

Shareholders' Newsletter

| April 2018

Dear fellow Edenred shareholder,

Thanks to the dynamism and entrepreneurial spirit of our 8,000 employees, as well as the strategic objectives implemented as part of our Fast Forward plan, Edenred achieved landmark performances in 2017, demonstrating the Group's ability to generate profitable and sustainable growth.

As you will see in the following pages, Edenred reported record results for the year, from revenue to net profit and cash flow. These robust results reflect your Company's growth profile.



Bertrand Dumazy,
Chairman and Chief Executive Officer

"Thanks to the strong results achieved in 2017 and the initiatives launched to ensure profitable and sustainable growth, we are tackling 2018 with confidence"

True to its pioneering spirit, Edenred is constantly innovating by making the digitization of its solutions a important growth driver. Today, digital solutions account for 78% of our business volume. In 2017, more than 10 million transactions were settled by smartphone in the eight countries where Edenred has rolled out a mobile payment offer. To support these emerging practices, a range of new connected services are being introduced, including, in 2018, the ability to pay for a meal ordered online using the balance remaining on your Ticket Restaurant account.

In addition to Edenred's financial and technological performance, I would like to commend the remarkable engagement of our employees in a wide range of social and environmental initiatives, some of which are described in this newsletter. Social responsibility is a core component of our corporate DNA, and these moments when the entire Edenred community comes together to demonstrate our commitment are also key success factors in the transformation of our business activities.

Thanks to the strong results achieved in 2017 and the initiatives launched to ensure profitable and sustainable growth, we are tackling 2018 with confidence and offering our shareholders a 37% increase in our dividend to €0.85 per share. At the same time, we are maintaining the necessary financial flexibility to invest in new growth areas and make targeted, value-creating acquisitions.

I would like to thank you all, dear fellow shareholders, for your confidence and loyalty.

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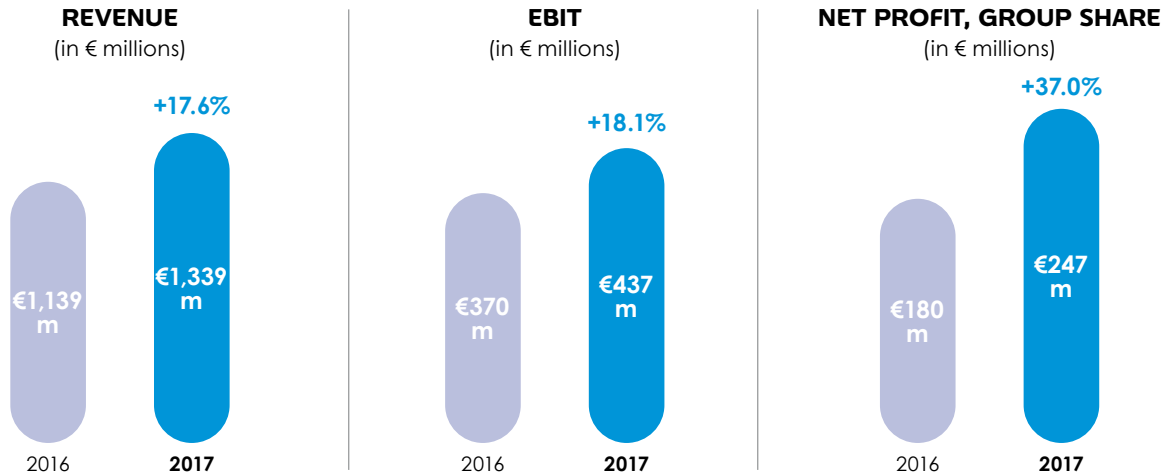
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2017, another record year

Analysis by our Executive Vice President, Finance



Three questions for Patrick Bataillard, Executive Vice President, Finance

How are you driving profitable and sustainable growth?

