Working together

Renew Holdings plc
Interim Report and Accounts 2024

We operate on some of the country's most challenging infrastructure networks directly delivering day-to-day engineering support services.

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Continued momentum and strong market dynamics underpin record first half performance

The Group delivered another record trading performance for the first six months of the financial year, continuing the strong momentum seen in FY23. This excellent performance, which was achieved despite a number of macroeconomic headwinds facing the wider market, serves to demonstrate the continued resilience and differentiated nature of our high-quality, low-risk business model, alongside the continued strong demand in our end markets.

We have established a track record of delivering consistent, sustainable growth across all our financial metrics which we are able to achieve as a result of a number of key characteristics of the Group. The critical nature of our work across non-discretionary maintenance and renewals tasks and the visibility of the highly committed and long-term spending cycles within our markets give us confidence in our continued strong growth trajectory.

It was pleasing to see the Government's 2024 Spring Budget re-affirm its commitment to invest in the UK's infrastructure, with over £600 billion[1] of public sector investment planned over the next five years to meet the target of net zero carbon emissions by 2050. The Government has committed to advancing the UK's net zero efforts with nuclear and green energy with an £800m[1] allocation to scale up affordable, clean, homegrown power. This will be achieved through focusing on the decarbonisation of the UK's grid, the purchase of two nuclear sites and further investment in the Green Industries Growth Accelerator (Giga), all of which offer significant opportunities for the Group. Further, with pressure on public expenditure as a result of the difficult macroeconomic environment, we are seeing increased funding being directed towards the maintenance and renewal of existing assets and away from major infrastructure enhancement projects which bodes well for our business.

Regardless of the outcome of the upcoming UK general election and wider economic pressures, we believe the mission-critical nature of our work and the highly visible, reliable, committed regulatory spending periods which underpin our markets give us confidence that such challenges will not impact the Group's opportunities now or in the future.

Of particular note during the period has been the Group's strong double digit organic growth which has been driven by ongoing demand across our markets for our non-discretionary services as well as the impact of multiple weather events over the winter that have required a reactive response to ensure that the networks continue to operate safely. This strong organic growth performance, alongside our robust balance sheet and cash generative model provides us with the strength and agility to invest further in organic opportunities and value-accretive M&A to fully capitalise on the opportunities available to us.

In October 2023, we successfully completed the bolt-on acquisition of TIS, which is now fully integrated into the Group and is starting to deliver the planned strategic benefits. Post-period end, in April, we acquired Route One Infrastructure and we are pleased to say that the integration plan is progressing well. Both businesses are trading in line with expectations and represent an excellent strategic fit for the Group, expanding our service offering and provide both internal synergies and new development opportunities. We continue to consider a number of acquisition opportunities that meet our strict criteria and that would complement the Group's existing capabilities or extend our footprint into our target markets.

Another record trading period in the first six months of FY24 continues to demonstrate the consistent and resilient nature of our business model. We enter the second half of the year with good momentum and a strong forward order book which underpins our confidence in our full year outturn. We are seeing continued demand for our services across all our markets and that is largely due to the outstanding work of our directly employed colleagues who continue to go above and beyond for our clients. On behalf of the Board, I would like to take this opportunity to thank all our dedicated colleagues for their valuable work and continued commitment to providing our clients with mission critical, highly responsive services at all times.

Renew's strengths

Renew has a number of core strengths which provide distinct competitive advantages in our chosen markets and leave us well placed to build on our strong track record of long-term value creation:

- We remain committed to ensuring the health, safety, and wellbeing of our team and those impacted by our operations. In this regard, we have a robust set of safety standards across all of our operations which are reviewed on a regular basis to ensure standards remain at the highest level.

1 https://www.gov.uk/government/publications/spring-budget-2024/spring-budget-2024-html

Chief Executive Officer's review continued

Renew's strengths continued

- Our business model is robust, diverse, and low risk. We focus on essential asset maintenance and renewal services, that are not dependent on large, high-risk, capital-intensive contract awards.
- Our flexible model allows us to engage with clients as individual companies, as a larger group or as a collaboration of brands to meet their ever-changing operational requirements.
- With our directly employed workforce, we deliver valuable, efficient and responsive solutions to our clients, minimising the impact of sub-contractor pricing fluctuations.
- We ensure that we remain agile in our ability to proactively and efficiently manage cost inflation through commercial terms within our frameworks.
- Our businesses work in complex, challenging and highly regulated markets with significant barriers to entry, which demand a highly skilled and experienced workforce and a proven track record of safe delivery.
- Our markets offer steady, long-term growth and predictable cashflows due to committed regulatory spending. We have shown a consistent track record of value creation, reliable revenue growth and strong returns on capital which has been achieved through our highly cash generative earnings model.
- We remain committed to achieving growth both organically and through selective acquisitions while maintaining a disciplined approach to capital allocation and risk underpinned by a strong balance sheet.
- We continue to hold strong relationships with all stakeholders including our workforce, customers, suppliers, communities and shareholders.
- Our high-quality model of compounding earnings through the redeployment of internally generated cash flows enables us to execute on our strategy of delivering reliable growth for all our stakeholders.

Compelling market drivers

Our business is well positioned to benefit from attractive, long-term, non-discretionary structural growth drivers. Increasing demand for the maintenance and renewal of existing UK infrastructure is driven by a number of factors including:

- a renewed commitment by the Government to level up the economy by investing over £600bn in an infrastructure-led recovery. Two-thirds of this will be injected in the transport and energy sectors, with fiscal stimulus measures likely to flow through to lower cost infrastructure maintenance programmes ahead of larger, more capital-intensive enhancement schemes;
- a greater focus on sustainability and climate change as part of the UK's target of reaching net zero carbon emissions by 2050, together with flood risk prevention measures and investment in nuclear projects, renewables and rail electrification programmes;
- sustained population growth is continuing to increase pressure on transportation, energy, water and demand for natural resources;
- technological innovation driving a shift towards digital roads, smart cities and the transformation of transport and telecommunications networks; and
- increased Government regulation to improve safety, efficiency and resilience of key infrastructure assets leading to more demanding maintenance, renewal and upgrading requirements.

