This announcement contains inside information.

8 November 2018

Renewi plc

Renewi plc (LSE: RWI), a leading international waste-to-product business, announces its interim results for the six months ended 30 September 2018.

Results

- First half trading performance broadly in line with management expectations against a strong result in the prior period
- Good progress with major integration programmes and synergy delivery on track
- Cash performance and net debt better than management's expectations
- Interim dividend maintained at 0.95 pence per share

Strategy

- Accelerating execution of existing Renewi strategy through "Focus and Grow" approach
- Focus phase concentrates the business on Benelux recycling and includes:
  - identifying and quantifying further synergies above €40m beyond 2019/20
  - planned disposal of non-core assets: Canadian business and Reym industrial cleaning business
- Grow phase will capture the benefits from strong structural growth drivers in Benelux recycling
- As previously announced, Otto de Bont, currently Managing Director of the Renewi Netherlands Commercial Division, will be appointed CEO in April 2019

Outlook

- Resumption of full soil production at ATM not expected this financial year resulting in reduced management expectations of up to €3m operating profit per month
- Increased synergies and higher pricing expected to positively impact second half
- Demand for recycling services growing structurally through long term targets and imminent increases in Dutch incineration taxes

Commenting on the results, Peter Dilnot, Chief Executive Officer, said:

"The half year results were broadly in line with our expectations. Merger integration continued as planned, with successful key migrations to new Renewi platforms and processes. The Group's cash performance was ahead of our expectations and leverage remains well controlled.

"We have been working closely with regulators in order to resume full production at ATM and the supply of our cleaned soil into the market. However, yesterday, we received notification from the regulators requesting further analysis of our treated soil ahead of future shipments. As a result, we will limit production until the situation is resolved and this will reduce expected profit for the current financial year.

"More broadly, Renewi's growth is underpinned by increasing demand for recycling services. Our end markets are being stimulated by a clear environmental need, increasing regulation and customer pull.

"We are accelerating the execution of our strategy through a new "Focus and Grow" approach. The Focus phase will include delivering the committed €40m synergies and further benefits

thereafter. We are also focusing our portfolio on Benelux recycling with the planned disposal of our Canadian business and our Reym industrial cleaning business. The Grow phase will deliver shareholder value by capturing the significant opportunities emerging in the circular economy."

As previously announced, Renewi is now reporting its financial results in Euros reflecting the Group's principal trading currency	**2018**	**2017**	**Change % Total**
Revenue	**€900m**	**€890m**	**1%**
EBITDA+	**€92.6m**	**€99.0m**	**-6%**
Underlying EBIT+	**€44.8m**	**€49.5m**	**-9%**
Underlying profit before tax+	**€33.9m**	**€38.7m**	**-12%**
Underlying EPS+(cents per share)	**3.1c**	**3.7c**	**-16%**
Underlying free cash flow+	**€28.2m**	**€57.9m**	
Exceptional and non-trading items	**€(10.4)m**	**€(13.4)m**	
Core net debt	**€496m**	**€495m**	
Core net debt to EBITDA	**2.99x**	**2.78x**	
STATUTORY			
Profit before tax for the period	**€23.5m**	**€25.3m**	
Basic earnings per share (cents)	**2.5c**	**2.2c**	
Cash flow from operating activities	**€68.0m**	**€75.1m**	
Interim Dividend (pence per share)	**0.95p**	**0.95p**	

+The definition and rationale for the use of non-IFRS measures are included before the Consolidated Income Statement.

Notes:

1. The interim dividend of 0.95 pence per share will be paid on 4 January 2019 to shareholders on the register at close of business on 30 November 2018.
2. Management will be holding an analyst presentation at 9:30 a.m. today, 8 November in the Entrust Room on the fifth floor at etc Venues, Bishopsgate Court, 4-12 Norton Folgate, London E1 6DQ.
3. Webcast details for the presentation at 9.30 a.m.
   - Webcast: www.renewiplc.com
   - Telephone conference:

United Kingdom	020 3936 2999
Belgium	078 48 16 83
Netherlands	085 888 7233
All other locations	+44 20 3936 2999

   - Participant Access Code: 215081

4. A copy of this announcement is available on the Company's website, (www.renewiplc.com). A copy of the presentation being made today to financial institutions will also be available.

For further information contact:

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FORWARD-LOOKING STATEMENTS

Certain statements in this announcement constitute "forward-looking statements". Forward-looking statements may sometimes, but not always, be identified by words such as "will", "may", "should", "continue", "believes", "expects", "intends" or similar expressions. These forward-looking statements are subject to risks, uncertainties and other factors which, as a result, could cause Renewi's actual future financial condition, performance and results to differ materially from the plans, goals and expectations set out in the forward-looking statements. Such statements are made only as at the date of this announcement and, except to the extent legally required, Renewi undertakes no obligation to revise or update such forward-looking statements.

INTRODUCTION

Renewi has had a successful first eighteen months since the transformational merger of Shanks with Van Gansewinkel Groep (VGG) in February 2017, making good progress with business integration and delivering a positive underlying performance. The results for the period were broadly in line with our expectations and the challenges experienced during the first half are being actively addressed. These actions, together with synergies and improved pricing, will read through in the second half, offset by further reductions in output at ATM.

Our vision is to be the leading waste-to-product company. Our strategy for growth remains clear – we are focused on delivering the committed merger benefits; achieving margin expansion through self-help initiatives; expanding into strategic growth areas through innovation and investment; and actively managing our business portfolio. We are today announcing an accelerated execution of our strategy through a new “Focus and Grow” approach.

In line with this approach and as a part of our active portfolio management, we have today announced that we have decided to initiate sale processes for the non-core Canadian business and Reym industrial cleaning business which we expect to complete over the next 12 months.

RESULTS

As announced in July 2018, we have changed our reporting currency from Sterling to Euros from the start of this financial year.

Continuing Operations	Revenue			Underlying EBIT		
	Six months ended			Six months ended		
	Sep 18 €m	Sep 17 €m	Variance %	Sep 18 €m	Sep 17 €m	Variance %
Commercial Waste	586.3	574.6	2%	40.5	41.1	-1%
Hazardous Waste	108.0	117.3	-8%	5.9	15.7	-62%
Monostreams	110.5	102.4	8%	8.8	10.8	-19%
Municipal	113.4	112.3	1%	4.3	(5.6)	N/A
Group central services	-	-		(14.7)	(12.5)	-18%
Inter-segment revenue	(17.8)	(16.2)		-	-	
Total	**900.4**	**890.4**	**1%**	**44.8**	**49.5**	**-9%**

The figures above are reconciled to statutory measures in note 3 in the interim financial statements.

Group revenue in the first half increased 1% to €900m. Underlying EBIT reduced 9% to €44.8m and underlying profit before tax reduced 12% to €33.9m. Underlying EPS decreased 16% to 3.1 cents per share.

The Commercial Waste Division (65% of Group revenue) delivered a broadly flat underlying EBIT of €40.5m, on revenues up 2%. The prior period included an exceptional summer for construction activity and higher paper and plastic recyclate prices. Underlying inbound volumes were solid and pricing was positive. Recyclate income was as expected, with margins reduced compared to the prior year albeit protected by dynamic pricing. Cost inflation is increasing in the market and we incurred more than €4m of additional costs over the summer due to lack of capacity at incinerators and other outlets. We are actively addressing this issue and expect to pass on this impact through pricing to waste producers.

The Hazardous Waste Division reported an 8% reduction in revenues and a 62% reduction in underlying EBIT to €5.9m reflecting the ongoing reduced production rates of thermal soil at

ATM compared with the prior period of full production. This is further explained in the operating review below. Reym saw high demand levels over the summer but continued to be impacted by productivity challenges arising from ad hoc customer demand schedules. The shortfall was offset by a strong performance from the waterside at ATM.

While revenue increased by 8% in the Monostreams Division, underlying EBIT decreased 19% to €8.8m. Orgaworld and Mineralz performed well in the first half, however Coolrec was weak on the back of lower cathode ray tube (CRT) volumes and declining metal prices in the second quarter. The glass business also had a disappointing first half with operational challenges at our van Tuijl facility and ongoing weakness, as well as a number of small fires, at Maltha's operation at Dintelmond in the Netherlands.

The Municipal Division grew revenues 1% and turned a prior period loss of €5.6m into a profit of €4.3m. In the UK this included the benefits of the sale of Westcott Park and some operational projects, as well as Wakefield now being accounted for as an onerous contract. The Canadian business saw a significant improvement in performance, as expected, with stronger volumes, improved operational performance and the successful full service commencement of our Surrey bio-fuel facility.

Group central services costs increased 18% to €14.7m. This included labour inflation, planned increases in investments in IT and the loss of recharges following the transfer of the profitable Dutch property portfolio into the Netherlands Commercial Division.

Non-trading and exceptional items before tax were in line with our expectations at €10.4m in the first half (2017: €13.4m), €17m of which related to the merger, €1m for continuation of additional logistics at ATM as a result of the soil market issues and €3m for amortisation of acquired intangible assets, offset by an €11m profit from portfolio management including the sale of EBG. This resulted in a statutory profit before tax of €23.5m (2017: €25.3m).

The Group delivered an underlying free cash inflow of €28.2m (2017: €57.9m) in the first half with a good working capital performance and well controlled capital expenditure. Replacement capital spend was €44m which represented a ratio of 92% of the depreciation charge which is higher than last year due to the start of a number of larger capex projects and IT platform investment. In addition, the first half benefited from disposal proceeds of €23m (2017: €nil).

Core net debt at 30 September was €496m. This was better than our expectations, representing a net debt to EBITDA ratio of 2.99x, comfortably within the Group's covenant level of 3.5x.

Reflecting the Board's continuing confidence in the growth prospects for Renewi, we are declaring a maintained interim dividend of 0.95p per share.

ATM update

As previously reported, our ATM soil treatment facility has been operating at reduced output since August 2017. We have been working closely with regulators in order to resume full production and the supply of our cleaned soil into the market.

We have made progress with the national regulator (IL&T). They had indicated that upgrades we have made voluntarily to the production process mean that ATM soil meets their requirements communicated in February and repeated in June and the current legal product specifications as per the certification. We have also been in discussions over the summer with local regulators who are responsible for providing permits for specific use of cleaned soil in their respective areas.

On 7 November 2018, the regulators collectively wrote to us, requesting further analysis of our treated soil ahead of future soil shipments. We will now initiate the additional requested analysis and will continue our technical and legal dialogue with the regulators. In the meantime, we will reduce production to c30% of capacity until the situation is resolved and this will adversely impact operating profit by up to €3m per month. We do not currently expect to resume full production this financial year.

More broadly, there continues to be a strong market for thermal soil treatment. On the supply side our ATM production processes provide an important environmental solution to manage contaminated soil. Our inbound storage is approaching full capacity and we have ongoing enquiries for the treatment of contaminated soil. The situation is exacerbated as the industry-wide ban on the application of thermal soil in the Netherlands has resulted in a significant backlog of untreated soil on project sites across the Netherlands. On the demand side, we have a pipeline of customers who would like to use our product, representing several years of production, with a number of projects in a position to take cleaned soil with immediate effect. The Netherlands also has a strong commitment to increase the use of secondary materials, such as thermally treated soil.

We are also accelerating our longer-term, innovative project to process thermal soil into other secondary products. This is progressing well and is expected to be launched during 2019/20.

Looking ahead to the second half

Historically the Group has had a seasonal bias towards the first half, driven by construction activity, organic growing seasons and the impact of winter weather on the second half. This was particularly the case last year following strong construction activity in the summer and higher recyclate pricing. However, this year, we expect a number of factors to improve performance in the second half, including:

- increased synergy delivery following successful process and IT migrations in October;
- increased pricing in the fourth quarter, particularly in the Commercial Division, to offset increased disposal costs;
- non-recurrence of certain costs in the first half including the landfill of burnable waste; and
- cost actions across the Group including additional restructuring in Maltha and Coolrec

The recent request from the regulators for further technical analysis relating to thermally treated soil is likely to delay a resumption of soil shipments, in this financial year.

