Advancing circularity together

Renewi plc
Summary Report 2024

Advancing circularity together

Our purpose

To protect the world by giving new life to used materials.

Our vision

To be the leading waste-to-product company in Europe's most advanced circular economies, contributing to a sustainable society for all our stakeholders: customers, suppliers, local communities, employees, regulators, governments, investors and lenders.

Unless otherwise stated, all financial results throughout this report are shown without UK Municipal, as these activities are classified as "Asset Held for Sale". Non-financial metrics are shown including UK Municipal.

Summary report

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Find out more about us and the work we are doing to create a zero waste world by visiting our website at www.renewi.com

FY24 highlights

Financial highlights

Revenue from continuing operations*

€1,689.2m

FY23: €1,703.9m

Underlying EBIT from continuing operations*

€105.5m

FY23: €131.7m

Result for the year**

€30.9m loss

FY23: €66.6m profit

Leverage ratio

2.14x

FY23: 1.83x

Non-financial highlights

Recycling rate

63.2%

FY23: 63.7%

Carbon avoidance per tonne

237kg CO_2e/T

FY23: 232 kg/T

Scope 1 & 2 carbon footprint

577kT CO_2e

FY23: 604kT

* Following the decision to show the UK Municipal business as asset held for sale and a discontinued operation numbers are presented on a continuing basis and comparatives for FY23 have been restated. The definition and rationale for use of non-International Financial Reporting Standards (IFRS) measures are shown in note 8.3 in the consolidated financial statements.

** As a result of accounting for the UK Municipal business as asset held for sale which has led to an exceptional charge of €64.5m.

Moving ahead

Otto De Bont
CEO

"We made strides in optimising our portfolio to position Renewi for future growth. We invested in the future by opening state-of-the-art lines and launched initiatives to make our company stronger."

Our business today

Group overview

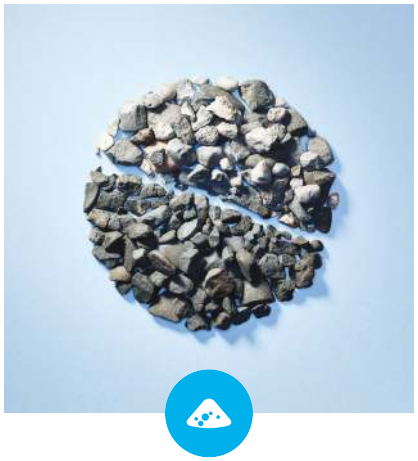
Renewi is a leading pure-play waste-to-product company that gives new life to used materials every day, contributing to a cleaner, circular world in which we 'waste no more'. We have more than 6,000 employees working at 154 operating sites across Europe, and our extensive operational network enables us to always be close to our customers.

We use innovation and the latest technology to push the limits of how much can be recycled, with a vision of a world where all waste is circular. Our focus is extracting value from waste that in the past would have been incinerated or sent to landfill. The result is less waste and contamination, smarter use of raw materials and a direct contribution to a lower carbon economy through the production of secondary raw materials and by avoiding carbon emissions. Renewi shares are listed both on the London Stock Exchange and Euronext Amsterdam.

Our business divisions

Commercial Waste

Comprises industrial and commercial waste collection and processing and secondary materials production across the Netherlands and Belgium. Key activities include the processing of mixed waste streams and monostreams into high-quality recyclates and turning organic waste into biogas and bio-LNG.



Mineralz & Water (M&W)

Comprises our activities of processing and cleaning contaminated soil and tar and turning it into building products such as gravel, sand and filler. It also includes cleaning of bottom ash and contaminated water, as well as our packed chemical waste processing activities. This division operates in the Netherlands and Belgium.

Specialities

This division operates in Belgium, the UK, the Netherlands, France and Portugal and comprises three businesses: Maltha glass recycling, Coolrec – speciality Waste and Electrical and Electronic Equipment (WEEE) recycling – and UK Municipal public-private partnership contracts (PPI), now classified as Asset held for Sale.

