Renewi plc

Full Year Results

Otto de Bont & Annemieke den Otter

30th May 2024

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Today's agenda

The start of a new chapter	Otto de Bont
Group & Divisional performance	Annemieke den Otter
Building a strong platform for growth	Annemieke den Otter
Strategic outlook	Otto de Bont

Otto de Bont
Chief Executive Officer

Annemieke den Otter
Chief Financial Officer

The start of a new chapter

Otto de Bont

Delivering on our commitments

UK divestment transformational step on our path to growth

1

Optimise our portfolio

- Fix legacy portfolio issues ✓
  - Exit UK Municipal ✓
  - Drive M&W profitability ✓
- Continue to strengthen the core of the portfolio ✓

2

Build a strong platform for growth

- Step change improvement
  - high single-digit margin
  - free cash flow
  - return on capital employed
- Set clear targets for the medium term ✓
- Clear and effective capital allocation policy ✓
- Resume a progressive dividend ✓

3

Capitalise on sector growth momentum

- Drive organic growth
  - market share
  - advanced treatment
  - expand capacity
- Deliver on the 5Y plan
  - >5% organic growth
  - 8-10% margin
  - subsequently, acquisitions on path to €3b revenue opportunity

Transforming Renewi with exit of UK Municipal

Simplifies portfolio, boosts margins, cash flow and reduces our balance sheet risk profile

Divestment benefits

- Improves EBIT margin by 50bps
- Generates €15-20m of free cash flow per year
- Derisks the Group’s balance sheet
- Prioritising resources for stronger growth and shareholder returns

Transaction highlights

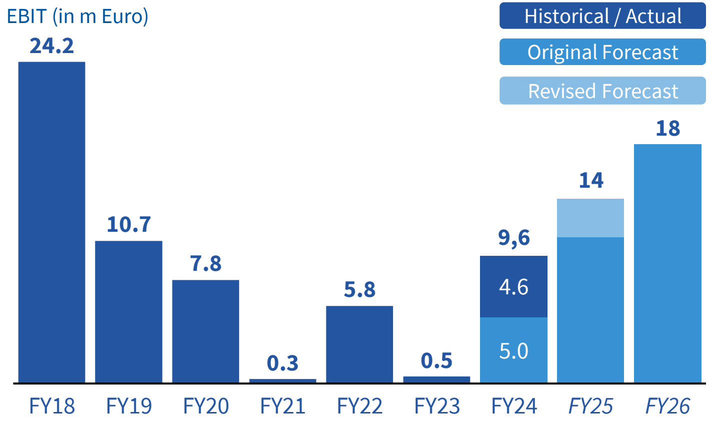
- Sold to Biffa Limited
- Expected capitalisation of £125 million
- Funded from existing debt facilities
- Expected to complete before end of 2024

M&W recovery ahead of plan

Significantly improving EBIT margins

Key milestones achieved in FY24

- Converted TRI line to produce building products only
- Improved quality of sand and filler
- Reduced legacy TGG inventory
- EBIT increased significantly in 2H with €8.1m vs. 1H €1.5m



To further increase profitability

- Maintain and stabilise run rate achieved in 2H FY24
- Further increase the quality of the filler and sand
- Increase incoming volume of highly contaminated soil

Simplifying the organisation

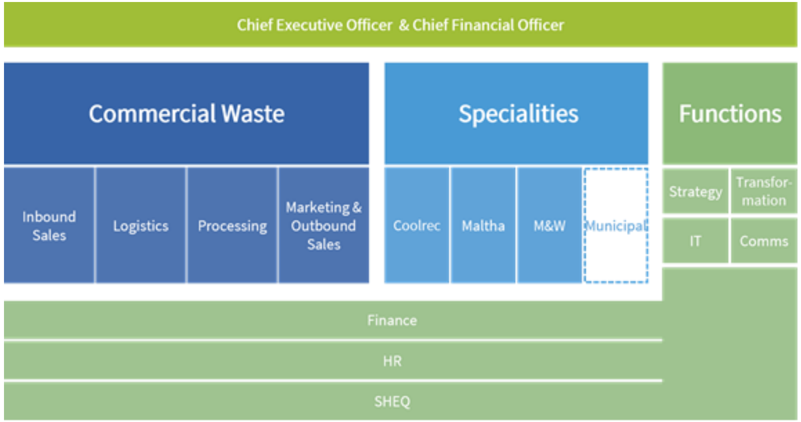
Driving efficiency and unlocking our potential for growth

