



Annual Results 2019

February 28, 2020

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This document contains "non-GAAP financial measures". These "non-GAAP financial measures" might be defined differently from similar financial measures made public by other groups and should not replace GAAP financial measures prepared pursuant to IFRS standards.



Annual Results December 2019

Highlights

*Antoine Frérot,
Chairman and CEO*



2019 : SOLID REVENUE AND PROFIT GROWTH (1/2)

KEY FIGURES

- CONTINUED SOLID REVENUE GROWTH : **+4.3%⁽¹⁾ TO €27 189M**
- EBITDA ABOVE OUR GUIDANCE: **€4 022M , +4.5%⁽¹⁾**
- CURRENT EBIT OF **€1 730M, +5.0%⁽¹⁾**
- CURRENT NET INCOME OF **€760M, +13.5%⁽¹⁾**
- VERY STRONG NET FCF AFTER ALL INDUSTRIAL GROWTH CAPEX OF **€868M**
- NET FINANCIAL DEBT SIGNIFICANTLY DOWN⁽³⁾ TO **€10.7bn, DOWN €884M** vs. 31/12/2018
 - ✓ Leverage of 2.66x
 - Excluding the disposal of TNAI, net debt flat at €11.7bn

**Proposal to increase
the dividend by 8.7% to
€1 per share⁽²⁾**

2019 : SOLID REVENUE AND PROFIT GROWTH (2/2)

KEY FIGURES

- Revenue of €27 189M, +4.3%⁽¹⁾

Strong organic growth of 3.2%, achieved despite unsupportive weather, continued decrease of recycled paper prices and downsizing of VWT activities

Fueled by commercial dynamism, good waste volumes (+1.5%) and favorable pricing

- **EBITDA of €4 022M, +4.5%⁽¹⁾ : cost cutting ahead of target**
 1. Cost savings of €248M
 2. Approx. 40% retained in EBITDA

- **Very strong revenue growth outside France and in fast growing businesses**

1. France +2%; Europe excluding France +4.1%⁽¹⁾, Rest of the World +8.7%⁽¹⁾

2. Double digit growth of **Hazardous waste** +14% to €2.5bn

3. Plastic Recycling +26% to €319M

- **Very strong net FCF of €868M** thanks to strict capex and WCR discipline

2019 : ANOTHER YEAR OF **STRONG COMMERCIAL MOMENTUM**

Strong growth of new businesses addressing key environmental issues

○ **France**

- ✓ **Water** : Nîmes, Valenton, Nancy, Toulouse
- ✓ **Waste** : Renewal of all our waste to energy contracts + new WTE and sorting facility in Bordeaux

○ **Europe**

- ✓ **Waste** : new C&I contracts in the UK, impact of tuck-ins in Belgium
- ✓ **Energy** : new DHN in Slovakia (Levice), Energy Service contracts in Italy(Bergame,Trieste hospital) and Spain

○ **Asia**

- ✓ **Water** : JAPAN: 100% water O&M contracts renewed and new industrial water contracts: Lithium recycling facility for Toyota; Water treatment for Coca Cola .
CHINA : new industrial water contracts : Longmen and Hynix (WWTP BOT)
- ✓ **Waste** : *hazardous waste* treatment plants under construction (China, Singapore) and *new plastic recycling facilities* in China, South Korea (Doksan), Indonesia (Danone)
- ✓ **Energy** : BES : Kong Kong /Southa . DHN : Kedong heating in China

○ **Africa Middle East**

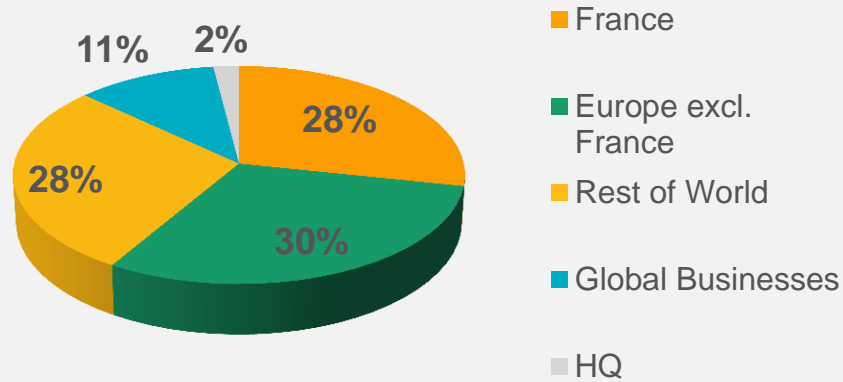
- ✓ **Industrial water treatment**: renewal of BP Khazzan WWTP and new WWTP of the refinery of KIPIC in Koweit (7 years)
- ✓ **Hazardous waste** : construction of Sadara treatment facility in Saudi Arabia
- ✓ **Energy efficiency** : O&M of the Cleveland clinic in Abu Dhabi (5 years)

○ **Global Business /Technology and construction** :

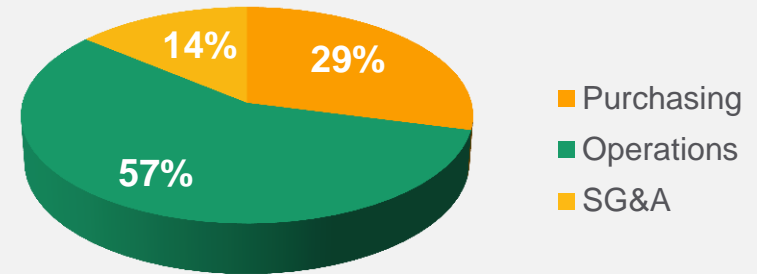
- ✓ Roll out of new cutting edge desalination technology (the Barrel)
- ✓ 3 new desalination contracts in Saudi Arabia, Bahrein and the UAE (backlog €521m)

