

Q1 2019 Financial Results

26th April 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.

Q1 2019 Financial Results

Jean-Marc Boursier

Group SEVP

Finance and R&R Northern Europe

Key financials Q1 2019

Good start in the year with strong topline growth and continued operational improvement

In €m	Q1 2018 after PPA ⁽¹⁾	Q1 2019	Gross	Organic	Excluding FX ⁽²⁾
Revenue	4,055	4,210	+3.8%	+3.7%	+3.0%
EBITDA	633	709	+12.1%	(0.8)%	(0.5)%
<i>% Revenue</i>	15.6%	16.9%			
EBIT	278	293	+5.3%	+3.3%	+3.9%
<i>% Revenue</i>	6.9%	7.0%			
	FY 2018	Q1 2019	Variation excl. IFRS 16		
Net debt	8,954	10,367	+0.9%		
<i>Net debt / EBITDA⁽²⁾</i>	3.23x	3.26x			

First application of IFRS 16:

+€76m on EBITDA

+€3m on EBIT

+€1,336m on Net Debt

+0.11x on ND/EBITDA

- Net Debt is stable excluding IFRS 16, with a €337m seasonal increase of Working Capital, a negative FX impact of €124m, and net proceeds from disposal of 20% stake in Suez Water Resources Inc. for €524m
- Final resolution of the claim with the Argentinian government related to Buenos Aires: €220m of cash settlement received in April

Q1 2019 highlights

Solid commercial dynamic in all divisions with major contracts wins and continuing developments

Recycling & Recovery

Greater Manchester (UK): preferred tenderer for waste treatment

£100m/y. for minimum 8 years duration, starting June 1st, 2019

Doel (Belgium): New Energy-from-Waste plant for non-recyclable wood waste

Construction with Indaver – facility to become operational in 2021, annual capacity of 180kt

Lyon (France): Modernization and operation of Valorly Energy-from-Waste facility

88m€ revenue - 8 years duration, annual capacity of 145kt

Greater Bay area (China): 3 waste recovery and water management contracts

Revenue totaling €250m

Hong-Kong (HK): Start of operations at O'Park - organic resources recovery park

Water

North-Naples (Italy): Wastewater treatment plant renovation and operation

Revenue totaling €120m - 5 years duration

Rosarito (Mexico): Construction of a desalination plant with total capacity of 190,000m³/day

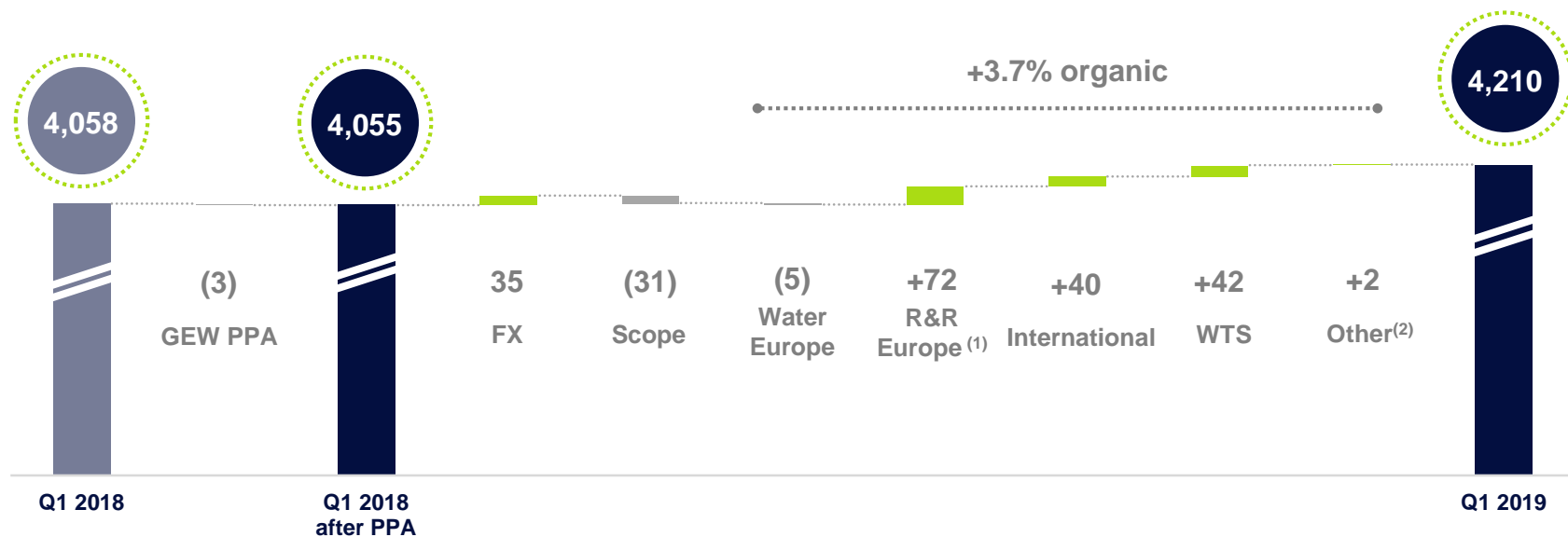
Construction agreement granted by the Baja California Congress

