

18 December 2020

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

Dear Sir/Madam

Presentation - FY21 Cleanaway Investor Series

Attached is an investor presentation to be made by Cleanaway at 10am AEDT today.

Details on how to join the presentation live, or listen on demand after the event, are available on the Cleanaway website at the link below.

<https://www.cleanaway.com.au/about-us/for-investor/important-dates/>

This announcement was authorised by the Company Secretary.

Yours sincerely



Dan Last
Company Secretary

Investor Relations Contact:

Richie Farrell
Head of Investor Relations
+61 2 8985 5602
richie.farrell@cleanaway.com.au

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.



FY21 Investor Series

- Victorian Commingled Resource Recovery
- Data, Analytics and Process Automation

Presenters:

Vik Bansal – CEO and Managing Director

Mark Crawford – EGM, Solid Waste Services

Alex Smith – Head of Commercial

18 December 2020

Disclaimer

- The information in this presentation does not contain all the information which a prospective investor may require in evaluating a possible investment in Cleanaway Waste Management Limited (“CWY”) and should be read in conjunction with the CWY’s other periodic and continuous disclosure announcements which are available at www.cleanaway.com.au.
- **Forward looking statements** – This presentation contains certain forward-looking statements, including with respect to the financial condition, results of operations and businesses of 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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- 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.
- This presentation has not been subject to review or audit.

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Snapshot of Cleanaway

Australia's leading total waste management, industrial, environmental and health services company.

Vertically integrated from collection, to resource and energy recovery, to waste treatment and landfill.

ASX100 listed with a \$4.9 billion market capitalisation.



6,000+
Employees



5,300+
Vehicles



250+
Sites Australia wide



125+
Prized infrastructure
assets



134mkWh
Renewable energy
generated



ASX100
Listed
company



100+
Municipal Councils



140,000+
Commercial & Industrial
customers



~10,000
Medical waste
customers

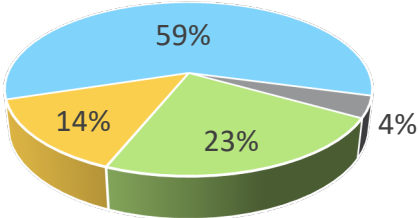
Revenue streams linked to GDP with defensive characteristics

Solid Waste Services

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



FY20 Segment Net Revenue



❖ 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

Commodities

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

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



Cleanaway's Value Creation Story

- Our Value Creation Story is based on our strategic pillars of **People, Earth, Markets, Assets** and **Financials**.
- With a focus on strategic pillars our inputs 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 with a circular economy.

Strategic Pillars



People

Our people comprise purpose driven teams, technical experts and a large workforce that share a strong operating culture



Earth

We utilise natural resources including energy, materials and water in our daily operations



Markets

We collaborate with joint venture partners and regulators to serve millions of customers across all market sectors



Assets

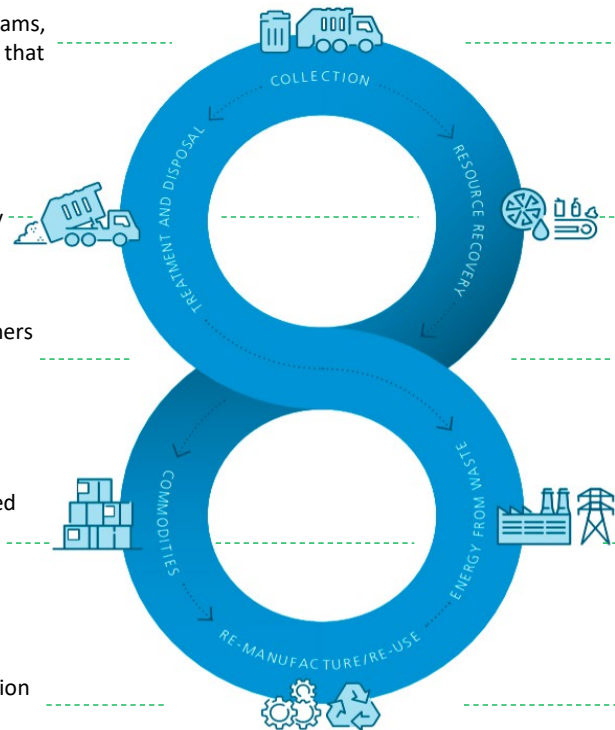
We have an integrated network of prized licenced infrastructure, a large fleet of specialised mobile assets and strong stakeholder relationships



Financials

We are disciplined in our capital allocation and reinvest profits wisely

Our Business Model



Creating Long-term Sustainable Value

We provide secure and meaningful employment for our people. We develop our people's skills and strive to provide a safe working environment

Our recycled commodities reduce demand for primary raw materials and the associated impacts. We strive to minimise the environmental impacts of waste management, including greenhouse gas emissions, toxic and hazardous waste, water and air pollution. We reduce the waste going to landfill by recovering resources from waste streams. The low carbon electricity we generate displaces carbon intensive alternatives

We help our customers and partners achieve their sustainability goals. We contribute to policy evolution. As a sector leader, we are advancing waste management in Australia

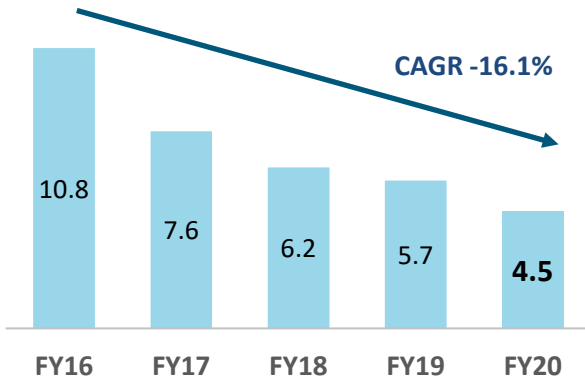
Our Footprint 2025 strategy, to invest in an integrated value chain with prized infrastructure assets, creates a strategic moat for our business and ensures we keep pace with growing sustainability demand and expectations. We contribute to a cleaner and safer environment, while seeking to minimise the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

