

The background image shows a large, open public square with a grid of stone tiles. Numerous circular water fountains are embedded in the ground, creating a misty spray of water. People of various ages are seen walking, playing, and taking photos in the square. In the background, there are large, historic buildings with many windows and a blue sky with scattered white clouds.

IMPACT

2023

Strategic Program

2020-2023

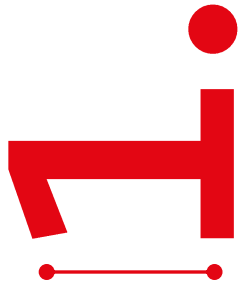
28 February, 2020

DISCLAIMER

Veolia Environnement is a corporation listed on the Euronext Paris. This document contains “forward-looking statements” within the meaning of the provisions of the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside our control, including but not limited to: the risk of suffering reduced profits or losses as a result of intense competition, the risk that changes in energy prices and taxes may reduce Veolia Environnement’s profits, the risk that governmental authorities could terminate or modify some of Veolia Environnement’s contracts, the risk that acquisitions may not provide the benefits that Veolia Environnement hopes to achieve, the risks related to customary provisions of divestiture transactions, the risk that Veolia Environnement’s compliance with environmental laws may become more costly in the future, the risk that currency exchange rate fluctuations may negatively affect Veolia Environnement’s financial results and the price of its shares, the risk that Veolia Environnement may incur environmental liability in connection with its past, present and future operations, as well as the other risks described in the documents Veolia Environnement has filed with the Autorités des Marchés Financiers (French securities regulator). Veolia Environnement does not undertake, nor does it have, any obligation to provide updates or to revise any forward-looking statements. Investors and security holders may obtain from Veolia Environnement a free copy of documents it filed (www.veolia.com) with the Autorités des Marchés Financiers.

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.





VEOLIA'S PURPOSE:
A VALUE FOCUSED
MODEL FOR ALL
STAKEHOLDERS



VEOLIA'S
ACHIEVEMENTS
2012-2019



THE 2020-2023
STRATEGIC PROGRAM
AND FINANCIAL
TRAJECTORY



2020-2023:
GROWTH AND
EFFICIENCY



2020-2023:
INNOVATION



2020-2023:
FINANCIALS

**VEOLIA'S PURPOSE:
A VALUE-FOCUSED MODEL
FOR ALL STAKEHOLDERS**

Antoine Frérot, Chairman and CEO



VEOLIA'S PURPOSE: THE "COMPASS" OF VEOLIA'S NEW STRATEGIC PROGRAM

Veolia's prosperity is founded upon its usefulness to all its stakeholders

IMPACT
2023

Maximizing Veolia's impact for all its stakeholders over the 2020-2023 period

Veolia's Purpose was released in April 2019



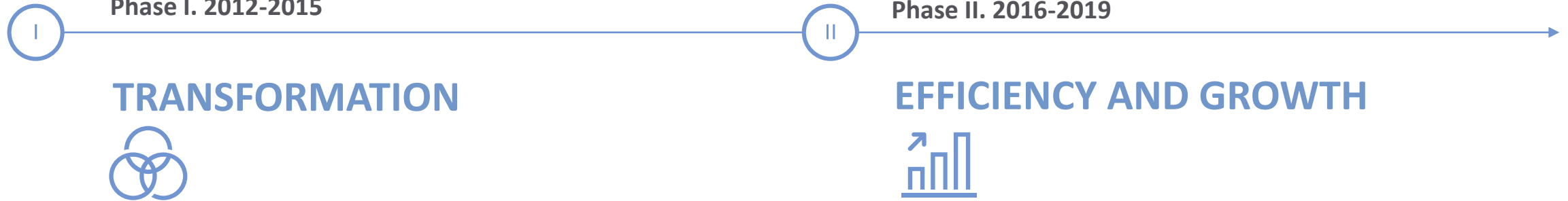
VEOLIA'S ACHIEVEMENTS

2012-2019

Antoine Frérot, Chairman and CEO



2012-2019 DELIVERY



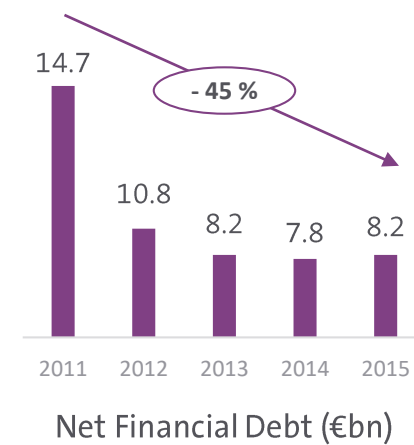
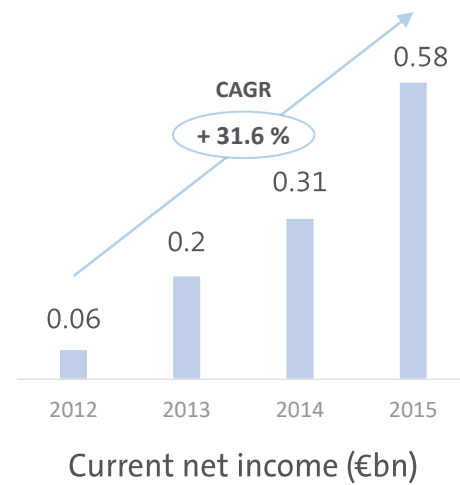
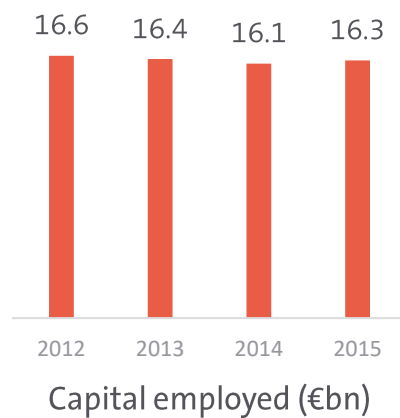
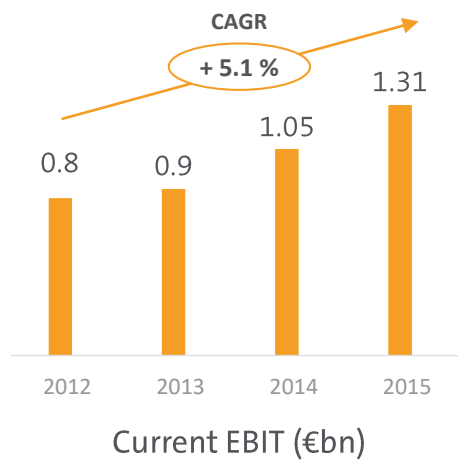
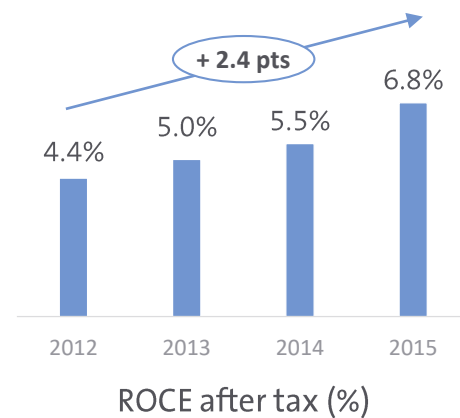
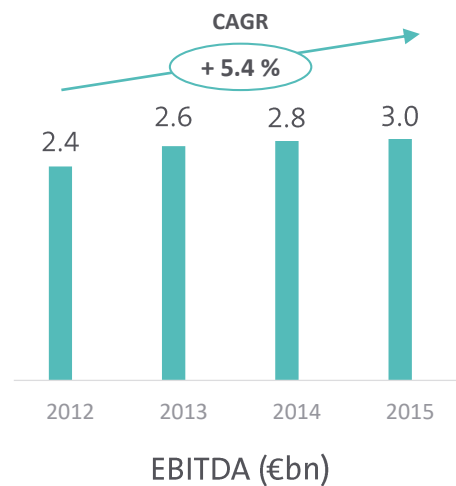
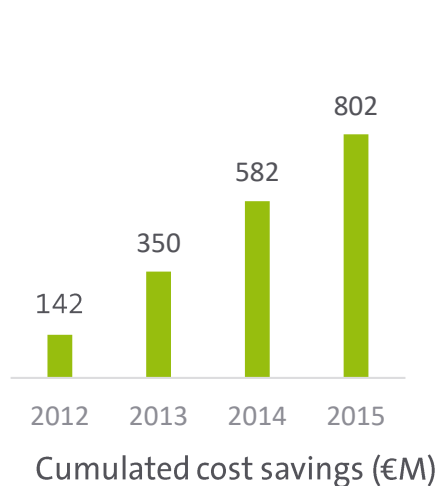
- Reducing the debt
- Geographic refocusing and new organization by geography
- Cost savings (€800M)
- Repositioning and modernizing our offers

- A profitable growth, mainly organic, completed with small acquisitions
- Enhanced efforts on efficiency and cost savings (€1bn)

ALL TARGETS ACHIEVED

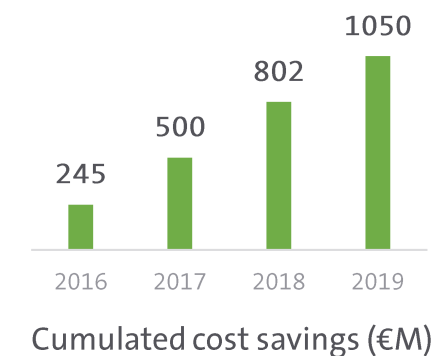
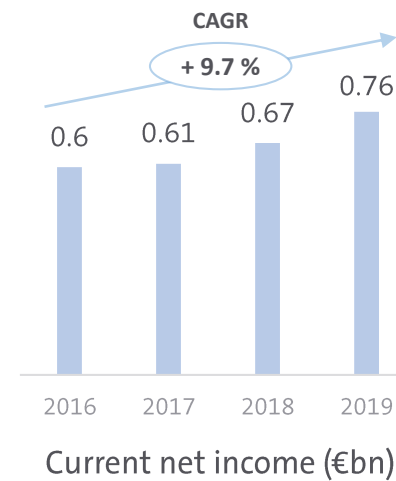
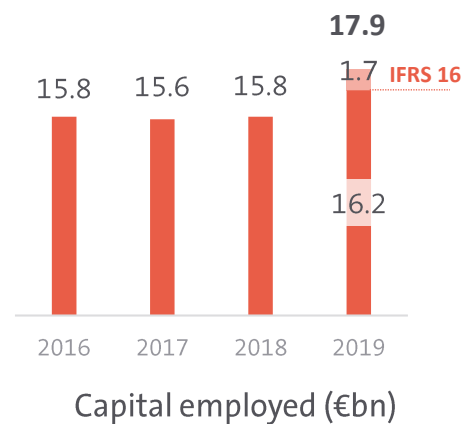
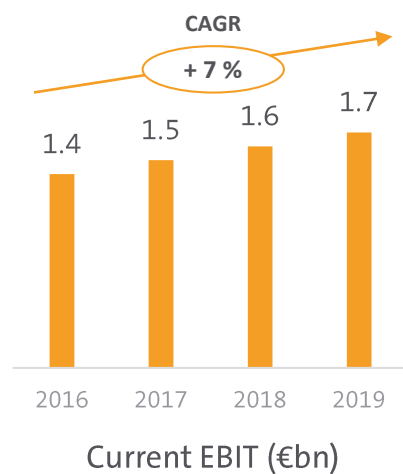
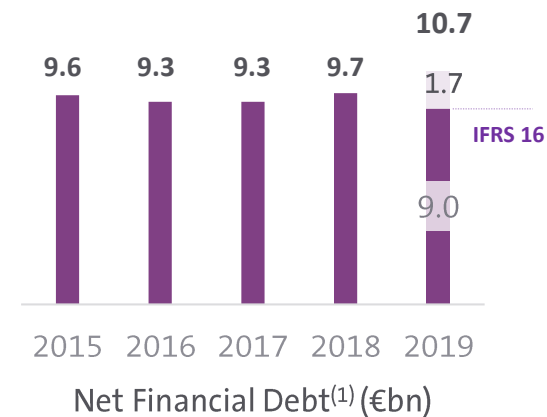
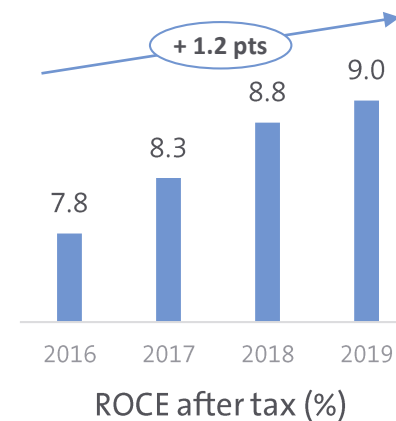
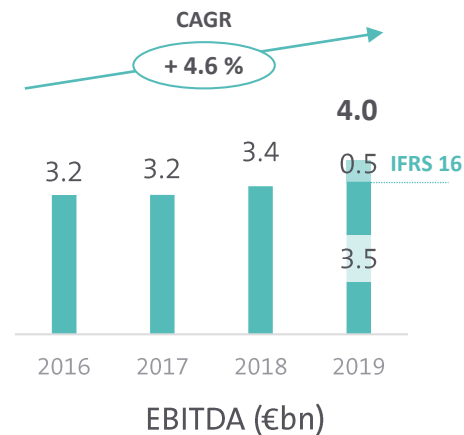
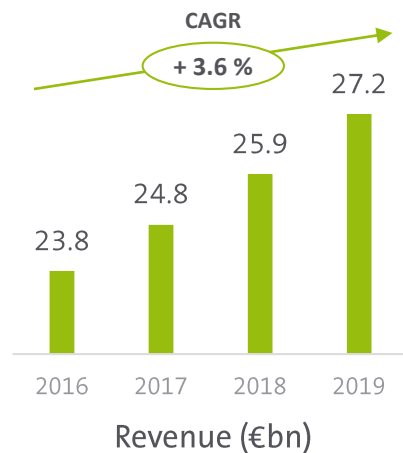
2012-2015

4 YEARS OF TRANSFORMATION



2016-2019

4 YEARS OF PROFITABLE GROWTH



% at constant FX CAGR 2015-2019 at constant FX Including IFRIC12 and before IFRS16

(1) Including hybrid



2016-2019 DELIVERY

In € millions
Excluding IFRS 16 until 2017

		2016 Excl IFRS 16	2017 Excl IFRS 16	2018 Incl IFRS 16	2019 Incl IFRS 16	CAGR 2015-2019 At constant forex excl IFRS 16
Revenue		23 838	24 818	25 911	27 189	3.6 %
EBITDA		3 158	3 217	3 843	4 022	4.6 %
Current EBIT		1 442	1 497	1 644	1 730	7.0 %
Net current income group share		597	614	672	760	9.7 %
Net CAPEX ⁽¹⁾		-1 511	-1 648	-2 189	-2 201	
WCR variation		268	115	60	209	
Free Cash Flow before discretionary growth capex		1 145	828	846	1 230	
Free Cash Flow after discretionary growth capex		940	619	536	868	
Dividend to shareholders		401	440	463	509	
	2015					
Net financial debt excluding hybrid and before IFRS 16	-8 170	-7 812	-7 833	-8 296	-7 497 ⁽²⁾	
Hybrid	-1 452	-1 452	-1 452	-1 452	-1 452	
Net financial debt including hybrid and before IFRS16	-9 622	-9 264	-9 285	-9 748	-8 949	
IFRS16	na	na	na	-1 816	-1 731	
Net financial debt including hybrid and after IFRS16	na	na	na	-11 564	-10 680 ⁽²⁾	
Leverage NFD/EBITDA (including hybrid before IFRS 16)	3.02	2.93	2.89	2.87	2.53	
Leverage NFD/EBITDA (including hybrid after IFRS 16)	na	na	na	3.01	2.66	

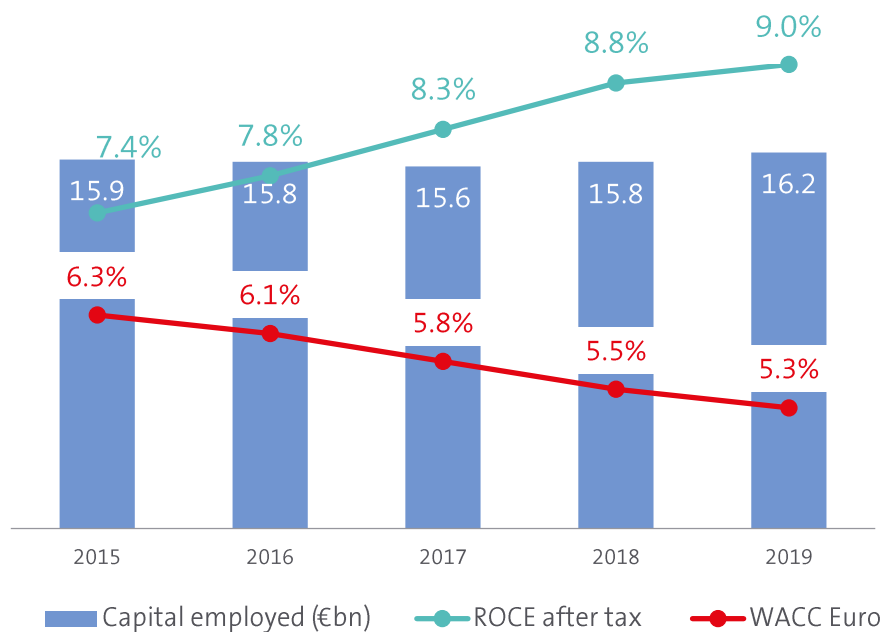
(1) Including discretionary growth CAPEX

