

1H19 Financial Results

26th July 2019

ready for the resource revolution



Disclaimer

This presentation 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). 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 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.

H1 2019 Financial Results

Bertrand Camus

Chief Executive Officer

Organic growth in 1H19 in line with our expectations



- Each division delivering revenue and EBIT growth

Commercial efforts showcase our priorities

SUEZ is expanding in promising segments and innovative solutions



Consolidated positions in Europe notably through innovation

Started Greater Manchester waste management
Implemented Smart City Project in Dijon



Reinforced footprint in international geographies

Won major contracts in India, China, Thailand, Qatar and Canada



Strengthened development with industrials clients

Won 8 flagship contracts with WTS, helping industrial from various sectors optimize their environmental footprint
Acquired a majority stake in the Saudi company EDCO specializing in hazardous waste treatment



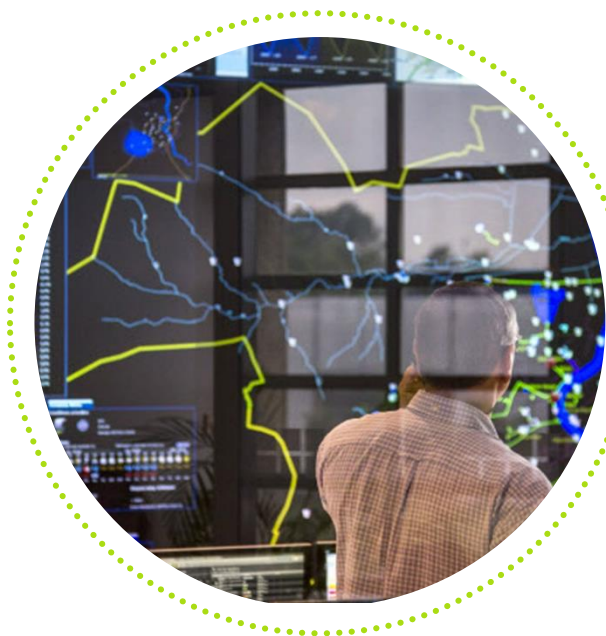
Stepped-up efforts in innovative fields and solutions on high-value added segments

Inaugurated the most modern European waste sorting facility in Germany
Acquired ALS Labs in China, specializing in air quality and soil analysis

SUEZ: Greater Manchester's waste management partner from June'19



SUEZ: Implementation of AQUADVANCED Urban Drainage software in Singapore



Development and maintenance of waterways system
through a real time decision-support platform



Technology using weather forecasts & data
collected by sensors introduced in the network

SUEZ: acquisition of a majority stake in the Saudi company EDCO



Hazardous waste management company
including transportation, treatment and final disposal



Bringing expertise in environmental services
to major petrochemical projects ongoing and planned in Saudi Arabia



EDCO, main player in major industrial city Jubail
with capacity of processing 150,000 tonnes of waste per year



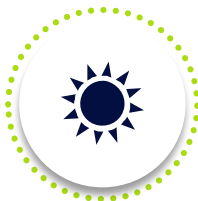
SUEZ will be acquiring 65% of the company
together with Five Capital Fund

