

# 2018 Annual Results

February 22, 2019



# DISCLAIMER

Financial data for 2018 are provided in accordance with IFRS 15 and IFRS 9, effective since January 1, 2018. To ensure a meaningful comparison with 2017, financial data for the period included in this presentation have been restated in accordance with the new standards. Reconciliation tables are provided in the appendices. In this new framework, the line item "financial revenue" has become "other revenue".

Appendices also include exchange rates used for the period.

A glossary defining alternative performance measurement indicators is available in the full-year 2018 results press release.

Due to current high inflation in Venezuela, the like-for-like performance and the currency effect are temporarily calculated excluding the country.

Argentina has been qualified as a hyperinflationary economy since July 1, 2018. The Group has therefore applied IAS 29 – Financial Reporting in Hyperinflationary Economies to its Argentinian operations.



# EXECUTIVE SUMMARY

- ▶ **Another record year of profitable growth across all business lines and all regions**
  - Accelerated double-digit organic operating revenue growth
  - EBIT<sup>(1)</sup>: **€461m**, up 17.5% L/L, **in line with the 2018 EBIT guidance** of between €440m and €470m
  - Significant outperformance of Edenred's annual medium-term targets
- ▶ A **highly cash-generative** business model enabling the Group to **accelerate growth via acquisitions** while ensuring a **generous dividend policy** and **maintaining a strong investment grade rating**
  - EBITDA<sup>(2)</sup>: **€536m**, up 16.2% L/L, leading to **FFO** equal to **€400m**, up 17.0% L/L; **Leverage ratio: 1.2x**
  - 2018 **acquisitions and partnerships** (Efectibono, Itaù Unibanco, Timex Card, TRFC, CSI) **will fuel growth in all business lines**
  - **Net profit, Group share: €254m**, up 5.2%, leading to a **proposed dividend of €0.86 per share (80% payout ratio)**
- ▶ **Ideal position to generate long-term sustainable and profitable growth in largely under-penetrated markets:**
  - **Systematic approach** to ensure the **best execution** via optimization of 9 **business excellence** levers
  - **Digital, agile industry leader, capitalizing on its global technology platform**
  - **Innovation to accelerate market penetration** and **create new adjacent products**
  - Strong **M&A and integration track record** in markets offering **further room for consolidation**
- ▶ **Tackling 2019 with confidence, confirming annual medium-term targets for 2019**



(1) Operating profit before other income and expenses.

(2) EBITDA corresponds to total revenue less operating expenses (excluding depreciation and amortization).

# Agenda

1. **2018 Key Figures**
2. Strategic Update
3. Q4 & FY 2018 Financial Results
4. 2019 Outlook & Conclusion



# THE EVERYDAY COMPANION FOR THE WORKING WORLD

Connecting a growing ecosystem



**830,000**  
corporate clients



**47 million**  
employee users



**1.7 million**  
partner merchants

**1.5 billion**  
meals served



**2.8 million**  
fuel card & toll tags



**€28.1 billion**  
(+15% L/L)  
business volume

## 2018 KEY FINANCIAL FIGURES (1/2)

Another record year driven by double-digit organic growth

Total revenue

€1,378m

+11.9% L/L

+4.4% as reported

EBITDA

€536m

+16.2% L/L

+6.7% as reported

EBIT

€461m

+17.5% L/L

+7.3% as reported

Net profit,  
Group share

€254m

+5.2% as reported

# 2018 KEY FINANCIAL FIGURES (2/2)

Medium-term objectives significantly outperformed

Reported figures in € millions  
Like-for-like growth figures (excluding Venezuela)

## Operating revenue



FY 2016

+8%

FY 2017

+9%

FY 2018

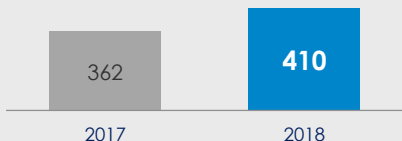
+13%

ANNUAL MEDIUM-TERM OBJECTIVES

> +7%



## Operating EBIT



+17%

+16%

+24%

> +9%



## Funds from operations



+15%

+22%

+17%

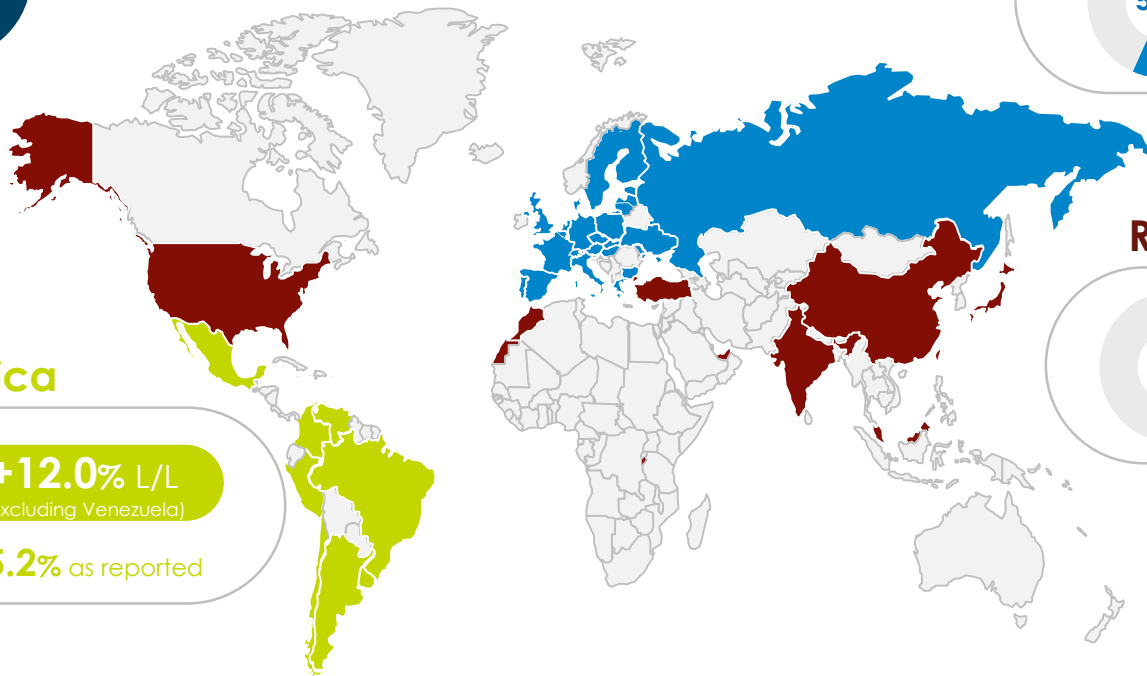
> +10%



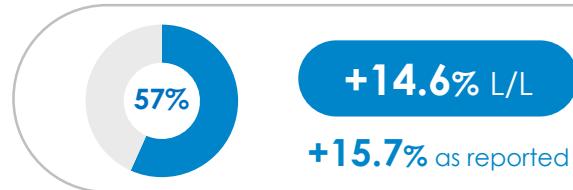
# 2018 OPERATING REVENUE BREAKDOWN & GROWTH BY GEOGRAPHY

Double-digit growth across all regions

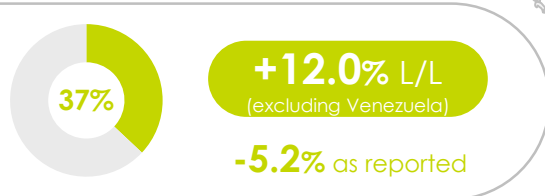
45 countries



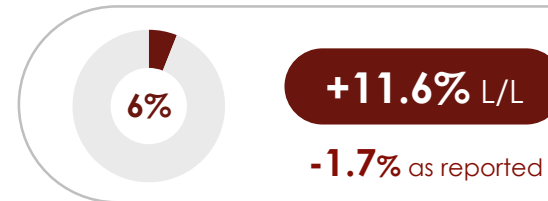
## Europe



## Latin America



## Rest of the World





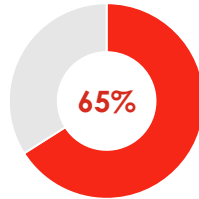
# 2018 OPERATING REVENUE BREAKDOWN & GROWTH BY BUSINESS LINE

Double-digit organic growth across all business lines

## EMPLOYEE BENEFITS



% OF FY 2018  
GROUP OPERATING  
REVENUE



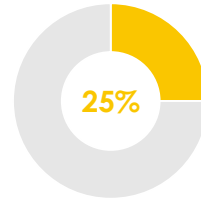
FY 2018 OPERATING  
REVENUE

€854m

FY 2018 L/L  
OPERATING REVENUE GROWTH  
(excluding Venezuela)

+11.7%

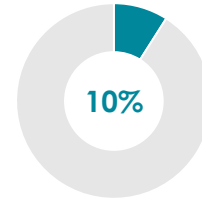
## FLEET & MOBILITY SOLUTIONS



€336m

+16.8%

## COMPLEMENTARY SOLUTIONS



€137m

+14.8%

- Corporate Payment Services
- Incentive & Rewards
- Public Social Programs

# NEW ESG STRATEGY IN 2018

People, Planet, Progress



**ideal**people

Improve quality of life



**ideal**planet

Preserve the environment



**ideal**progress

Create value responsibly

# FOCUS ON PEOPLE, A KEY PILLAR OF EDENRED'S GROWTH STRATEGY

Edenred accelerates its investment in people



**8,500** employees

**+2,200** people in the Group since 2015



49% under 35



51% women



>45 nationalities



**idealpeople**

## NURTURING OUR TALENTS IN 2018

**HIRE:** Edenstep Graduate Program

**IDENTIFY:** Talent Review ▶ 450+ profiles

**TRAIN:** Executive Academy & Talent Week ▶ 40+ executives/managers  
Edenred Digital University ▶ Live pilot with 350+ users

