

# Q1 2017 Revenue

April 18, 2017



# A strong performance in Q1, both like-for-like and in reported figures, in line with the Fast Forward strategic plan

### Q1 revenue reflecting strong operating performance and the contribution of two major acquisitions in Expense management

- **Operating revenue like-for-like growth of +10.0%** reflecting mid single digit growth in Employee Benefits and high double digit growth in Expense management
- **Sustained growth across all regions**, reflecting continued positive momentum in Europe and a contrasted performance in Latin America between Brazil and the rest of the area
- **A high +30.7% reported growth in operating revenue**, thanks to the positive contributions of Embratec in Brazil and the stake increase in UTA, now fully consolidated
- **Some positive currency effects**, thanks to the BRL appreciation year-on-year
- **A rebalanced business portfolio** with an increase from 13% to 25% of the contribution of Expense Management to total operating revenue

### Several new achievements since the beginning of the year, in line with the new Fast Forward strategy

- Edenedred now **number two issuer of multi-brand Europe-wide solutions** through the increase in **UTA stake** to 51%
- **Acceleration of the shift to digital in France** through the acquisition of Moneo Resto meal card assets
- **First Corporate Payment development** with the **launch of the Edenedred Corporate Payment** offer
- **Further strengthening of the Group debt profile** with a **successful 10-year €500m bond issue**

# **Q1 2017 Key Events**

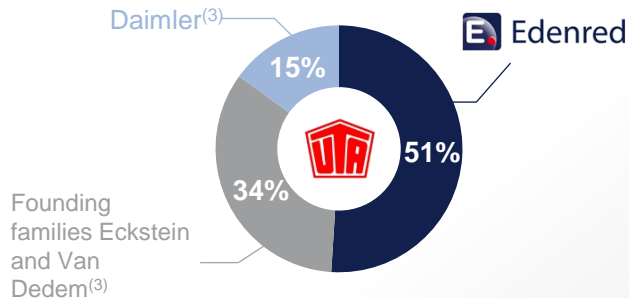


JANUARY 2017: STAKE INCREASE IN UTA

## Edenred #2 issuer of multi-brand Europe-wide solutions

### Edenred increases its stake in UTA from 34% to 51%<sup>(1)</sup>

- Acquisition of an **additional 17%** of UTA's capital for ~€83m
- Accretive impact of ~5%** on 2017 net profit, **Group share** before the impact of purchase accounting adjustments<sup>(2)</sup>



### Expense Management: Edenred's 2<sup>nd</sup> growth engine

#### A world leader in Expense Management



2016 pro-forma figures with UTA & Embratec for 12 months

- Objective: >25% of Group operating revenue by 2020**



(1) UTA is fully consolidated in Edenred's financial statements since January 2017.

(2) ~2% after purchase accounting adjustments.

(3) Minority shareholders have put options on their stake. Edenred will record a liability in the amount of ~€200 million (gross) in its H1 consolidated financial statements.



# APRIL 2017: ACQUISITION OF MONEO RESTO ASSETS

## Edenred accelerates the shift to digital in France



### Acquisition of **Moneo Resto** meal vouchers assets

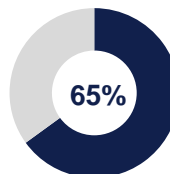
- ~1,500 corporate clients, of which 90% are SMEs
- 65,000 employee beneficiaries in France
- 100% digital

### Post-acquisition :

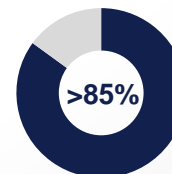
- More than 400,000 French employees will benefit from an Edenred meal card
- This represents 25% of all Edenred France meal voucher beneficiaries

