



Consolidated results at June 30, 2020

Presentation of September 15, 2020





A resilient business model that provides visibility

Joël Séché, Chairman of the Board of Directors

First half not representative of the whole year

Annual performance confirmed

Market resilience confirmed

Good start to the year impacted by the health crisis in Q2

Sharp rebound in business starting in June in France and abroad (except in LatAm)

Limited operational impact in the first half

Moderate decline in activity

Operational responsiveness, EBITDA held up well – excluding the one-off impact of energy recovery

Outlook confirmed for 2020

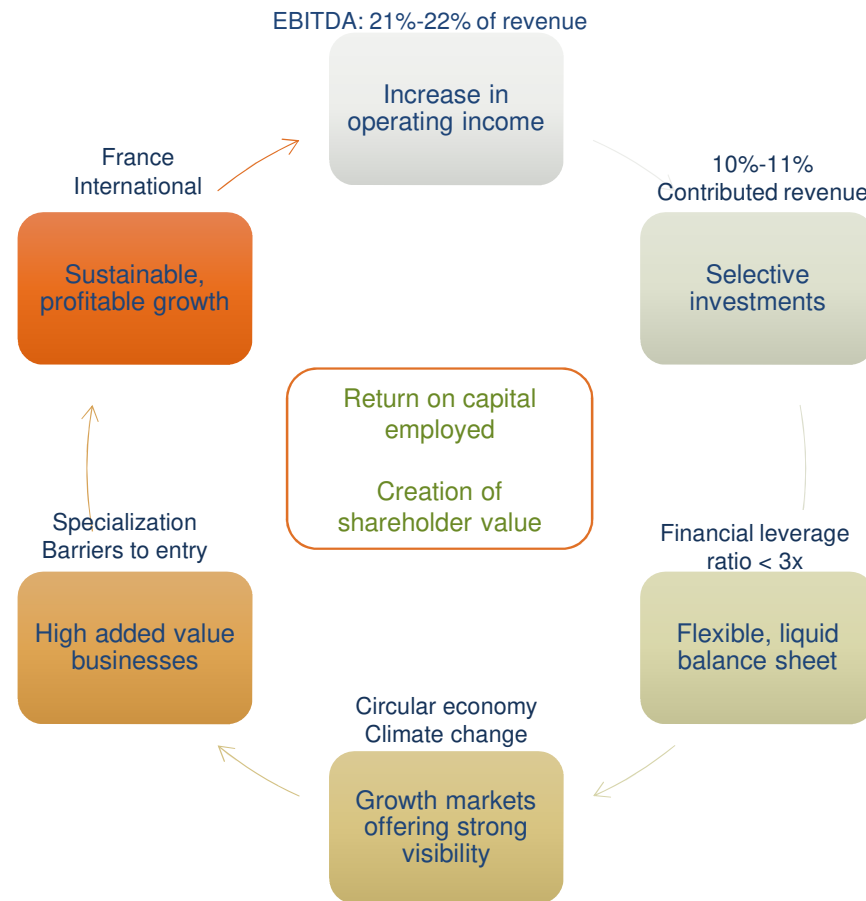
Financial agility and increasingly strong financial position

H2 2020 contribution comparable to H2 2019

Impacts of the crisis spread out until the end of 2020

Economic and financial trajectory

Confidence in the 2022 road map





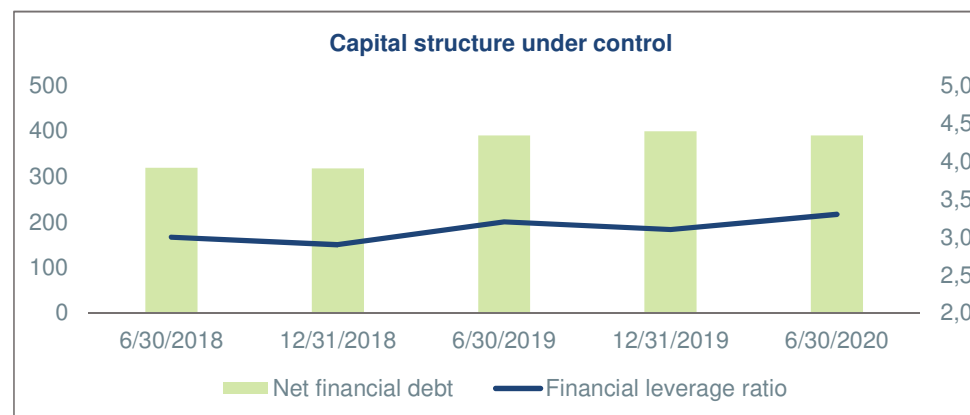
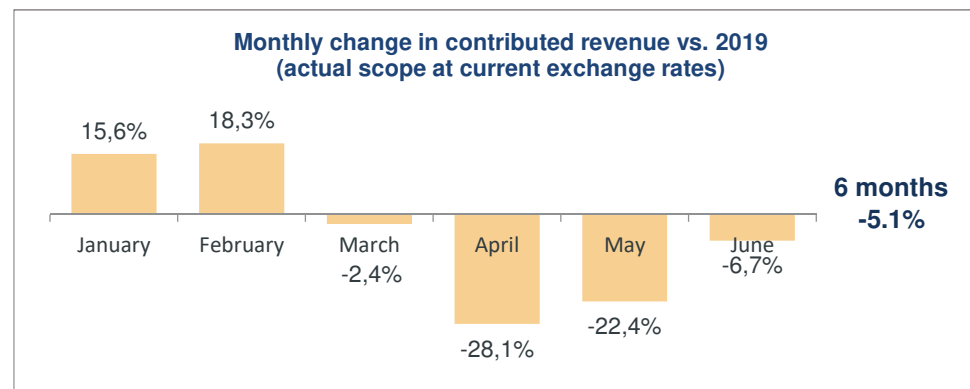
Limited impact of the Covid-19 crisis 2020 outlook confirmed

Maxime Séché, Chief Executive Officer

Limited impact of Covid-19 in the first half of the year

Organization was very responsive

- Excellent response to the global health crisis
 - Adapted organization
 - Business continuing in France and internationally
 - Cash prioritized
- Limited impact of the health crisis on the H1 financial statements
 - Moderate decline in activity (excl. energy recovery)
 - Agile organization and operational impact under control
 - Financial strength preserved
- Sharp decline in the contribution from energy recovery, reducing EBITDA by €(7.6)m in H1
- Positive trends in H2 and 2020 targets confirmed



2020 outlook confirmed

Impacts of the health crisis spread out until the end of the year

Return to normal activity levels in H2 in most regions
Overall H2 2020 activity expected comparable to H2 2019

Contributed revenue confirmed
at the lower end of the initial €650-700m range

Energy recovery to return to normal contribution level
EBITDA between 19% and 20% of contributed revenue

Flexibility maintained with a financial leverage ratio stable at 3.3x
targeting a return to around 3.0X as soon as 2021



Consolidated financial statements at June 30, 2020

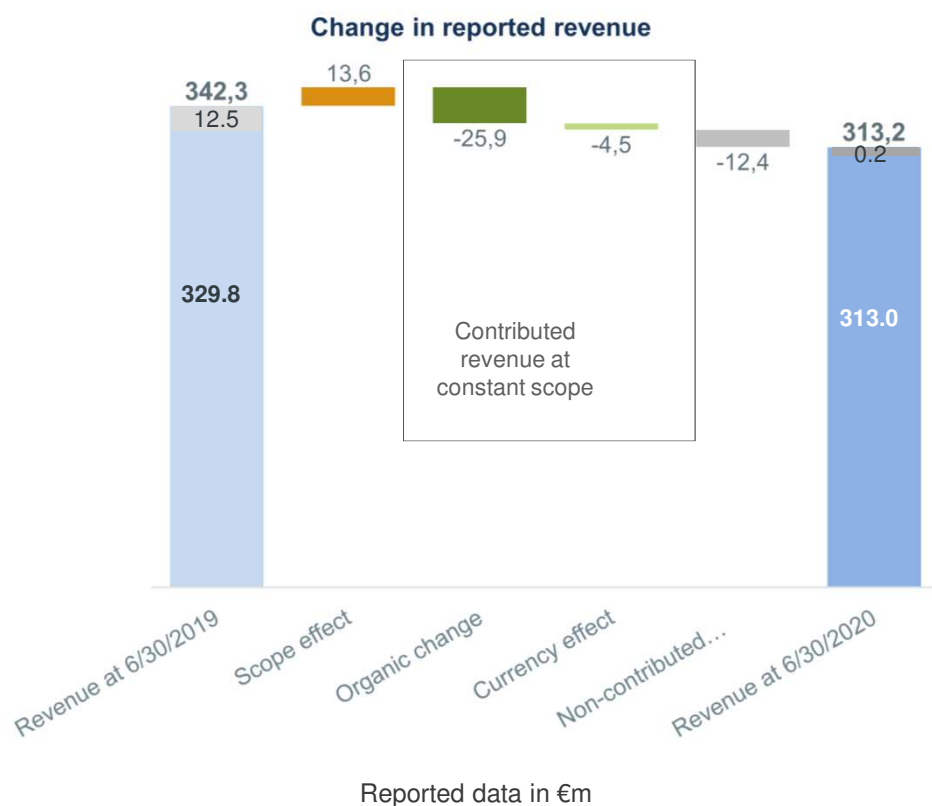
Baptiste Janiaud, Chief Financial Officer