Results overview

During the period, Group revenue increased 17.2 per cent to £552.8m (HY23: £471.8m) which included organic growth of 16.9 per cent. The adjusted operating profit increased by 17.0 per cent to £33.1m (HY23: £28.3m) with adjusted operating margin maintained at 6.0 per cent (HY23: 6.0 per cent).

As at 31 March 2024, the Group had pre-IFRS 16 net cash of £42.5m (HY23: £17.0m). The Group's order book at 31 March 2024 had strengthened to £898m (HY23: £890m), underpinned by long-term framework positions.

Dividend

The Group's resilient trading performance, cash position and strong forward order book have consistently allowed the Group to pursue its progressive dividend policy. It has declared an interim dividend of 6.33p (HY23: 6.00p) per share. This represents a 5.5 per cent increase on the last interim dividend paid. This will be paid on 10 July 2024 to shareholders on the register as at 7 June 2024, with an ex-dividend date of 6 June 2024.

Engineering Services

Our Engineering Services activities delivered a 16.0 per cent increase in revenue to £505.4m (HY23: £435.8m) with an 18.2 per cent increase in adjusted operating profit to £35.1m (HY23: £29.7m), resulting in an operating margin of 6.9 per cent (HY23: 6.8 per cent). Our Engineering Services organic growth rate in the period was 15.6 per cent. As at 31 March 2024, the Engineering Services order book was £831m (HY23: £780m). This strong performance was achieved through the continued momentum within our Rail, Infrastructure and Environmental sectors which see increasing demand for our mission-critical offering.

Rail

We welcome the ongoing planning and legislative processes aimed at reforming our national rail network, including the formation of Great British Railways. We also continue to closely follow the reaction to the recent announcement by the opposition Government regarding their own rail reform proposals. The Group fully supports reform of the rail network and is confident that at the heart of these plans is an imperative to improve the efficiency, reliability and safe operation of the entire network. Crucially, in order to satisfy these requirements, any Government, and its chosen delivery body, will need to accelerate its commitment to the renewal and maintenance of the rail infrastructure across the UK. It is in these areas that we have established a market-leading position as we continue to deliver long-term national frameworks and remain deeply embedded in establishing leading renewal and maintenance programmes in all of the national rail regions.

The Government's increased focus on this critical national infrastructure priority bodes very well for our specialisms and we are pleased to report, in line with expectations, the demand for our industry-leading services remained strong across the sector during the period. As such, our three rail brands entered the new Control Period in a healthy position. At the beginning of April, Network Rail, a significant strategic customer for the Group, announced the start of its five-year rail improvement plan, worth £45.4bn[2], aimed at providing the highest level of rail performance whilst simultaneously ensuring the network is resilient to the worsening extremes of climate change. Over the course of CP7, which runs from 1 April 2024 through to 31 March 2029, Network Rail will spend approximately £31.9bn on renewals and maintenance[2], perfectly aligning with our core strengths as we continue to be the largest provider of multidisciplinary maintenance and renewal engineering services to the network.

Set out in the April announcement by Network Rail[2], in a change from CP6, enhancements will be funded separately on a case-by-case basis by central Government, evidencing Network Rail's greater focus on reliability through increased funding of renewals and maintenance programmes.

The Group continues to assist Network Rail's day-to-day operations through our mission-critical renewals and maintenance services supporting assets including bridges, embankments, tunnels, drainage systems, signalling, electrification, devegetation, fencing and plant, all of which are essential as we work together with the network to help it effectively respond to the challenges of managing ageing critical infrastructure while improving climate resilience. The mix of work across this sector included a significant number of emergency callouts due to the impact of winter storms and prolonged periods of rainfall.

Importantly, our early successes in securing Network Rail CP7 frameworks have been maintained and we are delighted to report in Scotland that we have won the Buildings and Civils framework as well as the Geotechnical framework. In the East, we have won the Buildings and Civils framework and in the North West and Central region we have been awarded a range of civils and buildings renewals frameworks as well as a number of civils and buildings asset management frameworks. In addition to these appointments, there are a number of live tenders that are the subject of an ongoing procurement process. Overall, we commence CP7 in a stronger position than at the start of CP6. In addition to the above noted appointments, numerous frameworks have been extended into this period and we are now appointed to a larger number of frameworks.

Other significant UK rail market growth opportunities that we are targeting include the ongoing Transpennine Route Upgrade, the Midland Rail Hub, Project Reach (rail telecommunications upgrade) and the Southern Integrated Delivery framework.

We have also continued to prioritise inter-group collaboration which goes hand in hand with our focus on expanding our credentials in rail innovation, a key illustration of this being the specialised drill rigs that have been fitted to the Mega Reach, the largest road rail vehicle lorry loading crane working on the UK rail network, first deployed at the Severn Estuary followed by an emergency scheme at Braybrook Embankment.

We continue to drive recruitment and mobilise additional resources to deliver the Overhead Line Equipment work bank, which is a part of the existing Wales & Western framework, awarded to us as ARQ, a collaboration between the Group's three rail businesses, and provides us access to the Paddington to Bristol Great Western Mainline upgrade.

