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SUEZ Q1 2021: Excellent results, with strong organic growth compared to 2019 and 2020, illustrating the success of SUEZ 2030 plan

- The Group's commercial dynamism is reflected in robust organic revenue growth (+5.9% vs. Q1 2020 / +6.2% vs. Q1 2019), with positive contributions from all business segments
- The acceleration of the performance plan drove an increase in EBITDA to €768 M (organic growth of +17.0% vs. Q1 2020 / +14.6% vs. Q1 2019). EBIT stands at €340 M (organic growth of +39.0% vs. Q1 2020 / +16.3% vs. Q1 2019)
- Strong operational execution: resilient Water activities and strong performance in Recycling and Recovery (especially in France) and Environmental Tech & Solutions (especially SES and WTS)
- Solid cash generation, supported by tight control of working capital
- 2021 objectives and outlook confirmed
- An ordinary dividend only, of €0.65 per share, will be proposed to shareholders at the Annual General Meeting to be held on 22 June 2021
- Work is underway to complete the final merger agreements between SUEZ and Veolia by 14 May

Bertrand Camus, SUEZ CEO, commented:

"The first quarter results have been excellent, not just in comparison to 2020 but also compared to 2019. The Group recorded solid organic growth, strong improvement in profitability, and very good cash generation, all of which are at historically high levels for a first quarter. All of our business segments are growing. Our Recycling & Recovery activities in particular are reaping the benefits of a solid price dynamic and an increase in the volume of waste processed in Europe; our Environmental Tech & Solutions activities are returning to a more sustained growth path. Operational profitability is driven by this growth and also, notably, the acceleration of our performance plan.

In a still volatile environment, due to the persistence of the pandemic and Veolia's current tender offer, the Group is increasing its operational efficiency thanks to the actions of the SUEZ 2030 plan implemented by our teams, whom I would like to thank for their commitment and determination. The solutions we provide to our clients are in demand everywhere, and we have signed a number of major contracts this quarter.

This excellent first quarter is further proof that SUEZ is well positioned to achieve its objectives for 2021."

RESULTS AS AT 31 MARCH 2021

The SUEZ Board of Directors examined the consolidated results as at 31 March 2021 at its meeting on 28 April 2021. These results were reviewed by the Audit Committee at its meeting on 26 April 2021.

In million euros	31 March 2019	31 March 2020	31 March 2021	Change gross vs 2020	Change excluding FX vs 2020	Change organic vs 2020	Change organic vs 2019
Revenue	4,210	4,198	4,311	+2.7%	+4.2%	+5.9%	+6.2%
EBITDA <i>EBITDA / Revenue</i>	709 16.9%	676 16.1%	768 17.8%	+13.5%	+14.3%	+17.0%	+14.6%
EBIT <i>EBIT / Revenue</i>	293 7.0%	231 5.5%	340 7.9%	+47.0%	+46.9%	+39.0%	+16.3%

In million euros	31 March 2019	31 March 2020	31 March 2021	Change Gross vs 2020
Net debt	10,367	10,402	9,783	-6.0%
Net debt / EBITDA	3.3x	3.3x	3.4x	+0.1x

GROUP PERFORMANCE

Revenue in million euros	31 March 2020	31 March 2021	Change gross	Change organic	Change excluding FX
TOTAL	4,198	4,311	+2.7%	+5.9%	+4.2%
<i>Of which:</i>					
Water	1,609	1,581	-1.8%	+0.3%	-0.4%
Recycling and Recovery	1,838	1,993	+8.4%	+11.8%	+8.4%
Environmental Tech & Solutions	827	805	-2.6%	+2.2%	+2.2%
<i>Inter-company</i>	-76	-68	-10.6%	-10.6%	-10.6%

