Changé, France, March 11, 2024

PRESS RELEASE

European Rising Tech LABEL

FY 2023 Consolidated Results

Confirmation of profitable, sustainable growth

Financial and non-financial achievements ahead of schedule

2024 to 2026 outlook strengthened

2023 Financial Performance

2025 target of "Revenue close to one billion euros" achieved[1]:
Contributed revenue of €1,013.5m (€936.0m at constant scope[2])

Continued strategy of targeted acquisitions: scope effect +€77.5m

Solid organic[2] growth confirmed: Contributed revenue up +6% (of which +9% in France)

Significant increase in operating profitability at constant scope[3]

EBITDA at constant scope of €218.4m: +10% (organic) to 23.3% revenue (vs. 22.6% in 2022

COI at constant scope of €105.1m: +18% (organic) to 11.2% revenue (vs. 10.2% in 2022)

Financial leverage ratio of 2.7x EBITDA (excluding 2023 acquisitions)

2023 - Non-financial Performance

GHG emissions: 10% reduction target exceeded 2 years ahead of schedule[1] at -11% vs. 2020

GHG avoided: up +29% vs. 2020 with a target of +40% by 2025

Dividend 2023 proposed up to 1.20 euro per share (vs. €1.10 for fiscal 2022)[4]

Outlook for 2024 to 2026 on the right track[5]

Targets for 2024 reinforced

Contributed revenue up organically +5% (vs. contributed revenue 2023) + scope effect of around €60m

EBITDA up organically by +10% to target around €230m (vs. adjusted EBITDA 2023)

COI up organically by +14% to target around €230m (vs. adjusted COI 2023)

Financial leverage ratio of 2.7 x EBITDA -excluding external growth-

Roadmap 2026 confirmed

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[1] See press release of March 7, 2022
[2] At constant scope and exchange rates
[3] Scope at December 31, 2022
[4] Subject to approval by the Annual General Meeting of Shareholders of April 26, 2024
[5] See press release of December 12, 2023

At the Board meeting held on March 6, 2024 to approve the financial statements for fiscal year 2023, Chairman Joël Séché stated:

"Fiscal year 2023 once again confirms the relevance of Séché Environnement's development strategy in the French and international sustainable development markets, particularly in the circular economy and in combating climate change.

For several years now, Séché has been committed to a strategy of external growth that broadens the range of its offerings and extends its geographical coverage.

This year, in France, Séché took on new high-tech businesses in the industrial water cycle, in promising markets driven by environmental regulations. Internationally, new strategic acquisitions in Italy, Peru and Namibia have reinforced the Group's expertise as a specialist in hazardous waste and its position as an operator of choice for industrial customers in these regions.

With its activities closely aligned with the European green taxonomy, Séché offers its industrial and public-sector customers a local product range that meets the majority of their environmental sustainability challenges.

The solid organic growth posted by the Group in 2023 confirms the sales momentum and positive trend observed in most business lines in recent years, particularly in France.

Two years ahead of target, contributed revenue is exceeding the symbolic billion-euro mark!

The high level of operating performance achieved on the historical scope demonstrates Séché's ability to rapidly assimilate the acquisitions of recent years, to immediately implement industrial and commercial synergies with the Group's other business lines, and to raise them to its profitability standards.

Extra-financial performance is not to be outdone following the SBTi's approval of its Climate trajectory in line with the Paris Agreements, Séché is already on track in 2023 to meet its 2025 target for reducing its greenhouse gas emissions. At the same time, the Group has also significantly increased the amount of greenhouse gases avoided at customer sites by its recycling activities, putting it in a good position to meet its 2025 target.

New goals have been set, outlining solid prospects for growth, increased operating profitability and free cash flow generation by 2026.

On the extra-financial front, the intensification of current action plans and the implementation of new flagship projects will enable us to continue building a Group that is even more respectful of the environment, increasingly restrained in its consumption and more moderate in its impact.

These are all indicators that support Séché Environnement's model of profitable, sustainable growth, and all ways in which it can accelerate both its own environmental transition and its development. "

Selected Financial Information

Consolidated data at December 31, 2023

In millions of euros	2022	2023	Gross change	Organic change
Revenue (reported)	972.7	1088.9	+11.9%	+5.8%
o/w contributed revenue	**895.3**	**1013.5**	**+13.2%**	**+6.4%**
EBITDA	**201.6**	**217.7**	**+8.0%**	**+10.1%**
As % of contributed revenue	*22.6%*	*21.5%*	-	-
Current operating income	**91.3**	**101.2**	**+10.8%**	**+17.8%**
As % of contributed revenue	*10.2%*	*10.0%*	-	-
Operating income	87.0	91.4	+5.1%	+12.2%
Net financial income	(18.5)	(22.2)	+20.0%	-
Income tax	(19.2)	(17.8)	(7.3)%	-
share earnings from associated businesses	(1.3)	(1.3)	ns	-
Consolidated net income	**47.9**	**50.0**	**+4.4%**	**+20.0%**
Of which attributable to non-controlling interests	(3.3)	(2.2)	(33.3)%	-
Of which attributable to Group	**44.6**	**47.8**	**+7.2%**	**+23.2%**
Diluted earnings per share (in €)	**5.72**	**6.13**	**+7.2%**	**+23.2%**
Recurring operating cash flow	179.1	190.2	+6.2%	
Net industrial investment paid out	95.7	88.7	(7.3)%	
Operating free cash flow	**78.4**	**101.3**	**+29.2%**	
Cash and cash equivalents	126.2	162.2	+28.5%	
Net financial debt (IFRS)	587.4	641.9	+9.3%	
Financial leverage ratio	**2.8x**	**2.9x**	**+0.1x**	

COMMENTS ON CONSOLIDATED FINANCIAL STATEMENTS AT DEC. 31, 2023

MAIN NON-FINANCIAL RESULTS 2023

In 2023, Séché Environnement pursued its strategy of profitable growth, combining dynamic internal growth with a targeted external growth strategy.

In the buoyant environmental transition and sustainable development markets, the Group has maintained solid growth within its historical scope and successfully finalized the integration of new activities acquired at the end of 2022, notably those related to the industrial water cycle.

The Group has also made several new acquisitions in France and abroad, rounding out its range of offerings as well as its regional coverage in the heart of strategic markets.

At the end of the year, Séché Environnement's financial and non-financial performance enabled it to achieve by 2023 several of the financial and non-financial targets set for 2025[6].

The Group is therefore confirming its new financial and non-financial roadmap to 2026.[7]

Continuation of acquisition strategy - Other scope effects

In France, Séché Environnement finalized the acquisition of Assainissement Rhône-Isère (ARI), since renamed Séché Assainissement Rhône-Isère ("Séché ARI"). Based in Bonnefamille (Isère) and present throughout the Auvergne-Rhône-Alpes region, this company is authorized to operate on Seveso-classified sites, and specializes in sanitation, industrial cleaning and high-pressure hydrocleaning.

Internationally, the Group has successively acquired:

- Furia Srl (Italy)[8]: Furia is an Italian company specializing 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.
- Rent-A-Drum (Namibia)[9]: Rent-A-Drum is the leading waste management company in Namibia. It offers its large corporate customers a wide range of services thanks to its integrated waste recovery and treatment offering.
- Essac (Peru)[10]: Essac is one of Peru's leading emergency responders, specializing in industrial fire emergencies. The company also provides training and team learning in industrial risks and regulations, risk prevention and industrial site audits.

