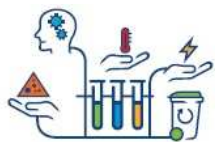


Déployer l'expertise du déchet  
pour un monde plus durable

# CONSOLIDATED REVENUE AS OF MARCH 31, 2020





## First-quarter activity

### Highlights of the period



Solid organic growth in Q1 2020: Contributed revenue +10.1%

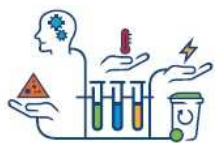
- Scope effect: €13.6m mainly due to Mecomer (not consolidated as of March 31, 2019)
- High-quality organic growth: Revenue up +2.5%
- Second half of March: Initial effects of Covid-19 crisis in France and Internationally



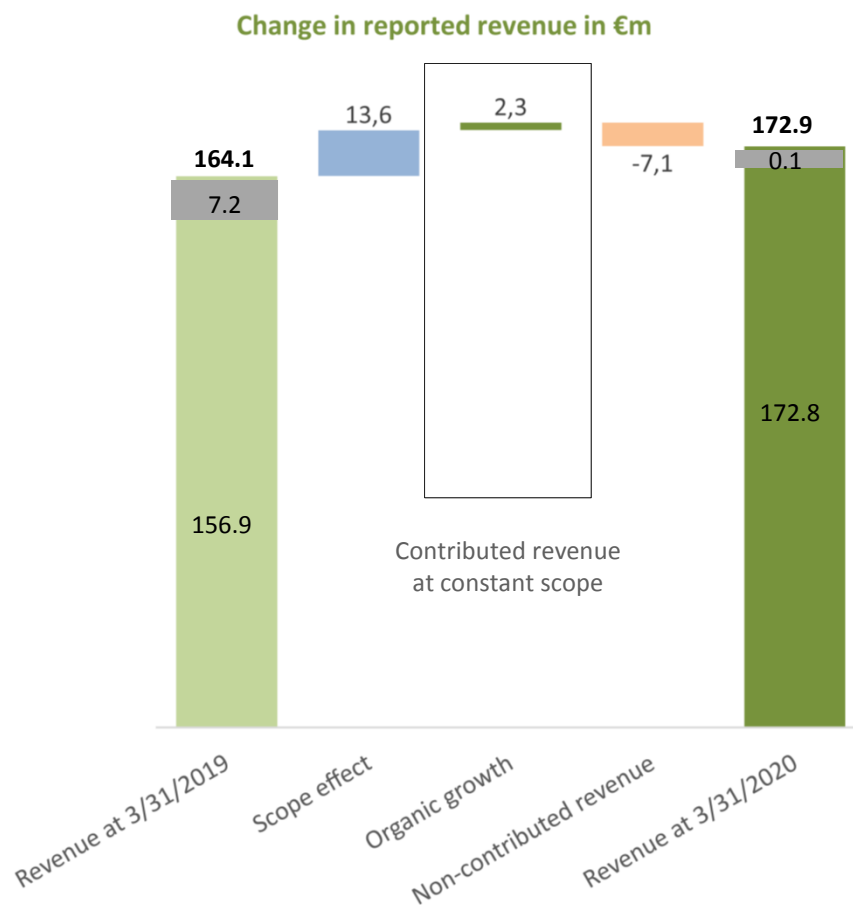
Impact of the Covid-19 crisis

- Business continuity with differentiated effects by markets or geographical area
- Financial strength preserved
- Assumption of a short crisis: 2020 outlook and 2022 roadmap both maintained





## Sharp growth in contributed revenue: +10% High-quality organic growth



Non-contributed revenue: €0.1m  
(vs. €7.2m at 3/31/2019)

**Contributed revenue: €172.8m**  
(vs. €156.9m at 3/31/2019)  
+10.1% (reported data)  
+2.5% (like-for-like\*)

**HW Division: Revenue of €113.5m**  
+12.8% (reported data)  
+0.4% (like-for-like\*)

Solid economic backdrop on the industrial markets and the resiliency of the Decontamination markets in France  
Decline in International spot markets

**NHW division: Contributed revenue of €59.3m**  
+5.4% (reported data)  
+6.3% (like-for-like\*)

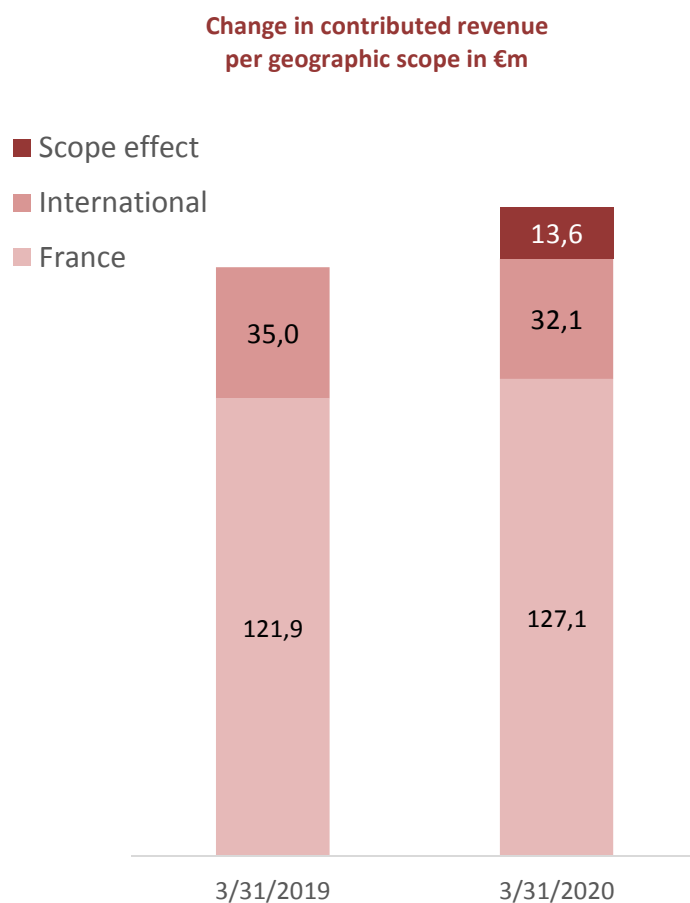
Markets driven by regulations governing the circular economy in France  
Solid level of business internationally

