



2020 annual results

After a strong rebound in the second half of 2020, and with its development potential intact, Edenred is back on track to deliver sustainable and profitable growth

Edenred, a unique intermediation platform, has demonstrated its resilience in the face of the health crisis and returned to growth in second-half 2020

- Operating revenue of €1,423 million, down just 1.6% like-for-like from the previous year, with Europe up 1.3%
- Like-for-like growth in operating revenue of 1.1% in the second half of the year (+1.2% in the fourth quarter)
- Total revenue of €1,465 million, down 2.0% like-for-like and 9.9% as reported, reflecting unfavorable currency effects

Edenred recorded a solid financial performance despite the global situation and unfavorable currency effects, demonstrating its agility and the robustness of its business model

- EBITDA of €580 million, down 4.6% like-for-like (-13.2% as reported) in 2020, in line with guidance (€550 million-€600 million) and up 2.5% like-for-like in the second half of the year.
- EBITDA margin maintained at 39.6%, down 1.1 points like-for-like for the full year and up 0.8 points for the second half
- Net profit, Group share of €238 million, down €74 million from the previous year, in line with the decrease in EBITDA
- Strong free cash flow generation of €640 million, driven by the rebound in business in the second half, careful cash management and longer retention time for user-allocated funds as a consequence of the health crisis
- Net debt/EBITDA ratio stable at 1.9x
- Proposed dividend: €0.75 per share, an increase of 7.1%

Edenred was able to rebound in 2020 and prepare for 2021, by increasing its investments and leveraging its agility and its strong sales momentum

- Faster digitalization of Employee Benefits in Europe (+9 points vs. 2019), driven notably by more widespread use of remote working
- Development of earmarked funds solutions to provide targeted support to sectors hard hit by the crisis, such as restaurants and tourism
- Launch and ramp-up of new offers (e.g., fleet maintenance in Brazil, Ticket Mobilité in France and Ticket Restaurant in the United States)
- Acceleration of the corporate social responsibility policy, with improvements in key indicators in the three areas: "People, Planet, Progress"

Edenred has all the assets necessary – innovation, business excellence and targeted M&A firepower – to step up the pace and generate sustainable and profitable growth in a post-Covid world

- Edenred is particularly well positioned to seize the opportunities created by a number of macro trends in the world of work, which have been accelerated by the health crisis:
 - o A more connected, digital and mobile-first world
 - o A more remote-working world
 - o A world seeking socially and environmentally responsible solutions
 - o A world where B2B payments are increasingly automated and digital
- While the first half of 2021 is likely to still be impacted by health restrictions, weighing on the Group's growth, the situation is expected to improve in the second half, supporting Edenred's growth
- Despite the uncertain health situation, Edenred intends to achieve like-for-like EBITDA growth in 2021 of minimum 6%

Bertrand Dumazy, Chairman and Chief Executive Officer of Edenred, said: *"First and foremost, I want to give my warmest thanks to all our teams, who showed an exemplary level of commitment and community spirit during this unprecedented year. The Group's 10,000 employees leveraged all their energy and passion to continue to serve our clients, users and partner merchants in the 46 countries in which we operate. As a result, we were able to limit the impact of the health crisis in the first half, return to growth as early as the third quarter and, on the whole, post solid financial performances for the year.*

In addition, thanks to our unique digital platform, our capacity to offer specific-purpose payment solutions proved particularly effective for developing and deploying, in record time, new earmarked funds programs adapted to the health crisis. More than ever, this attention to people's essential, day-to-day needs, combined with a dynamic sales organization, will help us continue to develop our businesses in underpenetrated markets.

Our solutions, which are increasingly digital, increasingly connected and enabling increasingly responsible behavior, provide the perfect response to key issues in today's society that have been amplified by the pandemic, such as the sustainable shift to remote working. As illustrated by our rebound in the second half of the year, our value-creation potential is intact. We are fully confident in Edenred's ability to generate sustainable and profitable growth in the years ahead."

2020 ANNUAL RESULTS

The consolidated financial statements¹ for 2020 were approved for publication by the Board of Directors on March 1, 2021.

