CLEANAWAY

Making a sustainable future possible

FY21 Full Year Results

For the twelve months ended 30 June 2021

Brendan Gill – Chief Operating Officer
Paul Binfield – Chief Financial Officer

20 August 2021

ASX: CWY

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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 2021.
- 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 “Net Revenue” excludes landfill levies collected. 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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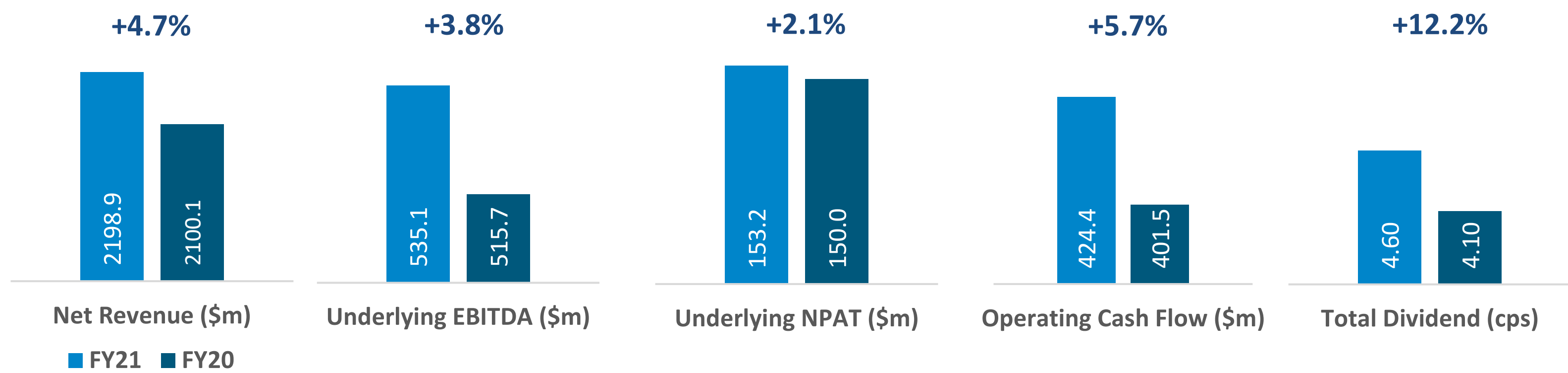
FY21 Highlights

FINANCIAL:



- Group net revenue up 4.7% reflecting new customer contracts and recent acquisitions.
- Group EBITDA up 3.8% with each of the three segments delivering higher EBITDA versus pcp.
- Operating cash flow up 5.7% reflecting higher EBITDA, lower remediation costs and working capital movements.
- Total dividend up 12.2% to 4.60 cents per share representing a payout ratio of 62.9% of underlying NPAT.
- Statutory NPAT up 31.2% to $147.7 million.

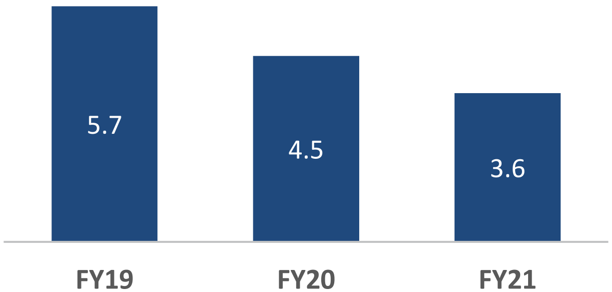
STRATEGIC:

- Agreement to acquire 2 landfills and 5 transfer stations in Sydney from Suez – completion targeted around the middle of FY22.
- Works approval for the extension of Melbourne Regional Landfill upheld by the High Court.
- Progressed value chain extension development projects in plastics and glass reprocessing.
- Energy-from-Waste (EfW) project in Western Sydney being assessed by NSW Department of Planning, Industry & Environment.
- Digitisation, Data & Analytics advanced.

Home Safe Stronger Together Integrity We Make A Difference

People and Culture

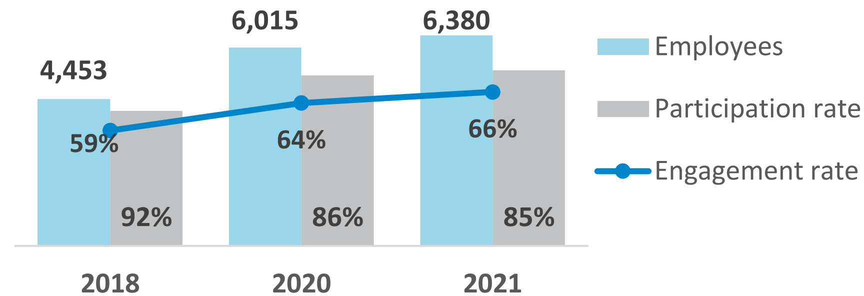
Total Recordable Injury Frequency Rate (TRIFR)[1]



TRIFR includes employees and contractors

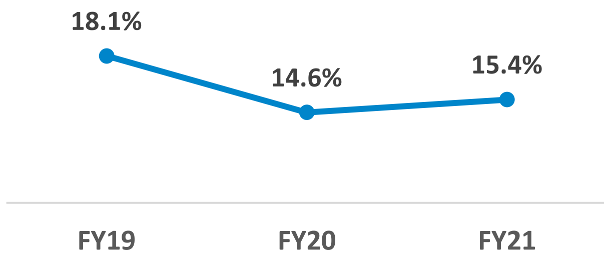
- Our target is Zero Harm. Safety performance remains a key performance measure for all executive STIs.
- Mobile eye technology rolled out across fleet.

Employee Engagement Survey[2]



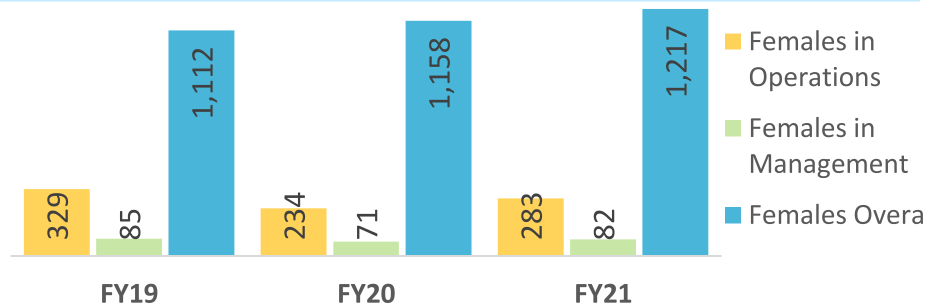
- Employee Engagement continues to improve with new initiatives being rolled out (including employee share scheme, salary packaging, paid pandemic leave).

Voluntary turnover (%)



- Increased workforce participation rates and high labour demand reversing the trend of declining voluntary turnover rates.
- Stable and effective leadership team.

Gender diversity



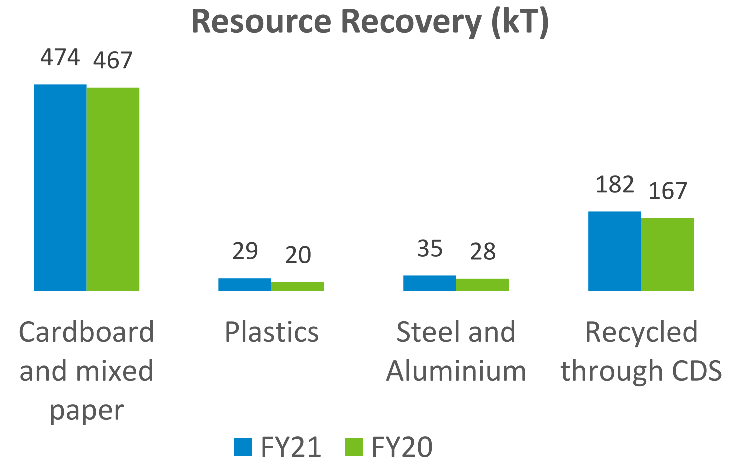
- Female participation in absolute numbers continues to increase but further work is required to meet our targets. Gender diversity is a management KPI for FY22.

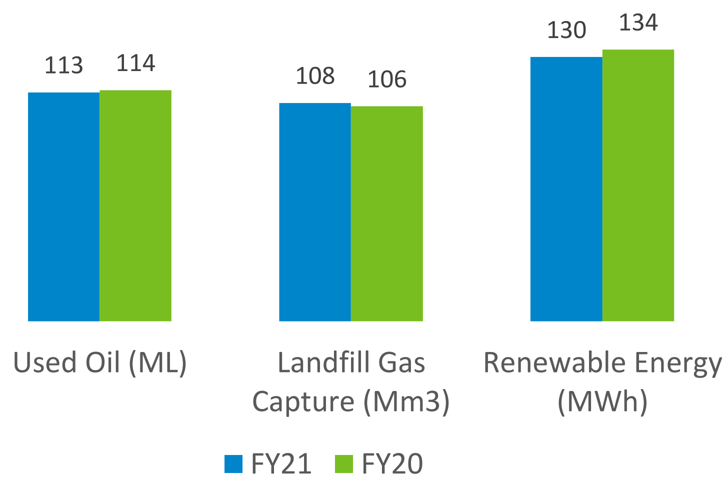
Note 1: Incidents per million hours worked.
Note 2: Engagement Survey based on consistent AON Hewitt (Kincentric) methodology.

