Press Release

Paris, 25th of February 2021

ANNUAL RESULTS 2020

STRONG RESILIENCE AND REBOUND CAPACITY IN THE FACE OF THE CRISIS

NET CURRENT INCOME GROUP SHARE OF €415M

4th QUARTER RESULTS ABOVE 2019 AND ABOVE EXPECTATIONS, CONFIRM THE STRONG REBOUND THE 3rd QUARTER

FILING OF A TENDER OFFER ON SUEZ ON FEBRUARY 8th 2021 AT €18 PER SHARE DIVIDEND INCLUDED

- **2020 REVENUE OF €26 010M**
  RETURN OF GROWTH IN Q4, TO +0.9%(1)
- **2020 EBITDA OF €3641M, ABOVE THE GROUP'S REVISED TARGET, THANKS TO €278M IN EFFICIENCY GAINS, COMPLEMENTED BY THE RECOVER AND ADAPT PLAN**
  EBITDA UP +4.2%(1) IN Q4
- **NET CURRENT INCOME GROUP SHARE OF €415M**
- **PROPOSAL TO INCREASE THE DIVIDEND FOR YEAR 2020 TO €0.70 PER SHARE**

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2021 PROSPECTS(2)

- **REVENUE ABOVE 2019 LEVEL THANKS TO SOLID ORGANIC GROWTH**
- **EBITDA ABOVE €4BN**
- **NET FINANCIAL DEBT BELOW €12BN AND LEVERAGE RATIO BELOW 3x**
- **OBJECTIVE TO RECOVER THE PRE-CRISIS DIVIDEND POLICY AS SOON AS 2021**

(1) At constant forex vs. 2019
(2) At constant forex

Antoine Frérot, Veolia's Chairman & CEO commented: *«In 2020, Veolia has once again proven its remarkable capacity for resiliency in a significantly worsened economic context due to the unprecedented global sanitary crisis. The Group had already recovered its 2019 level of activity in the third quarter, a rebound which was amplified in the 4th quarter, with revenue growing and EBITDA up 4.2%. These very encouraging results have been achieved thanks to the outstanding commitment of all the employees of the Group, and thanks to the adaptation measures put in place at the very beginning of the sanitary crisis. Veolia will have thus wiped out all the impacts of the crisis and recovered its growth trajectory and its operating leverage in less than 6 months. In 2021, the Group should therefore achieve higher performance than in 2019.*
Moreover, in 2020, Veolia has seized the unique opportunity to create the world champion of ecological transformation by acquiring 29.9% of the capital of Suez. On February 8th 2021, we filed a public tender offer for the remaining 70.1% of Suez's shares. Thanks to a unique complementarity, the new Group resulting from this industrial project will be ideally positioned to tackle the huge challenges our planet is facing, at a time when the environmental priority has never been stronger. »

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- **Revenue of €26 010 million compared to €27 189 million in 2019, a decrease of -4.3% at current exchange rates, of -2.9% at constant exchange rates and of -2.5% at constant scope and exchange rates.**

  Exchange rate variations unfavorably impacted revenue growth by -1.5% in 2020 (-€401 million).

  At constant forex, revenue decreased by 2.9%, penalized in the 1st (-1.3%) and in the 2nd quarter (-11.0%) by the sanitary crisis and the lockdowns put in place, then rebounded in Q3 (-0.6%) and grew back again in the 4th quarter (+0.9%).

  In Q4 despite the second wave of the sanitary crisis impacting commercial and tertiary waste which volumes were slightly down compared to 2019, France and Rest of Europe segments have confirmed their rebound initiated in Q3. Activity in Rest of the World almost recovered its 2019 level (reaching in the 4th quarter 98.5% of Q4 2019 at constant scope and exchange rates, i.e. excluding mainly the divestiture of the municipal energy assets in the US in 2019). Global businesses rebounded in the 3rd quarter (notably construction) and then stabilized in the last quarter of the year.

  For the full year, at constant forex, revenue decreased by 2.9%, mainly due to the effects of the sanitary crisis on activity levels and construction, for a total of €915M (-3.4%). Scope impact was -€102M (-0.4%) mainly due to the divestiture of the municipal energy assets in the US in 2019 partially offset by an acquisition in hazardous waste in Chile in 2019, and in 2020, the acquisition of a plastic recycling activity in Spain, of waste treatment assets in Russia, and of municipal energy assets in Central and Eastern Europe.

  The impact of energy and recycled materials prices was non-significant, -€40M, or -0.1%, including a favorable energy price effect of +€68M more than offset by lower recyclate prices for -€108M. Service prices were up by 1% (+€286M). Weather effect was neutral.

  In the waste activity, the impact of lower volumes and activity levels was -5.2% in 2020, while recycled material prices weighed by -1.1%.

  By geography and at constant exchange rates, the evolution is as follows:

  - In France, revenue decreased by 3.9%. *Water activities* declined by 2.2% mostly due to lower works during the lockdown period in the 1st half. After a revenue decrease of 6.4% in H1, activity was back to growth in H2, to +1.7%, including a revenue growth in Q4 of +2.5%. In 2020, water volumes grew by 0.8% (after a 2019 year already strong in terms of volumes), and tariffs were up by 1.5%. *Waste revenue* declined by 5.9% in 2020, with volumes down by 5.7% and prices up by 2.3%, and recycled materials prices sharply down in the beginning of the year bounced back in Q4. Waste activities recovered growth in the second half (+1.6%), including in particular +2.5% in Q4.

- Europe excluding France has proven very resilient in the face of the crisis, and grew by 0.4% for the full year, of which +5.3% in the 4th quarter. This progression is mostly attributable to Central and Eastern Europe, up by 6.3%, and +14.9% in Q4. Energy revenue grew by 7.1%, thanks to energy price increases, a favorable weather in Q4 and the integration of the district heating network of Prague Right Bank and cogeneration assets in Budapest. Water revenue progressed by 1.3%, due to tariff increases and good volumes except for Prague, penalized by lower tourism. Northern Europe revenue declined by 3.1%, due to lower commercial and industrial waste volumes in Germany and to lower prices and volumes of recycled materials, but grew again in Q4 (+1.1%) thanks to the recovery of a normal level of activity. UK (and Ireland) exhibited a 4.6% revenue decline, due to the lockdown period. Commercial and industrial waste volumes reached about 90%of their 2019 levels in Q3, but decreased again in Q4. PFI facilities performed very well, showing an average availability rate of 94.1% vs. 93.8% in 2019, whereas landfilling decreased by 7.6%. Lower revenue was more than offset at the EBITDA level thanks to excellent operational efficiency. Southern Europe performed well, with revenue up 2.1% and +6.1% in Q4, with in particular solid dynamics in Spain and Portugal.
- Rest of the World revenue came out slightly down, by 1.7% at constant scope and exchange rates. Asia progressed by 0.7%. Growth has been slowed by lower construction revenue in Hong Kong and in Japan. China recovered solid growth in Q4, +4.1%, notably due to the continued very strong growth of hazardous waste activity (+27%). Latin America grew by +6.6%, thanks to tariff increases and the integration of tuck-ins. North America revenue decreased by 3.2% at constant scope and exchange rates mainly due to lower activity with refineries. Pacific was resilient, with revenue almost flat, -0.7%, and up 0.8% in Q4. Africa Middle East was stable in 2020.
- Global businesses revenue decreased by 5.3% at constant exchange rates and were stable in Q4. In Construction activities, Veolia Water Technologies grew by +3.7%, with notably good performances of desalination, and Sade was down by 6.8% but rebounded sharply in the second half, with the restarting of construction works after the lockdown (+8.1% at constant scope and perimeter in Q4). Hazardous waste business was hit by lower industrial activity in the 1st half, but has recovered volume levels close to 2019, with only the unfavorable impact of lower used oils recycling prices. Industrial and energy services activity decreased by 17% due to lockdown.

- *By business, at constant exchange rates, Water* revenue was slightly down, -1,0%, with stable volumes (-0.2%), increased prices (+0,7%) but lower construction works due to sanitary crisis. Waste revenue declined by -3.2%, with volumes down by -5.2% and prices up +2.0%. Energy revenue decreased by -5.8% but only by -2.0% at constant scope and forex, after the divestiture of the municipal energy business in the US end 2019.

- **EBITDA of €3 641M vs. €4 022M in 2019**
  - Forex effect was negative by -€59M, of which -€21M in Latin America and -€20M in Central and Eastern Europe. Scope effect was also unfavorable by -€36M, due to the divestiture of the municipal energy business in the US end 2019, partially offset by targeted acquisitions in Central Europe.
  - 2020 EBITDA decreased by 8.0% at constant forex and by 7.1% at constant scope and forex mostly due to lower activity levels and volumes for a total of -€443M (which amount was reduced thanks to the specific Recover and Adapt plan put in place), resulting largely from the sanitary crisis. The price cost squeeze impact of €142M was more than offset the recurring efficiency savings of €278M. Weather effect was neutral. Energy and recycled materials prices had a net positive impact of +€28M.
  - *By segment:* EBITDA in France reached €848M vs. €900M in 2019. EBITDA in Rest of Europe was €1 404M vs. €1 501M. EBITDA in Rest of the world reached €942M vs. €1 162M but includes the effect of the divestiture of the heating business in the US for -€84 M. Finally the EBITDA of Global Businesses totaled €324M vs. €396M in 2019.

- **Current EBIT of €1 275M vs. €1 730M in 2019**
    - Forex effect was negative by -€25M.

  Current EBIT at constant forex decreased by 24.8% and by 21.2 % at constant scope and forex due to :

    - EBITDA decrease mainly,
    - Stable Depreciation and Amortization of €2 190M in 2020 vs. €2 192M in 2019, resulting from the control on maintenance capex in order to focus on growth capex. Renewal expenses were also nearly flat at €275M vs. €280M in 2019.
    - The « Provisions, fair value adjustment and other items » evolution was unfavorable by €64M, and reached -€12M in 2020, vs. a net reversal of +€52M in 2019, which was due to ended litigations.
    - And finally a decrease in the current net income of joint-ventures and associates, to €111M vs.€130M in 2019 due to temporary lower water volumes in our Chinese concessions, due to the sanitary crisis.

