



# Macquarie Australia Conference

*"Why I love waste"*  
Steve Gostlow - May 2014

safe.reliable.sustainable

P 1300 toxfree [www.toxfree.com.au](http://www.toxfree.com.au)

# Disclaimer

## Summary information

This presentation contains summary information of Tox Free Solutions Limited (“TOX”) and is dated May 2014. The information in this presentation does not purport to be complete or comprehensive, and does not purport to summarise all information that an investor should consider when making an investment decision. It should be read in conjunction with TOX’s other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (“ASX”), which are available at [www.asx.com.au](http://www.asx.com.au)

## Not investment advice

This presentation is not a prospectus or a product disclosure statement under the Corporations Act 2001 (Cth) and has not been lodged with the Australian Securities and Investments Commission (ASIC). The information provided in this presentation is not intended to be relied upon as advice to investors or potential investors and has been prepared without taking into account the recipient’s investment objectives, financial circumstances or particular needs. Those individual objectives, circumstances and needs should be considered, with professional advice, when deciding if an investment is appropriate.

## Financial data

All dollar values are in Australian dollars (A\$) and financial data is presented within the half year ended 31 December 2013 unless otherwise stated.

## Risks of investment

An investment in TOX shares is subject to investment and other known and unknown risks, some of which are beyond the control of TOX. Tox does not guarantee any particular rate of return or the performance of TOX nor does it guarantee the repayment of capital from TOX or any particular tax treatment. You should have regard to (among other things) the risks outlined in this presentation.

## Forward looking statements

This presentation contains certain forward – looking statements. The words ‘anticipate’, ‘believe’, ‘expect’, ‘project’, ‘forecast,’ ‘estimate’, ‘likely’, ‘intend’, ‘should’, ‘could’, ‘may’, ‘target’, ‘plan’, and other similar expressions are intended to identify forward-looking statements. Indication of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of TOX, which may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. You should not place undue reliance on forward-looking statements and neither TOX nor any of its directors, employees, servants or advisers assume any obligation to update such information.

## Not for distribution or release in the United States

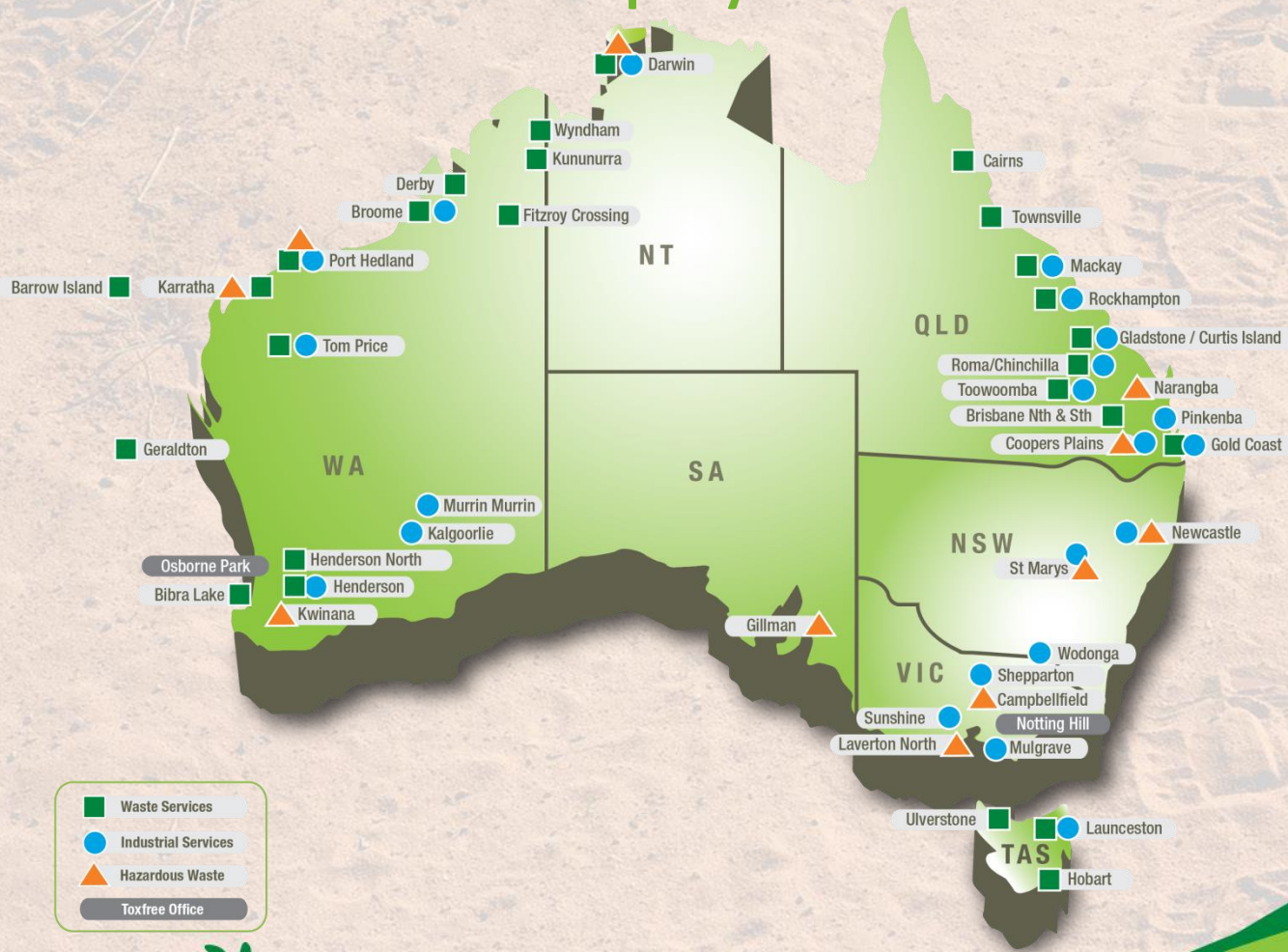
This presentation has been prepared for publication in Australian and may not be distributed or released in the United States. This presentation does not constitute an offer of shares for sale in the United States or in any other jurisdiction in which such an offer would be illegal.



