

# Renewi plc

## Half Year Results

*Otto de Bont & Annemieke den Otter*

November 12<sup>th</sup> 2024

# Disclaimer



This presentation has been prepared by Renewi plc (the "**Company**") and is for information purposes only. The information contained in this presentation is being made available to, and is only directed at, persons to whom it may lawfully be communicated to ("**Relevant Persons**"). Any person who is not a Relevant Person should not act or rely on this presentation or any of its contents. This presentation is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation. No representation, warranty or undertaking, express or implied, is or will be made in, or in relation to, and no responsibility or liability (including, without limitation, any liability in negligence) is or will be accepted by the Company or any of its connected persons as to, or in relation to, this presentation or the accuracy or completeness of the information contained therein or any other information, whether written or oral, made available to any Relevant Persons and any liability therefore is hereby expressly disclaimed. The information contained in this presentation should not be assumed to have been updated at any time subsequent to the date shown on the cover hereof. The information relating to the Company and its subsidiaries contained in this presentation has not been verified. This presentation may not be reproduced, redistributed or disclosed in whole or in part to any other person without the prior written consent of the Company. This presentation does not constitute or form part of, and should not be construed as, an offer, invitation, inducement or recommendation for the sale or purchase of all or any part of the capital or assets of the Company or any of its subsidiaries. Unless specified otherwise, no statement in this presentation is intended as a profit forecast or estimate for any period and no statement in this presentation should be interpreted to mean that earnings or earnings per share for the Company for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for the Company. Certain statements, beliefs and opinions in this presentation, are forward-looking, which reflect the Company's or, as appropriate, the Company's directors' current expectations and projections about future events. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described herein. Forward-looking statements contained in this presentation regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. The Company does not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. You should not place undue reliance on forward-looking statements, which speak only as of the date of this presentation. In this notice, "**connected persons**" means, in relation to the Company, its subsidiaries and subsidiary undertakings and the respective directors, officers, employees, agents and advisers of each of the Company and those subsidiaries and subsidiary undertakings. By attending the presentation to which this presentation relates or by accepting this presentation in any other way, you agree to be bound by the foregoing provisions. This presentation is governed by English law, and by accepting a copy of this presentation you agree that the courts of England have non-exclusive jurisdiction to settle any disputes arising out of or in connection with this presentation.

# Today's agenda

Continuing to deliver on our commitments

Otto de Bont

Group & Divisional performance

Annemieke den Otter

Outlook

Annemieke den Otter

Positioning for further growth

Otto de Bont



Otto de Bont  
Chief Executive Officer



Annemieke den Otter  
Chief Financial Officer



# Stronger platform to accelerate growth



Completed our portfolio optimisation and turned cash positive

1

## Optimise our portfolio

Fix legacy portfolio issues

- Divestment UK Municipal completed 10 October ✓
- M&W turnaround on schedule ✓

2

## Build a strong platform for growth

- Completed successful SG&A cost reduction programme ✓
- Generating free cash flow with better working capital management\* ✓
- Increasing efficiency through harmonisation and digitisation with One Renewi

3

## Capitalise on sector growth momentum

- Refreshed commercial strategy in Commercial Waste to accelerate organic growth
- Several large customer wins
- Sector growth underpinned by CSRD implementation

