SUEZ H1 2019:
ORGANIC GROWTH IN LINE WITH OUR EXPECTATIONS
2019 OBJECTIVES CONFIRMED

- Revenue: €8,656m, organic growth of +3.5%
- EBIT: €645m, organic growth of +4.8% with a positive contribution from each of the divisions
- Net income Group share: €212m, up +135% and +14% excluding one-offs, including a net positive impact of €145m related to the resolution of arbitration on the Buenos Aires contract
- Work on strategic repositioning progressing as planned with conclusions to be presented by October 30th

Bertrand Camus, SUEZ CEO, commented:

"SUEZ’s operating performance in the first half of the year was solid, with organic growth in revenue and EBIT in line with our expectations. We confirm our 2019 objectives.

For the first-half, our commercial success matches our priorities: international expansion, consolidation of our positions in Europe, growth with industrial customers and increased focus on innovation in high value-added businesses. In particular, SUEZ won Manchester’s waste management contract, opened the most modern sorting center in Europe in Germany and began construction of a plastic recycling plant in Thailand. The Group also acquired a majority stake in a Saudi company, EDCO, a hazardous waste specialist. Finally, the acquisition in China of ALS laboratories, a leader in analysis, control and certification, strengthens our innovation capabilities.

Looking ahead, my ambition is to make SUEZ the world leader in environmental services, contributing to a more sustainable planet. Our business and expertise are central to the challenges of our times, especially sustainability and climate change. With the support of the Board of Directors, we are making progress on a comprehensive strategic review. The strategic repositioning resulting from this review will be presented by October 30th. By mobilizing all the Group’s talent, I am determined to ensure our growth is selective and profitable, in order to create value for all stakeholders."
## RESULTS AT JUNE 30, 2019

SUEZ’s Board of Directors examined the consolidated financial statements at June 30, 2019 at its meeting held on July 25, 2019. They were also reviewed by the Audit Committee at its meeting of July 24, 2019.

<table>
<thead>
<tr>
<th>In millions of euros</th>
<th>June 30, 2018</th>
<th>June 30, 2019</th>
<th>Gross variation</th>
<th>Organic variation</th>
<th>Gross variation</th>
<th>Variation at constant FX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>8,351</td>
<td>8,656</td>
<td>+3.7%</td>
<td>+3.5%</td>
<td>+3.7%</td>
<td>+2.9%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1,323</td>
<td>1,521</td>
<td>+15.0%</td>
<td>+2.4%</td>
<td>+3.1%</td>
<td>+2.6%</td>
</tr>
<tr>
<td>EBITDA / Revenue</td>
<td>15.8%</td>
<td>17.6%</td>
<td></td>
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</tr>
<tr>
<td>EBIT</td>
<td>607</td>
<td>645</td>
<td>+6.2%</td>
<td>+4.8%</td>
<td>-5.2%</td>
<td>+5.0%</td>
</tr>
<tr>
<td>EBIT / Revenue</td>
<td>7.3%</td>
<td>7.5%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income – Group share</td>
<td>90</td>
<td>212</td>
<td></td>
<td></td>
<td>x2.3</td>
<td></td>
</tr>
<tr>
<td>Net income – Group share excluding one-offs¹</td>
<td>69</td>
<td>79</td>
<td></td>
<td></td>
<td>+14.3%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>In millions of euros</th>
<th>June 30, 2018</th>
<th>June 30, 2019</th>
<th>Gross variation</th>
<th>Excluding IFRS 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free Cash-Flow</td>
<td>238</td>
<td>292</td>
<td>+22.7%</td>
<td>Excl. IFRS 16</td>
</tr>
<tr>
<td>Net Debt</td>
<td>9,323</td>
<td>10,614</td>
<td>-0.9%</td>
<td></td>
</tr>
<tr>
<td>Net Debt / EBITDA</td>
<td>3.5x</td>
<td>3.3x²</td>
<td>-0.2x</td>
<td></td>
</tr>
</tbody>
</table>

¹ At constant reporting standards and excluding impairments, capital gains, and resolution in Argentina
² At constant reporting standards
HIGHLIGHTS

WATER EUROPE

- **France:**
  - Concession contract for drinking water and sanitation in the city center and the north of the Grand Chalon area. Cumulative revenue of €115m for a 10-year period.

