

16 November 2020

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

Dear Sir/Madam

Presentation at UBS Australasia Virtual Conference 2020

Attached is a presentation to be made by the CEO and Managing Director at the UBS Australasia Virtual Conference later today.

This announcement was authorised by the Company Secretary.

Yours sincerely



Dan Last
Company Secretary

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Cleanaway Waste Management Limited is Australia's leading total waste management, industrial and environmental services company. Our team of more than 6,000 highly trained staff are supported by a fleet of over 4,000 specialist vehicles working from approximately 250 locations across Australia. With the largest waste, recycling and liquids collections fleets on the road - and supported by a network of recycling facilities, transfer stations, engineered landfills, liquids treatment plants and refineries - we are working hard to deliver on our mission of making a sustainable future possible for all our stakeholders.



UBS Australasia Virtual Conference 2020

*Vik Bansal - CEO and Managing Director
Brendan Gill - CFO*

16 - 17 November 2020

ASX: CWY

Disclaimer

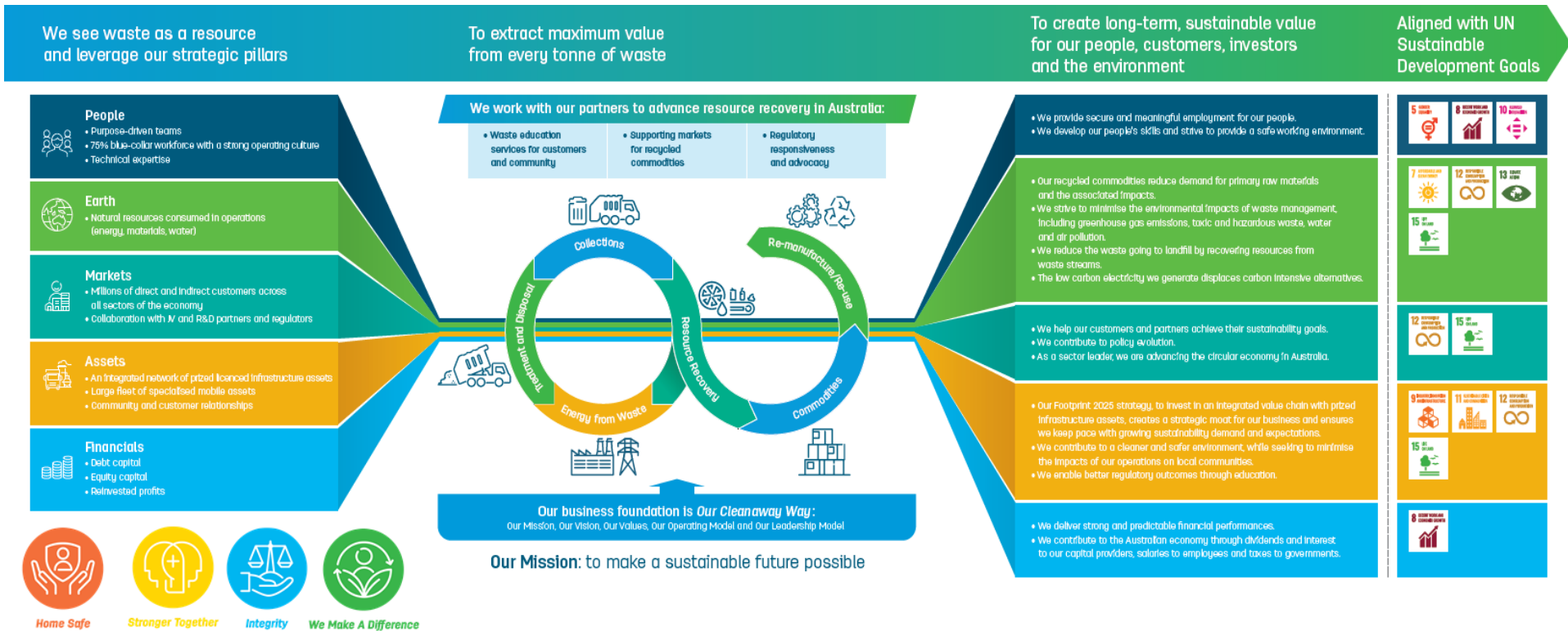
- **Forward looking statements** – This presentation contains certain forward-looking statements, including with respect to the financial condition, results of operations and businesses of Cleanaway Waste Management Limited (“CWY”) and certain plans and objectives of the management of CWY. Forward-looking 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.
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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 twelve months ended 30 June 2020.
- 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

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Cleanaway's Value Creation Story

- Our Value Creation Story is based on our strategic pillars of **People, Earth, Markets, Assets** and **Financials**.
- Focus on strategic pillars are transformed through our business activities, applying **Our Cleanaway Way**, to create outcomes for our stakeholders.
- Foundation of our Value creation story is our mission statement : **“making sustainable future possible for all”**.
- Outcomes are aligned to UN Sustainable Goals and enables a future world of circular economy.



People

WHAT WE DRAW ON

- Purpose driven teams
- ~70% blue-collar workforce with a strong operating culture
- ~85% of total workforce is directly customer facing.
- Technical expertise

OUR MATERIAL TOPICS

- Workforce health, safety and wellbeing
- Talent attraction, development and engagement
- Diversity and inclusion
- Labour practices

THE VALUE WE CREATE

- We provide secure and meaningful employment for our people
- We create significant value through growth and support of local contractors and suppliers
- We develop our people's skills and strive to provide a safe working environment
- Growth in business over 5 years means we employ 6000 plus people today compared to less than 4000 in 2015

