19 February 2020

Company Announcements Office
ASX Limited
Exchange Office
Level 4, 20 Bridge Street
Sydney NSW 2000

Dear Sirs/Madam,

FY20 HALF-YEAR FINANCIAL RESULTS
MEDIA RELEASE AND INVESTOR PRESENTATION

Please find attached the following documents in relation to the Company's FY20 half-year results:

1. Media Release; and
2. Investor Presentation.

The above documents have been authorised for release by the Board.

Yours sincerely

Dan Last
Company Secretary

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ASX & Media Release

19 February 2020

CLEANAWAY
Making a sustainable future possible

FY20 HALF-YEAR RESULTS
Organic Growth and Margin Expansion
Underlying EPS up 15.2%, Interim Dividend up 21% to 2.0c Fully Franked

- **Underlying NPAT (pre AASB16[1]) at $76.2m was up 13.7%**
- **Underlying EBIT (pre AASB16[1]) at $125.2m up 6.8% and margin expansion by 70bps to 11.7%**
- **Underlying EBITDA (pre AASB16[1]) at $234.6m up 2.5% and margin expansion by 40bps to 21.9%**
- **Net revenue up 0.5% with organic growth offsetting the impact of lower commodities revenue and the introduction of Queensland landfill levies**
- **Footprint 2025 Progress: Integration of Toxfree on track; completed SKM acquisition and integration commenced; Plastic Pelletizing MOU confirmed; announced EfW project in Sydney**
- **FY20 underlying EBITDA guidance post AASB16 of ~$515m to $525m**

Cleanaway Waste Management Limited ("Cleanaway") ASX:CWY today announced its financial results for the six months ended 31 December 2019, summarised below.

	Underlying (pre AASB16)		Statutory	
	1H20	vs 1H19	1H20	vs 1H19
Gross revenue ($m)	1,197.2	+4.1%	1,197.2	+4.1%
Net revenue ($m)	1,070.0	+0.5%	1,070.0	+0.5%
EBITDA ($m)	234.6	+2.5%	236.4	+7.1%
EBIT ($m)	125.2	+6.8%	87.4	-19.9%
Net profit after tax ($m)	76.2	+13.7%	45.3	-25.5%
Earnings per share (cents)	3.8	+15.2%	2.3	-23.3%
NPATA[2] ($m)	81.4	+12.3%	50.5	-23.8%

	1H20 (pre AASB16)	vs 1H19
Interim dividend declared (cents)	2.00	+21.2%
Cash flow from operating activities ($m)	140.1	-20.2%
Free cash flow ($m)	83.2	-25.8%
Net Debt to EBITDA (times)	1.6	+0.1

Underlying adjustments totalled $28.9 million after tax, comprising costs related to acquisitions, the integration of Toxfree, the write-off of the Perth Material Recycling Facility (MRF) and other costs associated with the MRF fire. An additional insurance recovery from the MRF fire of ~$14m is expected in 2H20.

Note 1: The term "pre AASB16" describes financial results that exclude the impact of the new accounting standard to better enable comparison with prior periods.
Note 2: Excludes tax effected amortisation of acquired customer contracts and licences.

Management Commentary

Chief Executive Officer and Managing Director of Cleanaway, Vik Bansal, said: *"I am pleased to report results that once again reflect the resilience of Cleanaway.*

"At the outset I reiterate that the safety of everyone at Cleanaway has, and always will be, our number one priority. We have improved our safety performance over the last five years, but there remains more we can do. The alignment of culture and behaviours needed to ensure our target of Goal Zero remains a priority.

"Our financial results highlight the portfolio nature of our total waste services offering. Our underlying profit increased despite the lower commodity prices for the half and the introduction of the Queensland waste levy which reduced volumes into our Queensland landfill. The actions we have taken to reduce rebates on commodities and to increase our Queensland resource recovery efforts have mitigated the adverse impacts on our bottom line.

"The strategies that we have implemented in our businesses over the past four years and the performance culture that we have developed have enabled the successful integration of Toxfree. We are now applying that same playbook to former SKM assets that we acquired in the half.

"We are nearing the final stages of the Toxfree integration process and remain on track to deliver $35 million of synergies expected from the acquisition.

"Our mission is 'making a sustainable future possible' and as part of this we continue to work towards developing the necessary prized infrastructure assets as part of our Footprint 2025 Strategy to ensure the re-use of more of society's commodities.

During the half we completed the acquisition of the SKM recycling assets and the acquisition of a small solid waste collections business in western Victoria. We also finalised a Memorandum of Understanding to build a plastic pelletizing plant and announced plans to develop an energy from waste facility in Western Sydney.

"Our enhanced materials sorting capability is another step forward in our journey to develop commodities for reuse in a circular economy. Ultimately this will only be possible when the economic framework supports investment in downstream commodity manufacture. Demand for recycled materials must be created and underpinned by robust and consistent government policies and community support."

Dividend

An interim dividend of 2.0 cents per share (pcp: 1.65 cents per share) has been declared, representing an increase of 21.2% on the interim dividend paid last year. The dividend will be fully franked and paid on 3 April 2020 to shareholders on the register as at 4 March 2020.

The Dividend Reinvestment Plan (DRP) will be in operation for this dividend. Shareholders residing in Australia or New Zealand may elect to participate in the DRP. The DRP election date is 5 March 2020. 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 6 to 12 March 2020. No discount will be applied to shares issued under the DRP.

Underlying Segment Performance

Solid Waste Services

Solids Waste Services reported increased net revenue and earnings.

Compared to 1H19, net revenue increased 2.4% to $698.8 million. Excluding commodities, 1H20 net revenue increased 5.4% on 1H19.

EBITDA (pre AASB16) increased 0.5% to $176.6 million ($193.0 million post AASB16) and EBIT (pre AASB16) was up 0.7% to $102.8 million ($104.4 million post AASB16).

EBITDA margins (pre AASB16) decreased 40 basis points to 25.3% (27.6% post AASB16).

The result was impacted by lower commodity prices, partially offset by reduced rebates to customers. The introduction of a landfill levy in Queensland on 1 July 2019 resulted in reduced landfill volumes in Queensland which were partially offset by higher collections and resource recovery volumes. We remained disciplined about our gate fees at the Queensland Landfill to ensure we did not give up valuable air space for poor quality volume.

The acquisition of the SKM assets was completed during the period. Upgrading of the plant has commenced to enable Cleanaway to produce higher quality commodities that will ultimately be reused in new products as we move further towards a circular economy.

The clean-up of the Perth Material Recycling Facility is well advanced and we are working with our customers to develop alternative solutions. Our intention is to rebuild the facility to ensure delivery of a high quality recycling service in the Perth market.

During the period Cleanaway successfully tendered for both the City of Casey (Melbourne's largest municipality) and the South Australian Council Solutions contracts. Both of these contracts commence on 1 July 2020.

Industrial & Waste Services

Industrial & Waste Services reported lower net revenue and earnings.

Compared to 1H19, net revenue decreased 6.4% to $165.7 million as the business reduced its exposure to lower margin less specialised services.

EBITDA (pre AASB16) decreased 1.7% to $22.8 million ($23.1 million post AASB16), however, EBIT (pre AASB16) increased 3.8% to $10.9 million ($10.8 million post AASB16) as equipment was rationalised to concentrate on the higher margin specialist sector of the market.

EBITDA margins (pre AASB16) increased 70 basis points to 13.8% (13.9% post AASB16).

Margin growth was delivered due to the refocus in the market, accelerating the final phase of Toxfree integration and improved performance in the parts of the segment exposed to the resource sector.

Liquid Waste & Health Services

Liquid Waste & Health Services reported increased net revenue and earnings.

Compared to 1H19, net revenue increased 3.0% to $258.6 million. EBITDA (pre AASB16) increased 15.0% to $49.1 million ($52.8 million post AASB16) and EBIT (pre AASB16) increased 21.7% to $32.0 million ($32.5 million post AASB16).

EBITDA margins (pre AASB16) increased 200 basis points to 19.0% (20.4% post AASB16).

Hydrocarbons performed strongly on the back of improved volume and production efficiencies following recent plant upgrades.

Health Services continues to grow with the re-signing of some of its major customers for a further 3-5 years. This business remains on track to deliver on our strategic expectations.

Hazardous and non-hazardous liquids have started showing improvement following the implementation of the final phase of integration of Toxfree and the amalgamation of the two businesses that had both operated in this segment.

Packaged waste services continue to grow both revenue and earnings as new hazardous waste streams are identified by the market.

FY20 Outlook

We expect to deliver earnings growth in 2H20 over 1H20 and 2H19.

We are targeting underlying EBITDA post AASB16 of ~$515 million to $525 million for the FY20 financial year (includes ~$43 to $45 million positive impact from AASB16).

Investor Briefing

The Company will be holding a tele-conference briefing on the results at **9.30am** (AEDT) today.

Presenters:	CEO and Managing Director – Mr Vik Bansal	
	CFO – Mr Brendan Gill	
Tele-conference:	Australia:	1800 870 643
	International:	+61 2 9007 3187
Quote Conference Code:	**10003709**	