SUSTAINED PACE OF COST SAVINGS: €248M ACHIEVED IN 2019 AHEAD OF ANNUAL OBJECTIVE OF €220M

Savings by geography



Savings by lever



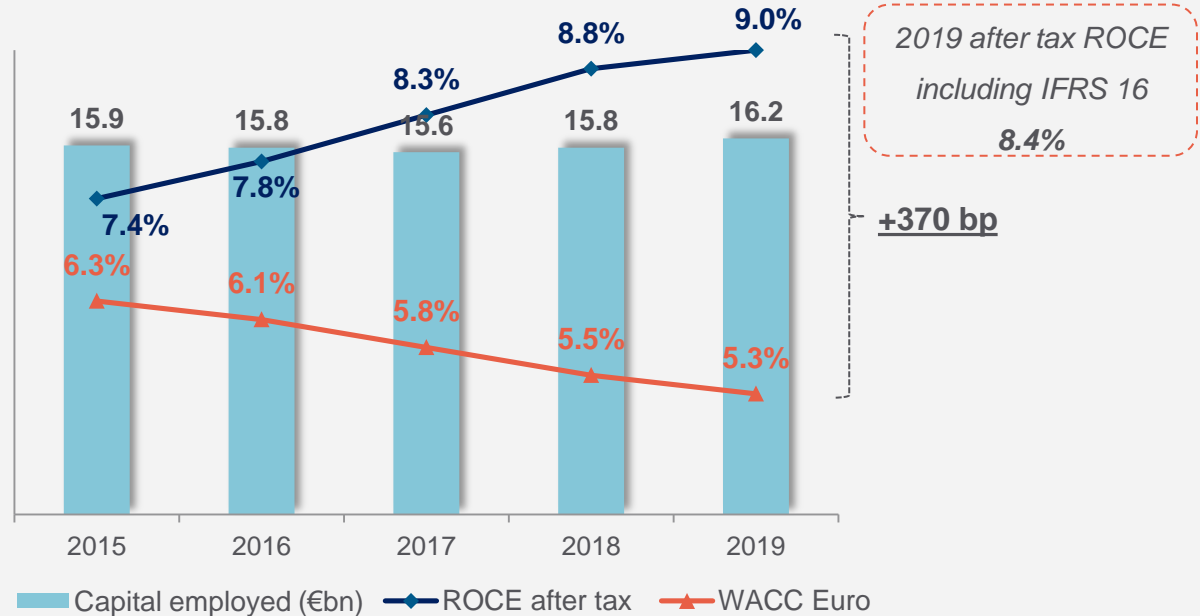
€ 1 050M cumulated cost savings achieved from 2016 to 2019