During the period, the Group also successfully finalized the transfer of a portfolio of industrial water cycle activities acquired from the Veolia Group at the end of November 2022. The assets handed over include contracts with over 120 manufacturers and a network of 20 agencies in France. This handover is accompanied by the transfer of some 350 employees specializing in the industrial water cycle.

The transfer operations were completed at the end of 2023 and gave rise to significant non-recurring expenses, in particular those relating to the remuneration of Groupe Veolia for several commercial and administrative management services it continued to provide during the transfer period.

[6] *See press release dated March 7, 2022*
[7] *See press release dated December 12, 2023*
[8] *See press release dated September 11, 2023*
[9] *See press release dated September 11, 2023*
[10] *See press release dated October 24, 2023*

Financial performance in line with 2024-2026 roadmap objectives

Confirmation of organic growth momentum, particularly in France

At December 31, 2023, Séché Environnement posted contributed revenue of €1,013.5m, up +6.4% at constant scope and exchange rates compared with 2022.

Over the period, business was driven by markets in France (73.9% of contributed revenue), where the Group confirmed its continued sales momentum in most of its markets, while internationally, sales varied according to geographical region and subsidiary.

France: robust sales in positively oriented markets

As an integrated operator in the circular economy and environmental services sectors, Séché Environnement benefits in France from markets that are sustainably driven by regulatory changes promoting the circular economy, the fight against climate change and the challenges of ensuring the environmental safety of industrial infrastructures.

In 2023, the Group experienced buoyant industrial markets, particularly in areas linked to circular economy and services, while the extension of its offering in particular with the integration of new Services businesses - such as industrial water management - has fostered the implementation of intra-Group industrial and commercial synergies that have boosted the Group's growth momentum.

Contracts with local authorities confirmed their resilience in an environment characterized by high utilization of waste recovery and treatment facilities and the continuation of a very positive price dynamic.

In addition, the Group benefited from a significant rise in energy sales prices, in line with the full effect of the indexation of its energy sales contracts in 2022 (steam sales in particular).

Overall, Séché Environnement posted very substantial organic growth in France, up 9.4% on the previous year, illustrating the relevance of Séché Environnement's commercial offering to the challenges of environmental safety and sustainability for economic players, as well as to short-term imperatives in terms of access to resources, materials and energy.

International: performance varies by subsidiary

Internationally, Séché Environnement has a presence in targeted geographical areas through some of its businesses, giving the Group greater exposure to certain markets and/or local customer bases, and making the contribution of the various subsidiaries less homogeneous.

In 2023, most international markets remained buoyant, underpinned by the good level of activity of local industrial customers, as illustrated by the remarkable performance of South American subsidiaries and the solid contribution of European subsidiaries.

However, some subsidiaries reported a decline in business compared with their particularly high levels of activity in 2022, such as in South Africa, where Spill Tech had recorded exceptionally large-scale environmental emergency contracts, or Solarca, a specialist in chemical cleaning, which had benefited last year from a strong recovery in its order book following the pandemic years.

The international scope also recorded a strongly negative exchange rate effect, of (€16.3)m vs. a positive exchange rate effect of +€4.5m in 2022, essentially due to the deterioration in the parity of the South African Rand.

As a result, revenue is slightly down on 2022, by (0.8)% at constant scope and exchange rates.

Operating income up: strong contribution from historical scope

The 2023 financial year sees a further increase in consolidated operating income, particularly for the historical scope in France, where operating profitability, both gross and current, will be significantly higher than in 2022.

As a result, **earnings before interest, taxes, depreciation, and amortization** (EBITDA) reached €217.7m, or 21.5% of contributed revenue, up 8.0% on a reported basis (vs. €201.6m, or 22.6% of contributed revenue in 2022).

At **constant scope**, it came to €218.4m, a significant organic increase of +10.1% to 23.3% of contributed revenue (vs. 22.6% of contributed revenue a year ago).

The increase in gross operating profitability reflects the solid contribution of the France scope:

- **EBITDA in France** rose organically by +18.8% to €176.7m, or 25.7% of contributed revenue, marking a significant improvement in gross operating profitability compared with last year (23.6% of contributed revenue).
  In addition to favorable commercial effects (volume and price effects), EBITDA in France reflects the positive impact of the industrial efficiency policy on tool availability and organizational productivity.
  This further increase in gross operating profitability to historically high levels also illustrates Séché Environnement's ability to rapidly onboard the new scopes acquired in recent years and to raise their profitability to Group standards.
  This performance is all the more remarkable in that the increase in this balance is limited in 2023, to the tune of (€9.4)m by the cap on infra-marginal profits of electricity producers introduced by the Finance Law for 2023 (with a negative impact of €5.8m from 2022), reducing gains on electricity sales to +€2.6m.
- **International EBITDA** fell organically by -15.9% to €41.7m, or 16.8% of contributed revenue (vs. €52.9m to 19.9% of contributed revenue in 2022).
  The lower contribution from international activities is mainly due to delays in activity at certain subsidiaries (notably Spill Tech and Solarca) given that the gross operating profitability of the international scope in 2022 had been boosted by the contribution of major environmental emergency contracts on an exceptional scale, amounting to €5m.

Current operating income (COI) came to €101.2m, or 10.0% of contributed revenue, up 10.8% on a reported basis compared to 2022 (€91.3m, or 10.2% of contributed revenue).
At constant scope, growth continued strong (+17.8% at constant exchange rates) to €105.1m, or 11.2% of contributed revenue. This increase in current operating profitability reflects the solid performance of the France scope:

- **Current operating income for France** reached €85.9m, or 12.5% of contributed revenue (vs. 9.8% of contributed revenue in 2022, reflecting organic growth in EBITDA, mainly offset by a moderate increase in depreciation and provisions, in line with tight control over capital expenditure and the quality of the customer receivables portfolio.
- **International current operating income** came to €19.2m, or 7.7% of contributed revenue (vs. €29.6m, or 11.1% of contributed revenue in 2022). This decline is essentially due to the weaker performance of International EBITDA at constant scope and exchange rates.

Operating income reached €91.4m, or 9.0% of contributed revenue, up +5.1% on a reported basis and +12.2% at constant scope and exchange rates compared with last year.
This change reflects the increase in operating income, mainly offset by impairments on intangible assets of (€7.1m). These impairments are mainly due to the non-utilization of developments carried out as part of the roll-out of the French ERP following tests carried out by pilot companies in the second half of 2023.

Further increase in net income, Group share - Proposed dividend up

Net financial income

At December 31, 2023, net financial income stood at (€22.2m), compared with (€18.5m) at the end of 2022, up 20.0% year-on-year.

This change mainly reflects:
- The increase in the cost of gross indebtedness, to (€26.1m) vs. (€17.8m) a year ago, due to a rise in the cost of gross debt to 3.49% vs. 2.56% in 2022, and the increase in average gross financial debt over the period (see below).
- The improvement in "Other financial income and expenses", at +€0.9m vs. (€1.5)m in 2022, (€1.5m) in 2022, mainly due to the recognition of accretion income on the provision for thirty-year risk, amounting to +€2.3m (vs. an expense of (€0.5m) a year ago).

