



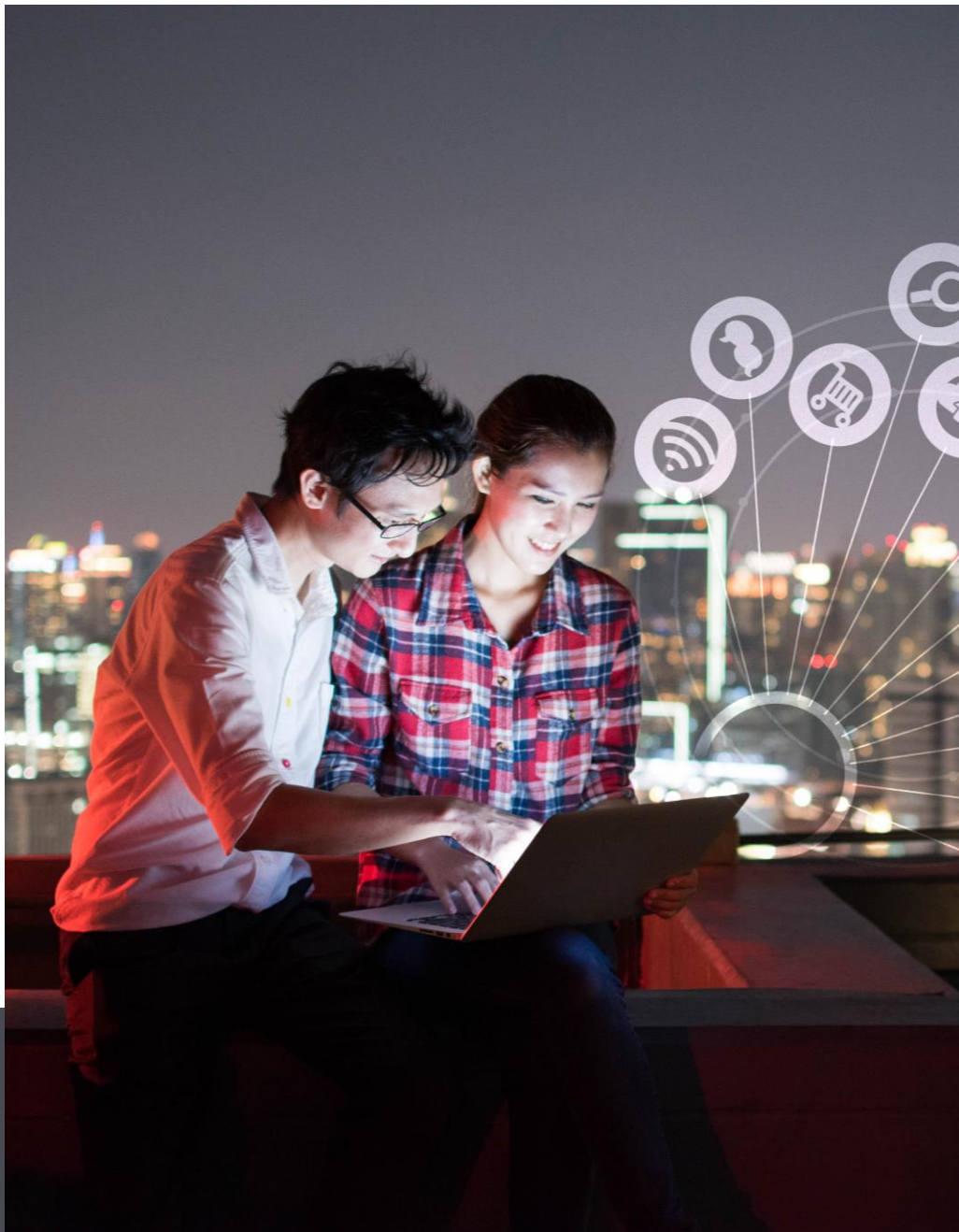
July 23rd, 2019

INGENICO GROUP

H1 2019
RESULTS



ingenico
GROUP



H1'19 HIGHLIGHTS

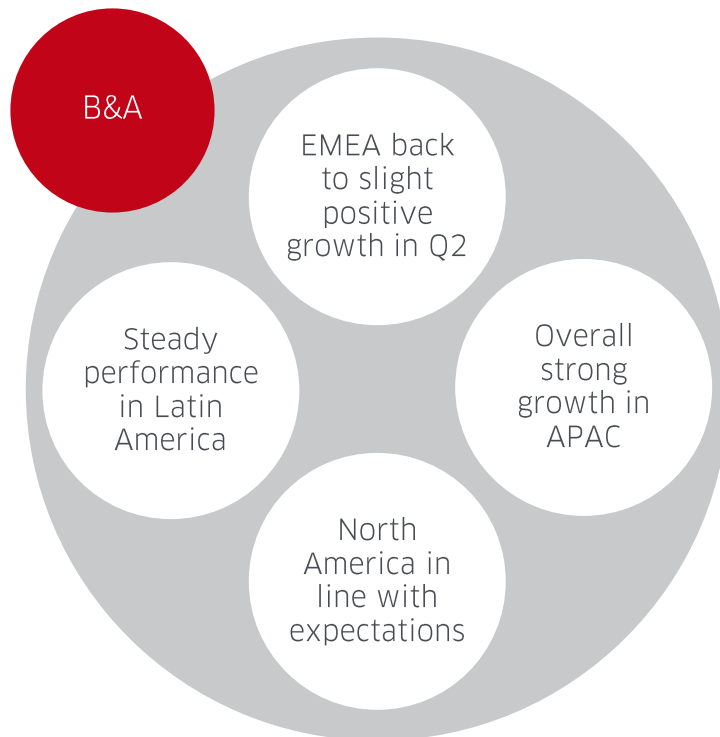


Nicolas Huss
CEO

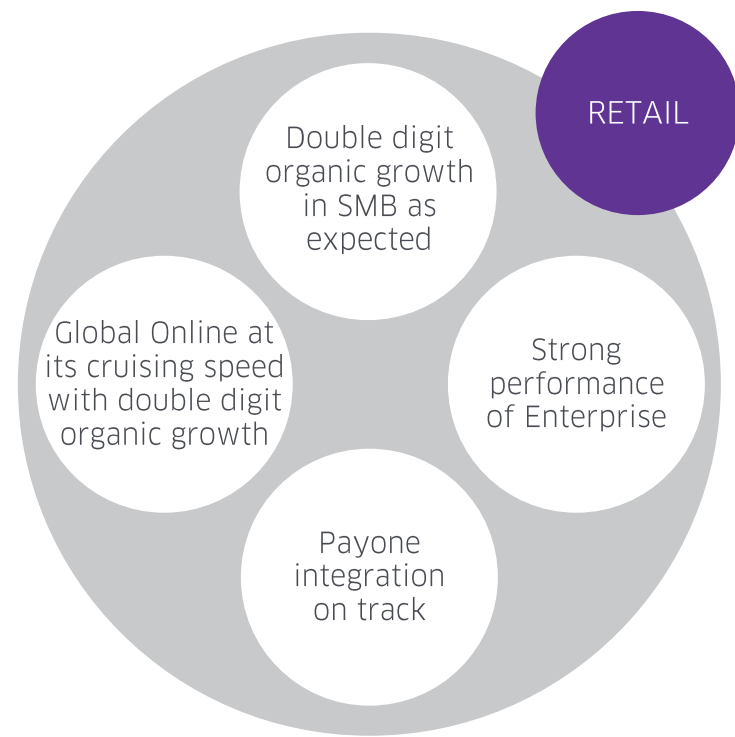
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KEY OPERATIONAL HIGHLIGHTS

“Trusted technology partner
in the new world of acceptance”



“The most Proactive Partner
in the new world of commerce”



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KEY FINANCIAL HIGHLIGHTS



€1,611m revenues

+31% reported growth
+13% organic growth*



€254m EBITDA

15.8% EBITDA margin



€80m net results

32% growth**



€120m free cash-flow

47% EBITDA to
FCF conversion



€1,466m net debt

2.7x net debt
to EBITDA ratio

* Growth rate at constant FX and scope

** Growth versus H1'18 proforma

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FIT FOR GROWTH KEY MILESTONES

