



**Engineering for a
better tomorrow**

Continued outperformance

- Record half year results
- Strong organic growth
- Pre-IFRS net cash of £17.0m (HY22: net debt £1.2m)
- Interim dividend of 6.00p (HY22: 5.67p)
- Order book of £890m (HY22: £771m)
- Strong momentum going into H2

Our engineering markets

Rail	Infrastructure	Energy	Environmental
National Rail network	Highways Wireless Telecoms Aviation	Nuclear Decommissioning Thermal power, renewables, networks and distribution	Water Specialist restoration Land remediation

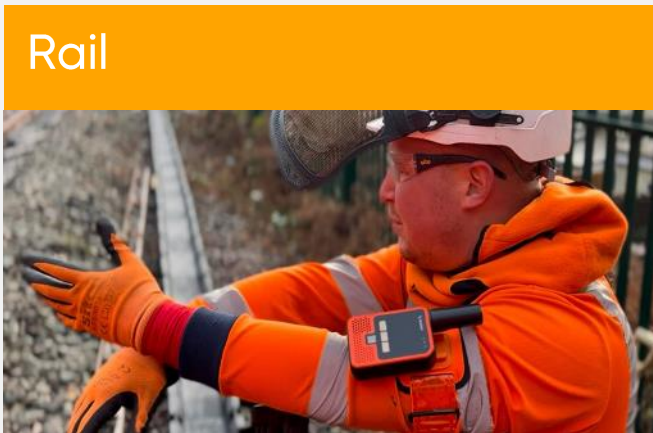
Our subsidiaries



Our business

Our branded businesses

- Provide multidisciplinary, mission-critical engineering services nationwide through our directly employed workforce where we maintain and renew critical UK infrastructure
- Carry out High Quality Residential, Landmark and Science projects in London and the home counties



Our differentiated business model

Markets with committed regulatory funding

- Visible, reliable and resilient revenue via maintenance and renewal programmes within long-term regulatory spending periods
- The UK Government is committed to a record £600bn² investment in infrastructure over the next 5 years as confirmed in the Autumn Statement

Delivering mission-critical infrastructure services across the UK

- Exposure to core infrastructure markets underpins business model strengths
- Providing 24/7 specialist engineering solutions to keep the nation's infrastructure operational

Low-risk, non-discretionary maintenance and renewals

- Lower financial and contractual risk profile than those delivering large capital-led enhancement schemes
- Capital-light, opex-led maintenance and renewals model
- Commercial terms within our contracts protect against inflation

Operating in complex, challenging and highly regulated environments

- End markets with high barriers to new entrants requiring specialist skillsets
- Ensuring compliance through an embedded safety culture

Highly skilled, directly employed workforce

- High-quality engineering expertise
- Responsiveness, control and agility
- Reduced exposure to sub-contractor pricing volatility

Proven track record of compounded earnings growth and strong cash generation

- Differentiated investment case based on resilience of business model, structurally attractive end markets and scope for further growth as infrastructure spend increases

Committed to adding value through innovation

- Investing in innovation to deliver superior and more sustainable customer service solutions

The Government committed to a record
£600bn²
investment in the UK's infrastructure over the next 5 years

Financial review



Income statement

For the six months ended 31 March	2023 £m	2022 £m
Revenue ¹	471.8	414.3
Operating profit ¹ *	28.3	26.0
Net finance costs	(0.6)	(0.3)
Profit before exceptional items and amortisation ¹	27.7	25.7
Exceptional items and amortisation	(1.4)	(3.9)
Profit before taxation	26.3	21.8
Taxation	(5.4)	(4.2)
Profit from continuing activities	20.9	17.6
Loss from discontinued activities	(0.9)	(1.1)
Profit for the period	20.0	16.5
EPS ¹ *	27.4	26.2
Dividend per share	6.0p	5.7p

- Revenue increased by 14% to £471.8m (HY22: £414.3m)
– Includes organic growth of 11.6%
- Operating profit increased by 9% to £28.3m (HY22: £26.0m)
- Adjusted¹ operating profit margin of 6.0% (HY22: 6.3%)
– Reflecting timing and work mix in H1
- EPS increased by 4.6% to 27.4p (HY22: 26.2p)

