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FIRST-QUARTER 2018

RESULTS FULLY IN LINE WITH ANNUAL TARGETS

EUROPEAN ECONOMIC ENVIRONMENT CONTINUES TO IMPROVE

WT&S INTEGRATION ACCELERATES WITH STRONG COMMERCIAL MOMENTUM

Q1 2018 results¹:

- Revenue: €4,058m, up +13.8% at constant exchange rates
- EBIT: €289m, up +10.2% at constant exchange rates
- Net debt: €8,817m; net debt / EBITDA ratio at 3.3x²

In millions of euros	March 31, 2017	31 March, 2018	Organic change	Gross change	Change at constant exchange rates	FX change
Revenue	3,721	4,058	+1.7%	+9.1%	+13.8%	-4.3%
EBITDA	614	635	+2.6%	+3.4%	+8.8%	-4.8%
<i>EBITDA / Revenue</i>	16.5%	15.7%				
EBIT	281	289	+5.5%	+2.8%	+10.2%	-6.5%
<i>EBIT / Revenue</i>	7.5%	7.1%				

▪ **In first-quarter 2018, SUEZ posted €4,058m revenue, up 13.9% at constant exchange rates.** Momentum in the International division improved with 3.0% growth at constant exchange rates. Recycling and Recovery Europe reported revenue growth of 1.3% at constant exchange rates. This division was bolstered by the sharp improvement in the volume of waste treated (+3.6%) but was negatively affected by the adverse trend in paper and cardboard prices following China's decision to restrict imports. The Water Europe division grew by 1.4% at constant exchange rates, driven by higher water volumes sold in Latin America which offset the lack of inflation in Europe. Water Technologies & Solutions (WT&S) revenue stood at \$611m³, up 4%⁴.

▪ **EBITDA at end-March 2018 stood at €635m, up 8.8% at constant exchange rates. EBIT rose 10.2% at constant exchange rates, to reach €289m.**

▪ **Group net financial debt was €8.8bn⁵ versus €8.5bn at end-2017, or 3.3 times EBITDA².**

¹ Excluding IFRIC 21

² Calculated over a 12-month rolling period

³ €497m

⁴ Growth measured relative to estimated Q1 2017 revenue on a like-for-like basis (pro forma)

⁵ Of which +€268m of seasonal increase in working capital requirement

Commenting on the first-quarter 2018 results, Chief Executive Officer Jean-Louis Chaussade said:
“Growth has accelerated at SUEZ in both revenue and profitability. First-quarter financial results are therefore fully in line with our annual targets, which we now reiterate.

Our efforts to integrate and extract synergies within WT&S are already yielding results and confirm the expected value creation path. The operational trends for this division are also well on track. The significant 30% growth in the backlog during the quarter bolsters the business’s growth potential.

Lastly, SUEZ is fully committed to implementing the action plan presented at the start of the year, which is also based on accelerating the Group’s transformation, strengthening profitable growth in France, growing the business internationally and everywhere, and expanding the savings measures.”

BREAKDOWN OF BUSINESS AT-END MARCH 2018

Revenue In millions of euros	March 31, 2017	March 31, 2018	Organic change	Gross change	Change at constant exchange rates	FX change
TOTAL	3,721	4,058	+1.7%	+9.1%	+13.8%	-4.3%
<i>Of which:</i>						
Water Europe	1,131	1,115	+1.4%	-1.4%	+1.4%	-1.3%
Recycling & Recovery Europe	1,530	1,537	+1.4%	+0.5%	+1.3%	-0.7%
International	931	882	+2.8%	-5.3%	+3.0%	-8.3%
Water Technologies & Solutions	108	497	+0.2%	N/A	N/A	N/A
Others	26	27	+2.2%	+2.2%	+2.2%	0.0%

The gross revenue change of +9.1% (+€337m) versus March 30, 2017 breaks down as follows:

■ **Organic change of +1.7% (+€64m):**

- Water Europe revenue rose 1.4% (+€15m), driven by higher volumes and prices in Chile.
- Recycling and Recovery Europe revenue increased by 1.4% (+€21m), bolstered in particular by the sharp improvement in the volume of waste treated (+3.6%) and by higher prices in the services activities; however, growth was negatively affected by the adverse trend in paper and cardboard prices following China's decision to restrict imports.
- International revenue improved by 3.0% (+€26m) versus first-quarter 2017. Business activity increased in all regions, with the exception of Africa, Middle East and India; it was notably very strong in the Italy/Central and Eastern Europe region with the implementation of new contracts such as the one in Belgrade.