**ENGAGE:** Edenvoice ▶ almost 7,000 contributions  
Edenraid ▶ 2,300+ participants

**SHARE:** Idealday ▶ 6,000+ participants

# Agenda

1. 2018 Key Figures
- 2. Strategic Update**
3. Q4 & FY 2018 Financial Results
4. 2019 Outlook & Conclusion



# SIGNIFICANT POTENTIAL IN CORE AND ADJACENT MARKETS

Long-term potential for sustainable and profitable growth



## Markets

**Edenred's markets** (Employee Benefits, Fleet & Mobility Solutions, Corporate Payment Services) remain **largely under-penetrated**

## Fast Forward key achievements

Strong progress in go-to-market and thorough execution

Further progress in the digitization of the business volume

Strong M&A and integration track record

## Lever for long-term growth

1

### Business Excellence

Continue to systematically leverage every opportunity in under-penetrated markets to:

- Expand the customer base
- Grow the revenues
- Foster high profitability

2

### Innovation

Continue to systematically leverage Edenred's powerful B2B2C global digital platform and know-how to:

- Convert new customers
- Bring new features
- Develop new solutions

3

### Acquisitions

Integrate recent acquisitions and continue to proceed to selected growth and complementary investments to:

- Further consolidate Edenred's key markets
- While applying stringent financial criteria

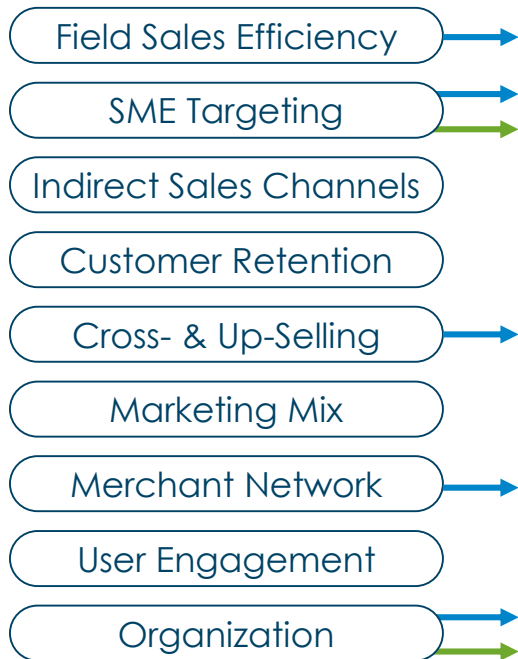




# BUSINESS EXCELLENCE AT THE HEART OF EDENRED'S PERFORMANCE

9 business excellence levers systematically optimized

## Key business excellence levers



**Illustration 1: Generation of new SME contracts**

**Illustration 2: Light fleet solution in Italy**





# BUSINESS EXCELLENCE AT THE HEART OF EDENRED'S PERFORMANCE

Illustration 1: Generation of new SME contracts



**Almost x2 new SME contracts in 2018** vs. 2017

**SME Targeting**

**Organization**

Leverage digitization in product and sales channels to improve commercial reach:

- Fast ramp-up of telesales teams
- Simplification of online sales and onboarding processes
- Strong follow-up with key metrics: e.g., lead and order generation per FTE per month, payback period





# BUSINESS EXCELLENCE AT THE HEART OF EDENRED'S PERFORMANCE

## Illustration 2: Light fleet solution in Italy

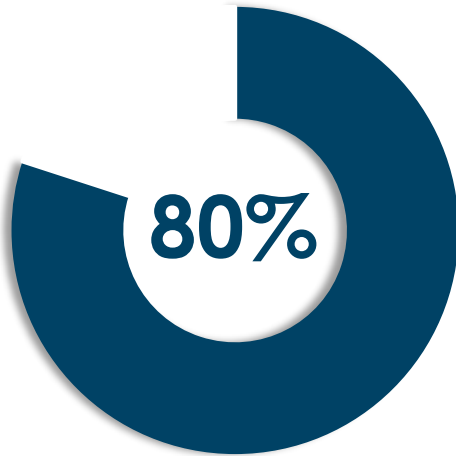


### Fast ramp-up of light fleet solution in Italy (launched in January 2018)

- **2<sup>nd</sup> largest local acceptance network** (>6,000 service stations, multibrand)
- **4,500+ clients** signed in year 1
- **Business volume x2** between Q3 and Q4 2018







*digital business volume in 2018*



**Strong competitive advantage to  
accelerate growth**

- ▶ GLOBAL REACH
- ▶ TIME TO MARKET
- ▶ COST EFFICIENCY
- ▶ VALUE-ADDED SERVICES
- ▶ TAILOR-MADE SOLUTIONS
- ▶ DIFFERENTIATION

# BRING DIGITAL INNOVATION TO CORE PRODUCTS VIA A GLOBAL PLATFORM

By leveraging proprietary and partner capabilities to fit customer needs (2/2)

## PROPRIETARY

### MULTI-TECHNOLOGY



#### Mobile

- NFC
- QR code
- App-to-App



#### Cards

- Plastic/virtual
- Prepaid/postpaid
- Closed/filtered loop

#### NFC tag



#### Smart transfers



#### Automated routing system



### OMNICHANNEL



In-store or remote transactions

## PARTNERSHIPS



Strong integration capabilities  
(e.g. APIs)

### WALLET SERVICE PROVIDERS



### LEADING E-COMMERCE PLATFORMS



Meal delivery

Retail/travel

### WHITE LABEL



Fintechs

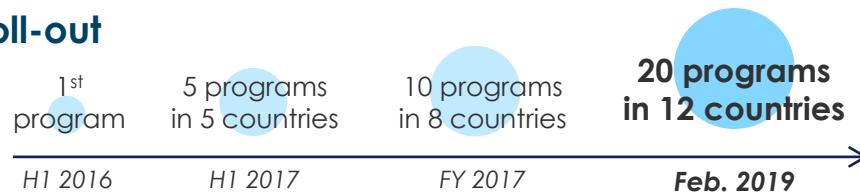
## 2

## ILLUSTRATION 1: LEADER IN MOBILE PAYMENT

Enhance user experience to adapt to new payment trends in 12 countries on 3 continents



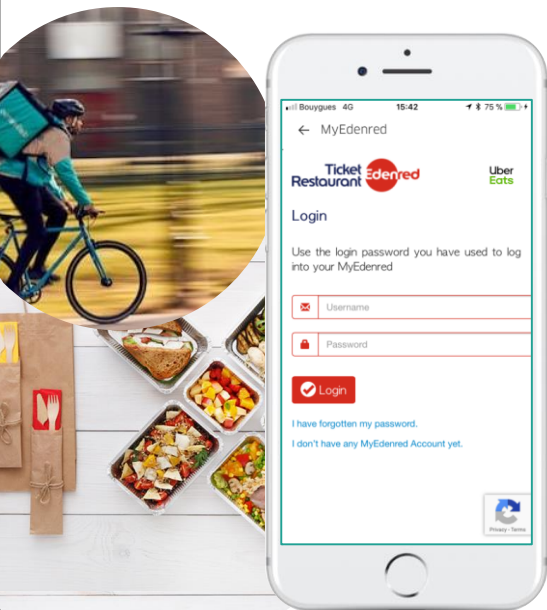
- ✓ **15m transactions**
- ✓ **Worldwide mobile payment market** (in value) expected to **almost double every two years** in the coming years<sup>(1)</sup>
- ✓ **Top adoption and user engagement rates**
  - E.g., up to 14 transactions/month/user in Spain
  - Part of the Wallet Service Providers' launch process in new countries to promote the use of the wallet solution
- ✓ **Fast roll-out**




(1) Mobile proximity payment transactions. Source: Euromonitor data, January 2019.

## ILLUSTRATION 2: LEADER IN DIRECT PAYMENT SERVICES (APP-TO-APP)

The most advanced digital payment means empowering Edenred's ecosystem



- ✓ **Daily transactions x3** vs. July 2018
- ✓ **Enlarge the network to digital players: €23bn digital food delivery market**, with 18% CAGR expected in 2018-2021<sup>(1)</sup>
- ✓ **Top adoption and user engagement rates**

Adapt to new usage trends

**75%**  
Millennials<sup>(2)</sup>

Boost stickiness for meal delivery platforms

**34%**  
users<sup>(2)</sup> ordered more than 5 times

Drive incremental volume for merchants

**Up to x4**  
online vs. in-store<sup>(3)</sup>

- ✓ **Fast roll-out in France, with 8 partnerships** (including 2 global players)

