



Activity and results for the half-year to June 30, 2022

Continuation of a dynamic acquisition policy

**Acceleration of organic growth
partly due to exceptionally large contracts**

Continued increase in operating profitability

Financial robustness confirmed

Upward revision of 2022 targets

Active external growth policy enriching the commercial offer in the Circular Economy and Services sectors

- Consolidation of Séché Assainissement (formerly Sarp-Osis IDF) completed by the acquisition of Assainissement 34
- Acquisition of All'Chem, a specialist in fine chemicals in France
- Planned acquisition of a portfolio of "Industrial Water" activities

Sustained growth and strong increase in earnings

Sales performance: Contributed revenue: €429 m, **+21%** vs. 6/30/2021

Operational performance: EBITDA: €100 m or 23% of Revenues **+23%** vs. 6/30/2021
COI: €48 m or 11% of Revenues **+45%** vs. 6/30/2021

Earnings performance : Net income €25 m or 6% of Revenues **+87%** vs. 6/30/2021
(Group share)

Financial performance: Recurring operational cash flow: €89 m **+41%** vs. 6/30/2021
Financial leverage: 2.7x **unchanged** from 6/30/2021

Upward revision of growth and profitability targets for 2022¹

Contributed revenue up by between 5% and 10% organically

EBITDA of between 23% and 24% of contributed revenue (at constant scope)

Financial leverage maintained at 2.7x (excluding acquisitions)

¹ See press release of March 7, 2022

At the Board of Directors meeting held on September 9, 2022 to approve the financial statements for the half-year to June 30, 2022, the Chairman, Joël Séché, stated: *“The commercial, operational, financial and extra-financial achievements of Séché Environnement during the first half of 2022 confirm the pertinence of its profitable growth strategy in the circular economy market and the market for decarbonization of economic activities, both in France and internationally.*

During a period significantly disrupted by geopolitical, energy and monetary crises, Séché Environnement once again demonstrated its ability to maintain an active incremental acquisition strategy while successfully integrating new subsidiaries, and to significantly accelerate its organic growth while continuing to improve its operational and financial performance.

This virtuous trajectory will continue in the future.

Séché Environnement is a major producer of low-carbon energy and, more broadly, a promoter of innovative environmental solutions favoring the ecological transition of economic players, and now more than ever, as a preferred partner of its clients to transform their challenges in the fight against global warming and access to resources, energy and raw materials, into new opportunities for sustainable and profitable growth.

The results of this first half-year, in particular the significant contribution of certain exceptional contracts, lead us to revise our growth and operating profitability forecasts for 2022 upwards. They bode well for the achievement of our 2025 targets.”

Selected financial data

Consolidated data in €m

At June 30	2021	2022	Gross change	Organic change
Contributed revenue	354.7	429.2	+21.0%	+14.2%
EBITDA	81.1	99.9	+23.2%	+18.3%
<i>% of revenue</i>	<i>22.9%</i>	<i>23.3%</i>		
Current operating income	32.9	47.7	+45.0%	+37.1%
<i>% of revenue</i>	<i>9.3%</i>	<i>11.1%</i>		
Net financial income	(9.4)	(8.8)		
Net income (Group share)	13.5	25.2	+86.7%	
<i>% of revenue</i>	<i>3.8%</i>	<i>5.9%</i>		
Earnings per share (Group share)	€1.72	€3.23	+86.7%	
Recurring operating cash flow ²	62.7	88.5	+41.1%	
Net industrial CAPEX disbursed	34.7	47.4	+36.6%	
Free operating cash flow ³	45.1	25.5	-43.5%	
Net financial debt under IFRS	465.5	531.0	+14.1%	
Financial leverage ratio	2.7x	2.7x	=	

² Earnings before interest, tax, depreciation and amortization plus dividends received from non-controlling interests and the balance of other operating income and expenses and cash, less site maintenance and restoration expenses and major maintenance expenses under concession arrangements

³ Free cash flow before non-recurring industrial investments, financial investments, dividends, and debt repayment

Summary of activity and income in the six months to June 30, 2022 and of the financial situation at that date

Highlights of the period

Consolidation of Séché Assainissement

The scope of activities of the eight Sarp-Osis-IDF branches, the 100% acquisition of which had been announced in the third quarter of 2021, was consolidated on January 1, 2022, under the name Séché Assainissement.

With this acquisition, Séché Environnement rounded out its range of environmental services with new promising business activities on its target markets (industrial and public sector customers), while extending its geographical coverage to the Ile-de-France region.

The acquired activities generated revenue of approximately €27 million in 2021, for EBITDA of around €4 million and current operating income of a similar amount.

This acquisition was the subject, in the first half of 2022, of a disbursement of approximately €29 million, financed from the Group's available cash resources.

Acquisition of All'Chem, a specialist in fine chemicals

On June 9, 2022, Séché Environnement acquired All'Chem, a French specialist in fine chemical products for the pharmaceutical, agrochemical and veterinary industries.

With some sixty employees, the company operates at a versatile production site in Montluçon (Allier) and produces around fifty products for top-tier customers including BASF, Boehringer Ingelheim and Sanofi.

Its know-how and production capacities complement Speichim Processing's expertise and production facilities on the promising fine chemicals markets.

This acquisition reinforces Speichim Processing's positioning in the manufacture of active ingredients and fine chemicals – niche activities with high added value and high technological content – and it bolsters its Regeneration-Purification division by increasing its capacity to propose solutions incorporating pre- and post-distillation reactions. It also strengthens its capacity to implement dedicated circular economy solutions for chemicals with the possibility of transforming the products for subsequent recovery through distillation.

All'Chem is expected to generate revenue of approximately €18 million in 2022 for EBITDA of around €1.9 million. At the acquisition date, All'Chem's net debt totaled around €6.6 million.

This acquisition was carried out on the basis of a multiple of around 6x EBITDA and will be financed from the Group's available cash.

Speichim took exclusive control of this company on June 10, 2022: this transaction therefore had no significant impact on the results of the first half of 2022.

Planned acquisition of a portfolio of Industrial Water activities⁴

Veolia and Séché Environnement have entered into a unilateral purchase agreement under which Séché Environnement has committed to acquiring Veolia's activities in industrial water treatment services in France.

Through this acquisition, Séché Environnement strengthens its expertise in the industrial water cycle and thus expands its range of services to industry, fully complementing its industrial effluent management businesses. These services enhance Séché Environnement's outsourcing offer as part of its comprehensive services for leading industrial clients and rank it as a major player on a recurrent, high-potential market.