Key financial metrics for 2020:

(in € millions)	2020	2019	% change (like-for-like)	% change (reported)
Operating revenue	1,423	1,570	-1.6%	-9.4%
Other revenue (A)	42	56	-11.9%	-25.0%
Total revenue	1,465	1,626	-2.0%	-9.9%
EBITDA	580	668	-4.6%	-13.2%
Operating EBIT (B)	413	489	-7.1%	-15.6%
EBIT (A + B)	455	545	-7.6%	-16.5%
Net profit, Group share	238	312		-23.7%
Free cash flow	640	400		+60.0%
Net debt	1,115	1,290		-13.6%
<i>Leverage ratio (net debt/EBITDA)</i>	1.9x	1.9x		

- **Total revenue: €1,465 million**

Total revenue for 2020 amounted to €1,465 million, down 2.0% like-for-like compared with 2019. On a reported basis, an unfavorable currency effect (-8.1%) and a slightly positive scope effect (+0.2%) resulted in a decrease of 9.9%.

Total revenue for the fourth quarter of 2020 was €412 million, a slight increase of 0.6% like-for-like and a decrease of 9.6% as reported, reflecting a negative currency effect (-10.1%) and a slightly negative scope effect (-0.1%).

¹ The audit has been completed and the auditors will issue their opinion after having finalized the review of the management report and the due diligences on 2020 financial statements related to the ESEF electronic format.

2020 changes are calculated based on 2019 pro forma figures, which reflect the change in the breakdown between operating revenue and other revenue within total revenue in Brazil, effective since fourth-quarter 2019 and with no impact on full-year 2019 total revenue. See the appendices, page 18. Like-for-like performance and currency effects are temporarily calculated excluding Venezuela.

- **Operating revenue: €1,423 million**

For full-year 2020, operating revenue came to €1,423 million, down 1.6% like-for-like and 9.4% as reported, including a negative currency effect (-8.0%) and a positive scope effect (+0.3%).

Edenred demonstrated its capacity for robust growth early in the year, then limited the erosion of its revenues at the peak of the health crisis, thanks notably to its high proportion of digital solutions, before returning to growth as early as the third quarter.

In the fourth quarter, the Group's ongoing sales and marketing efforts in all its business lines resulted in operating revenue of €402 million, up 1.2% like-for-like (-8.7% as reported), representing a faster pace of growth than in the third quarter despite new lockdown measures in Europe.

- **Operating revenue by business line**

<i>(in € millions)</i>	2020	2019	% change (like-for-like)	% change (reported)
Employee Benefits	874	975	-4.4%	-10.3%
Fleet & Mobility Solutions	355	409	-1.2%	-13.2%
Complementary Solutions	194	186	+11.8%	+4.2%
Total	1,423	1,570	-1.6%	-9.4%

Operating revenue for the **Employee Benefits** business line was €874 million in 2020, representing 61% of the consolidated total, and €255 million in the fourth quarter. Operating revenue fell by 4.4% like-for-like (-10.3% as reported) over the full year. In the fourth quarter, operating revenue returned to growth, with a like-for-like increase of 0.6% (-6.7% as reported), representing an improvement over the third quarter (-1.4%).

With the global health crisis making the digitalization of its solutions even more relevant, Edenred continued to innovate to enhance its portfolio of services for clients and merchants. For example, the Group now has more than 100 online partners in 16 countries, primarily meal delivery platforms connected via the app-to-app payment service. Thanks to this expansion, Edenred has the most comprehensive and the most flexible ecosystem in the workplace meals segment today. The equivalent of a virtual canteen, its solution gives users access to more than one million partner restaurants, allowing them to enjoy meals anytime, anywhere, dining in or from home, whether they're working in the office or remotely. More satisfying for users and more economical for employers, this offer enables Edenred to support companies such as Spotify in the United States, Siemens in Belgium and Orange in France as they transition to new ways of working.

Edenred also took the shift to digital even further in 2020 by launching a 100% virtual Ticket Restaurant solution, which uses no paper or plastic cards, in Spain and Finland, and more recently in France.

Thanks to these services, which make the Group's virtual offering more attractive, the portion of digital solutions in the Employee Benefits portfolio in Europe was up 9 points versus 2019. As a result, digital solutions accounted for 86% of total Group volume in 2020.

In the **Fleet & Mobility Solutions** business line, which accounts for 25% of the Group's business, like-for-like operating revenue decreased by 1.2% in 2020 (-13.2% as reported) to €355 million. This limited drop reflects the business line's stronger resilience, despite lower fuel prices than in 2019. Operating revenue dipped by just 0.6% like-for-like (-16.2% as reported) in the fourth quarter, confirming the rebound observed in the third quarter (-1.5%). This improvement was driven by the dynamic performances of the sales and marketing teams and the success of the Beyond Fuel strategy, which sets Edenred's offering apart and generates cross-selling opportunities, while also reducing its exposure to fuel price fluctuations. Combined with the impact of exchange rate variations and the drop in crude oil prices, these developments have enabled Edenred to reduce the sensitivity to fuel prices of its total revenue by 20%.