- **Current net income group share of €415M vs. €760M in 2019**
    - Cost of financing is significantly down, to -€414M vs. -€441M in 2019, thank to favorable debt refinancing and an improved remuneration of our cash. Gross cost of borrowing reached 2.44% vs. 3.06% in 2019. Net financial capital gains are stable, at €26M vs. €24M in 2019.
    - Tax rate stood at 26.1%. Tax charges amounted to €160M vs. €227M in 2019.
    - Non-controlling interests were stable, at -€146M vs. -€147M in 2019.

- **Net income group share of €89 M, vs. €625M in 2019**
    - Restructuring charges are sharply down, to €95M vs. €121M in 2019 but asset impairments are up to €231M vs. €184M in 2019, mostly from Morocco and Latin America. .

- **Net Free cash-flow reached €507M** thanks to strict capex control (€2 151M down by €50M) and to another improvement of WCR (down €233M thanks to a very strict cash collection policy).

- **Net financial debt of €13 217M**
    - In 2019, net financial debt benefitted from the divestiture of our municipal energy assets in the US for $1.25bn. In 2020, the Group has reinvested €1 476M in targeted acquisitions and has financed the acquisition of the 29.9% stake in Suez for €1 453M in debt. Leverage ratio stood at 3.2 x at 31/12/2020, excluding the purchase of the 29.9 % stake in Suez. Excluding M&A, net financial debt is down by €392M, to €10 288M.

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Increase of the dividend, to €0.70 per share, to be paid at 100 % in cash with respect to the 2020 fiscal year.

Veolia's Board of Directors will propose to shareholders at the Annual General Shareholders Meeting on April 22, 2021 the payment of a dividend of €0.70 per share with respect to the 2020 fiscal year, payable in cash. The ex-dividend date is fixed at May 10, 2021. 2020 dividends will be paid starting as of May 12, 2021.

- **2021 Prospects***

Despite the continued sanitary crisis since the beginning of the year, Veolia should more than offset the unfavorable impacts of 2020 and plans to achieve strong growth in its results in 2021.

- Revenue : above 2019 level
- €350M of efficiency gains: €250M recurring efficiencies and €100M of complementary savings from the Recover & Adapt Plan
- EBITDA above €4bn, a growth of more than 10% vs. 2020
- Net Financial debt down to below €12bn at the end of 2021, and a leverage ratio below 3 times
- Objective to recover the pre-crisis dividend policy in 2021

** at constant exchange rates*

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- **Filing on February 8th 2021 of a Public Tender Offer on Suez Group at €18 per share cum dividend, in order to create the world champion of the ecological transformation**
  - **On October 6th 2020, Veolia acquired from Engie a 29.9% stake in Suez for a total consideration of €3.4 bn.**
  - **Veolia has then filed on February 8th 2021 a tender offer on the remaining 70.1% of Suez at €18 per share cum dividend.**

By combining the very strong competencies of Suez and Veolia, this transaction will significantly accelerate the development of the new entity facing growing competition, and enable the sector to tackle the environmental challenges of the 21st century. This project relies on the following pillars:

- Stronger expertise and commercial offering
- Enhanced innovation capabilities
- An improved geographical footprint
- A compelling combination

Finally this combination is value creating for all the stakeholders.

For employees, the combined entity, more innovative and more international, will offer even more prospects and opportunities. The transaction will have no negative impact on employment in France. Moreover, the new combined entity will be a better partner to all clients, municipalities and industrial clients, enabling them to fulfill their environmental objectives more rapidly.

Finally, the transaction will create value from year 1 for the shareholders of Veolia, thanks notably to operational and procurement synergies estimated at €500M.

This common, inspiring project is perfectly in line with the Purpose of Veolia and will position ideally the new entity in order to tackle the main challenge of this century: the ecological transformation

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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

Important disclaimer

As the changes in the health crisis are difficult to estimate, we draw your attention to the "forward-looking statements" that may appear in this press release and relating to the consequences of this crisis which may affect the future performance of the Company.
Veolia Environnement is a corporation listed on the Euronext Paris. This press release contains "forward-looking statements" within the meaning of the provisions of the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside our control, including but not limited to: the risk of suffering reduced profits or losses as a result of intense competition, the risk that changes in energy prices and taxes may reduce Veolia Environnement's profits, the risk that governmental authorities could terminate or modify some of Veolia Environnement's contracts, the risk that acquisitions may not provide the benefits that Veolia Environnement hopes to achieve, the risks related to customary provisions of divesture transactions, the risk that Veolia Environnement's compliance with environmental laws may become more costly in the future, the risk that currency exchange rate fluctuations may negatively affect Veolia Environnement's financial results and the price of its shares, the risk that Veolia Environnement may incur environmental liability in connection with its past, present and future operations, as well as the other risks described in the documents Veolia Environnement has filed with the Autorités des Marchés Financiers (French securities regulator). Veolia Environnement does not undertake, nor does it have, any obligation to provide updates or to revise any forward looking statements. Investors and security holders may obtain from Veolia Environnement a free copy of documents it filed (www.veolia.com) with the Autorités des Marchés Financiers.

This document contains "non-GAAP financial measures". These "non-GAAP financial measures" might be defined differently from similar financial measures made public by other groups and should not replace GAAP financial measures prepared pursuant to IFRS standards.

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FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020

A] GENERAL CONTEXT AND CRISIS DUE TO THE PANDEMIC

Group’s resilience and ability to bounce back in an exceptional health crisis

Following a start to the year marked by the exceptional impact of the health crisis, the Group's 2020 performance confirms its capacity for resilience and the rebound in the second half. Despite the second wave of the Covid-19 crisis that hit Europe in the second half of the year, the Group’s activity confirms its return to growth in the fourth quarter.

The strong recovery in activity observed in the third quarter, accelerated in the fourth quarter confirming the resilience of the Group’s businesses and expertise, particularly in the management and distribution of water to our public customers, in heat distribution and production of in urban networks and in the treatment and collection of municipal waste.

During this period, the Group was able to take advantage of the large geographical footprint in which it operates, of the wide range of essential services that it offers to its diversified clientele in the private and public sectors and the local roots of its teams. Thanks to their strong mobilization in the field, it was able to ensure the continuity of its operations at the same time as guaranteeing the maximum protection for its employees. This crisis has also made it possible to confirm the importance of the digital transformation of the company and to accelerate its implementation, on behalf of its partners, customers and employees.

IMPACT 2023 strategic program

Despite the health crisis, the priorities defined by the Impact 2023 strategic program remain valid and the implementation was fully realized in 2020 in order to ensure the expected value creation for all stakeholders..

The impacts of the crisis have confirmed the relevance of the choices of the priority strategic developments of the **IMPACT 2023** program. The activities judged as priorities, in particular the services dedicated to our industrial customers, held up very well against the crisis, like the **hazardous waste treatment** which rebounded with a growth of 4% over the last quarter of the year at constant exchange rates.

B] KEY FIGURES

(€ million)	Year ended December 31, 2019	Year ended December 31, 2020	Change 2019 / 2020 Δ	Δ at constant exchange rates	Δ at constant scope and exchange rates
Revenue	27,188.7	26,009.9	-4.3%	-2.9%	-2.5%
EBITDA[1]	4,021.8	3,640.8	-9.5%	-8.0%	-7.1%
EBITDA margin	14.8%	14.0%			
Current EBIT[1]	1,730.4	1,275.3	-26.3%	-24.8%	-21.2%
Current net income - Group Share[1]	759.8	415.1	-45.4%	-43.9%	-38.0%
Net income – Group share	624.9	88.8	-85.8%	-87.7%	
Current net income – Group share, per share[1] (Basic)	1.37	0.75			
Current net income – Group share, per share (Diluted)	1.31	0.72			
Dividend per share	1.00	0.50			
Net industrial investments	(2,201.0)	(2,151.4)			
Net free cash-flow[1]	868.4	507.5			
Net financial debt	(10,680.4)	(13,217.0)			

The main foreign exchange impacts on revenue were as follows:

(vs December 31, 2019)	%	(€ million)
Revenue	-1.5%	(401)
EBITDA	-1.5%	(59)
Current EBIT	-1.5%	(25)
Current net income	-1.5%	(11)
Net financial debt	2.6%	273

[1] The indicators are defined in the appendix

C] INCOME STATEMENT

1. GROUP CONSOLIDATED REVENUE

1.1 REVENUE BY OPERATING SEGMENT

Fourth quarter performance

In the fourth quarter, the Group’s **revenue** grew by 0.9% compared to the same period in 2019 at constant exchange rates, despite the second wave of health measures in the second-half of the year, impacting activity in tertiary and commercial waste (the volumes of which are slightly down compared to 2019).

The geographic segments of **France** and the **Rest of Europe** returned to growth from the third quarter of 2020. They confirm this rebound and this trend over the last three months of the year (revenue up 2.5% and 5.3% respectively at constant exchange rates over the fourth quarter).

The Group’s operations in the **Rest of the World** almost returned to the 2019 level of activity in the last quarter (98.5% of 2019 revenue at constant scope and exchange rates, excluding the disposal of district heating networks in the United States in 2019).

Global activities after a rebound from June 2020, returned to activity levels of last year (particularly in construction) in the last quarter.

Change at constant exchange rates	*Q1 2020*	*Q2 2020*	*Q3 2020*	*Q4 2020*
France	-3.1%	-16.1%	0.8%	2.5%
Europe excluding France	1.1%	-6.7%	0.8%	5.3%
Rest of the world	-1.8%	-5.7%	-6.0%	-4.6%
Global businesses	-3.6%	-20.8%	3.1%	-0.1%
Group	**-1.3%**	**-11.0%**	**-0.6%**	**0.9%**

Annual performance

Consolidated revenues totaled € 26,009.9 million as of December 31, 2020 compared to € 27,188.7 million as of December 31, 2019, down of **-2.9% at constant exchan**ge rates and **-2.5% organically**.
In a context of a global health crisis, the Group's geographically diverse presence and the development choices launched as part of its strategic program have enabled the Group to prove the resilience of its growth model and its ability to adapt.

