

ENGINEERING FOR A BETTER TOMORROW

Renew Holdings plc
Interim results for the half year ended 30 March 2025

Paul Scott
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Chief Executive Officer
Chief Financial Officer




renew

INTRODUCTION

HIGHLIGHTS

- 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
- Interim dividend increased by 5.4% to 6.7p



INTRODUCTION

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

INTRODUCTION

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

FINANCIAL REVIEW



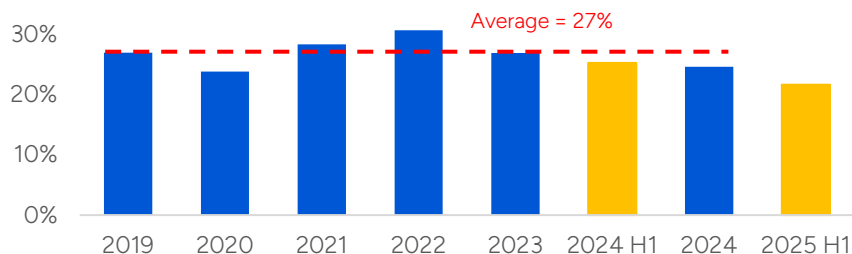
FINANCIAL REVIEW

INCOME STATEMENT

	HY25 £m	HY24* £m (Restated**)
Revenue	569.3	505.4
Operating profit*	32.0	32.3
Net finance costs	(2.6)	(0.2)
Profit before exceptional items and amortisation	29.4	32.1
Amortisation and exceptional items	1.6	(2.6)
Profit before taxation	31.0	29.5
Taxation	(5.7)	(7.4)
Profit from continuing activities	25.3	22.1
Loss from discontinued activities	(0.7)	(1.2)
Profit for the period	24.6	20.9
EPS*	28.2	30.5
Dividend per share	6.7p	6.3p

- PY restated due to the disposal of Walter Lilly in October 24
- Revenue increased by 12.6% to £569m (HY24: £505m)
- Adjusted operating profit of £32m (HY24: £32.3m)
- *On track to achieve revised full year expectations*
- Adjusted operating profit margin of 5.6% (HY24: 6.4%)
- *Full year expected to be over 6%*
- Interim dividend of 6.7p (HY24: 6.3p)

ROCE



ROCE = Adjusted LTM EBIT over average capital employed

* Operating profit and EPS are stated prior to amortisation, exceptional items and discontinued result.

** The comparatives have been restated due to the classification of a component of the Group as a discontinued operation in FY'24.

