Annual Results 2020

February 25th, 2021

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12M 2020 RESULTS
AGENDA

1- 2020: an exceptional and historical year for Veolia

Antoine Frérot, CEO
Estelle Brachlianoff, COO
Olivier Brousse, EVP Strategy and innovation

2020: AN EXCEPTIONAL AND HISTORICAL YEAR FOR VEOLIA

1. **2020: AN EXCEPTIONAL CAPACITY OF RESILIENCE AND REBOUND**
   - In the particularly difficult context of the COVID outbreak , Veolia has once again proven both its **resilience and its exceptional rebound capacity**

2. **DESPITE SANITARY CRISIS, PRIORITIES OF IMPACT 2023 FULLY EXECUTED IN 2020**
   - Development projects and innovation

3. **IMPACT 2023 STRATEGIC DELIVERY OF VALUE CREATION FOR ALL STAKEHOLDERS**
   - Continued combat for **climate change,** ecological transformation and accelerated **innovation** projects

4. **STRATEGIC VISION AND AGILITY : THE SUEZ VEOLIA COMBINATION, A TRANSACTION BENEFITTING ALL STAKEHOLDERS**

5. **PRESERVED FINANCIAL ROBUSTNESS**

1. AN EXCEPTIONAL CAPACITY OF RESILIENCE AND REBOUND
Q4 RESULTS AHEAD OF TARGET AND ABOVE 2019

- **Q4 Results ahead of objective :** after a strong rebound in Q3, **Q4 2020 above Q4, 2019** despite 2nd wave of COVID in Europe, thanks to our **resilient business model** and our **adaptation measures**
-

	Q4 performance(1)	*Q3 performance*(1)
✓ Revenue	+0.9%	-0.6%
✓ EBITDA	+4.2%	+1.7%

- **Solid FY 2020 key figures**

✓ Revenue	€26 010M
✓ EBITDA	€3 641M
✓ Current EBIT	€1 275M
✓ Current Net income	€415M

✓ Strong FCF of €507M, including increased discretionary growth capex
✓ Total cost savings of €550M

▶ **Proposal to increase the dividend to €0.70 per share**(2)

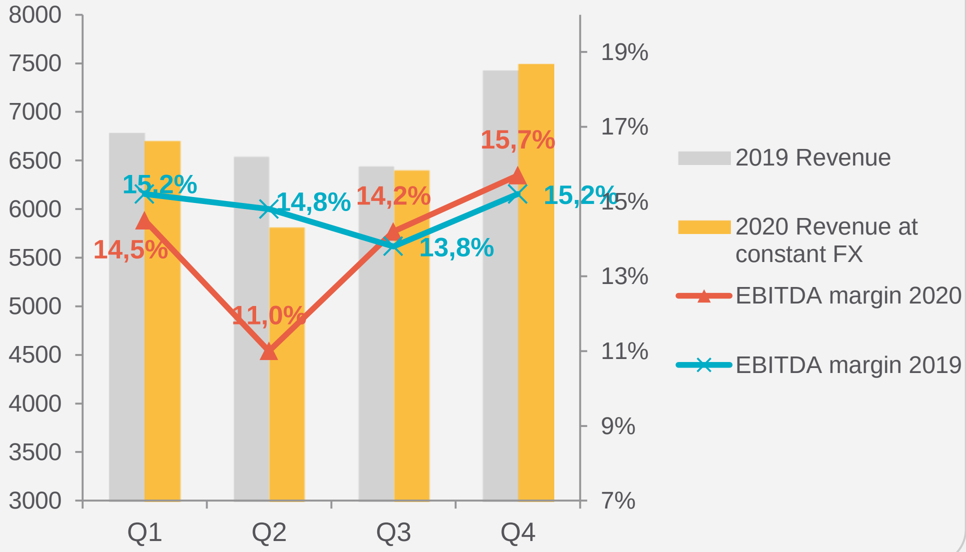
(1) At constant forex
(2) Subject to approval of the AGM of April 22, 2021

1. AN EXCEPTIONAL CAPACITY OF RESILIENCE AND REBOUND
Q4 REVENUE AND EBITDA ABOVE 2019

- **Revenue: strong recovery since June, confirmed in Q3, and reinforced in Q4**
  - ✔ The major part of our activities have proven **resilient** (municipal water, district heating, municipal waste)
  - ✔ Some have been more impacted (commercial waste, construction, industrial utilities) but have **bounced back** sharply since Q3
  - ✔ **Hazardous waste** revenue was **up 3.9%** in Q4(1)

- **EBITDA +4.2%(1) in Q4 and EBITDA margin back up to a very high level of 15.7%**
  - ✔ Exceptionally strong and swift adaptation
  - ✔ Total 2020 cost cutting of **€550M,** vs. €250M initial target
  - ✔ Helps more than compensate for a few % of activity still missing here and there

Q4 2020 Revenue up +0.9%(1)
Q4 EBITDA margin back up to 15.7%, vs. 15.2% in Q4 2019



(1) At constant FX

1. AN EXCEPTIONAL CAPACITY OF RESILIENCE AND REBOUND
Q4 PERFORMANCE BY BUSINESS/REGION

- **Europe** : 2nd wave had a limited impact on our activities
  - ✔ **Water distribution & district heating :** performed very well
  - ✔ **Construction works** : full speed
  - ✔ **C&I waste** volumes still impacted, notably in the UK with the new lockdown since November
    - UK : Q4 waste C&I volume back to ~90% of 2019 level in Q4 until the new lockdown of November
    - Germany and France : C&I volumes stabilized

- **North America :** progressive recovery, but volumes still missing in refinery byproducts regeneration and industrial services
  - ✔ Q4 hazardous waste volume ~-4% vs.Q4 2019

- **Asia:** activities back to normal in all countries, catching up with delayed development projects

- **Africa and the Middle East**
  - ✔ Morocco: back to normal volumes
  - ✔ Middle East: Construction work at full speed and order books filling up

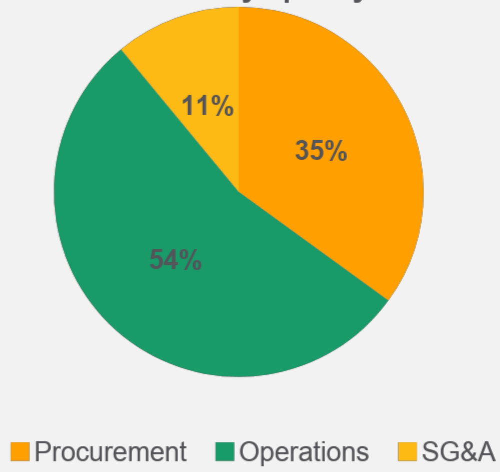
- **Southern hemisphere** : improvement as expected
  - ✔ Australia back to normal
  - ✔ Latin America : stabilization, little remaining waste volumes shortfalls

- **Hazardous waste (worldwide) :**
  - ✔ ~5% remaining waste volumes shortfalls in some regions more than offset by new facilities (Q4 revenue up 3.9% in Q4)

1. AN EXCEPTIONAL RESISTANCE AND CAPACITY OF REBOUND
COST CUTTING PLAN MORE THAN DOUBLED : €550M ACHIEVED IN 2020

1.Recurring Efficiency program €278M

Efficiency split by lever

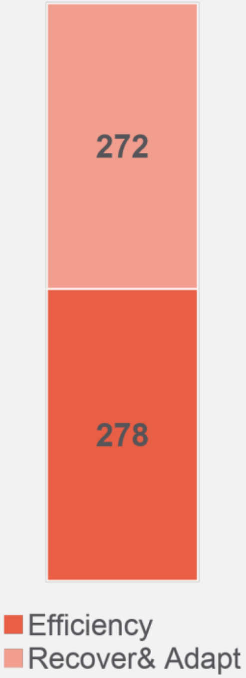


2. Recover & Adapt Plan €272M

Leverage from acceleration of our digital roadmap

- Procurement : opportunities seized
- Maintenance adapted to reduced activity
- G&A : travel reduced to minimum, digitalised events, external recruitment freeze
- Internalisation
- Paid furlough, reduction of Extra Hours and Temporary Labor

TOTAL 2020 COST CUTTING €550M



1. AN EXCEPTIONAL CAPACITY OF RESISTANCE AND REBOUND
ALL DEVELOPMENT PROJECTS MAINTAINED TO FUEL FUTURE GROWTH

Despite sanitary crisis, commercial momentum remains strong and project pipeline full

- **New developments in Central and Eastern Europe mainly in Energy**
  - ✔ Acquisition of the **District Heating Network of Prague "Right bank"**, representing an annual revenue of €230M, complementing our existing assets in Prague's Left bank, reinforcing our presence in Czech Republic alongside long term local and national partners
  - ✔ **Development of our Energy activities in Hungary** with new cogeneration assets in Budapest representing an annual revenue of €140M
  - ✔ **12 year extension (until 2037) of our Bucharest Water & Sewage concession contract** (average revenue of €240M)
- **New Hazardous Waste projects** (see thereafter)
  - ✔ Renewal (with capacity extension) of the Ecospace HW facility in Hong Kong : cumulated revenues ~€500M over 15 years
- **Partnership with Solvay to recycle lithium batteries** (European market size to be multiplied by 10 by 2025)
- **Japan : JV with Mitsui and Seven Eleven to build a new recycled PET facility :** expected start up in 2022, with targeted annual revenue of €40M from 2024
- **France : signing of Osis** acquisition**,** specialized in **maintenance of sanitation networks and on-site industrial services** with a combined **revenue of around €700M** with our SARP activity and derive operational synergies

1. AN EXCEPTIONAL CAPACITY OF RESISTANCE AND REBOUND
WHICH LESSONS TO DRAW FROM THE CRISIS FOR VEOLIA?

Key takeaways from the Covid 19 crisis

❑ **Responsiveness, resilience, as well as adaptability and rebound** :

- ✔ **Strong mobilization** of all our employees,
- ✔ **Continuity of essential services** maintained, whilst ensuring maximal protection for all our employees
- ✔ **Digital roadmap accelerated,** and built on strong foundations which have enabled seemless adaptation to remote operations when possible
- ✔ Swift implementation of **mitigation measures:** success of the ***Recover & Adapt plan,***

❑ **A resilient business model thanks to :**

- ✔ A **global geographical footprint**
- ✔ A **wide scope of activities and markets**, with a **good balance between municipal and industrial clients**
  - Essential services to municipal clients account for 52% of total revenues
  - No overexposure to a specific industrial sector (aerospace, automotive, oil and gaz etc)
  - The activities we have decided to downsize in our Impact 2023 Plan (construction, facility management) are the ones which have the most suffered during the crisis
  - **The activities we have chosen to develop have resisted well**, even those dedicated to industrial clients, **notably Hazardous waste, which has grown by 4% in Q4 2020**

❑ **Importance of local business presence and partnerships** has increased with the crisis and the new emergence of boundaries

❑ **Strong growth opportunities in healthcare, food and agriculture**

- ✔ Promising offer with Pharma and Healthcare clients
- ✔ New pollutions (water, air, soils)

2. IMPACT 2023 PROGRAM ROLL OUT (1/4)

OUR STRATEGIC CHOICES REMAIN VALID

IMPACT 2023

	1. Accelerate	2. Optimize	3. Reduce
WATER		• Optimization of our existing portfolio and repositioning of our offering • Seize new opportunities in some countries BARREL/ Aquavista • Sale of technologies, packaged solutions and associated services	• Activities with insufficient growth prospects Sale of SADE Telecom • Construction activities
WASTE	Torrepet - Spain Lux • Recycling (plastics, RDF, organic waste...) OSIS • HAZARDOUS waste : all geographies with favorable regulation Alcoa USA, Incineration China , Singapore, Sadara	• Collection and treatment of industrial solid waste • Treatment (landfills, incineration) in favorable geographies RDF projects: Germany, UK, Poland Prague Rive Droite, Budapest, Braunschweig	• Municipal waste collection with no treatment Divestiture of municipal collection in Singapore and increased selectivity in France Divestiture of TNAI
ENERGY	New energy efficiency PPP in Italy • Upscale our activities in existing geographies BASF- Neste- Borealis (Finland) Solvay	• Heating networks, without coal, and optimization of capital employed • New services to electric networks Actility - Belgium	• District Heating in the US • Low value added services such as Facility Management • Geographies where our local market share will remain low
Industrial services	• Circular economy, industrial water, energy efficiency, utility management		• Industrial cleaning

Done end 2020

Targeted in 2021

2. IMPACT 2023 STRATEGIC PLAN ROLL-OUT (2/4) DESPITE SANITARY CRISIS, PRIORITIES OF IMPACT 2023 FULLY EXECUTED IN 2020

IMPACT 2023

1. Hazardous Waste

→Resilience during the crisis
- **Revenue +0.7% to €2.5bn, and +3.9% in Q4** at constant FX
- High double digit EBITDA margin

Key growth projects on schedule

- **Asia**
  - New facilities in China
  - Commissioning in Singapore
- **USA**
  - New capex at the Gum Spring facility
  - Revamping of Port Arthur (TX)
- **Germany** (Evonik): on going permitting to start construction in 2021
- **Saudi Arabia**: Sadara on going construction

2. Fuel conversion in Europe

→Objective: eliminate coal by 2030
- Total Capex committed €1.2bn
- **€78M Capex in 2020**, on track.

