MOODY'S INVESTORS SERVICE

CREDIT OPINION
12 April 2024

Update

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RATINGS

**Veolia Environnement S.A.**

| | |
|---|---|
| Domicile | France |
| Long Term Rating | Baa1 |
| Type | LT Issuer Rating |
| Outlook | Stable |

*Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.*


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# Veolia Environnement S.A.

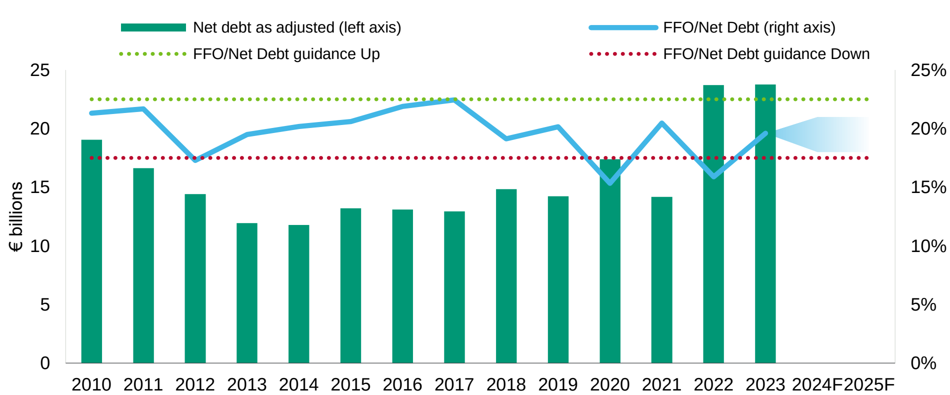
## Update following rating affirmation

## Summary


Veolia Environnement S.A.'s (Baa1 stable) credit quality is underpinned by its scale and position as one of the largest groups in global environmental services, a sector with positive structural dynamics; the diversification of its revenue base by business, contract type and geography; and the relatively low risk profile of its water business, which accounted for 48% of EBITDA in 2023.

These factors are offset by Veolia's exposure to the macroeconomic cycle through its waste business, which accounted for 29% of EBITDA in 2023 and the increasing share of short-term contracts with industrial clients in its revenue mix. We acknowledge, however, that Veolia's portfolio has grown more resilient as exemplified by its operating performance over the past 18 months where the company has displayed high single digit organic EBITDA growth during a period of flat waste volumes and high inflation.


Exhibit 1
**We expect Veolia's financial profile to remain broadly stable over the next two years**




All figures and ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. Periods are financial year-end unless indicated.
Moody's forecasts are Moody's opinion and do not represent the views of the issuer.
*Source: Moody's Financial Metrics™ and Moody's Ratings forecasts*

## Credit strengths

- Large scale and diversification, which support cash flow stability
- Low-risk water activities contracted with municipalities through long-term concessions, with regular price indexation mainly in Europe (notably in France) reflecting inflation (29% of 2023 EBITDA)
- Regulated water activities accounting for 10% of EBITDA in 2023 and enhancing cash flow predictability
- Supportive long-term industry dynamics
- Track record of a sound financial profile

## Credit challenges

- Exposure of the waste business to the cyclical macroeconomic environment in Europe
- Increasing share of earnings from clients in the industrial sector, which increases volatility
- Growing presence in riskier emerging markets, although mitigated by a balanced approach to capital deployment
- Increasing competition, particularly from Chinese groups, although this risk is mitigated by the company's more sophisticated environmental solutions, for example, for hazardous waste, which increase the barriers to entry

## Rating outlook

The stable outlook reflects our expectations that Veolia will continue to maintain a disciplined approach to its growth ambitions and take actions, if necessary, so that credit metrics remain commensurate with the current rating.

## Factors that could lead to an upgrade

Upward pressure could develop should Veolia's FFO/net debt move to the low to mid twenties in percentage terms.

## Factors that could lead to a downgrade

Conversely, negative pressure would develop should Veolia's credit metrics deteriorate so that its FFO/net debt drops below the high-teens in percentage terms. A material increase in structural subordination could also exert downward pressure on ratings.

## Key indicators

Exhibit 2

**Veolia Environnement S.A.**

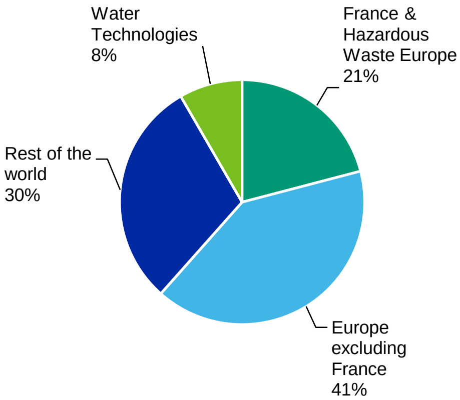
| | Dec-19 | Dec-20 | Dec-21 | Dec-22 | Dec-23 | Moody's 12-18 month forward view |
|---|---|---|---|---|---|---|
| (FFO + Interest Expense) / Interest Expense | 6.5x | 6.6x | 7.6x | 6.0x | 6.1x | 6x to 6.5x |
| FFO / Net Debt | 20.2% | 15.3% | 20.5% | 15.9% | 19.6% | 18% to 21% |
| RCF / Net Debt | 15.5% | 12.9% | 16.6% | 11.5% | 14.1% | 13.5% to 16% |
| FCF / Net Debt | -2.6% | -0.8% | 1.3% | -4.9% | -1.5% | -2% to 1% |

The 2019-23 key indicators are adjusted for IFRIC 12.
All figures and ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. Periods are financial year-end unless indicated.
Moody's forecasts are Moody's opinion and do not represent the views of the issuer.
*Source: Moody's Financial Metrics™ and Moody's Ratings forecasts*

## Profile

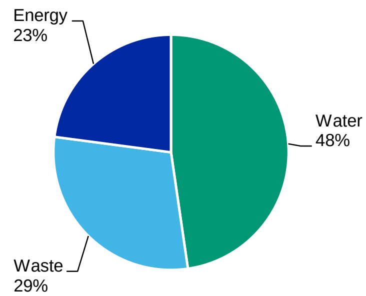
Headquartered in Aubervilliers, France, Veolia Environnement S.A. is one of the world's largest providers of environmental services, with revenue of €45.3 billion and EBITDA of €6.5 billion in 2023. It provided drinking water to 113 million people, wastewater treatment services to 103 million people and waste management services to 43 million people in 2023. Veolia is listed on the Paris Stock Exchange, with a market capitalisation of around €21 billion as of the middle of April 2024.

