01. Our ambition, our commitments

02. Improving our performance and operational efficiency

03. Driving selectivity in our growth

04. Setting out a clear financial plan

Conclusion: SUEZ set up to deliver
01
OUR AMBITION, OUR COMMITMENTS
Our Vision

The global leader in environmental services by 2030
The market fundamentals are stronger than ever

- +1bn urban inhabitants by 2030, 98% outside of Europe
- Water scarcity will impact 2bn people within 2030
- Tightening regulations on environment: Circular Economy Package in Europe, China’s Green Fence
- Growing citizen awareness on global climate crisis
- 86% of S&P 500 Index® companies published sustainability reports in 2018

1 Source: G&A Institute
Our unmatched **client base** trusts our expertise and know-how

Our **90,000 employees** are passionate and committed

We continuously **innovate** to ensure we have **leading-edge solutions**

SUEZ brand is recognized for **leadership in sustainability**

We put **ethics** and **health & safety** at the heart of our values

---

#1 private water provider worldwide\(^1\)

#2 in waste services in Europe

#2 in industrial water and membrane bioreactor

#1 in smart water in Europe

---

\(^1\) According to GWI, in number of inhabitants covered (~135m)
Six changes we embrace

- **Consumption must become sustainable**
- **Access to capital is not a differentiator**
- **Increasing competition and commoditization in some markets**
- **The best technology, equipment and solutions are essential**
- **Digital and data**
- **Success must be collective**
We accelerate changes in our business models

From:

> Volume-based, built around demand growth
> Infrastructure-based, built around asset construction
> Capital-based, built around asset financing

Accelerate contracts based on:

> Improving performance, reliability and sustainability
> Digital, smart and technology solutions
> Involving multiple types of stakeholders
We will drive **growth** by only selecting **opportunities** where we are appropriately rewarded for our differentiation.

We will **simplify** the way we work to **best serve our clients**.

We will **engage** all employees to ensure their commitment.

**Selective organic growth**
- Capex discipline
- 15-20% portfolio rotation

**Leaner organization**
- €1bn performance plan¹
- Digital and innovation step-up

**Winning spirit**
- Talent development
- Aligned incentives

A comprehensive plan to position **SUEZ** for the next decade, **now**

A plan fully delivering in 4 years with material results as soon as 2021

¹ Annual savings in 2023 compared to 2018 cost base
We will drive “SUEZ 2030” across three worldwide segments

**WATER**
- Municipal water activities
  - c.40% of total revenue

**RECYCLING & RECOVERY**
- Non hazardous waste activities
  - c.40% of total revenue

**ENVIRONMENTAL TECH & SOLUTIONS**
- Specialty environmental solutions
  - Including WTS, Hazardous Waste, Advanced Solutions and Consulting
  - c.20% of total revenue

Our external reporting will be based on those 3 segments

---

1 2018 revenues
SUEZ will have the following growth priorities

Our selective growth will leverage strong capabilities and innovation in Europe

Target revenue mix

1 All revenue outside EU
2 Includes commercial, retail and industry
We will align business portfolio with value creation ambitions

Portfolio reviewed along 5 criteria:

- Fit with Vision
- Projected returns
- Growth prospects
- Ability to differentiate and avoid commoditization
- Synergies with the Group

Businesses identified accounting for 15-20% of CE

H1 2019 Capital Employed: €20.6bn
Our new organization will simplify the way we work

3 global segments: Water, Recycling & Recovery, Environmental Technologies and Solutions

Delivered to our clients through

6 Regions and 2 Global Business Units driving performance and growth, sharing local resources and expertise

Supported by

Lean corporate structure defining group strategy and resource allocation, setting rules & standards and organising expertise and know-how
Cultural change will revive our winning spirit

4 core values: passion for the environment, respect, customer first, team spirit

Talent upgrade: leadership and digital skills, new capabilities for new businesses

Reinforcement of performance culture, combined with a change of rhythm in execution

