



## First-quarter 2020 revenue

**Edenred reports further strong growth, partly offset by the initial lockdown measures introduced in response to the Covid-19 epidemic**

### **Strong growth at the start of the year thanks to the successful execution of the Next Frontier 2019-2022 strategic plan, despite the initial effects of the crisis**

- Double-digit operating revenue growth in the first two months of the year
- In the new environment resulting from lockdown measures, which has changed work practices and consumption patterns:
  - 850,000 clients, 50 million employee users and 2 million partner merchants can rely on Edenred's digital platform and the strong commitment of its teams to ensure excellent business continuity and rapidly develop specific programs to distribute earmarked funds to workers and society at large;
  - Edenred responds swiftly by launching a €100 million cost-saving plan in 2020 and revising intended capital expenditure for the year downward.

### **Total revenue of €395 million in first-quarter 2020, up 6.3% like-for-like and up 3.1% as reported**

- Operating revenue up 6.6% like-for-like and up 3.5% as reported to €383 million
- Other revenue down 3.4% like-for-like (-8.4% as reported)
- Contribution from acquisitions to total revenue of 0.5% and negative currency effect of 3.7%

### **2020 outlook**

- A marked decrease in business expected in the second quarter, reflecting:
  - in Employee Benefits, a lag effect as the portion of revenue generated by volumes consumed in the network of partner merchants is delayed;
  - the extension of stay-at-home and short-time working measures in most European countries and in the United States and their introduction in Latin America.
- Strong fundamentals ensuring good resilience:
  - a high-growth profile and robust financial position;
  - offers covering essential needs (Eat, Move, Care, Pay);
  - a leading position on vastly underpenetrated markets in 46 countries;
  - an agile, multilocal organization;
  - a highly digitalized model ensuring relentless innovation around specific-purpose payment solutions.

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**Bertrand Dumazy, Chairman and Chief Executive Officer of Edenred**, said: "Amid the crisis currently unfolding in the world economy, Edenred's purpose, which is to be the everyday companion for people at work, comes into its full meaning. Working harder than ever to ensure business continuity for our clients, partners and users, we can draw on our digital services and payments platform. In these difficult times for all economic players, Edenred is demonstrating agility and community spirit. For example, our ability to rapidly develop programs to distribute earmarked funds – that is, funds to be used under set conditions – has made it possible to implement new solutions responding to urgent needs arising from the crisis in several countries. Lastly, I know that I can count on the dedication of our teams, the responsiveness of our organization, the resilience of our business model and our excellent financial health to get us through this period as quickly and securely as possible."

## FIRST-QUARTER 2020 TOTAL REVENUE

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 appendix, page 11.

First-quarter 2020 key financial metrics:

(In € millions)	First-quarter 2020	First-quarter 2019	% change (reported)	% change (like-for-like)
Operating revenue	383	370	+3.5%	+6.6%
Other revenue	12	13	-8.4%	-3.4%
<b>Total revenue</b>	<b>395</b>	<b>383</b>	<b>+3.1%</b>	<b>+6.3%</b>

- **Total revenue: up 6.3% like-for-like to €395 million**

Total revenue for first-quarter 2020 amounted to **€395 million**, up 6.3% like-for-like. Reported growth was 3.1% for the period, including a positive 0.5% scope effect and an unfavorable 3.7% currency effect primarily linked to the Brazilian and Argentine currencies.

- **Operating revenue: up 6.6% like-for-like to €383 million**

Operating revenue for first-quarter 2020 came in at €383 million, up 6.6% like-for-like. Reported growth was 3.5% for the period, including a slightly positive 0.6% scope effect and a negative 3.7% currency effect.

The 6.6% like-for-like increase reflects double-digit growth until the introduction of stay-at-home measures in March, first in most of the European countries where Edenred operates and in the United States and then across Latin America.

Thanks to its highly digitalized offering and multilocal organization, the Group adapted rapidly to the situation: with more than 95% of employees working from home and digital solutions representing 83% of consolidated business volume, the Group can continue to operate and provide high-quality services.

Amid the crisis, Edenred is demonstrating the usefulness of its purpose, which consists in organizing the distribution of earmarked funds (i.e., funds dedicated to specific purposes) to cover fundamental needs (Eat, Move, Care, Pay). In all countries, teams are working hard to agilely implement new digital solutions in record time and thereby meet the urgent needs of certain governments and organizations, notably in Italy, Brazil and France. These programs for earmarked funds make it possible to provide targeted support to the communities hardest hit by the crisis, while stimulating the local economy by restricting use of the funds to the purchase of staples from a network of local partner merchants, whether in store or online.