Exhibit 3
**EBITDA breakdown by geography (2023)**




*Source: Company*

Exhibit 4
**EBITDA breakdown by activity (2023)**




*Source: Company*

## Detailed credit considerations

### Restoration of credit quality in 2023 following the SUEZ acquisition

The acquisition of SUEZ (a company subsequently renamed Vigie), Veolia's former closest competitor, closed in January 2022. The transaction markedly increased Veolia's scale and geographical diversification, while the group implemented a series of measures to reduce the pressure on its financial metrics. As the two groups had somewhat complementary geographic footprints, the acquisition expanded Veolia's international presence, especially in Europe (excluding France and the UK) and the Americas, in the context of rising competition in a highly fragmented market. During 2023, Veolia generated 79% of its revenue outside France. Over the next few years, Veolia will continue to increase its geographical diversification. In its strategic update, which was presented in February 2024, the company said its long-term target was to derive half of its revenue outside of Europe (France included).

Following the acquisition, Veolia completed a series of antitrust disposals for a total consideration of close to €10.8 billion, mostly encompassing water and waste assets, largely in France and the UK, and accelerated its cost savings, scaling up the annual target to €350 million from €250 million in 2020, while delivering €371 million in 2022 and €389 million in 2023. These mitigation measures compare with an acquisition price of €9.3 billion, supplemented with €9.6 billion of financial debt inherited from SUEZ.

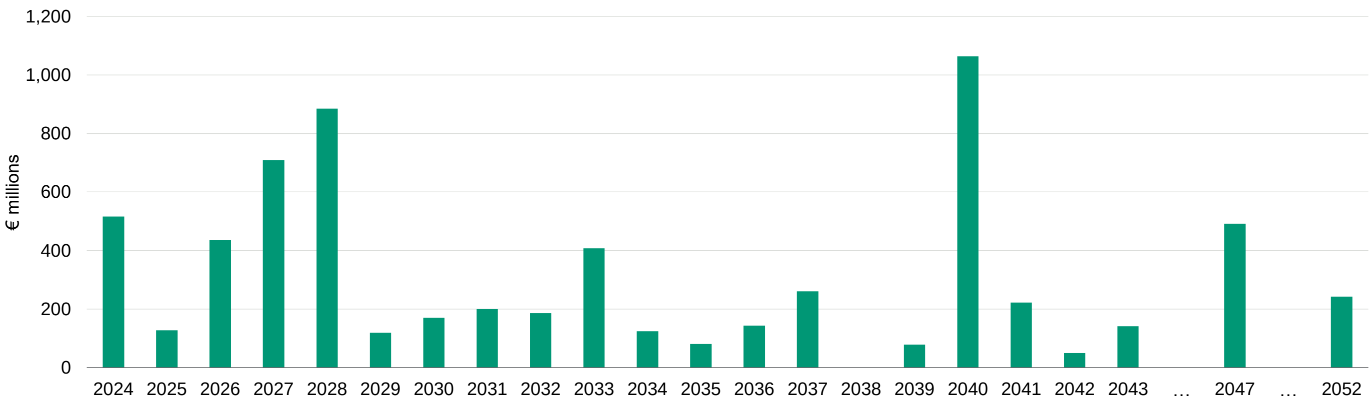
Throughout 2023, the company has successfully managed to restore its credit quality through a mix of strong operating performance, including efficiency gains of €389 million and €168 million in synergies from the SUEZ acquisition, and various credit enhancing measures including disposals. As of December 2023, the group reported net debt/EBITDA of 2.7x, down from the 2.9x reported during 2022 and below the company's medium-term target of around 3x. The leverage reduction furthermore translated into stronger cash flow metrics as Veolia improved its FFO/net debt to 19.6%, from 15.9% in 2022, and in line with levels that the company displayed before the acquisition of SUEZ.

In February 2024, Veolia unveiled its strategic plan for 2024-27. Over the medium term, the company expects mid- to high-single-digit growth in percentage terms to emanate from local energy decarbonisation, water technologies and hazardous waste treatment. These activities, which generated 30% of the company's revenue in 2023, are likely to contribute to 70% of Veolia's growth between 2024 and 2027. Veolia's remaining core operations, which include municipal water, heating networks, and solid waste management, will under its strategic plan account for the remaining 30% growth throughout the period. In particular, Veolia aims to leverage the synergy of its core businesses and growth boosters across different geographic locations by replicating already-proven solutions.

### Scale and diversification support cash flow stability

Veolia's credit quality is underpinned by its large scale and diversification, which have contributed to its leading market positions in different geographies across its three businesses: water, environmental and energy services. The diversification of the company's revenue base by business, geography and contract type helps mitigate the negative effect on its earnings from a deterioration in any one activity or region, and supports the relative stability of its cash flow. In addition, the granularity of Veolia's contract portfolio means that it has limited exposure to the risk of nonrenewal of any single contract. In March 2024, Veolia announced the prolongation of the contract with the Greater Paris Water Authority — one of Veolia's largest individual contracts — until 2036. The contract has a total value of €4 billion, covering 4 million residents spread across 132 municipalities.

