

Assemblée générale 2016



Edenred Shareholders' Meeting

2016 Summary

EDENRED SHAREHOLDERS' MEETING

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The Annual Meeting of Edenred Shareholders took place in Paris on May 4, 2016 under the chairmanship of Bertrand Dumazy, Edenred's Chairman and Chief Executive Officer since October 26, 2015.

The Board of Directors would like to thank the 2,380 participants (representing over 80% of outstanding shares), of whom nearly 250 were physically present. The resolutions were all approved, including the resolution proposing a dividend of €0.84 per share with the option of reinvesting 50% of the amount in new shares. The 30 resolutions put to the vote were approved by an average of 94.4%.

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 2015
- 2015 Results
- Share Performance
- Growth Investments

- 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 2015 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:

- Like-for-like organic growth in issue volume of 8.7% to more than €18.2 billion, driven by a robust performance in Latin America and faster growth in Europe.
- Profitability maintained at a high level, with EBIT stable at €341 million on a reported basis due to a negative currency effect but up 9.7% like-for-like.
- A strong 7.7% increase in net profit, Group share.

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2016 Minutes

"Digital media and mobility are driving innovation in all of our businesses. 2015 was an extremely eventful year in terms of strategic acquisitions, paving the way for future growth and improved margins. Acquisitions included UTA in Germany, ProwebCE in France and Embratec in Brazil, announced at the very start of 2016."

Continuing with his look back at 2015, the Chairman and CEO reviewed the performance and contribution of each solution with respect to issue volume.

Employee Benefits – which is the leading product line and includes the flagship Ticket Restaurant® solution – accounted for 79% of issue volume and posted organic growth of almost 7%, driven mainly by client wins.

Expense Management – which is the Group's second growth driver and includes the flagship Ticket Car® solution – represented 16% of issue volume and grew by almost 22% like-for-like. Thanks to this constant momentum, we are targeting annual growth of 30% in this segment in the coming years.

These two families of solutions are the Group's main drivers of growth going forward.

According to a breakdown by region of the world (Edenred is an international Group present in 42 countries), Europe and Latin America account for the bulk of total issue volume.

2015 was also a record year for strategic acquisitions, which included:

- ProwebCE, a French company specializing in solutions for works councils that has an attractive business model in terms of growth and profit, which is why the Group has increased its stake in the company from 10% two years ago to 62% today.
- UTA, a German company in which Edenred acquired a 34% interest in order to strengthen its positions in the expense management segment in Europe.
- Embratec, a Brazilian expense management company, which will make Edenred the number two player in the Brazilian market for fuel and service cards.

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Another highlight is the shift to digital. The transition to digital solutions has many advantages including improved knowledge of the 41 million beneficiaries of Edenred products, which enables us to offer them even more added value. This has notably been the case in the Czech Republic, as illustrated in a video that can also be seen on the Annual General Meeting page by clicking [here](#).

A total of 94% of the Group's products in Latin America are paperless compared to 36% in Europe, although the Group is accelerating its digital transition in this region. In France, the Ticket Restaurant® meal voucher has been available in card format since 2014. An illustration of this is given in a video that you can also see on our website by clicking [here](#).

Bertrand Dumazy's closing remarks related firstly to the Group's priorities for 2016: "Our first priority is to reach our full potential for profitable, sustainable growth in the Employee Benefits segment, which is the main driver of growth for our company.

In light of the growth rates we are seeing in Europe as well as in Latin America, there is still significant growth to be captured.

Our second priority is to speed up development in the Expense Management business. The market penetration rate for this family of solutions is very low in many countries and we are able to deliver double-digit growth rates. The aim is therefore to step up development, and the acquisitions carried out recently should help transform us from a regional player into a global force.

Our third priority is to develop and monetize the opportunities created by the shift to digital, which is a blessing for companies like ours. It means that, when we look at our ecosystem today, we can use the data to offer innovative solutions that weren't available before. And we are really talking about 'big data' because we handle 18 billion transactions per year, 70% of which are paperless.

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This means that every day, across the globe, we know who is using our solutions and what they are using them for. The key is to collect these data and use them wisely.

For example, we are now able to create an individual account for beneficiaries so that they know exactly how much they have left. It also enables them to locate restaurants nearby and take advantage of the reductions offered by affiliated merchants. An ecosystem is gradually being built around beneficiaries. The same is true for affiliated merchants, to whom we can now offer competition-related services that we were unable to offer before. We are becoming a big data company that can bring added value to its ecosystem. And added value means differentiation, which – if managed effectively – will have a positive impact on our margins.

Our fourth priority is to accelerate the time-to-market and enhance the efficiency of our paperless solutions.

As we are still in the midst of the transition to digital, particularly in Europe, our expertise is

currently shifting away from sales and marketing know-how related to paper vouchers toward data management. This is one of the revolutions we are leading and one of our priority focuses for 2016.

