

RADICALLY TRANSFORMED, EDENRED LAUNCHES A NEW PHASE OF PROFITABLE GROWTH WITH ITS “NEXT FRONTIER” STRATEGIC PLAN FOR 2019-2022

At its Capital Markets Day event held today in London, Edenred unveiled
“Next Frontier”, its new strategic plan for 2019-2022

- **A radically transformed Group thanks to “Fast Forward” (2016-2018)**
 - Increase in scale following strong organic growth and well-integrated acquisitions
 - New growth momentum in Edenred's three business lines and 46 countries
 - Creation of a technology leader offering a wide range of innovative digital solutions
- **A vision: be the everyday companion for people at work**
 - A trusted partner for a network connecting close to 50 million employees with 2 million partner merchants via 830,000 companies as part of a virtuous circle
 - An intermediation platform for specific-purpose services and payments in the working world
- **“Next Frontier”: unlocking the full potential of a unique platform model to generate further profitable and sustainable growth**
 - Expanding and strengthening Edenred's presence in existing businesses, in still largely underpenetrated markets
 - Accelerating innovation as a driver of differentiation and source of additional growth
 - Continuing to implement a strategy of targeted acquisitions alongside robust organic growth
- **New, more ambitious annual financial targets for 2019-2022**
 - Like-for-like¹ operating revenue growth of more than 8%
 - Like-for-like EBITDA growth of more than 10%
 - A free-cash-flow/EBITDA conversion rate of more than 65%²
- **New capital allocation policy in line with the Group's growth strategy, with the introduction of a progressive dividend³**

¹ Like-for-like growth corresponds to organic growth (growth at constant scope of consolidation and exchange rates).

² Based on current regulations on float classification.

³ An increase of at least €0.01 per year as from 2020 (dividends paid in respect of 2019).

Bertrand Dumazy, Chairman and Chief Executive Officer of Edenred, said: *“The successful execution of the Fast Forward strategic plan radically transformed the Edenred Group and gave fresh momentum to its growth. In three years, the Group accomplished its technological transition and is today positioned among the leading digital players in its various markets. The new strategic plan for 2022, Next Frontier, which is being led by our 10,000 employees, aims to develop and enhance the unique and virtuous network that we have created in the working world. With Next Frontier, Edenred is ready and able to capture the full potential of its platform to the benefit of a broader client base. To reflect this confidence, the Group has raised its ambitions for profitable growth.”*

EDENRED, A UNIQUE POSITIONING IN THE WORKING WORLD

Edenred is a trusted partner to people at work, providing solutions and services that make life easier for employees and increase their purchasing power, improve the efficiency of companies and local authorities, and vitalize the employment market and local economy in 46 countries around the world.

The Group operates more than 250 programs in the workplace meals, fleet and mobility, employee well-being and corporate payment segments, playing a daily role at the heart of a broad ecosystem generating business volumes of €30 billion. As a unique intermediation platform for specific-purpose services and payments, Edenred leverages innovative digital services to connect close to 50 million users with 2 million partner merchants via 830,000 corporate clients as part of a virtuous circle.

“FAST FORWARD” (2016-2018), A SUCCESSFUL TRANSFORMATION

The successful execution of the “Fast Forward” strategic plan launched in 2016 radically transformed the Edenred Group.

Over the past three years, Edenred has strengthened its leadership position in the Employee Benefits market, seizing the many opportunities offered by digitalization. In the high-growth Fleet & Mobility Solutions market, Edenred has become a global player thanks to sustained organic growth and the successful integration of some ten companies, including Embratec in Brazil and UTA in Europe. Fleet & Mobility Solutions now represents more than a quarter of the Group’s business. Lastly, Edenred has capitalized on its technological expertise to develop innovative products and solutions in the fast-changing Corporate Payment Services market, and has further consolidated its position with the acquisition of CSI in the United States.

In addition to achieving the annual financial targets⁴ set in 2016, Edenred has increased in scale and developed first-in-class technology assets enabling it to step up its expansion in buoyant markets.