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

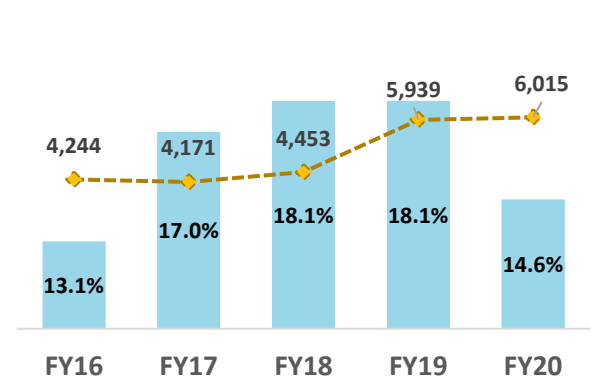
People & Culture : Key Metrics



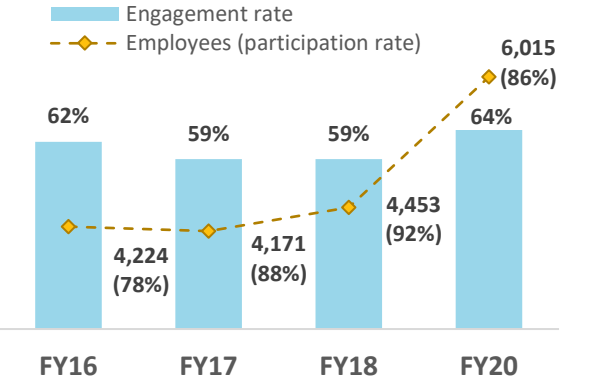
Total Recordable Injury Frequency Rate¹



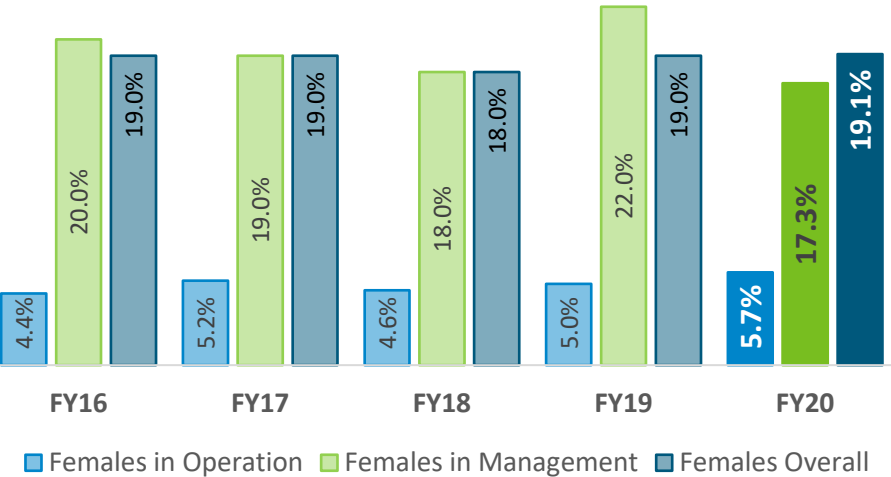
Turnover (%) and Headcount



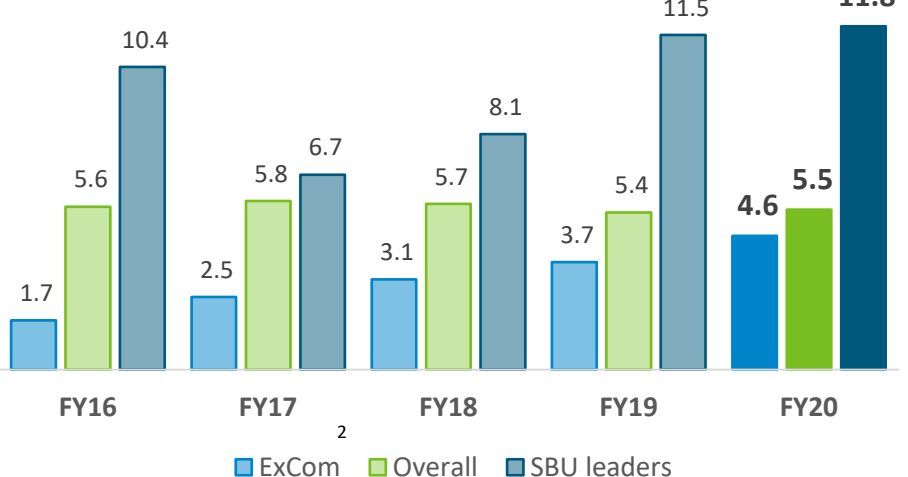
Employee Engagement Survey²



Female participation



Employee tenure (years)



7 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

Delivering Footprint 2025 – Acquisitions and Greenfield to continue



Collections

Resource recovery

Energy from Waste

Treatment and Disposal

Statewide Collections

- ✓ 1 x Transfer station
- ✓ Regional Victoria Collections

NSW C&D Acquisition

- ✓ Grasshopper

- ✓ Perth MRF*
- ✓ 2 x WA transfer stations
- ✓ SE Melbourne transfer station
- ✓ QLD Transfer station
- ✓ VIC organics resource recovery
- ✓ QLD Paper recycling facility
- ✓ NSW CDS sorting line
- ✓ Western Sydney transfer station and resource recovery
- ✓ ResourceCo PEF facility

Plastic pelletising

NSW/Vic Glass beneficiation

Western Sydney MRF

- ✓ Doubled electricity generation at Melbourne facility

Western Sydney Energy from Waste facility

Potential Brisbane and Melbourne Energy from Waste facilities

- ✓ Planning permit for Melbourne Landfill until 2046
- ✓ Height rise extension approval for Adelaide landfill
- ✓ VIC organic waste treatment facility

VIC Regional Landfill

Height extension in QLD & New Landfill

Extension of Erskine Park Landfill

NSW Medical Autoclave

✓ **ToxFree (May 2018) - Significant acquisition of prized assets across the value chain**

SKM (Nov 2019)

- ✓ 3 x Material recycling facilities
- ✓ 2 x Transfer stations

✓ **Personal Sharp containers and insourcing manufacturing of Sharp Smart containers from China to Sydney**

- Greenfield delivered
- Greenfield WIP
- Acquisition and Integration WIP or completed
- Acquisition and Greenfield to align with strategy

Acquisition of SKM assets (Nov 2019)...

SKM Adelaide sites

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

SKM Laverton MRF, PRF

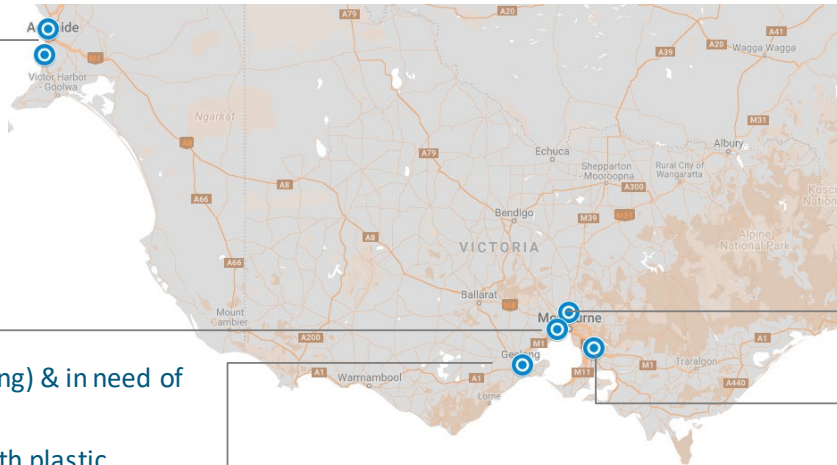
Key prized asset

- 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 Coolaroo, but will keep the MRF ready for excess capacity
- Capacity ~ 35KT 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



