



# Consolidated results as of June 30, 2021

Presentation of September 14, 2021



**TOGETHER**  
Leading

The green transition  
With our solutions



# **Excellent commercial, operational and financial performance in H1 2021**

Joël Séché, Chairman of the Board of Directors

### Significantly improved performance compared to 2020 and 2019

#### Performance vs. 6/30/19

Contributed revenue +13%

EBITDA +28%

COI +48%

Free cash flow +29%

Financial leverage ratio -0.5x EBITDA

**Commercial performance**  
Contributed revenue of €355m

**Operational performance**  
EBITDA €81m at 23% of Revenue  
COI €33m at 9% of Revenue

**Financial performance**  
Free cash flow €45m  
at 56% of EBITDA  
2.7x leverage ratio

#### Performance vs. 6/30/20

Contributed revenue +18%

EBITDA +51%

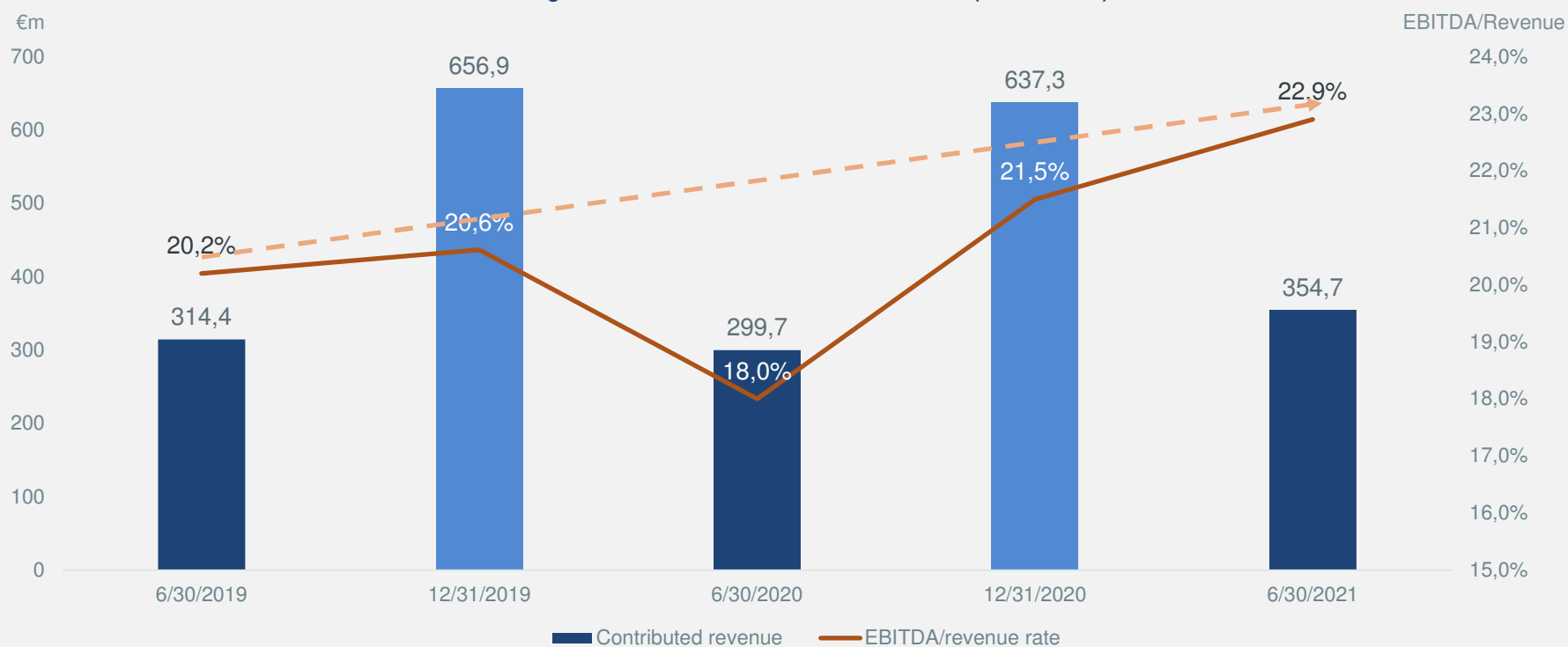
COI +152%

Free cash flow +15%

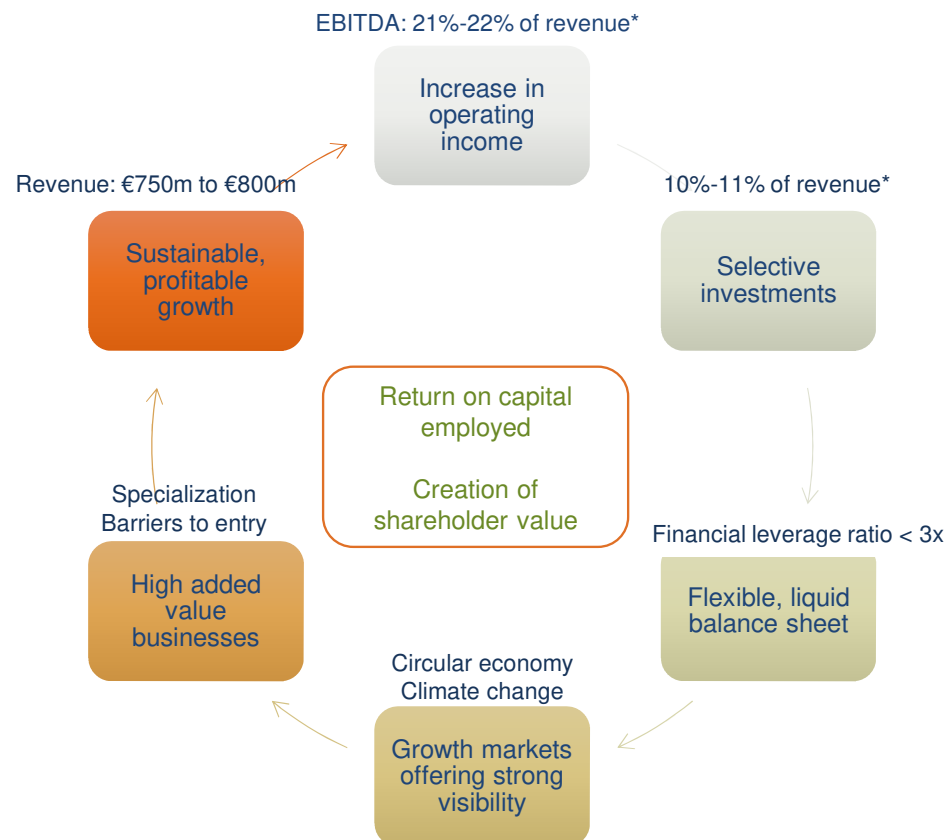
Financial leverage ratio -0.6x EBITDA

## Profitable growth momentum confirmed over the medium term

Change in contributed revenue and EBITDA rate (in real terms)



# On track to achieve 2022 targets Most will be achieved by 2021



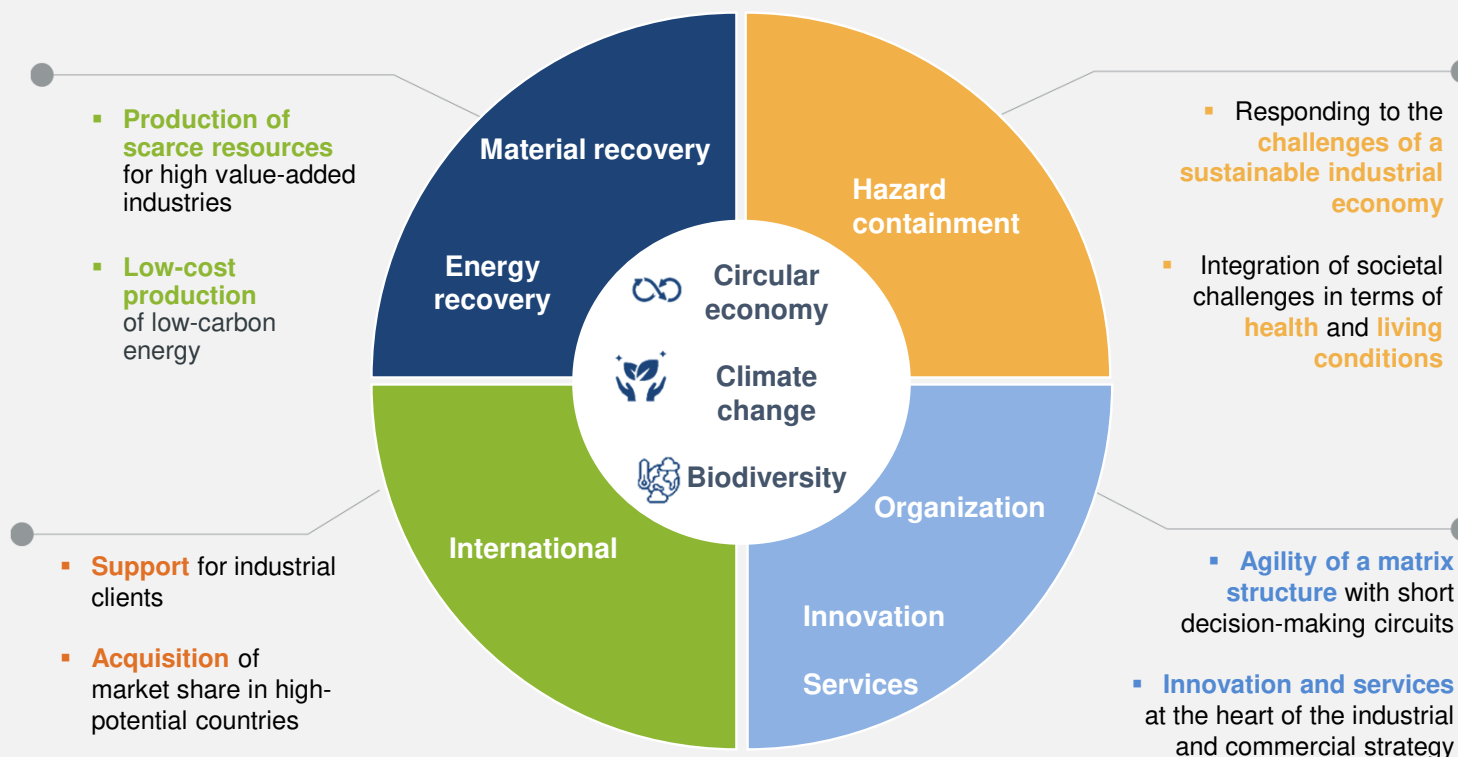
\*Contributing revenue including  
TGAP (tax on polluting activities)



