Renewi plc

Half Year Results

Six months ended 30 September 2023

Thursday 9 November 2023

Today's agenda

Performance summary	Otto de Bont
Group and divisional performance	Annemieke den Otter
Short and medium term growth	Annemieke den Otter
Strategic outlook	Otto de Bont
Q&A	

Otto de Bont
Chief Executive Officer

Annemieke den Otter
Chief Financial Officer

Performance summary

Otto de Bont

HY24 summary: resilient performance in challenging markets

Financial performance in line with previous guidance

- Stable revenue performance (-2% vs 1H23) supported by:
  - Strong pricing for waste offsetting inflation
  - Ongoing strong performance by Coolrec & Maltha
- Decline in underlying EBIT as expected driven by:
  - Normalisation of recyclate prices (-20%)
  - Lower core volumes in Commercial Waste NL (-6%)

Continued strategic and operational momentum

- Two new production lines commissioned
- M&W recovery showing tangible results
- Actively progressing on strategic priorities announced at our Capital Markets Day
  - UK Municipal strategic review on track
  - Implementation of SG&A cost optimisation programme well underway
- Attractive growth opportunities underpinned by supporting customers on their sustainability journey

Challenging market environment in near term; medium tailwinds remain

Near term headwinds

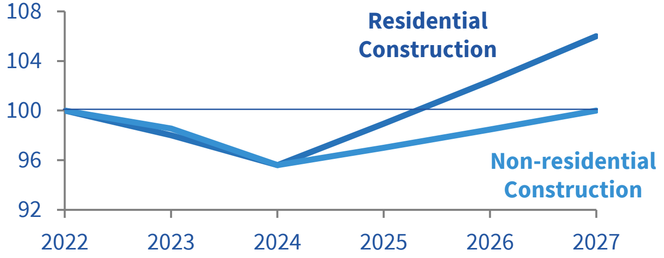
- Economic environment, including high inflation and high interest rates
- Construction & demolition market in the Netherlands affected by strict regulation on nitrogen deposition
- Recyclate prices have normalised since HY23

5 Year Paper Trend[1]

Strong medium-term outlook supported by tailwinds

- EU pushes circular economy agenda with Circular Economy Action Plan
- EU agenda increasingly adopted in NL and BE, with recycling content targets announced
- Construction to benefit from a persistent housing shortage and energy efficiency driven renovations

Construction in the Netherlands
(indexed to 2022)[2]



[1] Internal data Renewi
[2] Economisch Instituut voor de Bouw (EIB), 2023

Continued delivery on strategic and operational goals

Theme	Delivery over last years
Profitability	• Improved structural profitability across all segments • Successfully delivered €20m of cost savings through Renewi 2.0 initiative
Recycling optimisation	• Improved recycling rate to 64% in FY23 • Investment in new state-of-the-art recycling lines driving further improvement potential
Portfolio management	• Turn-around of Maltha and Coolrec • Delivering on M&W recovery • Progressing UK Municipal strategic review
Cash generation / deleveraging	• Leverage reduced from 3.1x in FY19 to 2.1x HY24

Helping our customers to improve their sustainability performance

Commercial Waste Belgium secured a large contract with Total Energies

- Contract value of €50m
- Duration: minimum 5 years, plus extension possible
- All waste streams, including hazardous waste and commercial waste
- Won on combination of full-service offering, sustainability and price

Commercial Waste Netherlands won a large contract with Ministry of Defence

- Contract value of €25m
- Duration: minimum 5 years, plus extension 2 x 1 year
- Won on quality and sustainability (electric trucks)

M&W signed a large contract with Van de Beeten/CHR

- Contract to sell 100-200k tonnes of Forz-sand
- Creating consistent outlet for sand; filler and gravel already secured
- Won on quality consistency and sustainability impact (low carbon footprint)

Three priorities on our way to growth

1

Optimise our portfolio

Fix legacy portfolio issues

- Exit UK Municipal
- Drive M&W profitability

Continue to strengthen the core portfolio

2

Build a strong platform for growth

- Step change improvement
  - Margin
  - Free cash flow
  - Return on capital employed
- Clear targets set for next 2-3 years
- Clear and effective capital allocation policy geared towards growth and shareholder returns

3

Capitalise on sector growth momentum

- Drive organic growth
  - Market share
  - Advanced treatment
  - Expand capacity
- Deliver on 5-year plan
  - >5% organic growth towards €2.5bn revenue
  - high single digit margin

+

Bolt-on acquisitions in medium term

=

€3bn revenue opportunity

Group Performance

Annemieke den Otter

Income Statement

Price increases have largely offset volume pressure and lower recyclate prices

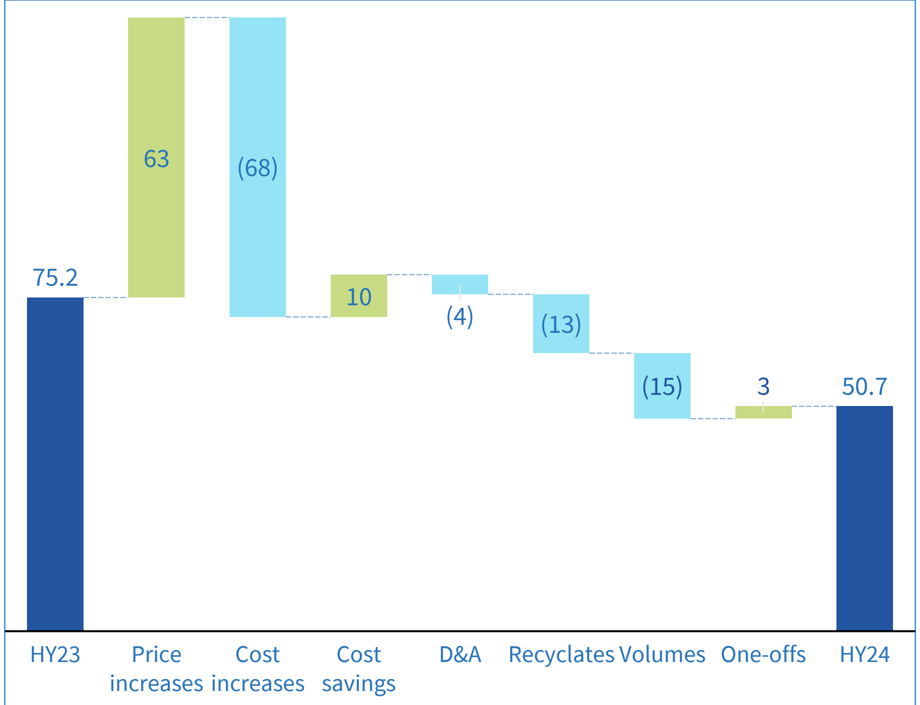
	HY24 €m	HY23 €m	Change €m	Change %
Revenue	**937.1**	**952.0**	**(14.9)**	**-2%**
Operating profit	**64.1**	**83.6**	**(19.5)**	**-23%**
Underlying EBITDA	**113.6**	**131.9**	**(18.3)**	**-14%**
Underlying EBIT	**50.7**	**75.2**	**(24.5)**	**-33%**
Net Interest	(19.8)	(13.6)		
Income from associates and JVs	0.4	-		
Underlying profit before tax	**31.3**	**61.6**	**(30.3)**	**-49%**
Non-trading and exceptional items	14.1	10.0	4.1	
Profit before tax	45.4	71.6	(26.2)	
Taxation	(10.1)	(18.2)		
Profit for the period	35.3	53.4	(18.1)	
Underlying earnings per share (cents)	27	56	(29)	-52%
Basic earnings per share (cents)	42	66	(24)	

