



PRESS RELEASE

Paris, 5/25/2022

First half 2021-2022 results

First half net profit up 60% to €117.8 million

On May 25, 2022, the Board of Directors chaired by Mr. Daniel Derichebourg approved the financial statements for the six months ended March 31, 2022. During the meeting, the Chairman and CEO praised the Group's ability to integrate acquisitions rapidly, as evidenced by Ecore's impressive contribution to first half results reflected in proforma² rolling 12-month EBITDA of €559 million.

Consolidated revenue

Consolidated revenue for the first half was €2.5 billion, up 54% year on year. The increase was driven mainly by the Environmental Services division (up 70%) and, to a lesser extent, by the Multiservices division (up 9%).

<i>(in thousand tons)</i>	H1 2021-2022	H1 2020-2021	Change
Ferrous metals	2,395.5	1,998.3	19.9%
Non-ferrous metals	396.0	322.1	22.9%
Total volumes	2,791.5	2,320.4	20.3%
<i>(in millions of euros)</i>	H1 2021-2022	H1 2020-2021	Change
Ferrous metals	1,003.7	578.7	73.4%
Non-ferrous metals	916.3	505.6	81.2%
Services	159.6	135.9	17.4%
Environmental Services revenue	2,079.6	1,220.3	70.4%
Multiservices revenue	467.6	429.2	8.9%
Holding company revenue	0.5	0.5	0.0%
Total half-year revenue, Derichebourg Group	2,547.7	1,649.9	54.4%

Environmental Services

The volume of ferrous metals sold was up 19.9% due to the consolidation of Ecore volumes. Excluding Ecore, volumes processed by the Group were down approximately 10%.

The decline in underlying volumes stemmed primarily from the drop in automotive production caused by semiconductor shortages.

The volume of non-ferrous metals sold was up 23%. Excluding Ecore, volumes were stable year on year.

Note that prices were firmer over the first half for virtually all the non-ferrous metals processed by the Group.

Multiservices

Revenue was up for all solutions, with the 8.9% overall increase outstripping market growth:

- Services Solutions: up 4.3%
- Industry Solutions: up 42.3%, driven by an increase in assembly rates at the main customer of the Derichebourg Aeronautics Services subsidiary
- HR Sourcing: up 7.4%
- Urban Area: up 16.7%.

Recurring EBITDA¹

First half recurring EBITDA was €250.6 million, up 45.2% year on year. Growth was primarily driven by an improvement in unit margins in the Recycling business, partly offset by cost increases (mainly energy and fuel), and by Ecore's contribution.

Derichebourg Group proforma recurring EBITDA² amounted to €559 million on a rolling 12-month basis. This figure excludes the impact of pending asset disposals as part of the commitments made to the European Commission.

Recurring operating profit (loss)³

After €76.2 million in depreciation and amortization over the first half, recurring operating profit amounted to €174.6 million, up 55.4% year on year.

Operating profit (loss)

First half non-recurring items included €4.0 million of costs directly related to the Ecore acquisition, a positive €1.4 million impact arising from the revaluation of joint ventures with Ecore, which are now consolidated, and the expected €0.4 million loss on disposal of a subsidiary.

Operating profit amounted to €171.3 million, up 48.3% year on year.

¹ Recurring EBITDA = Recurring operating profit + net depreciation and amortization on property, plant and equipment, intangible assets, and right-of-use assets

² Allowing for consolidation of Ecore over 12 months

³ Recurring operating profit (loss): operating profit (loss) +/- non-recurring items

Pre-tax profit (loss)

After €11.3 million in financial expenses and other financial income of €2.6 million, Group pre-tax profit came to €162.5 million, up 49.2% year on year.

Consolidated net profit (loss)

After a corporate income tax charge of €45.5 million implying a corporate tax rate of 28%, consolidated net profit was €118.3 million, including €117.8 million attributable to the shareholders of the consolidating entity (up 60% year on year).

Acquisition of a minority stake in Elior

On May 19, 2022, the Company announced that it had signed a memorandum of understanding with BIM, a company controlled by Sofibim, the holding company of Elior Group ("Elior") founder Robert Zolade, and Gilles Cojan with a view to acquiring a minority stake in Elior. The transaction demonstrates Derichebourg's confidence in Elior. It represents a real opportunity for Derichebourg to invest in one of the world's leading operators in contract catering and support services, with strong potential and proven attractiveness.

Under the terms of the agreement due to be completed by June 30 at the latest, Derichebourg is to acquire a 14.7% stake from BIM and Gilles Cojan at a price of €5.65 per Elior share, with a possible earn-out of up to €1.35 per share based on the change in Elior's share price between January 1, 2023 and December 31, 2024. Derichebourg, which already held 4.9% of Elior's capital, will see its stake increase to a total of 19.6%.

Derichebourg is committed to being a long-term shareholder and to supporting the strategy implemented by Elior's Board of Directors.

