Séché environnement

Séché global solutions

Consolidated results at June 30, 2018

Meeting of September 11, 2018

Earnings up sharply at June 30, 2018

Contributed revenue **+10%**

to €278m

COI **+52%**

to €21m, i.e. 7.4% of contributed revenue

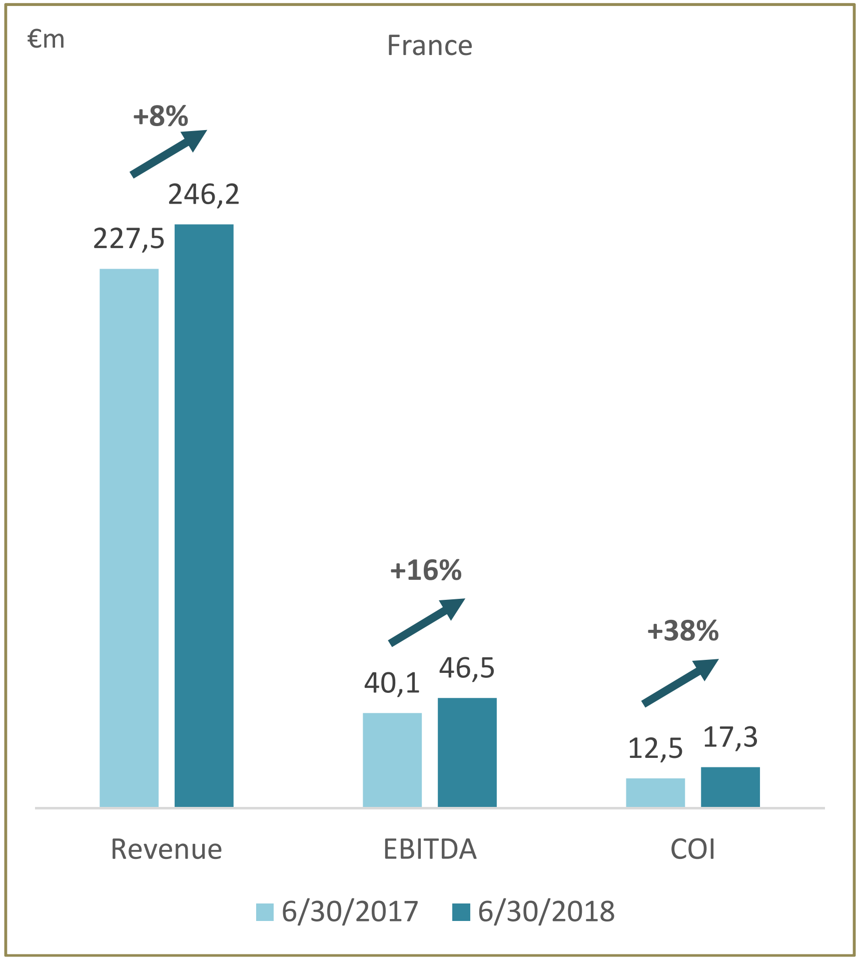
Net income (Group share) **+150%**

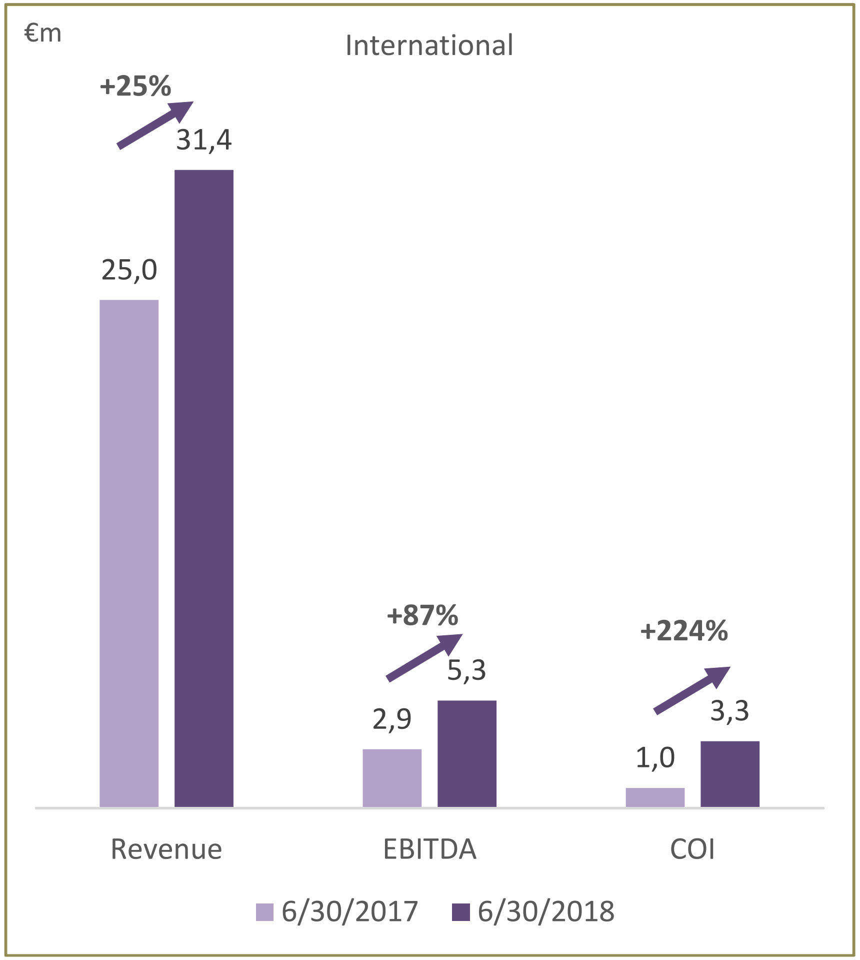
to €9m, i.e. 3.3% of contributed revenue

Cash generation and financial debt reduction

with financial leverage reduced to **3.0x EBITDA**

France: profitable growth trend
International: ramp-up of activities





Solid growth on promising markets
Significant increase in operating profitability
Cash generation and decline in net debt

Solid market environment in France and abroad

- France: rising volumes in an industrial growth cycle
- International: success of recently-integrated activities

Sustained growth in recovery and treatment

- Hazardous Waste: brisk business in storage and incineration
- Non-Hazardous Waste: good performance from storage businesses and ramp-up of new energy recovery capacities

Sharp growth in operating profitability

- Positive volume effects and activity mix effects
- Control of operating expenses amid structuring of the organization

Stronger capital structure

- Controlled investments and increased cash flow generation
- Reduction in net debt and leverage down to 3x

Medium-term view confirmed (Séché 2020 Plan)

- Results at June 30, 2018 confirm annual targets:
  - High level of activity and profitability due in part to positive mix effects
  - Toward a balanced activity/profitability profile between the two halves of 2018
- Successful refinancing in July 2018: increased financial resources to fund development and any external growth
- 2020 medium-term targets confirmed (excluding external growth)

S — Selective investments

é — Excellence in industry

c — Cost-effective, profitable growth

h — Home and abroad

é — E-solutions

20.20 — Contributed revenue target of €550m-€600m
EBITDA target: 20% of consolidated revenue

Baptiste Janiaud

Chief Administrative and Financial Officer

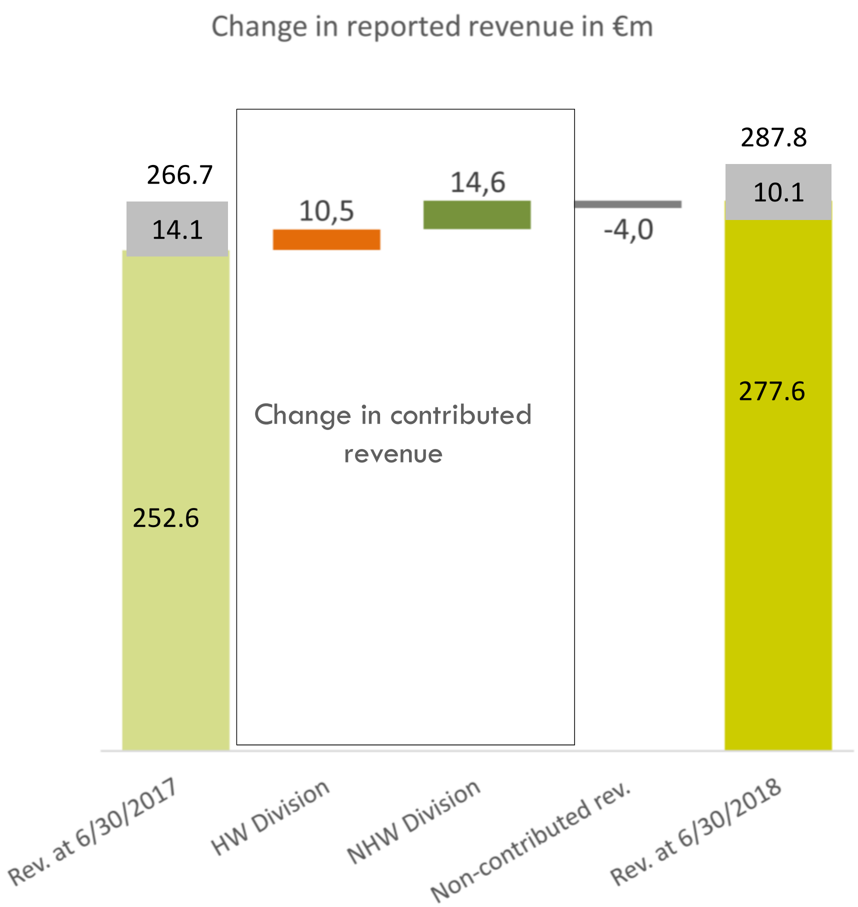
RESULTS AND FINANCIAL SITUATION AS AT JUNE 30, 2018

Key figures for H1 2018

At June 30 In €m	2017	As a % of contributed revenue	2018	As a % of contributed revenue	Change (gross)
Contributed revenue	**252.6**		**277.6**		**+10%**
EBITDA	**43.0**	*17.0%*	**51.8**	*18.7%*	**+21%**
Current operating income	**13.6**	*5.4%*	**20.7**	*7.4%*	**+52%**
Operating income	12.8	*5.1%*	18.7	*6.7%*	+47%
Financial income	(7.1)	-	(6.4)	-	-
Net income (Group share)	**3.7**	*1.5%*	**9.2**	*3.3%*	**+150%**

Net industrial CapEx paid (excl. IFRIC)	27.2	*10.8%*	22.5	*8.1%*	-17.3%
Gross cash flow	26.8	*10.6%*	11.6	*4.2%*	-56.7%
Net banking debt	**342.4**	**-**	**318.9**	-	**-6.9%**

