Press release
February 22, 2019

2018 ANNUAL RESULTS

Another record year fueled by double-digit organic growth in all regions and in all business lines

Acceleration of growth in 2018:

- Total revenue of **€1,378** million, up 11.9% like-for-like[1] (up 4.4% as reported)
- Operating EBIT margin[2]: up **2.0 points** to **30.9%**
- EBIT[3] up **17.5%** like-for-like (up 7.3% as reported) to **€461** million
- Net profit, Group share: **€254** million (up 5.2% as reported)
- Recommended dividend of **€0.86** per share, representing a **payout ratio** of **80%** of net profit, Group share
- Strong free cash flow generation (**€435 million**) enabling a reduction of net debt to **€659** million (versus **€696** million at end-2017) after **€196** million dedicated to acquisitions

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Like-for-like, Edenred's performance in 2018 was significantly higher than the annual growth targets set for the medium term:

- Operating revenue: **up 13.3%** (annual target: above 7%)
- Operating EBIT[4]: **up 23.5%** (annual target: above 9%)
- Funds from operations (FFO)[5]: **up 17.0%** (annual target: above 10%)

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Thanks to its business excellence, innovation capabilities, global technology platform and targeted acquisitions, Edenred begins the new year with confidence. As the global leader in payment solutions for the working world, the Group expects to achieve its annual organic growth targets set for the medium term again in 2019.

[1] Like-for-like growth corresponds to organic growth, that is, growth at constant scope of consolidation and exchange rates.
[2] Ratio of operating EBIT to operating revenue.
[3] Operating profit before other income and expenses.
[4] EBIT adjusted for other revenue.
[5] Before other income and expenses.

Bertrand Dumazy, Chairman and Chief Executive Officer of Edenred, said: *"The successful implementation of our Fast Forward strategic plan has once again enabled us to deliver record results for the year. The double-digit organic growth we achieved in 2018 reflects our ability to win new clients, develop new solutions and boost the development of the companies we've acquired. By launching numerous innovations, notably in the areas of mobile payment and app-to-app payment, which have already been deployed in 12 countries, Edenred has taken up position at the forefront of digitalization, for the benefit of all our clients, users and partner merchants. Looking ahead, thanks to our ability to increase our market penetration, capitalize on our recent acquisitions and innovate in order to differentiate and enhance our portfolio of solutions, we are confident that we will continue to deliver profitable and sustainable growth."*

Financial data for 2018 are provided in accordance with IFRS 9 and IFRS 15, effective since January 1, 2018. To ensure a meaningful comparison with 2017, financial data for the period included in this press release have been restated in accordance with the new standards. A table showing a breakdown of the restatements per quarter is provided in the appendix.
As part of this transition, the line item "financial revenue" has become "other revenue".
Venezuela has been temporarily excluded from data on like-for-like performance and currency effects, due to the country's current level of inflation and the devaluation of its currency.
Argentina has been qualified as a hyperinflationary economy since July 1, 2018. The Group has therefore applied IAS 29 – Financial Reporting in Hyperinflationary Economies to its operations in this country.

2018 ANNUAL RESULTS

The consolidated financial statements[6] for 2018 were approved by the Board of Directors on February 20, 2019.

Key financial metrics for 2018:

(in € millions)	2018	2017	% change (reported)	% change (like-for-like)
Operating revenue	1,327	1,253	+5.9%	+13.3%
Other revenue	51	67	-24.1%	-14.7%
Total revenue	**1,378**	**1,320**	**+4.4%**	**+11.9%**
EBITDA	**536**	**502**	**+6.7%**	**+16.2%**
Operating EBIT	410	362	+13.1%	+23.5%
Other revenue	51	67	-24.1%	-14.7%
EBIT	**461**	**429**	**+7.3%**	**+17.5%**
Net profit, Group share	**254**	**241**	**+5.2%**	

In 2018, Edenred generated business volume of €28.1 billion. At end-December 2018, digital solutions accounted for 80% of the total, up 2 points from 2017 and on track to meet the Group's target of 85% in 2020.

[6] The audit has been completed and the auditors will issue their opinion before the Registration Document is filed.

- ## Total revenue: up 11.9% like-for-like to €1,378 million

Total revenue for 2018 amounted to **€1,378 million**, representing a like-for-like increase of 11.9% on the previous year. Reported growth was 4.4% for the period, including a strong negative 8.0% currency impact, a slightly positive 0.8% scope impact and a slightly negative 0.2% impact relating to Venezuela.

Total revenue for the fourth quarter was €388 million, up 14.2% like-for-like on fourth-quarter 2017 and up 7.9% as reported. Currency effects had a negative 6.8% impact on fourth-quarter income. The scope effect added 0.5% to income in the fourth quarter and the impact of Venezuela was negligible, reducing income by 0.1%.

