

Renew Holdings plc

Capital Markets Day – 6 June 2024



ENGINEERING FOR A BETTER TOMORROW



MAP FOR THE DAY



Map Key

- 1.** Entrance
- 2.** Carnell
- 3.** QTS
- 4.** AmcoGiffen
- 5.** Shepley
- 6.** Clarke Telecom
- 7.** Toilets
- 8.** Browne
- 9.** Seymour
- 10.** Engolve
- 11.** Catering
- 12.** Rail Demonstration
- 13.** Water Demonstration
- 14.** Highways Demonstration

AGENDA

10:00am

- Introduction and Group overview
 - Rail in Renew
 - Maintaining Complex Water Infrastructure
 - Collaboration and Talent – Driving Growth
 - Panel Q&A
-

11:30am

- Opportunity to visit our subsidiary business stands – throughout the day
-

12:00pm

- Rail demonstration – Our rail innovation
-

12:30pm

- Lunch
-

1:30pm

- Water demonstration (30 minutes)
Maintaining Complex Water Infrastructure
-

2:45pm

- Highways demonstration –
Low carbon drainage renewal
-

3:15pm

- Travel to onward destinations
-



**ENGINEERING
FOR A BETTER
TOMORROW**

WELCOME

KEY SPEAKERS



INTRODUCTION AND GROUP OVERVIEW

Paul Scott

Chief Executive Officer

RAIL IN RENEW

Simon Ellison

Group Sector Director – Rail

MAINTAINING COMPLEX WATER INFRASTRUCTURE

Tom De La Motte

Group Sector Director – Water

COLLABORATION AND TALENT – DRIVING GROWTH

Rob Phillips

Group Sector Director – Energy

PANEL Q&A

Hosted by **Lisa McKellar**

QTS Marketing & Social Value Director

**ENGINEERING
FOR A BETTER
TOMORROW**

OUR BUSINESS



Through our branded businesses we:

- Provide multidisciplinary, mission-critical engineering services nationwide through our directly employed workforce where we maintain and renew UK infrastructure
- Carry out high quality residential, landmark and science projects in London and the South East



ENGINEERING SERVICES



Market characteristics

- Critical UK infrastructure
- High barriers to entry
- Essential maintenance and renewals
- Non-discretionary operating budgets

Strengths and competitive positioning

- Wide range of complementary engineering services
- Long-term relationships established through responsiveness
- Revenue underpinned by long-term frameworks
- National coverage, local delivery
- Directly employed, highly skilled workforce

OUR SUBSIDIARIES

AMCO GIFFEN

QTS

Carnell

Clarke
Telecom

SEL
Shepley Engineers Ltd

BROWNE

ENISCA

seymour
civil engineering

VHE

envolve
Infrastructure

UK INFRASTRUCTURE MARKET

- £600bn Government Investment until 2029¹
- Shift in emphasis to Renewals & Maintenance
- Green Infrastructure Agenda
- Investment driven by Net Zero 2050
- Infrastructure weather resilience



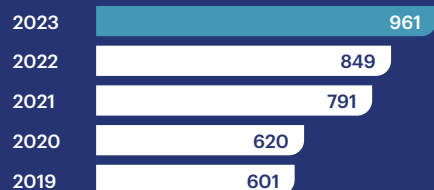
FINANCIAL TRACK RECORD



Year on Year Growth

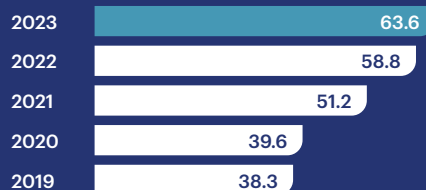
Group revenue

£961m



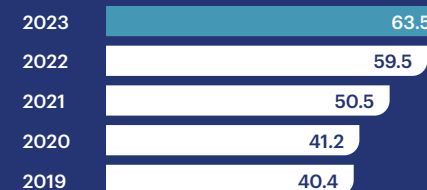
Adjusted operating profit

£63.6m



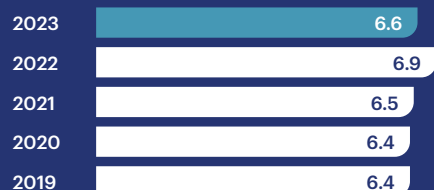
Adjusted EPS

63.5p



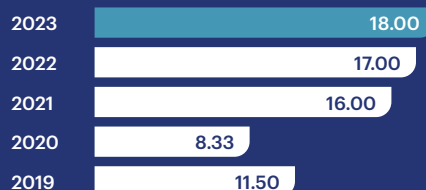
Adjusted operating margin

6.6%



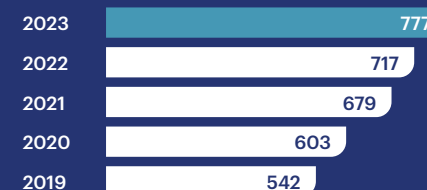
Dividend

18.00p



Engineering Services order book

£777m



RECORD INTERIM RESULTS

Organic Growth of

16.9%

Framework success in

Rail + Water

Interim dividend increased by

5.5% to 6.33p (2023: 6.0p)

- M&A momentum continues with the recent acquisitions of:

