# FY21 Results
## 27 May 2021

**Otto de Bont,** CEO
**Toby Woolrych,** CFO

# Disclaimer

This presentation contains certain forward-looking statements with respect to the operations, performance and financial condition of Renewi. 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 presentation and, except to the extent legally required, Renewi undertakes no obligation to revise or update such forward-looking statements.

# Agenda

| | | |
|---|---|---|
| 1. | **Introduction and overview** | Otto de Bont (CEO) |
| 2. | **Financial and operating review** | Toby Woolrych (CFO) |
| 3. | **Delivering on our strategy** | Otto de Bont (CEO) |

# 1/ INTRODUCTION
# Robust results reflect resilient business model

# Robust results and improved outlook

- Underlying EBIT above previous guidance of c€68m at €73.0m, reflecting resilient business model
- Successful response to Covid-19: essential service maintained, cost and cash action over delivered
- Strong second half, including benefits from recovering volumes, cost savings and higher recyclate prices
- Statutory profit before tax of €18.2m compared to a loss of €59.4m in the prior year
- Progress on all three value drivers: our circular innovations, ATM and Renewi 2.0
- Extended our leading ESG model: launched “Mission75” to achieve 75% recycling
- FY22 outlook materially above the Board’s previous expectations

# Renewi has a recognised leading ESG position

renewi
waste no more

- ESG and Sustainability at the heart of Renewi
- We are actively creating a **circular economy** through **green innovations** which increase recycling output and production of high quality secondary materials
- Industry leading **66%** of materials were recycled during FY21 and targeting 75% by FY25
- This year we put **7.9m tonnes** of waste back into reuse
- Our activities **avoided 3.1m tonnes $CO_2$ emissions**
- We are recognised for our **leading ESG position** including a recent increase of our S&P ESG Evaluation to a best in class 83 / 100

$CO_2$

**Not just $CO_2$ neutral**

**Our recycling <u>reduces</u> $CO_2$ emissions by 3.1m tonnes annually**

S&P Global Ratings
83/100

FTSE4Good

GREEN ECONOMY LONDON STOCK EXCHANGE

MSCI ESG RATINGS
AA

$CO_2$-PRESTATIELADDER®
Niveau 4

# Good progress towards our ESG targets


| SDGs | Theme | Objective | FY21 Performance | FY25 Targets |
|---|---|---|---|---|
| | Enable the circular economy | Turn our customers' waste into new products | Recycling rate +1.1% | +10% to 75% |
| | | | $CO_2$ avoidance impact +2% | +15% to 275 |
| | Reduce carbon emissions and waste | Be a leader in clean and green waste collection | Collections $CO_2$ -2% | -10% to <9.00 |
| | | Reduce the carbon impact of our operations | Processing $CO_2$ +6% | -10% to <9.42 |
| | Care for people | Positively impact our communities | Community engagement N/A | +20% to 180 |
| | | Deliver people home safe and well, every day | >3 day accident rate -1% | -60% to 600 |
| | | Make Renewi a rewarding, diverse and inclusive working environment | Net Promoter Score +50% | +100% to +30 |

Community engagement N/A as restricted by Covid-19 during FY21

# 2/ FINANCIAL AND OPERATING REVIEW

## Financial results resilient, net debt reduced

# FY21 Full Year Results

**Basis of results**

- Results presented in new Divisional structure: Commercial, Mineralz & Water and Specialities
- Focus on ongoing businesses, which excludes Reym and Canada from prior year
- Presented according to IFRS 16, with adjustments in leverage calculations for core net debt

**Revenue & Profits**

- Revenue from ongoing businesses in line with last year at €1,694m
- EBITDA from ongoing businesses up 4% to €195.7m
- Underlying EBIT from ongoing businesses down 3% to €73.0m, primarily higher depreciation on new trucks and the Maasvlakte extension
- Interest costs lower by €7.2m due to reduced borrowings and margin
- Exceptional costs significantly reduced, as expected, to €29.2m (FY20: €113.5m)
- Statutory profit after tax €11.0m (FY20 loss €77.1m)

**Cash Flow & Financing**

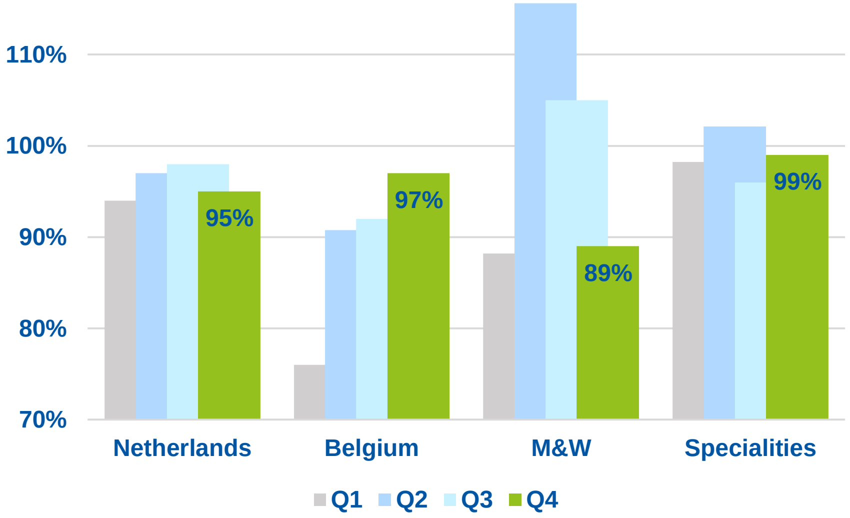
- Strong cash flow performance, supported by overperformance against Covid cash actions
- Free cash flow of €141m including €54m FY21 impact of Covid-19 tax deferrals
- Core net debt reduced to €344m, leverage reduced to 2.2x (FY20: 3.0x)

**EPS & Dividend**

- Underlying EPS from ongoing businesses up 15% to 4.5c per share
- No final dividend

# Resilient business model, strong Covid-19 response

## Divisional volumes as a % of prior year




- Volumes recovered through FY21 from initial lockdown drop
- Q4 volumes softer due to further lockdowns

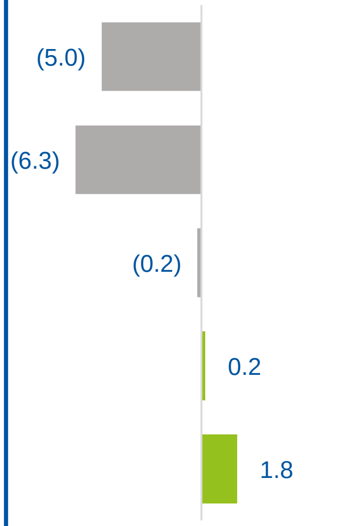
## Covid-19 response actions

| | FY21 | | |
|---|---|---|---|
| | Target | **Actual** | Variance |
| Costs | €15m | **€19m** | +€4m |
| Cash | €60m | **€77m** | +€17m |

- Frontline teams maintained essential services
- Cost and cash actions were effective, targets exceeded
- Cash savings included €44m reduction in Capex
- Six facilities and processing lines closed in response to new demand patterns post pandemic

# Strong second half compensated for weaker first half

## H1

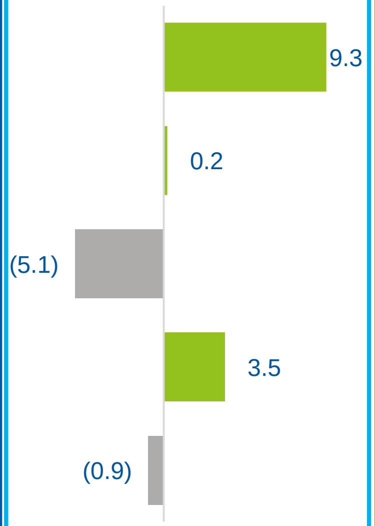



FY20: €37.8m

**FY21: €28.3m**

Variance 25%

## H2

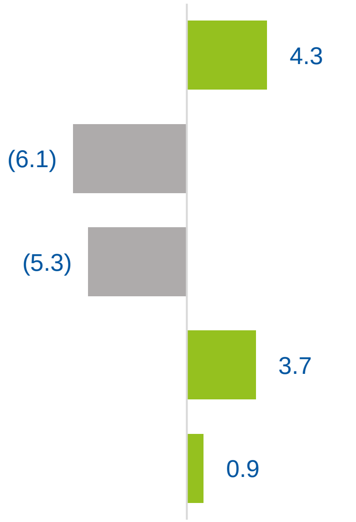



FY20: €37.7m

**FY21: €44.7m**

Variance 19%

## Full Year




FY20: €75.5m

**FY21: €73.0m**

Variance 3%

**Commercial NL:** H2 boosted by resilient volumes and increasing recyclate prices

**Commercial BE:** H2 similar but with lower volume recovery

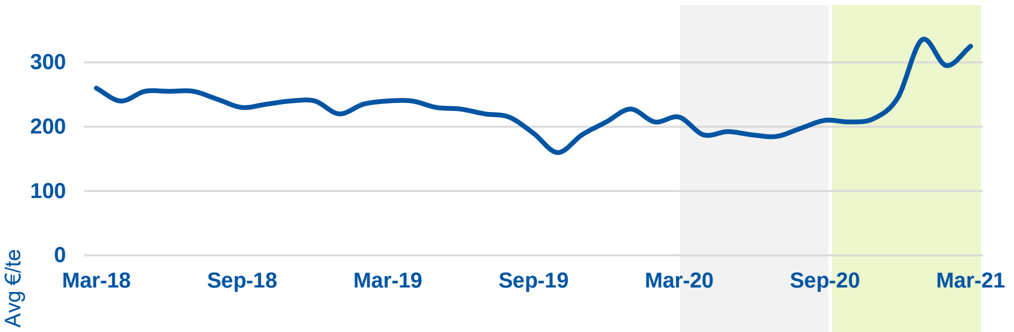
**Mineralz & Water:** H2 impacted by €5m one-off accruals