## DIGITAL

% OF GROUP  
EMPLOYEE BENEFITS  
ISSUE VOLUME



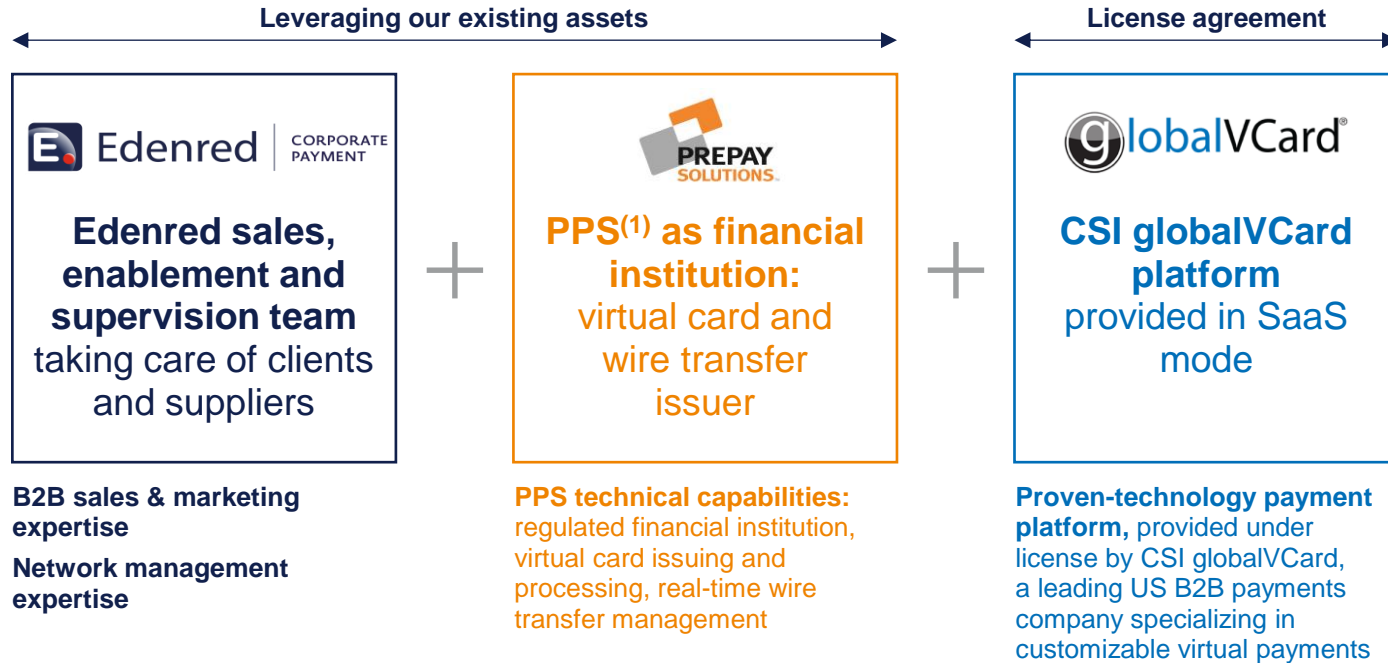
in 2016



Target by  
2020



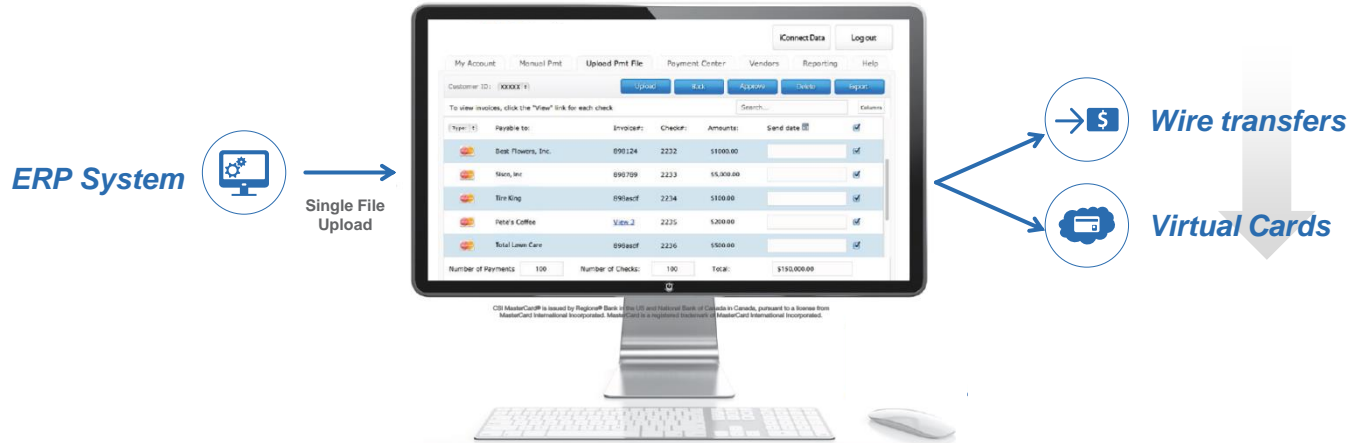
# A new accounts payable management solution in Europe



(1) 70% owned by Edenred and 30% by MasterCard.



