



Consolidated results at June 30, 2023

Sustained growth

Solid operating results

Improved liquidity generation and financial flexibility

Targets for 2023 confirmed

New international acquisitions

Quality results compared to a H1 2022 sustained by spot contracts

Strong organic growth	Contributed revenue: €492 million	+9% vs. 06/30/22
High operating margins	EBITDA: €102 million (23% of revenue*)	+5%* vs. 06/30/22
	COI: €45 million (11% of revenue*)	+3%* vs. 06/30/22
Stronger financial position	Free cash flow at 45% of EBITDA	+81% vs. 06/30/22
	Financial leverage ratio: 2.7x	-0.1x vs. 12/31/2022

* at constant scope and exchange rates

Continuation of our international external growth strategy with the acquisitions of:

Furia, a hazardous waste and soil remediation specialist in Northern Italy

Rent-A-Drum, the leading waste management and circular economy firm in Namibia

Outlook for 2023 confirmed

Revenue close to €1,000 million before contributions from 2023 acquisitions

- ✓ Organic growth in the historical scope¹ at a normative rate of around +5%
- ✓ Scope effect: full-year contribution of acquisitions completed in 2022

EBITDA margin close to 22% of revenue before contribution from 2023 acquisitions

- ✓ Growth in the EBITDA margin of the historical scope¹
 - ✓ Improved operating profitability of the consolidated scopes in 2022 in line with objectives
- Financial leverage ratio of 2.7x EBITDA (excluding 2023 acquisitions)**

¹ Excluding the scope consolidated in 2022 and 2023

Press release of September 11, 2023

At the Board of Directors meeting held on September 6, 2023, to approve the financial statements for the period ended June 30, 2023, the Chairman, Joël Séché, stated:

Our achievements of the first half of 2023 confirm the relevance of our development strategy. Indeed, the quality of our economic, operational, financial and extra-financial performance confirms both our expectations for the current fiscal year, and it also validates our growth and profitability trajectory in the medium term.

During the period under review, our Group successfully continued to integrate and develop the businesses we acquired during the previous year, in promising industrial infrastructure risk management sectors such as wastewater treatment, as well as in strategic circular economy and decarbonization sectors, such as chemicals recycling and the industrial water cycle.

Within our historical scope, performance to June 30, 2023 has been strong, particularly in view of the challenging baseline in the first half of 2022 in terms of both business activity and results.

In a challenging macroeconomic context, our markets have remained well-oriented and Séché Environnement has maintained a high level of activity and operating profitability, particularly in France.

In addition, our Group has strengthened its financial position, demonstrating once again that Séché Environnement is an agile company with a liquid and flexible balance sheet.

In non-financial terms, our Group has consolidated its successes, with its climate strategy validated by the SBTi, the alignment of its activities with the EU's 'green taxonomy' strengthened, and a new Group-wide biodiversity action plan launched, among other achievements.

On the strength of these achievements, Séché Environnement is in a position to actively pursue its development strategy, and in particular its targeted external growth policy.

At the start of the second half of 2023, our Group is simultaneously making two international acquisitions, complementing the commercial, industrial, and geographic strengths of its existing facilities.

In addition, after the "Investor Day" in 2019, we would like to present before the end of the current fiscal year our new plan with financial and non-financial objectives for 2026.

It will mark a new milestone in the profitable growth strategy of a Group endowed with a long-term vision, positioned in growing markets, committed to creating a comprehensive offering of high value-added services to help economic operators meet their challenges in terms of the ecological transition and sustainable development. "

Selected financial data²

In €m	Consolidated		France		International	
	2022	2023	2022	2023	2022	2023
At June 30						
Revenue (reported)	463.9	530.1	334.1	404.4	129.8	125.7
Contributed revenue	429.2	491.6	299.4	365.9	129.8	125.7
EBITDA	99.9	101.9	73.0	81.4	26.9	20.5
<i>% of revenue</i>	23.3%	20.7%	24.4%	22.3%	20.7%	16.3%
COI	47.7	45.3	33.1	35.9	14.6	9.4
<i>% of revenue</i>	11.1%	9.2%	11.1%	9.8%	11.2%	7.5%
Operating income	45.6	45.5				
<i>% of revenue</i>	10.6%	9.3%				
Net financial income	(8.8)	(11.4)				
<i>% of revenue</i>	(2.1)%	(2.3)%				
Income tax	(9.8)	(9.0)				
<i>% of revenue</i>	(2.3)%	(1.8)%				
Share of income of equity-accounted investees	(0.2)	(1.2)				
Minority interests	(1.6)	(1.0)				
Net income attributable to company shareholders	25.2	23.0				
<i>% of revenue</i>	5.9%	4.7%				
Net earnings per share	€3.23	€2.94				
Cash flow						
Recurring operating cash flow	88.5	88.5				
<i>% of revenue</i>	20.6%	18.0%				
Net CAPEX paid	47.4	42.2				
<i>% of revenue</i>	11.0%	8.6%				
Available operating cash flow	25.5	46.2				
<i>% of revenue</i>	5.9%	9.4%				
Balance sheet						
Net financial debt	531.0	581.7				
Financial leverage ratio	2.7x	2.7x				

Published consolidated data

² The percentages shown in the tables and mentioned in the comments below are calculated based on contributed revenue.

Summary of activity, results, and financial position for the period ended June 30, 2023

At June 30, 2023, Séché Environnement posted revenue of €491.6 million, up +14.5% on a reported basis and +8.5% on an organic basis³ compared with the first half of 2022.

In the first half of 2023, the Group maintained strong growth in most markets and delivered quality results, particularly within its historical scope.

Indeed, the past period compares to a first half of 2022 which recorded the significant contribution of «spots» contracts in terms of activity as well as operational results. It also recorded a significant foreign exchange effect outside France, as well as a tax impact from the electricity price cap in France.

At the same time, the Group consolidated the businesses acquired in 2022 and pursued its acquisition strategy in France and abroad.

The Group also strengthened its financial position by significantly improving its liquidity generation and maintaining its financial flexibility.

The achievements of the first half of 2023 allow the Group to confidently look forward to continuing its internal and external growth momentum and to confirming all its objectives for the 2023 financial year.

Consolidation of new strategic activities

Acquisition of Assainissement Rhône-Isère (ARI)

On January 16, 2023, Séché Environnement completed the acquisition of Assainissement Rhône-Isère (ARI), since renamed Séché Assainissement Rhône-Isère.

Based in Bonnefamille (Isère) and present throughout the Auvergne-Rhône-Alpes region, this company provides sanitation, industrial cleaning and high-pressure hydrocleaning services. Licensed to work on Seveso sites, the company generated revenue of around €2 million in 2022.

The acquisition price of approximately €0.7 million was financed by drawing on the Group's cash.

This acquisition completes Séché Environnement's commercial operations with respect to industrial clients in the Rhône-Alpes region.

For technical reasons, ARI – now Séché Assainissement Rhône-Isère – was not included in the scope of consolidation at June 30, 2023, without any material impact on the consolidated activity, results, and financial position at that date.

³ At constant scope and exchange rates.

Transfer of a portfolio of “Industrial water” activities

During the first half of 2023, Séché Environnement continued the transfer of a portfolio of industrial water management activities acquired from the Veolia Group on November 30, 2022.

