



Financial Year 2011 Results Presentation

toxfree

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Agenda

1	Our Vision
2	Company Profile
3	FY11 Key Highlights
4	FY11 Results Summary
5	Operational Review
6	Waste Solutions
7	Growth Outlook



Our Vision

“To be the leading Industrial Services and Waste Management Company in Australia”



Capital Structure

ASX CODE – TOX		
Shares on issue	96,503,382	
Unlisted employee options	5,082,000	
No. of shareholders	5,171 (approx)	
Market Capitalisation	\$200 m (approx)	
Substantial shareholders	IOOF	13.8%
	Fisher Funds Management Ltd	8.0%
	Australian Foundation Investment Co	6.8%
	Board & Management	6.0%



Company Profile

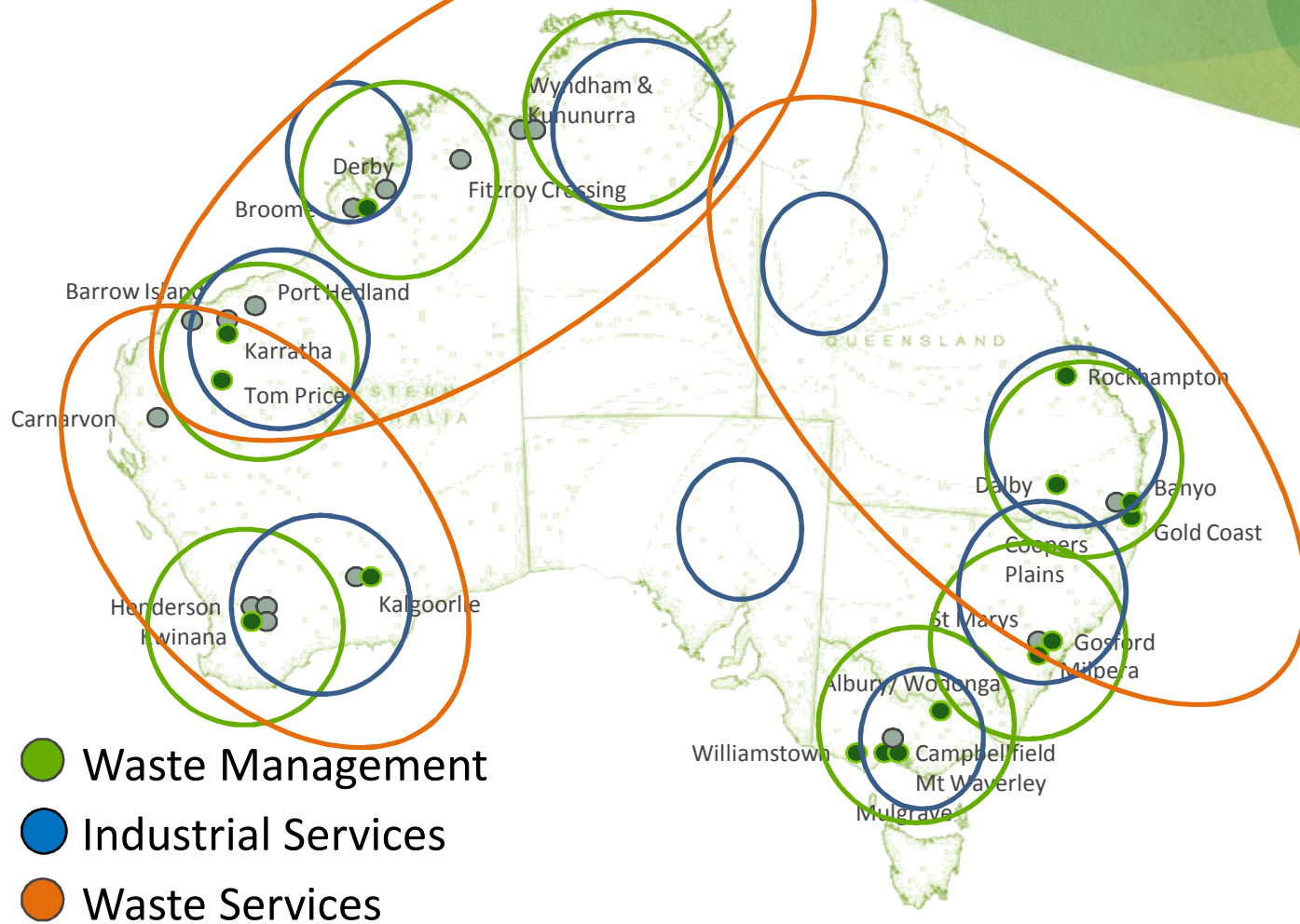
- “ One of the largest industrial service and waste management businesses in Australia
- “ Strategically located facilities throughout Australia
- “ Provide diverse range of industrial and waste services to all market sectors
- “ Unique licenses and specialist technologies
- “ Focus on competitive advantage through safety, service delivery, sustainable waste management practices, treatment licenses and technologies
- “ Growth - combination of acquisition, green field development, organic and contract growth



