

# Shareholders' Newsletter



OCTOBER  
2020

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**Bertrand Dumazy,**  
CHAIRMAN AND  
CHIEF EXECUTIVE OFFICER

Dear fellow shareholders,

**This year, Edenred is celebrating its tenth anniversary. I am delighted to be sharing this event with you, especially as some of you have been supporting the Group since it was listed on the stock market in 2010, and have therefore watched it grow.**

Our successive strategic plans have enabled Edenred to develop its ecosystem, strengthen its growth profile and financial position and become a digital leader in payment services for people at work in 46 countries. As of end-June 2020, 86% of our business volume was generated through digital formats, taking advantage of underlying trends in the world of work that are favorable to Edenred's business.

Buoyed by these fundamentals, Edenred once again proved its capacity to generate double-digit growth in the first half of 2020, up until the start of lockdown.

The Group then demonstrated resilience at the height of the health crisis, followed by a strong capacity to rebound, particularly once European economies started to reopen.

Our products are designed to meet essential needs in four areas: eat, move, care, pay. That's why, during these unprecedented times, public authorities and companies have called on us to set up earmarked funds programs, which help provide targeted stimulus to the economy. Thanks to our unique digital platform, we were able to meet these requests by developing increasingly innovative programs in ever shorter time frames. The best example of this is the meal voucher system introduced in the United Kingdom, benefiting 1.3 million children from disadvantaged backgrounds who no longer had access to free school lunches.

In this way, the crisis has confirmed the validity of our programs and our contribution to making the world of work a better place for everyone, through access to healthier food, more environmentally friendly products and greener mobility. That's why we are better positioned than ever to support companies, merchants and public authorities as they transition into the world of tomorrow.

**Thank you for your trust and loyalty.**

# Edenred, a digital champion...

Edenred is a leading services and payments platform and the everyday companion for people at work across 46 countries, sitting at the center of a system shaped by economic, social and environmental megatrends. With the firm belief that growth is only meaningful if it is shared, Edenred is also a responsible digital leader, sustainably committed to employees, companies, merchants and public authorities. This makes the Group well positioned to ride the trends emerging in the wake of the health crisis and to meet the new expectations of people at work.

## An increasingly connected, digital and contactless world

Always attuned to its different markets, Edenred has stayed one step ahead of new lunch-break habits and payment methods in the food services sector.

As **digital leader**, in 2016 Edenred became the first meal voucher issuer to offer a **mobile payment** solution to all users with a smartphone supporting contactless payment. The Group has now rolled out these mobile payment services in 21 countries, thanks to partnerships with major players in the sector.

Edenred has also forged new partnerships to meet ever higher expectations from employee users in terms of order processing speed, service and payment. Today, Edenred is integrated with 60 meal delivery platforms, including Deliveroo, Uber Eats and Rappi, in six countries.

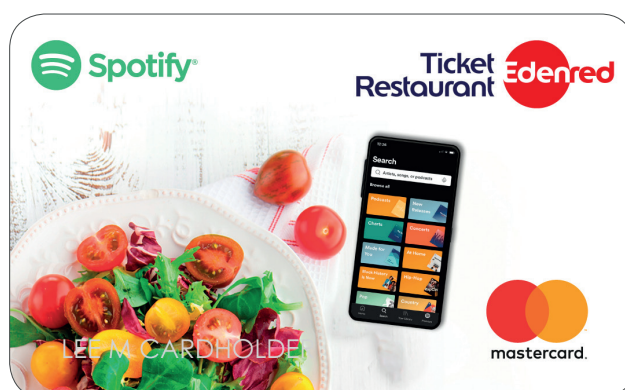


## An increasingly remote working world

The major health crisis currently facing the world is driving changes in how people work and consume, notably leading to a surge in remote working and meal ordering.

As a **pioneer in paperless meal vouchers**, Edenred has continued to expand its offering so that businesses can still provide food services for their employees, even when they are working from home. For example, our **“virtual canteen” solutions** have been used as a stand-in for physical canteens, enabling companies to keep contributing to the wellbeing of their employees despite lockdown measures.