- 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

FINANCIAL REVIEW

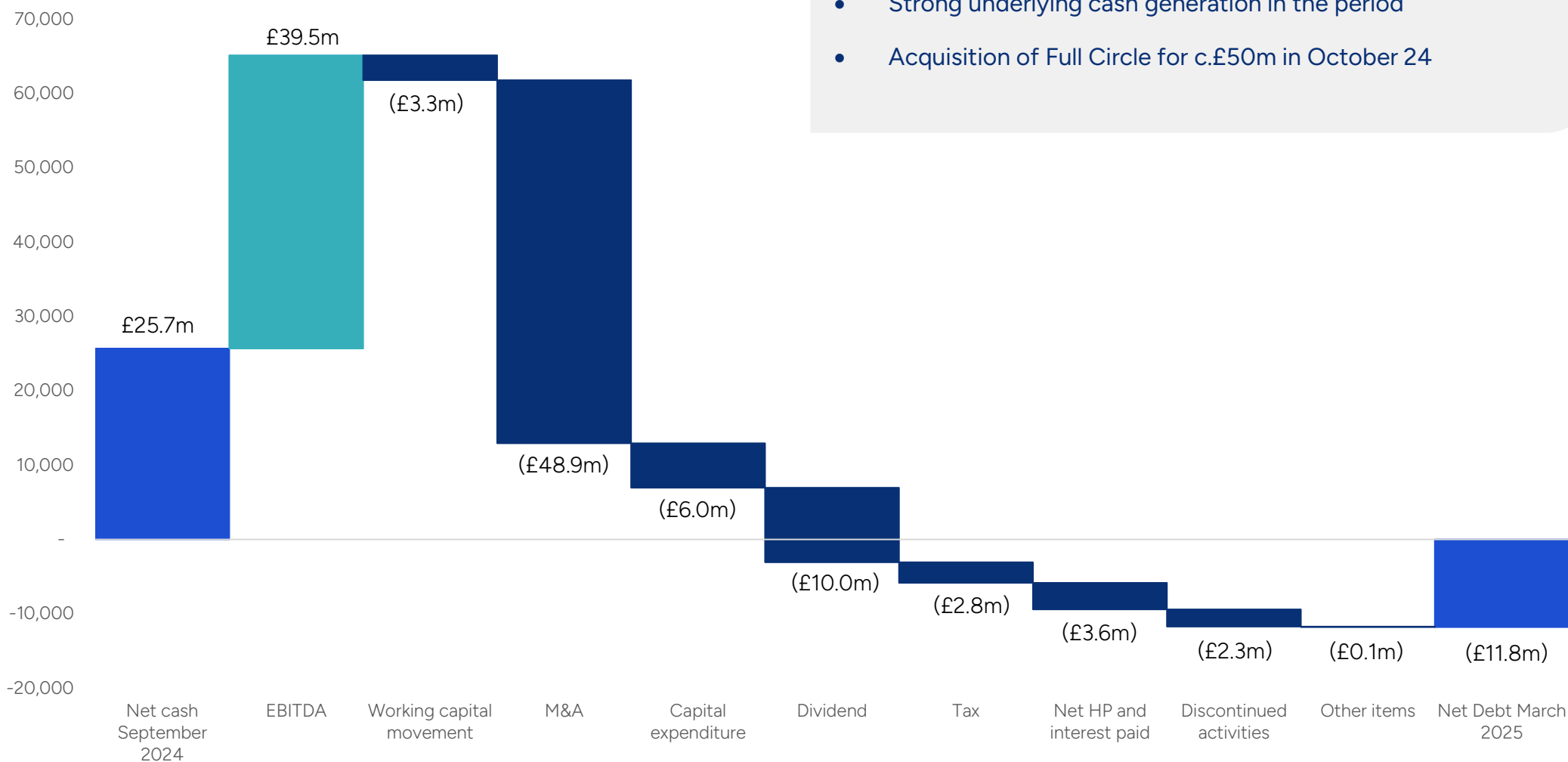
BALANCE SHEET

	HY25 £m	HY24 £m
Intangible assets	240.2	175.9
Property, plant and equipment	26.1	22.3
Right of use assets	26.7	21.6
Deferred tax (liability) (net)	(11.4)	(7.9)
	281.5	211.9
Current assets	227.2	204.8
Current liabilities	(238.9)	(233.0)
Net current assets	(11.6)	(28.2)
Net cash	(11.8)	42.5
Long-term liabilities	(38.2)	(36.9)
Net assets prior to pension schemes	219.9	189.3
Pension schemes (net)	1.4	1.0
Net assets	221.4	190.3

- Pre-IFRS16 net debt of £11.8m (HY24: net cash of £42.5m)
- *IFRS16 net debt of £36.7m (HY24: net cash of £22.7m)*
- Cash reduction due to M&A activity over the previous 12 months:
 - *Route One - c.£6m*
 - *Excalon - c.£24m*
 - *Full Circle - c.£50m*
- £120m RCF secured until November 2026 providing significant acquisition firepower
 - *Margin 180bps*
 - *Commitment fee 35bps*
- Increased provision against discontinued, historic liabilities in Allenbuild:
 - *£2.3m cash outflow in HY25*
 - *Provision now £8.4m (FY24: £10m)*

