



2016-2017 RESULTS PRESENTATION

DECEMBER 6, 2017



DISCLAIMER

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The material contained in this document presents Derichebourg's current business activities as of December 6, 2017. It is provided in summary form and does not purport to be complete. It should be read in conjunction with the Group's periodic reporting, registration document, and other announcements lodged with the Autorité des Marchés Financiers. Additional information about factors which may impact Group's results are contained in the registration document, which is available on www.derichebourg.com and which can also be requested from the company.

To the extent that this document may contain forward-looking statements, such statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control and which may cause actual results to differ materially from those expressed in the statements contained in this release.

This document is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation, or needs of any particular investor.

2017 FINANCIAL HIGHLIGHTS : ALL LIGHTS ARE GREEN

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in M€

		2017	2016	VAR	VAR%
TURNOVER	↑	2 731,1	2 147,5	583,6	27%
CURRENT EBITDA	↑	202,7	121,5	81,2	67%
as a % of turnover		7,4%	5,7%	1,8 pt	
CURRENT EBIT	↑	122,4	46,0	76,4	166%
as a % of turnover		4,5%	2,1%	2,3 pt	
EBT	↑	103,5	26,6	76,9	289%
Net income attributable to shareholders	↑	76,0	12,9	63,1	490%
proposed dividend per share	↑	0,14	0,02	0,12	600%
Net Debt	↓	110,9	225,1	(114,2)	(51%)
Leverage Ratio		0,55	1,85		

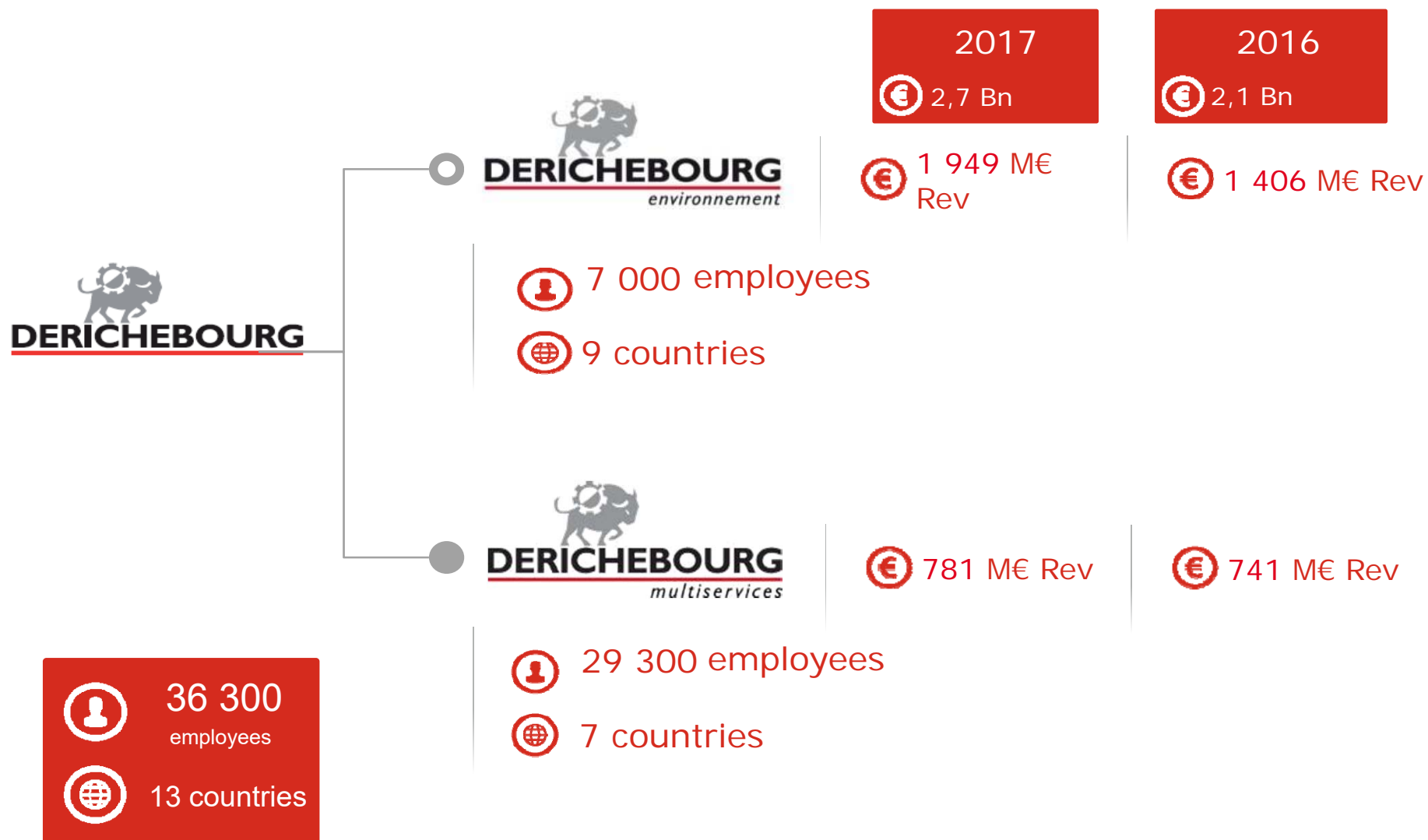
KEY EVENTS OF THE YEAR

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- Best results in recent years. The group benefited from :
 - Its efficient organization
 - Synergies from external growth
 - Improvement in general economy, commodities, and steel market
- Acquisition of Bartin Recycling (Nov 30th, 2016), which delivers good synergies
- Gain of new service contracts in environmental services
- Another year of growth in Multiservices
- Another year of deleveraging, helped by disposals of assets (own shares, landfill in Italy,...)

