Press Release

Paris, 3 August 2022

2022 FIRST HALF RESULTS

CONTINUED STRONG REVENUE AND RESULTS GROWTH IN Q2

SUCCESSFUL SUEZ INTEGRATION

VEOLIA'S RESILIENCE AND ADAPTABILITY ALLOW TO FULLY CONFIRM OUR AMBITIOUS 2022 TARGETS, NOTABLY AN ORGANIC EBITDA GROWTH BETWEEN +4 % AND +6 % AND A CURRENT NET INCOME OF €1.1BN DESPITE THE UNCERTAIN CONTEXT

- **REVENUE OF €20 196 M, A GROWTH OF +46.2 % COMPARED TO H1 2021 REPORTED, THANKS TO THE INTEGRATION OF SUEZ ACTIVITIES AND STRONG ORGANIC GROWTH**
- **EBITDA OF €2 953 M, A GROWTH OF +40.4 % COMPARED TO H1 2021 REPORTED**
- **CURRENT EBIT OF €1 475 M, A GROWTH OF +63 % COMPARED TO H1 2021 REPORTED**
- **CURRENT NET INCOME OF €528M**

- **REVENUE OF €20 196 M(1) UP +12.9 %(2) COMPARED TO COMBINED H1 2021 (1)**

  EXCLUDING ENERGY PRICE IMPACT, UNDERLYING ORGANIC COMBINED REVENUE(1) GROWTH OF +6.7 %
- **EBITDA OF €2 953 M(1), UP +6.1 %(2) COMPARED TO COMBINED H1 2021, AT THE TOP OF THE GUIDANCE RANGE OF +4 % TO +6 % IN 2022**
- **CURRENT EBIT €1475 M(1), A STRONG GROWTH OF +20.2 %(2) VS. COMBINED H1 2021(1)**
- **€178 M OF EFFICIENCY GAINS IN H1 COMPLEMENTED BY €52 M OF SYNERGIES COMING FROM THE ACQUISITION OF SUEZ, IN LINE WITH ANNUAL TARGET**
- **CURRENT NET INCOME GROUP SHARE OF €528 M IN LINE WITH THE ANNUAL OBJECTIVE OF AROUND €1.1 BN(3), WITH A 2022 EPS ACCRETION OF +10%(4)**
- **2022 GUIDANCE FULLY CONFIRMED**

(1) H1 2021 and H1 2022 are restated from the1st 17 days of January (Revenue €400 M -EBITDA €49 M). H1 2021 combined includes the European and Australian assets the antitrust authorities required to divest, and are not accounted for in H1 2022.
(2) At constant scope and exchange rates
(3) Excluding PPA
(4) EPS including hybrid costs and before PPA

Estelle Brachlianoff, CEO of the Group commented *: « Veolia's performance during the first half of the year was once again very good. Q2 activity was on a very similar trajectory as in the first quarter. The integration of Suez's activities since mid-January was very successful. Their contribution in terms of revenue and synergies is up to our expectations, which confirms the merits of this acquisition. These very good results also benefited from the continued strict cost discipline which allowed us to fully confirm our 2022 objectives.*
Veolia, world leader in ecological transformation, continues to fully benefit from good trends in its markets thanks to its value-added offerings, perfectly adapted to the environmental challenges of our clients. The resilience, the adaptability and the relevance of our strategic positioning allow us to face the uncertain macroeconomic and geopolitical context with confidence.»

- **Revenue of €20 196 M, up 46.2 % at constant exchange rates vs. H1 2021 reported** due to a scope effect of €4 350 M mainly coming from the integration of Suez (€4 416 M) and from an organic growth of €1 961M (+14.4 %).

- **Compared to 30 June 2021 combined**, **revenue growth at constant scope and exchange rates was +12,9 %**.

- **Revenue evolution by effect was as follows :**

  Exchange rate effect was +€408 M reflecting mainly the evolution of the US dollar, sterling pound and Chinese Renminbi, partially offset by a decrease of Polish zloty and Latin American currencies[1].

  Scope effect of -€286M included mainly the asset divestitures in Scandinavia in 2021 (-€154 M) and, on the Suez side, the asset divestitures in Australia in 2021 and the remedies in the EU (hazardous waste business in France accounted as assets for sale). These negative items were partially offset by the integration of Osis by Sarp (+€96 M) in 2021.

  - The Commerce / Volumes / Works effect reached +€542 M, thanks to good volumes in all businesses, notably in Energy and strong Water technologies and construction activities.

  - The weather impact was -€96 M mainly in Energy in Central and Eastern Europe due to a mild winter, and in Chile due to a cool summer which impacted Q1 volumes.

  - The energy price impact was +€1 107 M, due to the increase in heat and electricity prices in Central and Eastern Europe.

  - The recycled materials price impact reached +€242 M, and came from the increase of recycled paper and cardboard prices in France, Germany and the UK.

  - Service prices continued to be well oriented, leading to a favorable impact of +€505 M, due mostly to tariff revisions in Waste (+3.2%) and in Water (+3.1%)

- **Revenue in H1 2022 progressed across all segments compared with combined figures for the half year ended June 30, 2021**
  - Revenue for the France and Special Waste Europe segment totaled €4,754 million, with organic growth of +3.9% compared with June 30, 2021 combined figures:
    - France Water revenue slipped slightly by -0.8%, mainly due to asset transfers within the Group, partially offset by the positive impact of tariff reviews (+3.4% in H1 2022) and good activity levels in the second quarter, with billed volumes up +0.3% at the end of June.

[1] Main foreign exchange impacts by currency: US dollar (+207 million euros), British pound (+60 million euros), Czech crown (+44 million euros), Chinese yuan RenMinBi (+51 million euros) , Polish zloty (-21 million euros), Hungarian forint (-23 million euros), Chilean peso (-15 million euros), Argentine peso (-14 million euros).

- France Waste revenue increased +6%, continuing to benefit from high recyclate prices, particularly for paper (recycled paper price of €183/t in June 2022 vs. €152/t in June 2021), and the positive impact of tariff reviews, despite a slight decline in volumes year-on-year.
- Hazardous waste activities in Europe grew +7.4%, with strong commercial development in sanitation and industrial maintenance activities, higher volumes and prices in oil and lubricant treatment activities in a context of increased oil prices and the positive impact of tariff reviews.
- SADE reported growth of +2.5%, thanks to strong commercial momentum in France.

○ Revenue for the **Europe excluding France** segment totaled €8,505 million for the half year ended June 30, 2022, with organic growth of +23.7% mainly due to higher energy and recyclate prices.

- In **Central and Eastern Europe**, revenue rose +31.4% to €4,301 million. Following on from the first quarter, activity remained robust in this region driven by:
    - greater positive tariff indexation in energy (Poland, Hungary, Czech Republic, Slovakia and Romania) and water (Czech Republic and Romania) and higher volumes distributed (Poland and Czech Republic), despite a less favorable weather effect in Energy compared with H1 2022 (-€96 million).
    - a surge in recyclate prices, particularly for paper and plastic and energy prices in Germany.
- In **Northern Europe**, revenue rose 12.3% to €2,511 million. This increase was primarily driven by the **United Kingdom and Ireland**, which reported revenue growth of +12.4% at constant scope and exchange rates, with the favorable impact of recyclate prices (paper and plastic), higher energy volumes and prices and the good performance of incinerators (facility available rate of 94.8% in 2022 compared with 93.1% in 2021), despite a slight downturn in waste landfill volumes due to unfavorable weather conditions in H1 2022. In **Belgium**, organic growth was +16.2% compared with June 30, 2021 combined figures, fueled by good operating performances, benefiting from the positive impact of recyclate prices and contractual tariff reviews in waste recycling and incineration activities.
- In **Italy**, organic revenue growth reached +49.1%, following the start-up of contracts won in 2021 and the highly favorable effect of energy prices.
- In **Iberia,** revenue increased +14.8%, driven primarily by strong water activities in Spain (Agbar) which enjoyed increased volumes (+2.2% at end-June 2022) thanks to the return of tourism and high Spring temperatures, as well as by energy activities.

