



FEBRUARY 12TH
2019

**ANALYST
PRESENTATION**



RESULTS

FULL YEAR 2018

FY'18 RESULTS

Key operational highlights

B&A

Lack of execution
in mature markets

EMEA - North America

Deployment
of Android

Russia - India - Brazil - Indonesia

Recovery
in emerging countries

Brazil - Indonesia

RETAIL

Grow
direct access to
merchants

BS Payone - Paymark

Accelerate
SMB growth
profile

Merchant gains - Acquiring

Launch
new Global Online
products

Russian solution - Chatbots

A challenging 2018 year
Unfavorable base effect from 2017

FY'18 RESULTS

Key financial highlights

€2,643m
revenues

2% organic* growth

€488m
EBITDA

18.4% EBITDA margin
€32m negative forex impact

€188m
Net profit
(Group share)

vs. €253m in 2017

€238m
Free Cash Flow**

49% FCF/EBITDA conversion

€1,518m
Net debt

3.1x Net debt/EBITDA

€1.10
Dividend

36% pay-out

* Growth rate at constant FX & scope

** €285m Free cash flow before non-recurring items (acquisitions and restructuring costs) representing an adjusted FCF/EBITDA conversion of 59%

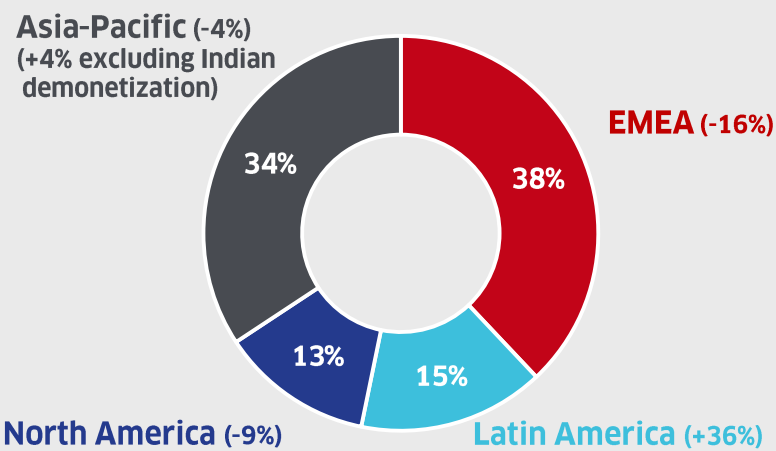
FY'18 RESULTS

Business Unit overview

IN €M	Revenues					EBITDA		EBITDA margin (%)		
	FY'18	FY'17PF	FY organic	H1 organic	H2 organic	FY'18	FY'17PF	FY'18	FY'17PF	Change
B&A	1,305	1,428	-4%	-11%	+2%	277	371	21.2%	26.0%	-4.8 pts
Retail	1,338	1,280	+8%	+6%	+10%	210	178	15.7%	13.9%	+1.8 pts
Ingenico Group	2,643	2,708	+2%	-3%	+6%	488	549	18.4%	20.3%	-1.9 pts

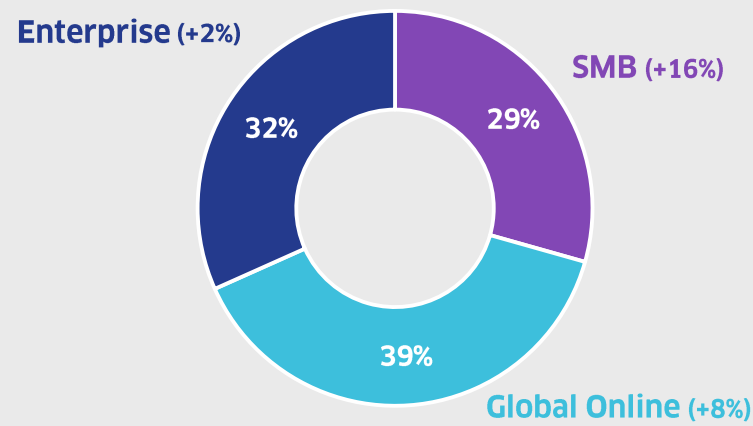
B&A

Revenues by geographies (%)*



Retail

Revenues by business line (%)*



* Growth rate at constant FX & scope

FY'18 RESULTS

Income Statement

IN €M	FY'18	FY'17*
Gross Revenues	2,643	2,505
Gross Profit	1,048	1,066
Sales & Marketing	(190)	(186)
Research & Development	(136)	(145)
General & Administrative	(235)	(209)
Adj. operating expenses	(560)	(540)
In % of Gross revenues	-21.2%	-21.6%
EBITDA	488	526
In % of Gross revenues	18.4%	21.0%
EBIT	416	453
In % of Gross revenues	15.7%	18.1%
Operating income	278	371
Net finance costs	(38)	(27)
Share of equity accounted investees	0	(1)
Income tax expense	(52)	(86)
Non-controlling interests	(1)	(4)
Net Income - Group share	188	253

