Edenred Shareholders' Meeting

2017 Summary

Edenred

EDENRED SHAREHOLDERS' MEETING

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The Annual Meeting of Edenred Shareholders took place in Bagnolet on May 4, 2017 under the chairmanship of Bertrand Dumazy, Edenred's Chairman and Chief Executive Officer.

The Board of Directors would like to thank the 2,199 participants (representing nearly 80% of outstanding shares), of whom more than 200 were physically present. The resolutions were all approved, including the resolution proposing a dividend of €0.62 per share with the option of reinvesting 50% of the amount in new shares. The 15 resolutions put to the vote were approved by an average of 96%.

For more detailed information about corporate governance and voting on the resolutions, click **here**. To learn more about the dividend payment timeline and process, click **here**.

The Meeting covered the following subjects, **in line with the presentation** posted on our website:

• Key Achievements in 2016
• 2016 Results
• Share Performance
• The Fast Forward Strategic Plan
• HR and CSR Commitments
• Corporate Governance
• Dialogue with Shareholders
• Auditors' Reports and Opinions
• Presentation of the Resolutions
• Q&A Session
• Vote on the Resolutions

Highlights

The Chairman and Chief Executive Officer invited shareholders to take a look back at the key events of 2016 via a video available from the Annual General Meeting page of edenred.com or by clicking here. He then discussed the year’s financial highlights, particularly the Group's profitable and sustainable growth:

"2016 was a year of profitable and sustainable growth. Why profitable? New acquisitions and currency effects aside, Edenred posted organic growth in issue volume of 10% in 2016. Operating revenue climbed 8.3%, generating further growth in the Group's operating EBIT (+17.3%) as well as in cash flow generation through funds from operations before non-recurring items (FFO), which rose 15.4%.

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While double-digit growth is obviously profitable, Edenred's growth is also sustainable. Why sustainable?

Firstly, because it is firmly anchored across three major continents. In 2016, issue volume grew 7.4% in Europe, which accounts for 47% of our total issue volume. In Latin America, which accounts for 49% of issue volume, it rose 12.4%. For the "Rest of the World", which regroups other countries outside Europe and Latin America, issue volume increased by 10.3%.

Secondly, because each of the 42 countries in which we operate contributed to this sustainable growth that is based on two main product lines. The first, Employee Benefits, which represents 75% of our issue volume, reported close to €15 billion in issue volume and organic growth of 8.5% in 2016. Two examples of commercial success stories during the year are the contracts signed with French rail company SNCF and the Crown Commercial Service in the UK. As a mature company, you would think that SNCF would already have the types of solutions we offer, particularly the Ticket Restaurant® which has been in place in France since 1962.

In actual fact, it was not until last year that SNCF employees were able to use meal vouchers. In 2016, the company took the leap and chose Edenred, France's market leader, to provide Ticket Restaurant® cards to its 22,000 employees. What does that mean? It means that there is clearly still room for growth in mature countries and for mature products.

The second example is the Crown Commercial Service in the UK. What is it? At present, the UK ministries employ around 400,000 people. In 2016, they decided to give their employees access to our range of digital solutions on a single web platform and chose us to provide the interface. Today, 300,000 employees have already signed with Edenred, leaving a potential of 100,000 more.

The second product line that we are looking to develop very quickly is Expense Management, which currently accounts for 19% of our issue volume and 25% of our operating revenue. 2016 was an excellent year for Expense Management as well, with issue volume of €3.8 billion and organic growth of 15.1%.

In Latin America, a new agreement signed with Brazilian company Embratec at the start of 2016 means we now rank amongst the leaders in expense management in Brazil. In Europe, we have launched an expense management solution in Romania with UTA, the German company in which we acquired a controlling interest at the start of 2017. We also completed the consolidation of La Compagnie des Cartes Carburant (LCCC) in France with which we have launched new offers, and have stepped up our development in Italy and in Spain. Our strategy to become the leader in our markets in Latin America and ramp up our development across Europe is more dynamic than ever.

In the other regions of the world in which we are present, we have acquired a small company called Cardtrend and their bespoke technology for expense management in Asia, opening the way for new clients in a certain number of new regions across Asia that we have defined as priority development areas.