Outlook

The half year results were broadly in line with our expectations. Merger integration continued as planned, with successful key migrations to new Renewi platforms and processes. The Group's cash performance was ahead of our expectations and leverage remains well controlled.

We have been working closely with regulators in order to resume full production at ATM and the supply of our cleaned soil into the market. However, yesterday, we received notification from the regulators requesting further analysis of our treated soil ahead of future shipments. As a result, we will limit production until the situation is resolved and this will reduce expected profit by up to €3m per month for the current financial year.

More broadly, Renewi's growth is underpinned by increasing demand for recycling services. Our end markets are being stimulated by a clear environmental need, increasing regulation and customer pull.

We are accelerating the execution of our strategy through a new "Focus and Grow" approach. The Focus phase will include delivering the committed €40m synergies and further benefits thereafter. We are also focusing our portfolio on Benelux recycling with the planned disposal of our Canadian business and our Reym industrial cleaning business. The Grow phase will deliver shareholder value by capturing the significant opportunities emerging in the circular economy.

STRATEGY

Overview

Our strategy is focused on meeting the growing long-term demand for recycling and for secondary materials. Renewi is an established leader in some of the most advanced recycling markets in the world and has an extensive range of waste-to-product services. We have a clear plan to build on our leading market positions, deep experience, capabilities and technologies to deliver value for our customers, to have a positive impact on society and to deliver returns for our shareholders.

We have four over-arching strategic levers which are applied across Renewi: delivering merger benefits, expanding margins, investing in strategic expansion and managing our business portfolio. We are also investing in the digitalisation of our existing operations and exploring new connected business models.

To accelerate the execution of our strategy, we are today announcing a new "Focus and Grow" approach.

Focus

The accelerated Focus phase will create a cash generative business with competitive advantage in Benelux recycling. Key elements of the Focus phase are to:

- Deliver integration benefits: complete the original €40m programme and then extend to integration phase 2 beyond 2019/20
- Expand margins: use commercial effectiveness and operational levers to improve profitability and returns
- Dispose of non-core assets: Canadian business and Reym industrial cleaning business
- Sustain UK platform: manage contracts within provisions and renegotiate where possible
- Decrease leverage: net debt to EBITDA towards 2.0x by 31 March 2020 through core cash generation and active portfolio management

This phase will result in expanded margins, lower leverage and higher quality earnings.

Grow

The accelerated Grow phase will generate profitable growth and attractive returns through market leadership in Benelux recycling. Key elements of the Grow phase are to:

- Extend existing business models through further treatment capability
- Implement digitalisation through new digital channels and break-through digital business models
- Capture growth through circular innovation by deploying capital in adjacent new recycling technologies
- Continued portfolio management through tuck-in acquisitions to accelerate growth and potential further non-core disposals

This phase will result in sustained growth in EPS, returns and dividends.

Disposals

In line with the Focus phase of our strategy, the Board has assessed the Group's portfolio and identified assets that do not align with our waste-to-product vision. We have therefore decided to initiate sale processes for the non-core Canadian business and Reym industrial cleaning business which we expect to complete over the next 12 months. The proceeds of these disposals will be used to reduce the Group's leverage towards the planned level of 2.0x net debt/EBITDA. The Canadian and Reym businesses are both profitable and leaders in their respective markets. However, the Board has concluded that both businesses are not fully aligned with the Group's strategy and would be better in alternative ownership.

MARKET BACKDROP

The Group's markets have continued to be dynamic in the first half of the year. In particular:

- the Benelux economies continued to expand with 3.1% growth in the Netherlands and 1.4% in Belgium;
- the Dutch construction market has continued to show encouraging growth of 6.5% since the beginning of 2018 and is forecast to grow a further 3.5% next year. The summer months were a little weaker for our customers than the very strong prior period, partially as a result of labour shortages rather than lack of projects;
- Northern European incinerators are full, underpinning inbound pricing in the Belgian and Dutch markets, but adding additional operational costs for the Group due to periodic local capacity shortages; and
- recyclate prices were stable, albeit paper and plastic prices remain at substantially lower levels than in the prior period.

At a structural level, the demand for our core recycling services is driven by the need to address clear environmental challenges: climate change, contamination and the use of finite resources. Against this backdrop, there continues to be an increased determination in society, and from governments and our customers, to increase recycling. This is resulting in a sustained regulatory 'push' to recycle additional waste volumes.

In July the European Circular Economy Package passed into law for member states to progressively implement. The Circular Economy Package sets tighter limits for landfill and increased targets for recycling and the use of secondary materials in production. In September, the Dutch government indicated that on 1 January 2019 it plans to increase the incinerator tax by 120% to €31 per tonne, a move which is intended to increase recycling rates. Public and private parties, such as the Dutch Government, builders and cement producers have also entered into the Dutch Concrete agreement to support the recycling of 100% of concrete waste by 2030. Belgium has also raised a €4.5 billion green bond to finance transitions to a circular economy and Renewi has been working closely with OVAM, the Flemish regulator, to stimulate higher levels of effective source segregation of waste.

In parallel, there is increasing customer 'pull' both to manage waste sustainably and to use secondary raw materials in production processes. We are increasingly seeing sustainability as a significant selection criterion in customer tenders and many leading European businesses have set their own bold recycling targets. We have held discussions with a number of original equipment manufacturers (OEMs) over the summer to discuss how Renewi can support their circular initiatives. These early moves demonstrate the strategic shift in the recycling industry from a supply driven model, collecting waste as a service, to a demand driven model, producing value-added products. Renewi is well positioned to benefit from this industry evolution given its waste-to-product focus and advanced recycling capabilities.

INTEGRATION PROGRESS

Our integration programme is focused on much more than the delivery of the committed €40m in cost synergies by March 2020. Our goal is to create a strong cash generative business with one efficient operating model with robust and scalable processes.

The programme is taking place in two phases. Phase 1, broadly the first 2-3 years, involves moving to one system and set of processes within each Division and delivering the €40m committed cost synergies on time and on budget. Phase 2, starting in 2019/20, is about moving increasingly to common platforms across the Group, optimising and investing to create lean and efficient processes that will further harmonise Renewi and reduce cost.

As previously reported, the first half 2018/19 was primarily focused on the migration of our business units in the Commercial Divisions onto common platforms and processes. This migration is an essential precursor to structural synergy projects such as route optimisation and site rationalisation that are expected to deliver material value in the synergy programme. The migration is complex, involving a significant IT investment and preparation prior to a change process that impacts our customers, operations, people and data.

Progress delivered in Phase 1 activities during the first half included:

- approximately €13m of savings delivered in the first half and we remain on track to deliver the €30m of cost savings we committed to for the full year. We have identified over 500 specific projects to meet the €40m target and are confident that we are on track to deliver them on time and on budget;
- in Belgium Commercial we are well on track to meet Year 2 and Year 3 targets with the potential for upside. Two sites in Flanders have successfully migrated processes onto the new Renewi IT platform with no adverse effects and the Wallonia sites are all scheduled to migrate around the year end. Our first route optimisation projects can therefore go live in November and a number of sites have been identified for rationalisation or the reallocation of waste flows and activities;
- in Netherlands Commercial we have integrated a major division-wide systems upgrade in preparation for migration. After a successful pilot in the summer, the whole of the former Shanks roll-bin activities were migrated on to a new platform on 1 October as planned. Regional route optimisations are expected to be sequentially rolled out through the remainder of the calendar year. Sites have also been identified for simplification or closure, most notably in Rotterdam;
- our Shared Service Centre (SSC) in Lommel has, in the first half of the year, optimised Belgian processes following the transfer in of activities from our Zaventem SSC last year and has also been preparing to absorb the activities of our Amersfoort SSC at the end of October. Further investment in robotics is delivering value both to the integration programmes and to reduce ongoing transaction costs; and
- over 150 sites have now been rebranded along with 90% of our trucks. Metal containers are being rebranded when they come in for service or repair and over 285,000 containers were rebranded over the summer.

As part of Phase 1 we are reviewing progress and assessing the potential for further synergies. We believe that there is further upside to be delivered in Phase 2 starting in 2019/20. Primary additional savings will arise from a focus on a harmonised and efficient overhead structure throughout the Group, benefiting from further investment in optimised processes and systems and from a focus on further economies of scale. The potential upside from Phase 2 will be quantified when further work has been carried out during 2019 to establish clear and deliverable objectives.

DIVISIONAL REVIEW

Commercial Waste

	Revenue				Underlying EBIT			
	Six months ended				Six months ended			
	Sep 18	Sep 17	Variance		Sep 18	Sep 17	Variance	
Netherlands Commercial	375.8	363.9	11.9	3%	25.3	25.1	0.2	1%
Belgium Commercial	210.9	211.3	(0.4)	0%	15.2	16.0	(0.8)	-5%
Intra-segment revenue	(0.4)	(0.6)	0.2		-	-	-	
Total €m	**586.3**	**574.6**	**11.7**	**2%**	**40.5**	**41.1**	**(0.6)**	**-1%**

	Underlying EBIT Margin		Return on Operating Assets	
Netherlands Commercial	6.7%	6.9%	17.0%	14.8%
Belgium Commercial	7.2%	7.6%	29.5%	25.7%
Total	**6.9%**	**7.2%**	**20.2%**	**17.8%**

On 1 April 2018 the Dutch property portfolio entity was transferred to the Netherlands Commercial division from Group central services and the glass activities of van Tuijl were transferred to the Monostreams division.
The return on operating assets for Belgium excludes all landfill related provisions

The Commercial Waste Division comprises solid waste collection and treatment activities across the Netherlands and Belgium.

The Commercial Waste Division performed well, albeit slightly lower than the very strong comparative period. Revenues increased 2% to €586m with underlying EBIT reducing 1% to €40.5m.

Netherlands

Market conditions in the Netherlands continued to be positive for inbound waste and to provide a solid platform for the delivery of our merger benefits. GDP grew 3.1% year-on-year in the quarter to June and data from ING (Economisch Bureau Sector Building, Construction & Property) showed that the important Dutch construction market continued to show encouraging growth of 6.5% since the beginning of 2018 and is forecast to grow an additional 3.5% next year. The commercial market segment was also positive with further growth in recycling volumes in the face of full capacity utilisation at the incinerators.

Revenue in the Netherlands increased 3% to €376m. Volumes grew 2%, with strong growth in bulky waste offsetting flat construction and demolition volumes compared with a very strong prior period. Pricing on inbound waste was positive, offsetting the expected fall in recyclate income due to lower paper and plastic prices. Pricing on long term tender renewals also continued to show a significant increase in gross margin. Customer churn has remained stable.

Underlying EBIT was flat on the prior year at €25.3m. Lower recyclate prices impacted the business by c. €2m. As reported above, incinerators across northern Europe are operating at full capacity and this has increased margin pressure in the year. While the vast majority of the Division's needs are contracted under long term fixed price agreements, the cost or indeed availability of capacity to meet additional volumes is significantly increased. Short term fluctuations in local incinerator capacity have also led to additional logistics costs in order to reach an outlet that can take the waste. We have also seen price increases in a wide range of other disposal outlets, such as for sieve sands/organic wet fraction. Finally, the Domestic segment saw profits reduce as a result of a specific contract renewal on less favourable terms.

Belgium

The Belgian business performed steadily in the first six months. Revenues were flat at €211m, while underlying EBIT reduced 5% to €15.2m.

The inbound waste market was stable in the first half and price increases were successfully implemented. Net customer numbers continue to increase. The positive inbound revenue position was offset by the sharp fall in primarily paper revenues, compared to the peak prices seen in the prior year. Additionally, some secondary disposer volumes were turned away because of the outlet challenges referred to below.

The margin reduction arose as a result of previously announced reduced profitability from recyclates (€3m) and due to sharp increases in disposal costs for residues. The ongoing lack of capacity at incinerators and cement kilns continued and was exacerbated by a temporary lack of export permits being issued by the regulators. This resulted in the unavoidable and expensive landfill of burnable waste during the summer months. Outlet capacity for other residues such as sieve sands has also led to increasing disposal costs. The total additional cost of outlets was €3m.

