ACTING TODAY SUSTAINING TOMORROW

# FY21 Half Year

## 10 November 2020

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**Toby Woolrych,** CFO

renewi
waste no more

# Disclaimer

This presentation contains certain forward-looking statements with respect to the operations, performance and financial condition of Renewi. These forward-looking statements are subject to risks, uncertainties and other factors which as a result could cause Renewi's actual future financial condition, performance and results to differ materially from the plans, goals and expectations set out in the forward-looking statements. Such statements are made only as at the date of this presentation and, except to the extent legally required, Renewi undertakes no obligation to revise or update such forward-looking statements.

# Agenda

1. Introduction and overview
2. Financial and operating review
3. Strategy execution

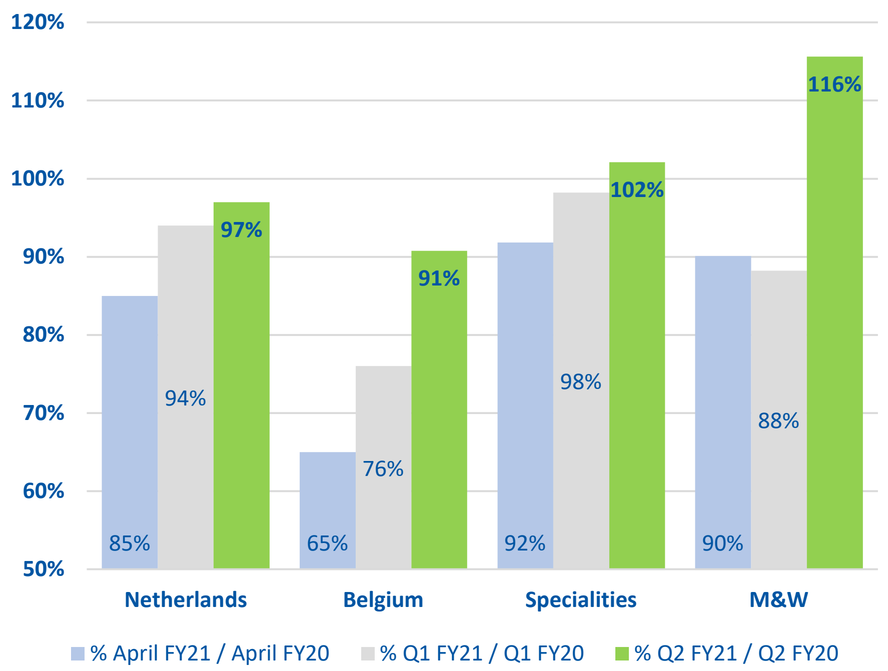
# 1/ INTRODUCTION AND OVERVIEW
## resilient performance and positive outlook

# Overview: resilient performance and positive outlook

- Resilient performance in the first half of FY21, with results materially ahead of initial Covid-19 expectations: ongoing revenue and underlying EBITDA down 3% and underlying EBIT down 25% to €28.3m
- Covid-19 actions to protect people and ensure continuity of service have been effective; we greatly appreciate the determination, passion and flexibility of our people to maintain services and keep converting waste into product
- Volumes recovered well in Q2 after initial lockdowns
- Covid-19 actions on track to be ahead of planned €60m cash savings for the full year
- Leverage of 2.69x, with comfortable headroom to adjusted covenants, and liquidity of €325m
- Good progress with our three key value drivers: our innovation pipeline, ATM recovery and Renewi 2.0 programme
- Outlook for the full year materially ahead of previous expectations – remaining alert to further slowdowns in economies as a result of Covid-19 second wave
- Long-term outlook positive, with an ongoing focus by regulators and customers to increase recycling and the use of secondary materials

# Volumes recovered well in Q2 after initial lockdowns

## Divisional volumes as a % of prior year




- Commercial Waste Netherlands was resilient with construction and bulky waste volumes offsetting weakness in hospitality/roller bins
- Commercial Waste Belgium was worse affected due to more severe lockdowns but recovered to 91% of prior year
- Specialities impacted by closure of HWRCs and glass furnaces but bounced back strongly
- Mineralz & Water volumes increased with ATM resuming production of TGG and building materials

# Covid-19 cost and cash savings upgraded

| Cost & cash savings | FY21 Target | FY21 H1 | FY21 Outlook |
|---|---|---|---|
| - Operational costs | €8m | €6m | €9m |
| - Staffing costs | €7m | €4m | €8m |
| - Structural costs | - | - | €1m |
| **Total Costs** | **€15m** | **€10m** | **>€18m** |
| Capex | €35m | €22m | €35m |
| Dividend | €10m | €10m | €14m |
| **Total Cash** | **€60m** | **€42m** | **>€67m** |

**Cost actions**

- Actions exclude variable cost savings from lower volumes
- Operational cost savings slightly ahead of plan, including route adjustments, lower maintenance and reduced discretionary costs
- Staffing cost savings ahead of plan and include reduced temps and overtime, hiring restrictions and reduced executive compensation
- Structural cost action plan being implemented, with two plant closures and more under evaluation. Impact mainly in H2 and going into FY22

**Cash actions**

- Capex savings in line with expectations at €35m, H1 weighted
- No interim dividend

# Market outlook: alert to slowdowns

**Commercial**

- Expect performance to remain resilient
- Hospitality sector will continue to be weak, however expect shops to stay open in the Netherlands
- We expect a slowdown in construction activity
- Expect container parks to stay open, supporting strong bulky waste volumes

**Mineralz & Water**

- Ongoing volumes in water and Mineralz slightly below last year
- Increase in placement of TGG expected
- Newly installed line to produce building materials will start ramp-up in Q4

**Specialities**

- Maltha and Coolrec to continue slightly below last year levels
- UK Municipal HWRCs to remain open, volumes relatively strong

# 2/ FINANCIAL AND OPERATING REVIEW
## resilient first half trading

# September 20 Interim Results

| | |
|---|---|
| **Basis of results** | • Results presented in new Divisional structure: Commercial, Mineralz & Water and Specialities<br>• Focus on ongoing businesses, which excludes Reym and Canada from prior year<br>• Presented according to IFRS 16, with adjustments in leverage calculations for core net debt |
| **Revenue & Profits** | • Revenue from ongoing businesses down 3% to €821m and EBITDA from ongoing businesses down 3% to €88.5m<br>• Underlying EBIT from ongoing businesses down 25% to €28.3m, primarily higher depreciation on new trucks and the Maasvlakte extension<br>• Interest costs lower by €4.2m due to reduced borrowings and margin<br>• Exceptional costs significantly reduced, as expected, to €8.1m (FY20: €60.2m)<br>• Statutory profit after tax €3.5m (FY20 loss €35.4m) |
| **Cash Flow & Financing** | • Strong cash flow performance. Free cash flow of €97.8m, supported by €54m government tax deferrals<br>• Core net debt reduced to €381m, leverage reduced to 2.69x |
| **EPS & Dividend** | • Underlying EPS from ongoing businesses 1.5c per share<br>• No interim dividend |

# Commercial Waste

| | Sep 20 €m | Sep 19 €m | Change €m | % |
|---|---|---|---|---|
| Revenue | | | | |
| Netherlands Commercial | 396.8 | 408.5 | (11.7) | -3% |
| Belgium Commercial | 198.5 | 222.9 | (24.4) | -11% |
| Intra-segment revenue | (0.3) | (0.6) | 0.3 | |
| **Total Revenue** | **595.0** | **630.8** | **(35.8)** | **-6%** |
| Underlying EBITDA | | | | |
| Netherlands Commercial | 50.3 | 52.3 | (2.0) | -4% |
| Belgium Commercial | 22.6 | 28.2 | (5.6) | -20% |
| **Total Underlying EBITDA** | **72.9** | **80.5** | **(7.6)** | **-9%** |
| Underlying EBIT | | | | |
| Netherlands Commercial | 21.1 | 26.1 | (5.0) | -19% |
| Belgium Commercial | 8.3 | 14.6 | (6.3) | -43% |
| **Total Underlying EBIT** | **29.4** | **40.7** | **(11.3)** | **-28%** |
| Underlying EBIT Margin | | | | |
| Netherlands Commercial | 5.3% | 6.4% | | |
| Belgium Commercial | 4.2% | 6.6% | | |
| **Total Underlying EBIT Margin** | **4.9%** | **6.5%** | | |
| Return on operating assets | | | | |
| Netherlands Commercial | 12.0% | 14.7% | | |
| Belgium Commercial | 21.3% | 29.8% | | |
| **Total Return on operating assets** | **14.1%** | **18.2%** | | |