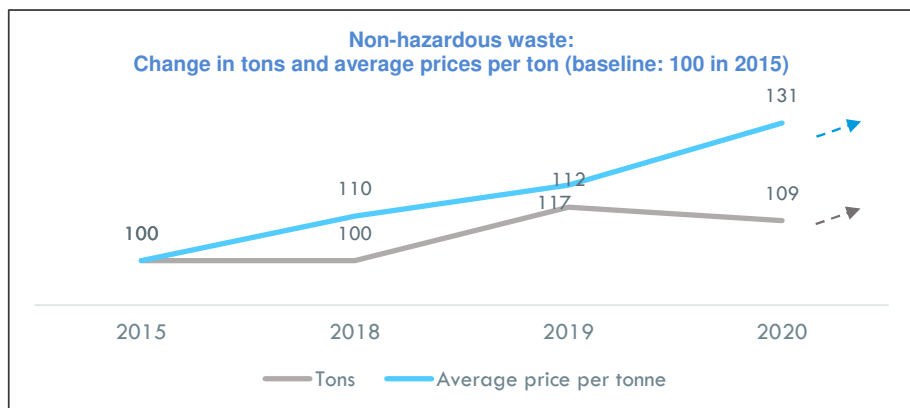
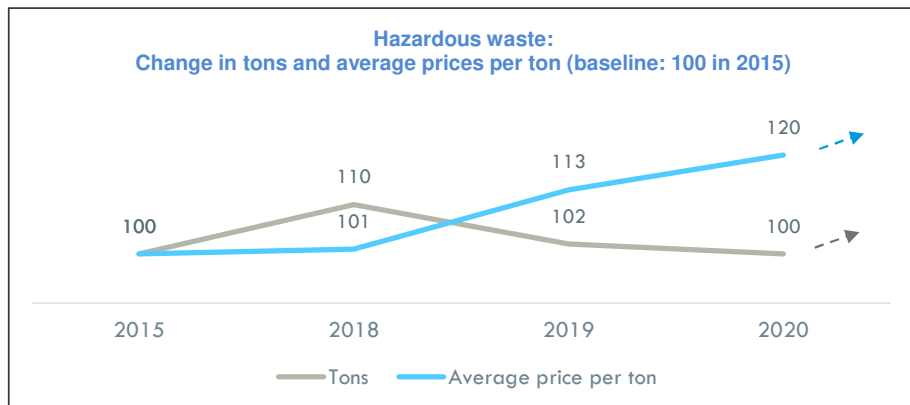
# Confirmation of profitable growth strategy

Maxime Séché, Chief Executive Officer

### Added value of the R&D offer, technicality of processes, services



### Sustainable growth trends Positive commercial effects



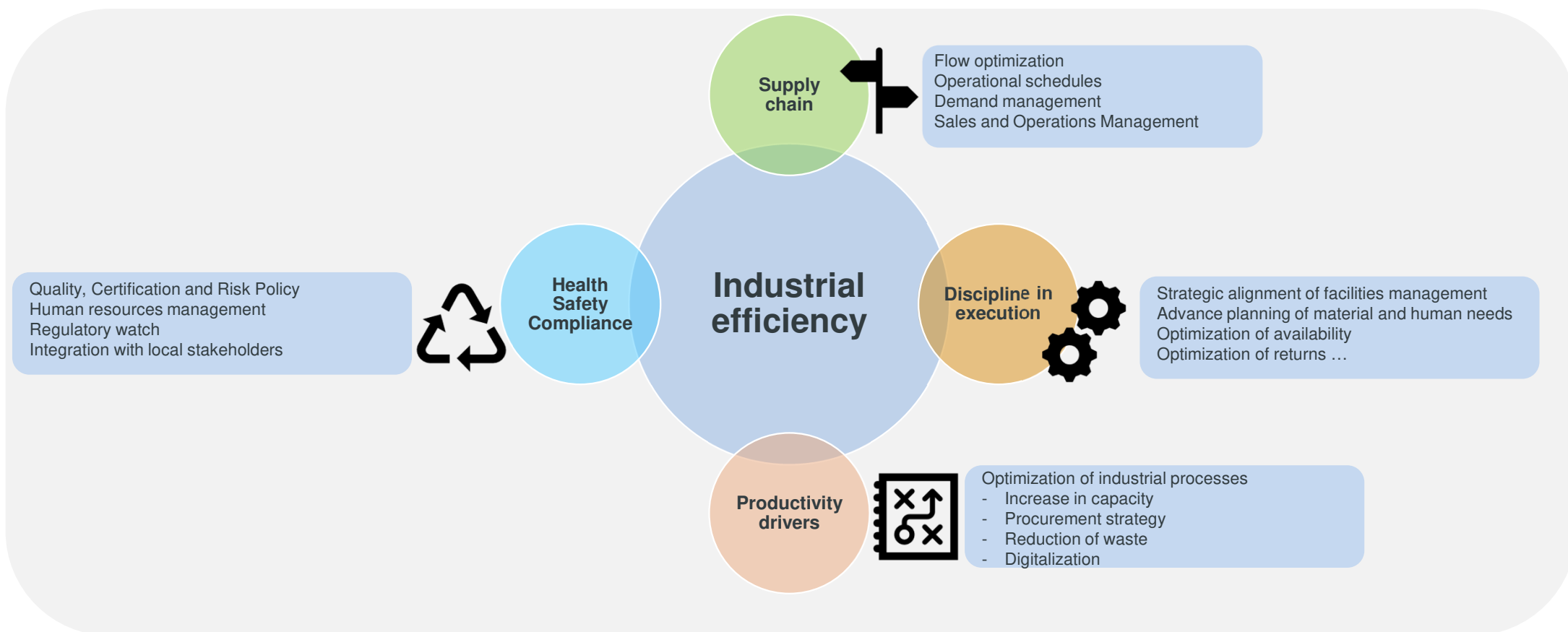
#### HW markets: favorable position in a buoyant market

- **Regulations** related to the implementation of the circular economy: strengthening of criteria to differentiate between hazardous and non-hazardous waste
- Good level of **industrial production** and ability to benefit from recovery effects
- Price effects related to the **saturation** of facilities in France and Europe and the **effects of the waste mix** (arbitrage strategy)

#### NHW markets : favorable regulatory environment

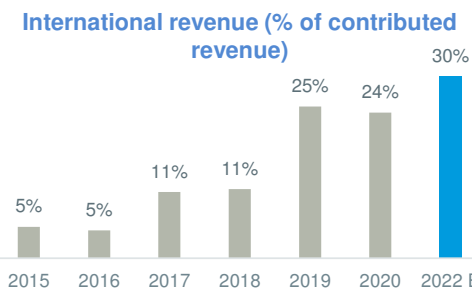
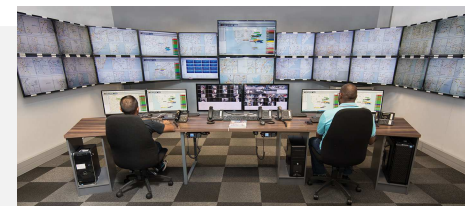
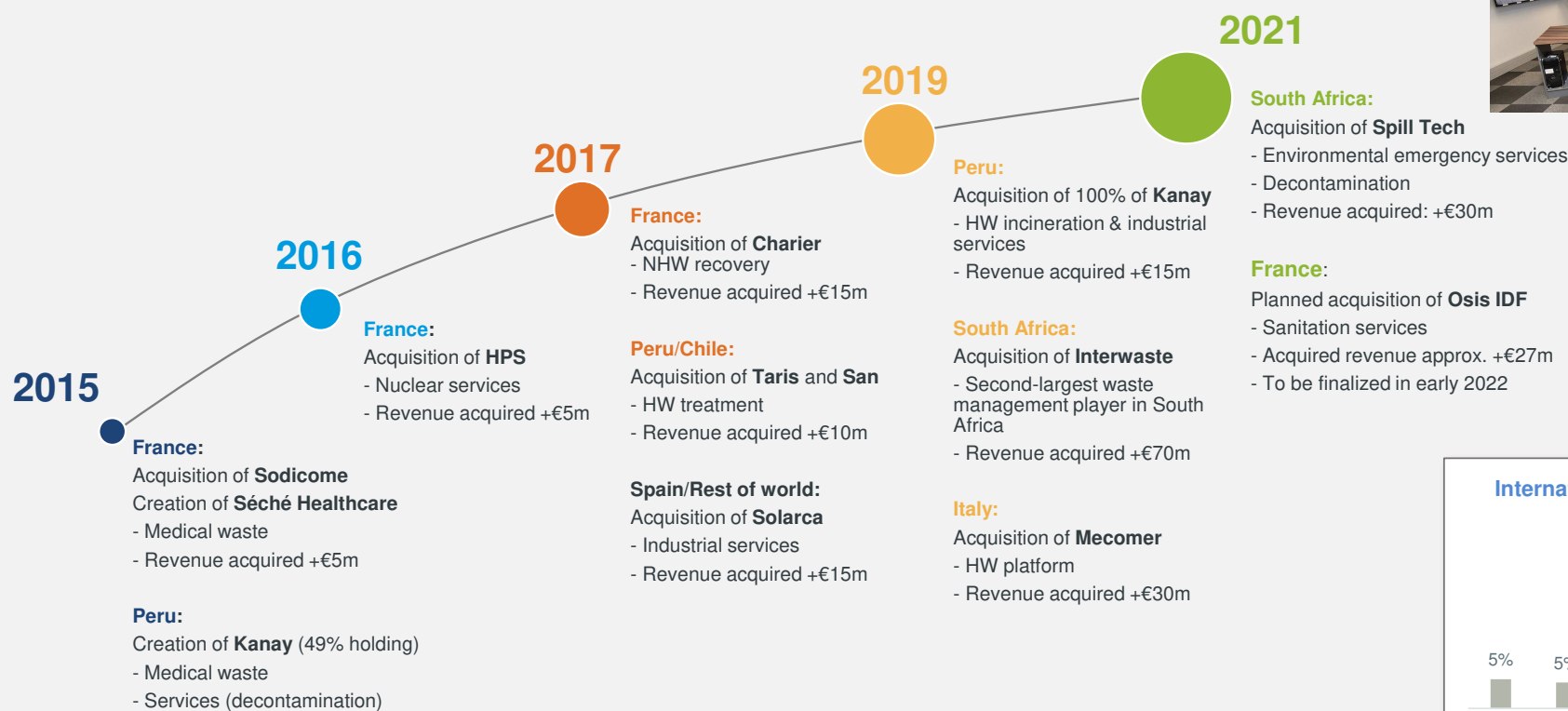
- Robust **industrial production**
- "Chinese ban" and **regulatory restrictions on the export** of non-hazardous waste
- **Reduction of treatment capacity** at national level: opportunities to develop recovery activities (real estate reserves and capacity to expand authorizations)