ROUTE
Infrastructure

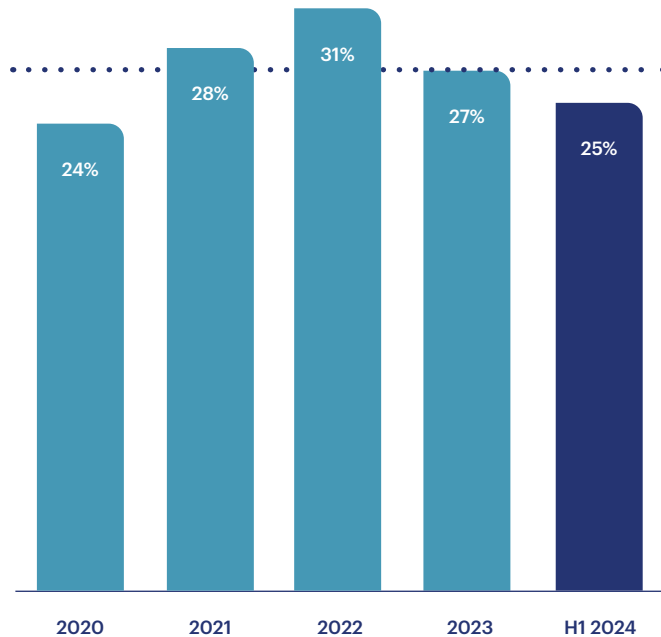


renew

RETURN ON CAPITAL

Average ROCE

27%

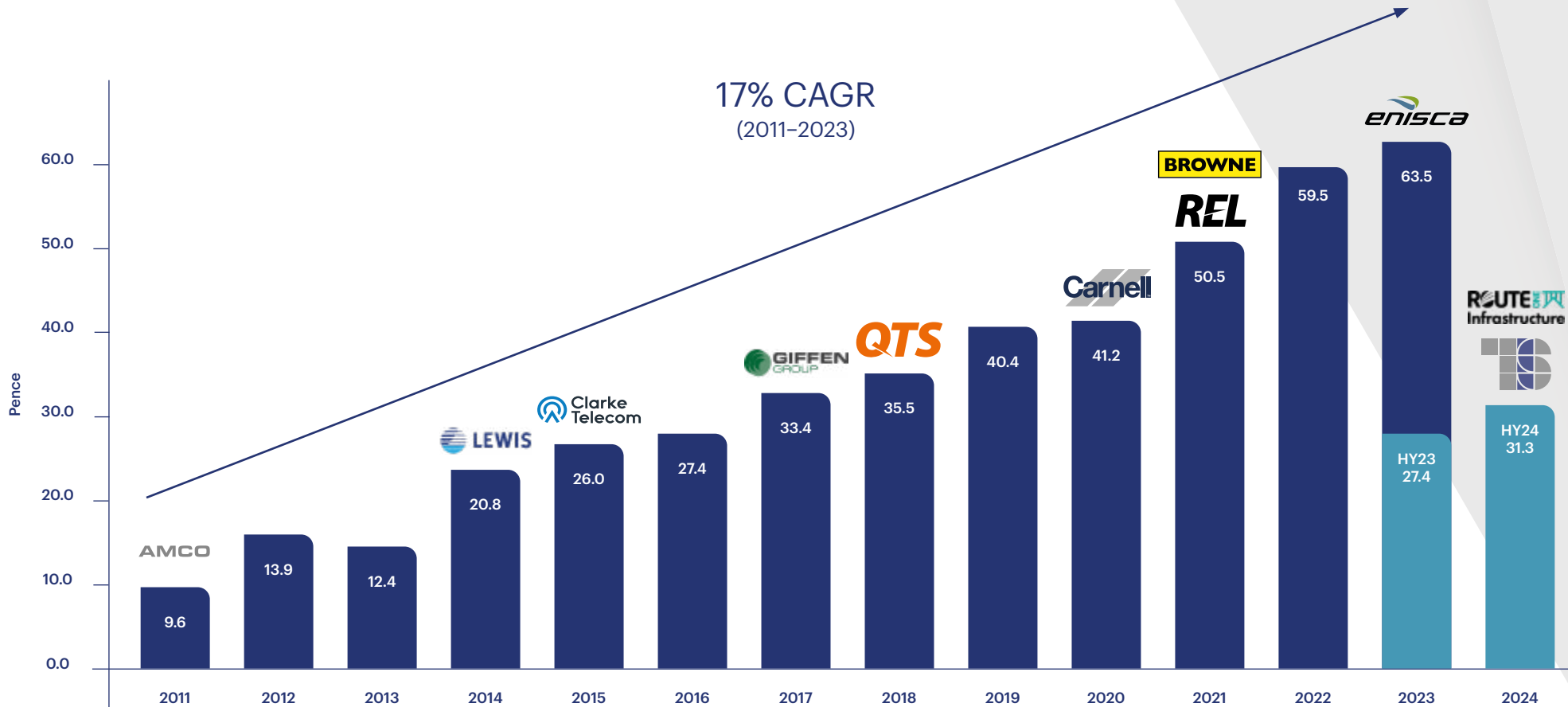


*ROCE = Adjusted LTM EBIT over average capital employed

- Consistent high return on capital reflecting asset light model



EPS TRACK RECORD



M&A: THE OPPORTUNITY



Consolidate fragmented market, expand service offerings, enter new sectors

CURRENT SECTORS				NEW SECTORS	
RAIL	INFRASTRUCTURE	ENERGY	ENVIRONMENTAL	ENERGY TRANSMISSION & DISTRIBUTION	RENEWABLES
Improve offering ahead of CP7 & support decarbonisation	Widen scope of services within highways, telecoms and aviation	Support growth in New Nuclear and PPP programme	Increase water offering ahead of AMP8 and consider opportunities in the flood and coastal infrastructure market	Working directly for distribution Network Operators and Transmission Operators	Targeting a range of new opportunities

CAPABILITY AND RESOURCE EXPANSION THROUGH M&A



REL

ACQUIRED: JUNE 2021

Overhead line capability combined with existing rail skills positions the business strongly for decarbonisation opportunities

enisca

ACQUIRED: NOVEMBER 2022

Acquisition of MEICA capabilities increases opportunities in the water sector ahead of AMP8



ACQUIRED: OCTOBER 2023

Doubles the Group's specialist nuclear manufacturing capacity to target significant new opportunities in the civil nuclear market

ROUTE Infrastructure

ACQUIRED: APRIL 2024

Expands the Group's Highways capabilities. Route One provides end-to-end solutions for bridge deck maintenance and protection

OUR INVESTMENT CASE



Differentiated low-risk business model

Value-accretive model of compounding earnings

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

Market leading position, expertise and capabilities

Ideally poised to benefit from green infrastructure investment

Strong long-term growth prospects



ENGINEERING FOR A BETTER TOMORROW

RAIL IN RENEW

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PRESENTED BY

Simon Ellison
Group Sector Director – Rail

Andy Steel
QTS Managing Director



RAIL IN RENEW



CIVIL ENGINEERING



BUILDINGS & STATIONS



ASSET MANAGEMENT



STRUCTURES



EARTHWORKS



GEOTECHNICAL & ROPE ACCESS



DRAINAGE & CULVERTS



TUNNELS



DEVEGETATION



FENCING



STEEL FABRICATION



HISTORIC STRUCTURES



SIGNAL, POWER & TELECOMS



DESIGN & ENGINEERING



TRAINING



SPECIALIST RRV PLANT



INNOVATIVE BESPOKE SPECIALIST PLANT

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Pioneering leaders in rail plant innovation

We are exceptionally proud of our bespoke rail plant machinery, designed to help mechanise key infrastructure maintenance jobs traditionally carried out manually on the railway.

We have created some of the most impressive rail plant, including the world's first rail tracked Mega Chipper, which we have improved and added to over the years.



THE QTS MEGA CHIPPER V2

The RRV 8 wheel drive forwarder is complete with a 24" Mega Chipper and is also the only one of its kind in the world.



VEGETATION COMPACTOR

The QTS Compactor is the only one of its kind working on UK infrastructure. It reduces man hours and increases capacity 10 times over traditional methods.



SOOT SCABLER

The Soot Scabler has been designed to clean decades worth of soot from railway tunnels, to mechanise and speed up this maintenance process.



FORWARDER V2

The Forwarder has brought industry standard forestry equipment to help clear the UK's rail network of excess vegetation.

