



Séché Environnement

2016 Annual Results

Meeting of March 7, 2017



Joël Séché

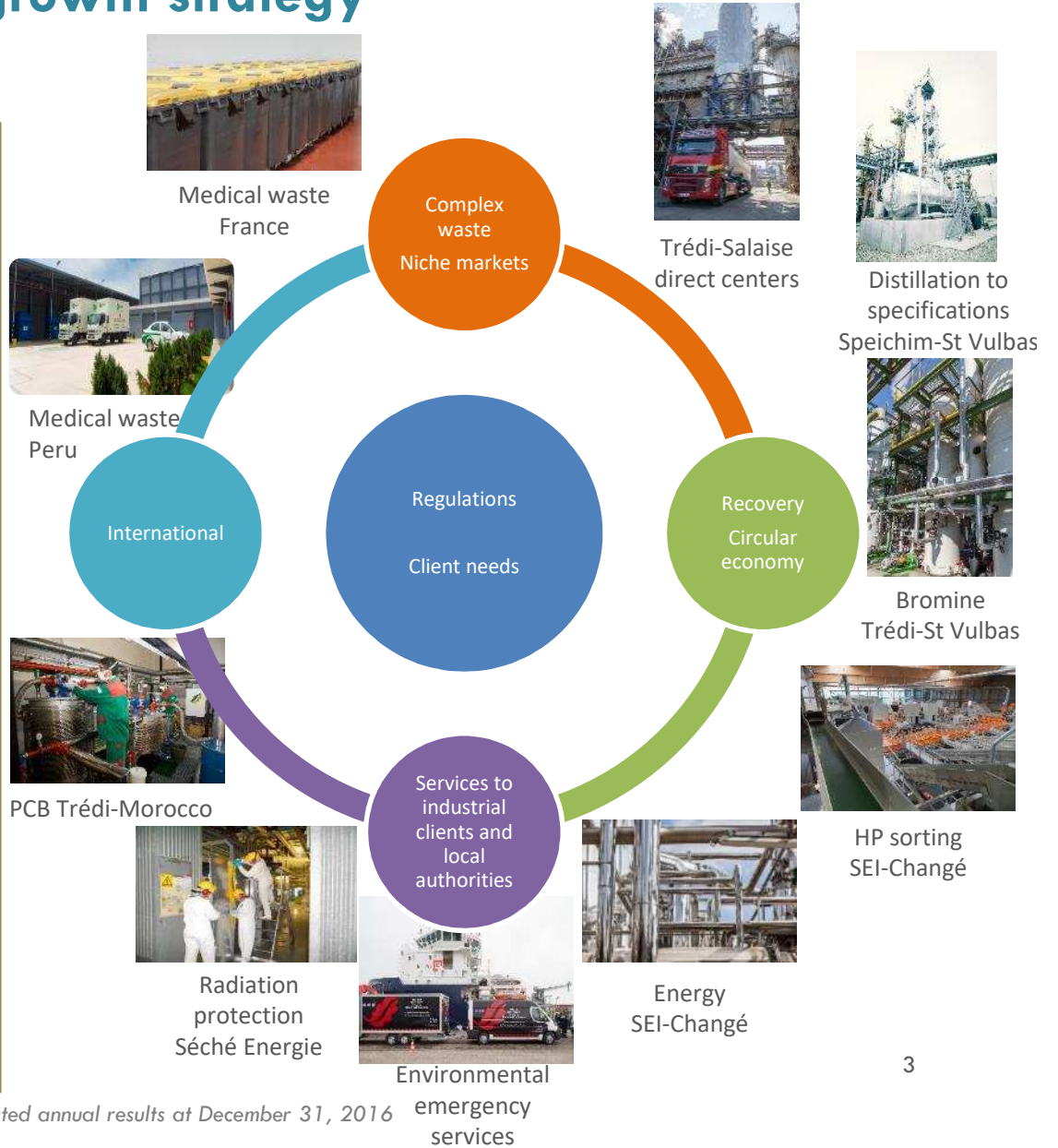
Chairman and CEO

2016 HIGHLIGHTS



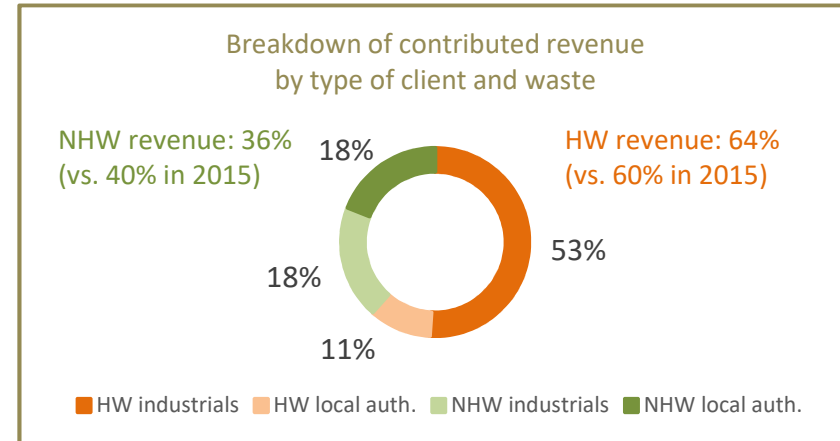
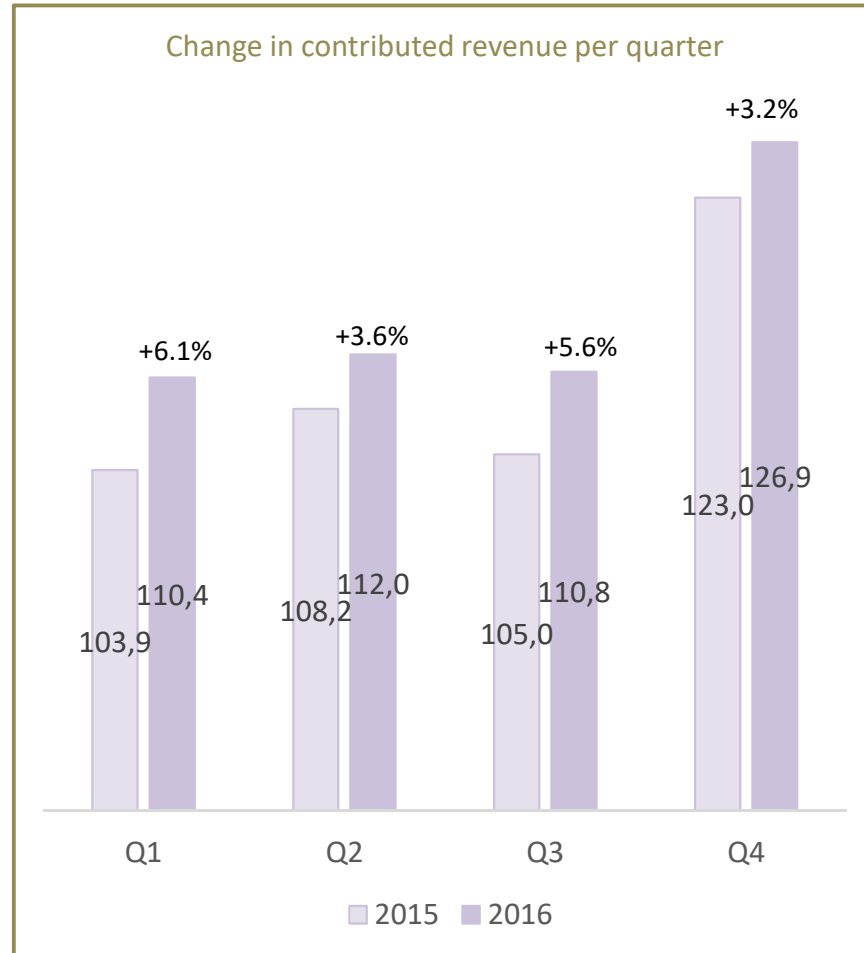
Continuation of the growth strategy

- **Sustained level of industrial investment**
 - **Capacities:**
 - ✓ Treatment: storage in Changé, platform in Salaise, etc.
 - ✓ Recovery: LEN contract in Changé
 - ✓ Services: Environmental emergency services
 - **Productivity:**
 - ✓ “Direct processes” in Trédi-Salaise
 - ✓ ORC in Trédi-Strasbourg
 - ✓ Information systems, etc.
- **Integration of the new scope**
 - **Medical waste markets:** Séché Healthcare, Sodicom, etc.
 - **Radiation protection markets:** Séché Energies (formerly HPS Nuclear Services)