Management incentives aligned with financial objectives
Our value creation ambition: a transformed SUEZ in 2023

New values, culture & skills embedded

---

**Accelerated** organic growth with reduced capital intensity

---

**Simpler organization with improved profitability**

---

**Enhanced** capacity to increase dividend at a **normalized** pay-out ratio

---

**ROCE at least two points above 2018 level**
Our guidance: a material impact on key financials in 2021

Growth priorities showing results

Portfolio rotation underway

Strong contribution of performance plan

Step-change in profitability

Recurring EPS¹: €0.80
Recurring FCF²: €500m
Leverage³: 2.8-3.0x

2021 guidance assumes no material change in economic and market conditions (incl. interest rates, forex and commodity prices) vs. those observed over the past 12 months.

¹ Recurring EPS: [Net Income group share – (hybrid coupon + all one-off costs cash and non-cash +/- capital gain/losses on disposals) x (1 - applicable tax rate)] / number of shares. By way of comparison, the 2018 recurring EPS is estimated at €0.56.

² Recurring FCF: Cash Flow from operating activities – hybrid coupon + restructuring (cash expenses) – property plant, equipment – intangible capex – lease expenses - net financial charges – flows including to/from minorities dividend. By way of comparison, the 2018 recurring Free Cash Flow is estimated at €95m.

³ Debt including IFRS 16
IMPROVING OUR PERFORMANCE AND OPERATIONAL EFFICIENCY
Selectivity, simplicity and innovation will unlock additional profitability

**SELECTIVITY**
Rationalize current business portfolio  
Tender process to drive selectivity early

**SIMPLICITY**
Streamline and standardize  
Reinforce expertise on a global and regional basis

**INNOVATION**
Focus on fewer priorities  
Increase investment  
Improve time to market

**IMPROVE OPERATIONAL PERFORMANCE**
> Optimize industrial processes  
> Accelerate transformation in procurement and external resources  
> Rationalize indirect costs, notably SG&A  
> Improve differentiation through research & innovation
Optimize and standardize our industrial processes

Upgrade our set-up from « good » to « best-in-class »

Build on SUEZ know-how
- Roll-out unique standard for each critical business process
- Standardize operations
- Reinforce IT and OT\(^{(1)}\) applications

Create an agile central team to steer performance
- Set ambitious yet realistic goals
- Apply systematic benchmarks
- Align industrial KPIs and monitoring tools

Reinforce and mutualize technical expertise
- At global and regional levels
- Ensure local teams improve

Reinforce accountability
- Empower local teams
- Align incentives through the entire organization

\(^{(1)}\) Operational Technology
Optimizing each of the five stages of the Municipal Water value chain

**Plant of the Future**
- Optimize maintenance schedules
- Optimize Energy
- Optimize chemicals consumption

**Waste Water Treatment**

**Surface or groundwater**

**Water Production**

**Network of the Future**
- Reduce number of bursts in network

**Distribution**

**100% Billing**
- Recover losses from fraud & billing errors

**Collection**

**Customer Services**

**Workforce and subcontractor management**
- Optimize and standardize our processes

**Reuse**: irrigation
**Water pipe bursts reduction: new global approach reducing opex by 10%**

**Case study**

**Today**

- Necessary infrastructure already in place
- **Reactive approach**
  - Detect and fix leaks
  - Optimize repair costs

- **300,000 bursts/year** on water mains and connections
  - **=**
  - **> €300m OPEX/year**

**Implementing a proactive approach**

- **Removing pressure peaks on networks**
  - Modulate pressure
  - Detect and remove pressure transients

- **Open Innovation**
  - Partnering with Inflowmatix, providing unmatched high frequency pressure loggers & analytics

- **New solution**
  - Based on SUEZ experience: “Calm Networks”

- **Systematic approach**
  - Global roll-out in contracts with highest burst rate

