

Changé, France, October 27, 2020

Revenue at September 30, 2020

Good level of activity in Q3 with revenue up +2% (organic¹)

Impact of the health crisis: The catch-up is well under way

2020 targets confirmed

With **contributed revenue² of €169.1m** in the third quarter of 2020 showing **growth of +0.4% (gross)** and **+1.8% (organic)** compared to Q3 2019, Séché Environnement confirmed the rebound that began at the end of the first half across most of its regions of operation.

As such, the third quarter of 2020 illustrated the resilience of Séché Environnement's France and International operations, with the gradual return to normalized activity in all its areas. In fact, Latin America showed the first signs of recovery at the end of the period.

Contributed revenue totaled €482.1m over the period vs. €498.2m at September 30, 2019, down slightly by -3.2% over the period (reported data) and -4.5% **at constant scope and exchange rates**, for published consolidated revenue of €482.5m vs. €514.8m for the first nine months of 2019.

Confident that these trends will continue in the fourth quarter, Séché Environnement is maintaining its outlook for the second half of 2020 with activity levels comparable to the second half of 2019³.

The period also reinforces the Group's expectations that it will catch up the effects of the first-half health crisis as soon as the end of the current financial year, and as such it is confirming its **contributed revenue target of €650m-€675m³** for 2020.

At September 30 (9 months)	2019	2020	Gross change	Organic change
Hazardous Waste	324.6	299.8	-7.6%	-10.4%
Non-Hazardous Waste	173.6	182.3	+5.0%	+6.4%
Contributed revenue	498.2	482.1	-3.5%	-4.5%
Non-contributed revenue	16.6	0.4	-	-
Reported revenue	514.8	482.5	-6.6%	-7.6%

Reported data in €m

¹ Organic: at constant scope and exchange rates

² See Definition on page 5 of this press release

³ See the press release of September 14, 2020

Commentary on business in the third quarter of 2020

Following the first half that was clearly impacted by the pandemic, Séché Environnement' Q3 revenue stood at **€169.1m**, a level of activity slightly higher than that of the same period last year, up **+0.4% (gross)** and **+1.8% (organic)**.

In fact, the period featured growth in most of its operations in France and a gradual return to normalized activity across the international scope.

Breakdown by geographic scope

Q3	2019	2020	Gross change	Organic change
France	125.7	130.3	+3.6%	3.6%
International	42.7	38.8	-9.2%	-4.1%
Contributed revenue	168.4	169.1	+0.4%	+1.8%
Non-contributed revenue	4.2	0.2	-	-
Reported revenue	172.6	169.3	-1.9%	-0.6%

Reported data in €m

In France, third-quarter revenue stood at **€130.3m**, a **+3.6% increase** on the third quarter of 2019. The period was notable for a continued strong rebound in activities related to the Local Authority market, while the industrial markets confirmed their solid trend. As such, most business lines (except energy recovery) were back to their normal levels in the Hazardous Waste (HW) and Non-Hazardous Waste (NHW) divisions.

Internationally, the division's revenue totaled **€38.8m** for the period, down -9.2% on a reported basis. The third quarter saw a negative foreign exchange effect of €(2.2)m, primarily due to the depreciation of South Africa's currency in the first half of 2020 and, to a lesser extent, the South American currencies: at constant exchange rates, the international scope sustained a **moderate downturn of -4.1%** compared to Q3 2019:

- ▶ In Europe, growth was driven by the momentum in recovery operations (Valls Quimica in Spain: +19.7%) and the resilience of treatment activities (Mecomer in Italy), compared to robust activity in the third quarter of 2019;
- ▶ In South Africa, Interwaste returned to strong growth (+15.0% at constant exchange rates), particularly in non-hazardous waste;
- ▶ The Latin American region posted an overall decline of -25.7% at constant exchange rates. The first signs of a business recovery appeared in Peru and Chile in September;
- ▶ In the Rest of the World, Solarca (chemical cleaning) posted activity down -14.7% (at constant exchange rate) compared to the third quarter of 2019.

Analysis by division

Q3	2019	2020	Gross change	Organic change
Hazardous Waste	110.8	101.4	-8.5%	-7.2%
Non-Hazardous Waste	57.6	67.7	+17.4%	+19.0%
Contributed revenue	168.4	169.1	+0.4%	+1.8%
Non-contributed revenue	4.2	0.2	-	-
Reported revenue	172.6	169.3	-1.9%	-0.6%

Reported data in €m

In the third quarter, the trends in the recovery and treatment divisions were complete contrasts:

- ▶ The **Hazardous Waste** division generated **€101.4m** in revenue, down -8.5% on a reported basis and **-7.2%** at constant exchange rates. The division trended differently based on geographic scope:
 - **In France**, with revenue of **€76.0m**, the division returned to its Q3 2019 activity level, demonstrating the industrial markets' resilience;
 - **Internationally**, revenue totaled **€25.0m** vs. €35.8m in the third quarter of 2019, and the division continued to be penalized by a negative currency effect of €(1.5)m and the delayed recovery of treatment activities in Latin America. Meanwhile, Europe (Mecomer in Italy and particularly Valls Quimica in Spain) confirmed its industrial markets were resilient.
- ▶ The **Non-Hazardous Waste** division recorded revenue of **€67.7m**, up sharply on the same period last year: +17.4% on a reported basis and **+19.0%** at constant scope:
 - **In France**, the division kept up its brisk pace of growth at **+6.3%** to **€53.9m**, signaling that the Local Authorities markets had returned to pre-crisis activity levels;
 - **Internationally**, the division doubled its activity (**+125%** at constant exchange rates to **€13.8m**), buoyed by strong performance at Interwaste and the rebound of the Local Authorities markets in South Africa.