In short, 2016 was a very busy year for acquisitions and consolidations, but also for the development of this second growth driver.

Other examples of new cards and new fuel solutions include the Ticket Fleet Pro® card launched in France in partnership with LCCC and the Ticket Car Pro® and Ticket Car Go® – two Near Field Communication or NFC badge solutions – launched in Mexico. Today, a truck driver in Mexico no longer needs to bother with a payment card to fill up on fuel. Transaction details are transmitted directly between the NFC sticker on his windscreen and the service station payment terminal. And that changes everything, particularly in terms of payment traceability for employers and employees in Mexico.

Lastly, it is sustainable growth because we have invested heavily in the development of mobile and web payment solutions in the different regions in which we are present. For the time being, 70% of our solutions are primarily in card format, but that is just one step away from the switch to a completely digital process of mobile and web-based payments.

In France and around the world, Edenred is currently the only issuer to offer Apple Pay. What does that mean? It means that, today, an employee in France can use our Ticket Restaurant® solution to pay for their meal with their iPhone. And it's even possible to use an iWatch.

If sustainable growth that is based on an accelerated switch to digital solutions has its challenges, it offers many more opportunities. What progress did we make in this area in 2016?

In Latin America, 96% of Edenred solutions were digital solutions, two points up on 2015.

In fact, the last paper meal voucher to be printed in Brazil dates back to last summer. Today, it has its rightful place on my desk, and when I look at it, it is with a great sense of nostalgia. But those days are over. In Europe, digital solutions now account for 43% of the region's total issue volume, up 7 points on 2015. In the Rest of the World, they account for 73% and, together, represent 70% of all issue volume. The goal is to reach 85% between now and 2020.

At the end of the Meeting, join us at the "Innovation Village" where we will be demonstrating the four new digital smartphone or web platform products to be unveiled this year: a mobile payment solution with Apple Pay which we developed in France and in Spain; two other Employee Benefits, a merchant extranet in Sweden and our ProwebCE e-commerce website, developed for company works councils in France where we are the market leaders; and the Ticket Log extranet for vehicle fleet managers launched in Brazil.

Come and see the innovations that make us the builders of ecosystems for our 43 million users and our 1.5 million affiliated merchants."

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Executive Vice-President, Finance, Patrick Bataillard, went on to the present the Group's results for 2016 and to provide a first insight into 2017:

2016 was a year of strong growth, and one in which we exceeded our medium-term historical targets – what we refer to as our "guidances" that we announce to the markets. Looking back at these guidances up until 2016, we see that our annual issue volume target was between 8% and 14%. In 2016, organic growth came in at 10% at constant scope (i.e. excluding the impact of acquisitions) and constant exchange rates and is comfortably within our historical guidance bracket.

Our operating flow-through ratio – the ratio between the like-for-like change in operating EBIT and the like-for-like change in operating revenue – stood at 56.5%, which is above the minimum target of 50% set in the past.

And lastly, cash flow generation, or funds from operations (FFO) as the ratings agencies call it, rose by 15.4% at constant scope and exchange rates, which is a fairly substantial increase on the minimum 10% per year to which the Group has committed in the past.

As you will no doubt remember, we redefined our objectives for the years to come at the 2016 Investor Day on October 19 of last year. The Group's new organic growth targets are:

- operating revenue growth of over 7%;
- operating EBIT growth of over 9%;
- FFO growth of over 10%, which is a target we have set again for the future.

Looking at 2016 in light of these new targets, growth in operating revenue growth, which is after all our "core commodity" and consists of the fees we are paid by our user clients, companies and affiliates, amounted to 8.3% for 2016 at constant scope and exchange rates, which is higher than our commitment of 7% for the years to come.

Like-for-like, Edenred's operating EBIT – its EBIT less financial revenue – increased by a substantial 17.3% in 2016, which is well above our commitment to a minimum increase of 9% year-on-year. Lastly, the 15.4% increase in funds from operations is also far above the 10% target.

Edenred's total EBIT came in at €370 million for 2016. This is an all-time record since the Group's listing in 2010 and is particularly rewarding since, the positive impact of changes in the scope of consolidation aside, the 13.8% increase was achieved despite broadly negative currency effects in 2016.