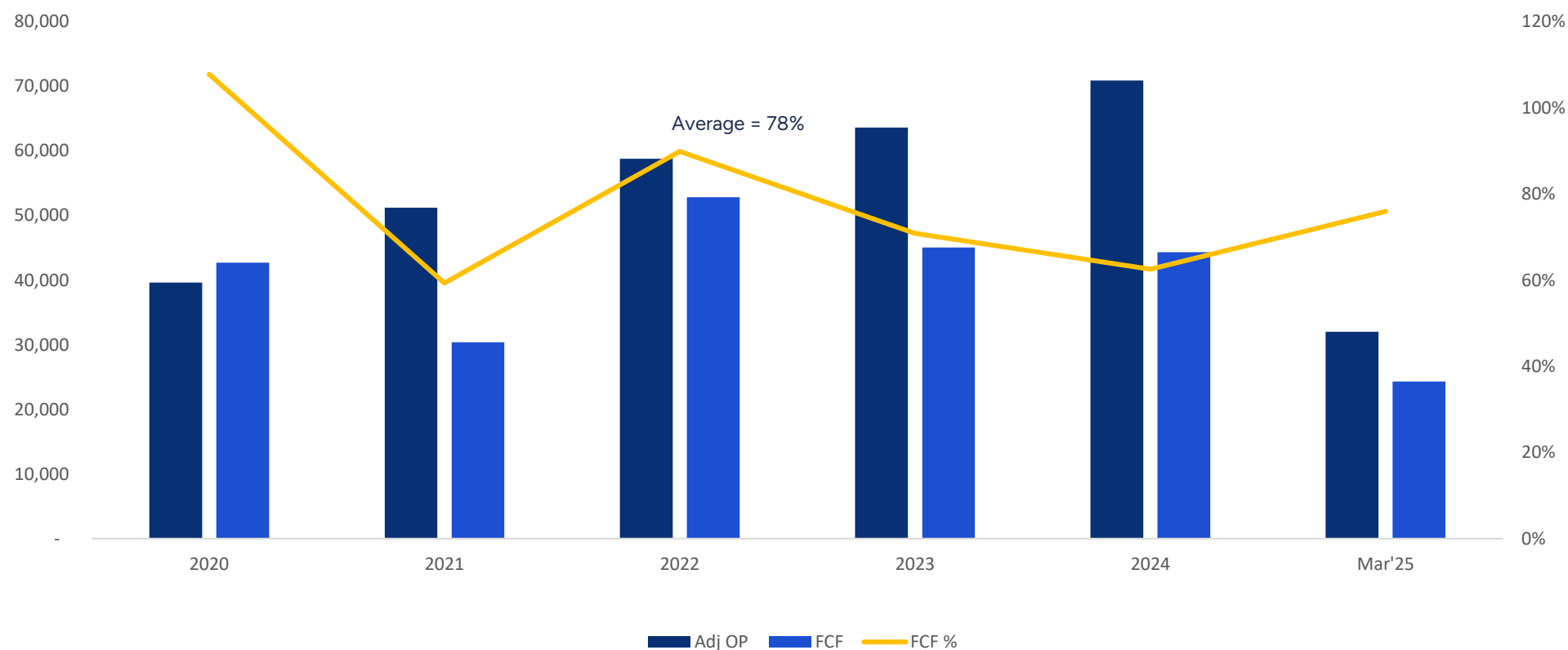
FINANCIAL REVIEW

CASH FLOW BRIDGE



FINANCIAL REVIEW

FREE CASH FLOW CONVERSION*



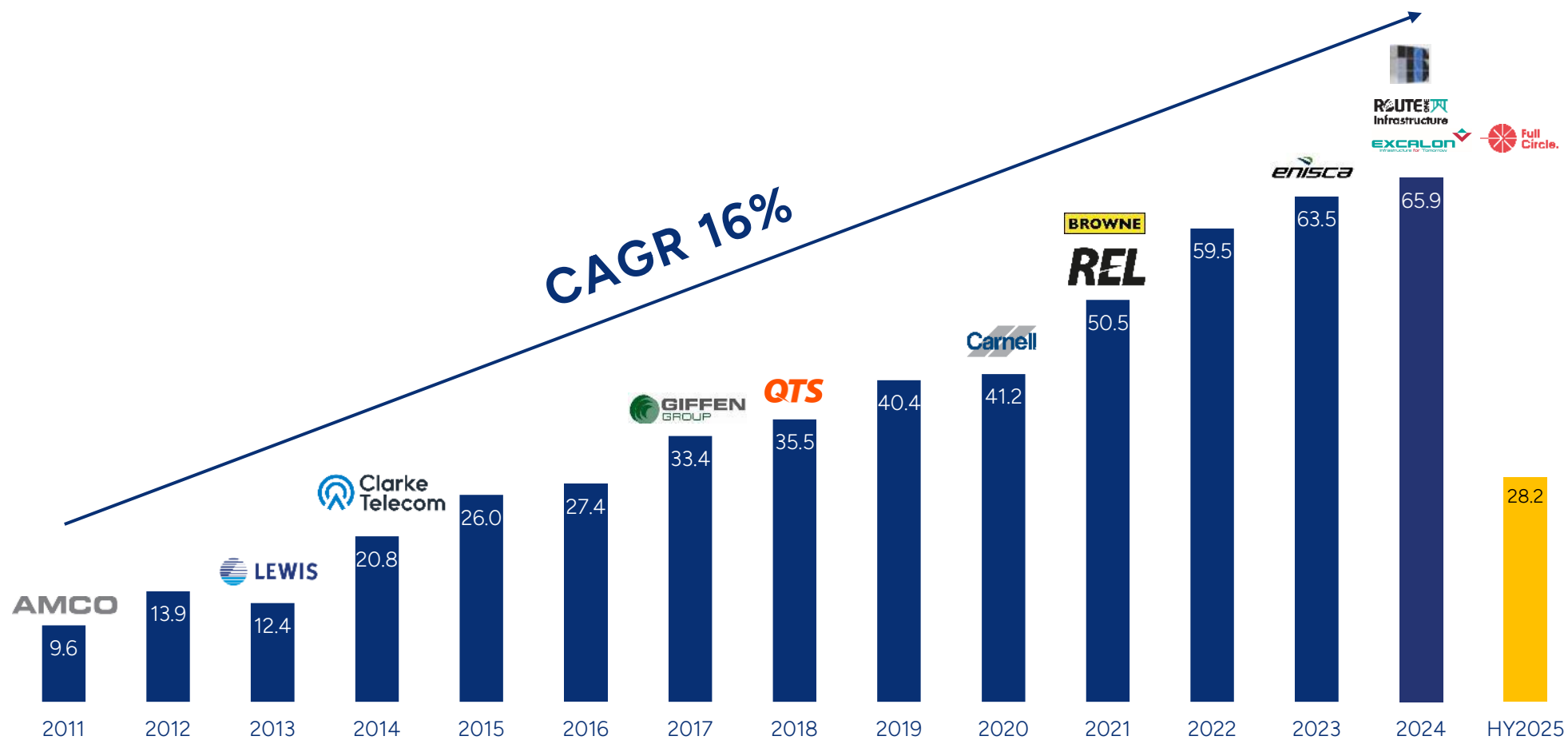
*From continuing operations.

**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

FINANCIAL REVIEW

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.

FINANCIAL REVIEW

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 ONE
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

