



# Investor Day

## 2020 Strategic Plan

## Today's agenda

9.00 CONVICTIONS



Philippe Lazare,  
Chairman & CEO

9.15 MARKET TRENDS



Thierry Denis,  
CEO Advisor

9.35 POSITIONING &  
OFFER



Pierre-Antoine Vacheron,  
EVP ePayments



Jacques Guérin,  
EVP Smart Terminals &  
Mobile Solutions

10.45 Q&A session

Pierre-Antoine Vacheron  
Jacques Guérin

11.00 BREAK

# Today's agenda

11.30 INNOVATION



Michel Léger,  
EVP Innovation

MODERATOR

11.40 ROLLING OUT  
THE STRATEGY  
WORLDWIDE

Panel and Q&A session



Adrian Dearnell



Jacques Behr,  
EVP Europe & Africa



Patrice Le Marre,  
EVP Asia Pacific & Middle East



José Luis Arias,  
EVP Latin America



David Jimenez  
Chief Revenue Officer-  
ePayments



Oscar Bello,  
EVP North America



# Today's agenda

12.40 FINANCE



Nathalie Lomon,  
CFO

13.00 Q&A with Philippe Lazare and speakers

13.30 Lunch & Demos



# Investor Day Introduction



Philippe Lazare,  
Chairman & CEO

# Ingenico Group always a step ahead

## Past strategic decisions are paying off today

- First mover in China  
→ Leading position
- Investments in the US against the tide  
→ Largest market today
- From hardware to transaction services  
→ 30% of revenue today
- Continuous investments in Terminals  
to keep on leading the race

## Financial targets achieved 1 year in advance

2016 revenue above €2.2bn\* —○

2016 EBITDA margin above 20% —○

FCF/Ebitda 45%-50% —○


Dividend policy based on a 35% pay-out —○

## STRONG TRACK RECORD


*\*€1.8Bn targeted in 2013, €2.2Bn including GlobalCollect acquired in 2014*




What are we good at?




Provide payment acceptance, whatever the form factor, the channel and the payment method



Connect merchants with acquirers



Protect merchants and consumers credentials in a fully secured manner



## Customers' needs

### CHALLENGES

#### Large retailers' needs

- Follow consumers across channels
- Expand cross border sales
- Increase conversion rate

**~40% of 2015  
revenue**

#### Banks' and Acquirers' needs

- Strengthen relationships with small merchants
- Reduce total cost of ownership
- Differentiate their offer from competition offer

**~60% of 2015  
revenue**

**CREATE A GLOBAL LEADER  
IN OMNI-CHANNEL ACCEPTANCE**



## What can we bring to customers that competitors can't? Omni-channel acceptance

### VALUE FOR MERCHANTS

- Customer knowledge & customer tracking
- Cost savings
- Driving additional revenue

### INGENICO GROUP IDEALLY POSITIONED

- Global scale in both in-store and online payments
- Most advanced omni-channel player

**OMNI-CHANNEL IS INGENICO GROUP'S KEY DIFFERENTIATOR, ENABLING INGENICO GROUP TO OUTPERFORM THE MARKET**

## Strategic initiatives paving the way to 2020

### ○ KEY INITIATIVES

- 1 Strengthen our unique in-store leadership
- 2 Further develop our strong online position
- 3 Drive convergence towards omni-channel acceptance
- 4 Anticipate market evolution through innovation program

**CREATE A GLOBAL LEADER IN OMNI-CHANNEL ACCEPTANCE**

## 2020 ambition plan / a growth story

Revenue objective

**>€4bn\***

Double-digit  
organic growth

EBITDA margin

**22-23%**

FCF/Ebitda

conversion ratio

**45%**

Pay-out ratio

**35%**

\* At 2015 exchange rate and including targeted acquisitions



# Market trends & business dynamics



Thierry Denis,  
CEO Advisor

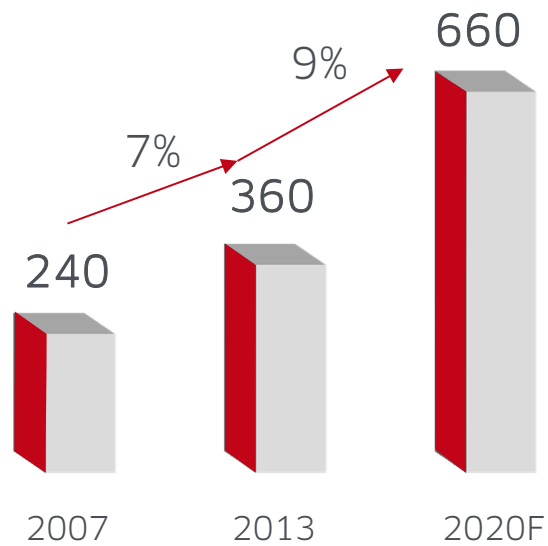


Market trends  
Ecosystem trends

## Solid growth drivers

### WAR ON CASH ACCELERATING

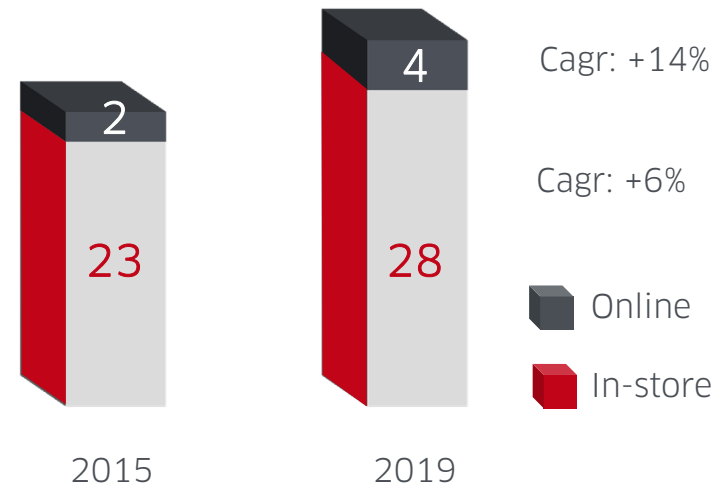
Global non-cash payments  
(# of transactions, \$bn)