Our commitment to the training and development of our rail colleagues is unwavering and a great deal of our work continues to be recognised externally. During the period, we were awarded a Training Excellence Award for the innovative Controller Of Site Safety ("COSS") Academy programme which has revolutionised delivery and lineside safety both internally and throughout our supply chain. The Group's Rail Skills Academy is recognised as a leader in the delivery of vocational training and is aimed at increasing the available skill sets to support the growth ahead of us.

2 https://www.networkrailmediacentre.co.uk/news/gbp-45bn-rail-improvement-plan-puts-climate-change-firmly-in-its-sights

Infrastructure

Highways

The Group delivered further operational and strategic progress in the period as we continued executing on work banks that are a part of the current National Highways Scheme Delivery framework ("SDF") that runs to 2027 and includes five framework lots covering civil engineering, road restraint systems and drainage disciplines, worth more than £147m over the six-year period.

The current SDF also involves preparing for the start of Road Investment Strategy 3 ("RIS3"), which is scheduled to start in April 2025. Preparatory consultations have indicated RIS3 will centre its focus on carbon reduction, with a notable shift away from enhancements to maintenance work that will involve prioritising funding on structures, renewals and road restraints. This clearly plays to our strengths as a business and uniquely positions us to deliver continued growth and to take further market share across the sector.

Moreover, as part of the SDF framework our specialist engineering services anticipate significant work on the legacy concrete pavements ("LCP") programme and in addition, the AmcoGiffen and Carnell (AGC) collaboration, a leading barrier supplier to National Highways, continues to grow its work bank.

Elsewhere, in April we were very pleased to announce that Carnell Group Holdings Ltd had acquired Route One Holdings (Wakefield) Ltd for an Enterprise Value of £5.0m. Based in West Yorkshire, Route One is a multi-disciplinary specialist engineering business operating in the UK Highways sector providing end-to-end solutions for bridge deck maintenance and protection. Route One has a number of long-term frameworks on the SDF across England; as such, the acquisition represented an excellent strategic fit for the Group. Route One has expanded our offering by adding new capabilities to the Group's Highways business, with particular expertise in bridge and structures maintenance and repairs. The integration of Route One continues to progress well and we are well positioned to increase the number of framework appointments and renewals as a larger Group uniquely positioned to capitalise on the distinctive capabilities within each business.

Aviation

Our capabilities involve delivering airside operational support and asset care at a number of UK airports. In the period we were awarded an Airside Maintenance framework at Leeds Bradford, another significant achievement for the Group that we are well placed to replicate at additional locations.

Aviation continues to be an area of focus for the Group and we are pleased to have organically moved into this sector, which has significant barriers to entry. We look forward to continuing to seize new opportunities as we develop our credentials in this area.

Wireless Telecoms

Momentum has remained strong off the back of a record performance in FY23. The nation's connectivity is becoming even more critical in the digital age and, as a result, demand for our services across the Wireless Telecoms sector remains strong and we continue to establish ourselves as a trusted partner to the nation's largest network providers. We have also seen significant commitment to changes in the market during the period, with substantial capital spend committed to reversing the historical underinvestment in critical assets in this sector meaning there are considerable growth opportunities for us going forward. Our plan to broaden our route to market has progressed well and we are delighted that we now have frameworks in place with all four major mobile networks.

During the first half we expanded our position with Virgin Media O2 ("VMO2") and our work now includes several new regions on a larger framework for 4/5G networks as well as unwind works, demergers and building new mast infrastructure. Our three-year framework with VMO2 for design and construction services is worth up to £50m over the term, successfully securing our position as a key delivery partner for VMO2 across the UK.

We continue to develop our small cell work banks with BT and some small private providers. This work along with our focus on growing our capabilities in servicing the private 5G market are just some of the ways we are continuing to expand our reach across the sector. Our teams are also working to further develop our non-core routes to market through supporting the UK's tower providers, including Cornerstone and Cellnex. Through the Shared Rural Network programme, in March 2024 we were proud to activate the first SRN site to go live in the UK.

Energy

Nuclear

With more than 75 years' specialist experience in civil nuclear and a large complement of highly skilled employees, we continued to see strong demand for our multidisciplinary service offering during the period. Through the previously announced Sellafield Project Partnership programme ("PPP") frameworks that were secured in summer 2023, our nuclear businesses have now been awarded numerous contracts with a combined value of over £50m. Recent awards include contracts to support Sellafield in its highly complex Post Operational Cleanout of Facilities to support the decommissioning programme. We are also tendering for two separate £1bn lots on the Sellafield Decommissioning Nuclear Waste Partnership ("DNWP"), the successor framework to the Decommissioning Delivery Partnership. We continue to focus on developing our existing capabilities and are encouraged that there remain further growth opportunities at Sellafield, including additional new long-term frameworks.

Elsewhere, we continue to secure opportunities outside of Sellafield, steadily growing our presence in the civil nuclear market at Springfields, Capenhurst and AWE. We also remain excited about the new growth opportunities that will be generated as part of the long-term frameworks for Nuclear Restoration Services (formerly Magnox) and nuclear new build. Here the Government's focus on the decarbonisation of our energy supply as a key means of achieving carbon neutrality necessitates that the UK will need to deliver a radical shift in the running of our energy system towards cleaner, more affordable energy sources, of which new nuclear is an essential component. This demand underpinned the creation of Great British Nuclear and the Government's target to commence construction of up to three new nuclear plants in the next 10 years[3]. This commitment ensures long-term and sustainable demand for our specialist manufacturing capabilities in high-grade nuclear components.

As we announced in October 2023, Shepley acquired TIS, a nuclear manufacturing specialist, doubling our nuclear manufacturing capacity to better support our reach into additional nuclear opportunities across the UK. We are pleased to confirm the integration of TIS is now complete and is providing further growth opportunities in this sector.