- ## Operating revenue: up 13.3% like-for-like to €1,327 million

Operating revenue amounted to €1,327 million for 2018, including €374 million for the fourth quarter, representing a like-for-like rise of 13.3% for the full year and of 15.3% in the fourth quarter. Reported operating revenue growth was 5.9% in 2018, including a negative 7.9% currency impact, a positive 0.8% scope impact and a slightly negative 0.2% impact relating to Venezuela.

In 2018, Edenred delivered double-digit operating revenue growth in all of its business lines and in all regions in which the Group operates.

- ### Operating revenue by business line

(in € millions)	2018	2017	% change (reported)	% change (like-for-like)
Employee Benefits	854	814	+5.0%	+11.7%
Fleet & Mobility Solutions	336	320	+4.9%	+16.8%
Complementary Solutions	137	119	+15.3%	+14.8%
Total	**1,327**	**1,253**	**+5.9%**	**+13.3%**

Operating revenue for the **Employee Benefits** business line was **€854 million** in 2018, representing **65%** of the consolidated total, and €236 million in the fourth quarter. Operating revenue rose **11.7%** like-for-like (+5.0% as reported) over the full year and 13.5% in the fourth quarter (+4.9% as reported). This performance illustrates the effectiveness of the action taken by the Group to achieve operational excellence, particularly its roll-out of a multi-channel sales strategy focused on SMEs. Also reflected in the double-digit growth is Edenred's technological leadership, which spurred the launch of innovative digital solutions such as mobile and app-to-app payments. These are key differentiating factors enabling Edenred to capture new clients and enhance its offer for existing clients.

In the **Fleet & Mobility Solutions** business line, which accounts for one-quarter of the Group's business, like-for-like operating revenue rose by **16.8%** in 2018 (+4.9% as reported) to **€336 million**. Operating revenue reached €91 million and like-for-like growth was 16.0% for the fourth quarter. Edenred is reaping the benefits of the successful integration of the companies acquired over the past three years (notably Embratec, UTA, Timex and La Compagnie des Cartes Carburant), which account for much of the organic growth in 2018. The Group is also continuing its successful strategy of European expansion, which places a greater focus on services offering access to a broader multibrand network. At the same time, following the successful launch of its light vehicle fleet offering in France, Edenred is now replicating this proven model in other European countries.

The **Complementary Solutions** business line, which includes Corporate Payment Services, Incentive & Rewards Solutions and Public Social Programs, generated operating revenue of **€137 million** in 2018, up **14.8%** like-for-like (+15.3% as reported). In the fourth quarter, operating revenue climbed 26.1% like-for-like to €47 million. This performance notably reflects the strong ramp-up of Corporate Payment Services, an innovative offering organically launched almost two years ago. In this segment, Edenred has already attracted high-profile clients from a broad range of industries including IATA, H-Corpo and Jumia Travel in the travel segment, SOS International in the assistance segment, and Foncia in the property segment.

- **Operating revenue by region**

(in € millions)	2018	2017	% change (reported)	% change (like-for-like)
Europe	755	652	+15.7%	+14.6%
Latin America	497	525	-5.2%	+12.0%
Rest of the World	75	76	-1.7%	+11.6%
Total	**1,327**	**1,253**	**+5.9%**	**+13.3%**

In **Europe**, operating revenue rose by **14.6%** like-for-like (+15.7% as reported) to **€755 million**, representing **57%** of consolidated operating revenue in 2018. In fourth quarter 2018, operating revenue increased 14.4% like-for-like (+14.7% as reported) to €214 million.

In **France**, operating revenue amounted to **€239 million** in 2018, a like-for-like increase of **10.0%** (+11.0% as reported), including 9.1% in the fourth quarter. France reported double-digit growth in the Group's historic Ticket Restaurant business over the full year, thanks to an optimized marketing mix and increased penetration of the SME segment. The Fleet & Mobility Solutions business line also enjoyed good sales momentum, posting double-digit growth in operating revenue primarily on the back of its successful light fleet offering.

Operating revenue in **Europe excluding France** was up **16.8%** like-for-like in 2018 (+18.1% as reported) to **€516 million**. Operating revenue for the region in the fourth quarter grew 17.0% like-for-like (+16.9% as reported) to €147 million, spurred in particular by an excellent performance in Southern Europe. The digitalization of solutions and distribution channels in the Employee Benefits business line gives Edenred easier access to the still largely untapped SME segment and helps improve the marketing mix. In Fleet & Mobility Solutions, UTA's pan-European expansion strategy and an increasingly broader offer (tolls, maintenance and services) are beginning to pay off. In addition, the Group's light fleet offering, particularly in Italy, is ramping-up quickly.

Operating revenue amounted to **€497 million** in **Latin America**, up **12.0%** like-for-like (-5.2% as reported). The region accounted for **37%** of the Group's operating revenue in 2018.

In **Brazil**, operating revenue came to **€356 million** for 2018, up **10.0%** like-for-like (-8.0% as reported), including a 13.6% like-for-like rise in the fourth quarter (-0.5% as reported). This double-digit growth reflects the steady recovery in Employee Benefits observed since the start of the year, together with strong sales momentum for Fleet & Mobility Solutions, a market that remains largely untapped in the country.

