



# Full Year 2014 Earning Results

FEBRUARY 18<sup>TH</sup>, 2015

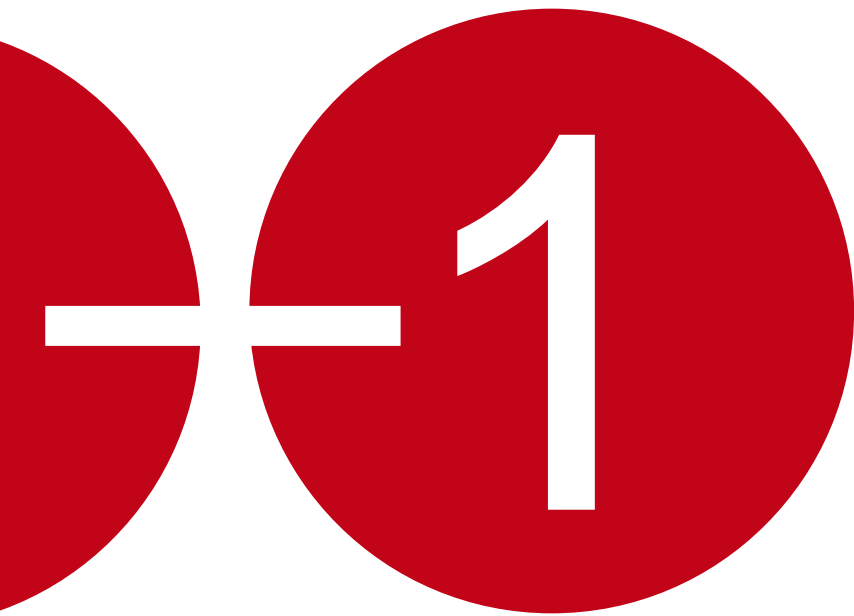


# Disclaimer

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# Agenda FY 2014

- **Review of 2014 key highlights** Philippe Lazare – Chairman & CEO
- **Financial results** Patrice Durand – EVP Finance & Operations
- **Group transformation in action towards 2015** Philippe Lazare – Chairman & CEO



# Review of 2014 key highlights

**FY 2014**

# FY 2014 / Group transformation in action

## Outstanding operating and financial performance

- FY14 revenue: €1.6bn / Double digit growth across all regions and business segments
- EBITDA at historic high: 23.4%
- Profit attributable to shareholders: €172M; +43%
- Free cash flow: €255M; +44%
- Proposed dividend: €1; +25%

## Acceleration of the Group transformation strategy

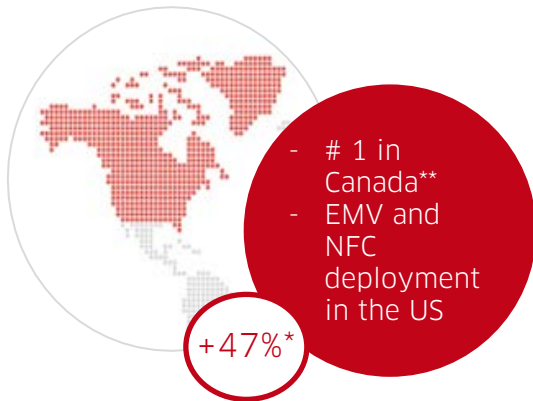
- New brand platform reflecting the Group's evolving profile and ambition
- Acquisition of GlobalCollect
- At the cutting edge of innovation

## 2015 guidance: Continued profitable growth

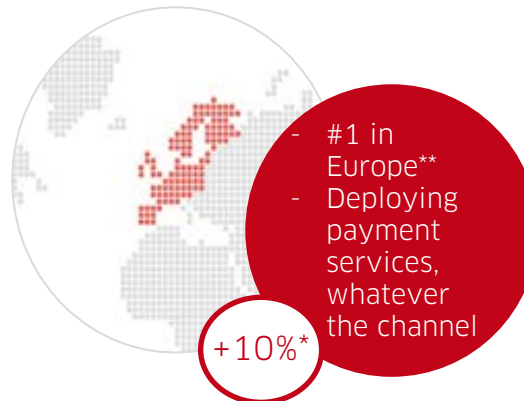
- Like-for-like growth: c.10%
- EBITDA margin: c.21%

