



waste no more

CAPITAL MARKETS DAY

**BOOKLET 1 –
Business Overview &
Presentations**

27/28 September 2017



Hello!

Welcome to our 2017 Capital Markets Day.

Most of our visitors know us well, so we have structured the event to give maximum access to our leadership team for in-depth discussions about our business.

We also want you to leave with some useful materials about us. This booklet, the first of two, contains:

- ▶ Key presentations
- ▶ The materials shown at the divisional market stalls
- ▶ Additional background information on each division

The second booklet will contain information on each site to be visited.

I hope you have an informative and enjoyable time with Renewi and thanks for joining us.

Peter Dilnot
Chief Executive Officer

Health & Safety

Fire alarms & exits

Your personal protective equipment - jacket, boots, helmet, glasses, gloves

RULES ON ALL OPERATING SITES:

- ▶ Be properly dressed
- ▶ Stay close to your guide
- ▶ Stay on marked walkways
- ▶ No use of mobile phones
- ▶ No eating, drinking or smoking
- ▶ Wash hands afterwards

Key risks will be advised at each tour

If in doubt, ask us!

If you see unsafe action, tell us!



Renewi Growth Update

Capital Markets Day
Netherlands
27 September 2017

Welcome



Venue



Welcome to the Netherlands!

CMD Objectives



1. Explain Renewi's business and show our high quality assets
2. Give opportunity to meet Renewi's leadership team
3. Update on our core markets and strategy
4. Provide clarity around Renewi's growth journey

**We want you to leave confident about our integration
and long-term growth path**

Renewi's Excom



Toby Woolrych
CFO



Otto de Bont
MD, Commercial NL



Wim Geens
MD, Commercial BE



Jonny Kappen
MD, Hazardous



James Priestley
MD, Municipal



Bas Blom
MD, Monostreams



Fran Schroder
HR Director



Geert Glimmerveen
Integration Director



George Slade
IT Director



Patrick Deprez
Products Director



Baukje Dreimuller
General Counsel

Our Capital Markets Day Team



Adam Richford
Treasurer



Antonie Verberne
IMO Finance Director



Bas Bax
Integration & CI
Director – CW NL



Christine Cooper
Financial Controller



Eric Schouten
FD - Hazardous



Florens Slob
Director Communications



Gijs Derks
Commercial Director –
CW NL



Helen Kemp
Communications
Manager



Lindert Verhagen
FD – Commercial NL



Michael van Hulst
Region Director North
West – CW NL



Neil Miles
FD - Municipal



Paul Langendoen
FD – CW BE

Agenda

Today

- Presentations – Peter and Toby
- “Market Stalls” – Excom
- Site Tour – Zoeterwoude
- Belgian Beer Tasting & Dinner



Tomorrow

- Wateringen (CW NL)
- Reym Theemsweg (HW)
- Coolrec Dordrecht (Mono)
- Amsterdam (CW NL)

Key Messages



- 1 Renewi successfully created as Europe's leading waste-to-product company**
- 2 Strong initial post-merger trading and integration on track**
- 3 Well-positioned to meet increasing demand for recycling services**
- 4 Clear path to deliver sustained long-term profitable growth**

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New Brand



Merger Rationale

- ✓ **EU strong recycling leader**
- ✓ **More products and services to our customers**
- ✓ **Broader geographical footprint**
- ✓ **Complementary businesses**
- ✓ **Robust financial base underpinned by synergies**
- ✓ **Significant earnings accretion**
- ✓ **Exciting long-term growth opportunities**