SKM Hobart MRF

Key Prized asset

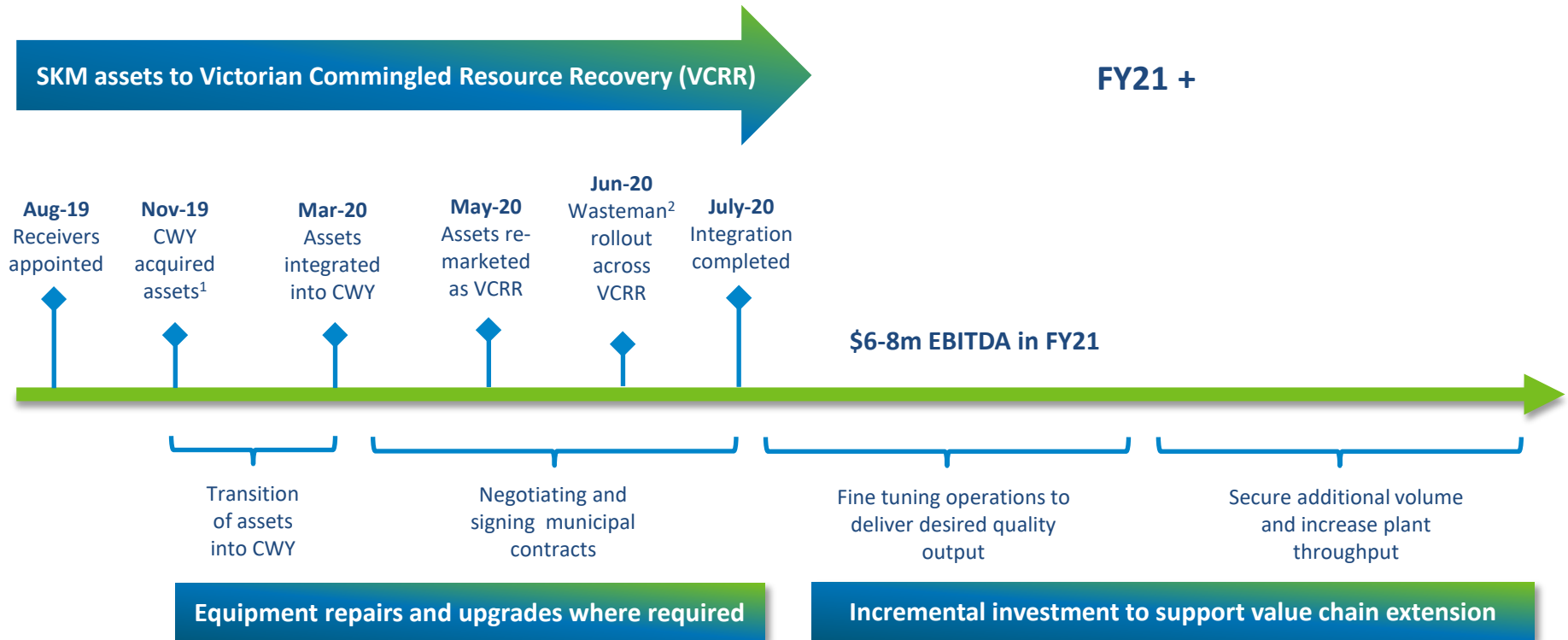
- Very good council relationships
- Will operate as full MRF
- Capacity ~ 20KT

...significantly extended our resource recovery footprint across Victoria and Tasmania

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Integration and contract renegotiation completed in FY20 as promised ..



- Plant currently operating at desired throughput of ~200kt p.a.
- Initial focus is on getting high quality output at current throughput rates
- Potential to increase volumes and ramp up throughput rates to ~250kt p.a. through increased shifts over time
- Opportunities for value chain extension through reprocessing recovered commodities including plastics and glass

... with plant and process optimisation continuing

VCRR Background: Acquired key prized assets in strategic locations

Laverton MRF, PRF

Key prized asset

- Processing technology improved
- 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

Geelong MRF

Strategic West Location

- Operates as a transfer station for processing at Laverton
- MRF available for excess capacity
- Capacity ~ 35KT a year



Coolaroo MRF

Key prized asset

- Relatively new plant and equipment
- Potential to add pute transfer station in Northern Melbourne
- Capacity ~ 120KT a year

Hallam TS

Strategic SE location

- Operates as transfer station; potential to upgrade to MRF
- Paper baling facility being added
- Capacity ~ 55KT a year

Major site remediation and equipment overhaul was completed



Completed Workstreams

- Cleared stockpiles
- Implemented R&M regime
- Relocated management within plant
- Installed glass quality improvement equipment
- Overhauled metals extraction and baling
- Upgraded fire and safety systems



Improvements to processing technology has delivered high purity commodities....



... that can be sold in relevant markets or be further benefited

Managing contamination, including contamination fees, is key in...

- Contamination is any materials that are not accepted by VCRR (as advised to customers).
- Incoming loads are sampled for contamination including testing for hazardous waste that may contaminate the entire load.
- We review council contamination periodically with councils paying for contamination > 10%.
- Initial sort stations remove major contamination and dangerous items.
- Contamination can pose OH&S risk and have EPA implications while also wasting resources by reducing recovery rates.



Risks, hazards & issues

- Ignition/fire risk
- Personal injury (cuts/pricks)
- Equipment damage
- Litter management
- Destroys recoverable fibre

... reducing HS&E risks and maintaining expected financial performance

Further Victorian commingled waste opportunities exist...

Addressable market

- Total market for kerbside commingled waste in Victoria is estimated to be ~670k tonnes p.a.
- VCRR is currently processing ~30% of this, including ~50% of Victoria's total kerbside plastics
- Addition of commingled waste recovery network completes the post collection footprint in Victoria

Customers

- Majority of volume processed is municipal
- C&I opportunities exist



... that Cleanaway will capture to meet future throughput targets

Plastic Sorting Facilities (PRFs) are a key part of the value chain...

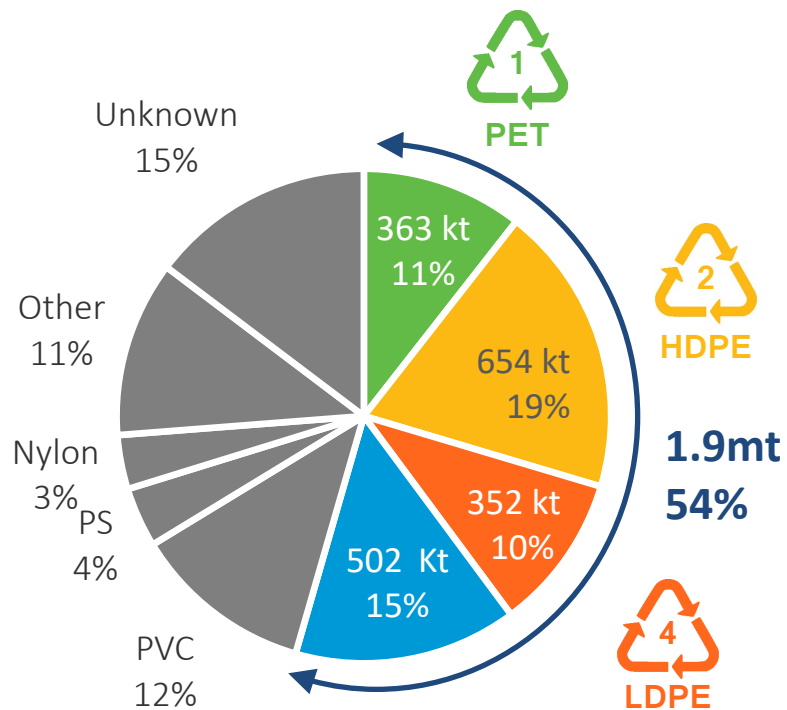


... with Laverton PRF processing ~40kt of mixed plastics into individual polymers ready for recycling