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

ROCE & ROIC

ROCE*

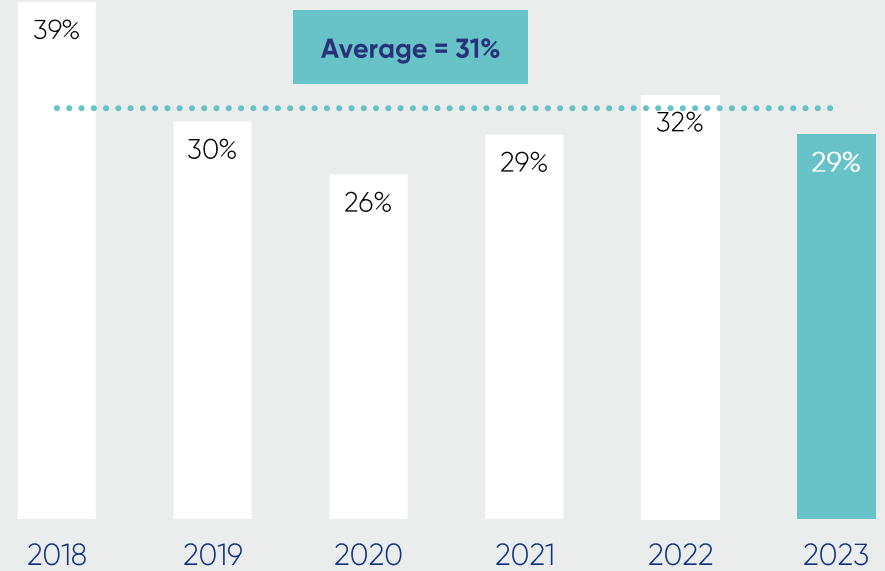
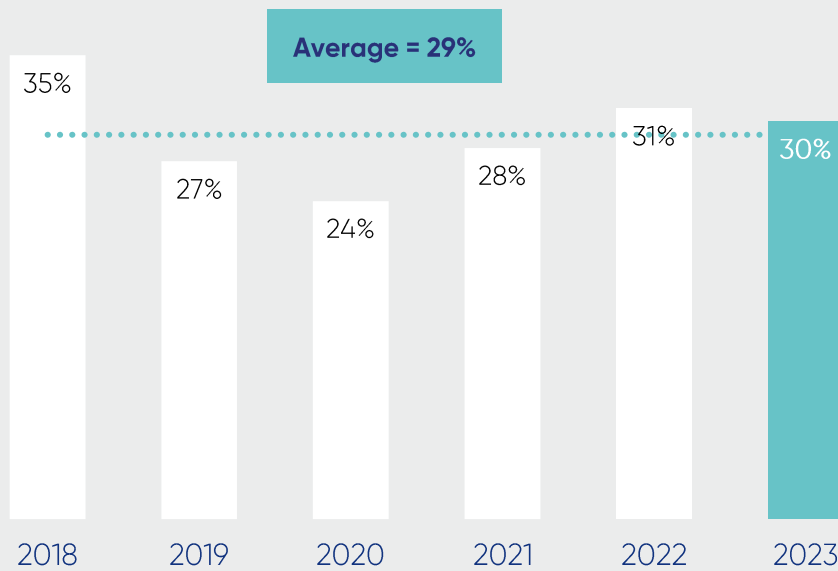
30%

