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Strong 2020 results and improved 2021 outlook underline the value creation of the SUEZ 2030 strategic plan

- **Solid set of results: objectives for the second half were exceeded**
 - Revenue for the second half close to 2019 level (-0.9% organic variation), and at €17.2bn in 2020
 - EBIT at €704m for the second half and €780m in 2020, driven by improved performance
 - Net debt of €9,749¹m at end-December 2020, down €403m vs. end-2019 thanks to the structural improvement in cash generation
- **Measures taken as part of SUEZ 2030 are paying off**
 - SUEZ's commercial momentum accelerated, both in France and internationally
 - First wave of both re-investment and asset disposals achieved at attractive multiples
 - €326m gross performance savings generated in 2020
- **Proposed dividend increase to 0.65€ per share²**
 - Confirmed intention of an exceptional distribution of €1bn, as announced in September 2020
- **2021 objectives and outlook improved³:**
 - Revenues exceeding €16bn with a return to organic growth
 - EBIT between €1.4bn-€1.6bn
 - Recurring EPS between €0.80-€0.85
 - Recurring free cash flow above €500m
- **Publication in parallel this morning of a press release in which it is noted that the Board of Directors of SUEZ, during its meeting held on February 24th, 2021, unanimously decided that the conditions were not met to support Veolia's project.**

Bertrand Camus, SUEZ CEO, commented: *“Our SUEZ 2030 strategic plan – which combines a refocus on higher growth, value-added activities with an ambitious performance plan – shows clear results, after only one year of implementation, as well as its strength to meet today's environmental challenges. Our annual results are solid and show the relevance of our strategic choices, even in the particular context of the sanitary crisis. The commitment of our employees and our strong innovation have supported our commercial success and enabled us to deliver our essential services. We have made structural improvements to our cash generation and have deployed our performance plan beyond our expectations and also significantly reduced our debt. These solid results enable us to improve our financial outlook and to affirm our confidence in our ability to create value for our shareholders, employees and customers in order to preserve the vital resources of our planet.”*

¹ Including €138m of debt relative to activities marked for disposal in 2020 to be finalized in H1 2021.

² Subject to approval by the Annual General Meeting of Shareholders

³ Assuming no return to a generalized, region-wide confinement situation, and constant FX and commodity prices.

2020 KEY FIGURES

On February 24, 2021, the Board of Directors approved SUEZ's 2020 financial results, which will be submitted for the approval of the next General Shareholders' Meeting. The consolidated financial statements have been audited and certified by the statutory auditors.

in millions of euros	December 31, 2019	December 31, 2020	Gross variation	Organic variation	Variation at constant forex
Revenue	18,015	17,209	-4.5%	-2.6%	-2.8%
EBITDA	3,220	2,815	-12.6%	-9.9%	-10.2%
<i>EBITDA/Revenue</i>	17.9%	16.4%			
EBIT	1,408	780	-44.6%	-40.8%	-41.0%
<i>EBIT/Revenue</i>	7.8%	4.5%			
Net income Group share	352	-228			
Recurring net income Group share⁴	350	-38			

For **EBITDA** and **EBIT**, it is reminded that the Group accounted for respectively -€98m and -€303m estimated costs and provisions associated with the business conditions in 2020, including the pandemic. These are mainly linked to the additional costs of doing business during the pandemic, risks linked to business interruption in for example construction activities and the potential impacts of increased payment defaults

in millions of euros	December 31, 2019	December 31, 2020	Gross variation
Gross Cash Flow	2,857	2,090	-26.8%
Capex⁵	-1,417	-1,324	-6.6%
Working capital requirement	-153	202	n.a.
Net debt⁶	10,151	9,749	-4.0%
Net debt/EBITDA⁶	3.2x	3.5x	+0.3x

⁴ Reconciliation table in appendix.

⁵ Development capex and maintenance capex.

⁶ Including €138m of debt relative to activities slated for disposal in 2020, to be finalized in H1 2021.

