Séché Environnement

2017 Consolidated results

Meeting of March 6, 2018

Joël Séché

Chairman and CEO

2017: FINANCIAL RETURNS AND STRATEGIC ACHIEVEMENTS

2017: Dynamic development strategy
Solid financial performance

Strength of the external growth strategy

- €70m in acquisitions in France on the NHW* markets and outside France on the HW* markets
- Substantial contribution to revenue and operating income beginning in 2017

Solid activity within the historical scope

- Markets driven by the economic environment
- Increase in new recycling and treatment capabilities

Growth in current operating income:

- Increase in COI within the historical scope at 7.7% of contributed revenue
- Good current operating income in the new scope at 8.2% of revenue

Improved financial solidity in H2

- Free cash flow strongly positive and substantial decrease in net debt
- Financial leverage reduced to 3.3x

** NHW: Non Hazardous Waste*
HW: Hazardous Waste

Hazardous Waste Markets: Robust activity in France and acquisitions abroad

France: deployment of commercial offerings

- Recovery:
  - ✓ Bromine: Doubling the authorized capacity and major contract with a European chemical company
- Treatment:
  - ✓ Salaise 4 platform: Stronger positions with diverse industrial clients
  - ✓ Class 1: Increased sustainability by extending permits to Changé facility on the long term

- Services:
  - ✓ Medical waste markets: Fast business growth
  - ✓ Radiation Protection: Integration into service activities (comprehensive solutions, decontamination, etc.)

International services: Acquisition of Solarca

- Industrial maintenance activities with a core target customer base (energy, etc.)
- Commercial deployment to the Middle East and Asia: Accompanying existing clients and winning over international clients

Chile: Acquisition of SAN (class I)

- Consolidating operations: improving processes ("stabilizing" procedures) and strengthening the sales strategy (class 1)
- Deploying new treatment offerings (acid waste from mining clients)

Peru: Acquisition of Taris (class I) and implementation of Kanay synergies (Haz.Waste incineration)

- Setting up common management under the authority of the CEO of Kanay
- Industrial and commercial integration: complementary facilities and business lines

Non-Hazardous Waste Markets:
Stronger positions in the circular economy

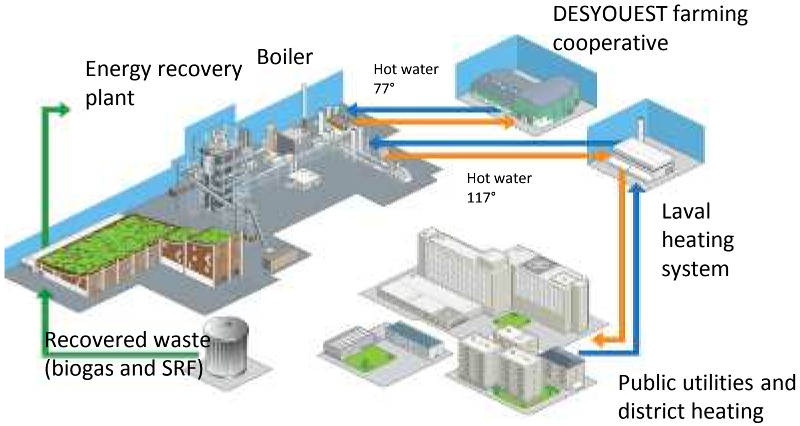
Expansion of the geographical network in the "Grand Ouest" region

- Created the SEO division by acquiring 3 companies:
  - ✓ Strengthened the geographical network in Brittany, Pays de la Loire, and Vendée
  - ✓ Geographically and industrially complementary with SEI, Triadis, and Alcéa sites

- Development of local solutions for governments and businesses (treatment, recovery, and services)

Growth and innovation in the recovery business lines

- SRF energy recovery: startup of LEN contract



- Materials recovery: ramping-up of Changé sorting center
  - ✓ Volume effects: Technical performance and capturing the market
  - ✓ Goals: Sorted volumes +50% and recovery of non-recyclables (SRF)

Operational and financial performance meets expectations

Contributed revenue **+11%**
to €512m

COI **+16%**
to €40m, i.e. 7.8% of contributed revenue

Net income (Group share) **+293%**
to €15.4m, i.e. 3.0% of contributed revenue

Bank covenants under control
with financial leverage of **3.3x** and gearing of **1.3x**

2018: Priority given to selective growth

Growth

- **France**
  - Strong performance by divisions:
    - Steady HW markets
    - Solid NHW markets
  - Business momentum in recovery and services
- **International**
  - LatAm: Promising markets (Chile, Peru)
  - Rest of the World: Implementing commercial synergies with Solarca

Profitability

- **Increase in capabilities**
  - Recovery: Bromine, SRF
  - Treatment: Contribution from platform activities
- **Actions on operational levers**
  - Availability of tools
  - Cost control
  - Process improvement

Cash generation

- **Selectivity of CapEx**
  - Development investments limited
  - Maintenance investments stale
- **Strengthening the financial structure**
  - WCR under control
  - financial structuring to aid development
- **Generating free cash flow**

An "Investor Day" will be held at June 26, 2018 that will detail the strategic plan and the development prospects

Baptiste Janiaud

Chief Administrative and Financial Officer

ECONOMIC AND FINANCIAL PERFORMANCE IN 2017

Key figures 2017

Audited consolidated IFRS data

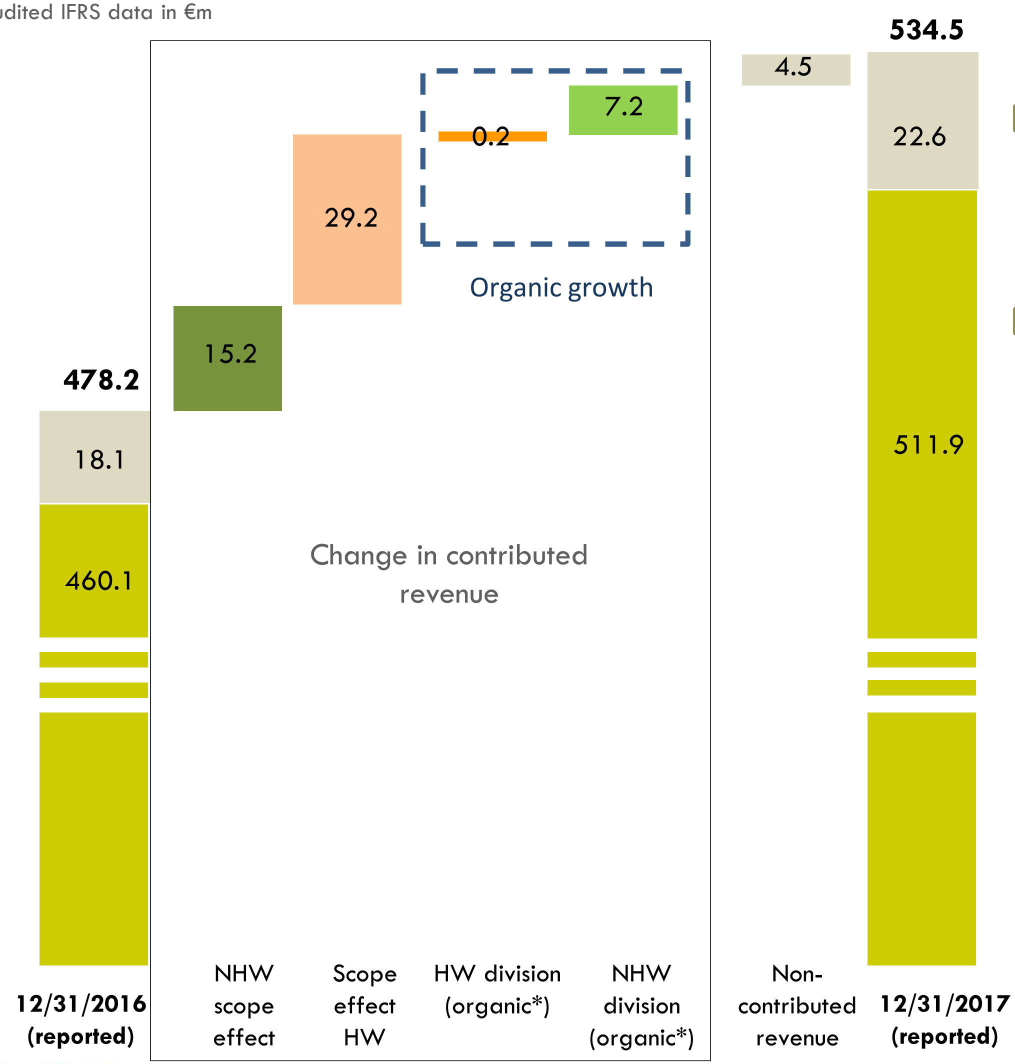
At December 31 In €m	2016	As a % of revenue	2017		As a % of revenue	Change (gross)	Change (organic)*
Contributed revenue	**460.1**	*100.0%*	**511.9**	↗	*100.0%*	**+11%**	**+2%**
EBITDA	**89.1**	*19.4%*	**98.1**	↗	*19.2%*	**+10%**	**+0%**
Current operating income	**34.4**	*7.5%*	**39.7**	↗	*7.8%*	**+16%**	**+5%**
Operating income	26.2	*5.7%*	37.3		*7.3%*	+43%	+31%
Financial income	(10.7)	-	(13.6)		-	-	-
Net income (Group share)	**3.9**	*0.8%*	**15.4**	↗	*3.0%*	**+293%**	**+295%**

Net industrial CapEx paid (excl. IFRIC)	51.4	*11.2%*	57.1		*11.2%*	+11%	-
Gross cash flow	11.1	*2.4%*	64.4	↗	*12.6%*	+481%	-
Net banking debt	**279.0**	**-**	**325.8**		-	**+17%**	**-**