# Maximize commercial effects Increase the agility of the organization



# Regional coverage and extension of the offering in France

## International growth platforms





# **Consolidated financial statements as of June 30, 2021**

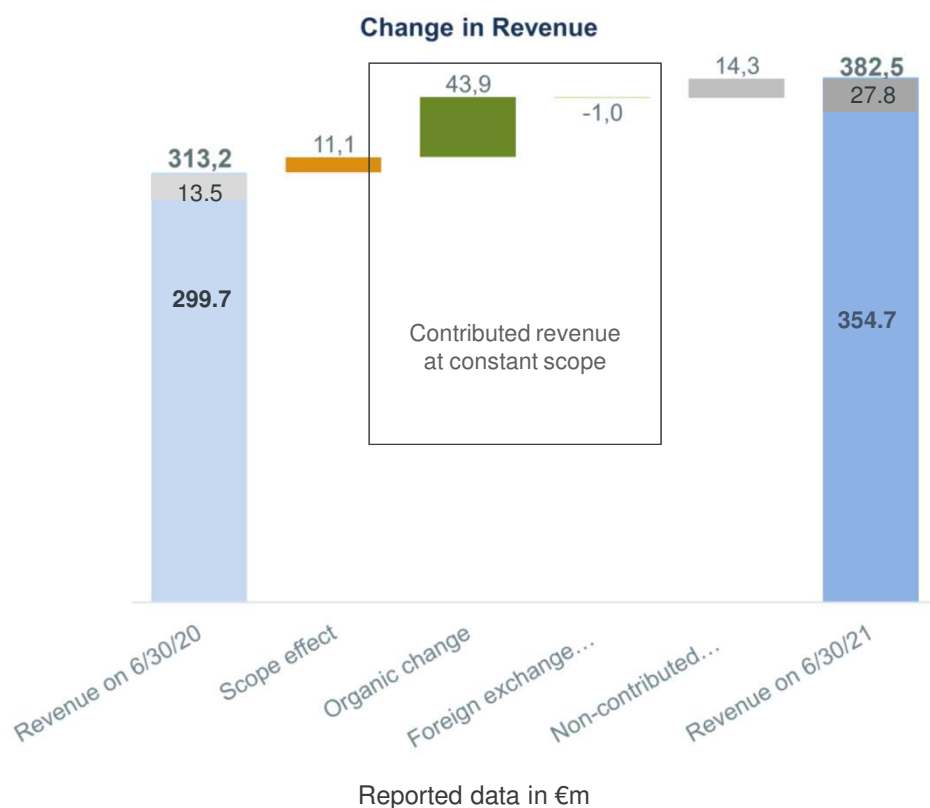
Baptiste Janiaud, Chief Financial Officer

## Changes in key indicators related to economic and financial performance

as of June 30 In €m	2019 restated*	As a % of contributed revenue	2020 restated*	As a % of contributed revenue	2021	As a % of contributed revenue	Gross change
Contributed revenue	314.4		299.7		354.7		+18.4%
EBITDA	63.6	20.2%	53.8	18.0%	81.1	22.9%	+50.7%
Current operating income	22.1	7.0%	13.0	4.3%	32.9	9.3%	+152.1%
Operating income	21.6	6.9%	11.9	4.0%	30.8	8.7%	+158.8%
Net financial income	(8.4)		(10.4)	(3.5%)	(9.4)	(2.7%)	-
Net income	8.1		(0.9)	(0.0%)	13.8	3.9%	-
Net income (Group share)	7.6		(0.9)	(0.0%)	13.5	3.8%	-
Recurring operating cash flow	52.9	16.8%	41.7	13.9%	62.9	17.7%	+50.8%
Net industrial CapEx paid (excl. IFRIC 12)	30.2	9.6%	35.4	11.8%	34.7	9.8%	-2.0%
Free operating cash flow	35.0	11.1%	39.4	13.1%	45.1	12.7%	+14.5%
Net debt (IFRS)	445.9	-	445.5	--	465.5	-	+4.5%

\* Contributed revenue excluding TGAP (tax on polluting activities)

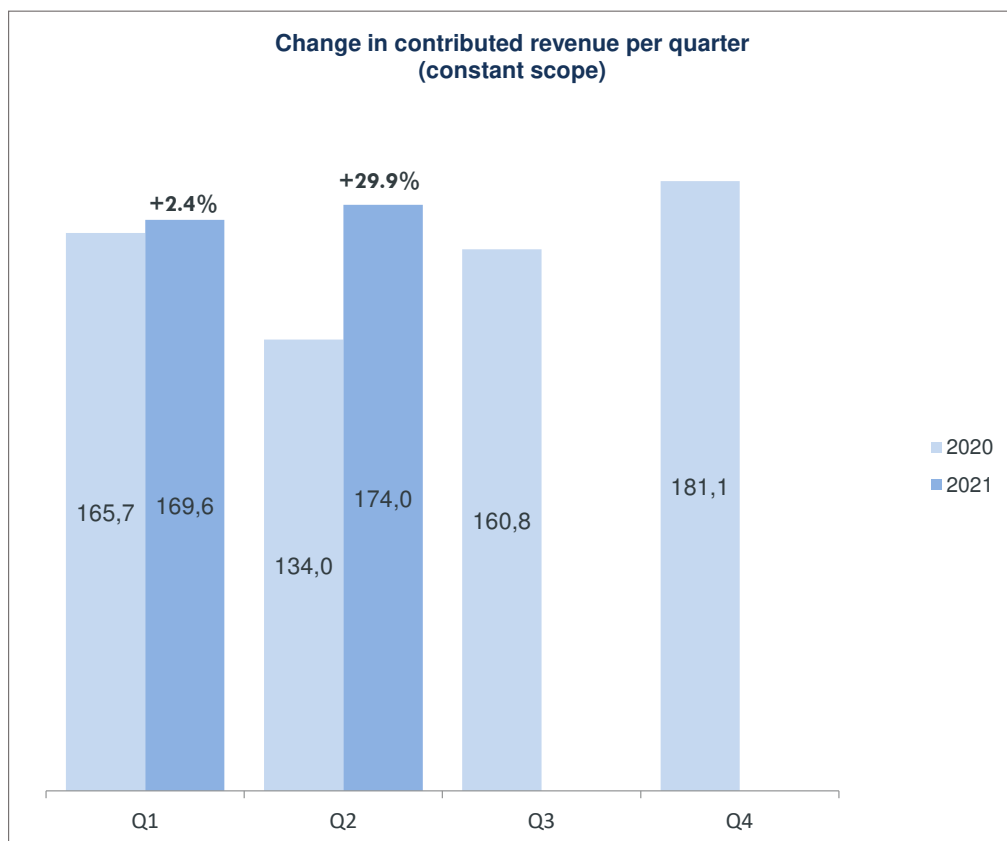
# Sharp increase in contributed revenue: +18% Considerable organic growth in most geographic areas



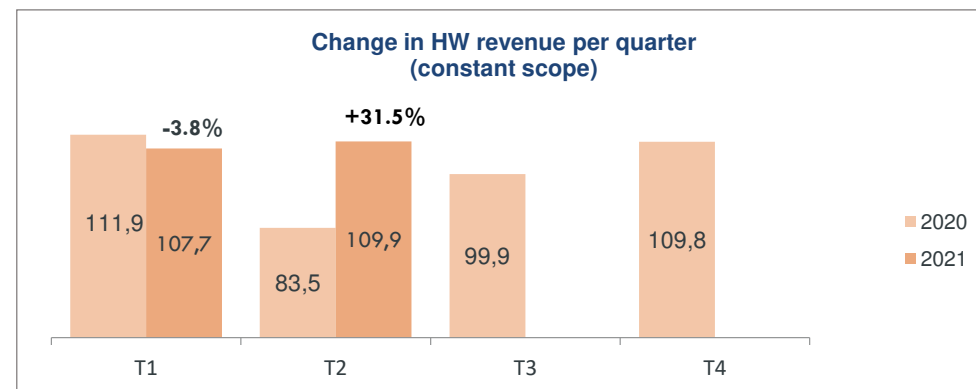
- Contributed revenue: €354.7m (vs. €299.7m at 6/30/20)
  - +18.4% (reported data)
  - +15.0% (like-for-like\*)
- Balanced contribution from activities
  - Dynamic recovery and treatment activities (chemical purification and incineration)
  - Sound performance in Services
- Return to growth in most geographic areas:
  - France: high level of activity
  - Europe/South Africa: positive market environment
  - LatAm: bottoming out of activity
  - Rest of world (Solarca): slow recovery

\* At constant scope and exchange rates

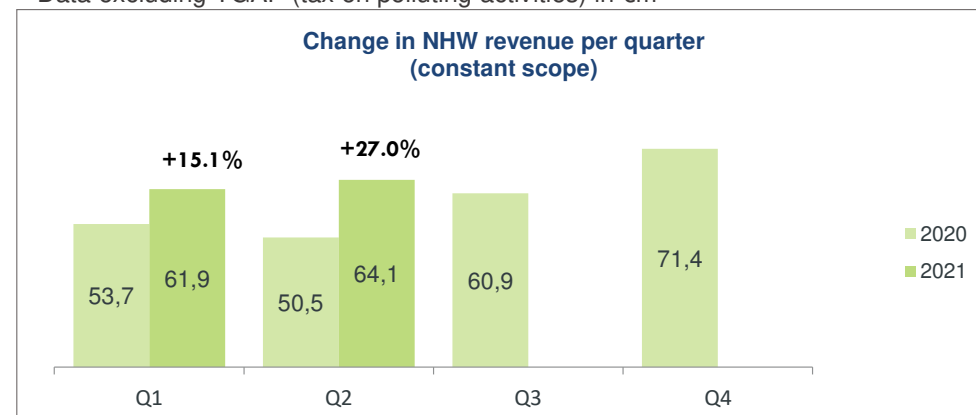
## Solid level of activity confirmed Good contribution from the business lines