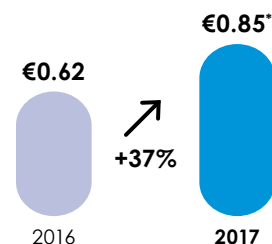
Patrick Bataillard : This is the goal of our Fast Forward strategic plan, which was launched in 2016 with the notable aim of rebalancing our business base and transforming Edenred into an innovative digital company. The strategy has proven highly effective, delivering an 18% increase in revenue to a record €1.3 billion in 2017, with growth spread evenly between Europe (up 22%) and Latin America (up 15%). The improvement was primarily the result of increased penetration in the small and medium-sized enterprise segment, made possible by the digitization of our Employee Benefits solutions and our sales channels. At the same time, Edenred is continuing to rebalance its business portfolio. For example, after a number of targeted acquisitions, the Fleet & Mobility Solutions business line now accounts for a quarter of consolidated operating revenue, while also delivering close to 20% organic growth in 2017. Thanks to our businesses' strong operating leverage and our commitment to optimizing costs, this profitable growth fed through to EBIT, which rose by 18% to a record €437 million, and to net profit, Group share, which climbed 37% to €247 million.

The dividend proposed to shareholders at the Annual Meeting on May 3 is up by a sharp 37%. What is your capital allocation policy?

PB : Our goal is to maximize the value we create for our stakeholders, and especially our shareholders, by allocating capital evenly between investments and shareholder return. In line with its growth profile, Edenred dedicated €280 million to acquisitions in

2017 and is proposing at the Annual Meeting on May 3 a dividend of **€0.85 per share** for the year. This represents an increase of 37% on the prior-year dividend and corresponds to a payout ratio of 80% of net profit, Group share.

GROWTH OF DIVIDEND



* Proposed at the AGM on May 3, 2018

How has 2018 started for Edenred?

PB : Thanks to the initiatives undertaken since the launch of our strategic plan, we are tackling the year with confidence. As a result, we can confirm that in 2018 we expect to meet the annual organic growth targets set for the medium term for our three key indicators, i.e., operating revenue (above 7%), operating EBIT (above 9%) and funds from operations (above 10%). We are well on track to successfully pursue Edenred's transformation, with the goal of generating **profitable and sustainable growth**.

More about Financial Results from edenred.com, then Investors / Shareholders section or [by clicking here](#)

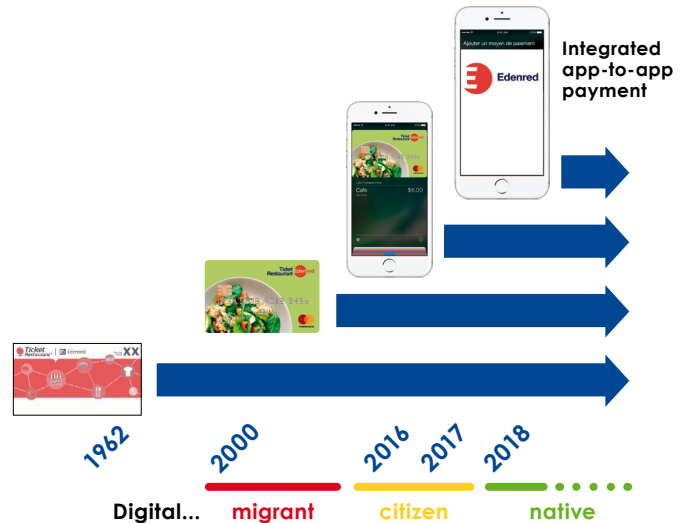
Digital transformation

Edenred, a pioneer in mobile payment

From paper to cards

In nearly 60 years, Edenred's portfolio of solutions has been extensively diversified and digitized. In 2017, digital media accounted for 78% of the year's €26 billion in business volume, a figure that is set to rise to more than 85% by 2020. The Group's migration to cards and other paperless solutions began back in the 2000s, and has now been completed in Latin America. Led by growing demand for natively digital Fleet & Mobility solutions, the transition is also gaining momentum in Europe, where cards and other digital media accounted for 61% of business volume in 2017.

