Augean

Specialist services focused on managing hazardous wastes

Interim Results

Half Year ended 30 June 2021







September 2021

Presented by:
Jim Meredith, Executive Chairman
Mark Fryer, Group Finance Director

Financial Summary

- ✓ Adjusted revenue before Landfill Tax decreased by 8% to £37.9m (2020: £41.4m)
- ✓ Adjusted profit before taxation increased 19% to £10.1m (2020: £8.5m)
- ✓ Adjusted EBITDA increased by 7% to £14.2m (2020: £13.3m)
- ✓ Adjusted basic earnings per share increased by 16% to 7.79 pence (2020: 6.70p)
- ✓ Net cash of £6.1m (December 2020: £6.4m) excluding lease liabilities
- ✓ Return on capital of 46.2% compared with 44.9% at December 20203

Operational Summary

- ✓ All sites have remained fully operational year to date with safe working measures in place to mitigate impact of Covid-19
- ✓ Sales growth1 of 20% in Treatment and disposal with strong growth in all waste streams
- ✓ Strong growth of 20% in residues from Energy from Waste (EfW) and other incinerator plants as a result of annualised growth and new contracted plants coming online
- ✓ Successful application for an onsite EfW r-code solutions at our Port Clarence landfill
- ✓ North Sea service business revenue remains in line with management expectation

Landfill Tax

- ✓ As announced on 10 December 2019, the Group paid £40.4m to HMRC to clear all outstanding Landfill Tax assessments. In 2020 HMRC subsequently repaid £1.4m relating to one aspect of the Landfill Tax dispute

- ✓ On 25 May 2021 HMRC issued a Landfill Tax assessment for £1.5m relating to time periods that had previously remained unassessed in relation to the Landfill Tax assessments. This has no impact on the income statement as modelling for the IAS37 and probabilistic losses already factored in the unassessed time periods.

- ✓ On 23 June 2021, the decision of the preliminary hearing of the First Tier Tax tribunal heard in September 2020 was received. The preliminary decision in relation was as to whether Augean had appropriately interpreted certain elements of Landfill Tax law as described in guidance note LFT1 (published by HMRC). The decision of the Tribunal found in favour of Augean. HMRC have subsequently applied to the Tribunal for a determination to extend or move the appeal period to the initial decision.

Outlook

1. Further growth targeted in the core markets of Energy from Waste and construction soils

2. Subdued market for North Sea Services with no new significant decommissioning project expected in 2021

3. The Board anticipates to meet management expectations for the full year