

Activity in Q3 2023

Contributed revenue up +13%
or +8% at constant scope and exchange rates

Confirmation of 2023 targets

Acquisition of Essac in Peru

Q3 2023 confirmed the Group's strong performance in France (75% of contributed revenue), while subsidiaries outside France continued to record mixed results.

The solid performance achieved over the first 9 months of the year confirms the Group's objectives for the 2023 financial year.

During the quarter, Séché actively pursued its external growth strategy; following the acquisitions of Furia and Rent-A-Drum², the Group announced the acquisition of Essac, an environmental emergency specialist in Peru.

In Q3 2023, Séché Environnement posted revenue of €241.7 million, up 12.8% on a reported basis and +7.8% on an organic basis¹ compared with the same period last year (€214.2 million).

This positive evolution is in line with the trends of previous quarters.

In France, contributed revenue is up +11.7% at constant scope, this strong performance confirming the robustness of the industrial and local authorities markets. Internationally, there was a slight decline in activity (-1.8% at constant exchange rates) due to mixed trends across subsidiaries and geographical areas.

Over the first 9 months of 2023, contributed revenue totaled €733.3 million, a sharp increase of +14.0% on a reported basis and +8.3% on an organic basis.

This good performance confirms the Group's ability to achieve its objectives for the 2023 financial year².

¹ At constant scope and exchange rates

² See Press release of September 11, 2023

Comments on activity in Q3 2023

In Q3 2023, Séché Environnement reported consolidated revenue of €259.5 million, compared with €233.7 million a year earlier.

The reported consolidated revenue includes non-contributed revenue³ of €17.8 million (vs. €19.5 million a year earlier), which breaks down as follows:

In €m	Q3 2022	Q3 2023	9M 2022	9M 2023
IFRIC 12 investments	5.2	3.1	12.2	12.1
French General Tax on Polluting Activities (TGAP)	14.3	14.7	41.9	44.2
Non-contributed revenue	19.5	17.8	54.1	56.3

Net of non-contributed revenue, **contributed revenue** came to €241.7 million in Q3 2023, compared with €214.2 million a year earlier, an increase of +12.8% on the same period in 2022.

This includes a **scope effect** of €15.4 million linked to the contribution in Q3 of:

- Séché Assainissement 34, consolidated as of October 1, 2022, for €1.1 million;
- STEI, consolidated on December 1, 2022, for €13.9 million;
- Séché Assainissement Rhône-Isère (ARI), consolidated on July 1, 2023, for €0.4 million.

This includes a negative **foreign exchange effect** of (€4.2) million.

At constant scope and exchange rates, contributed revenue rose by 7.8%, illustrating the positive trend in business across most of the Group's geographical areas.

Breakdown of revenue by geographic scope

Consolidated data

In €m	Q3 2022	Q3 2023	Gross change	Organic change
Subsidiaries in France	148.9	181.8	+22.1%	+11.7%
<i>o/w scope effect</i>		15.4		
International subsidiaries	65.3	59.9	-8.2%	-1.8%
<i>o/w scope effect</i>		-		
Contributed revenue	214.2	241.7	+12.8%	+7.8%

In Q3 2022, contributed revenue at constant exchange rates came to €209.9 million, reflecting a negative currency effect of (€4.3) million over the period.

The strong market dynamics in France were confirmed; internationally, results were mixed, depending on the subsidiary and geographical area:

- **In France**, contributed revenue amounted to €181.8 million, marking a very significant increase of +22.1% compared to Q3 2022. This increase includes a scope effect of €15.4 million (see above).

At constant scope, growth came to +11.7%, illustrating a sustained level of activity within each division.

³ See appendix 2

Growth in Q3 was driven by positive trends in the industrial and local authority markets, reflected in particular by solid growth in the circular economy and services businesses.

- **Internationally**, revenue totaled €59.9 million, down -8.2% on Q3 2022 (on a reported basis). This change partly reflects a strongly negative foreign exchange effect of (€4.2) million, primarily resulting from the depreciation of the South African rand (ZAR) over the period.

