This announcement contains inside information.

9 November 2023

Renewi plc

Half Year Results
for the six months ended 30 September 2023

Renewi plc ("Renewi", the "Company" or, together with its subsidiaries, the "Group") (LSE: RWI), the leading European waste-to-product business, announces its results for the six months ended 30 September 2023 ("HY24" or the "period").

Financial Highlights – in line with guidance from 4 October 2023

- Revenue of €937m and underlying EBIT[1] of €50.7m (HY23: €952m and €75.2m respectively), reflects re-based recyclate prices together with a subdued volume environment in certain commercial waste sectors and particularly construction & demolition ("C&D")
- Underlying EBITDA of €113.6m (HY23: €131.9m)
- Statutory profit after tax of €35.3m (HY23: €53.4m) and basic EPS of 42 cents (HY23: 66 cents)
- Net cash inflow from operating activities of €88.8m (HY23: €74.0m) due to improvements in working capital
- Core net debt* to EBITDA of 2.1x (March 2023: 1.8x) with core net debt increased to €383.2m (March 2023: €370.6m), in line with expectations

Strategic and Operational Highlights – strong actions in HY24

Margin focus:

- Renewi 2.0 is now successfully completed and the programme has supported productivity in HY24
- Additional actions to be implemented in H2 to reduce SG&A and other costs by €15m on an annual basis, with capability and capacity retained

Portfolio actions:

- As previously announced, strategic review of UK Municipal on track, targeted outcome in the first half of 2024
- Strong Q2 performance in Mineralz & Water ("M&W"), following ramp-up of sand and gravel production, with H2 expected to show sharply improved results, in line with the performance enhancement plan

Accelerated growth:

- Successfully commissioned a hard plastics sorting facility in Acht, Netherlands which is expected to achieve at least group hurdle returns over the course of 2024
- The Group had a number of customer wins including the Dutch Ministry of Defence, TotalEnergies and Custodial Institutions Agency
- Renewi's Specialities business Maltha, continued to achieve record-breaking performance due to operational enhancements and strategic investments. Coolrec maintained strong volumes in the period, though plastics prices were lower

Current trading and outlook – on track to achieve full year expectations

- Full year guidance unchanged from trading update of 4 October 2023
- Revenue stable as a result of targeted commercial initiatives and structural drivers, including Vlarema 8 legislation, expected to support resilient H2 demand across Commercial Waste Belgium, M&W and the Specialities businesses which will mitigate in part continued low levels of C&D activity in the Netherlands

- Significantly stronger EBIT performance in H2 underpinned by continued M&W earnings recovery, the initial contribution from SG&A cost actions, pricing and further productivity initiatives. Further benefits of our margin and portfolio initiatives, together with stabilised recyclate prices and tailwinds generated by Renewi 2.0, underpin confidence in good progress in FY25

Strategy in place to achieve sustainable improvements in margins and cash conversion in the medium term

- Deliver >5% p.a. organic sales growth through growth initiatives, increased recycling conversion and targeted market share gains
- High single digit EBIT margins
- Free cash flow generation at least 40% of EBITDA
- ROCE of over 15%
- Disciplined capital allocation strategy focused on attractive and sustainable shareholder value whilst maintaining strong balance sheet as outlined at the Group's Capital Markets Event

Otto de Bont, Chief Executive Officer, said:
"Our first half performance was in line with our expectations and previous guidance from October. The period saw recyclate prices reverting to more normalised levels, following the unprecedented Covid peak. Volumes mostly stabilised, except in Construction and Demolition waste in the Netherlands. In response, we are taking strong action by reducing our SG&A cost base by €15m on an annual basis.

"Alongside reducing costs, we continue to benefit from previous strategic actions. For example, Mineralz & Water have ramped up production of sand and gravel in our soil cleaning business as of September and we expect to show sharply improved results in H2. We continued to invest in future organic growth; at Maltha the operational enhancements enabled the business to achieve a record-breaking performance in the period. Our Vlarema8 line in Ghent, Belgium started ramp-up in H1 and we also commissioned our hard plastics sorting facility in Acht, Netherlands. All of these actions will contribute to a stronger second half and our medium term strategic objectives. On the commercial front Renewi won a number of significant customers as a result of our strong value proposition, such as the Dutch Ministry of Defence, TotalEnergies and Custodial Institutions Agency.

"As announced in October, we are undertaking a strategic review of our UK Municipal business, with an outcome targeted for the first half of 2024.

"As we look forward, our SG&A cost actions and benefits from Renewi 2.0 and the Mineralz & Water recovery are expected to lead to higher profit and margin expansion in the second half of the year and we expect this to flow through to FY25. Renewi's resilience and adept handling of price and cost dynamics have ensured a stable financial position and we reconfirm our intention to resume dividend payments at the end of this financial year. As a company we are proud of the critical role Renewi is playing in closing the loop to a circular economy and we look forward to continuing to enable the decarbonisation of our world while delivering value to our shareholders."

The full text of the half year statement is set out below, together with detailed financial results and will be available on the Company's website at www.renewi.com.

Virtual presentation

Renewi will host a virtual presentation at 10:30-11:30am CET today. Please register to attend the webcast here:
https://onlinexperiences.com/scripts/Server.nxp?LASCmd=AI:4;F:QS!10100&ShowUUID=C3E612CF-DACD-4EBF-9046-3E245751FAEA&LangLocaleID=1033.

Today's presentation will also be available on the website once the webcast has concluded https://www.renewi.com/en/investors.

Results

	HY24	HY23#	% change
UNDERLYING NON-STATUTORY			
Revenue	€937.1m	€952.0m	-2%
Underlying EBITDA[1]	€113.6m	€131.9m	-14%
Underlying EBIT[1]	€50.7m	€75.2m	-33%
Underlying EBIT[1] margin	5.4%	7.9%	-2.5pps
Adjusted free cash flow[1]	€24.1m	€22.2m	
Free cash flow[1]	€(1.6)m	€(4.4)m	
Free cash flow/EBITDA conversion[1]	-1.4%	-3.3%	
Return on capital employed[1]	8.1%	12.2%	
Core net debt*	€383.2m	€387.7m	
STATUTORY			
Revenue	€937.1m	€952.0m	-2%
Operating profit	€64.1m	€83.6m	-23%
Profit before tax	€45.4m	€71.6m	-36%
Profit for the period	€35.3m	€53.4m	-34%
Basic EPS (cents per share)	42c	66c	-36%
Cash flow from operating activities	€94.7m	€81.9m	
Total net debt (including IFRS 16 leases)	€687.9m	€687.6m	

[1] The definition and rationale for the use of non-IFRS measures are included in note 18.
 # Certain September 2022 values have been adjusted to reflect a prior year adjustment as referred to in note 2.
** Core net debt used for banking leverage calculations excludes the impact of IFRS 16 lease liabilities and UK PPP net debt.*

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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. 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_2.

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.

Chief Executive Officer's Statement

Overview

As announced on October 4th, Renewi delivered performance broadly in line with the Board's expectations over the first half of FY24 against a backdrop of normalising recyclate prices and subdued economic activity. Year-on-year group revenue and underlying EBIT fell due to lower Commercial Waste volumes, particularly in C&D in the Netherlands and lower recyclate prices following Covid volume and price peaks. Most recyclate prices have now stabilised to levels around historic averages, with the majority of the decline, as well as ongoing inflationary pressures, being mitigated through pricing discipline and the margin benefits from the now completed Renewi 2.0 digitisation programme and other ongoing cost actions.

In Commercial Waste, inbound volumes stabilised in Belgium but continued to decline in the Netherlands during the first half, primarily due to ongoing demand weakness, especially from C&D customers. Pricing actions and cost savings have partially offset the impact of lower volumes, recyclate prices and cost inflation.

M&W's had a strong Q2 performance, following the ramp-up of throughput. The start of the year was impacted by pulling an annual maintenance stop into the first quarter, which is expected to benefit the division's results in the second half. Within Specialities, our glass recycling business, Maltha, continued to deliver strong performance, benefitting from the previously made operational enhancements. Coolrec maintained strong volumes, although was affected by lower plastics prices throughout the first half.

Further cost-cutting measures for our SG&A costs at both the divisional and central levels have been initiated in September 2023 and discussions are now being held with the relevant works councils. This initiative will result in a headcount reduction of 160 by 1 December 2023 with an expected cost to deliver of c€4-5m in year.

Group financial performance

Group Summary	Revenue			Underlying EBIT		
	HY24 €m	HY23 €m	Variance %	HY24 €m	HY23 €m	Variance %
Commercial Waste	693.3	694.4	0%	50.3	68.4	-26%
Mineralz & Water	88.4	93.3	-5%	1.5	2.6	-42%
Specialities	178.7	186.3	-4%	10.3	11.3	-9%
Group central services	-	-		(11.4)	(7.1)	-61%
Inter-segment revenue	(23.3)	(22.0)		-	-	
Total	**937.1**	**952.0**	**-2%**	**50.7**	**75.2**	**-33%**

The underlying figures above are reconciled to statutory measures in note 3 in the consolidated financial statements.

Total revenues were down 2% to €937.1m and underlying EBIT was down 33% to €50.7m. Profit before tax decreased by €26.2m, to €45.4m, driven by the recyclate prices settling close to historical average levels, together with lower volumes in Commercial Waste. Ongoing inflationary pressures were offset by pricing discipline and ongoing cost actions. Earnings per share fell to 42 cents (HY23: 66 cents).

Outbound revenue from the sale of recycled materials decreased to €167.9m (HY23: €196.5m) driven by the lower recyclate prices.

A free cash outflow of €1.6m (HY23: €4.4m as adjusted for the prior year restatement as referred to in note 2) reflects the planned increase in replacement capital expenditure and interest and loan fees payments offset in part by a positive working capital performance. Total cash outflow was €15.9m, as a result of growth capex projects for Vlarema 8 and our hard plastics facility in Acht and extension of landfill rights in Mineralz. As expected, core net debt to EBITDA increased to 2.1x at 30 September 2023 from

1.8x at the end of March 2023. The Board's long-term target remains 2.0x. Liquidity headroom including core cash and undrawn facilities remained strong at €307m.

Divisional performance

Commercial Waste	Revenue		Underlying EBIT		Operating profit	
	HY24	HY23	HY24	HY23	HY24	HY23
Netherlands Commercial	457.3	459.7	25.8	40.3	25.7	40.3
Belgium Commercial	237.5	236.3	24.5	28.1	24.1	28.2
Intra-segment revenue	(1.5)	(1.6)	-	-	-	-
Total (€m)	693.3	694.4	50.3	68.4	49.8	68.5
Period-on-period variance %						
Netherlands Commercial	*-1%*		*-36%*		*-36%*	
Belgium Commercial	*1%*		*-13%*		*-15%*	
Total	*0%*		*-26%*		*-27%*	

	Underlying EBIT margin		Return on operating assets	
	HY24	HY23	HY24	HY23
Netherlands Commercial	5.6%	8.8%	14.4%	24.3%
Belgium Commercial	10.3%	11.9%	34.4%	51.8%
Total	7.3%	9.9%	19.4%	29.9%

The return on operating assets excludes all landfill related provisions. The underlying figures above are reconciled to statutory measures in notes 3 and 18 in the consolidated financial statements.

The Commercial Waste Division revenues at €693m were flat and underlying EBIT fell by 26% to €50.3m, representing an underlying EBIT margin of 7.3%.

Revenues in the Netherlands declined by 1% to €457.3m and underlying EBIT fell by 36% to €25.8m. Underlying EBIT margins decreased by 320bps to 5.6% and return on operating assets fell to 14.4%. Volumes in the Netherlands have been impacted by ongoing demand weakness particularly from C&D customers due to declines in permissions for new building work resulting from environmental quotas. The decrease in recyclate prices is partially mitigated through the dynamic pricing contracts in which price fluctuations are shared with customers, buffering the impact on Renewi's results by about 65% of the recyclate movement. The volume decreases and residual portion of the declining recyclate prices impacted underlying EBIT margin for the first half. In response to this, divisional and central cost and efficiency measures are being executed before the end of 2023. We continued to exercise strong pricing discipline, ensuring inflation was passed on to customers throughout the period.

In Commercial Waste Belgium, revenue increased marginally to €237.5m and underlying EBIT fell by 13% to €24.5m. Underlying EBIT margins decreased by 160bps to 10.3%. Belgium has also been impacted by the lower recyclate prices; however, volumes have stabilised in the recent months and were marginally ahead of prior year. Strong pricing and cost actions taken have kept margins close to target levels.

Commercial efforts offering segment specific value propositions led to significant new contract wins in both the Netherlands and Belgium, examples include the Dutch Ministry of Defence, TotalEnergies and Custodial Institutions Agency. In Belgium cooperation with secondary disposers to meet the Vlarema 8 regulation also led to early successes, resulting in turning the volume decline into modest but profitable growth.

Key growth investments have progressed well, with our plastics facility in Acht being fully commissioned with promising results. The facility has capacity to process 25kT of hard plastics per year and is expected to be fully operational early 2024. Given the high level of purity achieved, pricing for the recyclates produced will drive strong financial returns from this facility once fully operational.