Simplify I implemented in FY24

- Streamlined CW NL and Group
- Reduced 160 fte
- Removed €15m of cost (mostly SG&A)

Simplify II being implemented now

- Top structure consolidation with exit of UK Municipal
- Small and agile top team
- Focus on
  - Organic growth
  - Operational excellence
  - Digitisation and efficiency with "Future Fit"



New structure as of 1 May 2024

- Combining Commercial Waste divisions
- Organising CW across the value chain
- Centralising support functions
- Creating central Development & Innovation team

Rapid response to market developments in FY24

Performance in line with latest market expectations

- Revenue €1.9bn, EBIT €107m & €70m adjusted FCF
- Stronger 2H than 1H mainly driven by recovery of M&W with EBIT exit run rate over €1m/month
- High inflation offset by price increases
- Recyclate prices rebased and remained stable
- Volume reduction of 5% of incoming waste mostly driven by market weakness
- Offsetting volume impact with commercial campaign to gain share in targeted market segments
- Accelerated our plans to reduce SG&A cost with Simplify programme

Group performance

Annemieke den Otter

Income Statement

Price increases offsetting NL volumes and rebased recyclates

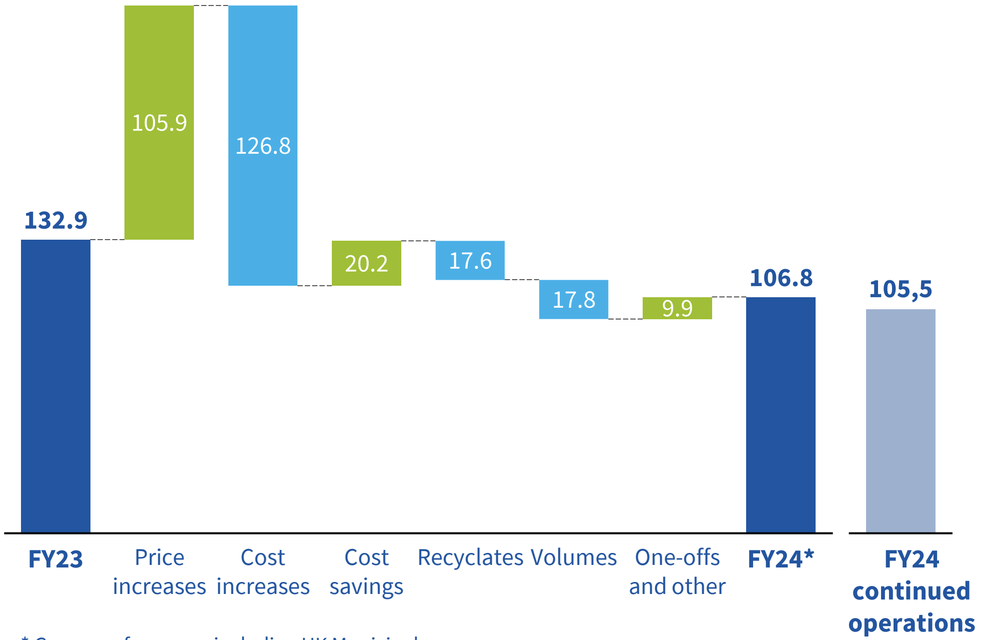
	FY24 €m	FY23* €m	Change €m	Change %
Continuing operations				
Input and other revenue	1,370.8	1,319.9	50.9	4%
Output revenue	318.5	384.0	(65.5)	-17%
Revenue	**1,689.2**	**1,703.9**	**(14.7)**	**-1%**
Operating profit	**97.6**	**141.5**	**(43.9)**	**-31%**
Underlying EBIT	**105.5**	**131.7**	**(26.2)**	**-20%**
Net Interest	(38.0)	(26.8)		
Income from associates and JVs	0.5	0.3		
Underlying profit before tax	**68.0**	**105.2**	**(37.2)**	**-35%**
Non-trading and exceptional items	(7.9)	9.8	(17.7)	
Profit before tax from continuing operations	60.1	115.0	(54.9)	
Taxation	(14.9)	(29.0)		
Profit for the year from continuing operations	45.2	86.0	(40.8)	
Discontinued operations	(76.1)	(19.4)		
(Loss) profit for the year	(30.9)	66.6	(97.5)	
Continuing operations				
Underlying earnings per share (cents)	61	89	(28)	-31%
Basic earnings per share (cents)	53	104	(51)	

