

Press release

Changé, April 18, 2019

Activity at March 31, 2019: Contributed revenue up +15%
Contribution from international new perimeter
Strong organic growth in the waste treatment business

Acquisition of Mecomer (Italy)
Séché Environnement is reinforcing its position as a European player
on the Hazardous Waste markets

Solid organic growth in the main markets in France and worldwide **Confirmed outlook for 2019**

At March 31, 2019, Séché Environnement published consolidated revenue of €163.0m, compared to €140.9m one year earlier.

Contributed revenue¹ reached €155.8m, compared to €135.6m at March 31, 2018, **an increase of +14.9%** (on a reported basis). The period saw a scope effect of €16.3m, reflecting the consolidation on January 1, 2019 of Interwaste (South Africa) and Kanay (Peru)². **At constant scope and exchange rates, contributed revenue was up +2.8%.**

During the first quarter of 2019, growth on an organic basis was driven by **International** activities (**+12.1% at constant scope and exchange rates**), while in **France (+1.6%)**, the temporary decline of Decontamination services (-8.4%) countered the strong growth in waste treatment activities (+7.1%).

Business activity for the first quarter of 2019 was mainly driven by the growth of the Hazardous Waste division (excluding decontamination), which benefited from the relative strength of the industrial markets in France and the robust activity at the Latin American subsidiaries. The Non-Hazardous Waste Division recovery and treatment markets continued on a favorable trend in France due to the implementation of circular economy regulations and the good performance of industrial markets.

This good start to the year strengthens Séché Environnement's prospects for growth in the current financial year².

¹ See the "Definitions" section

² See the press release of March 11, 2019

Breakdown of revenue by geographic area

Consolidated data in €m

At December 31	2018	2019	Gross change	Organic change (1)
Subsidiaries in France	120.0	121.8	+1.6%	+1.6%
<i>o/w scope effect</i>	-	-		
International subsidiaries	15.6	34.0	+117.2%	+12.1%
<i>o/w scope effect</i>	-	16.3		
Total contributed revenue	135.6	155.8	+14.9%	+2.8%
<i>Diversion compensation (NHW)</i>	3.8	7.2	-	-
<i>IFRIC 12 revenue (NHW)</i>	1.5	-	-	-
Consolidated revenue (reported)	140.9	163.0	+15.7%	+4.1%

(1) At constant scope and exchange rates

At March 31, 2018, reported consolidated revenue at constant exchange rates was €141.0m, reflecting a negative foreign exchange effect of -€0.1m for the period.

With contributed revenue of €155.8m, up +14.9% (on a reported basis) and +2.8% at constant scope and exchange rates, revenue growth for the first quarter of 2019 reflects:

- 🌱 the scope effect on International activities linked to the consolidation of Kanay and Interwaste on January 1, 2019;
- 🌱 the strong contribution of International activities at constant scope and, in particular, the rapid development of growth platforms in Latin America;
- 🌱 the positive trend of the HW and NHW markets in France, excluding Decontamination activities

Breakdown of revenue by activity

Consolidated data in €m

At December 31	2018	2019	Gross change	Organic change (1)
Recovery	25.0	27.6	+10.5%	+0.8%
<i>o/w scope effect</i>	-	2.5		
Treatment	66.4	75.5	+13.8%	+10.1%
<i>o/w scope effect</i>	-	2.4		
Services	44.2	52.7	+19.2%	-6.9%
<i>o/w scope effect</i>	-	11.4		
Total contributed revenue	135.6	155.8	+14.9%	+2.8%

(1) At constant scope and exchange rates

Organic growth in the first quarter confirmed the **relative strength of the waste treatment business** in all geographic locations, especially in France, where these activities were driven by a robust industrial backdrop for both HW and NHW activities.

The Services business posted a decline in activity at constant scope and exchange rates, in particular in France in decontamination activities (-8.4%) due to lengthy start-up delays and, to a lesser extent, internationally (+0.1%), where activity at Solarca was up against a strong 2018 baseline.

Breakdown of revenue by division

Consolidated data in €m

At March 31	2018	2019	Gross change	Organic change (1)
HW division	84.7	100.3	+18.5%	+4.3%
<i>o/w scope effect</i>	-	11.8		
NHW division	50.9	55.5	+9.1%	+0.3%
<i>o/w scope effect</i>	-	4.5		
Total contributed revenue	135.6	155.8	+14.9%	+2.8%

(1) At constant scope and exchange rates

The **HW division** recorded revenue of €100.3m, up +18.5% on a reported basis and up +4.3% at constant scope and exchange rates.

- In France**, the revenue generated by the division amounted to €71.9m, which represents a **+3.4%** increase from the first quarter of 2018. Growth in the division is benefiting from strong industrial markets which supported the treatment activities (+7.1%).
- Internationally**, the division's revenue totaled €28.4m (vs. €15.2m one year earlier). The period saw a scope effect of €11.8m, resulting from the consolidation of Kanay (Peru) and Interwaste (South Africa) as of January 1, 2019. **At constant scope and exchange rates**, organic growth at the International division came out to **+8.3%** over the period, mainly reflecting the robust performance of waste treatment markets in Latin America.