Data excluding TGAP (tax on polluting activities) in €m



Data excluding TGAP (tax on polluting activities) in €m



Data excluding TGAP (tax on polluting activities) in €m

## Activity as of June 30, 2020

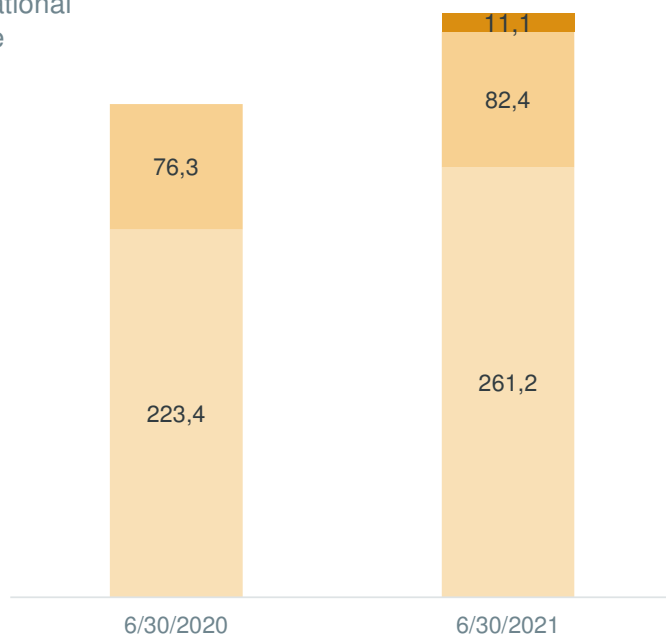
# Change by geographic scope

## Strong growth in activity in France

## Varying situations internationally

Change in contributed revenue  
per geographic scope

■ Scope effect  
■ International  
■ France



Data excluding TGAP (tax on polluting activities) in €m

**International:** Revenue of €93.5m, i.e. +22.5% (reported data)  
+9.4% (like-for-like\*)

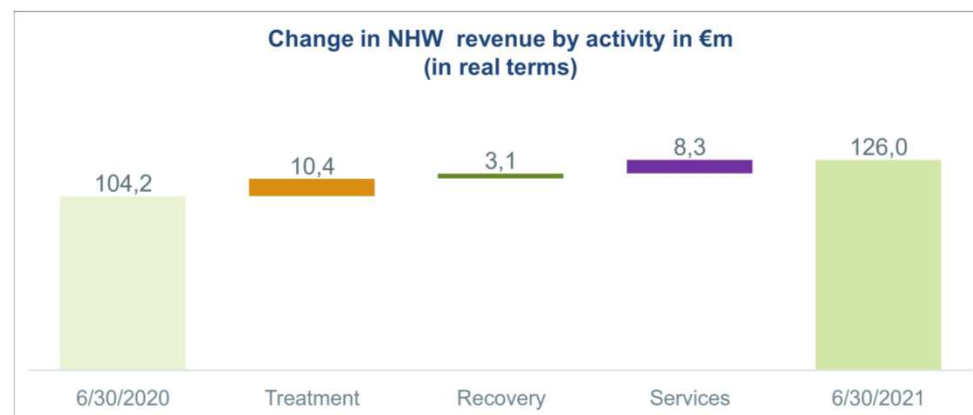
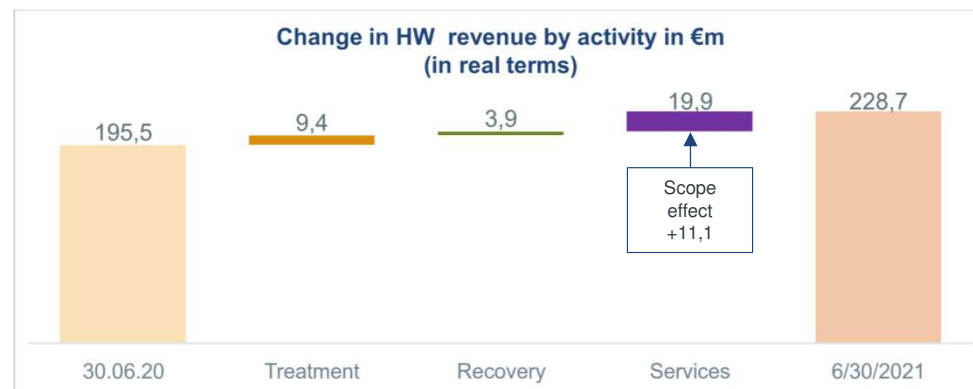
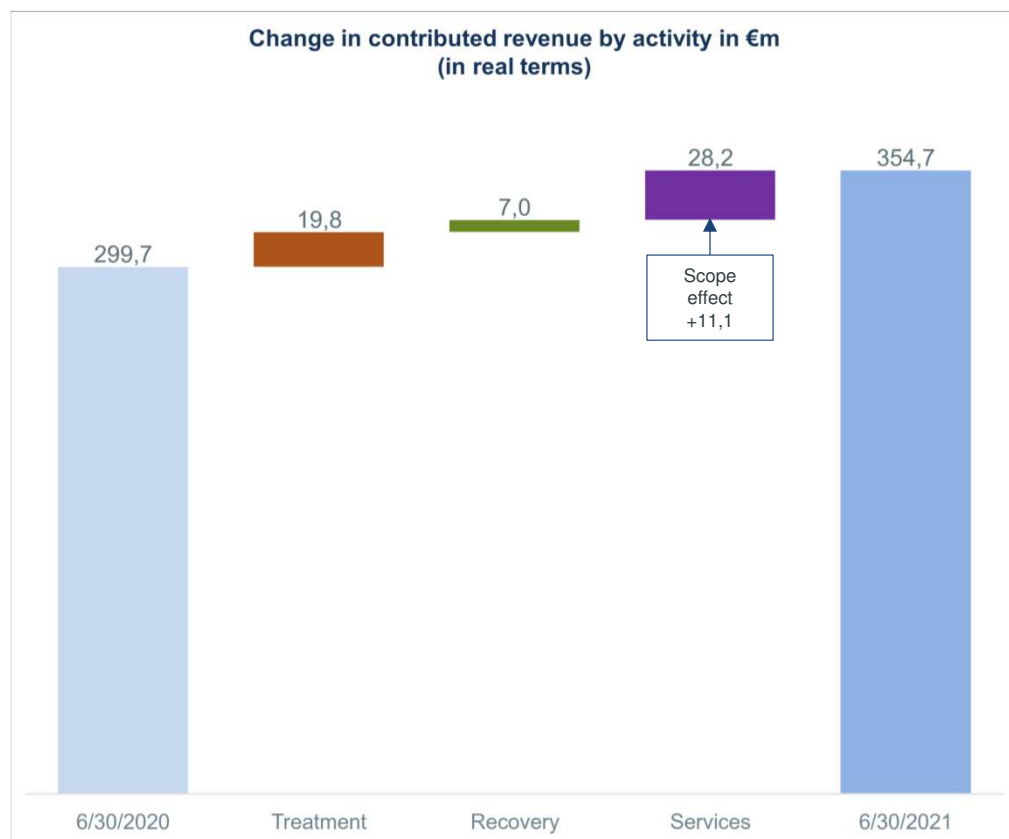
- Scope effect: +€11.1m (contribution of Spill Tech over 4 months)
- Extremely negative currency effect: (€1.0m) vs. (€4.5m) in H1 2020
- On a like-for-like basis\*:
  - Europe and South Africa: return to growth in these regions
  - LatAm: low point reached in Chile and Peru - Recovery of PCB markets
  - Solarca: restart slowed down by public health constraints

**France:** Contributed revenue of €261.2m, i.e. +16.9%

- Dynamic recovery and treatment markets
  - Sound industrial markets benefiting from material recovery and incineration within the HW division
  - Local authorities contracts driven by the implementation of the circular economy, supporting growth of the NHW division
- Well-oriented Services activities:
  - All-inclusive offers
  - Decontamination and environmental emergencies

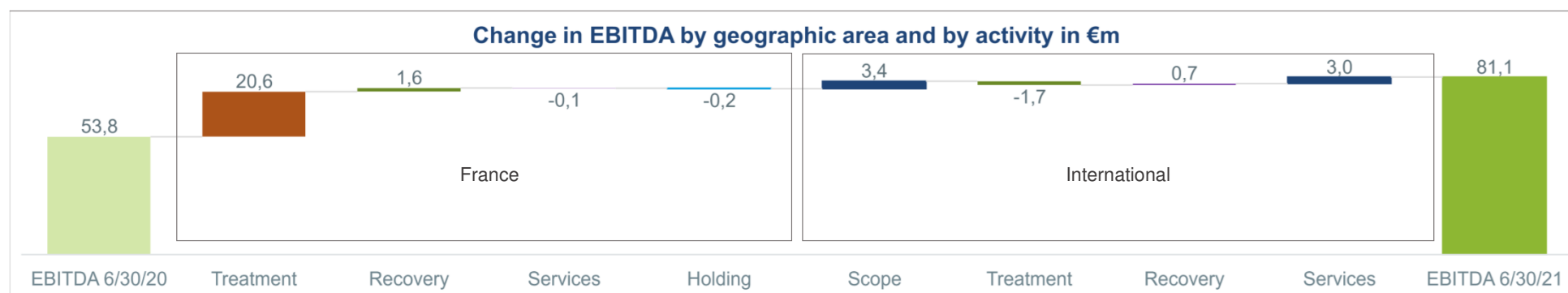
\*At constant scope and exchange rates

## Development of the business mix Strong contribution from all activities



## Change in EBITDA by activity and geographic region

### Strong growth in gross operating margin



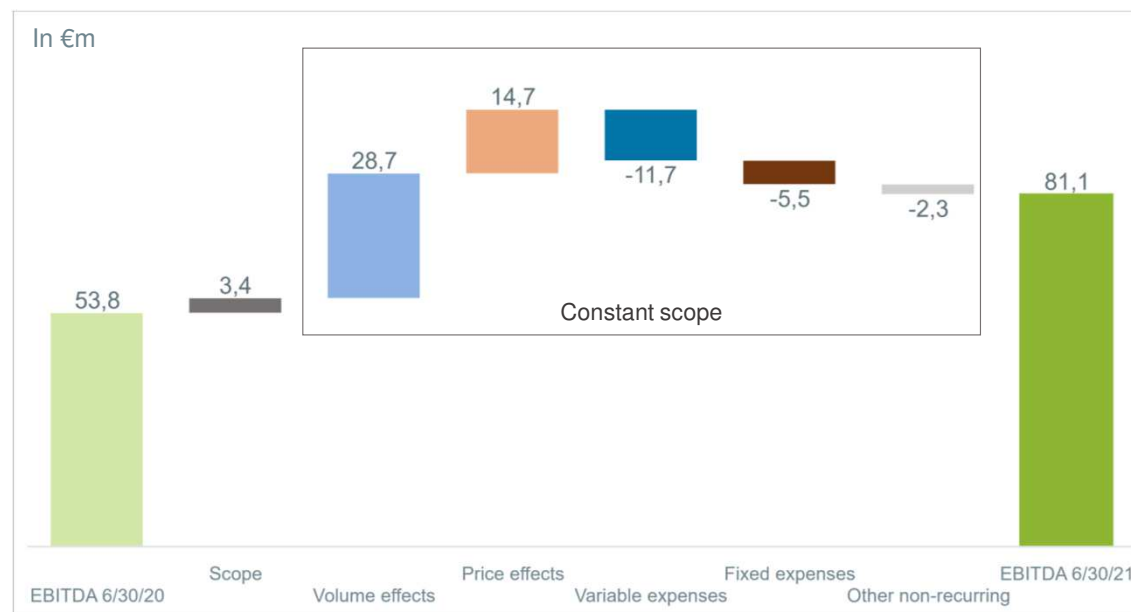
as of June 30 In €m	2020			2021		
	Consolidated	France	Int'l.	Consolidated	France	Int'l.
Contributed revenue	299.7	223.4	76.3	354.7	261.2	93.5
<b>EBITDA</b>	<b>53.8</b>	<b>42.7</b>	<b>11.1</b>	<b>81.1</b>	<b>64.6</b>	<b>16.5</b>
<i>As a % of contributed revenue</i>	<i>18.0%</i>	<i>19.1%</i>	<i>14.5%</i>	<i>22.9%</i>	<i>24.7%</i>	<i>17.6%</i>