(2) including TNAI divestiture

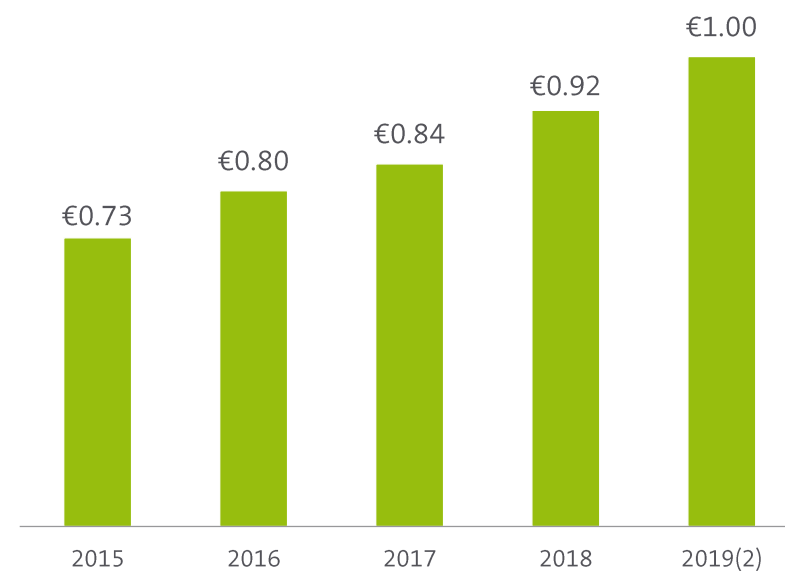


2016-2019: INCREASED VALUE CREATION

After tax ROCE vs. WACC⁽¹⁾



Dividend (€): + 37% in 4 years

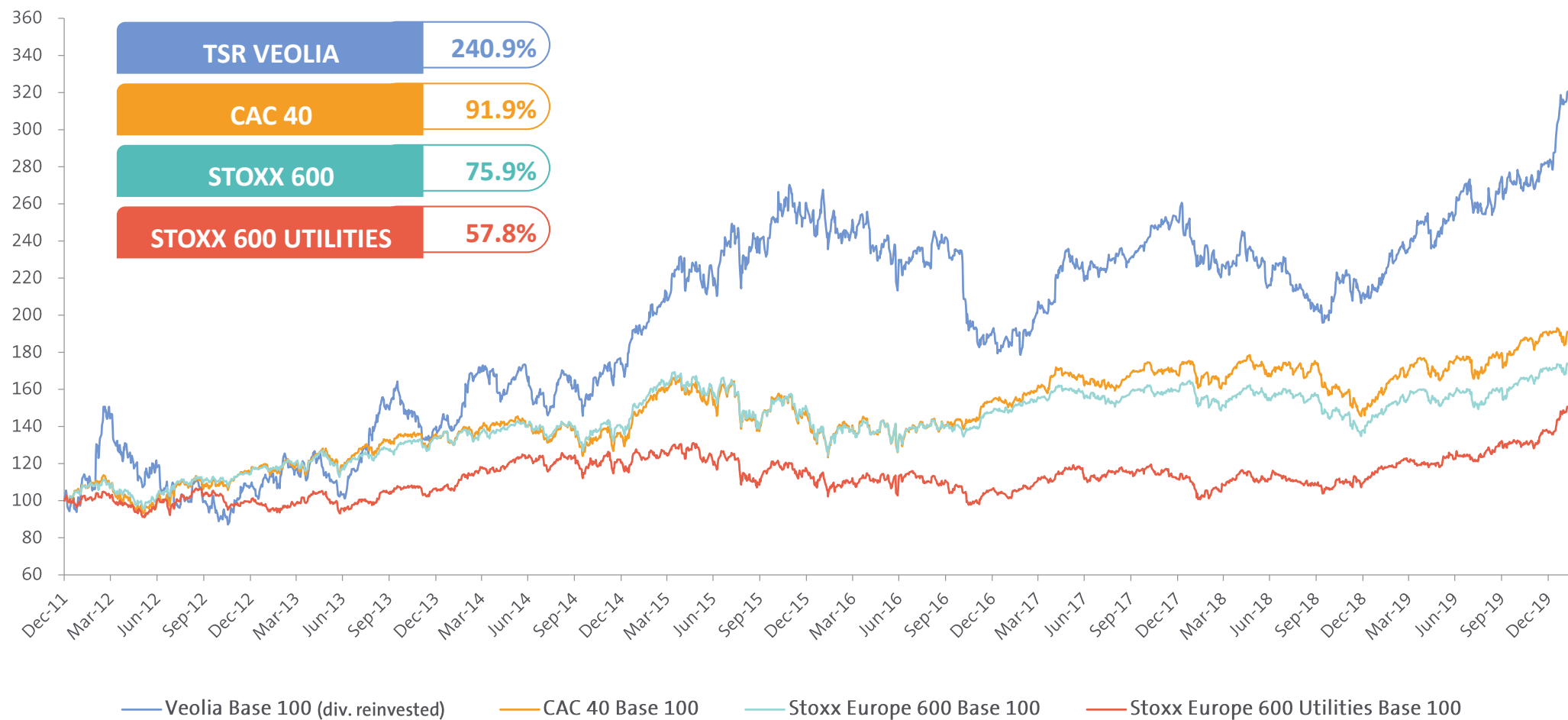


(1) Including IFRIC 12 restatement - Before IFRS 16
 (2) Subject to approval of the AGM of April 22, 2020



2012-2019:

TOTAL SHAREHOLDER RETURN⁽¹⁾ OF +241% vs. +92% FOR THE CAC 40



(1) As of Feb. 20, 2020



**THE 2020-2023
STRATEGIC PROGRAM
AND FINANCIAL TRAJECTORY**

Antoine Frérot, Chairman and CEO



OUR PLANET AND THE SOCIETY ARE FACING CRUCIAL CHALLENGES, ENTAILING AN OBLIGATION TO ACT



**VEOLIA IS IDEALLY
POSITIONED**

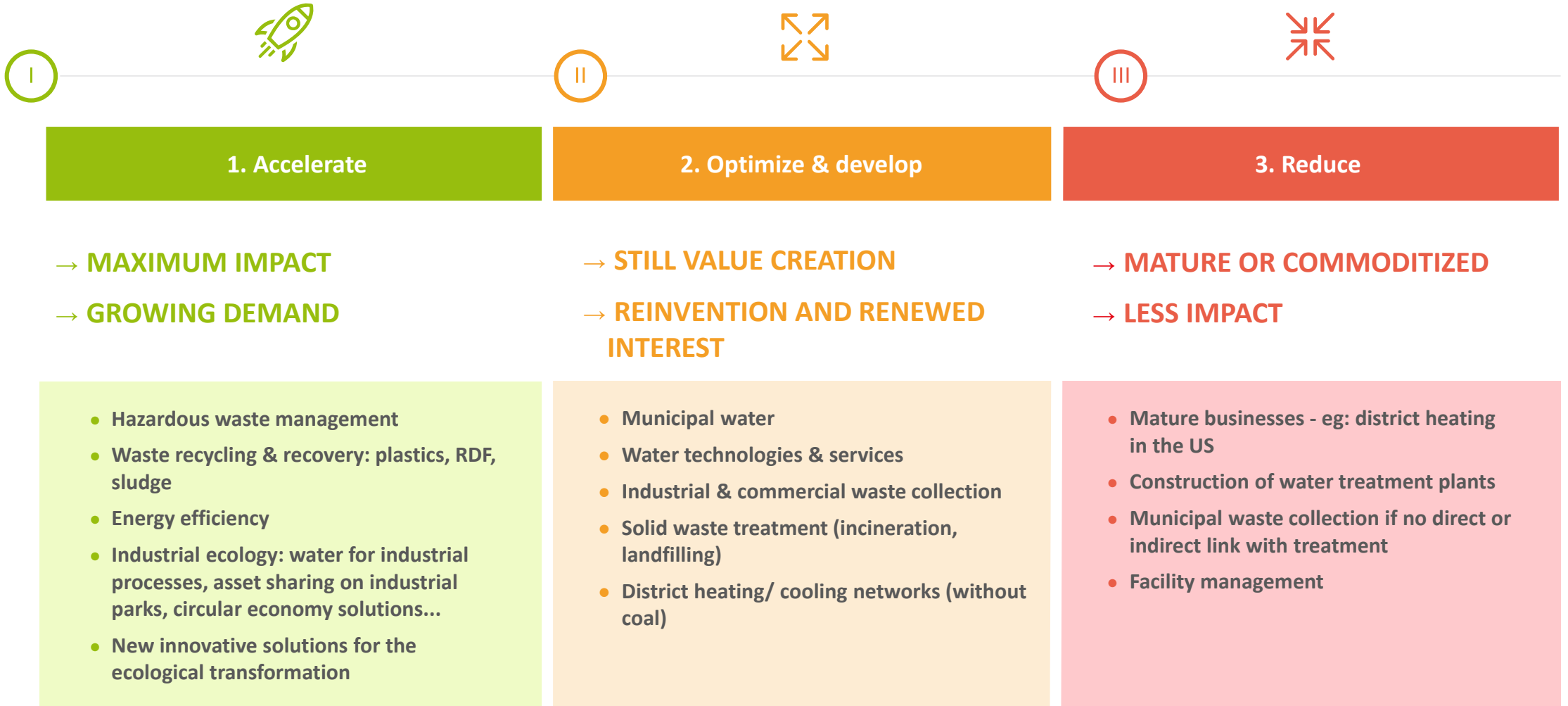
**SOLUTIONS MASTERED BY
VEOLIA COVER 30% OF
NECESSARY GHG REDUCTIONS**

IMPACT 2023 IN A NUTSHELL

- ❑ **A particular context:** the environmental priority has never been higher
- ❑ **A high ambition:** to be the reference company for the ecological transformation
- ❑ **A priority:** maximizing Veolia's positive impact - environmental, societal, financial
- ❑ **A consequence:** clear priorities
 - Strong acceleration of the businesses which have the highest positive impact on the planet
 - 20% portfolio rotation
- ❑ **Preparing the future:**
 - Reinvent the historical businesses
 - Create new solutions to address the global environmental challenges
- ❑ **A highly rigorous execution:**
 - €1bn cost savings plan
 - Net financial debt below 3 x EBITDA over the duration of the plan
- ❑ **Providing the proof of commitments with a set of KPIs:**
 - To track our impact on all our stakeholders
 - To base the bonus policy of the managers



STRATEGIC ORIENTATIONS: CLEAR CHOICES ON OUR BUSINESSES



IMPACT 2023

CAPITAL ALLOCATION

€5bn



Industrial & financial investments
to develop new projects
("Accelerate" and "Optimize & develop")

- ~40% in Europe (incl. France)
~60% in the rest of the world
- ~65% for industrial clients
~35% for municipal clients
- ~40% organic growth
~60% external growth

€3bn



Divestments
("Reduce")

- Portfolio rotation: ~20% of the Group's
Capital Employed
- Assets involved already identified
- €1bn already achieved (district heating
in the US)

€2bn

net investments over 4 years

~€500M
/year in average

→ Leverage ratio < 3x



I 1. CONVERT ALL OUR EUROPEAN COAL FIRED ASSETS BY 2030

- Coal fired cogeneration plants (3% of total revenue)
- We will not sell these coal assets
- We are converting all of them to sustainable energy by 2030
- **€400M dedicated Capex from 2020 to 2023**



II 2. MAXIMIZE AVOIDED EMISSIONS FOR OUR CLIENTS

- **Target: 15 Mt of CO₂ saved in 2023**
- **Key contributors:**
 - Activities to “accelerate”: waste recycling & recovery (eg. plastics, RDF, organics, solvents...), energy efficiency in buildings, industrial ecology (eg. cogeneration, by-product recovery)
 - Activities to “optimize & develop”: waste to energy, district energy with renewable energies

IMPACT 2023

CREATING SOLUTIONS FOR THE FUTURE THROUGH FOCUSED INNOVATION

“Veolia prepares for the future, protecting the environment and responding to humanity’s vital needs” (extract of Veolia’s purpose text)

- **Focus on 6 major global challenges** for which Veolia can deliver impact through concrete innovative solutions
- **€300M over 4 years to develop and impose these solutions**

**HEALTH & NEW
POLLUTANTS**



**NEW LOOPS OF
MATERIALS**



**NEW ENERGY
SERVICES**



**ADAPTATION TO
CLIMATE CHANGE**



FOOD CHAIN



**NEW DIGITAL
OFFERS**





REVENUE

Continued solid growth

EFFICIENCY

€1bn cost savings over 4 years

EBITDA

€4.7bn - €4.9bn in 2023

CURRENT NET INCOME GROUP SHARE

~€1bn in 2023

LEVERAGE RATIO

< 3 x and well below 3 x in 2023

DIVIDEND

€1.30 / share in 2023

A DASHBOARD TO TRACK AND REPORT OUR MULTIFACETED PERFORMANCE

5 stakeholders

18 KPIs

All KPIs audited



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

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.





- **Bonus policy for the management**
 - 50% financial criteria: Revenue growth, Current net income, FCF, ROCE
 - 30% quantitative ESG criteria
 - 20% qualitative criteria
-



- **Annual attribution of performance shares to 500 beneficiaries**
 - 50% financial criteria: EPS growth and market outperformance (TSR)
 - 50% quantitative ESG criteria
-



- **Employee share ownership plan**
 - One share ownership plan per year
 - Target > 30% take up amongst employees

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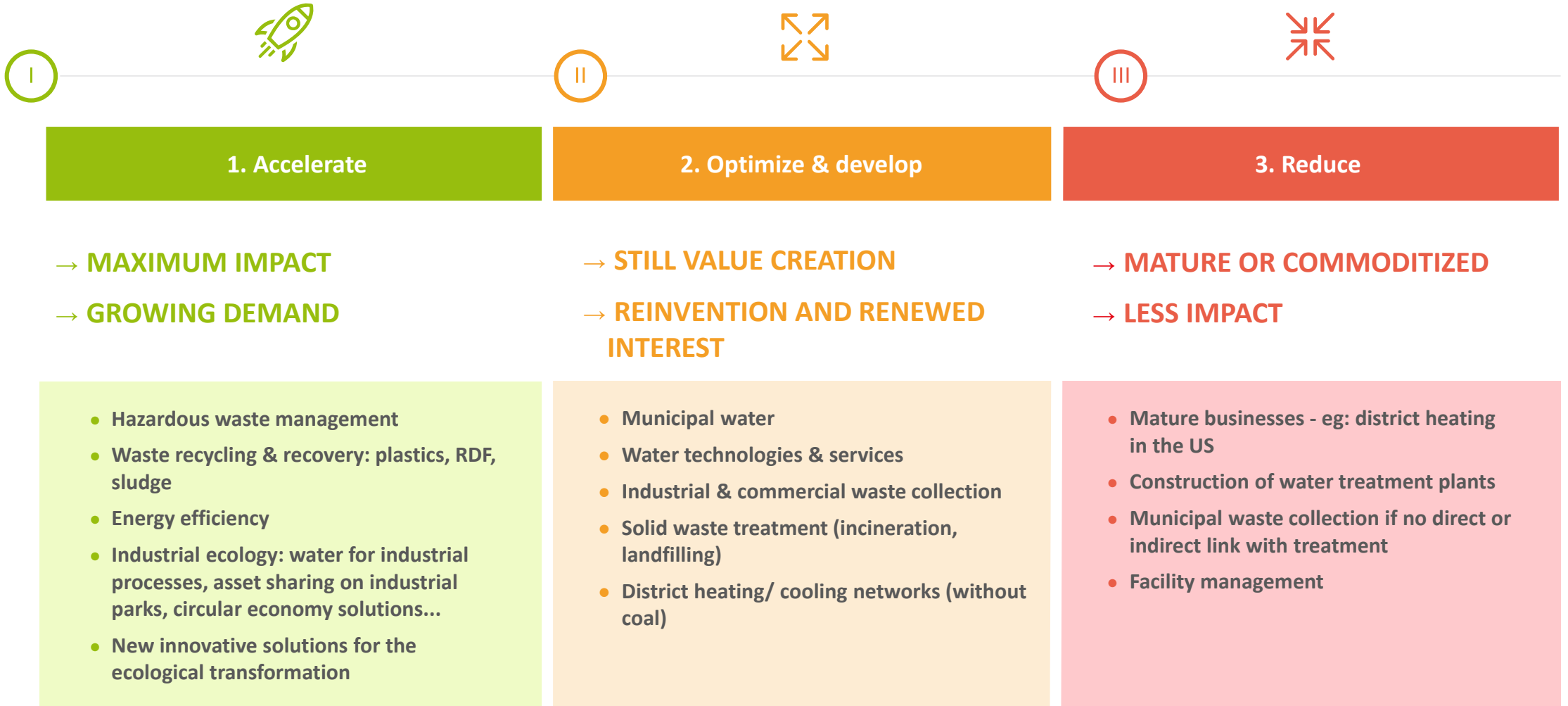


2020-2023:

GROWTH AND EFFICIENCY

Estelle Brachlianoff, COO





ACCELERATE: CRITERIA AND PRIORITIES

INVESTMENT CRITERIA

- Activities with a highly positive impact on the environment, and strong growth and return potential...
- ...where Veolia can differentiate (strong & rare skills)...
- ...and reach a critical size in the region/country



NEW HIGH-VALUE OPPORTUNITIES

- **Hazardous waste treatment**
 - Targeting geographies with favorable regulation and strong industries
- **Solid waste recycling**
 - Plastic recycling
 - Waste to RDF⁽¹⁾
 - Sludge and organic waste recovery
- **Energy efficiency**
 - Energy efficiency contracts, using digital as a growth lever (e.g.: Hubgrade platforms)
- **Industrial ecology**
 - Industrial water
 - Sorting and recycling waste at the source
 - Energy efficiency
- **And innovation, to prepare the future**



(1) Refuse Derived Fuel

VEOLIA'S CAPABILITIES IN HAZARDOUS WASTE: A COMPREHENSIVE RANGE OF HIGH ADDED VALUE SOLUTIONS

WASTE PREPARATION SOIL TREATMENT

- Analysis
- Soil remediation
- Repackaging



On site securing
& reconditioning



Soil remediation

LOGISTICS

- Collection
- Analysis
- Sorting
- Regrouping & transfer



Sorting
platforms/
regrouping

TREATMENT

- Shredding
- Deconditioning
- Biological or physico-chemical treatment



Physical-chemical
treatment



Biological treatment

- High temperature incineration



Rotating kiln
incinerator

RECYCLING

- Regeneration/ recovery:
- Solvents
- Acids
- Hydrocarbons

- Batteries
- Used oils...



