



Making a sustainable future possible together

**FY23 results presentation
for the year ended 30 June 2023**

24 August 2023

Presenters

Mark Schubert, Managing Director & CEO
Paul Binfield, Chief Financial Officer

**Cleanaway
Waste
Management
Limited**

Australia's leading total waste
management services provider

Disclaimer

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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.

We use various Non-IFRS financial information to reflect our underlying performance. Unless otherwise stated, all earnings measures in this presentation relate to underlying earnings. Underlying earnings are categorised as non-IFRS financial information. Refer to CWY’s Directors’ Report for further information regarding “Underlying earnings”. For further information, the reconciliation of non-IFRS financial information to our statutory measures, reasons for usefulness and calculation methodology, please refer to Non-IFRS Information set out on page 9 of this presentation. All non-IFRS information has not been subject to audit by CWY’s external auditor.

Agenda

1. Highlights
2. Progress on key challenges
3. Financial Performance Summary
4. New Chum
5. Capital Expenditure
6. Segment Review
7. Greenhouse Gas Emissions
8. Outlook
9. Mid-term financial ambition
10. Appendices



Highlights

Financial

- Strong revenue growth across all segments reflecting
 - organic growth, contract price increases and fuel surcharges
 - contribution from recent acquisitions
- Revenue growth, easing cost inflation and emerging efficiency gains drove EBIT growth in the SWS and I&WS segments and the Liquids and Hydro business units

Operational

- Operational Excellence blueprints being actioned through the business and delivering now
- Strengthened safety and environment foundations
- Good progress made in addressing key operational headwinds that have impacted margins

Strategic

- Secured significant contracts with Santos, ExxonMobil and through the Victorian Container Deposit Scheme
- Completed GRL acquisition, leveraging it to accelerate the Organics blueprint
- Landfill gas capture program delivering financial and environmental benefits
- Completed acquisition of Australian Eco Oils
- Development of mid-term ambition aligned to Blueprint2030

Note 1: Base year (FY22) CO2-e emissions (Scope 1 & 2) were adjusted to 1,308kt in FY23 to reflect the acquisition of Global Renewables Holdings Pty Ltd and full year ownership of SRN. FY23 emissions on an equivalent basis was 1,192kt, down 9%. Net GHG emissions were 1,250kt



All figures are underlying unless stated otherwise
"PCP" refers to prior corresponding period (FY22)

Progress on key challenges

Performance improvement plans in place to support business units ...

Labour Availability and Productivity

- ✓ Labour efficiency & productivity and female representation improving with voluntary turnover slowing
- ✓ Frontline vacancies continue to fall with a focus on labour productivity
- ✓ Ongoing initiatives across onboarding, closing out EA backlog and cultural refresh to ensure trend continues



Overseas mechanics filling critical vacancies (Perry Road Depot, VIC)

Health Services

- ✓ Victorian Autoclaves installed and operational
- ✓ Customer repricing to recover more expensive autoclave processing
 - Recovery is slightly delayed and focus shifting to improving productivity and efficiency
 - Resetting the Health Services business on multiple fronts including equipment, drivers, culture and ways of working including Visual Management Boards

Queensland Network

- ✓ Business stabilised and is focused on driving productivity and efficiency initiatives through Visual Management Boards
 - Key Challenges predominantly related to Metro C&I / C&D and New Chum following 2022 SEQ floods

...with steady progress being made

Financial Performance Summary

Strong financial performance with operating efficiency beginning to emerge

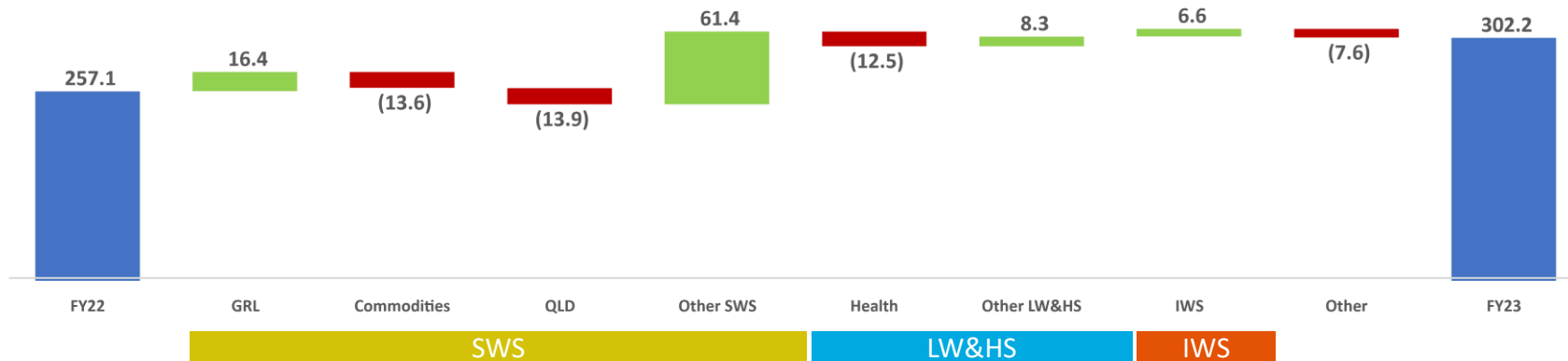
\$ (million)	Underlying			Statutory		
	FY23	FY22	Variance	FY23	FY22	Variance
Gross Revenue	3,558.8	3,006.2	18.4%	3,558.8	3,006.2	18.4%
Net Revenue	2,965.8	2,603.8	13.9%	2,965.8	2,603.8	13.9%
EBITDA	668.1	581.6	14.9%	546.6	510.8	7.0%
EBIT	302.2	257.1	17.5%	129.4	169.3	(23.6%)
<i>EBIT Margin</i>	10.2%	9.9%	30 bps	4.4%	6.5%	(210 bps)
NPAT	148.6	145.0	2.5%	23.5	80.6	(70.8%)
NPAT of OEH	146.7	143.3	2.4%	21.6	78.9	(72.6%)
NPATA ¹	160.1	156.2	2.5%	35.0	91.8	(61.9%)
Earnings Per Share ²	6.6	6.9	(4.3%)	1.0	3.8	(73.7%)
ROIC	4.9%	4.5%	40 bps	2.0%	2.9%	(90 bps)
OCF per Share	25.8	24.9	3.6%	21.8	22.5	(3.1%)

