Changé, France, September 13, 2021

PRESS RELEASE

European Rising Tech LABEL

ELIGIBLE PEA PME

Excellent commercial, operational and financial performance as at June 30, 2021

Solid business and favorable environment

Significant increase in operating profitability

Financial flexibility considerably improved

Upward revision of 2021 targets,

on track to reach 2022 road map one year early

Planned acquisition of Osis-IDF

Commercial performance	Contributed revenue: €355m	**+18%**
Operational performance	EBITDA: €81m, or 22.9% of revenue COI: €33m, or 9.3% of revenue	**+51%** **+152%**
Financial performance	Free operating cash flow: €45.1m 2.7x financial leverage ratio	**+14%** **-0.6x**

2021 targets revised upwards[1]

Contributed revenue* close to €750m, which is the minimum target set for 2022

EBITDA between 21% and 22% of contributed revenue*

(vs "aim for EBITDA of 21% of contributed revenue")

Improved financial leverage ratio to 2.7x (vs "of around 2.9x at the end of 2021")

* at constant scope including TGAP (tax on polluting activities)

[1] *See press release from Monday, March 8, 2021*

Séché Environnement posted solid growth momentum in France and returned to a good level of international activity.

The Group has increased its operating margins significantly and, thanks to its strong cash generation, it considerably improved its financial flexibility.

These results confirm the suitability of the Group's profitable growth strategy and the lasting effects of its industrial efficiency policy.

Séché revised its targets for 2021 and is expected to reach most of the business and operating profitability goals initially set for 2022.

New prospects for medium-term growth and increased operating profitability will be presented at the end of the year as part of an "Investor Day".

At the Board of Directors meeting held on Friday, September 10, 2021 to approve the financial statements drawn up on June 30, 2021, the Chairman, Joël Séché, stated: *"The first half of 2021 demonstrates Séché Environnement's ability to fully benefit from the effects of the economic recovery after 2020, a year in which the Group demonstrated the resilience of its activities and margins.*

Over the period, Séché achieved commercial, operational and financial performance levels that were not only well above H1 2020, but also higher than H1 2019.

With its array of solutions to meet the long-term challenges faced by industrial and government clients in the establishment of a circular and decarbonized economy, Séché is positioned in the high value-added segment of waste recovery activities at the core of business lines with high barriers to entry. Drawing on innovations from its R&D work, which hews as closely as possible to the needs of its customers, the Group is able to capture the growth in its markets, in both volume and value, in France and internationally.

In France, the Group enjoys strong growth momentum in terms of volumes and prices. Internationally, most regions are returning to pre-crisis activity levels. In addition, Séché continued to expand and adapt its service offering through the continuation of a targeted acquisition strategy. With Spill Tech in South Africa, it complemented its existing recovery and treatment offering with high value-added environmental emergency management services. Finally, Séché recently announced its intention to acquire Osis-IDF from Veolia. The company specializes in sanitation services – recurring activities in the heart of regions where the Group is not currently operating performed for a replenished client portfolio.

Operating margins have risen sharply: the industrial efficiency policy and cost control efforts laid out in the cost-cutting plan have contributed significantly to the increase in profitability of facilities and the entire organization. From a financial perspective, the Group has managed its debt while maintaining a dynamic growth investment policy, particularly at the international level, and cash generation has contributed to a major improvement in balance sheet flexibility.

These trends are sustainable. The excellent economic, operational and financial performances of the past period led the Group to revise its targets for 2021 upwards and it expects to be one full year ahead of schedule in achieving goals that had been set for 2022.

New targets for business growth and medium-term operating profitability will be announced at the end of the year. I firmly believe these will illustrate the relevance of Séché Environnement's profitable growth strategy implemented at the heart of the sustainable development markets in France and internationally. "

Selected financial data

Consolidated data in €m

At June 30		2019 restated*	2020 restated*	2021	Gross change
Contributed revenue		**314.4**	**299.7**	**354.7**	**+18.4%**
EBITDA		63.6	53.8	81.1	+50.7%
	% of revenue	*20.2%*	*18.0%*	*22.9%*	
Current operating income		22.1	13.0	32.9	+152.1%
	% of revenue	*7.0%*	*4.3%*	*9.3%*	
Net financial income		(8.4)	(10.4)	(9.4)	-
Income tax expense		(5.0)	(2.3)	(7.2)	
Share of profit of associates		(0.1)	(0.1)	(0.5)	
Minority interests		(0.5)	(0.0)	(0.4)	
Net income (Group share)		**7.6**	**(0.9)**	**13.5**	**-**
	% of revenue	*2.4%*	*(0.3%)*	*3.8%*	
Earnings per share (Group share)		***0.96***	***(€0.12)***	***€1.72***	
Recurring operating cash flow[2]		52.9	41.7	62.9	+50.8%
Industrial CapEx paid (excl. IFRIC 12)		30.2	35.4	34.7	-2.0%
Free operating cash flow[3]		35.0	39.4	45.1	+14.5%
Net financial debt under IFRS		**445.9**	**445.5**	**465.5**	**+4.5%**
Financial leverage ratio		**3.2x**	**3.3x**	**2.7x**	**-0.5x**

** Contributed revenue excluding TGAP (tax on polluting activities)*

2 Earnings before interest, tax, depreciation and amortization plus dividends received from subsidiaries and the balance of other operating income and expenses and cash, less site maintenance and restoration expenses, major maintenance expenses under concession arrangements ("public service delegations") and investments in concessions (IFRIC 12)

3 Free cash before non-recurring industrial investments, financial investments, dividends and debt repayments.

Summary of activity, income, and financial situation at June 30, 2021

In H1 2021, Séché Environnement consolidated its profitable growth momentum and confirmed the favorable outlook for its business, operating profitability and financial position for the entire current fiscal year and beyond.

