

2 May 2023

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

Dear Sir/Madam,

Presentation – Macquarie Australia Conference

Please find attached the Company's presentation to be presented by the CEO and Managing Director Mark Schubert at the Macquarie Australia Conference today.

This announcement was authorised for lodgement by the Board of Cleanaway.

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 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.



CLEANAWAY

Making a sustainable future possible together

Cleanaway Waste Management Limited

**Australia's leading total waste
management services provider**

**Macquarie Australia Conference
2 May 2023**

Presenter

Mark Schubert, Managing Director & CEO

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.

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 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 and Overview

H2 2023 Progress

- ✓ Significant progress made on the four key areas that will improve margins:
 - Commodity margin restored
 - Vacancies and labour productivity improving
 - Queensland Solids Collections improving
 - Health Services – new autoclaves operating 24/7

+ Blueprint 2030 Progress

- ✓ Executing on Blueprint 2030 with significant strategic progress and momentum, underpinning longer term value creation

= Blueprint 2030 Financial Ambition

- With the business now stabilised, expect to see reporting of progress toward medium-term financial ambition
- Margin recovery to drive solid EBIT growth and together with Blueprint 2030 initiatives will establish our overall financial ambition

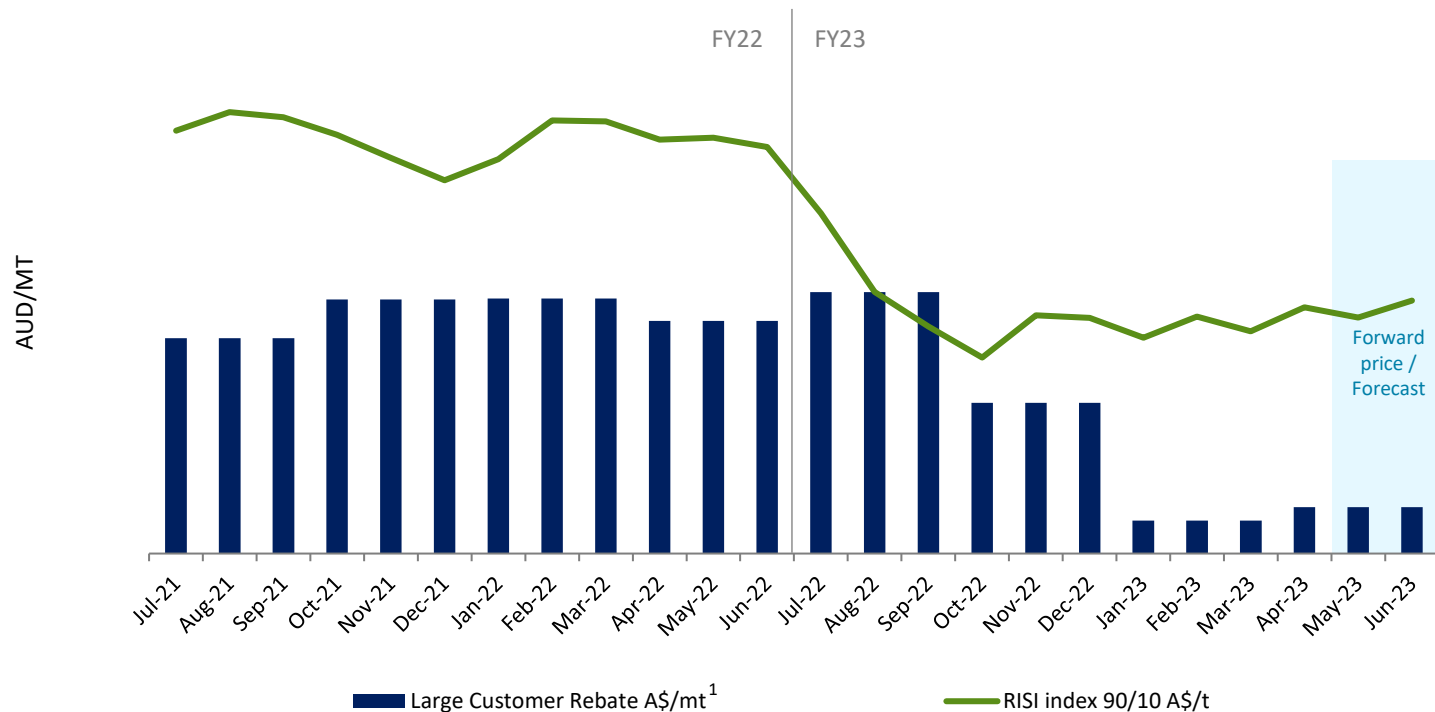
Guidance and Strategy Day

- ✓ Reaffirming guidance from February 2023
- ✓ Continuation of market strategy days with 21 June 23 focusing on Blueprint2030 through a Victorian Solids lens



Commodities (OCC) Recovery

Higher prices and lower rebates in H2...



....partially recovering first half earnings and restoring margin as expected

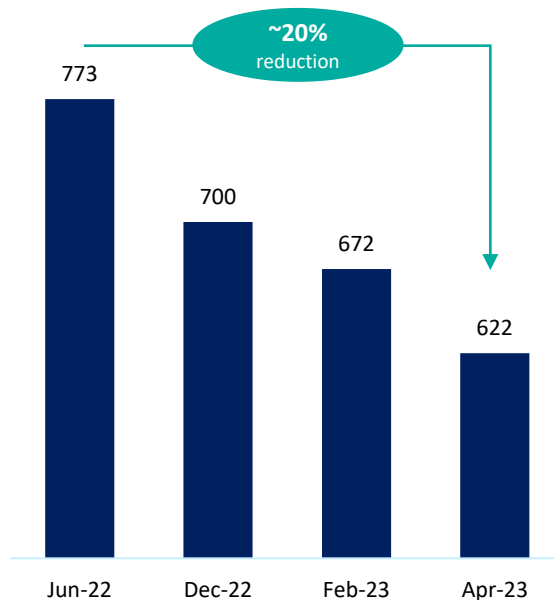
Note 1. CWY also incurs sea freight and other processing costs

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Labour Progress

Vacancies continue to decline across the organisation...

Labour Vacancies



Overview

- Normal group wide vacancy rate is ~300-400
- Multiple initiatives previously implemented addressing vacancies and labour productivity:

- Accessing different labour pools
- Female Driver Academy
- Runner to Driver
- Recruitment Process Outsourcing
- Supervisor backfilling
- Branch level visual management boards

Benefits of initiatives are being realised:

- ✓ Lower vacancies
- ✓ Monthly voluntary turnover in March 10% lower than YTD average and 26% lower than YTD peak
- ✓ Increases in labour efficiency and productivity with March overtime 5% lower than average month since vacancy peak in November
- ✓ Female representation up 320bps or 16% over the last 18 months to 22.7%

....with a focus on improving productivity at branches

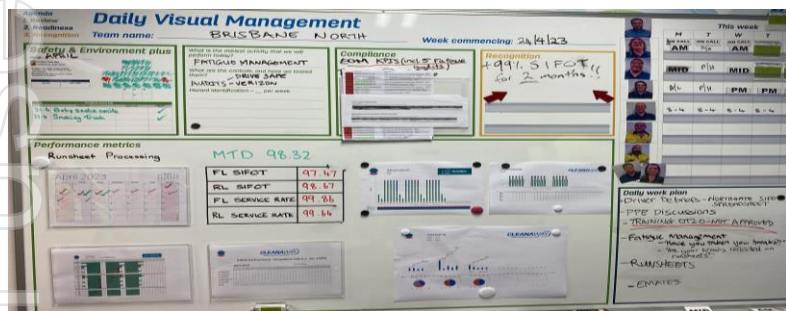
Queensland Solids Progress

Visual management boards allow us to learn from yesterday to improve today...