	FY23	FY22	Variance
Final dividend per share (cents)	2.45	2.45	-
Cash from operating activities (\$ million)	481.8	466.3	3.3%
Cash conversion ratio	98.3%	99.6%	(130 bps)
Leverage ratio ³	1.89x	2.23x	(0.34x)

Note 1: Excludes tax effected amortisation of acquired customer and license intangibles. Note 2: Underlying EPS attributable to ordinary equity holders (OEH) based on NPAT attributable to ordinary equity holders of \$146.7 million (FY22: \$143.3 million) and 2,213.0 million weighted average ordinary shares (FY22: 2,074.0 million). Note 3: Ratios presented are for finance agreements covenant testing purposes. Refer to page 29.

Underlying EBIT (FY22 vs FY23)

Delivered on guidance despite headwinds ...



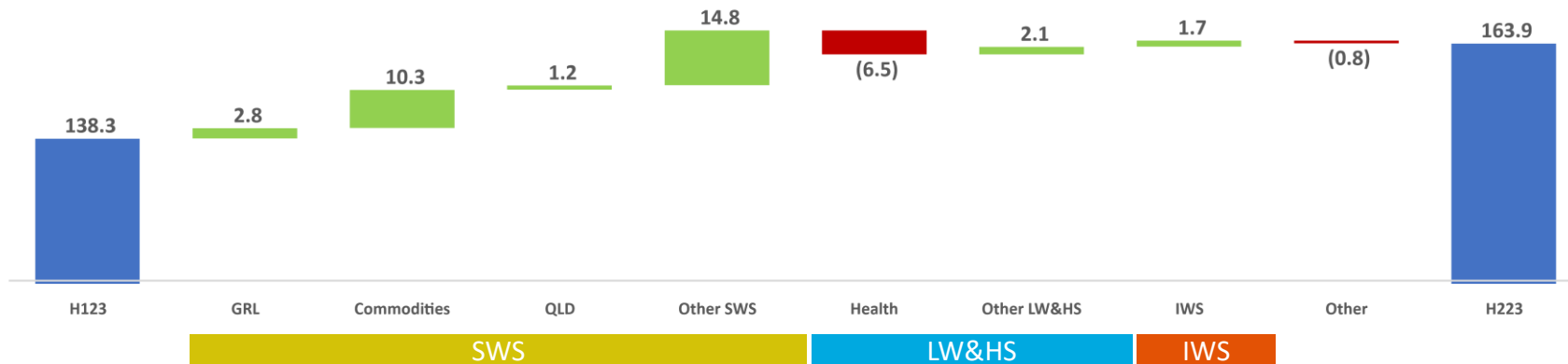
Commentary

- **GRL** initial 10-month contribution
- Lower **Commodities** prices through FY23 with higher rebates to customers in the first half compressing margins
- Residual post flooding impacts in **QLD Network**, including pausing operations at New Chum landfill and makeshift fleet reliability challenges
- **Other SWS** reflects full year of SRN, contractual price increases, organic growth, higher landfill volumes and benefits of higher landfill gas capture efficiency
- **Health Services** reflects higher working costs related to managing waste volumes across the network
- **LTS & IWS** reflects improved market conditions and customer wins with **Hydrocarbons** benefitting from higher oil prices in the period

...with momentum building through the year

Underlying EBIT (H1 FY23 vs H2 FY23)

Momentum has continued into the second half ...



Commentary

- **GRL** six months contribution compared to four months in H1
- Lower **Commodities** prices through FY23 with H2 rebate decrease restoring margin compression experienced in H1
- Performance restoration of the **QLD Network** beginning to emerge with focused work to stabilise the business undertaken during the year
- **Other SWS** reflects operating leverage, organic growth, contractual price increases and benefits of higher landfill gas capture
- **Health Services** reflects additional costs incurred from planned replacement of NSW autoclave and early operations of Victorian autoclaves
- **LTS and IWS** reflect a continuation of improved market conditions and higher project related work

...with further margin expansion expected as productivity improves and inflation tapers

Note 1: Movements in bridge based on management accounts pre intercompany and divisional eliminations.

