

Paris, 5/20/2021

Results of the first half of 2020-2021

**Derichebourg on the frontlines of the recovery, exceptional performance in the first half:**

**Half-year recurring EBITDA up 88.8% at €172.6 million**

**Net profit up 229% at €73.6 million**

The Board meeting of May 20, 2021, chaired by Mr. Daniel Derichebourg, approved the half-year financial statements at March 31, 2021. During the meeting, the Chairman and CEO expressed his satisfaction with the results of the Group's various business lines, and more particularly those of the Environmental Services division, which benefited from the early effects of the recovery in global economic activity and the successful integration of the businesses acquired last year in Spain.

**Revenue: €1.65 billion in the first half**

Revenue amounted to €1.65 billion, up 26.7% year on year. The increase was attributable chiefly to Environmental Services (up 42%), dampened by the slight decline in Multiservices revenue (down 3%) compared with the first half of last year.

<i>(in thousand tons)</i>	<b>3/31/2021</b>	<b>3/31/2020</b>	<b>Change</b>
Ferrous metals	1,998.3	1,654.8	20.8%
Non-ferrous metals	322.1	297.7	8.2%
<b>Total volumes</b>	<b>2,320.4</b>	<b>1,952.5</b>	<b>18.8%</b>
<i>(in millions of euros)</i>	<b>3/31/2021</b>	<b>3/31/2020</b>	<b>Change</b>
Ferrous metals	578.7	361.0	60.3%
Non-ferrous metals	505.6	368.7	37.1%
Services	135.9	128.0	6.2%
<b>Environmental Services revenue</b>	<b>1,220.3</b>	<b>857.6</b>	<b>42.3%</b>
<b>Multiservices revenue</b>	<b>429.2</b>	<b>444.4</b>	<b>(3.4%)</b>
<b>Holding company revenue</b>	<b>0.5</b>	<b>0.4</b>	<b>27.0%</b>
<b>Total half-year revenue, Derichebourg Group</b>	<b>1,649.9</b>	<b>1,302.3</b>	<b>26.7%</b>

## **Environmental Services**

The volume of ferrous scrap metals sold increased by 20.8% (up 14% at constant scope) due to:

- a favorable comparison base, deliveries having been low in the first quarter of fiscal 2019-2020
- sustained and growing demand for ferrous metals, including from blast furnaces, as they help reduce their CO<sub>2</sub> emissions
- robust demand from Turkish steel mills throughout the past half-year, keeping volumes and selling prices up
- the late resumption of activity at some of the blast furnaces shut down during the first wave of the health crisis last year, which created shortages of certain products, and, for those where this is possible, prompted a shift in demand toward steel from electrical mills.

The volume of non-ferrous metals sold increased by 8.2% (at constant scope, down 10%, due to a marked decline in the American subsidiary).

Prices of ferrous and non-ferrous metals were significantly higher than in the first half of last year, resulting in a 42% increase in Environmental Services revenue.

## **Multiservices**

The increase in revenue in the waste management business lines (18% in France, 16% in Spain-Portugal) was not sufficient to fully offset the decline in jobs related to aeronautics (declines of 39% in outsourced services and 61% in specialized temporary work), meaning that revenue for the half-year was down 3%.

## **Recurring EBITDA<sup>1</sup>**

The Group's main business lines saw their recurring EBITDA improve year on year. Thanks to improved margins in the Environmental Services division, the Group's recurring EBITDA rose by 88.8% (or €81.2 million) to €172.6 million. It represents 10.5% of revenue.

The recurring EBITDA of the Environmental Services division was €153.3 million, up 116.7% (or €82.5 million) compared with last year. It represents 12.6% of revenue. The factors behind the improvement are an increase in ferrous metal volumes, higher prices for ferrous and non-ferrous metals, tight control of the various expense items and improved results in household waste collection activities in Canada.

The recurring EBITDA of the Multiservices division increased by 7.7% to €24 million thanks to the improvement in the profitability of the waste management businesses and the resilience of outsourced aeronautical services despite the challenging economic climate.

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<sup>1</sup> Recurring EBITDA = Recurring operating profit (loss) + net depreciation and amortization on tangible and intangible assets, and right-of-use assets

The Group's recurring EBITDA over 12 rolling months amounted to €262 million, with no adjustment for the impact of the period from April to May 2020, which was heavily impacted by the first period of lockdown.

### **Recurring operating profit (loss)<sup>2</sup>**

After taking into account €60.4 million in depreciation and amortization over the half-year, recurring operating profit amounted to €112.3 million, up 236.6% compared with the first half of last year.

### **Operating Profit (loss)**

There were few non-recurring items in the first half other than a gain of €2.9 million following a reversal of a provision for litigation at Derichebourg Multiservices and Derichebourg Propreté that had become irrelevant.

Operating profit amounted to €115.5 million, up 175.9% compared with the same period last year.

### **Net profit (loss) attributable to the shareholders of the consolidating entity**

The net profit attributable to shareholders was €73.6 million, up 229% compared with the first half of last year.

### **Outlook**

The Group expects the favorable conditions for the recycling business that prevailed in the first half to continue in the second, with a high price environment for raw materials.

