



Edenred accelerates its development in Expense Management

Alliance with Embratec in Brazil

Conference call - 12 January 2016



A UNIQUE OPPORTUNITY FOR EDENRED

Acceleration of the Group's development in Expense Management

- Creation of a **major player**, owned at 65% by Edenred, in the fast-growing and under-penetrated **Expense Management** market in Brazil
- Doubling the size** of Edenred's Expense Management business in Brazil
- A strategic deal with a **successful Brazilian partner**, with a strong track-record and a prime market position
- A **value-creating transaction**, with significant cost and business synergies expected
- A transaction financed mainly by a **contribution of assets** with a **cash complement of R\$790m⁽¹⁾**
- Confirmation of Edenred's credit rating** (BBB+ / Stable outlook) by S&P post-transaction



⁽¹⁾ Equivalent to approximately €180m based on closing price of R\$4.389 for 1 euro on January 11, 2016.

EDENRED PROFILE POST-TRANSACTION

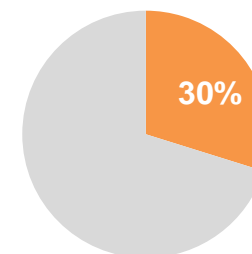
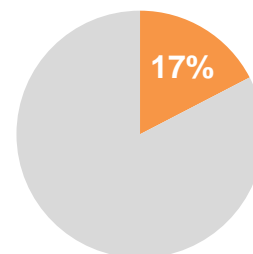
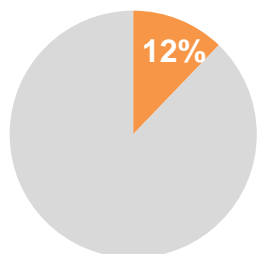
Higher contribution of Expense Management, moderate increase of exposure to Brazil

EDENRED GROUP
"AS IS"

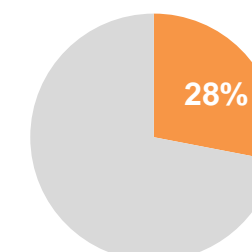
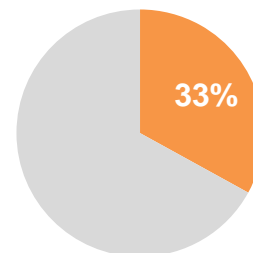
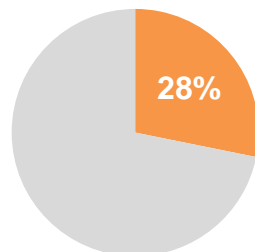
EDENRED GROUP
POST-EMBRATEC

EDENRED GROUP
POST-EMBRATEC & UTA⁽¹⁾

Contribution of
**Expense
Management**
to Group IV⁽¹⁾



Contribution
of **Brazil**
to
Group IV



NB: 2014 figures restated with an assumption of **€1 = R\$3,693** on average for 2015.


(1) IV = Issue Volume.

(2) Considering full consolidation of UTA, after exercise of call option on 17% of the company (exercisable from 2017).

Transaction Structure

1 | EMBRATEC PRESENTATION

Key facts & figures



#2
player in the Fuel & Fleet
market in Brazil

2014 Issue Volume of
R\$4,470m⁽¹⁾

970
employees

2014 revenue of
R\$275m⁽¹⁾

founded in
1999

2014 EBITDA margin of
33%

A SUCESSFUL FAMILY-OWNED BUSINESS

- A group created and owned by 2 successful and well-established **Brazilian families**
- **Strong financial track-record** since creation of Embratec (CAGR 2010-14 of +22% for IV and +38% for EBITDA)
- Both families will **remain shareholders** of the Joint-Venture with a 35% stake




(1) Issue Volume of €1,210m and revenue of €74m at 2015 average exchange rate of R\$3.693 for 1€..