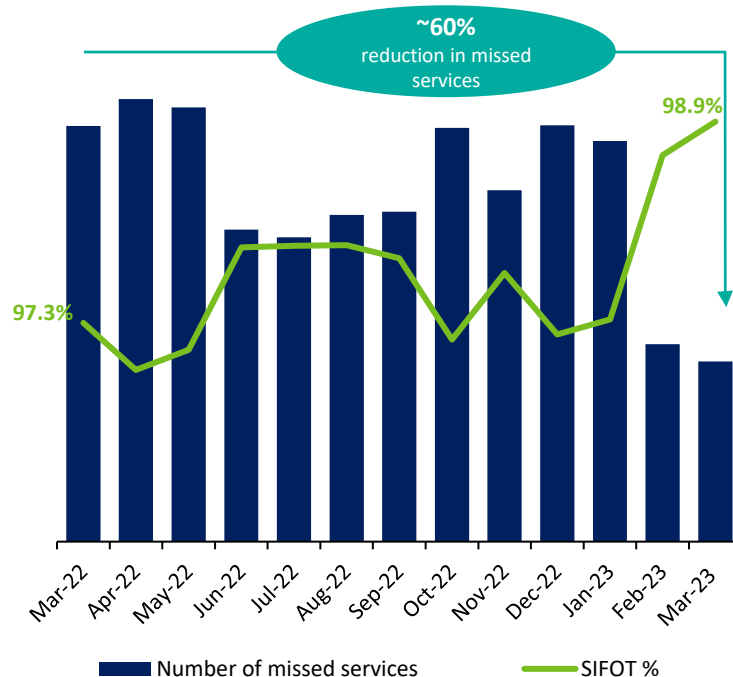
Overview

- Recent challenges predominantly related to Metro C&I
- Focus on attracting and retaining drivers and mechanics
- Reduction in open vacancies and % overtime
- Labour productivity and business recovery tracked on visual management boards
- Performance improvement plans in place with granular initiatives to improve profitability
- Driven significant improvement in Service in Full On-Time

Visual Management Board



Service in Full on-time – Metro C&I



....enabling shorter-cycle operational control and improvements

Health Services Progress

Two autoclaves installed in Victoria...

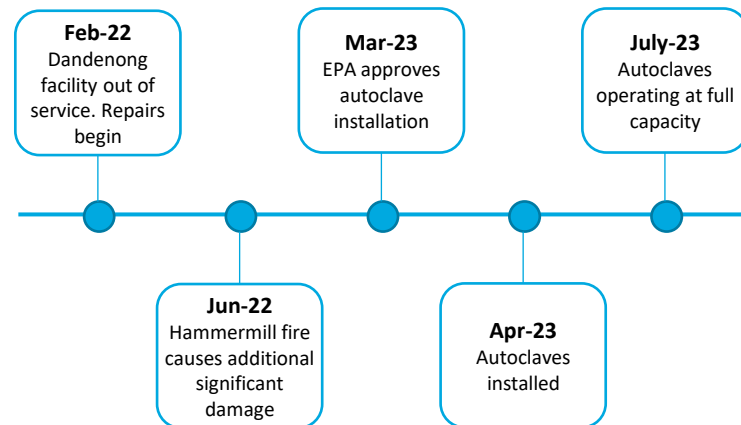


Progress to date

- ✓ Returning to BAU post COVID
- ✓ Focus on improving equipment reliability across network
- ✓ Targeting transport efficiency improvements
- ✓ Winding down significant alternative disposal costs related to the loss of the Hammer Mill

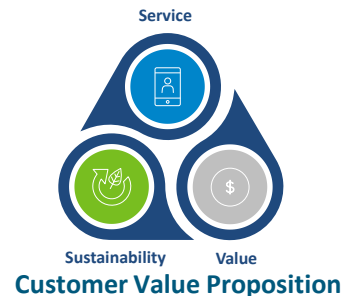
....with commissioning complete and ramping up to full capacity through Q423

Dandenong Health - Timeline



Blueprint 2030 Progress

We are executing our detailed plans across the 3 pillars and 14 blueprints....



.....that will drive growth and shareholder value

Energy-from-Waste

Potential to create attractive shareholder returns through a platform business ...