The **Complementary Solutions** business line, which represents 14% of the Group's business, encompasses Corporate Payment Services, Incentive & Rewards Solutions, and Public Social Programs. In 2020, it recorded operating revenue of €194 million, up 11.8% like-for-like and 4.2% as reported. The business continued to grow in the fourth quarter, with operating revenue up 8.3% like-for-like (-3.1% as reported). The increase stems from the earmarked funds programs implemented during the year to support vulnerable people and sectors and from the strong sales performance in Incentive & Rewards programs.

Edenred's Corporate Payment Services business in North America, which is operated by its CSI subsidiary, was impacted in 2020 by the fall-off in transactions carried out by its clients, particularly in the hospitality and media industries. Despite the crisis, the volume of new client wins was in line with the Group's ambitions, thanks to a differentiated and constantly evolving portfolio of services and to the gradual ramp-up of indirect distribution agreements, including those signed with leading financial institutions. In addition, Sage expanded its partnership with CSI to provide US clients with a comprehensive accounts payable solution, fully integrated into its cloud-based Sage Intacct offering, starting in first-quarter 2021.

- **Operating revenue by region**

(in € millions)	2020	2019	% change (like-for-like)	% change (reported)
Europe	900	884	+1.3%	+1.9%
Latin America	406	559	-6.7%	-27.4%
Rest of the World	117	127	-0.2%	-8.3%
Total	1,423	1,570	-1.6%	-9.4%

In **Europe**, operating revenue rose by 1.3% like-for-like (+1.9% as reported) to €900 million, representing 63% of consolidated operating revenue in 2020. In fourth-quarter 2020, operating revenue came to €265 million, up 4.5% on a like-for-like basis and as reported. Fourth-quarter growth was weaker than in the third quarter (+7.3%) because of the additional health-related restrictions imposed by countries in the region starting in late October 2020.



In **France**, operating revenue amounted to €253 million for the year, down 4.0% like-for-like and as reported. In the fourth quarter, operating revenue increased by 1.4% like-for-like and as reported, despite the second wave of lockdown measures. Edenred recorded a sharp upturn in business after being hit hard by lockdown and short-time working measures in the second quarter. The rebound was notably due to a renewed sales and marketing drive in all business lines and to the efforts made by restaurants to maintain business continuity, through take-away and delivery services.

Operating revenue in **Europe excluding France** rose by 3.6% like-for-like in 2020 (+4.4% as reported) to €647 million. In the fourth quarter, growth in operating revenue came to 5.9% like-for-like and as reported. More resilient than the rest of the Group during the year, this region rebounded sharply thanks to the digitalization of its solutions and the energy of its sales and marketing teams, as demonstrated by the end-of-year gift card campaign, as well as to the development of new products, such as value-added services for trucking companies.

Operating revenue in **Latin America** amounted to €406 million, down 6.7% like-for-like and 27.4% as reported, reflecting the sharp drop in the value of the Brazilian real and the Mexican peso (-25% and -12%, respectively). The region accounted for 29% of Edenred's consolidated operating revenue in 2020. In the fourth quarter, operating revenue for the region came to €108 million, down 3.3% like-for-like (-28.5% as reported), representing an improvement over the third quarter (-7.6% like-for-like).

In **Brazil**, on a like-for-like basis, operating revenue was down 5.8% for the year and 2.9% for the fourth quarter alone, which was an improvement compared to the previous quarter (-4.4%). This performance reflects the health-related restrictions still in place, although not as strict as during the first lockdown, and notably the closure of restaurants in certain areas. By swiftly developing partnerships with meal delivery platforms, Edenred has enabled restaurants and users to continue to benefit from its platform despite the unfavorable conditions. After demonstrating resilience at the height of the crisis, the Fleet & Mobility Solutions business line continued to build on the solid performance posted in the third quarter, notably thanks to the success of maintenance management solutions.

Hispanic Latin America was particularly impacted by the health crisis in 2020, notably due to the implementation of health-related restrictions for a longer period of time than in other regions. Operating revenue for the year was down 8.8% like-for-like. However, following the gradual and partial lifting of lockdown measures in various countries, operating revenue only fell by 4.2% in the fourth quarter, representing a sharp improvement over the previous quarter (-15.4%). Mexico, Edenred's main market in the region, continued to be heavily impacted by the crisis, notably due to the economic downturn, increased unemployment and lower fuel prices compared with the prior-year period.