H1 2019 Financial Results

Julian Waldron

Group Chief Financial Officer

1H19 financial highlights



- **Revenue up +3.5% organically**

Solid commercial performance

- **EBIT up +4.8% organically**

All divisions delivering growth and operational leverage



- **€212m Net income Group share**

Underlying growth: +14% excl. €145m from Argentina settlement and other one-offs

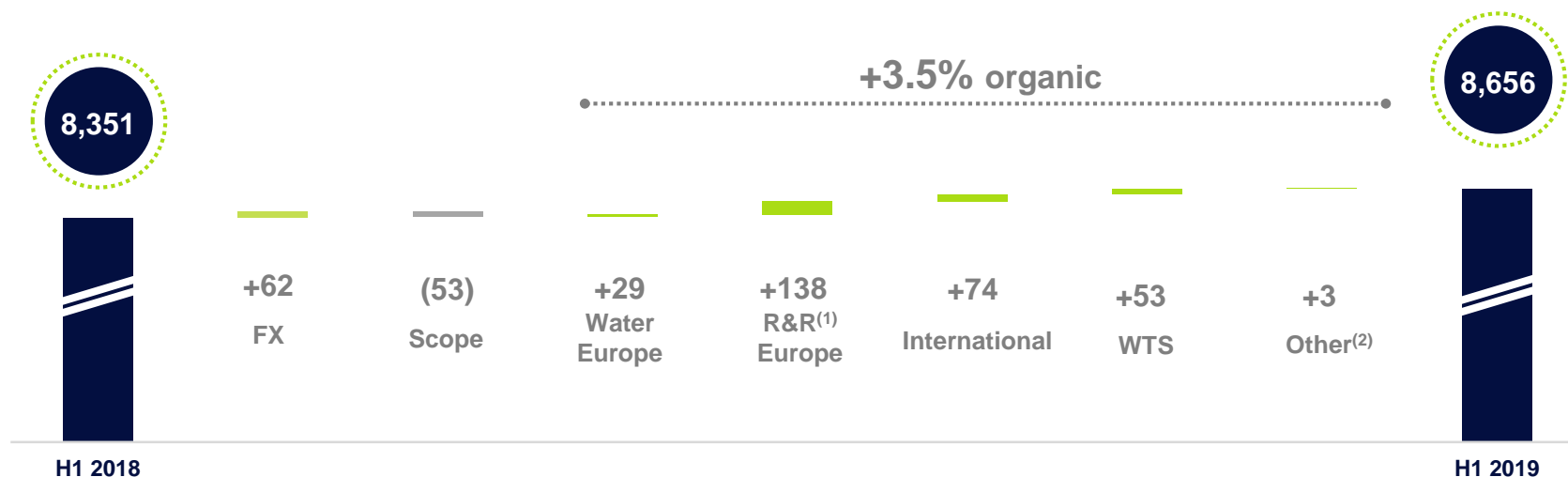
- **Free cash flow at €292m**

Up +22.8% vs. last year

Revenue up +3.5% organically

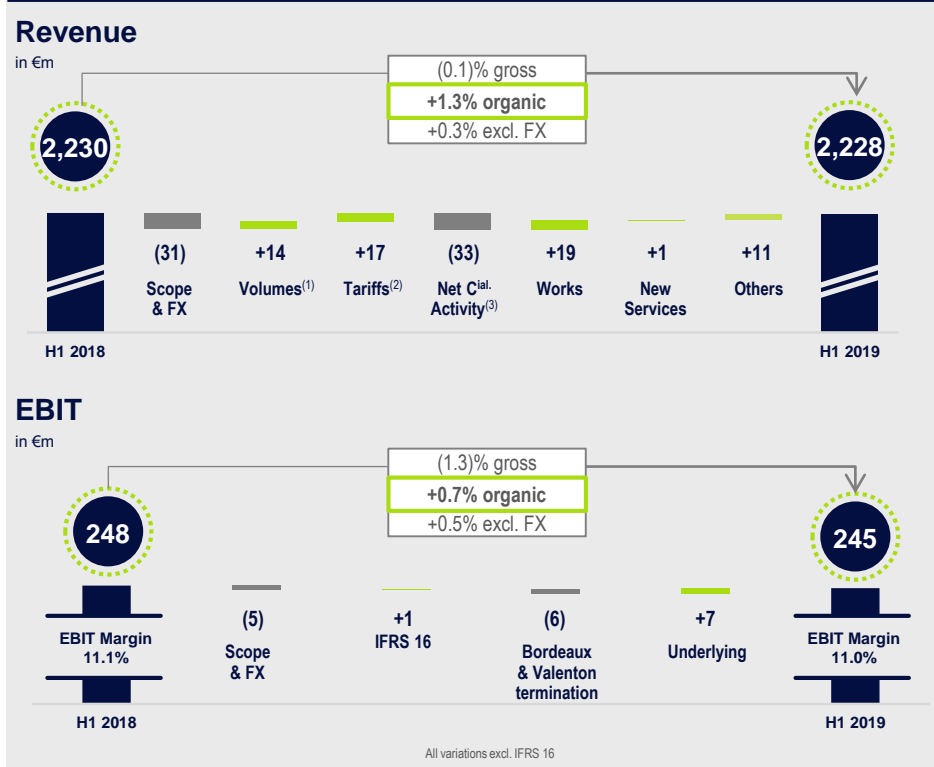
Solid commercial dynamic in all divisions and particularly in R&R Europe

Revenue
in €m



(1) Recycling & Recovery (2) Mainly SUEZ Consulting

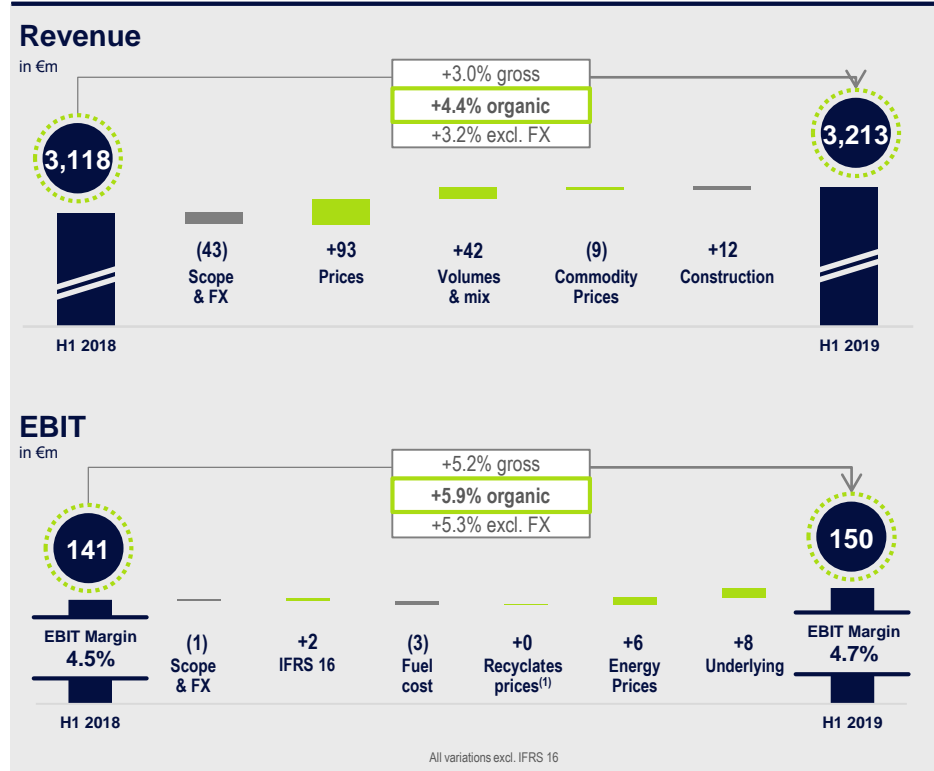
Organic growth both in Revenue and EBIT



- In France:**
 - Growing volumes (+1.0%) partially offset contract expiry
 - Tariffs are up +1.8% on concessions, driven by inflation-linked indices
- Supportive volumes in Spain (+1.7%)** ; tariffs down (0.8)%, incl. (1.65)% tariff decrease in Barcelona since May 2018
- Continued solid performance in Latin America**
 - Chile:** volumes up +1.3% and tariffs up +1.8%
 - Supportive construction activity in **Salvador** and **Panama**
- EBIT up +0.7% organically also thanks to efficiency measures implemented in France and Spain**
- EBIT margin flat at 11.0%**