The Group has also launched **a new Ticket Restaurant card program in the United States**, with the first client none other than high-profile music streaming company **Spotify**.



[For more information, click here →](#)

# ... well positioned for a post-Covid world

## A world making the environment central to the economic recovery

Edenred offers its clients **specific-purpose solutions** that promote both environmentally friendly behavior and economic recovery.

In Belgium, Edenred has launched Ticket EcoCheque, recognized at the European level as a model for encouraging responsible, sustainable consumption. The solution can be used to purchase eco-friendly products and services in a variety of sectors, from food and transportation to household goods and leisure. In the second quarter of 2020, it saved 1 kilogram of CO<sub>2</sub> for every euro spent.

The Group has also developed sustainable mobility programs in several countries.

In France, the Ticket Mobilité solution launched in 2020 entitles employees to up to €400 in tax-exempt benefits per year, which can be used for taking public transportation or for purchasing or maintaining a bicycle.



## A world keen to revitalize local economies



To boost local tourism, the Greek government commissioned Edenred to set up an **earmarked funds** program for the country's population.

Since March 2020, all workers in Greece have been eligible to receive tax-exempt benefits of up to €300 to be spent in local tourist agencies, hotels and restaurants. Edenred was able to roll out the program within a very tight time frame thanks to its experience with similar initiatives in Romania and Slovakia.

## A world featuring increasingly digital B2B payments

Corporate clients are major stakeholders in the Edenred ecosystem. In response to their needs, the Group is **taking corporate payments digital** to offer innovative services.

In the United States, where most payments between companies are still made by check, Edenred subsidiary Corporate Spending Innovations (CSI) has positioned itself to seize opportunities as the market shifts to digital technology.

CSI's digital payment automation platform has quickly become a go-to thanks to its solutions for managing

accounts payable and business travel. These payment services guarantee companies secure transactions, time savings and cost reductions, as well as a more streamlined accounting reconciliation process.

[For more information, click here →](#)

# First-half 2020 results

## GOOD RESILIENCE AND STRONG CAPACITY TO REBOUND

Thanks to its business model, its strengthened digital leadership and increased demand for earmarked funds programs, Edenred was able to generate net profit of €100 million in the first half of 2020, down 31%. Having observed a rebound in its business in June, the Group is confident for the future and intends to press ahead with its product and technology innovation to continue supporting its strategy of sustainable and profitable growth.

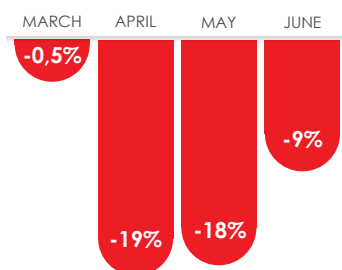
### Thanks to our robust business model

#### FIRST-HALF 2020 OPERATING REVENUE

**€675m** Millions  
of euros

**-4,6%** Like-for-like

**-10,2%** As reported



These changes reflect double-digit growth in the first two months of 2020, prior to the implementation of lock-down measures, which led to a steep decline in business starting in mid-March.

June saw a sharp upturn in business in Europe as lock-down measures were gradually lifted in most European countries, while the epidemic had still not peaked in Latin America and the United States at the end of the period.

### Thanks to the Group's solid financial position

The gradual recovery in operations has coincided with active management of our P&L and cash flows.

To reduce the impact of the health crisis on our business, we launched a €100 million cost savings/avoidance plan in March. At the same time, we made selective downward adjustments to our planned capital expenditure for the year, without compromising our technological innovation and development capabilities.

In addition, the float increased as a result of a longer retention time of earmarked funds granted by companies to their employees during lockdown. However, the Group expects retention time to return to normal by the end of the second half, based on the assumption that employee users will be able to spend the funds at merchants.

Lastly, Standard & Poor's confirmed the Group's solid financial position with a BBB+ Strong Investment Grade rating in May 2020.

