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ELIGIBLE PEA PME

Press release

Changé, France, September 10, 2018

Consolidated results at June 30, 2018

Half-year results at June 30, 2018 confirm annual targets

Solid growth on promising markets — **Contributed revenue[1] at €277.6m** **+10%**
- France: activity buoyed by industrial growth cycle
- International: ramp-up of new growth platforms

Earnings up sharply

Solid operating performance:	**EBITDA at €51.8m** *at 18.7% of contributed revenue*	**+21%**
	COI at €20.7m *at 7.4% of contributed revenue*	**+52%**
Sharp increase in net income:	**NP (Group) at €9.2m** *at 3.3% of contributed revenue*	**+150%**

Financial ratio in line with annual target: Financial leverage at 3x EBITDA
- Controlled CapEx and cash flow generation
- Continued decline in net debt

Significantly improved liquidity — **€420m in bank and bond refinancing**
- Improved interest-rate terms and extension of debt maturity
- Significant liquidity to finance growth

Outlook confirmed
- **2018 targets incorporating performance achieved in the first half[2]**
  - ✓ Business remains strong for H2
  - ✓ H2 2018 EBITDA similar to H1
  - ✓ Cash-flow generation to maintain financial leverage of about 3x
- **2020 targets confirmed[3]:**
  - ✓ Contributed revenue between €550m and €600m (excl. external growth)
  - ✓ Like-for-like EBITDA of around 20% of contributed revenue

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[1] *See page 12: Definitions*
[2] *See press release from March 5, 2018*
[3] *See press release from June 26, 2018*

At the Board of Directors' meeting held on September 6, 2018 to approve the consolidated financial statements at June 30, 2018, Chairman & CEO Joël Séché declared:

"The pace of business and the increase in our results in the first half of 2018 reflect the quality of Séché Environnement's positioning on the high-added-value markets of waste recovery and treatment, specifically industrial waste, in good economic conditions. In particular, the strong growth in activity and income on international markets, especially in the recently-acquired subsidiaries, illustrates the relevance of our growth strategy beyond France. And lastly, as announced, the Group is maintaining a controlled investment strategy, making its deleveraging a reality, and displaying a strengthened financial position.

With these solid achievements, we can turn with confidence toward the continuation of fiscal year 2018, with a second half that should prove similar to the first, in terms of both activity and operating income. Beyond 2018, they confirm the targets for 2020 defined as part of our medium-term development plan.

Moreover, the bank and bond refinancing finalized in early July offer the Group significant new liquidity which aligns its dynamic growth strategy, specifically for external growth, with the financial resources available to it.

Profitable and lasting organic growth, financial solidity, and a strong liquidity position are solidifying our capacity to pursue our profitable growth strategy, through organic development as well as acquisitions, on the waste markets in France and Internationally."

Commentary on the consolidated financial statements at June 30, 2018

During the first half of 2018, Séché Environnement experienced solid organic growth supported by the strength of its markets in France and the development of its activities Internationally, mainly within recently-acquired subsidiaries.

Contributed revenue totaled €277.6m, marking an **increase of +9.9%** over the period gross (and +10.1% at constant exchange rates). Note that in the second quarter of 2018, Séché Environnement posted €142.1m in contributed revenue, up 10.7% (reported data).

- **In France**, with **revenue up by +8.4%** over the first half, most activities had positive momentum, including treatment (storage and incineration), which benefited from the good health of the industrial markets buoyed by solid economic conditions.
- **Internationally**, growth (**revenues up by +25.4%** in reported data and +30.1% at constant exchange rates) was primarily driven by the subsidiaries acquired in 2017, which confirm their strong development potential and the relevance of the external growth strategy implemented by Séché Environnement.

On the strength of this positive activity level in its core businesses, Séché Environnement delivered high – and increasing – operating profitability in its France and International zones alike.

Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) rose sharply: +20.6% at €51.8m, or 18.7% of contributed revenue, driven by volume effects in treatment activities (storage and incineration) and by control of operating expenses.