HY22: 31%

ROIC*

29%

HY22: 32%



*ROCE = Adjusted LTM EBIT over average capital employed

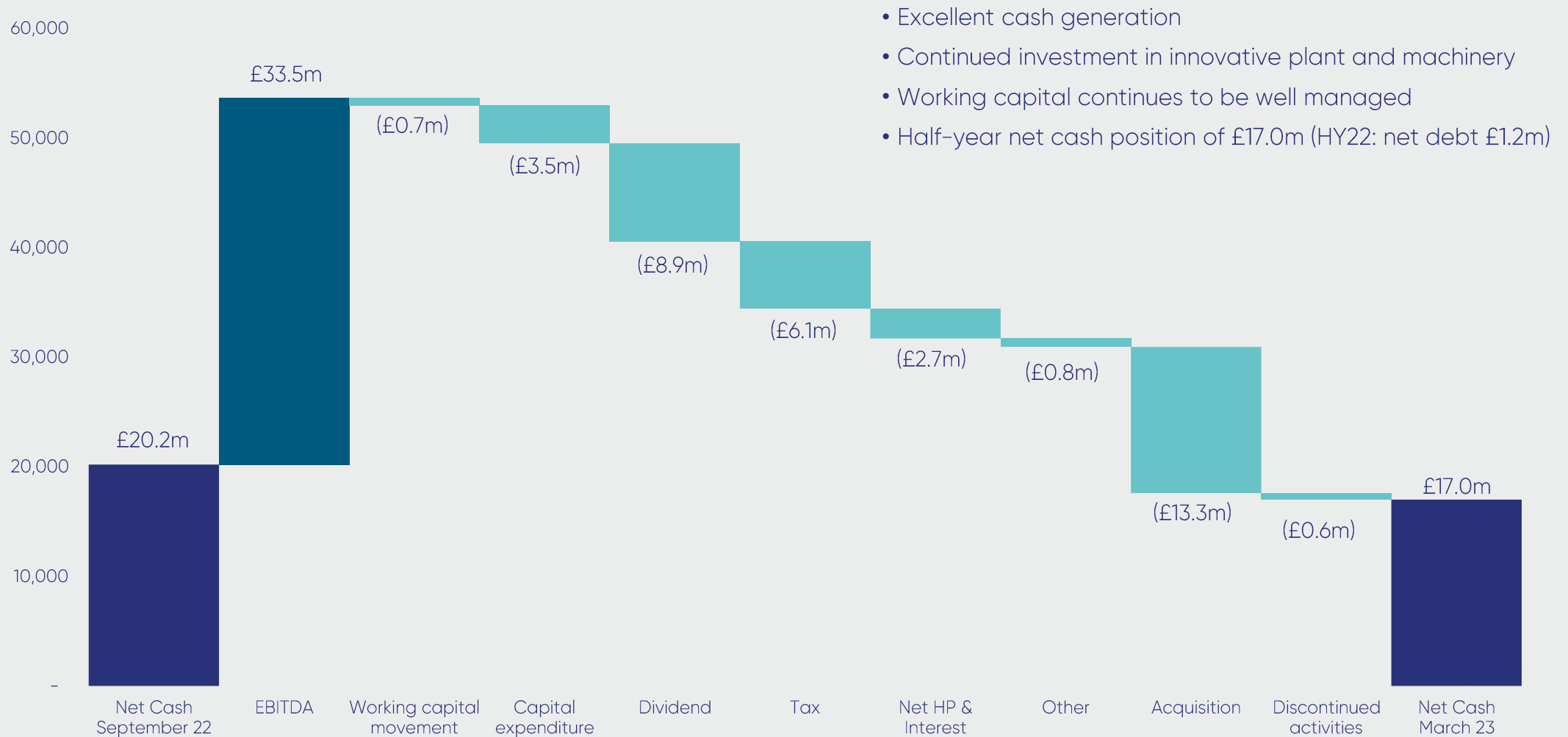
*ROIC = Adjusted LTM EBIT over average invested capital

Balance sheet

For the six months ended 31 March	2023 £m	2022 £m
Intangible assets	179.7	165.5
Property, plant and equipment	18.3	15.2
Right of use assets	17.4	16
Deferred tax (liability) (net)	(7.8)	(6.1)
	207.6	190.6
Current assets	177.1	177.0
Current liabilities	(217.8)	(215.3)
Net current assets	(40.7)	(38.3)
Net cash/(debt)	17.0	(1.2)
Long-term liabilities	(24.5)	(17.6)
Net assets prior to pension schemes	159.4	133.5
Pension schemes (net)	0.7	0.5
Net assets	160.1	134.0

- Pre IFRS16 net cash of £17.0m (HY22: net debt £1.2m)
- Acquired Enisca in November 2022 for net cash of £13.3m
- Maintain provision against discontinued, historic liabilities in Allenbuild
- New £80m RCF secured until November 2026
- Continued positive progress to fully de-risk defined benefit pension schemes

