



Séché Environnement

**Consolidated results
as of June 30, 2016**

September 2016



Joël Séché

Chairman and Chief Executive Officer

HIGHLIGHTS FROM H1 2016



Excellent half-year results



Contributed revenue: +3.4%
(at constant scope)



COI: +4.1%
(at constant scope)
to 5.8% of contributed revenue
(vs. 5.7% at June 30, 2015)



Group net income: +5.6%
(at constant scope)
to 1.8% of contributed revenue
(vs. 1.7% at June 30, 2015)



Stable ratios
Gearing = 1.1x (vs. 1.0x at June 30, 2015)
Leverage = 2.9x (vs. 3.0x at June 30, 2015)



Growth and operating performance at constant scope

Consolidated IFRS Data

At June 30 In €m	2015	In %	2016	In %	Gross change	Change at constant scope
Contributed revenue	212.0	100%	222.4	100%	+4.9%	+3.4%
EBITDA	34.0	16.0%	38.4	17.3%	+13.0%	+16.2%
COI	12.2	5.7%	11.4	5.1%	-6.5%	+4.1%
Net income (Group)	3.6	1.7%	2.4	1.1%	-33.9%	+5.6%
Operating cash flow	28.2	13.3%	31.7	14.3%	+12.1%	-
CAPEX excl.IFRIC	16.7	7.9%	23.4	10.5%	+40.1%	-

- **Good level of activity for the period:**
 - Robust growth over both quarters
 - Confirmed revenue growth in the HW division
 - Resiliency of the NHW division

- **Excellent operating performance, at constant scope**
 - Good overall availability of waste treatment facilities
 - Cost and overheads controlled
 - Higher depreciation absorbed by the rise in EBITDA

- **Scope effects:**
 - DASRI (medical waste) and HPS (nuclear services) businesses in the integration and commercial deployment phase
 - Negative contribution to operating results

- **Robust cash flow generated by investing activities on the rise**



Fundamentals positively oriented in H1

Growth momentum



- Solid markets
 - Industrial markets: confirmed positive trend
 - Municipal markets: long-term contracts and business opportunities
- Good performance turned in by all businesses
 - Recovery: well-oriented HW recovery markets (energy and materials)
 - Waste treatment: higher volumes
 - Services: catch-up in HW decontamination

Operating performance



- Relevant growth model
 - Recovery: high-visibility activities
 - Waste treatment (51% of revenue): value added of the business lines
 - Services: growth markets
- Scope effect
 - Recent acquisitions in the process of integration
 - Markets with high value added growth potential

Solid financial position



- Growth in cash flow: +12%
- Development CAPEX up 26%
 - New capacity: sorting center, Laval Energie Nouvelle (LEN), Salaise 4 platform, etc.
 - Productivity: direct centers, Trédi-Strasbourg ORC, information systems, etc.
 - Projects: authorizations at Changé, Viviez, etc.
- Robust recurring net operating cash flow; net indebtedness under control



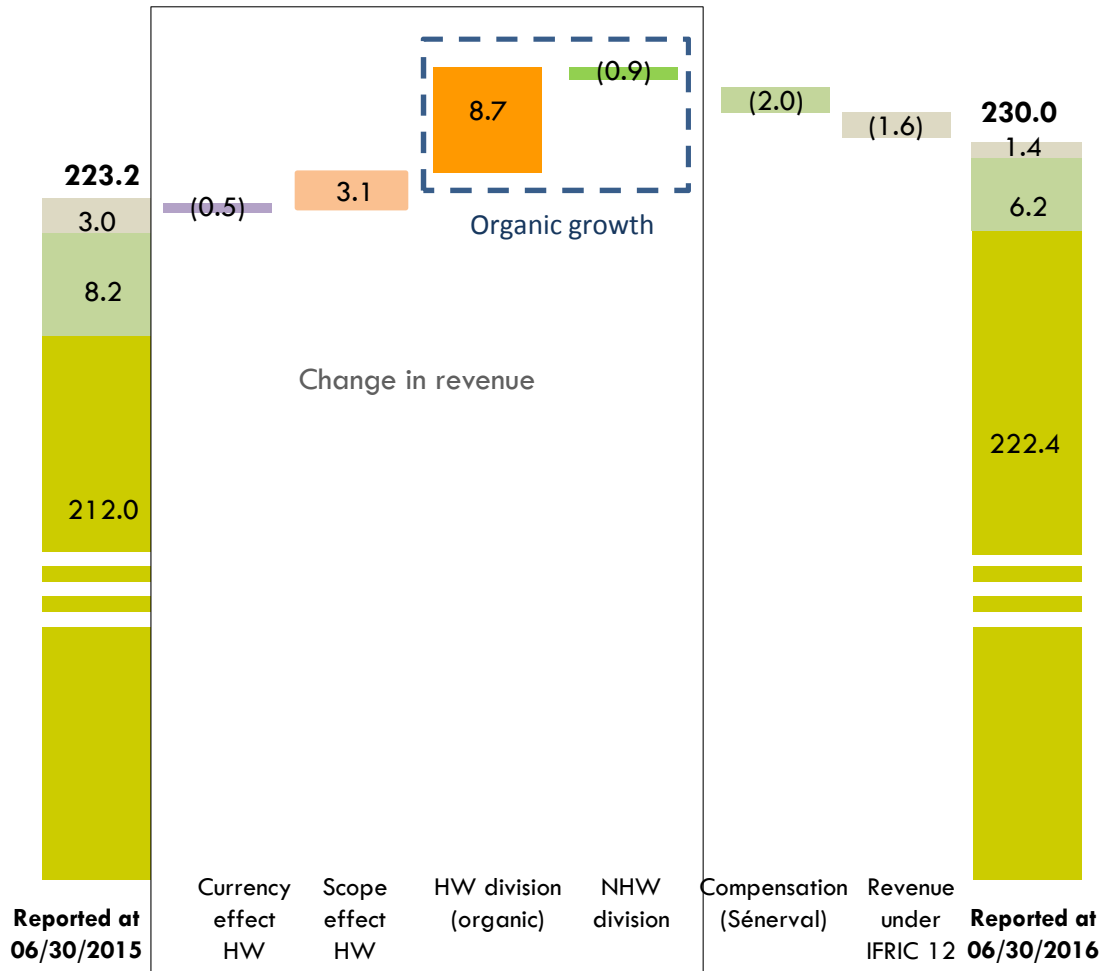
Aude Nombrot-Gourhand
Chief Financial Officer

CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2016



Contributed Revenue up +4.9%

Data in €m (under IFRS)



Non-contributory revenue: €7.6m

- Revenue under IFRIC 12: €1.4m (€3.0m at June 30, 2015)
- Compensation: €6.2m (€8.2m at June 30, 2015).