e.g.,  deliveroo  NESTOR  UBER eats

- ✓ **Scaling-up across the Group in 2019**, e.g., Belgium, Brazil, Mexico



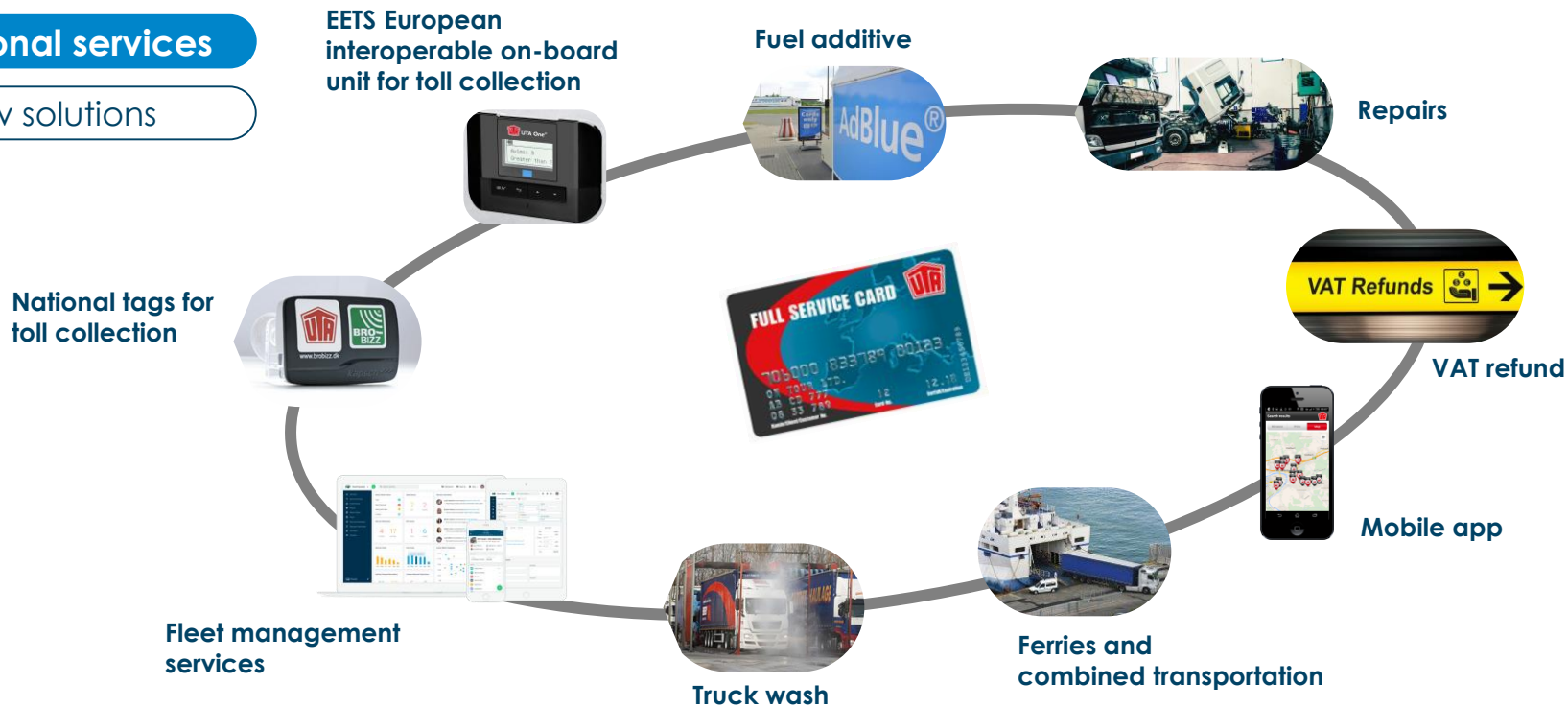
(1) Compared to €93bn global food delivery market, with 3% CAGR expected in 2018-2021. Source: McKinsey&Company.  
 (2) Among Edenred Direct Payment Services users.  
 (3) Volume generated through Edenred solutions for the top 20 merchants registered on Edenred Direct Payment Services.

# LEVERAGING EDENRED'S GROWING ECOSYSTEM TO DEVELOP ADDITIONAL SERVICES AND NEW SOLUTIONS

Illustration 1: Value-added services around the fuel card

## Additional services

New solutions



# 2

## LEVERAGING EDENRED'S GROWING ECOSYSTEM TO DEVELOP ADDITIONAL SERVICES AND NEW SOLUTIONS

Illustration 2: Scaling-up most promising adjacency initiatives across the Group

Additional services

New solutions



### Rolling out a continental corporate expense platform



A customizable solution with **3 major use cases**

- T&E for SMEs
- Online delivery
- T&E for airline staff

- ▶ **Business volume x2** vs. 2017
- ▶ **2018-2019: scaling-up across Latin America**

Operating in 2018



### Building the leading neobank in UAE



A prepaid salary card and a **mobile app giving access to value-added services to unbanked & underbanked workers**

- Money transfer
- Mobile top-up
- Balance inquiry

- ▶ **900k card users, 25% mobile adoption rate**
- ▶ **2019: replicating the business model across the Group**



# ACQUISITIONS FUELING SUSTAINABLE AND PROFITABLE GROWTH

Recent acquisitions have followed a consistent M&A strategy

## Employee Benefits

**Bolt-on acquisitions to consolidate Edenred's leadership**

- ▶ Capitalize on Edenred's digital platform to generate synergies

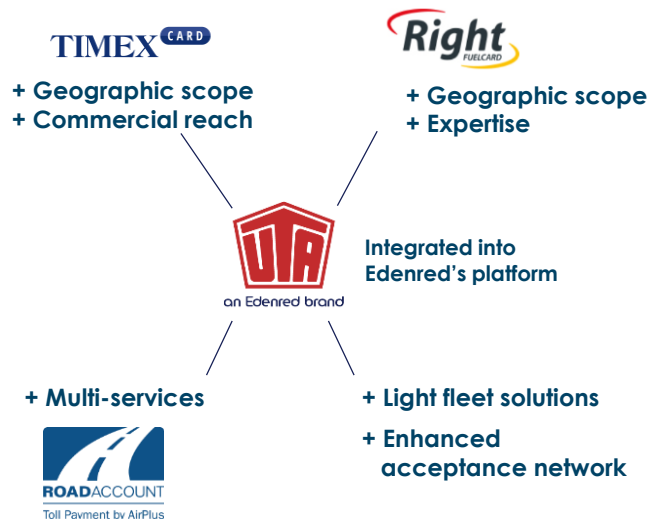


- ▶ Build new adjacencies offering cross-selling opportunities across Edenred's employee user and customer base



## Fleet & Mobility Solutions

**Build-up acquisitions to become a global multiservice player**



## Corporate Payment Services

**Expand Edenred's footprint in Corporate Payment**



Enter the large and fast-growing **Corporate Payment market in North America**

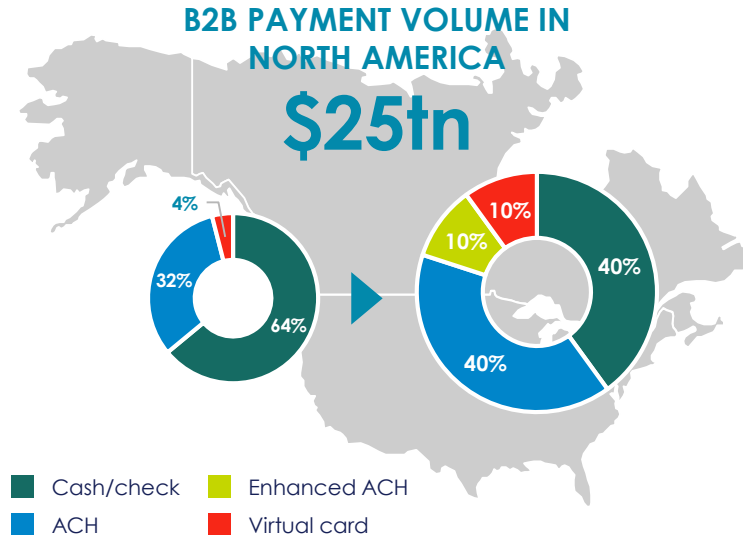
Target of **c.20% annual revenue growth**

# CSI: A LARGE ADDRESSABLE NORTH AMERICAN MARKET

A multi-trillion dollar corporate payment market undergoing a digital transition

Global B2B payment volume<sup>(1)</sup>: \$120tn

Card penetration: 2%



**64%**

B2B payment volume in North America still in check

**>70%**

of vendors likely to convert their B2B payments from checks to electronic payment within 3 years<sup>(2)</sup>



## 3

# CSI HELPS IMPROVE THE ACCOUNTS PAYABLE PROCESS

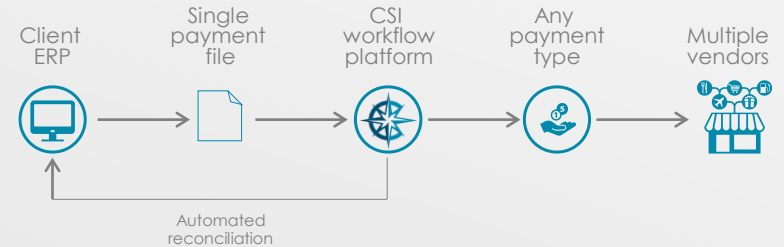
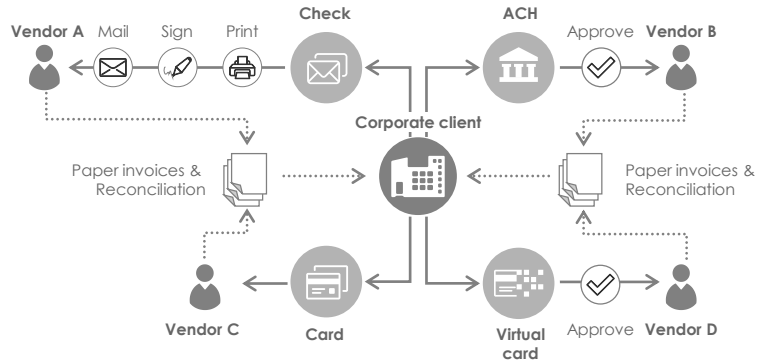
More efficiency, new revenue streams



From a traditional **highly manual** corporate payment process...