Circular Economy

Material and Energy Recovery

- Cleanaway's mission is *to make a sustainable future possible*, which is supported by its goal of maximising value from every tonne of waste.
- Cleanaway is a key enabler of the circular economy investing in infrastructure and assets that:
    - ✓ Collect mixed recyclable material
    - ✓ Separate, sort and bale materials for processing
    - ✓ Divert materials destined for landfill for reuse
    - ✓ Re-process recovered commodities
- We seek to reduce volatility in earnings from the sale of recovered commodities by entering into short, medium and long-term contracts and by sharing risk with major commodity suppliers.
- We have recently invested in C&D resource recovery in key states and have completed the rebuild of the high specification Perth MRF. We will begin commissioning the PET plastic pelletising plant in Albury, NSW next quarter. Planning is well progressed for the Sydney MRF and the HDPE and PP plastic plant in Melbourne. MOU signed for new PET pelletising plant.
- Where waste ends up in landfill we seek to capture the methane produced and beneficially reuse it as direct fuel or to produce renewable energy.





Climate Change

GHG Emissions and Climate Change Action

- Cleanaway recognises the need to reduce its carbon emissions (906 ktCO2-e in FY21[1]) to contribute to mitigating global warming and climate change.
- Cleanaway's ambition is to align reduction in its carbon emissions to the 2015 Paris Agreement goal; keeping the increase in global temperature to 'well below 2 degrees C' above pre-industrial levels.

FY22 Goals

- Identify carbon emissions reduction opportunities and develop a carbon abatement cost curve.
- Set and disclose a credible long term emissions reduction target.
- Set and disclose interim targets consistent with our long term target.

Note 1: Scope 1 and 2.

Group Performance Overview

$ million	Underlying Results FY21	Underlying Results FY20	Underlying Results Change	Statutory Results FY21	Statutory Results FY20	Statutory Results Change
Gross Revenue	**2,406.4**	2,332.1	**3.2%**	**2,406.4**	2,332.1	**3.2%**
Net Revenue	**2,198.9**	2,100.1	**4.7%**	**2,198.9**	2,100.1	**4.7%**
EBITDA	**535.1**	515.7	**3.8%**	**528.8**	487.1	**8.6%**
EBITDA Margin	***24.3%***	24.6%	***(30 bps)***	***24.0%***	*23.2%*	***80 bps***
EBIT	**258.7**	256.6	**0.8%**	**242.7**	204.9	**18.4%**
EBIT Margin	***11.8%***	12.2%	***(40 bps)***	***11.0%***	*9.8%*	***120 bps***
NPAT	**153.2**	150.0	**2.1%**	**147.7**	112.6	**31.2%**
Earnings Per Share[1]	**7.3**	7.3	—	**7.1**	5.5	**29.1%**
NPATA[2]	**164.1**	161.7	**1.5%**	**158.6**	124.3	**27.6%**

	FY21	FY20	Change
Total dividend per share (cents)	**4.60**	4.10	**12.2%**
Cash from operating activities ($m)	**424.4**	401.5	**5.7%**
Cash conversion ratio[3]	**102.4%**	107.5%	**(510 bps)**
Net Debt to EBITDA[4]	**1.61x**	1.46x	**(0.15)x**

Note 1: Based on NPAT attributable to ordinary equity holders of $150.8m (FY20: $150.3m) and 2,057.4m (FY20: 2,050.7m) weighted average ordinary shares.
Note 2: Excludes tax effected amortisation of acquired customer and license intangibles.
Note 3: Refer slide 16.
Note 4: Ratios presented are for finance agreements covenant testing purposes. Refer to slide 17.

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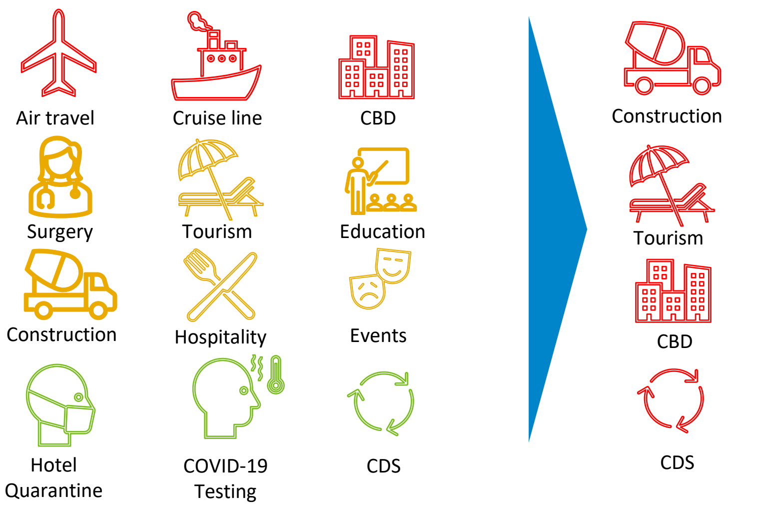
Ongoing COVID-19 effects

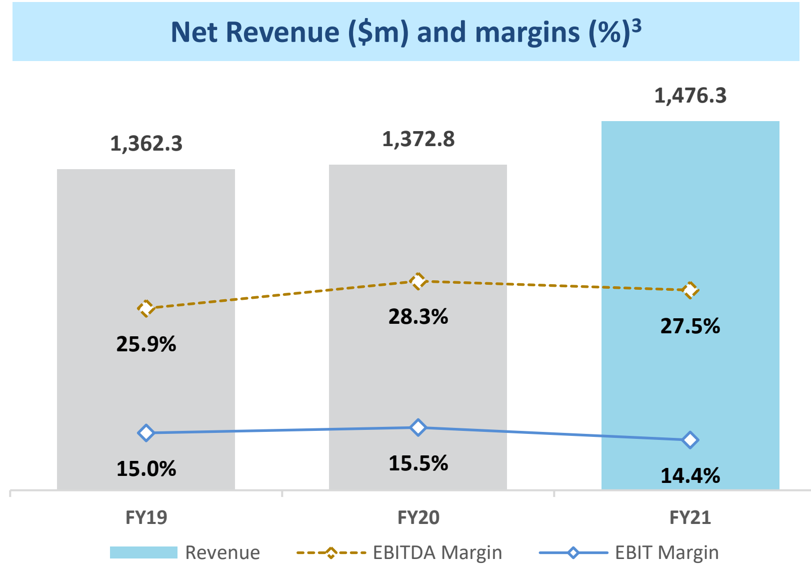
FY21 Headwinds and Tailwinds | **NSW FY22**



- FY22 headwinds and tailwinds expected to be like FY21, but new challenges have emerged, particularly in NSW.
- Continued COVID-19 related hotel quarantine, testing and vaccination roll out work offset reductions in elective surgeries in our Health business.
- Current cost mitigants being implemented include overtime reduction, staff redeployment, minimising discretionary spend, parking up trucks and equipment hire controls.
- Excess leave balances were reduced in Q4 FY20 as a cost mitigant with no material further action available.
- Post mitigants we expect ~$4m EBITDA impact per month from current NSW restrictions.

Solid Waste Services Performance

$million	FY21[2]	FY20[2]	change	
Net revenue[1]	**1,476.3**	1,372.8	**7.5%**	▲
EBITDA	**405.5**	388.3	**4.4%**	▲
EBITDA Margin	**27.5%**	*28.3%*	***(80 bps)***	▼
EBIT	**213.0**	212.7	**0.1%**	▲
EBIT Margin	**14.4%**	*15.5%*	***(110 bps)***	▼



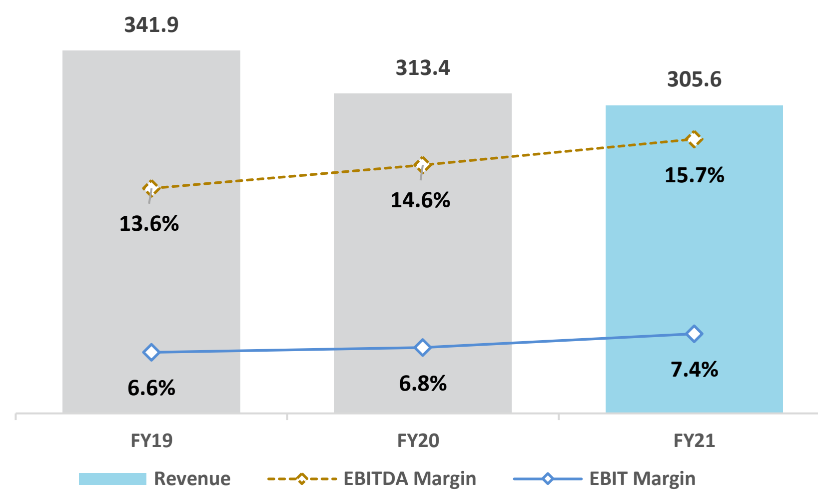
- Net revenue, EBITDA and EBIT grew 7.5%, 4.4% and 0.1% respectively, while EBITDA and EBIT margins declined 80bps and 110bps respectively compared to FY20 due to a changing mix of contributions to the segment (refer slide 32 for further analysis).
- The segment benefited from full year contributions from Statewide Recycling and the VCRR businesses (including former SKM assets) and initial contributions from Stawell landfill, Grasshopper (NSW C&D collections) and the Pinkenba Recycling acquisitions.
- New municipal contracts including the City of Casey, Wyndham, Randwick and SA Council Solutions together with the WA regional CDS contract and national C&I customer account wins (including Aldi, Collins Food Group and Spotlight) further benefited the segment.
- Headwinds included lower post collections volumes at Erskine Park landfill in NSW (delayed approval for construction of a mechanically stabilised earth (MSE) wall), lower post collections volumes and pricing in WA as councils seek to fill their landfill airspace ahead of EfW facilities opening in Perth, and impacts from weather events and COVID-19 restrictions. The airspace at the Erskine Park landfill is being increased through the construction of an MSE wall. It will be completed in FY22 and will create 400k cubic metres of additional airspace. The Kemps Creek landfill being acquired from Suez will provide a longer-term solution.
- The Perth MRF rebuild was completed and commissioned towards the end of the financial year.