Our advanced sorting facility in Ghent is fully operational, achieving targeted recycling rates. Enforcement of Vlarema 8 legislation is ramping up within Flanders, and with full enforcement expected in 2024 we will commence the construction of our advanced sorting facility in Puurs accordingly.

Mineralz & Water	**HY24 €m**	**HY23 €m**	**Variance %**
Revenue	88.4	93.3	-5%
Underlying EBIT	1.5	2.6	-42%
Underlying EBIT margin	*1.7%*	*2.8%*	
Operating profit	9.5	11.0	-14%
Return on operating assets	-0.9%	7.3%	

The return on operating assets excludes all landfill related provisions. The underlying figures above are reconciled to statutory measures in notes 3 and 18 in the consolidated financial statements.

The M&W division saw revenues decrease by 5% to €88.4m and underlying EBIT fall by €1.1m to €1.5m. The performance in the first half reflected the pull forward of annual maintenance stops originally scheduled for the second half. Throughput was increased from 35 to 50 tonnes per hour in September and there was a continued good performance at the waterside and pyro installations.

We continue to improve the quality and consistency of our sand and filler products to provide high quality products for the construction industry. End of waste certification was achieved for gravel, opening up the offtake market to any customer. Although certification for sand is still pending, a commercial agreement has been reached for the offtake of 200kT of sand, signalling its continued recovery.

We also continue to work with off takers to place our 0.6mT residual TGG stocks with shipping started under the offtake contract confirmed earlier in the year.

Specialities	**HY24 €m**	**HY23 €m**	**Variance %**
Revenue	178.7	186.3	-4%
Underlying EBIT	10.3	11.3	-9%
Underlying EBIT margin	*5.8%*	*6.1%*	
Operating profit	17.0	10.5	62%
Return on operating assets	31.5%	35.8%	

Underlying EBIT includes utilisation of €6.1m (HY23: €4.2m) from onerous contract provisions. The return on operating assets excludes the UK Municipal business. The underlying figures above are reconciled to statutory measures in notes 3 and 18 in the consolidated financial statements.

The Specialities Division saw revenue down by 4% at €178.7m impacted by the termination of the Derby UK Municipal contract in the first half last year. Underlying EBIT declined by €1m to €10.3m (HY23: €11.3m). Our glass recycling business, Maltha, continued delivering record performance with revenue of €40.8m up 26% from the prior year and underlying EBIT margin of 14.5%, up 430bps due to operational improvements. Coolrec has enjoyed continued strong volumes resulting in revenue up by 3% to €45.1m although underlying EBIT margin was impacted by lower plastics prices. The UK Municipal business showed stable operational performance in expectations in the first half.

Markets and strategy

Sustainability is at the heart of what we do

Our goal has always been to breathe new life into used materials and our aspiration is to become the leading waste-to-product company within Europe. Over the course of the first half, we continued to achieve significant progress in solidifying our position as a leader within the circular economies where we operate.

Over the period our recycling rate declined from 63.6% at March to 62.4% at September driven by cessation of certain activities during FY23 together with lower C&D volumes in Commercial. However, industry accolades throughout the first half of the year have further underlined our pioneering efforts in sustainable innovation and our significant contribution to the circular economy. We are honoured to have received the prestigious Trends Impact Award, a leading business award in Belgium, recognising our exemplary role in driving the circular economy forward. Furthermore, we are delighted to continue our collaborative project with Electrolux and were honoured to receive the Plastics Recycling Europe Award, acknowledging our achievement in creating the first fridge made entirely from recycled plastics.

Our strategy for long-term profitable growth

As set out in 2021, we have committed to three pillars of value creation; circular innovations, M&W recovery and Renewi 2.0 which are together expected to deliver a profitability increase of €60m by FY26. As previously announced the Renewi 2.0 programme, which was focused on making the customer-facing part of the company simpler and more efficient is widely complete and has supported productivity in HY24. The final cost of implementing Renewi 2.0 is expected to remain around €28m with the €20m run rate of benefits to be delivered during the current financial year. Circular innovations and M&W recovery have now become an integral component of our top-line growth and margin initiatives.

For M&W, operational plans are in place to deliver profitability improvements. We have converted our soil treatment business to produce building products, like sand and gravel, instead of cleaned soil. With the first customers in place to take these building products to produce concrete, we started to increase our throughput volume from 35 to 50 tonnes, boosting profitability. To complete the recovery we will further increase our throughput and quality over the coming period.

We have a clear business strategy to deliver long-term growth in both margins and volumes. Our strategy is focused on three key areas outlined as follows:

1. **Top-line growth of 5% per annum:** Supported by our commercial offerings and customer segment approach, we have established specific strategies to foster organic top-line growth. In addition to our revenue being closely linked to inflation through contract indexation and underpinned by dynamic regulatory and social change, we will expand our market share by delivering superior value and service to our customers, further developing our recycling capabilities and elevating the quality of secondary material production.

2. **Sustainable improvement in margins:** We have implemented a set of immediate measures aimed at boosting efficiency by simplifying the organisation and optimising administrative procedures. These endeavours will be reinforced by our digital strategy, focused on enhancing customer-centric processes, digitising internal operations and elevating asset management capabilities. The successful execution of these initiatives is anticipated to lead to lasting improvements in profit margins, supporting our goal of achieving a high single-digit percentage EBIT margin.

3. **Improving Cash Conversion:** We will increase our ability to generate free cash flow, with the clear objective of achieving a conversion rate of 40% of EBITDA by the end of FY26. This will be accomplished by eliminating legacy cash outflow, reducing exceptional costs and optimising asset

utilisation, which, in turn, will result in decreased capital expenditures. This improved cash generation capacity will allow for a capital allocation policy encompassing both growth-focused investments and enhanced returns for shareholders.

Our capital allocation policy has been reset to reflect our ongoing disciplined approach to capital, prioritising shareholder returns and investing in growth:

- Ordinary dividend to be reinstated with a final dividend for the financial year ending 31 March 2024, and a progressive policy targeting sustainable growth whilst maintaining cover of 3.0-4.0x underlying earnings
- Investment of ~30% of free cash flow annually in capex for growth projects with return hurdle rates of at least 16% (pre-tax)
- In the medium term, disciplined M&A and supplemental returns to shareholders (including potential share buybacks) will be considered for excess capital, after organic investment requirements
- Long-term core debt leverage target of 2.0x EBITDA is reiterated

Outlook

Whilst we are mindful of the current challenging macroeconomic backdrop, our full year expectations are unchanged from the guidance provided in the trading update of 4 October 2023.

Targeted commercial initiatives and structural drivers, including Vlarema 8 legislation, are expected to support resilient demand in the near term across Commercial Waste Belgium, M&W and the Specialities businesses, which will mitigate, in part, continued low levels of C&D activity in the Netherlands over the second half. We anticipate the Dutch construction market will revert to growth by late 2024 or early 2025.

We continue to expect a significantly stronger EBIT performance in second half, underpinned by continued M&W earnings recovery, the initial contribution from additional SG&A cost actions, effective pricing and further productivity initiatives. Further benefits of our margin and portfolio initiatives, together with stabilised recyclate prices and tailwinds generated by Renewi 2.0, underpin confidence in further progress in FY25.

In the longer term we remain confident that, with regulation driving increasing demand for recycled materials, Renewi is well positioned for growth in its markets and to serve customers profitably as the circular economy develops and the market for low carbon secondary materials evolves.

FINANCE REVIEW

Financial Performance	HY24 €m	HY23 €m	Variance %
Revenue	937.1	952.0	-2%
Underlying EBITDA	113.6	131.9	-14%
Underlying EBIT	50.7	75.2	-33%
Operating profit	64.1	83.6	-23%
Underlying profit before tax	31.3	61.6	-49%
Non-trading & exceptional items	14.1	10.0	
Profit before tax	45.4	71.6	
Total tax charge for the period	(10.1)	(18.2)	
Profit for the period	35.3	53.4	
Organic annual revenue growth	*-2%*	*4%*	
Underlying EBIT margin	*5.4%*	*7.9%*	
Free Cash Flow/EBITDA conversion	*-1.4%*	*-3.3%*	
Return on capital employed	*8.1%*	*12.2%*	

The underlying figures above are reconciled to statutory measures in notes 3 and 18 in the consolidated financial statements.

FY24 revenues and underlying EBIT were down 2% and 33% respectively impacted by lower recyclates pricing compared to last year of €13m and lower volumes of €15m particularly in Commercial Netherlands. Cost inflation was mitigated by pricing discipline and cost savings including additional benefits from Renewi 2.0. Depreciation charge was higher by €4m in the period principally as a result of the impact of higher spend including the delivery of trucks in the last half of FY23. Interest charges were higher given the impact of additional borrowings entered into in the second half of FY23, increased interest rates and loan fee amortisation charges as referenced below. The level of exceptional and non-trading items in the current year was a credit of €14.1m as described below, resulting in a statutory profit for the period of €35.3m compared to €53.4m last year.

Non-trading and exceptional items excluded from pre-tax underlying profits

To enable a better understanding of underlying performance, certain items are excluded from underlying EBIT and underlying profit before tax due to their size, nature or incidence. Total non-trading and exceptional items excluding tax were a credit of €14.1m in the period (HY23: €10.0m). Given the increase in Government bond yields from March 2023, discount rates used for long-term landfill and onerous contract provisions have been increased, resulting in a non-cash credit of €17.1m. This item is recorded as non-trading and exceptional due to size and nature in line with our policy. As previously reported, we have accounted for the cost of the Renewi 2.0 programme as exceptional due to its size and nature. As announced for the March 2023 year end, the programme of activity was largely complete and will deliver its full run rate benefits in FY24. In the six months to September 2023 there was a further €1.0m of spend with a similar level expected in the next six months as the project is finally closed. Further details of other items are provided in note 5 to the consolidated interim financial statements.

Operating profit after taking account of all non-trading and exceptional items was €64.1m (HY23: €83.6m).

Net finance costs

Net finance costs excluding exceptional items increased with €6.2m to €19.8m (HY23: €13.6m), as a result of the impact of additional fixed rate borrowings in the second half of FY23, increased interest rates, the level of borrowings on the revolving credit facility and a non-cash write off of €1m of unamortised loan fees following the August 2023 renewal of the €400m revolving credit facility. Further details are provided in note 6 to the consolidated interim financial statements.

Taxation

Total taxation for the period was a charge of €10.1m (HY23: €18.2m). The effective tax rate on underlying profits at 27.1% (HY23: 26.5%) is based on the estimate of the full year effective tax rate. A tax charge of €1.6m is attributable to the non-trading and exceptional items of €14.1m as a number of items are not subject to tax.

Looking forward, we anticipate the underlying tax rate to remain around 27%. Due to items disallowed for tax in both the Netherlands and Belgium, our effective tax rate is higher than the nominal rates in the countries where we operate.

The Group statutory profit after tax, including all non-trading and exceptional items, was €35.3m (HY23: €53.4m).

Earnings per share (EPS)

Underlying EPS excluding non-trading and exceptional items was 27 cents per share, a decline of 29 cents given the lower profits and higher tax rate in the current period. Basic EPS was 42 cents per share compared to 66 cents per share in the prior year.

CASH FLOW PERFORMANCE

The funds flow performance table is derived from the statutory cash flow statement and reconciliations are included in note 18 in the consolidated financial statements. The table shows the cash flows from an adjusted free cash flow to total cash flow. The adjusted free cash flow measure focuses on the cash generation excluding the impact of historical liabilities relating to Covid-19 tax deferrals, settlement of ATM soil liabilities, spend relating to the UK PPP onerous contracts and other items including exceptional cash spend. Free cash flow represents the cash available to fund growth capital projects, pay dividends and invest in acquisitions.

Funds flow performance	**HY24 €m**	**HY23 €m**
Underlying EBITDA	113.6	131.9
Working capital movement	5.2	(26.0)
Movement in provisions and other	(4.2)	(3.9)
Net replacement capital expenditure	(41.4)	(35.0)
Repayments of obligations under lease liabilities	(25.4)	(22.8)
Interest and loan fees	(17.8)	(14.1)
Tax	(5.9)	(7.9)
Adjusted free cash flow	**24.1**	**22.2**
Deferred Covid taxes	(9.7)	(9.9)
Offtake of ATM soil	(1.0)	(1.1)
UK Municipal contracts	(9.8)	(7.1)
Renewi 2.0 and other exceptional spend	(1.6)	(2.2)
Other	(3.6)	(6.3)
Free cash flow	**(1.6)**	**(4.4)**
Growth capital expenditure	(15.9)	(16.0)
Acquisitions net of disposals	1.6	(60.1)
Total cash flow	**(15.9)**	**(80.5)**
Free cash flow/EBITDA conversion	**-1.4%**	**-3.3%**

Free cash flow conversion is free cash flow as a percentage of underlying EBITDA. The non-IFRS measures above are reconciled to statutory measures in note 18 in the consolidated financial statements. September 2022 values for repayments of obligations under lease liabilities and UK Municipal contracts have each been adjusted by €0.4m to reflect the prior year adjustment as referred to in note 2.

Adjusted free cash flow was marginally ahead in the period at €24.1m (HY23: €22.2m) despite the EBITDA decline and increased replacement capex and interest payments which have been offset by a favourable movement on working capital in the period across both payables and receivables.