Finalization of this transaction is subject to consultations with Veolia's employee representative organizations and obtaining the necessary regulatory authorizations. It is expected to take place at the end of 2022 for consolidation by Séché Environnement at the start of 2023.

Sustained organic growth

Significant improvement in operational and financial performance

The first half of 2022 confirmed Séché Environnement's profitable growth momentum in all of its scopes and activities. It also benefited from spot transactions which boosted organic growth, particularly in the decontamination and environmental emergency businesses.

The good commercial, operational and financial performance in the first half of 2022 underpins the Group's expectations for the full year and beyond.

Dynamic markets in France and abroad

Sales momentum and contribution of major spot contracts

Séché Environnement is positioned on the buoyant markets of the circular economy, the decarbonization of the economy, and hazard management. These markets are sustainably supported by the societal challenges of sustainable development, which are reflected in binding regulations aimed at speeding up the ecological transition and the fight against climate change, and in the Group's industrial and public customers' growing needs in terms of industrial and regional ecology.

The Group's activities focused on waste recovery and environmental services anticipate the expectations of its customers in terms of outsourcing their ecological transition issues or meet societal expectations in terms of reducing ecological liabilities and addressing environmental accident remediation.

In France, in its contracts with manufacturers, the Group benefited from markets supported by high levels of industrial production, favoring the positive trend in volumes and prices. The local authority markets remained solid, while volume pressure on available capacity also led to favorable price trends, particularly in hazard management activities.

This bullish environment was bolstered by market opportunities, and major contracts in the decontamination and environmental emergency business lines (spot contracts), which boosted organic growth over the period.

The International division confirmed its return to a very positive growth dynamic, with all geographical regions reflecting a high level of activity, particularly in Latin America and the

⁴ See press release of May 24, 2022

Rest of the World (Solarca), which posted a sharp rebound in their activities in 2022 after several half-years affected by the consequences of the pandemic.

The International scope also includes the contribution of major spot contracts in the decontamination and environmental emergency businesses, particularly in Peru (Kanay) and South Africa (Spill Tech), which amplified the organic growth of this scope.

Acceleration in organic growth and scope effect

Séché Environnement posted **contributed revenues**⁵ of €429.2 million for the six months to June 30, 2022, representing a sharp increase of 21.0% relative to the first half of 2021 (+20.1% at constant exchange rates). This revenue includes a scope effect of €21.5 million, reflecting Spill Tech's contribution over two months (it was consolidated at March 1, 2021) and that of Séché Assainissement for six months (consolidated at January 1, 2022).

At constant scope, contributed revenue came to €407.7 million, showing an appreciable increase of 14.9% compared with the same period of 2021 (€354.7 million) and of 14.2% at constant exchange rates.

In the first half of 2022, Séché Environnement confirmed the appreciable organic growth of its activities in France and internationally:

- ▶ In **France**, business recorded strong organic growth (+9.6% to €286.4 million), with the Group benefiting from strong volumes and buoyant prices in all of its circular economy and hazard management markets, while the Services activities confirmed their momentum, recording significant contracts - spot transactions for about €10 million.
- ▶ **Internationally**, revenue at constant scope (€121.3 million) was up sharply, by +29.7% at current exchange rates and +26.0% at constant exchange rates.

All regions posted a high level of activity, particularly Latin America and Solarca (Europe and Rest of the World), which confirmed their return to growth and recorded a sharp recovery in their activities after two years marked by the consequences of the pandemic. In Latin America and South Africa, significant "spot" transactions on the decontamination and environmental emergency markets accelerated the growth momentum over the period. (for an amount of about €15 million)

⁵ See appendix 4

Strong growth in operational performance indicators, particularly internationally

Operating results, and profitability indicators, were significantly higher than in the first half of 2021:

- ▶ **EBITDA** totaled €99.9 million, up by +23.2% on H1 2021, equal to 23.3% of contributed revenue (vs. 22.9% of contributed revenue in the same period of the previous year).

It includes a scope effect related to the consolidation of Spill Tech and Séché Assainissement for €4.1 million.

At constant scope, EBITDA reached €95.8 million, up by 18.3% compared with H1 2021, or 23.5% of contributed revenue (compared with 22.6% in H1 2021).

The improvement in gross operating income on the historical scope was due to the combined effects of:

- Sales momentum, in particular positive price effects in France and favorable volume effects internationally;
- The industrial efficiency policy, which optimizes the availability of tools, increases their utilization rate and promotes the improvement of the waste mix.

- ▶ **Current operating income** (COI) came to €47.7 million, or 11.1% of contributed revenue.

It was up by 45.0% compared with the half-year to June 30, 2021. This sharp increase partly reflects the contribution of the newly consolidated companies, amounting to €2.6 million.

At constant scope, COI amounted to €45.1 million, an increase of 37.1% compared with the six months to June 30, 2021 and 11.1% of contributed revenue (vs. 9.2% for H1 2021).

This major improvement mainly reflects the favorable trend in gross operating profitability in a context of controlled depreciation expenses in line with the selective investment policy;

- ▶ **Operating income** came to €45.6 million, or 10.6% of contributed revenue (vs. 8.7% for the half-year to June 30, 2021): it increased by 48.1% compared with H1 2021, mainly reflecting the increase in COI. This balance mainly reflects the impact of business combinations in the amount of (€2.1 million) (impact of the consolidation of Séché Assainissement in particular).

Net financial income

Net financial income came to (€8.8) million, compared with (€9.4) million in H1 2021, due to the decrease in the cost of gross debt (2.56% vs. 2.78% for H1 2021) and a better balance of financial income and expenses, with, in particular, a positive result of €0.2 million for foreign exchange as against a negative €0.6 million in H1 2021.

Profit for the period attributable to the Group

After recognition of:

- ▶ Income tax of €9.8 million versus €7.2 million in H1 2021,
- ▶ The share of income of associates in the amount of (€0.2) million - vs. (€0.5) million,
- ▶ and non-controlling interests for (€1.6) million, vs. (€0.4) million,

net income attributable to the Group increased by 86.7% to €25.2 million, or 5.9% of contributed revenue, versus €13.5 million for the half-year to June 30, 2021 (3.8% of contributed revenue).

Net earnings per share amounted to €3.23 vs. €1.72 for the half-year ending June 30, 2021.

Financial robustness confirmed

Industrial investments recognized (excluding IFRIC 12) remained under control, at €41.0 million (vs. €38.8 million in H1 2021) or 9.6% of contributed revenue (10.9% in the half-year to June 30, 2021).

Recurring operating cash flow reached €88.5 million, an increase of 41.1% compared with H1 2021, mainly reflecting the increase in EBITDA.

