2

Financial review

AFR

2.1 Consolidated results

2.1.1 Introduction

Record earnings and growth in 2021

- **Record total revenue of €1,627 million, up 14% like-for-like** (+11% as reported) *versus* 2020, in a year still impacted by the Covid-19 pandemic.
  - **Operating revenue also up 14% like-for-like**, with double-digit organic growth across all business lines and all regions;
  - **Operating revenue up 11% like-for-like *versus* 2019** (pre-Covid).
- **Record EBITDA of €670 million**, *i.e.*, at the upper end of the announced target range, representing **a rise of 18% like-for-like** (+15% as reported) *versus* 2020.
  - **EBITDA margin up 1.6 percentage points**, back to its pre-Covid level (41.1%).
- **Net profit, Group share up 31% to an all-time high of €313 million.**
- **Record cash flow generation, with FFO [1] of €556 million, up 20%** like-for-like.
  - Decrease in the **net debt/EBITDA ratio, to 1.2x** (*vs.* 1.9x at end-2020), with **net debt of €816 million**.
- **Dividend of €0.90 per share proposed**, up 20% [2].

A year full of product, technology and sales developments

- **Expansion of the multi-benefit offering in Employee Benefits**, with the launch of Ticket SuperFlex in Brazil, for example.
- **Success of the Beyond Fuel offering**, as notably seen with the rollout of fleet maintenance management solutions in Latin America.
- **Shift to fully digital solutions** (paperless and plasticless) in nine countries, and launch of an **in-app pay-at-table service** (*via* QR code).
- **API connection to almost 200 meal delivery platforms in 23 countries worldwide.**
- **Sales wins, notably with a 20% increase in new contracts signed in the SME segment.**
- **Strong progress in ESG indicators** in line with the targets of our 2022-2030 CSR policy, and issuance of a **€400 million sustainability-linked convertible bond**.

Edenred confirms its Next Frontier (2019-2022) plan targets for 2022

- Building on its capacity to roll out new services and solutions on its global platform and expand its client base, Edenred intends to keep delivering sustained organic growth across all of its regions and all of its business lines.
- Edenred should also benefit from economic tailwinds such as higher inflation, rising interest rates and lower unemployment.
- As a result, for 2022, the Group is confirming the annual minimum targets set in its Next Frontier (2019-2022) plan:
  - like-for-like operating revenue growth of more than 8%;
  - like-for-like EBITDA growth of more than 10%;
  - free cash flow/EBITDA conversion rate of more than 65% [3].

The consolidated financial statements [4] for 2021 were approved for publication by the Board of Directors on February 21, 2022.

(1) Funds from operations before other income and expenses.
(2) To be proposed at the General Meeting scheduled for May 11, 2022.
(3) Based on constant regulations and methods.
(4) The audit has been completed and the auditors issued their opinion after having finalized the review of the Management Report and the due diligence procedures on the ESEF electronic format of the 2020 financial statements.

Key financial metrics for 2021

(in € millions)	2021	2020	% CHANGE (LIKE-FOR-LIKE)	% CHANGE (REPORTED)
Operating revenue	1,583	1,423	+13.9%	+11.3%
Other revenue (A)	44	42	+12.2%	+4.6%
Total revenue	**1,627**	**1,465**	**+13.8%**	**+11.1%**
EBITDA	**670**	**580**	**+18.4%**	**+15.5%**
Operating EBIT (B)	494	413	+22.1%	+19.6%
EBIT (A + B)	**538**	**455**	**+21.2%**	**+18.2%**
Net profit, Group share	**313**	**238**		**+31.4%**
Free cash flow	*518*	*640*		*-19.1%*
Net debt	**816**	**1,115**		**-26.8%**
Leverage ratio (net debt/EBITDA)	*1.2x*	*1.9x*		

2.1.2 Analysis of consolidated financial results

Record total revenue: €1,627 million

Total revenue for 2021 amounted to €1,627 million, up 13.8% like-for-like compared with 2020. On a reported basis, total revenue was up 11.1%, including an unfavorable currency effect (-2.3%) and a slightly negative scope effect (-0.4%).

Although the fourth-quarter 2020 basis for comparison was less favorable than for the first part of the year, total revenue for the fourth quarter of 2021 came to €466 million, up 12.6% like-for-like and up 12.9% as reported, including a positive currency effect (+0.9%) and a slightly negative scope effect (-0.6%).

Operating revenue: €1,583 million

Operating revenue for 2021 came in at €1,583 million, up 13.9% like-for-like *versus* 2020. Growth was in the double digits across all businesses and all major regions, in a year still impacted by the Covid-19 pandemic. On a reported basis, an unfavorable currency effect (-2.2%) and a slightly negative scope effect (-0.4%) resulted in growth of 11.3%.

Compared with 2019 [(1)], like-for-like growth came to 10.9%. Operating revenue was thus higher than pre-crisis levels despite an unfavorable currency effect, putting the Group back on a healthy growth trajectory. This performance reflects both the Group's strong sales momentum in all of its markets – notably in the SME segment – and its ability to continually enhance its offering and provide clients with innovative new digital solutions.

In the fourth quarter, operating revenue totaled €454 million, up 12.4% like-for-like compared with the same period in 2020 and up 12.8% on a reported basis, as the Group maintained the strong growth momentum already recorded in the third quarter.

(1) Like-for-like comparisons with 2019 correspond to the sum in euros of like-for-like growth for the period in 2020 and 2021.