Compensation for diverted waste and other indemnities linked to the situation at the Strasbourg-Sénerval incinerator

Contributed revenue: €222.4m
(€212.0m at June 30, 2015)

i.e. **+4.9% on a reported basis**
+3.7% on an organic basis

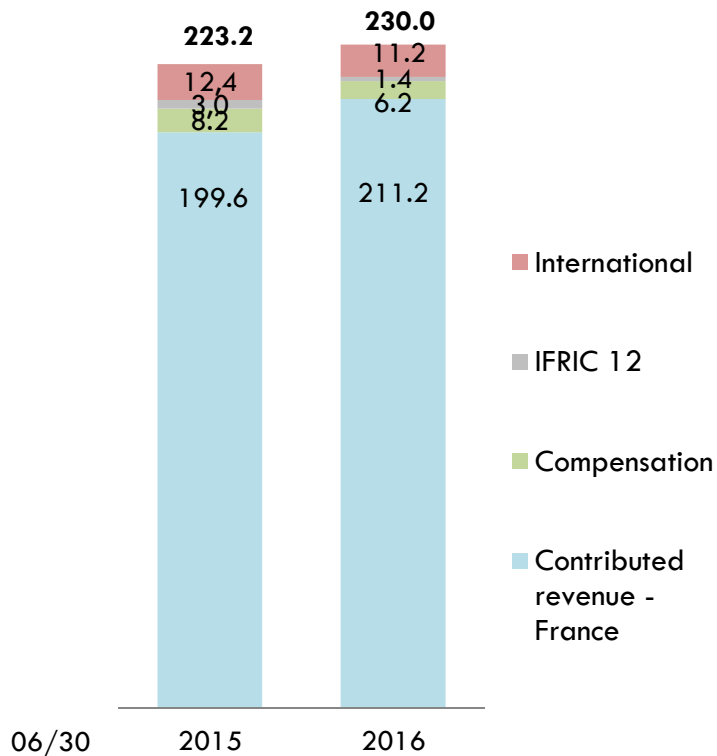
- Scope and foreign currency effects: +€2.6m
- Growth driven by the HW division
- Resiliency of the NHW division, excluding Decontamination (Spot contracts)



Market growth in France

Non-linearity of activity outside France

Consolidated data in €m (under IFRS)



International: Revenue of €11.2 million
(€12.4 million at June 30, 2015)

i.e. -10.3% at constant exchange rates
-5.9% at constant exchange rates

- Currency effect: €(0.5)m
- Spain: refocusing on profitable activities
- Latin America: spot contracts (PCBs)

France: Contributed revenue of €211.2m
(€199.6m at June 30, 2015)

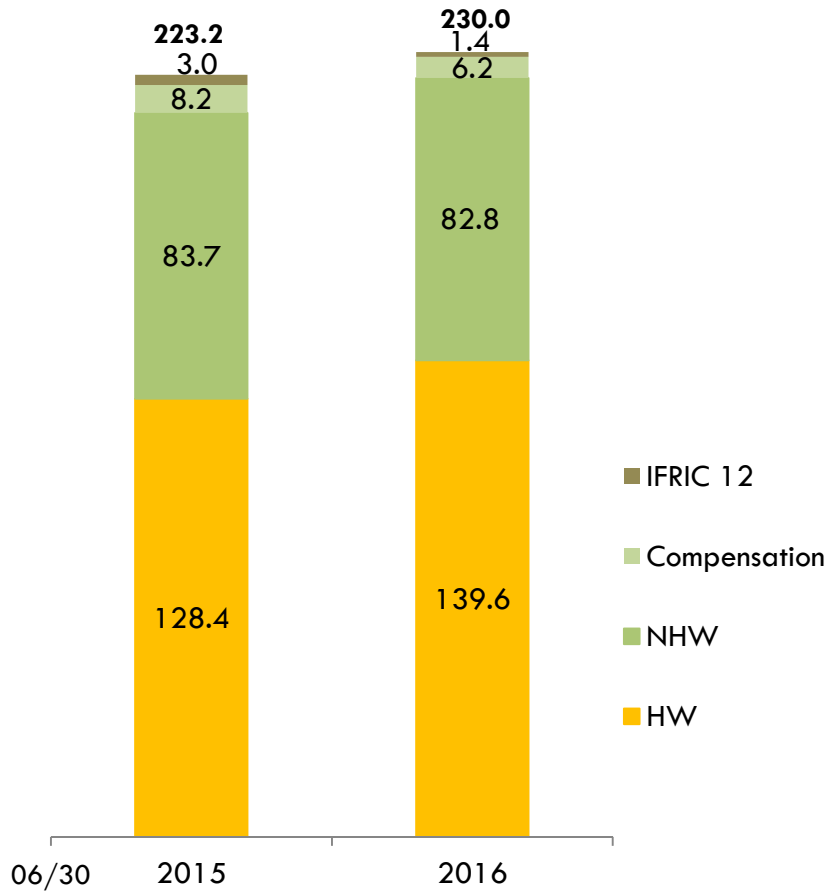
i.e. +5.8% at constant scope
+4.3% at constant scope

- Scope effect: +€3.1m
- Industrial markets: expansive growth of regeneration, incineration and storage
- Local Authorities markets: resiliency of the incineration markets and business opportunities on the storage market



Good level of activity across all divisions

Data in €m (under IFRS)



NHW division: Revenue of €82.8m
(€83.7m at June 30, 2015)

i.e. -1.1% on a reported basis

- Recovery: good contribution from energy recovery facilities (effects of optimization)
- Waste treatment: resilience of storage and incineration
- Services: strong comparison base 2015 in Decontamination (spot contracts)

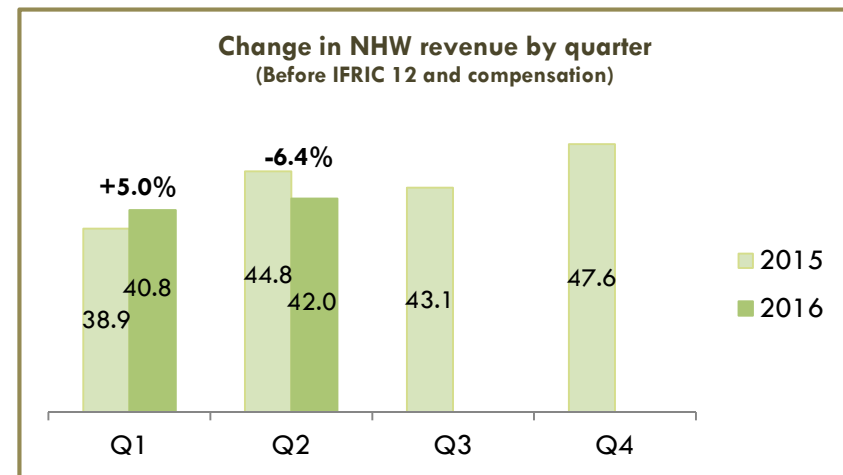
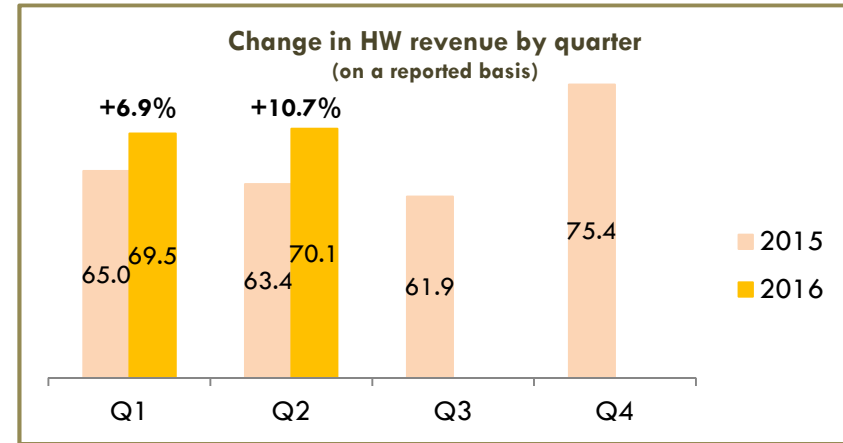
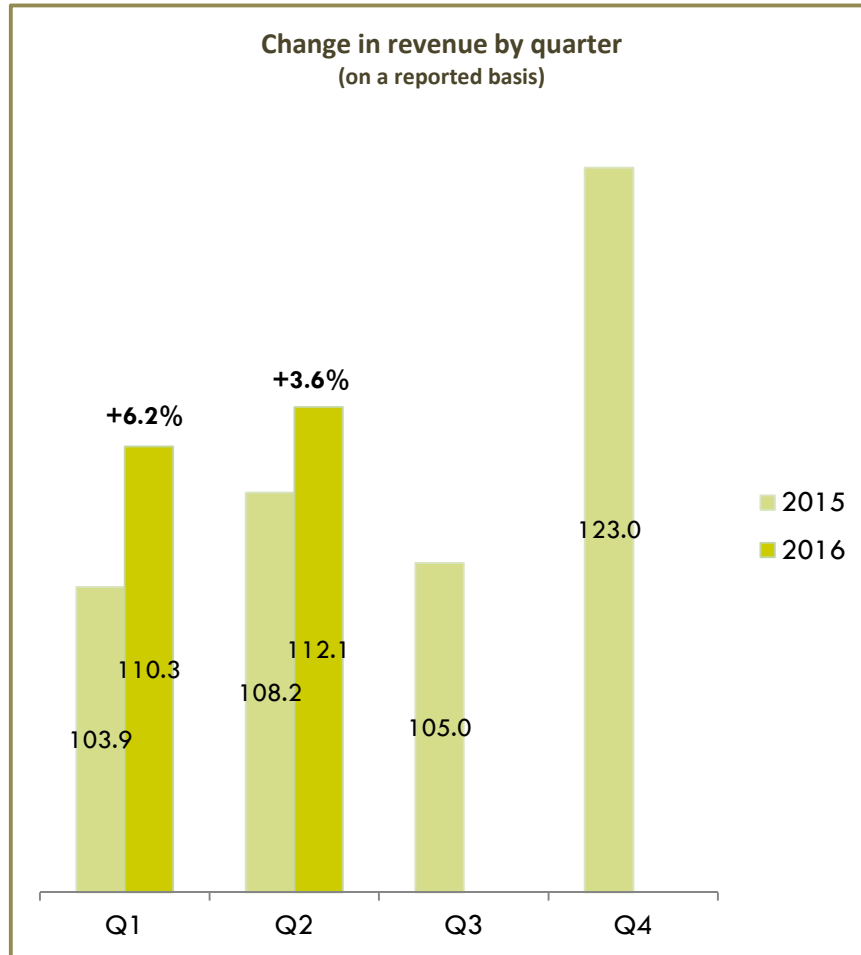
HW division: Revenue of €139.6m
(€128.4m at June 30, 2015)