- Revenue driven by price increases, volume pressure in Commercial Waste Netherlands and rebased recyclate prices
- Underlying EBIT reflects rebased recyclate prices and lower volumes in the Netherlands
- Higher depreciation due to new trucks delivered in second half of FY23
- Increase in interest cost due to higher borrowings related to the acquisition of Renewi Westpoort and investments in growth projects Ghent (advanced sorting) and Acht (plastics)
- Underlying effective tax rate in line with FY23 at 27%

EBIT in H1 impacted by softer demand

Second half significantly better due to cost measures and M&W recovery

EBIT impacted by volumes and recyclates

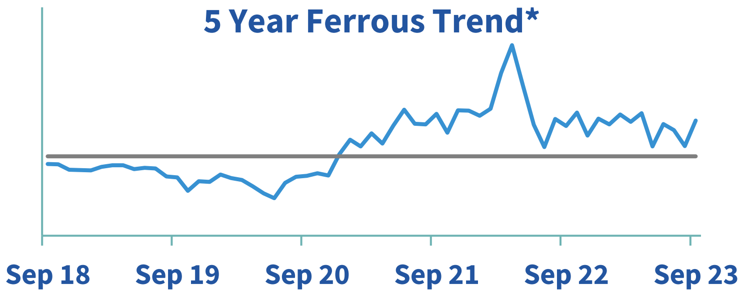


- Cost inflation mitigated by pricing discipline and cost savings including R2.0
- Underlying EBIT lower due to
  - Volume pressure in CWNL
  - Slow Q1 M&W with strong Q2 performance
  - Normalisation of recyclate prices from last year's record highs
- SG&A cost-saving programme under way
  - Works council process progressing well
  - On track to execute on December 1st 2023
  - Impacting 160 FTE, both temps and own staff, leading to a cost-out of €15m on run rate basis
  - Restructuring costs expected to be c€5m
- Commercial action taken to regain volumes whilst maintaining pricing discipline

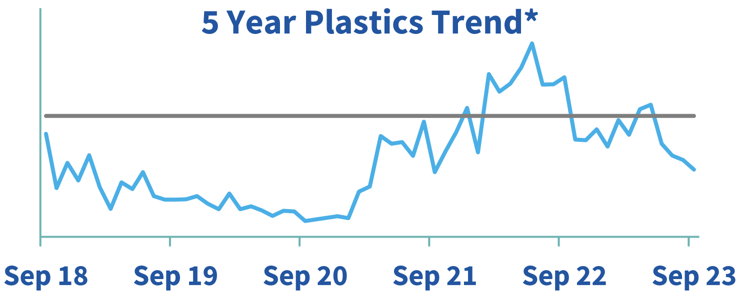
Recyclate prices close to historic averages

Dynamic pricing mitigates EBIT impact providing a c.65% hedge

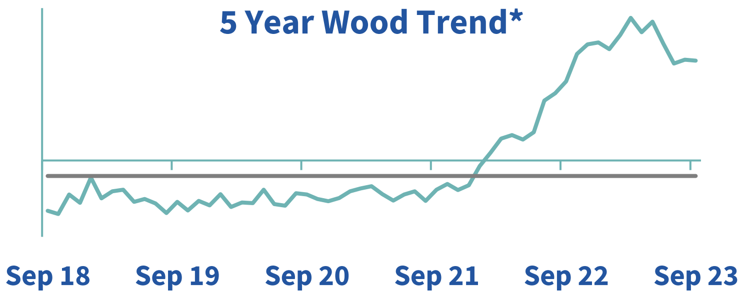
	Vol kT	Dynamic %	Gross €m	Net €m
Impact of €10 price movement	650	74%	6.5	1.7