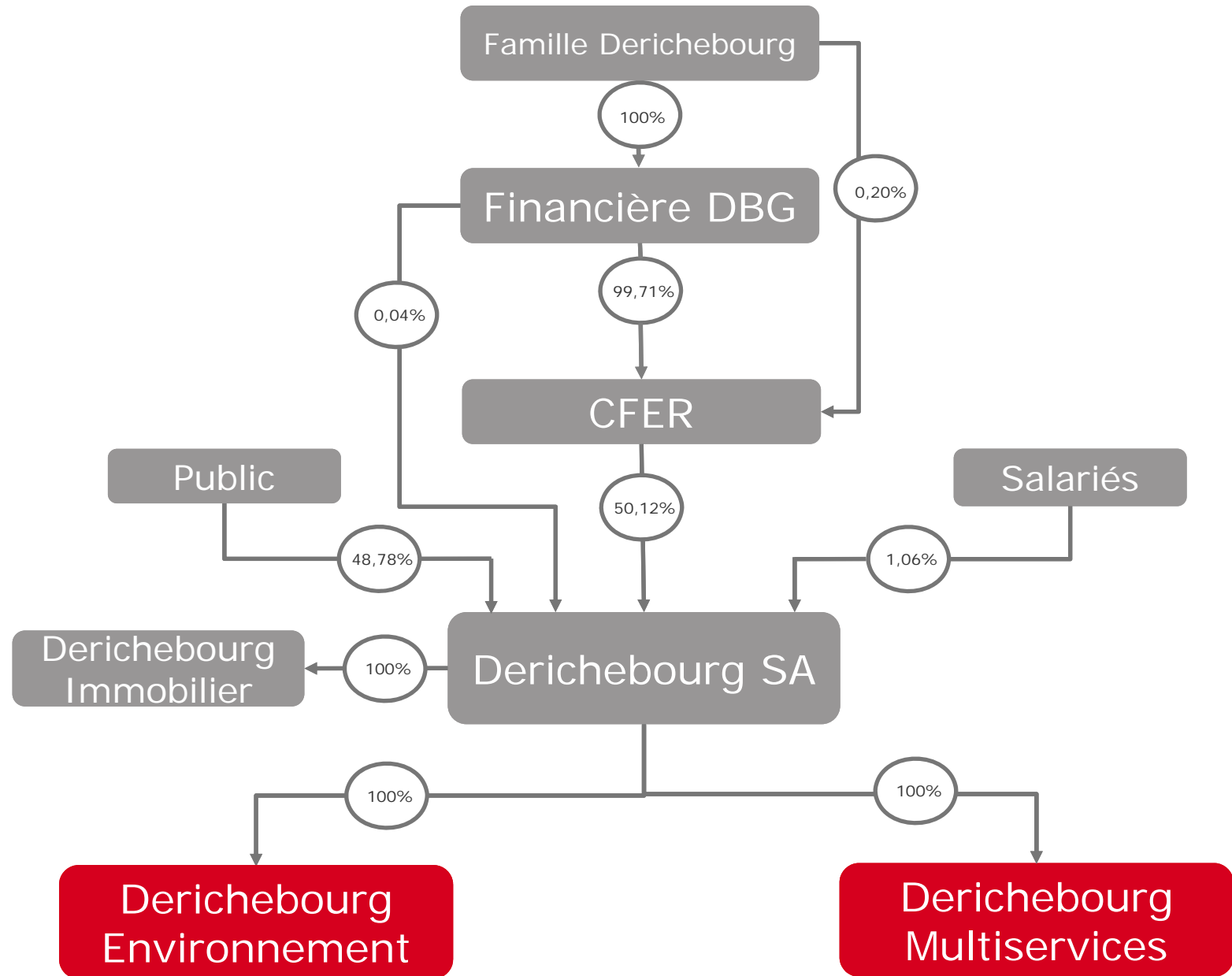
DERICHEBOURG AT A GLANCE

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A LISTED COMPANY CONTROLLED BY THE DERICHEBOURG FAMILY

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ENVIRONMENTAL SERVICES

P&L ENVIRONMENTAL SERVICES : STRONG IMPROVEMENT IN EBITDA

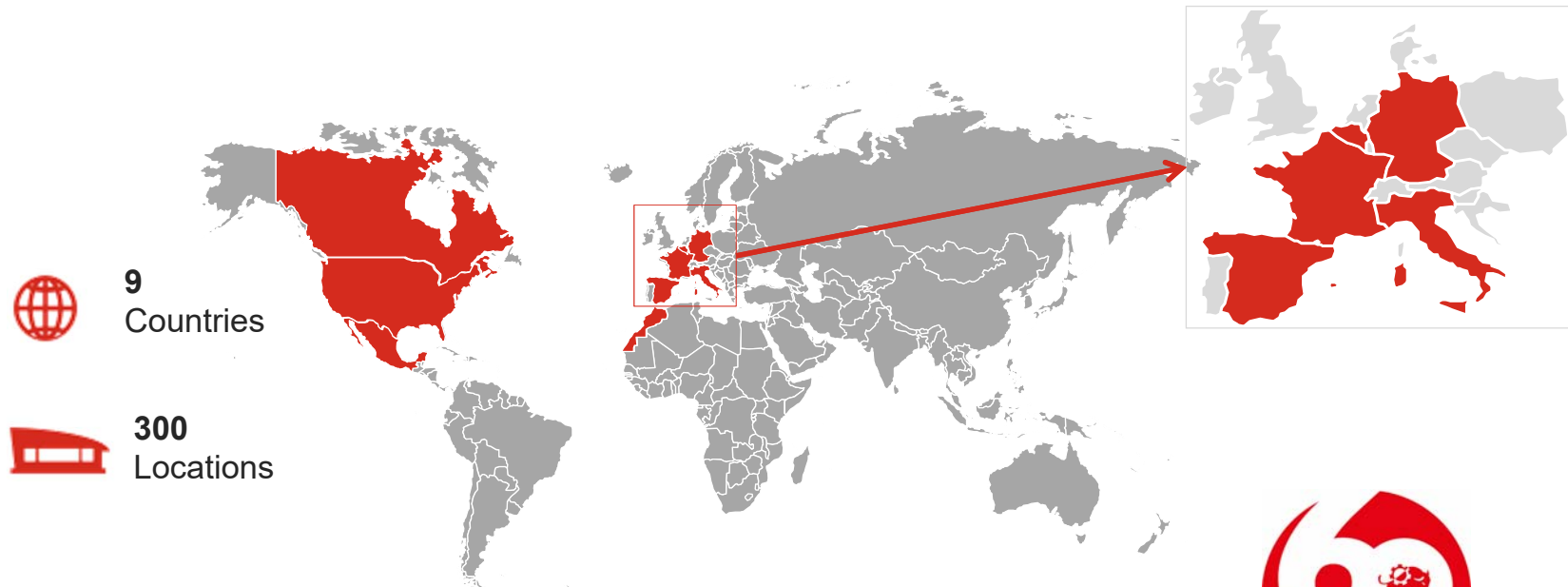
8

<i>in millions of euros</i>	2017	2016	Variation %
Turnover	1 948,8	1 405,7	38,6%
Current EBITDA	177,2	96,7	83,3%
	9,1%	6,9%	
Current EBIT	110,2	33,0	233,7%
	5,7%	2,3%	
France - restructuring costs		(2,2)	
Belgium - change in environmental litigation		1,9	
Italie - Multiservices discontinuation		(4,0)	
write-off intangible assets environmental services Italy and others	(4,5)		
badwill Bartin Recycling	2,4		
Result on subsidiary disposal	(0,3)		
EBIT	107,8	28,8	274,3%

- Improvement in market in Recycling
- Acquisition of Bartin Recycling (Nov 30th, 2016) and integration in order to deliver rapidly synergies
- Acquisition of feeder yards in Tutitlan (Mexico) and Eldridge (USA, Houston area)
- Increased CAPEX compared to prior year
 - Cranes renewal program
 - NFM sorting facilities :
 - Implementation of a a profile aluminium shredding unit in Athis Mons
 - Implementation of a colour sorting table in Bruyères sur Oise
- Bassens yard : export dock
- Disposal of REI (landfill in Italy)
- Gain of new service contracts in environmental services :
 - Houwehold waste collection : Gatineau and Longueil (Canada)
 - Household waste collection : syndicat Emeraude, and Marseille renewal (France)
 - Household waste collection : several municipalities in Morocco
 - Outsourcing contrats in Morocco

SERVICES TO THE ENVIRONMENT – FY 2017 MAIN FIGURES

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9
Countries



300
Locations



1.9
Billions revenue



7,000
Employees



3,661,000
metric tons of ferrous metals



160,000
metric tons of WEEE



544,000
metric tons of non-ferrous metals of
which **66,000** tons aluminium ingots



600,000
ELV's recycled



DERICHEBOURG ENVIRONMENTAL SERVICES, OUR SOLUTIONS

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RECYCLING : B to B

- ▶ Ferrous scrap metal
- ▶ Non-ferrous metals
- ▶ Aluminium
- ▶ Stainless steel
- ▶ End-of-life vehicles (ELV)
- ▶ Plastics

~85%
of revenue of division



SERVICES TO LOCAL & MUNICIPAL AUTHORITIES

- ▶ Waste collection
- ▶ Urban cleaning
- ▶ Management of waste reception centres
- ▶ Water management

~15%
of revenue of division



KEY INTERNAL METRICS (RECYCLING)

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- 29 main and active shredders
- 14 other shredders
- 58 fixed shears / 20 mobile shears / 17 balers
- 45 eddy current
- 9 TITECH sorting tables
- 3 heavy media plants
- 1 aluminium refinery with 3 furnaces
- 3 fridge recycling plants
- 3 plastic recycling plants
- 620 trucks
- 61 fixed cranes, ~500 cranes, 75 loaders



KEY INTERNAL METRICS (WASTE COLLECTION)

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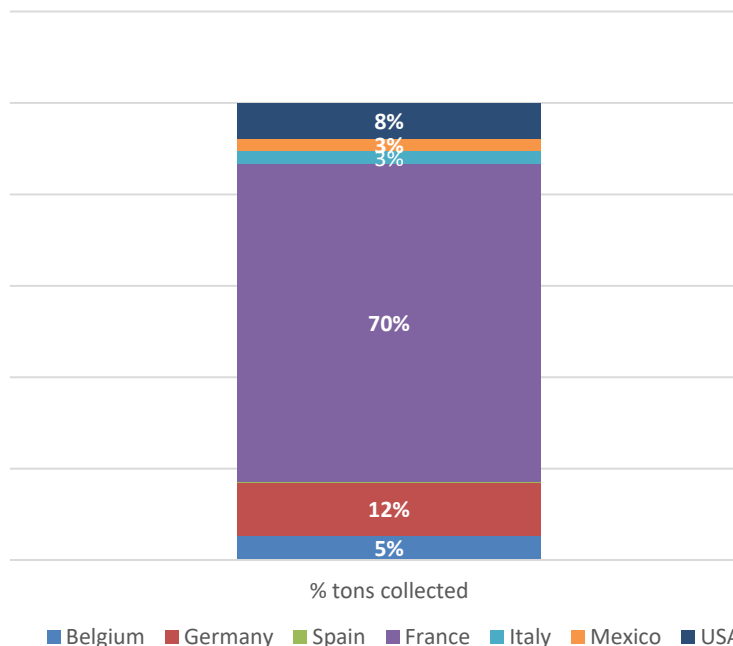
- 961 collection vehicles
- 171 cleaning vehicles
- 352 various vehicles
- 599 compactors / containers
- 5 balers
- 2 waste sorting lines



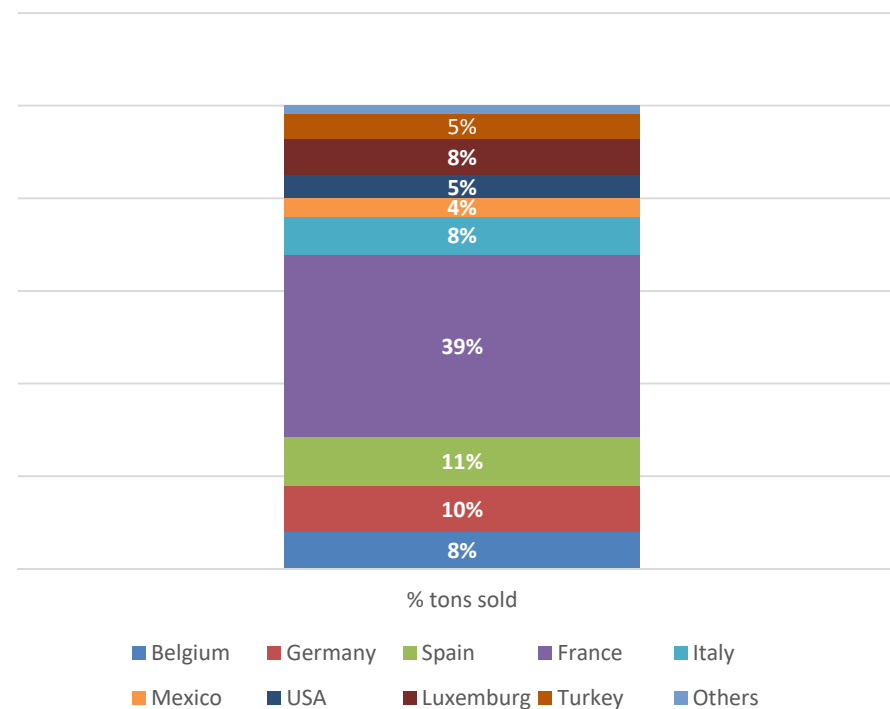
GEOGRAPHICAL FOOTPRINT OF RECYCLING : COLLECTION MOSTLY IN FRANCE, SALES WORLDWIDE

