

Press release

Changé, France, October 22, 2019

Activity at September 30, 2019:
Contributed revenue up +20% at €498m
Contribution of acquisitions outside France
Continued organic growth (+3%), especially on industrial markets

Solid, high-quality organic growth in the main French and international markets Confirmed outlook for 2019

At September 30, 2019, Séché Environnement reported consolidated revenue of €514.9m, (vs. €431.1m one year earlier).

Contributed revenue¹ reached €498.3m, compared to €415.6m at September 30, 2018, **an increase of +19.9%** (on a reported basis). During the period, there was a scope effect of €71.7m, due to the consolidation, as of January 1, 2019, of Interwaste (+€47.3m) and Kanay (+€2.0m), and, as of April 1, 2019, of Mecomer (+€22.4m). **At constant scope and exchange rates, contributed revenue rose by +2.6% over the first nine months of 2019.**

During the period, organic growth was driven by **International activities (€123.1m up +11.7% at constant scope and exchange rates)**, while in **France (€375.2m up +1.5%)**, activity was underpinned by the Treatment (+3.1%) and Recovery (+4.5%) businesses.

Consolidated data in €m

9-month revenue, at September 30	2018	2019	Gross change	Organic change ¹
Hazardous Waste (HW) division	258.2	324.7	+25.7%	+4.4%
Non-Hazardous Waste (NHW) division	157.4	173.6	+10.3%	-0.4%
Contributed revenue	415.6	498.3	+19.9%	+2.6%
<i>Diversion compensation (NHW)</i>	10.8	16.6		-
<i>IFRIC 12 revenue (NHW)</i>	4.7	-	-	-
Consolidated revenue (reported)	431.1	514.9	+19.4%	+2.8%

(1) At constant scope and exchange rates.

At September 30, 2018, reported consolidated revenue at constant exchange rates was €431.3m, reflecting a negative foreign exchange effect of -€0.2m for the period.

¹ See the "Definitions" section

The **Hazardous Waste division** benefits from the solid performance of industrial markets in France and from the sales momentum at subsidiaries in Latin America, and continues to post solid organic growth **(+4.4%)**.

The **Non-Hazardous Waste division (-0.4%)** is hampered by the lower contribution from Services (Decontamination) activities over the period but growth in the medium term is being underpinned by the implementation of the circular economy, which is benefiting its Treatment and Recovery activities.

These generally favorable trends are reinforcing Séché Environnement’s growth guidance for 2019².

Commentary on business in the third quarter of 2019

Reported revenue for the third quarter came out to €172.6m vs. €143.3m one year earlier.

Contributed revenue came out to €168.4m, up **+22.1%** on a reported basis and up **+1.4%** at constant scope and exchange rates.

Breakdown of revenue by geographic area

Consolidated data in €m

Q3 revenue (September 30)	2018	2019	Gross change	Organic change ¹
Subsidiaries in France	123.2	125.7	+2.0%	+2.0%
<i>o/w scope effect</i>	-	-		
International subsidiaries	14.7	42.7	+191.4%	-3.4%
<i>o/w scope effect</i>	-	28.5		
Total contributed revenue	137.9	168.4	+22.1%	+1.4%

(1) At constant scope and exchange rates

Per geographic scope, the trend in revenue in the third quarter reflects:

- 🌍 **the scope effect internationally (+€28.5m)** linked to the consolidation of Kanay, Interwaste and Mecomer;
- 🌍 **at constant scope and exchange rates:**
 - the **solid performance from the HW and NHW markets in France**, except for NHW Decontamination which declined substantially (“spot activities”);
 - the **lower contribution from International activities**, due to the business arbitrage policy in Valls Quimica (Spain), whose activities have been refocused onto higher value-added businesses, while the other subsidiaries continue to post a solid growth trend, in Europe with Solarca and in Latin America with SAN (Chili).

² See press release of September 9, 2019

Breakdown of revenue by activity

Consolidated data in €m

Q3 revenue (September 30)	2018	2019	Gross change	Organic change ¹
Treatment	69.8	89.0	+27.5%	+5.7%
<i>o/w scope effect</i>	-	15.1		
Recovery	20.9	21.1	+1.1%	+4.0%
<i>o/w scope effect</i>	-	-0.5*		
Services	47.2	58.3	+23.4%	-6.0%
<i>o/w scope effect</i>	-	13.9		
Total contributed revenue	137.9	168.4	+22.1%	+1.4%

(1) At constant scope and exchange rates

*N/A: reconciling item over previous quarters

The organic growth in contributed revenue in the third quarter of 2019 confirms that **treatment activities are on a promising path** in all geographic regions. In France, these activities are being underpinned by strong industrial markets in both the HW and NHW divisions, and Internationally, especially on high-growth platforms that are continuing to demonstrate robust sales momentum.

