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Preliminary Results 2016/17

25 May 2017

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.

Highlights

1. Completed transformational merger to create Renewi
2. Benelux divisions performing well in improving markets
3. Municipal markets very challenging, recovery plans being executed
4. Integration execution underway to deliver highly accretive merger
5. Well positioned to generate long-term sustainable growth

2016/17 Preliminary Results

Revenue & Profits*	• Revenue increased 27% • Trading profit increased 9%
EU Divisions	• Commercial Division trading profit up 27%, primarily driven by improved market conditions, higher volumes and self-help programmes • Hazardous Waste Division trading profit up 9%
Municipal	• Municipal trading profit down significantly, as previously reported, due to very difficult market conditions and operational challenges • Recovery plans being executed by new divisional management
Cash Flow & Financing	• Core net debt slightly better than expected at £424m • Pro forma net debt: EBITDA leverage ratio at 2.8x
EPS & Dividend	• Underlying EPS down 12% (adjusted for rights issue) • Proposed final dividend maintained at 2.1p (adjusted for rights issue)

* at reported exchange rates

Agenda

Welcome to Renewi

Results & Guidance

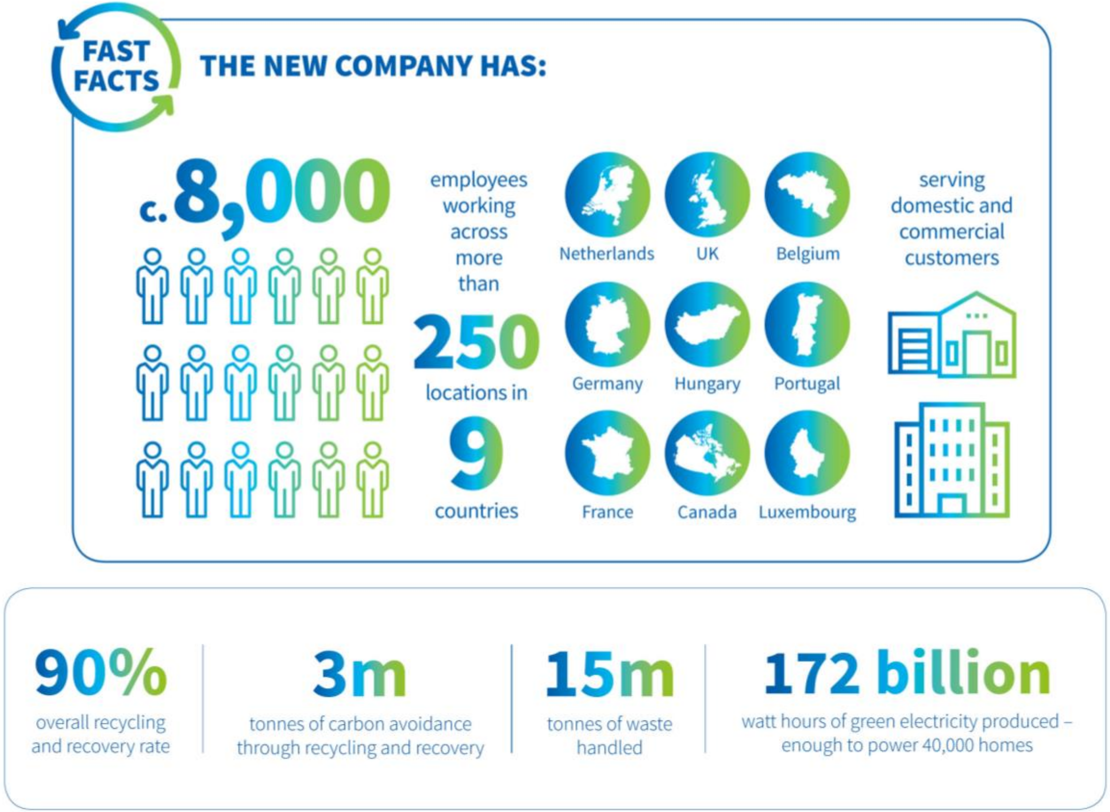
Value Creation

Welcome to Renewi

Merger Rationale

- ✓ Strong recycling leader
- ✓ Broader geographical footprint
- ✓ More products and services
- ✓ Synergies of €40m
- ✓ Significant earnings accretion
- ✓ Exciting growth opportunities

Renewi at a Glance



Our Position

Environmental Challenges

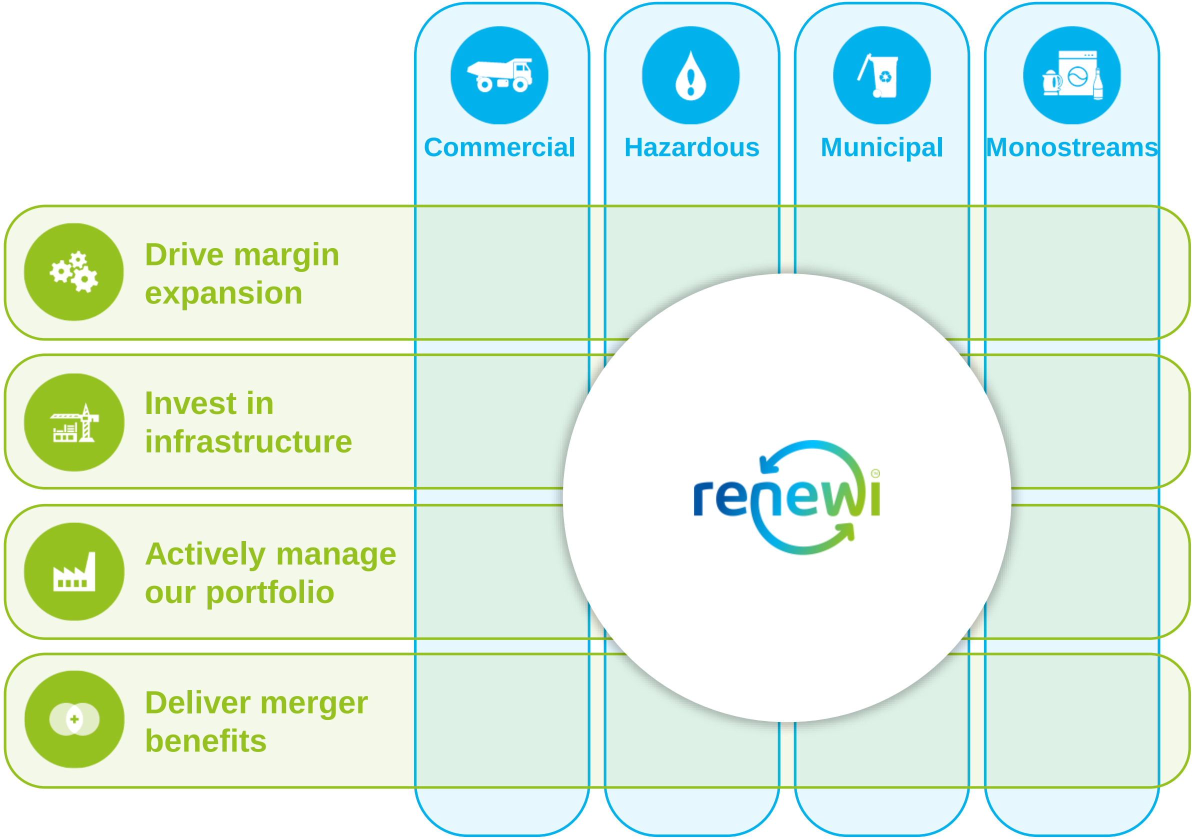
- Reduce greenhouse gases
- Move to renewable energy
- Save virgin resources
- Reduce contamination

