

Trading update: Impacts of the conflict in the Middle East

Cleanaway Waste Management Limited (Cleanaway or the Company) (ASX: CWY) today provides an update on the impact of the war in the Middle East on the Company's FY26 earnings outlook.

Cleanaway's business model continues to demonstrate resilience in a period of elevated fuel prices, supported by established contractual cost pass-through mechanisms, strategic fuel supply arrangements and hydrocarbon-linked revenue streams that help mitigate input cost volatility and provide greater predictability of supply.

Cleanaway has contracted fuel supply arrangements through a long-term strategic partnership with a major fuel supplier, which has supported reliable access to competitively priced fuel during this period of elevated market volatility. Cleanaway has not experienced any fuel supply issues throughout its operations to date.

The war has resulted in higher actual and forecast direct fuel costs, higher supplier and third-party logistics costs and decreased activity in the Contract Resources business in the Middle East. However, Cleanaway's pricing structures and recovery mechanisms will enable the Company to recover a substantial portion of the fuel cost increases over time. The impacts of the war have also created volatility and higher levels of uncertainty in some areas of our business, particularly in relation to projects. We are continuing to monitor this closely.

The combined adverse impact on EBIT of these higher costs, lower activity and uncertainty is estimated to be approximately \$20 million¹ for FY26.

As a result, Cleanaway is now expecting FY26 EBIT to be between \$460 million and \$480 million (previously \$480 million and \$500 million).

Importantly, this impact largely reflects timing differences in cost recovery rather than structural margin pressure. Most of our contracted prices will reflect recent fuel price increases by 1 July 2026, with a minority where adjustments will take effect later in FY27. The recovery of the initial FY26 fuel cost impact will be realised as fuel prices normalise.

Cost pass-through mechanisms

Cleanaway has a range of pricing and contractual mechanisms designed to mitigate fuel price volatility, including:

- customer contracts with fuel levies or surcharge provisions
- municipal and larger commercial and industrial service contracts with periodic indexed repricing mechanisms
- pricing resets at contract renewal or extension
- operational levers including route optimisation, fleet utilisation, asset productivity and procurement actions.

¹ Indicative estimate, actual outcomes may vary depending on factors such as the duration and volatility of oil prices, diesel supply and pricing, customer mix, contract timing, operational volumes and the effectiveness of mitigation measures.

The effectiveness and timing of cost pass-through mechanisms vary by contract and segment. In some instances, higher fuel costs can be recovered relatively quickly. In other instances, there can be a lag before revised pricing takes effect.

Key assumptions and sensitivities

Cleanaway's estimated FY26 impact is based on the following assumptions:

- Diesel supply and prices remain at approximately current levels for the remainder of FY26
- Contractual fuel recovery reflects the current customer mix and existing pass-through provisions
- Customer recovery timing reflects the lag between underlying fuel price changes and customer price adjustments; and
- No material deterioration in volumes, customer churn, bad debts or broader trading conditions.

Cleanaway will continue to closely monitor fuel markets and the broader impacts of the war in the Middle East on its operations.

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

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Investor Enquiries

Richie Farrell

General Manager, Investor Relations and Sustainability

Telephone: +61 409 829 014

Email: richie.farrell@cleanaway.com.au

Bruce Song, Senior Manager, Investor Relations and Sustainability

Telephone: +61 426 386 006

Email: bruce.song@cleanaway.com.au

Cleanaway Waste Management Limited is Australia's leading sustainable waste management, industrial and environmental services company. Our team of approximately 10,000 people operates across more than 350 locations in Australia, New Zealand and the Middle East. We manage Australia's largest waste and industrial services fleet, with over 6,400 vehicles, and are supported by an extensive network of recycling facilities, transfer stations, engineered landfills, liquid treatment plants and refineries. Alongside our customers, communities, governments, regulators and industry partners, we are committed to delivering on our purpose: making a sustainable future possible together.