At constant exchange rates, revenue was down slightly (-1.8%), with variations between subsidiaries and regions:

- In **Europe**, the moderate increase in revenue (+1.0% to €19.4 million) reflects the decline at Valls Quimica (Spain) as the subsidiary strategically repositioned itself on higher value-added chemical purification activities, while in Italy, Mecomer benefited from the ramp-up of its new capacities.
- In **South Africa**, the downturn (-16.9% to €23.5 million) reflects the decline of Spill Tech (“one-off” environmental emergency activities) and the weaker performance of Interwaste due to a high basis for comparison in Q3 2022.
- In **Latin America**, subsidiaries posted a very strong performance (+79.8% to €10.8 million), confirming the region’s strong dynamics since the beginning of the year, with industrial markets favorably exposed to raw materials and energy, particularly in Peru and Chile.
- In **Europe and the rest of the world**, Solarca reported a lower level of activity compared with a strong Q3 2022 (-17.7% to €6.2 million), despite a solid order book.

Analysis by activity

Consolidated data

In €m	Q3 2022 (actual)	Q3 2022 (restated)	Q3 2023	Gross change	Organic change
Services	106.9	93.4	107.4	+22.6%	+3.5%
<i>o/w scope effect</i>			15.4		
Circular economy	63.7	70.7	83.2	+17.6%	+17.4%
<i>o/w scope effect</i>			-		
Hazard Management	43.6	50.1	51.1	+1.9%	+1.8%
<i>o/w scope effect</i>			-		
Contributed revenue	214.2	214.2	241.7	+12.8%	+7.8%

**Some international contracts have been reclassified between different activities. The 2022 data have been restated to allow comparability of information.*

Activities contributed unevenly to the good performance in Q3 2023:

- **Services activities** posted revenue of €107.4 million, strongly up (+22.6%) compared with the same period last year partly due to a scope effect of €15.4 million.

At constant scope and exchange rates, revenue growth was +3.5% due to a weaker performance in South Africa (where Interwaste posted a significant but one-off decline in view of the high level of activity in Q3 2022). This evolution is more than offset by the dynamism of the France perimeter where growth is still robust with an increase of +9.3%.

- **Circular Economy activities**, up +30.3%, were driven by chemical recycling (Speichim) and energy recovery activities, in a context of strong demand for low-carbon materials and energy resources that are local, available, and competitively priced;
- **Hazard Management activities** posted growth of +17.0%; these activities benefited from favorable commercial effects in the main business lines in France, and internationally from the strong dynamics of industrial markets in Peru and Chile (mining, raw materials, energy, etc.).

Analysis by division

Consolidated data

In €m	Q3 2022	Q3 2023	Gross change	Organic change
Hazardous waste	132.1	168.2	+27.3%	+14.4%
<i>o/w scope effect</i>		13.9		
Non-hazardous waste	82.1	73.5	-10.4%	-4.2%
<i>o/w scope effect</i>		1.5		
Contributed revenue	214.2	241.7	+12.8%	+7.8%

In Q3 2023, the divisions made varying contributions to growth:

- **The Hazardous Waste division** posted strong growth of +27.3% on a reported basis. This increase includes a €13.9 million contribution from the new STEI scope.

At constant scope and exchange rates, the division posted growth of +14.4%. This good performance reflects:

- In France, strong industrial markets underpinning all the Group's activities, especially those related to the circular economy and services.
 - Internationally, business with industrial customers in Italy and Latin America remained dynamic.
- **The Non-Hazardous Waste division** posted a -10.4% decline compared with Q3 2022 on a reported basis, partly reflecting the significant foreign exchange effect over the period. **At constant scope and exchange rates**, the division was down -4.2%, as the one-off decline in international business (South Africa) failed to be offset by the strong performance in France (+6.4%).

Outlook for 2023 confirmed

Q3 2023 confirmed Séché Environnement's robust growth in its main markets. Over the first 9 months of the year, the Group achieved solid growth in its activities⁴, with +8.3% growth in contributed revenue on an organic basis.

Séché Environnement anticipates continued growth over the coming months, both in France and internationally where Solarca and Interwaste in particular, are expected to experience more sustained activity in the coming months.

⁴ See appendix 1

Positioned in the buoyant, high-visibility markets of the circular economy and the decarbonization of economic activities, the Group addresses, both in France and internationally, the problems faced by economic players in controlling the environmental impact of their activities.

With 66% of its businesses aligned with the “European green taxonomy”, the Group is responding to the growing regulatory obligations imposed on industrial entities and local authorities in terms of ecological transition, as well as their essential challenges in terms of sustainability as well as local and industrial ecology.

Backed by its value-added services offering (45% of contributed revenue at June 30, 2023) and its ability to diversify its waste supplies, Séché benefits from a particularly resilient business model.

Séché thus reaffirms its confidence in achieving its objectives for 2023 and in its ability to pursue sustainable growth.

The Group will unveil its medium-term financial and non-financial objectives at an Investor Day to be held on December 12, 2023.

