

**Informe Express #2**  
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**Veolia adquiere el 29.9% del capital de Suez en Engie y confirma su intención de adquirir el control**

***Impacto y oportunidades para el sector de agua, saneamiento e infraestructura:***

*El Directorio del grupo industrial [Engie](#) aceptó la oferta de [Veolia](#) de comprar su participación del 29.9% en [Suez](#).*

*El monto de esta transacción asciende a los € 3.400 millones y según Jean-Pierre Clamadieu, Presidente del Directorio de Engie, esto “permitirá a Engie clarificar su perfil y potenciar su capacidad para invertir en energías renovables e infraestructura” de acuerdo al [aviso de prensa de Engie](#).*

*La [propuesta de Veolia](#) incluye: un precio de €18 por participación incluido dividendo (inicialmente fue de €15.5, la garantía del 100% de los empleos y beneficios sociales para los empleados de Suez en Francia, la certeza de una operación francesa y la adquisición de la actividad de Agua en Francia de Suez por parte de la compañía [Meridiam](#) para preservar la competencia en el mercado.*

*Antoine Frérot, Presidente y Director General de Veolia, manifestó que es una gran oportunidad para crear un super campeón mundial de la transformación ecológica al unir ambos grupos para servir a Francia y al planeta.*

*El siguiente paso de Veolia es tomar el control de Suez mediante la adquisición de la participación restante de Suez. Esto podría tomar entre 12 y 18 meses debido a las autorizaciones de la entidad antimonopolio.*

*Finalmente, el [Directorio de Suez](#) consideró como hostil el enfoque de su comprador y lamentó la precipitada decisión del Consejo de Engie al no permitir discutir una alternativa más alineada al interés corporativo de Suez.*

**Veolia acquires 29.9% of Suez’s capital from Engie and confirms its intention to acquire control**

Veolia acknowledges Engie’s decision to respond favorably to its offer to acquire a 29.9% stake in Suez.

As a reminder, this proposal, submitted on August 30 and continuously improved since, presents in particular the following elements:

- a price of 18 euros per share (dividend included), i.e. a premium of 75% over the unaffected price of July 30, 2020, paid immediately in cash and paving the way for a public tender offer on the remaining share capital of Suez for all of its shareholders;
- the guarantee of 100% of jobs and social benefits for all Suez employees in France;
- the certainty of a French operation;
- the preservation of competition thanks to the takeover by French company Meridiam of the Water activity in France from Suez, Meridiam having committed to preserving all jobs and social benefits, to take over the R&D center of Suez and to double the investments planned and to inject 800 million euros into this new scope within 5 to 7 years.

This decision marks a first decisive step in the construction in France of a world super champion of the ecological transformation making the trail in this strategic sector for at least 20 years.

Antoine Frérot said: "I am very happy to lay the foundation stone in France today for a world super champion of the ecological transformation. This is a wonderful opportunity for the employees, customers and shareholders of both groups, and it is a project which serves France and the planet".

In accordance with the commitments made, Veolia confirms its intention to file a voluntary public takeover bid on the remaining Suez share capital in order to complete the merger of the two companies. This offer will be at the same price as that paid to Engie, i.e. 18 euros per share, under the conditions detailed below. At the same time, Veolia recalls that this offer will not be launched without first having obtained a favorable opinion from the board of directors of Suez, with which Veolia wishes to resume discussions as of tomorrow.

The details of Veolia's intentions are shown below.

Messier Maris & Associés, and Perella Weinberg Partners are acting as financial advisors to Veolia for this transaction, Cleary Gottlieb Steen & Hamilton LL.P., Professor Xavier Boucobza, Me. Patrice Gassenbach, Peltier Juvigny Marpeau & Associés and Hogan Lovells, Flichy Grangé Avocats as legal advice. Citi and Gide are the financial and legal advisers of the board of directors.

**Veolia has today acquired Suez shares representing 29.9% of the capital of Suez from Engie, at a price of 18 euros per share (dividend included).**

### **Intention to file a public offer**

Veolia intends, following the acquisition of the 29.9% block of Suez shares, to take control of Suez. To this end, Veolia intends to file a voluntary takeover bid for the remaining Suez shares. This public offer will be in cash, without cap, Veolia reserving the possibility of adding to the part offered in cash a capped part in Veolia shares.

The filing of this public offer will take place at the latest when the necessary regulatory authorizations are obtained, in particular in competition matters, within 12 to 18 months, Veolia reserving the right to file the public offer at any time before obtaining these authorizations.

However, Veolia's public offering will only take place once the Veolia project has been favorably received by Suez's board of directors, possibly after the general meeting of its shareholders.