Investor Relations

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CLEANAWAY

Making a sustainable future possible

FY20 Half Year Results

For the six months ended 31 December 2019

Vik Bansal – CEO and Managing Director
Brendan Gill – CFO

19 February 2020

ASX: CWY

Disclaimer

- **Forward looking statements** – This presentation contains certain forward-looking statements, including with respect to the financial condition, results of operations and businesses of Cleanaway Waste Management Limited (“CWY”) and certain plans and objectives of the management of CWY. Forward-looking statements can generally be identified by the use of words including but not limited to ‘project’, ‘foresee’, ‘plan’, ‘guidance’, ‘expect’, ‘aim’, ‘intend’, ‘anticipate’, ‘believe’, ‘estimate’, ‘may’, ‘should’, ‘will’ or similar expressions. All such forward-looking statements involve known and unknown risks, significant uncertainties, assumptions, contingencies and other factors, many of which are outside the control of CWY, which may cause the actual results or performance of CWY to be materially different from any future results or performance expressed or implied by such forward-looking statements. Such forward-looking statements apply only as of the date of this presentation.
- Factors that could cause actual results or performance to differ materially include without limitation the following: risks and uncertainties associated with the Australian and global economic environment and capital market conditions, cyclical nature of various industries, the level of activity in Australian construction, manufacturing, mining, agricultural and automotive industries, commodity price fluctuations, fluctuation in foreign currency exchange and interest rates, competition, CWY’s relationships with, and the financial condition of, its suppliers and customers, legislative changes, regulatory changes or other changes in the laws which affect CWY’s business, including environmental and taxation laws, and operational risks. The foregoing list of important factors and risks is not exhaustive.
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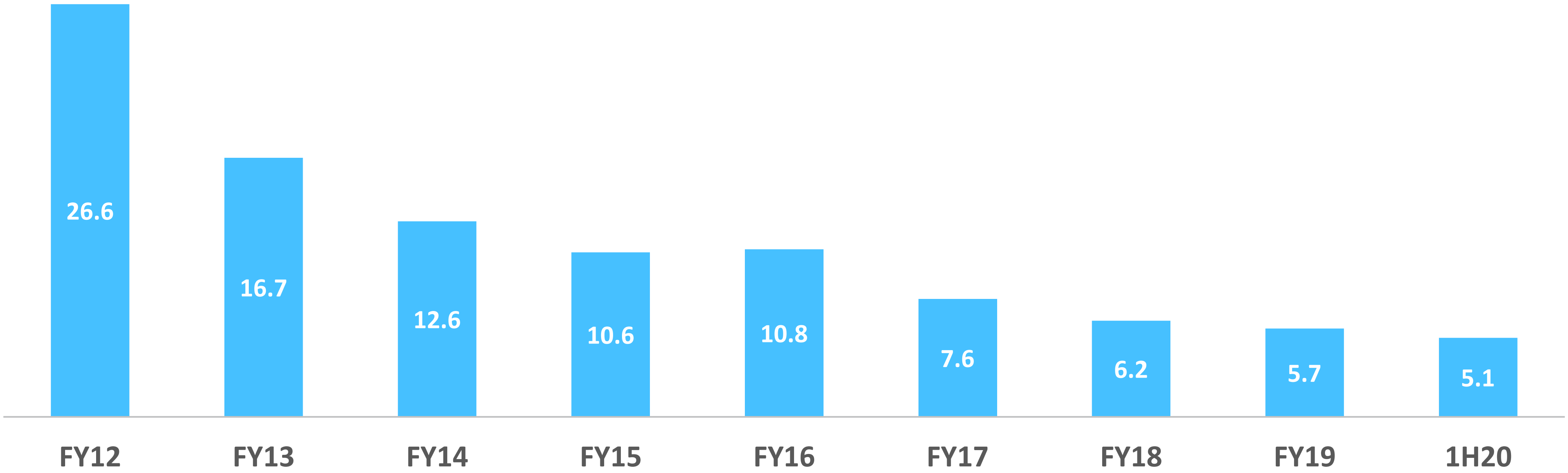
- **Results information** – This presentation contains summary information that should be read in conjunction with CWY's Consolidated Financial Report for the six months ended 31 December 2019.
- All amounts are in Australian dollars unless otherwise stated. A number of figures in the tables and charts in the presentation pages have been rounded to one decimal place. Percentages (%) have been calculated on actual whole figures.
- Unless otherwise stated, all earnings measures in this presentation relate to underlying earnings.
- Underlying earnings are categorised as non-IFRS financial information and therefore have been presented in compliance with ASIC Regulatory Guide 230 – Disclosing non-IFRS information, issued in December 2011. Refer to CWY’s Directors’ Report for the definition of “Underlying earnings”. The term EBITDA represents earnings before interest, income tax, and depreciation, amortisation and impairments and the term EBIT represents earnings before interest and income tax expense.
- This presentation has not been subject to review or audit.

Agenda

Safety and Environmental – Our Objective is Goal Zero

Total Recordable Injury Frequency Rate[1]



Total recordable injury frequency rate has again improved on last year. Safety initiatives being further deployed across the Company

Safety performance remains a key performance measure for all executive STI's starting from CEO down to site management

Environmental compliance remains a key focus area for management, particularly newly acquired sites

Note 1: Comparative periods have been adjusted to exclude divested businesses and includes contractors from FY16.

1HFY20 Highlights

FINANCIAL:

- Interim Dividend up 21.2% to 2.0c fully franked at 30%
- Underlying NPAT up 13.7% (pre AASB16) and EPS up 15.2% (pre AASB16) on 1H19
- Underlying EBIT up 6.8% (pre AASB16) and EBIT margin improved by 70bps to 11.7%
- Underlying EBITDA up 2.5% (pre AASB16) to $234.6m ($256.4m post AASB16) – cost initiatives, operating leverage and Toxfree synergy benefits driving an improvement in EBITDA margin of 40bps to 21.9%
- Net Revenue up 0.5% on 1H19 and 2.4% on 2H19 to $1.07 billion
- Net Revenue, Ex commodities, grew by 2.3% on 1H19 and 5.2% on 2H19
- Compared to 1H19, Operating cash flow declined 20.2% to $140.1m (pre AASB16), primarily due to:
  - Prior Period included once off tax benefit of $25m(1)
  - Higher FY20 remediation costs as planned and as we enter the final phase of legacy spending
  - One off Toxfree integration costs as we work towards integration completion by June 2020

STRATEGIC:

- Toxfree Integration and realisation of $35m synergy benefit on track
- Completed acquisition of SKM assets during this half and integration/turnaround has commenced
- Announced EfW project in Western Sydney consistent with Footprint 2025 strategy
- Issued US$270m USPP notes which increases average debt maturity from 3.4 years to 5.8 years. Weighted average margin of 1.61% above BBSW

OUTLOOK:

- FY20 Guidance: we are targeting Underlying EBITDA post AASB16 of ~$515m to $525m for the full year (includes ~$43m to $45m positive impact from AASB16)

Note 1: A one off $25 million tax refund was received in August 2018 from the FY13 to FY17 amended tax returns relating to depreciation deductions in respect to previous landfill acquisitions.

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Group Performance Overview

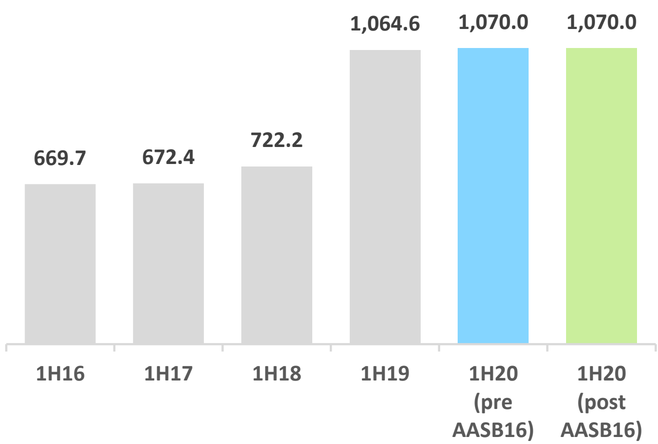
$ million	Underlying Results 1H19	Underlying Results 1H20 (Pre AASB16)	Growth (Pre AASB16)	1H20 (Post AASB16)	Statutory Results 1H19	Statutory Results 1H20	Growth
Gross Revenue	1,149.7	**1,197.2**	4.1%	1,197.2	1,149.7	**1,197.2**	4.1%
Net Revenue	1,064.6	**1,070.0**	0.5%	1,070.0	1,064.6	**1,070.0**	0.5%
EBITDA	228.9	**234.6**	2.5%	256.4	220.8	**236.4**	7.1%
EBITDA Margin	*21.5%*	***21.9%***	*40 bps*	*24.0%*	*20.7%*	***22.1%***	*140 bps*
EBIT	117.2	**125.2**	6.8%	127.2	109.1	**87.4**	(19.9)%
EBIT Margin	*11.0%*	***11.7%***	*70 bps*	*11.9%*	*10.2%*	***8.2%***	*(200) bps*
NPAT	67.0	**76.2**	13.7%	74.2	60.8	**45.3**	(25.5)%
Earnings Per Share	3.3	**3.8**	15.2%	3.7	3.0	**2.3**	(23.3)%
NPATA[1]	72.5	**81.4**	12.3%	79.4	66.3	**50.5**	(23.8)%

	1H19	1H20 (Pre AASB16)	Change	1H20 (Post AASB16)
Interim dividend per share (cents)	1.65	**2.00**	21.2%	2.00
Cash from operating activities ($m)	175.6	**140.1**	(20.2)%	157.1
Free cash flow ($m)	112.1	**83.2**	(25.8)%	105.0
Cash conversion ratio	95.9%	**97.4%**	150 bps	97.6%
Net Debt to EBITDA	1.51x	**1.62x**	+0.11x	

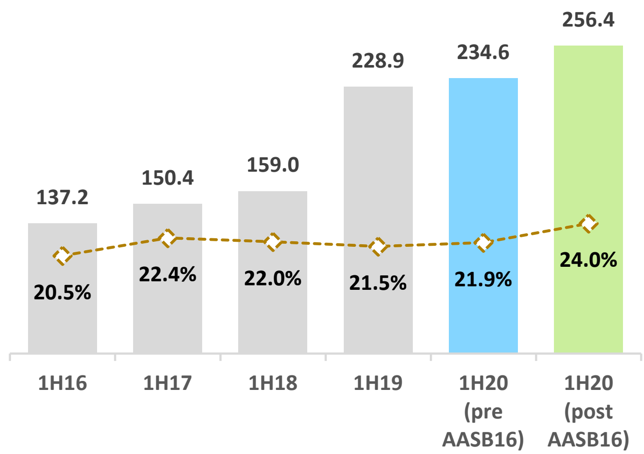
Note 1: Excludes tax effected amortisation of acquired customer and license intangibles.