Operating revenue by business line

(in € millions)	2021	2020	% CHANGE (LIKE-FOR-LIKE)	% CHANGE (REPORTED)
Employee Benefits	961	874	+12.0%	+10.0%
Fleet & Mobility Solutions	414	355	+20.3%	+16.5%
Complementary Solutions	208	194	+10.6%	+7.6%
TOTAL	**1,583**	**1,423**	**+13.9%**	**+11.3%**

(in € millions)	FOURTH-QUARTER 2021	FOURTH-QUARTER 2020	% CHANGE (LIKE-FOR-LIKE)	% CHANGE (REPORTED)
Employee Benefits	279	255	+9.5%	+9.5%
Fleet & Mobility Solutions	114	94	+18.8%	+21.1%
Complementary Solutions	61	53	+15.1%	+13.6%
TOTAL	**454**	**402**	**+12.4%**	**+12.8%**

Operating revenue for the **Employee Benefits** business line was €961 million in 2021, up 12.0% compared with 2020 and representing 61% of the consolidated total. Growth was supported by a solid performance in Europe, while the health situation continued to affect business in Latin America, notably during the first half.

By demonstrating its ability to expand its Employee Benefits range to provide ever-greater support to its clients, Edenred has gained strong commercial leverage to enable it to continue penetrating its markets. In today's fast-changing world of work, employers are looking to enhance their appeal and boost staff engagement by offering a variety of flexible, digital solutions that increase employees' purchasing power, improve their well-being and fit with their lifestyles and consumption habits.

As a true partner to Human Resources teams, Edenred developed innovative new solutions in 2021, such as platforms to bring services to employees working from home in France and Mexico, and a multi-benefit offering of employee benefits in Brazil (Ticket Superflex). The Group also continued to roll out fully digital – paperless and plasticless – solutions, enabling employers to quickly, easily and securely provide employees with *Ticket Restaurant* benefits (France, Spain, Finland, Greece, Italy and Poland) and gift vouchers (France, Romania, Belgium and Taiwan), for example.

In the fourth quarter, operating revenue for Employee Benefits amounted to €279 million, up 9.5% like-for-like compared with the same period in 2020. Growth was driven by strong sales momentum in the SME segment and by a solid performance from end-of-year gift card campaigns.

In the **Fleet & Mobility Solutions** business line, which accounts for 26% of Edenred's total operating revenue, 2021 operating revenue amounted to €414 million, up 20.3% like-for-like compared with 2020.

This performance reflects robust sales momentum, driven by the relevance of the Group's multi-service offering in still relatively untapped markets. Edenred is a partner of choice for fleet managers, providing a digital solution to automate management of all vehicle-related costs (fuel/charge, tolls, maintenance, telematics, etc.).

As part of its Beyond Fuel strategy, Edenred extended the use of its single UTA One toll box to five new European countries in 2021, for example, and launched a cloud-based vehicle data platform in Brazil. In addition, the Group sees the rise of electric and hybrid vehicles in Europe as an opportunity to help its clients navigate this complex transformation (*e.g.*, different charging methods – at the office, at home, on the road).

In the fourth quarter, operating revenue for Fleet & Mobility Solutions came to €114 million, up 18.8% like-for-like compared with the same period in 2020.

In the **Complementary Solutions** business line, comprising Corporate Payment Services, Incentive & Rewards and Public Social Programs and representing 13% of Edenred's total operating revenue, operating revenue for 2021 was up 10.6% like-for-like to €208 million.

Growth for this business reflects the good performance of Corporate Payment Services in North America, operated through CSI, a Group subsidiary. CSI's comprehensive accounts payable solution is now integrated within the Sage Intacct accounting software, boosting the subsidiary's commercial presence among small and medium-sized businesses. CSI has also partnered with several banks (such as Citi) to link its payment solution to their treasury management services – an effective way to market its offering to key accounts.

This strong growth is also the result of Edenred's ability to continually design, enhance and implement specific earmarked funds programs for administering public subsidies or enabling unbanked employees to receive their wages digitally. For example, through its C3 application, Edenred now provides United Arab Emirates meal delivery platform Talabat's 15,000 riders with access to basic value-added financial services that make their daily lives easier.

In the fourth quarter, operating revenue for Complementary Solutions came to €61 million, a rise of 15.1% like-for-like compared with the same period in 2020.

Operating revenue by region

(in € millions)	2021	2020	% CHANGE (LIKE-FOR-LIKE)	% CHANGE (REPORTED)
Europe	1,010	900	+11.7%	+12.1%
Latin America	452	406	+17.9%	+11.4%
Rest of the World	121	117	+16.5%	+4.3%
TOTAL	**1,583**	**1,423**	**+13.9%**	**+11.3%**

(in € millions)	FOURTH-QUARTER 2021	FOURTH-QUARTER 2020	% CHANGE (LIKE-FOR-LIKE)	% CHANGE (REPORTED)
Europe	294	265	+10.4%	+11.0%
Latin America	128	108	+15.6%	+18.3%
Rest of the World	31	29	+19.0%	+8.5%
TOTAL	**454**	**402**	**+12.4%**	**+12.8%**

In **Europe**, operating revenue amounted to €1,010 million in 2021, an increase of 11.7% like-for-like and of 12.1% as reported. Europe represented 64% of consolidated operating revenue in 2021.

In the fourth quarter, operating revenue was up 10.4% like-for-like compared with the same period in 2020, to €294 million.

- In **France**, operating revenue amounted to €286 million, up 12.8% like-for-like. The figure increased by 9.7% like-for-like in the fourth quarter on the back of further strong sales momentum, with the digital *Ticket Restaurant* solution continuing to attract many clients in the SME segment and among key accounts such as BNP Paribas as new ways of working gain ground. Performance was also driven by the success of the end-of-year gift card campaign (Kadéos).
- Operating revenue in **Europe excluding France** rose by 11.3% like-for-like to €724 million in 2021. In the fourth quarter, operating revenue was up 10.7% like-for-like, with strong growth in Employee Benefits, supported by the good performance of *Ticket Restaurant* and the success of solutions such as *EcoChèque* in Belgium and gift cards. In Fleet & Mobility Solutions, robust growth in operating revenue was driven by the continued success of the Beyond Fuel strategy.

