



Third-quarter 2020 revenue

Edenred returns to organic growth in the third quarter, demonstrating resilience in the face of the crisis and a capacity to rebound

Rebound in business in the third quarter amid a gradual easing of lockdown measures worldwide

Total revenue of €357 million in the third quarter, up 0.5% like-for-like after falling by 15.5% in the second quarter:

- **Growth in operating revenue of 0.9% like-for-like** in the third quarter, reflecting a return to Group growth in **Europe (+7.3% like-for-like vs. -13.1% in the second quarter)** and mixed improvements in the economic and health situation in **Latin America (-7.6% like-for-like vs. -20.4% in the second quarter)**
- **Other revenue down 9.9% like-for-like** due to lower interest rates than in 2019

Total revenue for the first nine months of the year of €1,053 million, down 3.0% like-for-like, demonstrating the resilience of Edenred's business model in the face of the crisis, and down 10.0% as reported due to a negative currency effect (-7.4%)

This performance was achieved thanks to a digital innovation strategy positioning Edenred well to take advantage of the growth trends that emerged or intensified at the height of the health crisis:

- an increase in mobile payments and direct payments on meal delivery platforms,
- greater use of remote working by companies,
- a desire from governments to provide targeted stimulus to the economy,
- more responsible consumption,
- growing interest in automated corporate payments.

2020 outlook

- **Business excellence** and **digitalization** initiatives will contribute to business growth in the fourth quarter
- In line with its expectations, **the Group confirms its €100 million cost savings plan for 2020**
- **Edenred is narrowing its full-year 2020 EBITDA target to between €550 million and €600 million¹, despite new uncertainties generated by the health crisis in Europe**

Bertrand Dumazy, Chairman and Chief Executive Officer of Edenred, said: “After proving its agility and resilience at the height of the health crisis, Edenred demonstrated its capacity to return rapidly to growth in the third quarter of the year. While much of Latin America was still in lockdown, the performances recorded in Europe attested to both Edenred's sales dynamic and the validity of our solutions in a recovering economic environment. In a world being transformed by digital technology, Edenred provides innovative, practical solutions to changing work practices, enhances the efficiency of organizations and public and private social programs, and helps people adopt more responsible behavior. Despite the uncertainties associated with ongoing developments in the public health situation, we're confirming our full-year targets for 2020.”

¹ Calculated based on an assumption of an average Brazilian real/euro exchange rate for the second half of 2020 equal to the closing spot rate on June 30, 2020. To be compared with a previous target of between €540 million and €610 million.

Due to the current situation in Venezuela, the like-for-like performance and the currency effect are temporarily calculated excluding the country. Changes are calculated based on 2019 pro forma figures, which reflect the change in the breakdown between operating revenue and other revenue within total revenue in Brazil, effective since fourth-quarter 2019 and with no impact on full-year 2019 total revenue. See the appendices, page 12.

(in € millions)	Third-quarter 2020	Third-quarter 2019	% change (reported)	% change (like-for-like)
Operating revenue	346	379	-8.6%	+0.9%
Other revenue	11	14	-26.4%	-9.9%
Total revenue	357	393	-9.3%	+0.5%

(in € millions)	First nine months 2020	First nine months 2019	% change (reported)	% change (like-for-like)
Operating revenue	1,021	1,130	-9.7%	-2.8%
Other revenue	32	40	-21.2%	-9.4%
Total revenue	1,053	1,170	-10.0%	-3.0%

- **Total revenue**

For the third quarter, total revenue was up 0.5% like-for-like, representing a sharp improvement over the second quarter (-15.5%). The figure was down 9.3% as reported, reflecting a negative currency effect (-10.0%) and a positive scope effect (+0.2%).

For the first nine months of the year, total revenue came to **€1,053 million**, down 3.0% like-for-like versus the same period last year, demonstrating the resilience of Edenred's business model. On a reported basis, total revenue was down 10.0%, reflecting unfavorable currency effects (-7.4%) and a slightly positive scope effect (+0.3%).

- **Operating revenue**

After a good start to the year and then a second quarter impacted by the health crisis and the introduction of strict lockdown measures in most countries around the world, Edenred returned to growth during the third quarter. The improvement was driven by the impact of Edenred's shift to digital solutions (86% of business volume), a recovery in sales activity and the gradual easing of lockdown measures. On a like-for-like basis, operating revenue for the third quarter rose by 0.9% year-on-year, representing a strong rebound versus the second quarter (-15.4%).

