

Using waste management expertise
to create a more sustainable world



ODDO-BHF NEXTCAP FORUM

JUNE 3, 2020



COMPANY PROFILE



Company Profile

A Pure Player of Circular Economy and Energy Transition



A specialist of waste recovery and treatment
Focus on Hazardous waste and Industrials



Resilient growth model with strong visibility
Energy transition and climate change markets



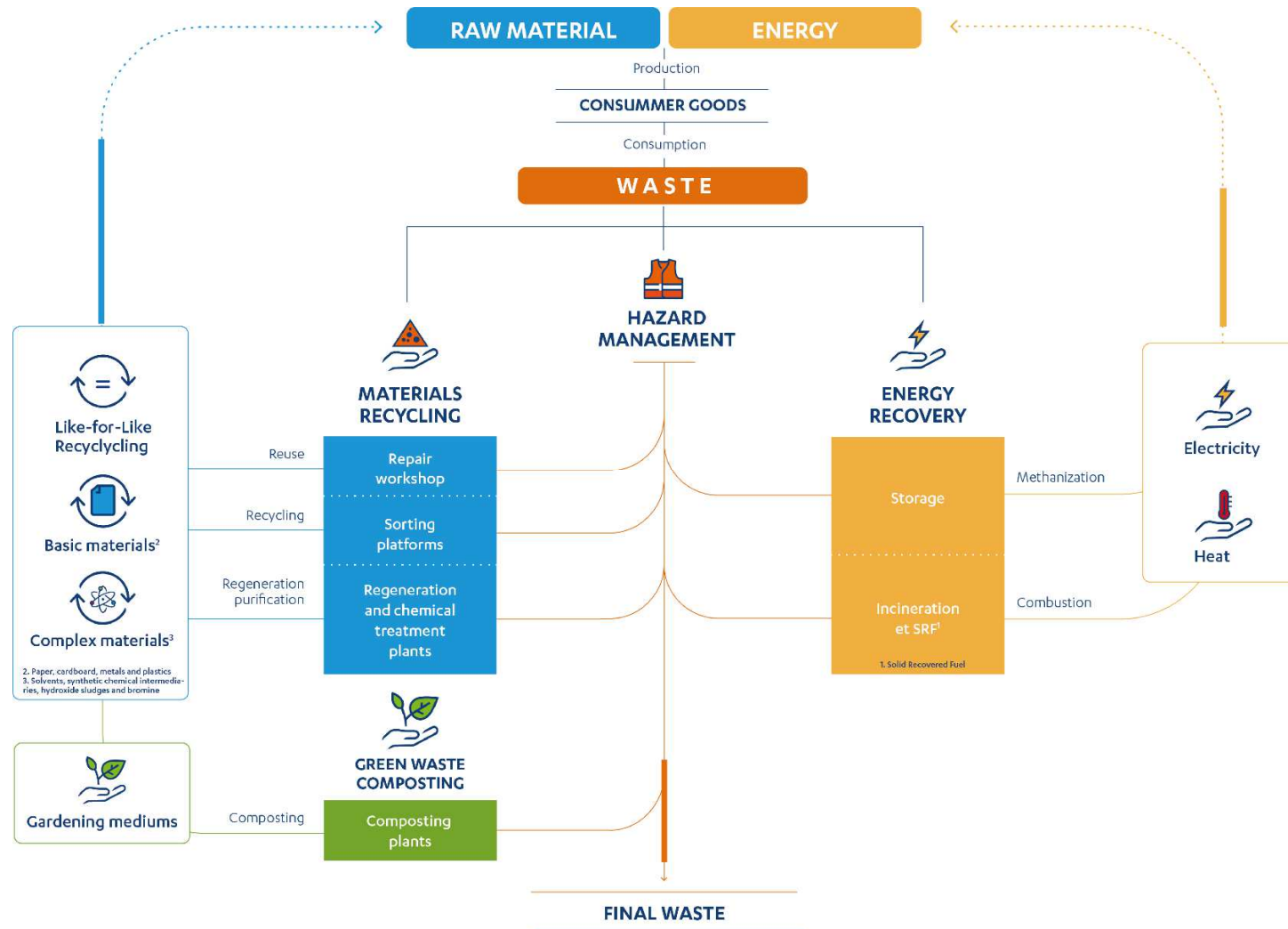
Financial and non-financial value creation
Development supported by innovation and R&D



Growth model duplicated on International markets
Acceleration of economic and financial performance



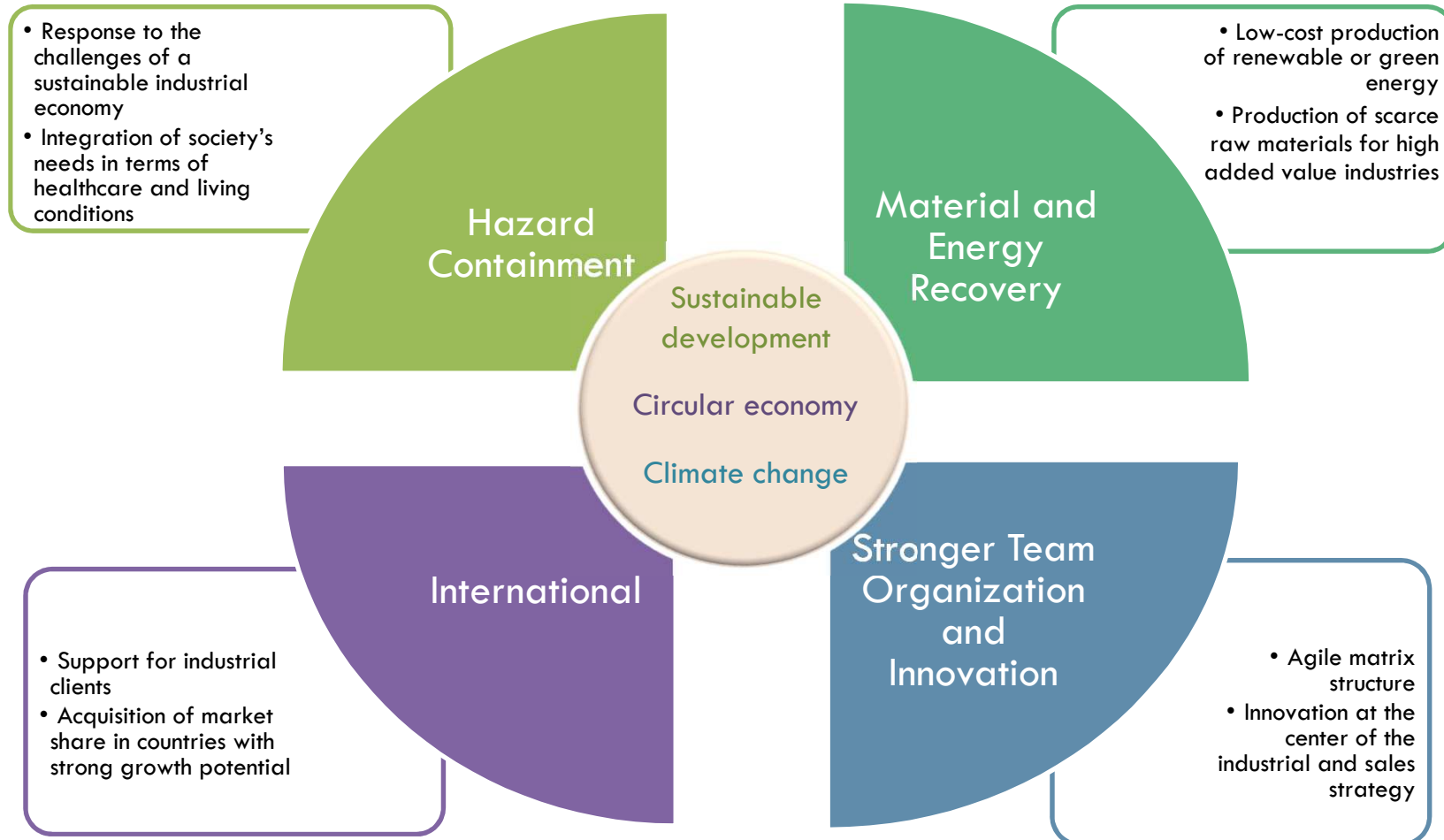
A Specialist in Waste Recovery and Hazard Management





A Growth Model

Focused on Societal Issues and Markets of the Future





Our contribution to SDG in 2019

Favorable Trends in our main KPIs

New governance in line with best practices

- **Separation of the roles** of Chairman and Chief Executive Officer
- **Reform of the Board of Directors** concentrating on the principles of **complementary skills, gender parity** and **independence**



Measures to counter **climate change**

- **Impact of activities:** 0.9 million tCO₂eq o/w 37% biogenic emissions
(vs. 0.9 million tCO₂eq o/w 37% biogenic emissions in 2018)
- **Action for the planet:**
 - ✓ **Emissions avoided:** 0.1 million tCO₂eq
(vs. 0.1 million tCO₂eq in 2018)
 - ✓ **GHGs abated:** 4.0 million tCO₂eq
(vs. 2.6 million tCO₂eq in 2018)

