



# PRESENTATION FOR INVESTORS



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- Syctom presentation
- Missions carried out
- Financial items
- Financing

# STATUS OF SYCTOM

- Syctom's territory encompasses 85 municipalities in the Ile de France region, including the city of Paris, which accounts for almost half of its members. Syctom has strong ties to the City of Paris, as highlighted by Standard & Poor's (S&P): *"a strong likelihood of extraordinary joint, supportive, prompt and sufficient support from member communities, including the City of Paris, in the event of financial difficulties"*.
- Syctom was created on 16 May 1984 by prefectural order.
- Syctom is a public administrative body. Such structure is similar to a pre-existing structure in Germany: "Stadtwerke"
- Syctom uses the accounting nomenclature of municipalities (M14). S&P agency states: *"As a syndicat mixte, is subject to the provisions of the French Code général des collectivités territoriales and to budgetary and public accounting rules similar to those of French local authorities."*
- Syctom is subject to audit by the *Chambre Régionale des Comptes*.

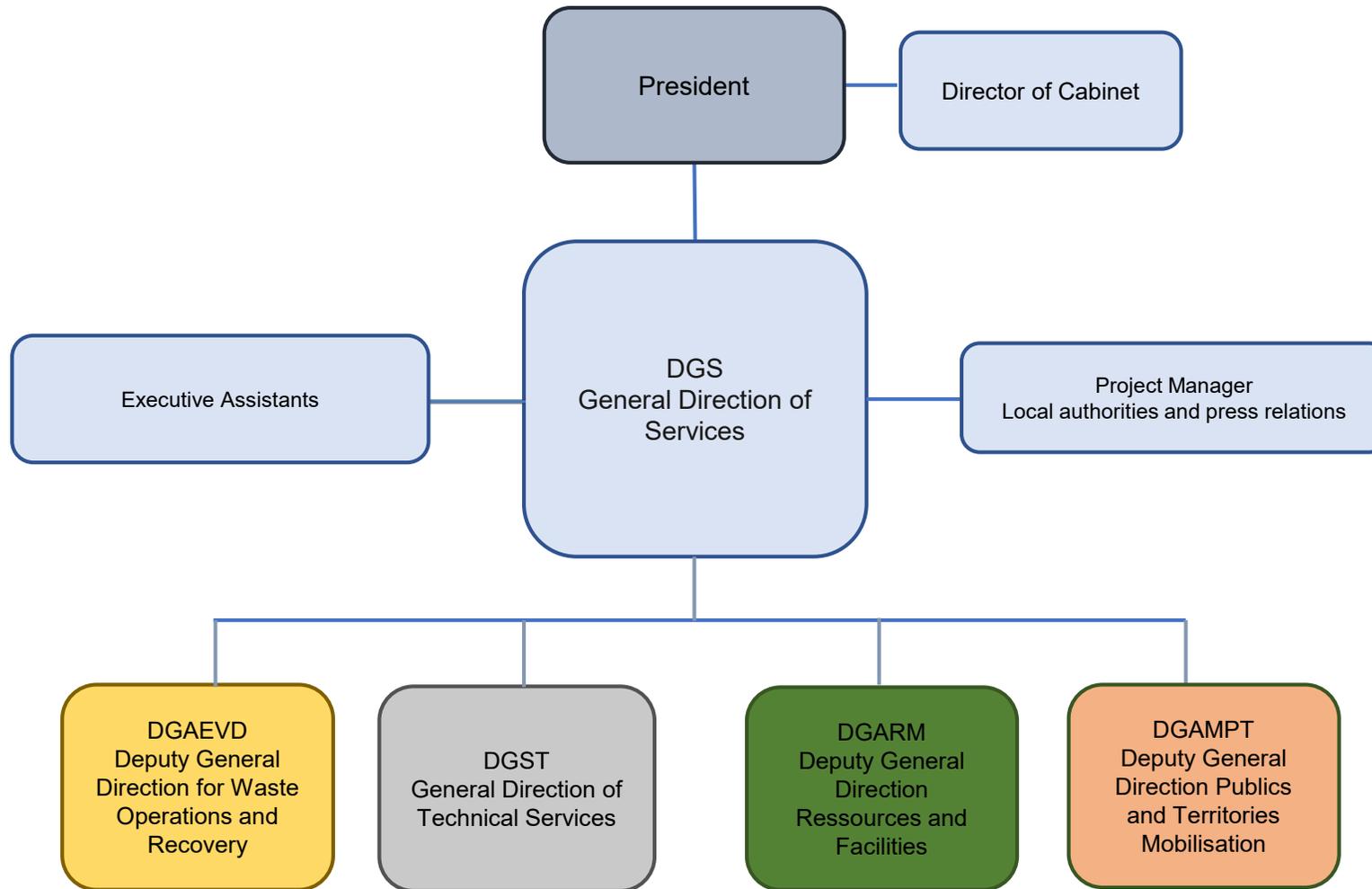
# MISSIONS OF SYCTOM

- Syctom processes the 2.3 million of tons of household waste from all the municipalities in the Greater Paris area, i.e. 5.8 million inhabitants (nearly 10% of the French population). It carries out the following missions:

- Waste processing: The waste collected by local authorities is received and processed in its facilities: paper/packaging, household waste, bulky items and waste brought to waste collection centers, bio-waste.
- Waste recovery: With the objective of "zero unrecovered waste", Syctom transforms waste into a resource through material recovery (recycled waste) and energy recovery (production of energy in the form of steam and electricity).
- The study, realization and exploitation of works for the treatment and valorization of household waste.
- The implementation of prevention and awareness actions to improve sorting and reduce the volume of household waste, and the support of local authorities members in their waste prevention policy.



# ORGANISATION CHART OF SYCTOM



# SYCTOM'S PREMISES

- Syctom has treatment centres located in the heart of the places where people live and produce waste:
  - 3 incineration centres with energy recovery, through which the equivalent of 300,000 homes can be heated each year.
  - 1 transfer centre for household waste.
  - 6 sorting centres for packaging and paper for recycling.



**The multi-purpose treatment centre  
in Ivry/Paris XIII**

Current capacity of 730,000 t/year  
(350,000 t/year for the futur centre)