Lastly, straight after I joined the Group on October 26 last year, we launched Fast Forward, a large-scale project aimed at defining and initiating a major strategic business plan for 2017-2020. The idea was to project ourselves into the future by asking ourselves where we wanted to be in 2020 in terms of each country, product line and client segment. This analysis is in its final stages and will be unveiled to all our investors and shareholders at the Investor Day to be held in fall 2016."

Bertrand Dumazy then reminded shareholders of Edenred's strengths:

- Its position as global leader in prepaid corporate services.
- A strong ecosystem with 660,000 clients, 41 million beneficiaries and 1.4 million affiliated merchants.

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- Powerful brands: Ticket Restaurant®, Ticket Car®, Ticket Kadeos®, etc.
- A unique corporate culture, with 6,300 employees, 45 nationalities and a unique set of values.

Executive Vice-President, Finance, **Patrick Bataillard**, who joined Edenred in late November, presented the Group's key figures for 2015 "which attest to an excellent underlying performance in line with the Group's objectives."

The indicators he chose to highlight include first and foremost the various drivers of organic growth in issue volume, which was almost 7% in 2015. Client wins were the most important organic growth driver, accounting for nearly 4% of the increase. The rise in face value was the second factor driving growth and new solutions also made a contribution.

He also highlighted stable EBIT and the increase of almost 8% in net profit, due primarily to the fall in interest rates, the equity-accounted income from the acquisition of UTA (based on the Group's percentage interest in the company), and the decrease in non-recurring income and expenses.

Edenred's particular characteristic is that it tends to generate more free cash flow (€311 million) than net profit, Group share (€177 million). This indicator is a key aspect of the business model as it stems from our positioning in the prepaid services business. For more information on our business model, click [here](#).

Patrick Bataillard then talked about the Group's net debt (€637 million), which reflects a year of exceptional investments in terms of acquisitions, as well weaker Brazilian and Venezuelan currencies.

A key aspect of first-quarter 2016 is faster growth in Europe, which came in at almost 7% like-for-like: "This is significantly higher than GDP growth in the region's different countries, reflecting the success of our sales strategy and the quality of our offer on these markets."

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It also means that although growth remained extremely robust in Latin America at almost 8% – despite tough economic conditions in Brazil, the region's leading economy – Europe represented just over half of total issue volume, a first in Edenred's history."

Concerning the outlook for 2016, the Group's Executive Vice-President, Finance reiterated the guidance given to the market in terms of like-for-like annual targets:

- Issue volume growth at the lower end of the target range of between 8% and 14%.
- A flow-through ratio of above 50%.
- Growth in funds from operations of more than 10%.

Bertrand Dumazy then took the floor once again to explain the significant potential of the ProwebCE, UTA and Embratec acquisitions in terms of geographic location, market segment and synergies.

Next, **Jeanne Renard**, Executive Vice-President, Human Resources and Corporate Social Responsibility, presented the breakdown of the Group's 6,300 employees, two-thirds of whom are in contact with clients, affiliated merchants and beneficiaries.

This was followed by a review of the initiatives carried out in 2015 in the area of skills development, clearly considered a performance driver. These initiatives included efforts to strengthen team commitment, training, reward programs and wellness initiatives as well as CSR commitments with the Ideal meal survey, a Group initiative aimed at analyzing employees' eating habits in order to enhance the promotion of healthy eating at affordable prices.

The Chairman of the Compensation and Appointments Committee, **Françoise Gri**, then noted that 2015 was a special year in terms of corporate governance, shaped by three different periods, starting with "a seven-month period with Jacques Stern as Chairman and Chief Executive Officer. After his departure at the end of July, Nadra Moussalem agreed to be acting Chairman and Chief Executive Officer for a transitional period of three months. Bertrand Dumazy joined the Group on October 26, 2015 and was therefore present for two months of 2015.

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To simplify and ensure consistent treatment, the same compensation structure was adopted (albeit obviously with different terms and conditions) for these three people and three periods, in line with the recommendations of the AFEP-MEDEF Corporate Governance Code." These three periods and the relevant compensation were the subject of three resolutions that are included in the Registration Document and can be accessed directly by clicking [here](#).

The other resolutions are also presented from page 298 of the same document and can be accessed directly via this [link](#).

Lastly, the Group's Chairman and CEO wanted to share with those present the accolade awarded to Edenred for the quality of its regulated financial information, one of 12

Grands Prix de la Transparence. This recognition was based on four sources of information: the Registration Document, the half-yearly financial report, the notice of meeting and the website.

Shareholders were then given the opportunity to voice their opinions on the following issues:

- executive compensation
- the shift to digital
- Edenred Capital Partners
- equity
- rating agencies
- FFO
- cash flow generation
- the dividend
- currency risks
- the Group's geographic expansion

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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

- **David Dupont-Noel and Didier Kling**

Statutory Auditors from Deloitte & Associés and Didier Kling et Associés respectively

For more information about Edenred, please visit edenred.com and refer to the interactive Registration Document and the glossary of operational and financial terms specific to Edenred on the Finance page.

You can access these directly by clicking [here](#).

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