i.e. +8.8% on a reported basis
+6.8% on an organic basis

- Scope effects: +€3.1m
 - ✓ DASRI (Medical waste): +€2.4m (6 months)
 - ✓ Sèche Energie (formerly HPS): +€0.7m (4 months)
- Currency effect: €(0.5)m
- Recovery: resilient regeneration activities
- Waste Treatment: good storage and incineration momentum
- Services: catch-up effect in Decontamination



Confirmed sustained growth over both quarters
Momentum of the HW division
Strong comparison base in the NHW division in Q2





Change in EBITDA: Main effects by geographical area

IFRS data

At June 30 In €m	2015			2016		
	Consolidated	France	Intern ^{al}	Consolidated	France	Intern ^{al}
Contributed revenue	212.0	199.6	12.4	222.4	211.2	11.2
EBITDA	34.0	32.8	1.2	38.4	37.3	1.1
<i>i.e. as a % of revenue</i>	16.0%	16.4%	9.7%	17.3%	17.7%	9.8%

France (97% of EBITDA):

- Growth on an organic basis and mix effects: +€2.7m
- Other effects: +€2.9m
- Scope effects: €(1.1)m

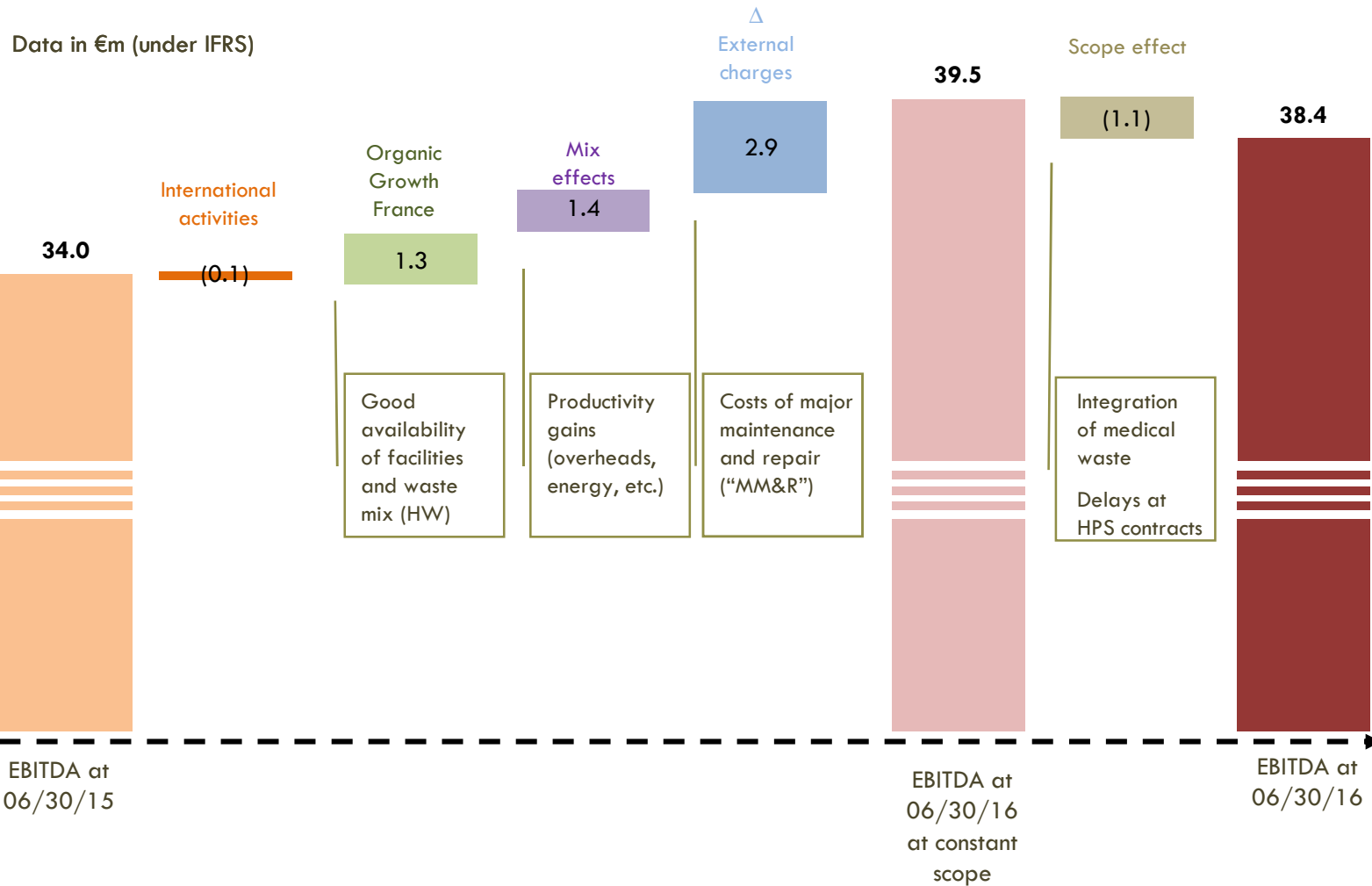
International

- Downturn in activity and mix effects: €(0.1)m



Change in EBITDA: +16.2% at constant scope

to 18.0% of revenue (vs. 16.0% at June 30, 2015)





Operating income: principal trends

IFRS data

At June 30	2015		2016		Gross change	Change at constant scope
	€m	% of revenue	€m	% of revenue		
Contributed revenue	212.0	100%	222.4	100%	4.9%	+3.7%
EBITDA	34.0	16.0%	38.4	16.9%	+13.0%	+16.2%
COI	12.2	5.7%	11.4	5.1%	-6.5%	+4.1%
Operating income	12.4	5.8%	10.5	4.7%	-15.8%	-4.8%

- **COI of €11.4 million i.e.5.1% of contributed revenue** (vs. €12.2m i.e.5.7% of contributed revenue)
 - Rise in EBITDA: €5.5m
 - Rise in depreciation: €(4.6)m
 - Other expenses: €(0.4)m
 - Scope effect: €(1.3)m