1 EMBRATEC BUSINESS PROFILE


A strong player on the Expense Management market in Brazil


Fuel & Fleet
78% of IV





eco frotas EXPERS
uma solução


 Heavy & Light Fleet

 2014 IV of R\$3,492m⁽¹⁾

 ~15k clients

 13k affiliated gas stations

 Partnership between Shell / Raizen and Ecofrotas

 6k repair workshops

Salary Anticipation
12% of IV



Salary Anticipation


 2014 IV of R\$522m⁽¹⁾


Employee Benefits
10% of IV




Food & Meal

 2014 IV of R\$455m⁽¹⁾

 3.2k clients

 538k affiliated merchants

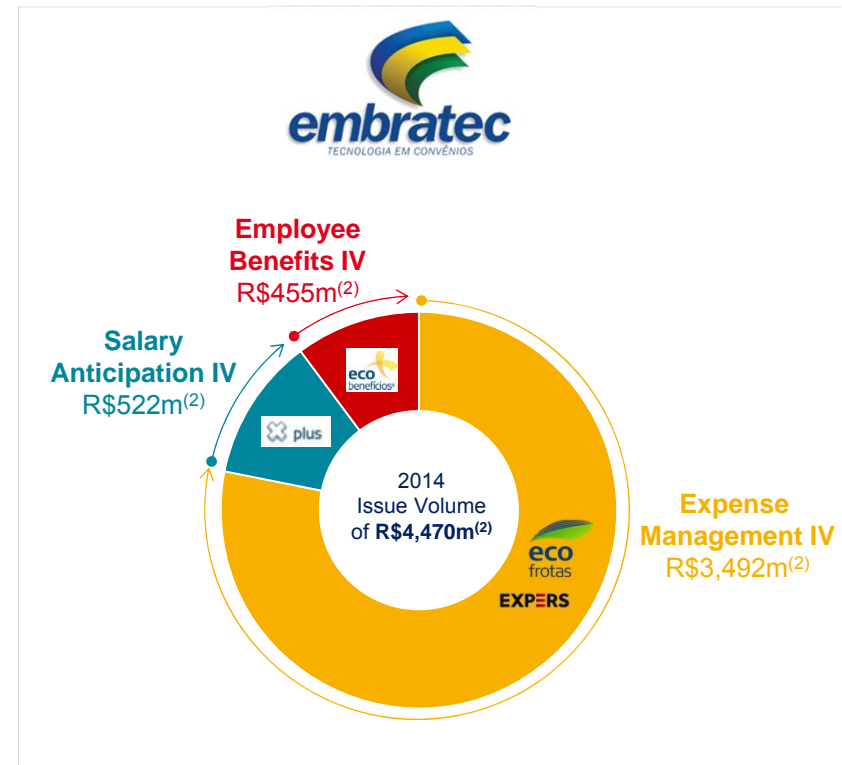
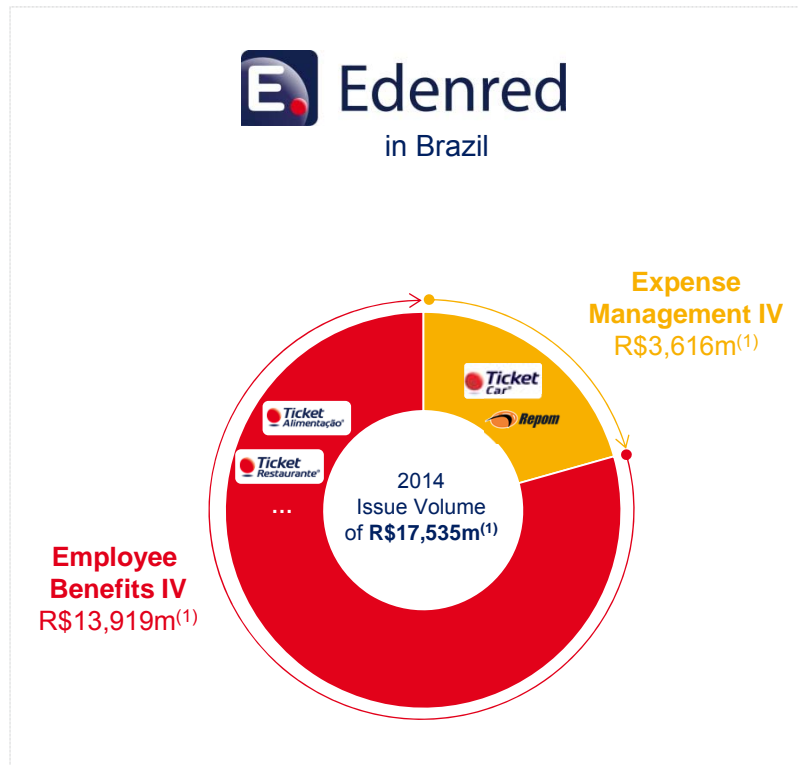
 2.4m users



(1) Issue Volume of €946m for Expense Management, €141m for Salary Anticipation and €123m for Employee Benefits at 2015 average exchange rate of R\$3.693 for 1€.