# An innovative solution for Corporates to automate the management of their transactions with suppliers



**Integrated with ERP or accounting system** for automated reconciliation

**Full management of suppliers:** from enrolment to payment flows with full real-time control

**Managing different payment means** with the aim of maximizing the portion of Virtual Card Numbers (VCN)

**Cash-back rewards** on virtual card transactions



# MARCH 2017: SUCCESSFUL 10-YEAR €500 MILLION BOND ISSUE

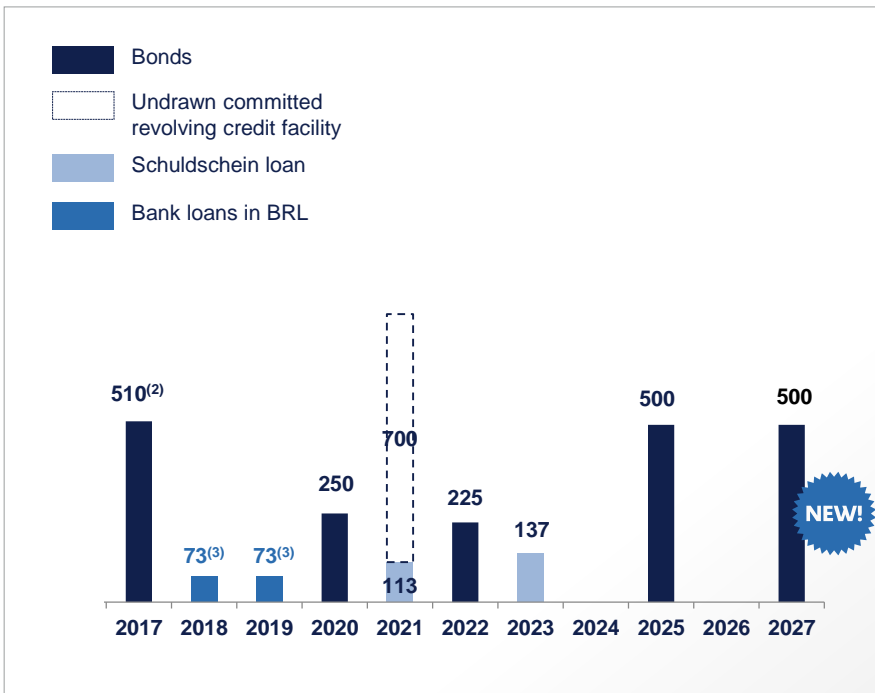
## Another successful refinancing operation

### Very favorable conditions

- €500 million bond
- 10 years
- 1.875%
- More than 3 times oversubscribed

### Well-balanced debt profile

- **Average cost of debt decreased**  
2.1%<sup>(1)</sup> as of end-March vs. 2.5% before the operation
- **Average debt maturity increased**  
5.4 years vs. 4.4 years before the operation
- **“Strong investment grade“**  
Group rating by Standard & Poor's
- After October 2017 bond repayment, **no major repayments due before 2025**



(1) Excluding BRL debt, 2016 average cost of debt is 1.5%.  
(2) Due in October 2017.  
(3) €146 million based on a closing price of BRL 3.43 for 1 euro on December 31, 2016.