Operating revenue in the **Rest of the World** region, which accounted for 8% of consolidated operating revenue in 2020, came to €117 million, down 0.2% year-on-year on a like-for-like basis (-8.3% as reported). In the fourth quarter, operating revenue contracted by 2.9% like-for-like (-18.0% as reported), representing an improvement over the third quarter (-4.1%). This



performance reflects the resilience of Edenred's operations in this region, with the exception of North America, which continued to be heavily impacted by the crisis.

- **Other revenue: €42 million**

In 2020, other revenue came to €42 million, down 11.9% like-for-like (-25.0% as reported), reflecting the adverse impact of a generalized decrease in interest rates worldwide and a significantly negative currency effect. In the fourth quarter, other revenue fell by 18.1% like-for-like and 34.8% as reported.

- **EBITDA: €580 million**

EBITDA amounted to €580 million in 2020, a decrease of 4.6% like-for-like and 13.2% as reported, with growth of 2.5% and a margin improvement of 0.8 points like-for-like in the second half of the year.

This performance was made possible thanks notably to the implementation, at the end of the first quarter, of a plan to reduce costs by €100 million compared with the 2020 budget. Ultimately, Edenred managed to exceed this objective while preserving its capacity for technological innovation and development, pursuing its efforts in the areas of employer appeal and employee engagement, and continuing to roll out its corporate social responsibility policy.

In Europe, EBITDA was up 3.9% like-for-like, reflecting the rebound in revenue growth in this region. In Latin America, EBITDA remained lower than in 2019 for the full year (-8.3% like-for-like) despite a sharp improvement in the second half (-0.9% like-for-like).

EBITDA margin came in at 39.6% for the year, down 1.1 points like-for-like and 1.5 points as reported.

- **Net profit, Group share: €238 million**

Net profit, Group share amounted to €238 million in 2020, down €74 million from 2019, in line with the decrease in EBITDA.

- **Strong cash flow generation**

Despite the pandemic, Edenred's business model enabled it to generate funds from operations before other income and expenses (FFO) of €475 million in 2020, an increase of 2.7% like-for-like and a decrease of 9.4% as reported.

Despite the negative currency effect, the float² increased by €685 million over the period thanks to the upturn in business in the second half and the extension of retention times for prepaid funds by about one week. This phenomenon is due to lesser usage of solutions during lockdown periods and is expected to gradually dissipate in 2021.

² The float corresponds to a portion of the operating working capital from the preloading of funds by corporate clients.

At December 31, 2020, Edenred had a float of €3.7 billion.

Thanks to the high level of cash generated from operations, combined with an increase in the structurally negative working capital requirement, the Group generated €640 million in free cash flow in 2020, while continuing to invest in its technology assets to pave the way for future growth, notably in the areas of cybersecurity and compliance. Recurring capital expenditure totaled €104 million in 2020, versus €98 million in 2019, representing an increase of 6%.

- **A robust financial position**

Edenred had net debt of €1.12 billion at December 31, 2020 (versus €1.29 billion a year earlier), resulting in a net debt to EBITDA ratio of 1.9x, which is stable compared with end-2019. The change in net debt reflects strong free cash flow generation, the €101 million returned to shareholders over the previous 12 months and the negative €333 million impact of currency effects and non-recurring items.

At end-2020, the cost of the Group's debt stood at 0.8%, an improvement of 5 basis points, and its average debt maturity increased to more than 5 years (+6 months versus end of 2019).

In May 2020, Standard & Poor's confirmed the Group's BBB+ Strong Investment Grade rating with a stable outlook.

- **Further progress in CSR**

In 2020, Edenred continued to implement its "People, Planet, Progress" corporate social responsibility policy, which is aimed at improving quality of life, protecting the environment and creating value ethically and responsibly. In addition to tying one of its financing instruments to its CSR performance in 2020, Edenred also made progress during the year on its objectives for 2022 and 2030, despite the pandemic. For example, women now hold 29% of the Group's executive positions, representing an increase of 2 points versus the prior year, for a target of 40% by 2030.

Through its solutions, which enable more responsible behavior, and its own initiatives, Edenred is contributing to 12 of the United Nations' 17 Sustainable Development Goals. In particular, thanks to its earmarked funds platform, Edenred is creating virtuous ecosystems that contribute to the fight against the informal economy, fraud, food insecurity, inequality and climate change.

- **Proposed dividend**

The Group recommends a dividend of €0.75 in respect of the fiscal year 2020. Consistent with the Group's growth profile, performance and solid financial position, the dividend is up 7.1% from last year. Shareholders may opt to receive the dividend 100% in cash or 100% in shares, with a 10% discount. The dividend will be submitted to the shareholders' approval at Edenred's Annual General Meeting to be held on May 11, 2021.