Key indicator trends related to economic and financial performance

At June 30 In €m	2019	As a % of contributed revenue	2020	As a % of contributed revenue	Gross change
Contributed revenue	329.8		313.0		-5%
EBITDA	63.6	19.3%	53.8	17.2%	-15%
Current operating income	22.1	6.7%	13.0	4.1%	-41%
Operating income	21.6	6.6%	11.9	3.8%	-45%
Net financial income	(8.4)	-	(10.4)	-	-
Net income	8.1	2.5%	(0.9)	(0.0)%	ns
Net income (Group share)	7.6	2.3%	(0.9)	(0.0)%	ns
Recurring operating cash flow	52.9	16.0%	41.7	13.3%	-21%
Net industrial CapEx paid (excl. IFRIC 12)	30.2	9.1%	35.4	11.3%	+16%
Free cash flow	35.0	10.6%	39.4	12.6%	+13%
Net banking debt	390.4	-	390.1	--	0%

Contributed revenue down slightly: -5%

Contrasting trends between different activities and regions

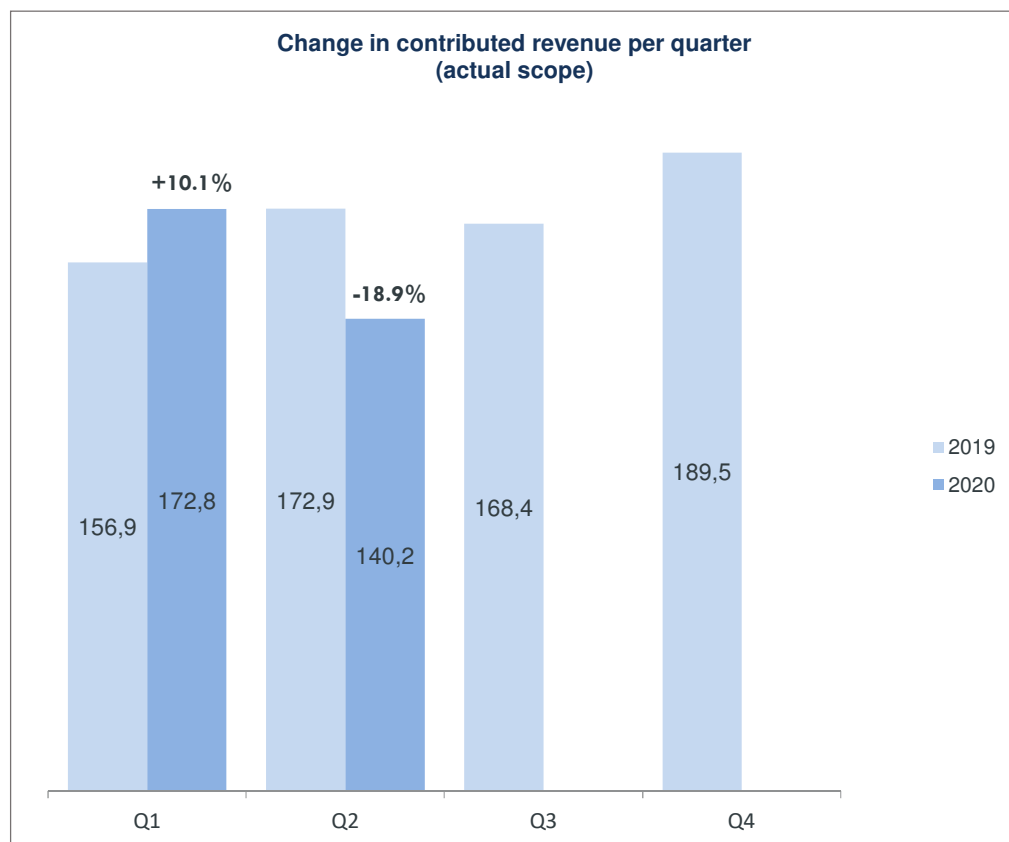


- Contributed revenue: €313.0m (vs. €329.8m at 6/30/2019)
 - -5.1% (reported data)
 - -8.0% (like-for-like*)
- Differing activity trends
 - Continuation of recovery and treatment activities (chemical purification and incineration)
 - Decline in Services and certain treatment activities (final waste management)
- Contrast between geographic regions:
 - More resilient business activity in France
 - Significant currency effects in March 2020
 - ZAR (South Africa): -18% vs. Euro
 - CLP (Chile): -15% vs. Euro
 - PEN (Peru): -8% vs. Euro

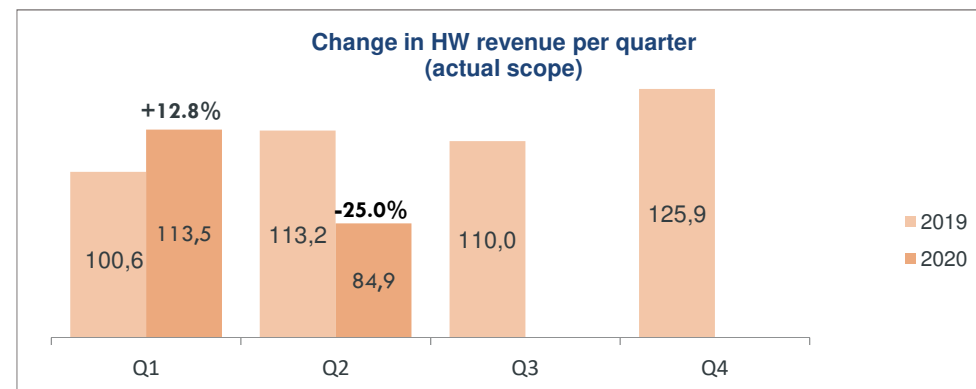
*At constant scope and exchange rates

Impact of the health crisis in Q2

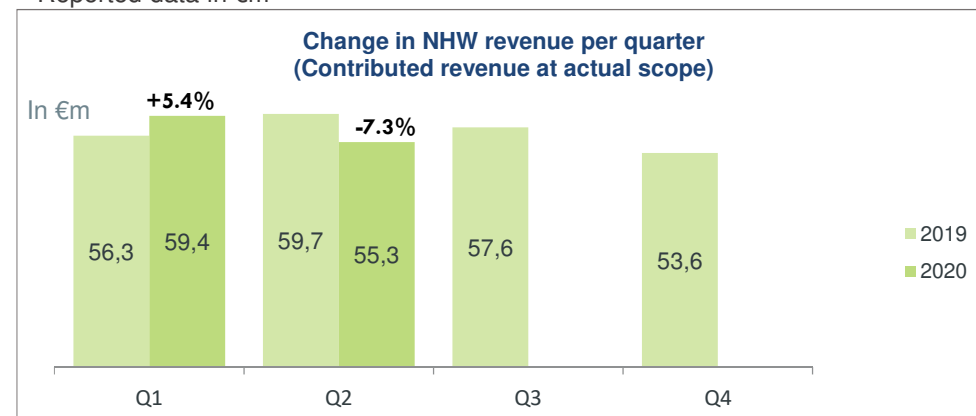
Differing trends between divisions



Reported data in €m



Reported data in €m



Reported data in €m

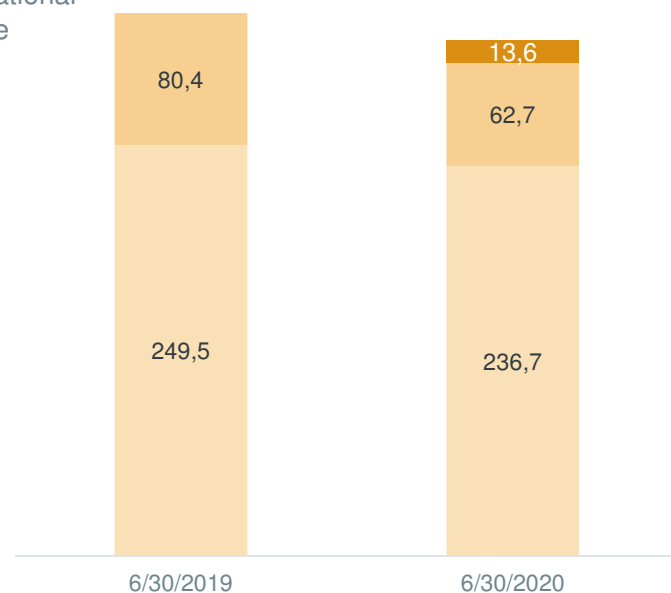
Differing trends between regions

Resilient markets in France

Contrasting situations internationally

Change in contributed revenue
per geographic scope

■ Scope effect
■ International
■ France



Reported data in €m

International: Revenue of €76.3m i.e. -5.0% (reported data)
-17.4% (like-for-like*)

- Scope effect: +€13.6m (contribution from Mecomer in Q1)
- Extremely negative currency effect: -€4.5m
- On a like-for-like basis*:
 - Sharp spot market decline: PCBs in LatAm, chemical cleaning sites (World)
 - Contrast between regions: cycle lags during the health crisis