We clearly have the capacity to transform new business into profitable returns and our cost structure is relatively stable, and that means profitable growth. What is also interesting is if we reason in terms of margin because our operating EBIT margin increased from 27.2% to 28.3% between 2015 and 2016, which is also very good news.

Earnings per share, Group share, was very stable, coming in again at a rounded €0.78 which, in real terms, translates to an increase of 0.8%.

Another satisfactory result is the increase in what we refer to as the "float", which corresponds to the service vouchers in circulation (such as meal vouchers) that are prepaid by clients, primarily as part of our Employee Benefits solutions. The increase in this float and in our WCR strengthens the Group's financial position as, added to funds from operations and net of recurring capex, it can be used to generate free cash flow.

To put it in different terms, the free cash flow we were able to generate enabled us to reduce the Group's overall debt from €637 million to €588 million by the end of 2016.

Yet another positive factor is that our stronger debt profile led to a reduction in the Group's gearing from 1.6 to 1.4 in 2016, and that gives us even more leeway to honor our debts!

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Standard & Poor’s, one of the leading ratings agencies in the world, renewed our strong investment grade BBB+ rating in 2016 and again on April 27, 2017.

Our average cost of debt stands at 2.5%, which is extremely satisfactory from my point of view.

At 80% of net profit, Group share, the proposed dividend of €0.62 per share for 2016 is lower than the dividend for 2015 which amounted to 108% of net profit, Group share.

The Group's new dividend policy was announced on the Investor Day in October 2016, and reflects our desire to give Edenred the means we need to achieve our internal and external growth targets, whilst still creating value for our shareholders.

2017: the year has gotten off to an excellent start, with the increase in operating revenue over the first quarter resulting in like-for-like growth of 10% and reported growth of 31% on the back of a positive currency effect (note the strong contribution from the Brazilian real) and the positive impact of changes in the consolidation scope (with the consolidation of two strategic acquisitions, Embratec and UTA).

Another strategic achievement is the acceleration in the digitalization of our product lines. As the leader in our markets, we have yet again extended our reach with the acquisition of the assets of Moneo Resto, a fully digital French meal voucher solution.

Lastly, another first initiative worth underlining in inter-company payment solutions – what we refer to as our corporate payment business line – is the launch of our new Edenred Corporate Payment offer, which is based on the technology developed by US company, CSI, and which we will use to roll-out a global e-card solution for clients in Europe.

Regarding the Group's debt, the work that began in 2016 to reinforce the Group's financial footing have continued in 2017, with an extremely successful €500 million bond issue that closed on March 22.

This operation strengthens the Group's financial profile, reducing the average cost of debt from 2.5% to 2.1%. What is more, the fact that there are no more major repayment milestones between now and the end of 2017 lends us a great deal of visibility when it comes to financing projects.

Looking ahead to 2017, our three organic growth objectives remain the same: like-for-like increases of more than 7% in operating revenue, more than 9% in operating EBIT, and more than 10% in funds from operations – all in a global economic environment that is set to remain relatively unchanged from 2016.

Chairman and CEO, Bertrand Dumazy, went on to remind shareholders of Edenred's strategic plan.

"Our ambition is simple. We want to build ecosystems in which different interests converge around the solutions we offer. We no longer want to define Edenred by its products, but rather by its fundamental expertise that brings together four different worlds.

First and foremost, we are a FinTech, which means we can issue and process payments. We are also a RegTech, with a presence in 42 countries. We manage 250 different programs that are all governed by different and constantly-changing regulations and we are extremely skilled at incorporating them in our transactional management.

And there is more. We are a financial intermediary, with 20 billion transaction flows that transit through our ecosystems and that we deliver to our end users down to the very last cent. Lastly, we are a data intermediary. Today, increasingly paperless products mean we know who spends what, how much and where each day.

Edenred is at the crossroads of these four areas of expertise, which also acts as a barrier to entry.

And how do we intend to capitalize on these assets?