Replacement capital spend at €41.4m was slightly ahead of last year and in line with expectations. In addition, €18.7m of new leases or modifications have been entered into which are reported as right-of-use assets with a corresponding lease liability. These leases include the continuation of the truck replacement programme, property lease renewals or extensions and other assets. Growth capital spend of €15.9m includes further spend on the Vlarema 8 advanced sorting investments in Belgium and plastics sorting at Acht in the Netherlands. This level of growth spend is lower than originally planned given slight delays at the second and third sites for advanced sorting in Belgium, as full enforcement of the new regulation is ramping up.

The higher cash outflow relating to interest includes the settlement of €2.6m of fees relating to the recent renewal of the Group revolving credit facility. Tax payments were slightly lower in the current period given the timing of settlements in the prior year.

Looking at the three legacy components that are shown below adjusted free cash flow, there has been a further €9.7m repayment on Dutch Covid-19 tax deferrals as expected. The remaining balance of €20m will be settled over the next 12 months. Cash spend for placement of TGG soil stocks has remained limited in the first six months and there has been no change in the cost accrual for the remaining disposal of these historical balances. Cash outflow on UK PPP contracts was €9.8m, slightly higher than the prior year albeit lower than anticipated.

The acquisitions net of disposals inflow of €1.6m included the sale of an entity acquired with the Renewi Westpoort acquisition in September 2023. Other cash flows include funding for the closed UK defined benefit scheme and the funding of the Renewi Employee Share trust.

Net cash inflow from operating activities increased from €74.0m in the prior period to €88.8m in the current year. A reconciliation to the underlying cash flow performance as referred to above is included in note 18 in the consolidated interim financial statements.

INVESTMENT PROJECTS

Expenditure in FY24

The Group's long-term expectations for replacement capital expenditure remain around 80% of depreciation. FY24 full year replacement capital spend is expected to be around €80m. In addition, a further €10m of IFRS 16 lease investments are anticipated in the second half.

Expenditure on the circular innovation pipeline will continue in the coming months, however timing for the advanced sorting investments in Belgium for Vlarema 8 has been slightly postponed with the FY24 full year spend now expected to be around €30m.

Return on assets

The Group return on operating assets excluding debt, tax and goodwill decreased to 26.4% at September 2023 from 36.9% at March 2023 given the lower profits in the last six months. The Group post-tax return on capital employed at September 2023 was 8.1% compared to 10.6% at March 2023.

TREASURY AND CASH MANAGEMENT

Core net debt and leverage ratios

Core net debt excludes IFRS 16 lease liabilities and the net debt relating to the UK PPP contracts which is non-recourse to the Group and secured over the assets of the special purpose vehicles. Core net debt was in line with management expectations at €383.2m (March 2023: €370.6m) which resulted in a net debt to EBITDA ratio of 2.1x, comfortably within our covenant limit of 3.5x. Liquidity headroom including core cash and undrawn facilities remains strong at €307m, a slight reduction from March as a result of the increase in net debt.

Debt structure and strategy

All our core borrowings of bonds and loans are green financed. As of 30 September 2023, 81% of our net debt excluding UK PPP non-recourse net debt was on a fixed rate.

Debt Structure	Sep 23 €m	Mar 23 €m	Variance €m
Belgian Green retail bonds	(200.0)	(200.0)	-
Green RCF	(125.4)	(102.5)	(22.9)
Other Green loans	(105.0)	(105.0)	-
Gross borrowings before lease liabilities	(430.4)	(407.5)	(22.9)
IAS 17 lease liabilities and other	(7.3)	(9.1)	1.8
Loan fees	3.3	2.3	1.0
Core cash	51.2	43.7	7.5
Core net debt (as per covenant definitions)	(383.2)	(370.6)	(12.6)
IFRS 16 lease liabilities	(241.1)	(245.8)	4.7
Net debt excluding UK PPP net debt	(624.3)	(616.4)	(7.9)
UK PPP restricted cash balances	23.2	19.0	4.2
UK PPP non-recourse debt	(86.8)	(88.3)	1.5
Total net debt	(687.9)	(685.7)	(2.2)

In August 2023 the Group completed the renewal of its revolving credit facility, part of its Euro denominated multicurrency green finance facility. The size of the revolving credit facility ("RCF") remains unchanged at €400m and is for an initial five-year term to 2028 with two one-year extension options to 2030 together with a €150m accordion option to increase the facility subject to lender approval at that time. Interest remains based on Euribor plus a margin grid based on leverage and green sustainability metrics performance. Financial covenants remained unchanged and will be tested semi-annually at September and March.

There is sufficient headroom in the RCF to settle on maturity €15m of European private placement funds in December 2023 and green retail bonds of €75m in July 2024.

The introduction of IFRS 16 on 1 April 2019 brought additional lease liabilities onto the balance sheet with an associated increase in assets. Covenants on our main bank facilities remain on a frozen GAAP basis and exclude IFRS 16 lease liabilities. The Group has complied with its banking covenants during the period. The Group operates a committed invoice discounting programme. The cash received for invoices sold at September 2023 was €106.3m (March 2023: €84.7m).

Debt borrowed in the special purpose vehicles (SPVs) created for the financing of UK PPP programmes is separate from the Group core debt and is secured over the assets of the SPVs with no recourse to the Group as a whole. Interest rates on PPP borrowings were fixed by means of interest rate swaps at contract inception. At September 2023 this net debt amounted to €63.6m (March 2023: €69.3m).

PROVISIONS AND CONTINGENT LIABILITIES

Around 88% of the Group's provisions are long-term in nature, with the onerous contract provisions against the PPP contracts being utilised over the remaining term of up to 17 years and landfill provisions for many decades longer. The provisions balance classified as due within one year amounts to €39m, including €3m for restructuring, €18m for onerous contracts, €10m for landfill related spend and €8m for environmental, legal and others. Further details are provided in note 13 to the consolidated interim financial statements.

Retirement benefits

The Group has a closed UK defined benefit pension scheme and at 30 September 2023, the scheme had an accounting deficit of €6.9m (March 2023: €4.3m). The change in the year was due to lower returns on pension scheme assets which were only partly offset by an increase in the discount rate assumption on scheme liabilities. The latest triennial actuarial valuation of the scheme was completed at 5 April 2021 and the future funding plan has been maintained at the current level of €3.5m per annum until December 2024. There are also several defined benefit pension schemes for employees in the Netherlands and Belgium which had a retirement benefit deficit of €5.0m at 30 September 2023 (March 2023: €5.0m).

PRINCIPAL RISKS AND UNCERTAINTIES

Renewi operates a risk management framework to identify, assess and control the most serious risks facing the Group. The 2023 Annual Report (pages 86 to 99) provides a discussion of the Group's principal risks and uncertainties. The Board believes that the key risks and associated mitigation strategies have not changed in the period.

Renewi continues to monitor the impact of the ongoing high inflationary environment pressures, fluctuations in recyclate prices and the economic uncertainty arising from geopolitical events. Cybercrime is an increasing risk for all businesses, and we have been investing to further strengthen our capabilities. All of these potential risks are actively reviewed and managed at the Board and in our executive management teams.

GOING CONCERN

The Directors have adopted the going concern basis in preparing these consolidated interim financial statements after assessing the Group's principal risks. Further details of the modelling and scenarios prepared are set out in note 2 of the financial statements. Having considered all the elements of the financial projections and applying appropriate sensitivities, the Directors confirm they have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and to meet its covenants.

STATEMENT OF THE DIRECTORS' RESPONSIBILITIES

The Directors confirm that these condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting as adopted for use in the UK, and that the interim management report includes a fair review of the information required by DTR 4.2.7 R and DTR 4.2.8 R, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related-party transactions in the first six months and any material changes in the related-party transactions described in the last Annual Report.

A list of current Directors is maintained on the Renewi plc website: www.renewi.com.

Otto de Bont	Annemieke den Otter
Chief Executive Officer	Chief Financial Officer
8 November 2023	8 November 2023

FORWARD-LOOKING STATEMENTS

Certain statements in this announcement constitute "forward-looking statements". Forward-looking statements may sometimes, but not always, be identified by words such as "will", "may", "should", "continue", "believes", "expects", "intends" or similar expressions. These forward-looking statements are subject to risks, uncertainties and other factors which, as a result, could cause Renewi plc's actual future financial condition, performance and results to differ materially from the plans, goals and expectations set out in the forward-looking statements. Such statements are made only as at the date of this announcement and, except to the extent legally required, Renewi plc undertakes no obligation to revise or update such forward-looking statements.

Consolidated Interim Income Statement (unaudited)

First half ended 30 September 2023

		First half 2023/24			First half 2022/23		
	Note	**Underlying €m**	**Non-trading & exceptional items €m**	**Total €m**	Underlying €m	Non-trading & exceptional items €m	Total €m
Revenue	3,4	**937.1**	**-**	**937.1**	952.0	-	952.0
Cost of sales	5	**(764.1)**	**14.1**	**(750.0)**	(766.2)	4.9	(761.3)
Gross profit		**173.0**	**14.1**	**187.1**	185.8	4.9	190.7
Administrative expenses	5	**(122.3)**	**(0.7)**	**(123.0)**	(110.6)	3.5	(107.1)
Operating profit	3	**50.7**	**13.4**	**64.1**	75.2	8.4	83.6
Finance income	5,6	**5.1**	**0.7**	**5.8**	4.9	1.6	6.5
Finance charges	5	**(24.9)**	**-**	**(24.9)**	(18.5)	-	(18.5)
Share of results from associates and joint ventures		**0.4**	**-**	**0.4**	-	-	-
Profit before taxation	3	**31.3**	**14.1**	**45.4**	61.6	10.0	71.6
Taxation	5,7	**(8.5)**	**(1.6)**	**(10.1)**	(16.3)	(1.9)	(18.2)
Profit for the period		**22.8**	**12.5**	**35.3**	45.3	8.1	53.4
Attributable to:							
Owners of the parent		**21.3**	**12.5**	**33.8**	44.3	8.1	52.4
Non-controlling interests		**1.5**	**-**	**1.5**	1.0	-	1.0
		22.8	**12.5**	**35.3**	45.3	8.1	53.4

Earnings per share	Note	**First half 2023/24 cents**	First half 2022/23 cents
Basic	8	**42**	66
Diluted	8	**42**	66
Underlying basic	8	**27**	56
Underlying diluted	8	**27**	56

Consolidated Interim Statement of Comprehensive Income (unaudited)

First half ended 30 September 2023

	First half 2023/24 €m	First half 2022/23 €m
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign subsidiaries	**(1.1)**	2.4
Fair value movement on cash flow hedges	**8.2**	13.4
Deferred tax on fair value movement on cash flow hedges	**(2.1)**	(1.8)
Share of other comprehensive income of investments accounted for using the equity method	**0.1**	0.4
	5.1	14.4
Items that will not be reclassified to profit or loss:		
Actuarial loss on defined benefit pension schemes	**(4.1)**	(4.0)
Deferred tax on actuarial loss on defined benefit pension schemes	**1.0**	1.0
	(3.1)	(3.0)
Other comprehensive income for the period, net of tax	**2.0**	11.4
Profit for the period	**35.3**	53.4
Total comprehensive income for the period	**37.3**	64.8
Attributable to:		
Owners of the parent	**35.8**	63.8
Non-controlling interests	**1.5**	1.0
Total comprehensive income for the period	**37.3**	64.8

Consolidated Interim Balance Sheet (unaudited)

As at 30 September 2023

	Note	**30 September 2023 €m**	Restated* 30 September 2022 €m	31 March 2023 €m
Assets				
Non-current assets				
Goodwill and intangible assets	10	**638.6**	635.3	636.3
Property, plant and equipment	10	**620.1**	580.1	617.9
Right-of-use assets	10	**245.2**	232.9	253.1
Investments		**26.5**	15.5	14.8
Loans to associates and joint ventures		**0.2**	0.2	0.2
Financial assets relating to PPP contracts		**122.2**	127.2	123.4
Derivative financial instruments	15	**4.3**	4.4	1.2
Defined benefit pension scheme surplus	14	**-**	4.5	-
Other receivables		**3.7**	4.3	3.7
Deferred tax assets		**35.3**	35.0	35.6
		1,696.1	1,639.4	1,686.2
Current assets				
Inventories		**25.9**	26.7	25.2
Investments		**-**	10.7	10.9
Loans to associates and joint ventures		**0.9**	0.6	0.8
Financial assets relating to PPP contracts		**7.4**	7.7	7.6
Trade and other receivables		**273.2**	290.0	289.6
Derivative financial instruments	15	**2.2**	4.3	0.4
Current tax receivable		**1.5**	0.9	1.5
Cash and cash equivalents – including restricted cash	11	**74.4**	58.9	62.7
		385.5	399.8	398.7
Assets classified as held for sale	10	**0.6**	1.5	0.6
		386.1	401.3	399.3
Total assets		**2,082.2**	2,040.7	2,085.5
Liabilities				
Non-current liabilities				
Borrowings	11	**(620.0)**	(697.2)	(681.6)
Derivative financial instruments	15	**(0.5)**	(0.3)	(2.6)
Other non-current liabilities		**(22.0)**	(25.3)	(34.7)
Defined benefit pension schemes deficit	14	**(11.9)**	(4.6)	(9.3)
Provisions	13	**(280.1)**	(287.0)	(298.2)
Deferred tax liabilities		**(46.7)**	(46.4)	(46.4)
		(981.2)	(1,060.8)	(1,072.8)
Current liabilities				
Borrowings	11	**(142.3)**	(49.3)	(66.8)
Derivative financial instruments		**-**	(0.6)	(1.9)
Trade and other payables		**(500.6)**	(507.3)	(521.8)
Current tax payable		**(35.9)**	(31.5)	(31.2)
Provisions	13	**(38.3)**	(40.6)	(43.7)
		(717.1)	(629.3)	(665.4)
Total liabilities		**(1,698.3)**	(1,690.1)	(1,738.2)
Net assets		**383.9**	350.6	347.3
Issued capital and reserves attributable to the owners of the parent				
Share capital		**99.8**	99.5	99.8
Share premium		**474.1**	473.8	474.1
Exchange reserve		**(13.3)**	(12.3)	(12.2)
Retained earnings		**(188.3)**	(218.4)	(224.5)
		372.3	342.6	337.2
Non-controlling interests		**11.6**	8.0	10.1
Total equity		**383.9**	350.6	347.3

*The comparatives have been restated due to a prior period adjustment as explained in note 2 Basis of preparation.

