



Press release
October 13, 2017

THIRD-QUARTER 2017 REVENUE

On track for a record year

Edenred has reported third-quarter 2017 total revenue growth of 11.5% to €310 million, reflecting:

- A 12.4% rise in operating revenue, including 7.0% organic growth
- Scope effects arising mainly from the UTA acquisition, adding 6.6% to revenue growth
- A slightly negative 1.7% currency effect over the period

Operating revenue was up 20.4% to €909 million over the first nine months of the year, lifted by:

- Organic growth of 8.0%, including 5.3% for Employee Benefits and 19.3% for Fleet & Mobility solutions
- A positive scope impact of 10.9%
- A positive currency effect over the period of 1.5%

Edenred confirms its EBIT¹ guidance of between €420 million and €445 million² for full-year 2017, versus €370 million in 2016.

Bertrand Dumazy, Chairman and Chief Executive Officer of Edenred, said: "Edenred's third-quarter revenue performance confirms the relevance of our Fast Forward strategy and the Group's ability to deliver sustainable and profitable growth. The period was marked by an acceleration of growth in Europe – commitment of our sales teams and the diversification of our suite of solutions are producing results – as well as by the good performance achieved in Hispanic Latin America. In this context, we confirm our organic growth targets for 2017, which is set to be another record year for Edenred in terms of revenue, operating EBIT and funds from operations."

¹ Operating profit before other income and expenses (EBIT).

² Calculated based on an assumption of an average Brazilian real / euro exchange rate for the second half of the year equal to the actual rate as of June 30, 2017.

NINE-MONTH 2017 REVENUE

In € millions	First nine months 2017	First nine months 2016	% change (reported)	% change (like-for-like)
Operating revenue	909	755	+20.4%	+8.0%
Financial revenue	51	49	+5.0%	+1.5%
Total revenue	960	804	+19.5%	+7.6%

Nine-month 2017 total revenue: up 19.5% to €960 million

Total revenue for the first nine months of the year came in at €960 million, up 19.5% (up 7.6% like-for-like).

The scope effect accounted for 10.3% of revenue growth over the period, while the slightly positive currency effect added 1.6% to growth.

The total revenue figure includes operating revenue and financial revenue, up 20.4% and 5.0%, respectively (up 8.0% and 1.5%, respectively, on a like-for-like basis) over the period.

The Group reported total revenue of €310 million in the third quarter, up 11.5% (up 6.6% like-for-like), reflecting a 6.6% positive scope impact and a slightly negative currency impact of 1.7%.

Nine-month 2017 operating revenue: up 20.4% to €909 million

Operating revenue amounted to **€909 million for the first nine months of 2017, including €293 million for the third quarter**, a rise of **20.4% on the first nine months of 2016** and of 12.4% compared with the third quarter of that year.

The strong growth performance since the beginning of the year includes a 10.9% positive scope impact resulting from the Group's recent acquisitions, particularly in the Fleet & Mobility solutions sector. Changes in the scope of consolidation specifically include four months of operations for Embratel in Brazil, which was consolidated as from May 2016, and nine months of operations for UTA in Germany, fully consolidated since January 2017. Changes in the scope of consolidation added 7.1% to growth in the third quarter alone.

The currency effect was slightly positive over the first nine months of the year, adding 1.5% to growth, due mainly to the appreciation of the Brazilian real, but negative overall in the third quarter (-1.7%), because of the Venezuelan and Turkish currencies which had a negative impact in the quarter.

On a like-for-like basis, operating revenue was up **8.0% over the first nine months of the year** and up 7.0% in the third quarter. The Group's different regions have reported strong performances since the beginning of the year, with particularly vigorous growth in Europe and robust gains in Latin America despite a still difficult macroeconomic situation in Brazil for the Employee Benefits business.

Like-for-like operating revenue growth in the third quarter was impacted by a sharp downturn in business in Venezuela owing to political instability. Excluding Venezuela as from July 1, 2017,



organic growth in operating revenue came out at 8.2% for the first nine months of the year and at 7.7% for the third quarter.