**The multi-purpose treatment centre  
Isséane in Issy-les-Moulineaux**

Capacity of 510,000 t/year  
Sorting of selective collection: 30,000  
t/year

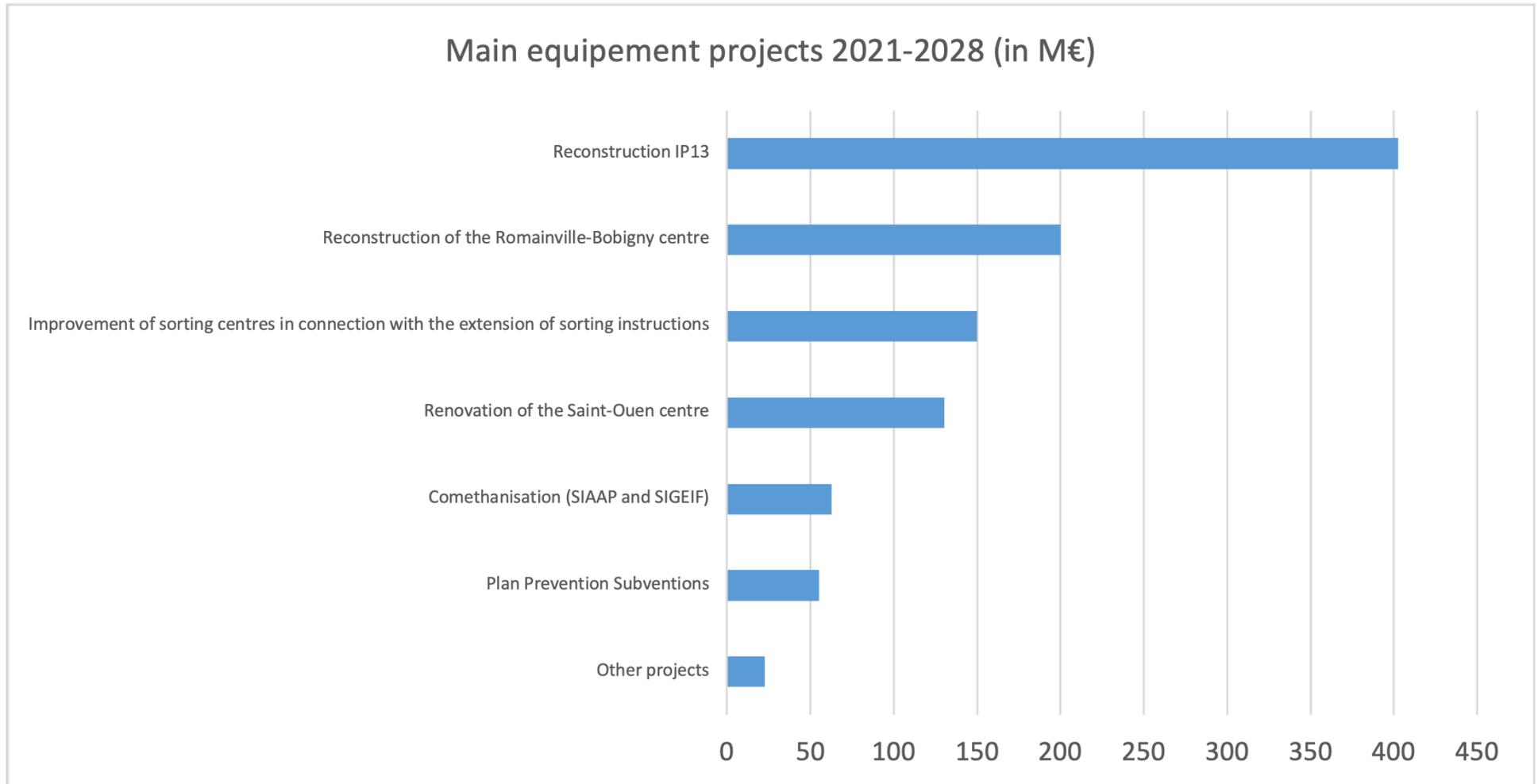


**The energy recovery centre  
L'Etoile Verte in Saint-Ouen-sur-Seine**

Capacity of 650,000 t/year

# THE MAIN PROJECTS IN PROGRESS

- The equipment programme for 2021-2028 amounts to 1 billion euros. The main projects are as follows:



# THE MAIN PROJECTS IN PROGRESS

## The centre in Ivry/Paris XIII:

The construction permit and the operating authorisation were issued at the end of 2018 for the energy recovery unit (UVE).

The work will take place from 2019 to 2024: deconstruction of the current site, construction of the new UVE and then industrial commissioning.



# THE MAIN PROJECTS IN PROGRESS

- **The Etoile Verte, the energy recovery centre de in Saint-Ouen-sur-Seine:**

The project has several components:

1- The Architectural and landscape integration: the preparatory work and demolition of the carpentry building were carried out in 2017/2018. The studies for the structural work have been launched. The reconfiguration of the slag yard, the construction of the new third-party building and the facade relooking are also underway.

2- The new dry flue gas treatment: work started in 2019

3- The renewal of industrial effluent treatment: completion of the work planned for 2020



# THE MAIN PROJECTS IN PROGRESS

## Continuous improvement and adaptation of centres to the extension of sorting instructions:

The law requires all plastic packaging to be sorted by 2022. Sycatom has invested to increase the sorting capacity of its centres and to adapt its existing treatment tools.

- The sorting centre in Paris XV: end of work in 2021.
- The sorting centre in Nanterre: end of work in 2021.
  
- Continuous improvement of all the centres: various maintenance and safety measures.



