

Renewi plc

“The leading waste-to-product company in Europe’s most advanced circular economies”

Otto de Bont, CEO
Annemieke den Otter, CFO

Thursday 25 May 2023



Agenda

- | | | |
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| 1. | Introduction and overview | Otto de Bont (CEO) |
| 2. | Group performance | Annemieke den Otter (CFO) |
| 3. | Divisional performance | Annemieke den Otter (CFO) |
| 4. | Markets, strategy and outlook | Otto de Bont (CEO) |



1. Introduction and overview



Strong financial performance and strategic progress

Effectively mitigated headwinds in FY23

- Financial performance in line with expectations with €1.9bn revenue and €133m EBIT
- Record inflation impacting labour, energy and equipment costs particularly
- Volatile recycle prices normalised in second half
- Continued focus on customer pricing and cost control
- Disciplined operational approach to maintain margins leading to some intentionally reduced volumes
- Maximising the spread by increasing recycle quality

Ongoing strategy execution

- Renewi Westpoort acquisition completed
- Executing on the three value drivers
 - Renewi 2.0 largely completed
 - €60m of investment pipeline deployed
 - Mineralz & Water recovery ongoing
- Increased customer and employee NPS scores
- Strengthening the Renewi brand
- Continued supportive legislative progression

Sustainability highlights

Theme	Good progress in FY23	FY23	Target
<p>Enable the circular economy</p>	<ul style="list-style-type: none"> Opened Ghent advanced sorting facility (>50% recycling rate) Increased recycling rate 1.8pts to 63.6%* and carbon avoidance of 2.5mT Decontaminated 1mT of waste water Validated our methodologies and reporting framework 	+1.8pts recycling rate	75% recycling rate
<p>Reduce carbon emissions</p>	<ul style="list-style-type: none"> Reduced scope 1 & 2 carbon emissions with 60kT (-9%) Generated and used more renewable energy from wind and solar on site Continued to transition our fleet from high to low to zero emission vehicles Mapped scope 3 and committed to set near-term Science Based Targets 	-9% Scope 1 & 2 carbon	-50% Scope 1 & 2 carbon
<p>Care for people</p>	<ul style="list-style-type: none"> Employee NPS further increased to 24 (FY22: 18; target 30) Increased diversity to 24% women in management (FY22: 22%; target 30%) Major environmental incidents and fires decreased to 3 (FY22: 19; target 0) 	-16 (to 3) Major incidents and fires	0 Major incidents and fires

* Recycling rate has been restated after new definition implementation and is around 6% lower than before