Our values

Who we are

Safe
Safety above all else

Sustainable
Make a daily difference to our planet

Innovative
Do it better every day

How we act

Accountable
Do what we say we'll do

Customer focused
Add value to our customers

Together
Always open and respectful

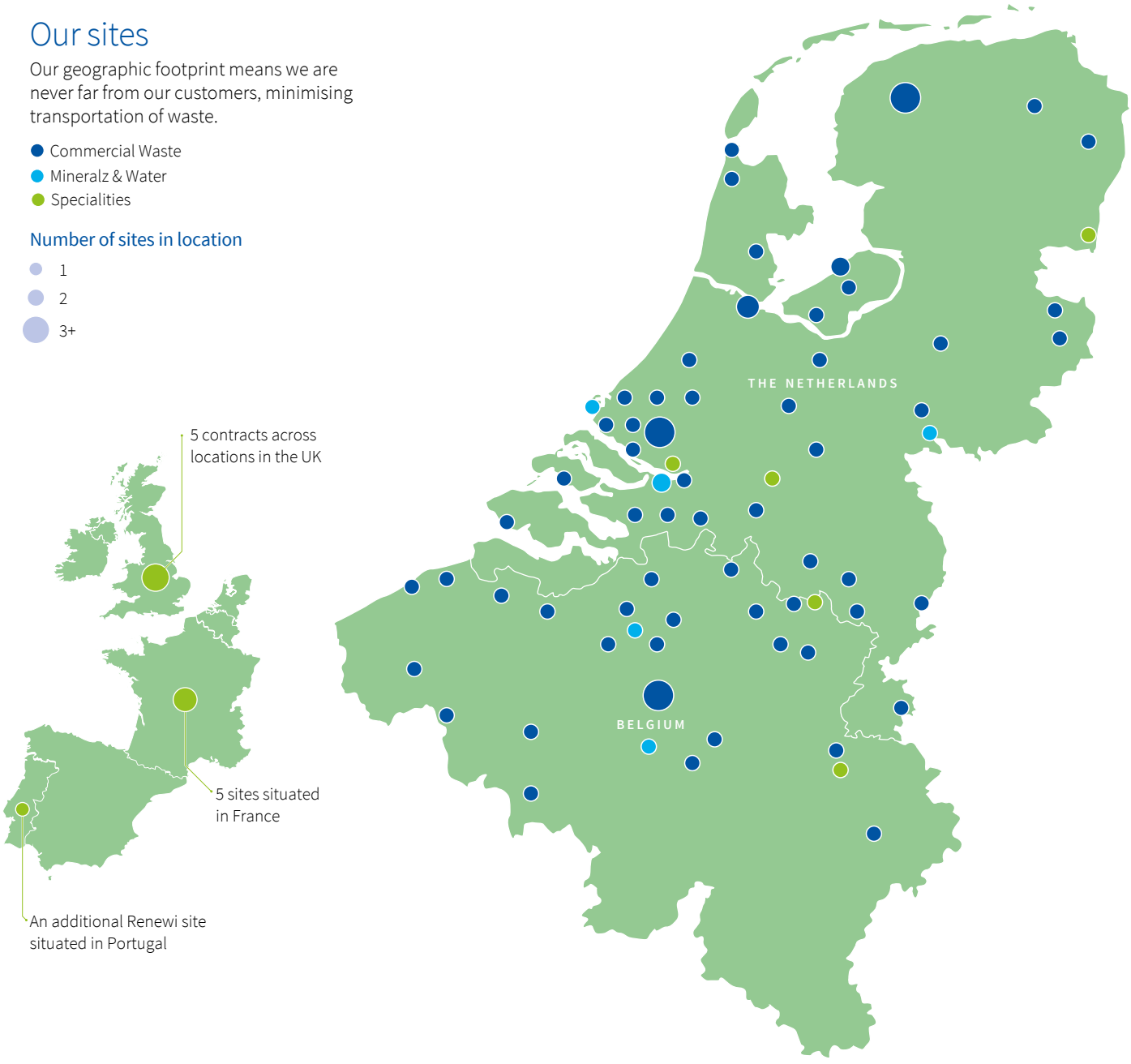
Our sites

Our geographic footprint means we are never far from our customers, minimising transportation of waste.

- Commercial Waste
- Mineralz & Water
- Specialities

Number of sites in location

- 1
- 2
- 3+



Number of operating sites

154

Volume of recycled material FY24

6.6mT

Volume of waste handled FY24

10.4mT

Making airports waste-free by 2030

In FY24 we began our eight-year collaboration with Amsterdam Airport Schiphol, Rotterdam The Hague Airport and Seenons waste management, taking charge of waste processing and recycling of waste flows at both airports.