**Specialities:** H2 recovered well in Coolrec especially

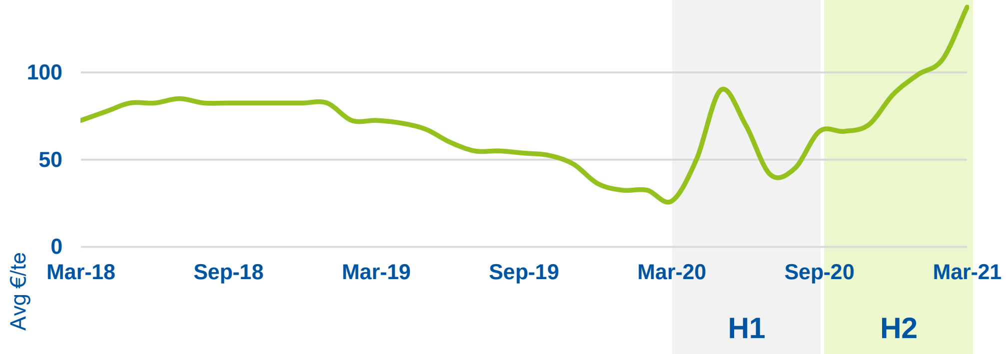
**GCS:** One off incentive releases & Covid cost controls

# Strong recyclate prices in the second half

## Ferrous metal




## Paper




- Increasing recyclate prices are favourable to Renewi, especially before dynamic pricing contracts pass gains back to customers
- Ferrous and non-ferrous metal prices increased strongly in H2 and remain high. Expectations are that ferrous metal prices will weaken, with non-ferrous remaining strong
- Paper and cardboard prices also strengthened in H2 and remain strong going into FY22. These also expected to soften through the year
- Strong recyclates benefit of around €6m in the second half
- Further information on recyclates in appendices

**Ferrous metal prices:** E1 Steel prices are Euwid (www.Euwid.de) old steel scrap.
**Paper prices:** Paper are prices from MRB-Uitgevers (www.marktberichtenoudpapier.nl) and refer to MOP Board NL

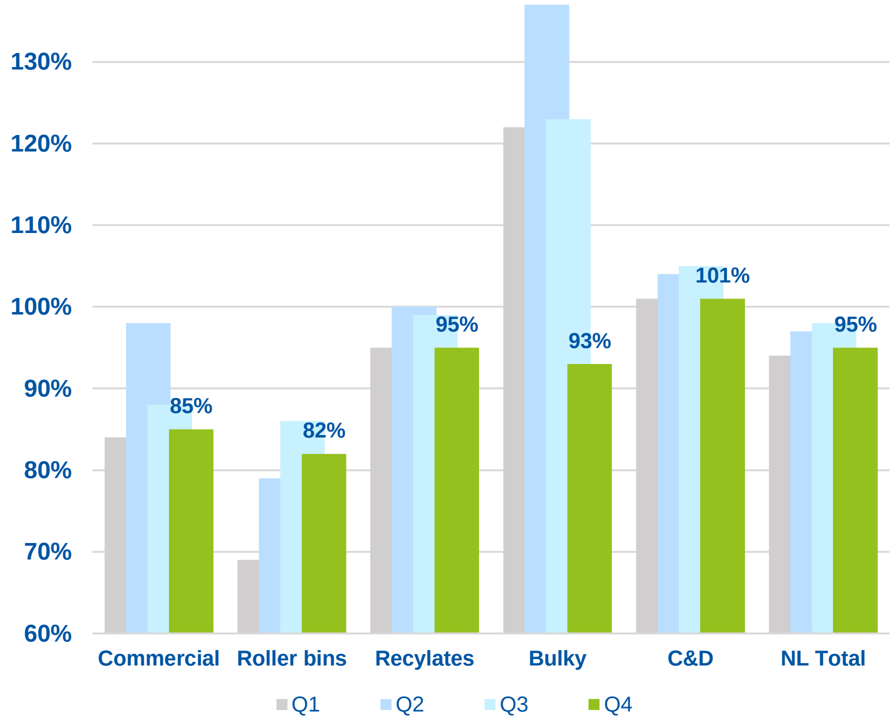
# Commercial Waste Netherlands

| | FY21 €m | FY20 €m | Change €m | % |
|---|---|---|---|---|
| Revenue | 828.4 | 812.6 | 15.8 | 2% |
| Underlying EBITDA | 113.9 | 104.4 | 9.5 | 9% |
| Underlying EBITDA Margin | 13.7% | 12.8% | | |
| Underlying EBIT | 53.7 | 49.4 | 4.3 | 9% |
| Underlying EBIT Margin | 6.5% | 6.1% | | |
| Return on operating assets | 15.7% | 13.1% | | |

- **Core volumes**: -1.4% vs prior year: commercial waste volumes -11%, +4% C&D and +18% bulky waste
- **Recyclate volumes** -2.5%: second half surge in some prices: **recyclate income** for year +5%, -20% in H1
- **Costs savings** of €7m: focus on semi-variable costs such as temps / overtime, and discretionary
- Increased focus on **advanced processing**: RetourMatras, bio-LNG, ODP expansion, stone crusher contract, closed loop contracts at Hoek van Holland, wood chip loading dock at Vlaardingen
- Continuing **evolution of logistics** model: increase in Euro 6 fleet to 65%, first ZEVs on operational trials, new “Green Collective” initiative signed with Suez

# Volume trends in Commercial Waste Netherlands

## Divisional activity as a % of prior year




- Commercial waste volumes weakened in the second half with renewed lockdowns
- Roller bins particularly affected through exposure to hospitality and leisure, although less than in first lockdown
- Recyclates volumes recovered during Q2 to prior year levels and then weakened again with second wave
- Bulky waste increased in lockdown as an effect of people at home - Q4 comparative is vs first lockdown 2020
- Construction & Demolition waste volumes were unaffected by Covid-19 and were up on last year

# Commercial Waste Belgium

| | FY21 €m | FY20 €m | Change €m | % |
|---|---|---|---|---|
| **Revenue** | 412.9 | 439.1 | (26.2) | -6% |
| **Underlying EBITDA** | 52.5 | 56.1 | (3.6) | -6% |
| **Underlying EBITDA Margin** | 12.7% | 12.8% | | |
| **Underlying EBIT** | 23.1 | 29.2 | (6.1) | -21% |
| **Underlying EBIT Margin** | 5.6% | 6.6% | | |
| **Return on operating assets** | 24.2% | 25.4% | | |

- **Core volumes down 12%** due to more stringent lockdown - second half improvement but remaining below prior year
- **€8m cost actions delivered ahead of plan.** Two processing lines being closed
- Market trends as per Netherlands
- New **€2.5m plastics sorting line in Ghent**, increases capacity, quality and spread of our plastics products
- Investment begun **on €2.4m sand washing line** in Mont-St-Guibert. Improves quality and reduces water consumption by 80%

The return on operating assets excludes all landfill related provisions

# Mineralz & Water

| | FY21 €m | FY20 €m | Change €m | % |
|---|---|---|---|---|
| Revenue | 182.8 | 151.6 | 31.2 | 21% |
| Underlying EBITDA | 15.0 | 18.7 | (3.7) | -20% |
| Underlying EBITDA Margin | 8.2% | 12.3% | | |
| Underlying EBIT | 0.3 | 5.6 | (5.3) | -95% |
| Underlying EBIT Margin | 0.2% | 3.7% | | |
| Return on operating assets | 0.8% | 13.9% | | |


The return on operating assets excludes all landfill related provisions

## ATM

- Inbound soil pipeline increased by 0.5MT
- TRI throughput increased by 28%, to 30% of capacity, slightly below expectations for H2 due to site congestion
- Good progress with new capacity and certification for filler, sand and gravel
- TGG market open, with challenges due to public opposition. 140KT placed and contacts signed for over 0.5MT (c50% of remaining inventory). Additional accrual taken to provide for broader range of outlets
- Water volumes down 6% due to Covid-19 and low oil sector activity, Pyro volumes up 8% with strong H2