Source: ATKearney/Ingenico

### CONNECTED WORLD DRIVING DIGITAL USAGE

Global consumers spend by origin  
(in value/\$ Trn)



Source: eMarketer/Ingenico

## Solid growth drivers

### FAVORABLE REGULATORY FRAMEWORK

- Local regulations, payment methods & certifications
- Global regulation developing on security
- Cashless payment initiatives

### GROWING MIDDLE CLASS IN EMERGING COUNTRIES

By 2022, nearly

**200 million**

**Households** (>\$35,000 income per year)

3x the current figure

Source: Ernst & Young Rapid-Growth Markets Forecast (2014)

# More complex physical world

## MORE DEVICES



M-commerce on track to reach \$900 billion in 2020

Payments with wearables expected to reach \$500 billion by 2020

## MORE POINTS OF SALES



Self-serve unattended, connected objects will become additional points of sale beyond the store

Source: eMarketer/Ingenico Group/Edgar Dunn



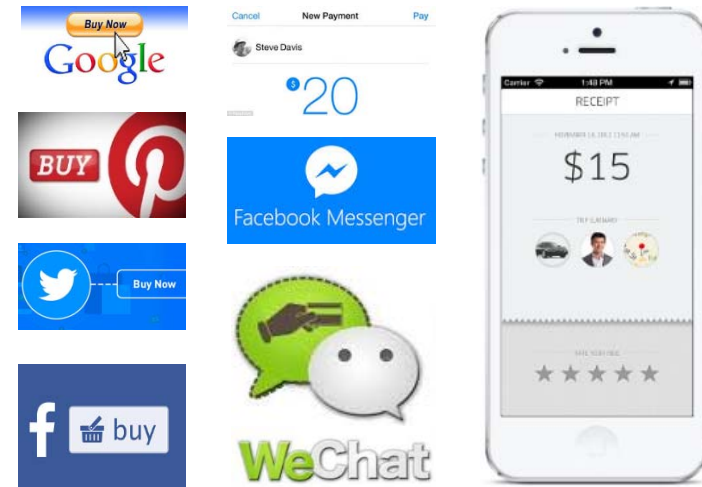
# More complex online world

## MORE PAYMENT METHODS



APMs originating online but expanding into the physical world and very strong in certain geographies, notably China

## MORE ONLINE CHANNELS



Payment will occur in places as diverse as search results, social network posts, advertising messages, press articles.

More complex consumer journeys



**OMNI-CHANNEL IS KEY**

Merchants will have to widen and deepen interactions with customers

## ○ WIDEN

Deliver customer touchpoints anywhere and any time on any device

- Offline/online/mobile...
- In app/on social networks...
- In store/at home/on the go/through connected devices

## ○ DEEPEN

Provide richer interactions at each step of the customer journey

- Multiplicity of payment types and form factors
- Incorporation into the omni-channel customer journey
- Big data and analytics

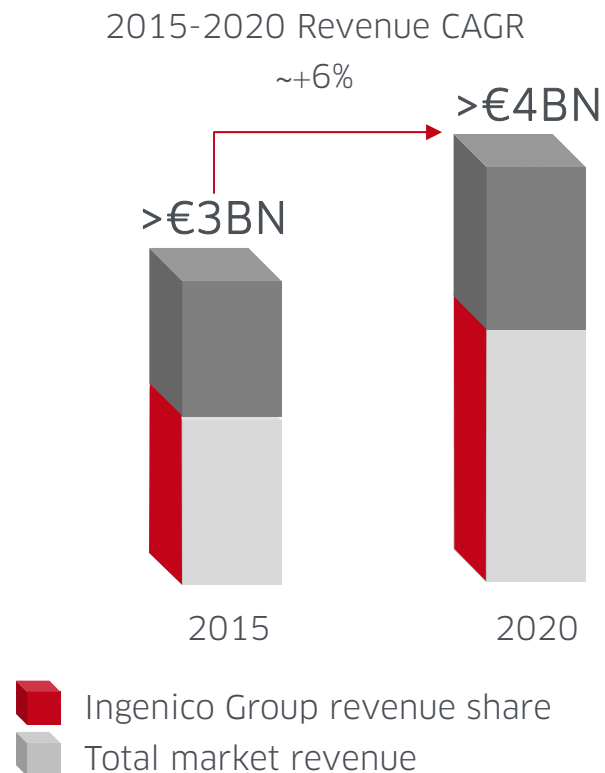
**THIS IS THE BASIS FOR INGENICO GROUP  
VALUE CREATION FROM NOW TO 2020**



Market trends  
Ingenico Group  
Business dynamics

## Payment terminals / a sustainable growth rate

### ○ Payment Terminals revenue pool in billion euros <sup>(1)</sup>



### Still a growing market

- 50% of terminal market growth toward 2020 will come from China and the US
- In emerging countries, POS penetration increasing 50% to more than 14 terminals per 1,000 habitants by 2020
- In mature markets, regulation and technology upgrades driving replacement

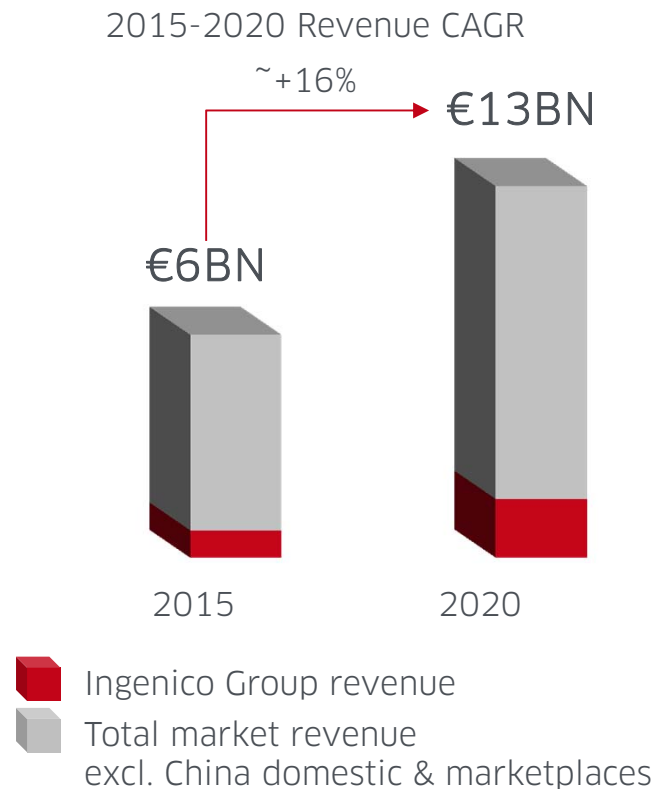
### Competition

- Global market dominated by top 2 global players, due to high barriers to entry
- Ingenco Group best positioned to capture the growth of the two largest markets (China / US)