In **Hispanic Latin America**, operating revenue climbed **17.7%** like-for-like in 2018 (+2.9% as reported), including a like-for-like rise of 22.7% in the fourth quarter (+8.6% as reported). Operational excellence in this region helped increase market penetration for the Group's solutions across all of the business lines, particularly in the SME segment. Locally, the Group also saw robust growth in Employee Benefits and vigorous double-digit growth in Fleet & Mobility Solutions. Ongoing innovation initiatives have led to significant commercial success driven by Edenred's differentiated offering and the swift roll-out of new solutions such as Empresarial in various countries in the region.

In the **Rest of the World**, operating revenue advanced **11.6%** like-for-like (-1.7% as reported), led by strong growth in light banking solutions in the Corporate Payment Services segment and in digital solutions such as Ticket Xpress in Taiwan in the Incentive & Rewards Solutions segment.

- **Other revenue: €51 million**

Based on a float[7] of €3.0 billion, other revenue totaled €51 million, down **14.7% like-for-like** and 24.1% as reported, including a decrease of 8.3% in the fourth quarter on a like-for-like basis (-15.8% as reported). In addition to unfavorable currency effects, other revenue was also negatively impacted throughout 2018 by the maturing of certain investments with a higher return than current rates in Europe.

- **EBITDA: up 16.2% like-for-like to €536 million**

EBITDA was **€536 million** in 2018 compared with €502 million in 2017, an increase of **16.2% like-for-like** and of 6.7% as reported. EBITDA margin came in at 38.8%, up 0.8 of a point year-on-year.

- **EBIT: up 17.5% like-for-like to €461 million**

EBIT rose 7.3% on a reported basis in 2018, reaching a record high of **€461 million**, at the high end of the annual EBIT guidance of between €440 million and €470 million. Like-for-like, EBIT advanced by €75 million, or **17.5%**. The currency impact reduced EBIT by €46 million, while the scope effect increased it by €4 million during the period. EBIT comprises operating EBIT and other revenue.

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

Operating EBIT by region:

(in € millions)	2018	2017	% change (reported)	% change (like-for-like)
Europe	234	175	+32.7%	+30.3%
Latin America	188	189	-0.4%	+19.3%
Rest of the World	5	7	-26.4%	+16.0%
Holding & Other	(17)	(9)	+80.1%	+60.4%
Total	**410**	**362**	**+13.1%**	**+23.5%**

Operating EBIT rose by **13.1%** as reported (+23.5% like-for-like) to **€410 million**.

Europe delivered 32.7% growth in operating EBIT as reported on the back of strong operational leverage, leading to a significant improvement in the operating EBIT margin. Profitability improved across the region (and especially in the key countries of Italy and France) thanks to the different operational levers put in place and increased penetration of the SME segment.

Latin America posted organic growth of 19.3% in operating EBIT, notably reflecting an improved performance in Brazil, which posted a double-digit like-for-like advance. The good operating EBIT growth in the region was, however, dampened by a strong negative currency impact.

The Group's operating EBIT margin therefore gained 2.0 points to stand at 30.9%. This corresponds to a like-for-like improvement in the operating margin of 2.5 points. Scope effects and the currency effect related to the geographic mix together had an overall negative impact of 0.5 of a point.

- ## Net profit: €254 million

Net profit, Group share in 2018 came in at €254 million versus €241 million in 2017.

Other income and expenses amounted to a net expense of €31 million in 2018 (versus a net expense of €7 million in 2017) and included €17 million in non-recurring expenses, which primarily reflect the costs incurred in relation to acquisitions carried out in 2018. As a reminder, Edenred recorded €19 million in non-recurring income in 2017 relating to the increase in the Group's stake in UTA.

Net profit also takes into account a net financial expense of €37 million (sharply improved from €50 million in 2017), a net income tax expense of €119 million (versus €106 million in 2017, which included net non-recurring tax income of €21 million relating to the repayment of the 3% tax on dividends in France) and non-controlling interests, corresponding to an expense of €31 million versus €36 million in 2017.

- ## Strong cash flow generation

The Edenred business model generates significant cash flows, lifting funds from operations before other income and expenses (FFO) to €400 million in 2018. On a like-for-like basis, growth in FFO totaled 17.0%.

Thanks to its strong free cash flow generation (€435 million in 2018), Edenred has reduced its net debt. At end-2018, net debt amounted to €659 million, versus €696 million at end-2017, even as the Group dedicated €196 million to targeted acquisitions and allocated a total net amount of €165 million to dividend distribution, minority interests and the share buyback programs during the year.

The ratio of net debt to EBITDA stood at 1.2, an improvement of 0.2 of a point from 2017.

- ## A well-balanced debt profile

Edenred took various measures in 2018 to diversify its sources of financing.