INGENICO GROUP



Targeted operating model defined and in implementation mode

Rationalization and migration of data centers initiated in Q2'19

Procurement optimization with savings already realized on first renegotiations

Outsourcing and nearshoring developments on tracks and start to deliver

RETAIL ACCELERATION



Launch of Bambora Connect providing all-in-one solutions for ISVs

Offering expansion within Enterprise to address targeted verticals

Global Online deployment in travel verticals with new products launched (LinkPlus) and roll-out of dedicated solutions (Travel Hub)

BSPayone integration on-track and full service offering certified

B&A REVIVAL



Android acceleration with the development of our competence center

Portfolio rationalization ongoing with c.20% of product references already decommissioned

B&A Revival in motion focusing our go to market organization and adapting our industrial capabilities with first savings

Global account management initiatives implemented with first positive impacts

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KEY NON-FINANCIAL HIGHLIGHTS

LEADERSHIP MODEL



New leadership model implemented all across the group

Launch of dedicated initiatives to develop skills and competencies

Redesign of our performance and talent management framework

CSR INITIATIVES



Engagement in initiatives to promote gender diversity

Continuous societal involvement with €69m collected for charity using our payment solutions

On-track to deliver our end-of-life recycling solution in 75% of our countries by 2023

ECOSYSTEM ENABLER



Partnership with CaixaBank and Global Payments to create an international innovation programme (Zone2boost)

Identify innovative technology initiatives for business and financial services and support their growth

Provide funding, network of other innovative companies and customized training and advice



H1'19 RESULTS & UPDATED GUIDANCE

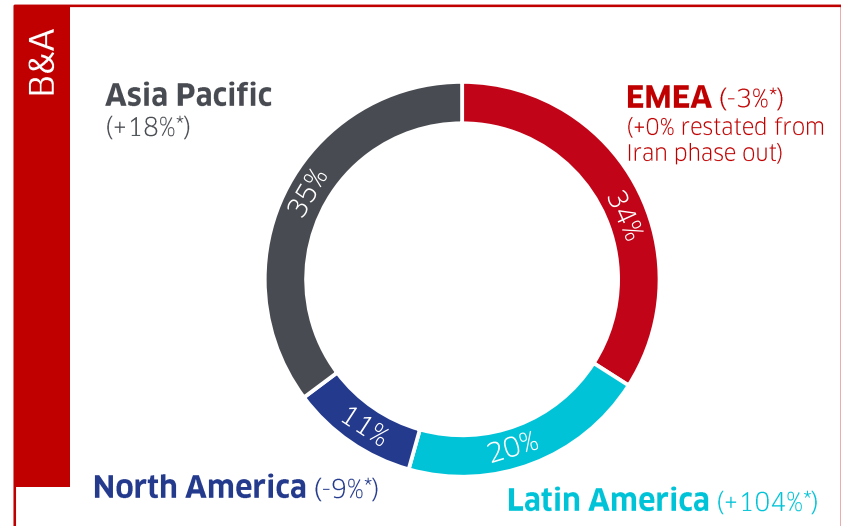
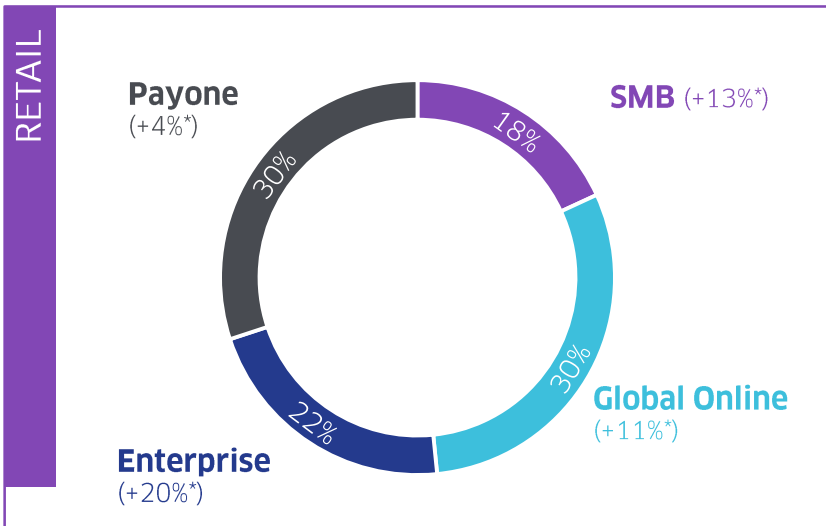


