



Creating the World Champion of the Ecological Transformation

*Leveraging unique industrial
and geographical complementarities*



DISCLAIMER

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Creating the World Champion of the Ecological Transformation

Proposed transaction

VEOLIA PROPOSES TO ACQUIRE A 29.9% STAKE IN SUEZ FROM ENGIE IN AN ALL-CASH TRANSACTION AT €15.5 PER SHARE

- ✓ If accepted by Engie, Veolia intends to subsequently launch a voluntary tender offer on Suez's remaining share capital

SIGNIFICANT PREMIUM OFFERING SUBSTANTIAL VALUE REALIZATION TO ALL SUEZ SHAREHOLDERS

- ✓ 49% premium on unaffected 3-month VWAP⁽¹⁾ and 50% on 30 July 2020 closing price



(1) As of 30 July 2020

Creating the World Champion of the Ecological Transformation

A transaction benefitting all stakeholders

A UNIQUE OPPORTUNITY TO CREATE THE WORLD LEADER OF THE ECOLOGICAL TRANSFORMATION

- ✓ Climate Change emergency facing our planet and societies
- ✓ Become a leader of the European Green Deal and of other local environmental initiatives and green stimulus packages

A UNIQUE COMPLEMENTARITY OF ASSETS, GEOGRAPHIES, KNOW-HOWS, TECHNOLOGIES AND CLIENTS

AN ACCELERATION OF THE EXECUTION OF BOTH GROUPS STRATEGIES

- ✓ Creating a combined entity able to offer better services to its clients
- ✓ Based on a strong cultural fit between Veolia and Suez, with high confidence in successful integration

A STRONG VALUE CREATION FOR ALL STAKEHOLDERS

- ✓ For clients : an innovative offering to accelerate our clients' environmental transition
- ✓ For employees : new expanding opportunities
- ✓ For shareholders : double-digit EPS accretion, while maintaining a solid investment grade rating



Creating the World Champion of the Ecological Transformation

Highly supportive accelerating mega trends



CLIMATE CHANGE

the defining issue of our time



RESOURCE EFFICIENCY

water scarcity, food chain



EUROPEAN GREEN DEAL



URBANIZATION

growing citizen awareness



DIGITALIZATION

ADRESSABLE INTERNATIONAL MARKET SIZE €1 400BN

Water >€600bn

Waste >€400bn

Energy services >€400bn

**The combination of Veolia and Suez will create
the main player in a global fragmented market**



Creating the World Champion of the Ecological Transformation

Aligned and converging strategies ...

VEOLIA STRATEGIC PLAN IMPACT 2023



Be the benchmark company
for ecological transformation

Accelerate growth outside Europe

Focus on high value-added activities
(hazardous waste, industrial ecology...)
and continued rebalancing of industrial
and municipal client base

Best-in-class efficiencies
(€1bn cost savings by 2023)

SUEZ STRATEGIC PLAN SHAPING 2030



The global leader
in environmental services by 2030

Grow international activities
from 38% to 60%

Reinforce industrial client base
from 40% to more than 50%

Increase profitability
with a €1bn cost savings plan by 2023

**Aligned strategies to address
the global ecological transition challenges**



Creating the World Champion of the Ecological Transformation ... and complementary assets

A compelling geographical combination

- ✓ Veolia & Suez are World Leaders with a current combined market share of less than 5%
- ✓ Strategic capacities internationally with leading positions in locations with further growth potential

Complementary geographical/business footprint

- ✓ Complementary geographies in Europe
- ✓ Step-change presence in Rest of the World segments : +50%, and complementary activities by country

Well-identified antitrust issues and remedies in France and very limited outside France

- ✓ In France, partnership with Meridiam, a world leader in long term infrastructure management, to acquire Suez's Water assets