Measures taken with respect to **energy transition**

- **Energy production:** 734 GWH (impact of Salaise 2)
(vs. 769 GWH in 2018)
- **Proportion of renewable energy:** 31%
(vs. 30% in 2018)
- **Energy self-sufficiency rate:** 234% (impact of Salaise2)
(vs. 246% in 2018)



Measures in favor of **biodiversity**

- **DNA effort:** inclusion of two International sites in our Dedicated to Nature through Action (DNA) effort
- **Two new patronage agreements** falling within the scope of measures selected in connection with the ESG impact loan
 - ✓ Combating marine pollution with the Marinarium in Concarneau
 - ✓ *De la terre et des ailes* program run by the Ligue de Protection des Oiseaux, a bird protection association
- Joining the effort led by the French Ministry of Ecological Transition (MTES), **Entreprises Engagées pour la Nature – Act4Nature**





A Resilient Model with Strong Visibility

Regulated Markets with Barriers to Entry

- A pure player in waste management
 - **Specialist approach:** design and implementation of integrated environmental solutions across all value chains
 - **Environmental risk management** and compliance with regulatory obligations:
 - ✓ Responsibility of the waste producer reflected in the SD strategy
 - ✓ Security of processes and certification: ISO, OHSAS, MASE, etc.
 - **Partnership approach:** management of lasting infrastructure and an industrial ecology policy to foster sustainable development in local areas
- Activities with high barriers to entry:
 - **Regulatory** barriers: businesses requiring authorizations, classified facilities (ICPE environmental protection facilities, Seveso sites, etc.)
 - **Technical** barriers: growing technical and regulatory constraints
 - **Societal** barriers: problem of acceptance by local residents

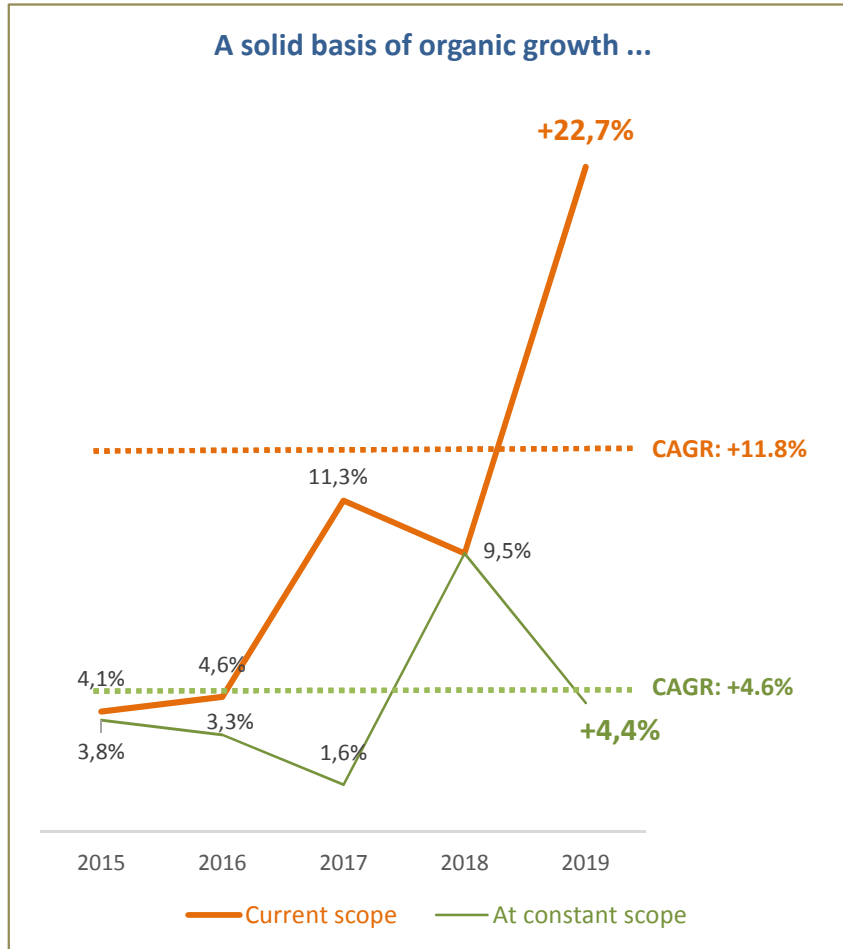


Delegated management of waste treatment facilities



Resilient Activities on Sustainable Markets

Solid Medium-term Organic Growth

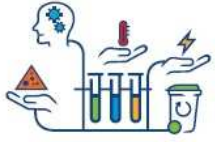


- ... driven by **positive trends in the waste treatment and recovery markets** (66% of 2019 contributed revenue)
 - **In France and in Europe:** healthy industrial markets underpinned by positive volume and price effects (excluding Spain) and by the implementation of the circular economy
 - **Internationally (excluding Europe):** the needs of industrial customers in the field of environmental solutions consistent with the highest standards (increasingly strict regulatory requirements)

- ... and by the **potential of Services** with a broader and internationalized range of solutions (34% of 2019 contributed revenue)
 - **Positioning in added value services**
 - ✓ Technical decontamination and environmental emergencies
 - ✓ Chemical cleaning
 - ✓ Outsourcing
 - **Strong strategic priority**
 - ✓ Industrial integration upstream of our core business
 - ✓ Supporting clients: an ability to respond adapted for international needs (Europe/LatAm/Africa)



Q1 2020: A GOOD START TO THE YEAR



First-Quarter Activity Highlights of the Period

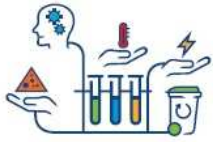
Solid organic growth in Q1 2020: Contributed revenue +10.1%

- 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

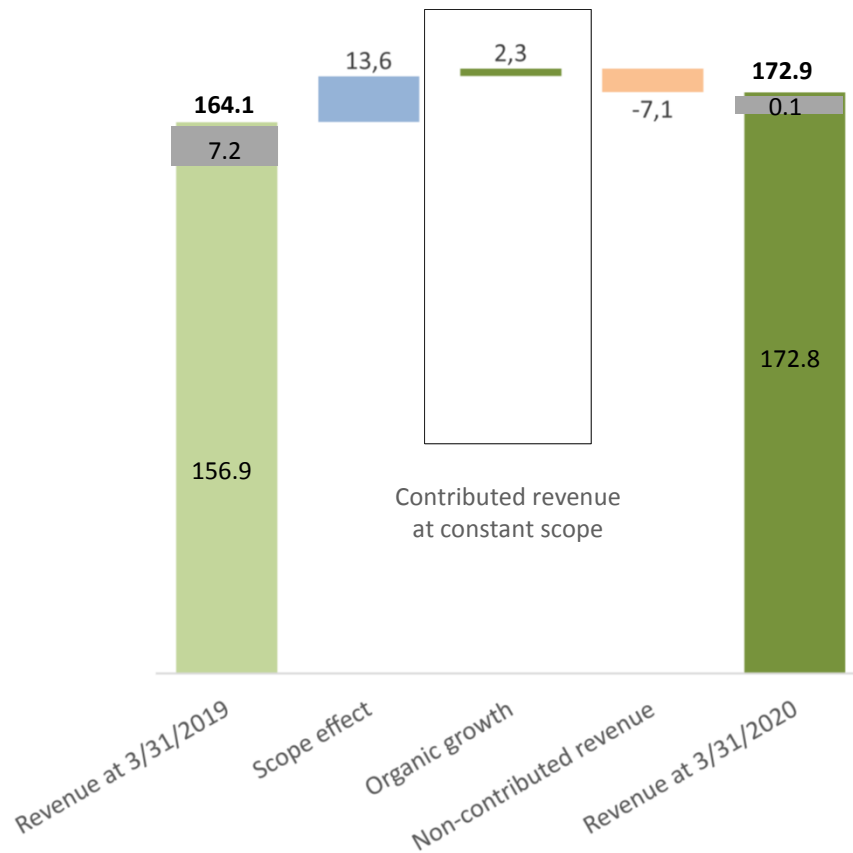
- Business continuity with differentiated effects by markets or geographical area
- Financial strength preserved
- Assumption of a short crisis: 2020 outlook and 2022 roadmap both maintained





Sharp Growth in Contributed Revenue: +10% High-quality Organic Growth

Change in reported revenue in €m



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*)

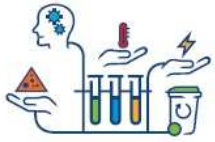
Solid economic backdrop on the industrial markets and the resiliency of the Decontamination markets in France
Decline in International spot markets