\*At constant scope and exchange rates



## France: Solid industrial market environment

## International: Spot market decline



### International: Revenue of €45.7m

i.e. +30.4% (reported data)

-3.9% (like-for-like\*)

#### Scope effect: €13.6m

- Mecomer: Revenue up +26% (o/w +13% volume effect) vs. 3/31/2019

#### Sharp decline in exchange rates in March (ZAR, CLP, etc.)

#### On a like-for-like basis\*:

- Spot market decline: PCBs in LatAm, chemical cleaning sites (World)
- Healthy business across growth platforms excluding Chile

### France: €127.1m in contributed revenue, i.e. +4.3% (reported data)

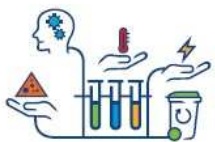
#### HW Division: +9.1% to €78.5m

- Solid industrial markets driving recovery and treatment activities
- Buoyant Decontamination markets

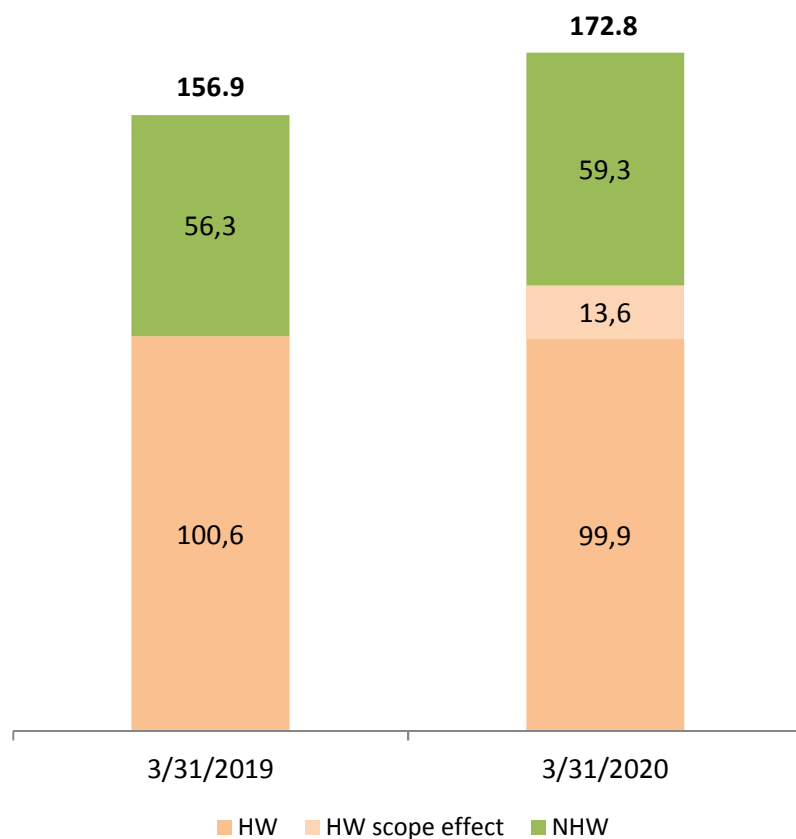
#### NHW division: -2.5% to €161.6m

- High-growth markets in the Circular Economy, but a major setback in energy recovery (Sénerval returned to normal operating conditions)
- Good performance by Decontamination activities

\*At constant scope and exchange rates



## Balanced growth across divisions in France and internationally



### NHW division: Contributed revenue of €59.3m

(vs. €56.3m at 3/31/2019)

i.e. +5.4% (reported data)  
+6.3% (like-for-like\*)

#### On a like-for-like basis:

- Treatment: +3.0% to €34.0m - Positive price effects amid authorization saturation (implementation of Circular Economy)
- Recovery: -16.3% to €6.8m - Lesser contribution from Sénerval (return to normal operating conditions)
- Services: +25.7% to €18.5m - Decontamination on the right track, South Africa buoyant

### HW Division: Revenue of €113.5m

(vs. €100.6m at 12/31/2018)

i.e. +12.8% (reported data)  
+0.4% (like-for-like\*)