- **Operating revenue by business line**

<i>In € millions</i>	First nine months 2017	First nine months 2016	% change (reported)	% change (like-for-like)
Employee Benefits	583	538	+8.3%	+5.3%
Fleet & Mobility solutions	234	131	+78.8%	+19.3%
Complementary solutions	92	86	+7.2%	+7.5%
Total	909	755	+20.4%	+8.0%

Edenred continues its efforts to build a more balanced business profile in line with its Fast Forward strategic plan.

Operating revenue in the **Employee Benefits** business was **€583 million** for the first nine months of the year, up 8.3% **on the same period one year earlier**. This business line now accounts for **64%** of the Group's operating revenue, compared with 71% at end-September 2016.

Based on like-for-like figures, the Employee Benefits business enjoyed solid operating revenue growth of **5.3%**³ in the first nine months of the year and of 3.7% in the third quarter. This reflects the dynamic performance achieved by sales teams and the optimization of the marketing mix, particularly in Europe and Hispanic Latin America, as well as a more challenging situation in Brazil where the level of unemployment remains high. The Group continued with its digitization and innovation strategy, a key differentiator for Edenred. In France, the digitization of Ticket Restaurant® meal vouchers picked up pace, with 29% of users (478,000 employees) equipped with an Edenred card at the end of September, allowing them to pay for their meals with their smartphones using Apple Pay technology⁴. Edenred is also developing mobile payment solutions in its other countries using Apple Pay, Samsung Pay and Android Pay technologies and via its proprietary solutions.

Operating revenue in the **Fleet & Mobility solutions** business totaled **€234 million**, up 78.8% over the first nine months of the year and up 48.6% in the third quarter. This business line accounted for **26%** of the Group's operating revenue, compared with 17% in the first nine months of 2016. The Group is pursuing its goal of achieving a more balanced business profile, as set out in its Fast Forward strategic plan, mainly thanks to the new Ticket Log joint venture in Brazil following the consolidation of Embratic in May 2016 and to the full consolidation of UTA in Germany since January 2017.

In addition to these acquisitions, Fleet & Mobility solutions delivered a **very good like-for-like performance (up 19.3% over the first nine months of 2017 and up 17.8%** in the third quarter) in Europe and Latin America in both Fuel and Fleet Management and Travel & Expense solutions. In the Travel & Expense segment, Mexico's Ticket Empresarial solution proved a resounding success, growing at a rate of around 20% per month in the past 18 months.

The Group's **Complementary solutions**⁵ generated operating revenue of **€92 million in the first nine months of 2017**, a rise of **7.2%** (and of **7.5% like-for-like**). Operating revenue for the

³ Excluding Venezuela as from July 1, 2017, operating revenue growth in Employee Benefits was 5.7% for the first nine months of the year and 4.9% for the third quarter.

⁴ Apple Pay is supported on the iPhone SE, iPhone 6 and later models, as well as on the Apple Watch.

⁵ Edenred Corporate Payment, Incentives and Rewards, and Public Social Programs.

business line in the third quarter was up 5.1%, including organic growth of 7.6%. Complementary solutions accounted for **10%** of the Group's operating revenue. The Group has structured its Corporate Payment offer, capitalizing on its technological expertise through its PrePay solutions platform specializing in the issue of single-use virtual cards. The third quarter saw a contract signed in July with IATA⁶, which represents 83% of global air traffic. Under the contract, Edenred is developing and starting to manage the IATA's new generation settlement system. Known as EasyPay, this new safer, faster and cheaper payment solution will be gradually rolled out by Edenred over the next three years in more than 70 countries.

- **Operating revenue by region**

In € millions	First nine months 2017	First nine months 2016	% change (reported)	% change (like-for-like)
Europe	465	380	+22.7%	+9.5%
Latin America	388	321	+20.9%	+6.3%
Rest of the World	56	54	+2.0%	+7.9%
Total	909	755	+20.4%	+8.0%

In **Europe**, operating revenue totaled **€465 million (51% of the Group's operating revenue)**, a rise of **22.7% (9.5% like-for-like)** over the first nine months of the year and of 26.0% (**10.3% like-for-like**) in the third quarter of 2017.