2016-2019 : SIGNIFICANT VALUE CREATION

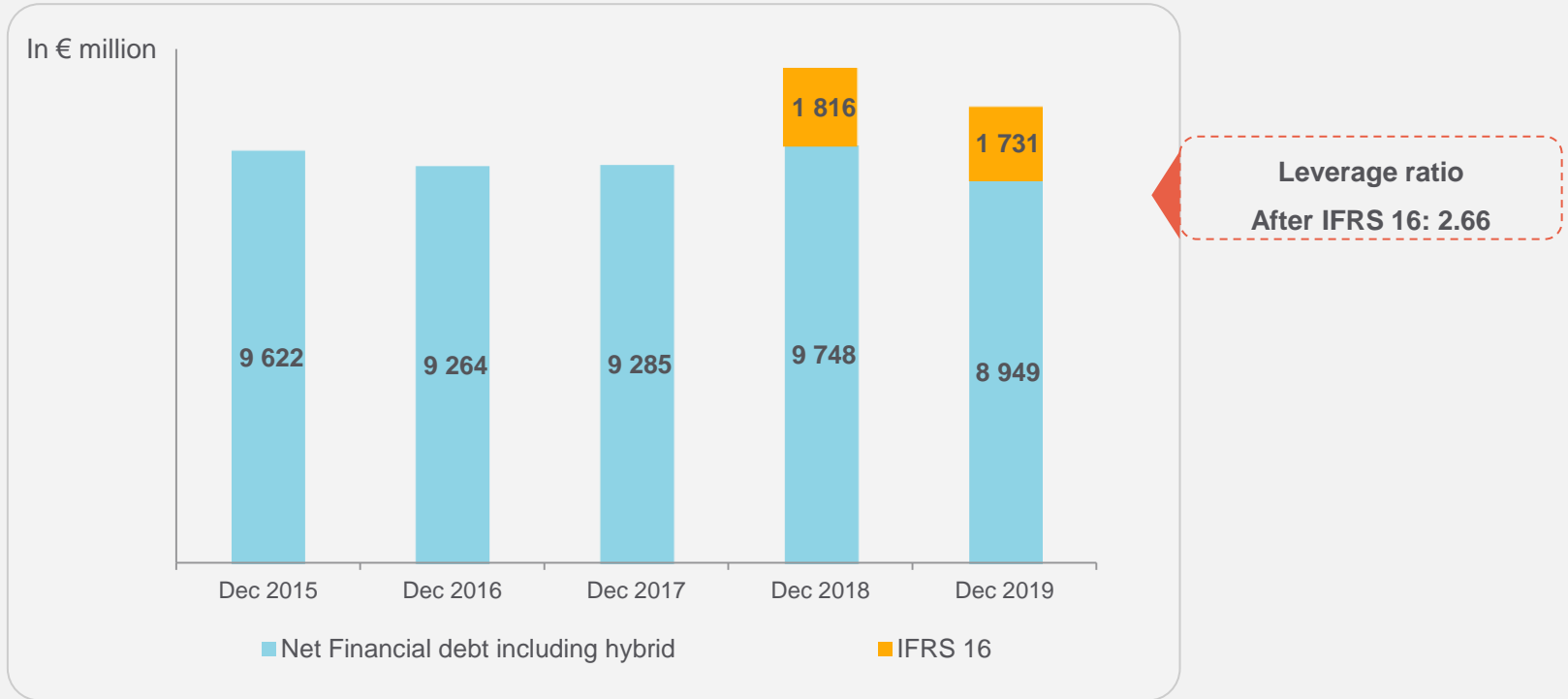
Strong increase in ROCE from 2016-2019

Capital employed in €bn

ROCE after tax
before IFRS 16

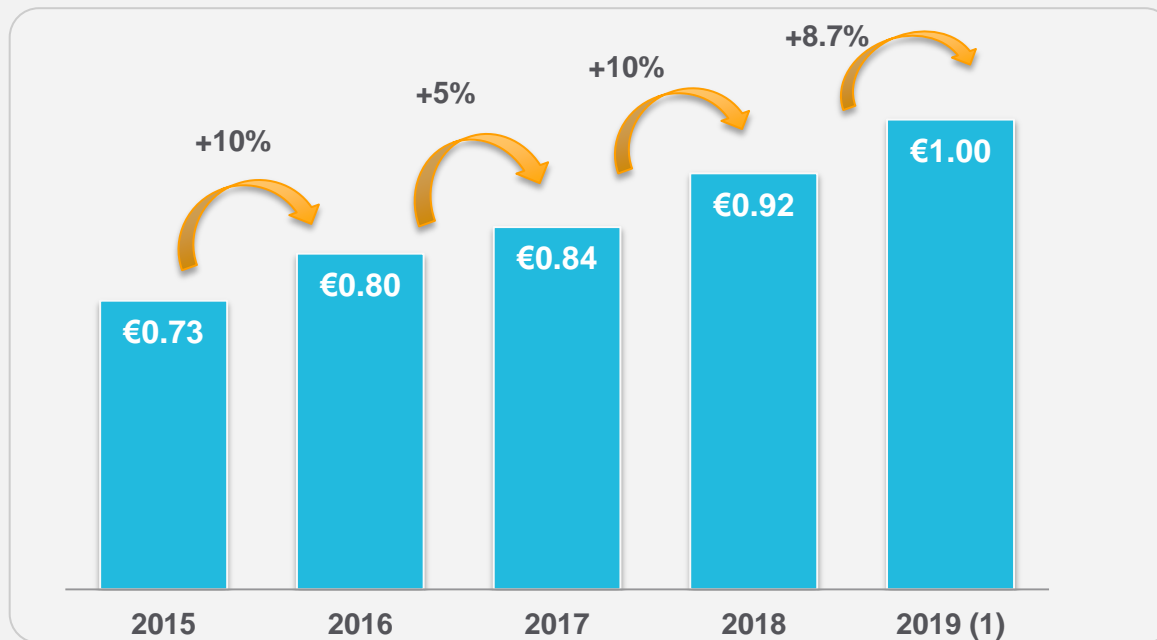


2016-2019: STABLE NET FINANCIAL DEBT AND LEVERAGE RATIO OF 2.66X AT 31/12/2019



2016- 2019 : DIVIDEND UP 37% IN 4 YEARS

Proposed 2019 dividend of €1.00⁽¹⁾ , up 8.7%



2020 OBJECTIVES⁽¹⁾

- ❑ **Revenue** **Solid organic growth**
- ❑ **Efficiency** **At least €250M of cost savings**
- ❑ **EBITDA** **~ €4.1bn**
- ❑ **Dividend** **Growth on the trajectory of the plan 2020-2023**

Annual Results ending December 31, 2019

| *Claude Laruelle, CFO*



STRONG 2019 PERFORMANCE

DRIVEN BY CONTINUED SOLID REVENUE AND EBITDA GROWTH

<i>In €M</i>	2018 published	2018 represented for IFRS16 and IFRS5 ⁽¹⁾	2019	Var. Y-Y vs. 2018 represented	Var. at constant FX vs. 2018 represented
Revenue	25 911	25 951	27 189	+4.8% ⁽²⁾	+4.3% ⁽²⁾
EBITDA	3 392	3 843	4 022	+4.7%	+4.5%
<i>EBITDA margin</i>	13.1%	14.8%	14.8%		
Current EBIT ⁽³⁾	1 604	1 644	1 730	+5.3%	+5.0%
Current net income- Group share	675	672	760	+13.1%	+13.5%
Net Income Group share	439	441	625	+41.8%	
Net industrial Capex	1 752	2 189	2 201		
Net Free Cash Flow after growth capex	568	536	868		
Net financial debt (including lease debt)	-	11 564	10 680		
NFD excluding lease debt	9 750	9 748	8 949		

Summary of FX impacts (vs. 2018)	€M	%
Revenue	122	0.5%
EBITDA	6	0.2%
Current EBIT	5	0.3%
Current Net Income	-3	-0.4%
Net financial debt	-64	-0.6%

(1) See Appendix 1

(2) Like-for-like growth of +3.2%

(3) Including the share of current net income of joint ventures and associates considered to be core Group activities

CONTINUED SOLID REVENUE IN Q4, 2019 DRIVEN BY INTERNATIONAL

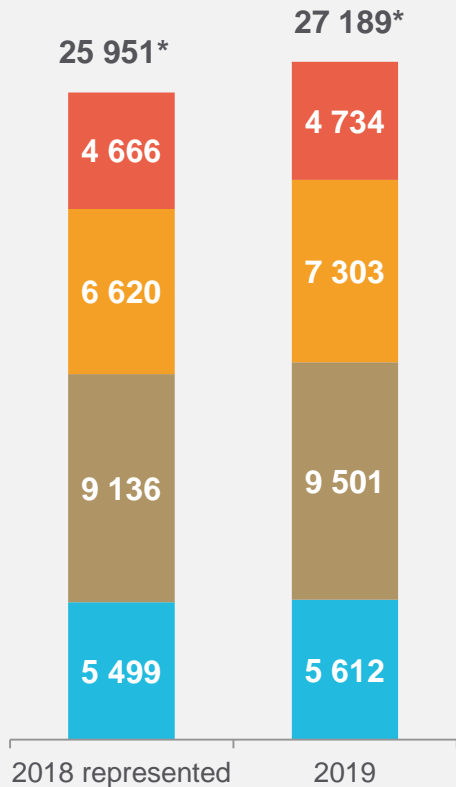
Revenue growth at constant FX	2018					2019				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
France	+0.6%	-1.1%	+2.6%	+4.1%	+1.6%	+2.8%	+5.0%	+0.5%	+0.1%	+2.0%
Europe excl. France	+6.9%	+6.7%	+7.4%	+7.9%	+7.2%	+4.7%	+7.2%	+4.1%	+1.1%	+4.1%
Rest of the World	+14.7%	+13.2%	+10.7%	+9.4%	+11.9%	+6.6%	+9.0%	+9.0%	+10.0%	+8.7%
Global Businesses	+3.5%	-0.6%	+11.4%	+1.6%	+3.7%	+4.7%	+2.6%	-0.2%	-2.6%	+0.9%
TOTAL	+7.0%	+5.1%	+7.8%	+6.4%	+6.5%	+4.8%	+6.3%	+3.8%	+2.6%	+4.3%
Excl. Const & Energy prices	+4.6%	+5.3%	+5.1%	+6.4%	+5.4%	+3.6%	+4.4%	+3.7%	+2.1%	+3.4%
EBITDA growth at constant FX	+5.3%	+6.4%	+9.4%	+8.4%	+7.3%	+3.8%¹	+7.3%¹	+4.3%¹	+3.0%¹	+4.5%¹