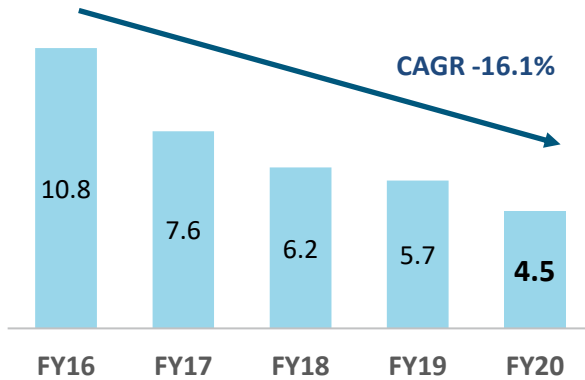


People

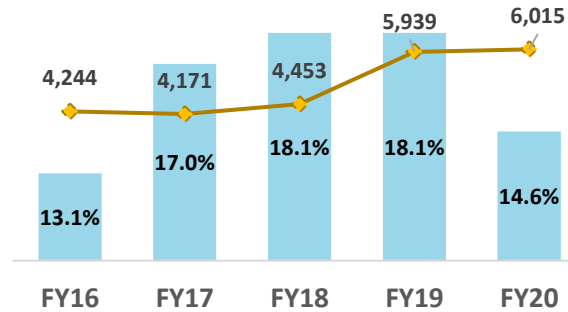
People & Culture : Key Metrics



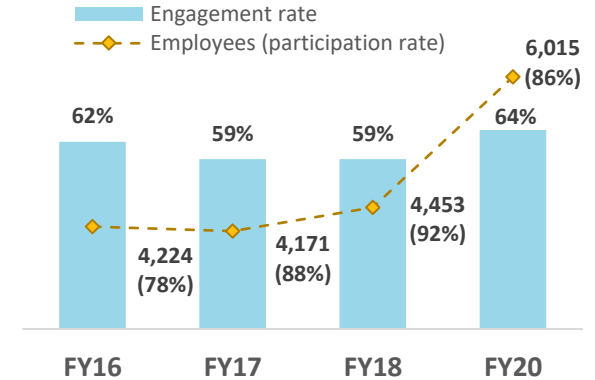
Total Recordable Injury Frequency Rate¹



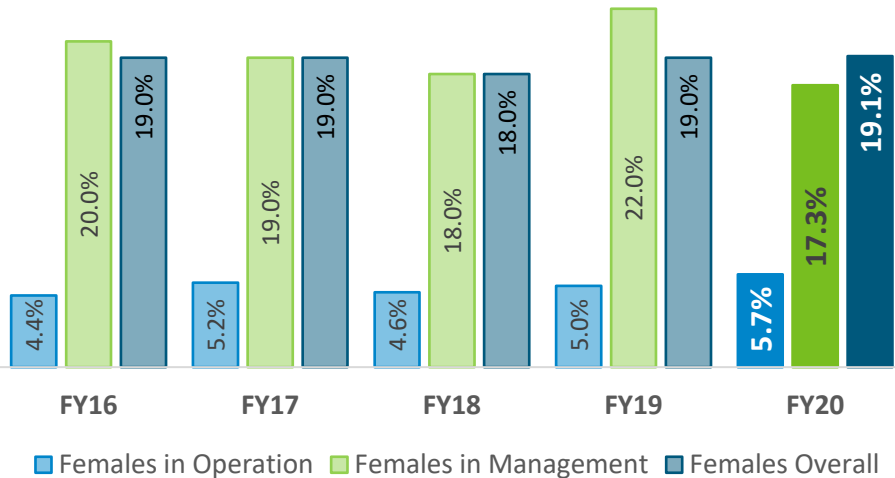
Turnover (%) and Headcount



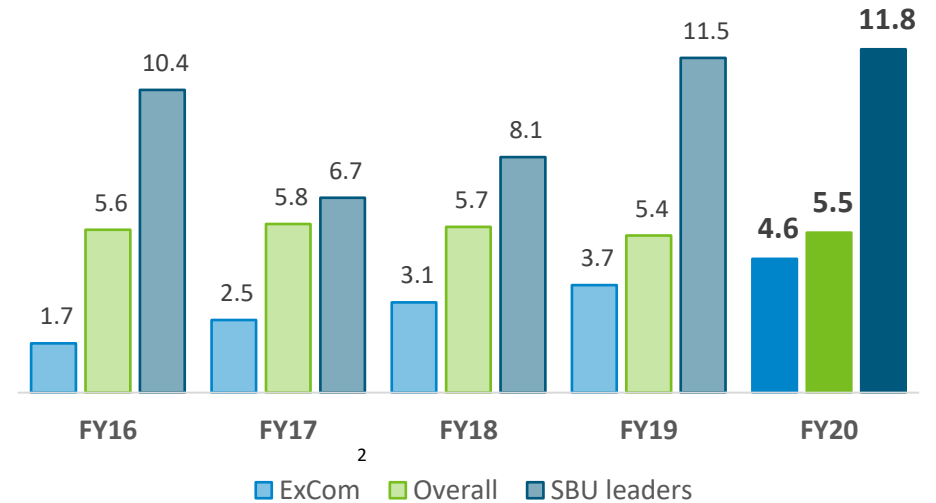
Employee Engagement Survey²



Female participation



Employee tenure (years)



6 Note 1: Comparative periods have been adjusted to exclude divested businesses and includes contractors from FY16. Note 2: CEO direct reports
 Note 2: Engagement Survey Based on consistent AON Hewitt (Kincentric) methodology

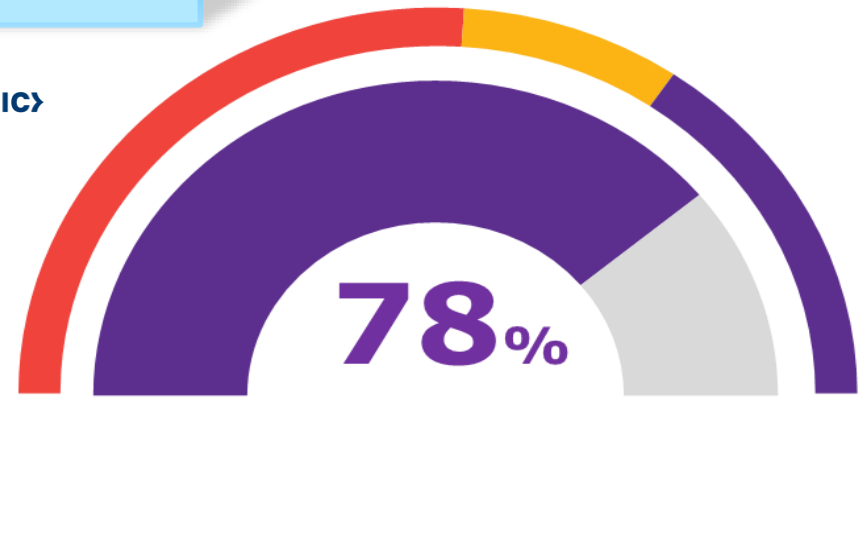
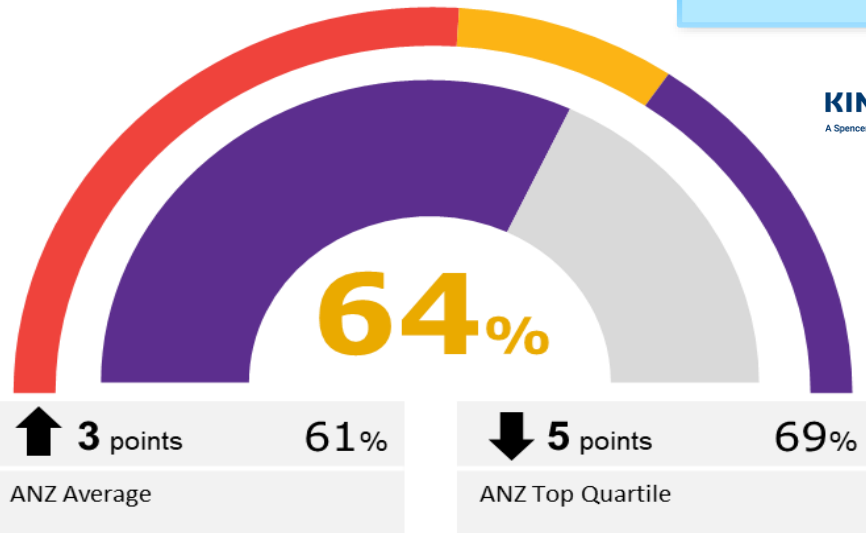
People & Culture : 2020 All Employee Engagement Survey Update