Operating revenue in **Latin America** came to €452 million in 2021, up 17.9% like-for-like *versus* 2020. The region accounted for 28% of consolidated operating revenue in 2021.

In the fourth quarter, operating revenue grew by 15.6% like-for-like to €128 million.

- In **Brazil**, operating revenue for the year rose by 18.6% like-for-like compared with 2020. In the fourth quarter, operating revenue was up 14.1% like-for-like. Fleet & Mobility Solutions delivered another solid performance, driven by the success of the Beyond Fuel offer in toll and maintenance management services. In Employee Benefits, the partnership with Itaú Unibanco continued to ramp up, contributing to the business's growth in the fourth quarter.
- In **Hispanic Latin America**, operating revenue rose by 16.2% like-for-like over the period, with a 19.0% like-for-like increase in the fourth quarter. The improved health situation in the fourth quarter enabled business in the region to make a gradual recovery. Fleet & Mobility Solutions maintained a fast pace of growth, notably driven by the success of the Beyond Fuel strategy, with the continued rollout of toll and maintenance management solutions in the region.

In the **Rest of the World**, operating revenue amounted to €121 million, up 16.5% like-for-like. In the fourth quarter, operating revenue increased by 19.0% like-for-like. This solid performance notably reflects the success of fully digital solutions in Taiwan, which provide a unique way for brands and companies to engage with consumers and employees. In North America, CSI's Corporate Payment Services bounced back strongly compared with 2020, driven by strong sales momentum, the ramp-up of previously signed contracts, and the gradual recovery in volumes for its historical portfolio of media and hospitality clients.

Other revenue: €44 million

Other revenue amounted to €44 million in 2021, up 12.2% like-for-like, benefiting from a slight rise in interest rates in some non-European countries, notably Brazil. On a reported basis, other revenue rose by 4.6%.

Record EBITDA: €670 million

EBITDA reached a record high of €670 million in 2021, representing strong 18.4% growth on a like-for-like basis and 15.5% growth as reported. The EBITDA margin came to 41.1%, back to its pre-crisis level and 1.6 percentage points higher than in 2020, driven by the Group's operating leverage and the rebound in business.

Record net profit: €313 million

Net profit, Group share totaled €313 million in 2021, *versus* €238 million in 2020, with the 31.4% increase primarily driven by EBITDA growth.

Net profit includes other income and expenses for a net expense of €33 million (*versus* a net expense of €41 million in 2020), a net financial expense of €19 million (*versus* €37 million in 2020) – an improvement owing notably to the increase in the fair value of Edenred's investments in the Partech funds – a net income tax expense of €151 million (*versus* €124 million in 2020), and €(30) million attributable to non-controlling interests (*versus* €(28) million in 2020).

Ongoing commitment to CSR and non-financial performance

In 2021, Edenred continued to implement its Corporate Social Responsibility policy, "Ideal", which is aimed at improving quality of life (People), protecting the environment (Planet) and creating value ethically and responsibly (Progress).

Edenred made progress on its targets for 2022 and 2030 over the year. For example, in terms of its People goals, women now hold 34% of the Group's executive positions, representing an increase of 5 percentage points *versus* the prior year (target: 40% by 2030). Regarding its Planet goals, Greenhouse gas emissions intensity has been reduced by 46% compared with 2013 (target: 52% reduction by 2030). And a significant advance has also been made in Progress goals, with 57% of users and merchants having been made aware of balanced nutrition and food waste (target: 85% by 2030).

The Group also successfully placed its first sustainability-linked convertible bonds for a nominal amount of approximately €400 million. To coincide with the placement, Edenred published its first Sustainability-Linked Bond Framework, which was reviewed by an external third party and is based on the achievement of three sustainable performance targets related to its CSR policy.

Edenred unveiled its purpose at its General Meeting on May 11, 2021. Defined by its employees and approved by the Board of Directors, the Group's overriding goal is to "**Enrich connections. For good.**"

This purpose is intended to inform the Group's strategic decisions and unite its teams by giving meaning to its organization, in line with its CSR policy.

As part of this approach, free share allocation plans now include a 25% portion contingent on the achievement of these criteria, assessed over three consecutive financial years.

Through its solutions, which enable more responsible behavior, and its own initiatives, Edenred is contributing to 12 of the United Nations' 17 Sustainable Development Goals. In particular, thanks to its earmarked funds platform, Edenred is creating virtuous ecosystems that contribute to the fight against the informal economy, fraud, food insecurity, inequality and climate change.

2.1.3 Dividend and payout ratio

Edenred is proposing a dividend of €0.90 per share for 2021, representing a 20% increase compared with the prior year. It marks a return to the Group's pre-crisis progressive dividend policy [(1)] defined in its Next Frontier (2019-2022) strategic plan, and is consistent with its growth profile, solid financial position and strong cash generation. The dividend will be submitted to shareholders for approval at Edenred's Combined General Meeting on May 11, 2022. Payment of the dividend will be made solely in cash.

	2021	2020
Net profit, Group share	313	238
Weighted average number of shares outstanding *(in millions)*	248	245
Earnings per share, Group share *(in €)*	1.26	0.97
Ordinary dividend per share *(in €)*	0.90 [(1)]	0.75
Ordinary dividend payout *(in € millions)*	185	170

(1) To be recommended at the General Meeting on May 11, 2022.