(1) Variation including IFRS16

➤ Strong momentum in ROW in Q4 - Slower growth in Europe due to mild weather and decrease of recycled paper prices

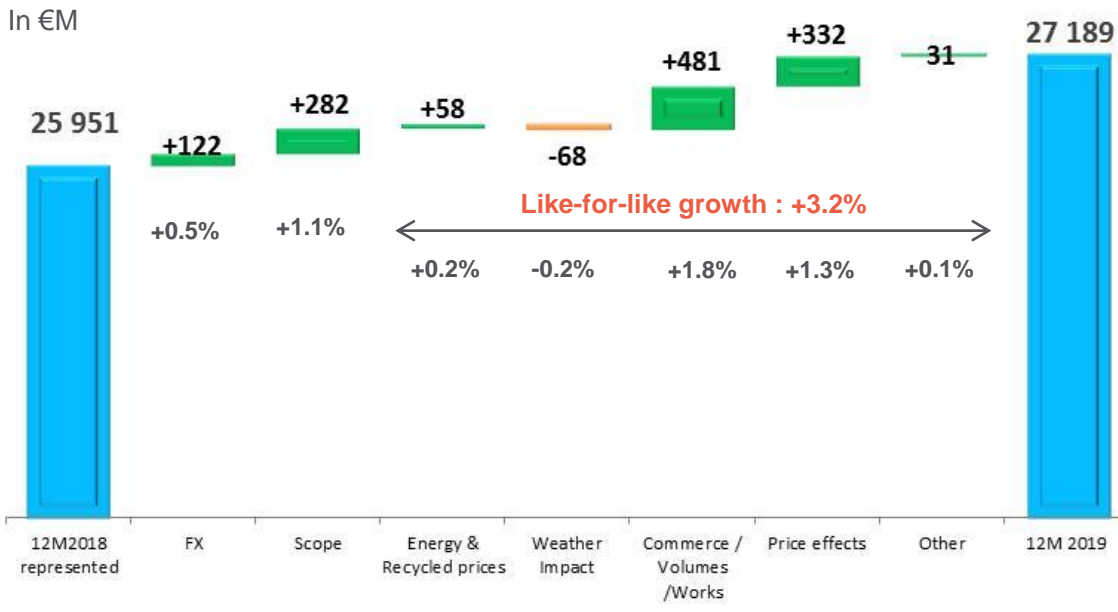
- ✓ **Good Q4 for French water** : volumes up 0.7% , and prices up 1.4% as expected.
- ✓ **Slowdown in France in Q4 in WASTE** : lower collection volumes (selectivity policy); recycled paper prices sharply down in Q4 .
- ✓ **Rest of Europe:** good dynamics in the **UK** and in **Southern Europe**. **Central and Eastern Europe** : moderate growth due to unfavorable weather conditions in the energy business. **Northern Europe** : impact of lower paper prices and mild weather in Germany
- ✓ **Strong growth in Rest of the World (+10%)** : notably in Asia (of which China +24% and Japan +12.4%). US : low Q4 in energy (weather related)
- ✓ **Global Businesses:** Solid hazardous waste - Construction down due to VWT decided downsizing

REVENUE OF €27 189M, UP +4.3% AT CONSTANT FX AND +3.2% LIKE-FOR-LIKE - ANALYSIS BY SEGMENT



Variations vs. 2018 represented	Variation	Δ At constant FX	Δ At constant scope and FX
Global business	+1.5%	+0.9%	+0.8%
Rest of the World	+10.3%	+8.7%	+5.8%
Europe excl. France	+4.0%	+4.1%	+3.4%
France	+2.0%	+2.0%	+1.8%
Total	+4.8%	+4.3%	+3.2%

REVENUE OF €27 189M, UP +4.3% AT CONSTANT FX AND +3.2% LIKE-FOR-LIKE - ANALYSIS BY EFFECT



- **FX : +€122M** o/w : Argentinian Peso -€78M, USD +€127M
- **SCOPE : +€282M** o/w : CHPs in Slovakia, plastic Recycling in China, BES in Hong Kong, waste assets in Portugal. Scope includes the 2018 SCVK disposal and contract evolution in water in Czech Republic (impact -€130M)
- **ENERGY & RECYCLATE PRICES: +€58M**, o/w: **€+134M energy prices** (after +€177m in 2018) : Europe +€170M (Germany and Poland), partially offset in the US (-€50M). **Recycled material prices : -€76M** (after -€90M in 2018) : average recycled paper prices down 17% in 2019 partially offset by plastics (+14%)
- **WEATHER (ENERGY): -€68M** (-€28M in 2018) o/w -€20M in Northern Europe, -€29M in Central Europe, -€19M in the US
- **VOLUMES/COMMERCE/WORKS : +€481M** : **Volumes : +€269M** : o/w **Waste : +1.5%**. **Commerce : +€111M** : mostly from Rest of World. **Construction : +€101M** (+€108M in 2018) : higher works in Waste in France (incinerators renewals) ; rebound of Sade in France and downsizing of EPC business at VWT (revenue down 7.6% at constant forex)
- **PRICE INCREASES : +€332M** (+€243M in 2018) : **WASTE +2.4%** mainly in France, the UK, Germany, Latin America, & Toxic Waste.