Current Operating Income (COI), at €20.7m, or 7.4% of contributed revenue, posted a robust increase **(+52.4%)** compared to the first half of 2017.

There was a significantly higher contribution from the **International scope** to consolidated operating income with **EBITDA** up by **+86.6% at €5.3m (17.0% of revenue)** and **COI** gaining **+225% at €3.3m (10.0% of revenue)** illustrating the profitable growth trend resulting from the Group's recent acquisitions across this scope.

Net income (Group share) rose dramatically (+150%) to stand at **€9.2m,** i.e. **3.3% of contributed revenue** (from €3.7m at June 30, 2017, 1.5% of contributed revenue).

At the same time, Séché Environnement has conducted a policy of controlled industrial investment (industrial CapEx at 7.7% of contributed revenue vs. 11.8% at June 30, 2018), as announced after several fiscal years featuring substantial development investments.

The financial position was strengthened with a **decline in net debt (-6.7% at €318.9m)** and **financial leverage** (Net financial debt/EBITDA) was **3.0x EBITDA** at June 30, 2018, meeting the target set by the Group for the end of fiscal year 2018.

Outlook for 2018

Profiting from favorable market conditions, **Séché Environnement refinanced €420m of its financial debt in July 2018[4],** through a two-part transaction pairing a €150m bond issuance in the form of a private placement and a €120m bank credit with a €150m line of liquidity (RCF) integrating innovative environmental, social, and governance performance criteria.

These transactions mean that Séché Environnement can benefit from **more favorable terms on extended maturities and a more flexible, single leverage covenant** of 3.95x EBITDA, which can be increased to up to 4.25x EBITDA in the event of an acquisition.

With this additional liquidity, Séché Environnement reconciles its development strategy, specifically via external growth, with the financial resources available to it.

Over the next few months, Séché Environnement should maintain a strong level of activity, supported in France by a stable macroeconomic backdrop compared to the first part of the fiscal year, and Internationally by rapid development on its growth platforms in Latin America.

In light of the performance already achieved in the first half by certain higher added value business lines, we anticipate **second-half 2018 revenue on the same scale as that of the first half 2018 for a comparable EBITDA**.

The Group is aiming for cash flow generation that will enable it to maintain its financial leverage (Net financial debt/EBITDA) at about 3x at year end (excluding external growth).

Considering 2018 to be a promising fiscal year, **Séché Environnement is upholding its targets for 2020**, of between €550m and €600m in consolidated contributed revenue, and EBITDA of around 20% of contributed revenue (at constant 2018 scope).

Presentation of consolidated results as at June 30, 2018

The presentation of the consolidated results will be broadcast live

on Tuesday, September 11, 2018 at exactly 8:30 a.m.

as a webcast on the Séché Environnement website.

To watch it, please click on the following link:

https://www.groupe-seche.com/en/investors/webcast

[4] *See press release from July 4, 2018*

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 technical risk, at the center of the regulated waste treatment and recovery markets, which have 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;*
- *all types of treatments for solid, liquid or gaseous waste (thermal, physical-chemical or radiation treatment);*
- *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 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 Enternext PEA-PME 150 indexes.

Important notice

This press release may contain information of a provisional nature. This information represents either trends or targets at the date of the press release's publication and may not be considered as results forecasts or as any other type of performance indicators. This information is by nature subject to risks and uncertainties which are difficult to foresee and are usually beyond the Company's control, which may imply that expected results and developments differ significantly from announced trends and targets. These risks notably include those described in the Company's Registration Document, which is available on its website (www.groupe-seche.com). This information therefore does not reflect the Company's future performance, which may differ considerably, and no guarantee can be given as to the achievement of these forward-looking figures. The Company makes no commitment on the updating of this information. More detailed information on the Company can be obtained on its website (www.groupe-seche.com), in the Regulated Information section. This press release does not constitute an offer of shares or a solicitation in view of an offer of shares in any country, including the United States. Distribution of this press release may be subject to the laws and regulations in force in France or other countries. Persons in possession of this press release must be aware of these restrictions and observe them.