** At constant scope and exchange rates*

Change in reported revenue: +11.8%

Audited IFRS data in €m



* At constant scope and exchange rates

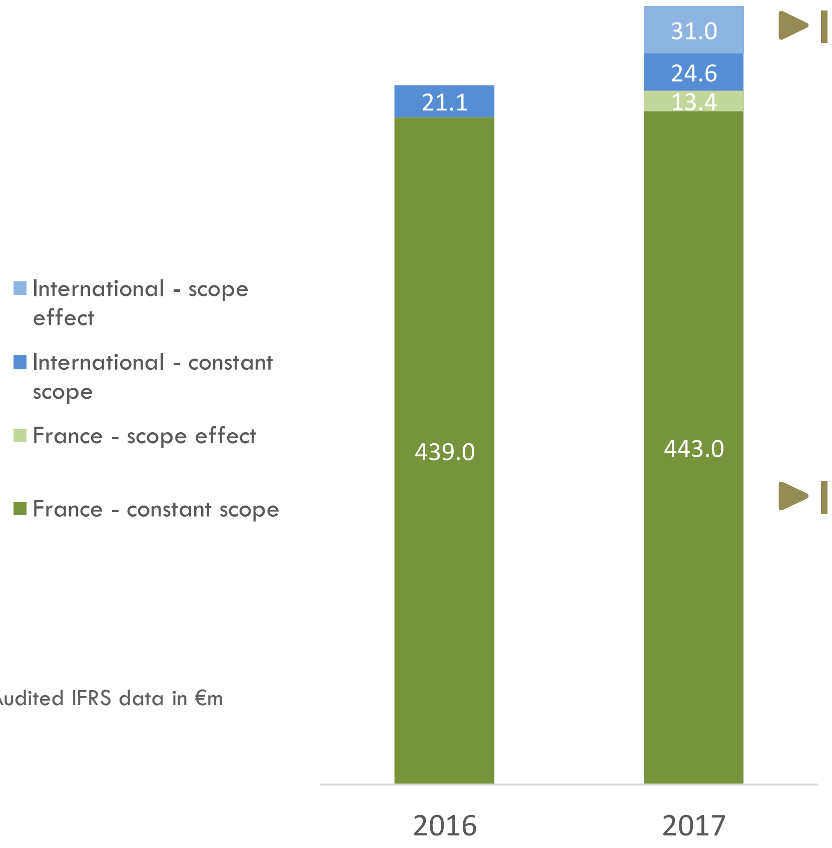
Non-contributed revenue: €22.6m
(vs. €18.1m at 12/31/16)

Contributed revenue: €511.9m
(vs. €460.1m at 12/31/16)
+11.3% gross
+1.6% at constant scope

- Scope effects: +€44.4m
- Organic growth in line with forecasts:
  - HW: Industrial markets bolstered by the economic recovery, but unfavorable 2016 comparison basis
  - NHW: Solidity of local government contracts

A Group that is becoming more international: International revenue at 11% contributed revenue

Breakdown of contributed revenue by geographic area



Audited IFRS data in €m

International: €55.6m in revenue, or +163% (gross data)

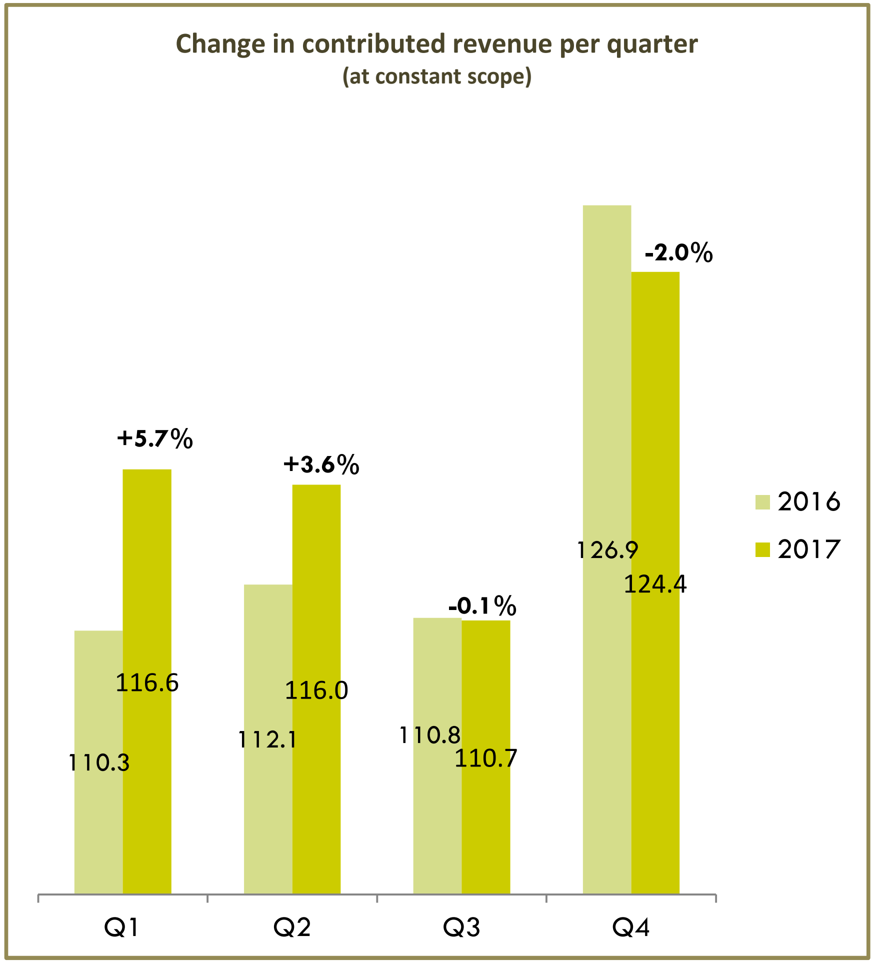
- Scope effect: +€31.0m
  - Treatment: +€6.1m
  - Services: +€24.8m
- At constant scope: Revenue up +17.4%
  - Spain: Strength in recovery activities (regenerating solvents)
  - Argentina: PCB "spot" contracts
- Insignificant forex effect

France: €456.4m in revenue, or +3.9% (gross data)

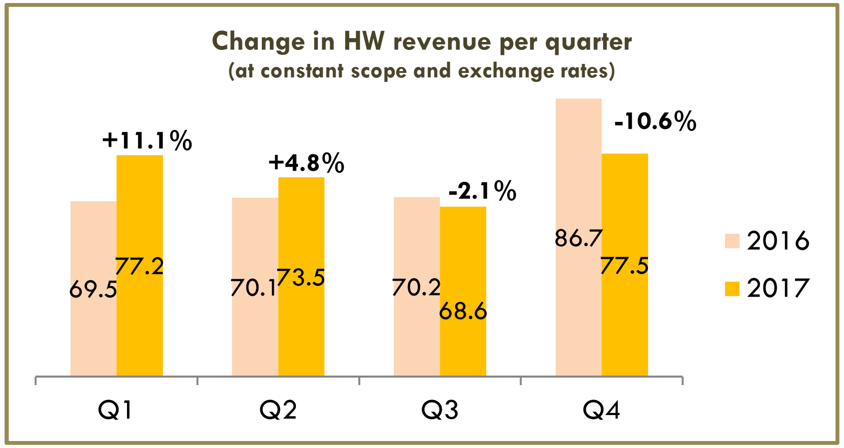
- Scope effect: +€13.4m
  - Treatment: €9.1m
  - Energy recovery: €1.1m
  - Services: €3.2m
- At constant scope: Revenue +0.9% - Unfavorable basis of comparison from H2 2016