~ 2 million tonnes of recyclable polymers consumed annually

Australian Plastics Consumption by Polymer

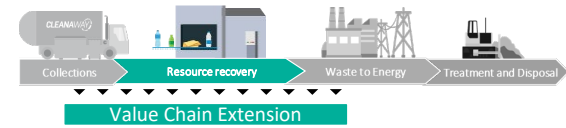
Total 3.4 million tonnes



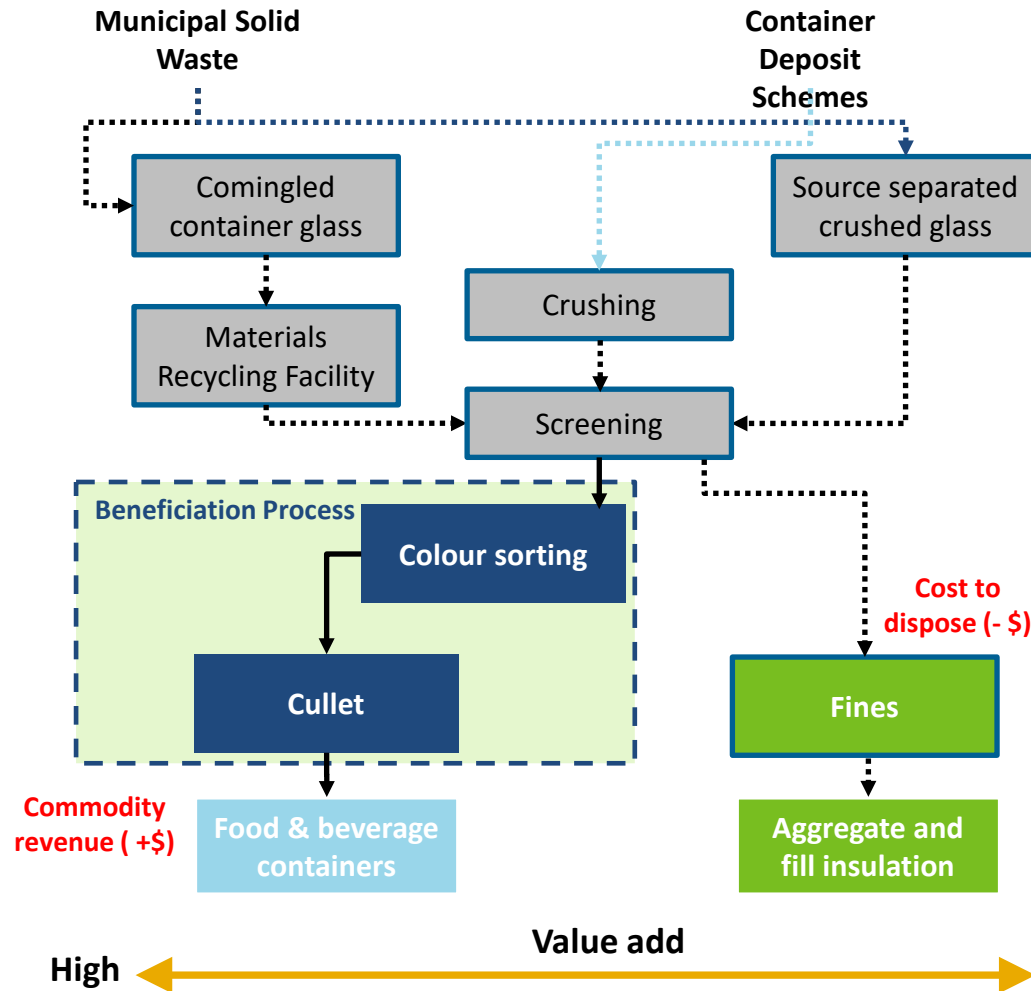
Polymers most suitable for mechanical recycling



Value Creation through Glass Beneficiation



Creating value through the shift from a cost to dispose to capturing commodity revenue



- Availability of feedstock through Melbourne MRFs and potential Victorian CDS and/or 4th glass bin
- Currently processing ~50 - 55k tonnes of glass p.a. in Victoria
- Available space at Coolaroo or Laverton MRF site in Victoria
- Feasibility study well progressed
- Glass beneficiation of NSW CDS feedstock is also a value creation opportunity for Cleanaway

We have delivered a complete customer solids solution in Victoria...

 **1,000+** Employees
  **900+** Vehicles
  **45+** Sites
  **25+** Prized infrastructure assets

End to end customer solution for Victorian solids



Collections

- ✓ Metro and regional – Municipal, C&I and C&D
- ✓ Metro and regional transfer stations and depots

Resource recovery

- ✓ C&D resource recovery
- ✓ C&I baling/sorting facilities
- ✓ Material recovery facilities
- ✓ Plastic recovery facility
- ✓ Transfer stations
- ✓ Organics resource recovery

Energy from Waste

- ✓ Landfill gas electricity generation

Treatment and Disposal

- ✓ Melbourne Regional Landfill
- ✓ Victorian regional landfill
- ✓ Victorian organic waste treatment facility

Value chain extensions will create further value

Plastic pelletising



CLEANAWAY | AUSTAL | PAST

Glass beneficiation

Potential Melbourne Energy from Waste facility

... that is a blueprint for other states and creates new value extension opportunities

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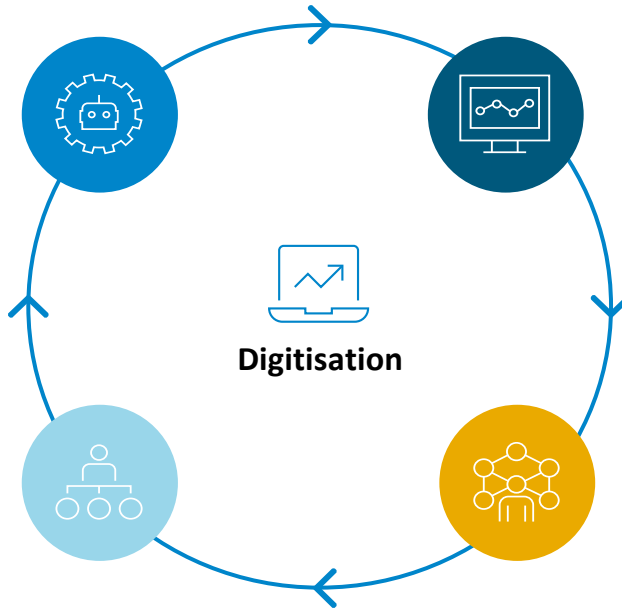
Data & Analytics is a key enabler of 'Go to Market' value creation...