1 | EXISTING STRUCTURES FOR EDENRED & EMBRATEC

2 groups with complementary business exposures

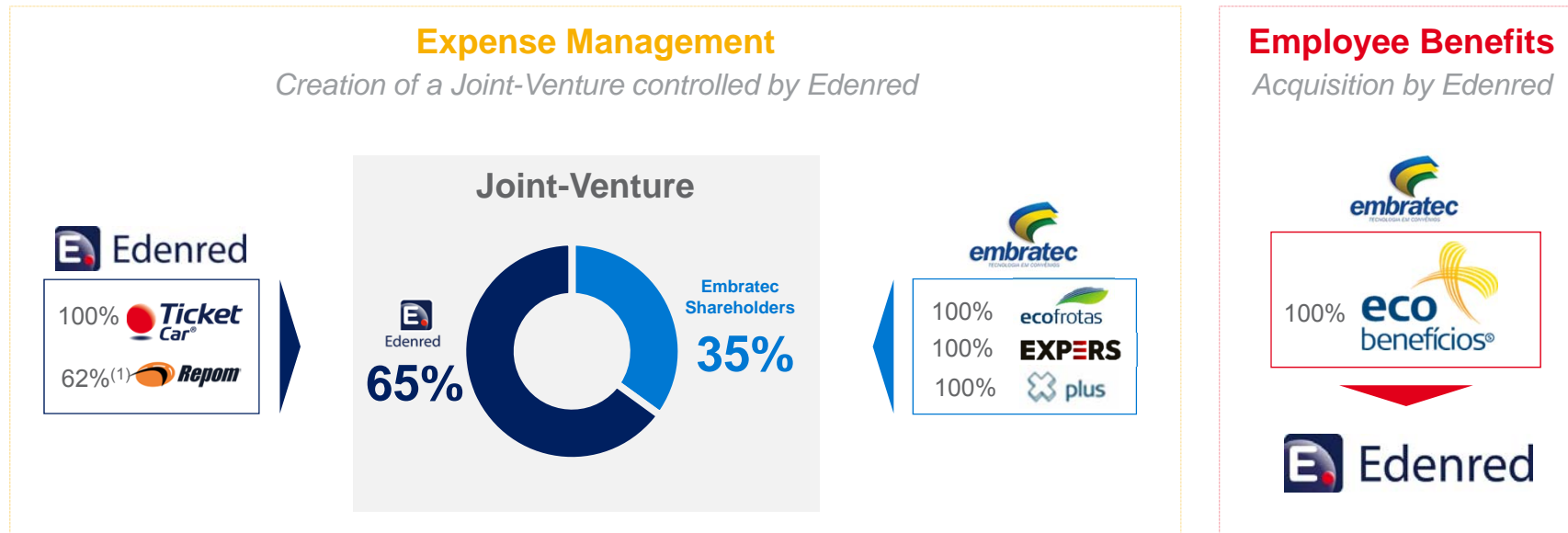


⁽¹⁾ Issue Volume of €4,746m split between €3,769m for Employee Benefits and €979m for Expense Management at 2015 average exchange rate of R\$3.693 for 1€.

⁽²⁾ Issue Volume of €1,210m split between €123m for Employee Benefits, €946m for Expense Management and €141m for Salary Anticipation at 2015 average exchange rate of R\$3.693 for 1€.

