

7 May 2024

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 presentation by the CEO and Managing Director Mark Schubert at the Macquarie Australia Conference today.

The presentation 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 7,500 highly trained staff are supported by a fleet of over 6,100 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.

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The Cleanaway logo features the word "CLEANAWAY" in a bold, white, sans-serif font. To the right of the text is a circular icon composed of white dots arranged in a ring, resembling a globe or a stylized 'C'.

CLEANAWAY

Making a sustainable future possible together

MACQUARIE AUSTRALIA CONFERENCE

7 May 2024

Presenter

Mark Schubert, CEO & Managing Director

A large white Cleanaway waste management truck is parked in front of a blue industrial building. The truck has "CLEANAWAY" and the phone number "131339" printed on its side. The scene is overlaid with a large, semi-transparent teal circle containing text.

Cleanaway Waste Management Limited

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

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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.

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.



Australia's leading waste management company

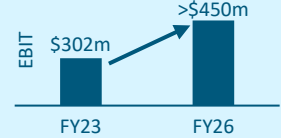
Positioned to deliver sustainable, double-digit EBIT growth & improving returns in FY24, FY25, FY26 & beyond



On-track to deliver Blueprint 2030 mid-term financial ambition

- Strategy translated into mid-term financial ambition
- Blueprint 2030 is transforming CWY into a sustainable and scalable platform for growth

Double-digit EPS CAGR and improving returns¹



Increasing customer demand for sustainable solutions and regulation underpinning medium-term growth

- Integrated infrastructure enables delivery of end-to-end solutions
- Scale supports customers in transition to circular economy
- Supportive regulatory settings driven by Federal Government 2030 landfill diversion target

Essential service provider with strong Balance Sheet and resilient cash flows

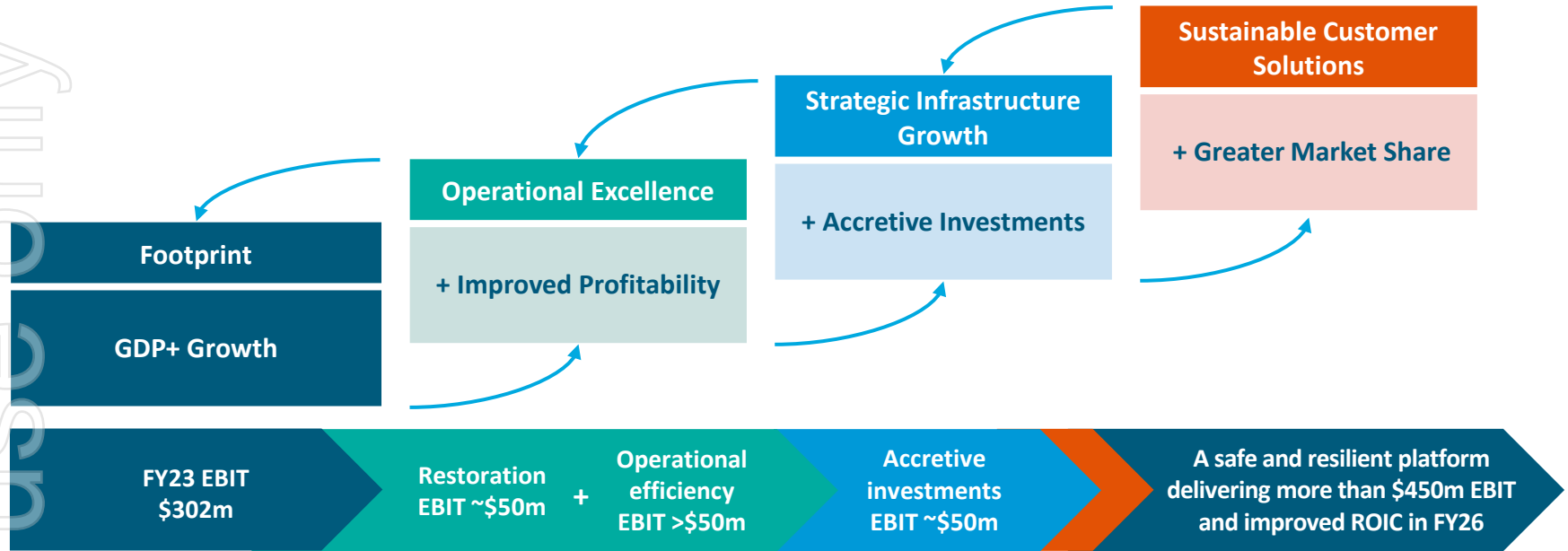
- 150,000+ customers including 140+ council relationships
- Highly contracted revenues with inflation protection
- Investment grade credit profile