■ **Foreign exchange impact of -4.3% (-€159m)**, mainly due to the appreciation of the euro against the US dollar (-€80m), the Australian dollar (-€28m), and the Chilean peso (-€12m).

■ **Scope effect of +12.1% (+€454m)**, due to the first-time consolidation of GE Water (+€449m).

■ **WT&S revenue** stood at \$611m (€497m), up 4% relative to pro forma Q1 2017⁶.

⁶ Estimated Q1 2017 revenue on a like-for-like basis (pro forma)

PERFORMANCE BY DIVISION

WATER EUROPE

	March 31, 2017	March 31, 2018	Organic change	Gross change	Change at constant exchange rates	FX change
In millions of euros						
Revenue	1,131	1,115	+1.4%	-1.4%	+1.4%	-1.3%

▪ **Revenue in France was stable at -0.3% (-€1m) on an organic basis.**

Water volumes sold fell by 1.0% relative to end-March 2017, in line with the medium-term trend, while the tariff increases reached +0.7%.

▪ **Revenue in Spain was stable at 0.0% (+€0m) on an organic basis.**

Water volumes sold were relatively stable (-0.3%) due to adverse climate conditions in March. Tariffs increased by 0.7%.

▪ **Revenue in Latin America grew +6.9% (+€17m) on an organic basis.**

Growth in the segment was once again fueled by a 2.8% volume increase in Chile, where the summer was hot and dry, and price hikes of 1.6%, reflecting higher local taxes. The construction contracts in Panama made a positive contribution.

▪ EBIT at constant exchange rates increased in the three segments.

RECYCLING AND RECOVERY EUROPE

	March 31, 2017	March 31, 2018	Organic change	Gross change	Change at constant exchange rates	FX change
In millions of euros						
Revenue	1,530	1,537	+1.4%	+0.5%	+1.3%	-0.7%

The Recycling and Recovery Europe division posted **1.4% (+€21m)** organic growth in revenue at end-March 2018. The performance was driven mainly by price hikes in the services activities and an increase in volumes treated (+3.6%). The sharply negative price effect on paper, for which average prices were down **37%** relative to 2017, was partially offset by higher scrap metal prices (+20%).

▪ **Revenue in France was up 3.8% (+€29m) on an organic basis.**

This growth mainly reflects the increase in volumes, scrap metal prices, and prices in the municipal and industrial collection activities.

▪ **Revenue in the United Kingdom/Scandinavia region declined by 2.9% (-€8m) on an organic basis.**

This performance can be attributed to the lower contribution from the construction activities in the United Kingdom, which hurt the region's revenue, and to the closure of the Tilbury treatment site at the end of last year. Volumes incinerated have risen sharply now that the operation of all waste-to-energy plants has been optimized.

▪ **Revenue in the Benelux and Germany region rose +0.9% (+€3m) on an organic basis.**

The services activities benefited from higher prices, in particular in the industrial and commercial segment; however, the sharp drop in paper prices affected growth in this region.

▪ **Revenue in the Industrial Waste Specialties segment fell 3.2% (-€3m) on an organic basis.**

This performance primarily reflects the postponement of certain soil remediation contracts in France; in contrast, the Chemicals activity remained well on track with sharp growth in volumes treated and all treatment facilities in France and Germany running at full capacity.

- EBIT at constant exchange rates increased in most European countries.