Policy & Regulation

- EU Circular Economy Package
- COP 21 Goals Paris
- Landfill and incinerator taxes
- Green procurement

"To be the leading waste-to-product company"

Our Strategy



Our Renewi Divisions – Pro Forma FY17 Financials

	Commercial[1]	Hazardous	Municipal [1]	Monostreams	renewi [2]
Revenue	£934m	£183m	£208m	£162m	£1,464m
EBITDA	£105m	£31m	£1m	£25m	£150m
FTEs	c. 5,500	c. 1,000	c. 1,000	c. 500	c. 8,000
% Revenue	63%	12%	14%	11%	

1 Commercial FTE figure includes ex-VGG Group Head Office employees and Municipal FTE figure includes ex-Shanks Group Head Office employees
2 Includes Group Services

Results & Guidance

Income Statement

	Mar 17 £m	Mar 16 £m	Change £m	As reported change %	Like for Like change %	Excluding currency change %
Revenue	**779.2**	**614.8**	**164.4**	**27%**	**15%**	**14%**
Trading Profit	**36.5**	**33.4**	**3.1**	**9%**	**-2%**	**-9%**
Net Interest	(12.8)	(13.4)				
Income from associates and JVs	2.0	1.0				
Underlying profit before tax	**25.7**	**21.0**	**4.7**	**22%**	**7%**	**0%**
Non-trading and exceptional items	(87.1)	(23.5)	(63.6)			
Loss before tax	(61.4)	(2.5)	(58.9)			
Taxation	0.5	(1.5)				
Loss after tax	(60.9)	(4.0)	(56.9)			
Discontinued operations	(0.5)	0.1				
Loss for the year	(61.4)	(3.9)	(57.5)			
Continuing operations:						
Basic earnings per share (p)	(11.3)	(0.9)	(10.4)			
Underlying earnings per share (p)	**3.7**	**4.2**	**(0.5)**	**-12%**	**-22%**	**-27%**
Total dividend (pence per share)	**3.05p**	**3.45p**				

Commercial Waste

	Mar 17 €m	Mar 16 €m	Change €m	%
Revenue				
NL Commercial Waste	270.0	253.6	16.4	6%
BE Commercial Waste	144.2	152.8	(8.6)	-6%
Total Revenue	**414.2**	**406.4**	**7.8**	**2%**
Total Revenue (£m)	347.6	297.3	50.3	17%
Trading Profit				
NL Commercial Waste	19.1	13.7	5.4	39%
BE Commercial Waste	7.8	7.4	0.4	5%
Total Trading Profit	**26.9**	**21.1**	**5.8**	**27%**
Total Trading Profit (£m)	22.6	15.4	7.2	47%
Trading Margin				
NL Commercial Waste	7.1%	5.4%		
BE Commercial Waste	5.4%	4.8%		
Total Trading Margin	**6.5%**	**5.2%**		
Return on operating assets				
NL Commercial Waste	10.7%	7.5%		
BE Commercial Waste	24.6%	19.8%		
Total Return on operating assets	**12.8%**	**9.6%**		

Netherlands

- Markets recovering – 10% Construction & Demolition volume growth and 6% commercial volume growth
- Self-help initiatives support strong margin and returns recovery
- Sale of Groundworks business removes €6m revenue but no trading profit

Belgium

- Stable markets but low growth - wood dust customer permanently closed (€2.5m profit impact)
- Strong operational performance and self-help initiatives fully offset impact - first profit growth for 5 years

Hazardous Waste

	Mar 17 €m	Mar 16 €m	Change €m	%
Revenue	**191.2**	**185.9**	**5.3**	**3%**
Revenue (£m)	160.2	136.2	24.0	18%
Trading Profit	**23.1**	**21.2**	**1.9**	**9%**
Trading Profit (£m)	19.3	15.6	3.7	24%
Trading Margin	**12.1%**	**11.4%**		
Return on operating assets	**26.3%**	**22.7%**		

Reym: Industrial Cleaning

- Core oil and gas markets remained subdued as expected
- Volatile cleaning schedules impact productivity
- Cost reductions preserved profitability
- Strong performance from Theemsweg facility and ultrasonic cleaning

ATM: Soil and Water Treatment

- Strong performance from soil treatment line - higher volumes and speciality soils offsetting price pressures
- Strong volumes on waterside treatment offset lower volumes of sludges and highly contaminated flows
- Growth in treatment of packed chemical waste - increasing waste acceptance storage capacity

Municipal

	Mar 17 £m	Mar 16 £m	Change £m	%
Revenue				
UK Municipal	174.8	163.5	11.3	7%
Canada Municipal	28.4	24.2	4.2	17%
Total Revenue*	**203.2**	**187.7**	**15.5**	**8%**
Total Revenue (£m)	207.6	187.7	19.9	11%
Trading Profit				
UK Municipal	(4.2)	7.8	(12.0)	N/A
Canada Municipal	1.7	2.0	(0.3)	-15%
Bid costs	(0.2)	(0.4)	0.2	
Total Trading Profit*	**(2.7)**	**9.4**	**(12.1)**	**N/A**
Total Trading Profit (£m)	(2.6)	9.4	(12.0)	N/A
Trading Margin				
UK Municipal	-2.4%	4.8%		
Canada Municipal**	9.5%	14.4%		
Total Trading Margin**	**-1.8%**	**5.1%**		

** Canada at constant currency*

*** Trading margins exclude Surrey construction revenue and profits*

Existing Contracts

- Change in off-take pricing (and FX effects) reduces profitability by over £7m
- Losses at Wakefield and BDR facilities due to commissioning challenges - BDR currently onerous
- Westcott Park challenged by lack of AD feedstock
- Argyll & Bute financial interest and impact of Wakefield SPV sale (£1m)
- London (Canada) operating issues now resolved

Construction

- Derby facing ongoing delays due to loss of technology supplier - supporting Interserve to resolve, Renewi is operator and not EPC contractor so greatly limiting risk
- Surrey entering commissioning phase - slow ramp up expected

