

ENGINEERING FOR A BETTER TOMORROW



Renew Holdings plc

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Chief Executive Officer
Chief Financial Officer


renew

INTRODUCTION

CONFIDENCE IN FULL YEAR EXPECTATIONS

- Strategic progress and diversified end market exposure underpins first half performance
- Pureplay engineering – disposal of Specialist Building
- Entry into two new growth markets
 - *Energy Transmission and Distribution*
 - *Renewable energy*
- Strong momentum in Water
 - *Have entered AMP8 in our strongest position yet*
- Record order book strengthened to £908m
- Strong balance sheet providing firepower for M&A
- Recent challenges in Rail now stabilised



OUR DIFFERENTIATED BUSINESS MODEL

Rail



Infrastructure



Energy



Environmental



Across all of our sectors we...

Are in markets with committed regulatory funding

Deliver mission-critical infrastructure services across the UK

Carry out low-risk, non-discretionary maintenance and renewals

Utilise a highly skilled, directly employed workforce

Operate in complex, challenging and highly regulated environments

Have a proven track record of compounding earnings growth and strong cash generation

Are committed to adding value through innovation and collaboration

Ongoing Government commitment to UK infrastructure

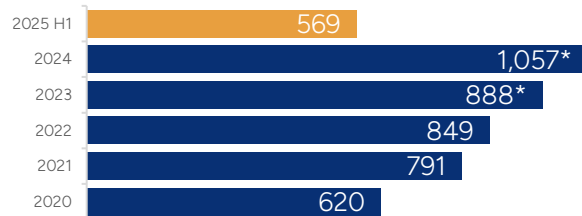
FINANCIAL REVIEW



HIGHLIGHTS 2025 H1

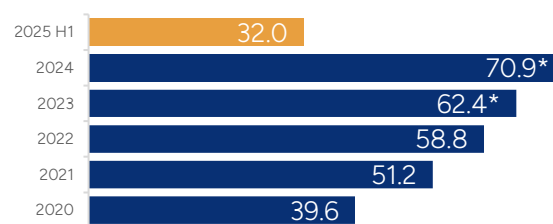
Group revenue

£569m



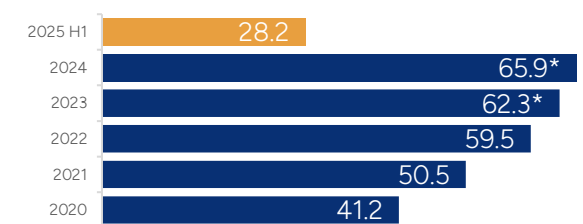
Adjusted operating profit

£32.0m



Adjusted EPS¹p

28.2p



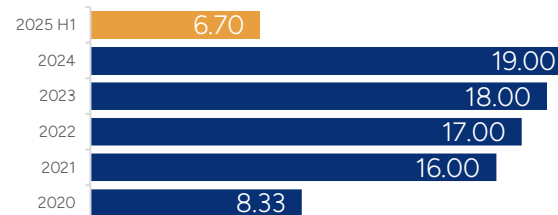
Adjusted operating margin

5.6%



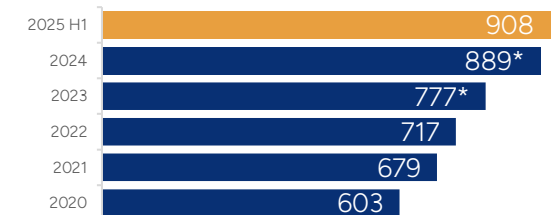
Interim dividend per share

6.7p



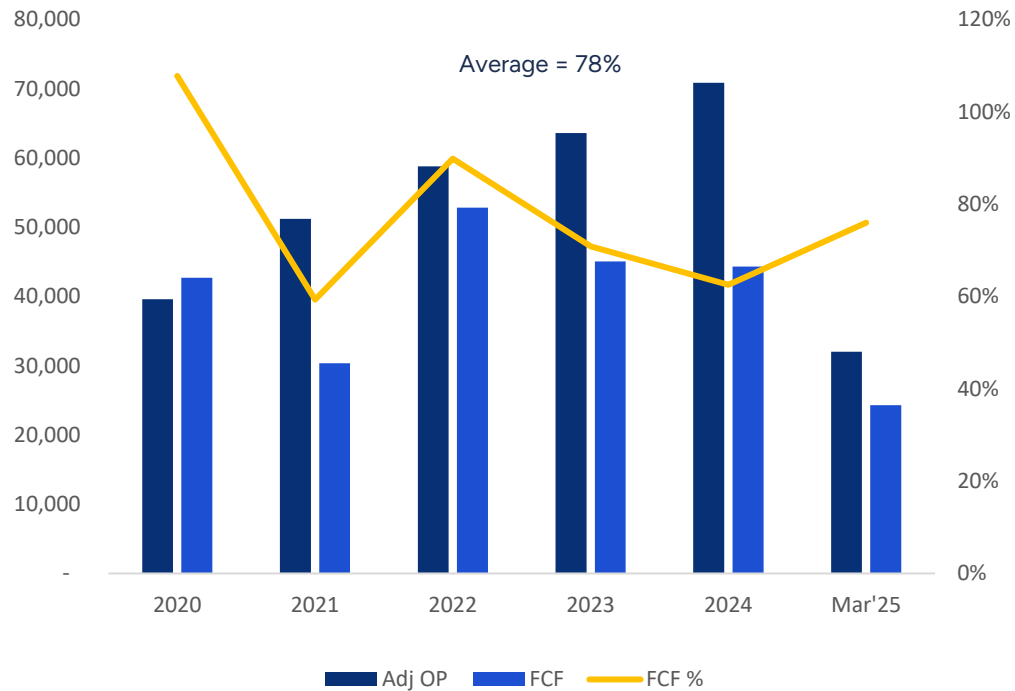
Engineering Services order book¹ £m

£908m

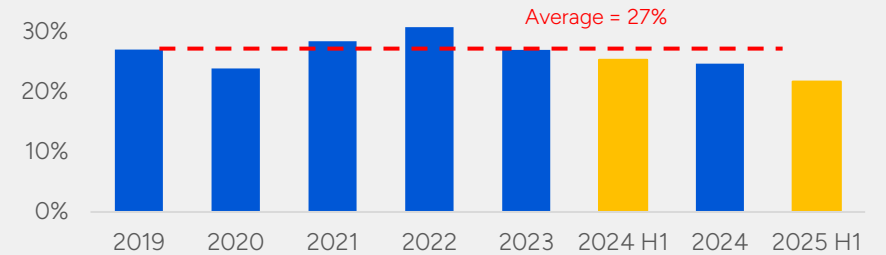


*Following the disposal of Walter Lilly post period end, the financial statements have been amended to exclude its trading result from profit for the year from continuing activities. Its result has been included in discontinued activities. All FY23 comparatives have been restated accordingly, in compliance with IFRS 5.

FREE CASH FLOW CONVERSION*



ROCE



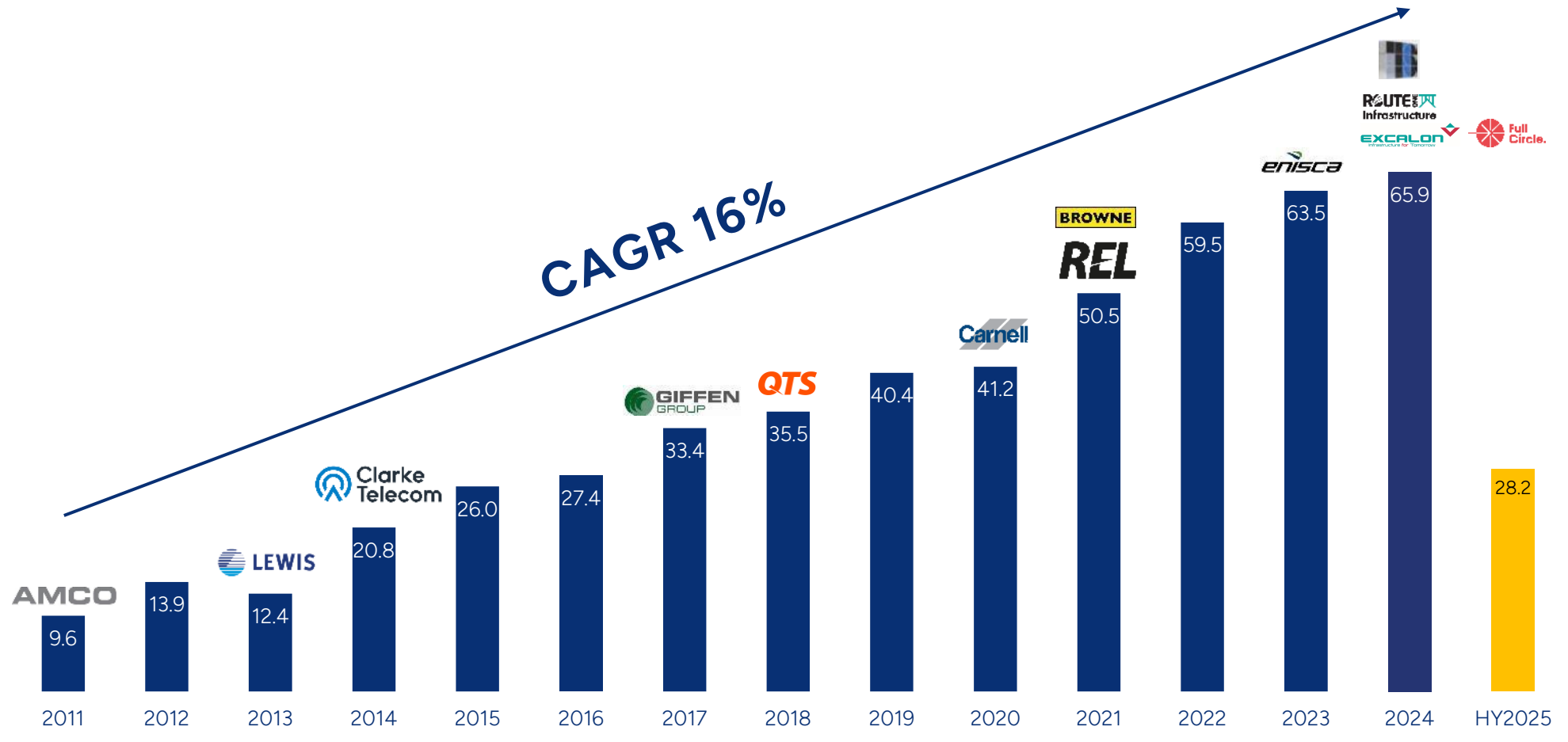
- HY25 ROCE 22% (HY24: 25%)
- 5-year average ROCE of 27%
- HY ROCE below average due to recent acquisitions
- Consistent high return on capital reflects asset light model
- £120m RCF secured until November 2026 providing significant acquisition firepower