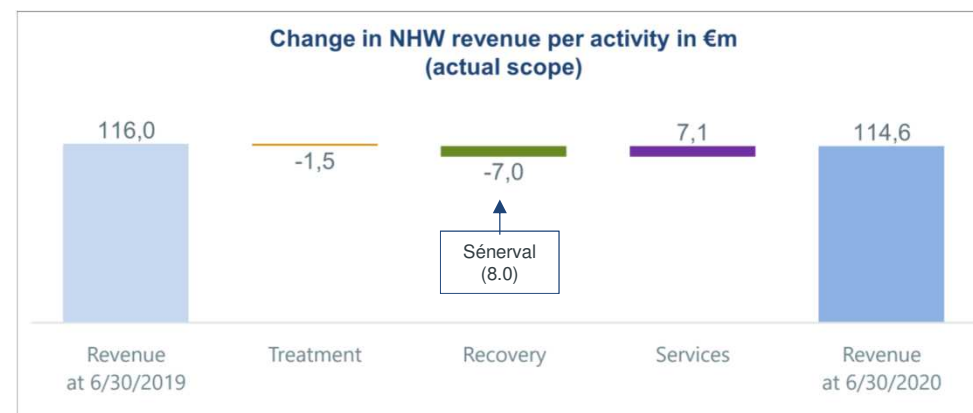
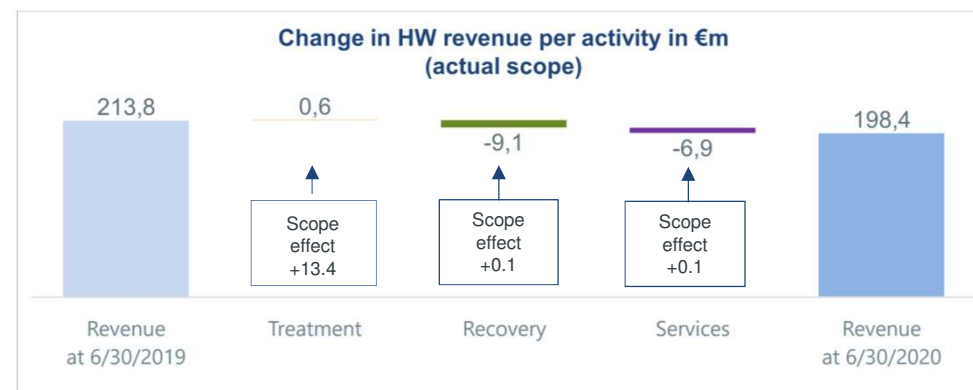
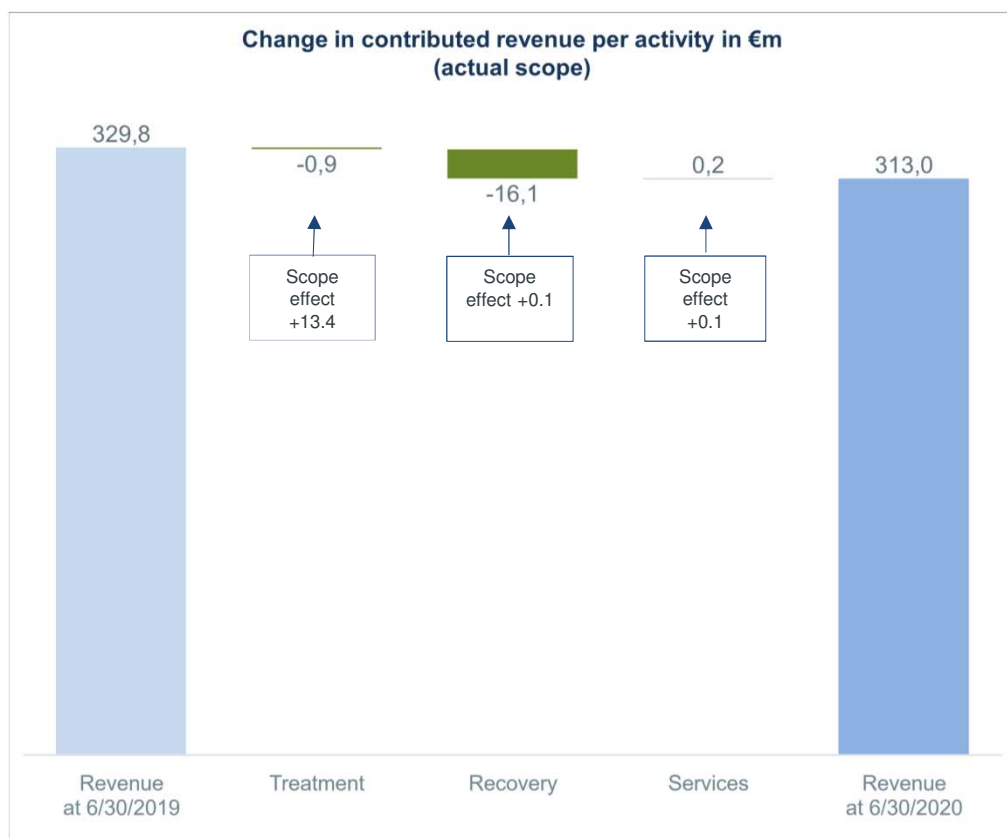
France: €236.7m in contributed revenue, or -5.1% (reported data)

- Treatment and recovery markets holding up well
 - Solid industrial markets driving material recovery and incineration (core clientèle) in the HW division
 - Local authority markets resilient by nature, underpinning treatment (household waste), but decline in WEA volume in the NHW division
- Sharp decline in Decontamination markets starting in March

*At constant scope and exchange rates

Change in activity mix / waste mix

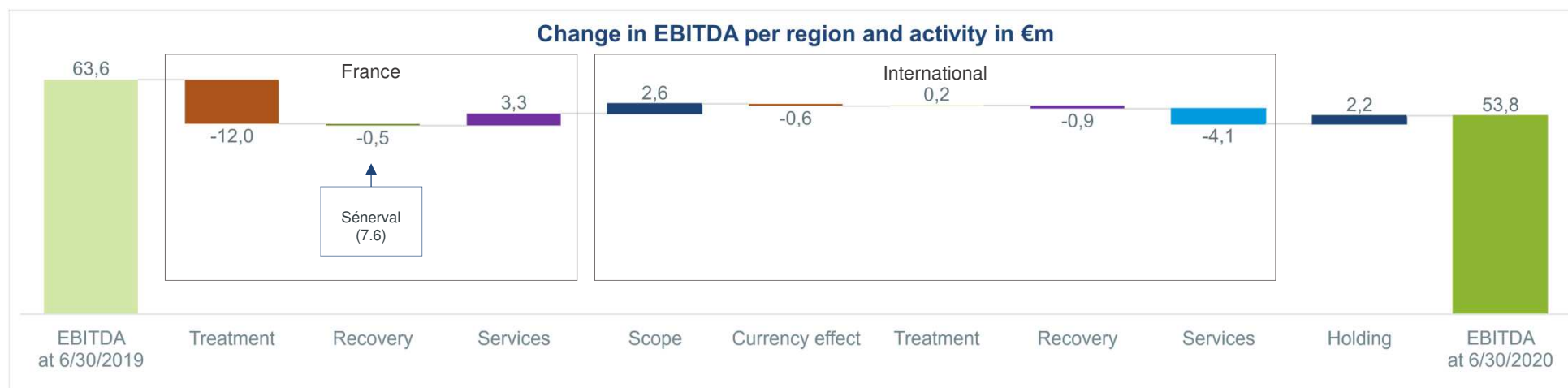
Solid performances from activities excluding recovery



Change in EBITDA by activity and region

Positive contribution from Mecomer

At June 30 In €m	2019			2020		
	Consolidated	France	Int'l.	Consolidated	France	Int'l.
Contributed revenue	329.8	249.5	80.4	313.0	236.7	76.3
EBITDA	63.6	49.4	14.2	53.8	42.3	11.5
As a % of contributed revenue	19.3%	19.8%	17.7%	17.2%	17.9%	15.1%



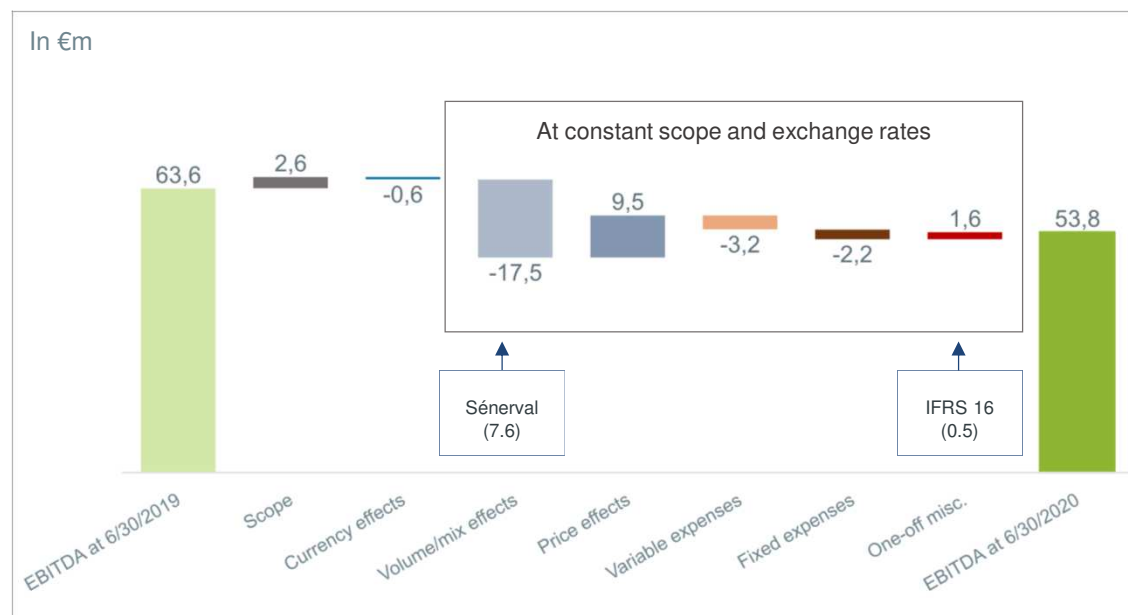
Change in EBITDA

One-off decline in energy recovery

Limited impacts of the health crisis

EBITDA down -15.4% to €53.8m, i.e. 17.2% of contributed revenue (vs. 19.3% at 6/30/2019)