Income tax

At December 31, 2023, "Income taxes" amounted to (€17.8m) vs. (€19.2m) in 2022, giving an effective tax rate of 25.8% vs. 28.1%.

Consolidated net income

After accounting for the share in net income of associated companies, i.e. (€1.3m) at December 31, 2023, an amount identical to that for 2022, net income for the consolidated group came to €50.0m vs. €47.9m in 2022.

Net of non-controlling interests of (€2.2m), **Group share of net income** came to €47.8m, or 4.7% of contributed revenue at December 31, 2023 (vs. €44.6m, or 5.0% of contributed revenue in 2022).

Net income per share came to €6.13 vs. €5.72 at December 31, 2022.

The **dividend** will be raised from €1.10 to €1.20 per share, subject to approval by the Annual General Meeting of Shareholders on April 26, 2024. It will be withdrawn on July 8, 2024 for payment on July 10, 2024.

Confirmation of solid financial position

Free operating cash flow came to €101.3m, up 29.2% compared with 2022 (€78.4m), with an EBITDA-to-cash conversion rate of 47% (vs. 39% a year ago). This positive trend is mainly due to tight control over capital expenditure and a significant reduction in working capital requirements.

Booked capital expenditure totaled €97.2m, or 9.6% of contributed revenue (vs. €105.0m in 2022, or 11.7% of contributed revenue):
- Recurring capital expenditure (or maintenance) totaled €68.2m, or 6.7% of contributed revenue (vs. €57.4m in 2022, i.e., 6.4% of contributed revenue), with the slight year-on-year increase mainly due to periodic "major maintenance and repairs" expenses.
- Non-recurring investment (or development investment) came to €29.0m, or 2.9% of contributed revenue (vs. 47.6m in 2022, or 5.3% of contributed revenue), and mainly concern growth investments in the Circular Economy and Services businesses.

The **change in working capital requirement** stood at (€6.3)m, a sharp improvement on the (€-25.1)m recorded in 2022, illustrating the success of the Group's efforts to return to a more normative situation with regard to business growth, and despite the consequences of the cyber-attack in spring 2023 on billing and collection management.

Cash balance amounted to €162.2m, vs. €126.2m a year earlier, a +28.5% variation reflecting the good level of free cash flow generated in 2023 - excluding acquisitions. The **liquidity position** is solid, at €332.2m at December 31, 2023 vs. €313.1m by the end of 2022.

Net financial debt stood at €641.9m vs. €587.4m at December 31, 2022. This +€54.5m increase reflects:

- (€43.3m) to reduce the Group's debt at constant scope and before non-cash effects.
- +€35.5m: a non-cash change - at constant scope – mainly linked to new IFRS 16 contracts.
- +€62.3m, the scope effects (disbursements for the fair value of the shares and financial leases of acquired companies).

Financial leverage ratio stood at 2.9 times EBITDA vs. 2.8 times a year earlier. Excluding acquisitions completed by the end of 2023, it would have been 2.7 times EBITDA, in line with Group targets.

Solid non-financial performance in 2023[11]

In fiscal 2023, Séché Environnement stepped up its non-financial strategy, particularly in the areas of combating climate change, water and energy efficiency, and protecting biodiversity.

In particular, the Group has:

- **Obtained SBTi approval of its climate trajectory.**
  In January 2023, the Science Based Target initiative (SBTi) approved Séché Environnement's GHG emissions reduction target. SBTi thus recognizes that the target set by Séché Environnement is based on scientific criteria and in line with the Paris Agreement on combating global warming, which aims to limit global warming to 2°C by 2050. Séché Environnement's decarbonization strategy aims to achieve an absolute reduction of -25% in direct greenhouse gas emissions (scope 1) and indirect emissions linked to energy consumption (scope 2) between 2020 and 2030.

- **Confirmed the high rates of eligibility and alignment of its activity with the European green taxonomy.**
  Séché Environnement has a sustainable business model as defined by the European green taxonomy.
  On the basis of the six delegated acts published by the European Commission on June 5, 2023, the percentages of eligibility and alignment of the company's activities with the achievement of the 6 environmental objectives reach 84% and 70% of revenue respectively at December 31, 2023.
  These figures are well above the average for economic activities in Europe (estimated alignment at 20%)[12], illustrating the company's contribution to the greening of the economy.

- **Achieved by 2023 the GHG emissions reduction target set for its 2025 Climate trajectory.**
  With greenhouse gas emissions reduced to just 555ktCO_2eq in 2023, Séché Environnement is two years ahead of schedule in meeting the greenhouse gas emissions reduction target set in 2021 for 2025.
  This indicator is included as an impact criterion for its November 2021 bond issue, i.e., a 10% reduction in scope 1 and 2 greenhouse gas emissions for the France 2020 scope.
  With a performance of +29% in 2023 in terms of greenhouse gases avoided, Séché Environnement is also well on the way to achieving its second objective set by its Climate strategy: a +40% increase in emissions avoided by materials recovery activities in the France 2020 scope.

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[11] Séché Environnement's non-financial performance is presented in full in the Non-financial Performance Declaration published in the 2023 Universal Registration Document, available on the company's website.

[12] Source: ESMA October 2023

2024 OUTLOOK ON TRACK - OBJECTIVES CONFIRMED

ROADMAP TO 2026 REINFORCED

Séché Environnement confirms its financial and non-financial roadmap for 2024 to 2026[13].

A solid position in the sustainable growth markets of environmental transition and sustainable development

Séché Environnement is active in the highly regulated French and international environmental transition and sustainable development markets, and benefits from the trend towards tighter regulatory constraints imposed on economic players to reduce their environmental footprint.

Séché's activities in fact 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.

The Group's activities in rare resource reuse and the production of recovered energy also provide solutions to the short-term challenges faced by local communities and manufacturers in terms of access to raw materials, water and energy. These resources are regenerated and low in carbon, made available locally and at competitive prices.

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, 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 the regulatory changes impacting its markets, enable the Group to anticipate organic growth over the period well in excess of forecast GDP growth rates in the geographical areas in which it operates.

Continued strong organic growth over the 2024 - 2026 period.

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

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

Internationally, the Group is confident in its ability to maintain solid growth, and in particular:

- 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 its subsidiaries with complementary skills: Interwaste, Spill Tech and Rent-A-Drum.

13 See: Press release of December 11, 2023

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

For the 2024 financial year, Séché Environnement anticipates organic growth in contributed revenue of around 5%, to which will be added the contribution of the scopes acquired in 2023 of around €60m, for contributed revenue of around €1,100m.

By 2026, and on this basis, Séché anticipates contributed revenue of around €1,200m, representing an average organic growth rate of around +5% over the period.

Improvement in gross and recurring operating profitability between 2024 and 2026

The Group will work across all scopes to 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:
- Improvement in the utilization rate of its industrial and logistics facilities.
- Control of industrial investment: this should stabilize over the period at around the levels reached in 2023, i.e. between €100 and €110m per year.

In 2026, the normalized investment rate would be around 9% of contributed revenue (vs. 10% previously), of which around 3% relates to maintenance investment, around 2% to safety and regulatory capital expenditure (i.e. a total of around 5% maintenance capital expenditure), and around 4% to development capital expenditure.