13 CLIMATE ACTION

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

11 SUSTAINABLE CITIES AND COMMUNITIES

7 AFFORDABLE AND CLEAN ENERGY

6 CLEAN WATER AND SANITATION

3 GOOD HEALTH AND WELL-BEING

S&P Global Ratings

83/100

United Nations Global Compact

SCIENCE BASED TARGETS

MSCI ESG RATINGS

AA

CDP

CO₂-PRESTATIELADDER

GREEN ECONOMY

FTSE4Good

Winning together with Customers and Partners

Important “in house” customers

Schiphol



- Won contract for 8 years
- Zero waste airport by 2030



- Long term customer
- Reduce & reuse waste



- Long term customer
- Managing all waste streams

Partnerships to close the circle



- Wiltopia toy line won many awards
- We supply high-quality r-ABS



- First circular fridge liner
- We supply high-quality r-HIPS



- Partnership with Ingka & Ikano
- Expansion to UK via TFS acquisition



- Partnership with Owens-Illinois
- Increasing quality and capacity in EU

2. Group performance

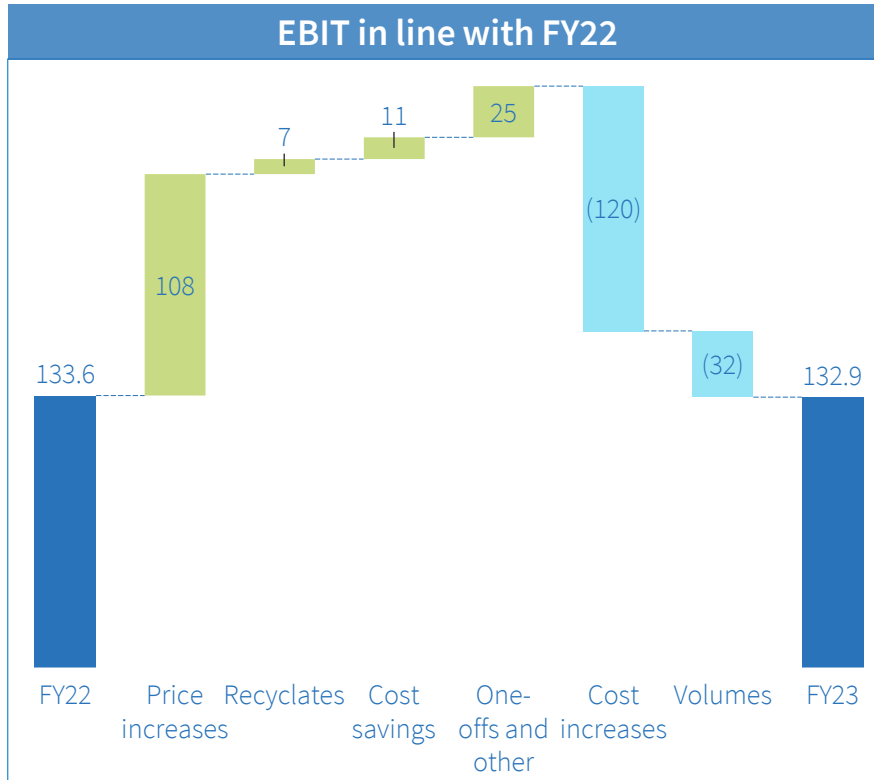


Income Statement

	FY23 €m	FY22 €m	Change €m	Change
Revenue	1,892.3	1,869.2	23.1	1%
Operating profit	121.4	124.0	(2.6)	-2%
Underlying EBITDA	255.6	262.6	(7.0)	-3%
Underlying EBIT	132.9	133.6	(0.7)	-1%
Net Interest	(29.2)	(28.9)		
Income from associates and JVs	-	0.5		
Underlying profit before tax	103.7	105.2	(1.5)	-1%
Non-trading and exceptional items	(10.6)	(9.5)	(1.1)	
Profit before tax	93.1	95.7	(2.6)	
Taxation	(26.5)	(20.3)		
Profit for the year	66.6	75.4	(8.8)	
Underlying earnings per share (cents)	90	98	(8)	-8%
Basic earnings per share (cents)	79	93	(14)	
Underlying EBIT margin	7.0%	7.1%		-10bp

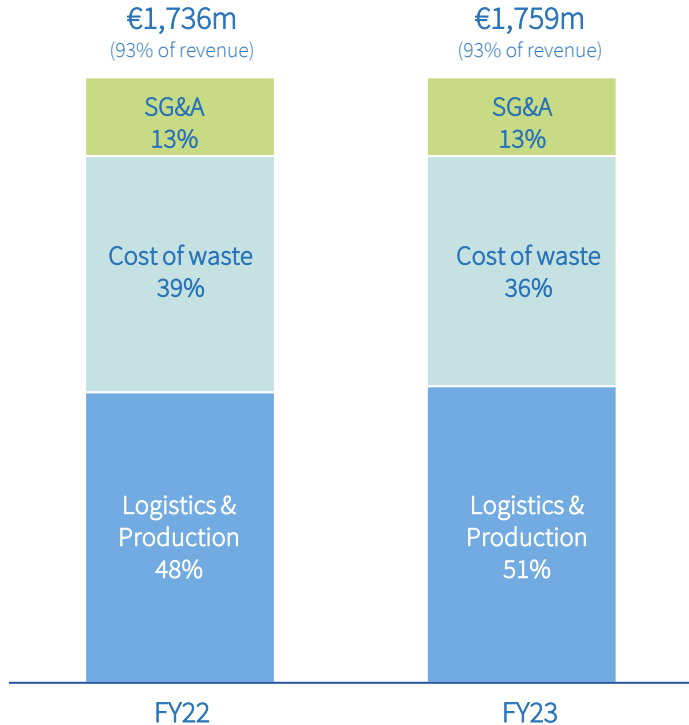
- Revenue largely stable with growth in Commercial, Coolrec and Maltha offsetting modest decline in M&W and UK Municipal
- Underlying EBIT in line with record performance of FY22, with the impact of inflation being offset by pricing, Renewi 2.0 results and cost control measures
- Underlying effective tax rate increased to 27.1% (FY22: 25.0%)

Solid EBIT with price increases largely offsetting cost inflation



- Underlying EBIT in line with strong prior year despite high cost inflation
- Disciplined approach to maintain margin over volume
- Cost inflation largely mitigated by pricing discipline
- Favourable one-off and other items of €16.5m (2022: €9.0m adverse) resulted from amongst others settlements with incinerators, property disposals and IAS 37
- Cost savings includes the impact from Renewi 2.0

Continued cost management and cost optimisation



Against ~10% inflation, only 1.3% increase in cost base or €23m

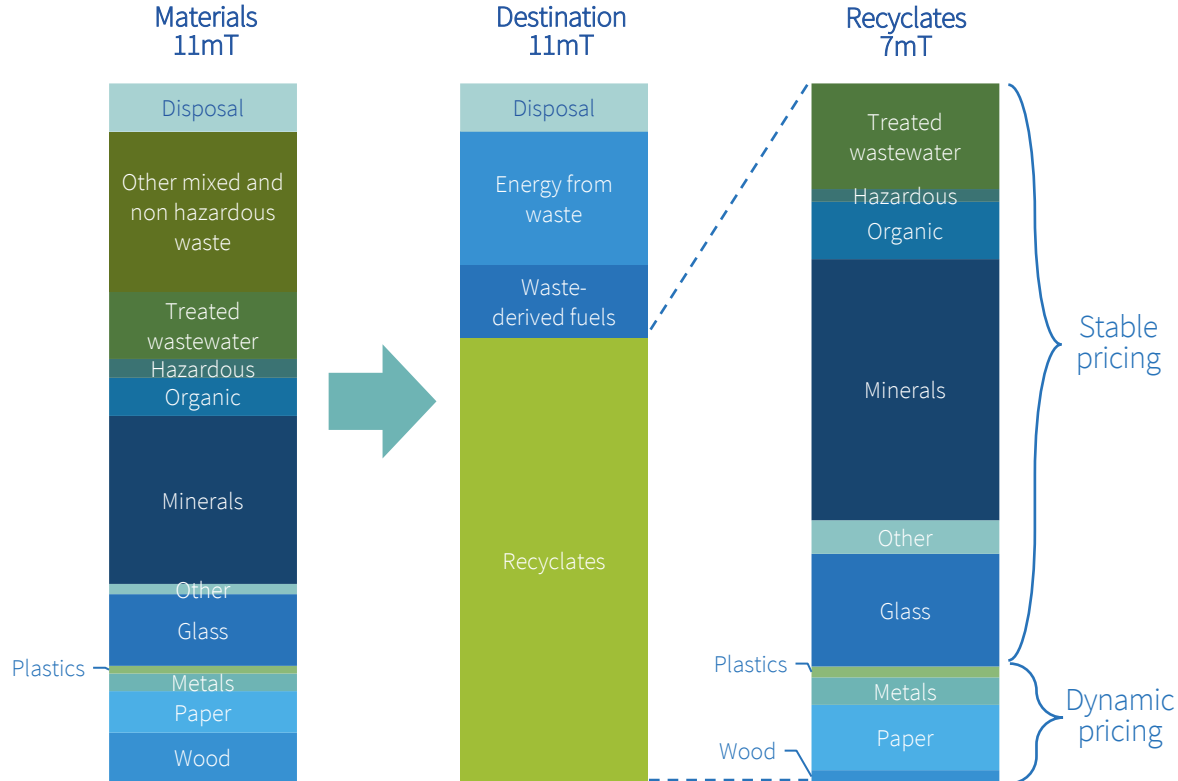
A >50% variable cost base with effective cost controls