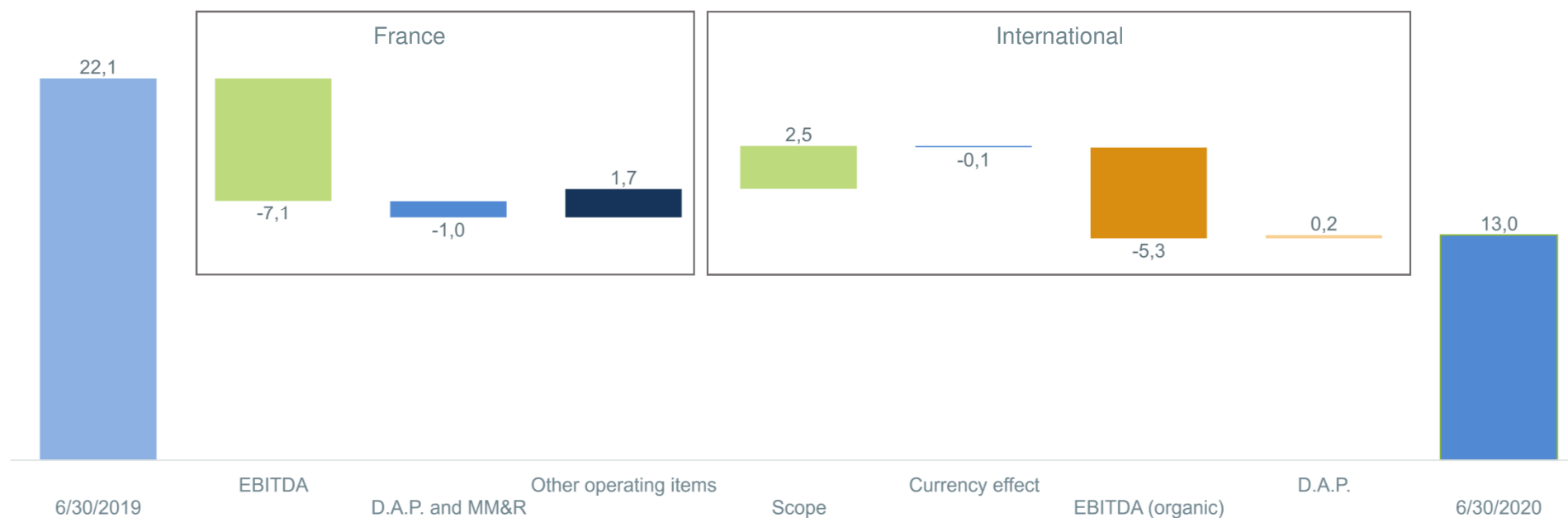
- Scope effect: +€2.6m
- Currency effect: €(0.6)m
- At constant scope and exchange rates:
 - Positive price effects
 - Lower contribution from recovery businesses, especially energy recovery
 - Impacts of the Covid-19 crisis:
 - Negative trading effects: lower volumes, activity/waste mix effects
 - One-off organizational costs



Change in COI

Depreciation, amortization and provisions under control

In €m



From Current Operating Income to Group net income

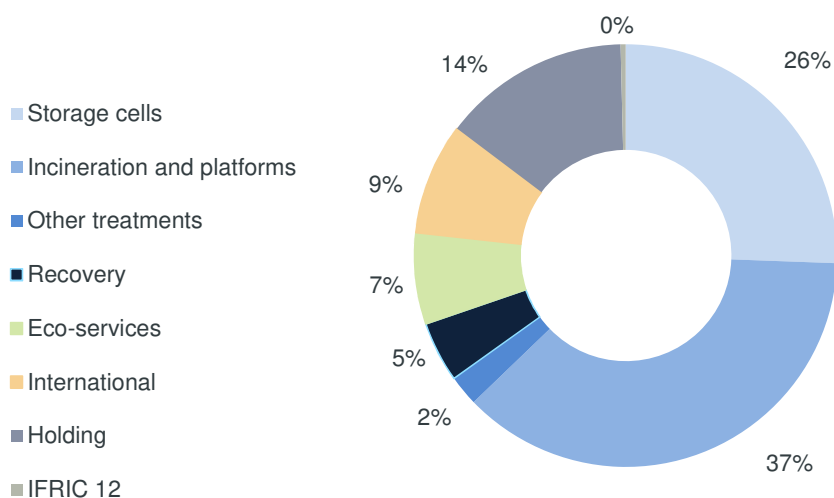
At June 30 In €m	2019	As a % of contributed revenue	2020	As a % of contributed revenue	Gross change
Current operating income	22.1	6.7%	13.0	4.1%	-41.2%
Operating income	21.6	6.6%	11.9	3.8%	-44.9%
Net financial income	(8.4)		(10.4)		
Income tax expense	(5.0)		(2.3)		
Companies accounted for by the equity method	(0.1)		0.0		
Minority interests	(0.5)		ns		
Net income (Group share)	7.6	2.3%	(0.9)	0.0%	ns

■ Change in Net Financial Income due to increased average Net Financial Debt over the period and to the forex charges of €(0.9)m vs. €0.1m at June 30,2020

Industrial investments under control

Certain capex investments deferred

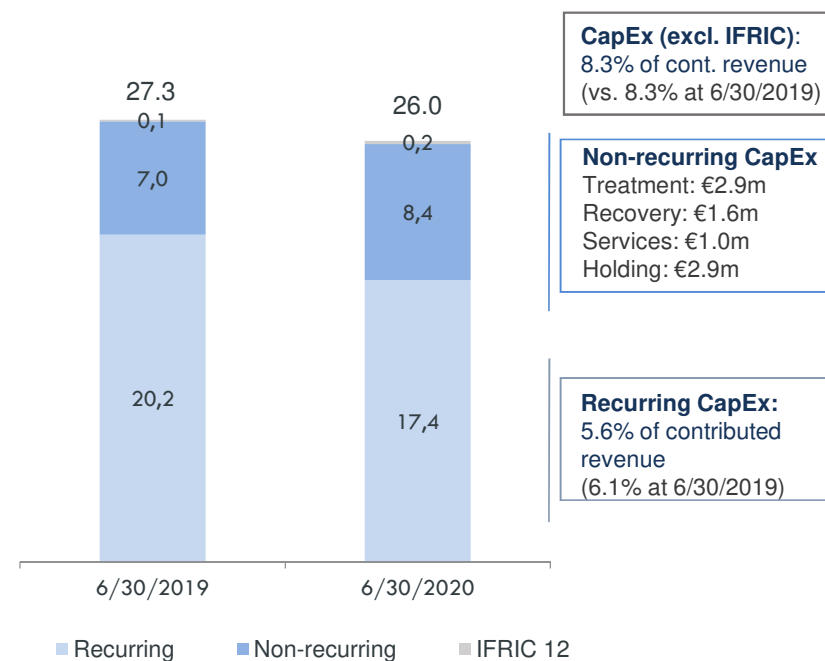
Breakdown of recognized investments



Recognized industrial CapEx: €26.0m, o/w IFRIC 12: €0.2m
(€27.3m at 6/30/2019, o/w IFRIC 12: €0.1m)

Net capex paid: €35.6m, o/w IFRIC 12: €0.2m
(€31.9m at 6/30/2019, o/w IFRIC 12: €1.7m)