Séché will implement other levers to boost its gross and current operating profitability, such as optimizing the profitability of its new business scopes (particularly in the industrial water cycle), pursuing its industrial efficiency plan or controlling its operating expenses through a savings plan of the order of €20m over the period (at constant scope).

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

For 2024, Séché Environnement anticipates EBITDA of around €230m and current operating income of around €105m.

The Group has targets for 2026 of:
- EBITDA of between €265 and €275m, i.e. gross operating profitability of between 22% and 23% of contributed revenue.
- A current operating income of between €132 and €144m, i.e. an operational profitability level of between 11% and 12% of contributed revenue.

Maximized free cash flow generation.

Séché strive to maximize its free cash flow generation[14] 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.

For 2024, Séché Environnement anticipates a financial leverage ratio of less than 2.7 X EBITDA (excluding acquisitions).

Over the period 2024 to 2026, the Group intends to generate free cash flow of at least €250m over the period 2024 to 2026 (excluding acquisitions).

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

New 2026 non-financial commitments.

On the strength of its ability to combine economic growth with a reduction in the environmental impact of its customers, Séché Environnement has set itself new non-financial objectives for 2026:

- **Pursue the decarbonization of its activities**: -13% greenhouse gas emissions[15] (in line with the target approved by *SBTi* in early 2023).
- **Consolidate its ability to decarbonize its customers** by increasing material recycling activities: +50% of greenhouse gases avoided.
- **Improving energy efficiency**: -12% reduction in energy consumption.
- **Increasing energy resilience**: 310% energy self-sufficiency.
- **Reduce the water consumption of its activities**: -13% reduction in water consumption.
- **Preserving biodiversity:** 80% progress on its Act4Nature action plan.

These various objectives will help to reduce the environmental impact of Séché Environnement, as well as that of its customers, reinforcing the Group's position as a key player in the environmental transition.

15 Scopes 1 and 2

Webcast presentation of results **March 12, 2024 at 8:30 a.m. sharp**

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

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

Next release

1st quarter 2024 sales:	April 23, 2024 after market close
Combined General Meeting of Shareholders	April 26, 2024

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EXTRACTS FROM THE 2023 MANAGEMENT REPORT[16]

Comments on consolidated income and results at December 31, 2023

Comments on business trends in 2023

Reported revenue and contributed revenue - Scope effect

At December 31, 2023, Séché Environnement reported **consolidated revenue** of €1,088.9m, vs. €972.7m a year earlier.

It includes non-contributed revenue of €75.4m (vs. 77.4m at December 31, 2022) which breaks down as follows:

At December 31	2022	2023
Investments "IFRIC 12"[17]	21.7	15.6
TGAP[18]	55.7	59.8
Non-contributed revenue	**77.4**	**75.4**
Consolidated data in m€.		

Net of non-contributed revenue, **contributed revenue** stood at €1,013.5m at December 31, 2023, up +13.2% from December 31, 2022 (€895.3m).

It includes a **scope effect** of €77.5m which breaks down as follows:

- All'Chem (France), brought in on July 1, 2022: €8.5m.
- Séché Assainissement 34 (France), brought in on July 1, 2022: €2.1m.
- Séché Traitement Eaux Industrielles (France), brought in on December 1, 2022: €49.1m.
- Séché Assainissement Rhône-Isère (France), brought in on July 1, 2023: €0.7m.
- Furia (Italy), brought in on October 1, 2023: €15.8m.
- Essac (Peru), brought in on October 1, 2023: €1.3m.

NB: In the second half of 2023, Séché Environnement acquired the Namibian company Rent-A-Drum[19], which will be included in the consolidated scope from January 1, 2024.

At December 31, 2023	France	International	Total
Hazardous Waste division	57.6	17.1	74.7
Non-Hazardous Waste division	2.8	-	2.8
Total scope effect	**60.4**	**17.1**	**77.5**

At constant scope, contributed sales came to €936.0m, up +4.6% on December 31, 2022.

Over the period, **the forex effect** was strongly negative, at (€16.3)m (vs. a positive currency effect of +€4.5m in 2022), mainly due to the deterioration in the parity of the South African Rand (ZAR) against the Euro.

On a basis of **constant scope and exchange rates**, growth in contributed revenue is +6.4% compared with 2022.

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[16] *The management report is published in full in the 2023 Universal Registration Document available on the Séché Environnement website.*

[17] *See Definitions on page 31. In 2023, they mainly represented investments in the Mo'UVE incinerator in Montauban.*

[18] *See Definitions on page 31.*

[19] *See: Press release of September 11, 2023*

Analysis of contributed revenue by geographic area

At December 31	2022		2023		Gross change
	In €m	As a %	In €m	As a %	As a %
Subsidiaries in France	629.3	70.3%	748.6	73.9%	+19.0%
o/w scope effect	-	-	60.4	-	-
International subsidiaries	266.0	29.7%	264.9	26.1%	-0.4%
o/w scope effect	-	-	17.1	-	-
Total contributed revenue	**895.3**	**100.0%**	**1013.5**	**100.0%**	**+13.2%**

Consolidated data at current exchange rate. At constant exchange rates, sales to December 31, 2022 would have been €879.0m, expressing a negative currency effect of (€16.3m).

Fiscal 2023 confirmed a high level of activity in France, while the situation in International sales varied from one region to another, with a strongly negative foreign exchange effect due mainly to the deterioration in the Rand's parity against the Euro:

- **In France**, contributed revenue rose significantly (+19.0%), to €748.6m vs. €629.3m at December 31, 2022.
  This sharp rise includes a €60.4m scope effect (see above).
  At constant scope, contributed revenue generated by French subsidiaries came to €688.2m, marking a significant organic increase of +9.4% over the period.
  Séché Environnement benefited from industrial and local authority markets sustained by its Services and Circular Economy activities.
  Th.is robust sales momentum enabled the Group to benefit from favorable volume and price effects, particularly in the non-hazardous waste sector, where the high level of utilization of permits favored price increases.
  The waste-to-energy business benefited particularly from the positive indexation of energy, steam and electricity sales prices which contributed to additional sales of around +€12m in 2023 compared with 2022 at constant volumes (before taxation[20]).
  Revenues in France accounted for 73.9% of total contributed revenue at December 31, 2023 (vs. 70.3% one year earlier).

- **Internationally**, contributed revenue rose to €264.9m vs. €266.0m at December 31, 2022, a change of -0.4% on a reported basis.
  International sales include a scope effect of +€17.1m (see above). It also recorded a strongly negative currency effect of (€16.3m).
  At constant scope, international sales came to €247.8m, representing organic growth of -0.8% over the period, with this virtual stability reflecting different situations in the various subsidiaries and geographical areas:
  - The Europe zone - excluding Solarca - (revenue: €83.6m, up +2.7%) reflects the increase in business at Mecomer - the hazardous waste platform business in Italy, which is benefiting from the ramp-up of its new capacities - and the positive trend in business at UTM in Germany, while Valls Quimica - a solvent reuse business in Spain - posted a decline in sales as a result of the subsidiary's refocusing on higher value-added markets in the circular economy applied to chemical products.
  - South Africa zone (revenue: €95.4m, down -12.3%): Interwaste reported a slight increase in sales (+1.4%), this modest rise being due to the postponement of new business to the 3rd quarter, which was not fully offset at the end of the year, while Spill Tech's sales contracted by -26.0% in the face of a particularly strong year 2022, characterized by exceptionally large contracts.