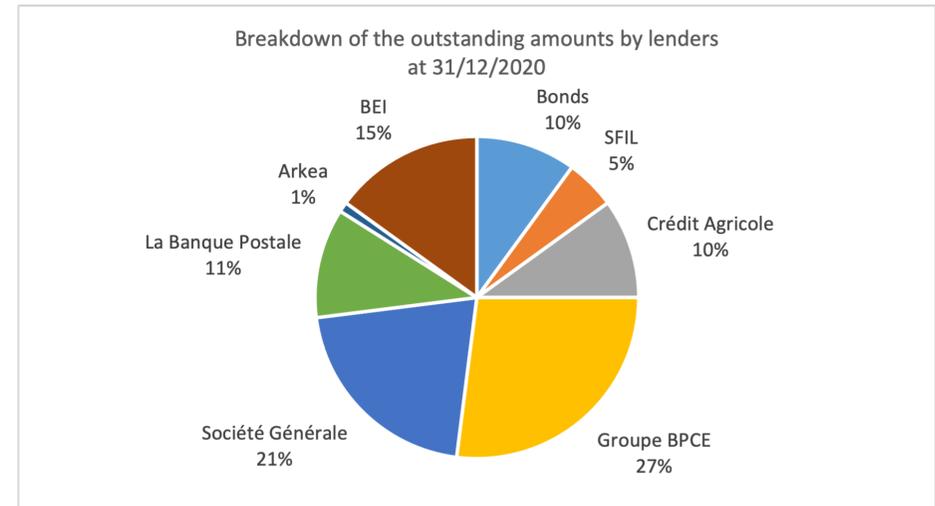
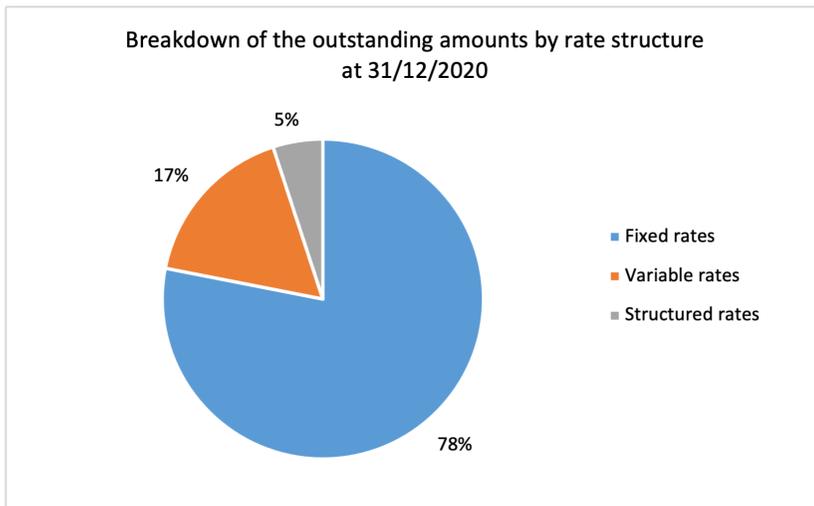
# THE MAIN PROJECTS IN PROGRESS

## The prevention plan 2021 – 2026:

- The aims of this plan are:
  - Reducing waste and, in particular, household waste.
  - Optimising flows for better recovery (increasing the quantity and quality of selective collections).
- Conditions are:
  - Payment of financial supports.
  - Calls for projects.
  - Networking the actors.

# DEBT: OUTSTANDING AMOUNT AND STRUCTURE AT THE END OF 2020

- Outstanding debt of €729 million at the end of 2020, which should reach €1 billion by 2024-2025.
- An average rate of 1.8% - Residual term: 17.2 years.
- 95% of the debt is classified as 1A-1B (simple and standard fixed and variable rates) and 5% as barrier with multiplier (4E-5E).
- Diversification of lenders maintained despite the increase in outstanding debt.
- Contractualisation of global envelopes (€230 million BEI / €200 million CDC).



