



PRESS RELEASE

ARDIAN AND GIP SUBMIT FIRM INVESTMENT PROPOSAL TO SUPPORT THE CREATION OF A NEW SUEZ ENTITY

**€11.9 bn offer based on a scope of activities
which guarantees Suez' industrial coherence and future prospects**

Paris, March 21, 2021 – Ardian and Global Infrastructure Partners (GIP) today proposed a solution to facilitate the emergence of a positive outcome between Suez and Veolia by making a firm offer based on a scope of activities representing a substantial part of Suez. This offer, which comes at Suez' invitation, ensures the new entity's integrity and future growth, while allowing Veolia's proposed offer for Suez to be swiftly finalised.

In order to facilitate a negotiated solution following Veolia's public offer for the whole business, Suez has invited Ardian and GIP to submit an offer based on a scope of its activities, combining all of Suez' water and waste assets in France, balanced with broader water activities globally which would ensure new Suez international presence and influence. This would maintain the company's industrial coherence, secure its future and drive its international development. Ardian and GIP believe this viable alternative for a concerted solution to be in the best interests of all stakeholders and parties involved.

Proposed solution:

Ardian and GIP were invited by Suez to invest in new Suez. Ardian and GIP believe that new Suez will be a global and agile company focused primarily on water, with deep French roots, a real industrial strength and a significant capacity for innovation and R&D.

Ardian and GIP have therefore submitted today a firm and fully-financed investment proposal for the whole of new Suez.

This binding offer of €11.9 bn values the new scope, with revenues of around €9.1 bn and EBITDA of €1.7 bn, at an enterprise value of €15.8 bn.

Consistent with their approach to date, Ardian and GIP's proposal is subject to certain conditions, notably the support of the trade unions, the recommendation of the Board of Directors of Suez for Veolia's public offer on terms agreed between Suez and Veolia in the context of a global and amicable solution, and Suez' shareholders' approval of the proposed transaction.

"For us, ensuring the integrity of Suez France has always been a given, as well as the need for a sufficient international dimension to ensure a new future and to maintain the company's leadership in environment services and technology. We hope that our proposal will contribute to a negotiated solution between Suez and Veolia, in the best interests of these two French champions," said Mathias Burghardt, head of Ardian Infrastructure.

Benefits of proposal:

With this proposal, Ardian and GIP will guarantee new Suez' integrity as well as its future development. Together, Ardian and GIP provide:

- Stable shareholders, with long term commitments, the majority of whom are French;
- Unrivalled resources to invest in research and technology and accelerate growth;
- Significant experience of managing and growing leading infrastructure companies in the best interests of their employees and customers.

The solution proposed by Ardian and GIP aligns the interests of all stakeholders:

- **Suez' employees,** by maintaining Suez' integrity in France, as well as social benefits and employment for four years. The share of employee shareholding in the new entity would significantly increase. Employees of the new entity will be offered the possibility to acquire up to 10% of new Suez' capital. Ardian and GIP are grateful for the constructive dialogue which has taken place for the past several months with Suez's trade unions (the Intersyndicale) that has enabled the consortium to understand and take account of the concerns and expectations of Suez' employees, whilst appreciating their commitment to the company and its future.
- **Suez' shareholders,** by increasing transaction speed and certainty, creating the conditions of a friendly solution and offering an attractive price for new Suez. The proposed solution may be implemented swiftly thanks to streamlined merger control procedures.
- **The State and local authorities,** with the preservation of two French champions in environmental services which ensures continued robust competition in France in the best interests of customers. The commitment of Suez' teams in France and abroad guarantees service quality and innovation in the future.

Ardian and GIP hope that Veolia will consider this solution as an opportunity to clear the path for Suez and Veolia to agree on terms of a public offer which could be recommended by the Board of Directors of Suez, and to accelerate its implementation.

About the offer:

Definition of the scope of the "new Suez": all Suez' activities in France, certain international water activities and its technology activities.

New Suez will operate autonomously under the "Suez" brand and will own the intellectual property rights necessary for its activities. A significant part of the head office, including the employees and offices attached to it, will be transferred to new Suez.

Price: an enterprise value of €15.8 billion (including partners), subject to adjustments resulting in particular from the final structuring of the proposed transaction as well as any distribution of dividends, reserves or premiums and the repayment of any intra-group loans, which would take place from 1 January 2021 until the completion of the proposed transaction.

Conditions:

Ardian and GIP's offer is firm and fully financed. It is subject to certain conditions. These are mainly:

- the full support for the creation of new Suez by Suez' unions and Suez' Social and Economic Committee;
- the recommendation by the Board of Directors of Suez of the public offer by Veolia under terms to be agreed between them in the context of a global amicable solution with the adhesion of all stakeholders;
- all necessary regulatory approvals;
- the positive shareholders' vote on the proposed transaction, to be consulted in accordance with AMF Recommendation 2015-05.

Finally, in the event that Veolia withdraws its offer within six months, the consortium could consider making a public offer for the entire share capital of Suez. The implicit price of this offer, calculated on the basis of the valuation of all the activities concerned, would be €20 per share (coupon attached), subject to the support of the Suez Board of Directors, the Suez unions, the public authorities, due diligence on the rest of the group and the ability to finance such an offer.

About Ardian

Ardian is a French investment company and one of the world leaders in private equity with €88 billion under management and/or advisory in Europe, America and Asia. The company, which is majority owned by its employees, has always placed entrepreneurship at the heart of its approach and offers its international investors top-tier performance.

Through its commitment to sharing the value created with all stakeholders, Ardian participates in the growth of companies and economies around the world.

Since 2005, Ardian Infrastructure has developed solid industrial expertise in the field of infrastructure on 3 pillars: energy and environmental transition, transportation and telecommunications. In 15 years, the team has made 110 investments and currently manages more than €14 billion of assets in this field.

Ardian Infrastructure's approach is to support companies in their transformation to improve the quality of service to users by relying on innovation and the digitalisation of operations. In the environment sector, Ardian Infrastructure has, among other things, been a shareholder alongside Suez de Sita Cornwall and Sita Northumberland in the United Kingdom.

About GIP

Global Infrastructure Partners (GIP) is an independent fund manager specialising in infrastructure investments and one of the world leaders in this sector. Founded in 2006, with offices in New York, London, Hong Kong, Mumbai and Sydney, GIP invests in the energy, transport and environmental services sectors. The airports, ports, rail networks and power plants operated by GIP provide essential services to tens of millions of users worldwide.

GIP is controlled and ultimately owned by its employees. GIP manages more than €61 billion on behalf of more than 400 institutional investors from more than 40 different nationalities, including many renowned European and French institutions. There are 39 companies in GIP's equity portfolio with a cumulative annual turnover of approximately €34 billion and which employ more than 58,000 people. GIP has invested nearly €15 billion in European companies.

GIP's investment approach is founded on the combination of its industrial expertise and best-in-class management practices. GIP focuses its efforts on reliability, safety, quality of service, investing in growth as well as operational excellence, notably through innovation and technology. Water and environmental services are one of the pillars of GIP's expertise.

GIP adheres to the highest standards of responsible investment and is notably a signatory of the "Principles for Responsible Investment" promoted by the United Nations and also a founding member of the "One Planet Sovereign Wealth Funds" initiative. GIP is one of the world's largest independent investors in renewable energy and its assets generate enough green electricity to power the equivalent of several million homes.



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