	Vol kT	Dynamic %	Gross €m	Net €m
Impact of €10 price movement	175	42%	1.8	1.0



	Vol kT	Dynamic %	Gross €m	Net €m
Impact of €10 price movement	120	67%	1.2	0.4

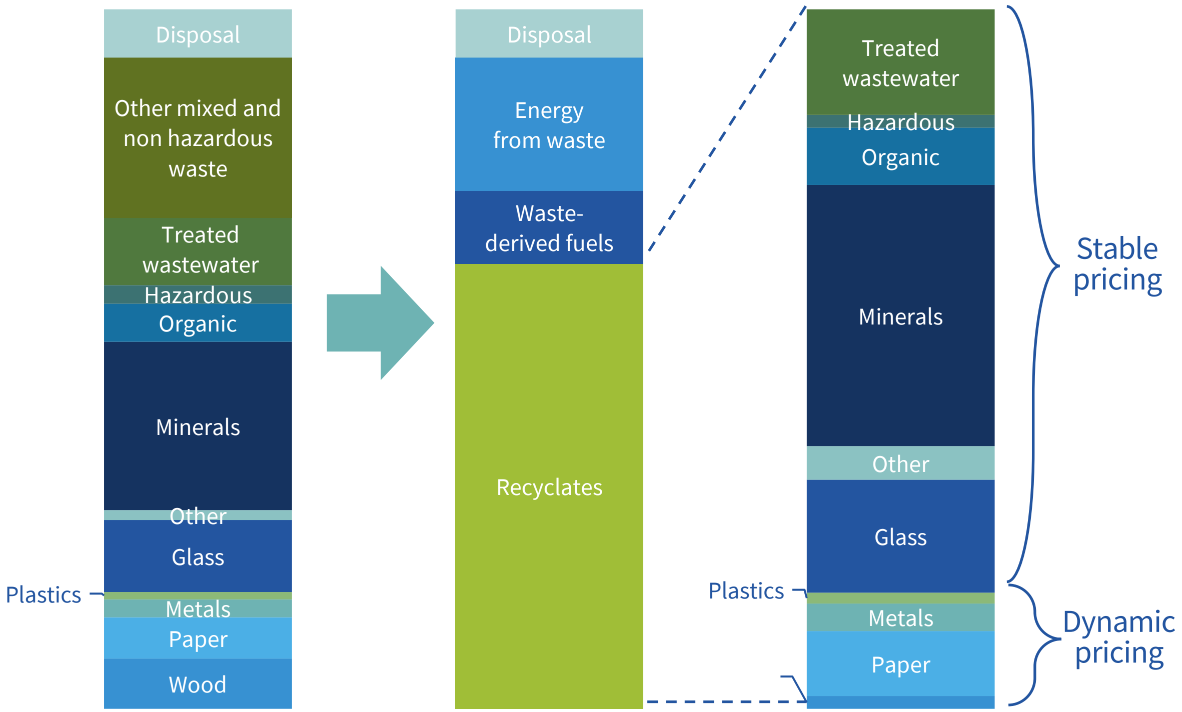


	Vol kT	Dynamic %	Gross €m	Net €m
Impact of €5 price movement	780	50%	3.9	2.0

* Internal data — Pre-Covid five-year average

Most recycled materials have stable prices

Focus on quality of secondary materials will further limit volatility



- Of the 11mT processed, 63.6%/7mT is recycled (FY23)
- Just over 1mT relates to metals, paper, wood and plastics which have prices that fluctuate over time
- The larger part of metals, paper, wood and plastics volatile recyclates are subject to dynamic pricing – meaning movements up and down are passed through to the waste producing customer, effectively providing a c.65% hedge
- High quality materials less sensitive to pricing movements
- Pricing for the remaining 10mT is relatively stable

Group cash flow

Remaining legacy issues solved in next 12-18 months, working capital improved

	HY24 €m	HY23 €m
Underlying EBITDA	113.6	131.9
Working capital movement	5.2	(26.0)
Movement in provisions and other	(4.2)	(3.9)
Net replacement capital expenditure	(41.4)	(35.0)
Repayments of obligations under lease liabilities	(25.4)	(22.8)
Interest and loan fees	(17.8)	(14.1)
Tax	(5.9)	(7.9)
Adjusted free cash flow	**24.1**	**22.2**
Deferred Covid taxes	(9.7)	(9.9)
Offtake of ATM soil	(1.0)	(1.1)
UK Municipal contracts	(9.8)	(7.1)
Renewi 2.0 and other exceptional spend	(1.6)	(2.2)
Other	(3.6)	(6.3)
Free cash flow	**(1.6)**	**(4.4)**
Growth capital expenditure	(15.9)	(16.0)
Acquisitions net of disposals	1.6	(60.1)
Total cash flow	**(15.9)**	**(80.5)**
Free cash flow/EBITDA conversion	**-1.4%**	**-3.3%**

Adjusted Free cash flow

- Lower EBITDA offset by better working capital
- Higher replacement capex includes accretive investments in Maltha and roll-out of our safety traffic plan
- Higher interest due to fees related to RCF extension and higher debt position; 81% of core net debt is fixed rate

Free cash flow/EBITDA conversion

- During H1 outflow of €21m as a result of legacy issues

Total cash flow

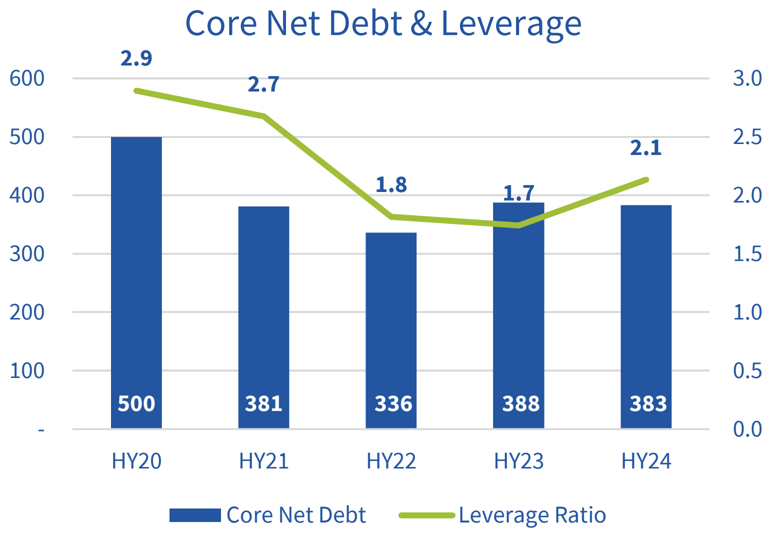
- €15.9m relating to growth capex projects in Ghent (advanced sorting facility) and Acht (hard plastics facility)

Resolving legacy issues

- UK strategic review on track
- Remaining Covid taxes of €20m to be repaid over next 12 months
- Legacy soil offtake expected to be solved over next 12-18 months

Healthy balance sheet with €300m liquidity headroom

Deleveraging as part of divestments of non-core assets and working capital discipline



Debt Facilities	Rate Type	Rate	€705m	Maturity
Revolving credit facility	Floating	Floating	€400m	2028
2027 Bond	Fixed	3.0%	€125m	2027
2024 Bond	Fixed	3.0%	€75m	2024
EUPP	Fixed	2.3% - 4.7%	€70m	2023 - 2029
Other loans	Fixed	3.6% - 4.2%	€35m	2027 - 2032
Total Facilities			**€705m**	