Exhibit 5
**Veolia's portfolio of contracts has limited concentration**
**Expiry dates of contracts**




*Source: Company and Moody's Ratings*

### Growing share of industrial clients in the revenue mix will increase cash flow volatility

Veolia's revenue comes from a portfolio of thousands of multiyear contracts, which range from long-term concessions with low-risk public-sector counterparties to shorter-term contracts with industrial and commercial (I&C) customers. Contracts vary by market and can be either capital-intensive, requiring the group to invest in infrastructure in exchange for the right to provide services on a long-term basis, or structured as operating and maintenance or management contracts, requiring little investment.

In Veolia's 2020-23 strategic plan, industrial clients were projected to account for 65% of its investment spending for the period. Although the company has not reiterated specific guidance on capital spending allocated to industrial clients, it has a long-term target to achieve a more balanced revenue distribution across its activities. This involves a progressive reduction in water activities in its revenue from 41% in 2023 to a long-term target of 33%, primarily driven by municipal water operations. Consequently, we expect the contribution from I&C customers to continue to grow over time. This shift will increase Veolia's business risk and could lead to a greater reliance on shorter-term, asset-light contracts.

### Supportive long-term industry dynamics in an increasingly competitive environment

Veolia operates in sectors that benefit from positive long-term underlying dynamics even if they are not immune to short-term economic pressures. Positive factors include population growth, the trend towards urbanisation and industrialisation, the energy transition and our expectation of rising living standards in emerging economies.

Together with the public concern over the effects of climate change on scarce resources and increasingly strict environmental regulations, these positive dynamics will drive the use of existing technologies for the provision of water, wastewater and waste management services; the adaptation of new services and technologies to, for example, facilitate water preservation in the context of climate change; and the ongoing shift towards waste recovery, in particular, in the food chain or new energy services.

Against this favourable backdrop, there is intense competition, especially in the lower part of the value chain. After the SUEZ acquisition, Veolia has no global competitors. However, even if the markets remain fragmented, some Chinese competitors are emerging, alongside both global and local specialists (for example, energy companies, equipment manufacturers and companies specialising in energy efficiency or facility management). Veolia's main competitive advantages are its scale, geographic footprint and wide range of services and technologies across business lines.

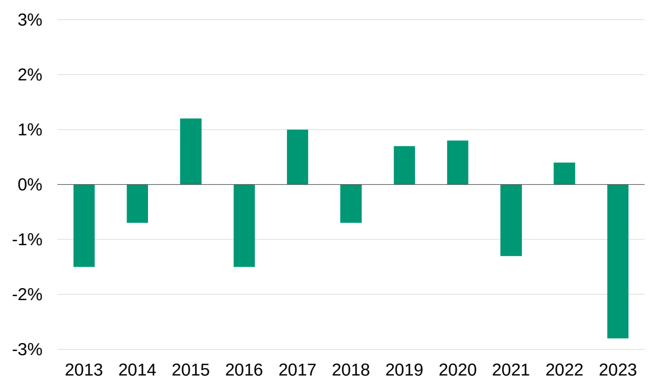
### Water activities have low risk, but the waste business' exposure to cyclical macroeconomic conditions is a challenge

Veolia benefits from the low risk profile of its water business, which provides essential water and wastewater management services to households and businesses, often on behalf of local municipalities under long-term concession agreements. Although demand for water continues its slow structural decline in advanced economies, especially in Europe, because of a more resource-aware population, variations in water consumption are driven mainly by weather, as illustrated in 2023 when unfavourable weather conditions in France, Spain and the US decreased water consumption over the summer months (see Exhibit 6). Typical contract renewal rates of around 90% in the municipal sector provide revenue visibility and stability. However, under its long-term strategic plan, water will represent a diminishing share of Veolia's revenue, mainly because the company will derive stronger growth in other operating segments.

Exhibit 6

**Water volume in mature economies exhibits low volatility and growth ...**

**(Annual percentage change in Veolia's water volume in France)**

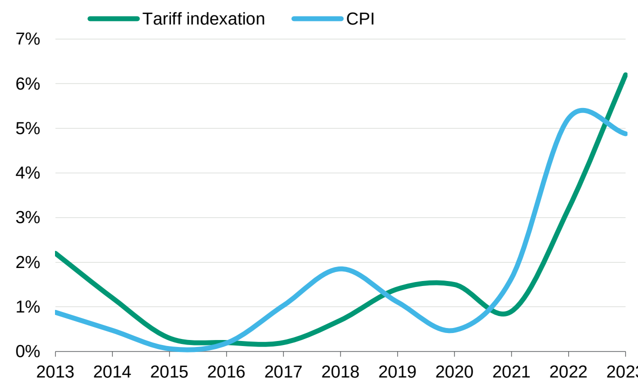



*Source: Company*

Exhibit 7

**... while tariff indexation tends to reflect the inflation trend, although with a lag, subject to the anniversary date of the contracts**