(€ million)	Year ended December 31, 2019	Year ended December 31, 2020	Change 2019 / 2020 Δ	Δ at constant exchange rates	Δ at constant scope and exchange rates
France	5,611.5	5,389.9	-3.9%	-3.9%	-3.9%
Europe excluding France	9,501.1	9,411.4	-0.9%	0.4%	-0.8%
Rest of the world	7,303.5	6,759.7	-7.4%	-4.5%	-1.7%
Global businesses	4,733.8	4,443.9	-6.1%	-5.3%	-5.2%
Other	38.8	5.0	-87.1%	-	-
Group	**27,188.7**	**26,009.9**	**-4.3%**	**-2.9%**	**-2.5%**

Revenue decreased -3.9% in **France** at constant scope compared with the year ended December 31, 2019

- Water revenue was down -2.2% year-on-year at constant exchange rates. Despite the health crisis, the volumes of water distributed increased by 0.8% compared to 2019 and the price indexation stood at +1.5% over the year; the level of activity remains down due to construction activity at a virtual stoppage during lockdown in the second quarter. Since June, the second half of the year has confirmed the gradual resumption of construction sites.

- Waste revenue fell -5.9% at constant exchange rates year-on-year. The Group's pricing policy in collecting and processing as well as the increase in incineration volumes (+5.4% on the year, +5.7% over the fourth quarter following in particular the gains of the Bordeaux contract and related treatment volumes), offset the high volatility of paper prices and the volume reductions recorded over the year, linked to the COVID health crisis, particularly in commercial and industrial collection.

Europe excluding France grew +0.4% at constant exchange rates compared with the year ended December 31, 2019, with solid momentum thanks to the resilience of the water and heating/electricity distribution businesses in Central Europe, in Italy and Germany, which offset the drop in volumes linked to the health crisis in certain geographies and their waste activities (notably the United Kingdom and the impacts of the lockdown on the Commercial and industrial collection activity in the fourth quarter).

- In **Central and Eastern Europe**, revenue increased +6.3% at constant exchange rates year-on-year to €3,400.6 million. This increase is mainly driven by the higher heating/electricity (+€114 million) and water distribution tariffs (+€34 million), a favorable climate effect (+€6 million for 2020) and the integration for the fourth quarter of newly acquired activities in Cogeneration (BERT, Hungary) and heat distribution (Prague Right Bank, Czech Republic). These effects offset a slight drop in water volumes linked to the health crisis in the Czech Republic (impact of the summer tourist season).

- In the **United Kingdom / Ireland**, revenue fell -4.6% at constant exchange rates to €2,164.0 million. Operations were impacted by a drop in commercial and industrial collection volumes and landfill volumes, which after recovering in the third quarter, were impacted in the fourth quarter by new sanitary restriction measures put in place. The availability rate of incinerators, improved over the year compared to an already high performance in 2019 (94.1% in 2020 compared to 93.8% in 2019) and strong electricity prices partially offset this impact.

- In **Northern Europe**, revenue decreased -3.1% at constant exchange rates year-on-year to €2,653.6 million. The decrease is mainly linked to the impact of the health crisis on industrial activities in the Nordic Countries, largely offset by a stabilization of the recycled plastic activities in the Netherlands and the resilience of the energy and water distribution segments in Germany, which limited the decline in its activity to -1.5% at constant exchange rates over the year as a whole (return to a volume of activity comparable to 2019 at the end of the year).

The **Rest of the world**, non-European geographies were down -4.5% at constant exchange rates, but down only -1.7% at constant exchange rates and scope compared with the year ended December 31, 2019 (disposal of TNAI heating and electricity networks at the end of December 2019). This performance, in a context of the health crisis impacting in particular the Group's operations in the second quarter in Latin America, marks the resilience of a segment driven by strategic priority developments (hazardous waste in Asia, North America and the Middle East) :

- In the last quarter **Asia** and the **Pacific** region notably returned to a level of activity comparable to the pre-health crisis situation despite delays in construction activities, following the slowdowns in works related to local adaptation measures. The Asia region grew +0.7% at constant exchange rates over the year, in particular due to continued growth in China (+0.7% at constant exchange rates over the year and +4.1% at constant exchange rates in the fourth quarter) and in Japan (+5.2% at constant exchanges rates compared to 2019). These two geographical markets are benefiting from the development of hazardous waste treatment (revenue in China up +27% at constant scope compared to December 31, 2019) and from partnerships set up in the industrial sector (battery recycling market in Japan).

- In **North America**, revenue decreased -3.2% at constant scope and exchange rates year-on-year to €1,746 million. During the second-half of the year, hazardous waste incineration volumes returned to similar levels to the previous year, the rebound remained less marked in the recycling of industrial liquid waste, which has not yet returned to its pre-health crisis level of activity.

- In **Latin America**, revenue increased +6.6% at constant exchange rates, driven in particular by the acquisition of the activities of Stericycle in the treatment of hazardous waste in Chile and tariff increases linked to inflation (particularly in Argentina). Following the disruptions linked to the health crisis during the first half of the year, these effects offset the activity in decline in other geographies. The zone posted a notable rebound over the last quarter of + 7.1% at constant exchange rates compared to 2019.

Global businesses: revenue fell -5.3% at constant exchange rates compared with the year ended December 31, 2019:

- **Hazardous waste activities in Europe** decreased -7.1% at constant exchange rates, with a steady return upturn in activity from June 2020 following the slowdown experienced during the second quarter. The pricing policy on treatment services largely offset the downward trends on the oil recycling markets (due to the volatility of oil market prices).

- **Veolia Water Technologies** activity rose by +3.7% at constant exchange rates with the progress of desalination signed in 2019. Veolia Water Technologies bookings totaled €1,500 million in 2020, down from previous years and in line with its strategy to refocus its portfolio on services and technology.

- **SADE** reported a -6.8% decline at constant exchange rates despite a marked improvement from June 2020 and a rebound in work in the last months of the year (the growth in revenue of the SADE in the fourth quarter was +8.1% at constant scope and exchange rates after restatement of the cession of SADE Telecom).

1.2 REVENUE BY BUSINESS

The Group's activity by business is marked, in a context of the global health crisis, by a strong resilience over 2020 of the **Water** business (-1% at constant exchange rates compared to 2019) and the **energy** business (-2% at constant exchange rates and scope excluding in particular of the disposal of the heat networks in the United States in 2019).
The **waste** treatment business strongly impacted by the health crisis in the second quarter (volumes of commercial and industrial collections down compared to 2019), benefited from a rebound in growth. Throughout the year, it benefited from the Group's pricing policy in the collection and treatment of municipal waste and continuous development of its growth segments (in particular the treatment of hazardous waste).

			Change 2019 / 2020		
(€ million)	*Year ended December 31, 2019*	*Year ended December 31, 2020*	Δ	*Δ at constant exchange rates*	*Δ at constant scope and exchange rates*
Water	11,142.1	10,900.0	-2.2%	-1.0%	-1.3%
of which Water Operations	8,319.7	8,151.8	-2.0%	-1.0%	-1.5%
of which Technology and Construction	2,822.4	2,748.2	-2.7%	-1.2%	-0.8%
Waste	10,166.7	9,672.9	-4.9%	-3.2%	-4.1%
Energy	5,879.9	5,437.0	-7.5%	-5.8%	-2.0%
Group	**27,188.7**	**26,009.9**	**-4.3%**	**-2.9%**	**-2.5%**

Water revenue

Water operations revenue was down -1.0% at constant exchange rates compared to December 31, 2019. The business proved to be particularly resilient in France with increased volumes (+0.8%) favorable tariff indexation (+1.5%) and an upturn in works activity in the fourth quarter (+1%) after a first-half heavily impacted by work site stoppages due to the health crisis.

	Q1 2019	**Q2 2019**	**Q3 2019**	**Q4 2019**	**2019**	**Q1 2020**	**Q2 2020**	**Q3 2020**	**Q4 2020**	**2020**
France Water volumes	+1.1%	+1.1%	+1.0%	+0.7%	**+0.7%**	-0.1%	+0.3%	+0.8%	+0.8%	**+0.8%**
France Water tariffs	+1.2%	+1.4%	+1.4%	+1.4%	**+1.4%**	+1.5%	+1.5%	+1.5%	+1.5%	**+1.5%**

In **Europe excluding France**, tariff indexation increases in central Europe (+3%) largely offset the drop in volumes in the Czech Republic linked to the impacts of the COVID-19 crisis on the summer tourist season. Activity remains slightly down in the **Rest of the World**, linked in particular to the drop in volumes of water treated from industrial customers in the United States and the end of construction contracts in the Pacific.

Technology and Construction revenue declined -1.2% at constant exchange rates compared to the year ended December 31, 2019 following the shutdown of SADE construction sites in the second quarter, only partially offset in the second-half (SADE revenues down -6.8% at constant exchange rates year-on-year). VWT revenue of €1,517 million, up +3.7% at constant exchange rates, due to the desalination projects won in 2019 and growth in Technology activities. .

Waste revenue

Waste revenue declined -3.2% at constant exchange rates compared with the year ended December 31, 2019 (-4.1% at constant consolidation scope and exchange rates). The waste businesses returned to growth in the last quarter thanks in particular the Group's pricing policy (+2,3% tariff increases during the last quarter of 2020) and a recovery in waste volumes and recycled material prices in the last months of 2020.

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	2020
Waste volumes	+2.6%	+1.1%	+2.0%	+0.4%	+1.5%	-1.8%	-14.7%	-2.6%	-1.8%	**-5.2%**
Waste tariffs	+2.7%	+2.3%	+3.5%	+1.1%	+2.4%	+2.4%	+1.9%	+1.6%	+2.3%	**+2.0%**

In **France**, the return to growth over the last quarter in solid waste (+2.5%) was marked by the gradual recovery in commercial and industrial collection volumes and in the price of recycled paper, which rose over the last quarter of the year.
In the **Europe excluding France**, commercial and industrial volumes were heavily impacted in the first-half of the year before returning to level towards their pre-crisis levels in Germany and the United Kingdom (before the lockdown measures introduced in November for the later). In the United Kingdom, the Group has favored an allocation of the volumes collected to its incineration plants, benefiting from increased demand and higher electricity prices, to the detriment of landfills, of which the drop in volumes was only temporarily stopped in the third quarter.
Waste activities in the **Rest of the World** are benefiting from investments in Asia in the hazardous waste treatment business, and from a return in most geographical areas to volumes in line with 2019 over the last months of the year.