[20] *Taxation linked to the cap on infra-marginal profits of electricity producers instituted by the Finance Act for 2023.*

- Latin America zone (Revenue: €42.5m, an increase of +47.0%) showed a strong rebound on buoyant markets, particularly in the Services business in Peru, and at a time when the period is being compared with the high level of activity in 2022 due to exceptionally large-scale environmental emergency contracts.
- Solarca - Europe and Rest of World - (Revenue: €26.4m - down -14.3%) was affected by construction site delays at the start of the year, which were not offset by improved sales momentum in the second half. Moreover, the year compares with the strong base of fiscal 2022, which benefited from a record order book after the pandemic years.

Revenue generated by international subsidiaries represented 26.1% of total contributed revenue at December 31, 2023 (vs. 29.7% one year earlier).

Analysis of contributed revenue by activity

At December 31	2022		2023		Gross change
	In €m	As a %	In €m	As a %	As a %
Services	405.9	45.3%	464.8	45.9%	+14.5%
o/w scope effect	-	-	53.2	-	-
Circular economy and decarbonization	286.0	32.0%	341.0	33.7%	+19.2%
o/w scope effect	-	-	24.3	-	-
Hazard management	203.4	22.7%	207.7	20.5%	+2.1%
o/w scope effect	-	-	-	-	-
Total contributed revenue	**895.3**	**100.0%**	**1013.5**	**100.0%**	**+13.2%**
Consolidated data at current exchange rate					

Growth was driven by activities linked to the Circular economy and decarbonization, as well as Services.

The Services business posted sales of €464.8m at December 31, 2023, up 14.5% on a reported basis.

This increase includes a +€53.2m scope effect linked to the contribution of businesses acquired in the wastewater treatment and industrial effluent management markets, as well as the onboarding of Essac (see above).

At constant scope and exchange rates, Services sales rose by +5.7% year-on-year, to €411.6m. They are:

- In France (revenue: €259.1m, an increase of +13.9%), the dynamic performance of Key Account Services, especially the "comprehensive offerings" that meet the growing needs of industrial customers for outsourcing of their sustainable development issues, and the positive trend in Environmental Services (pollution control, emergency response, etc.)
- Internationally (Revenue: €152.5m, down -5.7%): the decline of Spill Tech due to a particularly strong comparison base in 2022, and to a lesser extent Solarca, which last year benefited from a particularly full order book after the pandemic years.

Services accounted for 45.9% of contributed revenue at December 31, 2023 (vs. 45.3% one year earlier).

The Circular Economy and Decarbonization businesses recorded sales of €341.0m at December 31, 2023, up 19.2% on a reported basis.

This increase includes the *pro rata* part year contribution of the new scopes, namely All'Chem in France and Furia in Italy, amounting to +€24.3m.

At constant scope, organic sales growth was +10.7%, to €316.7m.

This increase reflects:

- In **France** (revenue: €230.6m, an increase of +11.1%), the positive trend in materials recovery activities, boosted by the implementation of regulations linked to the circular economy, and in energy recovery activities, buoyed by rising energy prices. It should be noted that sales of energy include €9.4m (vs. €5.8m in 2022) of proceeds from electricity sales at prices in excess of €175 per MWh, taxed [21] and recorded in the same amount under "Taxes".
- **Internationally** (Revenue: €86.1m, an organic increase of +10.0%), the robust performance of Mecomer in Italy and UTM in Germany.

Circular economy and decarbonization activities accounted for 33.7% of sales at December 31, 2023 (vs. 32.0% one year earlier).

Hazard Management activities totaled €207.7m, up 2.1% on a reported basis and at constant exchange rates:

- In **France**, these activities grew by +2.3% to €198.5m. They mainly benefited from favorable price effects in markets characterized by a good level of utilization of thermal treatment facilities in the hazardous waste sector, and saturation of permits in the end-of-life waste management business in the non-hazardous waste sector.
- **Internationally**, at €9.2m, these activities posted a slight organic decline of -2.0% at current exchange rates and -2.8% at constant exchange rates, due to the less dynamic markets for hazardous end-of-life waste in Latin America, supported in 2022 by exceptionally large contracts.

Hazard Management activities accounted for 20.5% of contributed revenue at December 31, 2023 (vs. 22.7% one year earlier).

Analysis of contributed revenue by sector

At December 31	2022		2023		Gross change
	In €m	As a %	In €m	As a %	As a %
Hazardous Waste division	568.8	63.5%	686.3	67.7%	+20.7%
o/w scope effect	-	-	74.7	-	-
Non-Hazardous Waste division	326.5	36.5%	327.2	32.3%	+0.2%
o/w scope effect	-	-	2.8	-	
Total contributed revenue	**895.3**	**100.0%**	**1013.5**	**100.0%**	**+13.2%**
Consolidated data at current exchange rate					

The Hazardous Waste (HW) division generated sales of €686.3m, up sharply by 20.7% on December 31, 2022.

The division recorded a scope effect of €74.7m (see above).

At constant scope, organic growth for the division was +8.9%, driven by dynamic industrial markets in France:

- **In France**, the sector reported sales of €418.1m, up +11.5% on FY 2022. Over the period, the division was buoyed by its Circular economy activities (materials and, above all, energy recovery) and its Services activities (comprehensive offerings, environmental emergency).
- **Internationally**, sales totaled €193.5m, an organic increase of +3.8% on the previous year. This trend reflects the positive trend in European recovery markets, offset by the downturn in Services activities outside Europe (notably Spill Tech and Solarca).

[21] *Capping of infra-marginal profits of electricity producers instituted by the Finance Act for 2023.*

The Hazardous Waste division will account for 67.7% of contributed revenue in 2023 vs. 63.5% a year earlier)

The Non-Hazardous Waste (NHW) division posted sales of €327.2m, stable compared to 2022 (+0.2% on a reported basis).

This increase includes a scope effect of €2.8m (see above).

At constant scope, organic growth for the division was +2.2%, reflecting:

- **In France** (revenue up +6.2% to €270.0m), significant growth in activities linked to the Circular economy (notably energy recovery, boosted by rising energy prices).
- **Internationally** (revenue down 14.3% organically to €54.4m), the one-off decline in non-hazardous waste business in South Africa.

The non-hazardous waste division will account for 32.3% of contributed revenue in 2023, vs. 36.5% a year earlier).

Comments on consolidated results in 2023

EBITDA

At December 31, 2023, EBITDA stood at €217.7m, or 21.5% of contributed revenue, up +8.0% year-on-year on a reported basis (vs. €201.6m, or 22.6% of contributed revenue a year earlier).

The scope effect had a negative impact of (€0.7)m, while exchange rates had a negative impact of (€3.3)m.

On a constant scope, EBITDA rose organically by 10.1% over the period to €218.4m, or 23.3% of contributed revenue.

France was the main contributor to this increase. The increase in EBITDA (+€16.8m) essentially reflects:

- Negative volume and mix effects for (€12.7m): the French scope posted positive volume and mix effects (+€3.4m), while international volumes were impacted by lower activity in the Services businesses (see above).
- A positive price effect of +€53.9m, mainly due to the strong contribution of the French scope (+€57.2m), with the favorable price dynamic underpinned by the high level of tool utilization (see above).