# Multi-local approach / driving strong performance

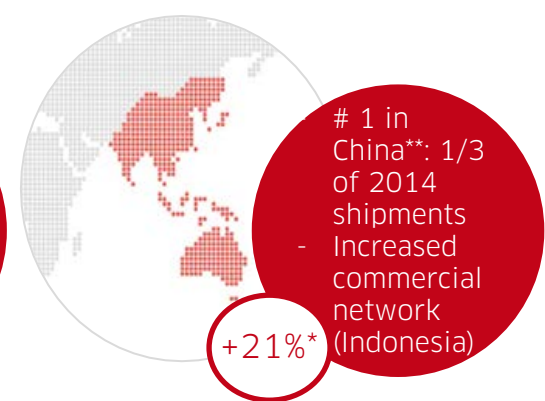
## North America



## Europe SEPA



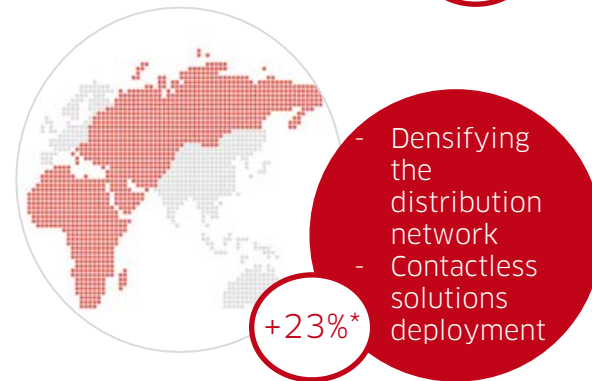
## Asia Pacific



## Latin America



## EMEA



\*FY14 Growth rate at constant FX & scope  
\*\*Ranking for terminal business

# A comprehensive offer / building a seamless agnostic offer, whatever the channel

## IN-STORE



- #1 in payment terminals worldwide
- NFC/EMV native / 11+ million NFC terminals to date / shipments ~ x2 in 9 months
- # in-store transactions processed in December 2014: +14%

## ONLINE



- 170 countries
- 40K+ merchants connected to our platforms
- Continued to add new payment methods: CUP, SEQR (Seamless/QR code)...

## MOBILE



- 100K merchants connected to our platform
- Operating in 14 countries
- Full integrated offer