- Cost of waste (gate fees) and 3rd party logistics largely variable with volumes
- Limited fixed overhead
- Cost inflation largely mitigated by proven pricing discipline
- 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

Most recycled materials have stable prices



- Of the 11mT processed, 63.6% or 7mT is recycled
- 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
- Pricing for the remaining 10mT is relatively stable

Group cash flow being reinvested

	FY23 €m	FY22 €m
EBITDA	255.6	262.6
Working capital movement	(5.8)	(38.0)
Movement in provisions and other	(0.2)	4.5
Net replacement capital expenditure	(87.3)	(68.2)
Repayments of obligations under lease liabilities	(47.5)	(43.5)
Interest and loan fees	(20.7)	(18.5)
Tax	(21.2)	(7.6)
Adjusted free cash flow	72.9	91.3
Deferred Covid taxes	(19.7)	(10.6)
Offtake of ATM soil	(1.2)	(10.3)
UK Municipal contracts	(12.2)	(9.9)
Free cash flow	39.8	60.5
Growth capital expenditure	(30.8)	(13.1)
Renewi 2.0 and other exceptional spend	(4.1)	(11.0)
Acquisitions net of disposals	(59.4)	-
Other	(10.4)	(7.0)
Total cash flow	(64.9)	29.4
Free cash flow conversion	30%	45%

Cash generation is being deployed into growth

- €66m relating to Renewi Westpoort acquisition
- €31m relating to growth capex

Adjusted free cashflow of €72.9m

- FY23 replacement capex above trend (post-Covid catch up)
- Higher interest due to higher debt; 85% of net debt is fixed rate
- Higher tax due to settlement timings (catch-up of FY22 payments in FY23)

Resolving legacy issues

- Remaining Covid taxes of €30m to be repaid over next 18 months
- Legacy soil offtake expected to be solved over next 12-24 months

Disciplined capital allocation for growth

Capital allocation geared to innovation and sustainable growth

- Circular investments of >€100m (c. €60m deployed)
- Strengthening our core with Renewi Westpoort acquisition of €66m

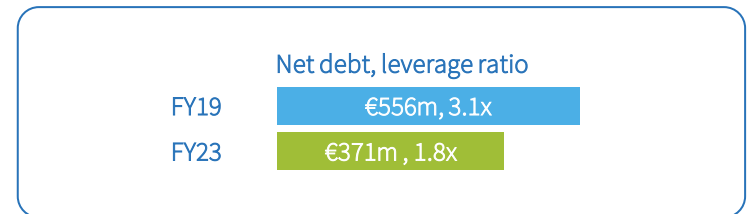
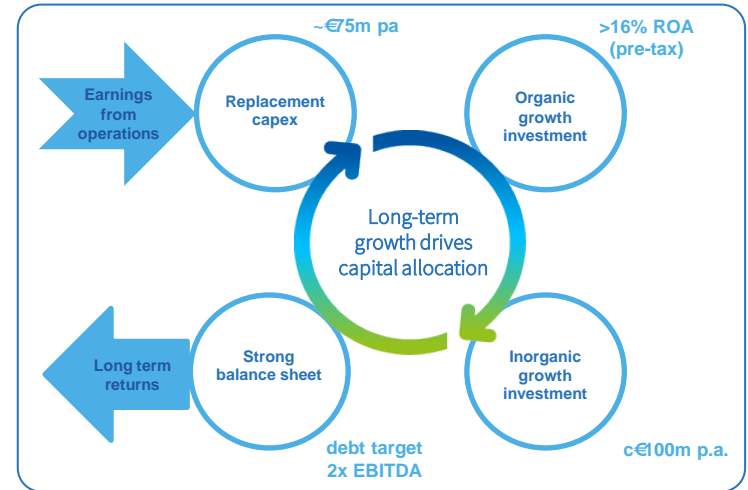
Disciplined investment pipeline decision-making

- Innovation funnel process evaluates projects to:
 - address progressive circular legislation; and
 - increase valorisation
- Returns of 16%+ pre-tax well in excess of cost of capital
- Acquisition opportunities as market consolidates

We will recommence a progressive dividend and a modest final dividend will be paid for FY24