### Full-year outlook reflecting Edenred's resilience

Over the second half of the year, the European countries where Edenred operates are expected to continue seeing a gradual recovery in economic activity. However, the environment remains uncertain in the Americas region. As a result, the second half should bring a return to year-on-year organic growth in operating revenue, on a monthly basis.

In addition, the €100 million cost savings/avoidance plan in 2020 has been confirmed, as has the selective downward adjustment in intended capital expenditure for the year.

In light of this, Edenred has set an **EBITDA\* target of between €540 million and €610 million** for 2020.

Edenred also estimates that its **net debt at end-2020 will be below 2.8x EBITDA**.

\* Calculated based on an assumption of an average Brazilian real/euro exchange rate for the second half of the year equal to the closing spot rate on June 30, 2020.

[For more information, click here →](#)

# 2020: Edenred celebrates ten years

## Market capitalization tripled

On July 2, 2010, the Edenred Group was listed on the Paris stock exchange for the first time. Ten years later, the Edenred services and payments platform is the everyday companion for millions of people at work when it comes to food, mobility, incentives, and corporate payments. Take a look back on the birth of a digital champion.



### Successful digital transformation

The last decade has seen the transformation of Edenred's business model, driven by collaboration with innovative start-ups via Edenred Capital Partners (the Group's venture capital investment arm launched in 2012), partnerships with meal delivery platforms (such as Uber Eats and Deliveroo) and the integration of the main mobile payment providers (Apple Pay, Google Pay, Samsung Pay) in an ever-growing number of countries. Thanks to these initiatives and more, the share of digital solutions in the Group's business volume increased from 34% to 83% between 2010 and 2019.

### A decade of wins

In 2015, the Group's new governance team embarked on an ambitious offensive with the Fast Forward strategic plan, which aimed in particular to provide the Group with new drivers of sustainable and profitable growth. Edenred, the global leader in Employee Benefits, has since continued to see sustained development in Fleet & Mobility Solutions and Corporate Payment Services.

The 2010-2020 decade was also marked by geographic expansion, with operations successfully launched in Japan (2012), Colombia (2013), the United Arab Emirates (2014) and Moldova (2018). Edenred now operates in 46 countries.

The Next Frontier strategic plan is following in the successful footsteps of Fast Forward, setting a new path of development for the 2019-2022 period.

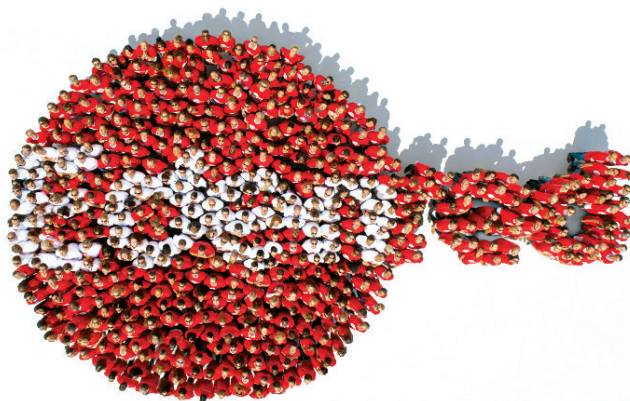
### Employees that make the difference

The Ideal policy has set Edenred's corporate social responsibility objectives since 2017, based on quantitative indicators that are closely monitored every year. Different initiatives (Idealday – a day of volunteering with local communities, Heroes Challenge – showcasing everyday employee heroes) also help promote and encourage team solidarity across the world.

This commitment to corporate citizenship, which can be seen more than ever during the current Covid-19 pandemic, is led by 10,000 employees who enthusiastically share the Group's values: passion for customers, respect, imagination, simplicity and entrepreneurial spirit.

### Market capitalization tripled

Edenred was created following the demerger of the Accor group's Hospitality and Services businesses and listed on the Paris stock exchange on July 2, 2010 with a share price of €13 and market capitalization of nearly €3 billion. Today, the Group's **market capitalization is over €10 billion**, underpinned by a share price of around €41.