Change in activity at constant scope: Strong base effect in Q4

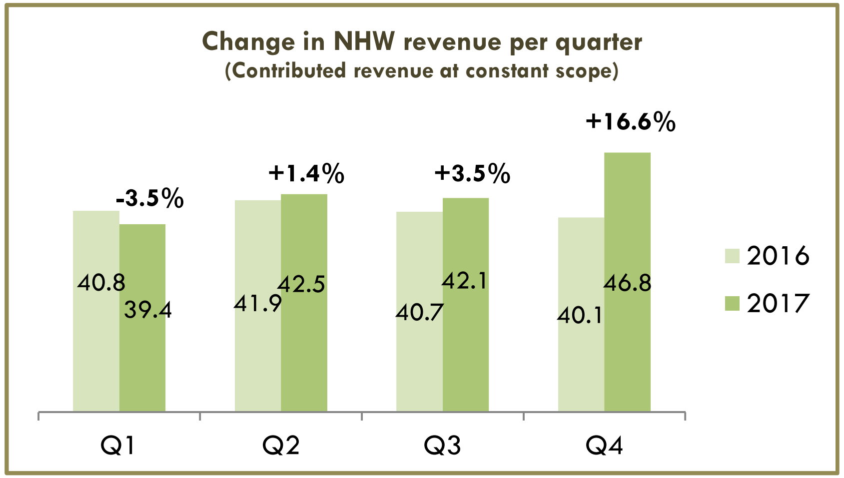
Audited IFRS data in €m



Audited IFRS data in €m



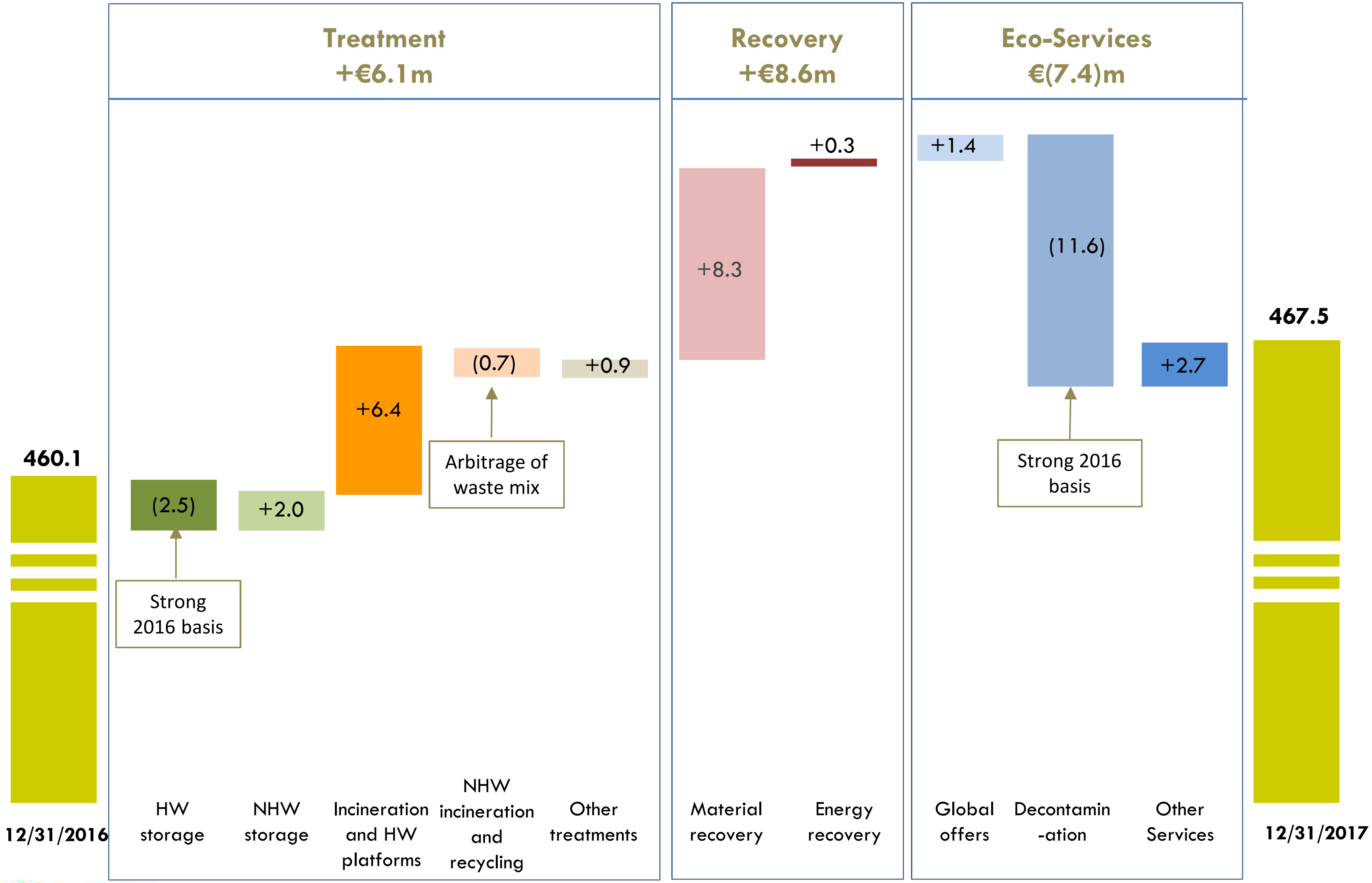
Audited IFRS data in €m



Contribution of activities to growth in contributed revenue

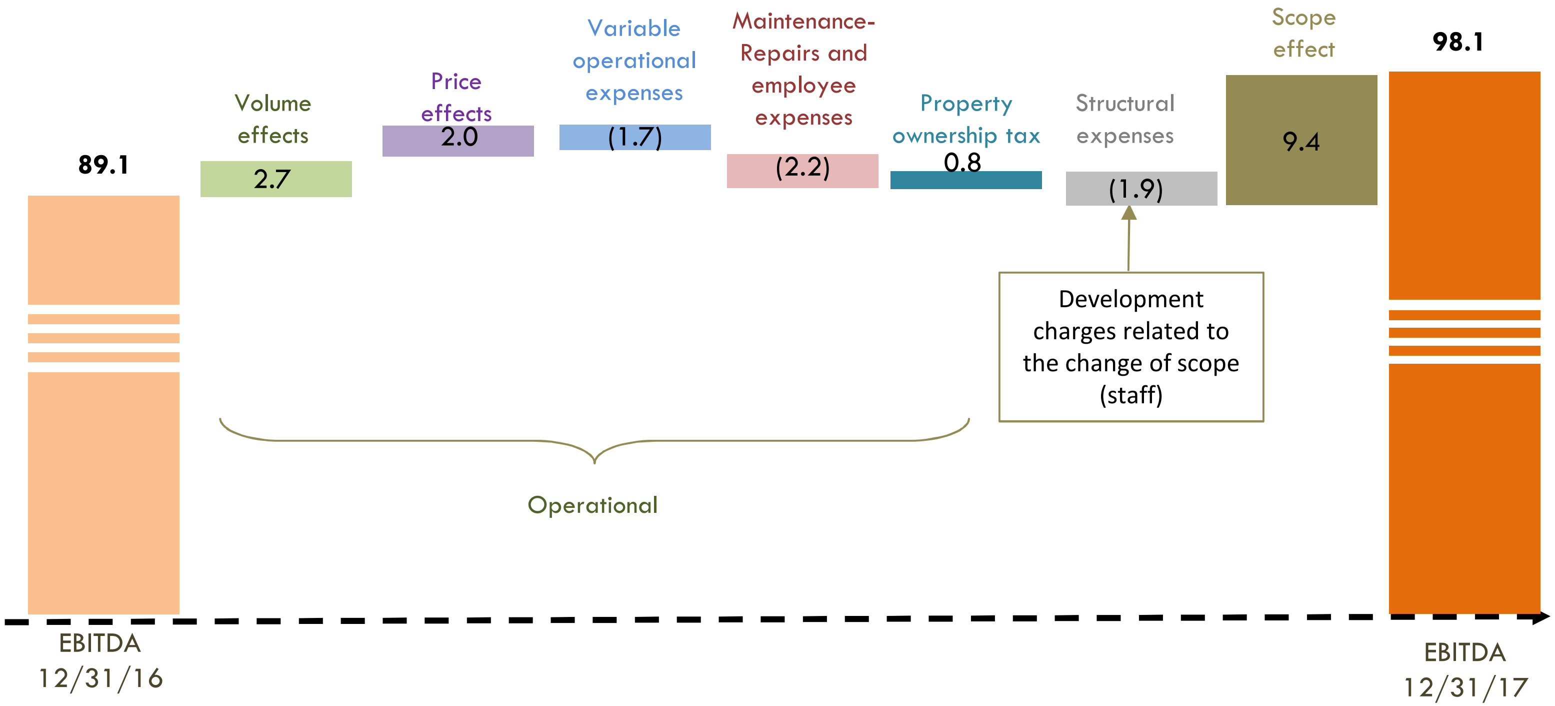
(constant scope)

Audited IFRS data in €m



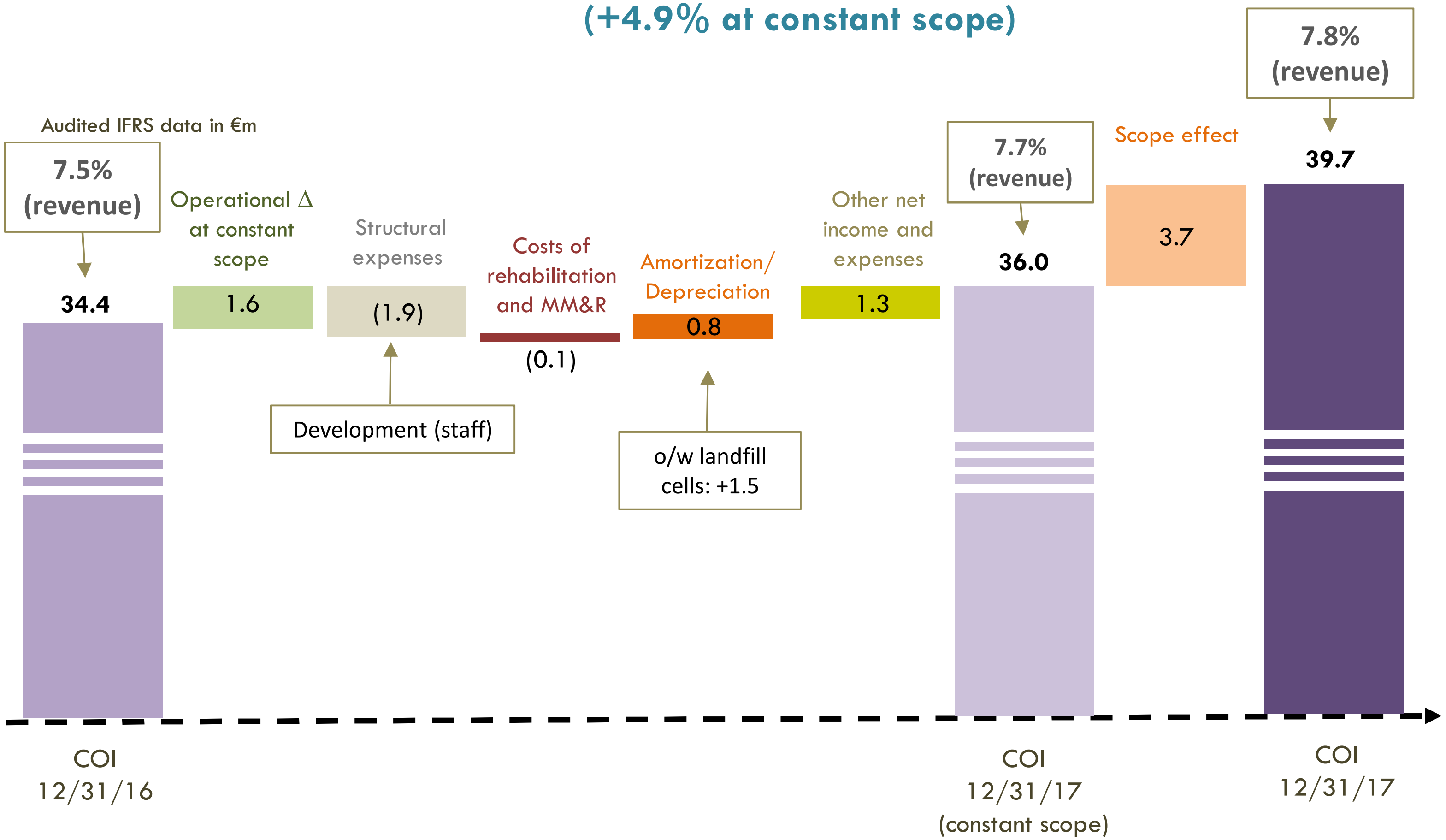
Increase in EBITDA: +10.1% in gross data
Details of effects

Audited IFRS data in €m



- Scope effect: €9.4m (21.2% of revenue)
  - France: €3.4m (25.4% of revenue)
  - International: €6.0m (19.4% of revenue)

Changes in COI: +15.6% on a reported basis
(+4.9% at constant scope)



- **Breakdown of scope effect:** €3.7m (8.3% of revenue)
  - France: €1.0m (7.5% of revenue)
  - International: €2.7m (8.7% of revenue)

From COI to Group net income

Audited IFRS data

At December 31 In €m	2016	2017	Change (gross)	Change (organic)
Current operating income	**34.4**	**39.7**	**+15.6%**	**+4.9%**
Operating income	26.2	37.3	+42.5%	+30.6%
Financial income	(10.7)	(13.6)	-	-
Corporate tax	(10.5)	(7.7)		
Share of Net Income of Affiliates	(0.7)	-		
Net Income from discontinued operations	(0.3)	(0.5)		
Minority interests	-	(0.1)		
Net income (Group share)	**3.9**	**15.4**	**+293%**	**+295%**

