26 November 2024

Renew Holdings plc

("Renew" or the "Group" or the "Company")

Final Results

Record financial performance

Renew (AIM: RNWH), the leading Engineering Services Group supporting the maintenance and renewal of critical infrastructure, announces its final results for the year ended 30 September 2024 ("the period").

Financial Highlights

Year ended 30 September	**2024***	2023*	*Change*
Group revenue[1]	**£1,057.0m**	£887.6m	*19.1%*
Adjusted operating profit[1]	**£70.9m**	£62.4m	*13.8%*
Operating profit	**£61.2m**	£57.7m	*6.1%*
Adjusted operating margin[1]	**6.7%**	7.0%	*(30bps)*
Profit before tax	**£60.2m**	£56.8m	*6.0%*
Adjusted earnings per share[1]	**65.9p**	62.3p	*5.8%*
Full year dividend	**19.0p**	18.0p	*5.6%*
Pre IFRS 16 net cash[1]	**£25.7m**	£35.7m	*(28.0%)*

**Following the disposal of Walter Lilly post period end, the financial statements have been amended to exclude 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.*

- Another record financial performance with revenue, cash generation and operating profit all ahead of initial market expectations.
- Group revenue increased 19.1% to £1,057.0m (FY2023: £887.6m), with organic growth of 16.6%.
- Group order book remained strong at £889m (FY2023: £777m), underpinned by long-term framework positions.
- Net cash position (pre-IFRS16) of £25.7m (FY2023: £35.7), in line with expectations.
- Full year dividend of 19.00p (FY2023: 18.00p), an increase of 5.6%, reflecting the strong trading performance, forward momentum and the Board's positive outlook.
- Strong balance sheet and best-in-class returns profile leaves us well positioned to take further advantage of the Government's ongoing commitment to maintain and upgrade the UK's critical infrastructure.

Operational Highlights

- In Rail we have entered CP7 in our strongest framework position yet across all regions and remain the largest provider of maintenance and renewals services to Network Rail nationally and the third largest supplier overall.
- In Water we have resecured most of our key AMP7 positions as well as increasing the number of frameworks and clients heading into AMP8. We now work for 10 of the 12 combined waste and water companies, compared with 3 at the beginning of AMP7.
- In line with our strategy of appraising selective, value-accretive M&A, we successfully completed three acquisitions. This included the bolt-on acquisitions of TIS and Route One as well as the acquisition of Excalon, which has enabled our expansion into a new complementary sector with high barriers to entry and strong growth potential.
- Exceeded ambitious prior year health & safety targets, ensuring our workplace remains a safe and secure working environment for all.

Post-period End

- On 4 October 2024 we exited from the Specialist Building market with the disposal of Walter Lilly, in line with our overarching strategy of focusing activities on Specialist Engineering.
- On 7 October 2024 we acquired Full Circle, securing entry into the attractive onshore wind services market which is forecast to grow at 7.7% CAGR from 2024 to 2030. The business represents a compelling strategic fit for the Group, with its leading market position enabling us

to capitalise on the green energy transition.

Outlook

- Exciting new growth opportunities with entry into renewables and electricity distribution and transmission markets.
- Good M&A pipeline supported by a strong balance sheet.
- Strong order book moving into 2025.

Paul Scott, CEO of Renew, commented:

"I am very pleased to report we have delivered another excellent performance in FY24 with significant organic and acquisitive growth. We have further strengthened our order book and expanded our service offering, strengthening the foundations of our business.

"The Group successfully delivered three value-accretive acquisitions in the period and post-period end we executed our strategic exit from Specialist Building as well as entering into the high-growth onshore wind services market with the acquisition of Full Circle.

"The start of new control periods in our largest sectors along with access to new market sectors marks a particularly exciting milestone for the Group and I am confident we are entering FY25 well placed to deliver on our ambitious long term growth strategy. On behalf of the Board, I would like to thank all of our colleagues for their outstanding dedication to delivering our mission-critical services 365 days a year."

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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

Chairman's statement

Introduction

I am pleased to announce that the Group achieved another year of record financial performance, with excellent organic revenue growth, a robust operating profit margin, strong operating cash generation and the delivery of a number of successful acquisitions. These exceptional results underscore the Group's core capabilities and strong presence in long-term, sustainable growth sectors.

Differentiated business model

Our differentiated compounding business model and the services we provide continue to support key infrastructure assets in regulated markets. Our markets enjoy committed funding which provides visible, reliable and resilient revenues via long-term programmes.

We deliver non-discretionary maintenance and renewals tasks with an unwavering commitment to health and safety. Operating in complex, challenging and highly regulated environments, our markets have high barriers to entry. We directly employ a highly skilled workforce which enables us to be extremely responsive to our clients' needs and we are committed to adding value through innovation and collaboration.

Results

Group revenue[1] increased to £1,057.0m (2023: £887.6m) with adjusted[1] operating profit increasing to £70.9m (2023: £62.4m) and an adjusted[1] operating margin of 6.7% (2023: 7.0%). Statutory operating profit was £61.2m (2023: £57.7m). The adjusted[1] earnings per share has increased by 5.8% to 65.9p (2023: 62.3p) and basic earnings per share was 55.6p (2023: 58.4p). The Group had a pre-IFRS 16 net cash[1] position of £25.7m (2023: £35.7m), in line with our expectations.

During the period we were delighted to announce three strategically compelling acquisitions, each of which is progressing in line with our pre-acquisition integration and performance plan:

Excalon Holdings Limited 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, which broadens Renew's exposure to another critical UK infrastructure market. This acquisition presents tremendous long-term growth opportunities by providing the Group with access to both new and existing frameworks that we would not previously have been able to win.

Route One Holdings (Wakefield) Ltd was acquired by Renew's subsidiary business, Carnell Group Holdings Ltd. Route One is a multidisciplinary specialist engineering business providing bridge deck maintenance and protection in the UK Highways sector. Route One has a number of long-term frameworks on the National Highways Scheme Delivery Frameworks across England and will expand Carnell's offering by adding several new capabilities to the Group's highways business.

T.I.S. Cumbria Ltd (TIS) is a leading nuclear manufacturing and fabrication specialist. In line with the Group's strategy, the acquisition enhanced Renew's nuclear services offering by immediately doubling manufacturing capacity and strengthened Renew's position in the growing nuclear decommissioning and new build markets.

Post period end, we were very pleased to announce the acquisition of Full Circle Group Holding B.V., a specialist provider of repair, maintenance and monitoring services for onshore wind turbines in the UK and Europe. The acquisition of Full Circle represents an exciting opportunity for the Group to enter the high-growth and fragmented onshore wind services market and signifies the first move to accessing end markets outside of the UK through a low-risk and disciplined approach. We are delighted to welcome the management and staff of Full Circle to the Renew family.

Additionally, post period end, the Group disposed of Walter Lilly & Co. Limited on a cash free/debt free basis to Size Holdings Limited. The disposal sees the Group exit its only remaining Specialist Building business and is consistent with the Group's strategy of focusing activities on Specialist Engineering where it targets end markets delivering maintenance and renewals programmes that benefit from long-term, non-discretionary funding programmes.

Buoyed by the recent acquisitions, Renew's progress against the Group strategy has accelerated significantly over 2024 and the Group continues to strengthen its market-leading position in its chosen long-term growth markets.

Dividend

The Group's strong trading performance, cash position and positive outlook give the Board the confidence to propose a final dividend of 12.67p (2023: 12.00p) per share. If approved by shareholders, this will represent a full year dividend of 19.00p (2023: 18.00p) per share, an increase of 5.6%.

ESG

We remain committed to achieving net zero by no later than 2040 driven by our Climate and Nature Steering Group that comprises representatives from all the Group's subsidiary businesses and which focuses on developing the Group's climate opportunities and climate-related financial disclosure reporting. We were also pleased to retain our London Stock Exchange's Green Economy Mark, which recognises those companies that derive over 50 per cent of revenue from products and services that are contributing to environmental objectives.