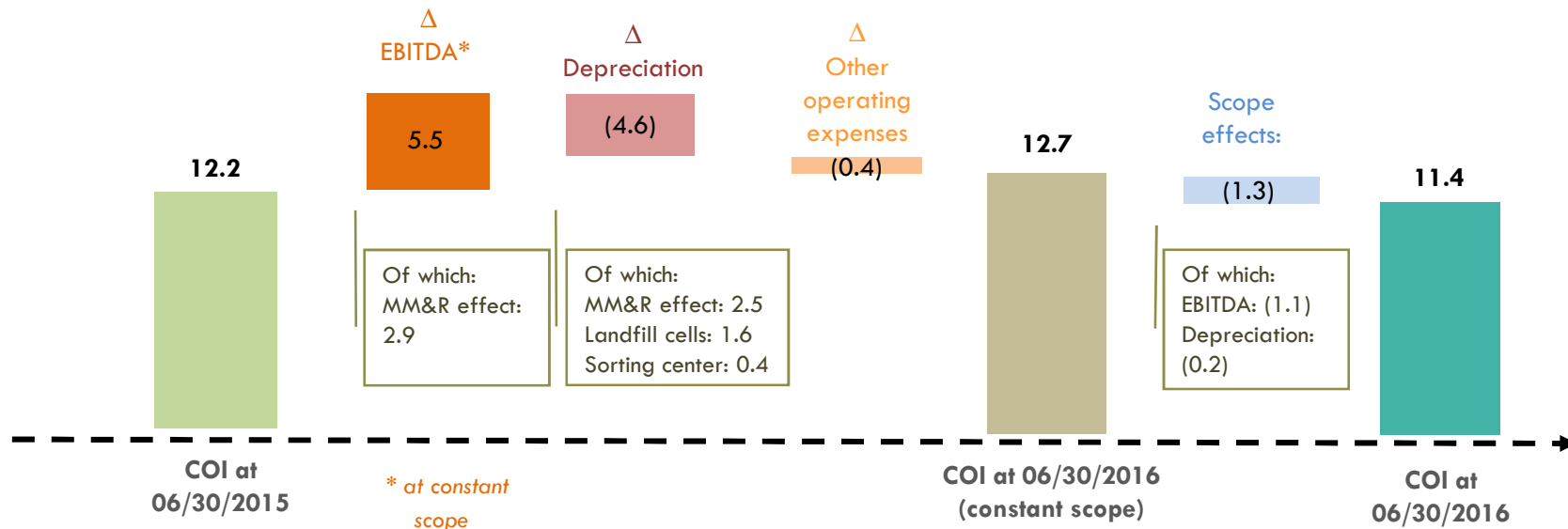
- **Operating Income stands at €10.5m i.e. 4.7% of contributed revenue** (vs. €12.4m i.e. 5.8% of contributed revenue).
 - Changes in COI: €(0.8)m
 - Capital losses on asset disposals: €(0.5)m
 - Company integration and other: €(0.6)m



Higher COI at constant scope: +4.1%

(5.8% of revenue) (vs. 5.7% at June 30, 2015)

IFRS data in €m





Improvement in financial income

IFRS data in €m

At June 30	2015	2016
Gross financial borrowing costs	(6.6)	(5.2)
Income from cash and cash equivalents	0.3	0.2
Other financial income and expenses	(0.6)	(0.6)
Financial income	(6.9)	(5.6)

- Noticeable decrease in the average cost of debt to 3.35% (vs. 4.40% at 06/30/15): effects of bond and bank refinancing carried out in 2014 and 2015
- Note: one-time early refinancing expenses of €1.2m at 06/30/2015



Net income, group share: **+5.6%** at constant scope

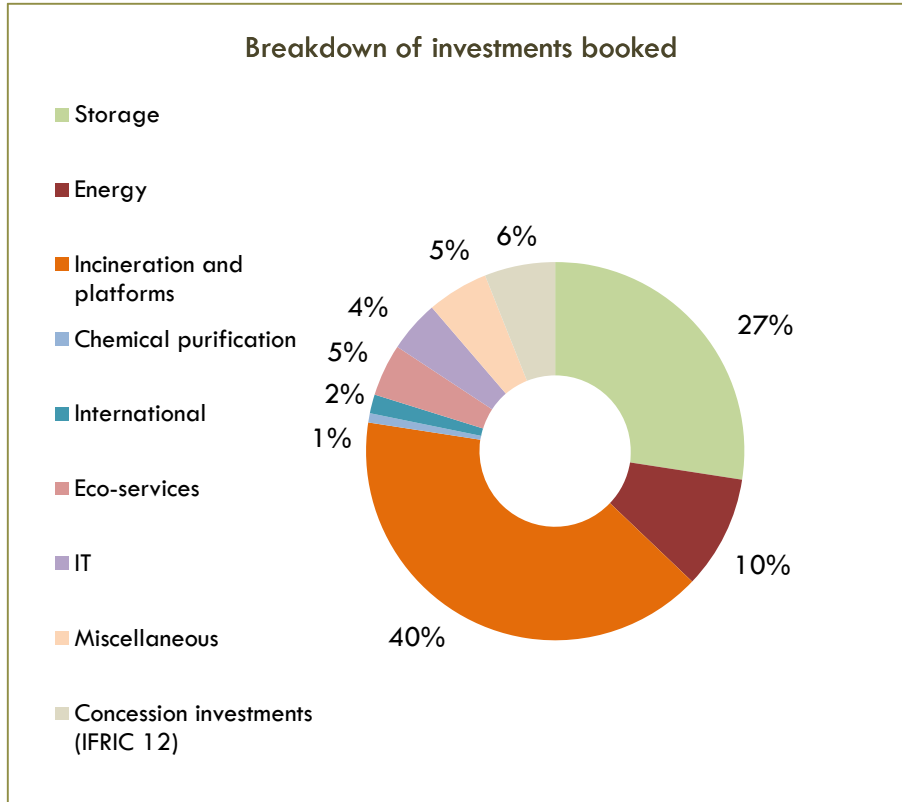
(1.8% of contributed revenue) (vs. 1.7% at June 30, 2015)

