

Investor Day December 12, 2023

Séché accelerates its ecological transition and unveils its 2026 financial trajectory

**New commitments for Climate,
Reduction of Water and Energy Consumption,
and in favor of Biodiversity Protection**

**Confirmation of 2023 Objectives
2024 – 2026 perspectives for sustainable, profitable growth**

Séché Environnement presents its financial and non-financial 2026 trajectory at the Investors Day on December 12, 2023.

At the core of a proactive approach aimed at accelerating its ecological transition and of its customers as well, the Group has made new ambitious commitments under its Climate strategy.

It is also strengthening its energy policy by raising its targets for energy self-sufficiency and adopting a new Water Efficiency policy. Finally, the Group is also stepping up and intensifying its long-standing commitment to Biodiversity.

On the strength of the important alignment of its activities with the European green taxonomy, Séché confirms its growth and operating income targets for 2023 and sets out its ambitions for 2024 in terms of growth in its business and operating income.

Over the 2024-2026 period, the Group will be pursuing a strategy that will enable it to achieve significant organic growth and further improve its operating, gross and current margins.

At the same time, it will maintain its strict financial discipline in order to maximize free cash flow generation and consolidate its flexible, liquid balance sheet.

2026 non-financial commitments

Climate – Energy¹

GHG Emissions²: -13%

GHGs avoided by material recovery: +50%

Energy consumption - 12%

Energy self-sufficiency rate of 310% +36%

Water

Water consumption: -13%

Biodiversity

Progress of Act4Nature sites: 80%³

2026 financial trajectory

Confirmation of 2023 targets

Contributed revenue of between **€990M** and **€1,000M**

EBITDA of between **€215M** and **€219M**

Leverage ratio of **2.7x EBITDA** excluding 2023 acquisitions

2024 Targets

Organic growth of **+5%** compared to 2023 targets

+ Consolidated scope effect (full year) of +€65M

Adjusted **EBITDA** of **€230M**

Adjusted **COP** of **€105M**

Financial leverage ratio under 2.7x adjusted EBITDA (at constant scope 12.31.2023)

2024 - 2026 Perspectives (at constant scope 12.31.2023)

Adjusted **contributed revenue** of **+5%** per year (CAGR)

Adjusted **EBITDA +9%** per year (CAGR) to target EBITDA of between €265m and €275m - i.e. 22% to 23% of contributed revenue

Adjusted **COP +14%** per year (CAGR) to target COP of between €132m and €144m - i.e. 11% to 12% of contributed revenue

Free cash flow generation (before acquisitions) greater than or equal to **€250M** over the period

Financial leverage ratio of less than 3 times EBITDA (with return to target within 12 months in the event of acquisitions)

¹ At constant 2020 perimeter

² Scope 1 and 2

³ New Act4Nature 2023-2027 cycle

Séché, a player in the ecological transition

A specialist in waste management and environmental safety, Séché Environnement is positioned in the growth markets of the ecological transition.

With its range of solutions for the circular economy and the decarbonization of economic activities (34% of its 2023E contributed revenue), coupled with its expertise in hazardous waste management (21% of its 2023E contributed revenue), the Group implements a secure circular economy for manufacturers and local authorities.

It also offers its customers a wide range of high value-added services (45% of its 2023E contributed revenue) to meet the environmental safety challenges of their activities.

Séché's activities address the long-term issues facing economic players in terms of ecological transition, and in particular climate change, the depletion of natural resources and the protection of biodiversity.

Through its activities in the valorization of rare resources and the production of recovered energy, the Group also provides answers to the short-term challenges faced by local communities and manufacturers in terms of access to raw materials, water and energy, by producing these resources, regenerated and low-carbon, available locally and at competitive prices.

In this respect, its environmental performance, as much as its capacity for innovation in research and development or its organization focused on industrial efficiency, is one of the foundations of its growth strategy.

Séché Environnement thus asserts itself as a partner to its industrial customers and local authorities in their ecological transition, at the service of a low-carbon industrial economy, its ecological transition challenges being the ecological transition challenges of its customers.

A strategy of profitable growth in sustainable growth markets

Operating in highly regulated markets in France and abroad, Séché Environnement benefits from the trend towards tighter regulatory constraints imposed on economic players in order to reduce their ecological footprint.