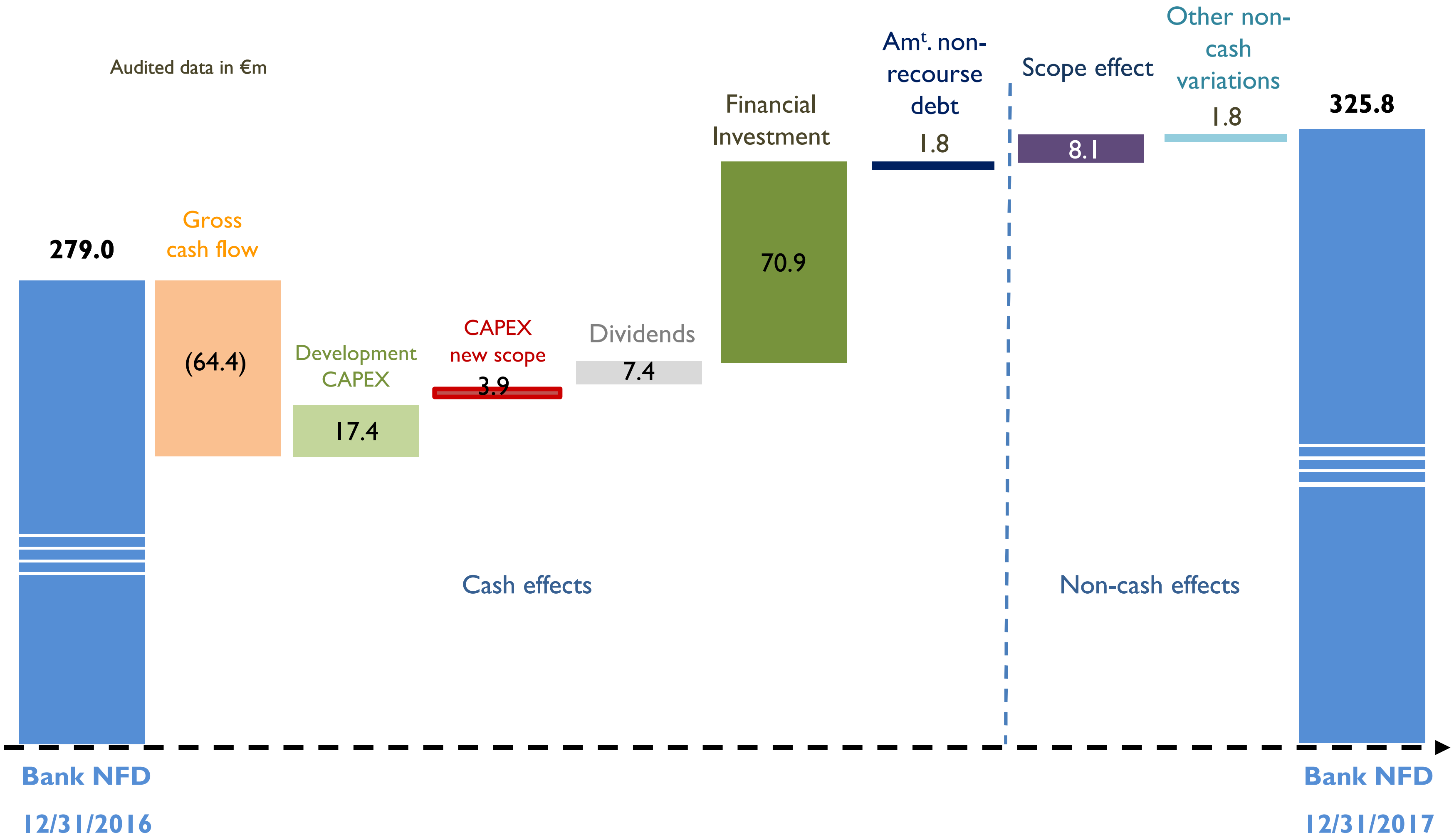
- Cost of net debt: 3.26% (vs. 3.23% in 2016)
- 2016: One-time effect of corporate tax cut on DTA

Strong gross cash flow generation

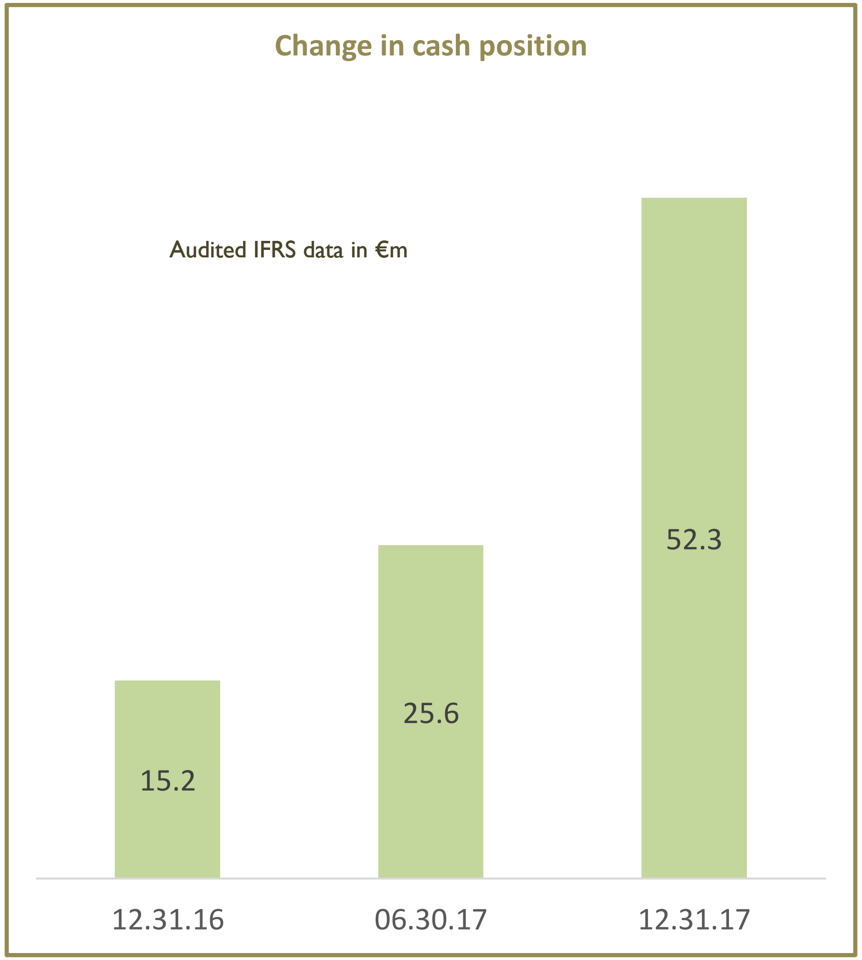
Audited IFRS data

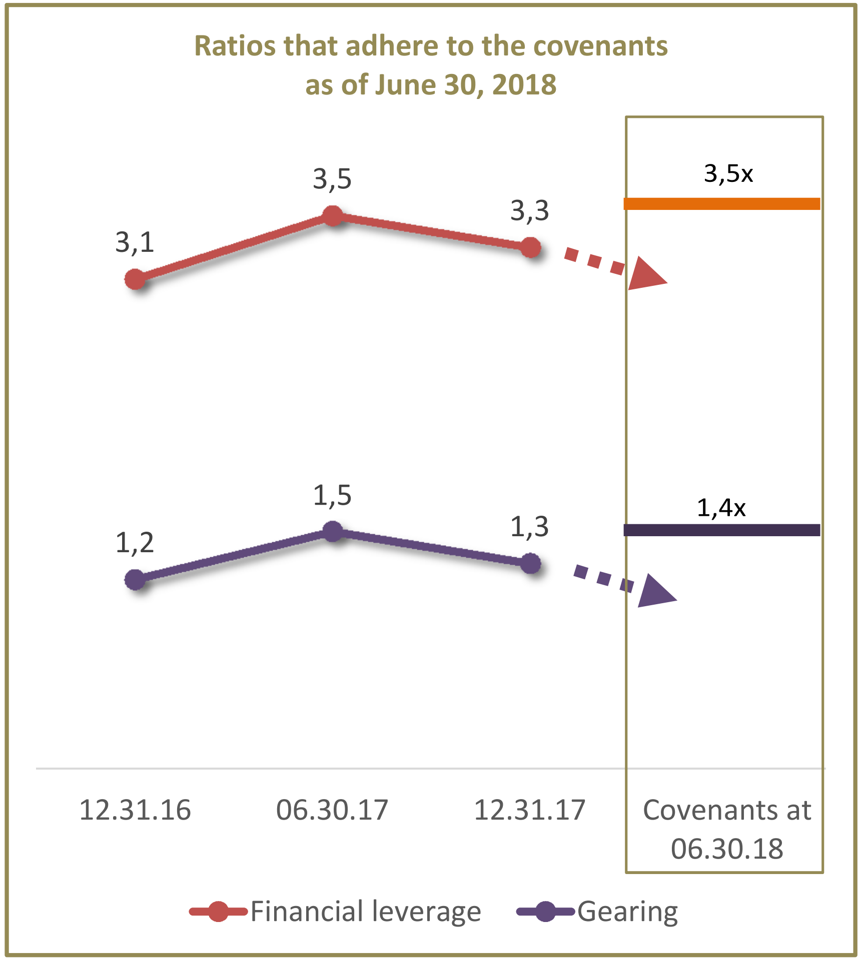
At December 31 In €m	2016	2017	
EBITDA	**89.1**	**98.1**	
Dividends received from affiliates	-	0.1	
Foreign exchange gain (loss)	-	(0.8)	
Other operating income and expenses	(4.2)	(3.3)	
Costs of rehabilitation and maintenance on treatment sites and assets under concession (incl. IFRIC 12)	(14.5)	(15.0)	
Net recurring CapEx paid	(27.4)	(31.5)	o/w landfill cells: €11.8m (vs. €6.3m in 2016)
Change in WCR	(16.1)	30.2	Active recovery policy + One-time optimization
Income tax paid	(7.0)	(1.4)	
Financial fees	(8.9)	(12.0)	Average change in NFD
Gross cash flow	**11.1**	**64.4**	