○ In the **Rest of the world,** revenue totaled €5,256 million, representing organic growth of +7.8% across all geographies, including Asia despite the slowdown in China:

- Revenue increased +13.8% in **Latin America**, driven notably by favorable tariff indexation in Chile in water activities, despite a drop in volumes linked to the drought. Colombia, Brazil and Ecuador reported good activity levels in waste and stable water activities in the half-year.
- In **Africa/Middle East**, revenue increased +9.0%, mainly driven by growth in water contracts in Morocco, thanks to higher volumes and the positive impact of tariff reviews in the first half of the year.
- In **North America**, revenue rose +9.6% to €1,538 million. This growth was mainly driven by robust hazardous waste activities, with higher volumes processed and the impact of increased tariffs (+10%), and in water, by favorable tariff indexation, particularly in Regulated Water activities, and good construction volumes.
- Revenue increased +3.3% in **Asia**. The slowdown in growth in China negatively impacted activities in the second quarter, with lower hazardous waste volumes and reduced activity in energy and

industrial services. This slowdown was offset by strong growth in other countries and particularly Taiwan, Hong Kong and Japan.

- In the **Pacific**, revenue rose +5.7%, marked by higher waste collection and landfill volumes despite severe weather events in the half-year (flooding in the Queensland and New South Wales regions), strong industrial maintenance activities and good municipal water performance.

- The **Water Technologies** activity reported an increase of +5.3%, driven by growth in VWT's Services and Technology activities. The major projects activity reported a slight decline, however, due to a high comparison base in 2021 which benefited from three major desalination projects in the Middle East. VWT bookings totaled €687 million as of June 30, 2022, compared with €723 million one year earlier.

- **Compared with combined figures for the half year ended June 30, 2021, revenue by business** rose +12.9% at constant scope and exchange rates. The main changes by business compared with combined figures for the half year ended June 30, 2021 break down as follows.
  - **Water revenue**
    - **Water Operations** revenue increased +6.4%, with good volumes in Spain following the return of tourism, the impact of O&M contract wins in North America, accompanied by higher tariffs and an upturn in volumes distributed in France in Q2 2022. Slightly lower volumes due to the weather, particularly in Chile, were largely offset by the positive effect of contract tariff reviews in these geographies.
    - **Technology and Construction** revenue grew +4.7%, mainly driven by increased construction activity in France, growth in VWT's Services and Technology activities, and WTS growth (+10.3%).
  - **Waste revenue**
    - **Waste** revenue increased +9.9%, benefiting from the continued high level of recyclate prices (+3.4%) for paper, plastic and metals In Europe. The upward trend in oil prices and good activity levels had a favorable impact on hazardous waste activities in Europe and North America. Electricity revenues generated by incineration activities increased and favorable tariff reviews (+3.2%) were recorded across all geographies. The commerce / volume effect is also positive at +1.3%.
  - **Energy revenue**
    - Energy revenue rose +35.9%. The strong activity growth is founded on a positive price effect (+29.4%), notably in Europe, higher volumes distributed, tariff increases in Central and Eastern Europe and strong commercial development, particularly in Italy and the Middle East. The weather effect in H1 2022 was -2.5%.

- **EBITDA reached €2 953 M vs. €2 792 M in H1 2022 combined and €2 081 M in H1 2021 reported**
  - EBITDA grew by +40.4 % vs.30 June 2021 reported at constant forex. The scope effect coming from the consolidation of Suez was €732M.
  - Compared to 30 June 2021 combined, EBITDA increased by +6.1 % at constant scope and forex.
  - *EBITDA evolution by effect vs. 30 June 2021 combined was as follows* :

- Exchange rate effect was +€52 M, reflecting mainly the evolution of UK, US and Chinese currencies.
- The scope effect was -€61 M including mainly the impact of the integration of Osis by Sarp offset by the asset divestitures in Scandinavia in 2021 and, on Suez side, by the asset divestitures in Australia and the remedies in the EU (hazardous waste business in France accounted for as assets for sale).
- The Commerce / Volumes / Works effect reached +€39 M after +€22M in Q1, thanks to solid activity growth
- The weather impact was -€39 M, after -€27M in Q1, mainly in Energy in Central and Eastern Europe due to a mild winter.
- The recycled materials price impact reached +€70 M, and came mainly from the increase of recycled paper and cardboard prices in France, the UK and Germany. The increase in heat and electricity prices was offset by higher fuel costs (of which gas oil and CO2).
- Impact of contract renegotiations and cost inflation on EBITDA was -€97 M.
- Efficiency gains and synergies contributed for +€178M in efficiency gains and +€52M in synergies, a total of +€230 M,in line with the annual objective.

- **Current EBIT at June 30 2022 reached €1 475 M, up +20.2 % at constant scope and forex compared to H1 2021 combined.**

  Current EBIT progression compared to 30 June combined was +€256 M at constant scope and forex, thanks to:

  - Strong EBITDA growth (+€171 M at constant scope and exchange rates).
  - D&A and provisions including the impact of Operating Financial Assets reimbursement was down by -€34M vs. H1 2021 combined to €1 454M.
  - A favorable impact coming from Industrial capital gains net of asset impairments of +€22M, from €42M in H1 2021 to €64M , due mostly to an asset disposal in Australia.

  Exchange rate effect on Current EBIT was +€17 M.

- **Current net income Group share reached €528 M in H1 2022.**
  - Cost of net financial debt reached -€320 M, including an increase of €105M due to the consolidation of Suez net financial debt. The Group's financing rate was back to 2019 and 2020 levels after a 2021 exceptionally low level.
  - Other financial income and expenses (including net financial capital gains) capital amounted to -€207M vs. +€53M in H1 2021 reported, which included +€122M of dividends received from our 29.9% stake in Suez. .
  - Current tax charge was €256M, up by €68M due to the increase of profit before tax. Current tax rate was 28.9 % vs. 25 % in H1 2021 reported.
  - Non-controlling interests reached €164M vs. €98M in H1 2021 reported.
- **Net income Group share reached €236M.**

- ○ Main non current items included Suez acquisition and integration costs for -€154M, asset impairment in Russia for -€80M, and restructuring charges for €32M.

- **Net Financial Debt was €22 353 M at 30 June 2022, vs. €9 532 M at 31 December 2021.**

  The main components of the change in net financial indebtedness are as follows :

  - ○ Seasonal variation of net free cash-flow for -€304 M due to seasonal variation of Working Capital Requirement (WCR) .
  - ○ The impact of Suez acquisition for -€10 501 M including the incoming debt from Suez at 18 January 2022 for -€9 073 M and the tender offer for -€9 318 M minus the divestiture of some assets of Suez Group to the Consortium on 31 January 2022 for +€8 018 M
  - ○ Net financial investments excluding Suez acquisition for -€145M (including acquisition costs and incoming debt)
  - ○ Suez hybrid debt reimbursement for -€500 M
  - ○ The impact of dividend payments to shareholders, voted at the AGM of 15 June 2022 for -€688M.
  - ○ An unfavorable exchange rate effect -€464 M at 30 June 2022.