*From continuing operations.

**FY20 and FY21 FCF impacted by Covid-19 VAT deferral and repayment.

FCF = EBITDA (inc. lease depreciation) – Working capital – Provisions – net capex (inc. lease principal payments) – pension – cash exceptional charges – cash interest – cash tax

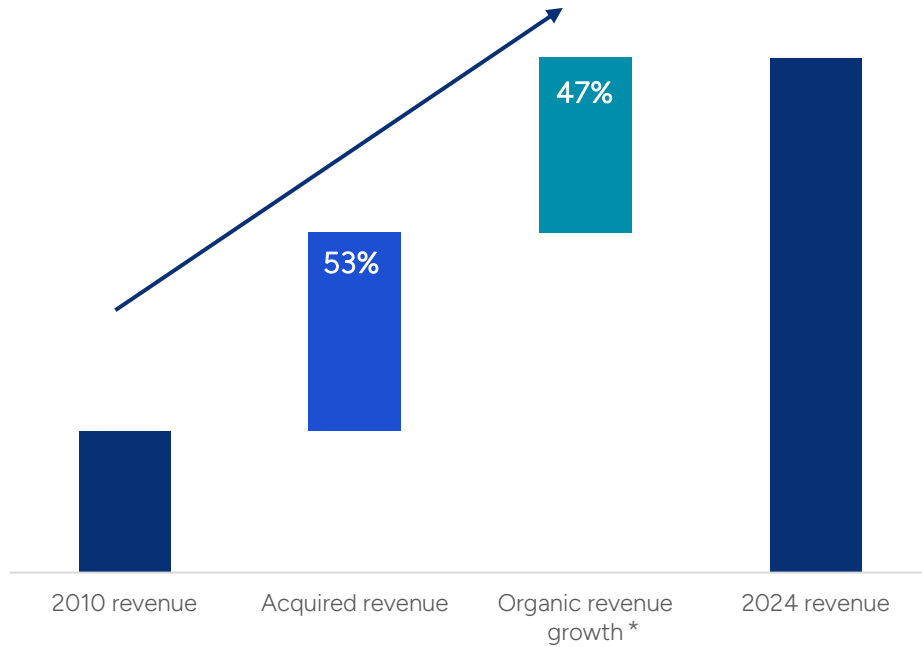
ADJUSTED EPS* TRACK RECORD



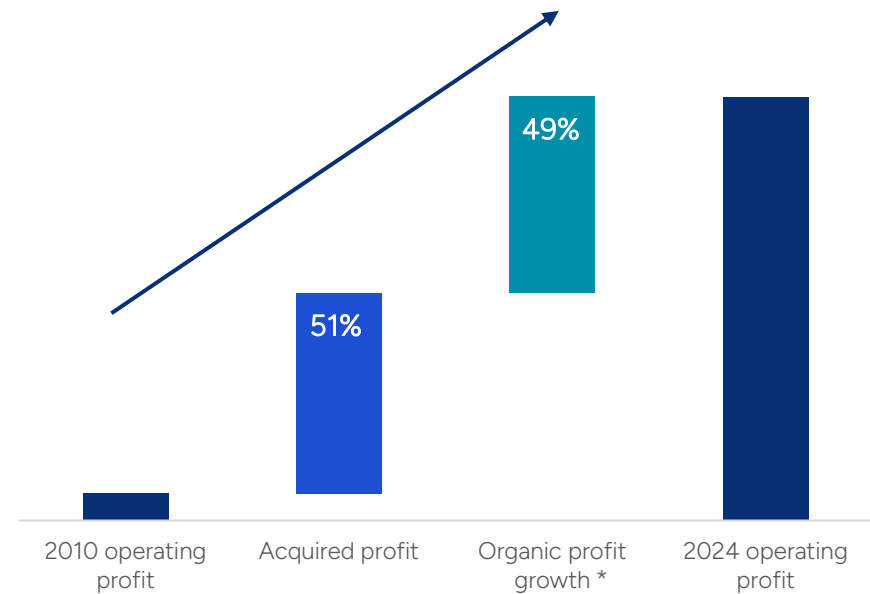
*Following disposal of Walter Lilly post period end the order book only includes Engineering Services and the financial statements have been amended to excluded its trading result from profit for the year from continuing activities. Its result has been included in discontinued activities. All FY23 comparatives have been restated accordingly, in compliance with IFRS 5.

A BALANCED APPROACH TO M&A AND ORGANIC GROWTH

Revenue growth drivers



Profit growth drivers



*All growth from acquisitions that occurs after the date of the acquisition is treated as organic.

MARKET AND OPERATIONAL REVIEW

A photograph of a worker wearing a white hard hat and a high-visibility safety vest with orange and yellow stripes. The worker is looking towards the right. The image is partially obscured by a large, semi-transparent blue circular graphic that overlaps the worker's face and the text.

END MARKETS UNDERPINNED BY NON-DISCRETIONARY LONG-TERM RENEWAL & MAINTENANCE PROGRAMMES

Rail



c.£7.7bn*

Annual Addressable Market

- Network Rail CP7 £6.4bn*
- TOC's & LA rail spend £0.3bn*
- TRU, MMLE, Midlands Hub £1.0bn*

85 Total current frameworks

Infrastructure



c.£5.6bn*

Annual Addressable Market

- RIS3 and LA R&M £4.1bn*
- Telecoms £1.4bn*
- Aviation £0.1bn*

73 Total current frameworks

Energy



c.£9.2bn*

Annual Addressable Market

- Transmission & distribution £3.8bn*
- Nuclear £1.9bn*
- Onshore wind UK & Europe £3.5bn*