4

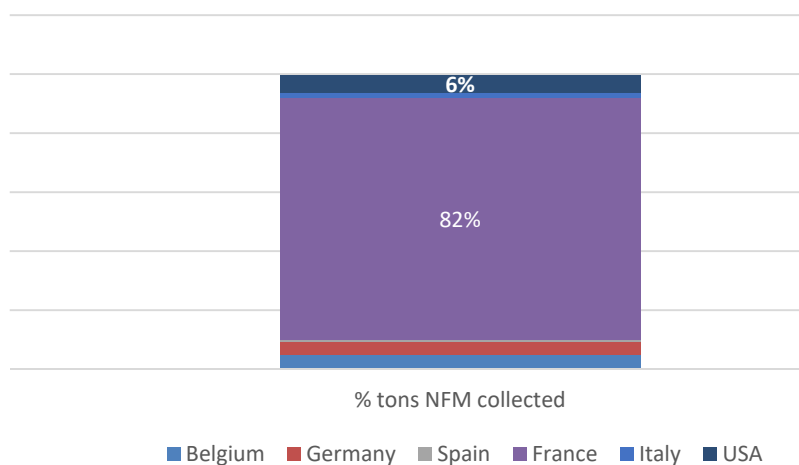
Ferrous scrap per collection location



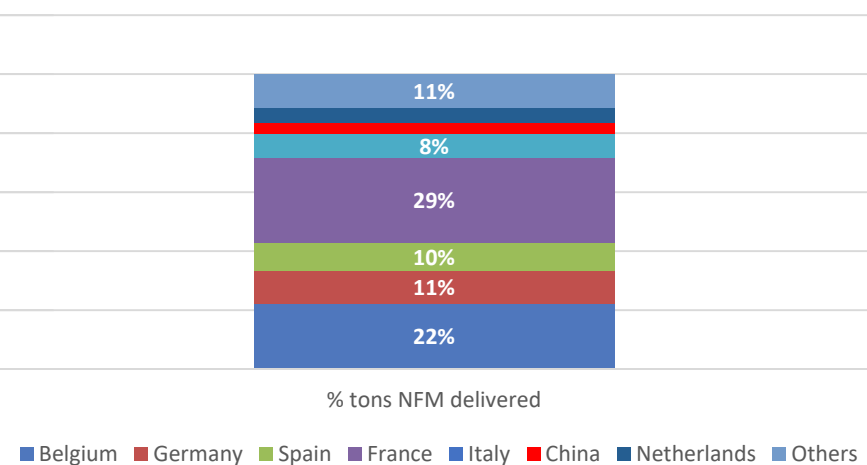
Ferrous scrap sold : split of deliveries by country



NFM collected per country



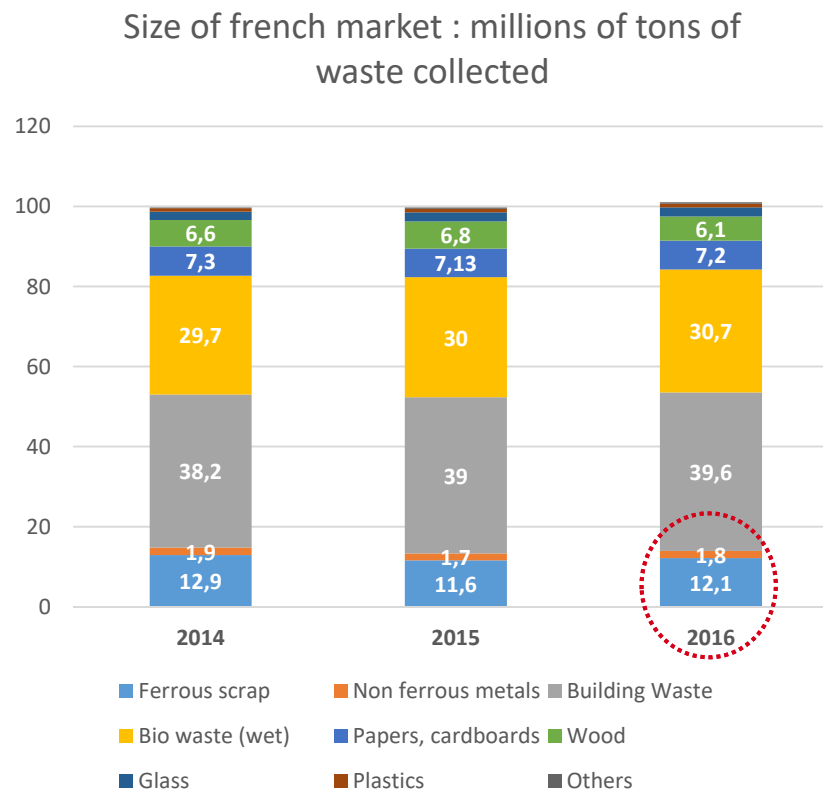
NFM : delivery destination



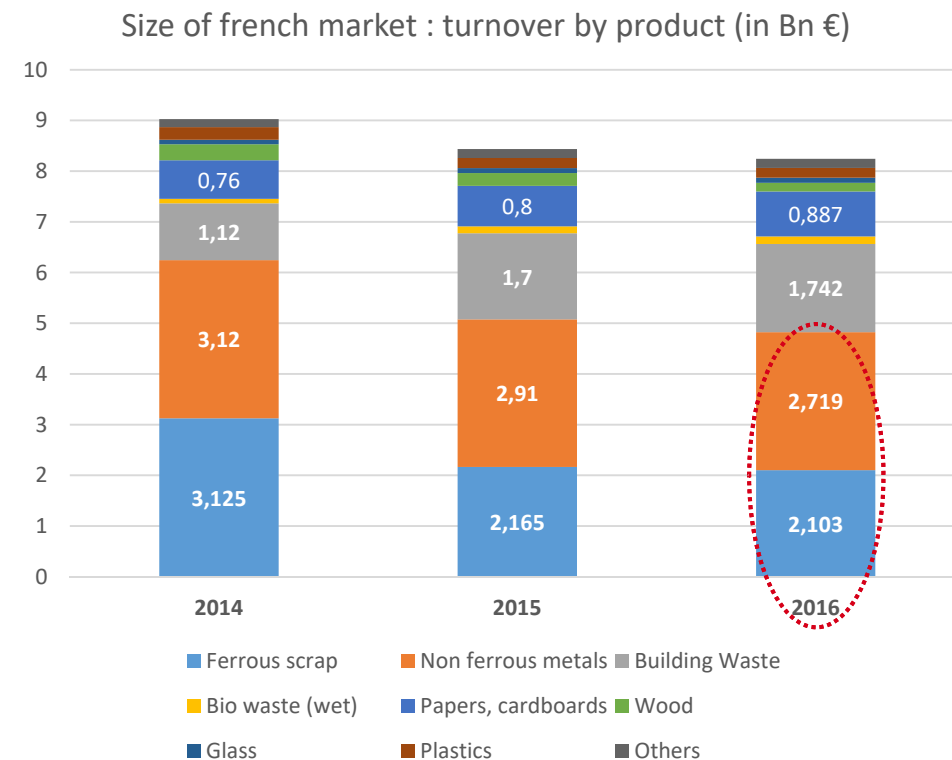
UPSTREAM : WASTE MARKET IN FRANCE IS RECOVERING

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- Waste volumes have stopped decreasing



Source : Federec, key 2016 figures (civil year)

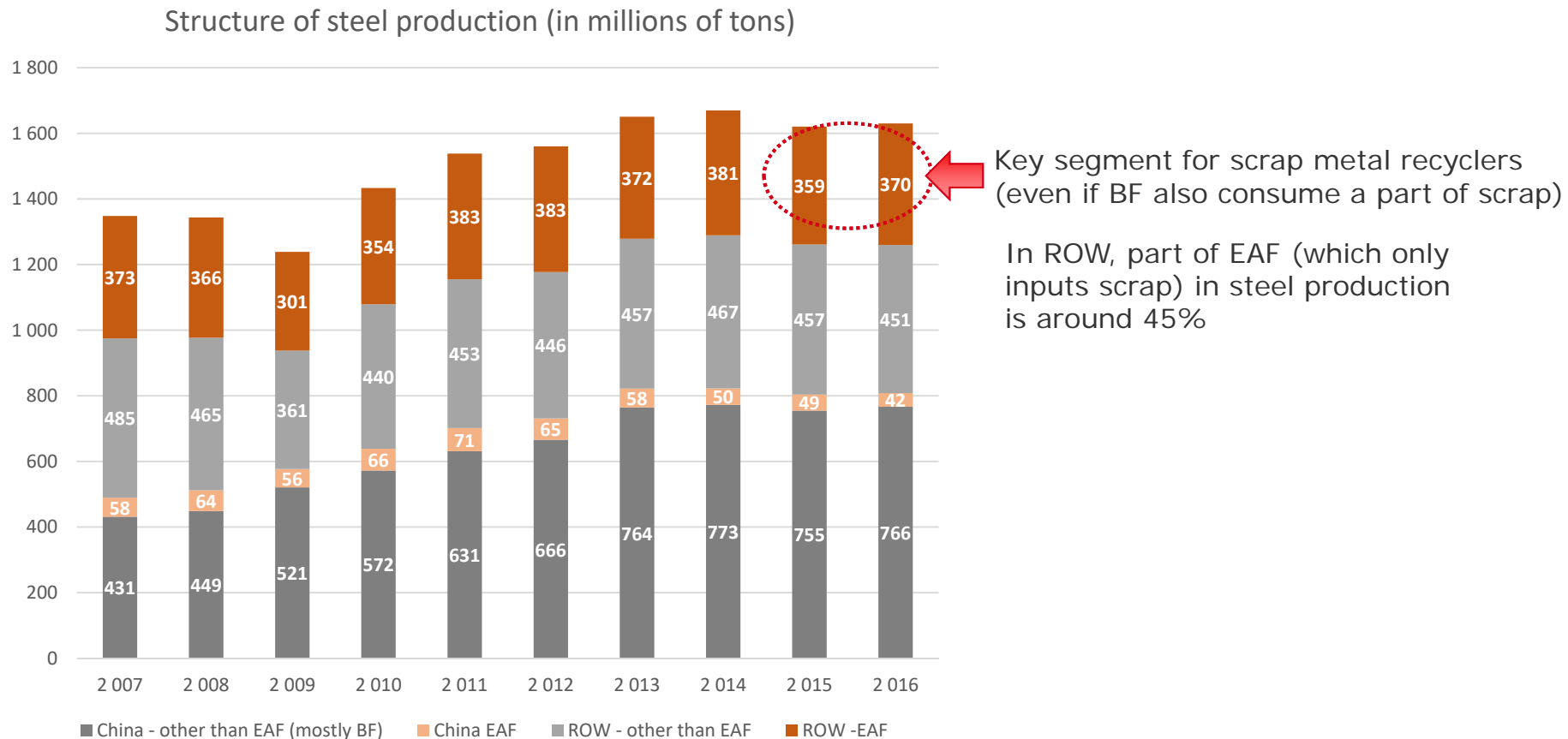


- French market (2016 figures): Volumes increase by 4.7% for ferrous scrap, and 3.8% for non ferrous metals
- Ferrous and non ferrous scrap metal : 14% of waste volumes, but 58% of market value

DOWNSTREAM : STEEL PRODUCTION NEARLY UNCHANGED IN 2016...

