

25 October 2024

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

Dear Sir/Madam

**Cleanaway Waste Management Limited (ASX: CWY)  
2024 Annual General Meeting – Address by Chairman and CEO including reiterated FY25 guidance**

In accordance with ASX Listing Rule 3.13.3, please see attached:

1. The address to shareholders to be delivered by the Chairman, Philippe Etienne and the CEO & Managing Director, Mark Schubert at the CWY 2024 Annual General Meeting to be held today 25 October 2024 starting at 11am (Brisbane time) at Customs House, Brisbane Queensland; and
2. The presentation slides that accompany the address to shareholders.

CWY advises that it continues to expect FY25 underlying EBIT to be between \$395 and \$425 million, as noted in the CEO and Managing Director's address, which also includes comments on recent trading conditions.

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

Yours sincerely



Dan Last  
Company Secretary

Cleanaway Waste Management Limited is Australia's leading total waste management, industrial and environmental services company. Our team of more than 7,900 highly trained staff are supported by a fleet of over 6,350 specialist vehicles working from approximately 330 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.

# Chairman and CEO Speaker Notes

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## Chairman Speech

Fellow shareholders, welcome and thank you for joining me today here today in Brisbane, or online.

For the 2024 financial year, your company delivered another year of double-digit EPS growth and improved returns. These pleasing results reflect the benefits realised from addressing the challenges of the previous two years, as well as the continued roll-out of our strategy. This disciplined execution has strengthened Cleanaway and is building a solid foundation for sustainable growth in the years ahead.

Importantly, our FY24 performance and progress provides confidence in our ability to deliver on our mid-term EBIT ambition of more than \$450 million in FY26, alongside improving returns.

## Safety

Before I go on, I would like to pause here and acknowledge two tragic accidents that occurred in the new financial year and resulted in the death of two members of the public. One incident was in Victoria, and involved a municipal collections truck, and the other was in New South Wales, at one of our sites controlled by a contractor. Every loss of life is profoundly heartbreaking and we are committed to taking every possible step to learn from these incidents.

These tragic events serve as a powerful reminder of the critical need for our continued focus on safety.

At the beginning of FY24, we deepened our commitment to health and safety as we embarked on our five-year strategy and roadmap to drive improvements in our HSE performance and culture. Our operations are varied and complex, and as such the strategy is multifaceted with a focus on risk prevention, capability building and cultural transformation. The

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roadmap outlines how everyone at Cleanaway will work to keep each other, the environment, and our communities safe.

Our Total Recordable Injury Frequency Rate (TRIFR) for FY24 was 4.6 versus 3.7 in FY23. Looking at our performance over time, it has significantly improved from 12.6 in FY14 but plateaued over the past five years. Our industry benchmarking shows that our safety performance remains competitive amongst our waste, fleet and logistics peers, but we're always seeking improvement.

Consistent with our focus on Critical Risks and Controls, we have added Serious Injury Frequency Rate (SIFR) to our short-term incentive measures. Adding this metric also aligns with evolving industrial best practice.

## **FY24 Performance**

We reported net revenue of \$3,194.5 million, up 7.7% on FY23 and an underlying net profit after tax of \$170.6 million, 14.8% higher than the previous year.

Underlying EBIT grew at a record rate of 18.9% to \$359.2 million, ahead of FY24 EBIT guidance. Cleanaway's EBIT margin was 11.2%, up from 10.2% in the previous year, reflecting management's delivery on plans to address the challenges of the past few years and the benefits flowing from Blueprint 2030 initiatives.

This led to underlying EPS growth of 15.2% and a stronger ROIC of 5.5%, up 60bps on FY23.

The Board declared a final fully franked dividend of 2.55 cents per share which was paid on 7 October 2024, taking the total partially franked dividends for the year to 5.0 cents per share. This was 2.0% higher than the previous year and represents a payout ratio of 65.9%, in line with our stated policy of paying out 50-75% of underlying profits.

Our business remains in strong financial health with \$276.4 million of undrawn debt facilities and an average debt maturity of 4.0 years as at 30 June 2024, with our next refinancing not due until August 2025. Our net

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debt to EBITDA ratio of 1.89x as at 30 June 2024 was in line with 30 June 2023 and we continue to remain comfortably within our debt covenants.

## EBIT and capital allocation

Over the past two years, Cleanaway has deliberately transitioned its focus from EBITDA to EBIT. For a capital-intensive business like ours, this shift ensures we maintain capital discipline and our focus on financial returns, strengthening alignment with shareholders.