2020 HIGHLIGHTS

- **Measures taken by the Group in response to the consequences of the Covid-19 epidemic**

In March 2020, due to the uncertain environment resulting from the Covid-19 epidemic, the Group suspended its targets for full-year 2020 until it had better visibility of the financial impacts of the epidemic³.

In April 2020, Edenred launched its **“More than Ever”** relief plan, pledging to commit up to €15 million to support its teams, partner merchants and clients through the unprecedented crisis caused by the Covid-19 epidemic⁴.

The “More than Ever” plan is notably financed through:

- the 20% decrease in the dividend for 2019, to €0.7 per share;
- the reduction in the Chairman and Chief Executive Officer’s compensation in line with AFEF recommendations;
- the reduction in the compensation of the members of the Group’s Executive Committee and Board of Directors.

- **Renewed market confidence in Edenred’s credit quality, and social and environmental criteria tied to one of its financing instruments for the first time**

In February 2020, when it renegotiated its syndicated credit facility, Edenred introduced environmental and social performance criteria into the calculation of the financing costs for the first time⁵. These criteria relate to:

- promoting healthy and sustainable eating habits;
- combating global warming.

In June 2020, the Group extended its financial resources by submitting a €250 million Negotiable European Medium Term Note (NEU MTN) program to France’s central bank.

In June 2020, Edenred successfully issued €600 million worth of nine-year bonds paying a coupon of 1.375%⁶. The issuance enabled the Group to strengthen its financial resources and extend the average maturity of its debt under favorable conditions.

- **Targeted external growth transactions**

³ Press release dated March 25, 2020.

⁴ Press release dated April 7, 2020.

⁵ Press release dated February 13, 2020.

⁶ Press release dated June 10, 2020.

In January 2020, Edenred strengthened its leadership position in the United Arab Emirates payroll cards market with the acquisition of the payroll card portfolio of Mint, the second-largest operator specializing in pay distribution and management for under- or unbanked workers in the United Arab Emirates⁷.

In May 2020, Edenred strengthened its position in the Brazilian market with the acquisition of employee benefits operations from Cooper Card⁸.

In May 2020, Edenred acquired all the remaining outstanding shares (17%) that it did not already own in its UTA subsidiary. The transaction followed the exercise of a put option by the Eckstein family, co-founders of UTA. The option was accretive to net profit, Group share.

- **Appointments to the Group's Executive Committee**

Edenred announced four appointments to its Executive Committee in 2020⁹:

- Emmanuelle Châtelain was appointed Vice President, Communications;
- Patrick Rouvillois was appointed Executive Vice President, Innovation & Asia-Pacific;
- Eric Sauvage was appointed Executive Vice President, Marketing & Strategy;
- Julien Tanguy was appointed Executive Vice President, Finance.

2021 OUTLOOK

Edenred is particularly well positioned to seize the opportunities created by a number of promising trends revealed or reinforced by the health crisis, which affect the world of work:

- A more connected, digital and mobile-first world;
- A more remote-working world;
- A world seeking socially and environmentally responsible solutions;
- A world where B2B payments are increasingly automated and digital.

By leveraging these changes and its unique position as an intermediation platform that connects 50 million users with 2 million partner merchants daily to meet their essential needs (Eat, Move, Care, Pay), Edenred has kept its growth potential intact despite the economic impact of the health crisis. With its proven agility, Edenred will continue to activate the business drivers designed to further penetrate its markets, develop new solutions and deploy its innovations widely and rapidly. In addition to these internal development avenues, the Group also intends to pursue its targeted acquisition strategy and has over €1 billion in firepower for this purpose.

This is how Edenred intends to step up the pace and generate sustainable and profitable growth in a post-Covid world.

Early 2021 has nonetheless shown that the uncertainties surrounding the health crisis persist, with new local lockdowns and restrictive measures in Europe, including in France, Germany and the

⁷ Press release dated January 8, 2020.

⁸ Press release dated May 13, 2020.

⁹ Press releases dated December 10 and 16, 2020.

United Kingdom, and that the economic and health situation remains downbeat in Latin and North America.

Edenred will continue to prove its resilience in the first quarter of the year, despite an unfavorable basis of comparison, and expects to be able to grow more strongly in the second quarter, when it will notably benefit from a more favorable comparison basis.

A gradual return to an economic situation close to normal – thanks notably to a vaccination rate that should enable restrictive measures to be eased considerably by the middle of the year – will support Edenred's growth in the second half.