The return on operating assets excludes all landfill related provisions

## Netherlands

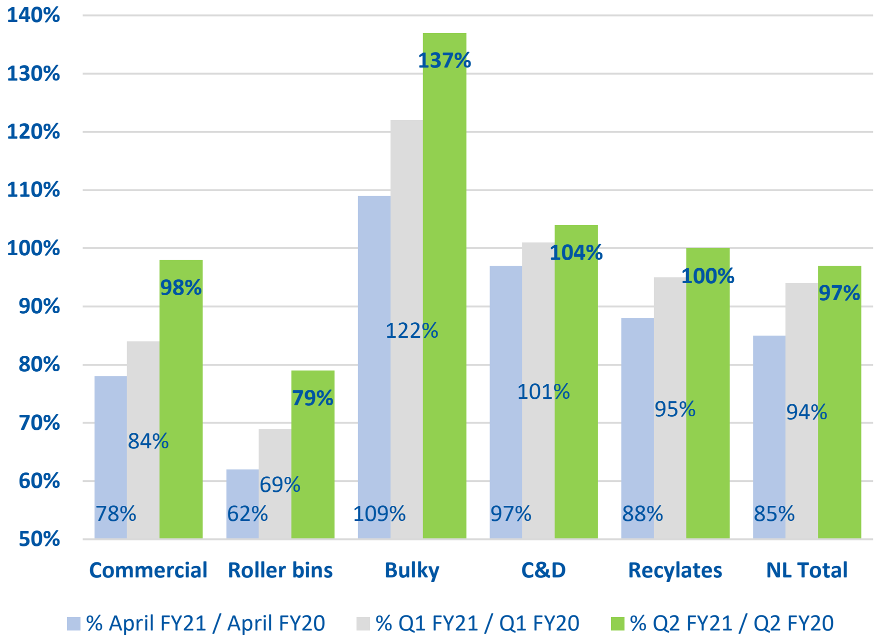
- Core volumes down 3%, C&D and bulky waste offset weakness in roller bins and hospitality
- Recyclate income down 20% with prices down on last year, not as bad as expected
- Price increases and dynamic pricing offset the lower recyclate income: demonstrating effective tool to manage the cycle
- EBIT down 19%, reflecting €3m higher depreciation from new truck leases

## Belgium

- Core volumes down 18% due to more stringent lockdown
- Other trends as per Netherlands
- Two processing lines being closed, reflecting lower activity

# Volume trends in Netherlands Commercial

## Divisional activity as a % of prior year




- General commercial waste volumes recovered to 98% of prior year in Q2 from 78% in April. Roller bins fell to 62% during the lockdown but recovered to 79% in Q2
- On the other hand, bulky waste increased in the lockdown (an effect of people at home) and this continued into Q2 at 137% of last year
- Construction & Demolition waste volumes were unaffected by Covid-19 and were up on last year
- Recyclates volumes have recovered during Q2 to prior year levels

# Mineralz & Water

| | Sep 20 €m | Sep 19 €m | Change €m | % |
|---|---|---|---|---|
| Revenue | 90.4 | 74.6 | 15.8 | 21% |
| Underlying EBITDA | 10.0 | 8.1 | 1.9 | 23% |
| Underlying EBIT | 2.3 | 2.5 | (0.2) | -8% |
| Underlying EBIT Margin | 2.5% | 3.4% | | |
| Return on operating assets | 11.7% | 20.4% | | |

### ATM

- TRI soil line at 30% capacity up 43%
- Volume of construction products sold up 46%
- Water volumes down 10% due to Covid-19 and low oil sector activity
- Pyro volumes down 5% with volatile inbound flows

### Mineralz

- Braine and Zweekhorst landfills disrupted in Q1
- Strong volume performance in Q2

Return on operating assets excluding all landfill related provisions

# Specialities

| | Sep 20 €m | Sep 19 €m | Change €m | % |
|---|---|---|---|---|
| Revenue | 149.4 | 159.1 | (9.7) | -6% |
| Underlying EBITDA | 4.5 | 4.4 | 0.1 | 2% |
| Underlying EBIT | - | (0.2) | 0.2 | N/A |
| Underlying EBIT Margin | 0.0% | -0.1% | | |
| Return on operating assets | 1.8% | 0.7% | | |

- UK Municipal impacted by closure of HWRCs in Q1. Residual waste volumes strong
- Maltha disrupted in lockdown by closure of glass furnaces due to lower demand for glass. Good recovery in Q2
- Coolrec also severely disrupted in Q1 by closure of container parks. Strong recovery in Q2 for fridge volumes in particular. Ongoing good progress with restructuring programme to drive higher margins

Underlying EBIT includes utilisation of €6.1m (2019: €5.9m) from onerous contract provisions
The return on operating assets shown is for Coolrec and Maltha only

# Non-trading and Exceptional items

| | Sep 20 €m | Sep 19 €m |
|---|---|---|
| Renewi 2.0 improvement programme | 3.6 | - |
| Covid-19 cost action programme | 6.0 | - |
| Merger related costs | - | 6.5 |
| Portfolio management activity | - | 31.5 |
| Other items | - | 5.5 |
| Amortisation of acquisition intangibles | 1.7 | 3.3 |
| Exceptional finance costs | (0.4) | 0.8 |
| **Non-trading & exceptional items in profit before tax** | **10.9** | **47.6** |
| Tax on non-trading & exceptional items | (2.8) | (3.8) |
| Exceptional tax credit | - | (2.5) |
| Discontinued operations | - | 18.9 |
| **Total** | **8.1** | **60.2** |

- Total pre tax non-trading and exceptional items of €10.9m, of which €6.4m cash
- Renewi 2.0 costs of €3.6m in line with guidance, will include final €4m costs of IT migration from first phase of integration
- Covid-19 cost action programme to reduce capacity. Processing lines at Ghent and Houthalen closed
- No further Municipal or portfolio activity charges. Cost of storage of cleaned TGG now in ordinary trading

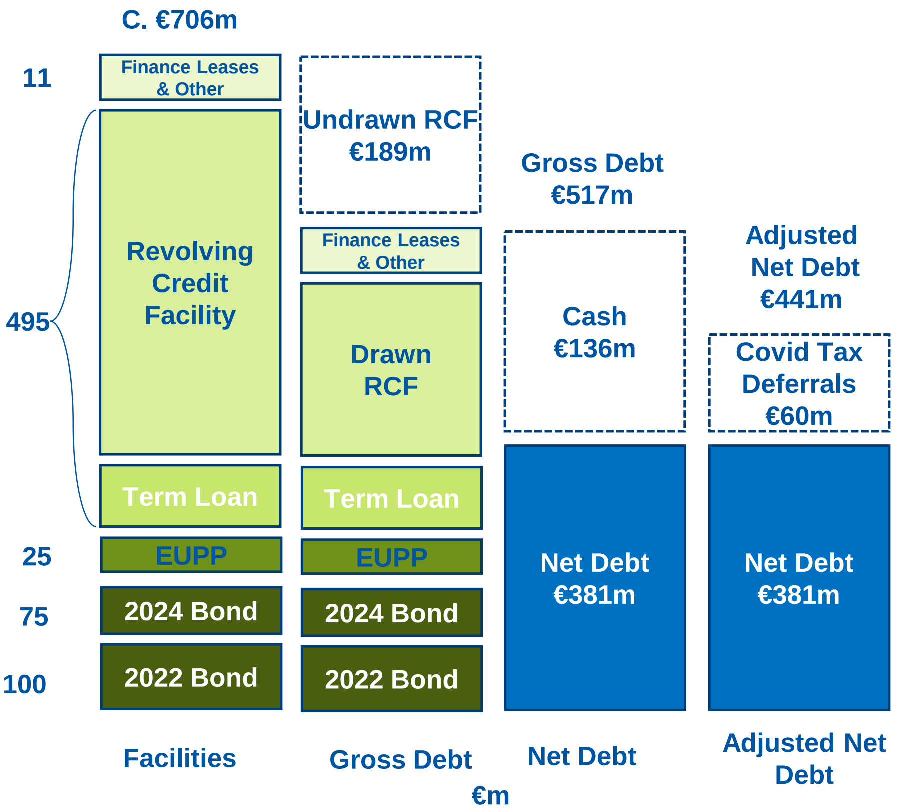
# Cash Flow Performance

| | Sep 20 €m | Sep 19 €m |
|---|---|---|
| EBITDA | 88.5 | 104.3 |
| Working capital movement | 58.8 | 22.9 |
| Movement in provisions and other | - | (3.3) |
| Net replacement capital expenditure | (23.7) | (29.2) |
| Interest, loan fees and tax | (17.6) | (21.7) |
| **Underlying free cash flow** | **106.0** | **73.0** |
| UK Municipal contracts | (8.2) | (21.2) |
| **Free cash flow** | **97.8** | **51.8** |
| Growth capital expenditure | (3.3) | (10.5) |
| Synergy, integration & restructuring spend | (5.6) | (13.1) |
| Other | (1.3) | (6.0) |
| Disposals net of acquisitions | - | 51.1 |
| Dividends paid | - | (4.4) |
| **Net core cash flow** | **87.6** | **68.9** |
| Net debt disposed/acquired | - | 2.3 |
| Replacement capital expenditure - new IFRS 16 leases | (24.7) | (21.2) |
| **Total** | **62.9** | **50.0** |
| **Free cash flow conversion** | **346%** | **102%** |