Energy revenue

Energy revenue fell -5.8% at constant exchange rates compared with the year ended December 31, 2019, but only -2% organically, restated for a scope effect of -€226 million, which includes the disposal of heating networks in the United States partially offset by the acquisition of the Prague Right Bank heating network in the Czech Republic and the heat production facility in Budapest, Hungary.
The strong resilience of the business is based upon a slightly positive weather impact over the year (+0.2%) in Europe as well as positive price effects (+1.2% driven by tariff increases in central Europe) offset by a negative volume effect limited to -2.1% (particularly in the tertiary building energy services business) and a slowdown in

construction activity (-0.6%) in Asia (temporary stoppages or plant construction delays in Asia and Northern Europe).

1.3 ANALYSIS OF THE CHANGE IN GROUP REVENUE

The decrease in revenue between 2019 and 2020 breaks down **by main impact** as follows:

The **foreign exchange impact** on revenue was -€401 million (-1.5% of revenue) and mainly reflects fluctuations in the American currency (-€170 million) and in central Europe (-€94 million)[2]

The **consolidation scope impact** of -€102 million mainly includes the impact of the disposal of heating networks in the United States in December 2019 (-€332 million) offset by acquisitions in energy loops in Central Europe (Prague Right Bank in the Czech Republic +€55 million, BERT in Hungary +€26 million) and in the building energy services in Hong Kong, and in waste treatment (Spain, Latin America and Russia)[3].

Energy and recyclate prices had an impact of -€40 million in recovery over the last quarter of the year (+€48 million over the last three months). The strong increase in energy prices (+€68 million), mainly in central and eastern Europe, did not manage to fully offset the lower recyclate prices over the first nine months of the year (total recycled material impact of -€108 million, mainly on paper indices, despite a return to price increases in the last quarter).

The **Commerce / Volumes / Works impact** is -€915 million and notably includes the impact of the crisis linked to the Covid-19 epidemic strongly felt over the first half year.

Favorable **price effects** (+€286 million) are mainly tied to positive tariff indexations of +2% over the whole year in waste, and positive price increases in water (particularly in France +1.5% over the year and more than 3% in central and Eastern Europe).

2. GROUP EBITDA

Group consolidated **EBITDA** for the year ended December 31, 2020 was €3,640.8 million, down -8.0% at constant exchange rates compared with the prior year. The margin rate was 14.0% over 2020, a strong improvement over the last quarter (15.7% over the fourth quarter of 2020, against 15.2% over the fourth quarter of 2019).

[2] Foreign exchange impacts by currency: Argentine peso (-60 million euros), Brazilian real (-45 million euros), US dollar (-39 million euros) Polish zloty (-37 million euros), Czech crown (-32 million euros), pound sterling (-29 million euros), Australian dollar (-28 million euros), Colombian peso and Hungarian forint (-26 million euros).
[3] Torrepet (Spain) +23 million euros, Stericycle (Chile) +22 million euros and MAG (Russia) +29 million euros.

2.1 EBITDA BY OPERATING SEGMENT

Fourth quarter performance

The change in EBITDA over the fourth quarter of 2020 was marked by a strong rebound of +4.2% at constant exchange rates compared to the fourth quarter of 2019.
This growth confirms the improvement in the Group's operating leverage thanks to its rapid adaptation to the health crisis situation from the end of the second quarter.
The impacts of efficiency measures, above the annual target of €500 million and including the efficiency plans and the Recover and Adapt program, made it possible to compensate for the lack of commercial activity in the regions of the Group which have not yet fully recovered to their 2019 performance level.

Change at constant exchange rates	*Q1 2020*	*Q2 2020*	*Q3 2020*	*Q4 2020*
France	-0,1%	-39,6%	+2,3%	+18,5%
Europe excluding France	-1,2%	-28,1%	+3,3%	+3,6%
Rest of the world	-17,6%	-37,3%	-12,2%	-0,4%
Global business	-25,7%	-78,0%	27,8%	-1,5%
Group	**-5,3%**	**-33,9%**	**+1,7%**	**+4,2%**

Annual performance

The change in EBITDA over the year 2020 compared to December 31, 2019 is -8.0% at constant exchange rates as follows:

			Change 2019 / 2020			*EBITDA margin*	
(€ million)	*Year ended December 31, 2019*	***Year ended December 31, 2020***	*Δ*	*Δ at constant exchange rates*	*Δ at constant scope and exchange rates*	*Year ended December 31, 2019*	***Year ended December 31, 2020***
France	899.7	847.7	-5.8%	-5.8%	-5.8%	16.0%	15.7%
Europe excluding France	1,501.2	1,403.7	-6.5%	-4.9%	-7.2%	15.8%	14.9%
Rest of the world	1,160.5	941.6	-18.9%	-16.0%	-10.1%	15.9%	13.9%
Global businesses	396.2	324.4	-18.1%	-18.1%	-17.3%	8.4%	7.3%
Other	64.2	123.4					
Group	**4,021.8**	**3,640.8**	**-9.5%**	**-8.0%**	**-7.1%**	**14.8%**	**14.0%**

In France, EBITDA declined 5.8% in 2020 year-on-year. In the water business, the fall in EBITDA is mainly due to the impact of the health crisis on construction activities, partially offset by efficiency gains and higher volumes (+0.8%). In waste, the decline in EBITDA following the drop in collection volumes (particularly in commercial

and industrial volumes) linked to the health crisis, is partially offset by the finalization of construction of additional treatment units for municipal customers and by the effects of the "Recover and Adapt" plan.
In Europe excluding France, EBITDA fell by 4.9% year-on-year at constant exchange rates. This change is mainly due to the decline in industrial and commercial collection volumes (Germany and the United Kingdom) offset by the resilience of the water and energy businesses which benefited from rising heating and electricity prices and favorable volume and price rises in water distribution contracts (with the exception of the drop in water volumes in Prague in the Czech Republic linked to the impact of the health crisis on the summer tourist season).
In the Rest of the world, EBITDA margins have recovered over the months. The change in EBITDA was -16.0% at constant exchange rates over the year as a whole, but only -0.4% at constant exchange rates over the last quarter of 2020 compared to 2019. The recovery in margin rates benefited fully from the strong adaptation and efficiency measures.
In the **Global businesses** segment, the EBITDA margin rate remained at 7.3% over the year (8.4% in 2019). Tariff discipline in the hazardous waste market and rigorous controls on operating costs in construction activities offset the decline in EBITDA in industrial and building maintenances businesses.

2.2 ANALYSIS OF THE CHANGE IN GROUP EBITDA

The decrease in EBITDA between 2019 and 2020 breaks down by impact as follows:

The **foreign exchange impact** on EBITDA was -€59 million and mainly reflects unfavorable fluctuations in the American currency (-€22 million), and the central Europe (-€19 million)[4].
The **consolidation scope impact** of -€36 million mainly relates to the sale of heating networks in the United States in 2019[5]

Unfavorable **commerce and volume** impacts totaled -€443 million and include the COVID impacts partially offset by the introduction of a "Recover and Adapt plan". This plan has enabled additional operating cost savings.

The **energy weather impact** is neutral for the year ended December 31, 2020: the favorable fourth quarter impact (particularly in central European countries) offset the unfavorable impact recorded at the end of September 2020.

Energy and recyclate prices had a favorable impact on EBITDA of +€28 million (versus -€53 million at December 31, 2019) including +€49 million in energy and -€21 million in recyclates, with a significant increase in the price of energy sold in central and eastern Europe (+€114 million mainly in Poland with higher heating prices) and an improvement in the impacts of recyclate prices (paper) over the last quarter.

The **impact of prices net of inflation** is -€142 million.

Cost-savings plans contributed +€278 million, ahead of the €250 million annual objective. These savings mainly concern operating efficiency (54%) and purchasing (35%) and were achieved across all geographic

[4] Currency impacts: Czech koruna (-€8 million), Polish zloty (-€7 million), Argentine peso (-€7 million), Colombian peso (-€6 million), real Brazilian (-€5 million), pound sterling (-€5 million), Chinese Renminbi (-€5 million), Hungarian forint (-€4 million), Australian dollar (-€4 million euros), US dollar (-€4 million).
[5] Impacts from the TNAI disposal partially offset by the integration of Prague Right Bank, MAG waste treatment assets in Russia and heat production in the city of Budapest in Hungary.

zones: France (25%), Europe excluding France (37%), Rest of the world (26%), Global businesses (12%) and Corporate (1%).

EBITDA Impact *(€ million)*	2020 objective	Actual Dec. 2020
Gross cost savings	**250**	**278**

3. CURRENT EBIT

Group consolidated current EBIT for the year ended December 31, 2020 was €1,275.3 million, down -24.8% at constant exchange rates on the year ended December 31, 2019.

EBITDA reconciles with Current EBIT for the years ended December 31, 2020 related to December 31, 2019 as follows:

(€ million)	*Year ended December 31, 2019*	*Year ended December 31, 2020*
EBITDA	**4,021.8**	**3,640.8**
Renewal expenses	(280.3)	(275.4)
Depreciation and amortization[6]	(2,192.7)	(2,189.7)
Provisions, fair value adjustments & other	51.8	(10.9)
Share of current net income of joint ventures and associates	129.8	110.5
Current EBIT	**1,730.4**	**1,275.3**

The €455 million deterioration in Current EBIT is mainly due to the drop in EBITDA (-€381 million), impacted by the health crisis in the first half of the year and by the absence of any significant provision reversals in 2020.

The amount of depreciation over the financial year was stable at constant exchange rates and perimeter compared to 2019.

The share of net current income of joint ventures and associates is down slightly compared to 2019 after a temporary contraction in China in the volumes of water distributed and waste collected at the start of the year, linked to the health crisis.

The currency effect on Current EBIT was negative at -€25 million and mainly reflects fluctuations in the American currency (-€7 million) and central Europe (-€7 million)[7].

[6] Including reimbursement of operational financial assets.