- **Operating revenue by business line**

(In € millions)	First-quarter 2020	First-quarter 2019	% change (reported)	% change (like-for-like)
Employee Benefits	238	236	+1.0%	+3.2%
Fleet & Mobility Solutions	99	92	+7.3%	+12.8%
Complementary Solutions	46	42	+9.1%	+12.1%
<b>Total</b>	<b>383</b>	<b>370</b>	<b>+3.5%</b>	<b>+6.6%</b>

Operating revenue for the **Employee Benefits** business line was **€238 million**, representing a like-for-like increase of **3.2%** (+1.0% as reported) and **62%** of total consolidated operating revenue. This family of solutions enjoyed robust growth until the implementation of lockdown measures in Europe in March, illustrating the successful execution of the business drivers of the Next Frontier strategic plan.

With the introduction of these measures in Europe and then Latin America, work practices and consumption patterns have changed:

- In most countries, employees who are working from home continue to receive their benefits, such as Ticket Restaurant. Although usage rates for these benefits are decreasing (at varying speeds, depending on the country), users in most countries have up to 12 months from the loading date to spend the funds. Accordingly, the Group expects a time delay in the recognition of a significant portion of revenue generated with partner merchants.
- Employees subject to short-time working arrangements receive their benefits pro rata to the days worked, leading – in the current environment – to a decline in issue volume, which will subsequently have an impact on the revenue generated with partner merchants.

- Thanks to its digital expertise and technological leadership, Edenred can meet the expectations of clients and users in the current specific public health situation, notably via contactless payment (online, by mobile or by NFC card) and app-to-app payment (with 50 partnerships with meal delivery platforms in 11 countries).

In the **Fleet & Mobility Solutions** business line, which accounts for **26%** of the Group's business, operating revenue rose by **12.8%** like-for-like in the first quarter (+7.3% as reported) to **€99 million**. This double-digit like-for-like growth reflects the good momentum developed by sales teams, notably in Brazil, as well as the successful integration of companies such as TRFC in Europe and the ramp-up of value-added services (maintenance, toll payment).

The various public health measures implemented in March have had consequences on Fleet & Mobility Solutions activities in Europe, in particular solutions for light vehicle fleets (short-time working, remote working, reduced business travel). While the heavy vehicle business is more resilient, it is, however, being impacted by the economic slowdown and the drop in fuel prices.

The **Complementary Solutions** business line, which includes Corporate Payment Services, Incentive & Rewards Solutions and Public Social Programs, generated operating revenue of **€46 million** for the period, up **12.1%** like-for-like (+9.1% as reported).

This double-digit growth reflects both the commercial success of the payroll cards offering in the United Arab Emirates and the sales momentum of CSI, a North American fintech specialized in optimizing accounts payable processes. Like other Corporate Payment Services offered by Edenred in Europe, CSI is feeling the effects of the public health measures linked to the epidemic, notably in the hotel, travel and media segments. In contrast, some segments such as telecoms are more resilient.

- **Operating revenue by region**

(In € millions)	First-quarter 2020	First-quarter 2019	% change (reported)	% change (like-for-like)
Europe	228	213	+6.9%	+5.9%
Latin America	121	129	-5.6%	+5.2%
Rest of the World	34	28	+18.9%	+18.4%
<b>Total</b>	<b>383</b>	<b>370</b>	<b>+3.5%</b>	<b>+6.6%</b>

In **Europe**, operating revenue rose by **5.9%** like-for-like (+6.9% as reported) to **€228 million**. Europe represented **59%** of total consolidated operating revenue in first-quarter 2020.

In **France**, operating revenue amounted to **€70 million** for the first quarter, an increase of **2.0%** like-for-like (+2.0% as reported). Until March, Employee Benefits (Ticket Restaurant, ProwebCE) and Fleet & Mobility Solutions dedicated to light vehicle fleets enjoyed solid growth, linked to the successful execution of the business drivers of the Next Frontier strategic plan, such as increased penetration, a broader client base and innovation.

