



# Renewi Non-holder presentation

January 2020



# 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.

# Agenda



1. Introducing Renewi
2. Our structurally growing markets
3. Our strategy for growth
4. Divisions and key initiatives
5. Financial and operational summary
6. Sustainability at our core
7. Our proposed secondary listing on Euronext



## Renewi at a Glance

- Pure play waste-to-product recycling company
- Formed in 2017 from Shanks and van Gansewinkel
- Listed on London Stock Exchange since 1988
- Secondary listing on Euronext Amsterdam in 2020
- Benelux market leader: 90% of revenues in Benelux
- 14 million tonnes per annum of waste handled
- 174 sites
- c.7,000 employees



Revenue €1.8b\*

EBITDA €181m\*

EBIT €87m\*

Free cash flow €50m\*

**Waste-to-product vision: giving new life to used materials**

## Key themes in investment consideration

- Renewi is a green company operating at the heart of the emerging circular economy
- Our markets are set for long term growth, driven by regulation and societal/customer demand
- Our market position, vision and operating model position us well to succeed
- We have a track record of delivering the integration and margin growth in core divisions
- We are emerging from a challenging period with the risk items clearly mitigated
- Significant self-help opportunities to further support margin growth

# The growing circular economy drives our business model



**Service:** We are paid by waste producers to take their waste away

**Product:** Our processes create products, generating further income or reducing the liability of residues

# Our market environment and positioning are mainly favourable



## Regulators

- Demand increasingly strict environmental standards
- Require low emission vehicles in cities
- Provide incentives to support secondary usage targets
- Require higher recycling rates, limiting incineration

## Waste-producing customers

- Demand sustainable solutions
- Need full service coverage (products and footprint)
- Remain cost conscious



## Uniquely positioned:

### Scale and experience:

- Market leader in Benelux
- Large fleet (>2,500 trucks)
- Dense network (>100 sites)

### Treatment and offtake:

- Pure-play recycler
- No incineration
- 90% recycling and recovery rate
- >25 major treatment sites
- Excellent compliance standards
- Outlet capacity in place

## Product customers

- Need secondary materials as 'right to play'
- Demand secured volumes
- Need consistent high quality

# Short term balanced and longer term positive outlook

	Short term	Longer term
<b>Challenges</b>	<ul style="list-style-type: none"> <li>• GDP slowdown in Europe including Brexit</li> <li>• Recyclates pricing record low</li> <li>• C&amp;D market under pressure</li> <li>• Import &amp; export taxes on waste in NL</li> </ul>	<ul style="list-style-type: none"> <li>• GDP slowdown</li> </ul>
<b>Opportunities</b>	<ul style="list-style-type: none"> <li>• Market remains tight</li> <li>• Increased demand for services</li> <li>• Market consolidation</li> </ul>	<ul style="list-style-type: none"> <li>• Ambitious governments (e.g. push for higher % usage of secondary materials; CO<sub>2</sub> tax)</li> <li>• Consumers: more urgency to protect climate</li> <li>• Corporates: accelerating circular agenda and looking for partnerships</li> <li>• Technology advancing (e.g. to make higher quality secondary raw materials and bio fuels)</li> </ul>

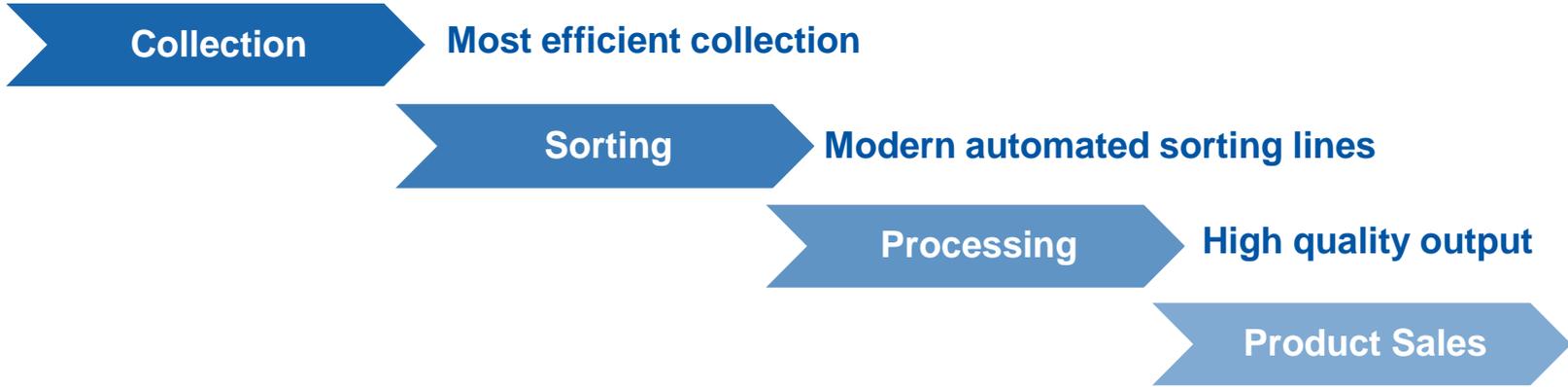
**Our Waste-to-Product strategy addresses a rapidly changing environment**

## Renewi vision and focus



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

*The best-in-class pure play recycler in the world’s most advanced circular economies*



**Our focus is shifting towards the downstream end of the value chain in line with market value  
We plan to deliver more and higher quality secondary raw materials and bio-fuels**

# Our Renewi Strategy

## Strategy



### Volumes

Secure raw material by leveraging our scale in collection and meeting our customers' circular needs



### Products

Increase output value and capacity to meet demand for secondary products by investing in advanced processing and treatment technologies



### Simplify

Drive ongoing margin expansion by simplifying our services, processes and organisation while also delivering commercial excellence



### Portfolio

Increase returns by divesting non-core activities and investing in scale, new technologies and geographies

# Key strategic initiatives

Strategy		Key initiatives	
	<b>Volumes</b>	➔	<p>Ongoing focus on collection efficiency and service</p> <p>Digitise our customer experience and process</p> <p>Source based on output requirements</p>
	<b>Products</b>	➔	<p>Secure advantaged positions in the value chain</p> <p>Invest in new technologies, stand-alone or by partnering</p>
	<b>Simplify</b>	➔	<p>Implement Renewi 2.0 to simplify business</p> <p>Drive commercial excellence and continuous improvement initiatives</p>
	<b>Portfolio</b>	➔	<p>Increase returns by divesting non-core activities</p> <p>Investing in scale, new technologies and geographies</p>

# Strategy drives an increased output value, expanding margins

In a broadly flat waste volume environment, value can be created by:

- recycling waste streams that are going to incineration or landfill today
- increasing the quality of recyclates so they can be sold at a higher price and to secured outlets

We call this “Spread Expansion”

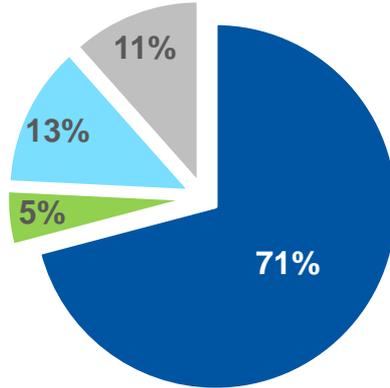
Waste type	B-wood	Rubble	Hard Plastic
Price intake (A)	-50	-5	-65
Price normal off-take (B)	0	+3	+100
Price high quality off-take (C)	+30	+8	>300
Spread Increase (D)	+60%	+63%	+121%

Price in €/tonne

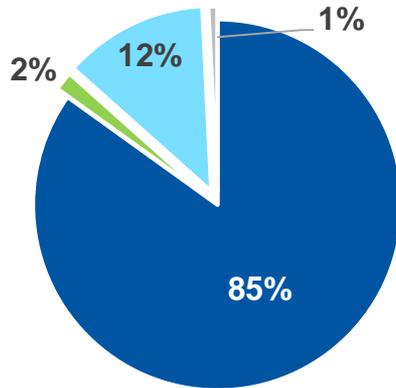
$$D = [(C-A) / (B-A)] - 1$$

# Divisions: Commercial the largest part

## Revenue



## EBIT



- ❑ **Commercial NL and BE:** clear market leader in each country. Core value driver of the Group. Focus on ongoing margin expansion and shift to greater recycling levels and secondary products
- ❑ **Hazardous:** market leader in soil and water treatment. Focus on recovering soil volumes and launch of new secondary products
- ❑ **Monostreams:** niche leading businesses which focus on secondary products. Two strong performers and two being restructured.
- ❑ **Municipal:** Focus on UK PFI contracts. Challenged legacy business model. Risks provided for and focus on operational improvement.