... to CSI's comprehensive corporate payment **automation solution**



**Savings** from eliminating checks

**New revenue** source: interchange fee sharing

Improved **accuracy, efficiency, control** and **security**



3

# UNIQUE CORPORATE PAYMENT AUTOMATION PLATFORM

Connected to any payer system, using any payment methods to pay any vendor

Serving 800+ clients with a comprehensive payment offering including the most advanced virtual payment methods

Highly connected technology platform

350+ integrations with 3<sup>rd</sup> parties for accounts payable and corporate travel



Intelligent payment routing, a key differentiator

A wide acceptance network of 475k+ vendors



ERPs

Accounting systems

Invoice automation

Banks

Procure to pay

Travel booking systems

Treasury systems



CORPORATE SPENDING INNOVATIONS

900k transactions in 2018



Virtual card acceptance network exceeding market standards

Intelligent payment routing system to automatically offer the best payment method to the vendor

Initially focused on key verticals to increase electronic payment enablement



Media



Hospitality



Club



Banks

Now expanding into new verticals, including:



Education



Healthcare



Telecoms



# CSI, A LEADING, FAST-GROWING AND PROFITABLE FINTECH

A strong growth track record and ambitious target

## A fast-growing and profitable fintech

2018  
FIGURES

**\$11bn**

Payment  
volume

**\$43m**

Revenue

**\$26m**

Adjusted  
EBITDA

Strong track record of  
double-digit topline growth

## A multichannel go-to-market strategy

DIRECT TO  
CLIENTS

Strong regional and  
industry expertise

PARTNERSHIP AND  
INTEGRATION

SAP Concur 

ORACLE<sup>®</sup>  
NETSUITE

WHITE-LABEL  
PAYMENT  
PLATFORM

 SUNTRUST

Mutual of Omaha Bank 

**~20%**

Annual revenue growth target

# Agenda

1. 2018 Key Figures
2. Strategic Update
- 3. Q4 & FY 2018 Financial Results**
4. 2019 Outlook & Conclusion



# 2018 OPERATING REVENUE

Organic growth acceleration throughout 2018, major currency headwinds

Q4 2018    FY 2018  
**€374m**    **€1,327m**

**Reported**  
 vs. restated 2017    **+9.0%**    **+5.9%**

**Venezuela**    -0.1%    -0.2%

**Scope**    +0.5%    +0.8%

**Currency**  
 (excluding Venezuela)    -6.8%    -7.9%

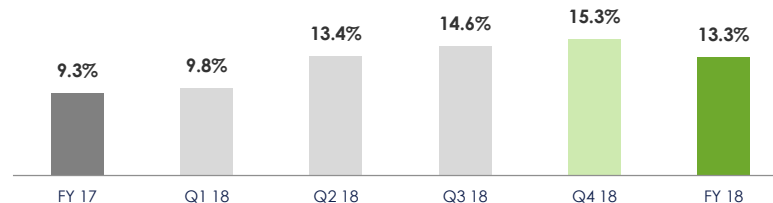
**Like-for-like**  
 (excluding Venezuela)    **+15.3%**    **+13.3%**

*Restated 2017*    **€344m**    **€1,253m**

IFRS impacts    €(19)m    €(19)m

*Reported 2017*    €363m    €1,272m

## L/L operating growth



2017 growth rates do not take into account IFRS 15 impacts

## Employee Benefits take-up rate up 11 bps vs. 2017

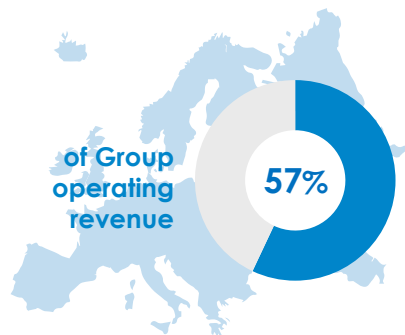
## Currency effect in €m

	BRL	ARS	MXN	TRY	Other	Total
Q4	(14)	(6)	(1)	(2)	-	(23)
FY	(70)	(11)	(7)	(6)	(6)	(100)



# FY 2018 OPERATING REVENUE – EUROPE

Steady organic growth in France and Rest of Europe, in all businesses



FY 2018  
operating revenue

€755m

+14.6% L/L

+15.7% as reported  
vs. €652m in 2017

2018 vs. 2017 L/L growth

	Q1	Q2	Q3	Q4	FY
France	+8.6%	+10.2%	+12.4%	+9.1%	+10.0%
Europe excl. France	+13.8%	+15.9%	+20.6%	+17.0%	+16.8%
<b>Total Europe</b>	<b>+11.9%</b>	<b>+14.1%</b>	<b>+18.0%</b>	<b>+14.4%</b>	<b>+14.6%</b>

- ▶ **Sustained double-digit growth** momentum in both Employee Benefits and Fleet & Mobility solutions, with a particularly strong performance in Southern Europe
- ▶ **Business excellence and innovation fuel Employee Benefits growth**, e.g.:
  - ▶ SME targeting
  - ▶ Edenred's partnerships around **meal delivery**
  - ▶ **Employee engagement platform**: Ticket Welfare, ProwebCE
- ▶ **Successful strategy in Fleet & Mobility Solutions** with ongoing expansion and additional value-added services, e.g.:
  - ▶ **Fast ramp-up of Light Fleet solutions** in Italy and France, where Edenred manages the 2<sup>nd</sup> largest acceptance network
  - ▶ Acquisition of **Timex Card** in Eastern Europe
  - ▶ Acquisition of the **Road Account toll portfolio** in Germany

# FY 2018 OPERATING REVENUE – LATIN AMERICA

Sustained double-digit organic growth region-wide over the year



FY 2018 operating revenue  
**€497m**  
 +12.0% L/L  
 -5.2% as reported vs. €525m in 2017

2018 vs. 2017 L/L growth (excluding Venezuela)

	Q1	Q2	Q3	Q4	FY
Hispanic Latin America	+15.8%	+15.4%	+16.8%	+22.7%	+17.7%
Brazil	+4.7%	+12.3%	+9.4%	+13.6%	+10.0%
<b>Total Latin America</b>	<b>+7.6%</b>	<b>+13.1%</b>	<b>+11.3%</b>	<b>+16.0%</b>	<b>+12.0%</b>

## In Brazil:

- Confirmed **recovery in Employee Benefits**
- Double-digit organic growth of Fleet & Mobility Solutions** in an under-penetrated market thanks to client wins and success of Edenred's solution for independent truckers
- Positive calendar effect in Q4

- Sustained momentum in Hispanic Latin America, both in Employee Benefits and Fleet & Mobility Solutions**
- Good momentum in Employee Benefits**, with double-digit growth in Mexico
- Successful Fleet & Mobility Solutions roll-out across the continent:**
  - Continued strong growth from Empresarial in Mexico, especially among SMEs, now operating in Argentina, Chile and Brazil
  - Ramp-up of Ticket Car in Argentina

## FY 2018 OTHER REVENUE (FORMERLY FINANCIAL REVENUE)

Decrease mainly linked to less favorable investment conditions in Europe and negative currency effects in Latin America

In €m	2017	Q1	Q2	Q3	Q4	FY	Reported change	L/L change (excluding Venezuela)
Latin America	38	8	8	8	8	32	-17.8%	-5.4%
Europe	24	4	3	3	4	14	-38.1%	-38.0%
Rest of the World	5	1	1	1	2	5	-5.8%	+24.6%
<b>Total</b>	<b>67</b>	<b>13</b>	<b>12</b>	<b>12</b>	<b>14</b>	<b>51</b>	<b>-24.1%</b>	<b>-14.7%</b>

FY 2018  
Other revenue  
(formerly financial revenue)

€51m

- ▶ €3bn float in FY 2018
- ▶ Latin America: **strong currency effect**
- ▶ Europe (where most of the float is located): **low interest rates** and **less favorable investment conditions** for investments reaching maturity
- ▶ **Cautious and optimized cash management:** Only money market instruments in local currencies (bank term deposits with no risk on capital). No float transfer between currencies



# FY 2018 TOTAL REVENUE: €1,378M

Record high total revenue despite major currency and interest rates headwinds

Q4 2018    FY 2018  
**€388m**    **€1,378m**

**Reported**  
vs. restated 2017

**+7.9%**    **+4.4%**

**Venezuela**

-0.1%    -0.2%

**Scope**

+0.5%    +0.8%

**Currency**

(excluding Venezuela)

-6.8%    -8.0%

**Like-for-like**

(excluding Venezuela)

**+14.2%**    **+11.9%**

Restated 2017

**€360m**    **€1,320m**

IFRS impacts

€(19)m    €(19)m

Reported 2017

€379m    €1,339m

## ► Total revenue growth in Q4 2018

In €m

	Q4 18	Q4 17	Reported change	L/L change (excluding Venezuela)
Operating revenue	374	344	+9.0%	+15.3%
Other revenue	14	16	-15.8%	-8.3%
<b>Total revenue</b>	<b>388</b>	<b>360</b>	<b>+7.9%</b>	<b>+14.2%</b>

## ► Total revenue growth in FY 2018

In €m

	FY 18	FY 17	Reported change	L/L change (excluding Venezuela)
Operating revenue	1,327	1,253	+5.9%	+13.3%
Other revenue	51	67	-24.1%	-14.7%
<b>Total revenue</b>	<b>1,378</b>	<b>1,320</b>	<b>+4.4%</b>	<b>+11.9%</b>



