FINANCIAL YEAR 2017 RESULTS PRESENTATION

30 AUGUST 2017

Steve Gostlow, Managing Director

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Our corporate ideals are based on safety, reliability and sustainability.

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reliable.
sustainable.

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FY17 - Highlights

Underlying Non IFRS Results 2017

Revenue	EBITDA*	NPATA*	Dividend	Cash Conversion**
$496.1m	$82.8m	$28.6m	9.5cps	91%
↑ 26%	↑ 14%	↑ 14%	↑ 6%	

Statutory IFRS Results 2017

Revenue	EBITDA	NPATA	Dividend	Cash Conversion
$496.1m	$68.7m	$16.8m	9.5cps	110%
↑ 26%	↑ 15%	↑ 12%	↑ 6%	

Acquired Daniel's Health - Australia's largest provider of healthcare waste treatment services

Diversification strategies successfully reduced earnings concentration risk

Maintained successful track record of contract wins – awarded contracts totalling over $100m of revenue in FY17

Focused on improving return on invested capital – undertook effective asset swap with JJ Richards[1]

Australia Business Awards winner for Human Resource Management 2016 – "Closing the Gap" initiative re-defined approach to indigenous engagement

toxfreefuel recovered · energy

Demonstrated leadership in environmental sustainability – developed Toxfree Fuel solution, transforming waste into fuel

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1 Asset swap at equivalent earnings (EBITDA) and asset value.
2 *Non-IFRS Financial Information – Normalised for non-operational adjustments – See Slide 25
3 **Gross operating cash flow to EBITDA

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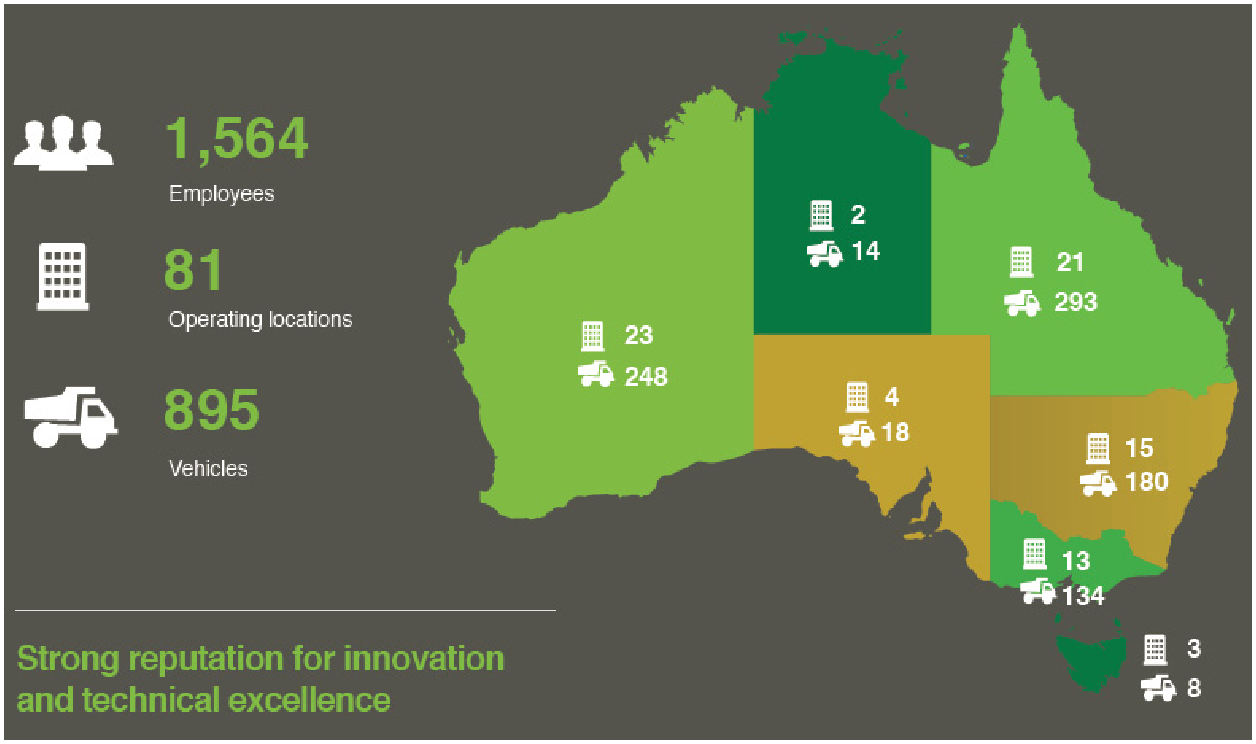
Safety and our people