RECYCLING & RECOVERY EUROPE

- **UK:**
  - Waste management contract with Greater Manchester. Management of approximately 1.1 million tons of waste produced by approximately 2.3 million inhabitants. Revenue of c. €780m over a 7-year period with the possibility of a 3- then 5-year extension.
  - Preferred bidder of the contract to roll out a new household waste recycling service starting in 2020 in Somerset County. c.€243m revenue for the initial 10-year term (potential 10-year extension).

- **France:**
  - Contract in the Eure department with the SETOM for the operation of Ecoval's Energy-from-waste plant and Biomass recovery plant. Cumulative revenue of €110m for a 12-year period.
  - Contract with the Lyon Metropolitan Area for the operation of the Rillieux-La-Pape waste treatment and energy-from-waste plant. Overall revenue of €79m for an 8-year period.

- **Germany:**
  - Opening in Ölbronn of Europe’s most modern sorting center, built by SUEZ, dedicated to light packaging.

- **Netherlands:**
  - Contract with DSM, company specialized in nutrition, health and high-performance materials, to recycle hazardous waste. Overall revenue of more than €10m for a 6-year period.

INTERNATIONAL

- **India:**
  - Contract for the construction and operation of a wastewater treatment plant in New Delhi (Okhla), the largest plant of this kind in India. Revenue of c.€145m, for an 11-year period.

- **China:**
  - 4 new contracts: recovery of a river in the Wuhan, engineering and operation of a wastewater treatment plant in the Taixing industrial park and treatment of sewage sludge in Shanghai and Changsha (engineering and equipment supply).
  - Acquisition in laboratories business, ALS group in China, consolidating the Group’s capabilities in innovative solutions for air quality control and sanitation services.

- **Thailand:**
  - Construction of a recycling plant for plastic waste made of recycled polymers in Bang Phli, near Bangkok.
- **Middle East:**
  - In **Saudi Arabia**, majority stake in Saudi hazardous waste management company, EDCO, alongside Five Capital Fund.
  - Contract to modernize **Doha West** (Qatar). **Total revenue of €66m and total duration: 30 months.**
  - Two new contracts in the fast-growing **Smart Water** market worth a total revenue of more than €4m, in **Oman** (1 year) and **Qatar** (3 years).

- **North America:**
  - In **Montreal**, contract to design, build and operate the first organic waste treatment center. **Cumulative revenue of €117m for 7-years.**

- **Italy:**
  - Contract to renovate and operate the **Naples North** wastewater treatment plant as part of the major infrastructure modernization project "Regi Lagni - Naples", in which the Group won the contract to modernize and operate the Cuma wastewater treatment plant in 2017. **These two contracts will represent cumulative revenue of €120m over a 5-year period.**

- **Poland:**
  - Completion of construction phase for the new **Mlawa** wastewater treatment plant. **Cumulative revenue of €77m for a 30-year period.**

**WATER TECHNOLOGIES & SOLUTIONS**

Signature of 9 new contracts, representing **total revenue of approximately €120m**, including **NABC**, bottler for **Coca-Cola**, Fujifilm and key players in the **Oil & Gas, energy and agri-food** sectors in the United States, Brazil, Qatar and South Korea.

**GROUP / INNOVATION**

- **Rollout of the AQUADVANCED® Urban Drainage digital solution in Singapore**
  Won contract to develop and maintain Singapore’s Operating System for its Stormwater Network for a 4-year period: real-time control of containers.

- **Digital Hub: a device to accelerate digital projects in Paris**
  Target: accelerate 15 to 20 high-potential digital projects every 6 months by bringing together multi-business, multicultural teams and partners (start-ups tech, incubators...).

- **Experimentation with the innovative "IP’AIR" system in the Paris metro**
  6 month-long experimentation in a Parisian metro station with the IP’AIR device, an innovative air treatment solution.

- **Commissioning of the Smart City project in the Dijon Metropolitan Area, France**
  Remote management, from a connected cockpit, of all urban facilities in the 23 municipalities of the region.