In France, the Group benefited from robust markets, supported by good volume and positive price trends, both in its industrial and local authorities markets. This commercial momentum was driven by the implementation of an industrial efficiency policy that promotes the full availability of recovery and treatment tools and improves the organization's performance.

On the whole, International business confirmed the return to growth and, to varying degrees, posted more sustained levels of activity after a financial year tarnished by the pandemic in 2020. In South Africa, the Group acquired Spill Tech, a leading operator in the environmental emergency sector, thus supplementing its network in this promising region[4].

On a like-for-like basis, in H1 2021, Séché Environnement achieved commercial, operational and financial performance that not only exceeded the same period in 2020 but also significantly improved over the period ended on June 30, 2019.

On the finance front, the Group issued a bond of €50m with a maturity of 8 years under improved interest rate conditions and with ESG impact criteria. The bond issue is meant to finance the acquisition of Spill Tech and other growth investments planned by the Group in 2021[5].

Over the period, the Group managed its debt while maintaining an active growth investment policy, particularly in international markets. The Group's financial flexibility is improving significantly.

Drawing on its sustained growth momentum at the heart of the growing markets of the circular economy and the fight against climate change, Séché is confident that its industrial efficiency policy will continue to have a positive impact. For 2021 and beyond, it anticipates a continued increase in its operating margins, strong cash generation and continued improvement in its financial flexibility.

The Group is reviewing its targets – especially in terms of operating results and financial position – for 2021 and is expected to achieve, one year in advance, most of the targets initially set out in its 2022 road map[6].

Finally, the Group recently announced its intention to acquire from Veolia Group the eight operations centers of Osis IDF, a sanitation specialist, subject to the approval of the competent authorities[7].

[4] *See press release from January 13, 2021*
[5] *See press release from March 24, 2021*
[6] *See Investor Day of December 17, 2019*
[7] *See press release from August 2, 2021*

Strong markets and confirmed sales momentum

High-quality organic growth

At June 30, 2021, Séché Environnement posted contributed revenue[8] of €354.7m, a sharp increase of 18.4% compared to June 30, 2020. That figure includes €11.1 million in contributions from Spill Tech, which has been consolidated as of March 1, 2021.

At constant scope, contributed revenue stood at €343.6m, reflecting a sharp rise of 14.6% compared to contributed revenue at June 30, 2020 (€299.7m) and of 15.0% at constant exchange rates. The figure also compares quite favorably to contributed revenue at June 30, 2019 (€314.4m).

In H1 2021, Séché Environnement confirmed the impressive increase in its activities in France, and to varying degrees, the return of international growth:

- In France (74% of contributed revenue), activity rose sharply (+16.9% to €261.3m), with the Group benefiting from high volumes and good prices in all its recovery and treatment markets, while Services business lines also confirmed their momentum;
- Internationally, revenue (€93.5m or +22.5%, reported data) recorded Spill Tech's contribution over four months at €11.1m. At constant scope and exchange rates, growth in this scope was 9.4%.

  Europe and South Africa posted significant growth, while Latin America, which was slower to feel the effects of the public health crisis, suffered in H1 2021 from an unfavorable basis of comparison.

Operating results performed considerably better than in H1 2020 and above H1 2019:

- EBITDA was €81.1m, i.e. 22.9% of contributed revenue. It posted an increase of 50.7% compared to June 30, 2020 (and was up 27.5% over the same period in 2019)

  It includes a scope effect related to the integration of Spill Tech as of March 1, 2021, for €3.4m (30.6% of revenue).

  At constant scope, EBITDA increased by 44.4% versus June 30, 2020. It came to 22.6% of contributed revenue (versus 18.0% at June 30, 2020, and 20.2% at June 30, 2019).

  In France, the Group benefited from the availability of its facilities, strengthened by the effects of its industrial efficiency policy, which enabled it to process increased volumes and take advantage of favorable price effects and mix effects.

  Internationally, the Group benefited from more positive trends in its business compared to the same period last year, as well as firm control of its operating expenses, particularly in Latin America;

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[8] *Contributed revenue is reported revenue, less IFRIC 12 revenue (amount of investments in concessions, recognized as intangible assets, as well as revenue pursuant to the recommendations of IFRIC 12) and less the impact of the increase in the General Tax on Polling Activities (TGAP).*

- Current Operating Income (COI) was €32.9m, i.e. 9.3% of contributed revenue. It was up 152.1% compared to June 30, 2020 (and rose 48.4% compared to the same period in 2019).

  It includes Spill Tech's contribution of €2.9m (26.1% of revenue).

  At constant scope, COI rose sharply compared to June 30, 2020 (+130.0%).

  Current operating profitability was 8.7% of contributed revenue (4.4% in H1 2020 and 7.0% in H1 2019). This major improvement mainly reflects the favorable trend in gross operating profitability in a context of controlled depreciation expenses in line with the selective investment policy;

- Operating income reached €30.8m, or 8.7% of contributed revenue, marking an increase of 158.8% compared to 2020 (+42.6% compared to 2019). Its change mainly reflects the increase in COI.

Financial income improved to (€9.4m) versus (€10.4m) one year ago, due to the slight decrease in the cost of gross debt (2.78% versus 2.91% one year ago) and the improvement in the balance of financial income and expenses (with a notable reduction in exchange rate loss).

After recognition of a tax expense for (€7.2m) compared to (€2.3m) in H1 2020, the share of income of associates – (€0.5m) versus (€0.1m) – and non-controlling interests for (€0.4m) versus (€0.0m), net income (Group share) amounted to €13.5m or 3.8% of contributed revenue compared to a net loss of (€0.9m) at June 30, 2020 (and net profit of €7.6m at June 30, 2019).

Industrial investments (excluding IFRIC 12) were under control, at €38.8m versus €25.8m one year earlier), i.e. 10.9% of contributed revenue (8.6% at June 30, 2020). Their growth in H1 2021 mainly reflects the recovery in development investments, which had been suspended at the same period last year.