We recognise the positive impact our business can have on the broader community, and we are committed to building stronger connections with local schools, educational institutions and our surrounding communities. The training and development of our colleagues remain essential to the Group's long-term success and we now have around 330 trainees, apprentices and graduates across the business.

As a Board, we are responsible for ensuring the effective application of high levels of governance within our business, balancing the interests of all our stakeholders. As a minimum, the Group complies with the QCA Corporate Governance Code, more details of which can be found in the corporate governance section of the Group's website. Risk management is led by the Board, which reviews the Group's risk profile on an ongoing basis alongside the Audit and Risk Committee.

During the year, the reporting structure of the Group was reviewed in order to address the growth in both size and complexity of the Group. The Board supported the creation of an Executive Board which comprises the Group's Chief Executive Officer, Chief Financial Officer, Group Commercial Director and the Sector Directors. The Executive Board will report to the Chief Executive Officer. The Executive Board will assist the Chief Executive Officer with the day to day management of the Group's subsidiary businesses.

Board changes

On 2 April 2024, having served on the Board as Executive Director (Rail) for more than 8 years, Andries Liebenberg informed the Board of his intention to retire effective 31 January 2025. The Board would like to take this opportunity to thank Andries for the significant contribution he has made to the Group since his appointment and to wish him well in his retirement.

People and safety

The Board deeply values the essential contributions of its employees to the Group's success, and it sincerely thanks all its colleagues for their unwavering commitment and dedication. We remain focused on ensuring the mental and physical wellbeing of all our colleagues and continue to provide support through a number of schemes, including our Employee Assistance Programme.

Our goal is to foster a secure working environment that safeguards all our colleagues and those who work with us from injury throughout our operations. The Group's health and safety performance is discussed as a priority at each Board meeting and during the year we continued to focus on the behavioural science aspects of safety to further improve our strong safety record.

Future focus

The delivery of our long-term strategy is built on effective relationships with our directly employed workforce, customers, suppliers, shareholders and wider stakeholders, and these are critical to the ongoing success of the business. We will continue to deliver our strategic priorities whilst focusing on our environmental, social and governance responsibilities and on our approach to diversity and inclusion as we move through 2025 and beyond.

The Group's unique compounding business model, best-in-class returns profile and strong balance sheet mean we are well positioned to take further advantage of the Government's ongoing commitment to maintain and upgrade the UK's critical infrastructure. We are confident as a Board in achieving continued growth both through organic expansion and strategic earnings enhancing M&A.

David Brown
Chairman
25 November 2024

Chief Executive Officer's Review

The Group has delivered another year of outstanding performance with strong organic revenue, cash generation and

The Group has delivered another year of outstanding performance with strong organic revenue, cash generation and operating profit all ahead of initial market expectations. Once again, these results are testament to the resilience and differentiated nature of our high-quality, low-risk, compounding business model, alongside the robust demand we continue to see in our end markets focused on the repair and maintenance of critical infrastructure. I am very proud of the strong operational performance this financial year and the brilliant work our teams have delivered; the foundations of the business have never been stronger than they are today. Importantly, during the period we have enjoyed increasing success in securing new, and extending existing frameworks, helping to cement our market leading position and allowing us to capitalise on the significant number of growth opportunities across all of our end markets. As well as a strong operational performance, our M&A activities in the period have broadened our capabilities and moved us into new and exciting growth markets. In line with the Group's strategy, post period end, we disposed of the Group's only remaining Specialist Building business, completing the transition to a pure play engineering services provider., and further bolstered our end market exposure through the acquisition of Full Circle.

Our focus on the maintenance and renewal of existing critical infrastructure means we are not dependent on large, capital-intensive contract awards, which positions the Group with a significantly lower risk profile than others operating in our sectors. Supported by the commercial terms within our frameworks, alongside the typically short execution periods of the work we undertake, we have been able to minimise the impact of the macroeconomic challenges facing the UK. Once again, our business model has delivered revenue and net cash for the year ahead of market consensus, with operating profit also marginally ahead. Moreover, our work continues to be underpinned by highly visible, committed, long-term spending cycles and with public expenditure remaining at the top of the news agenda the government has reaffirmed its commitment to investing in the maintenance and renewal of critical UK infrastructure as part of its plans to begin a "decade of national renewal" as set out post-period end in the Autumn Budget[2].

This year we have delivered many notable operational successes, but, given that I can only highlight a few of the achievements, in Rail I am pleased to say we have started CP7 with a broader geographic reach and a wider range of frameworks than we had in CP6. In Water we have also gone from strength to strength, broadening the service offering for each of our clients. We have resecured most of our key AMP7 positions as well as increasing the number of frameworks and clients as we head into AMP8. It is a remarkable accomplishment that we now work for 10 of the 12 combined waste and water companies, compared to three at the beginning of AMP7. We look forward to the start of AMP8, which commences 1 April 2025, that has an anticipated addressable budget for Renew of £35bn committed to investment in new infrastructure.

In line with our strategy of appraising selective, value-accretive M&A opportunities, during the period we successfully completed three acquisitions for consideration in aggregate of up to £37m. In October 2023, we completed the bolt-on acquisition of T.I.S., which is now fully integrated and is delivering its planned strategic benefits including doubling our nuclear fabrication manufacturing capacity, allowing us to take advantage of increasing demand across the decommissioning and new nuclear build programmes. In April 2024, we acquired Route One Infrastructure and its integration is progressing well and in line with the preacquisition plan. The acquisition has expanded Renew's service offering, adding new capabilities with its particular expertise in providing end-to-end solutions for road bridge deck maintenance and protection, which provides the Group with another route to market on the strategic highways programme. In June 2024, we acquired Excalon, a leading infrastructure contractor specialising in the provision of high voltage and extra high voltage infrastructure to the UK electricity sector. This acquisition is significant as it has allowed us to expand into a new complementary sector with high barriers to entry and strong growth potential. I am pleased to confirm this acquisition is largely complete and has proved to be an excellent strategic fit, providing the Group with access to a number of new and existing frameworks that we would not have otherwise been able to win.

The positive strategic momentum of the Group has continued into the new financial year. On 4 October 2024 we announced the Group's exit from the Specialist Building market with the disposal of Walter Lilly, in line with our overarching strategy of focusing activities on Specialist Engineering. Following this, on 7 October 2024, we were pleased to announce the acquisition of Full Circle and our entry into the high-growth onshore wind services market. Full Circle is a specialist provider of repair, maintenance and monitoring services for onshore wind turbines in the UK and Europe. It represents a compelling strategic fit for the Group, with its leading market position enabling us to capitalise on the green energy transition as governments in the UK and across Europe have reaffirmed their commitment to achieving net zero carbon emissions by 2050. As a result of these commitments, the onshore wind services market is forecast to grow at 7.7% CAGR from 2024 to 2030.

Ensuring the health, safety and wellbeing of our colleagues and those in the communities in which we operate has always been our highest priority and I would like to take this opportunity to thank our dedicated teams for their unwavering commitment to health and safety throughout the last year. Our strong track record here stands as a testament to the collective efforts of every individual within our organisation and I take immense pride in the fact that we have not only met but exceeded our prior year health & safety targets, ensuring that our workplace remains a safe and secure working environment for all.

In summary, FY24 has been another excellent year for Renew as we have delivered terrific organic and acquisitive growth, significantly strengthened our order book, grown the list of capabilities within our business, all translated through to beating initial market expectations. The start of the CP7 and AMP8 control periods in Rail and Water in particular mark an exciting time for the Group and I am confident we are entering FY25 with significant momentum to further deliver on our ambitious growth strategy. The business is in excellent shape, and on behalf of the Board, I would like to thank all of our colleagues, without whom this year's performance would simply not have been possible. Our hardworking teams continue to go above and beyond to deliver outstanding work executing on our commitment to providing our clients with our mission-critical, highly responsive, services 365 days a year.

