



Morgans Queensland Conference 2018 Presentation

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ASX: CWY

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Cleanaway is Australia's leading total waste management services company



5,900+
Employees



4,000+
Vehicles



115+
Licensed infrastructure assets



Waste to Energy
140m+ kWh
Renewable energy generated



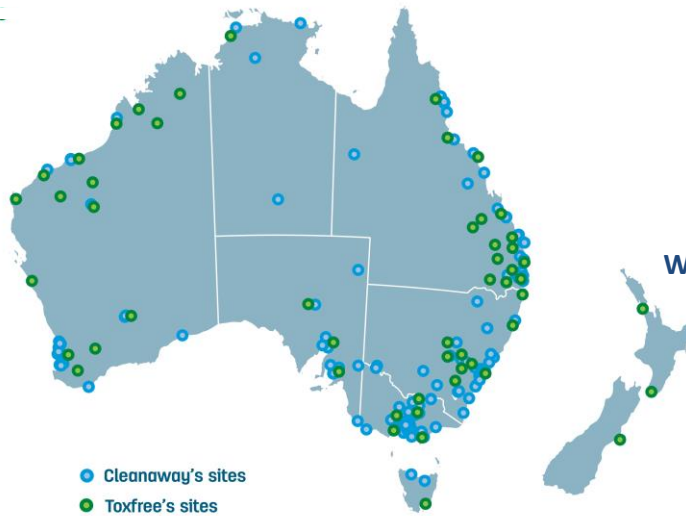
>320,000 tonnes
Paper and cardboard recycled



260+
Sites Australia Wide



~90
Municipal Councils



● Cleanaway's sites
● Toxfree's sites



**~660 million
litres**
Waste Liquids collected
and processed



~125 million litres
Waste Mineral Oil collected
for processing



>16,000 tonnes
Plastic packaging recycled



>14,500 tonnes
Steel recycled



~140,000
Commercial & Industrial
Customers



~10,000
Medical waste customers



940,000 kgs
Plastic eliminated each year
generated by the medical industry



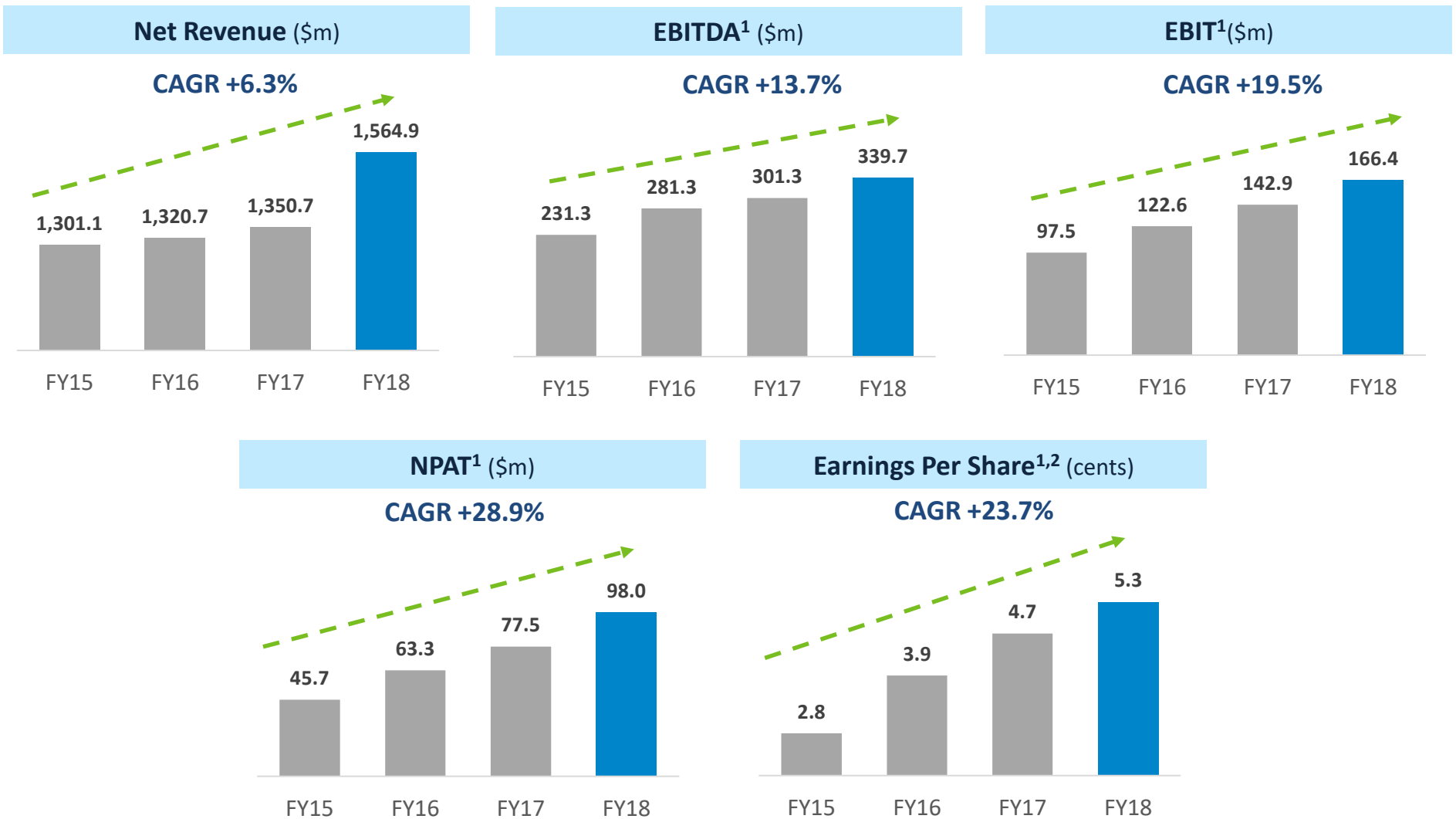
1.1 million
Sharpsmart collections washed
through robotic washlines

