



February 3<sup>rd</sup>, 2020

# INGENICO GROUP

FY 2019  
PRELIMINARY  
RESULTS



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## FY'19 HIGHLIGHTS

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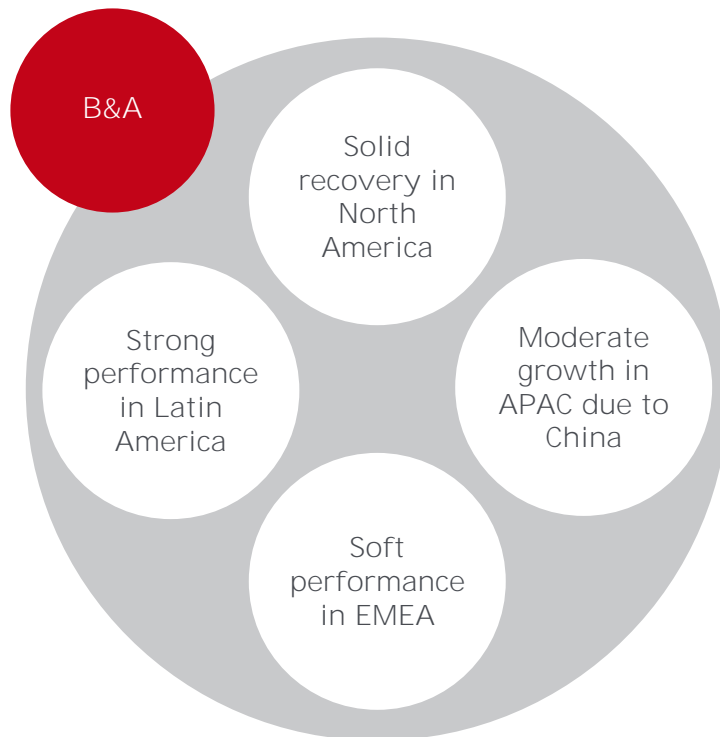


Nicolas Huss  
CEO

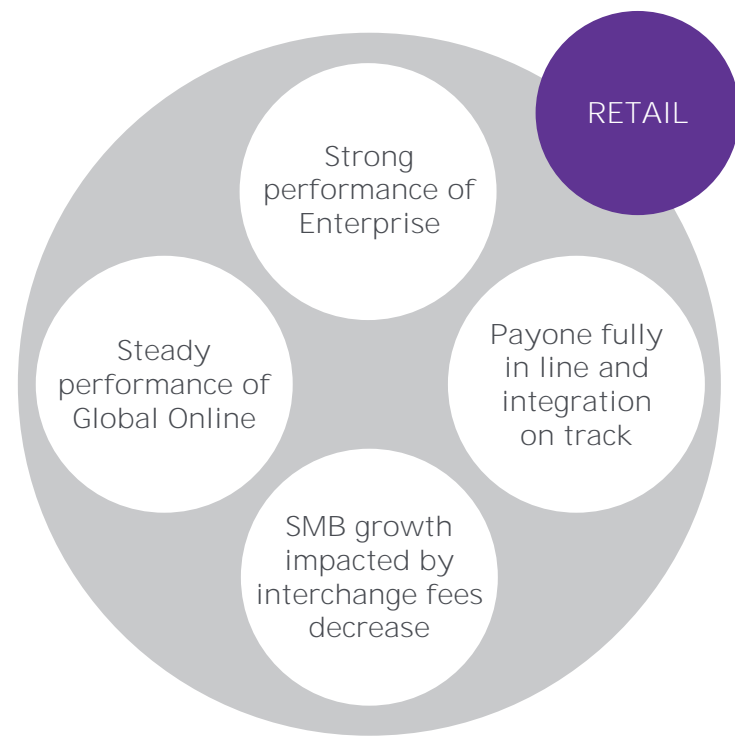
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2019

## 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\*



€3,370m revenues

+10% organic growth\*\*  
+27% reported growth



€606m EBITDA

18.0% EBITDA margin



€208m net result

11% growth\*\*\*



€310m free cash-flow

51% EBITDA to  
FCF conversion



€1,308m net debt

2.2x net debt  
to EBITDA ratio

\* Preliminary unaudited FY'19 results  
\*\* Growth rate at constant FX and scope  
\*\*\* Growth rate vs. FY'18 reported

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## FIT FOR GROWTH KEY ACHIEVEMENTS

### B&A REVIVAL



Android competence center in Vietnam up and running

Portfolio rationalization ongoing with c.60% of product references decommissioned

