



JULY 25TH
2018

**ANALYST
PRESENTATION**



RESULTS

FIRST HALF 2018

H1'18

Strategic highlights

REINFORCE our direct access to merchants



Creation of a joint-venture with **BS PAYONE** to accelerate expansion in Germany with a **strong direct access to merchants**

Access to more than **250,000 new merchants** in the **most dynamic market in Europe**

The combined entity will become **the largest acquirer in Germany** on every payment mean category with more than **€125 billion volume processed** per year

Signing of the deal with a closing expected in the **first quarter 2019**

Bambora integration delivers on track and the **direct access to merchants** strategy starts to strongly **pay off within SMB**

€30m synergies for Bambora confirmed in 2020 and **€30m synergies for BS PAYONE** expected by 2022

OPERATIONAL developments and milestones



Successful launch of the next generation **Axium platform** in February

The Axium D7 is the first of its kind to **fulfill the Google mobile services requirements** and to be **certified PCI-PTS V5**

Numerous marks of interest received and **first deliveries** to occur during the third quarter with **Lottomatica**

Pilot of a **Pin-on-Mobile* solution** in Italy fully **compliant with PCI requirements**

Ingenico Labs deploys together with **Google** and other technology companies **tap solutions** including **loyalty information and coupons designed for smartphones**

* Smartphone/tablet based

RETAIL – STRATEGIC UPDATE

PAYONE to further accelerate the direct access to merchants in Germany, Austria and Switzerland

Leading payment services provider in DACH* with European scale

Customers benefit from best in class offering and services

Jointly achieving unparalleled distribution power

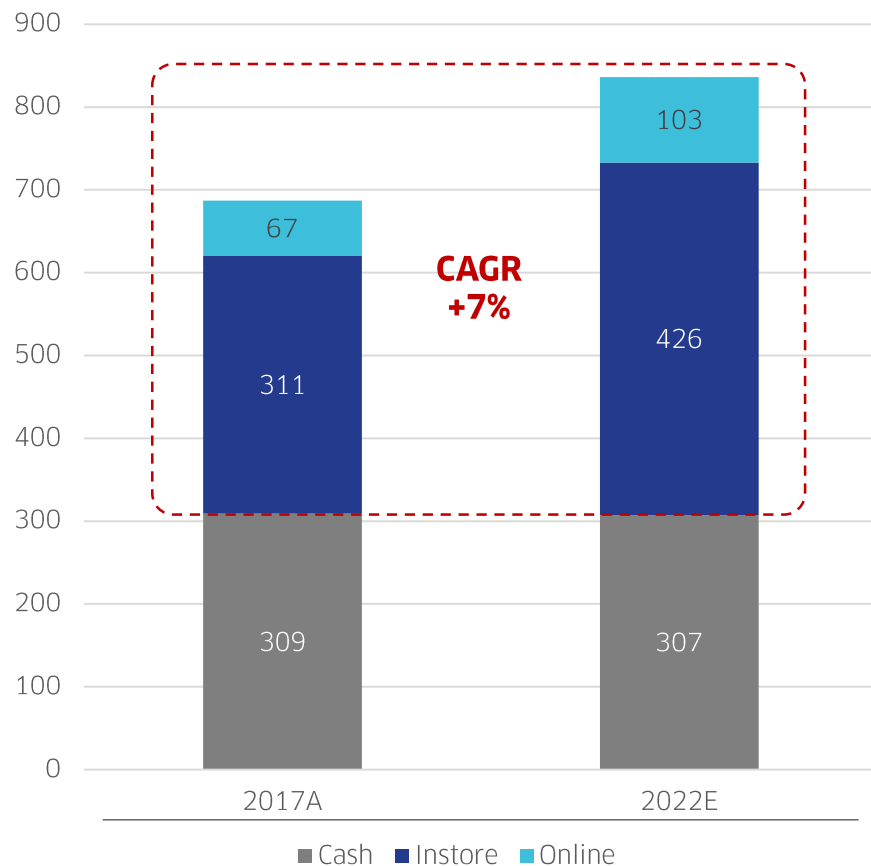
Strong revenue and EBITDA growth profile

* Germany, Austria and Switzerland

RETAIL – STRATEGIC UPDATE

The German market, a dynamic and promising market

German total transaction volume (in €Bn)



- c. €690bn total transaction volume
- 3rd largest market in Europe
- Non-cash transactions to grow at 7% p.a.
- Different segment leaders depending on the payment means
- Opportunity to bring simplicity in a complex market

Source: Oliver Wyman

RETAIL – STRATEGIC UPDATE

Business overview*

BS PAYONE

#2 Largest acquirer in Germany	€27bn International card acquiring	€26bn Girocard processed volumes
250,000+ Merchants	135,000 POS	700 Employees
€324m** Gross revenues	€153m** Net revenues	€31m** EBITDA

Ingenico Retail DACH assets

#1 Largest NSP in Germany	€24bn OLV/ELV acquiring	€17bn Girocard processed volumes
100,000+ Merchants	200,000 POS	550 Employees
€199m Gross revenues	€178m Net revenues	€45m EBITDA

* Informations based on 2017 figures

** Estimated IFRS figures derived from German GAAP subject to adjustments

RETAIL – STRATEGIC UPDATE

The combined entity will become the leader in DACH market

#1 NSP
in Germany

#1 acquirer
in Germany

A leader in DACH market

- 1** Undisputable leadership position across all segments
- 2** Strong cross & up-sell opportunities
- 3** Acceleration of Ingenico's direct access to merchants strategy
- 4** Enhancing acquiring capabilities

