

# Press release

Paris, April 1st, 2020

## UPDATE ON MEASURES TAKEN BY VEOLIA TO DEAL WITH THE CORONAVIRUS CRISIS AND ITS ECONOMIC CONSEQUENCES

In response to the public health crisis that the world has been facing for several weeks now, Veolia – as a provider of essential services and a partner of cities and businesses – is fully mobilized to ensure continuity of service while protecting the health of its employees, the Group's two overriding priorities. Every day, we have been able to rely on the commitment, courage and exemplary dedication of our teams working on the ground to provide communities with essential services.

Veolia has also put in place business continuity plans, tailored to each country, that primarily aim to maintain the production and delivery of drinking water and the treatment of wastewater; waste collection and waste treatment activities; and energy management businesses, both in its heating networks and at industrial and tertiary sites that are continuing to operate.

To ensure continuity of service while complying with containment measures, the Group has adjusted its organization and the way it works. Remote working arrangements are now in place for all tasks that can be done remotely using digital tools. Where work cannot be done remotely, the Group has organized staff rotations and back-up teams.

Since the start of the coronavirus epidemic, i.e. since January in Asia, Veolia has taken steps to adjust the way it works in line with public health requirements. Given the gradual resumption of activity in China, we are confirming the negative impact of the crisis in Asia as factored into the 2020 targets presented in late February, i.e. 1% of Group EBITDA or around €40 million.

Until 12 March, the Group's activities outside Asia were not affected by the crisis. Since then, the introduction of public health measures as the epidemic spread to the Group's other geographic regions has affected Veolia's activities to varying degrees.

Almost all of the Group's facilities remain open, although the impact on volumes is varying between business lines.

Water sales are slightly down, the heating networks business is proving resilient, as are municipal waste collection and processing. However, the industrial and commercial waste business has seen a steep decline because a large number of businesses and tertiary activity centers such as shopping malls have been forced to close. Services for industrial sites and buildings are also being affected where those sites have been closed. Finally, works have largely stopped in France and have been reduced outside France at Veolia Water Technologies.

This rapid deterioration in the situation has prompted the Group to adopt measures in all of its operations to minimize the effect of the crisis on its employees, to reduce its impact on earnings and to make early preparations for the post-crisis recovery.

The main measures include:

- supporting the living standards of Group employees, using job retention arrangements in countries in which such measures are available, along with top-up remuneration paid by the company;
- taking a more selective approach to the 2020 CAPEX program while preparing the Group for the post-crisis recovery;
- stepping up the cost-cutting program.

With a net debt/EBITDA ratio of 2.66x at the end of 2019, the disposal of the heating and cooling networks business in the United States in late December 2019 for \$1.25 billion, a centralized cash position of of €3.7 billion at end-March, a bond maturity schedule that is well spread out over the next four years and significant undrawn credit lines, the Veolia Group's financial position is particularly strong and will enable it to get through this period without any liquidity problems. Accordingly, on March 27, 2020, Standard & Poor's confirmed the Group's BBB credit rating with stable outlook.

The Board of Directors met today. It took the following decisions:

- Since the duration of the public health crisis and its impact on the global economy are not yet known, the precise consequences and impact on business levels and earnings are still hard to assess at the moment. As a result, the previously announced objectives for 2020 are suspended. The Veolia Group will provide more details about the impact in its upcoming publications.
- The General Shareholders' Meeting is still scheduled for April 22. It will take place behind closed doors in order to comply with France's strict public health requirements, and voting must take place either by post or online. An additional press release is being published in relation to the meeting.
- Given the exceptional circumstances and in order to protect the interests of all of the Group's stakeholders in a spirit of solidarity, a proposal to pay a cash dividend of €0.50 per share will be put to shareholders in the Shareholders' Meeting.

**Antoine Frérot, Chairman and Chief Executive Officer of Veolia, said:** "Our services – water, waste and energy – are essential, and we therefore owe a fundamental duty to our communities. In the current circumstances, our mission is vital, because people are relying on us even more than usual. We are fully mobilized. At Veolia, we are doing everything we can to protect our employees and we are very proud of their dedication, which allows us to continue providing essential services every day to our customers and communities all over the world."

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**Veolia** group is the global leader in optimized resource management. With nearly 179,000 employees worldwide, the Group designs and provides water, waste and energy management solutions which contribute to the sustainable development of communities and industries. Through its three complementary business activities, Veolia helps to develop access to resources, preserve available resources, and to replenish them. In 2019, the Veolia group supplied 98 million people with drinking water and 67 million people with wastewater service, produced nearly 45 million megawatt hours of energy and treated 50 million metric tons of waste. Veolia Environnement (*listed on Paris Euronext: VIE*) recorded consolidated revenue of €27.189 billion in 2019 (USD 29.9 billion). [www.veolia.com](http://www.veolia.com)

#### **Important disclaimer**

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