

Third quarter 2020

Q3'20 strongly supports 2020 guidance

Mid to high single digit full year organic decline confirmed

All 2020 objectives reiterated

Revenue of €646 million, down 9% on a comparable basis¹

Retail growth down 5% in Q3'20, better than expected

Activity in SMB, Enterprise and Payone stabilized while Global Online is still impacted by the Travel vertical

B&A performance in the trajectory of a gradual recovery with a 14% organic decline in Q3'20

Fit for Growth and Covid-19 action plan on-track to deliver €135 million impact in 2020,

All 2020 objectives reiterated

Mid to high single digit organic decline in revenues for FY'20

FY'20 EBITDA in percentage of net revenue above 21%

Free Cash Flow conversion rate above 50%

Ingenico Group (Euronext: FR0000125346 - ING), the global leader in seamless payments, today announced its revenue for the third quarter 2020.

Michel-Alain Proch, Chief Financial Officer of Ingenico Group, commented: ***“In the context of the Covid-19 crisis, the Group posted a solid performance in the third quarter, achieving 9% organic decline with a better than expected performance of Retail while B&A came fully in line with our expectations. The latest evolution of the health situation leads us to be cautious regarding the recovery curve of the fourth quarter which will be smoother than expected. Considering the dynamics of the last two quarters of the year, we confirm our scenario, a mid to high single digit organic decline in revenues for 2020.*”**

During the first nine months, we have successfully pursued the execution of our Covid-19 action plan on top of the Fit for Growth plan and we confirm our objective to deliver a combined €135 million EBITDA savings impact in 2020. I would like to thank our teams for their proactive mobilization during this period and their full commitment to deliver quarter after quarter a very solid EBITDA performance despite the health situation. Finally, the combination with Worldline is now completed and integration is fully on track to create the undisputed European champion in payments.”

¹ On a like-for-like basis and at constant rate on net revenues

Key figures

	9-months 2020			Q3 2020		
	€m	% Change		€m	% Change	
		Comparable ¹	Reported		Comparable ¹	Reported
Retail	980	-4%	-7%	348	-5%	-7%
SMBs	174	-3%	-4%	60	-6%	-6%
Global Online	252	-7%	-8%	84	-14%	-15%
Enterprise	268	-3%	-10%	98	4%	-3%
Payone	286	-5%	-5%	107	-5%	-5%
B&A	908	-12%	-16%	297	-14%	-22%
EMEA	323	-9%	-9%	111	-4%	-4%
Latin America	142	-17%	-41%	53	-13%	-45%
North America	176	22%	36%	54	-8%	-4%
Asia-Pacific	266	-26%	-26%	79	-27%	-29%
TOTAL	1,888	-8%	-12%	646	-9%	-14%

Third quarter 2020 performance

In the third quarter of 2020, net revenue totalled €646 million, representing a 9% decrease on a comparable basis. On a reported basis net revenue was 14% lower than in the third quarter of 2019 and included a negative foreign exchange impact of €34 million and the effect of Healthcare France disposal.

Over the quarter, the **Retail** Business Unit reported a net revenue of €348 million, showing a decrease of 5% on a comparable basis. On a reported basis, net revenue decreased by 7% during the quarter and included a negative foreign exchange impact of €6 million and the effect of Healthcare France disposal. Compared with Q3'19, the various activities performed as follows on a like-for-like basis:

- **SMB (down 6%)**: The third quarter performance was slightly above our expectations with a positive performance on the non-travel verticals. SMB continued to deliver a steady onboarding rate of merchants on its platform with c.1,000 net new customers per month (c.4,000 gross new customers), thanks to an ongoing decrease of the churn rate during the period and a strong dynamic on online merchants. During the third quarter, the all-in one instore offering, Bambora connect, tailored for ISVs, is continuing to gain traction with a significant ramp-up of one of the contracts signed in H1'20 and good growth prospects expected for the fourth quarter of 2020.
- **Global Online (down 14%)**: The third quarter performance came in line with our expectations driven by a good dynamic in the non-Travel verticals such as marketplaces, gaming and digital goods continuing to grow double-digit, but not able to fully compensate the Travel impact. The latter vertical remains impacted by the fall of international travel traffic, as expected, despite some domestic and intra-regional travel recovery, and less refunds flows accounted than in Q2'20. On the regional side, APAC continued showing good momentum again growing double digit. During the period, Global Online pursued its geographical and acceptance network expansion with new client wins during the quarter and expanded relationships with existing clients such as Shein, Zendesk or Mindbody.