RAIL IN RENEW



Network Rail – Expenditure CP6 & CP7

Network Rail CP6
(2019–2024)
Delivery plan
£41.1bn²

10%
increase

Network Rail CP7
(2024–2029)
Delivery plan
£45.4bn³

**Renewals & Asset
Maintenance CP6**
Delivery plan
£29.2bn²

9%
increase

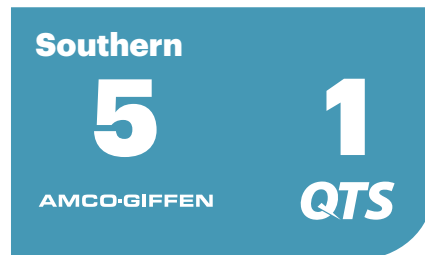
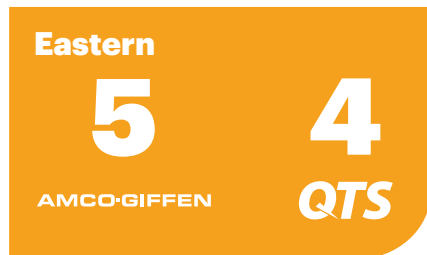
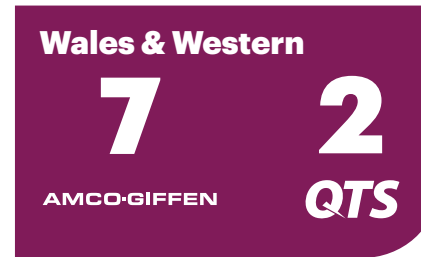
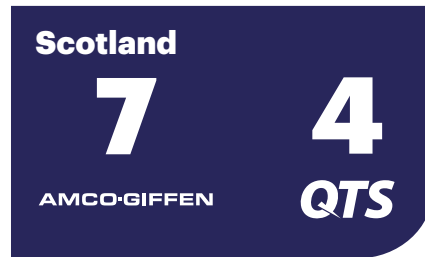
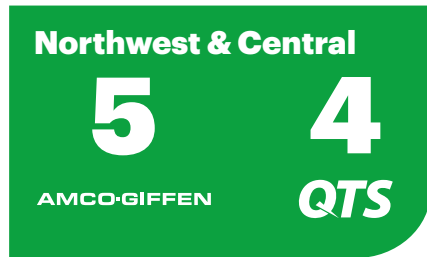
**Addressable Market
Renewals & Asset
Maintenance CP7**
Delivery plan
£31.9bn³

RAIL IN RENEW



Network Rail Major Framework Positions

Coverage across all five of Network Rail's devolved regions, delivering asset maintenance and renewal projects.



- Northwest & Central – **3 new key frameworks**
- Wales & Western – **New key Electrification & Plant framework**
- **Retained or extended** all other key CP6 frameworks into CP7 to date

RAIL IN RENEW

Network Rail – Our National Coverage

Network Rail Assets

30,000 bridges, tunnels and viaducts
23,000 culverts
25,000 major embankments
7,000 level crossings and depots
13,500 line-side structures
20,000 miles of track

Source: Network Rail

Average annual remits

c.8,000 AmcoGiffen
c.4,600 QTS

Average remit value

c.£13,750 AmcoGiffen
c.£6,300 QTS

Average annual projects

c.275 AmcoGiffen
c.76 QTS

Average project value

c.£720k AmcoGiffen
c.£430k QTS



REVENUE GROWTH IN RAIL



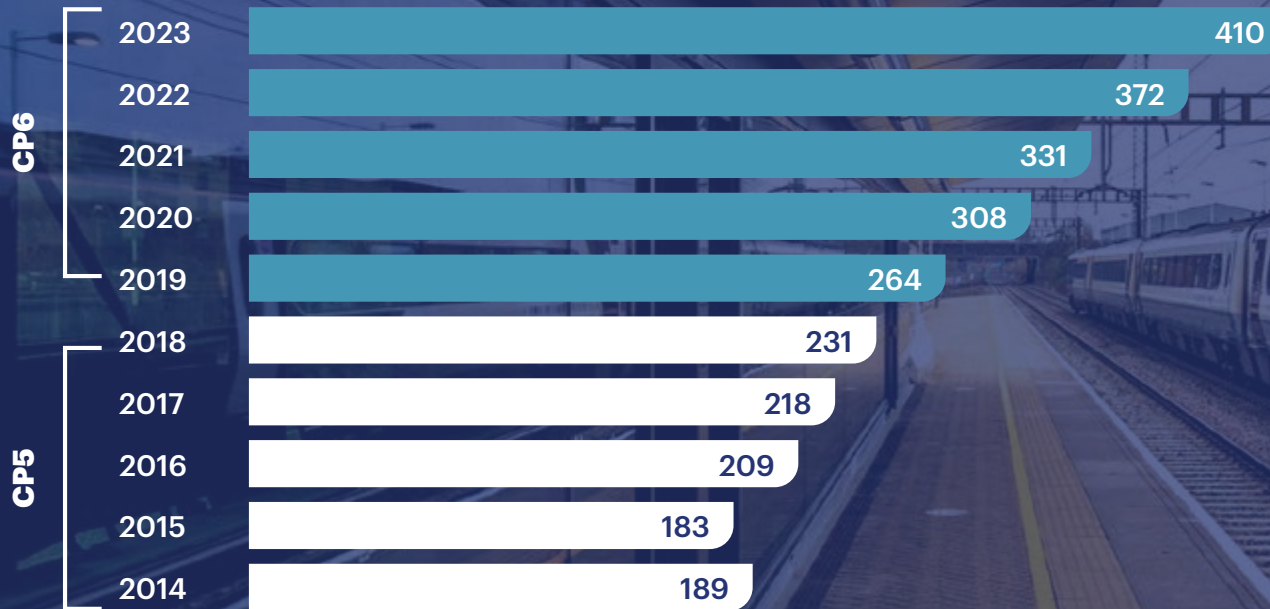
The largest provider of multi-disciplinary maintenance and renewal engineering services to Network Rail

Total CP7 commitment

£45.4bn³

Addressable market

£31.9bn³



ENGINEERING FOR A BETTER TOMORROW

MAINTAINING COMPLEX WATER INFRASTRUCTURE

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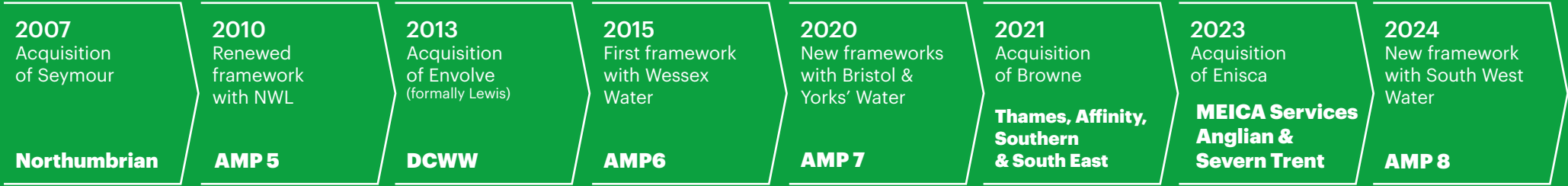
Tom De La Motte
Group Sector Director – Water