PERFORMANCE BY SEGMENT

WATER

in millions of euros	2019	2020	Gross variation	Organic variation	Variation at constant forex
Full-year revenue	7,151	6,817	-4.7%	-2.9%	-2.7%
Full-year EBITDA	1,788	1,596	-10.7%	-7.5%	-7.2%
Full-year EBIT	923	564	-38.9%	-35.1%	-34.2%
H2 revenue	3,811	3,623	-4.9%	-2.7%	-2.6%
H2 EBITDA	935	915	-2.2%	+0.6%	+1.0%
H2 EBIT	491	456	-7.1%	-4.9%	-3.4%

■ The **WATER** segment posted revenue of **€3,623m** in the second half of 2020, down **-2.7%** on an organic basis (**-€103m**). Over the period, revenue contracted organically by **-1.7%** in Q3 and **-3.3%** in Q4.

- **Europe** saw organic contraction of **-1.0% (-€20m)** in H2 2020. Volumes in France and Spain are down by respectively **-0.5%** and **-3.1%**. This trend is due to limited tourist activity in both countries, partly offset by favorable weather conditions over the summer. Tariffs remain slightly positive, up **+0.1%** in France and **+0.3%** in Spain, where they include the **-4.95%** reduction introduced by the Barcelona regional authorities since January 1, 2020.
- The **Americas region** saw an organic contraction of **-4.5% (-€42m)**. The positive trend in the US continued in the second half of the year, with a **+2.1%** increase in water volumes sold, notably boosted by favorable weather conditions. Latin America was affected in H2 by the maintenance of strict lockdown measures. In Chile, the positive tariff trend of **+2.3%** did not fully offset the **-2.4%** decline in volumes.
- **The Asia-Pacific region** posted organic growth of **+1.9% (+€6m)**. H2 figures were buoyed by a good recovery in activity, with the exception of Macao, where limited tourist activity continued to weigh on water volumes sold.
- **The AMECA region** reported an organic contraction of **-9.6% (-€47m)**. Performance in the second half was hit by operational disruptions linked to the sanitary context as well as phasing effects on main construction activities Africa.

■ The segment posted an organic decline in **EBIT** of **-4.9% (-€24m)** to **€456m** in H2.

RECYCLING AND RECOVERY

in millions of euros	2019	2020	Gross variation	Organic variation	Variation at constant forex
Full-year revenue	7,566	7,256	-4.1%	-2.7%	-3.3%
Full-year EBITDA	1,067	937	-12.2%	-10.1%	-11.3%
Full-year EBIT	411	275	-33.0%	-29.4%	-31.7%

H2 revenue	3,874	3,848	-0.7%	+1.0%	+0.3%
H2 EBITDA	546	512	-6.2%	-4.1%	-5.3%
H2 EBIT	201	205	+2.1%	+6.0%	+3.8%

■ The **RECYCLING & RECOVERY** segment reported revenue of **€ 3,848m** in H2 2020, representing organic growth of **+1.0% (+€39m)**. Over the period, revenue grew by +0.6% organically in Q3 followed by +1.8% in Q4.

Treated waste volumes in the second half were down **-1.0%** compared with 2019, in a context of continued restrictive measures in many countries where SUEZ operates.

- **In Europe** organic revenue growth increased by **+1.4% (+€45m)** in 2020 second half. This performance was achieved thanks to solid pricing trends, notably in France, and a gradual improvement in treated waste volumes: in H2, treated waste volumes contracted by -3.6% in France. In the United Kingdom, optimized management of the saturation of treatment assets led to an increase in treated waste volumes (+7.5%) despite higher volatility seen in Q4 particularly for industrial and commercial customers.
 - **The Asia-Pacific region** posted organic revenue growth of **+0.3% (+€1m)**. The marked recovery in activity, with treated waste volumes comparable to historical levels, made it possible to offset weak price trends in H2.
 - **The AMECA region** posted an organic decline of **-12.7% (-€6m)** and the **Americas region -5.8% (-€2m)**.
- The segment posted organic **EBIT** growth of **+6.0% (+€12m)**, which came to **€205m** in H2.