Kincentric's Australia New Zealand benchmark database is comprised of 738 organisations and approx. 700,000 employee responses. The Average and Top Quartile norms are drawn from this database.

Cleanaway Overall

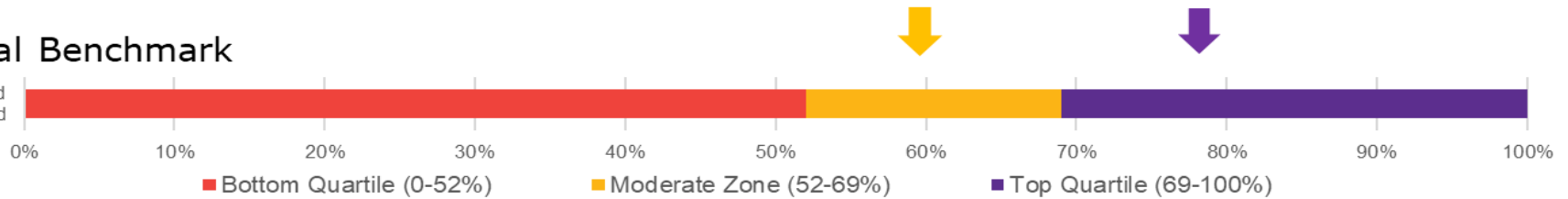
Cleanaway Executive Leadership Team (Top 48)

KINCENTRIC
A Spencer Stuart Company

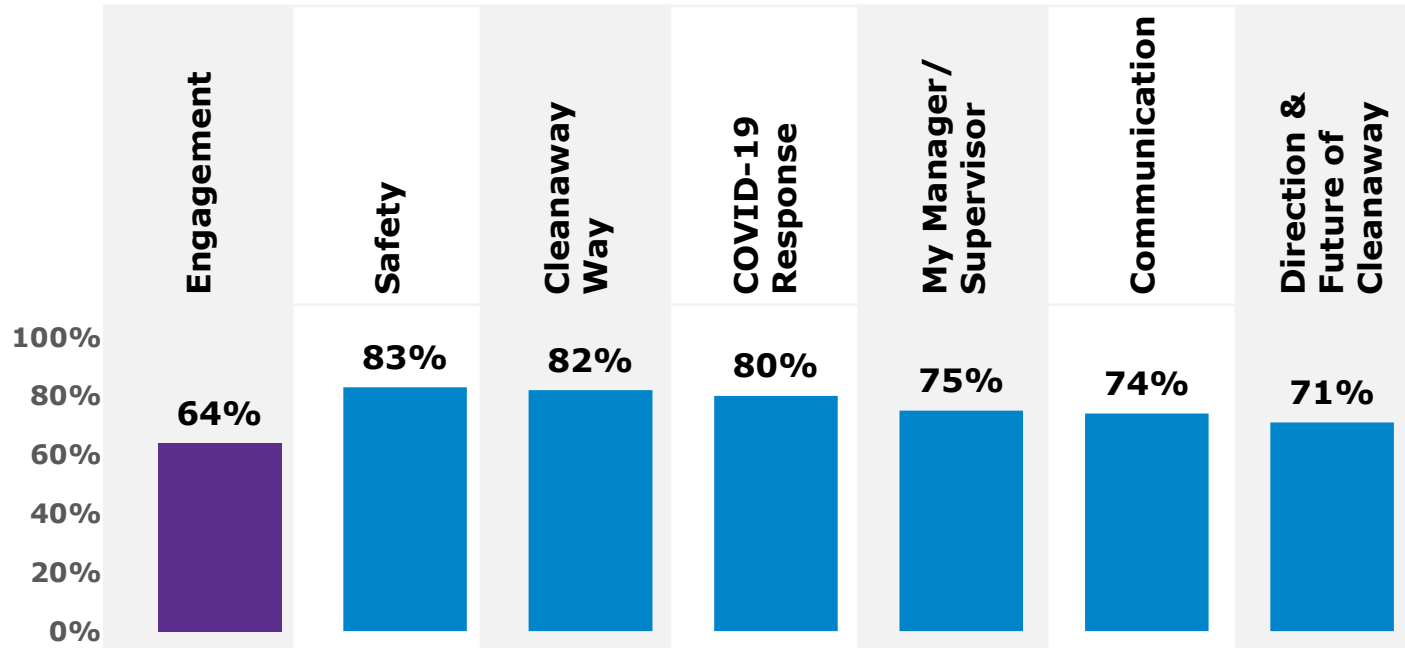


External Benchmark

Australia and New Zealand



People & Culture : Engagement Score on Key Dimensions



Engagement	Say, Stay and Strive dimensions
Safety	Feel safe, feel confident to raise safety issues and believe safety issues are addressed in a timely manner
Cleanaway Way	Our Cleanaway Way has been explained to me so I understand it
COVID-19 Response	My business has managed COVID-19 well
My Manager/ Supervisor	I have a constructive relationship with my manager and my efforts are recognised
Communications	Open and honest communication and feedback and appropriate amount of information to make decisions
Direction & Future of Cleanaway	I understand how my role contributes to the business, have confidence in the future of the business and senior management's direction