Recovery activities are being sustained by the implementation of the circular economy that boosts material recovery (especially Speichim) and energy recovery. The period also is benefiting from a good level of activity in the PCB markets in Latin America.

Services activities are down compared to the same period last year, in particular due to the decline in NHW Decontamination activities (“spot markets”) whereas these activities showed a clear recovery in the HW division.

Breakdown of revenue by division

Consolidated data in €m

Q3 revenue (September 30)	2018	2019	Gross change	Organic change ¹
HW division	84.6	110.8	+30.9%	+4.4%
<i>o/w scope effect</i>	-	22.4		
NHW division	53.3	57.6	+8.2%	-3.3%
<i>o/w scope effect</i>	-	6.1		
Total contributed revenue	137.9	168.4	+22.1%	+1.4%

(1) At constant scope and exchange rates

The HW division recorded revenue of **€110.8m**, up +30.9% on a reported basis and up **+4.4%** at constant scope and exchange rates:

-  **In France**, the revenue generated by the division amounted to **€75.0m**, which represents a **+6.5%** organic increase from the third quarter of 2018. The division’s growth comes on the back of solid performances by industrial markets and includes an excellent contribution from Services (+12.9%) as a result of higher activity levels in the HW Decontamination businesses;

- 🌍 **Internationally**, revenue totaled **€35.8m** (vs. €14.2m one year earlier). This includes a scope effect of €22.4m. **At constant scope and exchange rates**, the division's revenue declined **-3.4%** over the period, due to a lower contribution from Valls Quimica (Spain), where business activities were scaled back in favor of higher value-added activities (customized contracts, etc.).

The NHW division recorded contributed revenue of **€57.6m**, up **+8.2%** from the third quarter of 2018. It reported a scope effect of €6.1m mainly linked to the consolidation of Interwaste's NHW activities.

At constant scope and exchange rates, the division's revenue declined **-3.3%** over the period, as performance was dragged down in France by the decline in Decontamination activities ("spot markets"):

- 🌍 **In France**, the division's revenues amounted to **€50.7m**, a slight decline of **-4.0%** compared to the same period in 2018. This trend reflects the sharp decline (-49.5%) in Services activities (Decontamination) but hides the solid performances from other activities, especially Treatment (+13.1%) and Recovery (+10.8%), which is benefiting from the implementation of the circular economy and the robust showing from industrial markets.
- 🌍 **Internationally**, SAN's NHW activities in Chile and Interwaste's activities in South Africa generated total revenue of **€6.9m**. Excluding scope effects (€6.1m), the division's revenues at constant scope totaled **€0.8m** (vs. €0.4m in the third quarter of 2018) illustrating the trend in SAN's NHW activities in Chile.

Confirmed outlook for 2019

The trends over the first nine months of the year confirm Séché Environnement's prospects for growth in 2019, with:

- 🌍 In France, quality growth relative to 2018, which was an exceptionally buoyant year;
- 🌍 Internationally:
 - A year of integration for Kanay and Interwaste;
 - Confirmed dynamism of the growth platforms in Europe (Mecomer, Solarca) and in Latin America despite the current political issues.

Recent items related to the availability of some facilities

Lubrizol accident

The industrial accident that occurred on September 26 at the Lubrizol plant in Rouen has impacted two of Séché Environnement's facilities located close to the accident site: a hazardous waste sorting and grouping platform and a hazardous waste incinerator. As soon as the fire occurred, operations at the two facilities have been halted and the facilities have been secured, and waste flows have been redirected to other sites.

To date, only the platform has been able to resume its activities whereas no date can yet be set for the restarting of the incinerator. The incinerator accounted for annual revenue of around €7m in 2018.

Séché Environnement intends to seek compensation for these damages from its insurance and from the party responsible for the accident.

Restarting Senerval

Following completion of rehabilitation works in Senerval, Séché Environnement has restarted this incinerator during the 3rd quarter and anticipates its progressive ramping-up in the 4th quarter of 2019.

Revamping Salaise 2

After an almost 3-month shut down (August, September and October), the modernization works in the Salaise 2 incinerator (“revamping”) were carried out on time according to the initial schedule. The incinerator is currently being started again and Séché Environnement is aiming to reach full capacity in the 1st quarter of 2020, in line with the project schedule.

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 discuss the business activity for the third quarter of 2019 will be held (in French only) on October 22, 2019 at 6:00 p.m. Paris time.

To participate in the conference, please dial **+33 (0)1 70 71 01 59**. Code: **58 65 09 98 #**

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 in French will be available at +33 (0)1 72 72 74 02 – Code: 41 88 79 863 #

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Calendar

Investor Day

Consolidated results at December 31, 2019

December 17, 2019

March 9, 2020 after market close

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 Euronext PEA-PME 150 indexes.

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