Resilient in the face of the crisis and able to bounce back in a less depressed health and economic environment, the Group recorded operating revenue of **€1,021 million** for the first nine months of 2020, down 2.8% like-for-like. On a reported basis, an unfavorable currency effect (-7.2%) and a slightly positive scope effect (+0.4%) resulted in a decrease of 9.7%.

- **Operating revenue by business line**

(in € millions)	Third-quarter 2020	Third-quarter 2019	% change (reported)	% change (like-for-like)
Employee Benefits	207	229	-9.5%	-1.4%
Fleet & Mobility Solutions	89	104	-14.8%	-1.5%
Complementary Solutions	51	46	+9.5%	+17.5%
Total	346	379	-8.6%	+0.9%

(in € millions)	First nine months 2020	First nine months 2019	% change (reported)	% change (like-for-like)
Employee Benefits	619	701	-11.8%	-6.3%
Fleet & Mobility Solutions	262	298	-12.1%	-1.4%
Complementary Solutions	140	131	+7.3%	+13.3%
Total	1,021	1,130	-9.7%	-2.8%

Employee Benefits recorded a strong rebound in the third quarter, with operating revenue down just 1.4% like-for-like (-9.5% as reported) versus a decrease of 20.6% in the second quarter. The business line's operating revenue for the nine months to September 30 came to **€619 million**, representing **60%** of the consolidated total and down **6.3%** like-for-like from the prior-year period (-11.8% as reported).

During the crisis, Edenred leveraged its digital solutions and its capacity for innovation in order to meet market demand and continue developing its services for the benefit of users and merchants. Examples include the faster roll-out of both the Group's contactless mobile payment solutions, now available in 22 countries, and its app-to-app payment service on 67 partner meal delivery platforms. Thanks to these services, which make the Group's paperless offering more attractive, the portion of digital solutions in Employee Benefits business volume in Europe was up 9 points versus third-quarter 2019.

In Europe, and to a lesser extent in Latin America, the decline in short-time working measures and the reopening of stores and restaurants also contributed to the rebound in the third quarter, notably enabling employee users to restart spending their allocated funds and more particularly the funds accumulated during lockdown. Nonetheless, a large portion of these funds remained unspent at the end of September. This represents a pool of revenue for Edenred that will be realized as the funds are used in its merchant network.

In the **Fleet & Mobility Solutions** business line, which represents **26%** of the Group's business, after a sharp decrease in the second quarter (-14.3% like-for-like), operating revenue contracted by 1.5% like-for-like (-14.8% as reported) in the third quarter. For the nine months ended September 30, 2020, the business line recorded operating revenue of **€262 million**, down a slight **1.4%** like-for-like versus the prior-year period (-12.1% as reported).

The third quarter saw a gradual improvement in business levels in both the heavy and light fleet segments, but also lower fuel prices than in third-quarter 2019. The good performance achieved by Edenred's value-added services, such as maintenance management and toll payment solutions, confirms the validity of the Beyond Fuel strategy initiated as part of the Group's strategic plan.

In the **Complementary Solutions** business line, which includes Corporate Payment Services, Incentive & Rewards Solutions and Public Social Programs, operating revenue grew by 17.5% like-for-like (+9.5% as reported), representing an acceleration in the pace of growth versus the second quarter (+9.9%). The business line's operating revenue for the nine months to September 30 came to **€140 million**, representing **14%** of the consolidated total and up **13.3%** like-for-like (+7.3% as reported).

Growth was driven by the firm resilience of Incentive & Rewards programs in the period, as well as the contribution of public and private earmarked funds programs, which were rapidly introduced in the second quarter to effectively combat the impacts of Covid-19. For example, one program saw Edenred digitally distribute funds earmarked for food to 1.3 million British school children who usually receive free school lunches.

The Corporate Payment Services business in North America continued to be heavily impacted by the contraction in transactions carried out by Group clients, particularly in the hospitality and media industries. The number of new contracts signed was nonetheless in line with pre-Covid internal targets, confirming the gradual ramp-up of distribution agreements, notably with top-tier banks, and reflecting growing interest among North American companies in secure, innovative digital payment solutions.

