



# H1 2015 Results

July 24, 2015



# H1 Key Figures & Highlights

# H1 2015 KEY FIGURES

Solid profit growth, like-for-like and as reported

<i>In € millions</i>	H1 2015	L/L growth
Issue volume	9,110	+9.6%
L/L flow-through ratio	57%	N/A
EBIT	165	+14.6%
Funds from operations	148	+14.9%

**Recurring EPS growth of +10.7% reported**

# H1 2015 KEY ACHIEVEMENTS

Achievements in both pillars of growth and in the shift to digital

## EMPLOYEE BENEFITS

- Stake increase in ProwebCE in France from 10% to 62%



## EXPENSE MANAGEMENT

- Closing of the UTA acquisition in Germany



- Launch of a partnership with Daimler in Brazil



## SHIFT TO DIGITAL

- On track to reach >75% of digital issue volume by 2016

**66%**  
digital issue volume  
at the end of H1 2015

- Leader in France with more than 2/3 digital market share<sup>(1)</sup>



(1) Internal estimates.



# FOCUS ON PROWEBCE INVESTMENT<sup>(1)</sup> IN FRANCE

An alliance enabling the Group to expand its employee benefits offering

## A market with strong potential in France

**38,000**  
works councils<sup>(2)</sup>

**19m**  
beneficiaries

**>€15bn**  
in expenses

**~20%**  
penetration<sup>(3)</sup>



**ProwebCE, leader on the works council market**



**ProWebCE**  
Votre CE, notre passion

**A comprehensive offer:**

Accounting management software suite

Beneficiaries Management software

Ecommerce platform for beneficiaries

**~7,000 active customers**

**5m beneficiaries**



**An accretive financial transaction**

- Strong top-line synergies with Edenred**
- Strong alignment of interests with the management team** which owns 34% of the company
- Attractive acquisition multiple** (<10x EBITDA 2015e)
- Earnings-accretive** from year one

(1) Edenred has increased its stake from 10% to 62%.

(2) In France, a works council ("Comité d'Entreprise") is a body comprised of employee representatives whose mission is to offer social and cultural activities to employees.

(3) ~20% of works councils are equipped with e-commerce platforms.





# CLOSING OF THE UTA ACQUISITION IN GERMANY



A strategic asset for Edenred

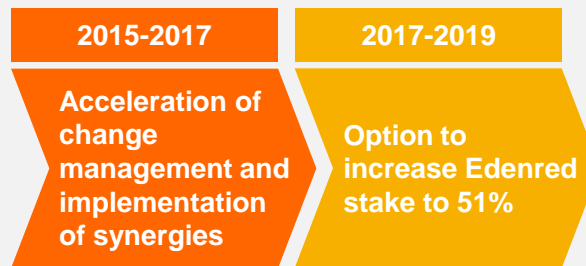


## H1 Achievements

- Finalization of the acquisition of a 34% interest in UTA<sup>(1)</sup>
  - A leading issuer in the European fuel card market for heavy vehicle fleets
  - A ~€150 million investment
- An acquisition **accretive to earnings as of 2015**



## Next Steps



- Unique opportunity to **accelerate our development** in the European expense management market



(1) On February 27, 2015.



# EDENRED/DAIMLER PARTNERSHIP IN BRAZIL

Launch of a co-branded MercedesServiceCard/Ticket Car® solution



- Card issuer, acquirer and processor, offering all Ticket Car® functionalities
- Large network of affiliated fuel stations (>11,000)



MercedesServiceCard

- Co-branded card distribution to Daimler clients
- Access to **Mercedes-Benz workshop service**

- A **promising partnership** with a forefront player in the heavy transportation market in Brazil
  - ~450,000 trucks currently in circulation
  - 26% market share of truck sales in 2014 (#2 in Brazil)
- A new opportunity to further **increase growth** of our Fuel & Fleet business
- A **positive development** made possible by Edenred's investment in **UTA**



**An additional 2-3% growth in total issue volume in Brazil expected in 2016, with an acceleration in the following years**



# FOCUS ON THE SHIFT TO DIGITAL IN FRANCE



Leader on the digital meal card market



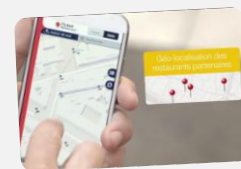
## H1 Achievements

- More than **110k beneficiaries** at the end of H1 2015
  - Around **40%** of new beneficiaries come from **new clients**
  - 8%** of total beneficiaries have already shifted to cards



## Innovation

- Pilot program for **Ticket Restaurant® on mobile devices**, in partnership with Orange and Mastercard



- Launch of a second version of the **Ticket Restaurant® card based on a private network model (Conecs)** in Q4 2015 or Q1 2016