Our purpose is to protect our world by giving new life to used materials

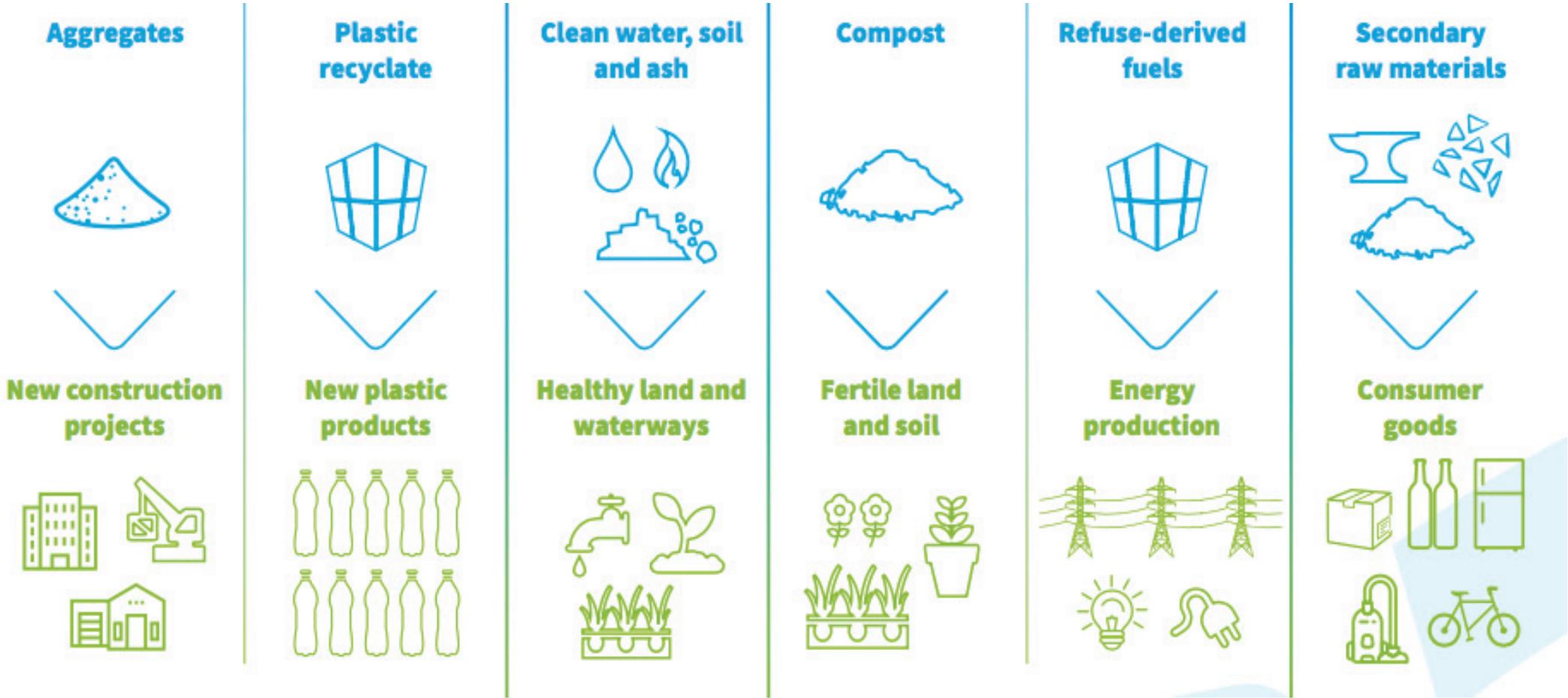
Our Business



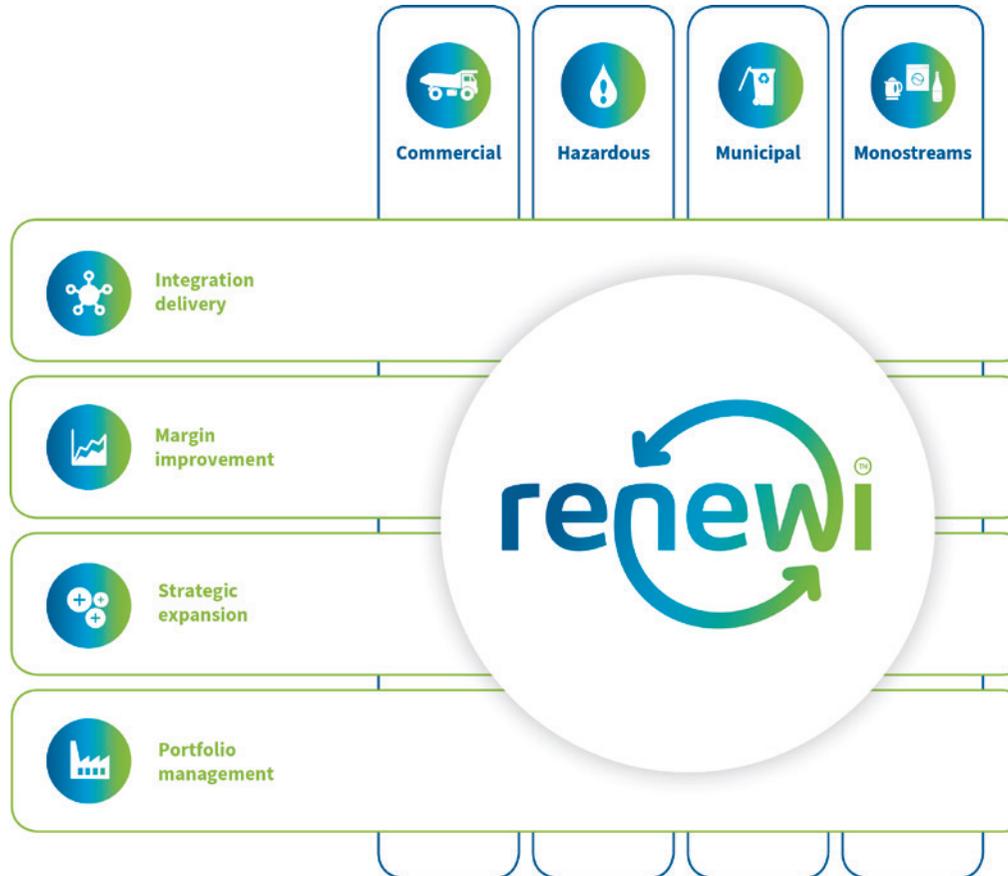
Commercial NL	Commercial BE	Hazardous	Municipal	Monosteams
<ul style="list-style-type: none"> • #1 in waste collection and processing • #1 in most main market segments • Complete geographical coverage Netherlands • c. 3,500 FTEs 	<ul style="list-style-type: none"> • #1 or 2 in waste collection and processing • #1 in most main market segments • Complete geographical coverage in Belgium • c. 1,900 FTEs 	<ul style="list-style-type: none"> • #1 in European thermal soil treatment, Dutch waste water treatment and high end industrial cleaning • Primarily in the Netherlands • c. 950 FTEs 	<ul style="list-style-type: none"> • UK leader in MBT treatment of waste • Canadian leader in treatment of organic waste • c. 700 FTEs 	<ul style="list-style-type: none"> • #1 in glass recycling and trading of recycled glass “cullet” • #1 handler of mineral waste in NL • #2 in NL organics • Leading EU WEEE recycling player • c. 470 FTEs

All divisions have “Waste-to-product” business model

Extensive Renewi Product Range

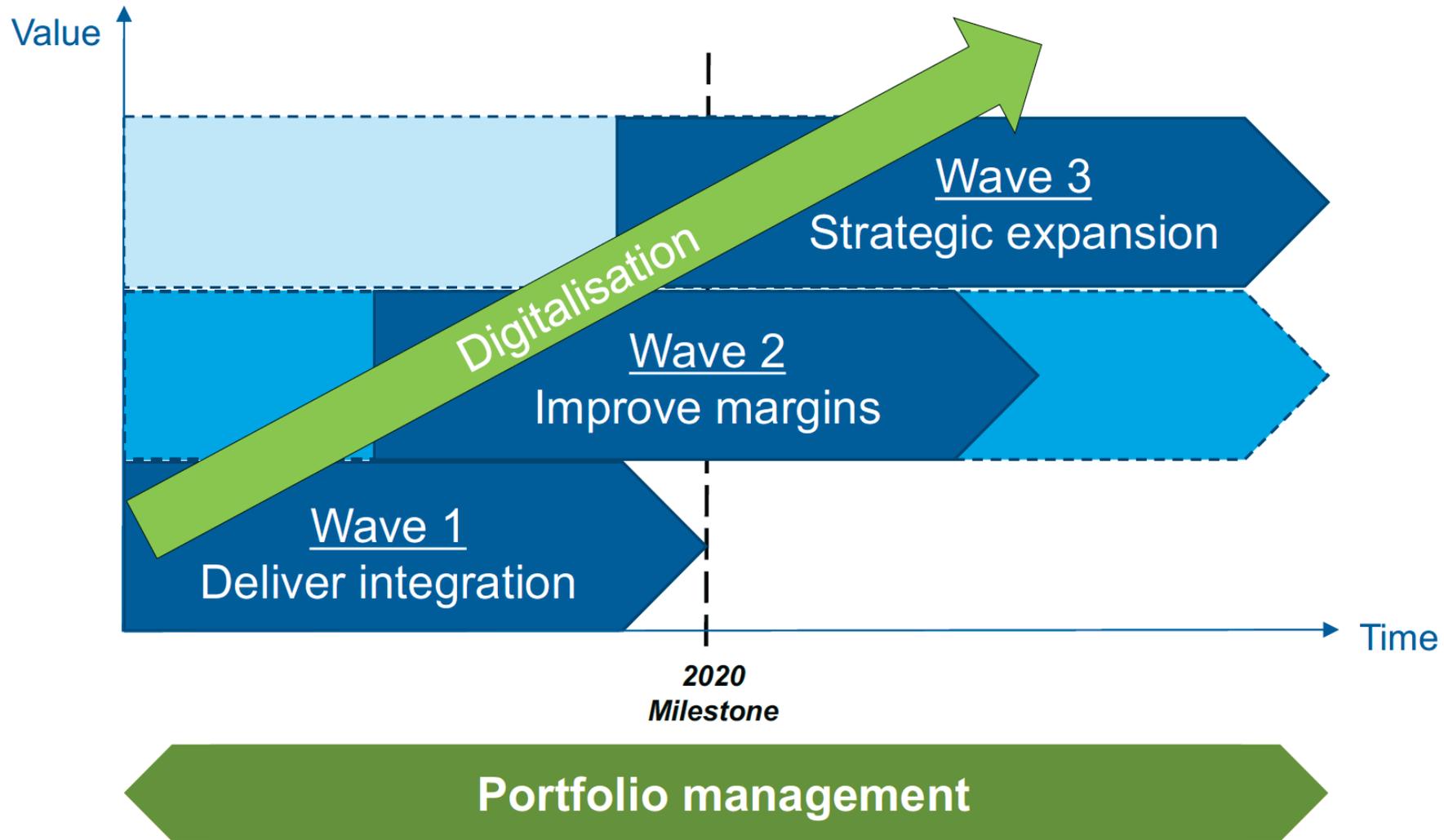


Evolved Strategy



‘Investing in infrastructure’ lever replaced by broader ‘strategic expansion’

Growth Journey



Integration Principles

What we will create...

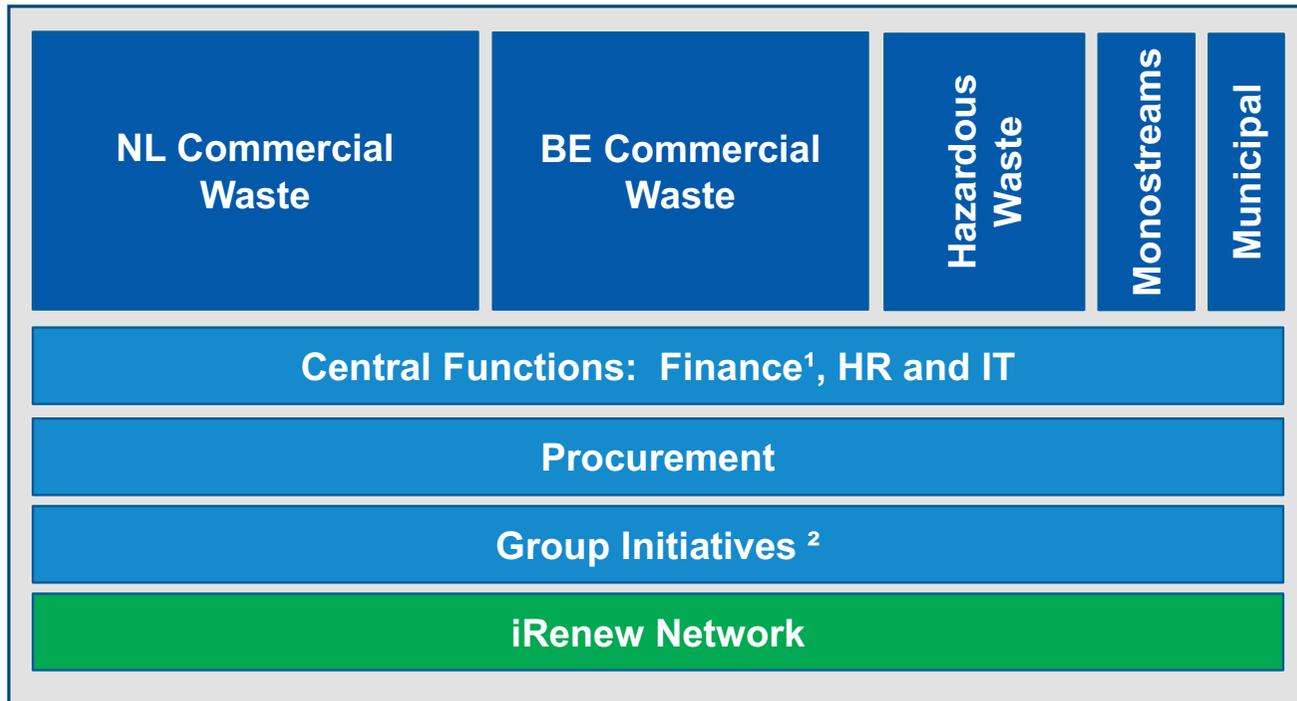
- Full integration under our Renewi brand
- One way of working, learning from both legacy businesses
- Customer intimacy with scale efficiency
- Lean overhead to create advantage in our industry