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

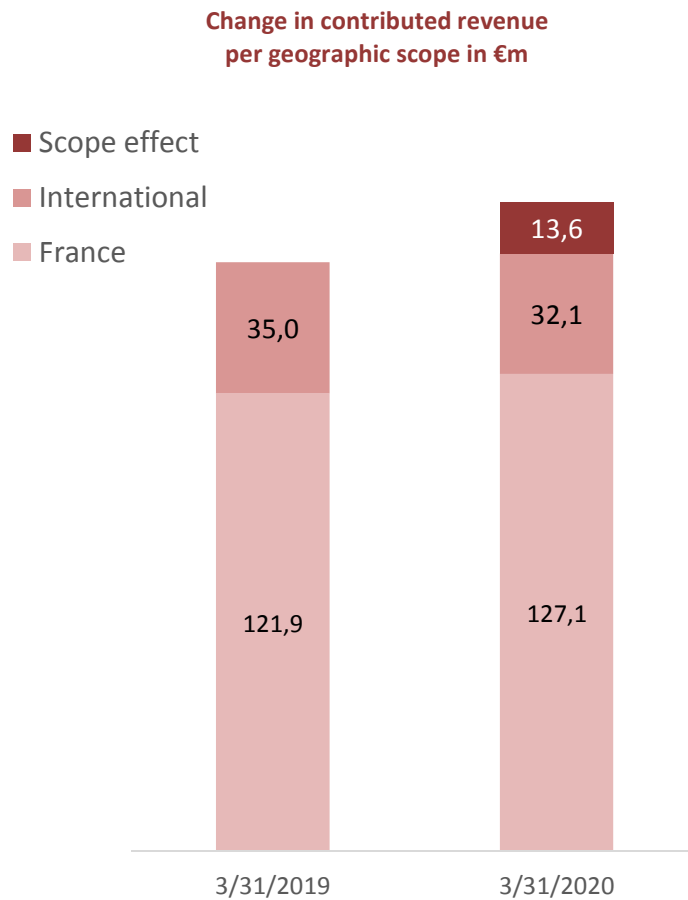
Markets driven by regulations governing the circular economy in France
Solid level of business internationally

*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)

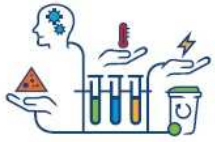
HW Division: +9.1% to €78.5m

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

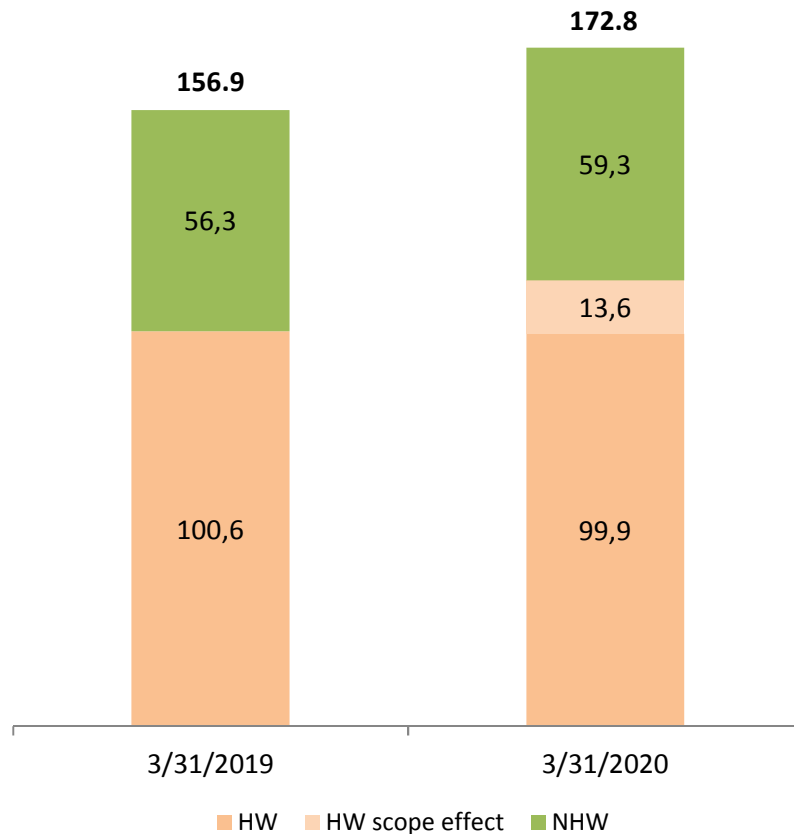
NHW division: -2.5% to €161.6m

- 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 Séneval (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*)

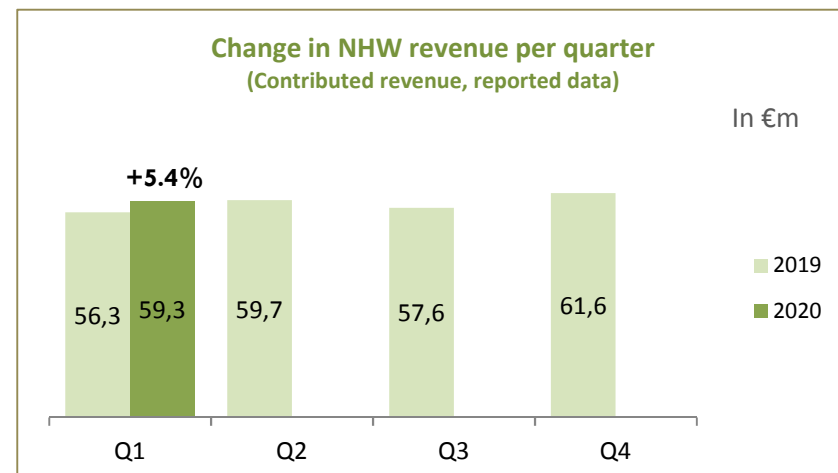
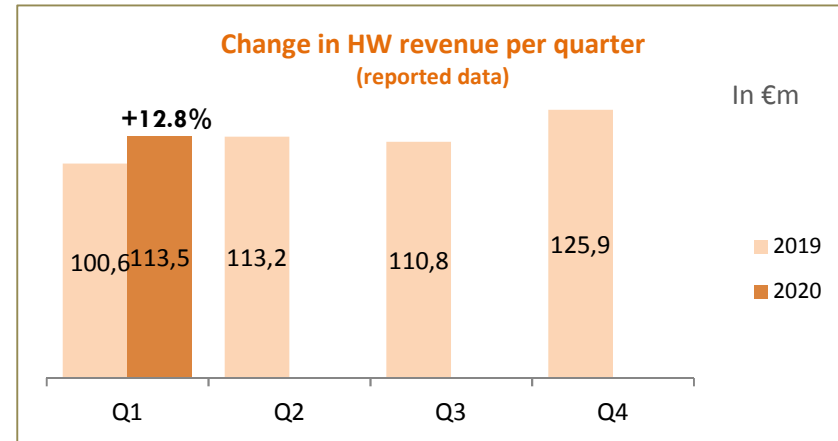
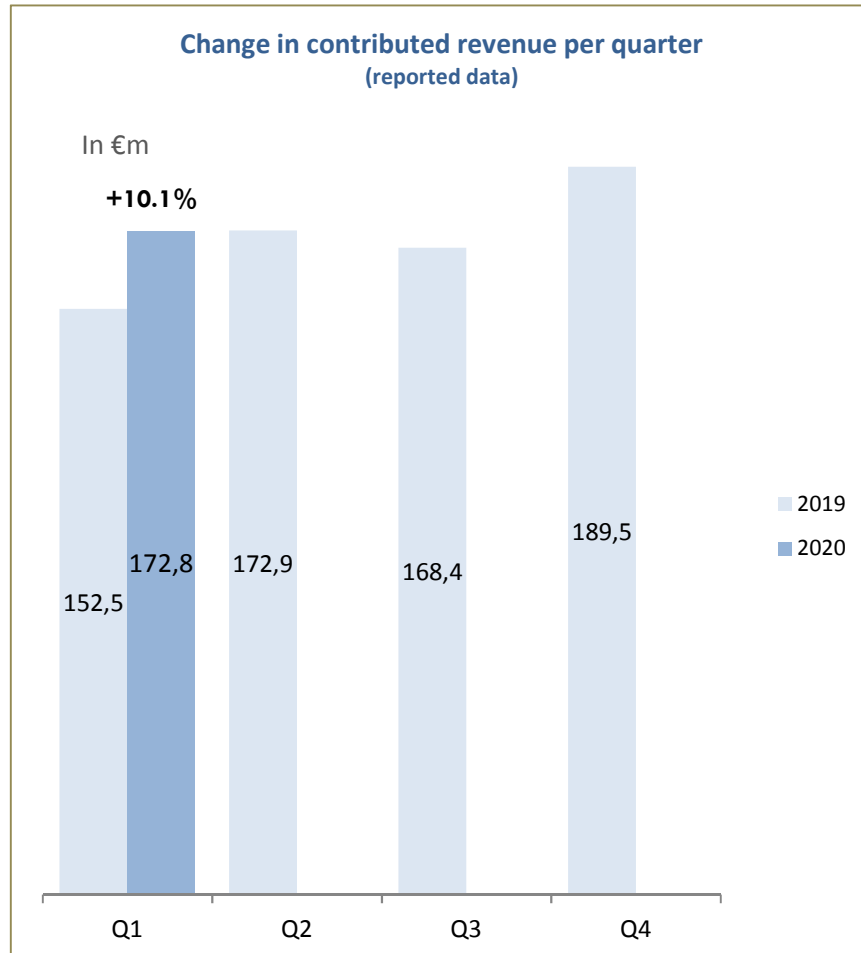
On a like-for-like basis:

- 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



A Robust First-Quarter, Supporting Expectations for 2020





LIMITED IMPACT OF COVID-CRISIS AND OUTLOOK MAINTAINED



Limited 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

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

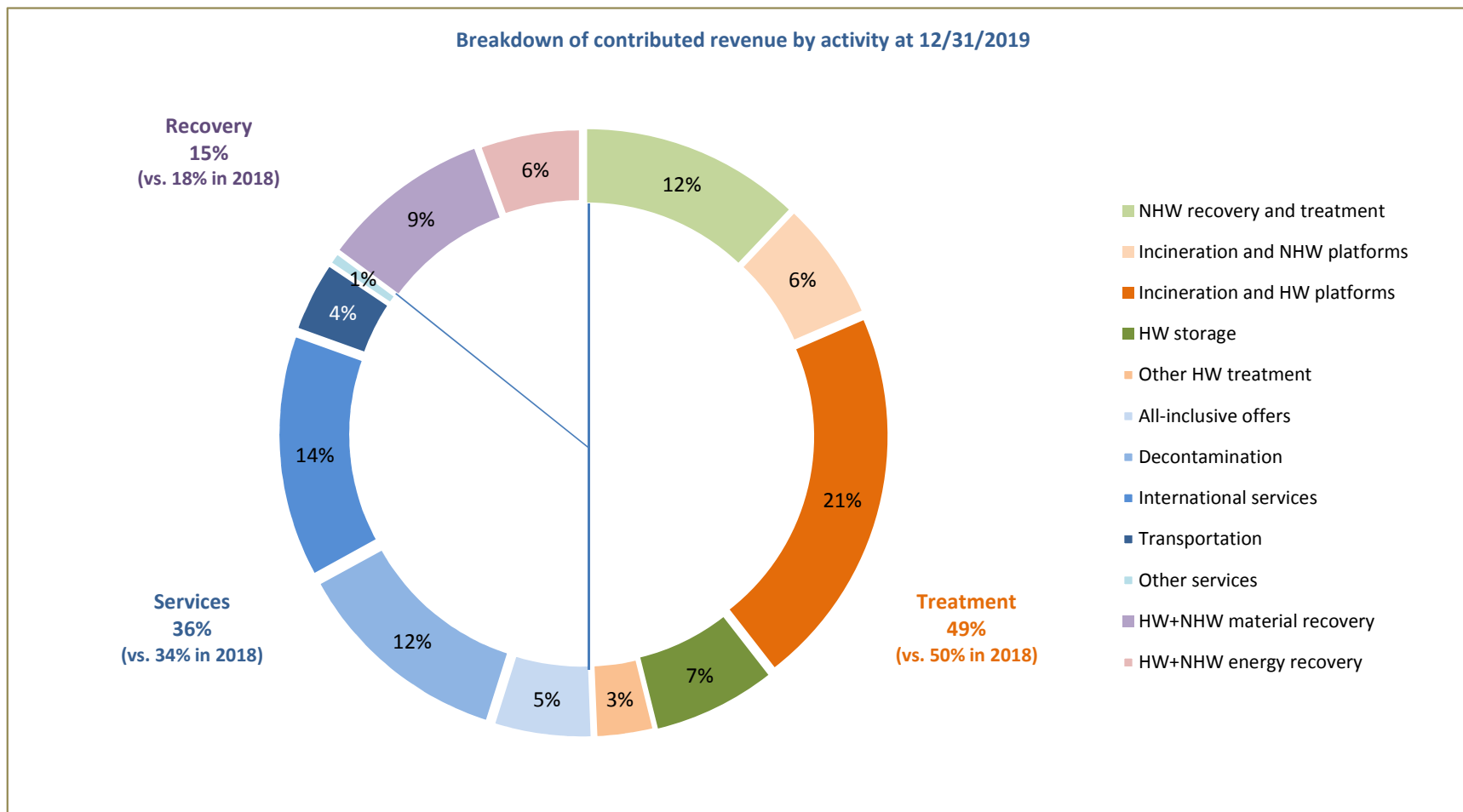
No significant financial payments before 2023 and 2025, and bank loan repayments postponed by 6 months

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



Resilience factors (1)

Strategic High Value-added Businesses

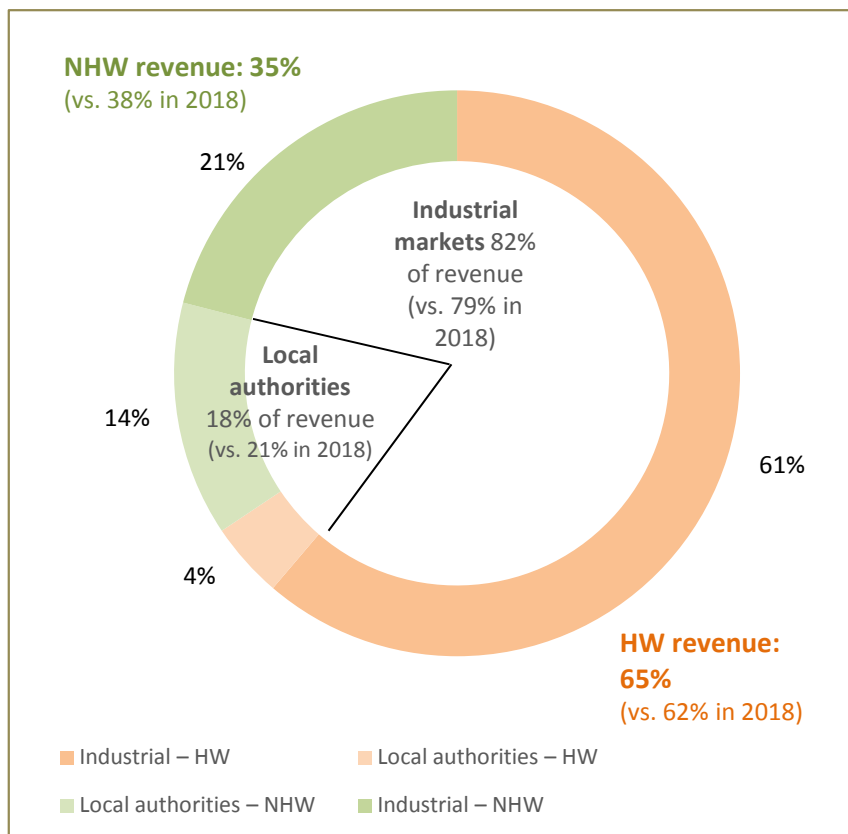




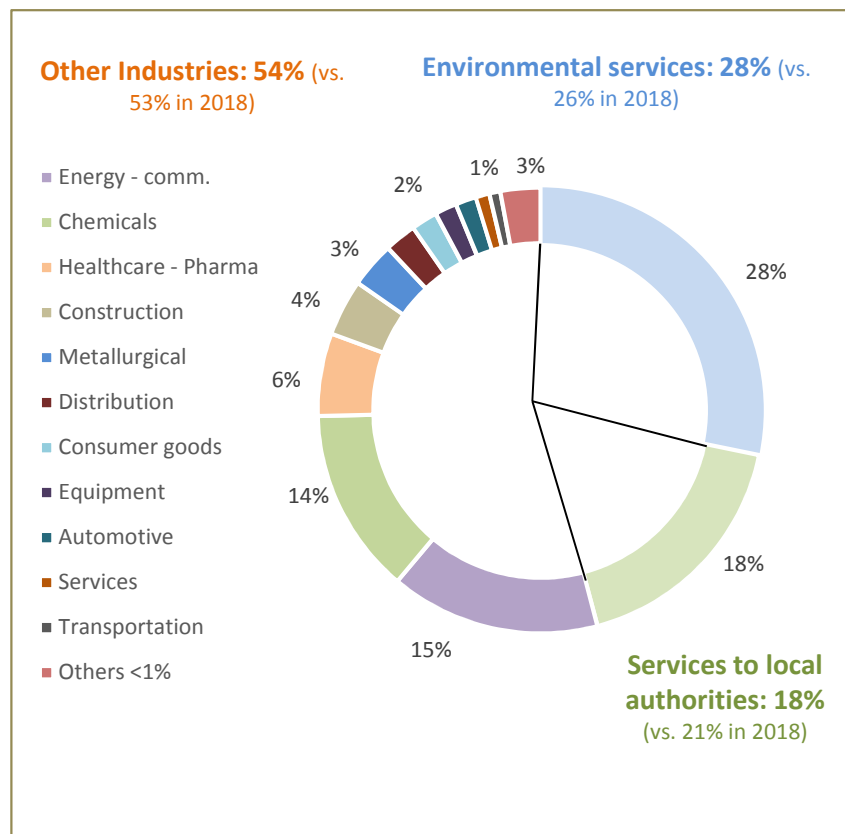
Resilience Factors (2)