The acquired assets include contracts signed with more than 120 manufacturers and a network of twenty branches in France. The process also involved the transfer of some 350 employees – specialists in industrial water cycle management.

With their highly technological nature and reliance on rare expertise, these businesses enhance Séché Environnement’s outsourcing offer as part of its “comprehensive service” to its industrial clients. These businesses address with recurring markets with high barriers to entry and high potential in view of the growing environmental problems related to access, reuse and return to the natural environment of this resource.

This portfolio of contracts represents revenue – over a full year – of around €50 million, of which some €38 million were transferred by December 31, 2022. The transfer of the entire business should be completed by the end of 2023.

UPON completion of the transfer operations, the total amount paid for this acquisition should be on the order of €35 million (of which nearly €31 million had been disbursed by December 31, 2022).

First half in line with annual targets

Continued strong organic growth momentum – excluding contribution from spots markets in H1 2022

The first half of 2023 confirms Séché Environnement's strong growth momentum in its markets. By June 30, 2023, **contributed revenue** had risen by +14.5% to €491.6 million.

at constant scope and exchange rates, contributed revenue amounted to €457.0 million, representing organic growth⁴ of +8.5%.

This increase was particularly strong in the first half of 2022, due in particular to emergency environmental contracts «spots» that had significantly contributed to the activity of the period (up to approximately €25 million).

- **In France**, with contributed revenue of €365.9 million, growth amounted to 22.2% on a reported basis and 10.6% on an organic basis.

Séché Environnement benefited from strong industrial and public authority markets in terms of volume and prices, which underpinned the growth of its businesses, particularly those linked to the Circular Economy and Decarbonization, as well as environmental services.

The scope effect was €34.6 million, reflecting the contribution of subsidiaries consolidated during the 2022 financial year (All'Chem, Séché Assainissement 34, and STEI⁵).

⁴ At constant scope and exchange rates

⁵ For technical reasons, Séché Assainissement Rhône-Isère, acquired in January 2023, was not included in the scope of consolidation at June 30, 2023, without any material impact on the consolidated activity, results, and financial position at that date.

- **Internationally**, with revenue of €125.7 million at June 30, 2023, the scope of consolidation showed a slight decrease of (3.1)% on a reported basis, but an increase of +2.9% on an organic basis, after taking into account the strongly negative foreign exchange effect (on the order of €7.9 million, mainly due to the deterioration of the South African rand (ZAR) -vs. a positive foreign exchange effect of + €2.8 million at June 30, 2022.

Over and above the foreign exchange effect, international activity compares with the particularly strong baseline of the first half of 2022, which benefited from the significant contribution of exceptionally large “one-off” environmental emergency contracts (for around €15 million) in South Africa and Latin America. To a lesser extent, Solarca is experiencing occasional delays in its projects, which should be made up in the coming months.

Strong operating results within historical scope

Operating results, both gross and current, were up on the same period last year:

- **Earnings before interest, taxes, depreciation, and amortization (EBITDA)** stood at €101.9 million at June 30, 2023, up +2.0% on a reported basis and +4.9% on an organic basis. This gives a margin of 20.7% of contributed revenue.

This increase is appreciated compared to the first half of 2022, which recorded the significant contribution of emergency environmental contracts «spots», particularly on the international scope. It also includes a negative currency effect and the impact of the change in scope in France.

- **In France**, EBITDA totaled €81.4 million, or 22.3% of contributed revenue on a reported basis, and 25.0% at constant scope (vs. 24.4% at June 30, 2022).

The €1.3 million scope effect reflects in particular the recognition over the period of non-recurring expenses related to the consolidation of the activities of new subsidiaries (premises, vehicles, information systems, etc.) and, with particular respect to STEI, to subcontracting expenses which continue to be paid to the vendor during the transition period.

At constant scope and exchange rates, the increase in the gross operating margin reflects commercial effects (volumes and prices) which continue to be generally favorable, as well as the positive effects of industrial efficiency and cost control policies, despite a persistent inflationary environment.

In addition, EBITDA was impacted in the amount of €(4.1) million by the capping of electricity sale prices provided for in the amended French Finance Act for 2023; adjusting for this taxation effect, EBITDA would have amounted to 25.3% of contributed revenue in the first half of 2023, vs. 24.4% a year earlier).

- **Internationally**, EBITDA totaled €20.5 million, or 16.3% of contributed revenue. 20.7% at June 30, 2022). This balance includes a significant foreign exchange effect of (€1.6) million vs. negligible effect compared to a year ago.

At constant exchange rates, the EBITDA margin would have been 16.5% of revenue. This is compared with the high EBITDA baseline in the 2022, which benefited from a significant contribution from “one-off” environmental emergency contracts.

- **Current Operating Income (COI)** grew in line with EBITDA, totaling €45.3 million at June 30, 2023, or 9.2% of contributed revenue. At constant scope and exchange rates, this represents an increase of +3.1% compared with the first half of 2022, to 10.6% of contributed revenue:
 - **In France**, it totaled €35.9 million, representing 9.8% of contributed revenue on a reported basis and 11.8% at constant scope (vs. 11.1% a year ago). This trend reflects growth in EBITDA and tight control over depreciation and amortization allocations, resulting from an optimized investment policy.
 - **Internationally**, operating income totaled €9.4 million, or 7.5% of revenue on a reported basis, and 7.6% at constant exchange rates (vs. 11.2% a year ago). This change essentially reflects that seen in EBITDA, which last year benefited from the operational contribution of environmental emergencies contracts.
- **Operating income** came to €45.5 million, or 9.3% of contributed revenue (vs. €45.6 million, or 10.6% of contributed revenue to June 30, 2022). At June 30, 2022, this result included registration fees of €(1.6) million relating to the acquisition of Séché Assainissement.

Net income attributable to company shareholders at 5% of contributed revenue

Net financial income came to (€11.4) million, vs. (€8.8) million at June 30, 2022.

This change essentially reflects the rise in gross debt costs (+€2.6 million) resulting from the increase in average gross financial debt over the period, as the average gross financial debt cost rose from 2.56% in the first half of 2022 to 3.14% in the first half of 2023.

After accounting for:

- **Income tax** of (€9.0) million, vs. (€9.8) million a year earlier, giving a tax rate of 26.3%, vs. 26.6% in the first-half of 2022;
- **Share of profit of equity-accounted investees** was (€1.2) million, vs. (€0.2) million a year earlier, which included one-off expenses linked to the planned winding-down of Gerep;
- **Income from non-controlling interests** (mainly related to investments in South Africa) was (€1.0) million, vs. (€1.6) million a year ago;

Net income attributable to company shareholders stood at €23.0 million, or 4.7% of contributed revenue at June 30, 2023, vs. €25.2 million (or 5.9% of contributed revenue) a year earlier.

As a result, **Earnings per share** came to €2.94, vs. €3.23 at June 30, 2022.

Strong liquidity generation and improved financial flexibility

In the first half of 2023, Séché Environnement confirmed its ability to control its industrial investments (particularly recurring investments). The Group generated strong free cash flow and improved its financial flexibility.