Making a sustainable future possible for all stakeholders

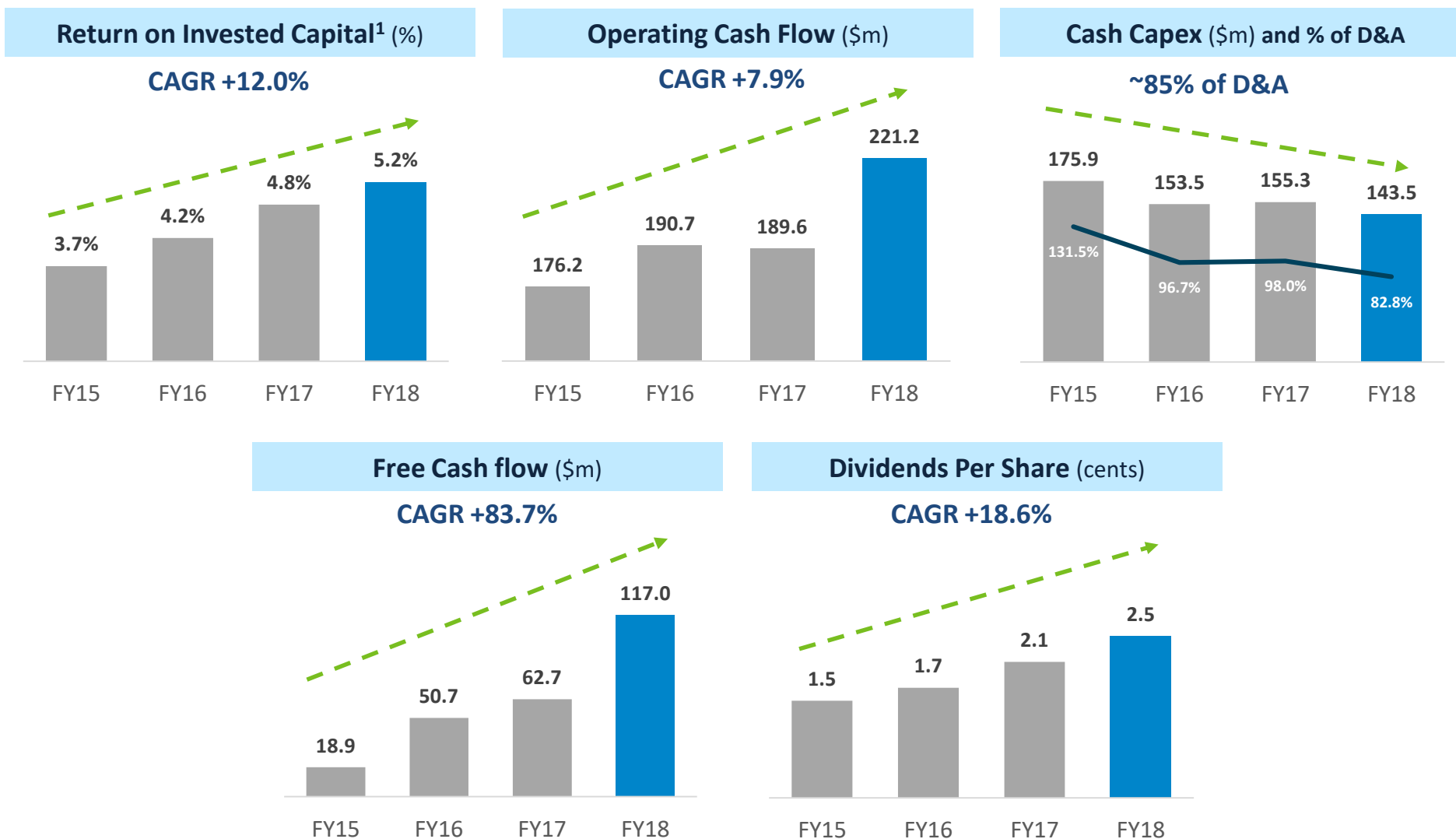
- ✓ Diversified exposure to Australia's growing waste market
- ✓ Leading player in each of our operating segments of Solids, Liquid Waste & Health and Industrial Services
- ✓ Owner of an irreplaceable and largest network of prized infrastructure assets across the country
- ✓ Acquired a leading position in the attractive hazardous and medical waste sector with recent acquisition of Toxfree
- ✓ Creating significant value for shareholders through the synergies of combining the Cleanaway and Toxfree business.
- ✓ Strong cash conversion and increasing free cashflow
- ✓ Delivering organic growth and focused margin improvement across our operating segments
- ✓ Systematic implementation of our Footprint 2025 strategy