<sup>(1)</sup> Hardware revenue excluding maintenance and mPOS

## Online payment market / doubling to 2020

### Online Payment services revenue pool in billion euros <sup>(1)</sup>



### Market revenue growth will continue to be strong

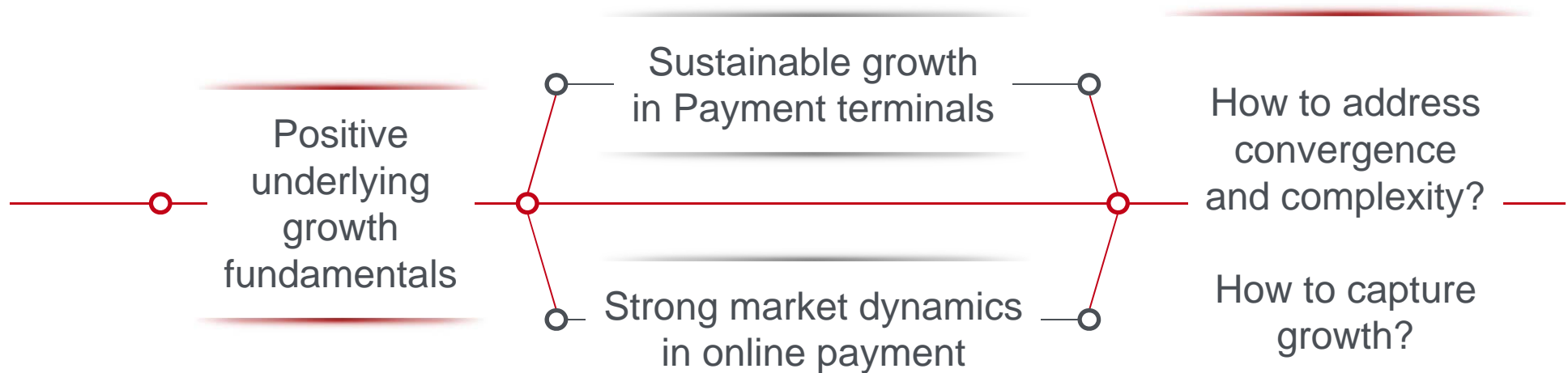
- Increasing share of full-service business model fueled by cross-border ecommerce
- Driven by emerging countries, social commerce

### Competition

- Gateway market mostly dominated by regional & local players addressing their home market
- Full service dominated by 3 global players but very fragmented beyond this top 3

<sup>1</sup> Ingencio Estimates based on ecommerce flows

## Business dynamics conclusion





# Addressing complexity and convergence

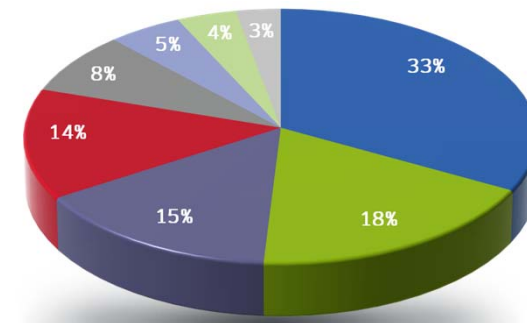


Pierre-Antoine Vacheron,  
EVP ePayments



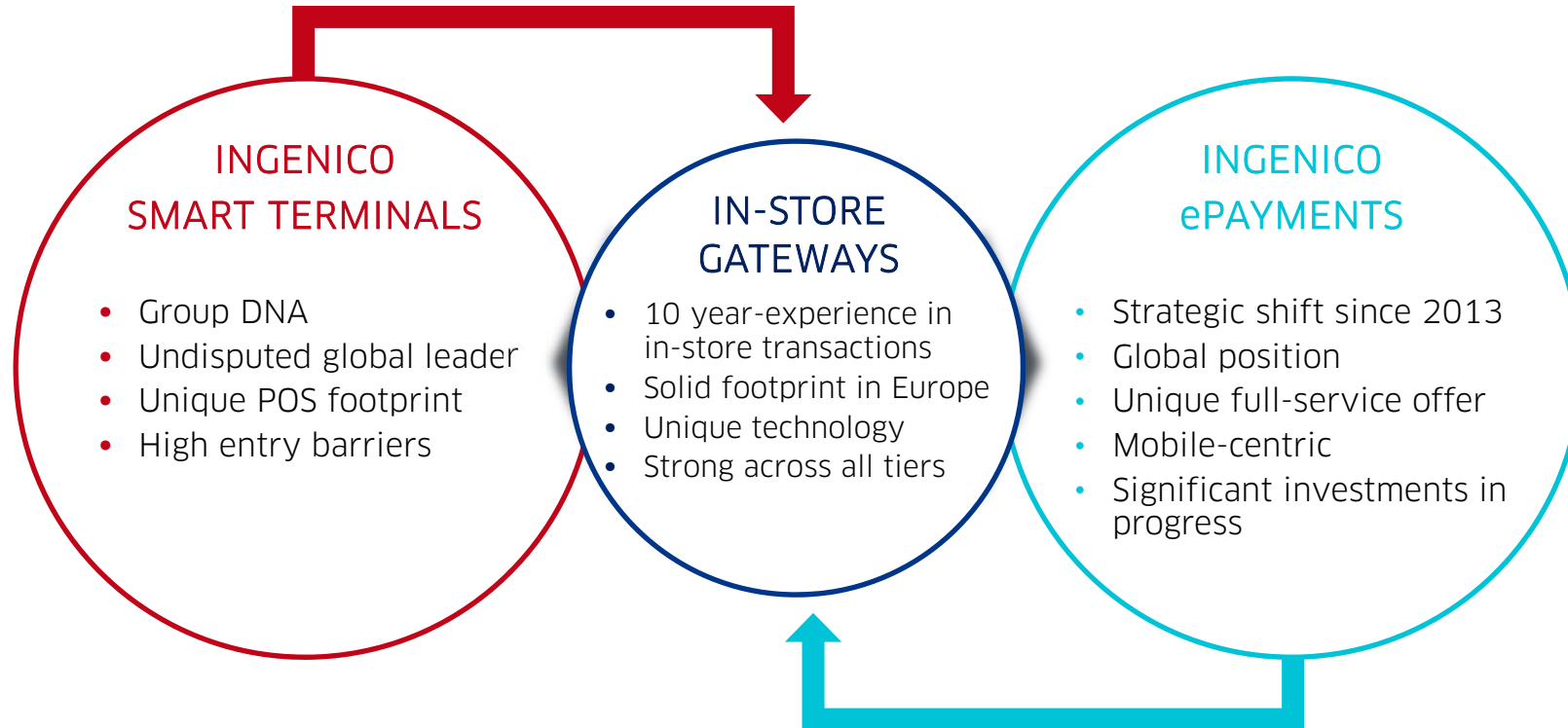
# Addressing a recognized need for convergence across channels