- **Operating revenue by region**

(in € millions)	Third-quarter 2020	Third-quarter 2019	% change (reported)	% change (like-for-like)
Europe	224	208	+7.9%	+7.3%
Latin America	95	139	-31.8%	-7.6%
Rest of the World	27	32	-14.9%	-4.1%
Total	346	379	-8.6%	+0.9%

(in € millions)	First nine months 2020	First nine months 2019	% change (reported)	% change (like-for-like)
Europe	635	630	+0.8%	+0.0%
Latin America	298	408	-27.0%	-7.9%
Rest of the World	88	92	-4.5%	+0.9%
Total	1,021	1,130	-9.7%	-2.8%

Business in **Europe** made a strong rebound in the third quarter, with growth of 7.3% like-for-like after a year-on-year reduction of 13.1% in the second quarter. In a region that represents **62%** of Group operating revenue, nine-month operating revenue amounted to **€635 million**, stable like-for-like (**+0.0%**; +0.8% as reported).

The rebound was particularly strong in **France**, where operating revenue increased by 9.5% like-for-like, after decreasing by 31.3% in the second quarter. For the nine months ended September 30, operating revenue came in at **€175 million**, down **6.3%** on a like-for-like basis and as reported. After being hit hard by lockdown and short-time working measures in the second quarter, France has been benefiting from a significant catch-up effect since June, notably in the area of sales. In addition, on June 12, the standard daily limit on the use of Ticket Restaurant in restaurants was doubled, triggering a 50% increase in employee users' average digital basket, notably enabling users to spend the funds accumulated during lockdown more rapidly. A portion of these funds was, however, still unspent at the end of September.

More resilient than France in the second quarter (-5.9% like-for-like), **Europe excluding France** saw operating revenue grow by 6.4% like-for-like (+7.2% as reported) in third-quarter 2020, thanks to a recovery in sales activity and the gradual easing of lockdown measures. In the nine months to September 30, operating revenue grew by **2.7%** like-for-like (+3.9% as reported) to **€460 million**. In Employee Benefits, the Group continued to develop its digital line-up, in a more favorable environment than in the second quarter. However, the situation varied from country to country, with some applying restrictive public health measures locally and for variable periods of time, resulting in a negative impact on Edenred's business. In Fleet & Mobility Solutions, managed volumes, which began to recover late in the second quarter, continued to rebound during the third quarter, reflecting a gradual return to normal levels in both the heavy and light fleet segments.

Latin America, which accounted for **29%** of Group operating revenue for the first nine months of 2020, continued to be impacted by the health and economic crisis. In the third quarter, the region's performance remained in negative territory but improved nonetheless, with operating revenue down 7.6% like-for-like (-20.4% in the second quarter) and down 31.8% as reported, reflecting a strong negative currency effect during the period. However, performance remained mixed across the region, ranging from a noticeable improvement in Brazil to a still largely morose situation in Hispanic Latin America. For the nine months ended September 30, operating revenue came to **€298 million**, down **7.9%** like-for-like (-27.0% as reported).

Brazil saw its performance recover significantly in the third quarter, with the decrease in operating revenue limited to 4.4% on a like-for-like basis (-22.2% in the second quarter). For the full nine months to September 30, operating revenue contracted by **6.9%** like-for-like (-28.6% as reported). The performance of the Employee Benefits business line was impacted by the temporary closure of restaurants in the first part of the quarter. Following on from the progress made in the first half of the year, app-to-app payment solutions for meal delivery platforms continued to ramp up, with more than one million transactions carried out in the third quarter. After demonstrating resilience at the height of the crisis, the Fleet & Mobility Solutions business line put in a good performance, notably thanks to the success of maintenance management solutions.

In **Hispanic Latin America**, operating revenue remained sharply down in the third quarter, decreasing by 15.4% year-on-year on a like-for-like basis (-16.0% in the second quarter), due to

the lockdown measures maintained in these countries during the period. In the year-to-date period, the region's operating revenue was down **10.5%** like-for-like (-23.1% as reported). In Mexico, Edenred's main market in the region, both Employee Benefits and Fleet & Mobility Solutions continued to be heavily impacted by the crisis, amid an economic downturn, increased unemployment and lower fuel prices.

In the **Rest of the World**, operating revenue was down 4.1% like-for-like in the third quarter. This performance reflects the resilience of the Group's businesses across the region, with the exception of North America, which continued to be heavily impacted by the crisis, resulting in a slower-than-expected economic recovery. The region's operating revenue for the first nine months of the year came to **€88 million**, representing **9%** of the consolidated total and up **0.9%** like-for-like (-4.5% as reported).