Result excludes transaction costs incurred to effectuate the transfer of operations, as these will be incurred in FY25
**The March 2023 numbers have been reclassified to reflect discontinued operations as set out in section 1 in the consolidated financial statements.*

- Inbound revenue growth of 4%
- Outbound revenue impacted by rebased recyclate prices
- Lower NL volumes partially offset by cost measures
- Discontinued operations relate to UK Municipal divestment

EBIT reflects rebased recyclate prices and lower volumes

Pricing discipline and cost action offset inflation; majority Simplify impact in FY25



* Group performance including UK Municipal

- Cost inflation largely mitigated by pricing discipline and cost actions
- Rebased recyclate prices
- Commercial action reversed volume decline end of FY24
- Net impact favourable one-offs €9.9m

Group cash flow better than expected

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waste no more

Legacy cash-out largely resolved; Renewi cash profile turned around to positive

	FY24 €m	FY23 €m
Underlying EBITDA	232.3	255.6
Working capital movement	25.7	(5.8)
Movement in provisions and other	(8.5)	(0.2)
Net replacement capital expenditure	(57.2)	(87.3)
Repayments of obligations under lease liabilities	(55.3)	(47.5)
Interest and loan fees	(31.1)	(20.7)
Tax	(36.3)	(21.2)
Adjusted free cash flow	**69.6**	**72.9**
Deferred Covid taxes	(19.9)	(19.7)
Offtake of ATM soil	(2.5)	(1.2)
UK Municipal contracts	(15.8)	(12.2)
Renewi 2.0 and other exceptional spend	(5.3)	(4.1)
Other	(5.2)	(10.4)
Free cash flow	**20.9**	**25.3**
Growth capital expenditure	(22.0)	(30.8)
Acquisitions net of disposals	0.2	(59.4)
Total cash flow	**(0.9)**	**(64.9)**
Free cash flow/EBITDA conversion	**9.0%**	**9.9%**

All numbers above continue both continued and discontinued operations. Free cash flow conversion is free cash flow as a percentage of underlying EBITDA. The non-IFRS measures above are reconciled to statutory measures in the consolidated financial statements.

Adjusted Free cash flow

- Working capital improvement
- Net replacement capex lower due to site sale
- FY23 and FY24 NL tax paid in single year

Growth capex

- Advanced sorting line Ghent
- Hard plastics line in Acht

Legacy items resolved

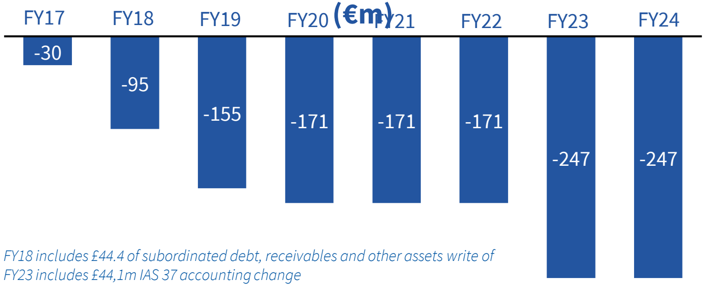
- Legacy cash-out (ca €40m in FY24) largely resolved:
  - UK divestment signed
  - Final €10m deferred Covid taxes repaid by Sept '24
  - Limited remaining ATM soil offtake

Landmark UK Municipal divestment (1/2)

Critical step in portfolio optimisation driving immediate cash and margin improvement

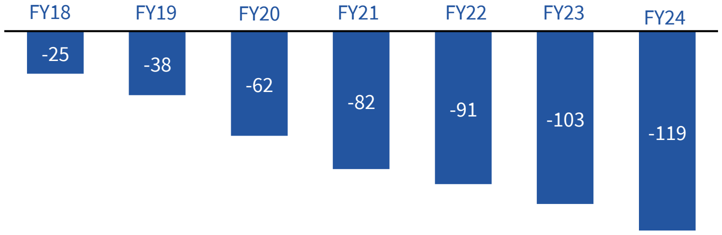
- Immediate margin improvement of 50bps
- Immediate cash flow improvement of €15-20m per annum
- Major balance sheet improvement: volatile OCPs replaced by cost effective and predictable debt

Onerous Contract Provisions and write offs (€m)

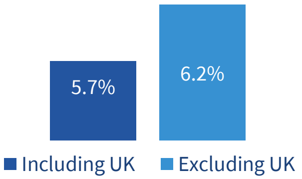


FY18 includes £44.4 of subordinated debt, receivables and other assets write of
FY23 includes £44,1m IAS 37 accounting change
FX rate 1.15 used