Shareholder feedback has reinforced the Board and Management's belief that this transition was the right move, and it has been integrated into management's short-term incentives (STIs). For long-term incentives (LTIs), we have moved away from revenue targets—since they don't necessarily reflect profitable growth—and now focus on EPS and returns on invested capital (ROIC) as evident in the CEO's LTI plan that shareholders are being asked to vote on today.

In FY24, our focus on EBIT, coupled with enhanced capabilities from our investment in Data & Analytics, led to a further evolution in our growth capex frameworks and processes.

This refined approach to capital allocation reflects our disciplined and strategic path for future growth. Cleanaway has a central role in Australia's transition to a circular economy by supporting businesses reduce their environmental impact, and government deliver on their commitments to sustainable outcomes.

In June 2024, we announced the agreement to acquire the \$110 million acquisition of Citywide Service Solutions' waste and recycling business, along with a 35-year lease for the Dynon Road transfer station near Melbourne's CBD. This transaction, subject to a range of customary approvals, is an investment in our growth beyond FY26. Citywide's planned redevelopment would double the site's capacity, enabling future earnings growth, and support volume expansion in our Melbourne metropolitan post-collection infrastructure network.

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An area of capital allocation I am often asked about is the Board's thinking on Energy from Waste (EfW). EfW will be a vital part of Australia's future waste infrastructure, playing a critical role in meeting landfill diversion targets and supporting the transition to a circular economy. Given that the EfW timeline is shaped by State government policies and decisions, we are strategically navigating the considerable opportunities this sector presents. As Australia's largest waste management company, we are uniquely positioned to originate these projects, leveraging our extensive waste supply, strong customer relationships, and proven track record in environmental stewardship.

To ensure Cleanaway is well-prepared, the Board continues to oversee the long lead-time work required to advance EfW projects. Our capital-lite approach is providing Cleanaway with the optionality to secure competitive, long-term access to EfW facilities for our customers, while allowing us to make informed decisions, consistent with our capital allocation approach, that balance risk and maximises value for our shareholders.

## Board renewal

Turning to the Board now.

In March 2024, we appointed Robert Cole as a Non-Executive Director. Robert serves on the Audit and Risk, and Human Resources Committees, bringing over 35 years of experience in energy, resources, infrastructure, and law to the Board and committees. He is standing for election today, and I would like to acknowledge the valuable contribution he has already made to the Cleanaway Board since joining.

I would also like to take this opportunity to thank Terry Sinclair who retired from the Board earlier this year. Following his appointment in April 2012, he was an active and engaged Non-Executive Director and made a significant contribution to the Cleanaway Board during his time.

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## Final remarks

Shareholders, Cleanaway has performed well during the FY24 financial year.

We delivered a strong financial performance, with significant progress in executing our Blueprint 2030 strategy, while addressing the challenges of FY22 and FY23.

The strength of our business, combined with the opportunities we see ahead, underpins the Board's confidence in our ability to deliver sustainable growth for our shareholders.

In closing, thank you to everyone who has contributed to Cleanaway's success this year:

To our customers for relying on us to provide safe and responsible waste solutions;

To Mark, the Executive team and everyone at Cleanaway, thank you for your dedication and hard work;

To my fellow Directors, for their commitment in guiding our business; and

To our shareholders, for your ongoing support.

I will now ask our CEO and Managing Director, Mark Schubert, to address the meeting.

## CEO Speech

Thanks Philippe and good morning to everybody here in Brisbane and online.

I am incredibly proud of the Cleanaway team's achievements this year.

FY24 was defined by progress, execution, and delivering record underlying EBIT growth, along with an increase in returns on invested capital.

Importantly, we stayed true to our commitments. By taking a disciplined, methodical approach to addressing challenges and executing our

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Blueprint 2030 strategic initiatives, we finished FY24 as a stronger company—solidifying our foundations, operations, and growth outlook.

The 18.9% increase in underlying EBIT was driven by robust revenue growth across all segments, supported by our Restoration and Operational Excellence initiatives.

Net revenue in Solid Waste Services grew by 6.3%, driven by a combination of price increases and volume growth. Solids EBIT increased by 18.3%, driven by the restoration of QLD, a strong performance in NSW, and a positive contributions from commodities.

Our Liquid Waste and Health Services reported revenue growth of 13.3% and EBIT growth of 38.7%. This reflected increased activity in our Liquids business, the transformation of our Health Services business and growth in our Hydrocarbons business as it expanded its customer base.

Industrial & Waste Services (IWS) saw a 7.7% increase in net revenue, with EBIT in line with FY23 due to economic slowdown in the second half, which offset first-half growth.

Our growing strength as an organisation is evident in the 100-basis point expansion in our Group EBIT margin, supported by the advance of our Blueprint 2030 strategic pillars.