In December 2018, Edenred successfully placed a €500 million 7-year-and-3-month bond issue. The bonds mature on March 6, 2026 and will pay a coupon of 1.875%. The new bond issue will help finance Edenred's growth plans, including the acquisition of CSI. It will also provide Edenred with greater financial flexibility, extend the maturity of its debt and diversify its financial resources under favorable conditions. Placed with a diverse base of international institutional investors, the bond issue was more than two times oversubscribed – with total demand amounting to more than €1 billion – reflecting the market's confidence in the Group's credit quality.

In addition, following the exercise of the last option granted in the facility agreement, Edenred extended the maturity of its undrawn €700 million syndicated credit facility by one year, to July 2023. By accepting this extension, all the participating banks reaffirmed their confidence in the Group's financial solidity.

In 2018, the Group received authorization from France's central bank to issue short-term negotiable debt (Negotiable EUropean Commercial Paper – NEU CP) for up to €500 million. The Group will use the proceeds from the issue for general corporate purposes.

The cost of the Group's debt was 1.2% in 2018 versus 1.8% in the prior year, down 60 basis points (1.1% versus 1.2% in 2017 excluding the Brazilian loans). The average maturity of the Group's debt has reached slightly more than 5 years and the Group has been attributed a "Strong Investment Grade" rating by Standard & Poor's (BBB+).

2018 HIGHLIGHTS

- **Edenred acquires CSI and enters the fast-growing North American corporate payment services market**

In November 2018, Edenred announced the acquisition of CSI, which will enable the Group to step up its development in the fast-growing corporate payment segment, enhance its digital payment technology platform and significantly increase its exposure to the North American market.

CSI's cloud-based accounts payable platform makes it possible to automate and streamline corporate payments. CSI has a portfolio of more than 800 corporate clients, facilitating payment to their 475,000 suppliers. In 2018, the fintech processed around 900,000 transactions, for payment volumes of around $11 billion, and recorded adjusted EBITDA of $26 million for the full year. Edenred expects CSI to generate annual revenue growth of around 20% in the coming years.

The transaction, for an amount of around €600 million, was completed in early January 2019. It will be accretive to Group EBIT from 2019 and to net profit, Group share from 2020.

- **Edenred enters the UK fleet and mobility solutions market and consolidates its position on the European toll market**

In November 2018, Edenred announced its entry into the UK fleet and mobility solutions market, one of the largest in Europe, via **the acquisition of 80% of The Right Fuelcard Company** (TRFC)[8].

The TRFC group helps 27,000 corporate clients optimize the management of their heavy and light vehicle fleets. Its 150,000 cardholders can fill up at 90% of UK service stations using monobrand or multibrand fuel cards. The TRFC group is estimated to have generated more than £11 million in EBITDA in 2018.

The acquisition of 80% of the TRFC group's share capital was completed in early January 2019 and represented an outlay of £95 million. It will be accretive to EBIT and net profit, Group share from 2019.

Similarly, in October 2018, Edenred consolidated its position on the European toll market following its **acquisition of the client portfolio of Road Account,** which specializes in toll solutions for businesses, primarily in Germany and Austria. The acquisition will enable UTA to expand its client base on the buoyant European toll market and creates new outlets for additional services.

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[8] Rontec, a service-station management company, and the Bayford group, a specialist in fuel distribution in the United Kingdom, now each hold 10% of the TRFC group's share capital.

- **Edenred increases its stakes in ProwebCE and UTA**

In April 2018, the Group acquired an additional 28% stake in ProwebCE, the French leader in solutions for works councils, thereby increasing its interest in the company to more than 99%.

In June 2018, Hermes Mineralöl GmbH exercised its put option on 17% of UTA's share capital, enabling Edenred to increase its interest in UTA to 83%.

- **Exclusive partnership with Itaú Unibanco to boost growth in the Brazilian employee benefits market**

Pursuant to an exclusive partnership agreement signed in September 2018, Edenred's Employee Benefits solutions will be distributed in Brazil by Itaú Unibanco, the country's largest privately owned bank.

The objective of the partnership is to combine Edenred's unique industry know-how with Itaú Unibanco's outstanding reach and strong corporate customer relationships, with the aim of accelerating Edenred's growth in the highly attractive Brazilian employee benefits market.

In addition, Itaú Unibanco will become a minority shareholder holding an 11% stake in Ticket Serviços to further cement the business partnership. Edenred will remain the controlling shareholder in Ticket Serviços over time, while Itaú Unibanco will have the possibility to gradually increase its minority stake.

The transaction will be accretive to Edenred's Group's EBITDA from Year 1 post-closing. The closing of the deal is subject to final approval from the competent authorities.

- **Partnership with Crédit Mutuel to market Ticket Restaurant cards**

Since October 8, 2018, customer advisors at Crédit Mutuel and its subsidiary, CIC, have marketed the Edenred Ticket Restaurant card. As a result, the 60,000 holders of meal vouchers previously distributed by Crédit Mutuel and CIC via the Monetico Resto platform have migrated to Edenred's technology platform, giving them access to the Ticket Restaurant card's unique functionalities. These include easy-to-use instant mobile meal payment via Apple Pay, Samsung Pay and Google Pay as well as direct access to eight delivery platforms including Dejbox, Deliveroo, Rapidle and Uber Eats.