The variation in current EBIT by operating segment is as follows:

(€ million)	*Year ended December 31, 2019*	*Year ended December 31, 2020*	*Change 2019 / 2020* Δ	Δ at constant exchange rates
France	164.9	28.2	-82.9%	-82.9%
Europe excluding France	694.2	602.6	-13.2%	-11.5%
Rest of the world	695.8	492.7	-29.2%	-27.0%
Global businesses	193.5	111.9	-42.2%	-43.1%
Other	(18.0)	39.9	n/a	n/a
Group	**1,730.4**	**1,275.3**	**-26.3%**	**-24.8%**

Selling, general and administrative expenses

Selling, general and administrative expenses impacting Current EBIT declined from €2,769 million for the year ended December 31, 2019 to €2,706 million for the year ended December 31, 2020, representing a decrease of -2.3% at current scope and exchange rates (-0.8% at constant exchange rates and -1.4% at constant scope and exchange rates). Despite the slowdown in the Group's activities, the ratio of selling, general and administrative expenses to revenue remained limited to 10.4% for the year ended December 31, 2020 (compared to 10.2% for the year ended December 31, 2019) thanks to the rapid implementation of the "Recover and Adapt" additional savings program, which allowed selling, general and administrative expenses to fall compared to the year ended December 31, 2019 (in particular following the reduction in travel expenses in the context of the health crisis during the period).

4. NET FINANCIAL EXPENSE

(€ million)	*Year ended December 31, 2019*	*Year ended December 31, 2020*
Cost of net financial debt	**(440.5)**	**(414.4)**
Net gains / losses on loans and receivables	13.1	12.6
Net income (loss) on available-for-sale assets	3.4	3.1
Assets and liabilities at fair value through profit or loss	0.3	0.1
Foreign exchange gains and losses	(4.4)	(12.9)
Unwinding of the discount on provisions	(31.3)	(23.5)

[7] Foreign exchange impacts by currency: Argentine peso (-€4 million), Chinese renminbi (-€4 million), Polish zloty (-€4 million), Czech crown (-€3 million), pound sterling (-€3 million), Colombian peso (-€3 million)

Interest on concession liabilities	(81.3)	(79.8)
Interest on lease debt (IFRS 16)	(40.8)	(32.2)
Other	(38.0)	(33.2)
Other current financial income and expenses	**(179.0)**	**(165.8)**
Gains (losses) on financial divestitures[8]	23.9	26.1
Current net financial expense (1)+(2)	**(595.8)**	**(554.1)**
Other non-current financial income and expenses[9]	301.9	-
Net financial expense	**(293.9)**	**(554.1)**

Cost of net financial debt

The cost of net financial debt totaled -€414.4 million for the year ended December 31, 2020, compared with -€440.5 million for the year ended December 31, 2019. This significant decrease in the Group's cost of debt is mainly due to the marked decrease in the cost of non-euro denominated debt, due to favorable interest rate changes across all currencies and the reduction in the US dollar debt following the sale of North American heating networks (+€22 million), supplemented by the dynamic management of the investment portfolio.
The Group's financing rate (including the impacts of IFRS 16) was therefore 3.74% at December 31, 2020, compared with 3.86% at December 31, 2019.

Other financial income and expenses

Other financial income and expenses totaled -€165.8 million for the year ended December 31, 2020, compared with -€179.0 million for the year ended December 31, 2019.
These expenses include interest on concession liabilities (IFRIC 12) of -€79.8 million and the unwinding of discounts on provisions of -€23.5 million.
Gains on financial divestitures recognized in 2020 totaled €26.1 million and include the capital gain on the divestiture of SADE Telecom of €25 million. In 2019, gains on current financial divestitures totaled €23.9 million.

5. INCOME TAX EXPENSE

The income tax expense for the year ended December 31, 2020 amounted to -€159.6 million, compared with -€227.6 million for the year ended December 31, 2019.
The current tax rate is 26.1% (versus 22.6% in 2019), after adjustment for non-recurring items in net income of fully-controlled entities. Due to the Covid crisis, tax efficiency was slightly lower than in 2019, especially in France.

[8] Including costs of financial disposals
[9] Mainly linked to the impact of the operation to sell heating networks in the United States

(€ million)	*Year ended December 31, 2019*	*Year ended December 31, 2020*
Current income before tax (a)	**1,134.7**	**721.2**
of which share of net income of joint ventures & associates (b)	129.8	110.5
Re-presented current income before tax: (c)= (a)-(b)	**1,004.9**	**610.7**
Re-presented tax expense (d)	**(227.6)**	**(159.6)**
Re-presented tax rate on current income (d)/(c)	**22.6%**	**26.1%**

6. CURRENT NET INCOME / NET INCOME ATTRIBUTABLE TO OWNERS OF THE COMPANY

Current net income attributable to owners of the Company was €415 million for the year ended December 31, 2020, compared with €759.8 million for the year ended December 31, 2019. Excluding capital gains and losses on financial divestitures net of tax and minority interests, current net income attributable to owners of the Company declined -44.8% at constant exchange rates to €396.0 million from €734.2 million for the year ended December 31, 2019.

Current net income (loss) / Net income (loss) attributable to owners of the company

The share of net income attributable to non-controlling interests totaled €119.7 million for the year ended December 31, 2020, compared with €135.7 million for the year ended December 31, 2019.

Net income attributable to owners of the Company was €89 million for the year ended December 31, 2020, compared with €625 million for the year ended December 31, 2019.

Current net income attributable to owners of the Company was €415 million for the year ended December 31, 2020, compared with €760 million for the year ended December 31, 2019.

Based on a weighted average number of outstanding shares of 554.9 million (basic), and 579.9 million (diluted) for the year ended December 31, 2020, compared with 553.4 million (basic) and 578.5 million (diluted) for the year ended December 31, 2019, net income attributable to owners of the Company per share for the year ended December 31, 2020 was €0.16 (basic) and €0.15 (diluted), compared with €1.12 (basic) and €1.07 (diluted) for the year ended December 31, 2019.
Current net income attributable to owners of the Company per share was €0.75 (basic) and €0.72 (diluted) for the year ended December 31, 2020, compared with €1.37 (basic) and €1.31 (diluted) for the year ended December 31, 2019.

The dilutive effect taken into account in the above earnings per share calculations concerns the OCEANE bonds convertible into and/or exchangeable for new and/or existing shares issued in September 2019 and maturing in January 1, 2025 and the performance share and free share grant plans set-up on July 1, 2018, July 24, 2019 and May 3, 2020 and maturing in May 2021, April 2022 and April 2023, respectively.

Net income (loss) attributable to owners of the Company for the year ended **December 31, 2020** breaks down as follows:

(€ million)	*Current*	*Non-Current*	*Total*
EBIT	1,275.3	(355.8)	919.5
Cost of net financial debt	(414.4)	-	(414.4)
Other financial income and expenses	(139.7)	-	(139.7)
Pre-tax net income (loss)	**721.2**	**(355.8)**	**365.4**
Income tax expense	(159.6)	22.6	(137.0)
Net income (loss) of other equity-accounted entities	-	-	-
Net income (loss) from discontinued operations	-	(19.9)	(19.9)
Net (income) loss attributable to non-controlling interests	(146.5)	26.8	(119.7)
Net income (loss) attributable to owners of the Company	**415.1**	**(326.3)**	**88.8**

Net income (loss) from discontinued operations to the end of December 2020 includes the impact of costs incurred on the discontinuation of Veolia Water Technologies' EPC international activities of -€19.9 million.

Net income (loss) attributable to owners of the Company for the year **ended December 31, 2019,** breaks down as follows:

(€ million)	*Current*	*Non-Current*	*Total*
EBIT	1,730.4	(265.6)	1,464.8
Cost of net financial debt	(440.5)	-	(440.5)
Other financial income and expenses	(155.2)	301.9	146.7
Pre-tax net income (loss)	**1,134.7**	**36.3**	**1,171.0**
Income tax expense	(227.6)	(70.9)	(298.5)
Net income (loss) of other equity-accounted entities	-	-	-
Net income (loss) from discontinued operations	-	(111.9)	(111.9)
Net (income) loss attributable to non-controlling interests	(147.3)	11.6	(135.7)
Net income (loss) attributable to owners of the Company	**759.8**	**(134.9)**	**624.9**

Current EBIT reconciles with operating income, detailing the non-current items of net income, as follows:

(€ million)	*Year ended December 31, 2019*	*Year ended December 31, 2020*
Current EBIT	**1,730.4**	**1,275.3**
Impairment losses on goodwill and negative goodwill	(1.6)	(44.1)
Net charges to non-current provisions	14.3	13.5
Restructuring costs	(126.9)	(106.6)
Personnel costs -share-based payments	(21.4)	(33.3)
Non-current provisions and impairment of property, plant and equipment, intangible assets, operating financial assets and other	(117.9)	(155.9)
Share acquisition costs, with or without acquisition of control	(12.1)	(29.4)
Total non-current items	**(265.6)**	**(355.8)**
Operating income after share of net income of equity-accounted entities	**1,464.8**	**919.5**

The impairment of goodwill includes impairments on Mexican activities for -€44 million.
Restructuring charges for the year ended December 31, 2020 mainly concern Veolia Water Technologies for -€21 million, France RVD for -€11 million and Korea for -€10 million.
Non-current provisions and impairments of property, plant and equipment, intangible assets, operating financial assets and other non-current expenses for the year ended December 31, 2020 primarily concern:

- Specific costs dedicated to the health crisis beyond the usual costs of employee equipment and individual protection, not only due to the level of consumption but also the unit cost of this equipment including considerable logistical costs (-€59 million).
- Non-current asset impairment for intangible assets (notably in Latin America and Africa and the Middle East of -€51 million) and non-current impairment losses on withdrawals from contracts in North America and Latin America (-€38 million).

The acquisition costs of shares include in particular the costs incurred in connection with the merger with Suez, not directly linked to the specific acquisition of 29.9% of Suez shares from Engie.