- **Reduction** in Total Recordable Injury Frequency Rate (TRIFR) of 70% since 2013
- **Group** TRIFR of 6.7
- **Leading** safety indicators continue to strengthen
- **Implemented** Toxfree's safety systems into the Worth business and commenced integration of Daniels
- **Recognised** by Rio Tinto Iron Ore for our contribution when the Core Services Division received the Global CEO Award for Safety for the second year running
- **Achieved** 7 years lost time injury free on Northwest Oil & Gas construction projects
- **Implemented** a standardised asset maintenance system and commencement of in vehicle monitoring system using our ERP
- **Strong indigenous** commitment to our reconciliation action plan with further development of our indigenous joint venture businesses in the Pilbara employing 32% indigenous workforce
- **Winner** of the Diversity and Inclusion Award in the Australian Human Resources Award 2016

Leading specialist waste management company



Toxfree's deep technical expertise across a broad range of hazardous and specialty waste streams reflects a capability and passion for developing effective, safe technology solutions with a positive environmental impact

Toxfree will continue to commit significant resources to technical improvement and innovation, to meet evolving customer needs and provide best-practice waste management solutions

A decade of transformation through growth, acquisition and investment

Through strategic acquisitions, innovation and investment, Toxfree has transformed into a highly diversified waste management provider

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Strong growth fundamentals

Waste management market thematics are supporting continued growth

Exposed to attractive, high growth markets

AUSTRALIAN POPULATION AND ECONOMIC GROWTH TO DRIVE INCREASED WASTE GENERATION

- Population forecast to grow ~20% in the next decade[1]
- 2.2 tonnes of waste generated per capita, 60% of which is recycled or recovered[2]
- Forecast economic growth of 2-3% underpins increased waste generation from industry and construction[3]

NATIONAL AND INTERNATIONAL REGULATION TRANSFORMING THE INDUSTRY AND INCREASING DEMAND FOR DEVELOPED WASTE TREATMENT AND RECOVERY

- Increased levels of Government regulation as the impacts of the National Waste Policy 2009 are implemented through the National Environment Protection Measures
- Increased focus on product stewardship programs