# Trusted partner / from small merchants to global brands

## Example of 2014 customer cases / simplifying payment while enhancing consumer experience

smart terminals /  
EMV end-to-end  
encryption

Elavon

Moneris  
SOLUTIONS

cardconnect™

STAGE STORES

BANBAJIO

in-store /  
mobile  
solutions

LOEWE

Douglas

FCB  
FCBOTIGA

First Data™

online/  
mobile  
payment

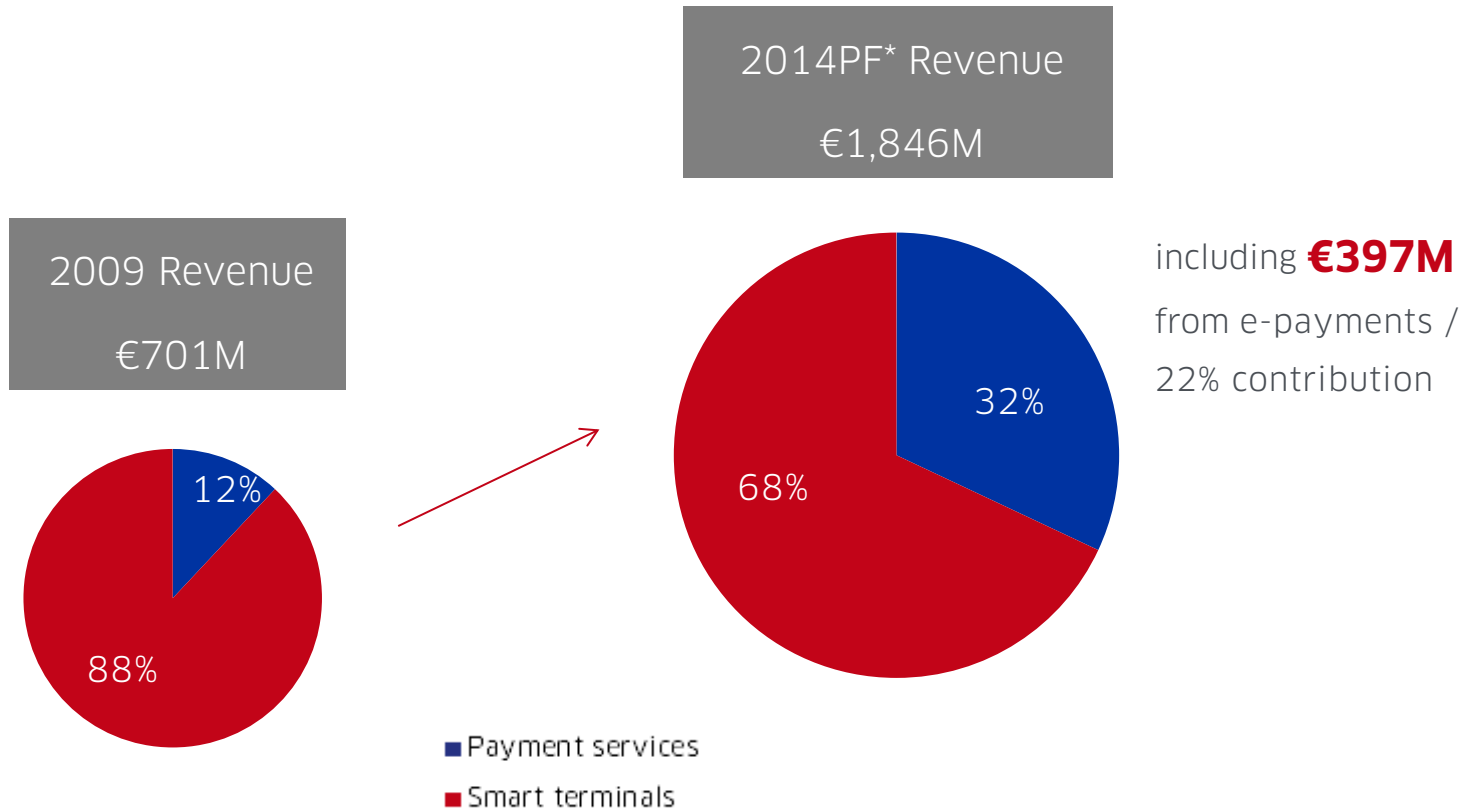
UnionPay  
银联

SMCP  
SANDRO, MAJE, CLAUDIE PIERLOT

THALYS



# Accelerating Group transformation towards software and services / GlobalCollect acquisition



*\*2014PF revenue including GlobalCollect contribution*

## **2014 /** at a glance

- **Outstanding operating and financial performance**
- **Strategy tailored to each territory**
- **GlobalCollect acquisition accelerating the Group transformation strategy**
- **Focus on innovation and development**



# Financial Results

**FY 2014**

# Basis of presentation for FY 2014 financials

## For a better understanding of the Group's performance

- Operating performance and income statements in this presentation are prepared on an adjusted basis, i.e. exclude the impact of PPA amortization (IFRS3)
- Foreign exchange gains and losses (including hedging) are reported in the income statement depending on their nature
- 2013 financial data include Ogone contribution starting January 2013 and exclude TransferTo as of December 1<sup>st</sup>
- 2013 pro forma financial data have been restated from January 1<sup>st</sup>, 2013 to reflect TransferTo divestiture, and reclassification of specific R&D direct costs related to Group's Services platforms as operating expenses to achieve uniform accounting for R&D costs throughout the Group
- 2013 pro forma revenue has been restated from January 1<sup>st</sup>, 2013 to reflect the new organization within operational division

# 2014 / outstanding financial and operating performance

In M€	<b>FY 2014</b>	FY 2013 Pro forma	FY 2013 Reported	<b>Changes vs. FY13 PF</b>
<b>Revenue</b>	<b>1,607</b>	1,301	1,371	<b>+19%*</b>
<b>Gross Profit</b>	<b>735</b>	604	600	<b>+22%</b>
<i>In % of revenue</i>	<b>45.7%</b>	46.4%	43.8%	<b>- 70 bpts</b>
<b>EBITDA</b>	<b>377</b>	276	279	<b>+37%</b>
<i>In % of revenue</i>	<b>23.4%</b>	21.2%	20.3%	<b>+ 220 bpts</b>
<b>EBIT</b>	<b>324</b>	235	239	<b>+38%</b>
<i>In % of revenue</i>	<b>20.2%</b>	18.1%	17.4%	<b>+ 210 bpts</b>
<b>Net profit, attributable to shareholders</b>	<b>172</b>	120	114	<b>+43%</b>