**Revenue:** divisional revenue shows continuing group excluding Canada and Reym and inter-segment. 71% Commercial Revenue is split 45% / 26% for NL and BE respectively

**EBIT:** divisional EBIT shows continuing group excluding Canada and Reym as a % of continuing Group EBIT excluding central services, Canada and Reym  
85% Commercial EBIT is split 52% / 33% for NL and BE respectively

# Successful creation of integrated business as committed

## Integration programme delivered in full

- Launched and invested in positive and engaging Renewi brand
- Delivered €40m cost synergies
- Closed 14 sites
- Invested in catch-up capital: bought and ordered c900 trucks, fleet will be >55% Euro VI in 2020
- Integrated operations and core processes at divisional level (except C&D)

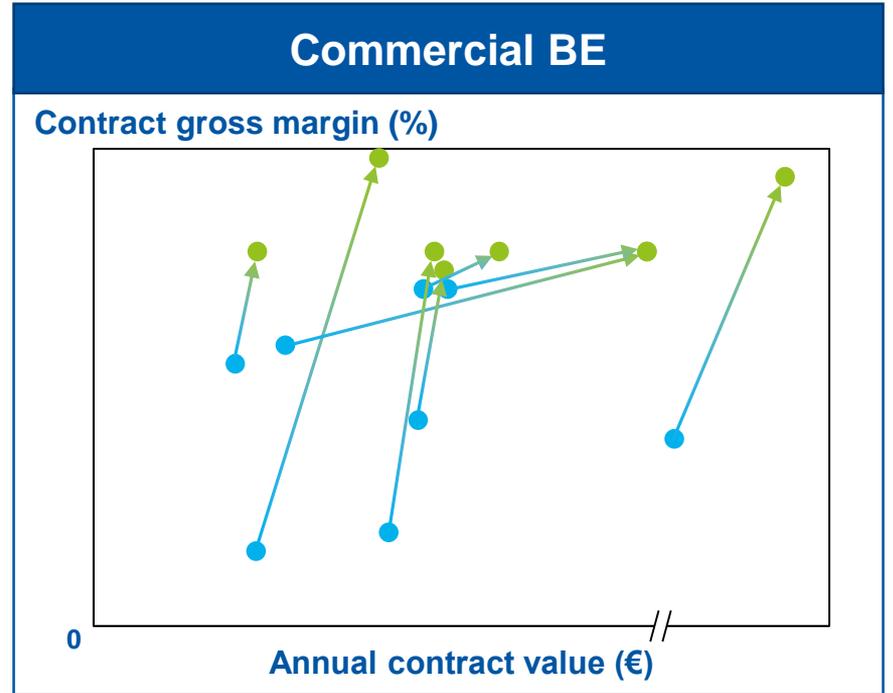
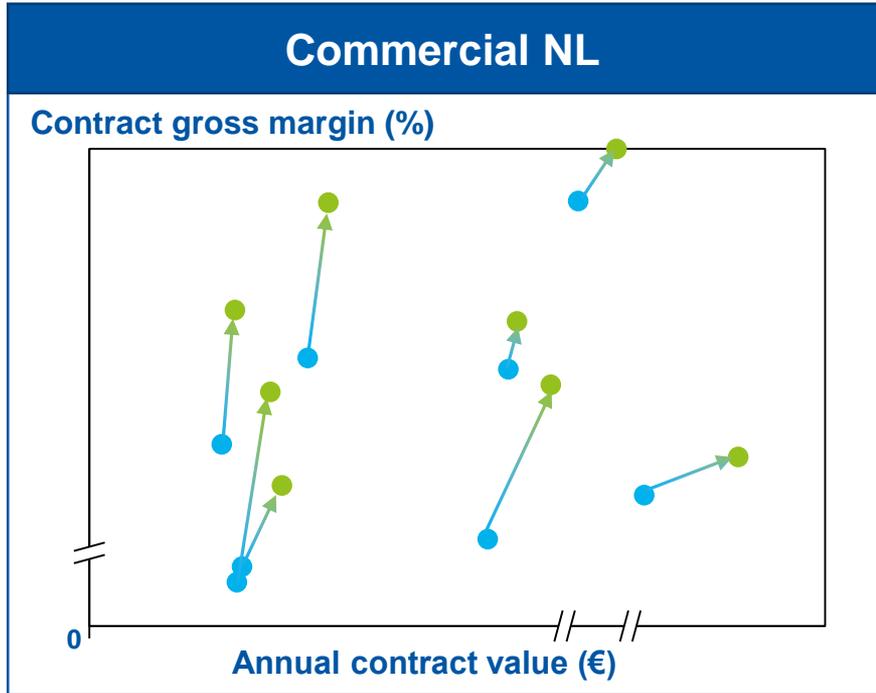
## Ongoing investment in new circular products

- Selected investments and partnerships eg Rotie, RetourMatras, PMC, Peel Pioneers

## Successful and sustained margin improvement in Commercial Divisions

- Sustained margin increases in tenders over three years
- Significant annual price increases on SME segment in 2019 and 2020

# Commercial margin increased in large customer renewals



● Before contract renewal ● After contract renewal

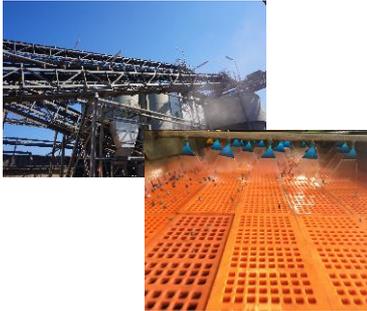
# Headwinds largely addressed and de-risked



	Issue	Resolution
<b>Municipal</b>	<ul style="list-style-type: none"><li>➤ PFI/PPP contracts accepted too much risk</li><li>➤ Markets moved against project expectations</li><li>➤ Key contractor insolvencies</li></ul>	<ul style="list-style-type: none"><li>✓ Portfolio management: contracts exited</li><li>✓ Significant exceptional charges: c.€90m provisions remaining</li><li>✓ Ongoing operational improvement</li></ul>
<b>ATM</b>	<ul style="list-style-type: none"><li>➤ Regulatory shut down of market for thermally treated soil due to (unfounded) concerns about trace elements of harmful products in cleaned soil</li></ul>	<ul style="list-style-type: none"><li>✓ Market now reopened after extensive testing</li><li>✓ New market for building products outside of soil regime</li></ul>
<b>Off-take (products)</b>	<ul style="list-style-type: none"><li>➤ Recyclate prices at 5 year lows due mainly to China ban</li><li>➤ Inflation for disposal of residues in tight markets</li></ul>	<ul style="list-style-type: none"><li>✓ Increased dynamic pricing, linking to relevant indices</li><li>✓ Significant price increases across core Benelux markets</li></ul>
<b>Leverage</b>	<ul style="list-style-type: none"><li>➤ Leverage peaked post merger at 3.06x</li><li>➤ Board target to reduce leverage to &lt;2.00x</li></ul>	<ul style="list-style-type: none"><li>✓ €40m cost synergies delivered on target</li><li>✓ €100m disposal proceeds raised to repay debt</li><li>✓ Leverage &lt;3.00x, and further deleveraging to come from resumption of ATM and Renewi 2.0</li></ul>

# Case studies in circular partnerships (1)

## ATM building materials



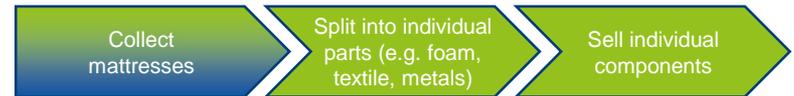
- Input: contaminated soil
- Output: gravel, sand and filler
- Higher return on building materials vs. TGG
- Potential customers: cement & asphalt industry



## Mattress recycling



- Input: old mattresses
- Output: foam, textile, metal
- Co-investment with IKEA for 32% each in RetourMatras (NL)
- Capacity increasing to 1.2m mattresses



# Case studies in circular partnerships (2)

## Plastics to oil to plastics



- Input: mixed plastic waste
- Output: bio-based naphtha or TAC-oil for plastics production
- Solution for mixed waste plastics not suited for mechanical recycling
- Potential customer: global thermoplastics producer



## Low-carbon steel production



- Input: waste wood
- Waste wood is torrefied to replace coal in steel production
- Output: low-carbon steel and other by-products
- Potential customer: global steel producer