- **Other revenue**

Other revenue contracted by 9.9% like-for-like (-26.4% as reported) in the third quarter and by **9.4%** like-for-like (-21.2% as reported) for the first nine months of the year, coming to **€32 million** for the nine-month period. Despite the increase in the float² as a result of the temporary extension of the retention time for allocated funds, interest rates decreased across the board worldwide, notably in non-eurozone countries. On a reported basis, other revenue was also impacted by unfavorable changes in exchange rates, notably in Latin America.

2020 OUTLOOK

For the end of 2020, in **Employee Benefits**, Edenred expects to continue to benefit from the impact of digitalizing its solutions and from the delayed revenue generated with merchants. Performance in the **Fleet & Mobility Solutions** business line is expected to reflect sustained demand in Europe and Latin America but, compared with last year, will be held back by the high basis of comparison and by fuel prices, which are expected to be lower than at end-2019. In **Complementary Solutions**, Edenred anticipates that fourth-quarter growth will be weighed down by the lower number of transactions in Corporate Payment Services and the end of certain earmarked funds programs developed at the height of the crisis.

Despite the improvement observed in the third quarter, Edenred notes that uncertainties associated with the health crisis have deepened in Europe, where local lockdowns and other restrictive measures have been re-introduced, and that Latin and North America continue to be affected by a morose economic and health environment. These factors could weigh down the Group's growth in the fourth quarter, despite the improved sales dynamic.

In terms of profitability, in line with its expectations, the Group confirms its €100 million cost savings plan for 2020.

Based on the Group's resilience in the first half of the year, its rebound in the third quarter and the ongoing cost savings plan, **Edenred is narrowing its full-year 2020 EBITDA target to between €550 million and €600 million³.**

² The float corresponds to a portion of the operating working capital from the preloading of funds by corporate clients.

³ Calculated based on an assumption of an average Brazilian real/euro exchange rate for the second half of 2020 equal to the closing spot rate on June 30, 2020. To be compared with a previous target of between €540 million and €610 million.

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

Underpinned by strong fundamentals, the Group is weathering the crisis with resilience. Its technological expertise and agile organization make it well positioned to seize new opportunities in markets undergoing digital transformation.

Thanks to its robust business model, strengthened digital leadership and the increased demand for earmarked funds programs, Edenred has everything it needs to ensure all of its business lines rebound quickly, and to pursue its strategy of sustainable and profitable growth with a focus on product and technology innovation.

SIGNIFICANT EVENTS IN THE THIRD QUARTER

- **Edenred finalizes the acquisition of Cooper Card's employee benefits operations in the Brazilian market**

In September 2020, following approval from the Brazilian Central Bank, Edenred finalized the acquisition of Cooper Card's client portfolio for food-related employee benefits in Brazil (170,000 active users), announced on May 8, 2020. With this acquisition, Edenred is consolidating its integration into the economic fabric of Paraná, one of the country's most populous and dynamic states.

UPCOMING EVENTS

March 2, 2021: Full-year 2020 results

April 22, 2021: First-quarter 2021 revenue

May 11, 2021: 2021 General Meeting

Edenred is a leading services and payments platform and the everyday companion for people at work, connecting 50 million employees and 2 million partner merchants in 46 countries via more than 850,000 corporate clients.

Edenred offers specific-purpose payment solutions for food (meal vouchers), fleet and mobility (fuel cards, commuter vouchers), incentives (gift vouchers, employee engagement platforms) and corporate payments (virtual cards). These solutions enhance employee well-being and purchasing power, improve companies' attractiveness and efficiency, and vitalize the employment market and the local economy.

Edenred's 10,000 employees are committed to making the world of work a connected ecosystem that is safer, more efficient and more user-friendly every day.

In 2019, thanks to its global technology assets, the Group managed €31 billion in business volume, primarily carried out via mobile applications, online platforms and cards.

Edenred is listed on the Euronext Paris stock exchange and included in the following indices: CAC Next 20, FTSE4Good, DJSI Europe and MSCI Europe.

For more information: www.edenred.com

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Edenred is celebrating its tenth anniversary in 2020.