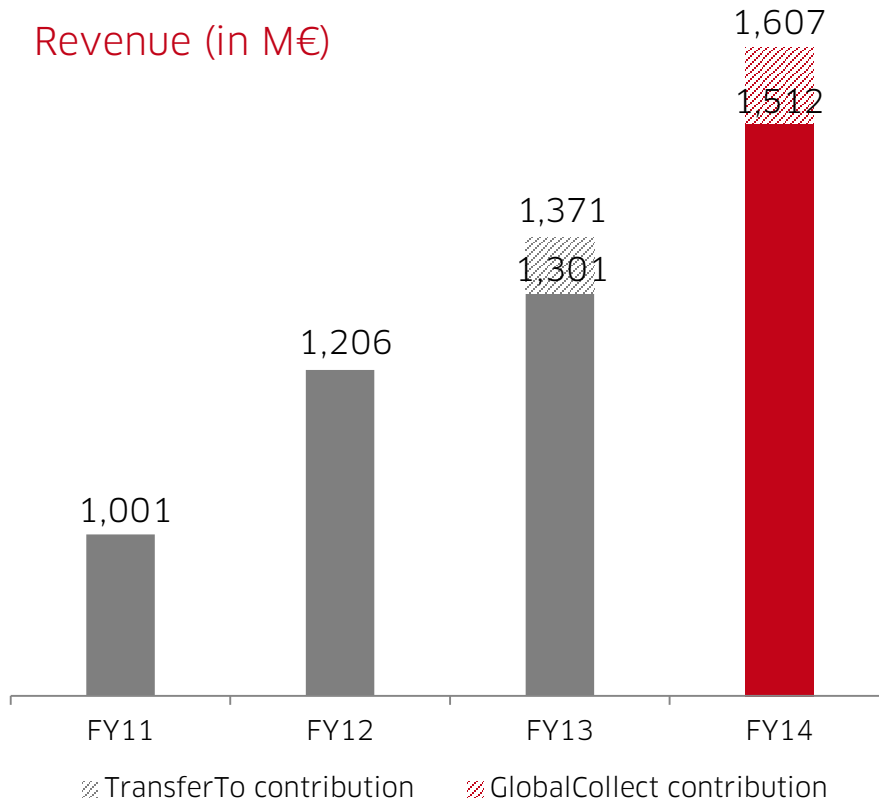
\*Growth rate at constant FX & scope

# FY14 results / including GlobalCollect contribution in Q4 2014

	FY14 Historical scope	Q4'14/ GlobalCollect	FY14 Ingenico Group
<b>Revenue</b>	1,512	95	1,607
<b>Gross Profit</b>	704	31	735
<i>In % of revenue</i>	46.5%	32.6%	45.7%
<b>EBITDA</b>	353	24	377
<i>In % of revenue</i>	23.4%	25.3%	23.4%
<b>EBIT</b>	301	23	324
<i>In % of revenue</i>	19.9%	24.2%	20.2%
		<ul style="list-style-type: none"> <li>• <b>LfL growth in Q4: +13%</b></li> <li>• <b>EBITDA Margin positively impacted</b> by USD increase / FX activities / reversal of accruals</li> </ul>	

# A very strong and sustained growth

Revenue (in M€)