* P&L 2017 IFRS 15 adjusted

- Gross profit impacted by an **unfavorable geographical mix in B&A** coupled with a **higher contribution from Retail**
- **Operating expenses under control** benefiting from costs efficiency initiatives in H2'18
- **22% effective tax rate** (vs. 25% in 2017)
- **€188m net income group share**
- **€2.99 diluted EPS**

FY'18 RESULTS

Free Cash Flow

IN €M	FY'18	FY'17
EBITDA	488	526
Working capital changes	22	(63)
Capex	(117)	(87)
Other income & expenses	(47)	(32)
Interests paid	(17)	(8)
Tax paid	(90)	(97)
Free Cash Flow	238	239
Conversion rate	48.9%	45.5%
Adjusted FCF*	285	269
Conversion rate	58.5%	51.1%

- **Working cap improvement driven** by low activity mainly on the B&A business unit
- **€117m capex** representing **4.4% of revenues**
- **€47m OIE** impacted by restructuring costs related to Retail transformation, integration of Bambora and M&A costs
- **FCF conversion rate of 48.9%** vs 45.5% in 2017

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

FY'18 RESULTS

Net Debt evolution

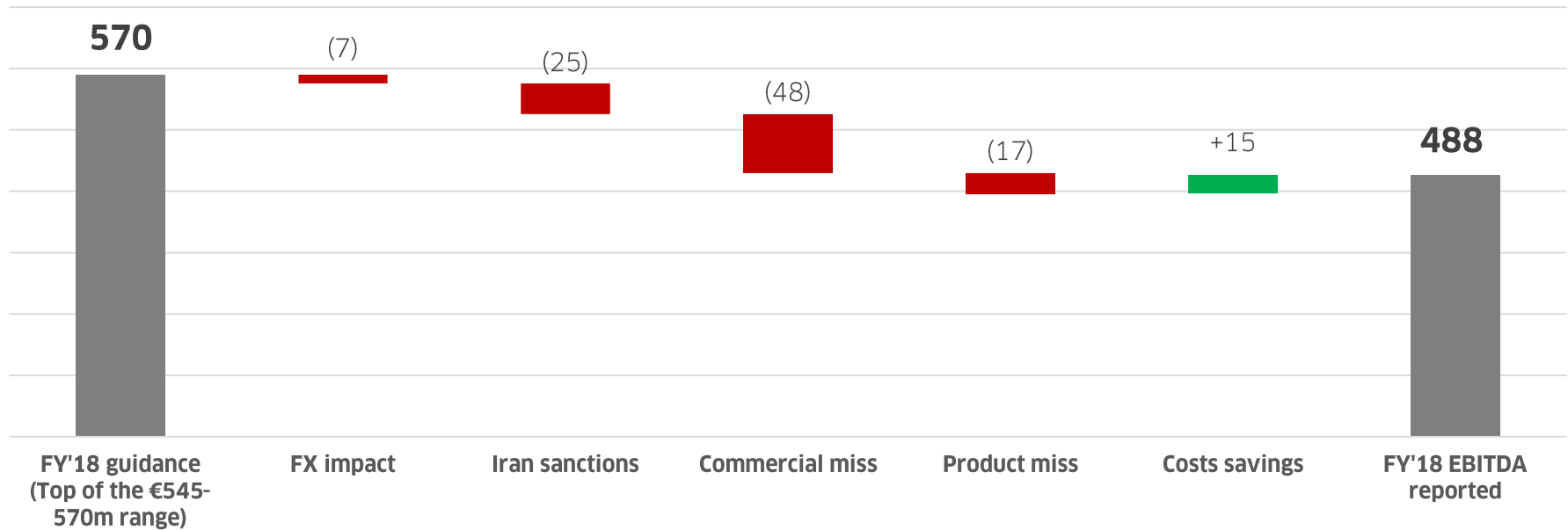
IN €M	FY'18	FY'17
Net debt as of Jan. 1	1,471	126
Free Cash Flow	238	239
Dividend paid	(55)	(40)
Share buybacks	(87)	-
Acquisitions net of disposals	(129)	(1,248)
Others	(14)	(296)*
Change in net debt	(47)	(1,345)
Net debt as of December 31	1,518	1,471