Change in recognized investments in €m



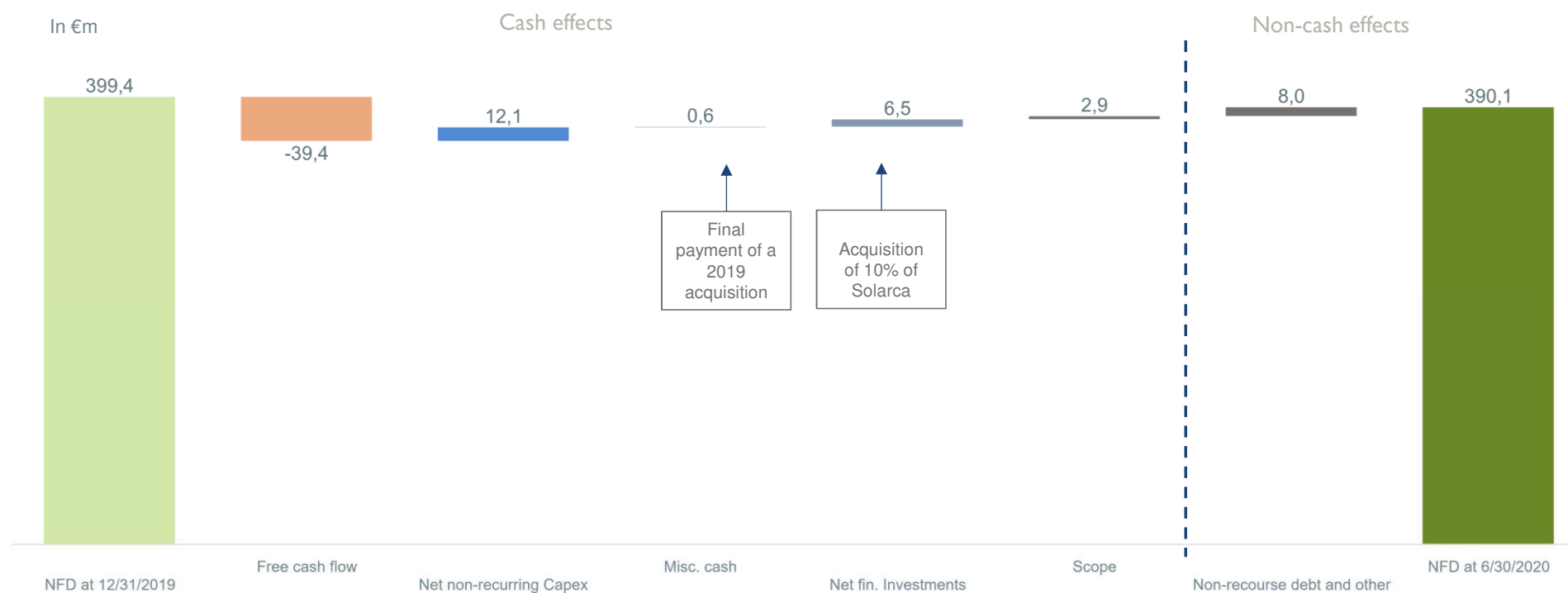
Agility

Generation of free cash flow maintained

In €m At June 30	2019	2020
EBITDA	63.6	53.8
Income and expenses calculated in EBITDA	0.1	(1.0)
Other current and non-current operating income and expenses	(0.4)	0.8
Costs of rehabilitation and maintenance on sites and disposed assets (incl. IFRIC 12)	(10.4)	(11.9)
Recurring operating cash flow	52.9	41.7
Net recurring CapEx paid (excl. IFRIC 12)	(17.7)	(19.2)
Change in WCR	8.2	31.7
Tax paid	(0.8)	(6.3)
Net interest payments	(7.6)	(8.5)
Free cash flow	35.0	39.4
Cash conversion rate (Free cash flow/EBITDA)	55%	73%

Flexibility

Stable net banking debt*



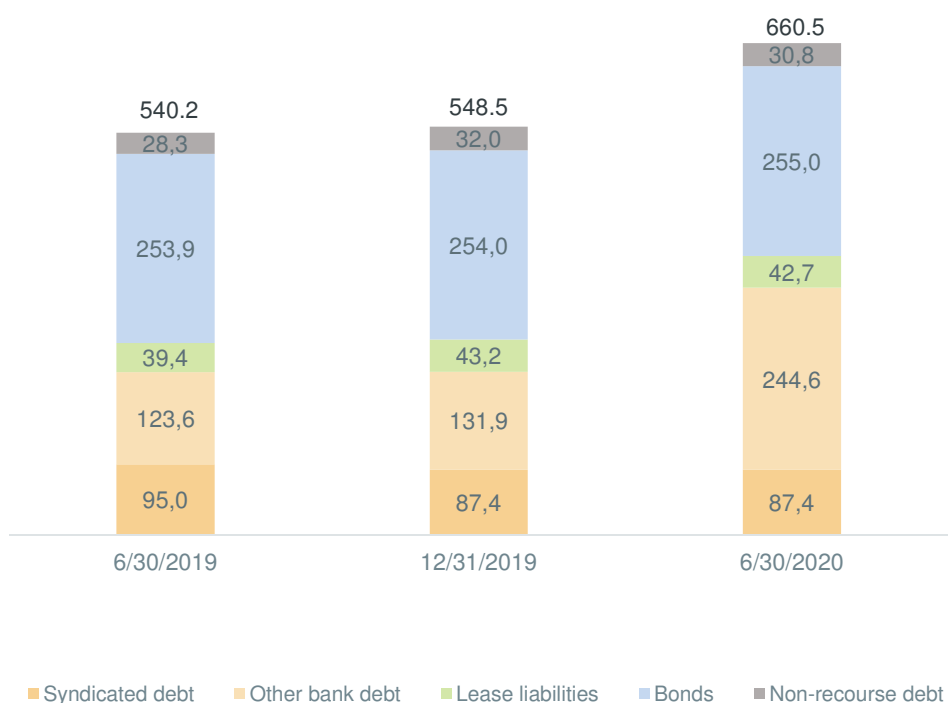
* Excluding certain debts, including non-recourse debt and the impacts of IFRS 16

Liquidity

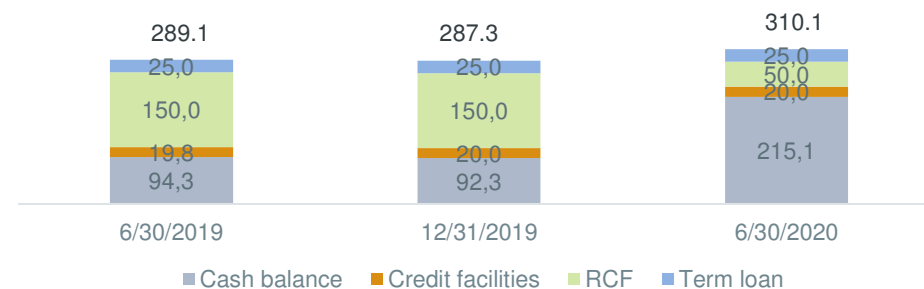
Liquidity position maintained

Financial leverage under control

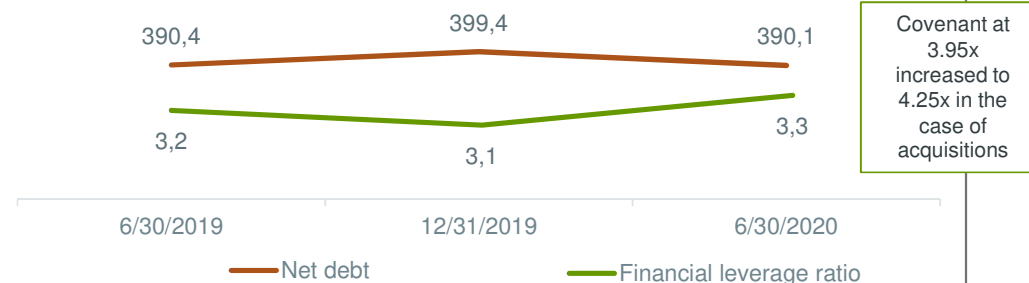
Structure of gross financial debt in (€m)



Good liquidity position (€m)



Change in net banking debt



2020 outlook confirmed

A solid second half



Business

- **France:**
 - Sharp rebound in volumes
 - Recovery of Services activities (worksites)
 - Improved contribution of energy recovery
- **International:**
 - Europe: contribution from Mecomer
 - South Africa: return to normal economic performance
 - LatAm: return to growth expected at the end of the year
 - Rest of the World (Solarca): return to normal activity at the end of H2



Operating results

- **EBITDA** between 19% and 20% of contributed revenue
 - **France:** sharp increase in EBITDA in H2 vs. H1
 - **International:** lower contribution from South Africa (currency effects) offset by Mecomer
- **COI:**
 - Trend reflecting the growth in EBITDA
 - Stable depreciation, amortization and provisions



Capital structure

- **Industrial capex** under control at between €65m and €70m
- **Liquidity:** free cash flow target of above 35% of EBITDA
- **Flexibility:** leverage target stable at 3.3x with a target to return to around 3.0x as of 2021*

*At constant scope and exchange rates



Appendices

Appendix 1

Definition of contributed revenue

In €m at June 30	2019	2020
Revenue (reported)	342.3	313.2
<i>IFRIC 12 revenue</i>	<i>0.0</i>	<i>0.2</i>
<i>Compensation</i>	<i>12.5</i>	<i>0.0</i>
Contributed revenue	329.8	313.0

- IFRIC 12 revenue: investments made for disposed assets and booked as revenue in accordance with IFRIC 12
- Damages: 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