Sustained earnings growth



Driving increased cash flows and shareholders returns



Toxfree acquisition will deliver benefits

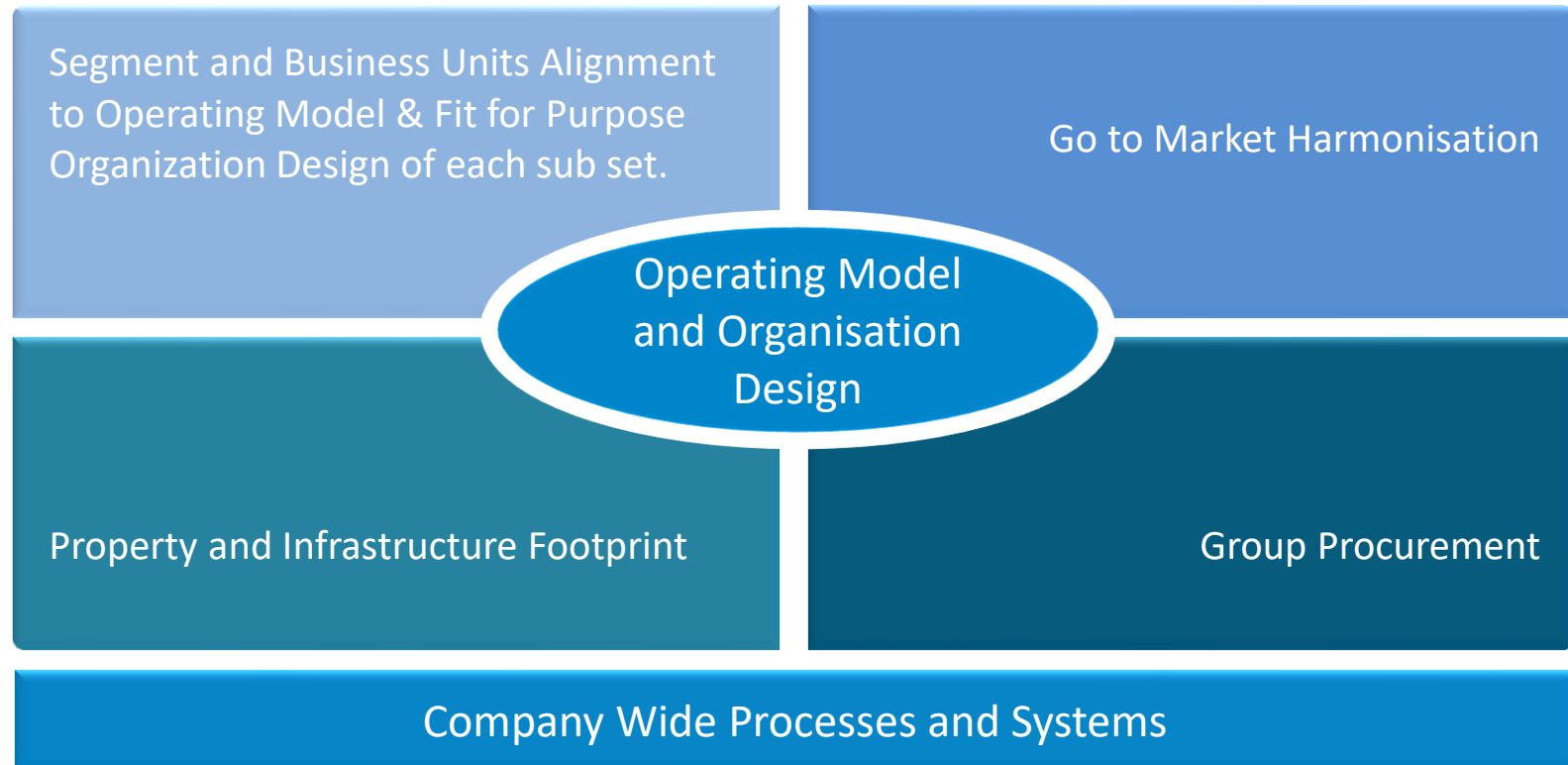
Toxfree is a strategically compelling acquisition