The **NHW division** recorded contributed revenue of €55.5m, up **+9.1%** from the first quarter of 2018. It reported a scope effect of €4.5m linked to the consolidation of Interwaste's NHW activities. **At constant scope and exchange rates**, the growth of the division came out at **+0.3%** for the period, the sharp decline (-20.6%) of services activities contrasting with the positive momentum of treatment activities (+10.0%).

- In France**, the division's revenues amounted to €49.9m, a slight decline of -0.9% compared to the same period in 2018. This evolution reflects the sharp decline (-25.6%) of services activities (decontamination) due to schedule delays in contracts starts-up while growth in treatment activities remains strong (+9.9%) in recovery and treatment activities which are sustained by the circular economy implementation and the good performance of industrial markets.
- Internationally**, SAN's NHW activities in Chile and Interwaste's activities in South Africa generated total revenue of €5.6m. Excluding scope effects (€4.9m), the division's revenues at constant scope reached €1.1m (vs. €0.5m in the first quarter of 2018), reflecting the positive trend in SAN's NHW activities in Chile.

Confirmed outlook for 2019

The good start to the year confirms Séché Environnement's prospects for growth in 2019, with modest growth in France relative to 2018, which was an exceptionally buoyant year, and, for the International Division, sustained growth at constant scope.

Acquisition of Mecomer (Italy)

After the acquisition of Kanay (Peru) in January 2019 and the acquisition of Interwaste (South Africa)³ in March 2019, Séché Environnement announces the acquisition of Mecomer, a specialist in the management of hazardous waste operating in Northern Italy.

Through this acquisition, Séché Environnement is now at the forefront of the hazardous waste management market at the center of one of the most industrialized regions in Europe.

It gives the new structure substantial commercial synergies, with facilities that complement each other perfectly from both an industrial and geographical standpoint, in order to roll out to core customers in these regions new, local industrial waste management solutions that are focused on the circular economy.

The acquisition of Mecomer also strengthens Séché Environnement's position as an integrated regional player on the European hazardous waste recovery and treatment markets.

Stefano Ferrante, current CEO and son of Mecomer's founder, will keep a minority interest in Mecomer and will support Mecomer's development alongside Séché Environnement as CEO.

Major position taken on the Italian technical waste markets with high value-added

Created in 1987, Mecomer is a recognized specialist in the management of solid and liquid industrial waste, in particular waste with high value added, generated by the chemical, pharmaceutical and energy sectors.

With its analysis laboratory and two transfer facilities located in the Milan region, certified to ISO 14001, OHSAS 18001 and ISO 9001, the Company provides its industrial clients with innovative, technology-intensive local solutions for the characterization, grouping, trading and transfer of the most technical waste. Thanks to a high-performing logistics solution in terms of safety and environmental friendliness, Mecomer provides solutions to the core issues of its clients for developing a circular economy.

In 2018, Mecomer posted revenue of €32.2m for adjusted EBITDA (IFRS) of €6.2m and COI of €4.9m and adjusted total net debt (IFRS) of €4.5m. The company has 150 employees.

Implementing cross-synergies from a commercial and industrial standpoint.

Perfectly complementary from an industrial standpoint, Séché Environnement will provide Mecomer with integrated solutions for the recovery and treatment of hazardous waste through its local facilities.

Thus fully integrated into the entire value chain of industrial waste activities, Mecomer will bring its major Italian industrial customers to Séché Environnement and strengthen the Group's positioning on the markets for complex waste with high value-added in this region of Europe.

³ See the press release of March 11, 2019

Within a strengthened catchment area, Séché Environnement will have, alongside Mecomer, an offering of optimized solutions in terms of logistical and environmental performance, which are critical components of the circular economy for the recovery and treatment of waste from all national and international industrial customers in the region.

The closing of the acquisition will take place by the end of April 2019. The payment at closing of 34.2M€ will be financed through a draw down of the revolving credit facility (RCF) secured when Séché Environnement refinanced its debt in July 2018⁴.

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.

Conference call

A conference call to describe the business activity for the first quarter of 2019 will be held (in French only) on April 18, 2018 at 6:00 p.m. Paris time.

To participate in the conference, please dial **+33 (0)1 70 71 01 59**. Code: **54 69 11 03#**

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: 41 88 43 730 #

Calendar

General Shareholders' Meeting
Consolidated results at June 30, 2019

April 26, 2019.
September 9, 2019 after market close

Contacts

Séché Environnement
Manuel Andersen
Head of Investor Relations
+33 (0)1 53 21 53 60
m.andersen@groupe-seche.com

⁴ See the press release of July 5, 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 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.

In fact, 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;
- the global management of environmental services under outsourcing agreements

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

To date, the Group employs 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 and Enternext PEA-PME 150 indexes.

Important notice

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