The Belgian market experienced a significant lack of capacity in both incinerators and cement kilns in the first half as a result of extended maintenance and unscheduled closures. This disrupted sales of our solid recovered fuel (SRF) and impregnated sawdust in particular, with our Gent facility temporarily reducing production to one and a half shifts on average. Capacity is expected to return to normal during the second half.

Outlook

The Commercial Division is expected to see a stronger performance in the second half primarily as a result of further price increases to offset the outlet cost pressures, additional cost actions and synergy benefits.

Hazardous Waste

	Revenue				Underlying EBIT			
	Six months ended				Six months ended			
	Sep 18	Sep 17	Variance		Sep 18	Sep 17	Variance	
Total €m	**108.0**	**117.3**	**(9.3)**	**-8%**	**5.9**	**15.7**	**(9.8)**	**-62%**

	Underlying EBIT Margin		Return on Operating Assets	
Total	**5.5%**	**13.4%**	**14.0%**	**28.1%**

The Hazardous Waste Division comprises ATM, one of Europe's largest facilities for the treatment of contaminated soil, water, sludges and packed chemical waste and the small specialist site at Weert, and Reym (incorporating VGIS), one of the leading industrial cleaning businesses in the Netherlands.

The Hazardous Waste Division performed as expected in the first half, given the reduced output of thermally treated soil at ATM compared with full production for most of the prior period. Revenues decreased by 8% to €108m and underlying EBIT reduced to €5.9m.

The thermal soil issue is covered in a separate section above. Soil input has remained strong: our warehouses are full and further soil awaits shipment to us from customers. Demand for our cleaned product is also robust.

The core oil and gas market, which represents up to half of the Division's revenues, saw an ongoing improvement in the oil price and good overall activity levels. However, Reym has continued to experience volatility in customer demand patterns, with late changes to scheduling impacting productivity. As previously reported, there are fewer major shutdowns scheduled this year compared to the prior year. Water intake and treatment at the ATM plant has been positive, supported by a major offshore project.

Outlook

The second half is now expected to see weaker than usual performance continue due to the reduced soil production. Cost, pricing and productivity actions are expected to improve underlying Reym margins in the final quarter and going into 2019/20.

Monostreams

	Revenue				Underlying EBIT			
	Six months ended				Six months ended			
	Sep 18	Sep 17	Variance		Sep 18	Sep 17	Variance	
Total €m	**110.5**	**102.4**	**8.1**	**8%**	**8.8**	**10.8**	**(2.0)**	**-19%**

	Underlying EBIT Margin		Return on Operating Assets	
Total	**8.0%**	**10.5%**	**22.8%**	**23.2%**

From 1 April 2018 the activities of van Tuijl have been transferred from Netherlands Commercial.
The return on operating assets excludes all landfill related provisions.

The Monostreams Division comprises four businesses focused on creating materials from specially segregated waste streams: Coolrec, a recycler of waste, electrical and electronic equipment (WEEE) including white goods; Mineralz, a specialist landfill and recycler of incinerator residues and other materials into construction materials; glass activities at Maltha and van Tuijl recycling flat and container glass into glass cullet and powder; and Orgaworld, processor of waste food and other organic waste into compost and green energy.

The Monostreams Division had a mixed performance in the first half. Revenues grew 8% to €110m but underlying EBIT decreased 19% to €8.8m.

Coolrec experienced a challenging first half with weaker than expected volumes, especially in the declining old cathode ray tube (CRT) television segment. The second quarter was also impacted by a 30% fall in prices for non-ferrous aluminium. Strong cost action is being taken, including rationalisation of activities, for example, at our Belgian Tisselt site.

Mineralz had a strong first half with encouraging volumes across the various segments.

Maltha experienced challenges in the first half both in commercial markets for its products, operational performance and due to higher costs in its Benelux facilities. Changes have been made to senior management and a recovery plan is expected to show significant improvements later in the year.

Orgaworld had a good first half, continuing to show revenue and earnings growth based on strong volumes and increased electricity output.

Outlook

The Monostreams Division has a seasonal bias of earnings towards the first half. It is expected to trade in line with our expectations in the second half, positioning the business for improved underlying margins going forward.

Municipal

	Revenue				Underlying EBIT		
	Six months ended				Six months ended		
	Sep 18	Sep 17	Variance		Sep 18	Sep 17	Variance
UK Municipal	91.7	91.8	(0.1)	0%	2.2	(3.5)	5.7
Canada Municipal	8.9	6.9	2.0	29%	1.7	(1.4)	3.1
Total £m	**100.6**	**98.7**	**1.9**	**2%**	**3.9**	**(4.9)**	**8.8**
Total €m	**113.4**	**112.3**	**1.1**	**1%**	**4.3**	**(5.6)**	**9.9**

	Underlying EBIT Margin	
UK Municipal	2.4%	-3.8%
Canada Municipal *	20.0%	-25.4%
Total *	**3.9%**	**-5.1%**

All numbers for Canada are shown at a constant exchange rate.
**For comparability the margin excludes Surrey construction revenue and profits.*

The Municipal Division is a UK market leader in providing mechanical biological treatment (MBT) and anaerobic digestion (AD) solutions to divert municipal waste from landfill and is also a leader in Canada in the diversion of municipal organic waste from landfill through composting and AD.

As expected, the Division has demonstrated a strong recovery in the first six months as a result of effective execution of planned strategic, operational and financial actions.

UK Municipal

The UK business reported flat revenues at £91.7m. However, the business showed a positive recovery in profitability and recorded a profit of £2.2m in the first half, compared with a trading loss of £3.5m in the prior comparable period.

This strong performance was despite the business facing ongoing market challenges, particularly the pressure on output prices for the products produced by our MBT facilities. The cost of disposing of refuse derived fuel (RDF) was impacted by the further weakness of Sterling and disruption to RDF exports caused by the lack of incinerator capacity. Recyclate price pressures of over £1m in 2018/19 cannot be passed on to customers.

Highlights of the recovery at the Division included:

- the exit from the Dumfries & Galloway PFI operating contract on time and for the expected settlement cost. A transitional agreement has been entered into ending on 11 November;
- a benefit of over £1m from the sale of the loss-making Westcott Park AD facility at the end of the prior year;
- the profitable sale of our Energen Biogas (EBG) facility at Cumbernauld in Scotland. This completed our strategic exit from merchant AD plants in the UK, generated €19m in cash and an exceptional profit on disposal of €11m; and
- other one-off actions generating profits in excess of £1m.

In addition, reported results benefited by £2m as a result of Wakefield now being accounted for as an onerous contract.

As previously reported, Interserve plc (Interserve) is working to bring the Derby project into full service. This has made significant progress over the past six months and waste has been processed on all three lines. However, Interserve has missed the project long stop date and we are working closely with all parties to bring the facility into operation.

Canada Municipal

Revenues in Canada grew 29% to £8.9m and underlying EBIT increased £3.1m to £1.7m with an improved performance in all three facilities.

Our London facility returned to full operational performance, having resolved issues with biology and odour. Having lost a major contract with the City of Toronto at the end of last year, the new management team have been able to replace most of these volumes with a range of short-term contracts, several of which may be extended for the long term, underpinning future profitability.

The Ottawa facility delivered a mixed operational performance as historic residues were placed in the market. A new contract offering enhanced services to the City that are expected to increase organic diversion levels has been signed and a longstanding commercial dispute with the City of Ottawa has been successfully resolved.

The innovative Surrey bio-fuel facility near Vancouver entered full service on its previously reported commissioning date and has performed well in its initial months of operation. A one-off cash payment of Canadian Dollars 12m was made by the City on achievement of full service. Encouraging progress is being made to fill remaining capacity at the facility as it ramps up.

Outlook

The Division is expected to deliver a result for the year in line with management expectations.

PROPOSED SECONDARY LISTING

Approximately 90% of Renewi's activities are in continental Europe, with the vast majority of these being in the Benelux. This, coupled with Renewi's positioning as a green sustainability investment, has resulted in increasing investor interest in the Company securing a listing on a Eurozone exchange. Renewi believes that admission to trading of the shares on Euronext Amsterdam will be beneficial to the Company and its shareholders, for among others, the following reasons: the secondary listing will provide closer proximity to the Renewi brand, the strong regional focus on the circular economy and the Group's core operations as a Benelux recycling business. In addition, the secondary listing is expected to increase visibility of Renewi in the region, expand research coverage, widen investor interest in the Group and contribute to liquidity in the Group's shares. The secondary listing process benefits from existing EU legislation and we expect to conclude this process in early 2019. No new shares will be issued at the point of the secondary listing. The Company will remain listed on the premium segment of the Official List in London.

FINANCE REVIEW

As previously announced, all Group financial information is now reported in Euros given the change in reporting currency from 1 April 2018 to reflect the fact that the majority of our revenues and costs are Euro denominated. The impact of currency is therefore much reduced and as such no comparisons at constant currency are required.

	Sep 18 €m	Sep 17 €m	Total Change %
Revenue	900.4	890.4	1%
Underlying EBIT	44.8	49.5	-9%
Underlying profit before tax	33.9	38.7	-12%
Underlying earnings per share (cents)	3.1	3.7	-16%

Renewi traded broadly in line with management expectations in the first half. Group revenue increased 1% to €900m. Underlying EBIT fell 9% to €44.8m and reported underlying profit before tax fell by 12% to €33.9m as a result of the performances in the Commercial, Hazardous and Monostreams Divisions.

Non-trading and exceptional items excluded from pre-tax underlying profits

To enable a better understanding of underlying performance, certain items are excluded from underlying EBIT and underlying profit before tax due to their size, nature or incidence.

Total non-trading and exceptional items from continuing operations amounted to €10.4m (2017: €13.4m), of which €16.9m (2017: €8.8m) related directly to the merger and synergy delivery costs and €3.2m (2017: €3.3m) to the amortisation of acquired intangible assets. Other charges of €1.3m (2017: €1.0m) have been incurred in relation to additional logistics costs at ATM as a result of the ongoing soil market offset issues and the prior year included costs relating to two significant fires in the Commercial Division. Portfolio management activity in the first six months has delivered a profit on sale of €11.1m (2017: charge of €0.3m) as a result of the sale of our 50% share in the UK Municipal AD facility in Scotland and the transfer of 50% of an ATM subsidiary to a joint venture partner. Including these disposal proceeds, non-trading and exceptional charges resulted in a net cash inflow of €5m. These items are explained further in note 5 to the interim financial statements.

The expected total merger related costs to be incurred over the next two years remain unchanged at €50m for the cash cost of synergy delivery, €20m for other integration costs and €12m for rebranding spend, which as reported in March, is no longer considered capital in nature. As previously reported, we expect to incur non-cash impairment costs as sites impacted by the integration are identified. There have been no non-cash impairments in the first six months as the site closure programme in Commercial is due to start in the second half. The expected expenditure on IT capital investment in this integration period remains unchanged at around €23m.

Operating profit, after taking account of all non-trading and exceptional items, was €34.5m (2017: €36.1m).

Net finance costs

Net finance costs, excluding the change in the fair value of derivatives, were €0.4m lower period on period at €11.5m (2017: €11.9m). The charge for discount unwind on provisions has increased in the current year as a result of the onerous contract provisions recorded at 31 March 2018. This increase in cost has been compensated by savings in other areas as shown in note 6 to the interim financial statements.

Share of results from associates and joint ventures

The principal return comes from the joint venture in the AD facility in Scotland which was disposed of in August.

Profit before tax

Profit before tax from continuing operations on a statutory basis, including the impact of non-trading and exceptional items, was €23.5m (2017: €25.3m).

Taxation

The effective tax rate on underlying profits from continuing operations was 25.0% (2017: 25.5%) based on management's best estimate of the weighted average annual tax rate expected for the full financial year. The period on period decline is attributable to the fall in the Belgian statutory rate as enacted in December 2017. The Dutch government has proposed some corporate tax reforms recently, including lower corporate tax rates. Nothing has been enacted at the balance sheet date and so it is not applicable for the current year estimated effective tax rate.