Adam Harker
Managing Director – Seymour

Paul McMahon
Managing Director – Browne & Enisca

Jamie Prichard
Managing Director – Envolve

MAINTAINING COMPLEX WATER INFRASTRUCTURE



Overview

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

Direct delivery

1,700+

engineering support staff & multi-skilled operatives

More than

£200m

forecast revenue from water in 2023/24



MAINTAINING COMPLEX WATER INFRASTRUCTURE



Our National Coverage

We work with

10/12

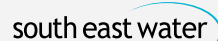
of the UK water & waste companies



Water and waste partners



Water only partners



MAINTAINING COMPLEX WATER INFRASTRUCTURE



The AMP 8 Opportunity

Estimated spend in AMP7
2020 - 2025

£51bn⁴

87%
increase

Planned investment in AMP8*
2025 - 2030

£95.6bn⁵

Addressable Market
AMP 7

£23bn⁴

100%
increase

Addressable Market
AMP 8

£46bn⁵

UK's water supply network

700,000km of mains & sewers

24 million connections to properties

1,000 reservoirs

2,500 water treatment works

9,000 waste water treatment works

3.3bn litres of water lost per day to leaks

Additional challenges of increase in extreme weather events, rising population & Net Zero targets

Water companies proposals for AMP8

28% reduction in leakage

10 new reservoirs operational

1m tonnes of phosphorous removed

£11bn to eliminate 140,000 sewerage spills

28 wetlands, improving quality & biodiversity

85% increase in average monthly bills by 2030

Timetable to AMP 8

Draft determinations by Ofwat on
11 July 2024

Final determinations in
December 2024

REVENUE GROWTH IN WATER



Good progress on securing key framework appointments for AMP8

Secured or extended

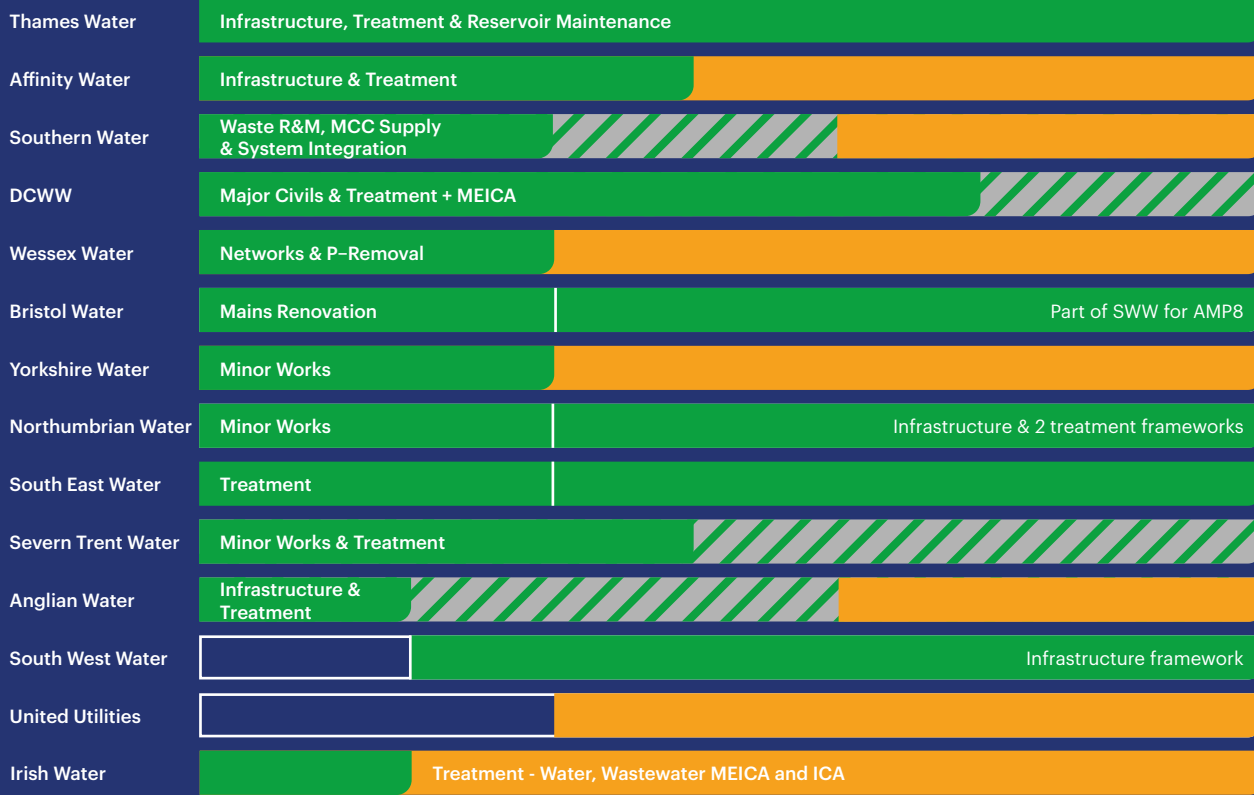