Sustained Earnings Growth Continues

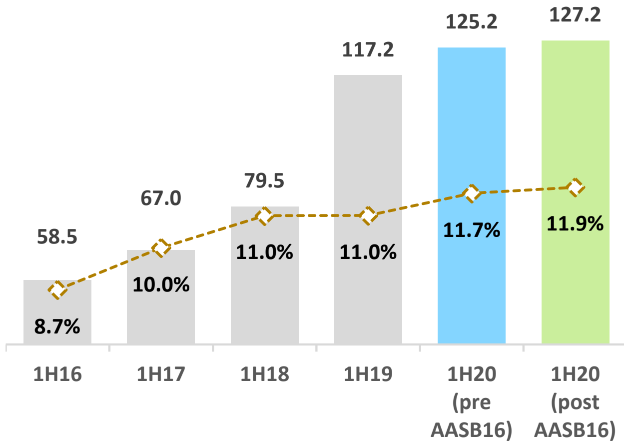
Net Revenue ($million)



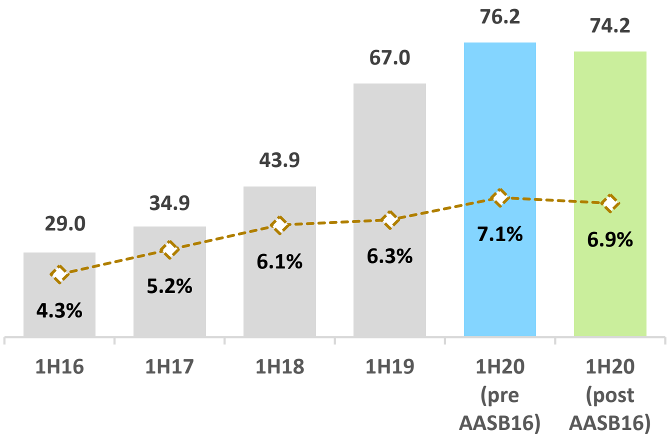
EBITDA ($million) and EBITDA margin (%)



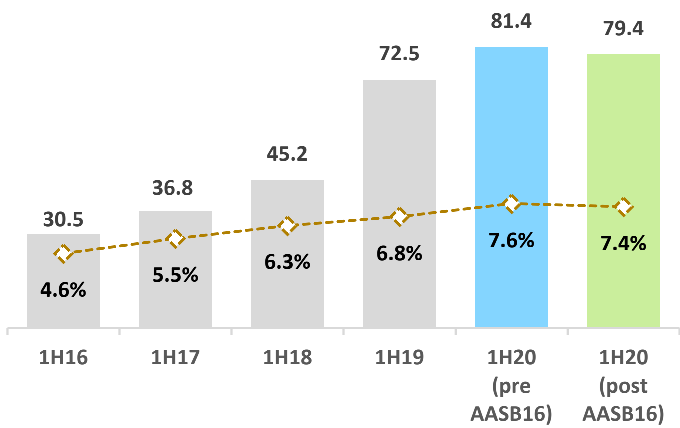
EBIT ($million) and EBIT margin (%)



NPAT ($million) and NPAT margin (%)

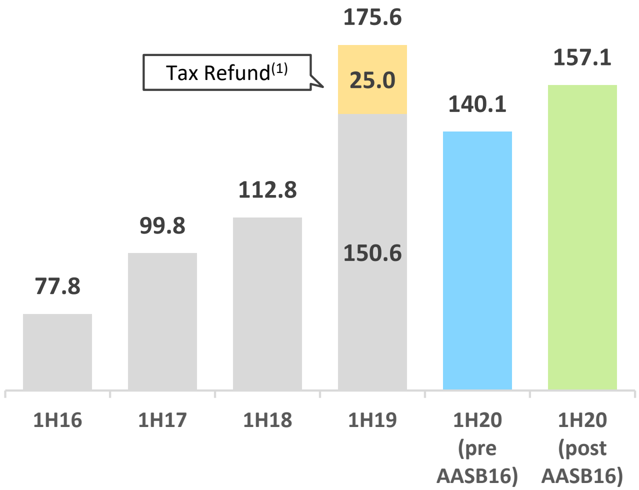


NPATA ($million) and NPATA margin (%)

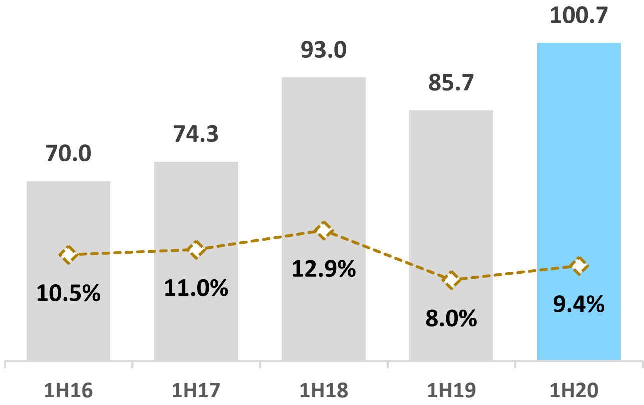


Cash Flows and Shareholder Returns

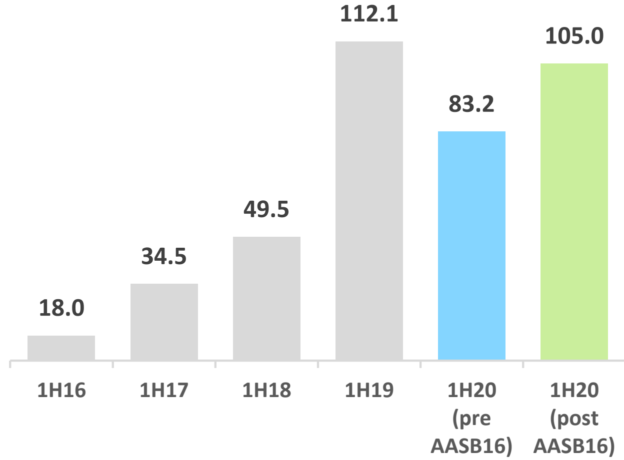
Operating Cash Flow ($m)



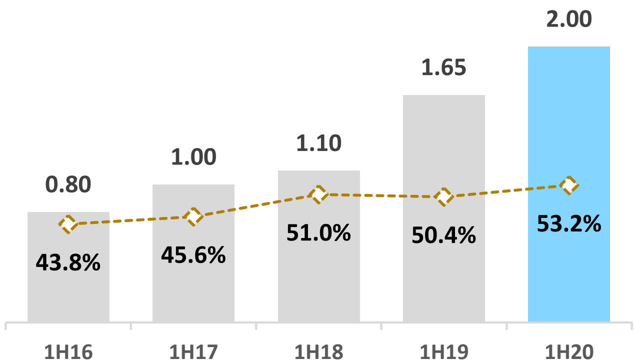
Cash Capex ($m) and % of Net Revenue



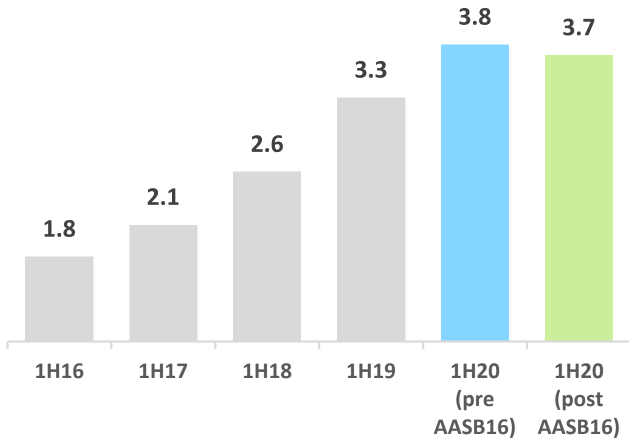
Free Cash Flow ($m)



Dividend (cents) & Payout Ratio (%)



Earnings per share (cents)



Note 1: A one off $25 million tax refund was received in August 2018 from the FY13 to FY17 amended tax returns relating to depreciation deductions in respect to previous landfill acquisitions.

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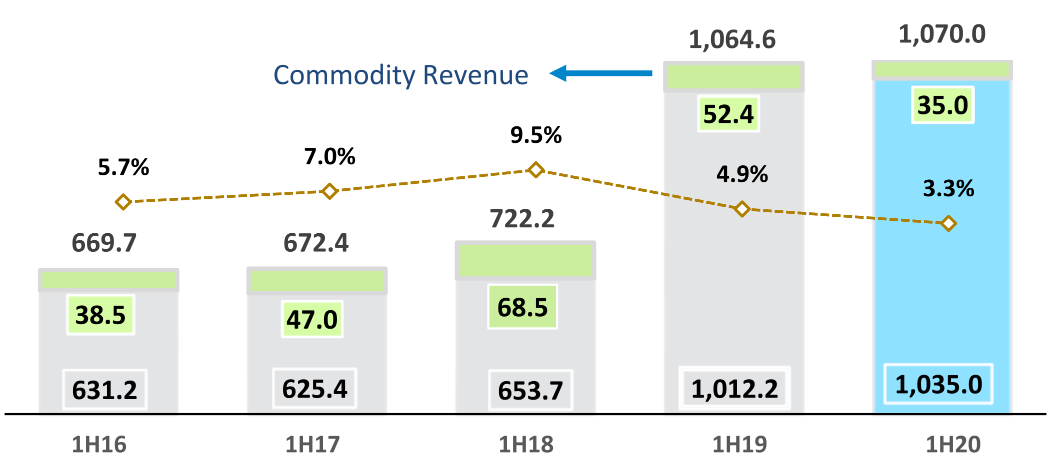
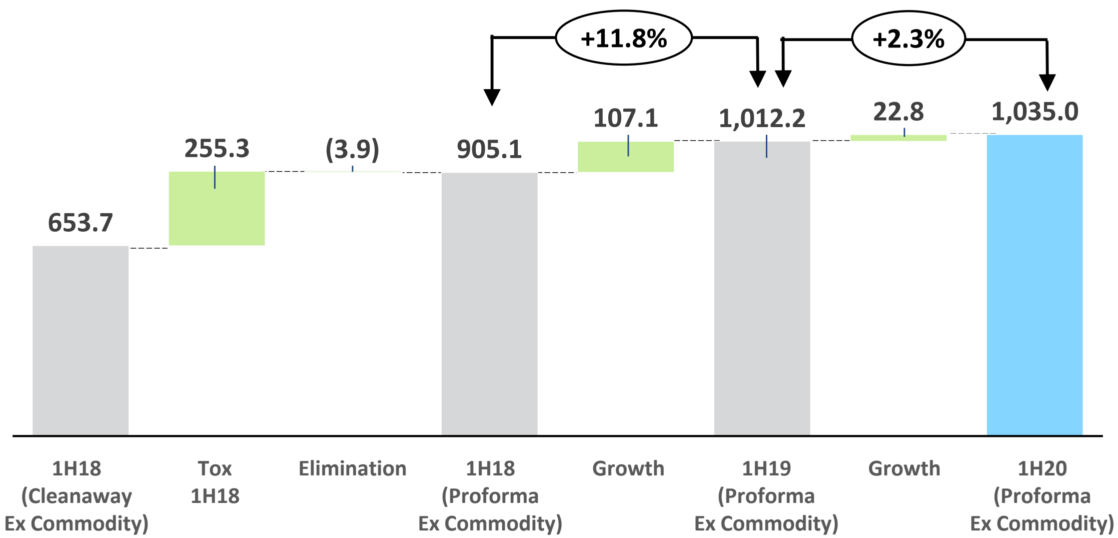
Commodities Revenue Declining as Percentage of Group Net Revenue

Commodity Revenue [(1)] and Commodity as % of Net Revenue





- Revenue from the sale of commodities has declined as a percentage of net revenue. Declining contributor to the business.
- In 1H20 it was $35m and represented only 3.3% of 1H20 net revenue.
- Declining commodity prices mitigated by reduced customer rebates and increased collection charges.
- Significant progress to reduce rebates in line with commodity prices – single biggest mitigant to bottom line impact of reduction in commodities revenue.
- Prices are increasing in the market for processing of Municipal and C&I commingled recycled material while customer expectations for sustainability grows.
- Organic growth, ex commodities in 1H20 over 1H19 of 2.3% across the group in a flat market.
- 1H18 to 1H19 top line organic growth was 9.3%. Excluding commodities, top line organic growth for the same period was 11.8%.