Regeneration of
solvents



Sulfuric acid
regeneration

LANDFILLING

- Specialized landfills

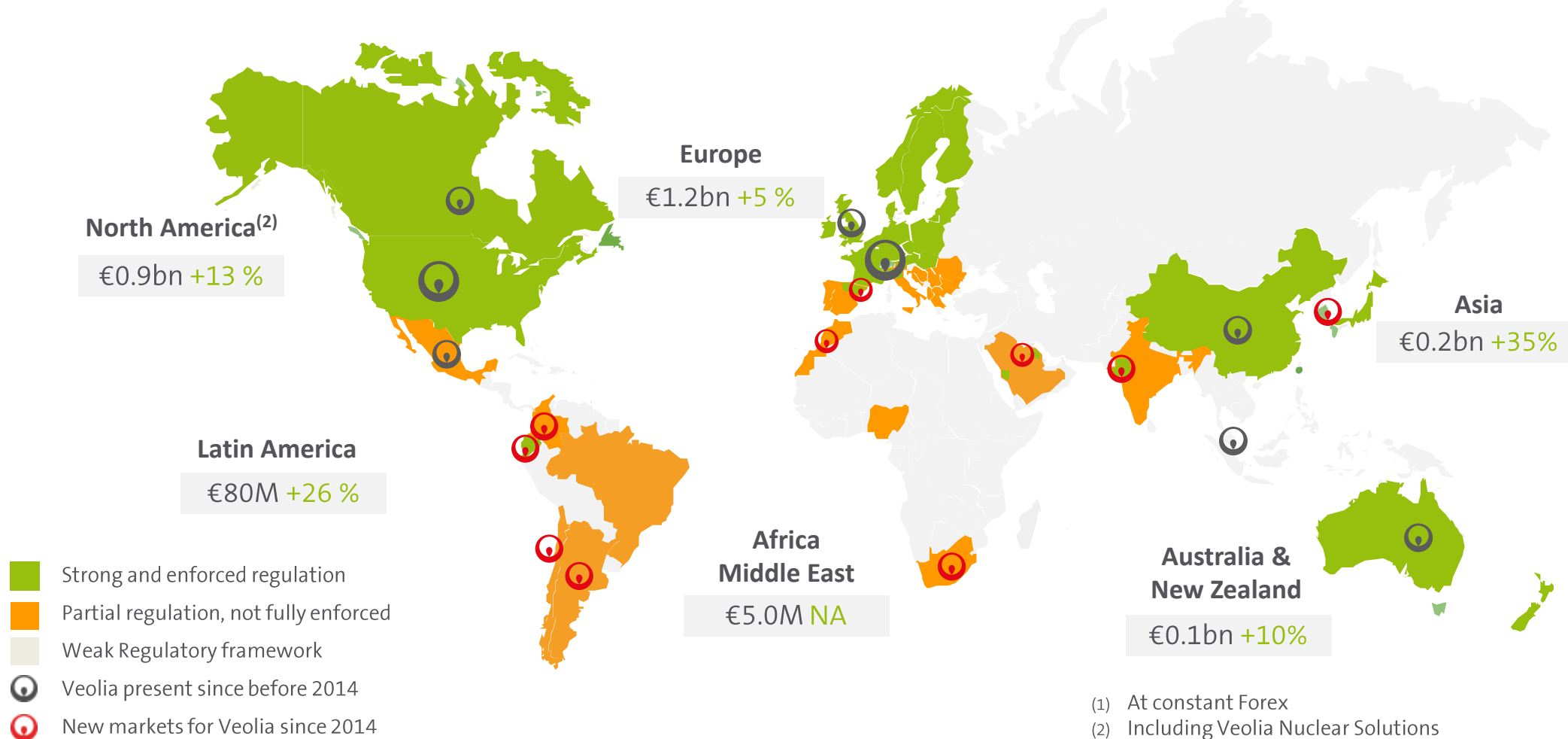


Class 1 Landfill

VEOLIA IS THE ONLY GLOBAL PLAYER IN HAZARDOUS WASTE

~€2.5BN REVENUE IN 2019, MORE THAN +10%/YEAR SINCE 2014

2019 Revenue - CAGR 2014-2019⁽¹⁾

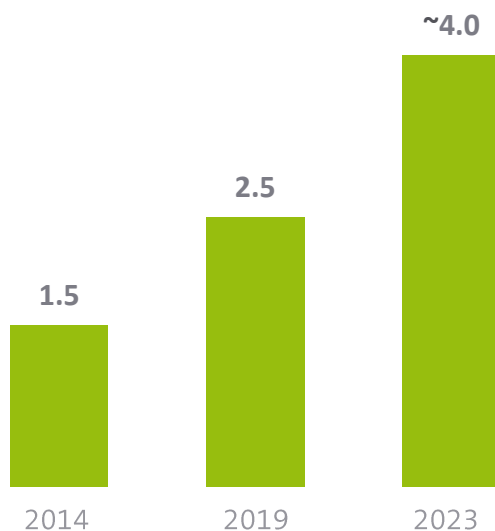


HAZARDOUS WASTE:

OUR AMBITION: INCREASE REVENUE TO ~€4BN IN 2023

- ~20% EBITDA margin
- Double digit ROCE

VEOLIA'S REVENUE IN HAZARDOUS
& LIQUID WASTE (€BN)



- A €25-30bn market growing at a solid pace, driven by the evolution of local regulations (increasingly stringent and enforced) and the growth of the industrial production

Veolia's unique positioning:

- Track record and know how - risk management, waste traceability, concentration and then treatment of the pollution, waste recovery or recycling
- Only global player, with unique network of assets and presence on all continents
- Business models delivering high added value: merchant plant, service, or on-site treatment

Strong growth ambition:

- Continue to develop our existing platforms (Europe, USA, China), by completing our network of assets: building or acquiring new treatment plants, increasing geographical density, broadening our range of offers
 - New facility on Evonik site in Germany
 - Acquisition of the treatment assets of Alcoa in the USA
 - 7 new sites under construction in China on top of the 8 existing ones: targeting 15% market share by 2023
- Duplicate this business in countries where the regulation is favorable
 - Examples: Sadara (JV Aramco-Dow) in Saudi Arabia; Singapore



HAZARDOUS WASTE

ALCOA PROJECT IN THE US

Market context in the USA

- Permitted sites scarce and valuable
- Veolia co-leader in hazardous waste incineration, but lacking landfill capacity

Client context

- Alcoa Gum Spring (Arkansas): hazardous waste incineration and landfill, used to treat spent pot liner, a byproduct of aluminum production
- Site divestment, part of an asset rotation program

Veolia's game-changing project

- \$250M to acquire existing a haz landfill and an incinerator from Alcoa
- Leverage the existing permit to increase the treatment capacity and the categories of waste accepted in the facilities (Capex: ~\$120M)
- Internalize Veolia's volumes
- Veolia to remain a key service provider to Alcoa
- Potential to expand services to new customers throughout North America
- Revenue ~\$300M per year once project completed (2022)

Strategic interest for Veolia

- Increase Veolia's treatment capacity in North America
- Complete the range of offers in the US with landfilling



HAZARDOUS WASTE

EVONIK PROJECT IN GERMANY

Market context

- Few new incineration capacities in Europe for hazardous waste and existing site fully utilized
- Germany: largest hazardous waste market in Europe, with a limited presence of Veolia so far

Client context

- Evonik is one of the world leaders in specialty chemicals. In Germany, Evonik is closing its coal-fired power plant in Marl's industrial park, which is also used to incinerate haz waste
- Evonik owns on the same site a hazardous waste incinerator of low capacity

Veolia's game-changing project

- Acquisition of the existing incinerator and long lease of the land
- Leveraging the existing permit to increase the capacity of the existing incinerator and build a new larger incinerator
- Will process hazardous waste from Evonik, the industrial park and from other local industrial clients as well, and feed the site with thermal energy (thus replacing coal)
- Capex: €80M ; > €70M expected annual revenue

Strategic interest for Veolia

- Increase Veolia's treatment capacity in Europe
- Become a major player in Germany



WASTE RECYCLING AND RECOVERY: PLASTIC RECYCLING

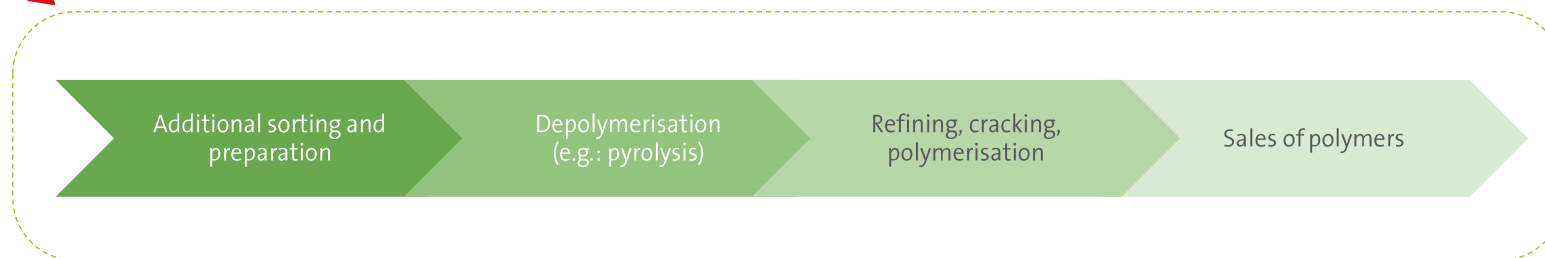
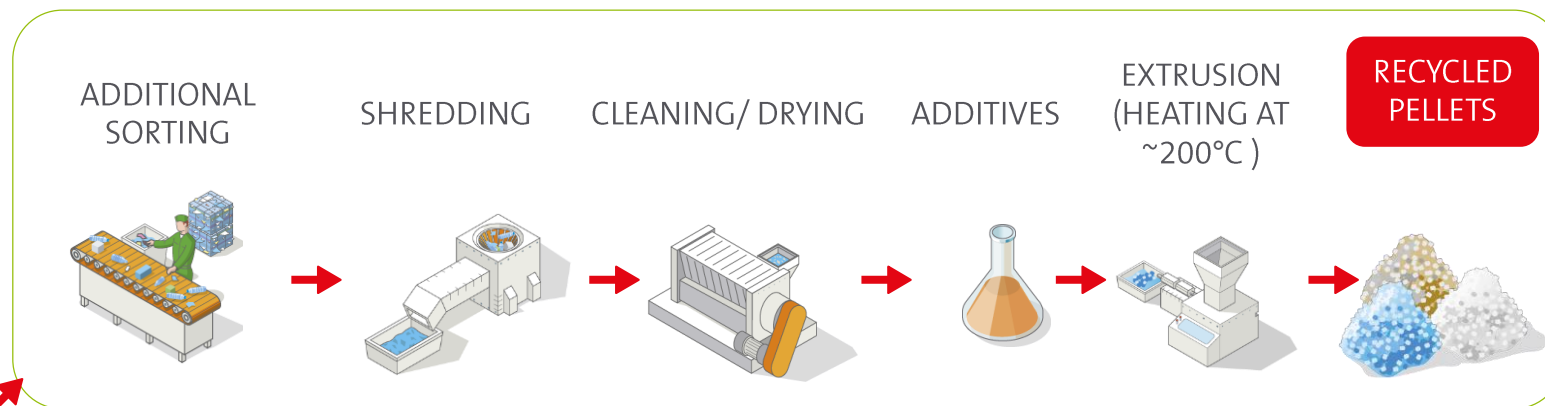
THE VALUE CHAIN

MULTIPLE TYPES OF PLASTICS
(PET, PP, HDPE, LDPE,...)



Preparation of RDF
(Refuse-Derived Fuel)

MECHANICAL RECYCLING OF PLASTICS

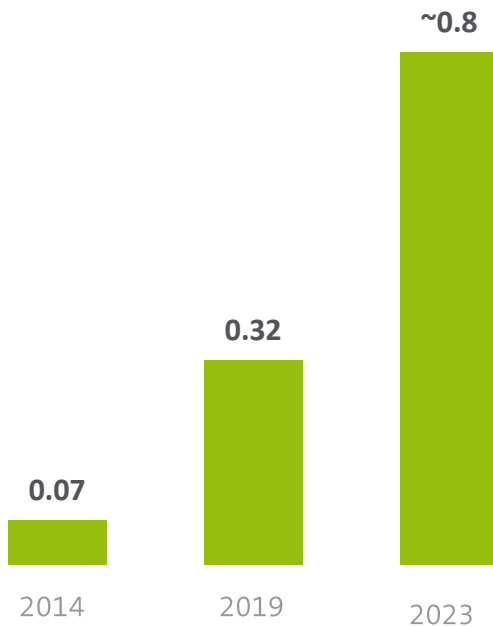


CHEMICAL RECYCLING OF PLASTICS

WASTE RECYCLING AND RECOVERY: PLASTIC RECYCLING

OUR AMBITION

VEOLIA'S REVENUE IN PLASTIC RECYCLING (€BN)



- **A €25bn market growing at a very high pace, driven by:**
 - Evolving regulations regarding plastic usage and recycling (Europe and Asia in particular)
 - Societal pressure
 - Commitments made by brands, notably in the Food & Beverage and Consumer Goods industries, to use recycled plastic for their products and packaging by 2025-2030
- **Veolia's differentiating factors:**
 - Access to the waste feedstock
 - Strong know-how on waste and on the recycling process
 - Global footprint
 - Relationships with brands (partnerships signed with Danone, Unilever, Nestlé, Reckitt Benckiser, etc.)
- **Strong growth ambition, sustained by the development of our recycling platforms in Europe and in Asia**

WASTE RECYCLING AND RECOVERY: PLASTIC RECYCLING

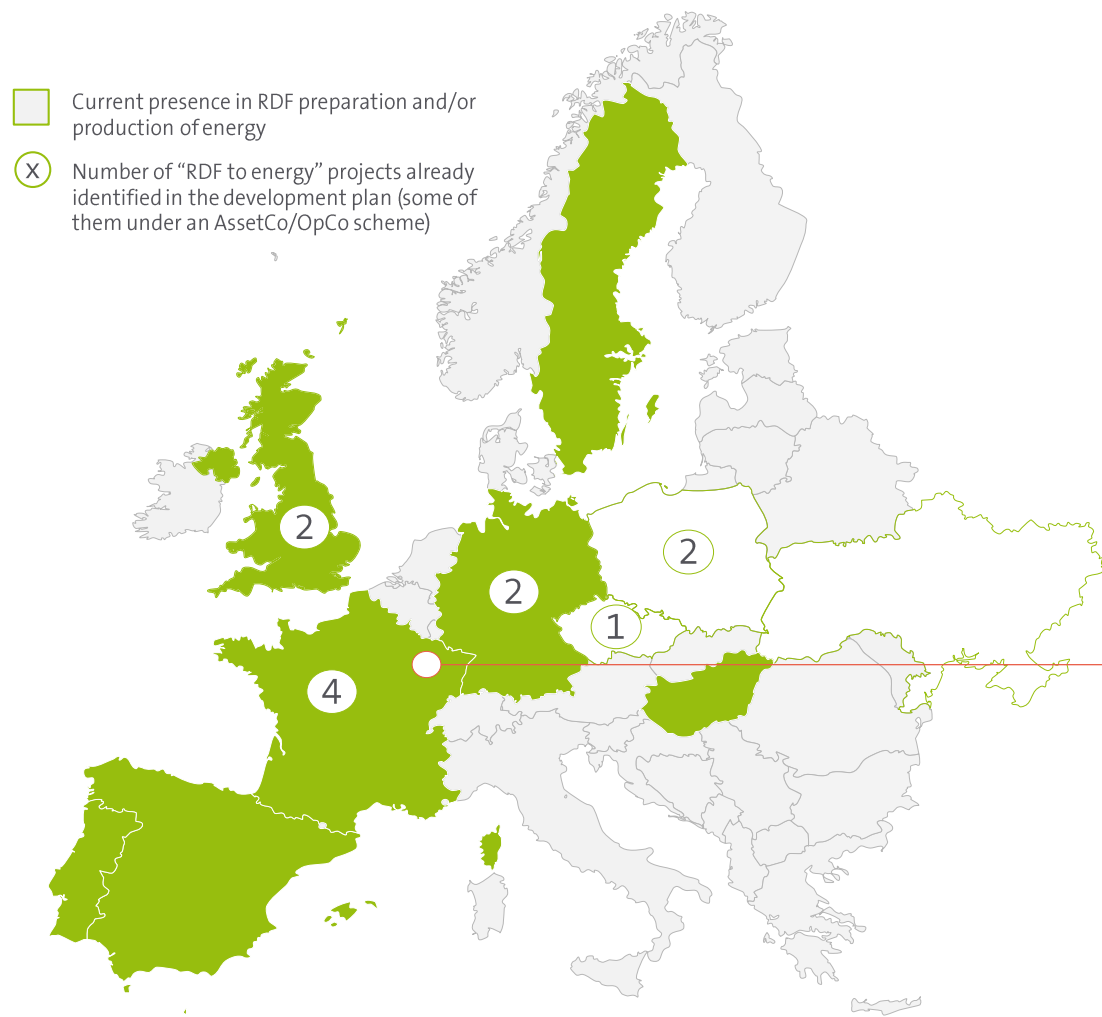
PET RECYCLING PLANT FOR DANONE IN INDONESIA