Our framework brings together related element to deliver a better customer experience and margin improvement

Elements

Process automation

E.g. Straight-through invoicing, digital run sheet, proactive customer reach-out



Data and analytics

E.g. churn propensity analytics, route optimisation, margin optimisation

New ways of working

E.g. Enterprise-wide standard processes, centralised pricing control, control rooms

Digital interactions (customer, employee)

E.g. self-serve portal, driver-in-cab routing, AI/Chatbot



Digitally-enabled tech stack (e.g. External APIs, Internal APIs to legacy, Scalable cloud infrastructure, real-time data integration, Cyber resilience)

Outcomes



Customer experience

Customer satisfaction / NPS
First contact resolution (FCR) rate
SIFOT and Improved self-serve rate



Employee experience

Digital workflows
Automation of low value add tasks
Safety improvements



Business benefits

Churn reduction
Lift-to-invoice cycle time reduction
Margin expansion (lower cost-to-serve / cost-to-grow)

... within our PeMAF framework

Digitisation and Automation improves customer & employee experience

Customers

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

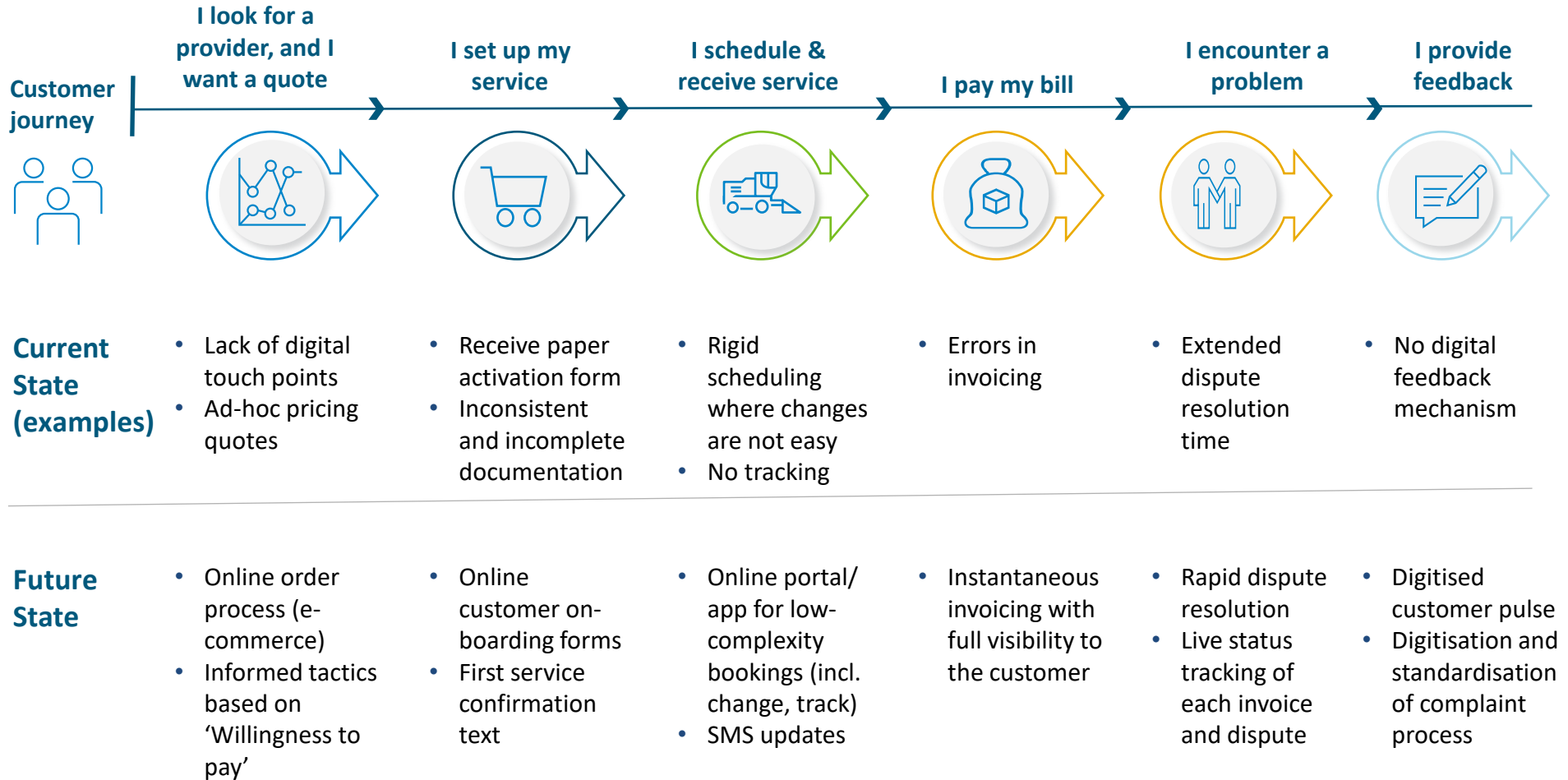
Employees (drivers)