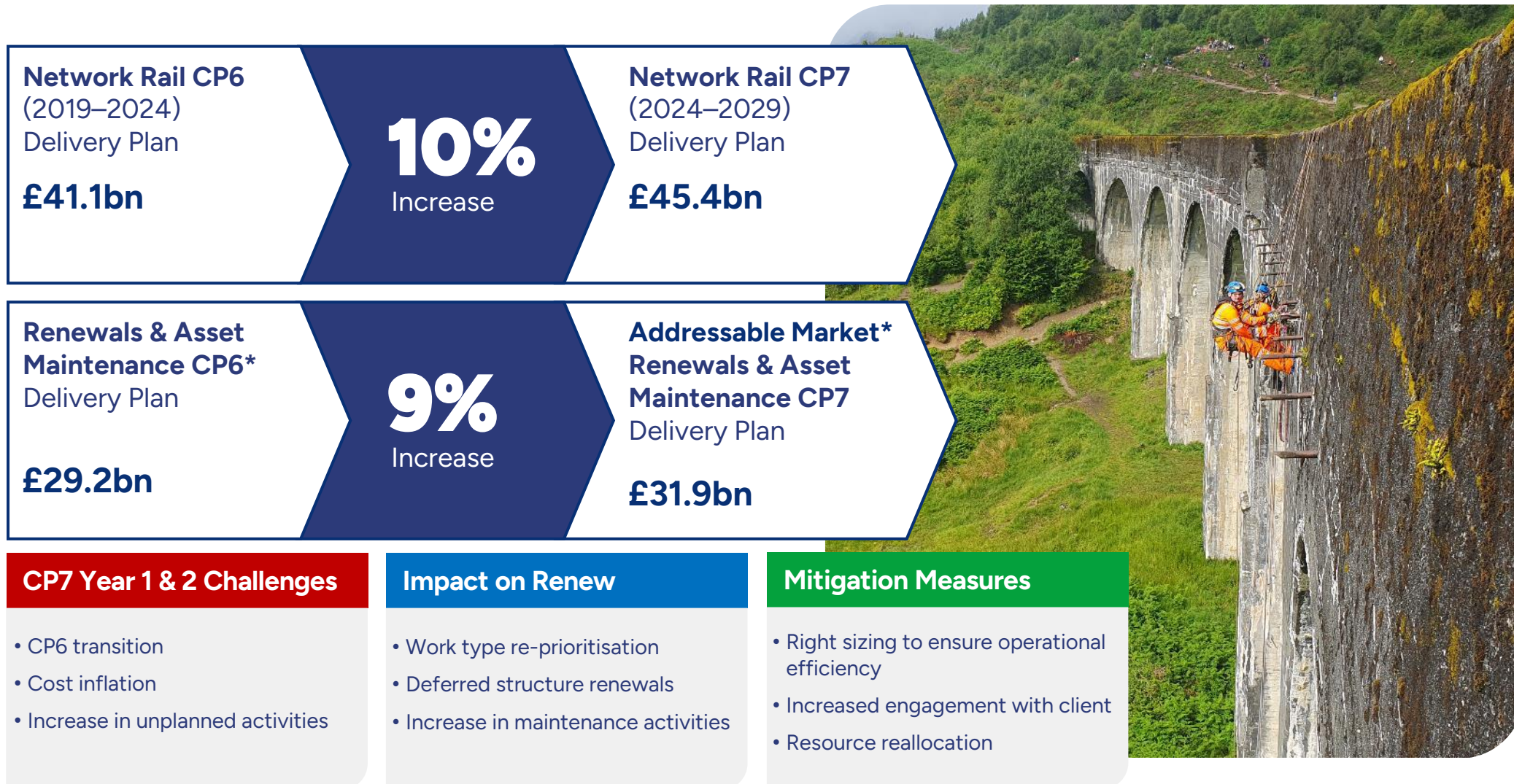
MARKET AND OPERATIONAL REVIEW

The background of the slide features a photograph of a person wearing a white hard hat and a high-visibility orange and yellow safety vest. The image is partially obscured by large, semi-transparent circular overlays in shades of blue and orange, creating a modern, industrial aesthetic.

MARKET AND OPERATIONAL OVERVIEW

RAIL

NETWORK RAIL – EXPENDITURE CP6 & CP7

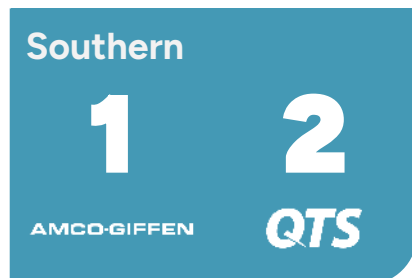
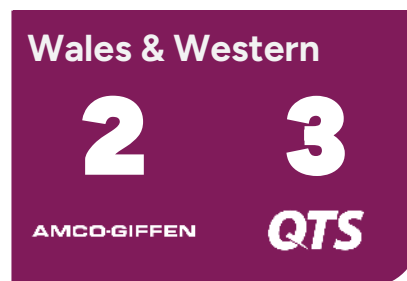
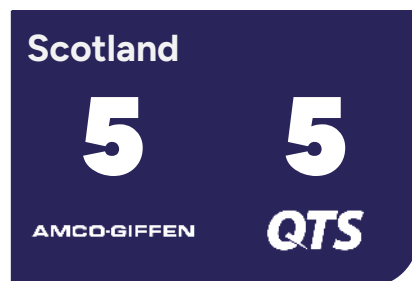
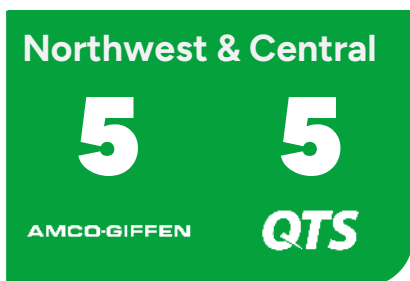


*Figures are derived from management assessment of annual addressable markets from publicly available sources

MARKET AND OPERATIONAL OVERVIEW

RAIL

MAJOR FRAMEWORK POSITIONS SUPPORTING NETWORK RAIL



- Asset maintenance and renewals nationally
- **Stronger position in CP7** compared to CP6
- Northwest & Central – **3 new key frameworks**
- Wales & Western– **New key Electrification & Plant framework**