2.1.4 Liquidity and financial resources

Cash flows[(2)]

(in € millions)	2021	2020
Net cash from (used in) operating activities	632	744
Net cash from (used in) operating activities including other income and expenses	604	718
Net cash from (used in) investing activities	(180)	(294)
Net cash from (used in) financing activities	(57)	(286)
Effect of changes in exchange rates and fair values	10	(74)
Net increase (decrease) in cash and cash equivalents	**377**	**64**
Cash and cash equivalents at beginning of period	1,016	952
Cash and cash equivalents at end of period	1,393	1,016
Net increase (decrease) in cash and cash equivalents	**377**	**64**

Net cash from operating activities corresponds to funds from operations before other income and expenses, plus the change in working capital (*i.e.*, the recurring increase in negative working capital requirement) plus the change in restricted cash.

Restricted cash corresponds mainly to voucher reserve funds subject to special regulations in the following countries: the United Kingdom (€879 million), France (€813 million), Belgium (€408 million), the United States (€89 million), Romania (€87 million), Brazil (€36 million), Mexico (€32 million), Taiwan (€31 million), Italy (€19 million), the United Arab Emirates (€12 million), Bulgaria (€11 million) and Uruguay (€8 million).

(1) €0.85 for 2017 and €0.86 for 2018, then, as a result of the health crisis, €0.70 for 2019 and €0.75 for 2020.
(2) See the consolidated statement of cash flows on page 223 and Note 4.6 to the consolidated financial statements, page 257.

Working capital requirement

The following table sets out the items that make up the working capital requirement, excluding restricted cash.

(in € millions)	DEC. 31, 2021	DEC. 31, 2020	CHANGE DEC. 31, 2021/DEC. 31, 2020
Inventories, net	46	43	3
Trade receivables, net	2,119	1,743	376
Other receivables, net	424	283	141
Working capital – assets	**2,589**	**2,069**	**520**
Trade payables	(721)	(669)	(52)
Other payables	(1,463)	(1,439)	(24)
Funds to be redeemed	(5,258)	(4,874)	(384)
Working capital – liabilities	**(7,442)**	**(6,982)**	**(460)**
NEGATIVE WORKING CAPITAL	**(4,853)**	**(4,913)**	**60**
Corporate income tax liabilities	(27)	(11)	(16)
Negative working capital (incl. corporate income tax liabilities)	(4,880)	(4,924)	44

Negative working capital requirement at December 31, 2021 was up €60 million compared with December 31, 2020.

Debt

Net debt analysis

At December 31, 2021, Edenred had net debt of €816 million, *versus* €1,115 million at December 31, 2020. This sharp improvement takes into account €518 million in free cash flow generation and an amount of €138 million returned to shareholders. The net debt position also reflects the negative €59 million impact of changes in exchange rates and non-recurring items.

The Group's net debt/EBITDA ratio improved significantly to 1.2x in 2021, *versus* 1.9x in 2020.

Edenred enjoys a robust financial position with a high level of liquidity and a solid balance sheet. In May 2021, Standard & Poor's affirmed the Group's BBB+ Strong Investment Grade rating with a stable outlook.

(in € millions)	DEC. 31, 2021	DEC. 31, 2020
Non-current debt	3,023	2,928
Other non-current financial liabilities	120	99
Current debt	247	157
Other current financial liabilities	47	98
Bank overdrafts	101	109
Debt and other financial liabilities	**3,538**	**3,391**
Current financial assets	(43)	(130)
Other marketable securities	(1,185)	(1,021)
Cash and cash equivalents	(1,494)	(1,125)
Cash and cash equivalents and other current financial assets	**(2,722)**	**(2,276)**
NET DEBT	**816**	**1,115**

At end-2021, the cost of the Group's debt had improved to 0.7% and its average debt maturity had fallen slightly below five years.

Edenred successfully placed its first sustainability-linked convertible bonds for a nominal amount of approximately €400 million on June 9, 2021. The net proceeds of the issuance will be used by Edenred for general corporate purposes, including the financing of potential external growth operations.

(in € millions)	DEC. 31, 2021 CARRYING AMOUNT	CONTRACTUAL FLOWS	2022	2023	2024	2025	2026	2027 AND BEYOND
Convertible bonds	884	884	-	-	500	-	-	384
Bonds	2,330	2,330	228	-	-	488	510	1,104
Schuldschein	32	32	-	32	-	-	-	-
Neu CP	-	-	-	-	-	-	-	-
Bank borrowings	24	24	19	4	1	-	-	-
Future interest	N/A	187	39	35	36	30	21	26
Bank overdrafts	101	101	101	-	-	-	-	-
DEBT	3,371	3,558	387	71	537	518	531	1,514
Other financial liabilities	167	167	47	47	19	15	12	27
Future interest	N/A	(30)	(17)	(9)	(4)	(3)	(1)	4
OTHER FINANCIAL LIABILITIES	167	137	30	38	15	12	11	31
DEBT AND OTHER FINANCIAL LIABILITIES	**3,538**	**3,695**	**417**	**109**	**552**	**530**	**542**	**1,545**

The maturity of financial investments (see Note 6.3, page 270, and Note 4.7 "Change in restricted cash" to the consolidated financial statements, page 258) breaks down as follows:

- maturity >1 year: 23%;
- maturity <1 year: 77%.

Other marketable securities include €852 million worth of term deposits and equivalents with maturities of more than three months and €332 million worth of money market securities and bonds, as well as UCITS.

Cash and cash equivalents break down as €937 million in cash and €557 million in money market securities and bonds, as well as UCITS.

Funds from operations and free cash flow

Edenred's business model generates significant cash flows, delivering funds from operations before other income and expenses (FFO) of €556 million in 2021, up 19.9% like-for-like and up 17.1% as reported.