An effective position on buoyant markets reflected in strong business activity



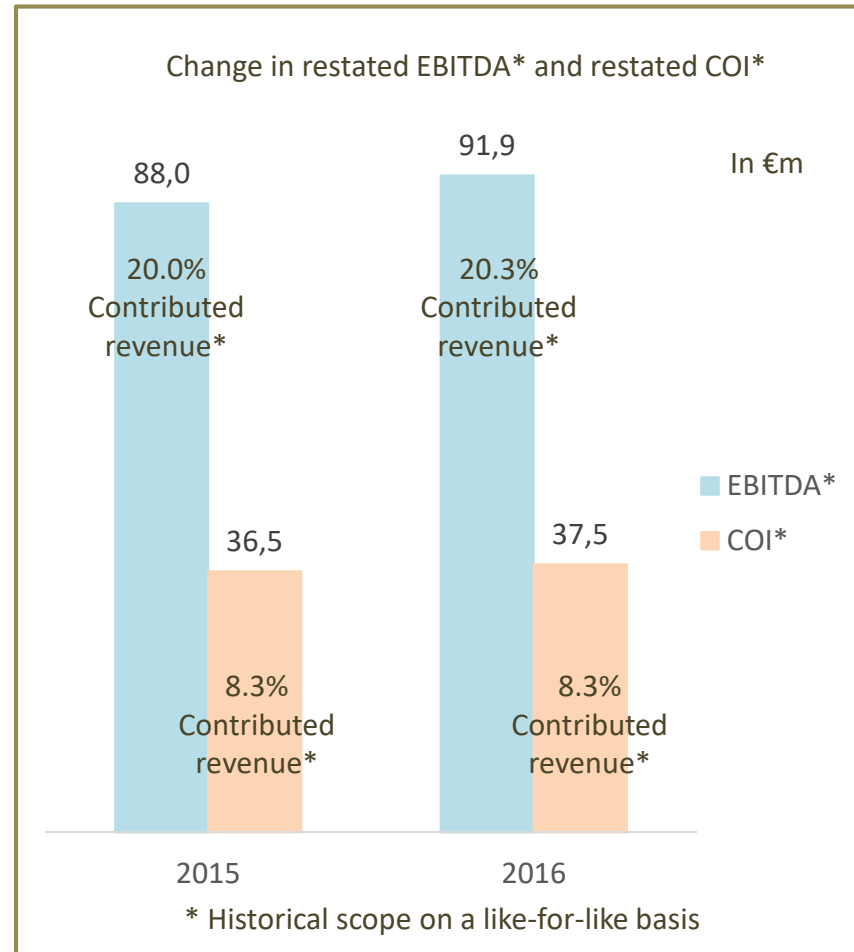
Drivers of growth in 2016

- Positioning as an expert in the recovery and treatment of complex waste
- Growth led by the HW division on buoyant industrial markets
- Advancement in the sustainable development and circular economy businesses
 - ✓ Recovery: bromine, HP sorting center, etc.
 - ✓ Services: comprehensive solutions, decontamination, environmental emergencies, etc.



Solid operating income within the historical scope

- ▣ Sustained recurring operating profit within the historical scope (excluding positive non-recurring effects in 2015, and at identical property ownership tax levels)
- ▣ Operating contribution still negative from newly-consolidated activities currently being deployed
- ▣ Net income impacted by expenses, primarily tax-related
- ▣ A financial situation that supports the self-financing of industrial investments





Aude Nombrot-Gourhand
Chief Financial Officer

CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2016



Restatement of COI: historical scope, property ownership tax and non-recurring effects in 2015

	2013		2014		2015		2016	
	In €m	As a % of contributed revenue	In €m	As a % of contributed revenue	In €m	As a % of contributed revenue	In €m	As a % of contributed revenue
Reported COI	32.7	7.4%	35.6	8.2%	40.6	9.2%	34.4	7.5%
Non-recurring effects								
Major maintenance and repair					(3.1)			
Sorting center			(0.5)		(1.0)			
Property ownership tax (EBITDA)	(0.9)		(0.9)		(0.9)			
Scope effects					+0.9		+3.1	
COI (historical scope restated)	31.8	7.2%	34.2	7.9%	36.5	8.3%	37.5	8.3%

Summary of positive non-recurring effects in 2015

In 2015, COI incorporated:

- the effect of the reassessment of major maintenance expenses: +€3.1m
- the absence of depreciation at the Changé sorting center (undergoing reconstruction): +€1.0m
- the reduction in the property ownership tax related to the calculation basis for 2015: +€0.9m



2016 consolidated financial statements: scope effects and impacts of external expenses

At December 31 In €m	2015	As a %	2016	As a %	Change (gross)	Change (historical scope)
Contributed revenue	440.0	100%	460.1	100%	+4.6%	
<i>o/w historical scope</i>	439.0		453.4			+3.3%
EBITDA	88.1	20.0%	89.1	19.4%	+1.1%	
<i>EBITDA restated*</i>	88.0	20.0%	91.9	20.3%		+4.4%
COI	40.6	9.2%	34.4	7.5%	-15.3%	
<i>COI restated**</i>	36.5	8.3%	37.5	8.3%		+2.7%
Operating income	38.5	8.8%	26.2	5.7%	-32.0%	-25.1%
Financial income	(12.1)		(10.7)			
Tax	(8.5)		(10.5)			
Income from consolidated companies	17.9	4.1%	4.9	1.1%	-72.8%	-54.6%
Net income (Group share)	16.8	3.8%	3.9	0.9%	-76.7%	-57.7%
Cash flow	75.7	17.2%	74.5	16.2%	-1.6%	-
CapEx (excl. IFRIC)	42.8	9.7%	54.3	11.4%	+26.9%	-

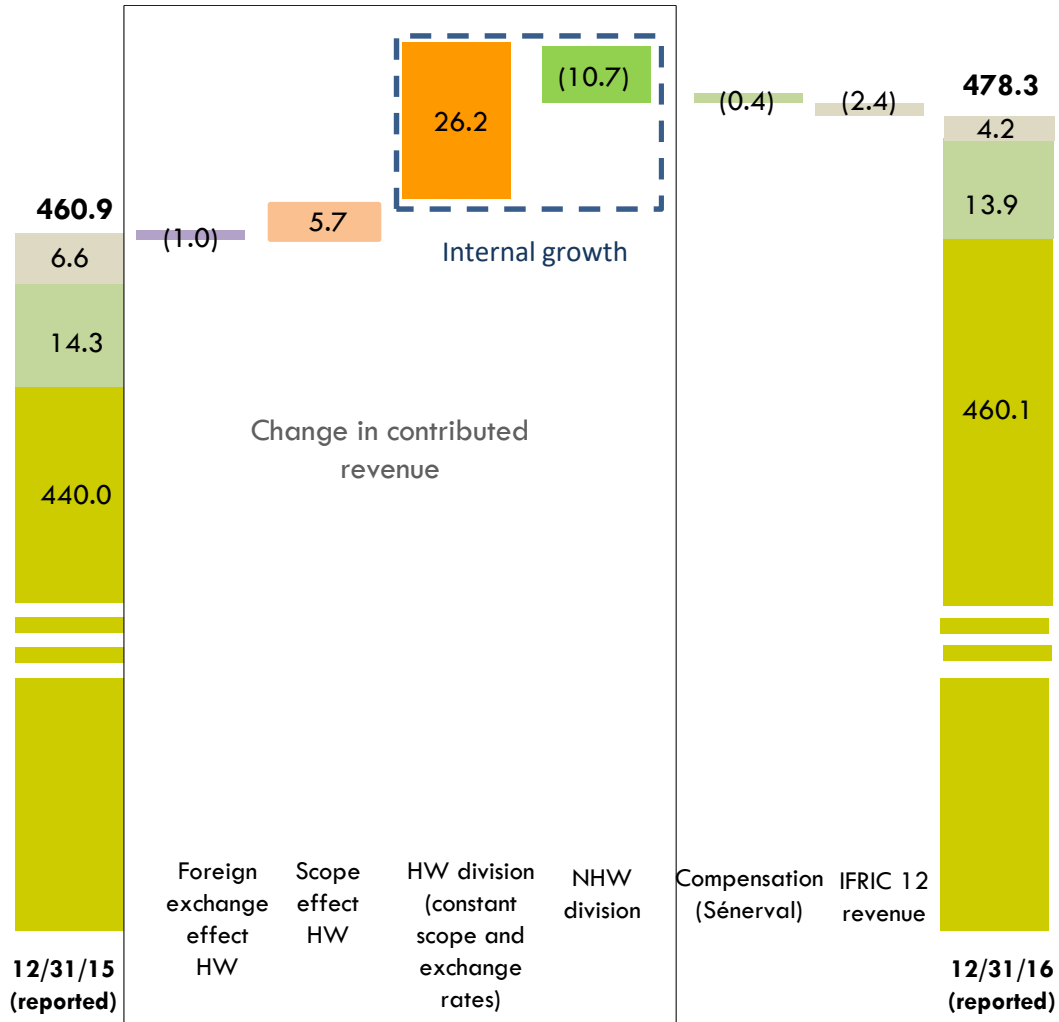
* EBITDA restated for scope effect and at identical external expenses (property ownership tax)

