

This announcement contains inside information



17 June 2019

Renewi plc

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

Sale of Renewi Canada

Renewi plc (LSE: RWI) is pleased to announce that it has reached a binding agreement to sell its Canadian operations (“Renewi Canada”) to Convent Capital (“Convent”), an independent, sustainability-focused, Dutch investment firm based in Amsterdam, for an enterprise value of up to CAD 107.5m (approximately €72m) (the “Transaction”).

Upon completion, Renewi will receive initial cash consideration of approximately CAD 84m (approximately €56m, £50m¹)². Following completion, Convent will, with the assistance of Renewi, seek additional project financing for Renewi Canada’s operations, the successful execution of which will result in further consideration payable to Renewi up to a maximum of CAD 17.5m (approximately €12m, £10m¹).

The enterprise value of CAD 107.5m (approximately €72m, £64m¹) includes deferred consideration, debt-like items and capex adjustments. Immediately following completion, receipt of the initial consideration, less transaction costs, is expected to reduce the Group’s net debt to EBITDA ratio by approximately 0.23x.^{3,4}

Completion, which is subject to change of control approvals from relevant municipalities in Canada, is expected to take place before the end of September 2019.

Commenting on the disposal, Otto de Bont, Chief Executive Officer, said:

“Today’s announcement delivers on our commitment to simplify our business and strengthen the balance sheet, achieving a fair value for our Canadian business. Convent is already present in Canada and we believe Convent will be a good owner for our customers and employees in Canada.”

Notes and additional disclosures

¹ Based on CAD/EUR exchange rate of 1.5006 and CAD/GBP exchange rate of 1.6855.

² Subject to normalised working capital and other customary adjustments at closing.

³ In the Group’s financial statements for the year ended 31 March 2019, Renewi Canada was reported as a discontinued operation with gross assets of €67.5m. The Group’s reported financial results for the year ended 31 March 2019 included €18.3m in revenue, and €1.5m in operating profit from Renewi Canada. Non-IFRS notional EBITDA contribution for the equivalent period was €4.6m, comprising €3.9m from the operating business, and €0.7m of income from Renewi Canada’s SPV financial asset.

4 The extent to which the Group's accounts recognise / provide for the additional consideration of up to CAD 17.5m and a further receipt of an insurance recovery related to the construction of Surrey will be determined, at the time of those accounts, based on a prudent assessment of the likelihood of such consideration being received by the Group. The Group will be minded not to recognise deferred consideration until there is greater certainty of receipt. Dependent on this assessment, the Group will likely initially record a loss on disposal of up to €12m which may ultimately become a smaller loss or a small gain depending upon further monies received.

For further information:

FTI Consulting
+44 20 3727 1340
Richard Mountain
Susanne Yule

Renewi plc
www.renewiplc.com

Market Abuse Regulation statement

This announcement contains inside information and is issued on behalf of Renewi by Philip Griffin-Smith, Group Company Secretary. This announcement is issued at 13.45 hrs on 17 June 2019.

Financial adviser

Greenhill & Co. International LLP ("Greenhill"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as financial adviser to Renewi and no one else in connection with the Transaction and will not be responsible to anyone other than Renewi for providing the protections afforded to clients of Greenhill nor for providing advice in relation to the proposed Transaction or any other matters referred to herein.

Forward-looking statements

Certain statements in this announcement constitute "forward-looking statements". Forward-looking statements may sometimes, but not always, be identified by words such as "will", "may", "should", "continue", "believes", "expects", "intends" or similar expressions. 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 announcement and, except to the extent legally required, Renewi undertakes no obligation to revise or update such forward-looking statements.

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 200 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".

Renewi was created in 2017, following the merger of Shanks Group plc with Van Gansewinkel Groep BV, and is listed on the London Stock Exchange. Visit our website for more information: www.renewiplc.com. Images are available at www.renewiplc.com/imagelibrary.

About Convent Capital

Convent Capital is an open-ended investment firm established in Amsterdam. Due to the open-ended nature of the investment vehicle, Convent Capital has no pre-determined investment horizon and can take a long-term view on industries. This long-term view fits particularly well with Convent's circular philosophy and its conviction that operating without exit pressure leads to better results. Convent Capital has the ambition to prove that companies who commit to sustainable value creation based on circular business models will ultimately be the winners of the future.

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

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