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- No major change in steel production volume in 4 past years



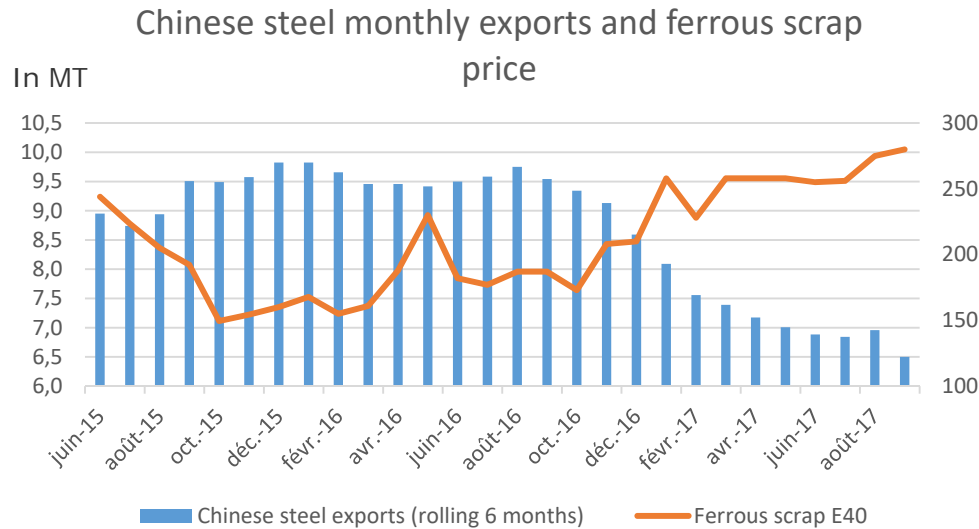
Source : World Steel Association,
Derichebourg

BF : Blast Furnace
EAF : Electric Arc Furnace

ROW : Rest of world

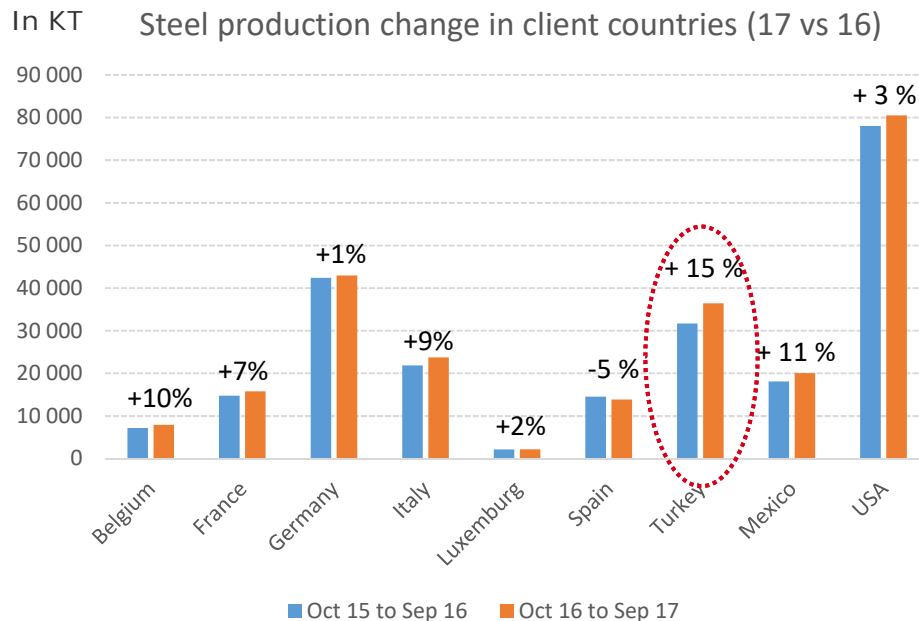
DOWNSTREAM : STEEL PRODUCTION NEARLY UNCHANGED IN 2016... BUT INCREASING IN 2017 IN CLIENT COUNTRIES THANKS TO A DECREASE OF CHINA STEEL EXPORTS

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- A decrease in China exports, which is favorable for European & Turkish steel producers, and ferrous scrap price

Source : Recyclage et Récupération, Derichebourg

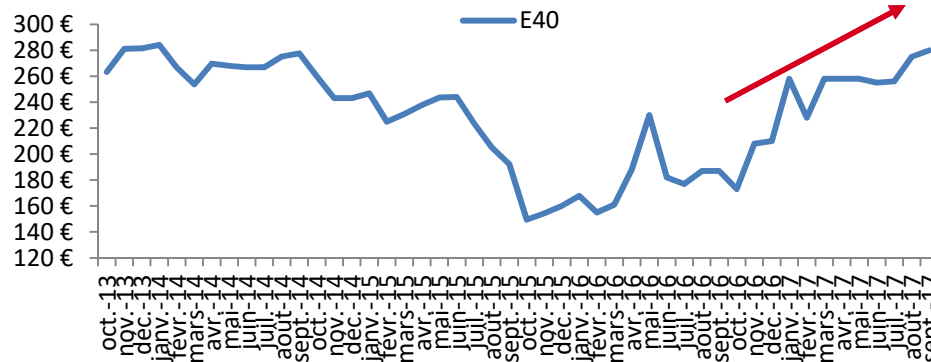


- Increase in steel production (all processes) in countries where group delivers scrap. EAF process increased more than average. T
- Turkey is trendsetter for price changes, as it is n°1 in imports
- Except for Spain, steel production (all processes) increased in all significant client countries

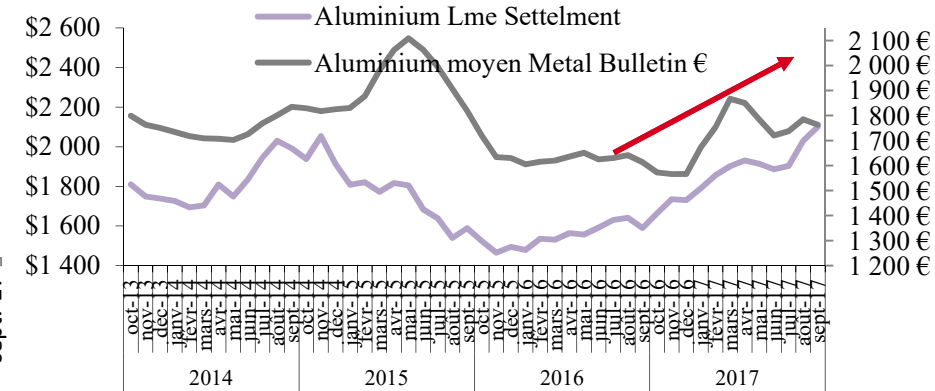
MARKET TRENDS : INCREASE IN COMMODITY PRICES