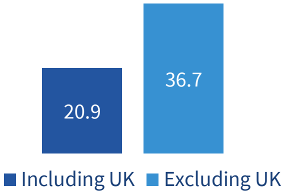
Cumulative historical cash outflow (€m)



EBIT margin FY24



FCF FY24 (€m)



Landmark UK Municipal divestment (2/2)

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Major transformation of Renewi balance sheet

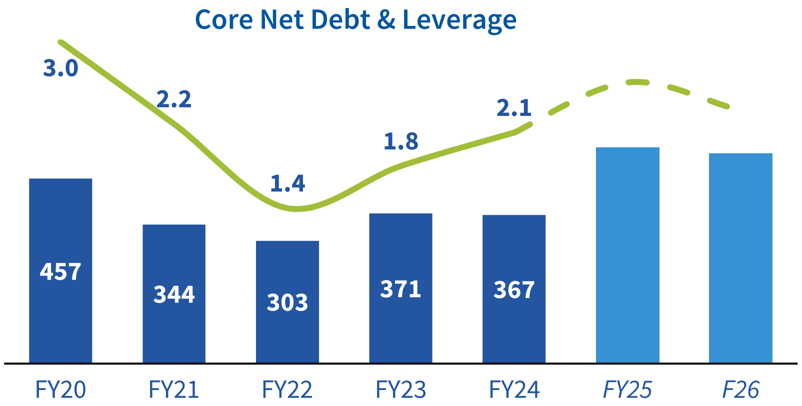
Classified held for sale	**€m**
Financial assets PPP contracts & other	137
Cash*	25
Receivables	32
Tax & other	2
Total assets disposal group	**196**
Onerous contract provisions	(130)
Borrowings	(92)
Payables	(59)
Tax & other	(4)
Total liabilities disposal group	**(285)**
Carrying value / Net Liability	**(89.0)**
Capitalisation	(146.0)
Net loss	**(57.0)**

** of which €23m restricted cash*

- Major balance sheet improvement as volatile OCPs and PFI debt will disappear
- Renewi to fund €146m of capitalisation, resulting in a net loss on sale of €57m
- Funding out of existing debt facilities which have €300m headroom
- Interest cost will be ca €7-8m (reducing rapidly as leverage comes down), significantly lower than cash out for UK business of €15-20m

Strong balance sheet with €300m liquidity headroom

UK divestment funded from strong balance sheet; prioritising deleveraging



Debt Facilities	Rate Type	Rate	Amount €m	Maturity
Revolving Credit Facility	Floating	Floating	400	2028
2027 Bond	Fixed	3.0%	125	2027
2024 Bond	Fixed	3.0%	75	2024
EUPP	Fixed	2.9% - 4.7%	55	2025-2029
Other loans	Fixed	3.6% - 4.2%	50	2027-2032
Total Facilities			**705**	

Liquidity and leverage

- €75m bond repaid out of the RCF
- UK Municipal exit to be paid out of the RCF
- A €120m bridge facility agreed
- Temporarily elevated leverage after completion to ca 2.9x
- Deleveraging with 0.4-0.5x per year through:
  - margin expansion
  - improved cash profile
  - growth

With the completion of UK Municipal exit, Board targets to return to a leverage of 2x in medium term

Divisional performance

Annemieke den Otter

Commercial - Netherlands

End of the year marked by volumes stabilising and cost action execution

	FY24 €m	FY23 €m	Change €m	Change %
Input and other revenue	788.1	766.1	22.0	3%
Output revenue	123.4	165.9	(42.5)	-26%
Revenue	**911.5**	**932.0**	**(20.5)**	**-2%**
Underlying EBIT	**52.9**	**76.9**	**(24.0)**	**-31%**
Underlying EBIT Margin	5.8%	8.3%		-250bp
Operating profit	**53.2**	**69.4**	**(16.2)**	**-23%**
Return on operating assets	12.0%	19.3%		-730bp

- Volumes stabilised in H2 of FY24
- Recyclate prices largely rebased to historic averages
- Inflationary pressure on cost largely offset by price increases
- Cost actions executed to underpin margins going forward
- Commissioning of hard plastics sorting line in Acht
- Key customer wins (e.g. Ministry of Defence, University of Twente) and new partnerships (e.g. Shell and Vattenfall) underline strength of our circular proposition