VGG – March 2017 and 12 months Pro Forma

	Mar 17 €m	Mar 16 €m	Change €m	%
Revenue				
Collections	746.3	716.1	30.2	4%
Recycling	173.3	158.1	15.2	10%
Others	(17.9)	(16.9)	(1.0)	
Total Revenue	**901.7**	**857.3**	**44.4**	**5%**
EBITDA				
Collections	75.9	59.8	16.1	27%
Recycling	23.2	21.3	1.9	9%
Others	(6.7)	(6.6)	(0.1)	
Total EBITDA	**92.4**	**74.5**	**17.9**	**24%**
EBITDA Margin				
Collections	10.2%	8.4%		
Recycling	13.4%	13.5%		
Total EBITDA Margin	**10.2%**	**8.7%**		

Based on 12 months to March 2017 as extracted from management accounts and unaudited

March 2017: One month trading in Renewi ownership

- Strong March performance across almost all business lines
- Profit growth primarily driven by recovering materials prices and by cost initiatives during H2 2016

March 2017: 12 months trading pro forma

- Encouraging turnaround in business performance
- Stable markets created platform for self-help initiatives - top line revitalisation and cost reduction
- Still structurally weak margins and clear focus for further recovery
- 12 months to March 2017 contained c. €7m of non-recurring profits

Non-trading and Exceptional Items – FY17

	Mar 17 £m	Mar 16 £m
VGG transaction and integration deal costs	37.9	0.8
Municipal onerous costs	28.2	5.0
Impairment of assets	9.5	0.5
Other Municipal items	6.9	4.9
Restructuring charges	2.4	2.4
Amortisation of acquisition intangibles	2.1	1.8
Portfolio managements activity	0.1	8.7
Change in fair value of derivatives and others	-	(0.6)
Total non-trading and exceptional items	**87.1**	**23.5**

Continuing operations only

As previously disclosed exceptional items primarily merger (£38m) or Municipal related (£44m)

- Merger related includes transaction costs (£19m), integration costs (£3m), first synergy costs (£4m) and financing related costs (£12m)
- Municipal onerous contract issues include BDR (£9m), D&G (£5m), Cumbria (£2m), Derby commissioning (£2m), commercial contracts (£2m) and incremental capital costs (£9m)
- Impairment of assets is primarily Westcott Park (£6m)
- Other Municipal items includes the costs incurred at the Wakefield AD facility (£2.5m), unrecovered fire costs from the 2014 ELWA fire (£1.6m) and liquidated damages on Derby contract (£1.7m)
- No additional Municipal related items expected although onerous contract charges can be subject to revision upwards and downwards

Non-trading and Exceptional Items – Going Forward

€m	FY17	FY18	FY19	FY20
Cash cost of synergy delivery	5.0	20.0	20.0	5.0
Cash cost of other integration	3.0	11.0	6.0	2.0
Sub-total cash costs	**8.0**	**31.0**	**26.0**	**7.0**
Non-cash costs of restructuring	tbc	tbc	tbc	tbc
Total exceptional integration cost	**8.0**	**31.0**	**26.0**	**7.0**

There will be inevitable transaction-related costs over next 2-3 years arising from merger benefits delivery

- Cash cost of synergy delivery €50m (to deliver €40m benefit) with minimal spend in FY17
- Cash cost of other integration (branding, IMO, surge resources) c€20m over three years of which €3m spent
- Non-cash costs of restructuring to be confirmed as synergy plan identifies plants for closure etc

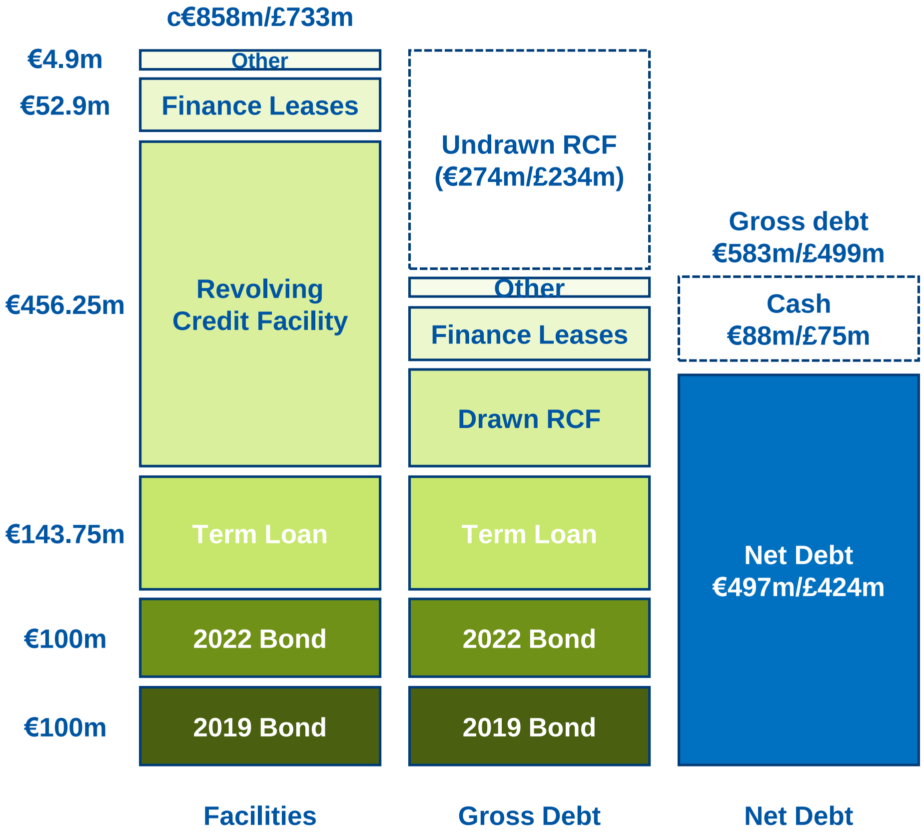
Cash Flow Performance

	Mar 17 £m	Mar 16 £m
EBITDA	80.4	68.2
Working capital movement and other	(4.3)	24.8
Net replacement capital expenditure	(38.2)	(18.6)
Interest and tax	(14.8)	(17.6)
Underlying free cash flow	**23.1**	**56.8**
Growth capital expenditure	(4.2)	(9.9)
UK PFI funding	(20.1)	(53.9)
Canada Municipal funding	(19.6)	(10.3)
VGG acquisition:		
Net cash out	(277.9)	-
Deal related fees	(19.2)	-
Other acquisitions and disposals	3.3	27.8
Equity raise (net of costs)	136.4	-
Dividends paid	(15.1)	(13.7)
Restructuring spend	(1.9)	(2.6)
Other	(17.8)	(15.2)
Net core cash flow	**(213.0)**	**(21.0)**
Free cash flow conversion	**63%**	**172%**

Underlying cash flow reasonably strong - impacted by increased replacement capital (including Vliko) and an unusually strong prior year

- Strong increase in reported EBITDA
- Net replacement capital increased largely due to Vliko facility construction (£10m) and FX translation (£5m)
- PFI funding included £17.5m injection of subordinated debt into Derby and £19.6m for the near completion of Surrey
- Acquisition cash out as previously advised - primarily settlement of VGG operating loan on completion
- Equity raise of £141m gross with costs of £5m
- Other includes cash outflows on Municipal onerous contracts and pension cash funding (£3m)

Core Funding (excluding project companies)



Business well funded with multiple sources giving significant headroom. Leverage expected to rise, as forecast, during next 12 months and then fall steadily with synergy delivery.