18

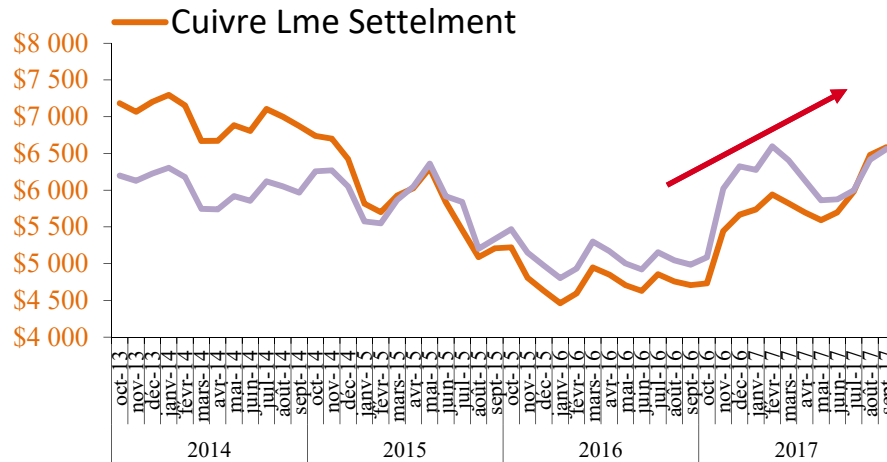
Ferrous Scrap E40



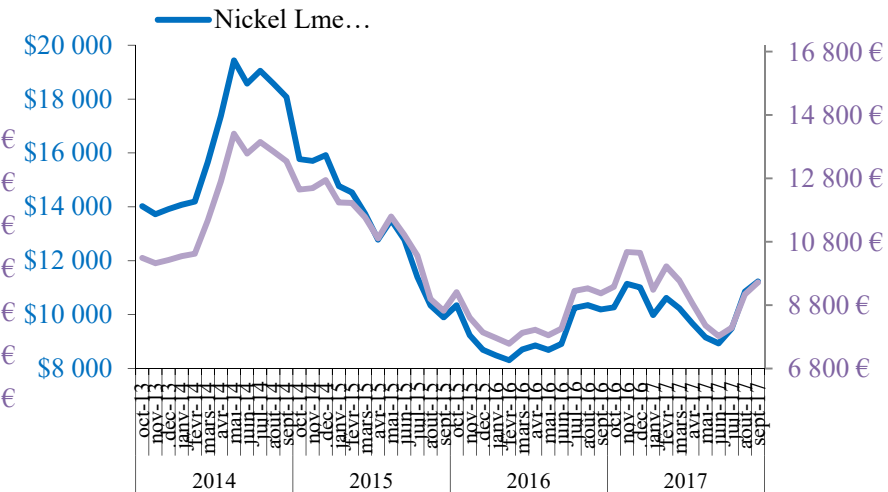
Aluminium



Copper



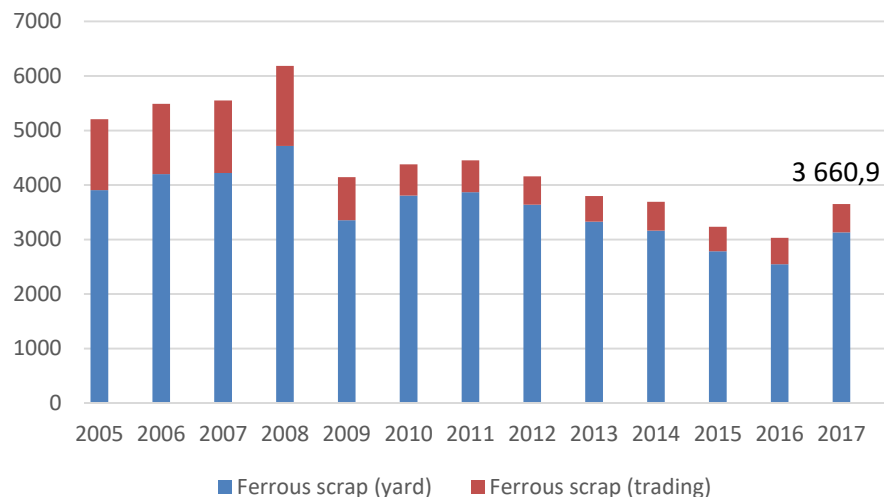
Nickel



VOLUMES : A RECORD YEAR IN NON FERROUS METALS, AND FIRST YEAR OF GROWTH SINCE 5 YEARS IN FERROUS SCRAP

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Development of Ferrous scrap tons sold



Development of NFM tons sold



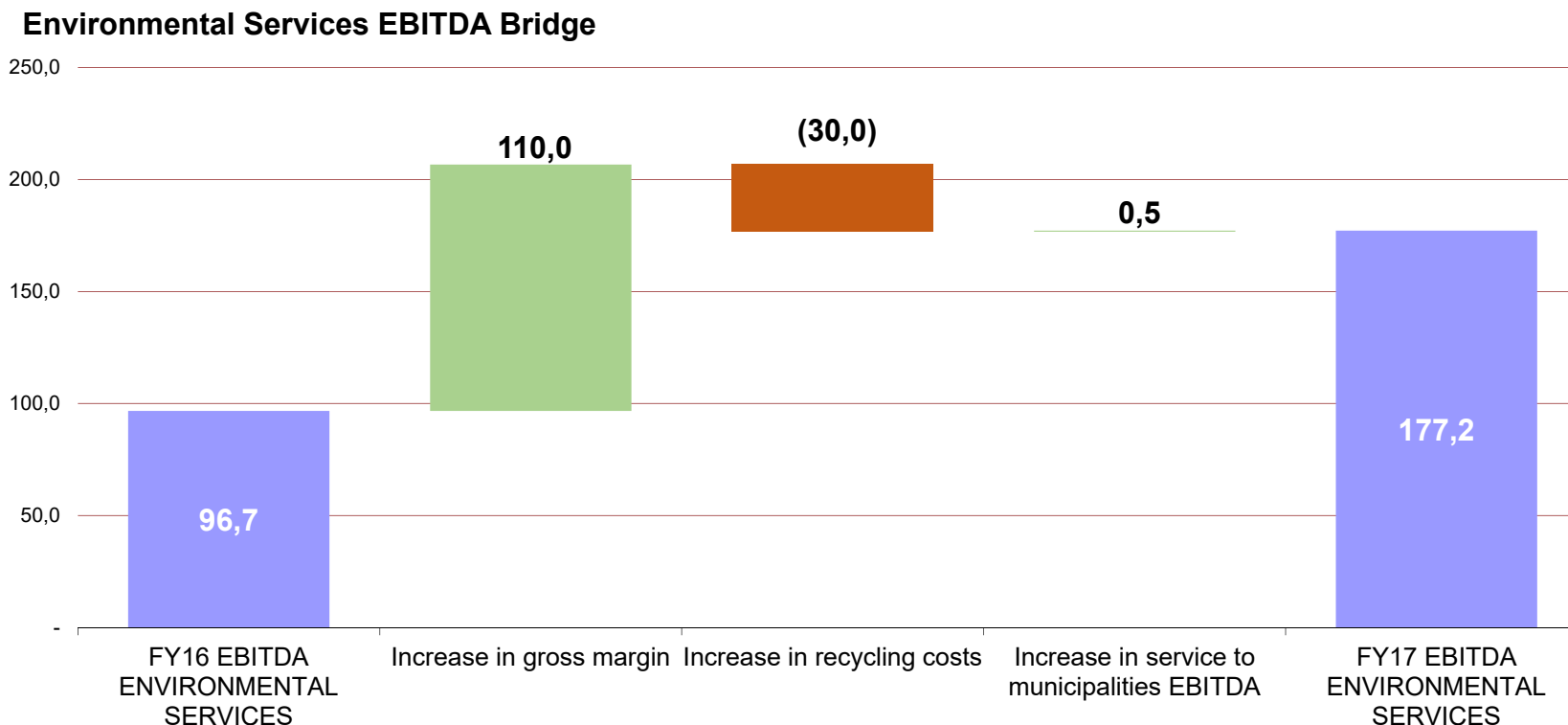
~50% headroom compared to record volume in 2008 in ferrous scrap.

<i>(in thousands of tons)</i>	2017	2016	Variation
Ferrous scrap	3 660,9	3 029,6	20,8%
Non Ferrous metals	544,3	459,3	18,5%
Total volumes	4 205,2	3 489,0	20,5%
<i>(in millions of euros)</i>	2017	2016	Variation
Ferrous scrap	887,2	577,2	53,7%
Non Ferrous metals	738,9	532,3	38,8%
Services	322,7	296,2	8,9%
Total Revenue	1 948,8	1 405,7	38,6%

Increase in volumes in 2017 is impacted by external growth, but impact is difficult to estimate precisely (around 50% of growth). Volumes also increase in countries not impacted by external growth

BRIDGE OF EBITDA : GOOD DROPTHROUGH OF IMPROVEMENT IN GROSS MARGIN

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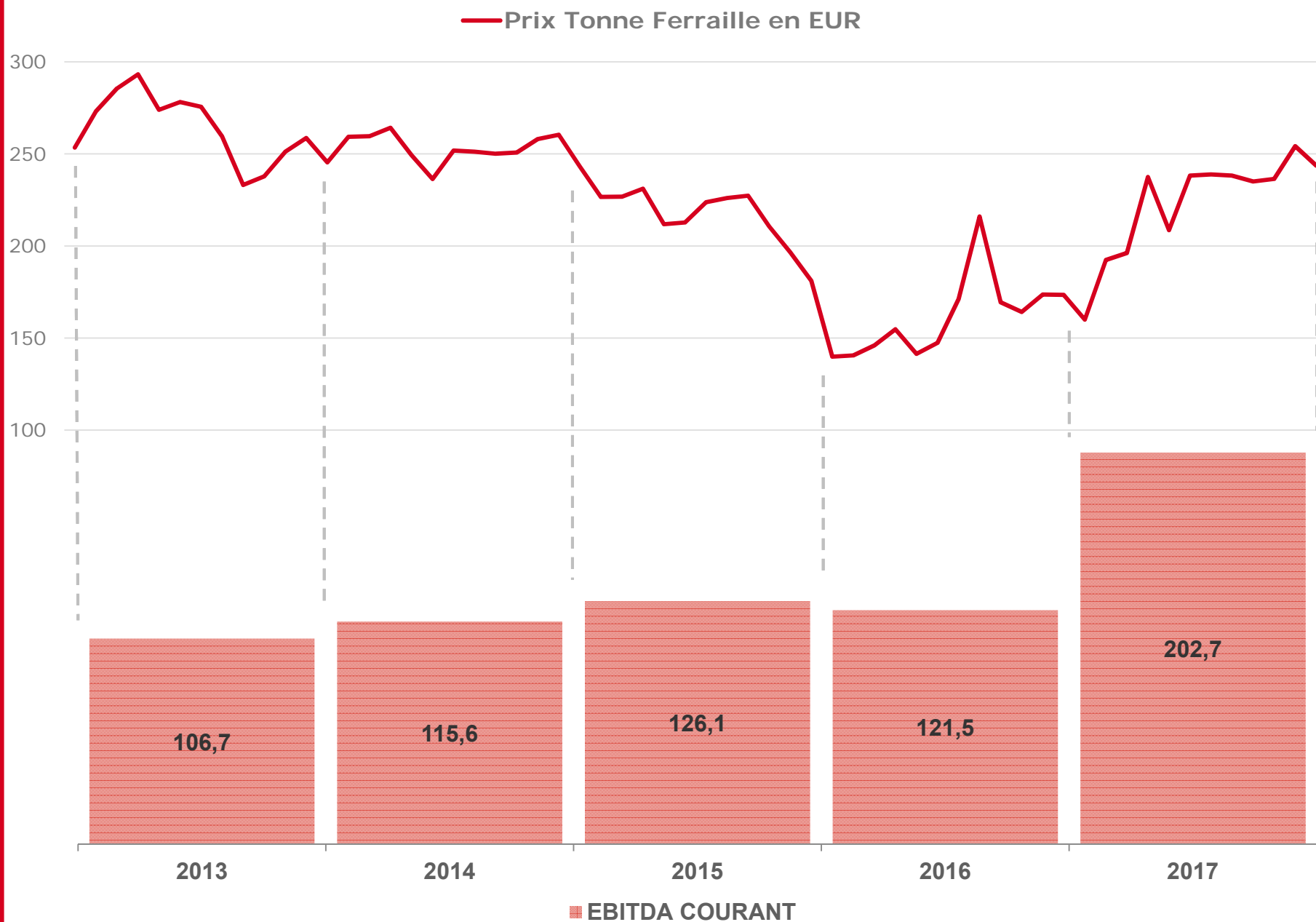


- ▶ Improvement in gross margin takes into account :
 - Increase in volumes due to acquisitions, and better collection
 - Increase in unit margins, which benefited from salesprices increases
- ▶ Cost increase due to acquisitions and more volumes

- Monitor inventories to be as low as possible to avoid exposure to price fluctuations
- Focus on unit margins vs volumes
- Increase % of use of industrial tool thanks to a dense network of locations
- Proactive in adapting purchase price to sale price
- Monitor margins and results of individual locations closely, on a regular basis
- Try to optimize logistics
- Develop « niche markets »
 - NFM additional sorting ...