Michel-Alain Proch
CFO



KEY FIGURES PER BUSINESS UNITS

IN €M	REVENUES			EBITDA			EBITDA MARGIN (%)		
	H1'19	H1'18PF	H1 org.	H1'19	H1'19 (excl. IFRS 16)	H1'18PF	H1'19 (excl. IFRS 16)	H1'18PF	Change
Retail	906	814	+11%	122	112	96	12.4%	11.8%	+0.6 pts
B&A	705	599	+16%	132	125	116	17.7%	19.4%	-1.7 pts
Ingenico Group	1,611	1,413	+13%	254	237	212	14.7%	15.0%	-0.3 pts



* Growth rate at constant FX and scope

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RETAIL – BUSINESS LINES DYNAMICS

€164m

SMB

- **Performance softer in Q2 as expected** due to the rebalancing of our risk portfolio
- **Continuous dynamic in merchant wins in H1** with more than 4,000 new clients per month
- **New offering launch with Bambora Connect** already live among few ISV partners
- **Implementation of Bambora Blueprint in the Benelux region**

+13%*

€272m

PAYONE

- **Performance in line** with a first half impacted by a tough comparison basis
- **Integration on track** with legal entities rationalization and ongoing IT migration
- **Full service offering certified** amongst BSPayone merchants enabling solution roll-out
- **New offering launched** (PSD2 solution to Petro vertical, cash registered solution including payment applications)

+4%*

€274m

GLOBAL ONLINE

- **Performance in line with expectations** with a strong growth of emerging regions (India growing at +30%)
- **Strong success of the recently launched Russian solution** offering local acquiring
- **Traction on the Travel vertical in a reinforced risk framework** with the roll-out of Travel Hub solution and launch of LinkPlus
- **Signature of major clients during H1**

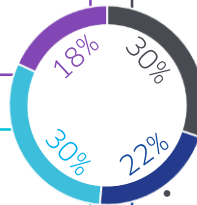
+11%*

€195m

ENTERPRISE

- Continuous **strong performance of both POS and transactional** (Axis) activities
- **Healthcare vertical in Germany** keeps a strong momentum that would fade in H2'19
- Dynamic in North America driven by **market share gains** among large US retailers
- Development of **innovative solutions combining acquiring capabilities** such as for the self-service vertical

+20%*



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B&A – REGION DYNAMICS

€73m

NORTH AMERICA

- **Performance in line with expectations** due to a weaker demand in Canada
- Performance in **Canada impacted by a high comparison basis**
- **Traction in the US** driven by the ramp-up of ISVs certifications
- **Strong pipeline in H2 in the US** and improvement in Canada

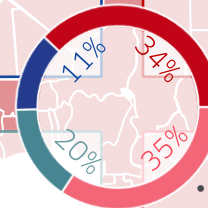
-9%*

€143m

LATIN AMERICA

- **Continuous strong performance in Brazil** fueled by market share gains and APOS deployment
- **Wins of cross-region deals** allowing to feed the growth in Argentina, Peru and Chile
- **Dynamic expected to continue** but growth rate will normalize due to higher comparison basis in H2

+104%*



- **EMEA back to slight positive organic growth** in Q2
- **More normative dynamic in Western Europe** but DACH region remains impacted by ongoing consolidation
- **Strong dynamic** in Russia, CIS countries and Africa
- **Mixed performance** in Southern Europe