- **€55m dividend paid** (Group shareholders and Fosun)
- Acquisition of **20% interests in Landi** and acquisition of **Airlink**
- **€87m of share buybacks** realized in H1'18
- **Slight net debt increase** to €1.5bn
- **Net debt/EBITDA ratio of 3.1x**

* Of which €269m debt related to Bambora

FY'18 RESULTS

Main road blockers to our initial guidance



- **€25m impact related to exceptional factor**
- Commercial miss impacted by **lack of execution in mature countries dynamic** (EMEA and North America)
- €17m product miss mainly related to **optimistic assumptions regarding Axiom ramp-up**
- **€15m costs efficiency** delivered as announced in July 2018

FY'18 RESULTS

2017-2018 revenue organic growth context

B&A

- **B&A organic CAGR of 2% over the two years** reflecting a stabilization
- **4% organic decline in 2018** vs 8% organic growth 2017
- 2017 impacted by **PCI renewals and Indian demonetization**

Retail

- **8% organic growth in 2018** vs 5% organic growth 2017
- Organic trajectory driven by **Bambora acquisition and offering expansion**
- **Continuous organic acceleration during 2018** (+10% in H2'18 vs. +6% in H1'18)

Over the last 2 years:

B&A has stabilized while Retail accelerates



GUIDANCE
2019

FY'19 GUIDANCE

Drive Group repositioning and acceleration

New management & Operating structure

- Corporate governance evolution with **separation of Chairman & CEO functions**
- **New seasoned international management team** demonstrating our talents attractiveness

Michel-Alain Proch
CFO

25-years background in
finance & transformation

Paula Felstead
CTO

25-years background in
technology & operations

Nick Santschi
CEO Payone

28-years background in
payments & transformation

Jennifer Miles
EVP North America

20-years background in
payment acceptance

Agnes Bensoussan
EVP HR

18-years background in
technology & industry HR

- **Executive Committee refocused** to accelerate decision making and improve operational control