## Year-on year: +17%

- FX impact: -37M€
- GlobalCollect contribution in Q4: +95M€

## Like-for-like: +19%

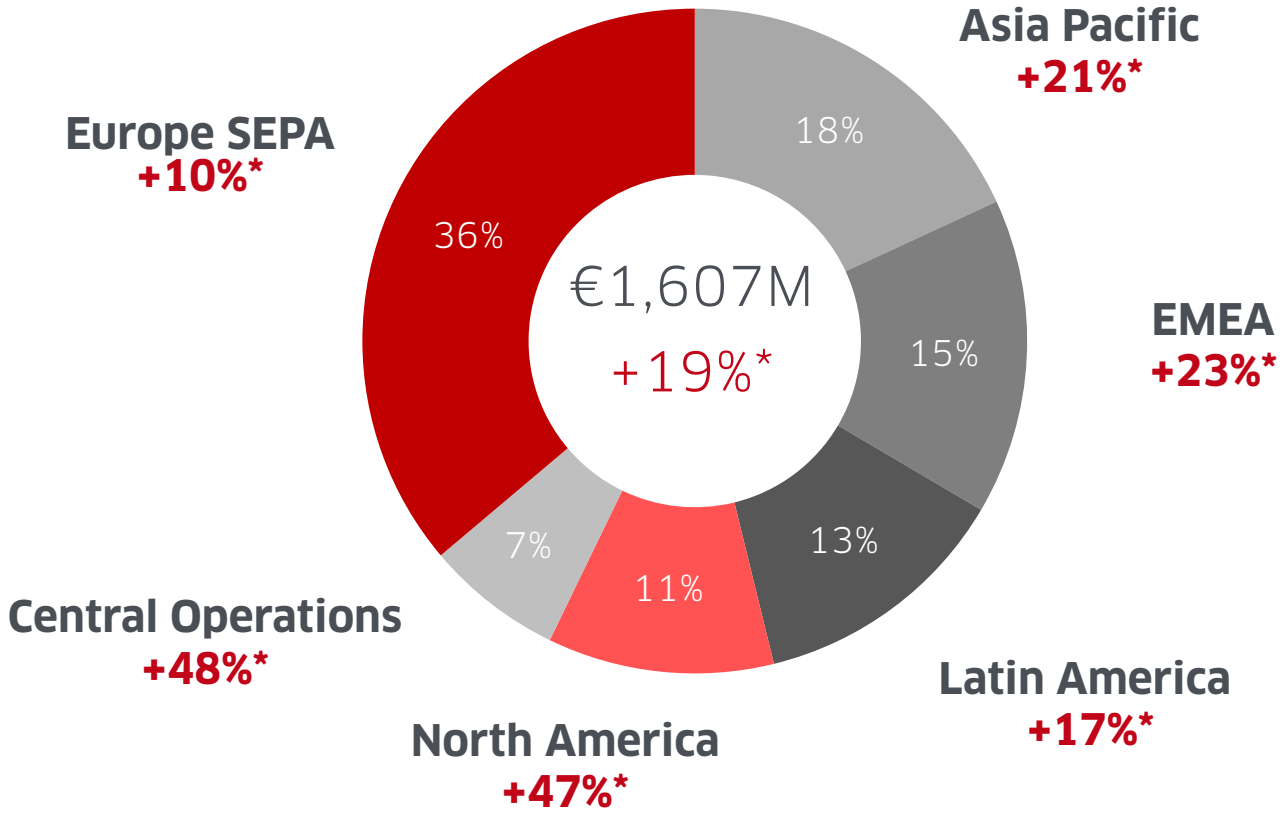
## By geographies

- Double digit growth across all regions

## By business segment

- Terminals / Outstanding growth : +20%
- Payment Services /  
Strong performance: +17%

# Continued to leverage geographically differentiated strategy



\*Growth rate at constant FX & scope / excluding contribution of GlobalCollect in Q4



# Ingenico Group historical scope /

Strong fundamentals across all business segments

<i>in €M</i>	Terminals	Payment Services*	Total FY14*
Revenue	1,259	254	1,512
<i>Like-for-like growth</i>	<i>+20%</i>	<i>+17%</i>	<i>+19%</i>
Adj. Gross profit	591	113	704
<i>In % of revenue</i>	<i>47.0%</i>	<i>44.3%</i>	<i>46.5%</i>

- Terminals: Outstanding volume growth combined with supply chain's optimization
- Payment Services: Dilutive effect of business mix in Germany (acquiring services)

*\*Excluding GlobalCollect contribution in Q4 2014*

# Ingenico Group historical business /

operating expenses under control while investing for future growth drivers

<i>in €M</i>	<b>FY 2014*</b>	FY 2013 pro forma	FY 2013 reported
<b>Research &amp; Development</b>	<b>112</b>	105	94
<b>Sales &amp; Marketing</b>	<b>128</b>	119	121
<b>General &amp; Administrative</b>	<b>163</b>	145	146
<b>Adj. Operating expenses</b>	<b>403</b>	369	361
<b>In % of revenue</b>	<b>26.6%</b>	28.3%	26.4%

*\*Excluding GlobalCollect contribution in Q4 2014*

- Higher G&A costs related to Group expansion
- Continued investments in future sources of growth, particularly in R&D for Telium Tetra roll-out and online gateways evolution

# Net result attributable to shareholders up 43%\*

<i>In M€</i>	FY 2014	FY 2013 Pro forma
<b>Adj. EBIT</b>	<b>324</b>	235
Purchase Price Allocation	(32)	(30)
Other income & expenses	(18)	(14)
Financial result & Equity Method	(21)	(18)
Income before tax	252	174
Income tax	(81)	(56)
Income tax rate	31.8%	33.0%
Net Result	172	119
<b>Net Result, attributable to shareholders</b>	<b>172</b>	120