CAGR 2017-2021

- **Low double digit** revenue growth
- **High double digit** EBITDA growth

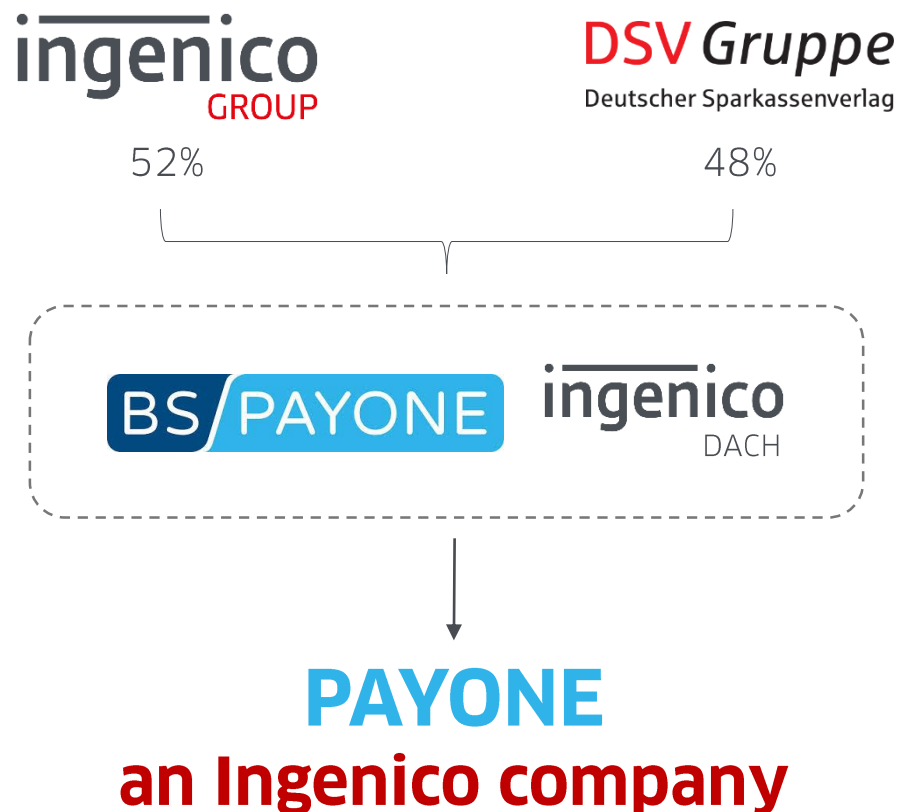
Synergies 2022

- **€30m synergies** at EBITDA level
- **Synergies are coming almost equally from platform rationalization and costs optimization**

RETAIL – STRATEGIC UPDATE

Creation of PAYONE, a Joint Venture majority owned by Ingenico Group

Shareholding structure



- **JV controlled by Ingenico** and run by **Niklaus Santschi**, current CEO of BS PAYONE
- **Long term partnership with the Sparkassen**, 1st banking network in Germany
- **Non-cash deal: a smart way to keep on consolidating** the DACH market amidst multiple recent highly priced transactions
- **Closing to occur during Q1 2019***

* Subject to approval from the relevant authorities

H1'18

Key financial highlights

€1,229m

revenues

3% organic* decline

€630m

RETAIL revenues

6% organic* growth

€599m

B&A revenues

11% organic* decline

€193m

EBITDA

15.7% EBITDA margin
€19m negative forex impact

€54m

Net profit
(Group share)

3.6x

Net Debt/EBITDA

€172m non-recurring
cash-out**

* Growth rate at constant FX & scope

** Purchase of Fosun stake in Landi and share buybacks

2018 OUTLOOK

Organic* revenue growth acceleration in H2'18

Banks & Acquirers

> 5% organic growth

- North America: impact of growing ISV certifications and continuous momentum in Canada with Telium Tetra deployment
- EMEA: Positive impact of the first Axiom deliveries, end of high comparison basis from PCI v1 and anticipation regarding the phasing out of Iranian market
- APAC: Ramp-up of the Japanese market, impact of tender offers in Australia and end of high comparison basis from India
- LAR: Brazilian contracts contribution and ongoing dynamic in Mexico
- Double digit sequential growth vs. H1'18

Retail

Double digit organic growth

- Acceleration of SMB organic performance fueled by Bambora growth and Germany contribution
- Double-digit organic growth on Global Online driven by merchant gains and Indian market dynamic
- Mid-single organic growth of Enterprise fueled by both payment services in EMEA and first EMV refreshments in North America
- Double digit sequential growth vs. H1'18

* Growth rate at constant FX & scope

**Double digit organic growth
in H2'18 at Group level**

2018 OUTLOOK



Strong operating leverage in H2'18

Acceleration in revenue growth

- Banks & Acquirers: stronger products and country mix
- Retail: business mix effect, driven by a strong performance of SMBs

Operating expenses under control

- Continuous improvement driven by the new organization
- Procurement and costs efficiency

High cash generation related to strong EBITDA growth

Recurring process to identify further savings in 2019 and onwards

2018 OUTLOOK

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Outlook adjusted

Guidance 2018: at least €545m vs. €545m - €570m EBITDA range previously

- Phasing out of our distribution partnership in Iran by November 4th, 2018, in line with the US law
 - €16m EBITDA potential contribution from Iranian activities are excluded from the adjusted 2018 guidance
 - Potential EBITDA contribution related to Iran may still be recovered within the timeframe
- Includes €25-30 million estimated negative impact from currencies
- FCF Conversion > 45%*

Organic acceleration at the Group level in H2'18

- Banks & Acquirers: > 5% organic growth
- Retail: double digit organic growth

Organic growth trends at Business Unit level for FY'18

- Banks & Acquirers: Soft revenue decline vs soft revenue growth due to Iran situation
- Retail: Double digit growth with operational deployment