Market / Customer Mix Resilient by nature

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



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

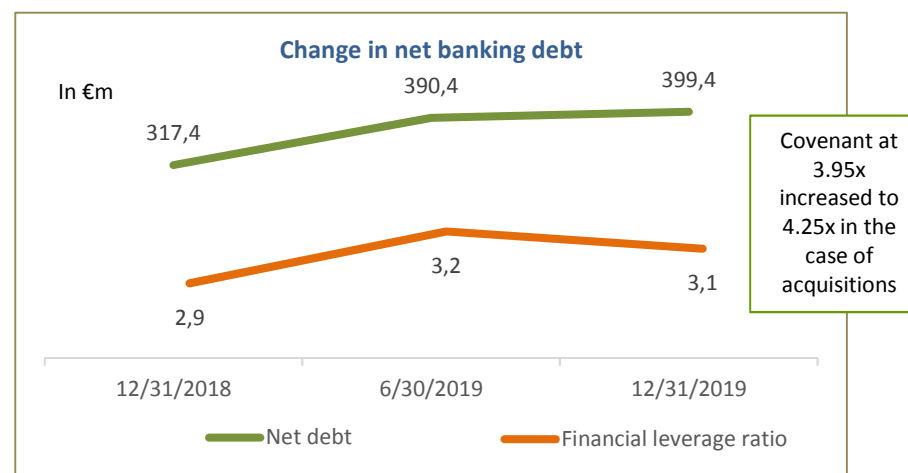
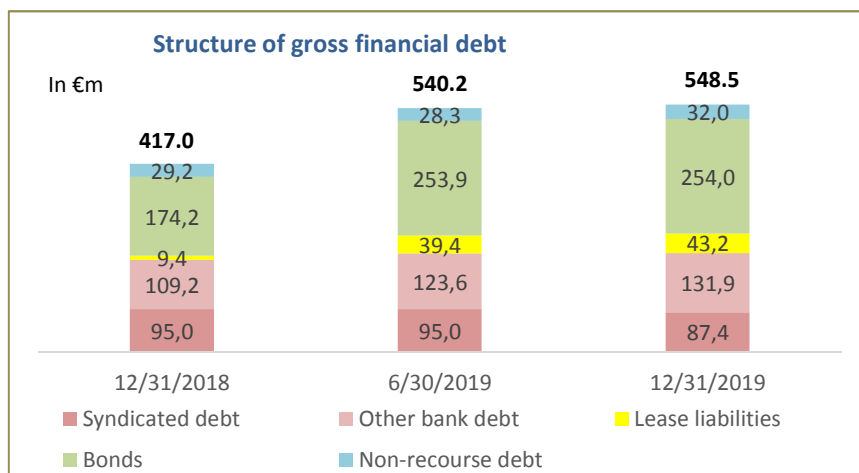
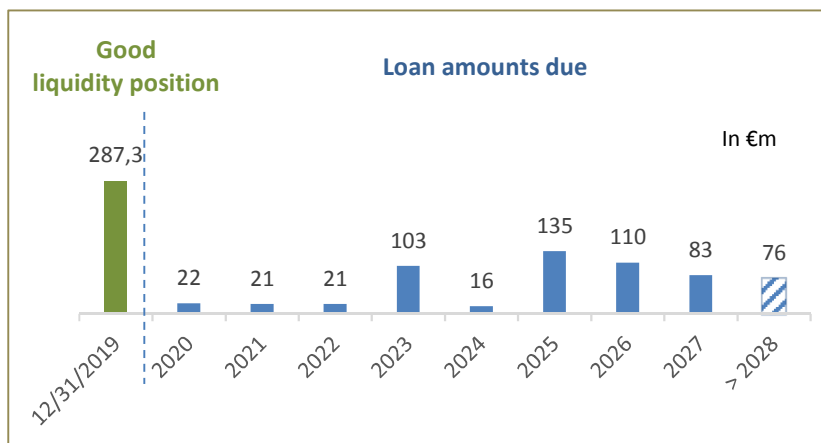




Strong Cash Position To Face the Crisis

- 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





Cash Priority: 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:

ERP: €15m over 3 years

Maintained



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



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 generation¹:** 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*



APPENDICES

RESULTS AND FINANCIAL SITUATION AT DECEMBER 31, 2019



Favorable key indicator trends related to economic and financial performance

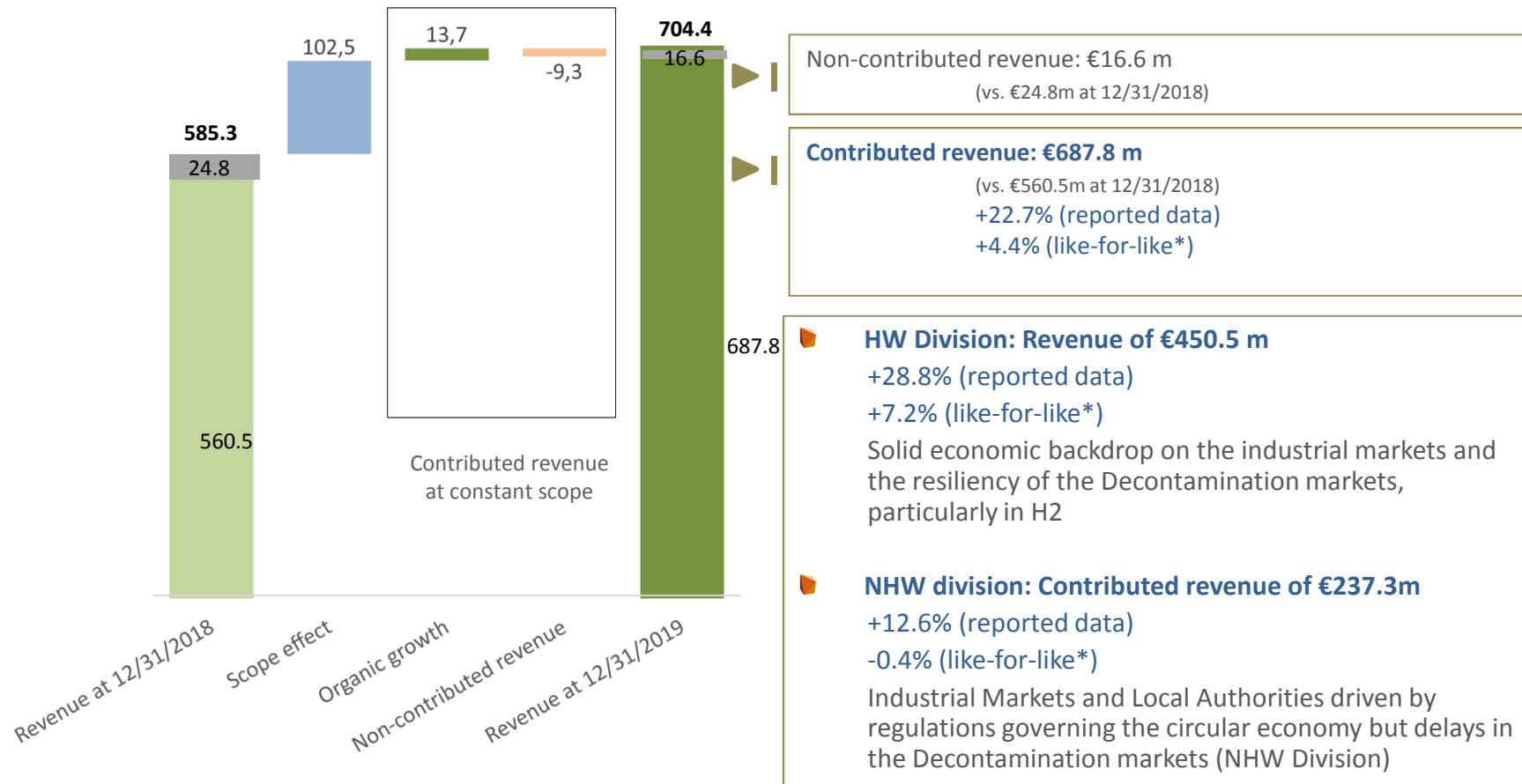
At December 31 In €m	2018	As a % of contributed revenue	2019	As a % of contributed revenue		Gross change
Contributed revenue	560.5	100%	687.8	100%	→	+23%
EBITDA	108.7	19.4%	135.4	19.7%	→	+25%
Current operating income	44.2	7.9%	47.8	7.0%	→	+8%
Operating income	38.0	6.8%	46.8	6.8%	→	+23%
Net financial income	(13.4)	-	(17.5)	-	→	
Net income	16.2	2.9%	18.9	2.8%	→	+17%
Net income (group share)	15.6	2.8%	17.8	2.6%	→	+14%
Recurring operating cash flow	92.7	16.5%	121.4	17.7%	→	+31%
Net industrial CapEx paid (excl. IFRIC)	46.9	8.4%	69.1	10.1%	→	+47%
Net banking debt	317.4	-	399.4	-	→	+26%



Sharp growth in contributed revenue +23%

Contribution of external growth

Change in reported revenue in €m



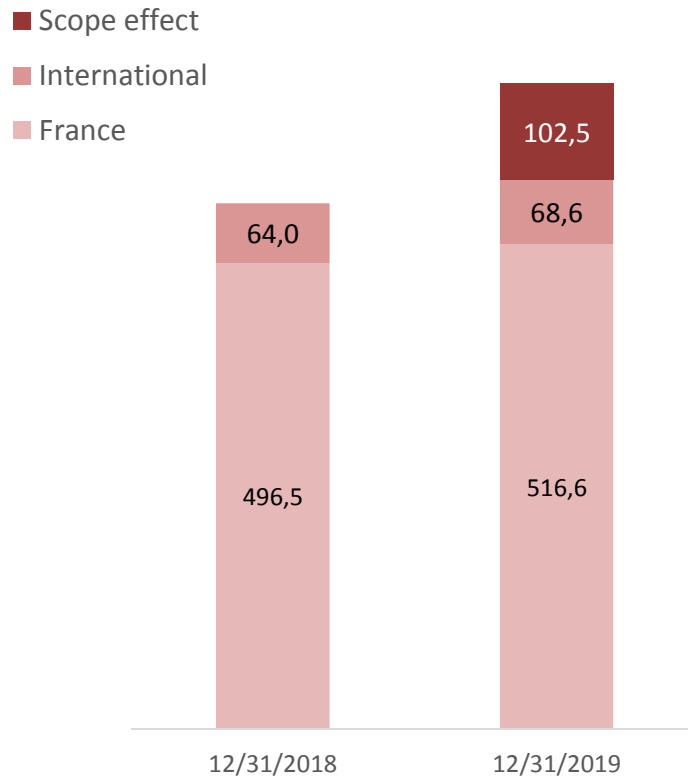
* At constant scope and exchange rates



France: Solid market environment

International: Strong Treatment performance

Change in contributed revenue per geographic scope in €m



International: Revenue of €171.1 m

i.e. +167% (reported data)
+6.7% (like-for-like*)