SUEZ

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ENVIRONMENTAL TECH & SOLUTIONS

in millions of euros	2019	2020	Gross variation	Organic variation	Variation at constant forex
Full-year revenue	3,693	3,485	-5.6%	-2.8%	-3.1%
Full-year EBITDA	435	386	-11.2%	-9.4%	-9.8%
Full-year EBIT	217	100	-53.7%	-51.6%	-52.7%

H2 revenue	1,987	1,819	-8.4%	-3.7%	-4.1%
H2 EBITDA	249	247	-0.8%	+1.2%	+1.0%
H2 EBIT	136	114	-16.3%	-16.4%	-16.4%

■ **ENVIRONMENTAL TECH & SOLUTIONS** posted revenue of **€1,819m** in 2020 second half, down **-3.7%** organically (**-€74m**). Revenue grew by +1.6% organically in Q3 then contracted -6.7% organically in Q4.

In 2020 second half, **WTS** reported revenue down **-3.8%** organically to **€1,269m**, notably due to a challenging comparison basis and a more selective approach to new contracts, particularly for the project activity at ES and products activity at CMS. SES reported an organic contraction of **-1.8% to €268m**. Despite a solid level of business, particularly in Q4 with the strong activity in digital and smart metering solutions, performance continued to suffer from disruptions in the field and delay in award of contracts due to the health crisis. The **hazardous waste** business reported organic growth of **+3.2% to €307m**, thanks to a recovery in business in the second half and the commissioning of new treatment capacity in Asia.

- Revenue in the **Americas** slipped organically by **-6.8% (-€57m)**, reflecting notably for WTS a challenging comparison basis and the more selective approach to new contracts in Q4.
 - **Europe** saw an organic contraction of **-3.7% (€29m)**. SES was affected particularly in the United Kingdom by the disruption of field operations due to confinement measures.
 - **The Asia-Pacific region** posted organic growth of **3.9% (+€11m)**. The hazardous waste business in China benefited from new treatment capacities and SES was buoyed by strong momentum, notably in the laboratory business.
 - The **AMECA region** recorded organic growth of **+1.4% (+€1m)**.
- The segment posted an organic **EBIT** decline of **-16.4% (-€22m)** in 2020 second half.

GROUP PERFORMANCE

COVID-19

The development of the Covid-19 pandemic prompted most governments to introduce strict lockdown measures, particularly during the first half of the year, which strongly impacted the economies of the countries where SUEZ operates. The second half of the year saw the continuation and reappearance of some of these measures in many regions, although they affected these economies to a lesser extent. Thus, the second half of the year saw business gradually return to close to historical levels, in a still volatile environment.

Throughout the Group's scope of businesses, lockdown measures have resulted in a decline in tourist activity and in turn water consumption, less commercial and industrial waste to be treated, the temporary halt of infrastructure construction activities and SUEZ teams unable to access customer sites to provide scheduled services.

Essential and vital public services were ensured in all regions. The Group has taken all the necessary measures to ensure its staff and subcontractors carry out their work in complete safety without jeopardizing the safety of customers.

REVENUE

- The Group posted revenue of **€17,209m** at December 31, 2020, down **-€806m** vs. December 31, 2019. This contraction in activity can be broken down as follows:
 - **An organic decline of 2.6% (-€477m)**, reflecting a contraction in volumes in the context of Covid-19 in the first half (-4.5% organic change in revenue) and solid operational execution in the second half against a backdrop of recovery (-0.9% organic change).
 - **A scope effect of -0.2% (-€35m)**
 - **Forex change of -1.6% (-€295m)** due in particular to the depreciation of the Chilean peso (-€93m), the US dollar (-€41m), the Australian dollar (-€29m) and the Brazilian real (-€36m) versus the euro.

OPERATIONAL PERFORMANCE

- **EBITDA** came to **€2,815m** for 2020. This includes -€98m of costs and provisions related to the economic climate, including the pandemic. This equates to an organic decline of 9.9%. Currency effects were unfavorable, at -€78m.
- **EBIT** came out at **€780m**. This includes -€303m of costs and provisions related to the economic climate, including the pandemic. There reflected an organic contraction of -42.2%. Forex impacts were unfavorable, at -€50m.