Overview

- Well positioned to capitalise on opportunity
- Modest capital investment to-date focused on creating option value
- Preparing for projects on a 100% equity basis to maximise our flexibility in the planning phase
- Equity ownership may change over time
- Value-led, returns-led approach to capital deployment
- Nature of EfW cash flows support higher gearing with a commitment to maintain investment grade credit profile
- Planning Permit and Development Licence approvals submitted for Melbourne project



Artist impression: Melbourne EfW facility design

.....and value led, returns led final investment decisions timed to market conditions

Victorian Container Deposit Scheme

TOMRA Cleanaway appointed Network Operator for Zones 1 and 4

Overview

- Commencement: 1 Nov 2023
- TOMRA Cleanaway JV responsible for network of return points, including Reverse Vending Machines, over-the-counter drop offs and automated depots.
- JV responsible for ensuring the resources collected through the scheme are sent to appropriate destinations for recycling
- Zones 1 and 4
 - ~33% of the state of Victoria in geographic terms with a population of over 2 million
 - ~500k containers p.a. expected to be collected
- Circular Plastic Australia facilities in Altona, Laverton and Albury-Wodonga anticipated to process some of the resources collected, creating highly circular domestic solution
- ~\$40 million capital investment
- Attractive return profile based on a progressive ramp up in scheme participation

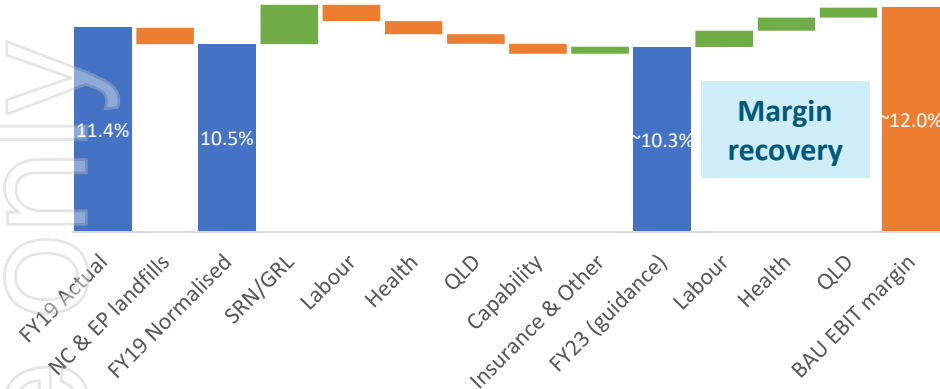
Victorian Network Operators



Margin Evolution

Strong EBIT growth expected over next 24 months driven by margin recovery and Blueprint 2030 progress

EBIT margin



+



=



Commentary

- Continuing to execute initiatives to resolve labour productivity
- Focused plan for restoration of Health Services margin underway
- Improved performance of Queensland business unit delivered through network and labour optimisation
- Margin recovery to drive solid EBIT growth and together with Blueprint 2030 initiatives will establish our overall financial ambition
- Ambition will be centered around continuously improving ROIC¹ and growing EBIT (CAGR range)

Note 1: adjusted for Energy-from-Waste investment during construction phase

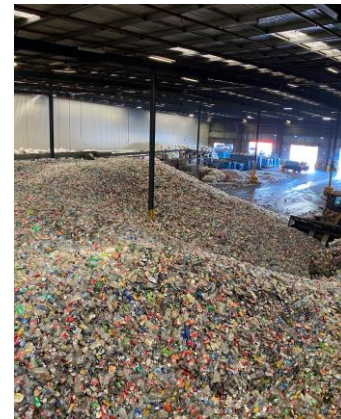
Conclusion

Reaffirming Guidance

- Consistent with our prior expectations, FY23 underlying EBITDA including GRL is expected to be approximately \$670 million
- Depreciation and amortisation is expected to be approximately \$370 million resulting in EBIT of approximately \$300 million

Next Strategy Day

- **Where:** Melbourne
- **When:** 21 June 2023
- **Focus:** Blueprint 2030 in action through a lens of Victorian SWS
 - Energy-from-Waste
 - Workshop digitisation
 - Container Deposit Scheme
 - Operating Model
 - HS&E Strategy and Program
- **Format:** In-person and webcast



Questions



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