- **Launch of Loop, the e-commerce platform designed to reduce waste**
  More than 25 companies, including SUEZ, associated in the e-commerce site created by TerraCycle delivering everyday products to your home in sustainable and returnable containers. Accessible in Paris and New York.
**PERFORMANCE BY DIVISION**

**WATER EUROPE**

<table>
<thead>
<tr>
<th>In millions of euros</th>
<th>June 30, 2018</th>
<th>June 30, 2019</th>
<th>Gross variation</th>
<th>Organic variation</th>
<th>Excluding IFRS 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>2,230</td>
<td>2,228</td>
<td>-0.1%</td>
<td>+1.3%</td>
<td>-0.1% +0.3%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>567</td>
<td>567</td>
<td>-0.1%</td>
<td>-2.6%</td>
<td>-4.2% -3.1%</td>
</tr>
<tr>
<td>EBIT</td>
<td>248</td>
<td>245</td>
<td>-1.1%</td>
<td>+0.7%</td>
<td>-1.3% +0.5%</td>
</tr>
</tbody>
</table>

- The Water Europe division reported revenue of **€2,228m**, up **+1.3%** in organic terms (+29m€).
  - Revenue in **France** was down -1.6% (-€17m) on an organic basis. Water sales volumes increased by +1.0%, and tariff indexations were up +1.8%. The first half of the year was impacted by the end of the Bordeaux and Valenton contracts.
  - Revenue in **Spain** was up +2.8% (+€20m) on an organic basis. Water sales volumes were up +1.7%. Tariffs were down -0.8%, factoring in the 1.65% decrease negotiated in Barcelona, effective since May 2018.
  - Revenue in **Latin America** grew +5.6% (+€26m) on an organic basis. The business benefited from a +1.3% increase in water sales volumes in Chile and +1.8% tariff increases.
- The division reported organic growth in **EBIT** of **+0.7% (+€2m)** to **€245m**.

**RECYCLING & RECOVERY EUROPE**

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<tr>
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<tbody>
<tr>
<td>Revenue</td>
<td>3,118</td>
<td>3,213</td>
<td>+3.0%</td>
<td>+4.4%</td>
<td>+3.0% +3.2%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>346</td>
<td>418</td>
<td>+20.9%</td>
<td>-0.1%</td>
<td>+0.4% +0.5%</td>
</tr>
<tr>
<td>EBIT</td>
<td>141</td>
<td>150</td>
<td>+6.8%</td>
<td>+5.9%</td>
<td>+5.2% +5.3%</td>
</tr>
</tbody>
</table>

- The Recycling and Recovery Europe division reported revenue of **€3,213m**, up **+4.4% (+€138m)** on an organic basis. The volume of waste treated increased by +0.2% at June 30, 2019, in line with the expected trajectory of around +1.5% for the year as a whole.
  - The Industrial Waste Specialties business increased by a robust +16.2% (+€35m), notably driven by the soil remediation business in Northern Europe and the minerals business in France.
  - Revenue in the Benelux/Germany region rose +8.9% (+€65m) on an organic basis. Business benefitted from price revisions with Industrial and Commercial customers.
  - The United Kingdom/Scandinavia region posted organic growth of +4.2% (+€23m). The Greater Manchester Area Waste Management Contract also started on June 1st, 2019.
▪ France recorded organic revenue growth of +0.9% (+€14m).

▪ The division's EBIT ended at €150m, an organic increase of +5.9% (+€8m).

INTERNATIONAL

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<td></td>
<td>Variation at constant FX</td>
</tr>
<tr>
<td>Revenue</td>
<td>1,842</td>
<td>1,962</td>
<td>+6.5%</td>
<td>+4.0%</td>
<td>+6.5%</td>
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<td>+4.2%</td>
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<tr>
<td>EBITDA</td>
<td>370</td>
<td>457</td>
<td>+23.6%</td>
<td>+12.2%</td>
<td>+15.2%</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>+12.8%</td>
</tr>
<tr>
<td>EBIT</td>
<td>258</td>
<td>280</td>
<td>+8.7%</td>
<td>+5.1%</td>
<td>+7.6%</td>
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<td></td>
<td>+5.7%</td>
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▪ The International division reported revenue of €1,962m on June 30, 2019, meaning organic growth of +4.0% (+€74m) as a result of the following:

▪ Revenue in Asia was up +29.3% (+€55m) on an organic basis. The organic performance of the area was positively impacted by the takeover of SCiP's water assets (Shanghai Chemical Industrial Park) on July 1st, 2018.