The price of the public offer will be that paid to ENGIE, i.e. 18 euros per share (coupon attached). This price will be adjusted to take into account any distribution in any form whatsoever (in cash or in kind), including (i) any distribution of a dividend, an interim dividend, reserves or premiums made by Suez or (ii) any amortization or reduction by Suez of its share capital, or any acquisition or repurchase of its own shares by Suez, for a price per share higher than the offer price. Likewise, in the event of an operation having an impact on Suez's capital (in particular, merger, demerger, division or consolidation of shares, distribution of free shares in respect of existing shares by incorporation of reserves or profits), the price offered per share (and, in the case of a subsidiary part offered in Veolia shares, the exchange ratio) will be automatically adjusted in order to take into account the impact of said transactions.

In addition, Veolia reserves the right, where applicable, to modify the price of 18 euros per share (coupon attached) in the event of significant events that have affected or are likely to affect Suez's balance sheet, income or outlook between the date of acquisition of the block from ENGIE and the date of filing of the tender offer. These significant events include asset disposals or acquisitions, the granting of rights to third parties over Suez assets, and commitments made outside the normal course of business. Any price change that could result from such events would be such as to reflect Suez's impairment as determined by a multi-criteria analysis.

Veolia also reserves the right not to file a public tender offer in the event of major adverse circumstances impacting the Suez group or of a sale by Suez of any strategic asset, namely the Spanish and Chilean water assets, WTS, regulated water assets in the United States of America, waste management assets in France, the UK and Australia or any other measure significantly affecting these assets.

### **Employee commitments**

Veolia formally confirmed its employee commitments, which were handed over to Engie and the French Minister of the Economy, Finance and Recovery.

Veolia has made a commitment that the merger operation will not have a negative impact on employment in France.

Regarding the activities in France that will have to be sold to enable us to obtain regulatory authorizations, Veolia undertakes that the chosen buyers will make the same employee commitments.

On bringing together the management teams to form the new group, Veolia is committed to integrating Suez executives into the management bodies in a spirit of balance and on the basis of competence criteria.

### **Authorizations relating to merger control**

As reported on August 30, 2020, Veolia has identified the targeted competition issues that the merger with Suez would involve and has anticipated remedies.

Notifications will be required in a number of jurisdictions, including the European Union, United States of America, United Kingdom, Australia, China, Morocco. Pending authorization from the European Commission, Veolia will not exercise the voting rights attached to its stake, except for decisions likely to protect the property value of this stake with the authorization of the Commission.

In the context of the remedies identified, Veolia proposed Meridiam as a buyer capable of preserving competition and employment for the activities of Suez Eau France. Meridiam has formally committed to this acquisition by submitting an offer to Veolia, for the benefit of Suez, relating to the management and operation of drinking water and sanitation services carried out in France as well as the R&D activities related to water and those of the design / construction of water treatment facilities in France (Degrémont France). Meridiam's offer, which is at a market price (the price of 18 euros per Suez share offered by Veolia taking this into account), covers the scope comprising the entire capital of the company Suez Eau France and its subsidiaries, and the design-build activities in France corresponding to Degrémont France, for those not owned by Suez Eau France.

The only conditions for this acquisition would be obtaining the required authorizations for merger control and the settlement and delivery of Veolia's public tender offer for Suez. Meridiam's offer is valid until December 31, 2022.

### **Funding**

The acquisition of the 29.9% block is financed from the group's own resources. The financing of the offer would be provided by a bridge loan concluded with a banking syndicate. It is expected that this loan will be refinanced in part by the proceeds from the sale of the remedial assets and, possibly, by the issue of equity securities or giving access to the capital (depending in particular on the amount of the disposals and a possible part offered in Veolia shares in the public offering) with a view to preserving the current credit rating and maintaining the extended group's net financial debt / EBITDA ratio below 3.0x in the medium term in accordance with the group's objectives.

1 To protect Engie, the share transfer contract entered into with Engie includes a price supplement clause in the event that the market benefits from an overbid from Veolia, thus allowing Engie to benefit from all or part of this overbidding.

### **Disclaimer**

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Veolia group is the global leader in optimized resource management. With nearly 179,000 employees worldwide, the Group designs and provides water, waste and energy management solutions which contribute to the sustainable development of communities and industries. Through its three complementary business activities, Veolia helps to develop access to resources, preserve available resources, and to replenish them.

In 2019, the Veolia group supplied 98 million people with drinking water and 67 million people with wastewater service, produced nearly 45 million megawatt hours of energy and treated 50 million metric tons of waste. Veolia Environnement (listed on Paris Euronext: VIE) recorded consolidated revenue of €27.189 billion in 2019 (USD 29.9 billion). [www.veolia.com](http://www.veolia.com)

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