...how we will do it

- Primarily divisional execution with tight central coordination
- Focused discussion followed by fast execution
- Forward planning to deliver all our future targets

Integration Approach



IMO Role

- Support divisions
- Deliver synergies (on time and budget)
- Ensure end-state alignment
- Co-ordinate and track initiatives

¹ Includes SSC

² Includes overhead and facilities rationalisation

Proven Track Record

Shanks

- €20m structural cost programme 2012-15 on time and on budget
- Shared Service Centres built in NL & BE
- Self-help programmes (CE & CI)
- Harmonisation and standardisation of fragmented operating company processes
- Extensive portfolio management
- Focus on increasing returns (e.g. Netherlands up 500bps in last 2 years)

Van Gansewinkel

- Business centralisation and reorganisation
- Accustomed to standardised processes and controls
- Top line revitalisation programme
- Disposal of non-core assets
- Traction gained with margin recovery in 2016 (EBITDA up >20%)

Plus extensive leadership experience in business integration and cost reduction at other international companies

Key Messages



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Highlights

- ① **Trading ahead of expectations in first half**
- ② **Commercial Division strong performance, particularly in Netherlands**
- ③ **Integration and synergy delivery plans on track**
- ④ **UK Municipal recovery on track, previously reported operational issues in Canada**
- ⑤ **Net debt better than expected**
- ⑥ **Outlook for current year in line with overall Board expectations**

Current Market Backdrop

	Market Driver	Example Metric
	EU market recovery	NL GDP up 3.3%* BE GDP up 1.5%*
	Commodity price	Metal up 40%
	Oil & gas market	Oil price sustained at €50/ barrel
	Off-take & insurance	RDF up >20% Insurance up >100%

* source: <https://tradingeconomics.com>

Trading Update – Commercial Division

Netherlands

- Well ahead of expectations
- Strong C&D market volumes
- Generally improving economy
- Increasing recycling rates
- Recyclate income positive year on year

Belgium

- Performed well
- Revenue growth in positive market
- Margins flat despite one-off prior year wood market profits
- Off-take markets tight but well managed

Trading Update – Hazardous and Monostreams Divisions



Hazardous Waste

- Solid trading in H1
- Waterside supported by major project
- Soil good in H1, reduced throughput in H2 due to IL&T review and offset challenges
- Increased activity at Reym/VGIS, margins remain tight

Monostreams

- Maltha: strong improvement with new investments in NL
- Minerals: ahead of expectations with positive volumes
- Orgaworld: strong performance offset by digester leak
- Coolrec: mixed performance and margin pressure

Trading Update – Municipal Division

UK

- Good progress in line with expectations
- Recovery plan on track
- Supporting Interserve to commission Derby in H1 2018 – no impact on FY18

Canada

- Operational issues in London through H1 will impact Q3 with volume restrictions
- Ottawa performing well
- Surrey full service delayed to end of year by construction commissioning issues

Trading Update – Cash

Cash Performance

- EBITDA ahead of expectations
- Capital expenditure and integration costs lower than plan in H1
- Group net debt and leverage better than expectations

Other Treasury

- Main Credit Facility has been extended by 1 year to September 2022
- Main Credit Facility is now €575m following the cancellation of surplus short term €25m A2 facility
- Majority of PFI banking operator covenants conformed to the Main Credit Facility tests
- €200m+ of bilateral facilities have been updated to improve pricing availability, and headroom

Integration Update – Cost synergies

- Approx. 250 initiatives have been identified and being developed, 165 “quick win” projects being executed
- Further projects being worked on
- €8m synergies secured to date
- On track to achieve €12m in FY18
- On track to achieve €40m in FY20

Examples:

- Outbound logistics: use of freight exchange, rerouting to nearer incinerators
- Inbound logistics: first phase re-routings complete, further modelling planned in line with IT migration
- Site closures: target sites being considered for rationalisation or closure
- Procurement: value lever workshops for saving initiatives
- Overheads: savings from Board and N-1 to N-3 appointments
- Process efficiency: re-routed waste to increase recovery

Integration Update – Revenue and margin synergies



Examples:

- Total waste concept to be rolled out in NL combining Hazardous and CW NL
- Commercial effectiveness executed in CW BE (price increase)
- One tender desk implemented in CW BE and CW NL (incl. Domestic)
- Insourcing waste streams, for example Hazardous, which were previously going to external parties
- Redirecting waste streams between ATM and CFS



Integration Update – One way of working

Integration:

- Feasibility projects are complete in both Commercial businesses for IT and process migration and give clear direction
- All Shanks “prospect-to-cash” processes will migrate onto VGG core systems, with few exceptions
- Customer impact will be minimal
- Phased programme over 24 months region by region

Functions:

- Finance: roadmap for consolidation of reporting systems and unified management reporting created
- Procurement: organisation design and strategy for cross-divisional initiatives confirmed
- IT: new organisation in place to manage migration and legacy platforms
- HR: common processes to be rolled out across Group from centre of excellence
- SSC: merger of two Belgian SSCs within next quarter

UK Municipal Recovery Plan Update

Implement plans to get to full capacity

- ▶ Wakefield/BDR performance tests
- ▶ Derby staged commissioning
- ▶ Surrey remedial work then commissioning

Shift operations to higher quality fuels

- ▶ Customer trials underway with new products

Negotiate off-take terms and new outlets

- ▶ New off-take contracts announced
- ▶ Ongoing negotiations across Europe

Improve productivity and plant uptime

- ▶ BDR increasing moisture loss
- ▶ Cumbria enhancements
- ▶ London (Ontario) tunnel performance
- ▶ Continuous improvement

Renegotiate local municipal contracts

- ▶ Ongoing discussions with backdrop of challenging PFI market
- ▶ Implementing changing regulation in Scotland

Outlook - Trading

- Board confident will achieve overall expectations for the year ending 31 March 2018
- Commercial expected to continue to perform well
- Hazardous Waste impacted by reduced soil throughput but otherwise in line with expectations
- UK Municipal in line with expectations, Canada progressively addressing operational issues
- Monostreams in line with expectations

Outlook – Cash and Non-trading Items

Cash

- Better than expectations: still on track to peak at or below 3.25x net debt to EBITDA

Non-trading and exceptional items

- Expected to be lower than expected
- Integration costs lower than expected in H1
- Net position on fires at Icova and Wandre not expected to impact FY18

Outlook – Impact of FX on Consensus Earnings

£m	FY17		FY18 at	FY18 at	FY18 at	FY18 at
	Reported	Pro forma	€1.20/£	€1.18/£	€1.15/£	€1.12/£
Revenue	779	1,464	1,486	1,515	1,554	1,594
EBITDA	80.4	150.3	155.5	158.6	162.6	166.9
EBIT	36.5	53.1	60.7	61.9	63.4	65.1
Underlying PBT	25.7		37.3	38.0	39.0	40.0

Consensus for FY18 is based on the average of analyst notes from Peel Hunt, Investec, Credit Suisse and Barclays using different full year potential Euro FX rates

Note that proforma EBITDA in FY17 contained c€7.5m of non-recurring profits in former VGG as previously advised

