



Sharp increase in third-quarter 2022 activity:

Revenue up 17% (current scope)

Sustained organic growth: +12%

Solid markets in France: +11%

Strong international growth: +15%

2022 growth at the high end of targets

The third quarter of 2022 confirmed the Group's high level of activity in all its geographical areas. In response to the growing challenges faced by its industrial and public customers in generating green energy or strategic, low-carbon products, Séché fully benefits from its positioning on the promising markets of the circular economy.

During the third quarter of 2022, Séché Environnement recorded contributed revenue of €214.2 million, up by 16.7% on a reported basis and by 12.0% at constant scope and exchange rates compared to the same period the previous year (€183.5 million).

Over the first nine months of the year, with contributed revenue of €643.4 million, consolidated business activity grew by 19.6% on a reported basis and 13.4% at constant scope and exchange rates¹.

In France, with contributed revenue up by 10.8% at constant scope in the third quarter, growth proved strong, illustrating the high level of activity on the industrial and local authorities markets, while no contribution of exceptional decontamination contracts was recorded for the period like the first half of the year.

International business saw dynamic growth, with third-quarter revenue up by 15.2% at constant scope and exchange rates, driven by the strong recovery in activities at Solarca, while Europe and South Africa strengthened their good performance.

This high level of activity confirms the relevance of Séché's strategy in France and outside France, particularly as a producer of green energy or high value-added and low-carbon regenerated products, and as a developer of environmental solutions for industrial clients and the regions, in a macroeconomic context characterized by the urgency of the environmental transition and the energy crisis.

Activity in the third quarter thus confirmed the Group's objectives for 2022. Séché now forecasts organic growth in contributed revenue at the higher end of its growth target of between +5% and +10% compared to 2021.²

¹ See appendix 1 for details

² See press release of September 12, 2022

Commentary on business in the third quarter of 2022

Note: the figures given below do not include the contributions of the two recently consolidated subsidiaries All'Chem and Assainissement 34. Their contribution to the consolidated revenue for Q3 and Q4 will be integrated over the 4th quarter of 2022. All'Chem's full year 2022 revenue is expected to be around €18m and Assainissement 34's full year 2022 revenue is expected to be around €4m.

During the third quarter of 2022, Séché Environnement published consolidated revenue of €233.7 million, compared to €197.1 million one year earlier.

Reported consolidated revenue includes non-contributed revenue of €54.1 million vs. €41.5 million one year earlier, broken down as follows:

In €m	Q3 2021	Q3 2022	9M 2021	9M 2022
"IFRIC 12" investments	2.1	5.2	7.0	12.2
General tax on polluting activities (TGAP)	11.6	14.3	34.5	41.9
Non-contributed revenue	13.7	19.5	41.5	54.1

Net of non-contributed revenue, contributed revenue amounted to €214.2 million compared to €183.5 million in the third quarter of 2022, an increase of 16.7% compared to the same period in 2021.

This increase includes a scope effect of €7.0 million linked to the Q3 contribution of Séché Assainissement consolidated at January 1, 2022. It also includes a positive Forex impact of €1.5 million.

At constant scope and exchange rates, contributed revenue increased by 10.8%, reflecting the solid growth of all geographic areas and divisions.

Breakdown by geographic scope

Consolidated data in €m

As of March 31	2021	2022	Gross change	Organic change
Subsidiaries in France	128.1	148.9	+16.2%	+10.8%
<i>o/w scope effect</i>	-	7.0	-	
International subsidiaries	55.4	65.3	+17.9%	+14.8%
<i>o/w scope effect</i>		-		
Contributed revenue	183.5	214.2	+16.7%	+12.0%

In the third quarter of 2021, reported revenue at constant exchange rates amounted to €185 million, showing a currency effect of +€1.5 million over the period.

France posted a good performance from its markets, while the International segment confirmed its strong growth momentum:

- In **France**, contributed revenue amounted to €148.9 million, an increase of 16.2% compared to the third quarter of 2021. This increase includes Séché Assainissement's contribution of €7.0m, consolidated at January 1, 2022.

Excluding the scope effect, growth amounted to 10.8%, illustrating the good level of growth across all activities within each division, although no exceptional decontamination contracts were recorded for the period.

Q3 benefited from the good performance of industrial markets, supported by the development of circular economy activities, particularly in the areas of low-carbon energy and the production of high value-added regenerated materials, while the Local Authorities markets confirmed their resilience, supported by a favorable regulatory environment linked to the implementation of the circular economy.

- **International** revenue was €65.3 million, up sharply by 17.9% compared to the third quarter of 2021 (reported data) and 14.8% at constant exchange rates (no scope effect).

This performance confirms the strong recovery of activities in Solarca compared to a period still affected by the consequences of the pandemic in 2021. In Europe, it also reflects the growth of Mecomer (Italy), which benefited from the ramp-up of its new capacities and in Spain, the good performance of the material recovery activities of Valls Quimica, which specializes in chemical purification. In South Africa, Interwaste and Spill Tech confirmed their growth in their respective markets (waste management and environmental emergency). Lower business growth in Latin America reflects a more contrasted situation between continued growth at a more normative pace in Chile and Peru, while PCB activities in Mexico and Argentina (spot markets) slightly declined over the period.