**An unprecedented opportunity
accelerating the strategic roadmap**



Creating the World Champion of the Ecological Transformation

An improved global geographical footprint

Based on 2019 financials

Europe – €22.5bn⁽¹⁾

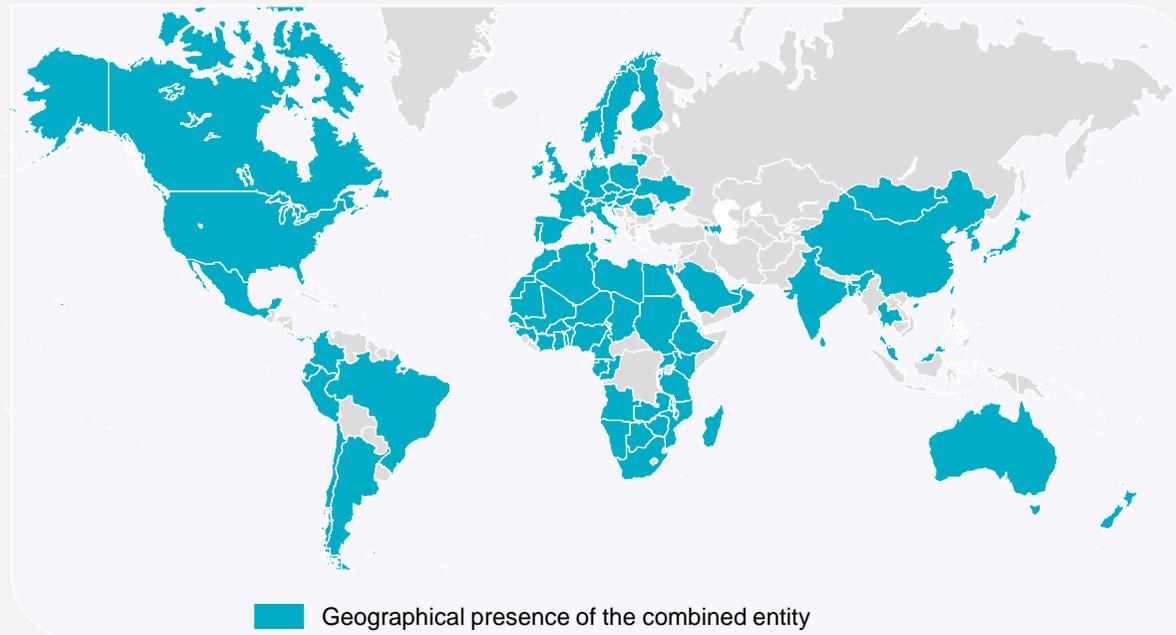
(€bn)	Suez	Veolia
Total Revenue	10.8	15.7
% Suez	41%	
% Veolia	59%	

North America – €3.2bn

(€bn)	Suez	Veolia
Total Revenue	1.0	2.2
% Suez	32%	
% Veolia	68%	

Latin America – €1.8bn

(€bn)	Suez	Veolia
Total Revenue	0.9	0.9
% Suez	52%	
% Veolia	48%	



Worldwide Activities – €6.7bn

(€bn)	Suez	Veolia
Total Revenue	2.6	4.1
% Suez	39%	
% Veolia	61%	

Asia – €2.7bn

(€bn)	Suez	Veolia
Total Revenue	0.5	2.1
% Suez	20%	
% Veolia	80%	

Australia – €1.9bn⁽¹⁾

(€bn)	Suez	Veolia
Total Revenue	1.0	1.1
% Suez	48%	
% Veolia	52%	

AME – €2.2bn

(€bn)	Suez	Veolia
Total Revenue	1.1	1.1
% Suez	51%	
% Veolia	49%	



(1) Total revenue per geographies post estimated anti-trust disposals

Creating the World Champion of the Ecological Transformation

A unique opportunity to implement and accelerate our clients' transition towards environmental efficiency

An innovative offering to accelerate our clients' transition towards environmental efficiency...