Consolidated Interim Statement of Changes in Equity (unaudited)

First half ended 30 September 2023

	Share capital €m	Share premium €m	Restated* Exchange reserve €m	Restated* Retained earnings €m	Non-controlling interests €m	Restated* Total equity €m
Balance at 1 April 2023	**99.8**	**474.1**	**(12.2)**	**(224.5)**	**10.1**	**347.3**
Profit for the period	**-**	**-**	**-**	**33.8**	**1.5**	**35.3**
Other comprehensive (loss) income:						
Exchange loss on translation of foreign subsidiaries	**-**	**-**	**(1.1)**	**-**	**-**	**(1.1)**
Fair value movement on cash flow hedges	**-**	**-**	**-**	**8.2**	**-**	**8.2**
Actuarial loss on defined benefit pension schemes	**-**	**-**	**-**	**(4.1)**	**-**	**(4.1)**
Tax in respect of other comprehensive income items	**-**	**-**	**-**	**(1.1)**	**-**	**(1.1)**
Share of other comprehensive income of investments accounted for using the equity method	**-**	**-**	**-**	**0.1**	**-**	**0.1**
Total comprehensive (loss) income for the period	**-**	**-**	**(1.1)**	**36.9**	**1.5**	**37.3**
Share-based compensation	**-**	**-**	**-**	**1.2**	**-**	**1.2**
Movement on tax arising on share-based compensation	**-**	**-**	**-**	**(0.2)**	**-**	**(0.2)**
Own shares purchased by the Employee Share Trust	**-**	**-**	**-**	**(1.7)**	**-**	**(1.7)**
Balance as at 30 September 2023	**99.8**	**474.1**	**(13.3)**	**(188.3)**	**11.6**	**383.9**
Balance at 31 March 2022 - as reported	99.5	473.8	(15.0)	(227.1)	7.0	338.2
Impact of prior year adjustment (note 2)	-	-	0.1	3.6	-	3.7
Balance at 31 March 2022- restated	-	-	(14.9)	(223.5)	7.0	341.9
Impact of adopting amendments to IAS 37	-	-	0.2	(53.4)	-	(53.2)
Balance at 1 April 2022	99.5	473.8	(14.7)	(276.9)	7.0	288.7
Profit for the year	-	-	-	62.9	3.7	66.6
Other comprehensive income (loss):						
Exchange gain on translation of foreign subsidiaries	-	-	2.5	-	-	2.5
Fair value movement on cash flow hedges	-	-	-	3.7	-	3.7
Actuarial loss on defined benefit pension schemes	-	-	-	(15.5)	-	(15.5)
Tax in respect of other comprehensive income items	-	-	-	4.5	-	4.5
Share of other comprehensive income of investments accounted for using the equity method	-	-	-	0.3	-	0.3
Total comprehensive income for the year	-	-	2.5	55.9	3.7	62.1
Dividend paid to non-controlling interests	-	-	-	-	(0.6)	(0.6)
Share-based compensation	-	-	-	2.7	-	2.7
Movement on tax arising on share-based compensation	-	-	-	(0.9)	-	(0.9)
Proceeds from exercise of employee options	0.3	0.3	-	-	-	0.6
Own shares purchased by the Employee Share Trust	-	-	-	(5.3)	-	(5.3)
Balance as at 31 March 2023	99.8	474.1	(12.2)	(224.5)	10.1	347.3
Balance at 31 March 2022 - as reported	99.5	473.8	(15.0)	(227.1)	7.0	338.2
Impact of prior year adjustment (note 2)	-	-	0.1	3.6	-	3.7
Balance at 31 March 2022 - restated	-	-	(14.9)	(223.5)	7.0	341.9
Impact of adopting amendments to IAS 37	-	-	0.2	(53.4)	-	(53.2)
Balance at 1 April 2022	99.5	473.8	(14.7)	(276.9)	7.0	288.7
Profit for the period	-	-	-	52.4	1.0	53.4
Other comprehensive income (loss):						
Exchange gain on translation of foreign subsidiaries	-	-	2.4	-	-	2.4
Fair value movement on cash flow hedges	-	-	-	13.4	-	13.4
Actuarial loss on defined benefit pension schemes	-	-	-	(4.0)	-	(4.0)
Tax in respect of other comprehensive income items	-	-	-	(0.8)	-	(0.8)
Share of other comprehensive income of investments accounted for using the equity method	-	-	-	0.4	-	0.4
Total comprehensive income for the period	-	-	2.4	61.4	1.0	64.8
Share-based compensation	-	-	-	1.2	-	1.2
Movement on tax arising on share-based compensation	-	-	-	(0.6)	-	(0.6)
Own shares purchased by the Employee Share Trust	-	-	-	(3.5)	-	(3.5)
Balance as at 30 September 2022 – restated*	99.5	473.8	(12.3)	(218.4)	8.0	350.6

*The comparatives have been restated due to a prior period adjustment as explained in note 2 Basis of preparation.

Consolidated Interim Statement of Cash Flows (unaudited)

First half ended 30 September 2023

	Note	**First half 2023/24 €m**	Restated* First half 2022/23 €m
Profit before tax	3	**45.4**	71.6
Finance income	6	**(5.8)**	(6.5)
Finance charges	6	**24.9**	18.5
Share of results from associates and joint ventures		**(0.4)**	-
Operating profit	3	**64.1**	83.6
Amortisation and impairment of intangible assets	10	**6.3**	4.0
Depreciation and impairment of property, plant and equipment	10	**34.8**	34.1
Depreciation and impairment of right-of-use assets	10	**25.7**	23.3
Net gain on disposal of property, plant and equipment, intangible assets		**(0.9)**	(2.6)
Portfolio management and provision movements in non-trading and exceptional items		**(18.2)**	(11.9)
Net decrease in provisions		**(11.8)**	(11.2)
Payment related to committed funding of the defined benefit pension schemes		**(1.8)**	(1.8)
Share-based compensation		**1.2**	1.2
Operating cash flows before movement in working capital		**99.4**	118.7
Increase in inventories		**(0.6)**	(4.0)
Decrease (increase) in receivables		**13.0**	(11.7)
Decrease in payables		**(17.1)**	(21.1)
Cash flows from operating activities		**94.7**	81.9
Income tax paid		**(5.9)**	(7.9)
Net cash inflow from operating activities		**88.8**	74.0
Investing activities			
Purchases of intangible assets		**(10.3)**	(6.1)
Purchases of property, plant and equipment		**(50.3)**	(49.6)
Proceeds from disposals of property, plant and equipment		**3.3**	4.7
Acquisition of subsidiary, net of cash acquired		**-**	(53.5)
Disposals of subsidiary and business assets net of acquisition of business assets and cash disposed of	12	**1.6**	0.4
Net movements in associates and joint ventures		**(0.1)**	(1.0)
Outflows in respect of PPP arrangements under the financial asset model net of capital received		**2.7**	2.9
Finance income		**5.5**	5.3
Net cash outflow from investing activities		**(47.6)**	(96.9)
Financing activities			
Finance charges and loan fees paid		**(23.3)**	(19.4)
Investment in own shares by the Employee Share Trust		**(1.7)**	(3.5)
Repayment of retail bonds		**-**	(100.0)
Proceeds from bank borrowings	11	**189.7**	303.2
Repayment of bank borrowings	11	**(166.6)**	(132.6)
Repayment of PPP debt	11	**(2.7)**	(5.4)
Repayment of obligations under lease liabilities	11	**(25.4)**	(22.8)
Net cash (outflow) inflow from financing activities		**(30.0)**	19.5
Net increase (decrease) in cash and cash equivalents		**11.2**	(3.4)
Effect of foreign exchange rate changes	11	**0.5**	(1.3)
Cash and cash equivalents at the beginning of the period	11	**62.7**	63.6
Cash and cash equivalents at the end of the period	11	**74.4**	58.9

*The comparatives have been restated due to a prior period adjustment as explained in note 2 Basis of preparation.

Notes to the Consolidated Financial Statements

1. General information

Renewi plc is a public limited company listed on the London Stock Exchange with a secondary listing on Euronext Amsterdam. Renewi plc is incorporated and domiciled in Scotland under the Companies Act 2006, registered number SC077438. The address of the registered office is 16 Charlotte Square, Edinburgh, EH2 4DF. The nature of the Group's operations and its principal activities are set out in note 3.

2. Basis of preparation

This condensed set of consolidated interim financial statements for the six months ended 30 September 2023 has been prepared in accordance with the Disclosure and Transparency Rules of the United Kingdom Financial Conduct Authority and with IAS 34 Interim Financial Reporting as adopted for use in the UK. They should be read in conjunction with the 2023 Annual Report and Accounts, which have been prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006. The 2023 Annual Report and Accounts are available from the Company's website www.renewi.com.

These primary statements and selected notes comprise the unaudited consolidated interim financial statements of the Group for the six months ended 30 September 2023 and 2022, together with the audited results for the year ended 31 March 2023. These interim financial results do not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. The comparative figures as at 31 March 2023 have been extracted from the Group's statutory Annual Report and Accounts for that financial year, but do not constitute those accounts. Those statutory accounts for the year ended 31 March 2023 were approved by the Board of Directors on 25 May 2023 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under Section 498 of the Companies Act 2006.

The Board of Directors approved, on 8 November 2023, these consolidated interim financial statements which have been reviewed by BDO LLP but not been audited.

Going concern

The Directors have adopted the going concern basis in preparing these consolidated interim financial statements after assessing the Group's principal risks including an assessment of the impact of the ongoing high inflationary environment and economic uncertainty arising from geopolitical events.

The Directors have carried out a comprehensive assessment of the Group's ability to continue as a going concern. This assessment has involved the review of medium-term cash flow and covenant modelling over an 18-month period to 31 March 2025. This includes expectations on the future economic environment as well as other principal risks associated with the Group's ongoing operations. The assessment includes a base case scenario setting out the Directors' current expectations of future trading and a plausible but severe downside scenario to assess the potential impact on the Group's future financial performance. The key judgement in both scenarios is the level of economic disruption caused by ongoing geopolitical events.

The downside scenario includes significantly weaker macroeconomic conditions leading to a volume decline below the forecast economic outlook in all our territories in the remainder of the current year and into FY25. Other downsides include a significant decline in recyclate prices from the current levels to below long-term averages and operational downtime in some of our plants. These factors reduce FY24 underlying EBIT by 17% and FY25 underlying EBIT by 29% compared to the base case. No mitigating actions have been applied to our downside modelling as they are not necessary to avoid any breach of covenants or shortfall in liquidity.

In the base case and downside scenarios the Group has sufficient liquidity and headroom in its existing facilities and no covenants are breached at any of the forecast testing dates.

In addition, a reverse stress test calculation has been undertaken to consider the points at which the covenants may be breached. Underlying EBIT in FY25 would need to reduce by 46% compared to the base case. In the opinion of the Directors there is no plausible scenario or combination of scenarios that we consider to be remotely likely that would generate this result.

Having considered all the elements of the financial projections, sensitivities and mitigating actions, the Directors confirm they have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and to meet all banking covenants.

Prior year restatement

As reported in the Annual Report and Accounts for 31 March 2023, the Group undertook a more in depth analysis of the UK Municipal contract with East London Waste Authority (ELWA) as the contract is due to expire in December 2027. The contract is loss-making and therefore an onerous contract provision (OCP) has been recorded. At inception of this contract on 28 November 2003, a subsidiary of the Group entered a headlease arrangement for one location under the contract and then subleased it to ELWA Limited, an associate, on terms which mirrored the terms of the headlease. Prior to the disposal of the subsidiary in 2004 the headlease and sublease were novated to Renewi UK Services Limited (RUKS), a subsidiary of the Group. Upon adoption of IFRS 16 Leases from 1 April 2019, the Group accounted for the headlease as a right-of-use asset with the rental expense recorded as a repayment of the lease liability. The rental income from ELWA Limited was included within the cash flows used to measure the OCP.