Earnings per share (EPS)

Underlying EPS from continuing operations, excluding non-trading and exceptional items, decreased by 16% to 3.1 cents per share (2017: 3.7 cents per share). Basic EPS from continuing operations was 2.5 cents per share compared to a loss of 2.2 cents per share in the prior period.

Dividend

The Board has declared an unchanged interim dividend of 0.95 pence per share that will be paid on 4 January 2019 to shareholders on the register at the close of business on 30 November 2018.

Cash flow performance

A summary of the total cash flows in relation to core funding is shown below.

	Sep 18 €m	Sep 17 €m
EBITDA	92.6	99.0
Working capital movement and other	(4.8)	14.0
Net replacement capital expenditure	(44.5)	(40.5)
Interest and tax	(15.1)	(14.6)
Underlying free cash flow	**28.2**	**57.9**
Growth capital expenditure	(2.2)	(1.4)
UK PFI funding	(0.5)	(2.0)
Canada Municipal funding	7.4	(6.6)
Acquisitions and disposals	23.0	-
Dividends paid	(18.9)	(19.0)
Restructuring spend	(0.1)	(0.9)
Synergy & integration spend	(19.2)	(8.2)
Transaction related spend	(0.1)	(10.7)
Other	(12.7)	(12.7)
Net core cash flow	**4.9**	**(3.6)**
Free cash flow conversion	**63%**	**117%**

Free cash flow conversion is underlying free cash flow as a percentage of underlying EBIT
Net core cash flow reconciles to the movement in net debt of £8.6m in note 11 after taking into account movements in PFI/PPP non-recourse net debt, capitalisation and amortisation of loan fees and foreign exchange.

Free cash flow conversion in the current period was better than anticipated at 63%. The prior period benefited from a number of one-off items and very strong collection activities. Capital spend across all Divisions has remained tightly controlled in the first half with replacement capital expenditure at €44.5m representing 92% of depreciation (2017: 81%). This is lower than our original estimate of c.100% which included some larger capital expenditure projects and the start of the investment in new IT platforms. Capital spend in the second half will increase as these additional projects and investments are delivered.

The growth capital expenditure of €2.2m includes €0.9m in Monostreams relating to the initial spend on the extension at the Maasvlakte landfill and €0.8m in Municipal UK relating to operator enhancements which are classified as an intangible asset. Group capital spend will increase in the second half as the Maasvlakte extension is completed and the extension of the Ottawa site in Municipal Canada starts.

The Canada Municipal funding includes the one-off cash payment from the City of Surrey municipality as this facility entered into full service. A small amount of final construction spend in Surrey has been incurred in the period.

The acquisitions and disposals inflow includes €19m for the sale of our 50% share in the Energen Biogas facility in Scotland and €4m from the sale of 50% of the shareholding in a Hazardous Waste subsidiary.

Synergy and integration related expenditure includes €11.2m for synergy delivery costs and €8.0m for costs incurred in the merger and integration of the two businesses. Transaction related spend in the prior period included the settlement of a number of fees and charges not paid by 31 March 2017 given that the merger only legally completed on 28 February 2017.

The Other cash flows include the onerous contract provision spend in UK Municipal of €4m, the ATM spend on additional logistics costs of €2m and €6m relating to the purchase of short term investments in the insurance captive. Final settlement relating to the termination of the D&G contract of £10m was made in early October.

Net cash generated from operating activities decreased from €74.0m in the prior period to €66.5m in the six months ended 30 September 2018. A reconciliation to the underlying cash flow performance as referred to above is included in note 18 in the interim financial statements.

Group return on assets

The Group return on operating assets (excluding debt, tax and goodwill) from continuing operations increased from 15.9% at 31 March 2018 to 16.3% at 30 September 2018. The Group post-tax return on capital employed was 5.4% compared with 5.6% at 31 March 2018.

Treasury and cash management

Core net debt and gearing ratios

Core net debt excludes the net debt relating to the UK PFI/PPP contracts which is non-recourse to the Group and is secured over the assets of the special purpose vehicles (SPVs). The net core cash inflow of €4.9m, along with an adverse exchange effect on the translation into Euros of the Group's cash and debt balances denominated in Sterling and Canadian Dollars, resulted in core net debt decreasing to €496.1m. Core net debt was better than management expectations at the half year with both integration costs and capital expenditure well controlled. Net debt to EBITDA was 2.99x, comfortably within our covenant limit of 3.5x. We continue to expect net debt to peak in the next quarter as integration costs and capital expenditure are incurred over the coming months. The flow through of business growth, increasing synergies and the planned resumption of soil production at ATM are expected to drive a sustained fall in leverage thereafter, a process that will be further boosted during 2019 by the intended disposals announced above.

Debt structure and strategy

Core borrowings, excluding PFI/PPP non-recourse borrowings, are mainly long term as set out in the table below. As noted in the 2018 Annual Report, on 22 May 2018 Renewi announced a new amendment and extension to its main banking facility converting it to a €550m Green Loan. In addition, this new facility was also one of the first to introduce sustainability improvement to the terms which will result in Renewi being able to benefit from a lower margin in the event that it achieves each of five ambitious sustainability objectives.

All figures in €m	Drawn	Term
€100m Belgian retail bond	100.0	Jul-19
€100m Belgian Green retail bond	100.0	Jun-22
€550m Main credit facility	365.0	May-23
	565.0	
Finance leases and other	39.2	
Loan fees	(3.1)	
Cash	(105.0)	
Core net debt	496.1	

The facility has been hedged with a €125m interest rate cap and three cross currency swaps totalling €168m at fixed Euro interest rates of 2.18%, 2.17% and 1.71%. The two retail bonds each of €100m have an annual coupon of 4.23% and 3.65% respectively. As at 30 September 2018, 100% of our core net debt was fixed or hedged.

Debt borrowed in the special purpose vehicles (SPVs) created for the financing of UK PFI/PPP programmes is separate from the Group core debt and is secured over the assets of the SPVs with no recourse to the Group as a whole. Interest rates are fixed by means of interest rate swaps at contract inception. At 30 September 2018 this debt amounted to €90.5m (30 September 2017: €96.3m).

A €100m Belgian retail bond will mature in July 2019 and based on expected business funding requirements there is liquidity headroom within existing facilities without further issuance. However, options are being considered to replace it in part or in full.

Directors' valuation of UK PFI/PPP portfolio

The Directors provide a valuation of the financial investments in the SPVs used to fund the contracts and into which the Group has often invested in the form of subordinated debt and equity. The benefits of these financial assets are not easily assessed from the financial statements. As at 30 September 2018 the Directors believed that this valuation was unchanged at £45m.

Retirement benefits

The Group operates a defined benefit pension scheme for certain UK employees which has been closed to new entrants since September 2002. At 30 September 2018, the net retirement benefit deficit relating to the UK scheme was €8.2m compared with €13.6m at 31 March 2018. The decrease in the deficit was a result of higher corporate bond yields partly offset by lower than expected asset returns over the period and an expected long term increase in inflation. The actuarial valuation of the scheme at 5 April 2018 is currently underway and the future funding plan will be agreed in due course. In addition, it should be noted that the liability of this legacy Shanks scheme is expected to increase due to the guaranteed minimum pension equalisation following the ruling of the recent high court case with Lloyds Banking Group. Certain legal and actuarial issues remain unresolved and the Company is taking further advice to determine the impact. There are also a number of defined benefit pension schemes for employees in the Netherlands and Belgium which had a net retirement benefit deficit of €6.8m at 30 September 2018, a slight increase from 31 March 2018.

Principal risks and uncertainties

Renewi operates a risk management framework to identify, assess and control the most serious risks facing the Group. The Board believes that the key risks and associated mitigation strategies have not changed in the period. The 2018 Annual Report (pages 70 to 79) provides a discussion of the Group's principal risks and uncertainties and these are as follows:

- Output pricing and demand - that the value we receive for recycled and recovered product falls or worsened
- Outlet capacity – lack of capacity / increased price of disposal of burnable waste and other residues
- Environmental permit risk – that our environmental permits to operate are restricted or removed
- Changes in law and policy – adverse impacts from changes in law and policy including environmental, tax and similar legal and policy regimes
- Long-term contracts - that we enter into long-term contracts at disadvantageous terms or we rely on a small number of large contracts
- Labour availability and costs – that there are shortages of certain labour types leading to unavailability or severe wage inflation

- Merger integration risks – that the integration of the two businesses, including the creation of a strong corporate culture and migration of IT systems, is ineffective and/or fails to deliver anticipated synergies
- Brexit – that a hard Brexit disrupts the export of waste and recyclates internationally, creating off-take costs in the UK and over-capacity of incineration in the Benelux
- Input pricing competition – that market pricing may put pressure on our margins
- Talent development/leadership - that we lack the required management capabilities
- Operational failure - operational failure at a key facility leading to business interruption and other costs
- Investment and growth - that funding is not available or that funding sources are available but that cash generation is insufficient to allow access to funding
- Digitalisation – that a disruptive technology or business model deployed by a competitor or new entrant impacts our ability to compete
- Health and safety risk – that injury or loss of life incurs reputational loss or civil and criminal costs
- Input volumes - that incoming waste volumes in the market may fall should macroeconomic conditions reverse
- ICT failure and cyber threat - that ICT failure and/or cyber crime causes business interruption or loss

In addition to the known risk at ATM, the Board is specifically focusing on two further core risks: Derby commissioning and Brexit.

While principal responsibility for the commissioning of the Derby facility rests with Interserve, a failure to bring it into full service could result in Interserve meeting the ceiling of its liquidated damages obligations to Renewi, exposing the Group to certain future operating costs. Interserve also provide financial guarantees on plant reliability.

The Board continues to monitor and review the potential impact on the Group of Brexit. With an orderly Brexit process, we expect the export of waste from the UK to continue for some time, as there is a strong economic incentive for both the Netherlands and the UK to do so. Longer term, we believe the impact on the Dutch market is likely to remain limited. This is because an ultimate reduction in UK imports was already expected due to the commissioning of incinerator capacity in the UK and because increasing domestic demand in the Netherlands supplemented by new waste imports from other EU nation states into the Dutch incinerators are expected to take up any vacated capacity. Providing that there is no significant degradation in Dutch incinerator utilisation and pricing, the impact of Brexit on our Benelux Divisions is therefore likely to be limited. We also believe that the UK Government will continue to drive environmental policies that will encourage recycling after the exit from the European Union. In the event of a disorderly Brexit, we are taking action to minimise the impact of disruption in logistics flows relating to the export of RDF to the Netherlands. We are reviewing other anticipated risks so that we can offset them to the best of our ability and forecast them in the event that no deal is secured.

Statement of the Directors' responsibilities

The Directors confirm that these condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting as adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7 R and DTR 4.2.8 R, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related-party transactions in the first six months and any material changes in the related-party transactions described in the last Annual Report.

A list of current Directors is maintained on the Renewi plc website: www.renewiplc.com.

By order of the Board

P Dilnot
Chief Executive Officer
8 November 2018

T Woolrych
Chief Financial Officer
8 November 2018

Explanation of non-IFRS measures

The Directors use alternative performance measures as they believe these measures provide additional useful information on the underlying trends, performance and position of the Group. These measures are used for internal performance analysis. These terms are not defined terms under IFRS and may therefore not be comparable with similarly titled measures used by other companies. These measures are not intended to be a substitute for, or superior to, IFRS measurements. The alternative performance measures used are set out below.