Debt costs

- 2019 bond @ 4.23%; 2022 bond @ 3.65%
- Initial loan margin @ 2.15%, commitment fees 40%

Debt duration

- €575m of the new bank facility is 5 years to 2021 plus two 1 year extensions potentially to 2023
- €25m of the new bank facility has a 2 year duration

Leverage ratio

- Year end leverage ratio of 2.8x
- Expected peak leverage of 3.0x - 3.25x in year 1
- Against peak covenant of 3.75x
- Expected to fall to 2.0x-2.5x in 2020

- £17.5m equity injection into Derby was completed within year ended 31 March 2017

Purchase Price Accounting

1. Assessment as per IFRS 3
2. Depreciation will reduce by c€2m in FY2017/18 as a result of fair value assessment (mainly trucks)
3. Real estate held at book value as at 31 March 2017 pending revaluation: increase is expected
4. Core intangible assets (€52m) recognised in customer relationships (€36m), permits & licences (€16m)
5. Intangible assets to be amortised at approximately €6m per annum in non-trading column over 4 to 15 years

FY2017/18 Guidance

- A Underlying growth in core business, offset by non-recurring FY17 profits in VGG and some disruption/dis-synergies from integration
- B €12m cost synergy delivery as expected
- C Interest costs of c£25m per annum including discount unwinds and other interest costs
- D Underlying capital expenditure at c90% of depreciation with specific investment in ATM chemical waste shed (€4m) and costs of rebranding (€6m)
- E Exceptional items and PPA adjustments – see slides 19 and 22
- F Underlying tax rate of c25%
- G FX sensitivity: 1c move in £:€ = approx. revenue £10m, EBITDA £1.3m, TP £0.6m, PBT £0.4m
- H Underlying trading expectations unchanged - significant earnings growth in FY19

Value Creation

Future Priorities

2016/17 Results

- Completed transformational merger to create Renewi
- Benelux divisions performing well in improving markets
- Municipal markets very challenging, recovery plans being executed
- Integration execution underway to deliver highly accretive merger

2017/18 Priorities

1. Generate strong performance from core Benelux business
   - Self-help initiatives
   - Market recovery
2. Fix Municipal Division
3. Deliver merger benefits (€12m)
   - Synergies – cost and revenue
   - Growth
4. Build positive momentum for 2018/19 and beyond

Well-positioned to generate long-term sustainable growth

UK Municipal Overview

Markets

Operations

Challenges

1. UK PFI sector challenged
2. Recovered fuels market
3. Legacy business model
4. Ramp-up issues

Action

- Implement plans to get to full capacity and power generation at pace
- Shift operations to create higher quality fuels
- Negotiate off-take terms and find new outlets
- Improve productivity and plant uptime
- Renegotiate local municipal contracts for mutual benefit

New management working to deliver step-change in response to market

UK Municipal Challenges

1. UK PFI Waste Market Landscape

- Councils remain under austerity pressure
- Flexibility limited by 25-year contracts with bank debt
- Some contracts being terminated

Renewi contracts under pressure from customers seeking savings, but performing operationally

3. Business model sensitive to market shifts

- Inbound gate fee fixed with some indexation
- Shifts in unhedged fuel or recyclate prices for Renewi
- Limited ability to move commercial levers

Adjusting operations unable to offset market fully

2. Recovered Fuels Market

- Gate fees up significantly for incinerators & kilns
- Direct cost to Renewi UK (v Renewi Benelux benefit)
- Financial impact over last year very significant (1)

Financial headwinds are a direct increase in costs and FX

4. Specific operational "ramp-up" issues

- Contractor insolvency at Wakefield AD
- BDR challenged by ramp-up issues
- Supporting Interserve to complete Derby

Clear plan to improve operational performance, already underway

(1) For example, ELWA = 250KT output p.a.; lowest gate fee in 2014 = €40/T loose @ £1:€1.40 ; average gate fee in 2017 > €80/T baled @ £1:€1.15

UK Municipal Recovery Plan

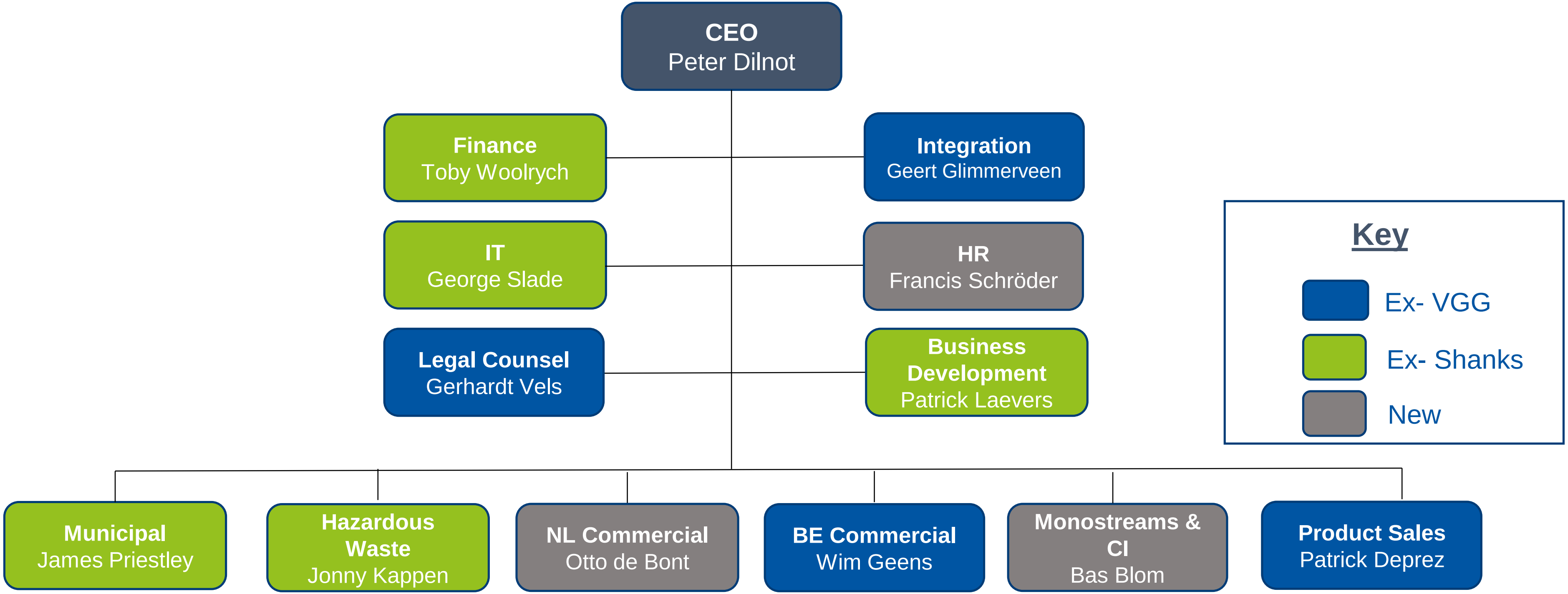
Recovery Lever	H2 2016-17 Example
Implement plans to get to full capacity and power generation at pace	• Adjustments underway at Wakefield AD plant to deliver stable, high-quality gas production
Shift operations to create higher quality fuels	• Improving SRF specification and trials underway with potential new customers
Negotiate off-take terms and find new outlets	• Additional European outlets identified and negotiations on major off-takes started
Improve productivity and plant uptime	• PMO prioritising activities and driving project delivery, initial re-engineering at BDR
Renegotiate local municipal contracts for mutual benefit	• Discussions on-going in selected contracts to adjust operations within PFI constraints