▪ Revenue in Italy/Central and Eastern Europe increased +2.2% (+€5m) in organic terms.

▪ Australia recorded an organic decline of -3.8% (-€19m), impacted in particular by an unfavorable base effect due to the completion of major infrastructure works around Sydney.

▪ North America posted organic growth of +2.2% (+€9m), with a solid performance in regulated water, despite low volumes, thanks to a sustained investment plan.

▪ The Africa/Middle East/India region generated organic growth of +5.1% (+€24m). The first half of 2019 was marked by the start of the Coimbatore and Davengere contracts in India.

▪ The division reported organic EBIT growth of +5.1% (+€13m), reaching €280m.

WATER TECHNOLOGIES & SOLUTIONS

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<td>Gross variation</td>
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<td>Variation at constant FX</td>
</tr>
<tr>
<td>Revenue</td>
<td>1,106</td>
<td>1,195</td>
<td>+8.1%</td>
<td>+4.8%</td>
<td>+8.1%</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>+4.9%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>98</td>
<td>119</td>
<td>+20.8%</td>
<td>+1.3%</td>
<td>+6.8%</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>+2.8%</td>
</tr>
<tr>
<td>EBIT</td>
<td>37</td>
<td>44</td>
<td>+18.8%</td>
<td>+12.9%</td>
<td>+19.0%</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>+17.9%</td>
</tr>
</tbody>
</table>
- The WTS division reported revenue of €1,195m, up +4.8% (+€53m) in organic terms, against a strong first-half 2018.
  - The Engineered Systems business achieved +6.4% growth.
  - The Chemical Monitoring Solutions business reported organic volume growth of +2.8%.

- Order volumes shows sustained growth, up +12% on first-half 2019, also against a strong first-half 2018.
- The division's EBIT ended at €44m, an organic increase of +12.9%. Growth in the business and operational and commercial synergies accounted for the increase in profitability.

### GROUP PERFORMANCE

#### REVENUE

At June 30, 2019, the Group had revenue of €8,656m, up +€305m versus June 30, 2018. This growth in business can be broken down as follows:

- Organic change of +3.5% (+€296m):
- A scope effect of -0.6% (-€53m)
- FX changes of +0.7% (+€62m) mainly due to the appreciation of the US dollar (+€64m) and the Moroccan dirham (+€12m) against the euro, partially offset by an appreciation of the euro against the Chilean peso (-€11m) and the Australian dollar (-€10m).

#### OPERATIONAL PERFORMANCE

- EBITDA amounted to €1,521m at June 30, 2019, up +3.1% year-on-year on a constant accounting and gross basis. Organic growth stood at +2.4%. Currency effects were slightly favorable, at €6m.
- EBIT amounted to €645m, versus €607m at June 30, 2018, representing +5.2% on a constant accounting and gross growth basis, and +4.8% organically. Each of the divisions made a positive contribution to organic growth. Currency effects amounted to +€1m.

#### NET INCOME GROUP SHARE:

- Net financial income was -€245m in first-half 2019, compared with -€237m at June 30, 2018. It was impacted by the application of IFRS 16 since January 1st, 2019, for -€13m. The average cost of net debt was 4.09% at June 30, 2019.
- Corporate income tax amounted to -€157m at June 30, 2019, compared with -€89m at June 30, 2018. The effective tax rate was 38.8%.
- Minority interests amounted to €130m in first-half 2019, versus €118m at June 30, 2018. They now include contributions related to the Group's new business structure in China since July 1st, 2018, the sale of 6.5% of Inversiones Aguas Metropolitanas (IAM), Aguas Andinas' parent company in Chile, on August 6, 2018, and the sale of a 20% stake in our regulated water business in the United States, effective March 1st, 2019.
- Restructuring costs were recorded at -€53m.
- **Net income Group share** amounted to €212m at June 30, 2019, compared with €90m at June 30, 2018. Excluding one-off items (IFRS 16, impairments, capital gains, resolution in Argentina), it rose +14%. A net positive impact of €145m, related to the resolution of the arbitration with Argentina on the contract with the municipality of Buenos Aires, was recognized.