D] FINANCING

The following table summarizes the change in net financial debt and net free cash flow:

(€ million)	*Year ended December 31, 2019*	*Year ended December 31, 2020*
EBITDA	**4,021.8**	**3,640.8**
Net industrial investments	(2,201.4)	(2,151.5)
Change in operating WCR	208.9	233.4
Dividends received from equity-accounted entities and joint ventures	97.9	75.3
Renewal expenses	(280.3)	(260.5)
Other non-current expenses and restructuring charges	(154.8)	(230.0)
Interest on concession liabilities (IFRIC 12)	(81.3)	(79.8)
Interest on IFRS 16 lease liabilities	(40.8)	(32.2)
Financial items (current interest paid and operating cash flow from financing activities)	(459.8)	(429.7)
Taxes paid	(241.8)	(258.3)
Net free cash flow before dividend payment, financial investments and financial divestitures	**868.4**	**507.5**
Dividends paid	(661.1)	(425.6)
Net financial investments	871.0	(4,898.0)
Change in receivables and other financial assets	(27.1)	(31.8)
Issue / repayment of deeply subordinated securities	(5.5)	1,987.1
Proceeds on issue of shares	17.8	139.0
Free cash-flow	**1,063.7**	**(2,721.9)**
Effect of foreign exchange rate movements and other (*)	(180.1)	185.3
Change	**883.6**	**(2,536.6)**
Opening net financial debt	(11,564.0)	(10,680.4)
Closing net financial debt	**(10,680.4)**	**(13,217.0)**

Net free cash flow is €507.5 million for the year ended December 31, 2020, compared with €868.4 million for the year ended December 31, 2019.
The change in net free cash flow compared with the year ended December 31, 2019 reflects:

- The decline in EBITDA following the health crisis in the first-half of the year;
- net industrial investments of €2,152 million, down 2.3% at current and exchange rate (-0.5% at constant exchange rates), including:
    - maintenance investments of €1,025 million (4% of revenue),
    - growth investments in the current portfolio of €691 million (€729 million in the year ended December 31, 2019),
    - discretionary investments of €435 million, up +€73 million compared with 2019;

- a further reduction in operating WCR of €233 million, following a decrease of €209 million in 2019;

Net financial debt amounted to €13,217 million, compared with €10,680 million as of December 31, 2019

Compared to December 31, 2019, the change in **net financial debt** is mainly due to:

- the net free cash flow generation of €507 million for the period.
- the acquisition of Suez Environnement shares for €3,422 million (including acquisition costs included in the amount of net financial investments) partially financed by a subordinated hybrid notes issue of €1,987 million.
- Net financial investments excluding the acquisition of the Engie block of €1,476 million (including acquisition costs and net financial debt of new entities) and mainly comprising the impacts of the hazardous waste acquisitions (Alcoa, USA) in the first quarter and the operations in the second half of the year in central and Eastern Europe, net of financial disposals (SADE Telecom).
- Dividends paid to Veolia Environnement's shareholders of €277 million compared with €509 million in the year ended December 31, 2019 (see Section 1.5 operations financing) and dividends paid to minorities virtually stable on the year ended December 31, 2019 (€149 million compared with €152 million in 2019).

Net financial debt was also impacted by positive exchange rate fluctuations of +€273 million as of December 31, 2020 compared with December 31, 2019[10]

1. INDUSTRIAL AND FINANCIAL INVESTMENTS

1.1 Industrial investments

Total Group gross industrial investments, including new operating financial assets, amounted to -€2,387 million for the year ended December 31, 2020, compared with -€2,364 million for the year ended December 31, 2019.

Industrial investments, excluding discontinued operations, break down by segment as follows:

Year ended December 31, 2020 (€ million)	*Maintenance and contractual requirements* [11]	*Discretionary growth*	***Total gross industrial investments*** [12]	*Industrial divestitures*	***Total net industrial investments***
France	447	34	**481**	(63)	**418**
Europe excluding France	742	167	**910**	(102)	**808**
Rest of the world	514	198	**711**	(27)	**684**
Global businesses	225	36	**261**	(43)	**217**
Other	24	0	**24**	0	**24**
Group	**1,952**	**435**	**2,387**	**(236)**	**2,151**

[10] Mainly driven by favorable impacts on the debt in Hong Kong dollars (+€64 million), the US dollar (+€60 million), the Polish zloty (+€39 million), the Real Brazilian (+€28 million) and the pound sterling (+€25 million) and to a lesser extent by the Canadian dollar (+€14 million) and the Colombian peso (+€14 million).
[11] Including maintenance investments in 2020 of € 1,261 million, and portfolio defense investments in 2020 of € 691 million
[12] Including new operational financial assets in 2020 in the amount of 160 million euros

Year ended December 31, 2019 (€ million)	*Maintenance and contractual requirements* [13]	*Discretionary growth*	***Total gross industrial investments*** [14]	*Industrial divestitures*	***Total net industrial investments***
France	468	15	**483**	(46)	**437**
Europe excluding France	708	102	**810**	(60)	**749**
Rest of the world	532	231	**763**	(35)	**727**
Global businesses	268	15	**283**	(21)	**262**
Other	26	0	**26**	0	**26**
Group	**2,002**	**362**	**2,364**	**(163)**	**2,201**

At constant exchange rates, net industrial investments are down -0.5% compared to the year ended December 31, 2019. They include an envelope for maintenance and contractual requirements (7.5% of 2020 revenue compared to 7.4% in 2019) and discretionary growth investments up €73 million, +20.2% compared to the year ended December 31, 2019. In line with the strategic choices of the Impact 2023 program, these investments mainly include:

- in the Rest of the world, investments of €120 million including hazardous waste treatment business development (construction of incinerators in China, Singapore and Saudi Arabia) and €21 million in the circular economy of plastics (processing plants in Japan and Singapore).
- in Europe excluding France, €129 million in the energy loop business, covering in particular new connections and extension of water and heating networks to our municipal customers in central Europe and investments linked to the energy transition of our heat production assets (Germany and Czech Republic for a total of €92 million).
- Discretionary investments in the waste businesses in France (modernization of sorting centers and processing facilities).

1.2 Financial investments and divestitures

Excluding the acquisition of Suez shares (€3,422 million including acquisition costs), **gross financial investments** totaled €1,649 million in 2020 (including acquisition costs and net financial debt of new entities) and mainly included the acquisition of the Prague Right Bank urban heating network in the Czech Republic (€710 million), heat production assets in Budapest, Hungary (€294 million), the Alcoa treatment site in the United States (€231 million), MAG in Russia (€125 million) and Nagpur's minority partners in India (€113 million).

In the year ended December 31, 2019, financial investments (€619 million, including the net financial debt of new entities) mainly comprised the impact of the acquisition of Levice in Slovakia (€71 million), Renascimento in Portugal (€39 million) and Huafei in China (€28 million). These investments also include the buyout of minority interests in energy assets in the United States (US$114 million), subsequently sold at the year end.

Financial divestitures totaled €174 million in 2020 (including disposal costs) and mainly comprise the sale of SADE's Telecom branch (€52 million), the sale of assets in Germany (€31 million), the sale of the investment in

[13] Of which maintenance investments in 2019 amounting to € 1,273 million, and portfolio defense investments in 2019 amounting to € 729 million.

[14] Including new operational financial assets in 2019 in the amount of €178 million

Liuzhou (water concession in China) (€47 million) and the sale of Campus X in Italy (€20 million), as well as the share capital increase by Southa in Hong Kong subscribed by minority shareholders for €14 million.
Financial divestitures totaled €1,490 million in 2019, and mainly comprise the sale of the energy assets in the United States (€1.1 billion) and the sale of Transdev Group (€338 million).

2. OPERATING WORKING CAPITAL REQUIREMENTS

The change in operating working capital requirements (excluding discontinued operations) was €233 million for the year ended December 31, 2020, compared with €209 million for the year ended December 31, 2019.
This change reflects the regular monitoring and improvement of the collection and billing processes in a context of increased vigilance and denotes the resilience of the Group's municipal and industrial customers. At the end of December 2020, it notably includes the benefit of the direct debit offset measures proposed by certain administrations (in particular in the United Kingdom).
The net WCR position on the balance sheet as of December 31, 2020 is a resource of €1,511 million compared to €1,179 million as of December 31, 2019, a change of €332 million including €46 million relating to changes in consolidation scope and €15 million relating to foreign exchange impacts.

3. EXTERNAL FINANCING

3.1 Structure of net financial debt

(€ millions)	*As of December 31, 2019*	***As of December 31, 2020***
Non-current financial debt	10 785	12 133
Current financial debt	5 910	7 600
Bank overdraft and other cash flow items	302	218
Sub-total financial debt	**16 996**	**19 950**
Cash and cash equivalents	-5 843	-5 840
Allocation of the fair value of hedging instruments	-4	-57
Liquid assets and financial assets linked to financing	-468	-835
Net financial debt	**10 680**	**13 217**

As of December 31, 2020, net financial debt after hedging is 98.4% at fixed rates.

The average maturity of net financial debt was 7.6 years as of December 31, 2020 compared with 6.9 years as of December 31, 2019.

3.2 Group liquidity position

Faced with an unprecedented crisis, Veolia immediately made liquidity monitoring a priority. This resulted in the follow-up of weekly cash flow forecasts over a five-week horizon of the Group's operations, by the regular review of the functioning of the Finance back office (invoicing, collections, payments, suppliers) and by a daily update on the situation of the financial markets at the Group level.
The Group has therefore pursued a prudent and resilient financing policy, the pooled cash is placed mainly in liquid monetary assets (monetary UCITS or liquid bank deposits).

The Group's gross liquidity position at December 31, 2020 stood at €10.7 billion and mainly consists of:

- €6.6 billion in cash or cash equivalents (centralized cash mainly invested in liquid monetary assets for €5.5 billion and cash available in subsidiaries for €1.1 billion);
- €4 billion of undrawn and available bilateral lines of credit and bilateral lines.

The Group's net liquidity at December 31, 2020 was €2.9 billion. It includes current debts and passive cash which decrease gross liquidity by €7.8 billion. The amounts of current debts and passive cash notably include €5.9 billion of commercial paper with an average maturity of 4.8 months, currently being refinanced.