## Safety

I too would like to mention the two devastating deaths that have occurred recently. On behalf of the entire Cleanaway team, I offer my deepest sympathy to their family, friends and colleagues of the deceased.

Our workforce face varied and ever-changing conditions daily. A core part of our five-year safety strategy is building a strong safety culture that fosters a learner's mindset, enabling our workforce to stay vigilant amid constantly changing conditions. We see this as key to continually mitigate, minimize, and eliminate the diverse risks our teams face as we work to keep everyone safe.

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Our safety culture goes beyond operational safety and includes addressing sexual harassment, racism and bullying in our workplace. And while we still have more work to do, we are making progress on our commitment to provide a safe, inclusive workplace culture where everyone can be themselves and bring their best to work. Our Respect@Clenaway program was launched in August 2023 and will be a perennial program, foundational to who we are. The launch of our new Guiding Principles in June 2024 was an important milestone on our cultural journey, and I have been encouraged to see the engagement across the business in what are a connected set of guidelines that shape how we work and behave.

Collectively, we believe they will foster a culture of collaboration, care, connection, courage, and forward thinking, thereby creating a Cleanaway culture where our more than 300 branches are driven by empowered leaders and an engaged frontline.

During the year, we introduced a new stretch performance incentive for more than 500 leaders aligned to delivering \$500m EBIT in FY26. This performance incentive apply to existing LTI holders and is designed to create an owner's mindset among our branch-based workforce and provide an incentive to deliver an outcome beyond our already ambitious mid-term ambition.

This internal 'stretch' target does not replace our ambitious mid-term goal of more than \$450 million EBIT in FY26 – which we are on track to deliver. What it does internally, is show courage by acting as a light on the hill inspiring our people to work towards achieving exceptional financial outcomes for the business.

Shareholders may wonder, and we are often asked, what drives the difference between Cleanaway delivering \$450m EBIT or \$500m in FY26.

Both targets are based on detailed plans and risk-weighted scenario analysis. Both plans reflect the delivery of \$50m in EBIT benefits realised from the Restoration pillar, or 'bucket' as I typically say. as well as the



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delivery of \$50 million in EBIT from our Strategic Infrastructure Growth initiatives.

The key difference is in the scale of efficiencies delivered by our Operational Excellence initiatives, which are a combination of branch-led and centralised programs that help the business work smarter. Our FY26 mid-term financial ambition of over \$450 million includes \$50 million of operational excellence benefits. Achieving our internal stretch target of \$500 million will require us to build on this momentum, going beyond \$50 million as we continue to realise greater efficiencies and productivity gains.

Our FY24 performance reinforced my confidence in our ability to deliver on our strategy. This confidence stems from the success of the plans and processes implemented in the restoration of our QLD Solids business, as well as the transformation of the capacity and cost base in our Health Solids business.

Additionally, it reflects the initial benefits we are seeing from the adoption of our Branch Optimisation operating cadence and routines across the network. Built on the same principles and processes that drove our performance improvements in QLD and Health Services, this cadence standardises common practices across the network, creating the time and space for leaders to focus on making each branch perform at its best.

Additionally, FY24 financial results were the first full year of leveraging our Data & Analytics capabilities. Our enhanced capabilities have sharpened our focus on returns, enabled the development of tools that support Branch Managers to drive efficiencies and optimise costs. This has been especially impactful in initiatives like our Fleet Transformation program.

## **FY25 underlying EBIT guidance range reaffirmed**

As we work towards achieving our FY26 goals, we are working to deliver another year of double-digit EBIT growth in FY25.

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Our FY25 guidance remains unchanged, and we continue to expect underlying EBIT to be between \$395 million and \$425 million.

Trading for the first three months of FY25 has been in line with management expectations, despite the challenging operating environment driven by softer economic activity.

In our Solids Waste Services segment, Commercial & Industrial collections have delivered price and volume growth, though at more moderated levels compared to FY24. This moderation has been largely driven by reduced volumes from those customers most exposed to household discretionary spending. In our landfill operations, our ongoing price discipline has underpinned NSW's profitability despite softer volumes. While in Victoria, at Melbourne Regional Landfill (MRL), operating cost pressures have persisted, offsetting the benefit from a stabilisation of volumes. As mentioned at our August results, we are progressing with MRL's performance improvement plan and will provide further updates in due course.

Elsewhere across the Group, the Liquid and Technical Services, Health Services and Hydrocarbons businesses remain on track and are performing in line with expectations.