Melbourne (Australia): Record desalinated water order of 125GL for a year starting June 2019

Revenue up +3.7% on an organic basis

Sustained commercial momentum materializing into solid revenue growth

Revenue
in €m

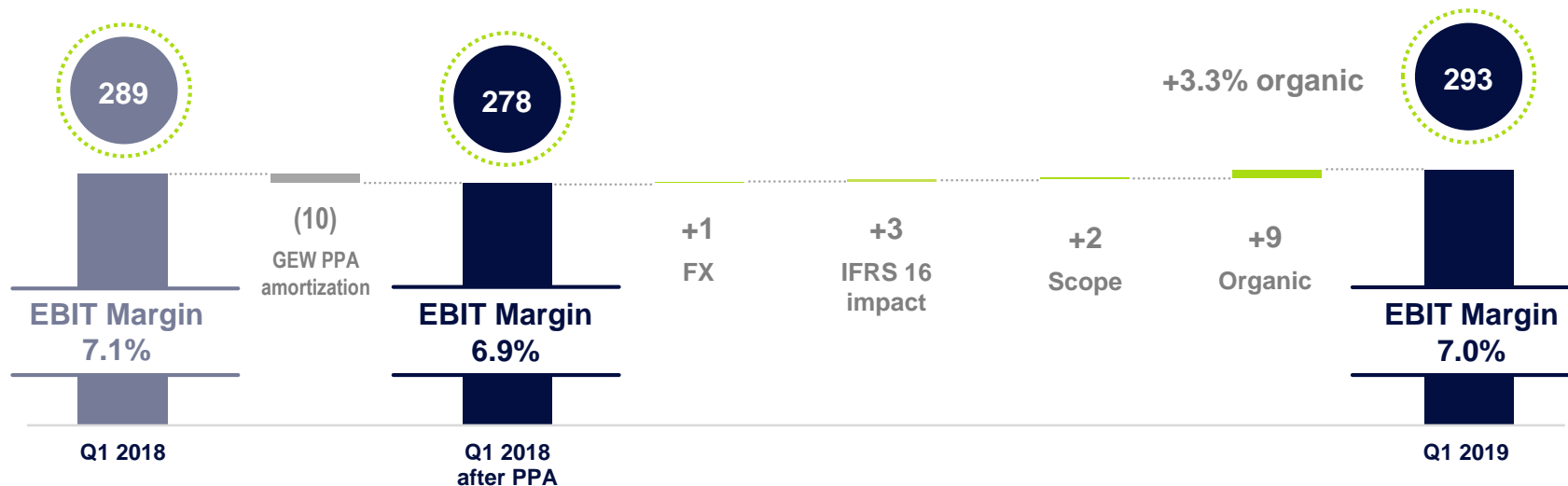


(1) Recycling & Recovery (2) Mainly SUEZ Consulting

Solid operational performance

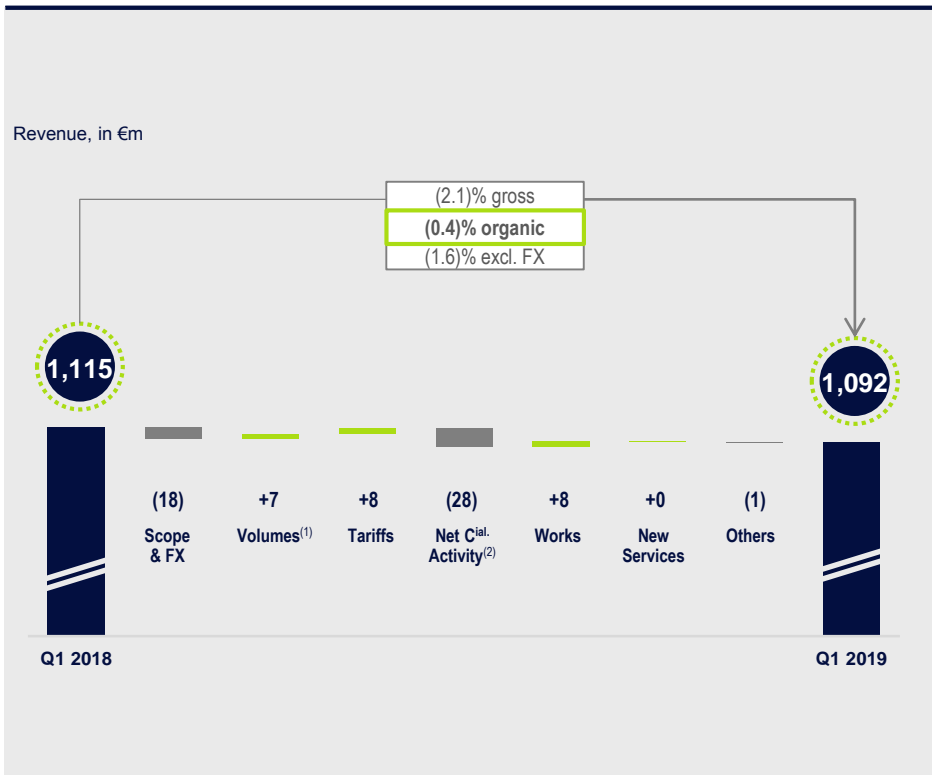
EBIT up +3.3% on an organic basis

EBIT
in €m



Water Europe

Stable revenue, as expected



Positive momentum in volumes

- Positive trend in France and Spain, thanks to a mild winter
- Chile levelling-off after a very strong previous year

<i>Mm³ sold</i>	Q1 2019	Variation
France	151	+1.6%
Spain	149	+0.9%
Chile	169	+0.5%

Varied trend in tariffs

- France** : +1.6% on DSP⁽³⁾, mainly driven by positive indexation
- Spain** : (1.1)%, impacted by tariff decrease in Barcelona in May 2018 and delayed tariff increases in the country due to elections
- Chili** : +2.8%