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

- Net core cash flow of €87.6m
- €54m of tax deferrals. Repayments start July 2021 in 36 monthly instalments
- Resilient underlying working capital performance: days sales outstanding unimpacted to date by Covid-19
- Replacement capex well controlled, 80% of depreciation including new IFRS 16 truck leases
- Interest costs reduced due to lower borrowings at a lower margin
- Spend on UK Municipal contracts significantly reduced as expected

# Leverage reduced. Liquidity and covenant headroom increased




## Net debt

- Net debt of €381m (March 2020 €457m)
- Reduced 31% from €556m at March 2019
- Adjusted net debt of €441m with €60m of taxation deferrals
- IFRS 16 lease liabilities of €210m (March 2020 €203m)
- Cost of debt less than 3%

## Liquidity headroom

- €325m of liquidity
- €189m of undrawn committed facilities
- €136m of cash and cash equivalents

## Debt duration

- The RCF and Term Loan facilities mature in 2023/24, with a remaining extension option to 2025
- No debt maturities until June 2022

## Leverage ratio

- Leverage at 2.69x
- Covenant of 5.5x, then 6.0x to March 21, 3.50x from Sept 21
- Board target leverage remains <2.0x in the mid term

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

# Full year FY21 technical guidance

**Updated expectations**

- Upgraded expectations for Covid-19 cost savings to >€18m and cash savings to >€67m
- Exceptional costs: Renewi 2.0 charges unchanged, and an additional c€5m for Covid-19 cost programme
- Working capital slight outflow for the full year, and tax deferral to unwind from July 2021

**Unchanged expectations**

- Capital expenditure in line with Covid-19 adjusted expectations being €35m lower than originally budgeted. FY21 full year expectation remains €75m for replacement and growth, similar to FY20
- Cash outflow on Municipal provisions unchanged at €20m for the year (FY20: €24m)
- Full year underlying tax rate of c24.5%

# 3/ **STRATEGY EXECUTION**
## growth drivers remain positive

# Renewi – a leader in sustainability

- Renewi is a sustainable company providing low carbon and circular solutions by giving new life to used materials
- One of the world's largest pure play recyclers, we manage over 13m tonnes of waste and convert over 65% back into usable product
- #1 and market leader in the Benelux, with revenues of €1.8bn and a market share of c25%
- We are increasingly an innovation partner for leading companies to provide circular solutions, including Unilever, Shell, IKEA, Philips, Albert Heijn, NS (Dutch Railways) and many more
- We have been awarded with high ESG ratings from multiple sustainability assessment organisations, including the highest Environmental score issued by S&P

Our recycling avoids 3.3 million tonnes $CO_2$ every year

S&P Global Ratings 75/100

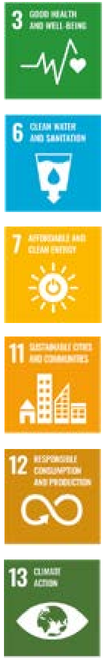
FTSE4Good

Green Economy London Stock Exchange

MSCI ESG RATINGS AA

$CO_2$-PRESTATIELADDER® Niveau 4

# Ambitious sustainability 2025 targets across our three themes

| UN SDGs | THEMES | OBJECTIVES | 2025 TARGETS |
|---|---|---|---|
|  | Enable the circular economy | Turn our customers' waste into new products | • Recycling rate +10% points to 75%<br>• $CO_2$ avoidance impact +7% |
| | Reduce carbon emissions and waste | Be a leader in clean and green waste collection<br>Reduce the carbon impact of our operations | • Collections $CO_2$ reduced 10%<br>• Processing $CO_2$ reduced 10% |
| | Care for people | Positively impact our communities<br>Deliver people home safe and well, every day<br>Make Renewi a rewarding, diverse and inclusive working environment | • Increase community engagement 20%<br>• 60% fewer >3 day accidents<br>• Double employee Net Promoter Score |

# Continued strong market demand for our services and products


- **Municipalities** require efficient logistics and low emissions
- **Waste producing customers** need 'one stop shop' at competitive prices, with increasing attention to sustainability

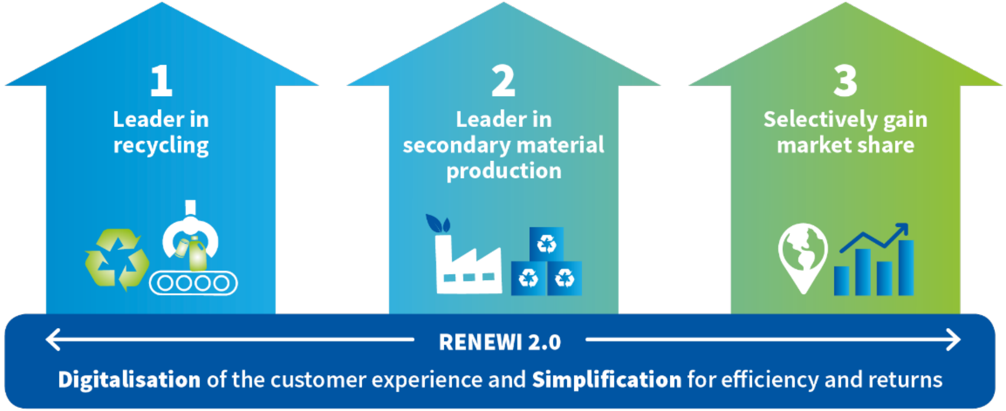
- **Governments** progress their circular and low-carbon agendas with a focus to "build back better" with green recovery
- **OECD countries** further regulation exports of plastic
- **Belgium** regulator continues to increase minimum treatment standards in Flanders (Vlarema8)
- **Netherlands** further taxation on incineration is supporting recycling and reuse versus energy recovery and $CO_2$ taxes are expected to further encourage this transition

- **EU** instituted taxation on virgin plastics material
- **Product customers** require specification, cost and supply reliability that is competitive with virgin alternatives

**Renewi well positioned to serve waste producers and supply product customers while evolving regulation strengthens our business model**

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

## Renewi strategy




## Value creation

**1** **2** — **Recycling rate +10%points and EBIT +€20m** from reduction in incineration/landfill and from value creating (processing) projects

**3** — **EBIT +€20m** from additional volumes ATM, organic growth and M&A

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

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

# ATM recovery: three levers for earnings recovery

**Inbound soil/TAG pipeline reinvigorated**

- Commercial pipeline refilling
- Covid-19 may impact timing of inflows in short term with remediation projects postponed

**TGG outlets secured with permits**

- First 135KT contract in Amsterdam completed
- Two further outlets for up to 1MT in late stage of permitting

**Transition offtake to new construction materials**

- See next slide

# ATM: innovation in construction materials from TGG

### Large filler storage silos under construction

### Separation and storage capacity being installed

- 4KT storage capacity for 2 silos completed by December
- Logistic optimisation scheduled for 2021

### Commercial demand encouraging

- Signed contracts for granulate and filler, with sand contracts in final stages

### Certification

- Declaration of Performance, Factory Product Control certificates and CE marking for sand, filler and granulate received
- BRL1804 for application of filler in concrete and BRL2506 for granulate in asphalt is in progress.
- Additional certifications will boost commercial demand and better prices

