



PRESS RELEASE

Paris, December 7, 2021

Results for fiscal year 2020/2021

Group posts best ever earnings

Recurring EBITDA : €388.2 million

Net profit : €174.0 million

The Board meeting of December 7, 2021, chaired by Mr. Daniel Derichebourg, approved the parent company and consolidated financial statements for the year ended September 30, 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 a booming market driven by global economic recovery and from the successful integration of the Spanish businesses acquired in late 2019.

Revenue: €3.6 billion

Revenue for the fiscal year 2020/2021 was €3.6 billion, up 46.8% year on year. Environmental Services revenue grew by 68.6% and Multiservices revenue by 4.2%.

<i>(in thousand tons)</i>	09/30/2021	09/30/2020	Change
Ferrous metals	3,964.1	3,159.2	25.5%
Non-ferrous metals	626.6	552.3	13.4%
Total volumes	4,590.7	3,711.5	23.7%
<i>(in millions of euros)</i>	09/30/2021	09/30/2020	Change
Ferrous metals	1,339.3	681.9	96.4%
Non-ferrous metals	1,122.8	692.7	62.1%
Services	282.3	252.8	11.7%
Environmental Services revenue	2,744.4	1 627.4	68.6%
Multiservices revenue	871.5	836.2	4.2%
Holding company revenue	0.4	0.4	0.7%
Total Revenue, Derichebourg Group	3,616.3	2,464.1	46.8%

Environmental Services

The volume of ferrous scrap metals sold increased by 25.5% (up 23% at constant scope).

Several factors underlay this sharp growth:

- a favorable comparison base, deliveries having been low in the first quarter of fiscal 2019/2020 and April/May 2020 when France went into its first lockdown,
- sustained demand for ferrous metals, including from blast furnaces, as they help reduce their CO₂ emissions,
- robust year-round demand from Turkish steel mills, 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. This development drove up ferrous metal selling prices from January 2021 and prices stayed high thereafter.

The volume of non-ferrous metals sold increased by 13.4% (up 11% at constant scope).

The prices of ferrous and non-ferrous metals sold were much higher than last year, resulting in a 68.6% increase in Environmental Services revenue.

Multiservices

The jump in Cleaning business revenue (up 12% in France, 22% in Spain and 7% in Portugal) more than offset a drop in revenue from the aeronautics business, particularly temporary work, mostly during the first half-year. Revenue rose 4.2% to €871.5 million.

Recurring EBITDA¹

EBITDA grew in all business lines, powering a €207.3 million (114.6%) increase in Group EBITDA to €388.2 million.

Unit margins rose on the back of rising prices and this, combined with a tight grip on operating costs despite rising sales and an additional contribution from local authority service contracts, boosted recurring EBITDA in the Environmental Services business by 138% to €338.5 million or 12.3% of revenue, the best ever margin in this business line.

Recurring EBITDA in the Multiservices business rose 17% to €51.4 million giving an EBITDA margin of 5.9%, again the best ever for the division.

Recurring operating profit (loss)²

After allowing for €125.0 million of depreciation and amortization, recurring operating profit was €263.2 million, up 322%.

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

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

Operating profit (loss)

With few non-recurring items to report over the fiscal year, operating profit amounted to €262.7 million, up 367.8%. Operating profit is up by 170% compared to 2019 or 2018.

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

The net profit attributable to shareholders was €174 million, up 716.1% 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 29.3% of net profit attributable to shareholders and equivalent to a dividend yield of 3.5% based on the share's closing price at November 30, 2021.

Outlook

Trading conditions remained favorable throughout October and November 2021, with a slight dip in volumes but prices remaining generally high despite a fall in non-ferrous metals prices in November. Two months into the new fiscal year, earnings are ahead of last year.

The long-term fundamentals underlying the Group's businesses are favorable:

- Healthy demand for recycled raw materials for manufacturing metals via a secondary recycling process that avoids CO₂ emissions,
- A continuing trend towards outsourcing among Multiservices customers, with demand for bids that include a CSR and digital component.

Short term, there are a number of risks, not all of which will materialize as some are mutually exclusive. This makes the general environment a little riskier than a few months ago:

- resurgence of the COVID pandemic and its potential impact on the global economy,
- high energy prices that could lead some customers to cut back their output,
- ongoing shortage of semi-conductors, which is working its way up the production chain and could impact output by Group customers.

