

2018 Annual Results

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Overall 2018 performance better than expected, marked by strong revenue growth

- ▶ **Strong revenue growth: +6.5% at constant FX (+4.7% like-for-like), improvement in France and strong growth outside France**
- ▶ **Results growth better than expectations, sharp acceleration in H2**
- ▶ **Further strong improvement of the Group's ROCE to 8.8% after tax**
- ▶ **Continued significant free cash flow generation, despite higher growth capex**
- ▶ **A very sound B/S, with a 2.87x leverage ratio**
- ▶ **Proposal to increase the dividend by 10%, to €0.92 per share**

Overall 2018 performance better than expected, marked by strong revenue growth

<i>In €M</i>	2017 restated ⁽¹⁾	2018	Δ	Δ <i>At constant FX</i>
Revenue	24 818	25 911	+4.4%	+6.5% ⁽²⁾
EBITDA	3 217	3 392	+5.4%	+7.3%
Current EBIT⁽³⁾	1 497	1 604	+7.1%	+9.7%
Current net income- Group share	614	675	+10.0%	+13.3%
Net income- Group share	398	439		

(1) Proforma IFRS 5 and IFRS 9

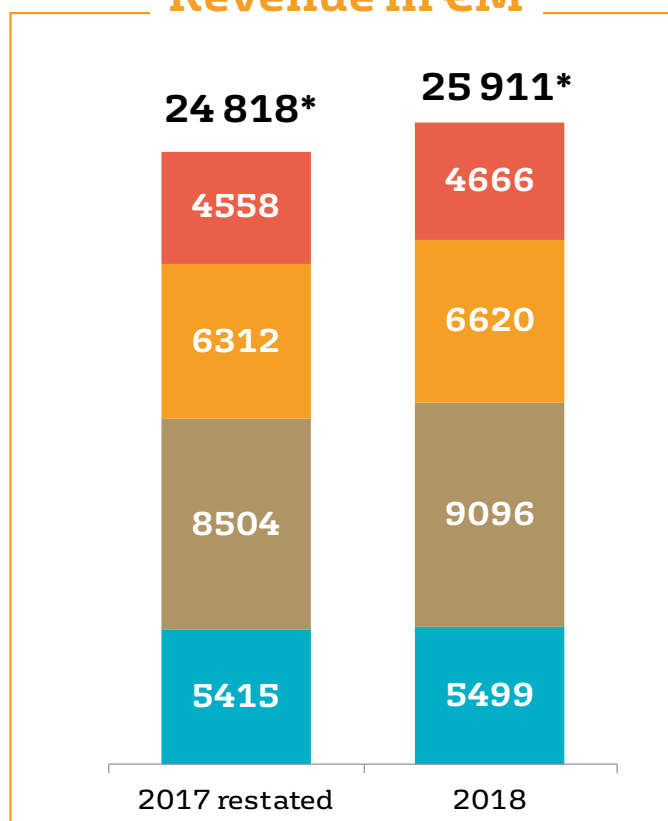
(2) Like-for-like growth of +4.7%

(3) Including the share of current net income of joint ventures and associates considered to be core Group activities (excluding Transdev which is no longer considered a core Group activity)

Revenue by geography :

Improvement in France, Acceleration outside France,
and Strong growth of Toxic waste

Revenue in €M



Variation vs. 2017 restated		Variation	△ At constant <i>FX</i>
■	France	+1.6%	+1.6%
■	Europe excl. France	+7.0%	+7.2%
■	Rest of the World	+4.9%	+11.9%
■	Global Businesses	+2.4%	+3.7%
Total		+4.4%	+6.5%