SUBSEQUENT EVENTS

- **Edenred expands its Employee Benefits offering in Belgium**

In late January 2019, Edenred carried out the dual acquisition of Merits & Benefits and Ekivita. Market leaders in employee engagement platforms in Belgium, these companies offer innovative digital solutions to improve employee retention, motivation and purchasing power.

Following on from the success of ProwebCE in France, the acquisitions will strengthen the Group's Employee Benefits offering and open up significant cross-selling opportunities for Edenred in Belgium.

The acquisition of the two companies will be accretive to EBITDA and net profit, Group share from 2019.

ADOPTION OF IFRS 16 IN 2019

The new standard, IFRS 16 – Leases, which comes into effect on January 1, 2019, eliminates the idea of "operating leases" and requires entities to recognize – for all leases that fall within its scope – a lease liability calculated as the discounted present value of future minimum lease payments and a right-of-use asset, included in intangible assets.
The Group has opted for the simplified retrospective approach to transition and has decided to apply certain options made available under the new standard, including:

- the exclusion of leases with a term of less than 12 months;
- the exclusion of leases of low-value assets;
- the consistent treatment of leases qualified as finance leases under IAS 17 – Leases.

The estimated effects of applying IFRS 16 are as follows:

- recognition of a right-of-use asset in non-current assets and a corresponding lease liability for an amount of between €90 million and €100 million in the opening statement of financial position at January 1, 2019;
- €25 million to €35 million increase in EBITDA;
- no material impact on EBIT.

DIVIDEND POLICY

In line with its dividend policy, the Group is recommending a dividend for 2018 of €0.86 per share, representing a payout ratio of 80% of net profit, Group share. Shareholders may opt to receive the dividend 100% in cash or 100% in shares, with a 10% discount. The dividend will be put to the vote at Edenred's Annual Shareholders Meeting to be held on May 14, 2019.

2019 OUTLOOK

Having successfully implemented an effective, systematic approach to optimize its business levers and position as an innovative digital leader, Edenred is tackling the new year with confidence and confirms the Fast Forward strategy's medium-term targets for 2019, namely:

- like-for-like growth in operating revenue of more than 7%;
- like-for-like growth in operating EBIT of more than 9%;
- like-for-like growth in funds from operations before other income and expenses (FFO) of more than 10%.

In 2019, the Group expects to see sustained strong business growth in all regions and all business lines.

Operating in under-penetrated markets, Edenred will continue to strive for constant innovation, fueling the shift to digital and launching new products and services that meet growing needs in the working world.

During the year, the Group will also begin to reap rewards from the integration and ramp-up of acquisitions and partnerships finalized in 2018, with employee engagement platforms and indirect distribution channels to accelerate growth in Employee Benefits, and an expansion of the multi-brand offering in Fleet & Mobility Solutions in Europe. After entering the North American Corporate Payment market, which is undergoing a digital transition, the Group confirms its ambition of achieving around 20% annual growth in CSI’s operating revenue.

Leveraging its global technology platform, business excellence and digital innovation capabilities to improve the experience of employees, corporate clients and partner merchants, Edenred is pushing ahead with its strategy of generating profitable and sustainable growth.

UPCOMING EVENTS

April 18, 2019: First-quarter 2019 revenue
May 14, 2019: Annual Shareholders Meeting
July 23, 2019: First-half 2019 results
October 18, 2019: Third-quarter 2019 revenue
October 23, 2019: Capital Markets Day in London

Edenred, the global leader in payment solutions for the working world, connects 830,000 corporate clients, 47 million employee users and 1.7 million partner merchants across 45 countries. Thanks to its global technology platform, the Group managed 2.5 billion transactions in 2018, primarily carried out via mobile applications, online platforms and cards, and representing more than €28 billion in business volume.
Edenred's 8,500 staff are driven by a commitment to improving employees' quality of life, increasing companies' efficiency and boosting merchants' revenues. They achieve this through three business lines:

- Employee Benefits (food, meals, well-being, leisure, culture and human services)
- Fleet & Mobility Solutions (fuel, tolls, maintenance and business travel)
- Complementary Solutions, including Corporate Payment Services (virtual payment cards, identified wire transfers and supplier payments), Incentives & Rewards (gift cards and platforms, and incentive programs), and Public Social Programs.

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

Follow Edenred on Twitter: www.twitter.com/Edenred

We connect, You win

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APPENDICES

Glossary and list of references needed for a proper understanding of financial information

a) Main terms

- **Like-for-like, impact of changes in the scope of consolidation, currency effect:**

Like-for-like or organic growth corresponds to comparable growth, i.e., growth at constant exchange rates and scope of consolidation. This indicator reflects the Group's business performance.

