

This announcement contains inside information



12 February 2018

Renewi plc

(“Renewi”, the “Company” or, together with its subsidiaries, the “Group”)

Trading Update

Renewi plc (LSE: RWI), the international waste-to-product business, today announces a trading update for the period from 1 October 2017 to date.

Peter Dilnot, Group Chief Executive, said:

“We have continued to make good operational progress and overall trading across the Group during the seasonally quieter second half has been in line with our expectations. We therefore remain confident in the outturn for the full year ending 31 March 2018. Our merger synergy and integration plans continue to progress well and we remain on track with the target synergies and delivering significant value accretion from the merger.”

Trading

Overall trading during the second half of this financial year has been positive and in line with management’s expectations. Our merger synergy and integration projects are progressing well and we remain on track to deliver at least the €12m committed savings for the year ending 31 March 2018. We remain confident that the overall €40m synergy programme will be delivered on schedule.

The Commercial Division has continued to perform well in both the Netherlands and Belgium, well ahead of the prior year. As expected, volume growth declined towards the end of the third quarter, reflecting the seasonal slowdown in the construction and demolition (C&D) sector. Faced with the Chinese import ban on paper and plastic recyclates, we found alternative outlets for our products and, as expected, margins reduced slightly as a result. Since the start of 2018 we have increased prices to offset cost pressures on wages, insurance and waste outlets. Synergy delivery remains slightly ahead of plan and we are now in a detailed design phase for the critical IT migrations to move the Division onto common platforms, enabling structural synergies such as site rationalisation and route optimisation to take place.

The Hazardous Waste Division has performed as expected. As previously announced, the soil cleaning line at ATM continues to operate at reduced capacity and management remain focused on the key task of increasing throughput by securing suitable new outlets for our cleaned soil. The industrial cleaning and waste water treatment activities have performed well, with strong volumes offsetting some ongoing margin pressure in the cleaning segment. Integration of VGIS into our Reym industrial cleaning business has progressed ahead of plan and we have secured Works Council consent for the next phase of full operational integration.

The Monostreams Division has performed well since the half year, particularly in the Mineralz segment. The Maltha glass recycling business has delivered ongoing margin recovery and a new long-term shareholder agreement has been signed with Owens-Illinois, our 33% co-investor in Maltha.

The Municipal Division has performed in line with our revised expectations for the year, as highlighted at the interim results, delivering good operational progress against the recovery plans. The operating contracts of Wakefield and Barnsley, Doncaster and Rotherham (“BDR”) continue to be loss making in the

current market conditions, despite substantial operational improvements. Progress includes the passing of all performance tests at Wakefield and the signing of a new off-take contract with the AEB incinerator in Amsterdam which will reduce off-take costs for the ELWA site for the next decade. Good progress has also been made in Canada, with the London facility back to full production and first waste being accepted at the new Surrey facility in British Columbia.

Cash

Our cash performance continues to be strong due to tight control of working capital and replacement capital expenditure, together with a deferral of some integration costs as previously announced. Net debt remains in line with our expectations and well below our covenant levels.

Non-trading and exceptional items

The Group is currently undertaking its annual reviews of onerous contracts and other items in the Municipal Division, particularly in light of the full year of operations at BDR and Wakefield. These reviews and additional actions to manage the portfolio are likely to result in increased exceptional charges for the year ending 31 March 2018. An update prior to the year-end will be provided once the review has been finalised.

Exceptional integration related charges are likely to be lower than forecast in the current year, primarily as a function of timing.

Outlook

The Board remains confident that the trading outturn for the full year ending 31 March 2018 will be in line with its expectations.

For further information:

| | |
|---|---|
| Brunswick Group +44 207 404 5959 | Renewi plc <u>www.renewiplc.com</u> +44 1908 650582 |
| Carole Cable Fiona Micallef-Eynaud | Peter Dilnot Toby Woolrych |

About Renewi plc

Renewi, created in 2017 by the merger of Shanks Group plc and Van Gansewinkel Groep B.V., is a leading waste-to-product business ideally positioned to be part of the solution to some of the main environmental problems facing society today: reducing waste, avoiding pollution, and preventing the unnecessary use of finite natural resources.

We are listed on the London Stock Exchange and are a constituent of the FTSE250 index. With over 8,000 employees across nine countries in Europe and North America, we have deep expertise and an extensive breadth of waste management products and services.

For us, waste is a state of mind, an opportunity. When we take away someone's waste, we then give it new life. We transform a wide range of used materials into useful products and raw materials for our customers, like recycled paper, metal, plastic and glass, woodchips, compost, energy, fuel, and other products.

In the process we protect the world from contamination, preserve finite natural resources, and enable customers to meet their sustainability goals. With our deep international expertise we also provide our customers with an extensive product range, combined with local service and attention.

Above all, our team is committed and passionate about our mission: waste no more. Renewi operates across five divisions:

- Netherlands Commercial – Collecting, sorting, treating and recycling commercial and household waste in the Netherlands
- Belgium Commercial – Collecting, sorting, treating and recycling commercial and household waste in Belgium
- Hazardous Waste – Treating soil, water and packed chemical waste at our flagship ATM facility and conducting specialist industrial cleaning in the Netherlands
- Monostreams – Managing a range of waste streams which focus on specific end markets such as glass, electronic goods, organics and minerals in Europe
- Municipal – Operating long-term waste management contracts with local authorities in the UK and Canada

For more information, please visit: www.renewiplc.com

Images are available to download at: www.renewiplc.com/imagelibrary

Renewi plc
Dunedin House, Auckland Park
Mount Farm, Milton Keynes
Buckinghamshire MK1 1BU
United Kingdom

T + 44 (0)1908 650 580
F +44 (0)1908 650 651
www.renewiplc.com