Key projects on track

- **Germany :**
  - Construction in Braunschweig
  - Commissioning in 2022
- **Czech Republik :**
  - Prerov
  - Karvina
- **Poland**: to start in 2022

3. Plastic recycling

→**Very supportive market and regulation context,** confirmed through 2020 crisis

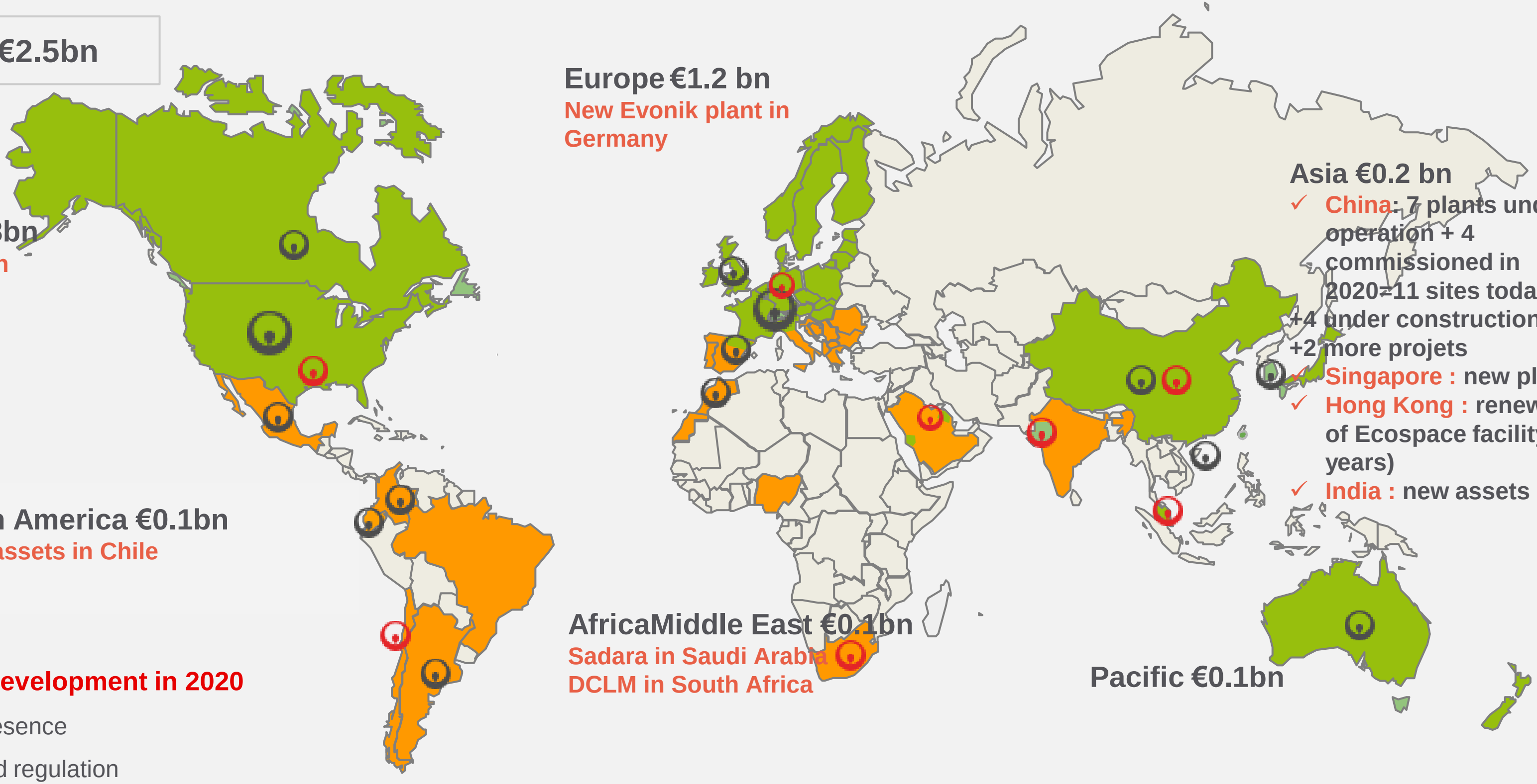
2023 prospects confirmed Few delays in 2020

- rPET prices de-correlated from virgin
- New facility in Spain integrated in 2020
- Indonesia plant to start early 2021
- 4 other live projects

2. IMPACT 2023 STRATEGIC PLAN ROLL-OUT (3/4)

PRIORITIES OF IMPACT 2023 FULLY EXECUTED IN 2020 : HAZARDOUS WASTE

2020 Revenue: €2.5bn



North America[(1)] €0.8bn
New Gum Springs plant in Arkansas

Europe €1.2 bn
New Evonik plant in Germany

Asia €0.2 bn
- ✓ China: 7 plants under operation + 4 commissioned in 2020=11 sites today +4 under construction +2 more projets
- ✓ Singapore : new plant
- ✓ Hong Kong : renewal of Ecospace facility (15 years)
- ✓ India : new assets

Latin America €0.1bn
New assets in Chile

AfricaMiddle East €0.1bn
Sadara in Saudi Arabia
DCLM in South Africa

Pacific €0.1bn

- Projects under development in 2020
- Veolia historical presence
- Strong and enforced regulation
- Partial regulation, not fully enforced
- Weak Regulatory framework

(1) Including Veolia Nuclear Solutions

2. IMPACT 2023 STRATEGIC PLAN ROLL-OUT (4/4)
ASSET ROTATION WELL ON TRACK

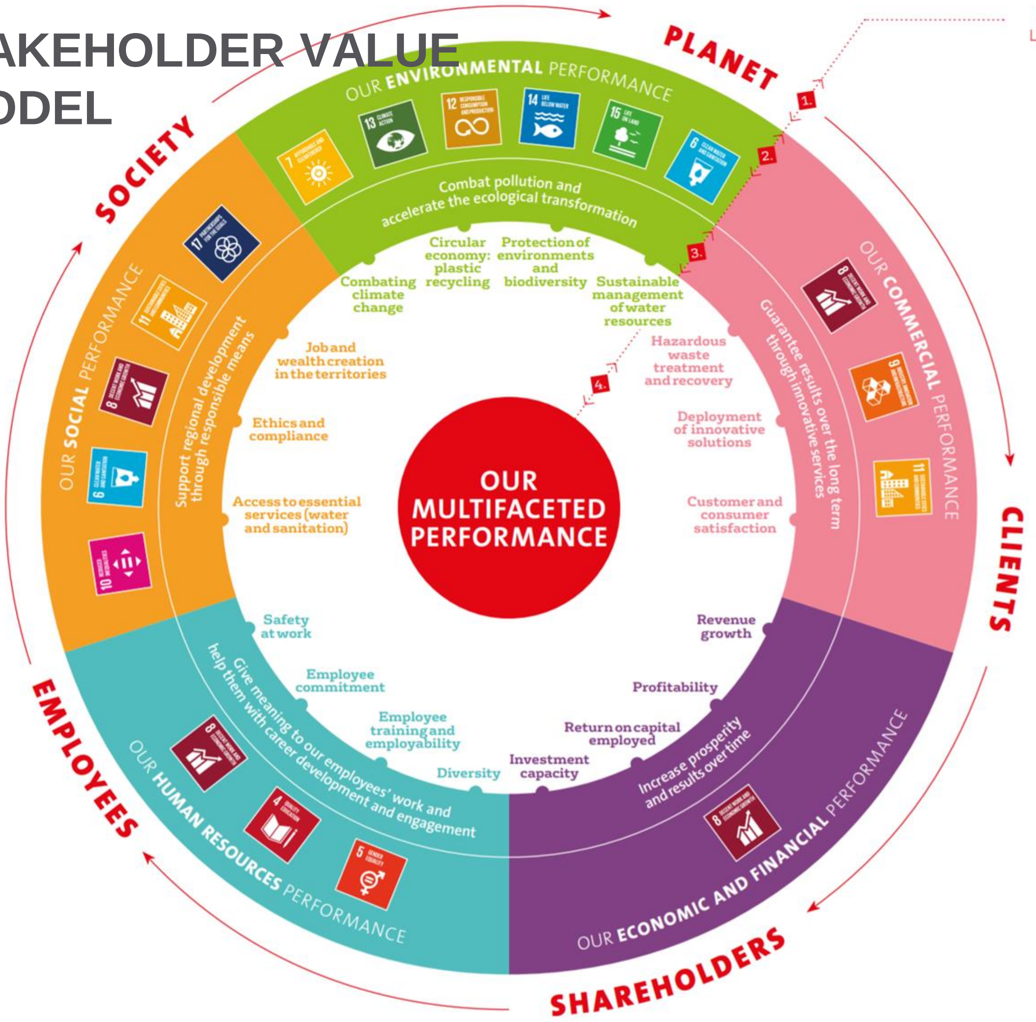
- **~€2bn of asset rotation out of our initial plan of €3bn in Impact 2023 already closed or signed**

  - **In 2019-2020 : €1.7bn**
    - ✓ Municipal energy in the US
    - ✓ Industrial cleaning in Singapore
    - ✓ Landfill and other assets in China
    - ✓ SADE Telecom in France

  - **Signing of the divestiture of other assets for c€400M**

- **Ongoing partnership in our Central and Eastern Europe assets**

3. VEOLIA STAKEHOLDER VALUE CREATION MODEL



1. Our stakeholders
2. Our performance
3. Our commitments
4. Our goals

IMPACT 2023

- 5 stakeholders
- 18 KPIs
- All KPIs audited

3. VEOLIA STAKEHOLDER VALUE CREATION MODEL
Committing to a multifaceted performance

Highlights on 4 objectives (other than economic and financial)

	Clients	Planet	Employees	Society
Objective	**Customer and consumer satisfaction**	**Combating climate change**	**Employee commitment**	**Access to essential services (water and sanitation)**
KPI	Net Promoter Score	Progress of the investment plan to phase out coal in Europe by 2030	Rate of engagement of employees, measured through an independent survey	Number of inhabitants benefiting from inclusive measures for access to water and sanitation within contracts with Veolia
Target	2022: Net Promoter Score approach deployed in 10 major BUs, with **NPS score > 30**	**30 %** of the investments planned, achieved by **2023** (~€ 400 m)	**> 80 %** over the plan duration	By **2023 : +12 %** vs. 2019
Achieved in 2020	Net Promoter Score implemented in 28 BUs **Average NPS Score: 41** **On track**	**9 %** of the investments planned, achieved at end **2020 (€ 104m cumulated)** **On track**	**87 %** **On track**	**+7 %** **On track**

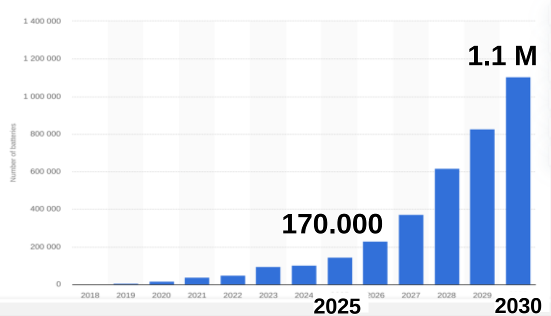
Bonus policy for the management now includes 50 % financial criteria, and 30 % quantitative criteria, chosen among the 18 KPIs of Veolia's multifaceted performance

3. VEOLIA STAKEHOLDER VALUE CREATION MODEL

Innovation development projects accelerated in 2020

Recycling electric car batteries

Estimated number of used batteries in Europe between 2018 and 2030



- **2020 :** partnership **Solvay - Veolia** to build a profitable business model to produce highly pure metal salts (Cobalt, Nickel and Lithium) that can be re-used for the production of new batteries
- **2021:** partnership signed between **Veolia, Solvay and Renault**

From organic waste to fertilizers and proteins

- **Using organic waste** and **insects** to produce **oil, proteins** for animals and **organic fertilizers**
- **2020:**
  - Start of the 1st production plant in Malaysia
  - Construction of a production site in the south of France

Carbon capture to mitigate CO_2 emissions

- **Veolia** rolls out **specific means** (competencies, technological partnerships, partnerships for transport and storage...) in order to launch **industrial prototypes** of carbon capture by **2023**
- In partnership with *Carbon Clean,* a provider of low-cost carbon capture technology:
  - **2020:** Veolia develops two projects in India
  - **2021:** Veolia is set to become the first UK operator of Energy Recovery Facilities to demonstrate the latest carbon capture technology

Waste water re-use and desalination: the Barrel to meet growing demand for fresh water at optimized costs

- **Safe, compact & digital:**
  - Footprint reduction of the membrane (RO) area up to 25% compared to traditional technology; no building required
  - Remote monitoring of the membranes: reliability and continuous OPEX optimization
- **First industrial full scale plant in 2021 in France**

3. VEOLIA STAKEHOLDER VALUE CREATION MODEL
ESG progress reflected in international rankings

IMPACT 2023

Strong recognition of Veolia leadership in ecological transformation

Non-financial ratings & awards

- ✔ N° 1 in the Utilities sector and "Prime" excellence status by ISS-Oekom
- ✔ A rating by CDP for climate change & supply chain
- ✔ B rating by CDP Water
- ✔ Robeco SAM's 2020 Sustainability Yearbook in the "Silver Class" category
- ✔ Gold distinction by Ecovadis for supply chain (top 5%)

Included in sustainable stock market indices:

- ✔ DJSI World and Europe
- ✔ FTSE4Good : n°1 in the Water utilities index
- ✔ Euronext Low carbon Europe 100

2020: PURSUIT OF IMPROVEMENT OF VEOLIA ESG RANKINGS

- ✔ **CDP Climate ranking:** from **B+ to A-**
- ✔ **Index FTSE4Good:** **Veolia n°1 in the Water Utilities** and enters the top 5% best performers in the global utilities sector (76 companies)
- ✔ **ISS-ESG ranking (ex-Oekom):** **Veolia has become n°1 in the Utilities/Multi-Utilities sector** (60 companies) in 2020, and is the only one in the sector achieving a B grading (from D- to A+)

4. STRATEGIC VISION AND AGILITY : THE SUEZ VEOLIA COMBINATION
A TRANSACTION BENEFITTING ALL STAKEHOLDERS

A unique opportunity to create the world leader of the ecological transformation

- ✔ Climate Change emergency facing our planet and societies
- ✔ Become a leader of the European Green Deal and of other local environmental initiatives and green stimulus packages

A perfect complementarity of assets, geographies, know-hows, technologies and clients

An acceleration of the execution of both groups strategies

- ✔ Creating a combined entity able to offer better services to its clients
- ✔ Based on a strong cultural fit between Veolia and Suez, with high confidence in successful integration

A strong value creation for all stakeholders

- ✔ For clients : an innovative offering to accelerate our clients' environmental transition
- ✔ For employees : new expanding opportunities
- ✔ For shareholders : double-digit EPS accretion, while maintaining a solid investment grade rating

4. STRATEGIC VISION AND AGILITY : THE SUEZ VEOLIA COMBINATION
TRANSACTION MOVING FORWARD

❑ Filing of a tender offer on the 70.1%remaining shares in Suez on February 8th, 2021

- ✓ **On October 6th 2020, Veolia has acquired 29.9% of Suez's** capital from Engie at 18€ per share (coupon attached)
- ✓ **On February 8th 2021, Veolia has filed a tender offer on the 70.1%** remaining Suez shares at €18 per share (coupon attached)

❑ Legal hurdles: being resolved *one by one* and not delaying the global schedule

- ✓ **Court ruling of November 19th, 2020 :** Stichting foundation cannot be irrevocable unless approved by Suez's AGM
- ✓ **Court ruling of February 3rd, 2021** : Veolia's *shareholders rights fully confirmed*
- ✓ **Court ruling of February 11th, 2021 :** Validity of Veolia's scheme to acquire Suez confirmed by Paris Court of Appeal and *ownership of our 29.9% fully validated*
- ✓ **Court ruling of February 23rd, 2021:** the order of Feb. 8th prohibiting Veolia from filing a tender offer for Suez, is revoked, as the Commercial Court of Nanterre has declared itself incompetent. *Veolia tender offer is properly registered by AMF, and it is continuing.*