* Including Other: €29M in 2017 and €30M in 2018

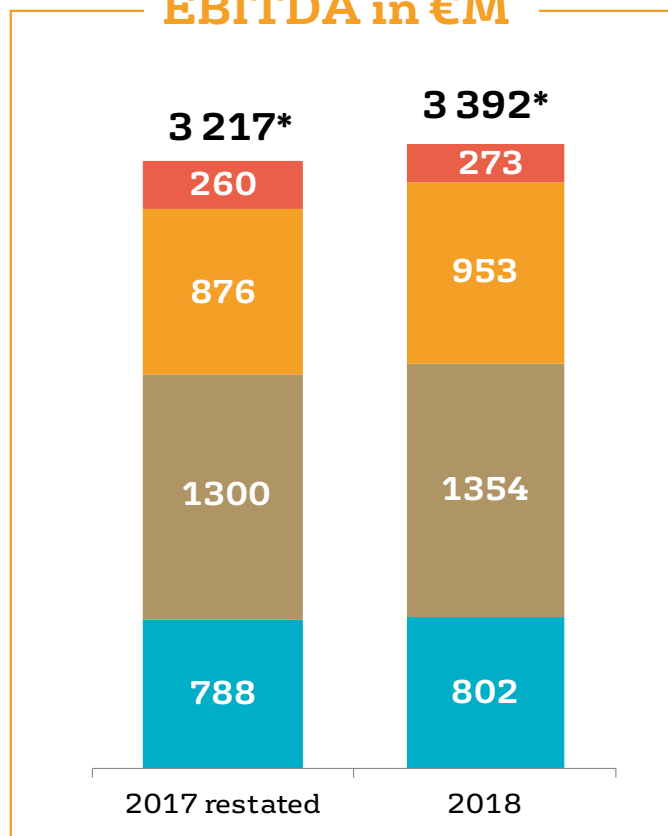
Revenue: very favorable dynamics throughout the year

^Δ At constant FX vs. 2017 restated	Q1	Q2	Q3	Q4
France	+0.6%	-1.1%	+2.6%	+4.1%
Europe excl. France	+6.9%	+6.7%	+7.4%	+7.9%
Rest of the World	+14.7%	+13.2%	+10.7%	+9.4%
Global Businesses	+3.5%	-0.6%	+11.4%	+1.6%
TOTAL	+7.0%	+5.1%	+7.8%	+6.4%
EBITDA growth	+5.3%	+6.4%	+9.4%	+8.4%

(at constant FX)

EBITDA up 7.3% at constant FX : Continued improvement in our operational performance

EBITDA in €M



Variation vs. 2017 restated		Variation	Δ At constant FX
■	France	+1.7%	+1.7%
■	Europe excl. France	+4.1%	+3.9%
■	Rest of the World	+8.8%	+15.3%
■	Global Businesses	+5.0%	+6.8%
Total		+5.4%	+7.3%

* Including Others : -€7M in 2017 and +€10M in 2018

Ambitious and sustainable cost savings plans €302M achieved in 2018

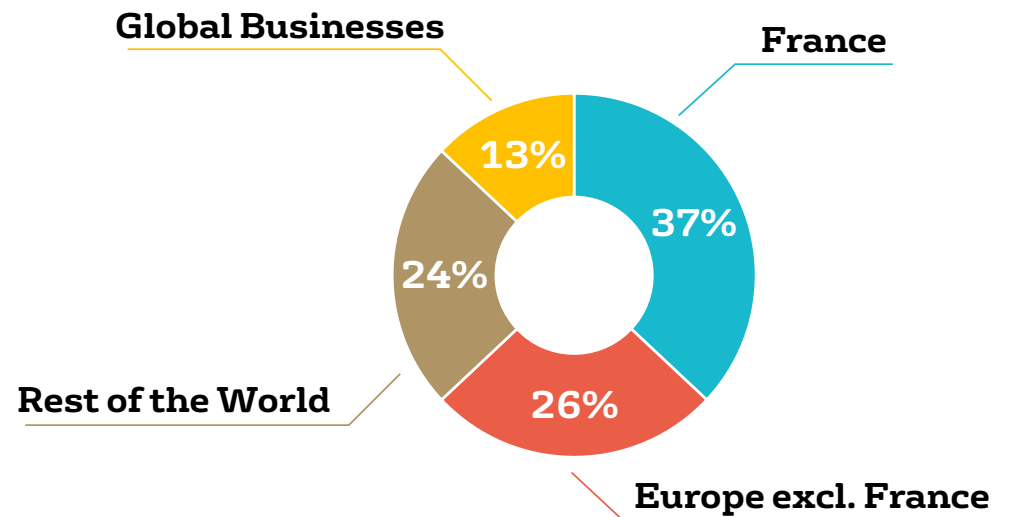
2016-2018 cost cutting plan

EBITDA impact (€M)	Revised cumulative objective 2016-2018	2016-2018 achievement
Savings	800	802