Recycling & Recovery Europe

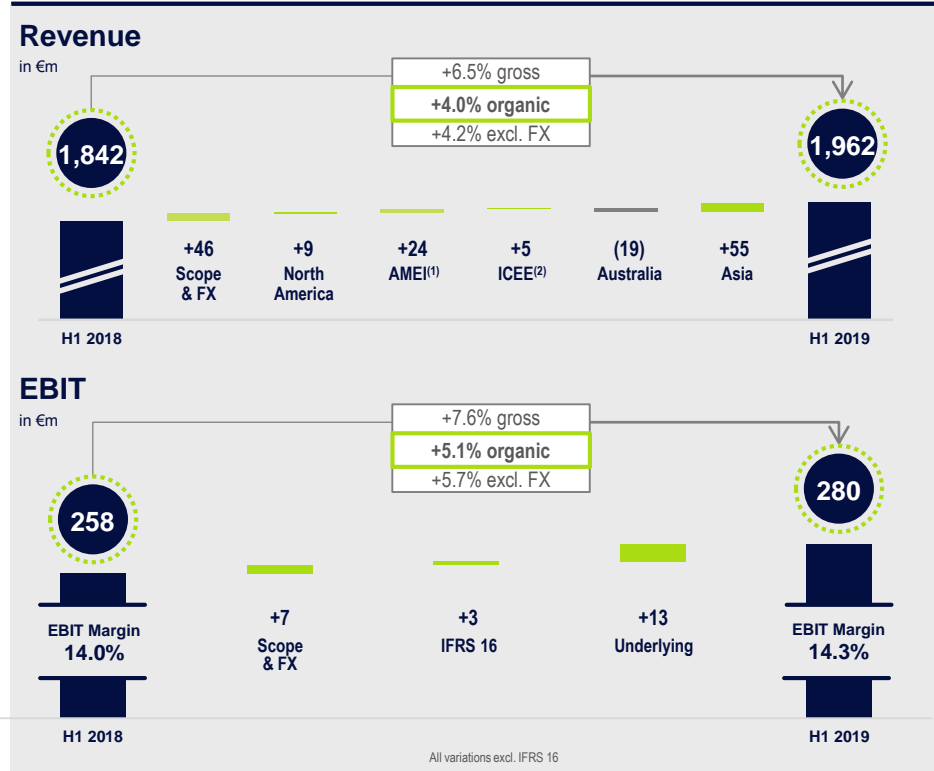
Solid performance: Revenue +4.4% and EBIT +5.9% organic



- Supportive pricing power in all geographies, driven by the saturation of treatment facilities
- Processed waste volumes up +0.2%
Effects of the voluntary reduction in exposure to paper and plastics lowering in Q2
- Recyclates prices at a low level
- Hazardous Waste performing well, with strong soil treatment in N. Europe and remediation activities in France
- EBIT up +5.9% organic, sustained by pricing
- EBIT margin at 4.7%, up 20bps

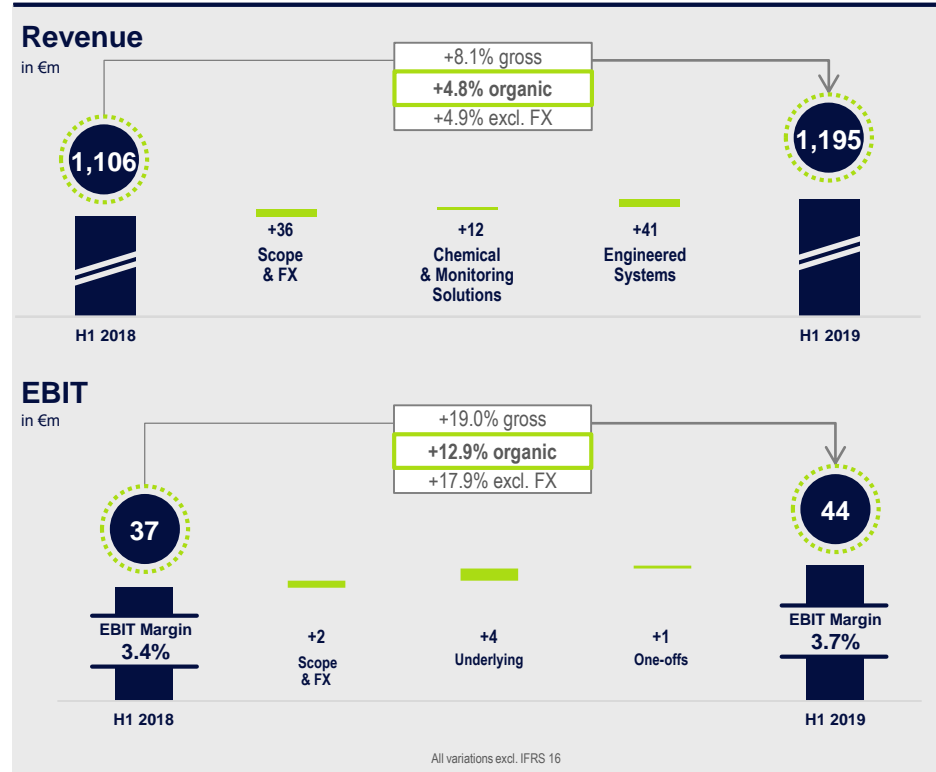
International

Strong revenue growth, EBIT up +5.1% organically



- **Strong organic growth in Asia:**
 - Takeover of **SCIP** water assets
 - New construction projects in **Macao** and **Zhuhai**
- **AMEI revenue picking up:**
 - New network construction projects starting in **India**
 - Supportive volumes and construction activity in **Morocco**
- **Revenue decrease in Australia**, waste treated sharply down as expected
- **International construction project backlog up +2.3%** prioritizing projects with added value technologies
- **EBIT up 5.1%**, with most geographies contributing
- **EBIT margin at 14.3%**, up 30bps

Continued revenue and EBIT growth with margin expansion



- **+4.8% organic growth in revenue**, with continuing good performance in both activities:
 - **ES up +6.4%**, driven by products (analytical instruments and purification)
 - **CMS up +2.8%**, with price increases in NorthAm and LatAm
- **Sound evolution of order book, up +12% organically**
- **Synergies developing well**
- **EBIT up +12.9% at 44m€**
- **EBIT margin at 3.7%, up 30bps**

Full-year objectives confirmed¹

- **Revenue:** +2 to 3% organic growth
- **EBIT:** +4 to 5% organic growth
- **Free cash flow:** +7 to 8%
- **Deleverage continuing** to reach ND / EBITDA ratio at c.3x in 2019⁽²⁾
Continued ambition to lower leverage ratio in 2020
- **Dividend:** c. €0.65 per share in relation with FY19 results⁽³⁾

(1) Guidance based on the following external factors : water volumes sold in line with historical trends, waste treated volumes up 1.5% in Europe vs. 2018, and no impact of commodities vs. 2018

(2) At constant reporting standard (3) Subject to 2020 Annual General Meeting approval