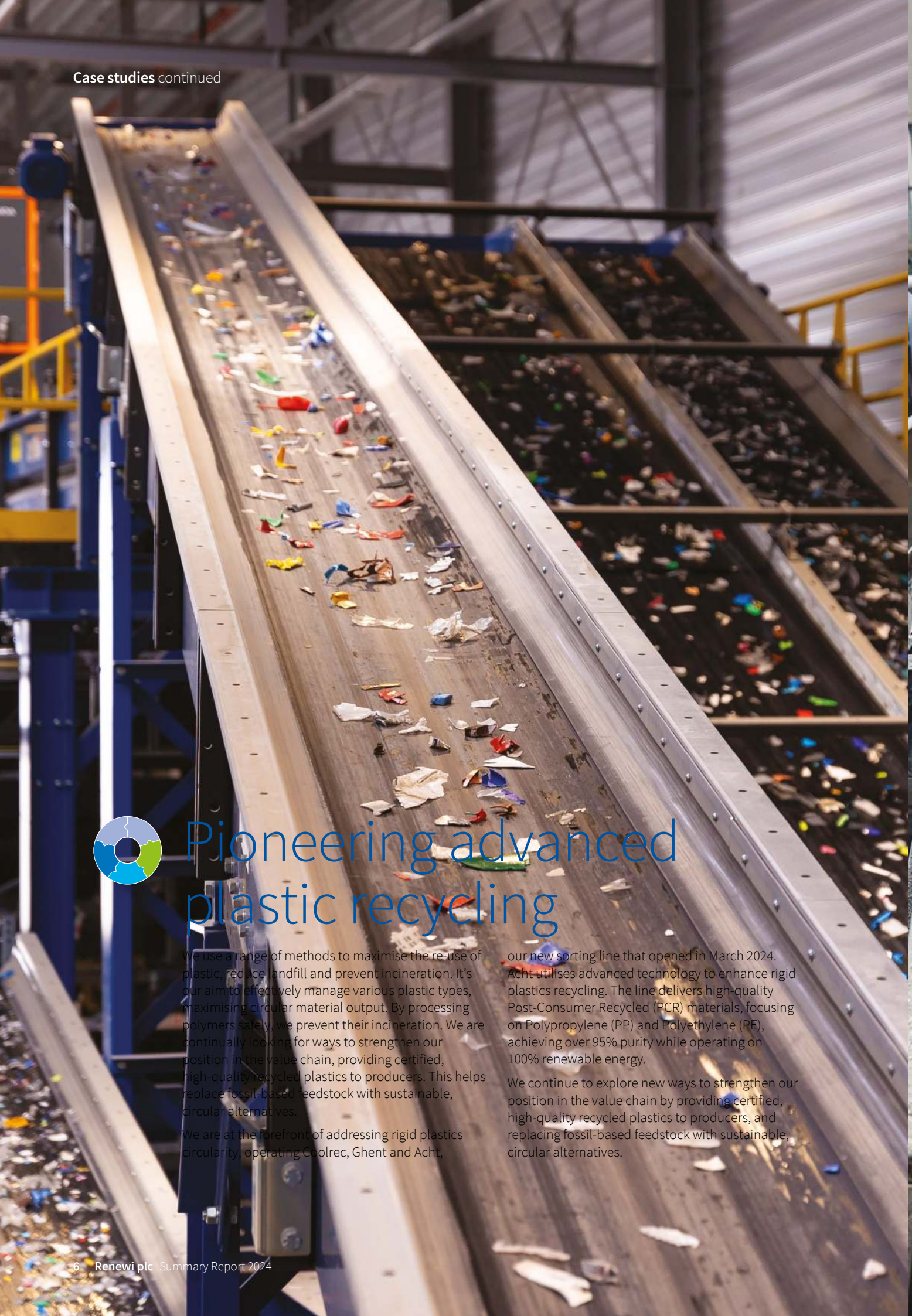
Our goal is to make both airports waste-free* by 2030 and push for full circularity by 2050.

* 'Waste-free' is Schiphol's definition of an airport that has no residual waste; only waste streams that are fully reused or recycled.