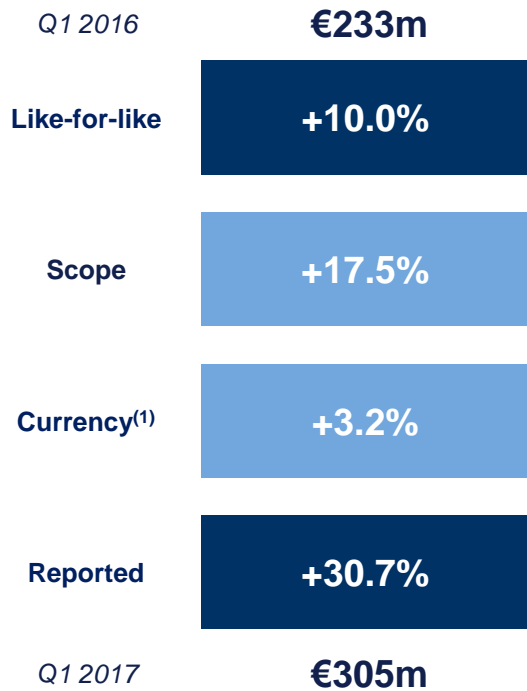


# Q1 2017 Revenue

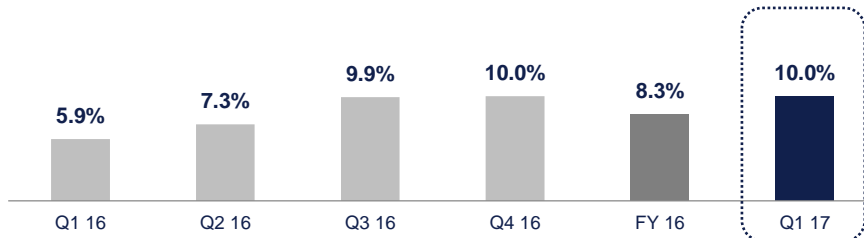


## Q1 2017 OPERATING REVENUE

### Robust reported growth fueled by continued positive momentum in organic growth and significant scope effects



- €23m L/L operating revenue increase



- €41m from scope effects, thanks to two strategic acquisitions in Expense Management



Consolidated since May 2016



Fully consolidated since January 2017

- €7m currency impact, of which:

	Impacts in €m
BRL	16.6
MXN	(1.8)
VEF	(6.3)

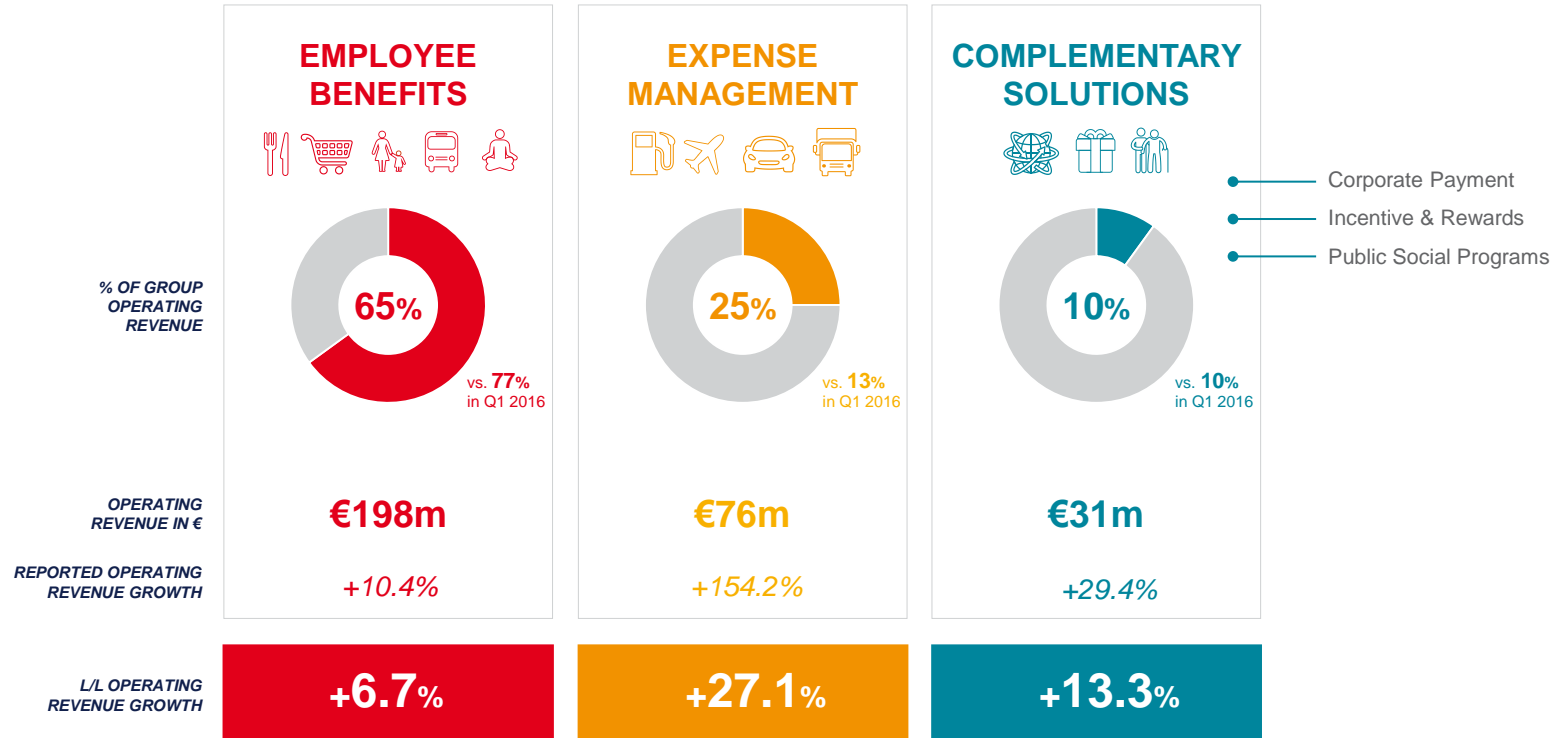


(1) See average exchange rates on slide 26.