Comprehensive recovery plan being driven at pace and with tight operational grip

Integration Update

1. New executive team appointed now working to deliver merger benefits
2. Proven track record of driving change programmes and cost reduction
3. Comprehensive 3 year synergy plan (€40m) developed over 3 years and refined through deal process
4. Structured integration process with appropriate resources and tracking structures
5. Initial synergies already delivered and on track to meet expectations this FY (€12m) and beyond

New Executive Team



Proven Track Record

Shanks

- €20m structural cost programme 2012-15 on time & on budget
- Introduction of Shared Service Centres 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%)

Extensive leadership experience in business integration and cost reduction at international companies

Significant Value Capture

Cost

1. Expected €40m cost synergies in third full year following completion
2. Expected phasing:
   - First year €12m: 30%
   - Second year €30m: 75%
   - Third year €40m: 100%
3. Direct (30%), Scale (20%), Indirect (50%)
4. Expected one-off cash costs to achieve of €50m over three years

Revenue & Returns

1. Margin expansion through cross-selling and internalisation
2. Revenue synergies from the application of our successful commercial effectiveness programme
3. Long-term cash savings from reduced capital expenditure and capital procurement at scale

Positioned to deliver long-term growth

Focused Synergy Projects

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	NL Comm.	BE Comm.	Hazardous	Monostream	Municipal	Group
REVENUE						
Revenue harmonisation	◑	◑	◑	◔	○	○
Cross-selling	◑	◑	◔	◔	○	○
Commercial effectiveness	●	●	◑	●	○	○
DIRECT COST						
Site rationalisation	●	●	●	◑	○	◑
Inbound logistics / Fleet	●	◕	◔	○	○	○
Outbound logistics	●	◑	○	○	○	○
SCALE						
Procurement	●	●	◔	◔	◔	●
Recyclates & Products	◔	◔	○	◔	◔	●
Fuels & “Offtake”	◕	◕	○	◔	◔	●
INDIRECT COST						
Management	◑	◑	◔	◔	○	◑
TOM / Divisions / Regional OH	●	●	◔	○	○	◑
Support / SSC	◑	◑	○	○	○	●
Treasury & Legal Structure	○	○	○	○	○	●

Legend: ● ◑ ◔ ○ *indicates size of opportunity*

Note: 1. New post merger synergy projects do not include existing Shanks or VGG margin expansion initiatives

Successful First 100 Days

1 Markets

- New brand launched and roll-out underway
- Customer engagement plans executed
- Legacy sales activities coordinated
- Joint tendering delivering gains
- Churn levels closely managed and positive
- Growth plans under development

2 People

- Excom and management rhythm established
- Design of N-2 and N-3 levels completed
- Ongoing engagement with NL Works Councils, including RFA process
- Belgium top team appointed
- Communications: video, monthly bulletin

3 Operating Model

<u>NL & BE Commercial</u>

- Target operating model (TOM) completed
- Customer intimacy and benefits of scale
- P&L accountability

<u>Hazardous Waste</u>

- VGIS transferred on Day 1
- Integration already well underway

<u>Central</u>

- TOM designed
- Lean approach
- Shared Service Centre planned

4 Value Capture

- Pre-deal synergy models validated
- Synergy targets allocated with accountability
- Accelerated “quick wins” process already delivering results
- Dedicated integration leaders appointed
- Full integration planning underway with external support

Synergies To Date

<u>**Example Quick Wins**</u>

- **NL Commercial:** combined expertise for large tenders and exchanging containers on routes to maximise offering
- **BE Commercial:** swapped outlets for combustible waste to benefit from lower transport costs and taxes
- **Hazardous Waste:** benefitting from integration of VGIS through greater productivity and less outsourcing
- **Municipal:** using broader scale to negotiate better off-take terms
- **Monostreams:** identified potential benefits for commercial contracts

Synergies in action: Van Gansewinkel truck collects Shanks container

€4 million secured to date!

Value Creation

Revenue growth

- **Market recovery**
- **Cross-selling across Renewi**
- **Long-term growth in Circular Economy**

Margin expansion

- **Implementing “self-help” initiatives**
  - Commercial effectiveness
  - Continuous improvement

Cost synergies

- **Direct cost savings**
- **Lean overheads**

Well positioned to deliver sustainable profit growth & attractive returns renewi™

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Appendices

Divisional Overviews

Renewi Overview

- £1.5B pro forma revenue
- £150m pro forma EBITDA
- c. 8,000 people
- Four divisions:
  - Commercial
  - Hazardous
  - Municipal
  - Monostreams

Our vision: *“To be the leading waste-to-product company”*

Commercial Waste Division

Commercial

- #1 in waste collection & processing
- #1 in most main market segments
- Complete geographical coverage Netherlands & Belgium
- Recognised partner in delivering the circular economy
- Focus for synergy delivery
- Proven capability for self-help initiatives

<u>Strategy</u>

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

NL Commercial – Unrivalled Coverage: Relative Areas of Focus

Sector	SKS	VGG
Construction & Demolition	◕	◔
Industrial & Commercial	◑	◕
Municipal	○	◑
Packed Hazardous	◔	◑
Other speciality*	◔	◔

* Speciality includes: Wood, chemicals, landfill (SKS), ICOpellets

NL Commercial – Unrivalled Range of Products

INPUTS

- #1 collection fleet
- Capabilities in small hazardous waste, organics etc.
- Municipal collection capability

PROCESSING

- 11 sorting lines
- Stone crushing
- ICOpower
- Wood chips
- Paper, cardboard, plastic
- Specialist landfill
- Destra (paper)

PRODUCTS

- Recyclates
- Construction materials
- Wood for furniture etc
- RDF and combustible waste

NL Commercial – Geographical Coverage

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North	South West	Central
SKS - Icova Amsterdam	SKS - Klok Rotterdam	SKS - Smink Amersfoort
VGG - Amsterdam	SKS – VVC Wateringen	SKS - VVG Nieuwegein/Utrecht
SKS – Vliko Zouterwoude	VGG – Vlaardingen/ Rotterdam	VGG – Eindhoven/ Acht
VGG - Drachten		VGG – Rucphen