- Green Finance Framework facilities of over €700m
- Circa €300m of available liquidity headroom, with only €125m drawn under the RCF
- Revolving credit facility extended in August 2023 with 5+1+1 years, including an option for an additional €150m accordion
- RCF based on EURIBOR plus margin grid based on leverage and green KPI performance
- Average cost of fixed debt is 3.3% and average maturity is 5.6 years
- Board target to remain at a leverage of 2x

Divisional performance

Annemieke den Otter

Commercial - Netherlands

Lower volumes and rebased recyclates have led to strong cost action

	HY24 €m	HY23 €m	Change €m	Change %
Revenue	**457.3**	**459.7**	**(2.4)**	**-1%**
Underlying EBIT	**25.8**	**40.3**	**(14.5)**	**-36%**
Underlying EBIT Margin	5.6%	8.8%		-320bp
Operating profit	**25.7**	**40.3**	**(14.6)**	**-36%**
Return on operating assets	14.4%	24.3%		-990bp

- Revenue underpinned by price increases offsetting volume decline in C&D and commercial waste and normalised recyclate prices
- Inflationary pressure on cost offset by price increases, cost actions to drive margin improvement in second half and beyond
- Hard plastics sorting line in Acht has started commissioning with strong operational results
- Key customer wins (e.g. Ministry of Defence) underlining the strength of our circular proposition, helping customers drive down residual waste

Commercial - Belgium

Maintained double digit margins due to stabilised volumes and cost discipline

	HY24 €m	HY23 €m	Change €m	Change %
Revenue	**237.5**	**236.3**	**1.2**	**1%**
Underlying EBIT	**24.5**	**28.1**	**(3.6)**	**-13%**
Underlying EBIT Margin	10.3%	11.9%		-160bp
Operating profit	**24.1**	**28.2**	**(4.1)**	**-15%**
Return on operating assets	34.4%	51.8%		-1,740bp

- Stable revenue, with volumes turning to slight growth during back-end of H1
- Impact of recyclate prices largely offset by tight cost control, keeping double digit margins
- Commercial successes with large new customers including TotalEnergies
- Advanced sorting facility in Ghent successfully commissioned and ramping up
- Advanced sorting in Puurs will be pushed back into 2024 as enforcement of legislation is maturing

Mineralz & Water

Increased throughput driving strong Q2 performance; slow start in Q1

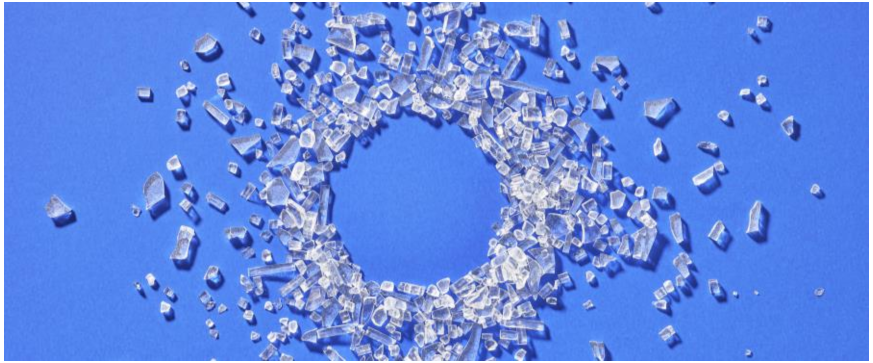
	HY24 €m	HY23 €m	Change €m	Change %
Revenue	**88.4**	**93.3**	**(4.9)**	**-5%**
Underlying EBIT	**1.5**	**2.6**	**(1.1)**	**-42%**
Underlying EBIT Margin	1.7%	2.8%		-110bp
Operating profit	**9.5**	**11.0**	**(1.5)**	**-14%**
Return on operating assets	-0.9%	7.3%		-820bp

- M&W results at the start of year impacted by annual maintenance stops being pulled forward into the year, but showing strong performance during the second quarter
- Focus on transition to building materials is progressing well, with commercial contracts for the new ForzSand
- Volumes at waterside stable with good margins, but mix of inflow has been less favourable compared to last year
- Offtake of TGG ongoing, with the earlier announced additional contract expected to start in the next 6 months

Specialities

Record performance by Maltha, UK business stable

	HY24 €m	HY23 €m	Change €m	Change %
Revenue	**178.7**	**186.3**	**(7.6)**	**-4%**
Underlying EBIT	**10.3**	**11.3**	**(1.0)**	**-9%**
Underlying EBIT Margin	5.8%	6.1%		-30bp
Operating profit	**17.0**	**10.5**	**6.5**	**62%**
Return on operating assets	31.5%	35.8%		-430bp



	HY24 €m	HY23 €m	Change €m	%
Revenue				
UK	92.8	110.0	(17.2)	-16%
Coolrec & Maltha	85.9	76.3	9.6	13%
Total Revenue	**178.7**	**186.3**	**(7.6)**	**-4%**
Underlying EBIT				
UK	1.8	3.0	(1.2)	-40%
Coolrec & Maltha	8.5	8.3	0.2	2%
Total Underlying EBIT	**10.3**	**11.3**	**(1.0)**	**-9%**
Underlying EBIT Margin				
UK	1.9%	2.7%		-80bp
Coolrec & Maltha	9.9%	10.9%		-100bp
Total Underlying EBIT Margin	**5.8%**	**6.1%**		-30bp

- Excellent performance from Maltha and Coolrec continued, albeit Coolrec somewhat impacted by lower plastics prices
- Efficient operational performance of UK Municipal with strategic review on track

Short & medium term growth

Annemieke den Otter

Building a strong platform for growth

HY performance impacted by headwinds; cost and commercial actions to lead to significantly better H2

KPI	FY20	FY23	Medium term target
Underlying EBIT margin	4%	7%	High single digit
Free Cash Flow/EBITDA conversion*	12%	10%	>40%
ROCE	6%	11%	>15%
Organic annual revenue growth**	2%	1%	>5%

* Cash flow before dividends, growth projects and M&A
** FY23 revenue growth including Westpoort acquisition

FY24 guidance and focus points

Stable revenue and significantly improved margins in second half

Revenue

- Revenue stable for the full year
- H2 revenue will be supported by pricing and volumes
- Moderate volume recovery within commercial waste and M&W ramp-up