- ❖ Toxfree is an acquisition which is in country, in sector and in our operating space
- ❖ Affirms Cleanaway's leadership in each of our operating segments by enhancing our existing capabilities
- ❖ Accelerates the implementation of our Footprint 2025 strategy
- ❖ Avoids significant capital spend in our Liquids & Industrial Services segment
- ❖ Integration will take two years and will deliver \$35 million in synergies
- ❖ The acquisition is EPS accretive, Free Cash Flow accretive and meets Return on Invested Capital criteria

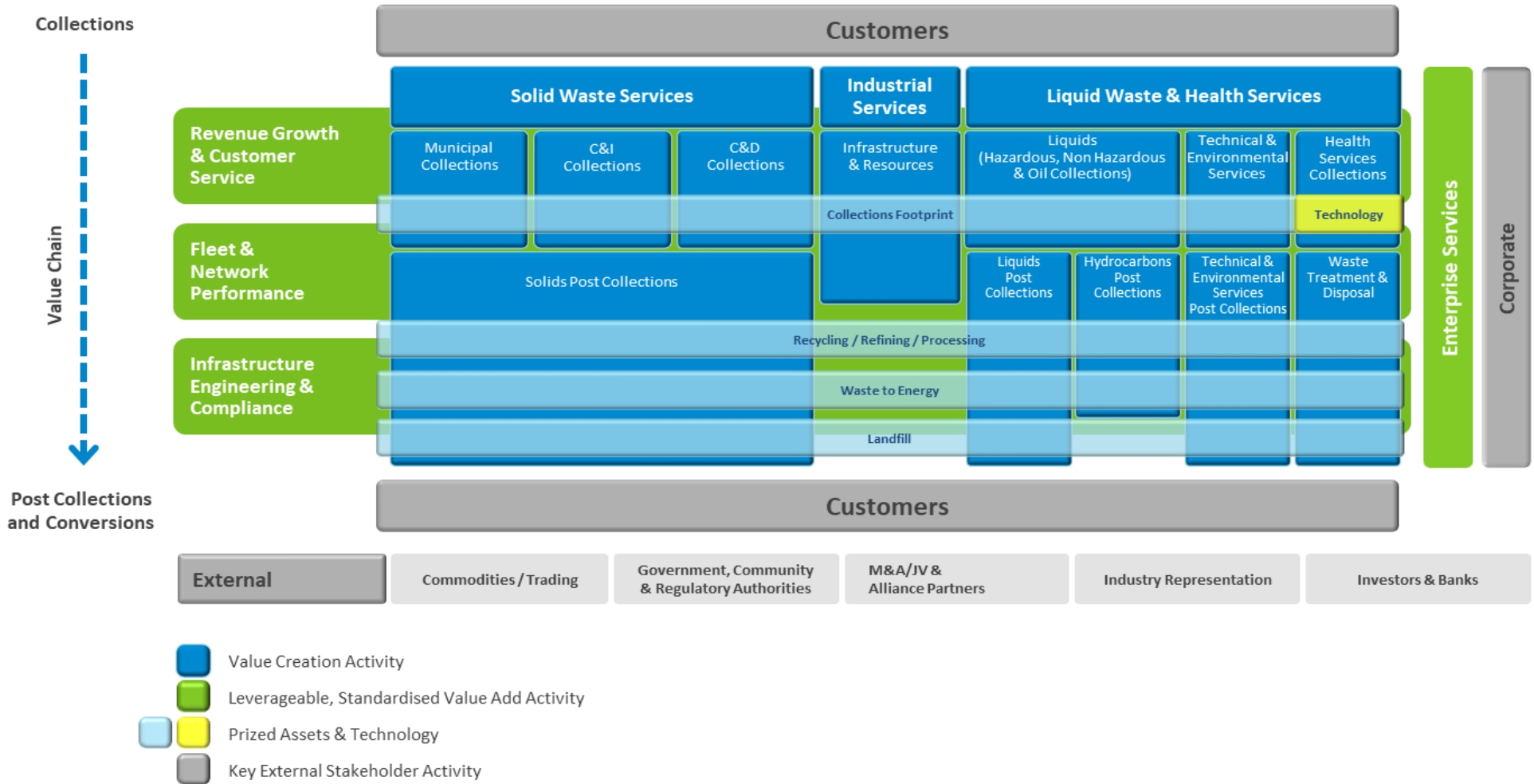
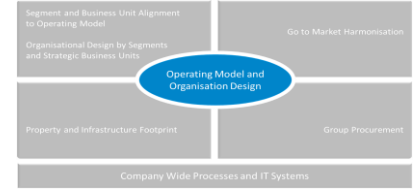