**(Annual percentage change in Veolia's water tariffs in France versus the Consumer Price Index)**

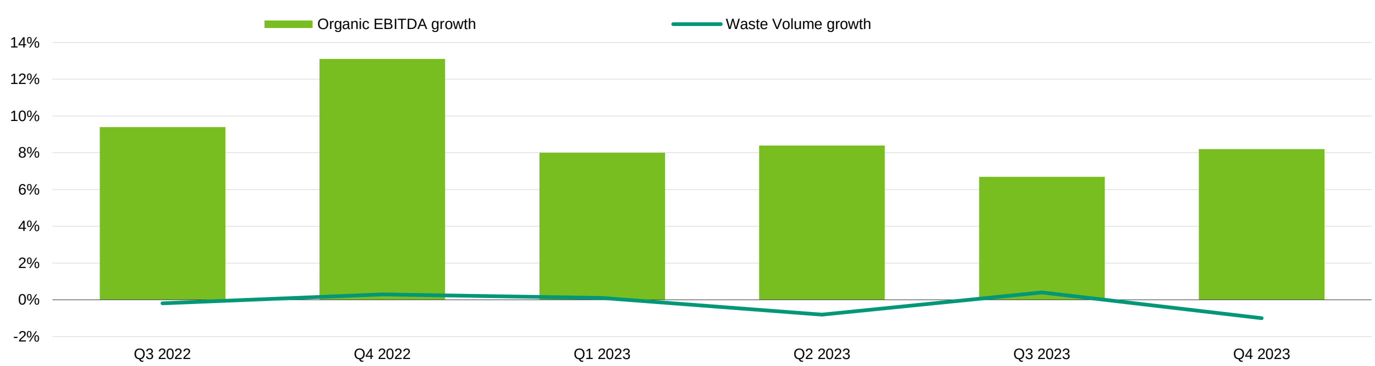



*Sources: INSEE, company and Moody's Ratings*

The waste management segment is more exposed to cyclical macroeconomic conditions, given the higher proportion of I&C customers; that contract terms are often linked to collected or processed volume, which, in turn, is linked to industrial production (see Exhibit 9); and the exposure, although moderate, of the recycling business to paper and scrap metal prices. The coronavirus pandemic illustrated the effects of the company's exposure to any economic downturn, with Veolia's waste volumes falling by 5.2% in 2020, driven by the economic fallout of pandemic-related lockdown measures, especially in Europe and the US (solid waste volume recovered by 5.3% in 2021). During 2023, volumes fell by 0.3%, in line with industrial production (see Exhibit 8). We note, however, that Veolia has displayed a very solid operating performance over the past 18 months during an environment where waste volumes has been flat and inflation high.

Exhibit 8

**Veolia has displayed strong quarterly EBITDA growth despite flat waste volumes**



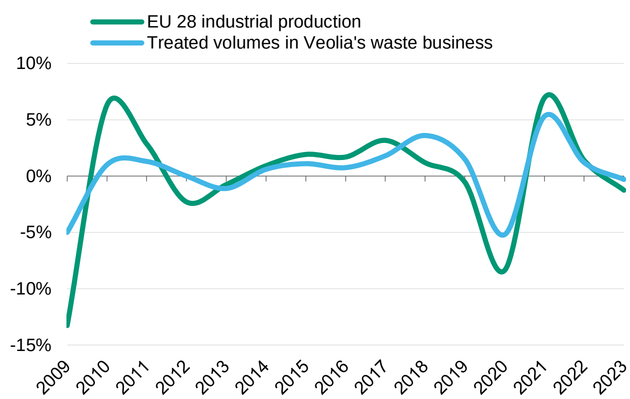

*Source: Company and Moody's Ratings*

With low entry barriers in the collection and disposal of nonhazardous waste, Veolia continues to invest in higher-value-added activities. These include sorting and processing of hazardous materials, which is a core expertise that Veolia wants to develop from a revenue base of €4.2 billion in 2023. The company aims to achieve a mid- to high-single-digit compound annual growth rate (CAGR) in revenue until 2027 for this activity. We note, however that increased EBITDA derived from energy from waste might increase the group's exposure to fluctuations in energy prices in some cases.

Exhibit 9

**Veolia's waste business is exposed to the macroeconomic cycle**

**Annual percentage change**



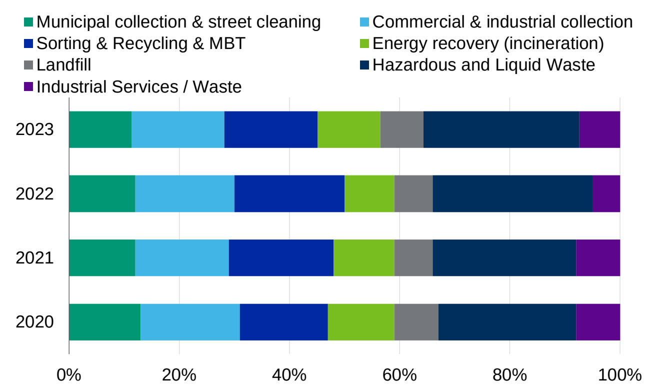

In 2010, waste volume was from industrial clients only.

*Sources: Company and Moody's Ratings*

Exhibit 10

**The shift from collection and landfill to recycling and hazardous waste treatment continues**

**Waste revenue breakdown by activity**




*Sources: Company and Moody's Ratings*

More than 60% of Veolia's energy revenue comes from the management of district heating and cooling networks under long-term contracts. These contracts include indexation and pass-through clauses covering variations in energy prices, although such contracts can be subject to some regulatory risk and time-lag effects. These features underpin a relatively predictable cash flow. However, earnings are exposed to weather conditions and seasonal variations in demand. In addition to managing networks, the group acts as a subcontractor for public and private customers to manage or maintain various energy installations (including decentralised electricity generation, such as biomass), which, in turn, can expose it to fluctuations in energy prices.