## Operating results as of June 30, 2021

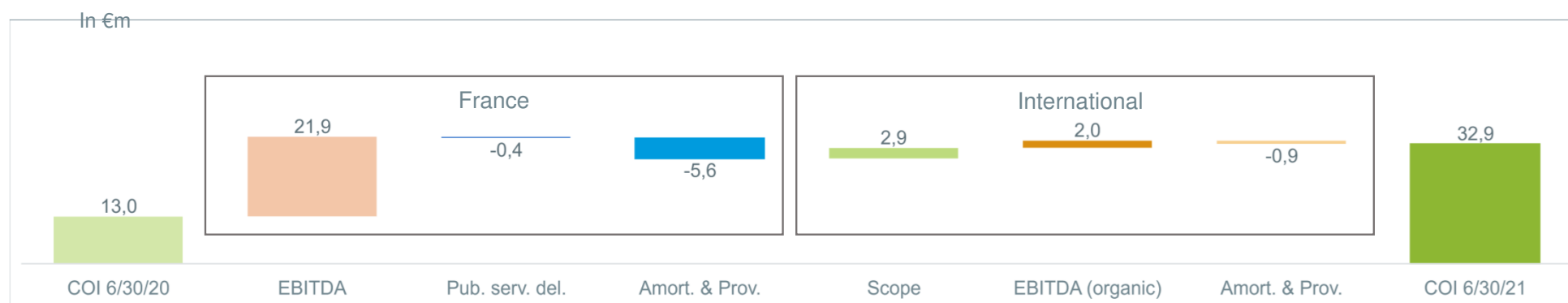
### Increase in EBITDA Volume effects, mix effects and favorable price effects

**EBITDA** up 50.7% to €81.1m, i.e. 22.9% of contributed revenue (vs. 18.0% at 6/30/2020)

- Scope effect: +€3.4m
- Negligible foreign exchange effect
- At constant scope:
  - Positive volume and mix effects: commercial momentum and industrial efficiency policy
  - Positive price effects: saturation of facilities
  - Control of operating expenses: effects of the industrial efficiency policy and the cost-saving plan



## Significant increase in COI Strong contribution from the France scope



as of June 30	2020			2021		
In €m	Consolidated	France	International	Consolidated	France	International
Contributed revenue	299.7	223.4	76.3	354.7	261.2	93.5
<b>Current operating income</b>	<b>13.0</b>	<b>11.0</b>	<b>2.0</b>	<b>32.9</b>	<b>26.9</b>	<b>6.0</b>
<i>As a % of revenue</i>	<i>4.3%</i>	<i>4.9%</i>	<i>2.6%</i>	<i>9.3%</i>	<i>10.3%</i>	<i>6.4%</i>

## Change in other key subtotals as of June 30, 2021

### From Current Operating Income to Net income, Group share

as of June 30 In €m	2020	As a % of contributed revenue	2021	As a % of contributed revenue	Gross change
<b>Current operating income</b>	<b>13.0</b>	<b>4.3%</b>	<b>32.9</b>	<b>9.3%</b>	<b>+152.1%</b>
Operating income	11.9	4.0%	30.8	8.7%	+136.9%
Net financial income	(10.4)	(3.5%)	(9.4)	(2.7%)	-
Income tax expense	(2.3)		(7.2)		
Share of profit of associates	0.0		(0.5)		
Minority interests	ns		(0.3)		
<b>Net income (Group share)</b>	<b>(0.9)</b>	<b>(0.3%)</b>	<b>13.5</b>	<b>3.8%</b>	<b>-</b>

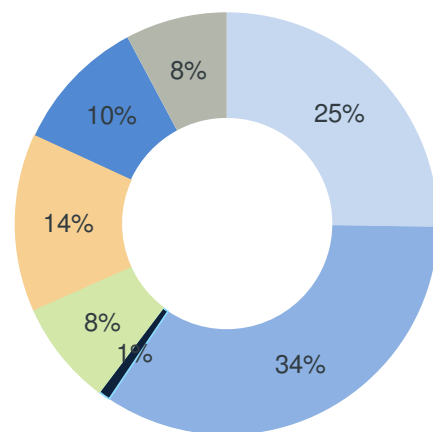
#### ■ Positive change in financial income:

- Improvement in the gross cost of to 2.78% (vs. 2.91% at Tuesday, June 30, 2020)
- Improvement in the balance of financial income and expenses

## Return of industrial investments to their normative level Recovery of development investments

Breakdown of recognized investments

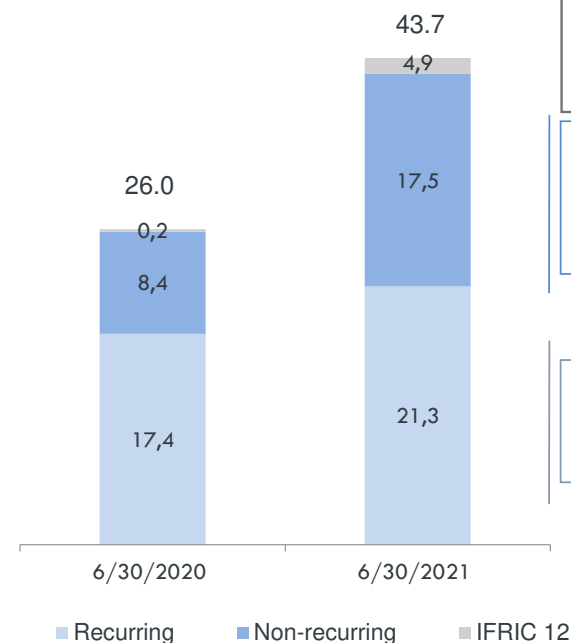
- Final waste management and energy
- Incineration and HW platforms
- Recovery
- Eco-services
- Organization and resources
- Miscellaneous
- IFRIC 12



Recognized industrial CapEx: €43.7m, o/w IFRIC 12: €4.9m  
(€26.0m at 6/30/2020, o/w IFRIC 12: €0.2M-)

Net capex paid: €39.6m, o/w IFRIC 12: €4.9m  
(€35.6m at 06/30/20, o/w IFRIC 12: €0.2M-)

Change in recognized investments in €m



**CapEx (excl. IFRIC):**  
10.9% of contributed revenue  
(vs. 8.3% at 6/30/2020)

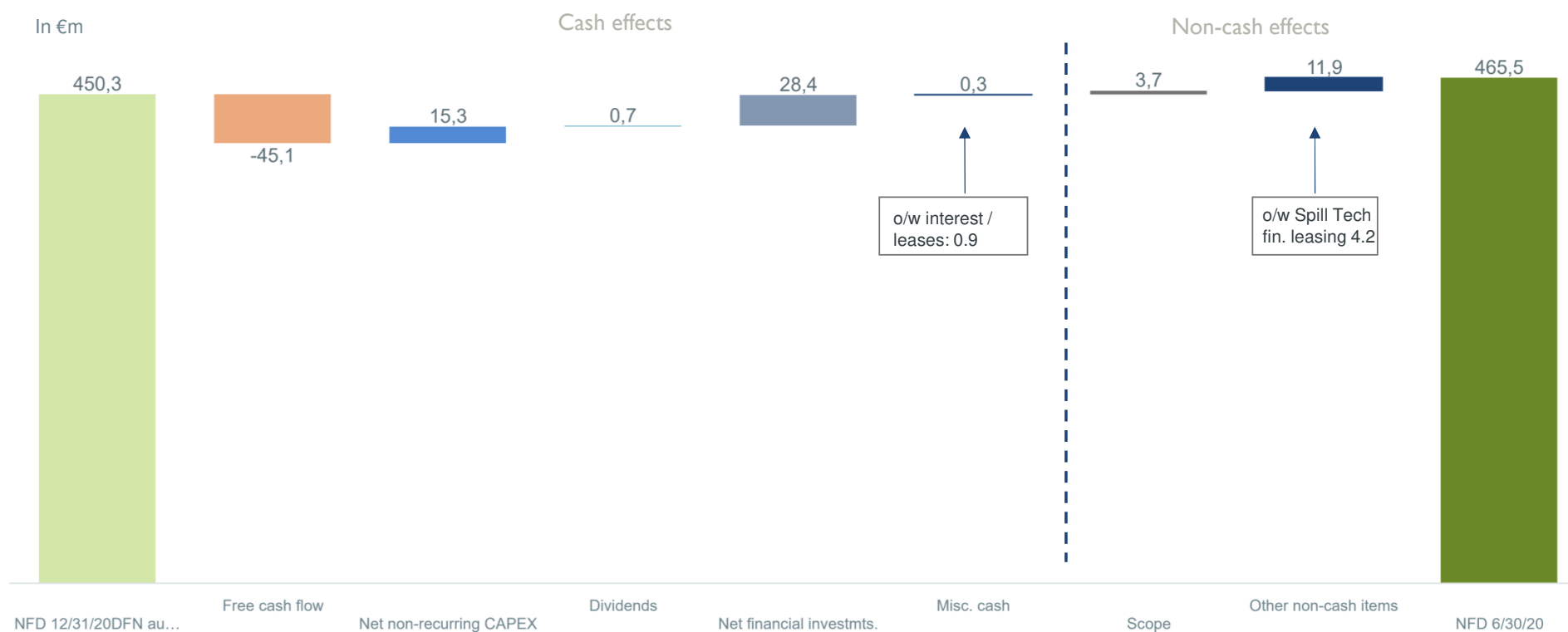
**Non-recurring CapEx**  
Treatment: €10.7m  
Recovery: €0.4m  
Services: €3.2m  
Holding company: €3.2m

**Recurring CapEx:**  
6.0% of contributed revenue  
(5.6% at 6/30/20)

## Agility Strong free cash flow generation

In €m as of June 30	2020	2021
<b>EBITDA</b>	<b>53.8</b>	<b>81.1</b>
Dividends received from associates	0.0	0.0
Foreign exchange gain (loss)	(0.9)	(0.6)
Income and expenses calculated in EBITDA	0.7	0.9
Costs of rehabilitation and maintenance of sites and disposed assets (incl. Public service delegation and IFRIC 12 revenue)	(11.9)	(18.5)
<b>Recurring operating cash flow</b>	<b>41.7</b>	<b>62.9</b>
Net recurring CapEx paid (excl. IFRIC 12)	(19.2)	(13.4)
Change in WCR	31.7	4.8
Tax paid	(6.3)	(2.4)
Net interest payments	(8.5)	(6.8)
<b>Free operating cash flow</b>	<b>39.4</b>	<b>45.1</b>
<b>Cash conversion rate (free cash flow/EBITDA)</b>	<b>73%</b>	<b>56%</b>