Cost

- SG&A cost actions being executed, leading to €15m annualised cost reduction (without taking out capacity)
- Cost inflation from wages and energy passed through to customers

Cash

- Cash outflow of circa €30-35m for the full year
- Replacement capex of circa €80m, and growth capex of circa €30m
- Last year of full Covid tax repayments, TGG offtake and UK strategic review on track

FY24

- FY24 EBIT in line with Board’s expectations, with cost actions and M&W ramp-up underpinning margin recovery in H2 and confident outlook for FY25
- With legacy issues largely solved in the coming period, dividend pay-out for FY24 confirmed

Strategic outlook

Otto de Bont

Our growth strategy

Leader in recycling

- Extend industry leading position to 75% recycling
- Divert more volumes from incineration
- Develop new recycling technologies and partnerships

Leader in low carbon secondary materials production

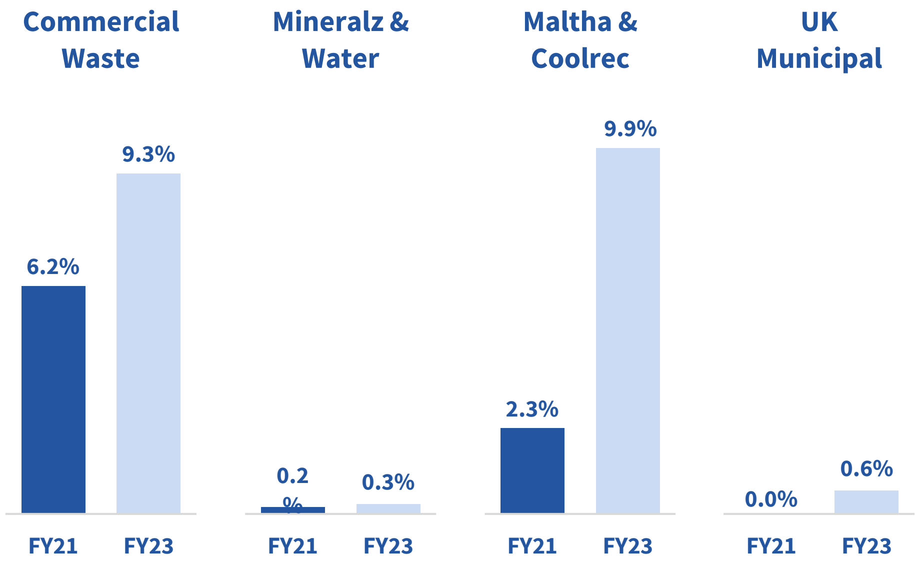
- Invest in advanced technology to produce high quality low carbon secondary materials replacing virgin sources

Grow market share

- Develop partnerships with leading companies
- Invest in advanced treatment capacity
- Offer superior customer propositions
- Consolidate market position over time

Our core portfolio is a strong platform for profitable growth

Improvements in Underlying EBIT margin



Commercial Waste – Our core business; improved growth prospects and strengthened margins.

Maltha & Coolrec – A key growth driver; strong businesses with good margins operating in very attractive niche markets.

M&W – Fundamentally attractive businesses; synergistic to the core business and operating model. Recovery plan underway.

UK Municipal – UK footprint and contracting model not synergistic with our core business. Business under strategic review.

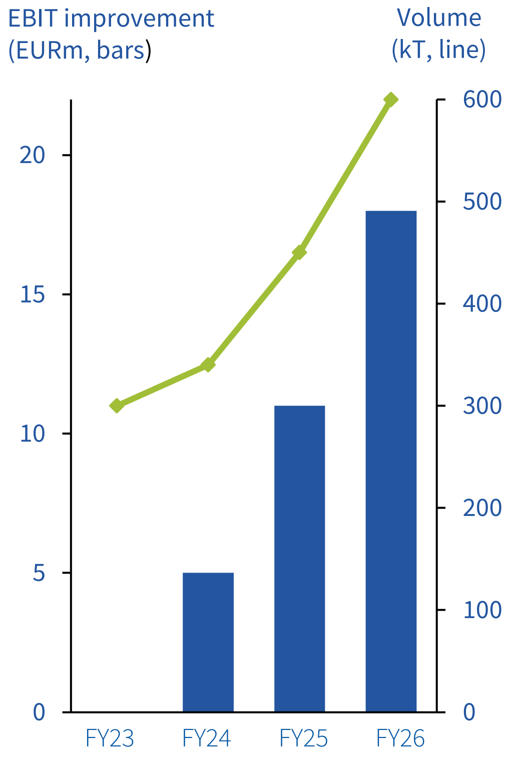
Driving M&W profitability with soil treatment

Key milestones achieved in soil treatment

- Converted our TRI line to produce building products instead of cleaned soil
- Improved quality and consistency of sand and filler to increase customer base
- Contracts signed enabling an increase in throughput to 450k tonnes pa
- Continued reduction of legacy TGG inventory

To further increase profitability, we will:

- On output: increase the quality of the filler and sand by adding additional steps in the production process with limited investment
- On throughput: increase from 50 tonnes/hr to 75 and beyond over the next years by optimising capacity of existing line
- On input: increase incoming volume of highly contaminated soil from 100k to 300k tonnes/year over the next years



Sectors contributing to organic growth

Construction & Demolition

Helping one of the highest carbon industries become more circular

€50m

Glass

Capitalising on the opportunity that glass in endlessly recyclable

€40m

Organics

Bringing carbon capture to the next level

€100m

Plastics

Providing answers to a big environmental and societal issue

€35m

Zero Waste Solutions

Enabling customers to a zero residual waste future

€50m

Represents €275m total revenue growth included in Five Year Plan

Demand for recyclates is expected to increase

Driven by favourable developments in regulation, market & consumer demand

GREENHOUSE GAS PROTOCOL

Regulation

- 50% reduction in material footprint by 2030
- Share of recycled content to shift to 60% by 2030
- Packaging to be made from 70% recycled materials by 2030

Market demand

- In companies' growing focus on ESG they are increasingly committing to more responsible production
- Following scope 1 and 2, scope 3 reporting will become mandatory for companies in Europe from 2025

Consumer demand

- Increasingly consumers want to engage with sustainable businesses
- They demand responsible production from companies and seek products with recycled contents

Source: Circular Economy Action Plan: European Union Taxonomy on a Circular Economy, Packaging Directive

