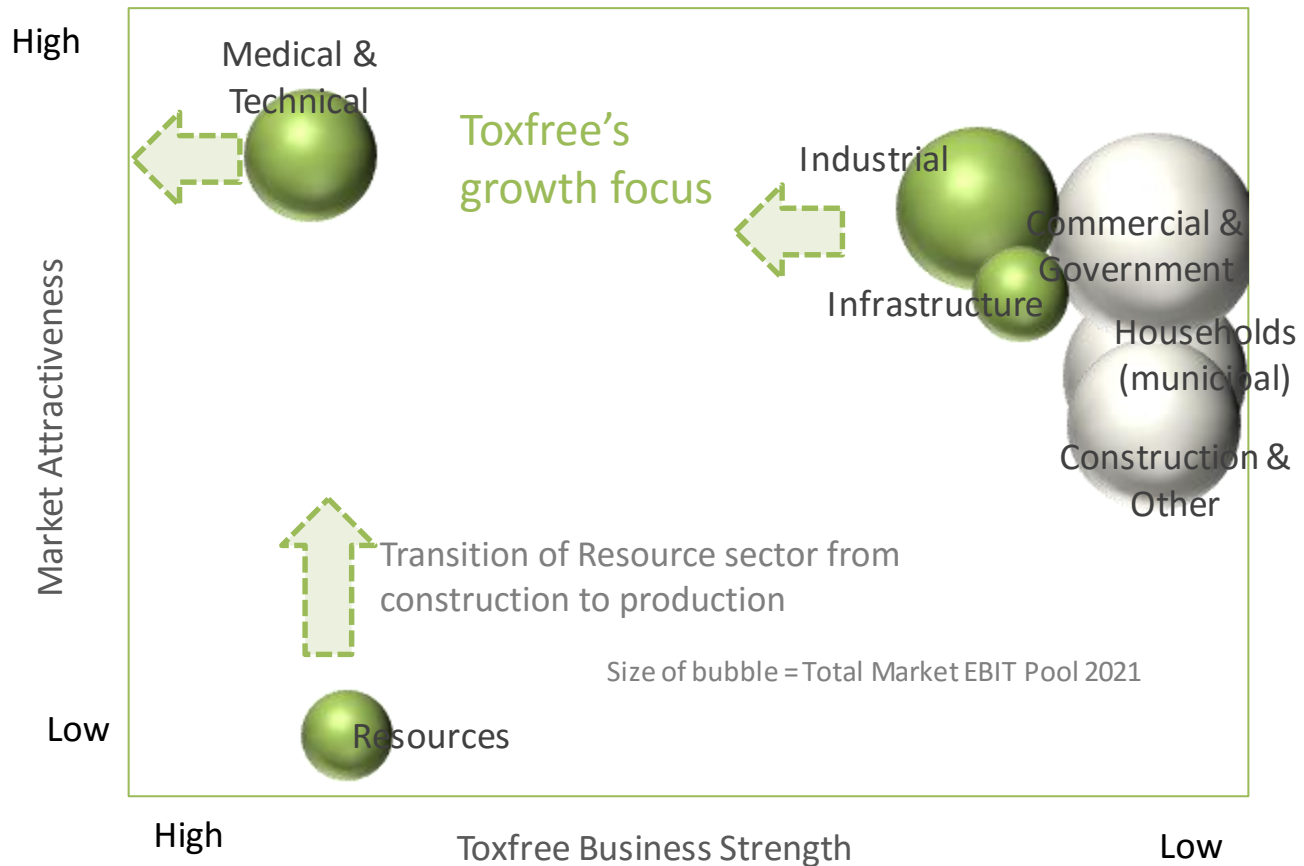


Source: IBISWorld Industry Reports; Commonwealth Government, Budget Strategy and Outlook Budget Paper No. 1, 2016-17; Toxfree analysis; Barrington Consulting Group analysis