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Operating revenue

In € millions	Q1		Q2		Q3		YTD	
	2020	2019	2020	2019	2020	2019	2020	2019
Europe	228	213	183	209	224	208	635	630
<i>France</i>	70	69	41	59	64	59	175	187
<i>Rest of Europe</i>	158	144	142	150	160	149	460	443
Latin America	121	129	82	140	95	139	298	408
Rest of the world	34	28	27	32	27	32	88	92
Total	383	370	292	381	346	379	1021	1130

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	+6.9%	+5.9%	-12.3%	-13.1%	+7.9%	+7.3%	+0.8%	+0.0%
<i>France</i>	+2.0%	+2.0%	-31.3%	-31.3%	+9.5%	+9.5%	-6.3%	-6.3%
<i>Rest of Europe</i>	+9.3%	+7.8%	-4.7%	-5.9%	+7.2%	+6.4%	+3.9%	+2.7%
Latin America	-5.6%	+5.2%	-41.9%	-20.4%	-31.8%	-7.6%	-27.0%	-7.9%
Rest of the world	+18.9%	+18.4%	-15.0%	-9.8%	-14.9%	-4.1%	-4.5%	+0.9%
Total	+3.5%	+6.6%	-23.4%	-15.4%	-8.6%	+0.9%	-9.7%	-2.8%

Other revenue

In € millions	Q1		Q2		Q3		YTD	
	2020	2019	2020	2019	2020	2019	2020	2019
Europe	4	4	4	4	4	4	12	13
<i>France</i>	2	2	1	1	2	1	5	5
<i>Rest of Europe</i>	2	2	3	3	2	3	7	8
Latin America	7	7	4	7	6	8	17	22
Rest of the world	1	1	1	2	1	2	3	5
Total	12	13	9	13	11	14	32	40

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	+2.7%	+2.4%	-15.1%	-14.2%	-20.6%	-20.2%	-11.7%	-11.3%
<i>France</i>	-5.8%	-5.8%	-1.8%	-1.8%	-2.0%	-2.0%	-3.2%	-3.2%
<i>Rest of Europe</i>	+9.0%	+8.5%	-22.8%	-21.4%	-29.9%	-29.3%	-16.6%	-16.1%
Latin America	-11.3%	-3.2%	-29.3%	-7.4%	-21.6%	+3.0%	-20.7%	-2.5%
Rest of the world	-24.0%	-20.1%	-54.6%	-48.2%	-59.8%	-36.1%	-47.6%	-35.4%
Total	-8.4%	-3.4%	-27.9%	-14.7%	-26.4%	-9.9%	-21.2%	-9.4%

Pro forma 2019 operating revenue and other revenue by quarter following the classification change for revenue related to merchants' fast reimbursement in Brazil

Group Operating Revenue	Q1	Q2	Q3	Q4	FY
Actual 2019	369	379	377	445	1 570
Pro forma 2019	370	381	379	440	1 570

Group Other Revenue	Q1	Q2	Q3	Q4	FY
Actual 2019	14	15	16	11	56
Pro forma 2019	13	13	14	16	56

Latin America Operating Revenue	Q1	Q2	Q3	Q4	FY
Actual 2019	128	138	137	156	559
Pro forma 2019	129	140	139	151	559

Latin America Other Revenue	Q1	Q2	Q3	Q4	FY
Actual 2019	9	9	10	4	32
Pro forma 2019	7	7	8	9	32

Total revenue

In € millions	Q1		Q2		Q3		YTD	
	2020	2019	2020	2019	2020	2019	2020	2019
Europe	232	217	187	213	228	212	647	643
<i>France</i>	72	71	42	60	66	60	180	192
<i>Rest of Europe</i>	160	146	145	153	162	152	467	451
Latin America	128	137	86	147	101	147	315	430
Rest of the world	35	29	28	34	28	34	91	97
Total	395	383	301	394	357	393	1053	1170

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	+6.9%	+5.9%	-12.4%	-13.1%	+7.3%	+6.6%	+0.6%	-0.2%
<i>France</i>	+1.8%	+1.8%	-30.5%	-30.5%	+9.2%	+9.2%	-6.2%	-6.2%
<i>Rest of Europe</i>	+9.3%	+7.8%	-5.1%	-6.1%	+6.5%	+5.6%	+3.5%	+2.4%
Latin America	-5.9%	+4.7%	-41.3%	-19.7%	-31.3%	-7.0%	-26.7%	-7.7%
Rest of the world	+16.8%	+16.5%	-17.0%	-11.7%	-17.5%	-5.9%	-6.8%	-1.0%
Total	+3.1%	+6.3%	-23.6%	-15.5%	-9.3%	+0.5%	-10.0%	-3.0%