Continued external growth strategy: acquisition of Essac in Peru

Essac is one of Peru’s leading emergency responders, specializing in industrial fire emergencies. The company also provides training and instruction in industrial risks and regulations, risk prevention, and industrial site audits (representing around 12% of its revenue).

With 127 qualified employees and a management team experienced in emergency response, particularly to fire hazards, the company has modern response equipment and a fleet of 22 vehicles ensuring 24/7 response capability.

With a portfolio of multi-year contracts, generally concluded for periods of 3 to 5 years, and a high renewal rate, Essac benefits from high contributed revenue visibility.

Today, the company has a strong presence with major industrial customers in the mining (Cerro Verde, Chinalco, etc.) and energy (Repsol, etc.) sectors, and is rapidly expanding into many industrial (Qroma, Pamolsa, etc.) and service (Marriott, Jorge Chavez Lima Airport, etc.) sectors.

The acquisition of Essac enhances the range of environmental services offered by Séché to its industrial customers in Peru, and perfectly complements the commercial and industrial activities of its subsidiary Kanay, which operates in hazardous waste management and industrial services.

With revenue growth of around 25% since 2019, Essac achieved sales of around €4.0 million for EBITDA of around €1.2 million in 2022.

The deal, worth around €7 million, concerns 100% of the capital and is financed by the Group’s cash flow.

Videoconference

A videoconference will be held, in French only, on **October 24, 2023 at 6:00 p.m. (CET)**, to review business activity in Q3 2023

To participate in the videoconference : +33 (0)1 7099 5363 + Code 48551193#

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

- in French: [Présentation PowerPoint](#)

- in English: [PowerPoint Presentation](#)

A replay of the conference will be available on the Company's website at the same address.

Upcoming events

Investor Day

December 12, 2023

Consolidated results at December 31, 2023:

March 11, 2024 after market close

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 over 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 and EnterNext Tech 40 indices. ISIN code: FR 0000039139 – Bloomberg: SCHP.FP – Reuters: CCHE.PA

For more information: www.groupe-seche.com



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APPENDIX 1

Contributed revenue data to September 30, 2023 (cumulative 9 months)

Breakdown by geographic scope

Consolidated data

In €m	09/30/2022	09/30/2023	Gross change	Organic change
Subsidiaries in France	448.4	547.7	+22.1%	+11.0%
<i>o/w scope effect</i>		50.0		
International subsidiaries	195.0	185.6	-4.8%	+1.8%
<i>o/w scope effect</i>		-		
Contributed revenue	643.4	733.3	+14.0%	+8.3%

Breakdown by activity

Consolidated data

In €m	09/30/2022 (actual)	09/30/2022 (restated)	09/30/2023	Gross change	Organic change
Services	297.1	2190.1	340.8	+14.7%	+5.4%
<i>o/w scope effect</i>			41.5		
Circular economy	196.2	203.3	238.8	21.7%	+17.1%
<i>o/w scope effect</i>			8.5		
Hazard Management	150.1	153.7	153.7	2.4%	+2.3%
<i>o/w scope effect</i>					
Contributed revenue	643.4	643.4	733.3	+14.0%	+8.3%

*Some international contracts have been reclassified between different activities. The 2022 data have been restated to allow comparability of information.

Breakdown by division

Consolidated data

In €m	09/30/2022	09/30/2023	Gross change	Organic change
Hazardous waste	407.1	491.3	+20.7%	+7.9%
<i>o/w scope effect</i>		46.4		
Non-hazardous waste	236.2	242.0	+2.4%	+9.1%
<i>o/w scope effect</i>		3.6		
Contributed revenue	643.4	733.3	+14.0%	+8.3%

APPENDIX 2

Definitions of contributed revenue

IFRIC 12 revenue: investments made in assets under concession, re-invoiced to the Grantor and recognized as revenue in accordance with IFRIC 12

TGAP: French General Tax on Polluting Activities, paid by waste producers and collected on behalf of the State by waste processors. This tax is paid to the State, with no impact on operating margins.

Its expected growth between 2021 and 2025, which is both very significant and highly differentiated according to the division and type of treatment, will result in the recognition in the reported revenue of:

- Non-economic revenue resulting from the significant increase in the amount of tax collected, particularly in the Non-Hazardous Waste division;
- Differentiated trends between activities, not representative of their economic development, particularly in the treatment businesses (incineration and final waste storage).

Its restatement as non-contributed revenue is neutral with respect to operating margins, in particular EBITDA.