

11 June 2024

**Renew Holdings plc**

**("Renew" or the "Group")**

**Acquisition of Excalon Limited**

*Renew enters into the electricity transmission and distribution market*

Renew (AIM: RNWH), the leading Engineering Services Group supporting the maintenance and renewal of critical UK infrastructure, is pleased to announce that it has acquired Excalon Holdings Limited ("Excalon") for a total consideration of up to £26m (the "Acquisition"). The Acquisition represents an excellent strategic fit for the Group, allowing Renew to expand into the electricity transmission and distribution market. This is consistent with the Group's strategy of targeting end markets where maintenance and renewals programmes benefit from long-term, non-discretionary funding programmes.

Excalon, based in Salford, is a leading infrastructure contractor specialising in the provision of high voltage and extra high voltage infrastructure to the UK electricity sector. Excalon has a number of long-term frameworks with electricity Distribution Network Operators ("DNOs") across the UK. The UK electricity DNO market is regulated by Ofgem and operates in 5-year control period funding cycles. The RIIO ED2 cycle commenced in April 2023 with the latest determination of funding set at £22.2bn. Entering this market allows Renew to access both the opportunities in ED2 as well as the upgrade of the grid that is required to support the UK's zero carbon generation and renewables sector.

The initial consideration of £22m has been funded from the Group's existing cash and banking facilities. Additional consideration of up to £2m will become payable in 2025 along with a further £2m in 2026, conditional upon the vendors remaining with the businesses and specific profit targets being achieved. The valuation of the business was based on Excalon generating a sustainable EBITDA of at least £3m per annum and the profitability of Excalon is expected to be in line with Renew's current Engineering Services operating profit margin. The Acquisition will be immediately earnings enhancing for the Group and Renew will continue to have a very strong balance sheet.

**Paul Scott, Chief Executive Officer of Renew, commented:**

*"This acquisition broadens Renew's exposure to another critical UK infrastructure market, presenting tremendous long-term growth opportunities. It is consistent with our stated strategic objective to expand into new complimentary sectors that have high barriers to entry coupled with resilient attributes. This is a highly regarded business with a strong track record in this specialist sector, and I am delighted to welcome the management and staff of Excalon to the Renew family."*

More information on Excalon can be found on its website at: [www.excalon.com](http://www.excalon.com)

For further information, please contact:

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**About Renew Holdings plc**

Renew is a leading UK Engineering Services business, performing a critical role in keeping the nation's infrastructure functioning efficiently and safely. The Group operates through independently branded subsidiaries across its chosen markets, delivering non-discretionary maintenance and renewal tasks through its highly skilled, directly employed workforce.

Renew's activities are focused into two business streams: **Engineering Services**, which accounts for over 95 per cent of the Group's adjusted operating profit, focuses on the key markets of Rail, Infrastructure, Energy (including Nuclear) and Environmental which are largely governed by regulation and benefit from non-discretionary spend with long-term visibility of committed funding.

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

For more information please visit the Renew Holdings plc website: [www.renewholdings.com](http://www.renewholdings.com)

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