****

- **Guidance 2022 fully confirmed***

  - ○ Solid organic revenue growth
  - ○ Efficiency gains above €350M complemented by €100M of synergies coming from the 1st year of integration of Suez
  - ○ Organic growth of EBITDA between +4% and +6%
  - ○ Current net income group share around €1.1bn**, a growth of more than 20%, confirming the earning per share accretion of around 10%***
  - ○ Confirmed 2024 EPS accretion of 40%***
  - ○ Leverage ratio around 3x
  - ○ Dividend growth in line with current EPS growth

** At constant forex and without extension of the conflict beyond the Ukrainian territory and without significant change in the energy supply conditions in Europe*
*** Before PPA*
**** Current net income per share after hybrid costs and before PPA*

About Veolia

Veolia Group aims to become the benchmark company for ecological transformation. Present on five continents with nearly 220,000 employees, the Group designs and deploys useful, practical solutions for the management of water, waste and energy that are contributing to a radical turnaround of the current situation. Through its three complementary activities, Veolia helps to develop access to resources, to preserve available resources and to renew them. In 2021, the Veolia group provided 79 million inhabitants with drinking water and 61 million with sanitation, produced nearly 48 million megawatt hours and recovered 48 million tonnes of waste. Veolia Environnement (Paris Euronext: VIE) achieved consolidated revenue of 28,508 billion euros in 2021. www.veolia.com

Important disclaimer

As the changes in the health crisis are difficult to estimate, we draw your attention to the “forward-looking statements” that may appear in this press release and relating to the consequences of this crisis which may affect the future performance of the Company.

Veolia Environnement is a corporation listed on the Euronext Paris. This press release 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 divesture 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 Autorité 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.

Contacts

Group Media Relations
Laurent Obadia
Evgeniya Mazalova – Emilie Dupas
Tél : + 33 (0)1 85 57 86 25/ 33 33

Investor & Analyst Relations
Ronald Wasylec - Ariane de Lamaze
Tél. : + 33 (0)1 85 57 84 76 / 84 80

Financial Information for the period ended June, 30 2022

A] KEY FIGURES

Group key figures as of June 30, 2022 include the contribution of activities acquired from Suez from January 18, 2022. To enable the comparison of financial information, key figures as of June 30, 2021 were restated to present combined data including the Suez acquired scope (see appendix).

				Change 2022 / 2021 published			*Change 2022 / 2021 combined*		
(€ million)	*June 30, 2021 published*	*June 30, 2021 combined*	*June 30, 2022*	*Δ*	*Δ at constant exchange rates*	*Δ at constant scope and exchange rates*	*Δ*	*Δ at constant exchange rates*	*Δ at constant scope and exchange rates*
Revenue	**13,645**	**17,774**	**20,196**	**48.0%**	**46.2%**	**14.4%**	**13.6%**	**11.3%**	**12.9%**
EBITDA[1]	**2,081**	**2,792**	**2,953**	**41.9%**	**40.4%**	**5.6%**	**5.8%**	**3.9%**	**6.1%**
Current EBIT[2]	**901**	**1,267**	**1,475**	**63.8%**	**63.0%**	**20.4%**	**16.4%**	**15.1%**	**20.2%**
Current net income - Group Share[3]	516		528	**2.3%**	**1.6%**				
Current net income - Group Share excluding capital gains and losses on financial divestitures net of tax	520		538	**3.5%**	**2.8%**				
Net income - Group share [(4)]	301		236						
Net industrial investments	(834)		(1,310)						
Net free cash flow [1]	270		(304)						
Opening net financial debt	**(13,217)**		**(9,532)**						
Closing net financial debt	**(13,767)**		**(22,353)**						

(1) The indicators are defined in appendix
(2) Including the share of current net income of joint ventures and associates viewed as core Company activities.
(3) 2021 Current net income - Group share, re-presented for Suez dividends (€122 million) is €394 million, representing an increase in Current net income - Group Share for the first half of 2022 compared with June 2021 of 33.1% at constant exchange rates.
(4) 2021 Net income - Group share re-presented for Suez dividends (€122 million) is €179 million.

The main foreign exchange impacts between June 30, 2021 and June 30, 2022 are as follows:

FX impacts for the half year ended June 30, 2022 (vs. June 30, 2021 combined)	%	(€ million)
Revenue	2.3%	408
EBITDA	1.8%	52
Current EBIT	1.3%	17

FX impacts for the half year ended June 30, 2022 (vs. June 30, 2021 published)	%	(€ million)
Revenue	1.8%	240
EBITDA	1.5%	30
Current EBIT	0.8%	7
Current net income	0.8%	4
Net financial debt (vs. December 31, 2021)	-4.9%	(464)

B] INCOME STATEMENT

1. GROUP CONSOLIDATED REVENUE

Consolidated revenue totaled €20,196 million for the half year ended June 30, 2022, compared with €17,774 million for the half year ended June 30, 2021 combined and €13,645 million for the half year ended June 30, 2021 (published).

All operating segments reported growth in H1 2022.

				Change 2022 / 2021 re-presented for IFRS 8			Change 2022 / 2021 re-presented for IFRS 8 and combined		
(€ million)	*Half year ended June 30, 2021 re-presented for IFRS 8*	*Half year ended June 30, 2021 re-presented for IFRS 8 and combined*	*Half year ended June 30, 2022*	*Δ*	*Δ at constant exchange rates*	*Δ at constant scope and exchange rates*	*Δ*	*Δ at constant exchange rates*	*Δ at constant scope and exchange rates*
France and Special Waste Europe	4,316	4,577	4,754	10.2%	10.1%	3.9%	3.9%	3.8%	3.9%
Europe excluding France	5,278	6,958	8,505	61.1%	60.4%	28.1%	22.2%	21.4%	23.7%
Rest of the world	3,310	4,767	5,256	58.8%	53.5%	9.9%	10.3%	5.3%	7.8%
Water technologies	739	1,869	2,075	180.8%	177.8%	-2.3%	11.0%	5.1%	5.3%
Other[1]	2	(398)	(394)	-	-	-		-	-
Group	**13,645**	**17,774**	**20,196**	**48.0%**	**46.2%**	**14.4%**	**13.6%**	**11.3%**	**12.9%**

[1] Restatement of the first 17 days of the contribution of Suez activities

Compared with H1 2021 combined, quarterly revenue trends at constant exchange rates by operating segment for H1 2022 are as follows:

∆ at constant scope and exchange rates vs. 2021 re-presented for IFRS8 and combined	*Q1 2022*	*Q2 2022*	*H1 2022*
France and Special Waste Europe	5.4%	2.6%	3.9%
Europe excluding France	26.8%	20.3%	23.7%
Rest of the world	7.8%	7.8%	7.8%
Water technologies	2.6%	7.7%	5.3%
Group	**14.7%**	**11.3%**	**12.9%**

The increase in Q2 2022 revenue is consistent with trends observed in the first quarter:

- continued high recyclate prices in waste and good activity levels in hazardous waste, except in China, negatively impacted by the health crisis,
- good water performance, capitalizing on contractual tariff reviews and higher second quarter volumes, particularly in France, the decline in the works activity in the second quarter is explained by the base, the second quarter of 2021 benefiting from a catchup effect.
- strong growth in Energy activities mainly due to higher prices and volumes despite an unfavorable weather effect and seasonality.

Compared with published figures for the half year ended June 30, 2021, segment revenue increased +46.2% at constant exchange rates, due to a scope effect of €4,350 million, mainly tied to the integration of Suez activities (€4,416 million) and organic growth of €1,961 million (+14.4%).
The scope effect of the integration of Suez activities impacts all operating segments:

- The **France and Special Waste Europe** segment includes the scope effect of IWS hazardous waste activities acquired from Suez,
- The **Europe excluding France** segment mainly includes the scope effect of Suez waste activities in Northern Europe and Germany and Suez water activities in Spain,
- The **Rest of the world** segment includes the scope effect of activities acquired from Suez in North America and Latin America, as well as Suez waste activities in Asia and Australia,
- The **Water Technologies** segment includes the scope effect of the acquisition of Suez Water Solutions and Technologies activities,
- The “Other” segment includes the revenue adjustment for the first seventeen days of the year for the Suez scope prior to acquisition of control.