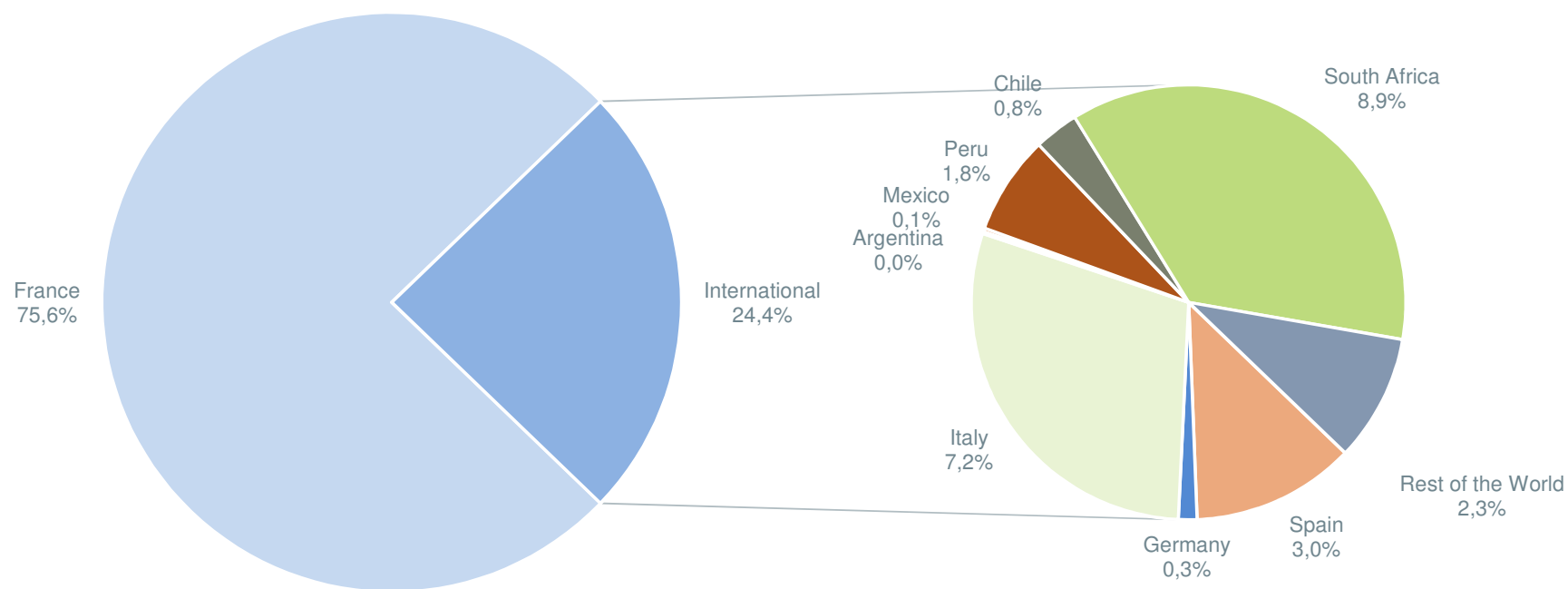
Breakdown of scope effect by activity and division

At 6/30/2020 in €m

Mecomer (Q1 2020)	HW division	NHW division	Total
Treatment	13.4	0.0	13.4
Recovery	0.1	0.0	0.1
Services	0.1	0.0	0.1
Total	13.6	0.0	13.6

Appendix 3

Contributed revenue by geographic area

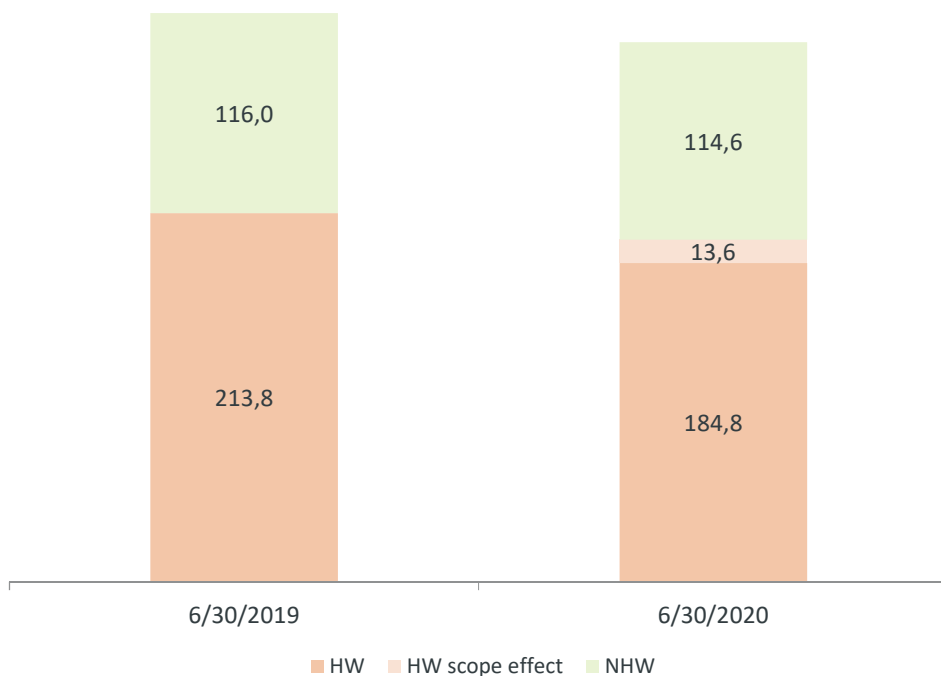


Breakdown of contributed revenue at 6/30/2019

Appendix 4

Breakdown of contributed revenue by division

Reported data in €m



NHW division: Contributed revenue of €114.6m (vs. €116.0m at 6/30/2019) i.e. +0.1% (reported data) and +1.1% (like-for-like*)

■ On a like-for-like basis:

- Treatment: -1.8% to €62.6m - Resilient volumes
- Recovery: -32.3% to €14.6m - Sharp decline in energy recovery (Sénerval revenue down €5.5m)
- Services: +23.5% to €37.4m – Momentum at Interwaste

HW division: Revenue €198.4m (vs. €213.8m at 6/30/2019) i.e. -7.2% (reported data) and -12.2% (like-for-like*)

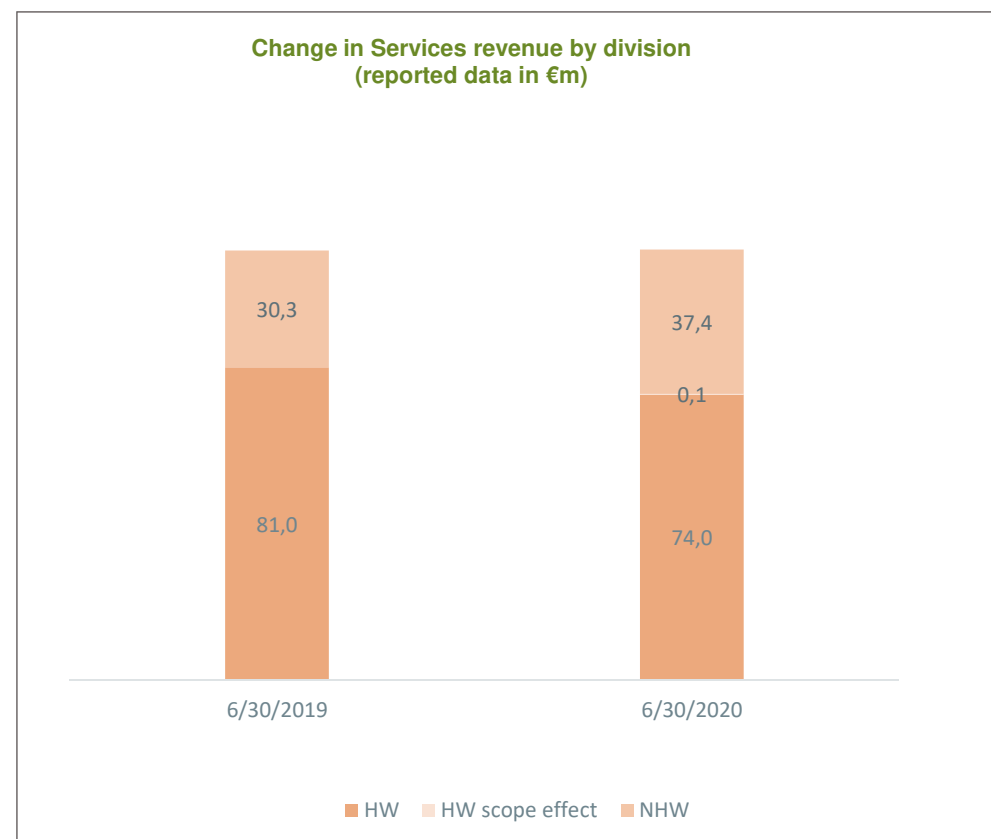
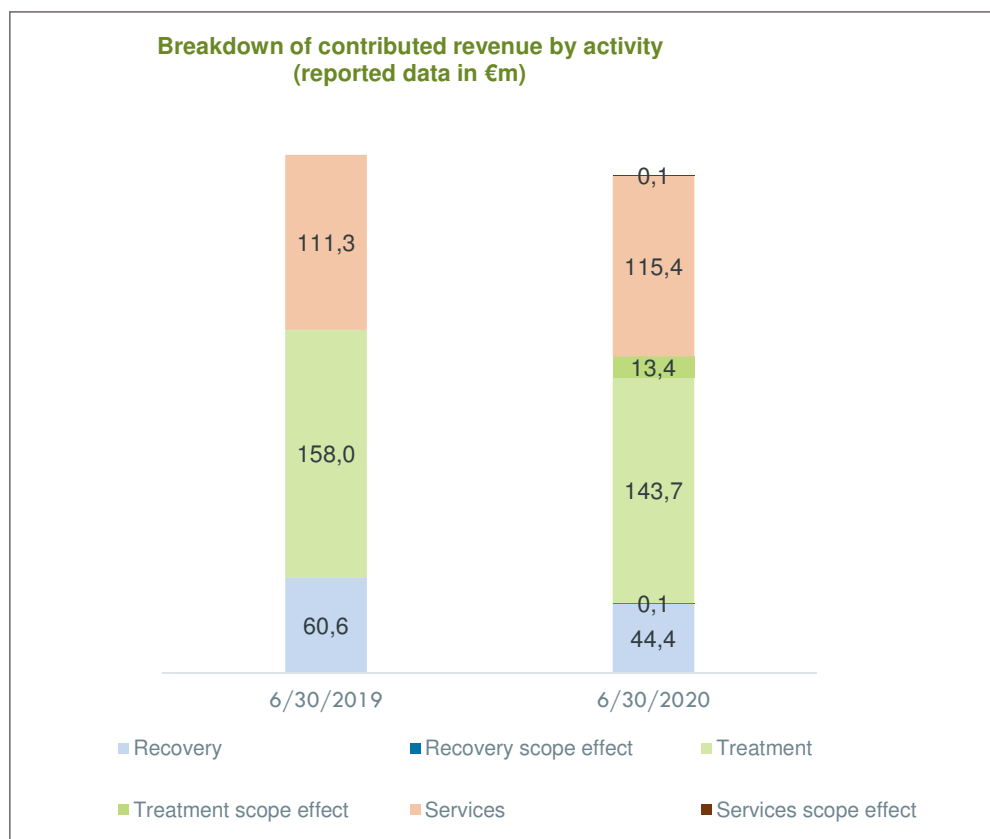
■ On a like-for-like basis*:

- Treatment: -12.8% to €81.1m - Sharp decline in LatAm
- Recovery: -22.7% to €29.7m – PCB markets declining (LatAm)
- Services: -6.6% to €74.0m – Shutdown of worksites in France and abroad

* At constant scope and exchange rates

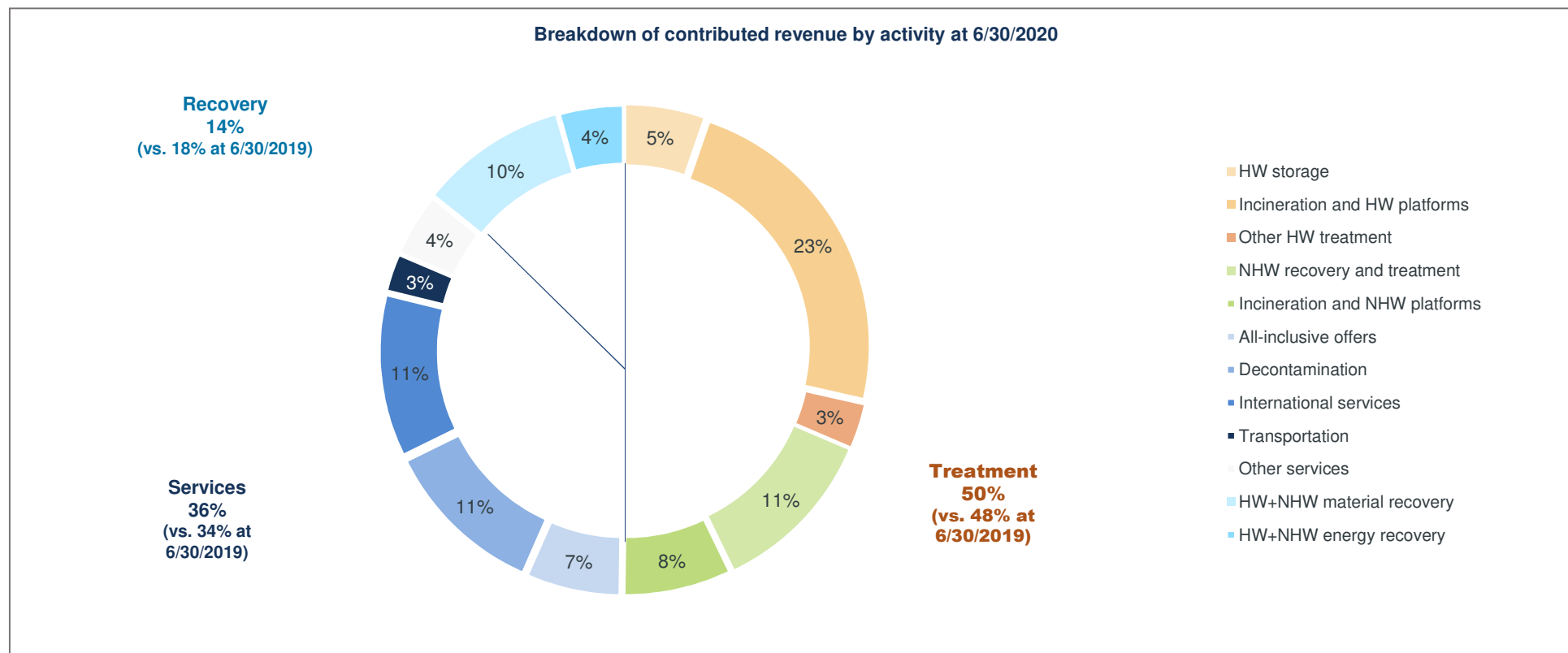
Appendix 5

Change in contributed revenue by activity



Appendix 6

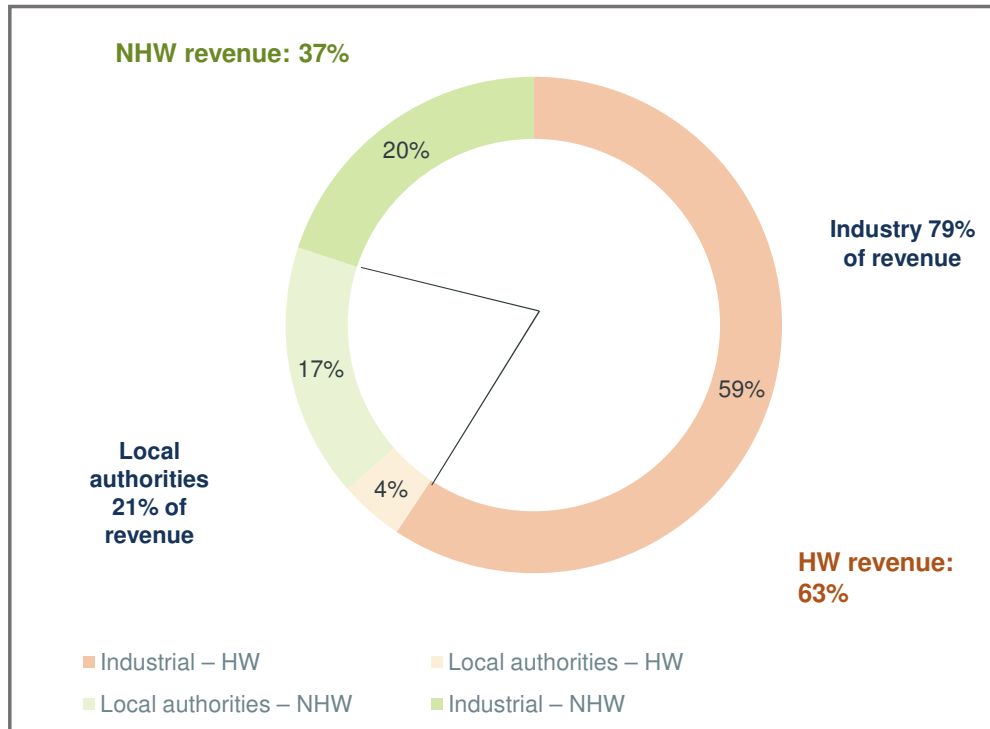
Breakdown of contributed revenue by activity



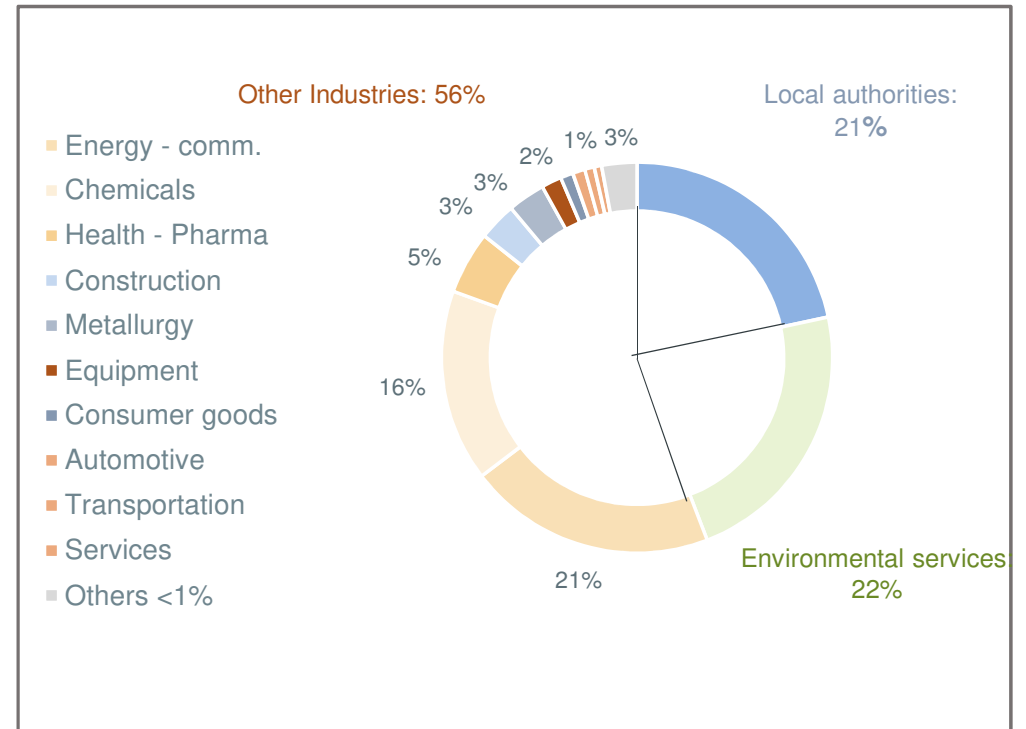
Appendix 7

Breakdown of contributed revenue by client

Breakdown of contributed revenue by division and client at 6/30/2020



Breakdown of contributed revenue by sector of activity at 6/30/2020



Appendix 8

Operating income by region

At June 30	2019			2020		
	Consolidated	France	International	Consolidated	France	International
Contributed revenue	329.8	249.5	80.4	313.0	236.7	76.3
EBITDA	63.6	49.4	14.2	53.8	42.3	11.5
<i>As a % of revenues</i>	<i>19.3%</i>	<i>19.8%</i>	<i>17.7%</i>	<i>17.2%</i>	<i>17.9%</i>	<i>15.1%</i>
COI	22.1	15.0	7.1	13.0	11.0	2.0
<i>As a % of revenues</i>	<i>6.7%</i>	<i>6.0%</i>	<i>8.8%</i>	<i>4.4%</i>	<i>4.7%</i>	<i>2.6%</i>