# H1 2015 RESULTS

# H1 2015 ISSUE VOLUME: €9,110M

Up +9.6% L/L, with a high basis of comparison

+9.6%

Like-for-like

€801m

+0.8%

Scope<sup>(1)</sup>

€67m

-0.9%

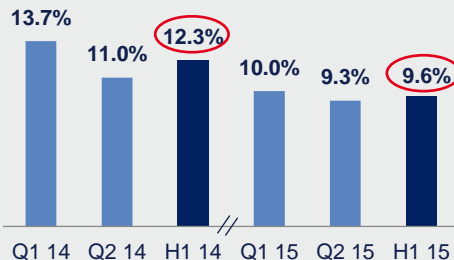
Currency<sup>(1)</sup>

€(78)m

+9.5%

Reported

€790m



- High basis of comparison in H1 2015 due to a strong contribution from Portugal (~200 bp)
- Lower contribution from the increase in face value in H1 2015 (~100 bp)

## Change in average FX rate

BRL	-4.8%
MXN	+6.4%
VEF <sup>(2)</sup>	-61.3%

## Impact in € millions


BRL	(141)
VEF	(111)
MXN	85
Others	89
<b>Total</b>	<b>(78)</b>

(1) See scope effects on slide 33 and exchange rates on slide 32.

(2) H1 2015 average rate of 176.48 VEF/€ is equal to the average between the SICAD II rate from January 1 to February 11 and the new SIMADI rate for the rest of the first half. The Group chose to apply the most conservative rate as the SICAD II system no longer exists since February 11.

# H1 2015 LATIN AMERICA ISSUE VOLUME: €4,558M

Up +15.2% L/L, thanks to a strong sales performance



<i>L/L growth</i>	Q1	Q2	H1
Brazil	+12.8%	+11.1%	<b>+11.9%</b>
Hispanic Latin America	+25.5%	+17.6%	<b>+21.3%</b>
<b>Total Latin America</b>	<b>+17.3%</b>	<b>+13.4%</b>	<b>+15.2%</b>



## Brazil:

- Strong growth in a challenging economic environment
- Good performance in **Employee benefits** (+8.0% L/L in H1) driven by higher face values and client gains, partly offset by the rise in unemployment
- Very robust growth in **Expense management** (+27.5% L/L in H1) thanks to strong, sustained sales momentum




## Hispanic Latin America:

- Continued expansion for both **Employee benefits** and **Expense management** solutions (+19.9% and +23.0% L/L in H1 respectively)
- **Mexico** delivers solid growth (+20.8% L/L in H1) with tougher comps in Employee Benefits as of June, and very solid growth in Expense Management

# H1 2015 EUROPE ISSUE VOLUME: €4,172M

Up +3.5% L/L, with improving trends in Q2



<i>L/L growth</i>	Q1	Q2	H1
France	+3.1%	+4.5%	<b>+3.8%</b>
Rest of Europe	+2.4%	+4.2%	<b>+3.3%</b>
<b>Total Europe</b>	<b>+2.7%</b>	<b>+4.3%</b>	<b>+3.5%</b>



## France:

- Continued growth for **Ticket Restaurant®** (up +4.4% L/L) thanks to the gain of new clients
- Shift to digital well on track: leading position with more than 110k beneficiaries of the **Ticket Restaurant® meal card**, of which around 40% come from new clients

