

Changé, France, April 27, 2021

PRESS RELEASE



European **Rising Tech**
LABEL

Strong activity in Q1 2021

Strong growth confirmed in France

Recovery contrasted internationally

Contributed revenue¹ at €170m up +3.6%

In Q1 2021, the Group confirmed its return to a good level of activity in its main regions, with a solid increase in revenues at constant scope and exchange rates compared to the same period in 2020 that preceded the health crisis.

In particular, France posted strong growth (+8%), while International, except Latin America, confirmed its activities were returning to levels close to pre-crisis levels in most geographical regions.

This good start to the year confirms the Group's expectations for 2021.

With contributed revenue¹ at constant scope of €170.0m, with an increase of +2.6% (gross data) and +3.6% at constant exchange rates, Séché Environnement confirmed in Q1 2021 the acceleration of its organic growth since mid-2020.

This good performance does not include the contribution of Spill Tech, a South African company that is being acquired².

Q1 growth was driven by France, which benefited from strong market trends with industrial companies and the high level of industrial production as well as positive effects from the implementation of the circular economy. International markets posted still contrasted performances, with the return of activities to normative levels in Europe and South Africa and still significantly lower in Latin America, while Solarca showed a strong rebound in its operations (Industrial Services) in the Rest of the World.

The Group thus demonstrates its ability to fully benefit from the economic recovery and the recovery of industrial markets in France and around the world.

Séché Environnement is confident that growth will continue to accelerate throughout the year and confirms its targets for 2021.

¹ See Appendix 1: "Definition of contributed revenue"

² See the press release of January 18, 2021

Commentary on business in the first quarter of 2021

As of March 31, 2021, Séché Environnement reports consolidated revenue of €180.8m, compared to €172.9m one year earlier, before consolidation of Spill Tech³.

Contributed revenue stood at €170.0m, compared to €165.7m as of March 31, 2020, an increase of +2.6% for the period. At constant exchange rates, growth reached +3.6%.

The contributed revenue⁴ restates, within reported revenue, concession-related investments (“IFRIC 12 revenue”) and now, the GTPA (General Tax on Pollutant Activities), whose expected growth over the 2021-2025 period, which is both very significant and highly differentiated according to the divisions and business lines, has led to the creation of revenue that is not representative of the economic performance of the activities to which they apply, particularly within the NHW division in France.

Growth over the period was driven by France, which posted a high level of activity across all of its markets, while the International sector continued to be mixed: however, this scope confirms the recovery that began in H2 2020, particularly in Europe and South Africa, while Solarca (Rest of the World) returned to activity levels close to pre-crisis levels.

The contribution of business lines to the growth of the various scopes remains uneven: the Non-Hazardous Waste (NHW) division confirmed its dynamics across all regions, while the hazardous waste (HW) division continued to suffer from the lower performance of Latin America, which is still suffering the effects of the health crisis.

Breakdown by geographic scope

Consolidated data in €m

At March 31	2020 reported data	2020 restated	2021	Gross change	Organic change
France subsidiaries	127.1	120.0	129.9	+8.2%	+8.2%
International subsidiaries	45.7	45.7	40.1	-12.3%	-9.0%
Contributed revenue	172.8	165.7	170.0	+2.6%	+3.6%
<i>Non-contributed revenue</i>	<i>0.1</i>	<i>7.2</i>	<i>10.8</i>	-	-
Reported revenue	172.9	172.9	180.8	+4.5%	+5.5%

As of March 31, 2020, reported revenue at constant exchange rates would have been €171.3m, reflecting a negative foreign exchange effect of (€1.6m).

France confirmed the acceleration of its activity observed since mid-2020, while International, excluding foreign exchange effects, posted a better orientation of its activities in most geographical regions:

- In **France**, contributed revenue reached €129.9m, recording a sharp increase of +8.2% compared to March 31, 2020.

³ Acquisition in the process of being finalized

⁴ Appendix 1: Definition of contributed revenue

This performance reflects the strength of industrial markets supported by the high level of industrial production. It also posted favorable market trends with Local authorities, which are benefiting from the positive effects of the implementation of regulations related to the circular economy.

Most activities contributed to this strong growth, in particular treatment activities and energy recovery activities.

- **International** posted revenue of €40.1m, down -12.3% (reported data) and down -9.0% (at constant exchange rates) from the first quarter of 2020.