Our track record of resilient compounding growth and long-term value creation
Renew has a strong track record of sustainable value creation through the economic cycle thanks to the Group's high-quality, value-accretive compounding earnings model. Over the past five years, we have delivered:

- Group organic revenue growth of 51 per cent and total revenue growth of 76 per cent;
- adjusted earnings per share growth of 63 per cent;
- an increase in dividends of 65 per cent from 11.5p to 19p per share;
- an increase in our adjusted operating margin from 6.4 per cent to 6.7 per cent; and
- seven strategic acquisitions supported largely by our strong free cash flow, deploying £124m.

Our track record of reliable revenue growth, cash generation and conservative approach to gearing has resulted in our ability to deliver highly predictable, consistent organic earnings growth as well as funding for the acquisition of complementary businesses that meet our strategic requirements.

Results overview

During the period, Group revenue increased to £1,057.0m (FY2023: £887.6m), with organic growth of 16.6% and the Group achieved an adjusted operating profit of £70.9m (FY2023: £62.4m). Statutory operating profit was £61.2m (FY2023: £57.7m). Adjusted operating profit margin was 6.7%. As at 30 September 2024, the Group had pre-IFRS16 net cash of

£57.7m). Adjusted operating profit margin was 6.7%. As at 30 September 2024, the Group had pre-IFRS16 net cash of £25.7m (30 September 2023: net cash £35.7m). The Group's order book at 30 September 2024 remained strong at £889m (FY2023: £777m) underpinned by long-term framework positions.

Dividend

The Group's robust trading performance, cash position and strong forward order book have given the Board the confidence to declare a final dividend of 12.67p (FY2023: 12.00p) per share. This represents a full year dividend of 19.00p which is a 5.6 per cent increase over the prior year. This will be paid on 14 March 2025 to shareholders on the register as at 7 February 2025, with an ex-dividend date of 6 February 2025.

Rail

We have entered the new control period in our strongest position yet across all regions, with a number of new and existing frameworks creating notable opportunities for the Group. Network Rail's Control Period 7 (CP7) runs from 2024 to 2029 and expenditure is expected to be focused on operations, maintenance and renewal of the national rail network, playing into our core strengths. The broader UK rail sector is underpinned by predictable cash flows due to committed regulatory spending and we welcome the commitment made by the Labour government to enact its plan to reform the performance of rail services laying the groundwork for the transition to Great British Railways. This single industry body will be tasked with improving services, and the operation, maintenance and improvement of all UK rail infrastructure. We fully support railway reform and are confident that at the heart of these plans is an imperative to improve the efficiency, reliability and safe operation of the entire network. Crucially, in order to execute this stated strategy, the Government, and its chosen delivery body, will need to accelerate its commitment to the renewal and maintenance of the rail infrastructure across the UK. Renew has already established its leading market position in these areas as we continue to deliver long-term national frameworks and we remain deeply embedded in delivering renewal and maintenance programmes in all of the national rail regions.

Network Rail, already a significant strategic customer for the Group, has committed £45.4bn[3] of investment over the period and within this allocation, the maintenance and renewal budget has increased 9% from CP6 to £31.9bn.

Renew remains the largest provider of maintenance and renewals services to Network Rail nationally and the third largest supplier overall. This strong relationship, alongside our framework success rate and geographic coverage across the UK, positions us well to benefit from ongoing government investment as we look to expand our current involvement by targeting new additional CP7 frameworks.

We have continued to selectively expand our Rail client base outside of Network Rail and overall, we commenced CP7 in a significantly stronger framework position than at the start of CP6. Whilst we note that the start of CP7 has been slower than expected, we remain confident that this will normalise through the control period as we have seen historically.

Looking ahead, other significant UK rail market growth opportunities that we are targeting include Project Reach[4], which will deliver a comprehensive upgrade of Network Rail's trackside fibre cable and wireless infrastructure to create a safer, more modern and digitally-connected railway and the wider rail electrification programme which is required to achieve Network Rail's Net Zero targets. Alongside aging assets, there is increasing pressure on the network in terms of improving climate resilience given the increasing rate of extreme weather events as well as the need to make rail travel more accessible, more reliable and more environmentally friendly, all of which will provide the Group with significant growth opportunities moving forward.

We remain committed to the training and development of our rail colleagues and are pleased to report that our Rail Skills Academy has continued to go from strength to strength. It is already widely recognised as a leader in the industry and we look forward to developing this further. During the period, we were also awarded a Training Excellence Award for the innovative Controller Of Site Safety ("COSS") Academy Programme which has revolutionised delivery and lineside safety both internally and throughout our supply chain.

Infrastructure

Highways

During the period, we have made further progress within Highways, continuing to execute on work banks that are a part of the current National Highways Scheme Delivery Framework (SDF), running to 2027, which includes five framework lots covering civil engineering, road restraint systems and drainage disciplines, worth more than £147m over the six-year period. We are expecting to unlock further growth in this sector as eight Design-Build-Finance-Operate (DBFO) highways schemes are due to be handed back to National Highways in 2026 increasing the overall strategic roads network maintained by National Highways by 10%, an additional 1,842 lane miles. These roads will also require significant investment before they can be handed back, providing additional opportunities for growth. The inclusion of the legacy concrete pavement programme in the SDF from April 2025 will enable us to take greater market share.

Elsewhere, the AGC collaboration (AmcoGiffen & Carnell) continues to be an incredibly successful partnership, driving increased revenue growth, as we remain the second largest provider of road restraint systems in the network.

As the UK Governments second Road Investment Strategy (RIS2) comes towards a close, preparatory consultations for RIS3, which is scheduled to commence in April 2025, have indicated it will focus on carbon reduction, with a notable shift away from new roads to maintenance work that will involve prioritising funding on road structures, pavements and road restraints. The announcement of RIS3 has now been delayed until January 2025 due to the UK General Election, however, the focus on renewals and capital maintenance is expected to mean that the budget for highway maintenance will be double that of RIS2 (£4.3bn) and clearly plays to our core strengths as a business, uniquely positioning us to deliver further growth.

The maintenance of the UK's strategic highways network has never been more important. By 2025, 70% of National Highways network of roads and bridges will be more than 45 years old[5] and, as such, the prioritisation of renewing the network's structures & rigid pavements is essential.

Our acquisition of Route One, a multi-disciplinary specialist engineering business operating in the UK Highways, in April 2024, for an enterprise value of £5.0m, has significantly expanded our capabilities in this market with its particular expertise in bridge and structures maintenance and repairs. Route One has a number of long-term frameworks on the SDF and as such the acquisition represents an excellent strategic fit for the Group, allowing us to unlock more growth across the strategic highways network.

Aviation

Our strategy to increase market share in Aviation through both medium and long term frameworks has paid dividends with our recent success in bidding for the latest Manchester Airport Group (MAG) Airfields Framework, and we are pleased to confirm we were the only supplier to secure places at all three airports: Stansted, Manchester and East Midlands, building on our existing capital and airside maintenance framework positions with MAG and Leeds Bradford Airport (LBA). During the period our teams also mobilised the Manchester Capital Delivery Framework Pier 2, Phase 2, and Taxiways the period our teams also mobilised the Manchester Capital Delivery Framework Pier 2, Phase 2, and Taxiways.

Further to this, the growth opportunities available to the Group in airport asset renewals and maintenance are increasing with six of the eight largest UK airports undertaking major investment programmes. As such, aviation continues to be an area of focus for the Group and we are proud to have organically moved into this sector, which has significant barriers to entry. We look forward to continuing to seize new opportunities as we develop our credentials in this area.

Communication Networks

As the market has evolved, we have broadened our capabilities in order to access wider opportunities and consequently we have renamed this segment Communication Networks.