Strong balance sheet liquidity and access to debt markets

- Leverage ratio & net debt significantly improved
- Long term target of around 2.0x leverage
- Available liquidity of over €300m
- €305m borrowings have fixed rates with a weighted average rate of 3.3%
- Fully green financed with sustainability linked pricing



3. Divisional performance



Commercial - Netherlands

	FY23 €m	FY22 €m	Change €m	Change
Revenue	932.0	896.2	35.8	4%
Underlying EBIT	76.9	93.1	(16.2)	-17%
Underlying EBIT Margin	8.3%	10.4%		-210bp
Operating profit	69.4	89.1	(19.7)	-22%
Return on operating assets	19.3%	26.2%		-690bp



- Revenue growth driven by price increases offsetting volume decline in C&D, bulky and green waste
- Pressure on cost only partially offset by price increases in the second half
- Renewi Westpoort acquisition completed in August and integration ongoing
- Construction of Advanced Plastics site in Acht progressing well

Commercial - Belgium

	FY23 €m	FY22 €m	Change €m	Change
Revenue	468.4	466.9	1.5	0%
Underlying EBIT	52.4	42.6	9.8	23%
Underlying EBIT Margin	11.2%	9.1%		210bp
Operating profit	65.3	40.4	24.9	62%
Return on operating assets	47.3%	46.2%		110bp



- Stable revenue, with increased pricing offsetting lower volumes
- Improved the mix by not pursuing low margin business
- Advanced sorting facility in Ghent built and ramping up production
- Advanced sorting in Puurs being built with commissioning later in 2023
- €15m state-aid provision release in operating profit

Mineralz & Water

	FY23 €m	FY22 €m	Change €m	Change
Revenue	190.9	193.9	(3.0)	-2%
Underlying EBIT	0.5	5.8	(5.3)	-91%
Underlying EBIT Margin	0.3%	3.0%		-270bp
Operating profit	1.0	8.7	(7.7)	-89%
Return on operating assets	0.8%	11.3%		-1,050bp

- Recovery of M&W is delayed; focus on transition to building materials is promising with first results expected over the course of FY24
- Volumes at waterside increased with good margins, but operational outage impacted EBIT during H2
- Underlying EBIT mostly impacted by increasing cost accruals to reduce TGG inventory
- Completed investments in sieve sand, gravel sorting and dust silos, with production converted from TGG to building materials only



Specialities

	FY23 €m	FY22 €m	Change €m	Change
Revenue	348.6	350.1	(1.5)	0%
Underlying EBIT	17.1	4.1	13.0	>100%
Underlying EBIT Margin	4.9%	1.2%		370bp
Operating profit	(3.0)	3.2	(6.2)	-194%
Return on operating assets	35.4%	28.9%		650bp



- Excellent performance from Maltha and Coolrec
- Ongoing extension of product customers at Coolrec providing low carbon secondary materials for the toy industry and into new fridges
- Efficient operational performance of UK Municipal with ongoing focus on costs
- Onerous contract provisions increase of €27m largely driven by inflation assumptions, higher maintenance cost assumptions and lower volumes in ELWA
- Divisional performance benefited from IAS 37 impact of €5m

FY24 guidance and focus points

Revenue

- Revenue supported by pricing discipline, indexation, commissioning investments and M&W recovery
- Ongoing competition for volumes with gradual recovery of volumes, recycle prices stable at current levels

Cost

- Significant inflation from wages and energy, with pricing expected to largely mitigate impact
- Ongoing focus on efficiency and digitisation – with cost measures offsetting investments in digitisation

Cash

- Replacement capex of circa €75m, and growth capex of circa €50m
- Net cash outflow of circa €50m with last year of Covid tax repayments and TGG offtake

FY24

- FY24 EBIT expected to be in line with consensus[#] with tailwinds offsetting headwinds
- With legacy issues largely addressed in the coming period, resume dividend pay-out for FY24

4. Markets and strategy



EU moving towards a circular economy

- EU considers the circular economy a key solution to the climate problem
- Its Circular Economy Action Plan is one of the main building blocks of the European Green Deal, Europe's new agenda for sustainable growth
- Sample ambitions include:

25%

Share of recycled content needs to shift from 48% to 60% from 2020 to 2030 (EU taxonomy on a Circular Economy)

50%

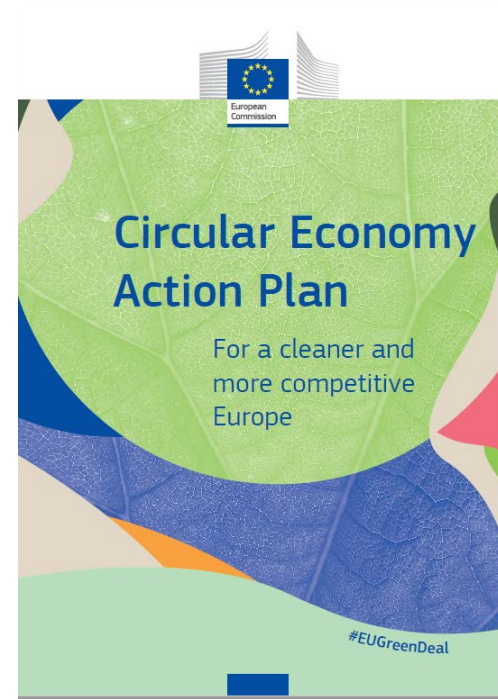
Reduction in material footprint from 2015 to 2030 (ambition for EU Taxonomy on a Circular Economy)