○ Merchants' key concerns\* ○



- Omni-channel - payment method
- International expansion
- Mobile - mobile payments
- Fraud
- Data security
- Payment costs
- Mobile - mobile websites
- Other

## How Ingenico Group offer addresses convergence



**A UNIQUE INTEGRATED OFFER**

Goal / leveraging current solid operational performance

### Terminal s

Installed base  
c. 30M units

### In-store gateway

~ 3.5bn transactions  
processed in 2015

### Onl ine solutions

€59bn transactions  
in value  
processed in 2015

~800 million  
transactions processed  
in 2015

Europe / a first step toward ramping up the omni-channel offer

○ UNIQUE VALUE PROPOSITION

- Terminal, in-store and online market leader
- Cross channel tokenization
- Operating across the entire SEPA area
- Dedicated sales & product team
- Unified multichannel customer service center

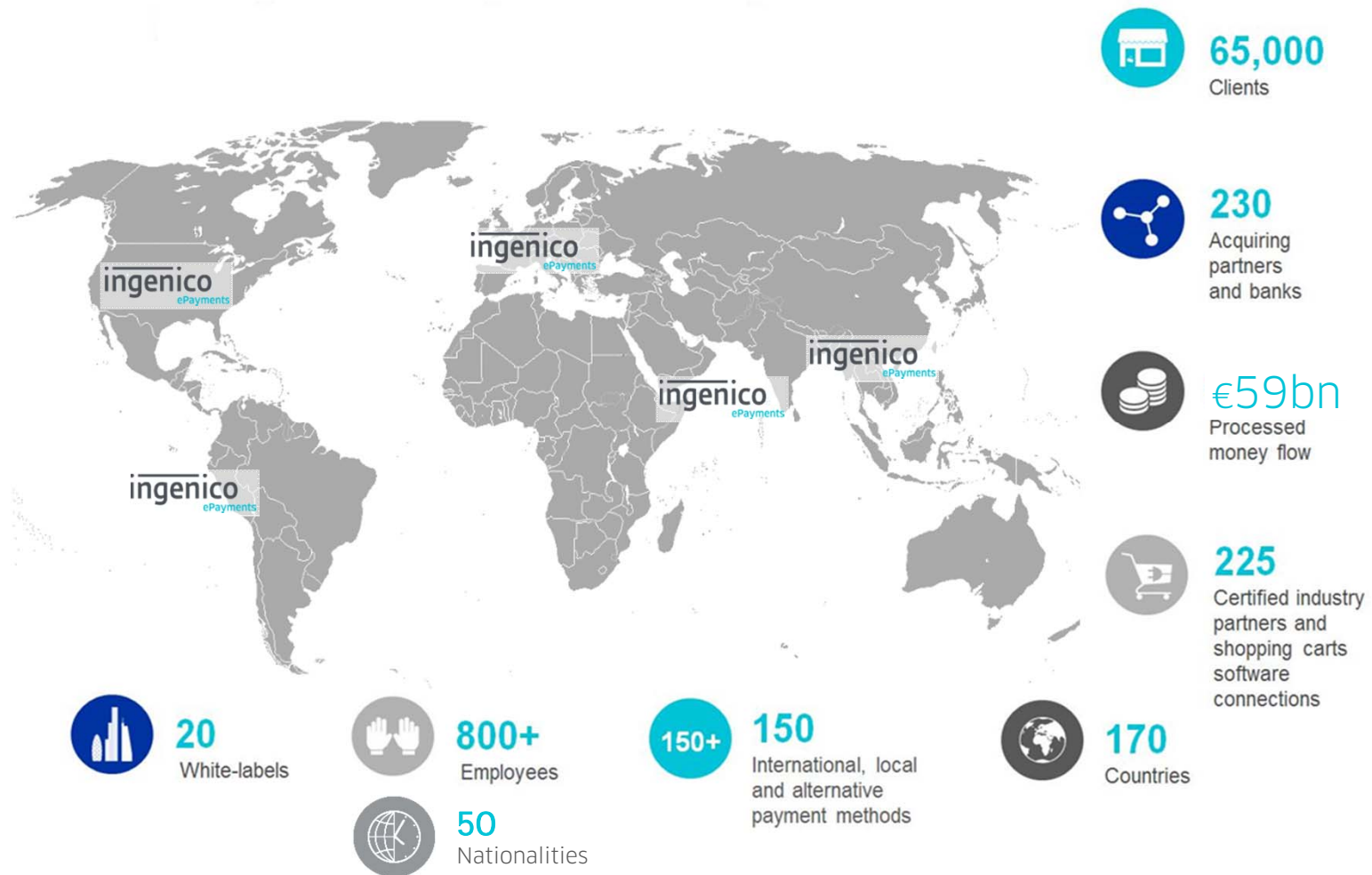
○ STRONG TECHNOLOGICAL ASSET

- Leading in-store and ePayments platform with +4 bn txns/year, processing ~€200 bn
- +350 large retailers in Europe
- First platform to obtain Oscar/Nexo certification
- Cloud reporting and data analytics