Commercial - Belgium

Strong margins continued due to volume recovery and cost control

	FY24 €m	FY23 €m	Change €m	Change %
Input and other revenue	433.2	414.4	18.8	5%
Output revenue	43.0	54.0	(11.0)	-20%
Revenue	**476.2**	**468.4**	**7.8**	**2%**
Underlying EBIT	**45.6**	**52.4**	**(6.8)**	**-13%**
Underlying EBIT Margin	9.6%	11.2%		-160bp
Operating profit	**42.9**	**65.3**	**(22.4)**	**-34%**
Return on operating assets	27.9%	47.3%		-1,940bp

- Back to volume growth in H2
- Impact of recyclate prices largely offset by cost control
- Commercial successes with large new customers incl. Total Energies, BPost, Limburg.net, Nike and VRT
- Advanced sorting facility in Ghent successfully commissioned

Mineralz & Water

Strong performance with results slightly ahead of recovery plan

	FY24 €m	FY23 €m	Change €m	Change %
Revenue	**181.6**	**190.9**	**(9.3)**	**-5%**
Underlying EBIT	**9.6**	**0.5**	**9.1**	**n/a**
Underlying EBIT Margin	5.3%	0.3%		500bp
Operating profit	**7.3**	**1.0**	**6.3**	**n/a**
Return on operating assets	15.9%	0.8%		1,510bp

- M&W performance slightly ahead of recovery plan
- Strong performance at both pyrolysis and waterside due to higher intake and processed sludge volumes
- Production of low-carbon gravel, sand and filler for concrete industry ramping up
- Circa 100kT of legacy TGG shipped
- Non-performing site at Tisselt closed in December 2023

Specialities

Strong operational performance with investments paying off above expectations

	FY24 €m	FY23* €m	Change €m	Change %
Revenue	**175.2**	**160.2**	**15.0**	**9%**
Underlying EBIT	**16.3**	**15.9**	**0.4**	**3%**
Underlying EBIT Margin	9.3%	9.9%		-60bp
Operating profit	**15.4**	**17.1**	**(1.7)**	**-10%**
Return on operating assets	28.6%	35.4%		-680bp

**The FY23 numbers have been reclassified to reflect discontinued operations as set out in section 1 in the consolidated financial statements.*

	FY24 €m	FY23 €m	Change €m	%
Revenue				
Coolrec	93.5	90.4	3.1	3%
Maltha	81.7	69.8	11.9	17%
Total Revenue	**175.2**	**160.2**	**15.0**	**9%**
Underlying EBIT				
Coolrec	5.8	8.5	(2.7)	-32%
Maltha	11.0	7.9	3.1	39%
Central services	(0.5)	(0.5)	-	
Total Underlying EBIT	**16.3**	**15.9**	**0.4**	**3%**
Operating profit				
Coolrec	10.2	9.2	1.0	11%
Maltha	5.7	8.4	(2.7)	-32%
Central services	(0.5)	(0.5)	-	
Total Operating profit	**15.4**	**17.1**	**(1.7)**	**-10%**

- Maltha volumes largely flat, investments in quality underpinned price improvements for offtake
- Coolrec volumes strong, EBIT impacted by lower plastics prices