IFRS 16 impacts as of June 30th

<i>In €m</i>	H1 2019	o/w impact of IFRS 16
EBITDA	1,521	+157
EBIT	645	+6
Financial Result	(245)	(13)
Net Income (Group Share)	212	(6)
Free Cash Flow	292	+10
Net Debt	10,614	+1,378
Net Debt/EBITDA	3.4x	+0.11x

Net income Group share €212m

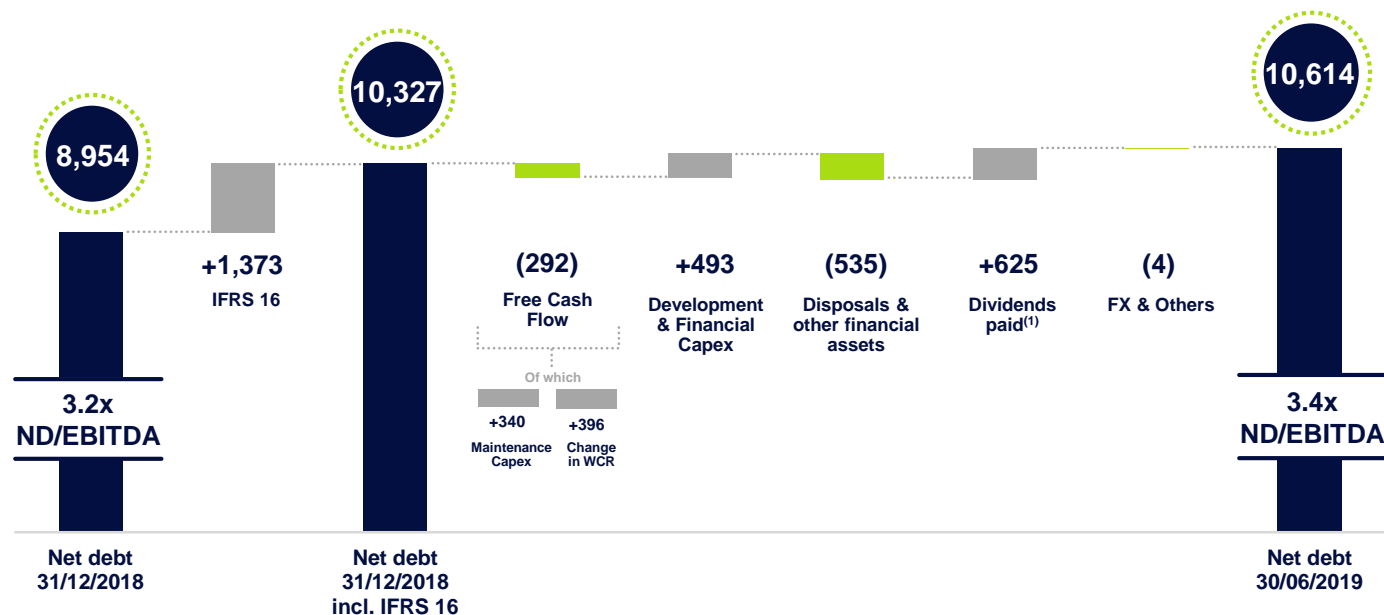
Includes €145m net impact of Argentine claim settlement

<i>In €m</i>	H1 2018	H1 2019	Variation
EBIT	607	645	+6.2%
Restructuring costs	(58)	(53)	
Impairments (incl. goodwill amortization)	(3)	(24)	
Capital gains and change in scope	28	6	
Argentina settlement	-	215	
IFRIC 21 impact and others (MtM)	(41)	(45)	
Income from operating activities	534	744	+39.3%
Financial expense	(237)	(246)	
Income tax	(89)	(157)	
Net Income	208	342	+64.6%
Non-controlling interests	(118)	(130)	
Net Income (Group Share)	90	212	+134.9%
Hybrid coupons	(23)	(23)	
Net Income (Group Share) post-hybrid	67	189	+182.1%

<i>In €m</i>	H1 2018	H1 2019	Variation
Net Income (Group Share)	90	212	+134.9%
<i>Impairments (incl. goodwill amortization)</i>	(3)	(24)	
<i>Capital gains and change in scope</i>	28	6	
<i>Argentina settlement</i>	-	215	
<i>IFRS 16 impact</i>	6		
Total one-offs after tax (normative 33.0% applied)	21	132	
Net Income excl. one-offs	69	79	+14.3%

Net Debt: €9,236m excluding IFRS 16

In €m



Evolution of Net Debt 1H18 vs 1H19
at constant reporting standards



Conclusion

Bertrand Camus

Chief Executive Officer

Our “SUEZ 2030” plan will be unveiled by October 30 2019

Positioning SUEZ as the global leader in environmental services



Our strategic plan will address the following priorities:

- A clear and readily understandable value proposition
- A financial trajectory that shows a sharp change in performance in the near-term and creates long-term value
- A strategy to manage assets which we believe cannot deliver satisfactory returns
- Redirection of our capital resources to businesses where we want to accelerate and grow

Creating value for all stakeholders

Appendices

Table of contents

1. Key figures	24
2. P&L	26
3. Cash Flow Statement	33
4. Balance Sheet	36
5. Activity of divisions	40

Appendix 1

Key figures

Key figures as of June 30th, 2019

In €m	H1 2018	H1 2019	Gross	Organic	Gross at constant reporting standards	Excl. FX
Revenue	8,351	8,656	+3.7%	+3.5%	+3.7%	+2.9%
EBITDA	1,323	1,521	+15.0%	+2.4%	+3.1%	+2.6%
<i>% Revenue</i>	<i>15.8%</i>	<i>17.6%</i>				
EBIT	607	645	+6.2%	+4.8%	+5.2%	+5.0%
<i>% Revenue</i>	<i>7.3%</i>	<i>7.5%</i>				
Net income (group share)	90	212	x2.3			
Net income (group share) excl. one-offs items	69	79	+14.3% ⁽¹⁾			
Free cash flow	238	292	+22.7%			
Net debt	9,323	10,614	(0.9%) ⁽²⁾			
Net debt / EBITDA	3.5x	3.3x⁽²⁾	(0.2)x ⁽²⁾			