28 Total current frameworks

Environmental



c.£10.0bn*

Annual Addressable Market

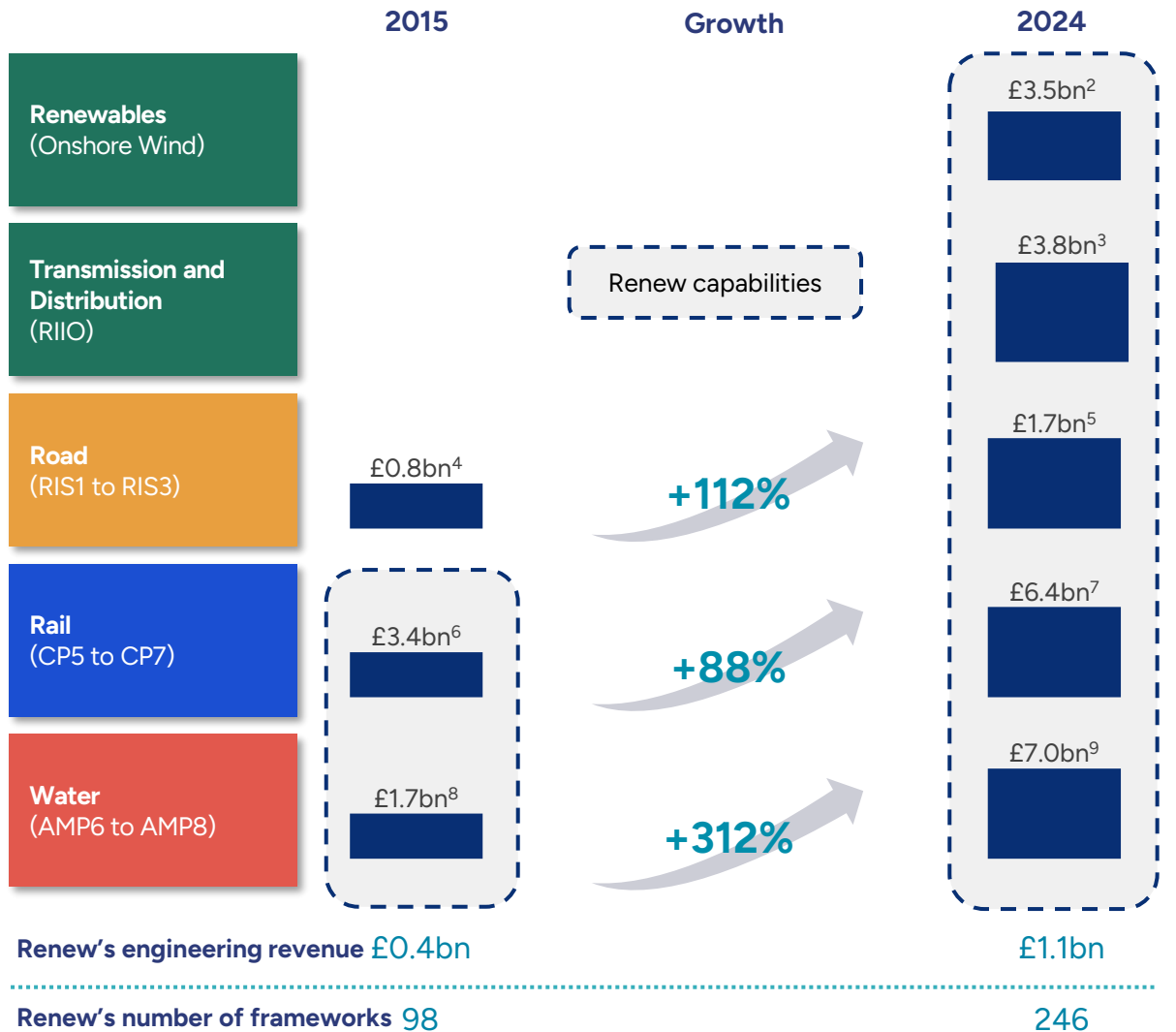
- AMP8 £9.0bn*
- EA £0.8bn*
- CRT £0.2bn*

60 Total current frameworks