Australia's largest network of integrated and prized waste infrastructure assets

- National coverage
- 135 licensed assets connected by 330+ branches
- 7,700+ employees
- Branch-led performance culture empowering the front-line

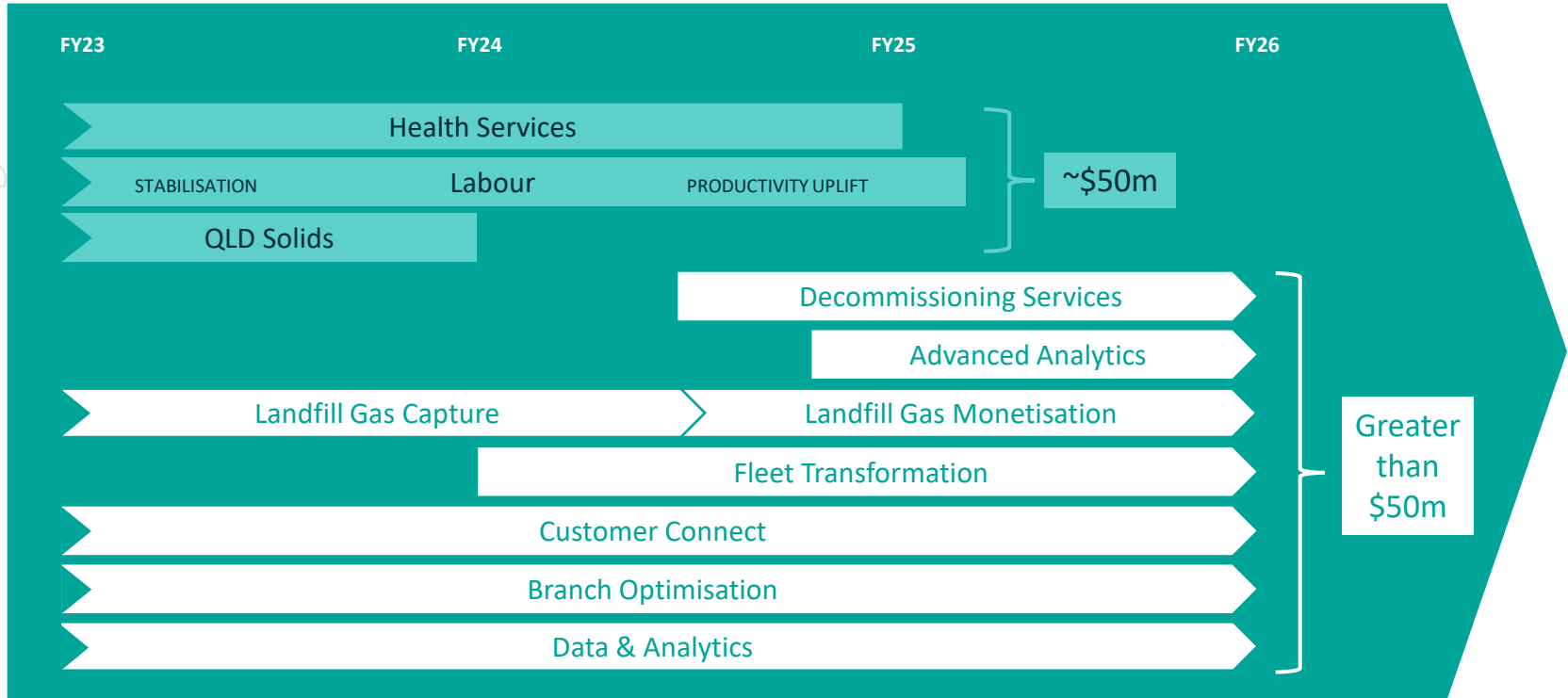
Building a safe and resilient platform to underpin growth beyond FY26