Among the Group's markets, France has been the most affected by strict lockdown measures, in both Employee Benefits (rate of employees subject to short-time working arrangements

above the European average, a particularly low usage rate for preloaded funds and a resulting delay in the recognition of “merchant” revenue) and Fleet & Mobility Solutions (high exposure to the light vehicle segment).

Operating revenue in **Europe excluding France** was up **7.8%** like-for-like (+9.3% as reported) to **€158 million** in the first three months of 2020.

The Group's two main business lines posted double-digit growth in the region until March, notably thanks to further new client wins. Employee Benefits reported an increase during the period in the digital adoption rate and in certain face values, notably in Italy. As from March, most countries in the region have gradually introduced public health measures, of varying strictness. For example, Northern Europe and Eastern Europe have so far placed fewer restrictions on movement than Southern Europe. Consequently, certain businesses, such as UTA, are demonstrating resilience in the current circumstances.

Operating revenue amounted to **€121 million** in **Latin America**, up **5.2%** like-for-like (-5.6% as reported). The region accounted for **32%** of the Group's operating revenue in the first quarter.

In **Brazil**, operating revenue rose by 7.1% like-for-like during the first three months of the year, reflecting double-digit organic growth until March, notably thanks to the good sales performance of value-added services in Fleet & Mobility Solutions. The first stay-at-home measures were introduced in the country in the last few days of March, with a negative impact visible in particular on Employee Benefits and to a lesser extent on Fleet & Mobility Solutions.

In **Hispanic Latin America**, operating revenue rose slightly by **0.6%** like-for-like in first-quarter 2020, due, as expected, to the business slowdown in Mexico. In a challenging economic environment, lower volumes are being spent in the country under the Navideños program compared with the same period in 2019. Moreover, in Fleet & Mobility Solutions, the fall in fuel prices had a negative impact on operating revenue in several countries in the area. In March, however, this region was still relatively unaffected by stay-at-home measures.

Operating revenue in the **Rest of the World** region rose by **18.4%** like-for-like (+18.9% as reported) to **€34 million**, representing **9%** of the Group's operating revenue in first-quarter 2020. This growth was driven notably by the good performance of the payroll cards business in the United Arab Emirates, the strong sales momentum achieved by CSI and robust business in Taiwan.

- **Other revenue: €12 million**

Other revenue for the first three months of the year totaled **€12 million**, down **3.4%** like-for-like due to the widespread drop in interest rates, particularly outside Europe. On a reported basis, other revenue declined by 8.4%, a performance compounded by the negative currency effects in Latin America.

## SIGNIFICANT EVENTS SINCE THE BEGINNING OF THE YEAR

- **Edenred ties social and environmental criteria to one of its financing instruments for the first time**

In February 2020, Edenred renegotiated its syndicated credit facility, increasing it to €750 million, extending its maturity to February 2025 – with extension options to February 2027 – and improving the financial conditions. For the first time, Edenred introduced environmental and social performance criteria into the calculation of the financing costs:

- promoting healthy and sustainable eating habits – Edenred aims by 2030 to reach an 85% nutrition awareness rate among merchants and employees using its solutions (versus 30% in 2018);
- combating global warming – Edenred is targeting a 52% cut in greenhouse gas emissions intensity<sup>1</sup> by 2030 compared with 2013 (26% reduction in 2018).

- **Edenred expands its Fleet & Mobility Solutions offering in Europe**

In February 2020, Edenred finalized the agreement signed in September 2019 to acquire EBV Finance, a Lithuanian company specialized in tax refunds for European transportation companies.

- **Appointment to the Executive Committee**

In March 2020, Patrick Rouvillois was appointed Executive Vice President, Marketing & Strategy of Edenred, and became a member of the Group Executive Committee. Patrick will be in charge of driving the Group's strategy, transformation and innovation in line with the roadmap set out under the Next Frontier plan for 2019-2022.

- **First measures taken by the Group in response to the consequences of Covid-19 epidemic**

On March 25, due to the uncertain environment resulting from the Covid-19 epidemic, the Group **suspended its targets for full-year 2020** until it had better visibility of the financial impacts of the epidemic.

On April 6, in response to the unprecedented scale of the crisis, Edenred launched the “**More than Ever**” relief plan, through which the Group pledged to commit **up to €15 million** to mitigate the consequences of the Covid-19 epidemic on its ecosystem, and in particular to:

- protect Edenred employees, notably the most vulnerable, in countries with little or no healthcare coverage or social safety net;
- support partner restaurant owners, who have been severely impacted by strict stay-at-home orders in the various countries where the Group operates.