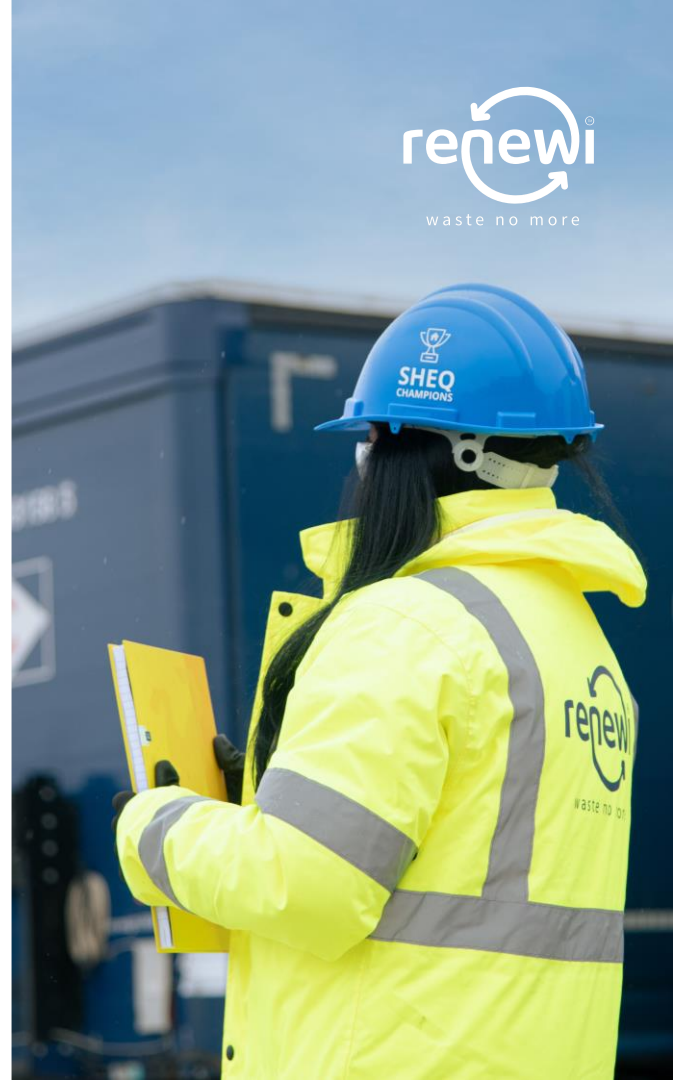
\*including all legacy cash outflows such as UK Municipal

# Completion of divestment of UK Municipal

Sold to Biffa Limited on 10th October 2024, following a capital injection of £125m

## Transaction benefits

- Allows the Group to fully focus on its core recycling business in Continental Europe
- De-risks Renewi's balance sheet
- Increases annual cash flow
- Supports EBIT margin expansion
- Improves recycling rate



# M&W significantly improving EBIT margins

## Turnaround on schedule

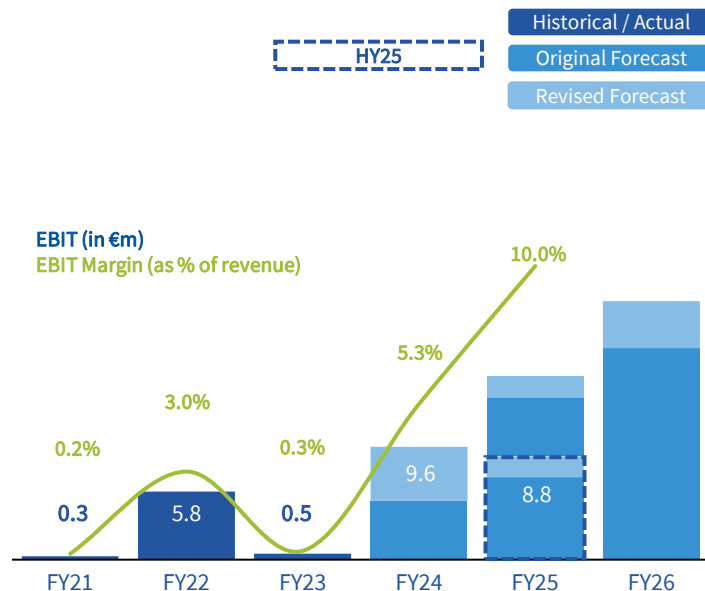


### Key milestones in HY25

- Production of secondary building materials in line with expectations
- Closing of loss-making activities in Tisselt & Zweekhorst
- Driving continuous improvement in water treatment facilities
- EBIT step change: €8.8m, a 5x increase versus HY24
- EBIT margin at 10% in HY25

### To further increase profitability

- Further increase the quality of the filler and sand
- Increase incoming volume of contaminated soil and asphalt



# Customer and partnership wins

## Underlining our waste-to-product strategy



### VEENIX partner with Renewi for A9

- Renewi is the circular partner for this megaproject recycling 40,000 tons of concrete and supplying 130,000 tons of secondary building materials for A9 motorway
- Our unique solution enables materials to be reused within the same project



### GreenCycle 5 year anniversary

- Jointly addressing the fast growing medical waste stream
- In 2024 50 tonnes of medical waste recycled
- Goal to recycle 1,000 tonnes of medical waste within 3 years



### Zero waste approach with Damen

- Advice and implementation to minimise residual waste
- In just 2 months, a residual waste reduction of 40% was achieved, leading to a reduction of 21 tonnes CO2 emission