Appendix 2

Profit & Loss

Revenue by division

<i>In €m</i>	H1 2018	H1 2019	in % of total	Variation	
				gross	organic
WATER EUROPE	2,230	2,228	25.7%	(0.1)%	+1.3%
France	1,054	1,016	11.7%	(3.6)%	(1.6)%
Spain	716	736	8.5%	+2.8%	+2.8%
Latin America	460	476	5.5%	+3.4%	+5.6%
RECYCLING & RECOVERY EUROPE	3,118	3,213	37.1%	+3.0%	+4.4%
France	1,615	1,585	18.3%	(1.8)%	+0.9%
Benelux & Germany	733	798	9.2%	+8.9%	+8.9%
UK & Sweden	553	577	6.7%	+4.3%	+4.2%
Industrial Waste Specialties (IWS)	218	253	2.9%	+15.9%	+16.2%
INTERNATIONAL	1,842	1,962	22.7%	+6.5%	+4.0%
Australia	519	490	5.7%	(5.7)%	(3.8)%
Africa, Middle East & India	472	510	5.9%	+8.1%	+5.1%
North America	419	458	5.3%	+9.2%	+2.2%
Asia	188	258	3.0%	+36.9%	+29.3%
Italy, Central & Eastern Europe	244	247	2.9%	+1.4%	+2.2%
WATER TECHNOLOGIES & SOLUTIONS	1,106	1,195	13.8%	+8.1%	+4.8%
OTHER⁽¹⁾	55	58	0.7%	+5.4%	+5.4%
TOTAL	8,351	8,656	100.0%	+3.7%	+3.5%

(1) Mainly SUEZ Consulting

Income from associates by division

<i>In €m</i>	H1 2018	H1 2019	Variation
Water Europe	9	8	(13.3)%
Recycling & Recovery Europe	3	6	110.8%
International	79	81	2.6%
<i>o/w Acea (23.33% stake)</i>	24	30	25.3%
Water Technologies & Solutions	2	(1)	(146.8)%
TOTAL	93	94	1.2%

Revenue, EBITDA and EBIT by division

In €m	H1 2018	H1 2019	Variation			
			gross ⁽¹⁾	organic	scope	FX
Total revenue	8,351	8,656	3.7%	3.5%	(0.6)%	0.7%
Water Europe	2,230	2,228	(0.1)%	1.3%	(0.9)%	(0.5)%
Recycling & Recovery Europe	3,118	3,213	3.0%	4.4%	(1.2)%	(0.2)%
International	1,842	1,962	6.5%	4.0%	0.2%	2.3%
Water Technologies & Solutions	1,106	1,195	8.1%	4.8%	0.1%	3.2%
Others	55	58	5.4%	5.4%	-	-
Total EBITDA	1,323	1,521	3.1%	2.4%	0.2%	0.4%
Water Europe	567	567	(4.2)%	(2.6)%	(0.4)%	(1.1)%
Recycling & Recovery Europe	346	418	0.4%	(0.1)%	0.6%	(0.1)%
International	370	457	15.2%	12.2%	0.5%	2.4%
Water Technologies & Solutions	98	119	6.8%	1.3%	1.5%	3.9%
Others	(59)	(40)	(0.7)%	(0.7)%	-	(0.0)%
Total EBIT	607	645	5.2%	4.7%	0.3%	0.1%
Water Europe	248	245	(1.3)%	0.7%	(0.3)%	(1.8)%
Recycling & Recovery Europe	141	150	5.2%	5.9%	(0.6)%	(0.1)%
International	258	280	7.6%	5.1%	0.6%	1.9%
Water Technologies & Solutions	37	44	19.0%	12.8%	5.1%	1.2%
Others	(77)	(75)	(1.0)%	(1.0)%	-	(0.0)%

FX impact on Revenue, EBITDA, EBIT and Net Debt

1 EUR =	USD	GBP	AUD	CLP
H1 2019 average rate	1.13	0.87	1.60	763
H1 2018 average rate	1.21	0.88	1.57	740
Closing rate at 30/06/2019	1.14	0.90	1.62	770
Closing rate at 30/06/2018	1.17	0.89	1.58	764

€m	H1 2019	FX impact	USD	o/w an impact from:		
				GBP	AUD	CLP
Revenue	8,656	62	64	3	(10)	(11)
EBITDA	1,521	6	11	0	(2)	(7)
EBIT	645	1	5	0	(1)	(5)
Net Financial Debt	10,614	21	14	(0)	2	5

From EBITDA to EBIT by division

<i>H1 2019, in €m</i>	Water Europe	R&R Europe	International	WT&S	Other	H1 2019
EBITDA	567	418	457	119	(40)	1,521
Depreciation	(239)	(251)	(156)	(81)	(26)	(754)
Net provisions & impairments	1	20	(10)	7	(7)	10
Net concession renewal expenses	(83)	(37)	(11)	0	0	(131)
Employees compensation plans in shares ⁽¹⁾	0	0	0	0	(1)	(1)
EBIT	245	150	280	44	(75)	645

<i>H1 2018, in €m</i>	Water Europe	R&R Europe	International	WT&S	Other	H1 2018
EBITDA	567	346	370	98	(59)	1,323
Depreciation	(224)	(182)	(123)	(64)	(10)	(603)
Net provisions & impairments	(18)	12	18	3	(7)	9
Net concession renewal expenses	(77)	(36)	(7)	-	-	(120)
Employees compensation plans in shares ⁽¹⁾	-	-	-	-	(1)	(1)
EBIT	248	141	258	37	(77)	607

(1) Free shares, ESOP

Earning per share

<i>In €m</i>	H1 2018	H1 2019
Net Income Group Share	90	212
+ coupon attributable to holders of undated deeply subordinated notes issued in June 2014	(8)	(8)
+ coupon attributable to holders of undated deeply subordinated notes issued in March 2015	(6)	(6)
+ coupon attributable to holders of undated deeply subordinated notes issued in May 2017	(9)	(9)
Adjusted Net Income Group Share	68	189

<i>In Millions</i>		
Weighted average number of outstanding shares	617.8	617.9

<i>Earnings per share (in euros)</i>		
Net income Group share per share	0.11	0.31
<i>Net diluted income Group share per share</i>	<i>0.11</i>	<i>0.30</i>