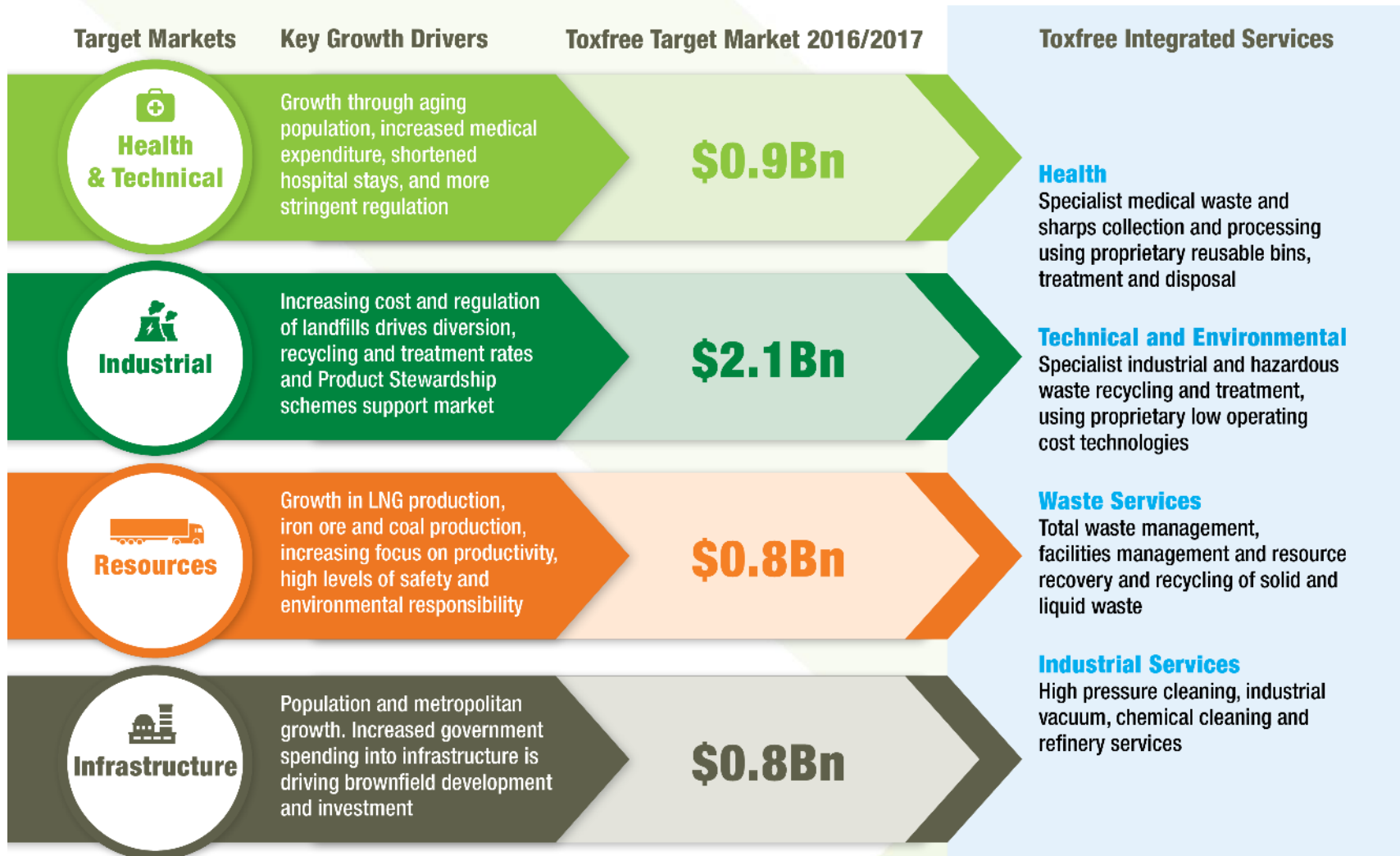
# What are our chosen market segments?

Toxfree is focusing on market segments with strong growth, scale and profits, where we can build on our core strengths...



Source: IBISWorld Industry Reports; Commonwealth Government, Budget Strategy and Outlook Budget Paper No. 1, 2016-17; Toxfree analysis; Barrington Consulting Group analysis