# Executing on our strategic priorities

Our commitments are unchanged and on track



In HY25 we continued to deliver on our commitments

- Divestment of UK Municipal completed 10 October
- M&W recovery well on track
- Completed SG&A savings programme, now generating annual savings of €15m for FY25
- Improved free cash flow to €20.3m positive – whilst still including all legacy cash outflows such as UK Municipal

Outlook in line

- FY25 underlying EBIT from continuing operations in line with market expectations
- FY25 dividend to be proposed in line with dividend policy
- Medium term commitments unchanged and on track



# Group performance

Annemieke den Otter

# Income statement



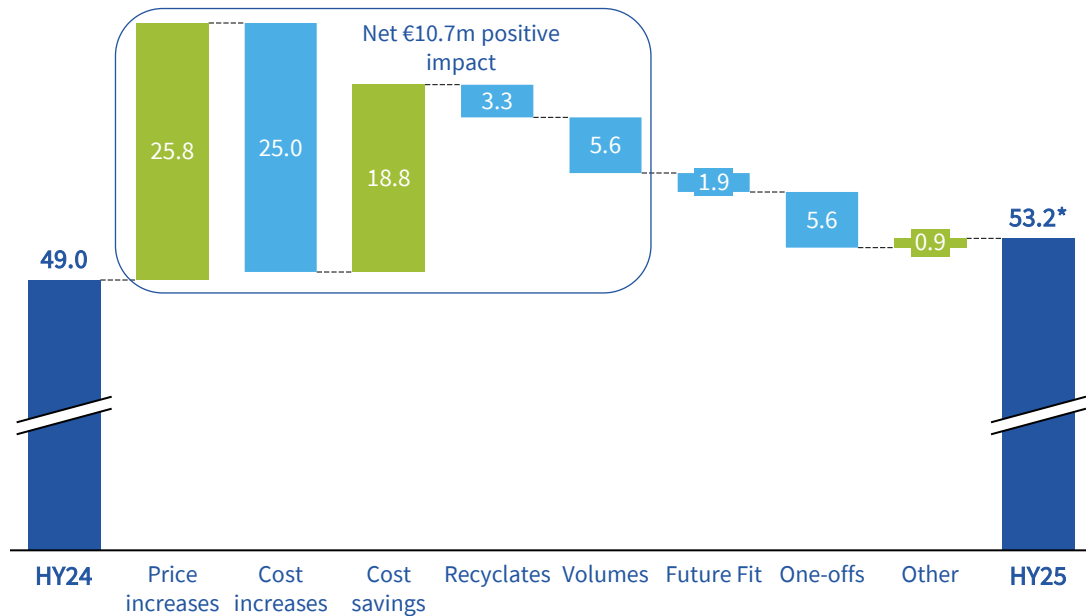
## Pricing power underpins topline growth; M&W strong EBIT contributor

	HY25 €m	HY24 €m	Change €m	Change %
<b>Continuing operations</b>				
Input and other revenue	706.5	679.7	26.8	4%
Output revenue	168.0	164.6	3.4	2%
<b>Revenue</b>	<b>874.5</b>	<b>844.3</b>	<b>30.2</b>	<b>4%</b>
<b>Operating profit</b>	<b>42.9</b>	<b>55.3</b>	<b>(12.4)</b>	<b>-22%</b>
<b>Underlying EBIT</b>	<b>53.2</b>	<b>49.0</b>	<b>4.2</b>	<b>9%</b>
Net Interest	(21.2)	(18.4)		
Income from associates and JVs	(0.2)	0.1		
<b>Underlying profit before tax</b>	<b>31.8</b>	<b>30.7</b>	<b>1.1</b>	<b>4%</b>
Non-trading and exceptional items	(10.3)	6.3	(16.6)	
<b>Profit before tax from continuing operations</b>	<b>21.5</b>	<b>37.0</b>	<b>(15.5)</b>	
Taxation	(6.2)	(10.2)		
<b>Profit for the period from continuing operations</b>	<b>15.3</b>	<b>26.8</b>	<b>(11.5)</b>	
Discontinued operations	(5.1)	8.5		
<b>Profit for the period</b>	<b>10.2</b>	<b>35.3</b>	<b>(25.1)</b>	
Underlying earnings per share (cents)	27	26	1	4%
Basic earnings per share (cents)	17	32	(15)	