Demand for steel is strong in China: on May 1, 2021, China abolished import duties on steel and ferrous metals.

The Group plans to continue its investment policy and at the end of the half-year or the beginning of fiscal 2021-2022 is to:

- Increase its WEEE (waste electrical and electronic equipment) processing capacity in France
- Increase its lead ingot production capacity

The pre-notification file relating to the prospective acquisition of Ecore is currently being reviewed by the competent antitrust authorities.

Growth in revenue from services activities (utilities and multiservices) is also expected.

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<sup>2</sup> Recurring operating profit (loss) = Operating profit (loss) +/- non-recurring items

## INCOME STATEMENT

(in millions of euros)	3/31/2021	3/31/2020	Change
<b>Revenue</b>	<b>1,649.9</b>	<b>1,302.3</b>	<b>26.7%</b>
of which Environmental Services	1,220.3	857.6	42.3%
of which Multiservices	429.2	444.4	(3.4%)
<b>Recurring EBITDA</b>	<b>172.6</b>	<b>91.5</b>	<b>88.8%</b>
of which Environmental Services	153.3	70.7	116.7%
of which Multiservices	24.0	22.3	7.7%
<b>Recurring operating profit (loss)</b>	<b>112.3</b>	<b>33.4</b>	<b>236.6%</b>
of which Environmental Services	107.1	26.6	302.4%
of which Multiservices	11.6	9.7	19.1%
Non-current items, net	3.2	8.5	(62.4%)
<b>Operating Profit (loss)</b>	<b>115.5</b>	<b>41.9</b>	<b>175.9%</b>
Net financial expenses	(7.2)	(5.7)	26.0%
Other financial items	0.6	(0.3)	(292.7%)
<b>Profit (loss) before tax</b>	<b>108.9</b>	<b>35.9</b>	<b>203.7%</b>
Income tax	(33.4)	(13.1)	156.0%
Share of profit (loss) of associates and joint ventures	(0.8)	0.2	(413.4%)
Net profit (loss) attributable to non-controlling interests	(1.1)	(0.7)	66.6%
<b>Net profit (loss) attributable to shareholders</b>	<b>73.6</b>	<b>22.4</b>	<b>228.8%</b>

## BALANCE SHEET

<i>(in millions of euros)</i>	<b>3/31/2021</b>	<b>9/30/2020</b>	<b>Change (%)</b>
Goodwill	261.1	261.1	
Intangible assets	6.7	7.5	
Property, plant and equipment	496.9	497.7	
Right-of-use assets	202.8	190.2	
Financial assets	10.3	10.0	
Equity interests in associates and joint ventures	11.8	12.6	
Deferred taxes	32.4	31.1	
<b>Total non-current assets</b>	<b>1,022.0</b>	<b>1,010.1</b>	<b>1.2%</b>
Inventories	136.7	105.3	
Trade receivables	399.6	309.9	
Tax receivables	4.6	4.1	
Other assets	90.4	68.3	
Financial assets	20.0	15.4	
Cash and cash equivalents	403.7	361.9	
Financial instruments	1.4	0.0	
<b>Total current assets</b>	<b>1,056.4</b>	<b>865.0</b>	<b>22.1%</b>
<b>Total non-current assets and groups of assets</b>	<b>0.0</b>	<b>0.0</b>	
<b>Total assets</b>	<b>2,078.3</b>	<b>1,875.1</b>	<b>10.8%</b>

<i>(in millions of euros)</i>	<b>3/31/2021</b>	<b>9/30/2020</b>	<b>Change (%)</b>
<b>Group shareholders' equity</b>	<b>596.3</b>	<b>521.6</b>	
Non-controlling interests	3.4	2.6	
<b>Total shareholders' equity</b>	<b>599.7</b>	<b>524.2</b>	<b>14.4%</b>
Loans and financial debts	541.5	572.2	
Provision for pensions and similar benefits	52.0	50.8	
Other provisions	32.8	33.4	
Deferred taxes	22.6	23.2	
Other liabilities	4.5	3.2	
<b>Total non-current liabilities</b>	<b>653.4</b>	<b>682.6</b>	<b>(4.3%)</b>
Loans and financial debts	182.9	130.9	
Provisions	2.6	4.6	
Trade payables	346.0	254.5	
Tax payables	27.1	4.7	
Other liabilities	264.8	271.2	
Financial instruments	1.9	2.3	
<b>Total current liabilities</b>	<b>825.3</b>	<b>668.2</b>	
<b>Total liabilities related to a group of assets held for sale</b>	<b>0.0</b>	<b>0.0</b>	<b>23.5%</b>
<b>Total liabilities</b>	<b>2,078.3</b>	<b>1,875.1</b>	<b>10.8%</b>

**CHANGE IN NET FINANCIAL DEBT FROM SEPTEMBER 30, 2020 TO MARCH 31, 2021**

<b>Net financial debt at September 30, 2020</b>	<b>341.1</b>
Recurring EBITDA	(172.6)
Investments	59.0
Net financial expenses	7.2
Corporate income taxes	12.9
Others	2.9
Subtotal	250.4
Change in working capital requirement	52.8
New IFRS 16 right-of-use assets	17.4
<b>Net financial debt at March 31, 2021</b>	<b>320.7</b>