

Adjustment of 2018 EBITDA related to Banks & Acquirers under-performance

Ingenico Group (Euronext: FR0000125346 - ING), the global leader in seamless payments, today announced its preliminary 2018 performance¹ and its action plan for the year 2019.

2018 performance: €485 million EBITDA² / 18.3% margin, versus €510 million expected

- €485 million EBITDA, representing an EBITDA margin of 18.3%
 - Retail : operating performance in line with our expectations
 - Banks & Acquirers : unfavorable geographical and product mix weighting on Group's EBITDA
- 5% organic growth in Q4'18, consistent with the Q3'18 rebound, but short of our initial expectations
 - Retail: 9% organic growth³ (vs. +9% in Q4'17) fueled by SMB activities (+20%)
 - Banks & Acquirers: 1% organic growth (vs. +12% in Q4'17) in a challenging environment in EMEA
- Revenues of €2,643 million, up 5% on a reported basis and up 2% on a comparable basis
- 2% organic growth in 2018
 - Retail: 8% organic growth, of which 11% in payment services, with an acceleration in H2'18
 - Banks & Acquirers: 4% organic decline of which 21% decline in EMEA with a dynamic softer than expected and impacted from the ongoing consolidation headwind effects
- Adjusted FCF⁴ conversion rate of 55%, above the 40-45% guidance
- Net debt / EBITDA ratio of 3.15x, slightly above the c.3.0x guidance

Action plan for 2019:

- Banks & Acquirers: commercial turnaround and manufacturing optimization facilitated by a global cost savings plan
- Retail: Investments acceleration within the most profitable segments and integration of BSPayone and Paymark
- Optimization of Group support functions

2019 financial guidance to be communicated on February 12th, 2019

Nicolas Huss, Chief Executing Officer of Ingenico Group, commented: « **In 2018, Retail grew significantly, accelerating its growth in the second half of the year. This performance confirms the relevance of our acquisitions and our organic developments. However, Banks & Acquirers did not perform as expected which prevents us from achieving our 2018 guidance. Ingenico Group acknowledges these results and is implementing action plans in order to improve its future performance. In 2019, the Retail division will keep on growing. The contribution of the PAYONE joint-venture will strengthen our leading position in Germany, Austria and Switzerland, which are high potential markets, while Paymark will complete our offering within the Pacific region. Regarding Banks & Acquirers we are implementing the cost reduction plan already announced.** »

Nicolas Huss concludes: « **On February, 12th, I will present our 2019 financial guidance for the Group and will detail the ongoing action plans.** »

¹ Non audited figures

² EBITDA is not an accounting term; it is a financial metric defined here as profit from ordinary activities before depreciation, amortization and provisions, and before share-based compensations

³ On a like-for-like basis

⁴ Adjusted free cash-flow from non-recurring items (restructurings, M&A)

Fourth quarter 2018 performance

In the fourth quarter 2018, revenues totaled €727 million, representing an increase of 5% on a reported basis, including a negative foreign exchange impact of €17 million. On a comparable basis, revenues was 5% higher than in the fourth quarter of 2017.

The **Retail** business unit revenues reached €364 million, up 12% on a reported basis, impacted by a negative foreign exchange of €6 million. On a comparable basis, revenues grew by 9% in the fourth quarter of 2018. Small & Medium Businesses division has delivered a strong double digit organic growth (+20%), driven by merchant gains, growth in acquiring volumes and German turnaround. Global Online activities are up 8% fueled by contracts ramp-up and new client gains. Enterprise division, up 1% organically as expected, has seen its overall performance impacted by a lower contribution from payment acceptance solutions to large retailers, while in-store gateway processing activities continue to grow.

During the last weeks of 2018, Ingenico Group has not recorded the expected trajectory for **Banks & Acquirers** business unit. Revenues reached €364 million, down 1% on a reported basis, impacted by a negative foreign exchange of €11 million. On a comparable basis, revenues grew by 1% in the fourth quarter of 2018. Performance has been lower than expected in EMEA (21% organic decline) and in North America (13% organic decline), while Latin America and Asia-Pacific regions came in line with our expectations with +61% and +12% organic growth respectively.

2018 operating performance

In a context of a lower growth within Banks & Acquirers, Ingenico Group expects €485 million EBITDA for the year 2018 versus €510 million initially anticipated. The contribution from the Retail business unit Retail came in line with our expectations. The contribution of Banks & Acquirers business unit was down, mainly impacted by the non-execution of contracts factored in Q4'18, a different than expected product mix, mainly a lower contribution from Axiom, an unfavorable geographical mix and a negative foreign exchange impact.