During the period we have seen sustained momentum, achieving yet another record revenue performance in FY24. The country's connectivity remains a critical focus in the digital age and, as a result, we benefitted from strong demand across the sector as we continue to establish ourselves as a valued partner to the nation's largest network providers. We have observed considerable commitment to changes in the market, with significant capital allocated to addressing the UK's historic underinvestment in key assets within this sector. This creates substantial growth opportunities for us moving forward. We're also pleased with the progress of our strategy to expand our market access, and our plan to diversify the business has progressed well with frameworks in place with all four mobile networks: 3UK, Vodafone, Virgin Media O2 and EE.

Our sustained development of small cell work banks has progressed well during the year. We are also committed to growing our capabilities in servicing the private 5G market and through this, we have secured opportunities on three government-funded private 5G developments, positioning us well to grow this service with other private companies going forward as this network continues to develop. This represents a clear example of our business being well equipped to consistently evolve to meet the needs of our niche target end markets where we see considerable opportunities.

Through our ongoing work with the Shared Rural Network programme, we are also pleased to provide mobile phone and 4G connectivity for previously unserved rural communities in remote locations. We are in the process of completing phase one of the government-backed Shared Rural Network (SRN) rollout, Partial Not Spots, and are now developing the Total Not Spot Programme to enable connectivity in hard to reach locations including in the Scottish Highlands, Islands and a number of remote Welsh sites.

Energy

Nuclear

The UK Government continues to commit c.£4bn annually to its decommissioning programme of which c.75% is allocated at Sellafield. Throughout FY24, we have continued to see strong demand for our civil nuclear business and its multidisciplinary service offering. At Sellafield we continue to operate on a number of decommissioning frameworks and we remain one of the largest M&E contractors on the site.

Aside from Sellafield, we continue to secure opportunities to increase our presence in the civil nuclear market including in Springfield and AWE, and we are pleased to report that we have secured our first contract at Capenhurst. We also remain excited about the new growth opportunities that will be generated as part of the long-term frameworks for Nuclear Restoration Services and at Hinkley Point C. The UK Government's continued focus on decarbonising the country's energy supply to achieve its net zero targets by 2050 will require a significant commitment to shifting further towards cleaner energy systems, of which new nuclear is a vital component.

This commitment underpinned the creation of Great British Nuclear and the Government's target to commence construction of up to three new nuclear plants in the next 10 years[6]. This commitment ensures long-term and sustainable demand for our specialist manufacturing capabilities in high-grade nuclear components.

In October 2023 we acquired T.I.S., a nuclear manufacturing specialist, for a total cash consideration of £4.7m. The addition of T.I.S. to the business will double our manufacturing capacity and allow us to support existing clients and take advantage of increasing demand across the decommissioning and new nuclear build programmes and I am pleased to report that the integration has been a notable success.

Transmission and Distribution

In June 2024, we successfully completed the acquisition of Excalon Limited, a leading infrastructure contractor specialising in the provision of high voltage and extra high voltage infrastructure to the UK electricity sector, for a total consideration of up to £26m. This acquisition is consistent with our strategic objective of expanding into new complementary sectors that have high barriers to entry coupled with resilient attributes and I am pleased to report that the integration process is largely complete and in line with our expectations.

Excalon represents a significant opportunity for the Group, providing access to a number of new and existing frameworks that we would not have otherwise been able to win. 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. This acquisition represents our commitment to growth and innovation within critical infrastructure markets and strengthens our position for continued growth in this area moving forward.

Electric Vehicle Charging

As the UK Government continues working towards its ambition of achieving net zero emissions by 2050, we remain well positioned to play a significant role in helping drive the creation of the UK's EV charging infrastructure landscape. Through our strong relationships with leading charge point operators, we will continue to develop this division further and scale alongside the wider market.

Renewable Energy

Post the period end, in October 2024, we were pleased to announce the acquisition of Full Circle, a specialist provider of repair, maintenance and monitoring services for onshore wind turbines in the UK and Europe for a total cash consideration of £50.5m.

This acquisition represents a compelling strategic fit for Renew, entering the high-growth renewable energy services market with a leading position, in line with our 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, we 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 acquisitions. As part of the Group, Full Circle will benefit from our proven track record of successful M&A and from its best practise experience in the wider engineering services market.

Environmental

Water

The Group continues to go from strength to strength in Water, through increasing collaboration between our four water brands and broadening our overall service offering. AMP7 has been incredibly successful for us and, as this control period comes to an end, we are particularly proud to highlight that we now work for 10 out of the 12 combined waste and water companies, increasing from three at the beginning of the current cycle. Importantly the overall scope of services we provide each utility has also grown considerably in this same control period, further strengthening our leading position in the market.

As we look confidently ahead to the start of AMP8, which commences 1 April 2025 and runs through to 2030, we are pleased to note that Ofwat's Draft Determination anticipates a total spend of £88bn. This marks an increase of over £37bn from AMP7, and of which, £35bn has been committed to investment in new infrastructure, representing a considerable increase on the £11bn investment in new infrastructure through AMP7. We look forward to receiving the Final Determinations that are due in January 2025, and are encouraged that proposed plans indicate significant room for future growth as we remain well placed to leverage the combined expertise across our water brands to service the following target areas that have been identified for AMP8:

- £10bn committed to Storm Overflows with significant early investment to be delivered in AMP8;
- Target to triple the replacement rate of mains pipework and reduce leakage by 13%;
- £6bn committed to reduce nutrient pollution;
- £4bn committed to boost the UK's water supply; and
- £2bn committed to increase biodiversity and reduce greenhouse gas emissions by 11%

The acquisition of Enisca in November 2022 brought considerable momentum to the Group and has been a key driver behind our focus on broadening our service offering, which has proved hugely impactful as we have worked tirelessly to capitalise on the long-term opportunity in Water, achieving significant success in securing long-term frameworks for AMP8.

News of Thames Water's current financial position continues to be widely reported in the media and whilst this brings understandable concern for many in the sector, we are pleased to note that all Thames Water operations remain unaffected by internal issues and our maintenance and renewal frameworks will remain intact regardless of any refinancing or ownership changes. This serves to highlight the mission critical nature of our work, the funding underpin that it generally sees and the sustained necessity for the maintenance to critical UK infrastructure that we provide.

Flood and Coastal

The increasingly extreme weather conditions experienced each year persistently highlight the need for robust investment in the UK's flood defences and we continue to see an increased focus on climate and weather resilience across the UK's critical infrastructure providers. Our vital work for the Environment Agency is testament to the consistent demand for our services in this sector, through its Asset Operations, Maintenance and Response Framework we continue to deliver on projects designed to tackle coastal erosion and sea flooding. Importantly, post-period end in the Autumn Budget the UK Government also committed to investing £2.4 billion over two years in flood resilience to support the building of new flood defences alongside the maintenance of existing assets to protect communities, highlighting further scope for continued growth across the sector.

Specialist Restoration

In Specialist Restoration we have maintained our leading national position in specialist iron restoration and we are continuing to leverage the emerging long-term opportunities in the UK's gasholder markets.

Disposal of Walter Lilly

As announced on 4 October 2024, post-period end, Walter Lilly was acquired by Size Holdings Limited, a leading provider of premium quality construction, specialist crafts and maintenance services on a cash free/debt free basis. The transaction sees Renew exit its only remaining Specialist Building business and is consistent with our strategy of focusing activities on Specialist Engineering where we target end markets delivering maintenance and renewals programmes that benefit from long-term, non-discretionary funding programmes.

ESG

The UK Government's commitment to increasing investment in low carbon infrastructure will be essential to delivering on its net zero emissions targets by 2050 and Renew is ideally positioned to benefit from this transition . Our strong position in this area is highlighted by the fact that, during the period, we retained our LSE Green Economy Mark. This classification recognises London-listed companies that derive more than 50% of their revenues from products and services that contribute to environmental objectives such as climate change mitigation and adaptation, waste and pollution reduction, and the circular economy. Our post period end acquisition of Full Circle will further bolster our position in this area and provides us with strong foundations to scale alongside the expanding renewable energy market and fully capitalise on the significant opportunities available to us.

