



Q1 2020 REVENUE

April 23, 2020

EXECUTIVE SUMMARY

Edenred is highly committed to supporting its ecosystem through the consequences of Covid-19, with 5 priorities

- ▶ #1: Protect employees
- ▶ #2: Ensure seamless business continuity for 850K clients, 50M users and 2M merchants thanks to digital solutions
- ▶ #3: Swiftly design innovative specific-purpose payment solutions to support special needs
- ▶ #4: Respond fast with the launch of a €100m savings plan and a downward revision of 2020^F capex
- ▶ #5: Launch “More than Ever” relief plan, with multiple initiatives already live worldwide

Q1 2020: strong start to the year, partly offset by the first impacts of lockdown measures

- ▶ Strong start to the year with sustained double-digit operating revenue growth over the first two months of the year
- ▶ March progressively impacted by lockdown measures, particularly in Europe

FY outlook: not immune in this uncertain environment, but resilient thanks to strong fundamentals

- ▶ **A marked decrease in business expected in Q2**, linked to some Employee Benefits' revenue being delayed to H2, and some revenue being lost (extension of stay-at-home and short-time working measures in Europe/USA and their introduction in Latin America)
- ▶ **Resilience thanks to strong fundamentals:** i) fast-growing business and robust balance sheet, ii) offer covering essential needs (Eat, Move, Care, Pay), iii) leading position on vastly underpenetrated markets, iv) agile organization with local corporate entrepreneurs and scaling capabilities, v) digital company ensuring relentless innovation around specific-purpose payment solutions

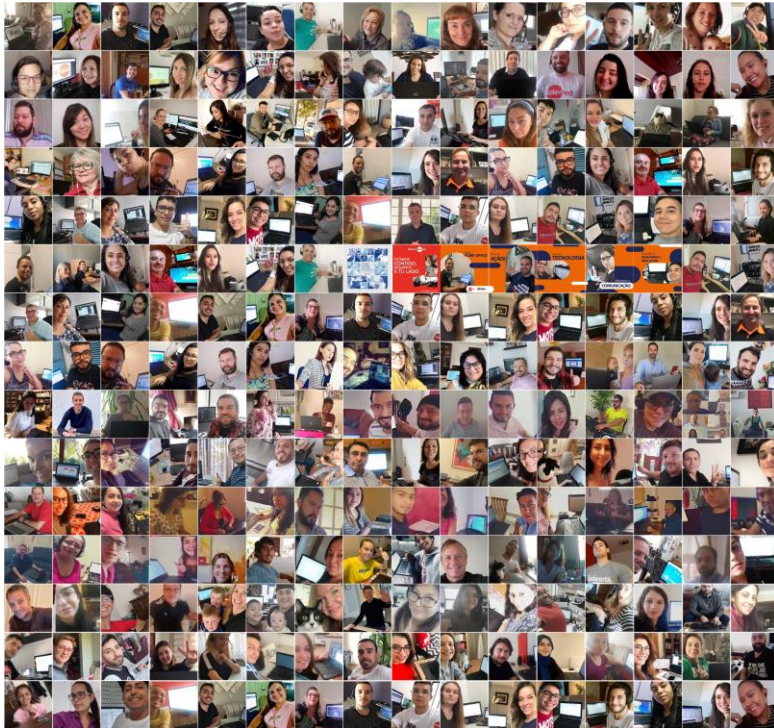


Agenda

1. **Edenred, highly committed to supporting its ecosystem**
2. Q1 2020 revenue
3. 2020 outlook



PRIORITY #1: PROTECTING OUR EMPLOYEES



**~95% of the Group's employees
are working from home**

17 employee Covid-19 cases¹

PRIORITY #2: ENSURING SEAMLESS BUSINESS CONTINUITY THANKS TO DIGITAL SOLUTIONS (1/2)

83%

of Edenred's
business volume
is digital in 2019



Serving customers “as usual” via digital solutions/distribution channels

- ▶ **Limited delivery challenge** – digital loading of clients' and users' accounts, launch of **plastic-free solutions** in some countries (e.g. Spain, Finland)
- ▶ **Digital merchant settlement** (with fast reimbursement option)
- ▶ **Contactless payment instore** or **online** for enhanced safety (e-commerce, mobile, NFC-card)
- ▶ **Digital value-added services** such as geolocation to drive traffic to partner stores that are still open (grocery stores, restaurants offering delivery service, service stations)
 - ▶ E.g.: Ticket Restaurant Mobile app in Portugal to find partner restaurants and grocery stores that are still open or offering food delivery service