⁴ Like-for-like growth in operating revenue, operating EBIT and FFO of more than 7%, 9% and 10%, respectively.

THE NEW STRATEGIC PLAN “NEXT FRONTIER” (2019-2022) LAUNCHES A NEW PHASE OF SUSTAINABLE AND PROFITABLE GROWTH

Edenred harnesses a virtuous business model underpinned by the uniqueness of its B2B2C platform, combining a low user acquisition cost with high levels of user adoption and retention. Operating exclusively in the working world and serving specific purposes, the Group is able to screen transactions and earmark funds for selected merchants, who appreciate the extra revenue that Edenred sends their way.

The “Next Frontier” strategic plan leverages the unique nature of this platform model to transform Edenred into the everyday companion for people at work. It enables the Group to provide these stakeholders with the full range of services and payment solutions they need to make their working lives easier, all accessible from a single virtual wallet.

The platform model, coupled with the shift to digitalized processes and pooled support services, gives rise to significant scale effects, making it possible both to bring new solutions to market and to swiftly, extensively and cost-effectively roll out innovation and thereby generate profitable growth.

The “Next Frontier” strategic plan is based on two avenues of organic growth and a targeted acquisition strategy.

- **Expanding and strengthening Edenred’s presence in existing businesses**

Edenred operates in still largely underpenetrated markets that offer significant growth opportunities, notably as programs and distribution channels go digital. Digitalization remains an important avenue for growth, particularly in the Employee Benefits segment in Europe, where the adoption rate has still not reached its full potential.

Leveraging the methods and tools put in place under “Fast Forward”, Edenred has developed a systematic approach based on an array of operating drivers, which are primarily designed to further penetrate its markets. Thus equipped, Edenred will now notably continue to implement initiatives targeting the strategic SME market, where penetration is significantly lower than among middle-market and large companies. To capture the potential of its existing base of clients, partner merchants and end users, the Group intends to develop tools for retention, cross-selling and monetization of value-added services.

- **Innovation as a driver of differentiation and source of additional growth**

Attentive to the needs of all stakeholders, Edenred looks ahead to the new consumer behavior that may emerge from digitalization, placing the user’s mobile experience and access to omni-channel consumption of its services (in stores, on mobile devices, through e-commerce) at the heart of its strategy. The Group’s ability to provide clients with mobile, app-to-app and virtual-card-based payment methods with increasing speed considerably sharpens its competitive edge.



This innovation-led approach requires major investments to improve the Group's global technology assets, guarantee system soundness and security, and increase Edenred's capabilities in new segments such as data science and advanced automation.

These technology assets will form an essential base from which to step up development in adjacent businesses, while driving operational and commercial synergies. The market potential of digital employee engagement platforms, for example, is at least as great as that of food-related Employee Benefits. In Fleet & Mobility Solutions, value-added services will diversify the current business model while also reducing the Group's sensitivity to fuel prices⁵. Lastly, Edenred plans to capitalize on its expertise in the most advanced payment technologies and on its sales and marketing prowess to fully capture the potential of the corporate payment market, notably in North America, where it is still underexploited.

- **A strategy of targeted acquisitions to enhance robust organic Group growth**

Building on its sound financial position, carefully managed debt and strong cash flow generation, Edenred intends to seize external growth opportunities in line with the strategic ambitions of the "Next Frontier" plan, namely:

- Consolidate its position as a world leader in Employee Benefits via targeted acquisitions;
- Continue to build its Fleet & Mobility Solutions portfolio via international expansion and a broader range of value-added services to consolidate its position as a global multi services player;
- Grow Corporate Payment Services by targeting new business sectors.

EDENRED SETS NEW, MORE AMBITIOUS ANNUAL FINANCIAL TARGETS FOR 2019-2022

The "Next Frontier" plan is underpinned by higher financial targets for the Group. Reflecting its profitable and sustainable growth profile, its strong operating leverage and its unique, highly cash-generative business model, Edenred has set itself three new annual financial targets for 2019-2022:

- like-for-like operating revenue growth of more than 8%;
- like-for-like EBITDA growth of more than 10%;
- a free cash flow/EBITDA conversion rate of more than 65%⁶.

