

Paris, October 30th, 2019 – 7:30am

**SUEZ 9M 2019: STRONG PERFORMANCE
FULL YEAR REVENUE TARGET UPGRADED
TOWARDS THE UPPER END OF THE RANGE**

- **Revenue: €13,127m, organic growth of +3.2%, each division contributing positively**
- **EBIT: €1,016m, organic growth of +4.2%, notably driven by Recycling & Recovery and International divisions**
- **2019 guidance:**
 - **Upgrade of revenue expectations towards the upper end of our organic growth target range**
 - **Confirmation of all other 2019 objectives**
- **Net Debt down (on a constant accounting basis), to €10,600m**
- **Our strategic plan “Shaping SUEZ 2030” launched and under way**

Bertrand Camus, SUEZ CEO, commented:

“In the first nine months of 2019, SUEZ posted a strong performance. In particular, our solid organic revenue growth enables us to improve our full year revenue expectations which we now expect towards the upper end of our organic growth target range. We have improved profitability and lowered leverage. All our divisions contributed positively to our expansion, allowing us also to confirm all our other 2019 objectives.”

On the 2nd of October, we presented “Shaping SUEZ 2030”, the new strategic roadmap for SUEZ designed to radically transform the Group. Driving selectivity in growth, simplicity in our way of working and a renewed engagement grounded on new values and culture, the plan enhances value creation for all stakeholders over 4 years, with material results as soon as 2021.”

RESULTS AT SEPTEMBER 30, 2019

The Board of Directors of SUEZ examined the consolidated financial statements at September 30th, 2019 at its meeting held on October 29th, 2019. They were subject to review by the Audit Committee at its meeting of October 25th, 2019.

In millions of euros	September 30, 2018 excl. IFRS 16	September 30, 2019	Gross variation	Organic variation	Excluding IFRS 16	
					Gross variation	Variation at constant FX
Revenue	12,697	13,127	+3.4%	+3.2%	+3.4%	+2.7%
EBITDA	2,048	2,330	+13.8%	+1.1%	+1.8%	+1.3%
<i>EBITDA / Revenue</i>	16.1%	17.8%				
EBIT	963	1,016	+5.6%	+4.2%	+4.5%	+4.2%
<i>EBIT / Revenue</i>	7.6%	7.7%				

In millions of euros	September 30, 2018 excl. IFRS 16	September 30, 2019	Variation excl. IFRS 16
Net Debt	9,335	10,600	-1.1%
Net Debt / EBITDA	3.4x	3.3x¹	-0.1x

¹ On a constant accounting basis (excl. IFRS 16)

PERFORMANCE BY DIVISION

WATER EUROPE

In millions of euros	September 30, 2018	September 30, 2019	Gross variation	Organic variation	Variation at constant FX
Revenue	3,389	3,373	-0.5%	+0.9%	-0.1%

- **The Water Europe division** reported revenue of **€3,373m**, up **+0.9%** in organic terms (**+30m€**).
 - Revenue in **France** was down **-1.7% (-€27m)** on an organic basis. Water sales volumes increased by +1.3%, driven by dry and hot weather during the summer. Tariffs indexations were up +1.7%. Net commercial activity still weighted on nine-months performance, notably with the end of contract in Bordeaux.
 - **Spain** was up **+1.2% (+€14m)** on an organic basis. Water sales volumes were up +1.7%. Tariffs were close to stable, at -0.4%, factoring in the 1.65% decrease negotiated in Barcelona for 2018 which impacts 2019 from January to May.
 - Revenue in **Latin America** grew **+6.4% (+43m€)** on an organic basis. In Chile, volumes of water sold were up +1.3% year-on-year, and tariffs up +1.8%. The region also benefitted from a strong contribution from construction in Panama and Ecuador.

- The Division's **EBIT** showed **solid organic growth** overall.

RECYCLING & RECOVERY EUROPE

In millions of euros	September 30, 2018	September 30, 2019	Gross variation	Organic variation	Variation at constant FX
Revenue	4,637	4,805	+3.6%	+4.6%	+3.8%

- **The Recycling and Recovery Europe division** reported revenue of **€4,805m**, up **+4.6% (+€212m)** on an organic basis. The volume of waste treated increased by +1.2% at September 30, 2019.
 - The **Industrial Waste Specialties** business posted a record high organic growth of **+14.2% (+€46m)**, notably driven by price increases and soil remediation business in France and the Netherlands.
 - Revenue in the **Benelux/Germany** region was up **+8.8% (+€97m)** on an organic basis. Business benefitted from upward price revisions with Industrial and Commercial customers.
 - The **United Kingdom/Scandinavia** region recorded organic growth of **+7.0% (+€58m)**. The business benefitted from the start of the Greater Manchester Area Waste Management contract on June 1st, 2019.
 - Revenue in **France** was up **+0.4% (+€10m)** on an organic basis.

- The Division's **EBIT** showed **substantial organic growth**, with a strong contribution from Industrial Waste Specialties.

INTERNATIONAL

In millions of euros	September 30, 2018	September 30, 2019	Gross variation	Organic variation	Variation at constant FX
Revenue	2,882	3,031	+5.2%	+2.9%	+3.0%

■ The **International division** reported revenue of **€3,031m** on September 30, 2019, up **+2.9% (+€82 m)** on an organic basis as a result of the following:

- **Asia** recorded organic growth of **+17.9% (+€56m)**. The organic performance of the area was positively impacted during first-half of the year by the takeover of SCIP's water assets (Shanghai Chemical Industrial Park) on July 1st, 2018. This effect ended in the third quarter 2019.
- Revenue in **Italy/Central and Eastern Europe** increased by **+4.1% (€+15m)** on an organic basis. Performance was notably driven by a strong contribution of Poland, supported by contracts wins and renewals.
- Revenue in **Australia** was down **-4.3% (-€34m)** in organic terms, impacted in particular by the completion of major and infrastructure works around Sydney end 2018.
- **North America** recorded organic growth of **+3.7% (+€25m)**
- The **Africa/Middle East/India** region posted an organic growth of **+2.7% (+€20m)**. The business benefitted from the ramp-up of Coimbatore and Davanagere contracts in India.