Note 1: Commodities revenue includes OCC (cardboard), mixed paper, plastics, glass, and metals.

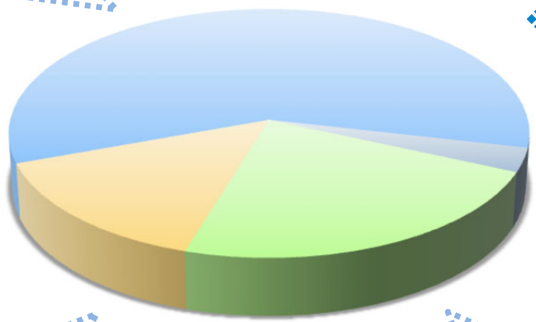
Revenue Streams with Defensive Characteristics

Solid Waste Services 59%

Serves 100,000+ Commercial and Industrial businesses and 100+ municipal councils with a fleet of 3,000+ vehicles and a team of ~3,100 employees operating from 150+ sites including 50+ licensed prized infrastructure assets.

- Municipal contract duration typically 7-10 years
- Commercial & Industrial contract duration typically 3+ years
- Contracts for volume into Resource Recovery & Post Collections may be separate to above and could typically be 1-3 years

1H20 Segment Net Revenue



- **Cleanaway's revenue base is largely underpinned by long term contracts with a geographically diverse customer base of municipal councils, hospitals, infrastructure, resources, commercial and industrial customers**
- **Multi-year contracts provide steady volumes, recurring revenues and include appropriate price adjustment mechanisms**

Commodities 3%

Includes basket of OCC, (cardboard), mixed paper, plastics, glass and metal

Industrial Waste and Services 15%

Serves 2,000+ customers leveraging specialized equipment, a team of ~1,100 employees, 5+ prized infrastructure assets and a fleet of 1,000+ vehicles. Customers include 30+ municipal councils, 15+ major resource contracts and 30+ civil contractors.

- Infrastructure contract duration typically 0.5-2 years
- Resource contract duration typically 3-5 years

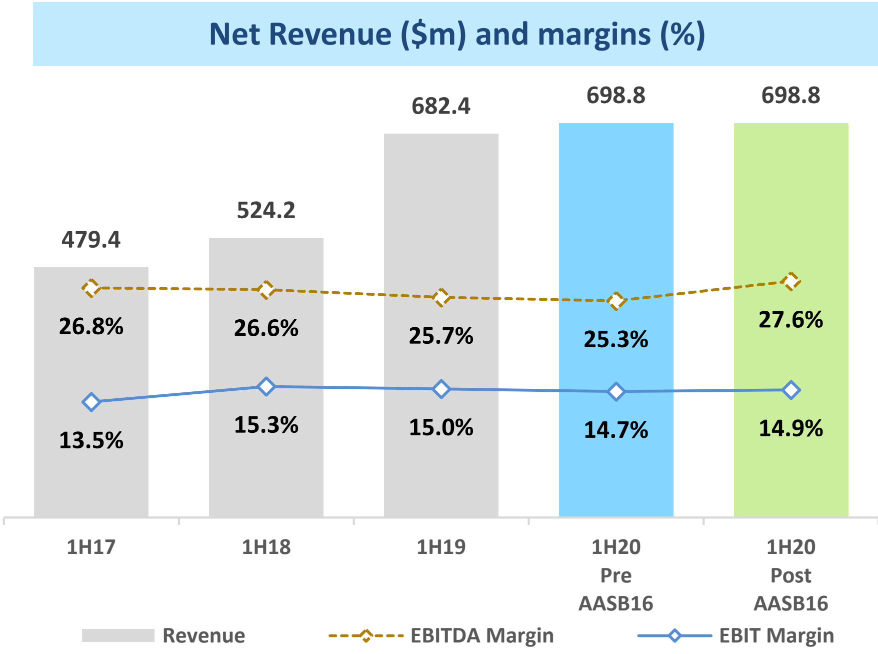
Liquid Waste and Health Services 23%

Serves 45,000+ customers, including ~10,000 medical waste customers (hospital and medical centres), with a specialized fleet of 850+ vehicles and ~1,100 employees operating from 90+ sites including 60+ licensed prized infrastructure assets.

- Liquids & Hydrocarbons contract duration typically 1-3 years
- Health Services related contract duration 3-5 years

Solid Waste Services Performance

$million	1H19	1H20[2] (Pre AASB16)	change 1H19 v 1H20	1H20[2] (Post AASB16)
Net revenue[1]	682.4	**698.8**	**2.4%**	**698.8**
EBITDA	175.7	**176.6**	**0.5%**	**193.0**
EBITDA Margin	*25.7%*	***25.3%***	***(40) bps***	***27.6%***
EBIT	102.1	**102.8**	**0.7%**	**104.4**
EBIT Margin	*15.0%*	***14.7%***	***(30) bps***	***14.9%***

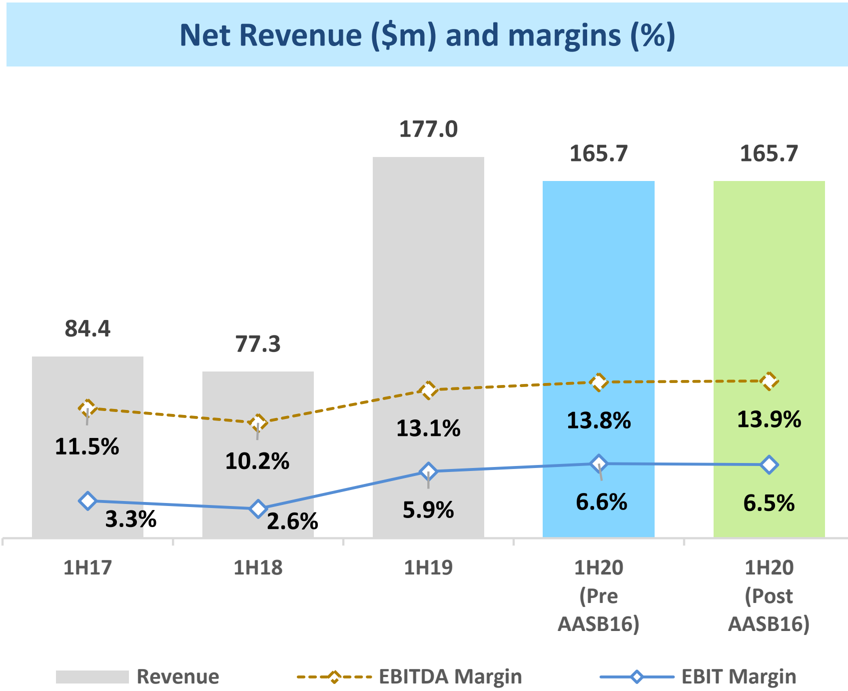


- Net revenue organic growth of ~5.4% (excluding commodities) in 1H20 over 1H19. This organic growth includes the negative impact on Solids post collections from Qld Landfill levy introduction.
- EBITDA growth (pre AASB16) of 0.5% despite negative EBITDA impact from commodities and Qld post collections.
- Average Gate rate at New Chum Landfill in Qld (ex Levies) remains in line with average of last 18 months.
- The integration of the SKM recycling assets will continue to ramp up during the second half. Full contribution in FY21.
- WA Regional CDS scheme to commence in mid 2020.
- SA Council Solutions and City of Casey municipal contracts commence in mid 2020.

Note 1: Net revenue excludes landfill levies collected.
Note 2: Financial results are presented on an underlying basis. Underlying is a non IFRS measure that excludes non-recurring items. Refer appendix for reconciliation of reported to underlying earnings.

Industrial & Waste Services Performance

$million	1H19	1H20[1] (Pre AASB16)	change 1H19 v 1H20	1H20[1] (Post AASB16)
Net revenue	177.0	**165.7**	**(6.4)%**	**165.7**
EBITDA	23.2	**22.8**	**(1.7)%**	**23.1**
EBITDA Margin	*13.1%*	***13.8%***	***70bps***	***13.9%***
EBIT	10.5	**10.9**	**3.8%**	**10.8**
EBIT Margin	*5.9%*	***6.6%***	***70bps***	***6.5%***



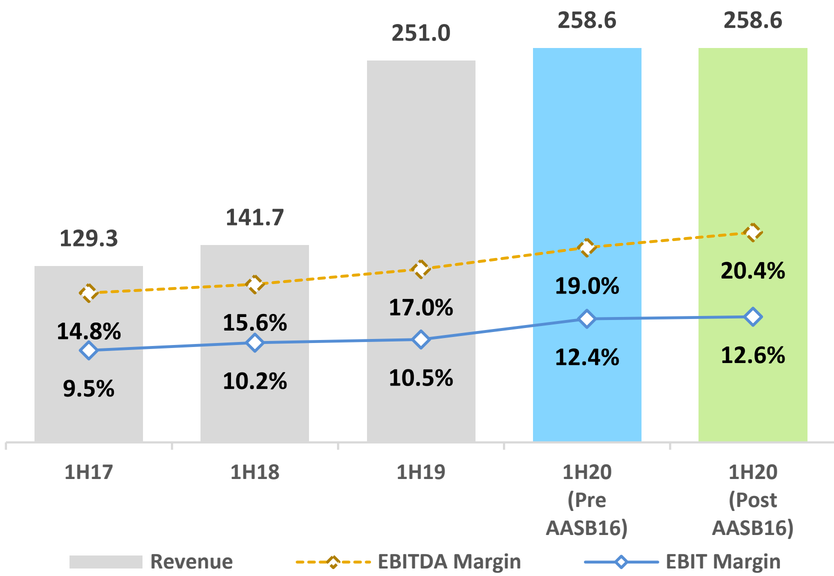
- Net revenue flat compared to 2H19 and lower than 1H19 driven by reduction in lower margin services and an increased focus on more specialist services.
- Work in progress to continue to improve this segment through increased labour and asset utilisation which will deliver higher margin revenue.
- EBITDA margin continues to increase following the improving performance in the resources exposed part of this segment and realisation of synergies from significant integration related activities.