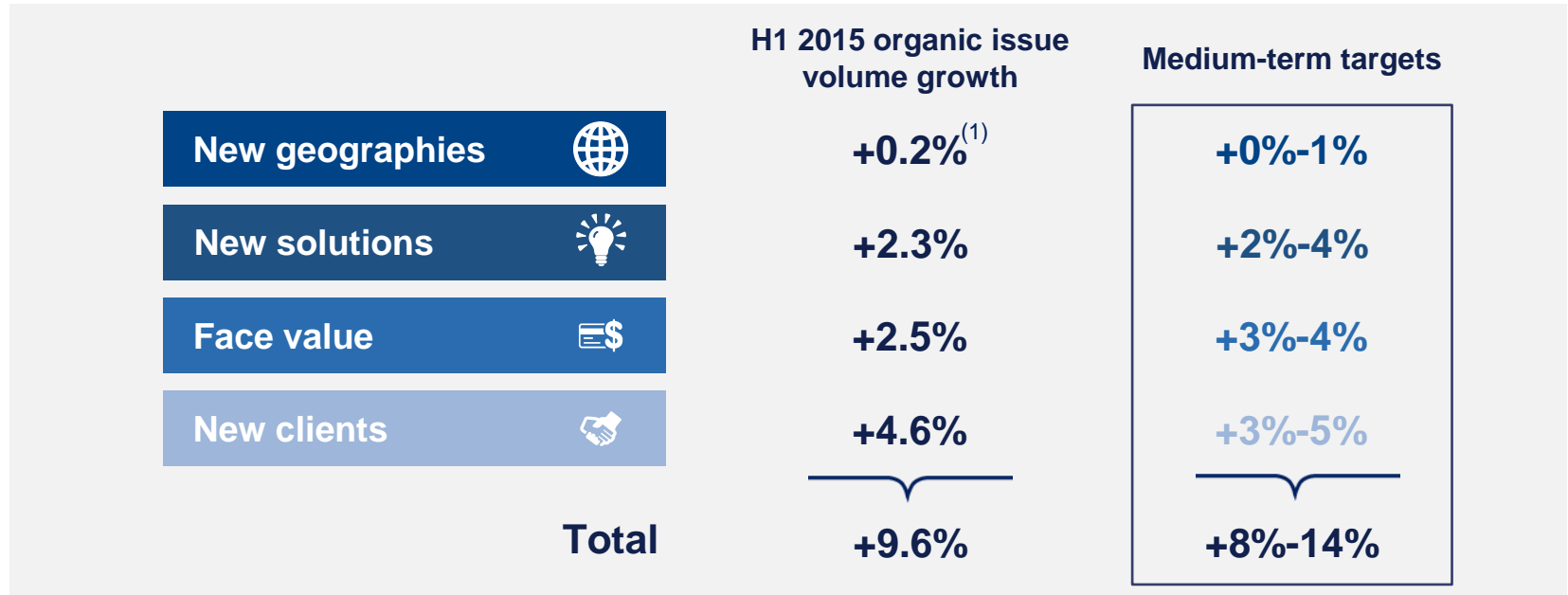


## Rest of Europe:

- **Italy:** growth in the private sector (+3.0% L/L) largely offsetting the expected decline in the public sector
- Issue volume for **Central Europe** remains on the rise (+5.7% L/L) thanks to the economic recovery in the area
- **UK:** slight growth for **Childcare Vouchers®** (+2.2% L/L)

# CONTRIBUTION OF GROWTH DRIVERS TO H1 ISSUE VOLUME

In line with annual medium-term target



(1) Including the contributions of three new countries entered since 2010: Finland (2010), Japan (2012) and Colombia (2013).

# H1 2015 TOTAL REVENUE: €539M

Up +7.8% L/L, reflecting strong issue volume trends



(1) See scope effects on slide 33 and exchange rates on slide 32.

(2) IV: issue volume.

(3) Corresponds to revenue generated by value added businesses such as incentive programs and human services.

# H1 2015 REVENUE DETAIL

## Operating revenue with IV: €428m

<i>L/L growth</i>	Q1	Q2	H1
Latin America	+14.8%	+14.5%	<b>+14.6%</b>
Europe	+3.2%	+3.3%	<b>+3.3%</b>
Rest of the world	+13.2%	+11.8%	<b>+12.5%</b>
<b>Total</b>	<b>+9.0%</b>	<b>+9.2%</b>	<b>+9.1%</b>

## Financial revenue: €36m

<i>L/L growth</i>	Q1	Q2	H1
Latin America	+19.2%	+8.3%	<b>+13.7%</b>
Europe	-12.4%	-14.3%	<b>-13.3%</b>
Rest of the world	+26.9%	+19.1%	<b>+22.6%</b>
<b>Total</b>	<b>+2.7%</b>	<b>-2.7%</b>	<b>0.0%</b>

**50 bp difference with issue volume growth** (lower than the structural 150 bp difference still expected in the midterm), linked to various mix effects including the renegotiation of client fees in several countries, and the exit from large non-profitable contracts.

**Stable financial revenue in Q1, reflecting mixed interest rate trends by region**, in line with the Group's expectation of stable L/L financial revenue for the full year.

# H1 2015 EBIT: €165M

Double digit EBIT growth in both like-for-like and reported figures

<i>In € millions</i>	June 2014	June 2015	Change reported	Change L/L
<b>Total revenue</b>	<b>486</b>	<b>539</b>	<b>+10.8%</b>	<b>+7.8%</b>
Operating EBIT	112	129	+15.8%	+19.5%
Financial EBIT	36	36	-1.5%	0.0%
<b>Total EBIT</b>	<b>148</b>	<b>165</b>	<b>+11.5%</b>	<b>+14.6%</b>