The investment will allow Derichebourg to take up two seats on Elior's Board of Directors.

Derichebourg does not intend to file a public offer for Elior's remaining shares.

Outlook

The European Union's desire to spearhead the industrial decarbonization movement is triggering initiatives among a number of European steel manufacturers to replace heavy greenhouse gas emitting blast furnaces with electric furnaces. Consumption of raw materials derived from recycling will increase in the future, whereas collection is not expected to change much, leading to upward pressure on ferrous scrap metal prices.

Derichebourg remains highly confident in the future of the recycling industry and in its industrial and financial outlook. We will reap the benefits of the commercial and operational synergies generated by the Ecore acquisition and the investments made in Spain will enter production.

In the short term, the current economic situation is fueling uncertainty about growth due to the geopolitical events that have unfolded in Europe over the last three months. An economic slowdown would have a temporary impact on Group earnings.

Meanwhile, Multiservices revenue is expected to enjoy further growth driven by strong commercial momentum. The increase in second half profit margins will depend on the Group's ability to pass wage increases on to customers or reduce the cost base accordingly. The improvement in the aeronautics segment is expected to continue.

INCOME STATEMENT

(in millions of euros)	H1 2021- 2022	H1 2020- 2021	Change
Revenue	2,547.7	1,649.9	54.4%
of which Environmental Services	2,079.6	1,220.3	70.4%
of which Multiservices	467.6	429.2	8.9%
Recurring EBITDA	250.6	172.6	45.2%
of which Environmental Services	232.0	153.3	51.3%
of which Multiservices	23.8	24.0	(0.8%)
Recurring operating profit	174.6	112.3	55.4%
of which Environmental Services	170.0	107.1	up 58.7%
of which Multiservices	11.5	11.6	(0.9%)
Non-current items, net	(3.3)	3.2	na
Operating profit	171.3	115.5	48.3%
Net financial expenses	(11.3)	(7.2)	56.9%
Other financial items	2.6	0.6	333.3%
Profit before tax	162.5	108.9	49.2%
Income tax	(45.5)	(33.4)	36.2%
Share of profit (loss) of associates and joint ventures	1.3	(0.8)	na
Net profit (loss) attributable to non-controlling interests	(0.5)	(1.1)	(54.5%)
Net profit attributable to shareholders	117.8	73.6	60.1%

BALANCE SHEET

<i>(in millions of euros)</i>	03-31-22	09-30-21	Change (%)
Goodwill	496.9	266.2	
Intangible assets	6.0	5.6	
Property, plant and equipment	687.6	501.1	
Right-of-use assets	253.3	216.1	
Financial assets	11.8	10.2	
Investments in associates and joint ventures	11.4	12.5	
Deferred taxes	43.7	26.7	
Other assets	0.0	0.4	
Total non-current assets	1,510.7	1,038.8	45.4%
Inventories and WIP	302.5	136.6	
Trade receivables	570.6	396.6	
Tax receivables	3.4	6.6	
Other assets	112.6	78.5	
Financial assets	23.5	19.4	
Cash and cash equivalents	374.5	787.5	
Financial instruments	1.5	0.1	
Total current assets	1,388.6	1,425.2	(2.6%)
Total non-current assets and asset groups held for sale	54.8	0.0	
Total assets	2,954.1	2,464.0	19.9%

<i>(in millions of euros)</i>	03-31-22	09-30-21	Change (%)
Group shareholders' equity	773.3	703.1	
Non-controlling interests	5.5	3.8	
Total shareholders' equity	778.9	706.9	10.2%
Loans and financial debts	825.5	826.0	
Provision for pensions and similar benefits	48.1	44.1	
Other provisions	39.6	34.9	
Deferred taxes	28.1	25.5	
Other liabilities	6.4	6.3	
Total non-current liabilities	947.8	936.8	1.2%
Loans and financial debts	178.2	157.3	
Provisions	8.5	2.3	
Trade payables	684.8	374.2	
Tax payables	12.0	7.1	
Other liabilities	311.1	277.1	
Financial instruments	0.0	2.2	
Total current liabilities	1,194.7	820.3	45.6%
Total liabilities related to a group of assets held for sale	32.7	0.0	
Total equity & liabilities	2,954.1	2,464.0	19.9%

CHANGE IN NET FINANCIAL DEBT FROM September 30, 2021 TO March 31, 2022

Net financial debt at September 30, 2021	195.7
Recurring EBITDA	(250.6)
Capital expenditure	78.0
Net financial expenses	11.3
Corporate income taxes	35.3
Dividends	51.1
Acquisitions	422.6
Net debt related to assets held for sale	(14.2)
Other	(1.8)
Subtotal	331.7
Change in working capital	97.7
New IFRS 16 right-of-use assets	4.1
Net financial debt at March 31, 2022	629.2