During March 2023, external legal advice received clarified further the legal position in relation to the commercial substance of the lease arrangements. The legal advice stated that it is more likely than not that the sublease to ELWA Limited has taken effect as an assignment of the headlease by operation of law. The practical effect of this is the former subsidiary and ELWA Limited are directly liable for the headlease and that the novation in 2004 to RUKS was invalid. Accordingly, the Group determined that it was not appropriate to recognise the headlease as a right-of-use asset and the lease income should not have been included in the cash flows used to measure the OCP. The Group therefore concluded that the prior treatment was an error and that it was appropriate to restate the 1 April 2021 balance sheet which was actioned in the 2023 Annual Report and Accounts.

For the September 2023 condensed set of consolidated interim financial statements, it is appropriate to restate the 30 September 2022 Balance Sheet and Statement of Cash Flows. The impact on the 30 September 2022 balance sheet is a reduction in lease liabilities of €8.8m (of which €8.1m is non-current and €0.7m is current) with an increase in OCP of €5.1m (of which €4.1m is non-current and €1.0m is current) resulting in an impact of €3.6m on retained earnings and €0.1m on the exchange reserve. The related right-of-use asset was fully impaired therefore there is no impact on the net book value. However, as a result of the derecognition, cost and accumulated depreciation and impairment have both been reduced by €8.9m as at 1 April 2021 and 31 March 2022. The Income Statement impact for the six months ended 30 September 2022 is not material and therefore has not been restated. The impact on the Cash Flow Statement for the six months ended 30 September 2022 is to reduce the cash inflow from operating activities by €0.4m and reduce the cash outflow in financing activities by €0.4m. Earnings per share and alternative performance measures for the six months ended 30 September 2022 are not affected as a result of this correction.

The impact of the above restatements on the relevant line items in the Consolidated Balance Sheet and Statement of Changes in Equity is presented below:

Balance Sheet extract	**30 September 2022 (previously reported) €m**	**Restatement €m**	**30 September 2022 (restated) €m**
Total assets	2,040.7	-	2,040.7
Liabilities			
Non-current liabilities			
Borrowings	(705.3)	8.1	(697.2)
Provisions	(282.9)	(4.1)	(287.0)
Other	(76.6)	-	(76.6)
	(1,064.8)	4.0	(1,060.8)
Current liabilities			
Borrowings	(50.0)	0.7	(49.3)
Provisions	(39.6)	(1.0)	(40.6)
Other	(539.4)	-	(539.4)
	(629.0)	(0.3)	(629.3)
Total liabilities	(1,693.8)	3.7	(1,690.1)
Net assets	346.9	3.7	350.6
Issued capital and reserves attributable to the owner of the parent			
Retained earnings	(222.0)	3.6	(218.4)
Exchange reserve	(12.4)	0.1	(12.3)
Other equity	573.3	-	573.3
	338.9	3.7	342.6
Non-controlling interests	8.0	-	8.0
Total equity	346.9	3.7	350.6

Adoption of new and revised accounting standards

The following accounting standards, amendments and interpretations became effective during the period but the application of these standards and interpretations had no material impact on the amounts reported in these condensed interim consolidated financial statements:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)
- IFRS 17 Insurance contracts
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)

<u>International Tax Reform – Pillar Two Model Rules</u>
On 23 May 2023, the IASB issued International Tax Reform – Pillar Two Model Rules amendments to IAS 12 Income Taxes to clarify the application of IAS 12 to tax legislation enacted or substantively enacted to implement Pillar Two of the Organisation for Economic Co-operation and Development's Base Erosion and Profit Shifting project which aims to address the tax challenges arising from the digitalisation of the economy. The amendments include the mandatory temporary exception from the requirement to recognise and disclose deferred taxes in the Pillar Two model rules.

In July 2023, the UK government enacted legislation to implement the Pillar Two rules. The legislation is effective for the Group from 1 April 2024 and includes an income inclusion rule and a domestic minimum tax, which together are designed to ensure a minimum effective tax rate of 15% in each country in which the Group operates. Similar legislation is being enacted by other governments around the world. As a result of the amendments to IAS 12, no impact is expected on the financial statements for the year ending 31 March 2024, and work is ongoing to assess the potential impact for the March 2025 financial statements. As required by the amendments to IAS 12, the Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

New standards and interpretations not yet adopted

Standards and interpretations issued by the International Accounting Standards Board (IASB) are only applicable if endorsed by the UK Endorsement Board (UKEB). At the date of approval of these financial statements there were no new IFRSs or IFRS Interpretation Committee interpretations which were early adopted by the Group. There are a number of new amendments effective for the period beginning 1 April 2024 however the Group does not expect a significant impact from any of the amendments.

Exchange Rates

In addition to the Group's presentational currency of Euros, the most significant currency for the Group is Sterling with the closing rate on 30 September 2023 of €1:£0.867 (30 September 2022: €1:£0.877) and an average rate for the period ended 30 September 2023 of €1:£0.0.867 (30 September 2022: €1:£0.852).

Critical accounting judgements and estimates

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. In preparing these condensed consolidated interim financial statements, management have reviewed the nature of the significant judgements in applying the Group's accounting policies, the key sources of estimation uncertainty and other areas of focus, as set out on pages 180 to 182 of the 2023 Annual Report and Accounts. It has been determined that there have been no significant changes in methodology in relation to these key estimates and other areas of focus.

3. Segmental reporting

The Group's chief operating decision maker is considered to be the Board of Directors. The Group's reportable segments are determined with reference to the information provided to the Board of Directors, in order for it to allocate the Group's resources and to monitor the performance of the Group. These segments are unchanged from March 2023 and are set out below:

Commercial Waste	Collection and treatment of commercial waste in the Netherlands and Belgium.
Mineralz & Water	Decontamination, stabilisation and re-use of highly contaminated materials to produce certified secondary products for the construction industry in the Netherlands and Belgium.
Specialities	Processing plants focusing on recycling and diverting specific waste streams. The operations are in the UK, the Netherlands, Belgium, France and Portugal.
Group central services	Head office corporate function.

The profit measure the Board of Directors uses to evaluate performance is underlying EBIT. The Group accounts for inter-segment trading on an arm's length basis.

The Commercial Waste reportable segment includes the Netherlands Commercial Waste and Belgium Commercial Waste operating segments which have been aggregated and reported as one reportable segment as they operate in similar markets in relation to the nature of the products, services, processes and type of customer.

Revenue	**First half 2023/24 €m**	First half 2022/23 €m
Netherlands Commercial Waste	**457.3**	459.7
Belgium Commercial Waste	**237.5**	236.3
Intra-segment	**(1.5)**	(1.6)
Commercial Waste	**693.3**	694.4
Mineralz & Water	**88.4**	93.3
Specialities	**178.7**	186.3
Inter-segment revenue	**(23.3)**	(22.0)
Revenue	**937.1**	952.0

Results	**First half 2023/24 €m**	First half 2022/23 €m
Netherlands Commercial Waste	**25.8**	40.3
Belgium Commercial Waste	**24.5**	28.1
Commercial Waste	**50.3**	68.4
Mineralz & Water	**1.5**	2.6
Specialities	**10.3**	11.3
Group central services	**(11.4)**	(7.1)
Underlying EBIT	**50.7**	75.2
Non-trading and exceptional items (note 5)	**13.4**	8.4
Operating profit	**64.1**	83.6
Finance income	**5.1**	4.9
Finance charges	**(24.9)**	(18.5)
Finance income – non trading and exceptional items	**0.7**	1.6
Share of results from associates and joint ventures	**0.4**	-
Profit before taxation	**45.4**	71.6

Net assets	Commercial Waste €m	Mineralz & Water €m	Specialities €m	Group central services €m	Tax, net debt and derivatives €m	**Total €m**
30 September 2023						
Gross non-current assets	**1,137.5**	**265.4**	**211.0**	**42.6**	**39.6**	**1,696.1**
Gross current assets	**193.1**	**29.7**	**77.6**	**7.6**	**78.1**	**386.1**
Gross liabilities	**(370.5)**	**(201.5)**	**(231.5)**	**(49.4)**	**(845.4)**	**(1,698.3)**
Net assets (liabilities)	**960.1**	**93.6**	**57.1**	**0.8**	**(727.7)**	**383.9**
31 March 2023						
Gross non-current assets	1,143.8	262.6	211.1	31.9	36.8	1,686.2
Gross current assets	206.6	35.2	75.0	17.9	64.6	399.3
Gross liabilities	(379.3)	(216.5)	(239.0)	(72.9)	(830.5)	(1,738.2)
Net assets (liabilities)	971.1	81.3	47.1	(23.1)	(729.1)	347.3

4. Revenue

The following tables show the Group's revenue by type of service delivered and by primary geographical market.

By type of service	Commercial Waste €m	Mineralz & Water €m	Specialities €m	Inter-segment €m	**Total €m**
First half 2023/24					
Inbound	**562.2**	**77.7**	**104.0**	**(21.2)**	**722.7**
Outbound	**87.1**	**10.7**	**72.0**	**(1.9)**	**167.9**
On-site	**32.3**	**-**	**-**	**(0.2)**	**32.1**
Other	**11.7**	**-**	**2.7**	**-**	**14.4**
Total revenue	**693.3**	**88.4**	**178.7**	**(23.3)**	**937.1**
First half 2022/23					
Inbound	538.4	77.6	118.3	(20.2)	714.1
Outbound	115.3	15.7	67.2	(1.7)	196.5
On-site	31.6	-	-	(0.1)	31.5
Other	9.1	-	0.8	-	9.9
Total revenue	694.4	93.3	186.3	(22.0)	952.0

By geographical market	Commercial Waste €m	Mineralz & Water €m	Specialities €m	Inter-segment €m	**Total €m**
First half 2023/24					
Netherlands	**456.7**	**77.5**	**38.1**	**(22.1)**	**550.2**
Belgium	**236.6**	**10.9**	**22.1**	**(1.2)**	**268.4**
UK	**-**	**-**	**92.8**	**-**	**92.8**
France	**-**	**-**	**14.4**	**-**	**14.4**
Portugal	**-**	**-**	**11.3**	**-**	**11.3**
Total revenue	**693.3**	**88.4**	**178.7**	**(23.3)**	**937.1**
First half 2022/23					
Netherlands	459.3	79.7	31.7	(20.9)	549.8
Belgium	235.1	13.6	23.1	(1.1)	270.7
UK	-	-	110.0	-	110.0
France	-	-	13.5	-	13.5
Other	-	-	8.0	-	8.0
Total revenue	694.4	93.3	186.3	(22.0)	952.0

Revenue recognised at a point in time amounted to €825.1m (2022/23: €841.1m) with the remainder recognised over time. The majority of the Commercial Waste and Specialities revenue is recognised at a point in time, whereas for Mineralz & Water 67% of revenue (2022/23: 65%) is recognised over time.

5. Non-trading and exceptional items

To improve the understanding of the Group's financial performance, items which are not considered to reflect the underlying performance are presented in non-trading and exceptional items. These include, but are not limited to, significant impairments, significant restructuring of the activities of an entity including employee associated severance costs, acquisition and disposal related transaction costs, significant fires, onerous contracts arising from restructuring activities or if significant in size, profit or loss on disposal of properties or subsidiaries as these are irregular, the impact of terminating hedge derivatives, ineffectiveness of derivative financial instruments, the impact of changing the discount rate on provisions, amortisation of acquisition related intangibles and one-off tax credits or charges. The amortisation charge on acquisition related intangible assets is excluded from underlying results due to its non-trading nature in the same way as other significant items from M&A activity are excluded. The performance of the acquired business is assessed as part of the Group's underlying revenue and EBIT. By excluding this amortisation charge there is comparability across divisions and reporting periods.

	First half 2023/24 €m	First half 2022/23 €m
Renewi 2.0 improvement programme	**1.0**	2.0
Portfolio management activity:		
M&A related activity	**0.8**	-
Prior year disposals	**(1.1)**	(1.7)
Disposal of business assets in the Mineralz & Water division	-	(3.8)
	(0.3)	(5.5)
Changes in long-term provisions:		
Changes in discount rates	**(17.1)**	(15.3)
UK Municipal reassessment of onerous contract provisions	-	8.9
	(17.1)	(6.4)
Ineffectiveness and impact of termination of cash flow hedges	**(0.7)**	(1.6)
Amortisation of acquisition related intangibles	**3.0**	1.5
Non-trading and exceptional items in profit before tax	**(14.1)**	(10.0)
Tax on non-trading and exceptional items	**1.6**	1.9
Total non-trading and exceptional items in profit after tax	**(12.5)**	(8.1)

Renewi 2.0 improvement programme

Renewi 2.0 improvement programme is a significant one-off business improvement project with total capital and one-off costs of €28m and as a result is considered to be exceptional. Following the transformational merger in 2017 the goal of the Renewi 2.0 programme is to make the Group more streamlined and more efficient and improve customer experience and increase employee engagement. As noted in the year to March 2023 financial statements, the programme is now completed with final costs coming through and the €20m run rate of savings will be delivered in the current financial year. The costs in the period of €1.0m (2022/23: €2.0m) were recorded in administrative expenses.