Available operating cash flow stood at €45.1m (versus €39.4m at June 30, 2020), an increase of 14.5% over the period). The ratio of free cash flow to EBITDA stood at 56% well above the target of 35% set by the Group[9].

Available cash was €134.3m (versus €215.1m one year earlier, including €100m in drawdowns on the credit facility) and helped strengthen a liquidity position of €304.3m (versus €310.1m at June 30, 2020).

Net financial debt (IFRS) was under control at €445.5m (versus €445.5m at June 30, 2020) and financial leverage, calculated in accordance with the banking agreement[10], was significantly reduced to 2.7x EBITDA (versus 3.3x one year ago), illustrating a vast improvement in the Group's balance sheet flexibility.

9 See press release from December 17, 2019

10 The definition included in the banking contract excludes certain debts from the calculation of net financial debt, such as non-recourse debt and lease liabilities.

Recent events and outlook

Planned acquisition of eight operational centers from Osis IDF[11]

On July 31, 2021, Séché Environnement entered into an agreement with Veolia Group to acquire eight operational centers specializing in the maintenance of sanitation networks and structures in Ile-de-France owned by Osis-IDF, a subsidiary of Veolia.

For Séché, the acquisition of these eight centers, grouped under the name "Agence Osis-IDF Collectivité", rounds out its range of environmental services with new promising business lines and expands its geographical coverage to Ile-de-France through a leading company on its markets.

Agence Osis-IDF Collectivité is expected to generate revenue of around €27m for the current financial year, with revenue growing steadily at about 7% per year since 2017 (excluding 2020), amounting to 10% growth compared to 2020. The expected EBITDA for 2021 is around €4m, with an EBIT along the same lines.

Séché Environnement made an irrevocable pledge to Osis-IDF to acquire the Agence Collectivité subject, among other conditions, to the approval of the French Competition Authority.

As a result, the acquisition is expected to be finalized in early 2022. It will be funded from the Group's free cash flow, with no significant impact on the liquidity position or financial leverage.

Upward revision of 2021 targets

On the strength of its economic, operational and financial achievements in H1 2021, Séché Environnement is confident in its ongoing growth in France and internationally, in the long-term expansion of its operating margins and the continued improvement in its balance sheet strength and financial flexibility.

Good market trend in terms of volume and price

In H2 2021, Séché Environnement expects to continue to benefit in France, from persistently strong industrial markets, with industrial production holding steady at a high level, particularly for its core clients, which should favor volume effects, particularly in terms of hazardous waste recovery and treatment facilities.

Contracts with local authorities, which mainly relate to non-hazardous waste, should continue to benefit from the positive effects of transitioning to a circular economy.

These trends should continue to benefit from favorable commercial effects for the full year.

Internationally, most areas are expected to confirm their return to growth, this period benefiting in addition from the favorable comparison basis of H2 2020.

The contributed revenue[12] expected for 2021 should therefore be close to €750m, a minimum target initially set for 2022[13].

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[11] *See press release from Monday, August 2, 2021*

[12] *With a constant 2020 scope, including TGAP (tax on polluting activities) estimated at around €45m for 2021*

Accelerated improvement in operational performance

From an operational standpoint, Séché Environnement will continue its industrial efficiency strategy, based on heightened selectivity in its investments, improving the use conditions of its facilities and optimizing its logistics structure. In addition, it will maintain its productivity efforts through its cost-cutting plan.

These factors should enable the Group to improve its gross operating profitability (EBITDA/contributing revenue including TGAP) and aim for a new gross operating margin target[14]ranging from 21% to 22% of contributed revenue, including TGAP.

Confirmation of significantly improved flexibility

Séché Environnement will maintain its selective investment policy in addition to development projects worth around €20m for the year as a whole. The industrial investments, which are expected to total about €90m, will be committed to meeting the Group's liquidity and flexibility objectives.

The Group confirmed the improvement in its financial flexibility objective, and is now targeting a leverage ratio of around 2.7x EBITDA at end-2021 (excluding external growth), after having already lowered it to 2.9x from 3.0x in March 2021.[15]

Medium-term outlook

Séché Environnement expects to achieve most of the targets it had set as the endpoint of its 2022 road map in 2021, one year ahead of schedule[16].

New prospects to grow the business and raise operating profitability will be detailed as part of an "Investor Day" scheduled for the end of 2021.

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[13]See press release from December 17, 2019
[14]See press release from Monday, March 8, 2021: "aim for a target of 21% of contributed revenue"
[15]See press release from Monday, March 8, 2021
[16]See press release from, December 17, 2019

Results presentation webcast	September 14, 2021 at 8:30 am

Connection to the home page of Séché Environnement's website

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

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

Next release

Third-quarter 2021 revenue: , October 26, 2021, after market close

About Séché Environnement

Séché Environnement is the leader in the treatment and recovery of all types of waste, including the most complex and hazardous waste, and decontamination, protecting the environment and health. Séché Environnement is a family-owned French industrial group that has supported industrial and regional ecology for over 35 years with innovative technology developed by its R&D team. It delivers its unique expertise on the ground in local regions, with more than 100 sites around the world, including around 40 industrial sites in France. With 4,600 employees, including 2,000 in France, Séché Environnement generated nearly €675m in revenue in 2020, 25% of which from its international operations, and is expanding through both organic growth and acquisitions. Thanks to its expertise in creating circular economy loops, the treatment of pollutants and greenhouse gases, and hazard containment, the Group directly contributes to the protection of the living world and biodiversity – an area it has actively supported since its creation.