IFRS data

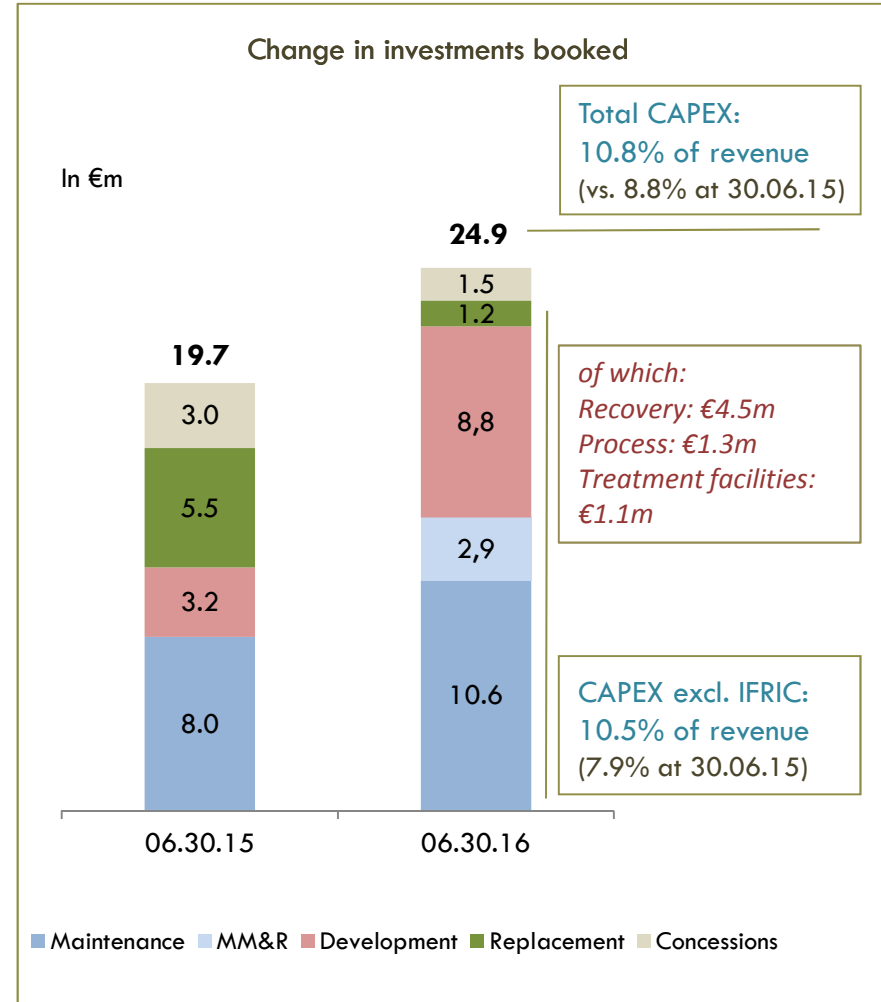
At June 30	2015		2016		Gross change	Change at constant scope
	€m	As a % of revenue	€m	As a % of revenue		
Operating income	12.4	5.9%	10.5	4.7%	-15.8%	-4.8%
Financial income	(6.9)	-	(5.6)	-	-	-
Corporate income tax	(1.4)	0.7%	(2.1)	0.9%	+50.0%	-
Net income of consolidated companies	4.2	2.0%	2.7	1.2%	-35.7%	-2.4%
Share of net income from associates	(0.4)	-	(0.2)	-	-	-
Net income from ongoing activities	3.8	1.8%	2.5	1.1%	-34.2%	+2.6%
Net income from discontinued operations	(0.2)	-	(0.2)	-	-	-
Minority interests	-	-	-	-	-	-
Net income, group share	3.6	1.7%	2.4	1.1%	-33.3%	+5.6%



Change in CAPEX: MM&R effect and development CAPEX



Booked industrial CAPEX: €24.9m, of which IFRIC 12: €1.5m
(€19.7m at 30.06.15 -of which IFRIC 12: €3.0m-)
Paid industrial CAPEX : €22.0m, of which IFRIC 12: €2.0m
(€12.8m at 30.06.15 -of which IFRIC 12: €1.4m-)





Robust operating cash flow

Data in €m (under IFRS)

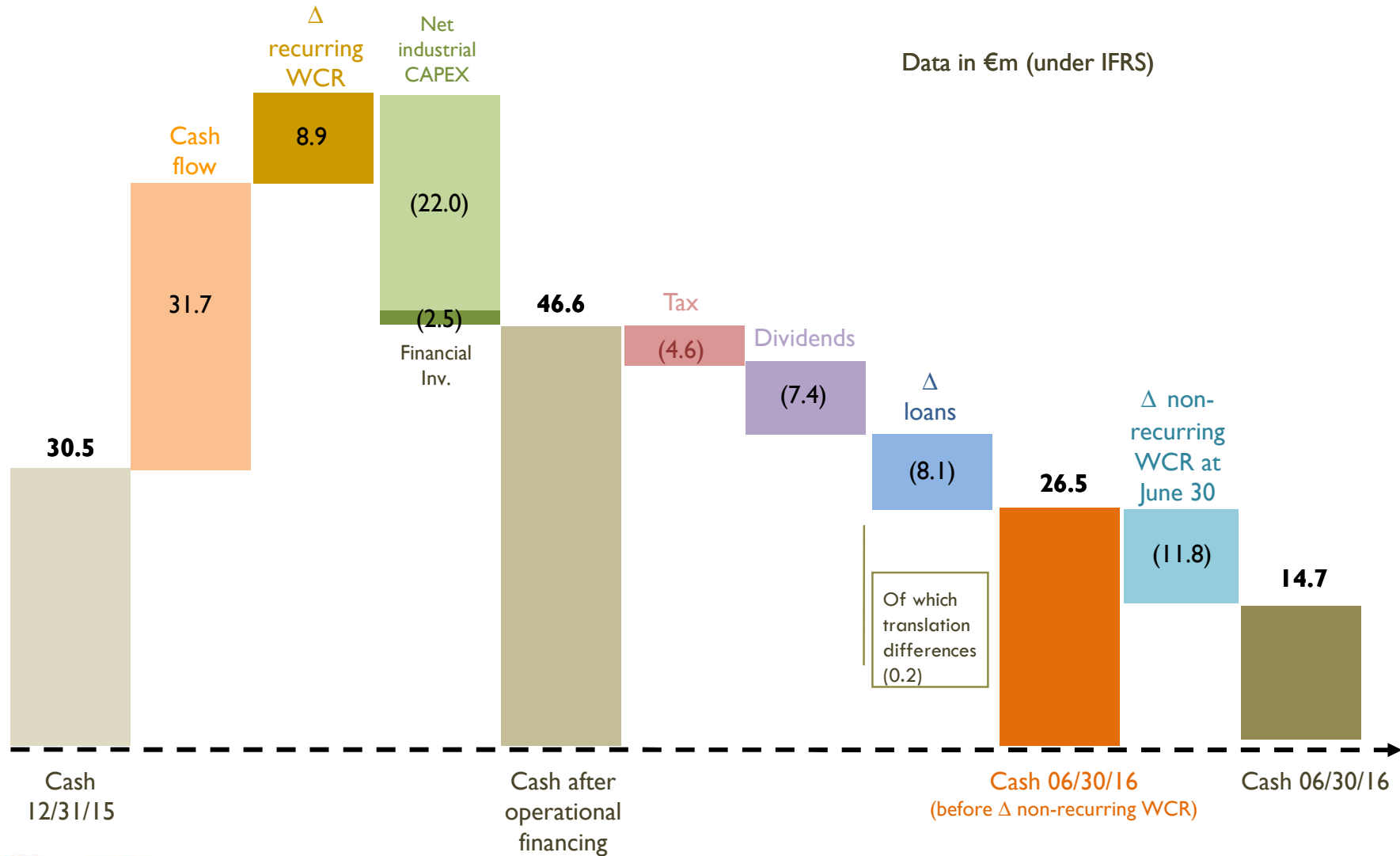
At June 30	2015	2016
Cash flow before tax and interests	28.2	31.7
Maintenance CAPEX	(5.4)	(11.5)
Change in recurring WCR	6.6	8.9
Corporate tax paid	(1.5)	(4.6)
Gross recurring operating cash flow	27.9	24.5
Development CAPEX	(6.1)	(8.5)
Net recurring operating cash flow	21.8	16.0
<i>Change in non-recurring WCR</i>	<i>(10.3)</i>	<i>(11.8)</i>
<i>Net operating cash flow before concession investments*</i>	<i>11.5</i>	<i>4.2</i>

* Concession investments are fully funded by non-recourse bank loans

- Cash flow: change associated with the rise in EBITDA
- Corporate Tax: effect of the interim payments method
- Change in non-recurring WCR at June 30, associated with service contracts with Local Authorities