In **France**, operating revenue growth was **10.4%** for the nine months to September 30 and 13.1% in the third quarter (10.2% and 12.7%, respectively, on a like-for-like basis). This very strong performance was led by both Employee Benefits (Ticket Restaurant®, ProwebCE) and Fleet & Mobility solutions (LCCC-La Compagnie des Cartes Carburant).

The rest of Europe also saw strong operating revenue growth in the first nine months of 2017, at **29.2%**, spurred by a positive scope impact resulting from the full consolidation of UTA in Germany as from January 2017. **Like-for-like**, the region posted robust growth of **9.1%** over the first nine months of the year and 9.2% in the third quarter. This performance reflects solid operating results in an upbeat economic environment in both Central Europe (especially Romania) and Southern European countries such as Italy and Spain.

Latin America, which accounted for **43%** of the Group's operating revenue, delivered **€388 million in operating revenue over the first nine months of 2017**, a rise of **20.9%** year-on-year. **Like-for-like**, operating revenue for the region was up **6.3%** in the nine months to September 30 and 3.8% in the third quarter, reflecting a contrasted performance between very strong growth in Hispanic Latin America and a more challenging situation in Brazil.

Hispanic Latin America reported robust organic growth in operating revenue in the first nine months of the year, at **22.3%**⁷. Argentina and Mexico benefited in particular from vigorous

⁶ International Air Transport Association.

⁷ Excluding Venezuela as from July 1, 2017, operating revenue growth in Hispanic Latin America was 24.1%.

sales momentum over the period, although the basis for comparison in Mexico was less favorable as from the third quarter.

Operating revenue growth for the region in the third quarter came in at 11.6% based on like-for-like figures, impacted by the downturn in business in Venezuela due to the chaotic political and economic environment. Excluding Venezuela, third-quarter operating revenue growth was 16.9%, buoyed by a double-digit advance in Employee Benefits and Fleet & Mobility solutions.

In **Brazil**, operating revenue remained stable **like-for-like** over the first nine months of the year and edged up 1.1% in the third quarter. Fleet & Mobility solutions posted double-digit organic growth in each quarter in 2017. In the Employee Benefits business, the persistently difficult macroeconomic situation led to a peak in unemployment during the second quarter, although the rate of unemployment appeared to level off in the three months to September 30. This trend remains to be confirmed over the next few months.

In the **Rest of the world**, operating revenue for the first nine months of 2017 climbed **2.0%** and **7.9% like-for-like**, mainly reflecting a negative currency effect resulting from the Turkish lira.

Financial revenue: up 5.0% to €51 million

Financial revenue came in at **€51 million**, up **5.0%** over the first nine months of the year (up **1.5% on a like-for-like basis**). This reflects good gains in **Latin America** (up 10.1% like-for-like), and a contraction in **Europe** (down 11.7% like-for-like) explained by a further fall in interest rates.

THIRD-QUARTER HIGHLIGHTS

The third quarter of 2017 was shaped by a number of achievements aligned with the Group's Fast Forward strategic plan.

Employee Benefits: roll-out of the mobile payment offer

After launching Apple Pay in Spain in 2016, Edenred now also offers mobile payments using Android Pay technology in the country. In partnership with Google, Edenred continues to innovate and provide more value-added services to users of Ticket Restaurant® as well as their employers and the merchants belonging to the acceptance network.

Following the introduction of Samsung Pay in Brazil in summer 2017, Edenred has become the first issuer to offer mobile payment solutions in Europe, Latin America and Asia. Since the launch of Apple Pay in France, more than one million transactions have been logged with the full range of mobile payment solutions offered by Edenred.

Fleet & Mobility solutions: a broader offering in Europe

In the **light fleet management solutions** sector, **La Compagnie des Cartes Carburant (LCCC)** **acquired the client portfolio of LA CARTE PRO, the fuel card offered by French retailer Auchan.** LCCC, an existing customer service operator, will now operate all of Auchan's fuel payment solutions, which are accepted in almost 300 service stations in France. As a result, Edenred's solutions today cover **36%** of the country's service station network.