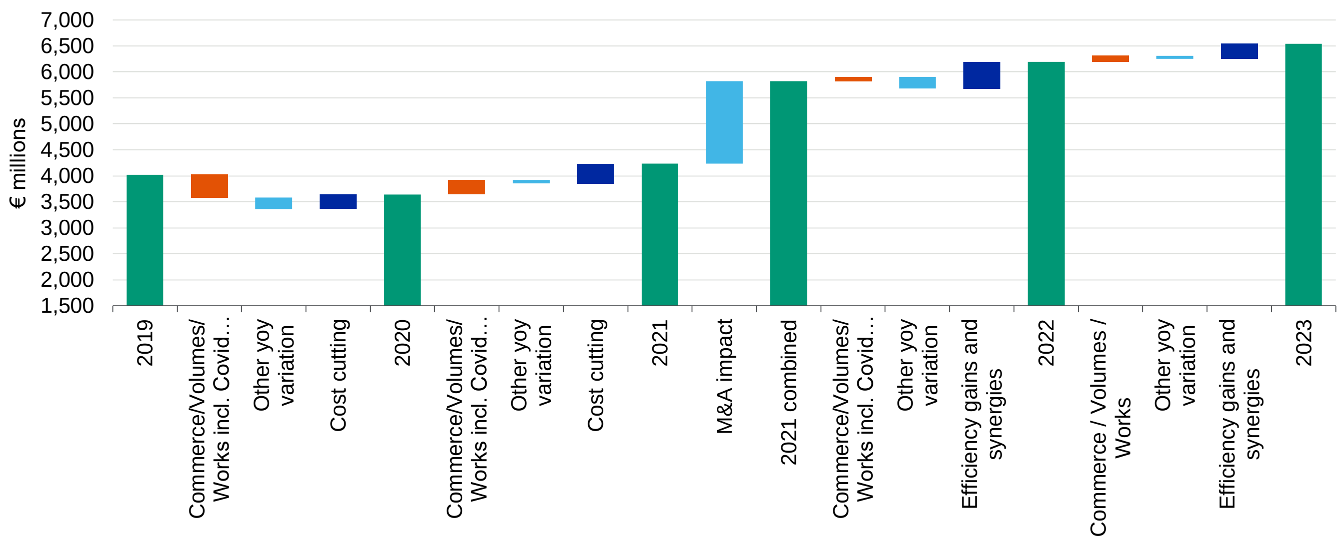
### Growing focus on specialised services and growth markets outside Europe, mitigated by a balanced approach towards capital deployment

In February 2024, Veolia unveiled its four-year strategic plan, which focuses on accelerating growth in sectors that require specific expertise and will benefit from strong macroeconomic trends. In particular, this includes hazardous waste treatment and decarbonising local energy and water technologies, while also progressively shifting from mature economies to growth markets outside Europe. Those three segment that are identified as growth boosters, which currently account for 30% of the group revenue, will generate 70% of the group's growth over 2024-27. Veolia will allocate half of its growth investments, or around €2 billion, to these activities. As part of its strategic plan, the company also aims to substantially reduce its carbon footprint. This will be done through different layers and could also entail acquisitions supporting the company's strategic vision. For example, in February 2024, Veolia announced it would acquire a 430 megawatt (MW) gas plant from Uniper SE in Hungary. The acquisition supports the company's aim of substantially reducing its carbon footprint as also outlined under its new strategy.

### Solid financial profile will continue to be supported by cost savings and asset rotations

During the business plan period, the company expects EBITDA to increase to more than €8 billion in 2027, from €6.5 billion in 2023. EBITDA growth will be driven by a combination of organic growth, efficiency gains and tuck-in acquisitions, while Veolia will continue to adhere to its leverage target of below 3x net debt/EBITDA. This projection captures our assumption that efficiencies will continue to play a major role, with more than €350 million in projected efficiencies per year during this period. Around 65% of these efficiencies are likely to come from operations, 25% from procurements and 10% from general and administrative costs. In parallel, the company will continue to extract synergies from the SUEZ acquisition with targeted cumulative cost synergies of €500 million by 2025, up from cumulated €315 million synergies over 2023-2022. The company expects EBITDA growth to be driven roughly equally by top-line growth and by synergies and efficiencies. Over the past years, the successful execution of Veolia's cost-saving programme has more than offset the pressure from weak price indexation and subdued industrial production in Europe (see Exhibit 11). In 2023, Veolia reported total efficiency and synergy savings of €557 million, ahead of the yearly target.

Exhibit 11
**EBITDA growth remains supported by cost savings**




*Source: Company and Moody's Ratings*

Over the four years till 2027, we expect Veolia to continue its asset rotation programme targeting nonstrategic activities of mature assets. We would expect the company to gradually reduce businesses that are deemed mature or commoditised, which mainly consist of construction, municipal waste collection (if isolated) and facility management, as shown with the completion of the sale of construction and rehabilitation of water and infrastructure networks business SADE-CGTH to NGE for an enterprise value of €260 million in March 2024. At the same time, Veolia is likely to pursue bolt-on acquisitions and the company has guided towards an annual net spend of acquisition of around €500 million per year.

Veolia reported solid financial performance in 2023, with revenue of €45.3 billion, up by 9% compared with that a year earlier, driven mainly by high energy prices, supportive contract pricing and good volumes despite unfavourable weather conditions in Europe and the US. EBITDA grew by 7.8% to €6.5 billion, mainly on efficiency gains, cost synergies and positive impact of energy and recycled materials prices.

The water segment's revenue, which encompasses water operations (€12 billion of revenue), water technologies (€4.7 billion of revenue) and water works (€1.7 billion of revenue), increased 7.5% to reach €18.4 billion in 2023. The revenue growth was mainly underpinned by increased tariffs and a 12.1% growth in water technologies, which more than offset a negative volume impact because of unfavourable weather conditions in France, Spain and the US. In terms of EBITDA, the segment recorded a 5.4% growth to reach €3.1 billion, mainly driven by the water technologies business.

Veolia's waste segment revenue, comprising solid waste (€9.7 billion in revenue), hazardous waste (€4.2 billion in revenue) and industrial services (€0.9 billion in revenue), increased 3.4% in 2023 at constant scope and foreign exchange to reach €14.7 billion. Revenue growth was mainly driven by increased tariffs, while volumes remained flat. Excluding the impact of recyclate prices, EBITDA was up by 1%.