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Analysis of the consolidated financial statements at June 30, 2018

At June 30 In €m	2017	*As a % of contributed revenue*	2018	*As a % of contributed revenue*	*Change (gross)*
Contributed revenue	**252.6**	***100%***	**277.6**	***100%***	***+9.9%***
EBITDA	43.0	*17.0%*	51.8	*18.7%*	*+20.6%*
COI	**13.6**	***5.4%***	**20.7**	***7.4%***	***+52.4%***
Operating income	12.8	*5.1%*	18.7	*6.7%*	*+48.8%*
Financial income	(7.1)	-	(6.5)	-	-
Corporate tax	(1.5)	-	(3.1)	-	-
Share of companies accounted for by the equity method	NS	-	0.3	-	-
Net income (Group share)	**3.7**	***1.5%***	**9.2**	***3.3%***	***+150%***

Solid growth for all businesses

- Solid performance by all core businesses within the divisions
- Sharp international growth

Consolidated revenue was €287.8m at June 30, 2018 compared to €266.7m at June 30, 2017, up 7.9% year-on-year.

During the period, it included IFRIC 12 revenue representing investments made on disposed assets for €2.8m (compared to €2.7m one year prior).

It also recognizes €7.3m (€11.4m at June 30, 2017) in damages and compensation paid to Séneval, net of savings on variable charges, to cover the costs incurred to ensure the continuity of the Services to Local Authorities business during asbestos removal at the Strasbourg-Séneval incinerator.

Net of IFRIC 12 revenue and the compensation collected by Séneval, **contributed revenue stood at €277.6m**, compared to €252.6m at June 30, 2017, an increase of **+9.9%** in terms of reported data over the period (+10.3% at constant exchange rates).

Breakdown of revenue by division

Consolidated data in €m

At June 30	2017	2018	Gross change	Change (constant exchange rates)
HW division	163.1	173.5	+6.4%	+7.0%
NHW division	89.5	104.1	+16.3%	+16.4%
Contributed revenue	**252.6**	**277.6**	**+9.9%**	**+10.3%**

At constant exchange rates, contributed revenue at June 30, 2017 would be €251.6m, illustrating the lack of a significant foreign exchange effect for the period.

During the first half of 2018, Hazardous Waste (HW) benefited from a good showing by the industrial markets in France, and its performance was strengthened by the ramp-up of subsidiaries recently acquired in the International scope.

Non-Hazardous Waste (NHW) experienced dynamic growth driven by all of its activities, particularly services (decontamination).

- **The HW division** generated revenue of **€173.5m** at June 30, 2018, an increase of **6.4**% (reported data) compared to June 30, 2017 (+7.0% at constant exchange rates).

  In France, this upturn reflects the high level of activity from most of its business lines and International, the ramp-up of subsidiaries acquired in 2017, in their treatment activities and in their industrial services activities;

  - **In France**, the division brought in **€143.1m** in revenue, representing growth of **3.0%** compared to the same period in 2017 (€139.0m). This jump is a result of the strong contribution of treatment activities, particularly the performance of storage and incineration driven by volume effects, whereas service activities (Decontamination spot markets) were down compared to the same period last year.

  - **Internationally**, revenue totaled **€30.4m** at June 30, 2018 (vs. €24.1m a year earlier), an increase of **+26.3%** (reported data) over the period (+31.0% at constant exchange rates). This strong growth mainly reflects the contribution of the scopes acquired in 2017: the subsidiaries in Peru and Chile are enjoying renewed business momentum, resulting in increased storage capacities, while Solarca posted markedly higher first-half revenues which contrasts with the relative weakness of activity in the first half of 2017.

- **The NHW division** recorded contributed revenue of **€104.1m, up 16.3%** from its first-half 2017 revenue (€89.5m). This strong increase is the result of good performance by all activities.

  - **In France**, the division recorded contributed revenue **of €103.1m, up +16.4%** from its first-half 2017 revenue (€88.6m).
    All activities contributed to this strong growth, specifically storage, which posted appreciable volume effects. The growth of storage was enhanced by the ramp-up of the new SRF recovery unit in Changé in its recovery activities. Service activities including Decontamination were especially solid over the period with regard to the activity level in the first half of 2017 (spot markets).