29 Frameworks for AMP 8 & beyond

AMP8 tenders worth

£150m Per Annum in progress

- Secured
- Currently Bidding
- Possible Extension

2023 2024 2025 2026 2027 2028 2029 2030



ENVOLVE INFRASTRUCTURE



encourage
enhance
engage



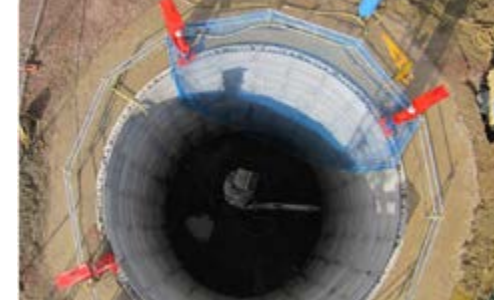
PIPELINES



EMERGENCY REACTIVE



SHAFTS & TUNNELS



DEVELOPER SERVICES



DAM SAFETY



FLOOD PROTECTION



TREATMENT



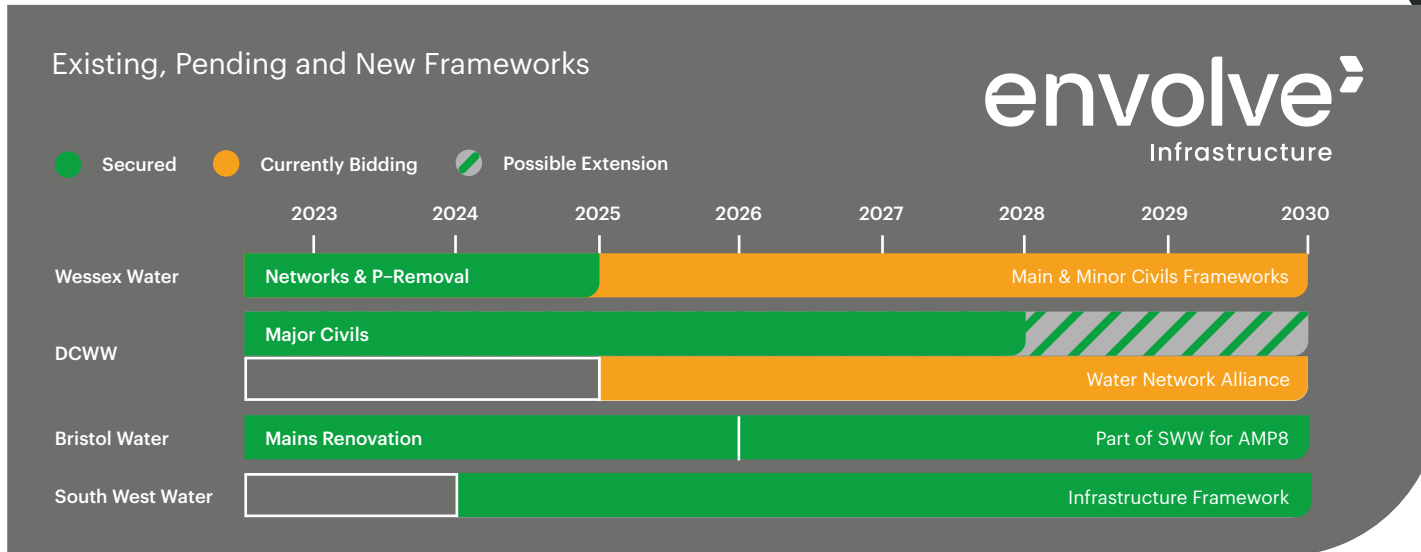
ATTENUATION



ENVOLVE INFRASTRUCTURE

Our clients & opportunities for AMP 8

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Direct Delivery

400 People employed
38% increase since 2021

New Framework



+66%

AMP 8 spend £3.5bn⁵

AMP 7 spend £2.1bn⁴

Diversifying into adjacent markets

nationalgrid

Internal Collaborations in Water



SEYMOUR CIVIL ENGINEERING



Overview

Water & Wastewater Infrastructure has been fundamental to our origins and ultimately our growth over the last 45 years, delivering specialist engineering solutions.

WASTEWATER SEWERS



POTABLE WATER MAINS



TRENCHLESS WORKING



RESERVOIR SAFETY & REPAIR



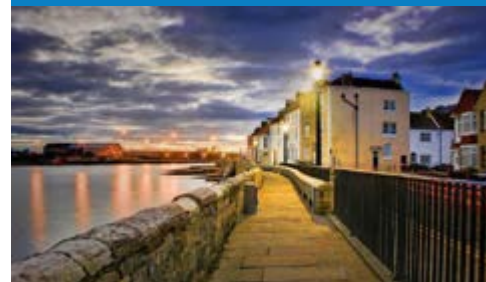
TANKS & PUMPING STATIONS



TREATMENT



FLOOD ALLEVIATION



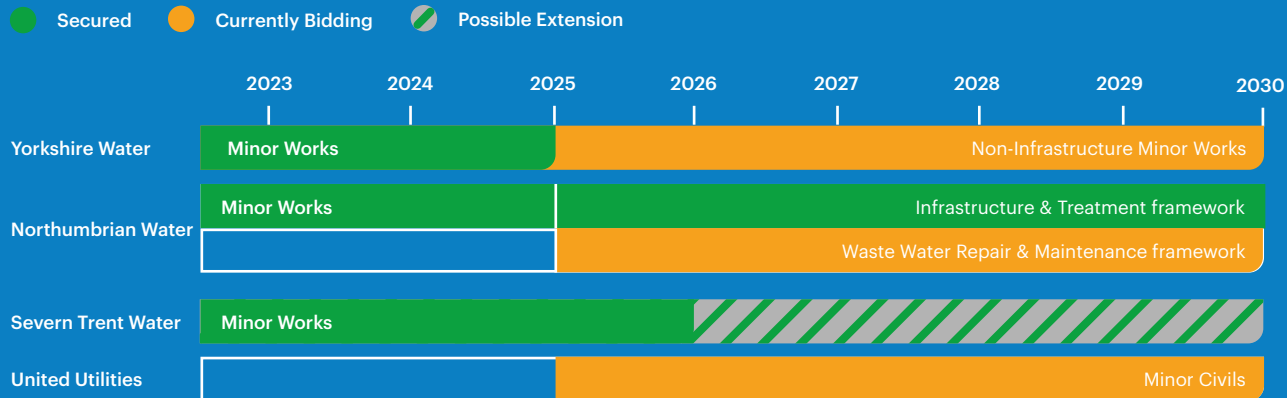
NATURE BASED SOLUTIONS



SEYMOUR CIVIL ENGINEERING



Existing, Pending and New Frameworks



Direct delivery model

300 People Employed

Using core water skills to expand into adjacent markets:

National Highways
Energy @ Teesworks

In Group Collaboration



Overview

Our multi-disciplinary offering addresses the end-to-end needs of our clients and their customers. Data enabled agile production underpins our cost-effective outcomes for clients.