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



Operational excellence: Driving margin expansion

Delivering our portfolio of operational efficiency initiatives will drive FY26 EBIT beyond \$450m

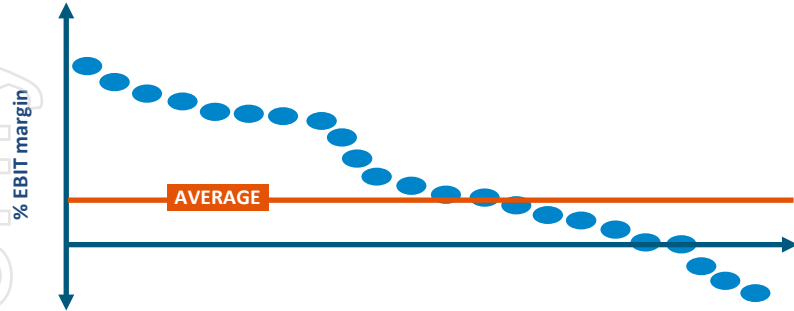


Uplifting the average EBIT margin of our branch network

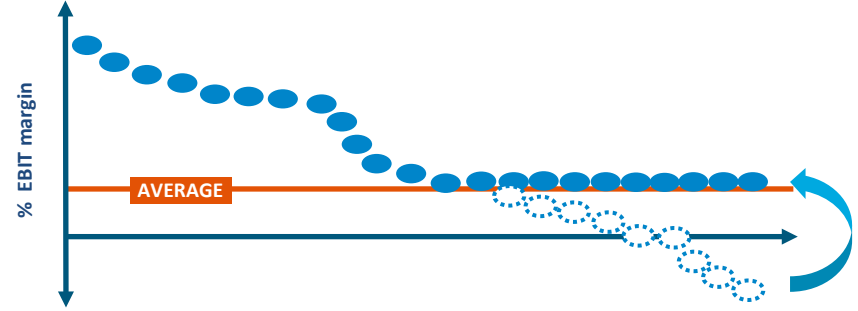
Data & Analytics enabling our ability to identify branches that need support

BRANCH
OPTIMISATION

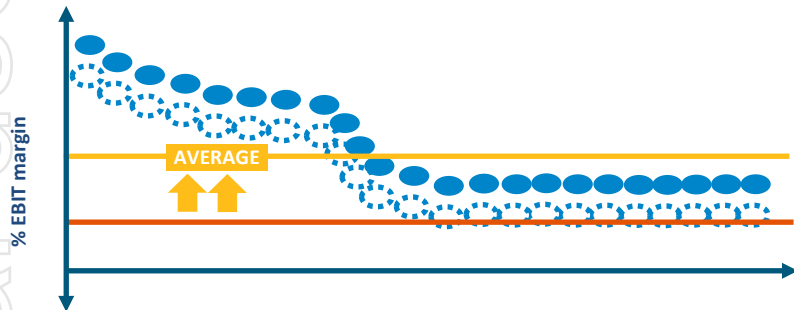
- 1 Determine current state through ranking comparable branches by % EBIT margin