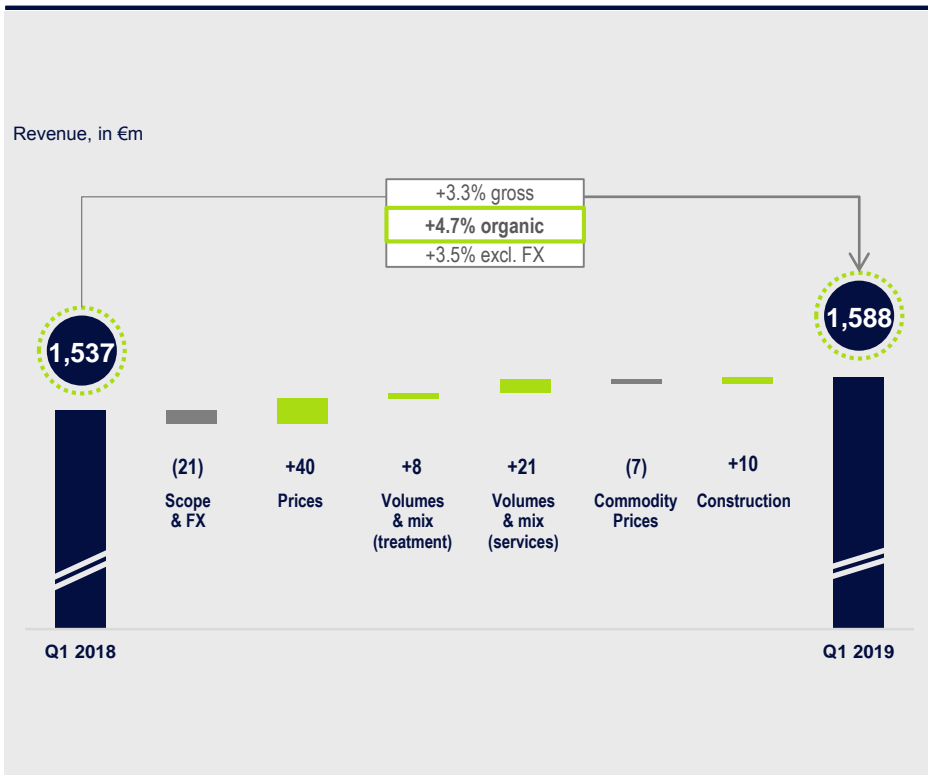
Supportive construction activity in Salvador and Panama

Net commercial activity impacted by contracts end: Bordeaux (Jan. 2019) and Valenton (Apr. 2018)

EBIT down organically due to phasing of contracts in France and specific tariff situation in Spain

Recycling & Recovery Europe

Solid activity with +4.7% organic growth in revenue

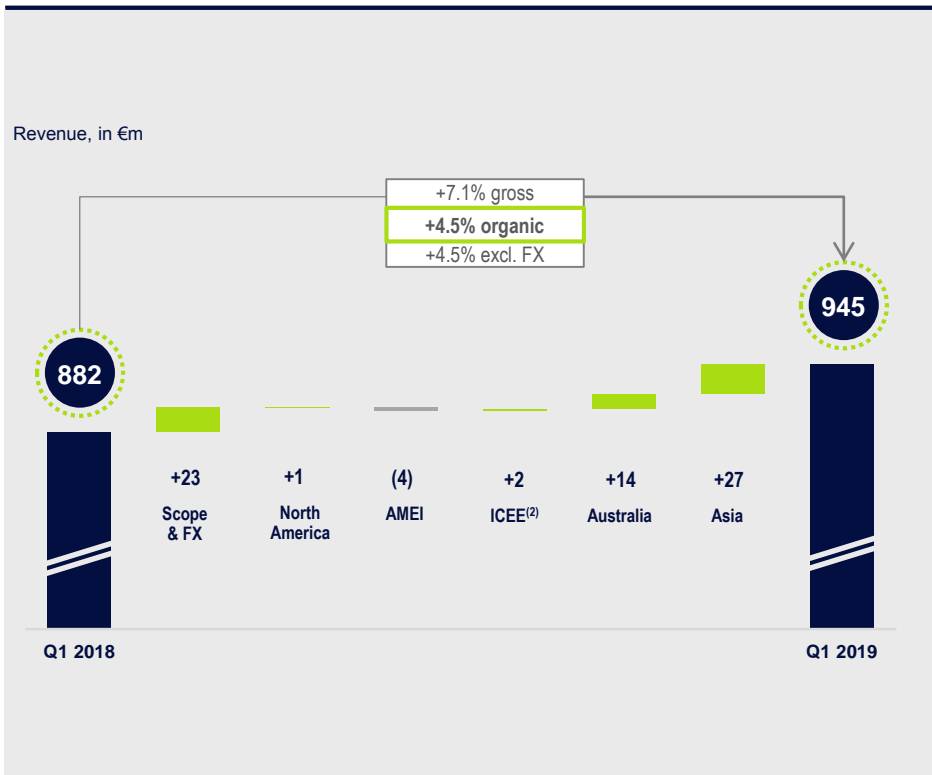


Mt	Q1 2019	Variation
Elimination	1.8	+0.2%
Recovery	4.5	(1.2)%
Energy from Waste	2.3	+0.9%
Sorting & Recycling	2.2	(3.3)%
Total processed volumes	6.3	(0.8)%