\*vs. 2013 pro forma

# Record free cash flow generation

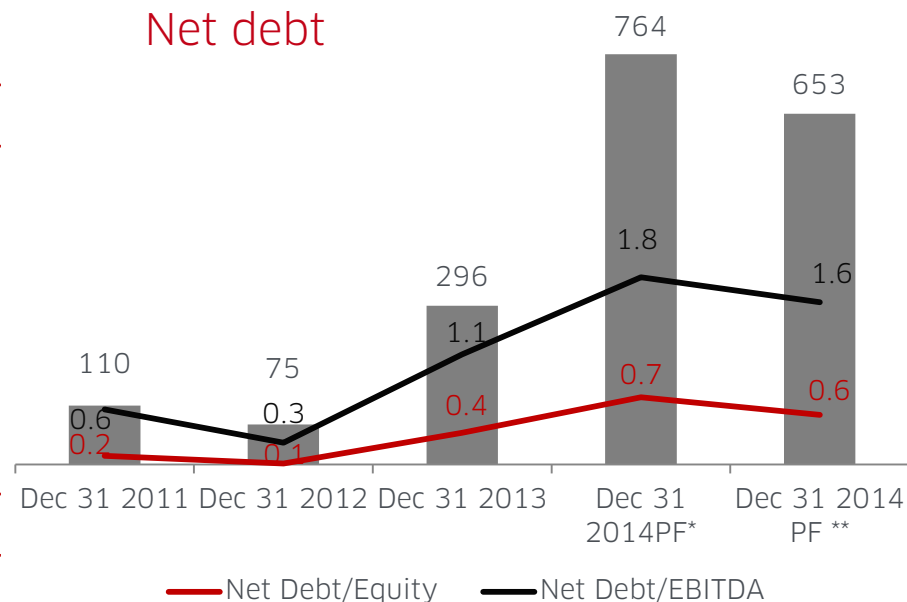
<i>In M€</i>	FY 2014	FY 2013
<b>EBITDA</b>	<b>377</b>	279
<b>Working capital changes</b>	<b>40</b>	38
<b>Capex</b>	<b>(51)</b>	(40)
<b>Other income &amp; expenses</b>	<b>(12)</b>	(10)
<b>Interests paid</b>	<b>(6)</b>	(9)
<b>Tax paid</b>	<b>(93)</b>	(82)
<b>Free Cash Flow</b>	<b>255</b>	<b>177</b>

- Strong EBITDA improvement
- Continued control over working capital despite significant increase of Group' business activity (+19%)
- Investments acceleration to foster Group's development: Telium Tetra and online platforms upgrade

# A continued strong financial structure

<i>In M€</i>	<b>FY 2014</b>	FY 2013
<b>Net debt as of Jan. 1</b>	<b>296</b>	75
Free Cash Flow	<b>255</b>	177
Dividend paid	<b>(20)</b>	(13)
OCEANE conversion	<b>131</b>	-
Acquisitions net of disposals	<b>(809)</b>	(363)
Others	<b>(25)</b>	(22)
<b>Change in net debt</b>	<b>(468)</b>	(221)
<b>Net debt as of Dec. 31</b>	<b>764</b>	296