- ✓ Municipal clients: a diversified environmental player capable of offering all types of contractual models: regulated, concession, BOT, DBO, consulting, O&M, service
- ✓ Industrial clients : hazardous waste, circular economy, water re-use solutions
- ✓ Tertiary clients : energy efficiency solutions
- ✓ An innovative technological arm in Water : cutting-edge waste water treatment technologies, desalination, mobile solutions, to address industrial and municipal environmental challenges
- ✓ R&D : capacity to deploy innovative offerings thanks to global market footprint

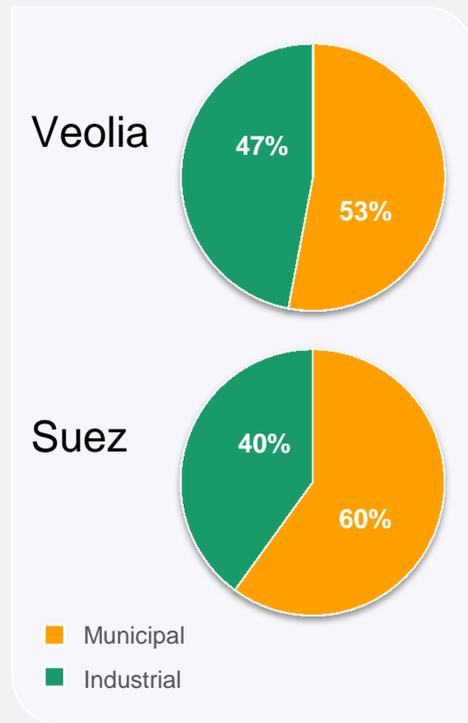
...Combined with cutting-edge expertise in all water, waste and energy technologies

- ✓ Large technology offering in the market due to complementarity of portfolios
- ✓ Technical competencies and know-how to improve clients' performance
- ✓ Improved digital tools to optimize functioning of facilities and accompany cities in their digital transformation



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Complementary clients



COMPLEMENTARY REGIONAL AND GLOBAL PARTNERSHIPS



NEW GLOBAL ACCOUNTS ON INDUSTRIAL PARKS



A STRONG GLOBAL COMMERCIAL NETWORK

- ✓ A larger global account coverage due to sharing of Key Account Managers and sector expertise

A MAJORITY OF LONG TERM CONTRACTS



Creating the World Champion of the Ecological Transformation

Key developments aligned with European Green Deal objectives and other Green stimulus packages

The combined Group will become a **leading player for the EU Green Deal**, able to carry out large « green » projects: water treatment, waste recycling, RDF, energy efficiency, energy conversion

Key development focus:

- ✓ New pollution treatment solutions for water (micro pollutants), air and soils
- ✓ Lithium battery recycling and hazardous waste recycling
- ✓ Buildings energy efficiency and greening of district heating and cooling networks
- ✓ Circular economy acceleration : plastic recycling, water reuse, waste heat recovery
- ✓ Development of alternative clean energy : biomass, RDF (refuse derived fuel)



Creating the World Champion of the Ecological Transformation

A strategic and cultural fit for a successful integration

Similar corporate cultures and converging strategies

A strong track record of execution and delivery

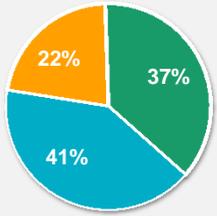
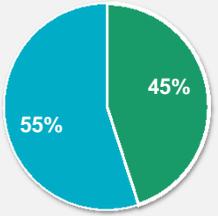
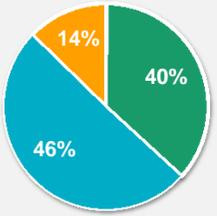
Additional opportunities for all employees of the enlarged group

**A long history of addressing both municipal
and industrial environmental issues**



Creating the World Champion of the Ecological Transformation

Enhanced financial profile

	Veolia	Suez	Estimated Transaction Impact ⁽²⁾	Pro Forma figures
2019 Revenue	€27bn	€18bn	(€4bn)	€41bn
2019 EBITDA⁽¹⁾ (% margin)	€4bn 15%	€3bn 17%	-	€7bn 17%
Activity Split (% of Revenue)				