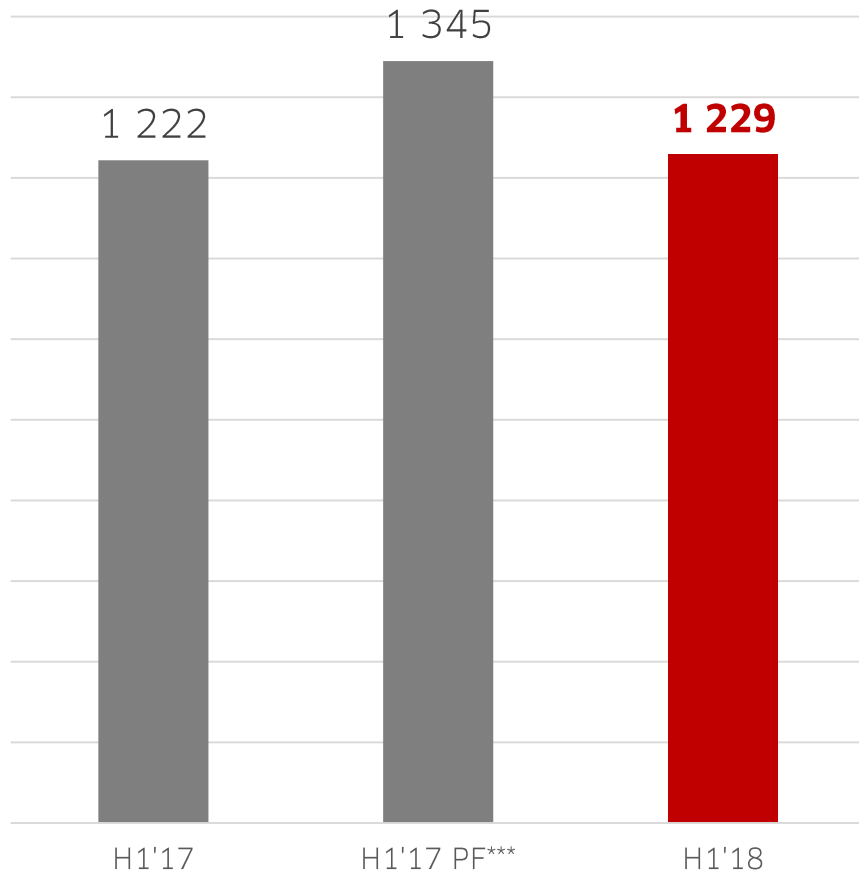
Strong deleveraging expected in H2'18 to reach c.3.0x net debt / EBITDA ratio

* Free cash flow conversion before non-recurring items (acquisitions and restructuring costs)

H1'18

3% organic decline*

Revenue (in €M)



Year-on year

- Organic impact: **-3%**
- Organic excl. Indian demonetization and PCI v1: **+3%**
- FX impact: **-€71m**

Banks & Acquirers

- Organic impact: **-11%**
- Organic excl. Indian demonetization and PCI v1: **+0%**
- FX impact: **-€37m**

Retail

- Organic impact: **+6%**
- FX impact: **-€34m**

Sequential** organic growth: acceleration in Q2'18

- Group: **+9%**
- Banks & Acquirer: **+11%**
- Retail: **+8%**

* Growth rate at constant FX & scope

** Organic growth Q2'18 vs Q1'18

*** Includes acquisitions at 100% on a full year basis

H1'18

Business Unit overview

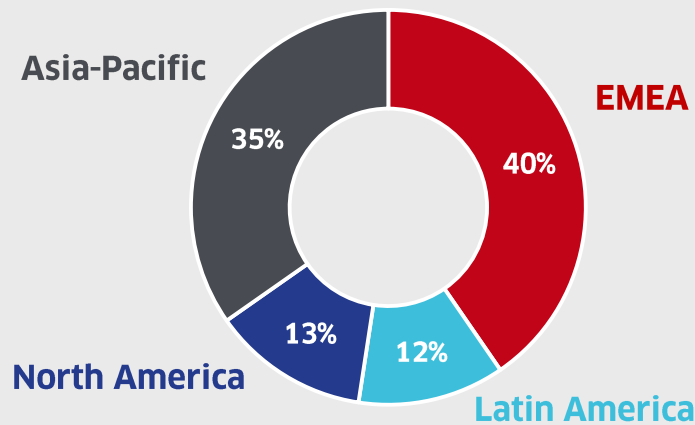
Banks & Acquirers (Indirect)

Allowing partners to differentiate through innovation and value-added services

H1'18 FIGURES

- €599m revenues
- €116m EBITDA

Revenues by geographies (%)



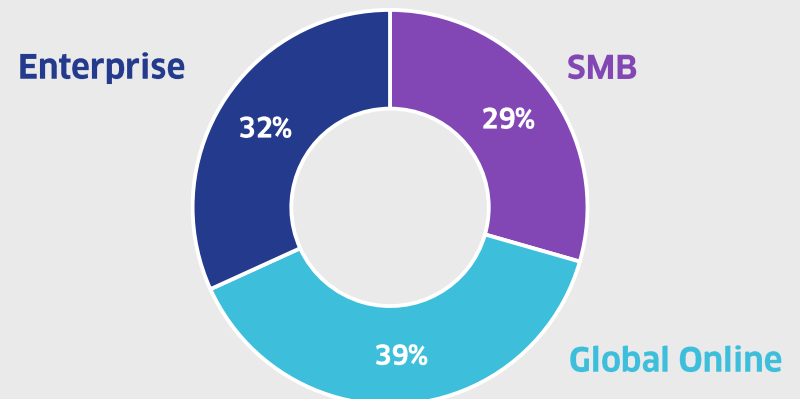
Retail (Direct)

Delivering value directly to all merchant segments

H1'18 FIGURES

- €630m gross revenues
- €451m net revenues*
- €77m EBITDA

Revenues by business line (%)