While the Q1 2020 base proved to be high for this scope, which entered the health crisis later, international activities continued to fall significantly in Latin America (-47.1% at constant exchange rates), while other regions confirmed the positive trends seen in mid-2020 and returned to normative activity levels.

Note the sharp rebound in Solarca's activity (industrial maintenance in the Rest of the World), whose revenue increased by +43.1% compared to Q1 2020 and which returned to activity levels close to pre-crisis levels.

Analysis by division

Consolidated data in €m

At March 31	2020 reported data	2020 restated	2021	Gross change	Organic change
Haz. Waste	113.5	111.9	108.1	-3.5%	-2.5%
Non Haz. Waste	59.3	53.8	61.9	+15.1%	+16.4%
Contributed revenue	172.8	165.7	170.0	+2.6%	+3.6%
<i>Non-contributed revenue</i>	<i>0.1</i>	<i>7.2</i>	<i>10.8</i>	-	-
Reported revenue	172.9	172.9	180.8	+4.5%	+5.5%

Q1 2021 activity was supported by the NHW division, which benefited from a favorable environment in France and around the world, while the good performance of the HW division was hampered by the more limited contribution from activities in Latin America:

- The **HW division** posted revenues of €108.1m, marking a decrease of -2.5% at constant exchange rates compared to March 31, 2020.

Over the period, the division's trends tracked:

- ✓ In France (+6.4% at €81.8m), the dynamics of the industrial markets in line with the Group's major customers, which are well exposed to the economic recovery in France and around the world;
- ✓ Internationally (-22.8% at constant exchange rates, at €26.3m), the significant withdrawal of activities in Latin America in view of a strong Q1 2020 that had not been affected by the health crisis, while Solarca's activities around the world saw a strong rebound with the rapid recovery of its projects, whose execution had been suspended by the health crisis.

- The **NHW division** generated revenue of €61.9m, up sharply both in France and Internationally:
 - ✓ In France, with contributed revenue of €48.0m, an increase of +11.4% compared to March 31, 2020, the sector benefited fully from the positive effects of the implementation of the circular economy and the rebound in industrial markets. It also recorded the contribution of energy recovery over the period;
 - ✓ Internationally, the growth of the division (€13.9m, up +37.7% at constant exchange rates) mainly reflects Interwaste's sales trends.

Analysis by activity

Consolidated data in €m

At March 31	2020 reported data	2020 restated	2021	Gross change	Organic change
Treatment	87.3	80.4	79.8	-0.8%	-0.2%
Recovery	24.2	24.2	26.2	+8.1%	+6.3%
Services	61.3	61.1	64.0	+4.9%	+6.8%
Contributed revenue	172.8	165.7	170.0	+2.6%	+3.6%
<i>Non-contributed revenue</i>	<i>0.1</i>	<i>7.2</i>	<i>10.8</i>	-	-
Reported revenue	172.9	172.9	180.8	+4.5%	+5.5%

Most activities - excluding Latin America - contributed to the good performance of Q1 2021:

- **Treatment activities** were driven by positive trends in industrial markets, particularly in France (+10.4% to €67.2m), where the Group benefits from a customer base of large companies that are sensitive to the international economic recovery. The virtually stable revenue from Treatments is mainly attributable to Latin America, whose economies continue to suffer from the pandemic;
- **Recovery activities** benefited from the strength of activities in France (+14.0% to €20.8m), particularly from energy recovery, in line with the return to normal operations of the Strasbourg-Sénerval energy recovery plant, and from material recovery with the good performance of Speichim's chemical purification activities. International activity posted good performance in the purification activities of Valls Quimica in Spain but still posted a decline in PCB activities in Latin America with respect to Q1 2020 (spot markets);
- **Service activities** were sustained in France (+2.4% to €41.8m) by the Decontamination and Environmental Emergencies business lines and internationally (+16.2% at constant exchange rates, at €22.2m) thanks to the sharp rebound in Solarca's industrial maintenance activities around the world and the good level of activity of Interwaste in South Africa.

Positive outlook confirmed

This good start to the year confirms Séché Environnement's growth prospects for the current year.

The Group plans to accelerate its organic growth rate throughout the year, with a favorable base starting in Q2 2020.

On an actual basis, 2021 will also record the contribution of Spill Tech, which is currently being acquired with expected revenue of around €30m for its fiscal year ending February 28, 2022.

Séché Environnement also confirms its target EBITDA margin for 2021 of around 21% of revenue.