PRIORITY #2: ENSURING SEAMLESS BUSINESS CONTINUITY THANKS TO DIGITAL SOLUTIONS (2/2)

Lockdown measures, a tailwind for the adoption of Edenred's digital features

+9 pts in Employee Benefits digital adoption in Europe vs. Q1 2019

- ▶ Seamless ordering and loading of **users' digital accounts**, regardless of location
- ▶ Flexible use matching **new working trends** (e.g., home-office, flexible working hours)
- ▶ **+131% in contactless payments** in Europe in the last month
- ▶ **More than 50 meal-delivery online partners**



PLASTIC CARD



MOBILE



FULL DIGITAL

App-to-app payment via meal delivery platforms fits well the health measures

- ▶ **+15 new partnerships** in **11 countries** with **meal-delivery/takeaway and foodtech platforms**



- ▶ **A good fit with new consumption trends** (home office, millennials food habits) and **short-term health needs**
- ▶ E.g., fast ramp-up of Uber Eats in Brazil, **orders x5 since March**

PRIORITY #3: DESIGNING INNOVATIVE SPECIFIC PURPOSE PROGRAMS IN RECORD TIME



Covid-19 Voucher, specifically designed for hard-hit citizens in Italy

- ▶ €400 million in subsidies distributed by cities across Italy, to be spent on food by citizens in greatest need



- ▶ Since April 4, Edenred's digital and paper solutions have been used by cities to earmark the allocated funds
- ▶ Citizens can use them at Edenred partner merchants, instore (grocery stores, supermarkets) and online (food delivery platforms)



Specific food card program designed for the NGO Gerando Falcões in Brazil

- ▶ 27,000 cards issued so far and distributed to vulnerable families living in Brazilian favelas since March
- ▶ Financed with donations, cards can only be used to buy basic products in grocery stores



PRIORITY #4: CLOSELY MONITORING OUR P&L AND CASH FLOWS

P&L

- ▶ **Topline** rolling forecast by country and by solution
- ▶ **Opex:** launch of a **€100m savings plan** to mitigate Edenred's sensitivity to the consequences of Covid-19 epidemic in 2020

Cash Flows

- ▶ 2020^E **capital expenditures** revised down
- ▶ **Working capital:** Strict monitoring of client **credit and payment terms**, ensuring a **negative WCR**
- ▶ **No pressure on the float** (Employee Benefits):
 - ▶ Inflows (client issue volume) and outflows (spent volume in the merchants' network) are evolving broadly in the same proportions globally
 - ▶ Float variation has **no impact on Free Cash Flow** in countries with some solutions under **restricted cash** requirements (e.g., Ticket Restaurant in France)

PRIORITY #5: SUPPORTING EDENRED'S ECOSYSTEM (1/2)

MULTIPLE RELIEF INITIATIVES ALREADY LIVE IN EDENRED'S COUNTRIES

Protecting truck drivers in Brazil and Europe



- Organizing **access to sanitary facilities** for European truck drivers as most rest stops are closed



- Offering **3,000 free online health consultations** for Brazilian truck drivers without health insurance



Encouraging Employee Benefits users to support communities through donations

- In France and in Spain, Ticket Restaurant and Kadéos users are invited to **donate their funds to non-profits**, even if they have expired
- E.g., in France with the French Red Cross, **1 voucher donated equals 7 meals distributed**



PRIORITY #5: SUPPORTING EDENRED'S ECOSYSTEM (2/2)

LAUNCH OF "MORE THAN EVER" RELIEF PLAN

Up to €15 million committed to mitigate the consequences of the Covid-19 epidemic on Edenred's ecosystem

In particular, "More than Ever" relief plan will:

- ▶ **protect Edenred employees**, notably the most vulnerable, in countries **with little or no healthcare coverage or social safety net**
- ▶ **support partner restaurant owners**, who have been severely impacted by strict stay-at-home orders in the various countries where the Group operates
- ▶ **support scientific research** to find a cure for Covid-19