EMS rationalization completed

Strong growth rate on Global account management initiatives

### RETAIL ACCELERATION



Roll-out of acquiring offering to existing SMB merchants in Benelux

Full-service offering solutions deployment in Enterprise

Verticalization and international expansion of Global Online

Conversion of saving banks customers to Payone payment solutions on track

### INGENICO GROUP



ERP rationalization initiated and in implementation mode in 2020

Legal reorganization with creation of 2 sub-groups (B&A and Retail) completed

Data center rationalization and procurement initiatives on-track

Ongoing developments of outsourcing and nearshoring initiatives

€20m EBITDA impact in 2019 delivered

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## FY'19 RESULTS

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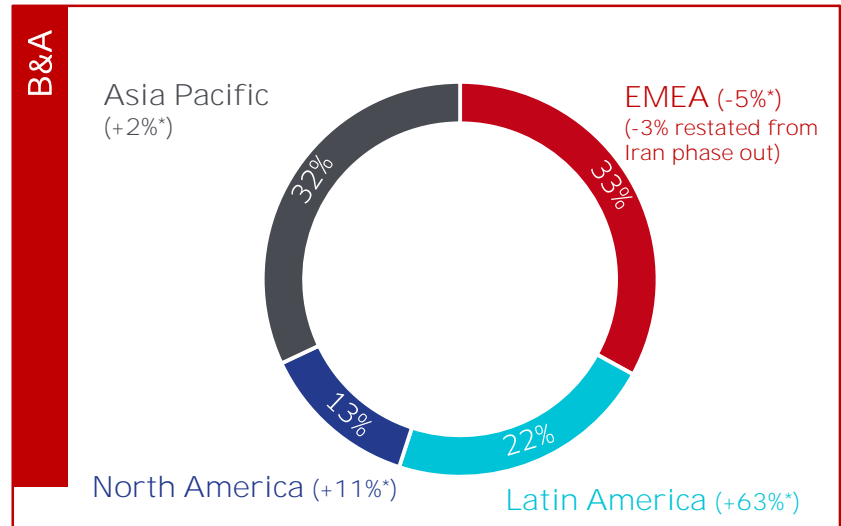
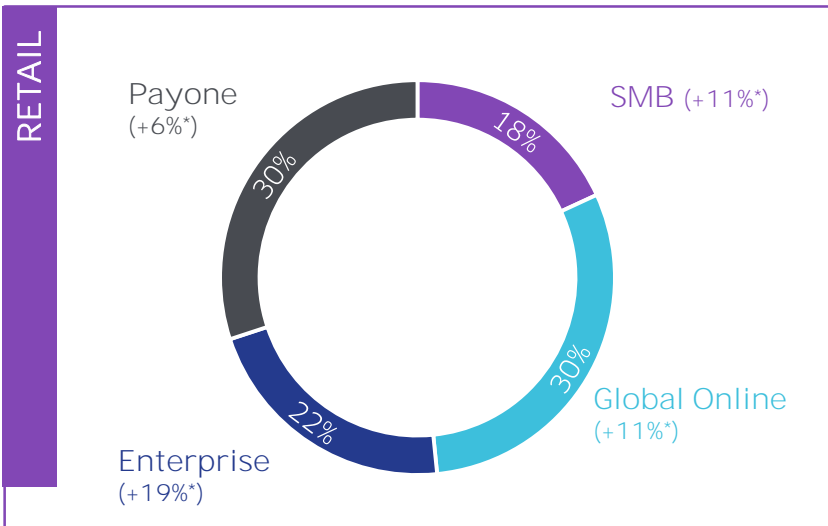


Michel-Alain Proch  
CFO



# FY'19 KEY FIGURES PER BUSINESS UNITS

IN €M	REVENUES			EBITDA			EBITDA MARGIN (%)		
	FY'19	FY'18PF	FY org.	FY'19	FY'19 (excl. IFRS 16)	FY'18PF	FY'19 (excl. IFRS 16)	FY'18PF	Change
Retail	1,919	1,728	+11%	301	281	250	14.6%	14.5%	+0.1 pts
B&A	1,451	1,305	+10%	305	293	277	20.2%	21.2%	-1.0 pts
Ingenico Group	3,370	3,032	+10%	606	573	527	17.0%	17.4%	-0.4 pts