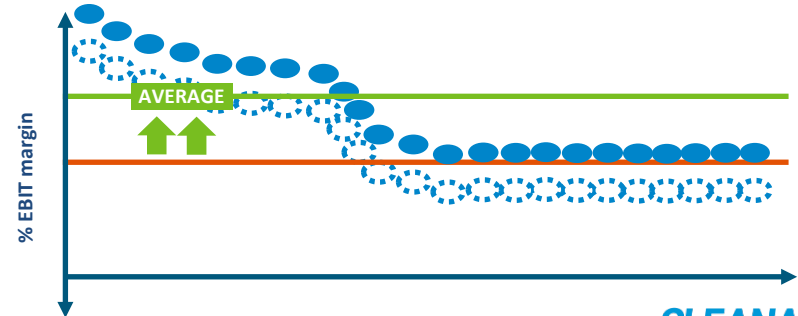
- 2 Apply Performance Improvement Plans, SWOT and Lean programs on underperforming branches raising performance to current average % EBIT margin



- 3 Implement Business Teams and the Branch Operating Model to uplift the performance all branches



- 4 Layer specific programs of work to further uplift the average % EBIT margin



Digitising our call to cash cycle with CustomerConnect

Project remains on time and budget; benefits inline with original business case

CUSTOMER
CONNECT

Total project cost remains in line with budgeted ~\$100m

	FY22/23	FY24	FY25	FY26
Spend profile	~10%	~45%	~35%	~10%

- 60% of total project cost relates to core systems and process platforms, with the balance relating to growth functionality
- Average yearly split between expensed SaaS vs capitalised costs: 40:60

Release 1: To be completed Q4FY24

Upgrading IT foundations and simplifying sales processes and customer service

	From	To
Customer resolution channels	Multiple	1
Dispute resolution days	80	21
Number of view(s) of customer	12	1
Alignment of product and service codes	26,000	1,500

Financial benefits inline with business case

	FY24	FY25	FY26	FY27
EBIT benefits	Neutral post cost	Neutral post cost	>\$5m	>\$13m p.a

Release 2: To be completed Q3FY26

Upgrading service delivery capability and enabling excellence in customer service

New capability	Benefit
Customer self-service portal	Enhanced service
Digitised run sheets	Removes ~300,000 pieces of paper p.a; reduces revenue leakage
Consolidated scheduling and dispatching	Increased SIFOT and route efficiency; removes duplication of ~25,000 customer account details p.a

Transforming how we manage our fleet

A holistic, centralised strategy to reduce operating costs and capital expenditure

FLEET
TRANSFORMATION

FLEET MANAGEMENT STRATEGY

	CURRENT STATE	STRATEGIC INITIATIVE	EXAMPLE OPERATIONAL OUTCOME	FINANCIAL OUTCOMES
OWNERSHIP MODEL	Default approach has been to own vehicles	Optimise mix of ownership models and refresh management of third-party operators	Decapitalise fleet through capital-light solutions	 FUEL, REPAIR & MAINTENANCE COSTS  MAINTENANCE HOURS  CAPITAL EXPENDITURE
FLEET INNOVATION	Ad-hoc implementation of different technologies	Design and execute an in-cab technology and low-carbon fuel strategy	Fewer kilometers driven, emissions reduction	
FLEET PURCHASING & DISPOSAL	Localised branch decision making	Centralise fleet life-cycle management	Reduction in fleet average age	
SCHEDULING & ALLOCATION	Vehicles and schedules managed at a branch level	Adopt vehicle pooling program and scheduling tools	Improvement in cost to serve per operating hour	
WORKSHOP & PARTS MANAGEMENT	Approach determined on a branch-to-branch basis	Implement a consistent, industry leading maintenance approach	Current corrective to preventative maintenance split is 80:20. Opportunity to increase preventative.	