Partially offset by changes in:

- Variable operating expenses (+€5.6m): Note the positive contribution from international operations (+€8.0m), as the fall in variable costs accompanied the drop in volumes in this scope.
- Fixed costs (+€18.8m), mainly due to increases in maintenance costs and personnel expenses in France, while fixed costs are perfectly under control internationally.

Analysis of EBITDA by geographic scope

At December 31	2022			2023		
In €m	Consolidated	France	International	Consolidated	France	International
Contributed revenue	895.3	629.3	266.0	1013.5	748.5	265.0
EBITDA	**201.6**	**148.7**	**52.9**	**217.7**	**174.1**	**43.6**
% of contributed revenue	22.6%	23.6%	19.9%	21.5%	23.3%	16.5%
Consolidated data at current exchange rate						

For each geographic scope, the main changes were:

- **In France**, EBITDA totaled €174.1m, up +17.0% to 23.3% of contributed revenue (vs. €148.7m, or 23.6% of contributed revenue).
  This increase includes a scope effect of (€2.6)m corresponding to the *prorata temporis* contribution of activities consolidated in 2022 and 2023.
  At constant scope, EBITDA in France came to €176.7m, an organic increase of +18.8% compared with 2022, taking it to 25.7% of contributed revenue.
  The rise in gross operating profitability to historically high levels illustrates the Group's ability to rapidly integrate new activities and raise their profitability to its best standards.
  It mainly results from:
  - Positive volume and mix effects, for +€3.4m, resulting mainly from the industrial efficiency policy on tool availability and process efficiency (logistics in particular).
  - A positive price effect of +€57.2m, linked to the high utilization rate of our industrial facilities and the dynamic trend in energy retail prices during the year.
  - A moderate rise in variable operating expenses (+€13.6m), mainly due to subcontracting expenses, whereas the period was characterized by a reduction in the impact of energy purchases compared with the previous year. It should be noted that the drop in volumes in the non-hazardous final waste management business was accompanied by a significant reduction in variable costs.
  - An increase in fixed costs (+€18.8m), reflecting higher maintenance costs and higher personnel costs due to the increase in the workforce and the Group's determination to support its employees in the current inflationary environment.
  - The neutralization, by means of property tax accruals, of the impact of the cap on electricity sales prices for (€9.4m) vs. (€5.8m) in 2022.

- **Internationally**, EBITDA came to €43.6m, or 16.5% of contributed revenue.

  It includes a scope effect of +€1.8m linked to the contributions of Furia and Essac over the last 3 months of the year. The currency effect was a negative €3.3m.

  At constant scope, EBITDA came to €41.7m, down organically by (15.9)% to 16.8% of contributed revenue (vs. €52.9m, or 19.9% of contributed revenue in 2022). This change of (€11.1m) mainly reflects:
  - Negative volume and mix effects of (€16.1m) due to lower sales in service businesses (notably Spill Tech and Solarca).
  - Stable price effects excluding currency effects.
  - Variable operating expenses down by (€8.0m), reflecting lower volumes in the services business.
  - Stable fixed costs.

Current operating income

At December 31, 2023, current operating income (COI) stood at €101.2m, or 10.0% of contributed revenue, marking a significant increase of +10.8% on a reported basis compared with the previous year (€91.3m, or 10.2% of contributed revenue).

It includes a negative contribution from new scopes of €3.9m, and a negative currency effect of €2.1m.

At constant scope, current operating income rose significantly organically (+17.8%) to €105.1m, or 11.2% of contributed revenue. This improvement mainly reflects the organic rise in EBITDA (+€20.2m) and the moderate increase in depreciation in France and abroad.

Breakdown of current operating income by geographic scope

At December 31	2022			2023		
In €m	Consolidated	France	International	Consolidated	France	International
Contributed revenue	895.3	629.3	266.0	1013.5	748.5	265.0
COI	**91.3**	**61.7**	**29.6**	**101.2**	**80.8**	**20.4**
% of contributed revenue	10.2%	9.8%	11.1%	10.0%	10.8%	7.7%
Consolidated data at current exchange rate						

For each geographic scope, the main changes were:

- **In France**, operating income came to €80.8m, or 10.8% of contributed revenue (vs. €61.7m to 9.8% of sales a year earlier), marking a sharp rise of +31.0% compared with 2022. This increase includes a scope effect of (€5.1m) relating to the *prorata temporis* contribution of activities consolidated in 2022 and 2023 (All'Chem, STEI, Séché 34 and Séché ARI).
  At constant scope, COI in France came to €85.9m, or 12.5% of contributed revenue This excellent performance reflects organic growth in EBITDA (+€28.0m), less depreciation, amortization, and provisions, which rose moderately due to tight control over capital expenditure and the quality of the customer receivables portfolio.

- **Internationally**, COI came to €20.4m, or 7.7% of contributed revenue, down (31.1%) over the period (vs. €29.6m, or 11.1% of contributed revenue in 2022).
  This contraction includes a scope effect of +€1.3m linked to the contribution over 3 months of the acquisitions made at the end of 2023, as well as a negative currency effect of (€2.1m).
  At constant scope, COI came to €19.2m, or 7.7% of sales, marking an organic decline of (30.2%) year-on-year.
  This lower contribution essentially reflects the organic decline in International EBITDA (€7.8m) and the increase in depreciation relating, among other things, to Interwaste's new capacities (class A cells, industrial effluent treatment plant, etc.)

Operating income

Operating income (OI) reached €91.4m, or 9.0% of contributed revenue, up 4.9% at current exchange rates on last year (+12.2% on a constant scope and exchange rates basis).

This change essentially reflects the increase in operating income, less a provision for intangible assets of €7.1m, mainly due to the non-utilization of development work carried out in connection with the implementation of the French ERP system, following tests carried out by the pilot companies in the second half of 2023.

Net financial income

At December 31, 2023, net financial income stood at (€22.2m), compared with (€18.5m) at the end of 2022, up 20.0% year-on-year.

This change mainly reflects:

- The increase in the cost of gross indebtedness, to (€26.1m) vs. (€17.8m) a year earlier, due to a rise in the cost of gross debt to 3.49% (vs. 2.56% in 2022) and the increase in average gross debt over the period.
- The improvement in "Other financial income and expenses", at +€0.9m vs. (€1.5m) in 2022, mainly due to the recognition of accretion income on the provision for thirty-year risk, amounting to +€2.3m (vs. an expense of (€0.5m) a year ago).

Income tax

At December 31, 2023, "Income taxes" amounted to (€17.8m) vs. (€19.2m) in 2022, i.e. an effective tax rate of 25.8% vs. 28.1%.

Income tax expense breaks down as follows:
- In France, taxes amounted to (€14.8m) - of which (€7.9m) deferred- vs. (€12.1m) - of which (€5.6m) deferred taxes a year ago.
- At international scope, (€3.1m)- including +€2.0m in deferred taxes- vs. (€7.1m) - including €1.2m in deferred taxes - a year ago.

Share of income of associated companies

Income from associated companies mainly concerns the Group's share in the profits of Gerep, Sogad, La Barre-Thomas and Solena Valorisation. It stands at (€1.3m) at December 31, 2023, unchanged from the previous year.

Consolidated net income

After accounting for the Group's **share in the profits of associated companies**, i.e. (€1.3m) at December 31, 2023, total **consolidated net income** came to €50.0m vs. €47.9m in 2022.