**Estimated annual opex savings**

- **€30m**
  - By 2023
Optimizing each of the five stages of the R&R value chain

1. Access to volume (collection & transfer)
   - Capture data
   - Install sorting robots

2. Mechanical sorting
   - Optimize waste placement methods
   - Use drones to increase density management

3. Sell/Reuse
   - Improve availability & throughput
   - Optimize maintenance costs

4. Elimination (Storage & biogas production)
   - Optimize waste placement methods
   - Use drones to increase density management

5. Wasteflow management
   - Increase quality of products & time of delivery

Examples of industrial performance levers

- Commercial & industrial waste
- Municipal waste
- Recycling
- Energy recovery
- Transportation
Waste sorting: operational improvements reducing opex by 7.5%

Case study

Initiatives

Boost industrial capability
> Data management
> Asset, lean and industrial

Improve value chain management
> Online characterization
> Production fitting with industry

Implement technological innovations
> Robots
> Visual image analysis
> Partnerships

Tangible results

Footprint rationalization

Smart pricing

Improved customer service

Operations optimization

Accurate performance tracking

Estimated annual opex savings

€42m
By 2023

INVESTOR MEETING | October 2nd, 2019
c.5% cost optimization on our 7.5bn€ external spend

Flagship initiatives

Enhance coverage by category management

Reinforce strategic purchasing teams to address more categories

Reinforce and align IT Tools

Increase digitalization to streamline processes. Ensure the quality and consistency of procurement data to support operations.

Further standardize and capture innovation

Align specifications and develop strong partnership with key strategic suppliers.

Reduce number of suppliers

Increase our purchasing power and supply chain risk management.

Redefine governance

Design a new operating model to foster external spend optimization in operations.
Accelerate rationalization of our SG&A costs

Based on 2018 cost base

> Reduced selling and tendering costs based on more selectivity
> Simpler organization enables delayering
> Regional platforms to share resources
> Strong reduction of real estate footprint

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>44%</td>
<td>G&amp;A in businesses</td>
</tr>
<tr>
<td>36%</td>
<td>Selling costs</td>
</tr>
<tr>
<td>20%</td>
<td>Central functions incl. operational centres of excellence</td>
</tr>
</tbody>
</table>
The plan delivers substantial savings

Industrial processes

- 35-40%
- 20-25%

G&A

- 35-40%

Procurement

- 35-40%

€1bn\(^1\) annual savings by 2023

35-45% retained to improve profit

55-65% covering deflation or reinvested

We expect 45 to 50% of these savings to materialize by 2021

\(^1\) 2020 – 2023 gross optimization (excl. incremental investments)
Pro forma figures based on 2018 cost base (excl. scope variation)
Invest in innovation to fuel future growth

Acceleration of investments, enabled by improved performance

Identified investment priorities in line with our growth ambition

Improved efficiency of investments through enhanced tracking and selectivity on projects

~50% increase in our R&D, innovation and digital investments by 2023
03
DRIVING SELECTIVITY
IN OUR GROWTH
More selective, higher-return growth

**PERFORM AND INNOVATE IN EUROPE**

- Focus on performance with selective pockets of growth
- Europe is key to foster profitable growth worldwide through expertise & innovation

**ACCELERATE ON GROWTH PRIORITIES**

- International markets
- Industrial customers
- Technology & data-driven solutions

**REALLOCATE FINANCIAL CAPITAL, REDEPLOY TALENT**

- Portfolio rotation
- Talent development
- Capex discipline
- New skills development

INVESTOR MEETING | October 2nd, 2019
Perform and innovate in Europe

Focus on performance with selective pockets of growth

**Water**
- Waste water treatment leveraging state-of-the-art expertise
- Selected micro-pollutant projects

**Recycling & Recovery**
- Upgraded performance on C&I collection and sorting
- Recycling of plastics mono-flows
- Next-generation energy recovery solutions

**Environmental Tech & Solutions**
- Integrated industrial services
- Smart solutions
- New businesses on Air and Smart Agriculture