- **Enterprise (up 4%):** Performance came slightly better than expected during the third quarter despite the high comparison basis in Q3'19 driven by Healthcare Germany activities. Excluding this specific effect, Enterprise was up 9% on an organic basis. The division is benefiting from a strong traction on both sale of POS and transaction activities. In the latter, the transaction business continued its double-digit growth, driven by the European omnichannel instore platform (Axis), in which processed volumes recovered during the third quarter after a Q2'20 strongly impacted by the lockdowns in Europe. POS activities enjoyed a good dynamic. North America has been a strong driver this quarter, with an activity back to normative levels.
- **Payone (down 5%):** The third quarter performance came in line, with transaction activities fuelled by an acceleration of the shift towards electronic payments, in the trajectory of Q2'20. Usage of card payment in the German market continued to strongly increase, thanks to the improvement of payment threshold leading to a higher usage of contactless payments that represent today c.60% of electronic payments vs c.50% pre-Covid. The conversion of saving banks customers to Payone payment solution remained steady during the quarter, driven by the one-stop shop offering and digital onboarding capabilities, with more than 1,000 net new merchants joining the platform every month. The DACH region shift acceleration towards electronic payments will benefit to Payone performance in the coming quarters.

The **B&A** Business Unit posted a net revenue of €297 million, a 14% decrease on a comparable basis. On a reported basis, the activity decreased by 22% and included a negative foreign exchange impact of €28 million. Compared to Q3'19, the various regions performed as follows on a like-for-like basis:

- **Europe, Middle-East & Africa (down 4%):** The third quarter performance came in solid and slightly above our expectations with a steady improvement of the dynamic quarter to quarter. In Q3'20, France was back to growth, while countries such as DACH and Iberia have shown a good dynamic, fuelled by Terminal as a Service contract signed in H1'20 and the first deliveries of Android POS for the latest. In the meantime, the UK and Italy remained impacted in the current environment. As expected, Eastern Europe, after being back to growth in H1'20, has pursued on the same trajectory, while Russia has continued to suffer from a high comparison basis and a low pipeline of projects. The trajectory of the region should remain solid in the coming quarters with an improvement of the overall performance.
- **Asia-Pacific (down 27%):** The dynamic in the region came in below our expectations during the quarter. China has been still impacted by a very low pipeline due to the lack of projects initiated in H1'20. The situation should continue in the coming quarters. In parallel, India has been strongly impacted by the ongoing lockdowns that are still implemented in the country. As during H1'20, South East Asia came in softer on the back of Indonesia suffering from a high comparison basis. In the meantime, the Pacific region has shown a good dynamic, benefitting from the ongoing impact of commercial successes and pipeline of projects that would continue to deliver good growth basis in Q4'20.
- **Latin America (down 13%):** The dynamic in the region came in slightly better than our expectations with Brazilian market still impacted by the Covid-19 spread during the quarter, combined with high comparison basis. This situation should continue to weight in the coming quarters. In other countries, such as Columbia, Argentina and Peru, the momentum keeps ongoing on the same trajectory as H1'20, fuelled by the contracts signed and the pipeline of projects.
- **North America (down 8%):** The third quarter performance came in line with a level of activity stabilizing sequentially after four quarters of strong growth. On the regional side, Canada is back to a normative level of activity during the last quarter. US-based activity remained strong benefitting from the early implementation of our ISV vertical initiative showing a continuous strong dynamic fuelled by project delivery and development of partner programs. In the meantime, the first Terminal as a Service contract has been signed during the Q3'20. The ongoing demand on back of the EMV cycle renewals remains robust and some consolidation of market shares has been achieved. Overall, the pipe should sustain sequentially the level of activity in the coming quarters.

All 2020 objectives confirmed

- **Net revenue:** a mid to high single digit organic decline
- **EBITDA:** an EBITDA margin above 21% (20.9% in FY'19)
- **Free cash-flow conversion:** a FCF conversion above 50%

The 2020 objectives communicated in April have been built on the three following scenarios structured around different recovery curves:

- Scenario 1: return to the pre-Covid-19 guidance of 4% to 6% organic growth in Q4'20 leading to a mid-single digit organic decline in FY'20;
- Scenario 2: return to the pre-Covid-19 guidance of 4% to 6% organic growth in December 2020 leading to a mid to high single digit organic decline in FY'20;
- Scenario 3: return to the pre-Covid-19 guidance of 4% to 6% organic growth in Q1'21 leading to a high single digit organic decline in FY'20.

After nine months of activity, the Group's business assumptions remain unchanged, i.e. a progressive pick-up in consumption while stores re-open depending on health constraints, a central scenario on travel with no recovery of international travel before 2021 and a gradual pick-up on regional travel, and some possible short and local re-confinements in the countries in which the Group operates.

Based on the recent performance with a third quarter better than expected driven by a post-confinement pick-up in activity, Ingenico anticipates for the fourth quarter a gradual recovery curve.