Buoyed by its capacity for innovation and the dynamism of its markets, the Group's activities are focused on adding value to the environmental value chain.

For all these reasons, they boast strong visibility, sustained growth, high and rising operating margins, and proven resilience.

Séché backs up this strategy of organic growth with an active policy of external growth, both in France and internationally, which now accounts for around 30% of its sales and where the Group has taken leading commercial positions in certain geographical areas, such as Northern Italy and Southern Africa.

The breadth of its offering, the resulting cross-selling synergies, and its ability to anticipate the regulatory changes impacting its markets, have enabled the Group to post organic growth rates significantly higher than forecast GDP growth rates in the geographical areas in which it operates.

Combining sustained growth and high operating margins, the Group has achieved average annual growth in contributed revenue of +14% between 2018 and 2022 - of which +7% organic - with EBITDA up by +17% over the same period - of which +14% organic.

New 2026 non-financial commitments

Séché Environnement has a sustainable business model as defined by the European green taxonomy.

Based on the six delegated acts published by the European Commission on June 5, 2023, the company's activities are eligible and aligned at 86% and 67% of sales respectively.

These figures are well above the average for economic activities in Europe (<10%), illustrating the company's contribution to the greening of the economy.

Demonstrating the international group's ability to combine economic growth with a reduction in its customers' environmental impact, Séché Environnement has announced new non-financial targets for 2026.

Séché Environnement's new environmental objectives are as follows:

- **Continue to decarbonize its activities: -13% greenhouse gas emissions⁴ (in line with the target validated bySBTi in the beginning of 2023)**
- **Consolidate capacity to decarbonize its customers by increasing material recycling activities: +50% of greenhouse gases avoided**
- **Reinforce the group's energy sobriety: -12% in energy consumption**
- **Increase the company's energy resilience: 310% energy self-sufficiency**
- **Reduce water consumption by its activities: -13% in water consumption**
- **Preserve biodiversity: 80% progress in its Act4Nature action plan.**

In anticipation of the expectations of the CSRD, quantified and planned action plans are also associated with these environmental objectives.

These various objectives will make it possible to reduce Séché Environnement's environmental impacts, as well as those of its customers, reinforcing the company's positioning as a key player in the ecological transition.

Commercial, operational and financial trajectory to 2026

Confirmation of 2023 targets⁵

Séché Environnement confirms its 2023 targets and expects to post for the current financial year:

- **Contributed revenue of between €990M and €1,000M**
- **EBITDA between €215M and €219M**
- **Financial leverage ratio of around 2.7x EBITDA before the acquisitions made in the 2nd half of 2023, or around 3x EBITDA including these acquisitions.**

⁴ Scope 1 and 2

⁵ See: Press release of September 11, 2023

Adjusted revenue, adjusted EBITDA, adjusted COP⁶

Séché Environnement incorporates significant volatility factors into its main financial aggregates, in particular those relating to the contribution to sales and operating margins of environmental emergency activities (contracts of "exceptional scope") or those linked to price effects in its energy recovery activities (indexation of energy sales contracts or changes in market prices, costs of integrating subsidiaries).

By way of illustration, these impacts can be broken down as follows:

Calculation of adjusted revenue

In €m	2022	2023 ^E
Published contributed revenue	895	990 – 1000
Emergency contracts of "exceptional scope"	-25	-
Energy (effect-price)	-	-14
Adjusted published contributed revenue	870	976 - 986

Calculation of adjusted EBITDA

In €m	2022	2023E
Published EBITDA	202	215– 219
<i>EBITDA / contributed revenue</i>	22.6%	21.7% - 21.9%
Emergency contracts of "exceptional scope"	-8	-
Energy (effect-price)	-	-9
STEI (non-recurring integration events)		+2
Adjusted EBITDA	194	208– 212
<i>Adjusted EBITDA / adjusted contributed revenue</i>	22.1%	21.3% - 21.5%

The 2024-2026 perspectives presented below has been adjusted for the potential impact of these non-recurring effects on contributed revenue and EBITDA.

Pursuit of strong organic growth

Drawing on its expertise in complex waste management and industrial infrastructure safety, and positioned at the heart of environmental and sustainability issues for territories and industrial companies, Séché will continue to deploy its range of high value-added environmental solutions in France and abroad.