# DEBT: DEBT STRATEGY

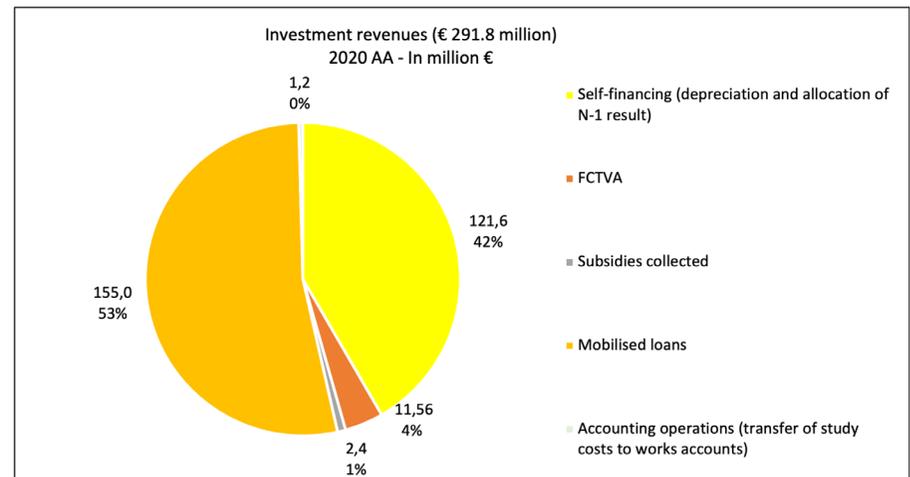
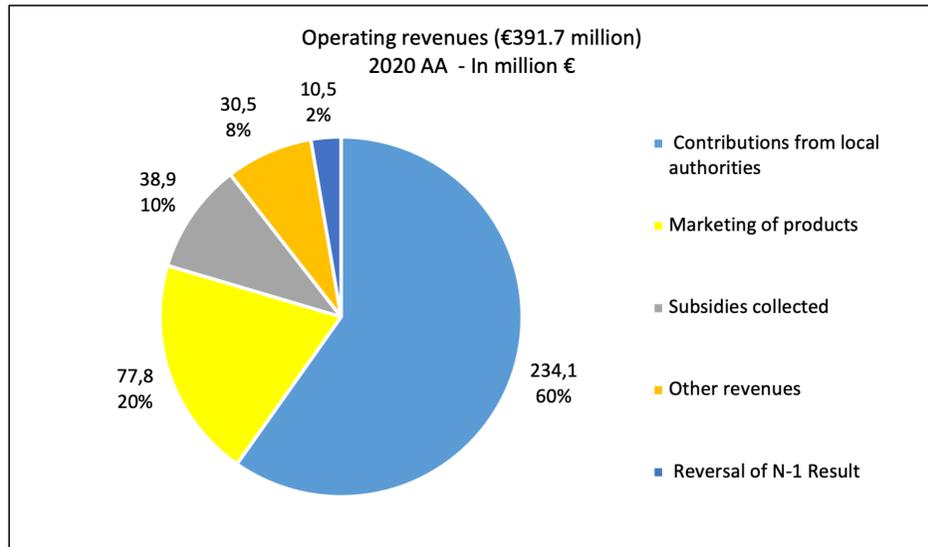
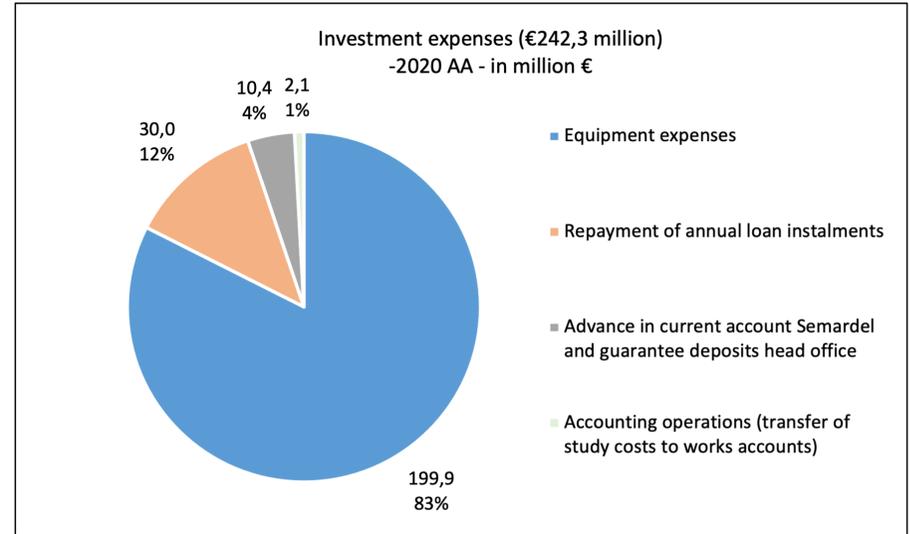
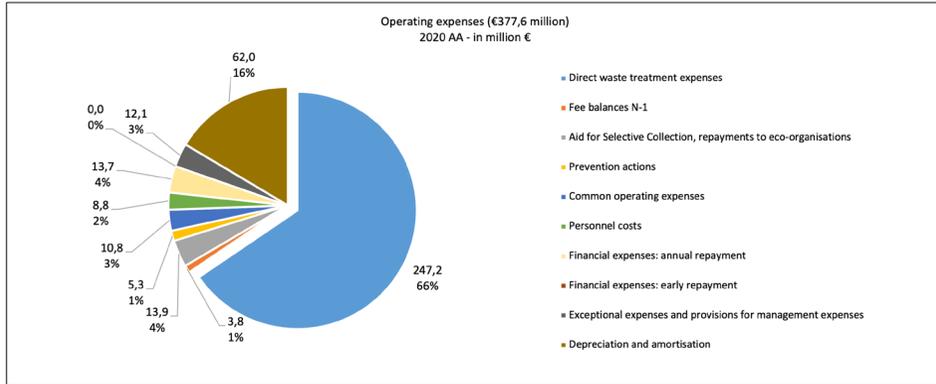
- A need for nearly €566 million over the period 2021-2024, including €194 million in 2021.
- Continuing to seek the most competitive financing by weighting the amount outstanding with each lender.
- Diversification of funding sources with continued recourse to bond issues in 2021:
  - Maintaining the S&P A+ rating / stable outlook in 2020.
  - The implementation of an EMTN programme since the first quarter of 2020.
  - A complete Green Bond structuring by the Vigeo agency. An exclusive search for green bonds.