70%







Packaging should be made from 70% recycled materials by 2030 (Packaging Directive)

60%

Increase in municipal waste reuse and recycling by 2030 (Waste Framework Directive)

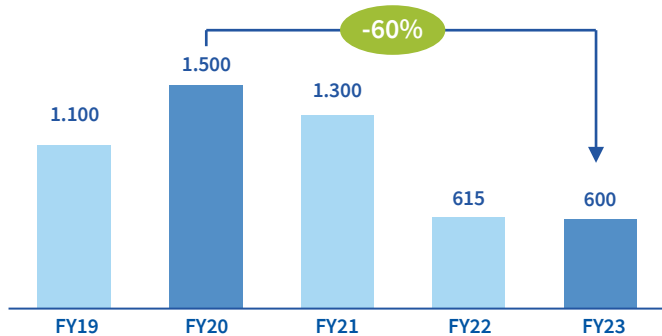


Completing remaining activities to deliver €60m by FY26

Value drivers	Completion	Update
<p>Circular innovations</p> 		<p>Investment of €100m+ ongoing at >16% pre tax returns</p> <ul style="list-style-type: none"> - Plastics, Organics and Advanced sorting - Investments €60m deployed - Rising to €90m in FY24 as Puurs and Acht complete - Returns step up in FY24 & FY25 following investments
<p>M&W recovery</p> 		<p>Recovery of M&W to €20m by FY26</p> <ul style="list-style-type: none"> - Required investments are mostly completed - Recovery has been delayed by 1 year - Building materials production increases during H2 FY24
<p>Renewi 2.0</p> 		<p>Digitisation of customer experience and process simplification</p> <ul style="list-style-type: none"> - Programme completed on time and below cost estimate - Ongoing enhancement of customers' digital experience

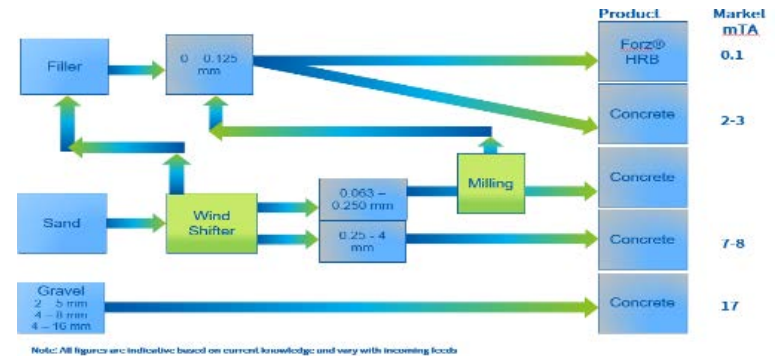
Mineralz & Water: full recovery in sight with scale up in FY24

Sell down legacy TGG stocks



- 60% TGG stock reduction since FY20
- Restrictions on placement TGG have further increased
- New contracts in place for 130kT + 300kT in finalisation
- Target remains to ship remaining stock before end FY25
- Required increase in provision is taken
- Alternative: reprocessing TGG to produce building materials

Transition to Gravel, Sand and Filler production



Material	%	Status
Sand	55	<ul style="list-style-type: none"> • Production scale up H2 • Partnered with 4 customers representing 1mT pa
Gravel	30	<ul style="list-style-type: none"> • At specification and certified, strong demand
Filler	15	<ul style="list-style-type: none"> • On basic specification for limited customer base • Higher specification as of June to expand market

Renewi 2.0 largely complete, with further potential

What we set out to achieve three years ago

	Baseline	Status
EBIT savings	€0m	€20m
Customers NPS	3	18
Employees NPS	14	24
Programme cost	€40m	€28m

What we have achieved and next steps

- Programme largely complete and the targeted €20m EBIT run rate will be achieved in FY24
- MyRenewi platform built and customer adoption rate of >80%
- Customer NPS improving and employees spending less time on error handling
- Expenditure expected to be €12m less than our original €40m expectations due to lower redundancy costs
- We will continue to work on our efficiency and digitisation to further improve customer satisfaction and employee engagement and to further reduce our cost base

Recycling supports transition to low-carbon manufacturing



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 specification low carbon secondary materials replacing virgin

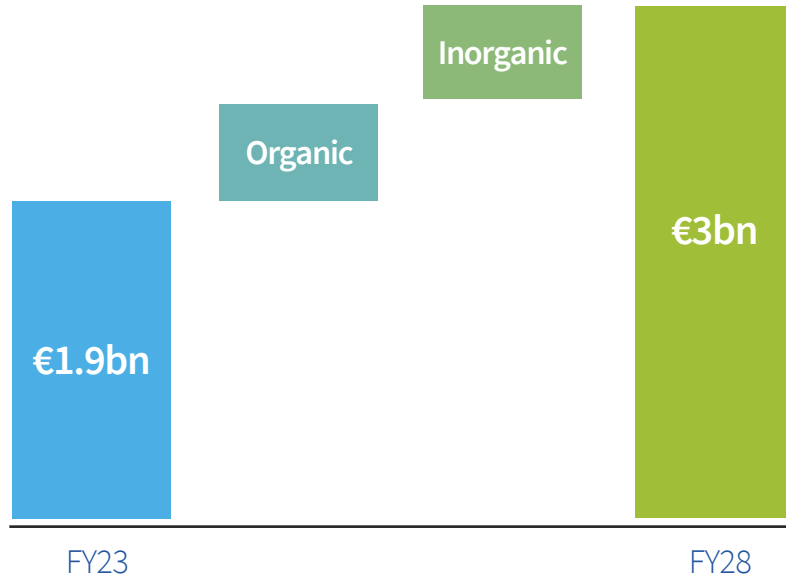


Grow market share

- Invest in organic growth by having a superior customer proposition
- Consolidate market position
- M&A: extend capacity, product capabilities & geographies