## Net debt

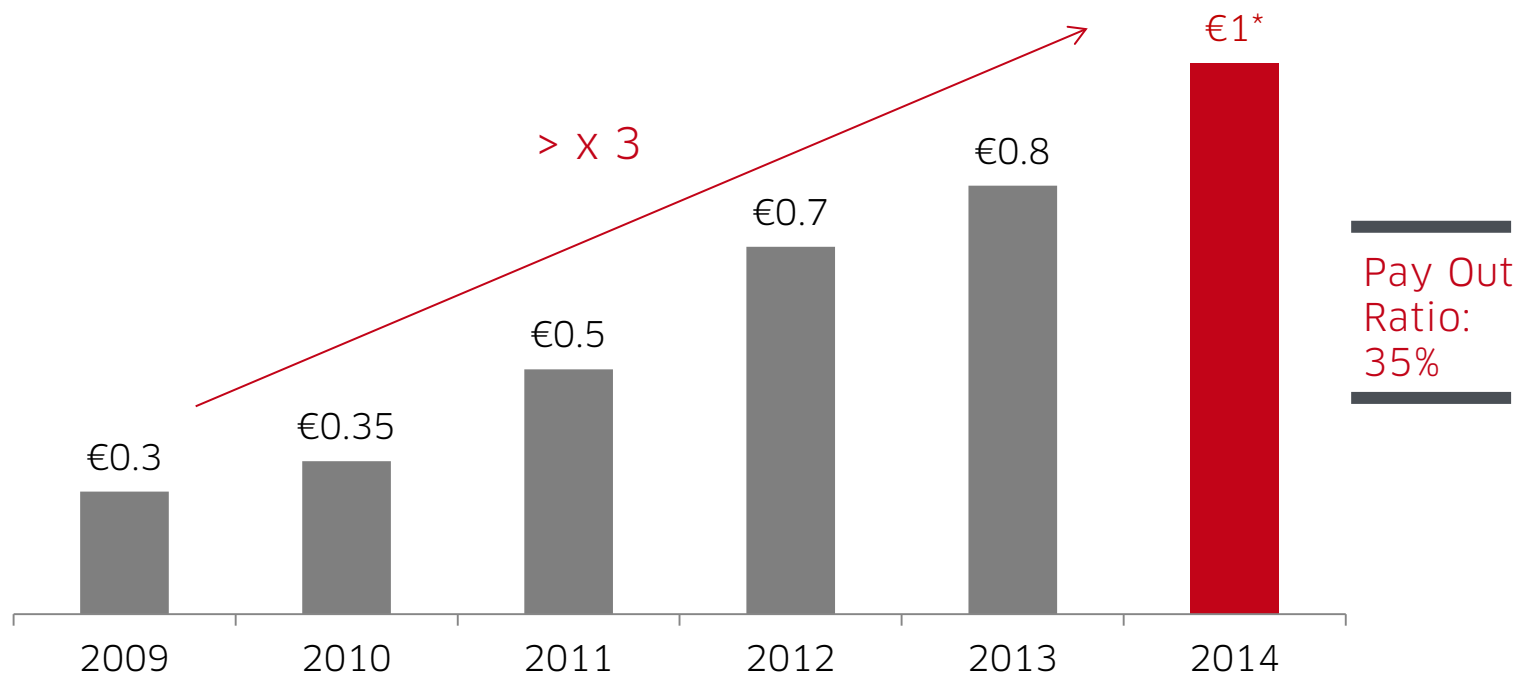


\*Including GlobalCollect on a FY basis

\*\*Including GlobalCollect on a FY basis and taking into account the OCEANEs bonds early redemption

# Proposed dividend /

Increasing by +25% to 1€ in 2014



\* Dividend proposed to next AGM



Group  
transformation  
in action  
towards 2015

**A new brand /** to illustrate the evolution of the Group and the new ambition

**ingenico**  
GROUP

**ingenico**  
Smart  
terminals

**ingenico**  
Payment  
services

**ingenico**  
Mobile  
solutions



# GlobalCollect integration / creation of an e-payments business unit



- Online processing
- Pan-European player
- Tier 2- Tier 3 merchants



- Fully online integrated offer
- Global player
- Tier 1 merchants

Same  
DNA

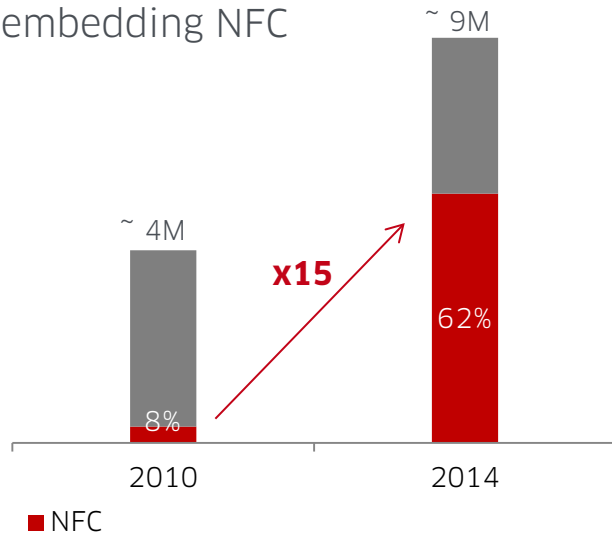
## One single e-payment business unit

- **Replicating our in-store payment leadership to the e-commerce ecosystem**
  - 170 countries
  - 150 payment methods
- Worldwide fully integrated e-payment services
- Capturing cross-border e-payment potential

# innovation / fuelling future growth

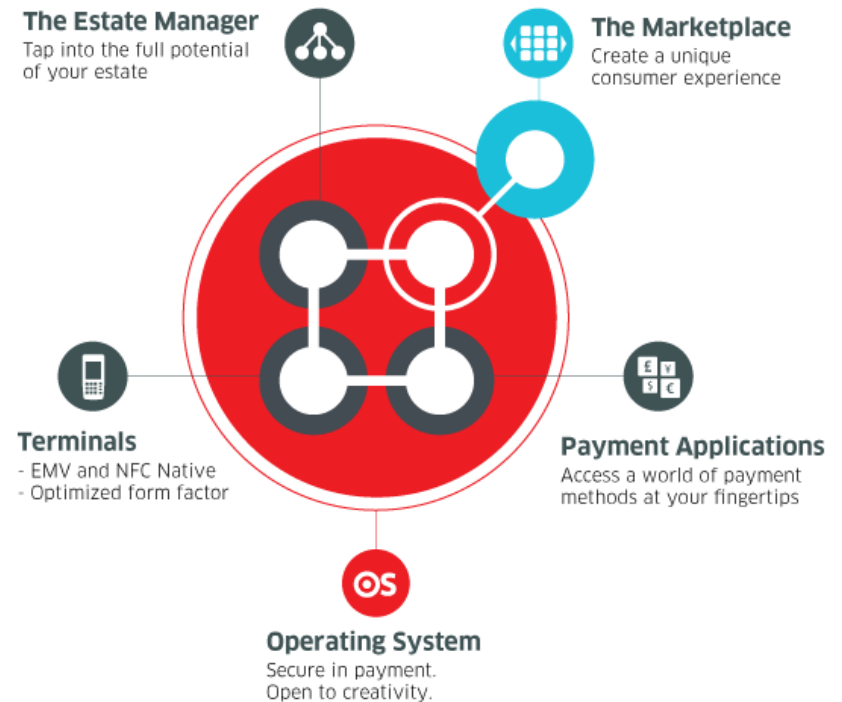
## Innovation driving new payment process

