

19 February 2016

## FY16 INTERIM RESULTS REVENUE AND EARNINGS INCREASED

Cleanaway Waste Management Limited (“Cleanaway” ASX: CWY) today announced a statutory profit after tax attributable to ordinary equity holders of \$23.0 million for the six months ended 31 December 2015, compared to a statutory loss after tax of \$41.7 million recorded in the previous corresponding period.

Net underlying profit after tax attributable to ordinary equity holders increased 27.2% to \$29.0 million compared to the previous corresponding period, after excluding a total of \$6.0 million in underlying adjustments after tax. Underlying adjustments reflect costs related to the realignment of activities within the Company following the implementation of the new operating model and single branding.

Underlying earnings before interest, tax, depreciation and amortisation (EBITDA) increased 12.6% to \$137.2 million as revenue increased 8.3% compared to the previous corresponding period.

### Financial Overview

	FY16 Interim A\$m	FY15 Interim A\$m	% Change
Revenue	746.8	689.5	8.3
Underlying EBITDA	137.2	121.8	12.6
Underlying EBIT	58.5	57.5	1.7
Underlying Attributable profit after tax	29.0	22.8	27.2
Underlying Earnings per share (cents)	1.8	1.4	28.6
Dividend per share (cents)	0.8	0.7	14.3
Operating cash flow	77.8	81.7	(4.8)
Net Debt	325.1	123.4	163.4
Capital Expenditure	70.0	74.4	5.9

### Management Commentary

The Chief Executive Officer of Cleanaway, Vik Bansal, said the positive results for the first half reflect the early success of initiatives being implemented across the Company against a backdrop of flat trading conditions.

“The Melbourne Regional Landfill, establishment of the new value operating model, reset and realignment of our growth initiatives and genuine passion shown by our employees to make this a great Company is seen through these improved results.

“We are making good progress towards the simplification of the group’s organisational and operating structure. These are important initiatives as they remove internal barriers and improve our ability to leverage across the enterprise. The renaming of the Company and now trading under one brand will further accelerate these changes.

“Our cost realignment program targeted at corporate and administrative costs has commenced, generating savings in the first half which have been re-invested in a number of market share and revenue growth initiatives.

“Our cost saving initiatives will continue throughout the remainder of this financial year and into the next year as we target a \$30 million permanent reduction in our costs by 30 June 2017. We are confident of making these cost reductions sustainable.

“By implementing a more disciplined approach to capital expenditure and completing the review of our rectification and remediation spending patterns and timetables, we now have in place detailed plans that should result in increases to the free cash flows generated by Cleanaway into the future.

“We are at the early stages of our journey and I remain committed to ensuring that what we do makes us sustainable in the medium and longer term.”

Commenting on the outlook for FY16, Mr Bansal said: “Based on our current estimates, we continue to expect both our Solids and Liquids & Industrial Services segments will report increased EBITDA earnings for FY16.

“Market conditions are expected to show little change from those experienced during the first half however we believe the number of initiatives we are undertaking across the Company will benefit the trading performance of our divisions.”

## **Dividend**

An interim dividend of 0.8 cents per share (pcp: 0.7 cents per share) has been declared. The interim dividend will be fully franked and paid on 1 April 2016 to shareholders on the register at 5pm on 10 March 2016.

The Dividend Reinvestment Plan (DRP) will be in operation for this dividend. Under the DRP, Cleanaway shares will be issued or transferred at the average of the daily Volume Weighted Average Price (VWAP) of all shares sold on ASX over the period from 14 March 2016 to 18 March 2016. No discount will be applied to shares issued or transferred under the DRP.

## **Business Performances**

### Solids – Collections

The Collections segment reported both increased external revenues and earnings for the period. External revenue increased 2.4% and EBITDA 1.0% compared to the previous corresponding period.

The Growth initiatives which are being implemented across the business increased revenues and collection volumes when compared to the previous corresponding period.

### Solids – Post Collections

The Post Collections segment reported both increased external revenues and earnings for the period. External revenue increased 86.1% and EBITDA 90.4% compared to the previous corresponding period.

The Melbourne Regional Landfill was the major driver of the increased revenues and earnings for the division and continues to perform in line with expectations. Landfill disposal volumes across the country have improved.

### Liquids & Industrial Services

The Liquids & Industrial Services segment reported decreased external revenues and earnings for the period. External revenue decreased 7.7% and EBITDA 15.7% compared to the previous corresponding period.

To enable this division to improve earnings, a major restructuring is currently in progress incorporating merging of the liquids businesses under one management, site rationalisation across the country, removal of administration and supervisory layers and reducing administration costs.

Waste oil collection volumes increased during the period, however selling prices of both base and fuel oil were down significantly compared to the previous corresponding period due to the decline in global oil prices.

Liquid volumes, particularly in the hazardous liquids area have declined and continue to reflect weakness in the Industrial and Manufacturing sectors of the Australian economy. Non-hazardous liquid volumes and prices were in line with those recorded for the previous corresponding period.

The Industrial Services division results were below those reported during the previous corresponding period.

-----END-----

### **Investor and Media Relations:**

Frank Sufferini  
Head of Investor Relations  
Telephone: 0416 241 501  
Email: frank.sufferini@cleanaway.com.au

### **Investor Briefing**

The Company will be holding a teleconference briefing for **shareholders and analysts** on the results at **9.30am Sydney time** (AEDST) today.

**Presenters:** CEO – Mr Vik Bansal  
CFO – Mr Brendan Gill

**Teleconference:** Australia: 1 800 123 296  
International: +61 2 8038 5221

**Quote Conference Code:** 3641 1075

---

Cleanaway Waste Management Limited is Australia's leading waste management company, operating a national network of unique collection, processing, treatment and landfill assets from over 200 locations across Australia. Our philosophy is that all waste is a resource and we aim to incorporate recovery, recycling and reuse throughout our operations and those of our clients. Our mission is to make a sustainable future possible for all our stakeholders.