Building a strong platform for growth

Annemieke den Otter

Reiterating commitment to targets

Key initiatives executed to drive progress on all targets for FY25

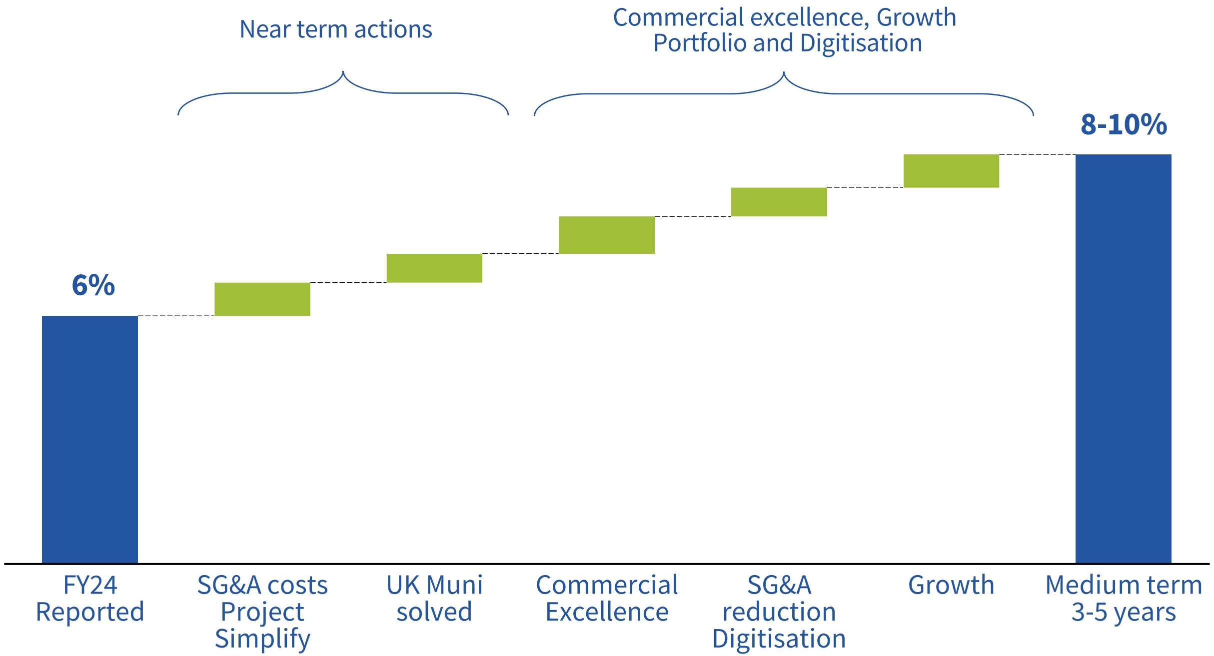
KPI	FY20	FY23	FY24	3-5 year target
EBIT margin	4%	7%	6%	8-10%
Free Cash Flow/EBITDA conversion*	12%	10%	9%	>40%
ROCE	6%	11%	8%	>15%
Organic revenue growth**	2%	1%	-1%	>5%

All years including UK Municipal

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

Executing on margin expansion

Organisational efficiency and digital agenda delivering margin upside of 300-500bps



- ✓ Simplify executed
- ✓ UK Municipal exit signed
- ✓ Organisational structure announced
- ✓ Digital roadmap underway

Boosting shareholder returns

Resuming dividend payment and focus on driving shareholder value

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

1. Board recommends a final dividend for FY24 of 5 pence per share and are committed to a progressive dividend policy whilst maintaining underlying earnings cover of 3.0-4.0 times thereafter
2. Invest ~30% of FCF annually into innovative growth capex with at least 16% pre-tax IRR
3. Focus on deleveraging in the next 12-18 months after funding the UK divestment. In the medium term we target value accretive bolt-on acquisitions
4. Where the Board determines there is excess capital, it will consider supplemental returns to shareholders in the form of share buy-backs or additional dividends

Dividend payments will recommence with a final dividend of 5p per share for FY24

FY25: topline growth & margin expansion

Revenue growth and margin expansion; resuming dividend payment

Revenue

- Revenue growth of ~5% for the full year
- Pricing for 2024 executed, modest volume growth

Cost

- SG&A cost reduction ca €10m impact (total cost savings €15m)
- Organisational restructuring providing further scope for efficiency

Cash

- Excluding UK divestment funding ..
  - … free cash flow of ca €50m, benefiting from UK exit
  - … positive total cash flow after dividend and growth capex

EBIT margin expansion in line with consensus driven by growth, cost reduction and M&W recovery

Strategic outlook

Otto de Bont

Our growth strategy accelerates with the UK Municipal exit

Leader in recycling

- Extend industry leading position by increasing recycling rate
- Divert more volumes from incineration and landfill
- Develop new recycling technologies and partnerships
- Invest in advanced treatment capacity

Leader in production of high-quality secondary materials

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

Grow market share

- Develop partnerships with leading companies
- Offer superior customer propositions
- Consolidate market position over time

Progressing well on our sustainability themes

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Increasingly important differentiator to use with customers

Enabling the circular economy

- Carbon avoidance around 2.5 mT (scope 1 for customers)
- Recycling rate at 63%
- Produced 11% more innovative secondary materials
- Offering our customers insight in their data will become increasingly important with CSRD

Reducing our carbon emissions

- Scope 1 & 2 carbon footprint decreased 4% vs LY and 9% vs FY22
- Continuously increasing ZE fleet
- Strong decarbonisation plan in place to deliver on our SBTi commitments for FY26 (-15%) and FY31 (-50%)