# FY 2018 TOTAL EBIT: €461M

23.5% like-for-like operating EBIT growth

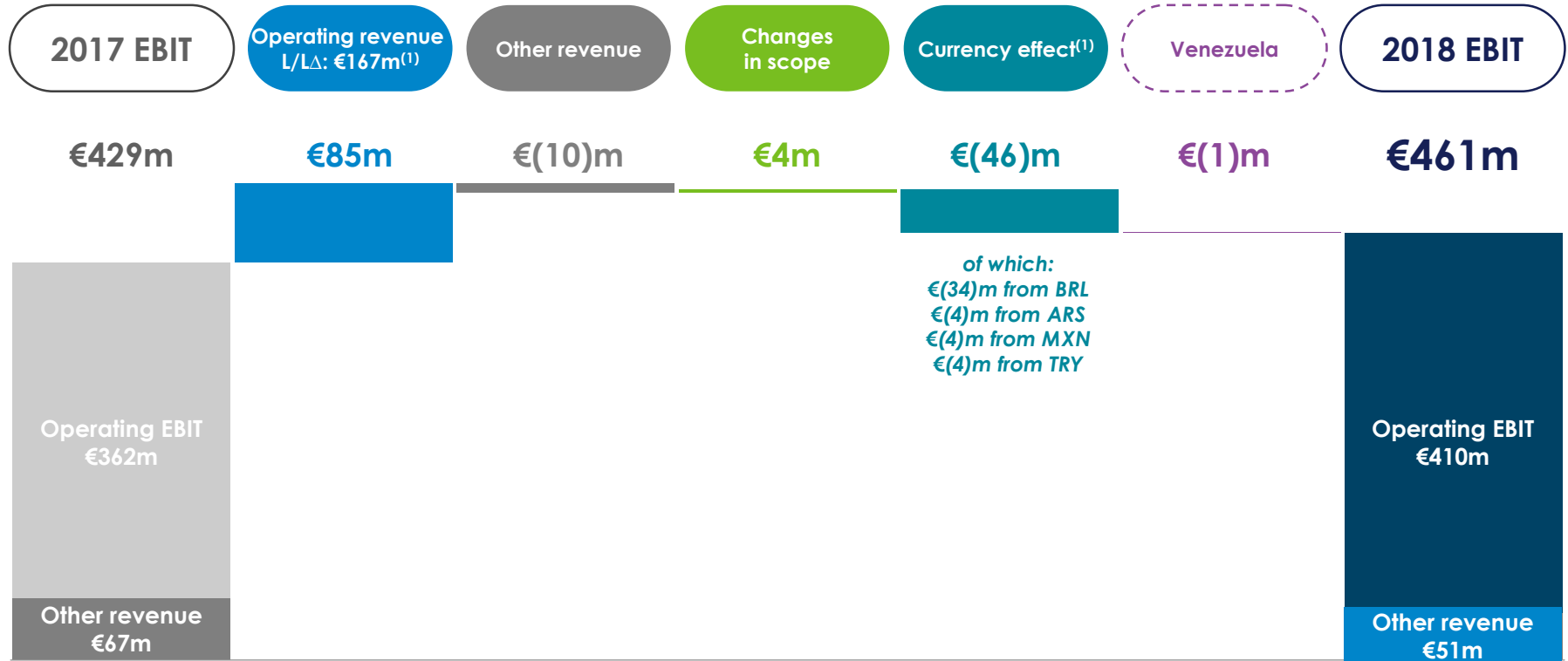
<i>In € millions</i>	FY 2018	FY 2017	Reported change	L/L change <sup>(1)</sup>	FY 2017 reported
Operating revenue	1,327	1,253	+5.9%	+13.3%	1,272
Other revenue (A)	51	67	-24.1%	-14.7%	67
<b>Total revenue</b>	<b>1,378</b>	<b>1,320</b>	<b>+4.4%</b>	<b>+11.9%</b>	<b>1,339</b>
<b>EBITDA</b>	<b>536</b>	<b>502</b>	<b>+6.7%</b>	<b>+16.2%</b>	<b>510</b>
<i>EBITDA margin</i>	38.8%	38.0%	+0.8pt	+1.5pts	<b>38.0%</b>
<b>Operating EBIT (B)</b>	<b>410</b>	<b>362</b>	<b>+13.1%</b>	<b>+23.5%</b>	<b>370</b>
<i>Operating EBIT margin</i>	30.9%	28.9%	+2.0pts	<b>+2.5pts</b>	<b>29.1%</b>
<b>EBIT (C)=(A)+(B)</b>	<b>461</b>	<b>429</b>	<b>+7.3%</b>	<b>+17.5%</b>	<b>437</b>
<i>EBIT margin</i>	33.4%	32.5%	+0.9pt	+1.6pts	<b>32.6%</b>



(1) Like-for-like growth excluding Venezuela.

# FY 2018 TOTAL EBIT: €461M

Strong operating leverage and successful integration of acquisitions more than offsetting negative currency impacts



(1) Excluding Venezuela.

# FY 2018 NET PROFIT: €254M

Increase in net profit, Group share

<i>In € millions</i>	FY 2018	FY 2017	Reported change		
<b>EBITDA</b>	<b>536</b>	<b>502</b>	<b>+6.7%</b>		
Depreciation and amortization (excluding PPA)	(54)	(51)			
Purchase price allocation (PPA)	(21)	(22)			
<b>EBIT</b>	<b>461</b>	<b>429</b>	<b>+7.3%</b>		
Share of net profit from equity-accounted companies	11	11			
Other income and expenses	(31)	(7)			
<b>Operating profit including share of net profit from equity-accounted companies</b>	<b>441</b>	<b>433</b>	<b>+1.8%</b>		
Net financial expense	(37)	(50)			
Income tax expense	(119)	(106)			
Net profit attributable to non-controlling interests	(31)	(36)			
<b>Net profit, Group share (A)</b>	<b>254</b>	<b>241</b>	<b>+5.2%</b>		
Weighted average number of shares outstanding (B) (in thousands)	236.451	233.064			
<b>EPS, Group share [(A)/(B)]</b> (in €)	<b>1.07</b>	<b>1.03</b>	<b>+4.4%</b>		

	2018	2017
Acquisition fees	(16)	(2)
Asset and goodwill impairment	(6)	(19)
Restructuring	(5)	(4)
Gain on remeasurement at fair value of Edenred's initial investment in UTA	-	+19
Other	(4)	(1)

Including €24m related to the reversal of the 3% French dividend tax on dividends



# FY 2018 FUNDS FROM OPERATIONS: €400M

+17% like-for-like FFO growth

In € millions	2018	2017	Reported change	L/L change
<b>EBITDA</b>	<b>536</b>	<b>502</b>	<b>+6.7%</b>	<b>+16.2%</b>
<b>Funds from operations</b>	<b>400</b>	<b>379</b>	<b>+5.5%</b>	<b>+17.0%</b>
<i>Increase/(decrease) in cash linked to changes in float<sup>(1)</sup></i>	161	271		
<i>(Increase)/decrease in restricted cash</i>	(279)	(204)		
<i>(Increase)/decrease in working capital (excl. float)</i>	243	31		
<i>Recurring capex</i>	(90)	(78)		
<b>Free cash flow</b>	<b>435</b>	<b>399</b>	<b>+9.2%</b>	

## Strong FFO generation, fueling Edenred's capital allocation:

- ▶ Immediate return to shareholders with a payout ratio of at least 80% of net profit, Group share
- ▶ Selected growth investments, applying stringent financial criteria
- ▶ Maintaining a strong credit rating



(1) The float corresponds to vouchers in circulation less trade receivables.

# FY 2018 NET DEBT: €659M

Strong free cash flow generation fueling acquisitions and shareholder return

December 31, 2017  
Net debt position  
(IFRS 9 restated)

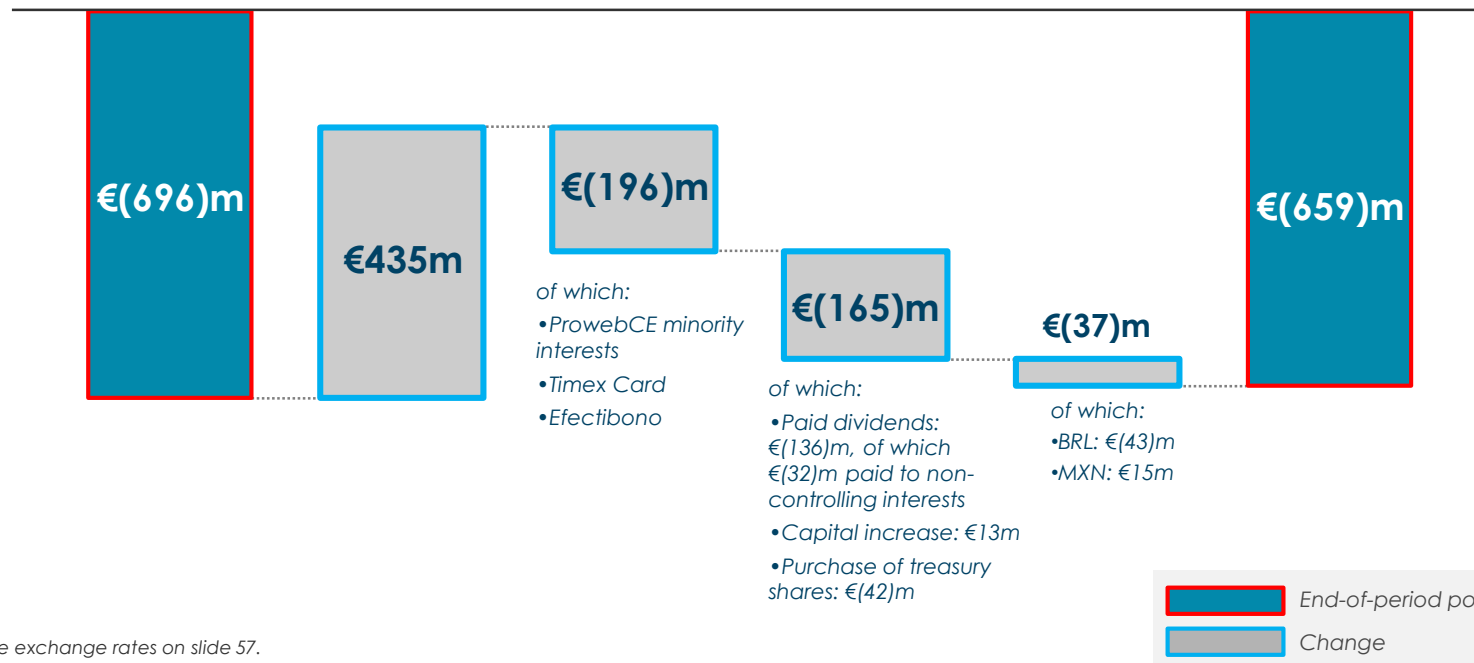
Free cash  
flow

Acquisitions  
(incl. put options)

Shareholder  
return

Currency  
effects<sup>(1)</sup> and  
other non-  
recurring items

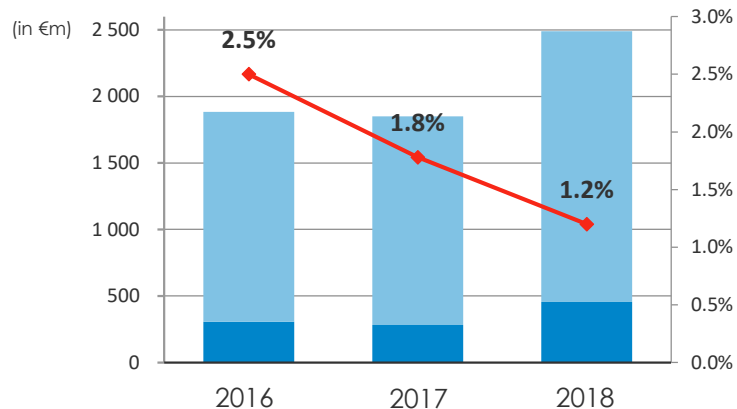
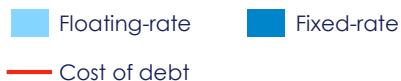
December 31, 2018  
Net debt position  
(reported)



(1) See exchange rates on slide 57.