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



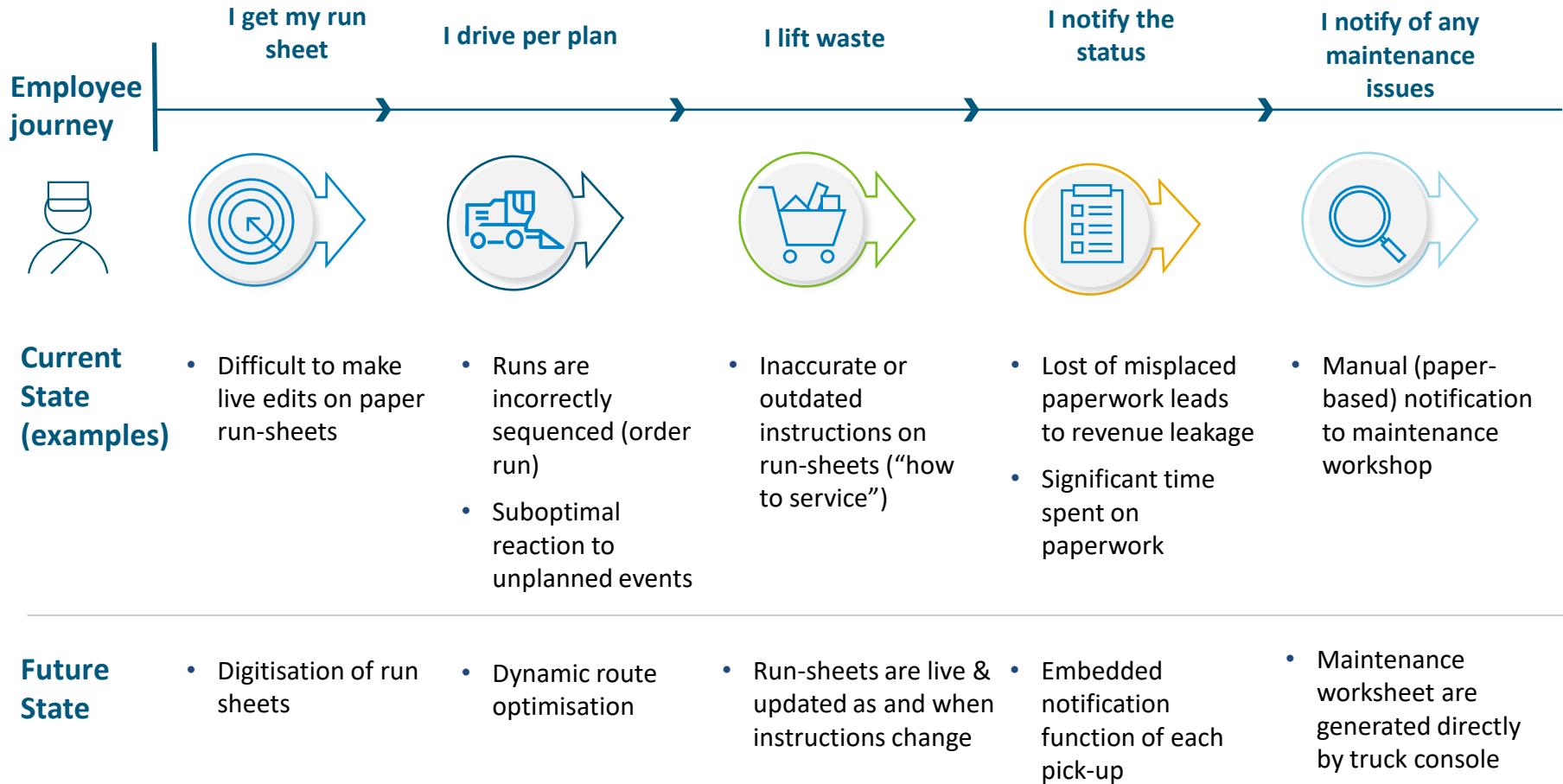
Customer experience transformation

NOT EXHAUSTIVE



Employee experience transformation (driver example)

NOT EXHAUSTIVE



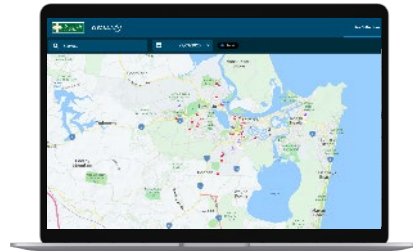
Digital interactions – live examples in Municipal segment...

Customer self-service portal



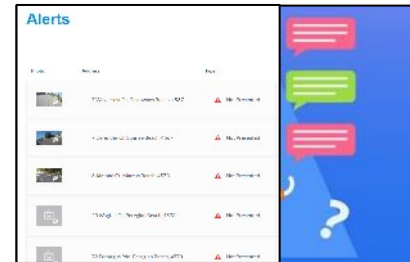
- Schedule a pickup
- Update shipment instructions
- Real-time invoice update

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

Cleanaway coverage

1.45M

addresses serviced across Australia

42

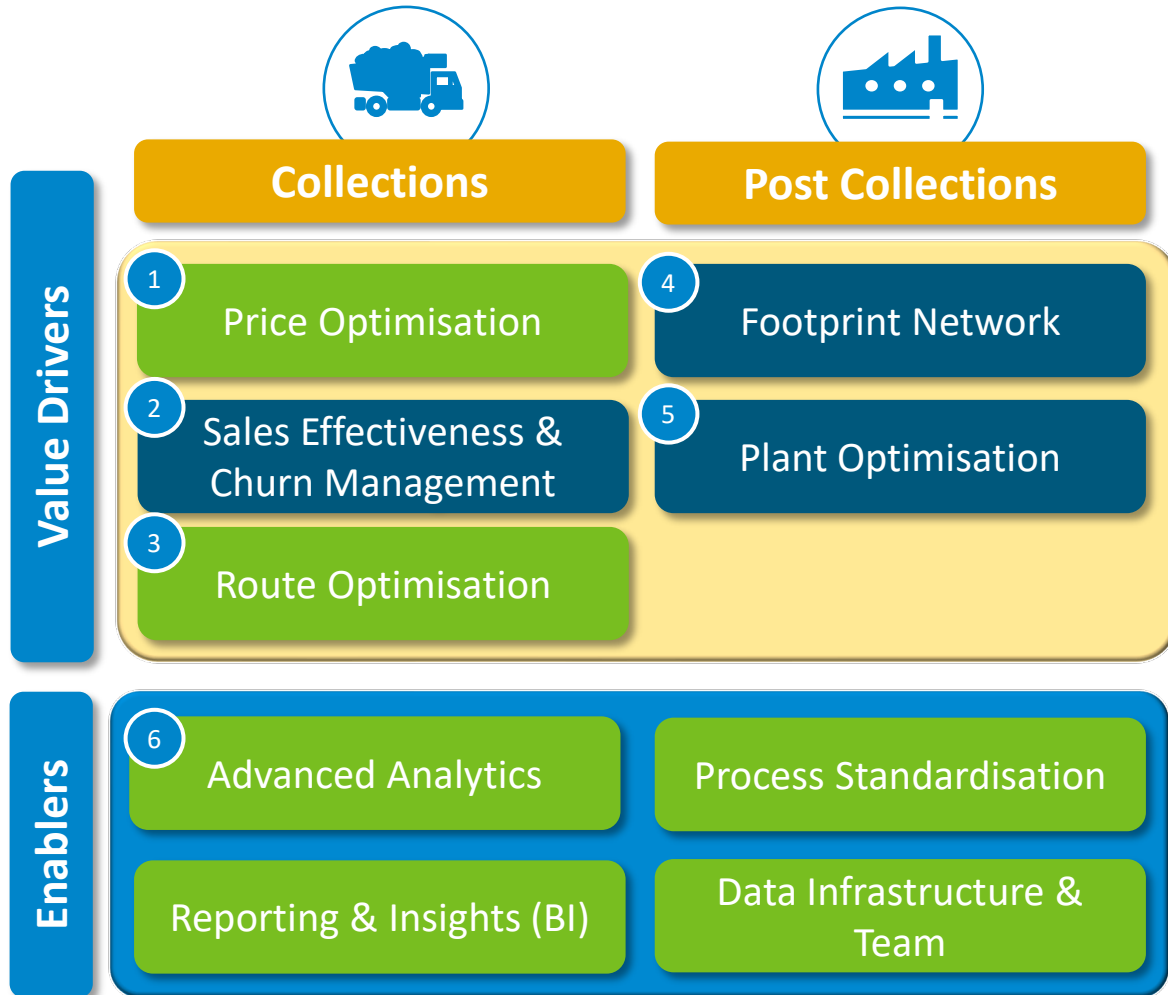
of councils deployed to, with 7 more in next 6 months