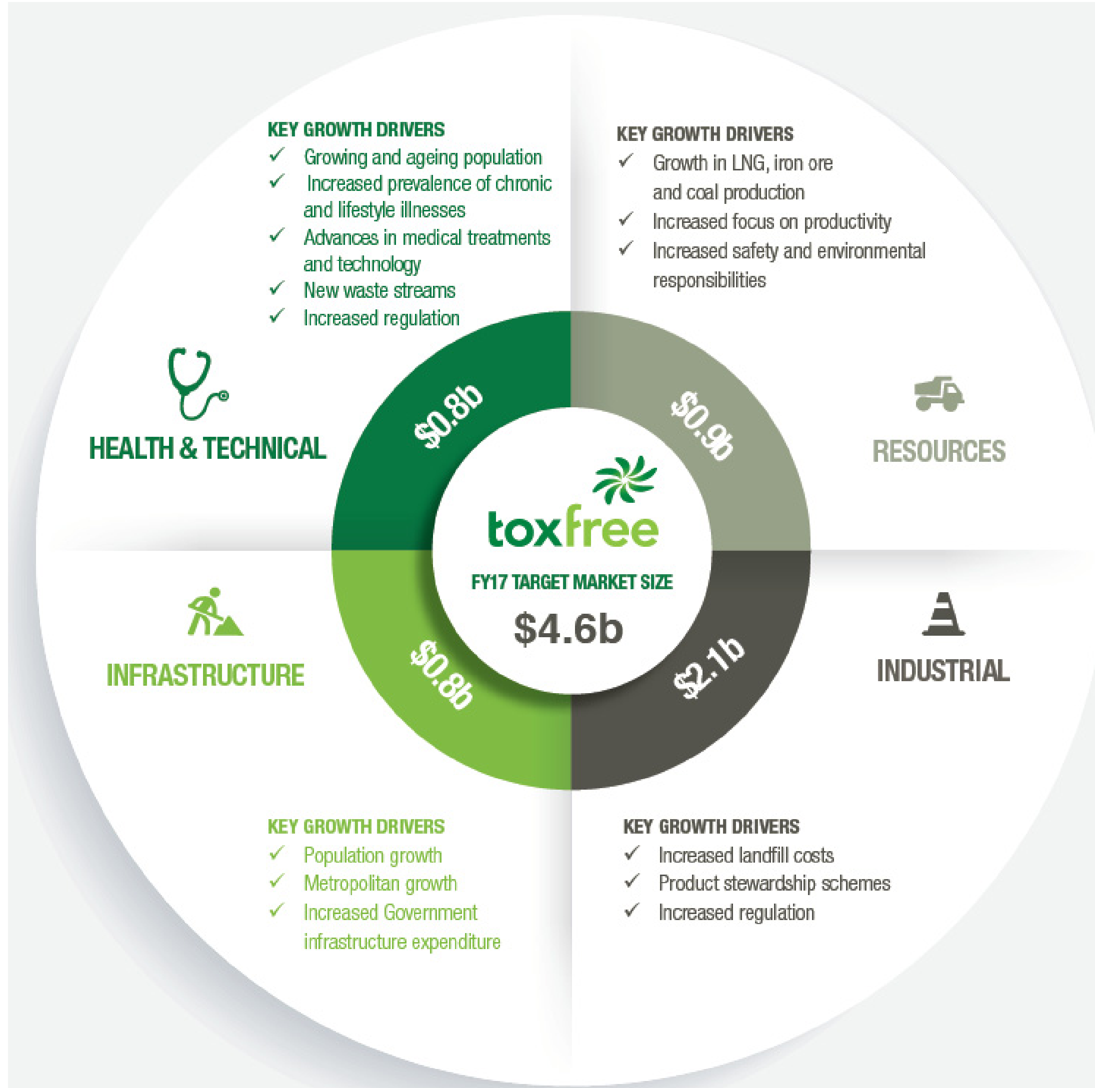
TECHNOLOGICAL DEVELOPMENTS AND CHANGING MARKET DYNAMICS TO DRIVE INCREASED OPPORTUNITIES FOR WASTE TREATMENT AND RECOVERY

- Evolving scalability and effectiveness of waste treatment technologies making recovery and reprocessing more competitive and tailorable
- Increased diversion from landfill as levies, legacy costs and declining metropolitan capacity make landfill less competitive
- Increasing sophistication of customers and companies seeking sustainable solutions

1 ABS Population Projections, Aust, 2012 (base) to 2101.
2 Blue Environment – Waste Generation & Resource Recovery in Aust, 2010-2011.
3 Commonwealth of Australia, Budget 2017-18

Strong growth fundamentals

Strong fundamentals underpin high forecast growth in target markets[1]



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1 Inside Waste, Industry Report 2015-15, IBIS – Waste Disposal Services in Australia 2012 and Toxfree estimates

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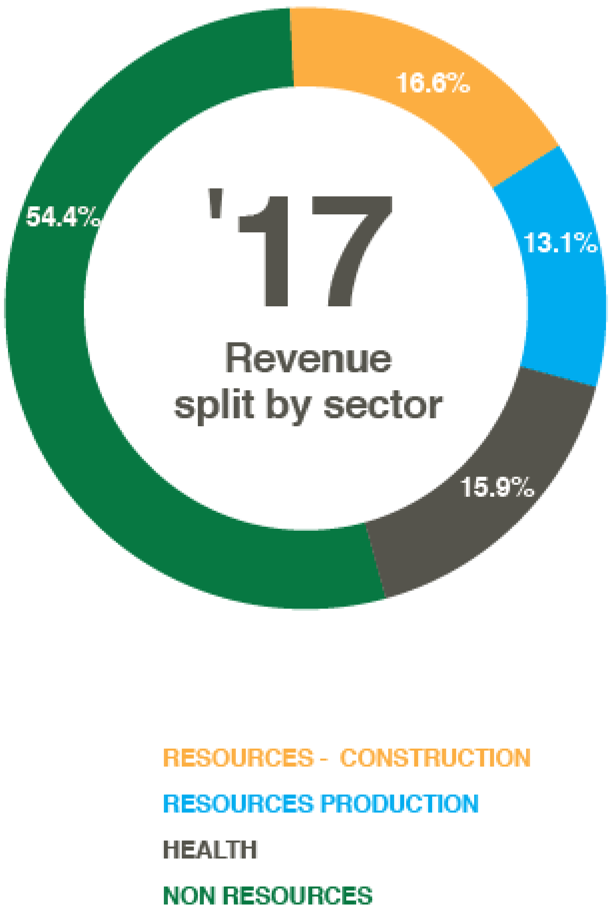
Integrated services & diversified operations