€240m

EMEA

-3%*

€248m

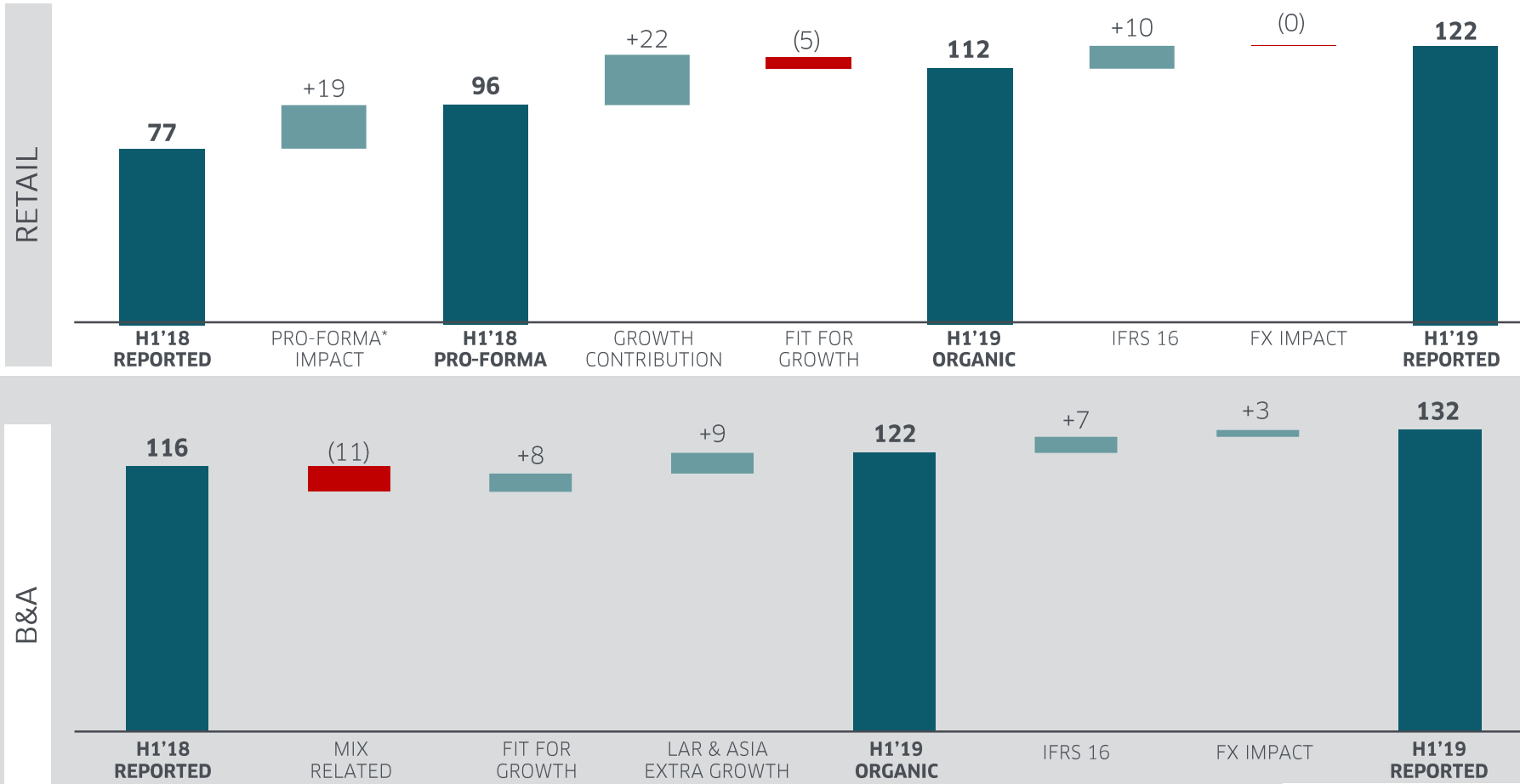
ASIA PACIFIC

- **Strong growth in China** over the first half fueled by APOS demand but growth should fade in H2
- Continuous benefit from **APOS demand in Indonesia**
- **Good momentum in India** and stabilization in Thailand during Q2
- **Growth in Japan** but Australia declined on a contract shift in H2

+18%*

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H1'19 EBITDA DEPLOYMENT PER BUSINESS UNIT