1 TRANSACTION STRUCTURE

Creation of a Joint-Venture in Expense Management controlled by Edenred



Total transaction consideration : assets brought to the Joint-Venture + cash payment of R\$790m⁽²⁾

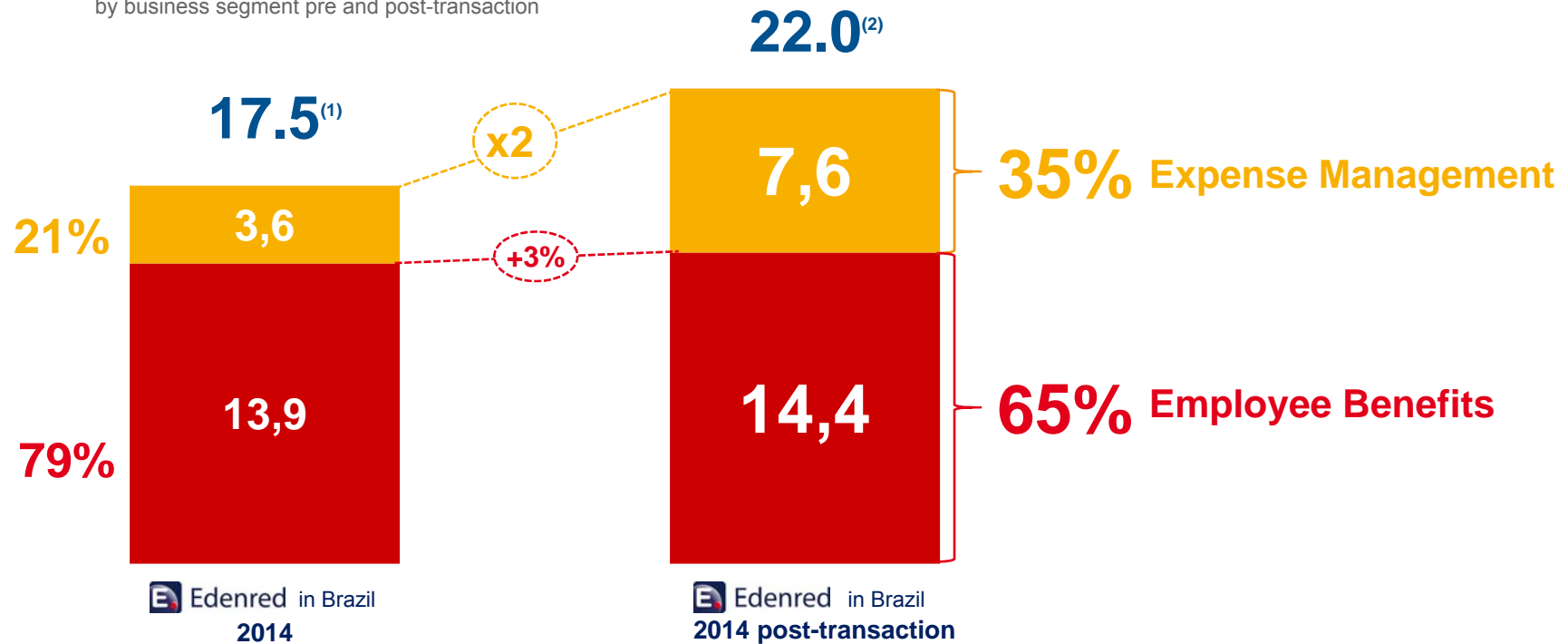


(1) Repom shareholders are Edenred (62%) and family shareholders and management (38%).
 (2) Equivalent to approximately €180m based on closing price of R\$4.389 for 1 euro on January 11, 2016.

1 EVOLUTION OF EDENRED BRAZIL'S BUSINESS PROFILE

Doubling the size of Edenred's Expense Management business in Brazil

Edenred Brazil Issue Volume (R\$bn) for 2014
by business segment pre and post-transaction



(1) Issue volume before transaction of €4.7bn split between €3.8bn in Employee Benefits and €0.9bn in Expense Management at 2015 average exchange rate of R\$3.693 for 1€.