** COI restated for scope effect and positive non-recurring items in 2015



Increase in reported revenue

IFRS data in €m



Non-contributed revenue: €18.1 m

- IFRIC 12 revenue: €4.2m
(€6.6m at 12/31/15)
- Compensation: €13.9m
(€14.3m at 12/31/15)

Diversion compensation and other compensation related to the situation at the Strasbourg-Sénerval incinerator

Contributed revenue: €460.1 m
(€440.0m at 12/31/15)

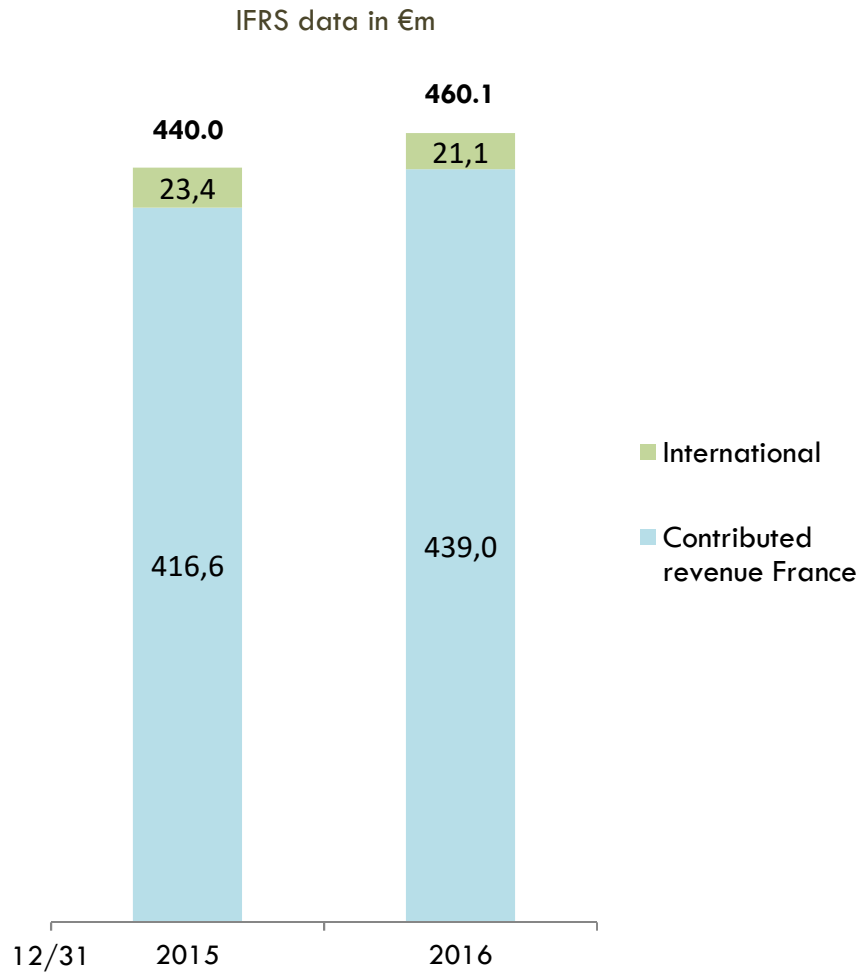
i.e. +4.6% gross
+3.3% historic perimeter

- Scope and foreign exchange effects: +€5.7m
- Organic growth in line with forecasts:
 - ✓ HW division posts continued momentum in Q4 2016
 - ✓ NHW division stable excl. Decontamination



Solid business activity in France

Non-linear performance internationally



International: Revenue of €21.1 m
(€23.4m at 12/31/15)

i.e. -8.9% at current exchange rates
-5.9% at constant exchange rates

- Forex effect: (€1.0m)
- Spain: strategy to refocus on the recovery businesses
- Latin America: decline in PCB markets (spot effects)

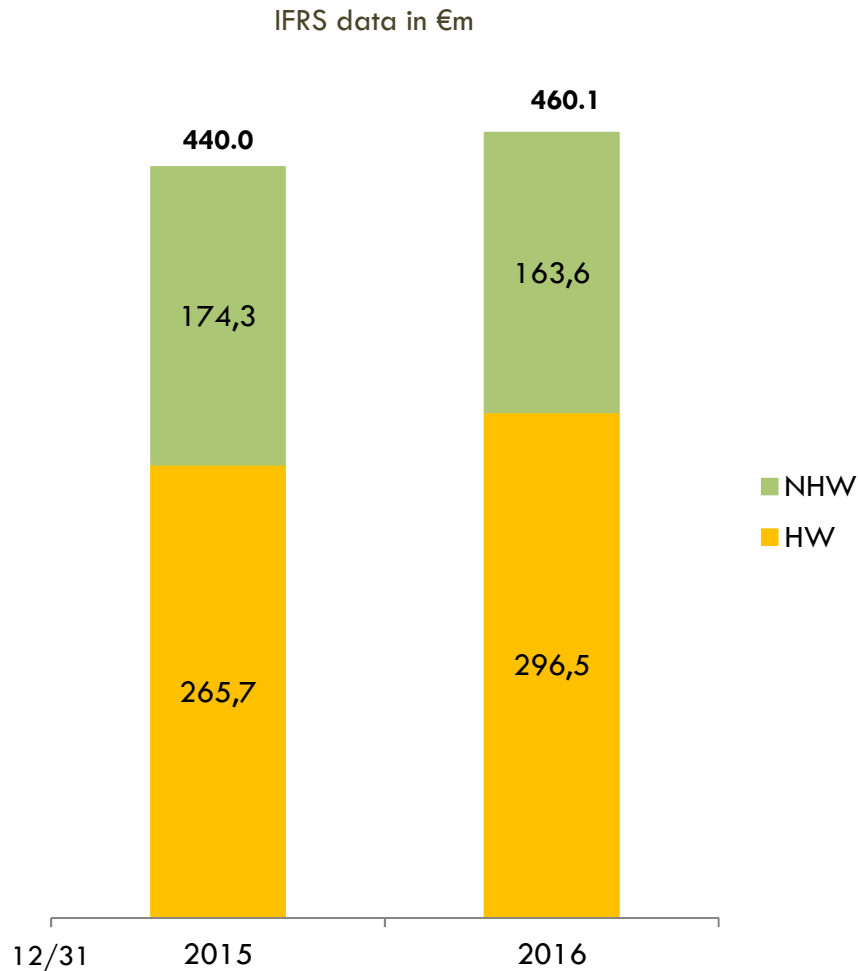
France: Contributed revenue of €439.0m
(€416.6m at 12/31/15)

i.e. +5.4% at current scope
+4.0% on historic perimeter

- Scope effect: +€6.7m
- Industrial markets: dynamic activity in recovery and treatment
- Local authorities: markets resilient (excl. effects of decontamination opportunities in 2015)



Varying levels of growth between businesses (non-representative)



NHW division: Contributed revenue of €163.6m
(€174.3m at 12/31/15)

i.e. -6.9% gross

- Solid performance in storage and incineration
- Services: decline in nominal terms due to a strong 2015 basis of comparison in Decontamination (spot markets)