New leadership model

Focus forward

Align action on
strategy

Think customer

Maximize
customer value

Drive

Execution towards
performance

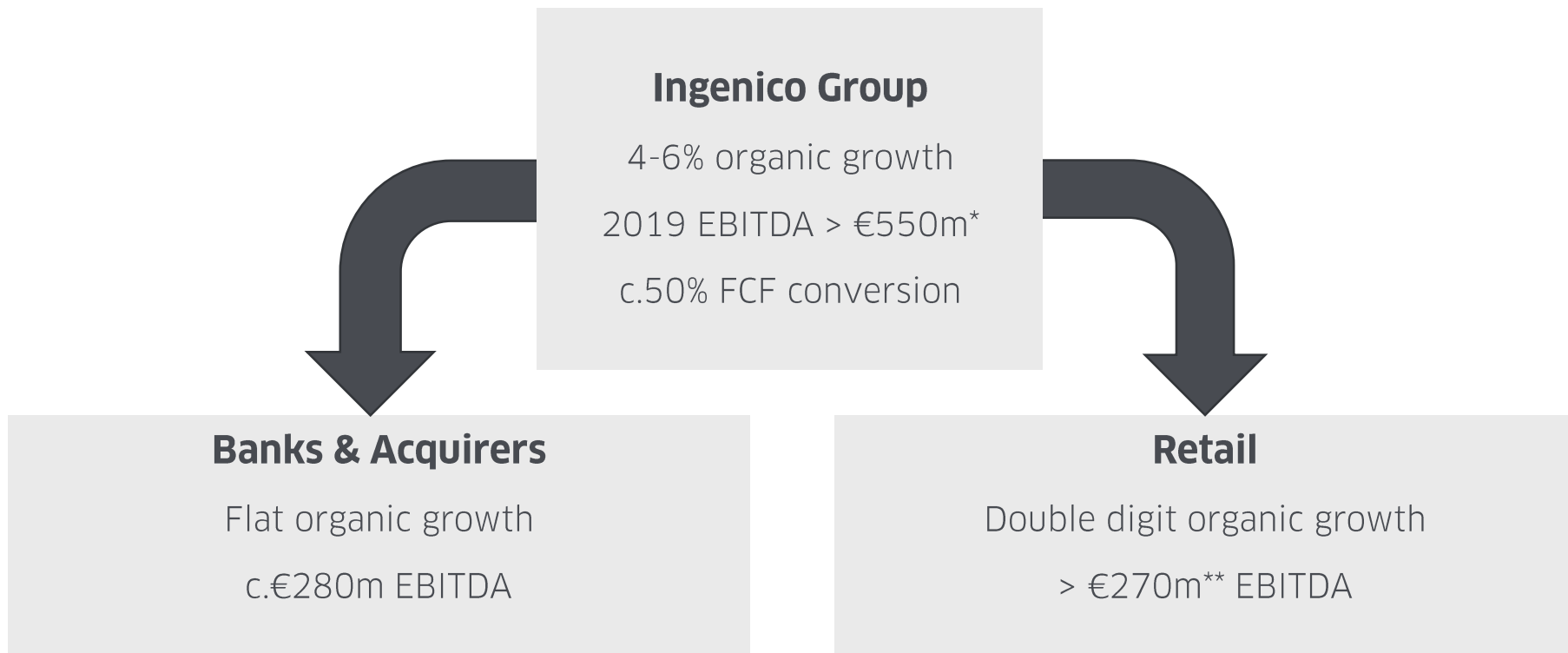
Inspire

Motivate others to
go beyond

Team-up

Succeed
together

FY'19 GUIDANCE



Fit For Growth Plan

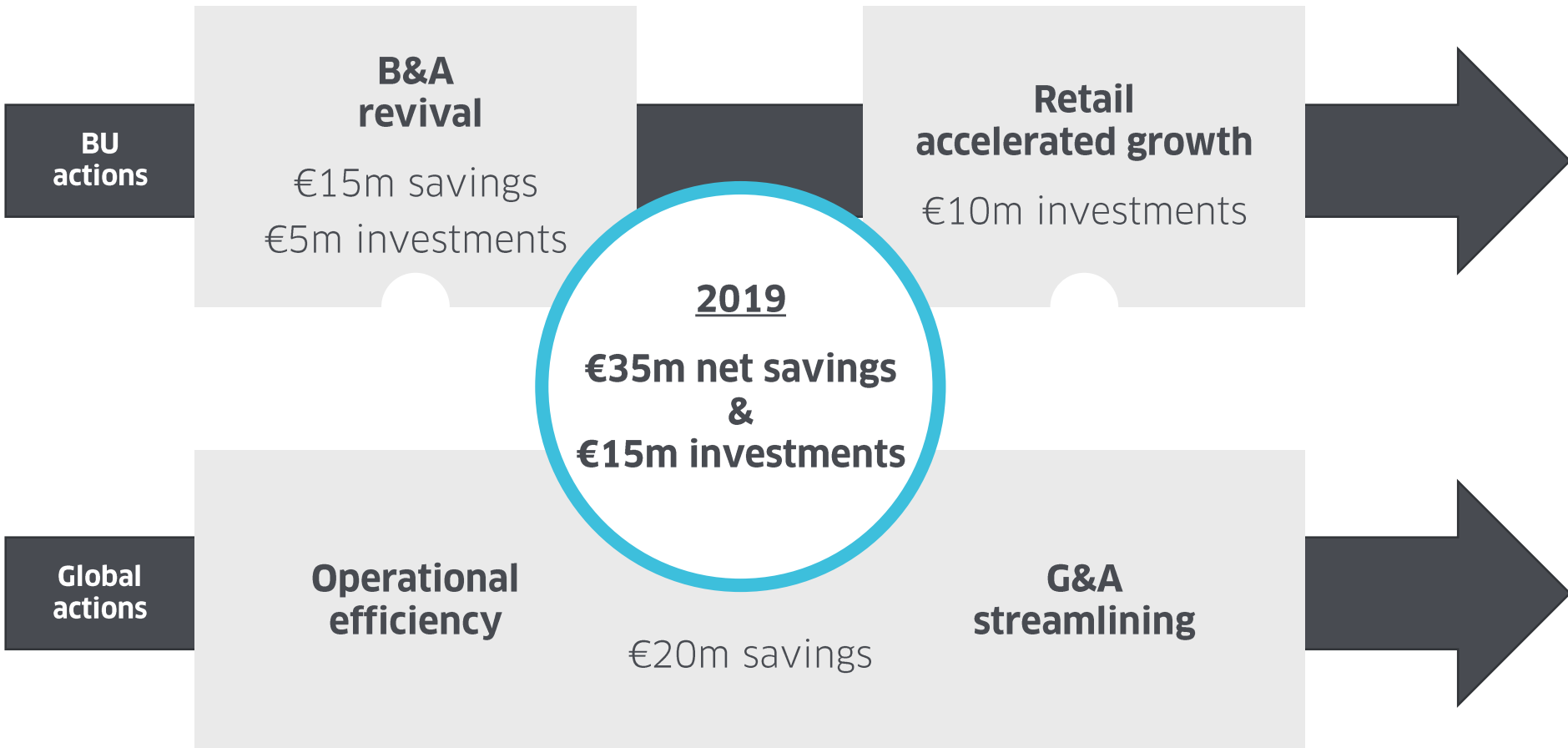
€35m net savings and €15m investments factored into the guidance