WATER & WASTEWATER INFRASTRUCTURE



CBUL WASTEWATER INFRASTRUCTURE R&M

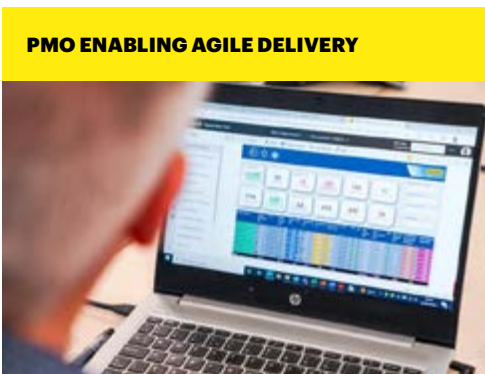
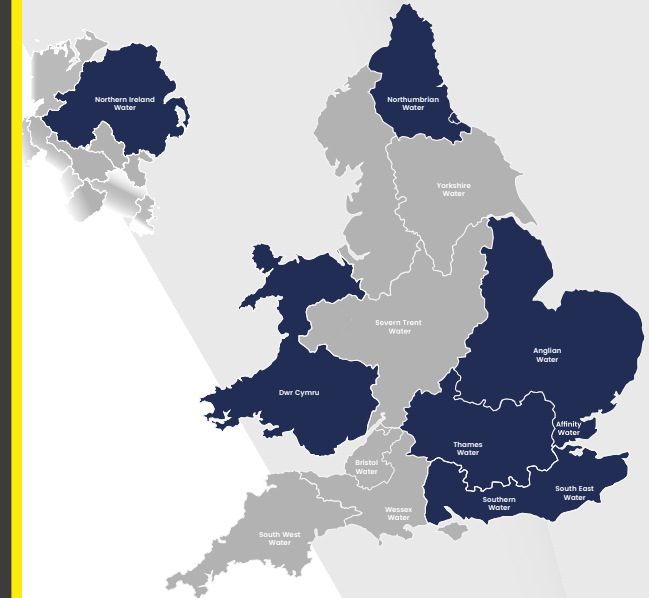
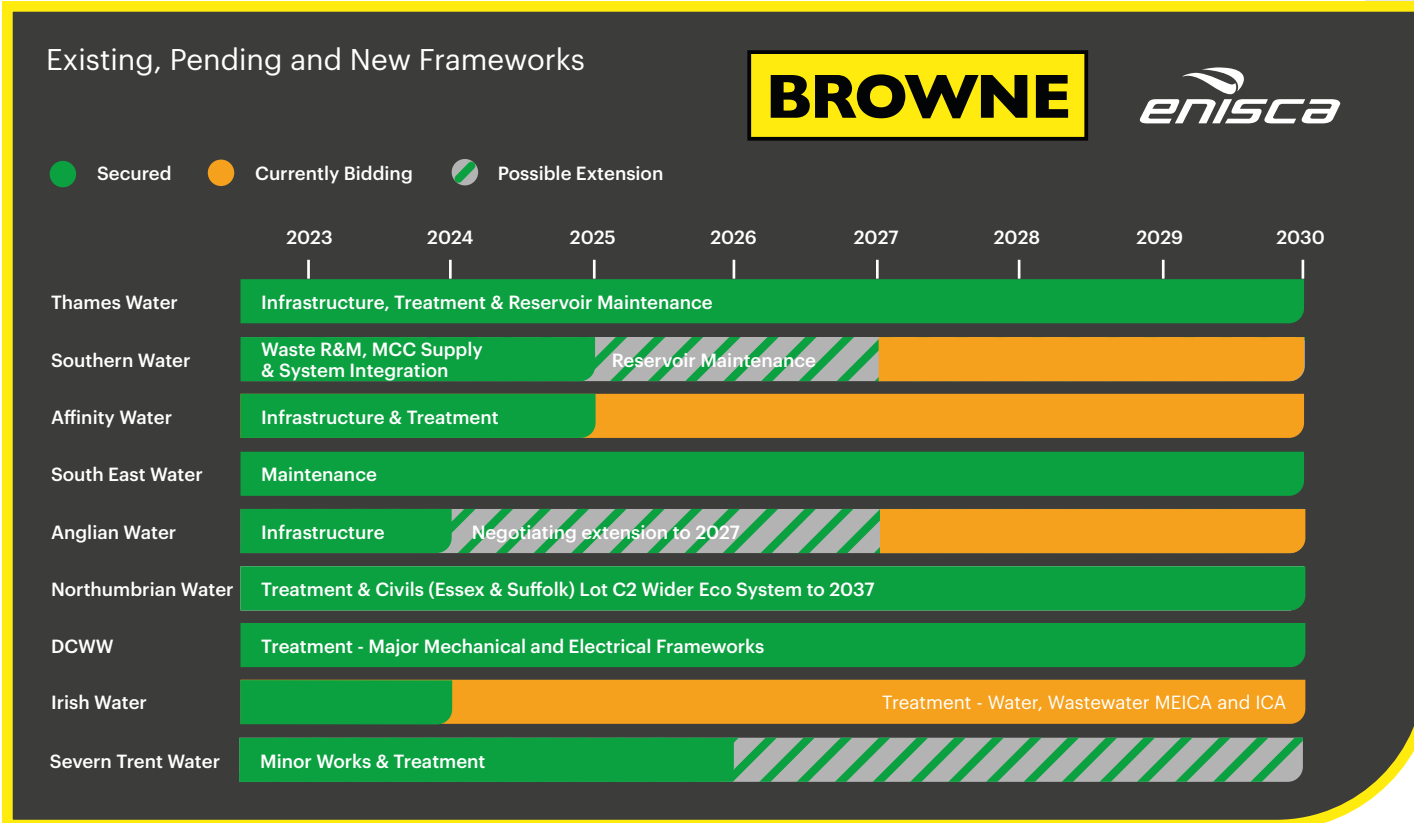


ENISCA BROWNE WATER & WASTEWATER TREATMENT



RENEWABLE INFRASTRUCTURE DEVELOPER SERVICES





Direct delivery model

1100 People Employed

- Resourcing Our Growth in AMP 8
- Expanding our offering in Water
 - Increasing our offsite manufacturing capacity
 - Adding Regional Design capability