Over the period, **free operating cash flow generation**⁶ rose by +81.2% to €46.2 million (vs. €25.5 million at June 30, 2022), notably through:

- **Changes in the working capital requirement (WCR)** were under control, down from (€25.1) million a year ago to (€5.8) million at June 30, 2023. In the first half of 2022, the change in the WCR was adversely affected by the inclusion of Séché Assainissement (formerly OSIS-IDF);
- Optimized **net disbursed industrial investments** at 8.6% of revenue (vs. 11.0% at June 30, 2022), with recurring capital expenditure – excluding major maintenance and renewal – coming in at €21.8 million, or 4.4% of contributed revenue (vs. €25.3 million at June 30, 2022, or 5.9%).

The **free cash flow to EBITDA rate** stood at 45%, significantly higher than the Group's targets ("greater than or equal to 35% of EBITDA").

The **liquidity position** was strong at €311.3 million euros, vs. €313.1 at December 31, 2022, with a **cash balance** of €116.3 million, vs. €126.1 million at December 31, 2022.

Net financial debt fell slightly to €581.7 million, vs. €587.4 million at December 31, 2022.

Financial leverage improved to 2.7 times EBITDA, vs. 2.8 times EBITDA at December 31, 2022.

⁶ Free cash flow before non-recurring industrial investments, financial investments, dividends, and debt repayment

Recent events and outlook

Ongoing international acquisitions strategy

Acquisition of Furia in Italy

Furia specializes in the collection, sorting, consolidation, and recovery of hazardous and non-hazardous industrial waste. The Company also generates 40% of its revenue from soil remediation and site decontamination activities.

Furia is an integrated operator across the entire industrial waste management value chain, offering its large industrial clients (ENI, Enel...) collection, sorting, massification, material recovery, and transfer of non-recoverable waste towards treatment and energy recovery solutions.

Located in Caorso, south-east of Milan, Furia has 120 highly qualified employees working under a management team that upholds the same environmental values and family business culture as Séché Environnement; its platform, authorized for 220,000 tons per year, is perfectly synergized in commercial, industrial, and geographical terms with Mecomer's facilities, also located near Milan (authorized for 180,000 tons per year), as well as those of Tredi-Salaise (Isère), of which it is already a customer.

In particular, Furia and Mecomer complete and strengthen the Group's commercial offering on the industrial waste markets in Northern Italy; enabling them to offer comprehensive services to their large industrial clients.

As a result, the two companies now position Groupe Séché Environnement as one of the leading players in the hazardous waste markets in Northern Italy.

This new entity also helps broaden and consolidate the Group's diversified supply of hazardous waste.

In 2022, Furia has achieved revenue of around €52 million, generating EBITDA of around €6.5 million.

The acquisition, involving 100% of the capital, is based on a multiple of 7 times the 2022 EBITDA. It is debt-financed, initially by drawing on the Group's liquidity line and then refinanced on a long-term basis.

Signed at the beginning of August 2023, this acquisition will be finalized in the weeks following the preparation of this document, subject to the fulfillment of conditions precedent for the benefit of both parties.

Acquisition of Rent-A-Drum (Namibia)

Rent-A-Drum is Namibia's leading waste management company. It offers a wide range of services to its clientèle of large Namibian companies, as well as to a number of leading local authorities such as the capital Windhoek, thanks to its integrated waste recovery and treatment services.

Its expertise covers most areas of hazardous and non-hazardous waste management, as well as medical waste. Rent-A-Drum is active in on-site waste collection and management, recycling, landfill management and rehabilitation, deconstruction, and site decontamination.

With a workforce of around 500 skilled employees, and already OHSAS 18001-certified and ISO 14001 and ISO 9001-certified, Rent-A-Drum is driven by experienced management and strong environmental values.

With a growth strategy focused on the circular economy and recovery businesses that already account for a quarter of its revenue, the company is supported by recent logistics tools and 7 sites in Namibia, including a solid recovered fuel (SRF) production unit and 2 recovery units for materials as diverse as aluminum cans, cardboard packaging, plastic bottles and aerosols, which RAD sends to South Africa to be transformed into new materials. The company is also expanding in the hazardous waste market, particularly with industrial customers in the mining sector, which accounts for almost 40% of its revenue.

The Company has forecast revenue of around €7.5 million in 2022, up around 20% on 2021, for an EBITDA of around €0.9 million.

Along with South Africa and Mozambique, this acquisition completes Séché Environnement's presence in Southern Africa, with industrial clients who are key targets for the Group, and in attractive regions with strong economic potential and demanding environmental regulations.

Completed at the end of August 2023, the acquisition concerns 100% of the shares and will be financed from the Group's cash resources.

Strong outlook for 2023

A second half of 2023 focused on growth and profitability

Positioned as a specialist in the Circular Economy in sustainable growth markets in France and abroad

Séché Environnement is developing in the growth markets of the ecological transition and is positioning itself in the high-barrier businesses of the circular economy and the decarbonization of economic activities; the Group is also positioning itself as a specialist in Hazard Management and the protection of human health and the environment.

Both in France and abroad, the Group offers its industrial and public-sector clients highly technological tools and rare know-how in the form of high value-added services, enabling them to control the impact of their activities on the environment, gain access to rare, low-carbon resources, materials and energy, and meet their targets for reducing greenhouse gas emissions.

In this way, the Group's offer meets the growing needs of its clients in the medium term, posed by the restrictive regulations associated with the ecological transition, as well as their short-term economic imperatives, such as access to competitively priced local resources.

Séché Environnement considers that this growth dynamic in its markets is sustainable and gives its businesses a high degree of visibility and resilience over the medium term.

Continued organic growth momentum

The achievements of the first half of 2023 confirm Séché Environnement's objectives for the current fiscal year⁷.

Séché Environnement expects its organic growth to continue over the next few months at a rate close to that seen in the recent period.

- **In France**, organic growth should remain strong, driven mainly by Services and the Circular economy businesses.
- **Internationally**, the second half of 2023 will be compared with a less demanding baseline, which should allow this scope (in particular, Spill Tech) to return to a more normal level of growth - excluding the impact of exchange rates. In addition, Solarca is expected to make up for the construction delays observed in the first half of 2023.

Overall, Séché Environnement confirms its **target of 5% organic growth** in contributed revenue compared to its historical scope⁸.

With the contribution of the scopes consolidated in 2022, contributed revenue should be nearly €1,000 million in financial year 2023.

Focus on maintaining operating margins, free cash flow generation, and financial flexibility

The Group will continue to improve its operating margins:

- **In France**, within its historic scope, the Group will intensify its policy of industrial efficiency and cost control to continue to offset the inflationary pressures that persist in some of its costs (subcontracting, payroll costs, etc.).

The recently consolidated scope – in particular, STEI – should see a gradual increase in profitability, after the non-recurring consolidation and transition expenses which affected its operating profitability in the first half of 2023.

- **Internationally**, the return of certain subsidiaries (in particular, Solarca, Spill Tech...) to a better level of activity should improve their contribution to operating results in this scope (excluding foreign exchange effects).

Séché Environnement thus confirms its **target of gross operating profitability** (EBITDA/contributed revenue) for 2023 at close to 22% of contributed revenue (before acquisitions made in the second half of 2023).