## Q1 2017 OPERATING REVENUE & L/L GROWTH BY BUSINESS LINE

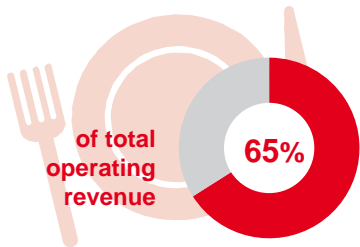
# High double-digit L/L growth in Expense Management and mid-single digit L/L growth in Employee Benefits, in line with medium-term targets





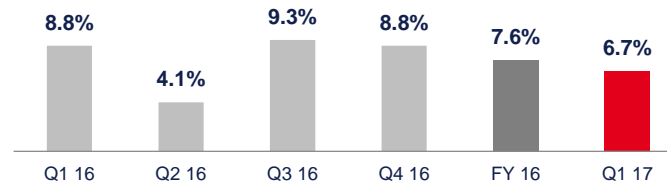
## Q1 2017 – EMPLOYEE BENEFITS OPERATING REVENUE

**Strong +6.7% L/L growth, despite the Brazilian macroeconomic situation**



Q1 2017  
operating revenue  
**€198m**

### L/L operating revenue growth



### In Latin America



- ▶ Negative growth in Brazil, with resilience in issue volume (stable L/L), and pressure on the take-up rate, in a context of high unemployment
- ▶ Sustained growth in Hispanic Latin America



### In Europe

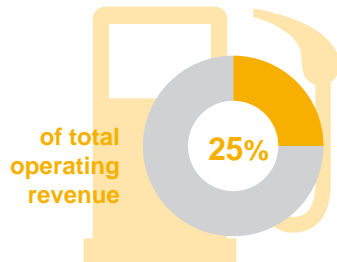


- ▶ Strong growth in France
- ▶ Solid growth in the rest of Europe in most countries

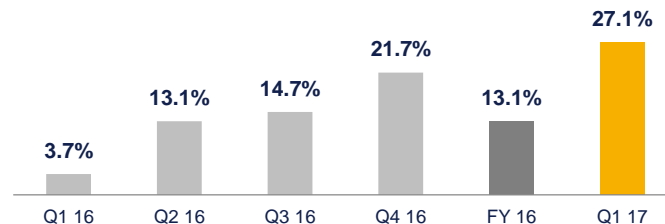


## Q1 2017 – EXPENSE MANAGEMENT OPERATING REVENUE

**Faster growth in Q1 (+27.1% like-for-like), reflecting good performances across the board, on top of significant scope effects**



### L/L operating revenue growth



### In Latin America



- ▶ Particularly sustained growth in Mexico (vs. low Q1 2016) and Argentina
- ▶ Strong organic growth in Brazil with Ticket Log