2H rebound in progress, strategy in execution

FY24 in line with previous guidance

- Financial results expected to be stronger in H2, in line with expectations
  - Cost reduction programme largely mitigates volume weakness in the Netherlands
  - M&W recovery fuelled by higher production of sand, gravel and filler
- Strategic review of UK Municipal business underway
- Capital allocation for growth and shareholder returns, dividends resumed

Longer term outlook remains unchanged

- Strategy to deliver >5% organic sales growth
- Clear plan to achieve strong operating efficiency over next 2-3 years:
  - EBIT margin in high single digit
  - Cash conversion of >40%
  - ROCE of >15%
- Global consumer and regulatory trends provide positive growth tailwinds

Q&A

Contact

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renewi™

waste no more

Appendix

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Recycling plays a key role
in decarbonising our world and tackling climate change

Our society has the **highest level of consumption** ever

We use **more resources** than our planet can sustain

We generate **record levels of waste**

Majority of EU waste goes to **incineration (W2E) or landfill**

Reusing resources is one of the ways to decarbonise our world

Material usage
14,500 kg
kg per person per year in EU

Earth Overshoot Day
10 May
for all EU countries

Waste generation
>500 kg
per person per year in EU

Waste to incineration or landfill
>50%
in EU
(proxy municipal waste)

Source: Circularity Gap Report 2022 / Circularity Gap Report 2021

Renewi is at the heart of the circular economy

Our Purpose

To protect the world by giving new life to used materials

Our Vision

To be the leading waste-to-product company in Europe's most advanced circular economies

Renewi in numbers

Customers

150,000+
Customers

500,000
Containers and bins

2,000
Vehicles

Footprint

154
Operating sites

6,500+
Employees

5
Countries

Sustainability

63.6%
Recycling rate*

7.0mT
Low-carbon recyclate output

2.5mT
CO_2 avoided

FY23: €1.9b revenue and €133m underlying EBIT

* Percentage recyclates (7.0m tonnes) over all outgoing volumes (11.0m tonnes)

Strong value proposition

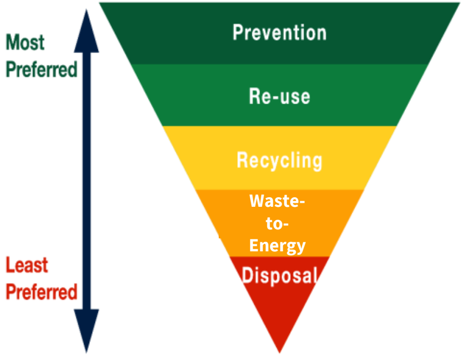
Advanced sorting and treatment	Examples
• Low carbon secondary materials	Glass cullets, plastics, Forz sand
• Bio-fuels and green electricity	Bio-LNG, green gas
• Feedstock for advanced third party treatment	Paper bales, chemical recycling
• Minimising residue going to W2E or landfill	

Collection arranged by	Examples
• Manufacturer scheme	Appliances
• Municipality	Glass, plastic, paper
• Customer (waste-producing)	Contaminated soil, water
• Renewi (collection with specialised vehicles)	Residual, C&D, green waste

Increasing focus on sorting and treatment,
with own logistics only when needed to secure feedstock

The leading pure-play recycling company

Renewi in the waste hierarchy



Renewi

- Pure-play recycler

Most large peers

- Typically own W2E activities
- Balancing utilisation of assets

Uniquely positioned

- Positioned in most attractive market segments
- Handful of public peers in Europe
- Market leader in the Benelux
- Leading environmental impact:
  - 2.5m tonnes of carbon avoidance
  - many ESG credentials (e.g. S&P 83/100, MSCI AA)

We are focused on maximising recycling rate and value
Competing with incineration and landfill

Segmental Analysis

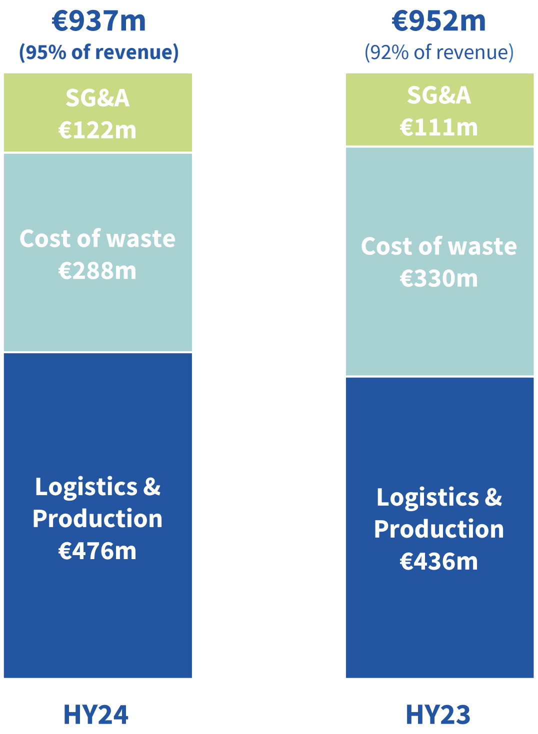
	HY24 €m	HY23 €m	Change %	HY24 €m	HY23 €m	Change %	HY24 €m	HY23 €m	Change %
	Revenue			Underlying EBIT			Operating Profit		
Commercial Waste	**693.3**	694.4	0%	**50.3**	68.4	-26%	**49.8**	68.5	-27%
Mineralz & Water	**88.4**	93.3	-5%	**1.5**	2.6	-42%	**9.5**	11.0	-14%
Specialities	**178.7**	186.3	-4%	**10.3**	11.3	-9%	**17.0**	10.5	62%
Group central services	**-**	-		**(11.4)**	(7.1)	-61%	**(12.2)**	(6.4)	-91%
Inter-segment revenue	**(23.3)**	(22.0)		**-**	-		**-**	-	
Total	**937.1**	**952.0**	**-2%**	**50.7**	**75.2**	**-33%**	**64.1**	**83.6**	**-23%**