The Group will strive to increase its **operating free cash flow**⁹ above its target of 35% of EBITDA through:

- Controlling industrial investments: the Group is targeting an amount close to €100 million, or around 10% of contributed revenue by 2023, in line with its medium-term targets.
- Controlling working capital requirements after a 2022 financial year impacted by the successive consolidations of Séché Assainissement and STEI.

⁷ See: Press release of March 6, 2023

⁸ Excluding the scope consolidated in 2022 and 2023

⁹ Free cash flow before financing of development investments, financial investments, dividends, and before repayment of debt.

Press release of September 11, 2023

Séché Environnement thus confirms its **financial leverage** target of 2.7 times EBITDA at December 31, 2023 (excluding acquisitions made in the second half of 2023).

In addition, Séché Environnement will hold an 'Investor Day' at the end of 2023 to present its medium-term financial and non-financial objectives.

Results presentation webcast **September 12, 2023 at 8.30 a.m.**

Connect on the home page of the Séché Environnement website

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

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

Next release

Third-quarter 2023 revenue: October 24, 2023 after market close

Investor Day December 12, 2023

About Séché Environnement

Séché Environnement is a leading player in waste management, including the most complex and hazardous waste, and in environmental services, particularly in the event of an environmental emergency. Thanks to its expertise in the creation of circular economy loops, decarbonization and hazard control, the group has been contributing to the ecological transition of industries and territories, as well as to the protection of the living world, for nearly 40 years. A French family-owned industrial group, Séché Environnement deploys the cutting-edge technologies developed by its R&D department at the heart of territories in more than 120 locations in 15 countries, including some 50 industrial sites in France. With over 5,700 employees, including 2,500 in France, Séché Environnement generated revenue of nearly €900 million in 2022, 30% of which from its international operations.

Séché Environnement has been listed on the Euronext Eurolist (Compartment B) since November 27, 1997. It 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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FINANCIAL INFORMATION AT JUNE 30, 2023 (Excerpts from the Management Report)

Comments on activity and results for the year ended June 30, 2023

Change in consolidated activity

Reported revenue and contributed revenue - Scope effect

At June 30, 2023, Séché Environnement reported consolidated revenue of €530.1 million, vs. €463.9 million at June 30, 2022.

The reported consolidated revenues include non-contributed revenue of €38.5 million (vs. €34.7 million at June 30, 2022), which breaks down as follows:

In €m	06/30/2022	06/30/2023
IFRIC 12 investments	7.1	9.0
French General Tax on Polluting Activities	27.6	29.5
Non-contributed revenue	34.7	38.5

Net of non-contributed revenue, **contributed revenue** came to €491.6 million, vs. €429.2 million at June 30, 2022, an increase of +14.5% over the period.

This includes a **scope effect** of €34.6 million, broken down as follows:

- All'Chem (France), consolidated from June 2022: €8.5 million;
- Séché Assainissement 34 (France), consolidated from July 2022: (2.1 million);
- Séché Traitement Eaux Industrielles – STEI (France), consolidated from December, 2022: €24.0 million.

It should be noted that Séché ARI, acquired in January 2023, was not included in the scope of consolidation at June 30, 2023, with no material impact on the analysis of consolidated revenues and results for the period.

Breakdown of scope effect by activity and division

In €m	Services	Circular Economy:	Hazard Management	Total
Hazardous waste	24.0	8.5	-	32.5
Non-hazardous waste	2.1	-	-	2.1
Total	26.1	8.5	-	34.6

Press release of September 11, 2023

The period saw a **negative foreign exchange effect** of (€7.9) million, mainly due to the deterioration of the South African rand (compared with a positive foreign exchange effect of +€2.8 million at June 30, 2022).

At constant scope, contributed revenue amounted to €457.0 million at June 30, 2023, up 6.5% at current exchange rates and 8.5% at constant exchange rates.

Breakdown of revenue by geographic region

	06/30/2022		06/30/2023		Gross change	Organic change
	In €m	In %	In €m	In %	As a %	As a %
Subsidiaries in France	299.4	69.8%	365.9	74.4%	+22.2%	+10.6%
o/w scope effect	-	-	34.6	-		
International subsidiaries	129.8	30.2%	125.7	25.6%	-3.1%	+2.9%
o/w scope effect	-	-	-	-		
Total contributed revenue	429.2	100.0%	491.6	100.0%	+14.5%	+8.5%

Consolidated data at current exchange rate At constant exchange rates, contributed revenue for the year ended June 30, 2022 came to €421.3 million, reflecting a negative foreign exchange effect of (€7.9) million.

The first half of 2023 confirmed strong performance in France, reinforced by the contribution of the newly consolidated scopes, while growth Internationally was penalized by the comparison to the first half of 2022, which included the significant contribution (of the order of €15 million) of exceptionally large environmental emergencies “spots” contracts, as well as the deterioration of the exchange rate in South Africa:

- **In France**, contributed revenue rose sharply (+22.2%) to €365.9 million, vs. €299.4 million at June 30, 2022. This increase includes a scope effect of €34.6 million linked to the consolidation of All'Chem, STEI, and Séché Assainissement 34 (see above).

At constant scope, growth came to +10.6%, confirming the strong dynamics of the Group's markets.

Séché benefited from industrial markets supported by industrial production maintained at high levels among its key customers, and from public authority markets driven by the implementation of regulations related to the circular economy.

This favorable context drove growth in Environmental Services (up 12.2% in organic terms) and in businesses linked to the Circular Economy and Decarbonization (up 17.8% in organic terms).

Sales generated by subsidiaries in France accounted for 74.4% of contributed revenue at June 30, 2023 (vs. 69.8% one year earlier).

- **Internationally**, revenue amounted to €125.7 million at June 30, 2023, vs. €129.8 million a year earlier, showing a slight decline of (3.1) % on a reported basis. This weaker performance is due in part to the high basis of comparison in the first half of 2022 and the deterioration in the South African Rand (ZAR).

At constant exchange rates, international revenue was up +2.9%, with the situation varying from one subsidiary to another:

- **Europe** (excluding Solarca): revenue came to €41.8 million, up +1.2% on the same period last year, reflecting the stabilization at a high level of business at the main subsidiaries, particularly in Italy (Mecomer) and Spain (Valls Quimica), against a dynamic first half of 2022.
- **South Africa**: revenue fell by 4.4% to €49.3 million. Interwaste's growth momentum (+18.6%), resulting from its recent capacity expansions, among other things, was hampered by the weaker performance of Spill Tech (-38.3%), whose activity is compared with the first half of 2022, which benefited from exceptionally large environmental emergency contracts.
- **Latin America**: strong revenue growth – up 64.7% to €21.6 million – confirms the strong dynamics of the Peruvian and Chilean markets. In particular, Peru was able to compensate through new service contracts, environmental emergency contracts having boosted its growth in the first half of 2022.
- **Solarca** in Europe and the rest of the world: the -17.8% decline in revenue to €12.9 million resulted from postponements of work sites to the second half of 2023, and from comparison with the high baseline of the first half of 2022, characterized by a very strong recovery in business after two years affected by the Covid pandemic.

Revenue earned by subsidiaries outside France accounted for 25.6% of contributed revenue for the year ended June 30, 2023 (vs. 30.2% one year earlier).