  - **Internationally,** the division posted €1.0m in revenue (vs. €0.9m at June 30, 2017), reflecting NHW activity of the SAN subsidiary in Chile.

Breakdown of revenue by geographic scope

Consolidated data in €m

At June 30	2017	2018	Gross change	Change (constant exchange rates)
France	227.6	246.2	+8.2%	+8.2%
International	25.0	31.4	+25.4%	+30.3%
Contributed revenue	**252.6**	**277.6**	**+9.9%**	**+10.3%**

During the first half of 2018, Séché Environnement benefited from the robust industrial markets driven by favorable economic conditions, and Internationally, from the ramp-up of companies acquired in 2017:

- **In France**, contributed revenue amounted to **€246.4m**, **up 8.2%** on the first half of 2017 (€227.6m). The activities benefited from positive economic conditions which supported demand for the service business lines and led to significant volume effects in the treatment businesses (storage and incineration);

- **Internationally** (11.3% of consolidated contributed revenue, vs. 9.9% in the first half of 2017), the increase in activity **(+25.4%** in reported data at **€31.4m**) essentially resulted from the ramp-up of treatment activities in Peru and Chile (hazardous waste storage) boosted by the recovery in sales and the creation of new capacities, as well as the high level of activity in services with regard to a flatter first half of 2017 for Solarca. At constant exchange rates, the increase in activity stood at +30.3% compared to the first half of 2017.

Breakdown of revenue by activity

Consolidated data in €m

At June 30	2017	2018	Gross change	Change (constant exchange rates)
Recovery	45.0	49.1	+6.7%	+6.9%
Treatment	125.8	137.3	+9.2%	+9.5%
Services	80.8	91.3	+13.0%	+13.6%
Contributed revenue	**252.6**	**277.6**	**+9.9%**	**+10.3%**

The first half of 2018 was characterized by a **strong contribution from all businesses**, particularly in **treatment** in France and internationally (especially HW and NHW storage) and **services** (especially due to the favorable basis of comparison from the first half of 2017 at Solarca).

Recovery activities benefited from the expansion of materials recovery facilities (sorting centers, reclamation) and energy recovery facilities (La Gabarre, Changé), but the period saw a smaller contribution from Salaise (leaving the regulated market for energy sales in July 2017).

Sharp increase in EBITDA (earnings before interest, tax, depreciation and amortization)

- Positive volume effects and control of operating expenses
- Marked improvement in the contribution from the International scope

EBITDA stands at **€51.8m**, equal to **18.7% of contributed revenue**, (vs. €43.0m one year earlier, an increase of **20.8%**).

The increase in EBITDA primarily reflects:

- the contribution of organic growth in volumes and price for €28.3m;
- the changes in operating margins, mainly variable, where the increase in fixed expenses is limited to the personnel structuring of recently-acquired scopes for €(21.1)m
- €1.9m in one-time impacts including €2.0m in extraordinary income in connection with the litigation over property tax.

Analysis of gross operating profitability by geographic zone

Gross operating profitability increased appreciably in France and Internationally:

- In **France**, **EBITDA** stood at **€46.5m,** an increase of **+15.9%** compared to the first half of 2017, at **18.9% of contributed revenue**. This performance was driven primarily by organic growth (+€6.0m) and, to a lesser extent, non-recurring items (+€1.9m).

- **Internationally**, **EBITDA** stood at **€5.3m**, a significant increase (**+86.6%** compared to the first half of 2017) or **17.0% of revenue**. This increase primarily reflects the contribution from Solarca (service activities) and treatment activities in Latin America.

At June 30 In €m	2017			2018		
	Consolidated	France	Intern[al]	Consolidated	France	Intern[al]
Contributed revenue	252.6	227.5	25.0	277.6	246.2	31.4
EBITDA	43.0	40.1	2.9	51.8	46.5	5.3
As a % of contributed revenue	*17.0%*	*17.6%*	*11.4%*	*18.7%*	*18.9%*	*17.0%*

Current operating income up significantly

- Weak increase in amortization and provision charges
- Increased contribution from the International division

The Group generated **€20.7m** in **current operating income** (**7.4% of contributed revenue**) vs. €13.6m at June 30, 2017, i.e. 5.4% of contributed revenue).