# A WELL-BALANCED DEBT PROFILE

## Gross debt



<b>Net debt (€m)</b>	<b>588</b>	<b>696</b>	<b>659</b>
<b>Leverage ratio</b> (Net debt/EBITDA)	<b>1.4x</b>	<b>1.4x</b>	<b>1.2x</b>
<b>Average maturity</b> (years)	<b>4.4</b>	<b>6.0</b>	<b>5.2</b>

## ACHIEVEMENTS

- ▶ **Completed successful €500 million bond issue** in December 2018 (7 years and 3 months - 1.875%)
- ▶ Lowered **cost of debt to 1.2%<sup>(1)</sup>**  
**-60bps vs. 2017**
- ▶ Maintained **average maturity above 5 years**
- ▶ Improved **leverage ratio** in 2018 vs. 2017  
(net debt/EBITDA): **1.2x**

**“Strong investment grade” BBB+**  
 Group rating by Standard & Poor's



(1) Excluding BRL debt, 2018 average cost of debt was 1.1%, down 16bps vs. 2017.

# CAPITAL ALLOCATION POLICY

## Proposed 2018 dividend

Record dividend proposed<sup>(1)</sup>

**€0.86 per share**

i.e., 80% of net profit, Group share



## Reflecting Edenred's capital allocation policy

- ▶ **Maximize value creation for shareholders through a balanced deployment of capital between:**
  - ▶ Immediate return to shareholders with a payout ratio of at least 80% of net profit, Group share
  - ▶ Selected growth investments, applying stringent financial criteria while maintaining a strong credit rating



(1) To be proposed at the Shareholders Meeting of May 14, 2019. Shareholders will be offered the option of payment in 100% cash or 100% shares with a 10% discount.



# Agenda

1. 2018 Key Figures
2. Strategic Update
3. Q4 & FY 2018 Financial Results
4. **2019 Outlook & Conclusion**



# 2019 OUTLOOK

Tackling 2019 with confidence

**Sustained growth in all regions and all business lines**, driven by:

- ▶ **Disciplined go-to-market** approach and **digital agility** to further grow in under-penetrated markets
- ▶ **Innovation across all business lines:**
  - Digital innovation, e.g., mobile payment, app-to-app direct payment
  - Product and service launches:
    - Employee engagement platforms
    - Light fleet and toll solutions in Europe
    - Empresarial in Latin America
    - Light banking
    - Corporate Payment services
- ▶ **Integration and ramp-up of 2018 acquisitions and partnerships**
  - Employee Benefits:
    - Activate indirect distribution channels to boost growth both in Europe and Brazil
    - Mutualize and deploy employee engagement platforms in Europe
  - Fleet & Mobility Solutions:
    - Pursue European multiservice expansion strategy (TRFC, Road Account)
  - Corporate Payment:
    - 20% growth ambition for CSI in North America

**Edenred confirms Fast Forward's annual medium-term targets for 2019**



**FAST  
FORWARD**

**> +7%**

L/L operating  
revenue growth

**> +9%**

L/L operating  
EBIT growth

**> +10%**

L/L FFO growth

**SAVE THE DATE – OCTOBER 23, 2019**



**Capital Markets Day**  
*in London*  
*October 23, 2019*



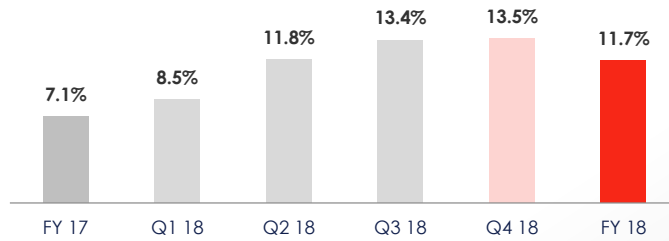


# Appendices

# FURTHER PENETRATION AS A KEY GROWTH DRIVER

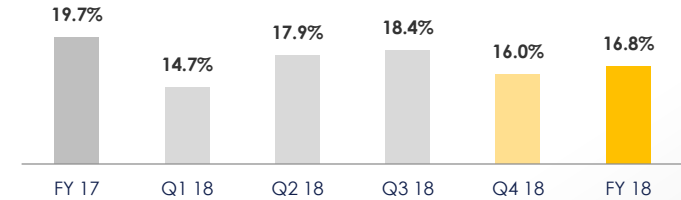
Sustainable growth mainly fueled by new clients wins, especially among SMEs

## Employee Benefits



L/L operating revenue growth (excluding Venezuela)

## Fleet & Mobility



L/L operating revenue growth



# STRONG GROWTH PROSPECTS IN CORPORATE PAYMENT SERVICES

A full offer to make payment smarter and more efficient for corporates

## VIRTUAL CARDS



- MasterCard virtual card issuing
- Dual issuing (Visa & MasterCard) in the United States
- User-friendly front-end solution
- Strong connectivity with APIs

NEW



## ACCOUNTS PAYABLE



**Best-in-class cloud-based automated payment platform in North America**

- Strong verticals in media, hospitality and clubs
- Licensing to financial institutions and third-party distribution to accelerate growth

## CORPORATE TRAVEL



**Virtual card payment tools integrated with travel booking systems**

## IDENTIFIED BANK TRANSFERS



NEW



**Identified payment solution through Single European Payment Area wire transfer**

- Successful launch in H2 2018 to 1.6m Foncia clients
- Significant leads pipeline

## TAILOR-MADE PROGRAMS



**Deployment of IATA EasyPay, a wallet for travel agents to pay for airline tickets**

- 115+ countries allocated to Edenred (vs. 73 initially)
- 37 countries live
- Process automation to improve usage and drive volume

PAY-OUT

CSI offering

CASH-IN

Sales pipeline x5



# ENVIRONMENT, SOCIAL & GOVERNANCE (ESG)

A recognized commitment

MEMBER OF

**Dow Jones  
Sustainability Indices**

In Collaboration with RobecoSAM

- Since 2013, Edenred has been listed in the **Dow Jones Sustainability Indices**. Launched in 1999, the DJSI were the first global indices tracking the financial performance of leading sustainability-driven companies worldwide

**Edenred is part of the 28 French companies listed in the European index among 149 companies in total**

- In recognition to its ESG engagement, Edenred is part of the **FTSE4Good ranking (Global and Europe)**, the international index on social and environmental responsibility since 2011
- The series of ethical stock-exchange index FTSE4Good was conceived to measure the performance of companies which complies with world regulation in terms of social responsibility



FTSE4Good

**Among the 958 companies in the index series, only 67 are French**



- In 2018, Edenred has been recognized among the 120 most advanced companies by integrating the indices **Euronext Vigeo Eurozone 120** and **Euronext Vigeo Europe 120**



# IFRS RESTATED 2017 OPERATING REVENUE

In € millions	Q1 2017			Q2 2017			Q3 2017			Q4 2017			FY 2017		
	Reported	Restated	Change	Reported	Restated	Change	Reported	Restated	Change	Reported	Restated	Change	Reported	Restated	Change
Europe	156	<b>161</b>	+5	160	<b>155</b>	-5	149	<b>149</b>	0	208	<b>187</b>	-21	673	<b>652</b>	-21
France	50	<b>57</b>	+7	50	<b>49</b>	-1	45	<b>47</b>	+2	74	<b>62</b>	-12	219	<b>215</b>	-4
Rest of Europe	106	<b>104</b>	-2	110	<b>106</b>	-4	104	<b>102</b>	-2	134	<b>125</b>	-9	454	<b>437</b>	-17
Latin America	130	<b>132</b>	+2	132	<b>132</b>	0	126	<b>125</b>	-1	136	<b>136</b>	0	524	<b>525</b>	+1
Rest of the World	19	<b>17</b>	-2	19	<b>19</b>	0	18	<b>19</b>	+1	19	<b>21</b>	+2	75	<b>76</b>	+1
<b>Operating revenue</b>	<b>305</b>	<b>310</b>	+5	<b>311</b>	<b>306</b>	-5	<b>293</b>	<b>293</b>	0	<b>363</b>	<b>344</b>	-19	<b>1 272</b>	<b>1 253</b>	-19





# IFRS RESTATED 2017 OPERATING EBIT & EBIT

In € millions	H1 2017			H2 2017			FY 2017		
	Reported	Restated	Change	Reported	Restated	Change	Reported	Restated	Change
Europe	85	<b>92</b>	+7	98	<b>83</b>	-15	183	<b>175</b>	-8
France	18	<b>25</b>	+7	24	<b>14</b>	-10	42	<b>39</b>	-3
Rest of Europe	67	<b>67</b>	0	74	<b>69</b>	-5	141	<b>136</b>	-5
Latin America	89	<b>90</b>	+1	99	<b>99</b>	0	188	<b>189</b>	+1
Rest of the World	4	<b>2</b>	-2	4	<b>5</b>	+1	8	<b>7</b>	-1
Holding and others	(11)	<b>(11)</b>	0	2	<b>2</b>	0	(9)	<b>(9)</b>	0