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CONSOLIDATED INCOME STATEMENT

In €M	H1'19	IFRS 16 Impact	H1'19 (excl. IFRS 16)	H1'18 PF*	H1'18
Gross Revenues	1,611		1,611	1,413	1,229
Gross Profit	572	3	570	547	489
<i>In % of gross revenues</i>	35.5%		35.4%	38.7%	39.7%
Adj. Operating expenses	(318)	14	(332)	(335)	(295)
<i>In % of gross revenues</i>	-19.8%		-20.6%	-23.7%	-24.0%
EBITDA	254	17	237	212	193
<i>In % of gross revenues</i>	15.8%		14.7%	15.0%	15.7%
EBIT	188	2	186	170	159
<i>In % of gross revenues</i>	11.7%		11.5%	12.1%	12.9%
Operating income	124	2	122	107	94
Net finance costs	(21)	(2)	(19)	(20)	(19)
Income tax expense	(21)		(21)	(23)	(20)
Non-controlling interests	(1)		(1)	(3)	(0)
Net Income - Group share	80	0	80	61	54

INCOME STATEMENT

- **Gross profit impacted by B&A** (geographical mix with Brazil and isolated pricing pressure in some mature markets)
- **Operating expenses stabilized** in a strong revenue growth dynamic
- **20% effective tax rate** (vs 27% in H1'18 PF)
- **€80m net income group share** (up 32% vs H1'18 PF)
- **€1.30 diluted EPS** (up 32% vs H1'18 PF of €0.98)

* Including acquisitions made during the year at 100% (BSPayone and Paymark)

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FREE CASH-FLOW

In €M	H1'19	H1'18
EBITDA	254	193
Lease obligation*	(17)	-
Working capital change	(4)	(44)
CAPEX	(60)	(53)
Other income & expenses	(18)	(16)
Interest paid	(10)	(9)
Tax paid	(25)	(48)
Free Cash Flow	120	23
<i>Conversion rate</i>	47.4%	11.7%

CASHFLOW

- **Increase in EBITDA** contribution
- **Strong improvement of change in working capital driven** by a fully redesign cash control process
- **€60m capex** representing **3.7% of revenues**
- **€18m OIE**, under control
- **Tax paid decrease** due to a one-off reimbursement
- **Strong improvement in FCF generation** (€120m free cash-flow representing a conversion rate of 47.4%)

* IFRS 16 impact

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NET DEBT EVOLUTION

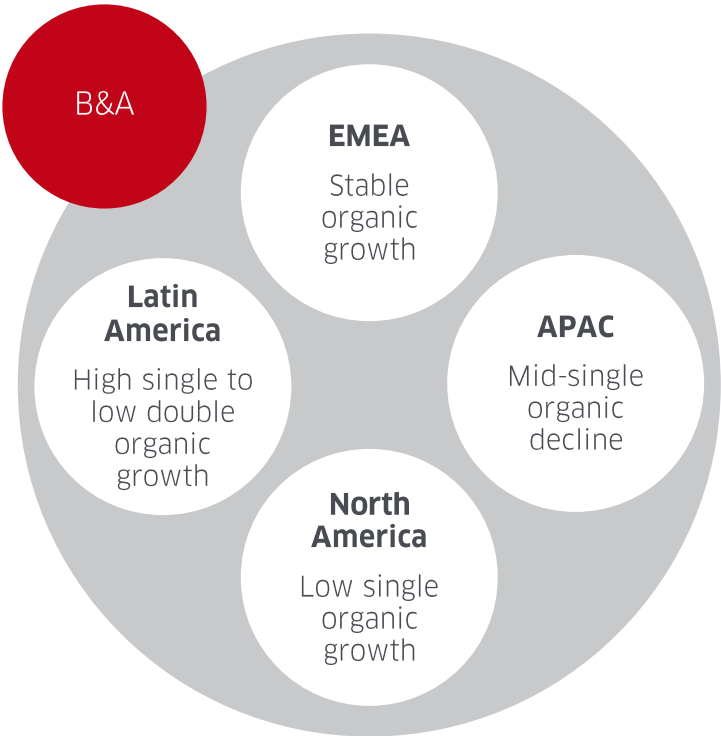
In €M	H1'19	H1'18
Net debt as of Jan. 1st	1,518	1,471
Free Cash Flow	120	23
Dividend paid	(2)	(48)
Share buyback	-	(87)
Acquisitions net of disposals	(73)	(15)
Others	7	(103)
Change in net debt	52	(230)
Net debt as of June 30th	1,466	1,702