The sharp growth in COI (**+52.4%** on a reported basis and +5.0% at constant scope), is primarily due to:

- improvements in operations: +€9.0m;
- the limited change in allocations, amortization and provisions, stemming from the rise in amortization of landfill cells (calculated in volumes buried) and the one-off reduction of the 30-year monitoring allocation in connection with the new Changé ordinance: €(1.6)m

Analysis of COI by geographic scope

The rise in COI reflects the improvement in COI in France (+€4.8m) and the sharp increase in COI Internationally (+€2.3m):

- **In France**: **COI** was **€17.4m**, up **+38.4%** at **7.0% of contributed revenue**. This substantial gain reflects the increase in EBITDA - France and the control of the depreciation allowance and provisions as described above.
- **International**: **COI** stood at **€3.3m**, up **+225%** at **10.6% of contributed revenue**; this zone benefited fully from the increase in EBITDA.

At June 30 In €m	2017			2018		
	Consolidated	France	Intern[al]	Consolidated	France	Intern[al]
Contributed revenue	252.6	227.5	25.0	277.6	246.2	31.4
COI	13.6	12.5	1.0	20.7	17.3	3.3
As a % of contributed revenue	*5.4%*	*5.5%*	*4.1%*	*7.4%*	*7.0%*	*10.6%*

Improvement in financial income

- Decline in cost of debt
- Stable average net debt

Financial income improved to €(6.5)m at June 30, 2018, vs. €(7.1)m one year earlier. With average net debt virtually stable over the period, this improvement–which does not include the effects of the post-closure refinancing–was due primarily to the **decline in the annualized cost of debt to 3.11%** in the first half of 2018 compared to 3.38% one year ago.

Sharp increase in Consolidated net income (Group share)

- Increase in the tax expense
- Improvement in the share of net income of affiliates

Tax liability totaled €(3.1)m in the first half of 2018 vs. €(1.5)m one year earlier.

The share of net income of affiliates was primarily composed of the income of the companies SOGAD, GEREP, and Kanay. Insignificant in the first half of 2017, this allocation was €0.3m due to the improved profitability of Kanay (Peru).

After recognizing minority interests in the amount of €(0.3)m, at June 30, 2018, Séché Environnement generated **€9.2m** in **net income (Group share) equal to 3.3% of contributed revenue** (vs. €3.7m at June 30, 2017, i.e. 1.5% of contributed revenue).

Stronger financial situation

- Controlled industrial investments and cash flow generation
- Decline in net debt and financial leverage at 3x EBITDA

Recognized industrial investments stood at **€24.3m** for the first half of 2018. Excluding concession investments, proprietary investments totaled €21.5m (vs. €29.9m one year ago), including €19.8m in recurring investments (maintenance).

Gross cash flow totaled €11.6m (vs. €26.8m in H1 2017). While EBITDA rose significantly, changes in gross cash flow over the first half primarily reflect the changes in WCR and taxes paid. Indeed, in the first half of 2017, Séché Environnement had benefited from greatly reduced WCR - €(14.4)m - as well as a tax receipt (+€0.7m).

Available cash flow was **€46.1m** at June 30, 2018 vs. €52.3m at December 31, 2017 and €25.6m one year ago.

The financial position has been bolstered with **net financial debt**[5] of **€318.9m** (vs. €325.8m at December 31, 2017) and well-managed financial ratios, with **gearing** (NFD/equity) of **1.3x** (vs. 1.3x at December 31, 2017) and **leverage** (NFD/EBITDA) reduced to **3.3x** as of June 30, 2018 (vs. 3.3x at December 31, 2017), a level which is the target set by the Group for the end of 2018.