- Design, build and operate a plant to produce food grade recycled PET
- Supply contract with Danone and other global brands.
Transformation margins secured (selling price based on transformation costs)
- Plant capacity: 25 kt/year
- Avoided emissions: 28 kt CO₂e/yr
- Capex: ~€20M, annual revenue ~€30M
- Commissioning in Q1 2020. Trial operation in February 2020.
1st rPET to Danone expected in April 2020



WASTE RECYCLING AND RECOVERY: RDF ENERGY

SIGNIFICANT DEVELOPMENT PLANNED IN EUROPE



EXAMPLE: PROJECT WITH SOLVAY IN FRANCE "DOMBASLE ÉNERGIE"

Client context

- Solvay's soda ash plant located in Dombasle (Fr.) is using coal to produce the steam necessary for the process
- Solvay has decided to launch a project to phase out coal (energy transition)

Veolia's game-changing project

- Replacement of the 3 coal-fired boilers with a cogeneration plant fueled with RDF: 350 kt of RDF/yr to produce 180 MW steam
- CO₂ emissions divided by 2, and drastic reduction of the water consumption currently used to feed the coal-fired boilers
- Total investment: ~€180M
- Target to start-up in 2022⁽¹⁾

⁽¹⁾Investment decision pending formal approval of the support mechanisms from the French authorities, and the required permits

DEVELOPING ENERGY SERVICES FOR BUILDINGS TO HELP OUR CLIENTS HARNESS ENERGY EFFICIENCY AND AVOID GHG

FOCUSING ON ENERGY PERFORMANCE CONTRACTS

- Leveraging a **strong know-how in energy efficiency...**
- ... and in **digital solutions** enabling to **commit** on guaranteed savings through:
 - **Hubgrade**: smart center to monitor, control and optimize resource consumption in real-time
 - **IoT technologies**
 - **Predictive operations and maintenance**



EXAMPLE: RECENT RETROFIT BY ENOVA (MIDDLE-EAST)

First-ever retrofit project awarded (in 2019) by **Tarshid**, National Energy Services Company in Saudi Arabia. Goal: to cut and **guarantee the energy use reduction** of SASO's (Saudi Standards, Quality and Metrology Org.) government facility by more than 30%

- **Hubgrade** to drive control and reporting needs, and help identify savings opportunities
- **An innovative range of Energy Conservation Measures (ECMs)** implemented, leveraging the group's expertise:
- Installation of a Building Chiller Management System to optimize the building services of the complex (11 buildings)
- Replacement of ~14,500 conventional light bulbs with LEDs
- IoT technologies to improve air quality and thermal comfort
 - **Electricity savings: > 6 GWh/yr**
 - **Avoided emissions: 5 000t CO₂e/yr**



INDUSTRIAL ECOLOGY: CIRCULAR ECONOMY & INDUSTRIAL PARKS

NESTE AND BOREALIS IN FINLAND

Client context

- The Kilpilahti complex, near Porvoo in Finland: the largest petrochemical center in Nordic countries
- Clients' need: modernize the installations that supply steam and other process utilities to two energy-intensive sites: **Neste's** refinery, and **Borealis'** petrochemical plant

Veolia's solution

- Design, finance build, own and operate a brownfield utilities plant to supply steam, heat, electricity, demineralized water and compressed air:
- **4 new steam and power generation assets** with an installed capacity of 450MW thermal and 30MW electrical
- **Circular economy loop: the by-products of the refining process** (incl. asphaltene) **represent 80% of the primary energy needed**
- The resulting new power plant complies with the latest environmental regulations, including the European Commission's Industrial Emissions Directive (IED)
- Total investment: ~€400M (AssetCo/OpCo model)
- Operation by Veolia for 20 years from 2018 (~€350M cumulated revenue)



OPTIMIZE & DEVELOP:

CRITERIA AND PRIORITIES

CRITERIA

- Traditional activities where Veolia is the global leader and with **growth potential** (revenue and returns): more efficiency, innovation, digitalization, differentiation...
- ...and which can be leveraged as “hubs” to **grow new businesses**



BUSINESSES INVOLVED

- **Municipal water**
 - Strengthen and streamline our existing portfolio: governance, digital, consumer focus, innovation
 - Seize the new opportunities which are appearing on the market: privatisations
- **Water technologies & services**
 - Standardise technologies
 - Develop **recurring services** to clients from our installed based of technologies, and mobile solutions
- **Industrial & Commercial waste collection; solid waste treatment**
 - **C&I collection**: a key activity to access waste resource and develop circular economy solutions, to be **transformed and streamlined**
 - **Landfilling & incineration**: capture growth opportunities, mainly in Latam and Central & Eastern Europe
- **District heating and cooling Networks**
 - Convert coal-fired assets by 2030 (Europe)
 - Seize development opportunities

MUNICIPAL WATER

OPERATIONAL EFFICIENCY, DIFFERENTIATION, INNOVATION

At stake:

- Maintain our **competitive edge**
- **Renew** our contracts and capture **new opportunities**, mostly in Europe, Japan, Australia, Middle-East, Latin America

Key actions:

- **Continued efficiency**
 - Maximize the profitability of each contract
 - Develop new services, digitalize operations and customer service
- **Re-invent our relationship with the consumers**
 - Growing influence of consumers in the political decisions
 - Importance of service quality perceived by the consumer: “taste” of water, scaling, customer experience, etc
- **Reinforce our leadership and differentiation through innovation**
 - Governance schemes
 - Solutions to the new health issues (micro pollutants, endocrine disrupting chemicals) and to adapt to climate change (re-use, flood prevention, crisis management)
 - New sludge treatment solutions

Digital Operations

Hubgrade: improved access to information, enhanced communication with clients and **better control** of water systems including **water quality tracking**, emergency management and **predictive maintenance**

Examples

- **Czech Republic**, decrease in non-revenue water by 6 points in 5 years, equivalent to ~€1M/year
- **Pudong Shanghai**, decrease in non revenue water by 8 points in 5 years, equivalent to €1.6M per year



Digital Customers

Smart payment: fast, secure and seamless payment **for customers** by collecting water or heat fees through mobile payment app (WeChat, AliPay)

Example: China, increase in collection fee; app now reaching ~50% of total payment methods, saved 6 headcounts



MUNICIPAL WATER

FRENCH WATER TURNAROUND SUCCESSFUL

OSNS 20/20!
Notre projet d'entreprise à votre service



EFFICIENCY

- Digitalization of operations, of commercial prospection, and production of offers
- Account management and renewing existing contracts with upsides
 - e.g.: + €50M additional revenue over the last 2 years on the existing portfolio
- Energy efficiency in wastewater treatment plants
 - e.g.: 4% energy saved in 2019 on our wastewater treatment plants (~€150M power purchased per year)



RELATIONSHIP WITH CONSUMERS

- “La relation attentionnée”: program aimed at making every moment of the customer journey a positive experience, by committing to renewed promises on the fundamentals of the water service



LEADERSHIP AND DIFFERENTIATION THROUGH INNOVATION

- New governance schemes: Bordeaux, Nîmes, Valenton
- Innovative business models, eg. service contracts with revenue based on KPIs
- Developing new offers: prevention of floodings, crisis management, treatment of hard water, treatment of new pollutants, etc.



VERY WELL ON TRACK TO ACHIEVE MORE THAN €100M CURRENT EBIT IN 2020
WILL CONTINUE ON A SUSTAINED PROFITABILITY INCREASE



COMMERCIAL WASTE COLLECTION, SOLID WASTE TREATMENT

EFFICIENCY, DIGITALIZATION, AND GROWTH

C&I waste collection: a key activity to secure feedstock in our recycling or RDF* plants.

Objectives: increase efficiency, customer focus, digitalization

- **Optimize waste flows:** the right ton, at the right place, and at the right price
- Pricing strategy based on the quality of materials / fuel
- **Optimize costs:** logistics, fuel, fleet maintenance
- **Customer focus** via digital & real time data
- **Develop new services:** digital platforms for waste management

Solid waste treatment (landfilling, incineration):

- **Seize a few growth opportunities**, mainly in Latin America and Central & Eastern Europe
- **Improve efficiency of our treatment facilities:** biogas capture from our landfills, energy production from incineration units or landfills

Digital Customers

Customer Hub: a self-service platform for customers to access their documents electronically, get live reporting of their contract at any time on any device and use live chat as a preferred communication channel
Example: UK, used by 50,000+ clients, €700K savings



Digital Offers

Wastebox: intelligent platform that **matches producers and buyers** (Veolia BUs and third parties) in the construction waste market to deliver service at **optimised price and schedule**. Invested in Pink Robin startup
Example: piloted in Germany and planned roll-out in other European countries



*Refuse derived fuel

DISTRICT HEATING & COOLING NETWORKS

CONVERT FROM COAL AND INNOVATE AROUND OUR CORE ASSETS

At stake:

- Reduce GHG emissions of coal-fired assets
- Growth opportunities in Central & Eastern Europe, Asia

Key actions:

- By 2030, replace coal with gas or renewable energies in Europe (RDF, biomass):
 - Ongoing investments in Braunschweig (Germany)
 - Transform involved assets in Poland and Czech Republic
- Seize development opportunities
 - A few interesting networks: growth potential and not coal-fired
- Build around our existing asset base
 - “Ancillary services”, electric flexibility, energy storage
- Develop small heating and cooling networks
 - University campuses, hospitals, ecodistricts, buildings

Power Grid Forecast and Frequency

Market: predictive algorithm for the energy production of our plants enabling to optimise electricity sale to the grid and generate efficiency for operational teams

Example: In the UK, extra revenues generated with our waste-to-energy plants:

€0.8M/yr

Digital Offers



*Refuse derived fuel

DISTRICT HEATING & COOLING NETWORKS

CONVERT COAL IN GERMANY: CITY OF BRAUNSCHWEIG EXAMPLE

Objective

- Support the city of Braunschweig in its **energy transition**

Veolia's solution

- Transform the coal-fired district heating network to reduce CO₂ emissions: replace 1 coal fired cogeneration unit with cogeneration units using waste wood and gas as fuels
- Renewed concession contract, from 2020 to 2040 (20 years):
- €210M total investment, €30M incremental EBITDA, with full impact from 2023, on top of the secured EBITDA of the previous contract
- Starting 2022:
 - 800 000 MWh/year: heating provided to approximately 68.000 housings
 - 50% of heating generated from biomass cogeneration
 - the rest being generated by a **high efficiency gas turbine cogeneration** unit and gas boilers
 - 550 000 MWh/yr electricity, 25% of which is green electricity
 - 86,000 t/yr of coal avoided and replaced by 180,000 t/yr of waste wood
 - CO₂ emissions reduced by 61%: 270.000 tons of CO₂ emissions eq. cancelled every year



REDUCE:

CRITERIA AND PRIORITIES

CRITERIA

- **Mature businesses**, with limited growth and return potential
- Businesses with **limited room for differentiation** and impact, and which cannot seed locally new value added activities



MATURE BUSINESSES

- Some **geographies / activities** in mature markets, with limited growth or return prospects, and with better alternative shareholders than Veolia
 - 1st example: District Heating in the US

OTHER BUSINESSES TO DOWNSIZE OR DIVEST

- **Construction of water treatment infrastructures**
 - Strengthen and streamline our existing portfolio: governance, digital, consumer focus, innovation
 - Seize the new opportunities which are appearing on the market: privatisations
- **Municipal waste collection**
 - If not associated (directly or indirectly) with treatment or recycling
- **Coal-fired district heating networks**
 - Conversion to clean energies by 2030
- **Facility Management**
 - When the scope is limited to operation or maintenance vs. performance-based contracts

VEOLIA WATER TECHNOLOGIES: A NEW POSITIONING

PROJECTS

Design



- Design of waste water treatment solutions
- ...focusing on selling our technologies without being exposed to construction risks

→Smaller projects
but higher margins

(Construction)

- Out of the VWT scope
- VWT to position itself only as a co-contractor or a subcontractor with civil engineering companies
- VWT to focus on technologies and services

KEY FOCUS: TECHNOLOGIES AND SERVICES

Technologies



Supply of standard / packaged equipment
Ex: ultrapure water for laboratories - Elga



Supply of technologies for industrial water processes
e.g.: evaporation concentration systems - HPD

Services



After sale services on equipment installed



Mobile units



Sale of chemicals to treat water



Digital Services



Digital Offers

- **Aquavista:** provide customers with performance and compliance KPIs, alarm management, remote optimisation and expert advice on asset performance of water treatment facilities
- **Example:** Veolia Water Technologies, 25% reduction in energy use and 30% improvement in effluent quality, estimated €15M revenues p.a. in 2021

VEOLIA WATER TECHNOLOGIES: TRANSFORMATION PLAN

KEY ACTIONS

1. Projects: be highly selective, and eliminate construction risks

- VWT in partnership (co-contractor or subcontractor) with civil engineering companies
- VWT only looks at projects:
 - with a strong content of technologies that are present in Veolia's portfolio
 - where country risks and contractual risks are limited and manageable
- In 2023, the activity will be limited to a few desalination projects and some small projects (without construction)

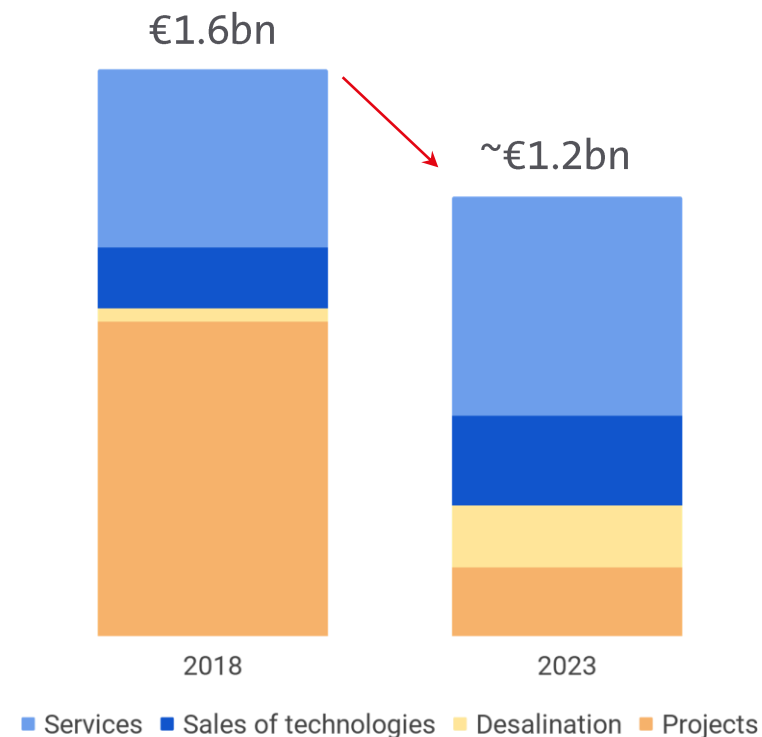
2. Develop technologies and recurring services

- Technologies: innovation, standardisation
- Services: after sales, digital offers, sales of chemicals or spare parts, mobile units, which generate long-lasting recurring revenues after the sale of the equipment
- In 2023: ~ 50% of services in the total revenue mix, hence a less cyclical business

3. Adjust VWT's overheads & fixed costs to the revenue decrease

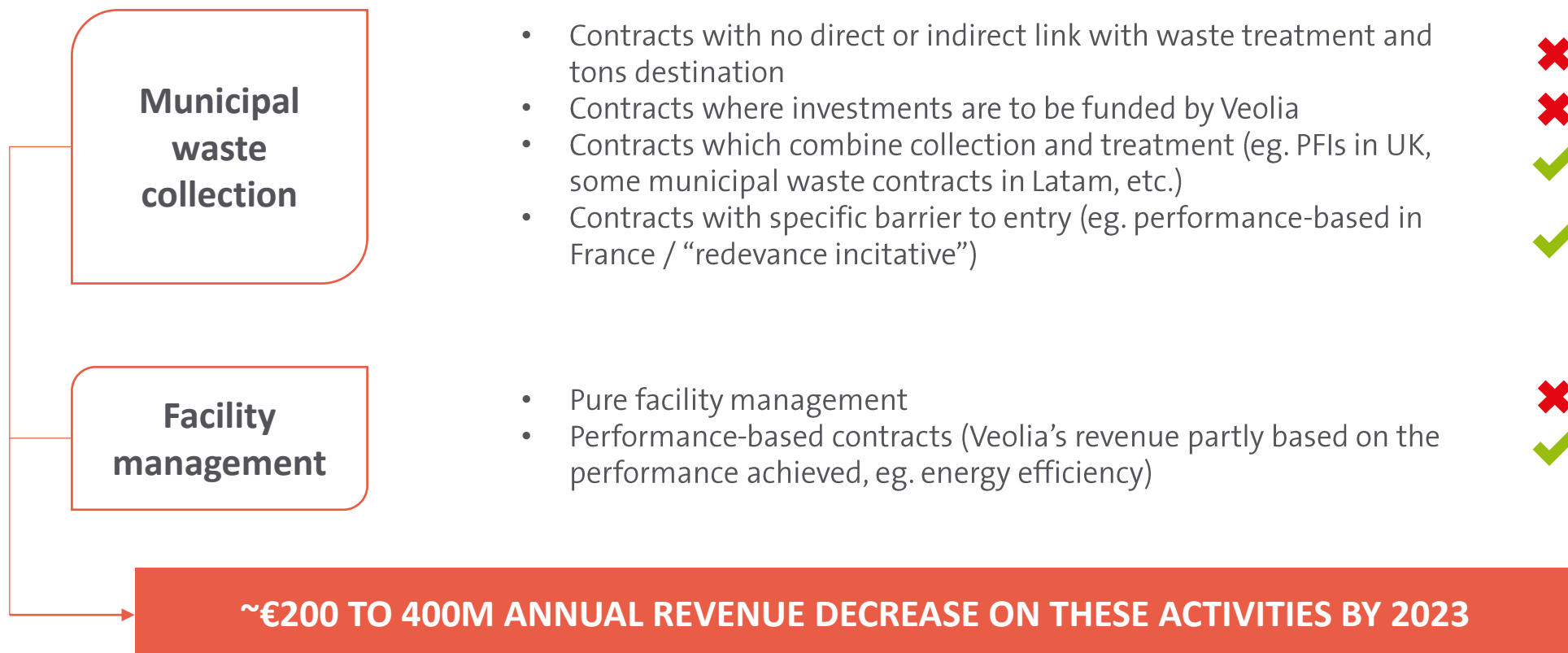
- Reduction of the number of countries
- Streamlining of structures, closing of some entities