## Mineralz

- Q1 disruption to landfills, recovery thereafter
- Braine landfill closed December 2020, reduction of €2m annual earnings

# Specialities

| | FY21 €m | FY20 €m | Change €m | % |
|---|---|---|---|---|
| Revenue | 300.8 | 323.2 | (22.4) | -7% |
| Underlying EBITDA | 12.0 | 8.1 | 3.9 | 48% |
| Underlying EBITDA Margin | 4.0% | 2.5% | | |
| Underlying EBIT | 2.4 | (1.3) | 3.7 | N/A |
| Underlying EBIT Margin | 0.8% | -0.4% | | |
| Return on operating assets | 5.4% | 4.6% | | |

Underlying EBIT includes utilisation of €11.4m (2020: €12.2m) from onerous contract provisions
The return on operating assets is for Coolrec and Maltha only

- **Coolrec**: Strong recovery year after two years restructuring and difficult Q1. Now focused on fridges/white goods in the Netherlands, Belgium and France; fridge volumes bounced back well. Investment to upgrade operational capabilities rewarded with 6-9 year contract for 100% of Belgian fridge volumes (currently 75%)

- **Municipal**: adversely affected by Covid – more black bag waste, less recyclates – offset by end of legacy Derby contract (in prior year)
- Reduced Municipal cash outflow at €19.3m (FY20: €23.6m) as forecast. No net change to provisions

- **Maltha**: disrupted all year by reduced hospitality activity and consequent lower demand for cullet from packaging glass manufacturers

# Non-trading and Exceptional items

| | FY21 €m | FY20 €m |
|---|---|---|
| Renewi 2.0 improvement programme | (7.3) | - |
| Covid-19 cost action programme | (8.4) | - |
| Other changes in long-term provisions | (3.7) | (33.0) |
| Other items | (9.5) | (4.3) |
| Amortisation of acquisition intangibles | (3.3) | (6.4) |
| Portfolio management activity | 2.6 | (29.8) |
| Exceptional finance costs | 0.4 | 2.2 |
| Merger related costs | - | (16.3) |
| UK Municipal contract issues | - | (25.9) |
| **Non-trading & exceptional items in profit before tax** | **(29.2)** | **(113.5)** |
| Tax on non-trading & exceptional items | 5.4 | 9.8 |
| Exceptional tax credit | (1.0) | 2.4 |
| Discontinued operations | - | (18.9) |
| **Total** | **(24.8)** | **(120.2)** |

- Total pre tax non-trading and exceptional items of €29.2m, of which €14.8m non-cash
- Renewi 2.0 costs of €7.3m as forecast, with programme on track for costs and benefits
- Covid-19 cost action programme to close six sites or lines. The costs now fully recognised
- €9.5m impairment of goodwill in Maltha in Other Items
- No further Municipal charges. ELWA provision reduced, Wakefield provision increased
- No further merger or portfolio costs – some provisions released
- Cost of storage of cleaned TGG now in ordinary trading

# Cash Flow Performance

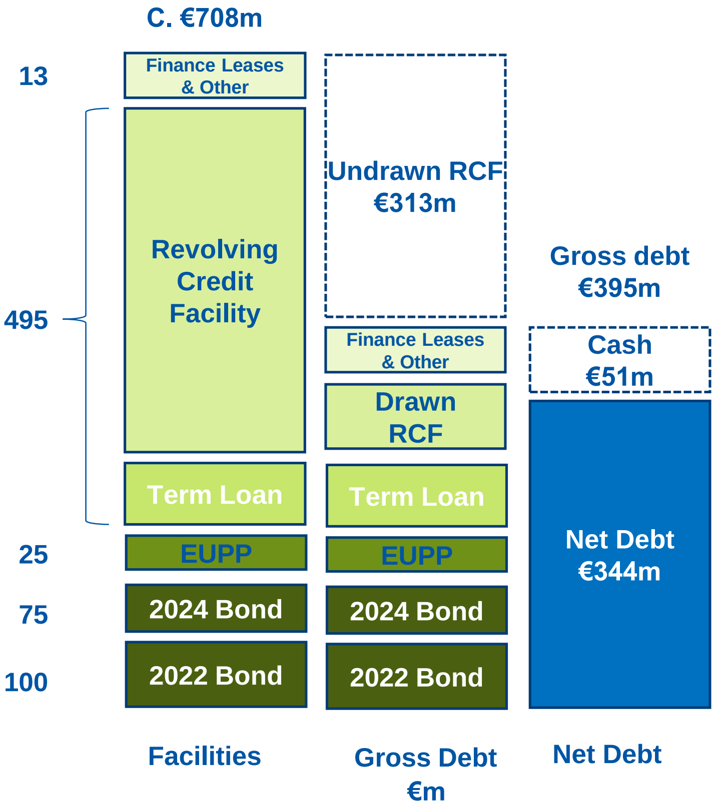
| | FY21 €m | FY20 €m |
|---|---|---|
| EBITDA | 195.7 | 202.8 |
| Working capital movement | 35.4 | 16.9 |
| Movement in provisions and other | 8.9 | (4.5) |
| Net replacement capital expenditure | (55.4) | (64.2) |
| Repayments of obligations under lease liabilities | (40.4) | (38.5) |
| Interest, loan fees and tax | (35.4) | (37.1) |
| **Adjusted free cash flow** | **108.8** | **75.4** |
| Deferred Covid taxes | 54.1 | 6.0 |
| Offtake of ATM soil | (2.6) | - |
| UK Municipal contracts | (19.3) | (23.6) |
| **Free cash flow** | **141.0** | **57.8** |
| Growth capital expenditure | (6.9) | (10.1) |
| Synergy, integration & restructuring spend | (12.7) | (24.3) |
| Other | (3.9) | (8.4) |
| Disposals net of acquisitions | - | 95.7 |
| Dividends paid | - | (8.6) |
| **Total cash flow** | **117.5** | **102.1** |
| **Free cash flow conversion** | **193%** | **64%** |

*The numbers for the prior year include both continuing and discontinued operations*
*Free cash flow conversion is free cash flow as a percentage of underlying EBIT*

## Total cash inflow of €117.5m

- **Covid-19 actions** eliminated €77m of cash spend
- **Adjusted free cash** introduced to focus on the core cash generation and then ATM, Municipal outflows, and Covid tax repayments
- **Working capital inflow** of €35.4m: days sales outstanding improved year on year despite Covid
- **Replacement capex** tightly controlled at 64% of depreciation excluding new IFRS 16 leases
- **Interest costs** reduced due to lower borrowings at a lower margin
- **Tax deferrals** of €54.1m: Repayments from October 2021 in 36 monthly instalments
- **UK Municipal contracts** spend significantly reduced as expected

# Liquidity strong and net debt reduced




## Net Debt

- Net debt of €344m (FY20: €457m, FY19: €556m)
- €364m of liquidity headroom (FY20: €252m)
- Average cost of debt less than 2.5% for the full year

## Leverage ratio

- Leverage ratio of 2.2x (FY20: 3.0x)
- Covenant of 3.50x from September 2021 onwards
- €60m of taxation deferrals (0.4x leverage)

## Facilities profile

- Next maturity of €100m in June '22
- €495m facility to '23/'24 with extension options to '25
- €25m EUPP to '23/'25 & €75m bond to '24

Note: above chart is illustrative and not to scale; Core net debt excludes IFRS 16 leases and PFI facilities;

# FY22 guidance

**Trading expectations materially above Board's previous expectations**

- **Commercial:** Some recovery of Covid-19 impacted sectors, alert for weakening of late cycle construction market, recyclate prices at high levels in H1, potentially softening later in FY22. Ongoing risk of increased insolvencies as government measures withdrawn
- **Mineralz & Water:** increased processing and secondary materials production, reduced storage costs
- **Specialities:** ongoing progress at Coolrec, recovery in glass demand for Maltha, UK Municipal as previously forecast
- **Group:** Post Covid-19 normalisation of certain discretionary cost items including incentives (€2m) and a central contingency for a significant fire claim on the captive (€4m)

**Other items**

- **Underlying working capital** broadly flat; repayments of **Dutch deferred taxes** of €10m; **placement of TGG** in market of circa €13m
- **UK Municipal** onerous contract provision utilisation to reduce further to circa €10m
- **Replacement capital expenditure** of around €95m excluding up to €45m of additional IFRS 16 leases
  **Growth capital expenditure** of around €25m
- **Renewi 2.0** programme cost unchanged at €13m and no further charges expected
- **Underlying tax rate** to be around 25%
- **Share consolidation** of 1 for 10 proposed at AGM; share price <€1 unusual on continent