❑ Antitrust is progressing as planned

- ✓ Pre-filings completed in November
- ✓ **Expected clearance around year-end**

❑ Financing of Suez transaction secured and preserved financial robustness

- ✓ Net financial debt €13.2bn in 2020 and below €12bn in 2021 (leverage<3)
- ✓ **Leverage ratio <3x from 2023 and onwards**

2- 2021 Guidance and updated medium term objectives

Antoine Frérot, CEO

2021 GUIDANCE: RECOVERY OF OUR NORMAL PERFORMANCE AND GROWTH TRAJECTORY

Despite expected continued impact of COVID beginning of 2021
VEOLIA will more than offset 2020 and deliver strong results growth in 2021

- ❑ **Revenue : above 2019 level**
  - ✓ Activity lost due to COVID almost recovered and complemented by new growth

- ❑ **EBITDA growth[1] >+10% vs. 2020 : 2021 EBITDA expected above €4bn**
  - ✓ Recovery of operating leverage
  - ✓ €350M of cost cutting : €250M recurring efficiencies +€100M Recover & Adapt complementary gains

- ❑ **Net debt** to decrease in 2021 to below €12bn, and leverage ratio <3.0x

- ❑ **Dividend policy**
  - ✓ Proposed 2020 dividend of €0.70
  - ✓ Objective to recover the pre-crisis dividend policy in 2021

(1) At constant FX

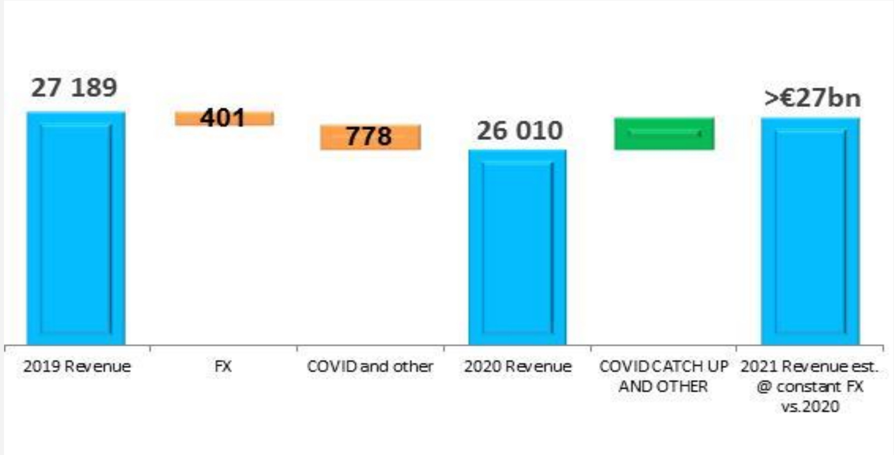
2021 GUIDANCE : RECOVERY OF OUR NORMAL PERFORMANCE AND GROWTH TRAJECTORY

Despite expected continued impact of COVID beginning of 2021
VEOLIA will more than offset 2020 and deliver strong results growth in 2021

Revenue (€M)

-2.9%* in 2020

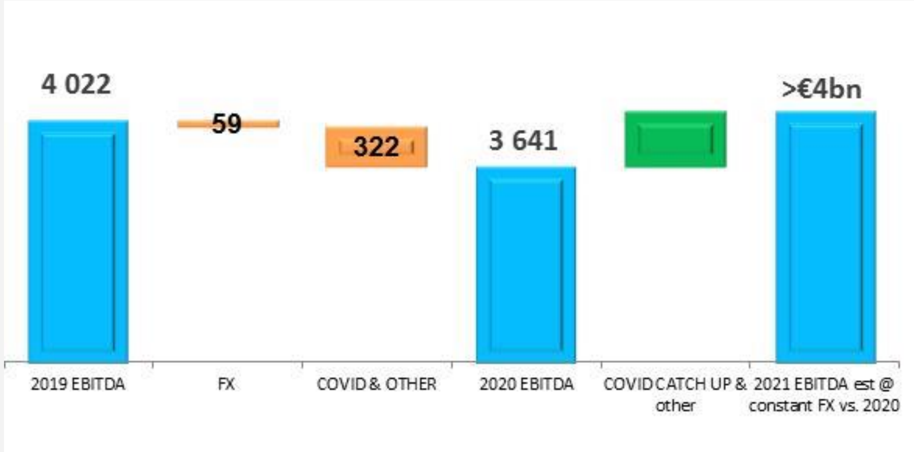
>+3%* in 2021



EBITDA (€M)

-8%* in 2020

>+10%* in 2021



* At constant FX

MEDIUM TERM OUTLOOK : STRATEGIC CHOICES FULLY RELEVANT AND IMPACT 2023 FINANCIAL TARGETS ROUGHLY DELAYED BY ONE YEAR

- **Guidance 2021**(1):
  - ✓ **Revenue: above 2019 level**
  - ✓ **EBITDA expected above €4bn**

- **Medium term guidance**
  - ✓ **The strategic choices included in Impact 2023 remains fully relevant.**
  - ✓ **The strategic plan Impact 2023 financial targets to be roughly delayed by one year**(2)

Combination with Suez will enable to reinforce and accelerate our strategic plan Impact 2023 in order to create the world champion of the ecological transformation

(1) At constant FX
(2) Before the full integration of Suez

3- 12M 2020 Financial & Operational Performance

Claude Laruelle, CFO

2020 KEY FIGURES : EXCEPTIONAL RESISTANCE AND REBOUND

In €M	12M,2019	12M,2020	Var. Y-Y vs. 12M,2019	Var. at constant FX vs. 12M,2019
Revenue	27 189	26 010	-4.3%	-2.9%
EBITDA	4 022	3 641	-9.5%	-8.0%
Current EBIT	1 730	1 275	-26.3%	-24.8%
Current net income Group share	760	415	-45.4%	-43.9%
Net Income Group share	625	89	-85.8%	-87.7%
Net industrial CAPEX	2 201	2 151	-2.3%	-0.5%
Net Free Cash Flow after growth capex	868	507		
Net Financial Debt	10 680	13 217		

FX impacts (vs. 2019)	€M	%
Revenue	-401	-1.5%
EBITDA	-59	-1.5%
Current EBIT	-25	-1.5%
Current Net Income	-11	-1.5%
Net financial debt	-273	-2.6%

AFTER THE COVID OUTBREAK, Q3 REBOUND CONTINUED IN Q4

Q4 REVENUE UP +0.9% AND Q4 EBITDA UP +4.2% AT CONSTANT FX

	2019					2020			
Revenue growth at constant FX	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4
France	+2.8%	+5.0%	+0.5%	+0.1%	+2.0%	-3.1%	-16.1%	+0.8%	+2.5%
Europe excl. France	+4.7%	+7.2%	+4.1%	+1.1%	+4.1%	+1.1%	-6.7%	+0.8%	+5.3%
Rest of the World	+6.6%	+9.0%	+9.0%	+10.0%	+8.7%	+2.1%(1)	-4.4%(1)	-3.0%(1)	-1.5%(1)
Global Businesses	+4.7%	+2.6%	-0.2%	-2.6%	+0.9%	-3.6%	-20.8%	+3.1%	-0.1% (+2.0% organic)
TOTAL	+4.8%	+6.3%	+3.8%	+2.6%	+4.3%	-1.3%	-11.0%	-0.6%	+0.9%
EBITDA growth at constant FX	+3.8%	+7.3%	+4.3%	+3.0%	+4.5%	-5.3%	-33.9%	+1.7%	+4.2%

(1) At constant scope and FX (revenue impact of 2019 TNAI divestiture : €116M in Q1, €68M in Q2, €67M in Q3, €81M in Q4)

KEY Q4 HIGHLIGHTS : REVENUE +0.9%(2) AND EBITDA +4.2%(2)

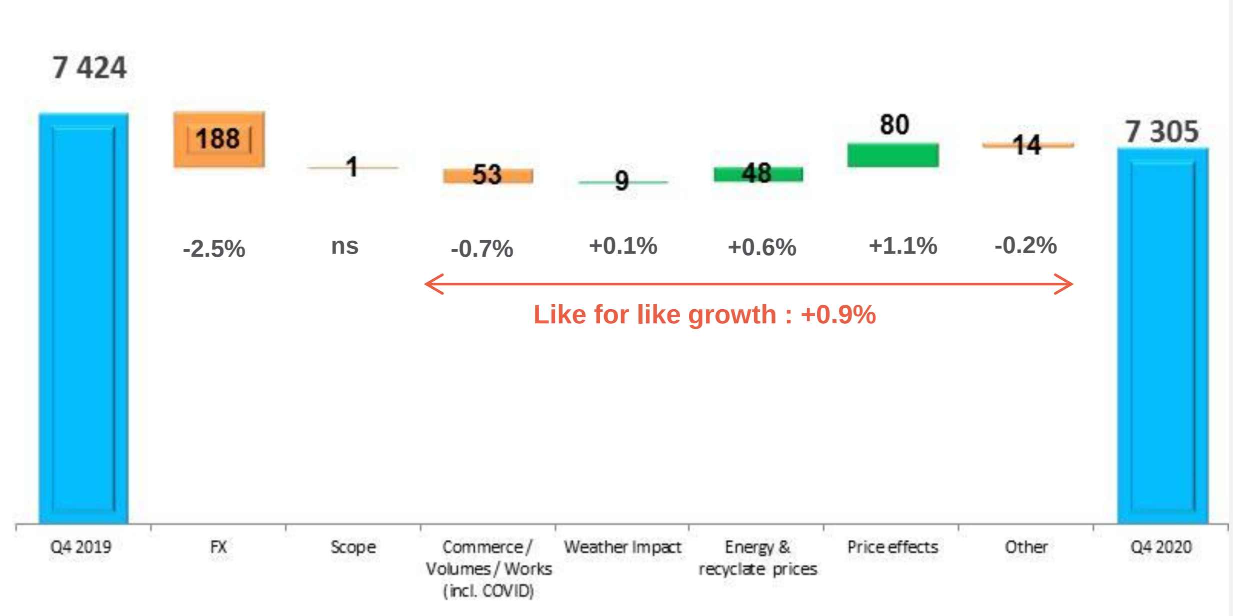
- ✓ **French water : resilient. Revenue up +2.5% in Q4** : o/w volumes up +0.8% and prices +1.5% (no change); works recovery
- ✓ **French Waste : Revenue +2.5% in Q4** (after +0.6% in Q3 and -22.6% in Q2) thanks to tariff increases (+3% price effect in Q4) and higher recycled paper prices, more than offsetting lower volumes due to 2nd wave of sanitary crisis (-2% volume effect in Q4)
- ✓ **Rest of Europe: Revenue back up strongly (+5.3%(2)) thanks to strong growth in Central & Eastern Europe :** revenue up 14.9%(2) in Q4: favorable weather (+€15M) , increased water and energy tariffs, and integration of new assets in Budapest and Prague. **Germany** stable.
- ✓ **Rest of the World : ***Asia/Pacific* activity back to 2019 levels. **China Q4 revenue up 4.1%(2)** . Impact of the end of waste cleaning & collection activities in Singapore . *North America* : hazardous waste incineration volumes back to normal but recycling still penalized by lower refining output and demand. *Africa Middle East* : Morocco: water and energy volumes back to normal
- ✓ **Global Businesses**: continued recovery of Hazardous Waste Europe and of construction (VWT revenue up 6.2%(2) in Q4) partially offset by the divestiture of SADE Telecom activities in France

➢ **OPERATING LEVERAGE RECOVERY: Q4 EBITDA UP +4.2%(2) thanks to strong efficiency and adaptation measures**

(2) At constant FX

Q4 REVENUE BRIDGE
Q4 REVENUE OF €7 305M, +0.9% AT CONSTANT FX
FAVORABLE PRICING MORE THAN OFFSET WEAK VOLUMES IN WASTE

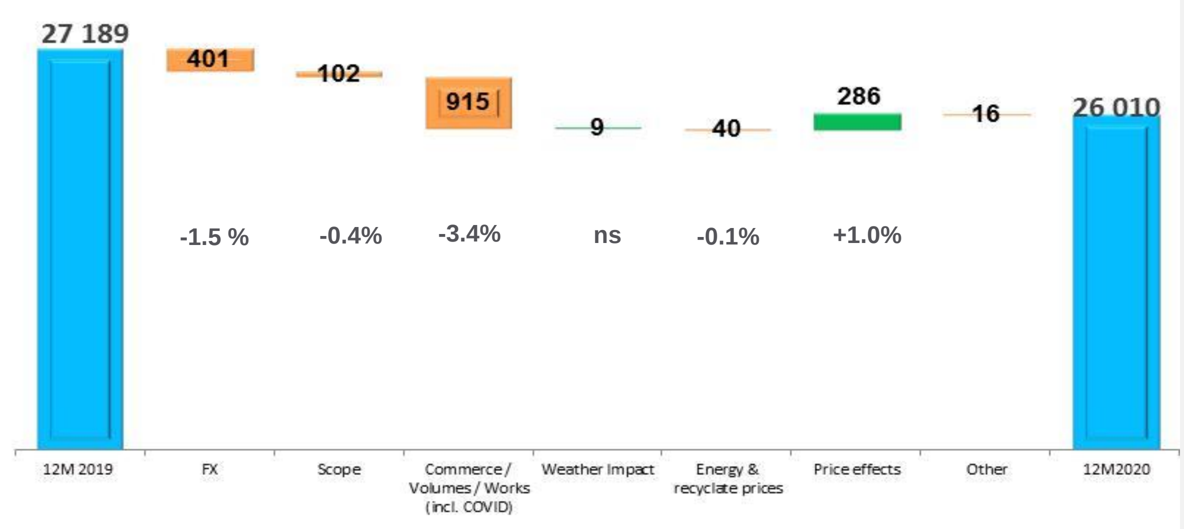
In €M



- **FX: -€188M** : Latin America -€49M, US dollar -€33M, Polish zloty, Central & Eastern Europe for -€39M
- **SCOPE: -€1M :** mostly divestiture of US Municipal Energy closed in Dec. 2019 (-€81M) partly offset by acquisitions in Central Europe for +€97M
- **VOLUMES/COMMERCE/WORKS (INCL. COVID): -€53M** , comparable to Q3 impact of -€50M, due to continued weak waste volumes in Europe due to 2nd wave of COVID
- **WEATHER (ENERGY): +€9M** (cold Q4 in CEE)
- **ENERGY & RECYCLATE PRICES: +€48M** o/w **+€36M** energy prices (higher heat and electricity prices, notably in CEE) and **+€12M higher recycled prices in Q4** (paper mainly)
- **PRICE INCREASES : +€80M :** continued **strong pricing in waste** (+2.3% impact) and **WATER**