WASTE REVENUE OF €10 167M, UP +5.9% AT CONSTANT FX

	2019
Recycled raw materials price	-0.8%
Volumes / activity levels	+1.5%
Price increases	+2.4%
Other	+0.6%
Growth at constant scope & exchange rates	+3.7%
Scope effect	+2.2%
Growth at constant exchange rates	+5.9%
Currency effect	0.0%

Including -1.1% impact of recycled paper prices and volumes

▪ Continued strong year for the Waste business : +5.9% growth at constant FX

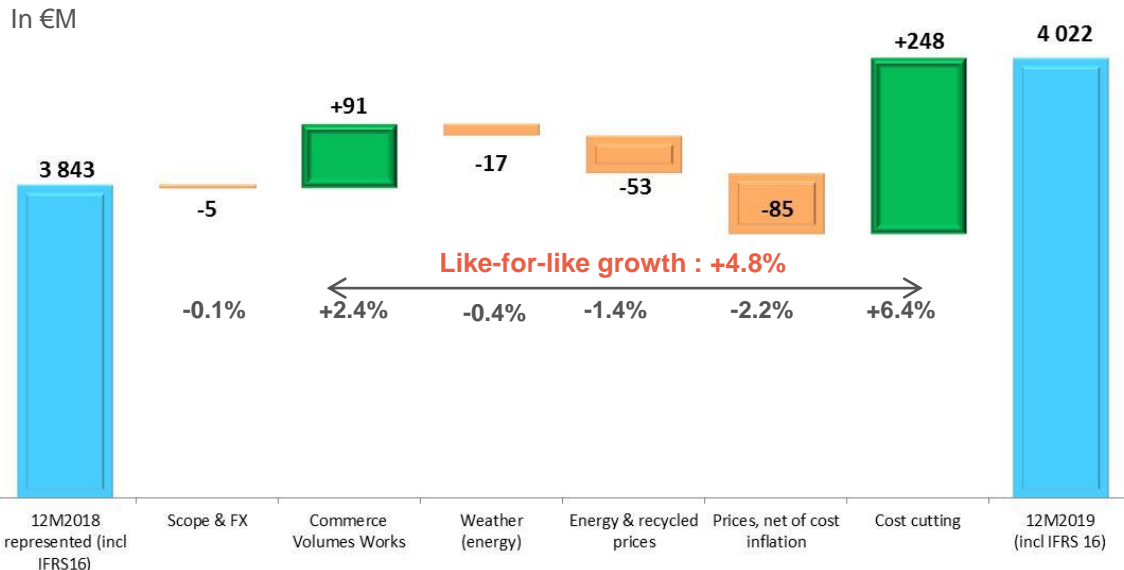
- ✓ Strong year for hazardous waste, in Europe, Asia and the US => Revenue up 14% to €2.5bn
- ✓ Continued high speed development of plastic recycling : Revenue up 26% to €319M
- ✓ Solid PFI performance in the UK : 94% utilization rate
- ✓ ... Partially offset by decided reduction of municipal collection contracts and by sharp decline of recycled paper prices

▪ In Q4 : organic growth of 3.4 % excluding the -2.5% impact of recycled paper prices and volumes

- ✓ Average market paper price down 48% in Q4 => reduction of our exposure to recycled paper market (lower volumes)
- ✓ Lower Q4 2019 price increases due to first adoption of hyperinflation standard in Argentina in Q4, 2018
- ✓ Some waste treatment facilities reached their annual authorized capacity before year-end
- ✓ Scheduled maintenance outage on several sites in France and in the UK

EBITDA of €4 022M, up +4.5% at constant FX and +4.8% like-for-like

Continued improvement in operational performance



- **Forex: +€7M** : o/w Arg Peso -€11M, USD +€14M
- **Scope: -€12M** : impact of 2018 & 2019 tuck-ins net of SCVK disposal and contract evolution in North Bohemia (impact -€71M)
- **Commerce/Volumes/Works : +€91M** : continued growth in waste volumes (+1.5% YTD) and robust commercial dynamism
- **Weather (Energy) : -€17M** , o/w CEE -€10M, Northern Europe -€5M, USA -€5M, China +€3M
- **Energy, recycled materials prices : -€53M** (vs. -€69M in 2018) . **ENERGY: -€23M** : in Europe, heat and electricity prices to progressively offset fuel and CO2 costs; lower energy prices in the US vs. winter 2018 cold peak. **RECYCLED MATERIALS : -€30M** (vs. -€16M in 2018) due to paper prices
- **Price effect, net of cost inflation : -€85M** (vs. -€130M in 2018) : **lower price cost squeeze** thanks to higher indexation of water and waste contracts
- **Favorable impact from cost reductions: +€248M** largely ahead of the annual objective of >€220M

FRANCE

VOLUME GROWTH AND PRICE INCREASES IN WATER AND WASTE

<i>In €M</i>	2018 represented ⁽¹⁾	2019	Δ	Δ At constant FX
Revenue, of which	5 499	5 612	+2.0%	+2.0% ⁽²⁾
<i>Water</i>	2 942	3 004	+2.1%	+2.1%
<i>Waste</i>	2 558	2 608	+2.0%	+2.0%
EBITDA	900	900	+0.0%	+0.0%
EBITDA margin	16.4%	16.0%		

- **WATER : good revenue growth, and enhanced profitability, as planned**

- ✓ **Revenue up 2.1%**

- Volumes : +0.7% (vs. -0.7% in 2018)

- Commerce : renewal of Toulouse potable water, of Nancy Waste Water; gain of Nimes and confirmation of the restart of the Valenton waste water treatment plant in September

- Tariff increases: +1.4% vs. +0.7% in 2018, limiting price cost squeeze

- ✓ **EBITDA up** due to efficiency gains of the Plan «Osons 20/20»

- **WASTE : accelerated repositioning of traditional activities : lower municipal collection volumes and decline of paper recycling activity**

- ✓ **Revenue up 2%**

- Volumes/Commerce flat (with a very high comparison basis : +5.3% in 2018). Municipal collection down 5% due to selectivity in contract renewal; solid C&I collection (+3%) and successful renewal of our incinerator concessions (Nantes, Lille, Rouen, Orléans, etc.)