# Capturing growth in ePayments

# Ingenico ePayments builds on a global network asset

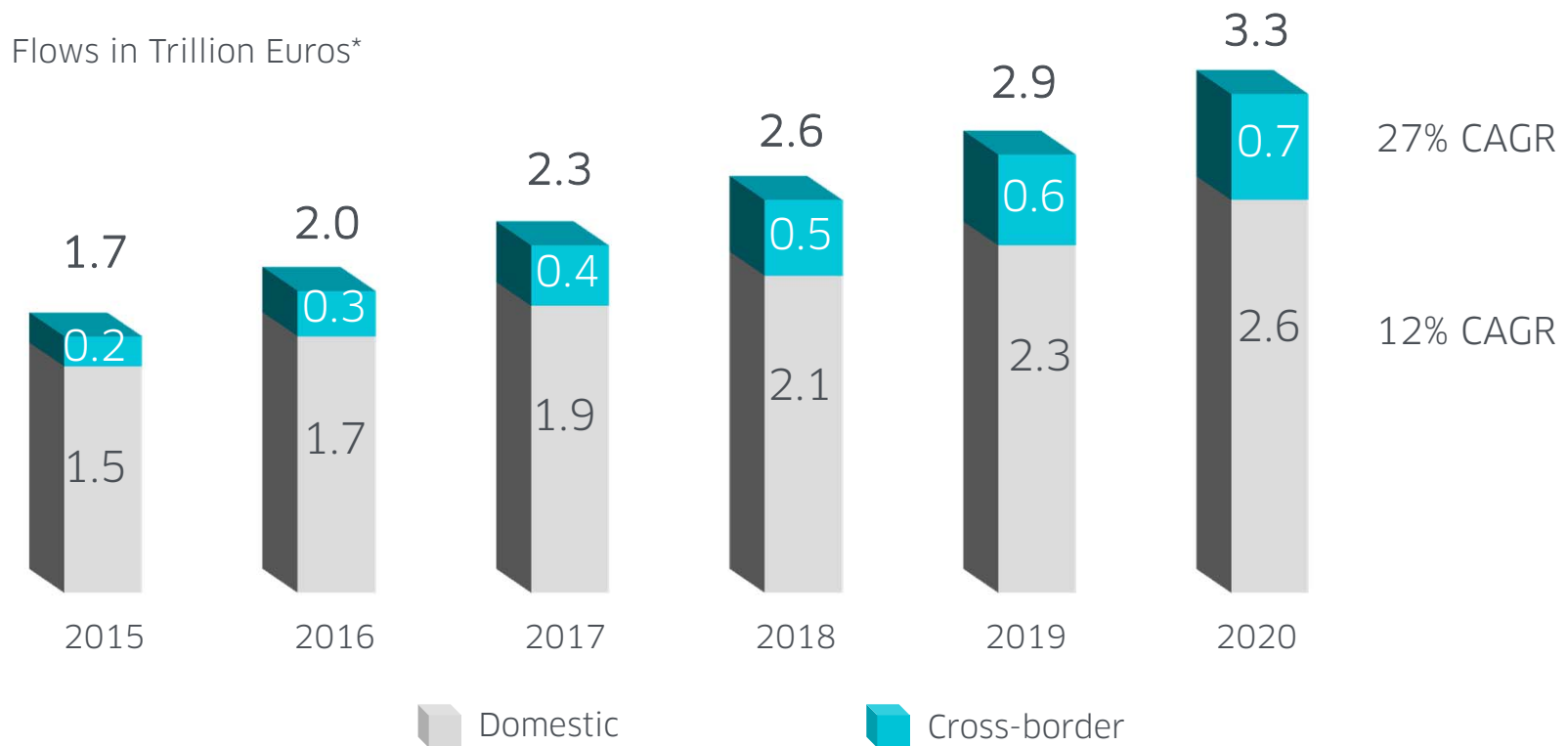


And on a proven track record with the most demanding customers



## Shift from gateway to full service model

### Global ecommerce B2C Volume 2015-2020



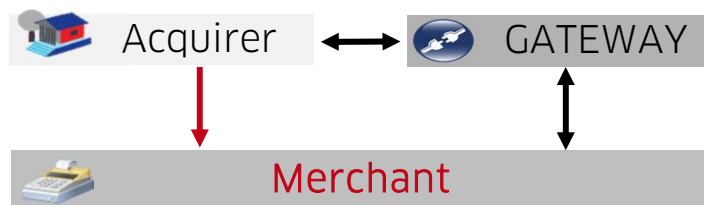
\* Converted from USD at 1 USD = 0,75 €  
Source: Accenture/Alibaba + Ecommerce Foundation



# Online payments

Objective: Creating the “Best-in-Class” Full-Service Model

## ○ Gateway services

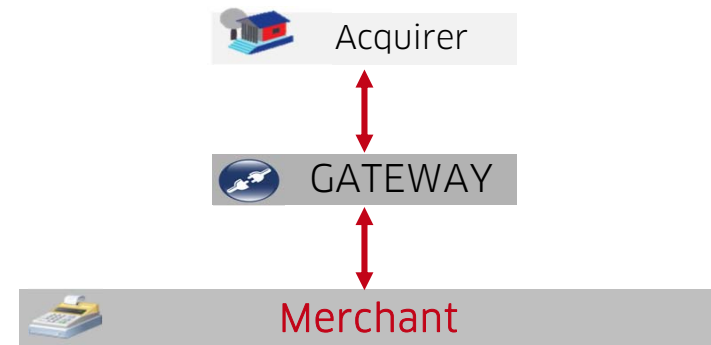


### Business model

Fixed fee per transaction: €0.10 to €0.15  
(Ingenico Group)

Addressing relatively basic domestic needs

## ○ Full-service



### Business model

Percentage of transaction value: 1% to 4%  
(Ingenico Group)

Addressing cross-border needs

**FULL SERVICE:**  
**A single point of contact for the merchant**  
**Providing value added services**

# Creating the “best-in-class” full-service model

## CORE BUSINESS

## INGENICO DIFFERENTIATORS

### Gateway



#### Capture transactions

- Optimize checkout experience
- Maximize payment authorization (increase conversion rate)