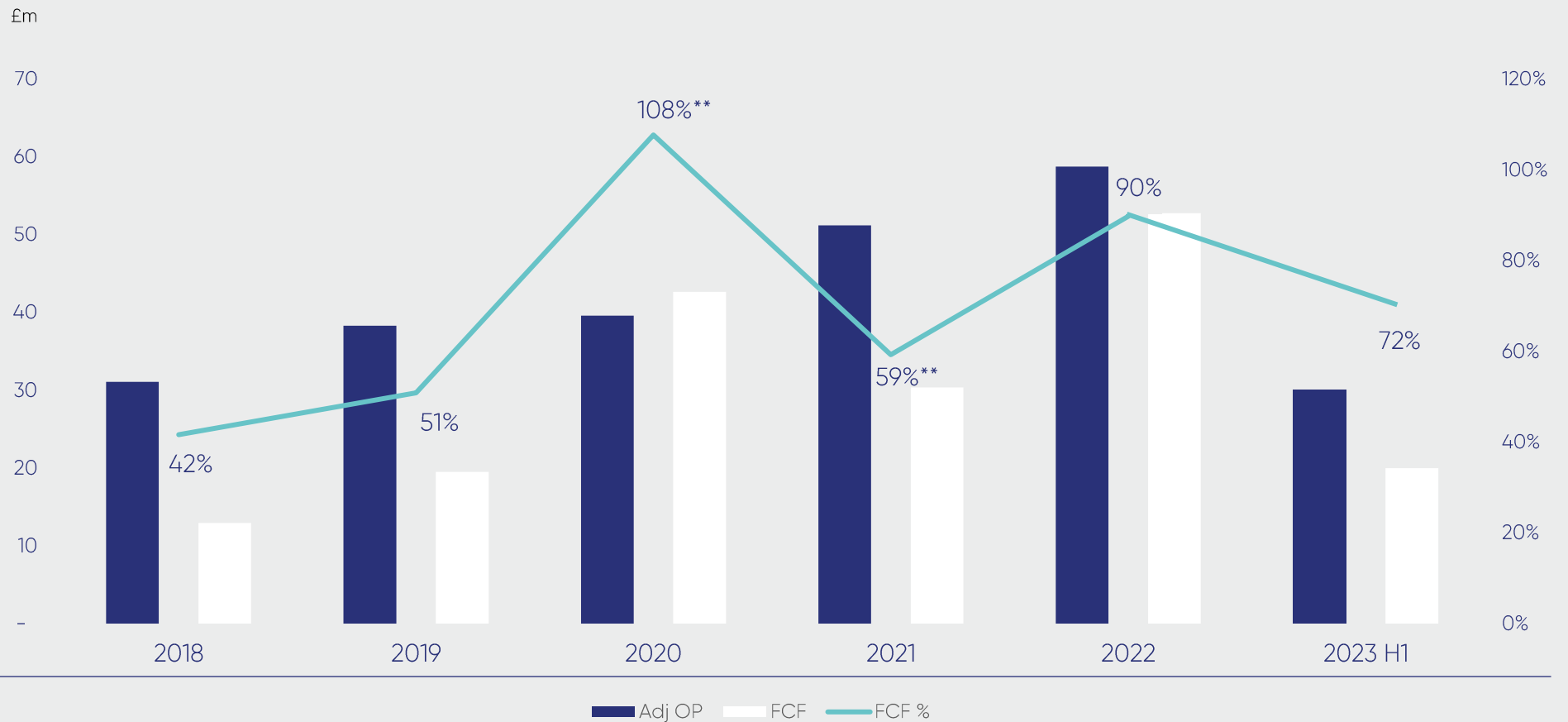
Cash flow bridge



- Excellent cash generation
- Continued investment in innovative plant and machinery
- Working capital continues to be well managed
- Half-year net cash position of £17.0m (HY22: net debt £1.2m)

Free cash flow conversion*

• 2023 H1 free cash flow impacted by timing of corporation tax payments on account