<b>Operating EBIT</b>	<b>167</b>	<b>173</b>	+6	<b>203</b>	<b>189</b>	-14	<b>370</b>	<b>362</b>	-8
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In € millions	H1 2017			H2 2017			FY 2017		
	Reported	Restated	Change	Reported	Restated	Change	Reported	Restated	Change
Europe	97	<b>104</b>	+7	110	<b>95</b>	-15	207	<b>199</b>	-8
France	23	<b>30</b>	+7	29	<b>19</b>	-10	52	<b>49</b>	-3
Rest of Europe	74	<b>74</b>	0	81	<b>76</b>	-5	155	<b>150</b>	-5
Latin America	109	<b>110</b>	+1	117	<b>117</b>	0	226	<b>227</b>	+1
Rest of the World	6	<b>4</b>	-2	7	<b>8</b>	+1	13	<b>12</b>	-1
Holding and others	(11)	<b>(11)</b>	0	2	<b>2</b>	0	(9)	<b>(9)</b>	0

<b>EBIT</b>	<b>201</b>	<b>207</b>	+6	<b>236</b>	<b>222</b>	-14	<b>437</b>	<b>429</b>	-8
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# OPERATING REVENUE

In € millions	Q1		Q2		Q3		Q4		FY	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Europe	183	161	179	155	179	149	214	187	755	652
<i>France</i>	63	57	55	49	54	47	67	62	239	215
<i>Rest of Europe</i>	120	104	124	106	125	102	147	125	516	437
Latin America	119	132	124	132	116	125	138	136	497	525
Rest of the world	17	17	18	19	18	19	22	21	75	76
<b>Total operating revenue</b>	<b>319</b>	<b>310</b>	<b>321</b>	<b>306</b>	<b>313</b>	<b>293</b>	<b>374</b>	<b>344</b>	<b>1,327</b>	<b>1,253</b>

In %	Q1		Q2		Q3		Q4		FY	
	Reported	L/L (excl. Venezuela)	Reported	L/L (excl. Venezuela)	Reported	L/L (excl. Venezuela)	Reported	L/L (excl. Venezuela)	Reported	L/L (excl. Venezuela)
Europe	+13.7%	+11.9%	+15.7%	+14.1%	+19.3%	+18.0%	+14.7%	+14.4%	+15.7%	+14.6%
<i>France</i>	+10.3%	+8.6%	+10.8%	+10.2%	+13.4%	+12.4%	+10.1%	+9.1%	+11.0%	+10.0%
<i>Rest of Europe</i>	+15.6%	+13.8%	+18.0%	+15.9%	+22.0%	+20.6%	+16.9%	+17.0%	+18.1%	+16.8%
Latin America	-9.5%	+7.6%	-6.2%	+13.1%	-7.2%	+11.3%	+1.9%	+16.0%	-5.2%	+12.0%
Rest of the world	-3.2%	+6.6%	-5.3%	+9.8%	-3.1%	+9.4%	+4.2%	+19.6%	-1.7%	+11.6%
<b>Total operating revenue</b>	<b>+2.9%</b>	<b>+9.8%</b>	<b>+5.0%</b>	<b>+13.4%</b>	<b>+6.5%</b>	<b>+14.6%</b>	<b>+9.0%</b>	<b>+15.3%</b>	<b>+5.9%</b>	<b>+13.3%</b>

## OTHER REVENUE (FORMERLY FINANCIAL REVENUE)

In € millions	Q1		Q2		Q3		Q4		FY	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Europe	4	6	3	6	3	6	4	6	14	24
<i>France</i>	2	3	1	3	1	2	2	2	6	10
<i>Rest of Europe</i>	2	3	2	3	2	4	2	4	8	14
Latin America	8	10	8	9	8	10	8	9	32	38
Rest of the world	1	2	1	1	1	1	2	1	5	5
<b>Other revenue</b>	<b>13</b>	<b>18</b>	<b>12</b>	<b>16</b>	<b>12</b>	<b>17</b>	<b>14</b>	<b>16</b>	<b>51</b>	<b>67</b>

In %	Q1		Q2		Q3		Q4		FY	
	Reported	L/L (excl. Venezuela)	Reported	L/L (excl. Venezuela)	Reported	L/L (excl. Venezuela)	Reported	L/L (excl. Venezuela)	Reported	L/L (excl. Venezuela)
Europe	-44.7%	-44.6%	-43.9%	-43.8%	-38.2%	-38.3%	-24.0%	-23.9%	-38.1%	-38.0%
<i>France</i>	-36.2%	-36.2%	-34.7%	-34.7%	-38.6%	-38.6%	-26.3%	-26.3%	-34.3%	-34.3%
<i>Rest of Europe</i>	-50.7%	-50.5%	-50.4%	-50.1%	-38.0%	-38.1%	-22.5%	-22.3%	-40.8%	-40.6%
Latin America	-19.3%	-7.0%	-18.9%	-3.3%	-17.9%	-4.1%	-15.1%	-7.2%	-17.8%	-5.4%
Rest of the world	+1.9%	+24.8%	-14.4%	+12.0%	-23.4%	+12.2%	+15.0%	+50.0%	-5.8%	+24.6%
<b>Other revenue</b>	<b>-27.1%</b>	<b>-18.6%</b>	<b>-27.4%</b>	<b>-16.5%</b>	<b>-25.7%</b>	<b>-15.1%</b>	<b>-15.8%</b>	<b>-8.3%</b>	<b>-24.1%</b>	<b>-14.7%</b>

# TOTAL REVENUE

In € millions	Q1		Q2		Q3		Q4		FY	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Europe	187	167	182	161	182	155	218	193	769	676
France	65	60	56	52	55	49	69	64	245	225
Rest of Europe	122	107	126	109	127	106	149	129	524	451
Latin America	127	142	132	141	124	135	146	145	529	563
Rest of the world	18	19	19	20	19	20	24	22	80	81
<b>Total revenue</b>	<b>332</b>	<b>328</b>	<b>333</b>	<b>322</b>	<b>325</b>	<b>310</b>	<b>388</b>	<b>360</b>	<b>1,378</b>	<b>1,320</b>

In %	Q1		Q2		Q3		Q4		FY	
	Reported	L/L (excl. Venezuela)	Reported	L/L (excl. Venezuela)	Reported	L/L (excl. Venezuela)	Reported	L/L (excl. Venezuela)	Reported	L/L (excl. Venezuela)
Europe	+11.5%	+9.8%	+13.5%	+12.0%	+17.1%	+15.9%	+13.6%	+13.3%	+13.9%	+12.7%
France	+8.2%	+6.6%	+8.7%	+8.2%	+10.9%	+9.9%	+8.9%	+7.9%	+9.1%	+8.1%
Rest of Europe	+13.3%	+11.5%	+15.8%	+13.8%	+20.0%	+18.6%	+15.9%	+16.0%	+16.2%	+15.0%
Latin America	-10.2%	+6.5%	-7.0%	+12.0%	-7.9%	+10.3%	+0.7%	+14.4%	-6.0%	+10.8%
Rest of the world	-2.9%	+7.6%	-5.8%	+10.0%	-4.5%	+9.6%	+4.8%	+21.4%	-2.0%	+12.4%
<b>Total revenue</b>	<b>+1.3%</b>	<b>+8.3%</b>	<b>+3.3%</b>	<b>+11.9%</b>	<b>+4.8%</b>	<b>+13.0%</b>	<b>+7.9%</b>	<b>+14.2%</b>	<b>+4.4%</b>	<b>+11.9%</b>

# FY 2018 CASH FLOW STATEMENT

<i>In € millions</i>	2018	2017
<b>Funds from operations</b>	<b>400</b>	<b>379</b>
Increase/(decrease) in cash linked to changes in float <sup>(1)</sup>	161	271
(Increase)/decrease in restricted cash	-279	-204
(Increase)/decrease in working capital (excl. float)	243	31
Recurring capex	-90	-78
<b>Free cash flow</b>	<b>435</b>	<b>399</b>
Acquisitions	-196	-280
Dividends paid to Edenred SA shareholders	-104	-109
Dividends paid to non-controlling interests	-32	-20
Capital increase <sup>(2)</sup>	13	15
(Buyback)/sale of treasury shares	-42	-24
Currency effects	-44	-130
Other non-recurring items	7	24
<b>(Increase)/decrease in net debt</b>	<b>37</b>	<b>(125)</b>



(1) The float corresponds to vouchers in circulation less trade receivables.

(2) Related to stock options.