Energy revenue comprises district heating (€7.9 billion in revenue) and Building and Industrial Energy Services (€4.4 billion in revenue), and rose 19.9% in 2023. This particularly strong growth was fuelled by a steep increase in energy prices, which also were a main contributor to the stellar 35.3% growth in the segment's EBITDA.

We expect the company's revenue and EBITDA to continue to grow from 2024 to 2027, with EBITDA increasing from €6.5 billion in 2023 to €8 billion in 2027. EBITDA growth will be mainly driven by around €700 million from growth in group commercial and M&A, €200 million from cost synergies and €560 million from efficiency gains amid still-favourable market conditions. We estimate that Veolia's adjusted net debt will range between €24 billion and €27 billion during the same period, compared with €23.8 billion in 2023, which takes into account some portfolio rotations and a continuation of the dividend policy.

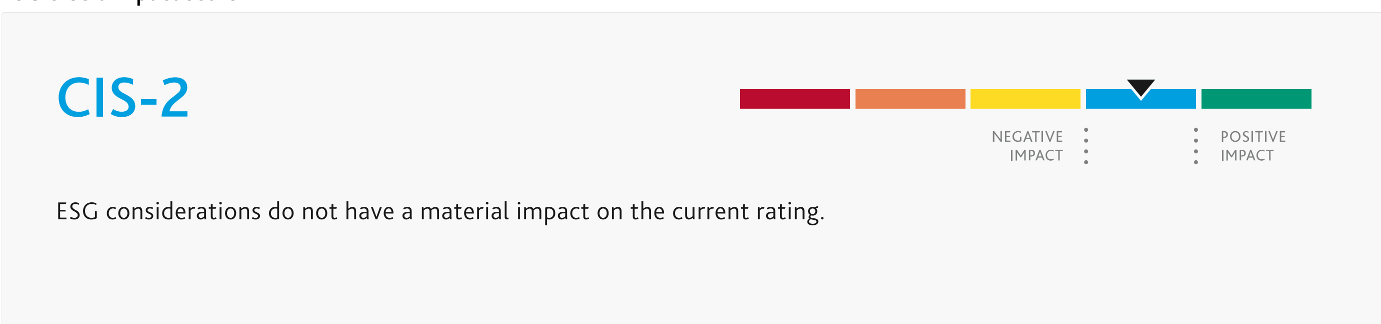
## Structural considerations

Following the integration of assets acquired from SUEZ, Veolia has a sizeable amount of debt in its subsidiaries. A large share of the subsidiary debt is raised at two of the company's regulated water businesses in Chile and the US, which operate with higher leverage than Veolia on a standalone basis. However, we do not expect any further material increase in subsidiary debt from today's levels.

## ESG considerations

### Veolia Environnement S.A.'s ESG credit impact score is CIS-2

Exhibit 12
**ESG credit impact score**




*Source: Moody's Ratings*

Veolia Environment's **CIS-2** indicates reflects low to neutral government risk but moderate environmental and social risks.

Exhibit 13
**ESG issuer profile scores**


*Source: Moody's Ratings*

### Environmental

Veolia's **E-3** is driven by risks around natural capital, water management and pollution as a result of the global portfolio of water and waste-water treatment units, waste sites (landfills) and hazardous waste treatment facilities. Pollution or other incidents could have significant negative impact on the group's reputation, business outlook and financial situation. We also incorporate the group's moderate exposure to carbon transition risks given its fleet of waste collection trucks and energy services activity (27% of revenue in 2023) mainly consisting of coal-fueled district heating units. Under its new updated strategy, Veolia has set forward to reduce its carbon emissions by by 50% by 2032 through a number of initiatives that could also support its EBITDA growth.

### Social

Veolia's **S-3** reflects risks around demographics and societal trends including potential concerns over affordability, expectations that utilities should act as public service, and reputational risk. We also consider the group's labour intensity and relatively unionised workforce and exposure to potentially risky operations given the focus on hazardous-waste treatments. These pressures are mitigated by Veolia's positive track record, employee's health and safety indicators included in the management's variable remuneration and the spending to promote skills and social mobility.

### Governance

Veolia's **G-2** reflects the company's well-defined financial policies coupled with diverse ownership structure. The governance profile is further supported by low to neutral scores on compliance and reporting.

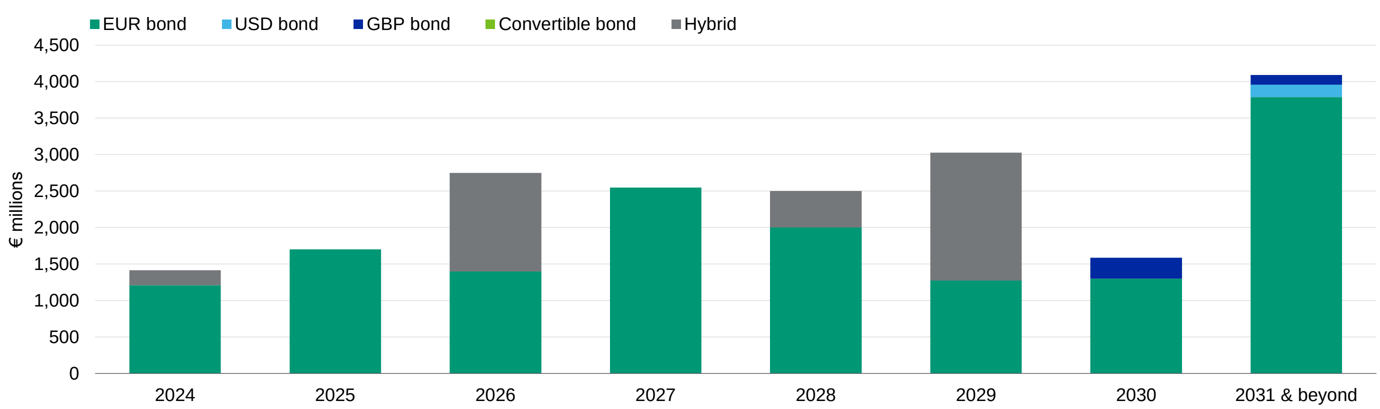
ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