# 3/ DELIVERING ON OUR STRATEGY

## Good progress with our value drivers in a positive market outlook

# Market dynamics support our waste-to-product model

| Regulation | Customer demand |
| --- | --- |

**Regulation**

- **The Netherlands and Belgium** are amongst the world's **most advanced circular economies**
- **EU** determined for a "Green Recovery" with 40% reduction in $CO_2$ emissions in 2030 vs baseline 1990
- **National governments** have set ambitious plans:
  - **Netherlands**: 50% circular by 2030, 100% by 2050. Progressive carbon taxation, also on incineration
  - **Belgium**: 35% carbon reduction by 2030; Flanders Vlarema8 code requiring advanced recycling

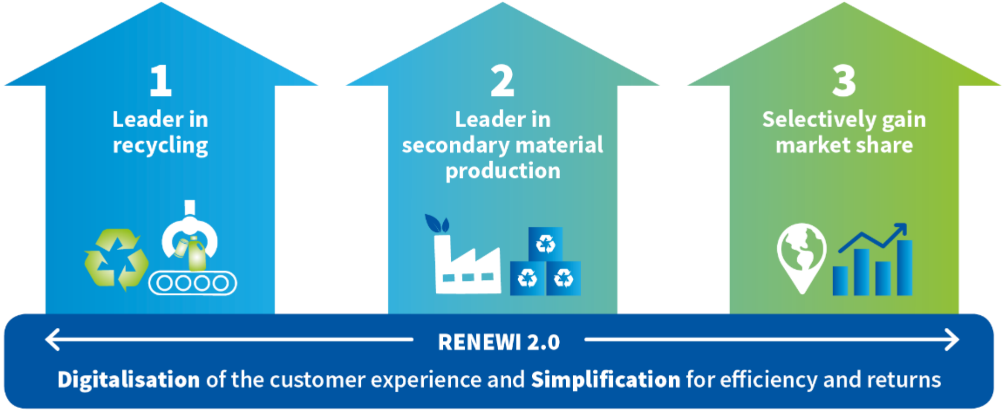
**Customer demand**

- **Waste producing customers** looking to ensure their waste in being recycled so their impact on the environment is limited
- **Product customers** looking for secondary alternatives to virgin raw materials, to avoid $CO_2$ emissions and to protect scarce resources. Also regulation and demand from consumers plays an increasing role.

**The market demands more and higher quality recycling**

# Our strategy addresses the need for more and higher quality recycling

**Renewi strategy**




**Value creation: EBIT +€60m**

1 2 — Recycling rate +10 points to 75% reducing incineration and landfill
**EBIT +€20m**

3 — Increase volumes at ATM and drive organic growth
**EBIT +€20m**

R2.0 — Renewi 2.0 initiatives
**EBIT +€20m**

Three levers for significant growth over 3 to 5 years:
**1. Advanced recycling of waste streams; 2. ATM recovery; 3. Renewi 2.0**

# We’ve launched the Mission 75 programme


FROM 65% TO 75% IN 2025

HIGHEST QUALITY PRODUCTS

# Innovation pipeline progressing well

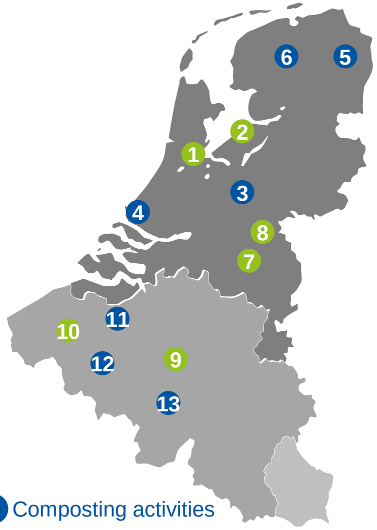
| | Project | Partner | Opportunity | Progress |
|---|---|---|---|---|
| 1 | ATM Gravel sand & filler | Stand-alone | €€€€€ | Filler capacity installed and product certifications progressing well |
| 2 | Organics: bio-gas production | Stand-alone | € | Construction underway for commissioning in late 2021 |
| 2 | Organics: bio-gas to bio-LNG | Shell & Nordsol | €€ | Construction underway for commissioning in late 2021 |
| 3 | Mattress recycling | IKEA group | €€€ | New facilities: third complete, fourth to open in summer 2021 and fifth in planning. New investment to chemically recycle polyurethane |
| 4 | **NEW**: Expansion plastic recycling | Stand-alone | €€ | New sorting lines in Ghent, Acht and Waalwijk to convert up to 100kt of hard plastic to high quality plastic recyclates |
| 4 | Feedstock for chemical recycling of plastics | SABIC | € - €€€ | Discussions ongoing concerning feedstock specification and sourcing |
| 4 | Polyurethane recycling | Chemical recycler | € - €€€ | Technical feasibility studies underway |
| | Wood flake for low-carbon steel | Arcelor-Mittal | €€ - €€€€ | Commercial discussions ongoing |
| | **NEW**: Advanced residual waste sorting | Stand-alone | €€€€€ | To meet the stringent requirements of Vlarema 8 legislation in Belgium per 2023 |

Cellulose recovery and bottom ash treatments have been returned to earlier stage-gates in the innovation pipeline following detailed evaluations

Detailed on the following pages

# Organics expansion

## Existing footprint




Composting activities
Various activities

**Netherlands**

1. Amsterdam (depackaging, anaerobic digestion, electricity, heat, Bio-LNG/Green Gas*)
2. Lelystad (anaerobic digestion, composting, innovation center)
3. Amersfoort
4. Hoek v Holland
5. Stadskanaal
6. Drachten
7. Son (depackaging)
8. Uden (bio-stimulant production)

**Belgium**

9. Kampenhout (depackaging, sorting)
10. Roeselaere (anaerobic digestion)
11. Eeklo
12. Ronse
13. Monceau

## Volume and value expansion

- **Market leader** in food waste market with 125KT
- **Key player** in composting with almost 500KT
- Expanded Dutch capacity in FY20 by acquiring Rotie
- New investments totalling €20m+ in:
  - **Amsterdam**: New depackaging hall, bio-LNG production (Shell/Nordsol) and green gas production
  - **Kampenhout**: New depackaging line

**Increasing capacity and "spread" for our organics waste streams**

* Bio-LNG 2021, green gas 2023

# RetourMatras expansion

### Growing our footprint of facilities

- Three sites operational in the Netherlands, with combined capacity of 1m mattresses per year
- Fourth facility to open in summer 2021, increasing capacity to 1.5m mattresses per year
- International expansion starting with a fifth site in Belgium. Expansion beyond Benelux being considered

### Improving product output quality

- Welcomed IKANO as JV partner, in addition to existing partner IKEA
- New investment to chemically recycle polyurethane

**Leveraging our leading Benelux position for international expansion**

# Plastics expansion

## Existing footprint


**Netherlands**

1. Acht (PP/PE)
2. Stadkanaal (PP/PE)
3. Waalwijk (PS/ABS)

**Belgium**

4. Ghent (PP/PE)

## Volume and value expansion

- Increasing volumes and quality of **PE/PP** recycling:
  - **Acht NL:** Plans for >50% volume increase at >97% polymer purity)
  - **Ghent BE:** Capacity recently doubled, with polymer purity >90%
- Increasing quality of **ABS** recycling with investment in an electrostatic separator
- Several **chemical recycling** projects in development:
  - Feedstock for chemical recycling of plastics (cooperation with, among others, SABIC)
  - Rigid Polyurethane recycling from fridges using solvolysis

**Renewi increasing its volume and quality of plastics recycling**

Note: PP = polypropylene; PE = polyethylene; PS = polystyrene; ABS = Ascrylonitrile butadiene styrene

# ATM recovery: On track for earnings recovery

**ATM recovery continuing in FY22**

- Revitalisation of the inbound commercial pipeline for soil and tarmac with adequate volumes in stock to increase TRI capacity from 30% to 50%
- TGG offtake contracts have been signed to ship over 0.5MT. Further contracts up to 1MT under discussion

**New construction materials applied in market**

- Successful entrance of circular building products sand, gravel and filler in market
- Demand for secondary building products will grow strongly driven by construction companies' need to achieve their $CO_2$ reduction ambition
- Legislation to accelerate circularity in building industry expected

**ATM outlook unchanged, delivering €20m of EBIT in 2023**

# Renewi 2.0 progressing well

## Programme overview


## Key progress

- FY21: Strong benefit delivery from restructuring, recruitment insourcing, and shared service centre
- MyRenewi portal live with 15,000 customers transitioning. PEAR invoice-to-pay live
- FY22 and beyond: >80% of €20m benefits confirmed
- Accelerated adoption of MyRenewi customer portal and boost of online sales to enhance customer focus and to drive further margin improvement

**Programme to harmonise, simplify and digitise**

# Robust results and improved outlook

- Underlying EBIT above previous guidance of c€68m at €73.0m, reflecting resilient business model
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# APPENDIX
# Board and Executive Committee