Organic growth of +14.4% is primarily driven by Europe excluding France (+28,1%), the Rest of the world (+9.9%) and France and Special Waste Europe (+3.9%). The Water Technologies segment reported a slight -2.3% dip in revenue on published figures for the half year ended June 30, 2021 at constant scope and exchange rates, due to a high 2021 comparison base in major Middle East desalination projects where construction is now complete or almost complete. Europe excluding France enjoyed strong growth in energy activities in Central and Eastern Europe and growth in waste activities in Northern Europe, supported by higher recyclate prices.

Compared with combined figures for the half year ended June 30, 2021, revenue rose +12.9% at constant scope and exchange rates, increasing across all operating segments.
See analysis at the beginning of this press release, page 2

Revenue by Business

Compared with published figures for the half year ended June 30, 2021, revenue by business rose +46.2% at constant exchange rates.

The scope effect of the integration of Suez activities (€4,416 million in total) is €2,998 million in Water and €1,818 million in Waste. It is recalled that the revenue adjustment for the first seventeen days of the year for the Suez scope, prior to acquisition of control, is recorded in the "Other" segment (-€400 million).
Excluding scope effects, organic growth compared with published figures for the half year ended June 30, 2021 is +14.4%, mainly driven by:

- strong growth in **Energy** of +40.5%, underpinned by higher energy prices (electricity and heat) and the favorable impact of tariff reviews,
- **Waste** growth of +12.2%, due to higher recyclate prices, favorable tariff reviews and good activity levels across all geographies,
- **Water** activities up +4.8%, thanks to contract tariff indexation, higher volumes distributed in Q2 2022 despite a slight drop in Technology and Construction activities due to a 2021 base with large desalination projects in the Middle-East.

				Change 2022 / 2021 published			*Change 2022 / 2021 combined*		
(€ million)	***June 30, 2021 published***	***June 30, 2021 combined***	*June 30, 2022*	*Δ*	***Δ at constant exchange rates***	***Δ at constant scope and exchange rates***	*Δ*	***Δ at constant exchange rates***	***Δ at constant scope and exchange rates***
Water	5,215	7,873	8,556	64.1%	61.4%	4.8%	8.7%	5.8%	5.9%
of which Water Operations	*3,974*	*5,502*	*5,967*	*50.2%*	*48.1%*	*6.4%*	*8.5%*	*6.3%*	*6.4%*
of which Technology ai Construction	*1,240*	*2,371*	*2,589*	*108.8%*	*106.9%*	*-0.4%*	*9.2%*	*4.6%*	*4.7%*
Waste	5,304	7,175	7,845	47.9%	45.4%	12.2%	9.3%	6.9%	9.9%
Energy	3,126	3,127	4,194	34.2%	33.9%	40.5%	34.1%	33.9%	35.9%
Other	-	(400)	(400)		-	-		-	-
Group	**13,645**	**17,774**	**20,196**	**48.0%**	**46.2%**	**14.4%**	**13.6%**	**11.3%**	**12.9%**

Compared with combined figures for the half year ended June 30, 2021, revenue by business rose +12.9% at constant scope and exchange rates. *See analysis at the beginning of this press release, page 2*

2. GROUP EBITDA

Group consolidated EBITDA for the half year ended June 30, 2022 was €2,953 million, compared with €2,792 million for the half year ended June 30, 2021 combined and €2,081 million for the half year ended June 30, 2021 (published).

EBITDA is up +40.4% compared with published figures for the half year ended June 30, 2021 at constant exchange rates, due to a scope effect of +€725 million primarily due to the integration of activities acquired from Suez and organic growth of +5.6%.

Compared with June 30, 2021 combined figures, EBITDA rose +6.1% at constant scope and exchange.

				Change 2022 / 2021 re-presented for IFRS 8			*Change 2022 / 2021 re-presented for IFRS 8 and combined*		
(€ million)	***June 30, 2021 re-presented for IFRS 8***	***June 30, 2021 re-presented for IFRS 8 and combined***	***June 30, 2022***	***Δ***	***Δ at constant exchange rates***	***Δ at constant scope and exchange rates***	***Δ***	***Δ at constant exchange rates***	***Δ at constant scope and exchange rates***
France and Special Waste Europe	630	673	704	11.8%	12.0%	7.9%	4.6%	4.7%	6.8%
Europe excluding France	942	1,120	1217	29.3%	28%	6.4%	8.7%	7.4%	8.5%
Rest of the world	440	821	786	78.8%	75%	1.7%	-4.2%	-6.8%	-2.4%
Water technologies	43	213	212	368.5%	379.6%	10.6%	-0.4%	-8.1%	-8.2%
Other[2]	26	(35)	33						
Group	**2,081**	**2,792**	**2,953**	**41.9%**	**40.4%**	**5.6%**	**5.8%**	**3.9%**	**6.1%**

The growth of the EBITDA for the operational segments France and Special waste Europe (+6.8% at constant scope and exchange rates) and Europe excluding France (+8.5% at constant scope and exchange rates) results from the growth in the activity. The decline in the EBITDA for the rest of the world segment comes from China where the volumes of waste are lower as well as services to industry and energy due to restrictions related to the health crisis. In the Water Technologies segment, the EBITDA is in progression for VWT but in decline for WTS, which benefited from one-off elements in the first half of 2021.

The increase in EBITDA between 2021 and 2022 breaks down by impact as follows:

The foreign exchange impact on EBITDA was +€52 million and mainly reflects the appreciation of the American, Czech, British and Chinese currencies, partially offset by unfavorable movements in South American and Middle East currencies[3].
The **consolidation scope impact** of -€61 million mostly concerns the sale of assets in Scandinavia in 2021 and, at Suez level, sales of activities in Australia and the impact of European Union remedies with the transfer of some hazardous waste activities in France to Assets classified as held for sale. These negative effects are partially offset by the integration of Osis by Sarp in 2021.
Favorable **commerce and volume impacts** of +€39 million resulted from the positive impact on revenue.
The **weather impact** is -€39 million and mainly concerns Central and Eastern Europe which was affected by a milder than normal winter and to a lesser extent Chile.
Recyclate and energy prices had a net favorable impact on EBITDA of +€70 million, mainly concerning paper and cardboard in France and Northern Europe. The increase in energy selling prices net of higher purchase costs (including CO_2 and diesel), had a neutral impact on EBITDA.
The impact of **tariff reviews net of cost inflation** was -€97 million.
Other impacts are mainly due to one-off items positively impacting 2021 EBITDA of the Suez scope.

[2] Restatement of the first 17 days of the contribution of Suez activities
[3] Foreign exchange impacts by currency: Czech koruna (+€12 million), pound sterling (+€10 million), Chinese RenMinBi yuan (+€9 million), US dollar (+€31 million), Lebanese pound (-€8 million), Chilean peso (-€7 million).

The **contribution of cost savings plans and synergies** totaled +€230 million at the end of June and includes:

- the efficiency plan for €178 million, mainly concerning operating efficiency (64%) and purchasing (27%) across all geographic zones: France and Special Waste Europe (31%), Europe excluding France (27%) and the Rest of the world (34%),
- synergies of €52 million generated on the integration of Suez.
- Gains generated by the efficiency plan in the first half of the year are consistent with the €350 million annual objective for end-2022. This is also true for synergies, where the annual objective has been attained 52% at the end of June 2022.

3. CURRENT EBIT

Group consolidated **Current EBIT** for the half year ended June 30, 2022 was €1,475 million, up +20.2% at constant scope and exchange rates on combined figures for the half year ended June 30, 2021.