Earth

WHAT WE DRAW ON

- Natural resources consumed in operations (energy, materials, water)

OUR MATERIAL TOPICS

- Resource recovery and recycling
- Environmental impacts and compliance
- Climate change
- Low carbon energy generation
- Greenhouse gas emissions and low carbon energy
- Water consumption

THE VALUE WE CREATE

- Our recycled commodities reduce demand for primary raw materials and the associated impacts
- Materials which otherwise would pollute the soil, water and air is recycled back into a circular economy.
- We strive to minimise the environmental impacts of waste management, including greenhouse gas emissions, toxic and hazardous waste, water and air pollution
- The low carbon electricity we generate displaces carbon intensive alternatives

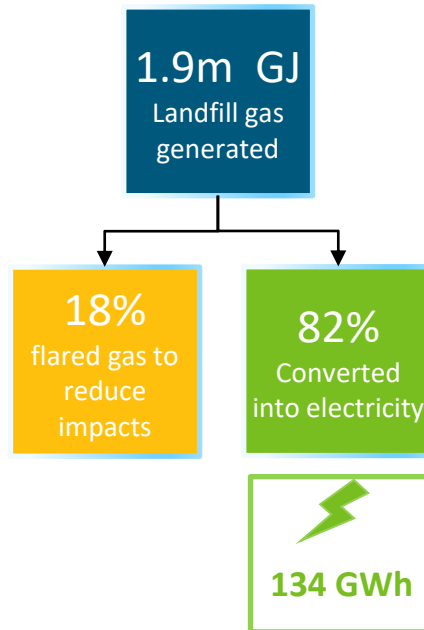


Resource Recovery and Emissions Management

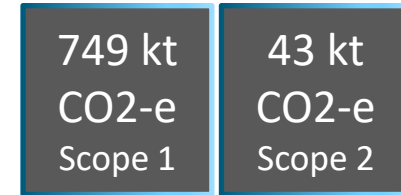
Resource Recovery



Landfill Gas Management



Carbon Emissions



- We work with our partners to advocate for resource recovery in Australia
- We seek to extract the maximum value from every tonne of waste as part of our Mission of “Making a sustainable future possible”

- Three of Cleanaway’s landfills currently achieve best-in-class landfill gas capture efficiency of 75% +
- We are seeking ways to increase landfill gas capture efficiency at our other sites
- We generate renewable energy onsite

- Scope 1 Emissions are subject to NGERs emissions reporting program
- Our largest sources of Scope 1 emissions are landfill operations and our fleet of >2,700 heavy vehicles
- We are transitioning ~30 sites to solar power in 2020 to address some of our Scope 2 emissions
- Our proposed Energy from Waste facility in Western Sydney will avoid ~390 kt CO₂-e p.a.

Regulations favoring a circular economy world

Energy from Waste

- Role of Energy from Waste becoming clearer in key states
- Policy clarity by state governments will aid investment decisions

Landfill levies

- Victorian annual levy increases postponed to 1 Jan in response to COVID-19
- Step change levy increases proposed in VIC (\$125.90 per tonne from 1 July 2022)

Container Deposit Schemes

- Most States looking to implement CDS with unique operating models
- NSW model has proven highly successful
- Cleanaway actively pursuing opportunities to participate

Waste Export Ban

- Timeline for waste stream ban established
- Cleanaway continuing to engage directly with policy makers advocating for supportive actions to avoid unintended consequences

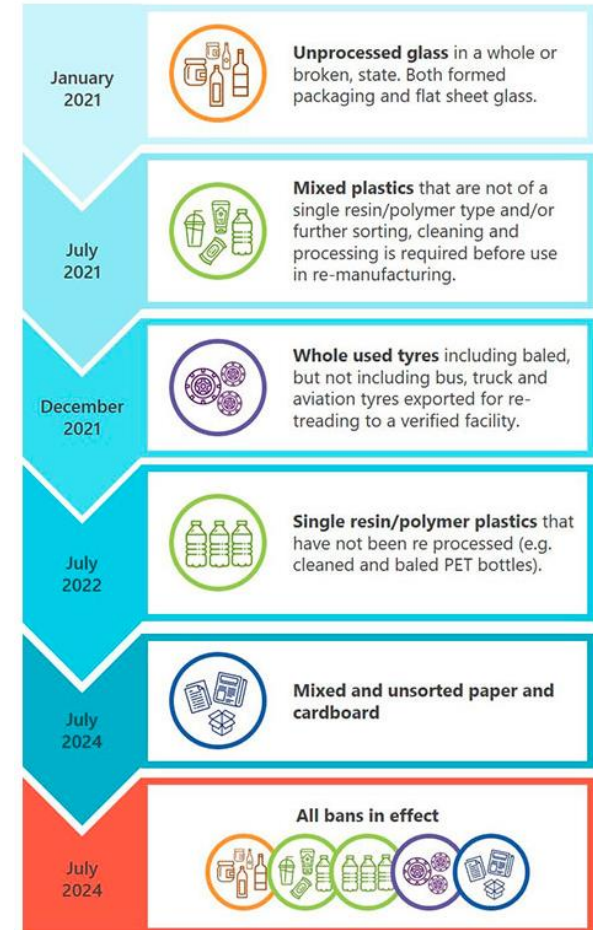
China National Sword

- Old Corrugated Cardboard (OCC) to be sold into alternative SE Asia markets
- China is not a large export market for Cleanaway's other recovered commodities

National Waste Policy Action Plan

- Very supportive of Recycling Fund announced by Federal Government
- Supportive of Federal Government's desire for a national approach to Environment standards

Definitions and timings



Source: <https://www.environment.gov.au/protection/waste-resource-recovery/waste-export-ban>

Markets & Customers

WHAT WE DRAW ON

- Millions of direct and indirect customers across all sectors of the economy
- Collaboration with JV and R&D partners and regulators
- Future Digitised World enabling better customer and employee proposition

OUR MATERIAL TOPICS

- Customer experience
- Community consultation and engagement
- Partnerships for sustainable waste solutions
- Regulatory responsiveness and advocacy
- Ethical and sustainable value chain

THE VALUE WE CREATE

- We help our customers and partners achieve their sustainability goals
- We contribute to policy evolution
- As the sector leader, we are advancing the circular economy in Australia