Financial Measure	How we define it	Why we use it
Underlying EBIT	Operating profit from continuing operations excluding amortisation of intangible assets arising on acquisition, fair value remeasurements, non-trading and exceptional items	Provides insight into ongoing profit generation and trends
Underlying EBIT margin	Underlying EBIT as a percentage of revenue	Provides insight into ongoing margin development and trends
EBITDA	Underlying EBIT before depreciation, amortisation and profit or loss on disposal of plant, property and equipment	Measure of earnings and cash generation to assess operational performance
Underlying profit before tax	Profit before tax from continuing operations before non-trading and exceptional items, amortisation of intangible assets arising on acquisition and fair value remeasurements	Facilitates underlying performance evaluation
Underlying EPS	Earnings per share before non-trading and exceptional items, amortisation of intangible assets arising on acquisition and fair value remeasurements	Facilitates underlying performance evaluation
Return on operating assets	Last 12 months underlying EBIT divided by a 13 month average of total net assets excluding core net debt, derivatives, tax balances, goodwill and acquisition intangibles	Provides a measure of the return on assets across the Divisions and the Group excluding goodwill and acquisition intangible balances
Post-tax return on capital employed	Last 12 months underlying EBIT as adjusted by the Group effective tax rate divided by a 13 month average of total net assets excluding core net debt and derivatives	Provides a measure of the Group return on assets taking into account the goodwill and acquisition intangible balances
Underlying free cash flow	Net cash generated from operating activities principally excluding non-trading and exceptional items and including interest, tax and replacement capital spend	Measure of cash available after regular replacement capital expenditure to pay dividends, fund growth capital projects and invest in acquisitions
Free cash flow conversion	The ratio of underlying free cash flow to underlying EBIT	Provides an understanding of how our profits convert into cash
Core net debt	Core net debt includes cash and cash equivalents but excludes the net debt relating to the UK PFI/PPP contracts	The borrowings relating to the UK PFI/PPP contracts are non-recourse to the Group and excluding these gives a suitable measure of indebtedness for the Group
Net debt to EBITDA	Core net debt divided by an annualised EBITDA with a net debt value based on the terminology of financing arrangements and translated at an average rate of exchange for the period	Commonly used measure of financial leverage and consistent with covenant definition
Underlying effective tax rate	The effective tax rate on underlying profit before tax	Provides a more comparable basis to analyse our tax rate

Consolidated Interim Income Statement (unaudited)

First half ended 30 September 2018

	Note	First half 2018/19 Underlying €m	First half 2018/19 Non-trading & exceptional items €m	First half 2018/19 Total €m	First half 2017/18 Underlying €m	First half 2017/18 Non-trading & exceptional items €m	First half 2017/18 Total €m
Revenue	3,4	**900.4**	-	**900.4**	890.4	-	890.4
Cost of sales		**(731.6)**	**(9.6)**	**(741.2)**	(713.4)	(4.2)	(717.6)
Gross profit (loss)		**168.8**	**(9.6)**	**159.2**	177.0	(4.2)	172.8
Administrative expenses		**(124.0)**	**(0.7)**	**(124.7)**	(127.5)	(9.2)	(136.7)
Operating profit (loss)	3,5	**44.8**	**(10.3)**	**34.5**	49.5	(13.4)	36.1
Finance income	6	**6.9**	-	**6.9**	7.0	-	7.0
Finance charges	5,6	**(18.4)**	**(0.1)**	**(18.5)**	(18.9)	-	(18.9)
Share of results from associates and joint ventures		**0.6**	-	**0.6**	1.1	-	1.1
Profit (loss) before taxation	3	**33.9**	**(10.4)**	**23.5**	38.7	(13.4)	25.3
Taxation	5,7	**(8.5)**	**5.5**	**(3.0)**	(9.7)	2.0	(7.7)
Profit (loss) for the period from continuing operations		**25.4**	**(4.9)**	**20.5**	29.0	(11.4)	17.6
Discontinued operations							
Result (loss) for the period from discontinued operations		-	-	-	(0.1)	-	(0.1)
Profit (loss) for the period		**25.4**	**(4.9)**	**20.5**	28.9	(11.4)	17.5
Attributable to:							
Owners of the parent		**25.1**	**(4.9)**	**20.2**	29.3	(11.4)	17.9
Non-controlling interests		**0.3**	-	**0.3**	(0.4)	-	(0.4)
		25.4	**(4.9)**	**20.5**	28.9	(11.4)	17.5

Continuing operations

Earnings (loss) per share attributable to owners of the parent (cents per share)

	Note	First half 2018/19 Underlying	First half 2018/19 Non-trading & exceptional items	First half 2018/19 Total	First half 2017/18 Underlying	First half 2017/18 Non-trading & exceptional items	First half 2017/18 Total
Basic	9	**3.1**	**(0.6)**	**2.5**	3.7	(1.5)	2.2
Diluted	9	**3.1**	**(0.6)**	**2.5**	3.7	(1.5)	2.2

Consolidated Interim Statement of Comprehensive Income (unaudited)

First half ended 30 September 2018

	First half 2018/19 €m	First half 2017/18 €m
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign subsidiaries	**2.2**	(1.8)
Fair value movement on cash flow hedges	**5.8**	5.5
Deferred tax on fair value movement on cash flow hedges	**(1.2)**	(1.1)
Share of other comprehensive income of investments accounted for using the equity method	**0.2**	0.4
	7.0	3.0
Items that will not be reclassified to profit or loss:		
Actuarial gain (loss) on defined benefit pension schemes	**4.8**	(1.8)
Deferred tax on actuarial gain (loss) on defined benefit pension schemes	**(0.8)**	0.3
	4.0	(1.5)
Other comprehensive income for the period, net of tax	**11.0**	1.5
Profit for the period	**20.5**	17.5
Total comprehensive income for the period	**31.5**	19.0
Attributable to:		
Owners of the parent	**30.9**	18.9
Non-controlling interests	**0.6**	0.1
Total comprehensive income for the period	**31.5**	19.0
Total comprehensive income attributable to owners of the parent arising from:		
Continuing operations	**30.9**	19.0
Discontinued operations	-	(0.1)
	30.9	18.9

Consolidated Interim Balance Sheet (unaudited)

As at 30 September 2018

	Note	**30 September 2018 €m**	30 September 2017 €m	31 March 2018 €m
Assets				
Non-current assets				
Intangible assets	10	**680.6**	680.2	691.1
Property, plant and equipment	10	**701.1**	711.0	710.8
Investments		**16.1**	19.6	19.1
Loans to associates and joint ventures		**13.9**	15.8	15.7
Financial assets relating to PFI/PPP contracts		**187.2**	189.9	189.9
Trade and other receivables		**5.0**	3.4	5.3
Derivative financial instruments	15	**0.3**	0.2	0.6
Deferred tax assets		**24.4**	35.5	28.5
		1,628.6	1,655.6	1,661.0
Current assets				
Inventories		**29.0**	25.9	26.6
Investments		**5.9**	-	-
Loans to associates and joint ventures		**6.8**	6.7	6.8
Financial assets relating to PFI/PPP contracts		**8.9**	14.7	15.4
Trade and other receivables		**288.7**	274.2	294.1
Derivative financial instruments	15	**3.9**	0.6	1.6
Current tax receivable		**0.1**	0.1	0.1
Cash and cash equivalents		**105.2**	82.9	73.0
		448.5	405.1	417.6
Assets classified as held for sale		**-**	0.4	0.4
		448.5	405.5	418.0
Total assets		**2,077.1**	2,061.1	2,079.0
Liabilities				
Non-current liabilities				
Borrowings - PFI/PPP non-recourse net debt		**(88.9)**	(94.8)	(93.3)
Borrowings - Other		**(489.1)**	(562.4)	(558.9)
Derivative financial instruments	15	**(28.7)**	(32.4)	(33.3)
Other non-current liabilities		**(7.6)**	(6.0)	(7.7)
Deferred tax liabilities		**(69.9)**	(91.9)	(71.2)
Provisions	13	**(212.7)**	(169.2)	(230.1)
Defined benefit pension schemes deficit	14	**(19.1)**	(31.6)	(25.4)
		(916.0)	(988.3)	(1,019.9)
Current liabilities				
Borrowings - PFI/PPP non-recourse net debt		**(1.6)**	(1.5)	(1.3)
Borrowings - Other		**(112.2)**	(15.1)	(14.7)
Derivative financial instruments	15	**(1.0)**	(0.5)	(0.1)
Trade and other payables		**(519.1)**	(475.2)	(538.9)
Current tax payable		**(22.7)**	(22.6)	(20.9)
Provisions	13	**(56.5)**	(44.9)	(46.9)
		(713.1)	(559.8)	(622.8)
Total liabilities		**(1,629.1)**	(1,548.1)	(1,642.7)
Net assets		**448.0**	513.0	436.3
Equity				
Share capital		**99.5**	99.5	99.5
Share premium		**473.6**	473.4	473.6
Exchange reserve		**(16.0)**	(15.5)	(18.2)
Retained earnings		**(115.8)**	(49.8)	(124.7)
Equity attributable to owners of the parent		**441.3**	507.6	430.2
Non-controlling interests		**6.7**	5.4	6.1
Total equity		**448.0**	513.0	436.3

Consolidated Interim Statement of Changes in Equity (unaudited)

First half ended 30 September 2018

	Share capital €m	Share premium €m	Exchange reserve €m	Retained earnings €m	Non-controlling interests €m	Total equity €m
Balance at 1 April 2018	**99.5**	**473.6**	**(18.2)**	**(124.7)**	**6.1**	**436.3**
Profit for the period	**-**	**-**	**-**	**20.2**	**0.3**	**20.5**
Other comprehensive income	**-**	**-**	**2.2**	**8.5**	**0.3**	**11.0**
Total comprehensive income for the period	**-**	**-**	**2.2**	**28.7**	**0.6**	**31.5**
Share-based compensation	**-**	**-**	**-**	**0.8**	**-**	**0.8**
Movement on tax arising on share-based compensation	**-**	**-**	**-**	**(0.6)**	**-**	**(0.6)**
Own shares purchased by the Employee Share Trust	**-**	**-**	**-**	**(1.1)**	**-**	**(1.1)**
Dividends	**-**	**-**	**-**	**(18.9)**	**-**	**(18.9)**
Balance as at 30 September 2018	**99.5**	**473.6**	**(16.0)**	**(115.8)**	**6.7**	**448.0**
Balance at 1 April 2017	99.5	473.4	(13.5)	(53.1)	5.2	511.5
(Loss) profit for the year	-	-	-	(54.2)	0.3	(53.9)
Other comprehensive (loss) income	-	-	(4.7)	9.4	0.6	5.3
Total comprehensive (loss) income for the year	-	-	(4.7)	(44.8)	0.9	(48.6)
Share-based compensation	-	-	-	2.1	-	2.1
Movement on tax arising on share-based compensation	-	-	-	(0.2)	-	(0.2)
Proceeds from exercise of employee options	-	0.2	-	-	-	0.2
Own shares purchased by the Employee Share Trust	-	-	-	(1.1)	-	(1.1)
Dividends	-	-	-	(27.6)	-	(27.6)
Balance as at 31 March 2018	99.5	473.6	(18.2)	(124.7)	6.1	436.3
Balance at 1 April 2017	99.5	473.4	(13.5)	(53.1)	5.2	511.5
Profit (loss) for the period	-	-	-	17.9	(0.4)	17.5
Other comprehensive (loss) income	-	-	(2.0)	2.9	0.6	1.5
Total comprehensive (loss) income for the period	-	-	(2.0)	20.8	0.2	19.0
Share-based compensation	-	-	-	1.5	-	1.5
Dividends	-	-	-	(19.0)	-	(19.0)
Balance as at 30 September 2017	99.5	473.4	(15.5)	(49.8)	5.4	513.0

The exchange reserve comprises all foreign exchange differences arising since 1 April 2005 from the translation of the financial statements of non-Euro denominated operations as well as from the translation of liabilities that hedge the Group's net investment in foreign operations.