EBITDA reconciles with Current EBIT compared with the half year ended June 30, 2021 as follows:

(€ million)	*June 30, 2021 published*	*June 30, 2021 combined*	***June 30, 2022***
EBITDA	**2,081**	**2,792**	**2,953**
Renewal expenses	(143)	(140)	(147)
Depreciation, amortization, provisions and other[4]	(1,121)	(1,488)	(1,454)
Impairment and gains (losses) on industrial divestitures	36	42	64
Share of current net income of joint ventures and associates	48	61	59
Current EBIT	**901**	**1,267**	**1,475**

The +€256 million (+20.2%) increase in Current EBIT at constant scope and exchange rates compared with combined figures for the half year ended June 30, 2021[5] is mainly due to:

- a marked improvement in EBITDA (+€171 million at constant scope and exchange rates),
- a slight decrease in depreciation, amortization and provisions, net of the change in principal payments on operating financial assets, compared with H1 2021, the increase in amortization was compensated by the reversal of provisions.
- a favorable difference in impairment and gains (losses) on divestitures, notably tied to an asset sale in Australia in Q1 2022 (waste assets of the subsidiary, Integrated Waste Services).

The foreign exchange impact on Current EBIT of +€17 million mainly reflects fluctuations in the United States (+€15 million), Czech Republic (+€7 million), United Kingdom (+€6 million) and Chinese (+€1 million) currencies, partially offset by a downturn in Chile (-€5 million) and Middle East (-€4 million) currencies.

[4] Including principal payments on operating financial assets.
[5] *See Section 6.1 for more information on this restatement*

4. NET FINANCIAL EXPENSE

The **net financial expense** for the half year ended June 30, 2022 is -€551.3 million, compared with - €121.2 million for the half year ended June 30, 2021 (published). This decrease is mainly due to the scope effect on financial expenses of the integration of the cost of Suez debt, as well as the positive impact, in H1 2021, of dividends received of €122 million on the Group's investment in Suez.

Cost of net financial debt

The cost of net financial debt totaled -€319.6 million for the half year ended June 30, 2022, compared with -€152.4 million for the half year ended June 30, 2021 (published). The increase in the cost of Group net financial debt is mainly due to the scope effect of the integration of the cost of Suez debt for €104.5 million (particularly the bond debt of the former holding company, Suez SA, and that of water activities in the United States), higher interest rates on foreign currency-denominated debt (euro/currency rate spreads) and the positive impact in H1 2021 of the cancellation of an interest rate hedging portfolio (pre-hedge swaps) for €20 million.

The Group's financing rate (excluding IFRS 16 impacts) was therefore 3.65% at June 30, 2022 (compared with 2.51% at June 30, 2021, published), a lower than the pre-COVID period (4.36% at June 30, 2020 and 4.3% at June 30, 2019). Interest rates were very low in 2021.

Other current financial income and expenses

Other financial income and expenses totaled -€207 million for the half year ended June 30, 2022, compared with +€53 million for the half year ended June 30, 2021 (published).
At June 30, 2021, other financial income includes dividends received on the Group's investment in Suez of €122 million.

At June 30, 2022, other financial income and expenses include the scope effect of the integration of Suez financial expenses of -€104.2 million which includes notably the financial expenses of the debt of the subsidiary Aguas Andidas in Chile (indexed on inflation). The other financial income and expenses also include as a non current item the financial costs generated by the Suez combination for -€24.4 million .

At June 30, 2022 it includes interest on concession liabilities (IFRIC 12) of -€38.8 million and the unwinding of discounts on provisions of -€16.2 million.

Losses on financial divestitures recognized in H1 2022 totaled -€7.6 million and mainly include the impacts of the liquidation of several companies.

Gains on current financial divestitures recognized in the first half of 2021 totaled -€4.6 million and mainly comprised the gain on disposal of Utilities Services activities in Nordic countries (+€13 million), offset by the loss on the divestiture of Aqua Utilities activities in Veolia Water Technology (-€7 million) and disposal costs in North America (-€3 million).

5. CURRENT TAX EXPENSE

The current income tax expense for the half year ended June 30, 2022 amounted to -€256.4 million, compared with -€188.4 million for the half year ended June 30, 2021 (published).
The current income tax rate for the half year ended June 30, 2022 is 28.9%, after integration of the activities of Suez versus 25% for the half year ended June 30, 2021 (published).

6. CURRENT NET INCOME

Current net income attributable to owners of the Company was €528 million for the half year ended June 30, 2022, compared with €516 million for the year ended June 30, 2021 (published) and €394 million excluding dividends received from Suez in 2021 for 2020. Excluding capital gains and losses on financial divestitures net of tax and minority interests, current net income attributable to owners of the Company is €538 million, compared with €520 million for the half year ended June 30, 2021 (published).

7. NET INCOME

Net income attributable to owners of the Company was +€236 million for the half year ended June 30, 2022, compared with +€301 million for the year ended June 30, 2021 (published) and €179 million excluding dividends received from Suez in 2021.
Net income attributable to owners of the Company per share was €0.34 (basic) and €0.33 (diluted) for the half year ended June 30, 2022, compared with €0.53 (basic) and €0.51 (diluted) for the half year ended June 30, 2021.

8. CURRENT NET INCOME (LOSS) / NET INCOME (LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY

The share of net income attributable to non-controlling interests totaled €161.2 million for the half year ended June 30, 2022, compared with €95.4 million for the half year ended June 30, 2021.

Net income attributable to owners of the Company was €236 million for the half year ended June 30, 2022, compared with €301 million for the half year ended June 30, 2021.

Current net income attributable to owners of the Company was €528 million for the half year ended June 30, 2022, compared with €516 million for the half year ended June 30, 2021.

Net income attributable to owners of the Company per share for the half year ended June 30, 2022 was €0.34 (basic) and €0.33 (diluted) compared with €0.53 (basic) and €0.51 (diluted) (and €0.31 (basic) and €0.30 (diluted) excluding dividends received from Suez of €122 million), for the half year ended June 30, 2021. Current net income attributable to owners of the Company per share was €0.77 (basic) and €0.74 (diluted) for the half year ended June 30, 2022, compared with €0.91 (basic) and €0.87 (diluted) for the half year ended June 30, 2021 (and €0.69 (basic) and €0.67 (diluted) excluding dividends received from Suez of €122 million).

The weighted average number of outstanding shares in the half year ended June 30, 2021 was 687,074,155.

Net income (loss) attributable to owners of the Company for the half year ended **June 30, 2022** breaks down as follows:

(€ million)	*Current*	*Non-Current*	*Total*
EBIT	1,475,0	(290.8)	1,184.2
Cost of net financial debt	(319.6)	-	(319.6)
Other financial income and expenses	(207.2)	(24.4)	(231.6)
Pre-tax net income (loss)	**948.1**	**(315.2)**	**633.0**
Income tax expense	(256.4)	22.7	(233.8)
Net income (loss) of other equity-accounted entities	-	-	-
Net income (loss) from discontinued operations	-	(2.0)	(2.0)
Net (income) loss attributable to non-controlling interests	(164.1)	2.9	(161.2)
Net income (loss) attributable to owners of the Company	**527.6**	**(291.6)**	**236.0**

Published net income (loss) attributable to owners of the Company for the half year ended **June 30, 2021** breaks down as follows:

(€ million)	*Current*	*Non-Current*	*Total*
EBIT	900.7	(160.9)	739.8
Cost of net financial debt	(152.4)	-	(152.4)
Other financial income and expenses	53.9	(22.7)	31.2
Pre-tax net income (loss)	**802.2**	**(183.6)**	**618.6**
Income tax expense	(188.4)	(29.6)	(218.0)
Net income (loss) of other equity-accounted entities	-	-	-
Net income (loss) from discontinued operations	-	(4.6)	(4.6)
Net (income) loss attributable to non-controlling interests	(98.3)	2.8	(95.4)
Net income (loss) attributable to owners of the Company	**515.5**	**(215.0)**	**300.5**

The net income attributable to owners of the company excluding dividends received from Suez for the half year ended June 30, 2021 is €178.5 million.