# EBITDA, OPERATING EBIT & EBIT

<i>In € millions</i>	2018	2017	Reported	L/L (excl. Venezuela)
Europe	284	232	+22.3%	+20.0%
<i>France</i>	66	59	+12.2%	+11.8%
<i>Rest of Europe</i>	218	173	+25.8%	+22.8%
Latin America	251	260	-3.4%	+14.6%
Rest of the world	13	15	-17.5%	+13.0%
Holding and others	(12)	(5)	+121.2%	+87.9%
<b>Total EBITDA</b>	<b>536</b>	<b>502</b>	<b>+6.7%</b>	<b>+16.2%</b>

<i>In € millions</i>	2018	2017	Reported	L/L (excl. Venezuela)
Europe	234	175	+32.7%	+30.3%
<i>France</i>	49	39	+24.0%	+23.5%
<i>Rest of Europe</i>	185	136	+35.2%	+32.2%
Latin America	188	189	-0.4%	+19.3%
Rest of the world	5	7	-26.4%	+16.0%
Holding and others	(17)	(9)	+80.1%	+60.4%
<b>Total Operating EBIT</b>	<b>410</b>	<b>362</b>	<b>+13.1%</b>	<b>+23.5%</b>

<i>In € millions</i>	2018	2017	Reported	L/L (excl. Venezuela)
Europe	248	199	+24.3%	+22.2%
<i>France</i>	55	49	+12.5%	+12.2%
<i>Rest of Europe</i>	193	150	+28.1%	+25.4%
Latin America	220	227	-3.4%	+15.1%
Rest of the world	10	12	-18.0%	+19.5%
Holding and others	(17)	(9)	+80.1%	+60.4%
<b>Total EBIT</b>	<b>461</b>	<b>429</b>	<b>+7.3%</b>	<b>+17.5%</b>

# SUMMARIZED BALANCE SHEET

As of December 31<sup>st</sup>, 2018

<i>In € millions</i>	Dec 18	Dec 17 Restated*	<i>In € millions</i>	Dec 18	Dec 17 Restated*
Goodwill	976	994	Total equity	(1,451)	(1,362)
Intangible assets	432	433	Gross debt and other financial liabilities	+ 2,696	2,136
Property, plant & equipment	52	46	Provisions and deferred tax	215	219
Investments in associates	66	62	Funds to be redeemed (float)	+ 4,959	4,749
Other non-current assets	123	130	Working capital excl. float (liabilities)	851	469
Float (Trade Receivables, net)	- 1,949	1,744			
Working capital excl. float (assets)	233	236			
Restricted cash	1,402	1,127			
Cash & cash equivalents	- 2,037	1,439			
<b>Total assets</b>	<b>7,270</b>	<b>6,211</b>	<b>Total equity and liabilities</b>	<b>7,270</b>	<b>6,211</b>
<b>Net debt</b>	<b>659</b>	696	<b>Total working capital</b>	<b>3,628</b>	3,238
			o/w float	3,010 **	3,005



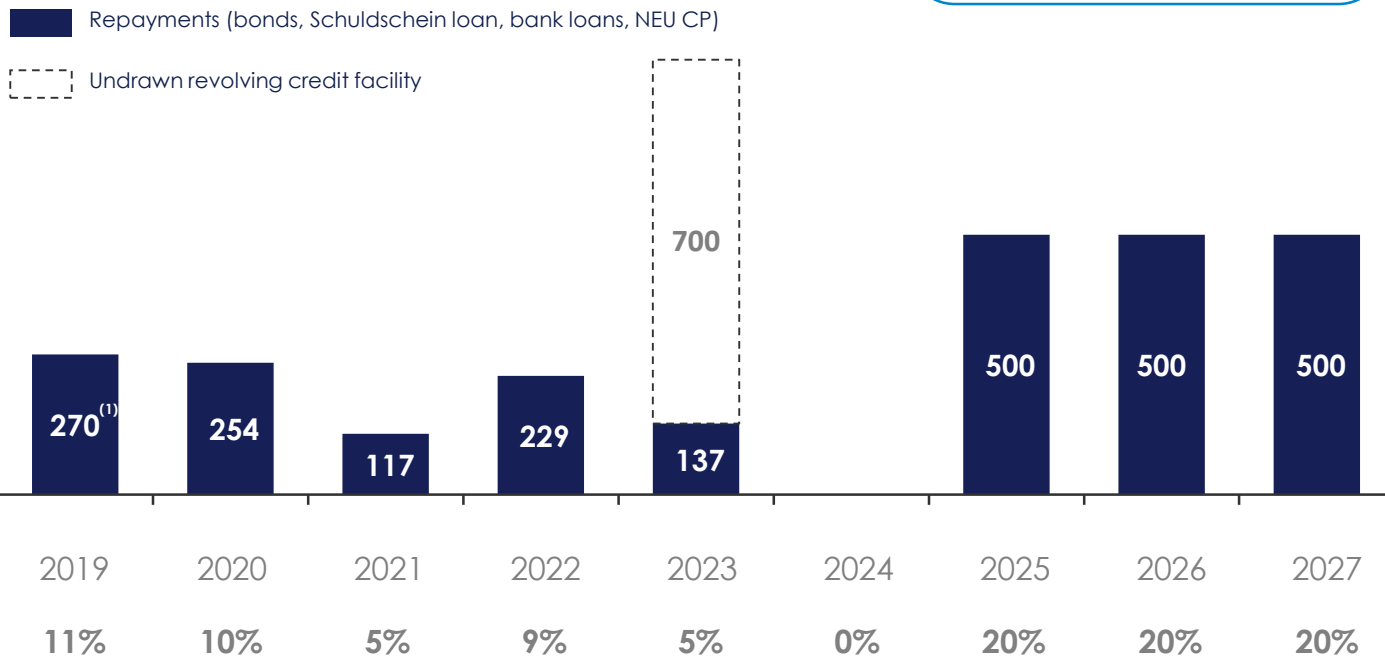
\* Data restated with IFRS 9 and 15 impacts.

\*\* 2018 float like-for-like growth: 5.2%.

# NO MAJOR REPAYMENTS DUE BEFORE 2025

## Debt repayment schedule (€m)

FY 2018 Total gross debt: €2.489bn



**E** (1) Of which bank loans in BRL of €56 million based on a closing rate of BRL 4.44 for EUR 1 on December 31, 2018.



# AVERAGE EXCHANGE RATE

€1 = X foreign currency	Average rates															Spot rate as of 31.12.2018	Spot rate as of 31.12.2017
	Q1 2018	Q1 2017	2018 vs. 2017 Change (In%)	Q2 2018	Q2 2017	2018 vs. 2017 Change (In%)	Q3 2018	Q3 2017	2018 vs. 2017 Change (In%)	Q4 2018	Q4 2017	2018 vs. 2017 Change (In%)	FY 2018	FY 2017	2018 vs. 2017 Change (In%)		
Bolivar Sovereign (VES) *	0.28	0.01	-97.4%	0.85	0.01	-98.3%	34.07	0.04	-99.9%	182.87	0.04	-100.0%	54.52	0.02	-100.0%	644.95	0.04
Brazilian Real (BRL)	3.99	3.35	-16.2%	4.29	3.53	-17.7%	4.60	3.71	-19.3%	4.35	3.82	-12.1%	4.31	3.60	-16.4%	4.44	3.97
Mexican Peso (MXN)	23.03	21.63	-6.1%	23.12	20.41	-11.7%	22.07	20.94	-5.2%	22.62	22.34	-1.3%	22.71	21.33	-6.1%	22.49	23.66
Argentine Peso (ARS)	24.23	16.69	-31.1%	28.02	17.31	-38.2%	37.38	20.30	-45.7%	42.37	20.67	-51.2%	33.00	18.74	-43.2%	43.13	22.33
British Pound Sterling (GBP)	0.88	0.86	-2.7%	0.88	0.86	-1.8%	0.89	0.90	0.6%	0.89	0.89	0.0%	0.88	0.88	-1.0%	0.89	0.89
Turkish Lira (TRY)	4.69	3.94	-16.1%	5.22	3.94	-24.5%	6.60	4.13	-37.5%	6.28	4.48	-28.6%	5.70	4.12	-27.7%	6.06	4.55
US Dollar (USD)	1.23	1.06	-13.4%	1.19	1.10	-7.7%	1.16	1.17	1.0%	1.14	1.18	3.2%	1.18	1.13	-4.4%	1.15	1.20

\* New currency from 22/08/18 : 1 VES = 1 VEF / 100 000

## 2018 EBIT sensitivity to a +/- 5% change

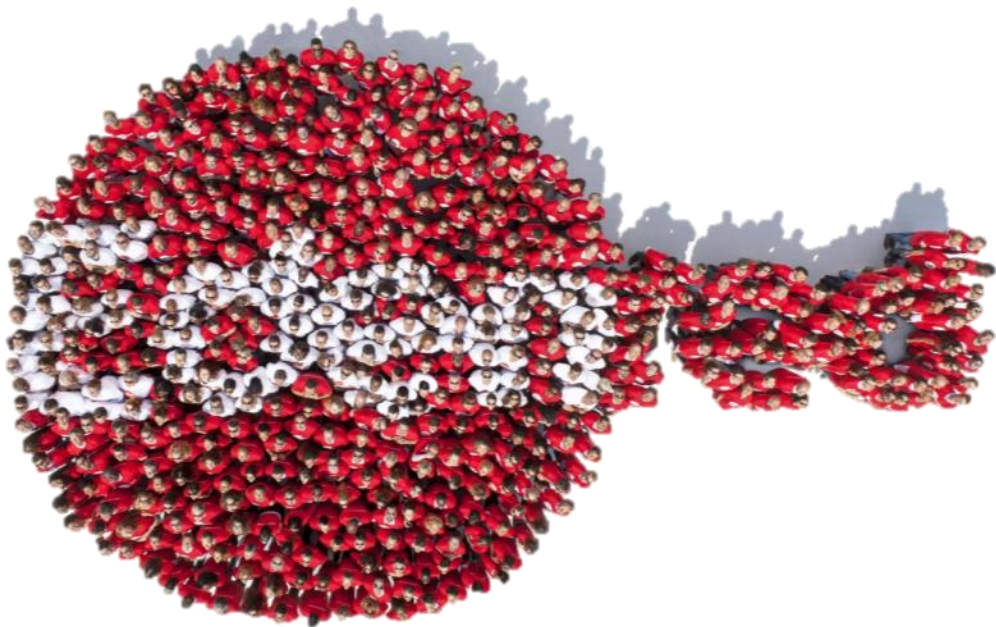
BRL	MXN
~€8.5m	~€2m



## 2019 EXPECTED CALENDAR EFFECTS

	Q1	Q2	Q3	Q4	2019
<i>Working days</i>	Nb of days	Nb of days	Nb of days	Nb of days	Nb of days
Europe	-1	0	1	0	0
Latin America	0	-1	2	2	2
Rest of the world	-1	1	1	0	2
<b>TOTAL</b>	<b>-1</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>1</b>





# CONTACT

**Solène Zammito**

[solene.zammito@edenred.com](mailto:solene.zammito@edenred.com)

**Loïc Da Silva**

[loic.dasilva@edenred.com](mailto:loic.dasilva@edenred.com)

