**Press release**
December 3, 2024

# Edenred reaffirms its ambitions for 2025 and beyond during its Investor Update

- **Successful implementation of the Beyond$_{22\text{-}25}$ strategic plan having out-performed its financial mid-term targets, that reinforces Edenred's scale**
- **Entry into 2025 in a significantly stronger position, thanks to the expansion and diversification of its offer, alongside the continued transformation of its digital platform**
- **Confirmation of the EBITDA growth target of at least 10% like-for-like in 2025, in a new macroeconomic context and taking into account potential changes in the regulatory environment in Italy[1]**
- **Reiteration of its ambition to achieve total revenue of more than €5 billion in 2030**
- **Announcement of the extension of the share buyback program to a maximum of €600 million (from the current €300 million) for a period of three years[2]**

Edenred is holding an Investor Update today, during which the Group will review the execution of its Beyond$_{22\text{-}25}$ strategic plan and confirm its ambitions for 2025 and beyond.

**Bertrand Dumazy, Chairman and CEO of Edenred, said:** *"Since the launch of our Beyond strategic plan in 2022, Edenred has achieved a remarkable transformation. By doubling the size of the Group in only three years, we have far exceeded our objectives. This outperformance is the result of our strategy of both strengthening our core businesses in markets that remain underpenetrated, and diversifying our activities, in a conducive macro-economic environment. This has enabled us to invest in the development of new solutions, and to make acquisitions that have given us a firm foothold in promising new markets such as employee engagement and electric vehicle recharging solutions. We have also enriched our business model with additional, more recurring sources of revenue.*

*In the macro-economic environment that is shaping up for 2025, we commit to stepping up our efforts to optimize our cost base, which should translate into delivering operating margins improvement. This, combined with the scale and leadership of our digital platform, make us reaffirm our commitment to generate a minimum growth of +10% in our EBITDA[3] in 2025. In addition, we are adjusting our capital allocation policy by announcing the extension of our share buyback program to a total of 600 million euros over the next three years. We are convinced that these initiatives, combined with our capacity for innovation, will enable us to continue to generate profitable and sustainable growth beyond 2025, aiming for over 5 billion euros of revenue by 2030."*

[1] Potential introduction of a 5% cap on meal voucher commissions paid by merchants in the private sector from the 2nd half of 2025, with a maximum impact estimated at €60 million
[2] i.e. until November 30, 2027
[3] On a like-for-like basis and taking into account the impact of a potential commission cap in Italy

**Edenred has structurally strengthened its business model since the launch of the Beyond$_{22\text{-}25}$ plan**

While continuing to consolidate its leading positions in the Meal & Food and Energy cards markets, Edenred has accelerated the extension of its offering beyond these solutions. In particular, the Group has expanded in the area of employee engagement with the acquisitions of Reward Gateway and GOintegro, and has continued to enhance its range of solutions for fleet managers (toll collection and maintenance, as well as electric recharging via the acquisition of Spirii).

Thanks not only to its commercial dynamism, but also to a favorable economic environment in terms of inflation and interest rates, Edenred has significantly exceeded its financial targets, recording average annual EBITDA growth of 24% between 2021 and 2024[4], twice as high as the targets set out in the Beyond$_{22\text{-}25}$ plan. This represents a cumulative EBITDA surplus of circa €650 million over the period, even as the Group stepped up technological investments in its platform, which weighed on its operating expenses.

Over the period 2022-2024, Edenred will thus have generated cumulative free cash flow of more than €2.5 billion, which has made a significant contribution to financing the acquisitions made (for a total of around €1.4 billion), as well as increasing the return to shareholders via dividends for a total of around €800 million and an ongoing €300 million share buyback program.

**This strengthened profile enables Edenred to enter 2025 with confidence and confirm its objectives**

With a net retention rate of 104%[5], Edenred enjoys a very high level of recurring revenue from its customer base. To further increase its operating revenue, Edenred can rely on a richer and more diversified business model, enabling it to grow both its customer base and revenue per customer.