Markets

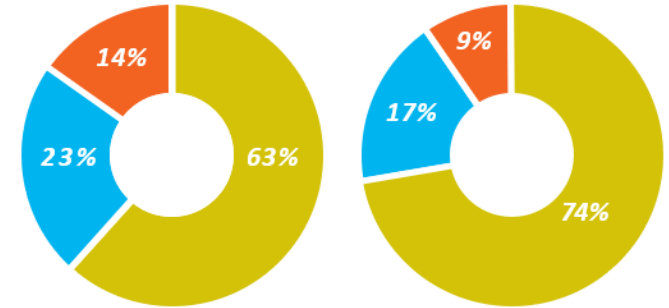
Defensive GDP-linked Earnings Characteristics

❖ Cleanaway's revenue base is largely underpinned by long-term contracts across all sectors with a geographically diverse customer base of municipal councils, hospitals, infrastructure, resources, commercial and industrial customers

Solid Waste Services

Typical contract duration

- Municipal: 7 - 10 years
- Commercial & Industrial: 3+ years
- Municipal: Resource Recovery & Post Collections contracts may be separate



FY20 net revenue

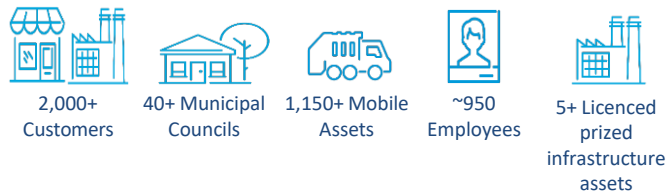
FY20 underlying EBITDA



Industrial & Waste Services

Typical contract duration

- Infrastructure: 0.5 - 2 years
- Resources: 3 - 5 years



Liquid Waste & Health Services

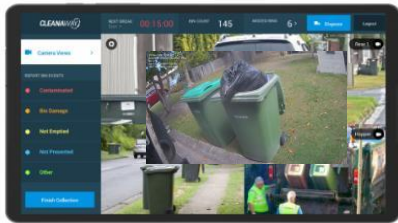
Typical contract duration

- Liquids & Hydrocarbons : 1 - 3 years
- Health Services related: 3 - 5 years



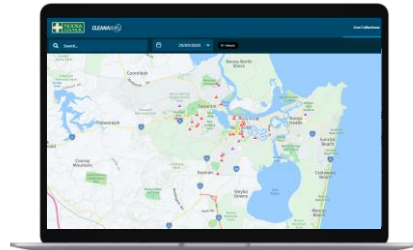
Digital interactions – live examples in Municipal segment benefiting customers and employees

Customer self-service portal



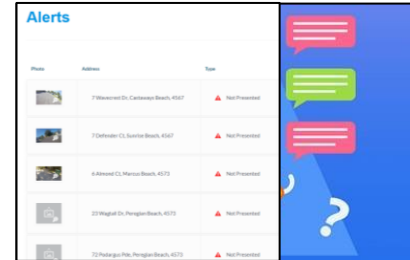
Schedule a pickup
Update shipment instructions
Real-time invoice update

Muni tracking (B2B API)



Councils see real-time status update of pickups
Bin events with photo evidence

Dispute tracking and live chat



Digital logging of customer complaints

Driver: Digitised scheduling



Digitised scheduling and run-sheets
Real-time updates to instructions and routes

Cleanaview coverage

1.45M

addresses serviced across Australia

42

of councils deployed to, with 7 more in next 6 months

- No incumbent council contracts lost where Cleanaview offered
- New contracts won Casey, Cardinia, Wyndham (VIC), Council Solutions (SA), Logan City (QLD), Randwick (NSW)

Source: Cleanaview portal

Digital future of Cleanaway further improves customer & employee experience

Customers

- Self service bookings
- Dynamic remedy of service issues
- Instant, accurate and clear invoices
- First Time, Single point issue resolution

Employees (drivers)

- Single view of customer to support FTSP issue resolution
- Digitised, informative and accurate run sheets
- Dynamic route optimisation
- Elimination of mundane admin tasks



CLEANAWAY

CLEANAWAY

Process automation: selected examples : Key to Digitized Cleanaway



Digitised run sheet

All customer requests and schedules routed straight through to in-cab run-sheets

Turn-by-turn navigation function of in-cab system



Run-sheet today



Driver scheduling



Lift to invoice automation

Instantaneous invoice processing as soon as lift is completed

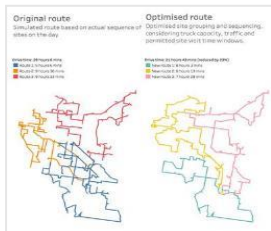
Live status update visibility to customers



Data Analytics : route optimization reduces drive time significantly



Dynamic route optimisation considering factors such as, estimated collection time, waste volume, fleet demand, travel distance, traffic network and condition



Source: Moneyball project 2020

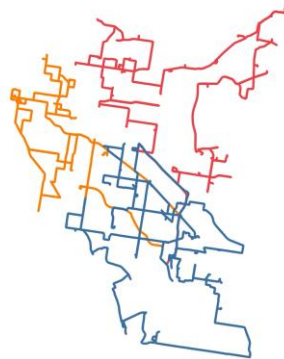
Illustration of optimisation results for select routes

Before

Original route

Simulated route based on actual sequence of sites on the day

Drive time: 28 hours 6 mins
Route 1: 9 hours 6 mins
Route 2: 9 hours 36 mins
Route 3: 9 hours 23 mins

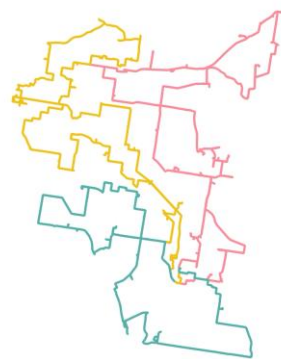


After

Optimised route

Optimised site grouping and sequencing, considering truck capacity, traffic and permitted site visit time windows.