Consolidated Interim Statement of Cash Flows (unaudited)

First half ended 30 September 2018

	First half 2018/19 €m	First half 2017/18 €m
Profit before tax	**23.5**	25.3
Finance income	**(6.9)**	(7.0)
Finance charges	**18.5**	18.9
Share of results from associates and joint ventures	**(0.6)**	(1.1)
Operating profit from continuing operations	**34.5**	36.1
Operating loss from discontinued operations	**-**	(0.1)
Amortisation and impairment of intangible assets	**6.7**	8.2
Depreciation and impairment of property, plant and equipment	**44.9**	48.2
Gain on disposal of property, plant and equipment	**(0.6)**	(0.2)
Increase in service concession arrangement receivable	**(1.2)**	(6.6)
Repayment of service concession arrangement receivable	**8.6**	-
Exceptional gain on disposal of joint venture	**(10.9)**	-
Exceptional gain on disposal of subsidiaries	**(0.3)**	-
Net decrease in provisions	**(12.2)**	(11.5)
Payments to fund defined benefit pension scheme deficits	**(1.7)**	(1.7)
Share-based compensation	**0.8**	1.5
Operating cash flows before movement in working capital	**68.6**	73.9
Increase in inventories	**(2.2)**	(2.7)
Decrease in receivables	**6.5**	0.6
(Decrease) increase in payables	**(4.9)**	3.3
Cash flows from operating activities	**68.0**	75.1
Income tax paid	**(1.5)**	(1.1)
Net cash inflow from operating activities	**66.5**	74.0
Investing activities		
Purchases of intangible assets	**(2.3)**	(3.9)
Purchases of property, plant and equipment	**(46.4)**	(39.6)
Disposals of property, plant and equipment	**2.2**	1.2
Insurance proceeds in relation to fires in the Netherlands and Belgium	**-**	0.8
Proceeds from disposal of subsidiary	**7.4**	-
Purchase of joint venture	**(3.8)**	-
Proceeds from disposal of joint venture	**19.4**	-
Purchase of other short-term investments	**(5.9)**	-
Receipt of deferred consideration	**0.1**	0.1
Payment of deferred consideration	**-**	(0.7)
Dividends received from associates and joint ventures	**0.5**	0.2
Repayment of loans granted to associates and joint ventures	**1.5**	0.1
Outflows in respect of PFI/PPP arrangements under the financial asset model	**(0.1)**	(1.8)
Capital received in respect of PFI/PPP financial assets	**2.2**	2.3
Finance income	**5.8**	5.7
Net cash outflow from investing activities	**(19.4)**	(35.6)
Financing activities		
Finance charges and loan fees paid	**(19.4)**	(20.2)
Investment in own shares by the Employee Share Trust	**(1.1)**	-
Dividends paid	**(18.9)**	(18.9)
Proceeds from bank borrowings	**33.3**	7.8
Repayment of PFI/PPP net debt	**(2.6)**	(2.5)
Repayments of obligations under finance leases	**(6.1)**	(9.1)
Net cash outflow from financing activities	**(14.8)**	(42.9)
Net increase (decrease) in cash and cash equivalents	**32.3**	(4.5)
Effect of foreign exchange rate changes	**(0.1)**	(0.1)
Cash and cash equivalents at the beginning of the period	**73.0**	87.5
Cash and cash equivalents at the end of the period	**105.2**	82.9

Notes to the Consolidated Interim Financial Statements (unaudited)

1. General information

Renewi plc is a public limited company listed on the London Stock Exchange and is incorporated and domiciled in Scotland under the Companies Act 2006, registered number SC077438. The address of the registered office is 16 Charlotte Square, Edinburgh, EH2 4DF. The nature of the Group's operations and its principal activities are set out in note 3.

2. Basis of preparation

This condensed set of consolidated interim financial statements for the six months ended 30 September 2018 reflects the change in presentational currency as detailed below. They have been prepared in accordance with the Disclosure and Transparency Rules of the United Kingdom Financial Conduct Authority and with IAS 34 Interim Financial Reporting as adopted by the European Union (EU). They should be read in conjunction with the 2018 Annual Report and Accounts, which have been prepared in accordance with International Financial Reporting Standards (IFRS) and related interpretations issued by the IFRS Interpretations Committee (IFRS IC) adopted by EU and comply with Article 4 of the EU IAS Regulation and with those parts of the Companies Act 2006 applicable for companies reporting under IFRS. The 2018 Annual Report and Accounts are available from the Company's website www.renewiplc.com.

These primary statements and selected notes comprise the unaudited consolidated interim financial statements of the Group for the six months ended 30 September 2018 and 2017, together with the audited results for the year ended 31 March 2018 which have been restated as explained below. These interim financial results do not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. The comparative figures as at 31 March 2018 have been extracted from the Group's statutory Annual Report and Accounts for that financial year and restated as explained below, but do not constitute those accounts. Those statutory accounts for the year ended 31 March 2018 were approved by the Board of Directors on 24 May 2018 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under Section 498 of the Companies Act 2006.

Having reassessed the principal risks, the directors consider it appropriate to adopt the going concern basis of accounting in preparing the consolidated interim financial statements.

The Board of Directors approved, on 8 November 2018, these consolidated interim financial statements which have been reviewed by PricewaterhouseCoopers LLP but not been audited (see page 40).

Change in presentational currency

On 12 July 2018 the Group announced that from the beginning of the current financial year it would be changing the currency in which it presents its financial results from Sterling to Euros. The comparative information has been restated to Euros in accordance with the guidance in IAS 21 The Effects of Changes in Foreign Exchange Rates as follows:

- Assets and liabilities are translated into Euros at closing rates of exchange.
- Income and expense items and cash flows are translated into Euros at average rates of exchange.
- Share capital and share premium are translated at historic rates prevailing at the dates of transactions
- The exchange reserve was set to nil at the transition date to IFRS and subsequent differences resulting from the retranslation to Euros have been taken to the exchange reserve.

The most significant currencies for the Group were translated at the following exchange rates:

Closing rates

Value of €1	**30 September 2018**	30 September 2017	Change	31 March 2018	Change
Sterling	**0.891**	0.881	1.1%	0.876	1.7%
Canadian dollar	**1.501**	1.478	1.6%	1.586	(5.4)%

Average rates

Value of €1	**30 September 2018**	30 September 2017	Change
Sterling	**0.880**	0.878	0.2%
Canadian dollar	**1.527**	1.489	2.6%

2. Basis of Preparation – continued

Accounting policies and principal risks
The results have been prepared applying the accounting policies that were used in the preparation of the 2018 Annual Report and Accounts except for the adoption of new standards as set out below. Taxes on income in the interim periods are accrued using the estimated tax rate that is expected for the full financial year.

Accounting standard	Details
IFRS 15 Revenue from Contracts with Customers	The Group has adopted IFRS 15 from 1 April 2018 and has amended its accounting policies which are explained in note 4.
IFRS 9 Financial Instruments	The Group has adopted IFRS 9 from 1 April 2018 and has amended its accounting policies accordingly, replacing the provisions of IAS 39 that related to the recognition, classification and measurement of financial assets and financial liabilities, financial instruments, impairment of financial assets and hedge accounting. In accordance with the provisions of IFRS 9, the Group has adopted the new rules retrospectively but has not identified any material amendments therefore no restatement is required.

At the date of approval of these financial statements, the following standard was in issue but not yet effective:

IFRS 16 Leases, effective for annual periods beginning on or after 1 January 2019. The standard requires almost all operating leases to be recognised as a lease liability together with a corresponding “right of use asset”. The Group is currently performing an assessment of the impact which is expected to have a material impact on the Balance Sheet. The right of use assets will be depreciated and interest charged on the lease liabilities, which replace the operating lease costs currently recognised in the Income Statement.

There are no other IFRSs or IFRS IC interpretations not yet effective that would be expected to have a material impact on the Group and there were no new IFRSs or IFRS IC interpretations which were early adopted by the Group.

The Financial Review includes consideration of the principal risks and uncertainties affecting the Group in the remaining six months of the year.

Estimates
The preparation of consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these consolidated interim financial statements, the nature of the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation were the same as those that were applied to the financial statements for the year ended 31 March 2018 and can be found on page 130 of the 2018 Annual Report and Accounts.

Underlying business performance
The Group uses alternative performance measures as they believe these measures provide additional useful information on the underlying trends, performance and position of the Group. These measures are used by the Group for internal performance analysis and incentive compensation arrangements for employees. The term ‘underlying’ refers to the relevant measure being reported for continuing operations excluding non-trading and exceptional items, financing fair value remeasurements and amortisation of acquisition intangibles. These include underlying earnings before interest and tax (underlying EBIT), underlying profit before tax, underlying profit after tax, underlying free cash flow, underlying earnings per share and EBITDA (earnings before interest, tax, depreciation and amortisation). The terms ‘EBIT’, ‘exceptional items’ and ‘underlying’ are not defined terms under IFRS and may therefore not be comparable with similarly titled profit measures reported by other companies. They are not intended to be a substitute for, or superior to, GAAP measurements of profit. ‘Underlying EBIT’ is defined as continuing operating profit before amortisation of acquisition intangibles and exceptional items.

A full list of alternative performance measures and non-IFRS measures is set out before the Consolidated Interim Income Statement and for reconciliations of non-IFRS measures see note 18.

. 2. Basis of Preparation – continued

Non-trading and exceptional items
Items are classified as non-trading and exceptional to improve the understanding of the Group's financial performance as they are not considered to reflect the underlying performance. Items classified as non-trading and exceptional are disclosed separately due to their size or incidence. These include, but are not limited to, significant impairments, significant restructuring of the activities of an entity including employee associated severance costs, acquisition and disposal related transaction costs, integration costs, synergy delivery costs, significant fires, onerous contracts, profit or loss on disposal of properties or subsidiaries, as these items are irregular and amortisation of acquisition intangibles. The Group incurs costs each year in maintaining intangible assets which include acquired customer relationships, permits and licences and excludes amortisation of these assets from underlying EBIT to avoid double counting such costs within underlying results. A full listing of those items presented as non-trading and exceptional is shown in note 5.

3. Segmental reporting

The Group's chief operating decision maker is considered to be the Board of Directors. The Group's reportable segments determined with reference to the information provided to the Board of Directors in order for it to allocate the Group's resources and to monitor the performance of the Group are set out below.

The Group's reportable segments are:

Commercial Waste	Collection and treatment of commercial waste in the Netherlands and Belgium.
Hazardous Waste	Industrial cleaning and treatment of hazardous waste in the Netherlands.
Monostreams	Production of materials from waste streams in specific end markets such as glass, electrical and electronic equipment, organics and minerals in the Netherlands, Belgium, France, Germany, Hungary and Portugal.
Municipal	Operation of waste management facilities under long-term municipal contracts in the UK and Canada.
Group central services	Head office corporate function.

The Commercial Waste reportable segment includes the Netherlands and Belgium operating segments and the Municipal reportable segment includes the UK and Canada operating segments, based on geographical location. Operating segments within the Commercial Waste and Municipal divisions have been aggregated and reported as one as they operate in similar markets in relation to the nature of the products, services, production processes and type of customer.

The profit measure the Board of Directors uses to evaluate performance is underlying EBIT. Underlying EBIT is continuing operating profit before non-trading and exceptional items, the amortisation of acquisition intangibles and fair value remeasurements. The Group accounts for inter-segment trading on an arm's length basis.