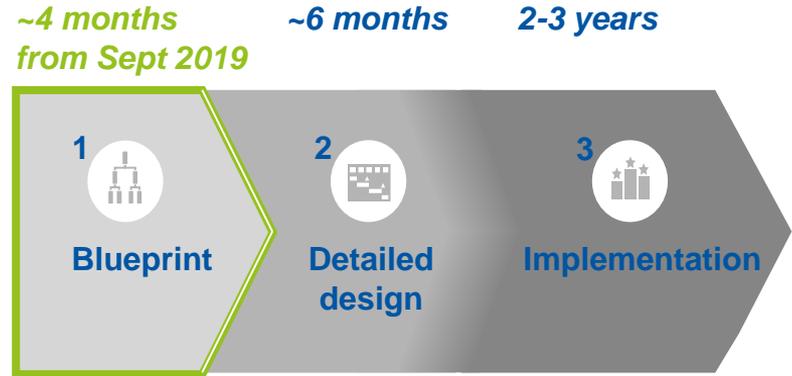
# Renewi 2.0 will further simplify business



## Renewi 2.0 programme

- Simplify and go to one way of working - across all divisions
- Driving standardisation where possible and differentiation only where value is added
- Modernise IT landscape and increase automation in key processes
- Increase customer satisfaction
- Reduce cost – mainly SG&A

## Planning



**Renewi 2.0 to increase efficiency and build a platform for growth**

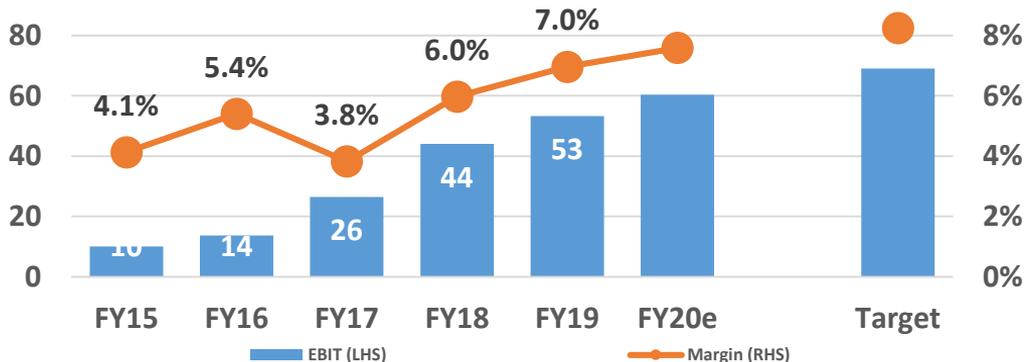
# Income Statement

	Mar 17 €m	Mar 18 €m	Mar 19 €m
<b>Revenue</b>			
NL Commercial Waste	290.9	736.9	764.7
BE Commercial Waste	169.6	422.2	430.8
Hazardous Waste	104.5	114.4	95.7
Monostreams	36.5	204.4	213.3
Municipal	208.7	200.5	195.2
Inter-segment revenue	(11.6)	(34.7)	(34.6)
<b>Continuing businesses</b>	<b>798.6</b>	<b>1,643.7</b>	<b>1,665.1</b>
Disposed businesses	129.1	135.4	133.9
<b>Total revenue</b>	<b>927.7</b>	<b>1,779.1</b>	<b>1,799.0</b>
<b>Underlying EBIT</b>			
NL Commercial Waste	18.8	44.0	53.2
BE Commercial Waste	9.6	29.3	33.3
Hazardous Waste	18.3	14.4	1.7
Monostreams	4.2	18.2	12.9
Municipal	(4.9)	(6.6)	0.8
Group central services	(9.6)	(22.3)	(21.7)
<b>Continuing businesses</b>	<b>36.4</b>	<b>77.0</b>	<b>80.2</b>
Disposed businesses	7.3	1.5	6.8
<b>Underlying EBIT (total operations)</b>	<b>43.7</b>	<b>78.5</b>	<b>87.0</b>
Net Interest	(15.3)	(22.7)	(23.6)
Income from associates and JVs	2.4	2.6	0.4
<b>Underlying profit before tax</b>	<b>30.8</b>	<b>58.4</b>	<b>63.8</b>
Non-trading and exceptional items	(102.5)	(114.7)	(174.0)
<b>Loss before tax</b>	<b>(71.7)</b>	<b>(56.3)</b>	<b>(110.2)</b>
Taxation	0.4	2.4	12.5
<b>Loss for the period</b>	<b>(71.3)</b>	<b>(53.9)</b>	<b>(97.7)</b>

- Positive revenue trajectory in core Commercial Divisions, Hazardous to recover when ATM at full production
- Significant EBIT and margin growth in Commercial Division (see next slide)
- Hazardous Waste expected to recover to previous profit levels
- Monostreams impacted in two of four units. Restructuring has stabilised.
- Municipal expected to make ongoing small losses
- Net interest to increase in FY20 due to IFRS16 and higher leverage but expected to fall as leverage reduces
- Exceptional items FY17 to FY20 mainly integration and Municipal. No major further exceptionals expected beyond FY20 (except Renewi 2.0)
- Tax rate is 24.5% and falling slowly

# EBIT & Margin trajectory NL Commercial and ATM

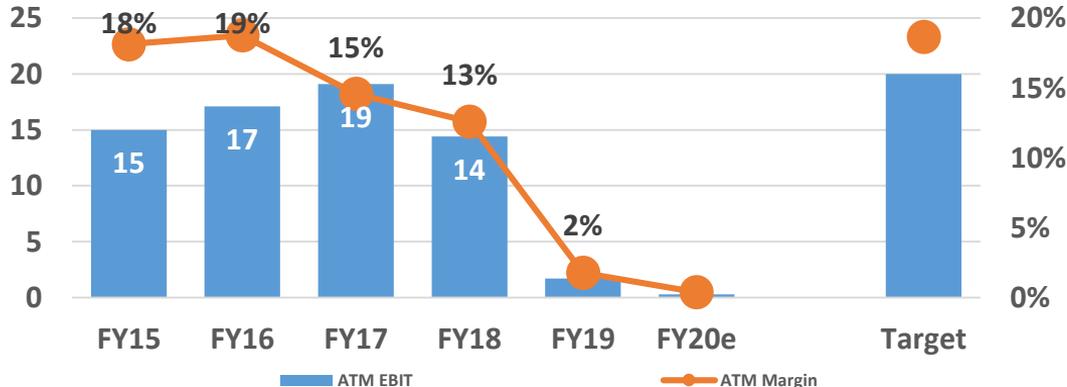
## Netherlands Commercial



## Netherlands Commercial

- EBIT has increased significantly post merger, and doubled to €53m in FY19
- EBIT trend expected to continue in FY20 and increase at a slower pace in FY21
- Margins of VGG were lower than SKS hence the margin fell on merger and has been restored to >7% by mid FY20
- Next margin target is 8% and should increase with more waste-to-product and Renewi 2.0

## ATM



## ATM

- EBIT and margin fell significantly following the shut down of the TGG market
- Full recovery expected over time now the market is reopened
- Scope to exceed previous levels when fully converted to the alternative building products

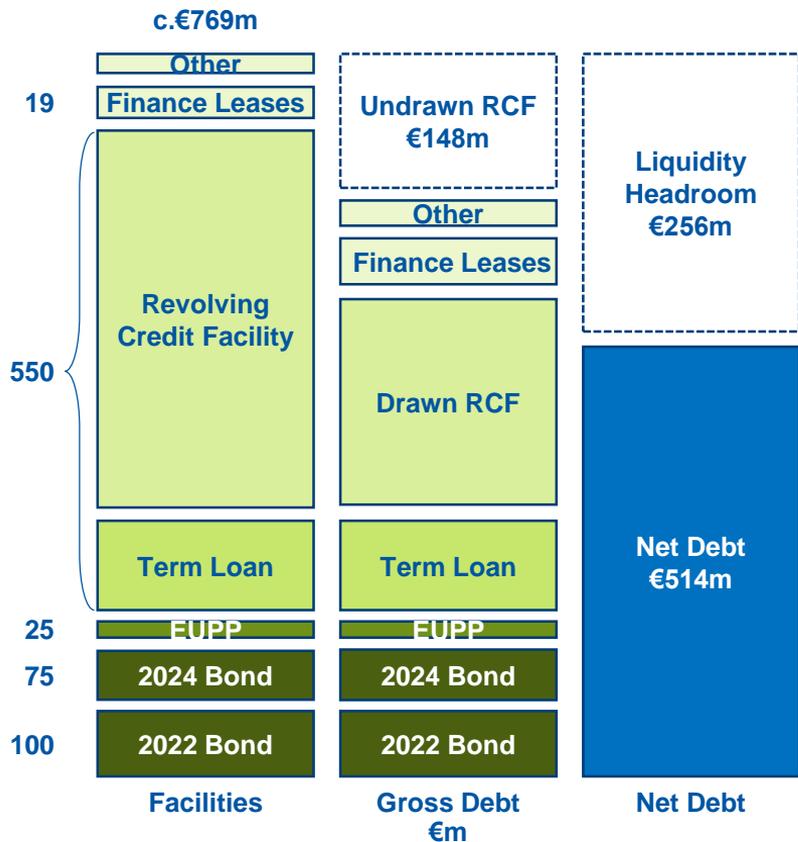
Based on reported financial information. ATM shows Hazardous Waste excluding Reym. FY17 is proforma based on the results of Shanks and Van Gansewinkel. FY18 onwards is Renewi. Target is within the next 24-36 months.