INTERNATIONAL

In millions of euros	March 31, 2017	March 31, 2018	Organic change	Gross change	Change at constant exchange rates	FX change
Revenue	2,864	2,938	+2.8%	-5.3%	+3.0%	-8.3%

- **Revenue in Italy/Central and Eastern Europe was up a very strong 23.3% (+€22m) on an organic basis.** This performance was mainly due to the hazardous waste activities in Czech Republic and progress on construction of the treatment and sludge-to-energy plant in Glina, Romania.
- **Revenue in Australia grew by only 1.0% (+€3m) on an organic basis** due to lower raw materials prices; the rest of the business was in line with our expectations.
- **Revenue in Asia grew 4.3% (+€4m) on an organic basis**, based mainly on price hikes in Macao.
- **Revenue in North America was up 3.1% (+€7m) on an organic basis.** The decrease in water volumes sold (-1%) was offset by tariff increases in the regulated activity and by the development of new unregulated services.
- **Revenue in the Africa/Middle East/India region decreased by 3.4% (-€9m) on an organic basis.** This performance stemmed from the completion of several major construction projects, including the Barka and Doha West projects. This was only partially offset by the implementation of new contracts, including the one in Sri Lanka. Revenue was also affected by the termination of the municipal collection contract in Casablanca.
- The construction business backlog stood at €1.3bn, stable versus end-2017.
- EBIT at constant exchange rates increased in most geographic segments.

WATER TECHNOLOGIES & SOLUTIONS

In millions of USD	March 31, 2017 pro forma ⁷	March 31, 2018	Gross change
Revenue	588	611	+4%

For the division as a whole, orders rose by 30% compared with the year-ago period, reflecting very strong commercial momentum, in particular for the Engineered Systems segment.

WT&S revenue stood at \$611m (€497m), up 4% relative to pro forma Q1 2017⁸. The Engineered Systems

⁷ Estimated Q1 2017 revenue on a like-for-like basis (pro forma)

⁸ Estimated Q1 2017 revenue on a like-for-like basis (pro forma)

segment benefited from growth in the services activities in North America and Asia, in particular in ultrafiltration and reverse osmosis. The Chemical Monitoring Solutions segment reported organic volume growth of 2%.

The “Value Capture” synergy extraction program is ahead of schedule, as \$22m in synergies has already been secured for 2018 and \$49m for 2019.

EBIT at constant exchange rates was up substantially compared with pro forma Q1 2017⁶.

OUTLOOK

In light of the additional contribution from new business activities in the “industrial water” sector, the stronger momentum anticipated in the Recycling and Recovery Europe and International divisions, and the new action plan adopted at the start of the year, the Group reiterates the following outlook for 2018:

- Revenue growth at constant exchange rates of c.9%
- Growth in EBIT of c.10% at constant exchange rates before recognition of the impact of purchase price allocation for the acquisition of GE Water⁹
- Free cash flow of c.€1 billion¹⁰
- Net debt/EBITDA ratio of close to 3x
- A dividend \geq €0.65 per share in respect of 2018 results¹¹

HIGHLIGHTS

In the first quarter, SUEZ accelerated its growth by renewing and winning a number of contracts across all its activities and regions.

In the **Water Europe** division, the **Durance Ventoux Water Authority** chose SUEZ to manage its drinking water service and deploy 57,000 "On'Connect" smart meters in 28 cities.

The **urban community Paris-Saclay** also entrusted the water management for 12 years, with a 15-year water supply agreement. Alongside local teams, SUEZ will preserve the territory's water resources by strengthening the network performance, thanks to AQUADVANCED® solutions.

In the **Recycling and Recovery Europe** division, the Group will manage the public service concession contract in Ardèche (France) for a **new waste-to-energy and material recovery facility**. This new 20-year contract, worth a total of €80m, will include the design, construction and management of this future recovery facility, which is expected to be commissioned in the spring of 2020.

The Group also strengthened its presence in England, in **the county of Devon** when it won the contract to **build a transfer center** and treat 46,000 tons of household waste from two districts, as well as six recycling centers. This 10-year contract worth about €68m may be extended for five years.

Abroad, SUEZ also won in the United States, alongside its partners AECOM Technical Services and C.H. Nickerson, **the design and the construction of the drinking water facility in Woonsocket** (Rhode Island). This \$43m project is part of the municipality's comprehensive plan to improve its water quality. SUEZ will operate this new water treatment plant for 20 years.

On the same continent, the Group won its first contract in El Salvador to **renovate the Las Pavas drinking water treatment plant** in San Pablo Tacachico and secure the water supply for the population.

In Africa, SUEZ and the Ivory Coast's Ministry of Economic Infrastructure signed a €19m contract **to supply and install 40 compact modular drinking water production units**. With a total production capacity of 92,000 m³/day, these units will supply 18 cities across 17 regions.