Breakdown of revenue by activity

	06/30/2022		06/30/2023		Gross change	Organic change
	In €m	In %	In €m	In %	As a %	As a %
Services	190.2	44.3%	233.4	47.5%	22.7%	+12.2%
o/w scope effect	-		26.1			
Circular economy and decarbonization	132.6	30.9%	155.6	31.7%	17.4%	+10.8%
o/w scope effect	-		8.5			
Hazard management	106.4	24.8%	102.6	20.8%	-3.6%	-1.1%
o/w scope effect	-	-	-			
Total contributed revenue	429.2	100.0%	491.6	100.0%	14.5%	+8.5%

Consolidated data at current exchange rate

Growth in the first half of 2023 was driven by Services activities and those linked to the circular economy and decarbonization. In France, which continues to be a positively oriented market in terms of both volumes and prices, revenue was also sustained by the contribution of recently consolidated acquisitions, while the situation outside France is more uneven, given the challenging baseline in the of 2022 as well as foreign exchange effects.

Service activities posted revenue of €233.4 million for the year ended June 30, 2023, an increase of +22.7% (reported data).

This strong growth includes the consolidation of STEI and Séché Assainissement 34 (+€26.1 million).

At constant scope and exchange rates, Services activities revenue grew by +10.4% to €207.3 million.

These figures benefited from:

- **In France** (Revenue: €122.6 million vs. €110.4 million, an increase of +11.0%): robust performance in the “comprehensive service” business and in remediation and environmental emergencies businesses, despite the high activity level in the first half of 2022.
- **Internationally** (revenue: €84.7 million vs. €79.8 million, up +13.8%): the decline in activity at Spill Tech and Solarca (in view of the very strong performance generated by these subsidiaries in the first half of 2022) was more than offset by the solid contribution of Interwaste and the roll-out of new pollution control contracts in Peru.

Environmental Services activities accounted for 47.5% of contributed revenue at June 30, 2022 (vs. 44.3% a year earlier)

Activities related to the Circular Economy and Decarbonization generated revenue of €155.6 million at June 30, 2022, up +17.4% on a reported basis. This includes the consolidation of All'Chem (+€8.5 million).

At constant scope and exchange rates, revenue rose by 10.8% over the period, mainly reflecting performance in France:

- **In France**, these activities grew by +17.6% to €110.3 million. They benefited from structurally dynamic markets that support materials recovery activities, such as chemical recycling, while energy recovery activities are seeing the full impact of the indexation of steam supply contracts recorded in fiscal year 2022;
- **Internationally**, these activities showed a slight decline compared with the same period in 2022 (down -5.6% to €36.8 million), partly due to Valls Quimica (chemical purification), whose activity for the period is compared with a high baseline in the first half of 2022 (in trading activities in particular).

Activities related to the circular economy and decarbonization accounted for 31.7% of contributed revenue at June 30, 2023 (vs. 30.9% one year earlier).

Hazard Management activities generated revenue of €102.6 million at June 30, 2023, a decline of -0.8% on a reported basis and +1.9% at constant exchange rates.

At constant scope and exchange rates, this change reflects:

- **In France** (Revenue: €98.4 million, up +3.3%), the slower growth in volumes in a context of saturation with respect to operating permits, particularly in the final waste management business, while prices remained strong, especially in the thermal treatment business.
- **Internationally** (revenue: €4.2 million, down -22.9%), the weaker performance of Latin America in the final waste management business compared with a dynamic first half of 2022.

Hazard Management activities accounted for 20.8% of contributed revenue at June 30, 2023 (vs. 24.8% one year earlier).

Breakdown of revenue by division

	06/30/2022		06/30/2023		Gross change	Organic change
	In €m	In %	In €m	In %	As a %	As a %
Hazardous waste	275.0	64.1%	323.2	65.7%	+17.5%	+4.8%
o/w scope effect	-		32.5			
Non-hazardous waste	154.2	35.9%	168.4	34.3%	+9.3%	+13.5%
o/w scope effect	-		2.1			
Total contributed revenue	429.2	100.0%	491.6	100.0%	+14.5%	+8.5%

Consolidated data at current exchange rate

Over the period, division trends varied from one geographical area to another. Their growth in France confirms the positive trend in volumes and prices in most Hazardous and Non-Hazardous Waste markets, while internationally, Non-Hazardous Waste markets drove growth:

- The **Hazardous Waste** division generated contributed revenue of €323.2 million, up +17.5% compared with June 30, 2022. This increase includes a +€32.5 million scope effect due to the contribution of All'Chem and STEI over the period.

At constant scope and exchange rates, revenue grew by +4.8%, reflecting varying contributions from the Group's geographical regions:

- **In France**, the division generated revenue of €200.8 million, up +12.8% compared to the first half of 2022. Over the period, the division's growth was supported by the Services businesses (industrial services, environmental services, etc.) and by businesses related to the Circular Economy, which benefited from the dynamic growth of the chemicals recycling business and positive trends in energy recovery activities, which benefited from the full effect of indexation of energy sales contracts during the 2022 financial year.
- **Internationally**, revenue for the division stood at €89.8 million at June 30, 2023, down -9.5% on the same period last year. This decline is mainly attributable to the very high basis for comparison in the first half of 2022, both in the Services in South Africa (Spill Tech) and in the Hazard Management in LatAm (Peru).

The Hazardous Waste division accounted for 65.7% of revenue, vs. 64.1% a year ago.

- The **Non-Hazardous Waste** division posted contributed revenue of €168.4 million, up +9.3% on June 30, 2022 on a reported basis, including a scope effect of +€2.1 million relating to the contribution of Séché Assainissement 34 over the period. **At constant scope and exchange rates**, the division grew by +13.5%:
 - **In France**, this division generated €130.4 million in revenue, an increase of +7.4%. The division continues to demonstrate robust performance, supported by regulations related to the implementation of the circular economy and positive price effects in a saturated environment with respect to operating permits;
 - **Internationally**, revenue reached €35.9 million, up +55.8% on the same period last year, thanks to a strong contribution from Interwaste.

The Non-Hazardous Waste division accounted for 34.3% of revenue (35.9% a year ago).

Change in Operating income

EBITDA

At June 30, 2023, **earnings before interest, taxes, depreciation and amortization** (EBITDA) stood at €101.9 million, or 20.7% of contributed revenue, up +2.0% on June 30, 2022 (€99.9 million, or 23.3% of contributed revenue). This increase includes a **scope effect** of (€1.3) million, related to the consolidation of All'Chem, Séché Assainissement 34, and STEI over the period. It also includes a negative **foreign exchange effect** of (€1.6) million primarily due to the deterioration of the South African rand.

At constant scope, EBITDA stood at €104.8 million, up +4.9% compared to the first half of 2022, giving a gross operating margin of 22.5% of contributed revenue.

The changes in EBITDA and gross operating margin over the period primarily reflect:

- The strong baseline in the first half of 2022, marked by the significant contribution of exceptionally large environmental emergency “spots” contracts, and to a lesser extent by the effects of the post-Covid recovery, which had significantly boosted the activity of certain international subsidiaries (in particular, Solarca).
- Overall positive commercial effects related to positive market trends and the effects of the industrial efficiency policy, particularly in France.
 - Stable volume effects and waste-mix effects for (€0.3) million, favorable momentum resulting from positive commercial effects, and good availability of thermal treatment facilities in France, hampered by the weaker performance outside France.
 - A strong positive price effect of +€26.8 million, reflecting the good level of saturation of facilities in France and positive price trends in all regions.