Current EBIT reconciles with operating income, as shown in the income statement, as follows:

(€ million)	*Half year ended June 30, 2021*	***Half year ended June 30, 2022***
Current EBIT	**901**	**1,475**
Impairment losses on goodwill and negative goodwill	(2)	(69)
Net charges to non-current provisions	5	(4)
Restructuring costs	(35)	(32)
Non-current provisions and impairment of property, plant and equipment, intangible assets, operating financial assets and other	(63)	(120)
Share acquisition costs, with or without acquisition of control	(66)	(66)
Total non-current items	**(161)**	**(291)**
Operating income after share of net income of equity-accounted entities	**740**	**1,184**

Impairment losses concern Russian goodwill which was impaired in full in the amount of -€69 million due to the Russian-Ukrainian conflict.
Restructuring costs total -€32 million in H1 2022, down slightly compared to 2021.
Non-current provisions, impairment and other costs total -€120 million in H1 2022 and mainly comprise integration costs relating to the Suez combination, as well as costs incurred in respect of a dispute in North America and asset impairment in Russia and Ukraine (€11 million).
Share acquisition costs mainly comprise costs incurred in the context of the Suez combination of €62 million for the first semester of 2022.

C] FINANCING

1/ CHANGE IN FREE CASH FLOW AND NET FINANCIAL DEBT

Net free cash flow totaled -€304 million for the half year ended June 30, 2022, compared with +€270 million for the half year ended June 30, 2021 (published).

The change in net free cash flow compared with published figures for the half year ended June 30, 2021 reflects:

- Higher EBITDA, driven by the entry into the consolidation scope of activities acquired from Suez, organic activity growth fueled by favorable energy price effects, tariff reviews, gains generated by operating and commercial efficiency plans and synergies.
- Net industrial investments of -€1,310 million, compared with -€834 million in the half year ended June 30, 2021 (published), including investments of activities acquired from Suez and industrial divestitures of €447 million, mainly comprising the sale of Integrated Waste Services assets in Australia and OSIS Greater Paris subsidiaries.
- Seasonal trends in working capital requirements, with a change in H1 2022 of -€821 million mainly attributable to the price effect on working capital requirements in the energy activity and the integration of the activities of Suez.

The following table summarizes the change in net financial debt and net free cash flow:

(€ million)	*Half year ended June 30, 2021*	***Half year ended June 30, 2022***
EBITDA	**2,081**	**2,953**
Net industrial investments	(834)	(1,310)
Change in operating WCR	(381)	(821)
Dividends received from equity-accounted entities and joint ventures	30	61
Renewal expenses	(143)	(147)
Other non-current expenses and restructuring charges	(95)	(382)
Interest on concession liabilities (IFRIC 12)	(38)	(39)
Interest on IFRS 16 lease liabilities	(14)	(21)
Financial items (current interest paid and operating cash flow from financing activities)	(201)	(330)
Taxes paid	(135)	(268)
Net free cash flow before dividend payment, financial investments and financial divestitures	**270**	**(304)**
Dividends paid	(504)	(953)
Net financial investments	(245)	(11,092)
Change in receivables and other financial assets	(9)	525
Issue / repayment of deeply subordinated securities	1	(500)
Proceeds on issue of shares	10	(10)
Free cash flow	**(477)**	**(12,334)**
Effect of foreign exchange rate movements and other	(74)	(487)
Change	**(550)**	**(12,821)**
Opening net financial debt	(13,217)	(9,532)
Closing net financial debt	**(13,767)**	**(22,353)**

Net financial debt amounted to €22,353 million, compared with €9,532 million as of December 31, 2021. Compared with December 31, 2021, the change in **net financial debt** is mainly due to:

- the change in net free cash flow of -€304 million,
- the acquisition of Suez in the amount of -€10,501 million, comprising the acquisition of Suez shares following the Public Tender Offer for -€9,318 million, net financial debt of the Suez scope of -€9,073 million and, acquisition costs of €62 million, net of the sale of components of the Suez Group to the Consortium on January 31, 2022 for +€8,018 million,
- net financial investments, excluding the acquisition of Suez, of -€145 million (including acquisition costs and net financial debt of acquired entities),
- the repayment of Suez hybrid debt for -€500 million, excluding coupons.
- dividends voted by the Combined Shareholders' Meeting of June 15, 2022 of -€688 million.

Net financial debt was also impacted by negative exchange rate fluctuations of -€464 million as of June 30, 2022.

2/ INDUSTRIAL AND FINANCIAL INVESTMENTS

2.1 industrial investments

Group gross industrial investments, including new operating financial assets, amounted to -€1,585 million for the half year ended June 30, 2022, compared with -€972 million for the half year ended June 30, 2021 (published).

The entry into the consolidation scope of the activities acquired from Suez is reflected by gross investments of €472 million in the H1 2022.

Industrial investments, excluding discontinued operations, break down by segment as follows:

Half year ended June 30, 2022 (€ million)	*Maintenance and contractual requirements (1)*	*Discretionary growth*	***Total gross industrial investments (2)***	*Industrial divestitures*	***Total net industrial investments***
France and Special Waste Europe	320	17	**337**	(70)	**267**
Europe excluding France	412	127	**539**	(27)	**512**
Rest of the world	584	52	**636**	(164)	**472**
Water technologies	100	4	**104**	(13)	**91**
Other	(31)	0	**(31)**	(1)	**(32)**
Group	**1,385**	**200**	**1,585**	**(275)**	**1,310**

(1) Including maintenance investments of €810 million (including IFRS16 leases) and contractual investments of €575 million.
(2) Including new OFA in the amount of €56 million.

Half year ended June 30, 2021 (€ million)	*Maintenance and contractual requirements (1)*	*Discretionary growth*	***Total gross industrial investments (2)***	*Industrial divestitures*	***Total net industrial investments***
France and Special Waste Europe	259	22	**281**	(37)	**244**
Europe excluding France	316	51	**367**	(55)	**312**
Rest of the world	217	44	**261**	(23)	**238**
Water technologies	32	5	**37**	(23)	**14**
Other	26	0	**26**	0	**26**
Group	**850**	**122**	**972**	**(138)**	**834**

(1) Including maintenance investments of €504 million (including IFRS16 leases) and contractual investments of €346 million.
(2) Including new OFA in the amount of -€53 million.

2.2 Financial investments and divestitures

The main financial investment in H1 2022 was the acquisition of the Suez Group, completed following the finalization of the Public Tender Offer in the first quarter for -€10,501 million, including debt assumed and the rest of the cession of a part of the Suez Group to the consortium on January 31, 2022.

Excluding the acquisition of Suez, net financial investments totaled -€145 million in H1 2022 compared with -€245 million in H1 2021 (including acquisition costs and net financial debt of acquired entities). In the first half of the year, investments primarily concerned the acquisition of 47.4% of the share capital of Lydec "Lyonnaise des Eaux de Casablanca", a Moroccan subsidiary of the Suez group for €98 million.

Financial investments totaled -€413 million in the half year ended June 30, 2021 (including acquisition costs and net financial debt of acquired entities) and mainly included the acquisition of Osis in France (€262 million excluding IFRS 16 debt) and the acquisition of an organic fertilizer facility in France (€22 million).

Financial divestitures totaled -€1 million in the half year ended June 30, 2022 (including disposal costs) and mainly included the sale of Huancheng Puxi in China, a waste-to-energy subsidiary, for €27 million and a sales price adjustment in respect of a divestment performed in 2021 in Germany of -€25 million.