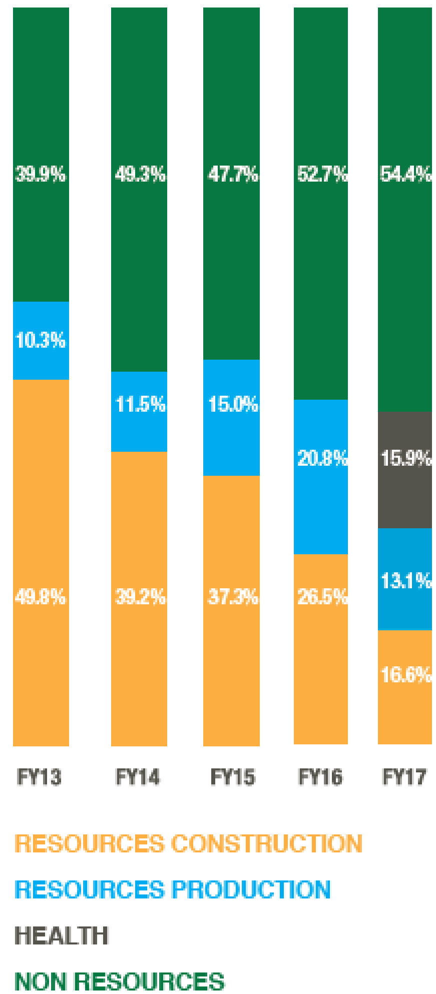
Four core service lines form the foundation of Toxfree's comprehensive service offering for customers

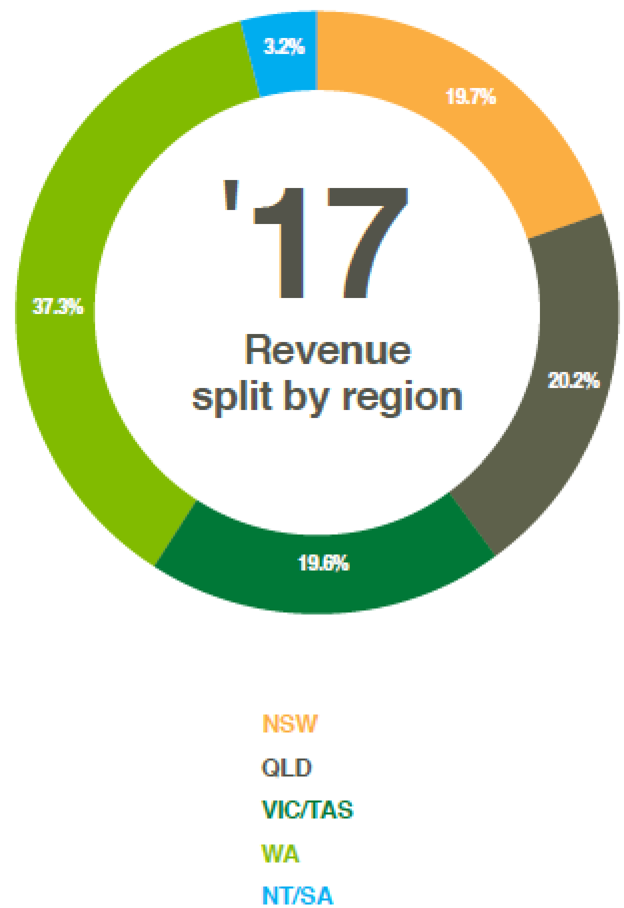
	Healthcare	Technical and Environmental	Waste Services	Industrial Services
Overview	Sharps & specialist medical waste collection and processing using proprietary technology	Specialist industrial and hazardous waste treatment and recycling	Solid and liquid waste collection and recycling	Industrial cleaning and asset maintenance
Customers	Hospitals Medical centres Pathology providers	Government product stewardship Mining Oil and gas Electrical utilities Universities Hospitals	Industrial Infrastructure Government Mining Oil and gas	Infrastructure Water authorities Councils Industrial Refining Oil and gas
Key services	Sharps management Medical waste Pharmaceutical waste Healthcare hazardous waste Quarantine waste	Hazardous and chemical waste Household hazardous waste Persistent organic pollutant management Industrial wastewater Contaminated site remediation e-waste recycling Gas destruction Environmental services compliance Waste tracking and reporting	Solid waste management (e.g. general waste, cardboard, plastics, glass) Bulk liquid waste management Resource recovery and recycling Landfill management	High pressure cleaning Pipeline commissioning and servicing Tank cleaning Vacuum loading Non-destructive digging Industrial coatings Chemical cleaning Emergency response
Key assets	Sharpsmart Clinismart Automated washing lines Autoclaves Incinerators	Treatment facilities Plasma Arc Coldevap HazPak BluBox Physiochemical treatment	Waste and truck depots Solid waste trucks Liquid and vacuum and tankers Material recovery facilities	Robotic hydro demolition Liquid and heavy vacuum tankers Non-destructive digging equipment High pressure cleaning equipment