### Full service



#### Manage complex transactions

- Local / global made simple.
- Reconciliation and optimized reporting
- Partner with acquirers and considering in-house online acquiring as a fall-back



**TECHNOLOGIES**  
Integration & boarding



**PRODUCT**  
Mobile, omni-channel



**SERVICES**  
Customer Care



**ADVISORY**  
Professional Services

# Creating the “best-in-class” full-service model Invest toward superior technology

## ○ UNLOCK SHORT-TERM GROWTH

### Update connections

- Acquirer connections
- Travel hub
- Complete shopping carts

### Update platforms

- New front office
- Consolidate legacy back office to optimize performance
- New back office (PE)

### Develop key new offers

- Connect for Ogone

## ○ WHILE SETTING THE STAGE FOR THE FUTURE

- Align methods and tools across platforms
- Evolve architecture to ease convergence
  - Converge platforms
  - Cross-channel as a service available for all regions

**DEDICATED CAPEX: c.€90M (3 years)  
>60% transformation program**

# Creating the “best-in-class” full-service model Differentiating technologies



Easy integration as a must to support evolution of commerce



Make integration  
fast & secure

Developer  
community

API  
SDK



Optimized checkout  
user experience

Consumers

In-app  
One click



Optimized  
conversion

Merchants

A/B testing  
Analytics



Customer  
interaction

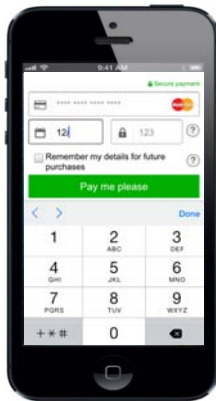
Developer &  
merchants

Developer hub  
Sandbox

Creating the “best-in-class” full service model  
Differentiating product: Mobile-first, increased conversion



### MyCheckout hosted pages



- Mobile-first
- Responsive
- Device agnostic
- 50+ languages

### MyCheckout editor

- Quickly and easily customize page look & feel



**INGENICO CONNECT: A WAY TO  
TAILOR THE PAYMENT CHECKOUT EXPERIENCE**

# Creating the “best-in-class” full-service model

## Differentiating product: omni-channel



ONLINE

IN-STORE



At the counter



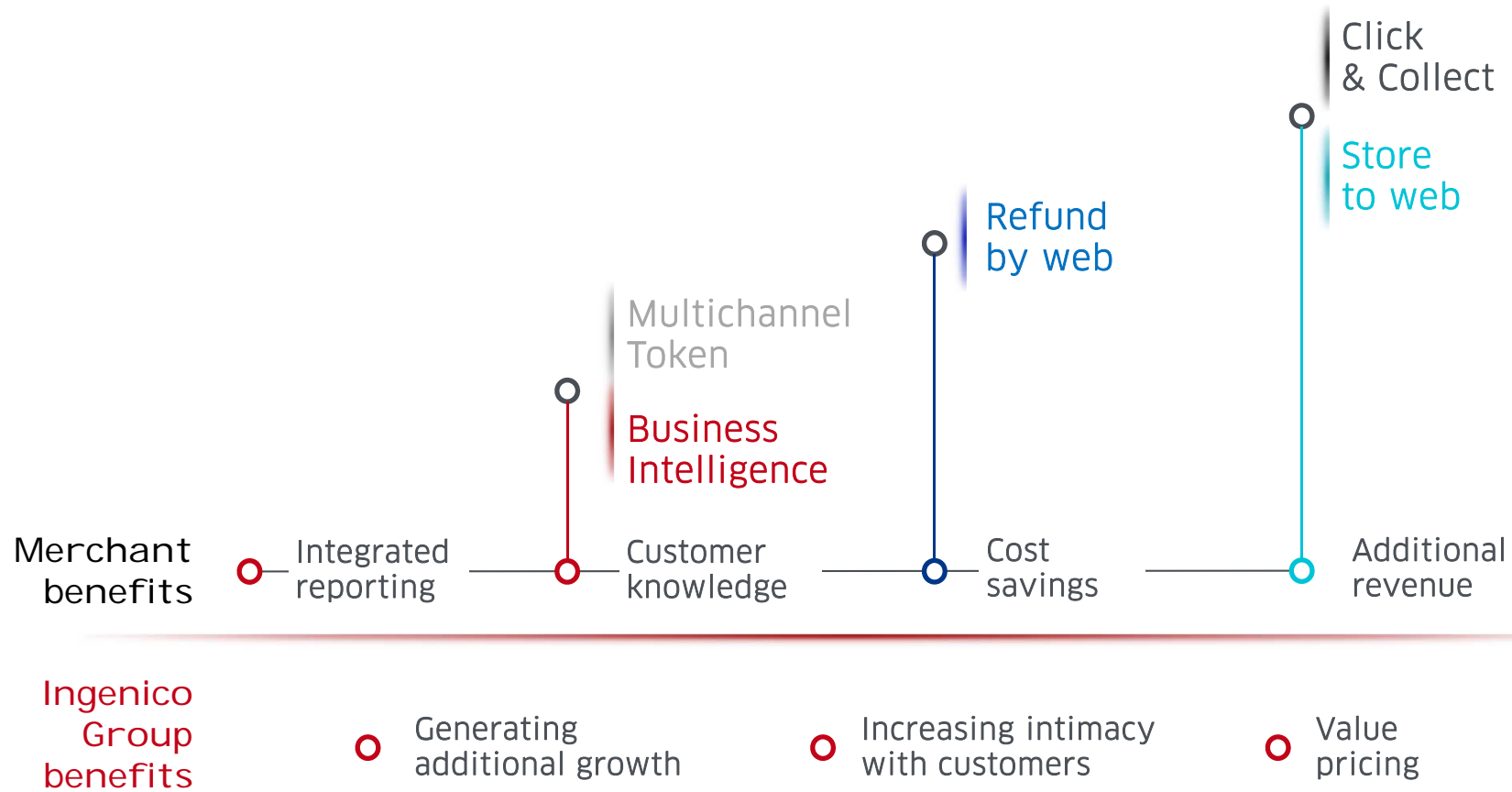
Small merchants  
Sharing economy



Self-checkout

**ONE INTEGRATION - ONE BACK OFFICE - ONE CONTRACT**

# Expanding the value of omni-channel experience



# Creating the “best-in-class” full-service model

## Differentiating services: Customer interaction center



- Multi-Channel Contact Management System is at the heart of our customer interactions
- Integrated with our CRM and Ticketing
- Process & Performance management
- Single interface whatever the channel