NEW CAPITAL ALLOCATION POLICY WITH THE INTRODUCTION OF A PROGRESSIVE DIVIDEND

As part of its commitment to maintaining its position as a leading digital innovator and thereby ensuring profitable and sustainable growth, Edenred plans to earmark between 6% and 7% of its total revenue each year for investments in the period 2019-2022, focusing mainly on the ongoing development of its technology assets.

⁵ In 2018, a 10% change in oil prices (Brent crude for Europe, WTI crude for Latin America) had an impact of approximately €8 million on Group's total revenue.

⁶ Based on current regulations on float classification.

At the same time, the Group intends to seize external growth opportunities in line with the strategic ambitions of the "Next Frontier" plan, subject to meeting stringent financial criteria. These acquisitions will provide the Group with an additional source of value creation.

The "Next Frontier" plan for 2019-2022 provides for a new dividend payout policy in respect of 2019 based on dividend growth in absolute terms. This policy is consistent with the Group's organic expansion strategy, its external growth ambitions, and its determination to maintain a "strong investment grade" rating.

The Capital Markets Day event will be webcast live on www.edenred.com starting at 10:00 a.m. (CEST). The presentation slides and a replay of the webcast will be available later on.

Edenred is the everyday companion for people at work. Its leading intermediation platform connects 50 million employees and 2 million partner merchants via 830,000 corporate clients, across 46 countries. Thanks to its global technology assets, the Group managed 2.5 billion specific purpose payment transactions in 2018, primarily carried out via mobile applications, online platforms and cards, and representing nearly €30 billion in business volume. Edenred's 10,000 staff are driven by a commitment to improving employees' quality of life, increasing companies' efficiency and boosting merchants' revenues. They achieve this through three business lines:

- Employee Benefits (food, meals, well-being, leisure, culture and human services)
- Fleet & Mobility Solutions (fuel, tolls, maintenance and business travel)
- Complementary solutions, including Corporate Payment Services (virtual payment cards, identified wire transfers and supplier payments), Incentive & Rewards (gift cards and platforms, and incentive programs), and Public Social Programs.

Edenred is listed on the Euronext Paris stock exchange and included in the following indices: CAC Next 20, FTSE4Good, DJSI Europe and MSCI Europe.

For more information: www.edenred.com

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APPENDICES

Glossary and list of references needed for a proper understanding of financial information

EBIT: This aggregate is "Operating profit before other income and expenses", which corresponds to total revenue (operating revenue and other revenue) less operating expenses, depreciation, amortization (mainly intangible assets, internally generated or acquired assets) and non-operating provisions. It is used as the benchmark for determining senior management and other executive compensation as it reflects the economic performance of the business.

EBIT excludes the net profit from equity-accounted companies and excludes the other income and expenses recognized in "Operating profit including share of net profit from equity-accounted companies".

EBITDA: This aggregate corresponds to total revenue (operating revenue and other revenue) less operating expenses (excluding depreciation, amortization and provisions).

FCF: free cash flow. See section 2.3 of the 2018 Registration Document for details on how it is calculated.

Float: The float corresponds to a portion of the operating working capital from the preloading of funds by corporate clients.

Funds from operations before other income and expenses (FFO): FFO corresponds to EBITDA less net financial expense, income tax paid, non-cash revenue and expenses included in EBITDA, provision movements included in net financial expense, income tax expense and non-recurring taxes.

Operating revenue: Operating revenue corresponds to:

- operating revenue generated by prepaid vouchers managed by Edenred; and
- operating revenue from value-added services such as incentive programs, human services and event-related services. It corresponds to the amount billed to the corporate client and is recognized on delivery of the solutions.

Other revenue: Other revenue is the interest generated by investing cash over the period between:

- the issue date and the reimbursement date for vouchers; and
- the loading date and the redeeming date for cards.

Total revenue corresponds to the sum of operating revenue and other revenue.

Total revenue: Group total revenue includes:

- operating revenue generated directly by services; and
- other revenue.