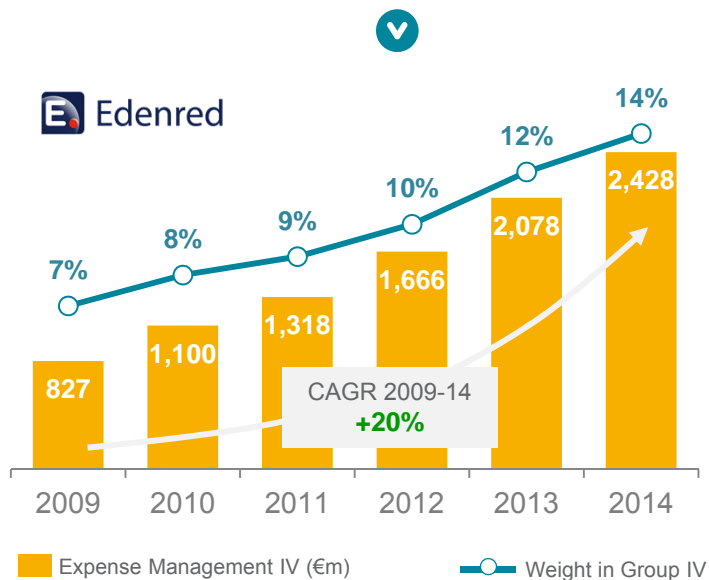
(2) Issue volume pro forma post-transaction of €5.9bn split between €3.9bn in Employee Benefits and €2.1bn in Expense Management at 2015 average exchange rate of R\$3.693 for 1€..

Strategic Rationale

2 EXPENSE MANAGEMENT: 2ND PILLAR FOR GROWTH

A major growth lever for the Group

A fast-growing business



Based on public figures

2015 / 2016 achievements

- Development in Europe, through our investment in UTA, to take advantage of a strong market potential
 - 34% ownership, with a call option on 17% exercisable from 2017
- Expansion in Latin America with Ticket Car®, through
 - keeping a strong growth momentum in Mexico
 - leveraging on the partnership signed with Daimler in Brazil
- NEW** becoming a major player of the Brazilian Expense Management market through a promising alliance with Embratel

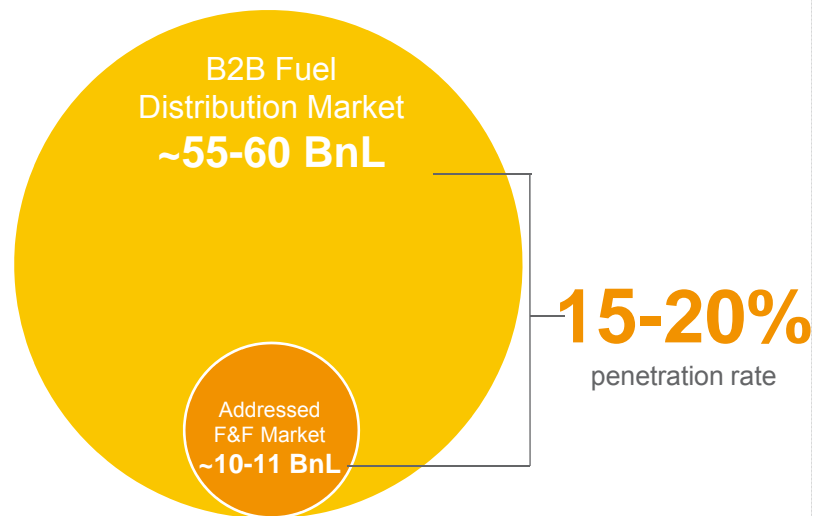
A unique opportunity, consistent with the Group's long-term strategy



2 | BRAZILIAN FUEL & FLEET MARKET

An underpenetrated market with strong potential

PENETRATION LEVELS (Billion Liters)



MARKET GROWTH DRIVERS

Strong growth potential thanks to:

- Brazilian transportation infrastructure **highly relying on road**
- **Growing penetration** of Fuel & Fleet solutions
- **Resilience to macro volatility** as focus on cost control is a structural trend for Brazilian corporates

+20.2% Issue Volume growth for Edenred Brazil Expense Management business in Q3 2015