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 included in the CAC Mid&Small, EnterNext Tech 40 and EnterNext PEA-PME 150 indexes. ISIN: FR 0000039139 – Bloomberg: SCHP.FP – Reuters: CCHE.PA

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FINANCIAL INFORMATION AT JUNE 30, 2021
(Excerpts from the Management Report)

Comments on activity and results at June 30, 2021

At June 30, 2021, Séché Environnement reported consolidated revenue of €382.5m, compared to €313.2m at June 30, 2020. Reported consolidated revenue includes non-contributed revenue of €27.8m (versus €13.5m at June 30, 2020).

Net of non-contributed revenue, contributed revenue totaled €354.7m as of, June 30, 2021, amounting to an 18.4% increase against June 30, 2020. It includes the contribution of Spill Tech, consolidated as of March 1, 2021, for €11.1m.

At constant scope, contributed revenue came to €343.6m (versus €299.7m a year earlier), marking a sharp rise of 14.6% compared to June 30, 2020, in reported data, and of 15.0% at constant scope and exchange rates.

Breakdown of revenue by geographic region

At June 30	2020		2021		Gross change
	In €m	*As a %*	In €m	*As a %*	*As a %*
Subsidiaries in France (excl. IFRIC 12 revenue and TGAP)	223.4	*74.5%*	261.2	*73.6%*	+16.9%
o/w scope effect	-	-	-	-	
International subsidiaries	76.3	*25.5%*	93.5	*26.4%*	+22.5%
o/w scope effect	*13.6*	-	*11.1*	-	
Total contributed revenue	**299.7**	***100.0%***	**354.7**	***100.0%***	**+18.4%**

Consolidated data at current exchange rates.
At constant rates, contributed revenue at, June 30, 2020 was €298.7m, illustrating a negative foreign exchange effect of (€1.0m).

The first half of 2021 confirmed a high level of activity in France and abroad in the main geographical regions:

- In France, contributed revenue was up considerably (+16.9%), to €261.2m versus €223.4m at June 30, 2020.

  Séché Environnement benefited from industrial markets supported by the high level of industrial production and local authorities contracts driven by the implementation of regulations related to the circular economy.

  This robust market trend and sales momentum enabled the Group to benefit from volume effects and favorable price effects.

  All activities contributed to growth.

  Revenue earned in France accounted for 73.6% of contributed revenue at June 30, 2021 (versus 74.5% one year earlier);

- Internationally, revenue totaled €93.5m on June 30, 2021, versus €76.3m one year earlier, a 22.5% surge in reported data.

  International revenue includes a scope effect of €11.1m, linked to the contribution of Spill Tech, which was integrated on March 1, 20221.

  It also had a significantly reduced negative exchange rate effect compared to H1 2020: (€1.0m) versus (€10.2m).

  At constant scope and exchange rates, international revenue growth was 9.4% over the period, illustrating the return to growth in most geographical regions:

  - Europe (revenue: €34.2m, up 4.0%): growth momentum in Europe (good increase in Mecomer, hazardous waste platform activity in Italy; Valls Quimica, chemicals recovery in Spain; and UTM, industrial gas recovery in Germany) was hampered by the lackluster performance of Iber-Trédi, waste trading in Spain.
  - South Africa (revenue: €33.8m, up 20.8%): Interwaste confirmed its return to normative activity levels in markets driven by the needs of major industrial clients in terms of environmental solutions at the highest international standards;
  - Latin America (revenue: €6.4m, down 25.4%): Peru and Chile, where the public health crisis started later, experienced the extended effects of the pandemic because its point of comparison was still strong in H1 2020;
  - Rest of World (revenue: €9.0m, up 23.4%): Solarca (industrial services) is returning to better business levels, but they still remain lower than in 2019, due to government restrictions on international travel which interfere with its ability to quickly execute projects.

  Revenue earned by international subsidiaries accounted for 26.4% of contributed revenue at June 30, 2021 (versus 25.5% one year earlier).

Breakdown of revenue by division

At June 30	2020		2021		Gross change
	In €m	*As a %*	In €m	*As a %*	
Hazardous Waste division	195.5	*65.3%*	228.7	*64.5%*	+17.0%
o/w scope effect	*13.6*	-	*11.1*	-	-
Non-Hazardous Waste division (excluding IFRIC 12 revenue and TGAP)	104.2	*34.7%*	126.0	*35.5%*	+20.6%
o/w scope effect	-	-	-	-	-
Total contributed revenue	**299.7**	***100.0%***	**354.7**	***100.0%***	**+18.4%**

Consolidated data at current exchange rates.

The recovery and treatment sectors contributed significantly to growth, with the NHW division being particularly buoyed by the strength of Interwaste's activities, while the Hazardous Waste (HW) division – excluding scope effects – continued to be weighed down by the poor performance of activities in Latin America.

Séché

The HW division, which accounts for 64.5% of consolidated contributed revenue (versus 65.3% a year ago), generated revenue of €228.7m, up 17.0% compared to June 30, 2020. The figures include a scope effect of €11.1m related to the integration of Spill Tech.

At constant scope and exchange rates, the division's growth came to 12.0%, with varying situations across the Group's different geographical regions:

- In France, the division brought in €165.1m in revenue, up 16.5% compared to last year.

  Over the period, the division was supported in its recovery and treatment activities by industrial business, which still showed robust volumes and pricing, while decontamination services, strengthened by the growth in environmental emergency interventions, posted highly encouraging growth levels;

- Internationally, the division's revenue totaled €52.5m at June 30, 2021 versus €53.7m one year earlier, showing stability compared to June 30, 2020 (+0.1% at constant exchange rates).

  This stability includes geographical disparities, with Europe and South Africa returning to pre-crisis activity levels, while Latin America and Solarca in the Rest of World were still adversely affected to varying degrees as a result of the health crisis.

NHW, which accounted for 35.5% of contributed revenue (versus 34.7% a year ago), contributed revenue of €125.0m, an impressive increase of 20.6% compared to last year.