NET INCOME GROUP SHARE

- Over 2020, the Group booked **one-off expenses related to execution of the Shaping SUEZ 2030 strategic plan** for -€396m, which is part of the €500m-€700m indicated when the strategic plan was presented in October 2019.
- **Net financial result** stood at **-€441m** for FY2020, vs. -€514m in 2019.
- **Corporate income tax** was **-€154m** for 2020. In 2019, corporate income tax came to -€340m.
- **Minority interests** stood at **€154m** in 2020, compared with €257m in 2019.

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- **Net income Group share** amounted to **-€228m** in 2020, compared with €352m in 2019. Restated for non-recurring items, net income group share was **-€38m** in 2020, representing recurring earnings per share of -€0.06.

DIVIDEND

An increase of the ordinary dividend to 0.65€ per share will be proposed to the SUEZ Annual General Meeting approving the 2020 financial statements. In addition; the intention to make an extraordinary distribution of €1bn as announced in September 2020 is also confirmed.

CASH FLOW

- In 2020, recurring free cash flow was **€69m**, versus €127m in 2019. The change in working capital requirement amounted to **€202m** in 2020, vs -€153m in 2019, reflecting a structural improvement over the year stemming from actions taken notably in France and at WTS.
- **Investments** were **€1,324m** in 2020, vs € 1,417m in 2019. This breaks down into €579m of maintenance capex and €745m of development capex. Additional investments were made in the second half thanks to structurally improved cash flow generation.

NET DEBT

- Net debt was **€9,749m** at 31 December 2020 before reclassification of assets and liabilities associated with assets held for sale⁷ (IFRS 5), vs €10,151m at 31 December 2019, down -€402m. This includes income from disposals of 423 M€. After the impact of IFRS 5, net debt came to **€9,611m**.

- The debt ratio stood at 3.5x EBITDA at constant scope (before the impact of IFRS 5).

OUTLOOK

- **2021 objectives and outlook improved⁸:**
 - Revenues exceeding €16bn with a return to organic growth
 - EBIT between €1.4bn-€1.6bn
 - Recurring EPS between €0.80-€0.85
 - Recurring free cash flow above €500m

⁷ Recycling and Recovery Activities (excluding plastics recycling and hazardous waste) in the Netherlands, Luxembourg, Germany and Poland, and OSIS.

⁸ Assuming no return to a generalized, region-wide confinement situation, and constant FX and commodity prices.

HIGHLIGHTS

In 2020, the unprecedented global health situation did not hold back the Group's ability to win contracts. SUEZ has not only introduced its strategic plan "SUEZ 2030" but has also stepped up its rollout by prioritizing four areas: industrial support, international expansion, innovation and selectiveness:

- **Industrial support is a market that is particularly promising, with contract wins worth €1.7bn in 2020 :**
 - **In China** - Construction and operation of a hazardous waste treatment plant in Huaibei, with cumulative revenue of around €700m over a 30-year period or another contract to recover hazardous waste from the automotive sector and customers of the industrial park, in partnership with the SCIP industrial park and SAIC Motor. This 30-year contract represents cumulative revenue estimated at about €528m.
- **International expansion gathering pace:**
 - **Qatar** - Management of all sanitation infrastructures in the watersheds of northern Qatar. A contract worth €400m and lasting 5 years with a possible 5-year extension.
 - **Australia - Management of water and sanitation services in Adelaide**, the fifth largest city in the country. This new 5-year contract, with a cumulative revenue of €170m, will start in July 2021.
 - **US – Renewal of the Springfield wastewater management contract** for a 20-year period.
 - **Asia - Design, engineering, equipment supply and services contracts** representing total revenue of almost €92m for the treatment of municipal and industrial wastewater in China and the Philippines.
 - **Thailand - Commissioning of SUEZ's first plastics recycling plant.** This recycled polymer production project highlights the Group's commitment to preserving the country's natural capital and building a more sustainable future, while contributing to the Thai government's ambitious 2030 goal of recycling 100% of collected plastics.
 - **India – Design, construction and 7-year operation of a drinking water production plant** serving more than 10 million people in Bangalore and its suburbs. These contracts represent a total of €60m.
- **Strong commercial momentum in France also:**
 - **The Aix-Marseille-Provence metropolitan area** - an 8-year-plus **drinking water and sanitation contract in Istres Ouest-Provence.** These contracts, generating cumulative revenue of €98m, will serve a population of nearly 100,000.
 - **Dijon Métropole - Two contracts:**
 - A 9-year **drinking water and sanitation contract, with cumulative revenue of almost €288m** from April 1, 2021. These contracts will make up **the first multiservice SEMOP** (Société d'Economie Mixte à Opération Unique [Sole Operator Mixed-Economy Company]) **in France.**
 - **Pre-collection and collection of household and similar waste for total revenue of nearly €70m**, for a 5-year term.
- **Increased numbers of environmental and health Innovations**
 - **Combin'air:** installation at Poissy (78, Ile-de-France) of the first air treatment system to improve air quality in schools and protect the youngest pupils, who are particularly vulnerable to air pollution.
 - **On Connect:** roll-out of a new digital solution with the RATP Group to optimize and reduce the water and energy consumption of its entire network and asset base.
 - **CircularChain:** launch of the circular economy blockchain to support the agricultural transition. This technology marks another step in SUEZ's pioneering strategy focusing on organic waste management and digitalization.
 - **ANOBI®:** experimenting alongside Bouygues Construction with the first digital assistant models for construction and industrial players.