Total number of shares at end of June	621,362,579	621,362,579
<i>o/w treasury shares</i>	<i>3,367,850</i>	<i>3,267,425</i>

Appendix 3

Cash Flow Statement

From EBITDA to Operating Cash Flow

<i>In €m</i>	H1 2018	H1 2019	variation
EBITDA	1,323	1,521	+15.0%
Net disbursements under concession contracts	(120)	(131)	+9.5%
Depreciation of current assets	(11)	(5)	(55.6)%
Restructuring	(74)	(56)	(24.9)%
Dividends from associates	95	78	(18.0)%
Income of core associates	(93)	(94)	+1.6%
Argentina claim settlement	-	222	N.A.
Provision for employee benefit & others	(55)	(71)	+28.8%
OPERATING CASH FLOW	1,065	1,464	+37.5%

Investments by nature and division

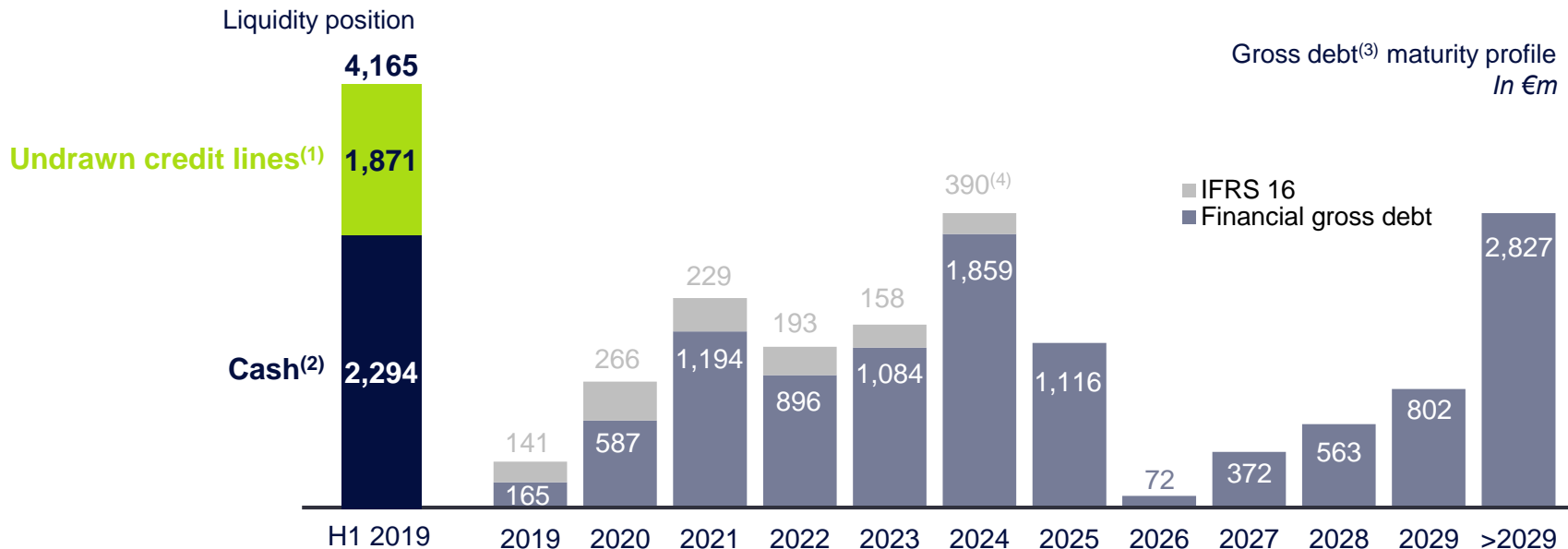
<i>in €m</i>	Maintenance capex	Development capex	Financial investments	Disposal	Total Net Investments
Water Europe	(114)	(168)	2	5	(274)
R&R Europe	(102)	(99)	(7)	21	(186)
International	(88)	(121)	(51)	535	275
WTS	(21)	(25)	0	0	(46)
Other	(15)	0	(4)	2	(17)
TOTAL H1 2019	(340)	(412)	(59)	563	(248)

<i>in €m</i>	Maintenance capex	Development capex	Financial investments	Disposal	Total Net Investments
Water Europe	(102)	(124)	(10)	17	(219)
R&R Europe	(93)	(76)	(6)	44	(131)
International	(82)	(98)	(43)	3	(219)
WTS	(22)	(21)	(72)	0	(115)
Other	(7)	0	(1)	2	(6)
TOTAL H1 2018	(306)	(319)	(131)	66	(691)

Appendix 4

Balance Sheet

Financial debt and liquidity position



(1) Excluding €1,231m of commercial paper

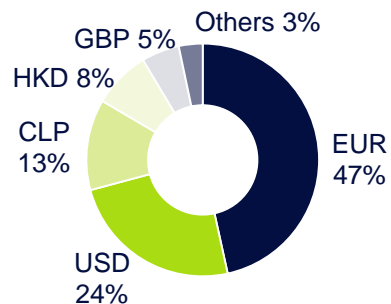
(2) Cash net of mark-to-market derivatives