CLEANAWAY WASTE MANAGEMENT LIMITED – PAGE 8

Statutory NPAT to Underlying NPAT Reconciliation

\$ (million)	FY23
Statutory NPAT attributable to ordinary equity holders	21.6
Pre-tax adjustments:	
Additional alternative medical waste processing costs	39.3
Insurance recoveries related to the hammer mill	(17.0)
New Chum rectification	62.2
New Chum write-off following adverse height rise decision	74.3
IT transformation	6.1
SRN integration and final stamp duty	2.6
GRL acquisition and integration	5.3
Total underlying adjustments to EBIT	172.8
Tax impact of underlying adjustments	(50.6)
NZ tax matter	2.9
Total underlying adjustments	125.1
Underlying NPAT attributable to ordinary equity holders	146.7
Non-controlling interest	1.9
Underlying net profit after tax (NPAT)	148.6

Commentary

- Alternate disposal costs in Health Services following loss of the hammer mill (clinical waste processing)
- Insurance recoveries to date associated with the lost hammer mill with further insurance recoveries expected
- New Chum rectification provision and write-off charge (refer to page 10)
- IT transformation relates to CustomerConnect. The final design will utilise Software as a Service in the solution resulting in ~\$50m of the total c.\$100m project cost treated as an expense. Those expenses (\$6.1m in FY23) will be identified and adjusted from underlying earnings.
- SRN integration and stamp duty costs and GRL acquisition and integration costs

New Chum

Preparing for residual airspace cell construction and end-of-life remediation

Existing Airspace

- Awaiting approval from Ipswich City Council to complete construction of Cell 3B
 - c.250k cubic metres (c. \$4-5 million EBITDA)
 - Expecting 6-8 month of commercial activity once reopened
 - Seasonal factors considered ahead of reopening (unlikely to be in FY24)
- Rectification (\$62 million provision¹)
 - Water table remains above the cell floor with groundwater management ongoing while awaiting works approval
 - More intensive groundwater work required once construction commences
 - Increasing capacity of on-site ground/storm water treatment
 - Off-site treatment of leachate continues whilst treatment plant being commissioned

Proposed Height Extension

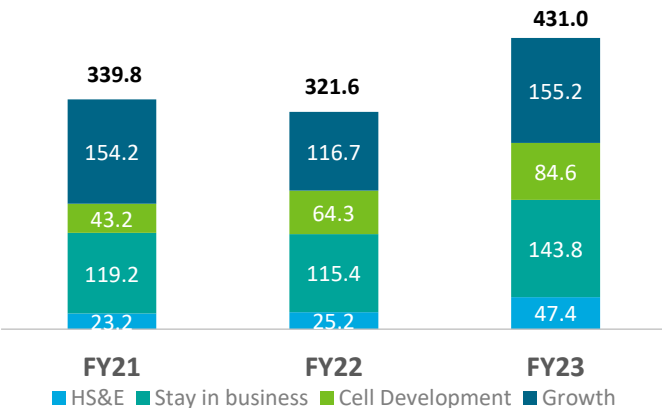
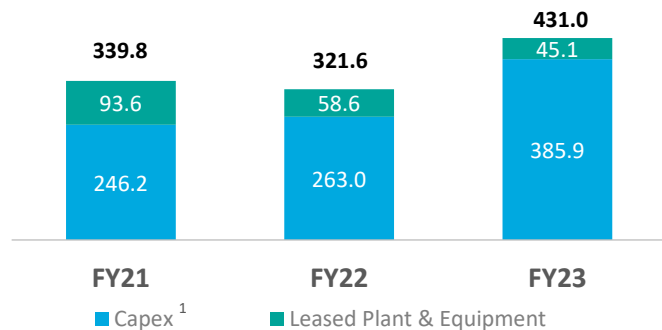
- Court appeal ultimately unsuccessful and further appeal not being pursued
- Asset write-off (\$74.3 million booked)
 - Relates to the write-off of existing assets (\$51.1 million non-cash) and future (post closure) site infrastructure costs at the closed landfill site (\$23.2 million)



Note 1: Revised from \$40 million estimate announced on 20 June 2023

Capital Expenditure

Total Capital Expenditure (\$ million)



Note 1: Refers to capital expenditure as per cash flow statement

Commentary

- FY23 maintenance capex of \$275 million reflects a larger and growing business and at c.75% of D&A represents a more sustainable run rate (c.65% of D&A historically)
- FY23 HS&E capex increase reflects investment in fire detection and suppression equipment and LFG capture
- FY23 SIB capex reflects contract renewals and replacement / refurbishment of existing assets
- FY23 Growth capex included
 - HDPE/PP plastic pelletising facility
 - I&WS-led total waste management contracts with Santos
 - Western Sydney MRF
 - QLD Energy-from-Waste site
 - CustomerConnect
- FY24 Total Capex expected to be \$430-450 million (page 20)
- FY24 D&A expected to be approximately \$380-400 million

Segment Review

Cleanaway comprises three segments, encompassing ten strategic business units, designed to create value through customer proximity while leveraging centralised enterprise services

Solid Waste Services



- Victoria/Tasmania
- New South Wales/ACT
- Queensland
- Western Australia/Northern Territory/ South Australia
- Construction & Demolition (C&D)
- Container Deposit Schemes (CDS)

Liquid Waste & Health Services



- Liquid & Technical Services (LTS)
- Hydrocarbons
- Health Services

Industrial & Waste Services



- Industrial & Waste Services

Solid Waste Services

Financial performance

- + Full year SRN contribution and initial 10-month GRL contribution
- + Landfill gas capture and environmental benefits
- + Contracted price increases (labour, fuel, other CPI)
- ≈ Efficiency gains beginning to emerge
- OCC price, labour availability & efficiency, employee turnover and repair & maintenance costs
- Ongoing QLD network impacts post flooding events

Operational updates

- ✓ SRN and GRL currently performing above expectations
- ✓ Western Sydney MRF, Circular Plastics Australia pelletising facilities progressing well
- ✓ Fleet replacement program completed in QLD following vehicle losses from floods
- ✓ Awarded CDS contract in VIC