12M REVENUE BRIDGE : AFTER THE COVID OUTBREAK, REBOUND IN H2
12M REVENUE OF €26 010M, -2.9% AT CONSTANT FX

In €M



- **FX: -€401M,** o/w: Latin America -€138M, Central & Eastern Europe -€102M, Australian dollar -€30M, North America -€35M
- **SCOPE: -€102M :** divestiture of US Municipal Energy closed in Dec. 2019 (-€332M) partly offset by the integration of the Building Energy Services activities in Hong Kong and Stericycle hazardous waste activities in Chile in 2019 and in 2020 plastic recycling business in Spain and Energy activities in Czech Republic and Hungary
- **VOLUMES/COMMERCE/WORKS (INCL. COVID): -€915M**
- **WEATHER (ENERGY): +€9M** (mostly CEE)
- **ENERGY & RECYCLATE PRICES: -€40M o/w: +€68M energy price increases** mainly in Central & Eastern Europe & **recycled material prices: -€108M** mostly paper
- **PRICE INCREASES : +€286M**: very solid pricing o/w WASTE +2%. WATER : +1.5% in France, +3% price effect in Central Europe

WASTE REVENUE UP +2.4% IN Q4 AT CONSTANT FX

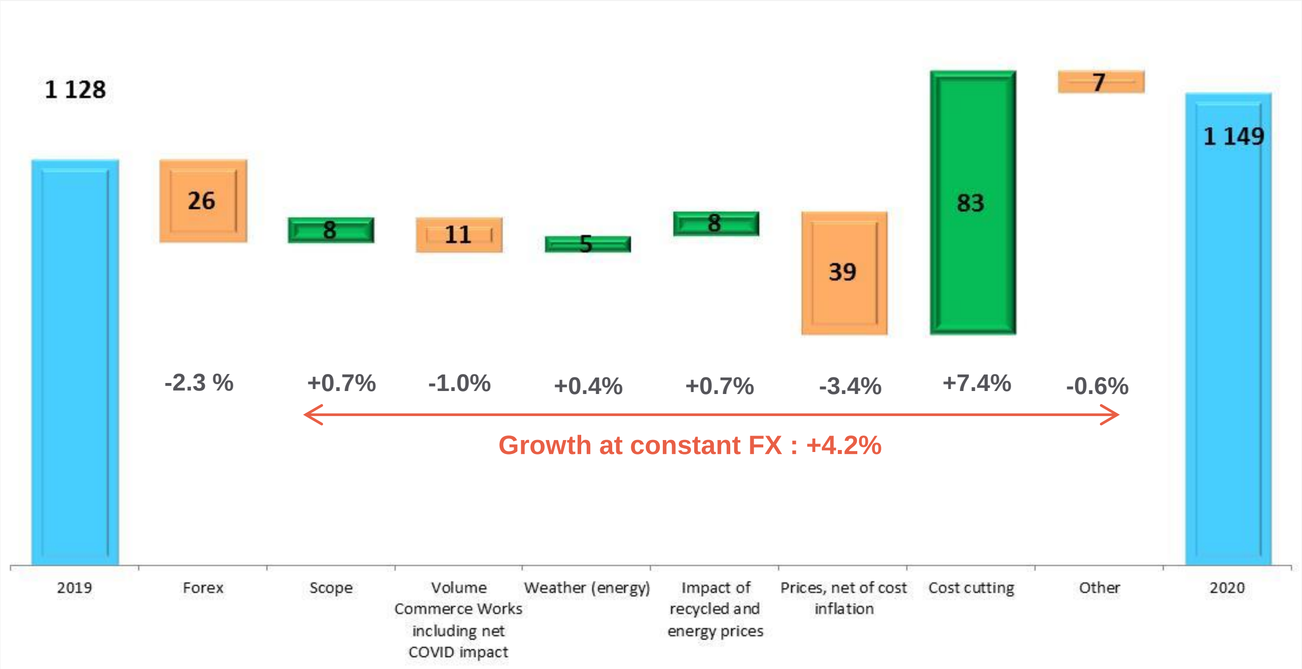
REVENUE GROWTH BACK IN Q4, DRIVEN BY PRICES

	Q1, 2020	Q2, 2020	Q3, 2020	Q4, 2020	FY 2020
Recycled raw materials prices	**-2.5%**	**-1.4%**	**-0.9%**	**+0.5%**	**-1.1%**
Volumes / activity levels	**-1.8%**	**-14.7%**	**-2.6%**	**-1.8%**	**-5.2%**
Price increases	**+2.4%**	**+1.9%**	**+1.6%**	**+2.3%**	**+2.0%**
Other	+1.9%	-0.4%	-1.5%	+0.6%	+0.2%
Growth at constant scope & exchange rates	**+0.2%**	**-14.6%**	**-3.4%**	**+1.6%**	**-4.1%**
Scope effect	*+1.4%*	*+1.1%*	*+0.5%*	*+0.8%*	*+0.9%*
Growth at constant exchange rates	**+1.6%**	**-13.5%**	**-2.9%**	**+2.4%**	**-3.2%**
Currency effect	*-1.0%*	*-1.3%*	*-1.4%*	*-3.0%*	*-1.7%*

- **Waste : Revenue growth resumed in Q4, driven by prices**
  - **France : Waste revenue of €677M, up +2.5% in Q4 , with -2% volume effect , +3% price effect and higher recycled materials prices**
    - ✓ Volumes: progressive recovery of C&I collection volumes, partially offset by municipal collection and sorting contract selectivity. Continued strong incineration.
    - ✓ Tariff increases and **strong paper prices in Q4** : average Q4 Copacel Index 1.05 of **€80/T** (double the avg Q4, 2019)
  - **UK : Waste revenue of €434M, -4.7%(1) in Q4** : Commercial volumes back to ~**90%** of 2019 levels until the new lockdown of November which led to volume decline. Landfills: +17%in Q1 (due to import tax from the NL), -31%in Q2 (Covid), +8% in Q3 and -26% again in Q4, due to higher gate fees and new lockdown measures. Continued very strong WTE with 94.1% availability rate YTD yielding strong electric revenues (prices hedged, up 10%) . Recycled materials revenue flat in Q4, with increased paper prices.
  - **Northern Europe: Waste revenue of €334M, -2.6% at constant scope and FX** : C&I volumes back to pre-crisis levels in Germany in Q4
  - **Rest of World Waste Revenue of €774M, up 8.5%(1) in Q4** with recovery in all regions: **Asia** +12.9%(1) in Q4 **driven by hazardous revenue (+23.5%(1) in Q4)** and commercial developments; **Pacific** +3.4%(1) in Q4; **North America**: Waste revenue flat(1) in Q4 (low regeneration services offset by hazardous waste incineration)
  - **Hazardous waste (Europe) :** volumes close to 2019 in Q4 combined with strong price discipline

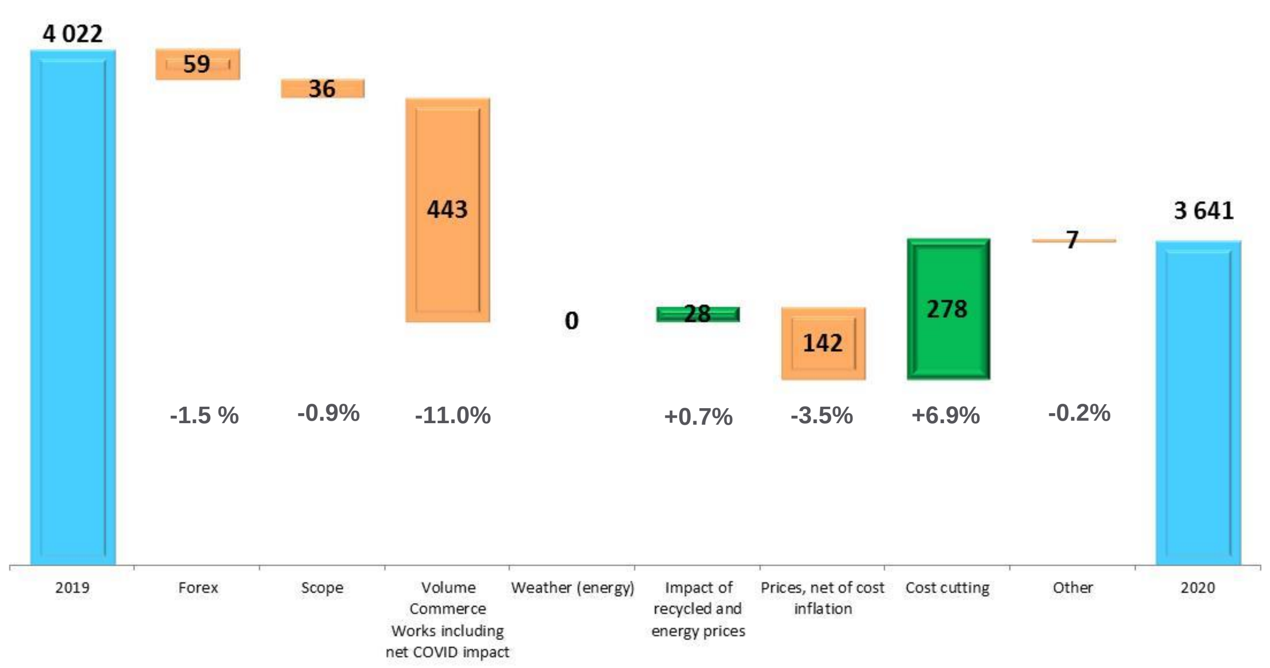
(1) At constant FX

Q4 EBITDA OF €1 149M, UP +4.2% AT CONSTANT FX



- **FOREX: -€26M.** Latam -€8M, US$ -€3M, Polish zloty, Central and Eastern Europe -€11M
- **SCOPE : +€8M :** mostly divestiture of US Municipal Energy -€22M offset by tuck ins in Central Europe
- **COMMERCE/VOLUMES/WORKS : -€11M** including COVID impact
- **ENERGY (INCL.CO2) AND RECYCLED MATERIALS PRICES: +€8M** (o/w Energy prices -€3M and recycled prices +€11M, mostly paper)
- **PRICE EFFECT, NET OF COST INFLATION -€39M**
- **EFFICIENCY: +€83M**

12M EBITDA OF €3 641M, -8.0% AT CONSTANT FX



- **FOREX: -€59M :** o/w Latam -€21M; Australian dollar -€4M; Central and Eastern Europe -€20M
- **SCOPE : -€36M :** divestiture of US Municipal Energy -€84M partially offset by acquisitions in Central and Eastern Europe
- **COMMERCE/VOLUMES/WORKS : -€443M,** including COVID impact
- **ENERGY, RECYCLED MATERIALS PRICES : +€28M**
  O/W ENERGY PRICES INCL. CO2 +€49M : heat and electricity price increases (mostly in CEE) combined with lower cost of fuel (including lower fuel cost in waste collection)
  RECYCLED MATERIAL PRICES: -€21M
- **PRICE EFFECT, NET OF COST INFLATION -€142M**
- **EFFICIENCY: +€278M**

FRANCE - 12M AND Q4 OPERATIONAL REVIEW
RESILIENT WATER –WASTE RECOVERY IN H2

In €M	2019	2020	Δ	Δ At constant FX	Q4,2019	Q4,2020	Δ	Δ at constant FX
Revenue, of which	**5 612**	**5 390**	**-3.9%**	**-3.9%**	**1 436**	**1 472**	**+2.5%**	**+2.5%**
Water	*3 004*	*2 937*	*-2.2%*	*-2.2%*	*776*	*795*	*+2.5%*	*+2.5%*
Waste	*2 608*	*2 453*	*-5.9%*	*-5.9%*	*660*	*677*	*+2.5%*	*+2.5%*
EBITDA	**900**	**848**	**-5.8%**	**-5.8%**	**218**	**259**	**+18.5%**	**+18.5%**
EBITDA margin	***16.0%***	***15.7%***						

- **WATER : 12M Revenue -2.2% and +2.5% in Q4**
  - ✓ Volumes up +0.8% ytd , despite Covid and after a very good 2019 year .
  - ✓ Tariff increases: +1.5%
  - ✓ Works confirmed recovery in Q4; negative commercial impacts on side activities due to the sanitary crisis. No unpaid bills/DSO issue .
- **WASTE : 12M Revenue -5.9%, and +2.5% in Q4**
  - ✓ **Strong pricing discipline: +2.3% ytd and +3% in Q4**
  - ✓ Municipal collection volumes: -2.6% ytd (~flat in Q4) mostly due to contract selectivity
  - ✓ C&I collection volumes -11.3% ytd (-6% in Q4) following the COVID crisis
  - ✓ Landfill volumes (-9.9% YTD, -4.4% in Q4) : Recovery since June but still weak in the Paris region as a consequence of the lockdown measures
  - ✓ Strong incineration volumes: +5.4% YTD (+5.7%in Q4) notably due to the new Bordeaux contract
  - ✓ **Volatile paper prices, sharply up in Q4** :€19/T in Q1, €79/T in Q2 (shortage of product after lockdown), €47/T in Q3 and €80/Tin Q4. On average, 2020 paper index of €56/T , flat vs.2019.