Toxfree Integration is on track

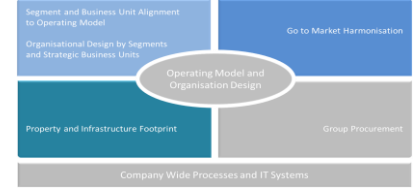
To achieve the \$35 million in synergies over the next two years the integration will be managed through six major categories



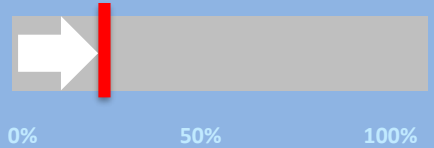
The Cleanaway operating model sets the foundation for all integration activities



Toxfree integration (continued.....)

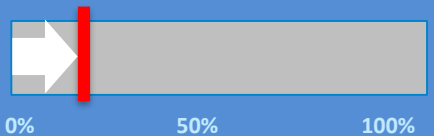


Segment and business unit alignment to operating model



- ❖ Aligning strategic business units to waste streams, service offers and assets for example Liquids and Technical & Environment Services
- ❖ Aligned Industrial Services to the markets - Infrastructure and Resources

Go to market harmonisation



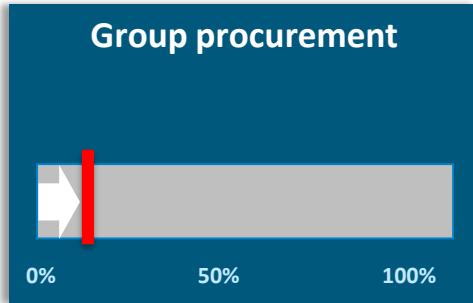
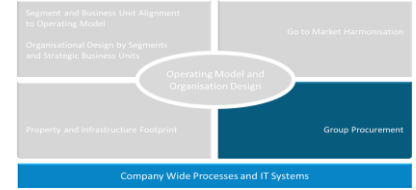
- ❖ Health Services to offer competitive total waste management solutions to health sector
- ❖ Internalisation of waste and services across the enterprise

Property and infrastructure footprint

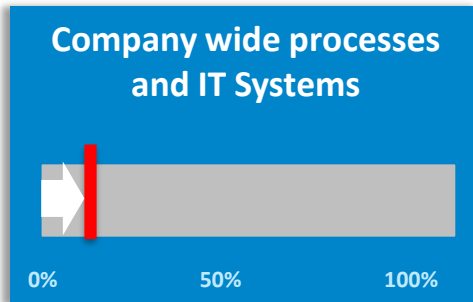


- ❖ Reviewing sites for both Cleanaway and Toxfree for possible consolidation where applicable
- ❖ Infrastructure prized assets to be extended and retained or moved for better ownership.

