

UK Regulatory | 25 April 2024 08:00

Renewi plc (RWI)

Renewi plc: Pre-close trading update

25-Apr-2024 / 07:00 GMT/BST

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**Pre-close trading update**

Renewi plc ("Renewi" or the "Group") (LSE: RWI.L: Euronext Amsterdam: RWI.AS), a leading European waste-to-product company, today provides an update on the Group's performance for the year ended 31 March 2024 ("FY24").

### **Overview**

The Group has continued to deliver against the strategic priorities previously communicated at Renewi's Capital Markets Day ("CMD") in October 2023. The Group is anticipated to report FY24 results in line with current market expectations.<sup>[1]</sup> Strong performance in three out of four divisions was coupled with cost actions across the Group, amid a challenging operating environment for Commercial Waste Netherlands. Recyclate prices were largely stable through the second half.

### **Delivery against strategic objectives**

#### *Further optimisation of portfolio*

Mineralz & Water continued its recovery, with overall performance being slightly ahead of the original recovery plan. Waterside operations demonstrated strong performance. On the soil side, the ramp-up initiated in Q2 continued to progress in line with expectations throughout the second half of the financial year. In Q4, end-of-waste

### *Stronger platform*

As set out at the CMD, cost reduction and efficiency in both the short and longer term, remains a key focus for the Group. Renewi launched its Simplify programme in Q3, with the full targeted run-rate impact of €15m in SG&A costs reached in Q4, contributing to our medium term objective of delivering high single digit EBIT margins.

Additionally, during FY24, Renewi embarked on its Future Fit digital programme, a strategic initiative expected to increase operational efficiency, asset utilisation and customer satisfaction, also supporting the Group in achieving its medium-term margin ambitions.

In order to accelerate growth and increase efficiency, as of 1 May 2024 Renewi will streamline its senior leadership structure<sup>[2]</sup> and merge Commercial Waste Netherlands and Belgium under a single leader focused on delivering our strategic growth agenda. Mineralz & Water will become a part of our Specialities division<sup>[3]</sup>.

### *Organic growth*

Trading conditions for the Commercial Waste division remain mixed, with volumes stable in H2 versus H1. The Belgian operations benefitted from resilient demand and regulatory tailwinds, including the Vlarema8 enforcement in Flanders. In the Construction and Demolition sector of Commercial Waste Netherlands, volumes picked up slightly versus H1 but results remained impacted by the broader regional weakness. Against this backdrop, Renewi intensified its sales approach to small-to-medium sized enterprises and targeted sectors, showing promising initial results. During the period, the Group also announced its partnership with Vattenfall, a Swedish energy company. Vattenfall will purchase more than 7.5m m<sup>3</sup> of green gas annually from Renewi organics. Renewi is expected to start supplying green gas in Q1 of FY25. The new hard plastics advanced sorting line in Acht, Netherlands was officially opened in Q4 and is expected to operate at 24,000 tonnes per year throughput as of FY25.

## FY24 financial summary

Group revenue for FY24 will be slightly lower year-on-year, as expected, reflecting the mixed market backdrop and lower recyclate pricing. The benefit of ongoing cost reduction, digitisation, execution of strategic initiatives and strong momentum in several of the Group's businesses is expected to result in an improved underlying EBIT margin performance in H2 versus H1. As a result, the Group is anticipated to report FY24 results in line with current market expectations.<sup>1</sup>

Cash performance was stronger in H2 as a result of working capital management actions, the sale of the Hemweg site in Amsterdam<sup>[4]</sup> and the postponement of the commissioning of an advanced sorting line in Puurs.

Core net debt<sup>[5]</sup> was €367m at 31 March 2024.

A modest dividend is expected to be paid out for FY24.

## Notice of FY24 results

On 30 May 2024, Renewi will announce its full-year results and publish its annual report for FY24. [https://brrmedia.news/RWI\\_FY](https://brrmedia.news/RWI_FY)

### For further information:

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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 a recycling rate of 64% which we believe to be among the highest in Europe, Renewi puts 7m tonnes of low carbon secondary materials back into reuse. This is a significant contribution to climate change mitigation and the circular economy. Our recycling protects virgin resources and avoids emissions of more than 2.5 million tonnes of CO<sub>2</sub>.

Renewi, which draws on innovation and the latest technology to turn waste into useful materials - paper, metals, plastics, glass, wood, building materials, compost and water - employs over 6,500 people who work on 154 operating sites in 5 countries across Europe and the UK. Renewi is recognised as a market leader in Benelux and a European leader in advanced recycling.

Visit our website for more information: [www.renewi.com](http://www.renewi.com).

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<sup>[1]</sup> Consensus as published on Renewi's website - <https://www.renewi.com/en/investors/investor-relations/analyst-coverage-and-consensus>

<sup>[2]</sup> Our ExCom will be transformed to an Executive Leadership Team of six: CEO, CFO, COO Commercial Waste, COO Specialities, Chief Strategy Officer and CHRO.

<sup>[3]</sup> Components of the new Specialities division; Maltha, Coolrec, Mineralz & Water and UK Municipal will be reported separately in subsequent financial reporting.

<sup>[4]</sup> Renewi Westpoort was acquired from Paro in August 2023 and consisted of multiple sites. The site sold in H2 became redundant because of the location of the Westpoort sites.

<sup>[5]</sup> Core net debt used for banking leverage calculations excludes the impact of IFRS 16 lease liabilities and UK PPP net debt.

ISIN:	GB00BNR4T868
Category Code:	QRT
TIDM:	RWI
LEI Code:	213800CNEIDZBL17KU22
Sequence No.:	317743
EQS News ID:	1888539

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