NET DEBT

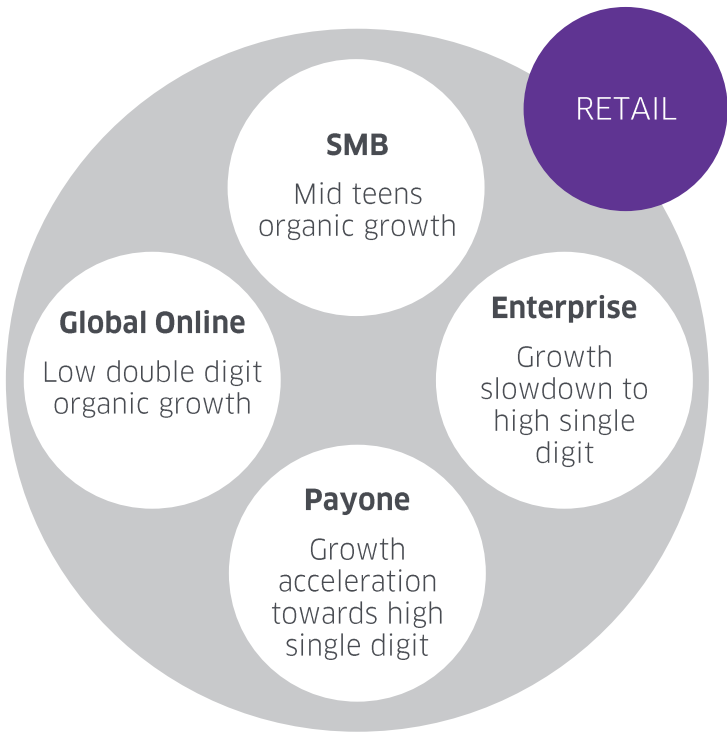
- **€120m positive impact from FCF generation**
- **Acquisition of Paymark for €92m** (€73m net cash-out impact)
- **Net debt reduction to €1.47bn** (€1.70bn H1'18 and €1.52bn FY'19)
- **Reported Net debt/EBITDA ratio of 2.7x**, (vs 3.6x in H1'18)
- **€34m cash dividend to be paid in July 2019** not factored in the net debt
- **Redemption of €250m term loan maturing in 2020** realized in July 2019