[To find out more about Edenred, click here →](#)



# Shareholder information

## JANUARY 2020 TO SEPTEMBER 2020

Edenred closing price

December 31, 2019 **€46,10**

Edenred closing price

September 30, 2020: **€38,40**

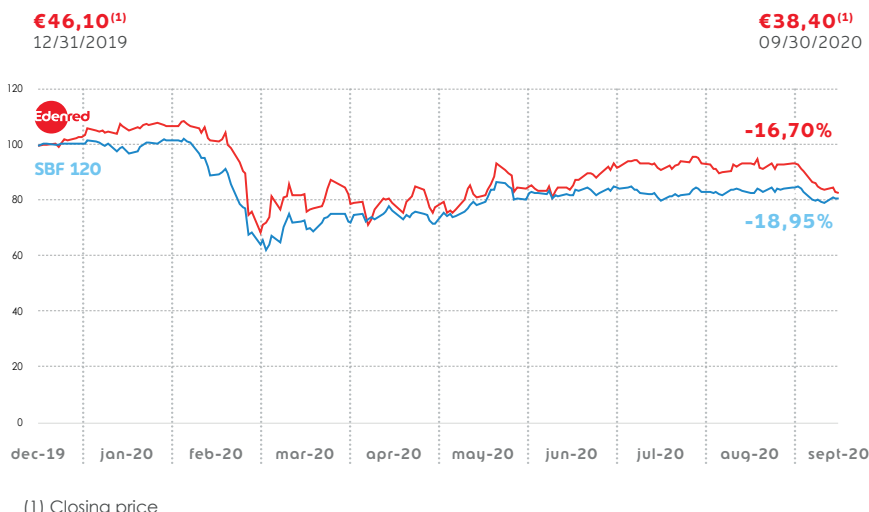
Change in SBF 120 index:

**-18,95%**

Change in Edenred share price:

**-16,70%**

A resilient share price  
in 2020 compared  
with the SBF 120



## Shareholders' area

You can visit the online Shareholders' area by going to the Investors/Shareholders section of [www.edenred.com](http://www.edenred.com), or by clicking [here](#). The [www.edenred.com](http://www.edenred.com) website has been optimized for viewing on smartphones and tablets.

## Upcoming key dates

### Financial Information

<b>OCTOBER 22, 2020</b>	<b>MARCH 02, 2021</b>
Q3 2020 Revenue	2020 Annual Results

- SEVEN REASONS TO INVEST IN THE EDENRED GROUP
  - KEY FIGURES & INDICATORS
- REGULATED INFORMATION
  - 2019 UNIVERSAL REGISTRATION DOCUMENT
  - PRESS RELEASES
- RECEIVE OUR PUBLICATIONS
- SHARES AND DIVIDEND
- INVESTORS AND ANALYSTS
  - ANALYSTS & INVESTORS PRESENTATIONS
  - DEBT AND INVESTED FUNDS
  - ANALYST COVERAGE
- GROUP GOVERNANCE AND SRI
  - GOVERNANCE
  - SRI
- INDIVIDUAL SHAREHOLDERS
  - BECOME A SHAREHOLDER AND ACCESS TO REGISTERED ACCOUNT
- FINANCIAL RESULTS
  - ARCHIVES

October 22, 2020 Q3 Revenue

ACCESS THE INFORMATION

## SHARE DETAILS

### Listed on:

Euronext Paris | Compartment A

ISIN code: **FR0010908533**

### Shares outstanding

at September 30, 2020:

246,583,351

### Main indices:

CAC Large 60, CAC Next 20, SBF 120, FTSE4Good, Dow Jones Sustainability Index

## REGISTERED SHAREHOLDER SERVICES

**Société Générale Securities Services – SGSS/SBO/CSS/BOC**  
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44312 Nantes Cedex 3 – France  
Tel: +33 (0)2 51 85 67 89  
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