**EUROPE IS KEY TO FOSTER PROFITABLE GROWTH WORLDWIDE THROUGH EXPERTISE & INNOVATION**
- Flagship projects and references
- Centers of excellence
- Pilots for innovation before scale-up
- Early adoption of sustainability standards
Europe leads the way in both innovation and sustainability

<table>
<thead>
<tr>
<th>MAASTRICHT QUALITY CIRCULAR POLYMERS</th>
<th>WEST LONDON ENERGY RECOVERY</th>
<th>TOULOUSE MÉTROPOLE WASTEWATER</th>
<th>PARIS SMART METERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; Plastics recycling and upcycling facility</td>
<td>&gt; €280m energy recovery facility</td>
<td>&gt; Wastewater service for ~800k inhabitants</td>
<td>&gt; €30m contract value</td>
</tr>
<tr>
<td>&gt; Cutting edge know-how</td>
<td>&gt; €850m contract value</td>
<td>&gt; Proven, reliable technology</td>
<td>&gt; Next generation technology</td>
</tr>
<tr>
<td>&gt; Partnership with LyondellBasell</td>
<td>&gt; Proven, reliable technology</td>
<td>&gt; PPP know-how</td>
<td>&gt; Smart Operations Center</td>
</tr>
<tr>
<td>&gt; 100k tons p.a. of recycled plastics by 2020</td>
<td>&gt; Affordability of the solution</td>
<td>&gt; Affordability of the solution</td>
<td></td>
</tr>
<tr>
<td>&gt; 160k tons CO₂ eq. saved p.a. at target production</td>
<td>&gt; &gt;300k tons p.a. diverted from active landfills to maximize value recovery</td>
<td>&gt; Hypervision command center</td>
<td>&gt; 93,500 smart meters deployed in 2 years</td>
</tr>
<tr>
<td></td>
<td>&gt; &gt;2.1m tons CO₂ eq. saved over contract duration</td>
<td>&gt; Sustainability leadership</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>&gt; Community engagement</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>&gt; ~70 GWh of energy p.a. as biogas, heat and electricity</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>&gt; 178,000 hours of work allocated to local long-term unemployed people</td>
<td></td>
</tr>
</tbody>
</table>
International markets: Stronger growth but in fewer countries

**Revenue ambition**

- **North America**: +4-5% p.a.
- **Latin America**: +2-3% p.a.
- **Africa / ME / Central Asia**: +7-8% p.a.
- **Asia – Pacific**: +7-8% p.a.

2019-23 revenue CAGR

**2018 Ambition**

- 38%
- 60%
Landmark projects showcasing our selectivity in international growth

<table>
<thead>
<tr>
<th>JERSEY CITY</th>
<th>GRAN SANTIAGO</th>
<th>SENEGAL</th>
<th>GREATER CHINA</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; Smart water</td>
<td>&gt; 1st biofactory worldwide, regenerating resources for 7m people</td>
<td>&gt; Water supply for 7m people</td>
<td>&gt; 7 integrated hazardous waste incineration facilities in operation or under construction</td>
</tr>
<tr>
<td>&gt; €155m contract value</td>
<td>&gt; €850m contract value</td>
<td>&gt; €2bn contract value</td>
<td>&gt; €1.6bn managed revenue targeted over 10 years</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sources of differentiation</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; Smart technologies</td>
</tr>
<tr>
<td>&gt; Experts in water infrastructure</td>
</tr>
<tr>
<td>&gt; PPP know-how</td>
</tr>
<tr>
<td>&gt; Reduced non-revenue water</td>
</tr>
<tr>
<td>&gt; Savings for City and inhabitants</td>
</tr>
<tr>
<td>&gt; Improved customer experience</td>
</tr>
<tr>
<td>&gt; Wastewater technologies</td>
</tr>
<tr>
<td>&gt; Unique combination of water and waste capabilities</td>
</tr>
<tr>
<td>&gt; 100% self-generation</td>
</tr>
<tr>
<td>&gt; 0 waste</td>
</tr>
<tr>
<td>&gt; 0 pollution</td>
</tr>
<tr>
<td>&gt; 0 emission</td>
</tr>
<tr>
<td>&gt; Digital customers tools</td>
</tr>
<tr>
<td>&gt; Energy optimization solutions</td>
</tr>
<tr>
<td>&gt; Hypervision command center</td>
</tr>
<tr>
<td>&gt; Continuous water supply</td>
</tr>
<tr>
<td>&gt; Knowledge transfer</td>
</tr>
<tr>
<td>&gt; New local Centre of Excellence for R&amp;D and Innovation</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; Hazardous waste handling know-how</td>
</tr>
<tr>
<td>&gt; Comprehensive waste management solutions portfolio</td>
</tr>
<tr>
<td>&gt; Continuous water supply</td>
</tr>
<tr>
<td>&gt; Knowledge transfer</td>
</tr>
<tr>
<td>&gt; New local Centre of Excellence for R&amp;D and Innovation</td>
</tr>
</tbody>
</table>