Note 1: Financial results are presented on an underlying basis. Underlying is a non IFRS measure that excludes non-recurring items. Refer appendix for reconciliation of reported to underlying earnings.

Liquid Waste & Health Services Performance

$million	1H19	1H20[1] (Pre AASB16)	change 1H19 v 1H20	1H20[1] (Post AASB16)
Net revenue	251.0	**258.6**	**3.0%**	**258.6**
EBITDA	42.7	**49.1**	**15.0%**	**52.8**
EBITDA Margin	*17.0%*	***19.0%***	***200bps***	***20.4%***
EBIT	26.3	**32.0**	**21.7%**	**32.5**
EBIT Margin	*10.5%*	***12.4%***	***190bps***	***12.6%***

Net Revenue ($m) and margins (%)



- The integration of the Toxfree businesses is well advanced and delivering the planned results. Net revenues are up 3% and EBITDA up 15%.
- EBITDA margins have grown 200 basis points to 19% as a result of both revenue growth and the delivery of integration synergies.
- Hydrocarbons performance strong again on back of high utilisation of refineries and increased volumes.
- Packaged waste services are growing as new hazardous waste streams are identified by the market.
- Health Services continues to perform strongly and remains on track with our strategic expectations.

Note 1: Financial results are presented on an underlying basis. Underlying is a non IFRS measure that excludes non-recurring items. Refer appendix for reconciliation of reported to underlying earnings.

Statutory NPAT Reconciliation to Underlying NPAT

$ million	1H20
Statutory Profit After Income Tax Attributable to Ordinary Equity Holders	**46.2**
Pre-tax adjustments:	
Impact of Perth MRF fire net of partial insurance recoveries recognised[1]	18.0
Acquisition costs	7.4
Integration costs	14.4
Total Underlying Adjustments to EBIT	**39.8**
Net finance costs to underlying adjustments	0.2
Tax impact of underlying adjustments	(11.1)
Total Underlying Adjustments	**28.9**
Underlying Profit After Income Tax Attributable to Ordinary Equity Holders	**75.1**

Two transactions are expected to be recorded as favourable underlying adjustments to EBITDA in the second half:

- Recognition of the balance of the Perth MRF fire insurance claim - ~$14m
- Settlement of the contracted sale of a closed landfill's buffer land - ~$8m

Note 1: Includes insurance recovery income of $6.7 million which has been recognised relating to the lead and other insurers on the panel who have assessed and agreed their share of the claim.

Balance Sheet

$ million	31 Dec 2018	30 June 2019	31 Dec 2019 (Post AASB16)
ASSETS			
Cash and cash equivalents	44.9	56.2	**37.8**
Trade and other receivables	384.0	382.0	**404.4**
Inventories	25.1	19.9	**20.9**
Property, plant and equipment	1,162.6	1,232.0	**1,167.8**
Right-of-use assets	—	—	**420.6**
Assets held for sale	8.8	8.8	**8.8**
Intangible assets	2,321.3	2,324.9	**2,330.0**
Other assets	89.6	105.4	**127.6**
Total Assets	4,036.3	4,129.2	**4,517.9**
LIABILITIES			
Trade and other payables	233.0	257.5	**274.4**
Remediation and rectification provisions	309.0	336.4	**322.9**
Interest bearing liabilities	709.3	714.7	**1,082.8**
Deferred settlement liability	81.8	81.9	**82.4**
Other liabilities	202.1	202.1	**215.4**
Total Liabilities	1,535.2	1,592.6	**1,977.9**
Net Assets	2,501.1	2,536.6	**2,540.0**

- Adoption of AASB16 has increased assets by $278 million and liabilities by $288 million.
- Landfill remediation provision reduction from June 2019 reflects remediation payments made, offset by the unwinding of the discount and acquired remediation liabilities.
- Deferred settlement liability mainly represents annual fixed payments relating to the Melbourne Regional Landfill, discounted to present value.

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Cash Flow

$ million	1H19	1H20 (Pre AASB16)	1H20 (Post AASB16)
Underlying EBITDA	228.9	**234.6**	**256.4**
Cash flow of underlying adjustments	(8.3)	**(24.4)**	**(24.4)**
Less: Other non-cash items	(0.3)	**(6.2)**	**(6.2)**
Payments for rectification and remediation of landfills	(12.6)	**(20.4)**	**(20.4)**
Other changes in working capital	(9.9)	**0.3**	**0.3**
Net interest paid	(15.0)	**(12.1)**	**(16.9)**
Tax paid	(7.2)	**(31.7)**	**(31.7)**
Net Cash from operating activities	175.6	**140.1**	**157.1**
Capital expenditure	(85.7)	**(100.7)**	**(100.7)**
Payments towards purchase of businesses[1]	(26.9)	**(82.3)**	**(82.3)**
Net proceeds from sale of PP&E and investments	10.0	**3.7**	**3.7**
Payments towards equity accounted investments	—	**(11.3)**	**(11.3)**
Dividends received from equity accounted investments	3.5	**0.7**	**0.7**
Repayments from customers	0.4	**—**	**—**
Net Cash used in investing activities	(98.7)	**(189.9)**	**(189.9)**
Net repayment and proceeds from borrowings	(56.3)	**66.6**	**49.6**
Payment of debt and equity raising costs	(1.3)	**(1.2)**	**(1.2)**
Payment of ordinary dividend	(26.4)	**(33.8)**	**(33.8)**
Payment of dividend to non-controlling interests	—	**(0.2)**	**(0.2)**
Net Cash from/(used in) financing activities	(84.0)	**31.4**	**14.4**
Net decrease in cash and cash equivalents	(7.1)	**(18.4)**	**(18.4)**
Opening Cash	52.0	**56.2**	**56.2**
Closing Cash	44.9	**37.8**	**37.8**

Comments on Pre AASB16

- Net cash from operating activities declined by $35.5m compared to the previous corresponding period which included a $25m tax refund. Remediation cashflows increased $7.8m consistent with the previously announced increased spend in FY20.
- Free cash flow[2] down $28.9m to $83.2m due to planned increased remediation and capex spend as noted at the FY19 full year results presentation.
- Ratio of cash flow from operating activities to underlying EBITDA 97.4% (pcp: 95.9%)[3].
- Cashflow will benefit in FY21 and beyond from a stepdown in expenditure on landfill remediation.

Note 1: Includes MRL fixed payments.
Note 2: Free cash flow defined as net cash from operating activities excluding interest and tax less capital expenditure.
Note 3: Calculated as net cash from operating activities before remediation of landfills, underlying adjustments, net interest and tax divided by underlying EBITDA before share of profits from equity accounted investments.

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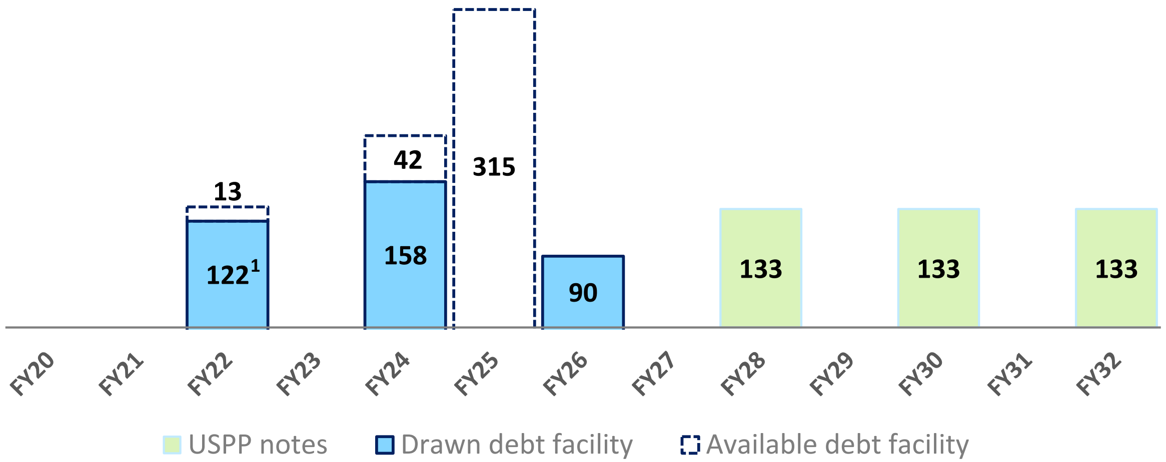
Capital Structure – Debt

$ million	31 Dec 18	30 Jun 19	31 Dec 19 (Pre AASB16)	31 Dec 19 (Post AASB16)
Current leases	14.9	17.1	**19.4**	**65.2**
Non-current interest bearing liabilities	587.4	580.3	**646.4**	**646.4**
Non-current leases	107.0	117.3	**129.1**	**371.2**
Gross Debt	709.3	714.7	**794.9**	**1,082.8**
Cash and cash equivalents	(44.9)	(56.2)	**(37.8)**	**(37.8)**
Net Debt / (Cash) per Balance Sheet	664.4	658.5	**757.1**	**1,045.0**
Gearing ratio	20.8%	20.3%	**23.0%**	**n/a**
Net Debt to underlying EBITDA ratio	1.51x	1.43x	**1.62x**	**n/a**

Pro-forma key debt facilities at 31 December 2019 including USPP notes (A$m)



Capital structure 31 December 2019:

- At 31 December 2019, the Group had $226 million of headroom under existing banking facilities.