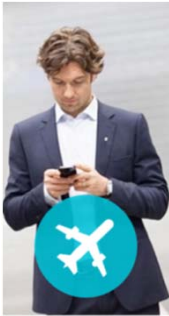
# Creating the “best-in-class” full-service model Differentiating advisory: “Elevate” a solution to improve conversion rate





Capturing growth  
in ePayments  
Execution

## Improve customer reach / deepen existing verticals strengths



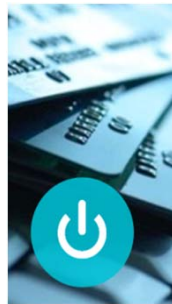
Travel & tourism

- Travel hub
- Leverage Ingenico Connect

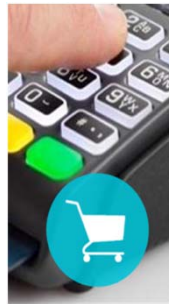


Video gaming

- Enhance subscription capacity
- Adapt alternative payment methods



Digital goods  
& services

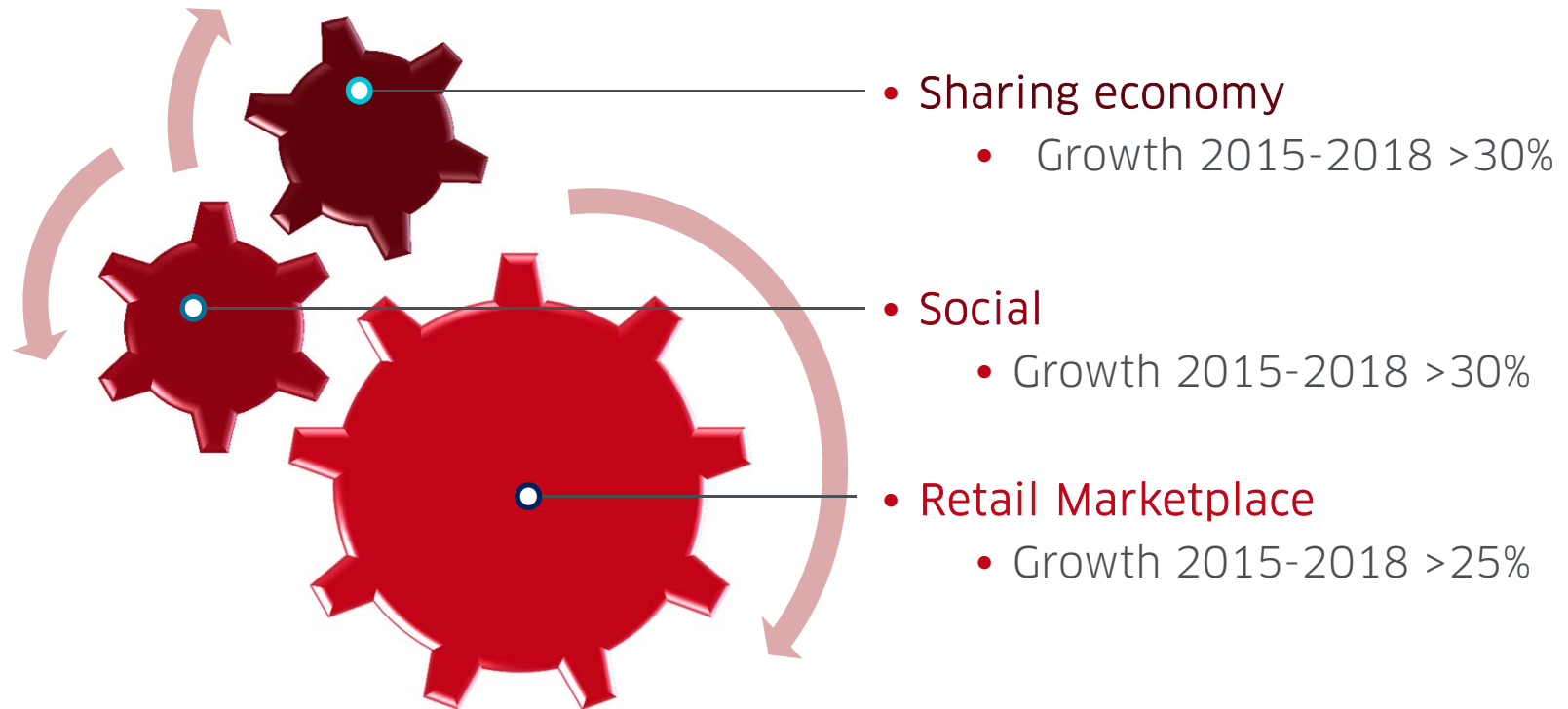


Retail

- Deployment of cross-channel offering and expansion into new tiers and geographies
- Leverage Marketplace solutions

**DEVELOP OFFERING AND MARKETING MUSCLE  
TO GROW IN EXISTING AND NEW SEGMENTS**

## Improve customer reach / capturing evolution of ecommerce



**DEVELOP OFFERING AND MARKETING MUSCLE  
TO GROW IN EXISTING AND NEW SEGMENTS**

*Sources: PWC, Booz & company, SunTrust, eMarketer, BCG, Ingenico Group*

# Improve customer reach / expanding our geographical footprint

**NORTH AMERICA**  
Drive brand awareness  
and develop local  
channels to market

**LATIN AMERICA**  
Expand coverage and  
local acquiring combining  
local gateway and  
ePayments

**EMEA**

Full speed in Germany and UK  
Leverage unique multichannel  
footprint and cross channel  
experience

**APAC**  
Develop cross border in  
China and local capabilities  
across the region



# Capturing growth in Smart terminals



Jacques Guérin,  
EVP Smart Terminals & Mobile Solutions

## Key market trends

Growing market

Increasing demand for cost-effective solutions

Increasing complexity faced by our customers

Increasing number of touchpoints between merchants and consumers

## Key assets

A unique footprint to capture growth in all geographies



+44%\*

### NORTH AMERICA

- #1 with >65% MS\*\* in Canada
- US: Group's largest market



+24%\*

### LATIN AMERICA

- #1 in Brazil
- Gaining traction across the region with >50% MS\*\*



+19%\*

### ASIA & MIDDLE EAST

- # 1 in China: 1/3 of 2015 Group shipments
- Expanding commercial network



+5%\*

### EUROPE & AFRICA

- Historical markets
- #1 in Europe with >50% MS \*\*

- c. 40% WW market share
- Fabless model
- Rev. x2 since 2009
- 47.5% gross margin

\* FY15 Growth rate at constant FX & scope.

