**19 August 2016**

# FY16 RESULTS
# REVENUE, PROFITS AND DIVIDEND UP
# NET DEBT DOWN

Cleanaway Waste Management Limited (“Cleanaway” ASX: CWY) today announced a statutory profit after tax attributable to ordinary equity holders of $44.8 million for the year ended 30 June 2016, compared to a statutory loss after tax of $23.6 million recorded in the previous corresponding period.

Net underlying profit after tax attributable to ordinary equity holders increased 38.5% to $63.3 million compared to the previous corresponding period, after excluding a total of $18.5 million in underlying adjustments after tax. Underlying adjustments mainly reflect costs related to the realignment of activities within the Company following the implementation of the new operating model, ongoing process of simplifying the organisational structure, the commencement of the cost reduction program and single branding.

Revenue increased 5.1% and underlying earnings before interest, tax, depreciation and amortisation (EBITDA) increased 21.6% to $281.3 million compared to the previous corresponding period.

Operating cash flow increased 8.2% to $190.7 million. Net debt totalled $311.1 million, a decrease of $3.6 million from 30 June 2015 and $14.0 million from 31 December 2015.

**Financial Overview**

| | FY16 $m | FY15 $m | Change |
|---|---|---|---|
| Sales revenue | **1,455.1** | 1,384.9 | 5.1% |
| Statutory profit after tax attributable to ordinary equity holders | **44.8** | (23.6) | n/m |
| Underlying EBITDA | **281.3** | 231.3 | 21.6% |
| Underlying EBIT | **122.6** | 97.5 | 25.7% |
| Underlying Attributable profit after tax | **63.3** | 45.7 | 38.5% |
| Underlying Earnings per share (cents) | **4.0** | 2.9 | 37.9% |
| Final dividend per share (cents) | **0.9** | 0.8 | 12.5% |
| Operating cash flow | **190.7** | 176.2 | 8.2% |
| Net Debt | **311.1** | 314.7 | 1.1% |
| Net debt / Underlying EBITDA | **1.11x** | 1.36x | 18.4% |
| Capital Expenditure | **153.5** | 175.9 | 12.7% |

**Management Commentary**

Chief Executive Officer of Cleanaway, Vik Bansal, said the growth achieved in the FY16 results reflect the positive outcomes of initiatives being implemented across the Company.

*"Over the past 12 months we have worked at resetting the operational performance of our businesses. We have made progress across a wide number and variety of initiatives, targeted at improving our quantity and quality of earnings including free cash flow of the Company, but there remains more to do.*

*"Our focus on customers and service has increased and we are seeing the benefits via the organic growth in our revenues for the first time in a number of years.*

*"The streamlining and simplification of the group's organisational and operating structure has also contributed to this result with a portion of the savings achieved in FY16 being re-invested in a number of market share and revenue growth initiatives. I am confident that our target of a permanent $30 million reduction in our cost base, compared to the cost base in FY15, will be achieved by the target date of 30 June 2017.*

*"We have implemented a more disciplined approach to capital expenditure and spend on our remediation and rectification responsibilities. We now have plans in place which resulted in increased free cash flow this year and will generate increasing free cash flows into the future.*

*"The review of the rectification and remediation spend alone has resulted in an increase of approximately $30 million in our targeted free cash flows over the next four years.*

*"Our Melbourne Regional Landfill (MRL) is performing well and during the year we submitted an extension application for the facility. Like other significant infrastructure initiatives designed to address Melbourne's rapid growth, MRL is a state-of-the-art facility that plays a critical role in managing safely and effectively the city's ever-increasing waste needs, both today and for the long term.*

*"The establishment of the "Cleanaway Way" which is under-pinned by One Company One Brand, Our Mission, Our Values, Our Operating Model and the strategic focus on Our Five C's will continue to provide solid foundations for improved performance into the future."*

**Dividend**

A final dividend of 0.9 cents per share (pcp: 0.8 cents per share) has been declared. Combined with the interim dividend of 0.8 cents per share paid earlier in the year, the dividends paid and declared for FY16 total 1.7 cents per share (pcp: 1.5 cents per share).

The final dividend will be fully franked and paid on 7 October 2016 to shareholders on the register at 5pm on 21 September 2016.

The Dividend Reinvestment Plan (DRP) will be in operation for this dividend. Under the DRP, Cleanaway shares will be issued at the average of the daily Volume Weighted Average Price (VWAP) of all shares sold on ASX over the period from 23 September 2016 to 29 September 2016. No discount will be applied to shares issued under the DRP.

**Business Performances**

Solids – Collections

The Collections business reported both increased external revenues and earnings for the period. External revenue increased 3.0% and EBITDA 8.4% compared to the previous corresponding period.

The Growth initiatives which are continuing to be implemented across all parts of the business have resulted in an increase in collection volumes and revenues across most categories. This combined with greater cost control has also increased profitability margins during the year.

Solids – Post Collections

The Post Collections business reported both increased external revenues and earnings for the period. External revenue increased 47.6% and EBITDA 47.0% compared to the previous corresponding period.

The Melbourne Regional Landfill performed well and landfill disposal volumes across the country have improved.

Liquids & Industrial Services

The Liquids & Industrial Services business reported decreased external revenues of 8.7%, however, EBITDA increased 3.0% compared to the previous corresponding period.

A major restructuring of this business was undertaken in readiness for expected revenue challenges during the year. This restructuring included the merging of the liquids businesses under one management, site rationalisation across the country and the removal of management layers which reduced the cost base and increased earnings.

Selling prices of both base and fuel oil were down significantly compared to the previous corresponding period due to the continued volatility in global oil prices.

While hazardous volumes were low, non-hazardous liquid volumes were up on last year with average pricing below the levels of last year due to competitive pressures in the sector.

Market activity, particularly in the mining, industrial and oil & gas sectors remained subdued and impacted the Industrial Services business.

**2017 outlook**

Commenting on the outlook for FY17, Mr Bansal said: *"Market conditions are expected to show little change from those experienced during the past year. However, based on the company wide initiatives we are undertaking, both our Solids and Liquids & Industrial Services segments should report increases in operational earnings in FY17.*

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**Investor Briefing**

The Company will be holding a teleconference briefing on the results at **9.30am** (AEST) today.

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| **Presenters:** | CEO – Mr Vik Bansal |
| | CFO – Mr Brendan Gill |
| **Teleconference:** | Australia: 1 800 123 296 |
| | International: +61 2 8038 5221 |

**Quote Conference Code:** 4345 4898

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.