Available operating cash flow amounted to €25.5 million (compared with €44.0 million in the six months to June 30, 2021): this contraction was mainly due to the one-off increase in WCR in connection with the high level of activity of the decontamination and environmental emergency business lines in Q2 and the corresponding increase in trade receivables.

Available cash came to €121.4 million (compared with €134.3 million one year earlier, contributing to a liquidity position of €341.4 (compared with €304,3 million at June 30, 2021).)

IFRS net financial debt was under control at €531.0 million (versus €474.8 million at December 31, 2021), mainly reflecting the effects of external growth (disbursements and scope effects).

Financial leverage was unchanged from June 30, 2021, at 2.7x EBITDA.

Recent events and outlook

Acquisition of Assainissement 34

On July 6, 2022, Séché Environnement acquired Assainissement 34, a regional player in sanitation, property hygiene and network maintenance.

This acquisition reinforces Séché Environnement's strategy in sanitation businesses, which took shape at the beginning of the year with the creation of Séché Assainissement, incorporating the eight Sarp-Osis-IDF branches. This acquisition strengthens Séché Environnement's footprint in the region, where it is already present in Villeneuve-lès-Béziers through Triadis Services, a specialist in hazardous waste sorting and consolidation.

With an annual turnover of around €4 million, this new scope will be integrated with effect from July 1, 2022.

Upward revision of growth and operating profitability targets for 2022

The good commercial, operational and financial performances achieved in H1 2022 underpin the Group's expectations in terms of organic growth, operating profitability and financial flexibility for 2022, with the Group assuming a stable economic and geopolitical environment in H2 2022 compared to the period elapsed.

Consolidated organic growth in H2 2022 should therefore return to a long-term rate, i.e. organic growth comparable to that of H1 2022 in France and Internationally, excluding the contribution of non-recurring exceptional contracts.

Taking into account the results of growth and operating income in H1, Séché Environnement is re-evaluating its targets for the current year, with organic revenue growth of between 5% and 10% compared to 2021 and EBITDA of between 23% and 24% of contributed revenue⁶.

Séché Environnement confirms its financial leverage ratio target of around 2.7x EBITDA at year-end 2022, unchanged from 2021, excluding acquisitions.

The Group is also confident of attaining the objectives set out in its roadmap through to 2025⁷.

⁶ See press release of March 7, 2022

⁷ See press release of March 7, 2022.

Results presentation webcast

September 13, 2022 at 8:30 am

Connection via the home page of Séché Environnement's website

In French: <https://www.groupe-seche.com/fr>

In English: <https://www.groupe-seche.com/en>

Next press release

Third-quarter 2022 revenue:

October 25, 2022, after market close

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, including 2,000 in France, Séché Environnement generated nearly €750 million in revenue in 2021, of which 28% from its international operations, and is expanding both through organic growth and through numerous 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 the Euronext Eurolist (Compartment B) since November 27, 1997. Its shares are eligible for equity savings funds dedicated to investing in SMEs and are 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

Relations with Analysts/Investors

Manuel ANDERSEN

Head of Investor Relations

m.andersen@groupe-seche.com

+33 (0)1 53 21 53 60

Press and Media

Constance DESCOTES

Head of Communications

c.descotes@groupe-seche.com

+33 (0)1 53 21 53 53

FINANCIAL INFORMATION AT JUNE 30, 2022
(Excerpts from the Management Report)

Commentary on business in the first half of 2022

Séché Environnement reports consolidated revenue of €463.9 million for the half-year to June 30, 2022, vs. €382.5 million for the same period of 2021.

Reported consolidated revenue includes non-contributed revenue of €34.7 million (vs. €27.8 million for H1 2021), broken down as follows:

In millions of euros	6/30/2021	6/30/2022
IFRIC 12 investments	4.9	7.1
General tax on polluting activities (TGAP)	22.9	27.6
Non-contributed revenue	27.8	34.7

Net of non-contributed revenue, contributed revenue totaled €429.2 million for the half-year to June 30, 2022, up by 21.0% relative to the same period of 2021.

It includes the contribution of Spill Tech, consolidated from March 1, 2021, as well as that of Séché Assainissement, consolidated on January 1, 2022, for a cumulative amount of €21.5 million.

At constant scope, contributed revenue came to €407.7 million (vs. €354.7 million for H1 2021), marking a sharp increase of 14.9% at current exchange rates and 14.2% at constant exchange rates.

Breakdown of revenue by geographic region

In millions of euros	6/30/2021		6/30/2022		Gross change As a %
	In €m	As a %	In €m	As a %	
Subsidiaries in France	261.2	73.6 %	299.4	69.8%	+14.6%
<i>o/w scope effect</i>	-	-	13.0		
International subsidiaries	93.5	26.4 %	129.8	30.2%	+38.9%
<i>o/w scope effect</i>	11.1	-	8.5		
Total contributed revenue	354.7	100.0%	429.2	100.0%	+21.0%

Consolidated data at current exchange rates. At constant exchange rates, contributed revenue for the half-year to June 30, 2021 came to €357.5 million, reflecting a foreign exchange gain of €2.8 million.

The first half of 2022 confirmed a high level of activity in France and abroad in the main geographical regions:

- ▶ In France, contributed revenue rose sharply (+14.6%) to €299.4 million, vs. €261.2 million in the half-year to June 30, 2021.

This increase includes a scope effect of €13.0 million linked to the consolidation of Séché Assainissement at January 1, 2022.

At constant scope, growth came to 9.6% for the period.

Séché Environnement benefited from strong industrial markets underpinned by the high level of industrial output, while local authority markets were boosted by the implementation of regulations on the circular economy.

These robust market trends and strong sales momentum enabled the Group to benefit from favorable volume and price effects.

All activities contributed to growth, in particular the environmental services activities (decontamination and environmental emergency), which recorded significant spot contracts for a cumulative amount of around €10 million.

Revenue generated in France accounted for 69.8% of contributed revenue in the six months to June 30, 2022 (vs. 73.6% for the same period of 2021);

- ▶ **International** revenue totaled €129.8 million for H1 2022 vs. €93.5 million for H1 2021, an increase of 38.9% (reported data).

International revenue was boosted by a scope effect of +€8.5 million linked to the contribution of Spill Tech over two additional months in 2022.

It recorded a positive exchange rate effect of €2.8 million, mainly linked to the South African currency, vs. (€1.0) million in H1 2021.