# Key points

Agenda	
1	Our history
2	Corporate strategy
3	Why I love waste
4	Target market and clients
5	A future Toxfree
6	Outlook

# Toxfree – Creating Australia’s Leading Waste Management And Industrial Services Company



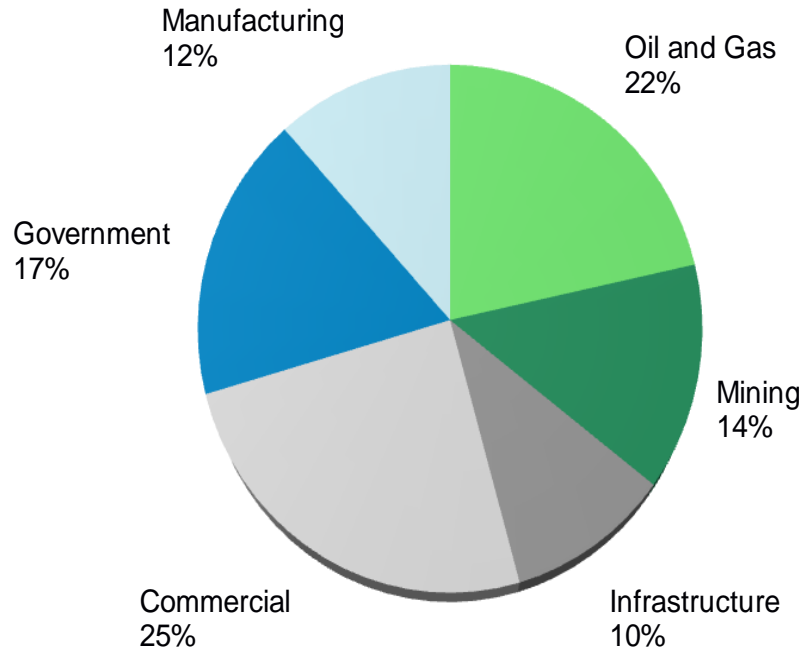
- One of the largest industrial service and waste management businesses in Australia
- 57 strategically located operations throughout Australia
- Employs over 1100 people nationally
- Diverse range of industrial and waste services to all market sectors