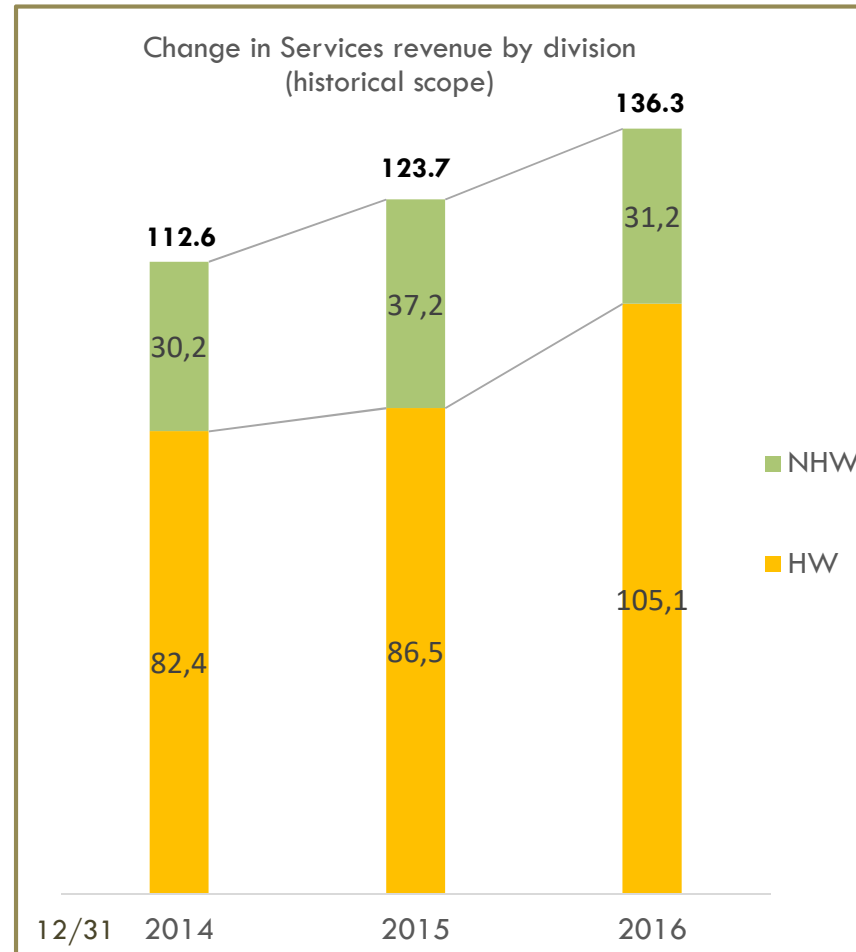
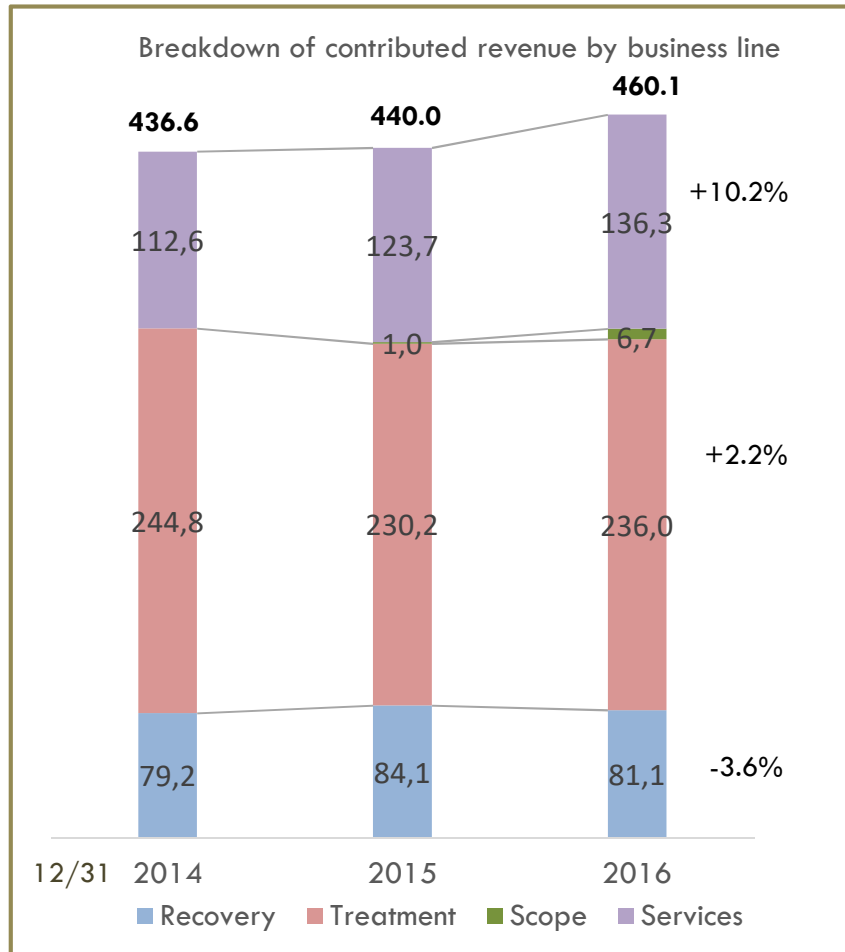
HW division: Revenue of €296.5m
(€265.7m at 12/31/15)

i.e. +11.6% gross
+9.5% historic perimeter

- Scope effect: +€6.7m
- Forex effect: (€1.0m) on the Argentine peso
- Regeneration: refocusing on high value-added activities
- Strong momentum in Storage and Incineration
- Strong contribution by Decontamination (2015 recovery)



Strong growth in the Services businesses





Strong profitability within the historical scope Effects of the consolidation of the new scope

IFRS data

At December 31 In €m	2015			2016		
	Consolidated	France	Int'l.	Consolidated	France	Int'l.
Contributed revenue	440.0	416.7	23.4	460.1	439.0	21.1
EBITDA	88.1	85.9	2.2	89.1	86.9	2.2
As a % of contributed revenue	20.0%	20.6%	9.3%	19.4%	19.8%	10.5%
Historical EBITDA restated	88.0	85.8	2.2	91.9	89.7	2.2
As a % of contributed revenue (historical scope)	20.0%	20.6%	9.3%	20.3%	20.7%	10.5%

Strong contribution by France (97% of EBITDA) excluding scope effects

- Increase in EBITDA: +3.4% within the historical scope
 - ✓ Organic growth and mix effects: +€11.6m
 - ✓ Operational effects: (€7.7m)
 - ✓ External effects (property ownership tax): (€0.9m)
- Scope effects: (€2.8m)

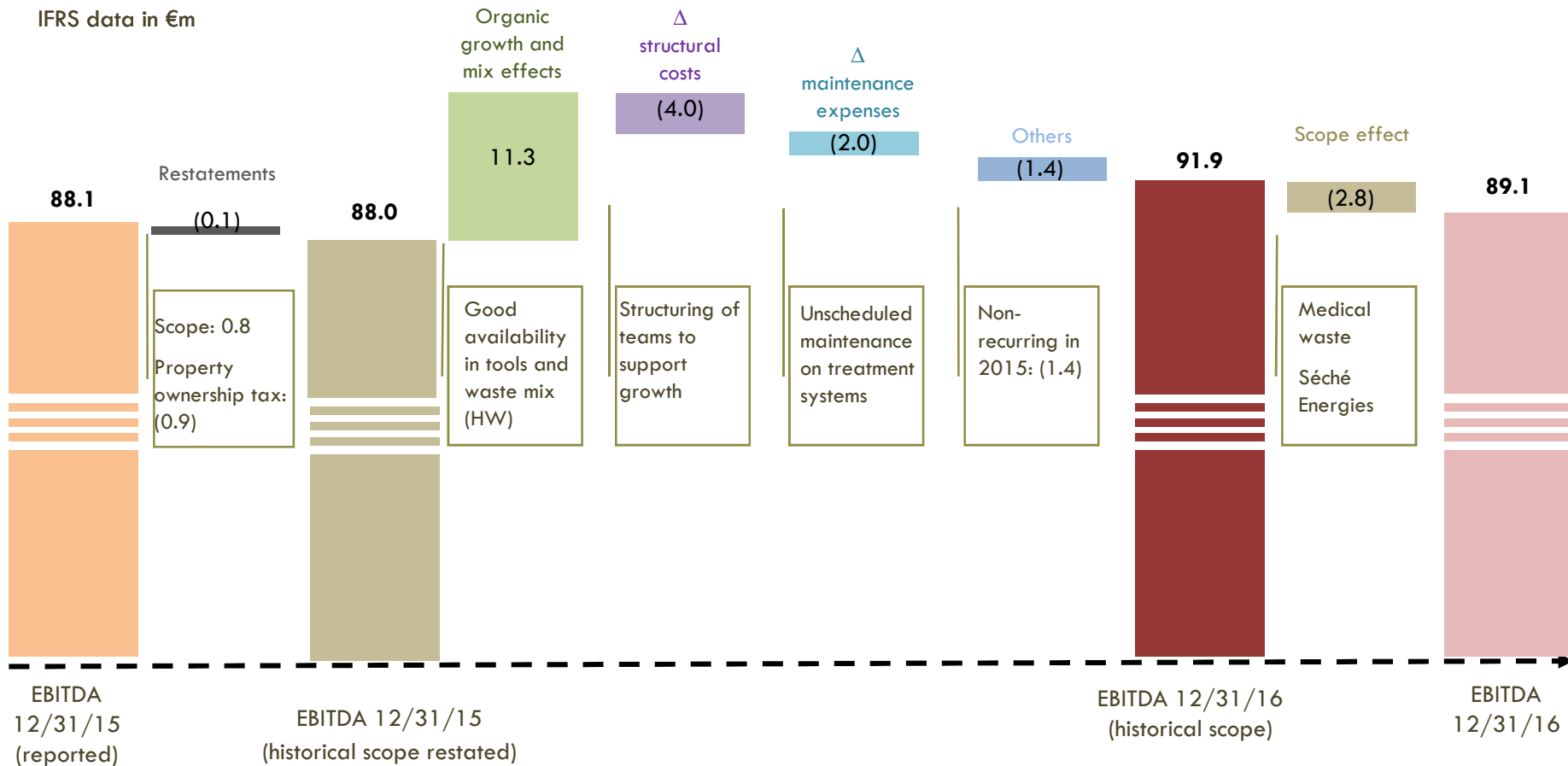
International: stable contribution despite the decline in activity