2018 savings: €302M

EBITDA impact (€M)	2018 Objective	2018 achievement
Savings	300	302

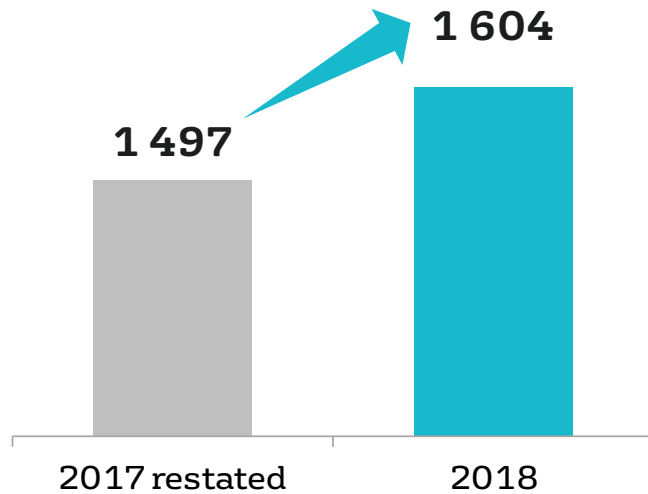
2018 savings: €302M



Strong growth in current results

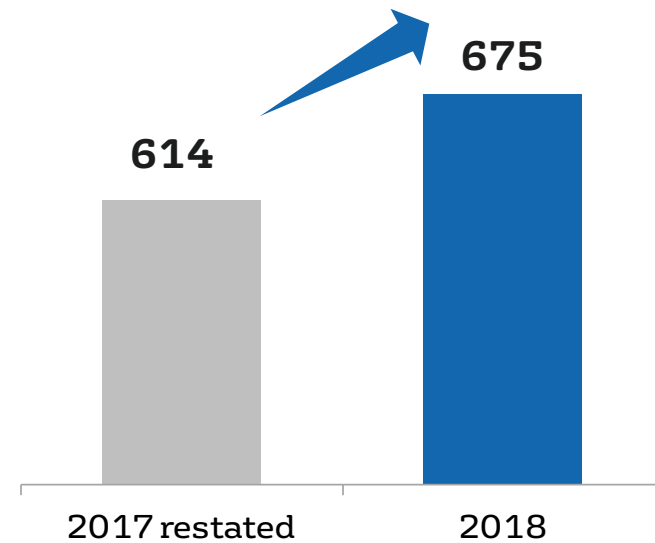
Current EBIT (in €M)

+9.7%
At constant FX



Current net income (in €M)

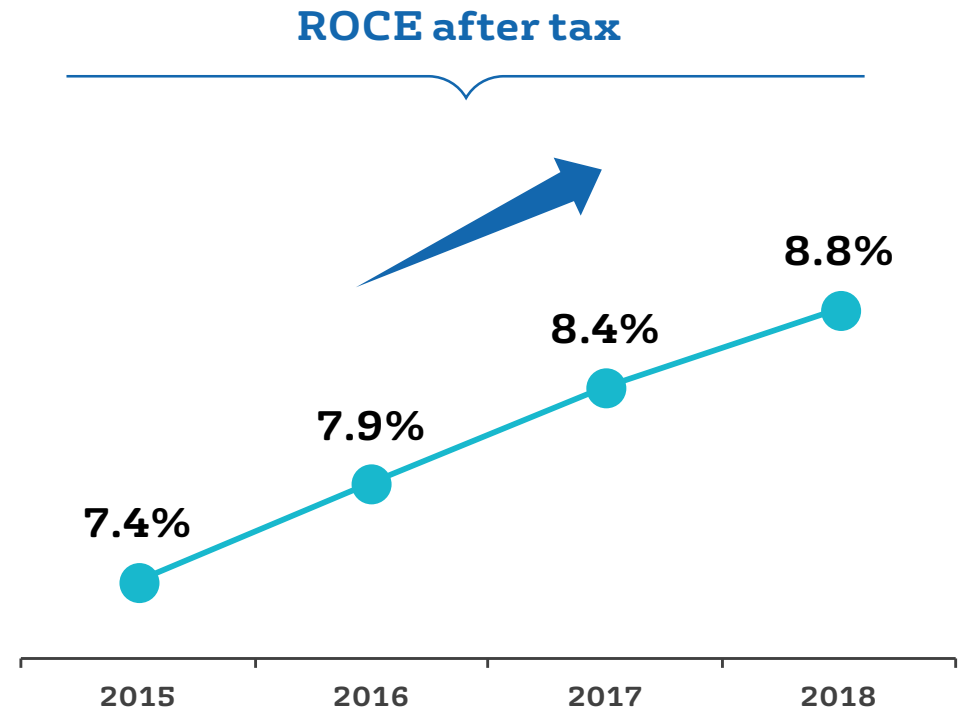
+13.3%
At constant FX
+14.7% excl. capital gains