* Revenues excluding interchange and scheme fees



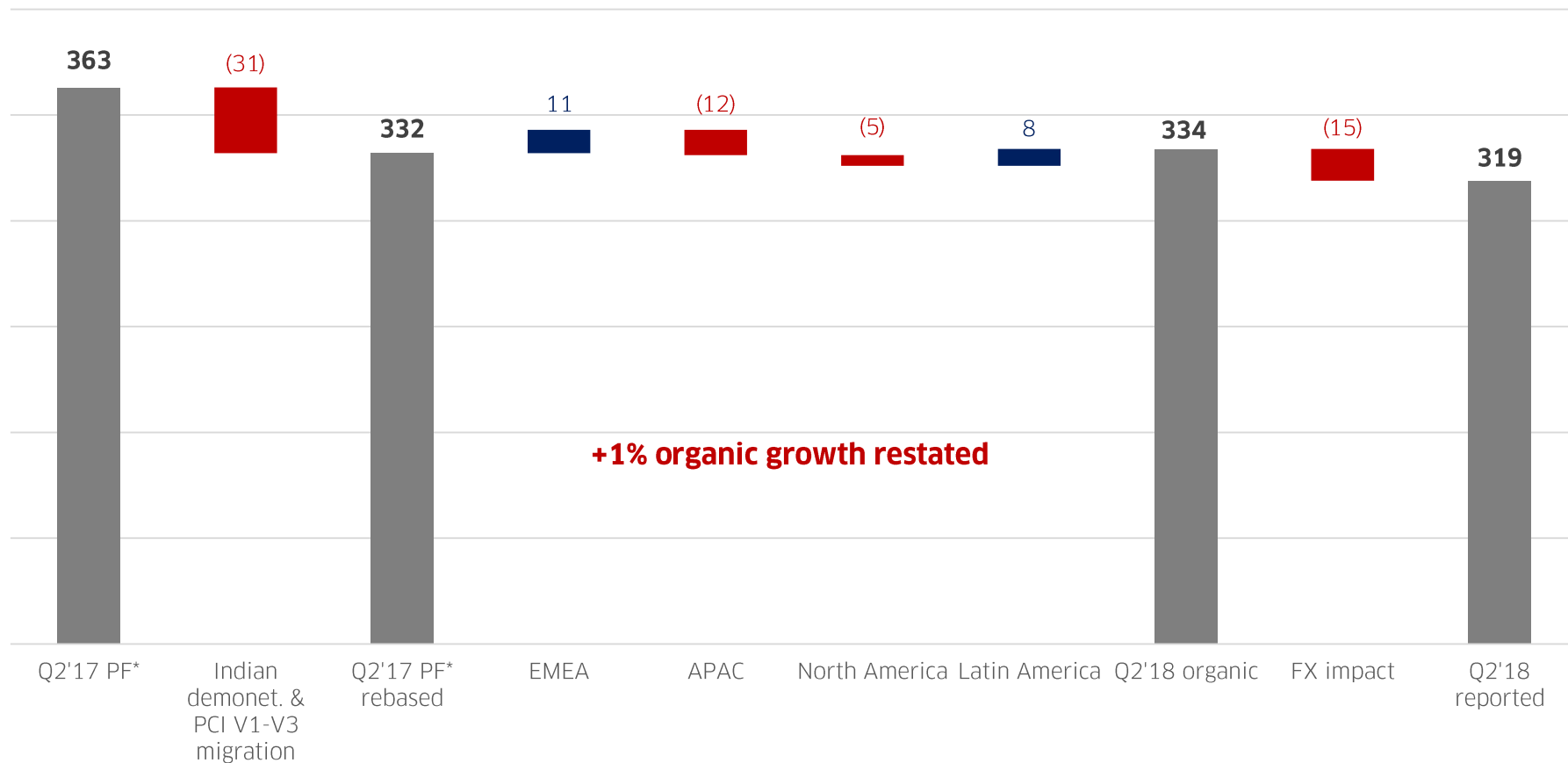
**BANKS
&
ACQUIRERS**

ALLOWING PARTNERS TO
DIFFERENTIATE THROUGH
INNOVATION AND VALUE-ADDED
SERVICES

Q2'18 BANKS & ACQUIRERS

8% organic decline and 11% organic growth sequentially

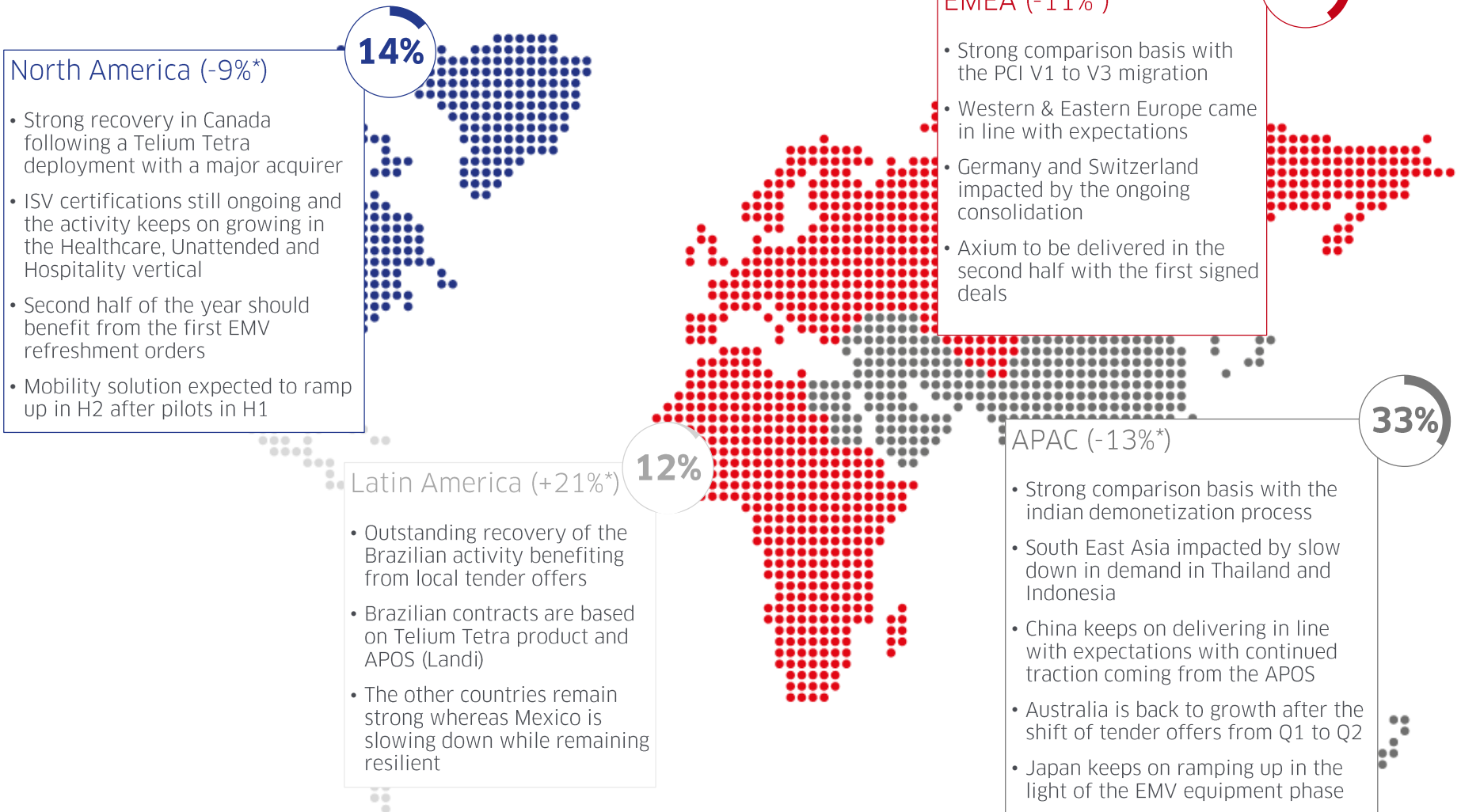
Revenue contribution (in €M)