## Operating EBIT performance by region

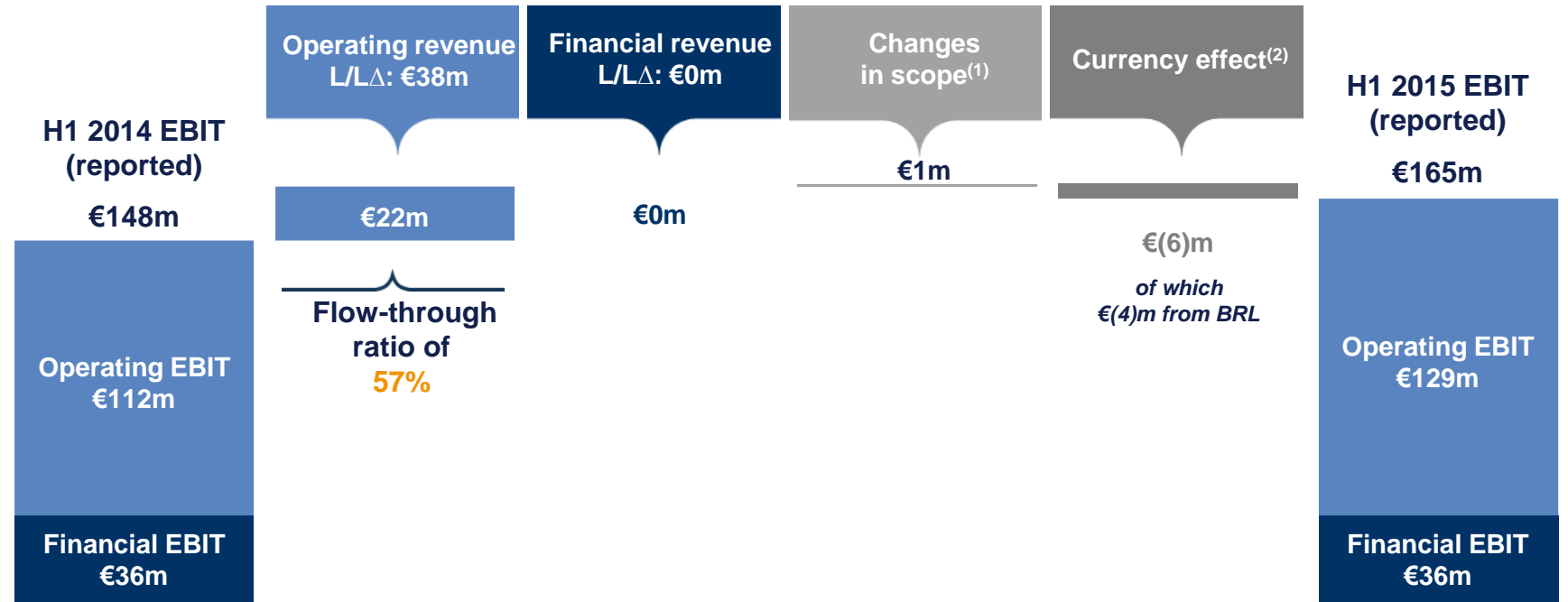


- **Latin America, €87m:** strong performance, with operating EBIT up **+21.3% L/L**
- **Europe, €48m:** good performance, up **+3.2% L/L**



# FLOW-THROUGH RATIO

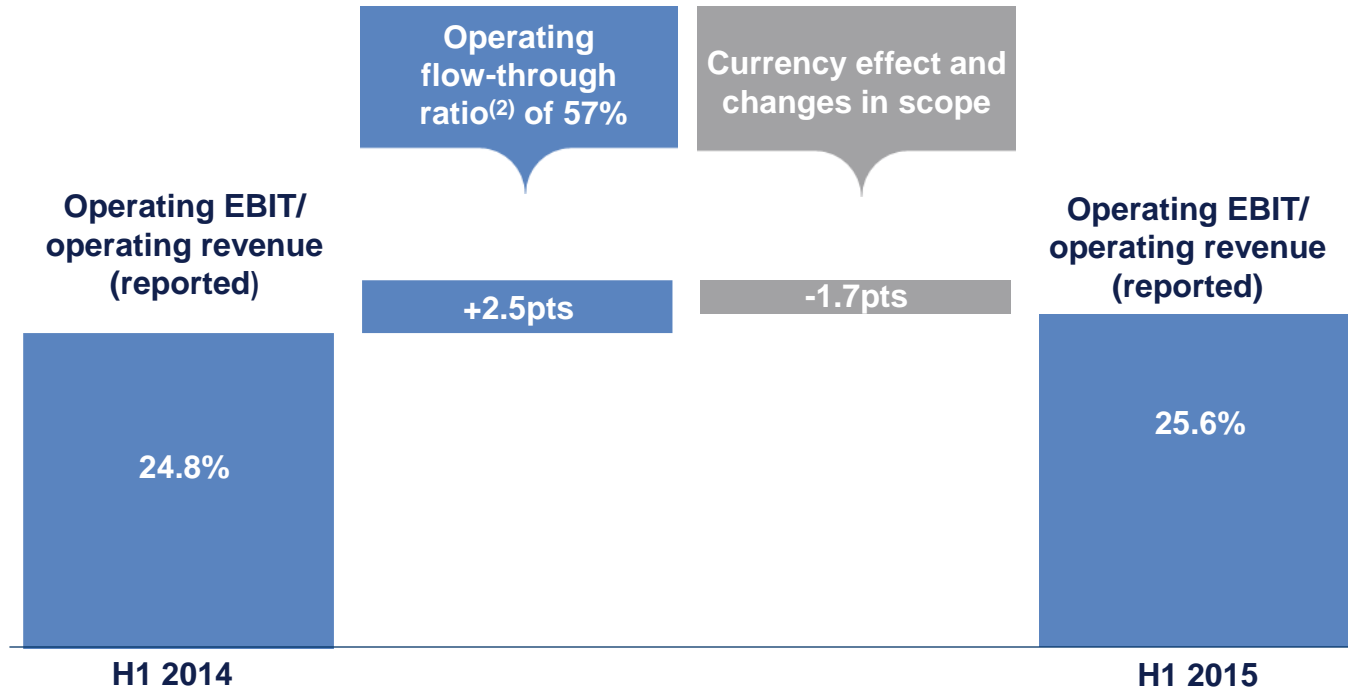
Operating flow-through ratio of 57%, in line with objective of >50%



