

7 October 2024

Renew Holdings plc

("Renew" or the "Group")

Acquisition of Full Circle

Renew enters high-growth onshore wind services 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 Full Circle Group Holding B.V. ("Full Circle" or the "Company"), a specialist provider of repair, maintenance and monitoring services for onshore wind turbines in the UK and Europe for a total cash consideration of €60.0m (£50.5m), funded from the Group's existing cash resources and banking facilities (the "Acquisition"). Full Circle was controlled and owned predominantly by AtlasInvest Holding, the Belgian family holding specialised in the energy sector.

Acquisition Highlights

- Entry into the highly fragmented onshore wind services market which is forecast to grow at 7.7% CAGR from 2024 to 2030 as both the UK and Europe seek to deliver on their commitments to achieve Net Zero 2050 targets
- Technology-enabled platform providing 24/7 remote maintenance across nine countries from a centralised control centre in Amersfoort, the Netherlands
- Attractive servicing model built on strong customer relationships, with long-term, recurring full-scope contracts (c.7 years average remaining contract duration with c.95% renewal rate)
- Strong financial profile: FY21-23 revenue CAGR of 25%, delivering 14%+ EBIT margins which will be accretive to Group margins
- Excellent revenue visibility for FY25 and beyond with c.85% of Operations and Maintenance (O&M) contracts already secured and a strong pipeline of additional opportunities which gives overall revenue visibility for FY25 of c.75%
- Trans-European presence with c.75% of revenue currently generated through UK operations
- Experienced and committed management team in place to execute growth strategy
- The Acquisition is expected to be earnings enhancing to the Group in the first full year of ownership, with ROIC in excess of the Group's cost of capital by the third full year of ownership

Paul Scott, Chief Executive Officer of Renew, commented:

"The acquisition of Full Circle represents an exciting opportunity for the Group to enter a high-growth, and fragmented onshore wind services market. Full Circle operates a scalable technology-enabled platform across a diverse customer base with existing long-term contracts and a fast-growing brand in the UK and across Europe. The company's proven track record in its core markets, and highly experienced management team mean the business is well positioned to service other turbine technologies and geographies both through acquisition and an organic growth strategy."

"With governments across Europe reaffirming their commitments to achieving Net Zero by 2050, the addition of Full Circle's industry-leading offering will allow us to play a pivotal role in supporting the green energy transition and benefit from the long-term, non-discretionary funding programmes that underpin it. I am delighted to welcome the Full Circle team to the Renew family."

Strategic Rationale

The Acquisition represents a compelling strategic fit for Renew, entering the high-growth renewable energy services market with a leading position, in line with the Group's stated strategy of capitalising on the green energy transition. With governments in the UK and across Europe reaffirming their commitment to achieving net zero carbon emissions by 2050, the opportunity within this sector is significant and growing at pace. Through the addition of Full Circle's best-in-class, direct delivery service model, Renew will be able to fully capitalise on this transition, while benefitting from the long-term, non-discretionary maintenance programmes that will continue to underpin it.

Renewable energy is forecast to become the largest component of Europe's total energy mix by 2050. The onshore wind market is well-established and forecast to grow at 7.7% CAGR over the next six years. The market for maintenance and renewal of these turbines is highly fragmented and represents a significant opportunity for Full Circle to grow organically and through acquisition. As part of the Group, Full Circle will benefit from Renew's proven track record of successful M&A and from its best practise experience in the wider engineering services market.

About Full Circle

Full Circle, headquartered in Amersfoort, the Netherlands, is a leading provider of onshore wind turbine repair, maintenance and monitoring services to the European renewable energy market. The Company operates on a scalable platform, with a directly employed workforce of c.160 highly-skilled technicians located near operational sites in the UK, the Netherlands, France, Italy and Greece.

This trans-European network is connected via a centralised control centre in Amersfoort, offering 24/7 remote monitoring of all turbine types with the ability to rapidly deploy local resources. This turbine management system continuously analyses equipment to facilitate predictive maintenance services significantly reducing turbine downtime. Full Circle's inspection teams further ensure turbine safety, efficiency, and compliance through regular checks and maintenance utilising AI-enabled drone technology.

Full Circle's established track record means it is well positioned to scale alongside the market, with a large proportion of installation activity taking place in geographies where the Company has existing operations. All core markets are set to grow installed capacity in the medium term, with governments, including in the UK, reviewing planning permission requirements to accelerate the creation of further wind projects.

Full Circle generates c.75% of its revenue from UK-based operations, with a number of long-term frameworks with leading wind park owners and is selectively seeding and growing its presence in targeted European territories.

For the year ended 31 December 2023 Full Circle generated revenue of €25.8m, adjusted EBITDA €5.4m and adjusted EBIT €4.6m.

Consideration for the Acquisition

The cash consideration of €60.0m (£50.5m) has been funded from the Group's existing cash resources and banking facilities.

Increased borrowing facilities

Alongside the Acquisition, Renew has increased its existing RCF facility to £120m (from £80m) providing continued headroom to deliver future acquisitions in line with the Group's strategy. The terms of the RCF remain as before, with the facility expiring in November 2026.

Investor Presentation

A presentation detailing more information on the Acquisition is available to watch on the Group's website here: <https://www.renewholdings.com/investors/shareholder-documents>.

More information on Full Circle can be found on its website at: www.fullcirclewindservices.com

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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 on **Engineering Services** in the key markets of Rail, Infrastructure, Energy (including Wind and Nuclear) and Environmental which are largely governed by regulation and benefit from non-discretionary spend with long-term visibility of committed funding.

For more information please visit the Renew Holdings plc website: www.renewholdings.com

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