- Expanding internal collaboration



REVENUE GROWTH IN WATER



Continuing to expand our capabilities and grow our network

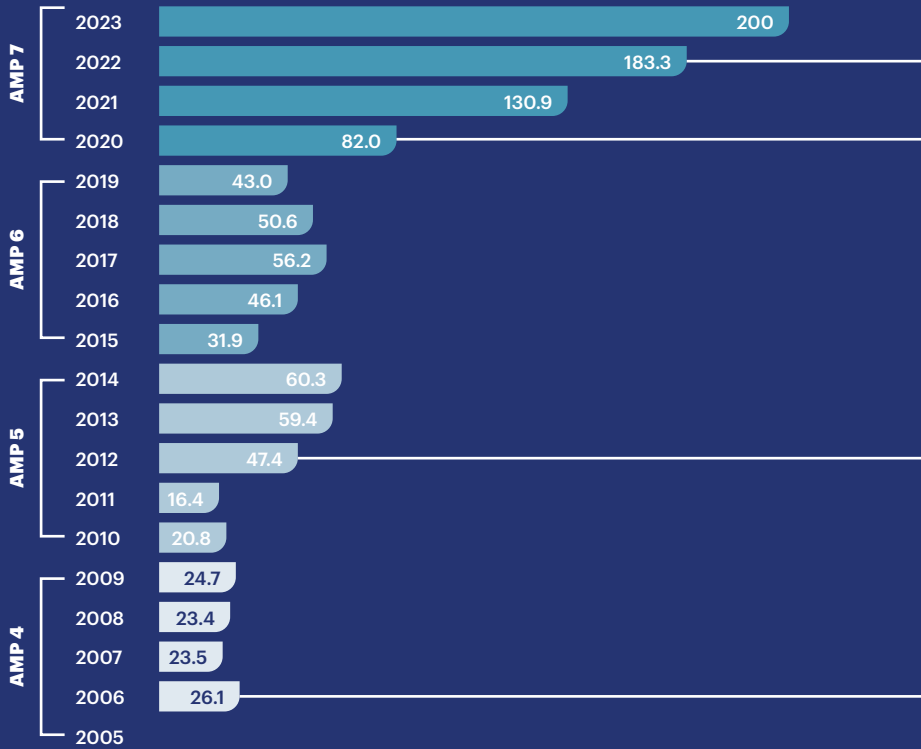
Total AMP 8 Forecast

£96bn⁵

Addressable Market

£46bn⁵

Water Revenue £m



ENGINEERING FOR A BETTER TOMORROW **COLLABORATION AND TALENT – DRIVING GROWTH**

renew

PRESENTED BY

Rob Phillips

Group Sector Director – Energy

Andrew Sharp

Managing Director – Carnell

John Booth

Managing Director – AmcoGiffen

Amanda Starkey

Group HR Director – Renew

COLLABORATION WITHIN RENEW



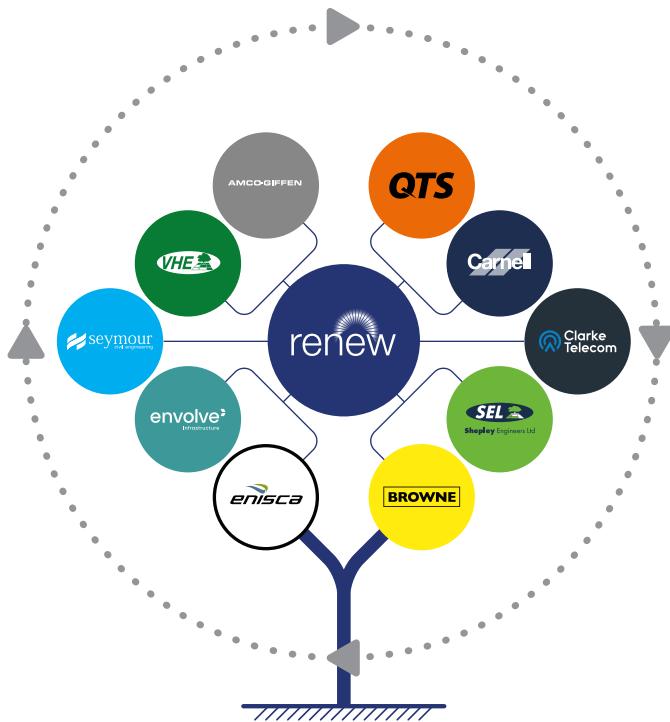
Collaboration Advantages

Combining capabilities opens up new opportunities with our existing clients

Brings expertise and innovation to new markets

Ensuring revenue is kept within the group

Leveraging organic growth through collaboration



Value of framework positions is
£165m

to be delivered over the next three years,
secured through in-house collaboration



COLLABORATION WITHIN RENEW



Collaboration in practice



SBE Water

Collaboration between our water subsidiaries on AMP 8 procurement strategies



Engolve / QTS

Successfully awarded fencing framework with Welsh Water (DCWW)



AmcoGiffen / Shepley

Collaborating to grow opportunities in energy.



Enisca / Browne

Collaborative opportunities with South East Water and Essex & Suffolk (Northumbrian)



Enisca / Seymour / Engolve

Collaborating on water schemes for Yorkshire Water and Welsh Water



Clarke Telecom / QTS

Collaborating to deliver for communities poorly served by Wireless Telecoms

COLLABORATION WITHIN RENEW



Rail Electrification - ARQ

- Electrification enables net zero decarbonisation commitments, with over 13,000 single track kilometers identified by 2040 (£18bn-£26bn)⁶
- No single business has the overall multi-disciplinary capability and capacity required to electrify a stretch of railway

5+3 Year framework
(2023-2031)
Up to
£240m

ARQ has secured Network Rail's Wales & Western CP7 E&P Renewals Framework, delivering distribution, power and OLE.

ARQ brings together a family of Renew businesses to create an effective and efficient electrification delivery model.

AMCO-GIFFEN + REL + QTS =



COLLABORATION WITHIN RENEW

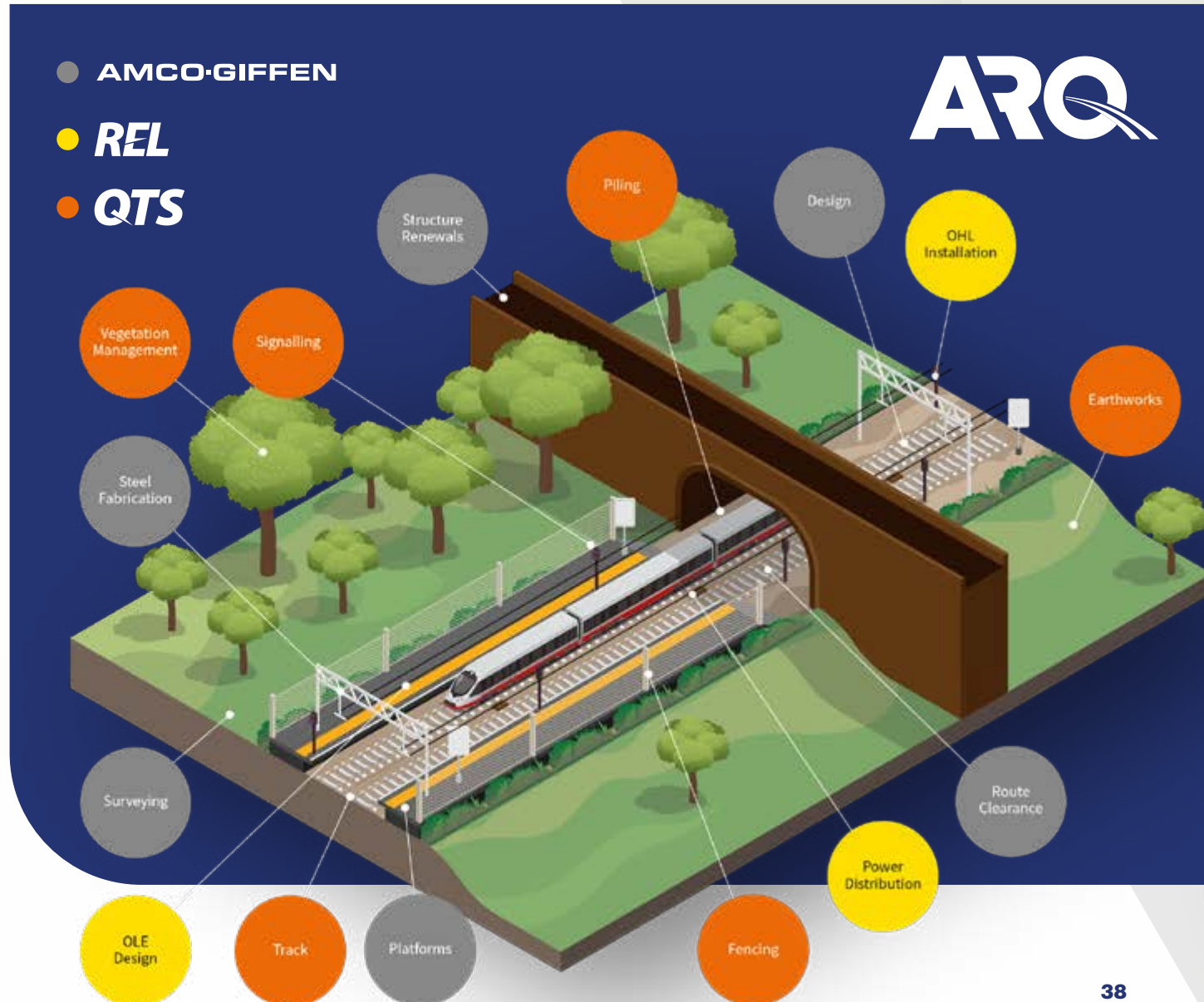


Direct Delivery Model

- Advance Works
- Civils Structures
- Stations
- Earthworks & Drainage
- OLE
- Power Distribution
- Plant

Strategic partnering with framework suppliers in region

- OLE Design
- Permanent Way
- Signaling



COLLABORATION WITHIN RENEW

Highways Collaboration - AGC

Why did we collaborate?