Free cash flow totaled €518 million in 2021, notably driven by the increase in float[1] resulting from the good fourth-quarter performance, leading to a free cash flow/EBITDA conversion rate of 77%. Excluding the payment of the €157 million fine issued by France's antitrust authority – against which Edenred has appealed – free cash flow was a record €675 million, compared with €640 million in 2020.

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

(in € millions)	**2021**	2020
+ Net profit, Group share	313	238
+ Non-controlling interests	30	28
- Share of net profit from equity-accounted companies	(8)	(13)
- Depreciation, amortization and changes in operating provisions	127	130
- Expenses related to share-based payments	12	14
- Non-cash impact of other income and expenses	24	36
- Difference between income tax paid and income tax expense	16	(2)
- Dividends received from equity-accounted companies	14	16
= Funds from operations including other income and expenses	**528**	**447**
- Other income and expenses (including restructuring costs)	28	28
= Funds from operations before other income and expenses (FFO)	**556**	**475**
+ Decrease (increase) in working capital	(145)	1,039
+ Decrease (increase) in restricted cash	221	(770)
+ Recurring expenditure	(114)	(104)
= Free cash flow	*518*	*640*

Equity

Equity represented a negative amount of **€953 million** at December 31, 2021 and €1,230 million at the end of the previous year.

This is due to the recognition at historical cost of the assets contributed or sold to Edenred by Accor through the asset contribution-demerger transaction. It has no impact on the Group's refinancing capacity, the underlying strength of its financial position or its dividend-paying ability.

The statement of changes in equity is presented on page 242 of the consolidated financial statements.

Off-balance sheet commitments

Off-balance sheet commitments amounted to €550 million at December 31, 2021, *versus* €430 million a year earlier. For more details, see Note 11.5 to the consolidated financial statements, page 303.

2.1.5 Management indicators

Key ratios and indicators

	2021	2020
Like-for-like growth in operating revenue	+13.9%	-1.6%
EBITDA margin	41.1%	39.6%
EBIT margin	33.0%	31.0%
Like-for-like growth in FFO [(1)]	+19.9%	+2.7%
Adjusted FFO/adjusted net debt [(2)]	**55.1% ***	**33.4% ***

* *The Group's estimated ratio of adjusted funds from operations to adjusted net debt was 55.1% at December 31, 2021, above the 30% threshold forming one of the main ratios for the "Strong Investment Grade" rating based on Standard & Poor's criteria, compared with a ratio of 33.4% at December 31, 2020 (figures reported in the rating published by S&P Global Ratings on May 6, 2021).*

(1) FFO = funds from operations before other income and expenses: the calculation appears in the table above the key ratios and indicators table.

(2) Adjusted FFO/adjusted net debt and Adjusted net debt/adjusted EBITDA (estimated) ratios: see table below.

Adjusted FFO/adjusted net debt and Adjusted net debt/adjusted EBITDA (estimated) ratios

(in € millions)	2021	2020
Net debt (cash) at December 31	816	1,115
Standard & Poor's adjustment:	169	302
Adjusted net debt (cash)	985	1,417
EBITDA	670	580
Standard & Poor's adjustment:	(3)	5
Adjusted EBITDA	667	585
Adjusted net debt/adjusted EBITDA (estimated)	1.5	2.4
Net debt/EBITDA	1.2	1.9
Adjusted FFO	543	462
Adjusted FFO/adjusted net debt	**55.1% ***	**33.4% ***

* *The Group's estimated ratio of adjusted funds from operations to adjusted net debt was 55.1% at December 31, 2021, above the 30% threshold forming one of the main ratios for the "Strong Investment Grade" rating based on Standard & Poor's criteria, compared with a ratio of 33.4% at December 31, 2020 (figures reported in the rating published by S&P Global Ratings on May 6, 2021).*

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2.1.6 Material contracts

The Group did not enter into any contracts representing a material obligation or commitment for the Group in 2020 or 2021, with the exception of contracts with suppliers that are essential to the Group's operations.

2.1.7 Foreseeable developments

The outlook for 2022 is described in Chapter 1, page 26.

2.1.8 Main risks and uncertainties

The main risks and uncertainties that may affect Edenred in the current financial year are the same as the ones described in Chapter 4 "Risk factors and management" on page 69 of this document.

The Group observed a gradual decrease in the health risks related to the coronavirus epidemic in the year, resulting in an improved business environment throughout 2021. Consequently, Edenred was able to take advantage of the underpenetration on its markets and seize opportunities arising from the health crisis, such as the introduction of public earmarked funds programs as well as the accelerated shift to remote working, which led to greater take-up of the Group's virtual canteen solution.

Following the conflict between Russia and Ukraine that broke out in late February, Edenred would like to state that, as of the end of the first quarter of 2022, its business in these two countries is restricted to providing access to fuel distribution networks for users of its fuel cards. For this reason, its direct economic exposure to the conflict is limited. However, the Group has observed that some countries have levied economic sanctions on Russia in response to the conflict. These could lead to a slowdown in business activity worldwide and therefore have a negative impact on growth in the business volume generated by the Group's solutions. The extent of this impact is difficult to estimate accurately at the date of this Universal Registration Document. In the short term, Edenred notes that restrictions on Russian oil and gas supplies could have an impact on oil prices. The Group is carefully looking at it, as 10% of the Group's total revenue was sensitive to changes in oil prices in 2021.

In light of these factors, at the date of this Universal Registration Document, Edenred remains fully confident in its ability to generate sustainable and profitable growth in 2022 and to achieve the 2022 targets announced when reporting its 2021 annual results.

2.1.9 Main related-party transactions

The main related-party transactions are presented in detail in Note 11.2 to the consolidated financial statements, page 301.