# Experienced Renewi leadership team

**Executive Board Members**

**Otto de Bont**
*CEO*

**Toby Woolrych**
*CFO*

**Division Managing Directors**

**Marc den Hartog**
*Commercial Netherlands*

**Mark Thys**
*Commercial Belgium*

**James Priestley**
*Specialities*

**Theo Olijve**
*Mineralz & Water*

**Functional Leaders**

**Bas van Ginkel**
*Strategy & Bus. Development*

**Baukje Dreimuller**
*General Counsel*

**Helen Richardson**
*Human Resources*

**Patrick Deprez**
*Product Sales*

**Maarten Buikhuisen**
*Information Technology*

**Daniel Post**
*Renewi 2.0*

# Board has strong and diverse experience in business and society

**Ben Verwaayen,** *Chairman*

Experience:
Alcatel-Lucent SA and BT plc

Appointed April 2020

**Allard Castelein,** *Non-exec Director*

Experience:
Port of Rotterdam, Shell

Appointed January 2017

**Jolande Sap,** *Non-exec Director*

Experience:
Groenlinks, KPN, KPMG

Appointed April 2018

**Neil Hartley,** *Non-exec Director*

Experience:
First Reserve, Simmons & Company

Appointed January 2019

**Marina Wyatt,** *Non-exec Director*

Experience:
ABP, TomTom, UBM

Appointed April 2013

**Luc Sterckx,** *Non-exec Director*

Experience:
SPE-Luminus, Indaver, University of Leuven

Appointed September 2017

**Otto de Bont,** *CEO*

Experience:
United Technologies, GE

Appointed April 2019

**Toby Woolrych,** *CFO*

Experience:
Johnson Matthey, Consort Medical

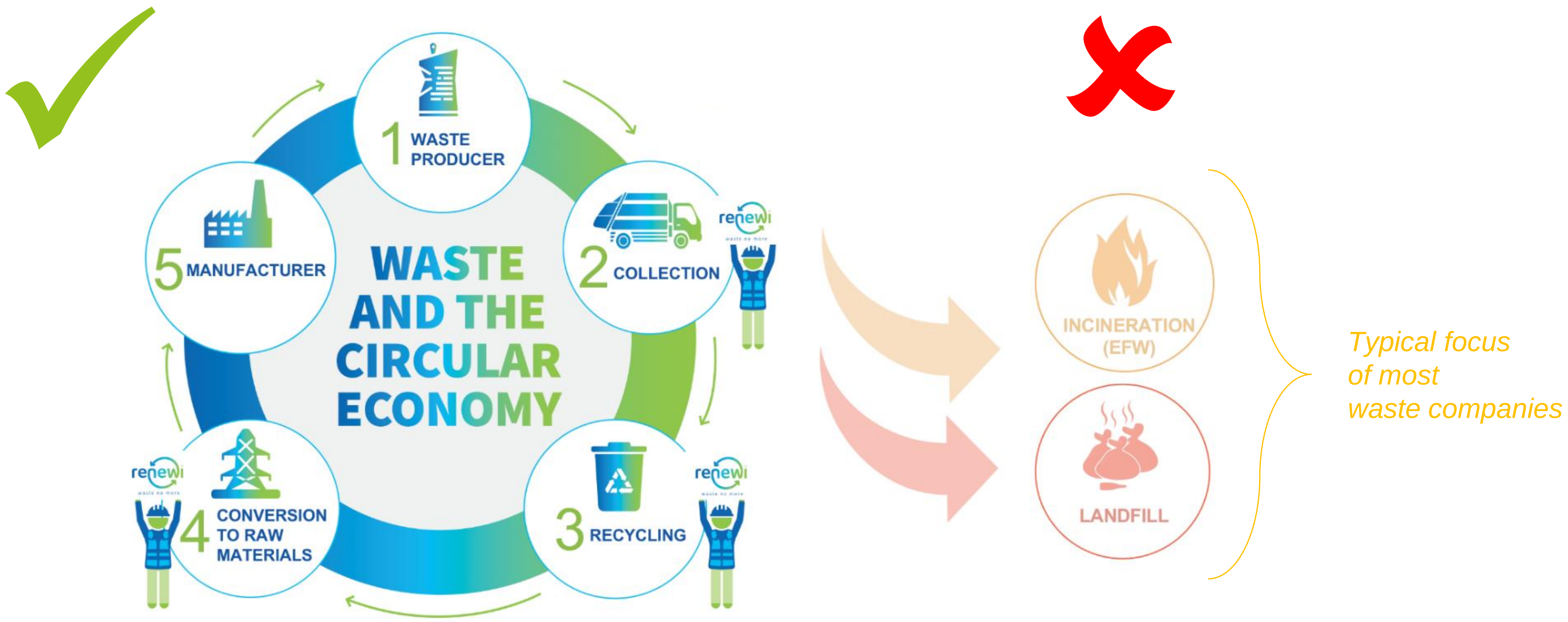
Appointed August 2012

BE or NL national

British national

# APPENDIX
## Additional strategy information

# The growing circular economy drives our business model




**Service:** We are paid by waste producers to take their waste away
**Product:** Our processes create products, generating further income or reducing the liability of residues

# 1. Leader in recycling

**Market need**

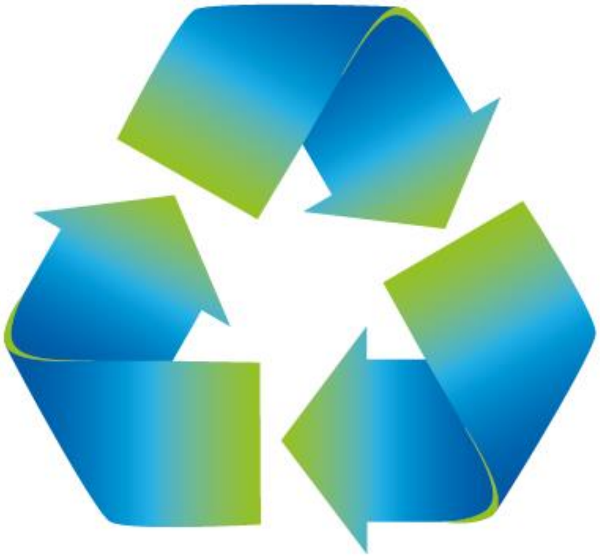
- ➢ Customer, society, and regulators are focused on increasing diversion from incineration and landfill
- ➢ Recycling and reuse reduces $CO_2$ emissions, pollution and resource depletion

**Our initiatives**

- ➢ Innovation with leading partners to find solutions to close the loop
- ➢ Invest in recycling technology to enhance diversion
- ➢ Recent examples include RetourMatras, Purified Metal, Rotie

**Key metrics**

- ➢ Recycling rate
- ➢ $CO_2$ avoided
- ➢ Increased margin from diversion from Landfill and Incineration
- ➢ Contribution from new projects



# 2. Leader in secondary material production

**Market need**

- Policy demands increased secondary material usage
- Producer responsibility increasingly heightened
- Leading manufacturers want to secure access to secondary materials

**Our initiatives**

- Working with manufacturers on product specifications
- Pipeline of prototype projects to produce scalable solutions
- Partnerships to combine with our volumes and expertise to meet downstream supply chain needs
- Recent examples include Plastics (Consumer goods manufacture), Gravel/Sand/Dust (Construction), amongst others

**Key metrics**

- Margin enhancement of secondary products
- Tonnes of secondary product
- Pipeline of secondary product innovations