# Cash Flow

	Mar 17 €m	Mar 18 €m	Mar 19 €m
EBITDA	96.7	178.3	181.3
Working capital movement	(7.3)	28.0	(22.2)
Movement in provisions and other	(1.0)	(6.6)	(9.8)
Net replacement capital expenditure	(45.4)	(86.2)	(88.1)
Interest, loan fees and tax	(17.6)	(25.1)	(30.9)
<b>Underlying free cash flow</b>	<b>25.4</b>	<b>88.4</b>	<b>30.3</b>
Growth capital expenditure	(4.9)	(3.5)	(11.7)
Canada Municipal funding	(23.4)	(11.5)	6.8
Acquisitions and disposals	3.9	(7.2)	24.1
Dividends paid	(18.0)	(27.6)	(27.4)
UK Municipal contracts	(37.6)	(9.6)	(19.0)
Restructuring spend	(2.3)	(1.3)	(0.2)
Synergy & integration spend	(1.1)	(20.4)	(38.5)
Other	(6.6)	(8.6)	(16.1)
VGG acquisition - net cash	(324.5)	0.8	-
Transaction related spend	(22.0)	(12.5)	(0.2)
Equity raise (net of costs)	155.9	-	-
<b>Net core cash flow</b>	<b>(255.2)</b>	<b>(13.0)</b>	<b>(51.9)</b>

- Working capital broadly neutral: variances in FY18 and FY19 mainly ATM inventories
- Net replacement capex 80-90% of depreciation
- Growth capital set to increase to c€20m per annum for new waste to product projects
- Dividend cash flow reduced to €14m per annum in FY20
- Outflow on UK Municipal will reduce from FY21 onwards
- Integration spends to end FY20. Some Renewi 2.0 costs to be announced

# Core funding at September 2019



## Liquidity

- Up to €118m proceeds expected for Reym and Canada (of which €102m received by 31 October)
- Cash of €108m at period end high following disposal
- Liquidity of €256m at 30 September higher than required

## Facilities

- Fully Green financed, and sustainability linked loan pricing
- 2019 €100m 4.23% bond repaid
- 2024 €75m Green bond issued at 3.00%
- Term loan reduced by €55m in November 2019
- These two changes will reduce interest cost by c.€2m per annum

## Leverage ratio

- Leverage ratio of 2.88x
- Covenant extended at 3.50x to December 2021
- Board target leverage remains 2.0x in the mid term

## Recognised as a leader in sustainability

- Waste-to-product as our Vision
- Sustainability as a core Value
- Listed on FTSE4Good Index
- Awarded Green economy mark from the London Stock Exchange
- First FTSE company to put Green Framework around all borrowings and link margin of facilities to ESG targets
- Now fully Green funded, across all core facilities
- Founder member of Netherlands Circular Coalition
- S&P ESG evaluation 75 / 100, highest Environmental score issued



## Secondary Listing



Majority of activities in Benelux region



Euronext Amsterdam listing increases visibility and allows easier access to Renewi shares in our core Benelux markets



Contributing to additional volume and liquidity in Renewi shares for existing and new investors



Extended equity research coverage in European market and broader investor interest, especially given greater focus on ESG investing

**Intention for secondary listing on Euronext Amsterdam on 30 January 2020**

## Key themes in investment consideration

- Renewi is a green company operating at the heart of the emerging circular economy
- Our markets are set for long term growth, driven by regulation and societal/customer demand
- Our market position, vision and operating model position us well to succeed
- We have a track record of delivering the integration and margin growth in core divisions
- We are emerging from a challenging period with the risk items clearly mitigated
- Significant self-help opportunities to further support margin growth



**THANK YOU**



# Contents of appendices

1. Values and management team
2. Structurally growing markets
3. Divisional backgrounds and strategies
4. Further case studies in sustainable solutions and products
5. Background on ATM and recovery
6. Further data on recyclate prices and exposure
7. Disposals
8. Green framework and sustainability



## Further resources

### Renewi

[Annual report](#)

[CSR report](#)

[Year-end results presentation](#) and [RNS](#)

[Half-year results presentation](#) and [RNS](#)

[January trading statement](#)

### Sell side coverage

Kepler Cheuvreux, Guillermo Fernandez-Gao

Investec, Martin Young

Peel Hunt, Andrew Shepherd-Barron

Edison, Toby Thorrington

Barclays, Jane Sparrow



## Values and management

# Our Renewi values define what we do and how we act



- **Safe:** Safety is our first value. We operate in a risky environment. While a sector leader, we aim to make further step changes to improve our safety performance.
- **Innovative:** we look to innovate with new products and services in the circular economy and also to improve our own processes every day
- **Sustainable:** sustainability is at our core. Our purpose is to give new life to used materials
- **Accountable:** we do what we say we will do, as a company and as individuals
- **Customer focused:** we provide excellent service to our customers at the front and back end of our processes
- **Together:** we work together, with respect for each other

# Our Renewi Board



**Colin Matthews**, *Chairman*

Experience:  
Heathrow Airport, Hays, Severn Trent

Appointed March 2016



**Otto de Bont**, *CEO*

Experience:  
United Technologies, GE

Appointed April 2019



**Toby Woolrych**, *CFO*

Experience:  
Johnson Matthey, Consort Medical

Appointed August 2012



**Neil Hartley**, *Non-exec Director*

Experience:  
First Reserve, Simmons & Company

Appointed January 2019



**Marina Wyatt**, *Non-exec Director*

Experience:  
ABP, TomTom, UBM

Appointed April 2013



**Allard Castelein**, *Non-exec Director*

Experience:  
Port of Rotterdam, Shell

Appointed January 2017



**Luc Sterckx**, *Non-exec Director*

Experience:  
SPE-Luminus, Indaver, University of Leuven

Appointed September 2017



**Jolande Sap**, *Non-exec Director*

Experience:  
Groenlinks, KPN, KPMG

Appointed April 2018

# Management team completed

## Executive Board Members



**Otto de Bont**  
CEO



**Toby Woolrych**  
CFO

## Division Managing Directors



**Meinderdjan Botman**  
Commercial Netherlands



**Wim Geens**  
Commercial Belgium



**Bas Blom**  
Monostreams



**James Priestley**  
Municipal



**Theo Olijve**  
Hazardous

## Functional Leaders



**Bas van Ginkel**  
Strategy & Bus. Development



**Baukje Dreimuller**  
General Counsel



**Helen Richardson**  
Human Resources



**Maarten Buikhuisen**  
Information Technology



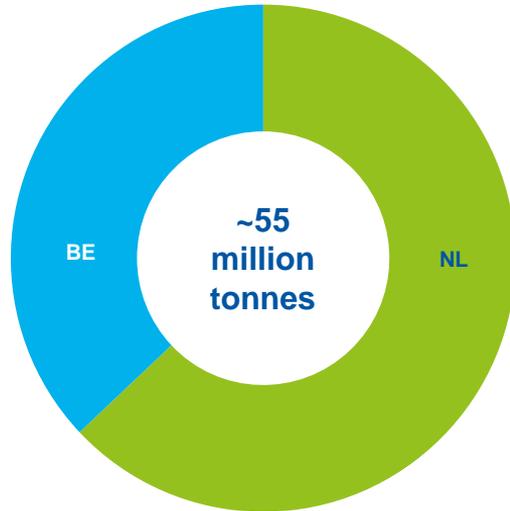
**Patrick Deprez**  
Product Sales



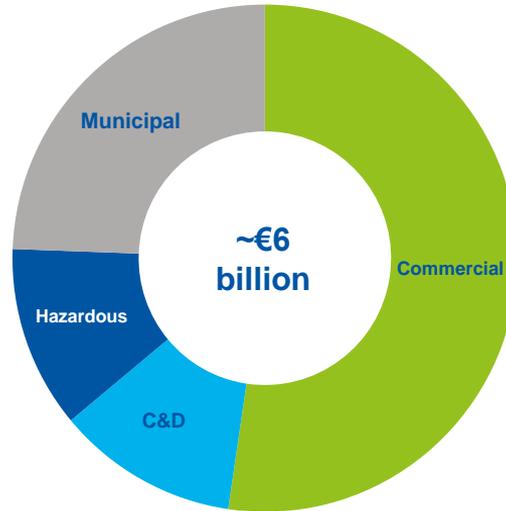
## Structurally growing markets

# The core of our business is the Benelux waste market

## Geographies



## Markets



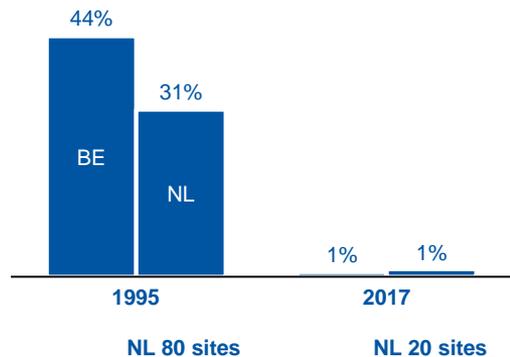
## Waste streams

- **Commercial**
  - Wood
  - Plastics
  - Paper and cardboard
  - Residual/Other
- **Construction & Demolition**
- **Hazardous/Chemical**
  - Chemical
  - Soil
  - Sand & sludge
- **Municipal**
  - Glass
  - Organics

