

Press release

Changé, France, October 23, 2018

Revenue at September 30, 2018

Nine-month contributed revenue stand at €415.6m, up +11% 2018 targets and 2020 outlook confirmed

At September 30, 2018, Séché Environnement reported consolidated revenue of €431.1m, compared to €393.2m one year earlier.

Contributed revenue¹ totaled €415.6m, compared to €374.0m at September 30, 2017, **marking an increase of +11.1 % over the period** on a reported basis (and **+11.5% at constant exchange rates**).

Over the first nine months of 2018, **growth was solid in France** with contributed revenue up **+10.0%** to €369.5m. This high level of activity confirms the solid showing by industrial markets, which particularly benefited from the performance of the treatment and services markets.

With revenue of €46.1m, **International activities rose sharply (+20.8% at current exchange rates and +24.5% at constant exchange rates)**, driven by buoyant performance from the group's 2017 acquisitions.

Over the period, growth in consolidated contributed revenue was boosted by the Non-Hazardous Waste (NHW) division, which benefited from good performance by all of its businesses.

The Hazardous Waste (HW) division confirmed the strength of its treatment and services business in France, and posted strong International growth, especially from the companies acquired in 2017.

The positive trends seen over the first nine months of the year reinforce Séché Environnement's growth projections for the year and its 2020 outlook².

Consolidated data in €m

9-month revenue, at September 30	2017	2018	Change (reported date)	Change (constant exchange rates)
Hazardous Waste (HW) division	238.6	258.2	+8.2%	+8.7%
Non-Hazardous Waste (NHW) division	135.4	157.4	+16.3%	+16.3%
Contributed revenue	374.0	415.6	+11.1%	+11.5%
<i>Diversion compensation (NHW)</i>	16.1	10.8	-	-
<i>IFRIC 12 revenue (NHW)</i>	3.1	4.7	-	-
Consolidated revenue (reported)	393.2	431.1	+9.6%	+10.0%

At September 30, 2017, reported consolidated revenue at constant exchange rates was €392.0m reflecting a negative foreign exchange effect of -€1.2m for the period.

¹See "Definitions" section

² See press release from September 10, 2018

Commentary on business in the third quarter of 2018

With **contributed revenue of €137.9m**, up **+13.6% -reported data-** (**+13.9% at constant exchange rates**), business in the third quarter reflects a high level of activity in the 2 geographical perimeters, and particularly in France in the HW division's service activities.

Breakdown of revenue by geographic scope

Consolidated data in €m

At September 30	2017	2018	Change (reported data)	Change (constant exchange rates)
France	108.3	123.2	+13.8%	+13.8%
International	13.1	14.7	+11.8%	+15.1%
Contributed revenue	121.4	137.9	+13.6%	+13.9%

The solid third-quarter growth in revenue reflects an **ongoing positive economy in France**, especially on the industrial markets and in services, whereas **Internationally**, the decline in recovery activities in Spain is more than compensated by the **strength of the group's 2017 acquisitions** (treatment and services businesses).

Breakdown of revenue by division

Consolidated data in €m

At September 30	2017	2018	Change (reported data)	Change (constant exchange rates)
HW division	75.5	84.6	+12.0%	+12.6%
NHW division	45.9	53.3	+16.1%	+16.2%
Contributed revenue	121.4	137.9	+13.6%	+13.9%

Third-quarter activity was driven by the solid performance from the NHW division, underpinned by services, whereas the HW division recorded a high level of activity among its primary businesses in France.

- **The HW division recorded revenue of €84.6m**, up **+12.0%** from the third quarter of 2017 on a reported basis and up **+12.6%** at constant exchange rates.
 - **In France, revenue amounted to €70.4m**, up **+11.9%** on the third quarter of 2017. The division's growth was driven by the sharp increase in service activities and the continued robust performance by treatment activities. Recovery activities, and especially regeneration businesses, continued to benefit from a solid market.
 - **Internationally, HW revenue stood at €14.2m**, up **+12.7%** on a reported basis and **+16.0%** at constant exchange rates, reflecting a decline in recovery activities in Spain, whereas treatment activities in LatAm confirmed their robust performance and services activities (Solarca) posted satisfactory growth.

- **The NHW division recorded contributed revenue of €53.3m, up +16.1%** from the third quarter of 2017 (+16.2% at constant exchange rates).
 - **In France**, the division's contributed revenue amounted to **€52.8m, up +16.4%** on the third quarter of 2017. This sharp increase reflects the solid performance of treatment activities, and the development of recovery activities, particularly in energy, with the expansion of new facilities (La Gabarre, Changé), and especially the strong contributions from service activities (Decontamination).
 - **Internationally**, the NHW business generated revenue of €0.4m (vs. €0.5m at September 30, 2017).

Breakdown of revenue by activity

The third quarter of 2018 saw **solid contributions from all businesses** and, in particular and as expected, from **service activities in France** (Decontamination). Recovery activities were impacted this quarter by the poor performance from Valls Quimica (regeneration in Spain).

Consolidated data in €m

At September 30	2017	2018	Change (reported data)	Change (constant exchange rates)
Recovery	20.9	20.9	- 0.2%	+ 0.4%
Treatment	63.6	69.8	+ 9.7%	+ 9.8%
Services	36.8	47.2	+ 28.2%	+ 28.7%
Contributed revenue	121.4	137.9	+13.6%	+13.9%

Business outlook confirmed

The solid level of activity posted in the third quarter of 2018 reinforces Séché Environnement's forecasts for the end of this year:

- **In France**, business is expected to remain underpinned by a **stable macroeconomic backdrop** similar to the first half of the year, and growth should be driven by **expansion in services activities**, in light of the performance already recorded by treatment activities over the first half of the year;
- **Internationally**, the coming months are expected to confirm **the rapid development of growth platforms in Latin America**, whereas Services activities (Solarca) will be competing with a very high Q4 2017 comparison base.

In light of these assumptions, Séché Environnement is confirming its **target of generating the same level of contributed revenue in H2 2018 as in H1 2018**.

Beyond a buoyant 2018, Séché Environnement is confirming its aim of achieving contributed revenue of between €550m and €600m in 2020 (excluding acquisitions).

Conference call

A conference call to present the business activity for the first nine months of 2018 will be held (in French only) on October 23, 2018 at 6:00 p.m. Paris time. To participate in the conference, please dial **+33 (0)1 70 71 01 59**. Code: **48 31 99 79 #**

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

<https://www.groupe-seche.com/en/investors/home>

The conference recording will be available at +33 (0)1 72 72 74 02 – Code: 418 796 558 #

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.

Calendar

Consolidated annual results at December 31, 2018

March 11, 2019 after market close

Contacts

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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.

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.

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