### In Europe

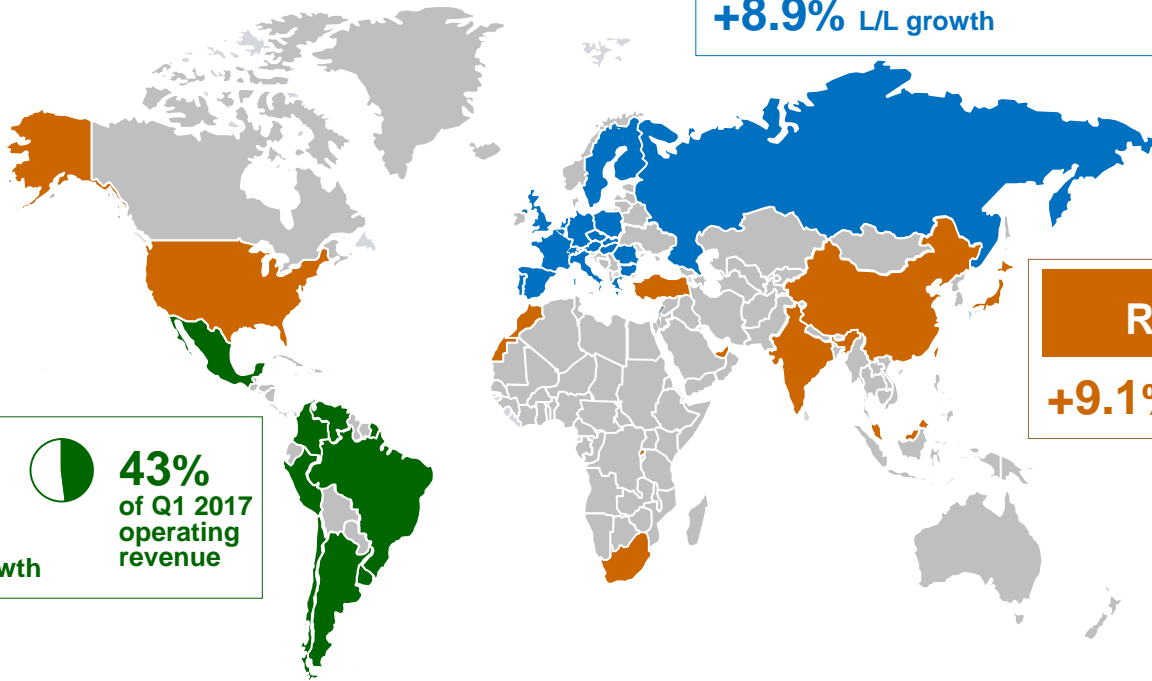


- ▶ Strong performance thanks to the contribution of new Travel & Expense solutions in France and Italy



# OPERATING REVENUE & L/L GROWTH BY GEOGRAPHY

## Sustained growth across all regions



**EUROPE**

**51%**  
of Q1 2017  
operating revenue

**+8.9%** L/L growth

**ROW**

**6%**  
of Q1 2017  
operating revenue

**+9.1%** L/L growth

**LATIN AMERICA**

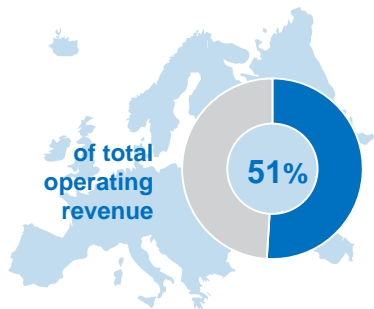
**43%**  
of Q1 2017  
operating revenue

**+11.8%** L/L growth



## Q1 2017 – EUROPE OPERATING REVENUE

### Continued positive momentum across the region



Q1 2017  
operating revenue  
**€156m**

*L/L growth*

**Q1**

Europe excluding  
France

**+8.8%**

France

**+9.2%**

**Total Europe**

**+8.9%**



#### Europe excluding France:

- **Central Europe:** more than +15% L/L Q1 growth thanks to a good sales performance in an improved economic environment, with a solid performance in **Romania**
- Sustained L/L growth in Q1 in the **other European countries**, such as **Belgium** and **Italy**



#### France:

- Solid growth across **all business lines**



## Q1 2017 – LATIN AMERICA OPERATING REVENUE

### A contrasted performance between Brazil and the rest of the region



Q1 2017  
operating revenue  
**€130m**

L/L growth

Q1

Brazil

-0.9%

Hispanic  
Latin America

+37.2%

**Total Latin America**

**+11.8%**



#### Brazil:

- Dynamic double-digit growth in **Expense Management**
- Negative growth in **Employee Benefits**, reflecting a further rise in unemployment<sup>(1)</sup>



#### Hispanic Latin America:

- **Mexico:** more than 20% L/L growth in Q1
- Robust growth for **Employee Benefits** of more than 30% L/L in Q1, partly due to Venezuela contribution (increasing inflation)
- **Expense Management:** more than 40% L/L growth in Q1, thanks to a healthy sales performance, as well as a favorable base effect and increased fuel price in Mexico



(1) 13.2% unemployment rate at end-February 2017 vs. 10.2% at end-February 2016 (source: Instituto Brasileiro de Geografia e Estatística).