Summary

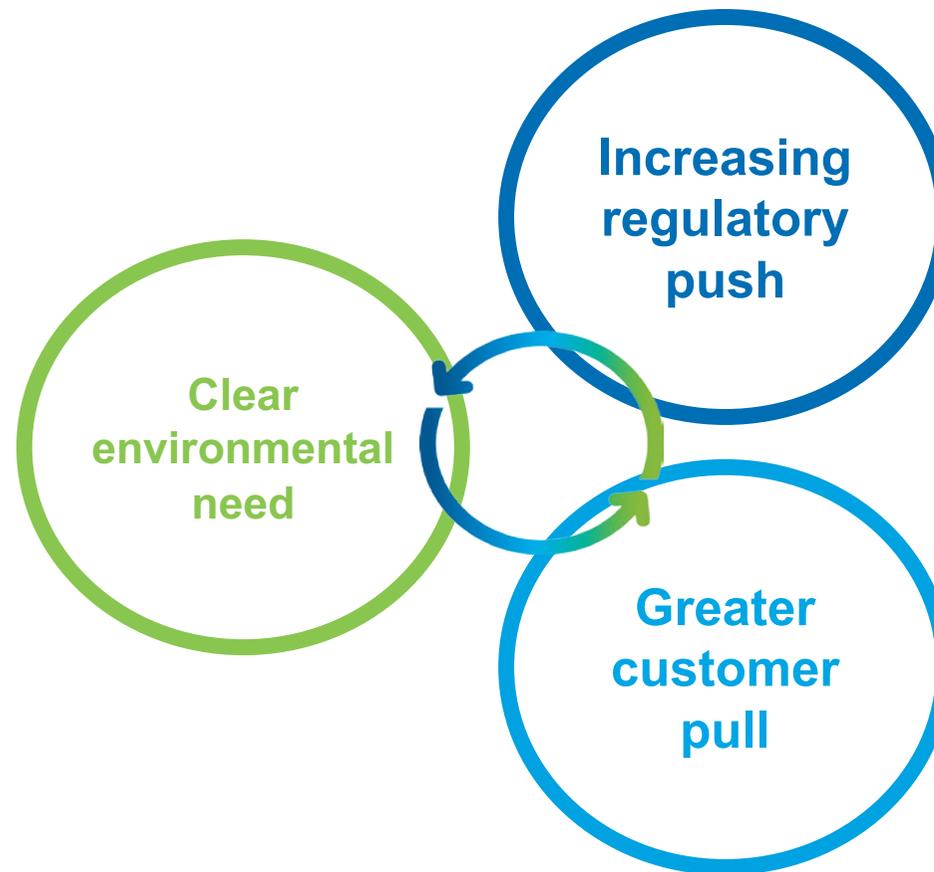
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Increasing Demand for Renewi's Services



Underpinned by GDP recovery and capacity balance improvements in our sector

Clear Environmental Need

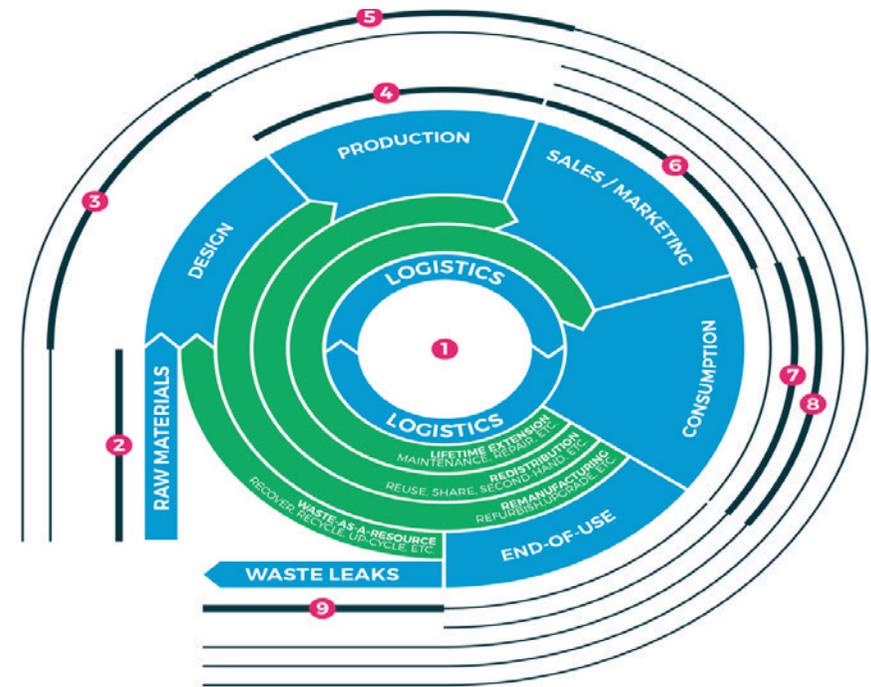


Increasing Regulatory Push

Governments are acting to drive change and action...

- EU**
 - <10% landfill in 2030
 - 75% of packaging waste recycled by 2030
- NL**
 - Domestic incineration and landfill target 50% reduction by 2020 versus 2015
 - MSW sorting up to 75% in 2020 versus 58% in 2015
- BE**
 - Plan to extend MSW recycling rate (currently best in EU @ 62%)
 - No landfill of burnable non-recyclable C&I waste
 - Flanders: 70% separate collection MSW by 2022
- UK**
 - Initially maintaining EU targets post Brexit
 - Scotland: Zero Waste Directive

...the emerging Circular Economy gaining traction



Recycling is the most tangible lever with the greatest impact today

Greater Customer Pull



- 100% recyclable plastic packaging by 2025
- 90% of office waste reused, recycled or recovered by 2015



- Virtual carbon price of €50 per ton CO₂ used for decision-making processes



- 40 % of PET used to be recycled PET or PET from renewable resources



- Separation of (building) site residual waste at 70% in 2017 and beyond



- Green Deal Circular Procurement: Ministries & 40 Dutch companies to procure >€100 M in circular economy



Improving recycling rates and using secondary raw materials are smart and concrete sustainability targets for large corporates

We help customers become more sustainable, while generating returns for our shareholders

Greater Customer Pull

- The Circular Coalition founded in 2016 with >35 of Renewi's larger customers learning about the transition to a Circular Economy
- In 2017 Renewi launched a consultancy concept helping its customers with specific expertise to improve their materials and waste management
- We improve the quality of the products we make from waste and have become a partner for OEMs and a player in the secondary raw materials market

15m

Tonnes of waste handled

90%

Overall recycling and recovery rate

3m

Tonnes of carbon avoidance



PHILIPS



Miele

Renewi serves customers at both ends of the value chain and is recognised for its role as a connector and thought leader in the Circular Economy

Waste Arising Outlook – NL Case Study

Segment	Volume ⁽¹⁾	Volume Drivers	Destination & Collection Themes	Recycling Rates ⁽²⁾	Outlook
Municipal (MSW) 	8MT	<ul style="list-style-type: none"> Waste regulation End Producer Responsibility (EPR) Improved packaging (“PMD” collection) Local Circular Economy (CE) ambitions 	<ul style="list-style-type: none"> New service driven collection schemes – eg, inverse collection Local CE closed loops, civilian involvement Further source segregation 	58% in 2015; 75% target 2020 Residual waste/inhabitant 202kg in 2015; 100kg target in 2020	Reduced volumes Higher recycling rates
I&C 	23MT	<ul style="list-style-type: none"> GDP growth Regulatory attention for residual I&C reduction End Producer Responsibility (EPR) 	<ul style="list-style-type: none"> Less waste direct to incineration Increasing regulatory pressure to further separate at the source Expected ban to stop all waste to incineration 	Industrial waste: 83% recycling 12% incineration Commercial waste: 55% recycling 37% incineration	Stable volumes Higher recycling rates
C&D 	27.7MT (15% mixed C&D waste)	<ul style="list-style-type: none"> GDP growth Construction sector growth Large infrastructure projects (increase expected after 2018) 	<ul style="list-style-type: none"> Most waste sorted/recycled or reprocessed already Collection typically by sorter/recycler 	98% valorisation (source segregation and recycling; limited volume to incineration)	Increasing volumes Stable recycling rates

Overall waste arising expected to be broadly flat, recycling rate set to increase significantly

(1) Estimated total market volume in NL 2015; (2) Public data 2014-2017, company estimates

Dutch C&D Outlook

	16A	17F	18F
Overall	7%	> 5%	2,5 - 4%
Homes	7%	> 6%	~ 5%
Utilities	3,5%	3,0%	3,0%
Infra	0-1%	1,5%	1-2%

Construction sector overall is still growing but at lower rates compared to last two years

- Development of new build houses is stabilising with permit volumes stable
- Sales of existing houses still growing, but will stabilise due to a natural cap in stock
- Higher sales leads to growing renovation activities
- Utilities have seen growing order books and are expected to have comparable growth rates
- Infrastructure will see growth due to some large plans starting in 2018