| | Sources of differentiation |
| | Impact |

Sources of differentiation:
- Smart technologies
- Experts in water infrastructure
- PPP know-how

Impact:
- Reduced non-revenue water
- Savings for City and inhabitants
- Improved customer experience
- Wastewater technologies
- Unique combination of water and waste capabilities
- 100% self-generation
- 0 waste
- 0 pollution
- 0 emission

INVESTOR MEETING | October 2nd, 2019
Industrial customers: targeting high value solutions

5 key solutions

- Process water including ultra-pure, demineralized water
- Highly polluted liquid effluent (Membrane Bioreactor, Zero Liquid Discharge solutions)
- Highly polluted and hazardous waste
- Remediation and soil depollution
- Recycling of selected waste flows (Plastics, Metals and Organic)

5 key industries

Accelerate on 5 priority markets:
- Food & Beverage
- Power
- Chemicals and Pharmacy
- Downstream Oil and Gas
- Micro-electronics

Partner with our ~450k industrial customers to achieve their sustainable roadmap together

Revenue ambition

2018
- 41%

Ambition
- >50%

INVESTOR MEETING | October 2nd, 2019
Tailored solutions for a wide range of industrial challenges

**Soil remediation**
- > €0.8bn addressable market today
- > +10-15%\(^1\) p.a. projected revenue growth
- > Know-how: leader in France and BeNeLux
- > Customized solution

Top industrial players
- Al Karaana
- Greater Moscow

**Mobile units**
- > €1bn addressable market today
- > +10-15%\(^1\) p.a. projected revenue growth
- > Largest fleet worldwide
- > Fully connected fleet and service system
- > In-house technologies

**Refinery water reuse**
- > €1bn addressable market today
- > +5-10%\(^1\) p.a. projected revenue growth
- > Only company covering entire flowsheet
- > Proprietary chemicals, equipment, digital tools and service offer

**Ultra pure for microelectronics**
- > €2bn addressable market today
- > +5-10%\(^1\) p.a. projected revenue growth
- > Proven solutions for UPW production, reuse, wastewater treatment
- > Integrated flowsheet with unmatched portfolio of technologies and services

Serving top players globally for decades

---

\(^1\) SUEZ figures
Technology & data-driven solutions: new high-potential businesses for a wider customer base

**Rationale**

- Greater efficiency and sustainability
- New ways to enhance customer experience and deliver more value
- New business models: asset light, performance-based contracts

**Priorities**

- Prioritize industrial water and waste equipment, systems and solutions with proprietary technologies and innovation
- Develop and roll-out globally our smart environment solutions
- Enter at scale in new businesses: air quality management and smart agriculture

**Revenue ambition**

- 2018: <20%
- Ambition: >30%
Growing our strongholds in Smart Water, Waste & City
Scaling up Air quality & Smart agriculture

**Aquadvanced® Suite**

- 4+ million connected SUEZ sensors, 700 global references
- Improve customer experience and infrastructure efficiency

**Smart Waste**

- Customer base already built
- In line with SUEZ recyclability and traceability objectives