"More than Ever" will notably be financed through:

- ▶ the **20% decrease in the proposed dividend for 2019**
- ▶ the **reduction in the compensation of the Chairman and Chief Executive Officer**, in line with AFEP recommendations
- ▶ the **reduction in the compensation of the members of the Group's Executive Committee and Board of Directors**



Agenda

1. Edenred, highly committed to supporting its ecosystem
- 2. Q1 2020 revenue**
3. 2020 outlook



Q1 2020 OPERATING REVENUE

Up 6.6% L/L, reflecting a strong start to the year, partly offset by strict lockdown measures since March

Q1 2020
€383m
+3.5%

REPORTED

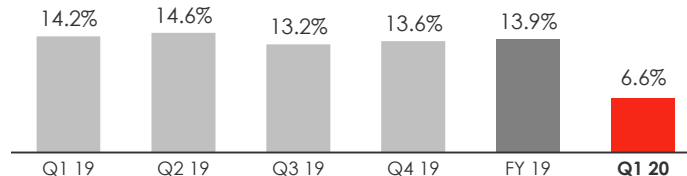
Scope +0.6%

Currency -3.7%

LIKE-FOR-LIKE **+6.6%**

€370m
Q1 2019

L/L OPERATING REVENUE GROWTH



€2M FROM SCOPE EFFECTS

Mainly coming from:



LOCKDOWN IMPACT ON EMPLOYEE BENEFITS

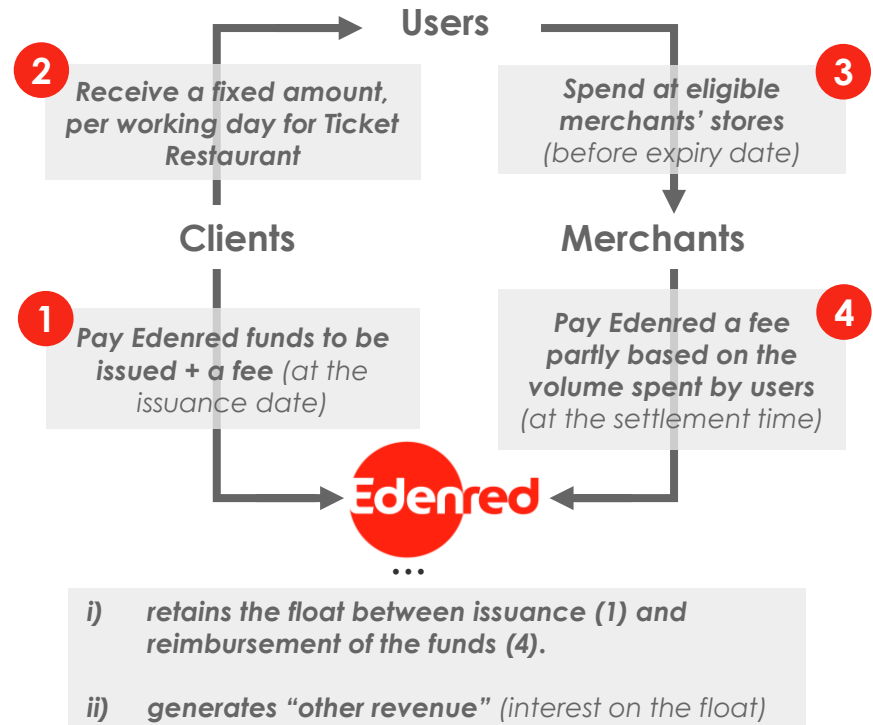
Revenue dynamics

Client revenue dynamics

- 1 **No impact from home-office measures** – home-office workers receive the same benefits as they would if they were working at the office
- 2 **Temporary impact from short-time working** (benefit allowance calculated based on the number of actual days worked)

Merchant revenue dynamics

- 3 Existing funds in user wallets will be spent within the next 12 months leading to **secured, but delayed, merchant revenue**
- 4 Current decline in client orders (short-time working) will **impact merchant revenue in a second phase**



No pressure on the float

LOCKDOWN IMPACT ON FLEET & MOBILITY SOLUTIONS AND CORPORATE PAYMENT SERVICES

Fleet & Mobility Solutions

- ▶ **Heavy fleet solutions** in line with the economic slowdown (relative resilience)
- ▶ **Light fleet solutions** highly impacted by stay-at-home orders
- ▶ **Lower oil price** leading to lower retail fuel prices