(1) See scope effects on slide 33.  
 (2) See exchange rates on slide 32.

# OPERATING EBIT MARGIN<sup>(1)</sup>

Year-on-year margin improvement in H1



(1) As a percentage of operating revenue.

(2) Ratio between the like-for-like change in operating EBIT and the like-for-like change in operating revenue.

# H1 2015 NET PROFIT

Recurring earnings per share of €0.40, up +11%

<i>In € millions</i>	June 2014	June 2015
<b>EBIT</b>	<b>148</b>	<b>165</b>
Net financial expense	(27)	(21)
Equity accounted entities	-	4
<b>Operating profit before tax and non-recurring items</b>	<b>121</b>	<b>148</b>
Non-recurring income and expenses, net	(7)	(8)
Income tax expense	(39)	(51)
Tax on dividends	(4)	(5)
Minority interests	(1)	(2)
<b>Net profit, Group share</b>	<b>70</b>	<b>82</b>
<b>Recurring net profit after tax</b>	<b>82</b>	<b>91</b>
<b>Recurring earnings per share<sup>(1)</sup> (in €)</b>	<b>0.36</b>	<b>0.40</b>



(1) Average number of shares : 226,971,442.

# CASH FLOWS

L/L growth in Funds From Operations of +14.9%

<i>In € millions</i>	June 2014	June 2015
<b>Funds From Operations</b>	<b>109</b>	<b>148</b>
(Increase)/decrease in float <sup>(1)</sup>	(123)	(182)
(Increase)/decrease in restricted cash	(14)	2
(Increase)/decrease in working capital (excl. float)	(21)	(42)
Recurring capex	(19)	(22)
<b>Free Cash Flow</b>	<b>(68)</b>	<b>(96)</b>
External acquisitions	(61)	(232)
Dividends paid <sup>(2)</sup>	(192)	(199)
Capital increase	61	42
Share buybacks	(20)	(3)
Currency effects	(103)	(60)
Other non-recurring items	(10)	(25)
<b>(Increase)/decrease in net debt</b>	<b>(393)</b>	<b>(573)</b>
<b>Net cash/(debt) position end of period</b>	<b>(669)</b>	<b>(841)</b>