# ACCOUNTS AND FINANCIAL INFORMATION

- The 2020 financial accounts reflect:
  - Gross savings of €80 million and a savings rate of 20%, i.e. an increase of 5 points.
  - Financial expenses of €13.7 million, i.e. 3.6% of operating expenses.
  - Continued equipment expenses (€162 million in 2018, €185 million in 2019, €200 million in 2020).
  - Continued recourse to borrowing up to €155 million in 2020 (€243 million in 2019).
  - Debt reduction capacity of 9.2 years contained thanks to the increase in gross savings.

<i>Amounts in € million</i>	2019 administrative account	2020 administrative account	Evolution 2020 AA / 2019 AA
Actual operating expenses	362	311	-51
Actual operating revenues	429	391	-39
Gross savings	68	80	12
Gross savings rate	16%	20%	5%
Actual investment expenses	298	240	-58
Actual investment revenues	300	229	-72
Outstanding Capital at 31/12/N	604	729	125
Dynamic debt reduction capacity	8,9	9,2	0,2

# STRUCTURE OF THE 2020 ADMINISTRATIVE ACCOUNT



# SYCTOM'S FINANCIAL RATING

- At the last update in July 2020, Standard & Poor's maintained the long-term rating at A+. The short-term rating is also maintained at A-1.

Standard & Poor's recognised the following strengths:

- **1- Consensual governance:**

*"We consider that Syctom's governance bodies (...) demonstrate a great capacity for consensus in decision-making, including matters relating to budget strategy and financial planning."*

- **2- Securing liquidity needs:**

*For the record, Syctom was able to raise in loans €243 million in 2019 and €155 million in 2020:*

*"We consider that Syctom's liquidity situation is favourable. Financing needs increased significantly from 2019 onwards, but Syctom was able to secure its liquidity situation through multi-year financing envelopes and cash lines. We also understand that Syctom wishes to diversify its sources of financing through direct access to financial markets."*

- **3- Maintaining an extraordinary joint, solidary, prompt and sufficient support from the City of Paris:**

*"Syctom's rating also includes our assessment of the strong likelihood of joint, solidary, prompt and sufficient extraordinary support from member local authorities, including the City of Paris, in the event of financial difficulties."*

# INFORMATION AND CONTACT

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Annual reports and financial documents:

<https://www.syctom-paris.fr/acteur-public/budget.html>

EMTN Programme and Green Bonds:

<https://www.syctom-paris.fr/acteur-public/budget/programme-euro-medium-term-notes-emptn.html>

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**Thank you for your attention**