# Innovation pipeline progressing well

| Project | Partner | Opportunity | Progress |
|---|---|---|---|
| Sand, gravel & filler at ATM for construction materials | Stand-alone | €€€€€ | Initial capacity installation underway, to complete in the second half. |
| Expansion in bio-gas production | Stand-alone | € | Permits received and ground broken. |
| ◆ Expansion of mattress recycling | IKEA | €€€ | Third facility commissioned on schedule and fourth facility in planning. |
| Upgraded feedstock for chemical recycling of plastics | SABIC | €€ - €€€€€ | No material progress. Chemical recycling remains highly promising. |
| ◆ Transition bio-gas from electricity to bio-LNG | SHELL | €€ | Agreements signed with Shell and Nordsol. Permits received and due to break ground this month. |
| Upgraded wood flake supply for low-carbon steel | ARCELOR-MITTAL | €€ - €€€€ | €75m EU loan awarded to Arcelor-Mittal. Commercial and technical discussions underway. |
| Cellulose from diapers and incontinence products | FMCG major | € - €€€ | Technical feasibility trials encouraging. Engineering feasibility and commercial discussions ongoing. |
| Next generation bottom ash conversion to construction materials | Energy-from-waste major | €€€ | Engineering feasibility continues with waste-to-energy partner. |
| Polyurethane recycling | Chemicals major | € - €€€ | Development project to purify polyurethane from mattresses. Additional development project to purify polyurethane from white goods. |

**Target EBIT from innovation funnel to be additional €20m by FY25**

◆ Detailed on the following pages

# Innovation: RetourMatras continued expansion


**First fully automated mattress recycling facility**

- Existing three sites can now handle 1M mattresses per year at Lelystad, Uden and Alphen aan de Rijn
- Collaboration with IKEA

**Further expansion planned**

- Opening 4th factory in mid 2021
- 2021 onwards: Extend production capacity towards Belgium

# Innovation: Bio-LNG construction started

## Agreements signed with Shell and Nordsol

**Renewi**

- Provides biogas, permitting and location
- Provides services for daily operations

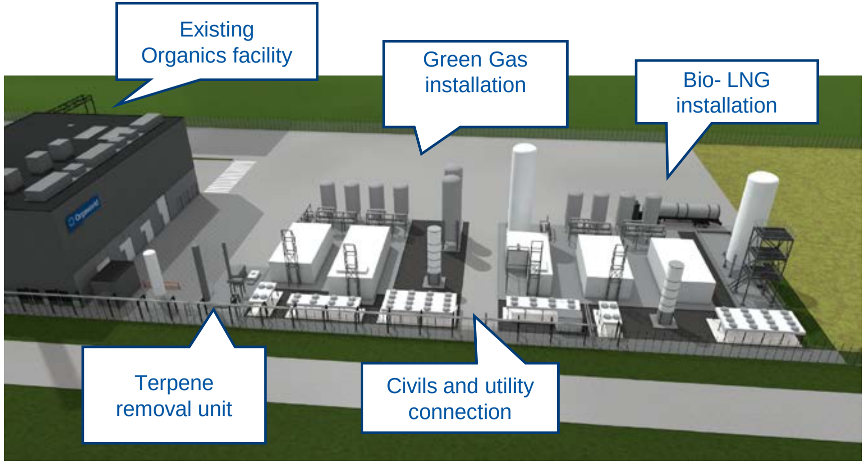
**nordsol** *The future is liquid.*

- Provides Bio-LNG specific expertise
- Engineers, procures, builds and commissions plant

**Shell LNG**

- Guarantees Bio-LNG offtake
- Co-investor of Nordsol via Shell Ventures

## Permits received and due to break ground this month



# Renewi 2.0: Programme progressing on track

| Objectives | | Key progress |
|---|---|---|
| **+20%** points | **Customers:** **Improve satisfaction (NPS)** | |
| **+15%** points | **Employees:** **Increase in engagement (eNPS)** | |
| **-10%** | **Cost:** **€20m SG&A savings*** | |

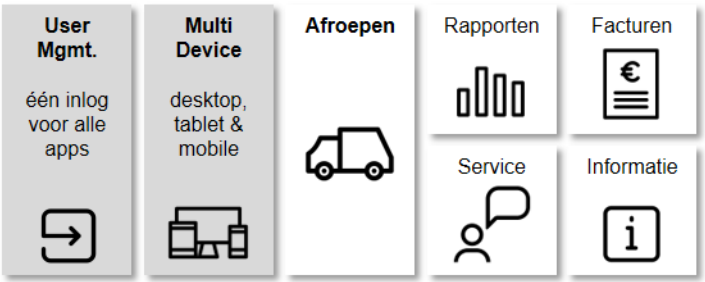
**Key progress**

- Year 1 savings forecasted ahead of target (€2.5m vs. €1m)
- Improved cross divisional cooperation
- Better insight in customers' service needs and portfolio requirements
- MyRenewi portal live for first customers
- Central purchasing programme ("PEAR") progressing well

*Run rate by end of FY23

# Renewi 2.0: Good progress on key projects

## MyRenewi2.0 portal




- Portal went live in October (phase 1)
- Final bug fixing and preparations in full swing
- Customer onboarding ready for large accounts in Belgium and the Netherlands
- Benefits case of c€7m

## PEAR

Pear
Purchasing made Easy Across Renewi

- Core model design completed
- Invoice to Pay goes live January 2021
- First catalogues on track to go live in Belgium mid 2021
- Benefits case of c€3m

# Summary

- Resilient performance in the first half of FY21
- Our people have maintained services throughout
- Volumes recovered well in Q2
- Covid-19 cost and cash savings increased
- Comfortable financial headroom
- Good progress with our three key value drivers
- Outlook for the full year materially ahead
- Long-term outlook positive

# ACTING TODAY SUSTAINING TOMORROW

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waste no more

# APPENDIX
## board and executive committee

# Experienced Renewi leadership team

## Executive Board Members

**Otto de Bont**
*CEO*

**Toby Woolrych**
*CFO*

## Division Managing Directors

**Meinderdjan Botman**
*Commercial Netherlands*

**Wim Geens**
*Commercial Belgium*

**James Priestley**
*Specialities*

**Theo Olijve**
*Mineralz & Water*

## Functional Leaders

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

**Baukje Dreimuller**
*General Counsel*

**Helen Richardson**
*Human Resources*

**Patrick Deprez**
*Product Sales*

**Maarten Buikhuisen**
*Information Technology*

**Daniel Post**
*Renewi 2.0*

# Board has strong and diverse experience in business and society

**Ben Verwaayen,** *Chairman*

Experience:
Alcatel-Lucent SA and BT plc

Appointed April 2020

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

Experience:
Port of Rotterdam, Shell

Appointed January 2017

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

Experience:
Groenlinks, KPN, KPMG

Appointed April 2018

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

Experience:
First Reserve, Simmons & Company

Appointed January 2019

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

Experience:
ABP, TomTom, UBM

Appointed April 2013

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

Experience:
SPE-Luminus, Indaver, University of Leuven

Appointed September 2017

**Otto de Bont,** *CEO*

Experience:
United Technologies, GE

Appointed April 2019

**Toby Woolrych,** *CFO*

Experience:
Johnson Matthey, Consort Medical

Appointed August 2012

BE or NL national

British national

# APPENDIX
## additional strategy information

# The growing circular economy drives our business model


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

# 1. Leader in recycling

**Market need**

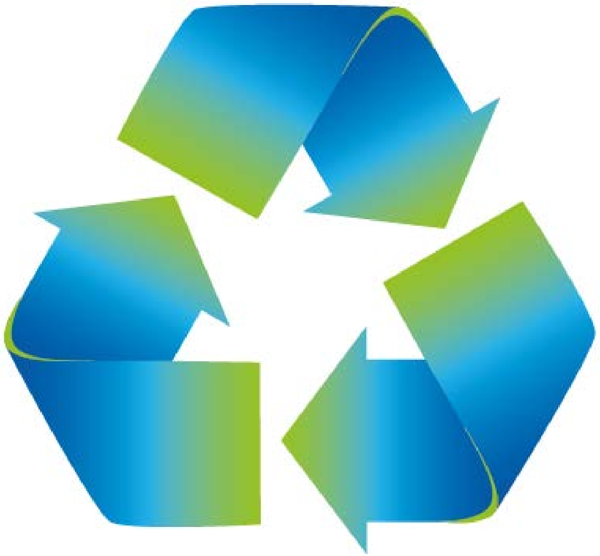
- Customer, society, and regulators are focused on increasing diversion from incineration and landfill
- Recycling and reuse reduces $CO_2$ emissions, pollution and resource depletion

