

PreZero forging ahead on growth trajectory

Neckarsulm/Paris, 16. September 2020. PreZero, the environmental division of the Schwarz Group, and SUEZ announce that they have

- **Signed an agreement to enter into exclusive negotiations for the acquisition of SUEZ Recycling & Recovery operations - excluding plastic recycling and hazardous waste treatment activities - in four European countries: the Netherlands, Luxembourg, Germany and Poland, and**
- **Entered into a memorandum of understanding (MoU) to explore possibilities to develop strategic partnerships and promoting innovative waste management solutions to accelerate the development of the circular economy in Europe.**

THE CONTEMPLATED ACQUISITION

PreZero is one of the leading companies in waste and recycling management and thereby manages all services along the value chain including waste collection, sorting, processing and recycling. Besides Germany, PreZero is active in other European countries and North America with more than 3,600 employees at over 90 locations. In recent years, PreZero has expanded its waste and recycling management activities through various acquisitions. The vision of PreZero is to create a world in which resources are no longer wasted thanks to closed loops. Zero waste, 100 percent reusable material.

SUEZ benefits from leading positions in the Netherlands, Luxembourg, Germany and Poland which covers the entire waste Recycling and Recovery value chain, from Collection to Sorting, Processing and Treatment. It handles a broad range of waste types (wood, glass, paper, metal, etc.) within its 125 sites run by its c.6,700 employees. In 2019, such perimeter has generated c.€1,110m in sales and c.€100m adjusted EBITDA¹ on a pro forma adjusted basis.

For PreZero, the signing of the agreement to acquire the SUEZ sites in the Netherlands, Luxembourg, Germany and Poland is an important step for the further growth of the company.

Thomas Kyriakis, CEO of PreZero, added: "With the contemplated acquisition of SUEZ's recycling and recovery businesses in the Netherlands, Luxembourg, Germany and Poland, we are further enhancing the waste stream cycles that we already cover today in order to improve waste and recycling management and reduce the consumption of natural resources. Municipal customers and our partners in commercial and industry likewise will benefit from us driving competition. At the same time, the Schwarz Group outlines its responsibility to establish a sustainable circular economy".

¹ Excl. IFRS 16 debt

"With the planned acquisition and the associated combination of both companies know-how, we create synergies and the basis for further growth. By enhancing our service portfolio and expanding our location coverage, we create sustainable added value for our customers", highlights Gerald Weiss, Managing Director of PreZero International.

After completion of the transaction, PreZero will have a total of approximately 10,300 employees in Germany, Poland, the Netherlands, Belgium, Luxembourg, Austria, Italy and the USA.

The transaction is expected to be completed in Q1 2021, subject to regulatory approval and customary closing conditions including the consultation of employee representative bodies.

Commenting on the transaction, Bertrand Camus, CEO of SUEZ, says: "This project marks a major step in the achievement of our SUEZ 2030 strategic plan, presented last October, which plans to concentrate our forces in France and in Europe, on the activities and geographies where we can deploy our most promising innovations to become the leader in environmental services. This transaction is part of our asset rotation program and values the quality of our business portfolio. I am very excited about the opportunity to accelerate the circular economy with our partners at Schwarz Group as part of the Memorandum of Understanding signed today. We are confident that, within PreZero, these activities and teams will continue to grow for the benefit of the environment."

THE STRATEGIC PARTNERSHIP

Entering into a memorandum of understanding, the Schwarz Group and SUEZ will explore possibilities to develop strategic partnerships to accelerate the development of the circular economy. The two groups would bring deep and complementary skills in waste and recycling services: SUEZ' position and know-how in the international waste and water management markets and Schwarz Group, the largest European retailer and a pioneer in the areas of recyclables through its environmental division PreZero.

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Caption: PreZero, the environmental division of the Schwarz Group has signed an agreement to enter into exclusive negotiations for the acquisition of SUEZ's recycling and recovery businesses in the Netherlands, Luxembourg, Germany and Poland.

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