At constant scope and exchange rates, the increase in international revenue was 26.0% over the period, illustrating the return to strong organic growth in all geographical areas as well as the contribution of significant spot contracts in the decontamination and environmental emergency activities, for a cumulative amount of around €15 million in Latin America and South Africa:

- Europe - excluding Solarca - (revenue: €41.4 million, up by 21.0%): the growth dynamic in Europe is supported by the strong growth of Mecomer - hazardous waste platform activities in Italy - and the good performance of Valls Química - chemicals recovery in Spain;
- South Africa (revenue: €42.7 million - up by 8.9%, illustrating the good performance of Interwaste and Spill Tech activities);
- Latin America (revenue: €13.0 million - up by 106.3%): Peru and Chile show a return to normative level of activity, with Peru also recording the contribution of significant spot decontamination contracts;
- Solarca in Europe and the Rest of the World (revenue: €15.7 million - up by 82.9%): the subsidiary benefited from a record order book and returned to its high levels of activity after several half-years affected by the pandemic.

Revenue generated by international subsidiaries accounted for 30.2% of contributed revenue in the six months to June 30, 2022 (vs. 26.4% in H1 2021).

Breakdown of revenue by activity

In millions of euros	6/30/2021		6/30/2022		Gross change
	In €m	As a %	In €m	As a %	
Circular economy and decarbonization	121.1	34.1%	132.6	30.9%	+9.4%
<i>o/w scope effect</i>	-		-		
Hazard management	95.0	26.8%	106.4	24.8%	+12.1%
<i>o/w scope effect</i>	-		-		
Environmental services	138.6	39.1%	190.2	44.3%	+37.3%
<i>o/w scope effect</i>	11.1	-	21.5		
Total contributed revenue	354.7	100.0%	429.2	100.0%	+21.0%

Consolidated data at current exchange rates.

All activities contributed in a balanced way to organic growth, with environmental services benefiting from scope effects as well as the contribution of major spot contracts.

Activities related to the circular economy and decarbonization totaled €132.6 million in revenue for the six months to June 30, 2022, marking an increase of 9.4% on a reported basis (no significant exchange rate EFFECT).

This growth masks a contrasting situation between France and International, particularly in Latin America:

- ▶ In **France**, activities related to THE circular economy and decarbonization increased by 5.7% to €93.8 million (vs. €88.7 million for the same period of the previous year). They benefited from markets supported by strong customer demand for industrial or regional ecology solutions in a context of rising energy and commodity prices;
- ▶ **Internationally**, these activities posted significant growth compared to the same period in 2021 (to €38.8 million vs. €32.4 million in the period to June 30, 2021, representing an increase of 19.7% at constant exchange rates), benefiting from the dynamic performance of Valls Química (chemical regeneration in Spain) and the contribution of PCB markets in Latin America.

Activities related to the circular economy and decarbonization accounted for 30.9% of contributed revenue in the half-year to June 30, 2022 (vs. 34.1% in the half-year to June 30, 2021).

Hazard management activities recorded revenue of €106.4 million in the six months to June 30, 2022 (vs. €95.0 million for H1 2021), a significant increase of +12.1% as reported and +11.7% at constant exchange rates.

This increase reflects:

- ▶ In **France** (revenue: €95.2 million vs. €90.3 million for the six months to June 30, 2021, an increase of +5.5% over the period), with strong industrial waste volumes reinforced by positive price effects;

- ▶ **Internationally** (revenue: €11.2 million vs. €4.7 million in the half-year to June 30, 2021, up sharply (+137.6% on reported data and +124.7% at constant exchange rates), reflecting the rapid return to normal levels of activity for Latin American subsidiaries after years marked by the effects of the pandemic.

Hazard management activities accounted for 24.8% of contributed revenue in the six months to June 30, 2022 (vs. 26.8% in H1 2021).

Environmental service activities recorded revenue of €190.2 million for the half-year to June 30, 2022 (vs. €138.6 million for H1 2021, up sharply by 37.3% as reported and by 34.8% at constant exchange rates.)

This strong growth includes a scope effect linked to the consolidation of Spill tech over an additional two months and that of Séché Assainissement since January 1, 2022.

At constant scope and exchange rates, Service activities achieved a sharp increase of +19.6%.

They benefited from:

- ▶ In **France** (revenue: €97.4 million vs. €82.2 million, an organic increase of 18.4%, which includes the contribution of significant spot contracts in decontamination and environmental emergency activities (see above);
- ▶ **Internationally** (revenue: €71.3 million vs. €56.3 million, marking an organic increase of 21.1%: this performance partly reflects the contribution of significant spot contracts made by Spill Tech in South Africa (see above).

Environmental service activities accounted for 44.3% of contributed revenue in the half-year to June 30, 2022 (vs. 39.1% for H1 2021).

Breakdown of revenue by division

In millions of euros	6/30/2021		6/30/2022		Gross change
	In €m	As a %	In €m	As a %	
Hazardous Waste division	228.7	64.5 %	275.0	64.1%	+20.3%
<i>o/w scope effect</i>	11.1	-	8.5		
Non-Hazardous Waste division	126.0	35.5%	154.2	35.9%	+22.4%
<i>o/w scope effect</i>	-	-	13.0		
Total contributed revenue	354.7	100.0%	429.2	100.0%	+21.0%

Consolidated data at current exchange rates.

The various divisions contributed to growth in a relatively balanced manner:

- ▶ The **HW division**, which represented 64.1% of consolidated contributed revenue, posted contributed revenue of €275.0 million, up by 20.3% on H1 2021 (18.0% at constant exchange rates).

This increase includes a scope effect of €8.5 million, corresponding to an additional two months of Spill Tech's contribution in H1 2022.

At constant scope and exchange rates, this division's growth came to +14.3%, reflecting a high level of organic growth in all the Group's geographical regions:

- In **France**, the division brought in €178.0 million in revenue at constant scope, up by 7.8% on the first half of 2021. Over the period, the sector was supported, in its activities related to the circular economy and in those related to hazard management, by the positive effects of the increase in raw materials, which benefited chemical recycling activities among others, while the good level of industrial production encouraged the saturation of treatment facilities. Over the period, the division also benefited from the contribution of major spot contracts in the decontamination and environmental emergency business lines (see above);
 - **Internationally**, the division's revenue at its historical scope totaled €88.5 for the six months to June 30, 2022 (vs. €52.5 million in H1 2021) with very strong organic growth (+30.1%), which illustrates the rapid return of Solarca and the South American subsidiaries to normalized business conditions, as well as the contribution of significant spot contracts in Latin America and South Africa (see above).
- 📌 The **NHW division** posted contributed revenue of €154.2 million, 35.9% of the total and up by 22.3% compared with the half-year ended June 30, 2021 (published figures).