**Our initiatives**

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

**Key metrics**

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



# 2. Leader in secondary material production

**Market need**

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

**Our initiatives**

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

**Key metrics**

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

# 3. Selectively gain market share

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

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

# APPENDIX
## additional sustainability information

# Sustainability: H1 highlights across our three themes

| SDGs | THEMES | OBJECTIVES | Key progress |
|---|---|---|---|
|  | Enable the circular economy | Turn our customers' waste into new products | • Recycling rate improvement 0.6% points<br>• Agreement to divert 25KT contaminated steel from landfill via our partner Purified Metal Co<br>• RetourMatras capacity increased to 1M/year |
| | Reduce carbon emissions and waste | Be a leader in clean and green waste collection<br>Reduce the carbon impact of our operations | • Further 112 EURO 6 trucks delivered<br>• First fully electric truck operational<br>• 2 compressed natural gas trucks operating<br>• Installed three further solar panels roofs<br>• Secured permit for wind turbine in Ghent |
| | Care for people | Positively impact our communities<br>Deliver people home safe and well, every day<br>Make Renewi a rewarding, diverse and inclusive working environment | • Safety rate improved by 73 (5%)<br>• Employee NPS improved by 50% to +21 |

# 2025 sustainability targets

Enable the circular economy

Reduce carbon emissions and waste

Care for people

| Objective | Metric | Metric definition | FY20 Baseline | Improvement | FY25 Target |
|---|---|---|---|---|---|
| Turn our customers' waste into new products | **Recycling rate** | *% of total waste handled* | 65% | +10% points | **75%** |
| | **Carbon Avoidance** | *kg $CO_2$ per tonne waste handled* | 257 | +7% | **275** |
| | **Innovative secondary materials produced** | *tonnes* | 200.000 | 1 M | **1 M** |
| Be a leader in clean and green waste collection | **Carbon intensity of collection** | *kg $CO_2$ per tonne waste collected* | 10.04 | -10% | **< 9** |
| | **Share of clean-emission trucks** | *% Euro 6 trucks of total fleet* | 48.5% | doubled | **100%** |
| | **Zero-Emission trucks** | *number* | 0 | 65 | **65** |
| Reduce the carbon impact of our operations | **Carbon intensity of our sites** | *kg $CO_2$ per tonne waste handled* | 10.47 | -10% | **< 9.42** |
| | **Share of renewable energy used on site** | *% renewable electricity of total* | ~15% | +10% points | **25%** |
| | **Hybrid or electric lease cars** | *% PHEV vehicles out of total* | 12.5% | +27.5% points | **40%** |
| Positively impact our communities | **Community engagement projects** | *Number of projects annually* | ~150 | +20% | **180** |
| | **Community feedback** | *comments per site annually* | 2.7 | -25% | **2** |
| | **Community impact events** | *Number of events per site pa* | 43 | -50% | **21** |
| Deliver people home safe and well, every day | **>3 day accident rate** | *# of >3 day accidents per 100k* | 1504 | -60% | **600** |
| | **Safety training** | *% employees trained annually* | N/a | 100% | **100%** |
| | **Employee mood** | *'mood' score in Pulse* | 7.2 | +5% | **7.5** |
| | **Healthy at work rate** | *% healthy employees* | 94.8% | +1.2% point | **96%** |
| Make Renewi a rewarding, diverse and inclusive working environment | **Employee engagement** | *eNPS score in pulse survey* | +14 | doubled | **+30** |
| | **Employee development** | *avg. annual # training hours* | ~10 | +60% | **16** |
| | **Females in higher management** | *% of all employees* | 23% | +7% point | **30%** |

# APPENDIX
## additional financial and operational information

# Income Statement

| | Sep 20 €m | Sep 19 €m | Change €m | Change % |
|---|---|---|---|---|
| **Revenue** | **821.4** | **915.7** | **(94.3)** | **-10%** |
| **Underlying EBITDA** | **88.5** | **101.2** | **(12.7)** | **-12%** |
| **Underlying EBIT** | **28.3** | **47.8** | **(19.5)** | **-41%** |
| Net Interest | (13.5) | (17.7) | | |
| Income from associates and JVs | 0.5 | (0.3) | | |
| **Underlying profit before tax** | **15.3** | **29.8** | **(14.5)** | **-49%** |
| Non-trading and exceptional items | (10.9) | (47.6) | 36.7 | |
| Profit (loss) before tax from continuing operations | 4.4 | (17.8) | 22.2 | |
| Taxation | (0.9) | (1.0) | | |
| Profit (loss) after tax from continuing operations | 3.5 | (18.8) | 22.3 | |
| Discontinued operations | - | (16.6) | | |
| Profit (loss) for the period | 3.5 | (35.4) | 38.9 | |
| **Continuing operations:** | | | | |
| Basic earnings per share (cents) | 0.5 | (2.4) | 2.9 | |
| **Underlying earnings per share (cents)** | **1.5** | **2.8** | **(1.3)** | **-47%** |
| **Ongoing operations:** | | | | |
| **Underlying earnings per share (cents)** | **1.5** | **1.9** | **(0.4)** | **-21%** |

