



Paris, April 12th 2021

Veolia and SUEZ announce that they have reached an agreement allowing to merge the two groups

Veolia and SUEZ announce that their respective boards of directors reached an agreement in principle last night on the key terms and conditions of the merger between the two groups.

The two groups have agreed on a price of €20.50 per SUEZ share (coupon attached) conditional upon the signature of the Combination Agreement. Subject to obtaining a fairness opinion in accordance with applicable regulations, this offer would be recommended by the Board of Directors of SUEZ upon signature of the definitive agreements.

The agreement would allow :

- the creation of a new SUEZ made up of assets forming a coherent and sustainable group from an industrial and social standpoint, with real growth potential, with revenues of around €7 billion.
- the implementation of Veolia's plan to create a global champion of ecological transformation, with revenues of around €37 billion, through the SUEZ takeover bid, in which all the strategic assets identified by Veolia will remain.
- the reiteration of Veolia's social commitments for a period of four years after the signature of the offer.
- with a view to the integration and mix of teams, commitments to be made by Veolia regarding the composition of the management teams at headquarters and in the countries.

The two groups propose that the new SUEZ resulting from this agreement should be owned by a group of shareholders including financial partners from both groups and by employees. The majority of the shareholders of the new SUEZ will be French.

In order to guarantee the conditions for the long-term development of the new SUEZ :

- Its shareholders will have to subscribe to the social commitments for four years from the closing of the takeover bid;
- Its shareholders will have to undertake to maintain their positions over the long term.
- Its scope will be the municipal water and solid waste activities of SUEZ in France (including CIRSEE, the main research center in France), as well as the activities of SUEZ in particular in water and in the following geographies : Italy (including the stake in Acea), the Czech Republic, Africa (including Lydec), Central Asia, India, China, Australia, and the global digital and environmental activities (SES).

This agreement in principle also provides for :

- The termination of the agreements with Cleanaway in accordance with their terms concerning the disposal of the assets in Australia (subject to the Sydney assets) and the suspension of any other significant disposal, which allows Veolia to acquire in particular all the assets designated as strategic in its draft offer document filed on February 8 with the Autorité des marchés financiers;
- The deactivation of the Dutch foundation in relation with the SUEZ announcements;

SUEZ

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- The suspension of ongoing legal proceedings and, upon signature of the final agreements, the withdrawal of SUEZ and Veolia from all ongoing litigation and the absence of any new proceedings between them;
- The full cooperation of SUEZ, Veolia and the shareholders of the new SUEZ in obtaining all necessary authorizations (competition, foreign investments, etc.) as quickly as possible and under the best possible conditions.

The two groups have agreed to enter into definitive merger agreements by May 14.

Philippe Varin stated: "We have been calling for a negotiated solution for many weeks and today we have reached an agreement in principle that recognizes the value of SUEZ. We will be vigilant to ensure that the conditions are met to reach a final agreement that will put an end to the conflict between our two companies and offer development prospects".

Bertrand Camus stated: "This agreement in principle gives us every chance of obtaining a global solution that would offer the essential social guarantees for all employees and prospects. I would like to thank all the SUEZ teams for their tremendous mobilization in implementing the SUEZ 2030 strategic plan, of which everyone can be proud. I know that I can count on them to remain focused in the coming months to ensure the best quality of service for our customers".

Antoine Frérot said: "I am particularly pleased to announce today the conclusion of an agreement between SUEZ and Veolia that will enable the construction of the world champion of ecological transformation around Veolia, offering France a reference player in a sector that is probably the most important of this century. This agreement is beneficial for everyone: it guarantees the long-term future of SUEZ in France in a way that preserves competition, and it guarantees jobs. All stakeholders in both groups are therefore winners. The time for confrontation is over, the time for combination has begun".

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About Veolia:

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

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
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