■ Energy ■ Waste ■ Water

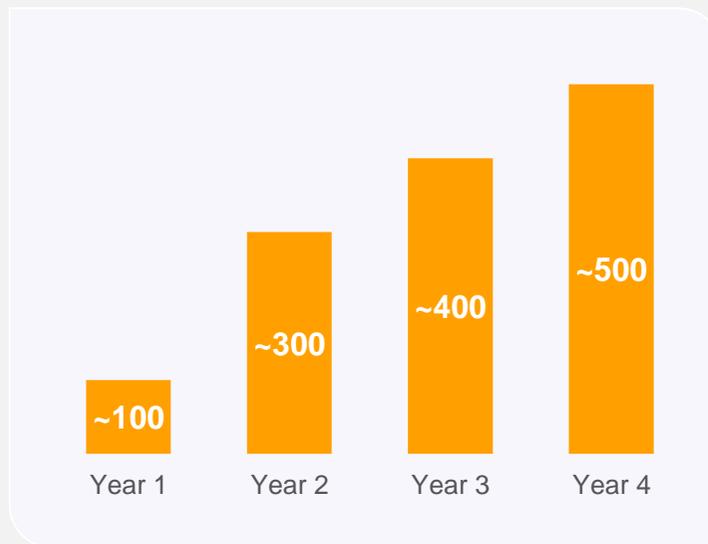


(1) Veolia's definition of EBITDA

(2) Including €500M run-rate cost synergies and impact of anti-trust remedies

Creating the World Champion of the Ecological Transformation

Well-identified and executable cost synergies of €500m



Share all best practices

Operational efficiencies

- ✓ Benchmark of performance
- ✓ Industrial optimization
- ✓ Eg : SARP/ Osis



Procurement

Internalization of volumes

Fleet optimization

IT

€500M of cost synergies (taken into account in the €15.5 per share price), achieved over 4 years following the closing
Complementing the existing Veolia and Suez Efficiency programs



Creating the World Champion of the Ecological Transformation

Veolia's solid financing structure

Strong cash position and large group liquidity

- ✓ €12.1bn liquidity available as of Jun-20, including €7.9bn of cash and €4.2bn in undrawn confirmed credit lines without disruptive covenants

Attractive financing environment

- ✓ January issuance of €500M bond: 0.664% - 11 years
- ✓ April issuance of €700M mid term notes: 1.25% - 8 years
- ✓ June issuance of €500M bond: 0.80% - 11.5 years

Robust balance sheet

- ✓ Commitment to maintain solid investment grade rating

A straightforward financing thanks to Veolia financial headroom and some asset divestitures



Creating the World Champion of the Ecological Transformation

Strong value creation potential

Significant Cost Synergy Potential

Estimated €500M run-rate synergies at EBITDA level implemented over 3 to 4 years following the closing
EBITDA margin accretion through synergies and operational gearing

EPS Accretion

EPS⁽¹⁾ accretive from year 1 and high double-digit from year 3 onwards (after integration)

Preserved Financial Robustness

Financing designed to maintain strong investment grade rating
Attractive financing environment



(1) Post synergies, implementation costs and before purchase price allocation amortization

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Key steps of the proposed transaction

Proposed acquisition of a 29.9% stake in Suez from Engie at €15.5 in cash
(49% premium to unaffected 3-month VWAP⁽¹⁾)

If Veolia's offer is accepted by Engie, Veolia has the intention to launch a voluntary tender offer on Suez's remaining share capital (70.1%)⁽²⁾

Filing of tender offer after information-consultation of employee representative bodies, customary regulatory approvals and review by antitrust authorities

Disposals / remedies

(1) As of 30 July 2020

(2) Price to be determined at the time of filing of the tender offer. Offer to be filed on or prior to obtaining regulatory approvals. Price to take into account price paid to Engie as a key reference point (and, as the case may be, later material events)



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A STRONG VALUE CREATION FOR ALL STAKEHOLDERS



1. Our stakeholders
2. Our performance
3. Our commitments
4. Our goals

5 stakeholders
18 KPIs
All KPIs audited

UN Sustainable Development Goals (SDGs)

Veolia plays a part in all 17 SDGs at different levels and has a direct impact in 13 of them.