A core component of Edenred's strategy, digitization enhances the financial and social benefits of our solutions, by making them easier to use, simpler to manage and capable of supporting new connected, personalized services while keeping transactions totally secure.



From cards to mobile apps



In its drive to continuously deliver more value to employee users, Edenred is leveraging its technological expertise to capture all the opportunities offered by the widespread use of smartphones. This is particularly the case for mobile payment applications, which enable people to pay with their mobile devices instead of their cards at Edenred partner merchants. Edenred is the only player in its segment to offer a



mobile payment option in eight countries on three continents, which sets it apart from the competition and is highly appreciated by our users. In 2017, for example, more than 10 million Edenred transactions were made using smartphones, via technological solutions developed in-house or in partnership with such global mobile payment players as Apple Pay, Samsung Pay and Google Pay.

New for 2018: integrated mobile payments

Among the innovative connected services offered by Edenred in response to emerging trends, in 2018 it will be possible to use the available funds in your Ticket Restaurant account to pay for a meal ordered online and delivered to your desk. Already available in France via the Dej Box and Rapidle applications, the option will be gradually extended to other e-retailers and countries during the year.



Open innovation

to explore and invest in new ecosystems

Four pillars underpinning Edenred innovation

A forerunner in open innovation, Edenred anticipates trends, explores new ecosystems close to its core business, invests in promising start-ups, and encourages its employees in their entrepreneurial projects.



In 2011, we joined forces with the **Partech Ventures** investment fund to support growing young companies focused on the digital economy and financial technologies, in such areas as new online services, e-commerce and innovative payment systems. In 2018, we consolidated this partnership by investing

in a new fund, **Partech Africa**, to explore new opportunities in Africa, whose significant growth potential is being lifted by rapid urbanization, the creation of a solid middle class, industrialization and the development of a service economy.



In 2012, **Edenred Capital Partners**, our in-house corporate venture capital fund, was founded with a view to acquiring minority stakes, usually in the form of co-investments with other funds, in innovative projects with high growth potential in areas close to our businesses. The fund has notably invested in two

particularly successful French start-ups - ProwebCE in Employee Benefits and La Compagnie des Cartes Carburant in Fleet & Mobility Solutions - which are now making a significant contribution to our growth as Edenred subsidiaries.



In 2017, we launched our first international intrapreneurship program, **Edenred Factory**, which encourages employees to become entrepreneurs by submitting innovative, high-potential start-up

projects in areas related to the Group's operations. In spring 2018, the Executive Committee will select two applications that will then be incubated for six months.



Through our **PrePay Solutions (PPS)** subsidiary, a leading European issuer and processor of prepaid payment solutions, we enjoy a major technological advantage that gives us wide visibility and recognition



in the European market for innovative payment solutions. In 2017, PPS received four Emerging Payments Awards in London for its ability to offer innovative products.

New CSR initiatives in 2017

Edenraid and Idealday

Social responsibility, as demonstrated by our 8,000 employees, is the very heart of Edenred's corporate mission. For 50 years, we have embraced and facilitated the changes that have reshaped the way we work, bringing together public authorities, companies and employees to define and implement programs that make society a better place. To raise employee and stakeholder awareness of our corporate social responsibility commitment, day-long events are organized annually across the global Edenred community, with everyone encouraged to get involved through projects that make a real difference. Two new initiatives were introduced in 2017 and were an enormous success.

Edenred employees ran, walked or cycled eight times around the Earth to make seriously ill children's wishes come true

In 2017, Edenred organized the first **Edenraid** sports challenge to raise money for **Make-A-Wish® France**. For more than ten years, this foundation has helped to fulfill the wishes of children aged 3 to 17, whose serious illness and necessary treatment have made their lives very difficult. These wishes, which are fulfilled as a family, offer hope, courage and happiness in trying circumstances. In 2017, Make-A-Wish® France made 129 of these wishes come true for young patients.