## Q1 2017 FINANCIAL REVENUE

**An increase in financial revenue in Latin America, partly offset by interest rate declines in Europe**

	Q1 2016		Q1 2017	
	In €m	L/L growth	reported growth	In €m
Latin America	7	+14.8%	+37.4%	10
Europe	7	-9.9%	-11.2%	6
Rest of the world	2	+7.3%	-2.8%	2
<b>Total</b>	<b>16</b>	<b>+3.1%</b>	<b>+12.7%</b>	<b>18</b>

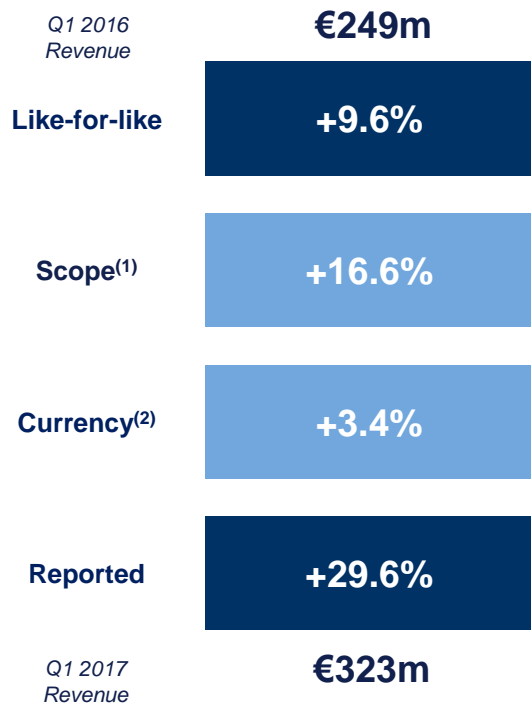


- **Financial revenue** decline in Europe, reflecting negative trends in interest rates in the region, more than offset by Latin America
- More than half of the Group's financial revenue is generated in Latin America



# Q1 2017 TOTAL REVENUE

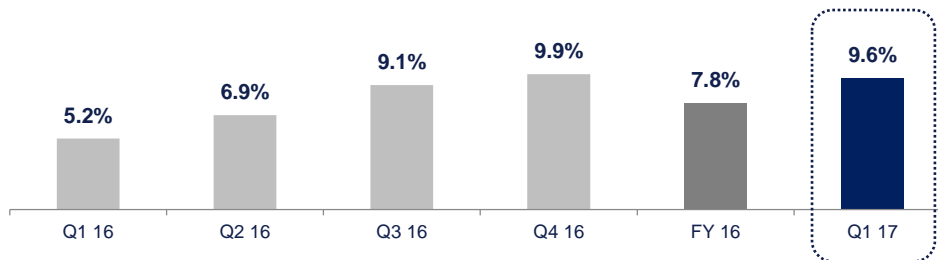
**Strong +9.6% L/L increase and +29.6% as reported, thanks to scope effects**



▪ **€24m L/L total revenue increase**

	Q1 2016		Q1 2017	
	In €m	L/L growth	Reported growth	In €m
Operating revenue	233	+10.0%	+30.7%	305
Financial revenue	16	+3.1%	+12.7%	18
<b>Total revenue</b>	<b>249</b>	<b>+9.6%</b>	<b>+29.6%</b>	<b>323</b>

▪ **L/L total revenue growth by quarter**



(1) Including the contributions of Embratec in Brazil consolidated as of May 2016, and UTA consolidated as of January 2017.

(2) See average exchange rates on slide 26.

# Outlook

## CONFIRMED OUTLOOK

# 2017 guidance in line with Fast Forward medium-term targets

### 2017 expected business trends

#### Europe: sustained growth

#### Latin America:

- Sustained growth in Hispanic Latin America
- Contrasted growth patterns in Brazil
  - Employee Benefits impacted by peak in unemployment rate
  - Expense Management: sustained double-digit growth

#### L/L operating revenue growth by business line:

- Single-digit for **Employee Benefits**
- Double-digit for **Expense Management**



