

## Press release

Changé, France, October 26, 2017

### Revenue at September 30, 2017

#### Business remains solid over 9 months

At September 30, 2017, Séché Environnement published consolidated revenue of €393.1m, compared to €345.1m one year earlier.

**Contributed revenue<sup>1</sup> stood at €373.9m**, compared to €333.3m at September 30, 2016, **an increase of +12.2%** for the first 9 months of the year.

This increase includes €30.6m in contributions from acquisitions made during the first half of 2017: Séché Environnement Ouest on the Non-Hazardous Waste markets in France, and Internationally on the Hazardous Waste markets: Spanish company Solarca, SADN in Chile, and Taris in Peru. **At constant scope and exchange rates, contributed revenue rose by +3.0%** over the first 9 months of the year.

Across its historical scope, Séché Environnement benefited from solid growth in its business with Industrial clients, while its business with Local Authorities saw sustained activity.

Over the period, Hazardous Waste activities (specifically incineration and Material recovery) supported organic growth, while Non-Hazardous Waste confirmed its stability thanks to good performance by the recovery and storage activities.

With activity levels over the 9 first months in line with its expectations, Séché Environnement confirms its target of **modest growth in its contributed revenue at constant scope for the 2017 period**.

Consolidated data in €m

<b>At September 30</b>	<b>2016</b>	<b>2017</b>	<b>Change</b>	<b>Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>(gross)</b>	<b>(organic)</b>
Hazardous Waste (HW) division	209.8	238.6	+13.7%	+4.6%
Non-Hazardous Waste (NHW) division	123.5	135.3	+9.6%	+0.4%
<b>Contributed revenue</b>	<b>333.3</b>	<b>373.9</b>	<b>+12.2%</b>	<b>+3.0%</b>
<i>Diversion compensation (NHW)</i>	9.2	16.1	-	-
<i>IFRIC 12 revenue (NHW)</i>	2.6	3.1	-	-
<b>Consolidated revenue (reported)</b>	<b>345.1</b>	<b>393.1</b>	<b>+13.9%</b>	<b>+5.1%</b>

At September 30, 2016, contributed revenue at constant exchange rates amounted to €333.2 million, reflecting a foreign exchange effect of (€0.1 million) over the period, primarily for the Hazardous Waste division.

<sup>1</sup>See "Definitions" section

## Commentary on the activity of the divisions in the third quarter of 2017

During the third quarter of 2017, **contributed revenue stood at €121.4m**, (vs. €110.8m over the same period in 2016), reporting an increase of **+9.5% (gross change) for the period**.

Q3 revenue for 2017 includes a €10.7m contribution from the acquired scope in the first half of 2017.

**Across the historic scope**, revenue for the third quarter of 2017 stood at **€110.7m**, stable compared to the same period last year **(-0.2% in organic change)**.

The stability in revenue at constant scope is the result of an unfavorable comparison effect with the third quarter of 2016, characterized by a high level of activity in the decontamination and storage (polluted soils) business lines within Hazardous Waste, while Non-Hazardous Waste confirmed strong activity in its principal business lines.

During the third quarter of 2017:

- **The Hazardous Waste division took in €75.5m in revenue**, an increase of **+7.6%** (gross change) and **-2.1%** (organic change) on the third quarter of 2016.

- **In France**, the division's revenues amounted to **€62.9m**, **down 3.8%** on the third quarter of 2016.

The division's activity was supported by the incineration and Material recovery business lines, but posted a downturn in the decontamination and storage lines (unfavorable comparison basis).

- **In International operations**, revenue totaled **€12.6m**, compared to €4.7m in the third quarter of 2016.

**With no foreign exchange effect and restated for the scope effect (€6.9m)**, International activity was up by **+21.7%**, primarily reflecting the momentum of PCB<sup>2</sup> activities in Latin America ("spot markets").

The divisions consolidated in 2017 are developing as expected, at similar activity levels to last year.

- **The Non-Hazardous Waste division recorded contributed revenue of €45.9m**, up **+12.7%** from the third quarter of 2016.

**With no foreign exchange effect and restated for the scope effect, organic growth** for the division stood at **+3.4%**. The end of the Oléron incinerator operating contract and the effects of the arbitrage in favor of Hazardous Waste within Salaise 3 were more than offset by the good performance of most business lines, specifically Material recovery (ramping-up of the Changé sorting center) and storage activities.