➢ **FRANCE EBITDA strongly up in Q4 (+18.5%) thanks to very resilient Water activities, Waste volume recovery, pricing discipline and recycled paper prices increase, combined with strong efficiency measures**

REST OF EUROPE - 12M AND Q4 OPERATIONAL REVIEW

STRONG GROWTH IN CENTRAL EUROPE - RECOVERY IN H2 IN ALL OTHER REGIONS

In €M	2019	2020	Δ	Δ At constant FX	Q4, 2019	Q4,2020	Δ	Δ At constant FX
Revenue, of which	**9 501**	**9 411**	**-0.9%**	**+0.4%**	**2 631**	**2 710**	**+3.0%**	**+5.3%**
Central & Eastern Europe	*3 296*	*3 401*	*+3.2%*	***+6.3%***	*966*	*1 071*	*+10.8%*	***+14.9%***
UK – Ireland	*2 298*	*2 164*	*-5.8%*	*-4.6%*	*591*	*533*	*-9.8%*	*-5.5%*
Northern Europe	*2 738*	*2 654*	*-3.1%*	*-3.1%*	*730*	*740*	*+1.4%*	*+1.1%*
Italy- Iberia	*1 169*	*1 193*	*+2.1%*	*+2.1%*	*344*	*365*	*+6.1%*	*+6.1%*
EBITDA	**1 501**	**1 404**	**-6.5%**	**-4.9%**	**437**	**442**	**+1.1%**	**+3.6%**
EBITDA margin	***15.8%***	***14.9%***						

- **Fast growing Central and Eastern Europe : 12M Revenue +6.3%(1) and +14.9%(1) in Q4**
  - ✓ ENERGY revenue of €2 205M up 7.1%(1) YTD, due to heat and electricity price increases and favorable weather in Q4
  - ✓ WATER revenue of €1 109M, up 1.3%(1) YTD thanks to water tariff increases; good volumes except in Prague (lower tourism due to COVID and lockdown)
  - ✓ Good commercial momentum : 12 year extension of our Bucharest water & sewage contract , acquisition of Prague Right bank DHN and cogeneration in Budapest
- **UK- Ireland –Lower C&I waste volumes in Q4 due to lockdown, largely offset at the EBITDA level by efficiency gains : EBITDA+13.7%(1) in Q4**
  - ✓ C&I collection volumes : recovery to c90% of 2019 levels in Q3 but **new decrease in Q4 due to lockdown**
  - ✓ Treatment : Continued **very strong WTE** with 94.1% availability rate (93.8% in 2019) yielding strong electric revenues (prices hedged, up 10% yoy) . **Landfill volumes down 7.6% YTD, o/w:** Q1 +17%, Q2 -31%, Q3 +8% and Q4 -26% due to new lockdown. Overall weak recycled materials prices and volumes although higher in Q4 .
  - ✓ Pursuit of operational improvement in Q4 due to : favorable fuel costs, improved electricity revenue and enhanced cost savings
- **Northern & Southern Europe : Industrial service activities and C&I waste affected by COVID**
  - ✓ **Germany** : Decrease of waste revenue due to C&I waste volumes down yoy (back to normal levels in Q4 but should decrease again in Q1 2021 after new lockdown). Lower recycled prices and volumes (paper and plastic) . Offset by more resilient Energy and Water activity in BVAG. Coal conversion project on schedule
  - ✓ **Nordics / Netherlands/ Belgium:** some recovery in industrial services , good plastic recycling activity in the Netherlands.
  - ✓ **Southern Europe**: recovery confirmed in Q4 in Spain and Portugal . Italy still penalized by the postponement of many tenders

➢ **REST OF EUROPE EBITDA back up in Q4 (+3.6%) due to waste volume recovery, resilient water activities, favorable energy prices and efficiency gains.**

(1) At constant FX

REST OF THE WORLD - 12M AND Q4 OPERATIONAL REVIEW
RECOVERY IN ALL REGIONS

In €M	2019	2020	Δ	Δ at constant FX	Q4,2019	Q4,2020	Δ	Δ at constant FX
Revenue, of which	**7 325**	**6 760**	**-7.7%**	**-4.5%/-1.7%(2)**	**2 037**	**1 836**	**-9.8%**	**-4.6%/-1.5%(2)**
Asia	*2 135*	*2 131*	*-0.2%*	*+0.7%*	*679*	*660*	*-2.8%*	*-0.8%*
Latin America (Latam)	*853*	*771*	*-9.6%*	*+6.6%*	*232*	*200*	*-14.0%*	*+7.1%*
North America	*2 168*	*1 746*	*-19.5%*	*-17.9%/-3.2%(2)*	*560*	*429*	*-23.3%*	*-17.5%/ -3.9%(2)*
Pacific	*1 087*	*1 050*	*-3.4%*	*-0.7%*	*273*	*272*	*-0.1%*	*+0.8%*
Africa Middle East (AME)	*1 082*	*1 062*	*-1.8%*	*-0.9%*	*294*	*277*	*-5.6%*	*-3.1%*
EBITDA	**1 162**	**942**	**-18.9%**	**-16.0%/-10.1%(2)**	**347**	**331**	**-4.6%**	**-0.4%/ +5.4%(2)**
EBITDA margin	**15.9%**	**13.9%**						

- **Asia : Revenue flat yoy. In Q4, revenue -0.8%(1) : activity recovery offset by lower works. EBITDA strongly up in Q4 thanks to efficiency gains**
  - ✓ Decreased construction revenue (low EBITDA margin) in **Hong Kong** due to completed projects
  - ✓ Contract evolution in **Korea** and divestment of waste cleaning & collection activities in **Singapore**
  - ✓ **China back to growth: Revenue up +4.1%(1) in Q4.** Water volumes recovered since June. Hazardous waste revenue up 27%(2) YTD vs 2019. Continued resilient municipal energy and positive impact of new businesses (Kedong heating, Huafei plastic).
- **Latin America : 12M Revenue +6.6%(1) and +7.1%(1) in Q4**
  - ✓ Growth driven by tariff indexation and impact of tuck ins (e.g.: medical waste treatment in Chile). Cash collection issues progressively under control
- **North America : 12M Revenue -3.2% like for like**
  - ✓ Waste : lower regeneration services (RGS) for refineries. Hazardous waste : lower field services, but continued good incineration volumes
- **Pacific 12M Revenue -0.7%(1) and +0.8%(1) in Q4 : Waste:** lower volumes in 2020 but increase of landfill volumes in Q4; **lower water revenue** (lower works at Springvale in 2020 and restart of Kurnell in 2019) partially offset by commercial gains (Wellington)…
- **Africa Middle East : 12M Revenue flat(1) and +3.1%(1) in Q4** . Recovery in Morocco : activity back to 2019 level

➢ **Q4 ROW EBITDA up +5.4% like for like, despite revenue down -1.5% thanks to strong adaptation measures**

(1) At constant FX
(2) At constant scope and FX

GLOBAL BUSINESS - 12M AND Q4 OPERATIONAL REVIEW
STRONG RECOVERY IN Q4 IN CONSTRUCTION AND HAZARDOUS WASTE

In €M	2019	2020	Δ	Δ At constant FX	Q4,2019	Q4,2020	Δ	Δ At constant FX
Revenue, of which	**4 734**	**4 444**	**-6.1%**	**-5.3%**	**1 306**	**1 284**	**-1.7%**	**-0.1%/ +2.0%[2]**
Construction	*2 823*	*2 748*	*-2.7%*	*-1.2%*	*806*	*812*	*+0.7%*	*+3.2%*
Hazardous & liquid waste Europe	*1 192*	*1 101*	*-5.6%*	*-5.6%*	*311*	*304*	*-0.7%*	*-0.6%*
Industrial and energy services	*719*	*595*	*-17.2%*	*-17.2%*	*189*	*168*	*-11.1%*	*-10.4%*
EBITDA	**396**	**324**	**-18.1%**	**-18.1%**	**140**	**138**	**-1.6%**	**-1.5%**
EBITDA margin	***8.4%***	***7.3%***						

- **Construction: continued recovery in Q4 : 12M Revenue -1.2%[1] and +3.2%[1] in Q4**
  - ✓ **VWT : 12M Revenue of €1 517M, +3.7%[1], and +6.2%[1] in Q4**
    - Resilient commercial activity : desalination tenders delayed but strong service oriented bookings
    - Closing project backlog of €1.5bn , lower than previous years following EPC to EP strategic move and strengthening Service & Techno distribution business
  - ✓ **SADE : 12M Revenue of €1 231M, -6.8%[1], but +8.1% in Q4 at constant scope and FX** (divestment of Sade Telecom in Q4)
    - *Strong activity recovery in Q4* but bookings lower than previous years

- **Hazardous and liquid waste Europe : Continued recovery in Q4**
  - ✓ **Q4** : volumes close to 2019 combined with strong price discipline, offset by negative impact of low oil price on used oils recycling
    - ➢ **Global Group Hazardous waste revenue of € 2 534M, +0.7%[1] and up 3.9%[1] in Q4**

➢ **GLOBAL BUSINESS EBITDA -1.5% in Q4: industrial and energy services EBITDA decrease almost fully offset by good performance of construction and hazardous waste**

(1) At constant FX
(2) At constant scope and FX

2020 CURRENT EBIT OF €1 275M

In €M	12M 2019	12M, 2020	Var. vs. 2019 at constant FX	Var. vs. 2019 at constant scope and FX
EBITDA	**4 022**	**3 641**	**-8.0%**	**-7.1%**
Renewal expenses	-280	-275		
Depreciation & Amortization (including principal payments on OFAs)	-2 192	-2 190		
Provisions, fair value adjustment & other(1)	+52	-12		
Share of current net income of joint ventures and associates (2)	+130	+111		
Current EBIT(2)	**1 730**	**1 275**	**-24.8%**	**-21.2%**

- **D&A of €1 991M,** slightly down vs. 2019 (€2 057M), due to FX and to improved asset management
- **Provisions, fair value adjustment and other:** litigation provisions reversals in 2019 and more Fair Value Adjustments in 2020
- **Share on net income from JVs and associates** down by €19M due to lower contribution in China: lower water and waste volumes during the lockdown

(1) Including capital gains on industrial divestitures
(2) Excluding capital gains on financial divestitures

2020 CURRENT NET INCOME OF €415M

In €M	12M 2019	12M, 2020	Variation vs. 2019 at constant FX	Var. vs. 2019 at constant scope and FX
Current EBIT[(1)]	**1 730**	**1 275**	**-24.8%**	**-21.2%**
Cost of net financial debt	-441	-414		
Other financial income and expense	-179	-166		
Net financial capital gains[(1)]	+24	+26		
Income tax expense	-227	-160		
Non-controlling interests	-147	-146		
Current net income – Group share	**760**	**415**	**-43.9%**	**-38.0%**
Current net income – Group share ***Excluding net financial capital gains***	**734**	**396**	**-44.8%**	**-38.4 %**

(1) Including related taxes and minorities

- **Cost of net financial debt down by €27M** due to favorable Euro debt refinancing in 2020, combined with non euro-denominated debt savings and a higher cash remuneration
  - ➢ **Gross cost of borrowing rate down 62 bps from 3.06% to 2.44%.**
- **Other financial income and expense of -€166M** include : 1/ stable interest (cash) on IFRIC 12 concession liabilities of -€80M; 2/ IFRS 16 lease financial charges of -€32M; 3/ non cash charges related to the unwinding of the discount of provisions of -€23M
- Net financial capital gains include in 2020 mainly the capital gain on the divestiture of Sade Telecom
- Current **tax rate of 26.1%**

NET INCOME GROUP SHARE OF €89M

In €M	2019	2020	Variation vs. 2019	Var. vs. 2019 at constant FX
Current net income – Group share	**760**	**415**	**-45.4%**	**-43.9%**
Non current items, net of tax				
Restructuring charges	-121	-95		
Non current impairments and others, net income from discontinued operations and other items	-184	-231		
Capital gains	170	-		
Net income – Group share	**625**	**89**	**-85.8%**	**-87.7%**

- **Restructuring charges of -€95M in 2020:** France, VWT, Poland, Korea
- **Non current impairments and others of -€231M** in 2020 include H1 non current impairments in Morocco and Latin America (for €94M)
- **Non current capital gains** included in 2019 the net capital gain on the divestiture of our municipal energy assets in the US

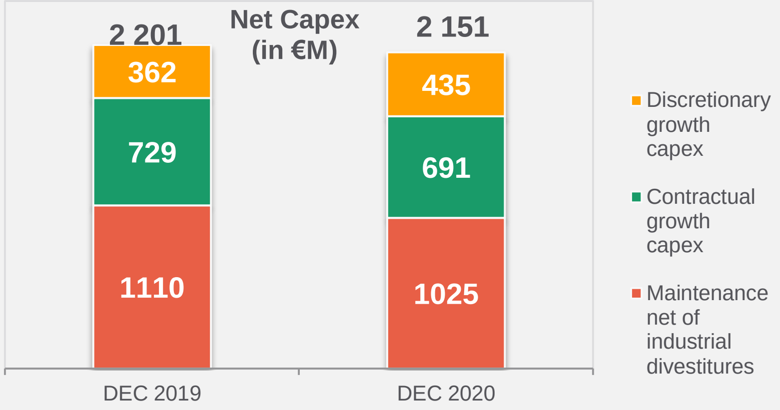
SOLID FINANCIALS

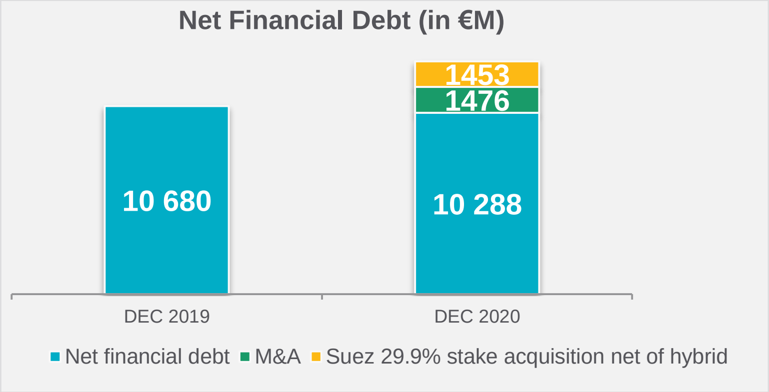
BETTER THAN EXPECTED FCF, INCLUDING €435M OF DISCRETIONARY GROWTH CAPEX, UP 20%

- **Net industrial Capex of €2 151M, vs. €2 201M**
  - ✓ Optimization of maintenance capex (including IFRS16 and net of industrial divestments) down 8% **€1 025M vs. €1 110M**
  - ✓ Growth contractual capex down 5% : **€691M vs €729M**
  - ✓ **20% growth of discretionary growth capex : €435M vs. €362M**
    - Mostly: **green capex in Europe (€78M) and hazardous projects in Asia** and the Middle East
    - 8% in France, 38% in Rest of Europe, 34% in Asia

- **Net Free Cash Flow[(1)] of +€507M vs. +€868M in 2019 :** EBITDA decrease partially offset by net capex reduction and control of WCR
  - ✓ **Continued improvement of WCR of +€233M** due to strict monitoring of cash collection