Good activity level in the first half of 2018

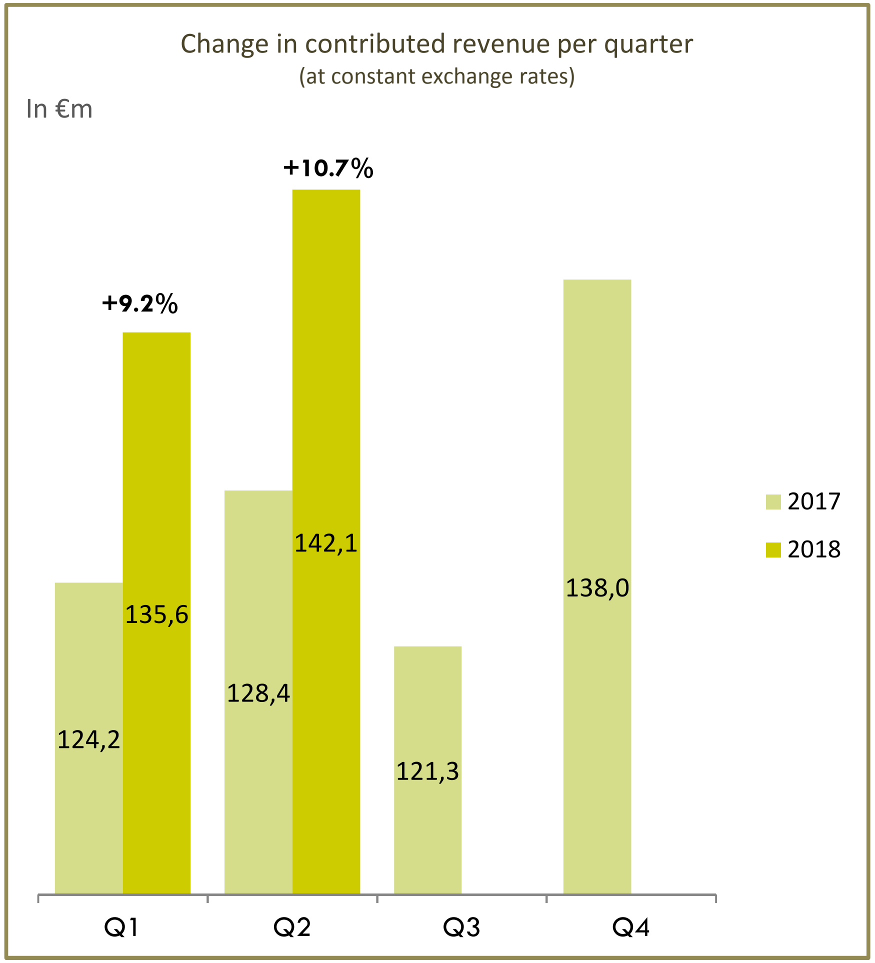


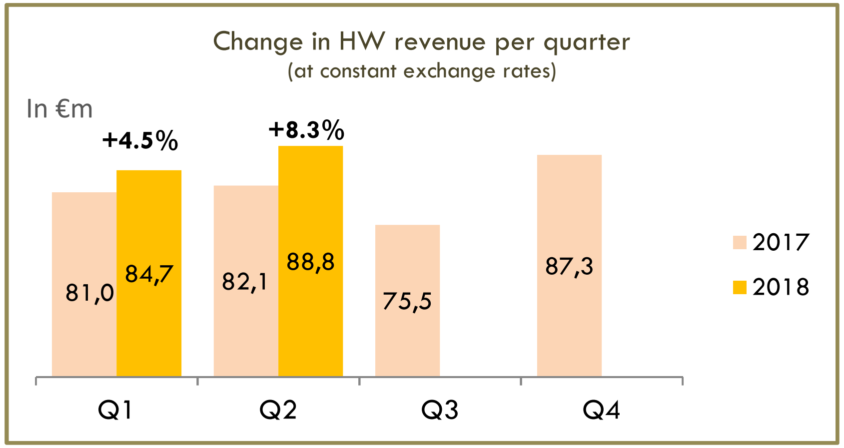
Non-contributed revenue: €10.1m
(vs. €14.1m at 6/30/2017)

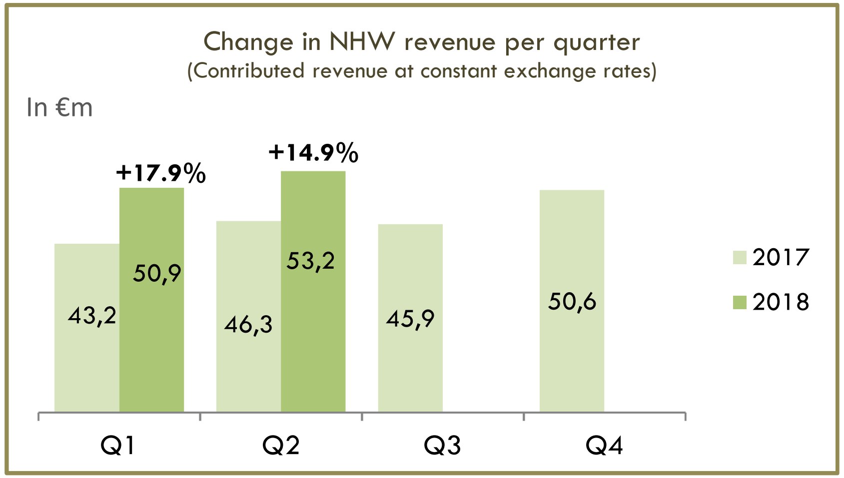
Contributed revenue: €277.6m
(vs. €252.6m at 6/30/2017)
+9.9% gross
+10.3% at constant exchange rates

- Growth buoyed by economic momentum in France
  - HW division: +6.4% to €173.5m. A growth cycle on the industrial markets: volume effects and price effects
  - NHW division: +16.3% to €104.1m. Volume effects in storage and ramp-up in energy recovery
- Strong growth Internationally across the scope acquired in 2017

Pick-up in growth in Q2

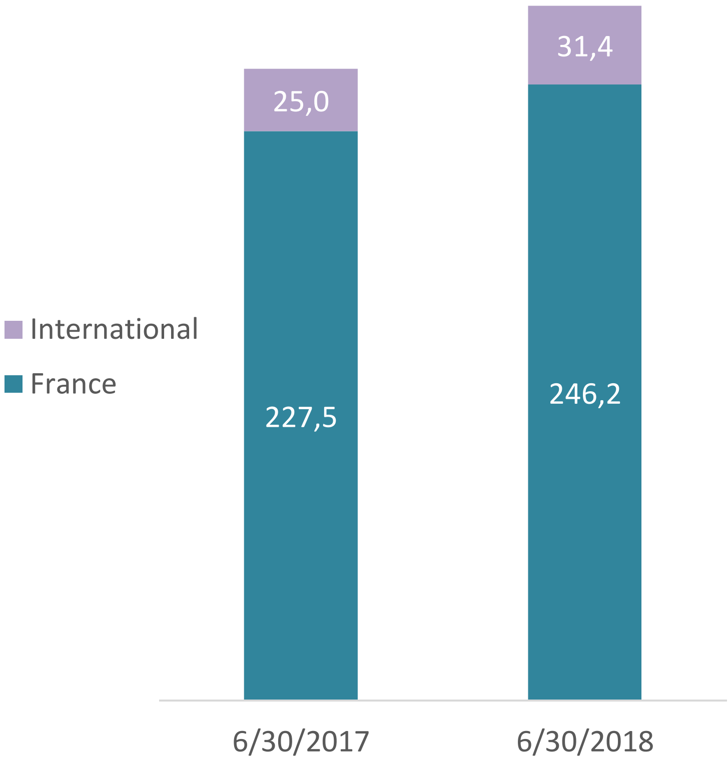






France: continued strong activity level
International: solid growth trend

Change in contributed revenue by geographic scope in €m



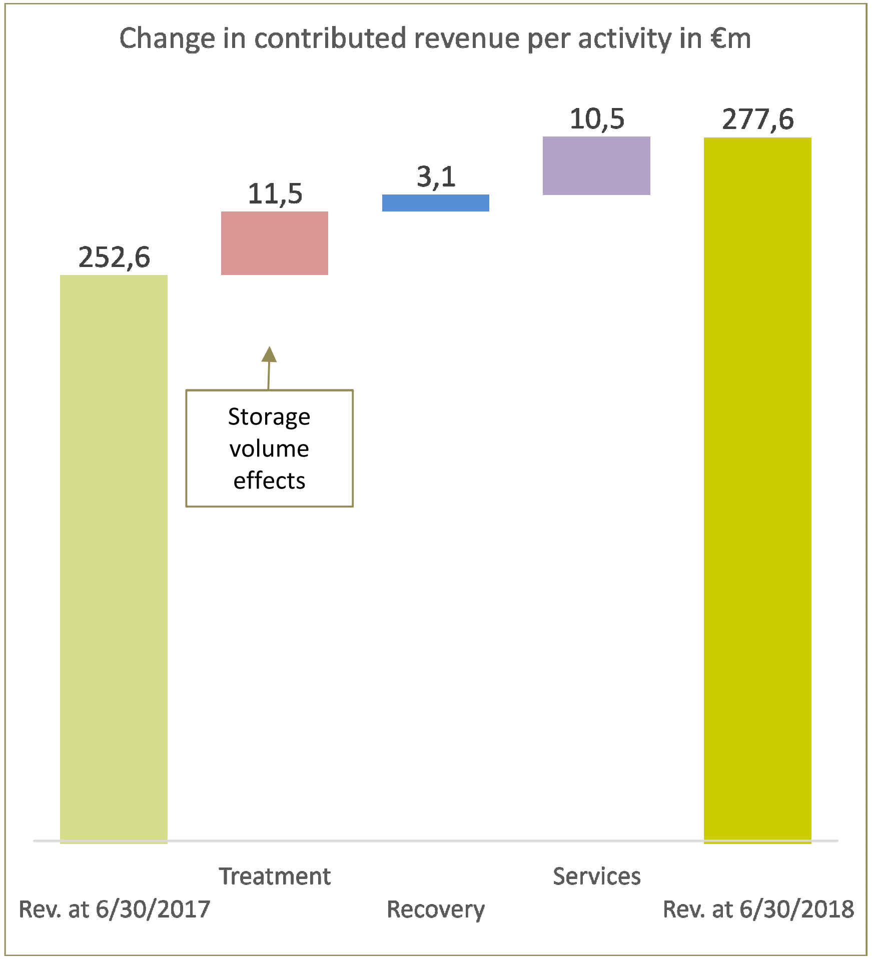
International: Revenue of €31.4m
i.e. +25.4% (reported data)
+30.3% (constant exchange rates)

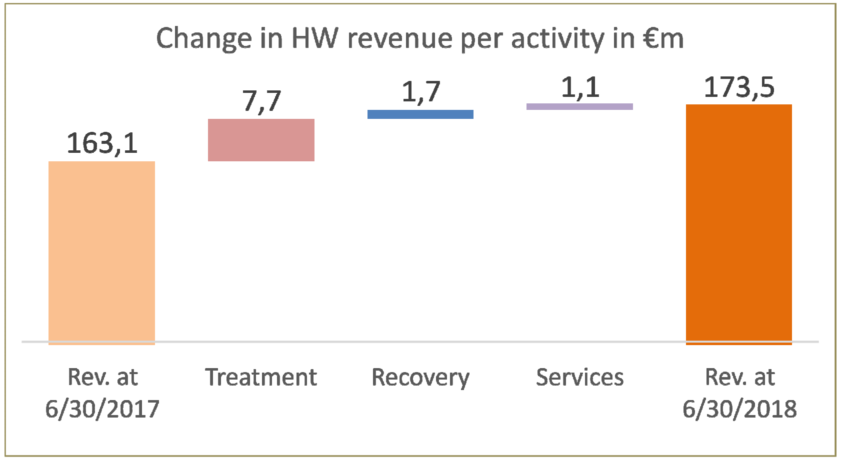
- Treatment: +44.1% - Volume effects in Peru and Chile (storage)
- Recovery: +14.0% - Valls Quimica on the right track (Spain)
- Services: +30.9% - Solarca: favorable basis for comparison with weak H1 2017