~55 million tonnes — ~€6B revenue — Recycling rate 60-70% — Growth ~1%

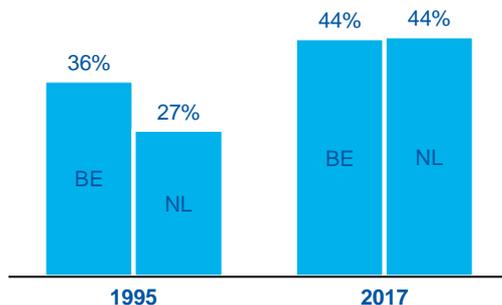
# Benelux market moved from landfill to incineration now to recycling

## 1 Landfill % waste to landfill\*



- Landfill only allowed for waste that cannot be incinerated or recycled

## 2 Incineration % waste incinerated\*



- Limited investment last 5 years
- Incineration tax increasing
- Banning higher caloric value

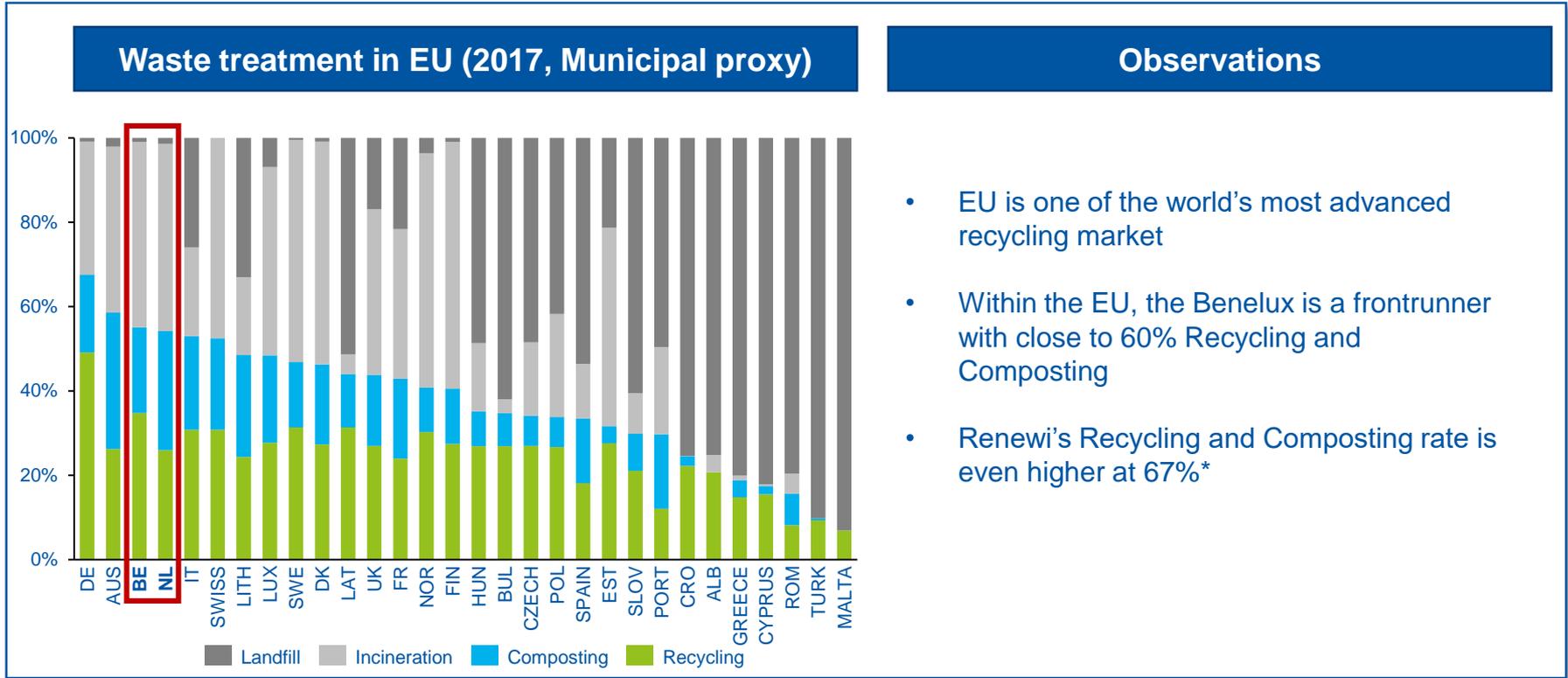
## 3 Recycling % waste recycled and composted\*



- Core waste streams covered: metal, glass, soil, paper, wood, organics
- Challenge with: plastic, mixed waste, specials

More waste streams will be recycled with new innovative solutions

# Benelux one of the most advanced waste management markets



\* Renewi-wide average. Note: Waste treatment based on municipal waste (proxy for total waste management market). Source: Eurostat

# Increasing regulatory push further drives recycling trends



2022



Recycling rate

2030



Recycling rate

2050



Recycling rate



Government buys 10% circular



Reduction of primary raw materials

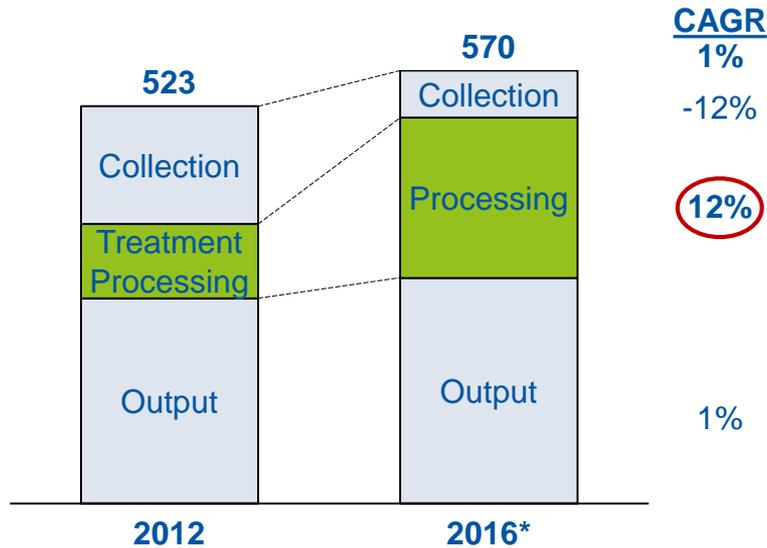


Reduction of primary raw materials



# Value is shifting to treatment (sorting and processing)

## Market EBIT NL (€m)



## Observations

- Secondary materials market has increasingly high quality demands
- Sorting and processing becoming more technologically advanced
- ...and less dependent on scarce manual labour
- Resulting in higher barriers to entry

**Profit pool will continue to shift towards processing**

\* Source: Afval jaarboek 2016, CBS, ING Economisch Bureau: Assetvisie afvalbranche 2016 is latest industry data available

# Emerging trends in each step of the value chain support recycling

## Collection



- Increased sorting at source
- Smarter urban collection
- Digital business models

## Sorting and processing



- Higher quality sorting and processing
- Wider range of waste streams
- Lower processing costs
- ...all of which are enabled by technological advancements

## Supplying raw materials



- Strong pull for secondary materials
- Increased quality requirements
- National markets less dependent on exports

**Increased collaboration across the value chain to 'close the loop'**

# Renewi has the most efficient collection network

## 1 Biggest, most efficient fleet



### 2,500 trucks

- rear-end loaders
- luggers / skip trucks
- truck trailers

### Largely EURO V & VI fleet

- low NOx and CO<sub>2</sub>
- low fuel consumption

## 2 Dense network of sites



### 100 transfer sites

- 69 in Netherlands
- 31 in Belgium

### >25 processing sites

## 3 Modern planning tools



### Highly efficient route planning

### All trucks have on-board computers

### Quick customer turnaround

### Customer apps

Leverage scale to efficiently secure volumes

# The best treatment facilities to sort and process

## For mixed waste

<b>Construction &amp; Demolition</b>	<b>7 lines</b>
<b>Bulky household</b>	<b>15 lines</b>
<b>Plastic, metal and drink cartons</b>	<b>1 line</b>
<b>Hazardous/chemical</b>	<b>10 centres</b>
<b>Residual waste</b>	<b>9 lines</b>