* Includes €5m negative impact from currencies

** Retail guidance includes c.€45m EBITDA contribution from companies newly integrated (BSPayone and Paymark)

FY'19 GUIDANCE

Fit For Growth Plan overview



FY'19 GUIDANCE – FIT FOR GROWTH PLAN

Global actions

G&A streamlining and operational efficiency

Improve agility

Organization
simplification

Procurement & IT
optimization

Data center
consolidation

€20m net savings

€15m B&A / €5m Retail



FOCUS
ON
GROWTH

FY'19 RETAIL

Track record in transformation

Revenues x2*
Profitability improvement

2 strategic accelerators



BS/PAYONE

Rejuvenated management

(average 12-years in payment)

Proven blueprint

Full payment value chain

Agile organization designed for growth

FY'19 RETAIL

Focus on growth

Strategic initiatives

Accelerate our growth



Expand SMB repeatable model

Global Online verticalization

Accelerate eCom in Asia and Latam

Expand advanced acquiring position

New operating model

Growth Channel Model



Intensify **customer focus**

Investments prioritization & verticalization

Improve **end-to-end engagement** model

High performance sales culture

Retail accelerated growth

€10m investments

FY'19 RETAIL

BSPayone and Paymark focus



- Reach **significant** position across all segments **in DACH**
- **Accelerate Ingenico's direct access to merchants** strategy
- Global reach improvement **from 300k+ to 550k+ merchants***

Contribution to FY'19

- c. €400m revenues
- c. €35m EBITDA



- **Complement our footprint** in the Pacific region
- Deploy a **coherent direct to merchant strategy**
- **Enrich our current product offering** covering the full payment value chain