As noted at our interim results, we have established quantitative sustainability targets to embed our ESG strategy across the business and it is the Board's ambition that the Group will achieve net zero by no later than 2040. Our purpose-led approach to ESG is centred on four key commitments; taking climate action; operating responsibly; building social value and empowering our people.

Outlook

Post-period end in the Autumn Budget[2], we were pleased to see the UK Government reaffirm its commitment to investing in the maintenance and renewal of critical UK infrastructure as part of its plans to begin a "decade of national renewal". Our continued focus on non-discretionary spending means that we are well positioned to take advantage of this investment, particularly the prioritisation of maintenance and renewal. Whilst we note that the start of the new rail control period has been slower than expected, we remain confident that this will normalise through the cycle as we have seen historically.

Our strategic growth levers including innovation, collaboration, talent retention and attraction, alongside our differentiated business qualities and resilient model enable us to take full advantage of the long-term structural growth drivers in our targeted end markets. Further to this, our cash generative activities and strong balance sheet provide a solid platform for future organic and inorganic expansion.

The Group's strong order book continues to be underpinned by highly visible, committed, long-term spending cycles and we enter FY25 buoyed by our two new principal brands, Excalon and Full Circle, which have established us in new and highly compelling market sectors. The combination of the aforementioned factors gives the Board continued confidence in the Group's growth prospects and long term outlook.

Paul Scott

Chief Executive Officer

25 November 2024

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 9.
2 https://www.gov.uk/government/publications/autumn-budget-2024/autumn-budget-2024-html#rebuilding-britain-1
3 https://www.networkrailmediacentre.co.uk/news/gbp-45bn-rail-improvement-plan-puts-climate-change-firmly-in-its-sights
4 www.networkrail.co.uk/wp-content/uploads/2023/05/Overview-of-CP7-efficiency-initiatives.pdf
5 National Highways State of The Nation plan: https://nationalhighways.co.uk/media/3v2nqsee/cre22_0102-srn-initial-report-2025-2030_vn-updated.pdf
6 https://www.gov.uk/government/news/shapps-sets-out-plans-to-drive-multi-billion-pound-investment-in-energy-revolution

Group income statement
for the year ended 30 September

	Note	**Before exceptional items and amortisation of intangible assets 2024 £000**	**Exceptional items and amortisation of intangible assets (see Note 3) 2024 £000**	**Total 2024 £000**	Before exceptional items and amortisation of intangible assets 2023 (restated**) £000	Exceptional items and amortisation of intangible assets (see Note 3) 2023 (restated**) £000	Total 2023 (restated**) £000
Revenue: Group including share of joint ventures*		**1,056,985**	**-**	**1,056,985**	887,562	-	887,562
Less share of joint ventures' revenue*		**(48,015)**	**-**	**(48,015)**	(39,383)	-	(39,383)
Group revenue from continuing activities		**1,008,970**	**-**	**1,008,970**	848,179	-	848,179
Cost of sales		**(867,306)**	**-**	**(867,306)**	(719,534)	-	(719,534)
Gross profit		**141,664**	**-**	**141,664**	128,645	-	128,645
Administrative expenses		**(74,980)**	**(9,479)**	**(84,459)**	(70,236)	(4,413)	(74,649)
Other operating income		**4,165**	**-**	**4,165**	3,865	-	3,865
Share of post-tax result of joint ventures		**25**	**(224)**	**(199)**	77	(231)	(154)
Operating profit		**70,874**	**(9,703)**	**61,171**	62,351	(4,644)	57,707
Finance income		**791**	**-**	**791**	360	-	360
Finance costs		**(1,828)**	**-**	**(1,828)**	(1,285)	-	(1,285)
Other finance income - defined benefit pension schemes		**90**	**-**	**90**	66	-	66
Profit before income tax		**69,927**	**(9,703)**	**60,224**	61,492	(4,644)	56,848
Income tax expense	5	**(17,771)**	**1,558**	**(16,213)**	(12,296)	1,554	(10,742)
Profit for the year from continuing activities		**52,156**	**(8,145)**	**44,011**	49,196	(3,090)	46,106
Loss for the year from discontinued operations	4			**(2,440)**			(2,722)
Profit for the year				**41,571**			43,384

	Note	2024			2023		
Basic earnings per share from continuing activities	7	**65.91p**	**(10.30)p**	**55.61p**	62.26p	(3.91)p	58.35p
Diluted earnings per share from continuing activities	7	**65.88p**	**(10.29)p**	**55.59p**	62.07p	(3.89)p	58.18p
Basic earnings per share	7	**65.91p**	**(13.38)p**	**52.53p**	62.26p	(7.35)p	54.91p
Diluted earnings per share	7	**65.88p**	**(13.37)p**	**52.51p**	62.07p	(7.33)p	54.74p

** Alternative performance measure, please see Note 9 for further details.*
*** The comparatives have been restated due to the classification of a component of the Group as a discontinued operation in the year. Please see Accounting policies i) Basis of accounts and preparation for further details.*

Group statement of comprehensive income

for the year ended 30 September

	2024	2023
	£000	£000
Profit for the year	**41,571**	43,384
Items that will not be reclassified to profit or loss:		
Movement in actuarial valuation of the defined benefit pension schemes	**81**	387
Movement on deferred tax relating to the pension schemes	**(5)**	(106)
Total items that will not be reclassified to profit or loss	**76**	281
Total comprehensive income for the year net of tax	**41,647**	43,665

Group statement of changes in equity
for the year ended 30 September

	Share capital £000	Share premium account £000	Capital redemption reserve £000	Share based payments reserve £000	Retained earnings £000	Tota equi £00
At 1 October 2022	7,886	66,378	3,896	1,375	69,143	148,67
Transfer from income statement for the year					43,384	43,38
Dividends paid					(13,683)	(13,68
New shares issued	27	41				6
Recognition of share based payments				669		66
Vested share option transfer				(777)	777	
Actuarial movement recognised in pension schemes					387	38
Movement on deferred tax relating to the pension schemes					(106)	(10
At 30 September 2023	7,913	66,419	3,896	1,267	99,902	179,39
Transfer from income statement for the year					41,571	41,57
Dividends paid					(14,506)	(14,50
New shares issued	1					
Recognition of share based payments				707		70
Vested share option transfer				(599)	(257)	(85
Actuarial movement recognised in pension schemes					81	8
Movement on deferred tax relating to the pension schemes					(5)	(
At 30 September 2024	**7,914**	**66,419**	**3,896**	**1,375**	**126,786**	**206,39**

Group balance sheet
At 30 September

	2024	2023
	£000	£000
Non-current assets		
Intangible assets - goodwill	**161,172**	148,805
- other	**33,925**	27,869
Property, plant and equipment	**25,608**	19,400
Right of use assets	**26,294**	19,174
Investment in joint ventures	**3,780**	3,979
Retirement benefit asset	**2,954**	2,456
	253,733	221,683
Current assets		
Inventories	**6,365**	4,169
Assets held for resale	**19,519**	-

Trade and other receivables	**183,488**	187,311
Current tax assets	**4,389**	814
Cash and cash equivalents	**80,219**	35,657
	293,980	227,951
Total assets	**547,713**	449,634
Non-current liabilities		
Lease liabilities	**(15,605)**	(10,733)
Retirement benefit obligation	**(641)**	(822)
Deferred tax liabilities	**(9,982)**	(7,363)
Provisions	**(338)**	(338)
	(26,566)	(19,256)
Current liabilities		
Borrowings	**(52,000)**	-
Trade and other payables	**(207,244)**	(228,677)
Lease liabilities	**(8,975)**	(6,945)
Provisions	**(17,461)**	(15,359)
Liabilities directly associated with assets held for resale	**(29,077)**	-
	(314,757)	(250,981)
Total liabilities	**(341,323)**	(270,237)
Net assets	**206,390**	179,397
Share capital	**7,914**	7,913
Share premium account	**66,419**	66,419
Capital redemption reserve	**3,896**	3,896
Share based payments reserve	**1,375**	1,267
Retained earnings	**126,786**	99,902
Total equity	**206,390**	179,397

