FIRST HALF FINANCIAL YEAR 2018 RESULTS PRESENTATION

15 February 2018

Steve Gostlow, Managing Director

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

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1H18 - Highlights

Safety

- Zero lost time injuries
- Total recordable incident frequency rate (TRIFR) of 7.6 including health employees
- Waste services division achieved TRIFR of zero – a first within Toxfree

Financial

- Revenue up 7% on 1H17 to $255.3M
- Underlying EBITDA* up 8% on 1H17 to $40.5M
- Underlying NPAT* up 8% on 1H17 to $11.2M
- Underlying NPATA* up 14% on 1H17 to $13.7M
- Statutory NPAT up 19% on 1H17 to $7.1M
- Interim dividend of 5 cents per share, fully franked
- Net debt to equity at 47% (FY17: 41%)

Strategy and Operations

- Health services performed strongly increasing revenue, EBITDA and improving margins. New contracts awarded with CSL and Austin Hospital
- Industrial Services achieved strong growth off the back of increased scope of work with existing contracts, new contracts awarded and momentum in the civil infrastructure sector
- Darwin and Kimberley regions achieved good growth driven by the Inpex and Prelude LNG projects
- Scheme of Arrangement with Cleanaway Waste Management announced on 11 December 2017

** Non-IFRS financial information (refer Appendix 1 for detail)*

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Safety and our people

- Zero lost time injuries within the period.
- Group Total Recordable Injury Frequency Rate (TRIFR) of 7.6 which includes Health employees.
- Implemented Toxfree's safety systems into Daniels and within 12 months have lowered TRIFR from 28.9 at time of acquisition to 13.6.
- Waste Services achieved TRIFR of zero, the first division within Toxfree to achieve this exceptional result.
- Strong indigenous commitment to our reconciliation action plan with further development of our indigenous joint venture businesses in the Pilbara employing 32% indigenous workforce.

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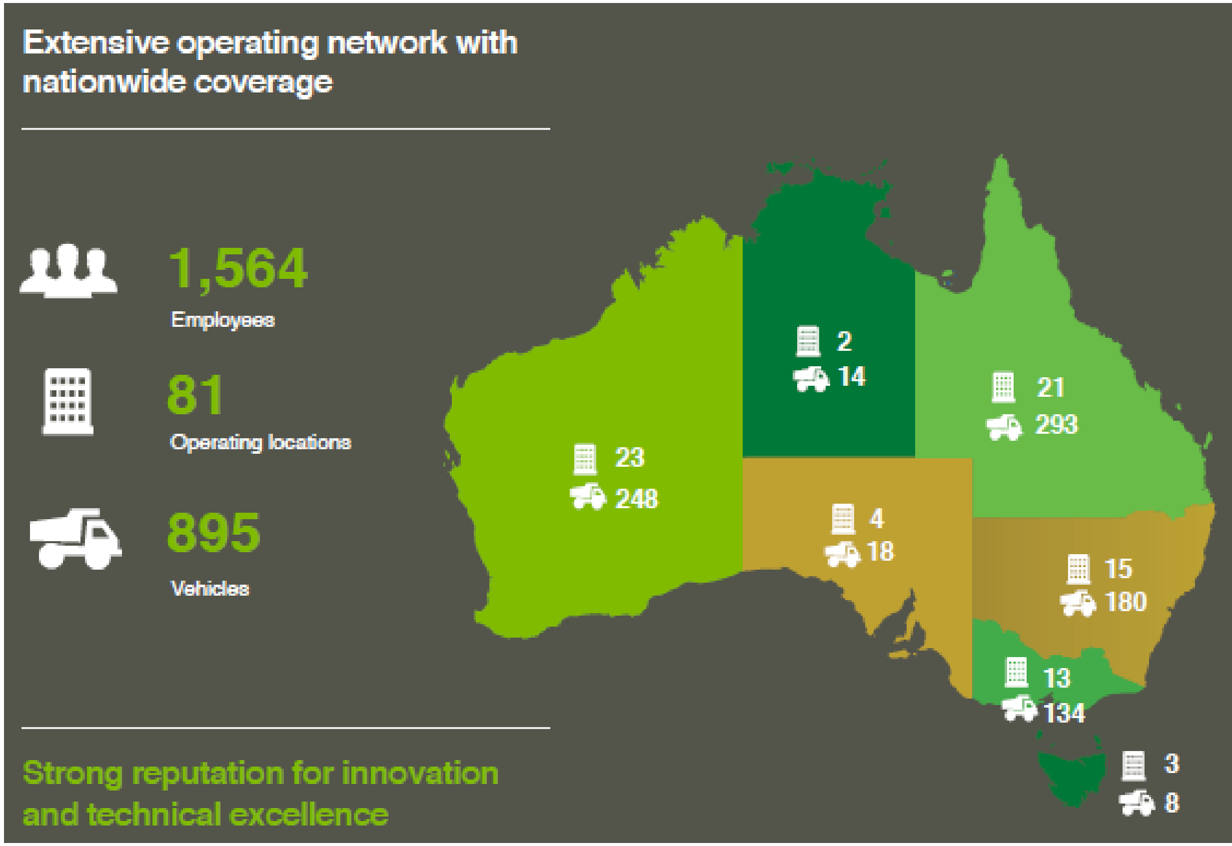
Leading specialist waste management company