Change in net banking debt



Good liquidity situation and solid financial structure





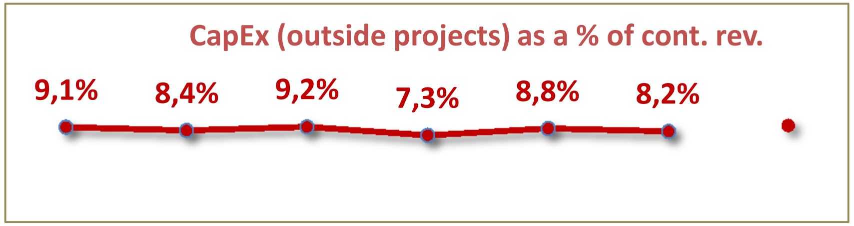
CONCLUSION: PROFITABILITY AND CASH GENERATION

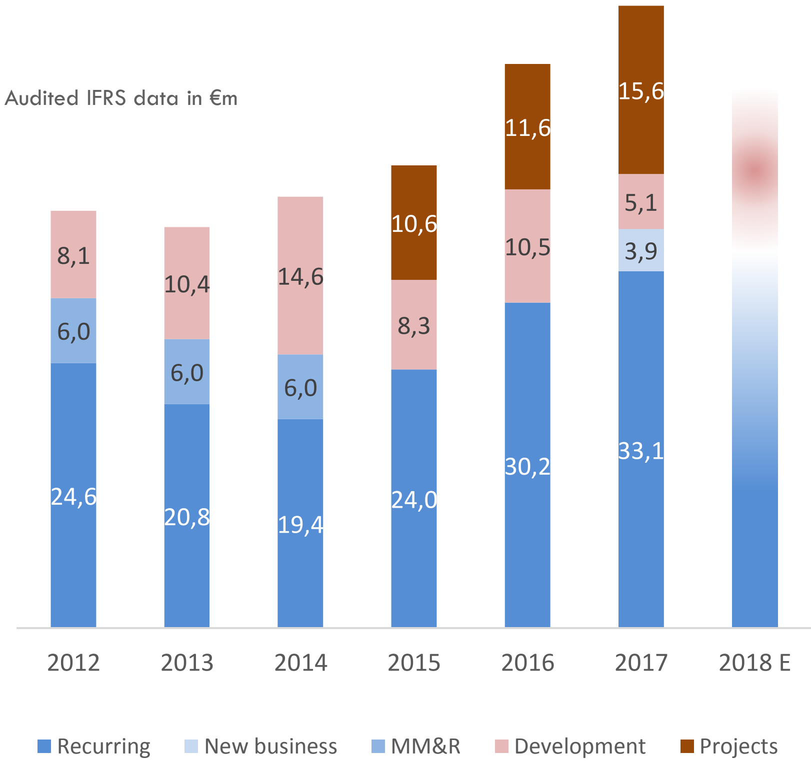
Focus 2018: Generating free cash flow

Selectivity		Agility		Flexibility
Target markets	+	Industrial efficiency	=	**Generating cash flow**
Focus on profitability of Investments	+	Flexibility of CapEx Cost control	=	**Balance sheet structure strengthened** **Adhering to covenants**

Management of the EBITDA-CapEx balance is an oversight tool

Decrease in Industrial CapEx





** For comparability reasons, the major maintenance and repairs were assessed for their average value over 2012-2014*

- Non-recurring CapEx: Targeted projects, particularly internationally (strengthening capacity in Chile and Peru)
- Recurring CapEx: Stabilizing the current sizing base of industrial tools

Outlook:
Improve profitability and cash generation

Focus

- Selective growth
- Profitability
- Core business investments
- Deleveraging

Outlook for 2018

- Expansion of existing scope
- Increase in EBITDA
- Selectivity of development CapEx
- Reduction in debt level

2018 targets

Modest growth in contributed revenue at constant scope*

EBITDA > €100m

Cash generation
targeting financial leverage of about 3x

2017 dividend kept at 0.95 euro per share

* Consolidation scope as at 31/12/2017

Q&A

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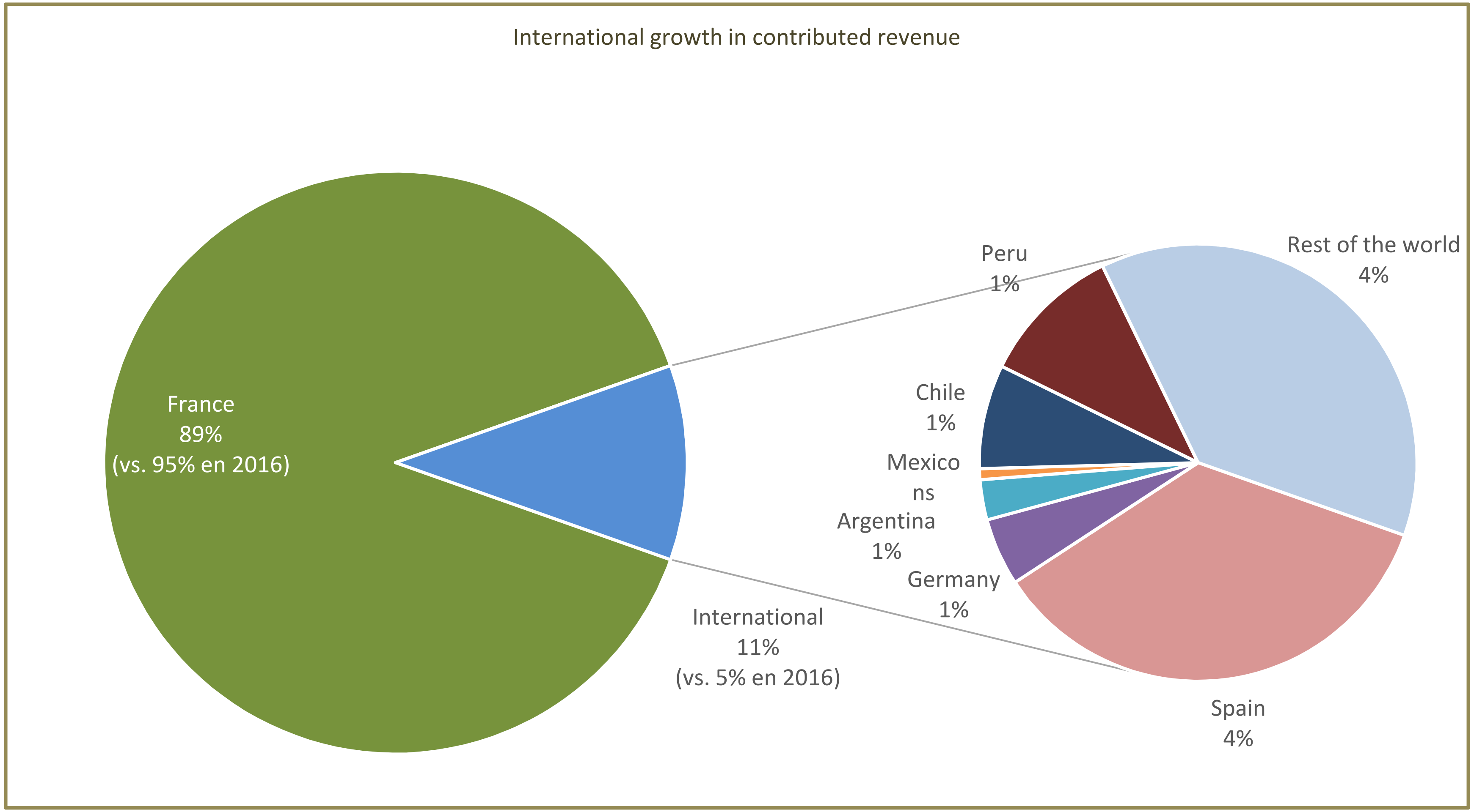
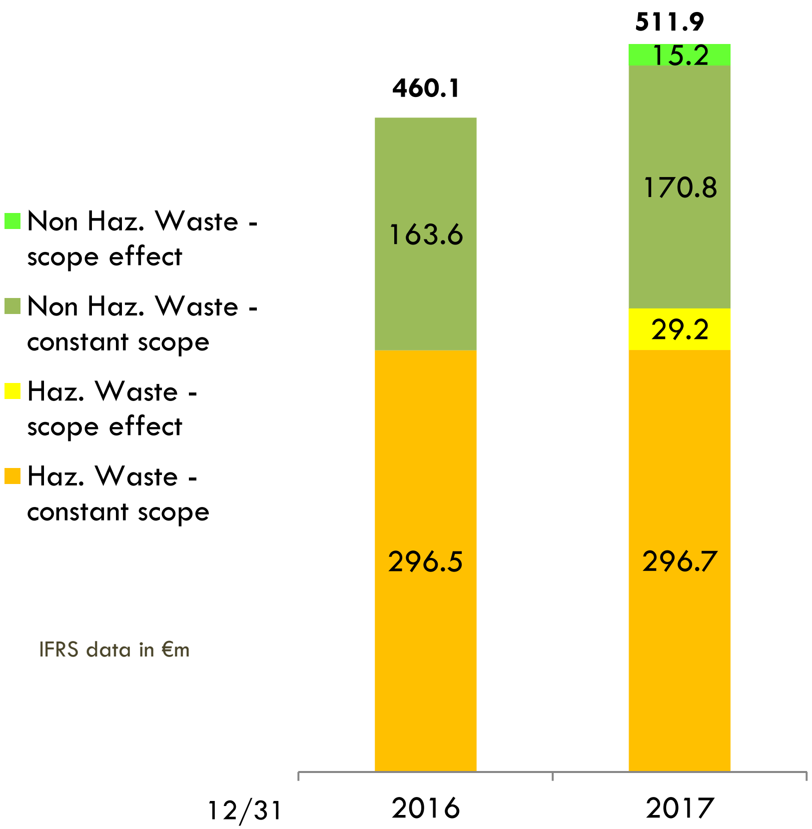
APPENDICES