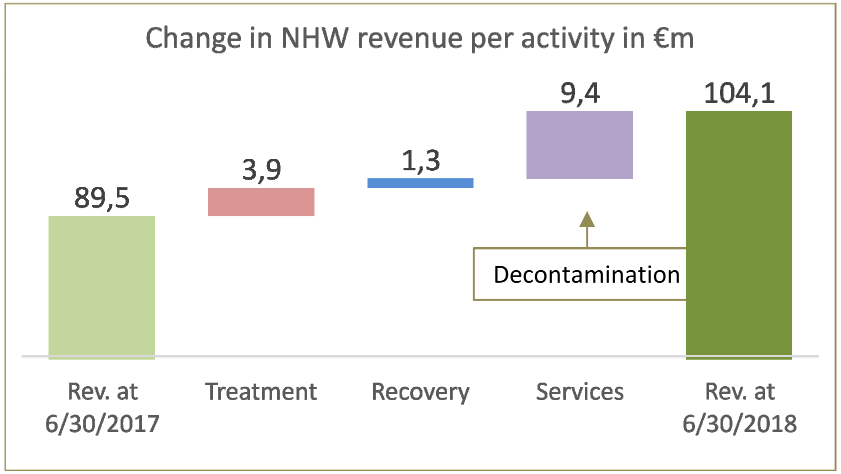
France: €246.2m in revenue, or +8.2% (reported data)

- Treatment: +8.2% - Good performance by HW and NHW storage
- Recovery: +4.9% - Gains by NHW energy recovery (RCU Changé)
- Services: +10.1% - Decontamination

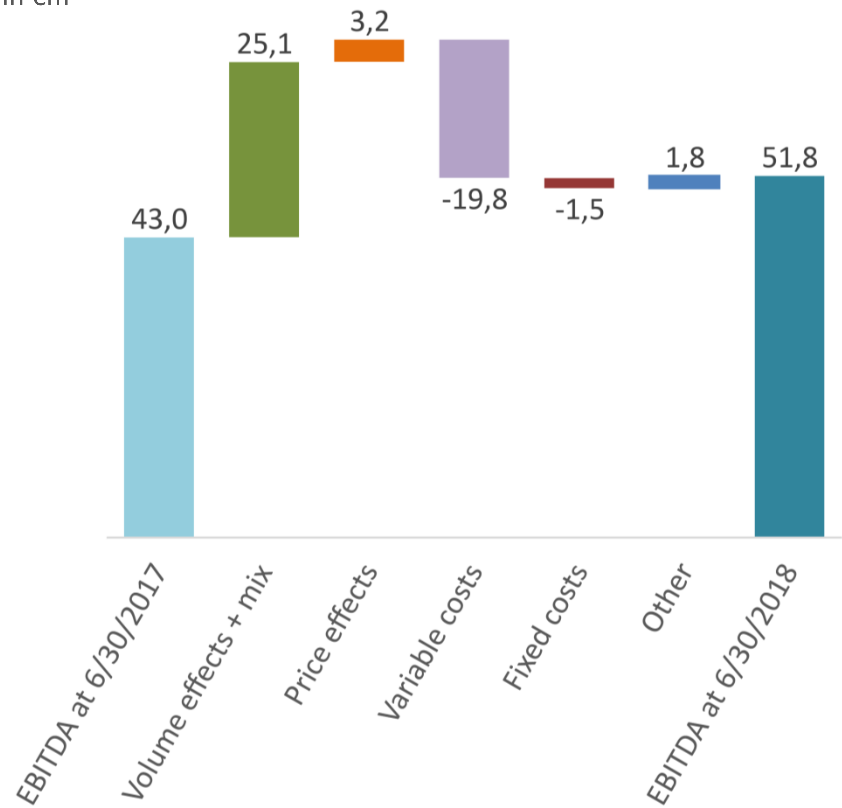
Growth driven by Treatments and Services







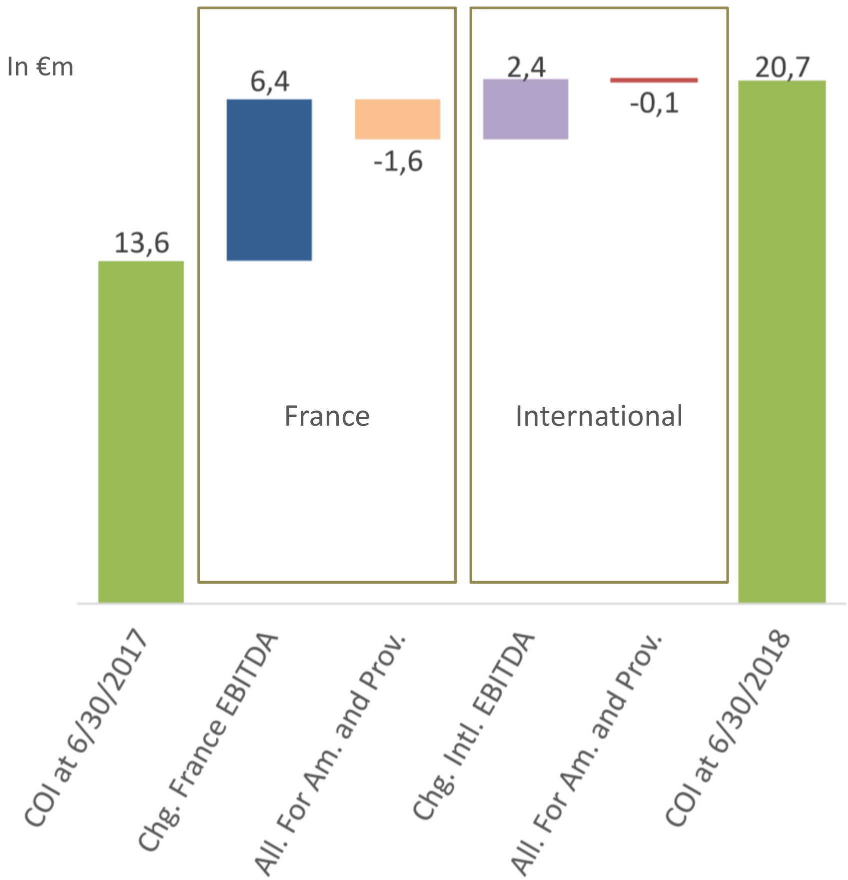
EBITDA increases sharply to 18.7% of contributed revenue



- EBITDA up +20.6% to €51.8m, i.e. 18.7% of contributed revenue (vs. 17.0% at 6/30/2017)
  - Volume effects and activity mix: storage, incineration, platforms, etc.
  - Other: extraordinary income in connection with the litigation/property tax +€2.0m

- Contribution of geographic scopes:
  - EBITDA France: +15.9% to €46.5m, i.e. 18.9% of contributed revenue (vs. 17.7% at 6/30/2017)
  - International EBITDA: +86.6% to €5.3m, i.e. 17.0% of contributed revenue (vs. 11.4% at 6/30/2017)

Strong growth in COI in France and abroad



- COI up 52.4% to €20.7m, i.e. 7.4% of contributed revenues (vs. 5.4% at 6/30/2017)
  - Amortization: increase due to volumes in the storage businesses
  - Provisions for 30-year follow-up: one-off effect of upgrading provisions (new ordinance on Changé)

- Sharp increase in contributions from geographic areas correlated to increase in EBITDA
  - COI France: +38.4% to €17.3m, i.e. 7.0% of contributed revenue (vs. 5.5% at 6/30/2017)
  - International COI: +225% to €3.3m, i.e. 10.6% of contributed revenue (vs. 4.1% at 6/30/2017)

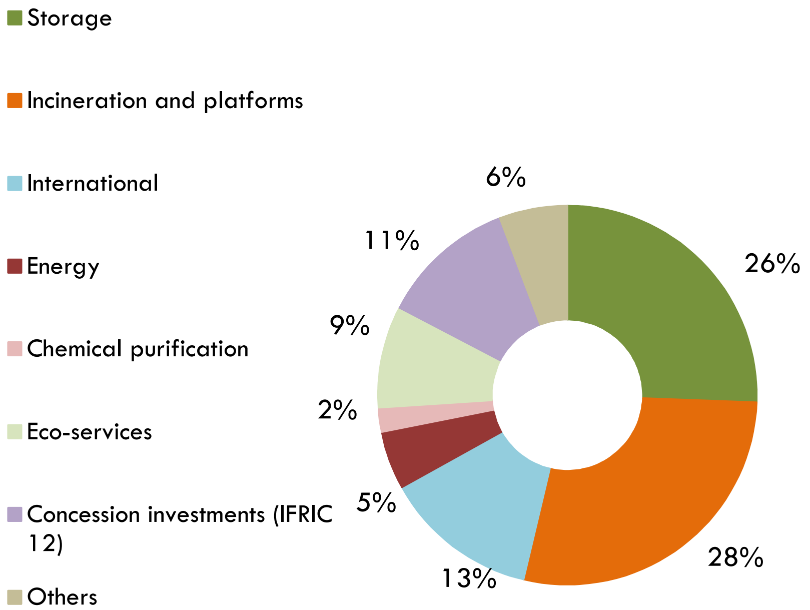
From COI to Group net income

At June 30 In €m	2017	As a % of contributed revenue	2018	As a % of contributed revenue	Change (gross)
Current operating income	**13.6**	**5.4%**	**20.7**	**7.4%**	**+52.4%**
Operating income	12.7	5.1%	18.7	6.7%	+48.8%
Financial income	(7.1)		(6.4)	-	-
Corporate tax	(1.5)		(3.1)		
Companies accounted for by the equity method	nm		0.3		
Discontinued operations	(0.5)		-		
Minority interests	nm		(0.3)		
Net income (Group share)	**3.7**	**1.5%**	**9.2**	**3.3%**	**+150%**

- Cost of net debt: 3.11% (vs. 3.38% in H1 2017)
- Increase in contribution from Kanay (Peru)

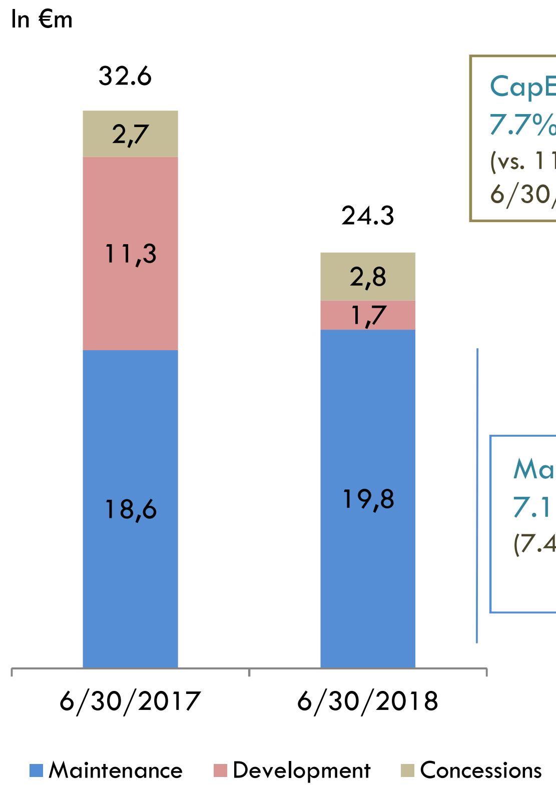
Controlled industrial investments

Breakdown of recognized investments



Recognized industrial CapEx: €24.3m, o/w IFRIC 12: €2.8m
(€32.6m at 6/30/2017, o/w IFRIC 12: €2.7m)
Net industrial CapEx paid: €24.2m, o/w IFRIC 12: €1.7m
(€28.3m at 6/30/2017, o/w IFRIC 12: €1.1m)

Change in recognized investments



CapEx (excl. IFRIC):
7.7% of cont. rev.
(vs. 11.8% at 6/30/2017)

