

2016 INVESTOR DAY: EDENRED PRESENTS FAST FORWARD, ITS THREE-YEAR STRATEGIC PLAN

The Group is accelerating its transformation by laying the foundations for new sources of profitable and sustainable growth

- **Fast Forward, Edenred's strategic plan, is designed to accelerate the Group's transformation over the next three years while laying the foundations for new sources of profitable growth.**
- **The plan leverages the Group's unique expertise in building and managing value-added solutions within B2B transactional ecosystems, which it started to develop over 50 years ago in the Employee Benefits business and subsequently extended to Expense Management in particular.**
- **These ecosystems have structurally solid fundamentals and the Group's aim is to continue unlocking the strong growth potential they offer. Edenred will look to:**
 - **Leverage the growth opportunities that result from increased digitalization of Employee Benefits solutions in order to develop new services and reinforce Edenred's leadership.**
 - **Become a global leader in the Expense Management market, notably by leveraging the acquisition of Embratec in Brazil in 2016 and by acquiring a controlling interest in UTA in 2017.**
 - **Capitalize on the Group's technological expertise and know-how to develop value-added solutions for new B2B transactional ecosystems such as Corporate Payments.**
- **The Group has defined ambitious new organic¹ growth targets for the coming three years within the scope of its Fast Forward plan:**
 - **Annual like-for-like operating revenue growth of over 7%**
 - **Annual like-for-like operating EBIT growth of more than 9%**
 - **Annual like-for-like FFO growth of above 10%**
- **Edenred's ambition is to maximize value creation for shareholders through a balanced deployment of capital between investments and shareholder return, in line with the Group's growth profile. This will be reflected in an adjustment of the dividend policy which will, from now on, aim at paying out at least 80% of the Group's net profit, Group share.**

¹ At constant scope of consolidation and exchange rates (corresponding to organic growth).

Bertrand Dumazy, Chairman and Chief Executive Officer of Edenred, said: *"Fast Forward is an ambitious strategic plan for Edenred through 2020. The path that we have chosen targets strong, profitable and sustainable growth. Our aim is to continually increase the added value delivered to our clients, affiliates and beneficiaries by developing innovative solutions that harness our teams' technological expertise and know-how. While pursuing growth in our Employee Benefits business, we will sharply accelerate our development in Expense Management solutions and extend our offering in new ecosystems such as Corporate Payments.*

This strategy will drive future growth in our earnings and cash flow generation, allowing us to continue to favor a high dividend payout ratio while giving us the flexibility to carry out growth investments, subject to strict financial criteria in terms of return prospects."

Leveraging the growth opportunities that result from increasing digitalization of Employee Benefits solutions in order to reinforce Edenred's leadership

Building on issue volume of €14.5 billion through 166 different programs in 2015 and a total of 1 billion meals purchased using the Group's solutions in 850,000 restaurants and affiliated grocery stores, Edenred will intensify the shift to digital in its Employee Benefits business in order to reinforce its leadership and boost performance.

The Employee Benefits market (mainly covering food, well-being and personal services) currently represents issue volume of approximately €40 billion worldwide. Thanks to structurally strong fundamentals, this market delivers growth of up to 5% in developed countries and between 5% and 10% in emerging countries.

To capture this growth potential, Edenred's action plan has three main levers:

- Further penetrate the SME client segment.
- Maximize value generation in particular through better client retention, adjusted pricing policies, and new value-added services to beneficiaries and affiliates.
- Increase productivity through optimization of the cost base and increased digitalization of solutions and processes.

These growth levers will make a positive contribution to converting issue volume into operating revenue.

To implement this plan, key enablers will be activated, specifically innovation, technology, organizational efficiency and the growing digitalization of Edenred solutions, which is key to the Group's strategy. Edenred expects that more than 80% of its Employee Benefits solutions will be digital by 2020.

Among its most recent initiatives to digitalize its solutions is the option introduced in July 2016 for France's 225,000 Ticket Restaurant® card beneficiaries to pay for their lunches directly with their iPhones using Apple Pay. The Group is the only issuer of meal vouchers to offer this type of fingerprint recognition-based payment.

In Sweden, where all solutions are now paperless, the Group offers its 10,000 affiliated restaurants a management tool based on a digital platform that gives access to key data regarding Ticket Restaurant® card transactions. Thanks to these anonymous data, Edenred's affiliated restaurants can not only improve their sales performance by closely analyzing data on meal voucher use, but also optimize their management by adapting their offering to better suit their customers.

Becoming a global leader in Expense Management, Edenred's second growth engine

Expense Management, particularly relating to corporate vehicle fleets (including fuel and maintenance cards, as well as toll payment solutions), is Edenred's second growth engine.

The Fuel & Fleet market represents over €1,000 billion in annual spend worldwide. With an average penetration rate of just 25% and annual growth of between 5% and 10%, notably driven by increased employee mobility, expense management solutions meet companies' growing need for greater control over business expenses.

This large, profitable and underpenetrated growth market is the second type of ecosystem after Employee Benefits in which Edenred has expanded by developing commercial synergies, sharing transaction authorization platforms and capitalizing on its long-standing experience of affiliating merchant networks.

The particularity of this market is that oil companies are increasingly outsourcing fuel expense management services. Edenred aims to leverage opportunities to step up its presence in Expense Management, particularly in the relatively underpenetrated light fleet segment. The Group has all the necessary assets to become a leading global player in this market.