## Liquidity analysis

Veolia's liquidity profile is excellent. As at the end of December 2023, the company had €10.2 billion of unrestricted cash on its balance sheet, out of which €2.2 billion was at the level of its subsidiaries. Further liquidity cushion is supported by access to about €6 billion of undrawn committed facilities, including its €4.5 billion undrawn syndicated facility maturing in 2029. These facilities contain no triggers, financial covenants, significant adverse changes or general restrictions. We expect Veolia's free cash flows after dividends to be broadly neutral over the next three years, and the company's debt maturity profile is well spread out.

Exhibit 14

**Veolia's debt maturity profile as of December 2023**




*Source: Veolia and Moody's Ratings*

## Methodology and scorecard

We rate Veolia in accordance with the Environmental Services and Waste Management rating methodology. The Baa1 rating is in line with the scorecard-indicated outcome on a forward-looking basis.

Exhibit 15

**Rating factors**

**Veolia Environnement S.A.**

| Environmental services and waste management scorecard | Current FY 12/31/2023 | | Moody's 12-18 month forward view as of April 2023 | |
|---|---|---|---|---|
| **Factor 1 : BUSINESS PROFILE (15%)** | **Measure** | **Score** | **Measure** | **Score** |
| a) Business Profile | Aa | Aa | Aa | Aa |
| **Factor 2 : SCALE (20%)** | | | | |
| a) Revenue (USD Billions) | $49.3 | Aaa | Aaa | Aaa |
| **Factor 3 : PROFITABILITY AND EFFICIENCY (10%)** | | | | |
| a) EBIT Margin % | 6.4% | Ba | 6.5%- 8.5% | Ba |
| **Factor 4 : LEVERAGE AND COVERAGE (40%)** | | | | |
| a) FFO / Debt | 13.7% | B | 13% - 15% | B |
| b) Debt / EBITDA | 5.6x | Caa | 3.5x - 5.5x | B |
| c) EBIT / Interest Expense | 3.2x | Baa | 2.5x - 4.5x | Baa |
| **Factor 5 : FINANCIAL POLICY (15%)** | | | | |
| a) Financial Policy | Baa | Baa | Baa | Baa |
| **Rating:** | | | | |
| a) Scorecard-Indicated Outcome | | Baa2 | | Baa1 |
| b) Actual Rating Assigned | | | | Baa1 |

All figures and ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
Moody's forecasts are Moody's opinion and do not represent the views of the issuer.
*Source: Moody's Financial Metrics™ and Moody's Ratings forecasts*

# Appendix

Exhibit 16
## Peer comparison
### Veolia Environnement S.A.

| | Veolia Environnement S.A. Baa1 Stable | | | SUEZ Baa2 Stable | | | Hera S.p.A. Baa2 Stable | | | ACEA S.p.A. Baa2 Stable | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (in EUR million) | FYE Dec-21 | FYE Dec-22 | FYE Dec-23 | FYE Dec-20 | FYE Dec-21 | FYE Dec-22 | FYE Dec-20 | FYE Dec-21 | FYE Dec-22 | FYE Dec-21 | FYE Dec-22 | FYE Dec-23 |
| Revenue | 28,760 | 43,080 | 45,584 | | | 6,844 | 7,079 | 10,555 | 20,082 | 3,816 | 4,957 | 4,430 |
| EBITDA | 3,729 | 5,675 | 6,104 | | | 922 | 991 | 970 | 990 | 1,137 | 1,189 | 1,244 |
| Total Debt | 25,506 | 34,134 | 33,946 | | | 6,576 | 4,337 | 4,264 | 6,416 | 5,149 | 5,407 | 5,760 |
| Cash & Cash Equivalents | 11,318 | 10,381 | 10,190 | | | 1,766 | 987 | 886 | 1,942 | 681 | 560 | 359 |
| EBIT Margin % | 5.4% | 5.9% | 6.4% | | | 3.7% | 7.5% | 4.7% | 2.5% | 15.5% | 12.0% | 13.4% |
| EBIT / Interest Expense | 3.6x | 3.4x | 3.2x | | | 2.4x | 6.5x | 6.6x | 5.9x | 7.0x | 6.6x | 4.3x |
| Debt / EBITDA | 6.8x | 6.0x | 5.6x | | | 7.1x | 4.4x | 4.4x | 6.5x | 4.5x | 4.5x | 4.6x |
| FFO / Net Debt | 20.5% | 15.9% | 19.6% | | | 9.5% | 23.0% | 26.8% | 19.8% | 21.5% | 19.9% | 19.7% |
| RCF / Net Debt | 16.6% | 11.5% | 14.1% | | | 8.7% | 18.2% | 21.1% | 14.9% | 19.3% | 16.9% | 17.0% |

All figures and ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
*Source: Moody's Financial Metrics™*

Exhibit 17
## Moody's-adjusted debt reconciliation
### Veolia Environnement S.A.