MARKET AND OPERATIONAL OVERVIEW

ENVIRONMENTAL

MAINTAINING COMPLEX WATER INFRASTRUCTURE

Actual spend in AMP7
(2020–2025)

£51bn

102%
Increase

Spend in AMP8
(2025 – 2030)

£104bn

Addressable Market*
AMP7

£23bn

94%
Increase

Addressable Market*
AMP8

£45bn

Overview

- Multi-disciplinary service offering
- National coverage with regionally based teams
- Maximising opportunities for internal & external collaborations
- Off-site manufacturing capabilities



MARKET AND OPERATIONAL OVERVIEW

ENVIRONMENTAL

MAINTAINING COMPLEX WATER INFRASTRUCTURE

Comprehensive national coverage



We work with

10/12

Combined UK water & waste companies



MARKET AND OPERATIONAL OVERVIEW

INFRASTRUCTURE

MAINTAINING AND RENEWING CRITICAL ASSETS



£5.6bn

Annual addressable market*

Overview

Highways

- Operating nationally on Scheme Delivery Frameworks
- One-year extension to RIS2
- RIS3 focus on renewal and maintenance playing to our strengths

Aviation

- Further opportunities for market growth
- Expansion at a number of UK airports

Communications Networks

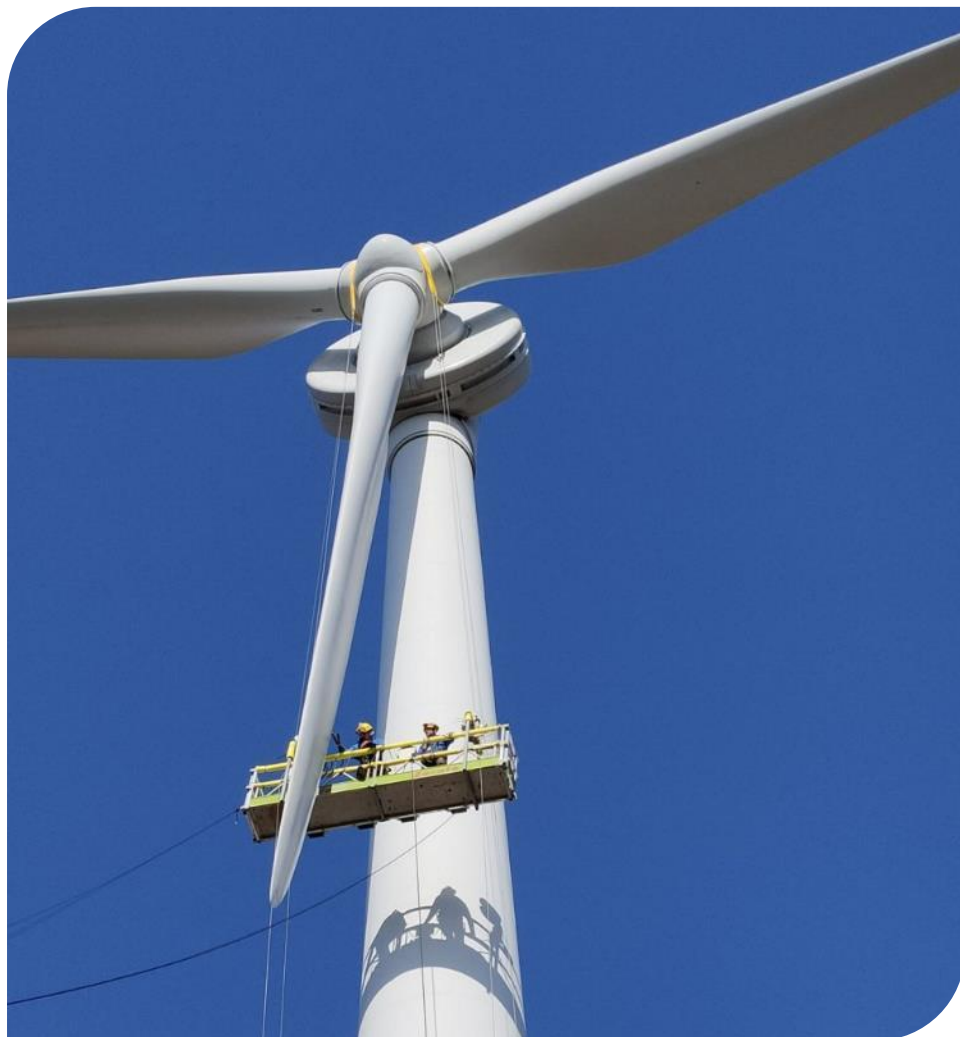
- Wide range of services for all major network operators
- Developing non-core routes to markets