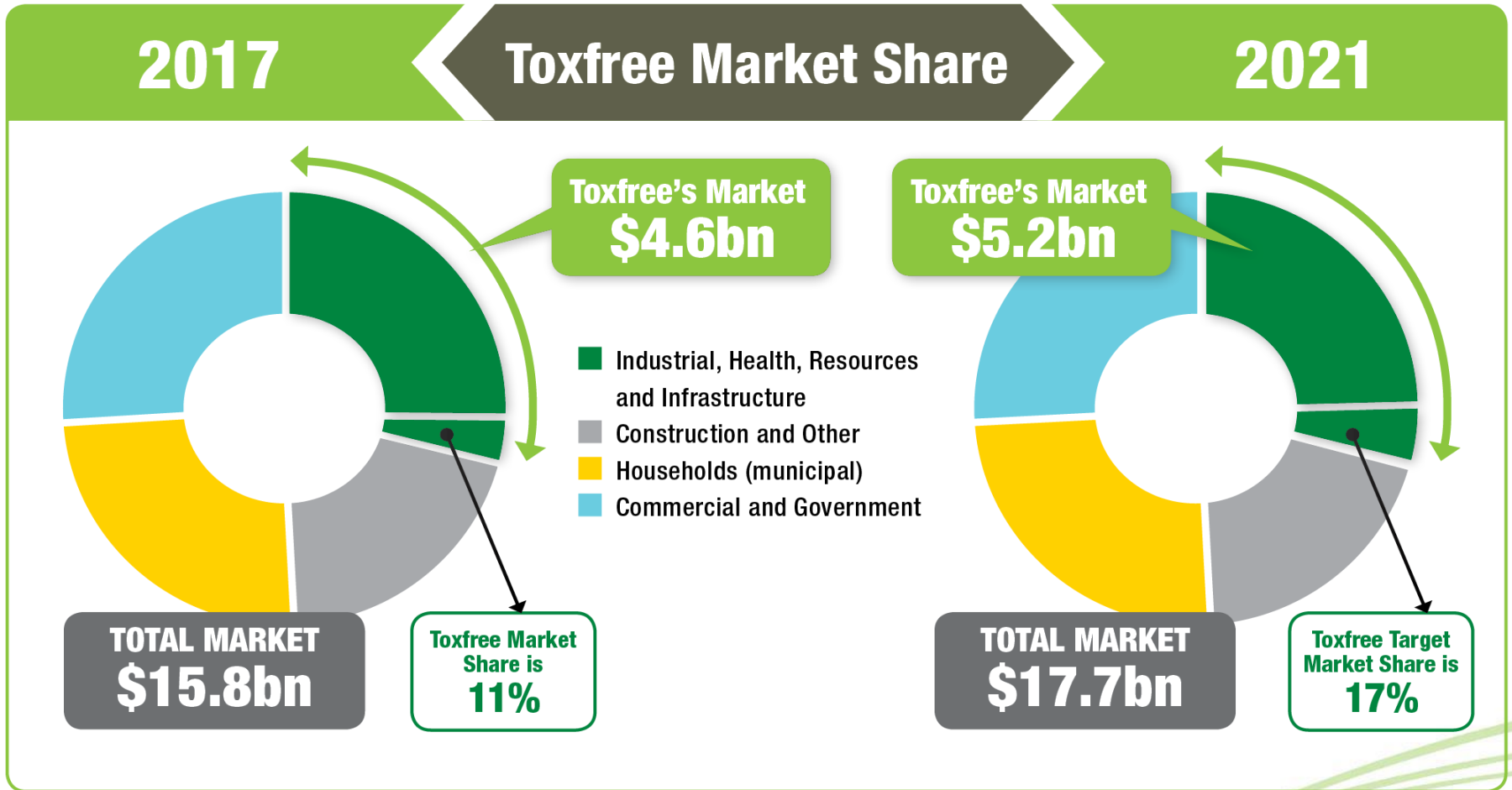
# Creating Australia's Leading Waste and Industrial Service Specialist



\*Source: insidewaste, Industry Report 2014-15, IBIS – Waste Disposal Services in Australia 2012 and Toxfree estimates.

# Toxfree Market Share

Toxfree's objective is to grow our market share from 11% currently to 17% by 2021 by focusing on our four target markets and moving to a leadership position in each one



Source: IBISWorld Industry Reports; Commonwealth Government, Budget Strategy and Outlook Budget Paper No. 1, 2016-17; Toxfree analysis; Barrington Consulting Group analysis