2.1.10 Research and development activities

None.

2.1.11 Subsequent events

Edenred strengthens its toll offering in Brazil with the acquisition of Greenpass

On February 22, Edenred announced that it had acquired a 51% controlling interest in Greenpass, an issuer of electronic toll solutions in Brazil. The deal strengthens Edenred's position in this business as well as its technology and sales capabilities in an attractive market offering significant cross-selling potential with its client base. It is fully in line with the Group's Beyond Fuel strategy to develop new non-fuel fleet and mobility services, enhancing its value proposition for fleet managers and expanding its addressable market.

2.2 Results of operations for the Edenred parent company

2.2.1 Description of the business

As the Group holding company, Edenred SE manages a portfolio of equity interests, collects dividends from subsidiaries and drives the Group's development.

The Company owns a portfolio of brands, including *Ticket Restaurant*, *Ticket Alimentaçao*, *Ticket Compliments*, *Childcare Vouchers* and *Ticket EcoCheque*, and earns revenues from licensing these brands.

It also provides services to other members of the Group regarding prepaid solutions, staff secondment, cash management and IT, as well as advisory services. These services are billed as a percentage of the subsidiaries' revenue and/or profit, as a flat fee or on a per-service basis. They are determined on arm's length terms.

2.2.2 Significant events in 2021

Change of legal form

The Company changed its legal form to a European company or *Societas Europaeas* (S.E.) in May 2021 to adapt to economic trends and reflect the international nature of its business.

Edenred SE tax audit

In 2018 and 2019, a tax audit was carried out at Edenred SE, covering the period from 2014 to 2016.

Notifications of tax reassessments were received by the Company in December 2018 in respect of 2014, and in July 2019 in respect of 2015 and 2016. The total tax, late interest and penalties claimed for the three years amounted to €17 million. The Company has contested the reassessments and filed a claim with the national tax board in early 2019. Following a sitting on January 24, 2020, the tax board issued an opinion against the reassessment. The tax authorities nevertheless notified the Company on July 3, 2020 that they would be maintaining the reassessment.

After meeting with the departmental representative *(interlocuteur départemental)* to discuss the matter on October 7, 2020, Edenred continued talks with the French National and International Audit Department (DNVI), reaching an agreement on the brand royalty rates. A collection procedure was initiated in June 2021 to recover the €0.7 million in corporate income, CVAE and withholding taxes.

Since September 2021, the Company has been the subject of another tax audit covering the period from 2018 to 2020.

The tax authorities put forward a proposed reassessment for the 2018 tax year, which was accepted by the Company's management. The total tax, late interest and penalties amount to €0.6 million.

The audit remains open for the period 2019-2020. The Company has recognized a provision in an amount of €0.6 million in this respect.

2.2.3 2021 results

Analysis of Edenred SE's revenue

The Company reported revenue of €105 million in 2021 *versus* €87 million in 2020, including all royalties and service fees earned in the normal course of business.

Service fees relate to services billed under the Master Services Agreement as well as IT services, the secondment of staff and various additional costs.

(in € millions)	2021	2020	% OF TOTAL
Service fees			
IT services	36	31	34.28%
Master Services Agreement	63	49	60.00%
Other	3	4	2.86%
Staff costs	3	3	2.86%
TOTAL	**105**	**87**	**100%**

Net operating income (loss)

Other income, own work capitalized, reversals of depreciation, amortization and provisions and expense transfers together totaled €74 million in 2021 compared with €74 million in 2020.

The Company ended the year with a net operating loss of €14 million, *versus* a €30 million loss in 2020.

Operating expenses in 2021 amounted to €192 million compared with €190 million in the previous year.

Other purchases and external charges totaled €106 million in 2021 *versus* €94 million in 2020.

Payroll costs amounted to €57 million in 2021 *versus* €59 million in 2020.

Depreciation and amortization of fixed assets amounted to €6 million in 2021, unchanged from 2020.

Net financial income (loss)

Edenred SE recorded net financial income of €337 million in 2021, compared with net financial income of €224 million in 2020.

This result can mainly be accounted for by changes in dividends received from subsidiaries, as well as by movements in financial provisions.

Dividend income for the year totaled €455 million, *versus* €299 million in 2020.

It included €185 million from Edenred France, €67 million from Edenred Sweden, €50 million from Edenred Italy, €36 million from Edenred Germany and €30 million from Edenred Belgium.

Movements in financial provisions, for the most part provisions for impairment of shares in subsidiaries and risks related to subsidiaries, represented a net expense of €114 million. In 2021, this broke down into €119 million in provisions for shares in subsidiaries and affiliates, €7 million in reversals of provisions for shares in subsidiaries and affiliates, €7 million in provisions for contingencies, €1 million in reversals of provisions for contingencies, €2 in additions to intra-group loans and €7 million in reversals of intra-group loans.

Movements in write-downs on shares in subsidiaries and affiliates included impairment losses of €33 million for Edenred Czech Republic, €33 million for Edenred UK, €27 million for Edenred Slovakia, €13 million for ASM and €5 million for Edenred Luxembourg and for Gameo.

Movements in write-downs of current accounts mainly comprised impairment losses of €2 million for Edenred Singapore and a reversal of €5 million for Gameo.

Recurring profit (loss) before tax

Edenred SE reported a recurring profit before tax of €322 million in 2021 *versus* a recurring profit before tax of €195 million in 2020.

Non-recurring items

Non-recurring items represented a net expense of €4 million for the year, compared with net income of €6 million in 2020.

In 2021, these items included €2.1 million in expenses and provisions related to tax audits and €2 million in non-recurring impairment linked to the Trip project.