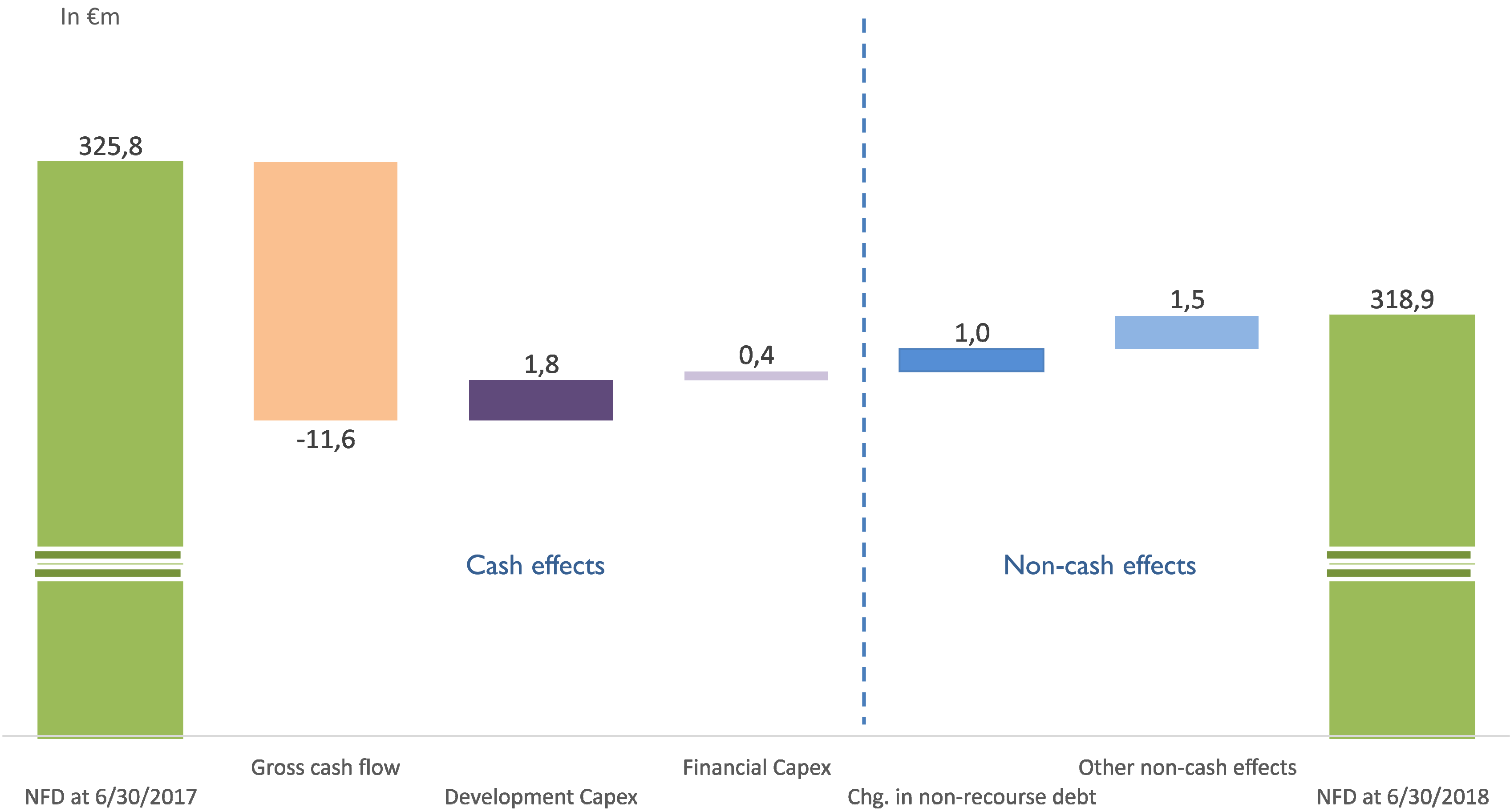
Maintenance:
7.1% of cont. rev.
(7.4% at 6/30/2017)

Change in gross cash flow

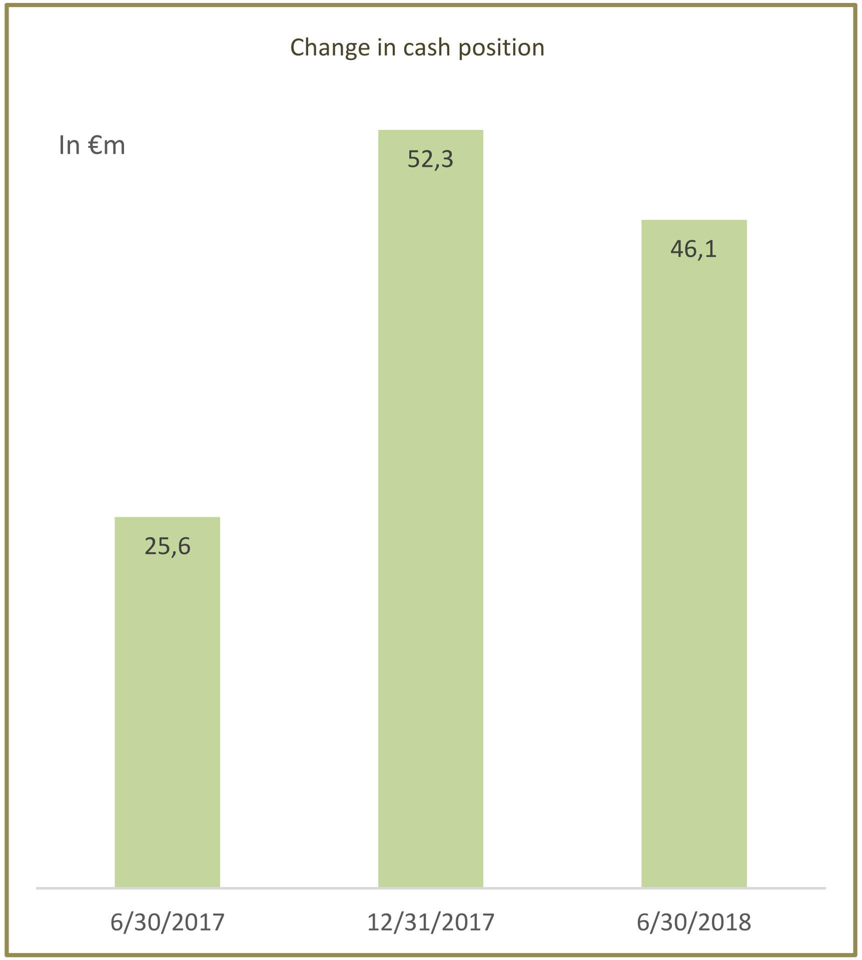
At June 30 In €m	2017	2018
EBITDA	**43.0**	**51.8**
Dividends received from affiliates	0.1	0.1
Foreign exchange gain (loss)	(0.4)	(0.2)
Other operating income and expenses	(1.5)	(1.0)
Costs of rehabilitation and maintenance on treatment sites and disposed assets (incl. IFRIC 12)	(6.5)	(7.2)
Major maintenance and repair	(3.2)	(3.9)
Recurring operating cash flow	31.5	39.5
Net maintenance CapEx paid	(13.7)	(16.8)
Change in WCR	14.4	(4.0)
Income tax paid	0.7	(1.7)
Net interest payments	(6.2)	(5.5)
Gross cash flow	**26.8**	**11.6**

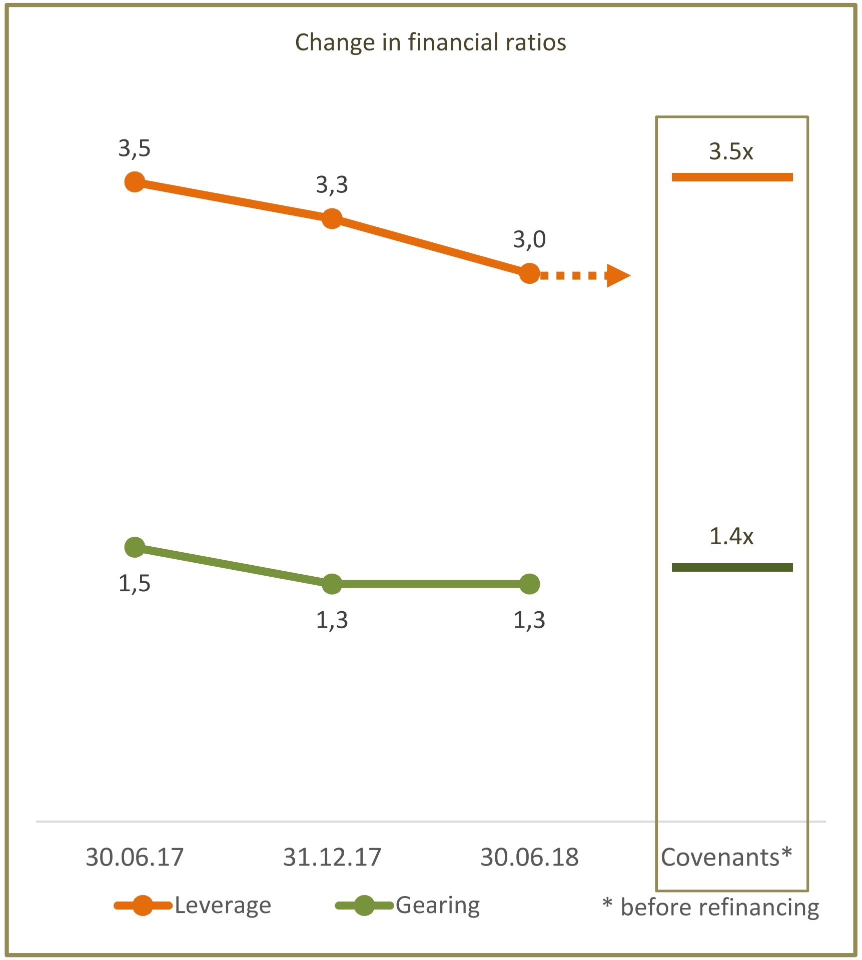
Offset to collection date of receivables from local authorities

Control of development CapEx
Reduction in net debt (definition of banking contract)



Financial leverage: 2018 target achieved in 1st half





MARKEDLY IMPROVED LIQUIDITY FOR FINANCING GROWTH

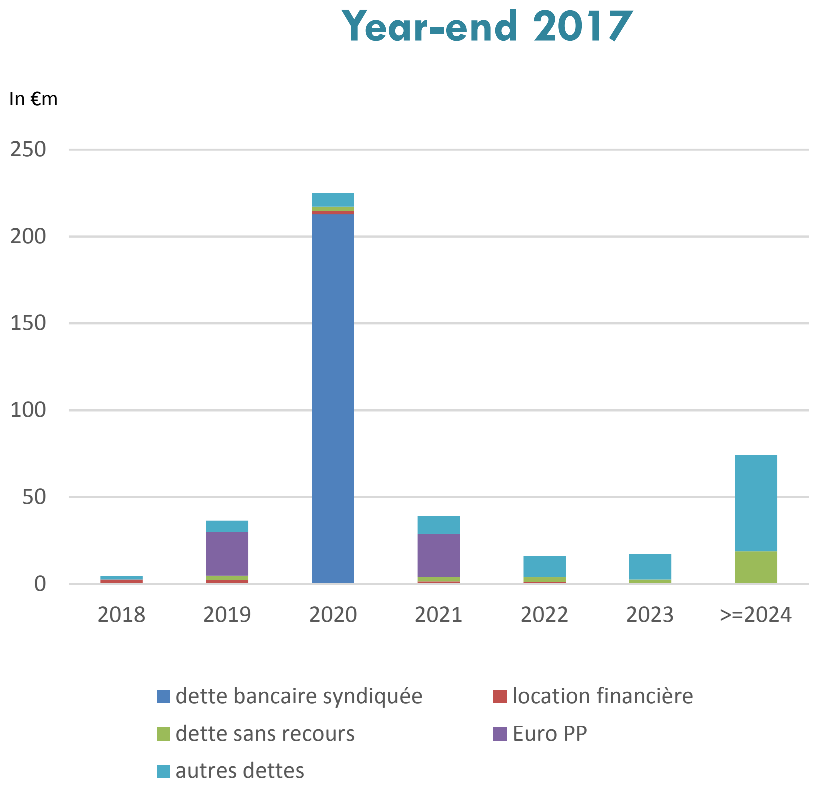
July 2018: €420m in bank and bond refinancing