Net of **non-controlling** interests of (€2.2m), **Group share of net income** came to €47.8m, or 4.7% of contributed revenue at December 31, 2023 (vs. €44.6m, or 5.0% of contributed revenue in 2022).

Net income per share came to €6.13 vs. €5.72 at December 31, 2022.

The **dividend** will be increased from €1.10 to €1.20 per share and will be withdrawn on July 8, 2024 and paid from July 10, 2024[22]. The payout ratio is comparable to last year, at 19.6% of 2023 earnings per share vs. 19.2 %.

Comments on consolidated cash flow at December 31, 2023

Summary of consolidated statement of cash flows

In €m	2022	2023
Cash flow from operating activities	148.1	187.3
Cash flows from investing activities	(189.5)	(168.7)
Cash flows from financing activities	(5.2)	18.8
Change in cash from continuing operations	(46.6)	37.3
Change in cash flow from discontinued operations	-	-
Change in cash and cash equivalents	**(46.6)**	**37.3**

Over the period, the change in cash flow was +€84.0m, generating a positive cash flow of +€37.3m.

This favorable trend mainly reflects:
- Higher cash flow from operating activities: +€39.2m.
- Reduction in cash flow from investing activities: +€20.8m.
- The contribution of cash flows from financing activities: +€24.0m.

Cash flows from operating activities

In fiscal 2023, the Group generated €187.3m in cash flow from operating activities (vs. €148.1m one year earlier), an increase of +€39.2m.

[22] Subject to approval by the General Meeting of Shareholders on April 26, 2024

This change reflects the combined effect of:

- Cash flow from operations before tax and financial expenses up by +€17.6m to €206.5m (vs. €188.9m in 2022), reflecting growth in EBITDA.
- A significant reduction in working capital requirements to (€6.3m) vs. (€25.1m) in 2022. The return of the change in WCR to a level in line with business growth demonstrates the success of the Group's work on accounts receivable, despite the consequences of the cyber-attack in spring 2023 on invoicing and collection.
- Taxes paid down by (€2.9m) to (€12.9m) vs. (€15.8m) in 2022.

Cashflows from investing activities.

(In €m)	2022	2023
Net industrial investments (excluding IFRIC 12)	105.0	97.2
Net financial investments	0.2	0.0
Net Investments booked	**105.2**	**97.2**
Net industrial investments	95.7	88.7
Net financial investments	(0.1)	0.1
Acquisition of subsidiaries - Net cash flow	80.7	62.3
Net Investments paid	**176.3**	**151.1**

In 2023, **net recognized capital expenditure** falls sharply to €97.2m, or 9.6% of contributed revenue (vs. €105.0m in 2022, or 11.4% of contributed revenue).

They consist of:

- **Recurring capital expenditure** (or maintenance) of €68.2m, or 6.7% of contributed revenue (vs. €57.4m in 2022, i.e. 6.4% of contributed revenue), this increase being mainly due to the burden of periodic major maintenance and repair expenses in this financial year.
- **Non-recurring** (or development) **investments** of €29.0m, or 2.9% of contributed revenue (vs. €47.6m in 2022, or 5.3% of contributed revenue). They mainly concern growth investments in Services and in Circular economy businesses.

By nature, recognized capital expenditure breaks down as follows:

- €16.3m of "major maintenance and repair " expenditure (vs. €9.8m in 2022).
- €35.8m for Hazard Management (vs. €49.7m in 2022).
- €19.2m for Circular economy businesses (vs. €14.1m in 2022).
- €20.0m in Services (vs. €23.3m in 2022).
- €5.9m miscellaneous investments (vs. €8.1m in 2022).

Investments made in anticipation of regulatory changes, as well as those related to health, safety and the environment, accounted for €20.9m (21.5% of net investment recognized) vs. €16.0m in 2022 (i.e. 15.2% of net investment recognized).

By division, booked capital expenditure (excluding "IFRIC 12" investments) breakdown is:

At December 31	2022		2023	
	€m	%	€m	%
Hazardous Waste division	69.7	66.4%	65.3	67.2%
Non-Hazardous Waste division	35.3	33.6%	31.9	32.8%
Total	**105.0**	**100.0%**	**97.2**	**100.0%**

By geographic region, the breakdown of industrial investments (excluding IFRIC 12 investments) demonstrates the preponderance of investments made in France and abroad and by the main subsidiaries in Italy, South Africa and Spain:

	2022		2023	
	€m	%	€m	%
France	**78.7**	**75.0%**	**79.3**	**81.6%**
Germany	0.1	0.1%	0.1	0.1%
Spain[23]	5.5	5.2%	4.5	4.6%
Italy	9.9	9.3%	(0.8)	(0.8)%
Chile	0.9	0.9%	1.6	1.7%
Mexico	ns	ns	0.3	0.3%
Peru	0.9	0.9%	2.4	2.5%
South Africa	9.0	8.6%	9.7	10.0%
Total international	**26.3**	**25.0%**	**17.9**	**18.4%**
Total (excluding IFRIC 12)	**105.0**	**100.0%**	**97.2**	**100.0%**

Cash flows from financing activities

Net cash used in financing activities amounted to +€18.8mfor the year ended December 31, 2023, up +€24.0m year-on-year, mainly reflecting:

- **New borrowing flows**: +€163.5m vs. +€104.8m last year, including the "Recovery" equity loan granted in July 2023 for an amount of €57.8m and a term of 8 years.
- **Loan repayments:** (€85.2)m vs. (€60.7)m in 2022.
- **Interest expense disbursed**: (€19.6)m vs. (€14.6)m in 2022.
- **Dividends** paid to shareholders and minority interests: (€9.9)m vs. (€8.8)m in 2022.
- **Non-controlling cash flows**: (€0.6)m vs. (€3.0)m in 2022.
- **Changes in treasury stock** amounted to (€0.1)m vs. €0.1m in 2022.
- **Repayment of lease debts** of (€29.3)m - including interest on leases of (€3.6)m vs. (€23.5)m of which interest on leases for (€2.4)m in 2022.

Comments on changes in consolidated financial position at December 31, 2023

Extract from the consolidated balance sheet

In €m	2022	2023
	Actual	Actual
Non-current assets	963.3	1032.3
Current assets (excluding cash and cash equivalents)	315.0	391.2
Cash and cash equivalents	126.2	162.2
Assets held for sale	-	-
Share capital (including non-controlling interests)	317.4	346.3
Non-current liabilities	660.8	731.0
Current liabilities	426.4	508.4
Liabilities held for sale	-	-

[23] *Investments made by Solarca are 100% integrated into the "Spain" scope.*

Non-current assets

The increase in non-current assets (+€69.0m compared with December 31, 2022) mainly reflects changes in the following items:

- "**Tangible and intangible fixed assets**": up +€65.4m to €945.7m, due to:
  - A €39.2m rise in intangible assets, mainly due to the increase in "goodwill" following the acquisitions of Furia and Essac.
  - The increase in property, plant and equipment (+€37.6m), of which a +€11.9m change in scope linked to the provisional recognition of Furia and Essac assets at fair value.
- "**Other non-current financial assets**": At +€16.8m, this item includes the increase in concessionary operating receivables (+€12.2m) linked to work carried out as part of the modernization of the Mo'UVE energy recovery unit in Montauban.
- "**Other non-current assets**": down by (€4.6m). This item mainly comprises the receivable owed by EMS Strasbourg to Sénerval.
- "**Deferred tax assets**": down by (€4.9m).