Revenue	**First half 2018/19 €m**	First half 2017/18 €m
Netherlands Commercial Waste	**375.8**	363.9
Belgium Commercial Waste	**210.9**	211.3
Intra-segment revenue	**(0.4)**	(0.6)
Commercial Waste	**586.3**	574.6
Hazardous Waste	**108.0**	117.3
Monostreams	**110.5**	102.4
UK Municipal	**103.6**	104.4
Canada Municipal	**9.8**	7.9
Municipal	**113.4**	112.3
Inter-segment revenue	**(17.8)**	(16.2)
Total revenue from continuing operations	**900.4**	890.4

3. Segmental reporting - continued

Results	First half 2018/19 €m	First half 2017/18 €m
Netherlands Commercial Waste	**25.3**	25.1
Belgium Commercial Waste	**15.2**	16.0
Commercial Waste	**40.5**	41.1
Hazardous Waste	**5.9**	15.7
Monostreams	**8.8**	10.8
UK Municipal	**2.5**	(4.0)
Canada Municipal	**1.8**	(1.6)
Municipal	**4.3**	(5.6)
Group central services	**(14.7)**	(12.5)
Total underlying EBIT	**44.8**	49.5
Non-trading and exceptional items	**(10.3)**	(13.4)
Total operating profit from continuing operations	**34.5**	36.1
Finance income	**6.9**	7.0
Finance charges	**(18.4)**	(18.9)
Finance charges – non-trading and exceptional items	**(0.1)**	-
Share of results from associates and joint ventures	**0.6**	1.1
Profit before taxation and discontinued operations	**23.5**	25.3

Net assets	Commercial Waste €m	Hazardous Waste €m	Monostreams €m	Municipal €m	Group central services €m	Tax, net debt and derivatives €m	Total €m
30 September 2018							
Gross non-current assets	**878.2**	**249.4**	**188.0**	**274.9**	**13.4**	**24.7**	**1,628.6**
Gross current assets	**185.6**	**34.9**	**46.6**	**64.3**	**7.9**	**109.2**	**448.5**
Gross liabilities	**(348.3)**	**(80.5)**	**(155.5)**	**(174.8)**	**(55.9)**	**(814.1)**	**(1,629.1)**
Net assets (liabilities)	**715.5**	**203.8**	**79.1**	**164.4**	**(34.6)**	**(680.2)**	**448.0**
31 March 2018							
Gross non-current assets	804.2	255.0	188.2	285.3	99.2	29.1	1,661.0
Gross current assets	197.5	37.5	43.6	59.8	4.9	74.7	418.0
Gross liabilities	(358.2)	(88.0)	(150.7)	(181.7)	(70.4)	(793.7)	(1,642.7)
Net assets (liabilities)	643.5	204.5	81.1	163.4	33.7	(689.9)	436.3

4. Revenue

The Group has adopted IFRS 15 Revenue from Contracts with Customers from 1 April 2018 and has amended its accounting policies. In accordance with the new rules the Group elected to apply the cumulative effect method and after a detailed assessment the Group has identified no material impact. Under IFRS 15 Revenue is defined as income arising in the course of the Group's ordinary activities and is recognised when control of goods or services transfer to the customer and is allocated to individual performance obligations.

In the Commercial segment where the contract with a customer includes the collection of waste with a positive value the transaction price includes an element of non-cash consideration. This has resulted in a change in accounting policy which increases revenue with a corresponding increase in cost of sales for the value of the waste collected and no impact on or change to operating profit.

Revenue recognition criteria for the key types of transactions under IFRS 15 are as follows:

- Inbound revenue relates to the collection and/or processing of waste which in most cases is considered to be at a point in time. However, in the Hazardous Waste Division the majority of revenue at ATM is recognised over time based on the status of processing the waste.
- Outbound revenue relates to the sale of recyclate products and the generation of power from gas produced by processes at anaerobic digestion facilities and landfill sites. The performance obligations are satisfied at a point of time when control of the product/power is transferred to the customer.
- On-site revenue relates to activities and services provided to the customer on their own site and includes primarily industrial cleaning services and waste treatment where the performance obligations are mainly recognised over time.
- Other includes liquidated damages in the Municipal Division and other sundry items.

Following the implementation of IFRS 15 the Group presents a disaggregation of its revenue according to the type of service delivered and the primary geographic markets the Group operates in:

Revenue by type of service	Commercial Waste €m	Hazardous Waste €m	Monostreams €m	Municipal €m	Inter-segment €m	**Total €m**
30 September 2018						
Inbound	**488.5**	**49.1**	**29.6**	**97.9**	**(17.7)**	**647.4**
Outbound	**70.9**	**3.0**	**79.6**	**3.0**	**(0.1)**	**156.4**
On-Site	**24.3**	**55.9**	**-**	**-**	**-**	**80.2**
Other	**2.6**	**-**	**1.3**	**12.5**	**-**	**16.4**
Total revenue	**586.3**	**108.0**	**110.5**	**113.4**	**(17.8)**	**900.4**
30 September 2017						
Inbound	460.6	56.5	25.8	95.0	(16.1)	621.8
Outbound	85.8	9.6	75.2	3.9	(0.1)	174.4
On-Site	25.0	51.2	-	-	-	76.2
Other	3.2	-	1.4	13.4	-	18.0
Total revenue	574.6	117.3	102.4	112.3	(16.2)	890.4

4. Revenues - continued

Revenue by geographic market	Commercial Waste €m	Hazardous Waste €m	Monostreams €m	Municipal €m	Inter-segment €m	**Total €m**
30 September 2018						
Netherlands	**375.5**	**108.0**	**55.3**	**-**	**(12.6)**	**526.2**
Belgium	**210.8**	**-**	**34.1**	**-**	**(3.1)**	**241.8**
UK	**-**	**-**	**-**	**103.6**	**-**	**103.6**
Canada	**-**	**-**	**-**	**9.8**	**-**	**9.8**
France	**-**	**-**	**13.2**	**-**	**(1.1)**	**12.1**
Other	**-**	**-**	**7.9**	**-**	**(1.0)**	**6.9**
Total revenue	**586.3**	**108.0**	**110.5**	**113.4**	**(17.8)**	**900.4**
30 September 2017						
Netherlands	363.5	117.3	44.9	-	(11.1)	514.6
Belgium	211.1	-	38.2	-	(3.4)	245.9
UK	-	-	-	104.4	-	104.4
Canada	-	-	-	7.9	-	7.9
France	-	-	12.6	-	(0.7)	11.9
Other	-	-	6.7	-	(1.0)	5.7
Total revenue	574.6	117.3	102.4	112.3	(16.2)	890.4

Revenue recognised at a point in time amounted to €778.1m (2017/18: €761.8m) with the remainder recognised over time. The majority of the Commercial, Municipal and Monostreams revenue is recognised at a point in time, whereas for Hazardous Waste the majority is recognised over time.

5. Non-trading and exceptional items

The following items are presented in non-trading and exceptional items.

	First half 2018/19 €m	First half 2017/18 €m
Merger related costs:		
Synergy delivery costs - cash	**8.9**	3.8
Synergy delivery costs - non-cash	**-**	1.2
Integration costs	**8.0**	3.8
	16.9	8.8
Portfolio management activity:		
Disposals	**(11.2)**	-
Acquisition costs	**0.1**	0.3
	(11.1)	0.3
Other items:		
ATM soil issues	**1.3**	-
Costs relating to fires	**-**	1.1
Restructuring charges and employee related costs	**-**	0.1
Municipal contract issues	**-**	(0.2)
	1.3	1.0
Amortisation of acquisition intangibles	**3.2**	3.3
Change in fair value of derivatives at fair value through profit or loss	**0.1**	-
Non-trading and exceptional items in profit before tax (continuing operation)	**10.4**	13.4
Tax on non-trading and exceptional items	**(5.5)**	(2.0)
Total non-trading and exceptional items in profit after tax (continuing operations)	**4.9**	11.4

Merger related costs
Due to the significance of the merger on the Group and the associated synergy delivery projects these costs are considered to be exceptional. Synergy delivery costs of €8.9m (2017/18: €5.0m) and integration costs of €8.0m (2017/18: €3.8m) were incurred as the Group executes merger plans for generating value. Synergy delivery costs in 2017/18 included: €1.2m of non-cash impairments of assets at the Belgium Commercial Zaventem Shared Service Centre. The total charge of €16.9m (2017/18: €8.8m) is recorded as €5.1m (2017/18: €nil) in cost of sales and €11.8m (2017/18: €8.8m) in administrative expenses.

Portfolio management activity
The disposals credit includes the profit on the sale of the Group’s share in the UK joint venture Energen Biogas of €10.9m and the profit on sale of transferring 50% of a Hazardous Waste ATM subsidiary to a joint venture. The total credit of €11.1m is recorded in administrative expenses.

Other items
The charge for ATM soil issues of €1.3m (2017/18: €nil) relates to the soil offset market issues as reported in the year ended 31 March 2018 and includes additional costs of logistics and off-site storage. The total charge of €1.3m (2017/18: €1.0m) is recorded as €1.3m (2017/18: €0.9m) cost of sales and €nil (2017/18: €0.1m) in administrative expenses.

Amortisation of intangible assets acquired in business combinations of €3.2m (2017/18: €3.3m) is all recorded in cost of sales.

6. Net finance charges

Continuing operations	First half 2018/19 €m	First half 2017/18 €m
Finance charges		
Interest payable on borrowings wholly repayable within five years	**9.2**	9.8
Interest payable on PFI/PPP non-recourse net debt	**3.9**	4.1
Unwinding of discount on provisions	**4.2**	3.0
Interest charge on the retirement benefit schemes	**0.3**	0.3
Amortisation of loan fees	**0.3**	0.1
Other finance costs	**0.5**	1.6
Total finance charges	**18.4**	18.9
Finance income		
Interest receivable on financial assets relating to PFI/PPP contracts	**(5.4)**	(5.5)
Unwinding of discount on deferred consideration receivable	**(0.1)**	(0.1)
Interest receivable on other loans and receivables	**(1.4)**	(1.4)
Total finance income	**(6.9)**	(7.0)
Non-trading and exceptional finance charges		
Change in fair value of derivatives at fair value through profit or loss	**0.1**	-
Net finance charges	**11.6**	11.9

7. Taxation

Tax expense is recognised based on management's best estimate of the full year effective tax rate on expected full year profits to March 2019. The estimated average underlying annual tax rate on continuing operations for the year to 31 March 2019 is 25% (2017/18: 25.5%).

The rate of UK corporation tax changed from 20% to 19% on 1 April 2017 and will change to 17% on 1 April 2020. As a result, the UK deferred tax for the period has been calculated based on the enacted rates.

Under the corporate income tax reform as enacted by the Belgian government on 22 December 2017, the Belgian corporate income tax rate has reduced to 29.58% for accounting periods starting on or after 1 January 2018 and furthermore 25% from 1 January 2020. As a result, the Belgian deferred tax has been calculated at the substantively enacted rates depending on when the timing differences are expected to reverse.

8. Dividends

An interim dividend of 0.95 pence (2017/18: 0.95 pence) per ordinary share was approved by the Board on 8 November 2018 and will be paid on 4 January 2019 to shareholders on the register at close of business on 30 November 2018.

The final dividend for the year ended March 2018 €18.9m (2017: €19.0m) being 2.1 pence (2017: 2.1 pence) per share.

9. Earnings per share

	First half 2018/19			First half 2017/18		
	Earnings €m	**Weighted average number of shares million**	**Earnings per share cents**	Earnings €m	Weighted average number of shares million	Earnings per share cents
Underlying profit after tax	**25.4**			29.0		
Non-controlling interests	**(0.3)**			0.4		
Underlying earnings per share	**25.1**	**798.7**	**3.1**	29.4	799.8	3.7
Adjustments:						
Non-trading and exceptional items	**(10.4)**			(13.4)		
Tax on non-trading and exceptional items	**5.5**			2.0		
Basic earnings per share	**20.2**	**798.7**	**2.5**	18.0	799.8	2.2
Dilutions	**-**	**0.6**	**-**	-	1.3	-
Diluted earnings per share	**20.2**	**799.3**	**2.5**	18.0	801.1	2.2
Underlying earnings per share	**25.1**	**798.7**	**3.1**	29.4	799.8	3.7
Dilutions	**-**	**0.6**	**-**	-	1.3	-
Underlying diluted earnings per share	**25.1**	**799.3**	**3.1**	29.4	801.1	3.7

The weighted average number of shares excludes ordinary shares held by the Employee Share Trust.

The Directors believe that adjusting earnings per share for the effect of the non-trading and exceptional items, amortisation of acquisition intangibles and the change in fair value of derivatives enables comparison with historical data calculated on the same basis. Exceptional items are those items that are disclosed separately on the face of the Consolidated Interim Income Statement, because of their size or incidence, to enable a better understanding of performance.