**FREE CASH FLOW AND BALANCE SHEET:**

- **Free cash flow** was €292m in first-half 2019, up +22.8% year-on-year particularly impacted by the cost related to the resolution of arbitration with Argentina. Working capital requirements were negative at -€396m, reflecting notably unfavorable seasonality effect in the first half.

- **Net investments** came out at €248m. In particular, they include €340m of maintenance capex and €412m of development capex, spent earlier than usual this year, as well as €510m from the sale of the 20% stake in the regulated water business in the United States.

- **Net debt** ended at €10,614m at June 30, 2019. It includes a +€1,373m impact from the application of IFRS 16 at January 1st, 2019. On a constant accounting basis, net debt amounted to **€9,236m versus €9,323m at June 30, 2018, a decrease of €87m**. The payout of dividends in first-half 2019 was €625m.

- On a constant accounting basis, the debt ratio stood at 3.3x EBITDA over 12 sliding months, 0.2pts lower than the level of 3.5x at June 30, 2018.

<table>
<thead>
<tr>
<th><strong>OUTLOOK FOR 2019 CONFIRMED</strong></th>
</tr>
</thead>
</table>

The Group confirms targets set for 2019³:
- Organic revenue growth of 2% to 3%
- Organic EBIT growth of 4% to 5%
- FCF growth of around 7% to 8%
- Leverage ratio (Net debt/EBITDA) of c.3x in 2019⁴
- Continued ambition to lower debt ratio in 2020

On this basis, and in accordance with the Board of Directors, the Group intends to propose a dividend of €0.65 per share in respect of 2019 at the Annual General Meeting in May 2020.

**FINANCIAL CALENDAR:**

- **By October 30, 2019:** Presentation of the strategic plan
- **October 30, 2019:** Publication of nine-month revenue 2019 (conference call)

The consolidated financial statements, the Auditors’ reports and this press release are available on our website: [www.suez.com](http://www.suez.com).

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³ Assuming water volumes sold remain in line with historic trends, volumes of waste treated rise by +1.5% in Europe and raw materials prices are stable relative to December 31, 2018.

⁴ Excluding impact of application of IFRS 16 accounting standard
Disclaimer

This press release contains unaudited financial data. The aggregates presented are those normally used and communicated on markets by SUEZ.

This press release contains estimates and/or forward-looking statements and information. These statements include financial projections, synergies, estimates and their underlying assumptions, statements regarding plans, expectations and objectives with respect to future operations, products and services, and statements regarding future performance. Such statements do not constitute forecasts regarding SUEZ’s results or any other performance indicator, but rather trends or targets, as the case may be. No guarantee can be given as to the achievement of such forward-looking statements and information. Investors and holders of SUEZ securities are cautioned that forward-looking information and statements are subject to various risks and uncertainties, which are difficult to predict and generally beyond the control of SUEZ, and that such risks and uncertainties may entail results and developments that differ materially from those stated or implied in forward-looking information and statements. These risks and uncertainties include, but are not limited to, those discussed or identified in the public documents filed with the Autorité des Marchés Financiers (AMF), the French Financial Markets Authority. Investors and holders of SUEZ securities should consider that the occurrence of some or all of these risks may have a material adverse effect on SUEZ. SUEZ is under no obligation and does not undertake to provide updates of these forward-looking statements and information to reflect events that occur or circumstances that arise after the date of this document. More comprehensive information about SUEZ may be obtained on its Internet website (www.suez.com). This document does not constitute an offer to sell, or a solicitation of an offer to buy SUEZ securities in any jurisdiction.

About SUEZ

With 90,000 people on the five continents, SUEZ is a world leader in smart and sustainable resource management. We provide water and waste management solutions that enable cities and industries to optimize their resource management and strengthen their environmental and economic performances, in line with regulatory standards. To meet increasing demands to overcome resource quality and scarcity challenges, SUEZ is fully engaged in the resource revolution. With the full potential of digital technologies and innovative solutions, the Group recovers 17 million tons of waste a year, produces 3.9 million tons of secondary raw materials and 7 TWh of local renewable energy. It also secures water resources, delivering wastewater treatment services to 58 million people and reusing 882 million m³ of wastewater. SUEZ generated total revenues of €17.3 billion in 2018.

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