* Includes acquisitions at 100% on a full year basis

Q2'18 BANKS & ACQUIRERS

Regions dynamics



*Growth rate at constant FX & scope



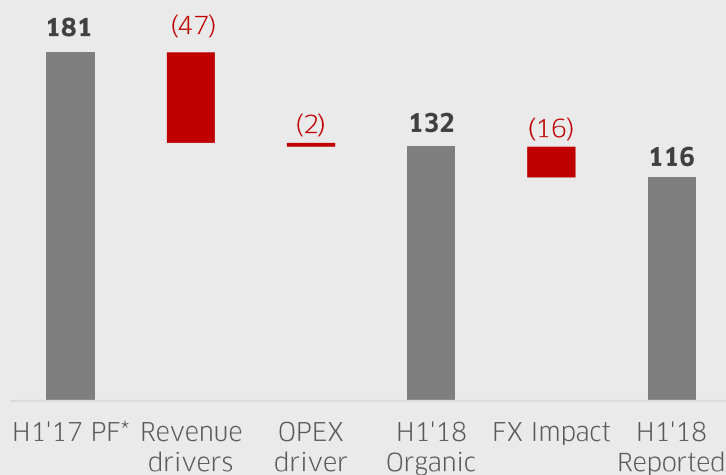
BANKS & ACQUIRERS

H2'18 EBITDA leverage

EBITDA generation (in €M)

H1'17 PF* to H1'18:

11% organic decline or €83m shortfall in revenues



EBITDA drivers

- Strong EBITDA growth in H2'18 related to revenues acceleration and better mix
- Operating leverage: more than 50% of incremental revenues translate into EBITDA
- Operating expenses under control

* Includes acquisitions at 100% on a full year basis

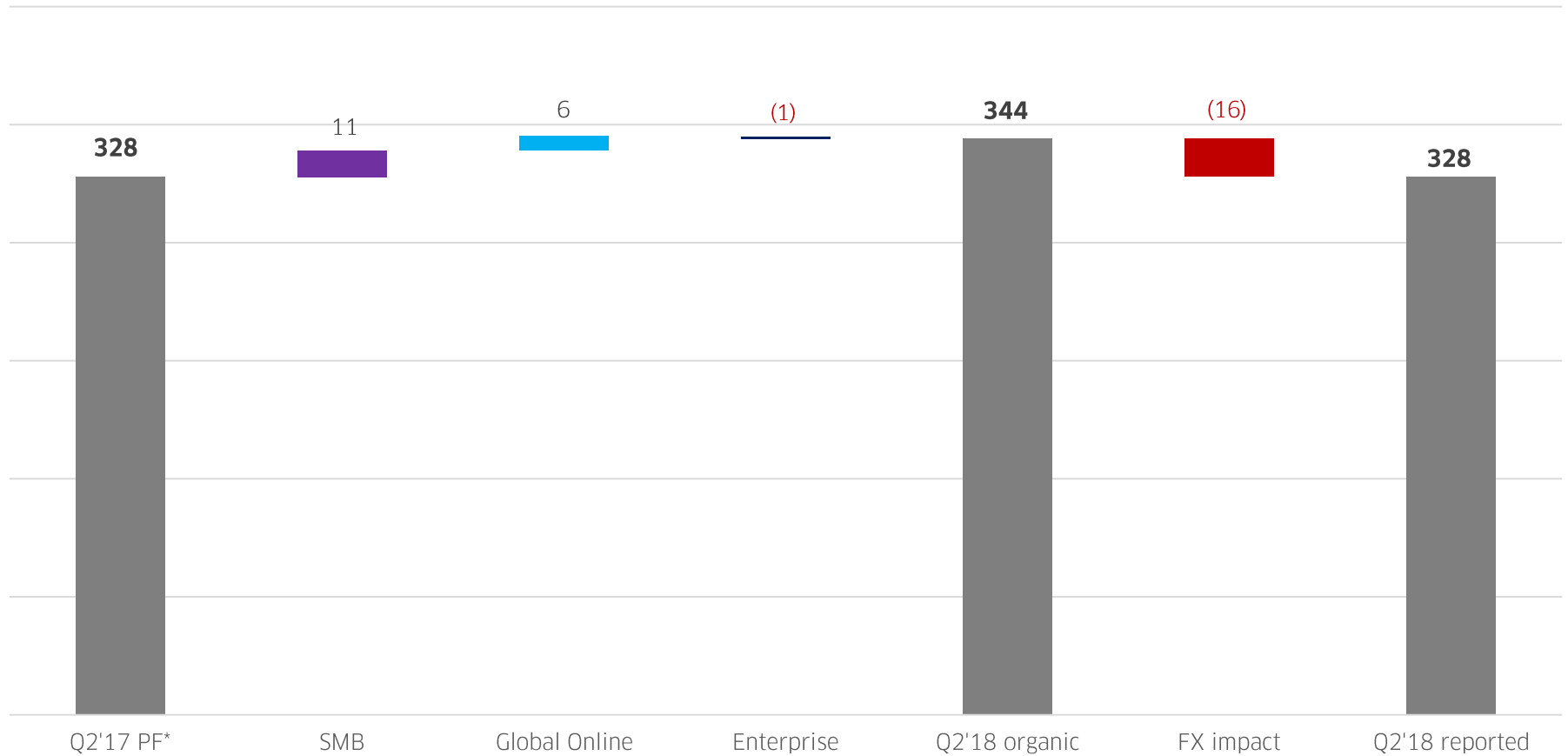


DELIVERING VALUE DIRECTLY TO
ALL MERCHANT SEGMENTS

Q2'18 RETAIL

5% organic growth and 8% organic growth sequentially

Revenue contribution (in €M)