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

Source: Cleanaway portal

... where customers and employees are realising benefits

Data & Analytics represents a margin expansion opportunity



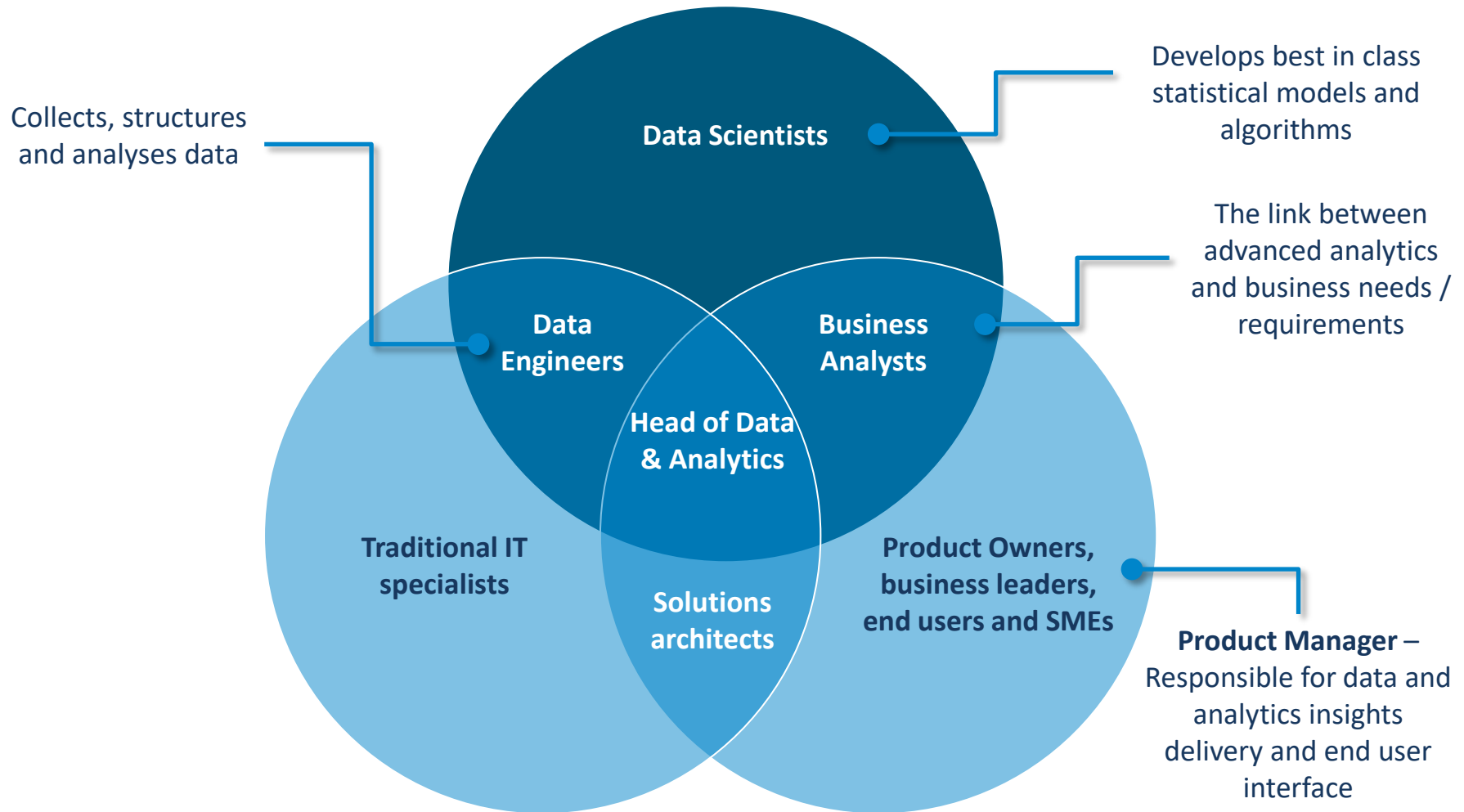
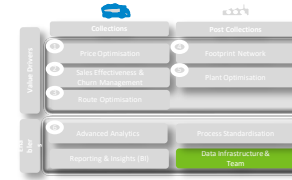
1. **Price optimisation** will drive smarter pricing decisions through targeted pricing opportunities
2. **Sales effectiveness and churn management** provides revenue and margin expansion opportunities through understanding the customer lifecycle
3. **Route optimisation** will improve density across our network
4. **Footprint network** optimizes locations of our key prized infrastructure
5. **Plant optimisation** drives efficiency across our post collection facilities
6. **Enablers** develop and embed the tools and assets to drive margin expansion in our collections and post collections business.

Work underway

Not started

... through the delivery of 6 key workstreams

We have now developed the necessary in-house capability...



... through our Data & Analytics team

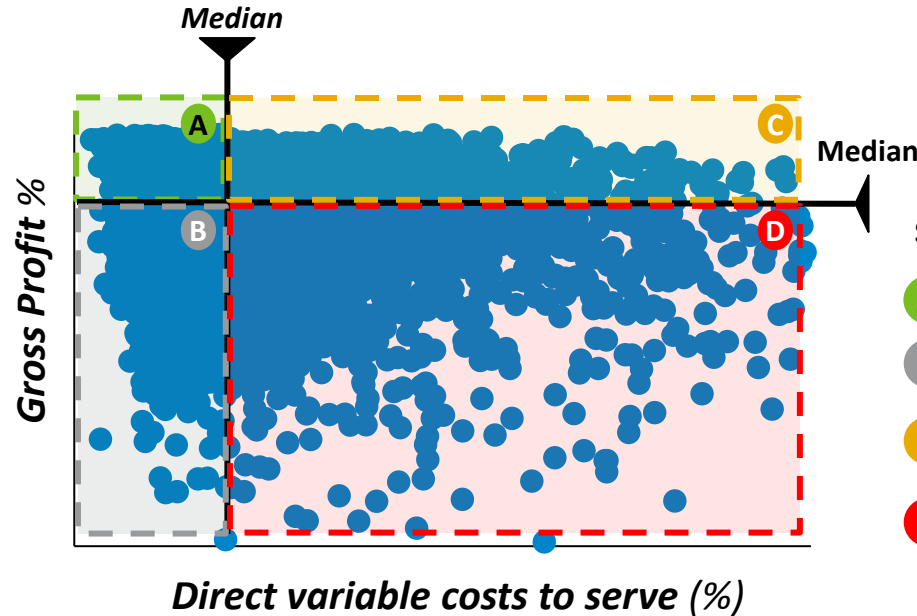
Price optimisation through profitability transparency...