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- ▶ Strict monitoring of client credit and payment terms, ensuring a **negative WCR**

Corporate Payment Services

- ▶ The extent of the impact **depends on the vertical:**
 - ▶ **High impact:** e.g., Hotels, Travel and Media
 - ▶ **Low impact:** e.g., Telco companies

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- ▶ **Limited float:** solutions are preloaded for a very short period of time

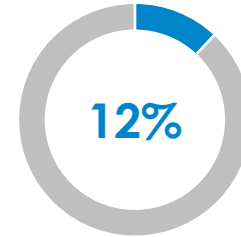
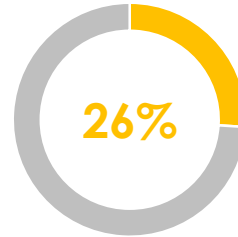
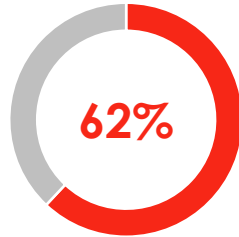
Q1 2020 OPERATING REVENUE BREAKDOWN (1/2)

EMPLOYEE BENEFITS

FLEET & MOBILITY SOLUTIONS

COMPLEMENTARY SOLUTIONS

% OF Q1 2020 GROUP OPERATING REVENUE



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

€238m

€99m

€46m

Q1 2020 OPERATING REVENUE GROWTH

LIKE-FOR-LIKE

+3.2%

+12.8%

+12.1%

REPORTED

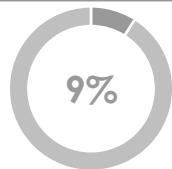
+1.0%

+7.3%

+9.1%

Q1 2020 OPERATING REVENUE BREAKDOWN (2/2)