Scope effect: +€102.5 m

- Kanay: +€3.3 m (12 months)
- Interwaste: +€64.4 m (12 months)
- Mecomer: +€34.8 m (9 months)

On a like-for-like basis*:

- Treatment: +52.8% to €17.4m - Momentum in Chile
- Recovery: -3.8% to €21.2m - Robust showing from PCB markets but decline in Valls Quimica (Spain)
- Services: -2.8% to €30.1m - Solarca: high basis of comparison

France: €516.6m in contributed revenue

i.e. +4.1% (reported data)

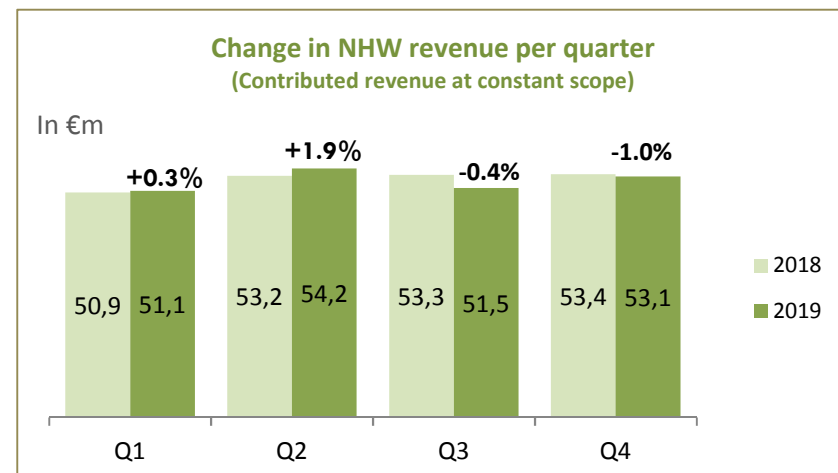
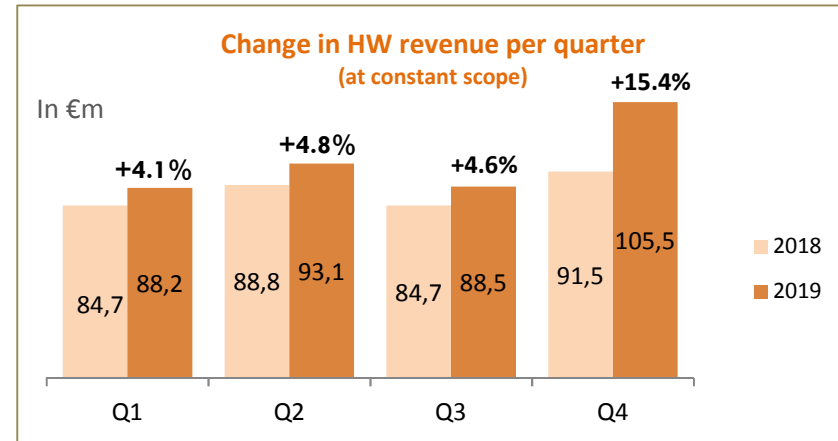
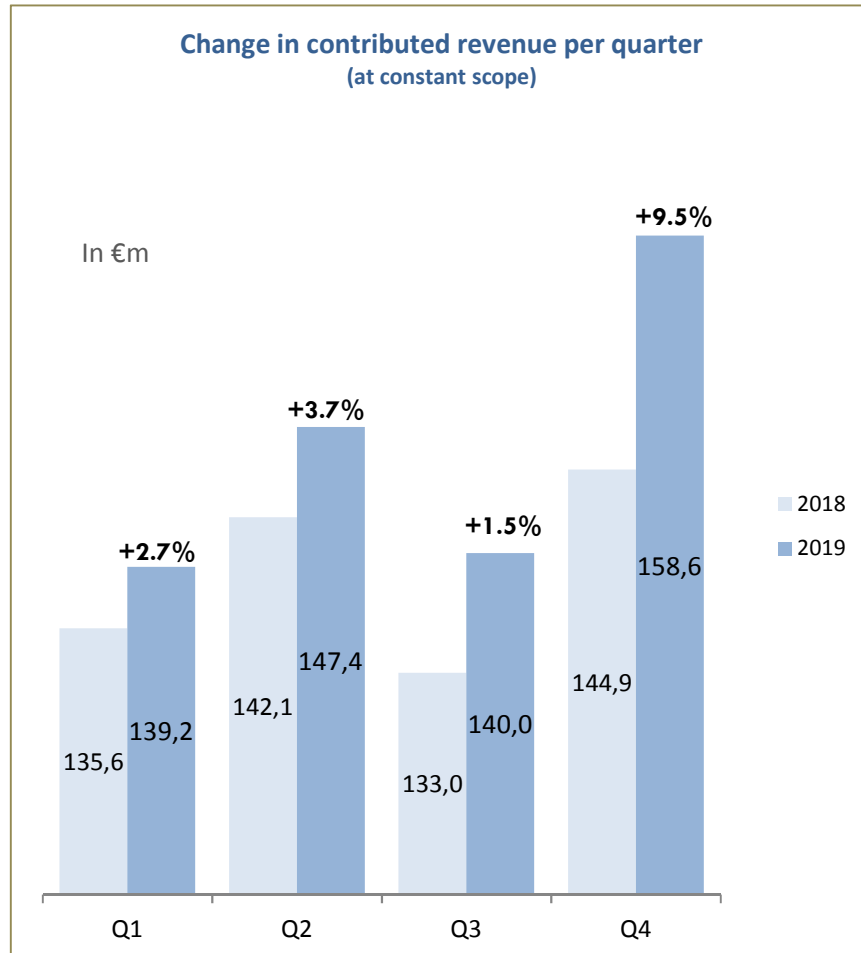
- Treatment: +2.7% to €276.3m - Robust industrial markets and promising regulatory environment (Cir. Economy)
- Recovery: +9.3% to €78.7m - Positive developments in chemical purification
- Services: +4.0% to €161.6m - Strength of all-inclusive offers and positive developments in HW Decontamination activities

* At constant scope and exchange rates



A dynamic second half of the year

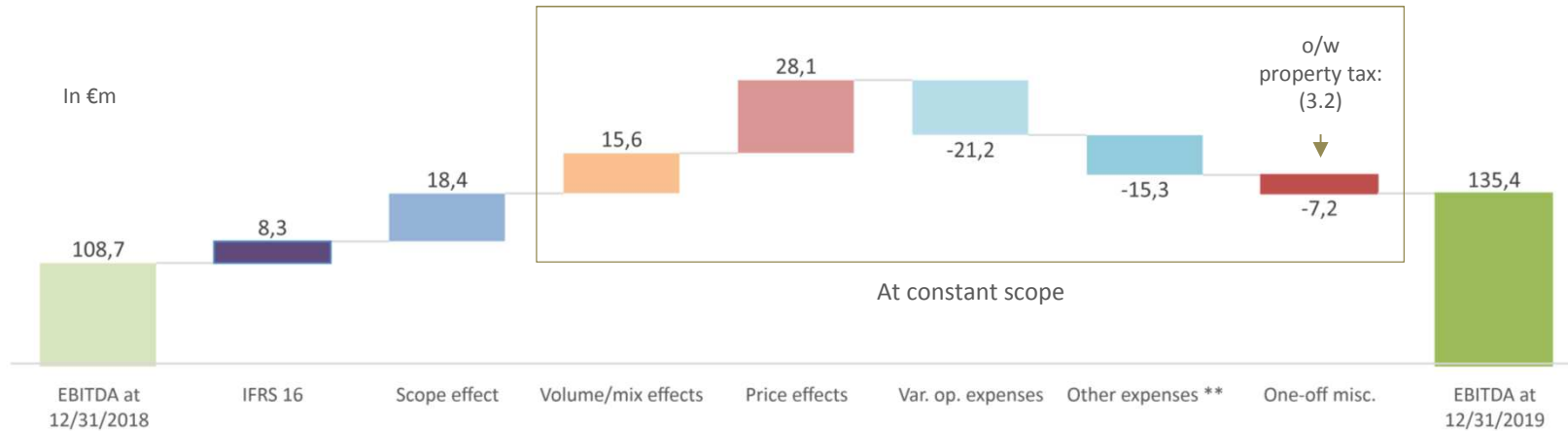
Robust key markets, excluding NHW Decontamination