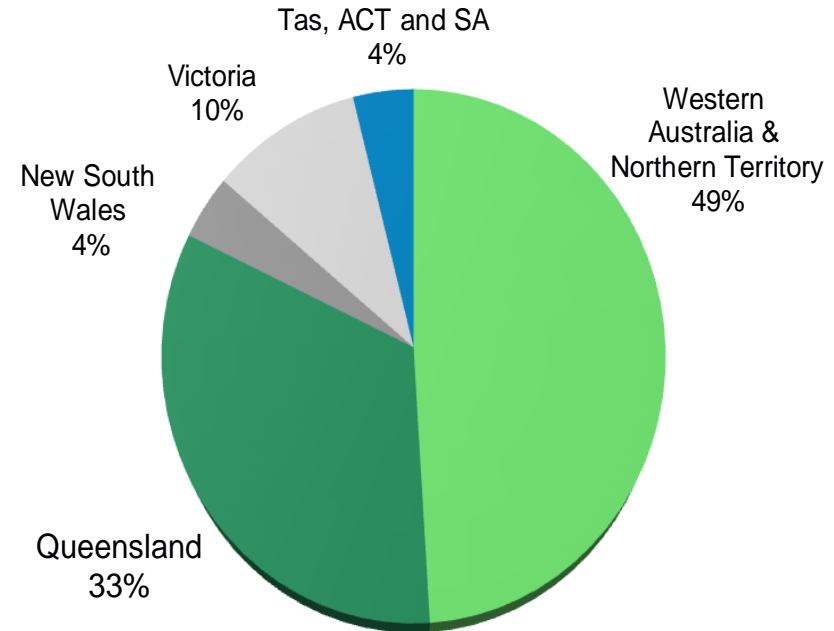
safe.reliable.sustainable

# A Diversified Business – Revenue by Market Sector and Geography

Estimated on FY2014 forecasts



*Over 85% of revenue is generated from producing assets*



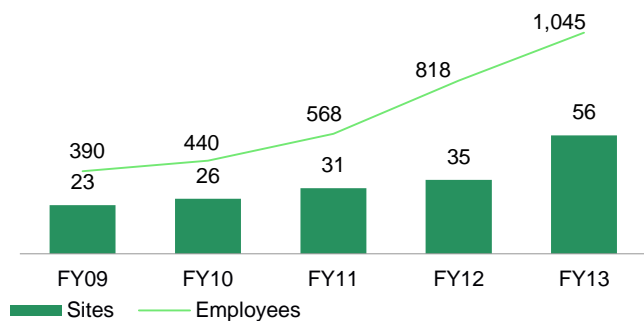
*Over 40% of revenue is leveraged to the broader Australian Economy*