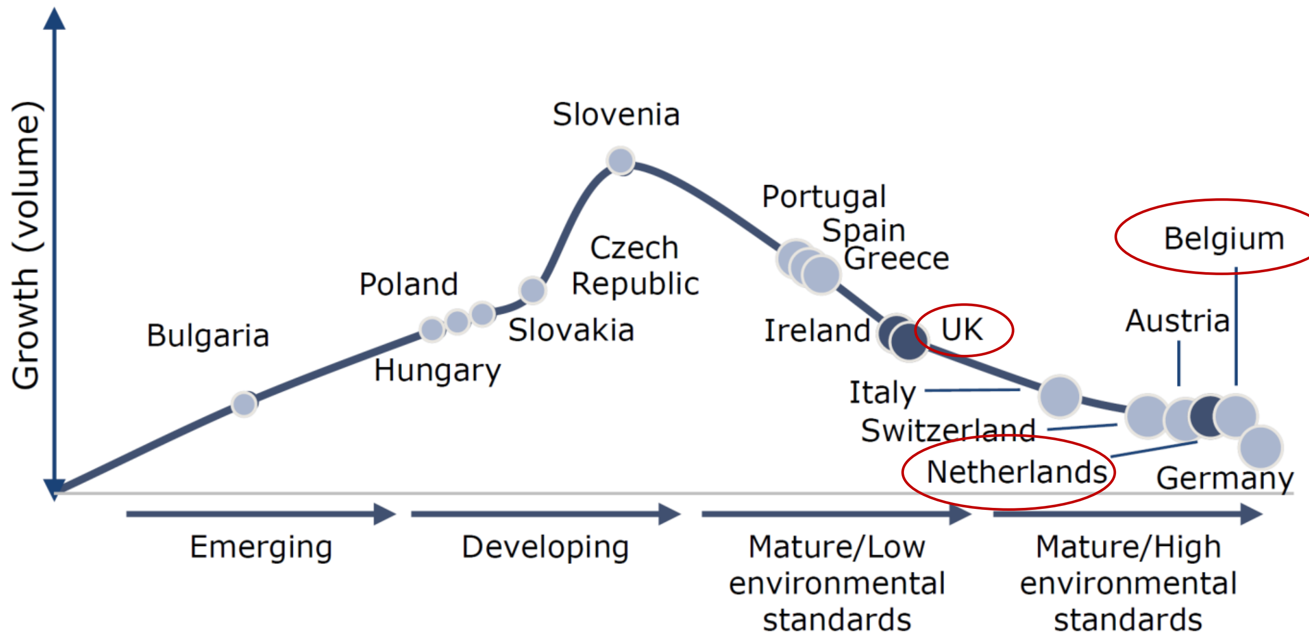
# 3. Selectively gain market share

**Over the longer term, Renewi intends to increase waste volumes selectively by:**

- growing share organically through excellent customer service and breadth of product offering
- tuck-in acquisitions where swiftly accretive
- expanding into new waste segments not currently served if market is attractive and Renewi can be advantaged
- geographic expansion

# APPENDIX
# Additional sustainability information

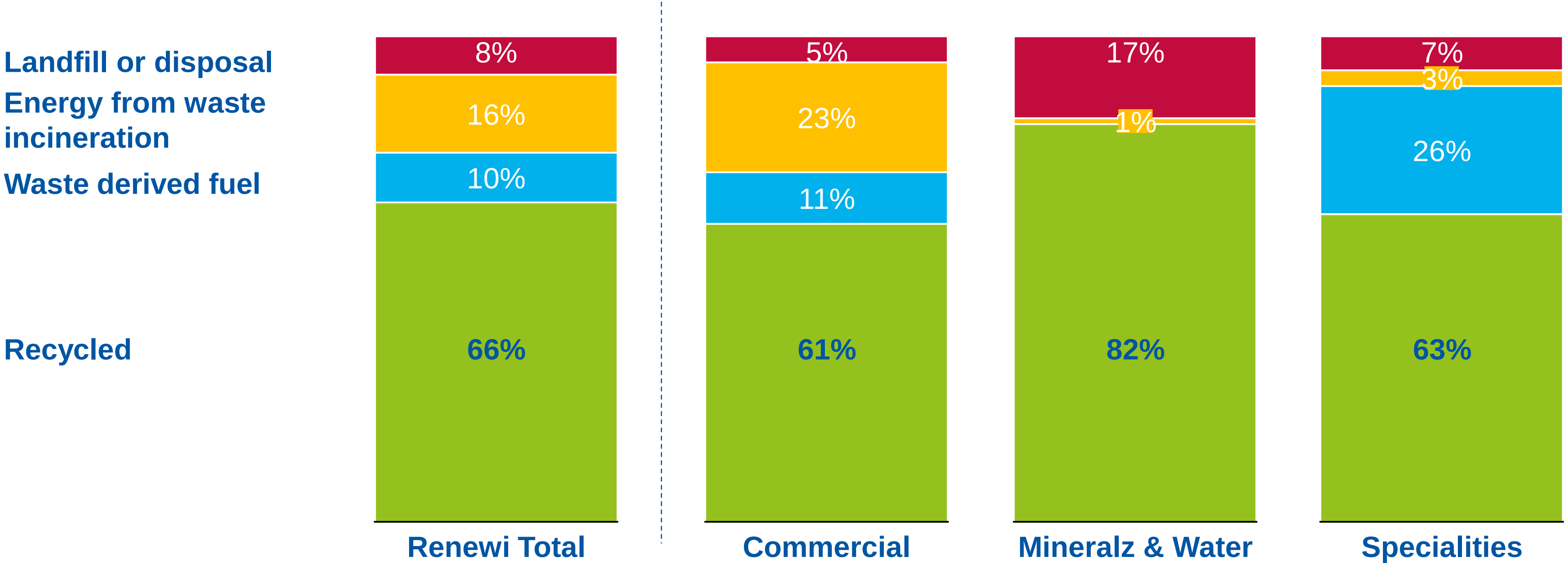
# Maturity of circular economies in Europe differs




**We operate in some of the most advanced circular economies**

Source: Eurostat, AFRY analysis

# Current recycling rate by Division




**Each division plays a role in improving our recycling rate**

Source: Renewi internal sustainability data

# Sustainability performance and targets

Enable the circular economy

Reduce carbon emissions and waste

Care for people

| Objective | Metric | Metric definition | FY20 Baseline | FY21 Result | FY20-FY25 | FY25 Target |
|---|---|---|---|---|---|---|
| Turn our customers' waste into new products | Recycling rate | *% of total waste handled* | 65% | **65.8%** | +10% points | **75%** |
| | Carbon Avoidance | *kg $CO_2$ per tonne waste handled* | 257 | **261** | +7% | **275** |
| | Innovative secondary materials | *tonnes* | 200,000 | **353,300** | 1 M | **1 M** |
| Be a leader in clean and green waste collection | Carbon intensity of collection | *kg $CO_2$ per tonne waste collected* | 10.04 | **9.84** | -10% | **< 9** |
| | Share of clean-emission trucks | *% Euro 6 trucks of total fleet* | 48.5% | **60.9%** | doubled | **100%** |
| | Zero-Emission trucks | *number* | 0 | **2** | 65 | **65** |
| Reduce the carbon impact of our operations | Carbon intensity of our sites | *kg $CO_2$ per tonne waste handled* | 10.47 | **11.10** | -10% | **< 9.42** |
| | Renewable energy used on site | *% renewable electricity of total* | ~15% | **15.8%** | +10% points | **25%** |
| | Hybrid or electric lease cars | *% PHEV vehicles out of total* | 12.5% | **23.7%** | +27.5% points | **40%** |
| Positively impact our communities | Community engagement | *Number of projects annually* | ~150 | **NA** | +20% | **180** |
| | Community feedback | *comments per site annually* | 2.7 | **2.2** | -25% | **2** |
| | Community impact events | *Number of events per site pa* | 43 | **28** | -50% | **21** |
| Deliver people home safe and well, every day | >3 day accident rate | *# of >3 day accidents per 100k* | 1504 | **1,495** | -60% | **600** |
| | Safety training | *% employees trained annually* | N/a | **~25** | 100% | **100%** |
| | Employee mood | *'mood' score in Pulse* | 7.2 | **7.3** | +5% | **7.5** |
| | Healthy at work rate | *% healthy employees* | 94.8% | **95.1%** | +1.2% point | **96%** |
| Make Renewi a rewarding, diverse and inclusive working environment | Employee engagement | *eNPS score in pulse survey* | +14 | **+21** | doubled | **+30** |
| | Employee development | *avg. annual # training hours* | ~10 | **~10** | +60% | **16** |
| | Females in higher management | *% of all employees* | 23% | **21%** | +7% point | **30%** |

# APPENDIX
# Additional financial and operational information

# Income Statement

| | FY21 €m | FY20 €m | Change €m | Change % |
|---|---|---|---|---|
| **Revenue** | **1,693.6** | **1,775.4** | **(81.8)** | **-5%** |
| **Underlying EBITDA** | **195.7** | **199.7** | **(4.0)** | **-2%** |
| **Underlying EBIT** | **73.0** | **87.6** | **(14.6)** | **-17%** |
| Net Interest | (27.2) | (34.4) | | |
| Income from associates and JVs | 1.6 | 0.9 | | |
| **Underlying profit before tax** | **47.4** | **54.1** | **(6.7)** | **-12%** |
| Non-trading and exceptional items | (29.2) | (113.5) | 84.3 | |
| Profit (loss) before tax from continuing operations | 18.2 | (59.4) | 77.6 | |
| Taxation | (7.2) | (1.1) | | |
| Profit (loss) after tax from continuing operations | 11.0 | (60.5) | 71.5 | |
| Discontinued operations | - | (16.6) | | |
| Profit (loss) for the year | 11.0 | (77.1) | 88.1 | |
| **Ongoing operations:** | | | | |
| Underlying earnings per share (cents) | 4.5 | 3.9 | 0.6 | 15% |
| Basic earnings per share (cents) | 1.4 | (4.2) | 5.6 | |
| **Continuing operations:** | | | | |
| Underlying earnings per share (cents) | 4.5 | 5.1 | (0.6) | -12% |
| Basic earnings per share (cents) | 1.4 | (7.7) | 9.1 | |

renewi waste no more

# Summary Balance Sheet

| | FY21 €m | FY20 €m |
|---|---|---|
| Goodwill & other intangibles | 602.2 | 610.1 |
| Tangible fixed assets | 560.7 | 584.0 |
| Right-of-use assets | 233.8 | 215.9 |
| Non-current PPP financial assets | 142.4 | 141.8 |
| Non-current trade and other receivables | 4.1 | 3.1 |
| Investments | 17.2 | 15.6 |
| Pension surplus | - | 16.0 |
| Non-current assets | 1,560.4 | 1,586.5 |
| Investments | 10.2 | 9.0 |
| Working capital | (277.9) | (241.2) |
| Current PPP financial assets | 6.7 | 6.0 |
| Provisions | (291.3) | (290.1) |
| Other non-current liabilities | (54.4) | (7.1) |
| Core net debt | (343.6) | (457.2) |
| IFRS 16 lease liabilities | (236.7) | (211.7) |
| PPP non-recourse net debt | (87.8) | (90.0) |
| Derivative financial liabilities | (16.4) | (35.9) |
| Pension deficit | (11.4) | (7.5) |
| Taxation | (14.7) | (25.5) |
| **Net Assets** | **243.1** | **235.3** |