Appendix 1:
Breakdown in revenue by geographical area



Appendix 2:
Change in contributed revenue by division



NHW division: Contributed revenue to €186.0m
(vs. €163.6m at 12/31/16)

i.e. +13.7% gross
+4.4% at constant scope

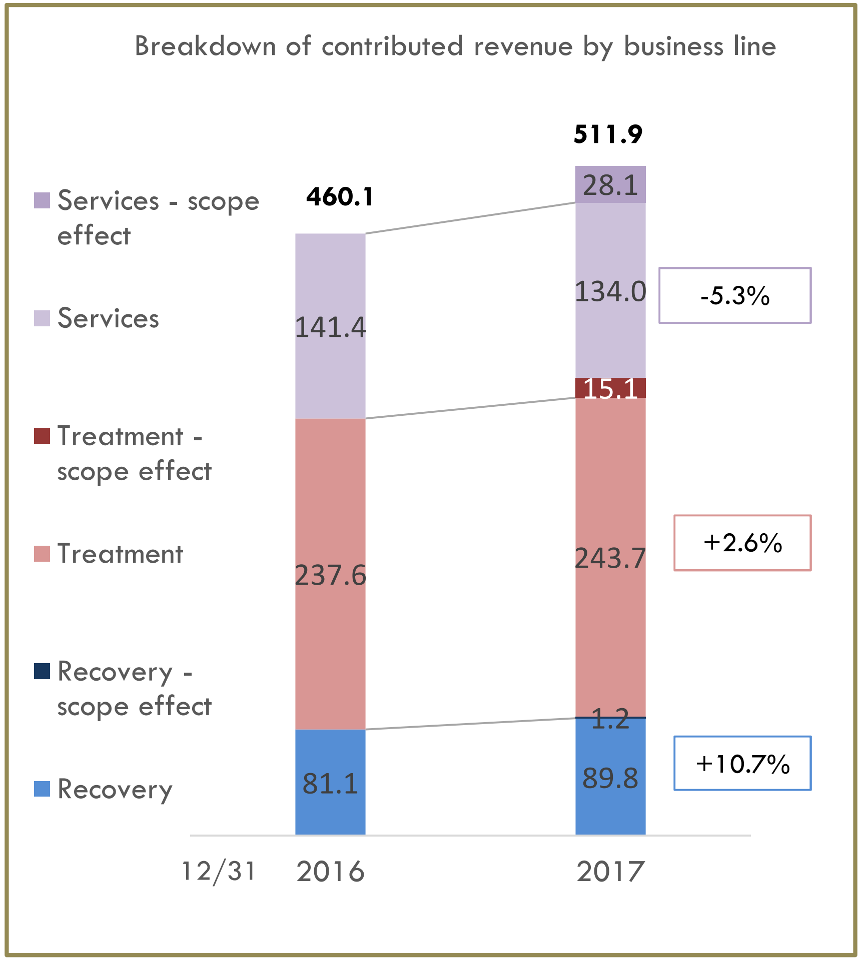
- Constant scope: Recurrence of non-incineration activities (optimization of the waste mix at Salaise 3) and decontamination "spot" contracts at end of year
- Scope effect:
  - ✓ Recovery: +€1.0m
  - ✓ Treatment: +€9.4m
  - ✓ Services: +€4.8m

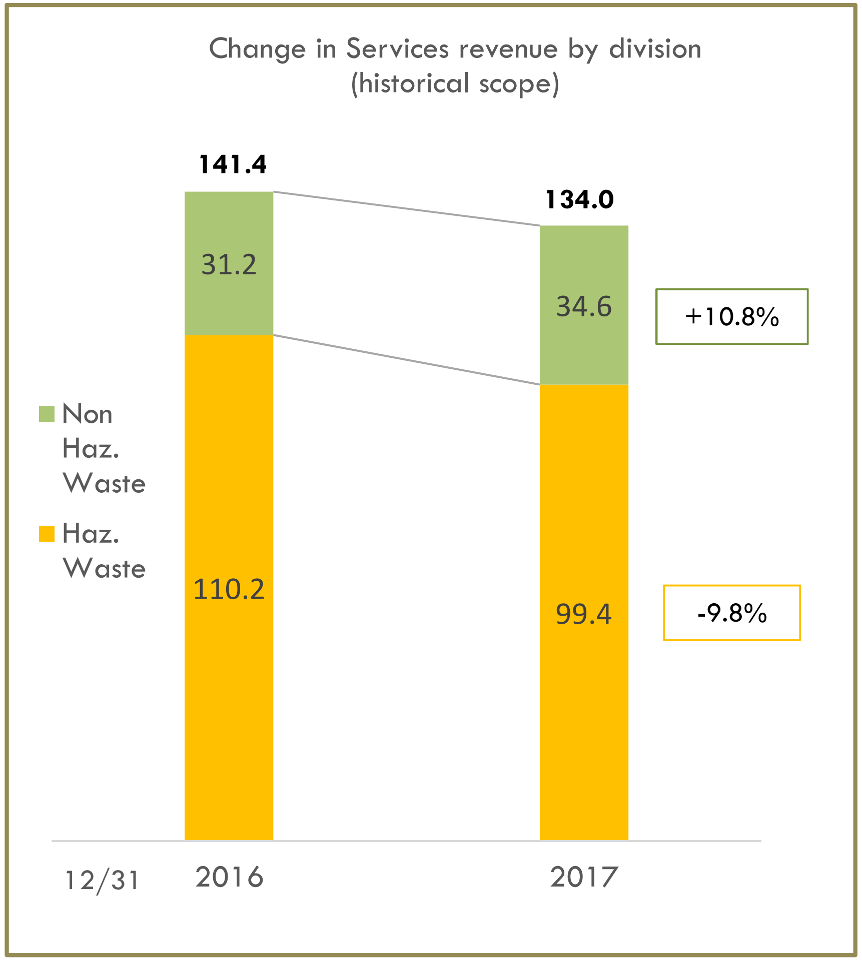
HW division: Revenue of €325.9m
(vs. €296.5m at 12/31/16)

i.e. +9.9% gross
+0.1% organic

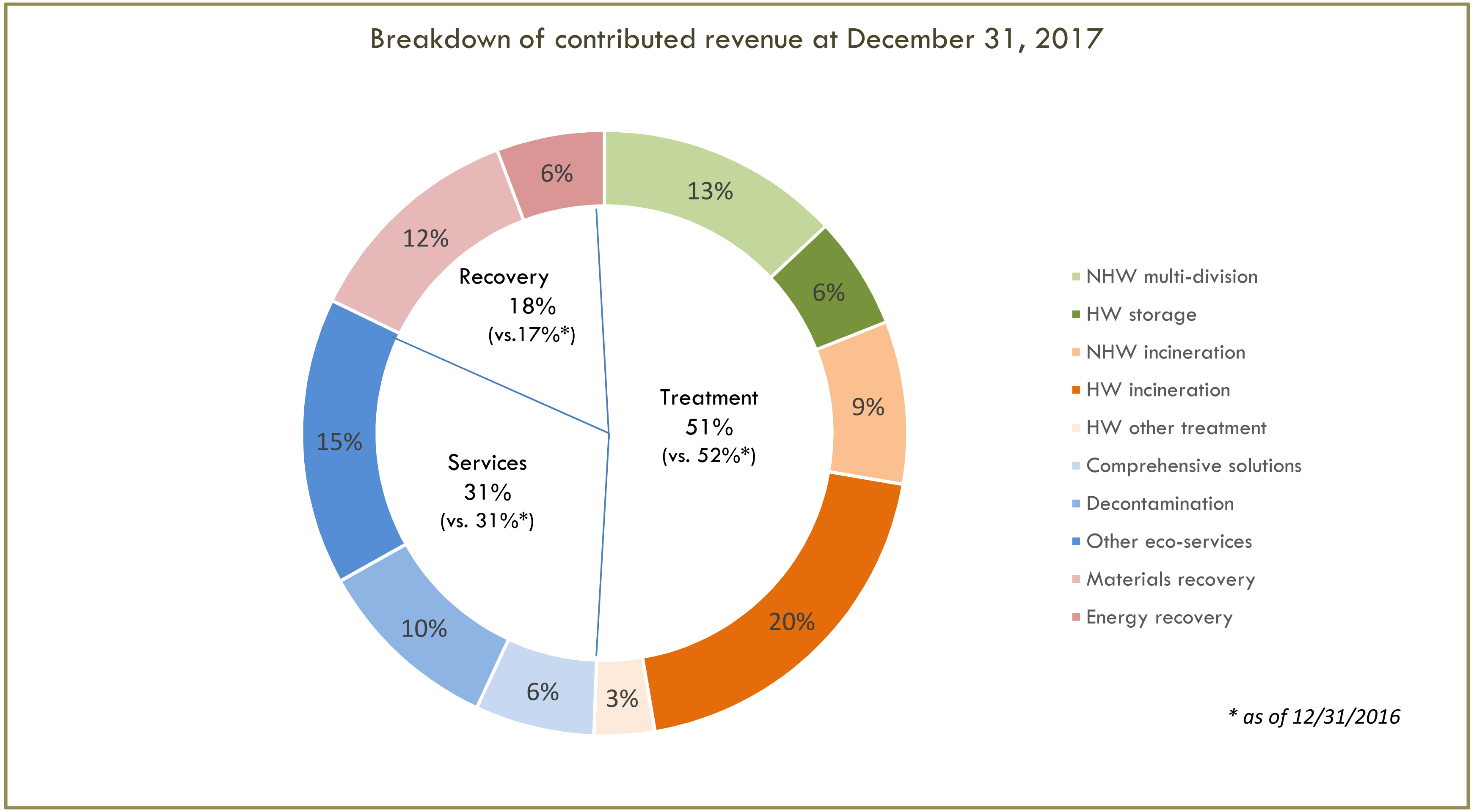
- Constant scope: good performance by non-storage, non-decontamination business lines (2016 base effect - contaminated soil contracts)
- Scope effect:
  - ✓ Recovery: +€0.2m
  - ✓ Treatment: +€5.8m
  - ✓ Services: +€23.2m