Includes both continuing and discontinued operations

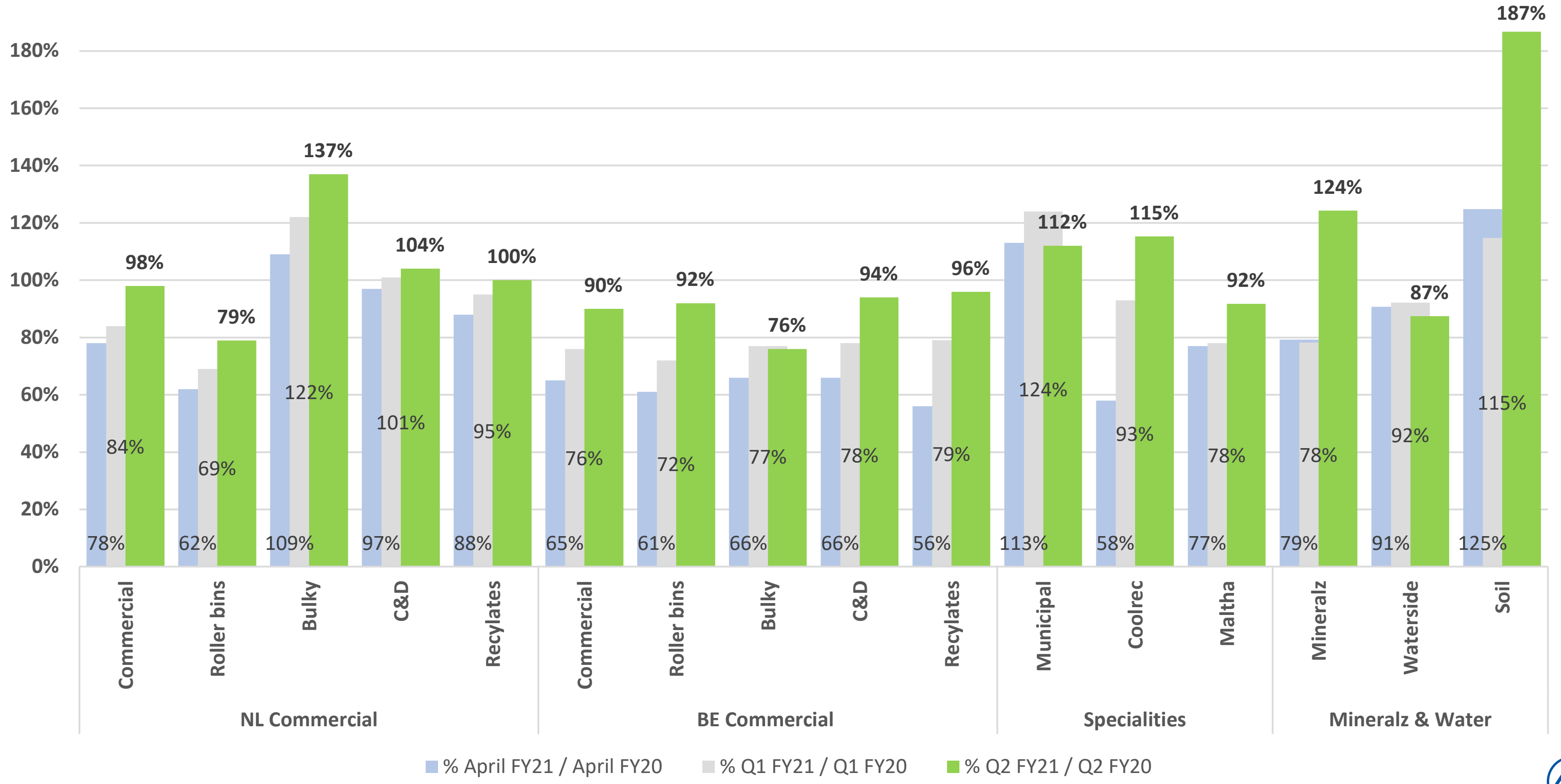
# Segmental Analysis

| | Revenue | | | Underlying EBITDA | | | Underlying EBIT | | |
|---|---|---|---|---|---|---|---|---|---|
| | Sep 20 €m | Sep 19 €m | Change % | Sep 20 €m | Sep 19 €m | Change % | Sep 20 €m | Sep 19 €m | Change % |
| Commercial Waste | **595.0** | 630.8 | -6% | **72.9** | 80.5 | -9% | **29.4** | 40.7 | -28% |
| Mineralz & Water | **90.4** | 74.6 | 21% | **10.0** | 8.1 | 23% | **2.3** | 2.5 | -8% |
| Specialities | **149.4** | 159.1 | -6% | **4.5** | 4.4 | 2% | **-** | (0.2) | N/A |
| Group central services | **-** | - | | **1.1** | (1.8) | N/A | **(3.4)** | (5.2) | 35% |
| Inter-segment revenue | **(13.4)** | (13.8) | | **-** | - | | **-** | - | |
| **Ongoing Businesses** | **821.4** | 850.7 | -3% | **88.5** | 91.2 | -3% | **28.3** | 37.8 | -25% |
| Reym | **-** | 65.0 | | **-** | 10.0 | | **-** | 10.0 | |
| **Continuing Operations** | **821.4** | 915.7 | -10% | **88.5** | 101.2 | -12% | **28.3** | 47.8 | -41% |
| Discontinued Operations | **-** | 10.8 | | **-** | 3.1 | | **-** | 3.1 | |
| **Total** | **821.4** | 926.5 | -11% | **88.5** | 104.3 | -15% | **28.3** | 50.9 | -44% |

# Summary balance sheet

| | Sep 20 €m | Sep 19 €m | Mar 20 €m |
|---|---|---|---|
| Goodwill & other intangibles | 609.6 | 602.1 | 610.1 |
| Tangible fixed assets | 562.1 | 580.3 | 584.0 |
| Right-of-use assets | 211.8 | 181.9 | 206.9 |
| Non-current PPP financial assets | 135.7 | 143.5 | 141.8 |
| Non-current trade and other receivables | 2.5 | 3.4 | 3.1 |
| Investments | 14.8 | 17.1 | 15.6 |
| Pension surplus | - | 5.1 | 16.0 |
| Non-current assets | 1,536.5 | 1,533.4 | 1,577.5 |
| Investments | 9.4 | 10.1 | 9.0 |
| Working capital | (238.7) | (217.2) | (241.2) |
| Current PPP financial assets | 6.2 | 5.7 | 6.0 |
| Provisions | (284.2) | (247.5) | (290.1) |
| Other non-current liabilities | (60.9) | (6.8) | (7.1) |
| Core net debt | (381.1) | (513.9) | (457.2) |
| IFRS 16 lease liabilities | (210.1) | (164.8) | (202.7) |
| PPP non-recourse net debt | (84.2) | (89.3) | (90.0) |
| Derivative financial liabilities | (38.7) | (36.5) | (35.9) |
| Pension deficit | (8.3) | (10.1) | (7.5) |
| Taxation | (19.2) | (29.9) | (25.5) |
| Assets held for sale | - | 46.0 | - |
| **Net Assets** | **226.7** | **279.2** | **235.3** |

# Sub divisional Covid-19 impact on activity



# APPENDIX
## additional ATM information

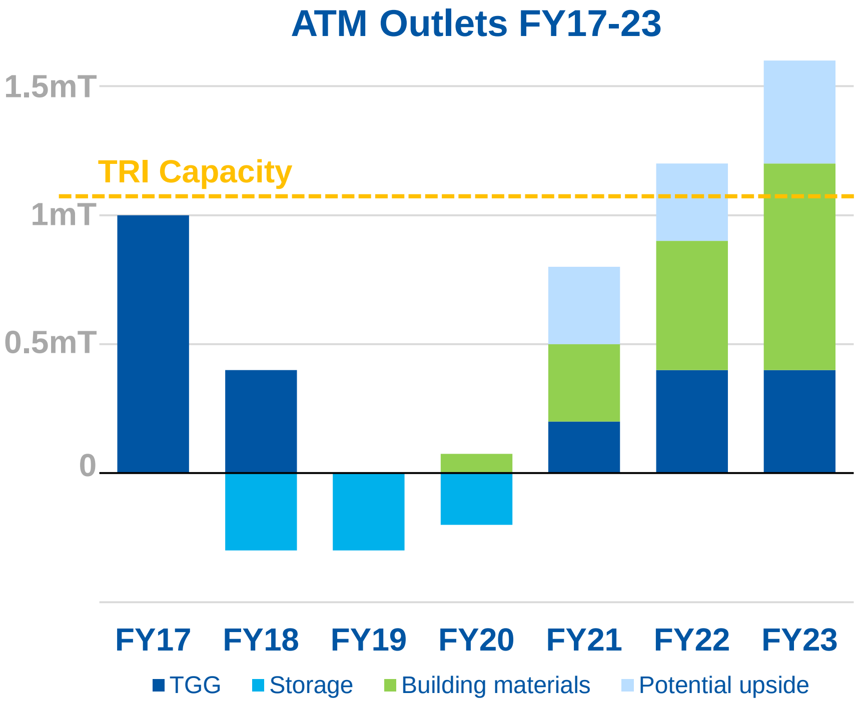
# Restarting the input market

- There is a backlog of contaminated soil requiring treating; some of it cannot be secured until outlets are proven open
- We have c.1mT of potential soil under negotiation for supply as and when projects begin: coronavirus may impact project timing and cross-border transit
- We have c.440kT of contaminated soil and TAG in stock – enough for five months at full output
- “Special” product streams requiring thermal treatment have a significant impact on the average input price of soil are also being restarted

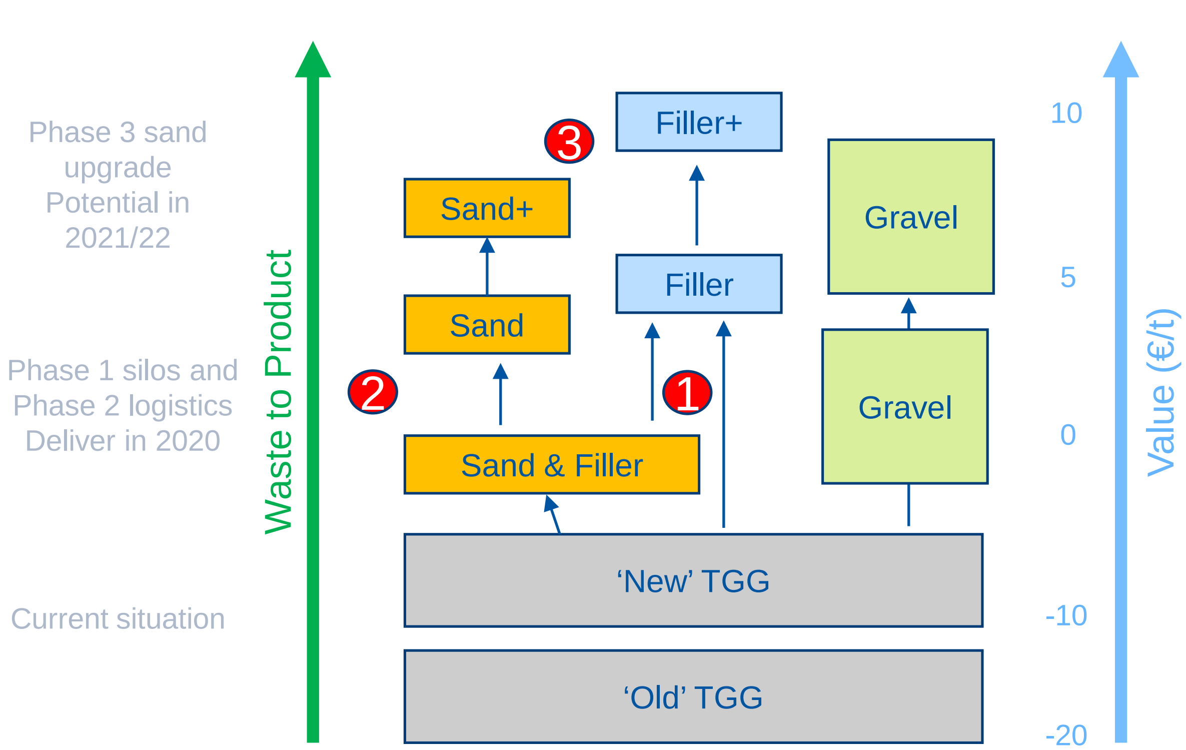
**Input soil available: ramp up steadily during 2020 and 2021**