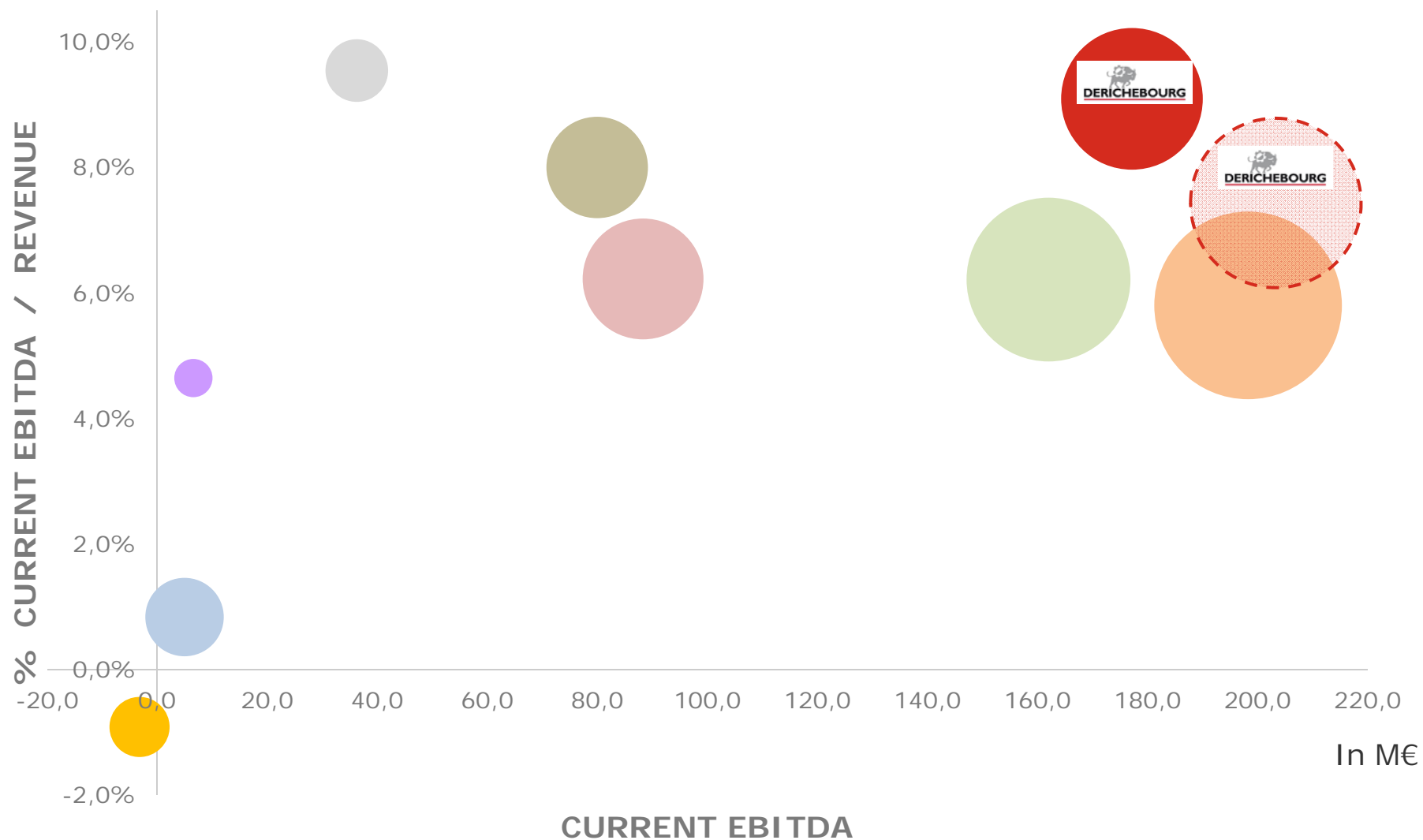
RESILIENCE DURING THE DOWNTURN OF ECONOMY AND GOOD PERFORMANCE DURING THE RECOVERY

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THE GROUP'S PROFITABILITY IS AMONG THE BEST IN THE SECTOR

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Sample of 9 french or foreign competitors in metallic waste recycling.

Size of the circle : proportionate to turnover

Abscissa : EBITDA current in value

Ordinate : % EBITDA current / turnover

Goodwill depreciation not taken into account



DERICHEBOURG ENVIRONMENT



DERICHEBOURG GROUP



MULTISERVICES

P&L MULTISERVICES : 6TH YEAR IN A ROW OF REVENUE GROWTH, IMPROVEMENT IN EBITDA

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<i>in millions of euros</i>	2017	2016	Variation %
Turnover	781,2	741,3	5,4%
Current EBITDA	29,1	26,7	9,0%
	3,8%	3,6%	
Current EBIT	18,7	17,2	8,8%
	2,5%	2,3%	
EBIT	18,7	17,2	8,8%

DERICHEBOURG MULTISERVICES



Derichebourg Multiservices is a reference operator in outsourced services by companies (industrial and services), government services, and local authorities. Derichebourg Multiservices offers **4 solutions with high added value**



**SOLUTIONS
INDUSTRIE**



**SOLUTIONS
TERTIAIRE**



**SOLUTIONS
ESPACE
URBAIN**



**SOLUTIONS
SOURCING
RH & INTERIM**

DERICHEBOURG MULTISERVICES, OUR SOLUTIONS



- ▶ Solutions for industries : automotive, food industry, health and pharmaceutical
- ▶ Solutions for aviation and aeronautic industry
- ▶ Solutions for nuclear



- ▶ Services for buildings
- ▶ Services for tenants



- ▶ Services network & collect
- ▶ Services for towns

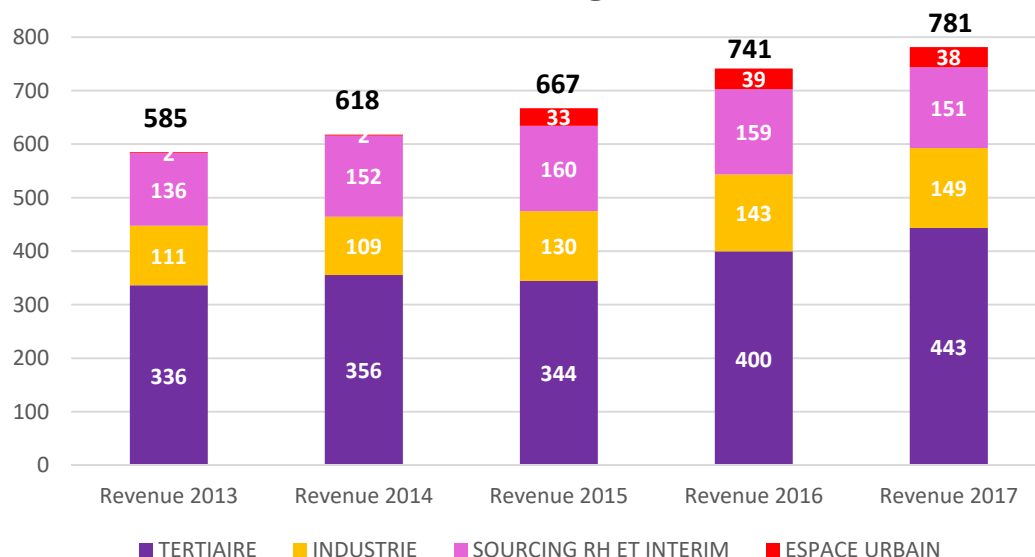


- ▶ Solutions Temp work
- ▶ Solutions Sourcing & RH

MULTISERVICES : RECURRING IMPROVEMENT IN REVENUE AND EBITDA

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Multiservices : Change in revenue



5.4% increase in Revenue :

- **Tertiary** (56.7% of total): +10.9%

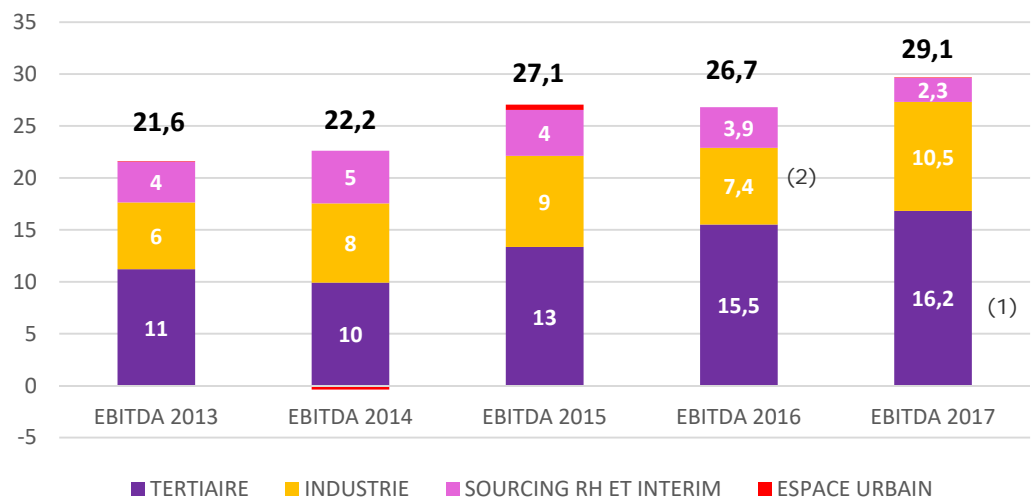
Full year effect of PY external growth (~30%)
And organic growth (~70%)

- **Industry** : (19.1% of total) : +4.2%

- **Temporay Staff** (19.3% of total) : -5,3%
Full year effect of decrease in aeronautics
Temp staff partially offset by growth in general
Temporary staff

- **Urban** (4,8% of total) : -2,7%

Multiservices : change in EBITDA



(1) : Improvement in EBITDA (+11%) despite a 3,7 m€ social contributions reassessment in the Cleaning business.