Diversified operations

Toxfree's diversification strategy has successfully reduced earnings concentration risk.







Annualised to reflect a full year contribution from Daniels

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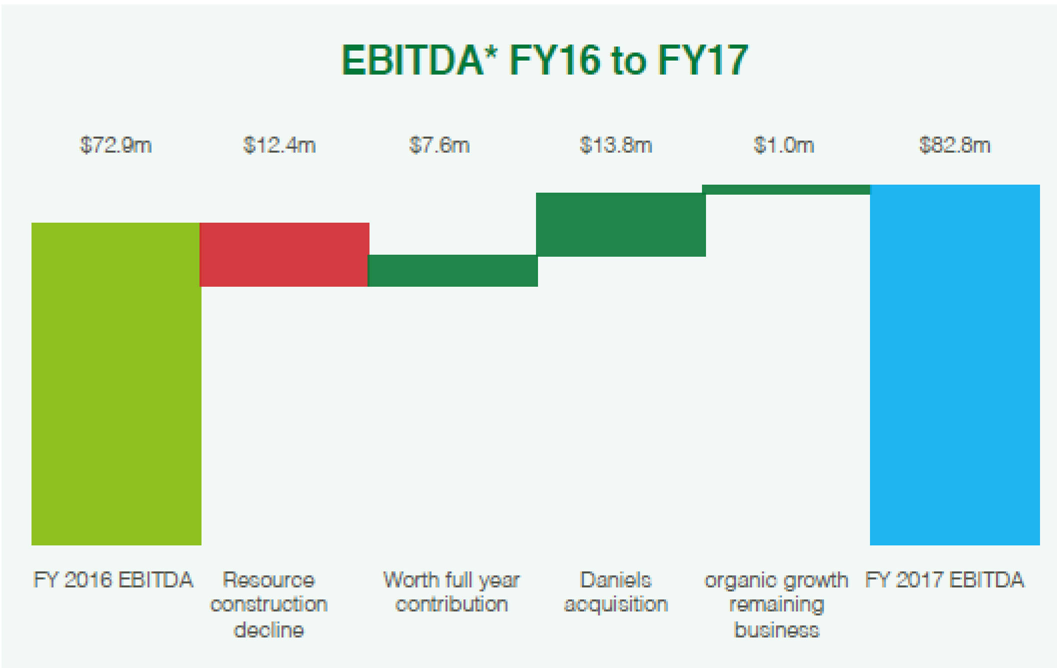
FY17 – Group result

Group Results	FY17 ($'000)	FY16 ($'000)	% Change
Revenue	**496,115**	**393,380**	26%
EBITDA*	**82,803**	**72,875**	14%
Depreciation	**(36,878)**	**(31,594)**	17%
Amortisation	**(4,438)**	**(1,914)**	132%
EBIT*	**41,487**	**39,367**	5%
Finance expenses	**(7,246)**	**(6,154)**	18%
Profit before tax*	**34,421**	**33,213**	3%
Income tax expense*	**(10,107)**	**(9,957)**	2%
Underlying profit after tax pre-amortisation*	**28,572**	**25,170**	14%
Underlying profit after tax*	**24,134**	**23,256**	4%
Statutory net profit after tax	**12,387**	**13,054**	(5)%
Earnings per share (cents)*	**13.8**	**16.7**	(17%)
Dividend per share (cents)	**9.5**	**9.0**	6%
Weighted average number of shares (million)	**174.4**	**136.6**	28%