- In France, the division brought in €96.1m in revenue, up 17.7% compared to last year. The sector confirmed its good trend in volumes and prices, supported by the implementation of regulations related to the establishment of a circular economy and the increasing restrictions on the export of non-hazardous waste;

- Internationally, revenue reached €29.9m, posting a very steep increase of 32.3% at current exchange rates and of 30.7% at constant exchange rates, mainly due to the contribution of Interwaste in South Africa.

Breakdown of revenue by activity

At June 30		2020		2021		Gross change
		In €m	*As a %*	In €m	*As a %*	
Treatment		144.2	*48.2%*	164.0	*46.2%*	+13.7%
	o/w scope effect	*13.4*	-	-	-	-
Recovery		44.5	*14.8%*	51.5	*14.5%*	+15.7%
	o/w scope effect	*0.1*	-	-	-	-
Services		111.0	*37.0%*	139.2	*39.3%*	+25.4%
	o/w scope effect	*0.1*	-	*11.1*	-	-
Total contributed revenue		**299.7**	***100.0%***	**354.7**	***100.0%***	**+18.4%**

Consolidated data at current exchange rates

All activities contributed in a balanced manner to growth, with services also benefiting from the contribution of the newly consolidated Spill Tech.

Waste treatment activities totaled €164.0m at June 30, 2021, up 13,7% at current exchange rates and up 14.1% at constant exchange rates.

This growth masks a contrasting situation between France and International, particularly in Latin America:

- In France, treatment activities are growing very significantly: +16.8% to €137.1m. They benefited from favorable volume and price effects, as well as the availability of facilities reinforced by the effects of the industrial efficiency policy;
- Internationally, treatment activities posted slight growth compared to the same period in 2020 (to €26.9m, or +2.3% at constant exchange rates): most geographical regions confirmed their return to normative activity levels, but these activities are still weighed down by the decreased business levels in Latin America, where the public health crisis began later (elevated benchmark for comparison).

Treatment activities accounted for 46.2% of contributed revenue at June 30, 2021 (versus 48.2%one year earlier).

Recovery activities recorded revenue of €51.5m at June 30, 2021 (versus €44.5m one year earlier), a significant increase of 15.8% in reported data and of 15.7% at constant exchange rates. This increase reflects:

- In France (revenue: €41.2m, up 23.6%), the good trend in material recovery activities – particularly hazardous waste – driven by the implementation of regulations related to the circular economy, and energy recovery activities supported by customers' needs for low-carbon energy.
- Internationally (revenue: €10.3m, down 7.7% on reported data and -7.8% at constant exchange rates), the positive trend in the activities of all subsidiaries, which was hampered by the negative trend at Iber Trédi in Spain (-19.5%).

Recovery activities accounted for 14.5% of contributed revenue at June 30, 2021 (versus 3.1x one year earlier).

Service activities recorded contributed revenue of €139.2m at June 30, 2021 (versus €111.0m one year earlier, i.e. an increase of 25.4% in reported data). This strong increase includes Spill Tech's contribution of €11.1m.

At constant scope and exchange rates, Services business rose considerably: up 15.9%. They benefited from:

- In France (revenue: €82.9m, up 14.0%), the contribution of "all-inclusive offers" that meet the growing needs of customers in terms of outsourcing their sustainable development issues, and the good performance of decontamination activities, strengthened by the growth momentum of emergency response services;
- Internationally (revenue: €45.2m, up 18,2% at current exchange rates and up 19.4% at constant exchange rates), strong growth in Interwaste's services business in South Africa.

Service activities accounted for 39.3% of contributed revenue at June 30, 2021 (versus 37.0% one year earlier).

EBITDA

At June 30, 2021, Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) were 50.7% higher than at June 30, 2020, at €81.1m, representing 22.9% of contributed revenue.

This increase includes a scope effect linked to the consolidation of Spill Tech over four months for +€3.4m. It should be noted that the exchange rate effect is negligible.

At constant scope, the EBITDA margin came to 22.6% of contributed revenue (versus 18.0% one year earlier).

This significant increase in profitability of the historical scope mainly reflects:

- Volume effects and positive mix effects for +€28.7m, mainly benefiting from treatment activities related to commercial momentum and the effects of the industrial efficiency policy;
- Very positive price effects of +€14.7m, in line with the high level of saturation of treatment facilities in France;

Partially offset by increases in:

- Variable operating expenses (+€11.7m), in line with the increase in activity;
- Personnel expenses (+€5.5 million) due in part to the return to normal operating conditions for staff versus H1 2020 when there were pandemic constraints, and in part to the resumption of Interwaste's activities;
- Various charges (including property tax of €0.4m) amounting to €2.3m.

Breakdown of EBITDA by geographic scope

At June 30	2020			2021		
In €m	Consolidated	France	Intern^nal	Consolidated	France	Intern^nal
Contributed revenue	299.7	223.4	76.3	354.7	261.2	93.5
EBITDA	**53.8**	**42.7**	**11.1**	**81.1**	**64.5**	**16.6**
% of contributed revenue	*18.0%*	*19.1%*	*14.5%*	*22.9%*	*24.7%*	*17.8%*

Consolidated data at current exchange rates.

For each geographic scope, the main changes were:

In France, EBITDA totaled €64.5m, or 24.7% of contributed revenue (versus €42.7m and 19.1% of contributed revenue one year ago).

This steep increase (up €21.8m) for the period mainly reflects:

- Favorable commercial effects in terms of volumes, waste mix and prices, in line with the good market trends in France and the improvement in the utilization rate of facilities resulting from the industrial efficiency policy;
- Controlled operating expenses, linked in particular to optimization of the logistics organization and the cost-cutting plan;
- The absence of H1 2020 non-recurring items, such as the industrial incident in Sénerval, which had an impact on EBITDA worth (€7.6m).