This was partially offset by the increase in:

- Variable operating costs (+€10.9 million), notably impacted by inflationary effects on certain subcontracting costs, while the Group has observed a relative decline in the price of certain costs in France compared with the same period last year (energy...).
- Payroll costs (+€6.3 million), reflecting the Group's determination to support its employees through a salary policy adapted to inflationary pressures.
- Maintenance and repair costs (+€1.5 million), which remained under control due to the relative decline in the cost of certain maintenance items compared with the first half of 2022.
- Miscellaneous expenses of +€3.4 million, including +€4.1 million from the electricity price cap applied by the amended French Finance Act for 2023. Adjusting the contributed revenue for this price cap, at constant scope and exchange rates, and all other things being equal, the EBITDA margin rate would have been 23.6% of contributed revenue (vs. 23.3% for the first half of 2022, a period not subject to this tax).

Breakdown of EBITDA by geographic area

In €m	06/30/2022			06/30/2023		
	Group	France	Inter ^{nal}	Group	France	Inter ^{nal}
Contributed revenue	429.2	299.4	129.8	491.6	365.9	125.7
EBITDA	99.9	73.0	26.9	101.9	81.4	20.5
% of contributed revenue	23.3%	24.4%	20.7%	20.7%	22.3%	16.3%

Consolidated data at current exchange rate

For each geographic scope, the main changes were:

- **In France**, EBITDA amounted to €36.0 million, or 22.3% of revenue. This includes a scope effect of (€1.3) million linked to the gross operating contribution of All'Chem, Séché Assainissement 34, and STEI, with these new subsidiaries – in particular, STEI – recording significant non-recurring consolidation costs over the period.

At constant scope, EBITDA France came to €82.7 million, or 25.0% of revenue (vs. €73.0 million, or 24.4% of revenues a year ago).

This increase in gross operating profitability was mainly due to:

- Favorable commercial effects, in terms of volumes, waste mix, and prices, in line with robust market trends in France and the improved tool utilization rate and productivity gains resulting from the industrial efficiency policy.
 - Control of operating expenses, despite persistent inflationary pressures on external costs (subcontracting) which were not offset by the decline in certain costs (energy, maintenance, etc.) and the increase in payroll costs due to the Group's determination to support its employees' purchasing power.
 - A tax effect in the amount of €4.1 million respecting the taxation of sub-marginal profits from electricity sales provided for by the amended French Finance Act for 2023. Excluding this effect, all other things being equal, the EBITDA margin for this scope would have been 25.3% of contributed revenue (vs. 24.4% for the first half of 2022, a period not subject to this tax).
- **Internationally**, EBITDA stood at €20.5 million, or 16.3% of revenue (vs. €26.9 million, or 20.7% of revenues a year earlier). This includes a significant foreign exchange effect of (€1.6) million, compared to a negligible foreign exchange effect a year ago.

At constant exchange rates, EBITDA represented 16.5% of revenues. This unfavorable trend in gross operating profitability mainly reflects the impact of:

- The non-renewal of exceptionally large environmental emergency contracts which had made a significant contribution to the operating performance of certain subsidiaries in the first half of 2022 (Spill Tech, etc.);
- Delays in activity for certain subsidiaries, such as Solarca, compared with the same period last year, which had been characterized by high levels of activity linked to the post-Covid recovery of industrial maintenance work sites.

Current operating income (COI)

At June 30, 2023, **current operating income** (COI) stood at €45.4 million, or 9.2% of revenues. This includes a scope effect of (€3.0) million and a negative foreign exchange effect of (€0.8) million.

At constant scope and exchange rates, COI was €49.2 million, or 10.6% of revenue (vs. €47.7 million, or 11.1% of revenue at June 30, 2022). This growth primarily reflects the increase in EBITDA at constant scope and exchange rates, as well as tight control over depreciation and amortization expenses in line with our selective investment policy.

Breakdown of current operating income by geographic scope

In €m	06/30/2022			06/30/2023		
	Group	France	Inter ^{nal}	Group	France	Inter ^{nal}
Contributed revenue	429.2	299.4	129.8	491.6	365.9	125.7
COI	47.7	33.1	14.6	45.3	35.9	9.4
% of contributed revenue	11.1%	11.1%	11.2%	9.2%	9.8%	7.5%

Consolidated data at current exchange rate

For each geographic scope, the main changes were:

- **In France**, COI totaled €35.9m, or 9.8% of revenue. This includes a scope effect of (€3.0) million.

At constant scope, COI amounted to €39.0 million, or 10.7% of revenue (vs. €33.1 million and 11.1% of revenue a year earlier).

This increase mainly reflects the rise in EBITDA at constant scope (+€9.3 million) as well as strictly controlled depreciation and amortization expenses, thanks to selective investment and an industrial efficiency policy.

- **Internationally**, COI totaled €9.4 million, or 7.5% of revenue (vs. €14.6 million and 11.2% of revenue a year ago). This includes a negative foreign exchange effect of (€0.8) million.

At constant exchange rates, COI was 7.6% of revenue. This change essentially reflects that of EBITDA outside France over the period.

Operating income (OI)

Operating income reached €45.5 million, or 9.3% of revenue, vs. €45.6 million, or 10.6% of revenue at June 30, 2022.

This stability essentially reflects the trend in COI as well as the the non-recurrence of expenses linked to the effects of the business combinations, which had reduced the balance by (€2.1) million at June 30, 2022. This result also includes income of €1.1 million from the disposal of fixed assets.

Change in Net income attributable to company shareholders

Net financial income

At June 30, 2023, Net financial income stood at (€11.4) million, compared with (€8.8) million a year earlier.

This change reflects:

- The rise in **gross debt costs** to (€11.1) million, vs. (€8.5) million a year earlier, in line with the change in the average gross debt cost to 3.14% (vs. 2.56% in the first half of 2022), as well as the increase in average net financial debt over the period.
- The change in the balance of **other financial income and expenses**, amounted to (€0.9) million, vs. (€0.6) million a year earlier, primarily due to a negative foreign exchange result of (€0.1) million, compared to positive foreign exchange result of +€0.2 million a year earlier.

Income tax

At June 30, 2023, income tax expenses stood at (€9.0) million, vs. (€9.8) million.

This breaks down to (€6.8) million – compared to (€6.5) million a year ago – for France and (€2.1) million – vs. (€3.3) million a year ago – Internationally.

The Group's **effective tax rate** stood at 26.3% at June 30, 2023, vs. 26.6% a year ago.

Share of profit of equity-accounted investees

Share of profit of equity-accounted investees amounted to (€1.2) million at June 30, 2023 (vs. (€0.2) million a year earlier). This unfavorable trend is linked to Gerep in the amount of (€1.0) million.

Net income attributable to company shareholders

At June 30, 2023, **Net income before non-controlling interests** came to €24.0 million.

After accounting for minority interests, which amounted to €1.0 million (vs. €1.6 million at June 30, 2022), representing in particular minority interests in Solarca and the South African subsidiaries, **Net income attributable to company shareholders** came to €23.0 million, or 4.7% of contributed revenue (vs. €25.2 million and 5.9% of revenue in the first half of 2022).