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.



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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.

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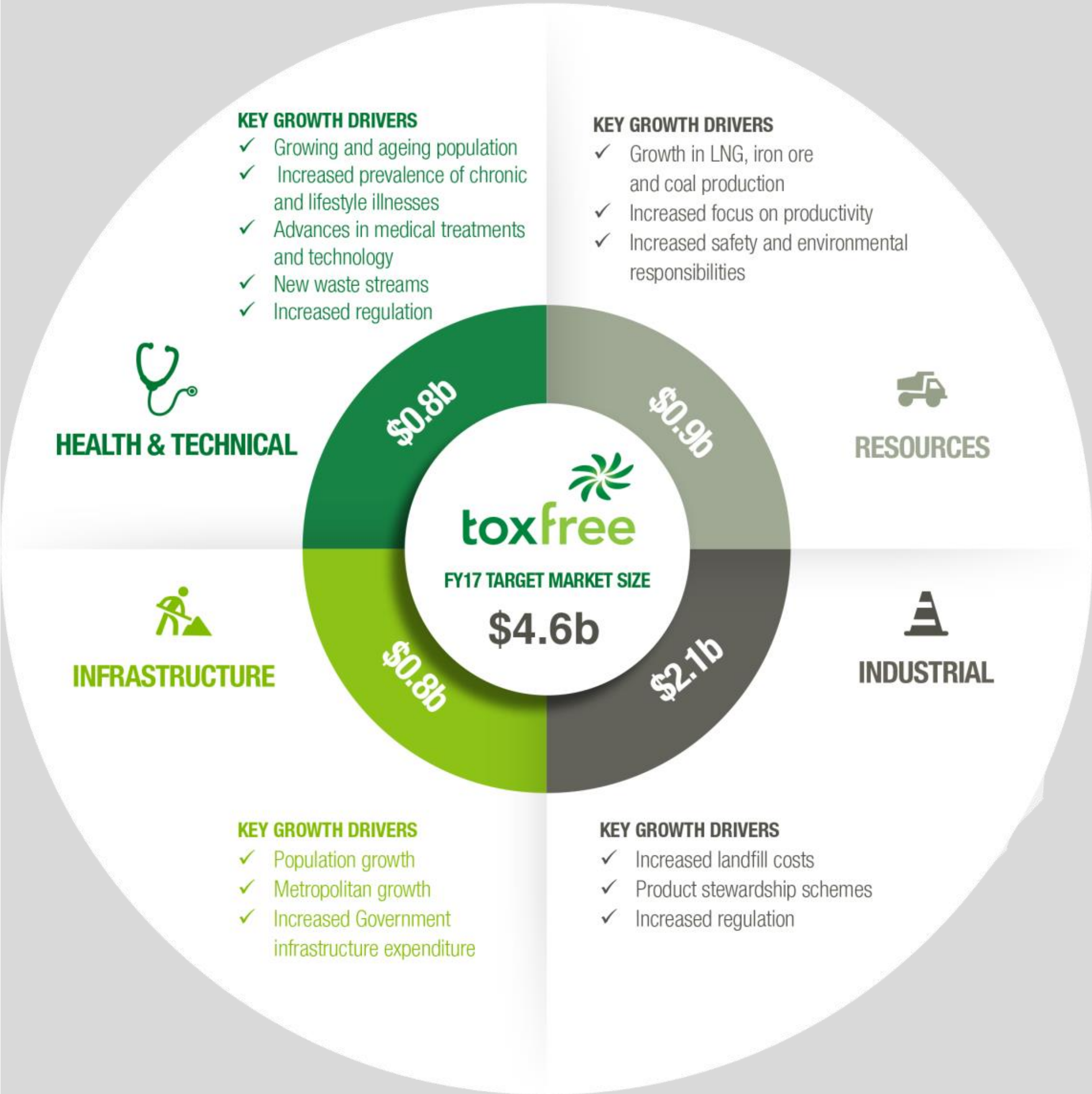
Strong growth fundamentals