EBITDA (historical scope on a like-for-like basis) at 20.3% of contributed revenue (vs. 20.0% of contributed revenue in 2015)

- Contributed revenue in 2015 (historical scope): €439.0m
- Contributed revenue in 2016 (historical scope): €453.4m
- Δ Contributed revenue (historical scope): €14.4m
- 2015 EBITDA historical restated: €88.0m
- 2016 EBITDA (historical scope): €91.9m
- Δ EBITDA (at historical scope): +€3.9m
- i.e. a marginal rate of return of 27.1%



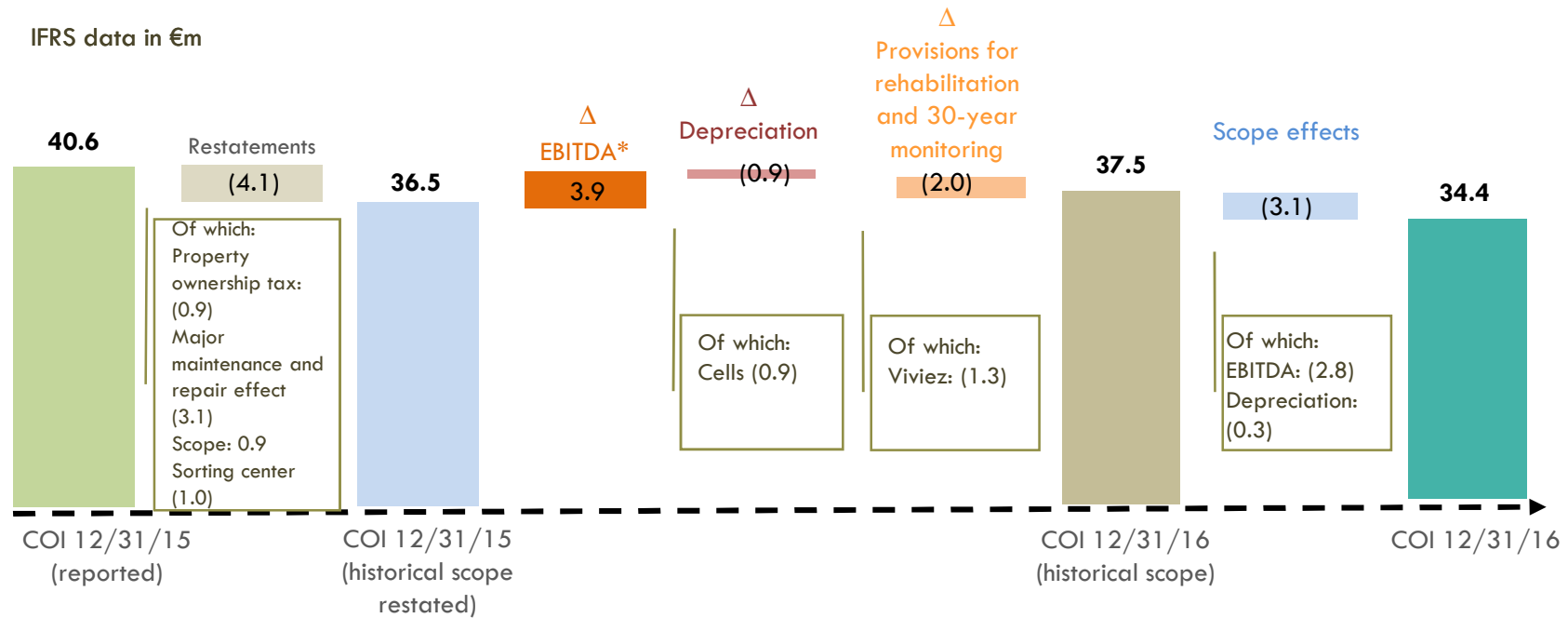
Increase in EBITDA: +4.4% (at comparable scopes and expenses)





Change in COI: contribution from scopes and effects specific to the year

IFRS data in €m



Details of scope effects on COI

	2015	2016
Medical waste	(€0.5m) over 3 months	(€1.4m)
Radiation protection	(€0.4m) over 12 months	(€1.7m)
	Creation of Séché Energies	Integration of HPS



Operating income: non-recurring operating and tax expenses

IFRS data

At December 31	2015		2016		Change (gross)	Change (historical scope)
	€m	% of contributed revenue	€m	% of contributed revenue		
Contributed revenue	440.0	100%	460.1	100%	+4.6%	+3.3%
EBITDA	88.1	20.0%	89.1	19.5%	+1.1%	+3.4%
COI	40.6	9.2%	34.4	7.5%	-15.3%	-9.6%
Operating income	38.5	8.8%	26.2	5.7%	-32.0%	-25.1%

■ Operating income at €26.2m, i.e. 5.7% of contributed revenue
 (vs. €38.5m, i.e. 8.8% of contributed revenue)

- Change in COI (historical scope): (€3.9m)
- Provision for disputes related to the property ownership tax: (€4.1m)
- Impact of oversight organization costs: (€2.0m)
- Scope effect: (€2.3m)



Improvement in financial income

IFRS data in €m

At December 31	2015	2016
Gross financial borrowing costs	(11.9)	(10.3)
Income from cash and cash equivalents	0.4	0.3
Other financial income and expenses	(0.7)	(0.8)
Financial income	(12.1)	(10.7)

Change in financial income:

- Effect of the decrease in the average cost of debt to 3.23% (vs. 3.86% in 2015) +€1.7m
- Effect of the increase in average net financial debt: (€1.5m)

Note:

In 2015, financial income incorporated early bank refinancing expenses of €1.2m



Net income impacted by the higher tax expense

IFRS data

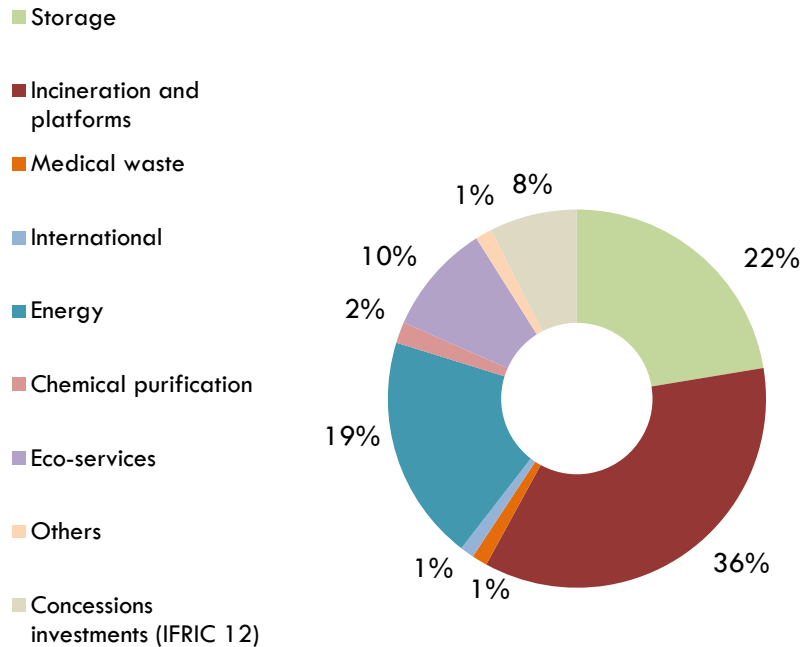
At December 31	2015		2016		Change (gross)	Change (historical scope)
	€m	As a % of contributed revenue	€m	As a % of contributed revenue		
Operating income	38.5	8.8%	26.2	5.7%	-32.0%	-25.1%
Financial income	(12.1)	-	(10.7)	-	-	-
Corporate tax	(8.5)	-	(10.5)	-	-	-
Net income of consolidated companies	17.9	4.1%	4.9	1.1%	-72.6%	-54.6%
Share of net income of associates	(0.7)	-	(0.7)	-	-	-
Net income from ongoing operations	17.3	4.1%	4.2	0.9%	-76.5%	-56.7%
Net income from discontinued operations	(0.4)	-	(0.3)	-	-	-
Consolidated net income, Group share	16.8	3.8%	3.9	0.9%	-76.8%	-57.7%

- Note (operating income): provision for disputes related to the property ownership tax in the amount of (€4.1m)
- Impact of the corporate tax cut to 28.92% by 2019
 - Decline in the net active position of deferred taxes (non cash effect): (€5.0m)