Toxfree integration (continued.....)

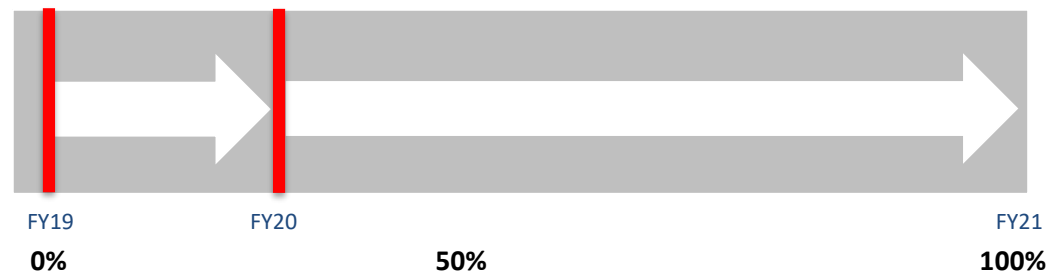


- ❖ Key spend categories identified
- ❖ Two major areas of focus:
 - Utilise improved purchasing power across entire group
 - Mobilise targeted campaigns to negotiate improved pricing

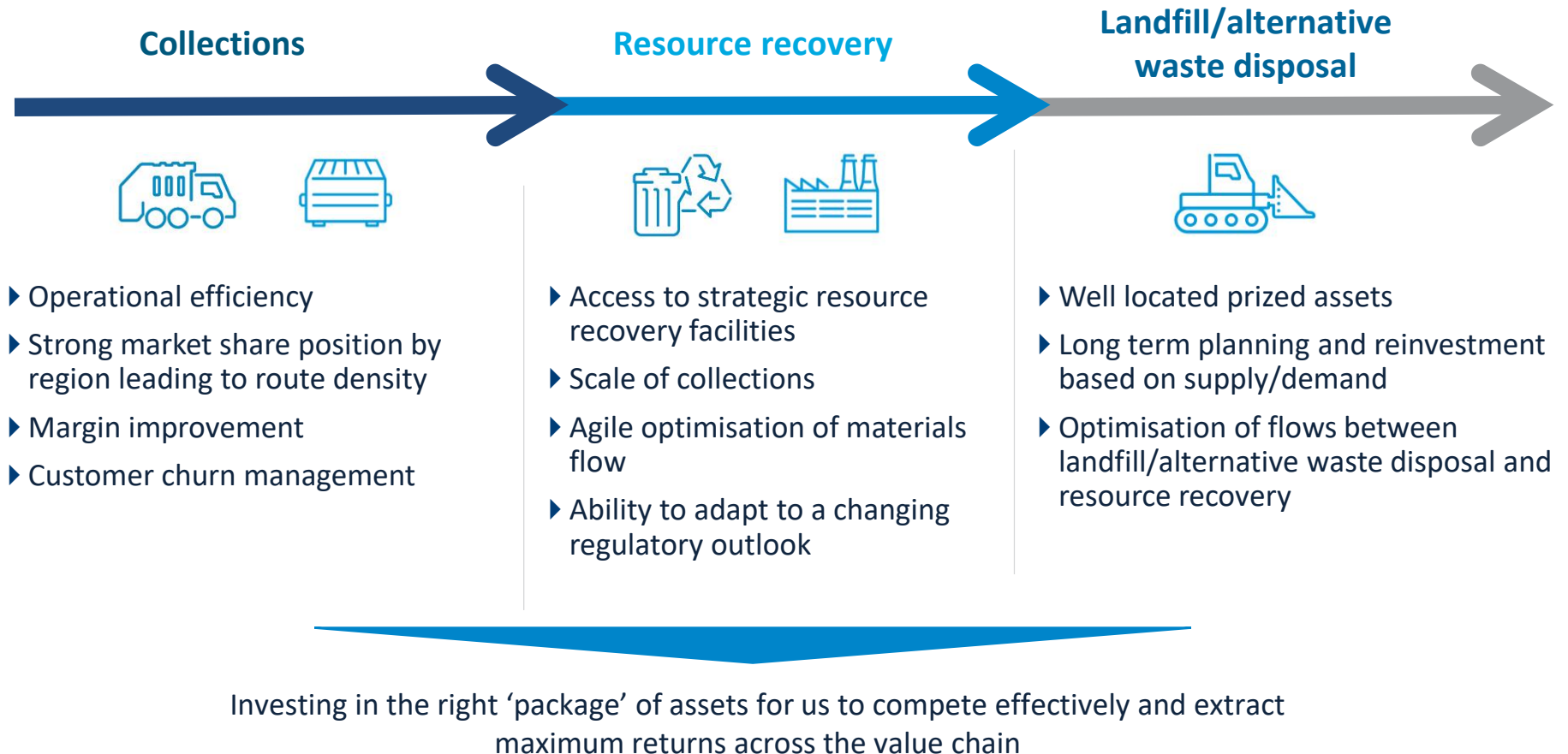


- ❖ Stabilised and connected IT and telephony systems
- ❖ Developing program to rationalise infrastructure and applications across combined business
- ❖ Aligning key systems and processes to Operating Model
- ❖ Preparing organisation for future digitisation