Order books of construction companies as a whole have grown further during 2017

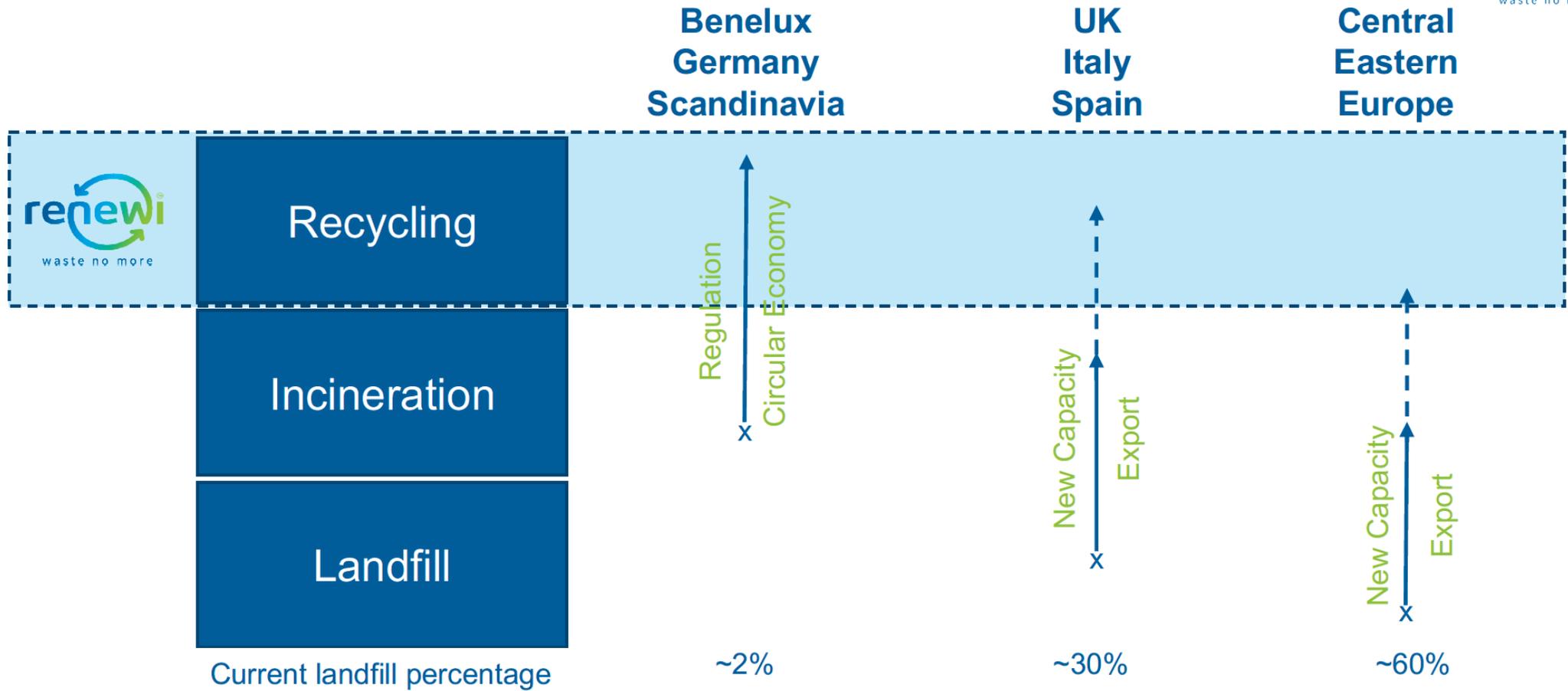
Sale of homes 12 month rolling



Bron: CBS, bewerking Rabobank, 2017

Strong positive outlook for core Renewi segment

European Trends



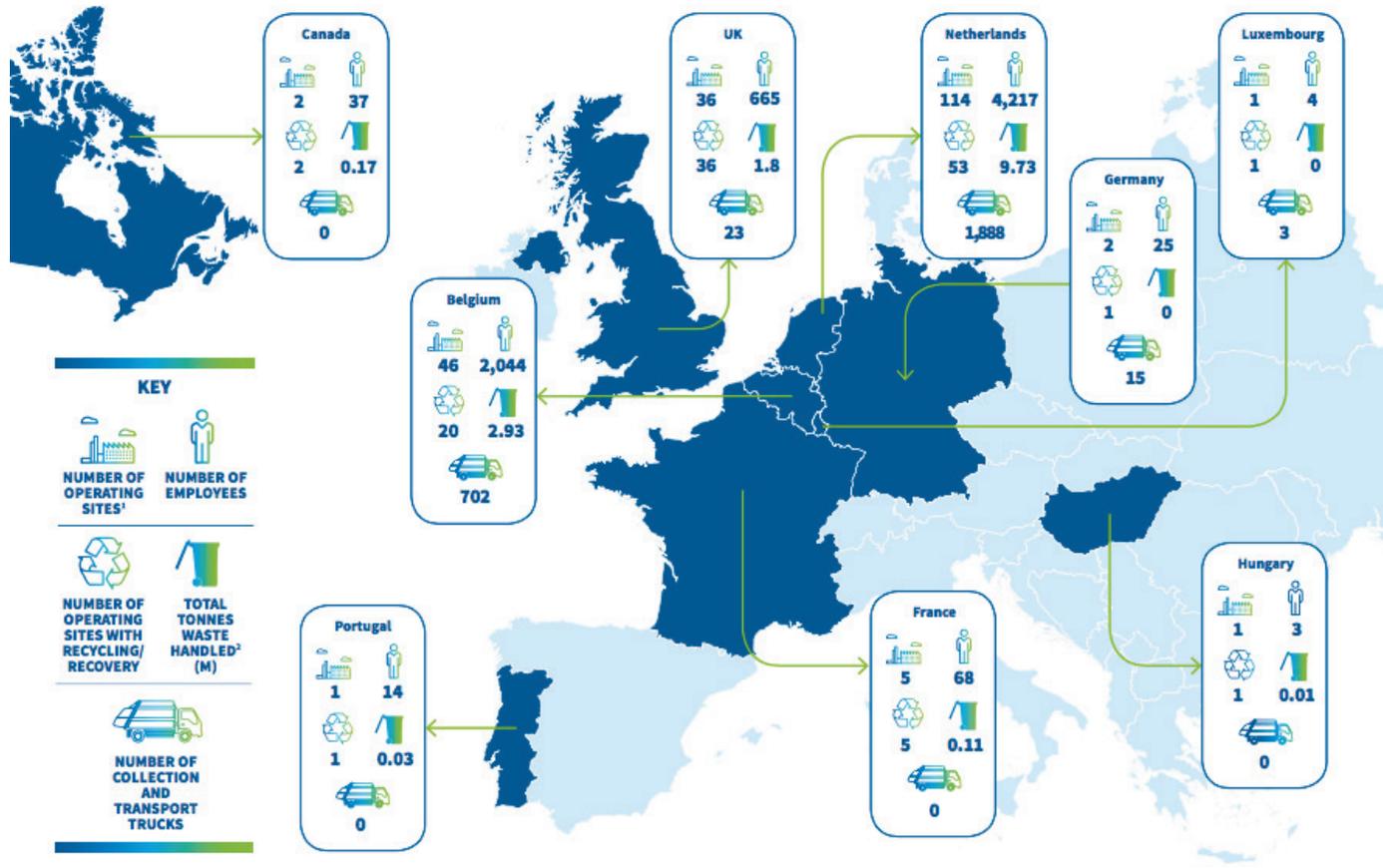
Core Benelux markets increasing recycling, incineration capacity remains in balance

Incineration Capacity Balance

	2017				2025
	Incineration Capacity MT	Available Combustible Waste MT	Under (-) Over (+) Capacity MT	Under (-) Over (+) Capacity %	Trend towards 2025
UK	18.6	32.2	-13.6	-73%	Expected >5MT under capacity, export outlet remains
BE	3.7	3.7	0	0	Wallonia: under capacity expected in coming years, but stable by 2025
NL	8	5.9	+0.4 (with 1.7M import)	<5% net	Volume decrease (regulation), leads to larger overcapacity more structural or possibly EfW line closures
G	30.3	25.6	+3.3 (with 1.4M import)	<10% net	Some volume decrease, slightly larger overcapacity filled by Southern/ Eastern EU volumes

Significant under capacity incineration remains in Southern, Central and Eastern Europe; for example ~13MT in Italy and ~17MT in Poland