Note 1: Financial results are presented on an underlying basis. Underlying is a non-IFRS measure that excludes non-recurring items Note 2: Net revenue excludes landfill levies collected



Liquid Waste & Health Services

Financial performance

- + Increased project work in **Liquids**, partially offset by freight and labour costs
- Strain on **Health Services** network due to hammer mill outage/autoclave installation and associated network capacity issues, labour availability, higher diesel and energy prices together with adverse impact on customer service levels
- ≈ Favourable **Hydrocarbons** product price and volume, offset by higher gas and diesel input costs

Operational updates

- ✓ Continuing to service stewardship schemes and hazardous household waste collections for the EPA
 - Strong pipeline of project work opportunities with large customers and regulators
- ✓ New Victorian autoclaves installed and operational
- ✓ Significant reduction in COVID-related health waste offset by increases in biosecurity waste as travel restrictions eased



Note 1: Financial results are presented on an underlying basis. Underlying is a non-IFRS measure that excludes non-recurring items

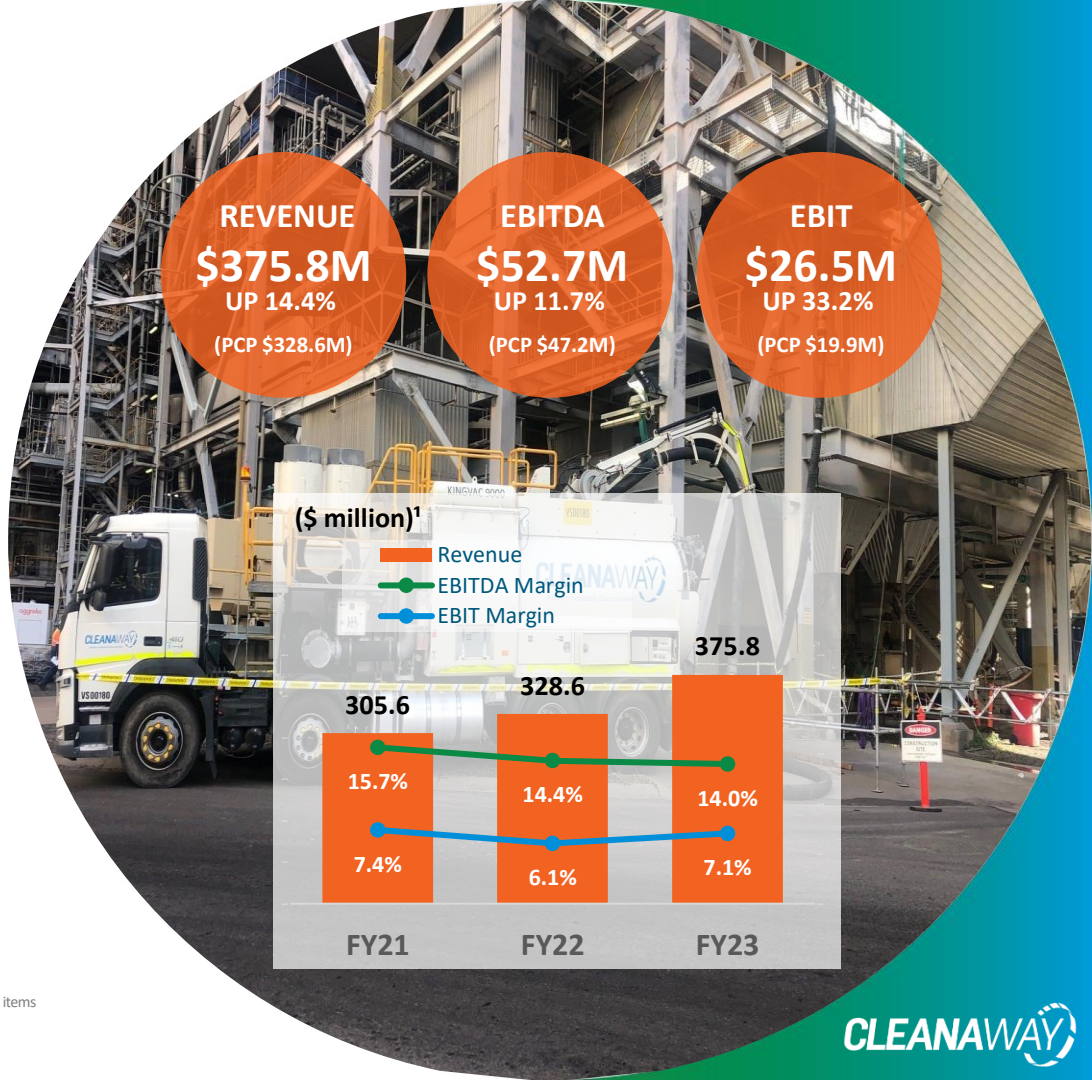
Industrial & Waste Services

Financial performance

- + Strong revenue performance across most regions driven by increased activity with existing customers and new contract wins
- + Earnings improvement from strong contract management, increased activity, new contracts and negotiated price increases to offset cost pressures

Operational updates

- ✓ Continued strong re-sign and win rate
- ✓ Successful execution of strategy to increase presence in Oil & Gas sector with significant contracts with Santos and ExxonMobil secured
- ✓ Successfully tendered for several opportunities in the Mining sector with strong pipeline of contracts
- ✓ Continuing to rationalise customer base targeting higher value and more strategic customers
- ✓ Successfully tendered for a Snowy 2.0 contract with opportunity to extend