- > 60% of terminals shipped in 2014 embedding NFC



- One-click donation process
- Contactless payment through screen advertising

## Telium Tetra / Creating a fully integrated commerce ecosystem around the Point of Sale



**innovation** / multiplication of initiatives at early stage developments

## **Telium Tetra / Paving the way for payment acceptance in connected devices**

### **Ingenico Labs**

- Advanced R&D unit dedicated to next-generation solutions
- Testing new solutions and services in real-world conditions

### **Partnership with Partech Growth**

- Fund providing late-stage funding to tech and digital startups
- Fostering sharing of ideas, experience and expertise / Could lead to new partnerships

# **New organisation /** reflecting Group's new scope

**New appointments to Executive Committee: 14 members, including 3 from GlobalCollect**

## **Executive Committee's key responsibilities**

- Operational: e-Payment, Platforms and Smart Terminals
- Geographic: Europe & Africa, Asia-Pacific & Middle East, North America, Latin America
- Transverse: Innovation, Finance, Strategy, HR and Risks

# 2015 / continued profitable growth

Early 2015

- **Business trends are encouraging**

FY15 guidance

- **LfL growth: c. +10%\***
- **EBITDA margin: c. 21% / evolution of product and geographic mix and ongoing investments**

*\* At constant exchange rate and based on FY14 pro forma revenue at €1.846bn (including GlobalCollect contribution acquired on September 30th, 2014)*



# Appendix

## 2014 pro forma / including GlobalCollect acquisition in 2014

In M€	FY 2014 Pro forma	FY 2014 Reported
<b>Revenue</b>	<b>1,846</b>	1,607
<b>Adjusted Gross Profit</b>	<b>807</b>	735
<i>In % of revenue</i>	<b>43.7%</b>	45.7%
<b>Adjusted OPEX</b>	<b>(446)</b>	(411)
<i>In % of revenue</i>	<b>24.2%</b>	25.6%
<b>EBITDA</b>	<b>415</b>	377
<i>In % of revenue</i>	<b>22.5%</b>	23.4%
<b>Adjusted EBIT</b>	<b>361</b>	324
<i>In % of revenue</i>	<b>19.6%</b>	20.2%

\*Growth rate at constant FX & scope

## 2013 Pro Forma / R&D Reclassification

In M€	2013PF before reclassification	Reclassification	2013PF
Adjusted Gross Profit / Terminal	500	-	<b>500</b>
<i>As a % of revenue</i>	<i>46.1%</i>		<b><i>46.1%</i></b>
Adjusted Gross Profit / Payment Service	93	11	<b>104</b>
<i>As a % of revenue</i>	<i>43.0%</i>		<b><i>48.0%</i></b>
<b>Adjusted Gross Profit</b>	<b>593</b>	11	<b>604</b>
<b><i>As a % of revenue</i></b>	<b><i>45.6%</i></b>		<b><i>46.4%</i></b>
Research & Development	(94)	(11)	<b>(105)</b>
Sales & Marketing	(119)		<b>(119)</b>
General & Administrative	(145)		<b>(145)</b>
<b>Adjusted operating expenses</b>	<b>(358)</b>	<b>(11)</b>	<b>(369)</b>
<b><i>As a % of revenue</i></b>	<b><i>27.5%</i></b>		<b><i>28.3%</i></b>



## PPA at Year End and amortization

By Acquisition	Amortization				
	2014	2015	2016	2017	2018
easycash	<b>(8)</b>	(8)	(4)	(4)	(4)
Sagem Monetel	<b>(4)</b>	(4)	(4)	(4)	(1)
XIRING	<b>(3)</b>	(2)	(1)	(1)	(1)
Ogone	<b>(7)</b>	(7)	(7)	(7)	(4)
GlobalCollect	<b>(6)</b>	(24)	(24)	(24)	(24)
Others	<b>(4)</b>	(3)	(2)	(2)	(1)
<b>Total</b>	<b>(32)</b>	<b>(48)</b>	<b>(42)</b>	<b>(41)</b>	<b>(35)</b>