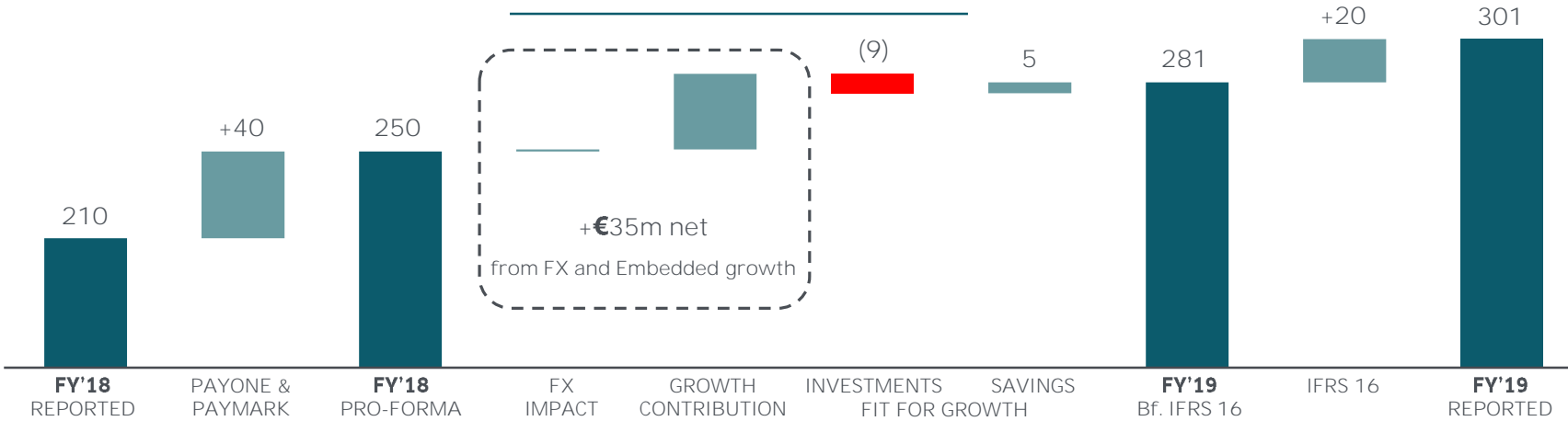


\* Growth rate at constant FX and scope

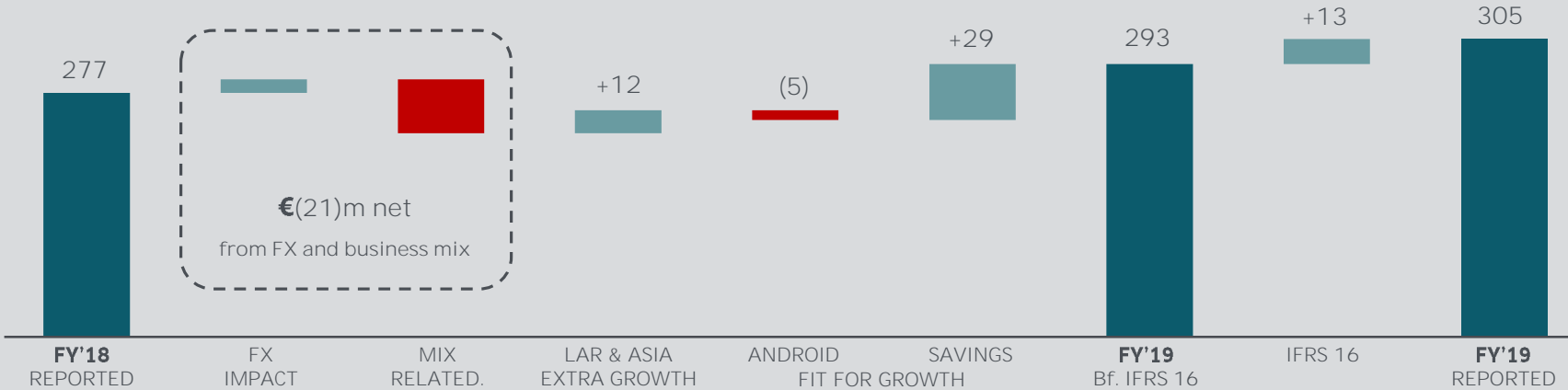


# FY'19 EBITDA DEPLOYMENT PER BUSINESS UNIT

RETAIL



B&A





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## PRELIMINARY UNAUDITED RESULTS

In €M	<b>FY'19</b>	IFRS 16 Impact	FY'19 (excl. IFRS 16)	FY'18 PF*	FY'19** vs FY'18 PF
Gross Revenues	3,370		3,370	3,032	+11%
Gross Profit	1,240	5	1,235	1,170	+6%
<i>In % of gross revenues</i>	36.8%		36.7%	38.6%	(1.9) pts
Adj. Operating expenses	(634)	28	(662)	(643)	+3%
<i>In % of gross revenues</i>	(18.8%)		(19.6%)	(21.2%)	1.6 pts
EBITDA	606	33	573	527	+9%
<i>In % of gross revenues</i>	18.0%		17.0%	17.4%	(0.4) pts
Net Income - Group share	208				

### INCOME STATEMENT

- Revenues fueled by organic performance in both business units (Retail +11% and B&A +10%)
- Gross Profit impacted by the geographical mix in B&A and the a higher contribution from Retail
- Operating expenses decrease (-1.6 pts as % of revenues) despite revenue growth, benefiting from Fit for Growth initiatives
- Net income Group share +11% vs. 2018 reported Net Income Group share

NB: Operating performance and Income statements in this presentation are prepared on an adjusted basis, i.e. excluding the impact of PPA amortization (IFRS3)

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

\*\* FY'19 excluding IFRS 16

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## FREE CASH-FLOW - STRONG FINANCIAL DISCIPLINE

In €M	FY'19	FY'18
EBITDA	606	488
Lease obligation*	(33)	-
Working capital change	(2)	22
CAPEX	(135)	(117)
Other income & expenses	(42)	(47)
Interest paid	(20)	(17)
Tax paid	(65)	(90)
<b>Free Cash-Flow</b>	<b>310</b>	<b>238</b>
<i>Reported Conversion rate</i>	<i>51%</i>	<i>49%</i>
<i>Adjusted conversion rate**</i>	<i>50%</i>	<i>49%</i>

### CASHFLOW

- Strong improvement in FCF generation (€310m FCF, i.e. a conversion rate of 51%)
- Increase in EBITDA contribution
- Working capital stable in a strong growth environment driven by a fully redesign cash control process
- €135m capex in line with expectations
- €42m OIE, under control
- Tax paid decrease due to €25m one-off reimbursement as disclosed in H1'19

\* IFRS 16 impact

\*\* Conversion rate excluding €25m one-off tax effect and excluding IFRS 16 impact

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## BALANCE SHEET- STEADY DELEVERAGING

In €M	FY'19	FY'18
Net Debt as of Jan. 1 <sup>st</sup>	1,518	1,471
Free Cash Flow	310	238
Dividend Paid	(40)	(55)
Share Buyback	-	(87)
Acquisitions net	(66)	(129)
Others	6	(14)
Net Debt as of Dec 31 <sup>st</sup>	1,308	1,518
<i>Leverage ratio</i>	<i>2.2x</i>	<i>3.1x</i>

### CASHFLOW

- Strong deleverage with Net Debt/EBITDA down c. 1.0x to reach 2.2x (vs. 3.1x end 2018)
- €40m dividend paid in cash
- Acquisition of Paymark and impact of Healthcare France disposal
- Net debt down €210m to €1,308m (vs. €1,518m in 2018)