* Includes acquisitions at 100% on a full year basis

Q2'18 RETAIL

Business lines dynamics



SMBs (+12%*)

- Bambora delivering on track with >20% organic growth
- Over 4,000 new merchants signed during the quarter
- Success of the merchant cash advance pilot
- Germany deployment is ongoing with major technical milestones reached during the quarter
- Online activities driven by the full services offer

307k merchants



GLOBAL ONLINE (+5%*)

- Churn rate reached the lowest level since 2015 following the realized investments
- New merchant gain with customer such as Pearson, ShineZone or Liverpool FC (Fraugster tool implemented)
- Cost base optimization enabling to be more agile and to improve margin

540m transactions** volume
€58bn transactions** value



ENTERPRISE (-1%*)

- Negative impact from North America following a significant client's order in Q2'17 and a contract shift in Q3'18
- Strong performance in Europe driven by the instore services growing at 15%
- Significant projects to support big retailers across Europe
- Ongoing geographical expansion of the instore services activities

5.2bn transactions** volume
€200bn transactions** value

* Growth rate at constant FX & scope

** Invoiced transactions



RETAIL



H2'18 EBITDA leverage

Revenues growth acceleration with an organic growth above 10% in H2'18

Favourable business mix effect, driven by

- A strong performance of SMBs
- Stronger organic growth of Enterprise

Added leverage related to costs optimization and operating expenses management

- 75% variable costs
- 25% fixed costs

A photograph of a woman with curly hair, smiling and looking out a window. The window shows a blurred view of a building with glass panels and some lights.

CONCLUSION

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Deliver sales performance to merchants

INGENICO

Mid-term outlook

Right organization

- International footprint
- Client centric
- Competencies to address all merchants and partners

Right offer

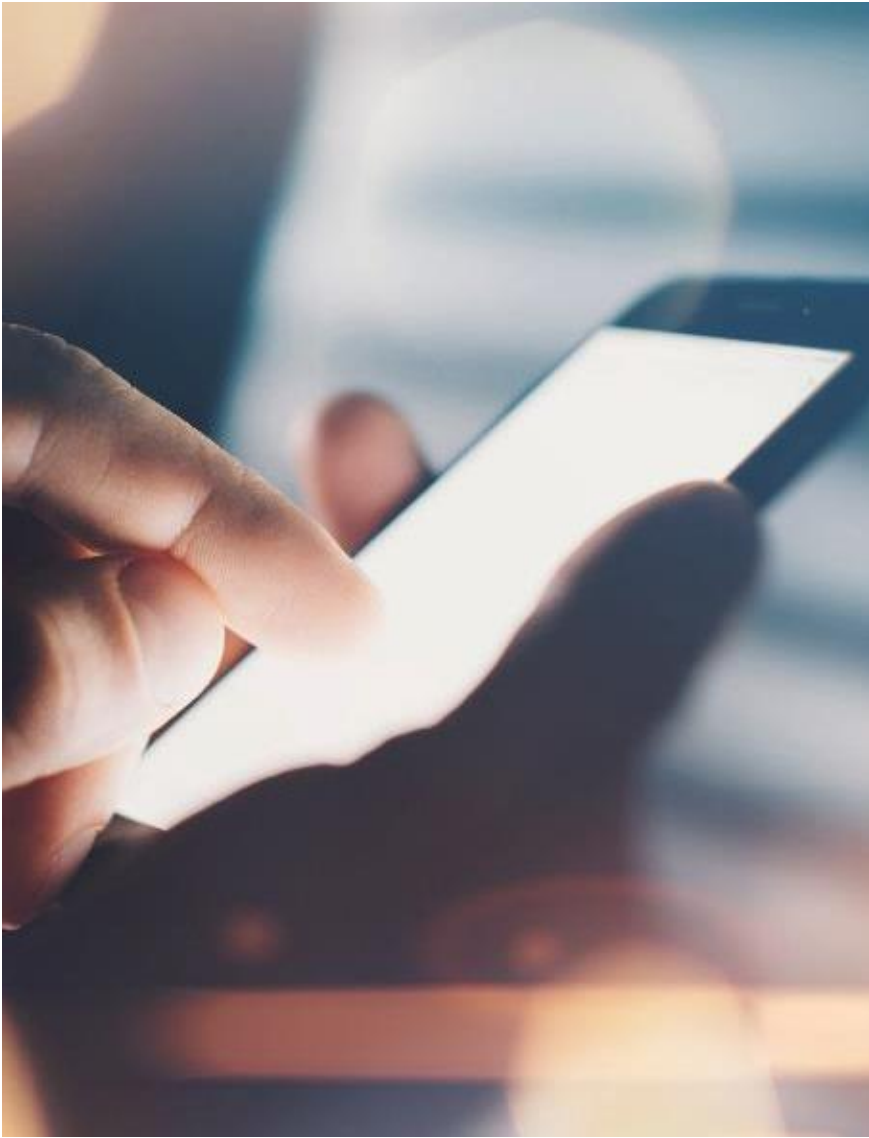
- End-to-end solutions
- Differentiated value proposition to deliver sales performance for merchants
- Innovative open android payment platforms

2018 guidance adjusted from anticipated phasing out from Iran

Mid-term outlook confirmed: EBITDA double-digit growth CAGR between 2018-2020

- EBITDA > €700m in 2020 at constant scope and currency
- FCF Conversion > 45%*
- Pay-out ratio > 35%

* Free cash flow conversion before non-recurring items (acquisitions and restructuring costs)



APPENDICES

H1'18

Consolidated income statement (cash presentation)

IN €M	H1'18	H1'17	Change vs. H1'17
Gross Revenues	1,229	1,222	-3%*
Gross Profit	489	517	-5%
Sales & Marketing	(99)	(91)	+9%
Research & Development	(71)	(78)	-9%
General & Administrative	(125)	(104)	+20%
Adj. operating expenses	(295)	(272)	+8%
In % of Gross revenues	-24.0%	-22.3%	-170 bps
EBITDA	193	244	-21%
In % of Gross revenues	15.7%	20.0%	-430 bps
EBIT	159	221	-28%
In % of Gross revenues	12.9%	18.1%	-520 bps
Net profit attributable to Ingenico Group shareholders	54	130	-5%