- Voluntary reduction in exposure to paper and plastic resulting in slight reduction of **total waste processed**
- Supportive pricing power** in all geographies
- Recyclates prices** at a low level. **Electricity prices** well oriented
- Noticeable revenue performance in **Hazardous Waste (+18.8%)** notably thanks to strong soil treatment and remediation activities
- Slight organic increase in EBIT** excluding impact of exceptional bonus for lowest salaries in France and despite a strong increase in fuel prices

International

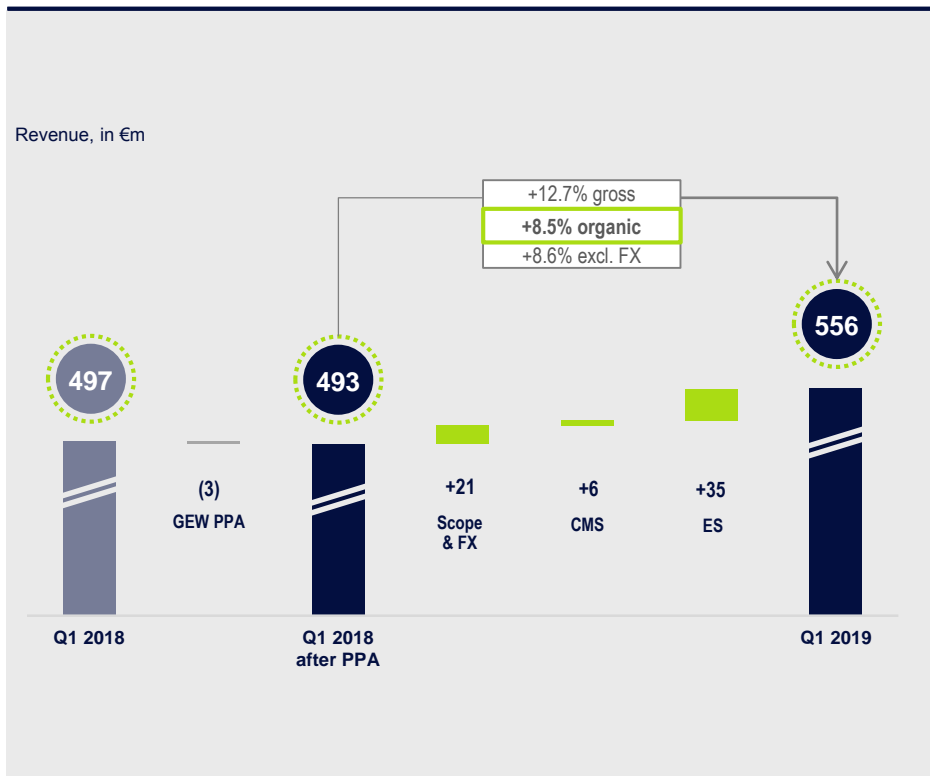
Dynamism confirmed with a +4.5% organic growth in revenue



	Q1 2019	Variation
Water DB backlog - €bn	1.1	(7.4)% ⁽¹⁾
o/w International	0.6	(6.4)% ⁽¹⁾
China - Mm ³ sold	191	+0.3%
North America - Mm ³ sold	53	+0.6%
Morocco - Mm ³ sold	36	+2.6%
Waste treated - Mt	3.1	+0.4%

- Strong organic growth in **Asia**:
 - Takeover on SCIP water assets
 - New construction projects in Macao and Zhuhai
- Solid organic growth in **Australia**, driven by increased waste volumes and new contracts in residential collection
- North America** supported by slight positive trend in volumes over a seasonal small quarter
- Strong **EBIT organic growth**, with positive contribution of all BUS

Strong organic growth in revenue up +8.5%



Orders up +2.4% organically

<i>in €m</i>	Q1 2019	Organic growth
Engineered Systems (ES)	408	+2.1%
Chemical & Monitoring Solutions (CMS)	226	+2.9%
Total orders	634	+2.4%