Source : Edenred estimates & market studies

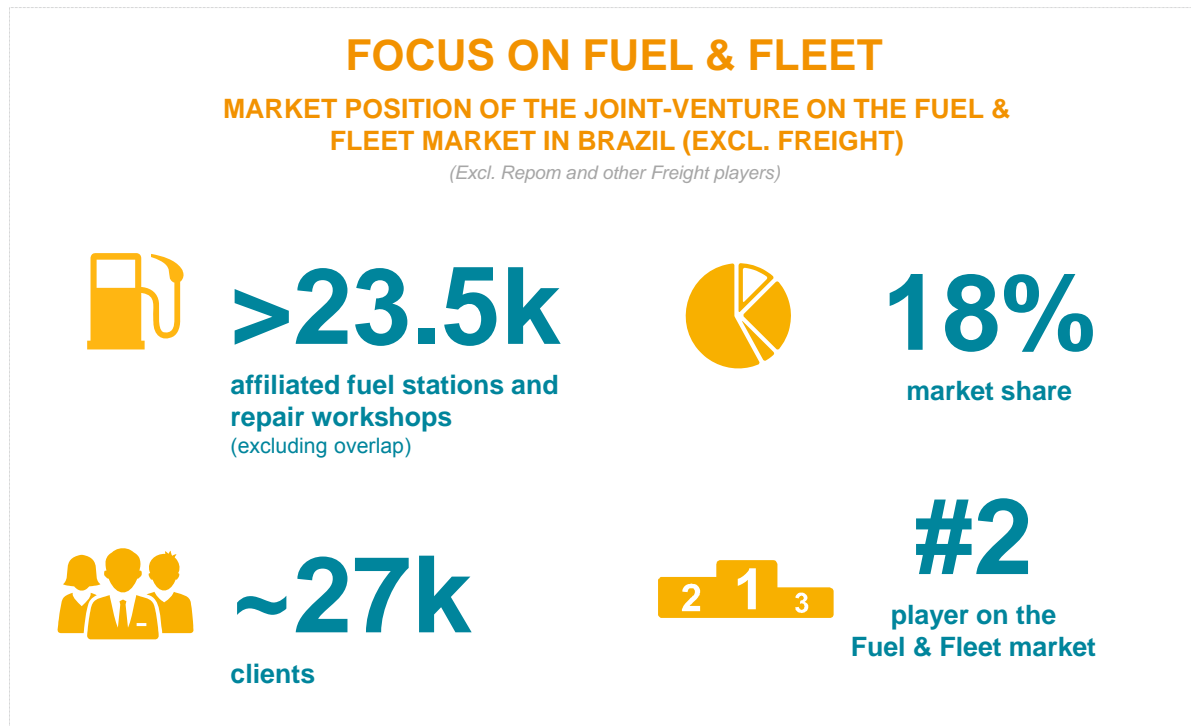
2 | CREATION OF A MAJOR PLAYER IN FUEL & FLEET

Edenred gets key position to capture growth in Brazil



R\$7.6bn ⁽¹⁾
of Issue Volume

R\$450m ⁽¹⁾
of Revenue



Source : Edenred estimates & market studies



⁽¹⁾ Issue Volume and revenue of respectively €2.1bn and €122m at 2015 average exchange rate of R\$3.693 for 1 euro. Based on 2014 figures.

 Financials

3

SYNERGIES

Sizeable synergies expected in Expense Management

Business synergies

- Improve sales efficiency
- Densify geographical reach
- Leverage on best practices (loyalty, pricing, etc.)

Costs

- Corporate and Support functions rationalization
- IT platform mutualization
- Economies of scale on variable costs

R\$60m

annual synergies expected within 3 years post-closing



3 | FINANCIALS

- Closing of transaction is **expected in H1 2016** (after review by competition authorities)
- A transaction adding a minimum **R\$90m⁽¹⁾** of additional EBITDA to Edenred (2014 basis, before synergies)
- A deal based on a **~14x EBITDA** to value assets (including some synergies)
- An **EPS accretive** transaction as of 2016 (2% on an annual basis and before purchase accounting impact)
- **R\$790m⁽²⁾ cash payment** by Edenred to Embratel shareholders
- **BBB+ / Stable outlook credit rating maintained** by S&P



(1) Additional EBITDA of €23m at 2015 average exchange rate of R\$3.693 for 1 euro.
(2) Equivalent to approximately €180m based on closing price of R\$4.389 for 1 euro on January 11, 2016.

Conclusion

4 CONCLUSION

A strategic opportunity to strengthen Edenred's growth profile

1. Create and operate a **major player on the Fuel & Fleet** market in Brazil, which offers strong growth potential
2. Increase Group **exposure to Expense Management**, an expanding and underpenetrated market, which would represent 30% of the Group's issue volume in 2017
3. Leverage on the **commitment of founding families**, showing confidence in the promising prospects of the Joint-Venture on the Brazilian market
4. **Consolidate further market shares** on Employee Benefits
5. Capture **synergies** and enhance the margin profile of Edenred