Table comprises key sites

Ex-Shanks sites

Ex-VGG sites

NL Commercial – Pro Forma Financials FY17

NL COMMERCIAL €m	Shanks	VGG	Adjs	Pro forma
Revenue	**270.0**	**468.1**	**(47.0)**	**691.1**
EBITDA	**42.6**	**36.2**	**(8.6)**	**70.2**
EBITDA %	*15.8%*	*7.7%*	*-18.2%*	*10.2%*
Trading Profit	**19.1**	**11.7**	**(3.7)**	**27.1**
Trading Profit %	*7.1%*	*2.5%*	*-7.9%*	*3.9%*

Adjustments

- Orgaworld transferred to Monostreams
- VGIS transferred to Hazardous Waste

Comments

- Robesta property structure reduces VGG EBITDA

Basis of pro forma financials:
- Shanks represents 12 months to March 2017
- VGG based on 12 months to March 2017 as extracted from management accounts for the year ended 31 December 2016 and 3 months to 31 March 2017
- Adjustments to reflect the new divisional structure and reporting segments from 1 April 2017
- EBITDA and Trading Profit before exceptional and non-trading items

NL Commercial – Outlook & Trends

Market

- Underlying GDP growth at modest levels
- Construction volumes remain encouraging
- Dutch and German incinerator spare capacity low and pricing robust
- Some recovery in recyclate pricing (metals and paper)
- Wood market disrupted with reduced demand for energy
- Strong focus on sustainability and circular economy

Business

- Fundamental restructuring to rebuild customer intimacy and P&L accountability (VGG) and to streamline processes (SKS)
- Underlying opportunity to implement commercial effectiveness across the division
- Opportunity to roll out continuous improvement across division
- Some delay to initiative delivery in FY18 due to integration

BE Commercial – Unrivalled Coverage: Relative Areas of Focus

Sector	SKS	VGG
Industrial & Commercial	◑	◕
Municipal	◔	◑
Packed Hazardous	◔	◑
Hazardous Treatment	◑	○
C & D	○	○
Other speciality*	◔	◔

* Other speciality products include: wood, paper, landfill (SKS), AD

BE Commercial – Unrivalled Range of Products

INPUTS

- #1 collection fleet
- Capabilities in small hazardous waste, organics
- Municipal collection
- Hazardous collection
- Monostreams (paper, wood)

PROCESSING

- 10 sorting lines
- Wood treatment
- SRF/ RDF manufacture
- Anaerobic Digestion
- Soil and water cleaning
- Composting
- Confidential paper
- Plastic

PRODUCTS

- Recyclates
- Wood
- SRF
- RDF and combustible waste
- Bio-gas/electricity
- End products

BE Commercial – Geographical Coverage

West	East	Hazardous
SKS – Gent	SKS – Seraing	SKS – Roeselare
VGG – Puurs	VGG – Chatelet	VGG - Mol
VGG - Evergem	SKS - Mont-St-Guibert	-

Table comprises key sites

Ex-Shanks sites

Ex-VGG sites

BE Commercial – Pro Forma Financials FY17

BE COMMERCIAL €m	Shanks	VGG	Adjs	Pro forma
Revenue	144.2	278.2	-	422.4
EBITDA	15.2	39.7	-	54.9
EBITDA %	*10.5%*	*14.3%*	*0.0%*	*13.0%*
Trading Profit	7.8	19.7	-	27.5
Trading Profit %	*5.4%*	*7.1%*	*0.0%*	*6.5%*

Adjustments

- No adjustments made at the outset

Comments

- VGG higher EBITDA but similar EBIT due to larger capital base

Basis of pro forma financials:

- Shanks represents 12 months to March 2017
- VGG based on 12 months to March 2017 as extracted from management accounts for the year ended 31 December 2016 and 3 months to 31 March 2017
- Adjustments to reflect the new divisional structure and reporting segments from 1 April 2017
- EBITDA and Trading Profit before exceptional and non-trading items

BE Commercial – Outlook & Trends

Market

- GDP still forecast to show modest growth
- Incinerator capacity: balanced
- Wallonia industrial sector still in structural decline
- Good demand for SRF from cement industry
- Wood chip market disrupted as per NL
- Wood dust market: future uncertain
- Paper and metal prices somewhat recovered

Business

- Cetem landfill closes 2019: managing capacity at cost of profit
- Initiatives muted in FY18 due to merger
- Commercial Effectiveness and Continuous Improvement for FY19 and beyond

Hazardous Waste Division

Hazardous

- #1 in European thermal soil treatment
- #1 in Dutch waste water treatment (heavily contaminated)
- #1 in Dutch high end industrial cleaning
- VGIS strengthens Total Care service and offering

Strategy

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

Hazardous Waste – VGIS / Reym Overlap

- Combined €125m of revenue
- Profitability driven by productivity
- Reduced sub-contract of labour
- 6 sites very close to each other
- Cross-selling of Total Care
- Capacity & fleet optimisation

Ex-Shanks sites

Ex-VGG sites

Hazardous Waste – Pro Forma Financials FY17

HAZARDOUS WASTE €m	Shanks	VGG	Adjs	Pro forma
Revenue	**191.2**	**-**	**27.1**	**218.3**
EBITDA	**35.6**	**-**	**2.0**	**37.6**
EBITDA %	*18.6%*	*0.0%*	*7.4%*	*17.2%*
Trading Profit	**23.1**	**-**	**0.8**	**23.9**
Trading Profit %	*12.1%*	*0.0%*	*3.0%*	*10.9%*

Adjustments

- VGIS transferred to Hazardous Waste

Comments

- No separate Hazardous Division in VGG

Basis of pro forma financials:

- Shanks represents 12 months to March 2017
- VGG based on 12 months to March 2017 as extracted from management accounts for the year ended 31 December 2016 and 3 months to 31 March 2017
- Adjustments to reflect the new divisional structure and reporting segments from 1 April 2017
- EBITDA and Trading Profit before exceptional and non-trading items

Hazardous Waste – Outlook & Trends

Market

- Soil market mixed: reduced high value contracts
- TAG market stable
- Oil and gas market still weak: low offshore work, volatile contracts and low sludge volumes
- Positive packed chemical waste volumes

Business

- Positive cost reduction progress in soil treatment
- Potential challenges in future soil off-set market to be managed
- Significant water contract expected FY18
- Expansion in packed chemical waste storage from FY19
- £10m refurbishment in FY19 of Luvo and main burner

Municipal Division

Municipal

- UK leader in MBT treatment of waste
- Canadian leader in treatment of organic waste
- Business underpinned by long-term contracts incorporating investments in associated SPVs
- Significant UK market challenges in FY17 exacerbated by Brexit

Strategy

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

Municipal – Outlook & Trends

- Headwinds
  - Derby interim services contract ends
  - Surrey construction margin ends – operational ramp up
- Deliverables
  - Improved throughput at BDR
  - Improved output at Wakefield and gas production
  - Improved fuel costs at ELWA
  - Improved input volumes at Westcott Park
  - Derby and Surrey commissioned