Revenue up +8.5% organically vs Q1 2018

- **ES : +11%**, driven by a strong performance of both services and products divisions
- **CMS : +3%**, notably thanks to price increases in Asia and Latam

EBIT, while not significant in the first quarter, is growing organically excluding a property tax one-off in Q1 2018

Solid Q1 performance, full-year guidance confirmed¹

- **Revenue** : 2 to 3% organic growth
- **EBIT** 4 to 5% organic growth, notably thanks to targeted €200m compass cost savings
- **Free cash flow** +7 to 8%, with continued selectivity in Capex
- **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⁾

Drive value-accretive growth, with a primary focus on International markets and Industrial clients

Maintain a selective capital investment policy

Keep focusing on cash generation and value creation

Maintain tight cost control and steer operational efficiencies

Maximize WTS cost and revenue synergies

(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

Appendices

Revenue by division

In €m	Q1 2018 After PPA	Q1 2019	in % of total	Variation			
				gross	organic	scope	FX
WATER EUROPE	1,115	1,092	25.9%	(2.1)%	(0.4)%	(1.7)%	(0.4)%
Water France	525	489	11.6%	(7.0)%	(4.4)%	(2.5)%	-
Spain	346	349	8.3%	+0.7%	+0.7%	-	-
Latam	244	255	6.1%	+4.5%	+6.5%	-	(2.0)%
RECYCLING & RECOVERY EUROPE	1,537	1,588	37.7%	+3.3%	+4.7%	(1.2)%	(0.2)%
France	806	795	18.9%	(1.4)%	+1.2%	(2.3)%	(0.3)%
UK & Sweden	264	277	6.6%	+5.3%	+4.6%	+0.7%	(0.0)%
Benelux & Germany	362	390	9.3%	+7.8%	+8.2%	(0.4)%	-
Industrial Waste Specialties (IWS)	106	125	3.0%	+18.8%	+18.8%	-	-
INTERNATIONAL	882	945	22.4%	+7.1%	+4.5%	-	+2.6%
North America	192	209	5.0%	+8.5%	+0.4%	-	+8.0%
Australia	245	253	6.0%	+3.7%	+5.6%	-	(1.9)%
Africa, Middle East & India	240	244	5.8%	+1.7%	(1.5)%	-	+3.2%
Asia	88	121	2.9%	+37.9%	+30.9%	-	+7.0%
Italy, Central and Eastern Europe	117	118	2.8%	+0.3%	+1.7%	-	(1.4)%
WATER TECHNOLOGIES & SOLUTIONS	493	556	13.2%	+12.7%	+8.5%	+0.1%	+4.0%
OTHER⁽¹⁾	27	29	0.7%	+8.2%	+8.2%	-	-
TOTAL	4,055	4,210	100.0%	+3.8%	+3.7%	(0.8)%	+0.9%