Group cashflow statement
for the year ended 30 September

	2024 **£000**	2023 (restated*) £000
Profit for the year from continuing operating activities	**44,011**	46,106
Share of post-tax trading result of joint ventures	**199**	154
Impairment and amortisation of intangible assets	**5,960**	6,014
Gain on remeasurement of existing equity asset	**-**	(2,164)
Research and development expenditure credit	**(4,894)**	(1,249)
Depreciation of property, plant and equipment and right of use assets	**12,683**	10,623
Profit on sale of property, plant and equipment	**(549)**	(822)
Increase in inventories	**(1,770)**	(1,440)
Increase in receivables	**(1,520)**	(10,670)
(Decrease)/increase in payables and provisions	**(4,593)**	11,247
Charge in respect of share options	**707**	669
Settlement of share options	**(856)**	-
Finance income	**(791)**	(360)
Finance expense	**1,738**	1,219
Interest paid	**(1,828)**	(1,285)
Income taxes paid	**(16,243)**	(11,767)
Income tax expense	**16,213**	10,742
Net cash inflow from continuing operating activities	**48,467**	57,017
Net cash outflow from discontinued operating activities	**(4,032)**	(3,240)
Net cash inflow from operating activities	**44,435**	53,777
Investing activities		
Interest received	**791**	360
Proceeds on disposal of property, plant and equipment	**1,326**	1,251
Purchases of property, plant and equipment	**(6,146)**	(5,414)
Acquisition of subsidiaries net of cash acquired	**(26,083)**	(13,324)
Net cash outflow from continuing investing activities	**(30,112)**	(17,127)

Net cash outflow from discontinued investing activities	**(545)**	(95)
Net cash outflow from financing activities	**(30,657)**	(17,222)
Financing activities		
Dividends paid	**(14,506)**	(13,683)
Issue of share equity	**1**	68
New loan	**72,000**	23,000
Loan repayments	**(20,000)**	(23,000)
Repayments of obligations under lease liabilities	**(9,246)**	(7,501)
Net cash inflow/(outflow) from financing activities	**28,249**	(21,116)
Net increase in continuing cash and cash equivalents	**46,604**	18,774
Net decrease in discontinued cash and cash equivalents	**(4,577)**	(3,335)
Net increase in cash and cash equivalents	**42,027**	15,439
Cash and cash equivalents at beginning of year	**35,657**	20,218
Cash and cash equivalents at end of year	**77,684**	35,657
Bank balances and cash (Note 12)	**77,684**	35,657

** The comparatives have been restated due to the classification of a component of the Group as a discontinued operation in the year. Please see Accounting policies i) Basis of accounts and preparation for further details.*

Notes

1 Basis of preparation

The consolidated financial statements for the year ended 30 September 2024 have been prepared in accordance with UK adopted International Accounting Standards ("UK adopted IAS"). These preliminary results are extracted from those financial statements.

Going concern
The Board has concluded that it is appropriate to adopt the going concern basis, having undertaken a rigorous review of financial forecasts and available resources. The Directors have robustly tested the going concern assumption in preparing these financial statements, taking into account the Group's liquidity position at 30 September 2025. The Directors have considered the results of the stress testing of key assumptions and consider the likelihood of events or circumstances that would impact the going concern assessment as collectively remote. The Directors have reviewed the period to 31 December 2025.

Prior year restatement
On 4 October 2024 Walter Lilly was sold to Size Group Holdings (see Note 11). Management determined that, as a separate major line of business which met the criteria to be classified as held for sale as at 30 September 2024, Walter Lilly qualified as a discontinued operation. Under IFRS 5, the classification of Walter Lilly as a discontinued operation results in the requirement to separately present the totals of its result for the period and any gain or loss on remeasurement on the face of the statement. IFRS 5 also requires that these disclosures be re-presented for prior periods presented in the financial statements. Accordingly, it was necessary to restate the comparative information as originally reported in order to present the result of Walter Lilly as discontinued operations.

2 Segmental analysis

The Chief Operating Decision Maker ("CODM") is responsible for the overall resource allocation and performance assessment of the Group. The Board approves major capital expenditure and assesses the performance of the Group and its progress against the strategic plan through monitoring key performance indicators. The Board also determines key financing decisions such as raising equity, all loan or bank borrowing arrangements and granting of security over the Group's assets. As such the Group considers that the Board is the CODM.

As set out in the accounting policy, the Group's operating segments have been identified at the level of the individual subsidiaries based on the information provided to the CODM. However, these operating segments are then combined to identify the externally reportable segments based on aggregation criteria in IFRS 8. In previous years, having applied the aggregation criteria, the Group identified two reportable segments - Engineering Services and Specialist Building. Historically, the Specialist Building segment comprised Walter Lilly and Allenbuild Limited. Walter Lilly was sold on 4 October 2024 and, as a separate major line of business, was classified as a discontinued operation under IFRS 5 (see Note 1 Accounting policies prior year restatement). Allenbuild Limited had previously been disposed of in October 2014.

As Walter Lilly represented the last remaining CGU in the Specialist Building segment, and was classified as a discontinued operation at September 2024, the Group now comprises a single operating segment - Engineering Services.

3 Exceptional items and amortisation of intangible assets **2024** 2023

3 Exceptional items and amortisation of intangible assets	2024 £000	2023 £000
Costs associated with acquisitions	**3,519**	560
Total losses arising from exceptional items	**3,519**	560
Amortisation of intangible assets	**6,184**	6,245
Gain on remeasurement of existing equity interest	**-**	(2,161)
Total exceptional items and amortisation charge before income tax	**9,703**	4,644
Taxation credit on exceptional items and amortisation	**(1,558)**	(1,554)
Total exceptional items and amortisation charge	**8,145**	3,090

During the year the Group incurred £3.5m (2023: £0.6m) on acquisitions. The costs this year included costs on Excalon £1.3m, Full Circle £1.3m and £0.9m other.

On 25 November 2022, the Company acquired the whole of the issued share capital of Enisca Group Limited which resulted in the Group owning 100% of Enisca Browne Ltd. The Group previously owned 50% of this Company and accounted for it as a joint venture using the equity method of accounting. As a result, under IFRS 3 this is treated as a step acquisition where the previously held equity interest is remeasured at its acquisition-date fair value with the resulting gain recognised in the income statement.

4 Loss for the year from discontinued operations

The loss for the year from discontinued operations recognised in the Income Statement of £2,440,000 (2023: £2,722,000) comprises:

- The profit after tax of Walter Lilly of £1,026,000 (2023: £954,000); and
- A loss of £3,466,000 (2023: £3,676,000) arising from ongoing costs associated with the disposal of Allenbuild Ltd

Following the disposal of Walter Lilly on 4 October 2024, the trading results have been reclassified as discontinued operations as reported in Note 14 to the Annual Report & Accounts.

On 31 October 2014, the Board reached an agreement to sell Allenbuild Ltd to Places for People Group Ltd. As a term of the disposal Renew Holdings plc retained both the benefits and the obligations associated with a number of Allenbuild contracts. At the time of the disposal, the sale of this business was accounted for as a discontinued operation.

During the year an additional provision of £3,466,000 (2023: £3,676,000) has been recognised, and because this adjustment relates to uncertainties directly related to the operations of Allenbuild before its disposal, this has been classified within discontinued operations. This additional provision was as a result of the settlement of historical claims during the financial year and a subsequent internal reassessment of the likely costs required to settle other known contractual disputes.