- Revenue growth of 4% mainly driven by continued pricing discipline
- Underlying EBIT from continuing operations up 9% driven by M&W and SG&A cost reduction
- Non-trading and exceptionals include non-cash impact of changes in discount rates for long-term provisions and restructuring cost
- Loss for the period from discontinued operations as a result of UK Municipal divestment
- Underlying EPS 4% higher at 27 cents

# EBIT reflects pricing power and cost discipline

Pricing and SG&A cost reductions offset inflation and lagging volumes



- Price increases & cost actions underpin results; offsetting volumes, recycles margin and inflation
- Cost reduction programme Simplify results in annual €15m reduction in FY25
- Reduced incinerator capacity leading to additional cost; solved in H2
- Digitisation programme Future Fit ramping up in FY25
- HY24 underpinned by €9.6m of one-offs; HY25 only €4.0m – leading to increased focus on underlying business performance

\* Group performance continued operations

# Group cash flow positive

## Legacy cash-out issues now resolved; cash flow profile turned positive

	HY25 €m	HY24 €m
Underlying EBITDA	118.8	113.6
Working capital movement	23.5	5.2
Movement in provisions and other	(1.2)	(4.2)
Net replacement capital expenditure	(34.7)	(41.4)
Repayments of obligations under lease liabilities	(26.3)	(25.4)
Interest and loan fees	(20.2)	(17.8)
Tax	(1.7)	(5.9)
<b>Adjusted free cash flow</b>	<b>58.2</b>	<b>24.1</b>
Deferred Covid taxes	(8.2)	(9.7)
Offtake of ATM soil	(3.6)	(1.0)
UK Municipal contracts	(18.5)	(9.8)
Exceptional spend	(6.1)	(1.6)
Other	(1.5)	(3.6)
<b>Free cash flow</b>	<b>20.3</b>	<b>(1.6)</b>
Growth capital expenditure	(8.3)	(15.9)
Acquisitions net of disposals	(0.1)	1.6
Dividends paid	(4.7)	-
<b>Total cash flow</b>	<b>7.2</b>	<b>(15.9)</b>
<b>Free cash flow/EBITDA conversion</b>	<b>17.1%</b>	<b>-1.4%</b>

All numbers above continue both continued and discontinued operations. Free cash flow conversion is free cash flow as a percentage of underlying EBITDA.

### Adjusted Free cash flow

- Working capital improvement: improving receivables and increase of invoice discounting facility
- Replacement capital lower due to timing
- FY23 and FY24 NL tax paid in single year

### Growth capex

- M&W extension landfill rights
- Coolrec boiler line France on schedule

### Legacy items resolved

- Legacy cash-out (ca €40m in FY24) resolved:
  - UK divestment signed
  - Deferred Covid taxes repaid
  - Limited remaining ATM legacy soil offtake

# Summary balance sheet



## Major derisking of balance sheet as a result of UK Municipal divestment

	Sep 24 €m	Mar 24 €m
Goodwill & other intangibles	635.0	633.5
Tangible fixed assets	617.1	618.7
Right-of-use assets	240.0	253.9
Non-current trade and other receivables	0.9	1.1
Investments	26.0	27.1
<b>Non-current assets</b>	<b>1,519.0</b>	<b>1,534.3</b>
Investments	0.4	0.6
Working capital	(207.9)	(204.9)
Asset held for sale	(148.9)	(147.3)
Provisions	(199.4)	(199.0)
Other non-current liabilities	(10.9)	(11.0)
Core net debt	(357.7)	(368.1)
IFRS 16 lease liabilities	(236.8)	(247.9)
Derivative financial assets (liabilities)	3.0	1.4
Pension deficit	(7.0)	(12.9)
Taxation	(36.1)	(31.2)
<b>Net Assets</b>	<b>317.7</b>	<b>314.0</b>