This increase includes a scope effect of €13.0 million due to the consolidation in France of Séché Assainissement. At constant scope and exchange rates, growth of this division was +13.5%.

- In **France**, the division brought in €108.5 million in revenue at constant scope, up by +12.8%. The division confirmed its good performance, sustained by regulations related to the implementation of the circular economy. It recorded positive volume and price effects;
- **Internationally**, revenue totaled €32.7 million, showing an organic increase of 15.8% at constant exchange rates, mainly due to the substantial contribution by Interwaste in South Africa.

Commentary on results for the first half of 2022

EBITDA

For the six months to June 30, 2022, Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) were up by +23.2% relative to the six months to June 30, 2021, at €99.9 million, representing 23.3% of revenues, vs. €81.1 million, or 22.9% of revenues in the first half of 2021.

This increase includes a scope effect of €4.1 million, linked to the consolidation of Spill Tech over an additional two months in H1 2022 and the consolidation, over the first six months of the year, of Séché Assainissement. The foreign exchange effect on operating balances was negligible.

At constant scope, EBITDA growth was +18.3% and the EBITDA margin came to 23.5% of revenue.

The increase in profitability of the historical scope mainly reflects:

- ▶ The effects of bullish markets and the industrial efficiency policy:
 - Favorable volume and waste mix effects for +€45.2 million, due to strong sales momentum and the increased availability of facilities;
 - Favorable price effects, for +€27.6 million, in line with high capacity use;
- ▶ Which were partially offset by the rise in:
 - Variable operating expenses (+€38.1 million), in line with the growth in activity;
 - Personnel expenses (+€10.2 million), reflecting changes in the scope of consolidation and the Group's decision to help certain categories of employees face rising inflation;
 - Maintenance and repair expenses (+€5.1 million), due to the increase in energy prices and the cost of some types of maintenance;
 - Various expenses, in the amount of +€4.6 million.

Breakdown of EBITDA by geographic scope

In millions of euros	6/30/2021			6/30/2022		
	Group	France	International	Group	France	International
Contributed revenue	354.7	261.2	93.5	429.2	299.4	129.8
EBITDA	81.1	64.5	16.6	99.9	73.0	26.9
<i>% of contributed revenue</i>	<i>22.9%</i>	<i>24.5%</i>	<i>17.8%</i>	<i>23.3%</i>	<i>24.4%</i>	<i>20.7%</i>

Consolidated data at current exchange rates.

For each geographic scope, the main changes were:

- ▶ In **France**, EBITDA totaled €73.0 million, or 24.4% of revenue. It includes a scope effect related to the consolidation of Séché Assainissement at January 1, 2022 for €1.8 million.

At constant scope, EBITDA came to €71.2 million, or 24.9% of revenue (vs. €64.5 million, or 24.5% of revenue, in H1 2021).

This improvement in the gross operating margin is mainly due to:

- Favorable business trends in terms of volumes, the waste mix and prices, due to strong market trends in France and the improvement in the capacity utilization rate resulting from the industrial efficiency policy;
- Control of operating expenses, linked in particular to the optimization of the logistics organization and the cost savings plan, and despite the increase in energy costs, wage costs and certain items of maintenance;

- ▶ **Internationally**, EBITDA totaled €26.9 million, or 20.7% of revenues. This figure includes a scope effect of €2.3 million related to the consolidation of Spill Tech over two additional months. The exchange rate effect was negligible.

At constant scope, EBITDA reached €24.6 million, or 20.3% of revenues, vs. €16.6 million, or 17.8% of revenues for the six months to June 30, 2021.

This increase mainly reflects the volume effects resulting from the sharp rebound in activity in this scope, particularly in Latin America and for Solarca.

Current operating income

Current operating income (COI) totaled €47.7 million, or 11.1% of revenue for the six months to June 30, 2022, up by 45.0% compared to the first half of 2021.

It includes a scope effect of €2.6 million, linked to the consolidation of Spill Tech over an additional two months and that of Séché Assainissement in the first six months of 2022. The exchange rate effect was negligible.

At constant scope, current operating income rose sharply (+34.3%), to €45.1 million, or 11.1% of revenue (vs. €32.9 million, or 9.3% of revenue, for H1 2021).

This improvement mainly reflects the increase in EBITDA (+€14.7 million) and tight control of depreciation and amortization expenses in line with the selective investment policy.

Breakdown of current operating income by geographic scope

In millions of euros	6/30/2021			6/30/2022		
	Group	France	International	Group	France	International
Contributed revenue	354.7	261.2	93.5	429.2	299.4	129.8
Current operating income	32.9	26.9	6.0	47.7	33.1	14.6
<i>% of contributed revenue</i>	<i>9.3%</i>	<i>10.3%</i>	<i>6.4%</i>	<i>11.1%</i>	<i>11.1%</i>	<i>11.2%</i>

Consolidated data at current exchange rates.

For each geographic scope, the main changes were:

- For **France**, COI totaled €33.1 million, or 11.1% of revenues.

This includes a scope effect related to the consolidation of Séché Assainissement, representing €0.6 million.

At constant scope, current operating income amounted to €32.6 million or 11.4% of revenues (vs. €26.9 million, 10.3% of contributed revenue in H1 2021).

This strong performance mainly reflects the increase in EBITDA and tight control of depreciation and amortization expenses;

- Internationally**, COI totaled €14.5 million, or 11.2% of revenue.

It includes a scope effect of €2.0 million relating to the consolidation of Spill Tech for an additional two months in 2022. The exchange rate effect was negligible.

At constant scope, COI amounted to €12.5 million or 10.3% of revenue (vs. €6.0 million, or 6.4% of revenue for H1 2021), representing an increase of +108,3% over the period.

This change reflects the sharp improvement in EBITDA in this scope and illustrates the restoration of the operating profitability of the International scope after returning to normalized business conditions.

Operating income

Operating income came to €45.6 million, or 10.6% of revenue, vs. €30.8 million, or 8.7% of revenue, for the half-year to June 30, 2021.

This sharp increase mainly reflects the increase in current operating income. This result mainly reflects the effects of the business combination, in the amount of (€2.1) million (impact of the integration of "sanitation" activities in particular). This balance at June 30, 2021 included impairment losses on property, plant and equipment and goodwill for €2.1 million.

Net financial income

Net financial income for the six months to June 30, 2022 came to (€8.8) million compared to (€9.4) million in H1 2021.

This improvement reflects:

- A stable cost of net debt at -€8.2 million, vs. -€8.1 million in H1 2021, due to the decline in the cost of gross debt to 2.56% (vs. 2.78% in H1 2021);
- The improvement in the balance of other financial income and expenses, which came to -€0.6 million vs. -€1.2 million in the same period of last year, mainly due to the improvement in foreign exchange income, which recorded a gain of €0.2 million vs. a negative balance of -€0.6 million a year earlier.