Strong improvement in the Group's returns

Group's Euro area
WACC: 5.5%

- ▶ **Post-Tax ROCE** = Current EBIT including share of net income of equity-accounted entities - current income tax expense / Average capital employed including operating financial assets and including investments in joint ventures and associates



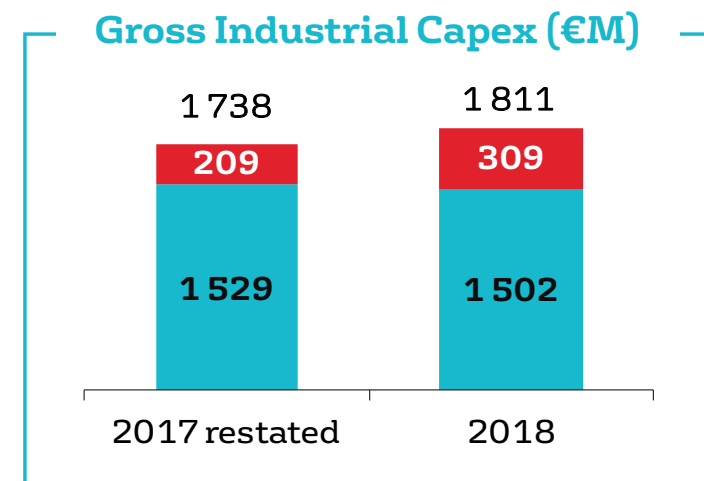
Industrial Capex up 4%

► Gross Industrial Capex up 4.2% to €1,811M

- Maintenance capex of €789M, representing 3% of revenue, vs. €822M in 2017
- Growth contractual capex of €713M, stable
- Discretionary capex sharply up to €309M, mostly outside France, in line with commercial developments

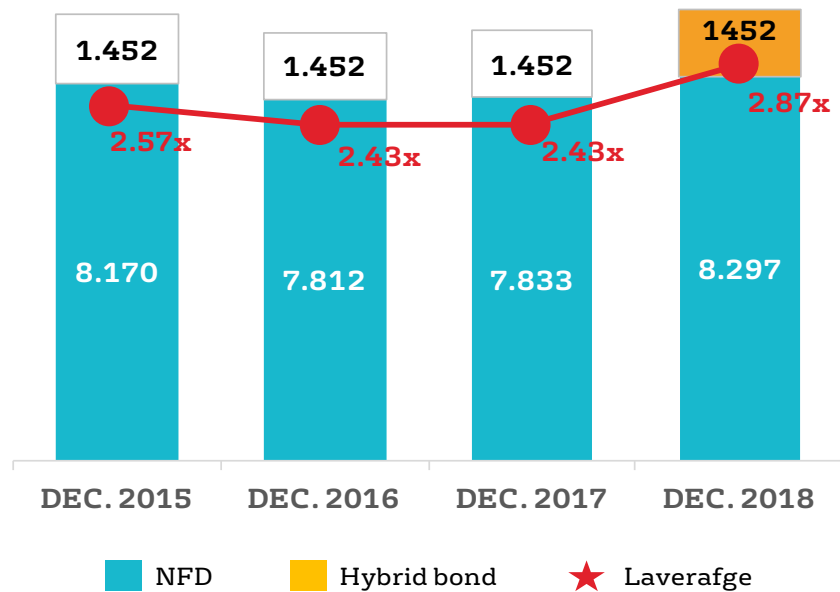
Development of treatment capacity in industrial water