- The change in gross revenue of +2.7% (+€113 M) compared to 31 March 2020 breaks down into:
 - Organic change of +5.9% (+€248 M).
 - A currency effect of -1.5% (-€62 M), resulting from the appreciation of the euro against the US dollar (-€41 M) and the Brazilian real (-€7 M), partially offset by the appreciation of the Australian dollar (+€19 M) and the Chilean peso (+€3 M) against the euro.
 - A scope effect of -1.7% (-€73 M).
- EBITDA amounted to **€768 M** as at 31 March 2021, with organic growth of +17.0% and +14.3% in constant currencies vs. Q1 2020. The impact of exchange rates was unfavorable in the amount of -€5 M. The strong organic growth in EBITDA is the result of Revenue growth, with the deployment of the Group's selective growth strategy, the successful implementation of its performance plan, and the ongoing mitigation measures put in place in response to the Covid-19 pandemic. This resulted in an increase in the EBITDA margin compared to Q1 2020 (+1.7 points) and Q1 2019 (+0.9 points).
- These elements are also reflected in EBIT, with organic growth of +39.0% to **€340 M**. This amount takes into account the accounting impact of IFRS 5 for c.€26 M. Growth in constant currencies was +46.9%, and currency effects amounted to +€0.3 M for the quarter. It should be noted that the Group recorded an estimated impact of Covid-19 on EBITDA and EBIT of -€60 M in the first quarter of 2020.
- Net debt stood at **€9,783 M** as at 31 March 2021, down by €619 M compared with 31 March 2020. This change includes both the decision to terminate the securitization program (€291m) and the capital increase linked to the employee shareholding plan (-€160m). The **debt ratio** was 3.37x EBITDA over a rolling 12-month period, below the level as at 31 December 2020 and in line with the level as at 31 March 2020.

OUTLOOK AND DIVIDEND POLICY

- **2021 objectives and outlook confirmed¹:**
 - Revenues of more than €16 bn with a return to organic growth
 - EBIT of €1.4 to 1.6 bn
 - Recurring EPS of €0.80 to €0.85
 - Recurring Free Cash Flow of more than €500 M

¹ Assuming constant exchange rates as at FY 2020 and raw material prices and no recurrence of widespread regional lockdowns

■ Dividend policy

The Group has decided to maintain the proposal for an ordinary dividend as originally intended at 0.65€ per share. This will subject to approval by the Annual Shareholders Meeting to be held on June 22nd.

In the light of the agreement in principle reached on 11th April with Veolia, the Board has decided not to proceed at this stage with an additional extraordinary distribution.

PERFORMANCE BY SEGMENT

WATER

In million euros	31 March 2020	31 March 2021	Change gross	Change organic	Change excluding FX
Revenue	1,609	1,581	-1.8%	+0.3%	-0.4%

■ The Water segment recorded revenues of **€1,581 M** in the first quarter of 2021, with organic growth of **+0.3% (+€4 M)**.

- **Europe** posted organic revenue growth of **+1.2% (+€10 M)**. The volume of water sold in France was up slightly, at +0.3%. It fell by -1.6% in Spain, where tourist activity continues to be impacted by pandemic-related restrictions. Tariff indexation for the quarter rose in average by +1.0% in France, and fell by -0.8% in Spain.
- The **Americas** region recorded an organic decline in revenues of **-3.4% (-€15 M)**, notably in Chile where sales volumes of water were down by -4.8% due to the pandemic-related restrictions in place in this country. Tariffs are up by +0.5%. In the regulated water sector in the United States, sales volumes of water fell -1.2 vs. Q1 2020, largely due to less favorable weather conditions.
- The **Asia-Pacific** region posted strong organic revenue growth of **+13.8% (+€12 M)**. The performance reflects, in particular, the increase in the volume sold in mainland China, even if the weak tourist sector continues to negatively impact the volume of water sold in Macao.
- The **AMECAI** region recorded a slight organic decline in revenues of **-1.4% (-€3 M)**.

RECYCLING AND RECOVERY

In million euros	31 March 2020	31 March 2021	Change gross	Change organic	Change excluding FX
Revenue	1,838	1,993	+8.4%	+11.8%	+8.4%

■ The Recycling and Recovery segment recorded revenues of **€1,993 M**, with organic growth of **+11.8% (+€217 M)**. The volume of waste processed rose by +1%.