- Service price increases : +1.6% but continued lower recycled paper prices (average price down 19% : impact -€32M on revenue)

- ✓ **EBITDA down** due to continued depressed recycled paper prices (-€13M impact on EBITDA), higher maintenance and insurance costs, partially offset by efficiency gains

REST OF EUROPE

GOOD PERFORMANCE IN ALL REGIONS

In €M	2018 represented ⁽¹⁾	2019	Δ	Δ At constant FX ⁽²⁾
Revenue, of which	9 136	9 501	+4.0%	+4.1%
Central & Eastern Europe	3 172	3 296	+3.9%	+4.5%
UK – Ireland	2 193	2 298	+4.8%	+4.0%
Northern Europe	2 718	2 738	+0.7%	+1.1%
Italy- Iberia	1 053	1 169	+11.0%	+11.0%
EBITDA	1 472	1 501	+2.0%	+2.1%
EBITDA margin	16.1%	15.8%		

+6.9%
excluding
the SCVK
one off

- **Central and Eastern Europe: good performance despite mild weather**

- ✓ Revenue up +4.5%⁽³⁾ : **ENERGY** revenue of €2 126M up 9.7%⁽³⁾ due to and heat and electricity price increases, despite unfavorable weather impact of -€29M (-€47M in Q1, +€39M in Q2 and -€22M in Q4). **WATER** revenue of €1 122M, up 6.5%⁽³⁾ excluding the -€130M impact of the SCvK contract evolution, thanks to water tariff increases in Prague, Sofia and Bucarest , and **water volume increase of +3.6%**.

- **UK- Ireland : good performance**

- ✓ Revenue up 4.0%⁽³⁾ o/w **WASTE** €1 896M, up 3.7%: good year for PFI (94% availability). Good landfills volume and pricing. Strong hazardous waste and Plastic businesses. Service price increases (+3.2%) offset by lower selling prices of paper (-27%)

- **Northern Europe : slow growth due to mild weather and decreased paper prices**

- ✓ Revenue up +1.1%⁽³⁾ : **WASTE** revenue of €1 433M, up 4.6% : service price increases offset lower recycled volume and prices. **ENERGY (GERMANY)**: lower volumes of energy sold and unfavorable weather partially offset by energy price increases (electricity +15%)

- **Italy- Iberia : double-digit growth and enhanced profitability**

- ✓ Revenue up +11.0%: resumption of strong revenue growth in **Italy** (+10.1%) and in **Iberia** (+12.5%), with a high contract renewal rate (mostly energy efficiency contracts). Integration of Renascimento waste assets in Portugal (annual revenue €23M)

REST OF THE WORLD: SOLID GROWTH IN ALL GEOGRAPHIES CONTINUED EXCEPTIONAL DELIVERY IN ASIA

In €M	2018 represented ⁽¹⁾	2019	Δ	Δ At constant FX ⁽²⁾
Revenue, of which	6 620	7 303	+10.3%	+8.7%
Asia	1 790	2 135	+19.3%	+16.2%
Latin America (Latam)	795	853	+7.3%	+16.0%
North America	2 036	2 168	+6.5%	+1.2%
Pacific	1 025	1 087	+6.1%	+7.9%
Africa Middle East (AME)	974	1 060	+8.9%	+5.5%
EBITDA	1 062	1 160	+9.2%	+8.2%
EBITDA margin	16.0%	15.9%		

**EBITDA
growth driven
by Asia**
(China +19%,
Japan +14%),
**AME and
Latam**

Asia: continuation of very strong Revenue and EBITDA growth

- ✓ Revenue up +16.2%⁽³⁾ o/w **WASTE** revenue of €632M up 18.9%⁽³⁾ notably in China (hazardous waste revenue up 16% vs. LY ; integration of Huafei Plastics); numerous developments in Singapore, Hong Kong, Taiwan. **ENERGY** revenue of €481M, up 38.3% : Harbin (China) heating area extension and pursuit of growth in energy efficiency contracts . **WATER** revenue of €1 022M, up 6.5%: strong growth of industrial water in China and of municipal and industrial water in Japan:100% renewal rate of O&M contracts, new Hamamatsu concession, start up of the Lithium facility
- Latin America : continued strong growth : Revenue +16%⁽³⁾ driven mostly by Grupo Sala in Columbia and tariff increases in Argentina
- North America : Revenue +1.2%⁽³⁾ : **ENERGY** revenue down due to less severe winter vs. PY and lower energy prices. **WASTE** revenue up 6.6% thanks to hazardous waste volume and price increases. **WATER** revenue up 3.1%
- Pacific: Revenue +7.9%⁽³⁾ : **WATER** : Restart of the Sydney desalination plant - **WASTE** (revenue of €808M, +7%) : lower waste collection volumes partially offset by good treatment volumes and industrial services
- Africa Middle East (+5.5%) growth driven by new contracts in Middle East and good volumes in Morocco

(1) Proforma IFRS 5 & IFRS 9

(2) Like-for-like growth of +5.4%

(3) At constant FX

GLOBAL BUSINESS

STRONG HAZARDOUS WASTE

In €M	2018 represented ⁽¹⁾	2019	Δ	Δ At constant FX ⁽²⁾
Revenue, of which	4 666	4 734	+1.5%	+0.9%
<i>Construction</i>	2 841	2 823	-0.6%	-1.2%
<i>Hazardous waste Europe</i>	1 248	1 311	+5.0%	+4.6%
<i>Other (of which VIGS)</i>	577	600	+4.1%	+3.2%
EBITDA	361	396	+9.8%	+10.6%
EBITDA margin	7.7%	8.4%		