# Restarting the output markets

- Prior to market shutdown, all output was TGG
- During shutdown TGG was sent to storage: 1.5mT to be placed in market over time
- We expect TGG outlets of at least 0.2mT in FY21 with upside potential of 0.7mT
- Initial TGG placements will in part be used to clear inventory to create space for AP4Terra production
- Building products output in FY21 to be c0.4mT
- By FY23 we anticipate excess outlet capacity for building materials and TGG combined



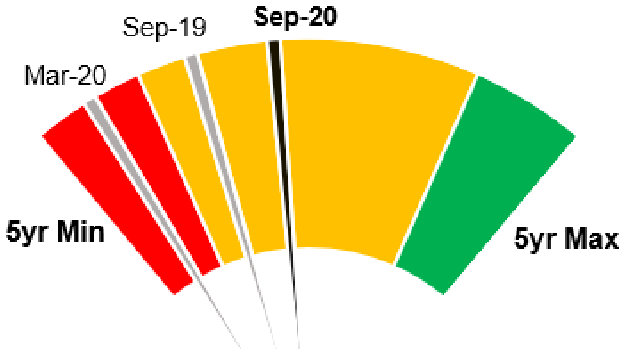
# Increasing value from new products over 2+ years

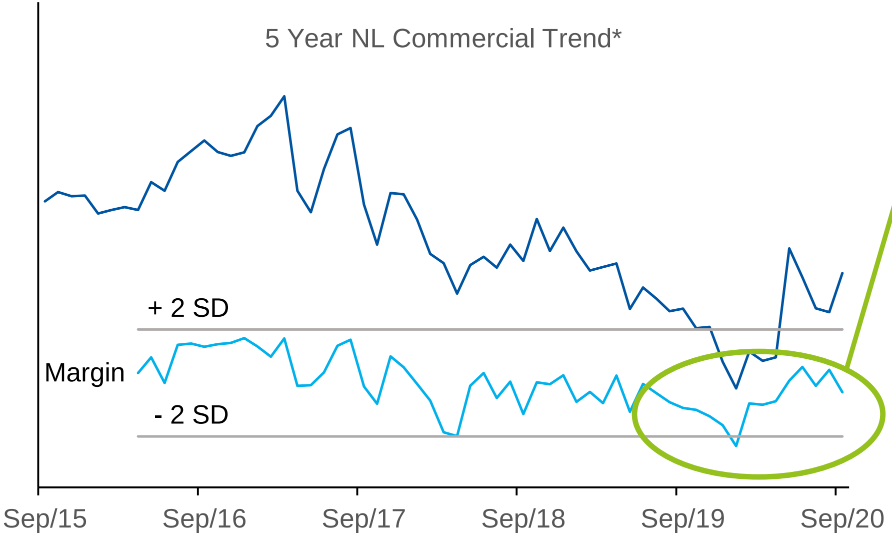



1. Investment in 2x2kt Filler Silos will enable a clean production of filler and sand. The current need to mix the sand and dust when the small existing silo is full will be removed. This phase will improve filler quality and enable the site to meet customer volume, reliability and quality requirements.
2. The removal of filler from the sand together with improvements in logistics and storage will improve consistency of sand quality and support the certification process for sand and gravel as a product rather than as a waste, improving revenues and reducing costs.
3. Upgrading the sand & gravel plant will produce cleaner material and blended material to create specific products for use in specific markets eg Readymix concrete, asphalt & blocks. Future improvements in screening and washing will further enhance product value.

# APPENDIX
## recyclate information

# Market Drivers – Paper Prices



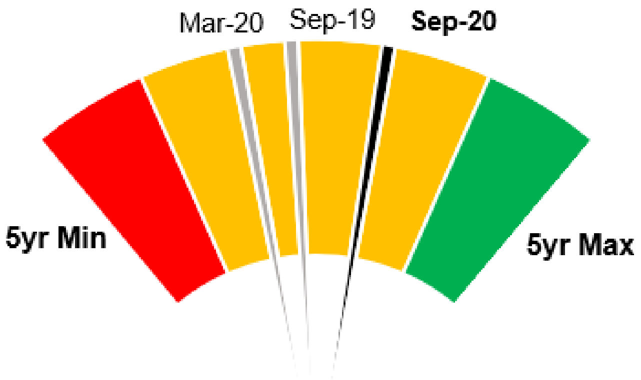

*Internal Data

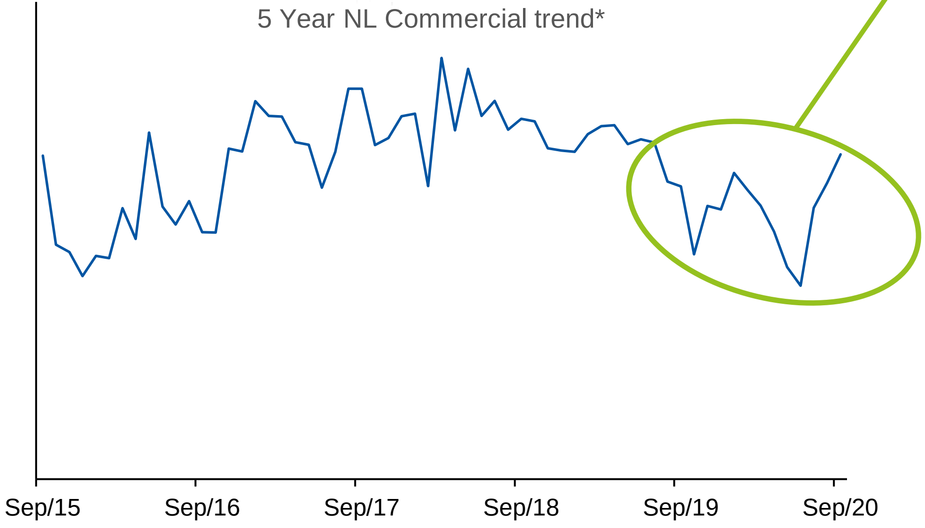
Paper prices reached all time lows in January 2020

| Impact of Movement in price (10€) | Vol | Gross | Net |
|---|---|---|---|
| | kT | €M | €M |
| NL Commercial | 340 | 3.4 | 0.9 |
| BE Commercial | 150 | 1.5 | 0.4 |
| Mineralz & Water | | N/A | N/A |
| Specialities | 20 | 0.2 | 0.2 |
| | **510** | **5.1** | **1.5** |

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

# Market Drivers – Metal Prices




*Internal Data

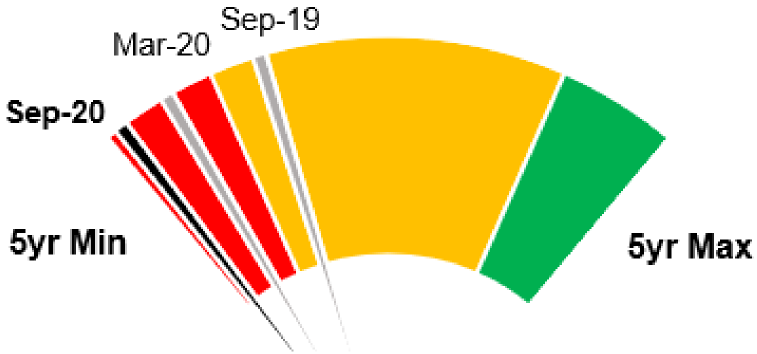
Metal prices remain volatile and were significantly impacted by Covid-19 in the first quarter of FY21 but have recovered in the second quarter