Accelerating top line growth

Target €3bn revenue by FY28



Comments

Organic growth

- Growing 2.5 x GDP
- Inbound: grow by offering strong value proposition in core segments such as C&D, retail, healthcare, WEEE, glass
- Outbound: grow by offering superior quality r-products at scale

Inorganic growth

- Opportunities for consolidation and investments in processing expertise
- Targeting €0.5bn revenue over five years

Margin development

- Driven by investments in spread expansion and digitisation resulting in cost reduction
- Targeting high single digit EBIT margin as minimum

Maximising spread and ensuring resilience



Waste producer:
Inbound revenue

Resilience:

- Large customer base (150k+) mostly on subscription basis
- Diverse portfolio across geographies, industries and sizes (from SMEs to large national accounts)
- For monostream customers: dynamic pricing (automatic indexation)
- For mixed waste customers: (bi)-annual price increase based on inflation and commodity pricing



Spread: maximising delta between inbound and outbound

- Reduce incineration and landfill to convert cost stream to revenue stream
- Increase volume and value of recycle streams
- Target high-value customer segments (partly completely new segments (incl bio-fuels))



Product customer:
Outbound revenue

Resilience:

- Smaller customer base taking larger volumes
- Moving from spot market to longer term contracts ensuring supply certainty
- Structural increase in quality allows for direct replacement of primary material in same application

Renewi well positioned for growth

Short term

- FY24 is expected to be in line with expectations
- Our value drivers are helping to offset inflation and recycle price reversion
- We will resume dividend pay-out for FY24

Medium term

- Growth ambition: €3bn revenue at minimum high single digit margin
- Growth equally split between organic and inorganic growth
- Continued focus on commercial and operational excellence
- Deploy capital to deliver attractive returns

Longer term

- Regulators will stimulate usage of secondary materials
- Customers will demand low carbon secondary materials in their journey to get to net-zero
- Renewi is the leading waste-to-product company and offers an essential service to its customers and society



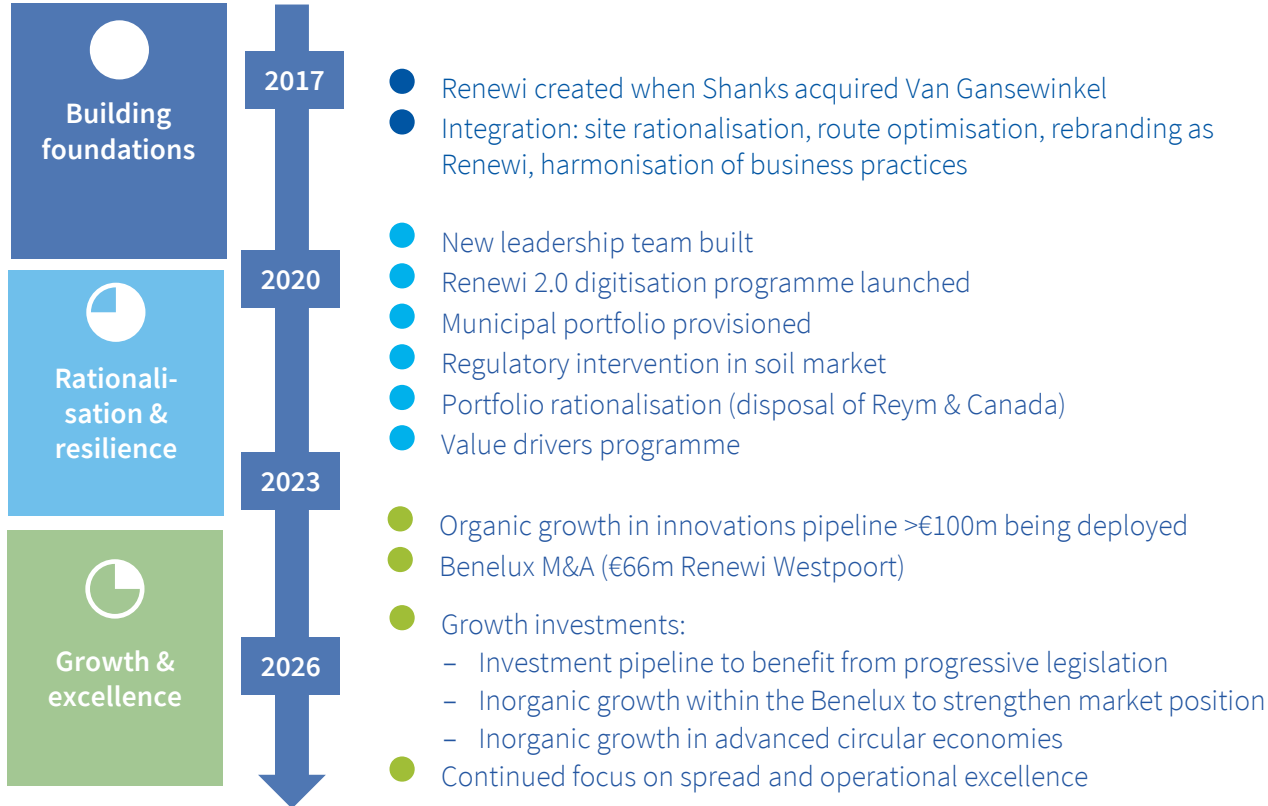
Renewi plc

“The leading waste-to-product company in Europe’s most advanced circular economies”