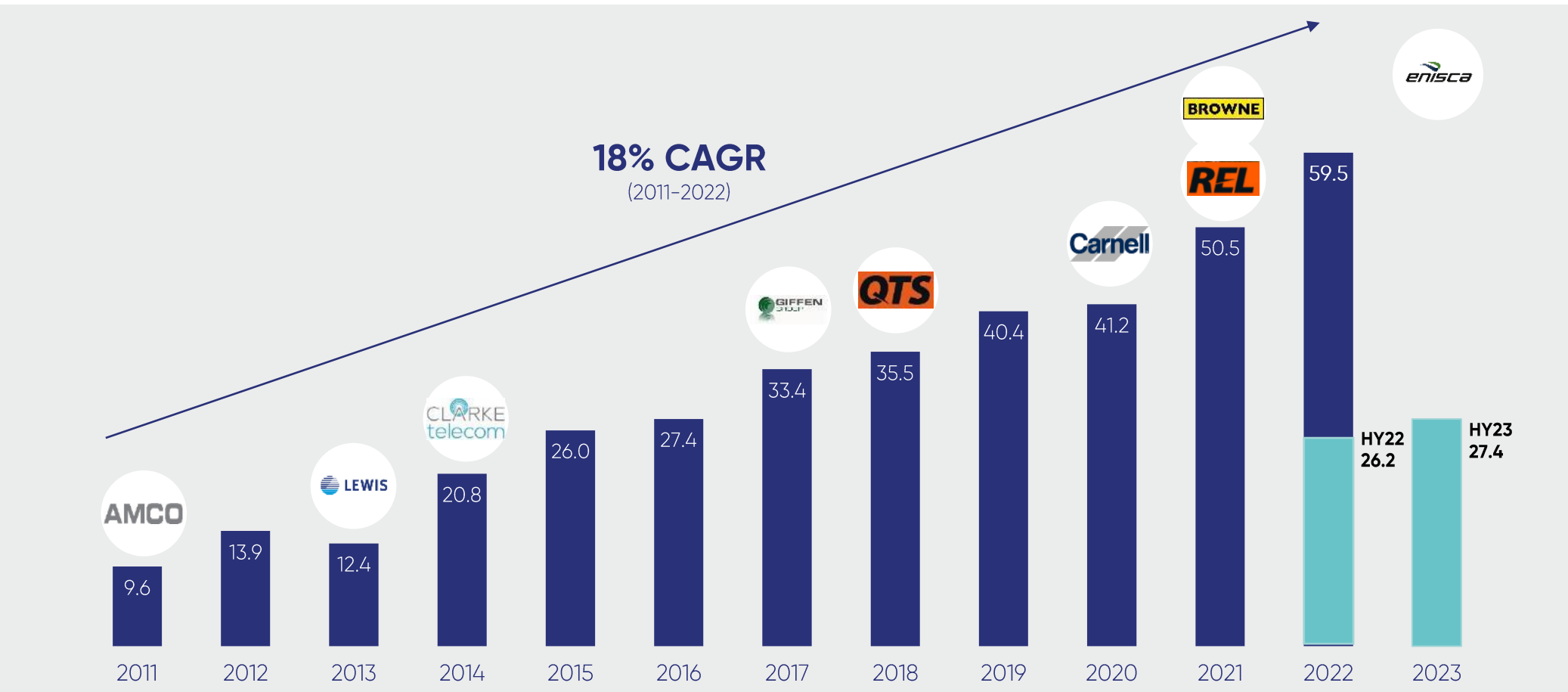


*From continuing operations

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

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

Adjusted EPS¹ track record



¹ Renew uses a range of statutory performance measures and alternative performance measures when reviewing the performance of the Group against its strategy. Definitions of the alternative performance measures, and a reconciliation to statutory performance measures, are included in Note 30 of the 2022 Annual Report & Accounts.

Operational review



Rail

Delivering a railway for the future



£44bn³

Investment in Control Period 7

£18–26bn⁴

Estimated cost of decarbonisation

Our services

- Essential multidisciplinary engineering support providing maintenance and renewal services across the national rail network
- 24/7 emergency support provision

Our opportunities

- Network Rail £44bn³ agreed spending plan for CP7 (2024–2029)
- £18bn to £26bn⁴ estimated cost of decarbonisation to 2040
- Increased focus on network safety and reliability

Operational highlights

- Secured Wales & Western CP7 framework positions on Wales Structures and Electrification & Plant 5-year frameworks
 - *Unique collaboration between our rail brands*
 - *Acquisition of REL key to E&P framework appointment*
- Continue to see record demand for our services
- Collaborative and unique position for Overhead Line Electrification delivery
- Framework extensions and new appointments provide good CP7 visibility
- Industry leading innovative plant solutions

Infrastructure

Working together to meet national needs



£24bn⁵

Road Investment Strategy 2 ("RIS2")

Our services

- Multidisciplinary engineering support providing maintenance and renewal services across the strategic highway network
- Multidisciplinary engineering services to the wireless network infrastructure market
- Civil engineering services to the aviation industry

£30bn⁶

Estimated investment for gigabit-capable broadband speeds

Our opportunities

- £24bn⁵ of RIS2 funding
- RIS3 increased roads infrastructure expenditure, focus on maintenance and renewals
- £30bn⁶ estimated investment for gigabit-capable broadband speeds
- £5bn investment in 5G rollout