Income tax

Income tax expense for the first half of 2022 was (€9.8) million vs. (€7.2) million a year earlier.

It was (€6.6) million - vs. (€5.6) million one year ago) for France and (€3.2) million (vs. (€1.6) million one year ago) for the International scope.

The effective tax rate was 26.6% vs. 34.1% in H1 2021).

Share of profit of equity-accounted investees

The share of net income of associates consists exclusively of the Group's share in the income of La Barre Thomas (as in the period to December 31, 2021) and amounted to (€0.2) million for H1 2022, compared with (€0.5) million in H1 2021.

Profit for the period attributable to the Group

For the six months to June 30, 2022, total consolidated profit was €26.8 million.

After recognizing non-controlling interests in the amount of €1.6 million (vs. €0.3 million at June 30, 2021), representing in particular non-controlling interest holdings in Solarca and Mecomer, profit for the period attributable to the Group came to €25.2 million, or 5.9% of contributed revenue (vs. €13.5 million, or 3.8% of revenue in H1 2021), marking a sharp increase of 86.7% for the period.

Net earnings per share amounted to €3.23 vs. €1.72 for the period ended June 30, 2021.

Comments on cash flow for the half-year and the financial situation at June 30, 2022

Cash flow

Summary of cash flows

In millions of euros	6/30/2021	6/30/2022
Cash flows from operating activities	76.1	65.5
Cash flows from/(used in) investing activities	(67.8)	(83.3)
Cash flows from/(used in) financing activities	25.1	(31.4)
<i>Change in cash from continuing operations</i>	33.4	49.2
<i>Change in cash from discontinued operations</i>	-	-
Change in cash and cash equivalents	33.4	(49.2)

The change in cash and cash equivalents went from +€33.4 million in H1 2021 to (€49.2) million in H1 2022.

This change of -€82.6 million reflects the combined impact of:

- ▶ Cash flows from operating activities: -€10.6 million;
- ▶ Cash flows from/used in investing activities: -€15.5 million;
- ▶ Cash flows from/used in financing activities: -€56.5 million;

Cash flows from operating activities

In the first half of 2022, the Group generated €65.5 million in cash flows from operations (vs. €76.1 million one year earlier), a decrease of -€10.6 million.

This change reflects the combined effect of:

- ▶ The very sharp increase in cash flows from operating activities before taxes and financing costs, to €94.8 million (vs. €73.8 million one year earlier);
- ▶ The change in WCR of (€25.1) million over the year, a decline of (€29.9) million compared to the change recorded in H1 2021); This unfavorable change is partly due to structural causes such as the integration of Séché Assainissement, and also to one-off factors such as the recognition of significant receivables relating to major environmental emergency contracts executed in France in Q2;
- ▶ A net tax payment of -€4.1 million vs. -€2.4 million in H1 2021.

Cash flows from/used in investments

In millions of euros	6/30/2021	12/31/2021	6/30/2022
Industrial investments	43.7	92.4	41.0
Financial investments	-	1.2	0.2
Net investments recognized	43.7	93.6	41.2
Industrial investments	39.6	87.5	47.4
Financial investments	-	0.8	0.2
Acquisition of subsidiaries - Net cash flow	28.4	29.4	35.7
Net disbursements on investments	68.0	117.6	83.3

In the first half of 2022, **industrial investments recognized** amounted to €41.0 million (vs. €43.7 million over the same period of 2021).

They include:

- ▶ **Recurrent investments** totaling €27.2 million, representing 6.4% of contributed revenue (vs. €21.3 million, or 6.0% of contributed revenue, in the period to June 30, 2021);
- ▶ **Non-recurrent investments** totaling €13.8 million, or 3.1% of contributed revenue (vs. €17.5 million, or 4.9% of contributed revenue, in the half-year ended June 30, 2021). These mainly concern growth investments in service and thermal treatment activities, and the rollout of the new ERP solution.

Industrial investments can be broken down as follows:

- ▶ €5.8 million in category two expenses for major maintenance and renewal (vs. €6.0 million in the first half of 2021);
- ▶ €7.7 million for energy storage and production facilities (vs. €11.0 million in the first half of 2021);
- ▶ €4.1 million in thermal treatment facilities, platforms, and other treatment facilities (vs. €3.2 million in the first half of 2021);
- ▶ €1.8 million for materials recovery facilities (vs. €0.4 million in the first half of 2021);
- ▶ €5.0 million for eco-service systems, including the vehicle fleet (vs. €3.5 million in the first half of 2021);
- ▶ €8.6 million for holding company activities, covering information systems, regulatory investments, and development investments in subsidiaries (vs. €10.1 million in the first half of 2021);
- ▶ €8.0 million in miscellaneous recurring investments, mainly in thermal treatment and storage facilities (vs. €4.6 million in the first half of 2021).

Cash flows relating to financing activities

The balance of financing flows, (€31.4) million in the six months to June 30, 2022, reflects:

- ▶ Flows relating to new borrowings: +€16.3 million vs. +€64.4 million in H1 2021, when a bond issue of €50 million was recognized;
- ▶ Flows relating to loan repayments: (€24.6) vs. (€21.9) million in the period to June 30, 2021;
- ▶ Repayments of lease liabilities: (€11.9) million (including interest payments totaling €1.1 million), vs. (€10.0) million, including €0.9 million in interest payments in the period to June 30, 2021;
- ▶ Interest expense: (€7.4) million vs. (€6.8) million in the six months to June 30, 2021;
- ▶ Flows relating to dividends paid to non-controlling interests: (€0.9) million vs. (€0.7) million in the period ended June 30, 2021;
- ▶ Cash flows without gain of control: (€3.1) million vs. (€0.2) million in the six months to June 30, 2021;
- ▶ The €0.1 million change in treasury shares (vs. an insignificant amount in the period to June 30, 2021).

Free operating cash flow generation breaks down as follows:

In millions of euros	6/30/2021	6/30/2022
EBITDA	81.1	99.9
Other income and expenses calculated	(0.3)	(0.5)
Costs of rehabilitation and maintenance on sites and assets under concession arrangements (incl. major maintenance and renewal)	(18.5)	(10.9)
Recurring operating cash flow	62.9	88.5
Net recurring investments (excl. major maintenance and renewal)	(13.4)	(25.3)
Change in WCR	4.8	(25.1)
Tax paid	(2.4)	(4.1)
Net interest payments (including interest on finance leases)	(7.7)	(8.5)
Free operating cash flow	45.1	25.5
Cash conversion rate (free cash flow/EBITDA)	56%	26%

Recurring cash flow from operating activities totaled €88.5 million for the half-year ended June 30, 2022 vs. €62.7 million for H1 2021). This increase of 41.1% basically reflects the increase in EBITDA over the period.

