

This announcement contains inside information



1 October 2019

Renewi plc

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

Half Year Trading update

Renewi plc (LSE: RWI), the international waste-to-product business, announces its trading update for the period from 1 April 2019 to date. This update is released in advance of the Group’s half year results for the six months ended 30 September 2019, which will be issued on 7 November 2019.

Trading

Trading has been in line with the Board’s expectations. The Commercial Division has continued to benefit from price increases and synergies which have more than offset cost inflation, lower paper prices and a modest slowdown in volumes. The unplanned shutdown of the AEB incinerator in Amsterdam is expected to have little impact on the Group’s performance. Renewi has been able to create buffer capacity and has contracted alternative incineration and landfill capacity for the remainder of the year. AEB is contractually liable to compensate us for costs incurred and we are in the process of recovering these in full.

The Hazardous Waste Division has made good progress both in testing soil stocks and in scaling-up the new process to manufacture building materials from soil. Soil testing, according to a protocol agreed with the regulators, is now complete and has confirmed that ATM’s current stock production does not contain any substances at levels which prevent its use. We are therefore discussing with the regulators how and when the market can be re-opened. Customer trials of our new building materials have generated positive feedback. We expect product certification by the end of the current financial year. New equipment currently being installed is expected to increase capacity to over 600,000 tonnes of building materials per year, over 50% of ATM’s potential output, from early 2020.

The Monostreams and Municipal Divisions have performed in line with the Board’s expectations. The long-term PPP contract with the Councils of Derby and Derbyshire has been terminated, as provided for at 31 March 2019. We have now entered into a Continuity Services contract directly with the Councils. This contract is a services contract and will not require the injection of any capital by Renewi.

Cash performance has been in line with expectations.

Balance sheet

We have progressed our previously announced projects to reduce debt and leverage.

On 17 June, we signed an agreement to sell our Canadian Municipal business for up to CAD107.5m (approximately €72m) to Convert Capital. The transaction closed on 30 September 2019 and the initial CAD82m has been received.

On 5 July, we completed the subscription of a €75m Green Belgian retail bond at a coupon of 3%. This completed our conversion to becoming completely Green funded from the bonds, the EU Private Placement (EUPP), Term Loan and Revolving Credit Facility. This bond replaced a €100m bond that was redeemed at the end of July.

On 16 September, we signed an agreement to sell our Reym Industrial Cleaning businesses for €50m in cash to REMONDIS Maintenance & Services. The transaction is subject to competition clearance and is expected to close by November 2019.

The proceeds from our disposals and the new Green retail bond, together with the €25m Green EUPP issued last December, ensure that the Group has significant long-term headroom on its borrowing facilities.

Outlook

The Board's expectations for the year ending 31 March 2020 remain unchanged with an ongoing focus on cash and driving leverage down over time. All of our divisions are on track and we are increasingly confident that we will be able to increase production at ATM during 2020.

For further information:

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About Renewi

Renewi is a leading waste to product company that gives new life to used materials every day. We have more than 7,000 employees working at 189 operating sites across Europe and North America. Our extensive operational network means we are always close to our customers.

For Renewi, waste is a state of mind, and an opportunity. Our many years of knowledge and experience, combined with a broad range of services, allow us to offer sustainable, practical recycling solutions. We use innovation and the latest technology to turn waste into useful materials such as paper, metal, plastic, glass, wood, building materials, compost and energy. In other words, we turn today's waste into tomorrow's raw materials.

The result of our work is less waste and contamination, a smarter use of scarce raw materials, and a reduction in carbon emissions. This means that we are contributing towards a cleaner, circular world in which we "waste no more".

Visit our website for more information: www.renewiplc.com. Images are available at www.renewiplc.com/imagelibrary.

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