Current assets (excluding cash and cash equivalents)

Current assets excluding cash stood at €301.2m, up €76.2m on December 31, 2022.

This change mainly reflects changes in the following items:

- "Customers" for +€62.3m (of which +€27.8m related to new scopes).
- "Claims on the State": +€7.0m, mainly in VAT.
- "Current accounts receivable": +€3.8m in advances to associated businesses.

Shareholders' equity

The change in shareholders' equity (Group share) in 2023 breaks down as follows[24]:

In €m	Group	Attributable to non-controlling interests	Total equity
Shareholders' equity at January 1, 2023	**310.1**	**7.3**	**317.4**
Other comprehensive income	(11.0)	0.1	(10.9)
Net income - Group share	47.8	2.2	50.0
Third-party share in share capital increases of subsidiaries	-	0.4	0.4
Dividends paid	(8.6)	(1.8)	(10.4)
Treasury shares	(0.1)	-	(0.1)
Business combinations	-	ns	-
Transactions with non-controlling interests	-	-	-
Other changes	0.2	(0.2)	ns
Share capital at December 31, 2023	**338.3**	**8.0**	**346.3**

Current and non-current liabilities

In €m	2022			2023		
	Non-current	Current	Total	Non-current	Current	Total
Hedging instruments	10.3	-	10.3	5.9	-	5.9
Provisions	53.1	2.7	55.8	59.4	4.5	63.9
Other liabilities	4.8	311.2	316.0	7.1	364.8	371.9
Income tax payable	-	1.1	1.1	-	1.1	1.1
Total (excl. financial debt)	68.2	315.0	383.2	72.4	370.4	442.8
Financial debt	592.6	111.5	704.1	660.6	138.0	798.6
Total	**660.8**	**426.5**	**1087.3**	**733.0**	**508.4**	**1241.4**

[24] *See Note 3.2.4.13 of this document.*

Current and non-current liabilities, excluding financial debts, amounted to €442.8m, an increase of €59.6m mainly relating to:

- +€2.5m change in "Payables on fixed asset acquisitions", corresponding to:
  - (€4.1m) earn-out payment for the acquisition of the Chilean company Ciclo.
  - €0.7m to the balance of the earn-out payment for Essac, a Peruvian company.
  - €0.8m for the balance of the acquisition of the Industrial Waters business.
- For (€31.9m), an increase in payables on fixed asset acquisitions linked to investment projects in France.
- €7.5m increase in "Employee-related liabilities" due to the assumption of employee-related liabilities of acquired companies.
- For +€13.4m, the increase in liabilities to the State (excluding corporate income tax), including €7.0m in respect of VAT and around €3.6m in respect of the contribution capping electricity producers' infra-marginal profits introduced by the Finance Act for 2023.
- The remainder was due to changes in other liabilities, particularly current liabilities such as "Trade payables" (+€30.1m).

Debt and financing structure

The table below shows changes in net indebtedness in 2023:

In €m	2022	2023
Bank loans	186.5	211.2
Non-bank debt	24.3	21.5
Bonds	415.8	421.1
Lease debt	65.4	70.7
Derivatives	9.6	5.5
Other financial debt (including accrued interest)	2.3	61.8
Factoring debt	7.0	9.2
Short-term bank borrowings	2.7	3.1
Total Financial Debt (current and non-current)	**713.6**	**804.1**
Cash balance	(126.2)	(162.2)
Net Financial Debt	**587.4**	**641.9**
Of which less than one year (1)	*(14.8)*	*(24.2)*
Of which due in more than one year	*602.2*	*666.1*

(1) Cash and cash equivalents are stated at less than one year.

Gross financial debt stood at €804.1m at December 31, 2023, compared with €713.6m a year earlier.

This +€90.5m increase mainly reflects:

- Scope effect linked to companies acquired in 2023: +€8.6m including +€3.8m for locations.

And at **constant scope**, mainly changes in:

- Debt with credit institutions (including non-recourse bank loan): +€18.1m, including (€2.8)m in non-recourse bank loan to finance IFRIC 12 investments in Mo'Uve.
- Bond debt: +€5.4m, mainly due to changes in the fair value of derivative instruments.
- Fair value of derivative instruments: (€4.1m).
- Lease debt: +€1.5m.
- Miscellaneous financial liabilities (including accrued interests not due): +€59.5m, mainly due to a €57.8m "Recovery" equity loan obtained in July 2023.
- Factoring debt: +€2,2m.

At December 31, 2023, the proportion of gross financial debt, including lease debt and after taking into account fixed-rate hedging instruments, stood at 74% (vs. 73% in 2022). As a proportion of net financial debt, the **hedging ratio** reached 93% (vs. 89% in 2022).

By maturity, the residual contractual maturity of gross debt - excluding lease debt and hedging instruments - breaks down as follows:

In €m	Book Value	2024	2025	2026	2027	2028	>2028
Gross financial debt	727.8	128.2	46.8	96.7	49.1	320.3	94.6

At December 31, 2023, **cash and cash equivalents** totaled €162.2m, vs. €126.2m one year earlier, marking a significant increase of +€36.0m.

At the same date, the Group's **net financial debt** stood at €641.9m (vs. €587.4m one year earlier), an increase of +€54.5m, of which:

- (€43.2m) resulting from the Group's debt reduction at constant scope - and before non-cash effects.
- +€35.5m in non-cash effects (mainly related to new financial leases).
- +€62.3m from external growth operations.

In €m	31/12/22	31/12/23
Opening Net Debt	**474.9**	**587.4**
Cash flows from operating activities	(148.1)	(187.3)
Net industrial investment paid out	95.7	88.7
Net financial investments paid	(0.1)	0.1
Dividends	8.8	9.9
Net interest paid (including interest on lease debt)	17.0	23.2
Change in other loans and receivables	16.1	22.2
Capital increase or decrease	0.6	-
Change in Net Debt at constant scope (before non-cash effects)	**464.9**	**544.1**
Scope effect	80.7	62.3
Non-cash change in debt	41.8	35.5
Net Financial Debt at closing	**587.4**	**641.9**

Financial leverage ratio stood at 2.9 times EBITDA vs. 2.8 times EBITDA a year earlier, reflecting the financing of external growth at the end of the year. Excluding these acquisitions, it would have been 2.7 times EBITDA.

Definitions

Contributed revenue: published revenue net of 1. IFRIC 12 revenue representing investments made in assets under concession recognized as sales in accordance with IFRIC 12 2. the TGAP (Taxe Générale sur les Activités Polluantes - French General Tax on Polluting Activities), paid by waste producers and collected on behalf of the State by waste processors.

Recurring operating cash flow: EBITDA increased by dividends received from equity interests and the balance of other cash operating income and expenses (including foreign exchange gains and losses), less cash expenses for renovation and maintenance of treatment sites and assets under concession (including Major Maintenance and Repair expenses).

Free operating cash flow: recurring operating cash flow less changes in working capital requirements, taxes paid, net bank interest paid (including interest on financial leases) and recurring capital expenditure (maintenance), and before development investments, financial investments, dividends and financing.