* Growth rate at constant FX and rate

H1'18

Net profit

IN €M	H1'18	H1'17
Adj. EBIT	159	221
Purchase Price Allocation	(47)	(23)
Other income & expenses	(17)	(7)
Financial result & Equity Method	(19)	(10)
Income before tax	75	184
Income tax	(20)	(51)
Income tax rate	26.7%	28.0%
Net Result	55	132
Net Result, attributable to shareholders	54	130

H1'18

Free Cash Flow

IN €M	H1'18	H1'17
EBITDA	193	244
Working capital changes	(44)	(79)
Capex	(53)	(38)
Other income & expenses	(16)	(7)
Interests paid	(9)	(6)
Tax paid	(48)	(47)
Free Cash Flow	23	69
Conversion rate	11.7%	28.3%
Adjusted FCF*	40	76
Conversion rate	20.7%	31.1%

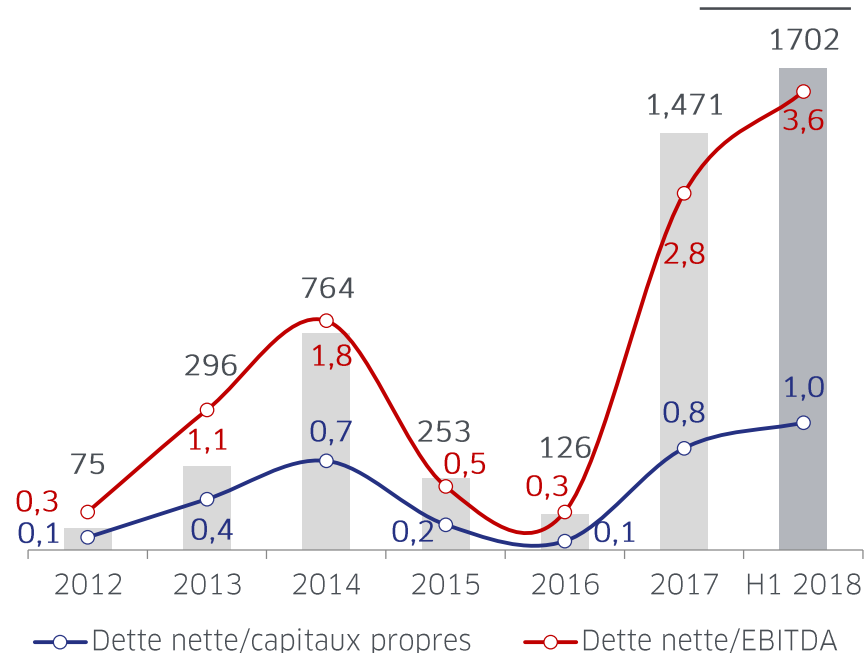
* Free cash flow after non-recurring items (acquisitions and restructuring costs)

H1'18

Financial structure

IN €M	H1'18	H1'17
Net debt as of Jan. 1	1,471	126
Free Cash Flow	23	69
Dividend paid	(48)	(40)
Share buyback	(87)	-
Acquisitions net of disposals	(15)	(63)
Others	(103)	(17)
Change in net debt	(230)	(51)
Net debt as of December 31	1,702	178

Net debt evolution



FULL YEAR'17

Reported figures

IN €M	Q1'17	Q2'17	Q3'17	Q4'17	FY'17
Retail	243	272	260	325	1,099
SMBs	33	35	35	72	175
Global Online	111	127	124	131	494
Enterprise	99	110	101	122	431
Banks & Acquirers	351	356	337	367	1,411
EMEA	142	147	155	159	602
Latin America	40	37	44	49	170
North America	37	55	45	50	187
Asia Pacific	132	118	93	111	454
Total	594	628	597	692	2,510