Income tax

Income tax amounted to a €12 million benefit in 2021, *versus* a €4 million benefit in 2020.

The Company reported taxable profit of €3.6 million in 2021, compared with a tax loss of €18.2 million in the previous year.

Edenred SE and its eligible French subsidiaries elected for the Group relief system governed by Article 223A of the French General Tax Code *(Code général des impôts)* on March 18, 2011. The election has been applied since the beginning of the 2011 tax year.

In 2021, Group relief of €12 million was recorded in Edenred SE's financial statements.

Edenred SE recorded a tax expense for the Group of €5.6 million in 2021.

Net profit

Net profit for 2021 stood at €331 million (€331,208,273), compared with €205 million (€204,928,788) in 2020.

Non-deductible provisions for contingencies and charges recorded in the balance sheet at December 31, 2021 totaled €17 million, *versus* €12 million a year earlier.

In 2021, Edenred SE distributed dividends for 2020 of €184,640,061, or €0.75 per share, giving shareholders the option of reinvesting 100% of the dividend in new shares. This resulted in the creation of 3,004,708 new ordinary Edenred shares, representing 1.22% of the capital. The total cash dividend, which was paid on June 9, 2021, amounted to €60 million.

The recommended ordinary dividend for 2021 has been set at €0.90 per share. Details of the proposed appropriation of earnings are provided in Chapter 5 of the Universal Registration Document.

Details of the positions and directorships held by the directors and of the Executive Directors' compensation are provided in Chapter 3 "Corporate governance" of the Universal Registration Document.

Information on supplier and client payments

	PAYABLES						RECEIVABLES					
	ARTICLES D.441-1-1E: INVOICES RECEIVED AND DUE BUT NOT SETTLED AT THE END OF THE PERIOD						ARTICLES D.441-1-2E: INVOICES ISSUED AND DUE BUT NOT SETTLED AT THE END OF THE PERIOD					
	0 DAYS (INDICATIVE)	1 TO 30 DAYS	31 TO 60 DAYS	61 TO 90 DAYS	MORE THAN 90 DAYS	TOTAL (1 OR MORE DAYS)	0 DAYS (INDICATIVE)	1 TO 30 DAYS	31 TO 60 DAYS	61 TO 90 DAYS	MORE THAN 90 DAYS	TOTAL (1 OR MORE DAYS)
Days late												
Number of invoices	6					223	58					1,036
Total amount of invoices (excl. VAT)	€187,123	€1,857,757	€507,023	€185,930	€353,936	€2,904,647	€583,604	€(89,380)	€9,551,965	€204,037	€19,529,639	€29,196,261
As a % of total purchases for the period (excl. VAT)	0.18%	1.79%	0.49%	0.18%	0.34%	2.79%						
As a % of revenue for the period (excl. VAT)							0.38%	-0.06%	6.24%	0.13%	12.75%	19.06%
Invoices excluded – relating to contested or unrecognized payables or receivables												
Number of invoices excluded	None						None					
Total amount of invoices excluded	None						None					
Reference payment terms used (contractual or legal – Article L.441-6 or Article L.445-1 of the French Commercial Code)												
Reference payment terms used to calculate late payments	• Contractual terms: yes • Legal terms: Yes						• Legal terms: No later than the last day of the month in which the invoice is received					

2.2.4 Non-deductible expenses

The aggregate amount of non-deductible costs and expenses referred to in Article 39 paragraph 4 of the French General Tax Code amounted to €274,451 for 2021 and the tax paid thereon was €72,730 (disclosure made in application of Articles 223 *quater* and *quinquies*, 39-4 and 39-5 of the French General Tax Code).

2.2.5 2021 business review

In 2021, the Company carried out its holding company activities.

During the year, the Company continued to apply its investment strategy of acquiring minority interests, generally through joint investments with other investment funds, in innovative projects offering significant growth potential in similar markets to the Group's businesses.

As part of this strategy, Edenred SE continued to subscribe to capital calls for the Partech funds in 2021, investing €3.1 million, and, for the first time in the year, invested €0.5 million in the Raise fund.

Edenred SE also acquired a €4.1 million equity interest in Bank Limited and a €1.6 milion equity interest in Freto and bought additional shares as part of capital increases in Dexx Technologies for €1.1 million and Beamery for €1.2 million.

The Company also made other new investments in the year, as shown in the table below:

COMPANY	GROUP STAKE
Banked Limited	7.047%
FRETO	13.270%

2.2.6 Transactions in Edenred SE shares

At December 31, 2021, Edenred SE held 1,052,018 of its own shares, representing 0.42% of the capital.

The Company's ownership structure is described in section 2.1.2 of this document on ownership structure and voting rights.

Since May 29, 2019, the Company has had a liquidity contract with Kepler Cheuvreux to make a market for its shares on the Euronext Paris stock exchange. The contract complies with the regulations of the AMF, in particular decision no. 2018-01 of July 2, 2018.

During the 2021 financial year, under the said liquidity contract, the Company:

- purchased 2,765,925 shares at an average price of €45.65 per share, for a total outlay of €126,267,096; and
- sold 2,574,146 shares at an average price of €45.88 per share, for total proceeds of €118,103,338.

At December 31, 2021, the Company held 191,779 shares under the liquidity contract.

In addition, the available envelope for the liquidity contract is € 20 million. The Company's balance sheet at December 31, 2021 includes € 11.836.243 of cash held under the liquidity contract.

2.2.7 Financing

On June 9, 2021, Edenred announced the issuance of sustainability-linked bonds convertible into and/or exchangeable for new and/or existing shares (OCEANEs) for an aggregate amount of €400 million, maturing in seven years in June 2028 (Note 6.4 "Debt and other financial liabilities"). The bonds make no coupon payments but offer investors a premium payment (equivalent to 0.5% of the nominal value) in the event that the Group does not meet its 2025 sustainable development targets.