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Edenred has 5 missions: to harness the untapped potential of Employee Benefits, to become a global leader in the Expense Management market, to leverage our assets and expertise to expand into new B2B transactional ecosystems through our Corporate Payment business line, to rebalance Edenred's profile in terms of business models and geographies, and to leverage the opportunities that come with the new, digital world.

In the absence of Jeanne Renard, Executive Vice President, Human Resources and Corporate Social Responsibility, Bertrand Dumazy commented on her slides which focused first of all on Human Resources.

"Jeanne and her teams launched three employee development programs this year. The first offers our top managers a week's training in leadership, strategy and project management at HEC. The second is Talent Week, a five-day program for middle managers that focuses on the Group's strategy, gives them a shared knowledge base and provides an opportunity to build up a global network.

The Group's third initiative, Edenstep, aims to attract talented young graduates by offering them a two-year full-immersion work placement in one of its subsidiaries around the world."

Moving on to the Group's environmental and social commitments, Bertrand Dumazy presented Edenred's Ideal meal, Ideal care and Ideal green programs. For more information, click here.

Addressing the issue of corporate governance, Bertrand Dumazy thanked Philippe Citerne for his work as Vice-Chairman of the Board of Directors for close to seven years. His appointment as Board Observer was approved unanimously by the Board.

Another highlight was the contribution from **Chairman of the Compensation and Appointments Committee**, **Françoise Gri.**

"The role of the Committee is relatively standard in form, with its work in 2016 essentially focused on two main areas of responsibility.

The first is the policy governing compensation due or awarded to the Executive Director during the year and the recommendations of the Compensation and Appointments Committee relative to the Executive Director's compensation and benefits.

The second is the composition of the Board, with the proposed re-election of three directors, the review of the criteria applied to determine whether directors qualify as independent, and a proposal submitted to the Committee to increase the aggregate amount of directors' fees in line with the increase in the number of Board members.

Moving on to the 2017 policy governing the compensation of your Chairman and Chief Executive Officer, it is a policy that is based on four principles upheld by Edenred from day one:

- the principle of continuity. The structure of the compensation of the Chairman and CEO has been based on the same components since 2010;
- the principle of compliance with the recommendations in terms of compensation in the AFEP-MEDEF Corporate Governance Code;
- the principle of comparability with a peer group of Chairmen and CEOs from 13 companies listed on the SBF 120 index that are selected according to the following criteria: market capitalization, size and international scope;
- and, of course, the principle of performance whereby more than 70% of compensation is tied to the performance of the company.

Today, you are asked to vote on a first issue which is Executive Director compensation. This is a new provision. The structure of the Executive Director's compensation has been approved by the Board of Directors. It is based on a number of components."

These components are available for consultation in the relevant chapter of the Registration Document by clicking here.

Bertrand Dumazy then went on to discuss the different meetings with institutional and individual investors held in 2016.

The Chairman and CEO was also pleased to inform the shareholders present of the four awards won by the Group for its financial communications: the Transparency Grand Prix award, the AGM award, the Shareholders' Club award, and the Investor Relations award.

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The management team also won the Trophée des CoDir award.

For all of the **resolutions** presented by **Executive Vice-President, Legal and Regulatory Affairs, Philippe Relland-Bernard**, click here.

Shareholders were then given the opportunity to ask questions, which gave rise to a discussion on the following topics:

- the Expense Management business;
- the individual shareholder ownership structure;
- the shift to digital, risks and opportunities;
- the Board of Directors;
- Group countries;
- the Chairman and CEO's compensation;
- the dividend;
- currency risks;
- healthy eating;
- the annual results;
- debt.

Click on the topics to access relevant information.

List of speakers:

•Bertrand Dumazy, Chairman and Chief Executive Officer

•Patrick Bataillard, Executive Vice-President, Finance

•Jeanne Renard, Executive Vice-President, Human Resources and Corporate Social Responsibility

•Philippe Citerne, Independent director, Vice-Chairman of the Board of Directors and Chairman of the Audit and Risks Committee

•Françoise Gri, Independent director, Chairman of the Compensation and Appointments Committee

•Philippe Relland-Bernard, Executive Vice-President, Legal and Regulatory Affairs

•Patrick Suissa, Statutory Auditor from Deloitte

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