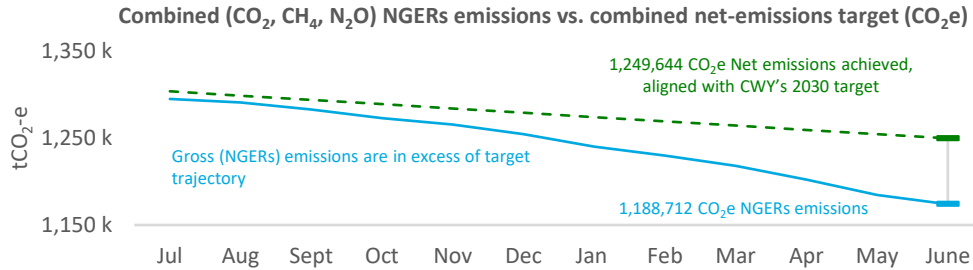


Note 1: Financial results are presented on an underlying basis. Underlying is a non-IFRS measure that excludes non-recurring items

Landfill Gas Capture and Greenhouse Gas Emissions

Set 1.5°C aligned GHG reduction targets and linked methane emissions to Executive remuneration...

FY23 Progress



Maximising benefits

- Reduced CO₂-e emission by 117k tonnes¹ or 9% on a like-for-like basis, supported by:
 - Drilling >250 LFG wells, improving LFG infrastructure design and bringing on-line gensets at Kemps Creek landfill.
 - LFG capture efficiency improved by 15%
- Reduced **Net emissions**
 - Reflects the emissions reductions activities undertaken (change in gross (NGERs) emissions²) + net impact of excess environmental credits sales.
 - Net FY23 emissions achieves emissions reduction target aligned with 1.5°C
- Maximised shareholder value by selling domestic credits and acquiring credits from high quality international projects.
 - Identical environmental outcome realised with methane captured, measured and destroyed

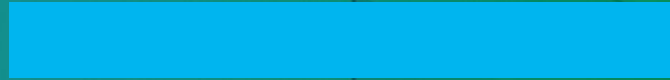
...with gross GHG emissions reductions achieved during the year ahead of target

FY24 Outlook

- Strong momentum and stability in the business into FY24
- Expecting the impacts of inflation and higher interest rates to taper over the year
- With good progress made on key headwinds and operational excellence embedded across the business, operational efficiency is emerging
- Future earnings growth is expected to be driven by:
 - further operational efficiency improvements including through the Data & Analytics and Fleet Optimisation blueprints,
 - revenue growth as the business recoups higher costs through various price levers
 - organic growth in each segment,
 - the contribution from the Victorian CDS,
 - a partial recovery of the Health Services business, and
 - the full year contribution from contracts secured by the I&WS Segment in FY23.
- Trading update will be provided at the AGM on 20 October 2023



Mid-term Financial Ambition



Financial Ambition and Scorecard

Blueprint2030 aligned priorities	Capex
<ul style="list-style-type: none"> Driving operational efficiency across SBU's including: <ul style="list-style-type: none"> Growth in productivity of Queensland Network Restoration of Health performance and business transformation Deliver group-wide labour efficiency and productivity 	Low
Deliver Data & Analytics major margin program	Low
Deliver "best of the best" facility/asset type operations	Low
Implement Landfill Gas capture and monetisation program	Med
Grow footprint and services including Western Sydney MRF, Vic CDS, FOGO transition, PFAS processing, etc.	High
Deliver CustomerConnect	High



Foundations		Financial	
People: Deliver cultural shift by embedding values and behaviours leading to improved engagement and employee retention	🟢	<ul style="list-style-type: none"> FY26 EBIT ambition of greater than \$450m¹ 	🟢
Safety: Deliver 5-year strategy with continuous reduction in injury frequency and severity. Fewer significant process safety incidents	🟢	<ul style="list-style-type: none"> Steadily improving ROIC¹ 	🟢
Environment: No significant environmental incidents. Reduce carbon footprint	🟢	<ul style="list-style-type: none"> FY24-26 annual Capex within envelope (page 20) 	🟢
		<ul style="list-style-type: none"> Maintain investment grade credit profile 	🟢
		<ul style="list-style-type: none"> Dividend policy: 50-75% of underlying NPAT 	🟢

Other initiatives not included in financial ambition
<ul style="list-style-type: none"> Material M&A or significant (>\$50m) capex items (e.g. organics, resource recovery/recycling facilities) for which timing is unpredictable
<ul style="list-style-type: none"> Financial benefits from People and HS&E strategies

✓ Delivered
🟢 On track
🟡 Behind target
✗ Not delivered

Financial Ambition – Capital Expenditure Envelope

FY24-26 growth capex of c.\$150m p.a. together with sustainable maintenance capex will deliver...