Construction of hazardous waste treatment facilities in China and Singapore

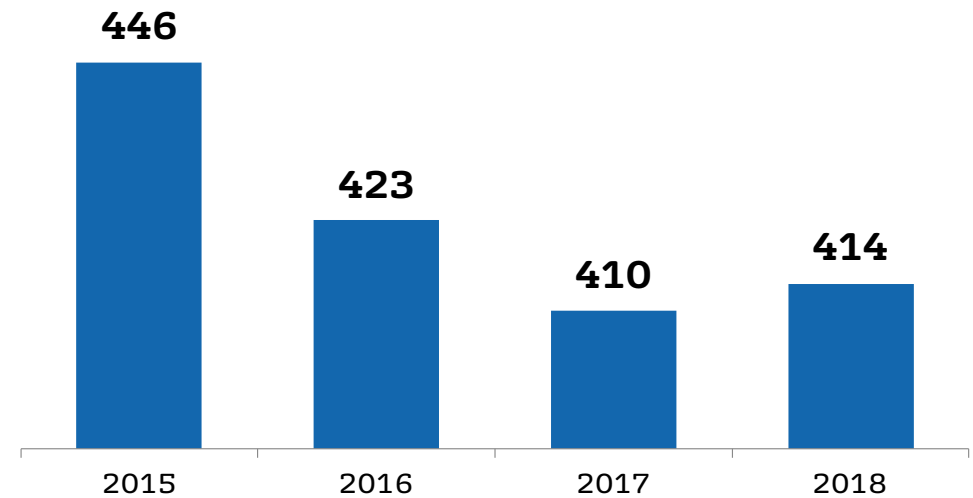


Net Financial Debt stable Leverage <3 after hybrid bond repayment

Net Financial Debt (€bn)



Cost of financing⁽¹⁾ (€M)



(1) Restated cost of debt : financial charges excluding discontinued operations and cost of early redemption of bonds

2019 Outlook

▶ 2019 Objectives :

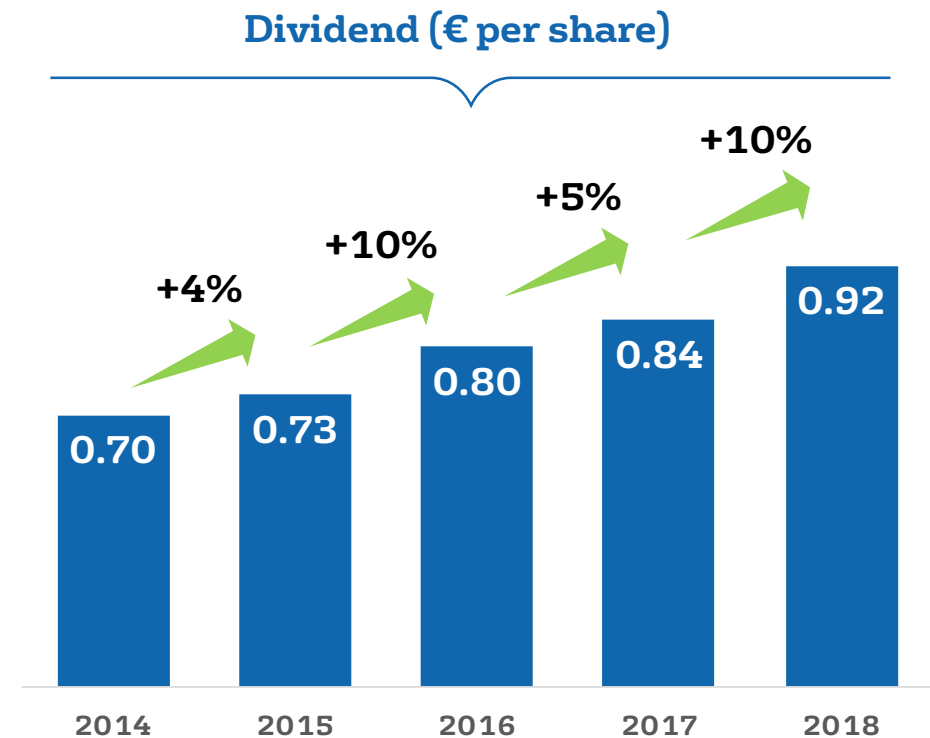
- ▶ Continuation of sustained revenue growth
 - ▶ More than €220M in cost savings
 - ▶ EBITDA between €3.5bn and €3.6bn(1)

▶ **Dividend growth in line with that of current net income**

(1) At constant FX (based on rates at the end of 2018) and excluding impact of IFRS 16

Dividend Distribution : Dividend growth in line with that of current net income

- ▶ 2018 dividend paid in 2019 up 10% :
€0.92 per share in cash,
+32% increase over 4 years
- ▶ 80% of 2015-2018 cumulative Net Free Cash Flow after growth capex (€3.0bn) dedicated to dividends
 - ~20% allocated to net financial investments



* Subject to the approval of shareholders at the Annual General Shareholders' Meeting

Strong outperformance of VEOLIA over 4 years