Earnings per share came to €2.94, vs. €3.23 at June 30, 2022.

Comments on cash flows and the financial position for the year ended June 30, 2023

Cash flow

Summary consolidated statement of cash flows

In €m	06/30/2022	06/30/2023
Cash flow from operating activities	65.5	84.9
Cash flows from investments	(83.3)	(57.0)
Cash flows from financing activities	(33.7)	(34.4)
Change in cash from continuing operations	(51.5)	(6.5)
Change in cash flow from discontinued operations	-	-
Change in cash and cash equivalents	(51.5)	(6.5)

The change in cash and cash equivalents went from (€51.5) million at June 30, 2022 to (€6.5) million at June 30, 2023.

Over the period, this change of +€45.0 million reflects the combined impact of:

- The change in cash flows generated by operating activities: +€19.4 million.
- The change in cash flows related to investments: +26.3 million;
- The change in cash flows related to financing activities: (€0.7) million.

Cash flows from operating activities

In the first half of 2023, the Group generated €84.9 million in cash flow from operating activities (vs. €65.5 million one year earlier), an increase of +€19.4 million.

This increase reflects the combined effect of:

- Solid cash flow from operating activities before tax and financing costs, at €95.2 million (vs. €94.8 million one year earlier);
- A significant reduction in the **change in WCR** to (€5.8) million, an improvement of +€19.3 million compared with the change observed in the first half of 2022.
- The change in **net tax expense** to (€4.4) million from (€4.1) million at June 30, 2022.

Investment flows

In €m	06/30/2022	12/31/2022	06/30/2023
Net industrial investments (excl. IFRIC 12)	41.0	105.0	36.7
Net financial investments	0.2	0.2	-
Investments recorded	47.6	105.2	36.7
Industrial investments	47.4	95.7	42.2
Financial investments	0.2	3.0	14.1
Acquisition of subsidiaries - Net cash flow	35.7	77.7	0.7
Investments paid out	83.3	176.4	57.0

During the first half of 2023, **industrial investments** were particularly tightly controlled, amounting to €36.7 million (vs. €41.0 million over the same period in 2022).

These include:

- **Recurring investments** of €25.1 million, or 5.1% of contributed revenue (vs. €27.2 million at June 30, 2022, or 6.4% of contributed revenue).
- **Non-recurring investments** of €11.6 million, or 2.4% of contributed revenue (vs. €13.8 million at June 30, 2022, or 3.1% of contributed revenue). These mainly concern growth investments in services and thermal treatment businesses, as well as investments in safety, regulatory compliance, and information systems.

By activity, industrial investments break down as follows:

- Hazard Management: €14.0 million vs. €17.6 million a year ago – of which €6.7 million of category 2 “major maintenance and renewal” expenses, vs. €5.8 million in the first half of 2022;
- Circular Economy: €1.0 million (vs. €1.8 million in the first half of 2022);
- Services: €6.9 million (vs. €5.0 million in the first half of 2022);
- Security - Regulations - Information systems (holding): €10.0 million (vs. €8.6 million in the first half of 2022);
- Others: €4.8 million (vs. €8.0 million in the first half of 2022).

Net cash relating to financing activities

The balance of net cash relating to financing activities, i.e., (€34.4) million at June 30, 2023, includes:

- Cash flows from new borrowings: +€51.8 million vs. +€19.5 million in the first half of 2022.
- Cash flows from loan repayments: (€62.7) million vs. (€29.9) million in the first half of 2022.

Press release of September 11, 2023

- Repayment of lease liabilities: (€13.3) million (including interest paid of €1.5 million) vs. (€11.9) million, of which €1.1 million interest in the first half of 2022.
- Interest expenses: (€8.8) million. (€7.4) million in the first half of 2022.
- Cash flows from dividends paid to non-controlling interests (€0.8) million. (€0.9) million in the first half of 2022.
- Cash flows without gain of control: (€0.6) million. (€3.1) million in the first half of 2022.
- Changes in treasury shares in an insignificant amount (vs. €0.1 million a year ago).

The generation of **free operating cash flow** can be analyzed as follows:

In €m	06/30/2022	06/30/2023
EBITDA	99.9	101.9
Other income and operating expenses	(0.5)	(1.7)
Rehabilitation and maintenance expenses for sites and assets under concession (including major maintenance and renewal)	(10.9)	(11.7)
Recurring operating cash flow	88.5	88.5
Net disbursed recurring investments (excluding major maintenance and renewal)	(25.3)	(21.8)
Change in WCR	(25.1)	(5.8)
Tax paid	(4.1)	(4.4)
Net interest payments (including interest on lease liabilities)	(8.5)	(10.3)
Free operating cash flow	25.5	46.2
Cash conversion rate (free operating cash flow/EBITDA)	26%	45%

Recurring operating cash flow¹⁰ was at the same level as last year, €88.5 million, taking into account the change in EBITDA over the period, on the one hand, and calculated operating expenses and rehabilitation and maintenance expenses for concession sites (including major maintenance and renewal) on the other.

Free operating cash flow¹¹ improved significantly by +81.2% to €46.2 million (vs. €25.5 million a year ago), which reflects the reduction in changes in working capital over the period. The change in WCR in the first half of 2022 was mainly due to the increase in trade receivables resulting from the consolidation of Séché Assainissement's activities. In the first half of 2023, the change in WCR is explained by the high level of activity of certain subsidiaries in France and Peru at the end of the period.

¹⁰ See paragraph 1.1.2 "Definitions."

¹¹ Free cash flow before non-recurring industrial investments, financial investments, dividends, and repayment of financial debt.

Press release of September 11, 2023

The level of free operating cash flow shows an **EBITDA-to-cash conversion rate** of 45% (vs. 26% a year earlier) significantly higher than Group targets (“greater than or equal to 35% of EBITDA”).

Changes in liquidity, net financial debt, and flexibility

The Group maintained a solid **liquidity position**, at €311.3 million, vs. €313.1 million at December 31, 2022. The liquidity position breaks down as follows:

- Cash balance: €116.3 million (vs. €126.2 million at December 31, 2022); this trend shows that over the period, net of variations in short-term borrowing, cash generation fell from €2.7 million to €1.1 million.
- Overdraft facilities: €20.0 million (unchanged from December 31, 2022).
- Revolving credit facility (“RCF”): €175.0 million, vs. €167.0 million at December 31, 2022.

Net financial debt breaks down as follows:

In €m	31/12/2022	06/30/2023
Bank loans	186.5	178.8
Non-recourse loans	24.3	22.9
Bonds	415.8	416.5
Lease debt	65.4	61.1
Miscellaneous financial debt	9.6	2.6
Factoring debt	7.0	5.6
Derivatives	-	9.4
Short-term bank borrowings	2.7	1.1
Total financial debt (current and non-current)	713.6	698.0
Cash balance	125.2	116.3
IFRS net financial debt	587.4	581.7
<i>o/w due in less than one year</i>	<i>(14.8)</i>	<i>(15.9)</i>
<i>o/w due in more than one year</i>	<i>602.2</i>	<i>597.6</i>

At June 30, 2023, 74% of gross financial debt, including lease liabilities and after recognizing hedging instruments, was hedged at fixed rates (vs. 73% at December 31, 2022).