Allocating Growth Capex to maximise shareholder returns

- Good visibility over pipeline of Blueprint 2030 opportunities
- Applying a disciplined approach to capital expenditure to drive improved returns

Resetting Maintenance Capex to sustainably support existing operations

HS&E

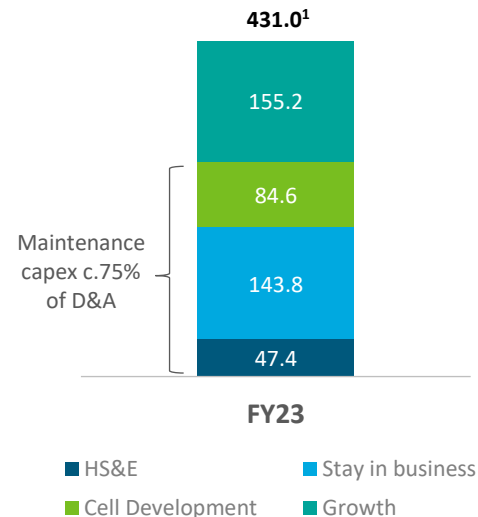
- Investment made in support of strategy and foundations and consistent with:
 - Increased business complexity and managing changing nature of waste
 - Regulatory bar for industry being lifted
 - Investment to deliver increased landfill gas capture offset by benefits

Stay-in-business

- Inflation is driving up equipment and material costs
- Growing operations requiring more sustaining capex

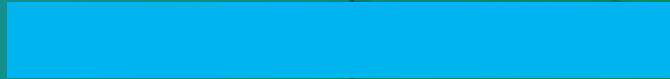
Cell Development

- Increasing cell development costs and higher volumes recoverable through price
- Landfill airspace is amortised on a unit basis as it is consumed
- As industry transitions, capex will be diverted to resource recovery infrastructure



... a safer, compliant, more reliable, growing and sustainably profitable business

Questions



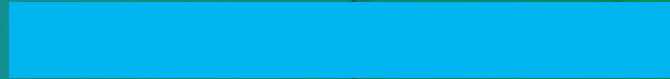
For further information contact:

Richie Farrell, Head of Investor Relations

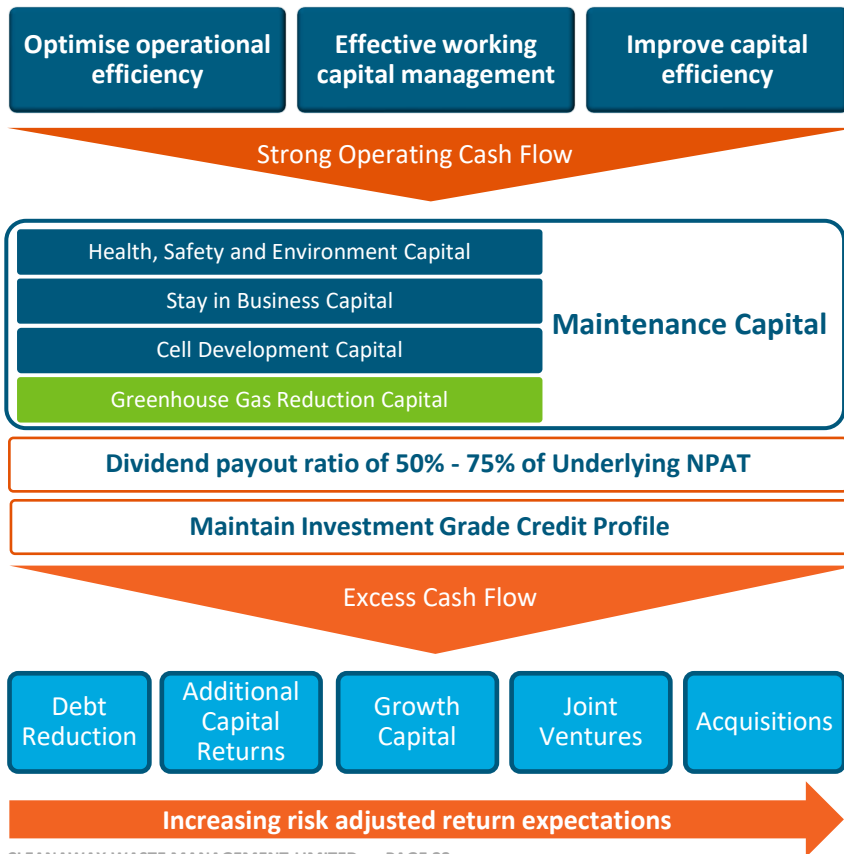
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Appendices



Disciplined Capital Allocation Framework to Drive Improved Returns



Commentary

- Commitment to maintaining a strong balance sheet
- Applying a disciplined approach to capital expenditure to drive improved returns
- Improving processes to support capital allocation decision-making
- Greater visibility over pipeline of Blueprint2030 opportunities – capital will be allocated to maximise returns

Group Income Statement – Statutory and Underlying Results

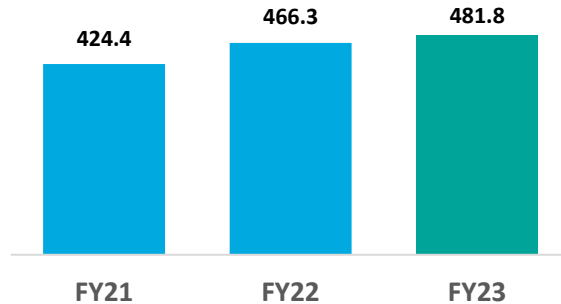
\$ (million)	Statutory Result		Adjustments		Underlying Result	
	FY23	FY22	FY23	FY22	FY23	FY22
Sales revenue external and other revenue (Gross Revenue)	3,558.8	3,006.2	-	-	3,558.8	3,006.2
Share of losses from equity accounted investments	(0.7)	(1.1)	-	-	(0.7)	(1.1)
Expenses (net of other income)	(3,011.5)	(2,494.3)	121.5	70.8	(2,890.0)	(2,423.5)
Total EBITDA	546.6	510.8	121.5	70.8	668.1	581.6
Depreciation, amortisation and write-offs	(417.2)	(341.5)	51.3	17.0	(365.9)	(324.5)
Total EBIT	129.4	169.3	172.8	87.8	302.2	257.1
Net cash interest expense	(67.0)	(40.6)	-	2.5	(67.0)	(38.1)
Non-cash finance costs	(29.1)	(12.4)	-	(2.5)	(29.1)	(14.9)
Profit before income tax	33.3	116.3	172.8	87.8	206.1	204.1
Income tax expense	(9.8)	(35.7)	(47.7)	(23.4)	(57.5)	(59.1)
Profit after income tax	23.5	80.6	125.1	64.4	148.6	145.0
Non-Controlling Interest	(1.9)	(1.7)	-	-	(1.9)	(1.7)
Attributable Profit after Tax	21.6	78.9	125.1	64.4	146.7	143.3
Weighted average number of shares	2,213.0	2,074.0	-	-	2,213.0	2,074.0
Basic earnings per share (cents)	1.0	3.8	5.6	3.1	6.6	6.9