# Segmental Analysis

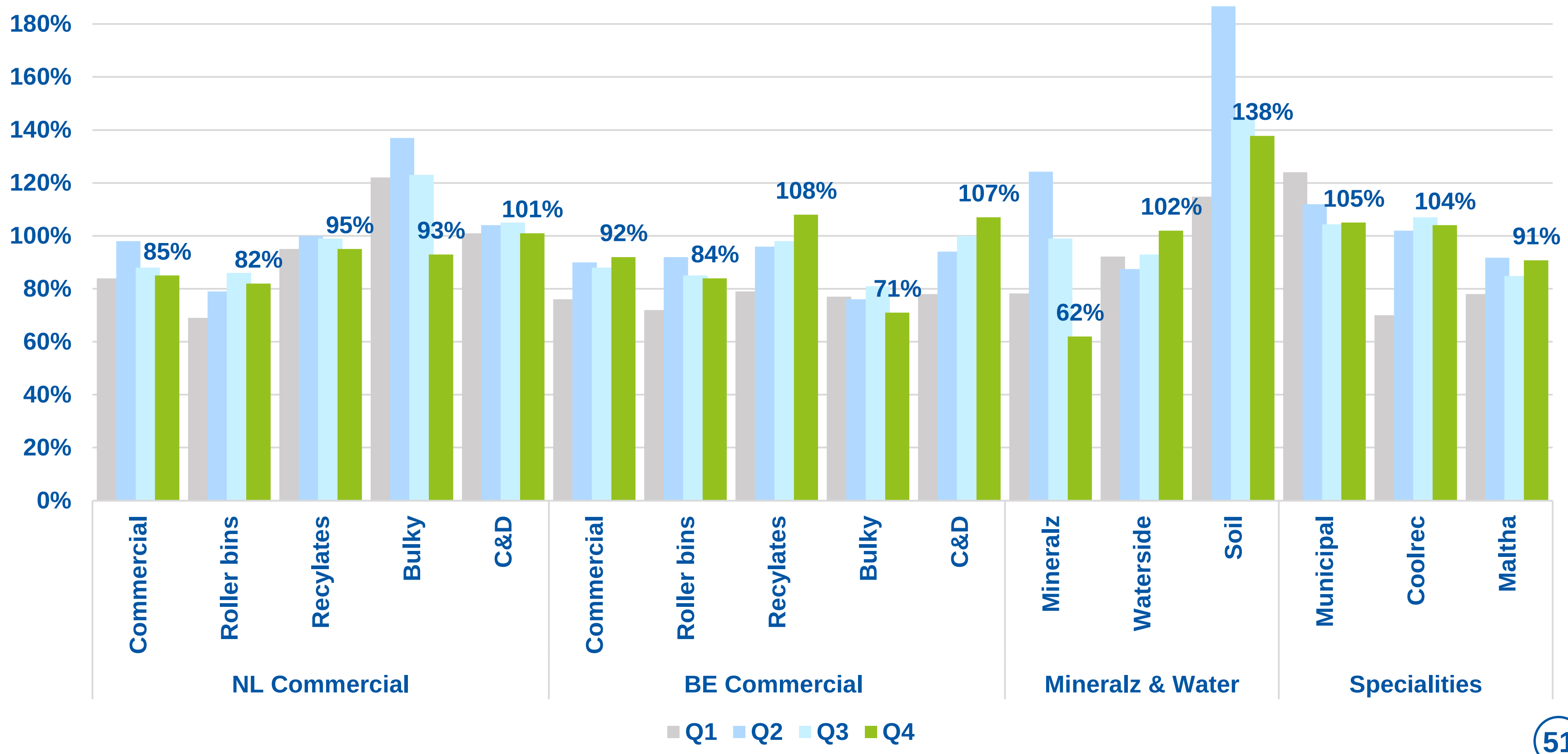
| | FY21 €m | FY20 €m | Change % | FY21 €m | FY20 €m | Change % | FY21 €m | FY20 €m | Change % |
|---|---|---|---|---|---|---|---|---|---|
| | Revenue | | | Underlying EBITDA | | | Underlying EBIT | | |
| Commercial Waste | **1,240.6** | 1,250.2 | -1% | **166.4** | 160.5 | 4% | **76.8** | 78.6 | -2% |
| Mineralz & Water | **182.8** | 151.6 | 21% | **15.0** | 18.7 | -20% | **0.3** | 5.6 | -95% |
| Specialities | **300.8** | 323.2 | -7% | **12.0** | 8.1 | 48% | **2.4** | (1.3) | N/A |
| Group central services | **-** | - | | **2.3** | 0.3 | N/A | **(6.5)** | (7.4) | 12% |
| Inter-segment revenue | **(30.6)** | (28.0) | | **-** | - | | **-** | - | |
| **Ongoing Businesses** | **1,693.6** | 1,697.0 | 0% | **195.7** | 187.6 | 4% | **73.0** | 75.5 | -3% |
| Reym | **-** | 78.4 | | **-** | 12.1 | | **-** | 12.1 | |
| **Continuing Operations** | **1,693.6** | 1,775.4 | -5% | **195.7** | 199.7 | -2% | **73.0** | 87.6 | -17% |

# Commercial Waste

| | FY21 €m | FY20 €m | Change €m | % |
|---|---|---|---|---|
| Revenue | | | | |
| Netherlands Commercial | 828.4 | 812.6 | 15.8 | 2% |
| Belgium Commercial | 412.9 | 439.1 | (26.2) | -6% |
| Intra-segment revenue | (0.7) | (1.5) | 0.8 | |
| **Total Revenue** | **1,240.6** | **1,250.2** | **(9.6)** | **-1%** |
| Underlying EBITDA | | | | |
| Netherlands Commercial | 113.9 | 104.4 | 9.5 | 9% |
| Belgium Commercial | 52.5 | 56.1 | (3.6) | -6% |
| **Total Underlying EBITDA** | **166.4** | **160.5** | **5.9** | **4%** |
| Underlying EBITDA Margin | | | | |
| Netherlands Commercial | 13.7% | 12.8% | | |
| Belgium Commercial | 12.7% | 12.8% | | |
| **Total Underlying EBITDA Margin** | **13.4%** | **12.8%** | | |
| Underlying EBIT | | | | |
| Netherlands Commercial | 53.7 | 49.4 | 4.3 | 9% |
| Belgium Commercial | 23.1 | 29.2 | (6.1) | -21% |
| **Total Underlying EBIT** | **76.8** | **78.6** | **(1.8)** | **-2%** |
| Underlying EBIT Margin | | | | |
| Netherlands Commercial | 6.5% | 6.1% | | |
| Belgium Commercial | 5.6% | 6.6% | | |
| **Total Underlying EBIT Margin** | **6.2%** | **6.3%** | | |
| Return on operating assets | | | | |
| Netherlands Commercial | 15.7% | 13.1% | | |
| Belgium Commercial | 24.2% | 25.4% | | |
| **Total Return on operating assets** | **17.6%** | **15.9%** | | |

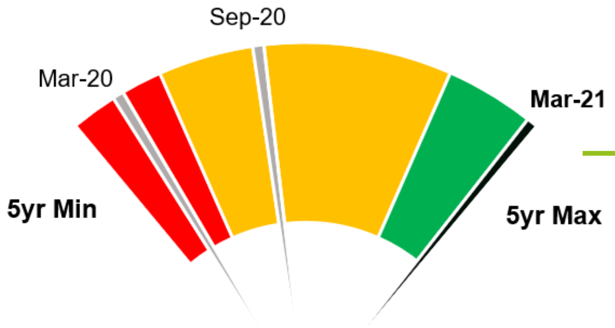
The return on operating assets excludes all landfill related provisions