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



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

Integrated services & diversified operations

	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

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

1H18 – Group result

Group Results	1H18 ($'000)	1H17 ($'000)	% Change
Revenue	**255,300**	**237,761**	7%
EBITDA*	**40,529**	**37,537**	8%
Depreciation	**(18,706)**	**(17,525)**	7%
Amortisation	**(2,482)**	**(1,691)**	47%
EBIT*	**19,341**	**18,321**	6%
Finance expenses	**(4,335)**	**(3,307)**	31%
Profit before tax*	**15,006**	**15,014**	(0)%
Income tax expense*	**(3,770)**	**(4,654)**	(19%)
Underlying profit after tax pre-amortisation*	**13,718**	**12,051**	14%
Underlying profit after tax*	**11,236**	**10,360**	8%
Statutory net profit after tax	**7,105**	**5,947**	19%
Earnings per share (cents)*	**5.75**	**6.59**	(13%)
Dividend per share (cents)	**5.0**	**4.5**	11%
Weighted average number of shares (million)	**194.1**	**155.3**	25%

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** Non-IFRS financial information (refer Appendix 1 for further detail)*

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1H18 – Health Services

	1H18	1H17	Variance
Revenue ($M)	**45.9**	7.3	NA
EBITDA* ($M)	**13.2**	2.0	NA
EBITDA* margin	**28.8%**	27.4%	140 bps
Depreciation	**2.3**	0.4	NA
Amortisation	**1.3**	0.2	NA
EBIT* ($M)	**9.6**	1.4	NA
EBIT* margin	**20.9%**	19.2%	170 bps

- **FY18** financial performance from the health division has started strongly, with revenue, EBITDA and margins improving on both 1H17 and 2H17.
- **Daniels acquisition** was completed on 1 December 2016, therefore 1H17 includes only 1 month contribution to earnings.
- **Synergies** are tracking well – operational efficiencies and use of Toxfree fuel has helped improve margins and increase earnings.
- **Commenced** approval and pre-engineering works on incinerator upgrade in Victoria to improve performance and allow for an expansion of wastes processed.
- **Contract award** with CSL and Austin Hospital with HPV and St Vincent's extended for a further term.
- **Victoria and Western Australia** performed strongly.
- **Safety performance** has improved considerably in the last 6 months as Daniels employees embrace Toxfree's safety culture.