Edenred now has a solid presence in Latin America, particularly Mexico, with Ticket Car, and Brazil, where the Group strengthened its position in 2016 following its acquisition of Embratic and the creation of the new brand Ticket Log. In Europe, Edenred entered the fuel card market with the acquisition of a 34% stake in Germany-based UTA in 2015. The Group plans to exercise its call option to acquire an additional 17% of UTA in 2017, which would give it a 51% controlling interest in the company. These acquisitions are promising investments that reflect the Group's determination to accelerate its development in the Expense Management business.

The strength of Edenred's strategic approach is to adapt to the specific characteristics of each region in order to develop the most pertinent solutions:

- In Latin America, the Group already enjoys leadership positions in Mexico and Brazil from which it can pursue vigorous growth while expanding into new countries, such as Argentina.
- In Europe, Edenred plans to leverage UTA and its own expertise acquired in Latin America to launch dedicated light fleet solutions in several key countries, and to increase its market share in the heavy fleet segment.
- In Asia through Cardtrend, a Malaysian company acquired in 2014, Edenred has an ideal platform for developing its software offering across South-East Asia, particularly with local and regional oil companies, but also for developing multi-brand solutions.

Edenred has ambitious goals on the Expense Management market. It is targeting an annual volume of more than 9 billion fuel liters by 2020, compared with 3.3 billion in 2015. This vigorous growth will have a significant impact on the Group's profile, since this business is expected to represent over 25% of its operating revenue by 2020, compared with 12% in 2015.

Leveraging Edenred's worldwide presence, technological expertise and know-how to expand in new ecosystems, in particular Corporate Payments

Several thousand billion euros worth of financial flows are transacted between companies each year. New virtual card technologies and private payment networks are helping to spur the creation of new ways of effectively managing transactions within dedicated transactional ecosystems. Corporate Payments is a large, untapped and fast-growing market. It represents a particularly attractive opportunity for Edenred which, with PrePay Solutions (PPS), its jointly-owned subsidiary with MasterCard, and Europe's leading prepaid services company, has a strategic asset through which it can develop tailored digital and automated payment solutions in transactional ecosystems.

Through PPS, Edenred already operates payment systems using virtual card technology in the hotel industry and in the e-commerce segment. Today, the Group is announcing its first large-scale initiative in managing new transactional ecosystems. Edenred has won a major tender to set up and manage a global prepaid private network in the travel industry. The contract, to be signed in early 2017, will cover an annual transaction volume of over USD 20 billion through an ecosystem of over 10,000 entities spread over more than 70 countries.

Edenred aims to become a major player in the Corporate Payments ecosystem, a business set to become its third growth engine.

Edenred has set new financial targets that reflect the changes in its profile and match its ambition of profitable and sustainable growth

From a financial perspective, the Group will put all of its energy into generating profitable and sustainable growth and into creating value for its shareholders. Edenred has set itself ambitious new growth targets for the next three years (2017-2019):

- Annual like-for-like **operating revenue growth of at least 7%**, resulting from double-digit growth in Expense Management and single-digit growth in Employee Benefits.
- Annual like-for-like **operating EBIT growth of at least 9%**. This will be driven by the ongoing shift to digital and resulting productivity gains, and also by the roll-out of initiatives to control costs and maximize synergies, such as in relation to the Embratec integration in Brazil.
- Annual like-for-like growth in **FFO of above 10%**.

The Group has a sound balance sheet and generates significant working capital resources, which will continue to grow and thus contribute to funding Edenred's growth.

Adapted capital allocation policy aimed at maintaining a high dividend payout while ensuring that the Group is able to seize growth opportunities

Drawing on its strong balance sheet, tight rein on debt and sound liquidity, Edenred wishes to seize growth investment opportunities in line with the strategic goals of its Fast Forward plan.

The first of these opportunities will soon materialize, with the Group confirming its intention to exercise its call option as from 2017 on an additional 17% stake in UTA. This investment, which will give Edenred control of UTA, will involve a cash-out of around €70 million. After this call has been exercised, UTA's minority shareholders will have put options on the remaining 49% of capital. These will be accounted for as a liability in Edenred's balance sheet in an amount of approximately €200 million.

Edenred has therefore decided to adapt its shareholder return policy, which will be based on a **dividend payout ratio of at least 80% of net profit, Group share.**

Edenred's ambition is to maximize value creation for shareholders through a balanced deployment of capital between investments and shareholder return, in line with the Group's growth profile.

UPCOMING EVENTS

February 23, 2017: Full-year 2016 results
April 13, 2017: First-quarter 2017 revenue
May 4, 2017: Annual Shareholders' Meeting
July 25, 2017: First-half 2017 results

Edenred, which invented the Ticket Restaurant® meal voucher and is the world leader in prepaid corporate services, designs and manages solutions that improve the efficiency of organizations and purchasing power to individuals.

By ensuring that allocated funds are used specifically as intended, these solutions enable companies to more effectively manage their:

- **Employee benefits** (Ticket Restaurant®, Ticket Alimentación, Ticket CESU, Childcare Vouchers, etc.)
- **Expense management** process (Ticket Car, Ticket Clean Way, Repom, etc.)
- **Incentive and reward programs** (Ticket Compliments, Ticket Kadéos, etc.)

*The Group also supports public institutions in managing their **social programs**.*

Listed on the Euronext Paris stock exchange, Edenred operates in 42 countries, with 6,300 employees, 680,000 companies and public sector clients, 1.4 million affiliated merchants and 42 million beneficiaries. In 2015, total issue volume amounted to €18.3 billion.

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