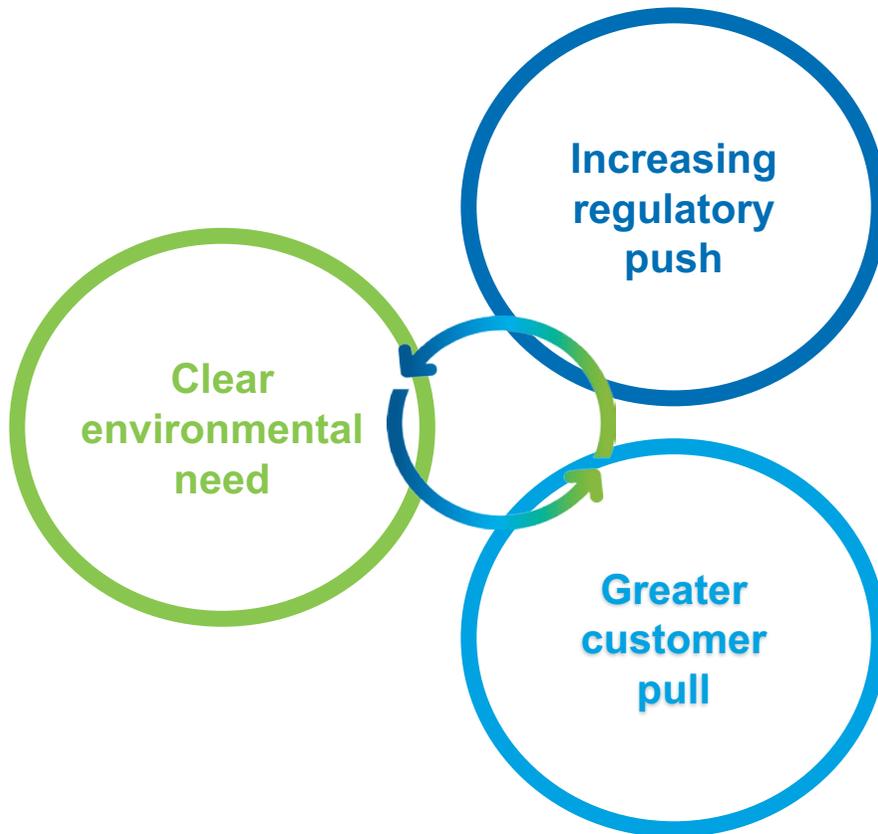
Renewi Well Positioned to Meet Growing Recycling Needs



- Strong footprint sorting and recycling in core markets
- Integration fills white space: geographical and services
- No incineration plants in portfolio: focus on recycling
- Potential for further EU-wide expansion in recycling
- Collection possibilities for new service models

1. Active operating sites; does not include offices and other non-operational sites
 2. Waste handled is for waste accepted by site only, and does not include waste simply collected or transported
 3. Total number of operations exceeds total number of sites. This is because some sites have multiple operations on them which report to different operating divisions

Conclusion: Short-Term Recovery and Long-Term Growth



- NL recycling market set for continued recovery after sustained margin pressure
- Clear macro drivers demanding greater recycling versus landfill and incineration
- Incineration will become less of a substitute destination for recycling
- Incineration capacity should also remain balanced across advanced EU markets
- Some UK uncertainty regarding Brexit, but exports likely to remain

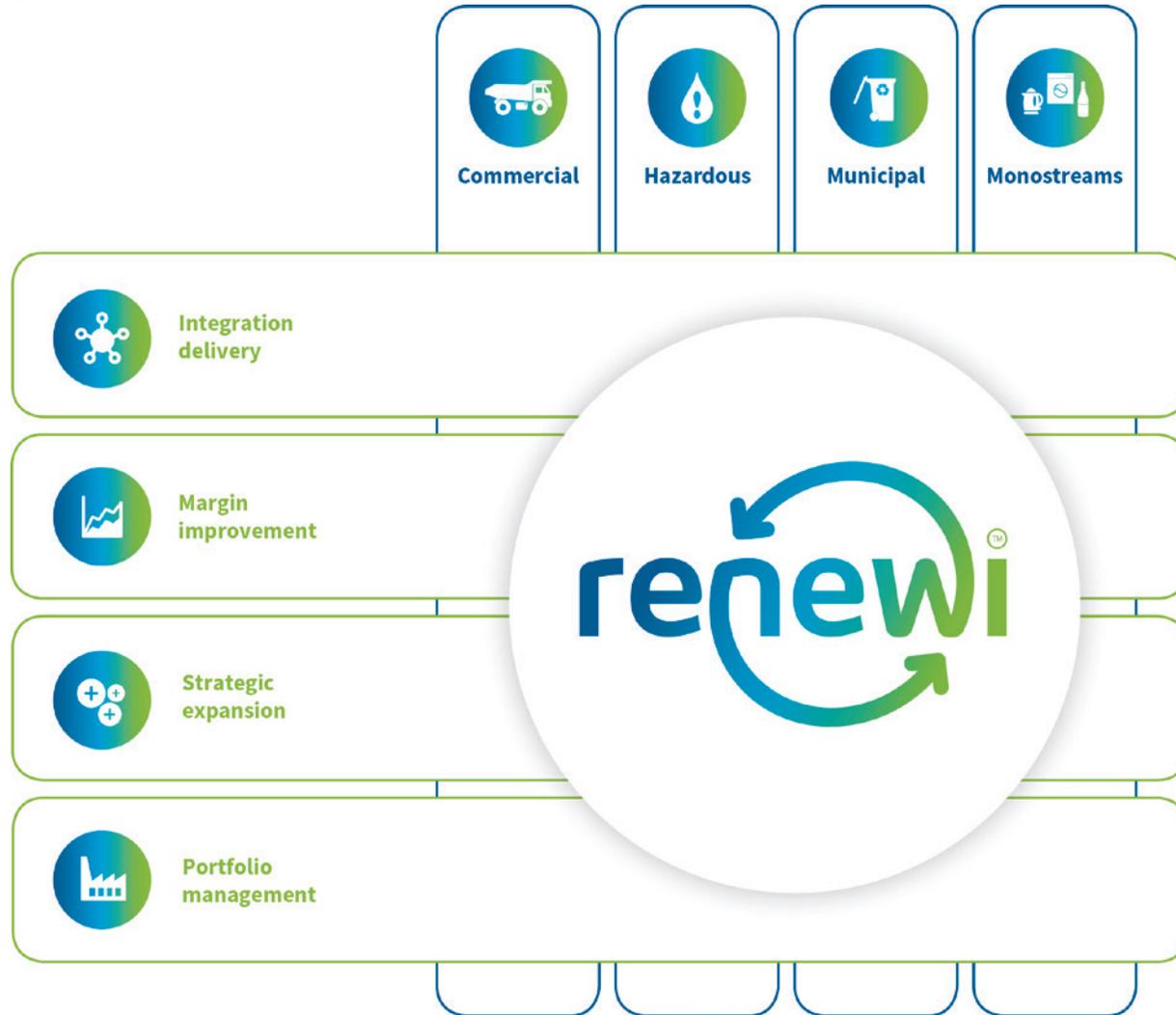
**Strong thematic and macro growth drivers:
Renewi uniquely positioned to meet increased demand and deliver profitable growth**

Key Messages



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Evolved Strategy



Divisional Growth Strategies



Commercial



Deliver improved profitability and returns through merger benefits, self-help initiatives and market recovery



Hazardous



Continue to grow in established and adjacent markets while maintaining attractive returns



Municipal



Restore profitability through operational gains, offtake management and ramping-up new assets