## For monostreams

<b>Glass</b>	<b>3 sites</b>
<b>Wood</b>	<b>11 lines</b>
<b>Paper</b>	<b>14 lines</b>
<b>Plastic</b>	<b>5 lines</b>
<b>Soil, sand and sludge</b>	<b>5 sites</b>
<b>Organics</b>	<b>11 sites</b>

**Renewi Benelux recycling capacity is >7 million tonnes/year**



## Divisional Backgrounds and Strategies

# Our Divisions

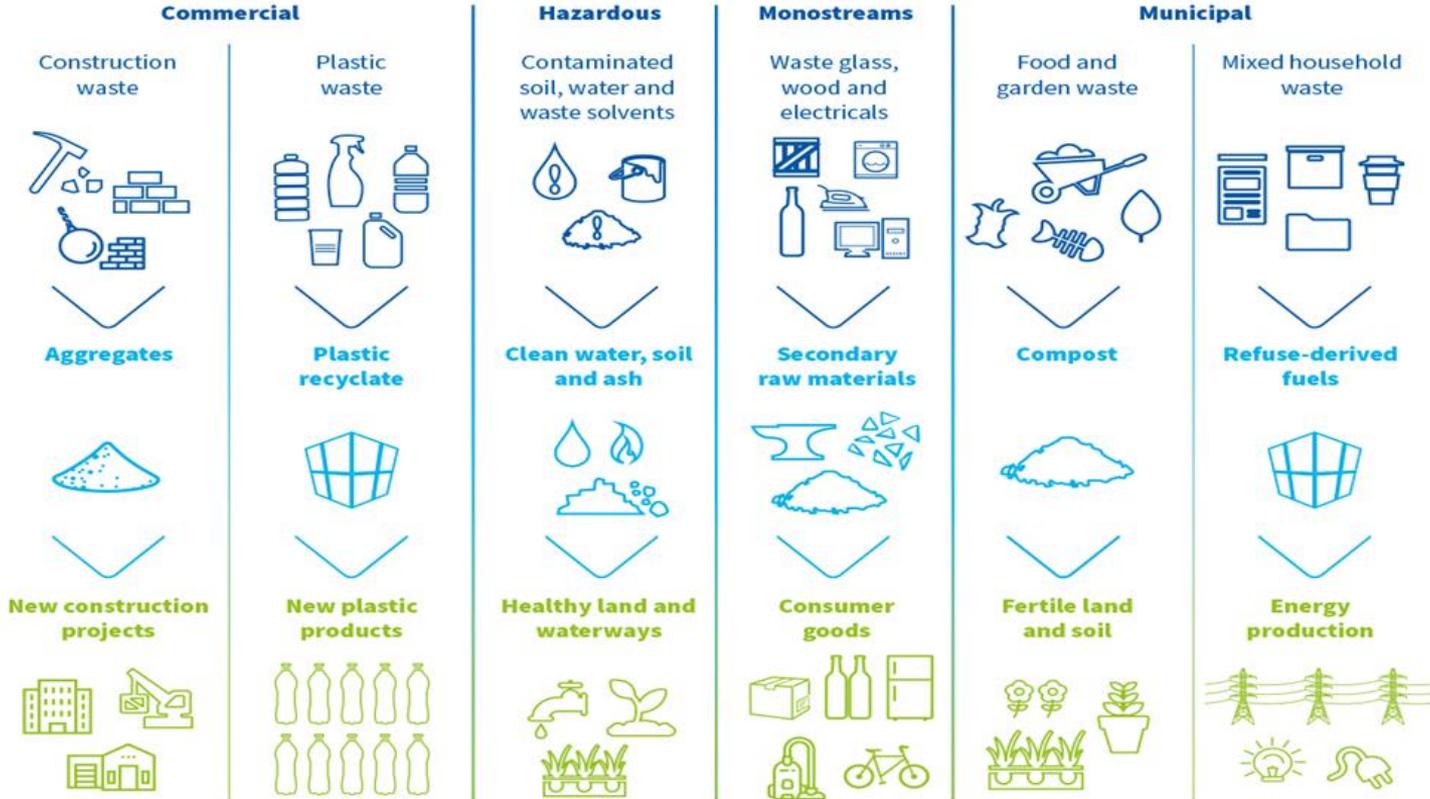


Commercial		Hazardous	Monostreams	Municipal
<p>Netherlands #1 in waste collection and processing #1 in most main market segments Full geographic coverage Netherlands</p>	<p>Belgium #1 or 2 in waste collection and processing #1 in most main market segments Complete geographic coverage in Belgium</p>	<p>#1 in European thermal soil treatment #1 in Dutch waste water treatment Primarily in the Netherlands Sold Reym business in October 2019</p>	<p>#1 in glass recycling #1 NL mineral #2 in NL organics Leading EU WEEE recycling player</p>	<p>UK leader in MBT treatment of waste 5 principal PFI contracts Sold Canadian municipal business in September 2019</p>
<p>Revenue: €765m EBIT: €53m Margin: 7.0% FTE: c.3,000</p>	<p>Revenue: €431m EBIT: €33m Margin: 7.7% FTE: c.1,700</p>	<p>Revenue: €82m EBIT: €2m Margin: 2.1% FTE: c.200</p>	<p>Revenue: €213m EBIT: €13m Margin: 6.0% FTE: c.500</p>	<p>Revenue: €195m EBIT: €1m Margin: 0.4% FTE: c.650</p>

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

\*Revenue, Underlying EBIT for continuing group excluding Reym and Canada as reported 31 March 2019, under IAS17

# Extensive range of products from waste





# Commercial Waste Division - Netherlands



- Legacy VGG location
- Legacy Shanks location

## Growth Drivers

### External

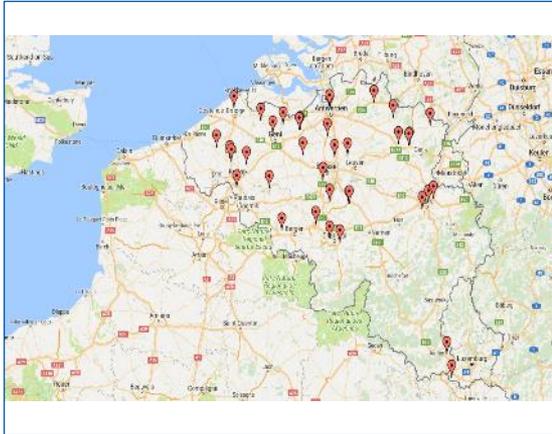
- NL GDP growth
- Construction market recovery
- Incineration utilisation & spot pricing
- Legislation to increase recycling
- Recyclate de-regulation and quality
- Skilled labour including drivers

### Internal

- Logistic efficiency collection (lifts/km)
- Volumes processed by waste stream
- Price per tonne per waste stream
- Processing efficiency (tonnes/hr)
- Quality, volume and pricing/spread of recyclates
- Leveraging purchasing power
- Digitalisation/automation/innovation
- Differentiated customer offerings



# Commercial Waste Division - Belgium



## Growth Drivers

### External

- BE GDP growth
- Outlet availability and pricing
- Legislation/ regulation to increase recycling rates
- Recyclate pricing
- New markets
- Strategic alliances

### Internal

- Volumes processed by waste stream
- Average price per tonne by waste stream
- Logistic efficiency collection (lifts/km or /day)
- Processing efficiency (tonnes/hr)
- Recyclate volumes (tonnes/stream)
- Recyclate prices and spread
- Innovation/ digitalisation/ automation
- Improving quality of incoming volumes



## Hazardous

- #1 in European thermal soil treatment
- #1 in Dutch waste water treatment (heavily contaminated)



### Strategy

Increase capacity to treat additional volumes and broaden the range of products treated while retaining attractive returns



## 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 existing operational footprint and expand into attractive new recycling markets





## Municipal

- UK leader in MBT treatment of waste
- Business underpinned by long-term contracts incorporating investments in associated SPVs

### Strategy

Reduce losses through recovery plan that stabilises, improves and de-risks the business, while bringing new assets into full and profitable operation





## Case studies in sustainable solutions and product

## Case studies (1)



Plastic from old vacuum cleaners make 36% of their newest top spec vacuum cleaner. Full closed loop example



Bio-LNG product for vehicles made from organic anaerobic digestion. Currently in experimental phase



Further refinement of the waste into High Impact Polystyrene for 3D printing produces significant value



Albert Heijn segregated citrus peel is collected and refined to extract limonene for detergents



Together we make Fenix paints from waste paints, which is available in stores now