Company Strategy



Our Service Locations



FY11 Financial Highlights

- “ Revenue up 45% to \$143.5M (FY10 = \$98.7M)
- “ EBITDA up 42% to \$32.8M* (FY10 = \$23.0M)
- “ EBIT up 51% to \$21.3M* (FY10 = \$14.1M)
- “ NPAT up 64% to \$13.1M* (FY10 = \$7.9M)
- “ EPS up 54% to 14.23* cents (FY10 = 9.25cents)
- “ Dividend increased 50% to 3 cents per share
- “ Solid cash flow from operations = \$28M, 85% of EBITDA
- “ Net debt to equity = 11%

**Excludes debt write off of \$1.2 M (NPAT)*



FY11 Strategic Highlights

- “ Successfully commenced new long term contracts with Apache Energy, Minara Resources, Rio Tinto Iron Ore, Mermaid Marine and Boral Cement
- “ Expansion of services in central Queensland and Inland Pilbara
- “ Acquisition of Waste Solutions in the Northern Territory (1 July 2011)
- “ New banking facility commenced with ANZ to support business plan with head room for growth
- “ Tender pipeline - \$100M tendered and pending as at 1 July
- “ Corporate platform in place to manage the Company into the future



FY11 Operational Highlights

- “ Zero Lost Time Injuries during period
- “ All major contracts performed well meeting customer and company expectations
- “ Solid performance from industrial services nationally, Central Queensland, South Western and North Western Australian operations
- “ Third party management system accreditation achieved in Vic and NSW
- “ Qld floods negatively affected operations in Dec 2010 and Jan 2011, however the resulting clean up resulted in net positive to group



FY11 Results

Group Results	FY11 (\$'000)	FY10 (\$'000)	% Change
Revenue	143,556	98,686	45%
EBITDA [^]	32,842	23,061	42%
Depreciation	(11,510)	(8,973)	28%
EBIT [^]	21,332	14,088	51%
Net Interest	(2,521)	(2,261)	11%
Profit before tax [^]	18,811	11,827	59%
Income tax expense	(5,717)	(3,863)	48%
Net profit after tax [^]	13,094	7,964	64%
EPS [^]	14.23 cents	9.25 cents	54%
Weighted average shares on issue	92M	86M	7%

[^]Excludes debt write off of \$1.2 M (NPAT)



Cash Flow

Group Cash Flow	30 June 2011 (\$'000)	30 June 2010 (\$'000)	% Change
Cash generated from operations	28,059	24,076	16
Net interest paid	(2,166)	(2,261)	(4)
Income taxes paid	(3,457)	(4,196)	(18)
Net operating cash flows	22,436	17,618	27
Net purchases of PP&E	(19,113)	(20,973)	(9)
Net payments for businesses and intangibles acquired	(1,199)	(2,790)	(57)
Net investing cash flows	(20,312)	(23,763)	(15)
Net proceeds from borrowings/(repayment of borrowings)	(4,975)	(6,393)	(22)
Proceeds from the issue of share capital (net of capital raising costs)	1,306	25,855	(95)
Dividends paid	(1,836)	-	-
Net financing cash flows	(5,505)	19,462	(128)
Net increase/(decrease) in cash	(3,381)	13,317	(125)
Cash at the beginning of the half year	17,894	4,576	291
Cash at the end of the half year	14,513	17,894	(19)



Statement of Financial Position

Balance Sheet	30 June 2011 (\$'000)	30 June 2010 (\$'000)	% Change
Cash	14,513	17,893	(19)
Trade and other receivables	35,741	25,215	41
Inventories	332	434	(24)
Prepayments	644	331	95
Tax assets	2,997	1,791	67
Property, plant and equipment	65,166	58,628	11
Intangibles	29,905	27,490	9
Total assets	149,298	131,850	13
Trade and other payables	14,886	9,851	51
Loans and borrowings	26,097	31,072	(16)
Employee benefits	2,877	2,055	40
Tax liabilities	3,198	259	1,135
Total liabilities	47,058	43,236	9
Total equity	102,239	88,694	15
NET DEBT	11,584	13,179	(12)
NET DEBT TO EQUITY	11%	15%	(4)