*Figure is derived from management assessment of annual addressable markets from publicly available sources

MARKET AND OPERATIONAL OVERVIEW

ENERGY

SUPPORTING THE ENERGY TRANSITION



£9.2bn

Annual addressable market*

Overview

Renewables

- Full Circle trading in line with expectations
- New Master Service Agreements for 64 wind turbines in the UK and France
- Very strong pipeline of target opportunities

Transmission & Distribution

- Excalon trading in line with expectations
- Major opportunities across Transmission and Distribution networks
- Group collaborations on National Grid scheme

Nuclear

- 120-year nuclear decommissioning programme
- Broadening our civil nuclear customer base
- High demand for nuclear grade manufactured components

*Figure is derived from management assessment of annual addressable markets from publicly available sources

OUR COMMITMENT TO ESG



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

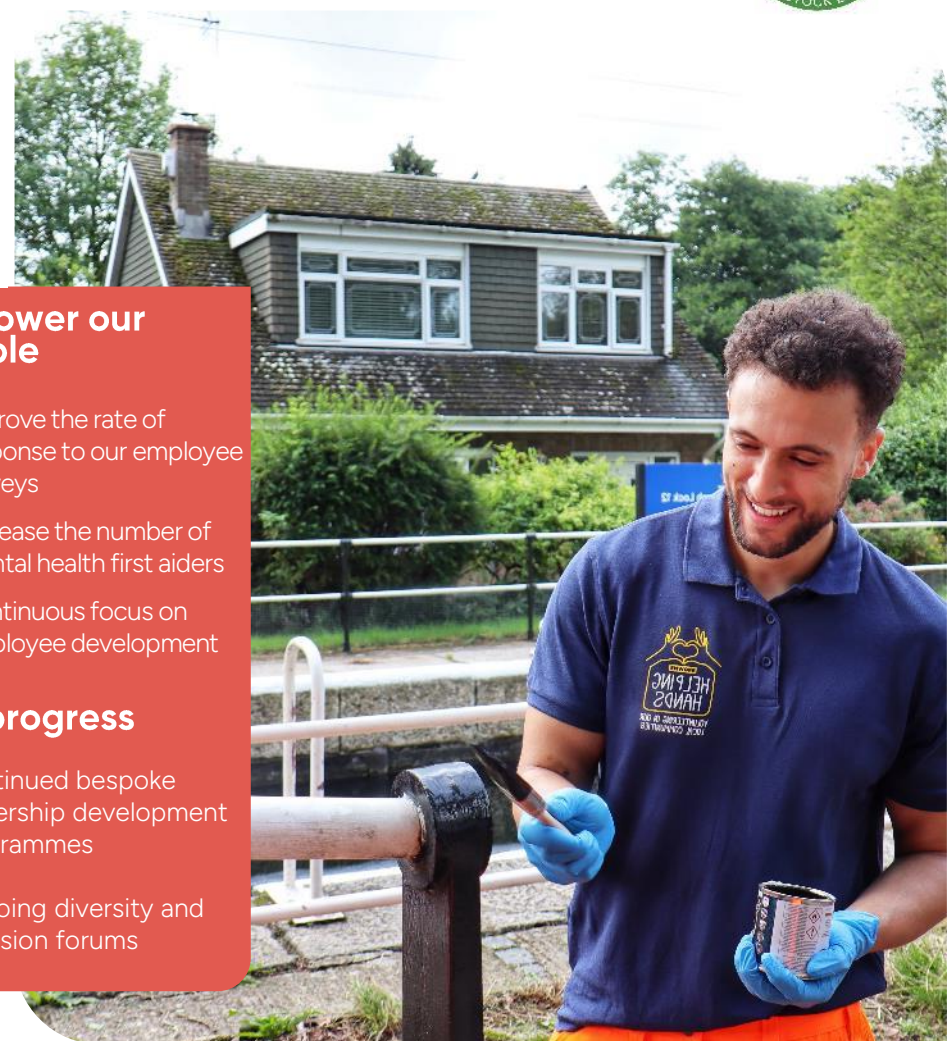


Empower our people

- 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

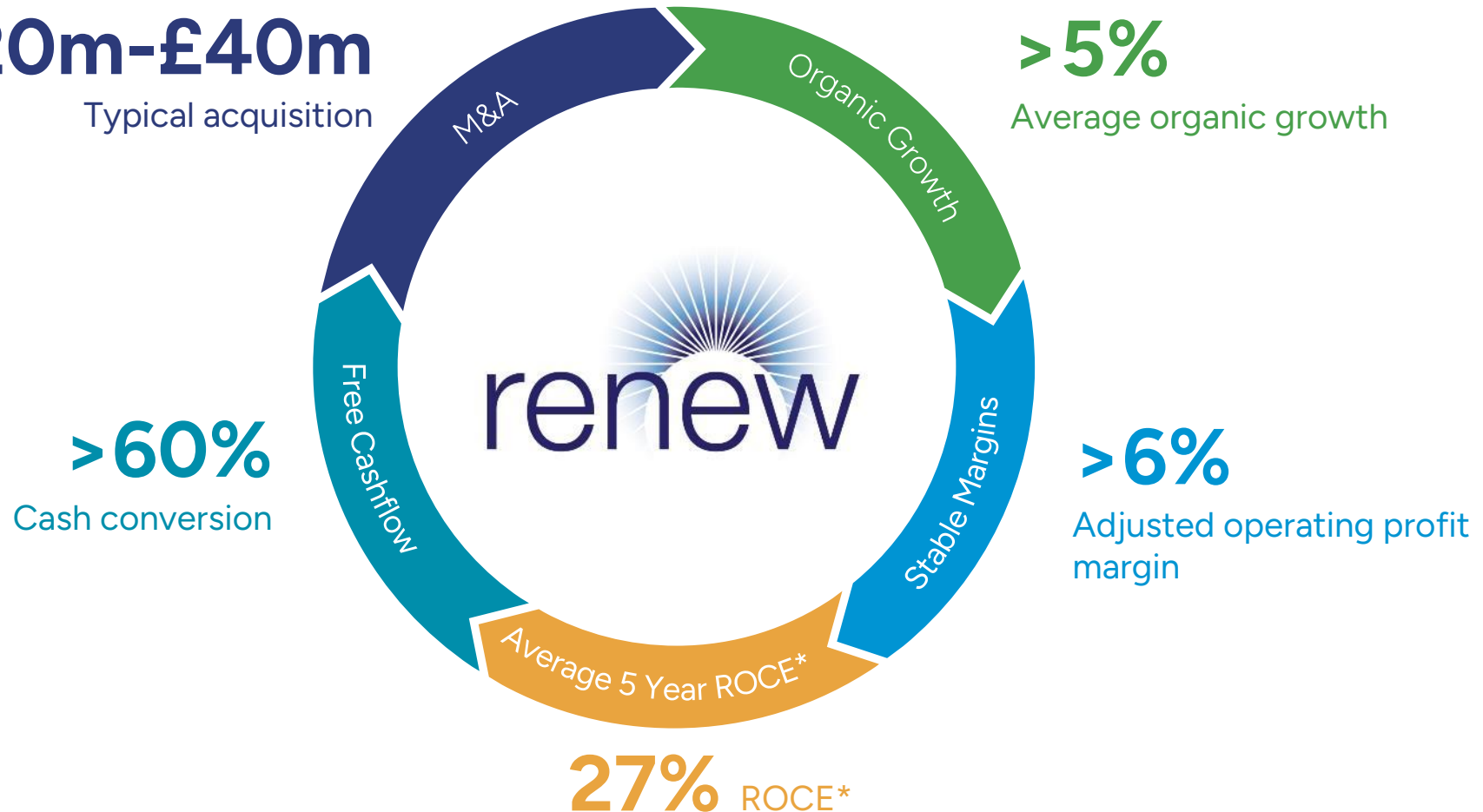


SUMMARY

OUR COMPOUNDING MODEL

£20m-£40m

Typical acquisition



Significant growth opportunities across our markets

*Measured at the full year

SUMMARY

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

APPENDIX



APPENDIX

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