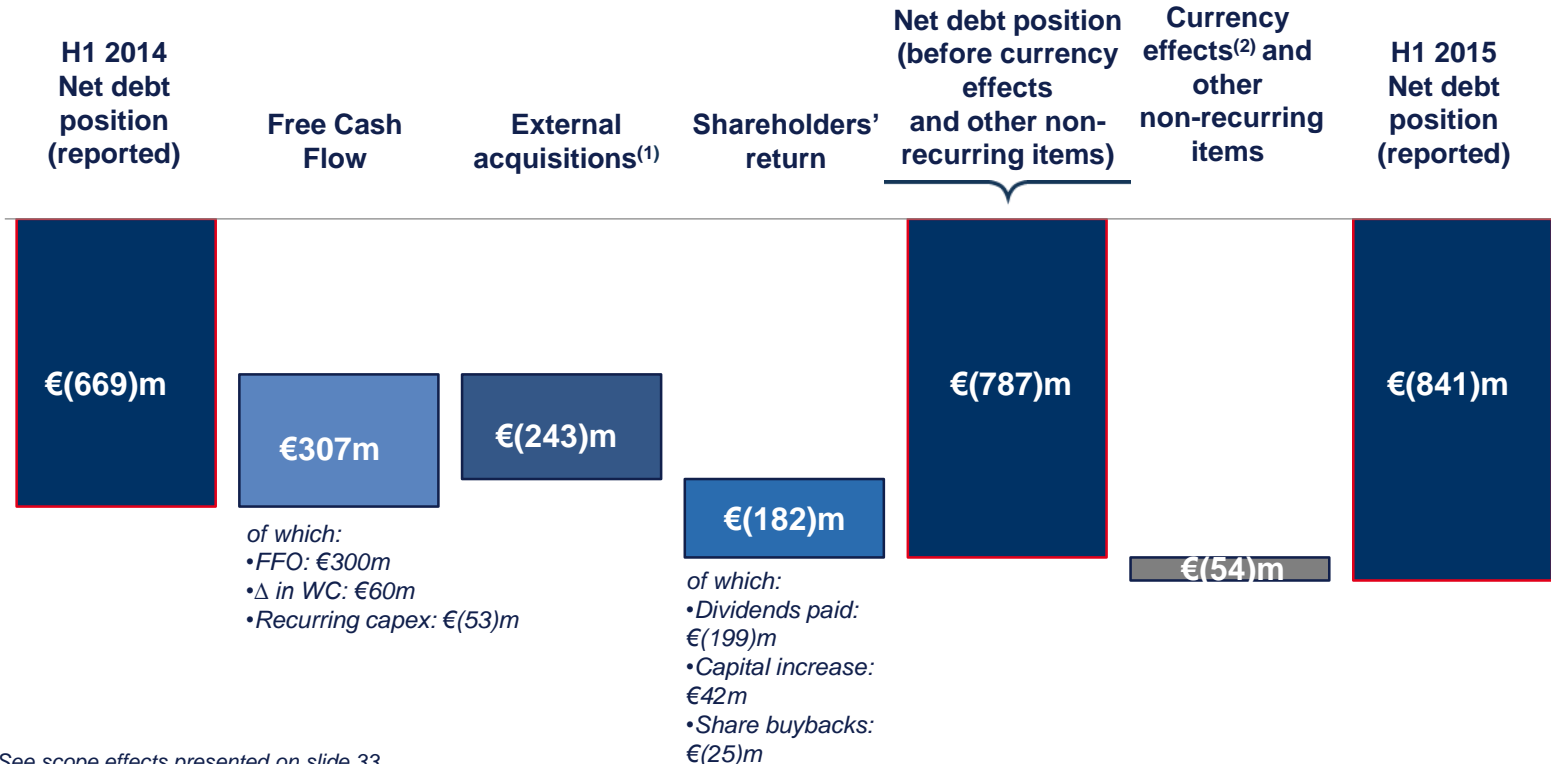
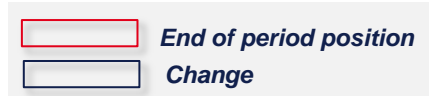


(1) The float corresponds to vouchers in circulation less trade receivables.

(2) Including the tax on dividends and the dividends paid on minority interests.

# NET DEBT BRIDGE

Strong generation of Free Cash Flow



(1) See scope effects presented on slide 33.

(2) See exchange rates on slide 32.

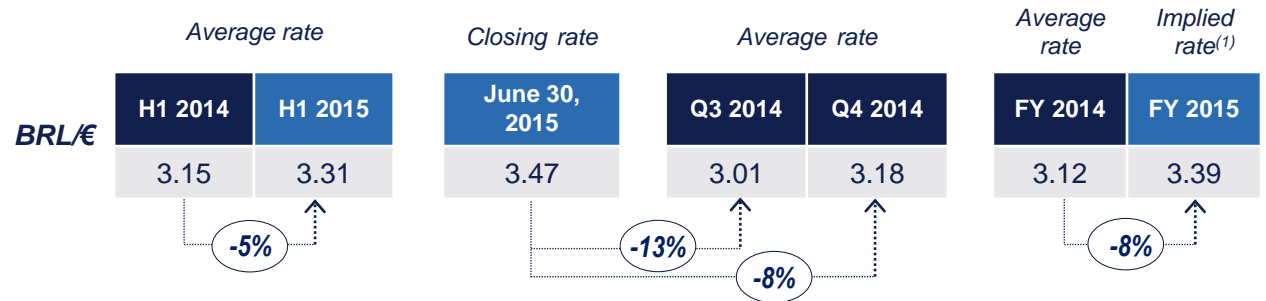


## Conclusion

# FOCUS ON CURRENCIES

A 5% depreciation of the BRL in H1 & tougher comps in H2

## Brazilian real



## Currency impacts

Expected currency impacts

In € millions	H1 2015	H2 2015 expected <sup>(2)</sup>	FY 2015 expected
Brazilian Real	(4)	(11)	(15)
Other currencies	(2)	(6)	(8)
<b>Total EBIT</b>	<b>(6)</b>	<b>(17)</b>	<b>(23)</b>



(1) Implied FY 2015 rate assumption based on applying June 30, 2015 closing rate to H2.

(2) H2 expected impacts based on June 30, 2015 closing rate.

# 2015 OUTLOOK AND GUIDANCE

FY 2015 EBIT target: €365m to €380m

## Organic top-line trends in H2

- **Issue volume trend** similar to **Q2 2015**, with :
  - Growth in **Latin America** impacted by a more **challenging economic context in Brazil and tougher comps in Mexico<sup>(1)</sup>**
  - Business expansion **gaining momentum in Europe**
- **Operating revenue with IV<sup>(2)</sup> growth**: ~100 bp difference with IV growth expected for FY 2015
- **Financial revenue**: confirmation of **stable financial revenue** expectations in H2 and FY 2015

## 2015 EBIT guidance

- **€365m to €380m**

## Confirmation of L/L targets

- **+8-14%** growth in issue volume
- Flow-through ratio **> 50%**
- **>10%** growth in FFO



(1) Following positive regulatory change implemented in 2014.