\* IFRS 16 impact



## PPaaS launch

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Matthieu Destot  
B&A

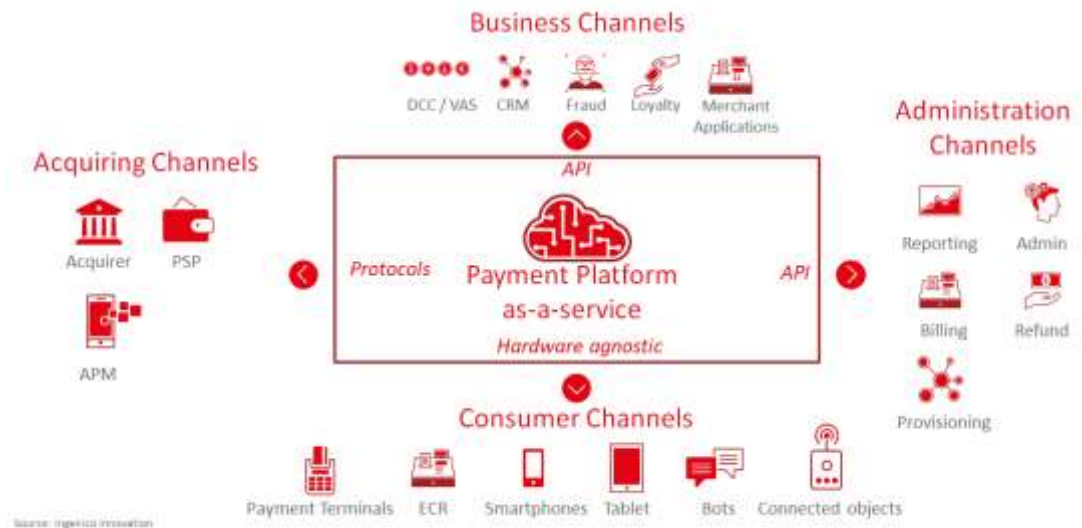
# PPaaS – Interconnected and unified cloud-based platform

Becoming a technology enabler of payment acceptance...

...with a recurring revenue model...

...monetizing software & payment apps value...

...providing cloud and API-based services through a dedicated Payment Platform



2020 investments (HC & Opex)

	Headcounts	OPEX
PPaaS project	100 by the end of the year	€10m run rate

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# A progressive transformation towards recurring revenue

2019

2020

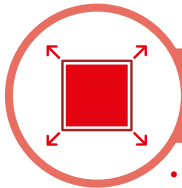
2021

2025



## Wave 1 - B&A revival program & business repositioning

- Adapt industrial capabilities and R&D optimization
- Focus on go to market organization (client centric and solutions oriented)
- Product portfolio rationalization and launch of Android out of China



## Wave 2: Android expansion and Terminal as-a-service

- Android deployment providing software and additional services
- Worldwide Android Competency Center and Apps portfolio development
- Deployment of Terminal as a Service (TaaS) providing full stack of services and flexible price model

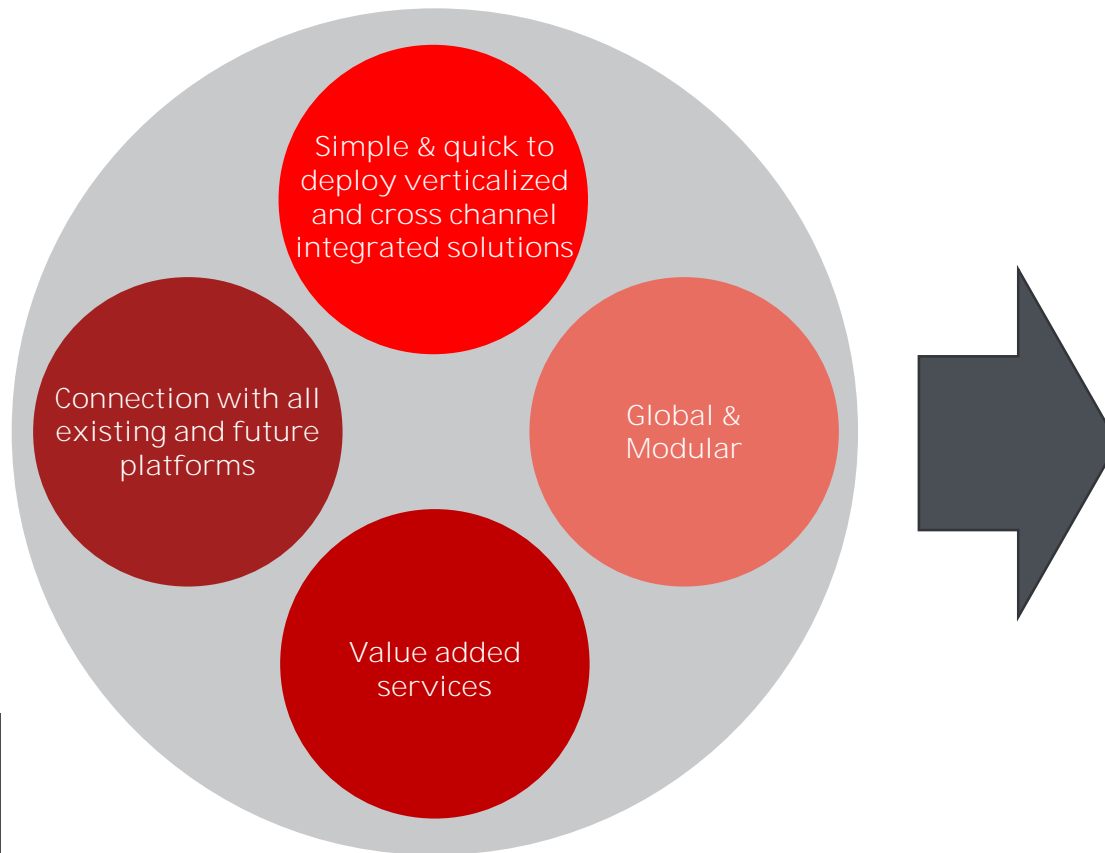


## Wave 3: Payment Platform as-a-Service

- Ingenico operates a hardware agnostic cloud and API-based platform hosting payments applications, integrating with business Apps and providing Data analytics
- Business model is based on Subscription package and API usage (consumption)
- Platform is enabling and accessible through banks, acquirers and ISVs