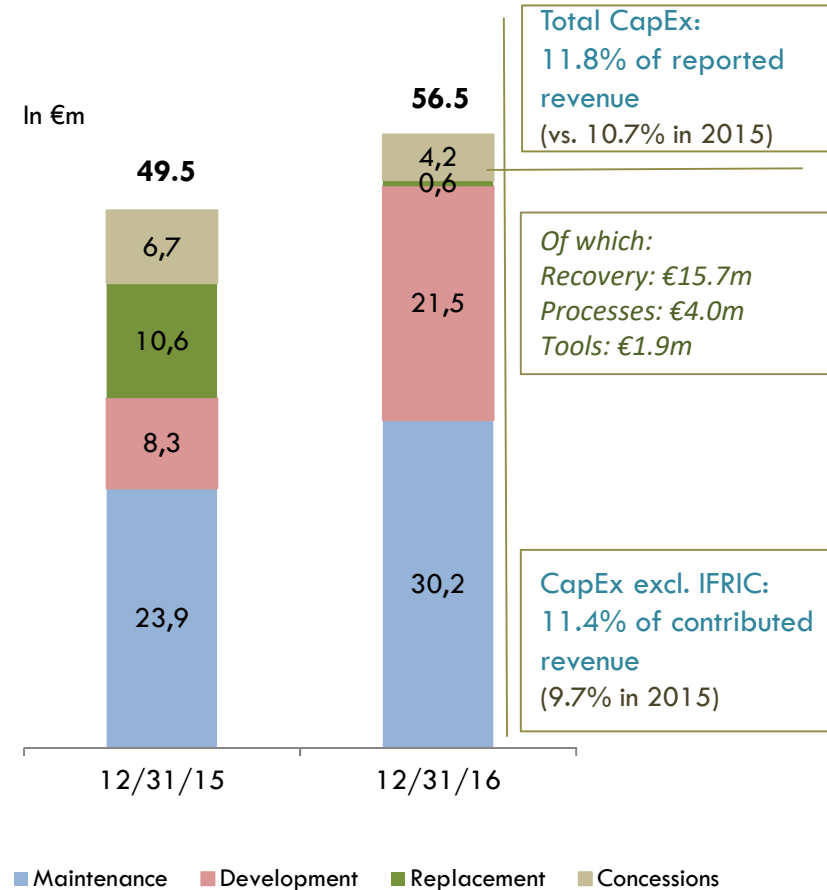
Increase in development CapEx

Breakdown of recognized investments



Recognized industrial CapEx: €56.5m, o/w IFRIC 12: €4.2m
 (€49.5m at 12/31/15, o/w IFRIC 12: €6.7m)
 Net industrial CapEx paid: €51.4m, o/w IFRIC 12: €4.1m
 (€43.1m at 12/31/15, o/w IFRIC 12: €7.0m)

Change in recognized investments





Infrastructure investments in support of long-term growth

In €m	2012	2013	2014	2015	2016
Total industrial CapEx (excl. IFRIC)	32.8	31.2	34.0	42.8	52.3
Recurring (maintenance)	24.5	20.8	19.4	23.9	30.2
o/w Major maintenance and repair			-	5.9	6.7
Non-recurring (development)	8.3	10.4	14.6	18.9	21.5
of which:					
Materials recovery	2.0	5.6	6.2	12.6	4.1
Energy recovery	0.2	1.4	-	1.4	11.6
Treatment	4.0	2.0	4.7	3.4	4.8

Details on non-recurring investments

Materials recovery	Sorting center	Sorting center	Sorting center	Sorting center Removal of metal scrap	Sorting center
Energy recovery		Biogas		ORC	LEN La Gabarre
Treatment	Béziers platform	Lacq platform	Direct centers	Direct centers Bromine	Salaise 4 platform Direct centers



Change in operating cash flow

IFRS data in €m

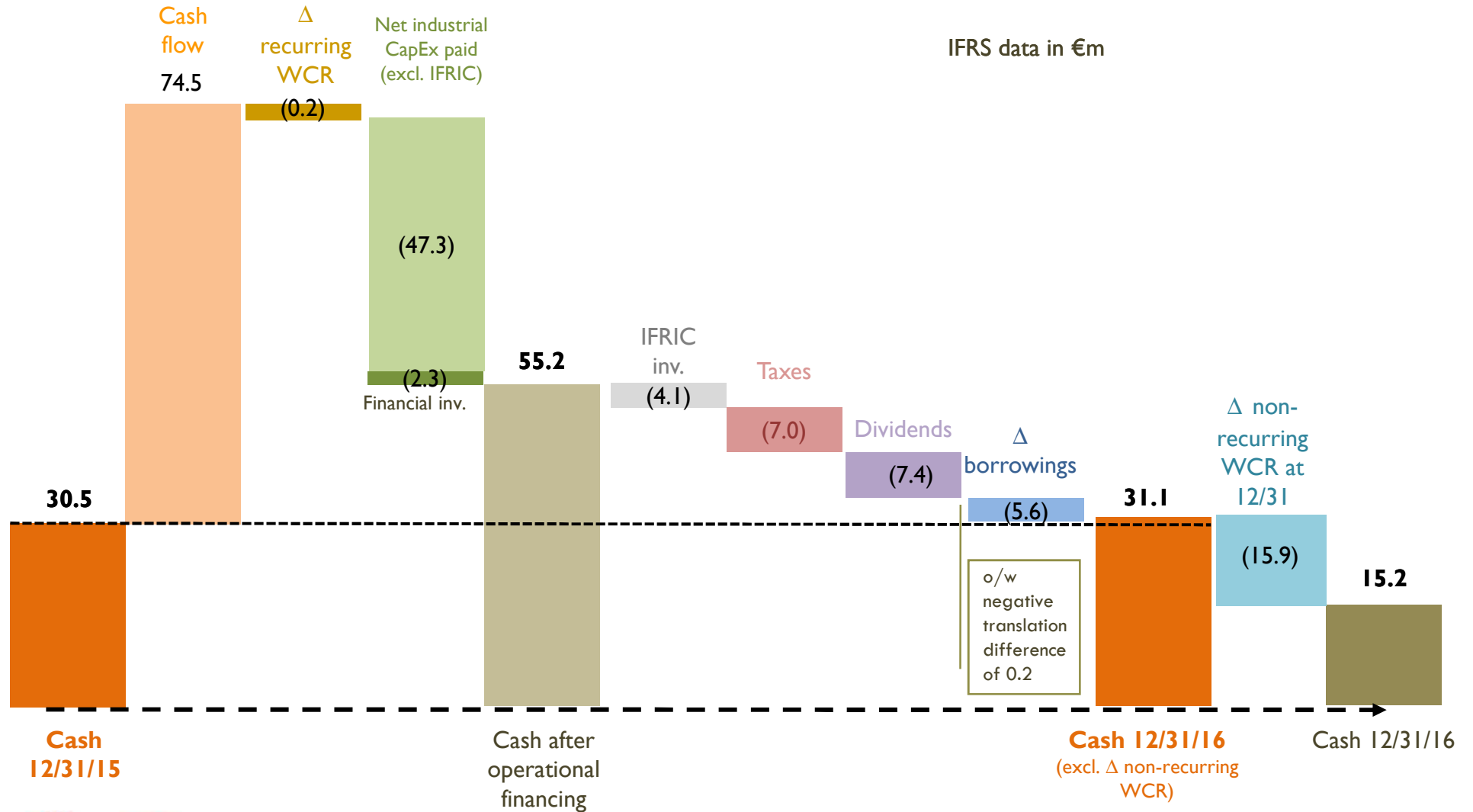
At December 31	2015	2016
Cash flow before Corporate tax and financial fees	75.7	74.5
Maintenance CapEx	(18.7)	(27.1)
Change in recurring WCR	(1.9)	(0.2)
Corporate tax paid	(2.8)	(7.0)
Recurring gross operating cash flow	52.3	40.3
Development CapEx excl. concessions investments	(17.3)	(20.2)
Recurring net operating cash flow	34.9	20.1
<i>Change in non-recurring WCR</i>	<i>(29.9)</i>	<i>(15.9)</i>
<i>Net operating cash flow before concessions investments*</i>	<i>5.0</i>	<i>4.2</i>

* Concessions investments are fully financed by non-recourse bank loans

- Cash flow: change in line with the evolution of operating income excl. calculated expenses
- Corporate tax: effect of the interim payment method
- Change in non-recurring WCR at December 31: negotiations of additional clauses finalized at the end of the period with local authorities