⁶These aggregates are presented for illustrative purposes, and the restatements made do not meet accounting criteria. They will not be restated in the Group's financial statements.

In France, the Group's business should be buoyed by the dynamic Circular Economy and, above all, Industrial Services markets.

In the Circular Economy markets, Séché will focus on developing its capacities in the field of energy recovery from non-hazardous waste, against a backdrop of declining treatment capacities, and material recovery from hazardous waste.

In the Services markets, Séché will benefit from a buoyant regulatory environment and from the growth dynamic resulting from its new offer in the industrial water cycle businesses and from the expected cross-fertilization with the Group's other activities and customer bases. The Group will also benefit from the growth momentum of its "global offers", a delegated management service for industrial customers.

Outside France, the Group is confident in its ability to maintain solid growth, particularly:

- In Italy, where the new Mecomer-Furia group offers powerful commercial and industrial synergies, making Séché one of the leading operators in the hazardous waste market;
- In Southern Africa (South Africa and Namibia), where the Group offers the most comprehensive range of waste management and environmental safety solutions for industrial customers through Interwaste, Spill Tech and Rent-A-Drum.

The Group is also confident in its ability to take advantage of the positive trend in its Latin American markets, where it has recently strengthened its position in emergency environmental services with the recent acquisition of Essac in Peru.

Séché anticipates adjusted contributed revenue of around €1,200M in 2026, representing an average organic growth rate of around +5% over the period.

Improved gross and current operating profitability

The Group will pursue its strategy of industrial efficiency, based on rigorous requirements in terms of safety, regulatory compliance and operational excellence.

In this context, the Group is implementing a productivity plan which enables it to anticipate:

- Improving the utilization rate of its industrial and logistics facilities;
- Strict control of capital expenditure.

These should stabilize over the period at around the levels reached in 2023, i.e. between €100M and €110M a year.

The normalized investment rate stands at around 9% of contributed revenue (vs. 10% previously), including 3% maintenance capital expenditure, 2% safety and regulatory capital expenditure, and 4% development capital expenditure.

Séché will benefit from other levers on its gross and current operating profitability, such as the profitability ramp-up of new business perimeters (in particular in the industrial water cycle businesses) or the control of its operating expenses through a savings plan that should enable a reduction in expenses of the order of €20M over the period (at constant scope).

Lastly, the preponderance of Services activities in the business mix should lead to faster growth in operating income than EBITDA over the period.

By 2026, the Group is aiming for:

- **Adjusted EBITDA of between €265M and €275M, i.e. a gross operating profitability rate of between 22% and 23% of contributed revenue.**
- **Adjusted COP of between €132M and €144M, i.e. a current operating profitability rate of between 11% and 12% of contributed revenue.**

Maximized free cash flow generation

Séché Environnement will strive to maximize its free cash flow generation⁷ by controlling its investments around their current level, neutralizing its change in working capital requirements on average over the period, and an appropriate dividend policy.

The Group thus intends to generate free cash flow of at least €250M over the 2024 to 2026 period (excluding acquisitions).

Investor Day broadcast

A broadcast of the Investor Day will start at **8:30 am** (CET) on **December 12, 2023**, in French and English only.

To follow the presentation, log on to the Company's website (home page):

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

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

Material to accompany the presentation will be available from 8:00 AM on Séché Environnement's website:

- In French: [Présentation-Journée-Investisseurs](#)

- In English: [Investor-Day-Presentation](#)

A replay of the Investor Day will be available at a later date in both languages on the Company's website at the same addresses.

Upcoming events

Consolidated results at December 31, 2023:

March 11, 2024 after market close

⁷ Free cash flow: EBITDA - Rehabilitation & GER expenses - Industrial Capex - Change in WCR - Interest paid - Tax paid - Dividends

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 creating circular economies, decarbonization, and hazard management, the group has been contributing to the ecological transition of industries and territories and to the protection of living things for nearly 40 years. Séché Environnement, a French family-owned industrial group, deploys the cutting-edge technologies developed by its R&D department on the ground, in more than 120 sites in 15 countries, including some fifty 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 and EnterNext Tech 40 indexes. ISIN Code: FR 0000039139 - Bloomberg: SCHP.FP - Reuters: CCHE.PA

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