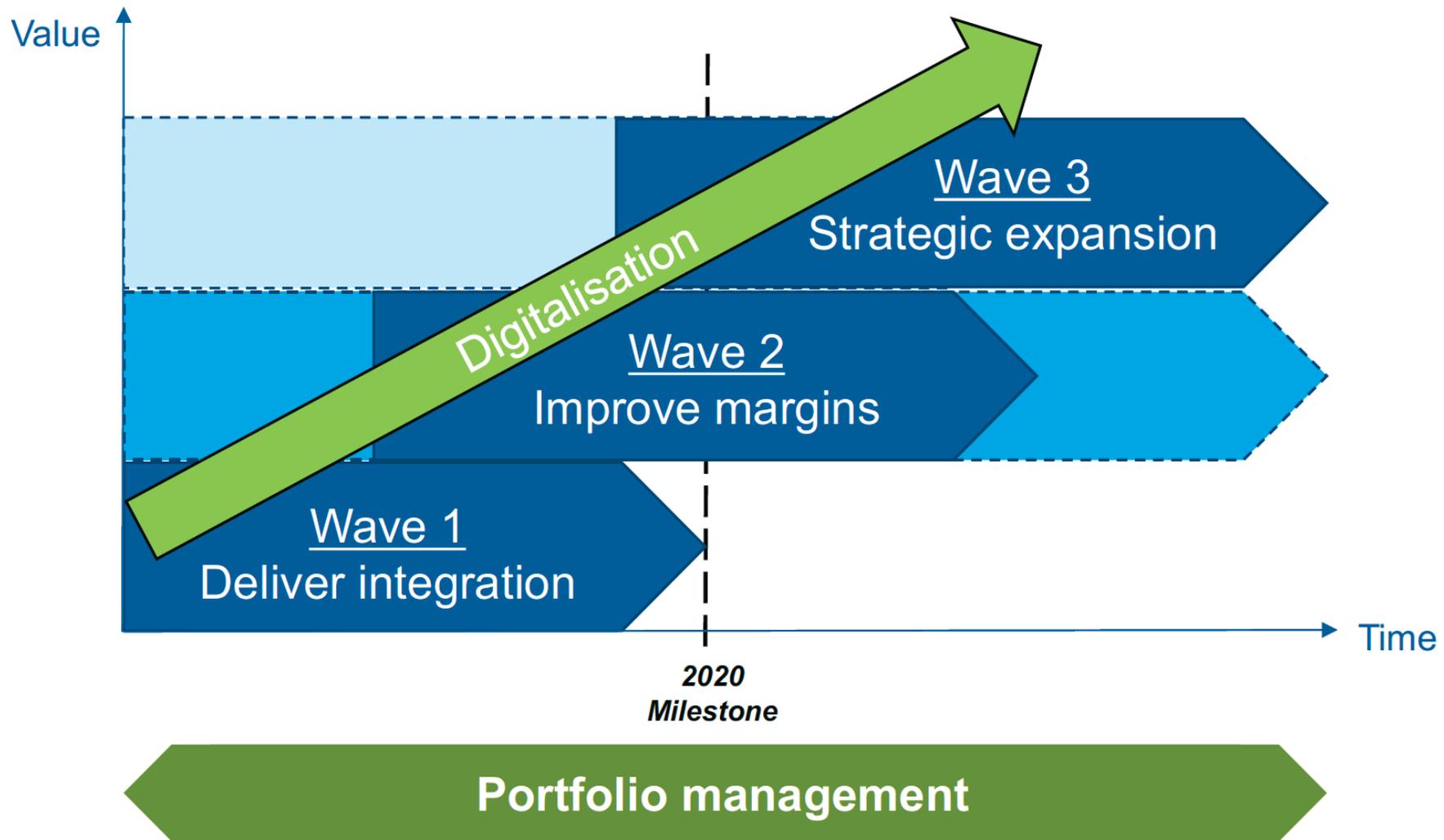


Monostreams



Deliver profitable growth through operational excellence and extending current 'product focused' business models

Growth Journey



Growth Beyond Integration



Wave 2: Margin Improvement

- Capitalising on market recovery with commercial effectiveness
- Leveraging our advantaged cost position
- Deploying proven Renewi tools, especially continuous improvement

Wave 3: Strategic Expansion

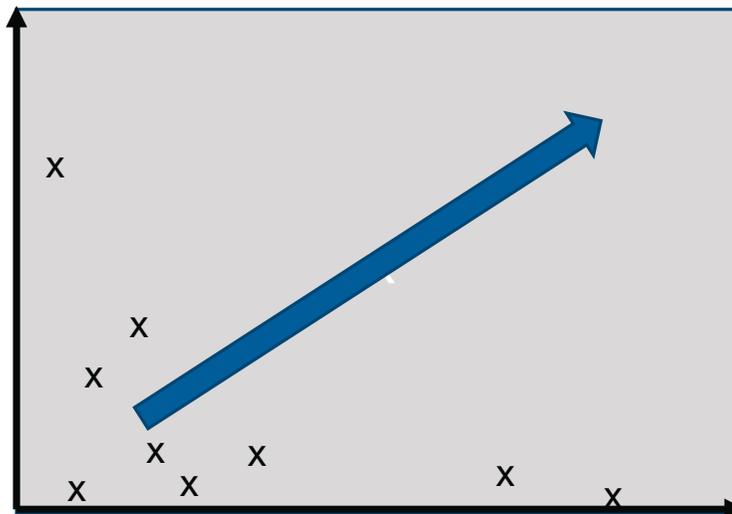
- Broaden range of products and service models
- Expand geographical footprint to adjacent regions
- Extend and integrate product value chains

Set to deliver further growth beyond committed €40M cost synergies

Margin Expansion (I) – Favorable Market Conditions

Illustrative Account Map

Gross Margin (%)



- + *Increased demand*
- + *High industry utilisation (after sustained downturn)*
- + *Market correction (addressing loss makers)*
- + *More stable dynamic*

- + *GDP growth*
- + *Segment volume recovery*
- + *Higher recycling rates*
- + *Incineration at capacity*

Renewi Position

- **Proven commercial effectiveness approach and toolkit from ex-Shanks**
- **Enhanced data and systems from ex-VGG**
- **Post merger organisation based on customer and segment focus**
- **Building unified and powerful Renewi commercial capability**

Renewi well-placed to capitalise upon favourable market conditions in short and medium term

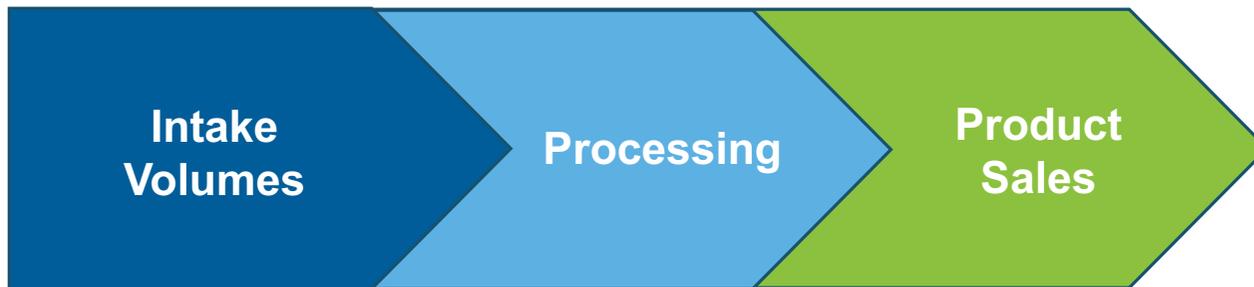
Margin Expansion (II) – Advantaged Cost Position



⁽¹⁾ Ability to segment market and sell based on waste value and/or differentiated service

Margin Expansion (III) – Proven Tools

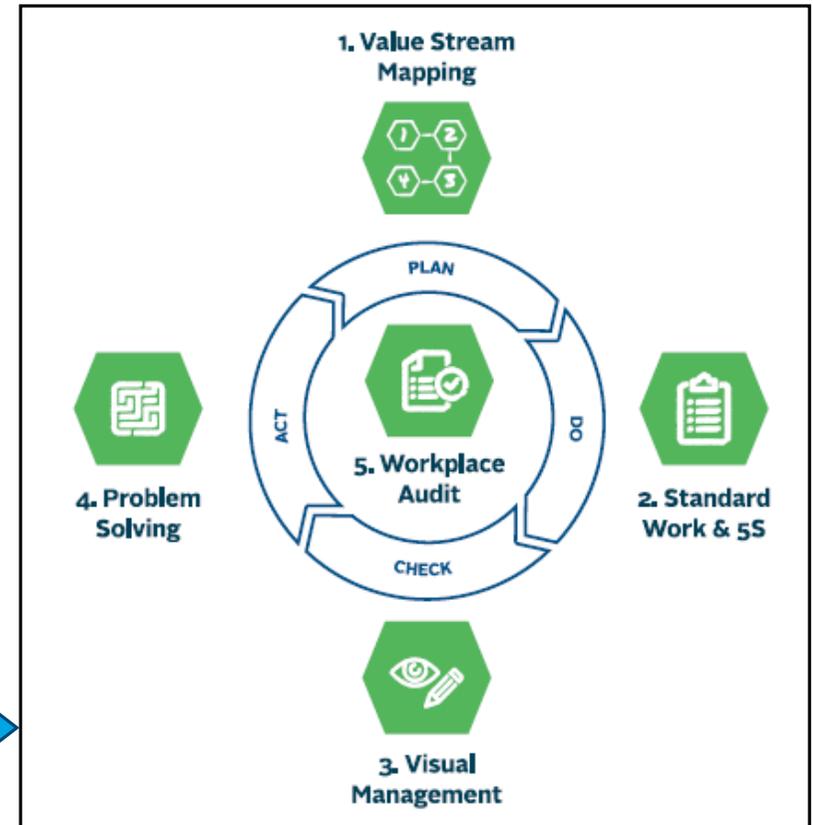
Proven Tools Throughout Renewi Value Chain