In the **heavy fleet management solutions** sector, UTA is extending its acceptance network and broadening its suite of value-added services.

Thanks to an **exclusive agreement with the TND network** (Tank-Netz Deutschland), UTA now provides card holders access to 630 service stations in Germany.

In addition, UTA is expanding its range of **value-added services** across Europe, particularly toll solutions, with **entry into the Croatian market** in September 2017. It is also rounding out its online services for clients, who may now take advantage of a simpler, flexible system for defining usage limits for their fuel cards. This offer is in addition to other features such as email alerts when credit limits have been reached, transaction tracking and suspension of cards in the event of suspected fraud.

2017 OUTLOOK

In the fourth quarter, the Group should continue to deliver robust growth and thereby achieve a record year in 2017 in terms of operating revenue, EBIT and funds from operations (FFO).

Europe should continue to see **strong momentum** thanks to the digital acceleration, marketing mix and sales efficiency optimization, and the ramp-up of new solutions. The region should also benefit from a favorable economic environment.

The situation in **Latin America** should remain contrasted, with **strong growth** expected in **Hispanic Latin America** and particularly in **Mexico and Argentina**, where Employee Benefits and Fleet & Mobility solutions are offering excellent development opportunities. In **Brazil**, Fleet & Mobility solutions should continue to deliver double-digit organic growth, while the Employee Benefits business should not rebound as long as employment is not benefiting from the country's economic recovery.

In this context, **Edenred confirms its annual growth targets for full-year 2017:**

- **Like-for-like operating revenue growth of more than 7%**
- **Like-for-like operating EBIT⁸ growth of more than 9%**
- **EBIT of between €420 million and €445 million⁹** (versus €370 million in 2016)
- **Like-for-like FFO¹⁰ growth of more than 10%**

⁸ EBIT adjusted for financial revenue.

⁹ Calculated based on an assumption of an average Brazilian real / euro exchange rate for the second half of the year equal to the actual rate as of June 30, 2017.

¹⁰ Before non-recurring items.

RECOGNITION AND INCLUSION IN THE CAC NEXT 20 INDEX

Transparency Grands Prix

In September 2017, for the fourth consecutive year, Edenred was honored at the Transparency Grands Prix in the "Industrial Goods and Services" sector. These awards assess the financial communications of French companies listed on the SBF 120 index through four documents (the annual Registration Document, the Charter of Ethics, the website and the Notice to the Annual Shareholders' Meeting) based on 158 criteria. The jury is made up of an independent scientific committee which validates the methodology and results. For more information, visit www.grandsprixtransparence.com.

Inclusion in the CAC Next 20 index

On September 7, 2017, Euronext raised Edenred into the CAC Next 20 as part of its annual review of the various CAC stock market indices. The change became effective on September 18, 2017.

Find all of Edenred's results, quarterly disclosures, regulated information and more in the Investors/Shareholders section of www.edenred.com.

UPCOMING EVENTS

Tuesday, February 20, 2018: Full-year 2017 results (before the start of trading on the Paris market)

Thursday, April 19, 2018: First-quarter 2018 revenue

Thursday, May 3, 2018: Annual Shareholders' Meeting



Edenred is the world leader in transactional solutions for companies, employees and merchants. Whether delivered via card, mobile app, online platform or paper voucher, all of these solutions mean increased purchasing power for employees, optimized expense management for companies and additional business for affiliated merchants.

Edenred's offer is built around three business lines:

- Employee benefits (Ticket Restaurant®, Ticket Alimentación, Ticket Plus, Nutrisavings, etc.)
- Fleet and mobility solutions (Ticket Log, Ticket Car, UTA, Ticket Empresarial, etc.)
- Complementary solutions including corporate payments (Edenred Corporate Payment), incentives and rewards (Ticket Compliments, Ticket Kadéos) and public social programs.

The Group brings together a unique network of 43 million employees, 750,000 companies and public institutions, and 1.4 million affiliated merchants.

Listed on the Euronext Paris stock exchange and part of the CAC Next 20 index, Edenred operates in 42 countries, with close to 8,000 employees. In 2016, the Group managed almost €20 billion in transactions, of which 70% were carried out via card, mobile device or the web.