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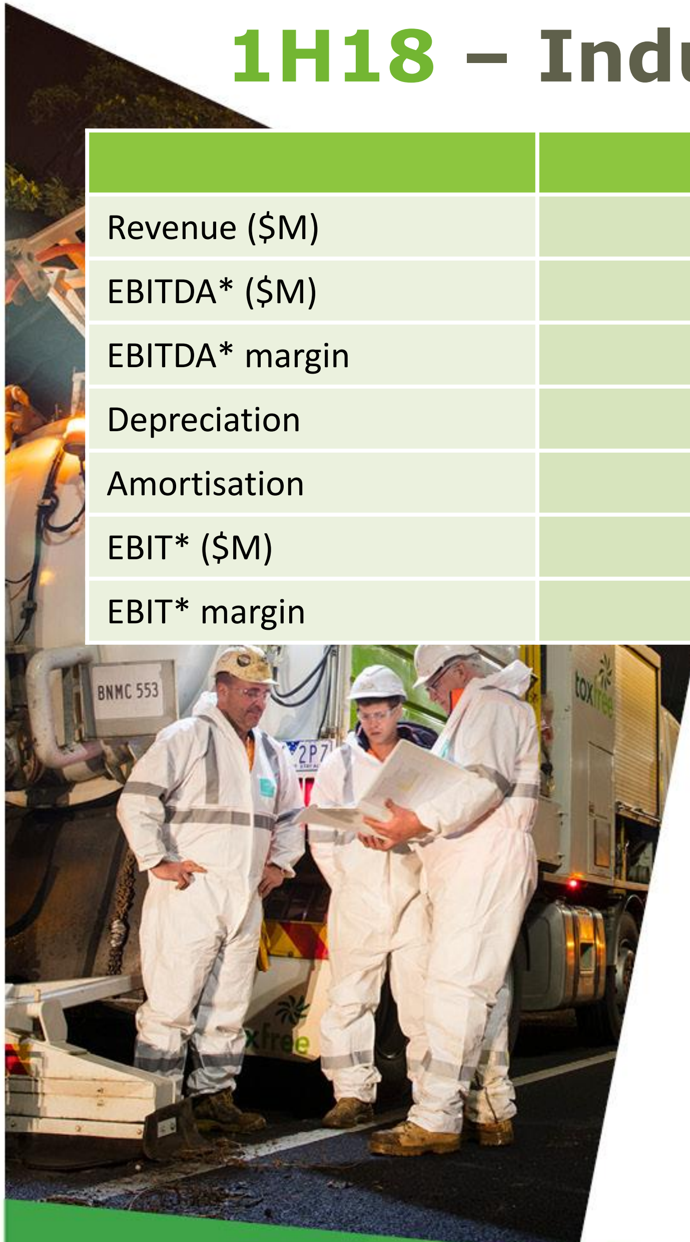
1H18 – Industrial Services



	1H18	1H17	Variance
Revenue ($M)	**102.7**	**74.5**	37.9%
EBITDA* ($M)	**18.6**	**12.8**	45.3%
EBITDA* margin	**18.1%**	**17.2%**	90 bps
Depreciation	**5.7**	**4.4**	29.5%
Amortisation	**0.3**	**0.3**	0%
EBIT* ($M)	**12.6**	**8.1**	55.5%
EBIT* margin	**12.3%**	**10.9%**	140 bps

- **Civil** infrastructure sector in Victoria, NSW and Brisbane continued to drive strong fleet utilisation and earnings.
- **Includes** contribution from the acquired JJ Richards industrial business in Roma, Queensland.
- **Surat basin region** performed strongly completing the first year of a 5 year contract with GLNG for upstream production operations in the Surat Basin Queensland.
- **Wheatstone** LNG project in Onslow, WA continued to performed well.
- **Expanded services** at BHP Billiton Olympic Dam for both industrial services and waste management without lost time injury.
- **Awarded** long term contract through our indigenous joint venture to provide industrial services to FMG's operations.
- **Shell Singapore** contract for refinery tank cleaning to commence in March 2018.

** Non-IFRS financial information (refer Appendix 1 for further detail)*

1H18 – Waste Services

	1H18	1H17	Variance
Revenue ($M)	**60.5**	**89.0**	(32.0)%
EBITDA* ($M)	**11.6**	**19.8**	(41.4)%
EBITDA* margin	**19.2%**	**22.2%**	(300)bps
Depreciation	**5.3**	**7.0**	(24.3)%
Amortisation	**0.5**	**0.6**	(16.7)%
EBIT* ($M)	**5.8**	**12.2**	(52.5)%
EBIT* margin	**9.6%**	**13.7%**	(410)bps