Despite the uncertain health situation, Edenred intends to achieve like-for-like EBITDA growth in 2021 of minimum 6%.

UPCOMING EVENTS

April 22, 2021: First-quarter 2021 revenue

May 11, 2021: General Meeting

July 27, 2021: First-half 2021 results

October 21, 2021: Third-quarter 2021 revenue

Edenred is a leading digital platform for services and payments and the everyday companion for people at work, connecting over 50 million users and 2 million partner merchants in 46 countries via more than 850,000 corporate clients.

Edenred offers specific-purpose payment solutions for food (such as meal benefits), mobility (such as multi-energy, maintenance, toll, parking and commuter solutions), incentives (such as gift cards, employee engagement platforms) and corporate payments (such as virtual cards). These solutions enhance user's well-being and purchasing power, improve companies' attractiveness and efficiency, and vitalize the employment market and the local economy. They also foster access to healthier food, more environmentally friendly products and softer mobility.

Edenred's 10,000 employees are committed to making the world of work a connected ecosystem that is safer, more efficient and more user-friendly every day.

In 2020, thanks to its global technology assets, the Group managed close to €30 billion in business volume, primarily carried out via mobile applications, online platforms and cards.

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

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CONTACTS

Communications Department

Emmanuelle Châtelain
+33 (0)1 86 67 24 36
emmanuelle.chatelain@edenred.com

Media Relations

Matthieu Santalucia
+33 (0)1 86 67 22 63
matthieu.santalucia@edenred.com

Investor Relations

Cédric Appert
+33 (0)1 86 67 24 99
cedric.appert@edenred.com

Loïc Da Silva
+33 (0)1 86 67 20 67
loic.dasilva@edenred.com



APPENDICES

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

a) Main terms

- **Like-for-like, impact of changes in the scope of consolidation, currency effect:**

Like-for-like or organic growth corresponds to comparable growth, i.e., growth at constant exchange rates and scope of consolidation. This indicator reflects the Group's business performance.

Changes in activity (like-for-like or organic growth) represent changes in amounts between the current period and the comparative period, adjusted for currency effects and for the impact of acquisitions and/or disposals.

The impact of acquisitions is eliminated from the amount reported for the current period. The impact of disposals is eliminated from the amount reported for the comparative period. The sum of these two amounts is known as the impact of changes in the scope of consolidation or the scope effect.

The calculation of changes in activity is translated at the exchange rate applicable in the comparative period and divided by the adjusted amount for the comparative period.

The currency effect is the difference between the amount for the reported period translated at the exchange rate for the reported period and the amount for the reported period translated at the exchange rate applicable in the comparative period.

- **Business volume:**

Business volume comprises total issue volume of Employee Benefits, Incentive and Rewards, Public Social Program solutions and Corporate Payment Services, plus the transaction volume of Fleet & Mobility Solutions and other solutions.

- **Issue volume:**

Issue volume is the total face value of the funds preloaded on all of the payment solutions issued by Edenred to its corporate and public sector clients.

- **Transaction volume:**

Transaction volume represents the total value of the transactions paid for with payment instruments, at the time of the transaction.

b) Alternative performance measurement indicators included in the December 31, 2020 Financial Report

The alternative performance measurement indicators outlined below are presented and reconciled with accounting data in the Annual Financial Report.

Indicator	Reference note in Edenred's 2020 condensed consolidated financial statements
Operating revenue	<p>Operating revenue corresponds to:</p> <ul style="list-style-type: none"> • 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 client company and is recognized on delivery of the solutions.
Other revenue	<p>Other revenue is interest generated by investing cash over the period between:</p> <ul style="list-style-type: none"> • the issue date and the reimbursement date for vouchers, • and the loading date and the redeeming date for cards. <p>The interest represents a component of operating revenue and as such is included in the determination of total revenue.</p>
EBITDA	This aggregate corresponds to total revenue (operating revenue and other revenue) less operating expenses.
Operating EBIT	<p>This aggregate corresponds to EBIT adjusted for other revenue.</p> <p>As per the consolidated financial statements, operating EBIT as of December 31, 2020 amounted to €413 million, comprising:</p> <ul style="list-style-type: none"> • plus €455 million in EBIT • minus €42 million in other revenue.
EBIT	<p>This aggregate is the "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.</p> <p>EBIT excludes the net profit from equity-accounted companies and excludes the other income and expenses booked in the "Operating profit including share of net profit from equity-accounted companies".</p>
Other income and expenses	See Note 10.1 of consolidated financial statements

Funds from operations (FFO) *See consolidated statement of cash flows (Part 1.4)*

c) Alternative performance measurement indicators not included in the December 31, 2020 Financial Report

Indicator	Definitions and reconciliations with Edenred's 2020 condensed consolidated financial statements
Free cash flow	Free cash flow corresponds to cash generated by operating activities less investments in intangible assets and property, plant and equipment.