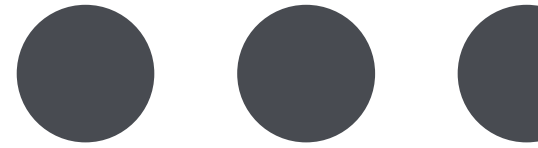
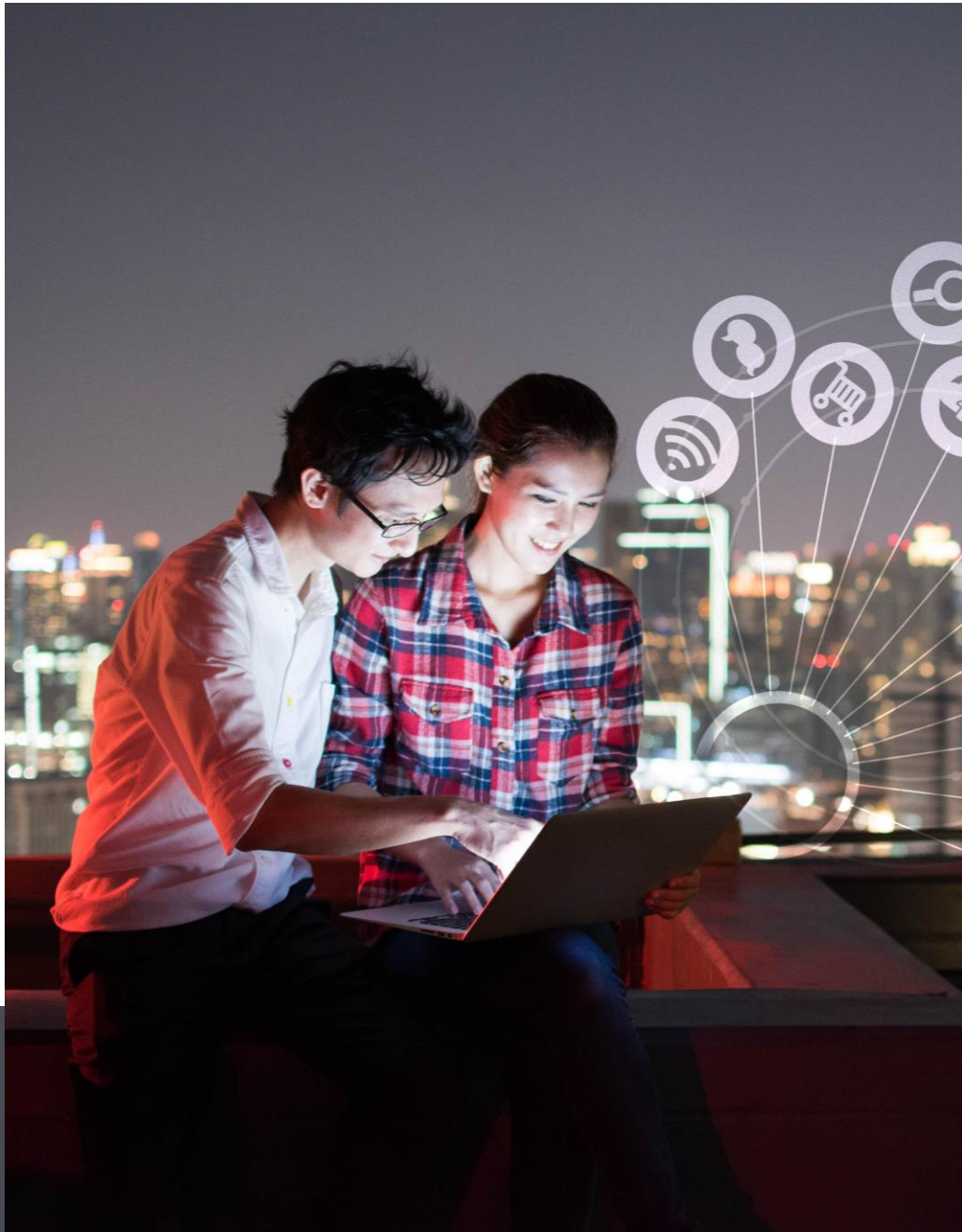
H2'19 ORGANIC GROWTH TRENDS

Flat
organic growth



Double-digit
organic growth





CONCLUSION



Nicolas Huss
CEO

H1
2019

WE ARE IN MOTION

B&A repositioning
on track

Retail Acceleration pillars
in place

Fit for Growth
in execution mode



2019 guidance revised upwards

H1
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2019 UPDATED GUIDANCE*

2019 GUIDANCE

UPDATED 2019 GUIDANCE

Revenues

c.6% organic growth
(c.2% B&A / double digit Retail)



Revenues

> **9%** organic growth
(> 7% B&A / double digit Retail)

EBITDA

> €580M
(c.€295M B&A / > €285M Retail)



EBITDA

> **€590M**
(c.€305M B&A / > €285M Retail)

FCF conversion

c.47% conversion rate
(i.e. c.€275M FCF)



FCF conversion

c.50% conversion rate
(i.e. c.€300M FCF)

* Includes IFRS 16 impact



INVESTOR RELATIONS

Laurent MARIE

VP Investor Relations

(T): +33 1 58 01 92 98

(M): +33 7 84 50 18 90

Kévin WORINGER

Investor Relations Manager

(T): +33 1 58 01 85 09

(M): +33 6 02 18 59 08