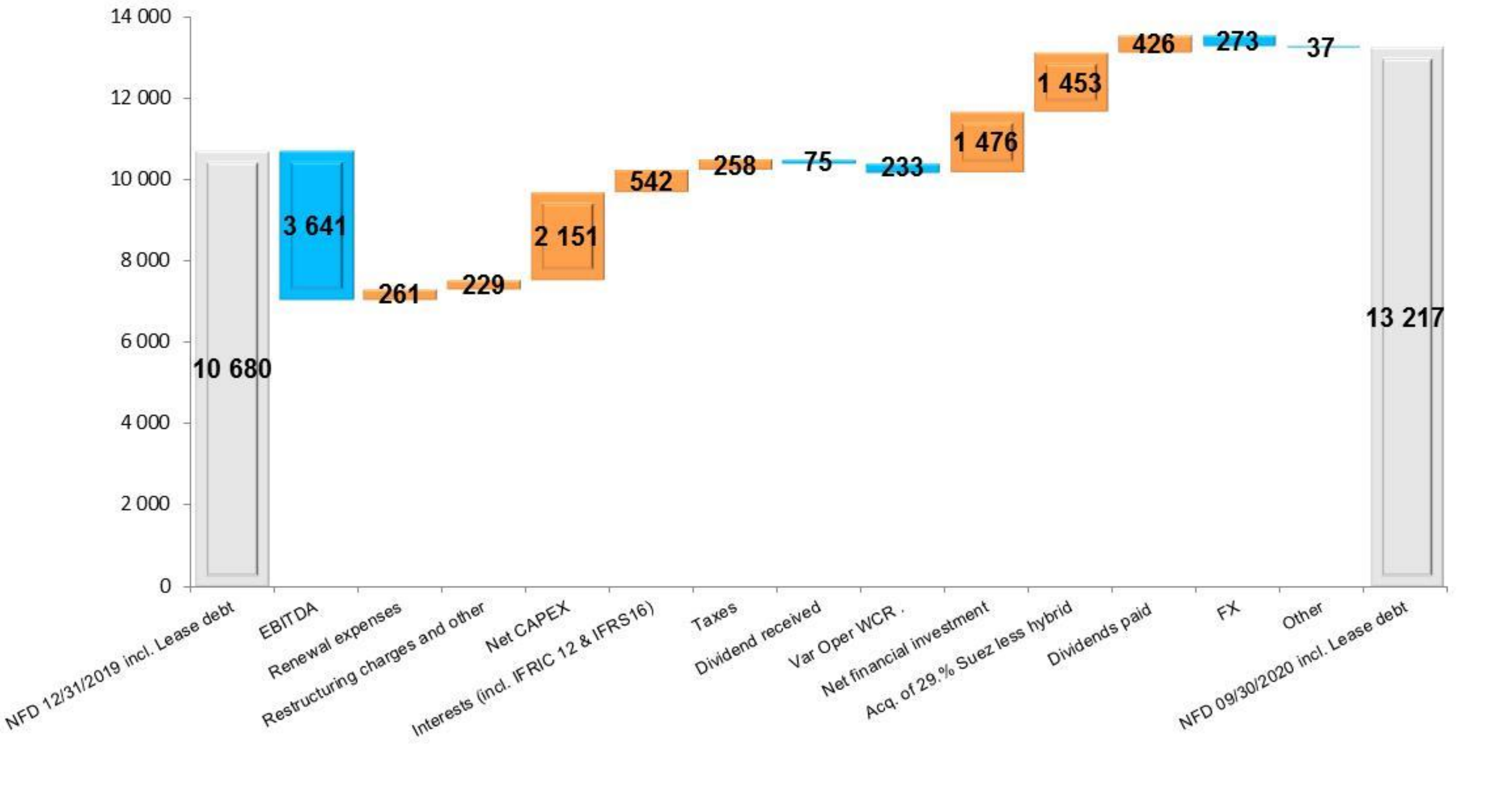
- **Net financial debt of €13 217M, vs. €10 680M in Dec. 2019**
  - ✓ **Net financial acquisitions of -€1 476M** (including the closing of the Alcoa acquisition in the US, MAG in Russia, BERT in Hungary and Prague DHN)
  - ✓ Buy-out of **the 29.9% stake in Suez net of hybrid issuance for -€1 453M**
  - ✓ **Excluding M&A, net financial debt of €10 288M, down €392M vs. 2019**
  - ✓ **Leverage ratio of 3.2x excluding Suez**





(1) Net free cash flow corresponds to the free cash flow of continuing operations, i.e. the sum of EBITDA, dividends received, operating cash flow from financing activities, and the variation of operating working capital, less all net industrial investments, net interest expense, tax expense, restructuring charges, other non current expenses and renewal expenses

EVOLUTION OF NET FINANCIAL DEBT



A SOLID FINANCING STRUCTURE : A VERY STRONG CASH POSITION AND ROBUST B/S

Strong cash position

- **Net Financial debt of €13 217M**
- **€6.7bn of cash** at 31 December 2020
- January 2020 issuance of €500M bond: 0.664% 11 years
- April 2020 issuance of €700M bond: 1.25% 8 years
- June 2020 issuance of €500M bond: 0.80% 11.5 years and Panda Bond issuance of 1,5bn Renminbi : 3,85% 3 years
- December 2020 Panda bond issuance 1,5bn Renminbi : 4,45% 3 years
- **Issuance of €2bn in hybrid bonds** on Oct. 14 2020 in 2 tranches
  - ✓ 850 million bearing a coupon of 2.25 % until its first reset date in April 2026,
  - ✓ 1 150 million bearing a coupon of 2.50 % until its first reset date in April 2029.
- **January 2021 issuance of €700M bond : -0.021% 6 years**

Large Group liquidity of €10.7bn

- Including €4.0bn in undrawn confirmed credit lines without disruptive covenants

Robust Balance Sheet

- **Bond maturity schedule**: €638M in January 2021 already refinanced; no other bond maturity until March 2022
- **Average maturity of net financial debt: 7.6 years at 31/12/20** vs. 6.9 years at 31/12/19
- Standard & Poor's : A-2 / BBB stable outlook **confirmed on 22 February 2021**
- Moody's : P-2 / Baa1 stable

2021 GUIDANCE: RECOVERY OF OUR NORMAL PERFORMANCE AND GROWTH TRAJECTORY

Despite expected continued impact of COVID beginning of 2021
VEOLIA will more than offset 2020 and deliver strong results growth in 2021

❑ **Revenue : above 2019 level**
✓ Activity lost due to COVID almost recovered and complemented by new growth

❑ **EBITDA growth[(1)] >+10% vs. 2020 : 2021 EBITDA expected above €4bn**
✓ Recovery of operating leverage
✓ €350M of cost cutting : €250M recurring efficiencies +€100M Recover & Adapt complementary gains

❑ **Net debt** to decrease in 2021 to below €12bn, and leverage ratio <3.0x

❑ **Dividend policy**
✓ Proposed 2020 dividend of €0.70
✓ Objective to recover the pre-crisis dividend policy in 2021

(1) At constant FX

MEDIUM TERM OUTLOOK : STRATEGIC CHOICES FULLY RELEVANT AND IMPACT 2023 FINANCIAL TARGETS ROUGHLY DELAYED BY ONE YEAR

- **Guidance 2021**[(1)]:
  - ✓ **Revenue: above 2019 level**
  - ✓ **EBITDA expected above €4bn**

- **Medium term guidance**
  - ✓ **The strategic choices included in Impact 2023 remains fully relevant.**
  - ✓ **The strategic plan Impact 2023 financial targets to be roughly delayed by one year**[(2)]

Combination with Suez will enable to reinforce and accelerate our strategic plan Impact 2023 in order to create the world champion of the ecological transformation

(1) At constant FX
(2) Before the full integration of Suez

12M 2020 Key Figures

Appendices

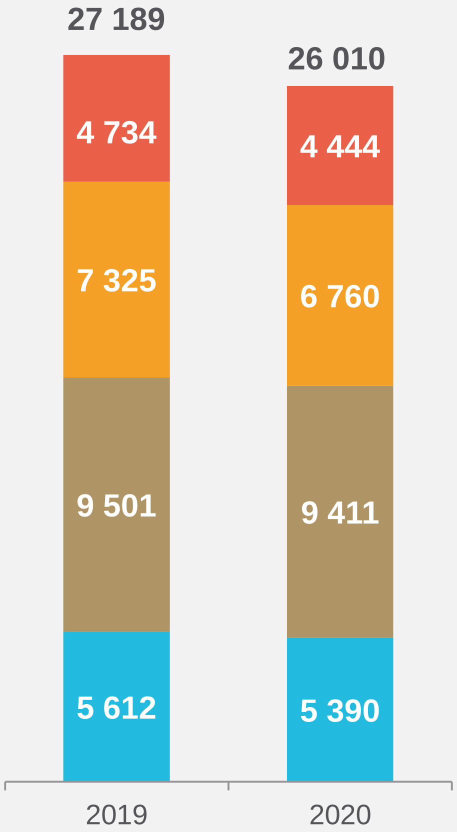
APPENDIX 1: CURRENCY MOVEMENTS

For 1€	2019	2020	Δ 2020 vs. 2019
US dollar			
Average rate	1.120	1.141	-1.9%
Closing rate	1.123	1.227	-9.2%
UK pound sterling			
Average rate	0.877	0.889	-1.3%
Closing rate	0.851	0.899	-5.7%
Australian dollar			
Average rate	1.610	1.655	-2.8%
Closing rate	1.600	1.590	+0.6%
Chinese renminbi yuan			
Average rate	7.739	7.872	-1.7%
Closing rate	7.795	7.944	-1.9%
Czech crown			
Average rate	25.669	26.450	-3.0%
Closing rate	25.408	26.242	-3.3%
Argentinian peso			
Average rate	53.917	80.881	-50.0%
Closing rate	67.221	103.103	-53.4%

APPENDIX 2: REVENUE OF €26 010M, -2.5% AT CONSTANT SCOPE AND FX

ANALYSIS BY SEGMENT

In €M



Variations vs.2019	Variation	Δ At constant FX	Δ At constant scope and FX
Global business	-6.1%	-5.3%	-5.2%
Rest of the World	-7.7%	-4.5%	-1.7%
Europe excl. France	-0.9%	+0.4%	-0.8%
France	-3.9%	-3.9%	-3.9%
Total	**-4.3%**	**-2.9%**	**-2.5 %**

APPENDIX 3: QUARTERLY REVENUE BY SEGMENT

	1st quarter 2020				2nd quarter 2020				3rd quarter 2020			
In €M	2019	2020	Δ at cst FX	Δ at cst scope & FX	2019	2020	Δ at cst FX	Δ at cst scope & FX	2019	2020	Δ at cst FX	Δ at cst scope & FX
France	1 347	1 305	-3.1%	-3.1%	1 412	1 185	-16.1%	-16.1%	1 416	1 428	+0.8%	+0.8%
Europe excl. France	2 572	2 590	+1.1%	+0.5%	2 217	2 033	-6.7%	-6.6%	2 080	2 078	+0.8%	+0.5%
Rest of the World	1 758	1 710	-1.8%	+2.2%	1 732	1 593	-5.7%	-4.4%	1 792	1 613	-6.0%	-3.0%
Global Businesses	1 102	1 064	-3.6%	-4.1%	1 174	925	-20.8%	-21.5%	1 152	1 172	+3.1%	+2.3%
Other	6	6	-	-	3	1	-	-	1	3	-	-
Group	**6 785**	**6 675**	**-1.3%**	**-0.5%**	**6 539**	**5 737**	**-11.0%**	**-10.8%**	**6 441**	**6 293**	**-0.6%**	**-0.1%**

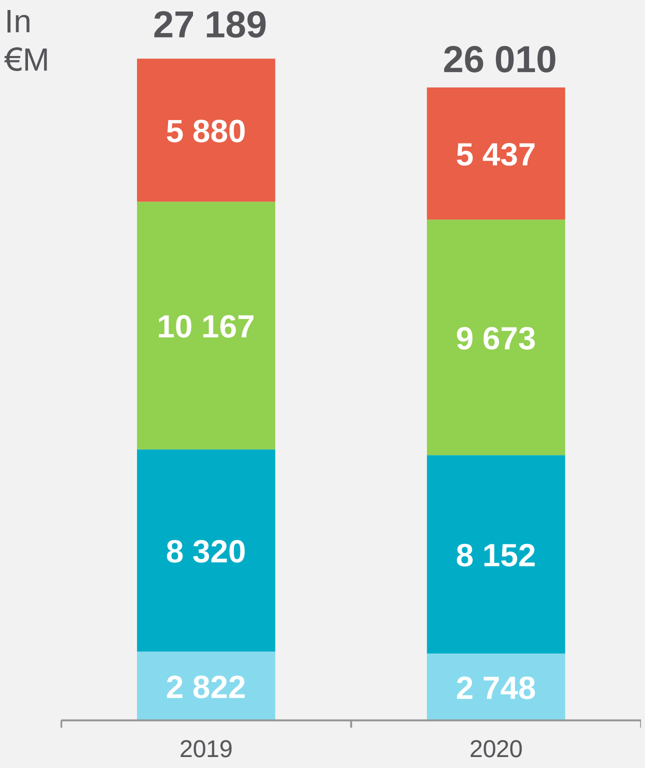
	4th quarter 2020				Year 2020			
In €M	2019	2020	Δ at cst FX	Δ at cst scope & FX	2019	2020	Δ at cst FX	Δ at cst scope & FX
France	1 436	1 472	+2.5%	+2.5%	5 612	5390	-3.9%	-3.9%
Europe excl. France	2 631	2 710	+5.3%	+1.9%	9 501	9 411	+0.4%	-0.8%
Rest of the World	2 037	1 838	-4.6%	-1.5%	7 325	6760	-4.5%	-1.7%
Global Businesses	1 306	1 284	-0.1%	+2.0%	4 734	4 444	-5.3%	-5.2%
Other	13	1	-	-	17	5	-	-
Group	**7 424**	**7 305**	**+0.9%**	**+0.9%**	**27 189**	**26 010**	**-2.9%**	**-2.5%**

APPENDIX 4: QUARTERLY REVENUE BY BUSINESS

	1st quarter 2020				2nd quarter 2020				3rd quarter 2020			
In €M	2019	2020	Δ at cst FX	Δ at cst scope & FX	2019	2020	Δ at cst FX	Δ at cst scope & FX	2019	2020	Δ at cst FX	Δ at cst scope & FX
Water	2 637	2 645	+0.0%	-0.4%	2 705	2 451	-8.8%	-9.5%	2 752	2 794	+3.4%	+2.6%
Waste	2 455	2 470	+1.6%	+0.2%	2 582	2 198	-13.6%	-14.6%	2 531	2 422	-2.9%	-3.4%
Energy	1 693	1 560	-7.3%	-1.8%	1 252	1 088	-10.6%	-5.6%	1 158	1 077	-5.3%	+0.8%
Group	**6 785**	**6 675**	-1.3%	-0.5%	**6 539**	**5 737**	-11.0%	-10.8%	**6 441**	**6 293**	-0.6%	-0.1%

	4th quarter 2020				Year 2020			
In €M	2019	2020	Δ at cst FX	Δ at cst scope & FX	2019	2020	Δ at cst FX	Δ at cst scope & FX
Water	3 048	3 010	+0.9%	+1.7%	11 142	10 900	-1.0%	-1.3%
Waste	2 599	2 583	+2.4%	+1.6%	10 167	9 673	-3.2%	-4.1%
Energy	1 778	1712	-1.3%	-1.4%	5 880	5 437	-5.8%	-2.0%
Group	**7 424**	**7 305**	+0.9%	+0.9%	**27 189**	**26 010**	-2.9%	-2.5%

APPENDIX 5 : REVENUE OF €26 010M, -2.5% AT CONSTANT SCOPE AND FX
ANALYSIS BY BUSINESS (1/2)