[5] *See page 12: Definitions*

APPENDIX 1

DEFINITIONS

Contributed revenue: Revenue published net 1/ of IFRIC 12 revenue (investments made on disposed assets and booked as revenue pursuant to IFRIC 12) and 2/ benefits and compensation paid to Sénerval, net of variable cost savings, to cover operational losses and/or costs incurred to maintain continuity of public service to Local Authorities during the asbestos removal work on the incinerator.

At June 30		2017	2018
Revenue (reported)		**266.7**	**287.8**
	IFRIC 12 revenue	*2.7*	*2.8*
	Benefits and compensation	*11.4*	*7.3*
Contributed revenue		**252.6**	**277.6**

Gross cash flow: EBITDA net of other operational and non-operational cash revenue or expenses, minus the rehabilitation and maintenance costs of the treatment sites and consolidated assets, fluctuation in WCR, tax expenses, financial expenses, and recurring investments.

Net financial debt: Net financial debt calculated based on the banking agreement method

APPENDIX 2

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

INCOME STATEMENT

	June 2017		June 2018	
Revenue (reported)	**266,705**		**287,779**	
CONTRIBUTED REVENUE	**252,570**	*100%*	**277,641**	*100%*
EBITDA	**42,960**	*17.0%*	**51,801**	*18.7%*
CURRENT OPERATING INCOME (COI)	**13,558**	*5.4%*	**20,669**	*7.4%*
OPERATING INCOME	**12,764**	*5.1%*	**18,738**	*6.7%*
FINANCIAL GAIN OR LOSS	**(7,138)**	*-2.8%*	**(6,450)**	*-2.3%*
Taxes	(1,477)	-0.6%	(3,094)	-1.1%
INCOME FROM CONSOLIDATED COMPANIES	**4,149**	*1.6%*	**9,194**	*3.3%*
Share of income of affiliates	6	0.0%	322	0.1%
Minority interests	32	0.0%	(266)	-0.1%
NET INCOME (Group share)	***3,707***	*1.5%*	***9,249***	*3.3%*

BALANCE SHEET

	December 2017	June 2018
NON-CURRENT ASSETS	644,648	642,941
CURRENT ASSETS (excluding cash and cash equivalents)	179,155	197,095
Cash and cash equivalents	53,459	47,594
Assets held for sale	0	0
TOTAL ASSETS	**877,261**	**887,630**
SHAREHOLDERS' EQUITY	247,202	248,612
OTHER EQUITY CAPITAL	245	245
FINANCIAL LIABILITIES	411,952	398,181
HEDGING INSTRUMENTS (LIABILITIES)	493	520
PROVISIONS	21,382	23,985
OTHER LIABILITIES	195,988	216,088
Liabilities held for sale	0	0
TOTAL LIABILITIES	**877,261**	**887,630**

STATEMENT OF CASH FLOWS

	December 2017	June 2018
CASH FLOW before tax and financial expenses	83,416	45,141
Change in WCR	30,195	-3,969
Income tax paid	-1,431	-1,662
NET CASH FLOW FROM OPERATING ACTIVITIES	**112,179**	**39,509**
Investments in tangible and intangible assets	-58,789	-24,486
Proceeds from fixed asset disposals	1,731	276
Net financial investments	-845	-551
Net cash from acquisition and disposal of subsidiaries	-70,090	142
NET CASH FROM INVESTMENTS	**-127,993**	**-24,618**
Dividends paid to equity holders of the parent	-7,413	
Proceeds and repayment of borrowings	72,482	-15,375
Interest paid	-12,028	-5,479
Other cash flow	41	-7
NET CASH FROM FINANCING	**53,081**	**-20,862**
CHANGE IN CASH FLOW FOR CONTINUED ACTIVITIES	**37,268**	**-5,971**
CHANGE IN CASH FLOW FOR DISCONTINUED ACTIVITIES	**-7**	
CHANGE IN CASH AND CASH EQUIVALENTS	**37,260**	**-5,971**
Foreign exchange fluctuation	-167	-162
OPENING CASH POSITION	**15,185**	**52,278**
CLOSING CASH POSITION	**52,278**	**46,131**