Internationally, EBITDA totaled €16.6m, or 17.8% of contributed revenue. This includes a scope effect of €3.4m related to the four months of Spill Tech consolidation. The exchange rate effect is negligible.

At constant scope, EBITDA reached €13.2m, or 16.0% of contributed revenue.

This 19.2% increase reflects:

- The improvement of business within this scope, especially in South Africa,
- Partially offset by the increase in certain operating costs in Europe and decreased business in Latin America (particularly Peru) despite measures taken to reduce operating expenses.

Current operating income

At June 30, 2021, Current Operating Income (COI) was €32.9m, or 9.3% of contributed revenue.

It includes a scope effect related to Spill Tech's four months of consolidation, for €2.9m. Note the negligible exchange rate effect.

At constant scope, COI rose sharply (+130.8%) and stood at €30.0m or 8.7% of contributed revenue (versus €13.0m, i.e. 4.4% of contributed revenue one year ago).

This sharp improvement mainly reflects the increase in EBITDA (+€23.9m), partially offset by the increase in the amortization of storage cells and the start-up of installations in the treatment businesses in France.

Breakdown of current operating income by geographic scope

At June 30	2020			2021		
In €m	Consolidated	France	Intern^{nal}	Consolidated	France	Intern^{nal}
Contributed revenue	299.7	223.4	76.3	354.7	261.2	93.5
COI	13.0	11.0	2.0	32.8	26.8	6.0
% of contributed revenue	*4.3%*	*4.9%*	*2.6%*	*9.3%*	*10.3%*	*6.4%*

Consolidated data at current exchange rates.

For each geographic scope, the main changes were:

- In France, current operating income totaled €26.8m, or 10.3% of contributed revenue (versus €11.0m, or 4.9% of contributed revenue one year earlier).

  This good performance reflects the increase in the contribution of EBITDA (+€21.9m) minus, in particular, the increase in depreciation charges related to the final waste storage business lines and the start of new facilities.
- Internationally, COI totaled €6.0m, or 6.4% of revenue.

  It includes a scope effect of €2.9m relating to the integration of Spill Tech as of March 1, 2021. The exchange rate effect is negligible.

  At constant scope, COI reached €3.1m or 3.8% of revenue (versus €2.0m, i.e. 2.7% of contributed revenue a year earlier).

  This change mainly reflects the improvement in EBITDA (+€2.0m), partially offset by the increase in amortization expenses and provisions (€0.9m).

Operating income

Operating income reached €30.8m, or 8.7% of contributed revenue, recording a 158.8% increase compared to June 30, 2020. This positive trend mainly reflects the increase in COI. This balance also included a goodwill loss of (€0.9m) in Peru, caused by the lag in recovery from the public health crisis.

Net financial income

At June 30, 2021, financial income was (€9.4m) compared to (€10.4m) in 2019.

This improvement reflects:

- An increase in the cost of net debt, to (€8.1m) versus (€8.7m) last year, combined with a fall in the cost of gross debt to 2.78% (versus 2.91% in H1 2020);
- Favorable changes in the balance of other financial income and expenses, which were (€1.2m) versus (€1.7m) one year ago, due to the improvement in foreign exchange income and, above all, the absence of losses on disposals of financial assets, which had adversely affected this total for (€1.0m) in H1 2020.

Income tax

At June 30, 2021, the corporate tax expense was (€7.2m) versus (€2.3m) a year ago. It breaks down to (€5.6m) versus (€0.3m) one year ago for France and to (€1.6m) versus (€2.0)m one year ago for the International scope.

The effective tax rate was 34.1% (versus 35.3% at December 31, 2020.

Share of income of associates

The share of net income of affiliates primarily comprised the Group's share of the income of Gerep and Sogad and amounted to (€0.5m) at June 30, 2021 versus (€0.0m) one year earlier.

Consolidated net income

At June 30, 2021, consolidated net income was €13.8m versus (€0.9m) one year earlier.

After booking the minority interest share in that income, comprising a loss of (€0.3m) versus (€0.0m) at June 30, 2020, representing in particular the minority interest shares in Solarca and Mecomer, net income (Group share) was €13.5m, i.e. 3.8% of contributed revenue (versus a loss of €0.9m in H1 2020).

Net earnings per share amounted to €1.72 versus (€0.12) as at June 30, 2020.

Comments on cash flow and the financial situation as at June 30, 2021

Cash flow

Summary of cash flows

In €m at June 30	2020	2021
Cash flow from operating activities	71.4	76.1
Cash flows from investing activities	(42.1)	(67.8)
Cash flows from financing activities	94.1	25.1
Change in cash flow from continuing operations	*123.4*	*33.4*
Change in cash flow from discontinued operations	-	-
Change in cash flow	**123.4**	**33.4**

During the period, the change in cash flow increased from +€123.4m in H1 2020 to €33.4m in H1 2021.

This variation of (€90.0m) reflects:

- The increase in flows generated by operating activities: +€4.7m;
- Changes in flows related to investment transactions: (€25.7m);
- A reduction in flows related to financing transactions: (€69.0m)

Cash flows relating to operating activities

Over H1 2021, the Group generated €76.1m in cash flows from operating activities (versus €71.4m one year earlier), i.e. an increase of +4.7%.

This change reflects the combined effect of:

- Th very positive developments in gross cash flow before tax and financial expenses, at €73.8m (versus €46.0m one year earlier);
- The change in WCR for +€4.6m, i.e. a reduction of (€26.9m) compared to the change observed in H1 2020, as no assignments of receivables were recorded during the period – unlike last year;
- Net taxes paid in the amount of (€2.4m) versus (€6.3m) at June 30, 2020.