Drive time: 21 hours 43 mins (reduced by 23%)
New route 1: 8 hours 3 mins
New route 2: 6 hours 13 mins
New route 3: 7 hours 28 mins



Reduction in collection drive time through optimising sequence and grouping across multiple routes



Assets

WHAT WE DRAW ON

- An integrated network of prized licenced infrastructure assets
- Large fleet of specialised mobile assets
- Community and customer relationships

OUR MATERIAL TOPICS

- Prized Infrastructure as strategic moat
- Technology advancement
- Asset ready for circular economy world
- Community impact management

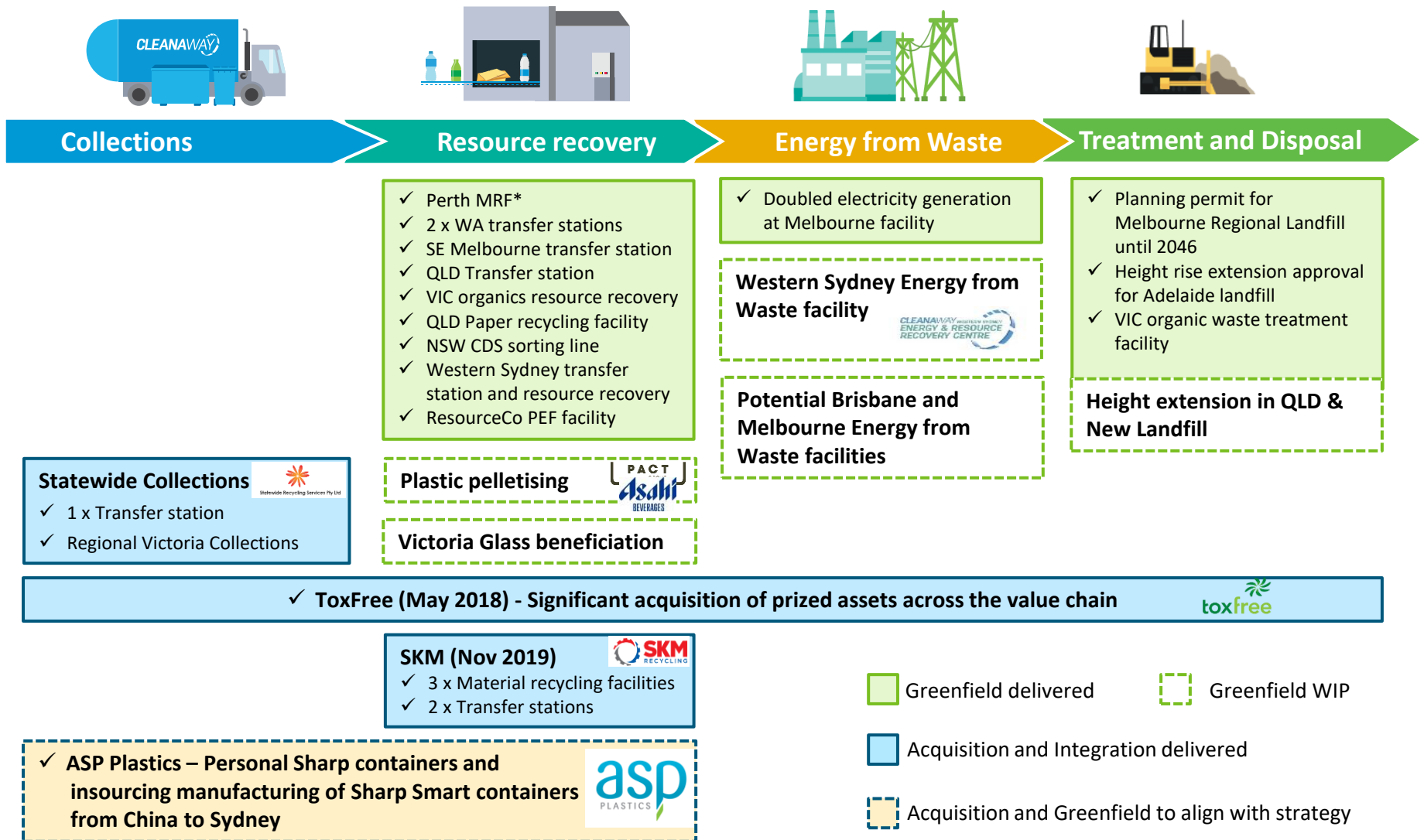
THE VALUE WE CREATE

- Our Footprint 2025 strategy, to create an integrated value chain with prized infrastructure assets, creates a strategic moat for our business and ensures we keep pace with growing sustainability demand and expectations
- We contribute to a cleaner and safer environment, while seeking to minimise the impacts of our operations on local communities
- We enable better regulatory outcomes through education



Assets

Footprint 2025 – Acquisitions and Greenfield to continue



Energy from Waste



People



Construction

- ~900 direct jobs
- ~1200 indirect jobs

Operations

- ~50 direct jobs



- Joint Venture with Macquarie
- EIS on exhibition
- 3-year construction period
- 30+ year operation period

Earth



- ~95% landfill diversion
- ~390k t CO2-e avoided
- Industry leading emissions scrubbing technology



- Equivalent to 85,000 cars off the road

Markets



- ~500k t municipal and C&I waste diversion
- ~55MW / 460 GWh baseload electricity
- Recovered metals
- Residual waste solution



- One in three people in local area were aware of the project and 2/3 felt positive based on what they knew
- Following provision of information about the project 89% of respondents in the Sydney and project area were positive

Assets



- Moving grate technology
- Proven, safe and reliable in over 500 facilities



- Proven reference facilities with similar technology and waste streams are used to provide empirical evidence of the outputs of our facility.

Financials

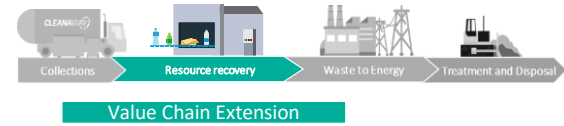


- ~\$650-700m Capex
- NSW Landfill Levy ~\$143/t



- Investment Into Western Sydney
- Cheaper and more environmentally friendly alternative to landfill

PET Plastic Pelletising Facility



Construction

- ~300 direct and indirect jobs

Operations

- >40 direct jobs
- Joint Venture with Pact and Asahi Beverages



- Equivalent of ~1 billion of PET plastic bottles recovered
- Domestic bottle to bottle solution
- Closing the loop on PET plastic bottle and packaging recycling



- ~56k t of PET is currently being exported for reprocessing
- Feedstock available from NSW CDS, Cleanaway's Victorian MRFs and plastic sorting facilities, and WA and QLD operations



- Industry leading technology from AMUT, TOMRA and Starlinger
- ~30k tonnes p.a. capacity
- Construction expected to be completed by December 2021
- 15+ years operating life (extendable)