**Smart Cities**

- Global multiservice performance offer to Cities
- Leveraging on SUEZ existing footprint worldwide and longstanding operator's track record
- A unique Control Command Centre integrating urban flows and services with 65% energy savings at the end of the 12y contract

**Smart Agriculture & Air Quality**

- In line with SUEZ DNA around Water and Sustainability
- Expertise in monitoring & treatment of pollution, odors and GHG emission
SUEZ will have the following growth priorities

**International markets**

- **2018**: 38%
- **Ambition**: 60%

**Industrial customers**

- **2018**: 41%
- **Ambition**: >50%

**Technology & data-driven solutions**

- **2018**: <20%
- **Ambition**: >30%

Leveraging our strong capabilities and innovation in Europe

---

Target revenue mix

1. All revenue outside EU
2. Includes commercial, retail and industry
04
SETTING OUT A CLEAR FINANCIAL PLAN
## A focused segment structure to present our ambition

<table>
<thead>
<tr>
<th>2018 financials</th>
<th>Water</th>
<th>Recycling &amp; Recovery</th>
<th>Environmental Tech &amp; Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>c. 40% of sales</td>
<td>c. 40% of sales</td>
<td>c. 20% of sales</td>
</tr>
<tr>
<td>Organic growth potential</td>
<td>+</td>
<td>+</td>
<td>+++</td>
</tr>
<tr>
<td>EBIT</td>
<td>c. 60% of EBIT</td>
<td>c. 26% of EBIT</td>
<td>c. 14% of EBIT</td>
</tr>
<tr>
<td>Capex</td>
<td>c. 55% of Capex</td>
<td>c. 33% of Capex</td>
<td>c. 12% of Capex</td>
</tr>
<tr>
<td>Capital Employed</td>
<td>c. 51% of CE</td>
<td>c. 27% of CE</td>
<td>c. 22% of CE</td>
</tr>
<tr>
<td>Capital Employed evolution</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*INVESTOR MEETING | October 2nd, 2019*
**Water**

**What is in this segment?**

> All our **municipal water activities**, in Europe and internationally
> **Regulated and concession** businesses
> Infrastructure and services

**Resilient business**, driven by growing populations, urbanization and increasing needs for quality and reliability

**What we do?**

> Drinking water catchment, treatment, and distribution
> Municipal wastewater collection and treatment
> Desalination
> Water reuse
> Sludge treatment and organic recovery

**Our strategic focus**

> **Selectivity in international growth**
> Leverage our **European foundations** to boost innovation and references whilst being more selective in contracts renewals
> Grow in business models that value our **service offering**

Based on 2018 sales

1 Africa, Middle-East, Central Asia

---

INVESTOR MEETING | October 2nd, 2019
Recycling & Recovery

What is in this segment?
> All our waste activities related to non specialty applications, worldwide
> For municipal and I&C customers

What we do?
Management of non-hazardous waste on all the value chain:
> Collection
> Sorting
> Recycling
> Energy recovery
> Landfilling

Our strategic focus
> Focus on markets with clear medium-term regulation
> Selectivity to avoid national markets and business lines with high commoditization
> Bring our proprietary innovation to our municipal and I&C customer on non specialty applications
> Focus on value-add services such as traceability notably for industrial customers

Based on 2018 sales
**What is in this segment?**

- Specialty environmental solutions
- Industrial and municipal customers

**What we do?**

**Industrial water: WTS**
- Engineered systems
- Chemical & Monitoring Solutions

**Specific waste** treatment management
- Hazardous waste (including IWS)
- Soil remediation
- Dismantling

**Advanced solutions and consulting:**
- Smart solutions (water, waste, city)
- Air quality & smart agriculture

**Our strategic focus**

- Five priority industrial verticals
- Accelerate introduction of next generation technologies
- Grow organically and through acquisitions
- Reinforce our differentiation with proprietary technologies