Cash flows relating to investments

In €m at June 30	2020	2021
Industrial investments	26.0	43.7
Financial investments	0.1	0.0
Investments recorded	26.1	43.7
Industrial investments	35.6	39.6
Financial investments	0.0	0.0
Acquisition of subsidiaries - Net cash flow	6.6	28.4
Investments paid out	42.2	68.0

During H1 2021, recorded industrial investments amounted to €43.7m, of which €4.9m in IFRIC 12 concession investments (versus €26.0m, including €0.2m in concession investments one year earlier).

Excluding investments in concessions, they cover:

- Recurrent investments totaling €21.3m, representing 6.0% of contributed revenue (versus €17.4m at June 30, 2020, i.e. 5.8% of contributed revenue).
- Non-recurrent investments totaling €17.5m, or 4.9% of contributed revenue (versus €8.4m at June 30, 2020, i.e. 2.8% of contributed revenue). They mainly concern growth investments in subsidiaries in Italy and South Africa.

Industrial investments can be broken down between facilities as follows:

- €6.0m in category 2 “public service delegation” expenses (versus €4.1m in H1 2020);
- €11.0m for energy storage and production facilities (versus €6.4m in H1 2020);
- €3.2m for thermal treatment systems, platforms and other treatments (versus €0.7m in H1 2020);
- €0.4m for materials recovery tools (versus €0.7m in H1 2020);
- €3.5m for eco-services tools, including the vehicle fleet (versus €1.4m in H1 2020);
- €10.1m for holding activities relating to information systems, regulatory investments and development investments in subsidiaries (versus €8.0m in H1 2020)
- €4.6m in miscellaneous recurring investments (versus €4.4m in H1 2020).

Cash flows relating to financing activities

Total net cash relating to financing activities amounted to +€25.1m in H1 2021, essentially reflecting:

- Flows from new borrowings: +€64.5m versus €122.8m in H1 2020, the last period recording a drawdown of €100m on the credit facility line;
- Flows from loan repayments: (€21.9m) versus (€9.6m) in H1 2020, this period having been subject to a moratorium on bank maturities.

- Interest expense: (€6.8m) versus (€8.0m) in H1 2020;

- Flows from dividends paid to minority interests: (€0.7m) versus (€0.5m) in H1 2020;
- Cash flows without gain of control: (€0.2m) versus (€2.9m) in H1 2020;
- Repayment of lease liabilities (including interest on leases for €0.9 million): (€10.0m) versus (€7.4m) in H1 2020.

Debt and funding structure

Change in net debt

In €m at June 30	2020	2021
Bank loans	217.4	239.5
Non-bank debt	32.0	28.3
Bonds	254.0	278.9
Lease liabilities	42.5	47.8
Miscellaneous financial debt	3.5	3.3
Short-term bank borrowings	112.2	2.1
Equity investments	-	-
Total financial debt (current and non-current)	660.6	599.8
Cash balance	(215.1)	(134.3)
Net financial debt (IFRS)	**445.5**	**465.5**
of which due in less than one year (1)	*(31.7)*	*(66.7)*
o/w due in more than one year	*477.2*	*532.2*
Net bank debt (2)	**390.1**	**410.8**

(1) The cash balance is considered over less than one year
(2) Calculated according to the definition provided in the banking contract

Gross financial debt stood at €599.8m at June 30, 2021, compared to €660.6m a year earlier. This (€60.8m) contraction mainly reflects changes in:

- bank debt: +€18.4m;
- bond debt: +€24.9m;
- financial leases: +€5.3m;
- various positions: (€110.3m) including current bank loans for (€110.1m) following the full repayment of the credit facility in H2 2020.

At June 30, 2021, active cash flow stood at €134.3m, down by (€80.8m) compared to H1 2020, as a drawdown on credit facilities was booked in the amount of €100m in the same period last year.

Net financial debt (IFRS) is under control at **€464.5m** versus €445.5m one year earlier.

These are the changes recorded:

In €m	12/31/20	6/30/21
Net financial debt at opening	**456.2**	**450.3**
Non-cash change in debt	13.4	11.9
Scope effect	-	3.7
Cash flows relating to operating activities	**(121.3)**	**(76.1)**
Net industrial CAPEX paid	64.2	39.6
Net financial CAPEX paid	12.8	28.4
Dividends	8.3	0.7
Net interest payments	15.1	6.8
Changes in loans and financial receivables	(0.2)	(0.6)
Interest paid on financial leases	1.9	0.9
Net financial debt at closing	**450.3**	**465.5**

Net financial investments paid include:

- €22.9m: the fair value of the consideration transferred from Spill Tech Group, as the net acquired debt amounts to a non-cash change in net debt for €3.7m (excluding lease liabilities);
- €5.5m: payment of the last earnout associated with the acquisition of Mecomer.

According to the definition provided in the banking agreement, which specifically excludes some categories of debt (including non-recourse debt) and the effects of IFRS 16, net debt stood at €410.8m at June 30, 2021 (€390.1m one year earlier).

On this basis, financial leverage came out at 2.7x EBITDA (versus 3.3x a year earlier), illustrating significantly improved financial flexibility.

APPENDIX 1

Consolidated balance sheet

(in thousands of euros)	6/30/2020	6/30/2021
Goodwill	307,115	326,577
Intangible fixed assets under concession arrangements	43,052	39,101
Other intangible fixed assets	37,876	41,281
Property, plant and equipment	309,408	328,801
Investments in associates	370	-
Non-current financial assets	7,616	6,753
Non-current derivatives - assets	-	-
Non-current operating financial assets	41,096	31,528
Deferred tax assets	24,637	21,881
Non-current assets	**771,170**	**795,922**
Inventories	14,276	17,733
Trade and other receivables	155,944	205,044
Current financial assets	4,572	4,682
Current derivatives - assets	-	-
Current operating financial assets	32,457	28,572
Cash and cash equivalents	215,116	134,329
Current assets	**422,365**	**390,360**
Assets held for sale	-	-
TOTAL ASSETS	**1,193,535**	**1,186,283**