Between October 2 and November 26, 2017, more than 2,300 Edenred employees got involved and ran,

walked or cycled a total of 300,000 kilometers - the equivalent of eight times around the planet. The principle was simple: for every 10 kilometers traveled, Edenred donated €1 to the foundation, enabling it to raise €30,000 in all. Edenred and the Make-A-Wish® foundation thereby helped some ten seriously ill children to have an unforgettable experience with their families.

Employees are already in the starting blocks for the 2018 event, to try to beat this record and raise even more funds for the foundation.

300,000
km run,
walked or cycled
in 2 months

40
countries
engaged



5,000 employees serving their communities

On September 22, some 5,000 employees based in 30 countries took part in a wide range of community outreach initiatives, such as volunteering and supporting local community improvement projects in towns and cities, teaching children or employees about the environment, addressing the issue of healthy, sustainable eating and helping young people transition from school to work.

A number of programs were undertaken in 2017.

- In Brazil, for example, 75 employees repainted an association's offices to build a library. In Taiwan, Edenred employees planted trees in collaboration with client companies and partner merchants.

- And in Italy, Edenred asked its employees to create recipes from meal leftovers to raise awareness of the importance of not wasting food.

The teams are already planning for the next international community outreach day, which will be held on Thursday, June 21, 2018.

5,000
employees

30
countries
engaged

Shareholder information

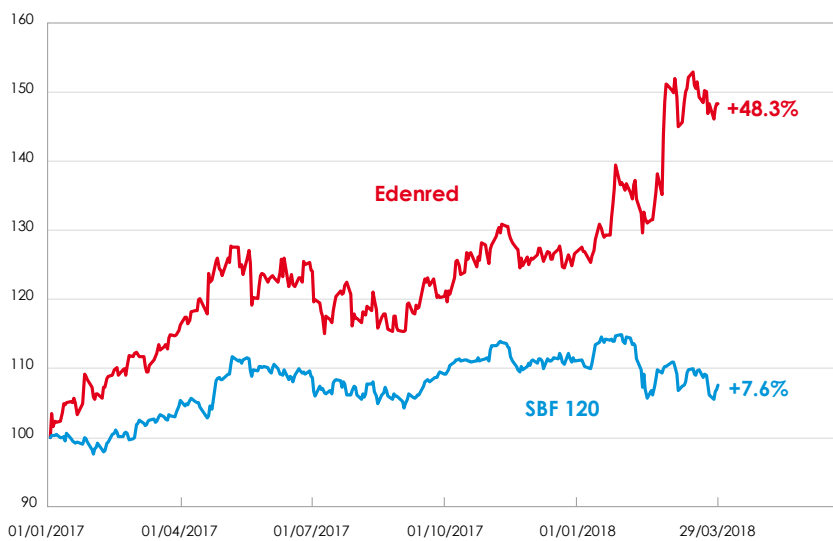
From January 2017 to end-March 2018

Edenred closing price on January 2, 2017: **€19.04**

Edenred closing price on March 29, 2018: **€28.24**

Change in the SBF 120 index: **+7.6%**

Change in the Edenred share price: **+48.3%**



DIVIDEND AND ANNUAL SHAREHOLDERS MEETING

All information about the Annual Shareholders Meeting to be held in Paris on May 3, 2018, as well as the payment schedule for the recommended dividend, may be found in the Investors/Shareholders section of www.edenred.com or [by clicking here](#)

SHAREHOLDERS AREA

You can visit the online Shareholders' area by going to the Investors/Shareholders section or [by clicking here](#)

The website now features a new design that has been optimized for viewing on smartphone and tablets.

Share details

Listed on:

Euronext Paris
Compartiment A

ISIN code: FR0010908533

Shares outstanding

at March 31, 2018: 235,773,403

Main indices:

CAC Large 60, CAC Next 20,
SBF120, FTSE4Good, Dow Jones
Sustainability Index

Registered shareholder services

Société Générale Securities Services

SGSS/SBO/CSS/BOC
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Upcoming key dates

April 19, 2018:
Q1 2018 Revenue

May 3, 2018:
Annual Shareholders Meeting