Changes in activity (like-for-like or organic growth) represent changes in amounts between the current period and the comparative period, adjusted for currency effects and for the impact of acquisitions and/or disposals.

The impact of acquisitions is eliminated from the amount reported for the current period. The impact of disposals is eliminated from the amount reported for the comparative period. The sum of these two amounts is known as the impact of changes in the scope of consolidation or the scope effect.

The calculation of changes in activity is translated at the exchange rate applicable in the comparative period and divided by the adjusted amount for the comparative period.

The currency effect is the difference between the amount for the reported period translated at the exchange rate for the reported period and the amount for the reported period translated at the exchange rate applicable in the comparative period.

- **Business volume:**

Business volume comprises total issue volume of Employee Benefits, Incentive and Rewards, Public Social Program solutions and Corporate Payment Services, plus the transaction volume of Fleet & Mobility Solutions and other solutions.

- **Issue volume:**

Issue volume is the total face value of the funds preloaded on all of the payment solutions issued by Edenred to its corporate and public sector clients.

- **Transaction volume:**

Transaction volume represents the total value of the transactions paid for with payment instruments, at the time of the transaction.

b) Alternative performance measurement indicators included in the 2018 Annual Financial Report

The alternative performance measurement indicators outlined below are presented and reconciled with accounting data in the Annual Financial Report.

Indicator	Reference note in Edenred's 2018 consolidated financial statements
Operating revenue	Operating revenue corresponds to: • operating revenue generated by prepaid vouchers managed by Edenred, • and operating revenue from value-added services such as incentive programs, human services and event-related services. It corresponds to the amount billed to the client company and is recognized on delivery of the solutions.
Other revenue	Other revenue is interest generated by investing cash over the period between: • the issue date and the reimbursement date for vouchers, • and the loading date and the redeeming date for cards. The interest represents a component of operating revenue and as such is included in the determination of total revenue.
EBITDA	This aggregate corresponds to total revenue (operating revenue and other revenue) less operating expenses.
EBIT	This aggregate is the "Operating profit before other income and expenses", which corresponds to total revenue (operating revenue and other revenue) less operating expenses, depreciation, amortization (mainly intangible assets, internally generated or acquired assets) and non-operating provisions. It is used as the benchmark for determining senior management and other executive compensation as it reflects the economic performance of the business. EBIT excludes the net profit from equity-accounted companies and excludes the other income and expenses booked in the "Operating profit including share of net profit from equity-accounted companies".
Other income and expenses	*See Note 10.1 of consolidated financial statements*
Funds from operations (FFO)	*See consolidated statement of cash flows (Part 1.4)*

c) Alternative performance measurement indicators not included in the 2018 Annual Financial Report

Indicator	Definitions and reconciliations with Edenred's 2018 consolidated financial statements
Operating EBIT	Corresponds to EBIT adjusted for other revenue. As per the consolidated financial statements, operating EBIT as of December 31, 2018 amounted to €410 million, comprising: • €461 million in EBIT • minus €51 million in other revenue.

Operating revenue

In € millions	Q1 2018	Q1 2017	Q2 2018	Q2 2017	Q3 2018	Q3 2017	Q4 2018	Q4 2017	FY 2018	FY 2017
Europe	183	161	179	155	179	149	214	187	755	652
France	*63*	*57*	*55*	*49*	*54*	*47*	*67*	*62*	*239*	*215*
Rest of Europe	*120*	*104*	*124*	*106*	*125*	*102*	*147*	*125*	*516*	*437*
Latin America	119	132	124	132	116	125	138	136	497	525
Rest of the world	17	17	18	19	18	19	22	21	75	76
Total	**319**	**310**	**321**	**306**	**313**	**293**	**374**	**344**	**1,327**	**1,253**

In %	Q1 Change reported	Q1 Change L/L	Q2 Change reported	Q2 Change L/L	Q3 Change reported	Q3 Change L/L	Q4 Change reported	Q4 Change L/L	FY Change reported	FY Change L/L
Europe	+13.7%	+11.9%	+15.7%	+14.1%	+19.3%	+18.0%	+14.7%	+14.4%	+15.7%	+14.6%
France	*+10.3%*	*+8.6%*	*+10.8%*	*+10.2%*	*+13.4%*	*+12.4%*	*+10.1%*	*+9.1%*	*+11.0%*	*+10.0%*
Rest of Europe	*+15.6%*	*+13.8%*	*+18.0%*	*+15.9%*	*+22.0%*	*+20.6%*	*+16.9%*	*+17.0%*	*+18.1%*	*+16.8%*
Latin America	-9.5%	+7.6%	-6.2%	+13.1%	-7.2%	+11.3%	+1.9%	+16.0%	-5.2%	+12.0%
Rest of the world	-3.2%	+6.6%	-5.3%	+9.8%	-3.1%	+9.4%	+4.2%	+19.6%	-1.7%	+11.6%
Total	**+2.9%**	**+9.8%**	**+5.0%**	**+13.4%**	**+6.5%**	**+14.6%**	**+9.0%**	**+15.3%**	**+5.9%**	**+13.3%**