Appendix 3:
Change in contributed revenue by division



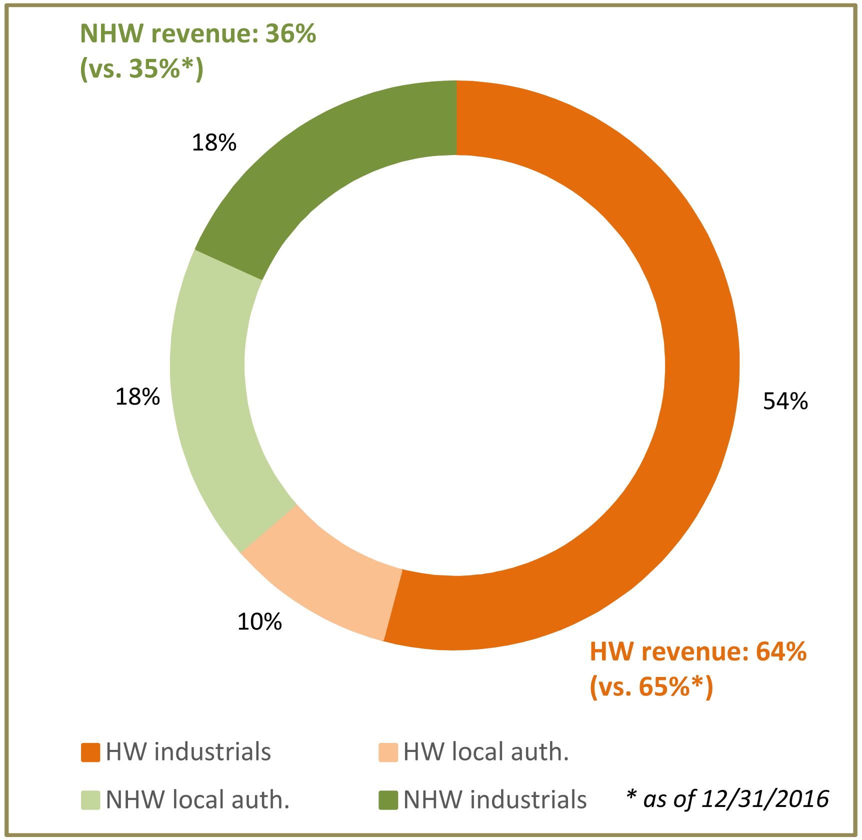


Appendix 4:
Breakdown of activity by business line

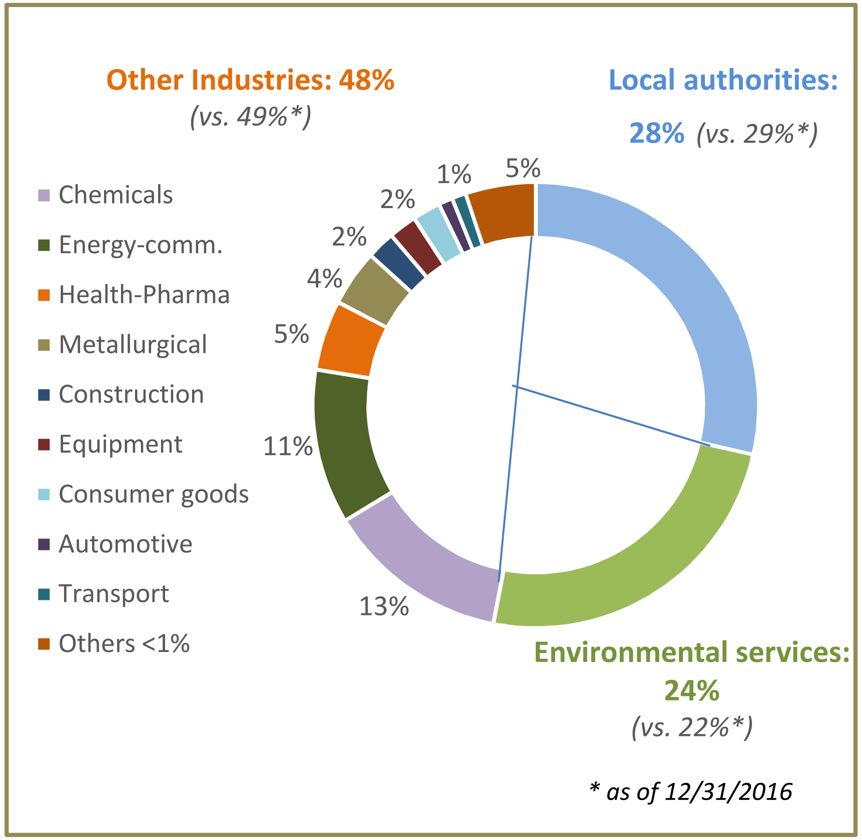


Appendix 5:
Breakdown of contributed revenue by client

Breakdown of contributed revenue at December 31, 2017 by division and client type



Breakdown of contributed revenue at December 31, 2017 by activity sector



Appendix 6:
Change in EBITDA by scope

Audited IFRS data

At December 31 In €m	2016 Consolidated	 France	 Int'l.	2017 Consolidated	 France	 Int'l.
Contributed revenue	460.1	439.0	21.1	511.9	456.3	55.6
EBITDA	89.1	86.9	2.2	98.1	89.4	8.7
As a % of contributed revenue	*19.4%*	*19.8%*	*10.5%*	*19.2%*	*19.6%*	*15.7%*
Contributed revenue at constant scope	460.1	439.0	21.1	467.5	442.9	24.6
EBITDA at constant scope	89.1	86.9	2.2	88.7	86.0	2.7
As a % of contributed revenue	*19.4%*	*19.8%*	*10.5%*	*19.0%*	*19.4%*	*11.1%*

- Positive contribution of external growth to gross operating income
- At constant scope:
  - France: Lower contribution of HW storage and HW decontamination and increased structural charges to adapt to changing perimeter (staff)
  - International: Solid performance from Spain (regenerating solvents) and Argentina (PCB)

Appendix 7: Change in COI by scope

Audited IFRS data

At December 31 In €m	2016 Consolidated	2016 France	2016 Int'l.	2017 Consolidated	2017 France	2017 Int'l.
Contributed revenue	460.1	439.0	21.1	511.9	456.3	55.6
COI	34.4	32.7	1.7	39.7	34.7	5.0
As a % of contributed revenue	*7.5%*	*7.4%*	*8.0%*	*7.8%*	*7.6%*	*9.0%*
Contributed revenue at constant scope	460.1	439.0	21.1	467.5	442.9	24.6
EBITDA at constant scope	34.4	32.7	1.7	36.1	33.8	2.3
As a % of contributed revenue	*7.5%*	*7.4%*	*8.1%*	*7.7%*	*7.6%*	*9.3%*

- At constant scope:
  - France: Reducing amortization (storage) and provisions (improving client risks)
  - International: Contribution from Spain and Argentina
- New scope:
  - France: COI of €1.0 million (7.0% of revenue)
  - International: COI of €2.7 million (8.8% of revenue)

Appendix 8:
Change in Operating Income

Audited IFRS data

At December 31	2016		2017		Gross change	Change (constant scope)
	€m	%	€m	%		
Contributed revenue	460.1	*100%*	511.9	*100%*	11.3%	+1.6%
EBITDA	89.1	*19.5%*	98.1	*19.2%*	+10.1%	-0.4%
COI	34.4	*7.5%*	39.7	*7.8%*	+15.5%	+4.9%
Operating income	**26.2**	***5.7%***	**37.3**	***7.3%***	**+42.5%**	**+30.6%**

- Operating income at €37.3m, i.e. 7.3% of contributed revenue (vs. €26.2m, i.e. 5.7% of contributed revenue)
  - ➢ COI (constant scope): €36.1m
    - ✓ Performance plan: €(0.9)m
    - ✓ Cost of business combinations: €(1.0)m
  - ➢ Scope effect: +3.1€m