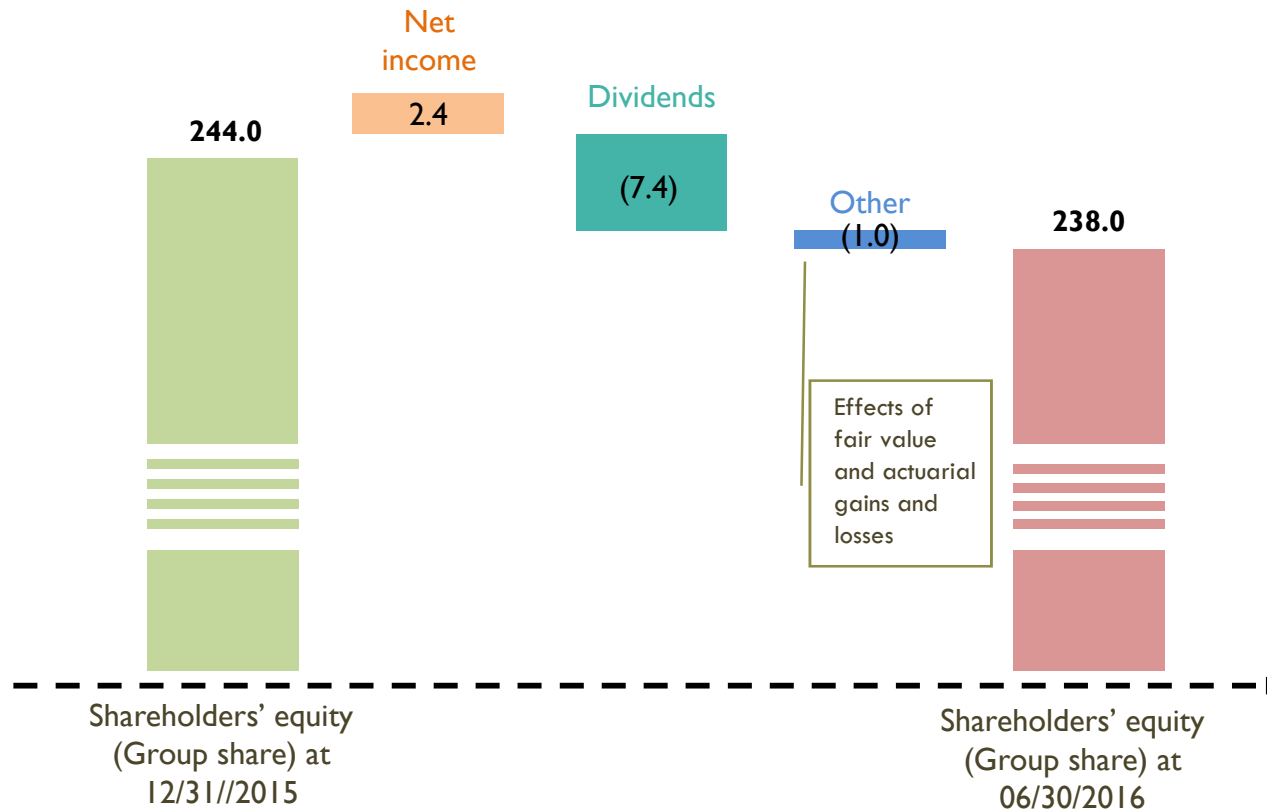
Liquidity: effect on the date of non-recurring WCR





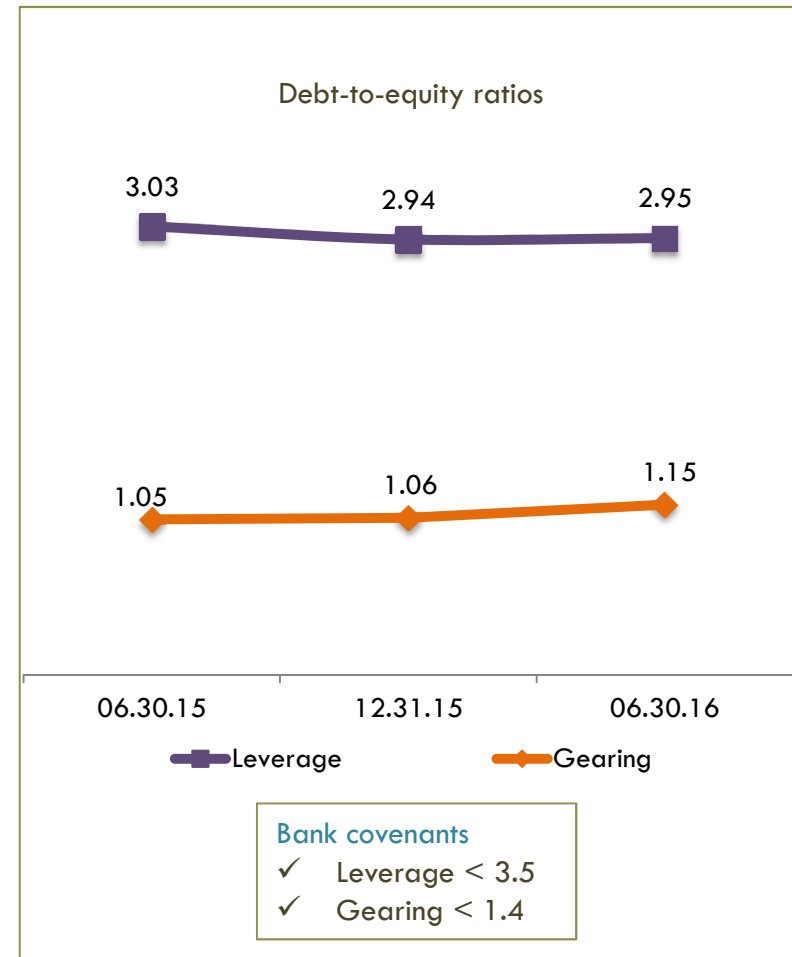
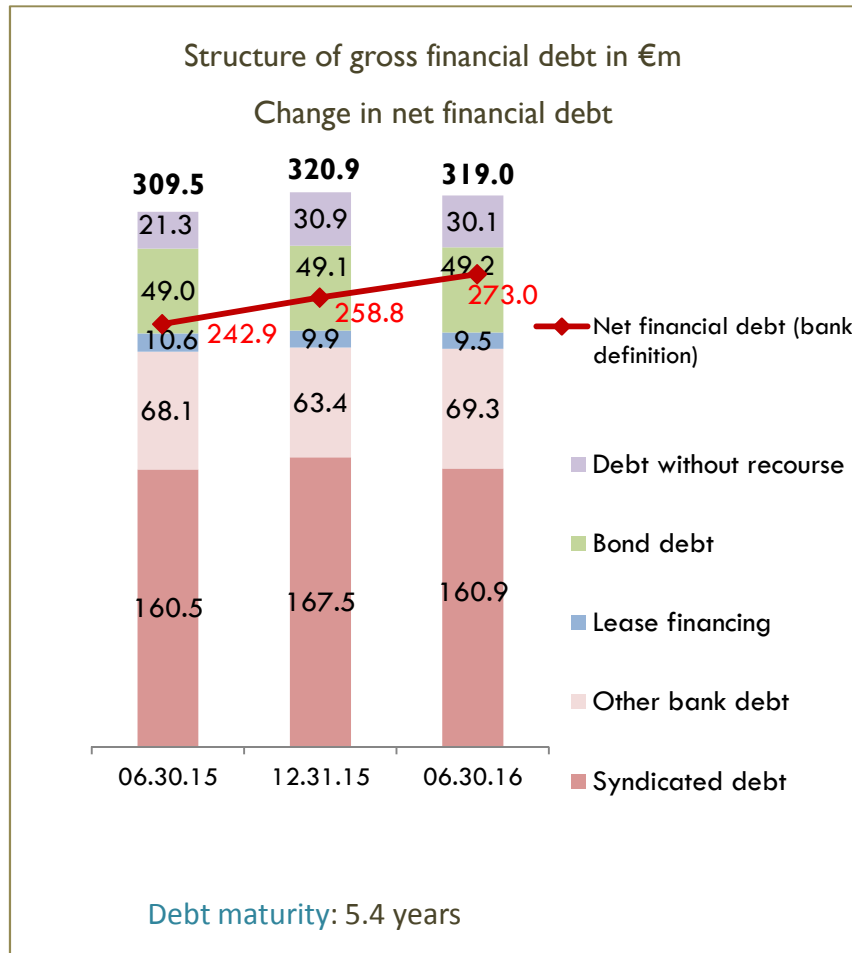
Change in consolidated shareholders' equity