- **Construction : WVT downsizing offset by good level of activity of SADE in France**

- ✓ **WVT : €1 501M, -7.6%⁽³⁾ :**

- **Backlog of €2.1bn**, up +12% vs. Dec. 2018, due to **higher bookings** (€2 149M in 2019 vs. €1 721M in 2018) with the 3 desalination facilities in Saudi Arabia and Bahrain and active French WWTP market

- ✓ **SADE : €1 322M, +7.1%⁽³⁾ :** good level of activity in France in works and in telecom services

- **Hazardous waste Europe : very strong revenue and EBITDA growth**

- ✓ Volume growth (+2.8%) and price increases (+5% in incineration)

- ✓ Good commercial momentum

- **EBITDA up +10.6%⁽³⁾ driven by repositioning actions in Construction and by the strong growth of Hazardous waste**

CURRENT EBIT UP +5.0% AT CONSTANT FX TO €1 730M

In €M	2018 published	2018 represented ⁽¹⁾	2019	Variation vs. 2018 represented	Var. vs. 2018 represented at constant FX
EBITDA	3 392	3 843	4 022	+4.7%	+4.5%
Renewal expenses	-280	-280	-280		
Depreciation & Amortization (including principal payments on OFAs)	-1 704	-2 117	-2 192		
Provisions, fair value adjustment & other ⁽¹⁾	+80	+82	+52		
Share of current net income of joint ventures and associates ⁽²⁾	+116	+116	+130		
Current EBIT	1 604	1 644	1 730	+5.3%	+5.0%

- **D&A** (excl. OFA reimbursements) of **€2 057M** include €440M of IFRS16 D&A (stable). D&A are up €69M at constant FX, mostly due to tuck ins and growth capex
- **Share on net income from JVs and associates: €130M** of which China €76M
 - ✓ 2018 net income from JV included a €16M capital gain in the US

CURRENT NET INCOME UP +13.5% AT CONSTANT FX TO €760M

In €M	2018 published	2018 represented ⁽¹⁾	2019	Variation vs. 2018 represented	Var. vs. 2018 represented at constant FX
Current EBIT⁽¹⁾	1 604	1 644	1 730	+5.3%	+5.0%
Cost of net financial debt	-414	-414	-441		
Other financial income and expense	-148	-192	-155		
Income tax expense	-205	-204	-227		
Non-controlling interests	-162	-162	-147		
Current net income – Group share	675	672	760	+13.1%	+13.5%
Current net income – Group share Excluding net financial capital gains ⁽²⁾	679	676	734	+8.5%	+8.8%

(1) Including the share of current net income of joint ventures and associates of entities viewed as core Company activities

(2) Including related taxes and minorities

▪ **Cost of net financial debt of -€441M vs. -€414M in 2018:**

✓ Increased cost and volume of non-euro denominated debt combined with cost of carry of the bond issuances in anticipation of the April 2019 bond redemption partially offset by active debt management

✓ **Stable net financing rate : 4.19%** at 31/12/2019 vs. 4.18% at 31/12/2018

▪ **Other financial income and expense of -€155M** include : 1/ interest (cash) on IFRIC 12 concession liabilities of -€81M (vs. -€94M in 2018); 2/ IFRS 16 lease financial charges of -€41M (stable); 3/ non cash charges related to the unwinding of the discount of provisions of -€31M (stable); 4/ Net financial capital gains of +€24M (of which capital gain on the Foshan divestiture in China) vs. +€4M in 2018

▪ **Current tax rate of 23%** vs. 22% in 2018 represented

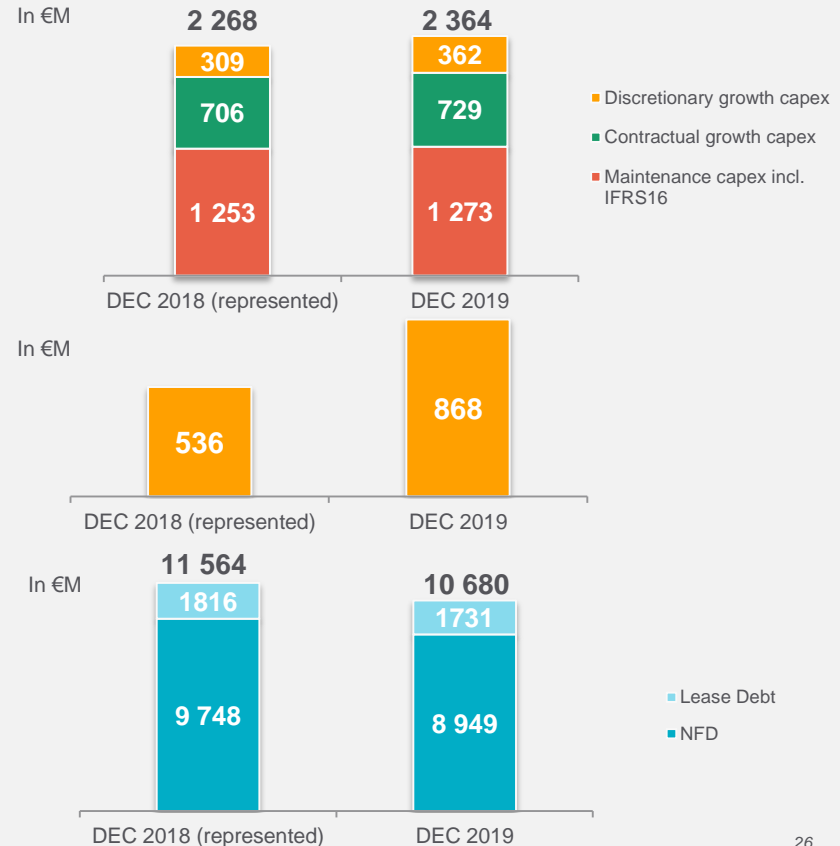
NET INCOME GROUP SHARE UP +42% TO €625M

In €M	2018 published	2018 represented ⁽¹⁾	2019	Variation vs. 2018 represented	Var. vs. 2018 represented at constant FX
Current net income – Group share	675	672	760	+13.1%	+13.5%
<i>Non current items, net of tax</i>					
Non current impairments	-38	-38	-67		
Restructuring charges	-109	-113	-121		
Net income from discontinued operations and other items	-89	-81	-117		
Capital gains	0	0	170		
Net income – Group share	439	441	625	+41.8%	+36.8%