Annual addressable market **c.£33bn** focused on operating budgets

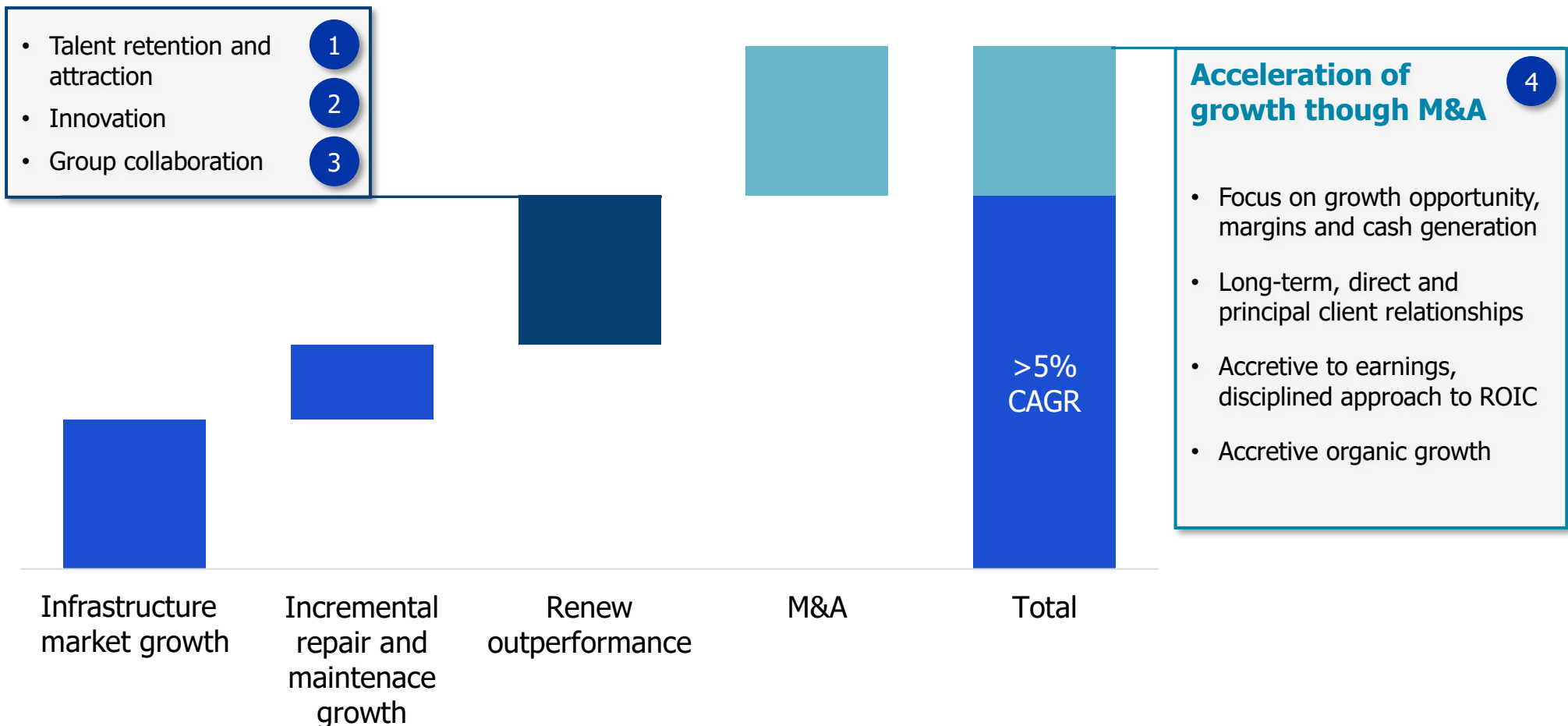
RENEWAL AND MAINTENANCE IS A GROWING MARKET AND INHERENTLY LOWER RISK THAN CAPEX BUDGETS