Operating revenue

In € millions	Q1		Q2		Q3		Q4		FY	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Europe	228	213	183	209	224	208	265	254	900	884
<i>France</i>	70	69	41	59	64	59	78	77	253	264
<i>Rest of Europe</i>	158	144	142	150	160	149	187	177	647	620
Latin America	121	129	82	140	95	139	108	151	406	559
Rest of the world	34	28	27	32	27	32	29	35	117	127
Total	383	370	292	381	346	379	402	440	1,423	1,570

In %	Q1		Q2		Q3		Q4		FY	
	Change reported	Change L/L	Change reported	Change L/L	Change reported	Change L/L	Change reported	Change L/L	Change reported	Change L/L
Europe	+6.9%	+5.9%	-12.3%	-13.1%	+7.9%	+7.3%	+4.5%	+4.5%	+1.9%	+1.3%
<i>France</i>	+2.0%	+2.0%	-31.3%	-31.3%	+9.5%	+9.5%	+1.4%	+1.4%	-4.0%	-4.0%
<i>Rest of Europe</i>	+9.3%	+7.8%	-4.7%	-5.9%	+7.2%	+6.4%	+5.9%	+5.9%	+4.4%	+3.6%
Latin America	-5.6%	+5.2%	-41.9%	-20.4%	-31.8%	-7.6%	-28.5%	-3.3%	-27.4%	-6.7%
Rest of the world	+18.9%	+18.4%	-15.0%	-9.8%	-14.9%	-4.1%	-18.0%	-2.9%	-8.3%	-0.2%
Total	+3.5%	+6.6%	-23.4%	-15.4%	-8.6%	+0.9%	-8.7%	+1.2%	-9.4%	-1.6%

Other revenue

In € millions	Q1		Q2		Q3		Q4		FY	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Europe	4	4	4	4	4	4	3	5	15	17
<i>France</i>	2	2	1	1	2	1	1	2	6	6
<i>Rest of Europe</i>	2	2	3	3	2	3	2	3	9	11
Latin America	7	7	4	7	6	8	6	9	23	32
Rest of the world	1	1	1	2	1	2	1	2	4	7
Total	12	13	9	13	11	14	10	16	42	56

In %	Q1		Q2		Q3		Q4		FY	
	Change reported	Change L/L	Change reported	Change L/L	Change reported	Change L/L	Change reported	Change L/L	Change reported	Change L/L
Europe	+2.7%	+2.4%	-15.1%	-14.2%	-20.6%	-20.2%	-20.0%	-18.7%	-13.9%	-13.3%
<i>France</i>	-5.8%	-5.8%	-1.8%	-1.8%	-2.0%	-2.0%	-4.2%	-4.2%	-3.5%	-3.5%
<i>Rest of Europe</i>	+9.0%	+8.5%	-22.8%	-21.4%	-29.9%	-29.3%	-27.5%	-25.6%	-19.7%	-18.8%
Latin America	-11.3%	-3.2%	-29.3%	-7.4%	-21.6%	+3.0%	-43.9%	-23.3%	-27.7%	-8.7%
Rest of the world	-24.0%	-20.1%	-54.6%	-48.2%	-59.8%	-36.1%	-22.6%	+18.9%	-42.1%	-23.5%
Total	-8.4%	-3.4%	-27.9%	-14.7%	-26.4%	-9.9%	-34.8%	-18.1%	-25.0%	-11.9%

Pro forma 2019 operating revenue and other revenue by quarter following the classification change for revenue related to merchants' fast reimbursement in Brazil

Group Operating Revenue	Q1	Q2	Q3	Q4	FY
Actual 2019	369	379	377	445	1 570
Pro forma 2019	370	381	379	440	1 570

Group Other Revenue	Q1	Q2	Q3	Q4	FY
Actual 2019	14	15	16	11	56
Pro forma 2019	13	13	14	16	56

Latin America Operating Revenue	Q1	Q2	Q3	Q4	FY
Actual 2019	128	138	137	156	559
Pro forma 2019	129	140	139	151	559

Latin America Other Revenue	Q1	Q2	Q3	Q4	FY
Actual 2019	9	9	10	4	32
Pro forma 2019	7	7	8	9	32