\$35 million synergy reconfirmed

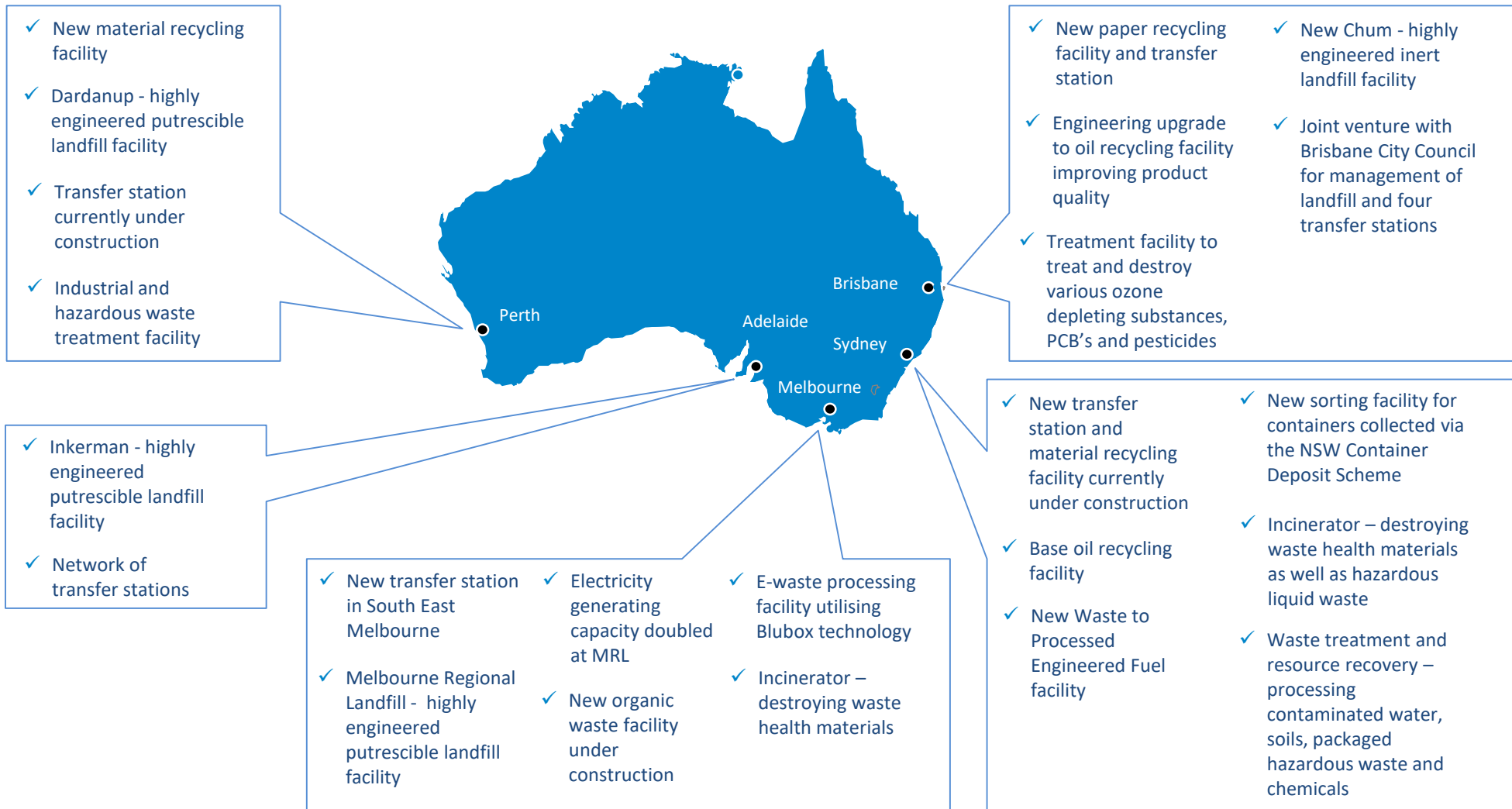


Cleanaway Footprint 2025 continues – Optimizing Waste Value Chain



Cleanaway Footprint 2025

Some of our prized infrastructure assets

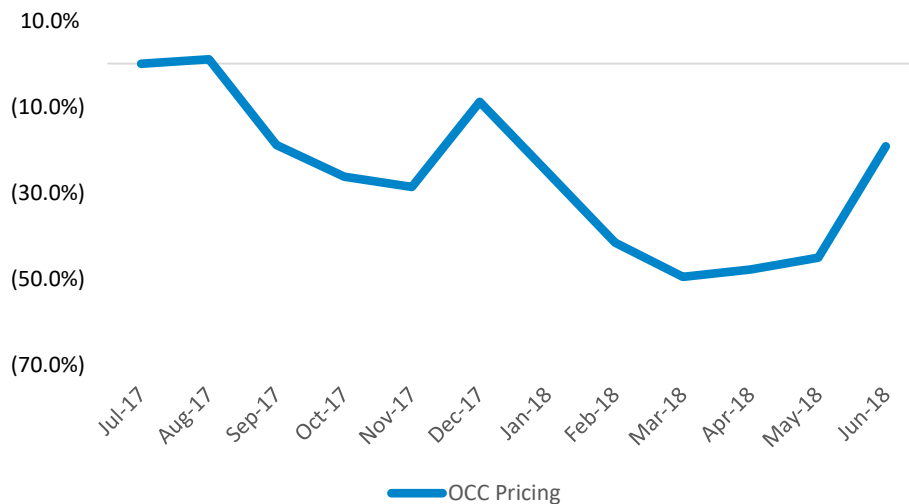


National Sword Policy and Recycling

- ❖ Change to China National Sword policy reshaped global markets for recycled commodities
- ❖ With less exposure to lower quality residential recyclables our pricing has recently improved on a majority of volumes
- ❖ The outlook for recycled plastic exports is under watch as more Asian countries have restricted imports