Sharp rise in EBITDA: +25%

Scope effect and business momentum



EBITDA up +24.6% to €135.4m

i.e. 19.7% of contributed revenue (vs. 19.4% at 12/31/2018)

- Impact of IFRS 16: +€8.3 m
- Scope effect: +€18.4 m, i.e. 18.0% of earned revenue
- On a like-for-like basis*: EBITDA at €108.7 m, i.e. 18.6% of contributed revenue
 - ✓ Positive trading effects in Treatment
 - ✓ One-off items: loss of availability in the second half of the year (Salaise 2, Sénerval, Triadis Rouen) and “property tax” impact
 - ✓ Excluding these effects, EBITDA at €115.9m, i.e. 19.8% of contributed revenue

*At constant scope and exchange rates, excluding impact of IFRS 16

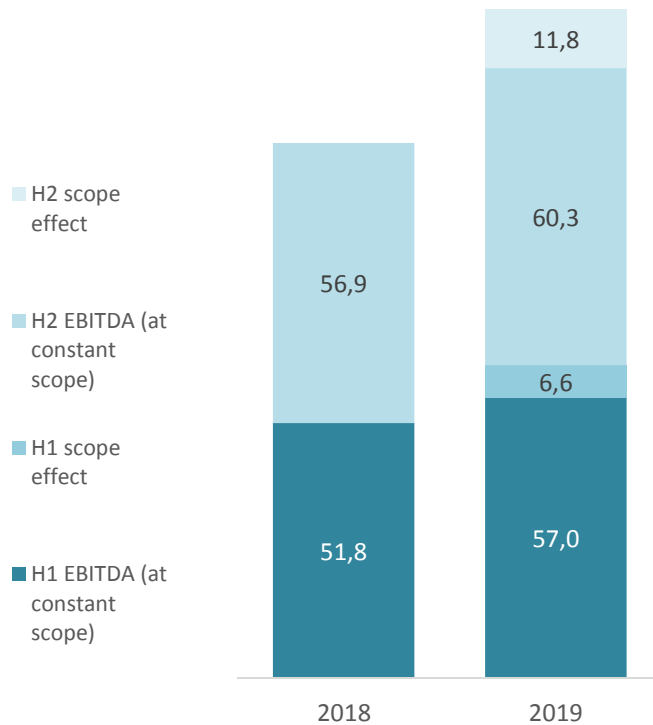
** Employee and Maintenance-Repair expenses



EBITDA: solid contribution in the second half of the year

Impact of partial unavailability

Half-year change in EBITDA in €m



H2 EBITDA at €72.1 m, i.e. 20.2% of contributed revenue

+26.7% (reported data)
-1.0% (like-for-like*)

Impact of IFRS 16: +€4.0 m

Scope effect: +€11.8 m, i.e. 19.9% of earned revenue

On a like-for-like basis*: H2 EBITDA stands at €56.3 m
vs. €56.9m in H2 2018

- Continued growth, notably in Treatment
- Solid performance turned in by Services within the HW Division: emergency interventions...
- Impact of the partial unavailability of Salaise 2 and Triadis Rouen and the restarting of production at Sénéval: €(4.0)m

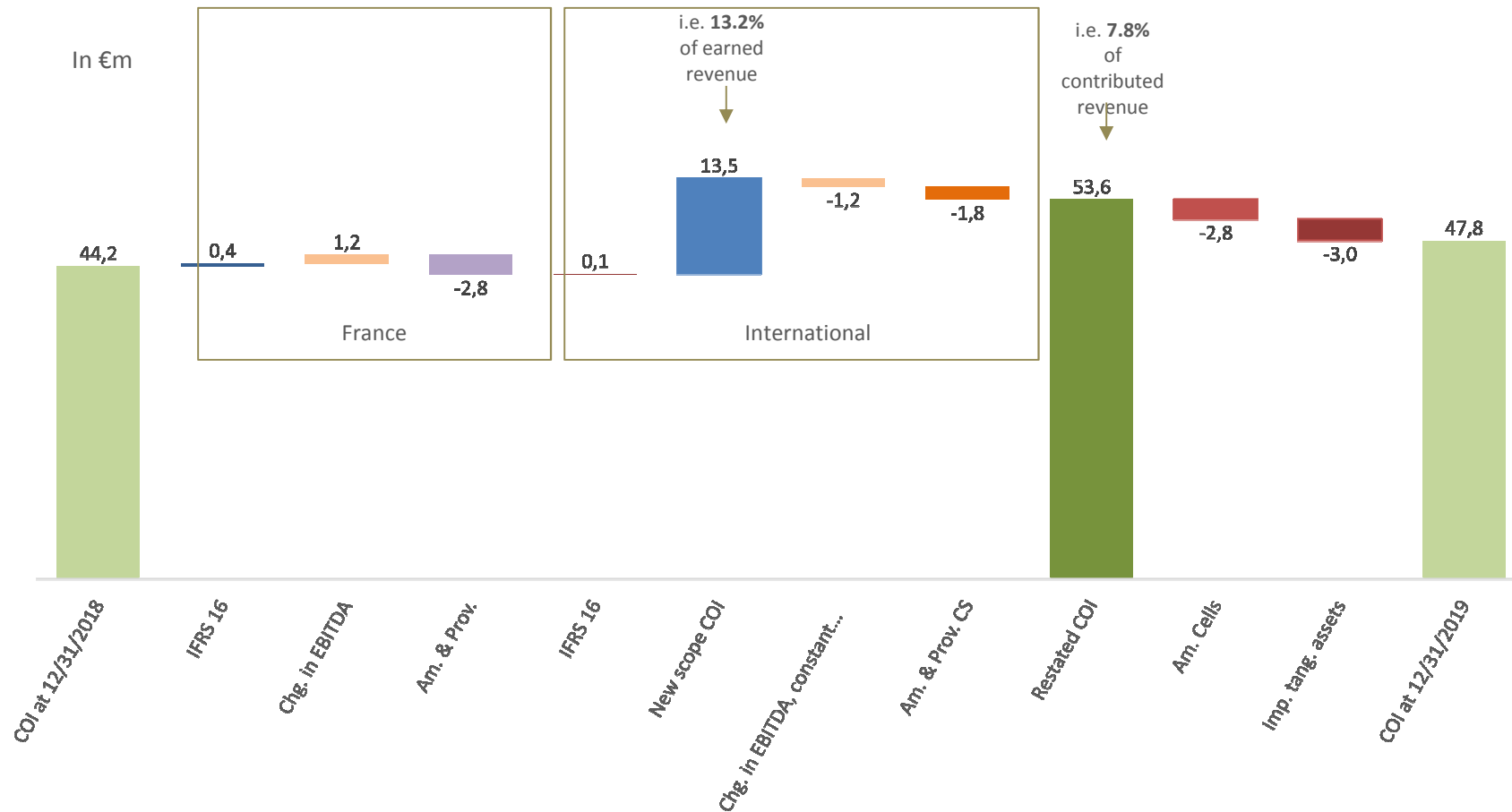
Excluding these impacts, H2 EBITDA stands at 20.2% of contributed revenue
(vs. 20.1% of contributed revenue in H2 2018)

*At constant scope and exchange rates, excluding impact of IFRS 16



Increase in COI: +8%

Impact of non-operating and/or non-recurring expenses



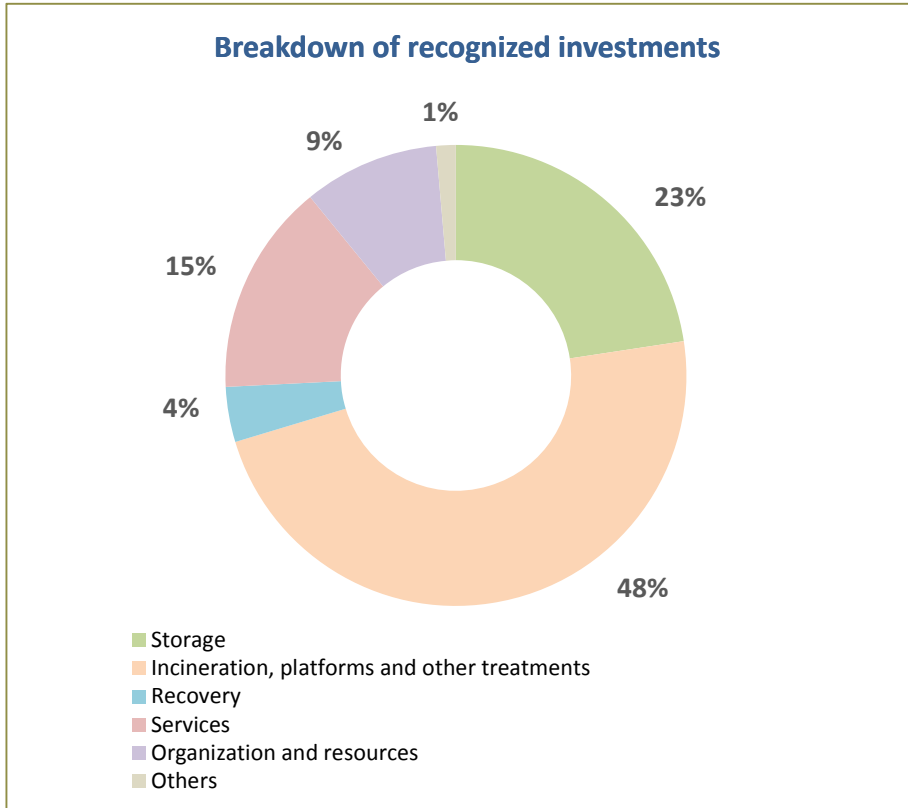


From COI to Group net income

At December 31 In €m	2018	As a % of contributed revenue	2019	As a % of contributed revenue	Gross change
Current operating income	44.2	7.9%	47.8	7.0%	+8.1%
Operating income	38.0	6.8%	46.8	6.8%	+23.1%
Net financial income	(13.4)		(17.5)		
Income tax expense	(8.8)		(10.4)		
Companies accounted for by the equity method	0.4		ns		
Net income before minority interests	16.2	2.9%	18.9	2.8%	+16.7%
Minority interests	(0.6)		(1.1)		
Net income (Group share)	15.6	2.8%	17.8	2.6%	+14.1%