Recycling healthcare waste

We've continued to partner with GreenCycl and last year acquired 40% of their shares to help improve sustainability practices within the healthcare industry, aiming to increase circularity and reduce carbon emissions. Our focus is on collecting disposable and reusable medical equipment from hospitals across the Netherlands, which we then transfer to GreenCycl for processing. The discarded instruments require specialist sorting before being repurposed back into medical equipment and sold to hospitals or suppliers.

Our collaboration with GreenCycl has yielded promising results, demonstrating the capability to restore 85% of surgical instruments to pristine condition through efficient collection, handling and recycling processes. Beyond recirculation, our joint initiative has also led to significant cost savings for healthcare facilities and helped them improve their sustainability practices.



Pioneering advanced plastic recycling

We use a range of methods to maximise the re-use of plastic, reduce landfill and prevent incineration. It's our aim to effectively manage various plastic types, maximising circular material output. By processing polymers safely, we prevent their incineration. We are continually looking for ways to strengthen our position in the value chain, providing certified, high-quality recycled plastics to producers. This helps replace fossil-based feedstock with sustainable, circular alternatives.

We are at the forefront of addressing rigid plastics circularity, operating Coolrec, Ghent and Acht, our new sorting line that opened in March 2024. Acht utilises advanced technology to enhance rigid plastics recycling. The line delivers high-quality Post-Consumer Recycled (PCR) materials, focusing on Polypropylene (PP) and Polyethylene (PE), achieving over 95% purity while operating on 100% renewable energy.

We continue to explore new ways to strengthen our position in the value chain by providing certified, high-quality recycled plastics to producers, and replacing fossil-based feedstock with sustainable, circular alternatives.

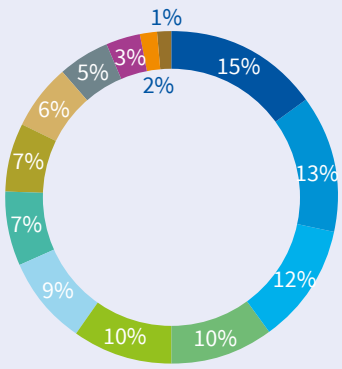
Sustainable glass production

In FY24, the Maltha Group embarked on a strategic collaboration in Portugal with Vidrala, a glass packaging and manufacturing company, to increase sustainability in glass production. The aim was to enhance the quality of cullet – glass that has been crushed or imploded for re-use – used in the process of bottle manufacturing. As a result, we have seen improvements that not only bolster the efficiency of the melting process but also significantly reduce the energy consumption and overall carbon footprint of Vidrala's furnace. Maltha and Vidrala continue to work together to increase supply and further innovate the glass recycling process.

Our customers

We see our customers as partners. Their needs define our services, and their success is also ours. Renewi's customers fall into two main categories: inbound and outbound.

Inbound revenue by sector*



* Revenues from continuing operations

Inbound

Across the Group, our inbound customers include small and medium-sized businesses, construction companies, corporations, government ministries and organisations, healthcare and educational institutions, wholesale and retail shops, restaurants and leisure organisations. We also have customers who are secondary disposers which are smaller, mostly regional waste collection companies that have no recycling capacity themselves. We have a large, diverse base of more than 150,000 inbound customers, with our largest customer representing approximately 1% of total revenues from continuing operations. Our inbound customer services vary considerably between the divisions.

Commercial Waste

For our inbound Commercial Waste customers, we collect waste on a subscription basis, manage post-collection sorting and provide an array of practical and consultancy services, such as advice on residual waste reduction and optimal sorting into monostreams. In return, these customers give us access to waste streams from which we collect and process materials for their second life cycle.

Mineralz & Water

Mineralz & Water inbound customers are typically large construction companies who bring tarmac from roadworks and (chemical) manufacturing sites who bring their contaminated soil. For the water business, we serve (petro) chemical companies who bring their sludge and wastewater for cleaning, incidental wastewater and industrial production for purification and cleaning to Renewi. National and international packed chemical waste collectors and producers bring their specialised packed chemical waste for pyrolysis treatment.

Specialities

Maltha takes its incoming volumes from various manufacturing companies through a tolling arrangement and various other companies in different countries through local municipalities.

Coolrec inbound customers primarily constitute e-waste Extended Producer Responsibility schemes. These are looking for a compliant, circular and traceable processing partner. Additional volumes are processed directly from OEMs.

UK Municipal collects, recycles and disposes of household and commercial waste for five municipalities in the UK, its inbound customers are the Councils of these municipalities.