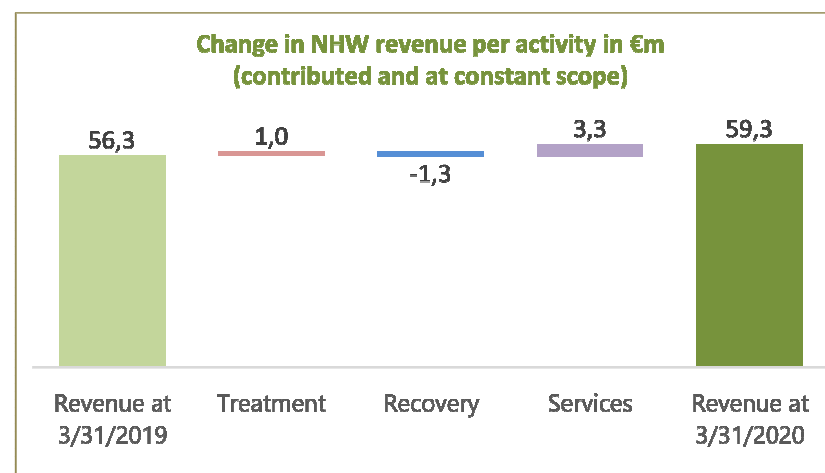
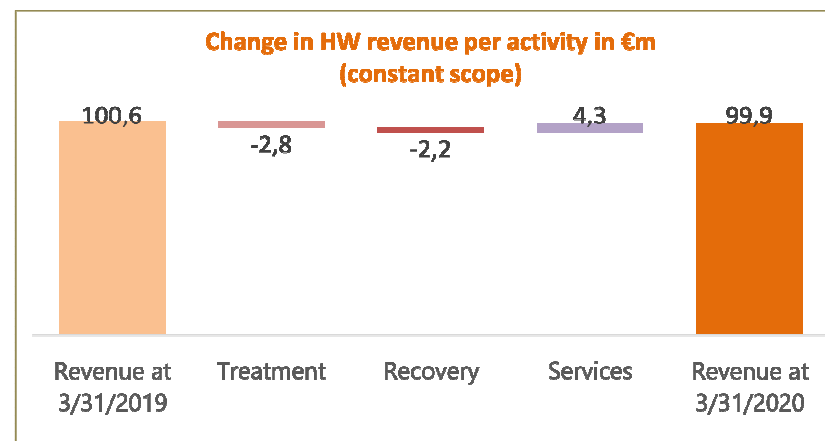
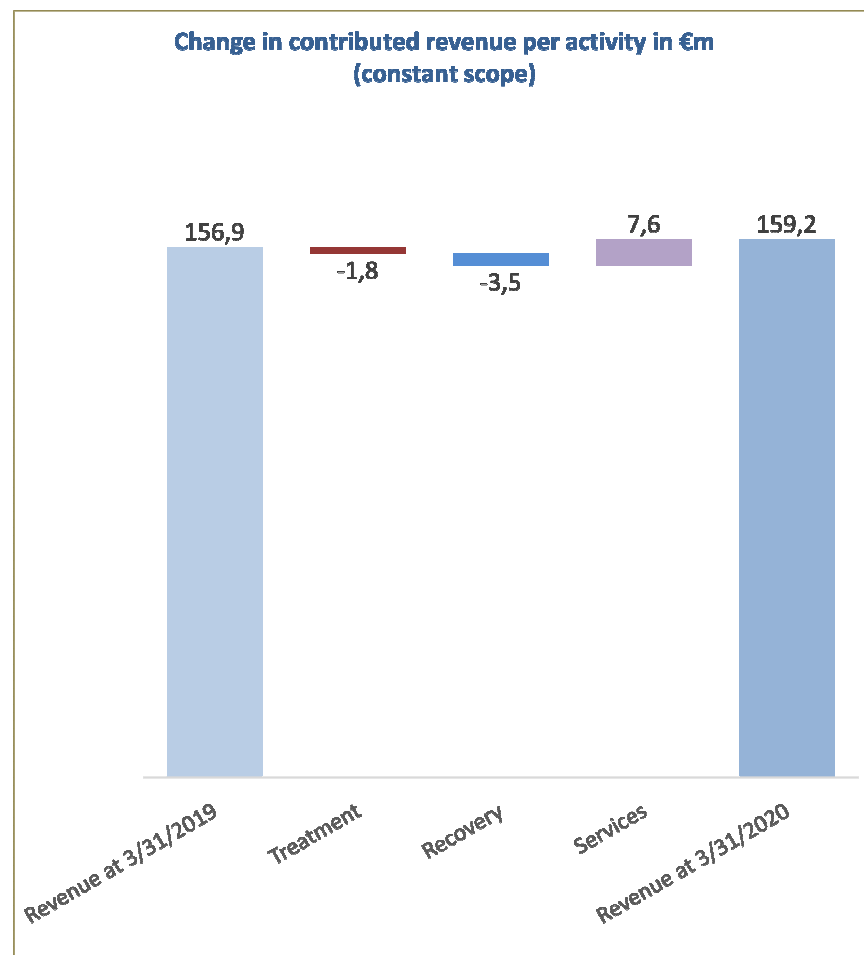
#### On a like-for-like basis:

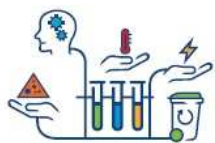
- Treatment: -5.7% to €39.8m - Industrial markets solid in France, but weaker contribution from International (Chile, Spain)
- Recovery: -10.3% to €17.4m - Speichim on the right track, but PCB spot markets contracting in International markets
- Services: +12.7% to €42.7m - Growth in France (Decontamination) and South Africa