Other revenue, formerly financial revenue

	Q1		Q2		Q3		Q4		FY	
In € millions	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
Europe	4	6	3	6	3	6	4	6	14	24
France	*2*	*3*	*1*	*3*	*1*	*2*	*2*	*2*	*6*	*10*
Rest of Europe	*2*	*3*	*2*	*3*	*2*	*4*	*2*	*4*	*8*	*14*
Latin America	8	10	8	9	8	10	8	9	32	38
Rest of the world	1	2	1	1	1	1	2	1	5	5
Total	**13**	**18**	**12**	**16**	**12**	**17**	**14**	**16**	**51**	**67**

	Q1		Q2		Q3		Q4		FY	
In %	**Change reported**	**Change L/L**	**Change reported**	**Change L/L**	**Change reported**	**Change L/L**	**Change reported**	**Change L/L**	**Change reported**	**Change L/L**
Europe	-44.7%	-44.6%	-43.9%	-43.8%	-38.2%	-38.3%	-24.0%	-23.9%	-38.1%	-38.0%
France	*-36.2%*	*-36.2%*	*-34.7%*	*-34.7%*	*-38.6%*	*-38.6%*	*-26.3%*	*-26.3%*	*-34.3%*	*-34.3%*
Rest of Europe	*-50.7%*	*-50.5%*	*-50.4%*	*-50.1%*	*-38.0%*	*-38.1%*	*-22.5%*	*-22.3%*	*-40.8%*	*-40.6%*
Latin America	-19.3%	-7.0%	-18.9%	-3.3%	-17.9%	-4.1%	-15.1%	-7.2%	-17.8%	-5.4%
Rest of the world	+1.9%	+24.8%	-14.4%	+12.0%	-23.4%	+12.2%	+15.0%	+50.0%	-5.8%	+24.6%
Total	**-27.1%**	**-18.6%**	**-27.4%**	**-16.5%**	**-25.7%**	**-15.1%**	**-15.8%**	**-8.3%**	**-24.1%**	**-14.7%**

Total revenue, formerly total income

In € millions	Q1 2018	Q1 2017	Q2 2018	Q2 2017	Q3 2018	Q3 2017	Q4 2018	Q4 2017	FY 2018	FY 2017
Europe	187	167	182	161	182	155	218	193	769	676
France	*65*	*60*	*56*	*52*	*55*	*49*	*69*	*64*	*245*	*225*
Rest of Europe	*122*	*107*	*126*	*109*	*127*	*106*	*149*	*129*	*524*	*451*
Latin America	127	142	132	141	124	135	146	145	529	563
Rest of the world	18	19	19	20	19	20	24	22	80	81
Total	**332**	**328**	**333**	**322**	**325**	**310**	**388**	**360**	**1,378**	**1,320**

In %	Q1 Change reported	Q1 Change L/L	Q2 Change reported	Q2 Change L/L	Q3 Change reported	Q3 Change L/L	Q4 Change reported	Q4 Change L/L	FY Change reported	FY Change L/L
Europe	+11.5%	+9.8%	+13.5%	+12.0%	+17.1%	+15.9%	+13.6%	+13.3%	+13.9%	+12.7%
France	*+8.2%*	*+6.6%*	*+8.7%*	*+8.2%*	*+10.9%*	*+9.9%*	*+8.9%*	*+7.9%*	*+9.1%*	*+8.1%*
Rest of Europe	*+13.3%*	*+11.5%*	*+15.8%*	*+13.8%*	*+20.0%*	*+18.6%*	*+15.9%*	*+16.0%*	*+16.2%*	*+15.0%*
Latin America	-10.2%	+6.5%	-7.0%	+12.0%	-7.9%	+10.3%	+0.7%	+14.4%	-6.0%	+10.8%
Rest of the world	-2.9%	+7.6%	-5.8%	+10.0%	-4.5%	+9.6%	+4.8%	+21.4%	-2.0%	+12.4%
Total	**+1.3%**	**+8.3%**	**+3.3%**	**+11.9%**	**+4.8%**	**+13.0%**	**+7.9%**	**+14.2%**	**+4.4%**	**+11.9%**

EBITDA, Operating EBIT and EBIT

In € millions	2018	2017	Change reported	Change L/L
Europe	284	232	+22.3%	+20.0%
France	66	59	+12.2%	+11.8%
Rest of Europe	218	173	+25.8%	+22.8%
Latin America	251	260	-3.4%	+14.6%
Rest of the world	13	15	-17.5%	+13.0%
Holding and others	(12)	(5)	+121.2%	+87.9%
EBITDA	**536**	**502**	**+6.7%**	**+16.2%**