Analysis by activity

Consolidated data

In €m	Q3 2021	Q3 2022	Gross change	Organic change
Circular economy	58.2	63.7	+9.5%	+9,5%
<i>o/w scope effect</i>				
Hazardousness	40.4	43.6	+7.9%	+7.4%
<i>o/w scope effect</i>		-		
Services	84.9	106.9	+25.9%	+15.9%
<i>o/w scope effect</i>		7.0		
Contributed revenue	183.5	214.2	+16.7%	+12.0%

All activities contributed to the good performance in the third quarter of 2022:

- **Activities related to the Circular Economy** were driven by the impacts of regulations and customers' growing needs for low-carbon solutions for regenerated materials (Speichim, Valls Quimica) or low-carbon energy resources. These activities also benefit from the current context of rising energy and oil-sourced raw material prices: in particular, the energy recovery activities benefit from significant effects of indexation;
- **Hazard Management operations** benefited from favorable sales effects in France (volume effects and price effects), and outside France, favorable exposure to the energy and commodities markets (Chile, Peru, Solarca, South Africa). The slight decline in growth during the third quarter, which was significant in the Hazardous Waste division, reflects the strong base for the same period in 2021;

- **The Service activities** recorded a scope effect related to the consolidation of Séché Assainissement. At constant scope and exchange rates, it posted significant growth, reflecting the strong recovery in chemical cleaning activities (Solarca) as well as the growth of “Total Waste Management” activities in Peru and decontamination activities in France.

Analysis by division

Consolidated data

In €m	Q3 2021	Q3 2022	Gross change	Organic change
Hazardous waste	121.5	132.1	+8.7%	+7.9%
<i>o/w scope effect</i>				
Non-hazardous waste	62.0	82.1	+32.4%	+20.2%
<i>o/w scope effect</i>		7.0		
Contributed revenue	183.5	214.2	+16.7%	+12.0%

The various divisions contributed to growth in a balanced manner:

- **The HW division** posted a 8.7% growth over the period (actual perimeter) and 7.9% at constant exchange rates, which illustrates:
 - In France, the return of business to a more normative pace, in light of the high 2021 base and in the absence of the exceptionally large remediation contracts that have characterized the first part of the year;
 - Outside France, the strong recovery of the markets at Solarca, the return to a more normalized growth rate in Chile and Peru, the good performance of Mecomer (Italy), which benefited from the ramp-up of its new capacities, and the solid contribution of Spill Tech (South Africa).
- **The NHW division** recorded Séché Assainissement's contribution of €7 million. At constant scope and exchange rates, it posted dynamic growth (+20.2%) of which +10.8% in France with favorable sales effects linked to the implementation of the circular economy, and particularly +54.6% internationally, area which benefited from the effects of recovery in Latin America and the good performance of business in South Africa (Interwaste).

Growth outlook confirmed

The third quarter confirmed Séché Environnement's growth momentum on the promising circular economy and decarbonization of the economy markets.

Next months should be characterized in France by the return to a more normative pace of growth and internationally, still by strong recovery effects in Solarca and continued favorable market orientation in Euopre and South Africa.

The Group reaffirms its confidence in its business outlook for the year and is now expecting organic growth of its contributed revenue at the high end of its growth target of between +5% and +10% compared to 2021, at constant scope.

Conference call

A conference on Q3 2022 activity will be held, in French and in English, on October 25, 2022 at 6:00 p.m. (CET).

To participate in the conference :

- in **French**: +33 (0)1 70 37 71 66 Vocal Pin: **Séché French**

- in **English**: +44(0)33 0551 0200 Vocal Pin: **Séché English**

Presentation materials will be available from 5.45 p.m. on the Séché Environnement website:

- in French: [Présentation CA T3](#)

- in English: [Q3 Revenue Presentation](#)

The conference will be available to replay on the Company's website at the same addresses.

Upcoming event

Consolidated results as of December 31, 2022:

Monday, March 6, 2023, after market close

About Séché Environnement

Séché Environnement is a reference player in the management of waste, including the most complex and dangerous, and environmental services, especially in the event of an environmental emergency. Thanks to its expertise in the creation of circular economy loops, decarbonation and control of dangerousness, the Group has been contributing for nearly 40 years to the ecological transition of industries and territories as well as to the protection of life. French family-owned industrial group, Séché Environnement deploys the advanced technologies developed by its R&D in the heart of the territories, in more than 120 locations in 15 countries, including 50 industrial sites in France. With nearly 5,000 employees, including 2,300 in France, Séché Environnement achieved a €736 million revenue in 2021, 28% of which internationally.

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



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APPENDIX 1

Contributed revenue data at September 30, 2022 (cumulative over nine months)

Breakdown by geographic scope

Consolidated data

In €m	9/30/2021	9/30/2022	Gross change	Organic change
Subsidiaries in France	389.3	448.4	+15.2%	+10.0%
<i>o/w scope effect</i>		20.0		
International subsidiaries	148.8	195.0	+31.0%	+21.7%
<i>o/w scope effect</i>		8.5		
Contributed revenue	538.1	643.4	+19.6%	+13.4%

Breakdown by business

Consolidated data in €m

In €m	9/30/2021	9/30/2022	Gross change	Organic change
Circular economy	179.3	196.2	+9.4	+9.4%
<i>o/w scope effect</i>		-		
Hazardousness	135.3	150.1	+10.9%	+4.1%
<i>o/w scope effect</i>		8.5		
Services	223.5	297.1	+32.9%	+22.0%
<i>o/w scope effect</i>		20.0		
Contributed revenue	538.1	643.4	+19.6%	+13.4%

Breakdown by division

Consolidated data

In €m	9/30/2021	9/30/2022	Gross change	Organic change
Hazardous waste	350.1	407.2	+16.3%	+13.1%
<i>o/w scope effect</i>		8.5		
Non-hazardous waste	188.0	236.2	+25.6%	+13.9%
<i>o/w scope effect</i>		20.0		
Contributed revenue	538.1	643.4	+19.6%	+13.4%

APPENDIX 2

Definitions related to contributed revenue

IFRIC 12 revenue: investments made for disposed assets, billed back to the Licensor and booked as revenue in accordance with IFRIC 12

TGAP: 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 non-contributed revenue is also neutral in terms of operating margins.