

**Renewi plc****WKN:** 876457 **ISIN:** GB0007995243 **Land:** United Kingdom**Nachricht vom 28.01.2022 | 08:00****Renewi plc: Third Quarter Trading update and material upgrade to expectations**

Renewi plc (RWI)

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**28 January 2022****Renewi plc****("Renewi", the "Company" or, together with its subsidiaries, the "Group")****Third Quarter Trading update and material upgrade to expectations**

Renewi plc (LSE: RWI), the leading European waste-to-product business, announces its trading update for the third quarter ended 31 December 2021 ("third quarter" or the "period").

Overall trading for the Group in the period has continued to be very strong, driven by continuing high recyclate prices, and the Board today announces a further material upgrade to its expectations for the year ending 31 March 2022. Underlying EBIT is now expected to be at least €120m for the year (FY21: €73m).

**Trading and cash performance**

The Commercial Waste Division has continued to perform very well in the third quarter. Recyclate prices have consistently traded at high levels compared to the prior year, more than offsetting softening volumes, particularly in Covid-impacted sectors such as hospitality and later cycle construction. Recyclate prices have been driven by positive supply/demand factors and high commodity prices as well as by an increasing demand for secondary materials. Volumes in the Netherlands and Belgium in the third quarter were 91% and 93% of prior year respectively. While labour markets have tightened, this has not to date materially impacted costs or operational effectiveness.

The Mineralz & Water Division performed in line with our revised expectations. Mineralz and the waterside of ATM have continued to perform well, offsetting lower volumes and increased disposal costs on the soil treatment line. In November 2021, the Dutch National Institute for Public Health and the Environment (RIVM) published a report to evaluate the environmental standards for secondary mineral products, including thermally cleaned soil (TGG) and bottom ashes from incinerators amongst others. It concluded the current legislation is not effective and amendments will be brought forward. This should bring much-needed clarity to this important area of secondary materials.

The Specialities Division performed in line with our expectations, with ongoing benefits from recyclate prices and a strong performance at Coolrec. UK Municipal continues to benefit from recyclate prices, offset by costs from a fire in Cumbria in November.

We have continued to make good progress with our circular innovation investments, with construction contracts now awarded or in late negotiations for the Flemish advanced sorting lines and for the new plastics line at Acht. Commissioning of both the bio-LNG and new food waste handling hall in Amsterdam is progressing well. The Renewi 2.0 programme remains on track to deliver its target net benefit of €5m for the year.

Cash performance continued to be strong. Core net debt (excluding IFRS 16 lease liabilities) at 31 December 2021 was €301m, representing a reduction of €35m since 30 September 2021 and

the leverage ratio has reduced to 1.52x from 1.82x at 30 September 2021.

### **Outlook**

The continuing strong performance in the third quarter, supported by confidence that recyclate prices will continue to be robust in the fourth quarter, means that the Board is today announcing a further material upgrade to its expectations for the year ending 31 March 2022. Underlying EBIT is now expected to be at least €120m for the year (FY21: €73m). Recyclate margins are expected to contribute around €40m of additional EBIT for the full year compared to the prior year.

Whilst in the short term we are alert to the macroeconomic environment, inflationary pressures and to recyclate prices, we remain confident in the medium and long-term outlook for the business. Our strategic growth programme, driven by our Innovation pipeline, is on track to deliver significant additional earnings over the next three years and beyond, as is our internal Renewi2.0 digitisation and simplification programme. While ATM's recovery has been delayed, as reported at the interims, we expect it will generate material additional earnings in the medium term as well.

Our business model enables advanced circular economies to achieve their carbon reduction targets, meet consumer needs and corporate ESG goals such as secondary material content targets. We continue to see positive structural growth drivers as the Dutch and Belgian regional governments progressively tax carbon emitters, incentivise recycling over incineration, and promote the use of secondary materials. We consistently see long-term growth opportunities across our markets as we assist our customers to recycle more and to use our high-quality secondary materials.

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### **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. By opting to recycle, the company avoids emissions of more than 3 million tonnes of CO2 and as a result plays a part in contributing to a sustainable society, transitioning to a circular economy and driving the progress needed to halt climate change.

Renewi, which draws on innovation and the latest technology to turn waste into useful materials - paper, metals, plastics, glass, wood, building materials, compost and energy - employs over 6 500 people who work on 165 operating sites in 6 countries across Europe and the UK. Renewi is recognised as a market leader in Benelux and a regional European leader in recycling.

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

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