FY11 Segment Result

	Revenue FY2011 \$'000	Revenue FY2010 \$'000	Variance %	EBIT FY2011 \$'000	EBIT FY2010 \$'000	Variance %
Industrial services	70,026	52,740	33%	11,329	6,883	65%
Solid waste	44,343	21,091	110%	11,525	6,136	88%
Hazardous waste	16,631	14,308	16%	6,812	6,430	6%
Liquid waste	12,556	10,547	19%	4,389	3,800	16%
Corporate	-	-	-	(12,723)	(9,161)	39%
Total Group	143,556	98,686	45%	21,332	14,088	51%

Comments

Solid waste growth – strong organic growth from Pilbara and Kimberley regions as well as total waste management contracts

Industrial services growth as a result of additional contracts within the resource sector

Corporate expense includes acquisitions costs and share trust establishment – Base now established

Organic growth in liquid waste and hazardous waste divisions in steady market



FY11 Segment Margin Analysis

	H1 2011 %	H2 2011 %	Full year 2011 %	H1 2010 %	H2 2010 %	Full year 2010 %
Industrial services	14%	18%	16%	14%	12%	13%
Solid waste	24%	27%	26%	33%	27%	29%
Hazardous waste	44%	36%	41%	46%	44%	45%
Liquid waste	35%	35%	35%	37%	35%	36%

Comments

Solid waste margins reduced slightly reflecting additional contracted revenue

Industrial service margins improved through additional contracts

Higher hazardous waste processing costs in Port Hedland affected margins temporarily

Liquid waste margins remain stable



Operations – Industrial Services

- “ Revenue up 33% to \$70 M
- “ EBIT up 65% to \$11.3M
- “ Margin improvement - 16% EBIT
- “ Major contracts performing well
- “ Municipal services performed solidly to expectations
- “ Qld Floods resulted in net positive following earlier losses
- “ Developed Australia’s first formal High pressure water jetting qualification – Nominated for NSCA/GIO national safety award
- “ Positive outlook on future growth through further market share and resource sector capital expenditure



Operations – Solid Waste

- “ Revenue up 110% to \$44.3 M
- “ EBIT up 88% to \$11.5M
- “ Major contracts performing well
- “ Kimberley and Pilbara regions performed solidly
- “ Toll Energy (Gorgon LNG) contract continues to gain momentum
- “ Positive outlook on future growth through further market share and resource sector capital expenditure



Operations – Haz & Liquid Waste

- “ Hazardous waste revenue up 16% to \$16.6M
- “ Liquid waste revenue up 19% to \$12.5M
- “ Revenue growth organic as well as contribution from new contracts
- “ Hazardous waste margins reduced slightly due to higher processing costs at Port Hedland from cyclone activity
- “ Liquid waste volumes increased, margins steady
- “ Neutral outlook on market due to uncertainty in manufacturing, commercial and retail sector



Waste Solutions

- “ Total Waste Management provider in the Northern Territory
- “ EBITDA = \$3.5 M
- “ Completed 1 July 2011
- “ Acquisition price of \$18 M (\$10 M cash, \$8 M Toxfree shares)
- “ Considerable number of resource projects planned for the region
- “ Complements strategy
- “ Opportunity to expand further services in the region



Competitive Advantages

- “ One stop shop – able to offer a full range of industrial and waste management services under one invoice
- “ Control the back end – Waste Management
- “ Safety Systems, Culture and Standards
- “ Service focussed, “Can Do” culture
- “ Waste tracking software - Wastefree
- “ Resource and Oil and Gas Experience
- “ Hazardous and industrial waste expertise
- “ Regional expertise in Total Waste Management



Growth Outlook

- “ Continued operational improvement from all contracts
- “ Woodside Pluto contract expected to commence H1 FY12
- “ Further award of long term contracts - \$100 M tendered and pending
- “ Organic growth of existing divisions
- “ Market penetration in our target markets
- “ Waste Solutions acquisition
- “ Further geographic expansion in target market areas
- “ Further acquisition of businesses that complement our strategy
- “ Upgrade of Pilbara Waste Management Facilities



Questions

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