10. Goodwill, intangible assets and property, plant and equipment

	Goodwill €m	Intangible assets €m	Property, plant and equipment €m	Total €m
Net book value at 1 April 2017	597.1	87.8	720.2	1,405.1
Additions	-	10.8	93.9	104.7
Acquisition through business combination	14.1	0.2	8.7	23.0
Disposals	-	-	(15.6)	(15.6)
Depreciation and amortisation	-	(14.5)	(89.7)	(104.2)
Impairment	-	(3.7)	(3.3)	(7.0)
Exchange	(0.1)	(0.6)	(3.4)	(4.1)
Net book value at 31 March 2018	611.1	80.0	710.8	1,401.9
Additions	-	1.6	43.0	44.6
Disposals	(5.1)	(0.1)	(9.2)	(14.4)
Depreciation and amortisation	-	(6.7)	(44.9)	(51.6)
Exchange	-	(0.2)	1.4	1.2
Net book value at 30 September 2018	**606.0**	**74.6**	**701.1**	**1,381.7**

At 30 September 2018 the Group had property, plant and equipment capital commitments of €24.8m (2017/18: €25.0m).

11. Borrowings

As announced on 22 May 2018 the Group amended and extended its multicurrency bank facility to a Green multi-currency credit facility of €550m maturing in May 2023 with options to extend to 2025. At 30 September 2018 €365m was drawn under this facility and in addition the Group has two retail bonds of €100m each expiring in July 2019 and June 2022.

Movement in net debt

	At 1 April 2018 €m	Cash flows €m	Other non-cash changes €m	Exchange movements €m	**At 30 September 2018 €m**
Cash and cash equivalents	73.0	32.3	-	(0.1)	**105.2**
Bank loans and overdrafts	(335.4)	(33.3)	1.6	(1.8)	**(368.9)**
Retail bonds	(199.3)	-	(0.1)	-	**(199.4)**
Finance leases	(38.9)	6.1	(0.2)	-	**(33.0)**
Total core net debt	(500.6)	5.1	1.3	(1.9)	**(496.1)**
PFI/PPP non-recourse net debt	(94.6)	2.6	-	1.5	**(90.5)**
Total net debt	(595.2)	7.7	1.3	(0.4)	**(586.6)**

Analysis of movement in net debt

	First half 2018/19 €m	First half 2017/18 €m	Full year 2017/18 €m
Net increase (decrease) in cash and cash equivalents	**32.3**	(4.5)	(14.4)
Net (increase) decrease in borrowings and finance leases	**(24.6)**	3.9	7.2
Capitalisation of loan fees	**1.8**	1.1	1.1
Total cash flows in net debt	**9.5**	0.5	(6.1)
Finance leases entered into during the period	**(0.2)**	(0.4)	(1.1)
Amortisation of loan fees	**(0.3)**	(0.1)	(0.4)
Exchange loss	**(0.4)**	6.7	10.0
Movement in net debt	**8.6**	6.7	2.4
Net debt at beginning of period	**(595.2)**	(597.6)	(597.6)
Net debt at end of period	**(586.6)**	(590.9)	(595.2)

12. Acquisitions and disposals

On 30 August 2018 the UK joint venture Energen Biogas was sold for €19.4m generating a profit on disposal of €10.9m.

On 27 September 2018 the Hazardous Waste division sold 50% of the shareholding of ATM Terra BV for €3.6m. On that date the entity changed its name to AP4Terra BV.

13. Provisions

	Site restoration and aftercare €m	Restructuring €m	Onerous contracts €m	Other €m	Total €m
At 1 April 2017	132.5	7.7	53.8	30.4	224.4
Provided in the year	0.4	9.9	74.5	3.8	88.6
Released in the year	-	(0.2)	(4.5)	(0.7)	(5.4)
Finance charges – unwinding of discount	4.6	-	1.6	0.1	6.3
Utilised in the year	(3.9)	(8.4)	(15.0)	(4.7)	(32.0)
Reclassifications to deferred revenue	-	-	-	(3.9)	(3.9)
Exchange	-	-	(0.9)	(0.1)	(1.0)
At 31 March 2018	133.6	9.0	109.5	24.9	277.0
Provided in the period	0.3	1.7	-	3.3	5.3
Released in the period	-	(0.1)	-	-	(0.1)
Finance charges – unwinding of discount	2.3	-	1.8	0.1	4.2
Utilised in the period	(1.0)	(4.6)	(8.6)	(1.2)	(15.4)
Transfers between provisions	2.9	-	(2.9)	-	-
Exchange	(0.1)	-	(1.6)	(0.1)	(1.8)
At 30 September 2018	**138.0**	**6.0**	**98.2**	**27.0**	**269.2**
Current	**6.4**	**6.0**	**32.5**	**11.6**	**56.5**
Non-current	**131.6**	**-**	**65.7**	**15.4**	**212.7**
At 30 September 2018	**138.0**	**6.0**	**98.2**	**27.0**	**269.2**
Current	5.4	9.0	23.1	9.4	46.9
Non-current	128.2	-	86.4	15.5	230.1
At 31 March 2018	133.6	9.0	109.5	24.9	277.0
Current	3.5	6.2	24.0	11.2	44.9
Non-current	129.4	-	21.7	18.1	169.2
At 30 September 2017	132.9	6.2	45.7	29.3	214.1

Site restoration and aftercare
The site restoration provision as at 30 September 2018 related to the cost of final capping and covering of the landfill sites. These costs are expected to be paid over a period of up to 33 years from the balance sheet date and may be impacted by a number of factors including changes in legislation and technology.

Post-closure costs of landfill sites, including such items as monitoring, gas and leachate management and licensing, have been estimated by management based on current best practice and technology available. The dates of payments of these aftercare costs are uncertain but are anticipated to be over a period of at least 30 years from closure of the relevant landfill site.

Restructuring
The restructuring provision relates to redundancy and related costs incurred as part of the recent structural cost programmes along with restructuring initiatives including the delivery of merger related synergies. During the period a further €4.6m has been utilised (2017/18: €4.0m).

Onerous contracts
Onerous contracts are provided at the net present value of the least net cost of either exiting the contracts or fulfilling our obligations under the contracts. The provisions are to be utilised over the period of the contracts to which they relate with the latest date being 2040.

Other
Other provisions principally cover dilapidations, long-service employee awards, lifecycle expenditure obligations, legal claims, indirect tax, warranties and indemnities.

14. Retirement benefit schemes

The Group has the legacy Shanks UK defined benefit scheme which covers UK employees and is closed to new entrants and the legacy VGG defined benefit schemes eligible for certain employees in both the Netherlands and Belgium.

The amounts recognised in the Income Statement were as follows:

	First half 2018/19 €m	First half 2017/18 €m
Current service cost	**1.4**	1.3
Interest expense on scheme net liabilities	**0.3**	0.3
Net retirement benefit charge before tax	**1.7**	1.6

The amounts recognised in the balance sheet were as follows:

	As at 30 September 2018 €m	As at 30 September 2017 €m	As at 31 March 2018 €m
Present value of funded obligations	**(255.4)**	(274.0)	(271.9)
Fair value of plan assets	**236.3**	242.4	246.5
Pension scheme deficit	**(19.1)**	(31.6)	(25.4)
Related deferred tax asset	**4.1**	6.3	5.1
Net pension deficit	**(15.0)**	(25.3)	(20.3)

The legacy Shanks UK defined benefit scheme deficit decreased by €6.4m from 31 March 2018 as a result of higher corporate bond yields partly offset by a higher long-term expectation for inflation and lower than expected asset returns over the period. The legacy VGG defined benefit schemes increased by €0.1m from 31 March 2018.

The liabilities of the legacy Shanks UK defined benefit scheme are expected to increase in the future in relation to the guaranteed minimum pension equalisation. At present there is an inequality of benefits between male and female members who have a guaranteed minimum pension. Following the ruling in the High Court case on 26 October 2018, the Lloyds Banking Group case, certain legal and actuarial issues remain unresolved and the Company is taking further advice to determine the impact.

15. Financial instruments at fair value

The Group holds certain financial instruments on the balance sheet at their fair values. The following hierarchy classifies the valuation techniques to determine the fair value of financial instruments:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The Group does not hold any financial instruments at fair value which are valued using Level 1 or Level 3 techniques and there have been no transfers between categories in the current or preceding periods.

Valuation techniques used to derive Level 2 fair values

- Short term investment valuations are provided by the fund manager
- Unlisted non-current investments comprise unconsolidated companies where the fair value approximates the book value
- Derivative financial instruments are determined by discounting the future cash flows using the applicable period-end yield curve.
- Retail bonds, the fair value is based on indicative market pricing.

15. Financial instruments at fair value - continued

The table below presents the Group's financial instruments measured at fair value:

	As at 30 September 2018 €m	As at 30 September 2017 €m	As at 31 March 2018 €m
Assets			
Unlisted non-current Investments	**4.3**	4.3	4.3
Short term investments	**5.9**	-	-
Derivative financial instruments	**4.2**	0.8	2.2
	14.4	5.1	6.5
Liabilities			
Derivative financial instruments	**29.7**	32.9	33.4
Retail bonds	**203.5**	206.7	201.6
	233.2	239.6	235.0

The Group considers that the fair value of all other financial assets and financial liabilities was not materially different to their carrying value. The retail bonds are held at their carrying value in the balance sheet.

16. Contingent liabilities

The nature of the Group's contingent liabilities remains consistent with those as listed in the 2018 Annual Report and Accounts.

17. Related party transactions

The Group's significant related parties remain as disclosed in note 8.2 of the 2018 Annual Report and Accounts. There were no material differences in related parties or related party transactions in the period compared to the prior year.

18. Reconciliation of non-IFRS measures

Reconciliation of underlying EBIT to EBITDA from continuing operations	**First half 2018/19 €m**	First half 2017/18 €m
Underlying EBIT	**44.8**	49.5
Depreciation of property, plant and equipment	**44.9**	45.9
Amortisation of intangible assets (excluding acquisition intangibles)	**3.5**	3.9
Non-exceptional gains on property, plant and equipment	**(0.6)**	(0.2)
Underlying EBITDA from continuing operations	**92.6**	99.1

Reconciliation of underlying free cash flow as presented in the Finance Review	**First half 2018/19 €m**	First half 2017/18 €m
Net cash generated from operating activities	**66.5**	74.0
Exclude reclassification for provisions and working capital	**25.5**	29.7
Exclude payments to fund defined benefit pension scheme	**1.7**	1.7
Exclude (decrease) increase in service concession arrangement	**(7.4)**	6.6
Include finance charges and loan fees paid (excluding exceptional finance charges)	**(19.4)**	(19.3)
Include finance income received	**5.8**	5.7
Include purchases of replacement items of intangible assets	**(2.3)**	(3.9)
Include purchases of replacement items of property, plant and equipment	**(44.4)**	(37.8)
Include proceeds from disposals of property, plant and equipment	**2.2**	1.2
Underlying free cash flow	**28.2**	57.9

19. Post balance sheet events

Subsequent to the period end management have decided to dispose of the Canadian and Reym businesses. These have not been classified as held for sale at period end as they do not meet the criteria under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Independent review report to Renewi plc

Report on the Consolidated Interim Financial Statements

Our conclusion

We have reviewed Renewi plc's Consolidated Interim Financial Statements (the "interim financial statements") in the interim financial report of Renewi plc for the six month period ended 30 September 2018. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- the Consolidated Interim Balance Sheet as at 30 September 2018;
- the Consolidated Interim Income Statement and Consolidated Interim Statement of Comprehensive Income for the period then ended;
- the Consolidated Interim Statement of Changes in Equity for the period then ended;
- the Consolidated Interim Statement of Cash Flows for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the interim financial report have been prepared in accordance with the International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The interim financial report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim financial report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the interim financial report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed consolidated interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
London
8 November 2018

Notes:

(i) The maintenance and integrity of the Renewi plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim financial statements since they were initially presented on the website.
(ii) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.