Financial divestitures totaled €168 million for the half year ended June 30, 2021 (including disposal costs) and included the sale of the 5% stake in the Shenzhen concession in China by VE CGE (€80 million, excluding the repayment of the shareholder loan of €105 million), as well as the sale of Utilities Services activities in Sweden and Norway in the amount of €32 million (total transaction of €70 million).

3/ OPERATING WORKING CAPITAL

The change in operating working capital requirements (excluding discontinued operations) was -€821 million for the half year ended June 30, 2022, compared with -€381 million for the half year ended June 30, 2021 (published). This change is mainly due to the seasonality and the increase on energy prices on the working capital requirements and the entry of the activities of Suez.
See Note 6.3 to the consolidated financial statements for the half year ended June 30, 2022.

4/ EXTERNAL FINANCING

Structure of net financial debt

As of June 30, 2022, net financial debt after hedging is borrowed 85% at fixed rates (compared with 100% as of December 31, 2021).

This change is mainly due to the integration of Suez debt, increasing by 11 points the share of floating-rate debt (through a swap portfolio), as well as optimized management of bond debt in Q1 2022. The Group nonetheless targets net financial debt primarily at fixed rates and plans to return to levels close to 100% on receipt of the proceeds from antitrust divestitures.

The average maturity of net financial debt was 6.7 years as of June 30, 2022 compared with 5.9 years as of June 30, 2021.

(€ million)	*As of June 30, 2021*	***As of June 30, 2022***
Non-current financial liabilities	11,618	22,981
Current financial liabilities	8,341	7,239
Bank overdrafts and other cash position items	225	440
Sub-total financial debt	**20,184**	**30,659**
Cash and cash equivalents	(5,454)	(7,175)
Allocation of the fair value of hedging instruments	8	412
Liquid assets and financing financial assets	(971)	(1,543)
Net financial debt	**13,767**	**22,353**

Group liquidity position

Liquid assets of the Group as of June 30, 2022 break down as follows:

(€ million)	*As of December 31, 2021*	***As of June 30, 2022***
Veolia Environnement		
Undrawn syndicated loan facility	3,000.0	3,000.0
Undrawn MT bilateral credit lines	1,000.0	1,000.0
Undrawn ST bilateral credit lines	-	-
Letters of credit facility	22.9	10.1
Cash and cash equivalents [(1)]	10,333.7	4,235.1
Subsidiaries:		
Suez SA undrawn syndicated loan facility	-	2,500.0
Cash and cash equivalents [(1)]	1,156.7	4,483.1
Total liquid assets	**15,513.3**	**15,228.3**
Current debt and bank overdrafts and other cash position items		
Current debt	9,034.9	7,806.0
Bank overdrafts and other cash position items	241.9	439.6
Total current debt and bank overdrafts and other cash position items	**9,276.8**	**8,245.6**
Total liquid assets net of current debt and bank overdrafts and other cash position items	**6,236.5**	**6,982.7**

[(1)] *Including liquid assets and assets linked to financing included in net financial debt.*

APPENDICES

1/COMBINED DATA FOR THE HALF YEAR ENDED JUNE 30, 2022

To enable comparability of H1 2022 financial data including the contribution of activities acquired from Suez from January 18, 2022, published key figures for the half year ended June 30, 2021 were restated to present the financial data of the new Veolia group including the activities acquired from Suez and the adjustment for the first seventeen days of 2022 applied to 2021. Combined data for the half year ended June 30, 2022 is presented for Revenue, EBITDA and Current EBIT.

2/ RECONCILIATION OF 2021 PUBLISHED DATA BY OPERATING SEGMENT WITH IFRS 8 RE-PRESENTED DATA

The change in Group governance effective February 2022 led to an update to the IFRS 8 operating segments to reflect the new breakdown by Management Zone implemented following the integration of Suez activities.
Pursuant to IFRS 8, segment financial reporting published in 2021 was re-presented in accordance with the new segments.

Re-presented figures at 30 June 2021 were published on the website of the Group :

https://www.veolia.com/fr/groupe/finance/information-financiere/publications-financieres

3/RECONCILIATION OF GAAP INDICATORS AND THE INDICATORS USED BY THE GROUP

The reconciliation of Current EBIT with operating income, as shown in the income statement, is presented earlier in this press release. Likewise, the reconciliation of current net income with net income attributable to owners of the Company, as shown in the income statement.
The reconciliation of Net cash from operating activities of continuing operations (included in the Consolidated Cash Flow Statement) with net free cash flow is as follows :

(€ million)	*Half year ended June 30, 2021*	***Half year ended June 30, 2022***
Net cash from operating activities of continuing operations	***1,058***	***1,028***
Plus:		
Industrial investments, net of grants	(621)	(1,196)
Proceeds on disposal of industrial assets	139	275
New operating financial assets	(53)	(56)
Principal payments on operating financial assets	83	105
New finance lease debt	(226)	(249)
Dividends received	30	61
Net financial interest	(246)	(368)
Less:		
Share acquisition and disposal costs	106	95
Net free cash flow	**270**	**(304)**

The reconciliation of industrial investments, net of grants (included in the Consolidated Cash Flow Statement) with industrial investments is as follows:

(€ million)	*Half year ended June 30, 2021*	***Half year ended June 30, 2022***
Industrial investments, net of grants	**(621)**	**(1,196)**
New finance lease debt	(226)	(249)
Change in concession working capital requirements	(73)	(85)
New operating financial assets	(53)	(56)
Industrial investments	**(972)**	**(1,585)**

4/ DEFINITIONS

No changes have been made to non-GAAP financial indicators by the Group.

NON-STRICTLY ACCOUNTING INDICATORS (NON GAAP)

To calculate **Current EBIT** (which includes the share of current net income of joint ventures and associates), the following items are deducted from Operating income:

- impairment of goodwill of controlled subsidiaries and equity-accounted entities;
- restructuring charges;
- non-current provisions and impairment;
- non-current and/or significant impairment of non-current assets (property, plant and equipment, intangible assets and operating financial assets);
- share acquisition costs.

For the other indicators, please refer to Section 5.5.8 of the 2021 Universal Registration Document.

CONSOLIDATED INCOME STATEMENT

(€ million)	**Half year ended June 30, 2021**	**Half year ended June 30, 2022**
Revenue	**13,645.1**	**20,195.6**
Cost of sales	(11,374.3)	(16,765.7)
Selling costs	(279.0)	(463.1)
General and administrative expenses	(1,136.4)	(1,511.7)
Other operating revenue and expenses	(164.0)	(330.2)
Operating income before share of net income (loss) of equity-accounted entities	**691.4**	**1,124.9**
Share of net income (loss) of equity-accounted entities	**48.4**	**59.3**
o/w share of net income (loss) of joint ventures	33.0	29.3
o/w share of net income (loss) of associates	15.4	30.0
Operating income after share of net income (loss) of equity-accounted entities	**739.8**	**1,184.2**
Cost of net financial debt	(152.4)	(319.6)
Other financial income and expenses	31.2	(231.6)
Pre-tax net income (loss)	**618.6**	**633.0**
Income tax expense	(218.0)	(233.8)
Share of net income (loss) of other equity-accounted entities	-	-
Net income (loss) from continuing operations	**400.6**	**399.2**
Net income (loss) from discontinued operations	(4.6)	(2.0)
Net income (loss) for the period	**396.0**	**397.2**
Attributable to owners of the Company	**300.5**	**236.0**
Attributable to non-controlling interests	95.5	161.2
NET INCOME (LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY PER SHARE *(in euros)*		
Basic	0.53	0.34
Diluted	0.51	0.33
NET INCOME (LOSS) FROM CONTINUING OPERATIONS ATTRIBUTABLE TO OWNERS OF THE COMPANY PER SHARE *(in euros)*		
Basic	0.54	0.35
Diluted	0.52	0.34
NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS ATTRIBUTABLE TO OWNERS OF THE COMPANY PER SHARE *(in euros)*		
Basic	(0.01)	-
Diluted	(0.01)	-