Caring for our people

- Safety LTIF* decreased by 38% to 6.8
- 0 major environmental incidents
- Ongoing investments in SHEQ and training to further improve the safety of employees and the communities we operate in

*Lost Time/Injuries Frequency

Organic growth levers underpin revenue growth

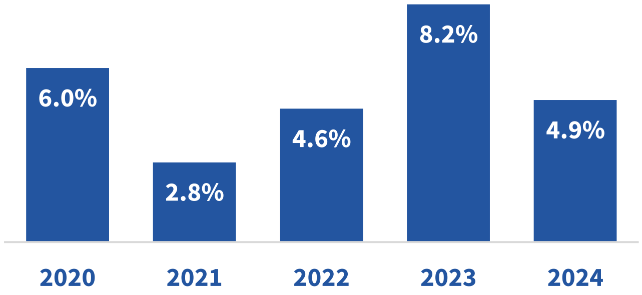
Pricing	5 growth pillars	Organic growth guidance
>2%	>3%	>5% CAGR
Proven track record of price increases ahead of inflation Supported by contract indexation and dynamic pricing	€275m of revenue in plan Supported by market growth and share gains	

Enabled by commercial productivity initiatives

Utilising pricing power

Input revenue supported by price increases

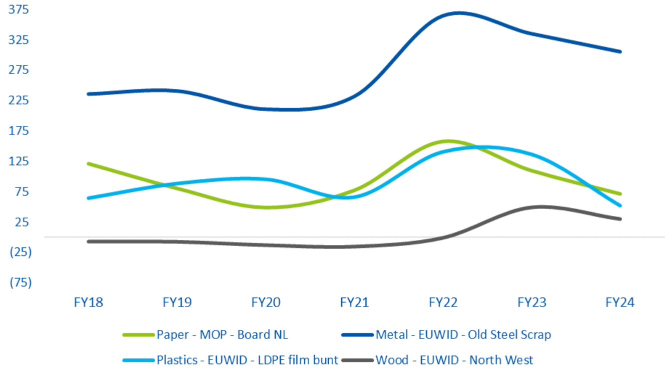
Commercial Waste input price increases over the last five years



- Strong execution of price increases helped by our market leadership and broad contract portfolio
- Significant portion of our contracts are index
- Input revenue represents between 80 - 85% of total revenue

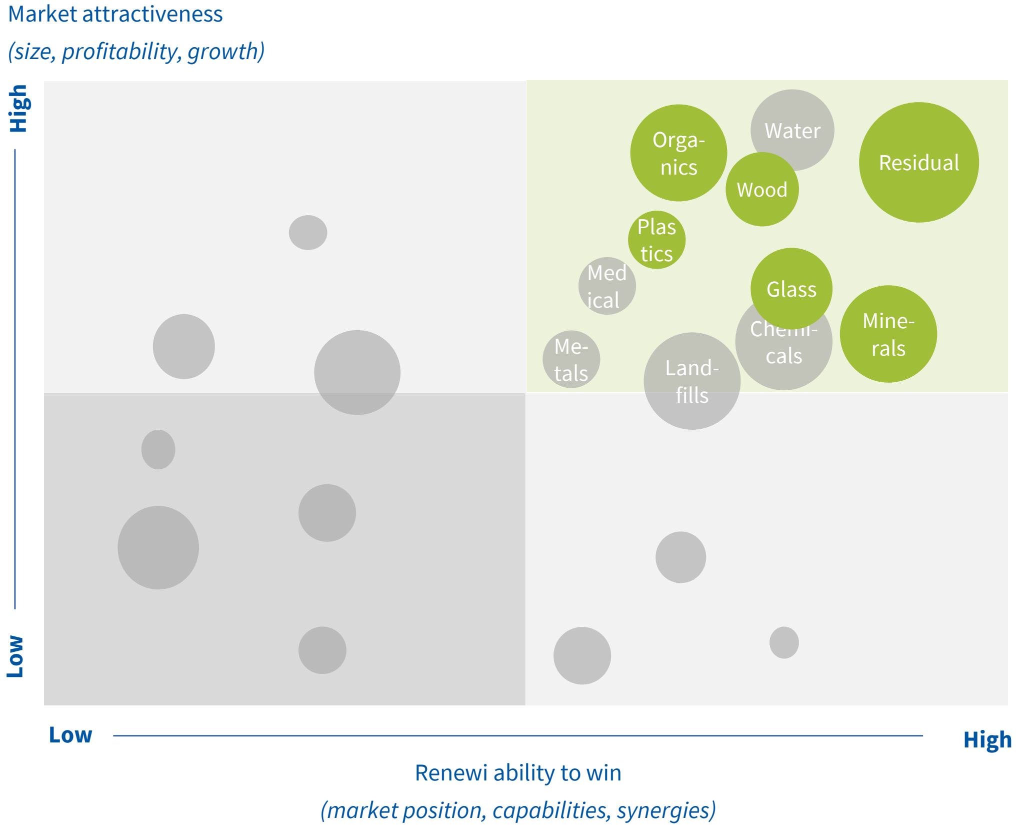
Output revenue impacted by recyclate prices