(2) IV: issue volume.





# Appendices

# ISSUE VOLUME

In € millions	Q1		Q2		H1	
	2014	2015	2014	2015	2014	2015
France	713	735	662	696	1,375	1,431
Rest of Europe	1,302	1,346	1,318	1,395	2,620	2,741
Latin America	1,902	2,284	2,122	2,274	4,024	4,558
Rest of the world	145	188	156	192	301	380
<b>Issue volume</b>	<b>4,062</b>	<b>4,553</b>	<b>4,258</b>	<b>4,557</b>	<b>8,320</b>	<b>9,110</b>

In %	Q1		Q2		H1	
	Change reported	Change L/L	Change reported	Change L/L	Change reported	Change L/L
France	3.1%	3.1%	5.1%	4.5%	4.1%	3.8%
Rest of Europe	3.3%	2.4%	5.9%	4.2%	4.6%	3.3%
Latin America	20.1%	17.3%	7.2%	13.4%	13.3%	15.2%
Rest of the world	30.0%	16.0%	23.4%	16.9%	26.6%	16.4%
<b>Issue volume</b>	<b>12.1%</b>	<b>10.0%</b>	<b>7.0%</b>	<b>9.3%</b>	<b>9.5%</b>	<b>9.6%</b>

# OPERATING REVENUE WITH ISSUE VOLUME

In € millions	Q1		Q2		H1	
	2014	2015	2014	2015	2014	2015
France	30	31	28	30	58	61
Rest of Europe	66	68	67	71	133	139
Latin America	91	104	100	105	191	209
Rest of the world	7	10	8	9	15	19
<b>Operating revenue with IV</b>	<b>194</b>	<b>213</b>	<b>203</b>	<b>215</b>	<b>397</b>	<b>428</b>

In %	Q1		Q2		H1	
	Change reported	Change L/L	Change reported	Change L/L	Change reported	Change L/L
France	4.1%	2.9%	6.4%	2.7%	5.2%	2.8%
Rest of Europe	3.9%	3.3%	4.7%	3.6%	4.3%	3.5%
Latin America	14.3%	14.8%	4.5%	14.5%	9.1%	14.6%
Rest of the world	28.4%	13.2%	17.9%	11.8%	22.9%	12.5%
<b>Operating revenue with IV</b>	<b>9.7%</b>	<b>9.0%</b>	<b>5.3%</b>	<b>9.2%</b>	<b>7.5%</b>	<b>9.1%</b>

# OPERATING REVENUE WITHOUT ISSUE VOLUME

In € millions	Q1		Q2		H1	
	2014	2015	2014	2015	2014	2015
France	5	6	6	20	11	26
Rest of Europe	11	11	9	8	20	19
Latin America	5	6	7	7	12	13
Rest of the world	5	8	5	9	10	17
<b>Operating revenue without IV</b>	<b>26</b>	<b>31</b>	<b>27</b>	<b>44</b>	<b>53</b>	<b>75</b>

In %	Q1		Q2		H1	
	Change reported	Change L/L	Change reported	Change L/L	Change reported	Change L/L
France	8.3%	10.6%	n/a	-0.7%	n/a	4.8%
Rest of Europe	-7.2%	-15.0%	-0.1%	-3.1%	-3.9%	-9.4%
Latin America	24.4%	27.6%	2.2%	15.4%	12.5%	21.0%
Rest of the world	78.9%	12.1%	66.4%	6.2%	72.5%	9.1%
<b>Operating revenue without IV</b>	<b>18.3%</b>	<b>4.0%</b>	<b>71.7%</b>	<b>3.7%</b>	<b>45.0%</b>	<b>3.8%</b>

# FINANCIAL REVENUE

In € millions	Q1		Q2		H1	
	2014	2015	2014	2015	2014	2015
France	5	4	4	3	9	7
Rest of Europe	4	4	5	5	9	9
Latin America	8	10	8	8	16	18
Rest of the world	1	1	1	1	2	2
<b>Financial revenue</b>	<b>18</b>	<b>19</b>	<b>18</b>	<b>17</b>	<b>36</b>	<b>36</b>

In %	Q1		Q2		H1	
	Change reported	Change L/L	Change reported	Change L/L	Change reported	Change L/L
France	-17.7%	-17.7%	-21.9%	-21.9%	-19.7%	-19.7%
Rest of Europe	-6.1%	-7.6%	-5.3%	-7.6%	-5.7%	-7.6%
Latin America	18.9%	19.2%	-2.6%	8.3%	8.0%	13.7%
Rest of the world	43.4%	26.9%	25.7%	19.1%	33.7%	22.6%
<b>Financial revenue</b>	<b>3.7%</b>	<b>2.7%</b>	<b>-6.6%</b>	<b>-2.7%</b>	<b>-1.5%</b>	<b>0.0%</b>