In Asia, the City of Coimbatore in India also awarded SUEZ **the management and the operation of the drinking water distribution system** for the entire city to ensure a 24/7 supply of water to its 1.6 million

⁹ Excluding the impact of the change in US tax law on regulated water activities, resulting in the transfer of €25 million in income from EBIT to taxable income, which is neutral to net income Group share

¹⁰ Excluding payments associated with the voluntary departure plan in France, with its provisions recognized in 2017, and excluding the GE Water integration costs

¹¹ Subject to approval by the 2019 Annual General Meeting

inhabitants. This 26-year, nearly €400m project is SUEZ's largest drinking water services management contract in this country.

The Group was awarded the contract for the **extension of the drinking water production plant in Medan**, the third-largest city in Indonesia. The extension of this build-operate-transfer contract for 25 years, worth €191m, provides for the funding, construction, operation and transfer of two additional water production units for the Medan plant.

In Vietnam, the Group just won the **sanitation contract for Vi Thanh**, in the south of the country. This €9.5m contract provides for the construction of a wastewater treatment plant and a sewer network.

The Group also registers good commercial momentum in new businesses.

As an example, the city of Saint-Etienne, Saint-Etienne Métropole and SUEZ have launched the **“Digital Saint-Etienne”** project. The goal of the data platform is to make daily life easier for the inhabitants (real-time information on the traffic, available parking spaces, recovery and reuse of objects, urban lighting...) and, consequently, to improve quality of life in the city.

Moreover, the Group has joined major projects, including the creation of the **PRAIRIE Institute**¹², a center of excellence focused on artificial intelligence. In this way, it will continue the development of concrete, innovative, AI-based solutions to support the sustainable resource management in cities and industries.

FORTHCOMING COMMUNICATIONS

- **May 17, 2018:** Annual General Meeting
- **May 22, 2018:** Ex-dividend¹³
- **May 24, 2018:** Payment of the dividend⁶
- **July 26, 2018:** First-half 2018 results
- **October 30, 2018:** Nine month 2018 results

¹² PaRis Artificial Intelligence Research InstitutE

¹³ Sous réserve de l'approbation par l'Assemblée Générale 2018

APPENDIX

REVENUE BY REGION

<i>In €m</i>	Q1 2017	Q1 2018	in % of Total	Change
FRANCE	1,234	1,257	31.0%	1.9%
Spain	412	393	9.7%	-4.6%
United Kingdom	239	232	5.7%	-3.2%
Germany	143	151	3.7%	5.6%
Benelux	273	283	7.0%	3.7%
Others Europe	198	250	6.2%	26.0%
EUROPE (excluding France)	1,265	1,308	32.2%	3.4%
North America	254	451	11.1%	77.3%
South America	257	290	7.1%	12.7%
Oceania	297	276	6.8%	-7.1%
Asia	130	189	4.7%	45.3%
Africa	206	212	5.2%	2.9%
Others International	78	75	1.9%	-3.1%
INTERNATIONAL (excluding Europe)	1,222	1,493	36.8%	22.2%
TOTAL	3,721	4,058	100.0%	9.1%

Disclaimer

This press release contains unaudited financial data. The aggregates presented are those normally used and communicated on markets by SUEZ.

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About SUEZ

With 90 000 people on the five continents, SUEZ is a world leader in smart and sustainable resource management. We provide water and waste management solutions that enable cities and industries to optimize their resource management and strengthen their environmental and economic performances, in line with regulatory standards. To meet increasing demands to overcome resource quality and scarcity challenges, SUEZ is fully engaged in the resource revolution. With the full potential of digital technologies and innovative solutions, the Group recovers 17 million tons of waste a year, produces 3.9 million tons of secondary raw materials and 7 TWh of local renewable energy. It also secures water resources, delivering wastewater treatment services to 58 million people and reusing 882 million m3 of wastewater. SUEZ generated total revenues of €15.9 billion in 2017.

SUEZ CONTACTS

Press

Isabelle Herrier Naufle
Isabelle.herrier.naufle@suez.com
+33 (0) 1 58 81 55 62

Ophélie Godard
ophelie.godard@suez.com
+33 (0) 1 58 81 54 73

Analysts and investors

+33 (0)1 58 81 24 05

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