Operational highlights

Highways

- Working on National Highways SDF across five framework lots
 - *Unique intra group joint venture delivering SDF road restraint Lots*

Wireless Telecoms

- Continue to broaden our customer base
- SRN & Huawei removal programmes expanding market opportunities

Aviation

- Good progress with our organically grown capability

Energy

High hazard risk reduction



£124bn⁷
Nuclear decommissioning provision estimate

Our services

- Multidisciplinary engineering support to nuclear facilities
- Decommissioning, asset care, maintenance, new build support and specialist manufacturing
- Mechanical, electrical and instrumentation services

£7bn⁸
20-year commitment to PPP* at Sellafield

Our opportunities

- UK nuclear decommissioning provision current estimate £124bn⁷
- UK net-zero target
- New nuclear – British Energy Security Strategy
- £950m⁹ Rapid Charging Fund to support high powered charge points rollout

Operational highlights

Nuclear

- Long-term frameworks at Sellafield
- Appointed by all four PPP* Key Delivery Partners on a 20-year programme delivering critical Mechanical, Electrical and HVAC services
- Expanding our nuclear customer base

EV Infrastructure

- Organically grown capability to explore growth opportunities

Environmental

Maintaining complex water infrastructure



£51bn¹⁰
Estimated spend in AMP7

Our services

- Maintaining and renewing clean and wastewater networks and waterway assets
- Flood risk management programmes
- 24/7 emergency reactive works
- Specialist restoration and land remediation

£5.2bn¹¹
Flood defence investment

Our opportunities

- £51bn¹⁰ estimated spend in AMP7
- AMP8 expected to see greater investment
- £5.2bn¹¹ flood defence infrastructure investment
- Long-term conservation works at the Palace of Westminster

Operational highlights

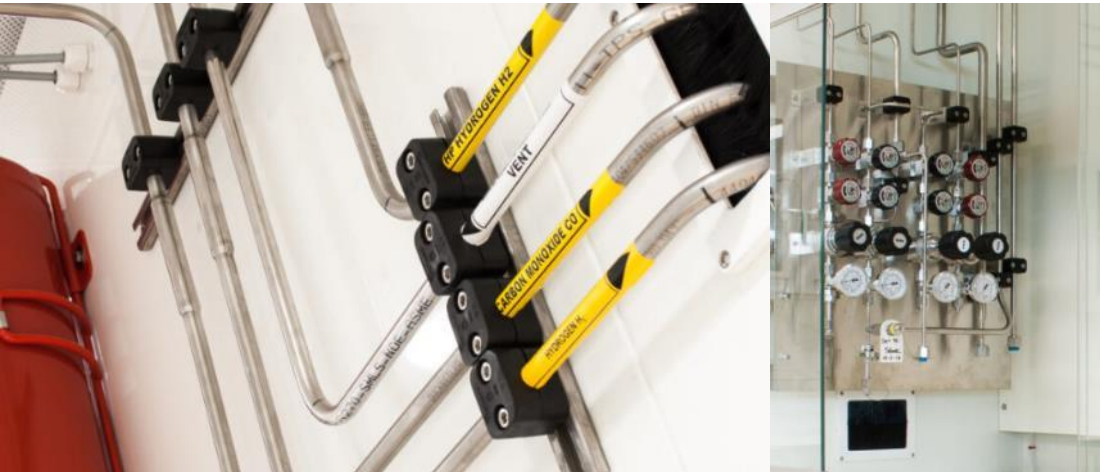
Water

- Ongoing strong demand from 12 regulated water companies
 - Appointed to Welsh Water Major Civils, Major Electrical & Major Mechanical frameworks for up to 8 years
 - *Acquisition of Enisca enabled us to win the M&E frameworks above*
 - New framework opportunities in the period for Thames Water and Severn Trent

Land remediation

- Extension of our Land Regeneration framework with National Grid

Landmark, Science and High Quality Residential



Our services

- Landmark schemes
- Development of research and laboratory schemes
- Prestigious private residential refurbishment
- Specialist restoration

Our opportunities

- Increased Government investment in research facilities
- Opportunities in the High Quality Residential and Landmark market in London