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.
Note 3: FY19 presented on a pre-AASB16 basis.

Industrial & Waste Services Performance

$million	FY21[1]	FY20[1]	change	
Net revenue	**305.6**	313.4	**(2.5%)**	▼
EBITDA	**48.0**	45.9	**4.6%**	▲
EBITDA Margin	**15.7%**	*14.6%*	***110 bps***	▲
EBIT	**22.6**	21.4	**5.6%**	▲
EBIT Margin	**7.4%**	*6.8%*	***60 bps***	▲

Net Revenue ($m) and margins (%)[2]



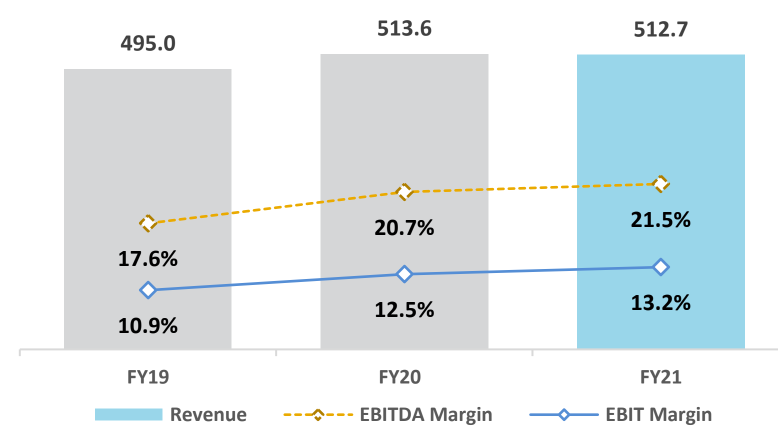
- EBITDA of $48.0m was 4.6% higher and EBITDA margin was 110 bps higher than FY20 reflecting the successful execution of the strategy of exiting low value workstreams.
- Industrial Services market remains extremely competitive across all markets and particularly in Infrastructure. Our focus is ramping up on major road and rail infrastructure projects across the country, along with a targeted market plan for the Oil and Gas segment.
- Significant uncontracted project activity with Beach Energy, Lochard Energy, Viva, Roy Hill, Santos and Rio Tinto through FY21 with a positive outlook in FY22 for similar works. Multiple 3-year contract re-signs with tier 1 customers during the year.
- Recent contract wins included Southern Ports and ASC Sullage Services.

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.
Note 2: FY19 presented on a pre-AASB16 basis.

Liquid Waste & Health Services Performance

$million	FY21[1]	FY20[1]	change	
Net revenue	**512.7**	513.6	**(0.2%)**	▼
EBITDA	**110.0**	106.3	**3.5%**	▲
EBITDA Margin	**21.5%**	*20.7%*	***80 bps***	▲
EBIT	**67.6**	64.3	**5.1%**	▲
EBIT Margin	**13.2%**	*12.5%*	***70 bps***	▲

Net Revenue ($m) and margins (%)[2]

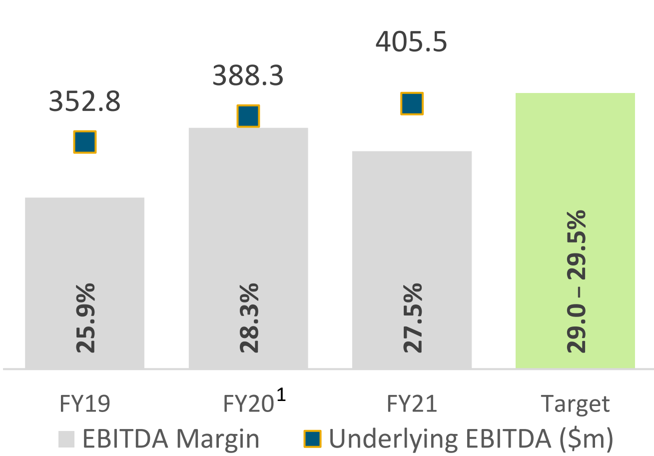


- EBITDA was 3.5% higher with EBITDA margins growing 80 basis points to 21.5% on largely steady revenue.
- **Hydrocarbons:** The lingering effects of COVID-19 lockdowns resulted in lower East coast collections volumes, particularly VIC and SEQ. A temporary increase in product stewardship receipts for high quality recycled base oil offset lower H1 benchmark oil prices. Pricing, service improvements and business efficiency initiatives improved margins in equipment services (industrial cleaning).
- **Health Services:** Improved COVID-19 related earnings from aged care facilities, hotel quarantine, and mass testing and vaccination waste (light and bulky) offset by lower elective surgeries and quarantine work from cruise ships and airlines. Managing the changing waste mix and the introduction of a VIC waste tracking system are areas of focus.
- **Liquids and Technical Services:** Increased earnings on FY20 notwithstanding COVID-19 impacts (lower volumes in tourist heavy states, hospitality (grease trap), cruise ships and automotive sectors). Increased regulatory pressure impacted interstate waste processing offset by large clean up contracts.

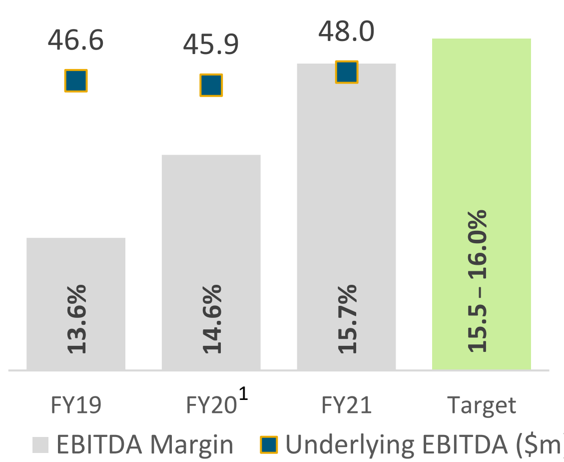
Note 1: Financial results are presented on an underlying basis. Underlying is a non IFRS measure that excludes non-recurring items. Refer appendix for reconciliation of reported to underlying earnings.
Note 2: FY19 presented on a pre-AASB16 basis.

Medium Term Segment Margin Targets

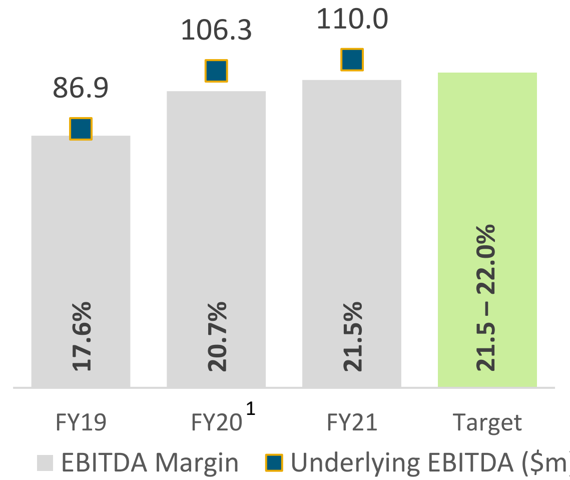
- Progressing well towards medium term margin targets (provided at FY20 Results) despite COVID-19 headwinds.
- IWS and LW&HS benefiting from a well managed integration of the Toxfree business and renewed focus on core business lines.
- Successful tenders for new large C&I and National accounts and lower post collections volumes (Erskine Park and Dardanup landfills) contributing to a changing mix in the SWS segment.
- SWS FY22 margins to be impacted by up to $10-15m lower EBITDA from New Chum depending on approval timing (while a height extension approval is being appealed in court). This is expected to be more than offset by the contribution of the Suez Sydney assets, with the transaction expected to be completed around the middle of FY22.
- Digitisation and process automation will contribute to increased profitability over time.



Solid Waste Services



Industrial & Waste Services



Liquid Waste & Health Services

Note 1: Margin uplift in FY20 due to AASB16: Solid Waste Services – 220bps, Industrial & Waste Services – 30bps; Liquid Waste & Health Services – 160bps.