Targeting ~\$50m p.a reduction in maintenance capex from FY25

Focus on returns, data & analytics, fleet and project processes has optimised capital spend

CATALYSTS

- Shifted Group-wide focus to **EBIT & returns** (was EBITDA)
- Installed greater **capital discipline**
- Lifted **hurdle rates**
- Delivered **Data & Analytics** (D&A) capabilities
- Developed **Blueprint #12** – Fleet Transformation

ACTION

- Aligned SBU performance and **incentives to EBIT/returns**
- Built new **centralised, multi-year capital allocation framework and expertise** to manage capex
- Encouraging **innovative thinking** from the SBUs as to how to meet their needs
- **Utilising D&A** capabilities, tools and data in capex allocation process
- Identified **capex optimisation opportunities during analysis and development stage of Blueprint #12** Fleet Transformation

BENEFITS

- SBU's taking decisions to improve returns. e.g. landfills management
- Better capex risk management and improved project management
- Campaign approach for group SIB projects
- Use of capital-lite options . e.g. Customer co-investment
- Unlocked insights and opportunities to improve capex allocation. E.g., slow-moving bins review
- Asset pooling opportunities identified across all segments
- Fleet Transformation strategy includes a range of significant capital-lite initiatives including ownership options

\$50m p.a
reduction in total
capex from FY25

Energy-from-waste is being driven by customers and regulation

EfW is a necessary waste solution to address the rising production of waste in Australia

Customers are seeking landfill diversion

- ✓ Councils are actively seeking EfW pricing as part of NSW and VIC post collections tenders
- ✓ Length of council contracts well suited to underwrite EfW investment
- ✓ Once EfW and landfill gate-fees are aligned, C&I customers consider EfW as an option, as is happening in Western Australia

No new putrescible landfill sites will be approved

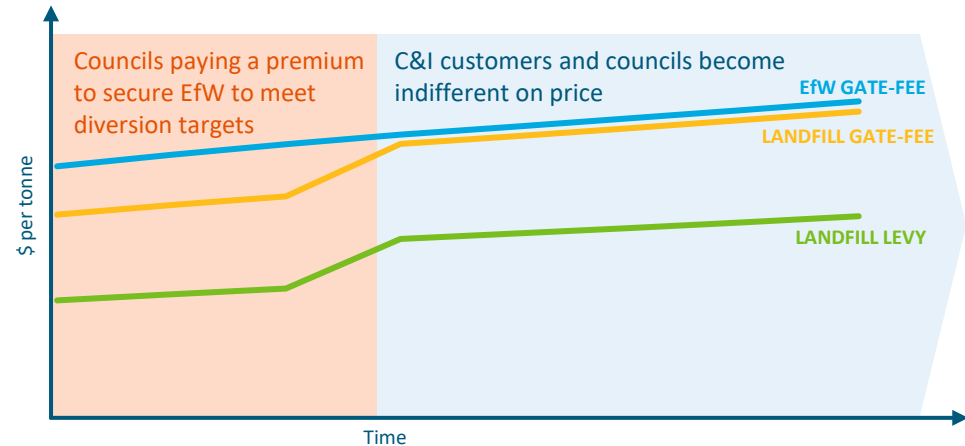
- ✗ NSW State Government has said no new putrescible landfill sites in Sydney basin
- ✗ VIC State Government has said no new putrescible landfill sites in Melbourne

Legislated landfill levies driving diversion

- ✓ NSW and VIC levies increasing year on year
- ✓ Expected to increase further to drive achievement of landfill diversion targets