- ~\$45m Total Capex
- rPET prices trade at premium to virgin PET
- ~\$5 million grant from Environmental Trust of the NSW Government



- ~2 million tonnes of mechanically recyclable polymers consumed in packaging annually in Australia
- ~20k tonnes of rPET currently being produced in Australia



- A 70% PET plastic packaging recovery rate would require 110k tonnes of processing capacity across Australia

Financials

WHAT WE DRAW ON

- Debt capital
- Equity Capital
- Reinvested profits

OUR MATERIAL TOPICS

- Economic contribution

THE VALUE WE CREATE

- We deliver strong and predictable financial performances
- We contribute to the Australian economy through dividends and interest to our capital providers, salaries to employees and taxes to governments

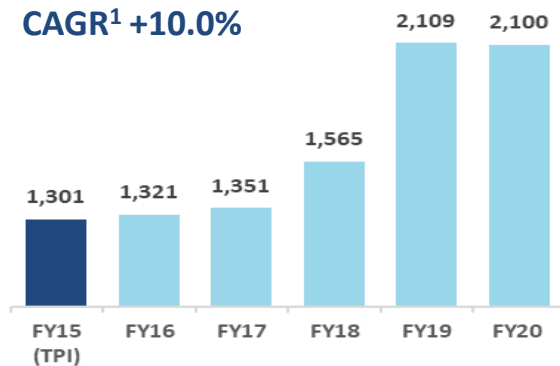


Financials

Sustained Underlying Earnings Growth Continues

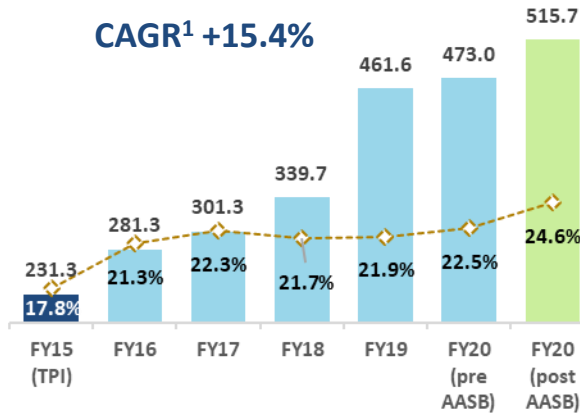
Net Revenue (\$million)

CAGR¹ +10.0%



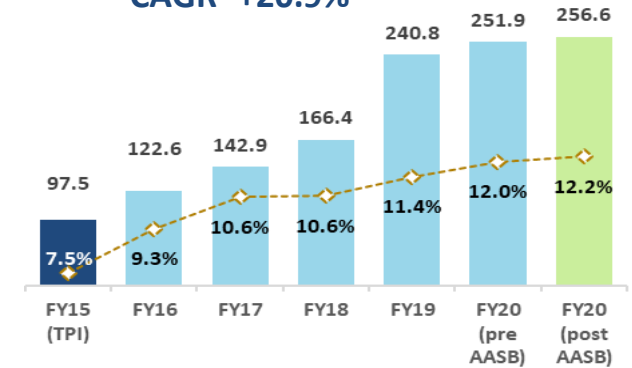
EBITDA (\$million) and EBITDA margin (%)

CAGR¹ +15.4%



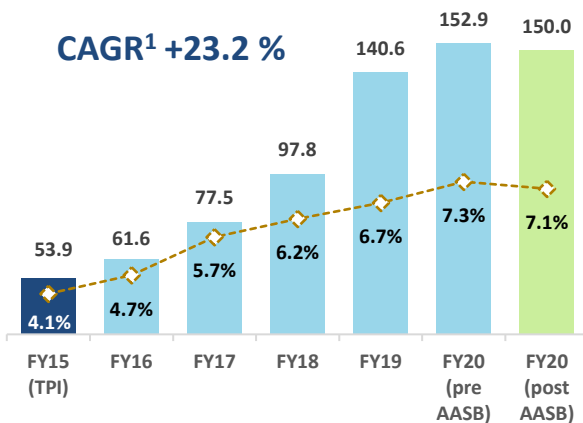
EBIT (\$million) and EBIT margin (%)

CAGR¹ +20.9%



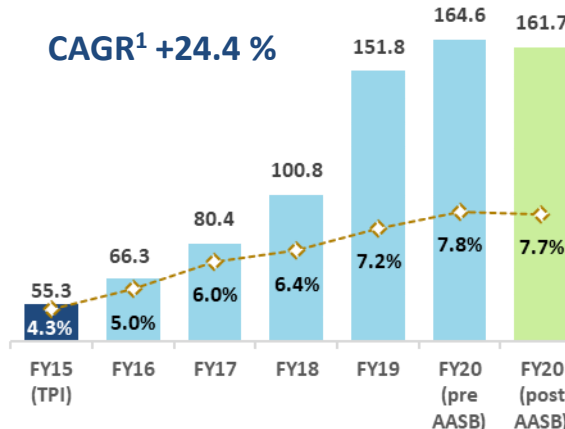
NPAT (\$million) and NPAT margin (%)

CAGR¹ +23.2 %



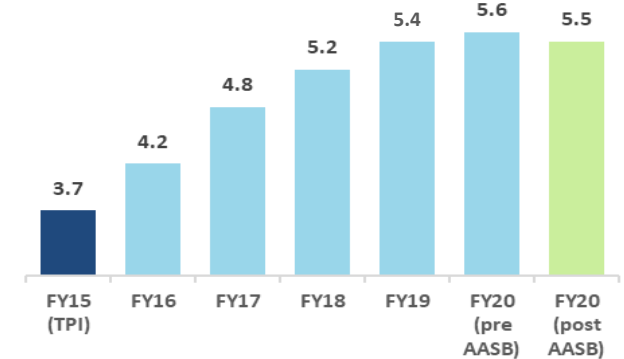
NPATA (\$million) and NPATA margin (%)

CAGR¹ +24.4 %



Return on Invested Capital² (%)

CAGR¹ +8.6 %

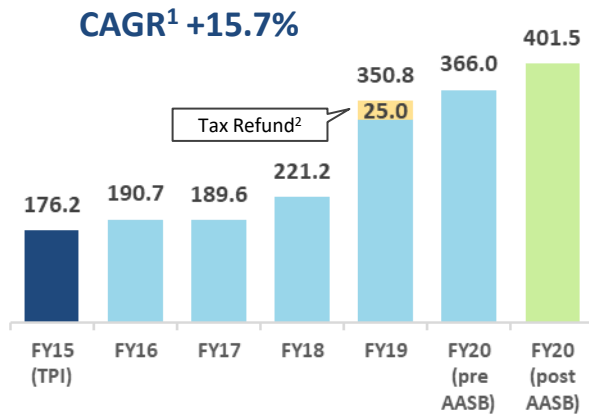


Note 1: CAGR calculated from FY15 to FY20 on a pre AASB16 basis.