Bottom reached H2 FY17 with slow underlying improvement expected in FY18

Monostreams Division

Monostreams

- #1 in European glass recycling and trading of recycled glass “cullet”
- #1 handler of mineral waste in Netherlands
- #2 in Netherlands organics processing
- Top 3 in European WEEE recycling

Strategy

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

Monostreams – Introduction

Monostreams

- Coolrec Part of Renewi
- Minerals Part of Renewi
- Orgaworld Part of Renewi
- Maltha
  - 66.7% owned partnership with Owens-Illinois

Monostreams – Pro Forma Financials FY17

MONOSTREAMS

€m	VGG			Shanks	
	Coolrec	Minerals	Maltha	Orgaworld	Pro forma
Revenue	**77.8**	**46.7**	**48.8**	**19.9**	**193.2**
EBITDA	**6.9**	**10.5**	**5.8**	**6.6**	**29.8**
EBITDA %	*8.9%*	*22.5%*	*11.9%*	*33.2%*	*15.4%*
Trading Profit	**3.9**	**6.4**	**1.5**	**2.9**	**14.7**
Trading Profit %	*5.0%*	*13.7%*	*3.1%*	*14.6%*	*7.6%*

Adjustments

- Orgaworld transferred from NL Commercial

Comments

- No divisional overhead included in pro forma – expected additional cost of c€1m

Basis of pro forma financials:
- Shanks represents 12 months to March 2017
- VGG based on 12 months to March 2017 as extracted from management accounts for the year ended 31 December 2016 and 3 months to 31 March 2017
- Adjustments to reflect the new divisional structure and reporting segments from 1 April 2017
- EBITDA and Trading Profit before exceptional and non-trading items

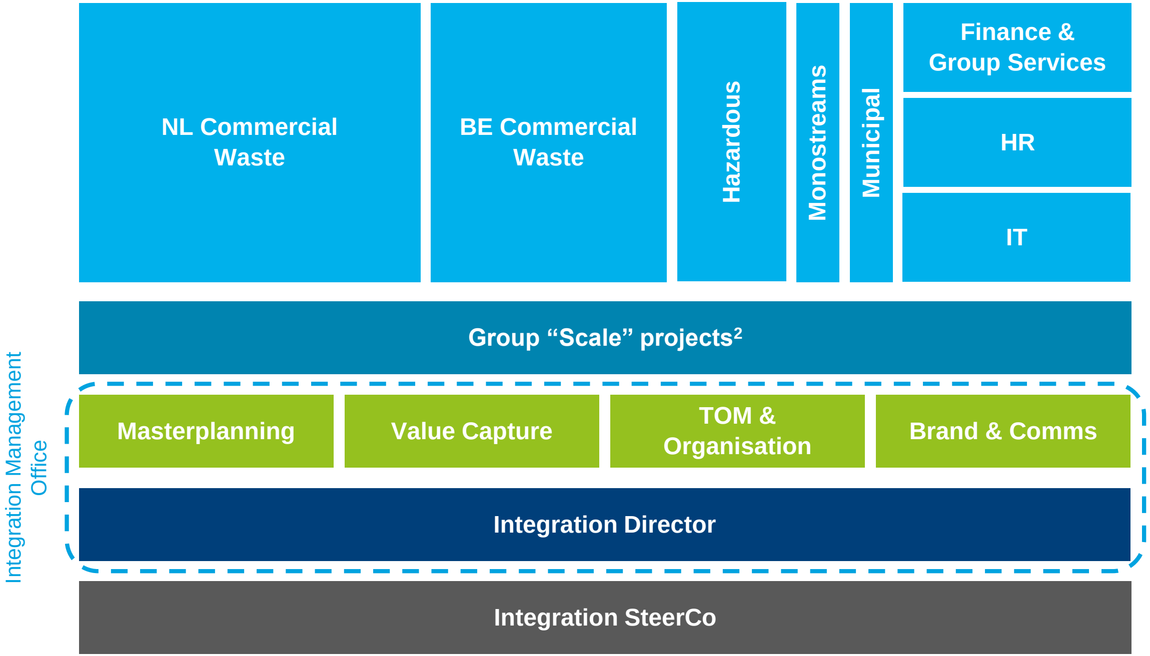
Monostreams – Outlook & Trends

Coolrec	• European recycling legislation is a growth driver if enforced • Downstream added value capture opportunities • Continued focus on higher quality output drives value
Minerals	• Closure of landfills from 2020 • Growth in new applications for minerals • Extension of Maasvlakte permit
Orgaworld	• Improving productivity and sludge environment • Synergy with VGG in improving food waste collection and composting
Maltha	• Operational recovery • Better yield and quality from new technologies • International growth

renewi
waste no more

Integration Information

Integration Approach



<u>Integration Principles</u>

1. **Primarily divisional execution while retaining tight central coordination and support**
2. **Dedicated integration team: mostly 'in-house' resources with external resource where needed**
3. **Integration management kept separate from Group-wide 'business as usual'**
4. **Major focus on value capture initially with close tracking mechanism throughout organisation**

[1]Note: The box size in the programme structure reflects the estimated relative importance between divisions/functions
[2]Note: Group "Scale" projects include Procurement, Recyclates and Offtake

Financial Information

Group – Pro Forma Financials FY17

GROUP

£m	Commercial	Hazardous	Monostreams	Municipal	Group services	Pro forma
Revenue	**933.8**	**182.8**	**161.9**	**207.6**	**(22.6)**	**1,463.5**
EBITDA	**104.9**	**31.5**	**25.0**	**1.0**	**(12.1)**	**150.3**
EBITDA %	*11.2%*	*17.2%*	*15.4%*	*0.5%*		*10.3%*
Trading Profit	**45.9**	**20.0**	**12.3**	**(2.6)**	**(22.5)**	**53.1**
Trading Profit %	*4.9%*	*10.9%*	*7.6%*	*-1.3%*		*3.6%*

Basis of pro forma financials:

- Shanks represents 12 months to March 2017
- VGG based on 12 months to March 2017 as extracted from management accounts for the year ended 31 December 2016 and 3 months to 31 March 2017
- EBITDA and Trading Profit before exceptional and non-trading items
- Converted to Sterling at 2016/17 average rate

Segmental Analysis

	Mar 17 £m	Mar 16 £m	Change %	Excluding currency change %	Mar 17 £m	Mar 16 £m	Change %	Excluding currency change %
	Revenue				Trading Profit			
Commercial Waste	**347.6**	297.3	17	2	**22.6**	15.4	47	27
Hazardous Waste	**160.2**	136.2	18	3	**19.3**	15.6	24	9
Municipal	**207.6**	187.7	11	8	**(2.6)**	9.4	N/A	N/A
Group central services	**-**	-			**(6.7)**	(7.0)	4	4
	715.4	621.2	15	4	**32.6**	33.4	(2)	(19)
VGG	**71.5**	-			**3.9**	-		
Inter-segment revenue	**(7.7)**	(6.4)			**-**	-		
	779.2	614.8	27	14	**36.5**	33.4	9	(9)

Trading profit = operating profit before amortisation of acquisition intangibles and exceptional items

