

Paris, January 11th 2021, 6 pm CET

## SUEZ expands footprint in China with the acquisition of the non-controlling interests in its Chinese operations SUEZ NWS and Suyu

- SUEZ announces agreement to acquire NWS' non-controlling stakes in all their common businesses in Greater China for c. €693m<sup>1</sup>
- Acquisition will enhance SUEZ's ability to win large-scale and high value-added contracts in a key growth market
- The purchase price values SUEZ NWS and Suyu at an Enterprise Value of c. €1.7bn
- The transactions will be immediately accretive to Recurring Net Income and Recurring FCF
- Transactions expected to close by the end of Q1 2021<sup>2</sup>

SUEZ announces today that it has signed agreements with its historic partner NWS Holdings Limited (NWS) to acquire NWS' non-controlling stakes in all their common businesses in Greater China. Through these acquisitions, SUEZ will enhance its scale in Greater China and simplify the structure of its operations in the region. Upon completion of the transactions, SUEZ will hold 100% of both SUEZ NWS and Suyu.

Enhancing SUEZ's presence in Greater China, a key growth market, has been a strategic priority for many years. SUEZ's investments in Greater China, carried out notably through an acknowledge partnership culture, have allowed the Group to emerge as a leader in environmental services in the region based on its technology and reputation. SUEZ believes that there is significant potential to leverage its scale in Greater China and its proprietary technology and innovative solutions to drive growth in Asia-Pacific.

These acquisitions are in line with the selective capital redeployment targets identified in the *Shaping SUEZ 2030* strategic plan. The optimized Group structure will enhance the Group's ability to win large-scale and high value-added contracts and to create more value for its stakeholders.

Consideration for the transactions amounts to approximately c. €693m<sup>1</sup>. Consideration for NWS' stakes thus values SUEZ NWS and Suyu at an Enterprise Value of c. €1.7bn, of which c. €150m is net debt. In 2019, the two combined entities generated c.€193m EBITDA and c.€113m Net Income. The transactions will be accretive to Recurring Net Income and recurring FCF from completion, both by increasing the income from associates as regards to Suyu and reducing the minority interests as regards to SUEZ NWS.

As wholly owned businesses, SUEZ's ability to accelerate growth in revenue and earnings in the coming years is enhanced.

Commenting on the transactions, **Bertrand Camus, CEO of SUEZ**, said:

*"For more than 40 years, SUEZ, with a strong partnership culture and unique know-how, has been developing its innovative and high value-added solutions in Asia to support sustainable urban development in the region.*

*Today, through the acquisition of NWS' non-controlling shareholding in SUEZ NWS and indirect 50% interest in Suyu, SUEZ reaffirms its commitment in the region to invest and develop, alongside local authorities as well*

<sup>1</sup> EUR/HKD rate of 9.43 as of January 11<sup>th</sup>, 2021 applied to the total amount of HK\$6,533m for the transactions

<sup>2</sup> Subject to regulatory approval and customary closing conditions

*as International and Chinese industries, sustainable solutions with a positive impact on the climate, natural capital and quality of life. With this operation, the Group continues to strengthen its position as a leader in environmental services in Asia whose expertise and technology give it a unique ability to win high value-added contracts. Although this ends one phase of our relationship with NWS, we intend to continue to explore other ways of the two groups working together.*

*These acquisitions mark yet another landmark in the asset rotation plan of our SUEZ 2030 strategy. Accretive to our earnings, they further reposition SUEZ towards the most value-creating activities and geographies offering strong growth potential.”*

## **SUEZ NWS**

In 2017, SUEZ combined all the Group’s waste and water activities in mainland China, Macau, Hong-Kong and Taiwan by establishing a joint-company, SUEZ NWS, with its historic partner NWS. Since then, SUEZ held a 58% stake in SUEZ NWS and assumed full management.

The acquisition of the remaining 42% stake from NWS announced today is a new step in SUEZ’s long-term commitment in the region. Through this operation, SUEZ pursues its development in Asia and reinforces its position as a leading environmental company in the region to seize new opportunities and win high value-added contracts.

With over 70 water and waste contracts in more than 30 cities, operated daily by 9,000 employees, SUEZ has already been developing for many years its expertise in Asia with its local partners. As of today, over 25 million people receive SUEZ water supply services in China, in cities such as Chongqing where SUEZ NWS is serving 2.2m inhabitants daily and commercial customers and bringing cutting-edge solutions. In Waste, the Group has also considerably expanded its presence in the region over the last few years, notably being the largest waste management supplier in Hong-Kong and operating 7 hazardous waste treatment facilities in mainland China and Taiwan.

In addition to providing services, SUEZ has always shown a strong commitment to generate positive social and economic impact notably through solutions supporting the circular economy and sustainable development priorities.

## **SUYU**

In 2015, SUEZ and NWS signed, through their 50/50 joint venture Suyu, an agreement with Chongqing Water Assets to jointly create Derun Environment.

Derun Environment, through its 50.04% shareholding in Chongqing Water Group and 43.86% in Chongqing Sanfeng<sup>3</sup>, is a leading Group in Water and Waste activities in China and an investment platform to significantly speed-up the development and implementation of innovative solutions in the Chongqing area.

Following the acquisition of NWS’ indirect 50% stake in Suyu, SUEZ will now own 25.1% of Derun Environment. By increasing its ownership, SUEZ is reinforcing its commitment and partnership with Chongqing Water Assets. SUEZ will continue to develop and implement cutting-edge solutions to optimize water and wastewater treatment management, in partnership with the municipality and its partners.

The transactions, which are expected to close by Q1 2021, are subject to regulatory approval and customary closing conditions.

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<sup>3</sup> Chongqing Water Group Company Ltd. and Chongqing Sanfeng Environment Group Corp., Ltd. are both listed companies on the Shanghai Stock Exchange

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### **About SUEZ:**

*Since the end of the 19th 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 m3 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.*

Find out more about the SUEZ Group  
on the [website](#) & on social media



### **SUEZ**

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