Growth in renewal and maintenance spend



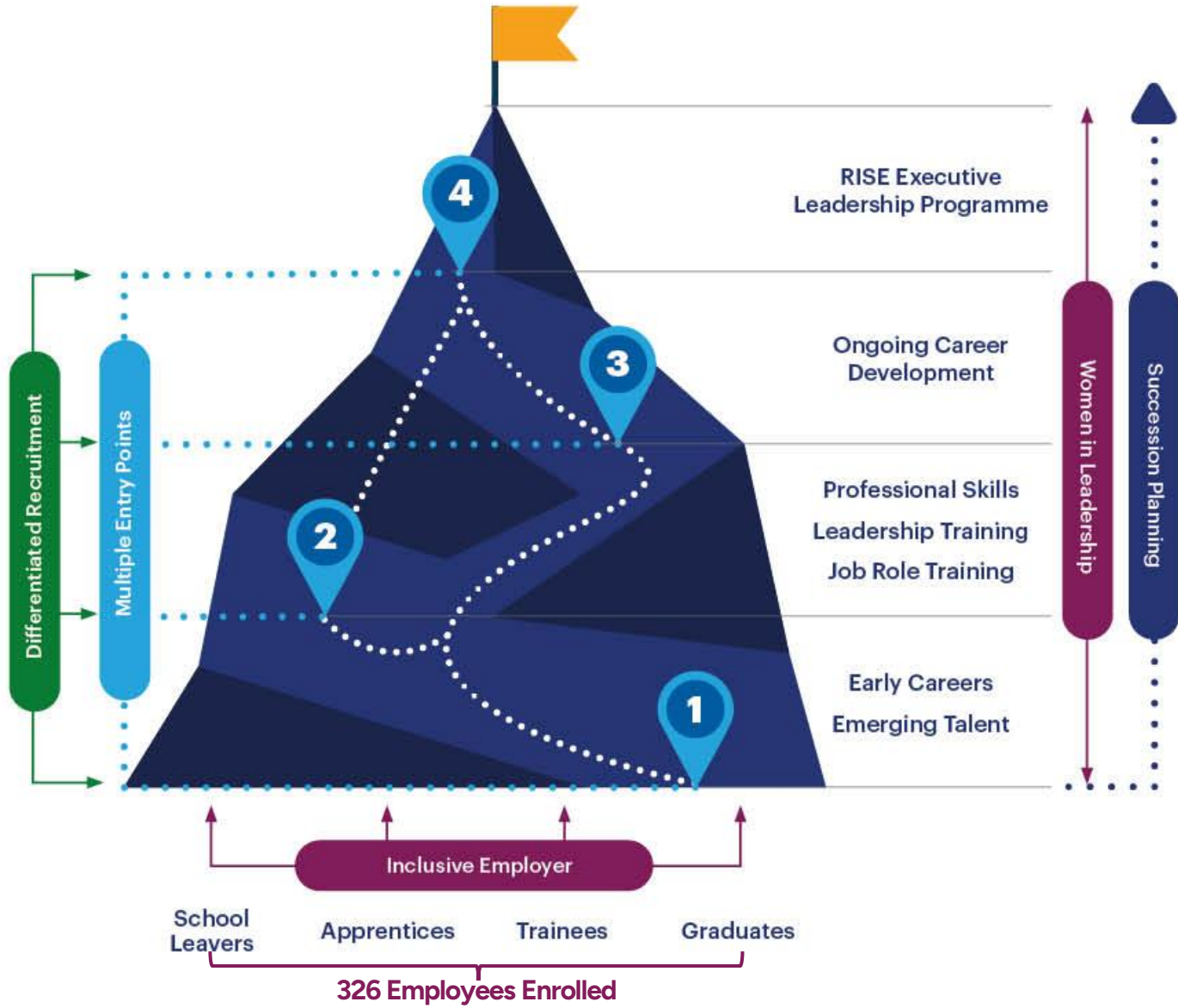
£75k Average highways task value	£30k Average rail task value	£223k Average water task value
<p>The focus on the latest National Highways ("NH") strategy is likely to be on renewals and maintenance with NH budget expected to double.</p>		
<p>Significant proportional increase in Network Rail R&M committed spend addressing aging assets and climate vulnerability.</p>		
<p>Ofwat draft determination anticipates a total spend of £88bn with a significantly increased emphasis on renewing and maintaining the network.</p>		

