

TRADING UPDATE

Cleanaway Waste Management Limited (“Cleanaway”) ASX:CWY today announces its FY22 second half (“H2”) performance is expected to be impacted by higher fuel and labour costs and one-off operational disruptions.

Lagging cost recoveries

Rising fuel prices are expected to result in approximately \$10 million higher costs for the second half of FY22. Constraints on labour availability due to the pandemic continue to place pressure on the business, impacting our ability to service the customer and operate efficiently.

Cleanaway typically has specific rise and fall clauses in its contracts that reference relevant fuel, labour and CPI indices. Prices are adjusted at least annually resulting in the lag in cost recovery.

One-off operational disruptions

The recent East Coast floods resulted in property damage and the loss of vehicles and equipment, which will be subject to insurance recoveries. The New Chum landfill is currently closed temporarily due to the floods leading to an expected \$5 - 7 million net EBITDA impact in H2 FY22.

Damage to post-collections equipment in our Health Services business is expected to result in temporary increased working costs of \$5 - 7 million in H2, while the continuation of high pandemic related clinical waste volumes continues to impose additional costs and inefficiencies.

Partially offsetting these headwinds are continuing strong volumes into the Sydney Resource Network and recent pricing adjustments.

We now expect EBITDA to be approximately \$15 - 20 million lower than previously expected because of the factors above and EBITDA margins in H2 FY22 are expected to be lower than H1 FY22.

This announcement has been authorised for release by the Board of Cleanaway.

ENDS

Investor Enquiries

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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 6,600 highly trained employees are supported by a fleet of over 5,000 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 together for all our stakeholders.