Outbound

Across the Group, we have close to 1,000 outbound clients who rely on us to produce specific grades of circular materials to support their manufacturing processes. With extended contract durations for materials, there's an opportunity to enhance the value of products by customising them to better meet the needs of the end customers.

We occasionally purchase waste streams where supply from our inbound streams is insufficient, typically glass, wood, and plastics when necessary for our processes. These suppliers are typically traders and secondary disposers.

Commercial Waste

Commercial Waste's outbound customers are purchasers of raw materials such as traders, compounders, processors and manufacturers. Buyers of our outbound Commercial Waste products are suppliers to the concrete industry, manufacturers of particle board, glass manufacturers and plastics producers. In most cases, our client uses the recyclates to produce components which are then sold on to manufacturers, but in some cases we also have contracts with the manufacturer.

Mineralz & Water

Outbound customers for Mineralz & Water are typically civil construction and engineering companies in the Netherlands and abroad that use our Forz®Sand T in elevation projects as well as concrete producers who purchase Forz®Sand T, Forz®Gravel and Forz®Filler as ingredients for their sustainable concrete applications. While in the past we paid partners to offtake our outbound mineral product of thermally treated soil (TGG), today our new products of sand, gravel and filler for the concrete market shift the balance of the outbound product value to positive.

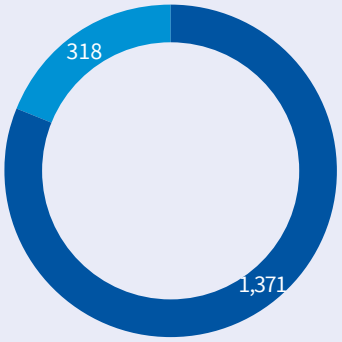
Specialities

Maltha outbound customers are mainly manufacturing companies for glass that is processed and then sent to the clients' furnaces. Maltha also works with various companies in different industries for the rest of the products it recycles in the process.

Main outbound products for Coolrec are plastics and metals. Plastics are sold either directly to producers such as Electrolux or Playmobil, or to distributors or other intermediaries such as compounders. Metals are sold to metal smelters or to metal recyclers.

UK Municipal outbound products are circular materials like wood, glass, metal and plastics, which are sold to traders, compounders, smelters and others.

FY24 group revenue from continuing operations (€m)



Our high quality recycled plastic from fridge liners is pure enough for use in toys.

Investment case

Renewi is the only pure-play recycler and has a market-leading position in Benelux. We have attractive growth and margin ambitions in our core businesses and our strategy is to deliver organic sales growth through market share gains, increased recycling rate and new technology solutions.

Opportunities

- Long term, structural regulatory and customer demand drivers underpin accelerating demand for recycling solutions
- Experienced and committed management team with track record of value creation at Renewi
- Potential to deliver increased and sustainable margins, cash generation
- Commercial agility and innovation underpin organic growth ambition of >5% per annum
- Opportunity to enhance shareholder returns through investment, acquisition and capital returns
- Enabler of the circular economy realising meaningful carbon avoidance across the ecosystem

Shareholder value

Renewi's disciplined capital allocation framework is focused on driving shareholder value while targeting a conservative balance sheet with a 2.0x leverage target. Our return to sustained positive free cash flow will support a dynamic and sustainable capital allocation policy, enabling us to:

- reinstate the ordinary dividend, with a progressive policy targeting sustainable growth while maintaining underlying earnings cover of 3.0-4.0;
- invest ~30% of free cash flow annually into capex for innovative growth projects with return hurdles at least in line with the Group target of 16% pre-tax;
- target value accretive bolt-on acquisitions in the medium term; and
- make supplemental returns to shareholders in the form of share buy-backs or additional dividends where the Board determines there is excess capital beyond the Group's near-term investment requirements.

Our strategic progress is driven by…

Short-term priorities

Optimise our portfolio

Build a strong platform for growth

Drive organic growth

Medium-term targets

High single-digit Underlying EBIT margin

Free cash flow/EBITDA conversion* >40%

ROCE >15%

Organic annual revenue growth >5%

* Cashflow before dividends, growth projects and M&A.