Data in €m (under IFRS)





Balance sheet ratios maintained





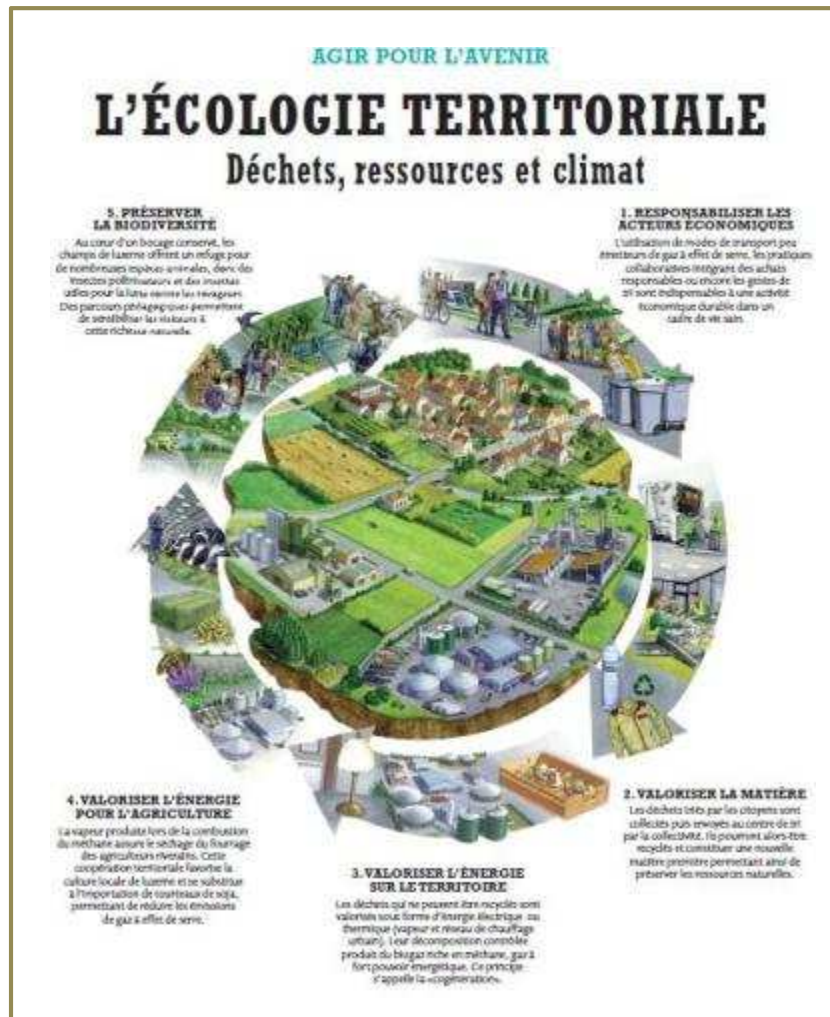
Manuel Andersen

Head of Investor Relations

MARKETS AND BUSINESS LINES



A pure player in waste recovery and treatment

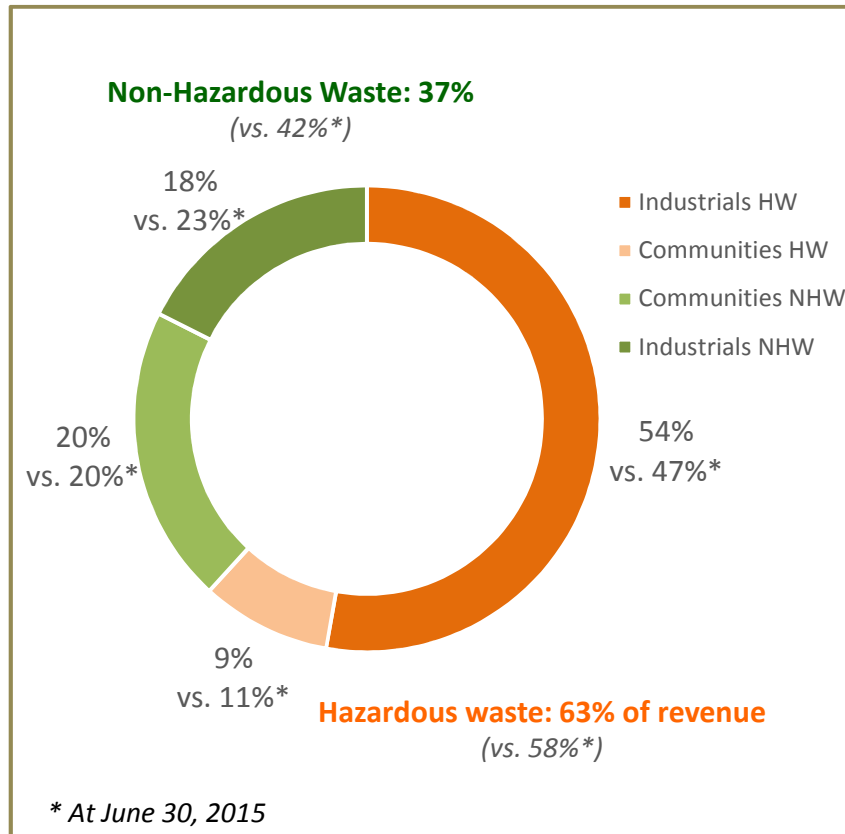


- ▶ **A specialist in complex waste**
 - ▶ Expertise in recovery (production of scarce resources) and treatment (hazard management) activities
 - ▶ Technology-based methods: special waste treatment and techniques (Trédi-St Vulbas, Trédi-Salaise, Speichim, etc.) and control of industrial risks (chemical, radioactive, explosive, infectious, etc.)
- ▶ **Referent operator in the circular economy**
 - ▶ A pioneer in energy recovery (biogas, SFR ...) and the recovery of materials contained in industrial waste (regeneration/purification)
 - ▶ Markets driven by regulatory requirements and sustainable development criteria
- ▶ **An innovative player with tailored solutions**
 - ▶ R&D: development of dedicated industrial solutions (waste treatment, jobbing distillation, regeneration, etc.)
 - ▶ Acquisitions: technological know-how (Sêché Energies) or market share (Sêché Healthcare)