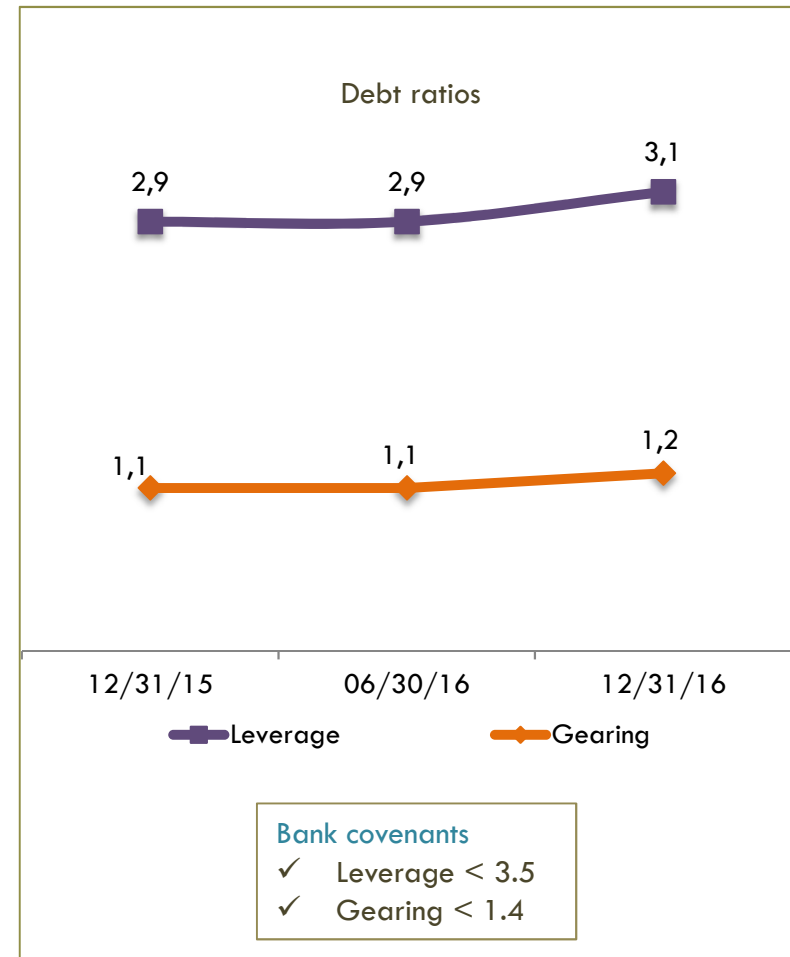
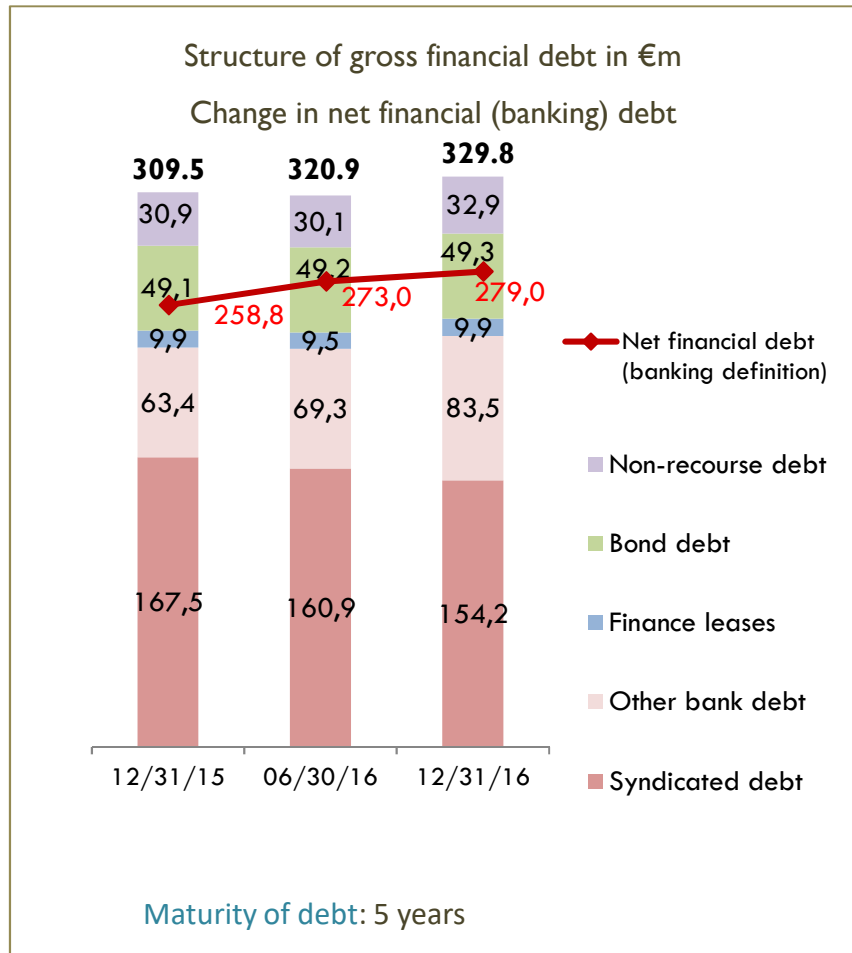


Change in liquidity: effect to date of non-recurring WCR





Balance sheet ratios under control





Manuel Andersen

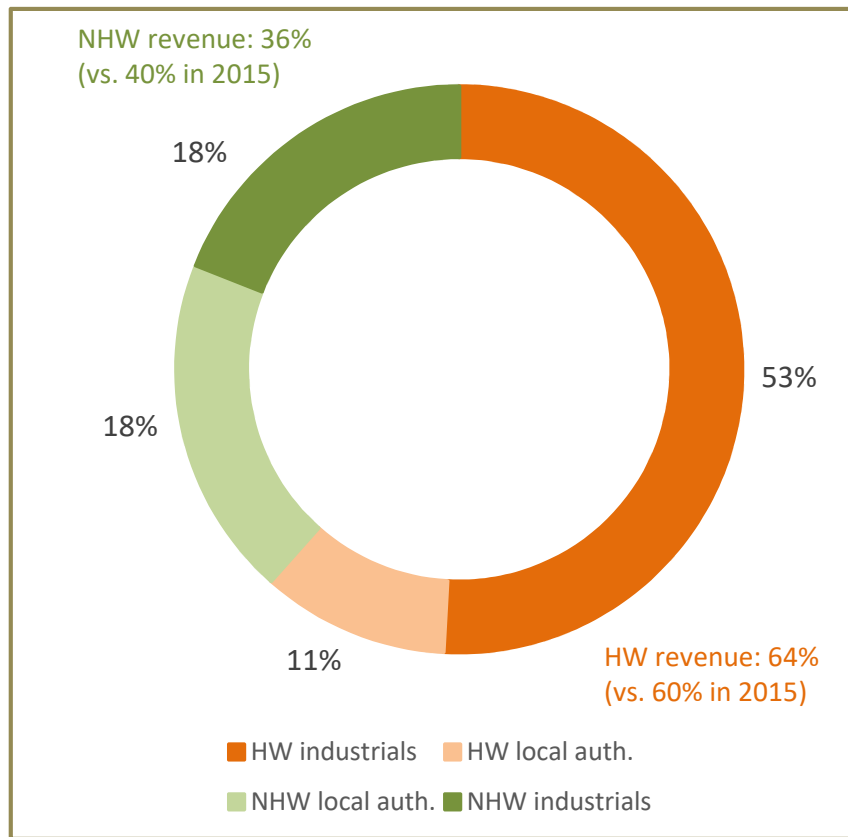
Head of Investor Relations

MARKETS AND BUSINESSES

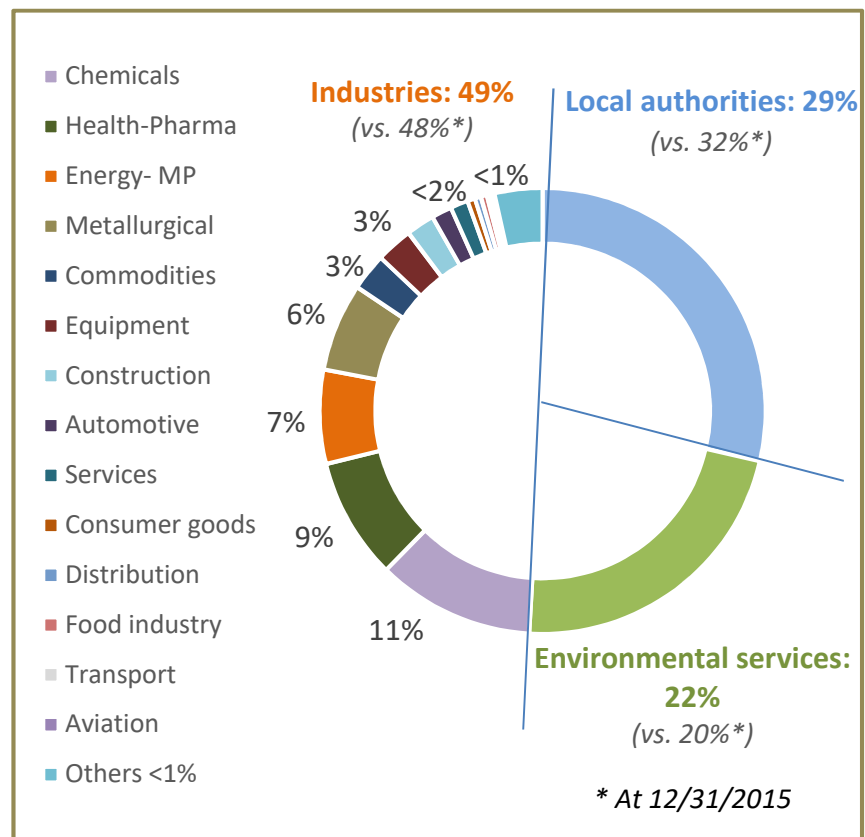


A reinforced position on the HW markets and among industrial clients

Breakdown of contributed revenue at December 31, 2016 by division and client type