The Group remains confident in its fundamentals, solid financial structure, reactivity in times of crisis and now proven ability to integrate new businesses and is trading in a market where demand for recycled metals is set to remain strong.

Update on Ecore acquisition

Derichebourg Environnement filed its notification of concentration on October 26, 2021 and proposals for structural commitments to the European Commission on November 25, 2021. At the date of this press release, negotiations with the Commission on these commitments are ongoing. So as not to impact these negotiations, additional information will be published once the situation has been precisely determined. Derichebourg expects to complete the deal by end-December 2021.

Annexe 1 : INCOME STATEMENT

(in millions of euros)	09/30/2021	09/30/2020	Change
Revenue	3,616.3	2,464.1	46.8%
<i>of which Environmental Services</i>	2,744.4	1,627.4	68.6%
<i>of which Multiservices</i>	871.5	836.2	4.2%
Recurring EBITDA	388.2	180.9	114.6%
<i>of which Environmental Services</i>	338.5	142.2	138.0%
<i>of which Multiservices</i>	51.4	44.0	17.0%
Recurring operating profit (loss)	263.2	62.4	322.0%
<i>of which Environmental Services</i>	242.0	52.5	361.2%
<i>of which Multiservices</i>	26.1	18.1	44.1%
Net non-current items	(0.5)	(6.2)	
Operating Profit (loss)	262.7	56.2	367.8%
Net financial expenses	(16.7)	(12.3)	
Other financial items	0.5	(2.3)	
Profit before tax	246.5	41.5	493.5%
Income tax	(71.3)	(19.5)	
Income from associates	0.3	0.4	
Income from discontinued or held-for-sale activities			
Net profit (loss) attributable to non-controlling interests	(1.5)	(1.1)	
Net profit attributable to shareholders	174.0	21.3	716.1%

Annexe 2 : BALANCE SHEET

<i>(in millions of euros)</i>	09/30/2021	09/30/2020	Change (%)
Goodwill	266.2	261.1	
Intangible assets	5.6	7.5	
Property, plant and equipment	501.1	497.7	
Voting rights	216.1	190.2	
Financial assets	10.2	10.0	
Equity interests in associates and joint ventures	12.5	12.6	
Deferred taxes	28.0	31.1	
Other assets	0.4		
Total non-current assets	1,040.1	1,010.1	3.0%
Inventories	136.6	105.3	
Trade receivables	396.6	309.9	
Tax receivables	6.6	4.1	
Other assets	78.5	68.3	
Financial assets	19.4	15.4	
Cash and cash equivalents	787.5	361.9	
Financial instruments	0.1		
Total current assets	1,425.2	865.0	64.8%
Total non-current assets and groups of assets			
Total assets	2,465.3	1,875.1	31.5%

<i>(in millions of euros)</i>	09/30/2021	09/30/2020	Change (%)
Group shareholders' equity	699.3	521.6	
Non-controlling interests	3.8	2.6	
Total shareholders' equity	703.1	524.2	34.1%
Loans and financial debts	826.0	572.2	
Provisions for pensions and similar benefits	49.2	50.8	
Other provisions	34.9	33.4	
Deferred taxes	25.5	23.2	
Other liabilities	6.3	3.2	
Total non-current liabilities	941.9	682.6	38.0%
Loans and financial debts	157.3	130.9	
Provisions	2.3	4.6	
Trade payables	374.2	254.5	
Tax payables	7.1	4.7	
Other liabilities	277.1	271.2	
Financial instruments	2.2	2.3	
Total current liabilities	820.3	668.2	22.8%
Total liabilities related to a group of assets held for sale			
Total liabilities	2,465.3	1,875.1	31.5%

Annexe 3 : Change in net financial debt from September 30, 2020 to September 30, 2021

Net financial debt 09/30/2020	341.1
Recurring EBITDA	(388.2)
Investments	122.1
Net financial expenses	16.7
Corporate income taxes	65.8
Change in working capital requirements	0.9
Other	3.1
Subtotal	161.5
Dividends	0.0
Acquisitions	5.6
New rights of use from operating leases	28.6
Net financial debt 09/30/2021	195.7