2.2.8 Relations with subsidiaries

Edenred SE holds 50% and over direct interests in 52 companies. The most significant interests, in terms of value, are as follows:

- **Edenred France** (€464,966,992), a French company that issues meal vouchers and other prepaid service solutions to businesses in France.

  In 2021, it posted revenue of €190,611,337 *versus* €129,504,696 in 2020, and recurring profit before tax of €87,589,546 *versus* €70,958,028 in the previous year;
- **Edenred Italy** (€5,958,823), an Italian company that issues meal vouchers and other prepaid service solutions to businesses in Italy.

  In 2021, it posted revenue of €1,951,123,766 *versus* €1,643,328,165 in 2020, and a recurring profit before tax of €113,848,315 compared to €81,466,293 for the previous year;
- **Edenred Belgium** (€36,608,000), a Belgian company that issues meal vouchers and other prepaid service solutions to businesses in Belgium.

  In 2021, it posted revenue of €106,797,806 *versus* €55,258,146 in 2020, and recurring profit before tax of €42,049,157, *versus* €35,438,907 in the previous year.

The table below presents subsidiaries and affiliates whose carrying amount in Edenred SE's balance sheet exceeds 1% of the Company's share capital:

SUBSIDIARIES AND AFFILIATES	CURRENCY	% INTEREST
Subsidiaries and affiliates with a carrying amount in excess of 1% of Edenred SE's capital		
Subsidiaries (at least 50% owned by Edenred SE)		
a) French subsidiaries		
Edenred France	EUR	100%
ASM	EUR	100%
Edenred Fleet & Mobility	EUR	100%
Veninvest Quattro	EUR	100%
Veninvest Cinq	EUR	100%
Veninvest Huit	EUR	100%
Saminvest	EUR	60%
Veninvest Neuf	EUR	100%
Veninvest Onze	EUR	100%
Veninvest Douze	EUR	100%
Veninvest Quatorze	EUR	100%
Veninvest Seize	EUR	100%
Gameo	EUR	100%
b) Foreign subsidiaries		
Edenred Portugal	EUR	50%
Vouchers Services	EUR	51%
Cestaticket Services C.A. (Venezuela)	VEF	57%
Edenred Italy	EUR	57.72%

SUBSIDIARIES AND AFFILIATES	CURRENCY	% INTEREST
Edenred España SA (Spain)	EUR	99.99%
Edenred (India) PVT Ltd (India)	INR	94.90%
Accentiv Turkey (Turkey)	TRY	99.99%
Edenred Poland	PLN	99.99%
Edenred Kurumsal (Turkey)	TRY	99.99%
Edenred Slovakia	EUR	99.89%
Edenred Magyarorszag (Hungary)	HUF	100%
Big Pass (Colombia)	COP	100%
Edenred North America Inc.	USD	100%
Edenred Sweden	SEK	100%
Edenred Romania	RON	100%
Edenred Luxembourg	EUR	100%
Edenred Finland	EUR	100%
Edenred UK	GBP	100%
Edenred Japan Ltd	JPY	100%
Surgold India PVT ltd (Singapore)	INR	100%
Edenred Pte Ltd (Singapore)	SGD	100%
Edenred Belgium	EUR	100%
Edenred Deutschland GmbH (Germany)	EUR	100%
Inversiones Dix Venezuela, SA	VEF	100%
Edenred CZ	CZK	100%

The other subsidiaries and affiliates are presented in Note 24 to the parent company financial statements.

2.2.9 Ratios

None.

2.2.10 Risk factors

Risk factors are described in Chapter 4 of the Universal Registration Document.

2.2.11 Research and development activities

None.

2.2.12 Subsequent events

Extension of the maturity of the €750 million credit facility.

At December 31, 2021, Edenred had a €750 million undrawn confirmed line of credit, expiring in February 2026. This facility will be used for general corporate purposes.

In January 2022, the maturity of the €750 million syndicated credit facility was extended by one year beyond its February 12, 2026 expiry date, following Edenred's exercise of the maturity extension option granted in the facility agreement. All participating banks have accepted this extension. With the new five-year maturity, the facility will now be utilizable until February 2027.

2.2.13 Developments and outlook

Edenred SE will pursue its holding company activities in the coming years, despite the uncertain health situation prevailing since February 2020.

2.2.14 Change in investments in subsidiaries and affiliates

Investments in subsidiaries and affiliates are presented in Note 6 to the parent company financial statements in section 4.4.

GRI	DISCLOSURE 2021	SECTION IN THIS DOCUMENT	PAGE	UN GLOBAL COMPACT PRINCIPLE
413-1	Operations with local community engagement, impact assessments, and development programs	5.2.2.1 Social and economic contribution	120	
GRI 414: Supplier social assessment				
GRI 103 – Management approach 103-1; 103-2; 103-3		5.5 Monitoring key performance indicators	151	**Principle 2:** Business should make sure they are not complicit in human rights abuses.
414-1	New suppliers that were screened using social criteria	5.4.1.1 Business ethics	138	
GRI 416: Customer health and safety				
GRI 103 – Management approach 103-1; 103-2; 103-3		5.2.2.2 Key progress indicators	124	
416-1	Assessment of the health and safety impacts of product and service categories	5.2.2 Promoting well-being through healthy and sustainable nutrition	120	
GRI 419: Socioeconomic compliance				
GRI 103 – Management approach 103-1; 103-2; 103-3		5.5 Monitoring key performance indicators	151	
419-1	Non-compliance with laws and regulations in the social and economic area	5.2.1.3 Labor and human rights	114	