- **Covid-19: introducing a offer that monitors the presence of SARS-CoV-2 in wastewater networks, including the detection of the British variant.** Up and running in about 100 local communities in Spain, i.e. 13 million inhabitants, and 100 local communities in France, i.e. 1.8 million inhabitants. Also deployed in the UK, the US and Latin America.
 - **Uzbekistan - Updating and improving water services in the capital Tachkent.** This 7-year contract represents cumulative revenue of €142m, including € 66m for the Smart & Environmental Solutions business. It will enable real-time monitoring of the Tashkent water network and reduce water loss using advanced leak detection and repair techniques.
 - **Brazil - Performance contract to reduce water loss in Sao Paolo.** The aim is to reduce water loss by 25.5% with an investment of nearly €12m over 5 years.
- **Continued reallocation of capital to businesses in keeping with the selective growth strategy**

After announcing the first wave of disposals in 2020 as part of its asset rotation plan, the Group has begun 2021 with several strategic acquisitions:

- **Greater China - Acquisition of minority interests in SUEZ NWS and Suyu for approximately €693m.** These acquisitions simplify the Group's business structure in the region. Upon completion of the deals, SUEZ will hold 100% of both SUEZ NWS and Suyu.
- **New York – Finalization of the “Heritage Hills Water Works Corporation” acquisition and the “Heritage Hills Sewage Works Corporation” acquisition for an overall total of over €7m.** SUEZ will serve more than 500,000 people through its owned and operated water systems in five New York counties, including 200,000 people in Westchester, thereby expanding its activities in North America.
- **Spain - Acquisition of the 33.4% stake of Itochu Group in Canaragua for around €37m.** SUEZ now owns 100% of Canaragua.

APPENDIX

Reconciliation of net recurring net result calculation

	2019	2020
Net income Group share	352	-228
<i>Mark to market</i>	-4	-5
<i>Impairment</i>	65	209
<i>Restructuring costs</i>	132	156
All one-off costs cash and non-cash	193	360
Capital gain/loss on asset disposals	-35	-148
Other meaningful exceptional items	-215	48
Hybrid coupon	-52	-42
Non-recurrent financial income	33	-
Total adjustments before tax	-76	219
<i>Applicable tax rate</i>	34.43%	32.02%
Total adjustments after tax	-50	149
<i>- non recurrent income tax</i>	48	41
Recurrent net income Group share:	350	-38
Number of shares (in millions)	618.0	627.8
Recurring earnings per share	0.57	-0.06

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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 provides sanitation services to 64 million people and produces 7.1 billion m³ of drinking water. SUEZ also contributes to economic growth, with 200,000 jobs created directly and indirectly on an annual basis, and provides 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 €17.2 billion in 2020.

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



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