Electric vehicle charging

The transition to electric vehicles ("EV") continues to play a key role in supporting the UK's ambition of achieving net zero emissions by 2050 and we are strategically positioned to play a significant role in helping drive the creation of the UK's EV charging infrastructure landscape. Through our collaborations with major charge point operators, we have already established a strong foundation in this sector and our success in securing new framework agreements demonstrates our commitment to growth and fostering long-term partnerships in this relatively new market.

During the period we were delighted that as part of BT Group's commitment to utilise its existing infrastructure to support the roll out of EV charging, we completed the first installation of an EV charger from its green streetside cabinets. This milestone marked the start of a significant roll out programme.

Environmental

Water

In Water, we have continued to benefit from the UK Government's committed £51bn investment in AMP7, which extends through to March 2025. Throughout the period this has seen continued expenditure on capital maintenance, asset optimisation and supply resilience, including dam safety and infrastructure refurbishment schemes.

As we move into AMP8 (2025–2030), we see a significant opportunity to leverage the combined expertise across our four water brands to secure new frameworks, with AMP8 investment expected to be significantly larger than AMP7. Ofwat is expected to publish its draft determinations in June 2024 and proposed plans would see £96bn invested in clean and wastewater infrastructure between 2025 and 2030[4]. This significant growth creates an excellent opportunity for Renew to expand its water activities.

We have made a significant investment in tendering AMP8 frameworks with good progress having been made in securing key framework appointments with leading clients. The following new regional frameworks have been confirmed: major civils, electrical and mechanical frameworks for Dŵr Cymru Welsh Water ("Welsh Water"); infrastructure and treatment frameworks for Northumbrian Water Group; an infrastructure framework for South West Water; and a non-infrastructure framework for Thames Water.

Extensions to major frameworks into AMP8 include with South East Water, Thames Water and Welsh Water.

In addition to these major appointments and extensions, there are a number of live tenders that are the subject of an ongoing procurement process. Overall, we will commence AMP8 with additional clients and a stronger position including a larger number of frameworks across a greater geographical area.

News of Thames Water's current financial position has been widely reported in the media and whilst this brings understandable concern for many in the sector, we are pleased to note that all Thames Water operations remain unaffected by internal issues and our maintenance and renewal frameworks will remain intact regardless of any ownership changes. This serves to highlight the mission critical nature of our work, the funding underpin that it generally sees and the sustained necessity for maintenance to UK infrastructure that we provide.

Our Water client base has continued to grow and the Group is now working with 10 of the 12 combined waste and water companies in the UK as well as selected water only companies including Affinity Water, Bristol Water and South East Water.

Flood and Coastal

Increasingly volatile weather conditions have served to highlight the urgent need for additional investment in flood defences in the UK and as a combined Group, we are well positioned to benefit from increasing investment in this sector. As such, during the period we were appointed to positions across four geographical regions on the Environment Agency's new asset operation, maintenance and response framework through to 2028[5].

These framework appointments further consolidate our position as a leading engineering provider in this sector.

3 www.gov.uk/government/news/shapps-sets-out-plans-to-drive-multi-billion-pound-investment-in-energy-revolution
4 https://www.water.org.uk/news-views-publications/news/water-companies-propose-largest-ever-investment
5 https://www.theconstructionindex.co.uk/news/view/contractors-named-for-366-environment-agency-framework

Environmental continued

Land Remediation and Specialist Restoration

In Land Remediation, we continue to pursue long-term demand as part of the green infrastructure agenda for these services. In Specialist Restoration, our work at Edinburgh Botanical Gardens to develop the Glass Houses is progressing well and we recently secured a programme of work associated with the restoration of a listed cast iron gasholder in Bethnal Green.

Specialist Building

Our Specialist Building business focuses on the High Quality Residential, Landmark and Science markets in London and the Home Counties.

The High Quality Residential sector remains resilient and, in Science, work continues on the Medical Research Council framework at Harwell and on our existing Defra frameworks.

The Specialist Building business delivered revenues of £47.4m (HY23: £36.0m), with operating profit of £0.8m (HY23: £0.5m) and operating margin of 1.7 per cent (HY23: 1.4 per cent). As at 31 March 2024, the order book was £67m (HY23: £110m), reflecting our diligent approach to contract selectivity.

ESG

The UK Government's investment in low-carbon infrastructure will be essential to delivering on its net zero emissions targets by 2050 and Renew is well positioned to play an integral role in these efforts.

We are pleased to have retained our LSE Green Economy Mark, recognising London-listed companies and funds that derive more than 50 per cent of their revenues from products and services that are contributing to the environmental objectives such as climate change mitigation and adaptation, waste and pollution reduction and the circular economy.

We continue to focus our energy on, and are making progress against, our four key areas: climate action; operating responsibly; empowering our people; and building social value.

We have established quantitative sustainability targets to embed our ESG strategy across the business and it is the Board's ambition that the Group will achieve net zero by no later than 2040. A more detailed update on progress against these targets will be included in our Final Results in November 2024.

Ensuring the health and safety of our staff and those potentially impacted by our activities is at the heart of everything we do. We are proud to note that our SHEQ performance in the first half was strong and ahead of the targets we set ourselves.

Directorate changes

As announced on 2 April 2024, Andries Liebenberg will leave the senior management team on 31 January 2025, having served over eight years as Executive Director of Rail. He will leave the Board at the same time. Simon Ellison joined the Group's senior management team in April 2024 as Rail Sector Director, ensuring a smooth transition period. Simon brings a wealth of experience gained over 25 years at Costain in senior leadership roles across Rail and Transportation.

The Board would like to take this opportunity to thank Andries for the significant contribution he has made to the Group since his appointment and to wish him well in his retirement.