1. Attractive growth outlook underpinned by strong regulatory and customer demand tailwinds

Increasingly strict regulation and sustainability targets

50%*
reduction in material footprint by 2030 in NL

55%**
Plastic packaging recycling rate by 2030

Increasing sustainability requirements by companies and consumers

2. Market leader, at the forefront of recycling technology in the most advanced recycling markets

#1
Commercial waste
Netherlands and Belgium

#1
Fridge dismantling
Netherlands and Belgium

3. Strong partner – customer relationships and value proposition drive commercial momentum

4. Unmatched footprint with hubs close to customers and state-of-art recycling sites benefitting from scale

154
Key facilities

500k
Containers and bins

1,814
Vehicles

5. Significant investments made to take advantage of growth opportunity

>€40m
Growth capital spent over last 2 years

Advanced sorting lines
Biogas Facility
Refitting ATM

* Circular Dutch Economy by 2050.
** Packaging and Packaging Waste Directive.

Vision and strategy

Our vision is to be the leading waste-to-product company in Europe. We plan to achieve this by establishing ourselves as leaders in recycling and secondary materials production, while strategically expanding our market share. Our primary objective is to facilitate the transition to a circular economy, thereby reducing carbon emissions while fostering social responsibility. Our strategic plan is based on three pillars and aims to grow profitability, accelerate cash conversion and deliver attractive returns to our shareholders.

Our vision is based on these guiding principles:

To be the leading recycler in Europe

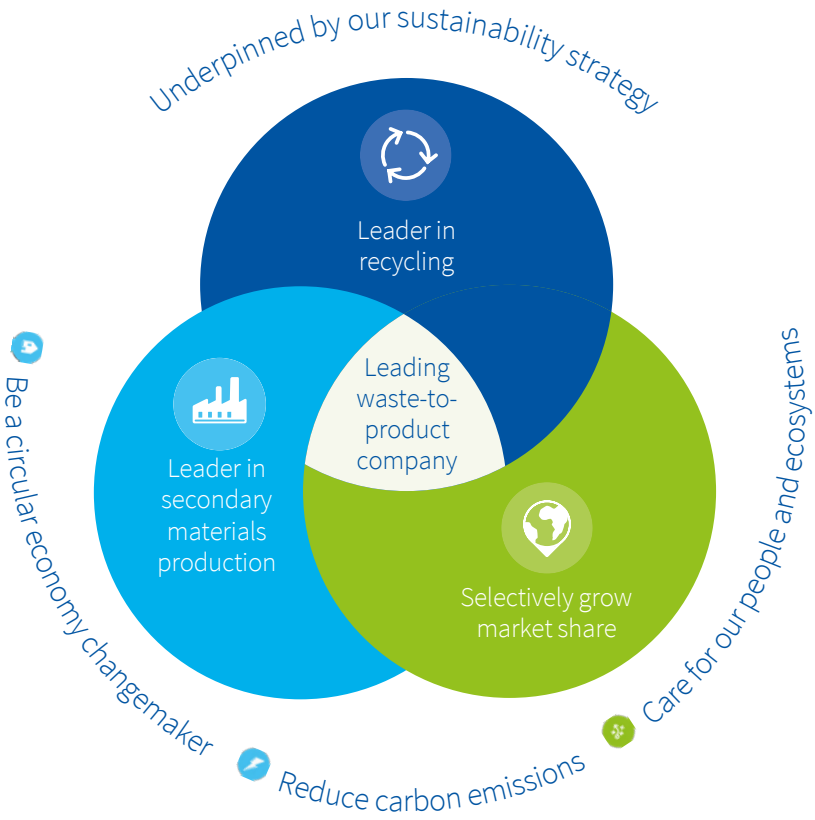
- Extend our industry-leading position to achieve 75% recycling rates
- Divert more volumes of waste away from incineration
- Develop new recycling technologies and partnerships

To be the leading producer of low-carbon secondary materials

- Invest in advanced technology to produce high quality, low-carbon secondary materials to replace virgin sources

To grow our market share

- Develop partnerships with leading companies
- Invest in advanced treatment capacity
- Offer superior customer propositions
- Consolidate market position over time



Our priorities to drive sustainable shareholder growth

1. Optimise our portfolio

The first priority of our strategy is to optimise our portfolio. Our portfolio serves as a robust foundation for growth and we are continually exploring avenues for further optimisation.

In reviewing our portfolio, our main priorities in FY24 were recovery of ATM (part of Mineralz & Water) and a strategic review of UK Municipal (part of Specialities). Going forward, Renewi will continue to focus on organic expansion of its activities and over the medium term value-accretive bolt-on acquisitions.