OUR GROWTH LEVERS TO DRIVE MARKET OUTPERFORMANCE



1 TALENT RETENTION AND ATTRACTION

- RESOURCING FUTURE GROWTH OPPORTUNITIES



Renew Talent Development Programmes

rise
38
Enrolled - 4 cohorts

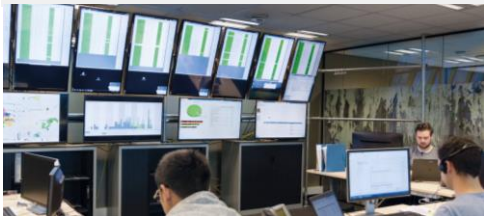
rise | Purposeful Leadership
43
Enrolled - 4 cohorts

renew | Emerging Talent
43
Enrolled - 1 cohort



2 INNOVATION STRENGTHENING MARKET COMPETITIVENESS

Predictive Maintenance



- Wind turbine management
- SmartScan
- Storm overflow monitoring

Inspections & Monitoring




- Wind turbine blade monitoring
- 3D rail condition monitoring
- Rail embankment stability

Rail Operations



- Megavac
- MegaChipper
- COSS Academy

Road Operations



- StoneMaster
- SafetyCAM
- Find and Fix

Increasing Efficiency Mega Chipper
10x faster delivery


Enhancing resilience Early intervention
at Combined Sewer
Overflows

Reducing carbon 7.1t of CO² saved per km
of filter drain recycling

Improving safety 55% reduction in speeding
through roadworks

3 DRIVING ORGANIC GROWTH THROUGH COLLABORATION

Overhead Line Electrification



ARO

National Grid Transmission Framework



AMCO·GIFFEN
EXCALON
Infrastructure for Tomorrow

National Highways Road Restraint Framework



AGC

MEICA complementing existing capabilities



sbewater

£165m of frameworks won through collaboration over the last 3 years

Accelerating access to new markets

Leveraging broader service capabilities

4

M&A: THE OPPORTUNITY

Consolidate fragmented markets and expand our service offering

Our markets

Rail

Broaden scope of services within Rail and support decarbonisation.

Infrastructure

Broaden scope of services within highways, communications networks and aviation.

Environmental

Increase water offering and consider opportunities in the wider environmental market.

Energy

Support growth in new nuclear & decommissioning programmes, transmission and distribution and renewables.

Expansion of services and sectors through M&A

ROUTE
Infrastructure



Acquired April 2024

Route One provides end-to-end solutions for bridge deck maintenance and protection in the Highways sector.

EXCALON
Infrastructure for Tomorrow



Acquired June 2024

Excalon is a leading provider of high voltage and extra high voltage infrastructure to the UK electricity sector.

Full Circle.



Acquired October 2024

Full Circle is a specialist provider of repair, maintenance and monitoring services for onshore wind turbines in the UK and Europe.