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – ASSETS

(€ million)	**As of December 31, 2021**	**As of June 30, 2022**
Goodwill	6,201.2	13,701.3
Concession intangible assets	3,706.0	5,427.0
Other intangible assets	1,328.6	2,323.7
Property, plant and equipment	8,701.9	15,898.3
Right of use (net)	1,562.4	2,098.8
Investments in joint ventures	1,238.5	1,241.9
Investments in associates	354.2	690.6
Non-consolidated investments (*)	3,770.3	89.8
Non-current operating financial assets	1,191.4	1,216.5
Non-current derivative instruments - Assets	88.5	276.9
Other non-current financial assets	431.2	616.5
Deferred tax assets	1,059.2	1,852.0
Non-current assets	**29,633.4**	**45,433.3**
Inventories and work-in-progress	816.3	1,440.3
Operating receivables	10,015.3	13,825.8
Current operating financial assets	129.0	239.0
Other current financial assets	1,521.0	2,511.8
Current derivative instruments - Assets	344.9	579.0
Cash and cash equivalents	10,518.7	7,174.9
Assets classified as held for sale	98.7	984.1
Current assets	**23,443.9**	**26,754.9**
TOTAL ASSETS	**53,077.3**	**72,188.2**

(*) As of December 31, 2021, non-consolidated investments consist of Suez shares for €3,721.0 million and other securities for €49.3 million.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - EQUITY AND LIABILITIES

(€ million)	**As of December 31, 2021**	**As of June 30, 2022**
Share capital	3,498.6	3,502.9
Additional paid-in capital	9,309.5	9,305.2
Deeply subordinated perpetual securities	2,460.7	3,506.6
Reserves and retained earnings attributable to owners of the Company	(3,750.8)	(4,072.1)
Total equity attributable to owners of the Company	**11,518.0**	**12,242.6**
Total equity attributable to non-controlling interests	1,252.0	2,976.0
Shareholders' equity	**12,770.0**	**15,218.6**
Non-current provisions	1,876.6	2,361.6
Non-current financial liabilities	10,462.5	21,219.8
Non-current IFRS 16 lease debt	1,298.1	1,760.7
Non-current derivative instruments - Liabilities	68.8	598.1
Concession liabilities - non-current	1,588.4	1,582.0
Deferred tax liabilities	1,196.4	2,331.8
Non-current liabilities	**16,490.8**	**29,854.0**
Operating payables	13,548.9	17,804.7
Concession liabilities - current	169.4	193.6
Current provisions	538.5	814.5
Current financial liabilities	8,624.3	6,711.8
Current IFRS 16 lease debt	410.6	528.4
Current derivative instruments - Liabilities	261.5	492.3
Bank overdrafts and other cash position items	241.9	439.6
Liabilities directly associated with assets classified as held for sale	21.4	130.7
Current liabilities	**23,816.5**	**27,115.6**
TOTAL EQUITY AND LIABILITIES	**53,077.3**	**72,188.2**

CONSOLIDATED CASH-FLOW STATEMENT

(€ million)	**Half year ended June 30, 2021**	**Half year ended June 30, 2022**
Net income (loss) for the period	**396.0**	**397.2**
Net income (loss) from continuing operations	***400.6***	***399.2***
Net income (loss) from discontinued operations	***(4.6)***	***(2.0)***
Operating depreciation, amortization, provisions and impairment losses	1,059.3	1,243.5
Financial amortization and impairment losses	(8.5)	(2.0)
Gains (losses) on disposal of operating assets	(39.0)	(99.4)
Gains (losses) on disposal of financial assets	0.3	3.4
Share of net income (loss) of joint ventures	(33.0)	(29.3)
Share of net income (loss) of associates	(15.4)	(30.0)
Dividends received	(123.0)	(2.0)
Cost of net financial debt	152.4	319.6
Income tax expense	218.0	233.8
Other items	35.0	164.9
Operating cash flow before changes in working capital	**1,646.7**	**2,201.7**
Change in operating working capital requirements	(380.9)	(821.0)
Change in concession working capital requirements	(72.7)	(84.4)
Income taxes paid	(135.0)	(267.9)
Net cash from operating activities of continuing operations	**1,058.1**	**1,028.4**
Net cash from operating activities of discontinued operations	***(13.2)***	***22.1***
Net cash from operating activities	**1,044.9**	**1,050.5**
Industrial investments, net of grants	(620.8)	(1,195.5)
Proceeds on disposal of industrial assets	100.0	274.9
Purchases of investments	(310.5)	(3,439.5)
Proceeds on disposal of financial assets	176.5	7,505.4
Operating financial assets	-	-
New operating financial assets	(53.0)	(56.2)
Principal payments on operating financial assets	83.4	105.4
Dividends received (including dividends received from joint ventures and associates)	30.7	60.8
New non-current loans granted	(64.5)	(99.1)
Principal payments on non-current loans	161.4	108.8
Net decrease/increase in current loans	16.2	867.5
Net cash used in investing activities of continuing operations	**(480.6)**	**4,132.5**
Net cash used in investing activities of discontinued operations	**-**	***25.8***
Net cash used in investing activities	**(480.6)**	**4,158.3**

CONSOLIDATED CASH FLOW STATEMENT CONTINUED

(€ million)	**Half year ended June 30, 2021**	**Half year ended June 30, 2022**
Net increase (decrease) in current financial liabilities	(596.5)	(4,073.7)
Repayment of current IFRS 16 lease debt	(229.1)	(275.4)
Other changes in non-current IFRS 16 lease debt	(64.8)	(73.7)
New non-current borrowings and other debt	791.4	329.7
Principal payments on non-current borrowings and other debt	(15.6)	(677.7)
Change in liquid assets and financing financial assets	(135.5)	(570.1)
Proceeds on issue of shares	17.4	-
Share capital reduction	-	-
Transactions with non-controlling interests: partial purchases (*)	(1.9)	(1,766.6)
Transactions with non-controlling interests: partial sales	0.3	1.4
Proceeds on issue of deeply subordinated securities	0.8	(500.0)
Coupons on deeply subordinated securities	(23.9)	(80.1)
Purchases of/proceeds from treasury shares	10.1	(10.4)
Dividends paid	(480.2)	(185.2)
Interest paid	(194.3)	(308.0)
Interest on IFRIC 12 operating assets	(37.8)	(38.8)
Interest on IFRS 16 lease debt (**)	(14.0)	(20.7)
Net cash from (used in) financing activities of continuing operations	***(973.6)***	***(8,249.3)***
Net cash from (used in) financing activities of discontinued operations	***(0.1)***	***(84.9)***
Net cash from (used in) financing activities	**(973.7)**	***(8,334.2)***
Effect of foreign exchange rate changes and other	17.2	(401.8)
Increase (decrease) in external net cash of discontinued operations	-	(14.3)
NET CASH AT THE BEGINNING OF THE PERIOD	**5,622.4**	**10,276.8**
NET CASH AT THE END OF THE PERIOD	**5,229.4**	**6,735.3**
Cash and cash equivalents	5,453.9	7,174.9
Bank overdrafts and other cash position items	224.5	439.6
NET CASH AT THE END OF THE PERIOD	**5,229.4**	**6,735.3**

(*) Following the takeover of Suez on January 18, 2022, Veolia acquired the residual shares not contributed during the Public Tender Offer for an amount of 1,752 million euros
(**) Interest on IFRS 16 lease debt is not included in the Cost of net financial debt, but in Other financial income and expenses