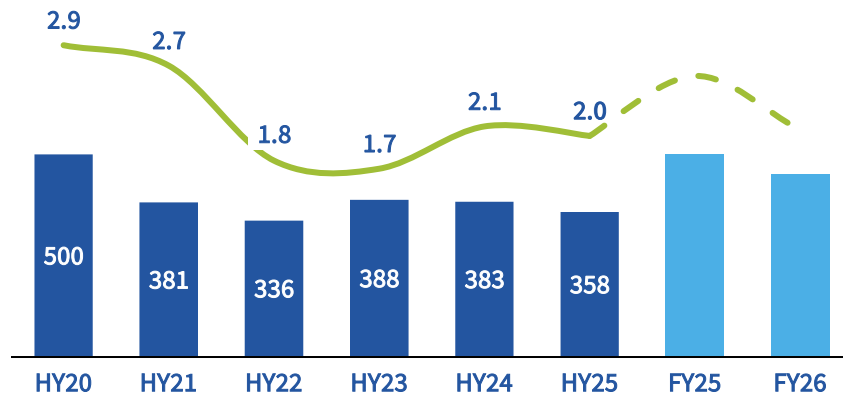
- UK Municipal divestment is a game changer as it transforms the risk profile of the company into a cash flow positive and predictable business ready for growth
- Ca €125m of onerous contracts provisions and ca €55m PFI debt will disappear from the balance sheet
- Unpredictable onerous contracts that have undergone multiple revisions in the past, are now replaced with competitively priced debt that will be paid down
- Temporarily elevated leverage and interest cost will be key focus point; margin improvement and improved cash profile will lead to deleveraging in medium term

# Strong balance sheet with €300m liquidity headroom



UK divestment funded from balance sheet; medium term leverage target of 2.0x reiterated

## Core Net Debt & Leverage



Debt facilities	Rate type	Rate	Amount €m	Maturity
Revolving Credit Facility	Floating	Floating	400	2028
2027 Bond	Fixed	3.0%	125	2027
Bridge loan	Floating	Floating	120	2025-2026
EUPP	Fixed	2.9% - 4.7%	55	2025-2029
Other loans	Fixed	3.6% - 4.2%	50	2027-2032
<b>Total facilities</b>			<b>750</b>	

## Liquidity and leverage

- €75m bond repaid in June '24
- UK Municipal paid out of the RCF in Oct '24
- A €120m bridge facility agreed at similar terms to RCF
- Pro forma leverage (incl UK divestment) 2.85x
- Maximum allowed leverage covenant of 3.5X
- Deleveraging by 0.4x-0.5x per year through:
  - margin expansion
  - improved cash profile
  - growth

With UK Municipal divestment completed, Board targets to return to a leverage of 2x in medium term

# Divisional performance

Annemieke den Otter

# Commercial Waste



## Pricing underpins growth; incinerator capacity leads to temporarily elevated costs

	HY25 €m	HY24 €m	Change €m	Change %
<b>Revenue</b>				
Netherlands Commercial	466.5	457.3	9.2	2%
Belgium Commercial	245.7	237.5	8.2	3%
Intra-segment revenue	(1.5)	(1.5)	-	
<b>Total Revenue</b>	<b>710.7</b>	<b>693.3</b>	<b>17.4</b>	<b>3%</b>
<b>Underlying EBIT</b>				
Netherlands Commercial	26.5	25.8	0.7	3%
Belgium Commercial	19.7	24.5	(4.8)	-20%
<b>Total Underlying EBIT</b>	<b>46.2</b>	<b>50.3</b>	<b>(4.1)</b>	<b>-8%</b>
<b>Operating Profit</b>				
Netherlands Commercial	22.9	25.7	(2.8)	-11%
Belgium Commercial	18.3	24.1	(5.8)	-24%
<b>Total Operating profit</b>	<b>41.2</b>	<b>49.8</b>	<b>(8.6)</b>	<b>-17%</b>
<b>Underlying EBIT Margin</b>				
Netherlands Commercial	5.7%	5.6%		
Belgium Commercial	8.0%	10.3%		
<b>Total Underlying EBIT Margin</b>	<b>6.5%</b>	<b>7.3%</b>		
<b>Return on operating assets</b>				
Netherlands Commercial	12.4%	14.4%		
Belgium Commercial	23.6%	34.4%		
<b>Total Return on operating assets</b>	<b>15.6%</b>	<b>19.4%</b>		

- Revenue up 3% with higher prices offsetting somewhat lower volumes
- Price increases on October 1<sup>st</sup> to cover for incremental logistics and processing costs
- Recyclate prices largely stable
- Incineration capacity constraints impacted cost of logistics, nitrous oxide tanks require extra processing
- Simplify cost savings programme completed and yielding full benefits