Portfolio management activity

The current year M&A related activity costs of €0.8m (2022/23: €nil) relate to strategic initiatives.

The prior year disposals credit in the current period of €1.1m (2022/23: €1.7m) related to the release of a provision for a previous business disposal following a reassessment at 30 September 2023. The prior period credit related to an insurance claim recovery in relation to a prior business disposal. Also in the prior year certain business assets in the Mineralz & Water division were sold generating a profit of €3.8m. The €0.3m credit (2022/23: €5.5m) was all recorded in administrative expenses.

Changes in long-term provisions

The credit for changes in discount rates of €17.1m (2022/23: €15.3m) relates to the movement in risk free rates as a result of the half yearly assessment of Government bond yields which has impacted landfill related and onerous contract provisions.

The prior year charge of €8.9m in relation to the reassessment of UK Municipal onerous contract provisions was due to revised assumptions on cost inflation as a result of the high inflationary environment.

The total credit of €17.1m (2022/23: €6.4m) has been recorded in cost of sales.

Items recorded in finance income

The €0.7m credit (2022/23: €1.6m) relates to ineffectiveness of the Cumbria PPP project interest rate swaps as a result of a revised repayment programme for the PPP non-recourse debt.

Amortisation of acquisition related intangibles

Amortisation of intangible assets acquired in business combinations of €3.0m (2022/23: €1.5m) is all recorded in cost of sales.

Tax on non-trading and exceptional items

The tax charge for non-trading and exceptional items is only €1.6m (2022/23: €1.9m) as a number of items are not subject to tax.

6. Net finance charges

	First half 2023/24 €m	First half 2022/23 €m
Finance charges		
Interest on borrowings*	**10.2**	6.4
Interest on PPP non-recourse debt	**3.2**	3.4
Lease liabilities interest	**4.5**	3.8
Unwinding of discount on provisions (note 13)	**4.5**	3.9
Other finance costs	**2.5**	1.0
Total finance charges	**24.9**	18.5
Finance income		
Interest receivable on financial assets relating to PPP contracts	**(4.1)**	(4.3)
Other finance income	**(1.0)**	(0.6)
Total finance income before non-trading and exceptional items	**(5.1)**	(4.9)
Non-trading and exceptional finance income:		
Ineffectiveness income on cash flow hedges	**(0.7)**	(1.6)
Total finance income	**(5.8)**	(6.5)
Net finance charges	**19.1**	12.0

*Interest on borrowings has been amended to include amortisation of loan fees which was previously shown separately.

7. Taxation

The tax charge based on the profit for the period is made up as follows:

	First half 2023/24 €m	First half 2022/23 €m
Current tax		
UK corporation tax		
- Current year	**0.4**	0.4
Overseas tax		
- Current year	**10.2**	14.8
Total current tax charge	**10.6**	15.2
Deferred tax		
- Origination and reversal of temporary differences in the current period	**(0.5)**	3.0
Total deferred tax (credit) charge	**(0.5)**	3.0
Total tax charge for the period	**10.1**	18.2

The tax charge is recognised based on management's best estimate of the full year effective tax rate on expected full year profits to March 2024. The estimated average underlying annual tax rate for the year to 31 March 2024 is 27.0% (2022/23: 26.5%).

Uncertain tax positions

As referenced in the Match 2023 financial statements, the Dutch Tax Authorities have issued assessments adjusting the interest rate applied for tax purposes on some intra group loans from the UK to the Netherlands. The assessments have been appealed by the Group given that the interest rate charged of 5.9% is based on a detailed transfer pricing study and the Group will continue to defend the position vigorously. A provision of €1.4m is included in the accounts as a reduction in deferred tax asset in respect of losses, as this is considered to be the most probable outcome. It is noted that the maximum exposure in respect of this topic is calculated to be €11.6m (current tax charge €2.1m, deferred tax charge €9.5m) should the Group be wholly unsuccessful in its defence.

8. Earnings per share

Underlying basic and diluted earnings per share exclude non-trading and exceptional items net of related tax. Non-trading and exceptional items are those items that are disclosed separately on the face of the Income Statement, because of their size or incidence, to enable a better understanding of performance. The Directors believe that adjusting earnings per share in this way enables comparison with historical data calculated on the same basis to reflect the business performance in a consistent manner and reflect how the business is managed and measured on a day to day basis.

	First half 2023/24			First half 2022/23		
	Basic	**Dilutions**	**Diluted**	Basic	Dilutions	Diluted
Weighted average number of shares (million)	**79.5**	**0.2**	**79.7**	79.4	0.4	79.8
Profit after tax (€m)	**35.3**	**-**	**35.3**	53.4	-	53.4
Non-controlling interests (€m)	**(1.5)**	**-**	**(1.5)**	(1.0)	-	(1.0)
Profit after tax attributable to ordinary shareholders (€m)	**33.8**	**-**	**33.8**	52.4	-	52.4
Basic earnings per share (cents)	**42**	**-**	**42**	66	-	66

The reconciliation between underlying earnings per share and basic earnings per share is as follows:

	First half 2023/24		First half 2022/23	
	Cents	**€m**	Cents	€m
Underlying earnings per share/Underlying profit after tax attributable to ordinary shareholders	**27**	**21.3**	56	44.3
Adjustments:				
Non-trading and exceptional items	**18**	**14.1**	13	10.0
Tax on non-trading and exceptional items	**(2)**	**(1.6)**	(3)	(1.9)
Basic earnings per share/Earnings after tax attributable to ordinary shareholders	**42**	**33.8**	66	52.4
Diluted underlying earnings per share/Underlying profit after tax attributable to ordinary shareholders	**27**	**21.3**	56	44.3
Diluted basic earnings per share/Earnings after tax attributable to ordinary shareholders	**42**	**33.8**	66	52.4

The weighted average number of shares takes into account the movements in the Renewi Employee Share Trust. The Trust owns 600,326 (2022/23: 578,722) £1 shares of the issued share capital of the Company in trust for the benefit of employees of the Group. During the period 292,070 £1 shares were purchased by the Trust at a cost of €1.7m and 544,967 £1 shares were transferred to individuals under the Long-Term Incentive Plan and Deferred Annual Bonus schemes.

9. Dividends

The Directors do not recommend an interim dividend for the current year (2022/23: nil per share). The Directors did not recommend a final dividend for the year ended March 2023 (2022: nil per share).

10. Goodwill, intangible assets, property, plant and equipment, right-of-use assets and assets held for sale

	Goodwill €m	Intangible Assets €m	Property, plant and equipment €m	Right-of-use assets €m	Total €m
Net book value at 1 April 2022	551.6	41.2	553.6	213.8	1,360.2
Additions/modifications	-	8.7	117.9	57.4	184.0
Acquisitions through business combinations	17.4	27.9	19.0	38.4	102.7
Disposals	-	-	(4.9)	(5.4)	(10.3)
Transferred to Assets held for sale	-	-	(0.1)	-	(0.1)
Transfer from right-of-use assets to property, plant and equipment	-	-	2.0	(2.0)	-
Amortisation and depreciation charge	-	(10.5)	(69.8)	(47.3)	(127.6)
Impairment charge	-	-	(1.7)	(2.3)	(4.0)
Reversal of a prior year's impairment charge	-	-	2.0	0.5	2.5
Exchange rate changes	-	-	(0.1)	-	(0.1)
Net book value at 31 March 2023	569.0	67.3	617.9	253.1	1,507.3
Additions/modifications	-	10.0	38.5	18.8	67.3
Disposals	-	-	(2.3)	(0.2)	(2.5)
Disposal of a business	(1.4)	-	-	-	(1.4)
Transfer from right-of-use assets to property, plant and equipment	-	-	0.8	(0.8)	-
Amortisation and depreciation charge	-	(6.3)	(34.7)	(25.7)	(66.7)
Impairment charge	-	-	(0.1)	-	(0.1)
Net book value at 30 September 2023	567.6	71.0	620.1	245.2	1,503.9

At 30 September 2023, the Group had property, plant and equipment commitments of €42.7m (31 March 2023: €53.1m), right-of-use asset commitments of €13.1m (31 March 2023: €17.7m) and intangible asset commitments of €0.2m (31 March 2023: €7.6m).

Assets held for sale
The Group had €0.6m assets classified as held for sale at 30 September 2023. The assets include €0.6m land and buildings in the Belgium Commercial Division which are expected to be sold within the next 12 months.

11. Cash and borrowings

Cash and cash equivalents are analysed as follows:

	30 September 2023 €m	30 September 2022 €m	31 March 2023 €m
Cash at bank and in hand - core	**51.2**	39.2	43.7
Cash at bank - restricted relating to PPP contracts	**23.2**	19.7	19.0
Total cash and cash equivalents	**74.4**	58.9	62.7

Borrowings are analysed as follows:

	30 September 2023 €m	Restated* 30 September 2022 €m	31 March 2023 €m
Non-current borrowings			
Retail bonds	**124.7**	199.4	199.5
Bank loans and private placements – fixed interest rates	**89.6**	24.9	89.6
Bank loans – floating interest rates#	**122.9**	190.7	101.1
Lease liabilities	**201.4**	196.1	208.3
PPP non-recourse debt	**81.4**	86.1	83.1
	620.0	697.2	681.6
Current borrowings			
Retail bonds	**74.9**	-	-
Bank loans and private placements – fixed interest rates	**15.0**	-	15.0
Bank loans and overdrafts – floating interest rates	**0.3**	1.4	0.1
Lease liabilities	**46.7**	42.7	46.5
PPP non-recourse debt	**5.4**	5.2	5.2
	142.3	49.3	66.8

#The revolving credit facility is now included in Bank loans – floating interest rates.
*The comparatives for lease liabilities have been restated due to a prior year adjustment as explained in note 2 Basis of preparation.

In August 2023, the Group completed the renewal of its revolving credit facility, part of its Euro denominated multicurrency green finance facility. The size of the revolving credit facility remains unchanged at €400m and is for an initial five-year term to 2028 with two one-year extension options to 2030 together with a €150m accordion option to increase the facility subject to lender approval at that time. Financial covenants remained unchanged and will be tested semi-annually at September and March. The interest margin is adjusted based on the prevailing leverage ratio together with performance against three green sustainability metrics. As required by IFRS 9 Financial Instruments, we have undertaken a detailed assessment and determined that the terms of the new facility are substantially different from the facility being replaced. As a result there is an extinguishment of the previous facility which has resulted in €1.1m of unamortised loan fees being charged to the Income Statement in the period.

Movement in total net debt

	At 1 April 2023 €m	Cash flows €m	Other non-cash changes €m	Exchange movements €m	Disposed of €m	**At 30 September 2023 €m**
Bank loans and overdrafts – floating interest rates	(101.2)	(23.1)	1.1	-	-	**(123.2)**
Bank loans and private placements – fixed interest rates	(104.6)	-	-	-	-	**(104.6)**
Retail bonds	(199.5)	-	(0.1)	-	-	**(199.6)**
Lease liabilities	(254.8)	25.4	(18.7)	(0.1)	0.1	**(248.1)**
Debt excluding PPP non-recourse debt	(660.1)	2.3	(17.7)	(0.1)	0.1	**(675.5)**
PPP non-recourse debt	(88.3)	2.7	-	(1.2)	-	**(86.8)**
Total gross debt	(748.4)	5.0	(17.7)	(1.3)	0.1	**(762.3)**
Cash and cash equivalents – core	43.7	7.9	-	0.3	(0.7)	**51.2**
Cash and cash equivalents – restricted relating to PPP contracts	19.0	4.0	-	0.2	-	**23.2**
Total net debt	(685.7)	16.9	(17.7)	(0.8)	(0.6)	**(687.9)**
Analysis of total net debt:						
Net debt excluding PPP non-recourse net debt	(616.4)	10.2	(17.7)	0.2	(0.6)	**(624.3)**
PPP non-recourse net debt	(69.3)	6.7	-	(1.0)	-	**(63.6)**
Total net debt	(685.7)	16.9	(17.7)	(0.8)	(0.6)	**(687.9)**

At 30 September 2023, the balance of interest accrued relating to borrowings was €3.8m (2022/23: €2.0m) and was included in trade and other payables. This balance was after finance charges of €18.6m (2022/23: €13.5m) net of a cash outflow of €20.7m (2022/23: €19.4m) excluding loan fees.

Analysis of movement in total net debt

	First half 2023/24 €m	Restated* First half 2022/23 €m	Full year 2022/23 €m
Net increase (decrease) in cash and cash equivalents including cash sold as part of business disposals	**11.2**	(3.4)	0.4
Net decrease (increase) in borrowings and lease liabilities including lease liabilities sold as part of business disposals	**5.1**	(42.4)	(3.8)
Total cash flows in net debt	**16.3**	(45.8)	(3.4)
Bank loans and lease liabilities acquired through a business combination	**-**	(33.1)	(37.7)
Lease liabilities entered into during the period	**(18.7)**	(16.7)	(57.4)
Lease liabilities cancelled during the period	**-**	0.7	5.4
Capitalisation of loan fees	**2.6**	-	0.3
Amortisation of loan fees	**(1.6)**	(0.6)	(1.0)
Exchange (loss) gain	**(0.8)**	2.4	2.6
Movement in net debt	**(2.2)**	(93.1)	(91.2)
Total net debt at beginning of period	**(685.7)**	(594.5)	(594.5)
Total net debt at end of period	**(687.9)**	(687.6)	(685.7)

*The lease liabilities comparatives have been restated due to a prior period adjustment as explained in note 2 Basis of preparation.