Revenue by geographies

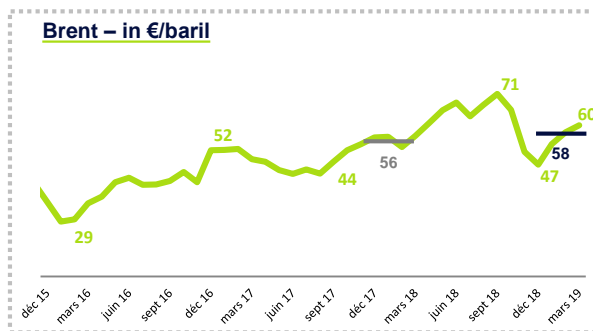
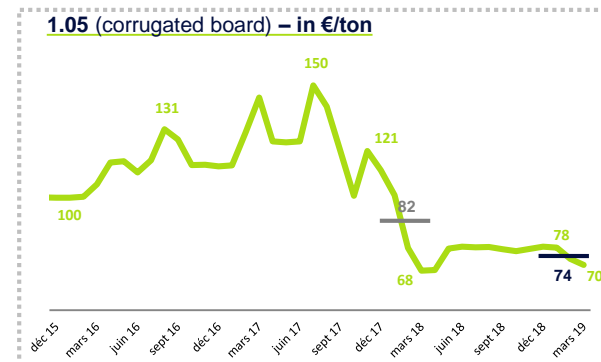
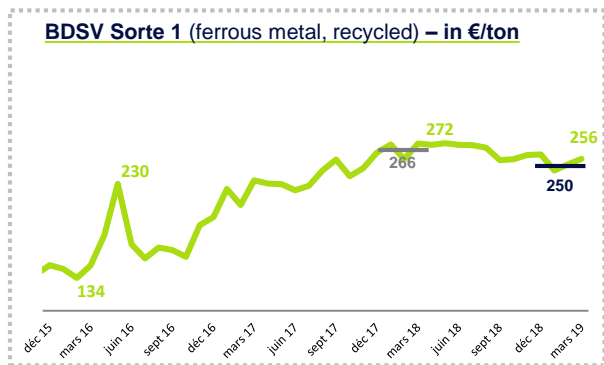
<i>In €m</i>	Q1 2018 after PPA	Q1 2019	in % of Total	Variation
FRANCE	1,257	1,214	28.8%	(3.4)%
Spain	393	399	9.5%	+1.5%
UK	232	242	5.8%	+4.7%
Germany	151	162	3.9%	+7.5%
Benelux	283	320	7.6%	+13.3%
Others Europe	250	265	6.3%	+6.1%
EUROPE (excluding France)	1,308	1,389	33.0%	+6.2%
North America	449	474	11.3%	+5.6%
South America	290	312	7.4%	+7.5%
Oceania	276	284	6.7%	+3.1%
Asia	189	253	6.0%	+33.8%
Africa	212	208	4.9%	(2.0)%
Others International	75	76	1.8%	+0.4%
INTERNATIONAL (excluding Europe)	1,491	1,607	38.2%	+7.8%
TOTAL REVENUE	4,055	4,210	100.0%	+3.8%

GE Water purchase price allocation impacts

<i>In €m</i>	Q1 2018 published	GE Water PPA impact	Q1 2018 after PPA	Q1 2019
Total revenue	4,058	(3)	4,055	4,210
EBITDA	635	(2)	633	709
EBIT	289	(10)	278	293

Recycling & Recovery Europe

Commodity prices evolution

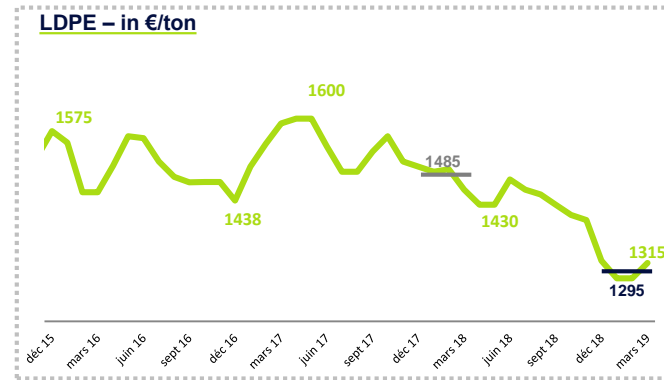
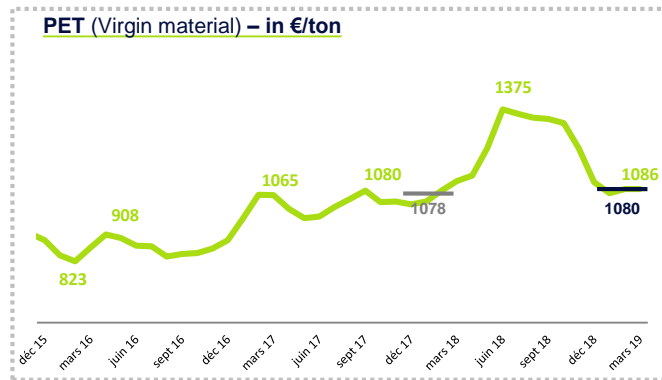


Average Q1 2019

Average Q1 2018

Recycling & Recovery Europe

Commodity prices evolution



Average Q1 2019

Average Q1 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