Outlook

Following a record trading performance in the first six months of FY24, we enter the second half with strong momentum and confidence in the full year outturn as we continue to capitalise on the broad range of opportunities available to us across our markets. We have seen notable success across all of our businesses and, following an intensive period of tendering, we have a strong pipeline of new and extended frameworks, particularly in Water and Rail as we move towards new investment cycles. The strong foundations we have built across our markets present excellent organic growth potential.

The UK Government's commitment to invest £600bn in infrastructure provides attractive long-term growth drivers within our wider market and, with an expanded offering providing greater cross selling capabilities, the Group is in a strong position to leverage growth opportunities from increased investment across our markets.

The resilient nature of our business model, alongside the highly visible, reliable and committed regulatory spending periods that underpin our markets, position us well to continue on our positive growth trajectory no matter the outcome of the upcoming general election.

Further to the two recent complementary acquisitions, we continue to see a healthy M&A pipeline of opportunities in existing and target markets.

Paul Scott
Chief Executive Officer
14 May 2024

Condensed consolidated income statement
for the six months ended 31 March 2024

	Note	Before exceptional items and amortisation of intangible assets 2024 Unaudited £000	Exceptional items and amortisation of intangible assets (see Note 3) 2024 Unaudited £000	Six months ended 31 March 2024 Unaudited £000	Six months ended 31 March 2023* Unaudited £000	Before exceptional items and amortisation of intangible assets 2023 Audited £000	Exceptional items and amortisation of intangible assets (see Note 3) 2023 Audited £000	Year ended 30 September 2023 Audited £000
Revenue: Group including share of joint ventures	2	**552,798**	**—**	**552,798**	471,823	960,937	—	960,937
Less share of joint ventures' revenue		**(25,022)**	**—**	**(25,022)**	(18,138)	(39,383)	—	(39,383)
Group revenue from continuing activities	2	**527,776**	**—**	**527,776**	453,685	921,554	—	921,554
Cost of sales		**(456,680)**	**—**	**(456,680)**	(387,229)	(786,503)	—	(786,503)
Gross profit		**71,096**	**—**	**71,096**	66,456	135,051	—	135,051
Administrative expenses		**(40,209)**	**(2,497)**	**(42,706)**	(41,088)	(75,384)	(4,413)	(79,797)
Other operating income		**2,250**	**—**	**2,250**	1,695	3,865	—	3,865
Share of post-tax result of joint ventures		**9**	**(134)**	**(125)**	(127)	77	(231)	(154)
Operating profit	2	**33,146**	**(2,631)**	**30,515**	26,936	63,609	(4,644)	58,965
Finance income		**388**	**—**	**388**	52	360	—	360
Finance costs		**(623)**	**—**	**(623)**	(666)	(1,285)	—	(1,285)
Other finance income – defined benefit pension schemes		**—**	**—**	**—**	—	66	—	66
Profit before income tax	2	**32,911**	**(2,631)**	**30,280**	26,322	62,750	(4,644)	58,106
Income tax expense	5	**(8,190)**	**620**	**(7,570)**	(5,439)	(12,600)	1,554	(11,046)
Profit for the period from continuing activities		**24,721**	**(2,011)**	**22,710**	20,883	50,150	(3,090)	47,060
Loss for the period from discontinued operations	4			**(1,803)**	(920)			(3,676)
Profit for the period attributable to equity holders of the parent company				**20,907**	19,963			43,384
Basic earnings per share from continuing operations	6	**31.29p**	**(2.55p)**	**28.74p**	26.47p	63.47p	(3.91p)	59.56p
Diluted earnings per share from continuing operations	6	**31.22p**	**(2.54p)**	**28.68p**	26.39p	63.28p	(3.90p)	59.38p
Basic earnings per share	6	**31.29p**	**(4.83p)**	**26.46p**	25.31p	63.47p	(8.56p)	54.91p
Diluted earnings per share	6	**31.22p**	**(4.82p)**	**26.40p**	25.23p	63.28p	(8.54p)	54.74p
Proposed dividend	7			**6.33p**	6.00p			18.00p

* Operating profit for the six months ended 31 March 2023 is stated after charging £2,999,000 of amortisation cost, £554,000 acquisition cost and a credit of £2,154,000 goodwill remeasurement (see Note 3).

Condensed consolidated statement of comprehensive income
for the six months ended 31 March 2024

	Six months ended 31 March 2024 Unaudited £000	Six months ended 31 March 2023 Unaudited £000	Year ended 30 September 2023 Audited £000
Profit for the period attributable to equity holders of the parent company	**20,907**	19,963	43,384
Items that will not be reclassified to profit or loss:			
Movement in actuarial valuation of the defined benefit pension schemes	—	—	387
Movement on deferred tax relating to the defined benefit pension schemes	—	—	(106)
Total items that will not be reclassified to profit or loss	—	—	281
Items that are or may be reclassified subsequently to profit or loss:			
Exchange movement in reserves	—	—	—
Total items that are or may be reclassified subsequently to profit or loss	—	—	—
Total comprehensive income for the period attributable to equity holders of the parent company	**20,907**	19,963	43,665

Condensed consolidated statement of changes in equity
for the six months ended 31 March 2024

	Share capital £000	Share premium account £000	Capital redemption reserve £000	Share based payments reserve £000	Retained earnings £000	Total equity Unaudited £000
At 1 October 2022	7,886	66,378	3,896	1,375	69,143	148,678
Transfer from income statement for the period					19,963	19,963
Dividends paid					(8,936)	(8,936)
New shares issued	27	41				68
Recognition of share based payments				336		336
Vested share option transfer				(777)	777	—
At 31 March 2023	7,913	66,419	3,896	934	80,947	160,109
Transfer from income statement for the period					23,421	23,421
Dividends paid					(4,747)	(4,747)
Recognition of share based payments				333		333
Actuarial movement recognised in the pension schemes					387	387
Movement on deferred tax relating to the pension schemes					(106)	(106)
At 30 September 2023	7,913	66,419	3,896	1,267	99,902	179,397
Transfer from income statement for the period					20,907	20,907
Dividends paid					(9,497)	(9,497)
New shares issued	1					1
Recognition of share based payments				356		356
Vested share option transfer				(602)	(253)	(855)
At 31 March 2024	**7,914**	**66,419**	**3,896**	**1,021**	**111,059**	**190,309**