## Agility Stability of net debt (IFRS)

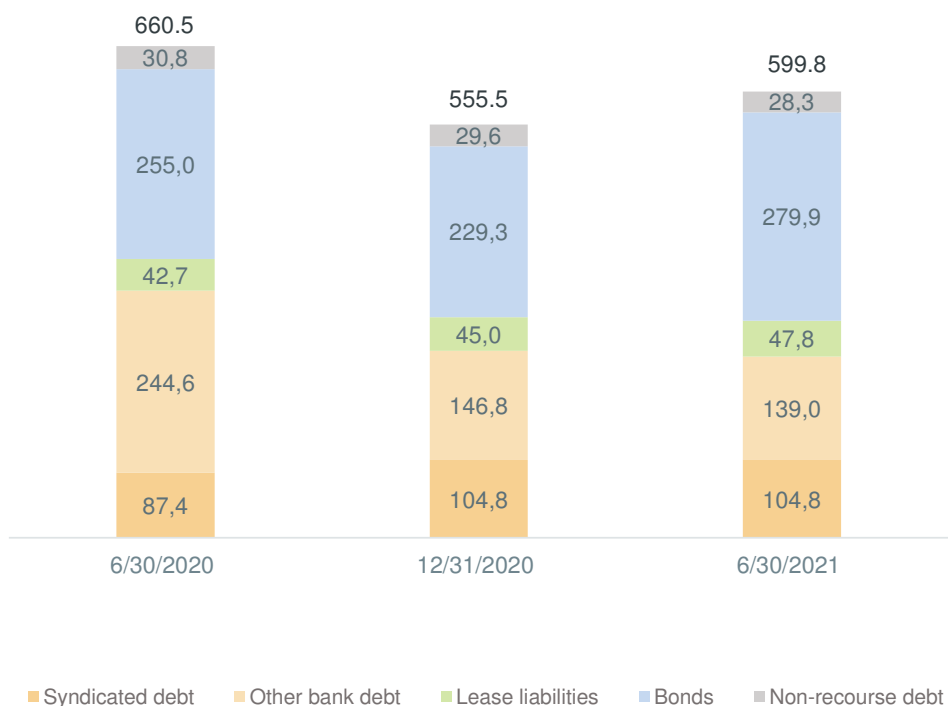


## Capital structure as of June 30, 2021

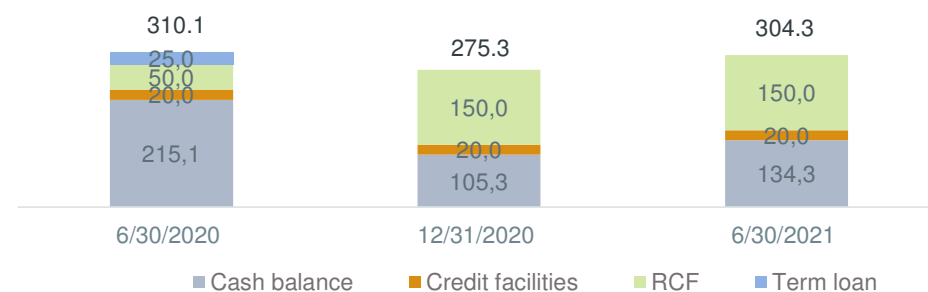
### Liquidity and flexibility

**Liquidity situation maintained at a high level**  
**Financial leverage down sharply**

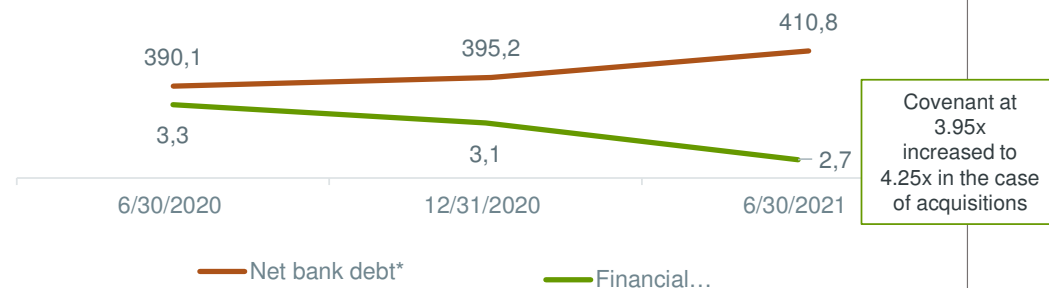
Structure of gross financial debt in (€m)



Sound liquidity situation (€m)



Improved financial flexibility



\*according to the credit agreement, excluding certain debts such as non-recourse debt and the effects of IFRS 16

## 2021 targets revised upwards Continuing commercial and operational momentum



### Business

- **Contributed Revenue** including TGAP: close to €750m before Spill Tech integration
- **France:**  
Continued positive commercial effects
- **International:**
  - Europe/South Africa: maintaining a good level of activity
  - LatAm: low point reached and return to growth expected in H2
  - Rest of World (Solarca): ramp-up of activities as the health situation improves



### Operating Results

- **EBITDA** between 21% and 22% of contributed revenue, including TGAP (tax on polluting activities)
  - **France:** effects of industrial efficiency policy
  - **International:** improvements in the contributions of subsidiaries are still lagging behind
- **COI:**
  - Trend reflecting the growth in EBITDA



### Capital structure

- **Industrial CAPEX** of around €90 m
- **Liquidity:** free cash flow target is above 35% of EBITDA
- **Flexibility:** leverage target further improved to 2.7x EBITDA (at constant scope)

# Appendices

## Appendix 1

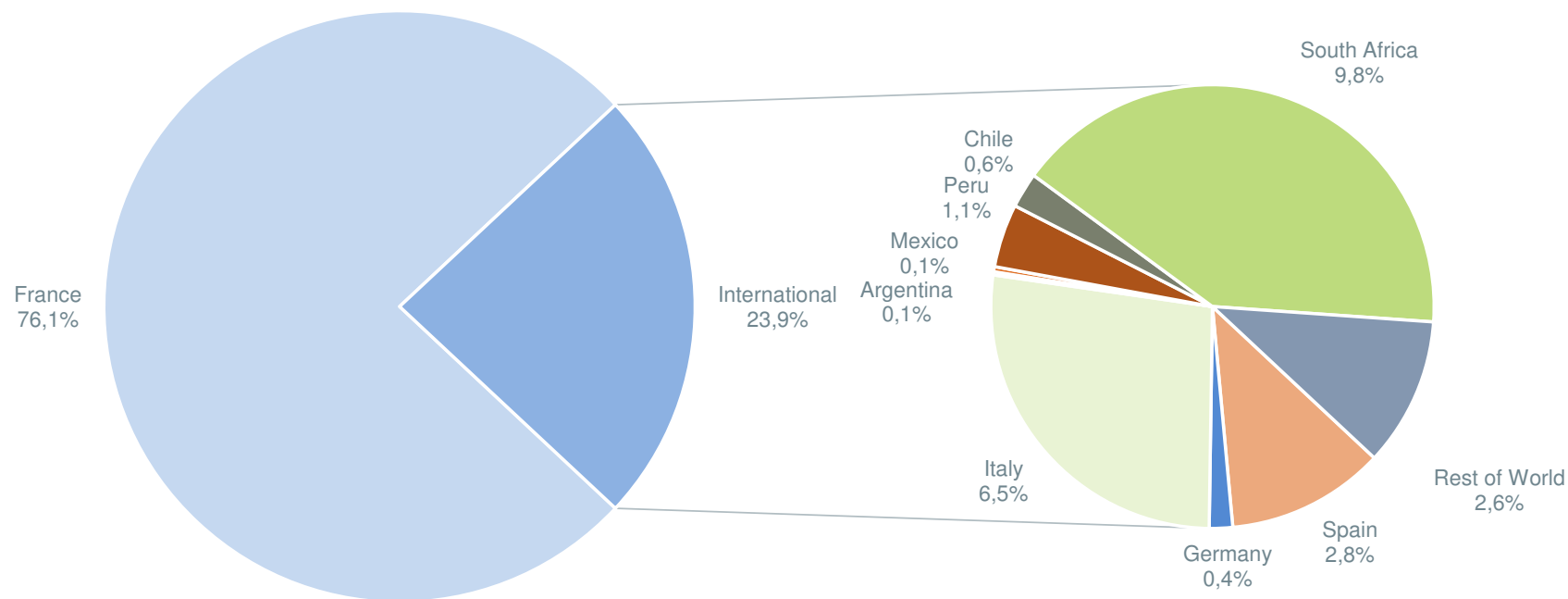
### Definition of contributed revenue

- **IFRIC 12 revenue:** investments made for disposed assets and booked as revenue in accordance with IFRIC 12
- **Compensations :** 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 (2016-2019)
- **TGAP:** General tax on polluting activities paid by the waste producer and collected on behalf of the State by treatment operators. It is slated to change between 2021 and 2025, in both very significant and very differentiated manners depending on the business lines and type of treatment. As a result, the reported revenue includes the recognition of non-economic revenue resulting from the significant increase in the amount of tax collected, particularly within the NHW division. It can cause widely varying changes across operations that are not representative of their economic results, especially in the treatment business lines (incineration and storage of final waste).