Free operating cash flow fell significantly by 43.5% to €25.5 million (vs. €45.1 million in H1 2021).

This change reflects the one-off deterioration in WCR (increase in trade receivables in connection with the very strong Q2 activity in Decontamination and Environmental Emergency) and, to a lesser extent, the increase in net recurring investments disbursed compared to the same period in 2021.

This produced a ratio of free cash flow to EBITDA of 26% (vs. 54% one year earlier).

Change in net financial debt and liquidity

The Group maintains a very favorable liquidity position and thus confirms its financial flexibility.

The liquidity position at June 30 was €341.4 million (vs. €304.3m at December 31, 2021):

- ▶ Cash balance: €121.4 million (vs. €172.2 million at December 31, 2021), with this change covering cash generation over the period less changes in current bank overdrafts;
- ▶ Credit facilities: €20.0 million (unchanged relative to December 31, 2021);
- ▶ RCF: €200.0 million (vs. €150.0 million at December 31, 2021).

Over the period, Séché Environnement kept its consolidated net financial debt well under control:

In millions of euros	12/31/2021	6/30/2022
Bank debt (excl. non-recourse bank loans)	139.1	134.4
Non-recourse bank loans	27.0	25.7
Bonds	425.3	421.3
Lease liabilities	45.7	60.3
Miscellaneous financial debt	2.3	5.8
Short-term bank borrowings	7.7	4.9
Total financial debt (current and non-current)	647.1	652.4
Cash balance	172.2	121.4
Net financial debt (IFRS)	474.9	531.0
<i>o/w due in less than one year</i>	<i>(108.1)</i>	<i>(56.4)</i>
<i>o/w due in more than one year</i>	<i>583.0</i>	<i>587.4</i>

The change in net debt breaks down as follows:

In millions of euros	12/31/2021	6/30/2022
Opening net debt	450.3	474.9
Non-cash change in debt (incl. IFRS 16)	18.7	11.0
First-time consolidation	3.1	14.5
Cash flows from operating activities	(142.3)	(65.5)
Net industrial CAPEX disbursed	87.4	47.4
Net financial CAPEX disbursed	30.2	35.9
Dividends	8.5	0.9
Other financing flows	1.7	3.0
Net interest paid (including interest/finance leases)	17.3	8.5
Net debt at closing	474.9	531.0

The non-cash change in debt was mainly due to the new IFRS 16 rights of use over the period, amounting to €9.0 million and the impact of the conversion of €1.8 million.

The consolidation scope corresponds to finance leases (new rights of use under IFRS 16) resulting from the consolidation of Séché Assainissement at January 1, 2022.

At June 30, 2022, net debt (IFRS) amounted to €531.0 million (vs. €474.9 million at December 31, 2021, giving a financial leverage of 2.7x EBITDA, unchanged from December 31, 2021 (and from June 30, 2021)).

Comments on the consolidated financial position at June 30, 2022

Summary of the condensed balance sheet

In millions of euros	12/31/2021	6/30/2022
Non-current assets	809.8	890.3
Current assets (excluding cash and cash equivalents)	242.8	294.7
Cash and cash equivalents	172.2	121.4
Assets held for sale	-	-
Total assets	1,224.8	1306.4
Equity (including non-controlling interests)	274.9	300.7
Non-current liabilities	634.6	639.3
Current liabilities	315.3	366.4
Liabilities held for sale	-	-
Total liabilities	1224.8	1306.4

Change in non-current assets

Over the period, total non-current assets increased by +€80.5 million and mainly broke down as follows:

- ▶ Property, plant and equipment and intangible assets: +€72.3 million. This increase notably includes changes in the consolidation scope (integration of Séché Assainissement):
 - Goodwill: +€40.4 million, including a scope effect of €36.3 million relating to the provisional allocation of the acquisition price of the “Sanitation” business with Sarp-Osis-IDF and the provisional determination of the goodwill of All'Chem;
 - Intangible assets under concession arrangements and other intangible assets: (€0.1) million;
 - Property, plant and equipment: +€32.0 million;
- ▶ Non-current operating financial assets: +€9.2 million;
- ▶ Non-current tax receivables: (€1.0) million, due to the use of deferred tax assets.

Change in current assets

Current assets excluding cash amounted to €294.7 million, up by €51.9 million on December 31, 2021.

This increase is mainly attributable to:

- ▀ An increase in inventories, for +€5.4 million;
- ▀ A €51.2 million increase in trade receivables, as this item includes amounts receivable related to environmental emergency contracts executed at the end of the period as well as Séché Assainissement’s receivables;
- ▀ The change in operating financial assets, for -€4.7 million.

Change in equity

The change in equity (Group share) over the period breaks down as follows:

In millions of euros	Group	Non-controlling interests
Equity at January 1, 2022	269.5	5.4
Other comprehensive income	10.5	Ns
Profit for the period	25.2	1.6
Dividends paid	(7.9)	(0.9)
Treasury stock	ns	-
Business combinations	-	-
Other changes	(2.6)	(0.2)
Equity at June 30, 2022	294.7	6.0

The main changes in equity attributable to the Group reflect the recognition of profit (Group share) for the period less dividends paid to shareholders.

Change in current and non-current liabilities

Current liabilities break down as follows:

In millions of euros	12/31/2021			6/30/2022		
	Non-current	Current	Total	Non-current	Current	Total
Provisions	41.5	1.8	43.3	41.9	2.9	44.8
Other liabilities and accounts payable	4.7	248.5	253.2	4.5	291.1	295.6
Deferred taxes	5.4	-	5.4	4.9	-	4.9
Income tax payable	-	0.9	0.9	-	7.4	7.4
Total (excl. financial debt)	51.6	251.2	302.8	51.2	301.4	352.6
Financial debt	583.0	64.1	647.1	587.9	65.0	652.9
<i>o/w Derivatives</i>	-	-	-	4.3	-	4.3
TOTAL	634.6	315.3	949.9	639.2	366.4	1005.6

Current and non-current liabilities excluding financial debt amounted to €352.6 million, up +€53.8 million, reflecting mainly:

- ▶ A change in provisions, for +€1.5 million
- ▶ Other liabilities including amounts due to the government - excluding income tax - for +€42.4 million (+€31.0 million due to the deferred payment of the TGAP tax on polluting activities) and other debts (including dividends payable to shareholders, totaling €7.9 million);
- ▶ The change in taxes payable, for +€6.5 million.