Operational highlights

- Specialist restoration work continues at Lambeth Palace, the Edinburgh Botanical Gardens and the parliamentary estate
- Successful completion and handover of MRC project at Hammersmith

Sustainability





The Renew Resilience Plan - our commitments



Take climate action

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

Our targets

- 100% of energy we use will be derived from 'green' energy tariffs
- Gas oil reduction ratio
- 80% of our commercial fleet will be low carbon by 2030

Our progress

- Retained our LSE Green Economy Mark
- Trialling the use of alternative, cleaner energy sources to power our sites
- Procurement of electrical & hybrid vehicles across our businesses



Operate responsibly

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

Our targets

- 95% of eligible waste diverted from landfill
- 0 Lost Time Incident Frequency Rate ("LTIFR")

Our progress

- Regular Safety, Environmental, Management and Quality events
- Increased amount of waste diverted from landfill



The Renew Resilience Plan - our commitments



Build social value

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

Our targets

- 1 working day per employee assisting community projects (hours)
- 50 STEM events supported

Our progress

- Undertook a range of initiatives including volunteering and community support
- STEM and education events supported



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 targets

- 70% employee survey response rate
- 1:20 mental health first aiders
- 4.5 training days per employee

Our progress

- Continued bespoke leadership development programme
- Diversity and inclusion forums

Summary



Our investment case

Differentiated low-risk, resilient business model

- Our subsidiary businesses operate across a diversified range of markets
- Critical asset maintenance and renewals services that are not dependent on large, capital-heavy contract awards, providing a lower-risk profile
- Supported by the commercial terms within our frameworks, we continue to successfully manage the industry-wide material shortages and inflation challenges effectively

Value-accretive model of compounding earnings

- Proven history of shareholder value creation through consistent execution of our strategy to deliver reliable capital growth
- A track record of organic growth and M&A in high margin, high growth end markets, coupled with strong cash generation and shareholder returns

Exposed to attractive long-term, non-discretionary structural growth drivers

- We operate in markets underpinned by resilient, long-term growth dynamics and committed regulatory spending periods, with maintenance and renewals expenditure continuing to increase
- We deliver the day-to-day renewal and maintenance tasks required to keep critical networks operational

Market leading position, expertise and capabilities

- Our businesses work in markets with high barriers to entry which demand a highly skilled, experienced workforce and a proven track record of safe delivery
- We continue to develop our range of specialist skills enabling us to provide a more efficient and valuable service to our clients

Ideally poised to benefit from green infrastructure investment

- Our purpose-led ESG approach enables us to add value to our customers through investment in innovation and technology, assisting in the delivery of the UK's net-zero carbon target by 2050

Strong long-term growth prospects

- The Group is committed to growing the business in its chosen markets both organically and through selective complementary acquisitions whilst maintaining a disciplined approach to capital allocation and risk

Outlook

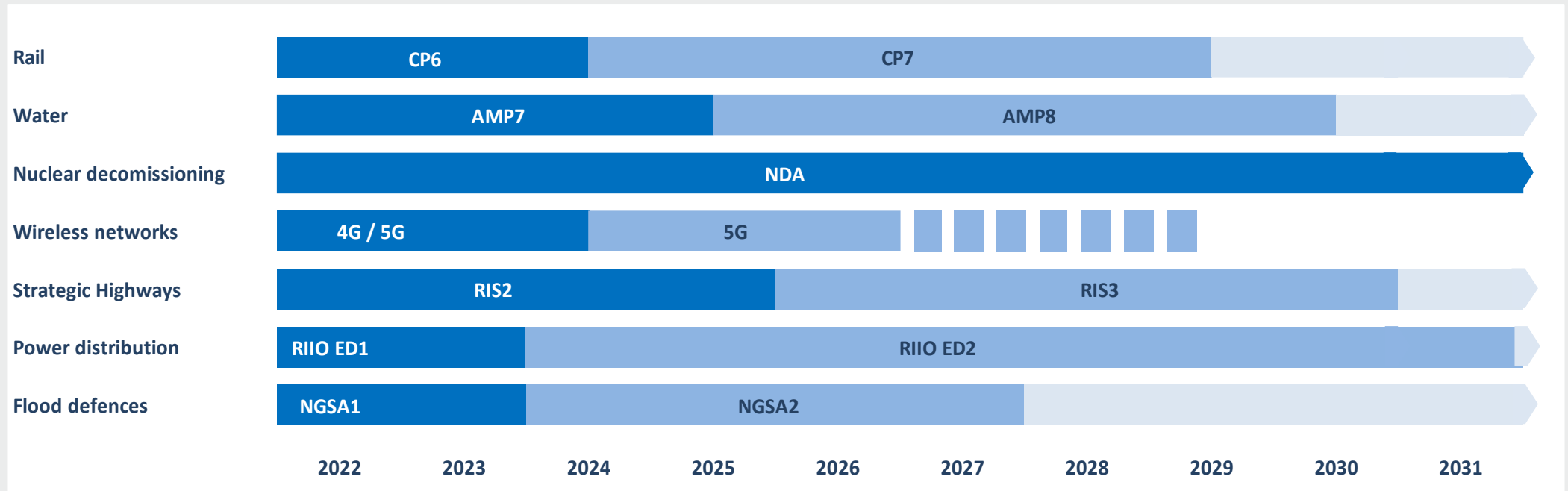
- Committed infrastructure investment, as confirmed in the Autumn Statement
- Well positioned to capitalise on compelling growth opportunities
- Ideally poised to benefit from green infrastructure investment
- Continued focus on long-term, non-discretionary spending programmes
- Acquisitive growth opportunities in existing and complementary markets supported by a strong balance sheet
- A strong order book and positive momentum going into H2