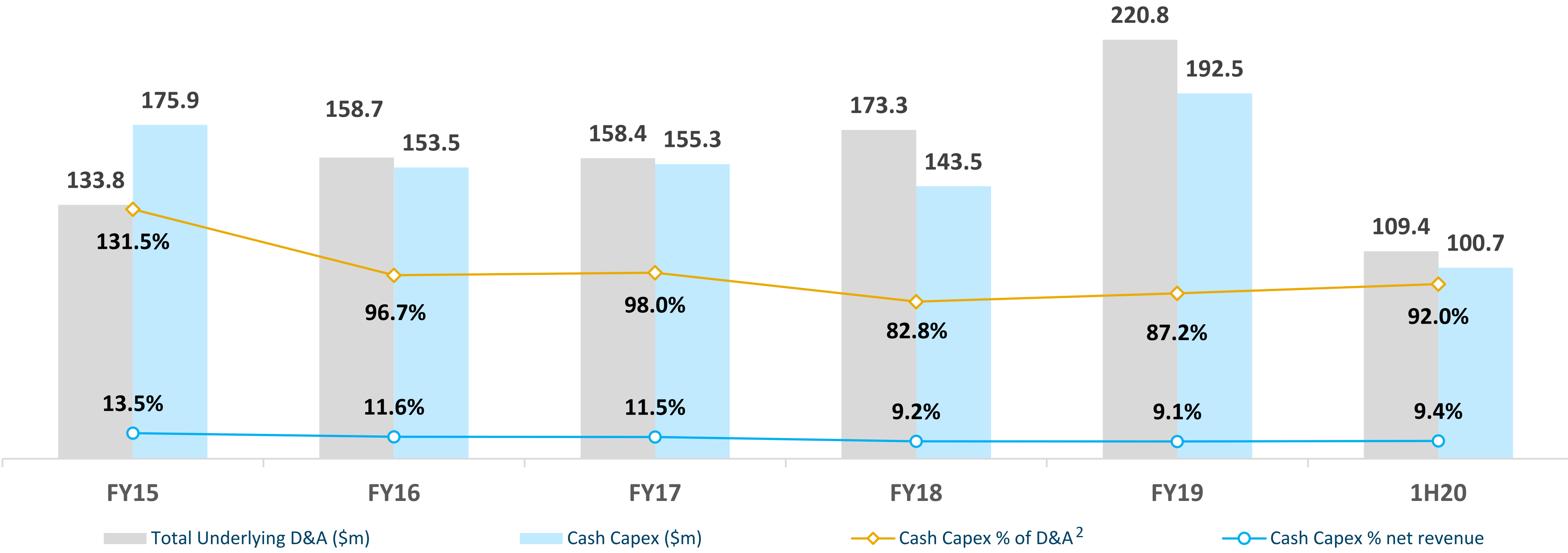
USPP funding 11 February 2020:

- 3 tranches of US$90 million each. Tenors of 8, 10 and 12 years.
- Average debt maturity at 31 December 2019 was 3.4 years increasing to 5.8 years following USPP funding. Currency exposure to USPP notes hedged.
- USPP notes swapped to a weighted average margin of 1.61% above Australian bank bill rates.
- Pro forma headroom under existing banking facilities increased by A$148 million following funding of USPP and repayment and cancellation of A$250 million debt facility

Note 1: In addition to as debt drawdowns, facility includes banks guarantees, corporate cards and overdraft limits.

Capital Expenditure

- Cash capital expenditure[1] in the half was 9.4% of net revenue.
- We will continue to target capex at ~10% of net revenue.
- Leasing finance utilised in 1H20 of $23.1 million for government related contracts
- Additional leases of ~$35 million will be utilised in 2H20 for new and renewed government related contracts commencing in FY21.



Note 1: Refers to capital expenditure as per cash flow statement.
Note 2: References to D&A exclude the impact of AASB16 to enable a meaningful comparison with prior periods.

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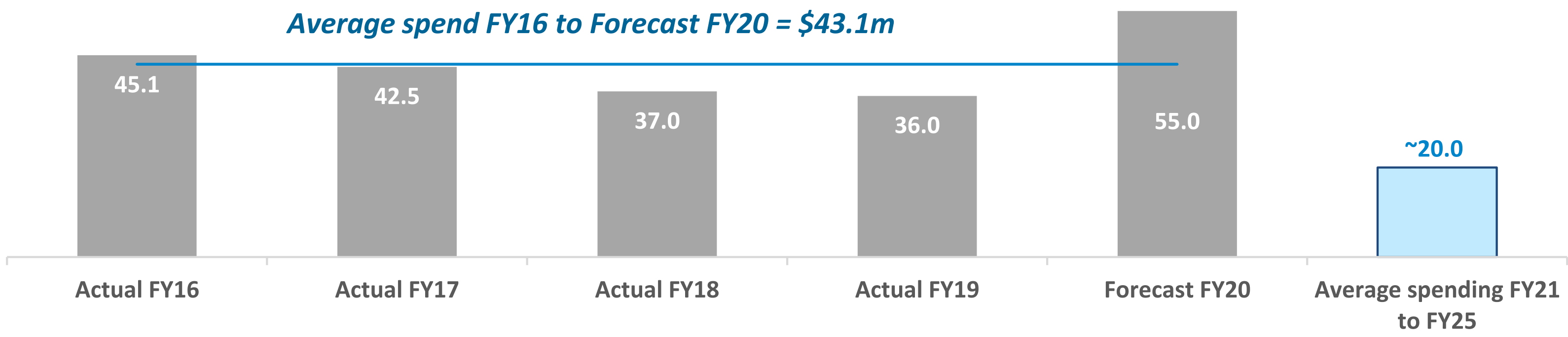
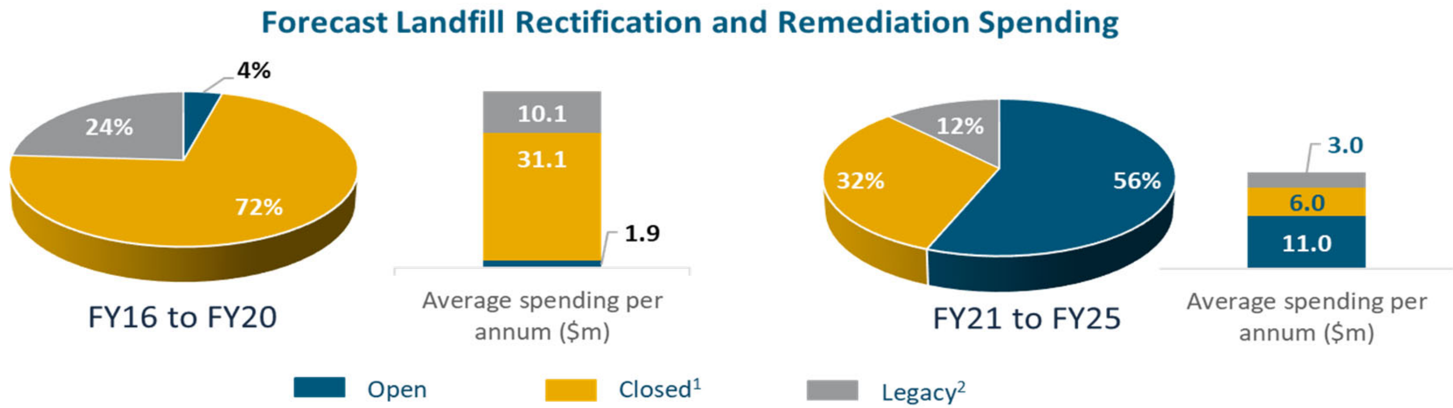
Countdown to the End of Legacy Landfill Rectification & Remediation

- Expenditure in 1HFY20 of ~$20m is in line with expectations. On track for a $55m spend this year.
- We advised in FY16 that spend would average ~$45m per annum through to FY20 and we remain on target.
- Cashflow will benefit in FY21 and beyond from a stepdown in expenditure on landfill remediation.
- FY21 to FY25 average ~$20m per annum and reducing to an average of ~$10m per annum thereafter.





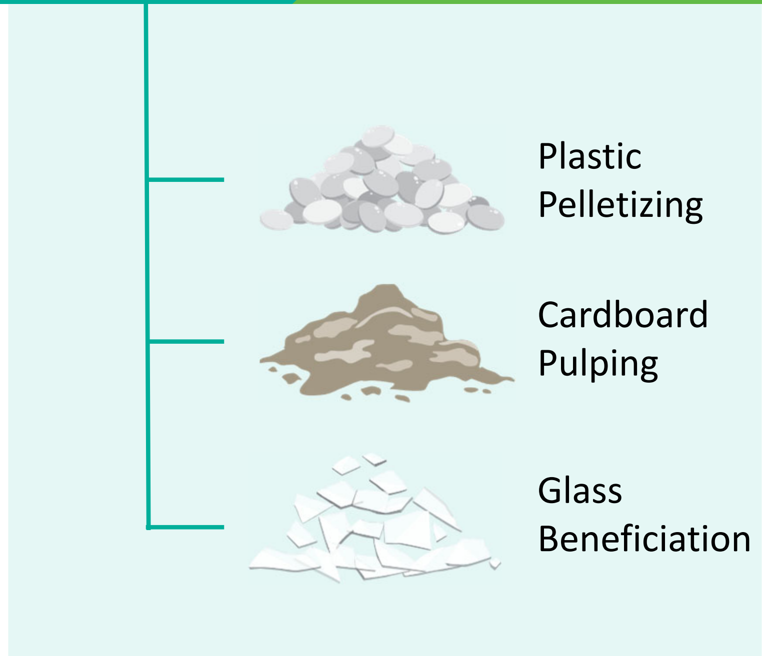
Note 1: Closed spending represents remediation costs where the site is no longer receiving waste and has reached final capacity or management have elected not to continue further development or operations.

Note 2: Legacy spending represents rectification costs identified following reviews conducted by management and landfill consultants in 2014.

Footprint 2025: Progress Continues

Continuing to invest in the right ‘package’ of assets across the value chain through the evolving tonne

- Acquired SKM assets which gave us complete commingled resource recovery assets for Victorian and Tasmanian markets. Includes Plastics sorting facility at Laverton Victoria.
- SKM assets critical as COAG decision on waste exports and possible levy increases come into play in Victoria.
- Significant work needed to make these assets deliver full potential including signing council contracts at right gate fees inclusive of contamination penalties.
- Plan to invest in Resource Recovery and Treatment/Disposal facilities across Solids, Liquids and Health.
- Work in progress to develop glass beneficiation in Victoria, plastic pelletising on east coast and exploring options for paper pulping.



