

Paris, February 26, 2021 – 7:30 a.m. CET

## **The Board of Directors of SUEZ has determined that Veolia's industrial project and €18 per share offer are not acceptable**

**Having met on several occasions during January and February to review the terms of Veolia's offer, the Board of Directors of SUEZ, during its meeting held on February 24<sup>th</sup>, 2021, unanimously decided that the conditions were not met to support such a project.**

The Board of Directors reiterates its objective to reach a solution that delivers a fair valuation of the Group for its shareholders, provides social guarantees for employees, ensures that all the Group's commitments to its customers are maintained and conforms to SUEZ's corporate interest.

### **A transaction that would involve SUEZ's dismantling threatens the Group's corporate interest.**

The transaction planned by Veolia threatens our SUEZ 2030 strategic plan and would negatively impact SUEZ's value.

Veolia's scale objective does not bring with it any clear benefits for the provision of essential services. It does not enhance technological innovation, quality of service or agility which are SUEZ's strengths as a global leader working to meet the major challenges of the ecological transition.

### **Our 2020 results confirm that the price offered by Veolia, and which would only be payable in May 2022 at the earliest, is not satisfactory:**

- The intrinsic value of SUEZ is well above the price offered, SUEZ's intrinsic value is illustrated by our 2020 results and by the accelerating financial trajectory for 2021. Revenue growth, enhanced profitability and cash flow will drive dividend growth and support the payment of exceptional dividends. Our progress in delivering our SUEZ 2030 strategic plan highlights our ability to focus the Group on the highest-growth areas.
- The economic and financial environment has improved significantly since Veolia acquired Engie's stake in SUEZ; since October 4, 2020, the CAC 40 index has gained c. 20%.
- The €18 per share (cum dividend) offer price discriminates against SUEZ's minority shareholders as compared with Engie. Engie sold its SUEZ shares at a price of €18 on October 6, 2020. Minority shareholders in SUEZ, would not receive payment until May 2022 at the earliest, and Veolia's offer remains subject to significant execution risks related to the required regulatory authorisations.
- In this respect, and considering the improved prospects driven by the continued execution of the SUEZ 2030 strategic plan, the reference share price as well as other valuation metrics selected by Veolia in its draft offer document are out of date and misleading. The price offered by Veolia represents a premium of merely 13.1% versus SUEZ's share price as of February 21, 2020 (pre-Covid outbreak).
- The €18 per share offer price does not take into account the synergies that Veolia has put forward in its offer document.

#### **SUEZ**

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Limited Liability Company with a share capital of €2,513,450,316 – Siren (French business administration number) 433 466 570 RCS Nanterre – VAT FR 76433 466 570

## The planned combination threatens SUEZ's employees

The social commitments made by Veolia are unsatisfactory. In practical terms, their duration is limited, they are vague in certain aspects and in part non-binding.

## The proposed combination also exposes our customers and shareholders to significant execution risk

The proposed transaction raises significant antitrust issues, both within the European Union and in the UK: 22 competition authorities must rule on the transaction.

Competition guarantees quality service at a fair price and is essential to meet the needs of public and private customers who have expressed their concern about this Veolia's offer. Completion of this transaction would put at risk SUEZ's commitments to its customers in water and waste recycling and recovery activities.

## Other elements of this project remain unresolved at this stage

- Veolia's offer does not include all the necessary information to allow shareholders to decide on whether or not to tender their shares. In particular, Veolia does not provide any details regarding the conditions of the projected sale of SUEZ Water France to Meridiam and remains vague with respect to Engie's top-up rights.
- Veolia's offer is incompatible with the provisions governing tender offers, in particular its unprecedented term which extends for close to thirteen months;
- The filing of the offer violated an unconditional amicable commitment made by Veolia to SUEZ.

The Board of Directors reiterates its wish to find a negotiated solution. It will take whatever steps necessary to make sure that Veolia does not impose its interests at SUEZ's shareholders' meeting.

In accordance with the General Regulations of the *Autorité des marchés financiers*, the Board of Directors has appointed Finexsi as an independent expert. Following this preliminary position, the Board will meet at a later stage to express its reasoned opinion ("*avis motivé*").

Lastly, the Board of Directors would like to express its gratitude to all SUEZ employees for their commitment to SUEZ's customers through the pandemic and the disruptions linked to the Veolia offer. SUEZ's Board will ensure that their interests are upheld under all circumstances.

### CONTACTS:

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#### **About SUEZ:**

*Since the end of the 19<sup>th</sup> 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 m<sup>3</sup> 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 €18.0 billion in 2019.*

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