

## Renewi plc

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#### **FOR IMMEDIATE RELEASE**

28 September 2023

#### **Renewi PLC** ("Renewi" or the "Company")

##### **Further response to possible offer announcement by Macquarie Asset Management ("Macquarie")**

Earlier today, the Board of Directors of Renewi (the "Board") confirmed it had received an unsolicited and highly conditional non-binding proposal from Macquarie in relation to a proposed all-cash offer of 775 pence per Renewi share for the entire issued, and to be issued, share capital of the Company to be made by funds managed or advised by Macquarie (the "Proposal"). The Proposal, which was subject to the satisfaction of a broad number of pre-conditions, including the completion of due diligence, was firmly rejected by the Board of Renewi.

The Board is confident in the Company's future and, in particular, the significant value creation opportunity it expects to realise for its shareholders from the delivery of its medium-term plan. In its Capital Markets Day on 4 October 2023, the Company will reinforce the significant growth opportunity available to the Company, and provide further details of the Board's strategy focussing on several key initiatives that are expected to catalyse value for shareholders through the strengthening of Renewi's financial and operational platform.

- **Dedicated commercial plans to drive 5%+ top line growth:** Supported by the Company's strong commercial proposition and the strategic positioning of its core segments, Renewi has established dedicated commercial plans to drive organic top line growth. It expects to grow market share through superior customer propositions, further expansion of recycling capabilities, and further enhancement in the second material production quality to capitalise on a growing market opportunity for low carbon secondary materials. While maintaining disciplined capital allocation, the strong sectoral tailwinds combined with Renewi's attractive positioning give the Board confidence that significant shareholder value can be realised from delivery of growth opportunities over the coming years.
- **Sustainable improvement in margins:** Renewi has initiated a series of near-term initiatives to enhance efficiency through simplification of the organisation, streamlining administrative processes and fostering a culture of continuous improvement. These actions will be supplemented by progress in Renewi's digital agenda, focused on further improving customer related processes, digitising its back offices and upgrading its asset management capabilities. Delivery of these initiatives is expected to drive sustainable long-term margin improvement, towards the Company's target of high single digit % EBIT margin.
- **Improving Cash Conversion:** The Company is targeting a material improvement in free cash generation, to reach a conversion ratio of 40% of EBITDA by FY26 <sup>(1)</sup>, through a removal of legacy costs and reduction in exceptional costs as well as a move to higher asset utilisation, leading to lower capex. This improved cash generation will enable the Company to operate a more dynamic capital allocation strategy that encompasses both investment-driven growth and improved shareholder returns.

- **Strategic evaluation of Renewi's UK Municipal business:** In line with Renewi's strategic commitment to sharpen its portfolio focus on its core competence in the sorting and treatment of commercial waste, a comprehensive review of its UK Municipal business is being undertaken. The Company is actively exploring a range of options to achieve an exit from this segment, with an outcome targeted during the first half of 2024. The Board believes the Company's ongoing exposure to this segment is a key impediment to shareholder value creation and believes significant operational, financial and capital allocation benefits will be derived from delivery of a successful exit.

Renewi has confidence that delivery of its standalone operational plan will realise value for all its stakeholders, including significant value upside for its shareholders, and that its delivery offers a materially superior opportunity than the proposal from Macquarie. The Board therefore does not believe the Macquarie proposal to be in the interests of Renewi's shareholders, taken as a whole.

Accordingly, the Board strongly urges shareholders to take no action at this time.

For the purposes of Rule 2.5(a) of the Code, this announcement has been made without the consent of Macquarie.

In accordance with Rule 2.6(a) of the Code, Macquarie is required, by not later than 5.00 p.m. on 26 October 2023 (being 28 days after today's date), to either announce a firm intention to make an offer for the Company in accordance with Rule 2.7 of the Code or announce that it does not intend to make an offer for the Company, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. This deadline can be extended with the consent of the Panel on Takeovers and Mergers in accordance with Rule 2.6(c) of the Code.

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#### Notes:

1. Conversion ratio target assumes elimination of legacy cash costs related to UK Municipal business, COVID tax deferrals and shipment of Mineralz & Water TGG coming to an end.

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*Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

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*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at <http://www.thetakeoverpanel.org.uk>, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.*

### **Publication on Website**

*In accordance with Rule 26.1 of the Code, a copy of this announcement will be made available at <https://www.renewi.com> by no later than 12 noon (London time) on the first business day after the date of this announcement. The content of the website referred to above is not incorporated into and does not form part of this announcement.*

### **Rule 2.9 Disclosure**

*In accordance with Rule 2.9 of the Code, the Company confirms that as at the date of this announcement, it has in issue 80,255,720 ordinary shares of £1.00 each with ISIN number GB00BNR4T868.*

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