* Non-IFRS financial information (refer slide 25 for further detail)

Underlying EBITDA* Movement
FY16 to FY17



- **Resource** construction sector earnings declined $12.4M on FY16 as this sector transitions from construction to production – this includes construction projects and upstream exploration drilling within the regions of the Pilbara WA and Surat basin in Queensland

- **Worth –** additional nine month contribution on FY16. After a solid start in the first quarter of FY17, Worth under performed in the period October to January 17 due to lower volumes of liquid waste from unseasonal dry summer in NSW

- **Daniels -** includes seven months contribution to earnings

- **Organic growth –** mainly within east coast infrastructure

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*Non-IFRS financial information (refer slide 25 for further detail)

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Acquisition of Daniels Health Australia

Acquisition of Daniels Health Australia

Daniels
MAKING HEALTHCARE SAFER
Part of the toxfree Group

- **Leading** player in Australia with strong market share of used sharps and clinical waste management
- **Integrated** platform from collection through to disposal with 17 sites throughout Australia
- **Diversified** revenue streams with 38% relating to medical waste collections and 31% sharps waste
- **Sharpsmart** technology is a world class technology designed to improve safety of health care workers
- **Over** the past three years, pro forma revenue has grown at CAGR of 12% p.a. to FY2016
- **Substantial** synergies to be achieved - FY17 on track. Over 24 months these are estimated at $4m* p.a.
- **Stable** growing customer base with low attrition rate

**on a full year run rate*

FY17 – Health Services

	FY17	FY16	Variance
Revenue ($M)	**50.8**	**NA**	NA
EBITDA* ($M)	**13.8**	**NA**	NA
EBITDA* margin	**27%**	**NA**	NA
EBIT* ($M)	**10.0**	**NA**	NA
EBIT* margin	**20%**	**NA**	NA

- **FY17** trading has been strong producing $13.8m of EBITDA in the first 7 months of ownership
- **Synergies** are tracking well – good progress on use of Toxfree fuel and expansion of Total Waste Management services to Daniels customers – Sydney and Melbourne planned for FY18. Toxfree is the only service provider able to offer TWM nationally and treat all waste in house to the health sector
- **Completed** engineering works on incinerator upgrade in NSW, to improve performance and allow for an expansion of wastes processed
- **Excellent** cultural fit with a merger of two compatible cultures combined with a strong management team
- **Successful** separation of Daniels Health Australia from Daniels International
- **Health** services advisory board has been established with the founding vendor to provide ongoing strategic advice
- **Overhead** reductions as part of the separation from Daniels International have been achieved
- **Significant** upgrade to the Laverton incinerator planned for FY18 to further realise synergies and use of Toxfree fuel

FY17 – Technical & Environmental Services

	FY17	FY16	Variance
Revenue ($M)	**125.8**	**67.8**	86%
EBITDA* ($M)	**30.3**	**21.2**	43%
EBITDA* margin	**24%**	**31%**	(700)bps
EBIT* ($M)	**20.0**	**14.6**	37%
EBIT* margin	**16%**	**22%**	(600)bps

- **Nine** month additional contribution from Worth Recycling achieving an additional $7.6M EBITDA on FY16
- **Margins** impacted by changes in business mix with a full year contribution from Worth Recycling which operate at typically lower margins than the TES underlying business (pre Worth)
- **After** a strong start to the first quarter of FY17 the lack of rainfall in NSW in the last quarter of the calendar year reduced Worth liquid waste volumes resulting in Worth earnings being $2M lower than expected – The second half trading returned to normal with momentum in infrastructure sector and return to normal rainfall
- **Commissioned** new technologies including Hazpack for hazardous waste de-packaging, BluBox e-waste recycling and "Toxshield" hazardous waste handling to improve productivity, reduce cost and improve employee safety
- **Strong** pipeline of remediation projects driven by east cost infrastructure and property development
- **Award** of NSW EPA Household Hazardous Waste contract and implementation of NSW EPA Community Recycling Centres across all of NSW
- **Successful** remediation project completed on behalf of the WA Dept. of Premier and Cabinet for the cleanup of fire effected properties in Yarloop WA