**safe.reliable.sustainable**

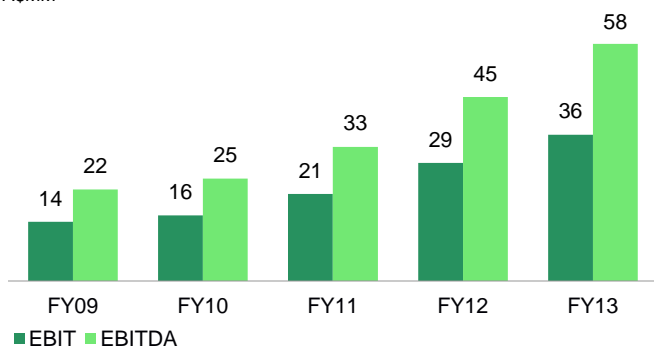
# Our track record

## Sites and Employees



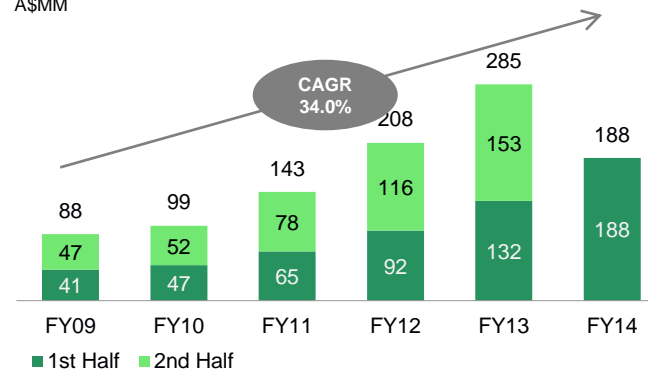
## Underlying EBITDA\* and EBIT\*

A\$MM



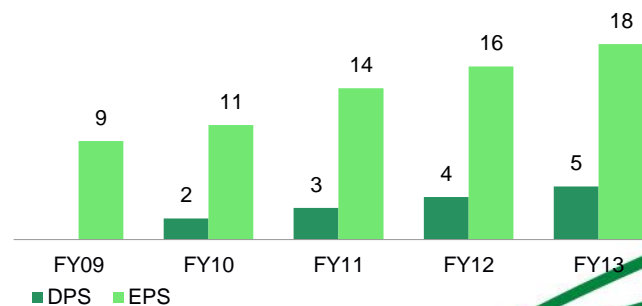
## Revenue

A\$MM

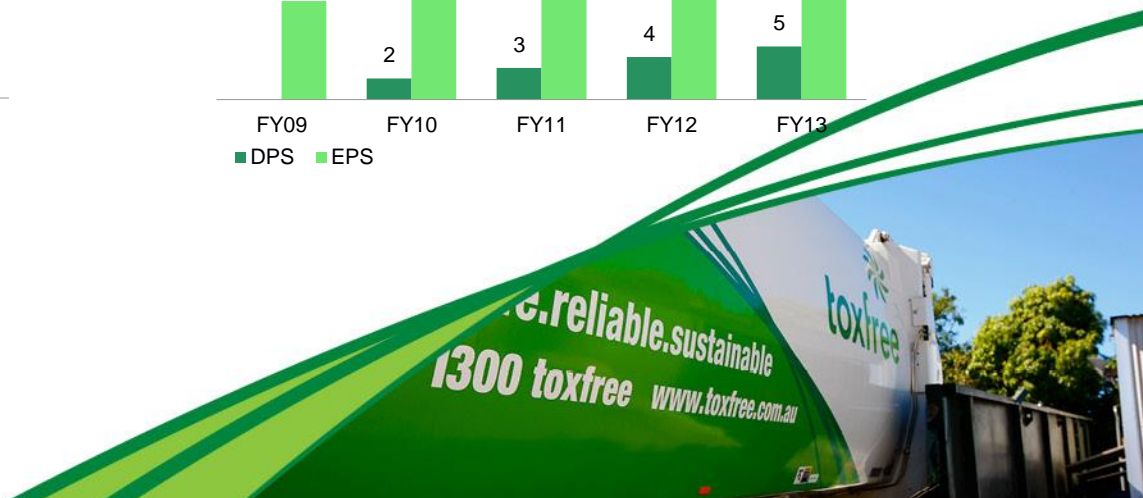


## Underlying EPS\* and DPS\*

Cents/Share



\*Non-IFRS Financial Information



# Corporate Strategy

## Technical and Environmental Services

Leader in Hazardous and Industrial Waste Management Nationally

- Innovation, best practice, low operating cost technologies, centres of excellence, resource recovery
- Unique and Strategic Licences throughout Australia
- High barriers to entry
- Servicing all industry sectors, households and government

## Total Waste Management

Provide all waste services in all regional hubs of Australia

- Regional focus - WA, QLD, Tas and NT
- Total waste management solutions
- Municipal, Commercial, Industrial
- One stop shop

## Industrial services

Leader in provision of industrial services throughout Australia

- Producing assets
- Long term contracts
- Blue chip clients
- Ideally integrated with waste services
- Mining, Oil and Gas, Heavy Industry