5 Income tax expense

(a) Analysis of expense in year	2024 £000	2023 (restated*) £000
Current tax:		
UK corporation tax on profits of the year	**(16,407)**	(12,143)
Adjustments in respect of previous period	**(668)**	1,164
Total current tax	**(17,075)**	(10,979)
Deferred tax - defined benefit pension schemes	**(36)**	(29)
Deferred tax - other temporary differences	**898**	266
Total deferred tax	**862**	237
Income tax expense in respect of continuing activities	**(16,213)**	(10,742)

(b) Factors affecting income tax expense for the year	2024 £000	2023 £000
Profit before income tax	**60,224**	56,848
Profit multiplied by standard rate of corporation tax in the UK of 25% (2023: 22%)	**(15,056)**	(12,507)
Effects of:		
Expenses not deductible for tax purposes	**(1,139)**	(516)
Non-taxable income	**-**	696
Change in tax rate	**129**	640
Adjustment in respect of tax losses	**521**	(143)
Adjustments in respect of previous period	**(668)**	1,088
	(16,213)	(10,742)

Corporation tax rate increased from 19% to 25% from April 2023 so profits for the prior year were subject

to a blended rate of 22%.
Deferred tax has been provided at a rate of 25% (2023: 25%) following the decision that the UK corporation tax rate should increase to 25% (effective from 1 April 2023) and substantively enacted on 24 May 2021. The deferred tax asset and liability at 30 September 2024 has been calculated based on these rates, reflecting the expected timing of reversal of the related temporary timing differences (2023: 25%).
The Group has available further unused UK tax losses of £7.5m (2023: £23.1m) to carry forward against future taxable profits. A substantial element of these losses relates to activities which are not forecast to generate the level of profits needed to utilise these losses. A deferred tax asset has been provided to the extent considered reasonable by the Directors, where recovery is expected to be recognisable within the foreseeable future. The unrecognised deferred tax asset in respect of these losses amounts to £1.6m (2023: £5.8m).

6 Dividends

	2024 Pence/share	2023 Pence/share
Interim (related to the year ended 30 September 2024)	**6.33**	6.00
Final (related to the year ended 30 September 2023)	**12.00**	11.33
Total dividend paid	**18.33**	17.33
	£000	£000
Interim (related to the year ended 30 September 2024)	**5,009**	4,748
Final (related to the year ended 30 September 2023)	**9,497**	8,935
Total dividend paid	**14,506**	13,683

Dividends are recorded only when authorised and are shown as a movement in equity rather than as a charge in the income statement. The Directors are proposing that a final dividend of 12.67p per Ordinary Share be paid in respect of the year ended 30 September 2024. This will be accounted for in the 2024/25 financial year.

7 Earnings per share

	2024 Earnings £000	**2024 EPS Pence**	**2024 DEPS Pence**	2023 Earnings £000	2023 EPS Pence	2023 DEPS Pence
Earnings before exceptional items and amortisation	**52,156**	**65.91**	**65.88**	49,196	62.26	62.07
Exceptional items and amortisation	**(8,145)**	**(10.30)**	**(10.29)**	(3,090)	(3.91)	(3.89)
Basic earnings per share - continuing activities	**44,011**	**55.61**	**55.59**	46,106	58.35	58.18
Loss for the year from discontinued operations	**(2,440)**	**(3.08)**	**(3.08)**	(2,722)	(3.44)	(3.44)
Basic earnings per share	**41,571**	**52.53**	**52.51**	43,384	54.91	54.74
Weighted average number of shares ('000)		**79,137**	**79,165**		79,011	79,253

The dilutive effect of share options is to increase the number of shares by 28,000 (2023: 242,000) and reduce basic earnings per share by 0.02p (2023: 0.17p).

8 Preliminary financial information

The financial information set out above does not constitute the company's statutory accounts for the years ended 30 September 2024 or 2023. Statutory accounts for 2023 have been delivered to the registrar of companies. The auditor has reported on those accounts; his reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006. The statutory accounts for 2024 will be finalised on the basis of the financial information presented by the Directors in this preliminary announcement and will be delivered to the Registrar of Companies in due course.

9 Alternative performance measures

Renew uses a variety of alternative performance measures ('APM') which, although financial measures of either historical or future performance, financial position or cash flows, are not defined or specified by IFRSs. The Directors use a combination of APMs and IFRS measures when reviewing the performance, position and cash of the Group.

The Directors believe that APMs provide a better understanding of the ongoing trading performance of the business by removing costs such as amortisation, and one-off exceptional items which will not directly impact the future cashflows and will mainly relate to the unrepeated cash outflows incurred in acquiring a specific equity investment.
Depreciation is not removed on the basis that the tangible and right of use assets will be replaced at the end of their useful economic lives resulting in future cash outflows.
Furthermore, they believe that the Group's stakeholders use these APMs, for example when assessing the performance of the Group against discounted cash flow models, and it is therefore appropriate to give them prominence in the Annual Report and Accounts.

The APMs used by the Group are defined below:

Net Cash - This is the cash and cash equivalents less debt. This measure is visible in Note 32 in the Annual Report & Accounts. The Directors consider this to be a good indicator of the financing position of the Group.

Adjusted operating profit (£70.874m) and adjusted profit before tax (£69.927m) - Both of these measures are reconciled to total operating profit and total profit before tax on the face of the consolidated income statement. The Directors consider that the removal of exceptional items and amortisation provides a better understanding of the ongoing performance of the Group. The equivalent GAAP measures are operating profit (£61.171m) and profit before tax (£60.224m).

Adjusted operating margin (6.7%) - This is calculated by dividing operating profit before exceptional items and amortisation of intangible assets (£70.874m) by Group revenue including share of joint venture (£1,056.985m) both of which are visible on the face of the income statement. The Directors believe that removing exceptional items and amortisation from the operating profit margin calculation provides a better understanding of the ongoing performance of the Group. The equivalent GAAP measure is operating profit margin (6.1%) which is calculated by dividing operating profit (£61.171m) from group revenue from continuing activities (£1,008.970m).

Adjusted earnings per share (65.91p) - This measure is reconciled to the earnings per share calculation based on earnings before exceptional items and amortisation in Note 7. The Directors believe that removing exceptional items and amortisation from the EPS calculation provides a better understanding of the ongoing performance of the Group.

Group Revenue (£1,056.985m) - This measure is visible on the face of the income statement as Revenue: Group including share of joint ventures.

Group order book - This measure is calculated by the Directors taking a conservative view on secured orders and visible workload through long-term frameworks.

10 Acquisition of subsidiary undertaking - TIS (Cumbria) Limited

On 26 October 2023, West Cumberland Engineering Ltd, a wholly-owned subsidiary of Renew Holdings Plc, acquired the whole of the issued share capital of TIS Cumbria Ltd ("TIS") for a gross cash consideration of £4.2m less a net working capital adjustment of £1.3m. The net £2.9m acquisition cost was funded from the Group's cash reserves. There is no deferred or contingent consideration payable.

Based in Cumbria, TIS is a leading nuclear manufacturing and fabrication specialist.

This acquisition will allow the Group to continue to support its existing clients and take advantage of increasing demand across the decommissioning and new nuclear build programmes. The added manufacturing capacity will allow Renew to better support its existing clients, as well as strengthening its broader market position. TIS represents an excellent strategic fit with the Group's existing multidisciplinary nuclear capability, which offers attractive long term structural growth opportunities underpinned by highly visible committed regulatory spend in a sector where the Group has extensive experience.

The fair value of the assets and liabilities of TIS at the date of acquisition were:

	Fair value £000
Assets	
Intangible assets	827
Property, plant and equipment	3,894
Right of use assets	26
Inventories	12
Trade and other receivables	390
Current tax asset	24
Total assets	5,173
Liabilities	
Borrowings	(1,281)
Lease liabilities	(69)
Trade and other payables	(1,353)
Deferred tax liabilities	(254)
Total liabilities	(2,957)
Total identifiable net assets at fair value	2,216
Goodwill arising on acquisition	702
Purchase consideration transferred	2,918

Goodwill of £702,000 arose on acquisition and is attributable to the expertise and workforce of the acquired business.
Other intangible assets valued at £827,000, which represent customer relationships and contractual rights, were also acquired and will be amortised over their useful economic lives in accordance with IAS 38 and as defined within accounting policy Note 1.v Intangible assets. Amortisation of this intangible asset commenced from November 2023. Deferred tax has been provided on this amount.