FY23 Underlying Segment Disclosures

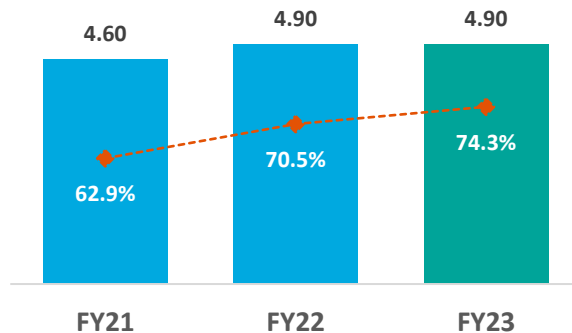
\$ (million)	Solid Waste Services	Industrial & Waste Services	Liquid Waste & Health Services	Equity Accounted Investments	Corporate & Other	Eliminations – Group	Group Result
Revenue							
Revenue from customers	2,601.7	364.8	540.6	-	-	-	3,507.1
Other revenue	30.6	-	21.1	-	-	-	51.7
Inter-segment sales	52.4	11.0	48.9	-	-	(112.3)	-
Gross Revenue	2,684.7	375.8	610.6	-	-	(112.3)	3,558.8
Net Revenue	2,091.7	375.8	610.6	-	-	(112.3)	2,965.8
Underlying EBITDA	562.7	52.7	92.4	(0.7)	(39.0)	-	668.1
Depreciation and amortisation	(284.6)	(26.2)	(43.6)	-	(11.5)	-	(365.9)
Underlying EBIT	278.1	26.5	48.8	(0.7)	(50.5)	-	302.2

Strong Net Operating Cash Flow

Operating Cash Flow (\$ million)



Dividend (cents) & Payout Ratio (%)



Commentary

- Strong net operating cash flow, increasing by \$15.5 million
 - + Underlying EBITDA
 - Interest payments and cash outflows attributable to underlying adjustments
- Credit quality of the receivables ledger remains strong
- Cash conversion¹ at 98.3% (pcp: 99.6%)
- Directors declared a final unfranked dividend of 2.45 cents per share taking full year dividend to 4.9 cents per share
- Cleanaway is eligible to participate in the Commonwealth Government's Instant Asset Write-Off Scheme; likely to not pay further tax instalments until December 2024 thereby impacting the Company's ability to frank dividends in FY22 - FY24

Cash Flow

\$ (million)	FY23	FY22
Underlying EBITDA	668.1	581.6
Cash flow of underlying adjustments	(79.6)	(49.5)
Other non-cash items	(0.5)	(0.9)
Payments for rectification and remediation of landfills	(21.9)	(19.3)
Other changes in working capital	(10.2)	(0.6)
Net interest paid	(64.7)	(38.5)
Tax paid	(9.4)	(6.5)
Net Cash from operating activities	481.8	466.3
Capital expenditure	(385.9)	(263.0)
Payments towards purchase of businesses ¹	(172.0)	(516.6)
Net proceeds from sale of PP&E	10.2	22.9
Net payments towards equity accounted investments	(1.2)	(17.7)
Dividends received from equity accounted investments	0.8	1.0
Net Cash used in investing activities	(548.1)	(773.4)
Net (repayment of)/proceeds from borrowings and leasing	(187.2)	402.7
Payment of debt and equity raising costs	(7.1)	(3.3)
Proceeds from issue of ordinary shares	400.0	-
Payment of ordinary dividend	(102.9)	(94.0)
Payment of dividend to non-controlling interests	(0.9)	(1.2)
Net Cash from/(used in) financing activities	101.9	304.2
Net increase/(decrease) in cash and cash equivalents	35.6	(2.9)
Opening Cash	66.5	69.4
Closing Cash	102.1	66.5

Net Finance Costs

Net finance costs

\$ (million)	FY23	FY22
Cash interest expense		
Bank interest and leases	47.5	27.2
Commitment and Guarantee fees	4.8	4.5
USPP Notes	17.7	7.1
Transaction costs expensed	-	2.5
Interest received	(3.0)	(0.7)
Net cash interest expense	67.0	40.6
Non-cash finance costs		
Amortisation of capitalised borrowing costs	1.4	1.8
Unwinding of discount on provisions	15.8	4.9
Unwinding of discount on MRL fixed payments	9.0	6.3
Amortisation of gain on modification of borrowings	2.0	1.9
Total non-cash finance costs	28.2	14.9
Changes in fair value		
Changes in fair value of CCIRS and USPP Notes	0.9	(2.5)
Total changes in fair value	0.9	(2.5)
Total net finance costs	96.1	53.0

