

Paris, 12/07/2022

Results for fiscal year 2021/2022

**Change in dimension for the Group:
new record-high earnings**

Recurring EBITDA: €510.1 million

Net profit: €237.6 million

The Board meeting of December 7, 2022, chaired by Mr. Daniel Derichebourg, approved the parent company and consolidated financial statements for the year ended September 30, 2022. During the meeting, the Chairman and CEO expressed his satisfaction with the results of the Group's various divisions and highlighted the rapid integration of Ecore.

Revenue: €5.3 billion

Revenue for the fiscal year 2021/2022 was €5.3 billion, up 45.9% year on year. Environmental Services revenue grew by 57.9% and Multiservices revenue by 7.9%.

<i>(in thousand tons)</i>	FY 2021/2022	FY 2020/2021	Change
Ferrous metals	4,972.7	3,964.1	25.4%
Non-ferrous metals	812.5	626.6	29.7%
Total volumes	5,785.2	4,590.7	26.0%
<i>(in millions of euros)</i>	FY 2021/2022	FY 2020/2021	Change
Ferrous metals	2,114.9	1,339.3	57.9%
Non-ferrous metals	1,877.3	1,122.8	67.2%
Services	342.2	282.3	21.2%
Environmental Services revenue	4,334.4	2,744.4	57.9%
Multiservices revenue	940.7	871.5	7.9%
Holding company revenue	0.9	0.4	92.2%
Total revenue, Derichebourg Group	5,276.0	3,616.3	45.9%

Environmental Services

The volume of ferrous metals sold was up 25.4% thanks to the contribution of Ecore volumes.

In the first half, the decline in volumes was attributable to the lack of scrap metal from the automotive industry (ELVs, manufacturing offcuts), which contributed to keeping prices remarkably high. In the second half, it stemmed more from weak demand from metal-consuming factories (questions about future economic activity, production energy costs).

In non-ferrous metals, volumes were up 29.7%. Volumes were broadly stable excluding Ecore's contribution from December 17, 2021.

The unit margins achieved during the year were above last year's level. They reached an all-time high in the spring of 2022, for ferrous and non-ferrous metals alike, before declining as prices fell.

The essential steps in the integration of Ecore were completed during the fiscal year, with the migration of more than 90% of the scope to Derichebourg's IT system and the implementation of integrated management chains. The Group has once again demonstrated its ability to integrate the companies it acquires fast. Commitments made to the European Commission as part of the acquisition have been met, with sale agreements signed on June 15, 2022. The Riva Group was approved as buyer on November 9, 2022, and the sale of the eight sites subject to disposal undertakings will be effective on January 1, 2023.

Multiservices

Revenue from the Multiservices division alone amounted to €961 million. Taking into account revenue from the Group's other divisions, Multiservices contributed €940.7m to Group revenue, an increase of 7.9%, despite an inflationary environment. The recovery of the aeronautics businesses (both outsourced services and temporary work) was the main source of this growth. The relevance of the strategy implemented in 2020, which consisted in signing a collective performance agreement and establishing a long-term furlough agreement to get through a difficult period until business picks up, was demonstrated during the year.

In Facility Management, organic revenue growth was undermined by a decline in exceptional work resulting from the health situation.

Recurring EBITDA¹

Recurring EBITDA reached an all-time high of €510.1 million. It represents 9.7% of revenue. Ecore's contribution since its acquisition is estimated at €115 million. If Ecore had been consolidated over 12 months, recurring EBITDA would have been €535 million.

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

Recurring operating profit (loss)²

After allowing for €156.1 million of depreciation and amortization, recurring operating profit was €353.9 million, up 34.5%.

Operating profit (loss)

Non-recurring items mainly include €5.7 million in costs related to the preparation and completion of the Ecore acquisition and €3.5 million in post-acquisition restructuring costs. After taking non-recurring items into account, operating profit was €344.5 million, up 31.1%.

Net profit for the year attributable to the shareholders of the consolidating entity

The net profit attributable to shareholders was €237.6 million, up 36.5% year on year.

Dividends

The Board of Directors will propose to the General Meeting the payment of a dividend of €0.32 per share, representing 21.5% of net profit attributable to shareholders and equivalent to a dividend yield of 6.3% based on the share's closing price at November 30, 2022.

Acquisition of a stake in Elior Group

In the second half, Derichebourg SA acquired a 24.36% stake in the capital of Elior Group, a leader in contract catering and a major player in business services. It now has two seats on the Elior Group Board of Directors.

Following recent press reports and in the wake of the announcement made by Elior on July 4, 2022, regarding the review of its strategic options, Derichebourg confirmed on November 24, 2022, against this backdrop and among the various options under consideration, the existence of discussions with Elior for the possible transfer of its Multiservices division to Elior Group. To date, there is no certainty as to the outcome of these discussions or the conclusion of a binding agreement on the prospective transfer. In any event, Derichebourg confirms that it does not intend to file a takeover bid for Elior Group. No further comment will be made until an agreement has been reached or discussions have been concluded.

Outlook

The Group remains entirely confident in the fundamentals of the Recycling division and in the quality of its strategic positioning:

- The benefits in terms of lower CO₂ emissions and energy consumption of producing metals through recycling are now clearly perceived by public authorities and the market. Over the past 24 months, several projects for the construction of steel mills that can consume scrap metal have been announced: scrap metal will be in great demand over the coming few years and steelmakers are seeking to enter the recycling business so as to gain greater control over its collection.