In IWS, the weakness observed in the second half of FY24 has persisted into the current half. Pleasingly, the previously announced restructure is now largely complete. The streamlined East Coast operations are operating from a lower cost base and the reshaped West Coast operations are better placed to capitalise on emerging opportunities for which we are seeing a healthy pipeline developing. The medium to longer term outlook for this business remains attractive, as IWS is central to executing our decommissioning and remediation strategy.

In terms of our BluePrint 2030 deliverables, we remain on track to complete our 'restoration' program in FY25 with the final third of the \$50m EBIT target delivered from the completion of the Health Services turnaround, and stabilisation of our workforce. As part of our Strategic

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Infrastructure Growth program, we are currently commissioning our Western Sydney Materials Recovery Facility, while Eastern Creek Organics' transition to FOGO processing capability is on track to be completed by the end of this calendar year.

Within our Operational Efficiency program we continue to see pleasing progress. Take Fleet Transformation for example, where we have transitioned from planning to execution. Our fuel procurement strategy has led to reduced fuel costs, and following a comprehensive assessment of fleet requirements at each location, we are now moving into the right-sizing phase of this initiative.

## Closing comments

In closing, I want to acknowledge that our achievements and progress in FY24 are a testament to the hard work and dedication of our 7,900 employees across Australia, who serve over 170,000 customers from 330 branches.

As you know, Cleanaway's purpose is making a sustainable future possible together. Every word of that sentence is important, and the job is never done because how we do it tomorrow will be different to today. Who we do it for is also important – we do it for our teammates for whom it means sustainable jobs, we do it for the communities and customers we serve, we do it for the planet. And finally, we do it for you our shareholders in the form of sustainable and growing returns. I look forward to updating you on the continued progress of your company in February next year, when we release our first-half results for FY25.

I will now hand back to Philippe for the formal business of the meeting.

*Cleanaway Waste Management Limited is Australia's leading total waste management, industrial and environmental services company. Our team of more than 7,900 highly trained staff are supported by a fleet of over 5,900 specialist vehicles working from more than 330 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.*



# FY24 Annual General Meeting

25 October 2024



# Disclaimer

This presentation contains summary information about the current activities of Cleanaway Waste Management Limited (“CWY”) and its subsidiaries that should be read in conjunction with CWY's Consolidated Financial Report for the financial year ended 30 June 2024 and associated results announcement as well as CWY's other periodic and continuous disclosure announcements lodged with the ASX which are available at [www.asx.com.au](http://www.asx.com.au).

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.

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 FY24 Directors' Report for further information regarding “Underlying earnings”.

# Acknowledgement of Country

Cleanaway acknowledges the Traditional Owners of the lands on which we operate and in the communities in which we exist. We pay our respect to all Aboriginal and Torres Strait Islander peoples.

Artwork by Marcus Lee, a proud Aboriginal descendant of the Karajarri people from North Western Australia.

It represents Cleanaway's commitment to fostering a sustainable circular economy and symbolises our deep respect for the land, oceans and waterways of Australia.

The three central circular clusters represent the three pillars of reconciliation: Relationships, Respect and Opportunities. These three pillars provide the backbone and support for Cleanaway's ongoing reconciliation journey.



# Agenda

1. Introductions
2. Chairman's address
3. CEO and Managing Director's addresses
4. Formal Business
5. Questions

Presenters:

**Philippe Etienne**, Chairman  
**Mark Schubert**, CEO &  
Managing Director

*Front cover: Cleanaway Mansfield, Victoria fleet*



**CLEANAWAY**

# Opening address and introductions



Philippe Etienne  
**Chairman**



Robert Cole  
**Non-executive director**



Samantha Hogg  
**Non-executive director**



Paul Binfield  
**Chief Financial Officer**



Mark Schubert  
**CEO & Managing Director**



Ingrid Player  
**Non-executive director**



Michael Kelly  
**Non-executive director**



Dan Last  
**General Counsel &  
Company Secretary**



Jackie McArthur  
**Non-executive director**



Clive Stiff  
**Non-executive director**





*Pictured: Cleanaway Southwest Western Australia fleet*

# Chairman's Address



# Delivered a strong financial performance and improved shareholder returns

## Net Revenue<sup>1,2</sup>

\$3,194.5m

 7.7%  
on FY23

## EBIT

\$359.2m

 18.9%  
on FY23

**EBIT margin** 11.2%  
up 100 bps vs FY23


## Net operating cashflow

\$542.1m

 12.5%  
on FY23

## NPAT

\$170.6m

 14.8%  
on FY23

## ROIC

5.5%

 60bps  
on FY23

## EPS

7.6 cps

 15.2%  
on FY23

# Building a solid foundation for sustainable growth





# CEO and Managing Director's Address

*Pictured: Inside Western Sydney MRF pre-commissioning*



# Making a sustainable future possible together

**IT'S JUST NOT FUNNY. THAT'S WHY I SPEAK UP.**

*If you witness disrespectful behaviour, call it out.*

For more information, speak to your manager or HR Business Partner.