Variations vs. 2019	Variation	Δ At constant FX	Δ At constant scope and FX
Energy	-7.5%	-5.8%	-2.0%
Waste	-4.9%	-3.2%	-4.1%
Water	-2.0%	-1.0%	-1.5%
Technology & Construction	-2.7%	-1.2%	-0.8%
Total	**-4.3%**	**-2.9%**	**-2.5%**

APPENDIX 5 : REVENUE OF €26 010M, -2.5% AT CONSTANT SCOPE AND FX
ANALYSIS BY BUSINESS (2/2)

- **WATER : Revenue -1.0% at constant FX to €8 152M**
  - ✓ **Stable volumes (-0,2%) and favorable price effect of +0.7%**
  - ✓ **France** : resilient. Volumes +0.8% ytd (flat at June end, followed by a very good summer). Tariff increases: +1.5%: unchanged. Works recovering and a few commercial impacts on side activities associated with the lockdown period. No significant unpaid bills/DSO issue
  - ✓ **Central Europe** : water tariff increases; good volumes except in Prague due to lower tourism

- **TECHNOLOGY AND CONSTRUCTION : Revenue -1.2% at constant FX to €2 748M. Q4 Revenues : +3.2%(1)**
  - ✓ **VWT : €1 517M**, +3.7%(1) : French municipal projects back to normal : 100% active sites. Resilient commercial activity : desalination tenders delayed but strong service oriented bookings
  - ✓ **SADE : €1 231M**, -6.8%(1) : Strong activity recovery since Q3 partially offset in Q4 by the divestiture of Sade Telecom

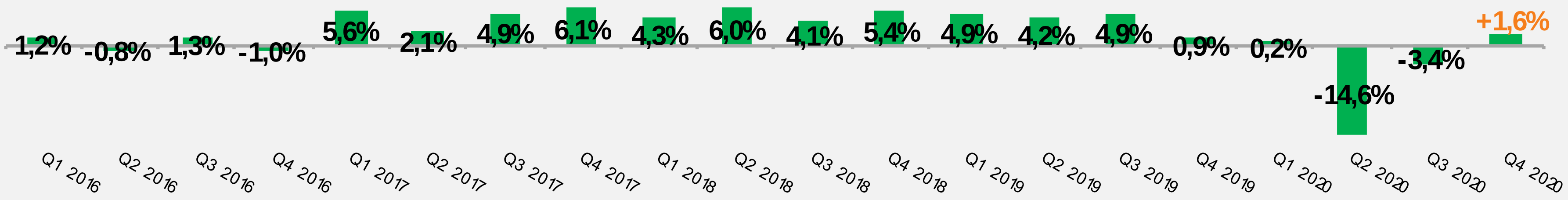
- **WASTE : Revenue -3.2% at constant FX to €9 673M. Q4 Revenues : +2.4%(1)**
  - ✓ Volumes/commerce : -5.2% (-1.8% in Q1, -14.7% in Q2, -2.6% in Q3, -1.8% in Q4)
  - ✓ Price effects : +2.0%, partially offset by decline of recycled prices (impact -1.1%)

- **ENERGY : Revenue -5.8% at constant FX and -2.0% like-for-like to €5 437M**
  - ✓ Scope impact of -€226M mostly divestiture of Municipal Energy assets in the US (closed Dec. 2019) partially offset by acquisitions in CEE
  - ✓ Weather effect : +€10M (+0.2%) mostly in CEE
  - ✓ Energy price effects : +1.2% : higher heat and electricity prices in Central Europe mainly

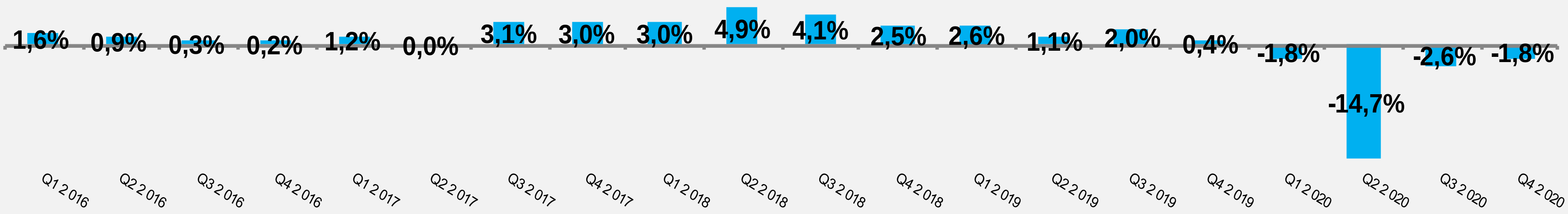
(1) At constant FX

APPENDIX 6: QUARTERLY WASTE REVENUE AND VOLUMES

Quarterly revenue growth at constant scope & FX

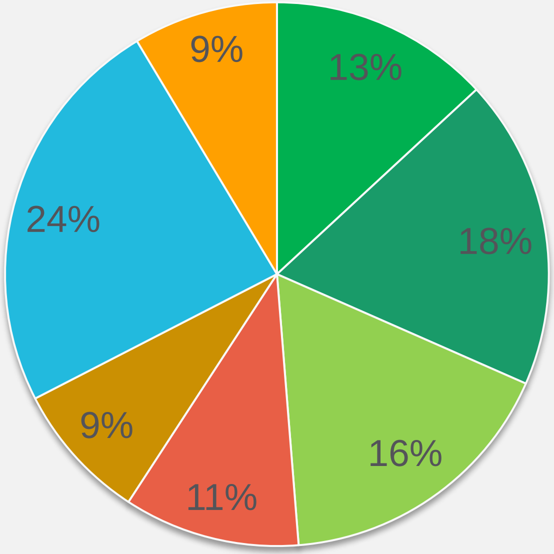


Y-Y Quarterly volume trends

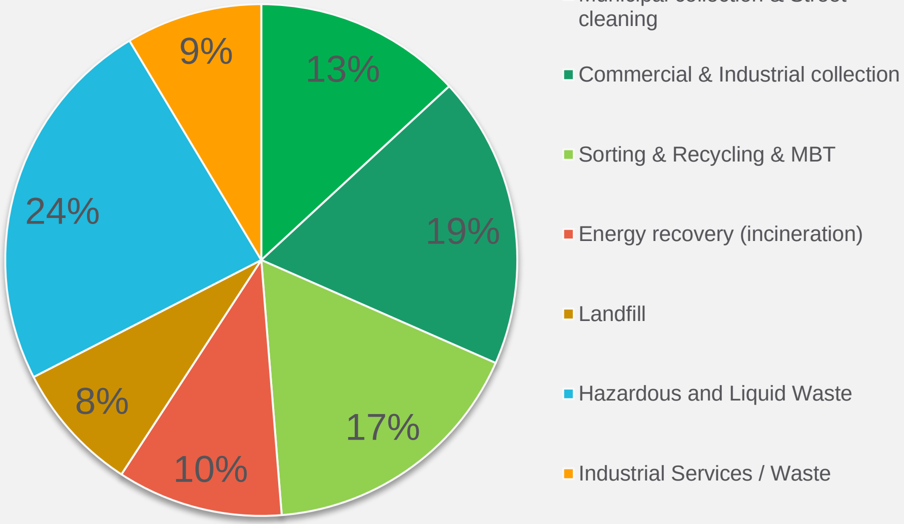


APPENDIX 7: WASTE – BREAKDOWN OF REVENUE BY ACTIVITY

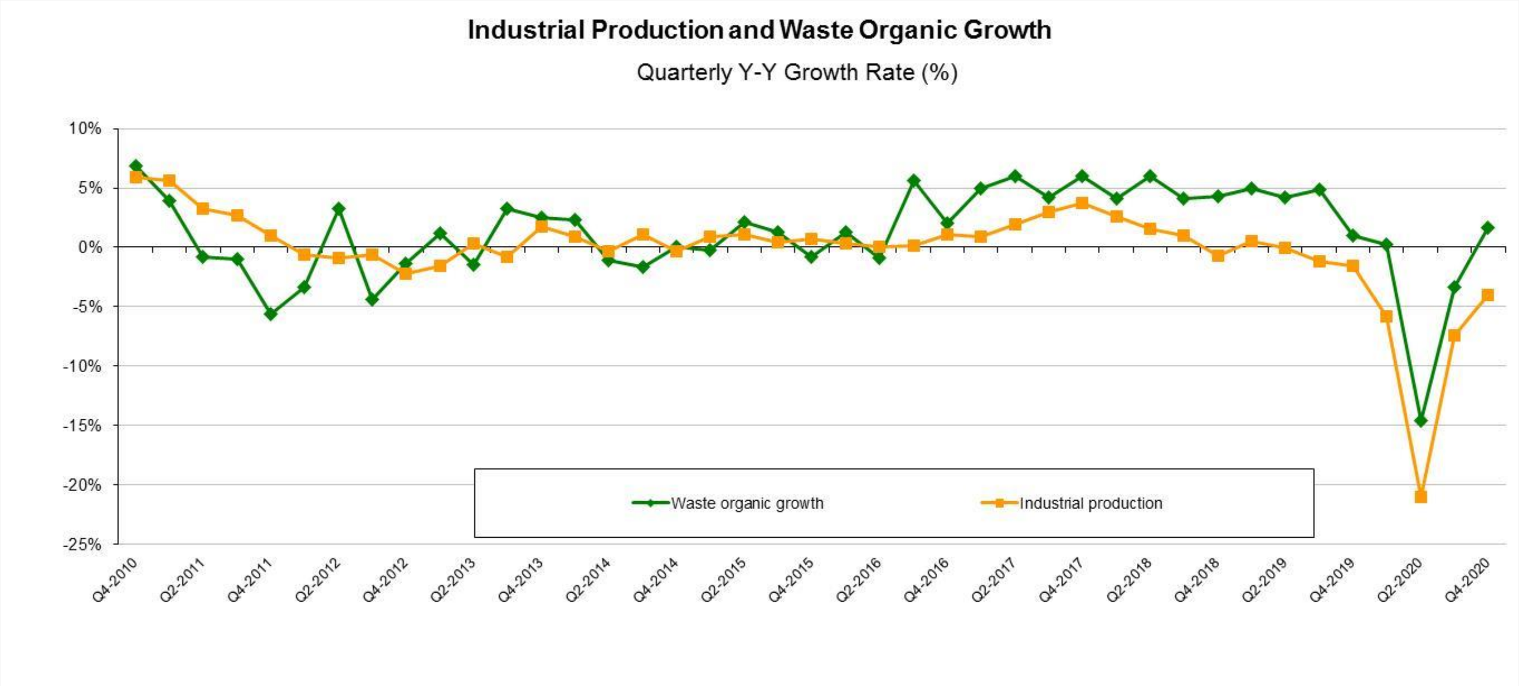
2020 12M Revenue : €9 673M



2019 Revenue : €10 167M



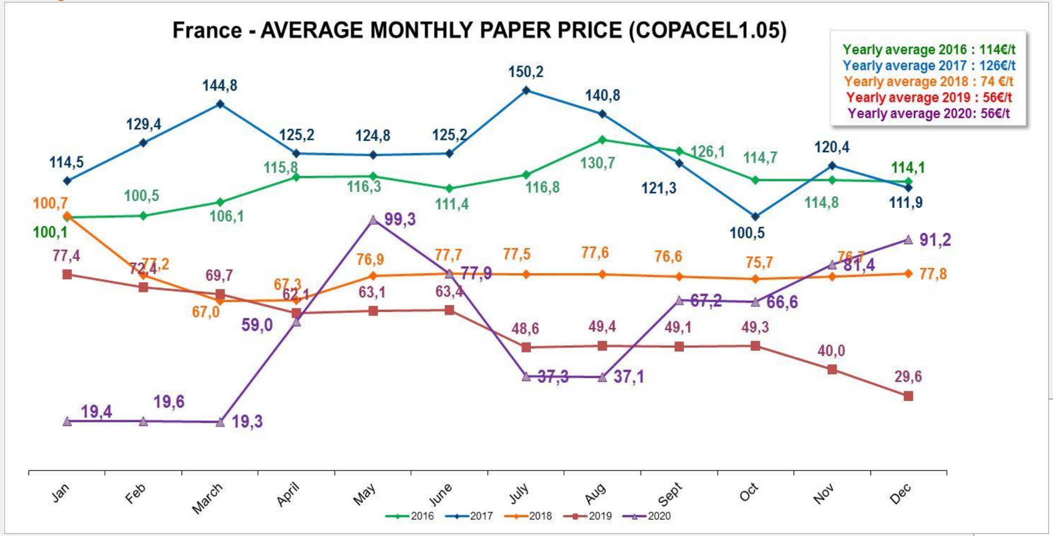
APPENDIX 8: WASTE – REVENUE VS. INDUSTRIAL PRODUCTION

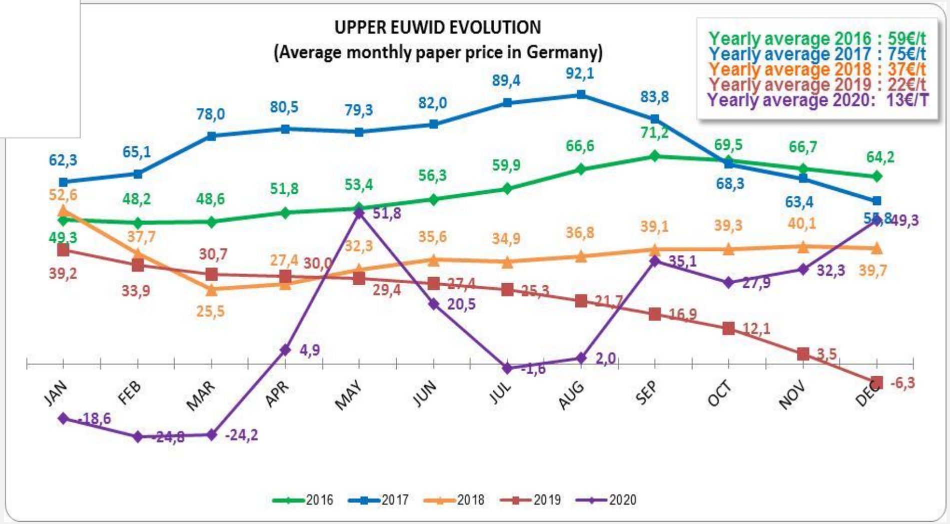


Weighted average industrial production indices for 4 key countries including SARP/SARPI: France, U.K. (excl. PFIs), Germany, and North America (excl. US Solid Waste and WTE)

