

Paris, September 16, 2020 – 7.30 am CET

SUEZ and PreZero sign strategic partnership of intent and enter into exclusive negotiations for the sale of SUEZ's Recycling & Recovery operations in four continental Europe countries

SUEZ and PreZero, the environmental division of Schwarz Group announce today that they have:

- **Entered into a memorandum of understanding (MoU) to explore possibilities to develop strategic partnerships promoting innovative waste management solutions to accelerate the development of the circular economy in Europe; and**
- **Signed an agreement to enter into exclusive negotiations for the sale of SUEZ Recycling & Recovery operations - excluding plastic recycling and hazardous waste treatment activities - in four continental Europe countries: the Netherlands, Luxembourg, Germany and Poland.**

With this new announcement, SUEZ has now achieved around 40%¹ of the asset rotation target announced last October as part of its SUEZ 2030 strategic plan and has found, with PreZero, a new environment that will benefit to the development of the business and its employees.

THE STRATEGIC PARTNERSHIP

Entering into a memorandum of understanding, SUEZ and the Schwarz Group will explore possibilities to develop strategic partnerships to accelerate the development of the circular economy. The two Groups would bring deep and complementary skills in waste management and recycling services: SUEZ' position and know-how in the French and European waste and water management markets and Schwarz Group, the largest European retailer and a pioneer in the areas of recyclables through its environmental division PreZero. Besides, SUEZ and PreZero have entered into exclusive negotiations for the sale of certain of SUEZ's waste recycling and recovery activities in Germany, Luxembourg, the Netherlands and Poland. This transaction paves the way for new opportunities and further partnerships between SUEZ and the Schwarz Group.

THE CONTEMPLATED DISPOSAL

SUEZ benefits from leading positions in the Netherlands, Luxembourg, Germany and Poland which covers the entire waste Recycling and Recovery value chain, from collection to sorting, processing and treatment. It handles a broad range of waste types (wood, glass, paper, metal...) within its 125 sites run by its c.6,700 employees. In 2019, such perimeter has generated c.€1,110m in sales and c.€100m adjusted EBITDA². The contemplated transaction values the business transferred at €1,100m (Enterprise Value)².

For SUEZ, the disposal announced today represents another major step in the delivery of its asset rotation plan deployed in the scope of SUEZ 2030 strategy, which aims at positioning the Group as the global, agile, innovative and highly technological leader in environmental services, notably thanks to its selective growth strategy.

The transaction is expected to be completed in Q1 2021, subject to regulatory approval and customary closing conditions including the consultation of employee representative bodies.

¹ Total announced transactions

² Excl. IFRS 16 debt

Commenting on the transaction, **Bertrand Camus, CEO of SUEZ**, said: *“This project marks a major step in the achievement of our SUEZ 2030 strategic plan, presented last October, which plans to concentrate our forces in France and in Europe, on the activities and geographies where we can deploy our most promising innovations to become the leader in environmental services. This transaction is part of our asset rotation program and values the quality of our business portfolio. I am very excited about the opportunity to accelerate the circular economy with our partners at Schwarz Group as part of the Memorandum of Understanding signed today. We are confident that, within PreZero, these activities and teams will continue to grow for the benefit of the environment.”*

PreZero, the environmental division of Schwarz Group, is one of the leading companies in waste and recycling management and thereby manages all services along the value chain including waste disposal and collection, sorting, processing and recycling. Besides Germany, PreZero is active in other European countries and North America with more than 3,600 employees at over 90 locations. In recent years, PreZero has expanded its geographical footprint and its expertise through various acquisitions. The vision is to create a world in which resources are no longer wasted thanks to closed loops. Their motto is: Zero waste, 100 percent reusable materials.

Thomas Kyriakis from PreZero's Executive Board added: *“With the contemplated acquisition of SUEZ's recycling and recovery businesses in the Netherlands, Luxembourg, Germany and Poland, we are further enhancing the waste stream cycles in order to improve waste and recycling management and reduce the consumption of natural resources. Municipal customers and our partners in commercial and industry likewise will benefit from us driving competition. At the same time, the Schwarz Group outlines its responsibility to establish a sustainable circular economy”.*

“With the planned acquisition and the combination of both companies' know-how, we create synergies and the basis for further growth. By enhancing our service portfolio and expanding our location coverage, we create sustainable added value for our customers” **highlighted Gerald Weiss, Managing Director of PreZero International.**

After completion of the transaction, PreZero will have a total of approximately 10,300 employees in Germany, Poland, the Netherlands, Belgium, Luxembourg, Austria, Italy and the USA.

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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
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SUEZ

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