- Carnell were already established in the highway maintenance sector
- The opportunity to address a new market was provided by a new framework from National Highways
- We had delivered these works using sub-contractors as part of a whole project but not as a prime provider
- We recognised the shift by National Highways to maintenance and renewal in RIS3 and RIS4 (next 10 years)

What new value did we unlock?

- Combining the highways skills and client understanding of Carnell, with the scale and structural engineering capability of AmcoGiffen from rail
- Secured three lots on six year framework with National Highways
- Delivering £10-15m revenue per annum

How have we delivered?

- In our first two years, we have established ourselves as a trusted deliverer to National Highways
- We have been trusted with more technically complex projects
- In past 12 months, first projects outside National Highways for new clients
- New relationships forming in other related sectors

renew



The AmcoGiffen
& Carnell Partnership

COLLABORATION WITHIN RENEW



Highways Collaboration - AGC



M69 VRS Risk Reduction Project (Midlands)

Value: £1.9m

- **30,800m** of barrier asset surveyed
- **4,000m** of SSTCB replaced, 1,950m of SSOBB replaced
- **4,500** posts replaced
- **24,000m** of single and doubled sided barrier re-tensioned



A180 Railway Triangle Project (Yorkshire)

Value: £1.1m

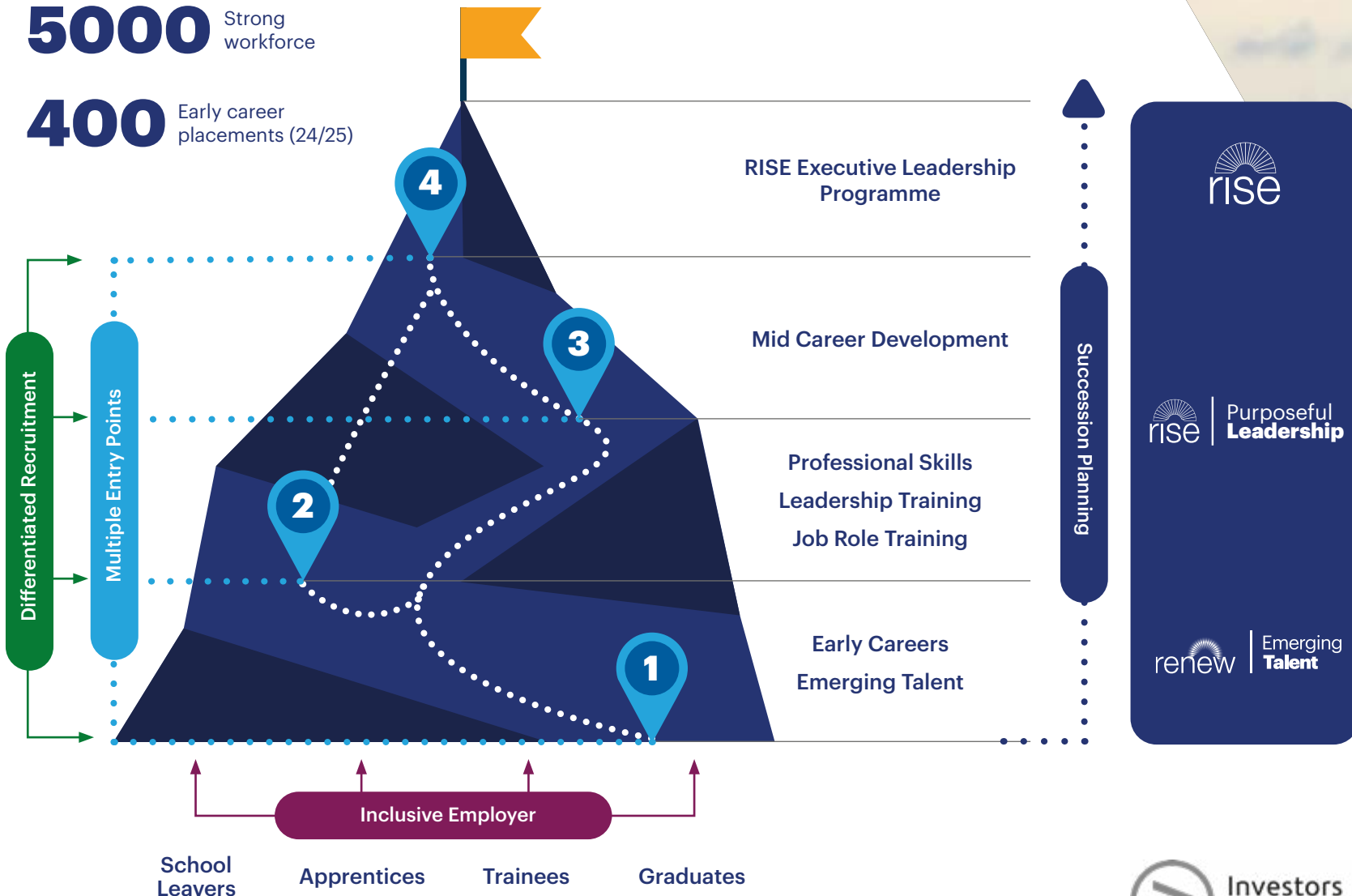
- **4 x 60m** parapets (2.2m high containment)
- **800m** additional barrier added
- **9** rail possessions across the programme
- Network Rail approved CRE appointed from AGC

TALENT ATTRACTION & RETENTION

Renew Talent Development Programmes

5000 Strong workforce

400 Early career placements (24/25)



rise

rise | Purposeful Leadership

renew | Emerging Talent



Working Towards

Summary

- Continued focus on long-term, non-discretionary spending programmes – Compelling £600bn¹ UK infrastructure investment commitment
- Networks investment priority driven by climate resilience
- Expanded services and geography in existing markets
- Significant organic growth opportunities
- Good M&A pipeline supported by a strong balance sheet
- Developing our talent for future growth
- Strong order book & positive momentum



ENGINEERING FOR A BETTER TOMORROW **PANEL Q&A**



Hosted by

Lisa McKellar

QTS Marketing & Social Value Director

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REFERENCES



¹ HM Treasury, Spring Budget 2024 – March 2024

² Network Rail - Our targets for CP6 – May 2023, www.networkrail.co.uk

³ Network Rail Strategic Business Plan, Control Period 7 – 19 May 2023

⁴ Ofwat – <https://www.ofwat.gov.uk/regulated-companies/price-review/2019-price-review/final-determinations/>

⁵ Water UK, Transformative £96bn investment – 8 February 2024

⁶ Traction Decarbonisation Network Strategy - Interim Programme Business Case (networkrail.co.uk),
<https://www.networkrail.co.uk/wp-content/uploads/2020/09/Traction-Decarbonisation-Network-Strategy-Interim-Programme-Business-Case.pdf>