Funding excluded from Core

Surety bilateral guarantee facilities

Bank Bilateral Guarantee Facilities

Off balance sheet

c€253.1m (inc €57m ancillary)

Guarantee facilities

- The Group provides guarantees for various purposes including in support of the UK PFI/PPP construction contracts, but also transportation of waste, landfill aftercare, and other general performance guarantees.
- March 2017 the Group had €253m/£216m guarantees
- Guarantee costs average between 1.0% and 1.5% per annum

Project Company debt

- Consolidated net debt of £87.1m at March 2017
- Most project finance is in non consolidated ventures for ELWA, D&G, Wakefield and Derby
- Renewi leverage, interest cover and net worth are tested for Project Company facilities
- Typically these on a conformed calculation basis to the core loan facility
- ELWA and D&G have slightly tighter leverage covenant test levels and therefore could require LCs to be posted (together <£10m) if leverage is over 3.25x

Non-Consolidated

ELWA
D&G
Wakefield
Derby

Consolidated

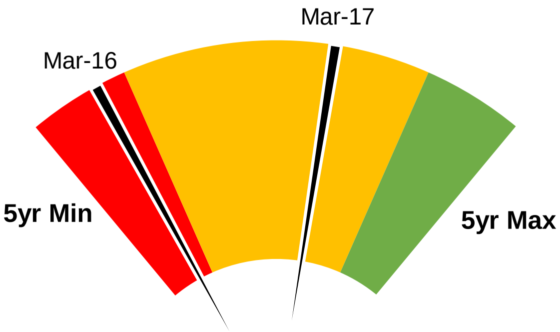
A&B

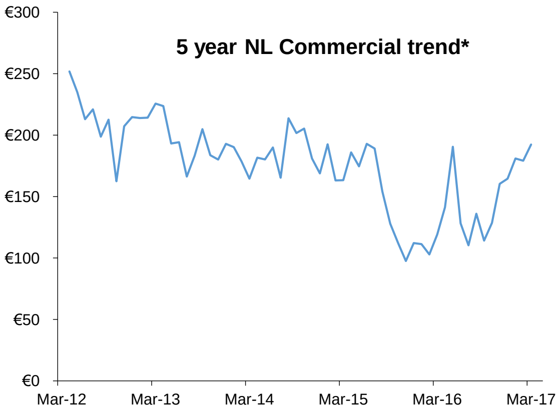
BDR

Cumbria

Project Company

Market Drivers – Metal Prices





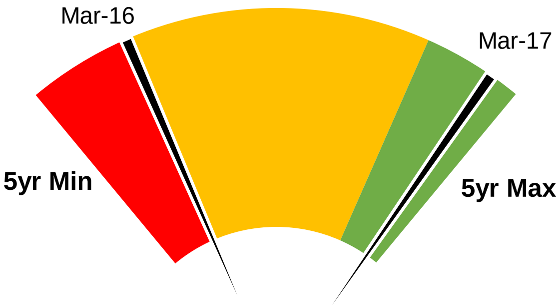
- Strong recovery in H2
- Volumes uplift

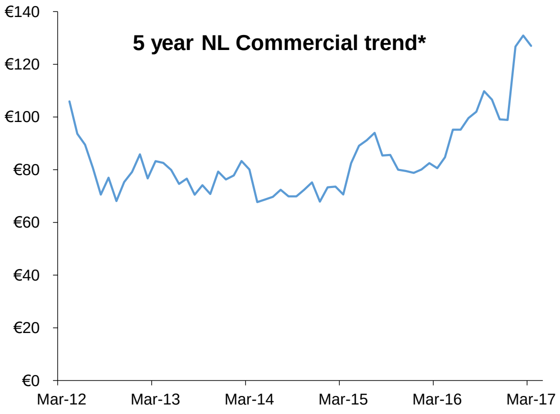
Impact of 10% movement

NL Commercial	£0.5m
BE Commercial	NM
Hazardous Waste	N/A
Municipal	£0.1m
	£0.6m

***Internal data Shanks only**
NM – Not Material

Market Drivers – Paper Prices





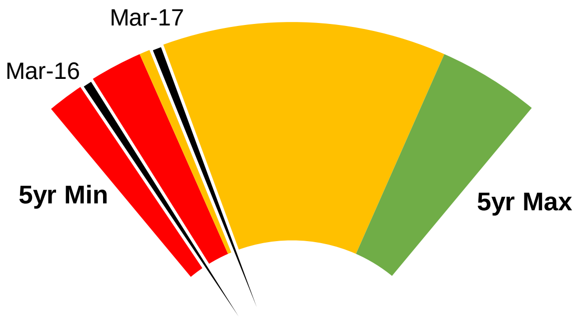
- Strong recovery throughout the year
- 16% higher than at September 16

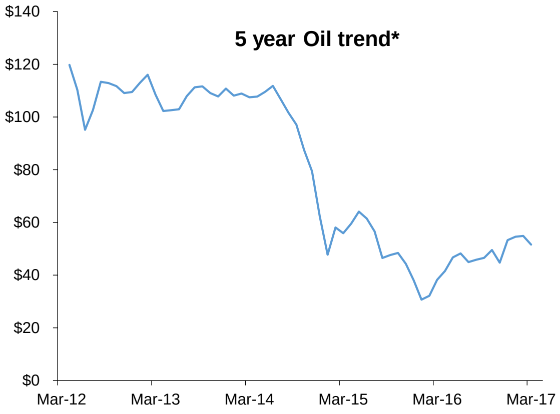
Impact of 10% movement

NL Commercial	£0.2m
BE Commercial	£0.2m
Hazardous Waste	N/A
Municipal	£0.1m
	£0.5m

*Internal data Shanks only

Market Drivers – Oil Prices



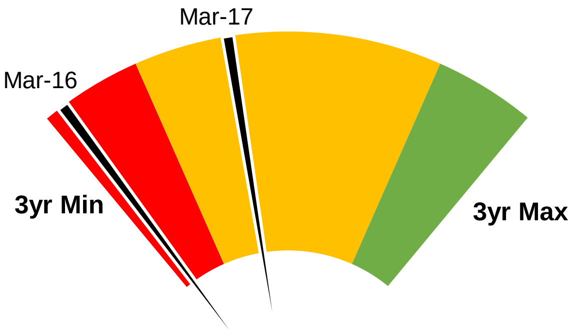


- Oil price pressures well reported
- March 17 price 35% higher than at March 16 and 11% higher than September 16
- Second order impacts on Hazardous Waste as below

Impact	
10% production increase	£3.5m
10% sludge movement	£1.0m
20% waste oil price movement	£0.2m
	£4.7m

*Brent Euro spot prices

Market Drivers – Electricity Prices



- Sharp increase in pricing since March 16
- Electricity prices impact landfills energy production and AD plants
- Follow on impact on subsidies

Impact of 10% movement	
NL Commercial	£0.1m
BE Commercial	£0.4m
Hazardous Waste	N/A
Municipal	£0.2m
	£0.7m

***Internal data Shanks only**