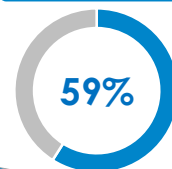
REST OF THE WORLD



+18.4% L/L

+18.9% as reported

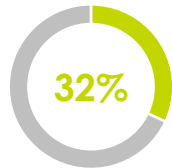
EUROPE



+5.9% L/L

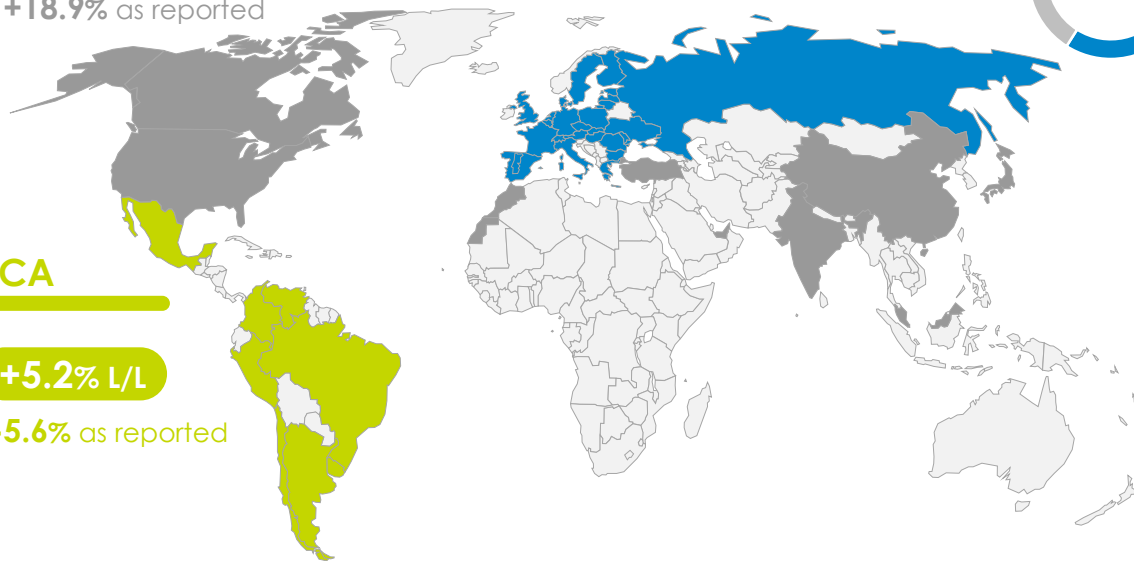
+6.9% as reported

LATIN AMERICA



+5.2% L/L

-5.6% as reported



Q1 2020 OPERATING REVENUE – EUROPE

Solid quarter with mixed impact from lockdown depending on the country

€228m
in Q1 20

+5.9%
L/L

+6.9%
as reported

L/L GROWTH

	Q4 19	Q1 20
France	+13.6%	+2.0%
Rest of Europe	+13.0%	+7.8%
Total Europe	+13.2%	+5.9%

France

- ▶ **Sustained growth for Ticket Restaurant, ProwebCE and LCCC**, driven by thorough execution of *Next Frontier* growth drivers on penetration, base maximization and innovation
- ▶ **France has been the most drastically hit country by the consequences of the confinement**, leading to a **particularly strong impact** on both Employee Benefits and Fleet & Mobility Solutions

Rest of Europe

- ▶ **Double-digit growth in both Employee Benefits**, notably thanks to higher digitization and face value increases, **and in Fleet & Mobility** (further penetration) **until March**
- ▶ **Social distancing measures progressively implemented across the region**, at various levels (e.g., high in Spain, low in Northern Europe)
- ▶ **Heavy fleet segment has been more resilient** to lockdown situations, partly due to its significant exposure to Eastern & Northern Europe

Q1 2020 OPERATING REVENUE – LATIN AMERICA

Good momentum in Brazil until late March

€121m
in Q1 20

+5.2%
L/L

-5.6%
as reported

L/L GROWTH

	Q4 19	Q1 20
Brazil	+15.1% ⁽¹⁾	+7.1%
Hispanic Latin America	-1.8%	+0.6%
Total Latin America	+13.7%	+5.2%

Brazil

- ▶ **Double-digit growth up to March**, led by good development of Fleet & Mobility value-added services
- ▶ **Local lockdown measures starting to impact** Employee Benefits, and to a lesser extent Fleet & Mobility Solutions, at the end of March

Hispanic Latin America

- ▶ Mexico Q1 2020 revenue impacted by **lower Navidenos spent volume** than in Q1 2019, and a **deteriorated macro-environment**
- ▶ Fleet & Mobility impacted by **fuel price decline**
- ▶ Most of the **lockdown measures** in the region started at the end of March

Q1 2020 OTHER REVENUE

Mixed effects across regions

OTHER REVENUE
€12m in Q1 20
vs. €13m in Q1 19

- ▶ Lower interest rates worldwide, especially in non-European countries
- ▶ Negative currency effects in Latin America

Other revenue in €m	Q1 2020	Q1 2019	Reported change	L/L change
Latin America	7	7	-11.3%	-3.2%
Europe	4	4	+2.7%	+2.4%
Rest of the World	1	1	-24.0%	-20.1%
Total	12	13	-8.4%	-3.4%

Q1 2020 TOTAL REVENUE

Up 6.3% L/L, and up 3.1% as reported due to Latin American currency declines

Q1 2020
€395m
REPORTED **+3.1%**

Scope +0.5%

Currency -3.7%

LIKE-FOR-LIKE **+6.3%**

€383m
Q1 2019

TOTAL REVENUE DETAILS (IN €M)

	Q1 20	Q1 19	Reported change	L/L change
Operating revenue	383	370	+3.5%	+6.6%
Other revenue	12	13	-8.4%	-3.4%
Total revenue	395	383	+3.1%	+6.3%

CURRENCY EFFECTS (IN €M)

BRL	(12)
ARS	(2)
Other currencies	0
Total impact	(14)

Agenda

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3. **2020 outlook**



Q2 OUTLOOK

Q2 2020 will reflect both delayed revenue in the Employee Benefits and some lost revenue

- ▶ **Employee Benefits** will be impacted by:
 - ▶ Part of users' spending that will be postponed to H2, as most of partner merchants (restaurants, retailers) are closed
 - ▶ Rising short-time working and unemployment rates during lockdown period
- ▶ **Fleet & Mobility Solutions** will be impacted by:
 - ▶ Stay-at-home measures for light fleet solutions
 - ▶ Lower transportation activity
 - ▶ Dropping retail fuel price
- ▶ **Corporate Payments Services** will be impacted by:
 - ▶ Lower economic activity, especially for Hotels, Leisure and Media