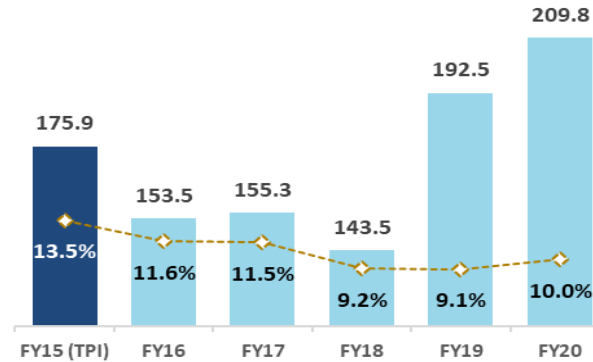
Note 2: Return on Invested Capital calculated as tax effected underlying EBIT divided by average net assets plus net debt. FY18 excludes the impact of Toxfree acquisition

Cash Flows and Shareholder Returns

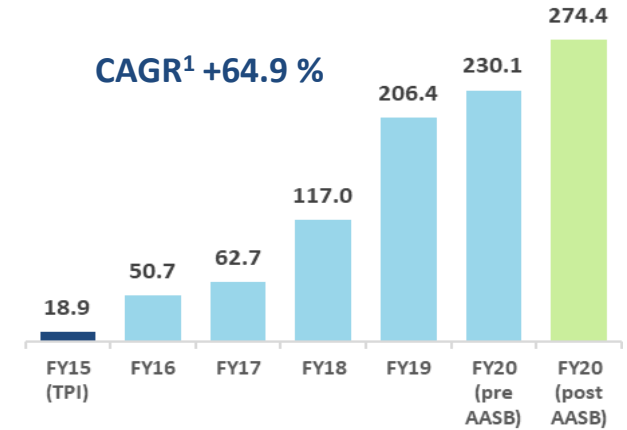
Operating Cash Flow (\$m)



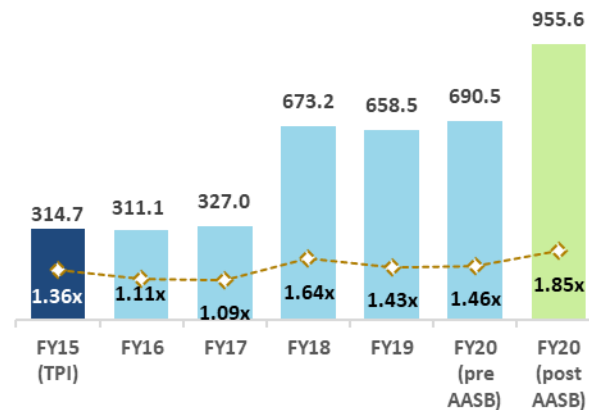
Cash Capex (\$m) and % of Net Revenue



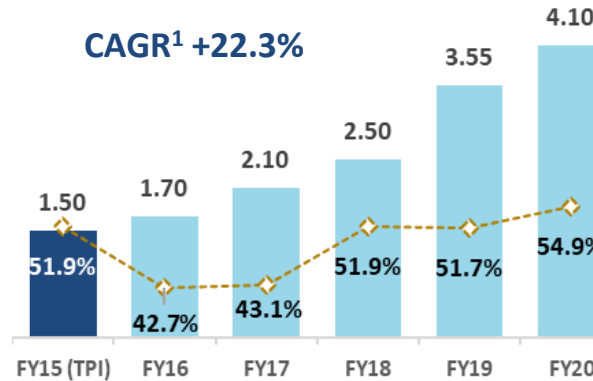
Free Cash Flow (\$m)



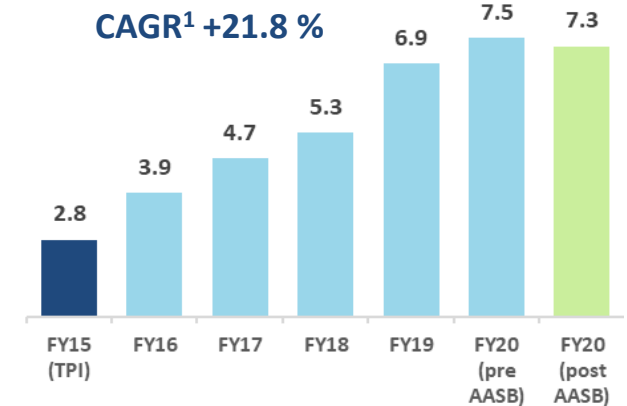
Net Debt (\$m) and Net debt / EBITDA³ (x)



Dividend (cents) & Payout Ratio (%)



Underlying Earnings per share (cents)



Note 1: CAGR calculated from FY15 to FY20 on a pre AASB16 basis

Note 2: 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

Note 3: The Net Debt/EBITDA ratio for FY18 assumes a full twelve month contribution from Toxfree

Medium-term EBITDA margin targets



Solid Waste Services

- ❖ FY20 EBITDA margin uplift of 220 bps due to AASB16
- ❖ Prior medium-term target was 27% pre AASB16
- ❖ Revised medium term target is 29% - 29.5%

Industrial & Waste Services

- ❖ FY20 EBITDA margin uplift of 30 bps due to AASB16
- ❖ Prior medium-term target was 15% pre AASB16
- ❖ Revised medium term target is 15.5% - 16.0%

Liquid Waste & Health Services

- ❖ FY20 EBITDA margin uplift of 160 bps due to AASB16
- ❖ Prior medium-term target was 20% pre AASB16
- ❖ Revised medium term EBITDA target is 21.5% - 22.0%

Comments

- ❖ Duration of COVID-19 impact remains a key unknown in achieving these targets
- ❖ Further optimisation of assets through safe, compliant, reliable management of fixed assets remains an opportunity that we will seek to leverage
- ❖ Data Harvesting and process automation leading to digitised Cleanaway could deliver margin gains

Questions