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## PPaaS – Enabling partners to deliver more value



### WITHIN 5 YEARS

50% client base migrated to PPaaS and TaaS offerings

Doubling the proportion of recurring revenue

Protecting future margin profile at current level (c.22%)



## FY'20 GUIDANCE

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Nicolas Huss  
CEO



Michel-Alain Proch  
CFO



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## NEW FY'20 REPORTING FORMAT\*: KEY EVOLUTIONS

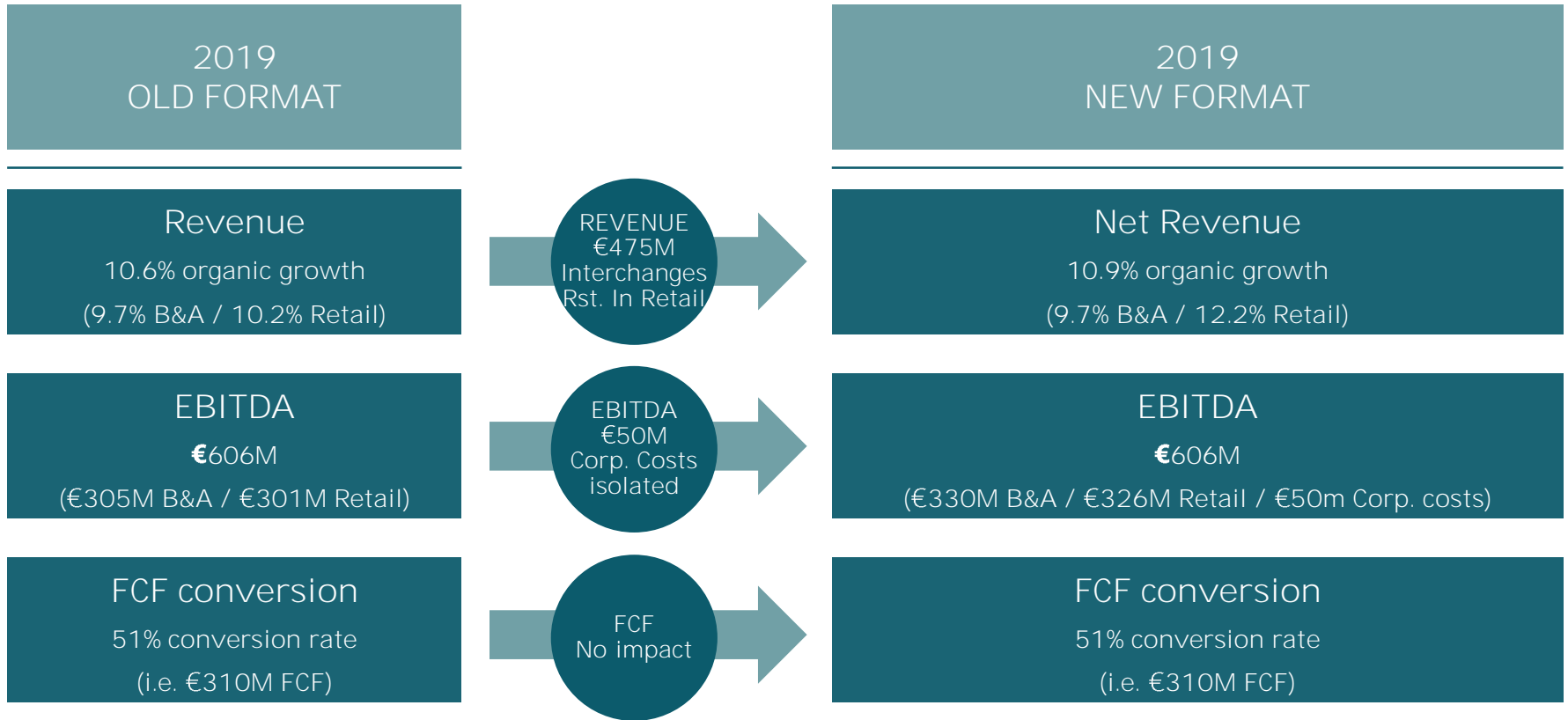
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- As a result of the Group operating model redesign, implementation of a new reporting format to provide a better measure of both divisions' performance aligned with European and American market practice:
  - Revenue: Presentation of Retail revenue from gross (including interchange fees) to net (excluding interchange fees)
  - EBITDA: Identification of Corporate costs and presentation of business units EBITDA excluding reallocation of Corporate costs

\* Net revenue is a non IFRS performance indicator and EBITDA is including IFRS 16 impact



# NEW FY'19 REPORTING FORMAT\*



\* Net revenue is a non IFRS performance indicator and EBITDA is including IFRS 16 impact



## 2020 GUIDANCE

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### 2020 GUIDANCE

#### Net Revenue

4% to 6% organic growth  
(-1% to +1% B&A / double digit Retail)

#### EBITDA

> €650M  
(c.€330M B&A / > €365M Retail / c.€45m Corporate costs)