---

Based on 2018 sales

1 Including IWS, Hazardous Waste Asia, Facility Management and dismantling
2 Africa, Middle-East, Central Asia
A clear financial ambition

Our ambition: a transformed Suez at all levels in 2023

- New values, culture & skills embedded
- Accelerated organic growth with reduced capital intensity
- Simpler organization with improved profitability
- Enhanced capacity to increase dividend at a normalized pay-out ratio

ROCE at least two points above 2018 level

Our guidance: a material impact on key financials in 2021

- Growth priorities showing results
- Portfolio rotation underway
- Strong contribution of performance plan
- Step-change in profitability

Recurring EPS¹: €0.80
Recurring FCF²: €500m
Leverage: 2.8-3.0x
Reallocation of our capital resources

**What do we stop**

- High-risk construction projects
- Capital intensive projects, notably in non-core countries
- Low value-added/commoditized business lines

**How do we change**

- Asset-heavy investment in partnership
- Faster rotation of equity investments
- Intelligent asset monitoring to optimize maintenance
- Procurement optimization of both maintenance and development capex

Priority on value vs. volume

Strong change of direction in how we spend
We will target more capex to our priority markets whilst reducing the overall envelope

- Environmental Tech & Solutions: 49% (2018), 25-30% (2023)
- Water: 16% (2018), 30-35% (2023)
- Recycling & Recovery: 35% (2018), 35-40% (2023)

Strong change of direction in where we spend

1 Excluding regulated capex
Our Working Capital plan

<table>
<thead>
<tr>
<th>Working capital movement</th>
<th>2018</th>
<th>2019 H1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade working capital¹ outstanding</td>
<td>(146)</td>
<td>(394)</td>
</tr>
<tr>
<td>Assets</td>
<td>6,152</td>
<td>6,589</td>
</tr>
<tr>
<td>Liabilities</td>
<td>(7,173)</td>
<td>(7,194)</td>
</tr>
<tr>
<td>Net²</td>
<td>(1,022)</td>
<td>(605)</td>
</tr>
<tr>
<td></td>
<td>(18)</td>
<td>(10)</td>
</tr>
</tbody>
</table>

Range of trade working capital as of June 30th, 2019

<table>
<thead>
<tr>
<th>Water</th>
<th>In days of revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&gt; 60</td>
</tr>
</tbody>
</table>

| Recycling and Recovery | 30 |
| Environmental Tech & Solutions | > 50 |

> Main areas of focus:
- France
- WTS
- Smaller operations & countries
- Inventory

> Objective is to sustainably reverse 2018/19 cash consumption trend

¹ Trade receivables, payables, inventory
² Negative working capital means positive cash balance
A reinforced capital structure framework

- Deleveraging
- Strong cash generation
- Shareholder remuneration

Net debt / EBITDA = 2.8x – 3.0x

Profitability from operational efficiency
Focused capital allocation
Disposals
Working Capital management

Maintained dividend: driving to normalized payout ratio
Targeting a clearer framework below EBIT

**Financial charges**
- Reduce gross debt/cash through greater regional pooling
- Re-organise subsidiary funding in core countries to reduce intra-group financing costs
- Reduce cash in non-core countries
- Selective and opportunistic management of existing debt

**Effective tax rate**
- Natural increase in profit of WTS and completion of its integration
- Optimization of legal entities based on the structure of growth platforms around core countries
- Reorganization of local structures to conform to new rules around e.g. deductibility of intra-group charges and interest costs

**Minorities**
- Clear strategic basis for choosing minority partners
  - Local partners in core countries (Chile, Morocco, China)
  - Customers in co-management (municipal contracts in France)
  - Regulatory requirements (China)
- Gradual increase of co-investment as minority partner in infrastructure

Optimization driven by simplicity and selectivity

ETR target at 32% in 2023

Ensure changes do not dilute EPS
One-off charges related to performance plan

**Nature of one-off charges**
- Lease breakage costs
- Moving costs / relocation costs
- External costs of implementing the plan