Our portfolio optimisation is progressing well with the completion of the strategic review of our UK Municipal business, resulting in a sale of our UK Municipal future activities to Biffa Limited, unburdening our cashflow and freeing up management focus to realise our growth ambitions for the core business. We are also on track to complete the performance improvement of Mineralz & Water within the envisaged timeframe through the growing uptake of our new materials. The new Mineralz & Water product line – sand, gravel and filler, have been created with the specific needs of the cement and construction industries in mind and are in the process of receiving End of Waste certification which will further open the market for their sales. We expect this recovery of Mineralz & Water to continue through FY25 and FY26.

2. Build a strong platform for growth

Digitisation

Future Fit is our efficiency and digitisation programme, building on the results of Renewi 2.0, where Digital Core and business harmonisation come together to realise our growth ambitions. With Future Fit we are working on the future of Renewi. This will enable us to improve our services, raise our customer satisfaction and employee engagement. Future Fit will support our growth ambitions and strengthen our position in the markets we operate.

Our programme priorities are as follows:

- Improvement in our sales operations
- Digital enablement to realise our ambition to become a waste to product company
- Harmonising our business model and unleashing the potential of the data that we generate and becoming a truly data driven company

This programme will impact all of Renewi. Our focus in FY25 is to prepare for the roll out in the business which will start in FY26.

3. Drive organic growth

The third strategic priority is to drive organic growth. Across our divisions, ambitious growth targets have been set that will be driven by increasing volumes and recycling rates as well as by targeting attractive sectors and waste streams. One way of increasing revenues is by increasing our recycling rate, in line with our Mission75 objective.

In FY24, we added advanced sorting capabilities to our Belgian operations, in response to the increased recycling regulations from VLAREMA 8 legislation in Flanders. Early results show that these facilities improve recycling rates significantly. To ensure volumes, we worked with the Flemish authorities on how best to enforce VLAREMA 8. The authorities adopted our suggestion that enforcement at incinerators is most efficient.

In the Netherlands, where volumes were declining due to macroeconomic developments impacting the Dutch construction sector, a targeted sales strategy was launched. This sales strategy for Commercial Waste Netherlands targets specific sectors such as health care, construction & demolition and retail, as well as material streams including minerals, plastics and medical waste.

Maltha has been investing in upgrading and improving its installations across the group. The focus of the group is to become the producer of the best quality cullet in Europe and the supplier of choice to all glass producers. The technology upgrades have also had positive effects on the CO_2 emission reductions as they are more energy efficient, supporting our clients' own sustainability targets and visions.

Our sustainability strategy

Being a circular economy change maker

We want to be a driving force in the transition towards a circular economy, in which waste is no more but is turned into new products and materials.

Reducing our carbon emissions

We understand the urgency in reducing carbon emissions. Renewi has started it's journey toward net-zero with SBTi by setting up carbon reduction goals across its scope 1, 2 and 3 by 2030 (FY31).

Caring for our people and ecosystems

We have a responsibility to deliver our employees home safe and well, to create a rewarding, equal and inclusive working environment, and to have a positive impact on our communities.

While there is widespread support for the aims and practice of the circular economy, a recent report reveals a concerning trend. The Circularity Gap Report shows that the global economy's use of secondary materials has decreased from 9.1% in 2018 to 7.2% in 2023 – a 1.9% drop over five years.

These findings underscore the increasing importance of our efforts to prevent the loss of valuable materials from a global perspective. To maximise our impact, we have strategically focused our resources and expertise on the sorting and recycling segment of the circular economy. This makes us a leading source of guidance on scaling up resources and addressing the tough challenges often involved in closing the loops created by the technological cycle. Therefore, in cases where options such as 'avoid', 'reuse', and 'refurbish' have not gained traction, we remain committed to taking the necessary actions to ensure the physical properties of precious materials continue to deliver sustainable value.

Recycling rate and journey towards our Mission 75

At the end of FY24 we had a recycling rate of 63.2% During the same year, we diverted 9.7 million tonnes of waste from landfill, significantly outweighing the 3.2 million tonnes of materials sent to incineration for energy recovery. In total, we successfully ensured that 6.6 million tonnes, or 63.2% of the materials we handled, contributed to material cycles, either as ready-to-use secondary materials or as high-quality pre-processed ingredients for transforming the materials in our supply chain. We are further developing our Mission 75 programme, which aims to raise our recycling rate to 75%.