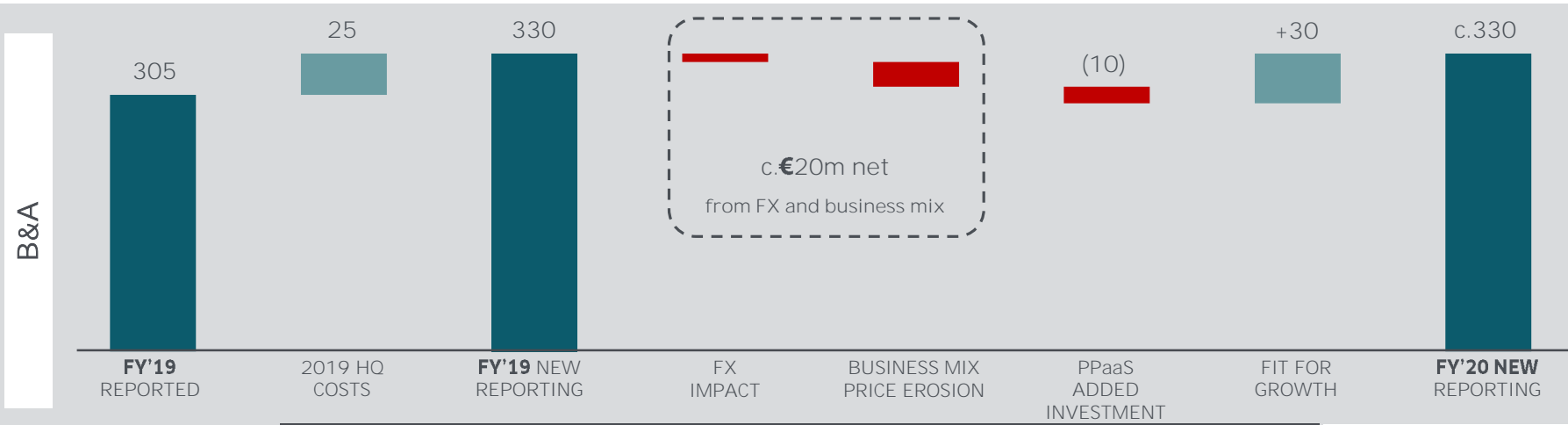
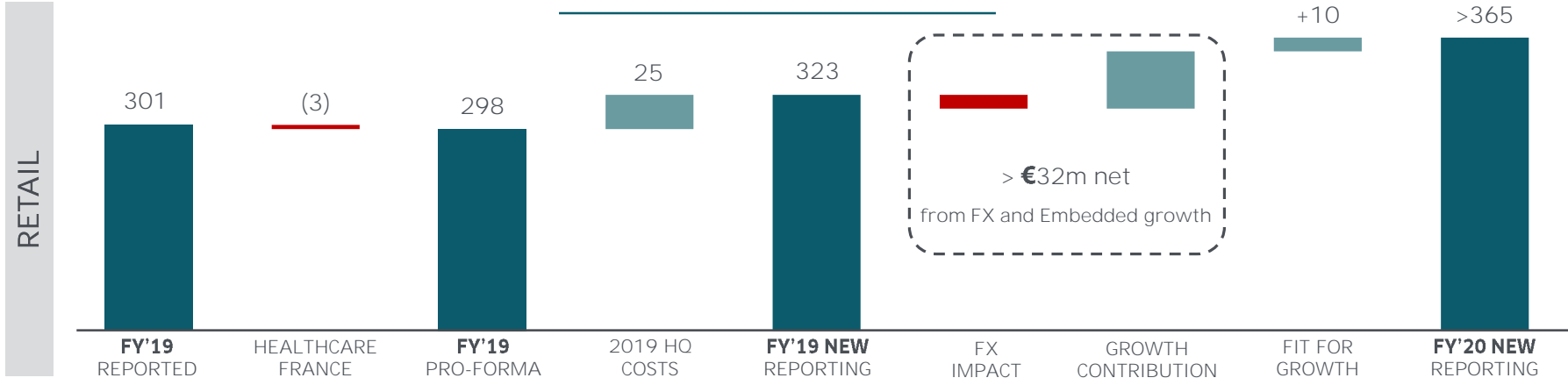
#### FCF conversion

> 50% conversion rate  
(i.e. c.€330m FCF)

\* Net revenue is a non IFRS measure and EBITDA is including IFRS 16 impact



# FY 2020 EBITDA GUIDANCE BUILDING BLOCKS



**FFG: €45m EBITDA impact in 2020 (o/w €5m on Corporate costs)**





# FY 2020 FCF GUIDANCE BUILDING BLOCKS

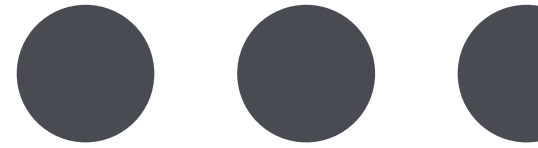


FCF building blocks:

- > €50m impact from activities
- Capex €20m below 5% or revenue including €10m for new ERP implementation
- Financial discipline on working management and OIE
- Tax paid back to normative rate