APPENDIX 1

Consolidated financial position

(in thousands of euros)	12/31/2021	6/30/2022
Goodwill	324,156	364,520
Intangible assets under concession arrangements	36,846	34,503
Other intangible assets	41,901	44,166
Property, plant and equipment	344,847	376,807
Investments in associates	50	48
Non-current financial assets	11,054	15,787
Non-current derivatives - assets	-	506
Non-current operating financial assets	29,516	33,533
Deferred tax assets	21,447	20,442
Non-current assets	809,816	890,312
Inventories	17,321	22,718
Trade and other receivables	186,035	237,280
Current financial assets	3,218	4,272
Current derivatives - assets	-	-
Current operating financial assets	36,220	30,370
Cash and cash equivalents	172,201	121,406
Current assets	414,996	416,045
Assets held for sale	-	-
TOTAL ASSETS	1,224,812	1,306,358

(in thousands of euros)	12/31/2021	6/30/2022
Share capital	1,572	1,572
Additional paid-in capital	74,061	74,061
Reserves	165,452	193,919
Net income	28,384	25,172
Equity (Group share)	269,469	294,723
Minority interests	5,426	6,022
Total equity	274,895	300,745
Non-current financial debt	552,173	540,968
Non-current lease liabilities	30,833	42,703
Non-current derivatives - liabilities	0	4,264
Commitments to employees	17,178	16,282
Non-current provisions	24,314	25,606
Non-current operating financial liabilities	4,722	4,513
Deferred tax liabilities	5,383	4,847
Non-current liabilities	634,603	639,183
Current financial debt	49,102	47,258
Current lease liabilities	14,977	17,728
Current derivatives - liabilities	-	-
Current provisions	1,810	2,908
Trade payables	137,343	128,270
Other current liabilities	111,161	162,821
Tax liabilities	922	7,444
Current liabilities	315,314	366,429
Liabilities held for sale	-	-
TOTAL LIABILITIES AND EQUITY	1,224,812	1,306,358

APPENDIX 2

Consolidated income statement

(In thousands of euros)	6/30/2021	6/30/2022
Revenue	382,477	463,929
Other business income	421	876
Income from ordinary activities	382,898	464,805
Purchases used for operational purposes	(46,095)	(65,029)
External expenses	(132,251)	(160,064)
Taxes and duties	(32,726)	(36,114)
Employee expenses	(90,682)	(103,700)
EBITDA	81,144	99,899
Expenses for rehabilitation and/or maintenance of sites under concession arrangements	(5,094)	(5,097)
Depreciation & amortization, impairment, and provisions	(42,823)	(46,793)
Other operating items	(379)	(296)
Current operating income	32,848	47,712
Other non-current items	(2,063)	(2,150)
Operating income	30,785	45,562
Cost of net financial debt	(8,132)	(8,221)
Other financial income and expenses	(1,232)	(609)
Net financial income	(9,365)	(8,831)
Share of income of associates	(7,168)	(165)
Income tax	(465)	(9760)
Profit for the period	13,787	26,806
o/w attributable to minority interests	(337)	(1,634)
o/w Group share	13,450	25,172
<i>Non-diluted earnings per share (in euros)</i>	1.72	3.23
<i>Diluted earnings per share (in euros)</i>	1.72	3.23

APPENDIX 3

Consolidated statement of cash flows

(in thousands of euros)	6/30/2021	6/30/2022
Profit for the period	13,787	28,806
Share of income of associates	465	165
Dividends from joint ventures and associates	-	-
Depreciation & amortization, impairment, and provisions	43,089	47,003
Income from disposals	101	(150)
Deferred taxes	1,444	(424)
Other income and expenses	1,246	2,984
Cash flows	60,132	76,384
Income tax	5,724	10,184
Cost of gross financial debt before long-term investments	7,940	8,237
Cash flow before taxes and financial expenses	73,795	94,805
Change in working capital requirement	4,753	(25,136)
Tax paid	(2,417)	(4,132)
Net cash flows from operating activities	76,131	65,537
Investments in property, plant and equipment and intangible assets	(41,002)	(50,080)
Proceeds from sales of property, plant and equipment and intangible assets	1,403	2,976
Increase in loans and financial receivables	(77)	(273)
Decrease in loans and financial receivables	234	73
Takeover of subsidiaries net of cash and cash equivalents	(28,380)	(35,683)
Loss of control over subsidiaries net of cash and cash equivalents	(0)	-
Net cash flows from/used in investing activities	(67,821)	(83,288)

(in thousands of euros)	6/30/2021	6/30/2022
Dividends paid to equity holders of the parent	-	-
Dividends paid to holders of minority interests	(715)	(867)
Capital increase or decrease by controlling company	-	-
Cash and cash equivalents without loss/gain of control	(168)	(3,094)
Change in treasury stock	24	119
New loans and financial debt	64,555	16,306
Repayment of loans and financial debt	(21,852)	(24,562)
Interest paid	(6,758)	(7,441)
Repayment of lease liabilities and associated financial expenses	(10,011)	(11,900)
Net cash flows from/used in financing activities	25,075	(31,439)
Total cash flow for the period, continuing operations	33,385	(49,190)
Net cash flows from discontinued operations	-	-
TOTAL CASH FLOWS FOR THE PERIOD	33,385	(49,190)
Cash and cash equivalents at beginning of the period	98,184	164,520
Cash and cash equivalents at end of the period	132,251	116,480
Effect of changes in foreign exchange rates	(683)	(1,150)
(1) of which:		
Cash and cash equivalents	134,329	121,406
Short-term bank borrowings and overdrafts (current financial debt)	(2,078)	(4,926)

APPENDIX 4

DEFINITION OF CONTRIBUTED REVENUE

In €m		
Six months to June 30	2021	2022
Revenue (reported)	382.5	463.9
IFRIC 12 revenue	4.9	7.1
GTAP	22.9	27.6
Contributed revenue	354.7	429.2

Definitions

IFRIC 12 revenue: investments made for assets ceded under concessions, recognized as revenue and capitalized under intangible assets or financial assets in accordance with IFRIC 12

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

It is scheduled to change between 2021 and 2025, in both very significant and very different ways depending on the business lines and activities, leading to recognition of:

- Non-economic revenue resulting from a significant increase in the amount of tax collected, particularly within the NHW division;
- Widely varying changes across operations, not representative of their economic developments, in particular in the treatment businesses (incineration and storage of final waste).