(2) : In 2016, 2,5 m€ loss in Industry segment due to difficulties on a contract

P&L HOLDING

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<i>in millions of euros</i>	2017	2016	Variation %
Turnover	1,0	0,4	135%
Current EBITDA	(3,6)	(1,9)	na
	na	na	
Current EBIT	(6,5)	(4,2)	na
	na	na	
Result on subsidiary disposal	2,5		
Others		(0,0)	
EBIT	(4,0)	(4,2)	na



FINANCIAL POSITION

BALANCE SHEET : STRONG INCREASE IN EQUITY

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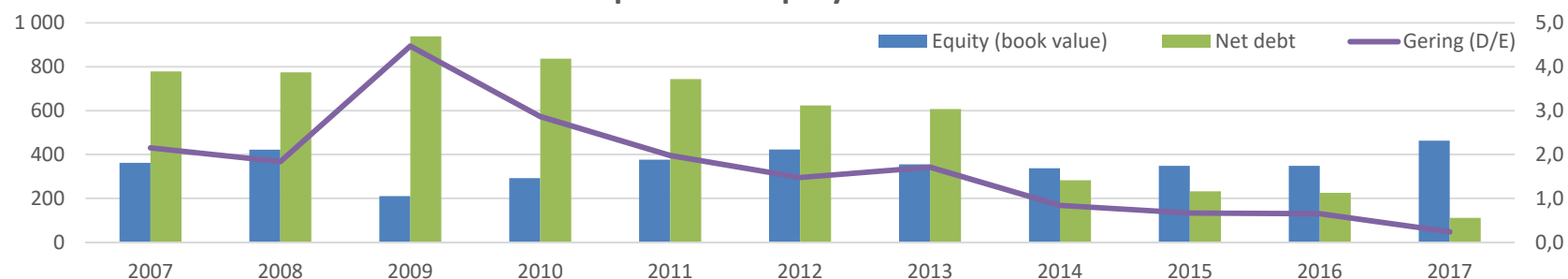
Assets (in M€)	2017	2016	Var
Non current assets	720,6	705,4	15,2
Net deferred tax asset	9,8	27,1	(17,3)
Working capital requirement	(74,0)	(71,9)	(2,2)
Total assets	656,3	660,6	(4,3)

Liabilities (in M€)	2017	2016	Var
Equity	462,6	347,7	114,9
Provisions for risks & charges	74,8	76,2	(1,4)
Net financial indebtedness	110,9	225,1	(114,3)
Financial instruments, liabilities held for sale, and others	8,1	11,6	(3,5)
Total liabilities	656,3	660,6	(4,3)

Net debt has been decreasing for 8 years

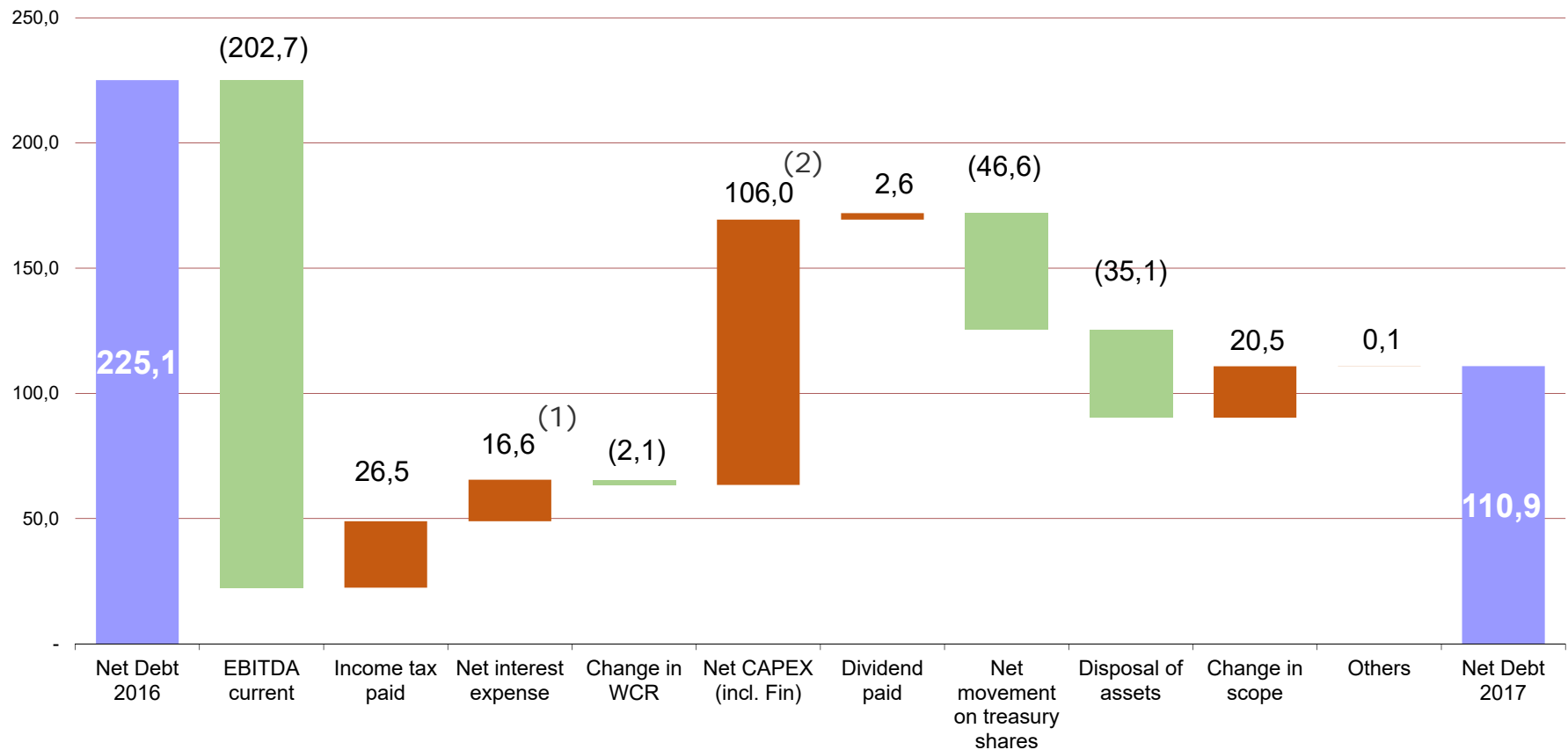
Breakdown of Non current assets	2017	2016	Var
Goodwill	219,1	226,0	(6,9)
Intangible assets	4,9	3,9	1,0
Tangible assets	451,5	436,1	15,4
Financial assets	45,1	39,3	5,8
Total non current assets	720,6	705,4	15,2

Development of Equity and Net Debt



DEBT FLOWS : DECREASE IN NET DEBT OF 114 M€ (51%)

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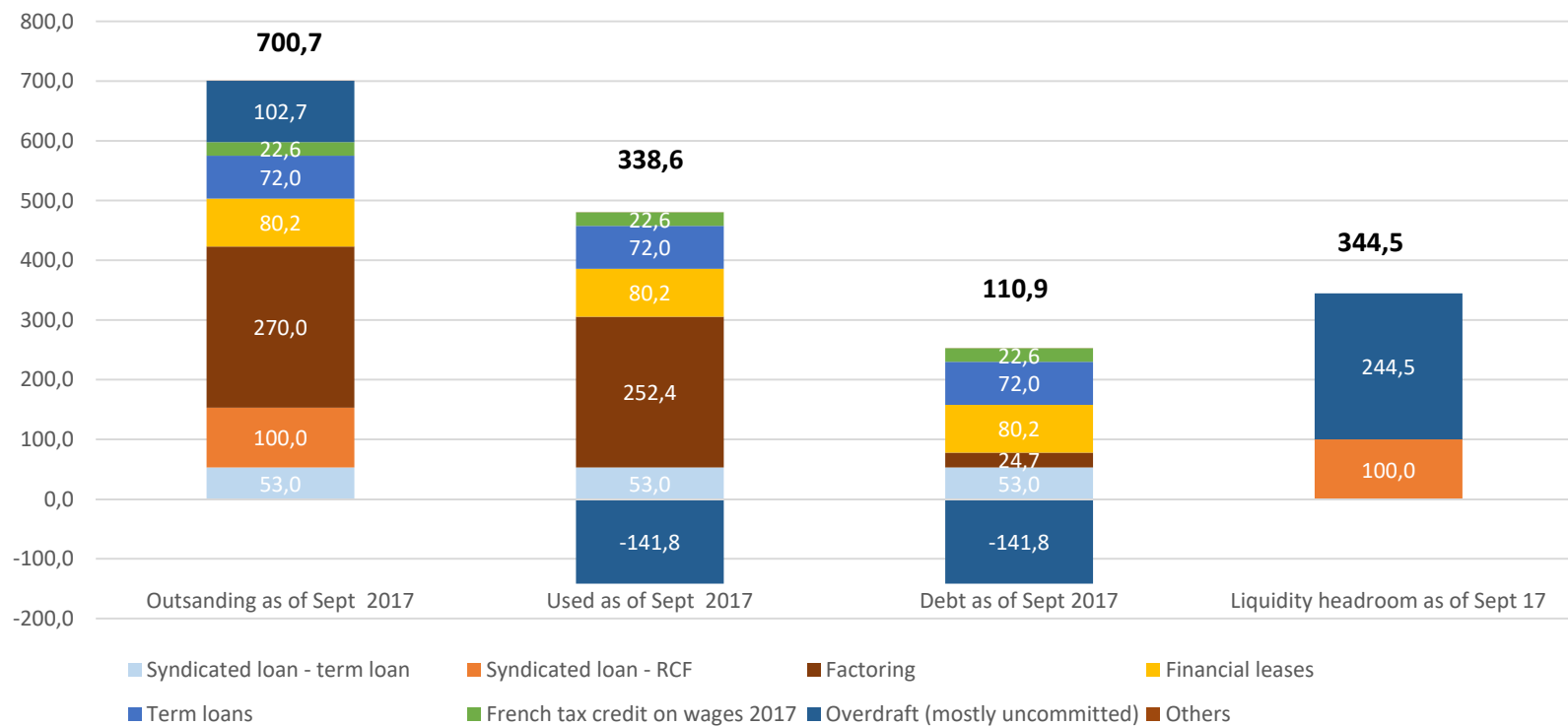
(1): including 5 m€ of swap costs and swap unwinding costs