Recyclate price trend over the last five years



- Recyclates demand expected to increase due to legislation and manufacturers' preference for low carbon recyclates
- Increased demand will have positive impact on recyclate prices over time
- Manufacturers will secure supply with long-term contracts resulting in more stable prices

Overview of high potential material streams



Current portfolio for materials streams of interest with material growth plans

- Residual mixed waste
- Organics & Wood
- Plastics
- Minerals incl. C&D
- Glass

Other materials streams of interest to be assessed

- Metals
- Water
- Chemicals

Highlighting five sectors

Each contributing to growth in its unique way

Construction & Building
Helping one of the highest carbon industries become more circular

Glass
Capitalising on the opportunity that glass is endlessly recyclable

Organics
Bringing carbon capture to the next level

Plastics
Providing answers to a big environmental and societal issue

Zero Waste Solutions
Guiding customers to a zero residual waste future

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

€50m	€40m	€100m	€35m	€50m
350kT	225kT	550kT	110kT	N/a

>1.2m tonne of carbon avoidance in FY23

Innovation programmes underpinning five growth sectors

Waste stream	Construction & building products	Glass	Organics	Plastics	Commercial mixed waste
Innovation programmes	Advanced rubble NL	Powder line PT	Green gas factory NL	Rigid plastics NL	V8 line Ghent
	Filler treatment M&W	Izon O-I ph 1 FR	4th AD digester NL	PVB recycling BE	V8 line Puurs BE
	Sand treatment M&W	Lavilledieu upgrade FR	Food waste to feed NL	Feedstock chem recycling	V8 line Châtalet BE
	Sieving sand NL	Vidrala ES/PT	Wood to bio-coal BE	PUR Recydel BE	V8 line 1 NL
	SQAPE geopolymers	Lavilledieu hybrid		Rigid plastics BE	
Development center	Moerdijk NL	Dintelmond NL	Amsterdam NL	Acht NL	Ghent BE

Completed
Started
New

Programmes included in next 3-5 years require €120-140m of CAPEX delivering >16% IRR

Recycling will enable Europe's circular revolution

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Renewi well-positioned to meet increasing demand for recycling and circular materials

- Security of material supply is an important circular economy driver, beyond addressing the climate challenge
- Europe aims to double the use of recycled materials between 2020 and 2030
- Broad legislation is in place, or enacted within 1-3 year, expected to increase demand for recycled materials
- Climate concerns emphasise the responsibility of production companies to reduce their carbon footprint; with our low carbon materials we can support in their (net zero) journey

Legislation requiring increased use of recycled materials

- Circular Economy Action Plan
- Ecodesign Directive
- Waste Framework Directive
- Construction Products Regulation WEEE Directive
- Packaging waste directive
- Product specific legislation
  (i.e. toys, medical devices)

Executing on our strategic priorities

FY24 we launched our priorities to achieve profitable growth

- Volumes impacted by market conditions
- Rapidly responded with delivery of commercial, cost and cash initiatives in H2
- Prioritised 5 segments for growth
- Dividend reinstated reflecting confidence in the future

FY25 will be transformational year with a stronger business emerging

- FY25 will be year of clear progress, with expected double-digit growth in EBIT
- UK Municipal exit simplifies our portfolio, increases our margin and improves cash flow and balance sheet risk profile
- Continued turnaround at M&W and ongoing benefits from the Simplify cost reduction will enhance resilience

Making our longer-term outlook a reality, step by step

- Strategy to deliver >5% organic sales growth, backed by long term consumer and regulatory drivers
- Clear plan to achieve improved returns: EBIT margin 8-10%, Cash conversion >40%, ROCE >15%
- Improved balance sheet creates a pathway to a flexible and sustainable capital allocation policy

Q&A

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waste no more