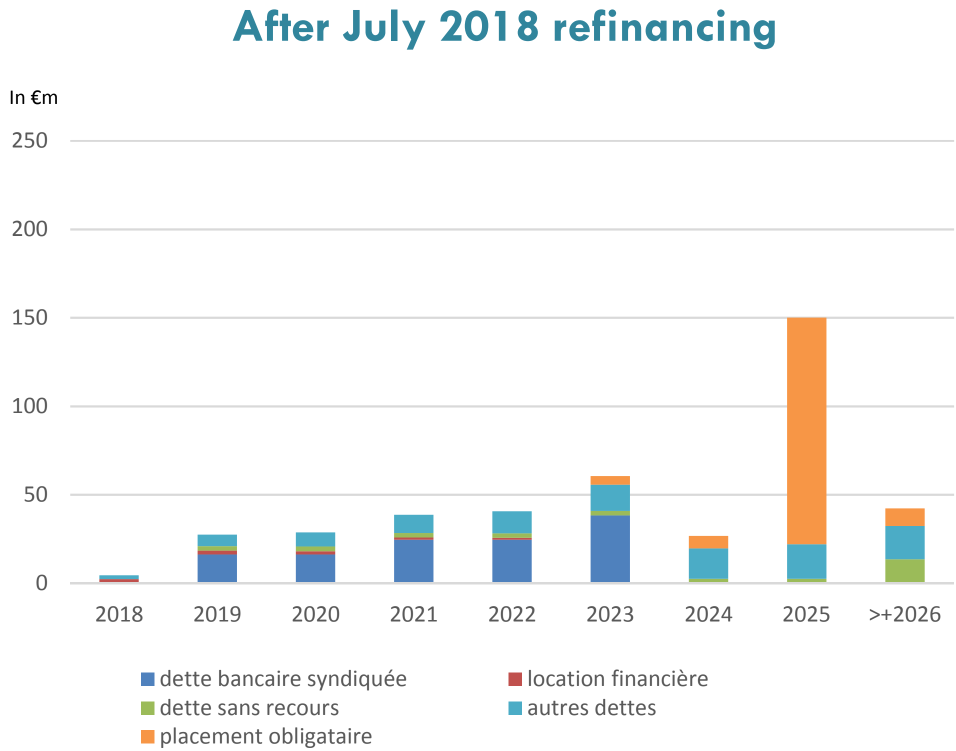
- **Bank loan incorporating environmental impact criteria: €270m**
  - Amortizable loan maturing in 2023: €70m
    - ✓ Refinancing of residual bank debt
  - New lines of liquidity (maturing in 2023): €200m
    - ✓ Revolving credit line: €150m
    - ✓ Redeemable term credit: €50m
  - Environmental impact criteria likely to reduce the cost of bank debt

- **Unrated (90%) and bank bond issuance: €150m**
  - Average maturity: 7 years
  - Average coupon: 3.25%

- **Single covenant:**
  - Leverage at 3.95x EBITDA…
  - … which may be increased to 4.25x in the event of acquisition(s)

Bank and bond refinancing: Extending debt maturity





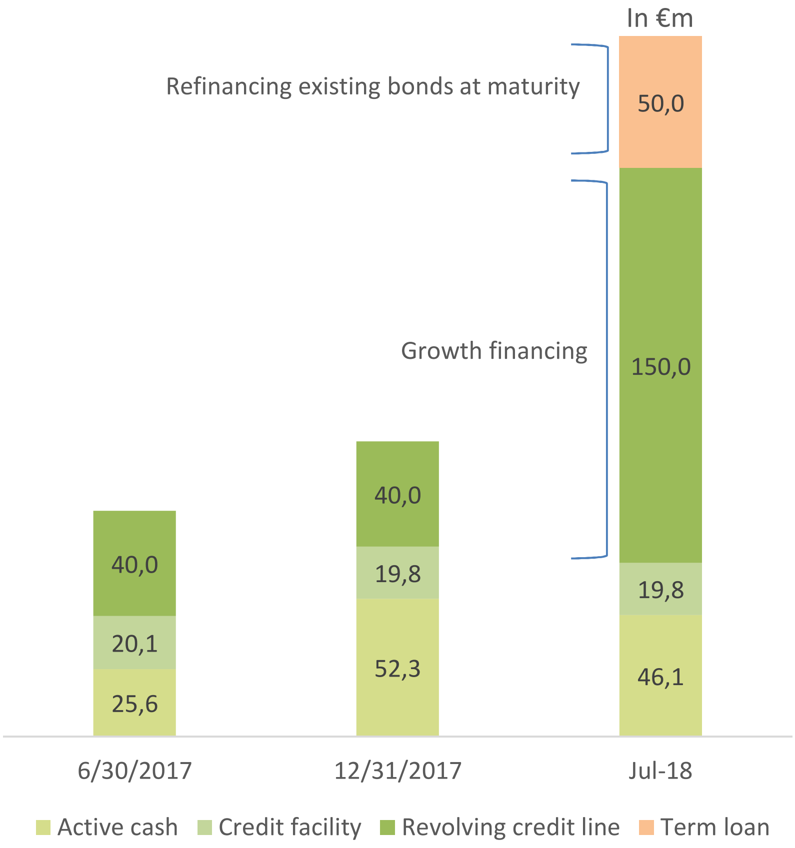
Average maturity: 3.8 years → Average maturity: 6.4 years

Bank and bond refinancing: New development resources

Increasing the Group's liquidity

- Financing development, specifically external growth: set-up of a €150m line of bank liquidity (>25% of revenue)

- Securing refinancing of Euro PP to improve the Group's liquidity



Bank and bond refinancing:
New development resources

- Give the Group some flexibility in case of external growth:

  - A leverage covenant at 3.95x that will rise to 4.25x (in case of acquisitions) from 3.5x previously
  - Eliminating the gearing ratio (NFD/equity)

- Position Séché Environnement's strategy as a sustainable-development player:

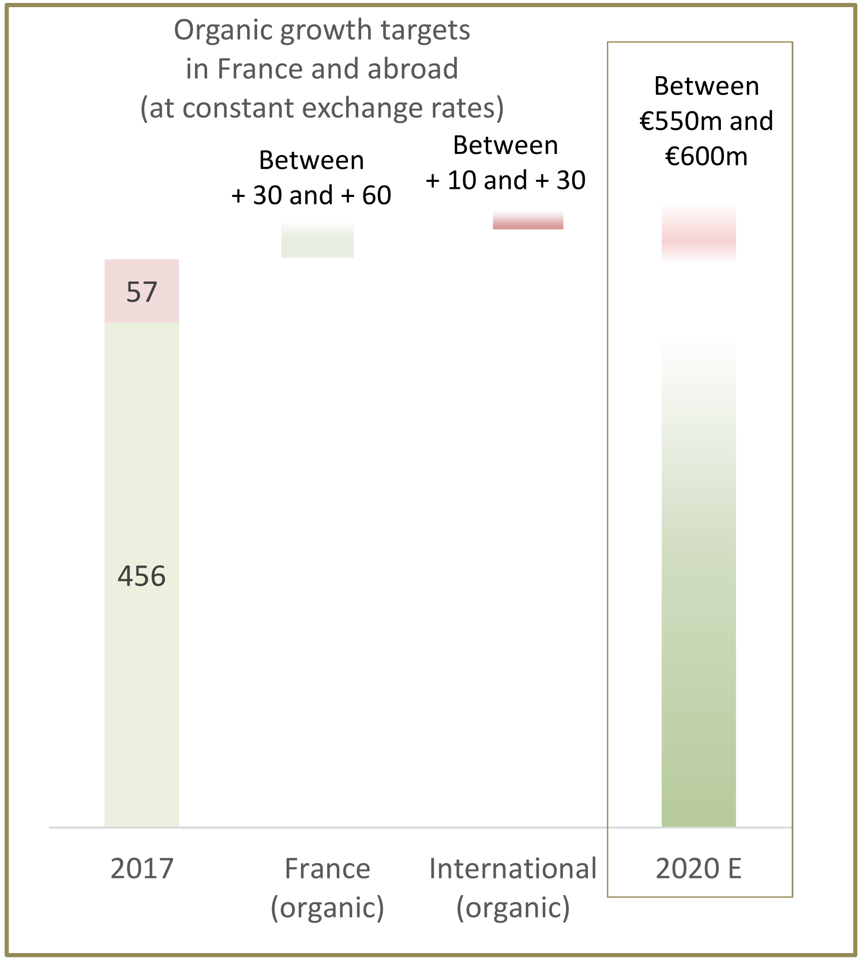
  Taking a social responsibility approach, Séché Environnement has integrated environmental impact criteria in keeping with its sustainable-development strategy:

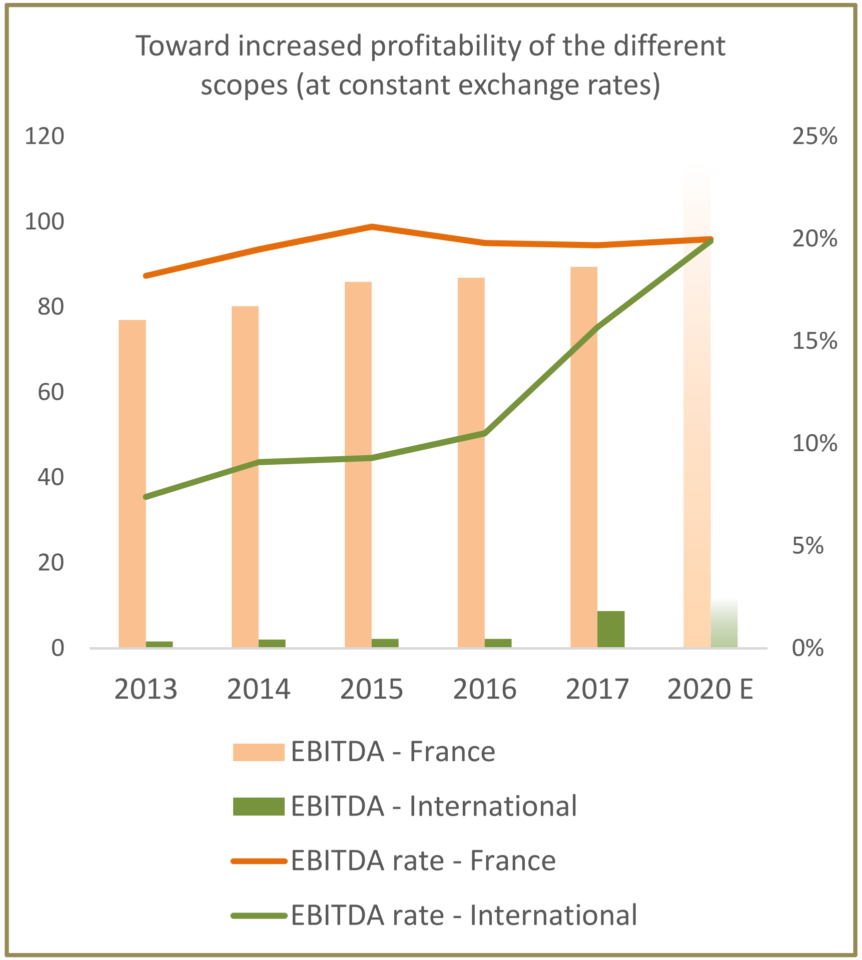
  - Committed to preserving biodiversity with the development of a program of concrete actions
  - Energy-efficiency policy
  - Top-notch Environmental, Social, and Governance (ESG) performance certified by extra-financial rating organization EthiFinance