Total revenue

In € millions	Q1		Q2		Q3		Q4		FY	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Europe	232	217	187	213	228	212	268	259	915	901
<i>France</i>	72	71	42	60	66	60	79	79	259	270
<i>Rest of Europe</i>	160	146	145	153	162	152	189	180	656	631
Latin America	128	137	86	147	101	147	114	160	429	591
Rest of the world	35	29	28	34	28	34	30	37	121	134
Total	395	383	301	394	357	393	412	456	1,465	1,626

In %	Q1		Q2		Q3		Q4		FY	
	Change reported	Change L/L	Change reported	Change L/L	Change reported	Change L/L	Change reported	Change L/L	Change reported	Change L/L
Europe	+6.9%	+5.9%	-12.4%	-13.1%	+7.3%	+6.6%	+4.1%	+4.1%	+1.6%	+1.0%
<i>France</i>	+1.8%	+1.8%	-30.5%	-30.5%	+9.2%	+9.2%	+1.3%	+1.3%	-4.0%	-4.0%
<i>Rest of Europe</i>	+9.3%	+7.8%	-5.1%	-6.1%	+6.5%	+5.6%	+5.3%	+5.3%	+4.0%	+3.2%
Latin America	-5.9%	+4.7%	-41.3%	-19.7%	-31.3%	-7.0%	-29.5%	-4.5%	-27.4%	-6.8%
Rest of the world	+16.8%	+16.5%	-17.0%	-11.7%	-17.5%	-5.9%	-18.2%	-2.0%	-10.0%	-1.3%
Total	+3.1%	+6.3%	-23.6%	-15.5%	-9.3%	+0.5%	-9.6%	+0.6%	-9.9%	-2.0%

EBITDA, Operating EBIT and EBIT

In € millions	2020	2019	Change reported	Change L/L
Europe	375	359	+4.3%	+3.9%
<i>France</i>	87	86	+0.4%	+0.4%
<i>Rest of Europe</i>	288	273	+5.5%	+4.9%
Latin America	191	275	-30.5%	-8.3%
Rest of the world	27	42	-34.8%	-28.7%
Others	(13)	(8)	-55.5%	-112.7%
EBITDA	580	668	-13.2%	-4.6%

In € millions	2020	2019	Change reported	Change L/L
Europe	293	280	+4.7%	+4.7%
<i>France</i>	60	59	+1.1%	+1.1%
<i>Rest of Europe</i>	233	221	+5.7%	+5.7%
Latin America	135	204	-33.8%	-11.3%
Rest of the world	7	19	-65.1%	-62.4%
Others	(22)	(14)	-54.1%	-88.0%
Operating EBIT	413	489	-15.6%	-7.1%

In € millions	2020	2019	Change reported	Change L/L
Europe	308	297	+3.6%	+3.7%
<i>France</i>	66	65	+0.7%	+0.7%
<i>Rest of Europe</i>	242	232	+4.5%	+4.5%
Latin America	158	236	-33.0%	-11.0%
Rest of the world	11	26	-59.3%	-52.6%
Others	(22)	(14)	-54.1%	-88.0%
EBIT	455	545	-16.5%	-7.6%

Summarized balance sheet

In € millions		
ASSETS	Dec. 2020	Dec. 2019
Goodwill	1,457	1,604
Intangible assets	655	706
Property, plant & equipment	148	169
Investments in associates	64	69
Other non-current assets	181	169
Float (Trade receivables, net)	1,170	2,142
Working capital excl. float (assets)	899	290
Restricted cash	2,578	1,864
Cash & cash equivalents and other current financial assets	2,276	1,873
TOTAL ASSETS	9,428	8,886

In € millions		
LIABILITIES	Dec. 2020	Dec. 2019
Total equity	(1,134)	(1,043)
Gross debt and other financial liabilities	3,391	3,163
Provisions and deferred tax	178	239
Vouchers in circulation (Float)	4,874	5,161
Working capital excl. float (liabilities)	2,119	1,366
TOTAL LIABILITIES	9,428	8,886

	Dec. 2020	Dec. 2019
Total working capital	4,924	4,095
Of which float:	3,704	3,019

From net profit, Group share to Free cash flows

In € millions	Dec. 2020	Dec. 2019
+ Net profit attributable to owners of the parent	238	312
+	28	34
+	16	9
-	(2)	(8)
-	195	177
= Funds from operations before other income and expenses (FFO)	475	524
+	1 039	369
+	(770)	(395)
= Net cash from (used in) operating activities	744	498
-	(104)	(98)
= Free cash flows (FCF)	640	400