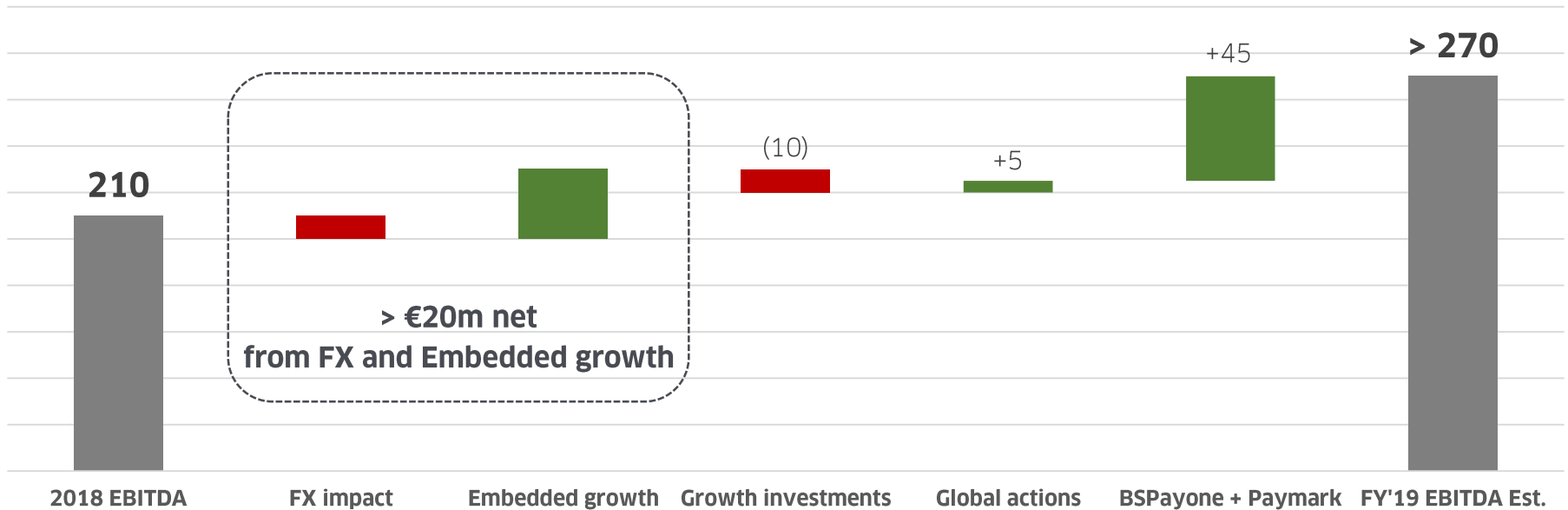
Contribution to FY'19

- c. €40m revenues
- c. €10m EBITDA

* Number of merchants in Retail proforma BSPayone integration

FY'19 RETAIL

EBITDA deployment



EBITDA building blocks:

- EBITDA expansion >10% from revenues growth
- €10m impact from investments related to Retail Strategic Initiatives
- €45m EBITDA contribution from the integration of BSPayone and Paymark

EBITDA expected to be > €270m in 2019



FIT
TO
COMPETE

FY'19 B&A

Lessons learned

Market factors

Renewal phases more spread out
and Android ramp-up



**Adapt our industrial
capabilities**

Structural factors

Acquirers concentration and new players
opportunities



**Focus our Go to Market
organization**

Internal factors

Decentralized organization



**Redesign to leverage our
full potential**



Reposition B&A to restore profitable growth



FY'19 B&A

•————•
We are in motion

Industrial redesign

Increase efficiency



Product range simplification

Android international deployment

R&D and manufacturing optimization

Commercial redesign

Client centric and solutions oriented



Client-readiness organization

Build **performance-driven** culture

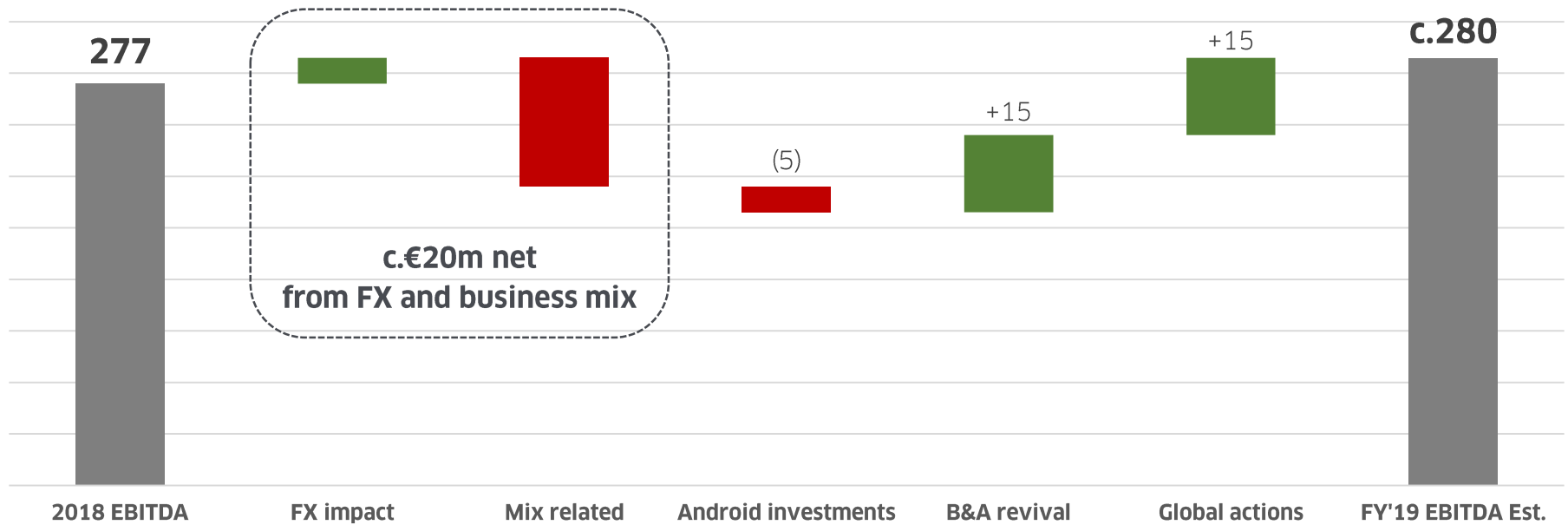
Leverage our **brand premium**

B&A Revival

€15m net savings and €5m investments

FY'19 B&A

EBITDA deployment



EBITDA building blocks:

- EBITDA impacted by the geographical with mature markets providing a lower growth profile than emerging markets
- €5m impact from investments related to Android including the development of a competence center
- €30m benefit from B&A revival in motion and global actions

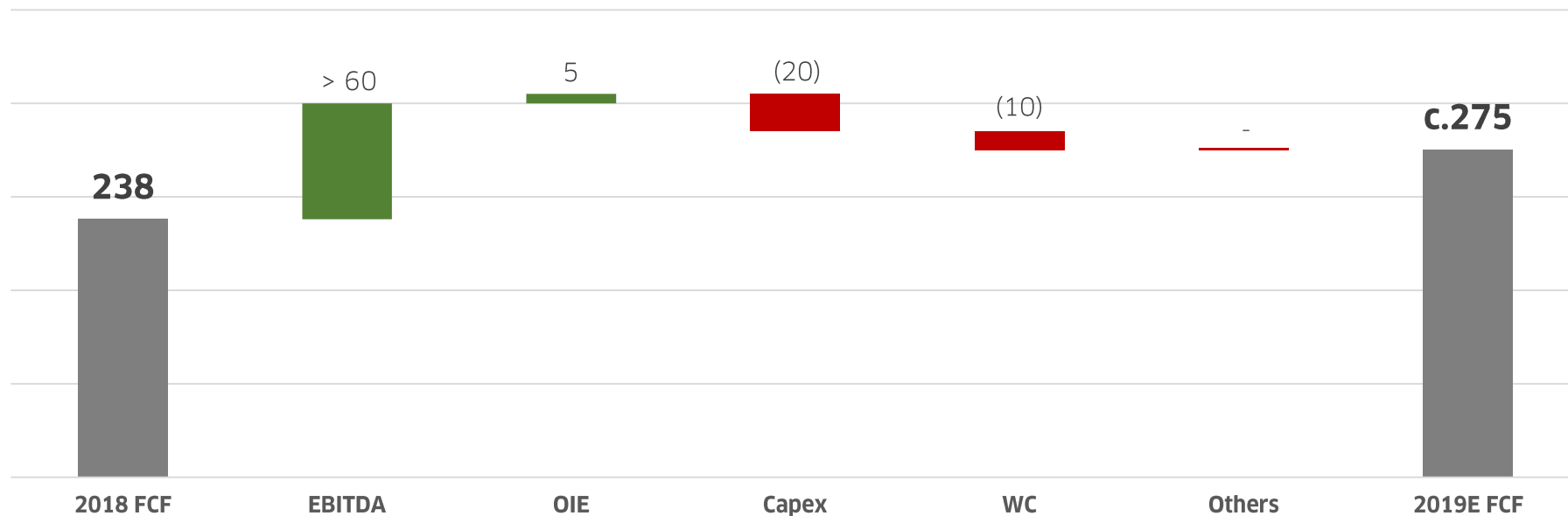
EBITDA expected to be c.€280m 2019



FOCUS ON CASH
2019

FY'19 FINANCIAL DISCIPLINE

Focus on cash



FCF building blocks:

- > €60m impact from activities
- Capex to continue to grow to accelerate our growth going forward (4-5% of revenues in 2019)
- Strict working capital management