Fixed and floating rate debt balances¹

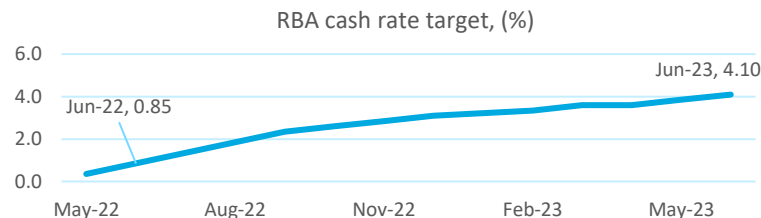
	30-Jun-23		30-Jun-22	
	Interest rate (w.avg), %	Balance, \$M	Interest rate (w.avg), %	Balance, \$M
Fixed rate instruments				
CEFC Term Loan	2.1	85.5	2.3	83.5
Leases liabilities	3.6	638.7	3.5	640.9
		724.2		724.4
Variable rate instruments				
Bank and other loans	5.3	516.6	2.4	607.5
USPP Notes / CCIRS ²	5.5	348.3	2.5	351.9
		864.9		959.4

Note 1: Excludes other net finance costs including commitment & guarantee fees, transaction costs expensed, interest received, non-cash finance costs and changes in fair value of CCIRS and USPP Notes.

Note 2: The Cross Currency Interest Rates Swaps (CCIRS) economically transform the fixed rate USD denominated debt into variable rate AUD denominated debt. Under the terms of the CCIRS the variable three-month Bank Bill Swap Rate plus a weighted average margin of 1.61% (2022: 1.61%) is applied against a fixed principal balance of A\$397.6 million and is paid quarterly to the bank counterparties in AUD and fixed semi-annual amounts in USD are received equal to meet the interest payments due to the USPP Noteholders.

Commentary

- Unwind of discount on provisions and other liabilities (non-cash interest expense) represents the difference in their present value at difference balance dates
- Provisions acquired (e.g. SRN assets) and made (e.g. related to a new landfill cell) during a period will increase the balance while provisions disposed of or used will reduce the balance
- Changes in assumptions associated with provisions can also increase or decrease the provision balances during a period
- With all else being equal, if interest rates are higher from one period to the next this will result in the unwind of the discount (non-cash interest expense) being larger
- Monthly net finance costs for the month of June 2023 were \$9.1m
 - 25bps increase in cash rate will result in an approximate \$2.2m increase in net finance costs, excluding non-cash impact of rate of provisions



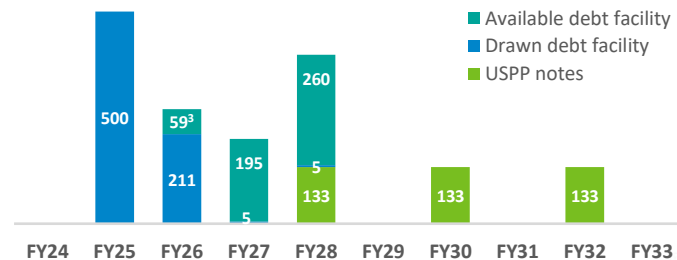
Balance Sheet and Liquidity

Overview

- At 30 June 2023, the Group had \$504.5 million of headroom under committed debt facilities
- Completed strongly supported \$400 million equity raise in August/September 2022
- Leverage ratio¹ of 1.89x
- Gearing ratio was 34.3% at 30 June 2023 (38.7% at 30 June 2022)
- Next refinancing not due until December 2024
- The Group remains comfortably within its leverage ratio and interest cover ratio covenant limits
- Higher interest rates give rise to higher cash interest expense and non-cash finance costs²

Key Debt Facilities

	30 June	
\$ million	2023	2022
Leases	638.7	640.9
USPP Notes	348.3	351.9
Other interest-bearing liabilities	602.1	691.0
Gross Debt	1,589.1	1,683.8
Cash and cash equivalents	(102.1)	(66.5)
Derivative financial instruments CCIRS	46.1	39.3
Net Debt	1,533.1	1,656.6
Gearing ratio	34.3%	38.7%
Net Debt to underlying EBITDA ratio ¹	1.89x	2.23x
Interest cover ratio ¹	11.51x	19.15x



Note 1: Covenant ratios under finance agreements are calculated on a pre AASB16 basis. Covenant ratio calculations include proforma adjustments for the GRL acquisition. Certain other immaterial adjustments are made to the ratio calculations for covenant testing purposes. Note 2: Refer to Page 28, non-cash finance costs are not included in ratio calculations for covenant testing purposes. Note 3: In addition to debt drawdowns, facility includes bank guarantees, corporate cards and overdraft limits. Available headroom of \$59 million includes \$9 million which is available for bank guarantees only.

Balance Sheet

\$ (million)	30 Jun 23	30 Jun 22
ASSETS		
Cash and cash equivalents	102.1	66.5
Trade and other receivables	551.7	532.5
Inventories	31.2	26.7
Property, plant and equipment	1,577.9	1,434.5
Right-of-use assets	609.4	614.7
Intangible assets	3,072.5	3,060.3
Other assets	128.5	113.5
Total Assets	6,073.3	5,848.7
LIABILITIES		
Trade and other payables	495.3	470.1
Remediation and rectification provisions	639.7	584.0
Interest bearing liabilities	1,589.1	1,683.8
Deferred settlement liability	84.5	84.5
Other liabilities	319.3	398.1
Total Liabilities	3,127.9	3,220.5
Net Assets	2,945.4	2,628.2