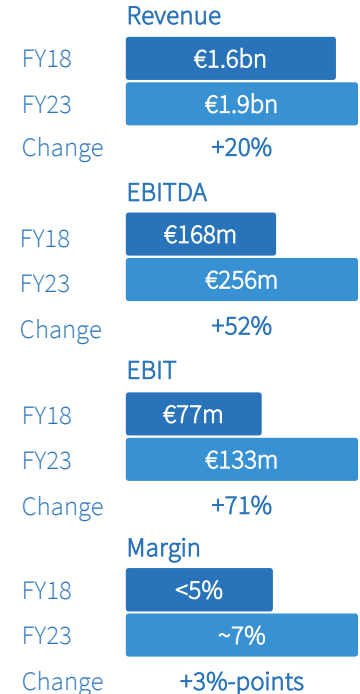
Appendix



Significant progress since formation 2017



Step change in performance



Creating purpose-driven positive impact



We regard waste as a temporary 'state' for valuable raw materials that can be fully recycled.

As such, we help to fight climate change, resource scarcity and pollution to keep our planet liveable for future generations.

We focus on extracting value from waste and supplying high-quality, low-emission secondary raw materials to advance the transition to a fully circular economy.



To be Europe's leading waste-to-product company



Protecting the world by giving new life to used materials



Who we want to serve...

...by having...

Amazing employees

Delighted customers

Protecting our planet

Winning portfolio

Excellent operations

Leading to superior value and returns

Three dimensions of growing market share

Organic growth

- Opportunities to invest in advanced processing
- Increase recycling, diversion and valorisation
- Attractive growth opportunities with good returns

M&A: Within Benelux

- Consolidation ongoing around both collections and processing
- Selectively strengthening market positioning in recycling
- Pipeline of targets containing tuck-ins transactions

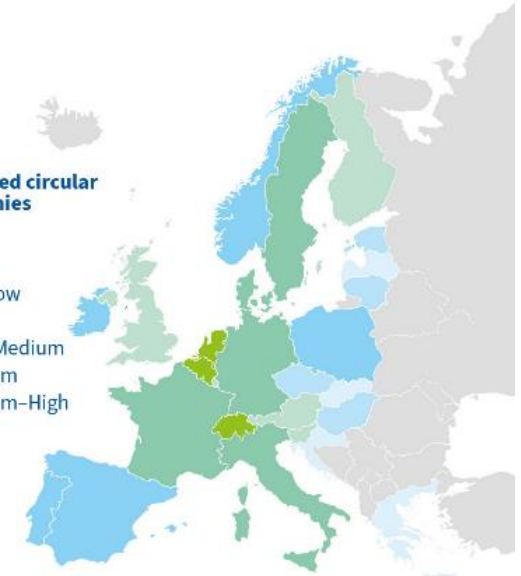
M&A: Outside of the Benelux

- EU legislation driving towards recycling economies
- Our markets at forefront and opportunity take knowledge elsewhere
- Niche streams expansion being actively assessed, eg glass, WEEE

Advanced circular economies

Key

- Very low
- Low
- Low-Medium
- Medium
- Medium-High
- High



Segmental Analysis

	FY23 €m	FY22 €m	Change %	FY23 €m	FY22 €m	Change %	FY23 €m	FY22 €m	Change %
	Revenue			Underlying EBIT			Operating Profit		
Commercial Waste	1,397.3	1,360.5	3%	129.3	135.7	-5%	134.7	129.5	4%
Mineralz & Water	190.9	193.9	-2%	0.5	5.8	-91%	1.0	8.7	-89%
Specialities	348.6	350.1	0%	17.1	4.1	>100%	(3.0)	3.2	-194%
Group central services	-	-		(14.0)	(12.0)	-17%	(11.3)	(17.4)	35%
Inter-segment revenue	(44.5)	(35.3)		-	-		-	-	
Total	1,892.3	1,869.2	1%	132.9	133.6	-1%	121.4	124.0	-2%

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Commercial Waste

	FY23 €m	FY22 €m	Change €m	Change
Revenue				
Netherlands Commercial	932.0	896.2	35.8	4%
Belgium Commercial	468.4	466.9	1.5	0%
Intra-segment revenue	(3.1)	(2.6)	(0.5)	
Total Revenue	1,397.3	1,360.5	36.8	3%
Underlying EBIT				
Netherlands Commercial	76.9	93.1	(16.2)	-17%
Belgium Commercial	52.4	42.6	9.8	23%
Total Underlying EBIT	129.3	135.7	(6.4)	-5%
Operating Profit				
Netherlands Commercial	69.4	89.1	(19.7)	-22%
Belgium Commercial	65.3	40.4	24.9	62%
Total Operating profit	134.7	129.5	5.2	4%
Underlying EBIT Margin				
Netherlands Commercial	8%	10%		
Belgium Commercial	11%	9%		
Total Underlying EBIT Margin	9%	10%		
Return on operating assets				
Netherlands Commercial	19%	26%		
Belgium Commercial	47%	46%		
Total Return on operating assets	25%	30%		