In € millions	2018	2017	Change reported	Change L/L
Europe	234	175	+32.7%	+30.3%
France	49	39	+24.0%	+23.5%
Rest of Europe	185	136	+35.2%	+32.2%
Latin America	188	189	-0.4%	+19.3%
Rest of the world	5	7	-26.4%	+16.0%
Holding and others	(17)	(9)	+80.1%	+60.4%
Operating EBIT	**410**	**362**	**+13.1%**	**+23.5%**

In € millions	2018	2017	Change reported	Change L/L
Europe	248	199	+24.3%	+22.2%
France	55	49	+12.5%	+12.2%
Rest of Europe	193	150	+28.1%	+25.4%
Latin America	220	227	-3.4%	+15.1%
Rest of the world	10	12	-18.0%	+19.5%
Holding and others	(17)	(9)	+80.1%	+60.4%
EBIT	**461**	**429**	**+7.3%**	**+17.5%**

Summarized balance sheet[9]

In € millions ASSETS	Dec. 2018	Dec. 2017 restated
Goodwill	976	994
Intangible assets	432	433
Property, plant & equipment	52	46
Investments in associates	66	62
Other non-current assets	123	130
Float (Trade receivables, net)	1,949	1,744
Working capital excl. float (assets)	233	236
Restricted cash	1,402	1,127
Cash & cash equivalents	2,037	1,439
TOTAL ASSETS	**7,270**	**6,211**

In € millions LIABILITIES	Dec. 2018	Dec. 2017 restated
Total equity	(1,451)	(1,362)
Gross debt and other financial liabilities	2,696	2,136
Provisions and deferred tax	215	219
Vouchers in circulation (Float)	4,959	4,749
Working capital excl. float (liabilities)	851	469
TOTAL LIABILITIES	**7,270**	**6,211**

	Dec. 2018	Dec. 2017 restated
Total working capital	**3,628**	**3,238**
Of which float:	**3,010**[10]	**3,005**

[9] Balance sheet, as of 31 December, 2017, is restated from IFRS 9 and 15 impacts.
[10] 2018 float like-for-like growth was 5.4%.

Reconciliation of 2017 operating revenue according to IFRS 15

	Q1			Q2			Q3			Q4			FY 2017		
In € millions	Reported	**Restated**	*Change*	Reported	**Restated**	*Change*	Reported	**Restated**	*Change*	Reported	**Restated**	*Change*	Reported	**Restated**	Change
Europe	156	**161**	+5	160	**155**	-5	149	**149**	0	208	**187**	-21	673	**652**	*-21*
France	*50*	***57***	+7	*50*	***49***	*-1*	*45*	***47***	+2	*74*	***62***	-12	*219*	***215***	*-4*
Rest of Europe	*106*	***104***	-2	*110*	***106***	*-4*	*104*	***102***	-2	*134*	***125***	-9	*454*	***437***	*-17*
Latin America	130	**132**	+2	132	**132**	0	126	**125**	-1	136	**136**	0	524	**525**	*+1*
Rest of the World	19	**17**	-2	19	**19**	0	18	**19**	+1	19	**21**	+2	75	**76**	*+1*
Total	**305**	**310**	+5	**311**	**306**	-5	**293**	**293**	0	**363**	**344**	-19	**1 272**	**1 253**	*-19*

Reconciliation of 2017 operating EBIT according to IFRS 15

	H1 2017			H2 2017			FY 2017		
In € millions	Reported	**Restated**	*Change*	Reported	**Restated**	*Change*	Reported	**Restated**	Change
Europe	85	**92**	+7	98	**83**	-15	183	**175**	-8
France	*18*	***25***	*+7*	*24*	***14***	*-10*	*42*	***39***	*-3*
Rest of Europe	*67*	***67***	*0*	*74*	***69***	*-5*	*141*	***136***	*-5*
Latin America	89	**90**	+1	99	**99**	0	188	**189**	+1
Rest of the World	4	**2**	-2	4	**5**	+1	8	**7**	-1
Holding and others	(11)	**(11)**	0	2	**2**	0	(9)	**(9)**	0
Total	**167**	**173**	+6	**203**	**189**	-14	**370**	**362**	-8

Reconciliation of 2017 EBIT according to IFRS 15

	H1 2017			H2 2017			FY 2017		
In € millions	Reported	**Restated**	*Change*	Reported	**Restated**	*Change*	Reported	**Restated**	Change
Europe	97	**104**	+7	110	**95**	-15	207	**199**	-8
France	*23*	***30***	*+7*	*29*	***19***	*-10*	*52*	***49***	*-3*
Rest of Europe	*74*	***74***	*0*	*81*	***76***	*-5*	*155*	***150***	*-5*
Latin America	109	**110**	+1	117	**117**	0	226	**227**	+1
Rest of the World	6	**4**	-2	7	**8**	+1	13	**12**	-1
Holding and others	(11)	**(11)**	0	2	**2**	0	(9)	**(9)**	0
Total	**201**	**207**	+6	**236**	**222**	-14	**437**	**429**	-8