# Strategy

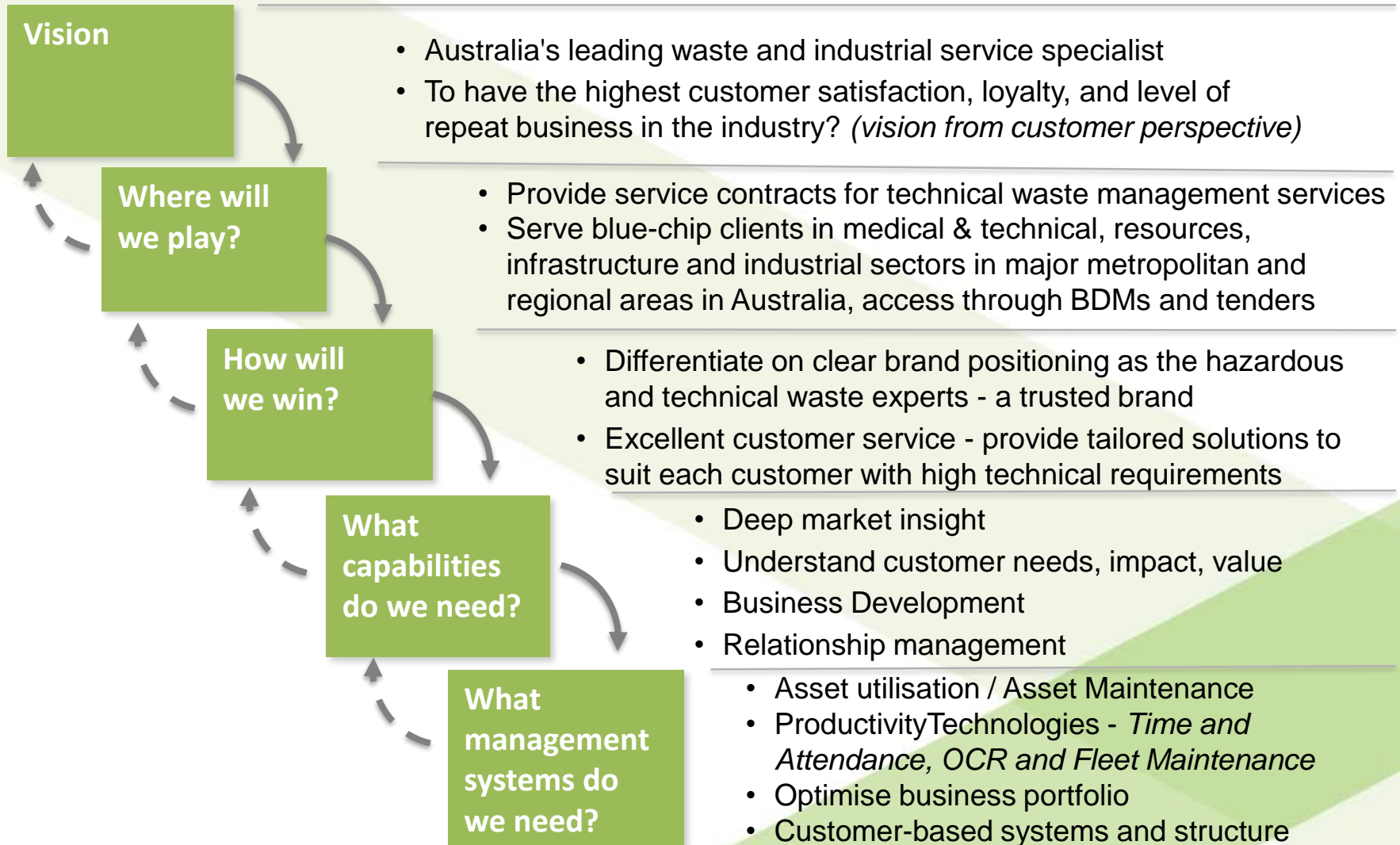


- Over the last 5 years Toxfree has transformed its business by sector, geography and services into a diversified provider of specialist industrial and waste management services
- Our 2020 vision is to move to a leadership position within our target markets of Health, Industrial, Resources and Infrastructure sectors
- The Daniels acquisition is transformational for Toxfree in that it provides an entry into the Health sector
- The Health sector provides another avenue for growth into a market with recurring revenue and strong growth fundamentals
- Our business model ensures that as one sector is faced with headwinds, such is currently the case in the resource sector, other such as infrastructure and health are experiencing more favorable conditions
- This strategy will ensure a level of recurring revenue as well as opportunities for growth and we are confident this will result in EPS growth and return on capital over the medium term



# Strategy Story

Strategy shifts Toxfree from product focus to customer focus





# Questions

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