Séché

(in thousands of euros)	6/30/2020	6/30/2021
Share capital	1,572	1,572
Additional paid-in capital	74,001	74,061
Reserves	162,105	171,203
Net income	(926)	13,450
Shareholders' equity (Group share)	**236,812**	**260,286**
Minority interests	5,393	4,212
Total shareholders' equity	**242,205**	**264,497**
Non-current financial debt	477,234	532,255
Non-current derivatives - liabilities	85	0
Employee benefits	15,213	17,200
Non-current provisions	19,374	24,575
Non-current operating financial liabilities	330	3,366
Deferred tax liabilities	6,252	6,295
Non-current liabilities	**518,699**	**583,690**
Current financial debt	183,330	67,589
Current derivatives - liabilities	55	33
Current provisions	2,012	1,076
Tax liabilities	4,568	3,968
Current operating financial liabilities	242,666	265,429
Current liabilities	**412,630**	**338,096**
Liabilities held for sale	-	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**1,193,535**	**1,186,283**

APPENDIX 2

Consolidated income statement

(In thousands of euros)	6/30/2020	6/30/2021
Revenue	**313,246**	**382,477**
Other business income	78	421
Income from ordinary activities	313,326	382,898
Purchases used for operational purposes	(43,682)	(46,095)
External expenses	(109,071)	(132,251)
Taxes and duties	(23,461)	(32,726)
Employee expenses	(83,266)	(90,682)
EBITDA	**53,635**	**81,144**
Expenses for rehabilitation and/or maintenance of sites under concession arrangements	(7,645)	(5,094)
Depreciation & amortization, impairment, and provisions	(33,074)	(42,823)
Other operating items	(77)	(379)
Current operating income	**13,039**	**32,848**
Other non-current items	(1,151)	(2,063)
Operating income	**11,888**	**30,785**
Cost of net financial debt	(8,692)	(8,132)
Other financial income and expenses	(1,721)	(1,232)
Financial income	**(10,413)**	**(9,365)**
Income tax	(2,323)	(7,168)
Share of income of associates	(67)	(465)
Net income from continuing operations	**(916)**	**13,787**
Income from discontinued operations	-	-
Net income	**(916)**	**13,787**
o/w attributable to minority interests	(10)	(337)
o/w Group share	**(926)**	**13,450**
Non-diluted earnings per share (in euros)	(0.12)	1.72
Diluted earnings per share (in euros)	**(0.12)**	**1.72**

APPENDIX 3

Consolidated statement of cash flows

(in thousands of euros)	6/30/2020	6/30/2021
Net income	**(916)**	**13,787**
Share of income of associates	67	465
Dividends from joint ventures and associates	-	-
Depreciation & amortization, impairment, and provisions	33,198	43,089
Income from disposals	986	101
Deferred taxes	(891)	1,444
Other income and expenses	1,761	1,246
Cash flows	**32,204**	**60,132**
Income tax	3,354	5,724
Cost of gross financial debt before long-term investments	8,491	7,940
Cash flow before taxes and financial expenses	**46,049**	**73,795**
Change in working capital requirement	31,679	4,753
Tax paid	(6,324)	(2,417)
Net cash flows from operating activities	**71,404**	**76,131**
Investments in property, plant and equipment and intangible assets	(36,485)	(41,002)
Disposals of property, plant and equipment and intangible assets	904	1,403
Increase in loans and financial receivables	(118)	(77)
Decrease in loans and financial receivables	11	234
Takeover of subsidiaries net of cash and cash equivalents	(6,482)	(28,380)
Loss of control over subsidiaries net of cash and cash equivalents	55	(0)
Net cash flows from investing activities	**(42,115)**	**(67,821)**

(in thousands of euros)	6/30/2020	6/30/2021
Dividends paid to equity holders of the parent	-	-
Dividends paid to holders of minority interests	(482)	(715)
Capital increase or decrease by controlling company	-	-
Cash and cash equivalents without loss/gain of control	(2,919)	(168)
Change in shareholders' equity	(300)	24
New loans and financial debt	122,779	64,555
Repayment of loans and financial debt	(9,621)	(21,852)
Interest paid	(7,985)	(6,758)
Repayment of lease liabilities and associated financial expenses	(7,399)	(10,011)
Net cash flows from financing activities	**94,074**	**25,075**
Total cash flow for the period, continuing operations	123,362	33,385
Net cash flows from discontinued operations	-	-
TOTAL CASH FLOWS FOR THE PERIOD	**123,362**	**33,385**
Cash and cash equivalents at beginning of year	80,741	98,184
Cash and cash equivalents at end of year	202,988	132,251
Effect of changes in foreign exchange rates	(1,065)	(683)
(1) of which:		
Cash and cash equivalents	215,116	134,329
Short-term bank borrowings (current financial debt)	(12,216)	(2,078)

APPENDIX 4

DEFINITION OF CONTRIBUTED REVENUE

New presentation of contributed revenue

In €m	2020 presentation	2021 presentation	
At June 30	2020	2020	2021
Revenue (reported)	313.2	313.2	382.5
IFRIC 12 revenue	0.2	0.2	4.9
TGAP (tax on polluting activities)	*13.3*	13.3	22.9
Contributed revenue	313.0	299.7	354.7

Definitions

IFRIC 12 revenue: investments made for disposed assets, billed back to the Licenser and booked as revenue in accordance with IFRIC 12

TGAP: General Tax on Polluting Activities paid by the waste producer and collected by waste management operators on behalf of the State. This tax is paid to the government with no impact on operating margins.

It is slated to change between 2021 and 2025, in both very significant and very differentiated manners depending on the business lines and type of treatment:

- Non-economic revenue resulting from the significant increase in the amount of tax collected, particularly within the NHW division;
- Widely varying changes across operations, not representative of their economic developments, in particular in the treatment businesses (incineration and storage of final waste).