Analysis by activity

Q3	2019	2020	Gross change	Organic change
Treatment	89.0	84.4	-5.2%	-4.6%
Recovery	21.1	18.8	-11.0%	-11.3%
Services	58.3	65.9	+13.0%	+16.6%
Contributed revenue	168.4	169.1	+0.4%	+1.8%
Non-contributed revenue	4.2	0.2	-	-
Reported revenue	172.6	169.3	-1.9%	-0.6%

Reported data in €m

Treatment operations posted **€84.4m** in revenue, down -5.2% on a reported basis and **-4.6%** at constant exchange rates, and were impacted mainly by the delayed recovery of business in Latin America. As such:

- ▶ **In France**, treatment activities returned to the same level of activity as in Q3 2019, with **€71.6m** in revenue, down -0.2% compared to the same period last year. This resilience was seen in the HW and NHW divisions alike.

- ▶ **Internationally**, revenue from treatment operations stood at **€12.8m**, a sharp decline compared to the same period last year: -25.7% on a reported basis and **-23.3%** at constant exchange rates, because the third quarter was still being negatively impacted by the health crisis in Latin America, whereas Europe, particularly Italy (Mecomer), proved its resilience;

Recovery activities declined by -11.0% (reported) to **€18.8m**, i.e. **-11.3%** at constant exchange rates, and were mainly impacted by the downturn in the energy recovery business in France:

- ▶ **In France**, recovery revenues were down by **-21.7%** to **€13.7m**, impacted by the slump in energy recovery, while Material recovery (Speichim Processing) was resilient, with activity levels identical to the same period last year;
- ▶ **Internationally**, with revenue of **€5.1m**, recovery activities – PCB markets in Latin America and Valls Quimica in Spain – bounced high after a steep decline in the first half: +39.8% on a reported basis and **+36.9%** at constant scope.

Services had a strong upturn, particularly in France, with decontamination projects starting back up: +13.0% on a reported basis and **+16.6%** at constant exchange rates, bringing revenue to **€65.9m**:

- ▶ **In France**, with **€45.0m** in revenue, a gain of **+23.4%** on the same period last year, the third quarter saw decontamination projects start back up as expected, while outsourcing activities ("Comprehensive Services") showed a good level of business;
- ▶ **Internationally**, revenue amounted to **€20.9m**, down by -4.3% on a reported basis but up **+4.2%** at constant exchange rates. In particular, the International scope was boosted by strong sales at Interwaste (South Africa).

Outlook for 2020 reinforced⁴

Trajectory by 2022 confirmed⁵

Third-quarter activity levels and continued positive trends point to the effects of the health crisis being caught up by the end of the current fiscal year (excluding the currency impact) and align with Séché Environnement's business targets for FY 2020:

- ▶ **Hazardous Waste** should continue to benefit from the resilience of its industrial markets, which will support the recovery and treatment activities in France, whereas the International markets, particularly Latin America, are expected to pursue their return to a better level of activity. In service activities, the fourth quarter is expected to continue the trend seen in the third, with projects back under way;
- ▶ **Non-Hazardous Waste** is expected to continue to profit from strong markets being supported by the implementation of the Circular Economy. In France, the division will be especially well served by energy recovery's return to a normal contribution level, while Internationally, Interwaste (South Africa) should make a positive contribution to the division's growth across that scope.

⁴ See the press release of September 14, 2020

⁵ See « Investor day » and the press release of December 17, 2019

All in all, assuming the economic consequences of the health crisis in the coming months remain limited in France and in those countries where the Group operates, activity in the second half of 2020 is expected return to a level comparable to that of H2 2019, enabling Séché Environnement to reach its **current-year contributed revenue target of €650m - €675m**.

This favorable outlook for 2020 also enables to confirm the commercial, operational and financial trajectory by 2022.

Definitions

Contributed revenue: consolidated revenue restated for 1/ investments made for assets under concession arrangements and booked as revenue pursuant to IFRIC 12 and 2/ damages and compensation paid net of variable cost savings to maintain continuity of services to local authorities during asbestos removal at the Euro-Métropole Strasbourg incinerator.

Calendar

Consolidated results at December 31, 2020

March 8, 2021 after market close

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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, and develops cutting edge hazardous and non-hazardous waste recovery and treatment solutions.

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:

- *material or energy recovery from 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;*
- *the global management of environmental services under outsourcing agreements.*

Leveraging its extensive expertise, Séché Environnement operates in more than 15 countries around the world and is developing rapidly internationally through organic growth and acquisitions. Already operating in Europe (Spain and Germany, and now Italy) Séché Environnement has recently taken a leading position in Latin America (Peru and Chile) and in South Africa.

The Group currently employs around 4,500 people worldwide (including about 2,000 in France).

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, Euronext PEA-PME 150, and Euronext Tech40 indexes.

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