The broadening of Edenred's offer has resulted in an increase in the size of its addressable market, which is now three times larger than the Meal & Food and Energy cards markets alone, which are still largely underpenetrated. With growth exceeding that of meal vouchers and fuel cards, the weight of *Beyond* solutions has already risen from 32% to 38% of operating revenue between 2021 and 2024, while the weight of the regulated meal voucher business has fallen from 45% to 43%.

In particular, Edenred's business model has been enriched by additional revenue layers complementing the generation of revenues directly derived from commissions on volumes: these are essentially implementation costs for new customer accounts and recurring revenues linked to customer subscriptions to the platform.

In addition, despite the continuing increase in float, other revenues are set to normalize as a result of lower interest rates. They will continue to contribute strongly, and should reach a minimum level of €210 million in 2025, compared with an estimated range of between €240 and €250 million in 2024.

[4] Based on an expected EBITDA 2024 of €1.26 billion according to the Visible Alpha consensus at November 29, 2024
[5] In the Benefits & Engagement business line

Thanks to the transformation of its platform, Edenred has structural operating leverage, notably due to the high proportion of fixed costs in its cost structure (around 60%), which enables it to benefit from significant scale effects. The Group will also further optimize its cost base, for example by implementing measures to improve the operational efficiency of its processes, and by deploying shared service centers for its support functions.

By combining revenue growth with an improvement in its operating margin, the Group confirms its target of at least 10% like-for-like EBITDA growth by 2025, taking into account the maximum potential impact estimated at €60 million linked to the 5% cap on meal voucher commissions paid by merchants in the private sector in Italy[6]. The Group also confirms that it is targeting an EBITDA to free cash flow conversion ratio of over 70%[7].

## Edenred adjusts its capital allocation policy

Edenred's capital allocation policy is based on a virtuous balance between technological investment, external growth and return to shareholders, while aiming to maintain a "Strong Investment Grade" rating. The main principles of this policy remain unchanged.

In terms of external growth, the Group's acquisition policy will now focus on targets that are highly complementary with its existing activities, with priority given to pursuing the integration and geographical deployment of companies acquired in recent years.

On the strength of its strong cash flow generation, Edenred is announcing the extension of its share buyback program for a total amount of up to €600 million[8] (compared with €300 million previously) over the next three years[9], with the aim of cancelling the shares bought back. Edenred is also maintaining its progressive dividend policy.

The Group remains confident in its ability to continue generating profitable and sustainable growth beyond 2025, and reiterates its ambition to achieve total revenue of more than €5 billion in 2030.

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**This Investor Update will be webcast live on www.edenred.com in the "Investors-Shareholders / Financial-results" section at 10.00 am (CET). The presentation slides will be available as from 10.00 am and a replay of the webcast will be available afterwards.**

## About Edenred

**Edenred** is a leading digital platform for services and payments and the everyday companion for people at work, connecting more than 60 million users and more than 2 million partner merchants in 45 countries via close to 1 million corporate clients.

Edenred offers specific-purpose payment solutions for food (such as meal benefits), engagement (such as gift cards and engagement platforms), mobility (such as multi-energy solutions, including EV charging, maintenance, toll and parking) and corporate payments (such as virtual cards).

[6] Assuming implementation from the 2nd half of 2025
[7] Assuming constant regulations and methodologies
[8] Details of the Share Buyback Program are provided in Section 7.2.4 of the 2023 Universal Registration Document
[9] i.e. until November 30, 2027

True to the Group's purpose, "Enrich connections. For good.", these solutions enhance users' well-being and purchasing power. They 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 sustainable mobility.

Edenred's 12,000 employees are committed to making the world of work a connected ecosystem that is safer, more efficient and more responsible every day.

In 2023, thanks to its global technology assets, the Group managed €41 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 40, CAC 40 ESG, CAC Large 60, Euronext 100, Euronext Tech Leaders, FTSE4Good and MSCI Europe.



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