Furthermore, the Group has pursued a strict financial discipline. The EBITDA conversion rate has reached 55%, above the guidance of 40-45% announced in October 2018.

As of end 2018, Net debt / EBITDA ratio reached 3.15x, slightly above the c.3.0x guidance

2019 action plan

In light of the 2018 performance, Ingenico Group is implementing the required action plans. The Banks & Acquirers business unit will be optimized, including in particular a cost savings program as well as a commercial turnaround. Group support functions will be optimized as well. Regarding the Retail business unit, investments will be accelerated within the fast growing segments. The business unit will benefit from the integration of BSPayone and Paymark.

The Group will communicate its financial guidance for 2019 and detailed action plans during its full year 2018 results presentation on February 12th, 2019.

Conference Call

2018 performance and 2019 overview will be discussed in a Group telephone conference call which will be held on **22 January 2019 at 6.15pm** Paris time (5.15pm UK time). The call will be accessible by dialling one of the following numbers: +33 (0)1 72 72 74 03 (from France), +1 646 722 4916 (from the US) and +44 (0)20 7194 3759 (from other countries), with the conference ID: **31380136#**.

This press release contains forward-looking statements. The trends and objectives given in this release are based on data, assumptions and estimates considered reasonable by Ingenico Group. These data, assumptions and estimates may change or be amended as a result of uncertainties connected in particular to the performance of Ingenico Group and its subsidiaries. These forward-looking statements in no case constitute a guarantee of future performance, and involve risks and uncertainties. Actual performance may differ materially from that expressed or suggested in the forward-looking statements. Ingenico Group therefore makes no firm commitment on the realization of the growth objectives shown in this release. Ingenico Group and its subsidiaries, as well as their executives, representatives, employees and respective advisors, undertake no obligation to update or revise any forward-looking statements contained in this release, whether as a result of new information, future developments or otherwise. This release shall not constitute an offer to sell or the solicitation of an offer to buy or subscribe for securities or financial instruments.

About Ingenico Group

Ingenico Group (Euronext: FR0000125346 - ING) is the global leader in seamless payment, providing smart, trusted and secure solutions to empower commerce across all channels, in-store, online and mobile. With the world's largest payment acceptance network, we deliver secure payment solutions with a local, national and international scope. We are the trusted world-class partner for financial institutions and retailers, from small merchants to several of the world's best known global brands. Our solutions enable merchants to simplify payment and deliver their brand promise.

Stay in touch with us:

www.ingenico.com  twitter.com/ingenico

For more experts' views, visit our [blog](#).

Contacts / Ingenico Group

Investors

Laurent Marie
VP Investor Relations &
Financial Communication
laurent.marie@ingenico.com
(T) / (+33) (0)1 58 01 92 98

Investors

Kevin Woringer
Investor Relations Manager
Kevin.woringer@ingenico.com
(T) / (+33) (0)1 58 01 85 09

Communication

Stéphane Grand
Media Communication
stephane.grand@ingenico.com
(T) / (+33) (0)1 58 01 91 95

Upcoming events

2018 full year results: 12th February 2019

First quarter 2019 revenues: 23rd April 2019

EXHIBIT 1

Q4'18 and FY'18 organic performance

Key figures for the fourth quarter 2018

	Q4 2017 Reported	Q4 2017 Pro forma*	Q4 2018		
	€m	€m	€m	% Change	
				Comparable ¹	Reported
Retail	325	340	364	9%	12%
SMBs	72	89	105	20%	46%
Global Online	131	131	141	8%	7%
Enterprise	122	120	118	1%	-3%
Banks & Acquirers	367	369	364	1%	-1%
EMEA	159	158	125	-21%	-21%
Latin America	49	49	69	61%	43%
North America	50	50	44	-13%	-12%
Asia-Pacific	111	114	126	12%	13%
TOTAL	692	709	727	5%	5%

* Q4 2017 PF figures including acquisitions made during the year at 100%

Key figures for 2018

	FY 2017 Reported	FY 2017 Pro forma*	FY 2018		
	€m	€m	€m	% Change	
				Comparable ¹	Reported
Retail	1,099	1,280	1,339	8%	22%
SMBs	175	349	393	16%	125%
Global Online	494	500	521	8%	6%
Enterprise	431	432	424	2%	-2%
Banks & Acquirers	1,411	1,428	1,305	-4%	-8%
EMEA	602	594	495	-16%	-18%
Latin America	170	170	199	36%	17%
North America	187	187	163	-9%	-13%
Asia-Pacific	454	480	447	-4%	-2%
TOTAL	2,510	2,708	2,643	2%	5%

* 2017 PF figures including acquisitions made during the year at 100%