## Case studies (2)

**Plastics  
manufacturer**

Plastics to oil to plastics. Providing a recycling solution for mixed plastic which cannot currently be recycled

Recycling asbestos contaminated steel which would otherwise have gone to landfill and will now be reused



Co-investment in RetourMatras to provide a recycling solution for mattresses, which have been a long standing issue in the waste management industry

Torrefaction of waste wood to be used to fire the steel kiln and produce low carbon steel

**Steel  
manufacturer**

Working to commercialise cellulose recycling  
Diapers and incontinence pads are ~5-8% of municipal solid waste  
Renewi working with Wageningen University, with a proven cellulose refinement technology





## Further background on ATM and recovery

# ATM – secondary building materials production



Completed

- 1 **December 2017:** Acquired facility from MvO
- 2 **March 2019:** Installed pilot sieve. Trials with multiple potential customers with promising results
- 3 **October 2019:** TRI sieve installed separating c.900kt decontaminated soil into gravel, sand and filler
- 4 **November 2019:** Acquired full ownership of joint venture

Ongoing

- 5 **February 2020:** Tests for product certification ongoing and expected early 2020
- 6 **September 2020:** Investment of c€10m for filler silos, storage facilities and product quality improvement. Capacity to sort **100% of TGG** production



## ATM – resuming production of TGG

### What have we done

- ✓ Agreed with regulators what to test
- ✓ Agreed with regulators on how to collect samples and define variability
- ✓ Sampled and tested all batches
- ✓ All tests passed
- ✓ Current stock production does not contain any substances at levels which prevent its use
- ✓ **Dutch government reopened market in December 2019**

### Soil resumption: path forward

- **Local regulatory bodies** in the Netherlands then need to approve specific site applications in their region
- **Future TGG production** may continue to be tested according to stringent specifications and released as batches in the short-term
- **Further recovery actions** longer-term include:
  - Improve the TGG certificate together with certifying body and branch partners
  - Lobby for legal definition of the ‘duty of care’ requirement for TGG producers
  - Restore confidence in TGG and improve image

Following market reopening we are seeking to place TGG with customers

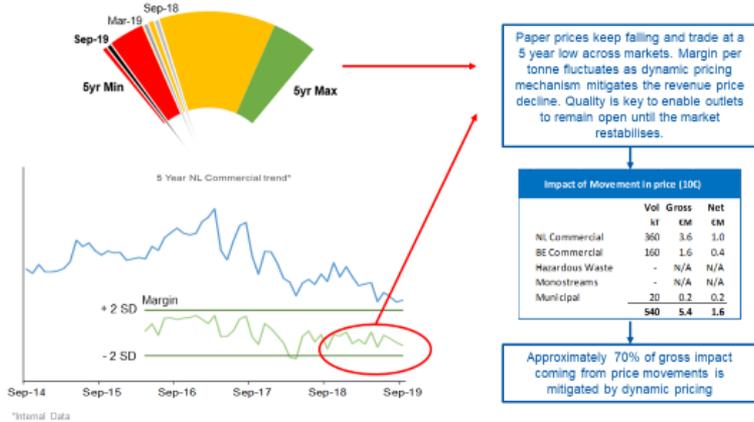


## Data on key recycle prices and risks

# Market drivers - recyclelate pricing

## Paper Prices

### Market Drivers – Paper Prices

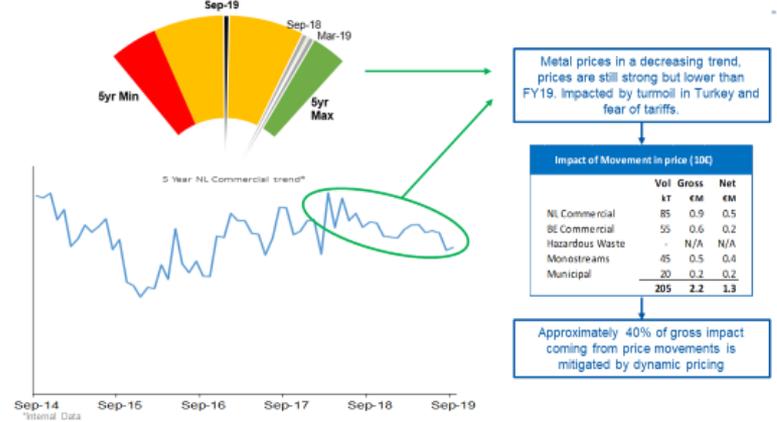


\*Internal Data

49

## Metal Prices

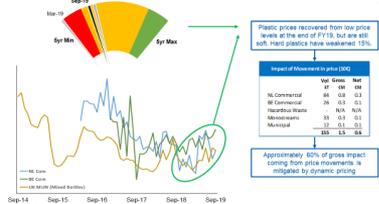
### Market Drivers – Metal Prices



\*Internal Data

50

### Market Drivers – Plastics Prices



\*Internal Data

51

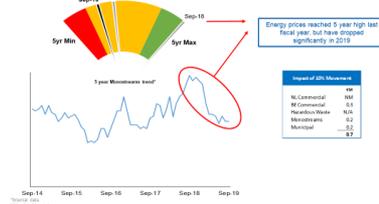
### Market Drivers – Wood Prices



\* Internal Data and quarterly data available before Jan 2019

52

### Market Drivers – Electricity Prices



\*Internal Data

53



## Disposals

# Canada Municipal disposal – completed 30 Sept 2019

## Business Overview



- Strong stand-alone position - #1 in organics
- Well-placed and good footprint in a growing market
- Financials show strong profit growth this financial year
- Strong cash generation

## Considerations

- Small position in portfolio
- Remote location
- Requires cash and management for expansion
- Limited synergies with core
- Significant buyer interest

## Key Benefits

- > Concentrates resources on Europe/Benelux growth
- > UK management focus on managing PFI contracts
- > Simplifies our portfolio and equity story
- > Proceeds free up cash to delever or invest

**Sold for an enterprise value of up to c.€72m (CAD \$107.5m), with cash proceeds of €56m and a further payment of up to €12m (CAD \$17.5m)**

# Reym disposal – completed 31 October 2019

## Business Overview



- Leading industrial cleaning company in the Netherlands
- Outstanding reputation for service, safety, quality and innovation
- Integration of VGIS already completed

## Considerations

- Professional services business
- Requires focused management and investment in people
- Limited operational synergies with Core
- Able to execute without disrupting ATM and linkage to Renewi protected through long-term agreement

## Key Benefits

- > Focuses Hazardous Waste management focus on ATM
- > Tighter portfolio alignment with waste-to-product vision
- > Concentrates resources on Benelux growth in Benelux recycling
- > Proceeds free up cash to delever or invest

Sold for an enterprise value of €64m and cash proceeds of c.€50m

A circular graphic with a white border and a white arrow pointing clockwise. Inside the circle, there are twelve yellow stars arranged in a circle, similar to the European Union flag. The background of the circle is a green, textured image of a field. The text "FINANCING A SUSTAINABLE EUROPEAN ECONOMY" is written in white, bold, sans-serif font across the center of the circle.

FINANCING A  
**SUSTAINABLE**  
EUROPEAN ECONOMY

## Sustainability and Green Framework

# Sustainability Legislation Driving our Business Model

- Our activities meet development goals within five of the **UN's Sustainable Development Goals (SDGs)**
- We help countries achieve the requirements of the **EU Waste Directive** by diverting 90% of our waste from landfill
- We help meet the obligations of the **Paris COP Treaty** by avoiding over 3m tonnes of CO<sub>2</sub> per annum
- We operate higher up the **waste hierarchy** than any other leading waste company through our focus on re-use and recycling rather than incineration or landfill
- We are well positioned to meet the needs of the **EU Circular Economy Package** and Dutch legislation by connecting waste produced back to raw material consumers, particularly in construction

**We meet the sustainability goals of our customers and regulators**

# Renewi Green Finance Framework Approach



Developed in line with the voluntary guidelines of the **Green Bond Principles**, and **Green Loan Principles**

Consistent with recommendations of the **EU High Level Expert Group** and will align with EU rules once published

**Pollution Prevention and Control** is the key category within the Bond and Loan Principles taxonomy

- Waste Collection
- Waste Treatment
- Waste Recycling
- Waste to Energy

**Waste Minimisation** is the key category within the proposed EU taxonomy

**Sustainable Development Goals:**

- 7: Affordable and clean energy
- 9: Industry, innovation and infrastructure
- 11: Sustainable cities and communities
- 12: Responsible consumption and production



# A green company



## Equity

- Virtually all activities are Green which is recognised in our Green Framework which is verified by Sustainalytics as second opinion provider, and in addition as recognised by the Green Economy Mark from the LSE

## Debt

- All core facilities are now Green, including RCF, Term Loan, EUPP, and Bonds
- All future issuance can be Green
- The large buffer will be maintained