Commercial Waste

	HY24 €m	HY23 €m	Change €m	%
Revenue				
Netherlands Commercial	457.3	459.7	(2.4)	-1%
Belgium Commercial	237.5	236.3	1.2	1%
Intra-segment revenue	(1.5)	(1.6)	0.1	
Total Revenue	**693.3**	**694.4**	**(1.1)**	**0%**
Underlying EBIT				
Netherlands Commercial	25.8	40.3	(14.5)	-36%
Belgium Commercial	24.5	28.1	(3.6)	-13%
Total Underlying EBIT	**50.3**	**68.4**	**(18.1)**	**-26%**
Operating Profit				
Netherlands Commercial	25.7	40.3	(14.6)	-36%
Belgium Commercial	24.1	28.2	(4.1)	-15%
Total Operating profit	**49.8**	**68.5**	**(18.7)**	**-27%**
Underlying EBIT Margin				
Netherlands Commercial	6%	9%		
Belgium Commercial	10%	12%		
Total Underlying EBIT Margin	**7%**	**10%**		
Return on operating assets				
Netherlands Commercial	14%	24%		
Belgium Commercial	34%	52%		
Total Return on operating assets	**19%**	**30%**		

Focus on cost management and efficiency

Effective pass through of cost inflation; cost reductions to be executed in H2



- Against high inflation, achieved a €15m (-1.6%) decrease in total cost base
- Increase in SG&A due to labour cost inflation and investments in digitisation; annual SG&A run rate for FY25 will be ca €15m lower as result of cost programme
- Cost of waste (e.g. gate fees) and 3rd party logistics largely variable with volumes
- Logistics & production cost impacted by higher energy costs (energy for FY24 largely fixed ahead in FY23; expected to come down in FY25)
- On-site generated energy as partial hedge against energy price volatility
- **Efficiency and digitisation offering further margin improvement**
- Mission75 to drive down spend on cost of waste (incinerator gate fees)
- Renewi 2.0 and digitisation to reduce SG&A and other cost categories

Exceptional items

	HY24 €m	HY23 €m
Renewi 2.0 improvement programme	(1.0)	(2.0)
Portfolio management activity	0.3	5.5
UK Municipal reassessment of onerous contract provisions	-	(8.9)
Changes in discount rate	17.1	15.3
Exceptional finance income	0.7	1.6
Amortisation of acquisition intangibles	(3.0)	(1.5)
Non-trading & exceptional items in profit before tax	**14.1**	**10.0**
Tax on non-trading & exceptional items	(1.6)	(1.9)
Total	**12.5**	**8.1**

- Total non-trading and exceptional items excluding tax was a €14.1 credit
- €1.0m of Renewi 2.0 costs to finalise the programme, which will deliver cost benefits at an annualised run rate of €20m in FY24
- Changes in discount rates for provisions reduced the balances by €17.1m
- €0.7m exceptional finance income relates to ineffectiveness of interest rate swaps

Summary Balance Sheet

	Sep 23 €m	Sep 22 €m
Goodwill & other intangibles	638.6	635.3
Tangible fixed assets	620.1	580.1
Right-of-use assets	245.2	232.9
Non-current PPP financial assets	122.2	127.2
Non-current trade and other receivables	3.7	4.3
Investments	15.8	15.7
Non-current assets	**1,645.6**	**1,595.5**
Investments	11.8	11.3
Working capital	(201.5)	(190.6)
Current PPP financial assets	7.4	7.7
Asset held for sale	0.6	1.5
Provisions	(319.5)	(327.6)
Other non-current liabilities	(22.0)	(25.3)
Core net debt	(383.2)	(387.7)
IFRS 16 lease liabilities	(241.1)	(228.3)
PPP non-recourse net debt	(63.6)	(71.6)
Derivative financial assets (liabilities)	6.0	7.8
Pension deficit	(11.9)	(0.1)
Taxation	(45.8)	(42.0)
Net Assets	**382.8**	**350.6**

Boosting shareholder returns

Disciplined capital allocation framework focused on driving shareholder value

Returning to sustained positive FCF will support a dynamic and sustainable capital allocation policy :

1. Reinstate the ordinary dividend, with a progressive policy targeting sustainable growth whilst maintaining cover of 3.0-4.0x underlying earnings

2. Invest ~30% of FCF annually into capex for innovative growth projects with return hurdles at least in line with the Group target of 16% pre-tax

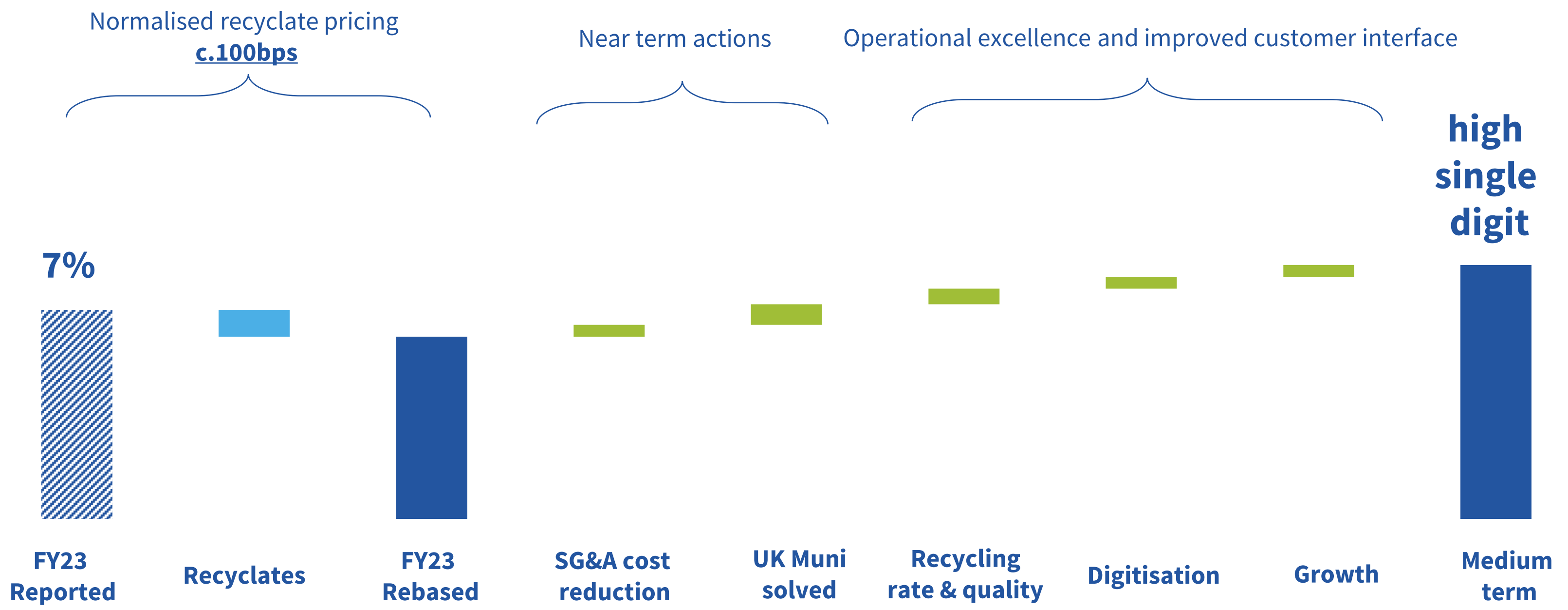
3. In the medium term, target value accretive bolt-on acquisitions, with a disciplined approach to meet clear strategic, operational and financial criteria