Appendix 9

Change in Operating Income

At June 30	2019		2020		Change change
	€m	% of contributed revenue	€m	% of contributed revenue	
Contributed revenue	329.8		313.0		-5.1%
EBITDA	63.6	19.3%	53.8	17.2%	-15.4%
COI	22.1	6.7%	13.0	4.4%	-41.2%
Operating income	21.6	6.6%	11.9	3.8%	-44.9%

■ Operating income at €11.9m, i.e. 3.8% of contributed revenue (vs. €21.6m, i.e. 6.6% of contributed revenue as of 6/30/2019)

■ Changes in COI: €(9.1)m

■ Losses on investments in subsidiaries €(0.6)m

Appendix 10

Change in net financial income

At June 30	2019	2020
Cost of gross financial debt	(8.2)	(8.8)
Income from cash and cash equivalents	0.3	0.2
Other financial income and expenses	(0.6)	(1.8)
Financial income	(8.4)	(10.4)

- Change in the gross cost of debt
 - Average cost of gross debt at 2.91% (vs. 3.07% in H1 2019)
 - Increase in average gross debt over the period
- Other financial income and expenses, including:
 - Net income on sales of financial fixed assets: €(1.0)m
 - Impact of currency fluctuations: €(0.9)m
 - Discounting of 30-year provisions: €(0.7)m
 - Impairment of equity instruments: €0.9m

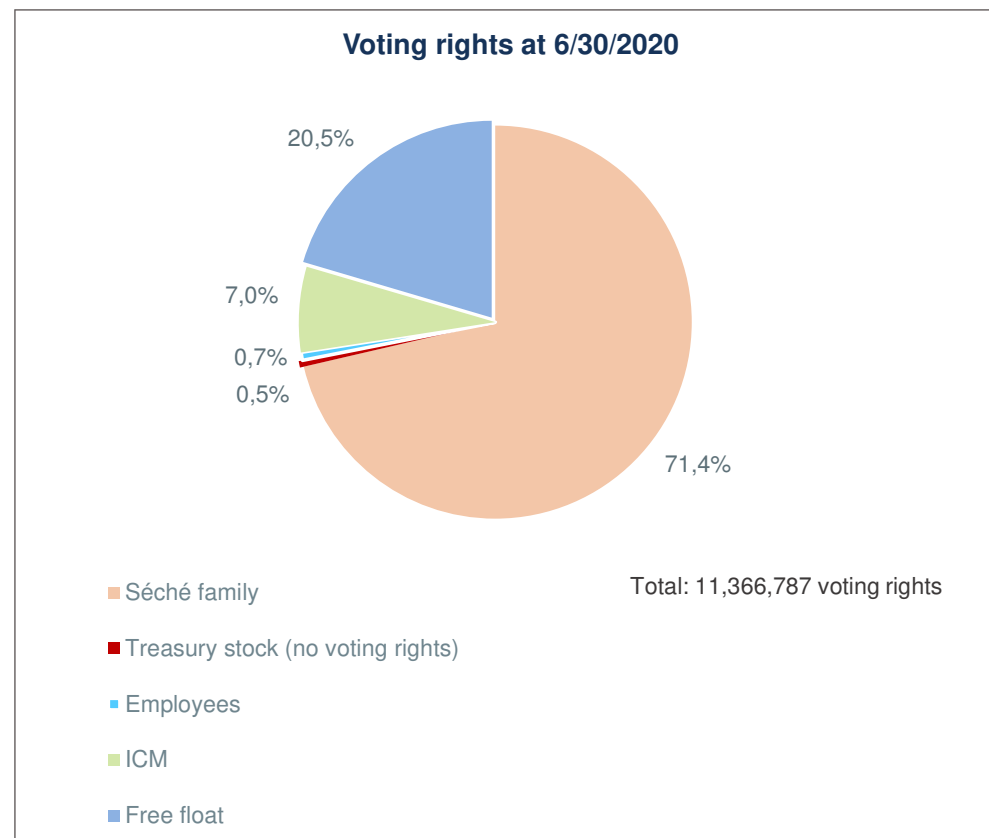
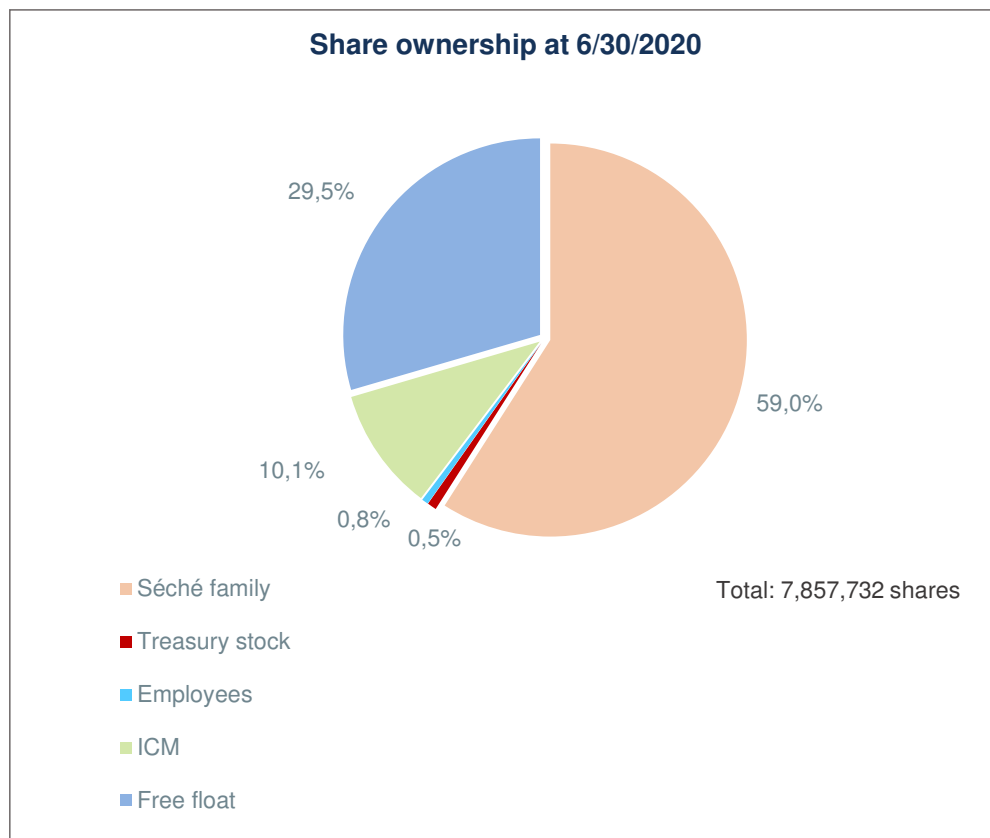
Appendix 11

From gross financial debt under IFRS to net bank debt

In €m at June 30	2019	2020
Gross bank debt (IFRS)	540.2	660.6
Cash and cash equivalents	94.3	215.1
Net financial debt under IFRS	445.9	445.4
Non-recourse debt and other miscellaneous debt	51.2	50.3
Finance leases (impact of IFRS 16)	4.3	5.1
Net financial debt (banking debt)	390.4	390.1
Financial leverage ratio	3.2x	3.3x

Appendix 12

Breakdown of shareholders and voting rights





This document may contain information of a provisional nature. This information represents either trends or targets at the date of this document's creation and may not be considered as results forecasts or as any other type of performance indicators. This information is by nature subject to risks and uncertainties which are difficult to foresee and are usually beyond the Company's control, which may imply that expected results and developments differ significantly from announced trends and targets. These risks notably include those described in the Company's Universal Registration Document, which is available on its website at www.groupe-seche.com. This information therefore does not reflect the Company's future performances, which may differ significantly therefrom, and no guarantees can be given regarding the achievement of any provisional figures. The Company makes no commitment on the updating of this information. More detailed information on the Company can be obtained on its website (www.groupe-seche.com), in the Regulated Information section. This document does not constitute an offer of shares or a solicitation in view of an offer of shares in any country, including the United States. Distribution of this document may be subject to the laws and regulations in force in France or other countries. Persons in possession of this document must be aware of these restrictions and observe them.

Contact

Manuel Andersen
Head of Investor Relations
m.andersen@groupe-seche.com
www.groupe-seche.com