VWT - REVENUE PROJECTIONS (€BN)



STRONG SELECTIVITY ON ACTIVITIES WHERE VEOLIA HAS A LIMITED ADDED VALUE

SELECTIVITY CRITERIA



Water



- **Municipal water and Public Private Partnerships:** continue efficiency efforts to maintain our competitiveness, seize new opportunities, pursue differentiation in our offers (innovation, governance, relationships with consumers)
- **Exclude the construction risk in Design & Build projects and focus on sales of standard technologies & associated services**

Waste



- Grow **plastic recycling and RDF production**, enhance **operational efficiency** on our facilities and roll-out best practices, **optimize C&I collection** notably with digitalization, and **reduce our exposure to municipal waste collection** (when it has no direct or indirect link with treatment/ recycling)
- **Hazardous waste:** accelerate our development, by growing our network of treatment facilities on existing geographies and by opening new countries

Energy



- **Transition from coal to clean energies** on existing district heating networks, and capture the new opportunities in Europe
- Continue to grow our **energy efficiency services for buildings:** digital, performance contracts

Water, waste, energy for industrial clients

- Focus on **highly differentiating services** which **help clients reduce their environmental footprint:** water for industrial processes, industrial ecology, performance contracts

GROWTH



- **Strict discipline to select growth projects and M&A**
 - Systematic review of projects through investment committees, with HQ support functions involved
 - Strict investment criteria: $IRR > WACC + 4\%$, $ROCE > WACC$ after 3 years, payback < 7 years
- **Priority to integration and synergies**
 - Strict and thorough integration process
 - Systematic post acquisition review and action plans
- **Opportunistic divestitures of mature assets, to reinvest in faster growing businesses**
- **Secure the plan**
 - Stop construction activities

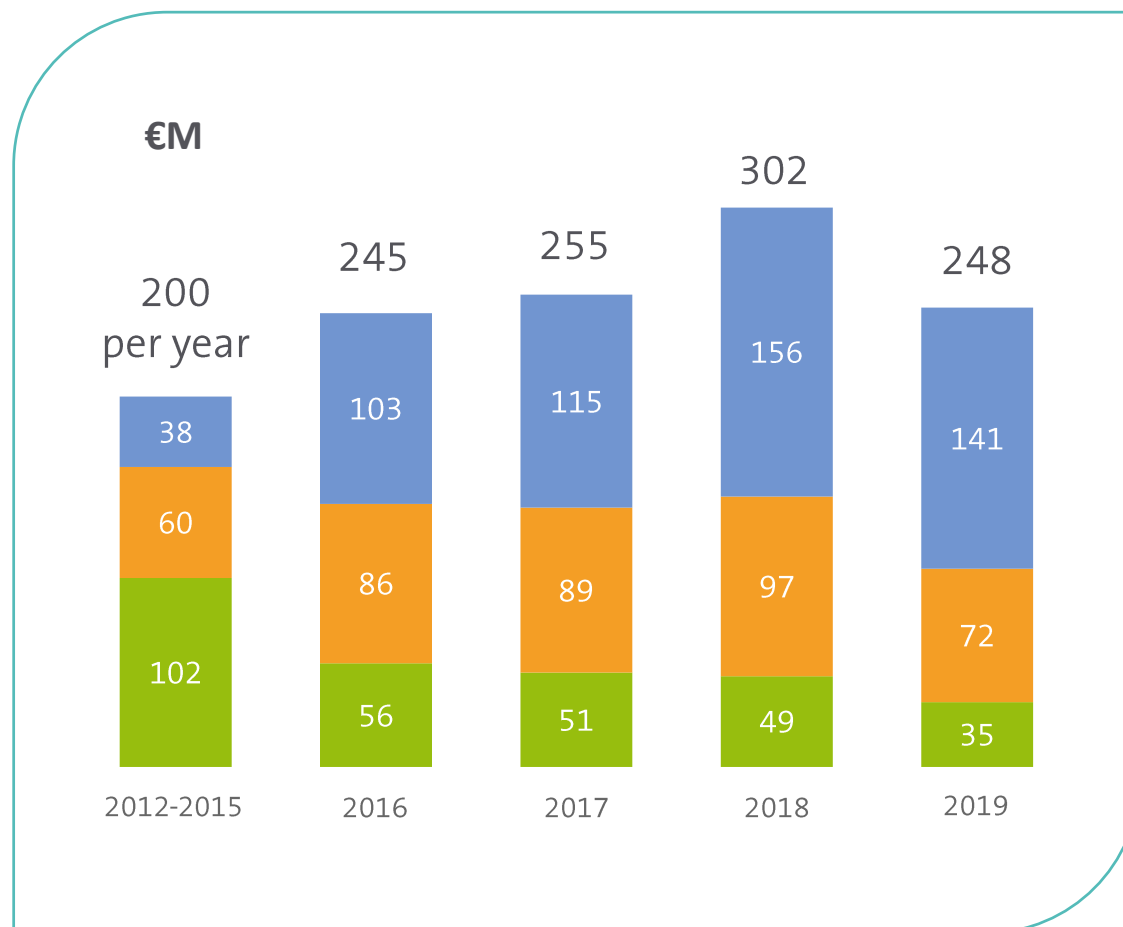
EFFICIENCY



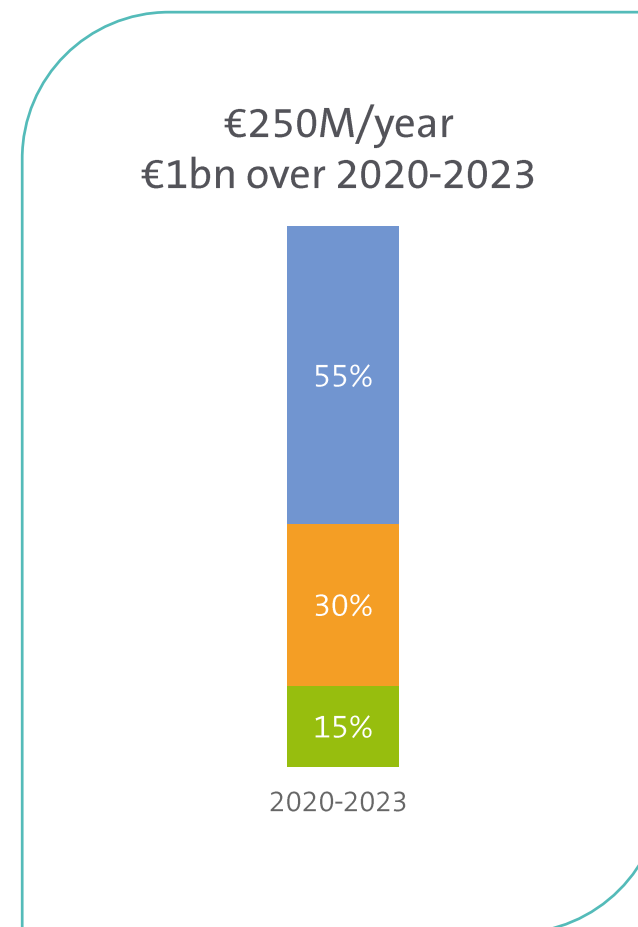
- **A continued high level of efficiency gains**
- **€1bn of savings over 4 years**
- **3 pillars:** Operational efficiency, Purchasing, G&A, with **a reinforcement and a deepening of our actions** throughout the Group with new levers (e.g. digital)

EFFICIENCY PLAN: AN AMBITIOUS TARGET

COST SAVINGS SINCE 2012



2020-2023



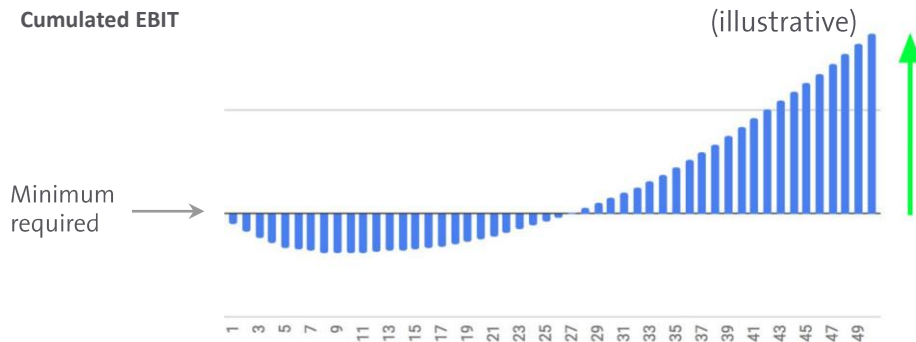
- G&A
- Purchasing
- Operations



EFFICIENCY PLAN OPERATIONS (1/2)

1. WORK ON UNDERPERFORMING CONTRACTS OR SITES

- **Action plans “up or out”:**
 - Profitability analysis
 - Quarterly review of progress



Contract by contract margin in order of increasing profitability

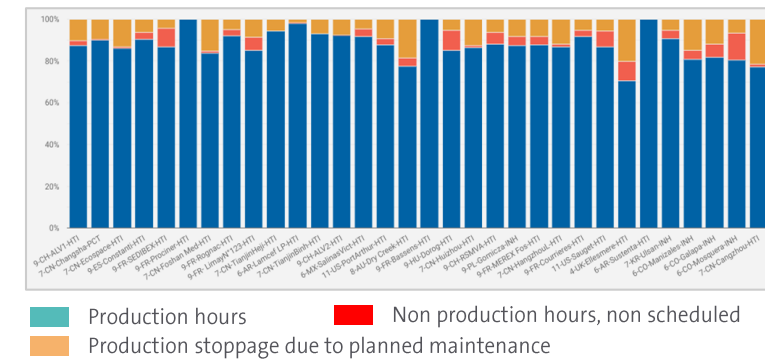
- **Action plans may include:**
 - Contract renegotiation, add new services
 - Cost cutting, enhancement of performance
 - Industrial restructuring, site closure

2. PEER REVIEW

- Benchmark of performance on 6 priority assets

Solid waste incineration Availability rate	Drinkable water distribution Network efficiency	Heating production in DHN Energy efficiency
Hazardous waste incineration Availability rate	Wastewater treatment Electricity consumption	Cogeneration Energy efficiency

- Crossed internal audits on major assets
- Continuous improvement plan for the other assets, leveraging best practices. Example:



EFFICIENCY PLAN OPERATIONS (2/2)

3. DIGITALIZATION

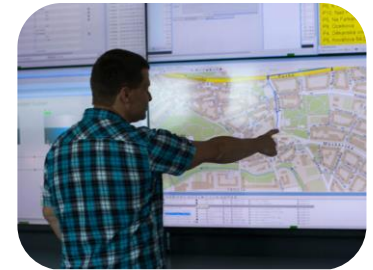
- **Hubgrade:** supervision centers at country/ region level, regrouping real time data on key sites and contracts
- 6 supervision centers in 2015, 56 today, ~100 by 2023
- Now covering all 6 categories of key assets in the group
 - Water network management, waste water treatment plant
 - High temperature incineration, solid waste incineration
 - Energy efficiency for buildings, combined heat and power generation
- **Maintenance and asset management**
- Example: VWT sensors for reverse osmosis membranes
- Target: increase production by 30%, and membrane lifetime to 8 years vs. 3-5 years currently

Digital operations

Hubgrade

Example - Italy, energy efficiency:

- 4 Hubgrade centers in Italy
- 450 connected sites (2.000 targeted in 2021)
- For 7 hospitals, ~5% of energy savings since the rolled out: €0.9M for Veolia



EFFICIENCY PLAN

PURCHASING AND G&A

PURCHASING

- **Target: min 1% of purchasing savings** (Capex and Opex on addressable cost base) **in all BUs**
 - e.g.: collection trucks, cars
- **Specific focus on subcontracting**
- **Reduction in the number of suppliers**
- Work on **specifications** and new categories covered by global contracts
 - e.g.: light vehicles contracts in Europe to generate €9M savings by 2023
 - e.g.: collection trucks, new contract to deliver €2M savings by 2023
 - e.g.: yellow plants contract under way
- **Use digital:** marketplace for “small categories”

G&A

- **Target: maintain G&A constant despite revenue growth and a challenging context** (increase of compliance, legal, cybersecurity costs...), **hence reduce the G&A/revenue ratio**
- **Examples of levers:**
 - Reduce IT and real estate spending
 - Digital tools
 - e.g.: stop paper invoicing, automatisation of certain administrative tasks thanks to machine learning, and collaborative tools
 - **Specific** plans in some BUs: North America, Waste France, VWT

DIGITAL TO HELP DELIVER EFFICIENCY AND GROWTH

Pillars	Digital Employees Simplifying the life of our employees	Digital Customers Enhancing customer experience	Digital Operations Optimising our operations	Digital Offers Enhancing existing offers and creating new ones
Objectives	<ul style="list-style-type: none"> • Flexible / agile working • Collaborative culture • Embarking everybody in digital • Central functions efficiency 	<ul style="list-style-type: none"> • Improving sales efficiency • Providing visibility and simplify interactions with customers • Providing visibility and simplify interactions with end-consumers • Selling more 	<ul style="list-style-type: none"> • Monitoring KPIs • Optimising asset performance • Digital field operations • Asset Management & Maintenance • Safety 	<ul style="list-style-type: none"> • Platform to match offer and demand of our services • Services leveraging the Hubgrade concept: performance without O&M • Service “just in time”/ responding to emergencies • Revisiting business models
KPIs	Employee engagement	Net Promoter Score	Efficiency	Number of innovations included in new contracts

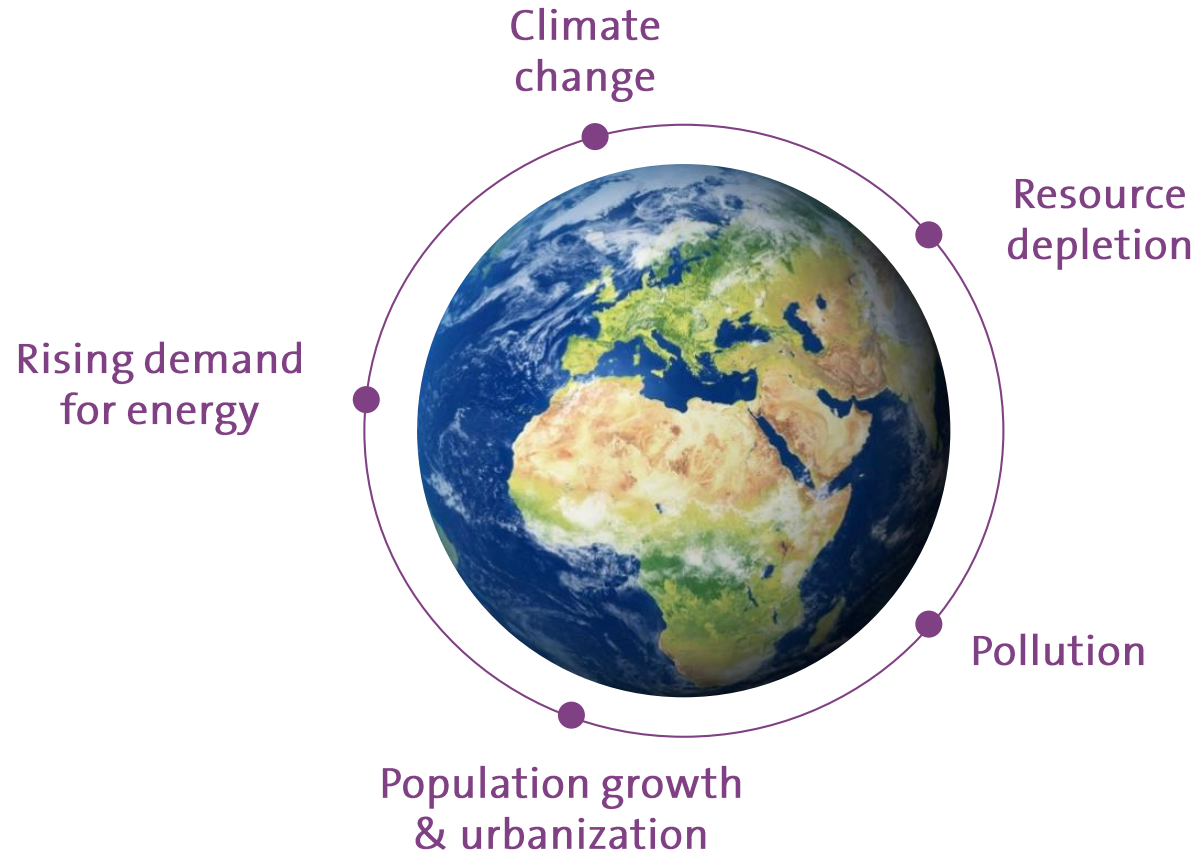


2020-2023: INNOVATION

Olivier Brousse, EVP, Strategy & Innovation



VEOLIA'S PURPOSE: "TO CONTRIBUTE TO HUMAN PROGRESS"



- Through its activities in water, waste, and energy, Veolia is having a positive impact on the planet and its inhabitants
- How to contribute more?