Commercial Effectiveness

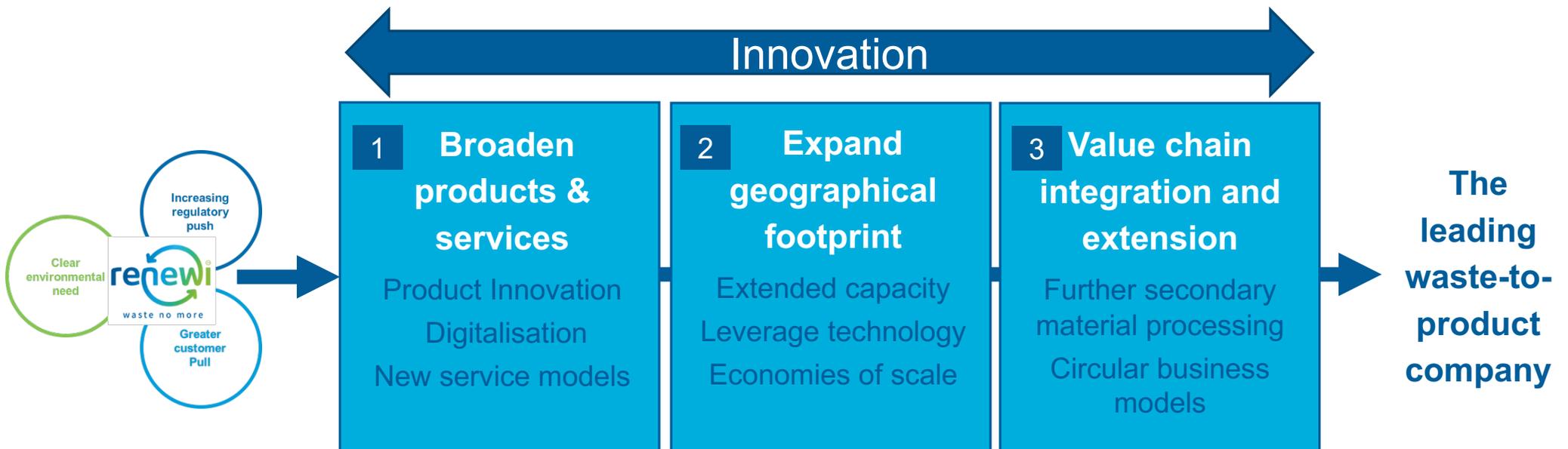
Continuous Improvement

Value Selling



Building on legacy 'margin improvement' initiatives to create Renewi muscle

Wave 3: Strategic Expansion



Core filters and principles for strategic expansion:

- **Strategic fit**
- **Sustainable competitive advantage**
- **Target returns**

Developing process to identify, filter and incubate innovative ideas

Innovation: Product Case Studies



Paint it Back project
Recycled paint sold in second hand shops in Belgium



HIPS Filament for 3D printing
From plastics from recycled fridges developed together with NL Startup



FORZ - Mineralz
Making clean building product from bottom ashes of incineration plants

Over 100 projects from both legacy companies are identified already!

Innovation: Partnership Case Studies

Partnerships in the value chain

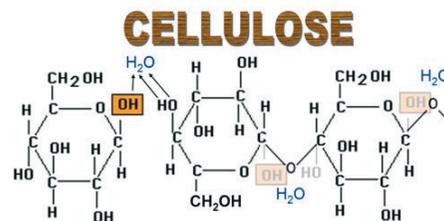
- Development of new (chemical) recycling technology - base chemicals & fuels
- More complex mixed waste streams
- Higher demands for secondary raw materials
- Currently engaged as potential supply partner

Partnerships with innovators

- Partnership with innovative engineering company
- Technology to gain high quality cellulose (e.g. from nappies)
- Supported by government e.g. in NL only over 250KT ends up in incineration

Partnerships with start-ups

- Partnership with start-up to test the feasibility of treating citrus fruit peelings
- Rich on cellulose but also oils / pectin (products used in pharma and food industry).
- Renewi customers e.g. supermarkets also involved



Portfolio Management

BUY



Van Gansewinkel



City of Leiden



PRA

Active management of our portfolio of businesses based on:

- Strategic fit
- Sustainable competitive advantage
- Target financial returns

SELL



Industrial Cleaning Wallonia



UK Solid Waste

Not expecting or planning significant moves until integration advanced

Disruption & opportunities

1. Digital productivity in core business

*e.g. digital acceptance of waste; remote triggered collection
(widgetbrain.com)*

2. New digital channels and offerings

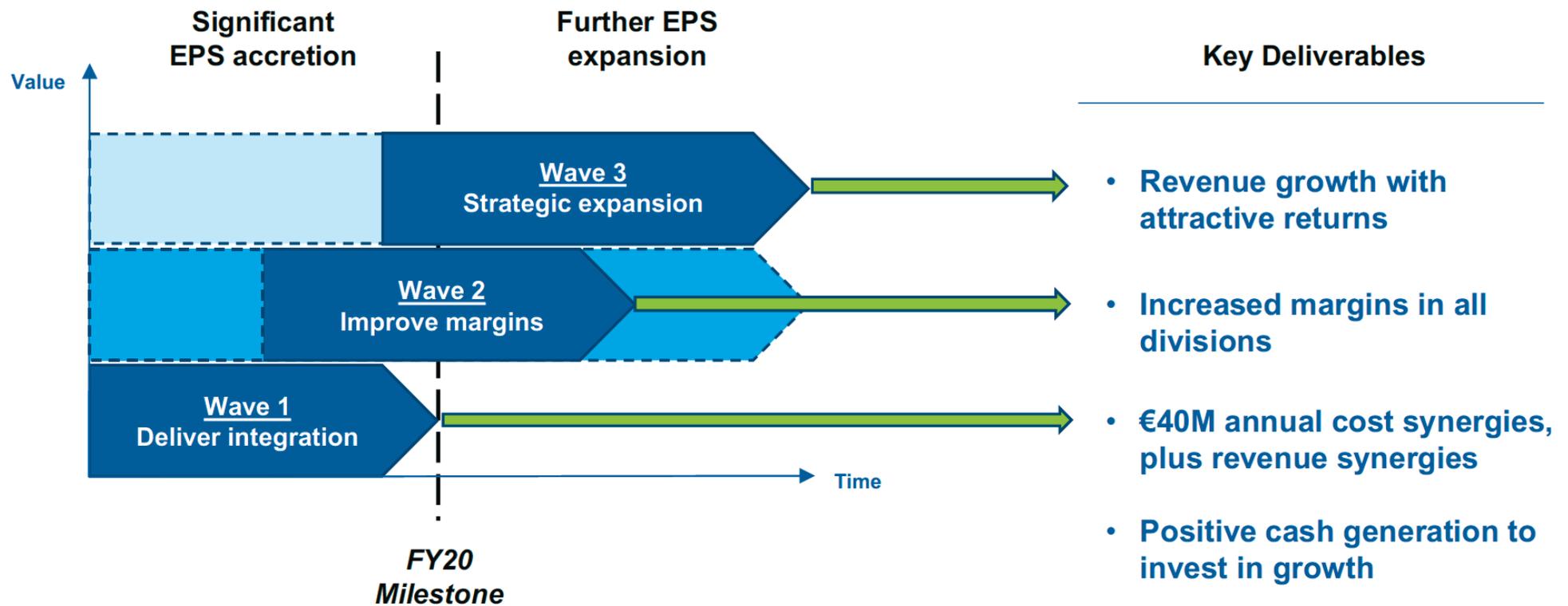
*e.g. NL web shop;
mycontainer.com*

3. Breakthrough digital business models

e.g. collection portals and hubs; white label aggregation; smart cities.

Digital strategy work planned in H2

Outlook



Renewi has strong position in growing market and a clear plan to deliver highly accretive merger and long-term shareholder value



THANK YOU