\* At constant scope and exchange rates

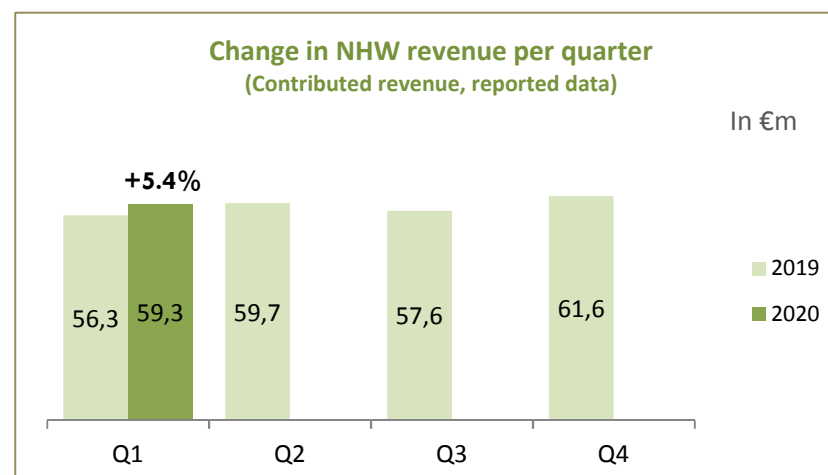
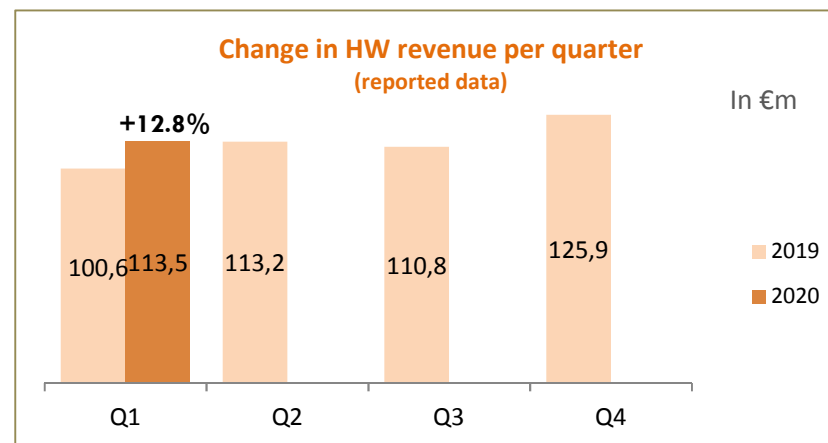
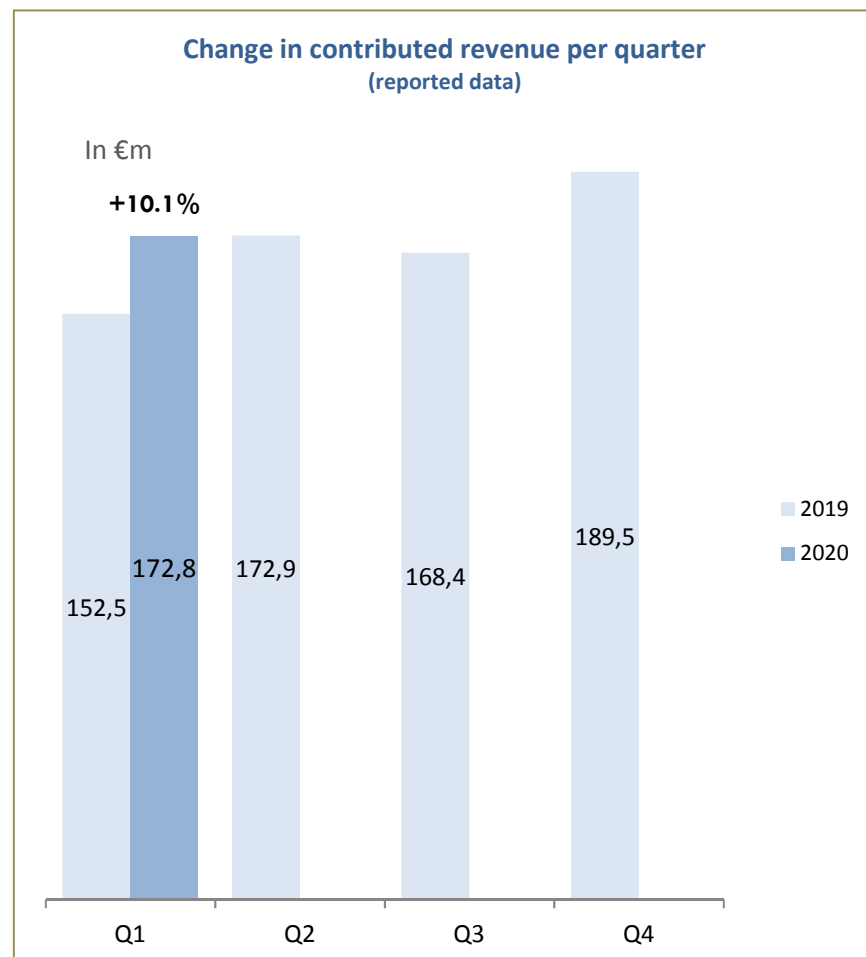


## To sum up: High-quality growth in the core business





## A robust first quarter, reinforcing expectations for 2020 (if short term crisis)





## Impact of Covid-19 crisis

### Business continuity plan

#### Strategic waste activities

- Control of the health and environmental risk
- Core customer base is strategic industries, including energy, raw materials, chemicals, petrochemicals, pharmaceuticals and health care, plus public services (Local Authorities, Hospitals)

#### Anticipated organizational measures

- Enhanced protection of operations staff
- Rotation of operations teams
- Remote work for support functions

### Limited impact on business and profitability

**Business continuity** in France and Internationally with differentiated situation by markets and areas

**Hazardous Solid Waste markets:** incineration, chemical purification, and storage did well (see core customer base)

**Non-Hazardous Waste Markets:** resilience of Local Authorities and Environmental Services markets, but lower volumes in sorting centers (industrial waste, etc.)