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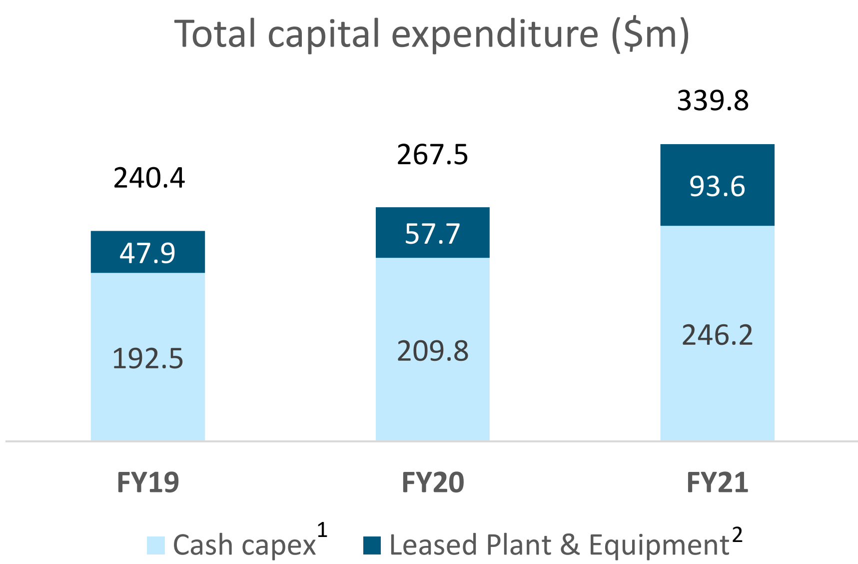
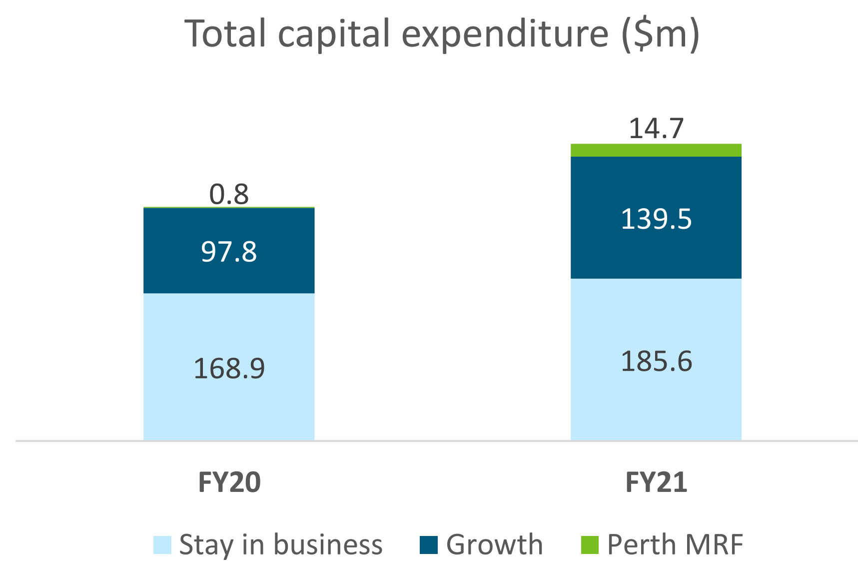
Statutory NPAT Reconciliation to Underlying NPAT

$ million	FY21
Statutory Profit After Income Tax Attributable to Ordinary Equity Holders	**145.3**
Pre-tax adjustments:	
Impact of Perth MRF fire	7.0
Acquisition and integration costs	7.9
CEO transition costs	4.3
Employee entitlements adjustment	(7.0)
Change in remediation provision discount rate	(3.4)
Impairment of Westgate Tunnel project costs	4.5
Write-off assets damaged in Welshpool fire	2.7
Total Underlying Adjustments to EBIT	**16.0**
Net finance costs to underlying adjustments	(7.6)
Tax impact of underlying adjustments	(2.9)
Total Underlying Adjustments	**5.5**
Underlying Profit After Income Tax Attributable to Ordinary Equity Holders	**150.8**

Capital Expenditure



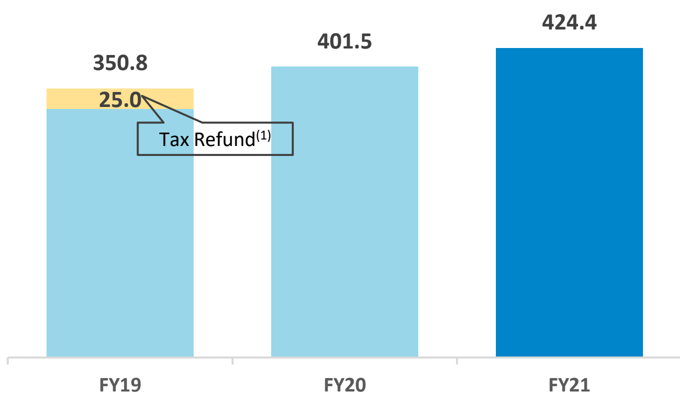


- Continuing to apply a disciplined approach to capital expenditure while pursuing value accretive opportunities.
- Increase in growth capex attributable to new municipal contracts, WA CDS, Resource Recovery equipment, and equipment to service new C&I customers.
- Approximately $100 million of capex is eligible under the temporary instant asset write off scheme.
- Leasing finance utilised for government related contracts to align with the contracted cash flows.
- Total capital expenditure for FY22 planned to be below FY21 with a similar split between growth and stay-in-business capex. Increases in tender success would increase capital expenditure.
- FY22 D&A expected to be approximately $290 million[3].

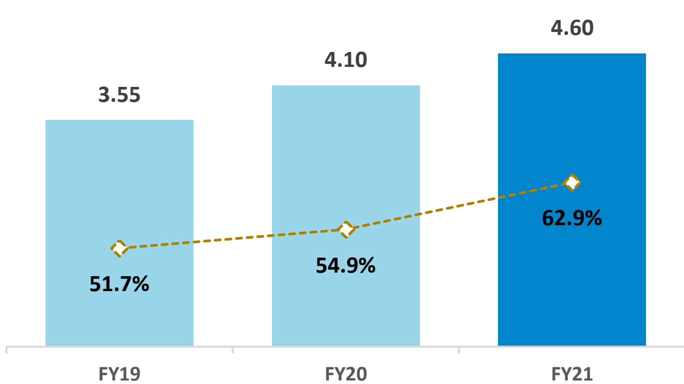
Note 1: Refers to capital expenditure as per cash flow statement.
Note 2: PPE, excluding property.
Note 3: Excludes D&A related to the landfill and transfer station assets to be acquired from Suez.

Strong Cash Flow and Balance Sheet to Fund Growth

Operating Cash Flow ($m)



Dividend (cents) & Payout Ratio (%)



Comments

- FY21 operating cash flow increased $22.9m to $424.4m due to higher EBITDA and lower remediation costs offset by the reversal of favourable prior period working capital movements, provided by governments to support cash flows.
- Ongoing strong credit management with overdue debtors continuing to fall.
- FY21 cash conversion ratio of 102.4%[2].
- Earnings and cash flow underpins increased dividend payments, within our target range of 50-75% of NPAT.
- Capital expenditure, acquisitions, investments and dividends funded by operating cash flows.
- Well capitalised balance sheet with ample capacity to support further accretive growth.

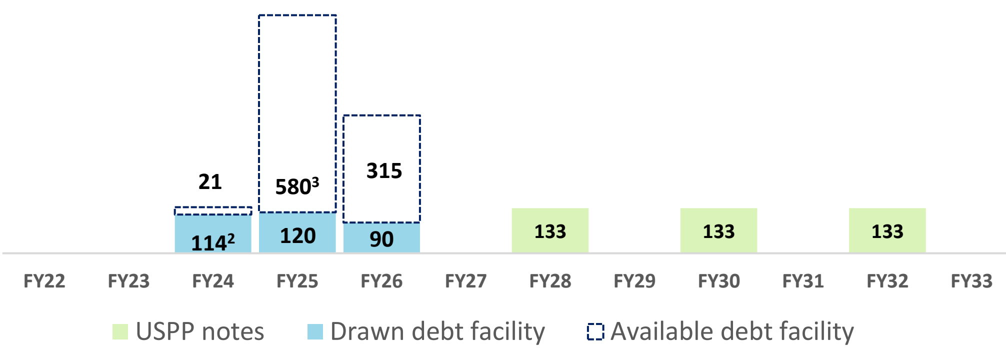
Note 1: A one off $25 million tax refund was received in August 2018 from the FY13 to FY17 amended tax returns relating to depreciation deductions in respect to previous landfill acquisitions.

Note 2: 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.

Capital Structure – Debt

$ million	30 June 2021	30 June 2020
Leases	**499.4**	437.3
USPP Notes	**366.7**	426.9
Other interest-bearing liabilities	**207.2**	201.2
Gross Debt	**1,073.3**	1,065.4
Cash and cash equivalents	**(69.4)**	(79.8)
Derivative financial instruments – CCIRS	**31.5**	(30.0)
Net Debt	**1,035.4**	955.6
Gearing ratio	**28.2%**	27.1%
Net Debt to underlying EBITDA ratio[1]	**1.61x**	1.46x
Interest cover ratio[1]	**22.55x**	19.21x

Key debt facilities at 30 June 2021 (A$m)



Capital structure 30 June 2021:

- At 30 June 2021, the Group had $930.3m of headroom under existing banking facilities.
- The Group remains well within covenant limits of less than 3.00x for Net Debt to underlying EBITDA ratio and above 3.00x for interest cover ratio[1].
- Net debt to underlying EBITDA[1] increased from 1.46x to 1.61x during the year.
- Gearing ratio was 28.2% in FY21 (27.1% in FY20).
- Next refinancing due in July 2023.