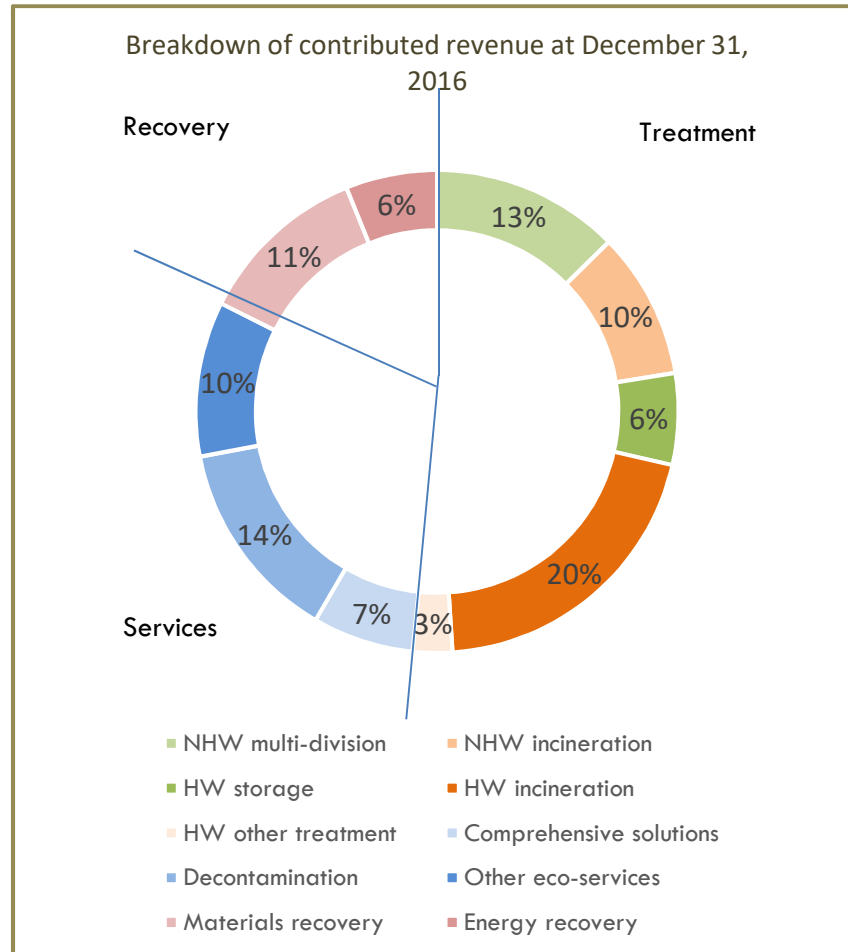


Breakdown of contributed revenue at December 31, 2016 by activity sector





Expanded solutions on three complementary markets



High-visibility markets: Recovery
(17% of contributed revenue vs. 19% at December 31, 2015)

- Markets for Sustainable Development and contract activities: infrastructures for energy or rare resources production
- Original model: low price sensitivity

High-visibility markets: Treatment
(52% of contributed revenue vs. 49% at December 31, 2015)

- Regulated markets and technical segments with barriers to entry (authorizations)
- Global niches: PCB, gas, plant protection, medical waste ...

Growth markets: Services
(31% of contributed revenue vs. 32% at December 31, 2015)

- High-growth markets: externalized management; absorption of environmental liabilities, etc.
- Value-added business-generating activities: high-expertise business lines that generate volumes for Treatment activities



2017: maintaining levels of industrial investment

In €m	2016	2017e
Total industrial CapEx (excl. IFRIC)	52.3	55
Recurring (maintenance) o/w Major maintenance and repair	30.2 6.7	34 5
Non-recurring (development):	21.5	21
of which:		
Materials recovery	4.1	1
Energy recovery	11.6	16
Treatment	4.8	4

Details on non-recurring investments

Materials recovery	Sorting center	Sorting center
Energy recovery	LEN	LEN
Treatment	Salaise 4	Salaise 4 Vivez

- 2017: industrial investments stabilized at around €55m
- Maintenance investments: €34m
(vs. €30.2m in 2016), of which:
 - Main Maintenance and Repair: €5m
 - Recurring CapEx between €30m and €35m on a medium term due to a larger industrial park and an imperative of competitive advantage (technology, environment...)
- Development investments: €21m
(vs. €21.5m in 2016), of which:
 - Continuation of development projects: LEN
 - Creation of new capacities: platform for HW incinerators, HW storage facilities



Gradual expansion of acquisitions

Séché Healthcare (medical waste)

Resilient, high value-added niche markets:



- Strengthened position among a broader client base (healthcare professionals, etc.)
- Vertical integration approach and positive mix effects (incineration)

Integration phase finalized in the second half of 2016:

- Commercial momentum and development of the client portfolio
- Operating breakeven in 2018

Séché Energies (nuclear services)

Radiation protection markets, a long term issue for environmental security:



- Nuclear logistics and maintenance: engineering, resistance measurements, manufacturing of biohazard protection, container business
- New competences for the Group: synergies with decontamination activities (very low-level radioactive waste projects)

Action plan in a low visibility market on the short term:

- Reinforcing commercial initiatives and securing client orders
- Implementation of synergies with SES (very low-level radioactive waste decontamination)



Early 2017: Acquisition of Charier Group's environment division

- Acquisition of three companies located in Brittany and Pays de la Loire:
 - Approximately 50 employees
 - Shared values in terms of environmental management

- Regional and commercial synergies
 - Developing the Group's activities in Brittany and Pays de la Loire
 - New capacities in:
 - ✓ Materials recovery: Four sorting/transfer/consolidation sites in Loire-Atlantique, Ille-et-Vilaine and Morbihan
 - ✓ Energy recovery: Energécie (biogas recovery) in La Croix-Irtelle (Morbihan)
 - ✓ Treatment of final waste (NHW): Five non-hazardous waste storage facilities in Vendée, Morbihan and Ille-et-Vilaine

- 2016 figures:
 - Revenue of approx. €14 million
 - EBITDA of approx. €3 million



Household and Economic activities waste sorting center
HW transfer platform
Nivallac (Morbihan)



Slag recovery
La-Croix-Irtelle (Morbihan)



Energy recovery
La-Croix-Irtelle (Morbihan)



Green Waste Composting
Vallet (Loire-Atlantique)



Wood recovery
La-Croix-Irtelle (Morbihan)



Joël Séché

Chairman and CEO

OUTLOOK AND CONCLUSION



Outlook for 2017

- Industrial investments totaling around €55m (excl. IFRIC 12)
- Modest growth in contributed revenue, excluding contribution from external growth
- Current operating profitability:
 - Sustaining recurring operating profit (COI/contributed revenue) within the historical scope
 - Perimeter of newly-integrated activities:
 - ✓ Medical waste: regular rise in business and operational breakeven in 2018
 - ✓ Nuclear service: low-visibility market on the short term, strategy of deploying synergies to target operational balance in the near-future



Q&A

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DEFINITION : Contributed revenue at historic perimeter

Audited IFRS data– In € million

At December	2014	2015	2016
Reported revenue	444.7	460.9	478.3
<i>IFRIC 12 revenue</i>	8.1	6.6	4.2
<i>Compensation</i>	3.4	14.3	13.9
Contributed revenue	433.2	440.0	460.1
<i>Revenue of newly-integrated activities</i>	-	1.0	6.7
Contributed revenue at historic perimeter	433.2	439.0	453.4

- **IFRIC 12 revenue:** investments made for assets under concession and booked as revenue in accordance with IFRIC 12 norms
- **Compensation:** indemnities and compensation received by Senerval, net of savings on variable charges, to cover operating losses caused in Senerval during asbestos removal work and/or costs incurred to ensure the continuity of public service