What we look for – key M&A criteria

Engineering Services with opex focused budgets

Highly attractive finances with EBIT up to £50m, operating margins >5%, a strong cash generative working capital model and inflation resilience

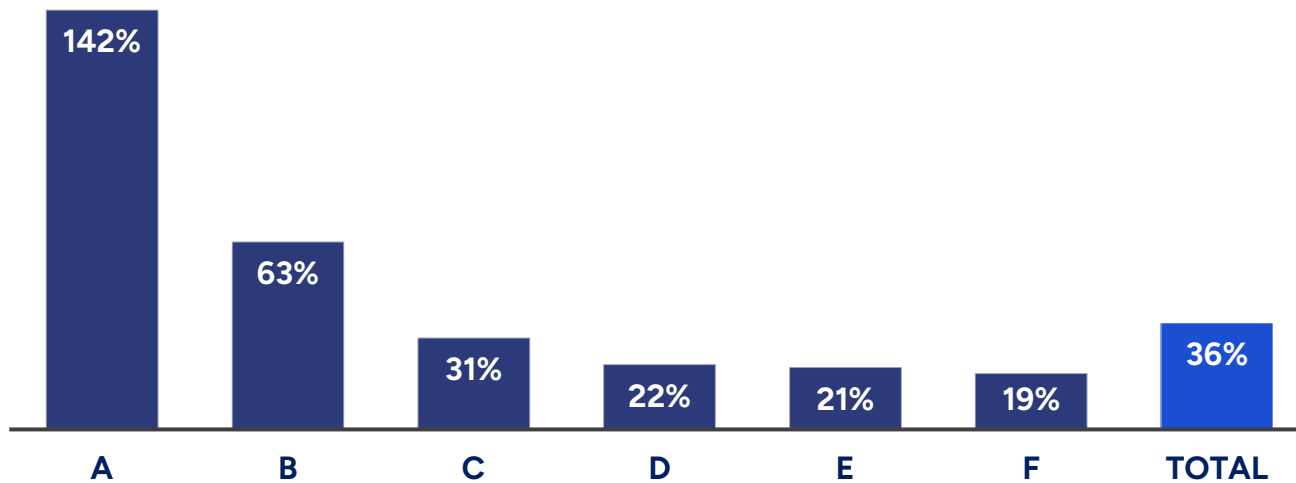
Long term, direct, principal client relationships preferably engaged via frameworks

Preferably a direct delivery model

Complementary bolt on or standalone brand in markets with high barriers to entry

4 GENERATING VALUE THROUGH M&A

FY24 Acquisition EBIT ROI¹



Principal subsidiaries acquired since 2010

¹ EBIT ROI is calculated as FY24 operating profit for each business over acquisition costs. It includes all principal subsidiaries acquired since 2010 but excludes Excalon and Full Circle which did not make a contribution (or full contribution) in FY24 and would therefore not produce a meaningful calculation. Bolt-on's were not included because their contribution is not separately reported.

x11

Track record of high-quality acquisitions over 14 years

£192m

invested in principal acquisitions with only **£60m of new equity** raised over that period

<x1

Net Debt: EBITDA did not exceed 1x over that period

50%

average EBIT ROI

OUR COMMITMENT TO ESG



THE RENEW RESILIENCE PLAN

Our approach to ESG is structured around four essential commitments, ensuring we uphold our stakeholders' environmental, social and governance values.



Build social value

- Commitment to community projects
- Focus on STEM engagement within our communities

Our progress

- Initiatives included volunteering and community support
- STEM and education events



Operate responsibility

- Reduce our Lost Time Incident Frequency Rate
- Reduce the amount of waste sent to landfill
- Mandatory waste broker
- Improve our gender pay gap

Our progress

- Regular SHEQ events
- Continued focus on diverting waste from landfill



Take climate action

- Increase use of energy from "green" tariffs
- Transition our fleet to low carbon
- Improvements in electric and hybrid company car options

Our progress

- Trialling the use of EV fleet vehicles
- Mandatory use of HVO



Empower our people

- Improve the rate of response to our employee surveys
- Increase the number of mental health first aiders
- Continuous focus on employee development

Our progress

- Continued bespoke leadership development programmes
- Ongoing diversity and inclusion forums



SUMMARY



OUR COMPOUNDING MODEL

£20m-£40m

Average acquisition

M&A

>5%

Organic growth

Organic Growth

renew

>60%

Cash conversion

Free Cashflow

>6.5%

Adjusted operating margin

Stable Margins

Average 5 Year ROCE

27% ROCE

Significant growth opportunities across our markets

OUTLOOK



Now a pure play engineering services provider



End markets underpinned by non-discretionary, long term, renewal and maintenance demand



Asset performance and reliability driving prioritisation of funding



New growth opportunities with entry into renewables and electricity distribution and transmission markets



Increased resilience through diversified end market exposure



Strong platform for future growth underpinned by record order book