Summary Balance Sheet

	FY23 €m	FY22 €m
Goodwill & other intangibles	636.3	592.8
Tangible fixed assets	617.9	553.6
Right-of-use assets	253.1	213.8
Non-current PPP financial assets	123.4	135.7
Non-current trade and other receivables	3.7	5.1
Investments	15.0	14.3
Non-current assets	1,649.4	1,515.3
Investments	11.7	12.0
Working capital	(207.0)	(236.6)
Current PPP financial assets	7.6	7.7
Asset held for sale	0.6	3.3
Provisions	(341.9)	(295.0)
Other non-current liabilities	(34.7)	(36.2)
Core net debt	(370.6)	(303.0)
IFRS 16 lease liabilities	(245.8)	(212.4)
PPP non-recourse net debt	(69.3)	(79.1)
Derivative financial assets (liabilities)	(2.9)	(7.7)
Pension deficit	(9.3)	2.3
Taxation	(40.5)	(28.7)
Net Assets	347.3	341.9

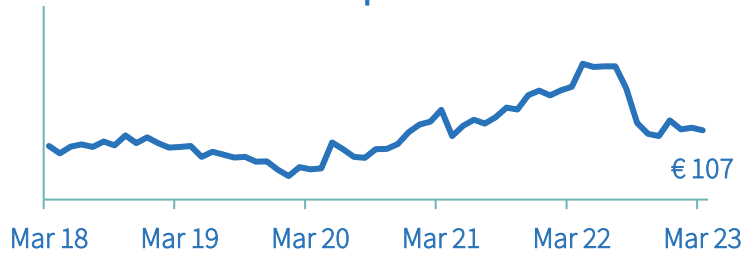
Exceptional items

	FY23 €m	FY22 €m
Renewi 2.0 improvement programme	(3.7)	(6.6)
Portfolio management activity	5.5	0.7
UK Municipal onerous contract reassessments	(27.1)	-
Changes in long-term provisions due to changes in discount rates	1.7	3.1
Reversal of impairment	2.0	-
Release of Belgium state aid provision	15.1	-
Configuration or customisation costs in cloud computing	-	(3.9)
Restructuring credit	-	0.5
Amortisation of acquisition intangibles	(5.0)	(3.4)
Exceptional finance income	0.9	0.1
Non-trading & exceptional items in profit before tax	(10.6)	(9.5)
Tax on non-trading & exceptional items	1.6	2.4
Exceptional tax credit	-	3.7
Total	(9.0)	(3.4)

- Total non-trading and exceptional items excluding tax was a €11m charge
- €3.7m of Renewi 2.0 costs. Programme will deliver cost benefits at an annualised run rate of €20m in FY24
- Portfolio management credit of €5.5m includes €1.7m for insurance claims in relation to prior disposals and €3.8m profit on disposal of certain business assets in the Mineralz & Water division
- UK Municipal provisions increased by €27.1m due to changes in inflation and cost assumptions and lower volumes
- Impairment reversal credit of €2.0m following improved performance in Maltha.
- €15.1m credit for release of the Belgium state aid as previously announced.
- €0.9m exceptional finance income relates to ineffectiveness of interest rate swaps

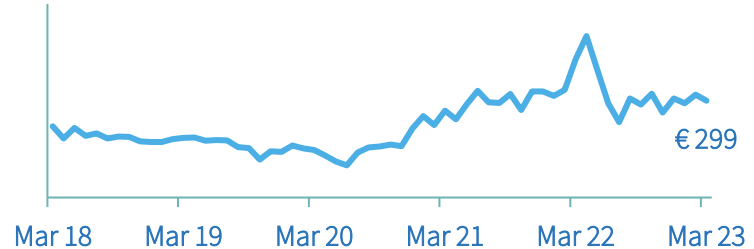
Market Drivers – Recyclate Prices

5 Year Paper Trend*



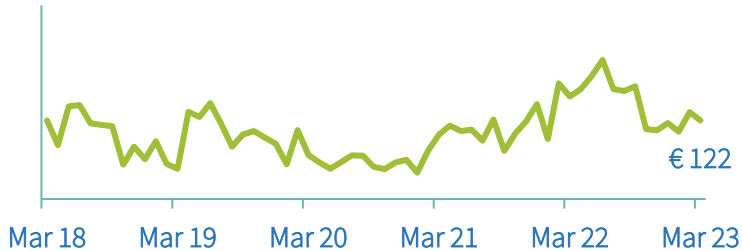
	Vol kT	Dynamic %	Gross €m	Net €m
Impact of €10 price movement	650	74%	6.6	1.7

5 Year Ferrous Trend*



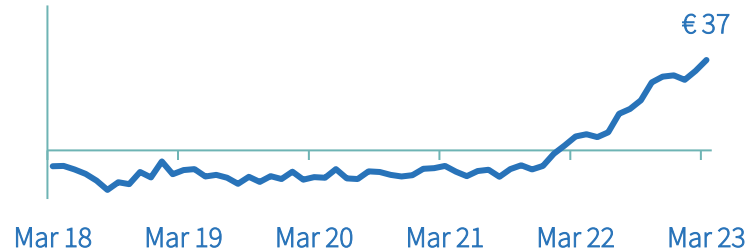
	Vol kT	Dynamic %	Gross €m	Net €m
Impact of €10 price movement	178	42%	1.9	1.1

5 Year Plastics Trend*



	Vol kT	Dynamic %	Gross €m	Net €m
Impact of €10 price movement	119	67%	1.2	0.4

5 Year Wood Trend*



	Vol kT	Dynamic %	Gross €m	Net €m
Impact of €5 price movement	786	50%	4.0	2.0

* Internal data



waste no more