Right of use assets and obligations under finance leases

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right of use assets were measured at an amount equal to the lease liabilities.

Fair value adjustments arising from the acquisition

In accordance with IFRS 3, the Board reviewed the fair value of assets and liabilities using information available during the 12 months after the date of acquisition. No impairment was identified. Fair value has been calculated using Level 3 inputs as defined by IFRS 13.

The fair value of trade and other receivables was £0.4m. The gross amount of trade and other receivables was £0.4m and it is expected that the full contractual amounts will be collected.

Transaction costs of £0.2m were expensed and are included in exceptional items (please see Note 3).

From the date of acquisition, TIS has contributed £1.5m to revenue and £0.2m to profit before tax from continuing operations of the Group. If the acquisition of TIS had occurred on 1 October 2023, Group revenue from continuing operations and profit before tax for the year ended 30 September 2024 would not be materially different from the results reported.

Acquisition of subsidiary undertaking - Route One Holdings (Wakefield) Ltd

On 9 April 2024, Carnell Group Holdings Ltd, a wholly-owned subsidiary of Renew Holdings Plc, acquired the whole of the issued share capital of Route One Holdings (Wakefield) Ltd ("Route One") for an Enterprise Value of £5.0m, together with a working capital adjustment of £1.3m. The cash consideration will be funded from the Group's existing cash resources, and there is no deferred or contingent consideration payable.

Based in West Yorkshire, Route One is a multi-disciplinary specialist engineering business operating in the UK Highways sector providing end-to-end solutions for bridge deck maintenance and protection. Route One has a number of long-term frameworks on the National Highways Scheme Delivery Frameworks across England.

The acquisition represents an excellent strategic fit for the Group. Route One will expand Carnell's offering by adding new capabilities to the Group's highway business, with particular expertise in bridge and structures maintenance and repairs. The UK Government's planned investment in the next Road Investment Strategy (RIS 3) from 2025 to 2030 will provide good growth opportunities, where the structures renewal programme has been identified as a key priority.

The provisional fair value of the assets and liabilities of Route One at the date of acquisition were:

	Fair value
	£000
Assets	
Intangible assets	2,745
Property, plant and equipment	437
Right of use assets	234
Inventories	286
Trade and other receivables	1,691
Cash and cash equivalents	969
Total assets	6,362
Liabilities	
Lease liabilities	(572)
Trade and other payables	(939)
Corporation tax	(217)
Deferred tax liabilities	(788)

Deferred tax liabilities	(788)
Total liabilities	(2,516)
Total identifiable net assets at fair value	3,846
Goodwill arising on acquisition	2,444
Purchase consideration transferred	6,290

Goodwill of £2,444,000 arose on acquisition and is attributable to the expertise and workforce of the acquired business. Other intangible assets valued at £2,745,000, which represent customer relationships and contractual rights, were also acquired and will be amortised over their useful economic lives in accordance with IAS 38 and as defined within accounting policy Note 1.v Intangible assets. Amortisation of this intangible asset commenced from April 2024. Deferred tax has been provided on this amount.

Right of use assets and obligations under finance leases

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right of use assets were measured at an amount equal to the lease liabilities.

Fair value adjustments arising from the acquisition

In accordance with IFRS 3, the Board will review the fair value of assets and liabilities using information available during the 12 months after the date of acquisition. Fair value has been calculated using Level 3 inputs as defined by IFRS 13.

The fair value of trade and other receivables was £1.7m. The gross amount of trade and other receivables was £1.7m and it is expected that the full contractual amounts will be collected.

Transaction costs of £0.2m were expensed and are included in exceptional items (please see Note 3).

From the date of acquisition, Route One has contributed £3.3m to revenue and £0.1m to profit before tax from continuing operations of the Group.
If the acquisition of Route One had occurred on 1 October 2023, Group revenue from continuing activities would have been approximately £1,016.0m and profit before income tax for the year ended 30 September 2024 would be approximately £60.4m.

Acquisition of subsidiary undertaking - Excalon Holdings Ltd

On 11 June 2024,Renew Holdings Plc, acquired the whole issued share capital of Excalon Holdings Ltd ("Excalon") for a total consideration of £23.8m funded from the Group's existing facilities. 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 non-discretionary funding.

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. 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 provisional fair value of the assets and liabilities of Excalon at the date of acquisition were:

	Fair value
	£000
Assets	

Intangible assets	8,444
Property, plant and equipment	207
Right of use assets	2,740
Retirement benefit asset	508
Inventories	128
Trade and other receivables	8,060
Cash and cash equivalents	7,320
Total assets	27,407
Liabilities	
Lease liabilities	(2,238)
Trade and other payables	(7,779)
Current tax liability	(295)
Deferred tax liabilities	(2,433)
Total liabilities	(12,745)
Total identifiable net assets at fair value	14,662
Goodwill arising on acquisition	9,221
Purchase consideration transferred	23,883

Goodwill of £9,221,000 arose on acquisition and is attributable to the expertise and workforce of the acquired business. Other intangible assets valued at £8,444,000, which represent customer relationships and contractual rights, were also acquired and will be amortised over their useful economic lives in accordance with IAS 38 and as defined within accounting policy Note 1.v Intangible assets.

Amortisation of this intangible asset commenced from July 2024. Deferred tax has been provided on this amount.

Right of use assets and obligations under finance leases

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right of use assets were measured at an amount equal to the lease liabilities.

Fair value adjustments arising from the acquisition

In accordance with IFRS 3, the Board reviewed the fair value of assets and liabilities using information available during the 12 months after the date of acquisition. No impairment was identified. Fair value has been calculated using Level 3 inputs as defined by IFRS 13.

The fair value of trade and other receivables was £8.1m. The gross amount of trade and other receivables was £10.0m and it is expected that the full contractual amounts will be collected.

Transaction costs of £1.3m were expensed and are included in exceptional items (please see Note 3).

From the date of acquisition, Excalon has contributed £16.9m to revenue and £2.0m to profit before tax from continuing operations of the Group. If the acquisition of Excalon had occurred on 1 October 2023, Group revenue from continuing activities would have been approximately £1,056.8m and profit before income tax for the year ended 30 September 2024 would be approximately £63.3m.

11 Post balance sheet events

a) Disposal of Walter Lilly & Co Ltd

On 4 October 2024 the Company announced the disposal of Walter Lilly & Co. Limited ("Walter Lilly") for a nominal net cash impact on a cash free/debt free basis to Size Holdings Limited ("Size") (the "Disposal"), a leading provider of premium quality construction, specialist crafts and maintenance services. Size will assume any ongoing liabilities relating to Walter Lilly. The disposal will enhance Group operating margins. Further details are disclosed in Note 14 to the Annual Report & Accounts.

b) Acquisition of Full Circle

On 7 October 2024 the Group announced 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 net working capital categories.

12 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 30 September 2024:

	2024	2023
	£000	£000
Cash at bank	**80,208**	35,646
Cash in hand	**11**	11
	80,219	35,657
Bank overdraft attributable to discontinued operation	**(2,535)**	-
	77,684	35,657

Net cash APM (Note 9)	**2024**	2023
	£000	£000
Cash and cash equivalents (as above)	**77,684**	35,657
Revolving credit facility	**(52,000)**	-
Net cash	**25,684**	35,657

13 Posting of Report & Accounts

The Group confirms that the annual report and accounts for the year ended 30 September 2024 will be posted to shareholders as soon as practicable and a copy will be made available on the Group's website: www.renewholdings.com

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