* Non-IFRS financial information (refer slide 25 for further detail)

FY17 – Industrial Services

	FY17	FY16	Variance
Revenue ($M)	**147.3**	**93.5**	58%
EBITDA* ($M)	**26.2**	**16.8**	56%
EBITDA* margin	**18%**	**18%**	0bps
EBIT* ($M)	**16.3**	**9.0**	81%
EBIT* margin	**11%**	**10%**	100bps

- **Civil** infrastructure sector in Victoria and NSW continued to drive strong utilization and earnings
- **Awarded** 5 year contract with GLNG for upstream production operations in the Surat Basin Queensland
- **Wheatstone** LNG project in Onslow, WA continued to performed well.
- **Contracts** to producing assets in alumina and iron ore continued to perform strongly
- **Completed** our first year at BHP Billiton Olympic Dam for both industrial services and waste management without lost time injury and meeting our financial expectations
- **Awarded** long term contract through our indigenous joint venture to provide industrial services to FMG's operations
- **Large** tender pipeline in FY18

* Non-IFRS financial information (refer slide 25 for further detail)

FY17 – Waste Services

- **Revenue** and earnings declined due to the reduction in volumes of construction related wastes from the oil and gas sector in WA
- **Awarded** a 5 year total waste management contract with Inpex Australia for the Ichthys upstream and downstream LNG operations
- **Increased** volumes of Commercial and Industrial Waste but margins were impacted in south east Queensland in a competitive market
- **Kimberley** and Darwin region have performed strongly. Positive outlook for the region with the commencement of Inpex and Shell Prelude later this year

	FY17	FY16	Variance
Revenue ($M)	**172.2**	**232.1**	(26)%
EBITDA* ($M)	**38.6**	**59.2**	(35)%
EBITDA* margin	**22%**	**26%**	(400)bps
EBIT* ($M)	**23.2**	**41.9**	(45)%
EBIT* margin	**13%**	**18%**	(500)bps

* Non-IFRS financial information (refer slide 25 for further detail)

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Corporate

	FY17	FY16	Variance
EBITDA* ($M)	**(26.1)**	**(24.4)**	7%
EBIT* ($M)	**(28.0)**	**(26.1)**	7%
% EBITDA * to revenue	**5.3%**	**6.2%**	(900)bps

- **Strong** cash conversion - 91% of EBITDA*
- **Increased** dividend of 9.5 cents per share reflects the strong balance sheet position of the Company
- **Implementation** of time and attendance, optical scanning software and in vehicle monitoring systems (IVMS) to further improve efficiencies in FY18
- **Net Capital** expenditure of plant and equipment of $36M (excludes acquisitions)
- **New banking** facilities established to support growth strategy

* Non-IFRS financial information (refer slide 25 for further detail)

Group Cash Flow

	FY17 ($'000)	FY16 ($'000)	% Change
Gross operating cash flow	75,321	74,691	1%
Other revenue	307	217	41%
Net interest paid	(6,602)	(6,543)	1%
Income taxes paid	(4,901)	(8,985)	(45)%
Net operating cash flows	**64,125**	**59,380**	**8%**
Net purchases of PP&E	(21,741)	(23,382)	(7)%
Payments for acquisitions – net of cash acquired	(165,090)	(68,554)	141%
Net investing cash flows	**(186,831)**	**(91,936)**	**103%**
Net proceeds from borrowings/(repayment of borrowings)	57,112	33,048	73%
Payments for shares acquired by Employee Share Trust	(1,000)	(165)	506%
Dividends paid	(13,738)	(10,784)	27%
Dividends paid to non-controlling interests	(444)	(503)	(12)%
Net proceeds from the issue of share capital	82,680	23,203	256%
Net financing cash flows	**124,610**	**44,799**	**178%**
Net increase in cash	**1,904**	**12,243**	**(84)%**
Cash at the beginning of the half year	31,952	19,709	62%
Cash at the end of the half year	**33,856**	**31,952**	**6%**