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APPENDICES

Operating revenue

In € millions	Q1		Q2		Q3		YTD	
	2017	2016	2017	2016	2017	2016	2017	2016
Europe	156	128	160	133	149	119	465	380
<i>France</i>	50	45	50	47	45	40	145	132
<i>Rest of Europe</i>	106	83	110	86	104	79	320	248
Latin America	130	88	132	109	126	124	388	321
Rest of the world	19	17	19	19	18	18	56	54
Total	305	233	311	261	293	261	909	755

In %	Q1		Q2		Q3		YTD	
	Change reported	Change L/L	Change reported	Change L/L	Change reported	Change L/L	Change reported	Change L/L
Europe	22.1%	8.9%	20.4%	9.3%	26.0%	10.3%	22.7%	9.5%
<i>France</i>	11.7%	9.2%	6.9%	9.2%	13.1%	12.7%	10.4%	10.2%
<i>Rest of Europe</i>	27.8%	8.8%	27.7%	9.3%	32.4%	9.2%	29.2%	9.1%
Latin America	48.1%	11.8%	20.5%	4.7%	1.9%	3.8%	20.9%	6.3%
Rest of the world	6.8%	9.1%	3.1%	6.5%	-3.8%	8.0%	2.0%	7.9%
Total	30.7%	10.0%	19.2%	7.1%	12.4%	7.0%	20.4%	8.0%

Financial revenue

In € millions	Q1		Q2		Q3		YTD	
	2017	2016	2017	2016	2017	2016	2017	2016
Europe	6	7	6	7	6	7	18	21
France	3	3	3	3	2	2	8	8
Rest of Europe	3	4	3	4	4	5	10	13
Latin America	10	7	9	8	10	9	29	24
Rest of the world	2	2	1	1	1	1	4	4
Total	18	16	16	16	17	17	51	49

In %	Q1		Q2		Q3		YTD	
	Change reported	Change L/L	Change reported	Change L/L	Change reported	Change L/L	Change reported	Change L/L
Europe	-11.2%	-9.9%	-13.4%	-12.3%	-13.6%	-13.1%	-12.7%	-11.7%
France	-8.5%	-8.5%	-8.9%	-8.9%	-8.1%	-8.1%	-8.5%	-8.5%
Rest of Europe	-13.1%	-10.8%	-16.3%	-14.5%	-17.0%	-16.2%	-15.4%	-13.8%
Latin America	37.4%	14.8%	23.3%	12.6%	3.1%	3.9%	20.4%	10.1%
Rest of the world	-2.8%	7.3%	6.3%	20.1%	9.5%	33.6%	4.7%	21.0%
Total	12.7%	3.1%	6.2%	2.3%	-3.2%	-0.8%	5.0%	1.5%

Total revenue

In € millions	Q1		Q2		Q3		YTD	
	2017	2016	2017	2016	2017	2016	2017	2016
Europe	162	135	166	140	155	126	483	401
<i>France</i>	53	48	53	50	47	42	153	140
<i>Rest of Europe</i>	109	87	113	90	108	84	330	261
Latin America	140	95	141	117	136	133	417	345
Rest of the world	21	19	20	20	19	19	60	58
Total	323	249	327	277	310	278	960	804

In %	Q1		Q2		Q3		YTD	
	Change reported	Change L/L	Change reported	Change L/L	Change reported	Change L/L	Change reported	Change L/L
Europe	20.3%	7.9%	18.7%	8.2%	23.8%	9.1%	20.9%	8.4%
<i>France</i>	10.5%	8.1%	6.1%	8.2%	11.8%	11.4%	9.3%	9.1%
<i>Rest of Europe</i>	25.7%	7.8%	25.7%	8.2%	29.9%	7.9%	27.1%	8.0%
Latin America	47.2%	12.1%	20.5%	5.2%	2.0%	3.8%	20.8%	6.6%
Rest of the world	6.3%	9.0%	3.2%	7.3%	-3.0%	9.6%	2.1%	8.6%
Total	29.6%	9.6%	18.4%	6.9%	11.5%	6.6%	19.5%	7.6%