12. Acquisitions and Disposals

Acquisitions
There are no current period acquisitions.

In the prior period, the Netherlands Commercial division acquired 100% of the share capital of GMP Exploitatie B.V. and its subsidiaries (subsequently renamed Renewi Westpoort Holding B.V.) for a cash consideration of €53.5m. The asset identification and fair value allocation processes were finalised in the year ended 31 March 2023 and resulted in a final fair value of the net identifiable assets acquired of €36.4m with resultant goodwill arising on acquisition of €17.1m. In addition, the division completed a business assets acquisition for cash consideration of €1.6m, the fair value of net assets acquired was €1.3m resulting in €0.3m of goodwill.

Disposals
On 1 September 2023, the Netherlands Commercial division disposed of 100% of the share capital of Buro ontwerp & omgeving B.V. to GMP Groep B.V. for a cash consideration of €2.3m. The net assets of the entity sold totalled €2.3m including €1.4m of goodwill, €0.7m cash and €0.1m of lease liabilities resulting in no profit or loss on disposal.

In the prior year, the Mineralz & Water division disposed of net liabilities totalling €3.6m in relation to its North business for a cash consideration of €0.2m generating a profit on sale of €3.8m which was recorded as a non-trading and exceptional item in line with the Group's policy due to the significant value of the profit. In addition, the Specialities division sold its Maltha Hungary entity. Net liabilities of €0.8m were sold for a cash consideration net of cash sold of €0.1m which generated a profit on sale of €0.9m which was recorded in underlying EBIT.

13. Provisions

	Site restoration and aftercare €m	Onerous contracts €m	Legal and warranty €m	Restructuring €m	Other €m	Total €m
At 1 April 2023	164.5	141.9	7.5	3.0	25.0	341.9
Provided in the period	0.1	-	-	0.6	0.8	1.5
Released in the period	-	(0.4)	(1.2)	(0.3)	(0.8)	(2.7)
Finance charges – unwinding of discount	1.9	2.5	-	-	0.1	4.5
Utilised in the period	(2.6)	(7.1)	(0.2)	(0.7)	(1.1)	(11.7)
Exceptional impact of increase in discount rates (note 5)	(10.4)	(6.7)	-	-	-	(17.1)
Exchange rate changes	0.1	1.9	-	-	-	2.0
At 30 September 2023	**153.6**	**132.1**	**6.1**	**2.6**	**24.0**	**318.4**
Within one year	**10.1**	**18.2**	**2.6**	**2.6**	**4.8**	**38.3**
Between one and five years	**42.2**	**65.7**	**0.5**	**-**	**6.3**	**114.7**
Between five and ten years	**55.4**	**28.6**	**0.5**	**-**	**3.2**	**87.7**
Over ten years	**45.9**	**19.6**	**2.5**	**-**	**9.7**	**77.7**
At 30 September 2023	**153.6**	**132.1**	**6.1**	**2.6**	**24.0**	**318.4**
Within one year	11.3	18.9	4.0	3.0	6.5	43.7
Between one and five years	40.6	62.3	0.4	-	6.0	109.3
Between five and ten years	61.9	32.8	0.5	-	3.3	98.5
Over ten years	50.7	27.9	2.6	-	9.2	90.4
At 31 March 2023	164.5	141.9	7.5	3.0	25.0	341.9

Discount rates
The landfill provisions are principally located in the Netherlands and Belgium. The discount rate is calculated with reference to German Government bond yields as an appropriate Eurozone country primarily due to their higher degree of liquidity compared to Dutch and Belgian Government bonds. The onerous contract provisions are principally in the UK and the discount rate is calculated with reference to UK Government bond yields. In determining the discount rate, consideration is also given to the timing of future cash flows. The cash flows used to determine the outstanding provision are risk adjusted and include annual inflation so there is no risk adjustment included within the nominal discount rate. In all cases, the final determination of rates used has taken into consideration average bond yields over the last 10 and 20 years and the market bond yields at 30 September 2023.

The table below sets out the range of nominal discount rates used for the significant provisions:

	At 30 September 2023 %	At 31 March 2023 %	At 30 September 2022 %
Landfill provisions in the Netherlands and Belgium	2.75 to 3.00	2.20 to 2.30	3.00
Landfill provisions in the UK	4.45 to 5.00	3.40	4.00
Onerous contract provisions in the UK	4.30 to 4.75	3.25 to 3.75	4.00

Site restoration and aftercare
The site restoration provisions relate to the cost of final capping and covering of the landfill and mineral extraction sites. These site restoration costs are expected to be paid over a period of up to 28 years from the balance sheet date. Aftercare provisions cover post-closure costs of landfill sites which include such items as monitoring, gas and leachate management and licensing. For aftercare provisions relating to Dutch landfill sites where the province administers and controls the aftercare fund, payments are made to the province at predetermined dates over a period of up to 9 years. Where the Group is responsible for the aftercare the dates of payments of these aftercare costs are uncertain but are anticipated to be over a period of at least 30 years from closure of the relevant landfill site. All site restoration and aftercare costs have been estimated by management based on current best practice and technology available and may be impacted by a number of factors including changes in legislation and technology.

Onerous contracts
Onerous contract provisions arise when the unavoidable costs of meeting contractual obligations exceed the cash flows expected. They are provided for at the lower of the net present value of either exiting the contracts or fulfilling our obligations under the contracts. The provisions have been calculated on the best estimate of likely future cash flows over the contract term based on the latest projections including assumptions on inflationary increases, tonnage inputs, off-take availability and recyclates pricing. The provisions are to be utilised over the period of the contracts to which they relate with the latest date being 2040.

Legal and warranty
Legal and warranty provisions relate to legal claims, warranties and indemnities. Under the terms of the agreements for the disposal of certain businesses, the Group has given a number of warranties and indemnities to the purchasers which may give rise to payments. The Group has a liability until the end of the contractual terms in the agreements. The Group considers each warranty provision based on the nature of the business disposed of and the type of warranties provided with judgement used to determine the most likely obligation.

Restructuring
The restructuring provision primarily relates to redundancy and related costs incurred as a result of restructuring initiatives. As at 30 September 2023 the provision is expected to be spent in the following twelve months as affected employees leave the business.

Other
Other provisions includes dilapidations of €10.3m (March 2023: €10.9m), long-service employee awards of €6.2m (March 2023: €6.0m) and other environmental liabilities of €7.5m (March 2023: €8.1m). The dilapidations provisions are determined on a site by site basis using internal expertise and experience and are calculated as the most likely cash outflow at the end of the contracted obligation. The provisions will be utilised over the period up to 2073.

14. Defined benefit pension schemes

The Group has the legacy Shanks UK defined benefit scheme which provides pension benefits for pensioners, deferred members and eligible UK employees which is closed to new entrants and to future benefit accrual. In addition, there are a number of defined benefit pension schemes eligible for certain employees in both the Netherlands and Belgium.

The amounts recognised in the Income Statement were as follows:

	First half 2023/24 €m	First half 2022/23 €m
Current service cost	**0.7**	0.9
Interest charge (income) on scheme net liabilities	**0.1**	(0.1)
Net defined benefit pension schemes charge before tax	**0.8**	0.8

The amounts recognised in the balance sheet were as follows:

	30 September 2023 €m	30 September 2022 €m	31 March 2023 €m
Present value of defined benefit obligations	**(187.1)**	(188.5)	(201.1)
Fair value of plan assets	**175.2**	188.4	191.8
Defined benefit pension schemes net deficit	**(11.9)**	(0.1)	(9.3)
Related deferred tax asset	**3.0**	-	2.4
Net defined pension schemes liability	**(8.9)**	(0.1)	(6.9)
Classified as:			
Defined benefit scheme surplus - included in non-current assets	**-**	4.5	-
Defined benefit pension schemes deficit - included in non-current liabilities	**(11.9)**	(4.6)	(9.3)
Defined benefit pension schemes net deficit	**(11.9)**	(0.1)	(9.3)

The legacy Shanks UK defined benefit scheme deficit increased by €2.6m from €4.3m at 31 March 2023 to €6.9m at 30 September 2023. The scheme liabilities reduced due to an increase in the discount rate assumption from 4.9% at 31 March 2023 to 5.50% at 30 September 2023 however asset values decreased as a result of lower than anticipated returns. The deficit for the overseas defined benefit schemes was unchanged from a liability of €5.0m at 31 March 2023.

15. Financial instruments at fair value

The Group uses the following hierarchy of valuation techniques to determine the fair value of financial instruments:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

During the period ended 30 September 2023, there were no transfers between level 1 and level 2 fair value measurements and no transfers into or out of level 3.

Valuation techniques used to derive level 2 fair values:

- Unlisted non-current investments comprise unconsolidated companies where the fair value approximates the book value
- Short-term investment valuations are provided by the fund manager
- Derivative financial instruments are determined by discounting the future cash flows using the applicable period-end yield curve
- The fair value of the fixed interest rate bank loans and private placements are determined by discounting the future cash flows using the applicable period-end yield curve
- The fair value of retail bonds is based on indicative market pricing

The table below presents the level 2 fair values of the Group's relevant assets and liabilities. The carrying value of bank loans, private placements and retail bonds are held at amortised cost with all other items in the table held at fair value. The Group considers that the fair value of all other financial assets and financial liabilities are not materially different to their carrying value.

	30 September 2023 €m	30 September 2022 €m	31 March 2023 €m
Assets			
Unlisted non-current investments	**4.6**	4.6	4.6
Short-term investments	**10.9**	10.7	10.9
Derivative financial instruments	**6.5**	8.7	1.6
	22.0	24.0	17.1
Liabilities			
Derivative financial instruments	**0.5**	0.9	4.5
Bank loans and private placements – fixed interest rates	**109.4**	24.8	110.6
Retail bonds	**194.5**	195.6	196.5
	304.4	221.3	311.6

16. Contingent liabilities

Since 2017 ATM has faced challenges in the offtake of thermally treated soil. There are discussions ongoing on the application of thermally cleaned soil in certain areas in the Netherlands and it cannot be ruled out that this could result in liability for damages resulting from third-party claims in the future.

All sites need to operate in alignment with the related permits and when new regulatory requirements come into force, the Group may need to undertake additional expenditure to align to new standards. No account is taken of any potential changes until the new obligations are fully defined and enforceable.

Due to the nature of the industry in which the business operates, from time to time the Group is made aware of claims or litigation arising in the ordinary course of the Group's business. Provision is made for the Directors' best estimate of all known claims and all such legal actions in progress. The Group takes legal advice as to the likelihood of success of claims and actions and no provision is made where the Directors consider, based on that advice, that the action is unlikely to succeed or a sufficiently reliable estimate of the potential obligation cannot be made. None of these other matters are expected to have a material impact.

Under the terms of sale agreements, the Group has given a number of indemnities and warranties relating to businesses sold in prior periods. Different warranty periods are in existence and it is assumed that these will expire within 15 years. Based on management's assessment of the most likely outcome appropriate warranty provisions are held.

17. Related party transactions

The Group's significant related party transactions remain as disclosed in note 8.2 of the 2023 Annual Report and Accounts. There were no material differences in related parties or related party transactions in the interim period compared to the prior year.

18. Alternative performance measures (APMs) and reconciliations

In accordance with the Guidelines on APMs issued by the European Securities and Markets Authority, additional information is provided on the APMs used by the Group below. The Directors use APMs as they believe these measures provide additional useful information on the underlying trends, performance and position of the Group. These measures are used for internal performance analysis. These terms are not defined terms under IFRS and may therefore not be comparable with similarly titled measures used by other companies. These measures are not intended to be a substitute for, or superior to, IFRS measurements. There have been no changes in approach.