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<sup>2</sup> PCB: Polychlorobiphenyl

Consolidated data in €m

Q3	2016 actual	2017 actual	Change (gross)	Change (organic)
Hazardous Waste (HW) division	70.2	75.5	+7.6%	-2.1%
Non-Hazardous Waste (NHW) division	40.7	45.9	+12.7%	+3.4%
<b>Contributed revenue</b>	<b>110.8</b>	<b>121.3</b>	<b>+9.5%</b>	<b>-0.1%</b>
<i>Diversion compensation (NHW)</i>	<i>3.1</i>	<i>4.7</i>	-	-
<i>IFRIC 12 revenue (NHW)</i>	<i>1.1</i>	<i>0.3</i>	-	-
<b>Consolidated revenue (reported)</b>	<b>115.0</b>	<b>126.4</b>	<b>+9.9%</b>	<b>+0.6%</b>

At September 30, 2016, published consolidated revenue at constant exchange rates was €110.8m, reflecting the absence of a foreign exchange effect for the period.

### Outlook for 2017

Over the coming months, Séché Environnement should maintain activity levels in line with the recent period, but **the fourth quarter of 2017 will be compared with the fourth quarter of 2016, which was especially strong in the Hazardous Waste division:**

- within industrial markets that are still buoyant, the division should see a lesser contribution from the decontamination and storage business lines, which had large polluted-soil contracts, as well as the integration of the Viviez site at the end of 2016;
- in a context of market stability with Local Authorities, the Non-Hazardous Waste division should confirm the positive performance in its recovery business lines thanks to the ramping-up of the sorting center and the inauguration of the SRF boiler unit at the Changé site.

Considering these elements, Séché Environnement can reaffirm its objective of **modest contributed revenue growth at constant scope for 2017.**<sup>3</sup>

#### Definitions

*Contributed revenue: reported revenue minus IFRIC 12 revenue and diversion compensation.*

*IFRIC 12 revenue: investments made for disposed assets and booked as revenue in accordance with IFRIC 12.*

*Diversion compensation: compensation used, net of variable charges, to cover the additional costs incurred by Séché Environnement to ensure the continuity of public service during asbestos removal at the Strasbourg-Sénerval incinerator.*

<sup>3</sup>See September 5, 2017 press release

## Conference call

A conference call to present the business activity for the third quarter of 2017 will be held (in French only) on October 26, 2017 at 6:00 p.m. (UTC+2).

To participate in the conference, dial **+33 (0)1 70 71 01 59** (operator assisted).

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

[http://www.groupe-seche.com/EN/financial-information\\_56.html](http://www.groupe-seche.com/EN/financial-information_56.html)

The conference recording will be available at +33 (0)1 72 72 74 02 – Code: 418 706 142 #

## Contacts

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## Calendar

**Consolidated results at December 31, 2017**

**March 12, 2018 after market close**

## About Séché Environnement

*Séché Environnement is one of France's leading players in the recovery and treatment of all types of waste, from both industry and local communities.*

*Séché Environnement is the leading independent operator in France. It is uniquely positioned as a specialist in highly complex waste, operating within regulated waste recovery and treatment markets with high barriers to entry.*

*Its facilities and expertise enable it to provide high value-added solutions to its industrial and public authority clients, targeting the challenges of the circular economy and sustainable development requirements, such as:*

- *the material and energy recovery of hazardous and non-hazardous waste;*
- *a comprehensive range of treatment solutions for solid, liquid and gaseous waste (thermal, physical-chemical and radiation treatment, etc.);*
- *the storage of final hazardous and non-hazardous waste;*
- *eco-services such as decontamination, decommissioning, asbestos removal and rehabilitation.*

*Leveraging its extensive expertise, Séché Environnement has successfully developed its environmental services business lines in waste management outsourcing markets for its clientele of large communities and major industrial companies both in France and abroad.*

*Séché Environnement has been listed on Eurolist by Euronext (Compartment B) since November 27, 1997.*

*It is eligible for equity savings funds dedicated to investing in SMEs and is listed in the CAC Mid&Small and Euronext PEA-PME 150 indexes.*

## Important notice

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