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Renewi plc (RWI)

Renewi plc: pre-close trading update

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Renewi plc pre-close trading update

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

Renewi, the leading European waste-to-product business, announces its pre close trading update for the year ended 31 March 2023 ahead of the results presentation on 25 May 2023.

Otto de Bont, Chief Executive Officer said:

"Trading in the final quarter of the year has been good and we expect year end profit to be slightly ahead of market expectations^[1]. We are pleased to see strong customer loyalty resulting in low churn and stabilising volumes. Inflation impact in the quarter was largely mitigated by our pricing strategy and cost control.

"In FY24 we will continue to focus on our strategic agenda. We will continue to deliver additional profit from the value drivers, which will offset the ongoing headwinds we have seen in the second half of 2022. While price levels of secondary materials have normalised, the inflation impacts on our business will continue but are expected to ease over the course of 2023. We are stepping up our commercial efforts to build on our leading position in Belgium and the Netherlands and grow in specific market segments, such as healthcare and construction and demolition."

Trading performance trends continued in Q4

In the Commercial Waste Division volumes showed slight recovery in the Netherlands and in Belgium the decline in volumes has moderated. Cost increases were mitigated by strong price management combined with cost controls and stable recycle prices.

The Mineralz & Water Division continued with good performance on the

As previously announced, following the positive outcome of the EU state aid investigation of Walloon landfills, we will release the €15m provision in FY23 as a credit to exceptional items.

Progress continued on the innovation pipeline during Q4 with Ghent commissioning ongoing and activity continuing to ramp up at both the Puurs and Acht sites, which are well on track.

Core net debt as at 31 March 2023 is expected to be around €370m and the leverage ratio around 1.9x in line with our expectations.

Outlook

Trading in the final quarter of the year has been good and we expect year end profit to be slightly ahead of market expectations. Whilst the macroeconomic outlook for 2023 remains uncertain, recycle prices and volumes are stabilising, pricing continues to compensate for cost inflation and we remain focused on increasing valorisation as we increase our recycling rate and the quality of our secondary raw materials. We are executing our growth investments and seeing further opportunities to deploy capital at attractive returns to meet circularity driven national and EU legislation and to drive market consolidation. The demand for higher quality low carbon secondary materials is steadily increasing, requiring more advanced production processes, which Renewi is developing. This will strengthen our market leading position in Europe's most advanced circular economies.

For further information:	
Paternoster Communications +44 20 3012 0241	Renewi plc +44 7976 321 540
Tom Buchanan	Adam Richford, Head of Investor Rela

About Renewi

Renewi is a pure-play recycling company with a focus on extracting value from waste and used materials rather than disposal through incineration or landfill. The company also plays a key role in limiting resource scarcity through the creation of secondary materials, and by so doing addresses both social and regulatory trends and contributes to creating a cleaner, greener world.

Renewi's vision is to be the leading waste-to-product company in the world's most advanced circular economies. With an industry leading recycling rate of

leader in Benelux and a European leader in advanced recycling.

Visit our website for more information: www.renewi.com.

[1] Consensus expectations are for underlying Group FY23 Revenue of €1.9bn, EBITDA of €254m and EBIT of €127m. See Analysts & Coverage section of the Renewi investor relations website for more details

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