We see value shifting across the waste value chain but not a reduction of total value

Footprint 2025: Addition of KEY Prized Infrastructure to Portfolio

SKM Adelaide sites

- No operations at sites
- Wingfield and Lonsdale
- Sites to be sold and on market now

SKM Laverton MRF, PRF

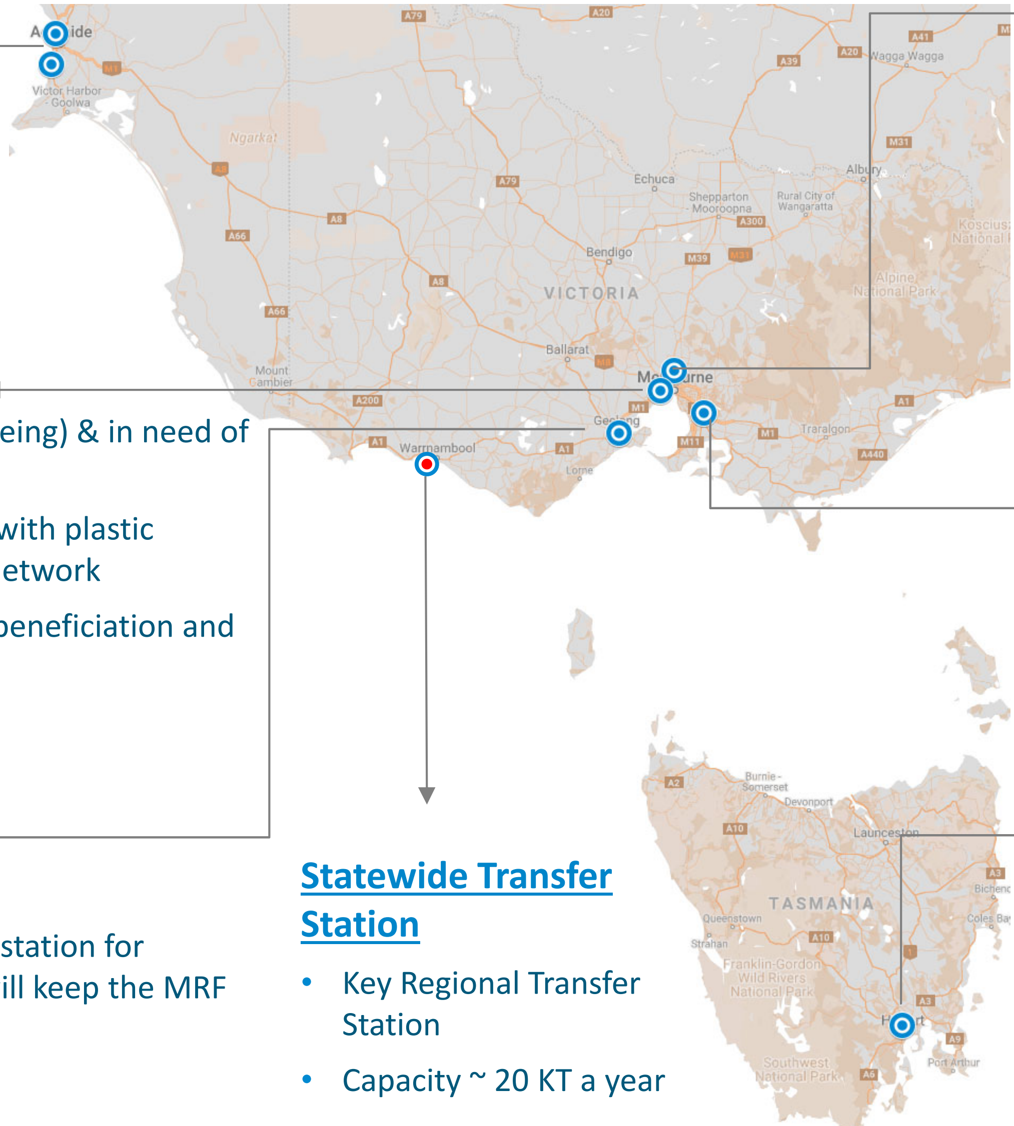
Key prized asset

- Processing technology fair (ageing) & in need of R&M spend
- New plastics recovery facility with plastic sorting capability to support network
- Potential site for future glass beneficiation and paper baling facility
- Capacity ~ 100KT a year

SKM Geelong MRF

Strategic West Location

- Will run the site as a transfer station for processing at Laverton, but will keep the MRF ready for excess capacity
- Capacity ~ 35KT a year



Statewide Transfer Station

- Key Regional Transfer Station
- Capacity ~ 20 KT a year

SKM Coolaroo MRF

Key prized asset

- Plant and equipment relatively new (~1 yr.) but in need of R&M
- Potential to add pute transfer station in Northern Melbourne
- Capacity ~ 120KT a year

SKM Hallam TS

Strategic SE location

- Operates as transfer station; potential to upgrade to MRF
- Will add paper baling facility
- Capacity : 55KT a year

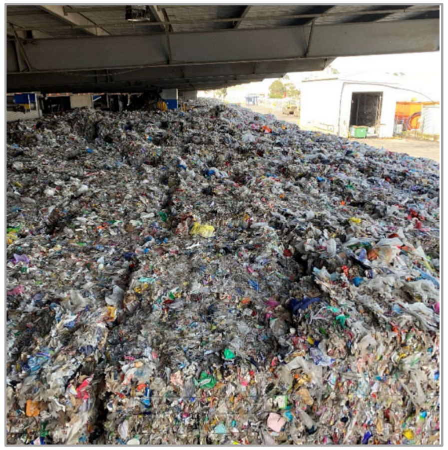
SKM Hobart MRF

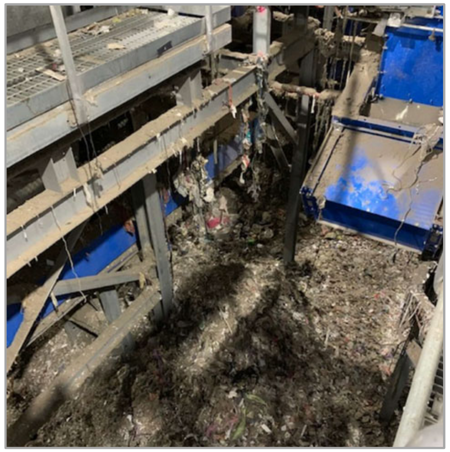
Key Prized asset

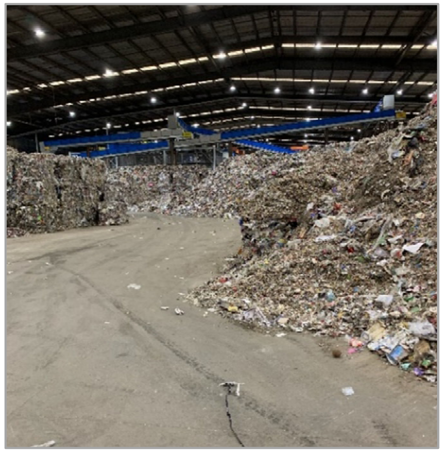
- Very good council relationships
- Will operate as full MRF
- Capacity ~ 20KT a year

SKM Assets: Progress Since Acquisition

The clean up, asset upgrades, negotiations with councils and removal of stockpiles are progressing well







Plastics pelletizing partnership with Pact and Asahi

Cleanaway has signed a Memorandum of Understanding with Pact and Asahi to re-process recycled plastics and develop a circular economy for plastics

- Cross value chain collaboration provides local 'bottle to bottle' recycling solution for plastics to close the loop
- Proposed facility will process up to 28,000 tonnes of plastics each year into high quality, food grade raw materials for use in packaging
- Facility will be located in the Albury/Wodonga region to service the East Coast and is expected to be operational in 2021
- Cleanaway's investment is approximately $10 million for a 40% interest
- The investment is also supported by a grant to Cleanaway from the NSW Government[1]

Note 1: Grant provided to Cleanaway by the Environmental Trust as part of the NSW Department of Planning, Industry and Environment Waste Less, Recycle More initiative funded from the waste levy.

Footprint 2025: Sydney Energy from Waste Development

Site Facts & Overview

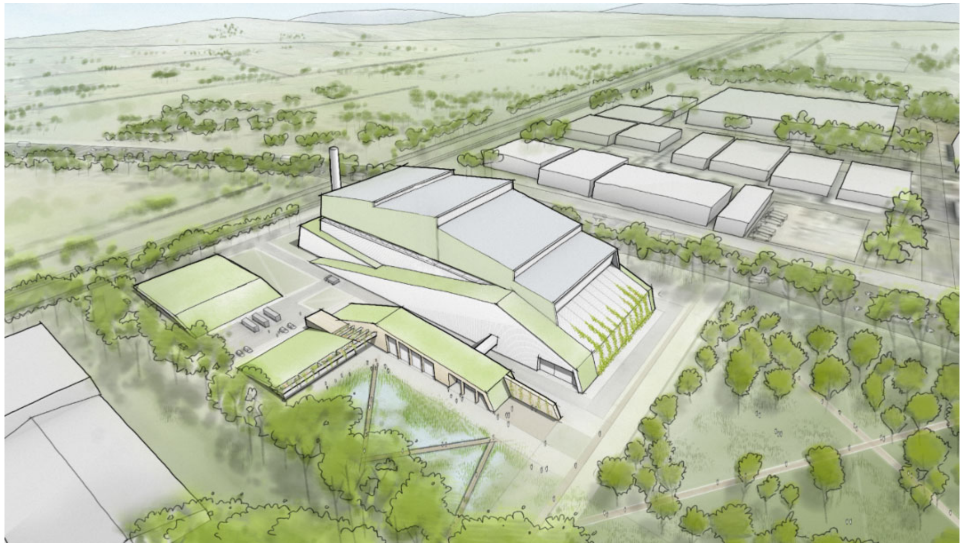
- ~8 hectare site, located in Eastern Creek
- Blacktown Local Government Area
- Suitable zoning for EfW development
- Existing waste and industrial precinct
- Logistical benefits – close to major motorways

Project Facts & Overview

- 500ktpa of residual C&I and MSW waste feedstock
- 45MW of baseload power, enough for ~65,000 homes
- Landfill diversion - ~95% of incoming waste
- Carbon benefits - ~450,000t p.a of CO_{2e} avoided, ~100,000 cars off the road
- EIS process underway

Site Surrounds – Complementary activities

Illustrative Facility Design



Strategically located Western Sydney site in an existing waste and industrial precinct

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Toxfree Integration Remains on Track

To achieve the $35 million in total synergies the integration is managed through six major categories

Segment & Business Unit Alignment to Operating Model
Organisation Design by Segments and Strategic Business Units

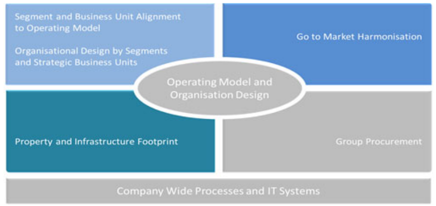
Go to Market Harmonisation

Operating Model and Organisation Design

Property and Infrastructure Footprint

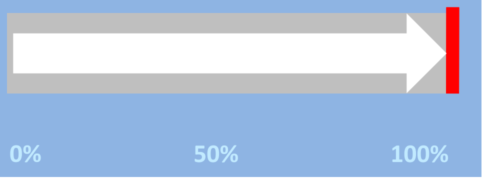
Group Procurement

Company Wide Processes and Systems



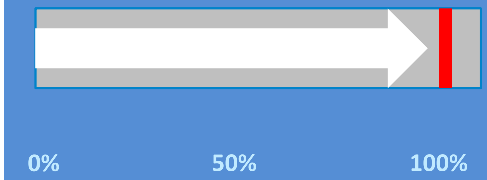
Toxfree Integration (continued…)