EBITDA to FCF conversion >50% leading to c.€330m FCF\*

\* Based on > €650m EBITDA guidance for 2020



## CONCLUSION

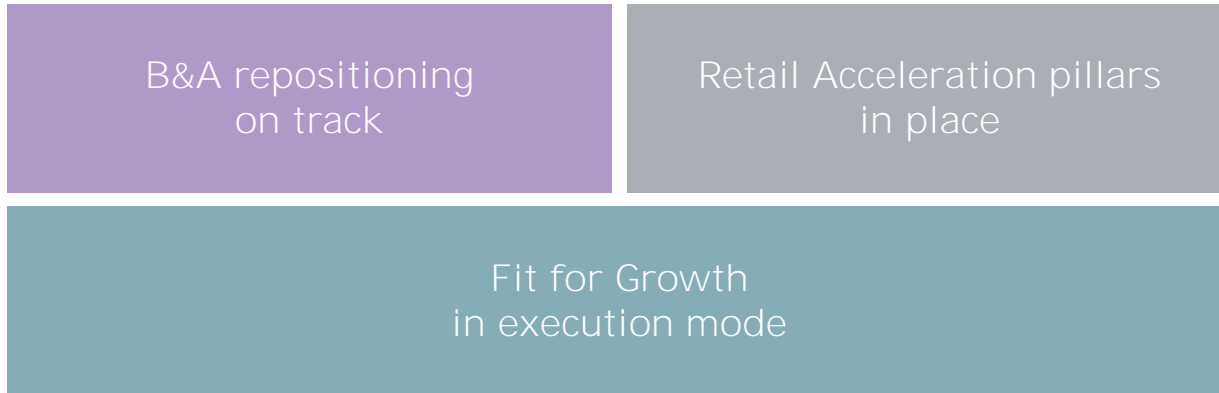
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Nicolas Huss  
CEO