Financial Measure	How we define it	Why we use it
Underlying EBIT	Operating profit excluding non-trading and exceptional items which are defined in note 5	Provides insight into profit generation and is the measure used by management to make decisions as it provides consistency and comparability of the ongoing performance between periods
Underlying EBIT margin	Underlying EBIT as a percentage of revenue	Provides insight into margin development and trends
Underlying EBITDA	Underlying EBIT before depreciation, amortisation and impairment of property, plant and equipment, right-of-use assets, intangible assets and investments, profit or loss on disposal of property, plant and equipment, intangible assets and subsidiaries	Measure of earnings and cash generation to assess operational performance
Underlying profit before tax	Profit before tax excluding non-trading and exceptional items	Facilitates underlying performance evaluation
Underlying EPS	Earnings per share excluding non-trading and exceptional items	Facilitates underlying performance evaluation
Underlying effective tax rate	The effective tax rate on underlying profit before tax	Provides a more comparable basis to analyse the tax rate
Return on operating assets	Last 12 months underlying EBIT divided by a 13-month average of net assets excluding core net debt, IFRS 16 lease liabilities, derivatives, tax balances, goodwill and acquisition related intangibles	Provides a measure of the return on assets across the Divisions and the Group excluding goodwill and acquisition related intangible balances
Post-tax return on capital employed	Last 12 months underlying EBIT as adjusted by the Group's effective tax rate divided by a 13-month average of net assets excluding core net debt, IFRS 16 lease liabilities and derivatives	Provides a measure of the Group return on assets taking into account the goodwill and acquisition related intangible balances
Adjusted free cash flow	Net cash generated from operating activities including interest, tax and replacement capital spend and excluding cash flows from non-trading and exceptional items, Covid-19 tax deferral payments, settlement of historic ATM soil liabilities and cash flows relating to the UK PPP contracts. Payments to fund defined benefit pension schemes are also excluded as these schemes are now closed to both new members and ongoing accrual and as such relate to historic liabilities. The Municipal contract cash flows are excluded because they principally relate to onerous contracts as reported in exceptional charges in the past and caused by adverse market conditions not identified at the inception of the contract	Measure of cash generation in the underlying business available to fund growth capital projects and invest in acquisitions. We classify our capital spend into general replacement expenditure and growth capital projects
Non-trading and exceptional cash flow items	Renewi 2.0 and other exceptional cash flows are presented in cash flows from operating activities and are included in the categories in note 5, net of opening and closing Balance Sheet positions	Provides useful information on non-trading and exceptional cash flow spend
Free cash flow	Net cash generated from operating activities principally including interest, tax and replacement capital spend	Measure of cash available after regular replacement capital expenditure and historic liabilities to pay dividends, fund growth capital projects and invest in acquisitions
Free cash flow/EBITDA conversion	The ratio of free cash flow to underlying EBITDA	Provides an understanding of how profits convert into cash
Growth capital expenditure	Growth capital projects which include the innovation portfolio and other large strategic investments	Provides an understanding of how cash is being spent to grow the business
Total cash flow	Total cash flow is the movement in net debt excluding loan fee capitalisation and amortisation, exchange movements, movement in PPP cash and PPP non-recourse debt, additions to IFRS 16 lease liabilities and lease liabilities acquired through a business combination	Provides an understanding of total cash flow of the Group

Financial Measure	How we define it	Why we use it
Core cash	Core cash excludes cash and cash equivalents relating to UK PPP contracts	The cash relating to UK PPP contracts is not freely available to the Group and is excluded from financial covenant calculations of the main multicurrency green finance facility therefore excluding this gives a suitable measure of cash for the Group
Core net debt	Core net debt includes core cash and excludes debt relating to the UK PPP contracts and lease liabilities as a result of IFRS 16	The borrowings relating to the UK PPP contracts are non-recourse to the Group and excluding these gives a suitable measure of indebtedness for the Group. IFRS 16 lease liabilities are excluded as financial covenants on the main multicurrency green finance facility remain on a frozen GAAP basis
Liquidity	Liquidity headroom includes core cash and undrawn committed amounts on the multicurrency green finance facility and the European Investment Bank facility	Provides an understanding of available headroom to the Group
Net debt to EBITDA/leverage ratio	This is the key covenant of the Group's banking facilities which is calculated following an agreed methodology to protect the Group from potential volatility caused by accounting standard changes, sudden movements in exchange rates and exceptional items. Net debt and EBITDA are measured on a frozen GAAP basis with the main impact of this being the exclusion of IFRS 16 lease liabilities. Exceptional items are excluded from EBITDA and cash and debt relating to UK PPP contracts are excluded from net debt. Net debt and EBITDA are translated to Euros using average exchange rates for the period. Covenant ratios are measured half yearly on a rolling 12-month basis at March and September	Commonly used measure of financial leverage and consistent with covenant definition

Reconciliation of operating profit to underlying EBITDA

First half 2023/24	**Netherlands Commercial Waste €m**	**Belgium Commercial Waste €m**	**Mineralz & Water €m**	**Specialities €m**	**Group central services €m**	**Total €m**
Operating profit (loss)	25.7	24.1	9.5	17.0	(12.2)	**64.1**
Non-trading and exceptional items (excluding finance items)	0.1	0.4	(8.0)	(6.7)	0.8	**(13.4)**
Underlying EBIT	25.8	24.5	1.5	10.3	(11.4)	**50.7**
Depreciation and impairment of property, plant and equipment and right-of-use assets	29.0	15.7	8.3	4.3	3.2	**60.5**
Amortisation and impairment of intangible assets (excluding acquisition related intangibles)	0.5	-	0.4	0.1	2.3	**3.3**
Non-exceptional (gain) loss on disposal of property, plant and equipment and intangible assets	(0.6)	(0.4)	-	0.1	-	**(0.9)**
Underlying EBITDA	**54.7**	**39.8**	**10.2**	**14.8**	**(5.9)**	**113.6**

First half 2022/23	Netherlands Commercial Waste €m	Belgium Commercial Waste €m	Mineralz & Water €m	Specialities €m	Group central services €m	Total €m
Operating profit (loss)	40.3	28.2	11.0	10.5	(6.4)	83.6
Non-trading and exceptional items (excluding finance items)	-	(0.1)	(8.4)	0.8	(0.7)	(8.4)
Underlying EBIT	40.3	28.1	2.6	11.3	(7.1)	75.2
Depreciation and impairment of property, plant and equipment and right-of-use assets	26.6	14.8	8.6	3.8	3.0	56.8
Amortisation and impairment of intangible assets (excluding acquisition related intangibles)	0.4	-	0.4	0.1	1.6	2.5
Non-exceptional gain on disposal of property, plant and equipment, intangible assets and subsidiaries	(1.6)	(0.1)	-	(0.9)	-	(2.6)
Underlying EBITDA	65.7	42.8	11.6	14.3	(2.5)	131.9

Calculation of return on operating assets

First half 2023/24	Netherlands Commercial Waste €m	Belgium Commercial Waste €m	Mineralz & Water €m	Specialities excluding UK Municipal €m	Group €m
Underlying EBIT (12 months to 30 September 2023)	**62.4**	**48.8**	**(0.6)**	**16.1**	**108.4**
13 month average of operating assets	**432.7**	**141.7**	**64.1**	**51.3**	**410.5**
Return on operating assets	**14.4%**	**34.4%**	**-0.9%**	**31.5%**	**26.4%**
First half 2022/23					
Underlying EBIT (12 months to 30 September 2022)	90.2	49.2	4.4	14.5	144.1
13 month average of operating assets	370.4	95.2	60.7	40.6	322.1
Return on operating assets	24.3%	51.8%	7.3%	35.8%	44.7%

Calculation of post-tax return on capital employed

	September 2023 €m	September 2022 €m
Operating profit for 12 months to September	**101.9**	150.2
Non-trading and exceptional items in operating profit for 12 months to September	**6.5**	(6.1)
Underlying EBIT for 12 months to September	**108.4**	144.1
Tax at effective rate (2023/24: 27.0%, 2022/23: 26.5%)	**(29.4)**	(38.2)
Post tax underlying EBIT for 12 months to September	**79.0**	105.9
13 month average of capital employed	**975.5**	867.5
Post-tax return on capital employed	**8.1%**	12.2%

Reconciliation of statutory profit before tax to underlying profit before tax

	First half 2023/24 €m	First half 2022/23 €m
Statutory profit before tax	**45.4**	71.6
Non-trading and exceptional items in operating profit	**(13.4)**	(8.4)
Non-trading and exceptional finance income	**(0.7)**	(1.6)
Underlying profit before tax	**31.3**	61.6

Reconciliation of adjusted free cash flow and free cash flow as presented in the Finance review

	First half 2023/24 €m	Restated* First half 2022/23 €m
Net cash generated from operating activities	**88.8**	74.0
Include finance charges and loan fees paid	**(23.3)**	(19.4)
Include finance income received	**5.5**	5.3
Include repayment of obligations under lease liabilities	**(25.4)**	(22.8)
Include purchases of replacement items of intangible assets	**(10.3)**	(6.1)
Include purchases of replacement items of property, plant and equipment	**(34.4)**	(33.6)
Include proceeds from disposals of property, plant & equipment	**3.3**	4.7
Include capital received in respect of PPP financial asset net of outflows	**2.7**	2.9
Include repayment of UK Municipal contracts PPP debt	**(2.7)**	(5.4)
Include movement in UK Municipal contracts PPP cash	**(4.0)**	0.5
Include investment in own shares by the Employee Share Trust	**(1.7)**	(3.5)
Include net movements in associates and joint ventures	**(0.1)**	(1.0)
Free cash flow	**(1.6)**	(4.4)
Exclude deferred Covid taxes paid	**9.7**	9.9
Exclude offtake of ATM soil	**1.0**	1.1
Exclude UK Municipal contracts	**9.8**	7.1
Exclude non-trading and exceptional provisions and working capital	**1.6**	2.2
Exclude payments to fund defined benefit pension schemes	**1.8**	1.8
Exclude investment in own shares by the Employee Share Trust	**1.7**	3.5
Exclude net movements in associates and joint ventures	**0.1**	1.0
Adjusted free cash flow	**24.1**	22.2

*The comparatives have been restated due to a prior year adjustment as explained in note 2 Basis of preparation.

Reconciliation of net capital spend in the Finance review to purchases and disposal proceeds of property, plant and equipment and intangible assets within Investing activities in the consolidated Statement of Cash Flows

	First half 2023/24 €m	First half 2022/23 €m
Purchases of intangible assets	**(10.3)**	(6.1)
Purchases of replacement property, plant and equipment	**(34.4)**	(33.6)
Proceed from disposals of property, plant and equipment	**3.3**	4.7
Net replacement capital expenditure	**(41.4)**	(35.0)
Growth capital expenditure	**(15.9)**	(16.0)
Total capital spend as shown in the cash flow in the Finance review	**(57.3)**	(51.0)

	First half 2023/24 €m	First half 2022/23 €m
Purchases of intangible assets	**(10.3)**	(6.1)
Purchases of property, plant and equipment (replacement and growth)	**(50.3)**	(49.6)
Proceed from disposals of property, plant and equipment	**3.3**	4.7
Purchases and disposal proceeds of property, plant and equipment and intangible assets within Investing activities in the consolidated Statement of Cash Flows	**(57.3)**	(51.0)

Reconciliation of property, plant and equipment additions to replacement capital expenditure as presented in the Finance review

	First half 2023/24 €m	First half 2022/23 €m
Property, plant and equipment additions (note 10)	**(38.5)**	(44.3)
Intangible asset additions (note 10)	**(10.0)**	(4.5)
Proceeds from disposals of property, plant and equipment	**3.3**	4.7
Movement in capital creditors (included in trade and other payables)	**(12.1)**	(6.9)
Growth capital expenditure – as disclosed in the Finance review	**15.9**	16.0
Replacement capital expenditure per Finance review	**(41.4)**	(35.0)

Reconciliation of total cash flow as presented in the Finance review to the movement in total net debt

	First half 2023/24 €m	Restated* First half 2022/23 €m
Total cash flow	**(15.9)**	(80.5)
Additions to lease liabilities net of cancelled lease liabilities	**(18.7)**	(16.0)
Repayment of obligations under lease liabilities	**25.4**	22.8
Lease liabilities disposed of	**0.1**	-
Lease liabilities acquired though a business combination	**-**	(26.1)
Movement in PPP non-recourse debt	**2.7**	5.4
Movement in PPP cash and cash equivalents	**4.0**	(0.5)
Capitalisation of loan fees net of amortisation	**1.0**	(0.6)
Exchange movements	**(0.8)**	2.4
Movement in total net debt (note 11)	**(2.2)**	(93.1)

*The comparatives have been restated due to a prior year adjustment as explained in note 2 Basis of preparation.

Reconciliation of total cash flow as presented in the Finance review to the movement in cash

	First half 2023/24 €m	First half 2022/23 €m
Total cash flow	**(15.9)**	(80.5)
Repayment of retail bonds	**-**	(100.0)
Proceeds from bank borrowings	**189.7**	303.2
Repayment of bank borrowings	**(166.6)**	(132.6)
Bank loan acquired through business combination	**-**	7.0
Movement in PPP cash and cash equivalents	**4.0**	(0.5)
Exchange movements	**0.5**	(1.3)
Movement in total cash	**11.7**	(4.7)

Reconciliation of total net debt to net debt under covenant definition

	30 September 2023 €m	Restated* 30 September 2022 €m	31 March 2023 €m
Total net debt	**(687.9)**	(687.6)	(685.7)
Exclude PPP non-recourse debt	**86.8**	91.3	88.3
Exclude PPP cash and cash equivalents	**(23.2)**	(19.7)	(19.0)
Exclude IFRS 16 lease liabilities	**241.1**	228.3	245.8
Net debt under covenant definition	**(383.2)**	(387.7)	(370.6)

*The comparatives have been restated due to a prior year adjustment as explained in note 2 Basis of preparation.

INDEPENDENT REVIEW REPORT TO RENEWI PLC

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2023 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2023 which comprises the Consolidated Interim Income Statement, the Consolidated Interim Statement of Comprehensive Income, the Consolidated Interim Balance Sheet, the Consolidated Statement of Changes in Equity and the Consolidated Interim Statement of Cash Flows and the related notes 1 to 18.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410, however future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities of directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statement in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

BDO LLP
Chartered Accountants
London, UK
8 November 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).