**Operations postponed** in Services in France and internationally (site operations)

**Worsening exchange rates** (South Africa; Chile, Argentina, etc.)

### Cash prioritized

Solid position: cash position enhanced by credit facilities

**Certain development investments postponed** with no impact on availability of tools

**No significant financial payments** before 2023 and 2025, and bank loan repayments postponed by 6 months

**AGM of April 30, 2020:** proposed dividend maintained at €0.95 (payment on July 10)





## Limited impact scenario: 2020 targets confirmed

### Confidence in the roadmap through to 2022

#### • Activity:

- **France:** maintain quality growth on our main markets
- **International:** continued strong growth on expanding markets and greater contribution from Interwaste

- **Operating income:** EBITDA at 20% of contributed revenue for French and International operations

- **Active investment plan** in line with international development plans

#### • Cash and flexibility:

- **Free cash flow** at 35% of EBITDA
- **Financial leverage ratio target** confirmed: around 3x EBITDA

2020\* targets confirmed if economic activity restarts in May



*\* See Investor Day of June 26, 2018. These forecasts do not take into account the potential risk of a significant and long-lasting impact on growth and industrial output of a coronavirus-related crisis in regions where the Group operates.*

#### • Activity:

- **Contributed revenue** (2019 scope) between €750m and €800m
- **About 30% generated internationally**

#### • Operating income:

- EBITDA between 21% and 22% of contributed revenue

#### • Investments:

- **Target:** 10% to 11% of contributed revenue
- o/w maintenance CapEx at 8% of contributed revenue

#### • Cash and flexibility:

- **Free cash flow generation<sup>1</sup>:** around 35% of EBITDA
- **Target financial leverage ratio** below 3.0x EBITDA

2022 Roadmap\*\* (at constant scope) forecasts on track



*\*\* See Investor Day of December 17, 2019*



*Research Laboratory, Interwaste, South Africa*

# APPENDICES



## Appendix 1

### Definition of contributed revenue

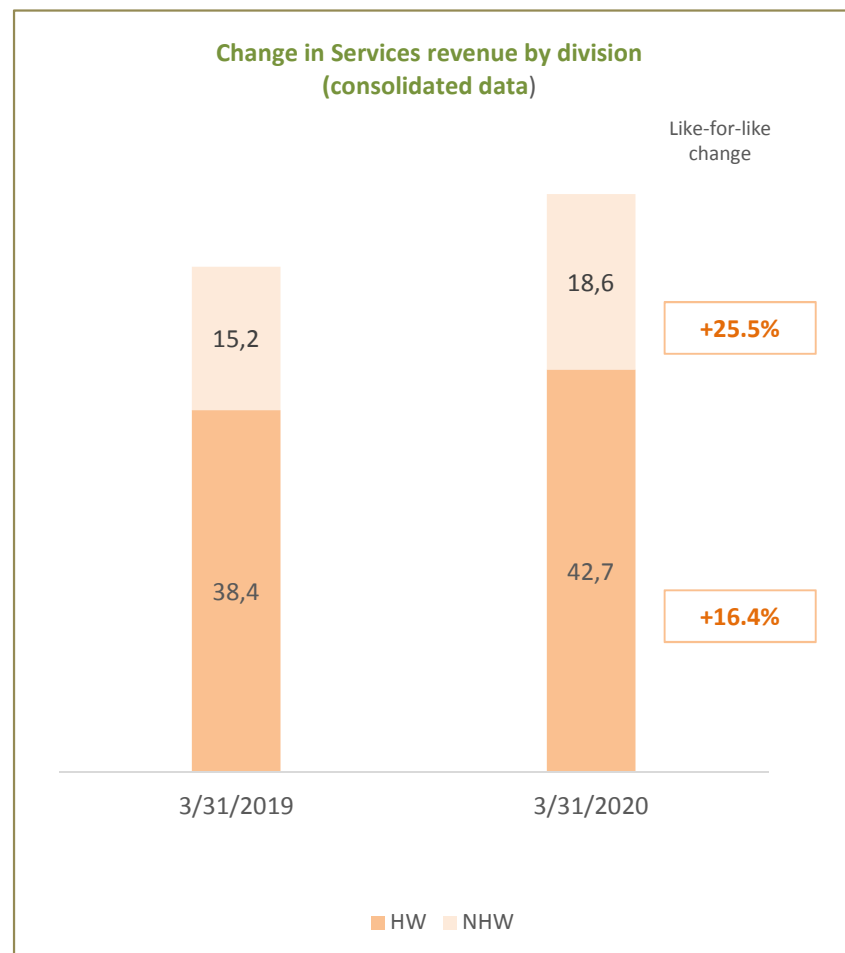
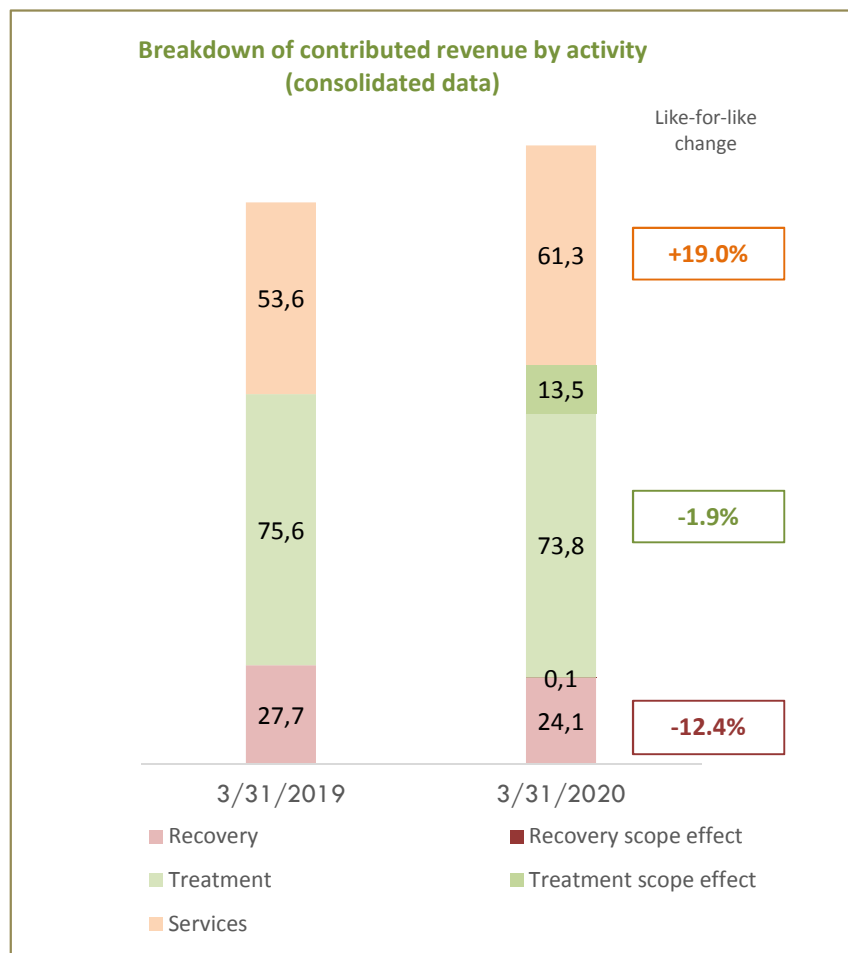
In €m - at December 31	2019	2020
Revenue (reported)	164.1	172.9
IFRIC 12 revenue	-	0.1
Compensation	7.2	-
Contributed revenue	156.9	172.8