FULL YEAR'17

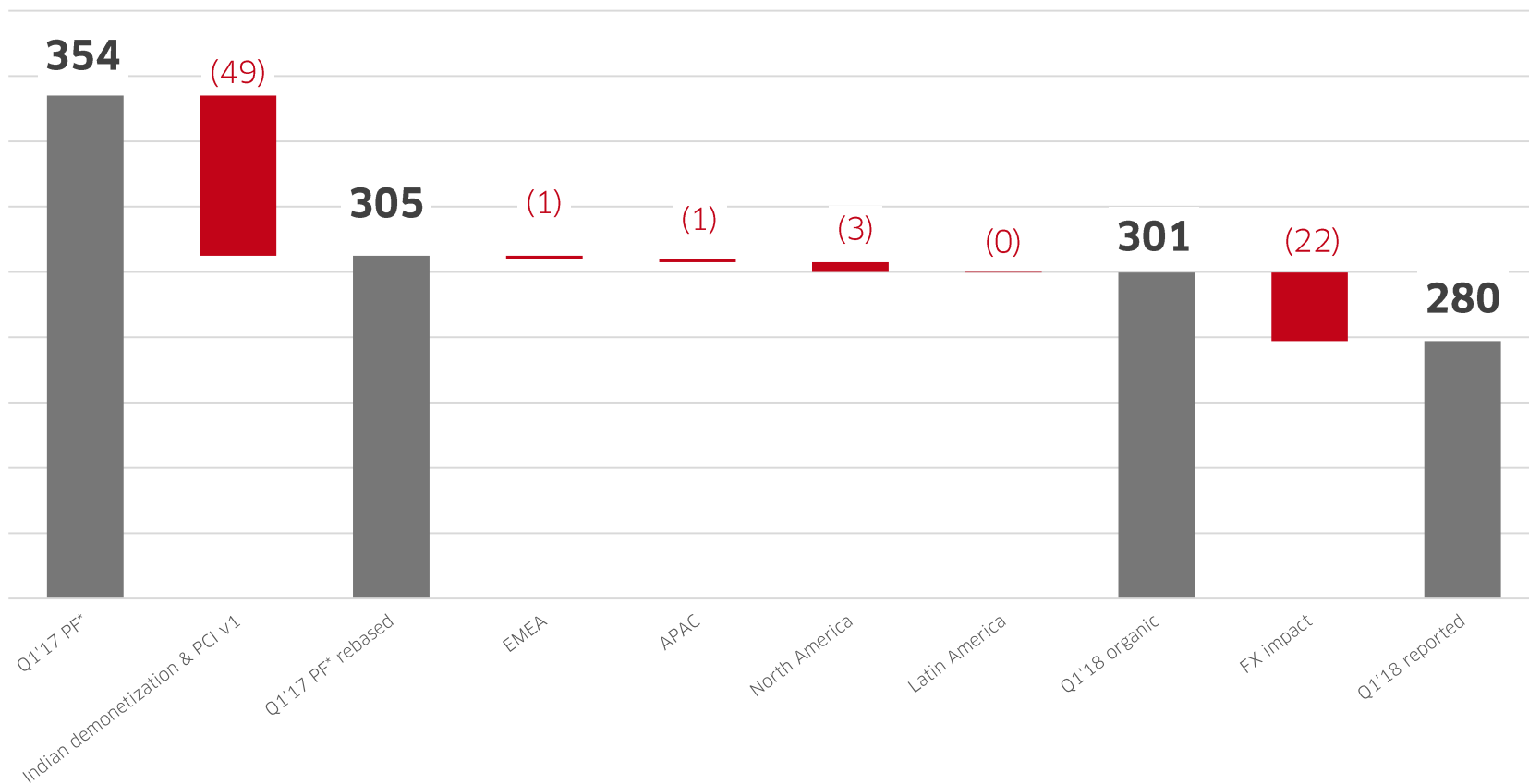
Pro forma figures

IN €M	Q1'17	Q2'17	Q3'17	Q4'17	FY'17
Retail	299	328	316	343	1,286
SMBs	81	90	89	89	349
Global Online	118	127	124	131	500
Enterprise	100	112	103	122	438
Banks & Acquirers	354	363	343	369	1,428
EMEA	137	146	152	158	594
Latin America	40	37	44	49	170
North America	37	55	45	50	187
Asia Pacific	140	126	101	114	480
Total	653	692	658	711	2,714

Q1'18 BANKS & ACQUIRERS

Overview

Revenue contribution (in €M)

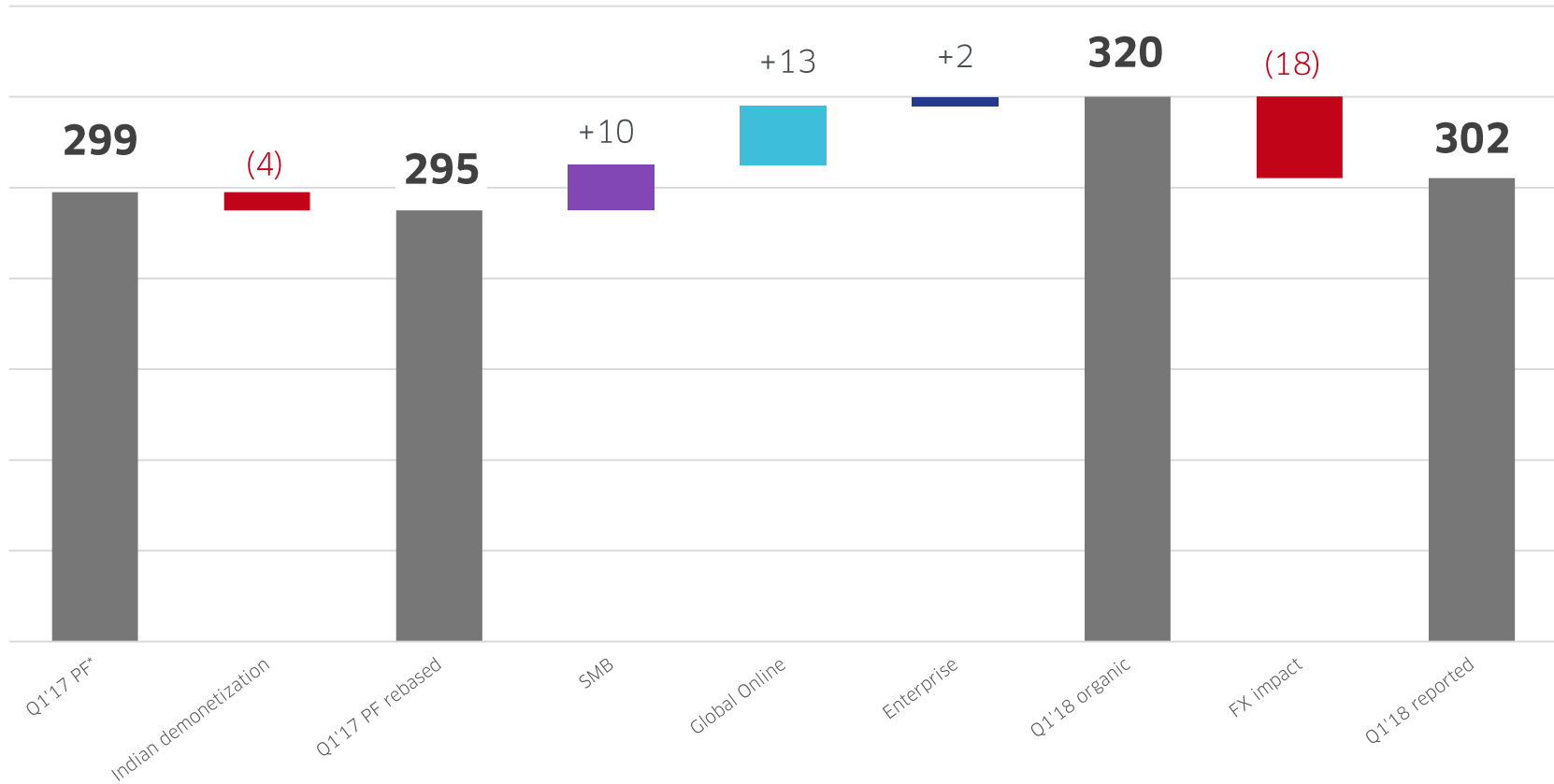


* Includes acquisitions at 100% on a full year basis

Q1'18 RETAIL

Overview

Revenue contribution (in €M)



* Includes acquisitions at 100% on a full year basis

DISCLAIMER



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