In €m - as of June 30	2019 reported	2019 retsated	2020 reported	2020 restated	2021
Revenue (reported)	342,3	342,3	313.2	313.2	382.5
IFRIC 12 revenue	0,0	0,0	0.2	0.2	4.9
Compensations	12,5	12,5	0,0	0,0	0,0
TGAP (tax on polluting activities)	15,4	15,4	13.3	13.3	22.9
<b>Contributed revenue</b>	<b>329,8</b>	<b>314,4</b>	<b>313.0</b>	<b>299.7</b>	<b>354.7</b>

## Appendix 2

### Contributed revenue by geographic area

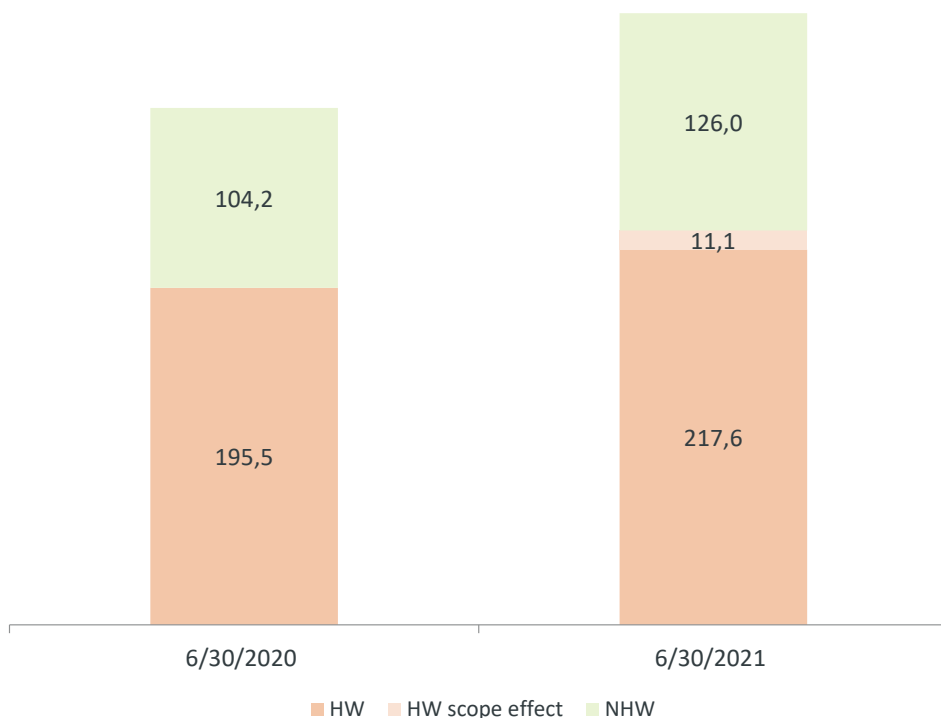


Breakdown of contributed revenue at 6/30/2021

## Appendix 3

### Breakdown of contributed revenue by division

Reported data in €m



**NHW division:** Contributed revenue of €126.0m (vs. €104.2m at 6/30/20), i.e. +20.9%

■ On a like-for-like basis:

- Treatment: +19.7% to €62.5m - Commercial effects
- Recovery: +21.1% to €17.7m - Normative contribution of energy recovery
- Services: +19.4% to €45.7m – Momentum at Interwaste

**HW division:** Revenue of €228.7m  
(vs. €195.5m at 06/30/20) i.e. +17.0%

Scope effect: €11m (Spill Tech over 4 months)

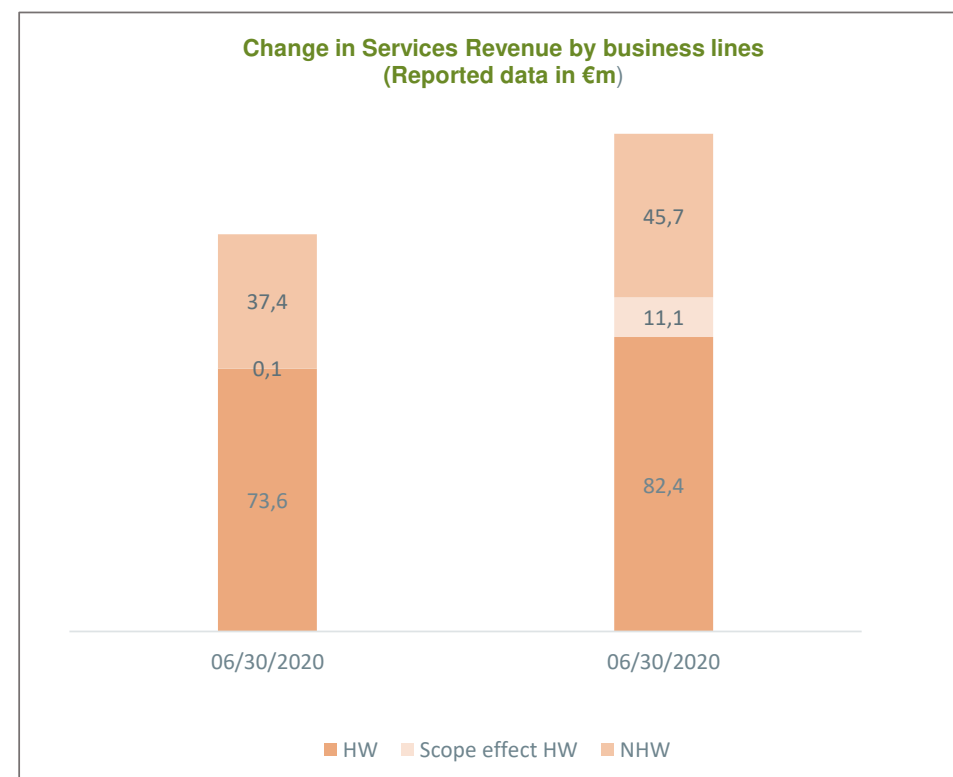
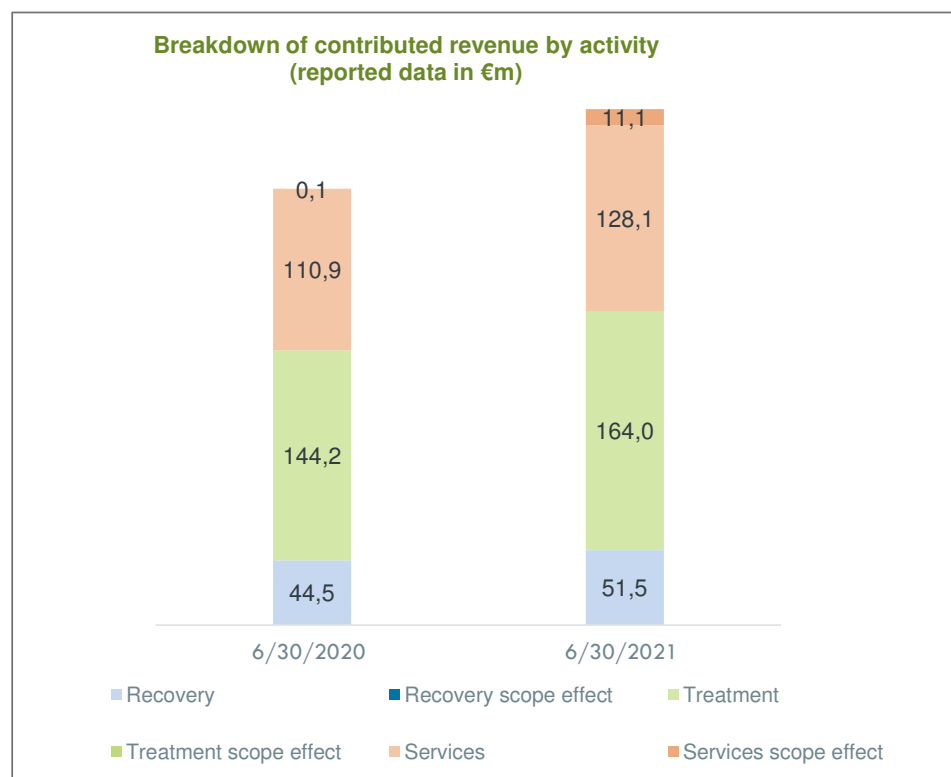
**On a like-for-like basis\*:**

- Treatment: +10.2% to €101.4m – Momentum at Interwaste
- Recovery: +13.2% to €33.8m - Good trend at Speichim
- Services: +12.0% to €82.4m - Resumption of projects