- **Revenue** and earnings declined from 1H17 due to the known completion of the Chevron Barrow Island contract and divestment of Tasmanian and Rockhampton assets. There was no contribution to earnings from these assets in the 1H18 result compared to a full 6 month contribution in 1H17
- **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 continued momentum of Inpex and Shell Prelude projects
- **Expansion of waste services** in Melbourne and Sydney commenced – start up costs of $500K were incurred in the period

** Non-IFRS financial information (refer Appendix 1 for further detail)*

1H18 – Technical & Environmental Services

	1H18	1H17	Variance
Revenue ($M)	**46.2**	**66.9**	(30.9)%
EBITDA* ($M)	**9.9**	**15.9**	(37.7)%
EBITDA* margin	**21.4%**	**23.8%**	(240)bps
Depreciation	**4.1**	**4.7**	(12.8)%
Amortisation	**0.3**	**0.6**	(50.0)%
EBIT* ($M)	**5.5**	**10.6**	(48.1)%
EBIT* margin	**11.9%**	**15.8%**	(390)bps

- **First half results** were impacted by the finishing of the Chevron and Yarloop contracts, continued weakness in North West Western Australia and commissioning costs associated with Hazpack and Bluebox in NSW.
- **Worth Recycling** financial performance improved with commencement of the Barangaroo soil remediation contract, however continued dry weather in NSW negatively impacted liquid waste volumes.
- **Commissioned** new technologies including Hazpack for hazardous waste de-packaging, BluBox e-waste recycling and "Toxshield" hazardous waste handling which will ultimately improve productivity, reduce cost and improve employee safety.
- **Award** of NSW EPA Household Hazardous Waste contract and implementation of NSW EPA Community Recycling Centres across all of NSW.
- **Extension** of Household Chemical Collection contract with Sustainability Victoria.

** Non-IFRS financial information (refer Appendix 1 for further detail)*

Corporate

	1HFY18	1HFY17	Variance
EBITDA* ($M)	**(12.8)**	**(13.0)**	(1.5)%
EBIT* ($M)	**(14.0)**	**(13.9)**	0.7%
% EBITDA * to revenue	**5.0%**	**5.5%**	(50)bps

- **Corporate costs** reduced by 1.5% at EBITDA level.
- **Interim dividend** of 5 cents per share fully franked.
- **Cash conversion** weaker due to build up in work in progress from new contracts and projects mainly in industrial services as well as late contract payments. Expect cash conversion to improve in the second half.
- **Net Capital** expenditure of plant and equipment of $23M in first half with $6M forecast in second half.
- **Rationalisation of workforce** in Dec 2017 due to postponement of major long term projects - $6M of annualised operational cost savings. $3M within the second half of FY18.
- **Net debt to equity** 47% reflecting build up in WIP, some late contract payments (paid in January 18) and bring forward of first half capital expenditure for FY18.

** Non-IFRS financial information (refer Appendix 1 for further detail)*

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Group Cash Flow

	1H18 ($'000)	1H17 ($'000)	% Change
Gross operating cash flow	17,986	25,873	(30)%
Interest received	98	218	(55)%
Finance costs paid	(4,529)	(3,452)	31%
Income taxes paid	(5,248)	(2,856)	84%
Net operating cash flows	**8,307**	**19,783**	(58)%
Net purchases of PP&E	(22,293)	(4,045)	451%
Payments for acquisitions – net of cash acquired	(800)	(149,816)	(99)%
Net investing cash flows	**(23,093)**	**(153,861)**	(85)%
Net proceeds from borrowings/(repayment of borrowings)	13,234	58,162	(77)%
Payments for shares acquired by Employee Share Trust	(1,000)	(1,000)	0%
Dividends paid	(8,932)	(5,390)	66%
Dividends paid to non-controlling interests	(400)	(444)	(10)%
Net proceeds from the issue of share capital	-	82,632	(100)%
Net financing cash flows	**2,902**	**133,960**	(98)%
Net decrease in cash	**(11,884)**	**(118)**	9,971%
Cash at the beginning of the half year	33,856	31,952	6%
Cash at the end of the half year	**21,972**	**31,834**	(31)%