# TOTAL REVENUE

In € millions	Q1		Q2		H1	
	2014	2015	2014	2015	2014	2015
France	40	41	38	53	78	94
Rest of Europe	81	83	81	84	162	167
Latin America	104	120	115	120	219	240
Rest of the world	13	19	14	19	27	38
<b>Total revenue</b>	<b>238</b>	<b>263</b>	<b>248</b>	<b>276</b>	<b>486</b>	<b>539</b>

In %	Q1		Q2		H1	
	Change reported	Change L/L	Change reported	Change L/L	Change reported	Change L/L
France	2.1%	1.5%	42.0%	-0.7%	21.5%	0.5%
Rest of Europe	1.9%	0.3%	3.5%	2.2%	2.7%	1.2%
Latin America	15.1%	15.8%	3.8%	14.1%	9.2%	14.9%
Rest of the world	47.8%	13.6%	35.9%	10.2%	41.6%	11.8%
<b>Total revenue</b>	<b>10.2%</b>	<b>8.0%</b>	<b>11.4%</b>	<b>7.7%</b>	<b>10.8%</b>	<b>7.8%</b>

# OPERATING EBIT & TOTAL EBIT

<i>In € millions</i>	H1 2014	H1 2015	Change reported	Change L/L
France	8	11	41.3%	-0.8%
Rest of Europe	37	37	1.9%	4.1%
Latin America	77	87	14.2%	21.3%
Rest of the world	1	3	n/a	n/a
Worldwide structures	(11)	(9)	-16.2%	-26.7%
<b>Operating EBIT</b>	<b>112</b>	<b>129</b>	<b>15.8%</b>	<b>19.5%</b>

<i>In € millions</i>	H1 2014	H1 2015	Change reported	Change L/L
France	17	18	8.3%	-11.0%
Rest of Europe	46	46	0.3%	1.6%
Latin America	93	105	13.1%	20.0%
Rest of the world	3	5	n/a	n/a
Worldwide structures	(11)	(9)	-16.2%	-26.7%
<b>Total EBIT</b>	<b>148</b>	<b>165</b>	<b>11.5%</b>	<b>14.6%</b>

# EXCHANGE RATES

*Average exchange rates for 2014 and 2015*

€1 = X foreign currency	Q1 2014	Q1 2015	2015 vs, 2014 Change (in %)	Q2 2014	Q2 2015	2015 vs, 2014 Change (in %)	H1 2014	H1 2015	2015 vs, 2014 Change (in %)
Bolivar Fuerte (VEF)	68.50	134.41	-49.0%	68.25	218.57	-68.8%	68.37	176.48	-61.3%
Brazilian real (BRL)	3.24	3.22	0.5%	3.06	3.40	-9.9%	3.15	3.31	-4.8%
Mexican Peso (MXN)	18.13	16.85	7.6%	17.83	16.94	5.3%	17.98	16.89	6.4%
Sterling (GBP)	0.83	0.74	11.3%	0.81	0.72	13.0%	0.82	0.73	12.1%
Turkish Lira (TRY)	3.04	2.77	9.4%	2.90	2.95	-1.7%	2.97	2.86	3.7%
US Dollar (USD)	1.37	1.13	21.5%	1.37	1.11	24.1%	1.37	1.12	22.8%



# SCOPE EFFECTS

Acquisitions	Consolidation date
Bonus, Brazil	January 2014
Nets Prepaid, Finland	January 2014
C3 CARD, United Arab Emirates	July 2014
Cardtrend, Asia	August 2014
Daripodarki, Russia	October 2014
UTA, Germany*	H1 2015
ProwebCE, France	H1 2015



\* Acquisition of a 34% stake, accounted for via the equity method.

# 2015 EXPECTED CALENDAR EFFECTS

<i>Working days</i>	Q1		Q2		Q3		Q4		2015	
	Nb of days	% change	Nb of days	% change	Nb of days	% change	Nb of days	% change	Nb of days	% change
Europe	0	0.0%	0	0.4%	0	0.6%	1	1.0%	1	0.5%
Latin America	1	1.4%	0	0.5%	-1	-0.9%	0	-0.5%	0	0.1%
Rest of the world	0	0.4%	0	-0.1%	-1	-2.3%	2	2.8%	1	0.2%
<b>TOTAL</b>	<b>0</b>	<b>0.6%</b>	<b>0</b>	<b>0.5%</b>	<b>0</b>	<b>-0.3%</b>	<b>0</b>	<b>0.3%</b>	<b>1</b>	<b>0.3%</b>