*Source: The Lancet (2018)

VEOLIA CAN HELP TO ADDRESS 6 GLOBAL CHALLENGES

HEALTH & NEW
POLLUTANTS



NEW LOOPS OF
MATERIALS



NEW ENERGY
SERVICES



ADAPTATION TO
CLIMATE CHANGE



FOOD CHAIN



NEW DIGITAL
OFFERS



**INNOVATION WILL ENRICH & BOOST THE CURRENT PORTFOLIO,
AND CREATE NEW SOLUTIONS TO MEET ESSENTIAL NEEDS**



*Source: The Lancet (2018)

CREATING SOLUTIONS FOR FUTURE ESSENTIAL NEEDS

HEALTH & NEW POLLUTANTS

CHALLENGE: ENABLING PEOPLE TO LIVE IN A HEALTHY ENVIRONMENT (CLEAN AIR, WATER, SOIL)

POLLUTION, A MAJOR AND INCREASING HEALTH ISSUE...

- **Environmental pollution: 9 million premature deaths** worldwide in 2015* (6.5M due to air pollution, as much as tobacco-related deaths, 1.8M to water pollution, and 0.5M to soil pollution)
- More than **90% of the world inhabitants** breathe a **polluted air**



For 300 Rupees (~€4), customers at a bar in New Delhi can get access to 15 minutes of fresh air

...THAT VEOLIA IS TACKLING

Example: Indoor Air Quality

- Veolia's goal: **to guarantee a clean air in buildings** (CO₂, fine particles, etc.)

Solution

- Monitor continuously the indoor air quality
- Filter and control the pollutants
- Involve the stakeholders in improving air quality

Trial in progress in Le Raincy, France

Pilots in 2 schools (600 pupils):

- 28 sensors
- 18 filtration equipment installed
- Predictive modelling, real-time monitoring, and building awareness among teachers & pupils

CREATING SOLUTIONS FOR FUTURE ESSENTIAL NEEDS

FOOD CHAIN

**CHALLENGE: CONTRIBUTING TO FEEDING AN EXTRA ~1.5BN PEOPLE WITHIN 20 YEARS
WITH LESS WATER, ENERGY AND SOIL**

THE GLOBAL FOOD CHALLENGE

- **Population growth:** 1 more “China equivalent” by 2040
- Global demand for **animal proteins** expected to **double** by 2050
- Agriculture: 70% of current global water demand
- Development of livestock farming:
 - Increasing GHG emissions, water and soil exploitation
 - Only 55% of calories harvested in the world feed people directly; 36% are used to feed the livestock



EXAMPLE OF SOLUTIONS

From organic waste to fertilizers and proteins

- **Using organic** waste and insects to produce oil, proteins for animals and organic fertilizers
- Projects under development in France and in Asia
- Promising early results, e.g. for **aquaculture**, which provides half of the fish consumed worldwide



Urban farming: another way to feed cities

- Urban aquaponic farms
- Intensive organic micro market gardening (permaculture)



CREATING SOLUTIONS FOR FUTURE ESSENTIAL NEEDS

ADAPTATION TO CLIMATE CHANGE

CHALLENGE: HELPING OUR MUNICIPAL AND INDUSTRIAL CLIENTS ANTICIPATE AND MANAGE ENVIRONMENTAL DISORDERS

THE NEW CLIMATE REALITY



Hurricane Sandy (2012)
\$65bn damage in the US

Water shortage in South Africa
Q1 2018: the Cape Town area
(4M inhab.) close to run out of water



Wildfires in Australia (2019-2020)
2x Belgium surface destroyed
Air quality, biodiversity impacted

EXAMPLES OF SOLUTIONS

- Flood control
- Crisis management
- **Mobile solutions** for water and wastewater



- **Water reuse**
- **Urban refreshment islands**
- **Microgrid or local energy networks** powered by cogeneration to secure the energy supply should the city network fail

**2020-2023:
FINANCIALS**

Claude Laruelle, CFO



VEOLIA BUSINESS MIX

11 GEOGRAPHIES ORGANIZED IN 4 REPORTING SEGMENTS

GLOBAL BUSINESSES
€4 734M

NORTH AMERICA
€2 168M

LATIN AMERICA
€853M

2019 Revenue
€27.2bn

171 000
Employees in 11 zones

FRANCE
WASTE: €2 608M
WATER: €3 004M

ITALY & IBERIA
€1 169M

UK & IRELAND
€2 298M

NORTHERN EUROPE
€2 738M

CENTRAL EUROPE
€3 296M

AFRICA/ MIDDLE EAST
€1 060M

AUSTRALIA & NEW ZEALAND
€1 087M

ASIA
€2 135M

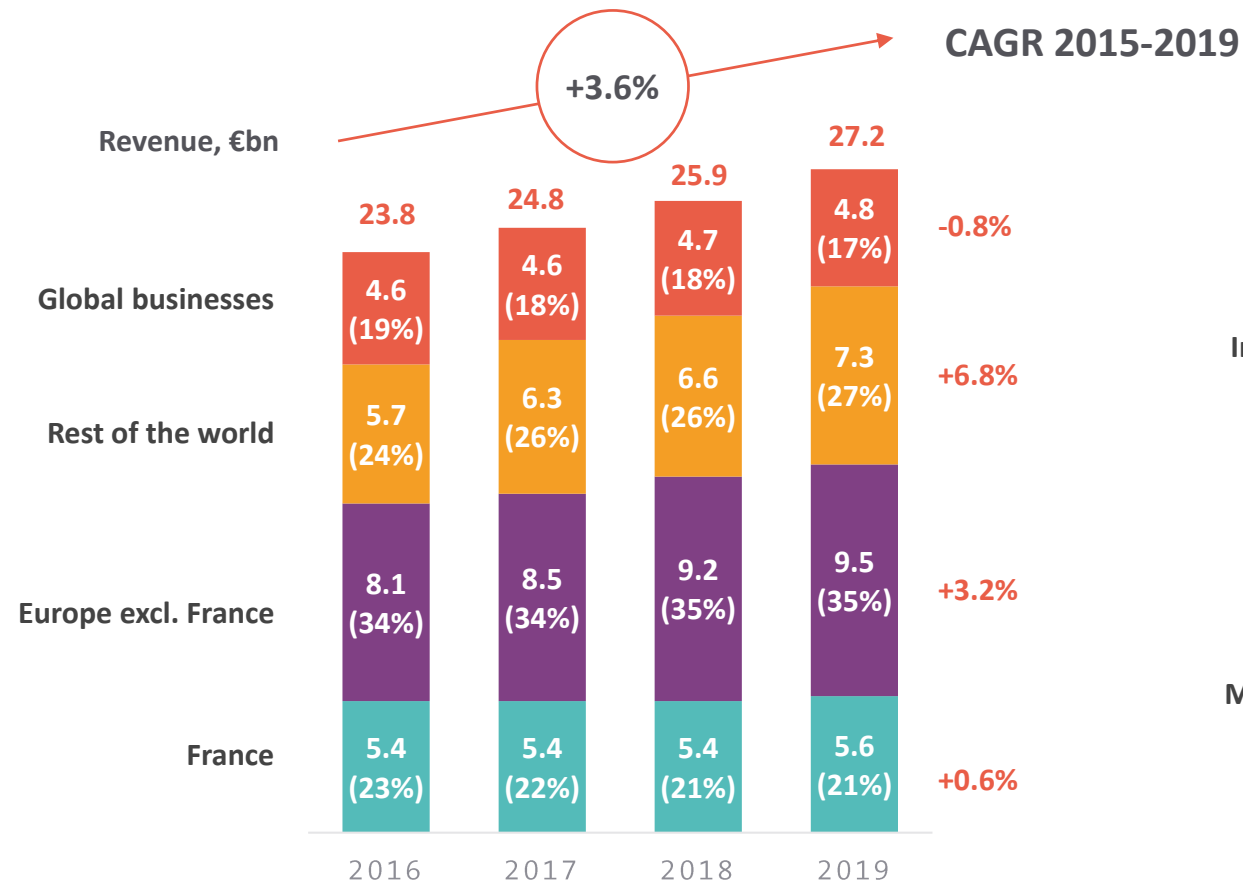


VEOLIA 2016-2019 BUSINESS MIX EVOLUTION

2016-2019: CONTINUED SOLID REVENUE GROWTH DRIVEN BY INTERNATIONAL AND INDUSTRIAL CLIENTS

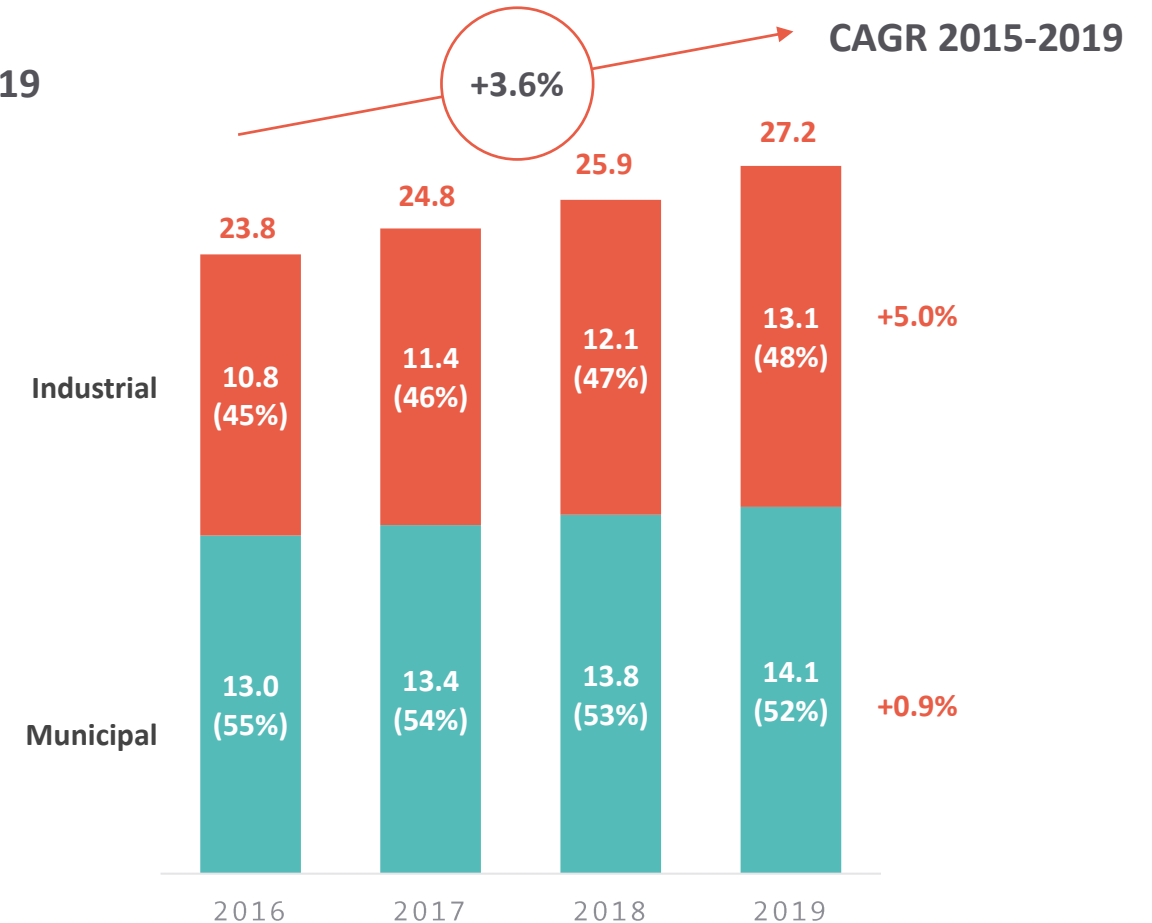
BY GEOGRAPHY

CAGR at constant FX



BY MARKET

CAGR at constant FX



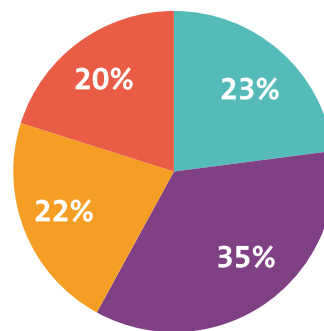
VEOLIA 2014-2019 BUSINESS MIX EVOLUTION

CONTINUED INCREASE OF INTERNATIONAL SHARE OF REVENUE AND EBITDA IN 5 YEARS

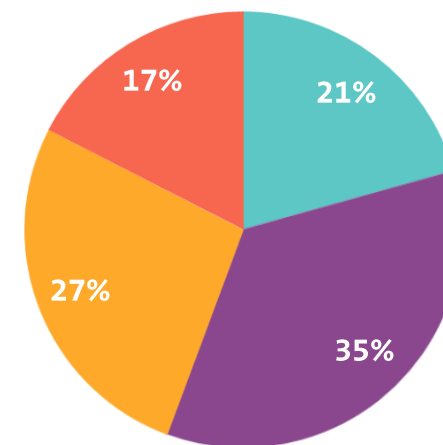
- Continued increase of International Revenue and EBITDA from 2014 to 2019

■ France
■ Rest of Europe
■ Rest of World
■ Global Business

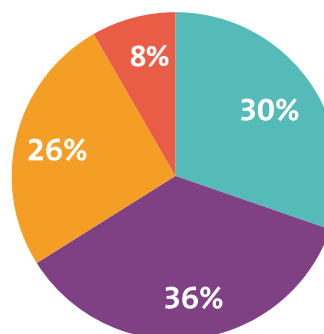
2014 REVENUE €24.4bn



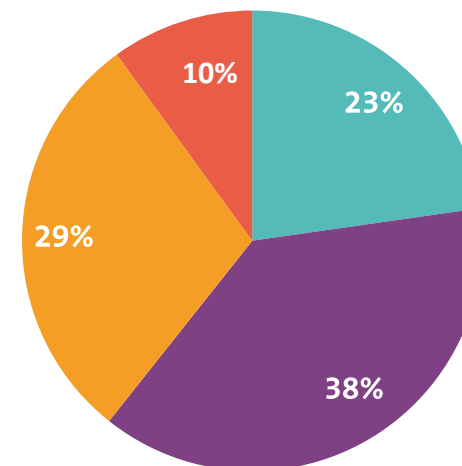
2019 REVENUE €27.2bn



2014 EBITDA €2 762M



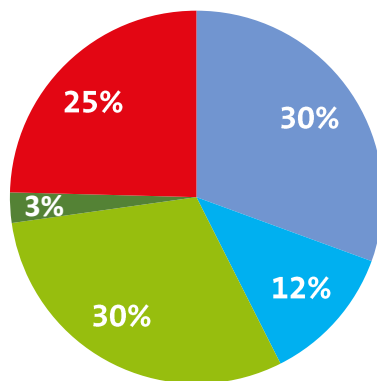
2019 EBITDA €4 022M



VEOLIA 2011-2019 BUSINESS MIX EVOLUTION

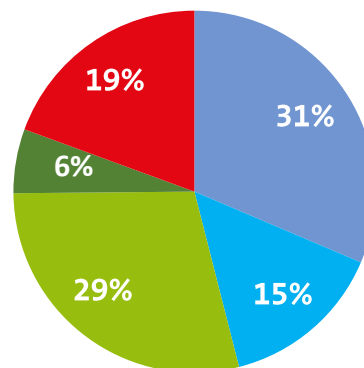
TRIPLING OF HAZARDOUS WASTE SHARE OF REVENUE IN 8 YEARS

2011 REVENUE
€29.6bn



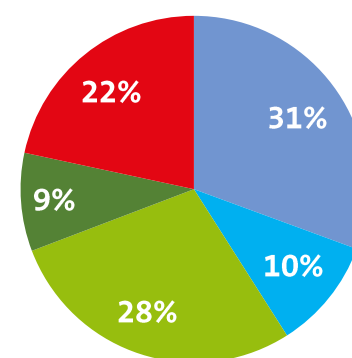
Water & Waste water
Waste
Energy

2014 REVENUE
€24.4bn

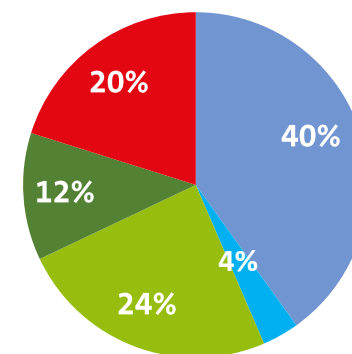


Technology & Construction
Hazardous Waste

2019 REVENUE
€27.2bn



2019 EBITDA:
€4 022M



- Hazardous Waste Revenue tripled from 2011 to 2019, to €2.5bn
- ... and enjoys a 20% EBITDA margin



FINANCIAL TRAJECTORY 2020-2023

CONTINUED SOLID REVENUE GROWTH

1. CONTINUED SOLID ORGANIC GROWTH

- ✓ High level of contract renewal
- ✓ Pursuit of good commercial momentum
- ✓ Capital allocation focused on fast growing activities, mostly outside France