\* At constant scope and exchange rates

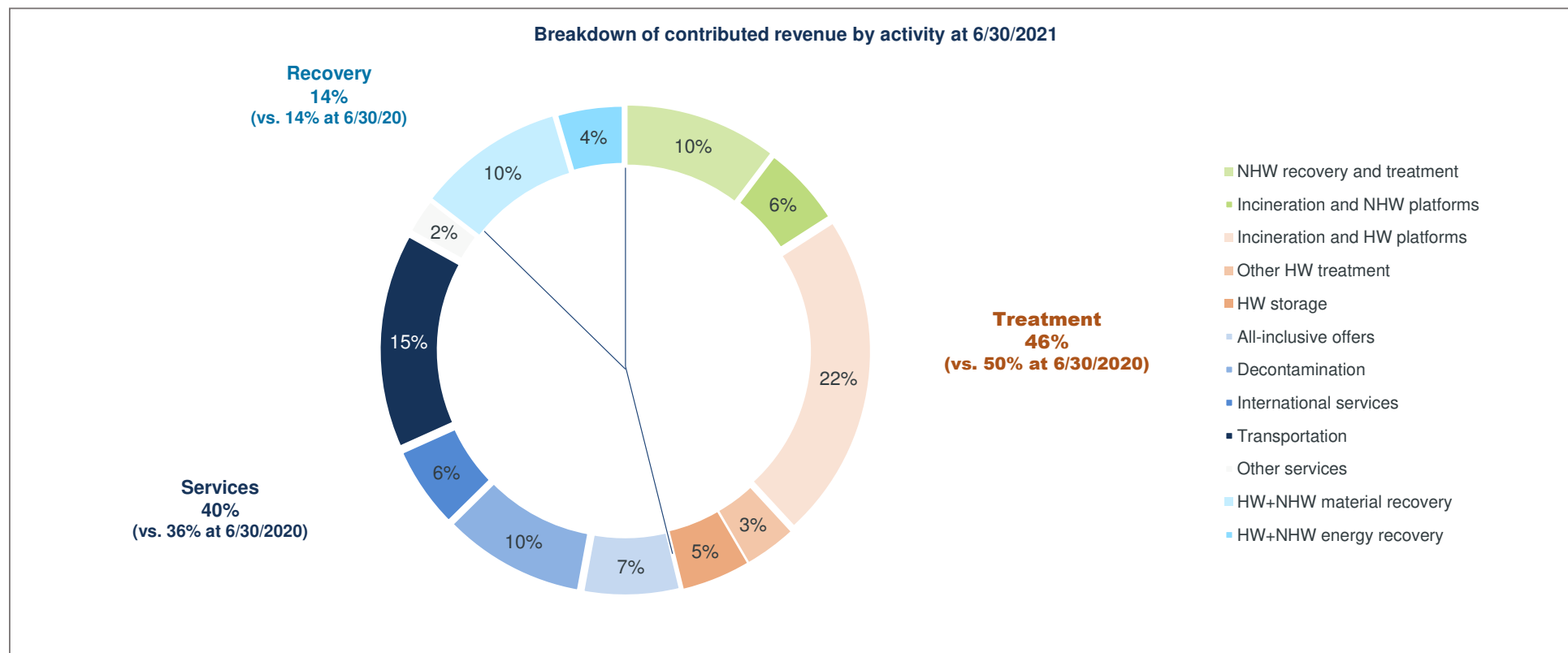
## Appendix 4

### Change in contributed revenue by activity



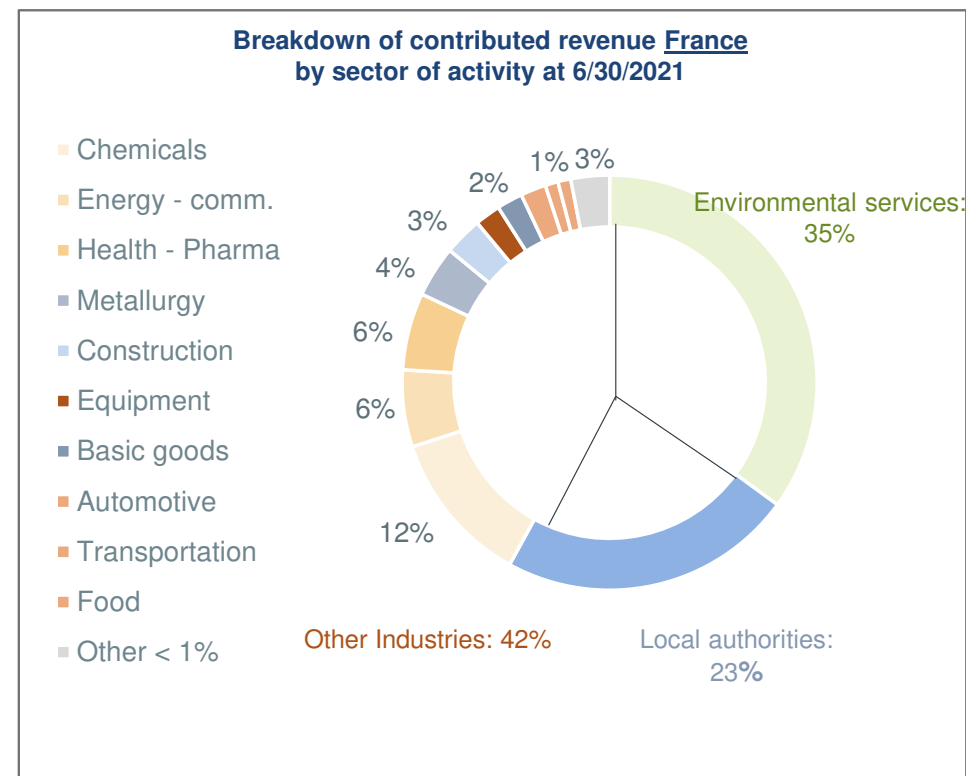
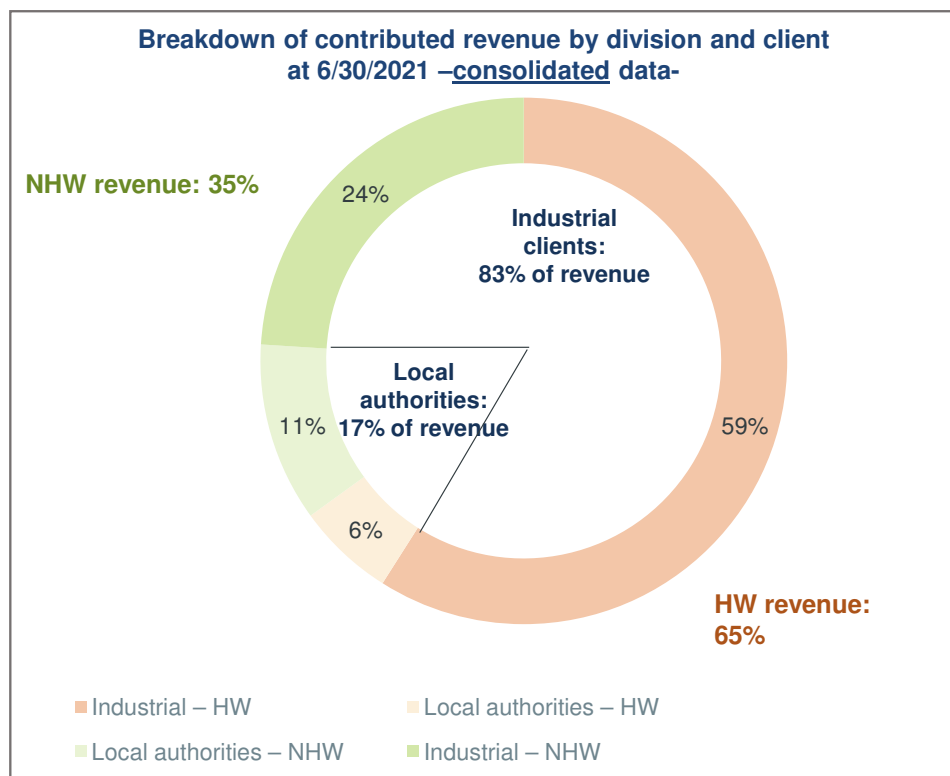
## Appendix 5

### Breakdown of contributed revenue by activity



## Appendix 6

### Breakdown of contributed revenue by client



## Appendix 7

### Change in Operating Income

as of June 30	2020		2021		Change
	€m	% of contributed revenue	€m	% of contributed revenue	change
Contributed revenue	299.7		354.7		+18.4%
EBITDA	53.8	18.0%	81.1	22.9%	+50.7%
Current operating income	13.0	4.3%	32.9	9.3%	+152.1%
Operating income	11.9	4.0%	<b>30.8</b>	<b>8.7%</b>	+158.8%

■ **Operating income at €30.8m, i.e. 8.7% of contributed revenue (vs. €11.9m, i.e. 4.0% of contributed revenue at 6/30/2020)**

- Change in COI: +€19.9m
- Goodwill losses on subsidiary shares (Peru): (€0.9m)

## Appendix 8

### Change in Financial income

as of June 30	2020	2021
Cost of gross financial debt	(8.8)	(8.3)
Income from cash and cash equivalents	0.2	0.1
Other financial income and expenses	(1.8)	(1.2)
<b>Financial income</b>	<b>(10.4)</b>	<b>(9.4)</b>

#### ■ Change in the gross cost of debt:

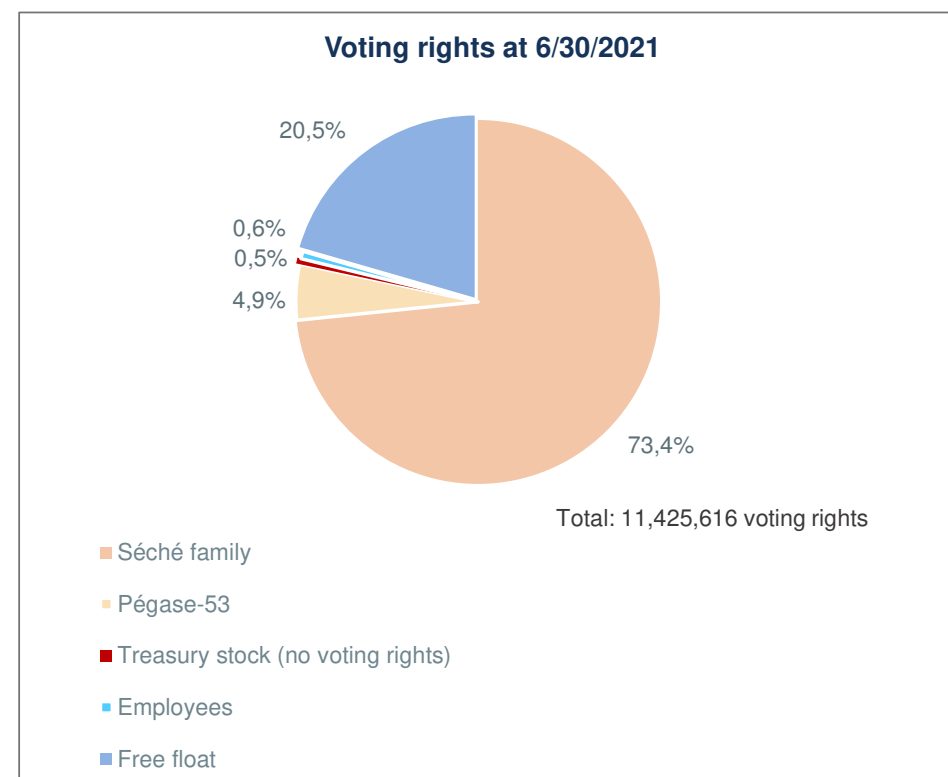
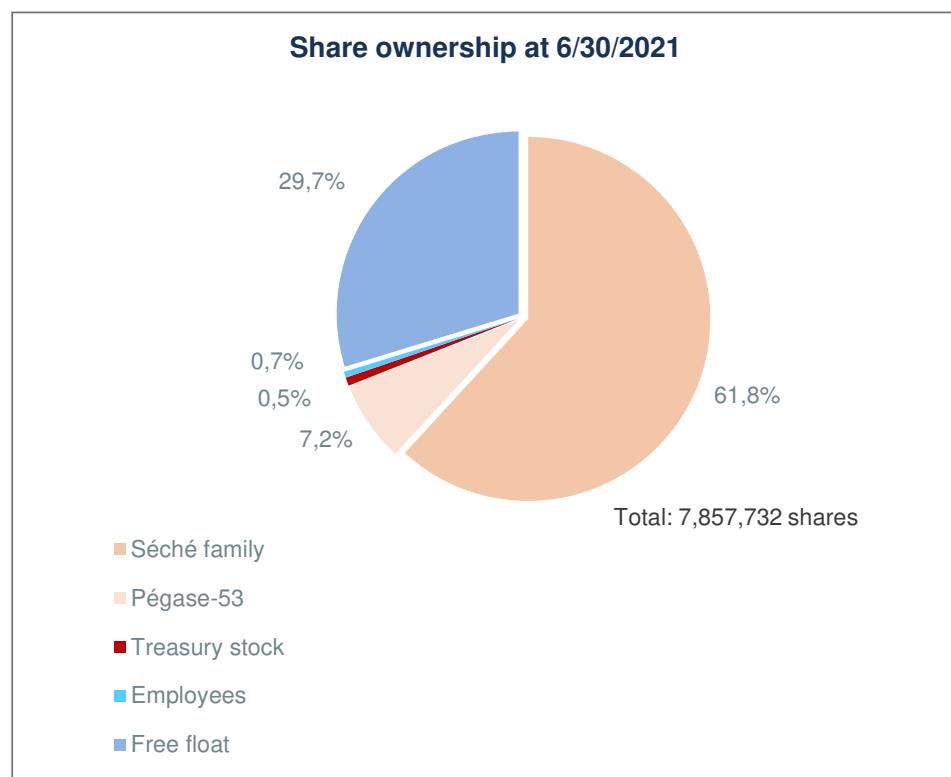
- Average cost of gross debt at 2.78% (vs. 2.91% in H1 2020)
- Increase in average gross debt over the period

#### ■ Other financial income and expenses, including:

- Impact of currency fluctuations: (€0.6m)
- Discounting of 30-year provisions (€0.2m)
- Fees on line of credit: (€0.4m)

## Appendix 9

### Breakdown of shareholders and voting rights



## NOTE



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