(3) Gross debt net of bank overdraft and commercial paper

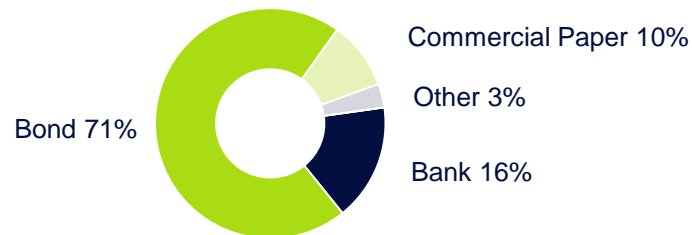
(4) From 2023

Financial debt

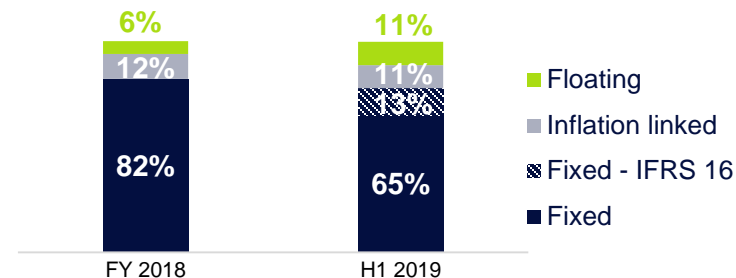
Net debt by currency⁽¹⁾



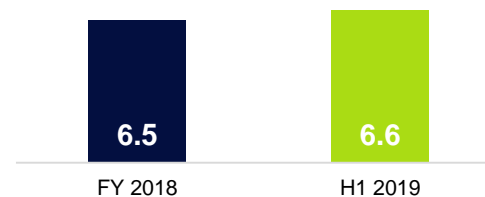
Gross debt by type⁽¹⁾



Net debt by rate type



Gross debt by average maturity, in years⁽¹⁾



Capital Employed

<i>In €m</i>	FY 2018	H1 2019
Net goodwill	5,142	5,285
Tangible and intangible assets, net	13,422	13,689
Net financial assets	186	270
Investment in associates	1,989	2,059
Provisions	(1,756)	(1,544)
Rights of use	-	1,359
Others	(754)	(567)
CAPITAL EMPLOYED	18,230	20,552

<i>In €m</i>	FY 2018	H1 2019
Water Europe	5,647	5,780
R&R Europe	3,559	4,349
International	5,763	6,542
WT&S	3,218	3,615
Others	43	266
CAPITAL EMPLOYED	18,230	20,552

Appendix 5

Activity of divisions

Non financial KPIs by division

Water Europe

<i>Mm³ sold</i>	H1 2019	Δ 19/18 ⁽¹⁾
France	302	+1.0%
Spain	315	+1.7%
Chile	314	+1.3%

R&R Europe

<i>Mt</i>	H1 2019	Δ 19/18
Elimination	3.9	(1.0)%
Recovery	9.2	+0.7%
Energy from Waste	4.6	(1.1)%
Sorting & Recycling	4.6	+2.5%
Total processed volumes	13.0	+0.2%

WTS

<i>in €m</i>	H1 2019	Δ 19/18 ⁽²⁾
Engineered Systems (ES)	879	+18%
Chemical & Monitoring Solutions (CMS)	480	+3%
Total orders	1,359	+12%

International

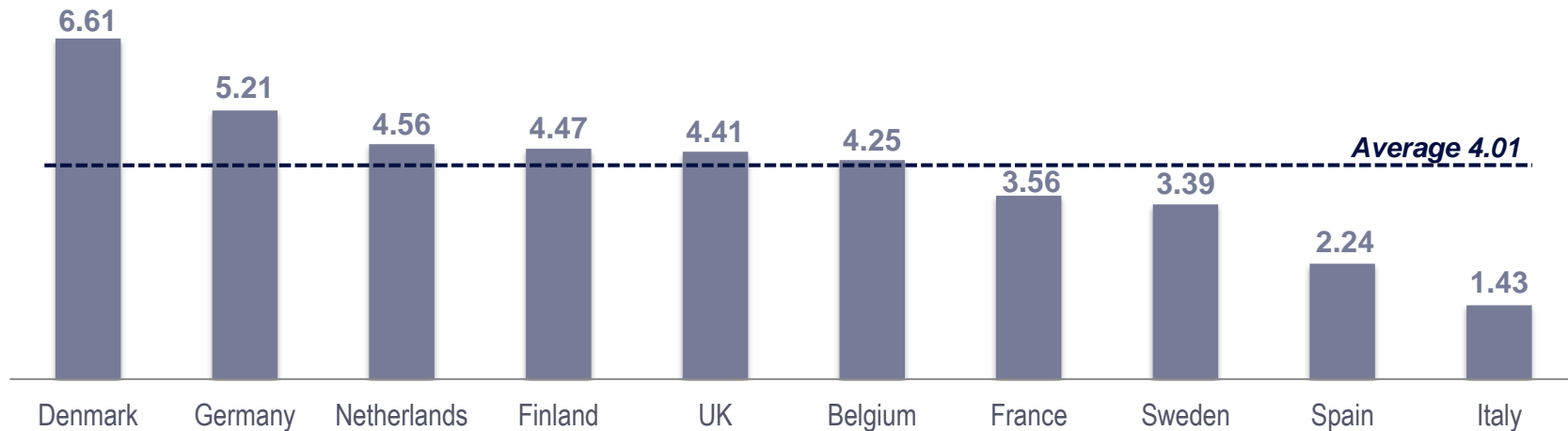
	H1 2019	Δ 19/18
Water DB backlog - €bn	1.2	+8.5% ⁽³⁾
o/w International	0.7	+2.3% ⁽³⁾
China - Mm ³ sold	402	+2.6%
North America - Mm ³ sold	122	(3.9)%
Morocco - Mm ³ sold	76	+3.4%
Waste treated - Mt	6.2	(4.3)%