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

- Quality standards for delivered materials are becoming increasingly demanding, especially for non-ferrous metals, requiring more extensive and complex sorting lines. The Group's network, financial stability and long-term approach make it ideally placed to meet such challenges.

In the short term, the first few months of the new fiscal year have been consistent with the last few months of the last fiscal year: volumes impacted by constrained economic expectations making customers cautious about their inventories, especially in a context of excessively high energy costs. The easing of concerns about electricity availability, resulting in lower prices, and slightly more favorable economic expectations could trigger a recovery in volumes.

Multiservices revenue is expected to enjoy further growth bringing it close to the €1 billion mark. Favorable commercial momentum will contribute across all business lines, as will the full-year effect of the acquisitions made over the last fiscal year. EBITDA is expected to increase. This forecast assumes that the division will offset (through customers, through productivity, and by reducing overheads) wage inflation in the Cleaning France business.

Annex 1: INCOME STATEMENT

(in millions of euros)	FY 2021/2022	FY 2020/2021	Change
Revenue	5,276.0	3,616.3	45.9%
<i>of which Environmental Services</i>	4,334.4	2,744.4	57.9%
<i>of which Multiservices</i>	940.7	871.5	7.9%
Recurring EBITDA	510.1	388.2	31.4%
<i>of which Environmental Services</i>	471.1	338.5	39.2%
<i>of which Multiservices</i>	50.8	51.4	(1.3%)
Recurring operating profit	353.9	263.2	34.5%
<i>of which Environmental Services</i>	342.4	242.0	41.5%
<i>of which Multiservices</i>	26.5	26.1	1.3%
Net non-current items	(9.4)	(0.5)	
Operating profit (loss)	344.5	262.7	31.1%
Net financial expenses	(22.0)	(16.7)	
Other financial items	5.4	0.5	
Profit before tax	327.9	246.5	33.0%
Income tax	(86.9)	(71.3)	
Income from associates	(2.1)	0.3	
Income from discontinued or held-for-sale activities			
Net profit (loss) attributable to non-controlling interests	(1.4)	(1.5)	
Net profit attributable to shareholders	237.6	174.0	36.6%

Annex 2: BALANCE SHEET

<i>(in millions of euros)</i>	9/30/2022	9/30/2021 restated ⁽¹⁾	Change (%)
Goodwill	473.8	266.2	
Intangible assets	5.3	5.6	
Property, plant and equipment	766.3	501.1	
Right-of-use assets	259.0	216.1	
Financial assets	10.7	10.2	
Equity interests in associates and joint ventures	208.0	12.5	
Deferred taxes	32.0	26.7	
Other assets	0.5	0.4	
Total non-current assets	1,755.6	1,038.8	69.0%
Inventories and WIP	185.1	136.6	
Trade receivables	462.2	396.6	
Tax receivables	6.7	6.6	
Other assets	86.9	78.5	
Financial assets	15.5	19.4	
Cash and cash equivalents	323.2	787.5	
Financial instruments	3.0	0.1	
Total current assets	1,082.7	1,425.2	(24.0%)
Total non-current assets and asset groups held for sale	40.6		
Total assets	2,878.9	2,464.0	16.8%

(1) After restatement as of October 1, 2020, in line with the May 2021 IFRS IC decision clarifying the calculation of pension obligations (see note 2.2 Accounting principles, rules and valuation methods)

<i>(in millions of euros)</i>	9/30/2022	9/30/2021 restated ⁽¹⁾	Change (%)
Group shareholders' equity	918.8	703.1	
Non-controlling interests	5.0	3.8	
Total shareholders' equity	923.8	706.9	(30.7%)
Loans and financial debts	807.9	826.0	
Provisions for pensions and similar benefits	43.2	44.1	
Other provisions	34.8	34.9	
Deferred taxes	32.7	25.5	
Other liabilities	5.0	6.3	
Total non-current liabilities	923.6	936.8	(1.4%)
Loans and financial debts	168.7	157.3	
Provisions	16.3	2.3	
Trade payables	503.0	374.2	
Tax payables	6.2	7.1	
Other liabilities	318.6	277.1	
Financial instruments	2.3	2.2	
Total current liabilities	1,015.1	820.3	23.8%
Total liabilities related to a group of assets held for sale	16.4		
Total equity & liabilities	2,878.9	2,464.0	16.8%

(1) After restatement as of October 1, 2020, in line with the May 2021 IFRS IC decision clarifying the calculation of pension obligations (see note 2.2 Accounting principles, rules and valuation methods)

Annex 3: Passage of net financial debt from September 30, 2021, to September 30, 2022

Net financial debt at September 30, 2021	195.7
Capital expenditure	193.0
New rights of use from operating leases	16.4
Net financial expenses	22.0
Corporate income taxes	82.8
Change in working capital requirements	3.5
Dividends	51.0
Recurring EBITDA	(510.1)
Non-recurring costs	9.2
Change in provisions	(10.6)
External growth Ecore	438.4
Other acquisitions	13.5
Acquisition of a stake in Elixir (24.36%)	190.5
Disposal of a subsidiary	(2.1)
Net debt related to assets held for sale	(12.7)
Other	(16.5)
Net financial debt at September 30, 2022	653.4