1

Gross profit % vs direct variable costs to serve % Illustrative example

Price Optimisation

- Drive smarter pricing decisions through targeted pricing opportunities
- Price up-rating and adjustments
- Propensity to churn
- Dynamic sell pricing
- Willingness to pay analysis



Strategies for intervention

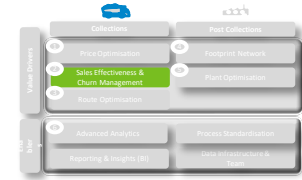
- A** Intervene with care
- B** Pricing attention needed
- C** Driven by operational cost
- D** Poorest performers, action required



Bin level profitability analytics

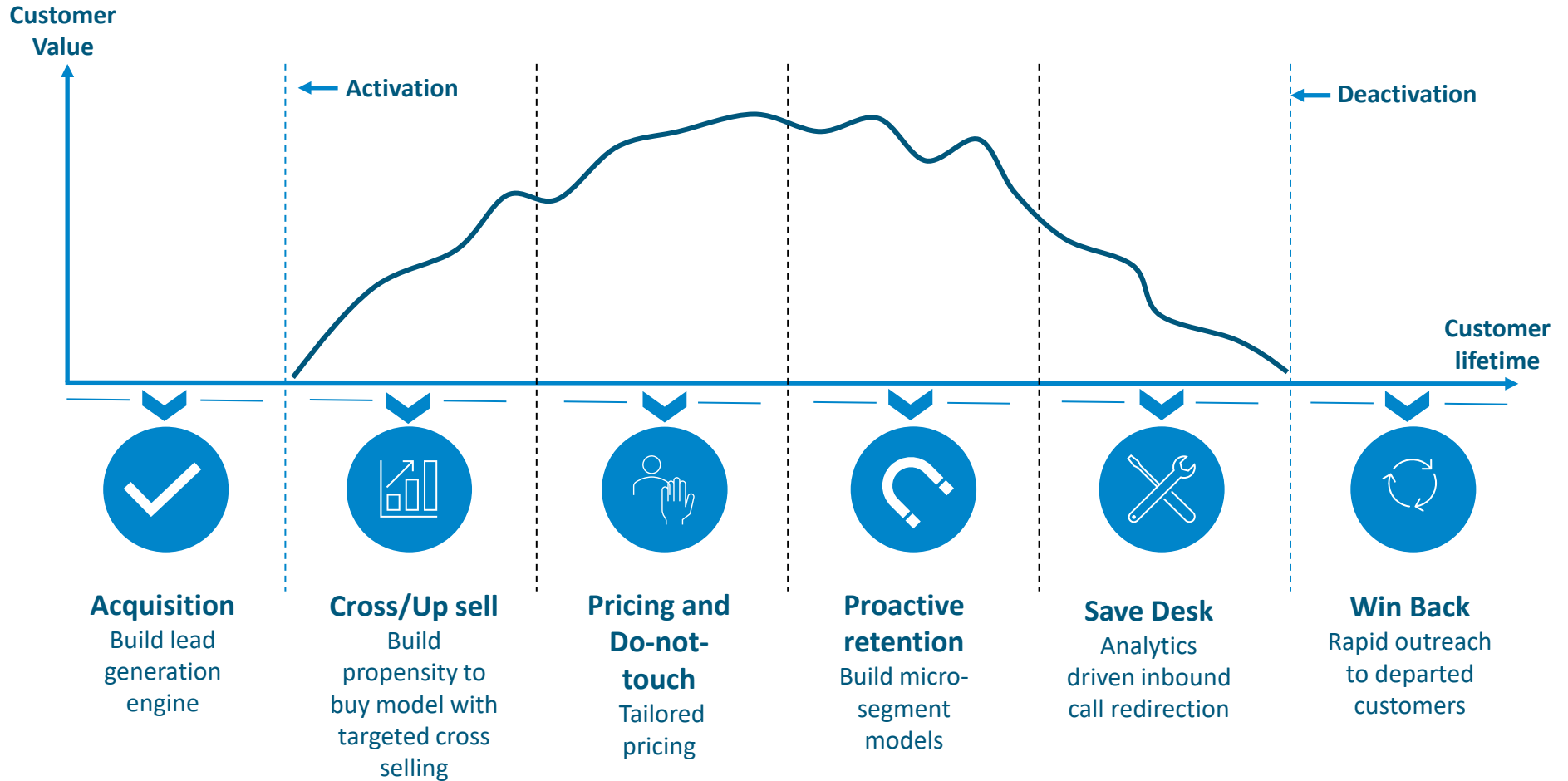
to assess true cost to serve a customer and identify measures to improve profitability

... at bin level will bring focus on pricing and cost



Improving sales effectiveness and churn management...

2



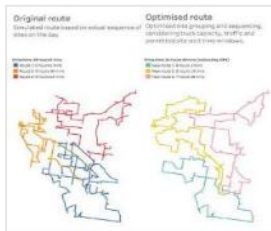
...through understanding the customer lifecycle

Route optimisation reduces drive time significantly...

3



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

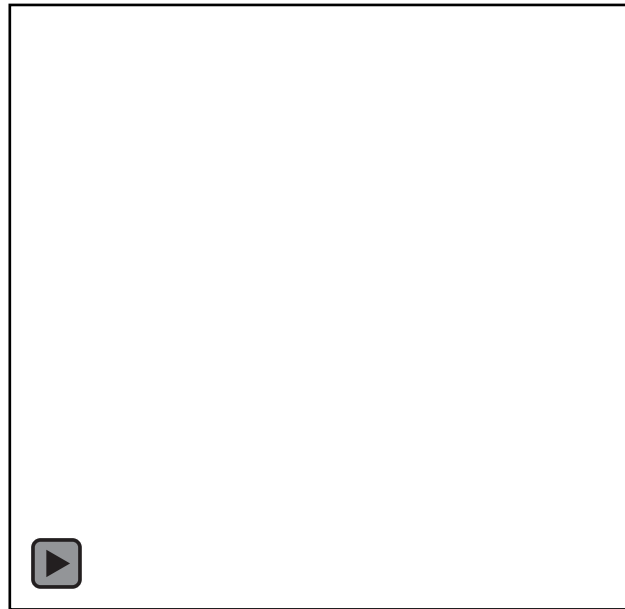


Source: Moneyball project 2020

Illustration of optimisation results for select routes

Before

After



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



A staged plan will be implemented over the next ~ 3 years...

Stage 1	Stage 2	Stage 3
<p>Selective use-case deployment</p> <p>Current program of work</p> <ul style="list-style-type: none"> ✓ Scale Cleanaview ✓ Price Optimisation ✓ Dynamic route optimisation ✓ Tracking of maintenance for fixed assets ✓ Digitisation of customer records, ✓ Digitisation of price and quote process, ✓ scheduling and run-sheets, invoicing 	<p>Digitised customer experience</p> <p>Includes:</p> <ul style="list-style-type: none"> • Digitised customer onboarding and complaint management • Predictive Churn • Route infill and lead generation • Dynamic sell price • Automated dispatch • Digitised and automated invoicing 	<p>Digitisation at scale</p> <p>Includes:</p> <ul style="list-style-type: none"> • Customer self-service portal • Online ordering • Central control center • Predictive maintenance • Worksheet automation

... and we are confident the project will deliver margin improvement

Questions