> +7%

L/L operating  
revenue growth

> +9%

L/L operating  
EBIT growth

> +10%

L/L FFO growth



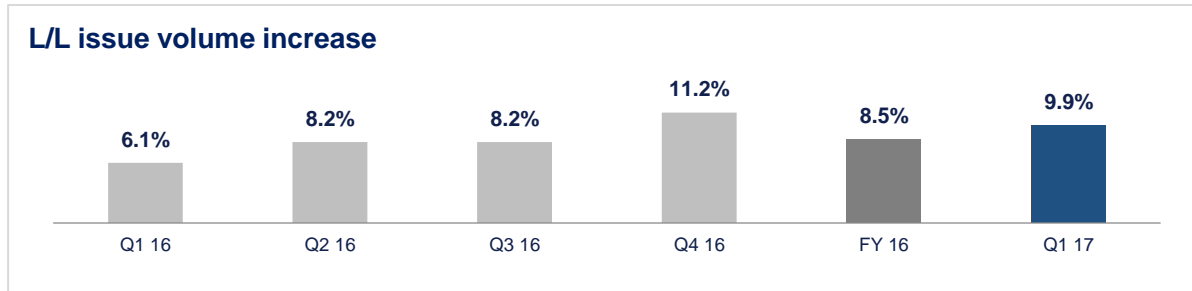
# Appendices

# TOTAL OPERATING REVENUE

In € millions	Q1	
	2017	2016
Europe	156	128
<i>France</i>	50	45
<i>Rest of Europe</i>	106	83
Latin America	130	88
Rest of the world	19	17
<b>Operating revenue</b>	<b>305</b>	<b>233</b>

In %	Q1	
	Change reported	Change L/L
Europe	22.1%	8.9%
<i>France</i>	11.7%	9.2%
<i>Rest of Europe</i>	27.8%	8.8%
Latin America	48.1%	11.8%
Rest of the world	6.8%	9.1%
<b>Operating revenue</b>	<b>30.7%</b>	<b>10.0%</b>

# EMPLOYEE BENEFITS



# FINANCIAL REVENUE

In € millions	Q1	
	2017	2016
Europe	6	7
<i>France</i>	3	3
<i>Rest of Europe</i>	3	4
Latin America	10	7
Rest of the world	2	2
<b>Financial revenue</b>	<b>18</b>	<b>16</b>

In %	Q1	
	Change reported	Change L/L
Europe	-11.2%	-9.9%
<i>France</i>	-8.5%	-8.5%
<i>Rest of Europe</i>	-13.1%	-10.8%
Latin America	37.4%	14.8%
Rest of the world	-2.8%	7.3%
<b>Financial revenue</b>	<b>12.7%</b>	<b>3.1%</b>



# TOTAL REVENUE

In € millions	Q1	
	2017	2016
Europe	162	135
<i>France</i>	53	48
<i>Rest of Europe</i>	109	87
Latin America	140	95
Rest of the world	21	19
<b>Total revenue</b>	<b>323</b>	<b>249</b>

In %	Q1	
	Change reported	Change L/L
Europe	20.3%	7.9%
<i>France</i>	10.5%	8.1%
<i>Rest of Europe</i>	25.7%	7.8%
Latin America	47.2%	12.1%
Rest of the world	6.3%	9.0%
<b>Total revenue</b>	<b>29.6%</b>	<b>9.6%</b>

# AVERAGE EXCHANGE RATES

€1 = X foreign currency	Q1 2017	Q1 2016	2017 vs. 2016 Change (in %)
Bolivar Fuerte (VEF)	737.39	232.99	-68.4%
Brazilian real (BRL)	3.35	4.30	28.7%
Mexican Peso (MXN)	21.63	19.89	-8.1%
British Pound Sterling (GBP)	0.86	0.77	-10.4%
Turkish Lira (TRY)	3.94	3.25	-17.5%
US Dollar (USD)	1.06	1.10	3.5%

Q2 2016	2016 vs. 2015 Change (in %)	Q3 2016	2016 vs. 2015 Change (in %)	Q4 2016	2016 vs. 2015 Change (in %)	FY 2016	2016 vs. 2015 Change (in %)
512.29	-57.3%	720.40	-69.3%	714.28	-69.4%	545.09	-63.6%
3.96	-14.3%	3.62	8.7%	3.55	18.6%	3.86	-4.3%
20.43	-17.1%	20.92	-12.6%	21.38	-14.2%	20.65	-14.8%
0.79	-8.3%	0.85	-15.5%	0.87	-16.9%	0.82	-11.3%
3.27	-9.8%	3.31	-3.9%	3.54	-10.1%	3.34	-9.6%
1.13	-2.2%	1.12	-0.4%	1.08	1.5%	1.11	0.3%

# 2017 EXPECTED CALENDAR EFFECTS

	Q1	Q2	Q3	Q4	2017
<i>Working days</i>	Nb of days	Nb of days	Nb of days	Nb of days	Nb of days
Europe	2	-2	-1	0	-1
Latin America	3	-2	0	-2	-1
Rest of the world	0	-2	0	0	-2
<b>TOTAL</b>	<b>2</b>	<b>-2</b>	<b>0</b>	<b>-1</b>	<b>-1</b>