Balance Sheet

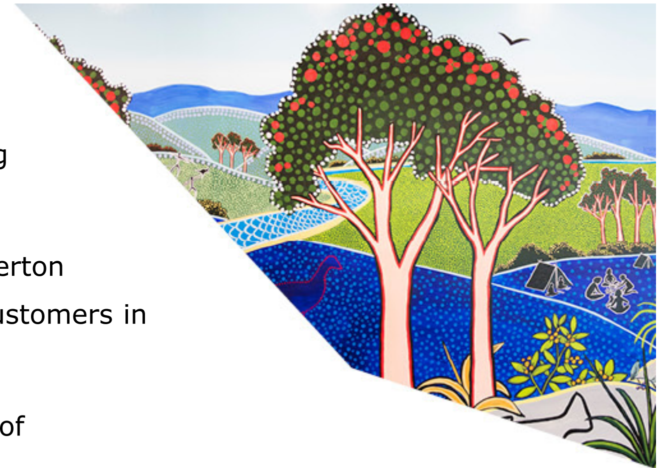
	FY17 ($'000)	FY16 ($'000)	% Change
Cash	33,856	31,952	6%
Trade and other receivables	100,809	90,908	11%
Inventories	3,397	584	482%
Tax assets	11,184	11,414	(2)%
Property, plant and equipment	185,961	175,943	6%
Intangibles	354,963	181,337	96%
Total assets	**690,170**	**492,138**	**40%**
Trade and other payables	64,625	54,129	19%
Loans and borrowings	191,170	133,853	43%
Employee benefits	13,915	10,346	34%
Tax liabilities	25,773	9,307	177%
Provisions	5,742	6,477	(11)%
Derivatives	725	1,663	(56)%
Total liabilities	**301,950**	**215,775**	**40%**
Total equity	**388,220**	**276,363**	**40%**
NET DEBT TO EQUITY	**41%**	**37%**	**400bps**

FY18 strategic priorities

Toxfree will leverage its technical expertise, brand positioning and excellence in customer service to drive near-term organic growth

INCREASE FOCUS ON ORGANIC GROWTH	Cross-sell additional services to existing customers	Grow market share in existing markets	Focus on longer term contracts with recurring revenue
OPTIMISE ASSETS AND PROCESSES TO IMPROVE PROFITABILITY	Improve plant and fleet utilisation	Leverage buying power to generate procurement savings	Improve earnings per share and return on invested capital through capital allocation and recycling initiatives
GROW IN NEW MARKETS	Expand core service offering	Target new high-growth markets	Explore opportunities to infill geographic footprint
TECHNOLOGY AND SAFETY INNOVATION	Develop and adopt new best-practice technologies	Focus on implementing effective safety initiatives	Engineering to increase productivity and reduce manual handling

Outlook



- **Daniels** is performing well – additional five months contribution in FY18 and strong underlying organic growth expected
- **Daniels synergies –** focus on realising further synergies, use of Toxfree Fuel, Laverton incinerator upgrade and expansion on TWM in Sydney and Melbourne to existing customers in health and industrial markets
- **Growth** in Worth from return to normal liquid waste volumes and commencement of remediation projects
- **Civil** infrastructure sector on the east coast is performing well and this momentum is expected to continue

- **Industrial services** strong tender pipeline and commencement of services in Singapore under contract
- **New contracts** with Inpex, FMG, GLNG, Rusca Environmental Services (Shell Prelude) will gain momentum in FY18. Existing resource production contracts expected to remain stable
- **Most** of the revenue from resource construction within FY17 will not continue in FY18. All construction activity is expected to finish within the next 6 months before stabilising in the production phase
- **Continuous** process of review to optimise our business network
- **Disciplined capital management -** forecasting FY18 Capex of $37M
- **Recognising** the above Toxfree is forecasting up to 4% growth on FY17 underlying EBITDA

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Questions

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Appendix 1 – Non-IFRS Financial Information

STATUTORY EBITDA RECONCILIATION TO UNDERLYING EBITDA:

	FY17 $‘m	FY16 $‘m
STATUTORY EBITDA	**68.7**	**59.7**
Pre-tax exclusion adjustments:		
Acquisition, integration and rebranding costs	8.5	4.7
Impairment losses – Port Hedland	-	2.6
Asset write-offs and make-good – vacated sites	2.0	1.0
Redundancy and restructuring costs	3.1	4.4
Site closure costs	0.5	1.4
Reduction in contingent consideration	-	(1.0)
Total underlying adjustments to EBITDA	**14.1**	**13.1**
UNDERLYING EBITDA	**82.8**	**72.8**
Total Underlying Adjustments relating to Income Tax	**(2.3)**	**(2.9)**

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