4. Where the Board determines there is excess capital beyond the Group's near-term investment requirements, it will consider supplemental returns to shareholders in the form of share buy-backs or additional dividends

Keeping a conservative balance sheet, maintaining the 2.0x leverage target

Sustainable margin improvement

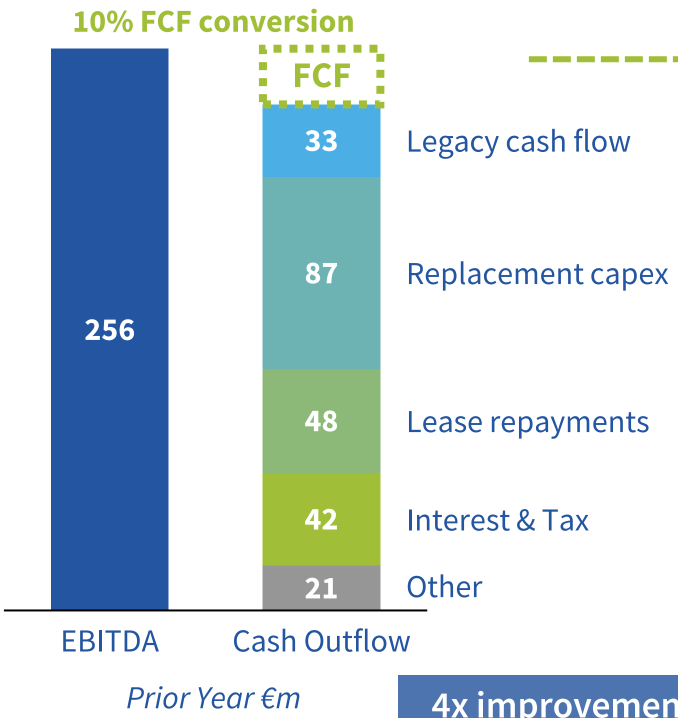
Clearly defined plan to deliver 25-30% margin uplift over next couple of years



Target margin improvement of 25-30% - with further upside potential thereafter

Multiple levers to drive cash conversion to 40%

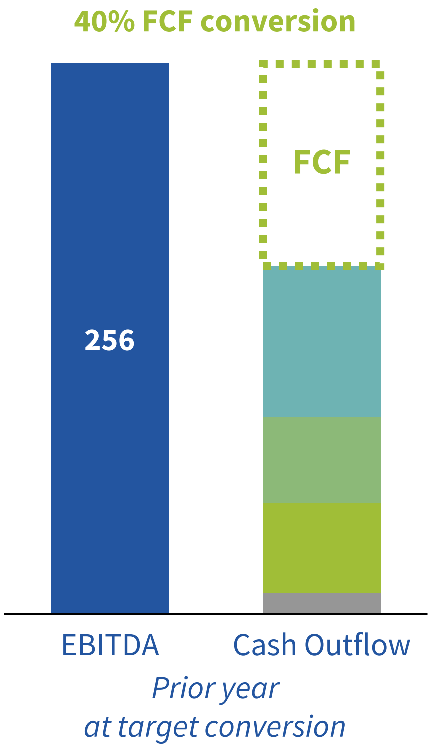
Strong focus on driving cash efficiency across the business



Legacy outflow solved

Lower exceptionals

Lower capex & leases driven by improved asset management

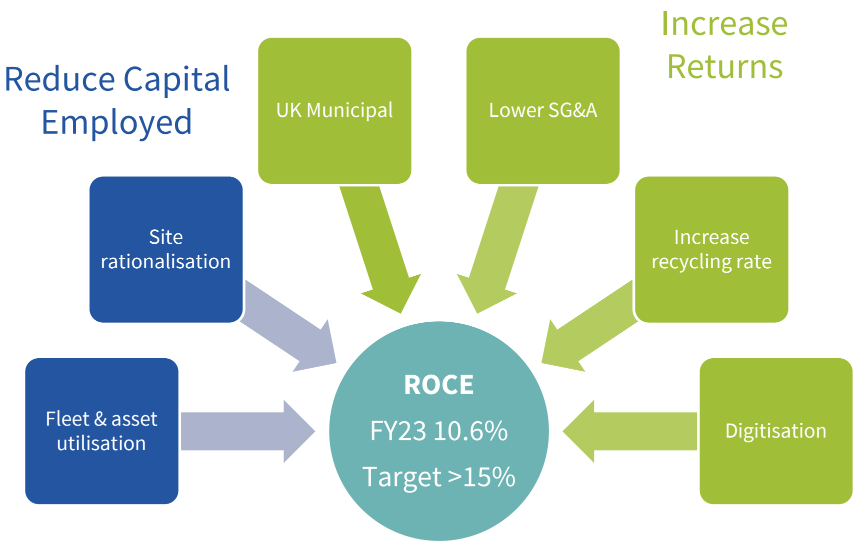


4x improvement in cash conversion ratio

Improved return on capital employed

Driving higher returns through business improvement and disciplined investment

1. Business Improvement Actions



2. Investment in Growth

- Drive organic and profitable growth to over 5% by pursuing attractive material streams and customer segments
- Investment in growth projects with a minimum return hurdle of 16% before tax
- In the medium-term build on the platform through highly focused and value accretive M&A to further the leading positions of existing technologies or add attractive material streams and customer segments