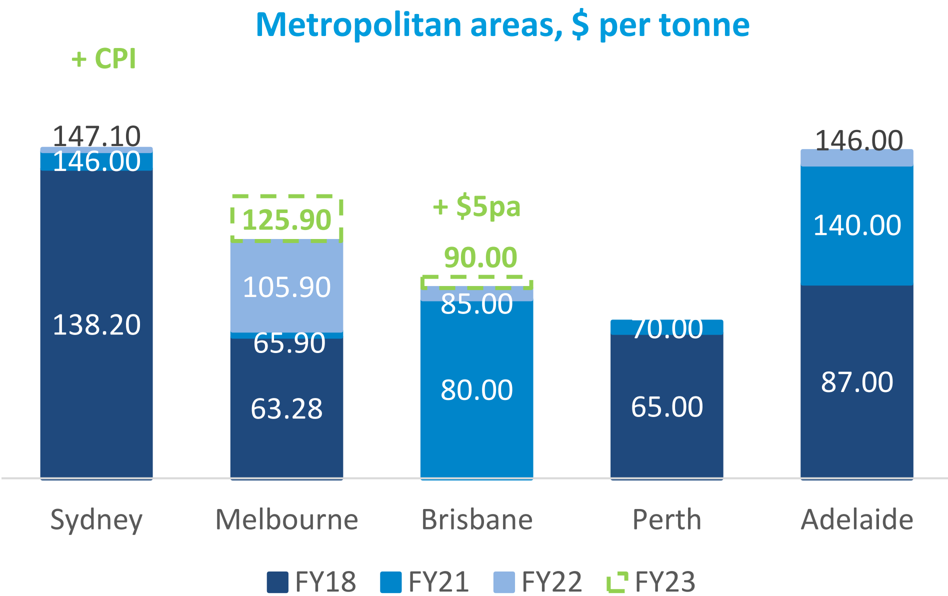
Funding of Suez Sydney Assets:

- $500 million 3-year committed debt facility available for purchase of Suez Sydney assets under the Group's Syndicate Facility Agreement.
- Seven existing syndicate banks and one new bank are participating in the new facility.

Note 1: Covenant ratios under finance agreements are calculated on a pre AASB16 basis. Certain other immaterial adjustments are made to the ratio calculations for covenant testing purposes.
Note 2: In addition to debt drawdowns, facility includes banks guarantees, corporate cards and overdraft limits.
Note 3: Includes $500m debt facility for the purchase of Suez Sydney assets that matures three years from the date of initial drawdown, which is expected in FY22.

Rising Landfill Levies Drive Diversion

Waste levies by State



- A step-change in levies with all states now moving or expected to move to $100+ per tonne **over time**.
- This injects significant new value into the sector to the extent more waste can economically be diverted from landfill.
- This will particularly affect QLD, VIC and WA with more advanced resource recovery now becoming economically viable.

Waste Export Ban - Key dates

1 January 2021

- Unprocessed glass in a whole or broken state that is not in a furnace ready state. Both formed packaging and flat sheet glass.

1 July 2021

- Mixed plastics that are not of a single resin or polymer type or where further sorting, cleaning and/or processing is required before re-use.

1 July 2022

- Single resin or polymer plastics that have not been reprocessed into flake, pellet or processed engineered fuel. For example, cleaned and baled PET bottles.

1 July 2024

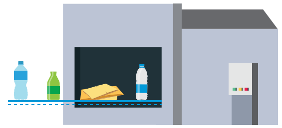
- Mixed and unsorted paper and cardboard.

Cleanaway continues to proactively position its business to meet the opportunities and challenges posed by the export ban including investing in glass processing; plastics sorting, flaking and re-processing; and investigating innovative technologies to process mixed paper.

Market value growth to come from new inflows and levy avoidance

Collections

- Greater source separation – more bins (e.g. FOGO, dedicated glass bins)
- Container deposit schemes in VIC and TAS
- Product stewardship
- Education



Resource Rec. & Value-add

- Onshoring recycling (export bans)
- Move towards circular economy - demand for <u>locally</u> recycled raw materials
- Increased diversion prize from rising levies
- Higher recovery targets

Energy from Waste

- Multi billion-dollar industry emerging
- Key to reduction of GHG emissions
- Implementation closely linked to policy, planning and landfill levies

Treatment and Disposal

- Landfills face volume pressure from increased resource recovery and EfW over time
- Landfills remain key prized assets for foreseeable future alongside EfW

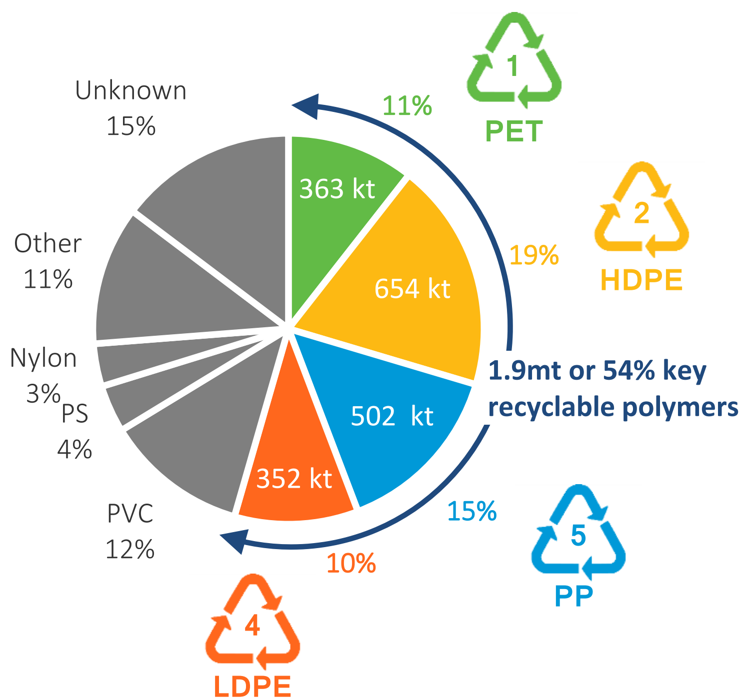
New sector inflows
Higher levies and new revenue streams will flow through the value chain

Gradual volume and value shift from landfills to Energy from Waste and Resource Recovery

Value chain extension - Plastics

Australian Plastics Consumption by Polymer

Total of 3.4 million tonnes

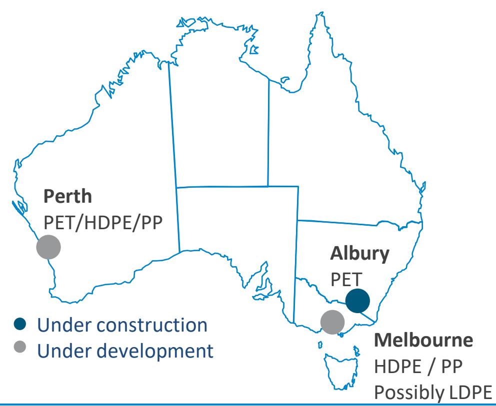


Source: *Envisage Works - 2018–19 Australian Plastics Recycling Survey (March 2020), prepared for the Department of Agriculture, Water and the Environment*

Cross value chain collaboration to develop the Albury PET and Laverton HDPE and PP pelletising facilities

$45 million facility to process 30kt per annum of **PET**, providing a bottle-to-bottle recycling solution for the equivalent of almost **1 billion bottles each year**

$40 million facility to process 20kt per annum of **HDPE and PP**, converting locally collected kerbside materials into high quality food grade rHDPE and rPP. Equivalent to **over 500k plastic milk bottles.**



Finalising feasibility study for a **Perth flaking facility**.

Signed MOU with Pact, Asahi Beverages and Coca-Cola Europacific Partners to form a JV and develop a **20kt PET** pelletising facility.

Energy from Waste

Western Sydney Project Update

Activity	Date
EIS public Exhibition	Oct/Nov 2020
Prepare responses to submissions	Dec 2020- June 2021
DPIE assess responses to submissions	H2 2021
DPIE publishes Merit Assessment Report	Q4 2021/ Q1 2022
IPC Review/ Determination	H1 2022
Financial Close target	H1 2022
Construction	~3 years
Commissioning	~2024

IPC Review / Determination

- *Presentations, reporting & assessment.*
- *Public Meeting (or Minister requests Public hearing)[1].*
- *Project determination.*

CLEANAWAY WESTERN SYDNEY ENERGY & RESOURCE RECOVERY CENTRE

- 500 ktpa capacity
- Moving grate technology
- ~55MW / 460 GWh baseload electricity
- $650-700m capex
- ~900 direct construction jobs

EIS = Environmental Impact Statement
DPIE = Department of Planning, Industry and Environment
IPC = Independent Planning Commission

Policy and Project Developments

- New South Wales
  - EfW has been identified specifically in the NSW Government's waste strategy and is part of the solution for disposal of residual waste.
  - NSW EfW policy includes new rules that ensure projects meet and exceed world best practice air quality standards. Our proposed plant is designed to meet or exceed these targets.
- Victoria
  - Draft VIC EfW Framework released for consultation on 28 June 2021. Expected to be finalised mid-2022.
  - Includes 1 million tonne cap for all new facilities.
  - Site identification and due diligence ongoing.
- Queensland
  - Targeted consultation completed following EfW policy release. Proposed release of guideline in mid-2021.
  - Site identification and due diligence ongoing.