66.9%

Our specific **recycling rate** increased **0.6%** to 66.9%



90%

We **recycled and recovered** 90% of the total waste we handled



7%

We had **fewer accidents** that resulted in an employee being off work for more than three days, improving our >3 day accident rate by 7%



1.8%

Our **carbon avoidance per tonne of waste handled** improved by 1.8% to 0.218 tonnes



64%

The number of **near misses reported** (accidents that didn't happen) improved 64%



1.1%

We improved our **truck fuel efficiency** by 1.1% to 3.117 litres of fuel per tonne of waste transported



14%

We **improved our lost-time injury rate** by 14%



34.9%

We increased the number of **EURO VI trucks** in our fleet to 34.9%

# Our 2020 ESG and Green Scorecard Objectives



Performance indicator <sup>1</sup>	2017/18 performance	2020 CSR/ green score-card target	2023 green scorecard target
Recycling rate	<b>66%</b>	70%	N/A
Overall recycling and recovery rate <sup>2</sup>	<b>89%</b>	90%	91%
Carbon avoidance intensity ratio <sup>2</sup>	<b>0.214</b>	0.217	0.220
Site energy use KWh/tonne waste handled	<b>25.1</b>	23.6	N/A
Litres of fuel used per tonne of waste collected <sup>2</sup>	<b>3.15</b>	3.12	3.05
% truck fleet compliant with Euro VI standard <sup>2</sup>	<b>24%</b>	34%	50%

Performance indicator <sup>1</sup>	2017/18 performance	2020 CSR/ green score-card target	2023 green scorecard target
Green electricity production MWh	<b>143,462</b>	213,170	N/A
>3 day workplace accident rate <sup>2</sup>	<b>1,505</b>	1,355	1,130
Overall lost time injury frequency	<b>12.5</b>	8.7	N/A
Accident severity rate	<b>17.4</b>	13.1	N/A
Near-miss close-out rate %	<b>83%</b>	85%	N/A
Adverse community comments per site	<b>1.5</b>	1.4	N/A

## CSR and green scorecard overlap target

2020 and 2023 targets shown

1. For definitions of performance indicators see relevant specific sections of this report

2. Indicators shaded in green are both CSR and green finance scorecard targets. Only these indicators have 2023 targets. 2023 targets are not applicable for other indicators.

**Next CSR targets to 2025 to be published in mid 2020**

# S&P Global ESG Evaluation Score of 75



## S&P Global Ratings

### Environmental, Social, And Governance Evaluation

## Renewi PLC

### Summary

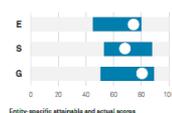
Renewi PLC is a waste management company headquartered in the U.K. It is the result of the 2017 merger of Shanks Group with Van Gansowinkel Group and has four main divisions: Commercial, Hazardous Waste, Monostreams, and Municipal. The company has around 6,000 employees and operates in Europe (Benelux countries, Germany, France, Portugal, and the U.K.).

Renewi's ESG evaluation score of 75 is supported by a strong end above-peer-average focus on recycling and waste management, which underpins its commitment to being a key contributor to the circular economy through its waste-to-product focus. This focus has led to 90% of the waste it has handled being either recovered or recycled. The company is therefore positioned to benefit from the ongoing shift from landfill and incineration toward recycling, driven by recent structural and regulatory changes, and is well placed to meet greater demand for sustainable products and greater use of secondary raw materials.

Renewi demonstrates adequate preparedness, supported by the company culture and the board's awareness of long-term material risks to the company. Renewi analyzes current and emerging risks, including rare events with high potential impact on the company (tail events) through scenario modeling, and implements mitigation and contingency plans. The company recognizes that law and regulatory changes can significantly affect its strategy and that it could face environmental liabilities arising from its business operations.

### ESG Profile Score

75/100



Entry-specific estimates and actual scores

### Preparedness Opinion

Adequate

- Awareness **Good**
- Assessment **Good**
- Action **Good**
- Culture **Excellent**
- Decision-making **Good**

### ESG

Evaluation



A higher score indicates better sustainability

**Entry Location (HQ)**  
Renewi PLC  
Milton Keynes, U.K.  
**Primary Operation Location(s)**  
U.K., Netherlands, Belgium  
**Publication Date**  
Jan. 15, 2020  
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## Component Scores

Environmental Performance			Social Performance			Governance Standards		
Sector/Region Score	Score	Rating	Sector/Region Score	Score	Rating	Sector/Region Score	Score	Rating
Greenhouse gases	30/50	Strong	Workforce and diversity	38/50	Good	Structure and oversight	35/35	Strong
Waste	30/50	Strong	Safety management	38/50	Good	Code and values	35/35	Good
Water	30/50	Good	Customer engagement	38/50	Good	Transparency and reporting	35/35	Good
Land use	30/50	Good	Communities	38/50	Good	Cyber risks and systems	35/35	Strong
General factors (optional)	30/50	o	General factors (optional)	38/50	o	General factors (optional)	35/35	o
<b>Entity-Specific Score</b>	<b>44/50</b>		<b>Entity-Specific Score</b>	<b>30/50</b>		<b>Entity-Specific Score</b>	<b>46/65</b>	
<b>E-Profile (30%)</b>	<b>74/100</b>		<b>S-Profile (30%)</b>	<b>68/100</b>		<b>G-Profile (40%)</b>	<b>80/100</b>	
<b>ESG Profile (including any adjustments)</b>						<b>75/100</b>		

### Preparedness Summary

The company's adequate preparedness is supported by our assessment of its excellent bottom-up culture and new rebranding strategy with six core values, and senior leadership's strong focus on health and safety issues. Renewi appears to have identified many long-term material risks to the business and created several mitigation and contingency plans, as well as analyzing additional risk factors and tail events through scenario modeling. The company's strategy could be affected by changes in law and policy requirements and the implementation of new regulations, as well as potential environmental liabilities.

### Preparedness Opinion

Adequate

### ESG Evaluation

ESG Profile **75/100**  
Preparedness Opinion **Adequate**  
Further Adjustment (if any)

Renewi has a strong focus on Environmental, Social and Governance

S&P are a world leading ratings agency, positioning themselves as experts in providing in-depth analysis underpinning their ESG and green evaluations

The awarded environmental profile is the highest awarded to date

Full report is available on our website



## Balance sheet

# Balance sheet



	Mar 17 €m	Mar 18 €m	Mar 19 €m	Sep 19 €m
Goodwill & other intangibles	684.9	699.3	605.6	602.1
Tangible fixed assets	720.2	710.8	629.1	580.3
Right-of-use assets	-	-	-	181.9
Non current PFI/PPP financial assets	193.5	189.9	149.8	143.5
Trade and other receivables	3.6	5.3	0.5	3.4
Investments	35.1	34.8	15.9	17.1
Pension surplus	-	-	-	5.1
<b>Non-current assets</b>	<b>1,637.3</b>	<b>1,640.1</b>	<b>1,400.9</b>	<b>1,533.4</b>
Investments	6.7	6.8	6.8	10.1
Working capital	(182.6)	(226.4)	(213.8)	(217.2)
Current PFI/PPP financial assets	15.6	15.4	6.0	5.7
Pension deficit	(31.5)	(25.4)	(11.9)	(10.1)
Taxation	(70.7)	(63.5)	(35.4)	(29.9)
Landfill related provisions	(132.6)	(133.6)	(138.9)	(140.0)
Onerous contract provisions	(53.9)	(109.5)	(94.9)	(76.3)
Other provisions and liabilities	(43.9)	(41.6)	(44.0)	(38.0)
Assets held for sale	0.4	0.4	121.9	46.0
Net core debt	(495.8)	(500.6)	(552.0)	(513.9)
IFRS 16 lease liabilities	-	-	-	(164.8)
PFI non recourse net debt	(101.8)	(94.6)	(95.4)	(89.3)
Derivative financial liabilities	(35.7)	(31.2)	(29.8)	(36.5)
<b>Net Assets</b>	<b>511.5</b>	<b>436.3</b>	<b>319.5</b>	<b>279.2</b>

- Goodwill relates to mainly historic Shanks acquisitions and to the VGG merger
- Right of use assets includes c€100m of long term leases for waterside facilities and c€80m for trucks and mobile plant
- Financial assets are mainly PFI facilities that are in SPVs and revert to the Councils at contract end
- Working capital is negative: payables exceed receivables and inventory is generally negative (deferred revenue or materials that are a liability to place)
- Landfill provisions relate principally to assets in Belgium
- Onerous contract provisions will be used over up to 25 years, somewhat front-end loaded
- Non-recourse debt is in the PFI SPVs and cannot under any realistic circumstances fall due for Renewi group: it is therefore excluded from debt calculations



waste no more