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<sup>1</sup> Targets calculated using the Science Based Targets initiative methodology in line with the goals of the Paris Agreement.

“More than Ever” will notably be financed through:

- the **20% decrease in the dividend** proposed<sup>2</sup> for 2019, to €0.7 per share;
- the **reduction in the Chairman and Chief Executive Officer’s compensation** in line with AFEP recommendations;
- the **reduction in the compensation of the members of the Group’s Executive Committee and Board of Directors.**

## 2020 OUTLOOK

Edenred expects a **marked decrease in business in the second quarter**, primarily due to a portion of the revenue generated with partner merchants being delayed to the second half of the year in Employee Benefits. In addition, the Group’s business will be impacted by the extension of stay-at-home measures in Europe and in the United States and their introduction in Latin America, leading to an increase in short-time working and a decline in business at some of the Group’s clients.

To mitigate the consequences of the epidemic on its business and earnings, Edenred has launched **a €100 million cost-saving plan** in 2020 and revising intended capital expenditure for the year.

Edenred can rely on strong fundamentals to ensure good resilience and create new opportunities from the crisis:

- a high-growth profile and robust financial position;
- offers covering essential needs (Eat, Move, Care, Pay);
- a leading position on vastly underpenetrated markets in 46 countries;
- an agile, multilocal organization;
- a highly digitalized model ensuring relentless innovation around specific-purpose payment solutions.

## UPCOMING EVENTS

May 7, 2020: General Meeting (behind closed doors)

July 27, 2020: First-half 2020 results

October 22, 2020: Third-quarter 2020 revenue

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**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.

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<sup>2</sup> This decision will be submitted to shareholders for approval at the Combined General Meeting on May 7, 2020, which will be held behind closed doors. The dividend payment options remain unchanged.

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](http://www.edenred.com)

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Edenred is celebrating its tenth anniversary in 2020.

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## APPENDICES

### Operating revenue

In € millions	Q1	
	2020	2019
Europe	228	213
<i>France</i>	70	69
<i>Rest of Europe</i>	158	144
Latin America	121	129
Rest of the world	34	28
<b>Total</b>	<b>383</b>	<b>370</b>

In %	Q1	
	Change reported	Change L/L
Europe	+6.9%	+5.9%
<i>France</i>	+2.0%	+2.0%
<i>Rest of Europe</i>	+9.3%	+7.8%
Latin America	-5.6%	+5.2%
Rest of the world	+18.9%	+18.4%
<b>Total</b>	<b>+3.5%</b>	<b>+6.6%</b>

## Other revenue

In € millions	Q1	
	2020	2019
Europe	4	4
<i>France</i>	2	2
<i>Rest of Europe</i>	2	2
Latin America	7	7
Rest of the world	1	1
<b>Total</b>	<b>12</b>	<b>13</b>

In %	Q1	
	Change reported	Change L/L
Europe	+2.7%	+2.4%
<i>France</i>	-5.8%	-5.8%
<i>Rest of Europe</i>	+9.0%	+8.5%
Latin America	-11.3%	-3.2%
Rest of the world	-24.0%	-20.1%
<b>Total</b>	<b>-8.4%</b>	<b>-3.4%</b>

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

<b>Group Operating Revenue</b>	<b>Q1 2019</b>	<b>Q2 2019</b>	<b>Q3 2019</b>	<b>Q4 2019</b>	<b>FY 2019</b>
Actual 2019	369	379	377	445	1 570
Pro forma 2019	370	380	379	440	1 570

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

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

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

## Total revenue

In € millions	Q1	
	2020	2019
Europe	232	217
<i>France</i>	72	71
<i>Rest of Europe</i>	160	146
Latin America	128	137
Rest of the world	35	29
<b>Total</b>	<b>395</b>	<b>383</b>

In %	Q1	
	Change reported	Change L/L
Europe	+6.9%	+5.9%
<i>France</i>	+1.8%	+1.8%
<i>Rest of Europe</i>	+9.3%	+7.8%
Latin America	-5.9%	+4.7%
Rest of the world	+16.8%	+16.5%
<b>Total</b>	<b>+3.1%</b>	<b>+6.3%</b>