The change in **net financial debt** breaks down as follows:

Press release of September 11, 2023

In €m	12/31/2022	06/30/2023
Net financial debt at opening	474.9	587.4
Cash flows from operating activities	(148.1)	(84.9)
Net industrial CAPEX disbursed	95.7	42.2
Net financial CAPEX	(0.1)	14.8
Dividends paid	8.8	0.8
Net interest payments (including on lease liabilities)	17.0	10.3
Cash and cash equivalents without loss/gain of control	16.1	0.6
Other financing flows	0.6	-
Net financial debt constant scope and before non-cash effects	at 464.9	571.2
First-time consolidation	80.7	0.7
Non-cash change in debt (including IFRS 16)	41.8	9.8
Net financial debt at closing	587.4	581.7

At June 30, 2023, **net debt (IFRS)** stood at €581.7 million (vs. €587.4 million at December 31, 2022), marking a decline of (€5.7) million over the period.

The non-cash variation in debt is mainly due to new IFRS 16 rights-of-use contracted over the period.

The new consolidation (non-cash effect) corresponds to the goodwill arising on the acquisition of Séché Assainissement 34.

The **financial leverage ratio** stood at 2.7 times EBITDA, a slight improvement compared with December 31, 2022 (2.8 times EBITDA).

APPENDIX 1

Consolidated financial position

(in thousands of euros)	12/31/2022	06/30/2023
Goodwill	395992	395260
Concession intangible assets	30861	28603
Other intangible assets	44151	45976
Property, plant and equipment	409251	402840
Investments in equity-accounted investees	1067	885
Non-current financial assets	32955	40119
Non-current derivatives - assets	777	692
Non-current operating financial assets	32805	31123
Deferred tax assets	15475	16047
Non-current assets	963335	961545
Inventories	25556	26090
Trade and other receivables	245727	307279
Current financial assets	3306	3362
Current derivatives - assets	-	-
Current operating financial assets	40473	49804
Cash and cash equivalents	126166	116343
Current assets	441,229	502876
Assets held for sale	-	-
TOTAL ASSETS	1404564	1464422

(in thousands of euros)	12/31/2022	06/30/2023
Share capital	1572	1572
Additional paid-in capital	74061	74061
Reserves	189861	219201
Net income	44608	22973
Equity attributable to company shareholders	310102	317807
Equity attributable to non-controlling interests	7286	7291
Total equity	317388	325098
Non-current financial debt	547878	548650
Non-current lease liabilities	44680	39556
Non-current derivatives - liabilities	10341	10057
Employee commitments	18029	19199
Non-current provisions	30181	30720
Non-current operating financial liabilities	4761	6873
Deferred tax liabilities	4893	4575
Non-current liabilities	660763	659629
Current financial debt	90553	78709
Current lease liabilities	20882	21720
Current derivatives - liabilities	-	-
Current provisions	2681	2577
Trade payables	165086	174184
Other current liabilities	146119	197428
Tax liabilities	1092	5076
Current liabilities	426412	479695
Liabilities held for sale	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1404564	1464422

APPENDIX 2

Consolidated income statement

(in thousands of euros)	06/30/2022	06/30/2023
Revenue	463929	530137
Other business income	876	751
Income from ordinary activities	464805	530887
Purchases used for operational purposes	(65,029)	(73,447)
External expenses	(160,064)	(190,162)
Taxes and duties	(36,114)	(42,292)
Employee expenses	(103,700)	(123,055)
EBITDA	99899	101931
Expenses for rehabilitation and/or maintenance of sites under concession arrangements	(5,097)	(5,049)
Depreciation, impairment, and provisions	(46,793)	(50,928)
Other operating items	(296)	(614)
Current operating income	47712	45340
Other non-current items	(2,150)	133
Operating income	45562	45473
Cost of net financial debt	(8,221)	(10,431)
Other financial income and expenses	(609)	(930)
Net financial income	(8,831)	(11,361)
Share of income of equity accounted investees	(165)	(1,207)
Income tax	(9,760)	(8,957)
Net income	26806	23949
o/w attributable to non-controlling interests	(1,634)	(976)
o/w attributable to company shareholders	25172	22973
<i>Non-diluted earnings per share (in euros)</i>	3.23	2.94
<i>Diluted earnings per share (in euros)</i>	3.23	2.94

APPENDIX 3

Consolidated statement of cash flows

(in thousands of euros)	12/31/2022	06/30/2023
Net income	47870	23949
Share of profit of equity-accounted investees	1341	1207
Dividends from joint ventures and equity accounted investees	-	-
Depreciation, impairment, and provisions	96714	50056
Income from disposals	(55)	(1,078)
Deferred taxes	4386	(818)
Other income and expenses	6850	1445
Cash flows	157106	74761
Income tax	14845	9774
Cost of gross financial debt before long-term investments	16939	10639
Cash flow before taxes and financial expenses	188890	95174
Change in working capital requirement	(24,971)	(5,831)
Tax paid	(15,803)	(4,420)
Net cash flows from operating activities	148117	84923
Investments in property, plant and equipment and intangible assets	(99,861)	(43,344)
Disposals of property, plant and equipment and intangible assets	4157	1063
Increase in loans and financial receivables	(18,632)	(15,648)
Decrease in loans and financial receivables	2518	1549
Acquisition of subsidiaries net of cash and cash equivalents	(76,239)	(670)
Loss of control over subsidiaries net of cash and cash equivalents	(1,426)	-
Net cash flows from investment activities	(189,483)	(57,049)

(in thousands of euros)	12/31/2022	06/30/2023
Dividends paid to parent company shareholders	(7,806)	(0)
Dividends paid to non-controlling interests	(1,027)	(806)
Capital increase or decrease by controlling company	580	-
Cash and cash equivalents without loss/gain of control	(3,047)	(565)
Change in treasury shares	111	13
New loans and financial debt ⁽¹⁾	104804	51805
Repayment of loans and financial debt ⁽²⁾	(60,683)	(62,689)
Interest paid	(14,580)	(8,830)
Repayment of lease liabilities and associated financial expenses	(23,547)	(13,315)
Net cash flows from financing activities	(5,195)	(34,387)
Total cash flow for the period, continuing operations	(46,561)	(6,513)
Net cash flows from discontinued operations	-	-
TOTAL CASH FLOWS FOR THE PERIOD	(46,561)	(6,513)
Cash and cash equivalents at beginning of the period ⁽²⁾	169901	123451
Cash and cash equivalents at end of the period ⁽¹⁾	123451	115225
Effect of changes in foreign exchange rates	(112)	1713
(1) of which:		-
Cash and cash equivalents	126166	116343
Short-term bank borrowings and overdrafts (current financial debt) ¹	(2,715)	(1,117)

(1) To be comparable with the presentation used at June 30, 2023, these lines have been restated less the amount of the factoring debt at June 30, 2022, i.e., €3.2 million. Factoring debt has been excluded from "Cash and cash equivalents at the end of the period" and reclassified under "New loans and financial debt".

(2) To be comparable with the presentation at June 30, 2023, these lines have been restated less the amount of the factoring debt at December 31, 2021, i.e., €5.4 million. The factoring debt, excluded from cash and cash equivalents at December 31, 2021, was repaid in the first half of 2022.