Water Europe

Water tariff in Europe

GLOBAL AVERAGE PRICE

1st January 2017, at constant forex, €/m³

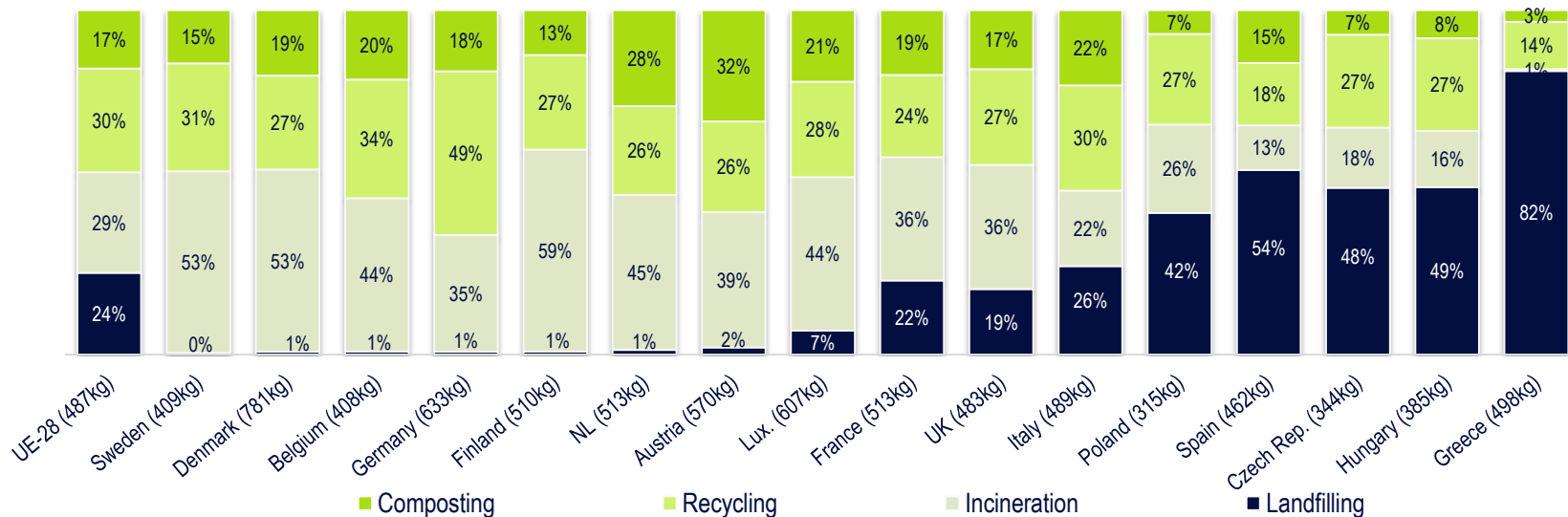


(1)Source: FP2E - NUS Consulting

Recycling & Recovery Europe

Municipal waste treatment mix in Europe

ANNUAL WASTE VOLUMES PER CAPITA & SPLIT OF TREATMENT MODE

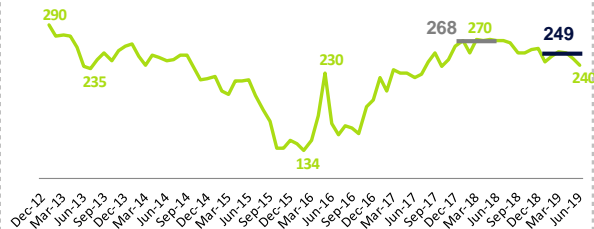


(1)Source: Eurostat (2017 data , ex. UK and Greece : 2016 data)

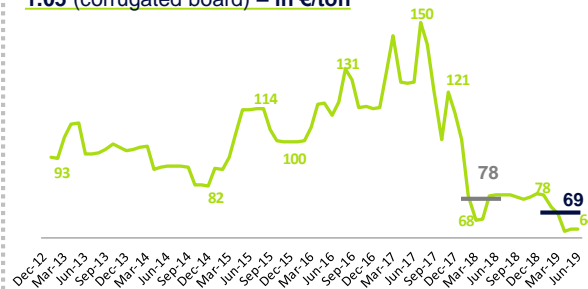
Recycling & Recovery Europe

Commodity prices evolution

BDSV Sorte 1 (ferrous metal, recycled) – in €/ton



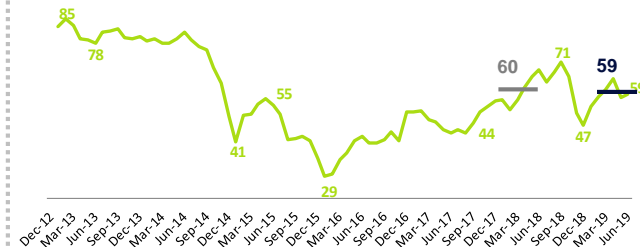
1.05 (corrugated board) – in €/ton



Average H1 2019

Average H1 2018

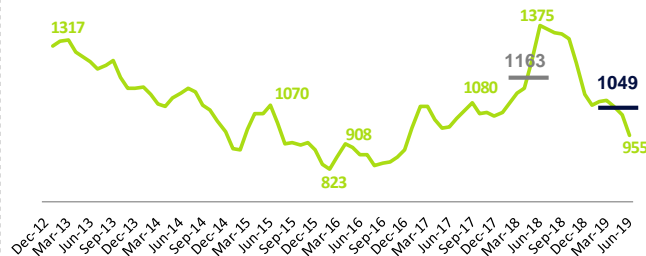
Brent – in €/baril



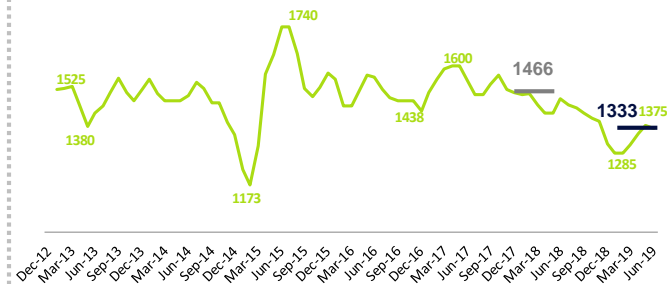
Recycling & Recovery Europe

Commodity prices evolution

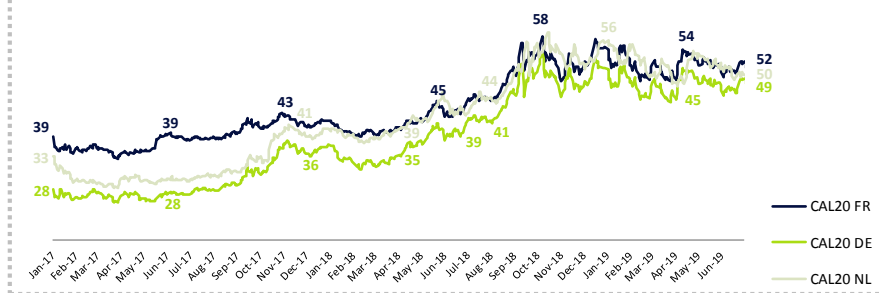
PET (Virgin material) – in €/ton



PEBD – in €/ton



Electricity – in €/Mwh – CAL 20



Average H1 2019

Average H1 2018

CONTACTS

FINANCIAL COMMUNICATION

Mathilde Rodié

E-mail: mathilde.rodie@suez.com

Cécile Combeau

E-mail: cecile.combeau@suez.com

E-mail: financial.communication@suez.com

Tel: + 33 (0)1 58 81 24 05

SUEZ
Tour CB21 – 16, place de l'Iris
92040 Paris La Défense Cedex

ready for the resource revolution