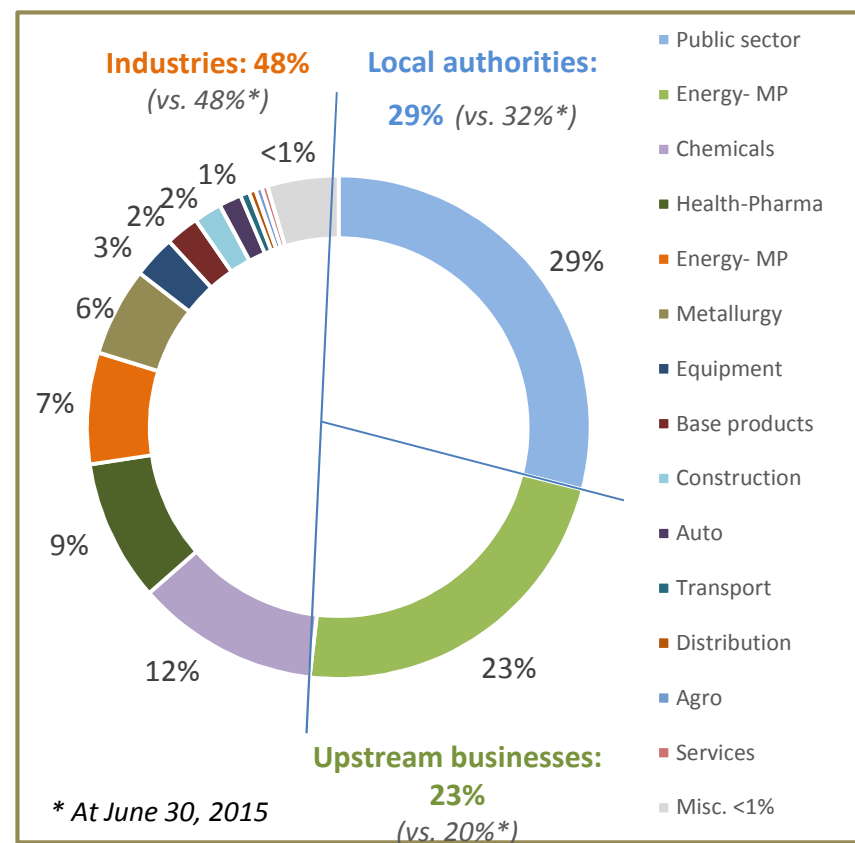


Hazardous Waste Industrial Markets

Breakdown of contributed revenue at June 30, 2016
by division

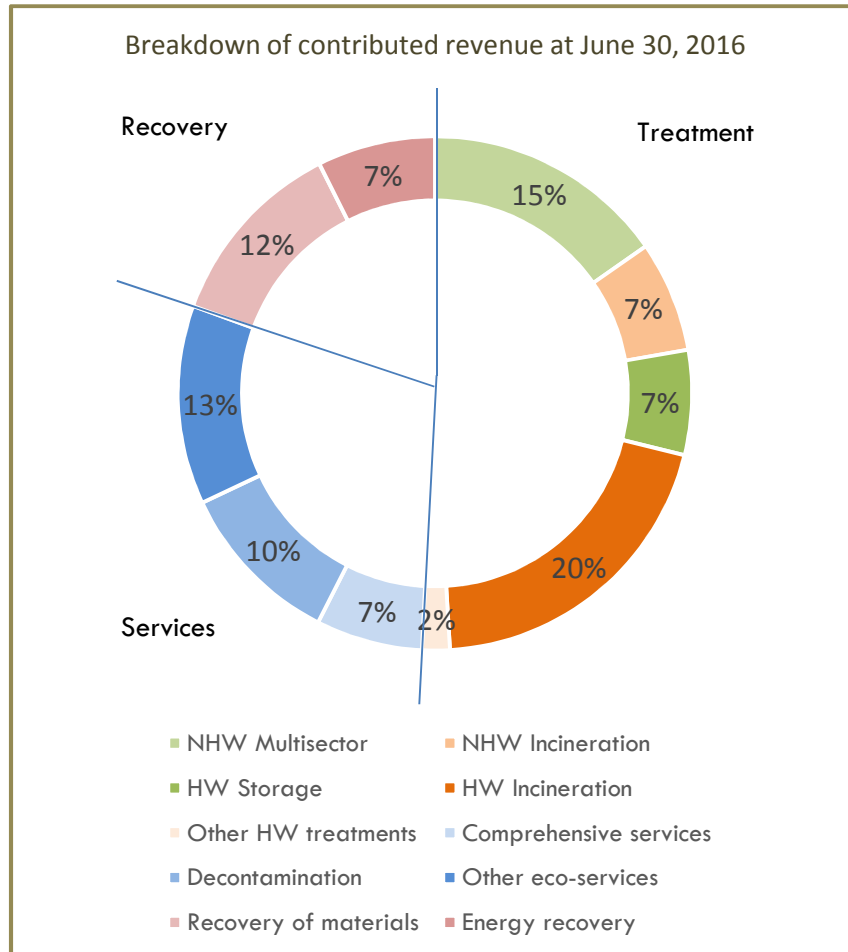


Breakdown of contributed revenue at June 30, 2016
by business sector





Presence on three complementary markets



- **High visibility markets: Recovery**
 (19% of revenue vs. 20% at June 30, 2015)
 - Sustainable Development markets and contractual activities: energy production (Rhodia 1985/... ; LEN 2017/2037); production of rare resources (bromine, jobbing distillation, etc.)
 - Original business model (low price sensitivity): revenue-generating processes (materials) and/or contractualized long-term rates (energy)

- **High value added markets: Treatment**
 (51% of revenue vs. 50% at June 30, 2015)
 - Regulated markets and technical business activities with low barriers to entry; global niche markets: PCB, gas, phytosanitary, medical waste (DASRI), etc.
 - Wholly-owned infrastructure (establishments classified for environmental protection or ICPE), must-have outlets for any business activity

- **Growth markets: Services**
 (30% of revenue vs. 30% at June 30, 2015)
 - High-growth markets: outsourced management; reduction of environmental liabilities, etc.
 - Leading activities with value added; high-expertise businesses generating cash flow for Treatment activities.



A growth strategy sustained by targeted investments of c.€50m in 2016



- Investments in the first half of the year:**
- Capacities: energy (LEN), TWDQ markets (Salaise 4 platform), environmental emergencies (Séché Urgences Interventions) etc.
 - Productivity: “direct processes” at Trédi-Salaise, ORC at Trédi-Strasbourg, information systems...
 - Acquisitions of technology: nuclear services (HPS)

- Pushing ahead with growth investments in the second half of the year:**
- New markets: Salaise 5 Project, etc.
 - Capacity: landfill mining at Opale (62 - Pas-de-Calais)
 - Projects:
 - ✓ Changé (53 - Mayenne): applications for permits in progress (sustaining HW recovery and HW treatment activities)
 - ✓ Viviez (12 - Aveyron): establishment of a NHW recovery center



Ramping up of acquisitions: Reducing scope effects on COI: (€0.7m) in H2 2016

Séché Healthcare (medical waste)



- **Resilient and high value added niche markets:**
 - Séché Environnement is the No. 3 operator in France: strong presence with major customers (CHU, etc.)
 - Treatment by incineration (Nantes, Salaise) or neutralization (Pau, Rennes, Poitiers)
- **Strategy for winning market share:**
 - Building our standing with our broad customer base (health professionals, etc.) through asset or company acquisitions
 - Logic of vertical integration and positive mix effects (incineration)
- **Integration phase finalized:**
 - Dynamic sales and expansion of the customer portfolio
 - Operational balance in 2017

Séché Energies (nuclear services)

- **Recognized specialist in radioprotection**
 - Designs, manufactures and installs biological protection for any nuclear facility or installation.
 - Certified with major customers
- **2016: less activity**
 - Unpredictable delays in some major contracts
 - Weak nuclear maintenance market
- **Positive long-term outlook:**
 - High growth potential markets
 - Strengthened sales campaigns





Joël Séché

Chairman and Chief Executive Officer

OUTLOOK AND CONCLUSION



Outlook for 2016

- Slight growth in revenue at constant scope
 - Continuing satisfactory level of activity per division
 - Strong comparables in the second half of the year in both divisions

- Increase in EBITDA in line with revenue at constant scope

- Changes in COI:
 - Note: High COI in 2015 due to one-time positive items
 - ✓ MM&R effects: positive impact (+€3.1 m)
 - ✓ No depreciation at the Changé sorting center: positive €1.0m impact

 - COI/contributed revenue ratio maintained relative to 2015 at constant scope and adjusted for one-off items



Q&A

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ADDENDUM

Definition of contributed revenue

Adjusted consolidated IFRS data – In €m

At June 30	2015	2016
Revenue (reported)	223.2	230.0
<i>IFRIC 12 revenue</i>	<i>3.0</i>	<i>1.4</i>
<i>Compensation</i>	<i>8.2</i>	<i>6.2</i>
Contributed revenue	212.0	222.4

- **IFRIC 12 revenue:** Investments made for assets under concession and booked as revenue in accordance with IFRIC 12
- **Compensation:** Indemnities and compensation received by Sénerval net of savings on variable charges to cover operating losses caused in Sénerval during asbestos removal work and/or costs incurred to ensure the continuity of public service.