Appendix



Regulatory periods ensure visible pipeline to 2030+



Acquisitions

Existing sectors

Rail

Improve offering ahead of CP7 and support decarbonisation

Energy

Support growth in New Nuclear and PPP programme

Environmental

Increase water offering ahead of AMP8 and consider opportunities in the flood and coastal infrastructure market

Infrastructure

Widen scope of services within highways and telecoms

New sectors

Electricity Transmission and Distribution

Working directly for Distribution Network Operators and Transmission Operators

Target attributes

- Supporting UK infrastructure assets
- Engineering services with an opex focus and potential capex budgets
- Market areas with high barriers to new entrants
- Inflation resilient business
- Long-term relationships with clients preferably engaged via frameworks
- Cash generative working capital model
- Complementary bolt on or standalone brand
- Sustainable EBIT up to £50m
- Operating margin >5% or with growth potential to this level and beyond
- Preferably a strong incumbent management team
- Preferably a direct delivery model
- Preferably direct principal client relationships

Segmental analysis

Engineering Services

For the six months ended 31 March

	2023 £m	2022 £m
Revenue	435.8	377.5
Operating profit*	29.7	26.6
Operating margin*	6.8%	7.1%
Order book	780	705

Specialist Building

For the six months ended 31 March

	2023 £m	2022 £m
Revenue	36.0	36.9
Operating profit	0.5	0.6
Operating margin	1.4%	1.6%
Order book	110	66

Amortisation and exceptional items

For the six months ended 31 March	2023 £m	2022 £m
Amortisation	0.8	3.6
Enisca acquisition cost/aborted acquisition costs	0.6	0.3
Total	1.4	3.9

References

- 1 Renew uses a range of statutory performance measures and alternative performance measures when reviewing the performance of the Group against its strategy. Definitions of the alternative performance measures, and a reconciliation to statutory performance measures, are included in Note 30 of the 2022 Annual Report & Accounts.
- 2 HM Treasury, Autumn Statement 2022 – November 2022
- 3 UK Government Department for Transport, Policy paper, Railways Act 2005 statement of funds available 2022 – 1 December 2022
- 4 Network Rail, Traction Decarbonisation Network Strategy Interim Programme Business Case – 31 July 2020
- 5 UK Government Department for Transport, Planning ahead for the Strategic Road Network – December 2021
- 6 UK Government Department for Digital, Culture, Media & Sport, Future Telecoms Infrastructure Review – 23 July 2018
- 7 UK Government Nuclear Decommissioning Authority, Nuclear Provision: the cost of cleaning up Britain's historic nuclear sites – 4 July 2019
- 8 UK Government Corporate report, The Programme and Project Partners Supply Chain Strategy – 14 September 2021
- 9 UK Government Policy paper, Taking Charge: the electric vehicle infrastructure strategy – March 2022
- 10 Ofwat PR19 final determinations, Overview of companies' final determinations – December 2019
- 11 UK Government Department for Environment, Food and Rural Affairs, Flood and coastal erosion risk management policy statement: progress update – 29 July 2021

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