Despite this phasing, the overall group's performance for the full year should remain in the mid to high single digit organic decline, confirming the expected growth scenario.

Based on this scenario, Ingenico Group confirms its strong and holistic action plan activated early March, aiming at adapting its cost structure, protecting profitability and preserving cash. Consequently, on top of the Fit for Growth plan that will deliver €35 million EBITDA impact in 2020, this C19 action plan implemented during Q1'20 will deliver €100 million added EBITDA impact in 2020.

Ingenico Group's long-term growth drivers remain intact and we are convinced that the Group should come out of the current crisis even stronger with the engagement of all of the teams serving our clients for the benefit of all of our stakeholders.

Audio Webcast & Conference Call

The third quarter 2020 revenue will be discussed in an audio webcast and a Group telephone conference call to be held on 29th October 2020 at 7.15am Paris time (6.15am UK time). **The presentation and audio webcast will be accessible at www.ingenico.com/finance.** The call will be accessible by dialling one of the following numbers: +33 (0) 1 70 37 71 66 (from France), +1 212 999 6659 (from the US) and +44 20 3003 2666 (from other countries) with the conference password: **Ingenico**.

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 shaping the future of payments for sustainable and inclusive growth. As a global leader in seamless payments, we provide merchants with smart, trusted and secure solutions to empower commerce across all channels and enable simplification of payments and deliver customer promises. We are the trusted and proactive world-class partner for financial institutions and retailers, from small merchants to the world's best-known global brands. We have a global footprint with more than 8,000 employees, 90 nationalities and a commercial presence in 170 countries. Our international community of payment experts anticipates the evolutions of commerce and consumer lifestyles to provide our clients with leading-edge complete solutions wherever they are needed.

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EXHIBIT 1
GROSS AND NET REVENUE

Following the achievement of the Group operating model redesign, the reporting has been adjusted as follows:

- Restatement of Healthcare France contribution after the disposal of the entity end 2019
- Mexico is now allocated in North America versus Latin America previously following a change in management responsibility

In parallel, as announced and to provide a greater transparency and to make it easier to read the performance, revenue are now reported on a net basis (excluding interchange fees).

1. FORMER REPORTING ON REPORTED BASIS (GROSS REVENUE)

In Millions of euros	Q1 2019	Q2 2019	Q3 2019	Q4 2019	2019
Retail	435	471	501	512	1,919
SMBs	79	85	90	89	343
Global Online	133	141	152	155	582
Enterprise	91	104	101	116	412
Payone	131	142	158	152	582
Banks & Acquirers	318	387	379	367	1,451
EMEA	110	130	116	118	473
Latin America	65	78	96	85	325
North America	31	42	56	60	189
APAC	112	136	111	104	463
TOTAL	753	858	880	879	3,370

2. NEW REPORTING ON A PRO FORMA BASIS (GROSS REVENUE)

In Millions of euros	Q1 2019 PF	Q2 2019 PF	Q3 2019 PF	Q4 2019 PF	2019 PF
Retail	430	464	500	512	1,906
SMBs	79	85	90	89	343
Global Online	133	141	152	155	582
Enterprise	87	96	99	116	399
Payone	131	142	158	152	582
Banks & Acquirers	319	389	376	365	1,449
EMEA	111	132	117	119	479
Latin America	57	72	83	81	293
North America	37	46	62	57	201
APAC	115	140	114	108	477
TOTAL	749	853	875	878	3,355

3. FORMER REPORTING ON REPORTED BASIS (NET REVENUE)

In Millions of euros	Q1 2019	Q2 2019	Q3 2019	Q4 2019	2019
Retail	324	351	376	394	1,444
SMBs	57	60	64	66	246
Global Online	85	90	99	101	374
Enterprise	91	104	101	116	412
Payone	91	98	112	111	412
Banks & Acquirers	318	387	379	367	1,451
EMEA	110	130	116	118	473
Latin America	65	78	96	85	325
North America	31	42	56	60	189
APAC	112	136	111	104	463
TOTAL	642	738	755	761	2,895

4. NEW REPORTING ON A PRO FORMA BASIS (NET REVENUE)

In Millions of euros	Q1 2019 PF	Q2 2019 PF	Q3 2019 PF	Q4 2019 PF	2019 PF
Retail	319	344	374	394	1,431
SMBs	57	60	64	66	246
Global Online	85	90	99	101	375
Enterprise	87	96	99	116	399
Payone	91	98	112	111	412
Banks & Acquirers	319	389	376	365	1,449
EMEA	111	132	117	119	479
Latin America	57	72	83	81	293
North America	37	46	62	57	201
APAC	115	140	114	108	477
TOTAL	638	733	750	760	2,881