# Mineralz & Water

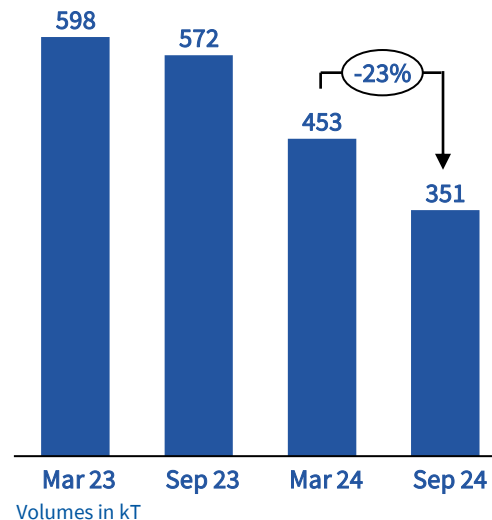


## Continued recovery with double digit EBIT margin

	HY25 €m	HY24 €m	Change €m	Change %
Revenue	87.9	88.4	(0.5)	-1%
Underlying EBIT	8.8	1.5	7.3	n/a
Underlying EBIT Margin	10.0%	1.7%		830bp
Operating profit	6.0	9.5	(3.5)	n/a
Return on operating assets	29.7%	-0.9%		3,060bp

- Revenues largely stable as a result of closing our loss making activities in Tisselt & Zweekhorst
- Throughput continued at 50 tonnes/hour
- Legacy TGG now reduced to 351 kilotons, no longer major constraint for throughput capacity
- End of Waste for gravel and filler, sand pending – offtake for all three products gaining traction
- Jetty replacement completed on time

## Legacy TGG stock development



# Specialities



## Double digit growth for both Coolrec and Maltha

	HY25 €m	HY24 €m	Change €m	Change %
<b>Revenue</b>				
Coolrec	55.4	45.1	10.3	23%
Maltha	46.6	40.8	5.8	14%
<b>Total Revenue</b>	<b>102.0</b>	<b>85.9</b>	<b>16.1</b>	<b>19%</b>
<b>Underlying EBIT</b>				
Coolrec	3.6	2.9	0.7	24%
Maltha	6.1	6.0	0.1	2%
Central services	(0.2)	(0.3)	0.1	
<b>Total Underlying EBIT</b>	<b>9.5</b>	<b>8.6</b>	<b>0.9</b>	<b>10%</b>
<b>Operating profit</b>				
Coolrec	3.5	2.9	0.6	21%
Maltha	5.7	5.6	0.1	2%
Central services	(0.1)	(0.3)	0.2	
<b>Total Operating profit</b>	<b>9.1</b>	<b>8.2</b>	<b>0.9</b>	<b>11%</b>
<b>Underlying EBIT Margin</b>	<b>9.3%</b>	<b>10.0%</b>		
<b>Return on operating assets</b>	<b>27.4%</b>	<b>31.5%</b>		

### Coolrec

- Revenue up 23% due to higher volumes, underlying EBIT impacted by outlet mix
- Construction of boiler line in France in progress; expanded line for electric appliances in NL

### Maltha

- Maltha revenue up 14%, underlying EBIT impacted by inbound sourcing price pressure
- Execution of additional projects on track to driver further revenue and EBIT growth

# Outlook

Annemieke den Otter

# Reiterating commitment to targets

Key initiatives executed to drive progress on all targets for FY25

KPI	HY24	HY25	3-5 year target
EBIT margin*	6%	6%	8-10%
Free Cash Flow/EBITDA conversion**	-1%	17%	>40%
ROCE***	8%	8%	>15%
Organic revenue growth*	0%	4%	>5%

\* Continued operations

\*\* Cash flow before dividends, growth capex and M&A, includes both continued and discontinued operations

\*\*\* Includes both continued and discontinued operations

# FY25 outlook

Margin step-up in H2 due to focus on growth, efficiency and operational excellence

## Revenue

- Revenue growth of ~5% for the full year
- Additional price increase per 1 Oct 2024
- Commercial focus on key sectors and customer segments

## Cost

- Ongoing discipline with respect to overhead cost
- Operational excellence opportunities focused on maintenance and asset utilisation

## Cash

- Excluding UK divestment funding:
  - Free cash flow of ca €50m
  - Positive total cash flow after dividend and growth capex