**Respect**  
@Cleanaway

**THERE'S NO EXCUSE. THAT'S WHY I SPEAK UP.**

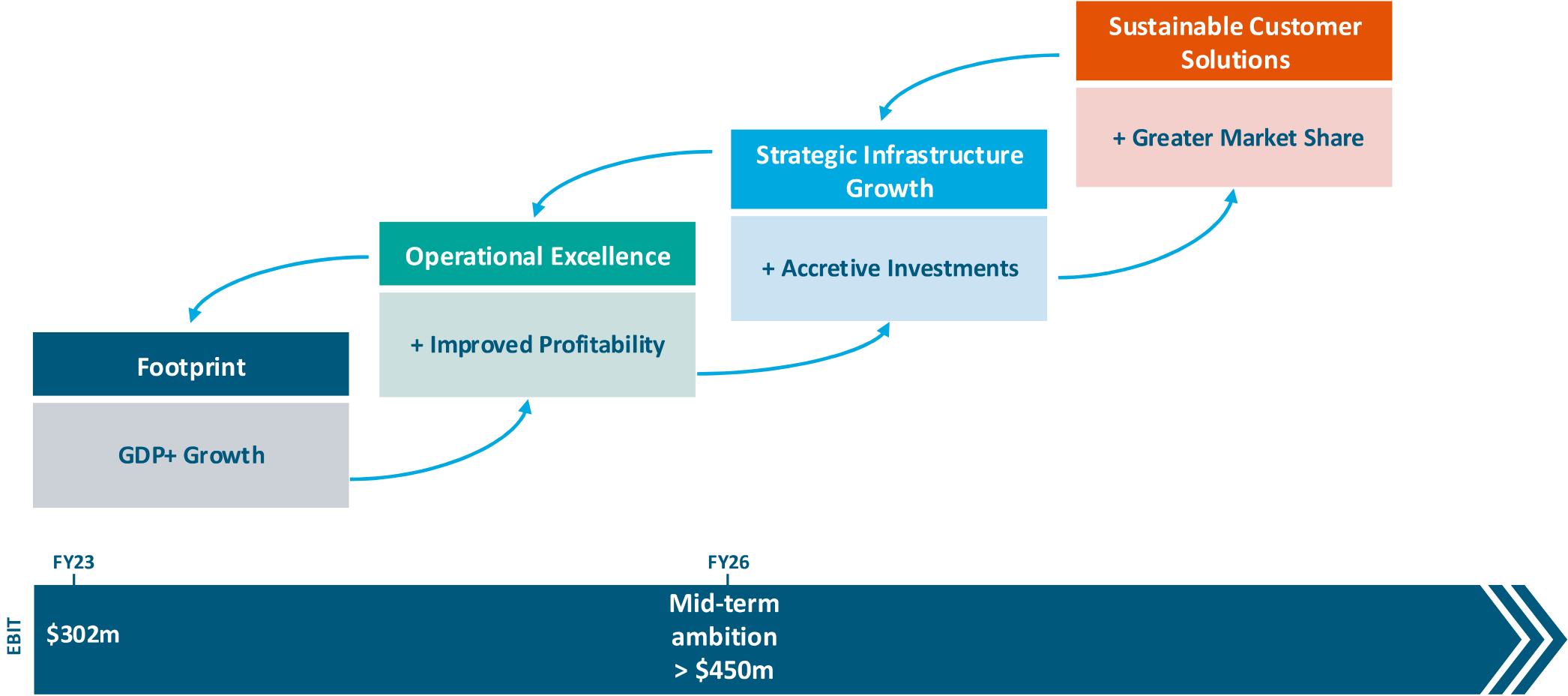
*If you witness disrespectful behaviour, call it out.*

For more information, speak to your manager or HR Business Partner.

**Respect**  
@Cleanaway



# On track to deliver mid-term financial ambition of >\$450m EBIT in FY26



# Working to deliver another year of double-digit EBIT growth in FY25

- FY25 guidance remains unchanged from August 2024
- Expect underlying EBIT to be between \$395 - \$425m<sup>1</sup>
- Trading for the FY25 September quarter was inline with management expectations
- Operating environment has been challenging given impact of softer economic activity



*Pictured: Dandenong Hydrocarbons facility team*

CLEANAWAY

Q&A



*Pictured: Branch Manager Neddie Agdon at Clayton Resource Recovery Facility*



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