- IFRIC 12 revenue:** investments in disposed assets and booked as revenue in accordance with IFRIC 12
- Compensation:** damages and compensation paid to Sénerval, net of variable cost savings, to cover operating losses sustained by Sénerval during the asbestos removal work and/or costs incurred to ensure public service continuity



## Appendix 2

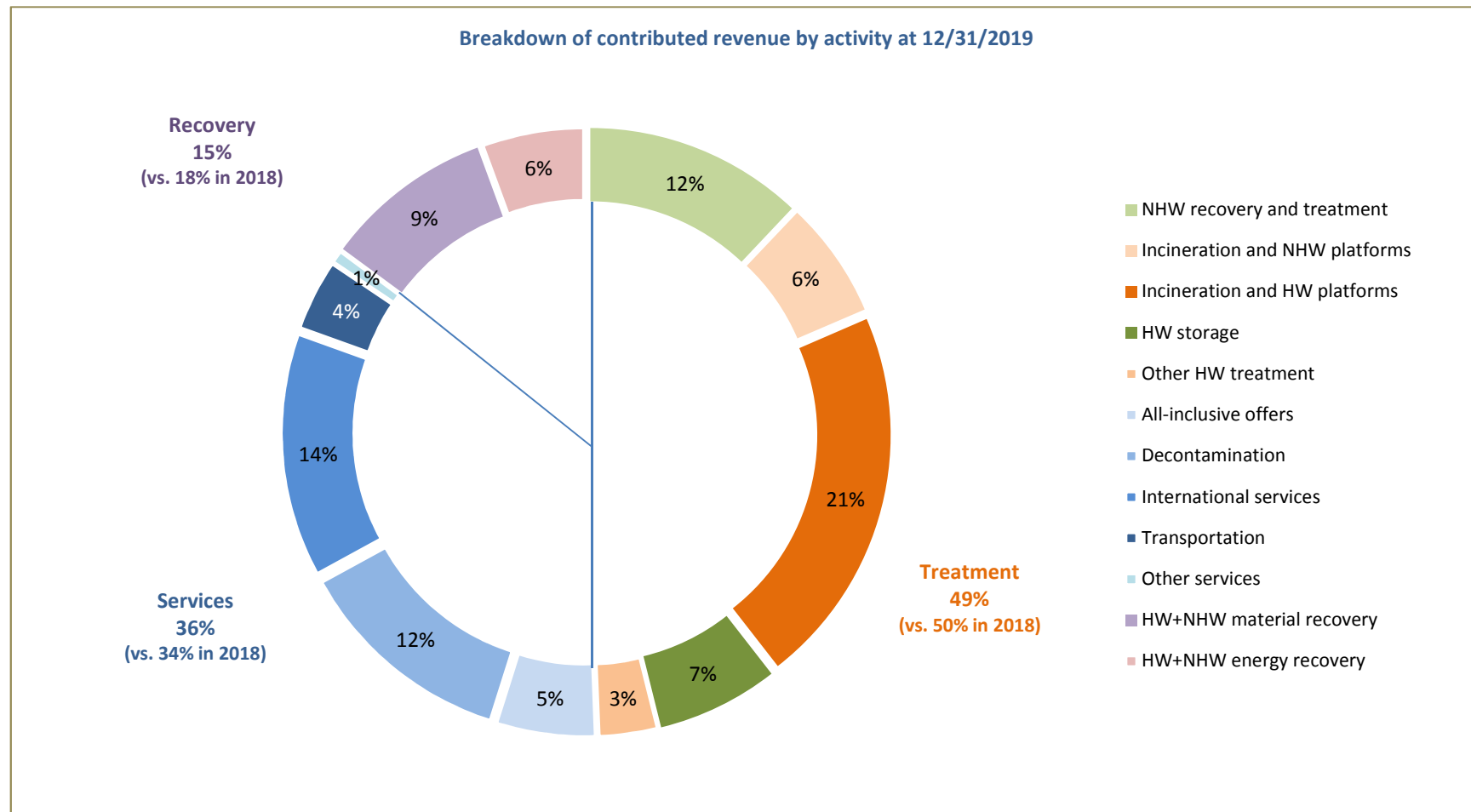
# Momentum in Services





## Appendix 3

### Strategic businesses offering high value-added

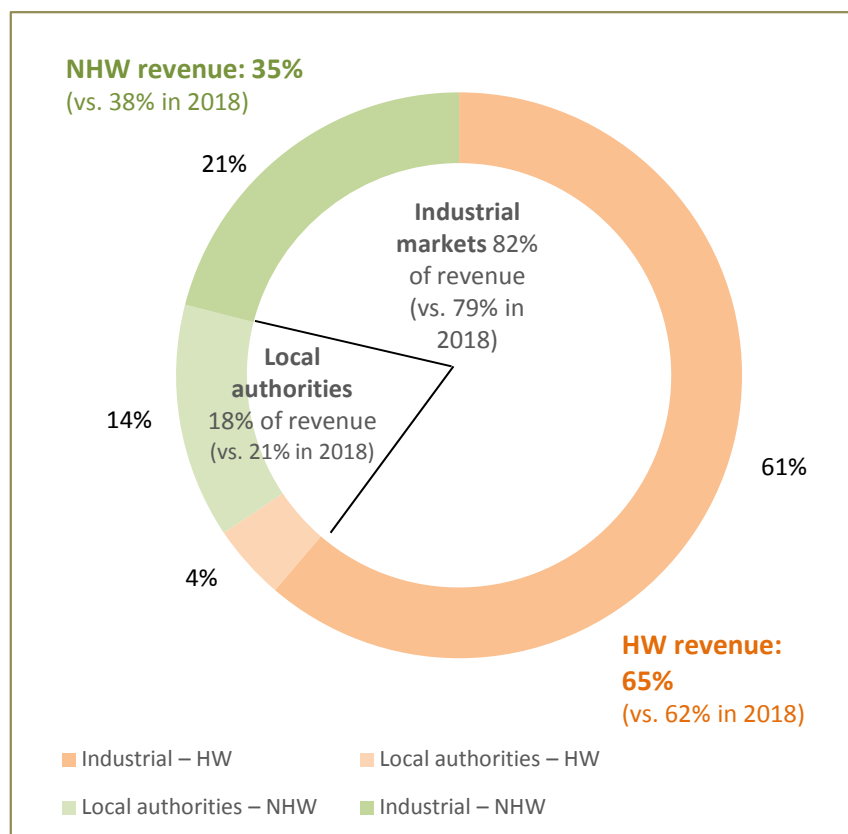




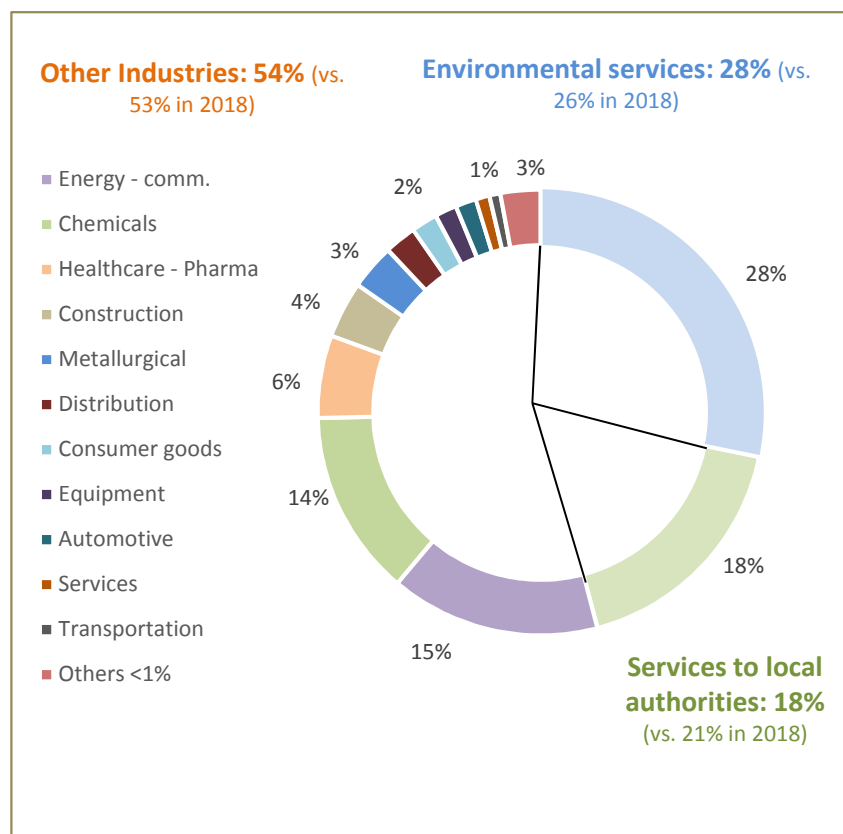
## Appendix 4

# Market/customer mix resilient by nature

Breakdown of contributed revenue at 12/31/2019  
by sector of activity



Breakdown of contributed revenue at 12/31/2019  