Condensed consolidated balance sheet
at 31 March 2024

	31 March 2024 Unaudited £000	31 March 2023 Unaudited £000	30 September 2023 Audited £000
Non-current assets			
Intangible assets – goodwill	**149,517**	148,805	148,805
– other	**26,350**	30,849	27,869
Property, plant and equipment	**22,347**	18,291	19,400
Right of use assets	**21,609**	17,414	19,174
Investment in joint ventures	**3,852**	4,009	3,979
Retirement benefit assets	**2,456**	2,230	2,456
Deferred tax assets	**—**	3,095	—
	226,131	224,693	221,683
Current assets			
Inventories	**4,002**	3,566	4,169
Trade and other receivables	**193,725**	168,267	187,311
Current tax assets	**3,184**	1,266	814
Cash and cash equivalents	**42,503**	17,012	35,657
	243,414	190,111	227,951
Total assets	**469,545**	414,804	449,634
Non-current liabilities			
Lease liabilities	**(12,161)**	(9,554)	(10,733)
Retirement benefit obligation	**(822)**	(1,049)	(822)
Deferred tax liabilities	**(8,515)**	(11,360)	(7,363)
Provisions	**(338)**	(338)	(338)
	(21,836)	(22,301)	(19,256)
Current liabilities			
Trade and other payables	**(233,032)**	(217,788)	(228,677)
Lease liabilities	**(7,660)**	(6,521)	(6,945)
Provisions	**(16,708)**	(8,085)	(15,359)
	(257,400)	(232,394)	(250,981)
Total liabilities	**(279,236)**	(254,695)	(270,237)
Net assets	**190,309**	160,109	179,397
Share capital	**7,914**	7,913	7,913
Share premium account	**66,419**	66,419	66,419
Capital redemption reserve	**3,896**	3,896	3,896
Share based payments reserve	**1,021**	934	1,267
Retained earnings	**111,059**	80,947	99,902
Total equity	**190,309**	160,109	179,397

Condensed consolidated cashflow statement
for the six months ended 31 March 2024

	Six months ended 31 March 2024 Unaudited £000	Six months ended 31 March 2023 Unaudited £000	Year ended 30 September 2023 Audited £000
Profit for the period from continuing operating activities	**22,710**	20,883	47,060
Share of post-tax trading result of joint ventures	**125**	127	154
Amortisation of intangible assets and goodwill remeasurement	**2,346**	712	6,014
Gain on remeasurement of existing equity interest	**—**	—	(2,164)
Research and development expenditure credit	**(1,556)**	(725)	(1,249)
Depreciation	**5,974**	5,129	10,688
Profit on sale of property, plant and equipment	**(181)**	(302)	(822)
Decrease/(increase) in inventories	**179**	505	(1,348)
(Increase)/decrease in receivables	**(6,024)**	3,734	(14,060)
Increase/(decrease) in payables	**3,005**	(4,940)	11,247
(Credit)/charge in respect of share options	**(499)**	336	669
Finance income	**(388)**	(52)	(360)
Finance expense	**623**	666	1,219
Interest paid	**(623)**	(666)	(1,285)
Income taxes paid	**(7,462)**	(6,136)	(11,767)
Income tax expense	**7,570**	5,439	11,046
Net cash inflow from continuing operating activities	**25,799**	24,710	55,042
Net cash outflow from discontinued operating activities	**(454)**	(611)	(1,265)
Net cash inflow from operating activities	**25,345**	24,099	53,777
Investing activities			
Interest received	**388**	52	360
Proceeds on disposal of property, plant and equipment	**369**	422	1,251
Purchases of property, plant and equipment	**(1,115)**	(1,979)	(5,509)
Acquisition of subsidiaries net of cash acquired	**(4,208)**	(13,334)	(13,324)
Net cash outflow from investing activities	**(4,566)**	(14,839)	(17,222)
Financing activities			
Dividends paid	**(9,497)**	(8,936)	(13,683)
Issue of Ordinary Shares	**1**	68	68
New loan	**20,000**	23,000	23,000
Loan repayments	**(20,000)**	(23,000)	(23,000)
Repayment of obligations under finance leases	**(4,437)**	(3,598)	(7,501)
Net cash outflow from financing activities	**(13,933)**	(12,466)	(21,116)
Net increase/(decrease) in continuing cash and cash equivalents	**7,300**	(2,595)	16,704
Net decrease in discontinued cash and cash equivalents	**(454)**	(611)	(1,265)
Net increase/(decrease) in cash and cash equivalents	**6,846**	(3,206)	15,439
Cash and cash equivalents at beginning of period	**35,657**	20,218	20,218
Cash and cash equivalents at end of period	**42,503**	17,012	35,657
Bank balances and cash	**42,503**	17,012	35,657
Bank overdraft	**—**	—	—
Cash and cash equivalents at end of period	**42,503**	17,012	35,657

Notes to the condensed consolidated accounts

1 Basis of preparation

(a) The condensed consolidated interim financial report for the six months ended 31 March 2024 and the equivalent period in 2023 has not been audited or reviewed by the Group's auditor. It does not comprise statutory accounts within the meaning of Section 435 of the Companies Act 2006. It has been prepared under the historical cost convention and on a going concern basis in accordance with applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs"). The report does not comply with IAS 34 "Interim Financial Reporting" which is not currently required to be applied for AIM companies and it was approved by the Directors on 13 May 2024.