- ❖ Government support packages have eased some council issues and should stimulate investment in domestic recycling
- ❖ Changing government attitudes across Asia drive the need for investment in more domestic recycling solutions
- ❖ We continue to work with customers to improve the quality of recyclables collected to maintain diversion levels

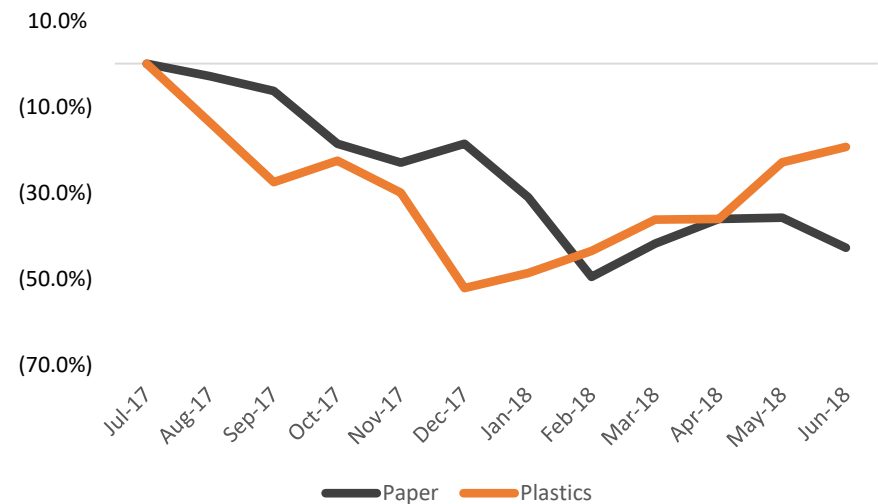
Average Cardboard Pricing FY18

Indexed to 30 June 2017



Average Paper and Plastics Pricing FY18

Indexed to 30 June 2017



Questions