- **Europe** recorded organic revenue growth of **+13.7% (+€211 M)**. In France and continental Europe, performance was driven by solid pricing dynamics, an increase in the volume of waste processed and the positive trend in recycled raw material prices. In the United Kingdom, optimization of the availability and saturation of treatment capacities offset the impact of lower volumes for industrial and commercial customers caused by public health restrictions.

- The **Asia-Pacific region** recorded organic growth of **+1.4% (+€4 M)**, largely driven by the increase in the volume of waste processed in Asia compared to the first quarter of 2020 and a favorable trend in price indices.
- The **AMECAI region** experienced an organic decline of **-11.1% (-€3 M)**, while organic growth in the **Americas** region rose **+45.9% (+€5 M)**.

ENVIRONMENTAL TECH & SOLUTIONS

In million euros	31 March 2020	31 March 2021	Change gross	Change organic	Change excluding FX
Revenue	827	805	-2.6%	+2.2%	+2.2%

▪ The **Environmental Tech & Solutions** segment recorded, as at 31 March 2021, revenues of **€805 M**, with organic growth of **+2.2% (+€18 M)**. This reflects the solid performance of *Smart & Environmental Solutions* (**+7.0%** in organic growth to **€115 M**), led, in particular, by the digital and decentralized activities in France, the environmental quality monitoring activity in Asia, and of *Hazardous Waste* (**+4.0%** in organic growth, to **€139 M**).

The *Water Technologies & Solutions* division also returned to Revenue growth (**+0.9%** in organic growth to **€551 M**), supported by the excellent performance of the products activity.

- The **Americas** region recorded organic growth of **+1.1% (+€4 M)**, supported by a dynamic quarter for WTS.
- **Europe** posted organic growth of **+1.4% (+€5 M)**. This performance reflects both a favorable trend in the volume of hazardous waste processed and the dynamism of the digital and decentralized activities sector within SES in France.
- The **Asia-Pacific** region posted strong organic growth of **+16.8% (+€18 M)**. This increase reflects the healthy dynamics of the environmental quality monitoring activity within SES, as well as a strong increase in the volume processed within the hazardous waste activity, compared to a Q1 2020 that was impacted by industrial park closures.
- The **AMECAI** region recorded an organic decline of **-22.1% (-€9 M)**.

FINANCIAL CALENDAR (SUBJECT TO CHANGE):

- Annual General Meeting: 22 June 2021
- Detachment of the dividend²: 28 June 2021
- Payment of the dividend²: 30 June 2021
- H1 2021 results: 29 July 2021
- 9M 2021 results: 28 October 2021

The definition and calculation of the alternative performance measures (APMs) presented in this press release are published in full in the Group's Universal Registration Document and can be found on the Group's website: <https://www.suez.com/en/finance/financial-information>

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About SUEZ:

Since the end of the 19th century, SUEZ has built expertise aimed at helping people to constantly improve their quality of life by protecting their health and supporting economic growth. With an active presence on five continents, SUEZ and its 90,000 employees strive to preserve our environment's natural capital: water, soil, and air. SUEZ provides innovative and resilient solutions in water management, waste recovery, site remediation and air treatment, optimizing municipalities' and industries' resource management through "smart" cities and improving their environmental and economic performance. The Group delivers sanitation services to 64 million people and produces 7.1 billion m³ of drinking water. SUEZ is also a contributor to economic growth, with more than 200,000 jobs created directly and indirectly on an annual basis, and a provider of new resources, with 4.2 million tons of secondary raw materials produced. By 2030, the Group is targeting 100% sustainable solutions, with a positive impact on our environment, health and climate. SUEZ generated total revenue of €17.2 billion in 2020.

Find out more about the SUEZ Group
on our [website](#) and social media



² Subject to approval by the Annual General Meeting of Shareholders