2. COMPLEMENTED BY SMALL AND MID SIZE ACQUISITIONS

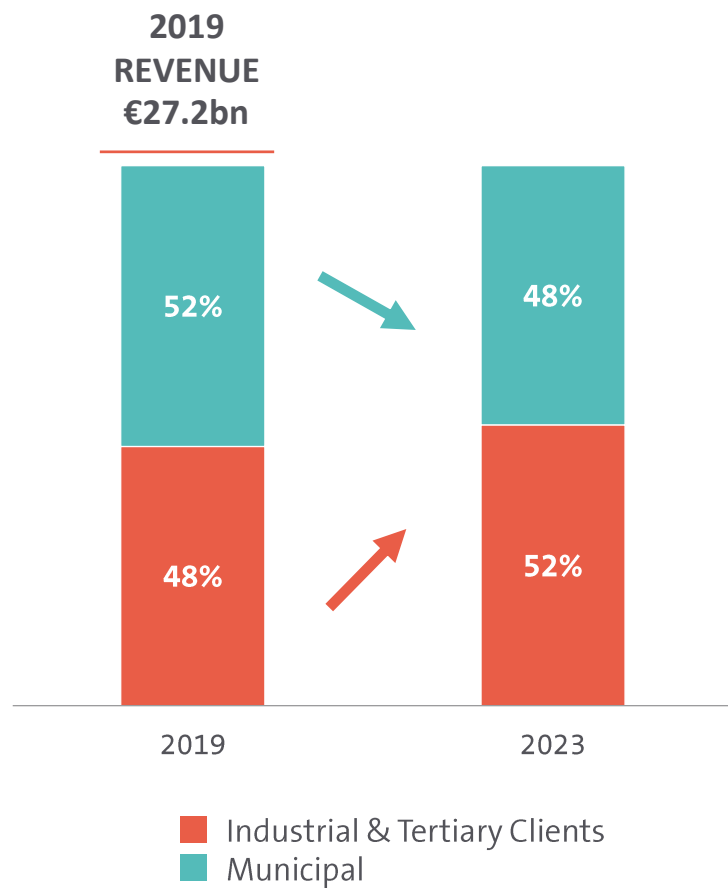
- ✓ Small to mid size targets
- ✓ Continued strict financial discipline
- ✓ Value creation through asset rotation



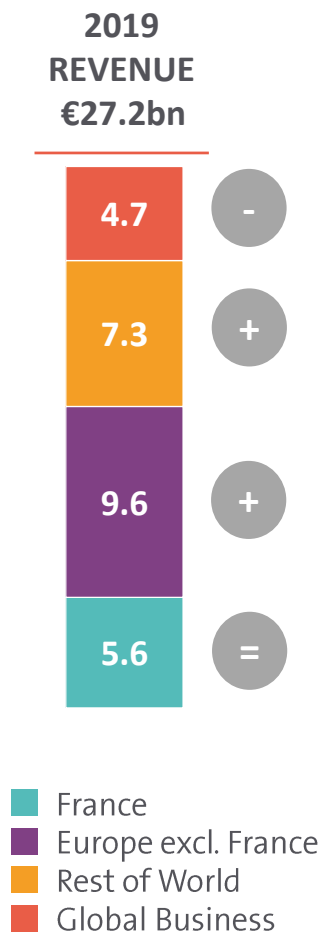
FINANCIAL TRAJECTORY 2020-2023

CONTINUED SOLID REVENUE GROWTH

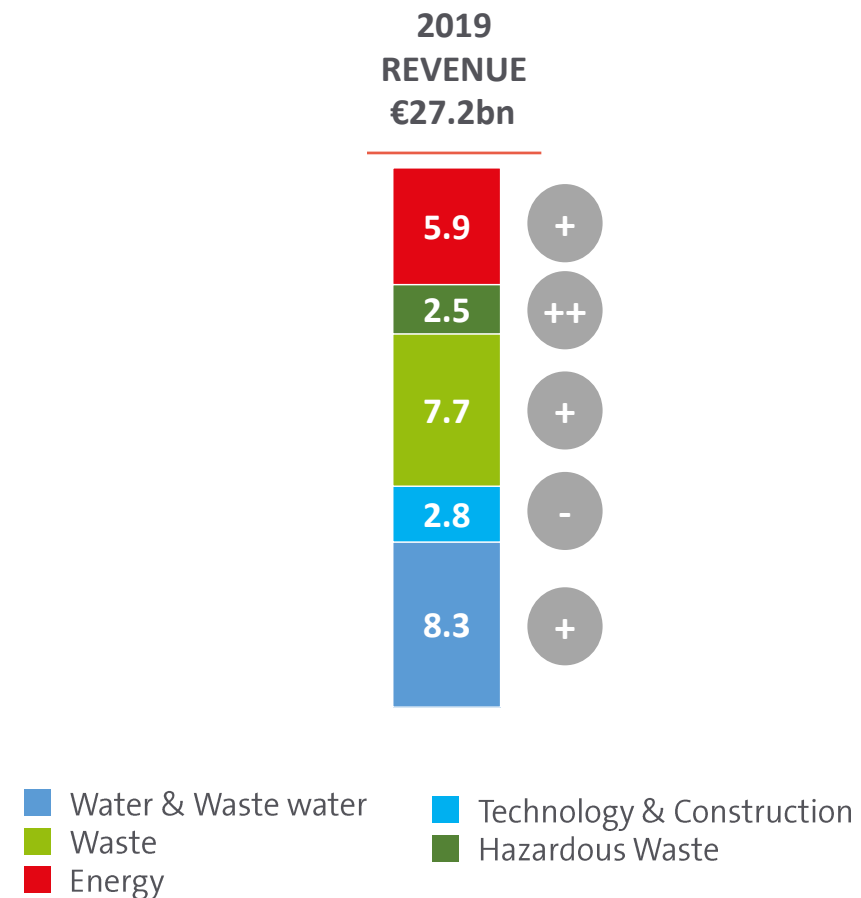
TRENDS BY CLIENT



TRENDS BY GEOGRAPHY



TRENDS BY BUSINESS

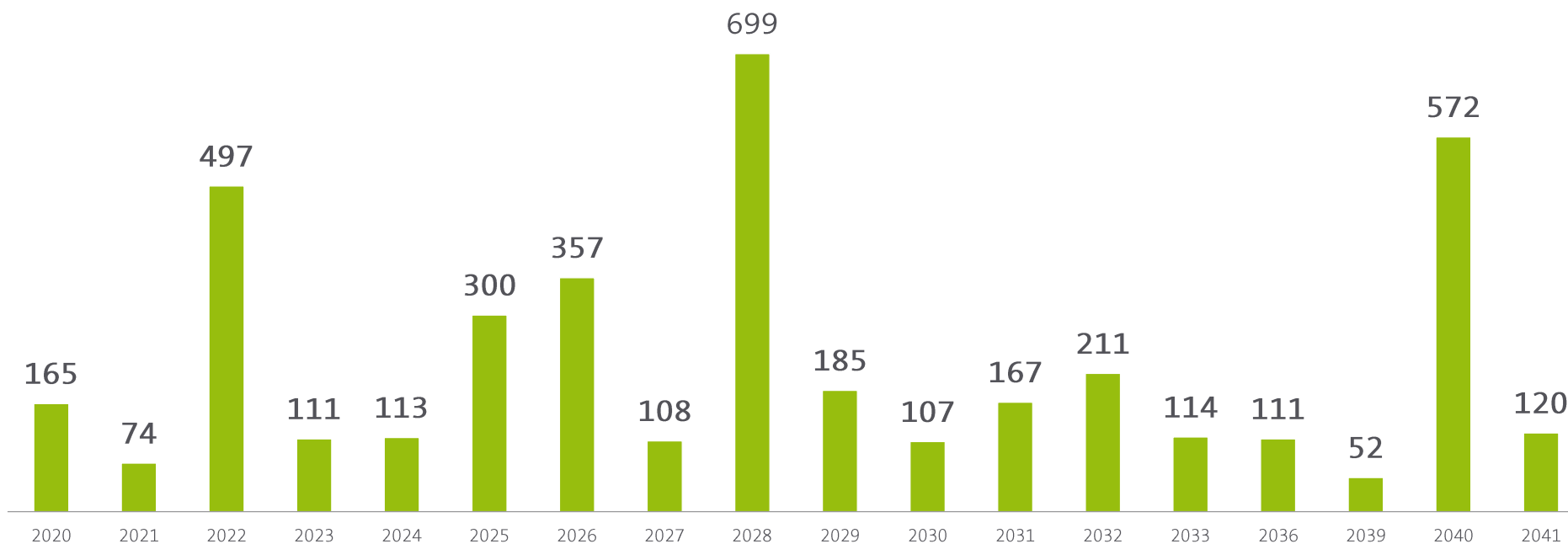


FINANCIAL TRAJECTORY 2020-2023

NO MAJOR CONTRACT RENEWALS BEFORE 2022

- The Group's 38 largest contracts represent €4.1 billion in revenue, or 15% of revenue
- ✓ Average duration: 10 years

Contract expiration schedule (>€50M annual revenue)



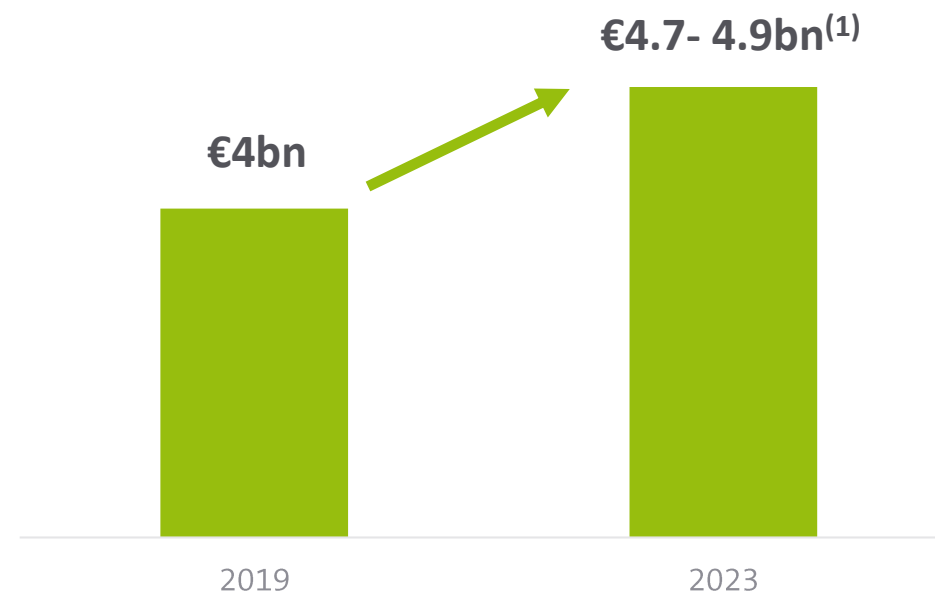
FINANCIAL TRAJECTORY 2020-2023

EBITDA TARGET OF €4.7-4.9BN⁽¹⁾ IN 2023

KEY DRIVERS

- Continued solid revenue growth
- **€250M** of cost cutting annually
 - Target retention rate: **~40%**
- EBITDA growth to come:
 - **50% from revenue growth and asset rotation**
 - **50% from efficiency gains**

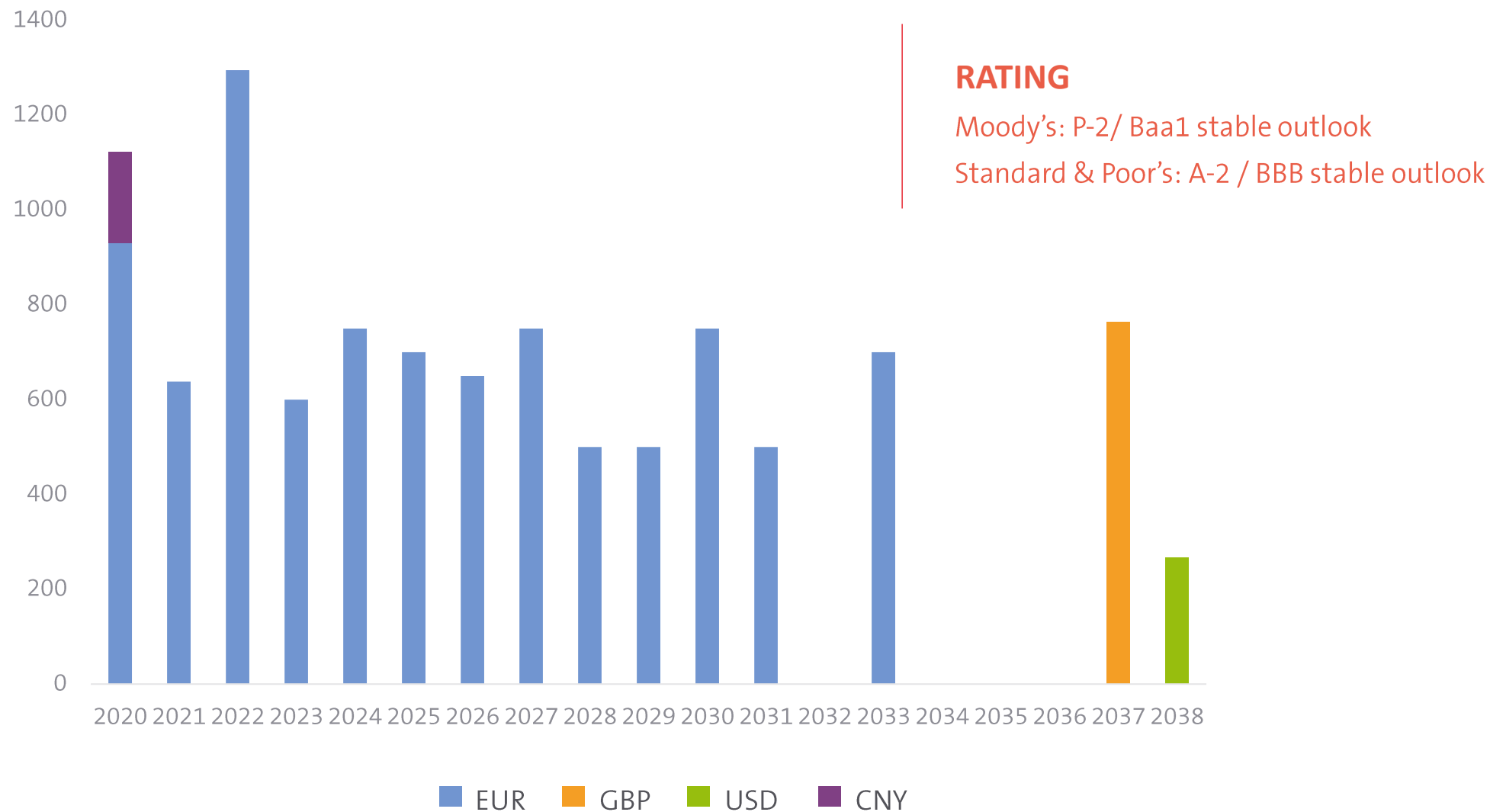
EBITDA GROWTH



(1) At constant FX (based on rates at the end of 2019) and at constant IFRS & in an economic environment without major change

FINANCIAL TRAJECTORY 2020-2023

A REGULAR BOND REPAYMENT SCHEDULE



FINANCIAL TRAJECTORY 2020-2023

COST OF FINANCING EXPECTED TO DECREASE BY 2023

- Scheduled bond redemption to contribute to decrease cost of debt in euro
 - 40% of Euro bonds to be refinanced by end-2023
 - 2021 & 2022 bond refinancing to generate significant savings
- ...partly offset by non euro cost of financing (Asia, Latin America, US...)
- **Overall expected cost of financing to decrease by 2023**
- **Debt maturity: 6.9 years**
- **94% Fixed rate**



FINANCIAL TRAJECTORY 2020-2023

TAXES : FULL BENEFIT OF TAX LOSS CARRY FORWARDS

- Tax efficiency taken into consideration to structure new projects and tuck in acquisitions
- **Favorable resolution of the tax litigation in the US:**
 - Additional potential recognition of more than \$2bn of tax loss carry forwards (**more than \$400 million in tax**) to be utilized by 2026.
- **French tax loss carry forwards**
 - Additional potential recognition of **~€400 million in tax**, with no time limit of utilization
- **On going optimization of legal entities**

CURRENT TAX RATE BELOW 25% OVER THE DURATION OF THE PLAN



FINANCIAL TRAJECTORY 2020-2023

CONTINUED STRONG CURRENT NET INCOME GROWTH: ~€1BN⁽¹⁾ TARGET IN 2023

KEY DRIVERS

- **EBITDA growth leads to current EBIT growth** with D&A slightly up over time
- **Cost of financing expected to decrease:** lower euro financing cost partly offset by increased cost and volume of non-euro denominated debt
- **Tax rate < 25%** thanks to French and US tax loss carry forwards

CURRENT NET INCOME GROWTH



(1) At constant FX (based on rates at the end of 2019) and at constant IFRS & in an economic environment without major change

CAPITAL ALLOCATION 2020-2023

KEY TAKEAWAYS

€5bn



Industrial & financial investments
to develop new projects
("Accelerate" and "Optimize & develop")

- ~40% in Europe (incl. France)
~60% in the rest of the world
- ~65% for industrial clients
~35% for municipal clients
- ~40% organic growth
~60% external growth

€3bn



Divestments
("Reduce")

- Portfolio rotation: ~20% of the Group's
Capital Employed
- Assets involved already identified
- €1bn already achieved (district heating
in the US)