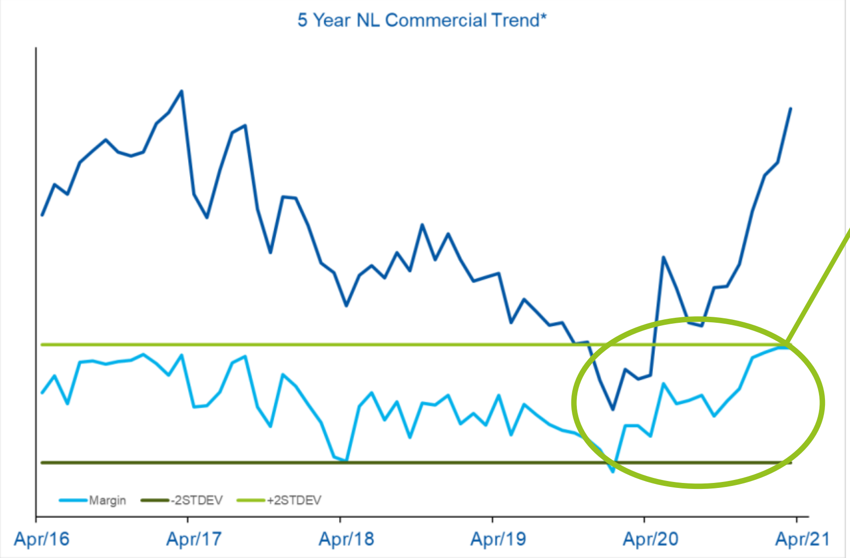
# Sub divisional Covid-19 impact on activity



# APPENDIX
# Additional recyclate information

# Market Drivers – Paper Prices




Paper prices approached all time highs in March 2021 driven by shortage of supply during Covid-19 lockdown measures

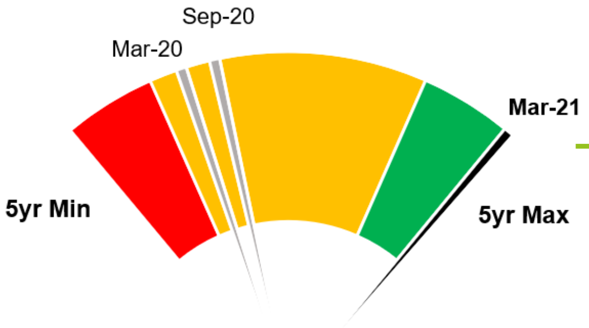
**Impact of Movement in Price (10€)**

| | Vol kT | Gross €M | Net €M |
|---|---|---|---|
| NL Commercial | 310 | 3.1 | 0.9 |
| BE Commercial | 145 | 1.4 | 0.4 |
| Mineralz & Water | | N/A | N/A |
| Specialities | 20 | 0.2 | 0.2 |
| | **474** | **4.7** | **1.5** |

Approximately 70% of gross impact coming from price movements is mitigated by dynamic pricing

*Internal Data

# Market Drivers – Metal Prices





Metal prices have risen sharply during the second half of the year to reach all time highs

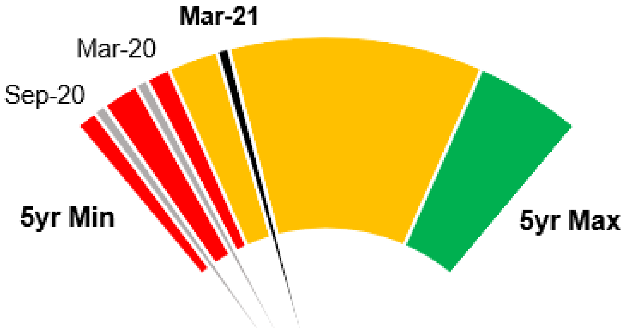
**Impact of Movement in Price (10€)**

| | Vol kT | Gross €M | Net €M |
|---|---|---|---|
| NL Commercial | 110 | 1.1 | 0.6 |
| BE Commercial | 37 | 0.4 | 0.1 |
| Mineralz & Water | 45 | 0.5 | 0.4 |
| Specialities | 18 | 0.2 | 0.2 |
| | **210** | **2.2** | **1.3** |

Approximately 40% of gross impact coming from price movements is mitigated by dynamic pricing

*Internal Data

# Market Drivers – Plastics Prices





Prices have increased significantly in the second half of the year

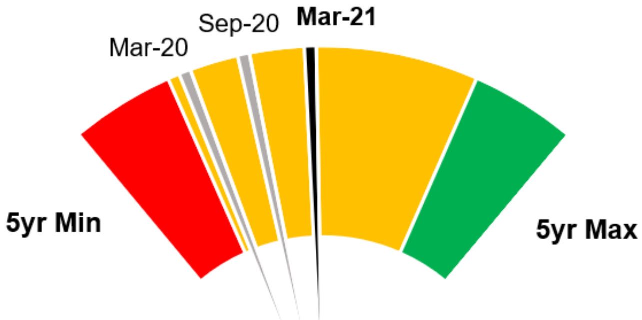
**Impact of Movement in Price (10€)**

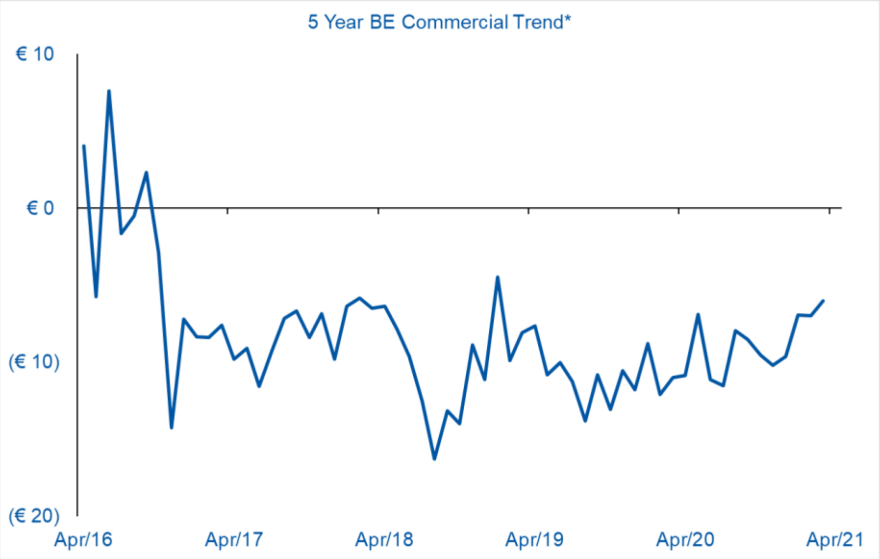
| | Vol kT | Gross €M | Net €M |
|---|---|---|---|
| NL Commercial | 41 | 0.4 | 0.1 |
| BE Commercial | 26 | 0.3 | 0.1 |
| Mineralz & Water | | N/A | N/A |
| Specialities | 36 | 0.4 | 0.2 |
| | **103** | **1.1** | **0.4** |

Approximately 60% of gross impact coming from price movements is mitigated by dynamic pricing

*Internal Data

# Market Drivers – Wood Prices




Wood offtake price remains a cost albeit relatively stable

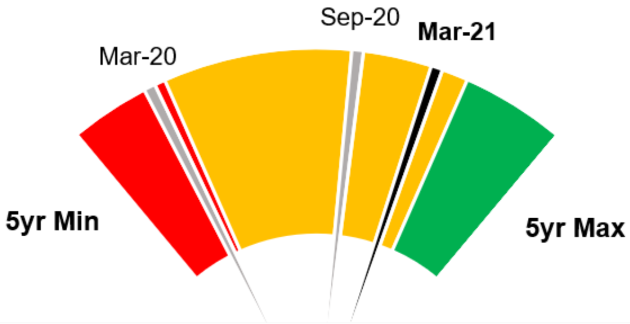
**Impact of Movement in Price (5€)**

| | Vol kT | Gross €M | Net €M |
|---|---|---|---|
| NL Commercial | 580 | 2.9 | 0.6 |
| BE Commercial | 264 | 1.3 | 1.3 |
| Mineralz & Water | | NM | NM |
| Specialities | | NM | NM |
| | **844** | **4.2** | **1.9** |

Approximately 50% of gross impact coming from price movements is mitigated by dynamic pricing

- Internal Data, only quarterly data available before Jan 2016
- NM – Not Material

# Market Drivers – Electricity Prices





After a 5 year high in FY19, energy prices reached a 5 year low in May 2020, recovering significantly since then

| Impact of 10% Movement | |
|---|---|
| | **€M** |
| NL Commercial | 0.4 |
| BE Commercial | 0.2 |
| Mineralz & Water | N/A |
| Specialities | NM |
| | **0.6** |

- Internal Data, only quarterly data available before Jan 2016
- NM – Not Material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waste no more