Outlook for the second half of 2018: toward a balanced contribution from H2 and H1

A promising first half	Moving toward a similar second half
Robust activity in France and abroad Performance of storage in France and services in International (a favorable H1 17 basis)	**Business activity remains strong** Stable macro situation in France and continued growth in LatAm (in a context of volatile exchange rates)
Favorable development of business mix Contribution of treatments (Storage) and high-added-value Services (International)	**Activity mix maintained in H2** Momentum of treatments (Incineration) and better contribution from Services in France
Reduced net banking debt Financial leverage target achieved at 3.0x EBITDA	**Continuing to generate free cash flow** Control of development CapEx targeting stable leverage of about 3.0x EBITDA

Half-year results in line with growth strategy targets (Séché 2020 Plan)





Joël Séché, Chairman and Chief Executive Officer

OUTLOOK CONFIRMED

Confirmed: Profitable organic growth trend in the medium term

Outlook confirmed for the medium term (2020)*

Selectivity

Contributed revenue between €550m and €600m - excl. external growth-

Profitability

Profitability of current scope on the rise

EBITDA about 20% of contributed revenue - excl. external growth

Flexibility

Financial leverage of about 3x EBITDA in mid-cycle

Effects of 2018 refinancing and liquidity strategy offering the capacity to finance significant developments

See press release from June 26, 2018

Targets confirmed for 2018*

Business

Good level of activity maintained, partly supported by Services: H2 contributed revenue should be about the same as H1 contributed revenue

Results

H2 EBITDA similar to H1: recognition of the performance of certain high-added-value business lines starting in H1

Liquidity

Continued strategy of controlled investments in light of target year-end leverage of around 3.0x EBITDA

See press release from March 5, 2018

Séché environnement

Séché global solutions

Q&A

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

Appendices

APPENDIX 1: DEFINITION OF CONTRIBUTED REVENUE
APPENDIX 2: BREAKDOWN OF CONTRIBUTED REVENUE BY GEOGRAPHIC AREA
APPENDIX 3: CHANGE IN CONTRIBUTED REVENUE BY DIVISION
APPENDIX 4: CHANGE IN CONTRIBUTED REVENUE BY ACTIVITY
APPENDIX 5: BREAKDOWN OF CONTRIBUTED REVENUE BY BUSINESS
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APPENDIX 7: CHANGE IN EBITDA BY SCOPE
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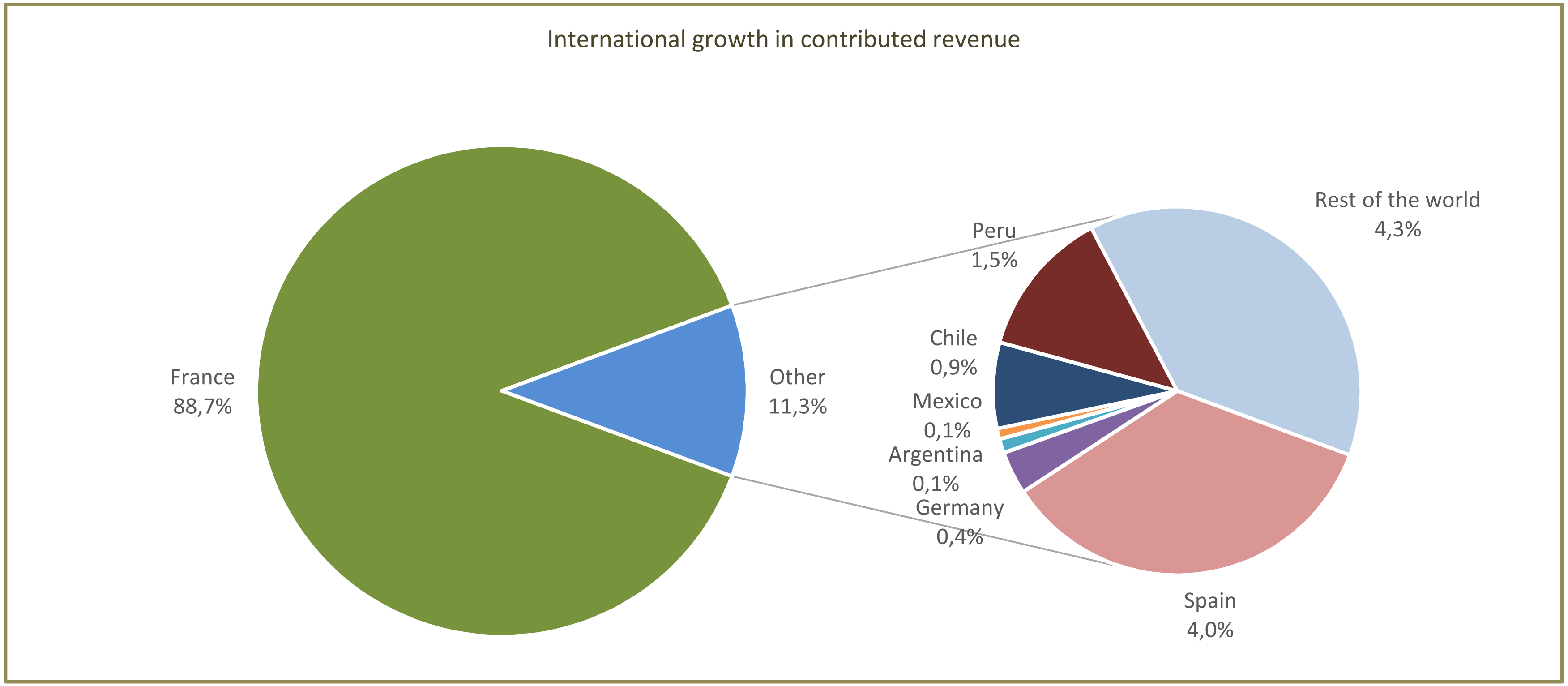
APPENDIX 9: CHANGE IN OPERATING INCOME
APPENDIX 10: CHANGE IN FINANCIAL INCOME
APPENDIX 11: CHANGE IN FINANCIAL DEBT AND BANK RATIOS
APPENDIX 12: SHAREHOLDER STRUCTURE AND VOTING RIGHTS

Appendix 1: Definition of contributed revenue

At June 30		2017	2018
Revenue (reported)		**266.7**	**287.8**
	IFRIC 12 revenue	*2.7*	*2.8*
	Compensation	*14.1*	*7.3*
Contributed revenue		**252.6**	**277.6**

- 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:
Revenue by geographic area



Appendix 3:
Change in contributed revenue by division

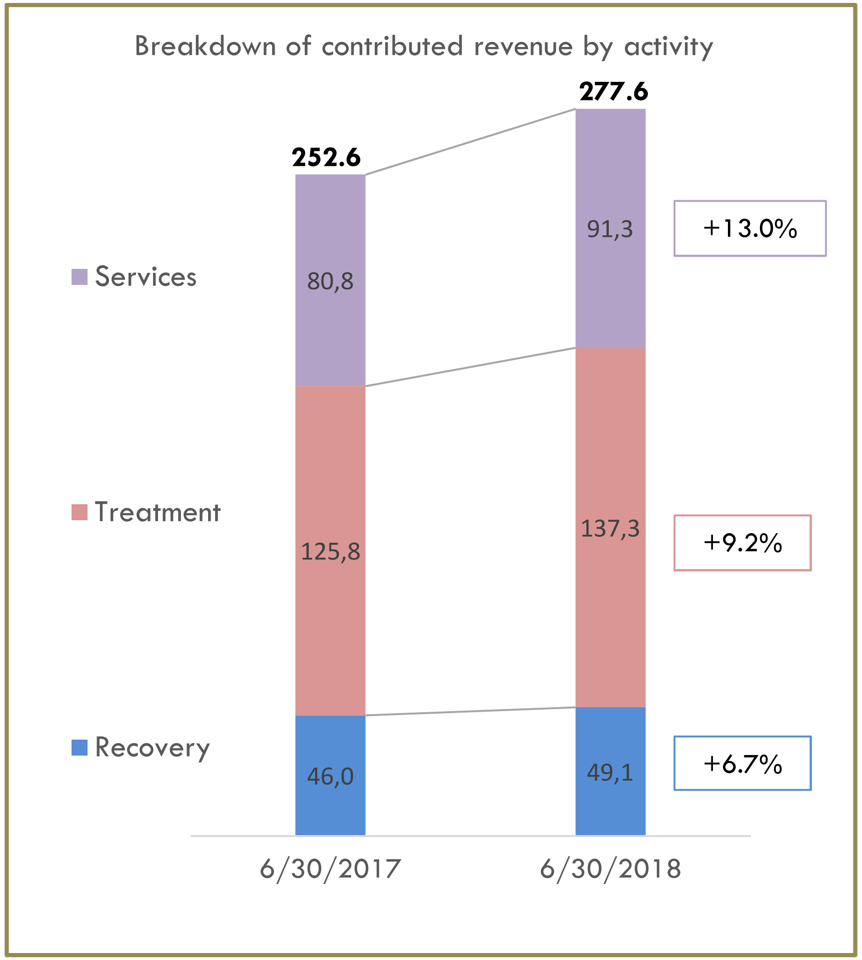
NHW division: Contributed revenue to €104.1m
(vs. €89.5m at 6/30/2017)
i.e. +16.4% (reported data)

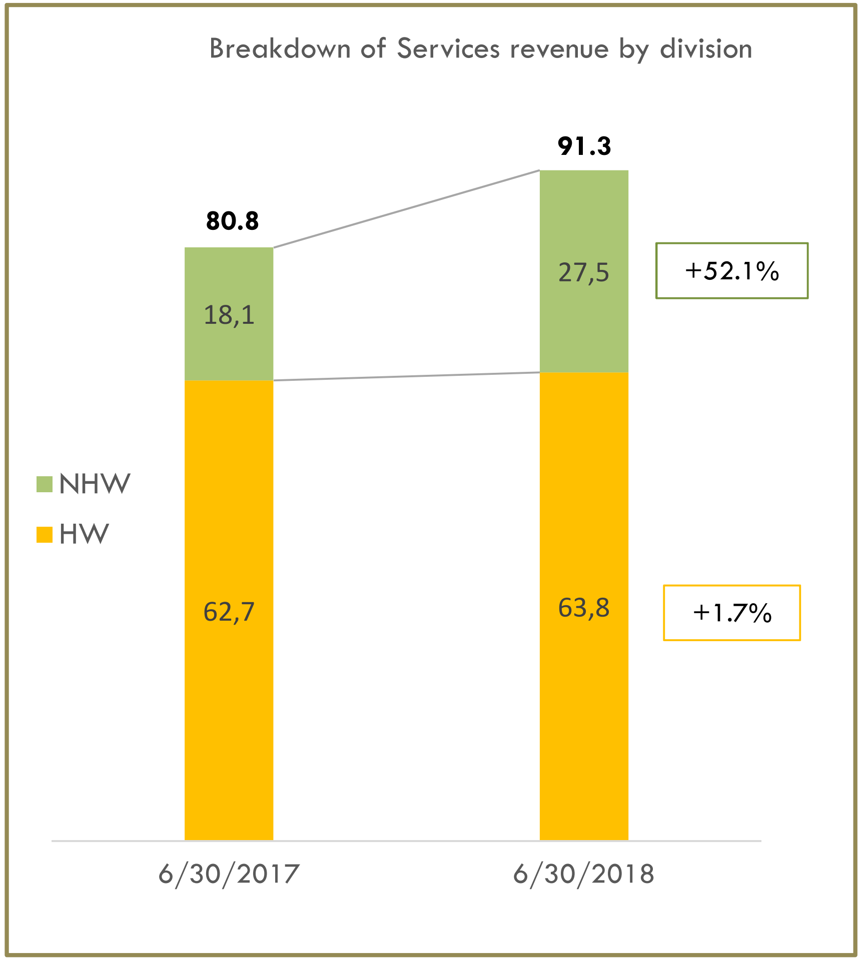
- Treatment: +6.8% - Storage on the right track
- Recovery: +9.4% - Energy at Changé + Gabarre
- Services: +52.1% - Decontamination momentum