# 2020 GUIDANCE FULLY IN LINE WITH OUR 2021 AMBITION



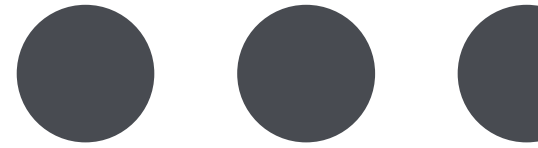
## 2020 GUIDANCE

4% to 6%  
organic growth

EBITDA  
> €650m

> 50%  
FCF conversion

> 35%  
Pay-out ratio

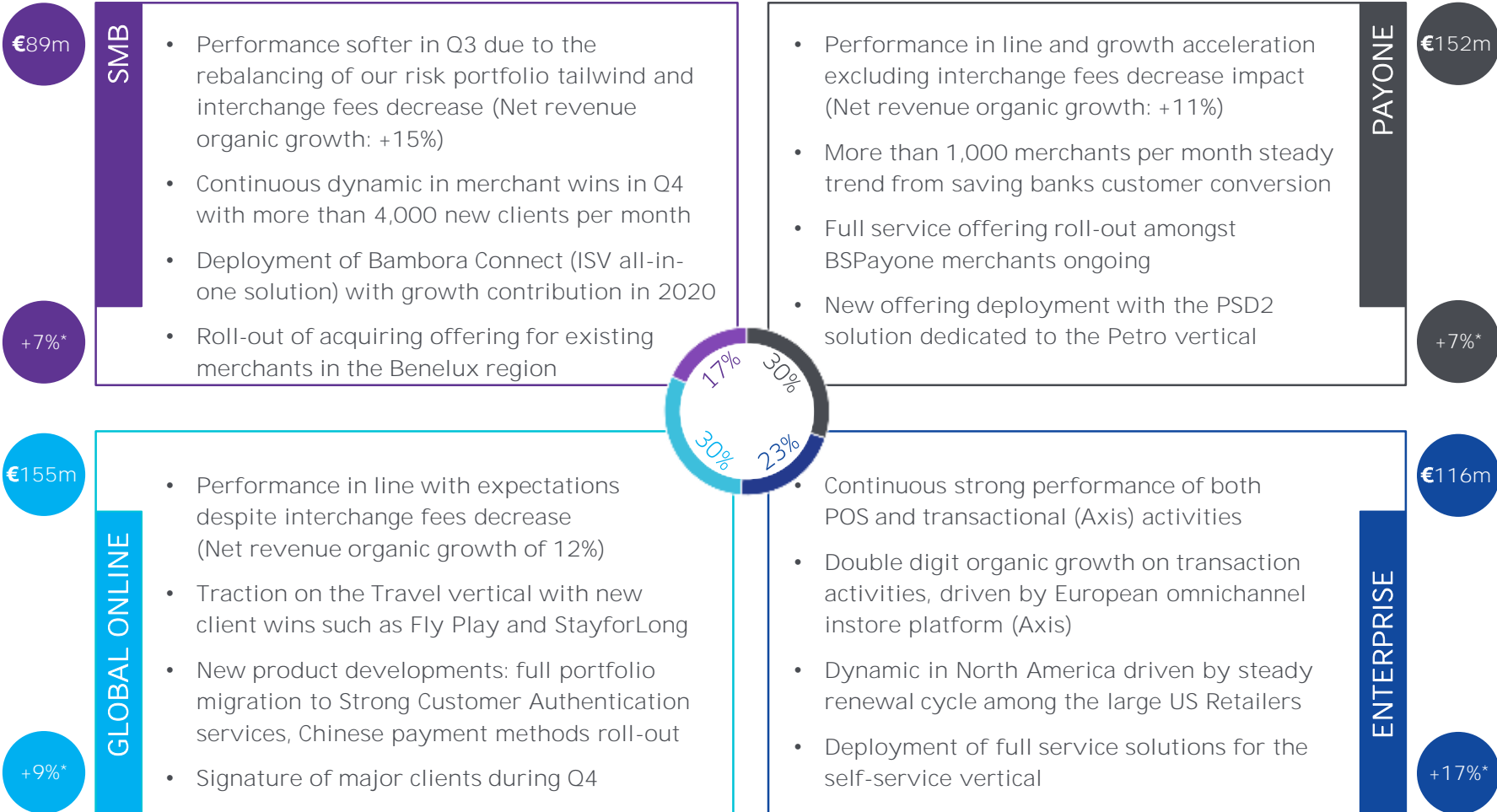


## APPENDICES

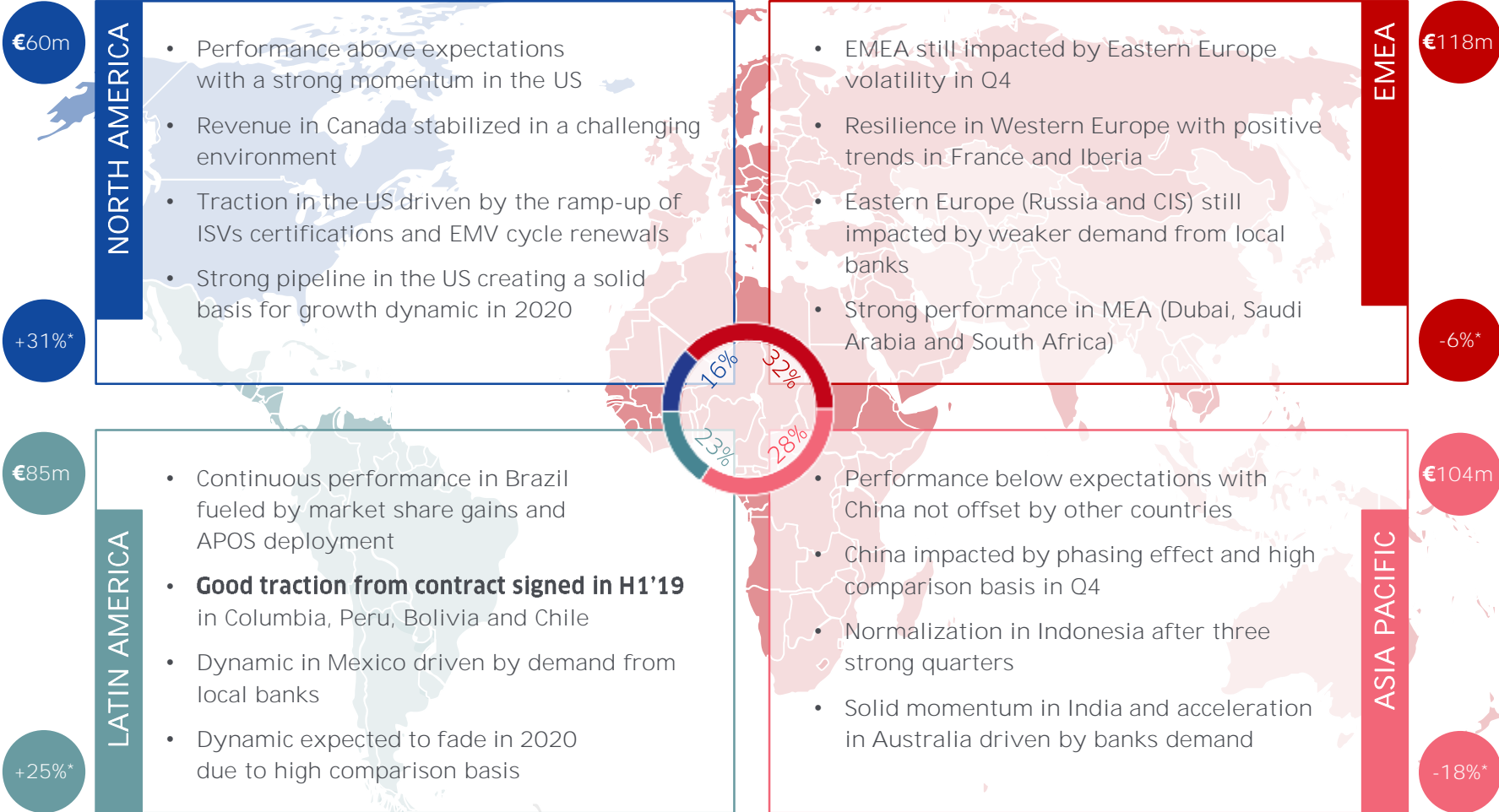
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# RETAIL Q4'19 FOCUS – BUSINESS LINES DYNAMICS



# B&A Q4'19 FOCUS - REGION DYNAMICS



\* Growth rate at constant FX and scope

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## NEW REPORTING FORMAT BRIDGE 2019

### 1. NEW REPORTING FORMAT IMPACT ON REVENUE PRESENTATION

	FY 2019 (€m)			Organic* Growth (%)	
	Revenue	Interchange Fees	Net Revenue**	Revenue	Net Revenue
Retail	1,919	(475)	1,444	11%	12%
SMBs	343	(97)	246	11%	13%
Global Online	582	(208)	374	11%	14%
Enterprise	412	(0)	412	19%	19%
Payone	582	(170)	412	6%	4%
B&A	1,451	-	1,451	10%	10%
EMEA	473	-	473	-5%	-5%
Latin America	325	-	325	64%	64%
North America	189	-	189	11%	11%
Asia-Pacific	463	-	463	2%	2%
TOTAL	3,370	(475)	2,895	10%	11%

### 2. NEW REPORTING IMPACT ON EBITDA PRESENTATION

	FY 2019 (€m)		
	EBITDA***	Corporate Costs Restatements	EBITDA New Reporting
Retail	301	25	326
<i>EBITDA margin (%)</i>	<i>15.7%</i>		<i>22.6%</i>
B&A	305	25	330
<i>EBITDA margin (%)</i>	<i>21.0%</i>		<i>22.7%</i>
Corporate	-	(50)	(50)
<i>EBITDA margin (%)</i>	<i>-</i>		<i>(1.7%)</i>
GROUP	606	-	606
<i>EBITDA margin (%)</i>	<i>18.0%</i>		<i>20.9%</i>

\* Growth rate at constant FX and scope  
 \*\* Net revenue is a non IFRS performance indicator  
 \*\*\* EBITDA is including IFRS 16 impact



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