(b) The accounts for the year ended 30 September 2023 were prepared under UK-adopted International Accounting Standards and have been delivered to the Registrar of Companies. The report of the auditor on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under Sections 498 (2) or (3) of the Companies Act 2006. In this report, the comparative figures for the year ended 30 September 2023 have been audited. The comparative figures for the period ended 31 March 2023 are unaudited.

(c) The accounting policies applied in preparing the condensed consolidated interim financial information are the same as those applied in the preparation of the annual financial statements for the year ended 30 September 2023 as described in those financial statements.

(d) The principal risks and uncertainties affecting the Group are unchanged from those set out in the Group's Accounts for the year ended 30 September 2023. The Directors have reviewed financial forecasts and are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Group continues to adopt the going concern basis in preparing the condensed consolidated interim financial report.

This condensed consolidated interim financial report is being sent to all shareholders and is also available upon request from the Company Secretary, Renew Holdings plc, 3175 Century Way, Thorpe Park, Leeds LS15 8ZB, or via the website, www.renewholdings.com.

2 Segmental analysis

Operating segments have been identified based on the internal reporting information provided to the Group's Chief Operating Decision Maker. From such information, Engineering Services and Specialist Building have been determined to represent operating segments.

	Group including share of joint ventures 2024 Unaudited £000	**Less share of joint ventures 2024 Unaudited £000**	**Group revenue from continuing activities Six months ended 31 March 2024 Unaudited £000**	Group revenue from continuing activities Six months ended 31 March 2023 Unaudited £000	Group including share of joint ventures 2023 Audited £000	Less share of joint ventures 2023 Audited £000	Group revenue from continuing activities Year ended 30 September 2023 Audited £000
Analysis of revenue							
Engineering Services	**505,382**	**(25,022)**	**480,360**	417,690	887,541	(39,383)	848,158
Specialist Building	**47,416**	**—**	**47,416**	35,995	73,375	—	73,375
Segment revenue	**552,798**	**(25,022)**	**527,776**	453,685	960,916	(39,383)	921,533
Central activities	**—**	**—**	**—**	—	21	—	21
Group revenue from continuing operations	**552,798**	**(25,022)**	**527,776**	453,685	960,937	(39,383)	921,554

2 Segmental analysis continued

	Before exceptional items and amortisation of intangible assets 2024 Unaudited £000	Exceptional items and amortisation of intangible assets 2024 Unaudited £000	Six months ended 31 March 2024 Unaudited £000	Six months ended 31 March 2023* Unaudited £000	Before exceptional items and amortisation of intangible assets 2023 Audited £000	Exceptional items and amortisation of intangible assets 2023 Audited £000	Year ended 30 September 2023 Audited £000
Analysis of operating profit							
Engineering Services	**35,059**	**(2,631)**	**32,428**	28,852	64,275	(4,084)	60,191
Specialist Building	**807**	**—**	**807**	517	1,269	—	1,269
Segment operating profit	**35,866**	**(2,631)**	**33,235**	29,369	65,544	(4,084)	61,460
Central activities	**(2,720)**	**—**	**(2,720)**	(2,433)	(1,935)	(560)	(2,495)
Operating profit	**33,146**	**(2,631)**	**30,515**	26,936	63,609	(4,644)	58,965
Net financing expense	**(235)**	**—**	**(235)**	(614)	(859)	—	(859)
Profit before income tax	**32,911**	**(2,631)**	**30,280**	26,322	62,750	(4,644)	58,106

* Operating profit for the six months ended 31 March 2023 is stated after charging £2,999,000 of amortisation cost, £554,000 acquisition cost and a credit of £2,154,000 goodwill remeasurement (see Note 3).

3 Exceptional items and amortisation of intangible assets

	Six months ended 31 March 2024 Unaudited £000	Six months ended 31 March 2023 Unaudited £000	Year ended 30 September 2023 Audited £000
Acquisition costs	**151**	554	560
Total losses arising from exceptional items	**151**	554	560
Amortisation of intangible assets	**2,480**	2,999	6,245
Goodwill remeasurement	**—**	(2,154)	(2,161)
Total exceptional items and amortisation charge before income tax	**2,631**	1,399	4,644
Taxation credit on exceptional items and amortisation	**(620)**	(657)	(1,554)
Total exceptional items and amortisation charge	**2,011**	742	3,090

During the period the Company incurred £151,000 of costs by acquiring TIS (Cumbria) Limited.

4 Loss for the period from discontinued operations

	Six months ended 31 March 2024 Unaudited £000	Six months ended 31 March 2023 Unaudited £000	Year ended 30 September 2023 Audited £000
Expenses	**(1,803)**	(920)	(3,676)
Loss before income tax	**(1,803)**	(920)	(3,676)
Income tax charge	**—**	—	—
Loss for the period from discontinued operations	**(1,803)**	(920)	(3,676)

The Group has increased provisions as a result of an internal reassessment of the likely costs required to settle Allenbuild Ltd's other known contractual claims.