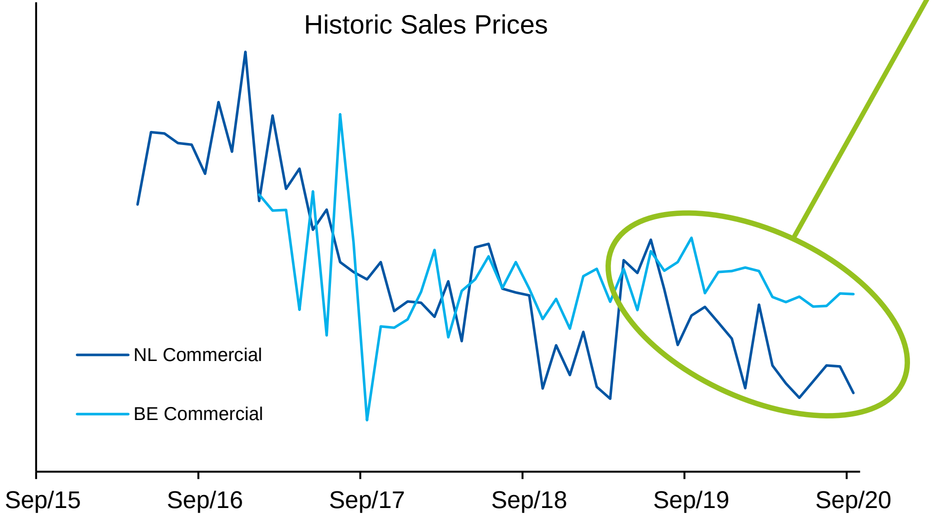
**Impact of Movement in price (10€)**

| | Vol | Gross | Net |
|---|---|---|---|
| | kT | €M | €M |
| NL Commercial | 110 | 1.1 | 0.6 |
| BE Commercial | 38 | 0.4 | 0.1 |
| Mineralz & Water | | N/A | N/A |
| Specialities | 61 | 0.7 | 0.6 |
| | **209** | **2.2** | **1.3** |

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

# Market Drivers – Plastics Prices




Prices have decreased significantly since June 2019 and are still soft

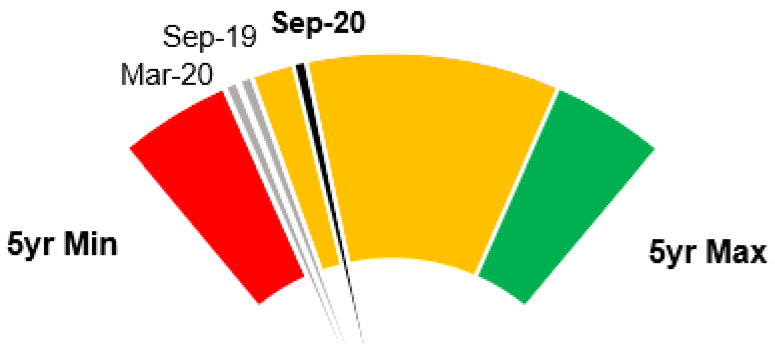
**Impact of Movement in price (10€)**

| | Vol kT | Gross €M | Net €M |
|---|---|---|---|
| NL Commercial | 40 | 0.4 | 0.1 |
| BE Commercial | 26 | 0.3 | 0.1 |
| Mineralz & Water | | N/A | N/A |
| Specialities | 43 | 0.4 | 0.2 |
| | **109** | **1.1** | **0.4** |

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

*Internal Data

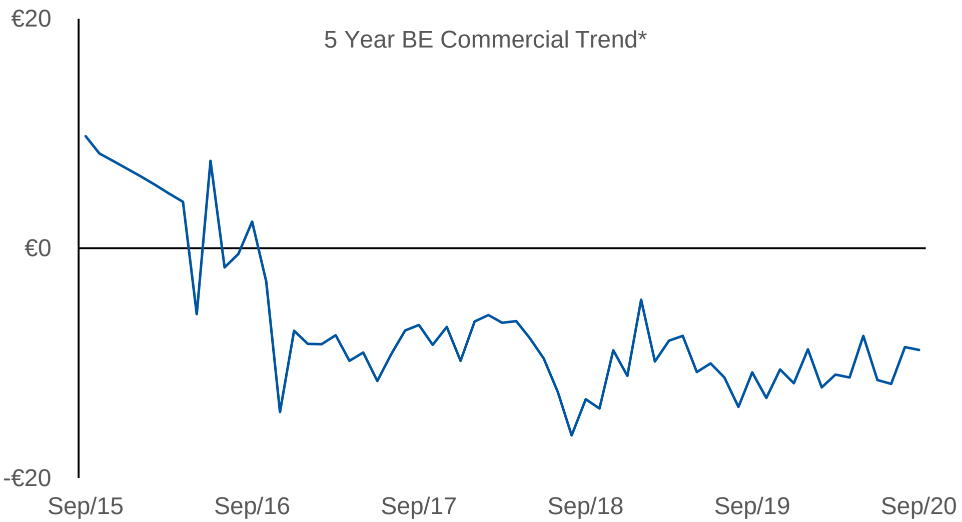
# Market Drivers – Wood Prices




Wood offtake price remains a cost albeit relatively stable

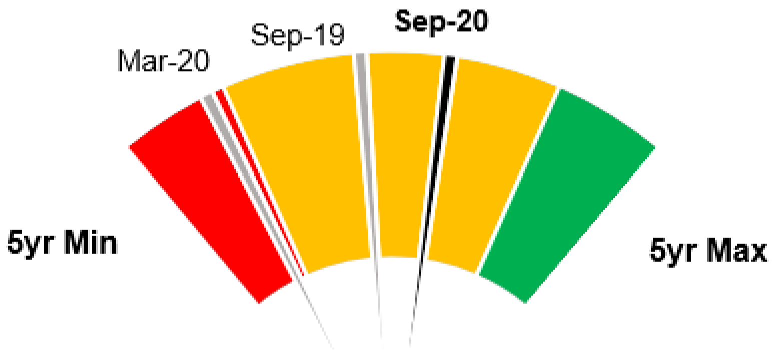
| Impact of Movement in price (5€) | | | |
|---|---|---|---|
| | Vol kT | Gross €M | Net €M |
| NL Commercial | 570 | 2.9 | 0.6 |
| BE Commercial | 250 | 1.3 | 1.3 |
| Mineralz & Water | | NM | NM |
| Specialities | | NM | NM |
| | **820** | **4.2** | **1.9** |

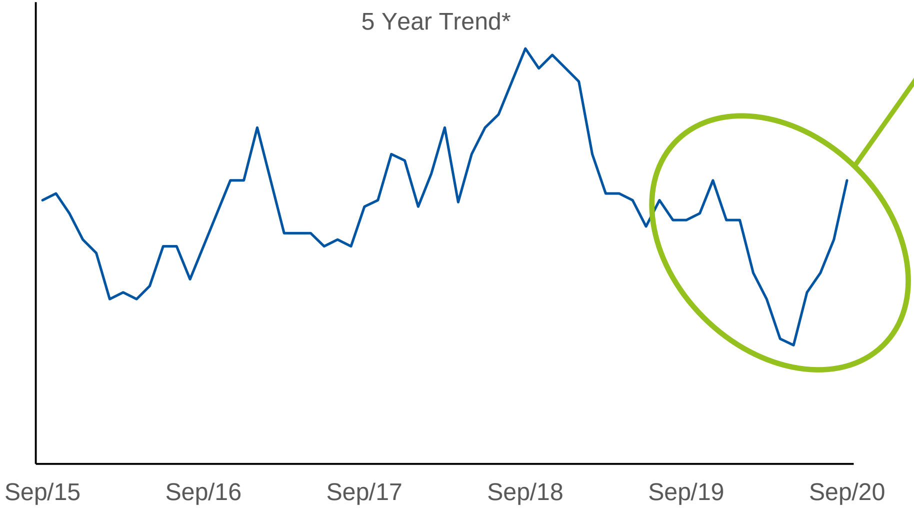
Approximately 50% of gross impact coming from price movements is mitigated by dynamic pricing




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

# Market Drivers – Electricity Prices




After a 5 year high in 2018, energy prices reached 5 year low in May 2020 and have recovered significantly since

| Impact of 10% Movement | |
|---|---|
| | **€M** |
| NL Commercial | NM |
| BE Commercial | 0.3 |
| Mineralz & Water | N/A |
| Specialities | 0.4 |
| | **0.7** |

*Internal data
NM – Not Material

# ACTING TODAY SUSTAINING TOMORROW

renewi

waste no more