| (in EUR million) | FYE Dec-18 | FYE Dec-19 | FYE Dec-20 | FYE Dec-21 | FYE Dec-22 | FYE Dec-23 |
|---|---|---|---|---|---|---|
| **As Reported Total Debt** | 16,308 | 16,996 | 19,950 | 21,037 | 28,580 | 28,350 |
| Pensions | 644 | 693 | 661 | 649 | 688 | 690 |
| Hybrid Securities | 0 | 0 | 1,000 | 1,250 | 1,800 | 1,800 |
| Securitization | 789 | 894 | 698 | 812 | 1,142 | 1,094 |
| Non-Standard Public Adjustments | 1,507 | 1,581 | 1,606 | 1,758 | 1,924 | 2,012 |
| **Moody's Adjusted Total Debt** | 19,248 | 20,164 | 23,914 | 25,506 | 34,134 | 33,946 |
| Cash & Cash Equivalents | (4,413) | (5,932) | (6,536) | (11,318) | (10,381) | (10,190) |
| **Moody's Adjusted Net Debt** | 14,835 | 14,233 | 17,378 | 14,187 | 23,753 | 23,756 |

All figures and ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. Periods are financial year-end unless indicated.
*Source: Moody's Financial Metrics™*

Exhibit 18
## Moody's-adjusted EBITDA reconciliation
### Veolia Environnement S.A.

| (in EUR million) | FYE Dec-18 | FYE Dec-19 | FYE Dec-20 | FYE Dec-21 | FYE Dec-22 | FYE Dec-23 |
|---|---|---|---|---|---|---|
| **As Reported EBITDA** | 3,216 | 3,671 | 2,849 | 3,405 | 5,367 | 5,789 |
| Unusual Items - Income Statement | (4) | (326) | 0 | 0 | 0 | 0 |
| Pensions | 7 | 2 | (18) | (1) | 14 | (10) |
| Securitization | 31 | 27 | 15 | 18 | 53 | 57 |
| Non-Standard Public Adjustments | 394 | 394 | 429 | 223 | 274 | 317 |
| Interest Expense - Discounting | (30) | (31) | (24) | (21) | (33) | (49) |
| **Moody's Adjusted EBITDA** | 3,729 | 3,866 | 3,362 | 3,729 | 5,675 | 6,104 |

All figures and ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. Periods are financial year-end unless indicated.
*Source: Moody's Financial Metrics™*

Exhibit 19

**Overview on select historical Moody's-adjusted financial data**
**Veolia Environnement S.A.**

| (in EUR million) | FYE Dec-18 | FYE Dec-19 | FYE Dec-20 | FYE Dec-21 | FYE Dec-22 | FYE Dec-23 |
|---|---|---|---|---|---|---|
| **INCOME STATEMENT** | | | | | | |
| Revenue | 26,086 | 27,351 | 26,209 | 28,760 | 43,080 | 45,584 |
| EBITDA | 3,729 | 3,866 | 3,362 | 3,729 | 5,675 | 6,104 |
| EBIT | 1,466 | 1,525 | 1,005 | 1,563 | 2,530 | 2,918 |
| Interest Expense | 550 | 519 | 476 | 438 | 750 | 907 |
| **BALANCE SHEET** | | | | | | |
| Cash & Cash Equivalents | 4,413 | 5,932 | 6,536 | 11,318 | 10,381 | 10,190 |
| Total Debt | 19,248 | 20,164 | 23,914 | 25,506 | 34,134 | 33,946 |
| Total Liabilities | 34,252 | 36,010 | 39,822 | 43,621 | 63,992 | 63,149 |
| **CASH FLOW** | | | | | | |
| Funds from Operations (FFO) | 2,838 | 2,870 | 2,665 | 2,903 | 3,768 | 4,655 |
| Dividends | 625 | 661 | 426 | 546 | 1,034 | 1,306 |
| Retained Cash Flow (RCF) | 2,213 | 2,209 | 2,239 | 2,357 | 2,734 | 3,349 |
| Cash Flow From Operations (CFO) | 2,716 | 3,077 | 3,070 | 3,033 | 3,328 | 4,721 |
| Free Cash Flow (FCF) | (444) | (369) | (135) | 180 | (1,173) | (356) |
| EBITDA margin % | 14.3% | 14.1% | 12.8% | 13.0% | 13.2% | 13.4% |
| EBIT margin % | 5.6% | 5.6% | 3.8% | 5.4% | 5.9% | 6.4% |
| **INTEREST COVERAGE** | | | | | | |
| EBITDA / Interest Expense | 6.8x | 7.5x | 7.1x | 8.5x | 7.6x | 6.7x |
| (FFO + Interest Expense) / Interest Expense | 6.2x | 6.5x | 6.6x | 7.6x | 6.0x | 6.1x |
| **LEVERAGE** | | | | | | |
| Debt / EBITDA | 5.2x | 5.2x | 7.1x | 6.8x | 6.0x | 5.6x |
| Net Debt / EBITDA | 4.1x | 3.8x | 5.3x | 3.9x | 4.2x | 3.9x |
| FFO / Net Debt | 19.1% | 20.2% | 15.3% | 20.5% | 15.9% | 19.6% |
| RCF / Net Debt | 14.9% | 15.5% | 12.9% | 16.6% | 11.5% | 14.1% |
| FCF / Net Debt | -3.0% | -2.6% | -0.8% | 1.3% | -4.9% | -1.5% |

All figures and ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. Periods are financial year-end unless indicated.
*Source: Moody's Ratings*

## Ratings

Exhibit 20

| Category | Moody's Rating |
|---|---|
| **VEOLIA ENVIRONNEMENT S.A.** | |
| Outlook | Stable |
| Issuer Rating | Baa1 |
| Senior Unsecured | Baa1 |
| Jr Subordinate -Dom Curr | Baa3 |
| Commercial Paper | P-2 |

*Source: Moody's Ratings*

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## CLIENT SERVICES


| | |
|---|---|
| Americas | 1-212-553-1653 |
| Asia Pacific | 852-3551-3077 |
| Japan | 81-3-5408-4100 |
| EMEA | 44-20-7772-5454 |


Moody's
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