

## Press release

Changé, November 2, 2018

### **Séché Environnement launches a bid<sup>1</sup> for Interwaste, a major waste management player in South Africa**

*Séché Environnement aims to become a leading operator  
in South Africa and Southern Africa,  
to take advantage of growth in these high-potential markets.*

Séché Environnement has announced its intention to acquire, through its wholly owned South African subsidiary Séché South Africa Proprietary Limited (collectively, "Séché"), 100% of the shares in Interwaste Holdings Limited ("Interwaste"), a South African waste management specialist. The transaction will be implemented via a scheme of arrangement whereby Séché South Africa is offering Interwaste's shareholders ZAR 1.20 per share. This bid has been approved by Interwaste's board of directors and independent board after valuation by an independent expert.

With this acquisition, Séché Environnement aims to build a strong position at the heart of a highly promising region, spanning South Africa and Southern Africa, thus taking advantage of growth and transformation of its waste markets in a circular economy approach.

#### Acquisition of key player in South African waste management markets

Interwaste is one of the rare integrated operators managing hazardous and non-hazardous waste in South Africa and is one of the main players serving waste markets across South Africa and neighboring countries.

The group has a solid base of industrial, local and multinational clients, most of which operate in the mining and raw materials sector.

Founded in 1989, Interwaste has a workforce of around 1,900 people. Its growth has been led by an experienced, professional and autonomous management team. Interwaste has ISO 14001 and OHSAS 18001 certification and its recent, high-performance facilities comply with international standards.

In 2017, the Company generated consolidated sales of ZAR 1,034 million (around €62m) and EBITDA of ZAR 213 million (around €13m), with net profit totaling ZAR 54 million (around €3m). At end 2017, its net debt totalized ZAR 157 million (around €9m).

The Company has been listed on the Johannesburg Stock Exchange since 2007 and has a market capitalization of around ZAR 440 million (around €25m).

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<sup>1</sup> In the form of a Scheme of Arrangement in terms of the South African Companies Act, 2008

The following shareholders own more than 5% of Interwaste's share capital: founder and CEO Alan Willcocks's holding company, the Wilco Family Trust, and investment fund Coronation Capital. The float represents 44.3% of the shares, leaving 8.7% in treasury stock.

### A growth platform for Séché Environnement at the heart of high-potential regions

The planned acquisition is consistent with Séché Environnement's strategy to expand in international waste markets harboring high growth potential and gaining from demographic, economic, environmental and regulatory trends.

It will reinforce Séché Environnement's presence in Southern Africa, serving targeted, high value-added industrial clients in the mining, raw materials and energy sectors.

Séché Environnement intends to turn Interwaste into a platform for growth in South Africa and Southern Africa, as part of a geographical, industrial and commercial diversification drive and to meet the growing need for waste recovery and treatment solutions among economic players in these regions.

Séché Environnement will bolster Interwaste's competitive leadership and create mutually beneficial synergies by bringing recognized expertise in the management of hazardous waste to Interwaste and enhancing its range with new solutions for processing certain types of technical waste, whilst also benefiting from Interwaste's excellence in logistics.

As a specialist in the circular economy, Séché Environnement also wants to speed up Interwaste's strategic approach to material and energy recovery from waste to meet the challenges and regulatory obligations faced in these regions.

### Transaction schedule

On October 18, 2018, Séché entered into an offer and implementation agreement with Interwaste Holdings which set out the terms of the scheme of the arrangement and certain other matters relating to the transaction.

On November 2, 2018, Séché (together with Interwaste) filed a firm intention announcement in relation to the scheme of arrangement with the Johannesburg Stock Exchange authorities with a view to acquiring 100% of Interwaste's equity capital at a unit price of ZAR 1.20. The offer price implies a 47.9% premium to the 30 day volume weighted average price of the shares as at 28 September 2018, the trading day immediately preceding the issue by Interwaste of a cautionary announcement in connection with the transaction on 1 October 2018.

Séché also announced that Interwaste's two largest shareholders, being the investment vehicle of the founder and CEO, the Wilco Family Trust and investment fund Coro Capital Proprietary Limited, have irrevocably undertaken to sell a total of 47% of Interwaste's share capital (which calculation includes 8.7% treasury shares), at a price of ZAR 1.20 per share. These undertakings illustrate the main shareholders' confidence in the scheme of arrangement.

In the event the scheme of arrangement is a success (i.e. at least 75% of the shareholders vote in favour of the transaction (which shall include the two main shareholders who have already indicated their assent), a mandatory sell-out procedure will be automatically triggered on all of the remaining shares owned by minority shareholders in order to de-list Interwaste from the main board of the Johannesburg Stock Exchange.

The acquisition of 100% of Interwaste's equity is expected to cost around €32m, which would be financed using drawdowns from Séché Environnement's bank facility of July 2018.<sup>2</sup>

Subject to the approval of Interwaste's shareholders and of the stock exchange and regulatory authorities and the fulfilment of the transaction conditions, the acquisition is anticipated to complete in the first quarter of 2019, which means it will have no impact on Séché Environnement's financial position at December 31, 2018.

## Calendar

**Consolidated annual results at December 31, 2018**

**March 11, 2019 after market close**

## Contacts

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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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<sup>2</sup> See press release from Wednesday, July 4, 2018

## Important notice

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