

Press release

Changé, France, June 26, 2018

Séché Investor Day 2018

Séché Environnement presents its growth strategy and financial objectives for 2020

The Séché 2020 Plan: a strategic framework for profitable growth and value creation

- ✚ Positioning on growth platforms
- ✚ Targeted markets and selective industrial investments
- ✚ Focus on industrial efficiency and control of operating expenses

Financial objectives: a path to flexibility

- ✚ Like-for-like revenues¹ between €550m and €600m in 2020
- ✚ Like-for-like EBITDA of around 20% of contributed revenue in 2020
- ✚ Cash conversion rate² above 35% in 2020
- ✚ Financial leverage target of about 3x EBITDA confirmed

At its Investor Day, Séché Environnement is announcing its “Séché 2020” strategic plan, which sets out the Group’s new development focus, presents its growth outlook and establishes profitability and financial flexibility targets for 2020.

Séché Environnement, a key player in the circular economy

As a waste management specialist, Séché Environnement manages all of the challenges of material and energy recovery from waste, especially those associated with hazardous waste.

The Group provides industrial clients and local communities with comprehensive regional ecology solutions, combining waste classification and material and energy recovery, hazardous waste management, storage of final waste and environmental impact management.

Séché Environnement is cementing its role as an innovator in the circular economy markets and stands out from its competitors thanks to its expertise in the recovery of scarce resources such as bromine, for which it has a unique regeneration process. The Group is also a leader in the energy recovery businesses, for example with its fluidized bed boiler oven technology, and was the first facility in France to use Solid Recovered Fuel to power an urban central heating network.

¹Contributed revenue = revenue minus IFRIC 12 revenue and diversion compensation.

²Cash conversion rate: free cash flow/EBITDA. NB: Free cash flow = cash flow before non-recurring investments, dividends and repayments of financial debt

Bolstered by the recognition of its technological expertise, Séché Environnement is focusing its French and international development on high-visibility markets, driven by environmental regulations and the industrial and societal challenges of energy transition and sustainable development.

The Séché 2020 Plan is a clear strategic framework for the Group to profit from growth opportunities on its markets and continue the company's transformation, in order to meet the long-term challenges of a carbon-neutral, digital industrial economy.

It sets out specific targets to create the conditions conducive to value-creating growth and reinforce the Group's financial strength as it becomes increasingly international in scope.

The Group's new financial resources will be an additional asset that will ensure the success of this internal and external growth strategy.

The Group is currently finalizing its financial debt refinancing, which includes:

- a new credit facility for €150m;
- a banking and bond refinancing with a debt maturity between 5 and 8 years;
- a single financial ratio or leverage covenant for Net Financial Debt / EBITDA, which may be increased to 4.25x in the event of an acquisition;

The Séché 2020 Plan

Séché Environnement is pursuing a development strategy through organic growth and acquisitions, targeted towards the complex waste markets, the circular economy and services to industrial clients in France and abroad.

Against this backdrop, the Séché 2020 Plan puts the Group's development on a path of selective, sustainable and profitable growth, on its growth platforms in France – and especially abroad – drawing on its hubs of industrial excellence and technological innovation.

The digital transformation of the growth model through its brand SéchéConnect® must contribute to maximizing value creation.

Selective investments
Excellence in industry
Cost-effective, profitable growth
Highly international focus
E-solutions
2020

The selective growth approach will be achieved through (i) targeted industrial investments, (ii) controlled operating expenses and (iii) a policy of industrial efficiency structured around five key pillars:

- ✚ organizing flows;
- ✚ efficient and available tools;
- ✚ optimizing transportation;
- ✚ managing purchases;
- ✚ increasing the added value of platform activities.

With this in mind, Séché Environnement has also defined stringent financial investment criteria and will ensure that its external growth operations, especially internationally, are conducted using a highly-disciplined approach.

Over the 2018-2020 period, Séché Environnement is projecting organic growth of around 3% per year for its French operations and around 10% internationally.

The Group is targeting a gross operating margin (EBITDA/revenue) for its French and international operations of around 20% by 2020.

The Group intends to generate a cash conversion rate (see definition) of over 35% by 2020 in order to finance these developments.

Furthermore, Séché Environnement is confirming its leverage target (Net Financial Debt/EBITDA) of around 3x EBITDA by the end of 2018.

The speakers during the day will be:

- Joël Séché, Chairman and Chief Executive Officer
- Maxime Séché, Deputy Chief Executive Officer
- Baptiste Janiaud, Chief Administrative and Financial Officer
- Christian Monnier, Chief Operating Officer
- Daniel Baumgarten, Head of Sustainable Development
- David Drouin and Nicolas Rogeau, Heads of Sales
- Guillaume Séché, Head of International Development
- Jean Pierre Azanedo, CEO Séché Group Peru
- Franck Eloi, Head of International Operations
- Sylvain Durécu, Head of Research and Development
- Karine Valentin, Head of Operational and Digital Marketing
- Laurent Carmona and Thomas Belotti, Operations Supervisors at St Vulbas
- Pierre Roulon, Pyrotechnic Decontamination Supervisor

Material to accompany the presentation will be available from 9 a.m. today on Séché Environnement's website, www.groupe-seche.com

A recording of the day will also be available on Séché Environnement's website from July 2, 2018.

Calendar

**Extraordinary General Meeting of Shareholders
Consolidated half-year results at June 30, 2018**

June 29, 2018

September 10, 2018 after market close

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About Séché Environnement

Séché Environnement is one of France's leading players in the recovery and treatment of all types of waste, from both industry and local communities.

Séché Environnement is the leading independent operator in France. It is uniquely positioned as a specialist in highly complex waste, operating within regulated waste recovery and treatment markets with high barriers to entry.

Its facilities and expertise enable it to provide high value-added solutions to its industrial and public authority clients, targeting the challenges of the circular economy and sustainable development requirements, such as:

- the material and energy recovery of hazardous and non-hazardous waste;
- a comprehensive range of treatment solutions for solid, liquid and gaseous waste (thermal, physical-chemical and radiation treatment, etc.);
- the storage of final hazardous and non-hazardous waste;
- eco-services such as decontamination, decommissioning, asbestos removal and rehabilitation.

Leveraging its extensive expertise, Séché Environnement has successfully developed its environmental services business lines in waste management outsourcing markets for its clientele of large communities and major industrial companies both in France and abroad.

Séché Environnement has been listed on Eurolist by Euronext (Compartment B) since November 27, 1997.

It is eligible for equity savings funds dedicated to investing in SMEs and is listed in the CAC Mid&Small and Euronext PEA-PME 150 indexes.

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