by division and by client type





## Appendix 5

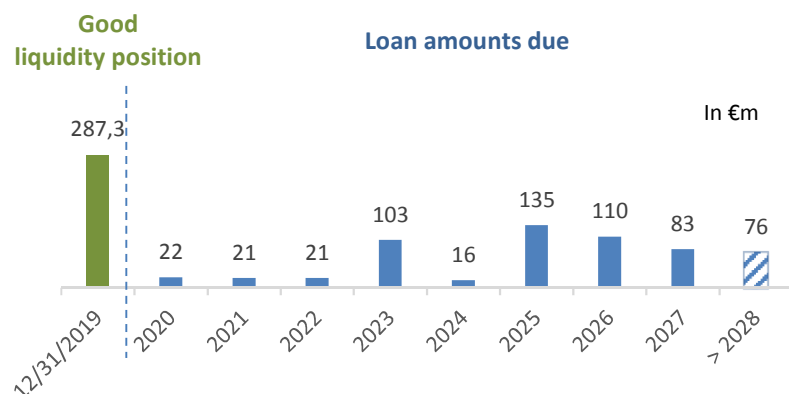
# Good liquidity position to face the crisis

### Bond refinancing in May 2019

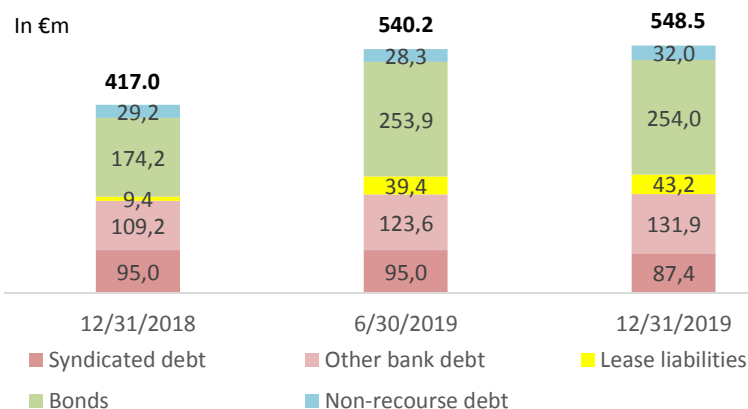
- **€80m in two tranches**
  - ✓ €60m with a 7-year maturity (2026) at 2.90%
  - ✓ €20m with an 8-year maturity (2027) at 3.05%
- **Debt maturity at 5.5 years** as of December 31, 2019 (vs. 5.8 years at 12/31/2018)

### Positive trend in the ESG impact loan (2018):

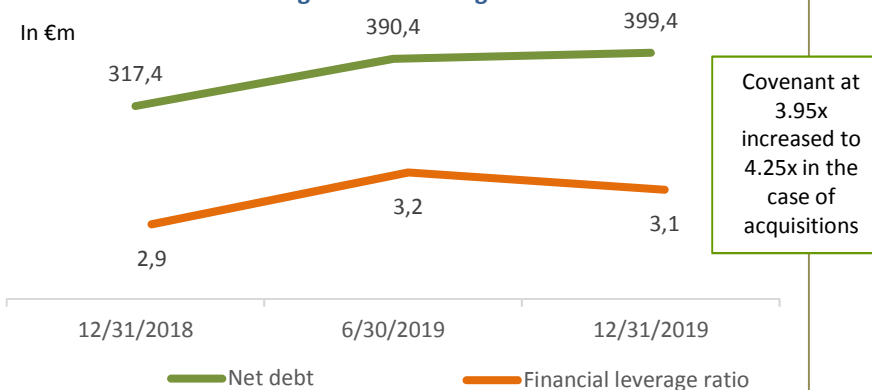
- All ESG criteria improved in 2018
- **Rate improved by 5 bp** since July 1, 2019



### Structure of gross financial debt



### Change in net banking debt







## Appendix 6

### Covid-19: Certain investments on hold



**France:** continued development investments at standard levels



**International:** creation of new waste processing capacities

Suspended

**Interwaste (South Africa):**

- ✓ Roll-out of Eden project in Mossel Bay
- ✓ Expected CAPEX: €10m in 2020

Maintained

**Mecomer (Italy):**

- ✓ Doubling of treatment capacity
- ✓ Expected CAPEX: €11m in 2020

Suspended

**Ciclo (Chile):**

- ✓ Construction of a Hazardous Waste treatment facility in Santiago
- ✓ Expected CAPEX: €6m in 2020



**Operational optimization and better structure oversight of operations:**

Maintained

**ERP:** €15m over 3 years



*Extension of the capacities of the San Giuliano Milanese facility, Mecomer, Italy*





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