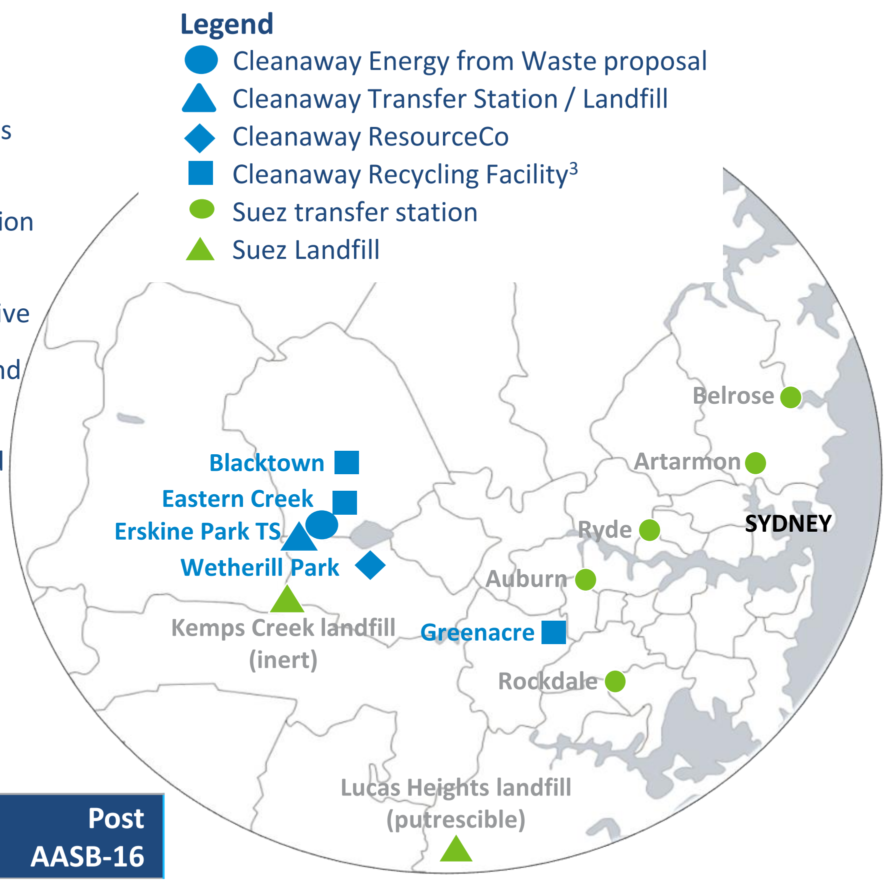
Note 1: If Minister requests a public hearing, both applicant and objectors lose appeal rights.

Agreement to acquire Sydney landfills and transfer stations from Suez[1]

Strong strategic fit and financial returns

- ✓ $501 million acquisition price
- ✓ Delivers >10 years of airspace in the attractive Sydney market
- ✓ Complements Cleanaway's collections operations
- ✓ Enables significant waste internalisation opportunity
- ✓ Immediately EPSA and margin accretive
- ✓ Expect to complete transaction around the middle of FY22
- ✓ Integration planning commenced and on track

$m, 31 Dec year-end[4]	Pre AASB-16	Post AASB-16
Net revenue	193.1	193.1
EBITDA	72.9	76.9



5 transfer stations

- Located in Auburn, Artarmon, Belrose[2], Rockdale[2] and Ryde
- Supports commercialisation of Cleanaway's proposed EfW facility

Lucas Heights landfill[2]

- Putrescible waste
- ~10 million m^3 of available airspace

Kemps Creek landfill[2]

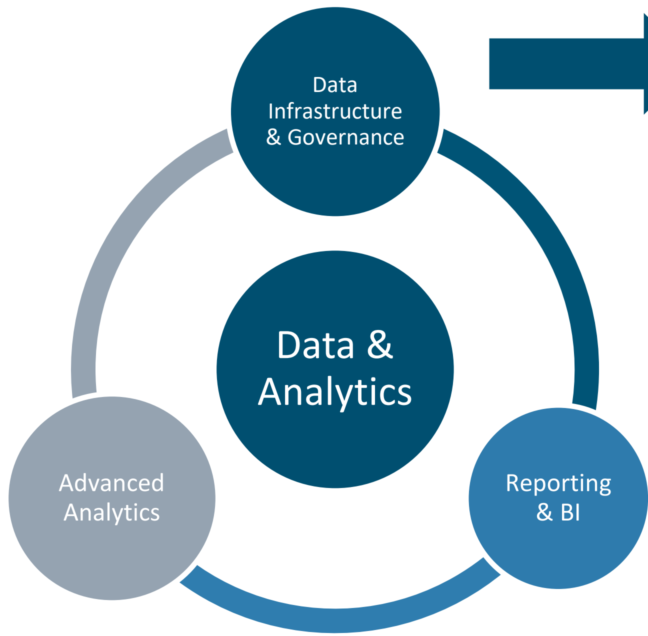
- Dry / Restricted waste, organics processing
- ~9 million m^3 of available airspace
- Well positioned to benefit from major infrastructure projects

Note 1: The Suez Sydney Assets acquisition has not completed and remains subject to conditions that are outlined in the 27 April 2021 announcement.
Note 2: Freehold.
Note 3: Eastern Creek (Container Deposit Scheme sorting facility), Greenacre (paper, cardboard and plastic recycling and baling), Blacktown MRF under development.
Note 4: Sydney Asset's CY20 results adjusted for assumed volumes that would be delivered under Cleanaway's ownership. Net revenue excludes landfill levies collected and is before inter-site eliminations. Valuation includes allowances for remediation provisions and the GRL onerous contract.

CLEANAWAY

Digitisation, Data & Analytics

Digitisation is a critical enabler to drive improvement in customer experience and employee satisfaction; realise significant efficiency gains; and support organic growth & reduce customer churn

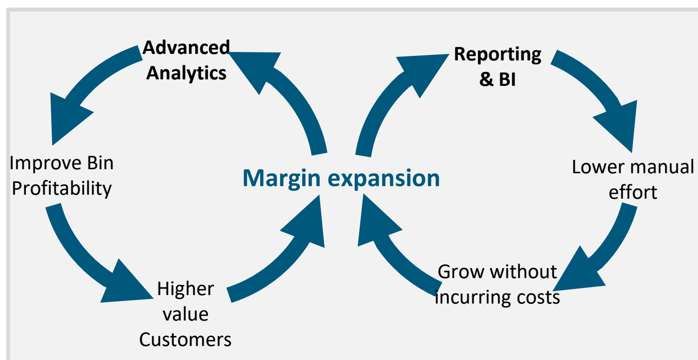


Establish & maintain data Infrastructure; ingest, standardise, clean & enrich data.

Develop solutions to business problems that improve profitability

Active projects:
- Bin Profitability Program in SWS Victoria (H1FY22)
- Route optimisation in preparation for (Suez) asset integration (H1FY22)

Action orientated business intelligence through standardized operational reporting



Data & Analytics focus is on margin expansion by uncovering customer, product and operational insights and creating a culture that is data driven.

CLEANAWAY

Priorities and FY22 Outlook

Priorities

- Continue to improve our ESG performance across a range of measures including safety, diversity and employee engagement, and establish carbon emissions reduction targets.
- Integrate NSW landfills and transfer stations, following completion of Suez transaction.
- Progress the construction and commissioning of PET & HDPE plastic pelletising facilities
- Progress post collections strategy including advancement of our Energy-from-Waste development projects.
- Focus on improving our quality of earnings through operational improvements, including data analytics initiatives.
- Increase available airspace at our New Chum (height rise extension appeal) and Erskine Park (MSE wall) landfills.
- Remain responsive to the evolving COVID-19 impacts on the business with safety remaining a priority.

FY22 Outlook

- Heading into FY22 there was strong underlying momentum in the business, and we expected to grow our earnings had COVID-19 related impacts been broadly similar to FY21.
- The duration and nature of the current NSW lockdowns and potential medium-term implications on economic activity is more severe than in FY21. The diversification of our revenue streams and our ability to flex costs continue to provide a partial offset to these headwinds.
- However, under the current policy settings, restrictions in NSW are estimated as currently having ~$4m EBITDA negative monthly impact, primarily as a result of closure of the bulk of the NSW Container Deposit Scheme, restrictions on construction activity and weakness in the C&I market.
- We will provide a trading update at our Annual General Meeting on 22 October 2021.