Conference call

A conference call to describe the business activity for the first quarter of 2021 will be held (in French only) on April 27, 2021 at 6:00 p.m. Paris time.

To participate in the conference, dial +33 (0)1 70 71 01 59 – Code: 71 98 28 49 #

Material to accompany the presentation will be available from 5:45 p.m. on Séché Environnement's website:

<https://www.groupe-seche.com/en/investors/home>

The conference recording will be available at **+33 (0)1 72 72 74 02 – Code: 42 50 05 325#**

Upcoming events

Closed-door Combined General Meeting

April 30, 2021

Consolidated results as of June 30, 2021:

September 13, 2021 after market

About Séché Environnement

Séché Environnement is the leader in the treatment and recovery of all types of waste, including the most complex and hazardous waste, and decontamination, protecting the environment and health. Séché Environnement is a family-owned French industrial group that has supported industrial and regional ecology for over 35 years with innovative technology developed by its R&D team. It delivers its unique expertise on the ground in local regions, with more than 100 sites around the world, including around 40 industrial sites in France. With 4,600 employees, of which 2,000 in France, Séché Environnement has revenue of about €700 million, of which 25% is earned internationally, driven by internal and external growth momentum via its many acquisitions. Thanks to its expertise in creating circular economy loops, the treatment of pollutants and greenhouse gases, and hazard containment, the Group directly contributes to the protection of the living world and biodiversity – an area it has actively supported since its creation.

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 included in the CAC Mid&Small, EnterNext Tech 40 and EnterNext PEA-PME 150 indexes. ISIN: FR 0000039139 – Bloomberg: SCHP.FP – Reuters: CCHE.PA



CONTACTS
SÉCHÉ ENVIRONNEMENT

Manuel ANDERSEN

Head of Investor Relations

m.andersen@groupe-seche.com

+33 (0)1 53 21 53 60

Appendix 1

Definition of contributed revenue

New presentation of revenue as of March 31, 2021

In €m	2020 presentation		2021 presentation	
At March 31	2020	2020	2021	2021
Revenue (reported)	172.9	172.9	180.8	180.8
IFRIC 12 revenue	0.1	0.1	0.0	0.0
GTPA	7.1	7.1	10.8	10.8
Contributed revenue	172.8	165.7	170.0	170.0

Definitions

IFRIC 12 revenue: investments made for assets under concession arrangements, rebilled to the Grantor and booked as revenue in accordance with the IFRIC 12 interpretation.

GTPA: General Tax on Polluting Activities paid by the waste producer and collected on behalf of the State by the treatment operators. This tax is paid to the State with no impact on operating margins.

Its projected change between 2021 and 2025, which is both very significant and very differentiated depending on the business lines and types of processing, will lead to the recognition, in reported revenue, of:

- Non-economic revenue resulting from a significant increase in the amount of tax collected, particularly within the NHW division;
- Different changes between activities, which are not representative of their economic changes, particularly in the treatment business lines (incineration and storage of final waste (see Appendix 2).

This change has no impact on operating margins, particularly EBITDA.

Its restatement in contributed revenue is also neutral in terms of operating margins.

Appendix 2 Change in GTPA

Enacted as part of the Circular Economy Roadmap in April 2018, the reform of the General Tax on Pollutant Activities (GTPA) was adopted by the legislator in the Finance Act for 2019 (Law 2018-1317 of December 29, 2019).

This reform mainly applies to non-hazardous waste and must lead producers of “polluting” activities to reduce their environmental footprint. In particular, the change in applicable rates aims to reduce the economic balance in favor of prevention and sorting by increasing the cost of incineration and storage.

Change in GTPA rates

In €/ton	2019	2020	2021	2022	2023	2024	From 2025
Incineration (1)	3	3	8	11	12	14	15
Storage (2)	17	18	30	40	51	58	65

(1) Licensed facilities meeting the following criteria:

- a. ISO 50001 certified
- b. Whose NOx emission values are less than 80 mg/Nm³
- c. Achieving energy recovery with a return of 0.65 or more

These rates are likely to be reduced by half in the case of facilities with an energy efficiency of greater than or equal to 70% and that are recovering high-calorific-value refuse from efficient sorting operations.

(2) Licensed facilities meeting the following criteria:

- a. ISO 14001 certified
- b. Generating energy recovery of more than 75% of biogas captured
- c. Exploited using the bioreactor method