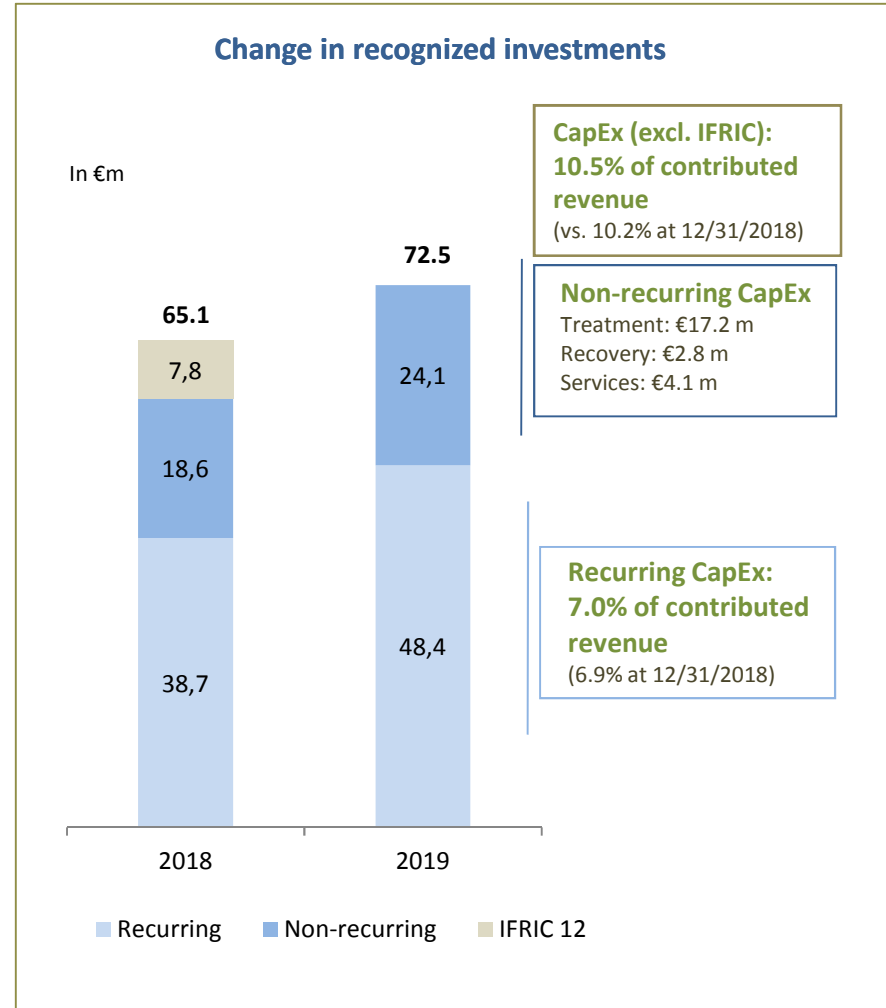


Industrial investments reflecting the strategy of qualitative growth



Recognized industrial CapEx: €72.5 m
(€65.1m at 12/31/2018, o/w IFRIC 12: €7.8 m)

Net CapEx paid: €69.0 m
(€53.1m at 31.12.2018, o/w IFRIC 12: €6.2 m)





Free operating cash flow up significantly Cash conversion rate at 42% of EBITDA

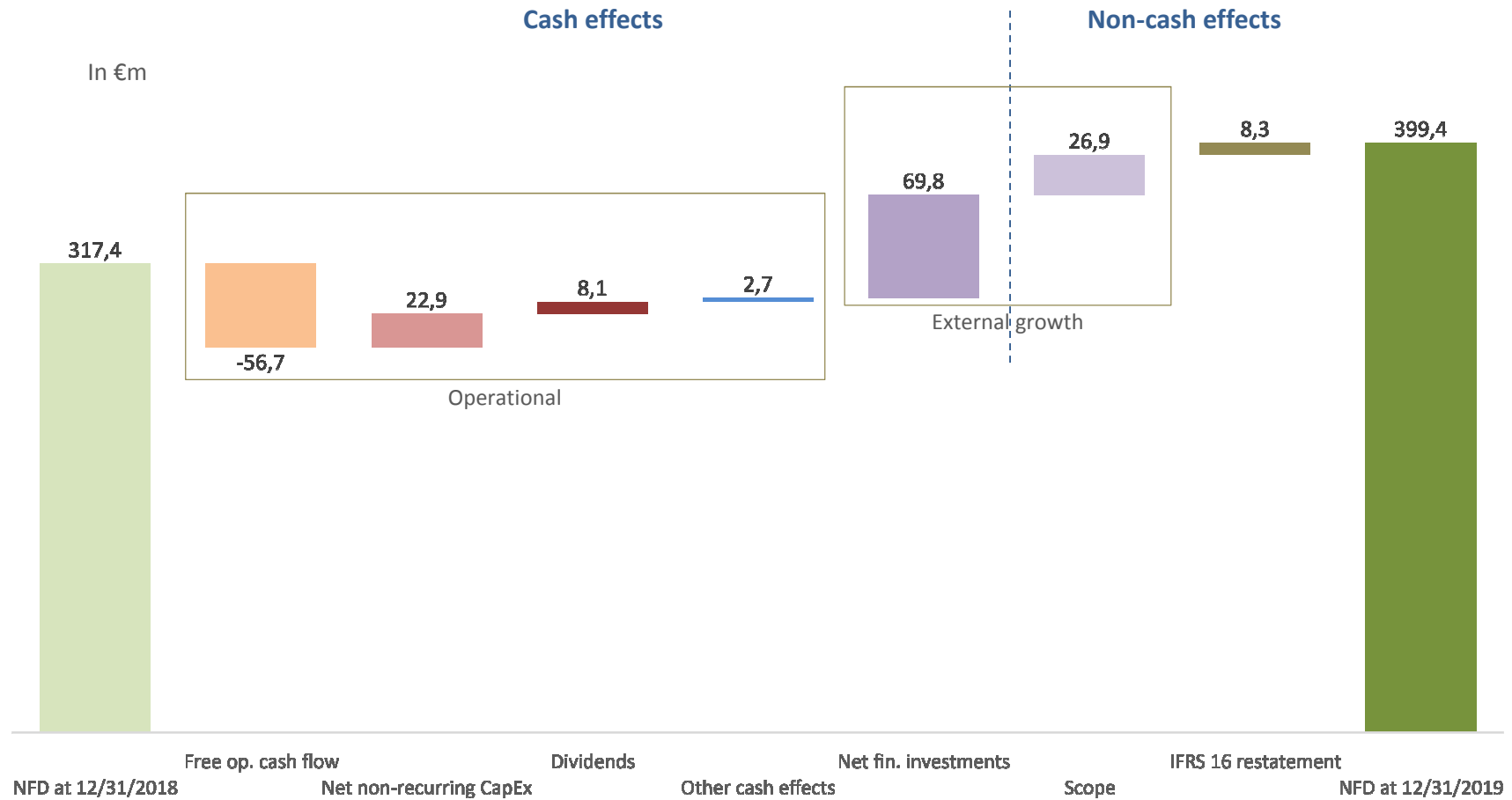
At December 31 In €m	2018	2019
EBITDA	108.7	135.4
Dividends received from affiliates	0.1	0.3
Foreign exchange gain (loss)	(0.5)	(0.6)
Other operating income and expenses	(4.3)	(2.8)
Costs of rehabilitation and maintenance of treatment sites and disposed assets (incl. IFRIC expense)	(11.6)	(10.9)
Recurring operating cash flow	92.4	121.4
Net recurring CapEx paid	(34.6)	(38.0)
Change in WCR	(2.0)	(5.0)
Tax paid	(4.3)	(5.9)
Net interest payments	(13.1)	(15.8)
Free operating cash flow*	38.4	56.7
Cash conversion rate (Free cash flow/EBITDA)	35%	42%

* Cash before development CapEx, financial investments, dividends, and debt repayment

▶ including +€8.3m linked to IFRS 16



Change in net banking debt* reflecting the policy of acquisitions



* Excluding certain debts, including non-recourse debt and the impacts of IFRS 16



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