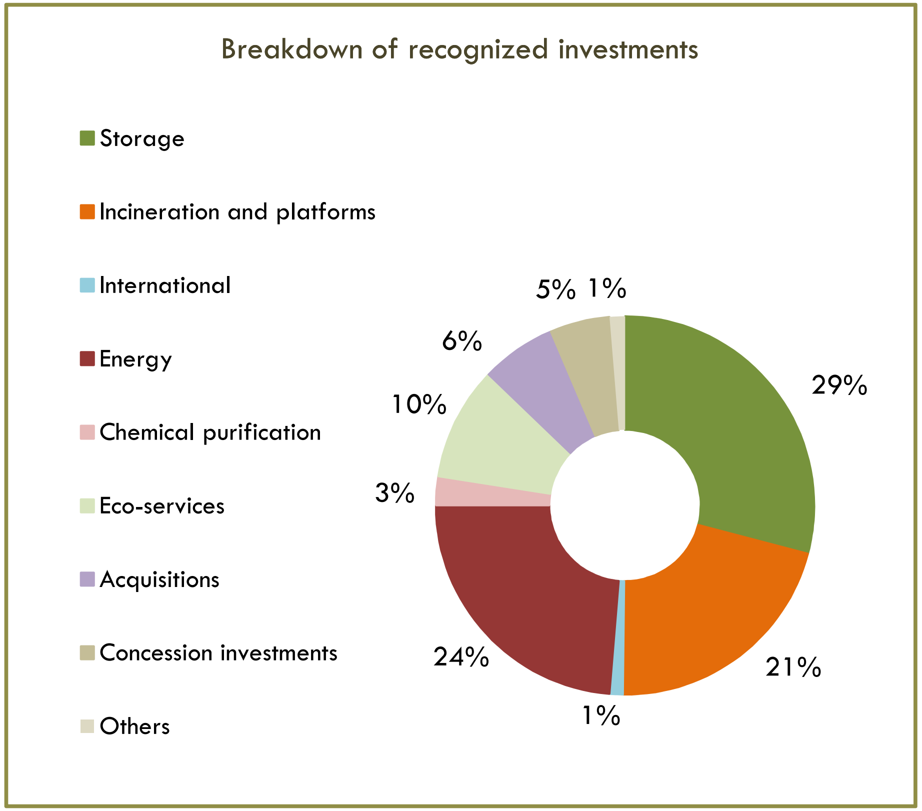
Appendix 9:
Changes in Financial Income

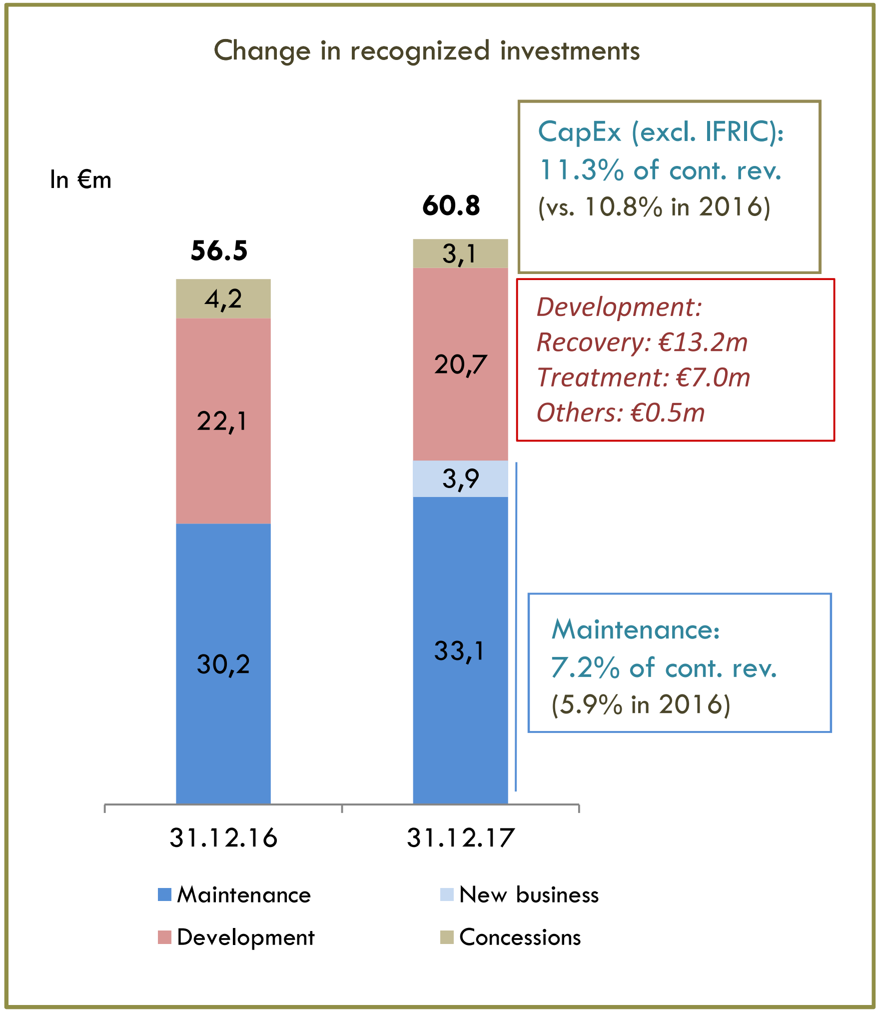
Audited IFRS data in €m

At December 31	2016	2017
Gross cost of financial debt	(10.3)	(12.4)
Income from cash and cash equivalents	0.3	0.1
Other financial income and expenses	(0.8)	(1.3)
Financial income	**(10.7)**	**(13.6)**

- Average cost of debt at 3.26% (vs. 3.23% in 2016)
- Increase in average net financial debt over the period

Appendix 10:
Details of recognized industrial investments

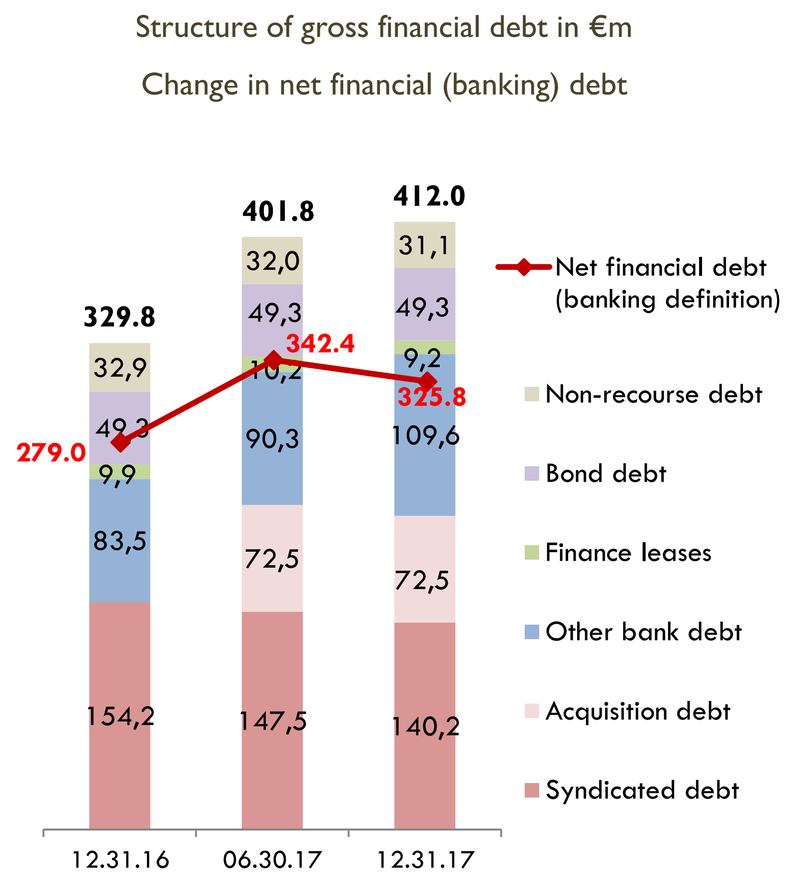




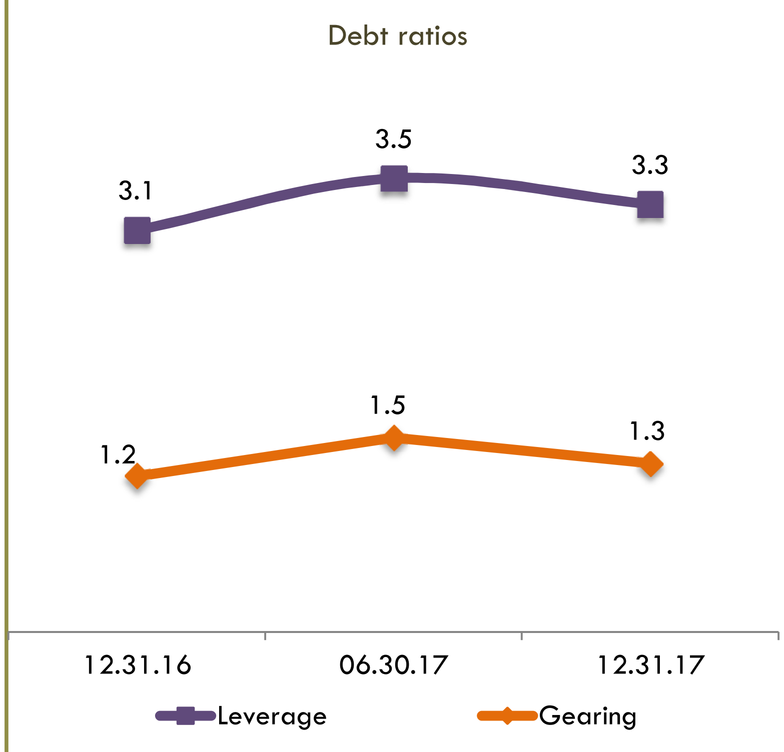
Recognized industrial CapEx: €60.8m, o/w IFRIC 12: €3.1m
(€56.5m at 12/31/2016, o/w IFRIC 12: €4.2m)

Net industrial CapEx paid: €57.1m, o/w IFRIC 12: €4.3m
(€51.4m at 12/31/2016, o/w IFRIC 12: €4.1m)

Appendix 11:
Change in financial debt and banking ratios



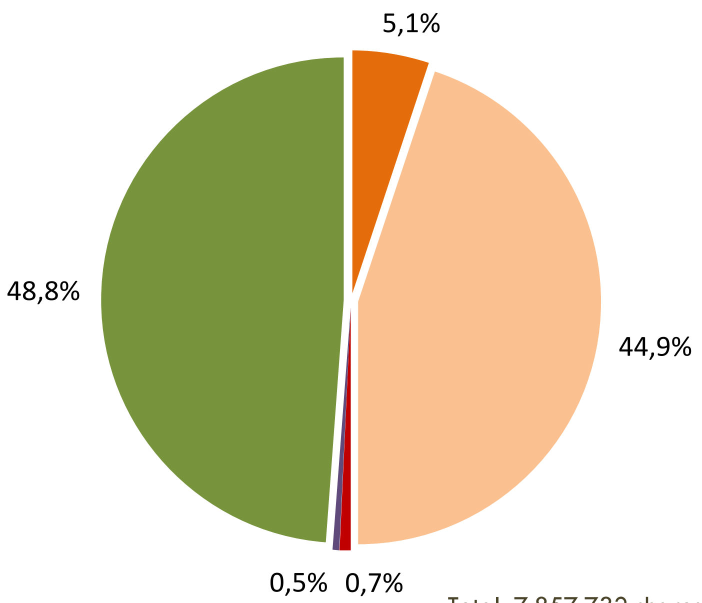
Maturity of debt: 4.2 years



Banking covenants at 12/31/17
- ✓ Leverage < 3.7
- ✓ Gearing < 1.6

Appendix 12: Breakdown of shareholders and voting rights

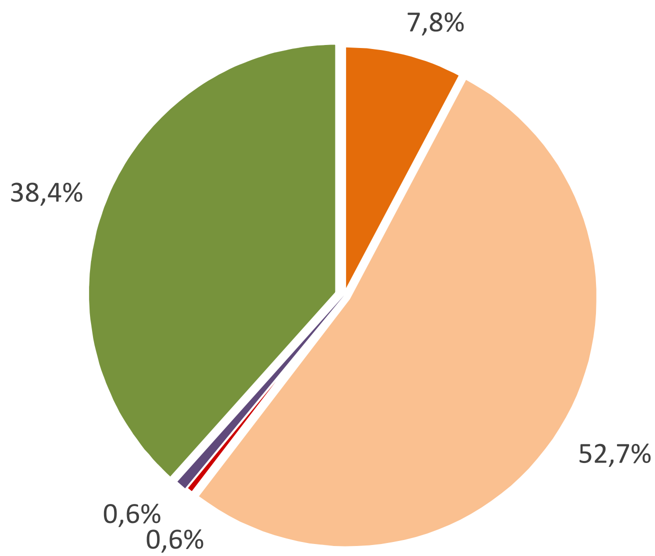
Breakdown of shares at 12.31.2017



Total: 7,857,732 shares

- J. Séché
- Groupe Séché (family-owned holding company)
- Treasury stock
- Employees
- Free float

Breakdown of voting rights at 08.31.2017



Total: 10,374,253 voting rights

- J. Séché
- Groupe Séché (family-owned holding company)
- Treasury stock (w/o voting rights)
- Employees
- Free float