EBITDA to FCF conversion c.50% leading to c.€275m FCF*

* Based on > €550m EBITDA guidance for 2019



CONCLUSION

Deliver sales performance to merchants

INGENICO

Conclusion

2018

A challenging year

Mainly for our B&A activities

2019

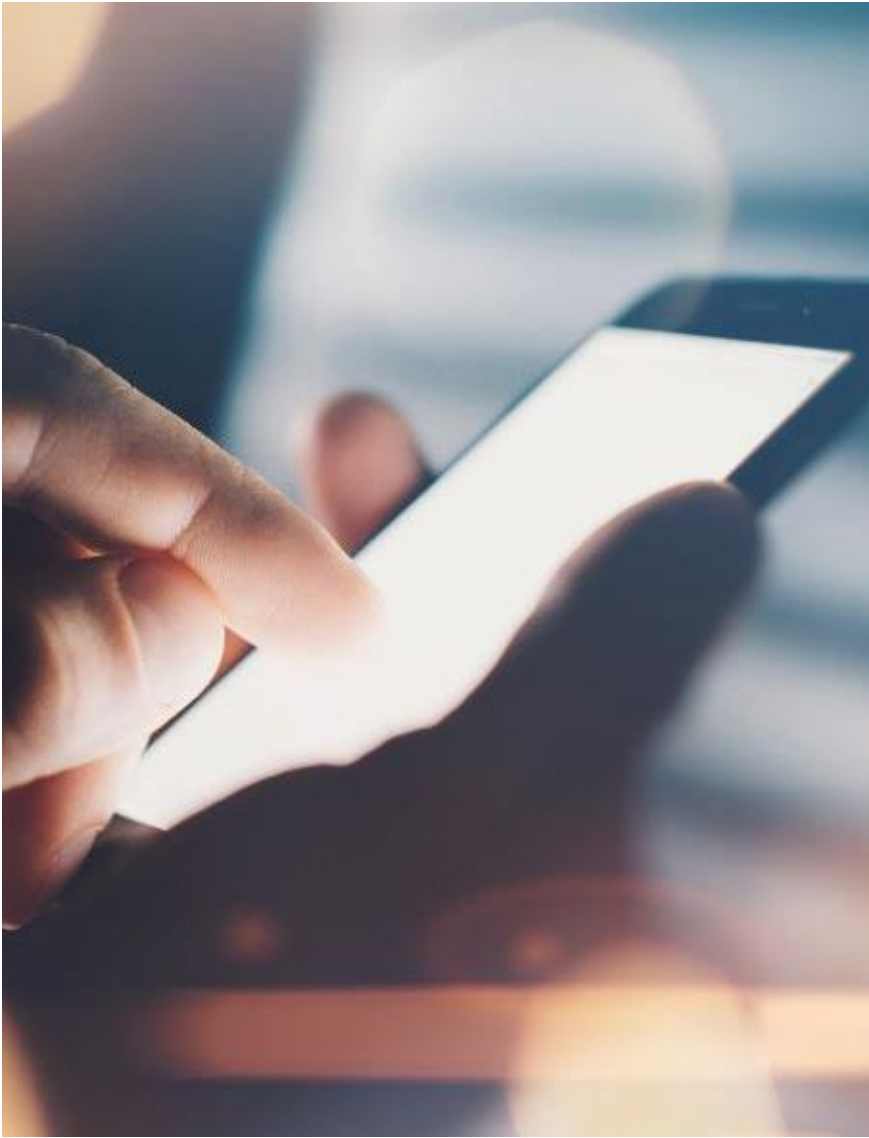
Repositioning and acceleration

Focused and committed on execution

Going forward

Capital Market Day on April 24th, 2019

Ingenico strategic plan



APPENDICES

FY'18

Quarterly reported figures

IN €M	Q1'18	Q2'18	Q3'18	Q4'18	FY'18
Retail	302	328	345	364	1,339
SMBs	88	98	103	105	393
Global Online	119	126	136	141	521
Enterprise	95	105	106	118	424
Banks & Acquirers	280	319	342	364	1,305
EMEA	114	128	127	125	495
Latin America	34	38	58	69	199
North America	30	46	42	44	163
Asia Pacific	101	107	113	126	447
Total	581	648	687	727	2,643

FY'18

Quarterly new reporting figures

IN €M	Q1'18	Q2'18	Q3'18	Q4'18	FY'18
Retail	302	328	345	364	1,339
SMBs	70	78	82	84	314
Global Online	117	124	134	139	514
Enterprise	67	76	75	91	309
Payone	48	51	54	50	202
Banks & Acquirers	280	319	342	364	1,305
EMEA	114	128	127	125	495
Latin America	34	38	58	69	199
North America	30	46	42	44	163
Asia Pacific	101	107	113	126	447
Total	581	648	687	727	2,643

FY'18

PPA at year end and amortization

By Acquisition	2018	2019	2020	2021	2022
Bambora	(49)	(48)	(48)	(48)	(48)
Easycash	(4)	(4)	(3)	(3)	-
Ogone	(4)	(4)	(4)	(3)	(3)
Iecisa	(2)	(2)	(2)	(2)	(1)
GlobalCollect	(24)	(24)	(24)	(24)	(24)
Nera	(2)	(2)	(2)	(2)	(2)
Techprocess	(1)	(1)	(1)	(1)	(1)
Others	(3)	(1)	(2)	(1)	(1)
Total	(89)	(86)	(86)	(84)	(80)

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INVESTOR RELATIONS

-
- ✓ Laurent MARIE, VP Investor Relations
(T): +33 1 58 01 92 98 (M): +33 7 84 50 18 90
 - ✓ Kevin WORINGER, Investor Relations Manager
(T): +33 1 58 01 85 09 (M): +33 6 02 18 59 08