€2bn

net investments over 4 years

~€500M
/year in average

→ Leverage ratio < 3x

CAPITAL ALLOCATION 2020-2023

CONTINUED STRICT FINANCIAL DISCIPLINE



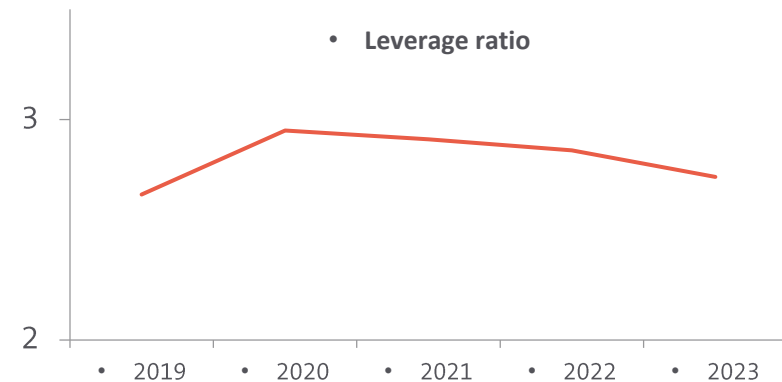
STRICT INVESTMENT CRITERIA

- BUs must submit to the Group Investment Committee all projects above/ below €10M EV and €20M capex
- Tightening of the decision process
 - ✓ **Group's IRR \geq WACC + 4%**
 - ✓ **ROCE \geq WACC (from end of 3rd year)**
 - ✓ **Pay-back < 7 years**
 - ✓ **Focus on strategic businesses**
 - ✓ **Alignment with ESG commitments**



FINANCIAL HEADROOM

- Leverage at 2.66 end 2019 including IFRS 16 impact
- Small and mid size M&A
 - ✓ Using the extra cash flow generated
 - ✓ And Asset divestiture reservoir
- Leverage < 3 over the duration of the plan and well below 3 in 2023



CAPITAL ALLOCATION 2020-2023

CAPEX TRAJECTORY: €2BN OF DISCRETIONARY CAPEX

In €bn	Average 2018-2019 ⁽¹⁾	Average 2020-2023 ⁽¹⁾	Variation
Maintenance Capex including IFRS 16	1.1	1.0 - 1.1	Stable
Contractual Capex	0.7	0.7 - 0.8	Stable
Coal conversion capex	0	0.1	New
Discretionary Growth Capex	0.3	0.5 - 0.6	+50% to +100%
TOTAL⁽¹⁾	2.1	2.3 - 2.6	

CUMULATED €2BN DISCRETIONARY GROWTH CAPEX OVER 2020-2023
50% INVESTED IN HAZARDOUS WASTE

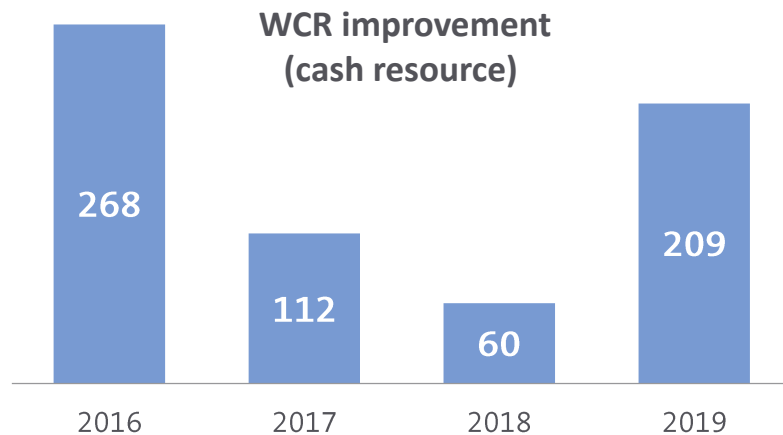


(1) Including IFRS16

FREE CASH FLOW GENERATION 2020-2023

CONTINUED WORKING CAPITAL OPTIMIZATION

WCR TRACK RECORD 2016-2019



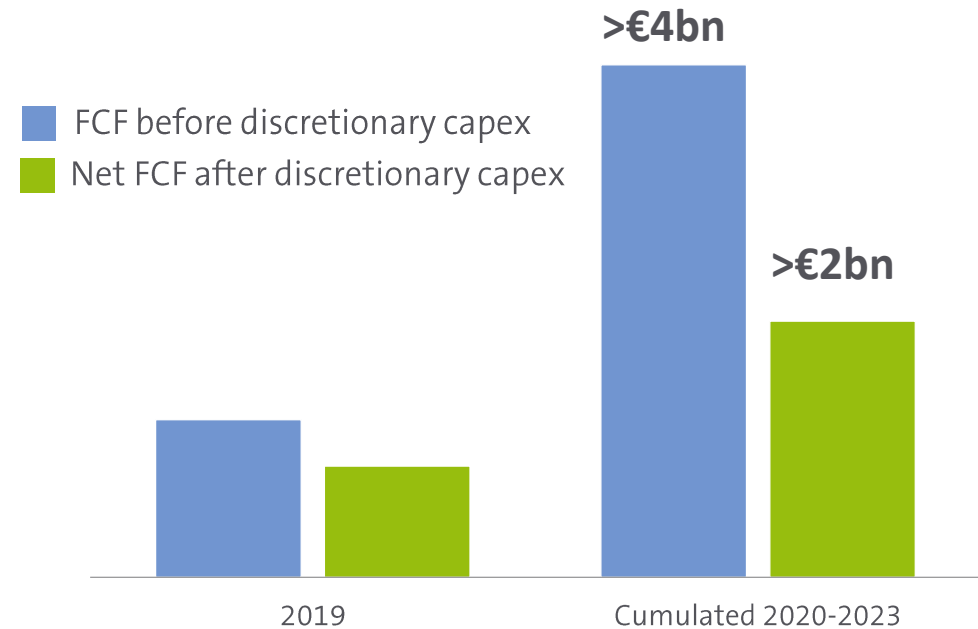
KEY ACTIONS 2020-2023

- Cash Flow generation monitored by Business Unit / Business Line
 - Focus on DSO improvement
- New initiative on Working capital
 - New tools for cash collection (e.g. my DSO)
 - Improve invoicing process
 - Review Purchase to Pay process

CONTINUED STRONG FREE CASH FLOW GENERATION

- **Discretionary capex** of €270M per year on average from 2016 to 2019
~€500M per year from 2020 to 2023
- **FCF before discretionary capex > €4bn**
cumulated over the duration of the plan
- **FCF after discretionary capex > €2bn**
cumulated over the duration of the plan

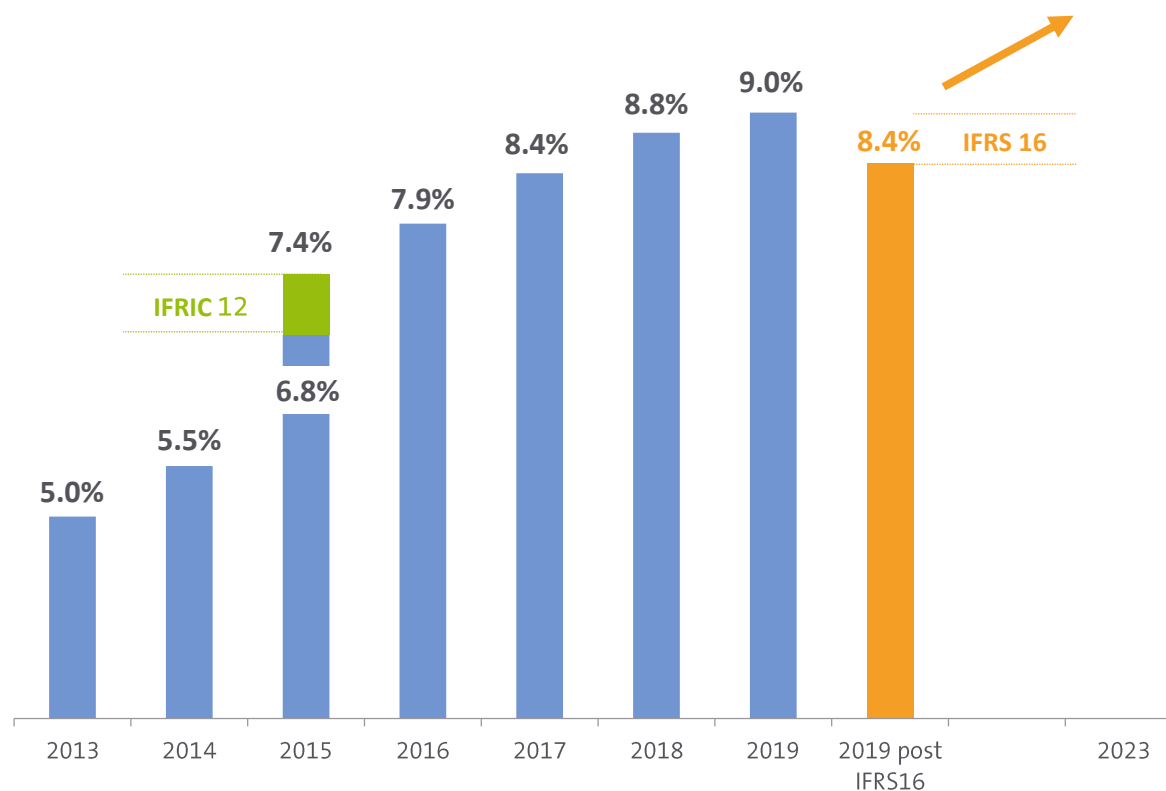
FCF GENERATION OVER 2020-2023



STRONG VALUE CREATION

CONTINUED IMPROVEMENT OF ROCE BY 2023

AFTER TAX ROCE

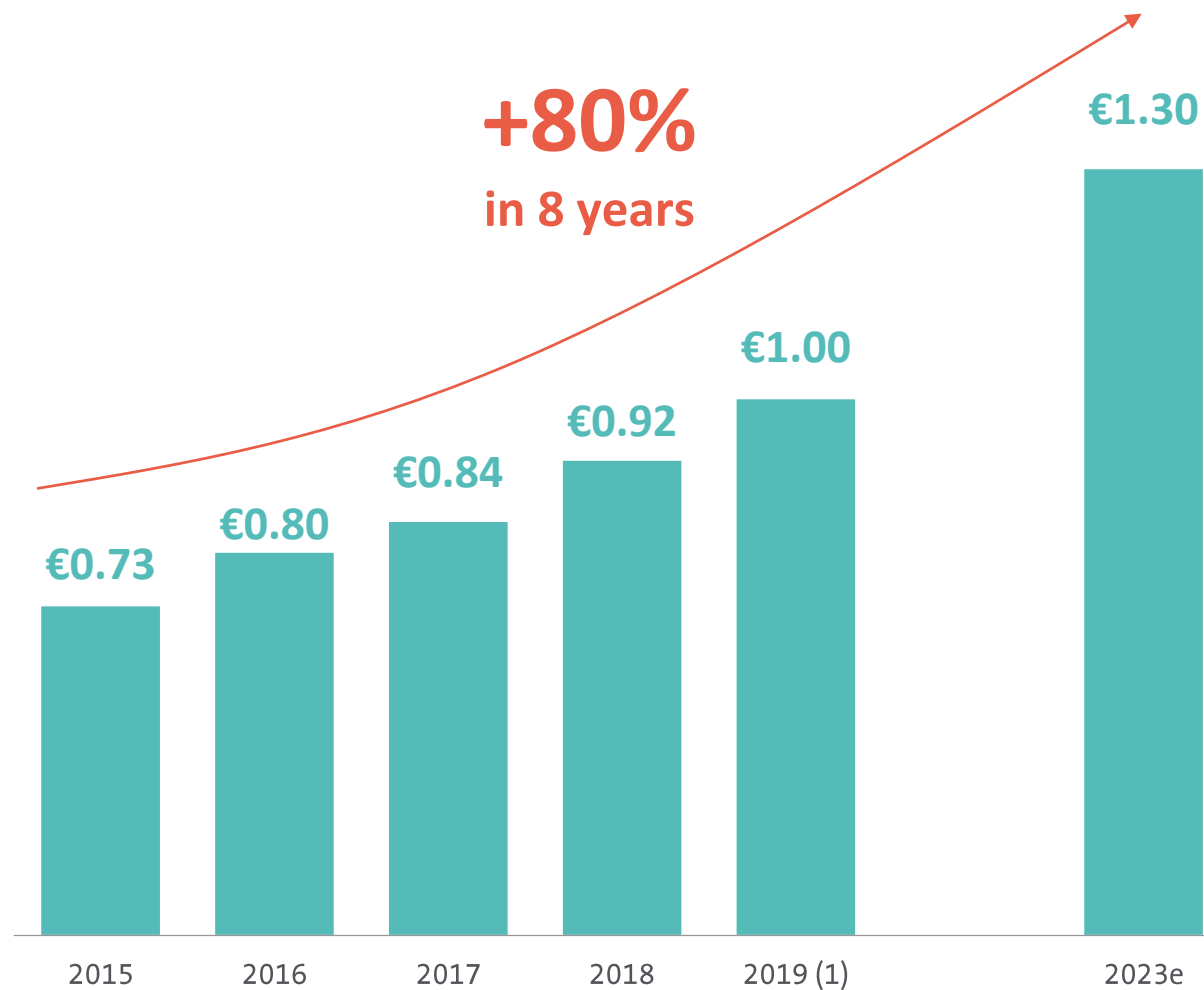


KEY DRIVERS

- Operational efficiency
- Current EBIT growth
- Focus on capital efficiency
- Low tax rate

DIVIDEND POLICY: DIVIDEND TO FOLLOW CURRENT NET INCOME GROWTH: **+80% in 8 YEARS**

- 37% growth of dividend from 2016-2019
- A sustainable and disciplined dividend policy



(1) Subject to approval of the AGM of April 22, 2020

IMPACT 2023

KEY FINANCIAL TARGETS⁽¹⁾



REVENUE

Continued solid growth

EFFICIENCY

€1bn cost savings over 4 years

EBITDA

€4.7bn - €4.9bn in 2023

CURRENT NET INCOME GROUP SHARE

~€1bn in 2023

LEVERAGE RATIO

< 3 x and well below 3 x in 2023

DIVIDEND

€1.30 / share in 2023



(1) At constant FX (based on rates at the end of 2019), at constant IFRS & in an economic environment without major change

IMPACT 2023 IN A NUTSHELL

- ❑ **A particular context:** the environmental priority has never been higher
- ❑ **A high ambition:** to be the reference company for the ecological transformation
- ❑ **A priority:** maximizing Veolia's positive impact - environmental, societal, financial
- ❑ **A consequence:** clear priorities
 - Strong acceleration of the businesses which have the highest positive impact on the planet
 - 20% portfolio rotation
- ❑ **Preparing the future:**
 - Reinvent the historical businesses
 - Create new solutions to address the global environmental challenges
- ❑ **A highly rigorous execution:**
 - €1bn cost savings plan
 - Net financial debt below 3 x EBITDA over the duration of the plan
- ❑ **Providing the proof of commitments with a set of KPIs:**
 - To track our impact on all our stakeholders
 - To base the bonus policy of the managers



APPENDIX



VEOLIA'S MULTI-FACETED PERFORMANCE DASHBOARD

KEY PERFORMANCE INDICATORS (1/2)

Dimension	Objective	KPI	Baseline (2019)	Target 2023
Economic & financial performance	Revenue growth SDG 8	Revenue growth	Rev. : €27.2bn	Annual target
	Profitability SDG 8	Current net income	€760M	€1bn
	Return on capital employed SDG 8	ROCE after tax	8.5% after IFRS 16	Annual target
	Investment capacity SDG 8	Free Cash Flow before discretionary growth Capex	€1230 m	Annual target
Commercial performance	Customer and consumer satisfaction SDG 8	Net Promoter Score	On-going definition ⁽¹⁾	
	Deployment of innovative solutions SDG 9	# innovations included in at least 10 contracts signed by the Group	On-going definition ⁽¹⁾	
	Hazardous waste treatment & recovery SDG 3, 9	Revenue generated by the hazardous & liquid waste treatment & recovery activities	€2.5bn	> €4bn
Environmental performance	Combating climate change SDG 13	Reducing GHG emissions: progress of the investment plan to phase out coal in Europe by 2030	NA	30% of investments planned by 2030, i.e. € 400M by 2023
		Avoided emissions (vs.the most likely scenario if the low carbon solution / service / project had not taken place)		15 Mt CO ₂ eq.
	Circular economy: plastic recycling SDG 12, 13	Volumes of plastics recycled in Veolia's transformation plants	350 kt	610 kt
	Protection of environments & biodiversity SDG 14, 15	Progress rate of action plans aimed at improving the environments & biodiversity footprint in sensitive sites	NA	75%
	Sustainable management of water resources SDG 6	Efficiency rate of drinking water networks	72.5%	> 75%

*Baseline not available or under review, the target for 2023 will be defined during the course of 2020



VEOLIA'S MULTI-FACETED PERFORMANCE DASHBOARD

KEY PERFORMANCE INDICATORS (2/2)

Dimension	Objective	KPI	Baseline (2019)	Target 2023
Human resources performance	Employee commitment SDG 8	Rate of engagement of employees in the 10 largest BUs, measured through an independent survey	84 %	Above 80 %
	Safety at work SDG 8	Frequency rate	8.1	5
	Employee training & employability SDG 4	Average number of training hours per employee	18	23
	Diversity SDG 5	% of women appointed within the top 500 Veolia's senior executives from 2020 to 2023	NA	50 %
Social performance	Job and wealth creation in the territories SDG 11	Annual publication of a study aimed at quantifying the global impact of Veolia in terms of jobs and wealth creation	NA	Study on Veolia's impact in 45 countries or more, released every year from 2020
	Ethics and compliance SDG 4	% positive answers to this question of the engagement survey: "Veolia's values and ethics are put into practice within my entity"	92 % for the Top 5000 employees	A baseline on a broader audience will be determined in 2020
	Access to essential services (water and sanitation) SDG 6	# inhabitants benefiting from inclusive measures for the access to water and sanitation within contracts with Veolia	4,17 Mhab	+12% vs. 2019*

*At constant scope



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