Our alignment to the UN SDGs

At Renewi, we prioritise 6 of the 17 UN Sustainable Development Goals (SDGs), launched in 2015 to “achieve a better and more sustainable future for all” through bringing the world together, eradicating poverty and tackling climate change.

Aligned to UN SDGs

ESG accreditations and ratings

We use the advice and insight gained from third-party ratings and standards to measure and guide our ESG performance. This ensures we are always benchmarked to current best practices in management to meet stakeholders' expectations.

Recognition of our work

Our work was acknowledged with several awards in FY24. In Belgium, we won the Trends Impact Award in the Circular Economy category, which recognised our innovative sorting installations and compliance with VLAREMA 8 legislation. Meanwhile, Coolrec won first prize at the Plastics Recycling Show Europe for its refrigerator made with recycled plastics and, at Express PME Caixa, Maltha took the PME Revelation award in the Energy and Environment activity sector, recognising its commitment to the circular economy.

Guidance

GRI

Renewi reports on its non-financial metrics with reference to the GRI. This important international benchmark is one of the criteria for UN Global Compact membership and is recognised as best practice for non-financial reporting. The GRI standards we report on include emissions, energy consumption, diversity and safety.

UN Global Compact

Renewi is an Advanced level reporter of progress towards the UNGC Ten Principles and has pledged to continuously pursue improvements in the key areas of the environment, human rights, labour and anti-corruption.

TCFD

We are working towards full adoption of the guidance and further improving our understanding of climate-related risks and opportunities.

SBTi

In 2023, Renewi committed to submit near-term targets to the SBTi. This is the first step towards our net zero carbon emission reduction goals for meeting the maximum 1.5°C global warming target, as set out in the Paris Agreement.

Renewi is currently waiting for its targets to be reviewed and approved by the SBTi.

Performance scores

CDP

C

We have been participating in the largest corporate disclosure project for several years[1]. In FY24, we maintained the score C for our corporate transparency on climate change, having seen an improvement in the scoring of the underlying score elements versus last year.

S&P

33

S&P global ratings have in prior years recognised the sustainability-oriented business model of Renewi, our contribution to the circular economy and our efforts to lower GHG emissions. In FY23, in contrast to previous years, our sustainability rating decreased significantly, and we are investigating the reasons behind this result. Going forwards, we aim to address any perceived issues and return to the higher rating ranges.

1. To learn more about CDP scores, visit https://www.cdp.net/en/scores.

Audits and validations

ISO

100% of our Commercial Waste and Specialities sites and 86% of our Mineralz & Water sites are certified under the ISO 14001 standard for environmental management and certification is planned for one remaining uncertified M&W site.

ISAE

Our Scope 1&2 emissions have been limited assured under the ISAE 3410 standard since FY22. This year, the assurance for FY22 and FY23 was reissued following retrospective data corrections.

PSO Ladder

The Performance Ladder for Social Entrepreneurship (PSO in Dutch) has been developed to provide insight into the extent to which companies contribute to the employment of people with a vulnerable labour market position.
The Performance Ladder has 5 levels: Aspirant, Basis, Level 1, 2, and 3.

Renewi's activities in the Netherlands are certified Level 1.

EcoVadis

This platform evaluates the quality of sustainability management in our local entities, focusing on policies, procurement practices, labour standards and other responsible business aspects specific to the size and location of the entity, with an industry-specific angle.

Our Commercial Waste divisions have been both awarded a silver medal with a score of 55/100 in Belgium and 66/100 in the Netherlands

CO_2 Performance Ladder

The Dutch government has endorsed this carbon management system and it is now being adopted in Belgium and other countries. Thanks to the standardisation of our GHG calculation carried out in FY23, Renewi was able to extend its CO_2 Performance Ladder certification by SKAO (Stichting Klimaatvriendelijk Aanbesteden & Ondernemen) to the entire non-UK business in FY24.

Renewi proudly maintains Level 4 certification out of 5 levels available.

Stock market

LSE Green economy mark

Renewi continues to be recognised by the LSE as one of the issuers driving the green economy in the FY24 cohort.

FTSE4Good

Renewi maintained its position on the FTSE4Good index for the 5th year running in FY24.