EfW economics are evolving as regulation drives economics of disposal

Illustrative view of the potential evolution of EfW gate fees

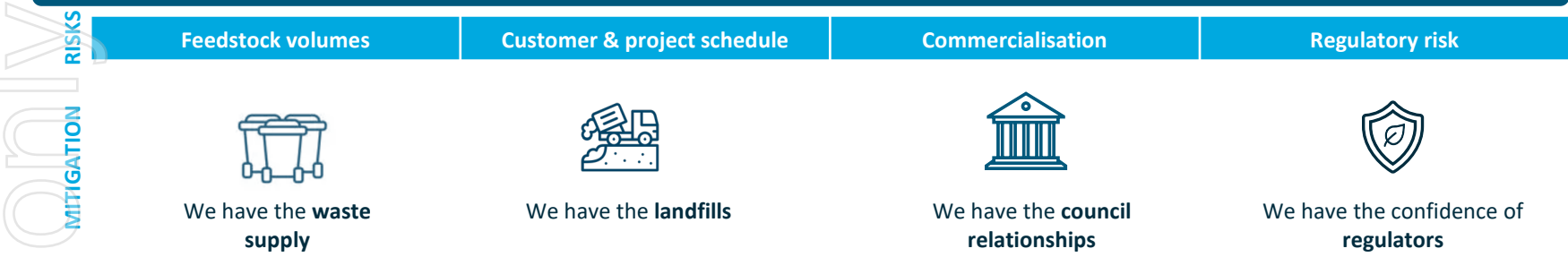


As Australia's largest waste company, EfW is part of our future

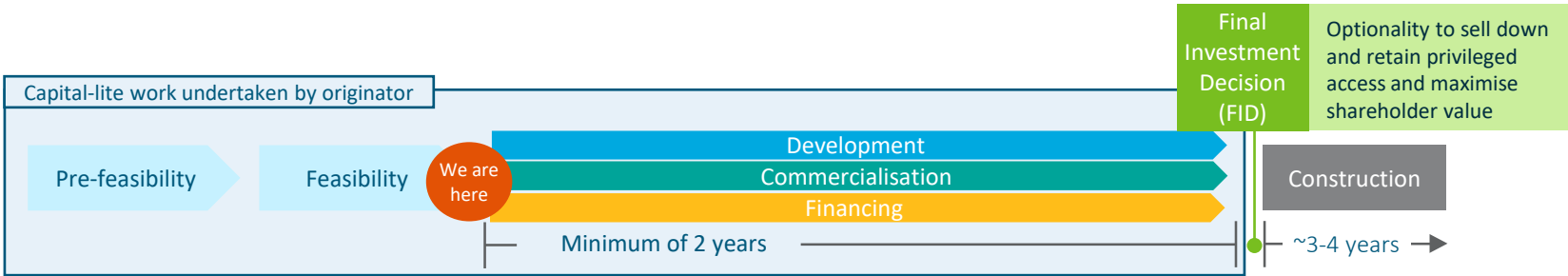
STRATEGIC INFRASTRUCTURE GROWTH

Uniquely positioned to be an EfW plant originator creating ownership & access optionality

We are a natural originator of East Coast EfW given our ability to de-risk key components of these projects



As an originator our role is bringing together the elements that move the project to FID



Positioned to deliver growth

On track to deliver attractive returns to shareholders in FY24, FY25 and FY26 and beyond

Maintain FY24 EBIT guidance of approximately \$350m

- Optimised landfill management is resulting in a lower D&A expense of \$360 to \$370m, down from \$370 to \$390m
- Interest expense expected to be \$117m
- Our GHG emission reductions are on target supporting the ambitions of our customers

Remain on track to deliver double-digit EPS CAGR in FY24, FY25 and FY26

- Strategic momentum will deliver our Blueprint 2030 mid-term ambition of >\$450m in EBIT in FY26 and improving ROIC
- Extending growth platform by expanding services including FOGO (NSW), CDS (Vic), Decommissioning Services (national)
- Focus on capex processes and Fleet Transformation, targeting approximately \$50m p.a. reduction in maintenance capex from FY25

Blueprint 2030 strategy positioning CWY to deliver medium-term sustainable growth beyond FY26

- Operational excellence transformation will deliver best in class performance of our integrated network of assets
- Ability to meet customers increasing demands with end-to-end, multi-stream, at-scale solutions
- Mid-term growth further supported by evolving regulatory environment that will continue to drive demand for waste solutions

Internal use only

Q&A

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