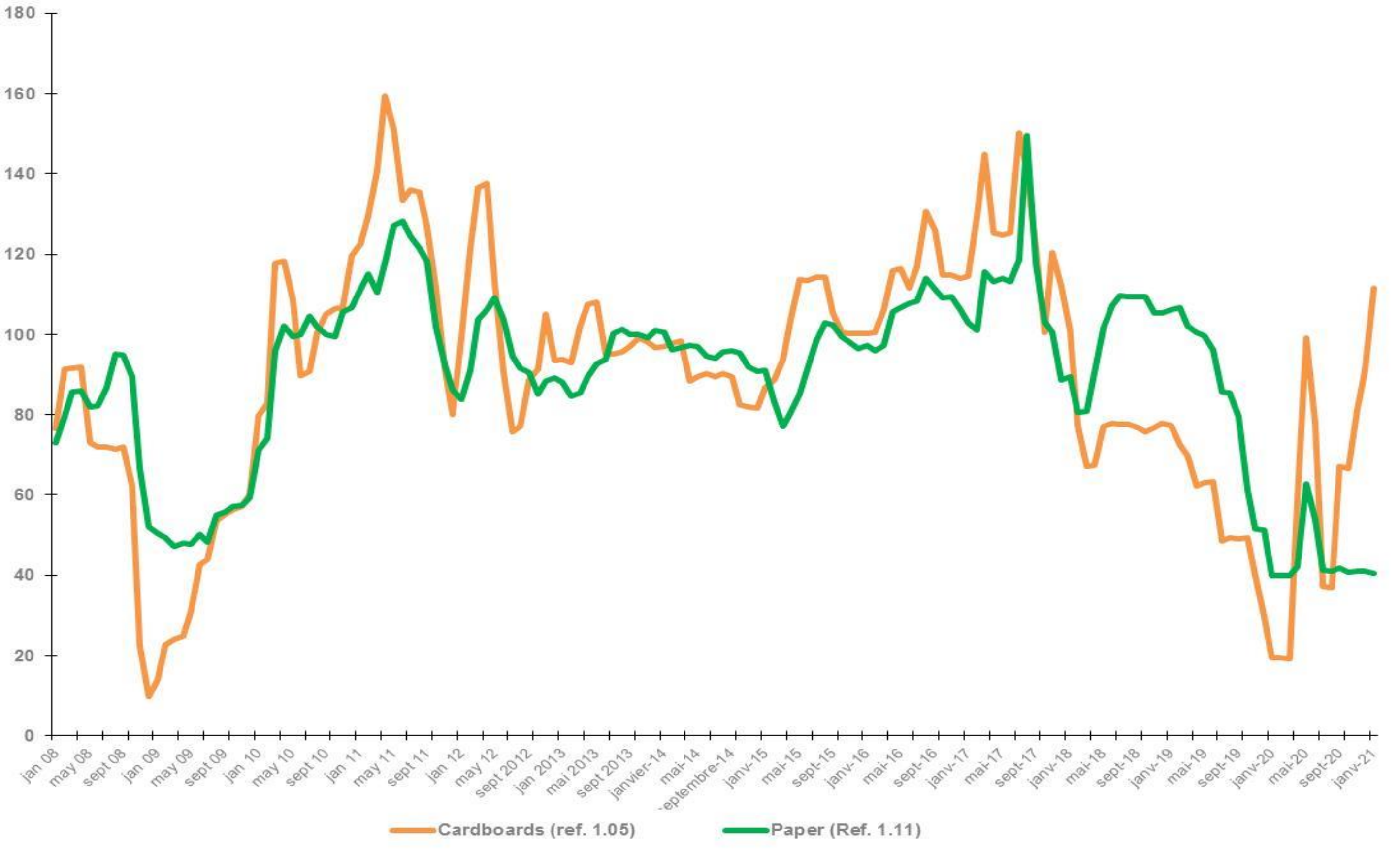
Sources: Until December 2020 Data from OECD for the US and until November 2020 Data from OECD for France, Germany and the UK
December 2020: same figures as November 2020 for France, Germany and the UK

APPENDIX 9: RECYCLED PAPER : MARKET PRICES (1/2)





APPENDIX 9: WASTE – EVOLUTION OF RAW MATERIALS PRICES (PAPER & CARDBOARD) (2/2)



APPENDIX 10: STATEMENT OF CASH FLOWS

In €M	2019	2020
EBITDA[(1)]	**4 022**	**3 641**
Net industrial investments	-2 201	-2151
WCR variation	+209	+233
Dividends received	+98	+75
Renewal expenses	-280	-261
Restructuring and other non current charges	-155	-229
Operating Free Cash Flow	**1 693**	**1 308**
Taxes paid	-242	-258
Interest paid (including IFRS 16)	-501	-462
Interest on concession liabilities (IFRIC 12)	-81	-80
Net FCF before dividends, acquisitions & financial divestments	**868**	**507**
Dividends paid[(2)]	-661	-426
Financial investments, net of divestitures[(3)]	871	-1476
Other[(4)]	-130	-1416
Impact of exchange rates	-64	+273
Variation of net financial debt	*884*	*-2 537*
Opening net financial debt	**11 564**	**10 680**
Closing net financial debt	**10 680**	**13 217**

(1) Including principal payments on operating financial assets
(2) In 2020: Dividends paid to shareholders (-€277M) , non-controlling interests (-€149M)
(3) In 2020: Including acquisitions (-€1 649M) and divestments (+€174M)
(4) In 2020: including Engie bloc -€3 440M, minus hybrid issuance +€1 987M

APPENDIX 11: NET INDUSTRIAL INVESTMENTS BY SEGMENT

2019 (in €M)	*Maintenance including IFRS 16 net of Ind divestments*	*Contractual Capex*	*Discretionary Growth Capex*	*Of which new OFAs*	***TOTAL Net CAPEX***
France	219	203	15	*89*	**437**
Europe excluding France	378	270	102	*52*	**750**
Rest of the World	271	226	231	*35*	**728**
Global Businesses	218	29	15	*1*	**262**
Other	25	0	0	*0*	**25**
Total	**1 111**	**728**	**362**	**178**	**2 201**

2020 (in €M)	*Maintenance Including IFRS 16*	*Contractual Capex*	*Discretionary Growth Capex*	*Of which new OFAs*	***TOTAL Net CAPEX***
France	212	171	34	*68*	**417**
Europe excluding France	356	285	167	*75*	**808**
Rest of the World	275	212	198	*16*	**685**
Global Businesses	158	23	36	*1*	**217**
Other	24	0	0	*0*	**24**
Total	**1 025**	**691**	**435**	**160**	**2 151**

APPENDIX 12: NET FINANCING RATE

- Cost of net financial debt down by €26M due the decreased cost of euro denominated debt management (+2m€), combined with huge savings in cost of non euro-denominated debt linked to volume effect and favorable rate spread of the euro foreign currency (+22M) and an active cash portfolio management (+2M€)

- Net financing rate down from 4.19% in 2019 to 4.02% at 31/12/2020, relative to an average net debt (excluding IFRS 16) of €10 314M
  - Gross cost of borrowing rate improved by 62 bps from 3.06% to 2.44% mainly with the non-euro denominated debt impacts, and an improvement of the euro denominated debt, down by 29bps.
  - Interest rate on cash balances remains stable.

In €M	2019	2020
Average gross debt (1)	14 736	17 119
Gross cost of borrowing	3.06%	2.44%
Average cash balance	4 508	7 031
Interest rate	0.22%	0.20%
Average bank overdrafts	292	226
Average net financial debt(2)	**10 520**	**10 314**
Cost of debt	**-440.5**	**-414.4**
Net financing rate	4.19%	4.02%
Closing net financial debt(3)	**8 949**	**11 659**
Average cash balance including commercial paper	**1 213**	**2 388**
Closing NFD incl. IFRS 16	***10 682***	***13 217***

(1) Excluding bank overdrafts and IFRS 16

(2) Average net financial debt represents the average of monthly net financial debt figures over the period

(3) Net financial debt represents gross financial debt (non current and current financial debt and bank overdrafts), net of cash and cash equivalents, liquid assets and assets related to financing and including the revaluation of debt hedging derivatives. Liquid assets are financial assets consisting of funds or securities with initial maturity of more than three months, easily convertible into cash, and managed as part of a liquidity objective, while maintaining a low risk of capital excluding IFRS 16 impacts,

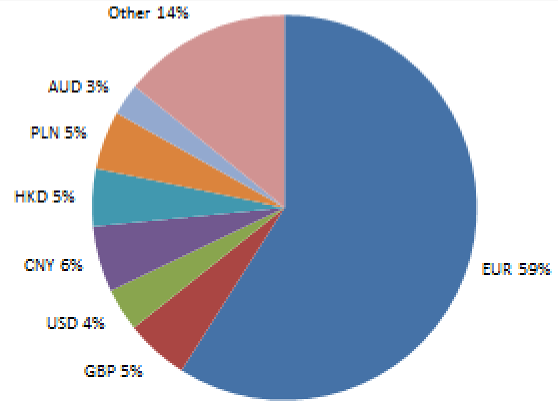
APPENDIX 13: DEBT MANAGEMENT

- ✓ Group liquidity : **€10.7bn** including €4.0bn in undrawn confirmed credit lines (without disruptive covenants)
- ✓ Net Group liquidity: **€2.9bn**
- ✓ Average maturity of net financial debt: **7.6 years** at 31/12/20 vs. 6.9 years at 31/12/19

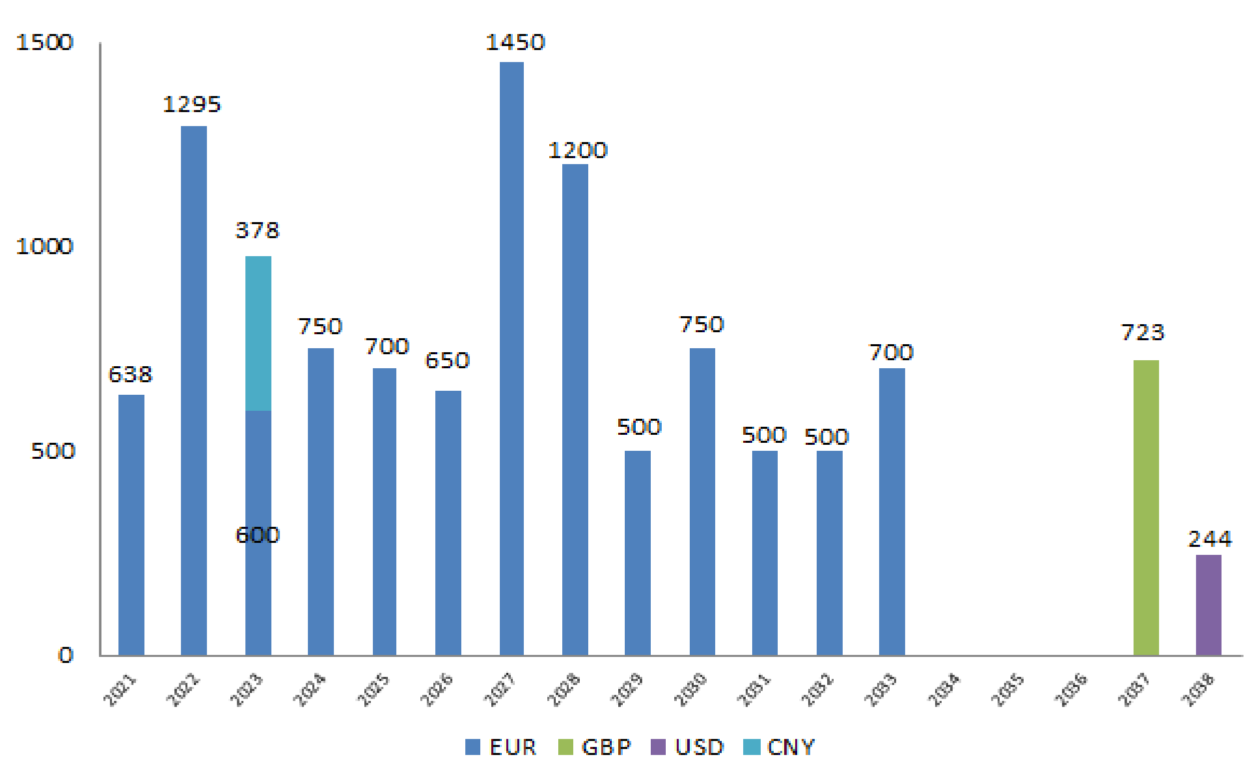
NFD after hedges at Dec.31, 2020

Fixed rate : 98%
Variable rate : 2%

Currency breakdown of gross debt (after hedges) at Dec.31, 2020



APPENDIX 14: DEBT PROFILE (AT DECEMBER 31, 2020)



RATING
Moody's : P-2/ Baa1 stable outlook
Standard & Poor's : A-2 / BBB stable outlook

APPENDIX 15: NET LIQUIDITY

	December 2019	December 2020
Syndicated credit lines	3 000.0	3 000.0
Bilateral credit lines	1 100.0	1 000.0
Lines of credit	86.8	21.6
Cash and cash equivalents(1)	5 092.6	5 542.2
Total Veolia	**9 279.4**	**9 563.8**
Subsidiaries		
Cash and cash equivalents	1 218.4	1 132.9
Total Subsidiaries	**1 218.4**	**1 132.9**
Total Group liquidity	**10 497.8**	**10 696.7**
Current liabilities and bank overdrafts(2)	**6 211.7**	**7 817.2**
Total net Group liquidity	**4 286.1**	**2 879.5**

(1) including liquid assets

(2) Of which IFRS16 impact (+€402.9m in 2020 and +€465.7m in 2019)

APPENDIX 16: CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	December 2019	December 2020
Intangible Assets	10 018	10 805
Property, Plant & Equipment	7 680	8 217
Other non-current assets	4 964	7 524
Operating financial assets *(current and non-current)*	1 517	1 371
Cash and cash equivalents	5 843	5 840
Other current assets	10 997	11 607
Total Assets	**41 019**	**45 364**
Capital *(including non-controlling interests)*	7 078	8 315
Financial debt *(current and non-current)*	17 448	20 383
Other non-current liabilities	4 239	4 398
Other current liabilities	12 254	12 268
Total Liabilities & Shareholders Equity	**41 019**	**45 364**

CONTACTS

Analyst & Investor Relations

Ronald Wasylec
Deputy CFO, Senior Vice President, Investor Relations
Telephone : **+33 1 85 57 84 76**
e-mail : **ronald.wasylec@veolia.com**

Ariane de Lamaze
Vice President, Investor Relations
Telephone : **+33 1 85 57 84 80**
e-mail : **ariane.de-lamaze@veolia.com**
30, rue Madeleine Vionnet
93300 Aubervilliers, France

http://www.finance.veolia.com

Media Relations

Laurent Obadia
Telephone : **+33 1 85 57 89 43**
e-mail**: laurent.obadia.@veolia.com**

Sophie Gaucher
Telephone : **+33 6 79 42 12 06**
e-mail: **sophie.gaucher@veolia.com**
30, rue Madeleine Vionnet
93300 Aubervilliers, France

http://www.veolia.com