*Integrated services*

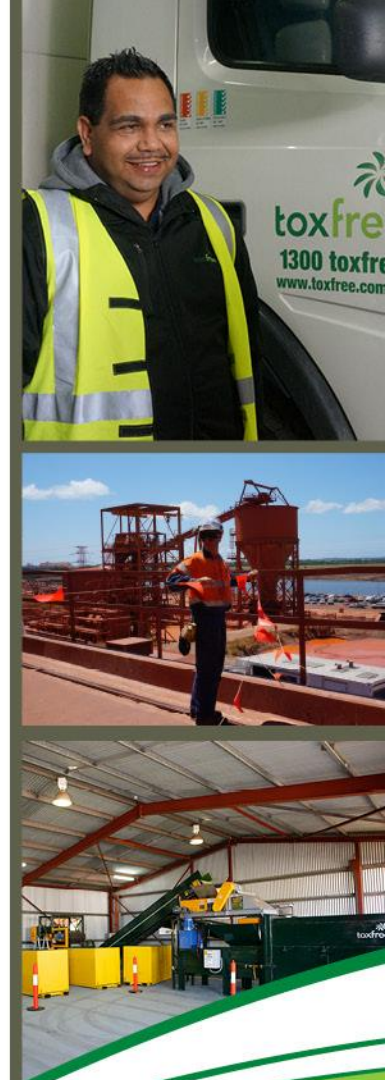
*Safe, Reliable and Sustainable*



safe.reliable.sustainable

# Why I love waste!

- Every single person and industry in the world generates waste
- At 50m tonnes pa and \$11.9Bn in revenue pa, the market in Australia is large, and growing around 4-5% p.a.
- There are many key drivers that increase the available waste market at a rate greater than population growth
  1. Sustainability - There is a global trend for more sustainable practices driven by public and corporate social responsibility
  2. Landfill avoidance - Increasing government landfill levies, regulation and disposal costs will continue to drive recycling and divert waste from landfill
  3. Regulation and policy - Government regulation, policy and environmental sustainability is driving the transition from landfill to recycling and resource recovery.





# Why I love waste!

- Australia is the 2nd highest producer of waste per capita behind USA at 2.1 tonnes per head p.a.
- Barriers to entry are high – capital, scale, licenses, technology, IP and experience
- Market is fragmented in Australia – top 5 waste companies represent only 50% of the market
- Large clients are aggregating procurement and increasing numbers seek a “One Stop Shop” solution
- Resource sector spending for major capital projects has reduced but the market to service producing assets is large and growing post the capex cycle



safe.reliable.sustainable


# Target clients and industries

- Target industries includes the oil / gas, mining and heavy manufacturing sector particularly those with a triple bottom line focus
  - They offer tenure and certainty of earnings (long term contracts)
  - Generally require the services of one contractor to provide total waste management services and/or integrated industrial services
  - Have an equal importance on safety and environment as well as bottom line
  - They demand productivity, service, reliability, safety, speed of response, innovation, best practice, sustainability and reporting
- These attributes provide Tox Free with its best ability to achieve desirable rates / returns and fulfill strategic objectives
- Toxfree's target market (based on our strategy) is estimated at \$4 - \$5 Bn pa



safe.reliable.sustainable

# Our competitive advantages

- Total Waste Management capability (One stop shop)
- Resource recovery and treatment of industrial and hazardous waste – not just collection
- Facilities and licenses
- Best practice technologies
- Lowest operating cost
- Sustainable waste treatment
- A comprehensive waste tracking and reporting system
- Fleet – maintained, consistent and reliable
- Safety culture - 
- Aligned culture and values – Safe, Reliable and Sustainable
- Best people in the industry



safe.reliable.sustainable

# What does a future Toxfree look like?

- New greenfield sites and strategic acquisitions in geographic areas linked to our target markets
- New treatment facilities and new technologies within our target markets
- Management of problematic waste streams including
  - Used oil
  - Batteries
  - Tyres
  - Clinical and medical waste
  - Other problematic wastes (eg NORMs)
- Business development – focus on long term contracts
- Continued organic growth



# People, culture and our values

- We can only do it by delivering our clients Safe, Reliable and Sustainable services
- Keeping our employees and shareholders safe (managing risk)
- Having the best people – in terms of aligned culture and skills



# Summary

- Strategy - use our competitive advantages to be the best in the industry
- Target market - \$4 - \$5Bn pa
- Values – safe, reliable sustainable
- Organic growth – 10% organic pa
- Business development – targeting new long term contracts
- Acquisitions – strategic and within our debt and EPS criteria
- Strategic plan - key areas of focus for all aspects of the business
- Standardisation and back office efficiencies to enable growth and manage risk
  - Enterprise Resource Planning system upgrade
  - Consistent applications / front end systems
  - Consistent brand
  - Employee development and training
  - Safety
  - Shared services consolidation
  - Legal entity rationalisation



safe.reliable.sustainable

# Outlook

- Expecting similar market conditions to continue in the second half
- Queensland – Surat basin expected to continue to perform strongly – CSG drilling expected to peak in 2020
- Technical and Environmental Services continue to perform well
- At this point we remain on the construction contract at Barrow Island until the transfer station is completed and we move into the operational contracts
- Pilbara region continues to grow organically as our clients increase production from completed capex spends
- Industrial and waste services remain subdued in the infrastructure and commercial sector, however new infrastructure projects are now emerging
- Available waste market is large and with time Toxfree is confident on continuing to build its market share through organic growth, contract award and strategic acquisition



# Questions?



safe.reliable.sustainable