Liquid assets of the Group as of December 31, 2020 break down as follows:

(€ millions)	*As of December 31, 2019*	*As of December 31, 2020*
Veolia Environnement:		
Undrawn syndicated loan facility	3,000.0	3,000.0
Undrawn MT bilateral credit lines	1,000.0	1,000.0
Undrawn ST bilateral credit lines	100.0	-
Letters of credit facility	86.8	21.6
Cash and cash equivalents[15]	5,092.4	5,542.2
Subsidiaries:		
Cash and cash equivalents[15]	1,218.5	1,132.9
Total liquid assets	**10,497.7**	**10,696.7**
Current debt and bank overdrafts and other cash position items		
Current debt	5,909.5	7,599.6
Bank overdrafts and other cash position items	302.2	217.6
Total current debt and bank overdrafts and other cash position items	**6,211.7**	**7, 817.2**
Total liquid assets net of current debt and bank overdrafts and other cash position items[16]	**4,286.0**	**2,879.5**

[15] Including liquid assets and assets linked to financing included in Net financial debt
[16] Including cash equivalents at GIE des Placements

The decrease in net liquid assets compared December 31, 2019 to mainly reflects the reinvestment of cash received from the sale of heating assets in the United States in 2019, in 2020 acquisitions related to the treatment of hazardous waste (Alcoa, USA) and in energy in central Europe (Prague Right Bank and Budapest heat production facility).

The multi-currency syndicated loan facility initially secured on November 2, 2015, for an amount of €3 billion and with a maturity of 2020, was extended to 2022. It may be drawn in eastern European currencies and Chinese renminbi. This syndicated loan facility was not drawn as of December 31, 2020. In addition, Veolia Environnement has bilateral credit lines for a total undrawn amount of €1 billion as of December 31, 2020. Veolia Environnement may draw on the multi-currency syndicated loan facility and all credit lines at any time.
As of December 31, 2020, the US dollar bilateral letters of credit facility drawable in cash amounts to US$26.5 million (€21.6 million euro-equivalent) and is not used to date. It is included in the above liquidity table.

E] RETURN ON CAPITAL EMPLOYED (ROCE)

Current EBIT after tax is calculated as follows:

(€ million)	*Year ended December 31, 2019*	***Year ended December 31, 2020***
Current EBIT[17]	**1,730**	**1,275**
- Current income tax expense	(228)	(160)
Current EBIT after tax	**1,502**	**1,115**

The table below shows the calculation of Capital Employed:

[17] Including the share of net income (loss) of joint ventures and associates

(€ million)	*As of December 31, 2019*	*As of December 31, 2020*
Intangible assets and property, plant and equipment, net	12,528	13,086
Right of use	1,665	1,530
Goodwill, net of impairment	5,170	5,936
Investments in joint ventures and associates	1,880	1,375
Operating Financial Assets	1,517	1,371
Operating and non-operating working capital requirements, net	(3,184)	(3,548)
Net derivative and other instruments	(104)	(40)
Provisions	(2,292)	(2,291)
Capital employed	**17,180**	**17,418**
Impact of discontinued operations and other restatements[18]	731	(285)
Capital employed	**17,911**	**17,133**

The Group's post-tax return on capital employed (ROCE) is as follows:

(€ million)	**Current EBIT after tax**	**Average capital employed**	**Post-tax ROCE**
2019 (incl. IFRS 16)	1,502	17,924	8.4%
2020 (incl. IFRS 16)	1,115	17,523	6.4%

[18] The restatements in 2020 concern the prorating of the value of the securities acquired in the last quarter of 2020 (Prague Right Bank and Bert Hungary), and the reinstatement of the capital employed of the Shenzhen water concession which gave rise to a restatement in assets and liabilities held for sale on December 31, 2020. In 2019, the restatements mainly concerned the capital employed of TNAI sold on December 30, 2019.

APPENDIX

1] RECONCILIATION OF GAAP INDICATORS AND THE INDICATORS USED BY THE GROUP

1.1 EBITDA

The reconciliation of Operating cash flow before change in working capital with EBITDA is as follows:

(€ million)	*Year ended December 31, 2019*	*Year ended December 31, 2020*
Operating cash flow before changes in working capital	**3,255.1**	**2,892.8**
Of which operating cash flow from financing activities	(34.1)	(20.8)
Of which adjusted operating cash flow	3,289.2	2,913.5
Less:		
Renewal expenses	280.3	260.5
Non-current WCR impairment losses	1.2	20.8
Cash restructuring charges	109.9	116.4
Share acquisition and disposal costs	90.7	37.6
Other non-current expenses	88.8	92.8
Plus:		
Principal payments on operating financial assets	161.8	199.2
EBITDA	**4,021.8**	**3,640.8**

1.2 NET FREE CASH-FLOW

The reconciliation of Net cash from operating activities of continuing operations (included in the Consolidated Cash Flow Statement) with net free cash flow is as follows:

(€ million)	**Notes**	*Year ended December 31, 2019*	*Year ended December 31, 2020*
Net cash from operating activities of continuing operations		***3, 118.5***	***2,737.7***
Plus:			
Industrial investments, net of grants		(1,676,0)	(1,608,6)
Proceeds on disposal of industrial assets		162.8	235.9
New operating financial assets		(177.9)	(160.0)
Principal payments on operating financial assets		161.8	199.2
New finance lease debt		(406.6)	(488.7)
Dividends received		97.9	75.3
Net financial interest		(549,6)	(516.8)
Less:			
Share acquisition and disposal costs		137,5	33,5
Net Free Cash-Flow		**868.4**	**507.5**

1.3 INDUSTRIAL INVESTMENTS

The reconciliation of Industrial investments, net of grants (included in the Consolidated Cash Flow Statement) with industrial investments as follows:

(€ million)	*Year ended December 31, 2019*	*Year ended December 31, 2020*
Industrial investments, net of grants	**(1,676.0)**	**(1,608.6)**
New finance lease debt	(406.6)	(488.7)
Change in concession working capital requirements	(103.6)	(130.0)
New operating financial assets	(177.9)	(160.0)
Industrial investments	**(2,364.1)**	**(2,387.3)**

2] DEFINITIONS

2.1 STRICTLY ACCOUNTING INDICATORS (« GAAP » : IFRS)

Cost of net financial debt is equal to the cost of gross debt excluding IFRS 16 financial interests presented as other financial expenses and including related gains and losses on interest rate and currency hedges, less income on cash and cash equivalents.

Operating cash flow before changes in working capital, as presented in the Consolidated Cash Flow Statement, is comprised of three components: operating cash flow from operating activities (referred to as "adjusted operating cash flow" and known in French as "*capacité d'autofinancement opérationnelle*") consisting of operating income and expenses received and paid ("cash"), operating cash flow from financing activities including cash financial items relating to other financial income and expenses and operating cash flow from discontinued operations composed of cash operating and financial income and expense items classified in net income from discontinued operations pursuant to IFRS 5. Adjusted operating cash flow does not include the share of net income attributable to equity-accounted entities.

Net income (loss) from discontinued operations is the total of income and expenses, net of tax, related to businesses divested or in the course of divestiture, in accordance with IFRS 5.

2.2 NON-STRICTLY ACCOUNTING INDIATOR (« NON GAAP »)

The term **"change at constant exchange rates"** represents the change resulting from the application of exchange rates of the prior period to the current period. All other things being equal.

The municipal sector encompasses services in the Water, Waste and Energy business lines aimed at users, performed under contracts with municipal governments, groups of municipal governments, or regional or national governments.

The industrial sector covers Water, Waste and Energy management services, offered to industrial or service sector customers.

EBITDA comprises the sum of all operating income and expenses received and paid (excluding restructuring charges, non-current WCR impairments, renewal expenses and share acquisition and disposal costs) and principal payments on operating financial assets.

The EBITDA margin is defined as the ratio of EBITDA to revenue.

To calculate the **Current EBIT** (which includes the share of current net income of joint ventures and associates) , the following items will be deducted from operating income:

- goodwill impairments of fully controlled subsidiaries and equity-accounted entities;
- restructuring charges;
- non-current provisions and impairments;
- non-current and/or significant impairment of non-current assets (property, plant and equipment, intangible assets and operating financial assets);
- impacts relating to the application of IFRS 2. "Share-based payment";

- share acquisition costs.

Current net income attributable to owners of the Company is defined as the sum of the following items:

- current EBIT ;
- current net finance expenses, that include current cost of net financial debt and other current financial income and expenses, including capital gains or losses on financial divestitures (including gains or losses included in the share of net income of equity-accounted entities);
- current tax items ;
- minority interests (excluding the portion of minority interests relative to non-current items in the income statement).

Current net income attributable to owners of the Company per share is defined as the ratio of current net income (not restated for the cost of the coupon attributable to hybrid debt holders) by the weighted average number of outstanding shares during the year.
Net industrial investments, as presented in the statement of changes in net financial debt, include industrial investments (purchases of intangible assets and property, plant and equipment, and operating financial assets), net of industrial asset divestitures.
The group splits its investments in three categories:

i. maintenance investments which reflect the replacement of equipment and installations used by the Group;

ii. growth investments which include investments in new equipment and installations to secure or embedded in existing contracts;

iii. discretionary growth investments which reflect investments in new equipment and installations linked to new projects, contract wins or significant new developments and extensions to existing projects or contracts.

The last two categories are defined as growth investments.
Net financial investments as presented in the statement of changes in net financial debt include financial investments, net of financial divestitures.
Financial investments include purchases of financial assets, including the net financial debt of companies entering the scope of consolidation, and partial purchases resulting from transactions with shareholders where there is no change in control.
Financial divestitures include disposals of financial assets including the net financial debt of companies leaving the scope of consolidation, and partial divestitures resulting from transactions with shareholders where there is no change in control, as well as issues of share capital by non-controlling interests.
Net free cash flow corresponds to free cash flow from continuing operations, and is calculated by: the sum of EBITDA, dividends received, changes in operating working capital and operating cash flow from financing activities, less net interest expenses, net industrial investments, taxes paid, renewal expenses, restructuring charges and other non-current expenses.
Net financial debt (NFD) represents gross financial debt (non-current borrowings, current borrowings, bank overdrafts and other cash position items) which includes IFRS 16 lease debt, net of cash and cash equivalents, liquid assets and financing-related assets, including fair value adjustments to derivatives hedging debt. Liquid

assets are financial assets composed of funds or securities with an initial maturity of more than three months, easily convertible into cash, and managed with respect to a liquidity objective while maintaining a low capital risk.
The leverage ratio is the ratio of closing net financial debt including IFRS 16 to EBITDA including IFRS 16.
The financing rate is defined as the ratio of the cost of net financial debt (excluding IFRS 16 lease debt and fair value adjustments to instruments not qualifying for hedge accounting) to average monthly net financial debt excluding IFRS 16 lease debt for the period, including the cost of net financial debt of discontinued operations.
The post-tax return on capital employed (ROCE) is defined as the ratio of:

- current EBIT, including the share of net income or loss of equity-accounted entities, after tax. It is calculated by subtracting the current tax expense from current EBIT, including the share of net income or loss of equity-accounted entities. Current tax expense is the tax expense in the income statement re-presented for tax effects on non-current items;

- average capital employed in the year, including operating financial assets and investments in joint ventures and associates. Capital employed used in the post-tax ROCE calculation is therefore equal to the sum of net intangible assets and property, plant and equipment, goodwill net of impairment, investments in joint ventures and associates, operating financial assets, net operating and non-operating working capital requirements and net derivative instruments less provisions. It also includes the capital employed of activities classified within assets and liabilities held for sale, excluding discontinued operations.