5 Income tax expense

	Six months ended 31 March 2024 Unaudited £000	Six months ended 31 March 2023 Unaudited £000	Year ended 30 September 2023 Audited £000
Current tax:			
UK corporation tax on profit for the period	**(6,672)**	(4,676)	(12,447)
Adjustments in respect of previous periods	**—**	—	1,164
Total current tax	**(6,672)**	(4,676)	(11,283)
Deferred tax	**(898)**	(763)	237
Income tax expense	**(7,570)**	(5,439)	(11,046)

6 Earnings per share

	Six months ended 31 March 2024			Six months ended 31 March 2023			Year ended 30 September 2023		
	Unaudited			Unaudited			Audited		
	Earnings £000	EPS Pence	DEPS Pence	Earnings £000	EPS Pence	DEPS Pence	Earnings £000	EPS Pence	DEPS Pence
Earnings before exceptional items and amortisation	**24,721**	**31.29**	**31.22**	21,625	27.41	27.33	50,150	63.47	63.28
Exceptional items and amortisation	**(2,011)**	**(2.55)**	**(2.54)**	(742)	(0.94)	(0.94)	(3,090)	(3.91)	(3.90)
Basic earnings per share – continuing activities	**22,710**	**28.74**	**28.68**	20,883	26.47	26.39	47,060	59.56	59.38
Loss for the period from discontinued operations	**(1,803)**	**(2.28)**	**(2.28)**	(920)	(1.16)	(1.16)	(3,676)	(4.65)	(4.64)
Basic earnings per share	**20,907**	**26.46**	**26.40**	19,963	25.31	25.23	43,384	54.91	54.74
Weighted average number of shares		**79,011**	**79,178**		78,888	79,130		79,011	79,253

The dilutive effect of share options is to increase the number of shares by 167,350 (March 2023: 242,160; September 2023: 242,000) and reduce basic earnings per share by 0.06p (March 2023: 0.08p; September 2023: 0.17p).

7 Dividends

The proposed interim dividend is 6.33p (2023: 6.00p) per share. This will be paid out of the Company's available distributable reserves to shareholders on the register on 7 June 2024, payable on 10 July 2024. The ex-dividend date will be 6 June 2024. In accordance with IAS 1 "Presentation of Financial Statements", dividends are recorded only when paid and are shown as a movement in equity rather than as a charge in the income statement.

8 Acquisition of subsidiary undertaking – TIS (Cumbria) Limited

On 26 October 2023, West Cumberland Engineering Ltd, a wholly owned subsidiary of Renew Holdings plc, acquired the whole of the issued share capital of TIS Cumbria Ltd ("TIS") for a gross cash consideration of £4.2m less a net working capital adjustment of £1.3m. The net £2.9m acquisition cost was funded from the Group's cash reserves. There is no deferred consideration payable.

Based in Cumbria, TIS is a leading nuclear manufacturing and fabrication specialist. This acquisition will allow the Group to continue to support its existing clients and take advantage of increasing demand across the decommissioning and new nuclear build programmes. The added manufacturing capacity will allow Renew to better support its existing clients, as well as strengthening its broader market position. TIS represents an excellent strategic fit with the Group's existing multidisciplinary nuclear capability, which offers attractive long-term structural growth opportunities underpinned by highly visible committed regulatory spend in a sector where the Group has extensive experience.

The provisional fair value of the assets and liabilities of TIS at the date of acquisition were:

	Fair value £000
Assets	
Intangible assets	827
Property, plant and equipment	3,894
Right of use assets	26
Inventories	12
Trade and other receivables	390
Current tax asset	24
Total assets	5,173
Liabilities	
Borrowings	(1,290)
Lease liabilities	(69)
Trade and other payables	(1,353)
Deferred tax liabilities	(254)
Total liabilities	(2,966)
Total identifiable net assets at fair value	2,207
Goodwill arising on acquisition	711
Purchase consideration transferred	2,918

Goodwill of £711,000 arose on acquisition and is attributable to the expertise and workforce of the acquired business. Other intangible assets valued at £827,000, which represent customer relationships and contractual rights, were also acquired and will be amortised over their useful economic lives in accordance with IAS 38 and as defined within accounting policy Note 1.v Intangible assets. Amortisation of this intangible asset commenced from November 2023. Deferred tax has been provided on this amount.

Right of use assets and obligations under finance leases

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right of use assets were measured at an amount equal to the lease liabilities.

Fair value adjustments arising from the acquisition

In accordance with IFRS 3, the Board will review the fair value of assets and liabilities using information available during the 12 months after the date of acquisition. Fair value has been calculated using Level 3 inputs as defined by IFRS 13.

The fair value of trade and other receivables was £0.4m. The gross amount of trade and other receivables was £0.4m and it is expected that the full contractual amounts will be collected.

Transaction costs of £0.2m were expensed and are included in exceptional items (please see Note 3).

9 Post balance sheet event

On 9 April 2024, Carnell Group Holdings Ltd, a wholly owned subsidiary of Renew Holdings plc, acquired the whole of the issued share capital of Route One Holdings (Wakefield) Ltd ("Route One") for an Enterprise Value of £5.0m. The cash consideration will be funded from the Group's existing cash resources, and there is no deferred or contingent consideration payable.

Based in West Yorkshire, Route One is a multi-disciplinary specialist engineering business operating in the UK Highways sector providing end-to-end solutions for bridge deck maintenance and protection. Route One has a number of long-term frameworks on the National Highways Scheme Delivery frameworks across England.

The acquisition represents an excellent strategic fit for the Group. Route One will expand Carnell's offering by adding new capabilities to the Group's highway business, with particular expertise in bridge and structures maintenance and repairs. The UK Government's planned investment in the next Road Investment Strategy 3 ("RIS3") from 2025 to 2030 will provide good growth opportunities, where the structures renewal programme has been identified as a key priority.

The acquisition will be reported in more detail in the final results for the year ending 30 September 2024.

Directors, officers and advisors

Directors

D A Brown	(Non-executive Chairman)
P Scott	(Chief Executive Officer)
S C Wyndham-Quin	(Chief Financial Officer)
S D Dasani	(Independent non-executive)
S A Hazell	(Independent non-executive)
L Barber	(Independent non-executive)
A P Liebenberg	(Executive Director)

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