Segment and business unit alignment to operating model



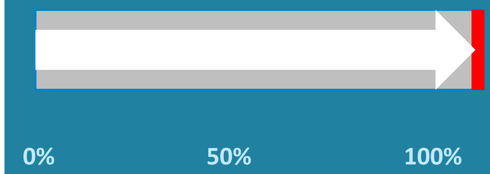
- Alignment of business units to the operating model is now complete
- Experienced management team selected from the combined organisation

Go to market harmonisation



- Brand harmonisation complete
- Fleet and bin rebranding well underway and will continue through until end of FY20
- Pricing disciplines embedded across all strategic business units

Property and infrastructure footprint



- Site consolidations complete across all strategic business units
- Upgrade of prized infrastructure assets underway

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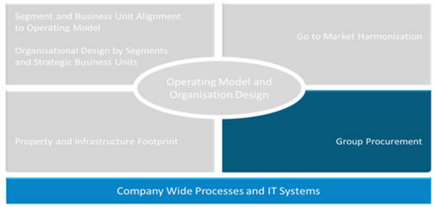
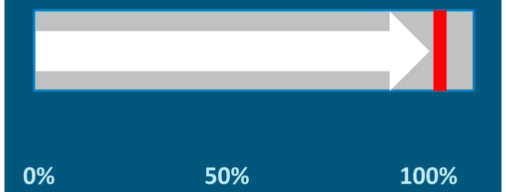
Toxfree Integration (continued…)

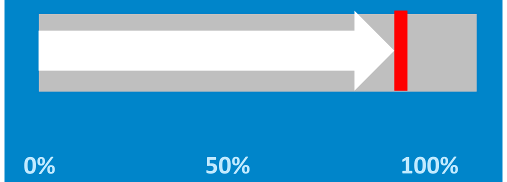


Group procurement



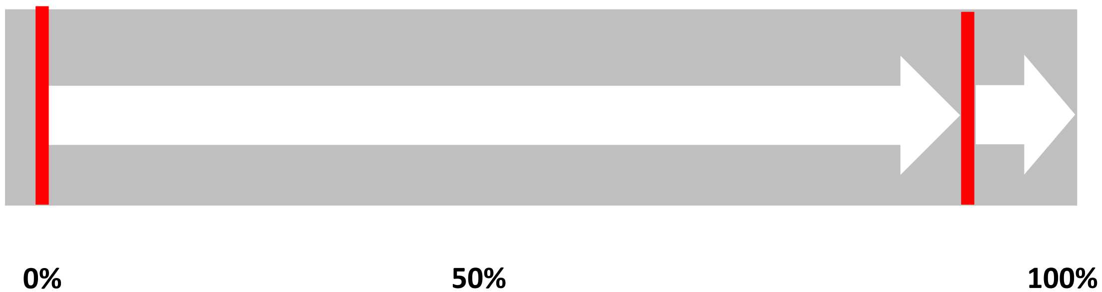
- Capability uplift complete
- Now leveraging disciplines across the combined enterprise

Company wide processes and IT Systems



- 1ERP Project underway, scheduled completion by Q3 FY20
- Health & Safety platform upgraded across the organisation

Realisation of $35 million in synergies on track and running to schedule



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Priorities and FY20 Outlook

Priority

- Safety, Customer and Growth remain our key priorities across all three segments and across the Enterprise.
- We expect commodity price volatility to remain but impact at a group level is expected to be relatively small from the current base. Heavy focus on aligning pricing mechanisms and rebates with market volatility.
- We expect increased local volumes while holding price in our Qld Landfill.
- Increase the run rate in LHS segment to target margin levels.
- Continue the work on IWS segment towards target margin levels.
- Complete Toxfree and SKM integration by June 2020.

FY20 Outlook

- We expect to deliver earnings growth in 2H20 over 1H20 and 2H19.
- FY20 Guidance: we are targeting Underlying EBITDA post AASB16 of ~$515m to $525m for the full year (includes ~$43m to $45m positive impact from AASB16).

Questions

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Appendices

Group Income Statement – Statutory and Underlying Results

$ million	Statutory Results		Underlying Adjustments		Underlying Results (Post AASB16)	
	1H19	1H20	1H19	1H20	1H19	1H20
Sales revenue external and other revenue (Gross Revenue)	1,149.7	**1,197.2**	—	—	1,149.7	**1,197.2**
Share of profits/(losses) in equity accounted investments	0.8	**(0.3)**	—	—	0.8	**(0.3)**
Expenses (net of other income)	(929.7)	**(960.5)**	8.1	**20.0**	(921.6)	**(940.5)**
Total EBITDA	220.8	**236.4**	8.1	**20.0**	228.9	**256.4**
Depreciation, amortisation and write-offs	(111.7)	**(149.0)**	—	**19.8**	(111.7)	**(129.2)**
Total EBIT	109.1	**87.4**	8.1	**39.8**	117.2	**127.2**
Net cash interest expense	(14.9)	**(17.2)**	—	—	(14.9)	**(17.2)**
Non-cash finance costs	(8.5)	**(6.8)**	—	—	(8.5)	**(6.8)**
Changes in fair value of derivatives and USPP borrowings	—	**(0.2)**	—	**0.2**	—	—
Profit before income tax	85.7	**63.2**	8.1	**40.0**	93.8	**103.2**
Income tax expense	(24.9)	**(17.9)**	(1.9)	**(11.1)**	(26.8)	**(29.0)**
Profit after income tax	60.8	**45.3**	6.2	**28.9**	67.0	**74.2**
Non-Controlling Interest	(0.1)	**0.9**	—	—	(0.1)	**0.9**
Attributable Profit after Tax	60.7	**46.2**	6.2	**28.9**	66.9	**75.1**
Weighted average number of shares	2,039.8	**2,048.7**	—	—	2,039.8	**2,048.7**
Basic earnings per share (cents)	3.0	**2.3**	0.3	**1.4**	3.3	**3.7**

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Underlying Segment Disclosures (Post AASB16)

$ million	Solid Waste Services	Industrial & Waste Services	Liquid Waste & Health Services	Equity Accounted Investments	Corporate & Other	Eliminations – Group	GROUP
Revenue							
Sales of goods and services	796.9	159.0	225.2	—	—	—	1,181.1
Other revenue	5.9	—	10.2	—	—	—	16.1
Internal sales	23.2	6.7	23.2	—	—	(53.1)	—
Gross Revenue	**826.0**	**165.7**	**258.6**	—	—	**(53.1)**	**1,197.2**
Underlying EBITDA	**193.0**	**23.1**	**52.8**	**(0.3)**	**(12.2)**	—	**256.4**
Depreciation and amortisation	(88.6)	(12.3)	(20.3)	—	(8.0)	—	(129.2)
Underlying EBIT	**104.4**	**10.8**	**32.5**	**(0.3)**	**(20.2)**	—	**127.2**

AASB16 Adjustments included in the above							
EBITDA	**16.4**	**0.3**	**3.7**	—	**1.4**	—	**21.8**
Depreciation and amortisation	(14.8)	(0.4)	(3.2)	—	(1.4)	—	(19.8)
EBIT	**1.6**	**(0.1)**	**0.5**	—	—	—	**2.0**

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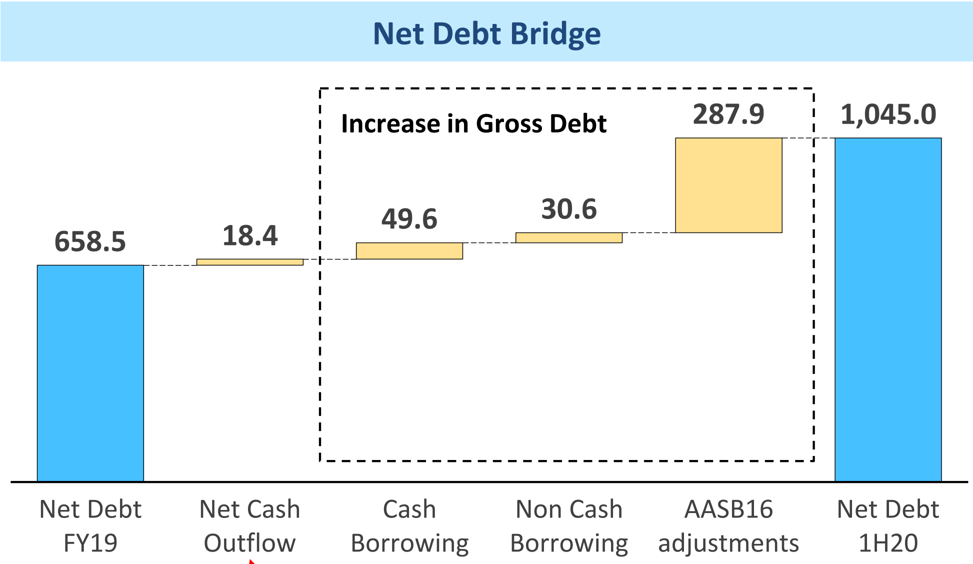
Net Finance Costs

$ million	Statutory 1H19	Statutory 1H20	Underlying (Pre AASB16) 1H19	Underlying (Pre AASB16) 1H20	Underlying (Post AASB16) 1H20
Cash interest expense					
Bank interest and leases	14.1	**17.2**	14.1	**12.4**	**17.2**
Commitment and Guarantee fees	1.2	**1.1**	1.2	**1.1**	**1.1**
USPP Notes	—	—	—	—	—
Interest received	(0.4)	**(1.1)**	(0.4)	**(1.1)**	**(1.1)**
Net cash interest expense	14.9	**17.2**	14.9	**12.4**	**17.2**
Non-cash finance costs					
Amortisation of borrowing costs	1.4	**1.6**	1.4	**1.6**	**1.6**
Unwinding of discount on landfill remediation provision	3.4	**2.0**	3.4	**2.0**	**2.0**
Unwinding of discount on MRL fixed payments	3.7	**3.2**	3.7	**3.2**	**3.2**
Total non-cash finance costs	8.5	**6.8**	8.5	**6.8**	**6.8**
Changes in fair value					
Fair value gain on USPP borrowings	—	**(6.1)**	—	—	—
Change in fair value of cross currency interest rate swaps	—	**6.3**	—	—	—
Total changes in fair value	—	**0.2**	—	—	—
Total net finance costs	23.4	**24.2**	23.4	**19.2**	**24.0**

Net Debt Reconciliation



Considerations for 2H20:

- Full year Capex equivalent to ~10% of Net revenue
- Rectification/remediation of ~$55m in FY20
- Expecting lower underlying cash outflows in 2H20 following completion of Toxfree integration by June 2020 and expected insurance and closed landfill buffer land sale receipts.