HW division: Revenue of €173.5m
(vs. €163.1m at 6/30/2017)
i.e. +6.4% (reported data)
+7.0% at constant exchange rates

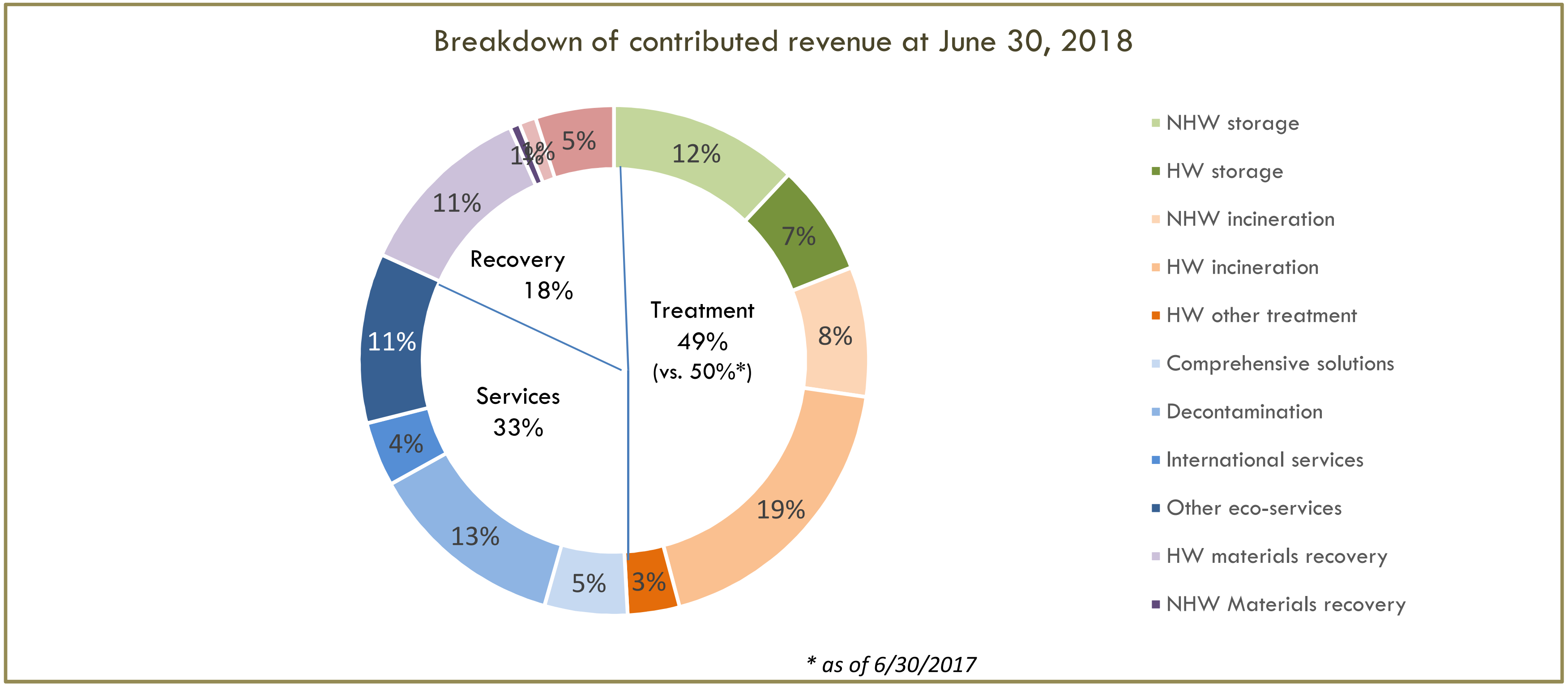
- Treatment: +11.1% - Storage Performance in Q1
- Recovery: +5.5% – Valls Quimica Development
- Services: +1.7% - Decontamination slowdown

Appendix 4:
Change in contributed revenue by activity



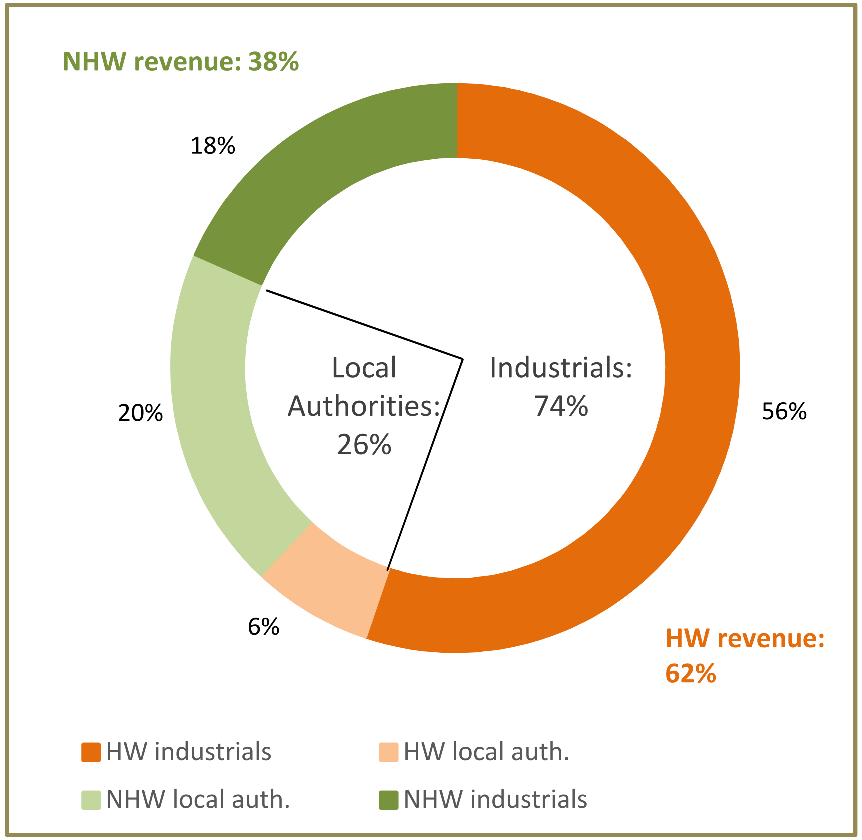


Appendix 5:
Breakdown of revenue by business

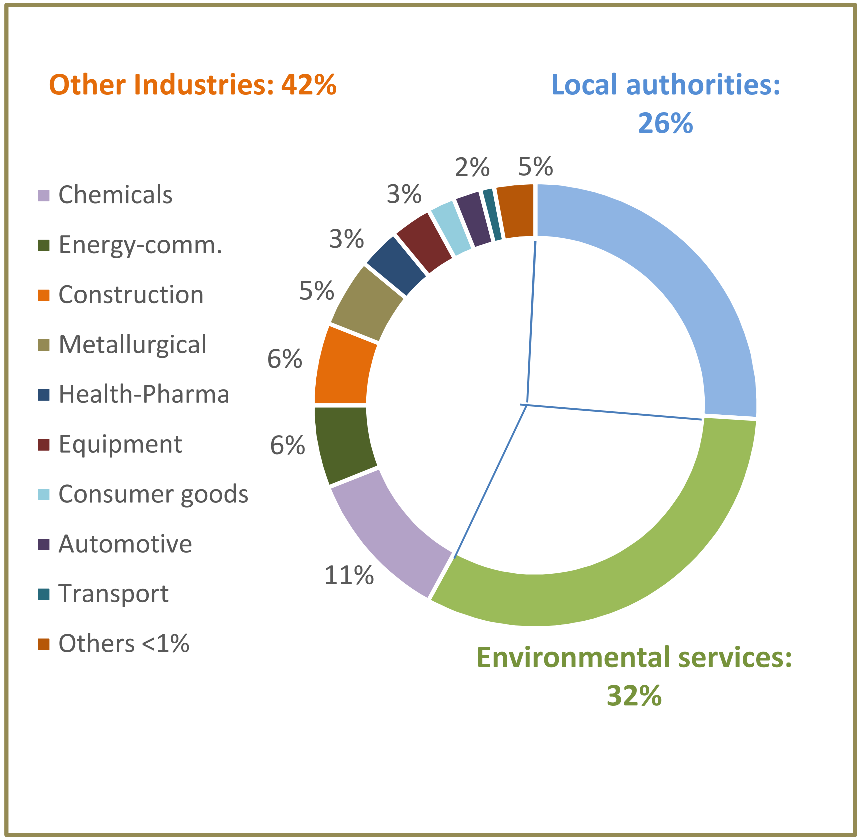


Appendix 6:
Breakdown of contributed revenue by client

Breakdown of contributed revenue by division and client at June 30, 2018



Breakdown of contributed revenue by sector of activity at June 30, 2018



Appendix 7:
Change in EBITDA by scope

At June 30 In €m	2017 Consolidated	 France	 Int'l.	2018 Consolidated	 France	 Int'l.
Contributed revenue	252.6	227.5	25.0	277.6	246.2	31.4
EBITDA	43.0	40.1	2.9	51.8	46.5	5.3
As a % of contributed revenue	*17.0%*	*17.6%*	*11.4%*	*18.7%*	*18.9%*	*17.0%*

- EBITDA in France up 15.9% to €46.5m (vs. €40.1m at 6/30/2017):
  - Positive volume effects and price effects: +€28.3m
  - Change in operating expenses: €(21.1)m
  - Others: +€1.9m including +€2.0m from the favorable outcome of tax litigation over 2017 and 2018 property tax
- International EBITDA up 86.6% to €5.3m (vs. €2.9m at June 30, 2017):
  - Contribution from services (Solarca): +€1.7m
  - Contribution from storage in Peru and Chile (Taris and SAN): +€0.1m
  - Contribution from recovery in Spain (Valls Quimica): +€0.1m

Appendix 8:
Change in COI by scope

At June 30 In €m	2017 Consolidated	 France	 Int'l.	2018 Consolidated	 France	 Int'l.
Contributed revenue	252.6	227.5	25.0	277.6	246.2	31.4
COI	13.5	12.5	1.0	20.7	17.3	3.3
As a % of contributed revenue	*5.4%*	*5.5%*	*4.1%*	*7.4%*	*7.0%*	*10.6%*

- COI in France up 38.4% to €17.3m (vs. €12.5m at 6/30/2017).
  - Increase in EBITDA in France: +€6.4m
  - Increase in amortizations: €(2.1)m
  - One-time reduction in provisions for 30-year monitoring in connection with the new Changé authorization: +€0.8m
  - Others: €(0.6)m
- International COI up 223.6% to €3.3m (vs. €1.0m at 30.06.17): effect of the increase in International EBITDA

Appendix 9: Change in Operating Income

At June 30	2017		2018		Gross change
	€m	% of contributed revenue	€m	% of contributed revenue	
Contributed revenue	**252.6**		**277.6**		+10%
EBITDA	**43.0**	*17.0%*	**51.8**	*18.7%*	+21%
COI	**13.6**	*5.4%*	**20.7**	*7.8%*	+52%
Operating income	**12.8**	***5.1%***	**18.7**	***6.7%***	**+47%**