OPEX AND CAPEX SAVINGS PLAN

A **€100m savings plan** to mitigate Edenred's sensitivity to the consequences of Covid-19

- ▶ **SG&A** – reduced external costs and purchases (e.g., travel, marketing, consulting) mainly from rightsizing and postponing projects
- ▶ **People** – frozen recruitments, decrease in sub-contracting, and some people placed on furlough on a case-by-case basis
- ▶ Budget for **IT security, compliance and strategic digital innovation investments** are maintained

2020^E capital expenditures revised down

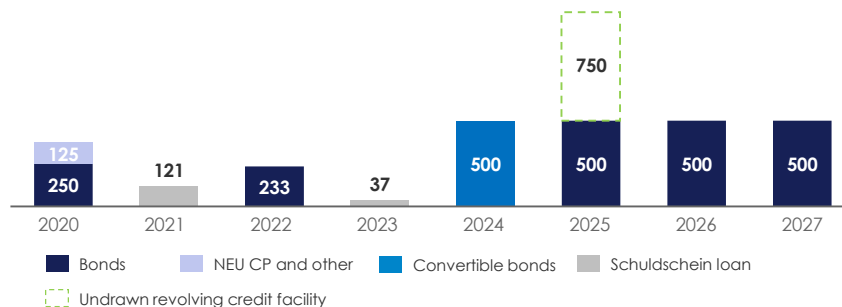
A ROBUST FINANCIAL POSITION

A solid balance-sheet

- ▶ **Leverage ratio** (net debt/EBITDA) of **1.9x at 2019 year-end**
- ▶ **Strong Investment Grade** rating of **BBB+** by S&P¹
- ▶ **€1.5bn short-term financing options** with short-term commercial paper authorization and undrawn revolving credit facility
- ▶ **No major debt repayments before 2024**
- ▶ **No financial covenants**

Short-term outlook

- ▶ **Cash seasonality inherent to Edenred's model**, with working capital outflow in H1, leading to temporarily higher leverage ratio at the end of H1 vs. end of the year
- ▶ **Limited impact from lockdown measures on the float and the negative WCR (excl. float)**



FY 2020 OUTLOOK

An uncertain macro-environment due to several unknowns

- ▶ The **conditions** and the **duration of the transition period** to return to normal (e.g., restaurants reopening)
- ▶ The **longer-term impacts on economies and behaviors**

Edenred: not immune, but resilient thanks to strong fundamentals

- ▶ **Edenred entered this crisis in good shape: fast-growing company and robust financial position** (low leverage, significant financial resources, cash-generative business model)
- ▶ **An offer covering essential needs:** Eat, Move, Care, Pay
- ▶ **Leading position on vastly underpenetrated markets**
- ▶ **Agile organization**, with **local corporate entrepreneurs** acting on the ground, supported by e-Quarter's **scaling champions** and **technology experts**
- ▶ **Digital company**, ensuring **relentless innovation** around **specific-purpose payment solutions**



APPENDICES

EDENRED: TECH FOR GOOD

A recognized commitment

MEMBER OF

**Dow Jones
Sustainability Indices**



In collaboration with

a RobecoSAM brand



FTSE4Good



EURONEXT
vigeo eiris



MSCI



ISS ESG
ethix • climate • oekom

WE SUPPORT



SUSTAINALYTICS



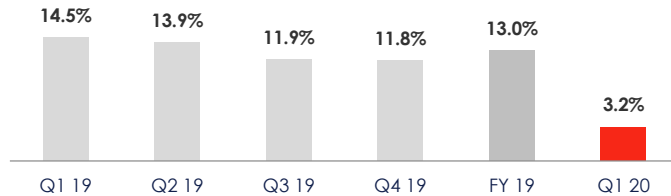
CDP
DRIVING SUSTAINABLE ECONOMIES

ecovadis



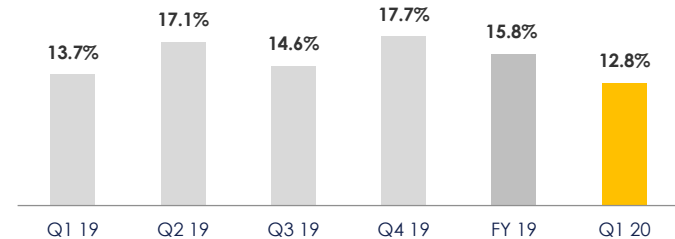
EMPLOYEE BENEFITS AND FLEET & MOBILITY SOLUTIONS ORGANIC OPERATING REVENUE GROWTH