**2019**
- €150-200m one-offs offsetting Argentina, largely non-cash
- €500m to €700m total one-off charges
- Majority to be accounted for in 2020

**No capital gains / losses on disposals modelled**

INVESTOR MEETING | October 2nd, 2019
A clearer set of financial KPIs tied to financial statements

### NEW DEFINITIONS

#### RECURRING NRGS

<table>
<thead>
<tr>
<th>Component</th>
<th>Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income Group Share</td>
<td>-</td>
</tr>
<tr>
<td>Hybrid coupon</td>
<td>+</td>
</tr>
<tr>
<td>All one-offs costs cash &amp; non-cash</td>
<td>+/−</td>
</tr>
<tr>
<td>Capital gain/losses on disposals</td>
<td>x</td>
</tr>
<tr>
<td>1 − applicable tax rate</td>
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#### RECURRING FREE CASH FLOW

<table>
<thead>
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<th>Formula</th>
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</thead>
<tbody>
<tr>
<td>Cash flow from operating activities¹</td>
<td>−</td>
</tr>
<tr>
<td>Hybrid coupon</td>
<td>+</td>
</tr>
<tr>
<td>Restructuring (cash expenses)</td>
<td>+</td>
</tr>
<tr>
<td>PP&amp;E and Intangible CAPEX</td>
<td>−</td>
</tr>
<tr>
<td>Lease expense</td>
<td>+</td>
</tr>
<tr>
<td>Net financial charges</td>
<td>−</td>
</tr>
<tr>
<td>Flows, including dividend, to/from minorities</td>
<td></td>
</tr>
</tbody>
</table>

#### ROCE

(EBIT − Income from Associates) × 1 − normative tax rate + Income from Associates

#### ND/EBITDA (no change)

Reported financial net debt

REPORTED EBITDA

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¹ Cash flow from operating activities: operating cash flow – tax +/- change in Working Capital
² Simple average of the capital employed at the end of the year before and at the end of the current year including IFRS 16
EPS bridge 2018-2021

Contribution to 2021 recurring EPS

REFOCUSED PORTFOLIO, ORGANIC GROWTH & PERFORMANCE PLAN
65-75%

BETWEEN EBIT
25-35%

- Organic growth
- Impact of disposals
- Performance plan

- Lower tax rate and financial costs

INVESTOR MEETING | October 2nd, 2019
CONCLUSION
SUEZ SET UP TO DELIVER
A pioneer role in shaping a sustainable environment, now!

OUR CONTRIBUTION TO A SUSTAINABLE ENVIRONMENT

> Health and quality of life
> Positive climate impact
> Positive impact on the planet’s natural capital
> Waste no more, with 100% circularity and 100% traceability of impact
> Local anchoring with stakeholders

FROM SUSTAINABILITY LEADERSHIP TO SETTING NEW STANDARDS FOR 2030

- 45%\textsuperscript{1} CO\textsubscript{2} emissions, in line with the +1.5° trajectory/ carbon neutrality in 2050

\textbf{c. 20mt} yearly CO\textsubscript{2} emissions saved for our clients

100% Sustainable solutions

\textsuperscript{1} vs. 2014
A comprehensive plan to position SUEZ for the next decade, now

We will drive **growth** by only **selecting opportunities** where we are appropriately rewarded for our differentiation

We will **simplify** the way we work **to best serve our customers**

We will **engage** all employees to ensure their commitment

---

**2021**

Recurring EPS\(^1\): €0.80  
Recurring FCF\(^1\): €500m  
Leverage\(^2\): 2.8-3.0x

**2023**

ROCE **at least two points above 2018 level**

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Businesses identified accounting for **15-20%** of CE

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2021 guidance assumes no material change in economic and market conditions (incl. interest rates, forex and commodity prices) vs. those observed over the past 12 months.

\(^1\) See page 16 for definitions  
\(^2\) Debt including IFRS 16
A renewed Vision and Value Proposition for SUEZ and its stakeholders

The global leader in environmental services by 2030
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