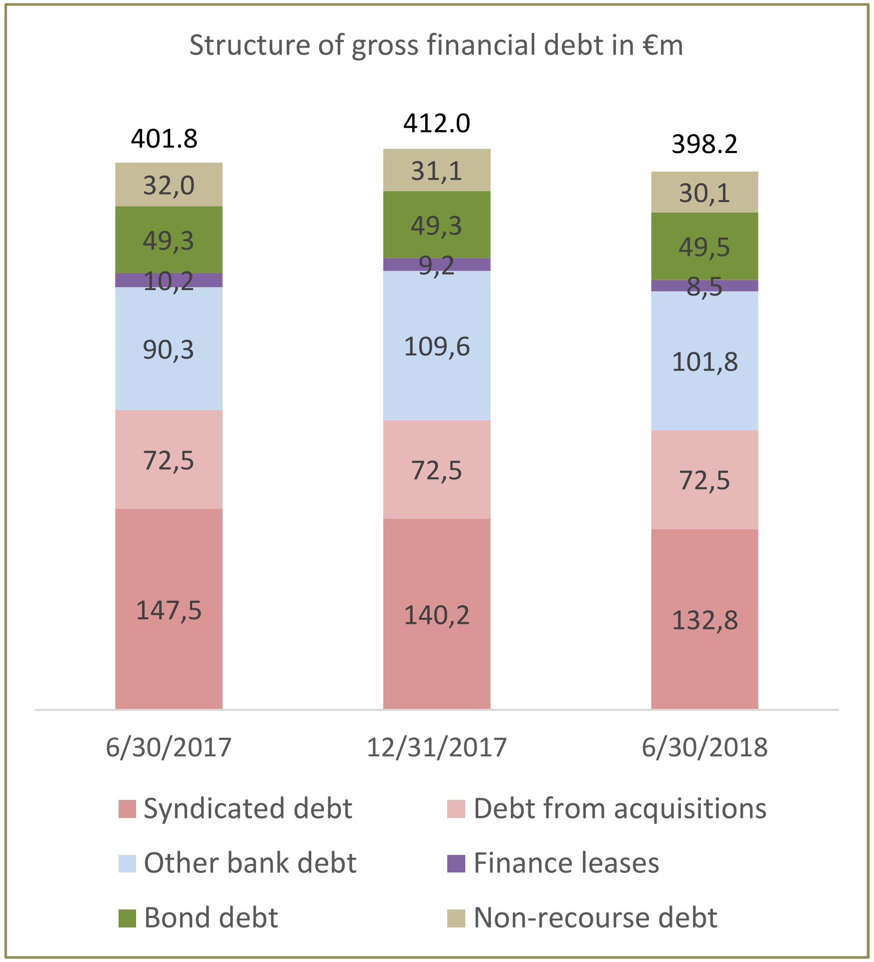
- Operating income at €18.7m, i.e. 6.7% of contributed revenue (vs. €12.8m, (5.1% of contributed revenue) as of 6/30/2017).
  - COI: €20.7m
  - Provisions for tax litigation: €(1.1)m
  - Performance plan: €(0.4)m
  - Cost of business combinations: €(0.3)m

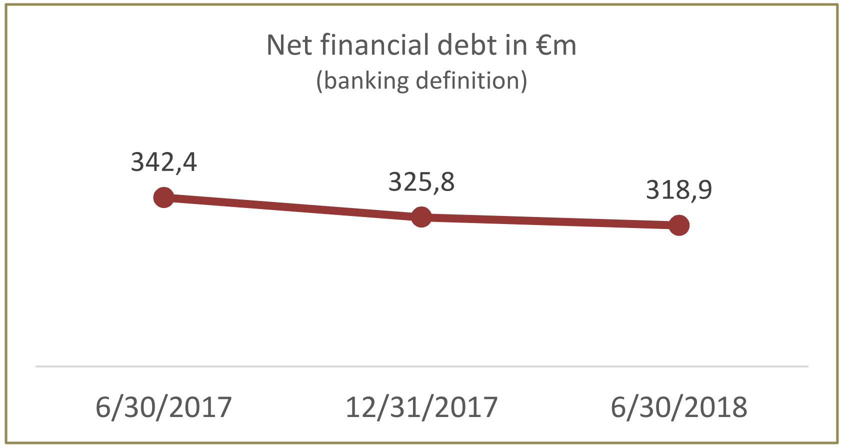
Appendix 10: Changes in Financial Income

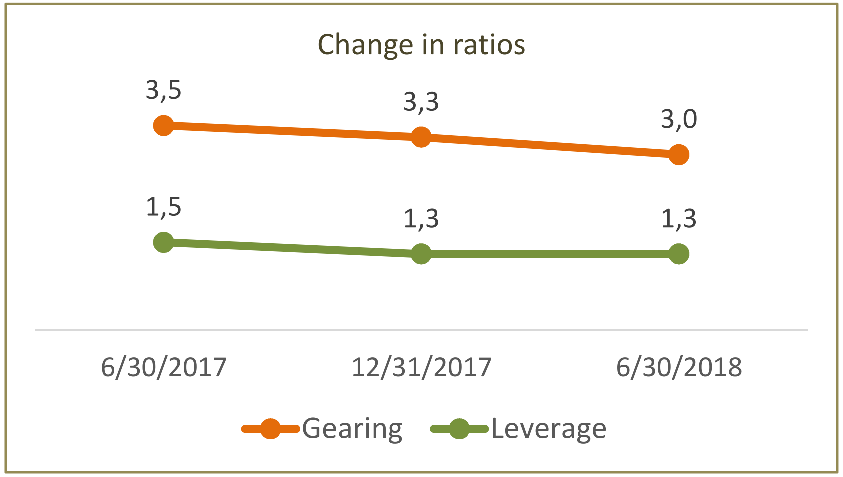
At June 30	2017	2018
Gross financial borrowing costs	(6.2)	(5.9)
Income from cash and cash equivalents	0.1	nm
Other financial income and expenses	(1.0)	(0.6)
Financial income	**(7.1)**	**(6.5)**

- Average cost of debt at 3.11% (vs. 3.38% in 2017)
- Stable average net financial debt over the period

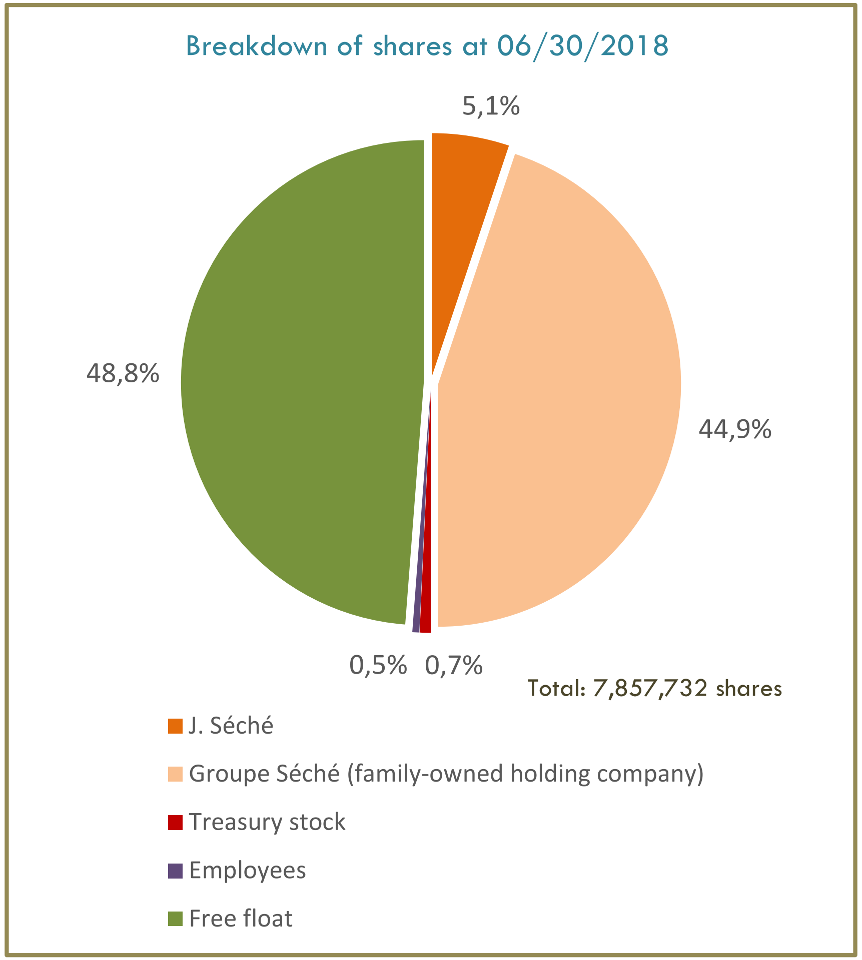
Appendix 11:
Change in financial debt

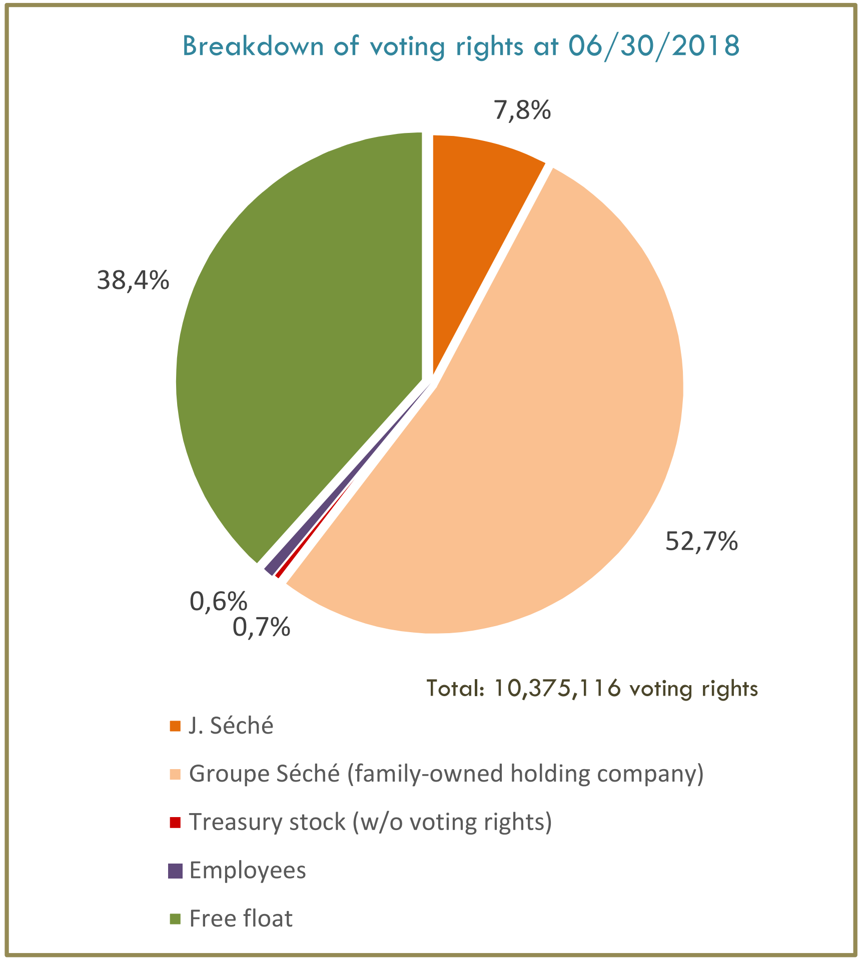






Appendix 12:
Shareholder structure and voting rights





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