Questions

Appendices

CLEANAWAY

Group Income Statement – Statutory and Underlying Results

	Statutory Results		Underlying Adjustments		Underlying Results	
$ million	**FY21**	**FY20**	**FY21**	**FY20**	**FY21**	**FY20**
Sales revenue external and other revenue (Gross Revenue)	**2,406.4**	2,332.1	—	—	**2,406.4**	2,332.1
Share of profits/(losses) in equity accounted investments	**(2.0)**	(2.1)	—	—	**(2.0)**	(2.1)
Expenses (net of other income)	**(1,875.6)**	(1,842.9)	**6.3**	28.6	**(1,869.3)**	(1,814.3)
Total EBITDA	**528.8**	487.1	**6.3**	28.6	**535.1**	515.7
Depreciation, amortisation and write-offs	**(286.1)**	(282.2)	**9.7**	23.1	**(276.4)**	(259.1)
Total EBIT	**242.7**	204.9	**16.0**	51.7	**258.7**	256.6
Net cash interest expense	**(30.4)**	(34.0)	**0.1**	0.4	**(30.3)**	(33.6)
Non-cash finance costs	**(11.9)**	(15.1)	—	1.3	**(11.9)**	(13.8)
Debt modification gain and amortisation	**6.6**	—	**(7.9)**	—	**(1.3)**	—
Changes in fair value of derivatives and USPP borrowings	**(0.2)**	(0.6)	**0.2**	0.6	—	—
Profit before income tax	**206.8**	155.2	**8.4**	54.0	**215.2**	209.2
Income tax expense	**(59.1)**	(42.6)	**(2.9)**	(16.6)	**(62.0)**	(59.2)
Profit after income tax	**147.7**	112.6	**5.5**	37.4	**153.2**	150.0
Non-Controlling Interest	**(2.4)**	0.3	—	—	**(2.4)**	0.3
Attributable Profit after Tax	**145.3**	112.9	**5.5**	37.4	**150.8**	150.3
Weighted average number of shares	**2,057.4**	2,050.7	—	—	**2,057.4**	2,050.7
Basic earnings per share (cents)	**7.1**	5.5	**0.2**	1.8	**7.3**	7.3

CLEANAWAY

Underlying Segment Disclosures

$ 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	1,615.9	298.9	456.3	—	—	—	2,371.1
Other revenue	12.0	0.1	23.2	—	—	—	35.3
Internal sales	55.9	6.6	33.2	—	—	(95.7)	—
Gross Revenue	**1,683.8**	**305.6**	**512.7**	—	—	**(95.7)**	**2,406.4**
Underlying EBITDA	**405.5**	**48.0**	**110.0**	**(2.0)**	**(26.4)**	—	**535.1**
Depreciation and amortisation	(192.5)	(25.4)	(42.4)	—	(16.1)	—	(276.4)
Underlying EBIT	**213.0**	**22.6**	**67.6**	**(2.0)**	**(42.5)**	—	**258.7**

Net Finance Costs

$ million	Underlying		Statutory	
	FY20	FY21	FY20	FY21
Cash interest expense				
Bank interest and leases	29.1	**20.2**	29.5	**20.2**
Commitment and Guarantee fees	2.5	**3.8**	2.5	**3.9**
USPP Notes	3.4	**6.6**	3.4	**6.6**
Interest received	(1.4)	**(0.3)**	(1.4)	**(0.3)**
Net cash interest expense	33.6	**30.3**	34.0	**30.4**
Non-cash finance costs				
Amortisation of capitalised borrowing costs	3.3	**2.7**	4.6	**2.7**
Unwinding of discount on provisions	4.0	**3.2**	4.0	**3.2**
Unwinding of discount on MRL fixed payments	6.5	**6.0**	6.5	**6.0**
Gain on modification of fixed rate borrowings	—	—	—	**(7.9)**
Amortisation of gain on modification of borrowings	—	**1.3**	—	**1.3**
Total non-cash finance costs	13.8	**13.2**	15.1	**5.3**
Changes in fair value				
Fair value loss/(gain) on USPP Notes	—	—	34.0	**(60.7)**
Fair value (gain)/loss cross currency interest rate swaps	—	—	(33.4)	**60.9**
Total changes in fair value	—	—	0.6	**0.2**
Total net finance costs	47.4	**43.5**	49.7	**35.9**

CLEANAWAY

Cash Flow

$ million	FY21	FY20
Underlying EBITDA	**535.1**	515.7
Cash flow of underlying adjustments	**(26.1)**	(26.1)
Less: Other non-cash items	**(2.1)**	(2.0)
Payments for rectification and remediation of landfills	**(21.0)**	(46.5)
Other changes in working capital	**12.8**	43.1
Net interest paid	**(32.2)**	(33.2)
Tax paid	**(42.1)**	(49.5)
Net cash from operating activities	**424.4**	401.5
Capital expenditure	**(246.2)**	(209.8)
Payments towards purchase of businesses[1]	**(46.9)**	(84.8)
Net proceeds from sale of PP&E and investments	**17.7**	24.3
Payments towards equity accounted investments	**(17.0)**	(15.2)
Proceeds on disposal of non-controlling interest	—	0.1
Proceeds from loss of control of subsidiaries	—	2.0
Dividends received from equity accounted investments	**1.3**	1.2
Net cash used in investing activities	**(291.1)**	(282.2)
Net repayment and proceeds from borrowings	**(59.2)**	(23.4)
Payment of debt and equity raising costs	**(0.9)**	(2.7)
Payment of ordinary dividend	**(82.6)**	(69.4)
Payment of dividend to non-controlling interests	**(1.0)**	(0.2)
Net cash used in financing activities	**(143.7)**	(95.7)
Net (decrease)/increase in cash and cash equivalents	**(10.4)**	23.6
Opening cash	**79.8**	56.2
Closing cash	**69.4**	79.8

Note 1: Includes MRL fixed payments.

Balance Sheet

$ million	30 June 2021	30 June 2020
Cash and cash equivalents	**69.4**	79.8
Inventories & Trade and other receivables	**394.3**	367.5
Property, plant and equipment	**1,241.5**	1,174.0
Right-of-use assets	**479.2**	416.7
Intangible assets & Other assets	**2,467.1**	2,484.6
Total Assets	**4,651.5**	4,522.6
Trade and other payables	**297.6**	271.1
Remediation and rectification provisions	**322.7**	312.9
Interest bearing liabilities	**1,073.3**	1,065.4
Deferred settlement liability	**83.4**	82.6
Other liabilities	**238.2**	219.6
Total Liabilities	**2,015.2**	1,951.6
Net Assets	**2,636.3**	2,571.0

Solid Waste Services Performance (additional information)

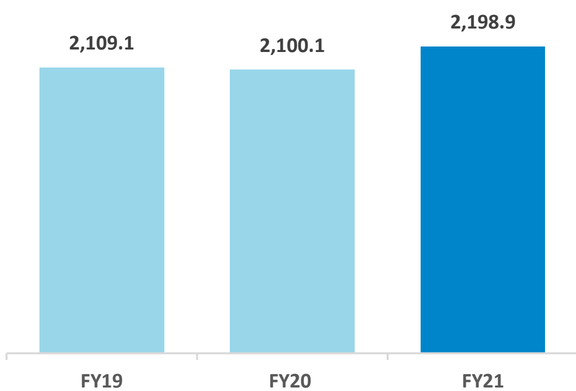
- EBITDA margins declined 80bps across the year reflecting several factors including:
  - lower post collections margins due to:
    - lower volumes at Erskine Park landfill with the landfill airspace now exhausted until the MSE wall is complete
    - lower volumes and prices at our WA landfill
    - winning a large post collections contract at Melbourne Regional Landfill
  - a changing mix of earnings with the full year contribution from VCRR (including former SKM assets), new acquisitions and new municipal and national account collections contract wins.

- FY21 Depreciation and Amortisation was 9.6% higher than FY20 due to:
  - Acquisitions (SKM, Grasshopper, Pinkenba/CDS Recycling, Stawell, Statewide);
  - New Municipal contracts (incl. City of Casey, Wyndham, Randwick and SA Council Solutions);
  - Increased landfill asset depreciation largely due to higher volumes at Melbourne Regional Landfill; and
  - A higher depreciation rate applied to the remaining airspace at Erskine Park landfill, which was fully depreciated prior to the investment in the MSE wall.

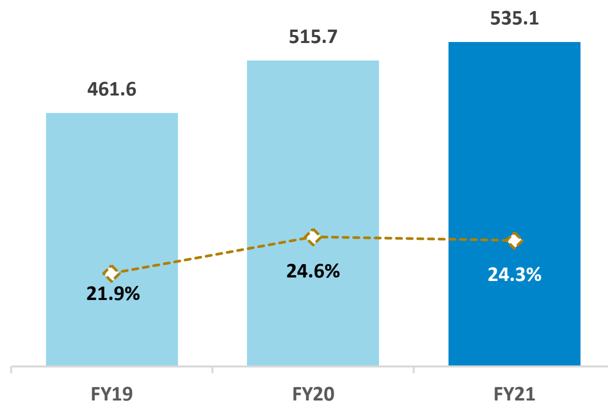
- FY22 D&A expected to be higher reflecting full year contributions from acquisitions and municipal contracts that partially contributed in FY21, new municipal contracts that start in FY22 (Logan, Hornsby), commencement of operations at the rebuilt Perth MRF and higher landfill depreciation (refer slide 15).