■ The Division's **EBIT** showed **solid organic growth** and **operational leverage**.

WATER TECHNOLOGIES & SOLUTIONS

In millions of euros	September 30, 2018	September 30, 2019	Gross variation	Organic variation	Variation at constant FX
Revenue	1,711	1,835	+7.3%	+4.2%	+4.3%

■ **The WTS division** reported revenue of **€1,835m**, up **+4.2% (+€72m)** on an organic basis.

- The **Engineered Systems** business achieved **+5.4%** growth.
- The **Chemical Monitoring Solutions** business reported organic volume growth of **+2.6%** with good trends outside the US.

■ Order volumes recorded a strong organic growth of +10.3% over the nine-months.

■ The Division's **EBIT** reflected a good performance in Engineered Systems and internationally, offset by the low activity in Chemical Monitoring Solutions in the US.

GROUP PERFORMANCE

Revenue in millions of euros	September 30, 2018	September 30, 2019	Gross variation	Organic variation	Variation at constant FX
TOTAL	12,697	13,127	+3.4%	+3.2%	+2.7%
<i>O/w:</i>					
Water Europe	3,389	3,373	-0.5%	+0.9%	-0.1%
Recycling & Recovery Europe	4,637	4,805	+3.6%	+4.6%	+3.8%
International	2,882	3,031	+5.2%	+2.9%	+3.0%
Water Technologies & Solutions	1,711	1,835	+7.3%	+4.2%	+4.3%
Others	78	83	+6.6%	+6.6%	+6.6%

- **The gross revenue change** of +3.4% (+€430m) versus September 30, 2018, breaks down as follows:
 - **An organic change of +3.2% (+€401m)**
 - **Currency effect of +0.7% (+€90m)**, resulting from the appreciation of the US dollar (+€91m) and the Moroccan dirham (+€17m) against the euro, partially offset by an appreciation of the euro against the Chilean peso (-€14m) and the Australian dollar (-€15m).
 - **A scope effect of -0.5% (-€61m).**

- **EBITDA** amounted to **€2,330m** at September 30, 2019, up +1.3% on a constant accounting and FX basis and +1.1% organically. Currency effects were slightly favorable, at +€10m.

- **EBIT** amounted to **€1,016m**, representing an increase of +4.2% on a constant accounting and FX basis and +4.2% in organic terms. Currency effects amounted to +€3m.

- **Net debt** stood at **€10,600m** at September 30th, 2019, including a +€1,367m impact from the application of IFRS 16 at January 1st, 2019. On a constant accounting basis i.e. excluding IFRS 16, net debt amounted to **€9,233m vs. €9,335m at September 30, 2018**, representing a decrease of €102m or -1.1%. On a constant accounting basis excluding IFRS 16, the **debt ratio** amounted to 3.3x EBITDA over 12 sliding months. Previously, the company indicated that the estimated impact of IFRS 16 is c.0.1x-0.2x for the full-year 2019.

- The Group successfully performed **liability management** operations contributing to **optimize** the Group's **balance sheet structure** while benefitting from **attractive rates**:
 - On September 12th, SUEZ issued €500m undated deeply subordinated hybrid bonds, with **1.625%** coupon (revised in 2026, then every five years) and **repurchased €352m of hybrid bonds issued in June 2014 (with 3.0% coupon)**.
 - On October 14th, SUEZ issued a new 12-year €700m senior bond with 0.5% coupon and **repurchased €450m of bonds** with a weighted average coupon of **3.85%** and **maturities between 2021 and 2024**.

OUTLOOK FOR 2019 CONFIRMED

The Group revises upward its revenue expectations towards the upper end of our organic growth target range (2 to 3%). All other objectives set for 2019² are confirmed:

- Organic EBIT growth of 4% to 5%
- FCF growth of around 7% to 8%
- Leverage ratio (Net debt/EBITDA) of c.3x in 2019³
- Continued ambition to lower debt ratio in 2020

On this basis, and in accordance with the Board of Directors, the Group intends to propose a dividend of €0.65 per share in respect of 2019 at the Annual General Meeting in May 2020.

FINANCIAL CALENDAR (SUBJECT TO CHANGE):

- 26 February 2020 (before market): FY 2019 Results
- 30 April 2020 (before market): 1Q 2020 Results
- 12 May 2020: General Shareholders Meeting
- 30 July 2020 (before market): 1H 2020 Results
- 28 October 2020 (before market) : 9M 2020 Results

² Assuming water volumes sold remain in line with historic trends, volumes of waste treated rise by +1.5% in Europe and raw materials prices are stable relative to December 31, 2018.

³ Excluding impact of application of IFRS 16 accounting standard

SUEZ

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Disclaimer

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About SUEZ

With 90 000 people on the five continents, SUEZ is a world leader in smart and sustainable resource management. We provide water and waste management solutions that enable cities and industries optimize their resource management and strengthen their environmental and economic performances, in line with regulatory standards. With the full potential of digital technologies and innovative solutions, the Group treats over 45 million tons of waste a year, produces 4.4 million tons of secondary raw materials and 7.7 TWh of local renewable energy. It also secures water resources, delivering wastewater treatment services to 66 million people and reusing 1.1 billion m3 of wastewater. SUEZ generated total revenues of 17.3 billion euros in 2018.

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