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

# Positioning for further growth

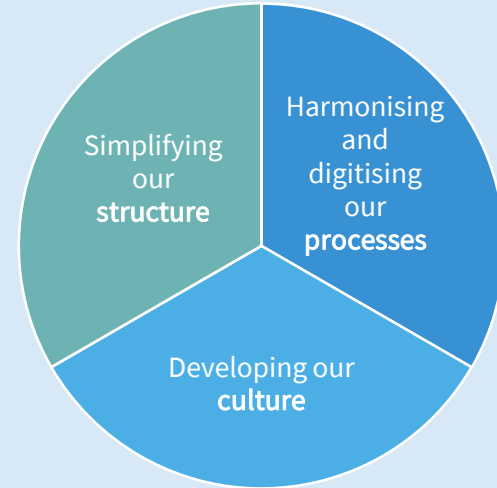
Otto de Bont

# Fueling growth through One Renewi

## Our goals

- Delight our customers with outstanding service and high-quality circular materials
- Make our work easier, more efficient and more enjoyable
- Deliver on our financial objectives increasing shareholder returns

## Our transformation



# Simplifying our structure



## Strengthening our Sales and Development capabilities



### Benefits for Commercial Waste

- One Inbound Sales & Marketing team for Benelux with strong segment focus offering tailored customer solutions
- One Material Management & Outbound Sales team for Benelux optimising mix and margin

### Benefits for Renewi overall

- Centralised functions driving harmonisation and digitisation to increase efficiency
- Development and engineering capabilities bundled centrally to accelerate waste to product strategy



# Innovation programme ensuring cutting edge capabilities in five growth segments



Waste stream	Construction & building products	Glass	Organics	Plastics	Commercial mixed waste
<b>Innovation programmes</b>	<ul style="list-style-type: none"> <li>Advanced rubble NL</li> <li>Filler treatment M&amp;W</li> <li>Sand treatment M&amp;W</li> <li>Sieving sand NL</li> <li>SQAPE geopolymers</li> </ul>	<ul style="list-style-type: none"> <li>Powder line PT</li> <li>Izon O-I ph 1 FR</li> <li>Lavilledieu upgrade FR</li> <li>Vidrala ES/PT</li> <li>Lavilledieu hybrid</li> </ul>	<ul style="list-style-type: none"> <li>Green gas factory NL</li> <li>4<sup>th</sup> AD digester NL</li> <li>Biorefinery NL</li> <li>Wood to bio-coal BE</li> </ul>	<ul style="list-style-type: none"> <li>Rigid plastics NL</li> <li>PVB recycling BE</li> <li>Feedstock chem recycling</li> <li>PUR Recydel BE</li> <li>Rigid plastics BE</li> </ul>	<ul style="list-style-type: none"> <li>V8 line Ghent</li> <li>V8 line Puurs BE</li> <li>V8 line Châtelet BE</li> <li>V8 line 1 NL</li> </ul>
<b>Development center</b>	Moerdijk NL	Dintelmond NL	Amsterdam NL	Acht NL	Ghent BE

Programmes in next 3-5 years with >16% IRR driving growth and profitability

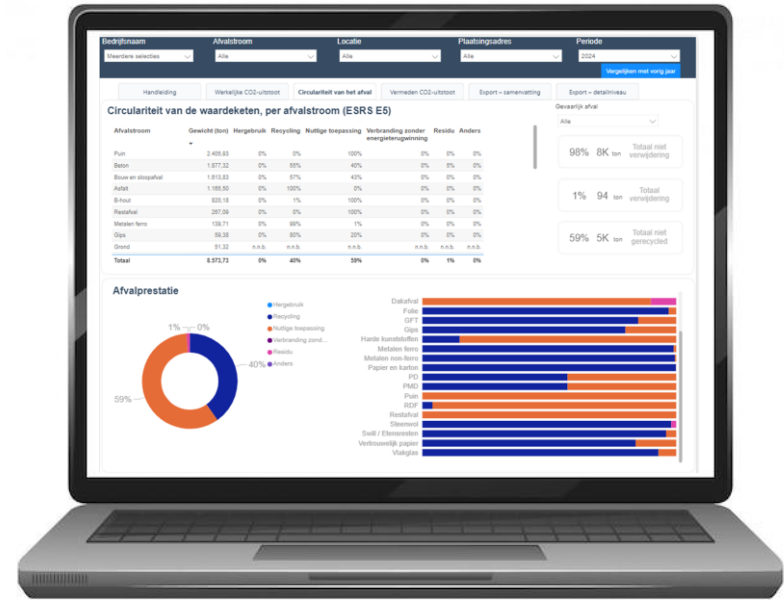
# Helping customers to get CSRD-ready



First to market with a CSRD tool based on third-party validated calculations

Renewi sustainability reporting tool offers data for 30 most common waste streams:

- CO2 equivalent emissions of collection and processing per waste stream  
**Validated by TNO**
- Circularity of processing per waste stream for the entire value chain  
**Validated by Royal Haskoning**
- Available from November 24 in the Netherlands, to be rolled out in Belgium over the next 12 months



Impression of client dashboard

# EU continues to drive legislation supporting circularity

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

## Recent legislative developments

- EU intends to impose additional taxes on waste incineration, with incinerators coming under the Emission Trading System (ETS, from 2027)
- The 2024 influential Draghi report highlights that the EU can enhance competitiveness by recycling critical raw materials
- Other new suggested measures include price adjustments based on environmental impact and the obligation to use recycled materials in new products

### Legislation requiring increased use of recycled materials



- Circular Economy Action Plan
- Ecodesign Directive
- Waste Framework Directive
- Construction Products Regulation
- WEEE Directive
- Packaging waste directive

# Renewi has turned the corner and is ready to accelerate growth

Legacy issues resolved: we now have the right portfolio to win

Momentum on our side:

- Delivered revenue, EBIT growth and free cash flow in HY25
- One Renewi transformation well underway
- Strong market interest in high quality circular materials
- Loyal customer base: nearly 100% contract renewals from our large customers
- Innovation programme reinforces our leadership position
- Circularity legislation moves towards implementation phase

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



# Q&A

# Contact

[investor.relations@renewi.com](mailto:investor.relations@renewi.com)



waste no more

# Appendix



# Recyclate prices close to historic averages



Significant reduction in volatility and dynamic pricing mitigates EBIT impact for ca 65%



\* Internal data — Pre-Covid five-year average

# Disclaimer



This presentation has been prepared by Renewi plc (the "**Company**") and is for information purposes only. The information contained in this presentation is being made available to, and is only directed at, persons to whom it may lawfully be communicated to ("**Relevant Persons**"). Any person who is not a Relevant Person should not act or rely on this presentation or any of its contents. This presentation is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation. No representation, warranty or undertaking, express or implied, is or will be made in, or in relation to, and no responsibility or liability (including, without limitation, any liability in negligence) is or will be accepted by the Company or any of its connected persons as to, or in relation to, this presentation or the accuracy or completeness of the information contained therein or any other information, whether written or oral, made available to any Relevant Persons and any liability therefore is hereby expressly disclaimed. The information contained in this presentation should not be assumed to have been updated at any time subsequent to the date shown on the cover hereof. The information relating to the Company and its subsidiaries contained in this presentation has not been verified. This presentation may not be reproduced, redistributed or disclosed in whole or in part to any other person without the prior written consent of the Company. This presentation does not constitute or form part of, and should not be construed as, an offer, invitation, inducement or recommendation for the sale or purchase of all or any part of the capital or assets of the Company or any of its subsidiaries. Unless specified otherwise, no statement in this presentation is intended as a profit forecast or estimate for any period and no statement in this presentation should be interpreted to mean that earnings or earnings per share for the Company for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for the Company. Certain statements, beliefs and opinions in this presentation, are forward-looking, which reflect the Company's or, as appropriate, the Company's directors' current expectations and projections about future events. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described herein. Forward-looking statements contained in this presentation regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. The Company does not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. You should not place undue reliance on forward-looking statements, which speak only as of the date of this presentation. In this notice, "**connected persons**" means, in relation to the Company, its subsidiaries and subsidiary undertakings and the respective directors, officers, employees, agents and advisers of each of the Company and those subsidiaries and subsidiary undertakings. By attending the presentation to which this presentation relates or by accepting this presentation in any other way, you agree to be bound by the foregoing provisions. This presentation is governed by English law, and by accepting a copy of this presentation you agree that the courts of England have non-exclusive jurisdiction to settle any disputes arising out of or in connection with this presentation.