Sustained Earnings Growth Continues

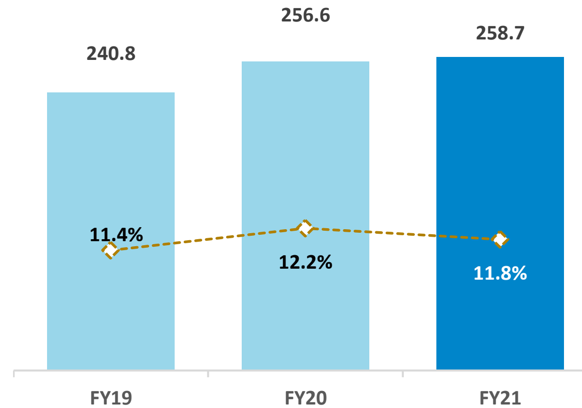
Net Revenue ($million)



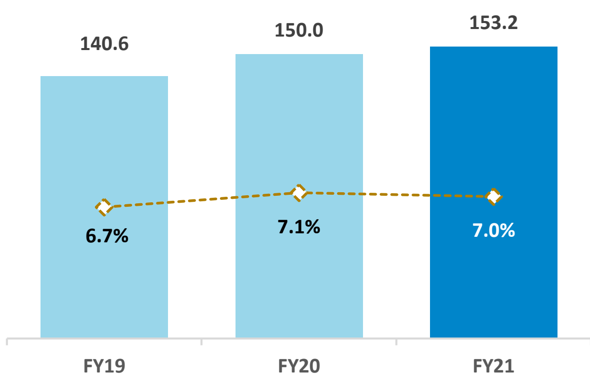
EBITDA ($million) and EBITDA margin (%)[1]



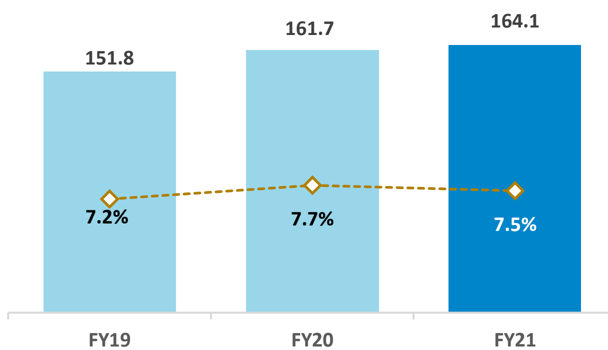
EBIT ($million) and EBIT margin (%)[1]



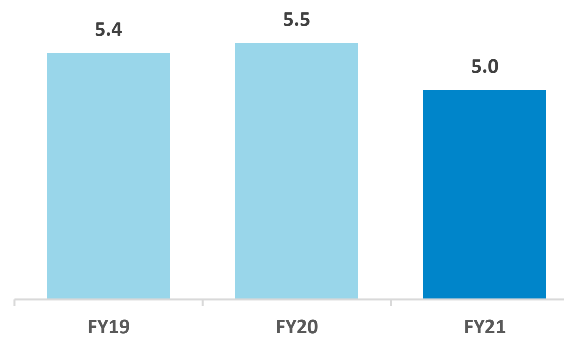
NPAT ($million) and NPAT margin (%)[1]



NPATA ($million) and NPATA margin (%)[1]

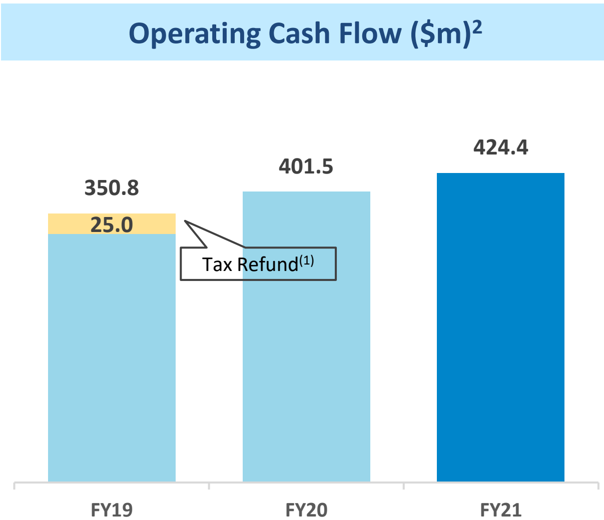


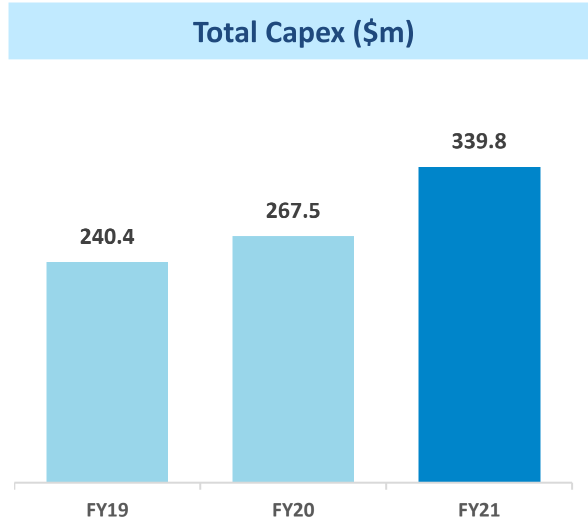
Return on Invested Capital (%)[1]

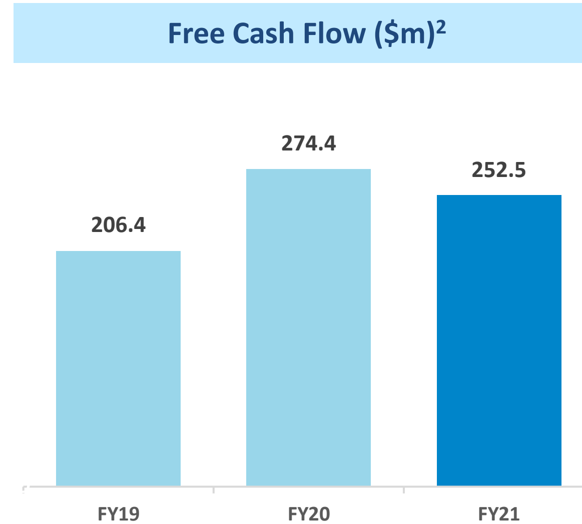


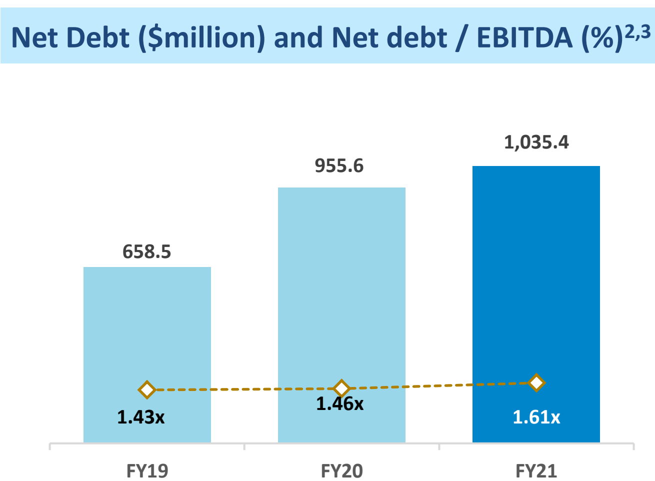
Note 1: FY19 presented on a pre-AASB16 basis.

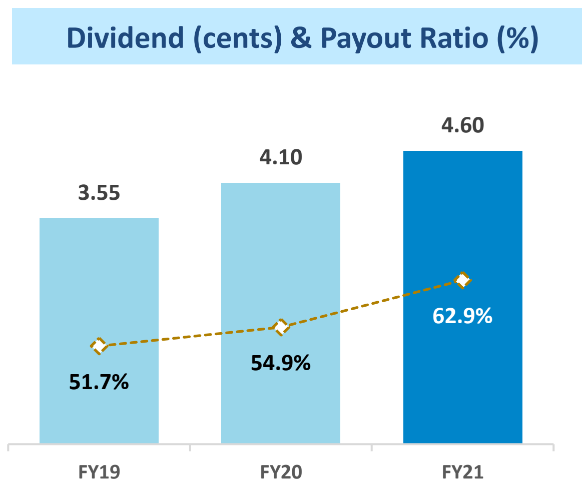
Cash Flows and Shareholder Returns

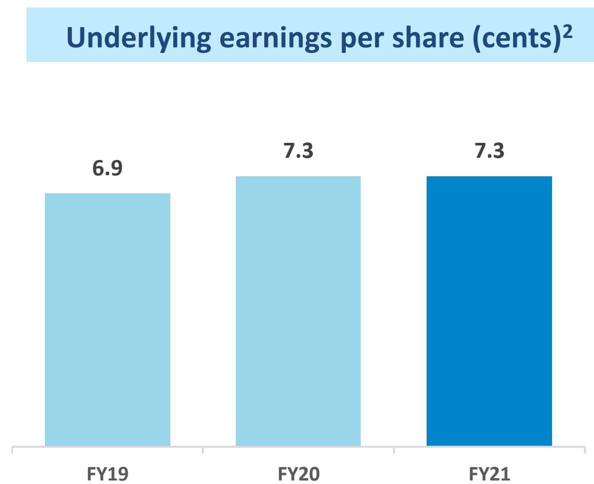












Note 1: A one off $25 million tax refund was received in August 2018 from the FY13 to FY17 amended tax returns relating to depreciation deductions in respect to previous landfill acquisitions.

Note 2: FY19 presented on a pre-AASB16 basis.

Note 3: Covenant ratios under finance agreements are calculated on a pre AASB16 basis. Certain other immaterial adjustments are made to the ratio calculations for covenant testing purposes.

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