Balance Sheet

	31 Dec 2017 ($'000)	30 June 2017 ($'000)	% Change
Cash	21,972	33,856	(35)%
Trade and other receivables	110,095	100,809	9%
Inventories	3,527	3,397	4%
Tax assets	11,563	11,184	3%
Property, plant and equipment	188,945	185,961	2%
Intangibles	353,180	354,963	(1)%
Total assets	**689,282**	**690,170**	**0%**
Trade and other payables	56,747	64,625	(12)%
Loans and borrowings	204,598	191,170	7%
Employee benefits	13,501	13,915	(3)%
Tax liabilities	23,268	25,773	(10)%
Provisions	5,519	5,742	(4)%
Derivatives	297	725	(59)%
Total liabilities	**303,930**	**301,950**	**1%**
Total equity	**385,352**	**388,220**	**(1)%**
NET DEBT TO EQUITY	**47%**	**41%**	**600bps**

Scheme Implementation Deed with Cleanaway Waste Management

- On 11 December 2017, Toxfree announced that it had entered into a Scheme Implementation Deed with Cleanaway Waste Management ("Cleanaway") under which Cleanaway has proposed to acquire 100% of the issued share capital of Toxfree for a cash price of $3.425 per share
- The Scheme Consideration values Toxfree's fully diluted equity at approximately $671 million(1), and at an enterprise value of $831 million(2), implying a FY2017 P/E multiple of 27.8x, a FY2017 EV/EBIT multiple of 20.0x and a FY2017 EV/EBITDA multiple of 10.0x(3)
- Toxfree shareholders will also be entitled to receive an interim dividend for FY2018 of $0.05 per share in addition to the Scheme Consideration. The Scheme Consideration, together with the FY2018 interim dividend payment, totals $3.475 per share
- On 21 December 2017, Cleanaway has settled the institutional component of its fully underwritten, 1 for 3.65 pro rata accelerated non-renounceable entitlement offer that was also announced on 11 December 2017. As a result, the Institutional Offer condition precedent under the Scheme Implementation Deed was satisfied
- On 1 February 2018, Toxfree updated the market on certain indicative dates in relation to the Scheme
  - Toxfree has lodged the draft Scheme Booklet with ASIC for its review
  - Toxfree expects to pay a special dividend, in conjunction with completion of the Scheme, to eligible Toxfree shareholders in early May
- Toxfree will continue to update its shareholders as the Scheme process continues

1. Calculated based on 194,418,716 ordinary shares outstanding plus 1,560,834 Performance Rights and 1,293,859 Share Appreciation Rights that are expected to vest upon completion of the transaction; assumes a strike price for the Share Appreciation Rights of $3.09 per share and an issuance price equivalent to the Scheme Consideration
2. Based on reported net debt of $159.9 million as at 30 June 2017, including $2.5 million of non-controlling interests
3. Based on reported underlying EBITDA for the 12 months to 30 June 2017 ("FY2017") of $82.8 million, underlying EBIT of $41.5 million, and underlying profit after tax of $24.1 million for the same period

Outlook

- **Health Services** is performing well – improved revenue, earnings and margins as a result of operational efficiencies and realisation of synergies.
- **Health synergies –** continued focus on realising further synergies including use of Toxfree Fuel and Laverton incinerator upgrade.
- **Growth** in Worth Recycling from commencement of soil 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, Shell Singapore and Barangaroo will continue to gain momentum in 2H18.
- **Continuous** process of review to optimise our business network – redundancies that occurred in December will result in $3m operational cost savings in the second half.
- **Disciplined capital management -** forecasting 2H18 Capex of $6M bringing total FY18 Capex to $29M.
- **Recognising** the above Toxfree is on track to meet full year expectations, as previously communicated to shareholders.

Questions

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Appendix 1 – Non-Recurring Adjustments

***Non-IFRS Financial Information:**
Adjustments that were excluded to reflect the underlying performance of the Group are:

Exclusions	1H18 $'000	1H17 $'000
Acquisition, integration, disposal and rebranding costs	1,917	5,915
Redundancy, restructuring and site closure costs	3,625	(51)
Income tax expense	(1,411)	(1,451)
Total costs after tax	**4,131**	**4,413**

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