- **Net income from discontinued operations and other items** : in 2019 the impact of discontinued operations in construction, resulting from VWT decided downsizing.
- **Non current capital gains** include in 2019 the net capital gain on the divestiture of our municipal energy assets in the US

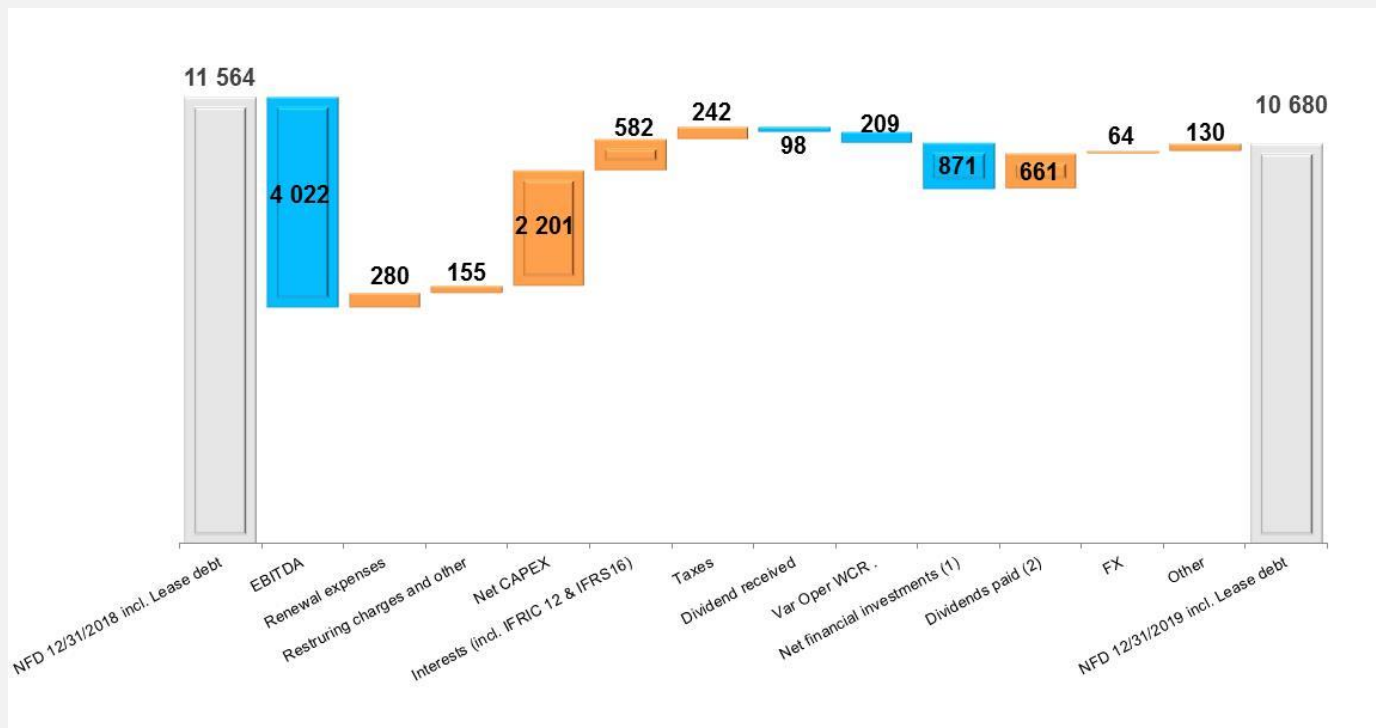
VERY STRONG NET FCF⁽¹⁾ OF €868M THANKS TO STRICT CAPEX AND WCR DISCIPLINE

- **Net industrial Capex of €2 201M**, vs. €2 189M, ~flat
- **Gross industrial capex of €2 364M vs. €2 268M**
 - ✓ Maintenance capex : **€1 273M** (o/w €398M IFRS16) vs. €1 253M
 - ✓ Stable growth contractual capex : **€729M**
 - ✓ **Discretionary growth capex** sharply up from €309M to **€362M**
- **Very strong progression of Net Free Cash Flow⁽¹⁾ to €868M**
 - ✓ **Improvement of +€332M vs. 2018** due to EBITDA increase, strict capex control, and **another significant WCR reduction of €209M**
- **Net financial debt of €10 680M**, down 884M vs. Dec. 2018
 - ✓ **Down €884M** vs. December 2018 thanks to net FCF generation and positive net financial acquisitions due to the closing of the divestiture of municipal energy in the US in December 2019
 - ✓ **Excluding TNAI divestiture, NFD of 11.7bn and €10bn before IFRS 16**, stable since 2015 (including hybrid)
 - ✓ **Leverage ratio of 2.66x**



⁽¹⁾ Net free cash flow corresponds to the free cash flow of continuing operations, i.e. the sum of EBITDA, dividends received, operating cash flow from financing activities, and the variation of operating working capital, less all net industrial investments, net interest expense, tax expense, restructuring charges, other non current expenses and renewal expenses

EVOLUTION OF NET FINANCIAL DEBT



- (1) Financial acquisitions of -€619M net of divestments of +€1 490M
- (2) o/w €509M to shareholders

2020 OBJECTIVES⁽¹⁾

- ❑ **Revenue** **Solid organic growth**
- ❑ **Efficiency** **At least €250M of cost savings**
- ❑ **EBITDA** **~ €4.1bn**
- ❑ **Dividend** **Growth on the trajectory of the plan 2020-2023**