Employee Benefits



L/L operating revenue growth

Fleet & Mobility solutions



L/L operating revenue growth

REVENUE BY REGION

In € millions	Q1	
	2020	2019
Europe	228	213
<i>France</i>	70	69
<i>Rest of Europe</i>	158	144
Latin America	121	129
Rest of the world	34	28
Operating revenue	383	370

In %	Q1	
	Reported	L/L (excl. Venezuela)
Europe	+6.9%	+5.9%
<i>France</i>	+2.0%	+2.0%
<i>Rest of Europe</i>	+9.3%	+7.8%
Latin America	-5.6%	+5.2%
Rest of the world	+18.9%	+18.4%
Operating revenue	+3.5%	+6.6%

In € millions	Q1	
	2020	2019
Europe	4	4
<i>France</i>	2	2
<i>Rest of Europe</i>	2	2
Latin America	7	7
Rest of the world	1	1
Other revenue	12	13

In %	Q1	
	Reported	L/L (excl. Venezuela)
Europe	+2.7%	+2.4%
<i>France</i>	-5.8%	-5.8%
<i>Rest of Europe</i>	+9.0%	+8.5%
Latin America	-11.3%	-3.2%
Rest of the world	-24.0%	-20.1%
Other revenue	-8.4%	-3.4%

In € millions	Q1	
	2020	2019
Europe	232	217
<i>France</i>	72	71
<i>Rest of Europe</i>	160	146
Latin America	128	137
Rest of the world	35	29
Total revenue	395	383

In %	Q1	
	Reported	L/L (excl. Venezuela)
Europe	+6.9%	+5.9%
<i>France</i>	+1.8%	+1.8%
<i>Rest of Europe</i>	+9.3%	+7.8%
Latin America	-5.9%	+4.7%
Rest of the world	+16.8%	+16.5%
Total revenue	+3.1%	+6.3%

REVENUE CLASSIFICATION CHANGE IN BRAZIL – PRO FORMA FIGURES

Group Operating Revenue	Q1	Q2	Q3	Q4	FY
Actual 2019	369	379	377	445	1 570
Pro forma 2019	370	380	379	440	1 570

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

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

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

AVERAGE EXCHANGE RATE

€1 = X foreign currency	Average rates		
	Q1 2020	Q1 2019	2020 vs. 2019 Change (in %)
Brazilian real (BRL)	4.87	4.28	-12.2%
Mexican Peso (MXN)	21.83	21.80	-0.1%
Argentine Peso (ARS) ⁽¹⁾	69.34	48.67	-29.8%
British Pound Sterling (GBP)	0.86	0.87	1.4%
Turkish Lira (TRY)	6.72	6.11	-9.1%
US Dollar (USD)	1.10	1.14	3.0%
Bolivar Sovereign (VES)	77 922	2 992	-96.2%

Average rates			
Q2 2019	Q3 2019	Q4 2019	FY 2019
4.41	4.41	4.56	4.41
21.50	21.60	21.32	21.55
48.01	91.46	80.91	67.26
0.87	0.90	0.86	0.88
6.60	6.31	6.42	6.36
1.12	1.11	1.11	1.12
5 793	15 917	34 335	14 759

Spot rate as of 31.03.2020	Spot rate as of 31.03.2019
5.49	4.39
26.57	21.69
69.34	48.67
0.92	0.86
6.97	6.34
1.08	1.12
76 619	3 697

2020 EXPECTED CALENDAR EFFECTS

	Q1	Q2	Q3	Q4	2020
<i>Working days</i>	Nb of days	Nb of days	Nb of days	Nb of days	Nb of days
Europe	1	-1	0	0	0
Latin America	1	-1	-1	-1	-2
Rest of the world	1	0	1	1	3
TOTAL	1	-1	0	0	0



We
connect,
You
win