3] CONSOLIDATED INCOME STATEMENT

(€ million)	Year ended December 31, 2019	Year ended December 31, 2020
Revenue	**27,188.7**	**26,009.9**
Cost of sales	(22,827.7)	(22,121.8)
Selling costs	(610.6)	(562.1)
General and administrative expenses	(2,157.4)	(2,144.0)
Other operating revenue and expenses	(258.0)	(373.0)
Operating income before share of net income (loss) of equity-accounted entities	**1,335.0**	**809.0**
Share of net income (loss) of equity-accounted entities	**129.8**	**110.5**
o/w share of net income (loss) of joint ventures	89.3	87.4
o/w share of net income (loss) of associates	40.5	23.1
Operating income after share of net income (loss) of equity-accounted entities	**1,464.8**	**919.5**
Cost of net financial debt	(440.5)	(414.4)
Other financial income and expenses	146.7	(139.7)
Pre-tax net income (loss)	**1,171.0**	**365.4**
Income tax expense	(298.5)	(137.0)
Share of net income (loss) of other equity-accounted entities	-	-
Net income (loss) from continuing operations	**872.5**	**228.4**
Net income (loss) from discontinued operations	(111.9)	(19.9)
Net income (loss) for the year	**760.6**	**208.5**
Attributable to owners of the Company	**624.9**	**88.8**
Attributable to non-controlling interests	135.7	119.7
NET INCOME (LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY PER SHARE		
Basic	1.12	0.16
Diluted	1.07	0.15
NET INCOME (LOSS) FROM CONTINUING OPERATIONS ATTRIBUTABLE TO OWNERS OF THE COMPANY PER SHARE		
Basic	1.32	0.20
Diluted	1.26	0.19
NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS ATTRIBUTABLE TO OWNERS OF THE COMPANY PER SHARE		
Basic	(0.20)	(0.04)
Diluted	(0.19)	(0.04)

4] CONSOLIDATED STATEMENT OF FINANCIAL POSITION – ASSETS

(€ million)	**As of December 31, 2019**	**As of December 31, 2020**
Goodwill	5,128.0	5,888.9
Concession intangible assets	3,517.4	3,544.9
Other intangible assets	1,372.6	1,371.3
Property, plant and equipment	7,679.8	8,216.6
Right of use (net)	1,664.6	1,529.5
Investments in joint ventures	1,497.7	1,020.8
Investments in associates	382.5	353.9
Non-consolidated investments (*)	52.4	3,102.2
Non-current operating financial assets	1,431.2	1,198.1
Non-current derivative instruments - Assets	39.0	53.4
Other non-current financial assets	374.6	427.3
Deferred tax assets	952.9	1,036.5
Non-current assets	**24,092.7**	**27,743.6**
Inventories and work-in-progress	792.0	797.7
Operating receivables	9,341.7	9,106.2
Current operating financial assets	86.0	172.8
Other current financial assets	738.5	1,073.2
Current derivative instruments - Assets	91.5	174.8
Cash and cash equivalents	5,843.3	5,840.0
Assets classified as held for sale	33.3	455.7
Current assets	**16,926.3**	**17,620.3**
TOTAL ASSETS	**41,019.0**	**45,363.9**

(*) As of December 31, 2020, non-consolidated investments consist of Suez shares for €3,046.0 million and other securities for €56.2 million, compared with €52.4 million as of December 31, 2019.

4] CONSOLIDATED STATEMENT OF FINANCIAL POSITION - EQUITY AND LIABILITIES

(€ million)	As of December 31, 2019	As of December 31, 2020
Share capital	2,836.3	2,893.1
Additional paid-in capital	7,197.9	7,291.8
Deeply-subordinated perpetual securities	-	1,987.1
Reserves and retained earnings attributable to owners of the Company	(4,100.5)	(4,955.8)
Total equity attributable to owners of the Company	**5,933.7**	**7,216.2**
Total equity attributable to non-controlling interests	1,144.7	1,098.5
Equity	**7,078.4**	**8,314.7**
Non-current provisions	1,848.7	1,846.8
Non-current financial liabilities	9,366.8	10,836.4
Non-current IFRS 16 lease debt	1,417.9	1,296.8
Non-current derivative instruments - Liabilities	52.4	65.5
Concession liabilities - non-current	1,421.7	1,459.9
Deferred tax liabilities	984.4	1,094.4
Non-current liabilities	**15,091.9**	**16,599.6**
Operating payables	11,753.6	11,850.4
Concession liabilities - current	128.3	145.6
Current provisions	539.1	510.7
Current financial liabilities	5,443.7	7,196.7
Current IFRS 16 lease debt	465.7	402.9
Current derivative instruments - Liabilities	197.8	117.9
Bank overdrafts and other cash position items	302.2	217.6
Liabilities directly associated with assets classified as held for sale	18.3	7.8
Current liabilities	**18,848.7**	**20,449.6**
TOTAL EQUITY AND LIABILITIES	**41,019.0**	**45,363.9**

5] CONSOLIDATED CASH-FLOW STATEMENT

(€ million)	**Year ended December 31, 2019**	**Year ended December 31, 2020**
Net income (loss) for the year	**760.6**	**208.5**
Net income (loss) from continuing operations	***872.5***	***228.4***
Net income (loss) from discontinued operations	***(111.9)***	***(19.9)***
Operating depreciation, amortization, provisions and impairment losses	2,028.1	2,058.2
Financial amortization and impairment losses	0.7	15.6
Gains (losses) on disposal of operating assets	12.5	19.2
Gains (losses) on disposal of financial assets	(403.0)	(46.6)
Share of net income (loss) of joint ventures	(89.3)	(87.4)
Share of net income (loss) of associates	(40.5)	(23.1)
Dividends received	(3.4)	(2.8)
Cost of net financial debt	440.5	414.4
Income tax expense	298.5	137.0
Other items	138.4	179.9
Operating cash flow before changes in working capital	**3,255.0**	**2,892.8**
Change in operating working capital requirements	208.9	233.2
Change in concession working capital requirements	(103.6)	(130.0)
Income taxes paid	(241.8)	(258.3)
Net cash from operating activities of continuing operations	**3,118.5**	**2,737.7**
Net cash from operating activities of discontinued operations	***(30.7)***	***(12.7)***
Net cash from operating activities	**3,087.8**	**2,725.0**
Industrial investments, net of grants	(1,676.0)	(1,608.6)
Proceeds on disposal of industrial assets	162.8	235.9
Purchases of investments	(321.6)	(5,026.2)
Proceeds on disposal of financial assets	1,524.8	188.0
Operating financial assets	-	-
New operating financial assets	(177.9)	(160.0)
Principal payments on operating financial assets	161.8	199.2
Dividends received (including dividends received from joint ventures and associates)	97.9	75.3
New non-current loans granted	(208.3)	(526.0)
Principal payments on non-current loans	167.2	480.5
Net decrease/increase in current loans	14.0	6.6
Net cash used in investing activities of continuing operations	**(255.3)**	**(6,135.3)**
Net cash used in investing activities of discontinued operations	***-***	***(4.7)***
Net cash used in investing activities	**(255.3)**	**(6,140.0)**

5] CONSOLIDATED CASH FLOW STATEMENT CONTINUED

(€ million)	**Year ended December 31, 2019**	**Year ended December 31, 2020**
Net increase (decrease) in current financial liabilities	(465.0)	1,083.5
Repayment of current IFRS 16 lease debt	(470.9)	(478.9)
Other changes in non-current IFRS 16 lease debt	(76.3)	(140.5)
New non-current borrowings and other debt	1,824.4	2,314.7
Principal payments on non-current borrowings and other debt	(850.0)	(70.6)
Change in liquid assets and financing financial assets	(274.7)	(368.7)
Proceeds on issue of shares	16.7	147.2
Share capital reduction	-	-
Transactions with non-controlling interests: partial purchases	(127.8)	(4.8)
Transactions with non-controlling interests: partial sales	10.2	2.4
Proceeds on issue of deeply subordinated securities	(5.5)	1,987.1
Coupons on deeply subordinated securities	-	-
Purchases of/proceeds from treasury shares	1.2	(8.3)
Dividends paid	(661.0)	(426.0)
Interest paid	(427.5)	(404.8)
Interest on IFRIC 12 operating assets	(81.3)	(79.8)
Interest on IFRS 16 lease debt (*)	(40.8)	(32.2)
Net cash from (used in) financing activities of continuing operations	***(1,628.3)***	***3,520.3***
Net cash from (used in) financing activities of discontinued operations	-	***(0.1)***
Net cash from (used in) financing activities	**(1,628.3)**	***3,520.2***
Effect of foreign exchange rate changes and other	(3.9)	(25.7)
Increase (decrease) in external net cash of discontinued operations	-	1.8
NET CASH AT THE BEGINNING OF THE YEAR	**4,340.8**	**5,541.1**
NET CASH AT THE END OF THE YEAR	**5,541.1**	**5,622.4**
Cash and cash equivalents	5,843.3	5,840.0
Bank overdrafts and other cash position items	302.2	217.6
NET CASH AT THE END OF THE YEAR	**5,541.1**	**5,622.4**

(*) Interest on IFRS 16 lease debt is not included in the Cost of net financial debt, but in Other financial income and expenses