(1): Mutiservices : 11 M€, Environmental Services : 95 M€ (of which 30 M€ for services to municipalities)

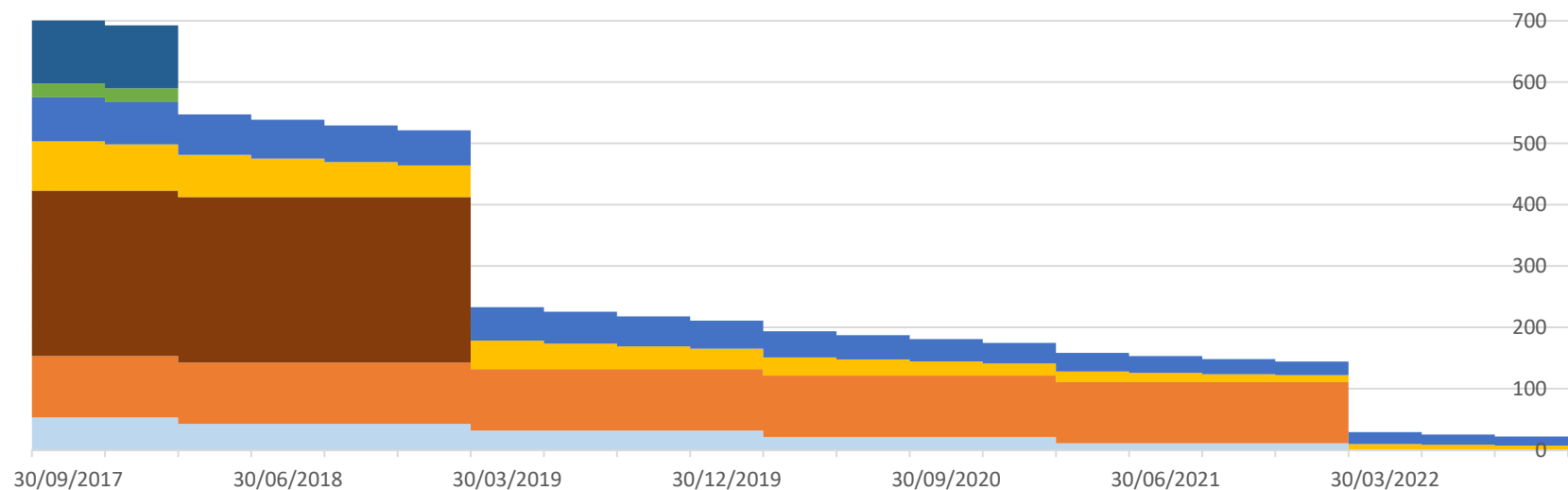
SOURCES OF FINANCING : COMFORTABLE LIQUIDITY

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Financial position as of Sept 17



Maturity of credit lines

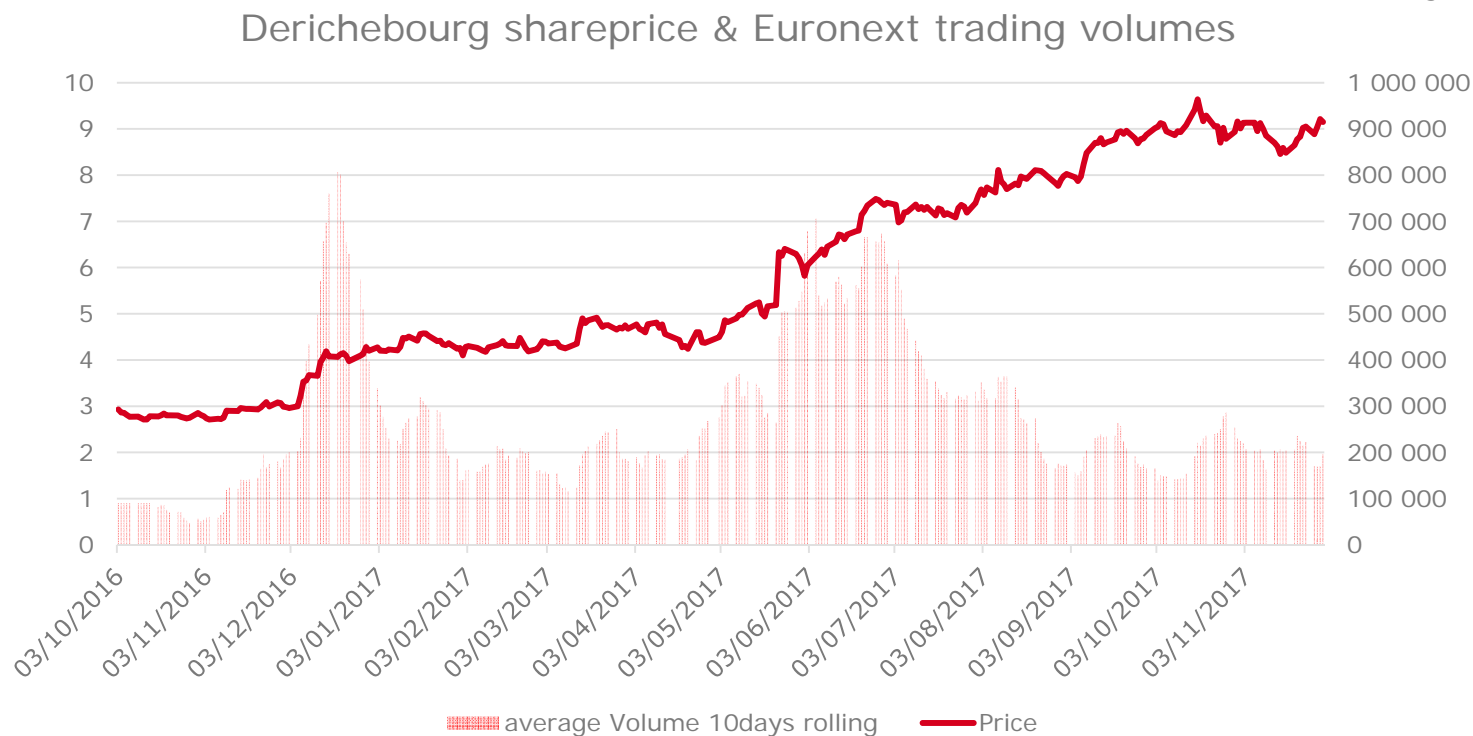


SHAREPRICE EVOLUTION

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In €/share

Average daily trading



Board of directors proposed a 0,14 €/share dividend



RECYCLING & CARBON FOOTPRINT

RECYCLING IS KEY IN ORDER TO REDUCE CARBON FOOTPRINT

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- ▶ Recycling (all types of waste) in France saves :
 - 4.9% of France CO₂ emissions. 96% of these savings come from ferrous scrap and aluminium recycling
 - 10.3% of primary energy. 48% of these savings come from ferrous scrap and aluminium recycling (and 46% from paper and cardboard).
- ▶ Recycling one ton of ferrous scrap saves 57% CO₂ emissions and 40% primary energy compared to primary steel (BF)
- ▶ Recycling one ton of aluminium saves 93% CO₂ emissions and 98% primary energy compared to primary aluminium

Source : Federec, Evaluation environnementale du recyclage en France selon la méthode du cycle de vie, mai 2017

- ▶ Recycling replaces CAPEX and raw materials consumption by local employment
- ▶ Derichebourg takes part (together with its customers) in a 3.7 MTEQ saving in CO₂, which is equivalent to 1.3 million plane journeys around the earth.



PERSPECTIVES, NEXT STEPS

► Environmental Services

- Robust steel market
- Good perspectives for the coming months both in ferrous scrap and non ferrous metals
- On a long term basis, competitive advantages in favour of Electric Arc Furnace vs Blast Furnace will be more and more visible (less pollution, less CAPEX) which should result in more demand for scrap
- Group is very well placed (performing, deleveraged) to benefit from external growth opportunities which may occur in 2018
- Group is active in exploring and studying opportunities for growth outside France to duplicate its successful business model
- Group is continuing to develop « niche business » (sorting tables, aluminium refinery, WEEE recycling)
- The group will challenge ROCE of its various activities

► Multiservices

- Another year of growth in Revenue and EBITDA is expected at division level
- Derichebourg Multiservices is also well placed to consolidate the business lines where it already has critical size.

NEXT STEPS : CALENDAR

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- ▶ December 13th : availability of annual report
- ▶ February 7th, 2018 : General Meeting of shareholders
- ▶ May 22nd, 2018 : 2017-2018 Half-year results
- ▶ Nov 14th, 2018 : 2017-2018 turnover
- ▶ December 4th, 2018 : 2017-2018 results



Q&A



THANKS FOR YOUR
ATTENTION