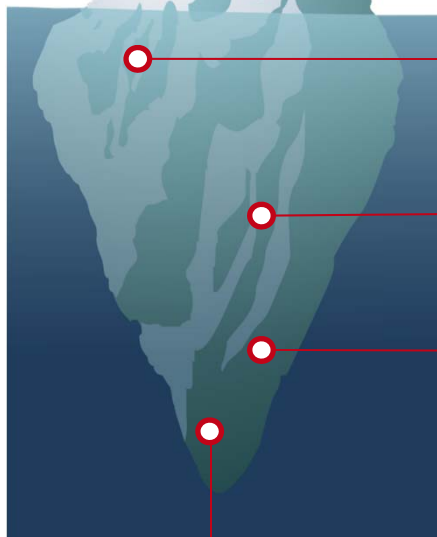
\*\* 2015 shipment estimates



## Key assets

A leading edge software platform to address complexity of payment

○ Key value: the operating system inside the payment acceptance device



- >2,000 applications
- >1,000 acquirers/banks
- R&D: 8% of revenue
- >300 payment methods

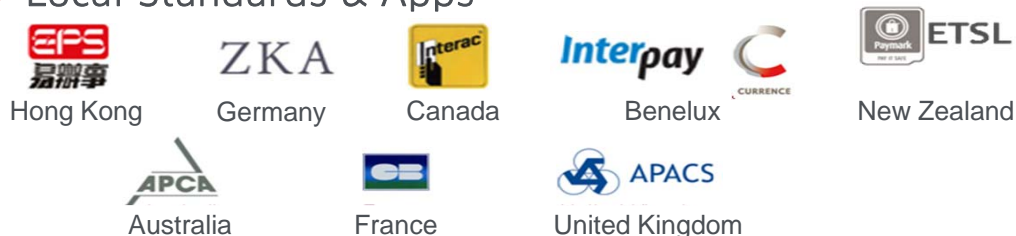
### Multiple payment options



### Global Compliance



### Local Standards & Apps



### Global Standards



# Key assets

## 30 years at the forefront in security

### FRAUD

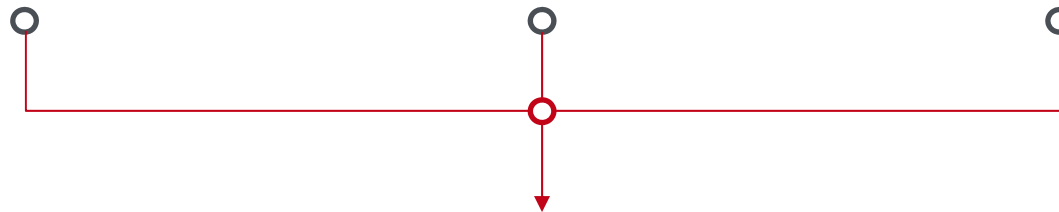
- Terminal: one of the most reliable payment methods

### EXPERIENCE

- Know-how: develop terminals that can be certified
- Years of experience complying with dozens of standards

### ANTICIPATION

- Always at the top of security standards: 1<sup>st</sup> PCI PTS v4
- Member of PCI Advisory Board, EMVCo



**HIGH ENTRY BARRIER**

## Key assets

Operational excellence across the board to protect margins

**c.10M**  
Terminals  
manufactured

Fabless operations enabling us to increase capacity without impacting balance sheet

**0.17%**  
Default On  
arrival rate

Superior  
manufacturing  
quality

**4**  
Rounds of  
negotiations per  
year

Continuous supplier's challenging & benchmark

**35**  
Best practices sharing  
among our EMS

Superior  
manufacturing  
quality

**97%**  
On Time  
Delivery

Supply Chain  
operational excellence  
to fulfill regional  
demand

## Smart Terminals strategy

Be the world leader in secured payment acceptance solutions which facilitate in store commerce

HOW

Reduce payment operations related costs

Expand payment acceptance on new touchpoints

Provide easy combination between payment & services

Reduce operational complexity of payments operations

Increase installed base

Generate additional revenues

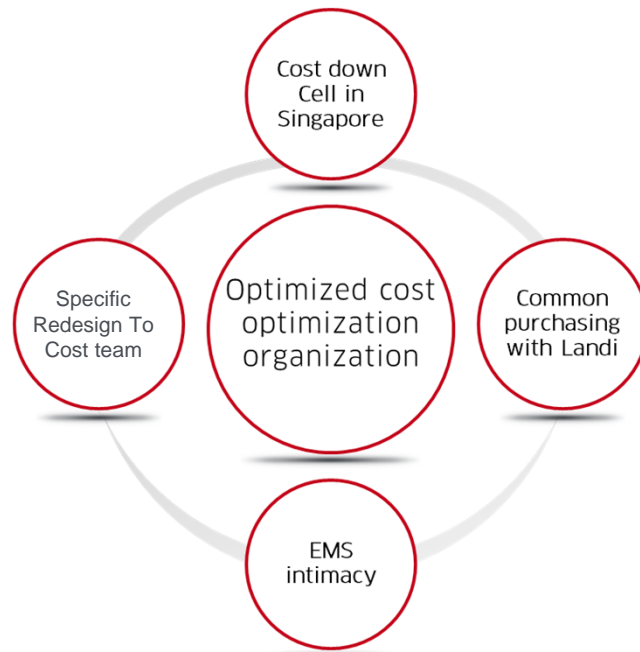
Reduce payment operations related costs /  
Cost optimized offer

○ CLIENT BENEFITS

- Get basic payment acceptance features at the most competitive price.

○ INGENICO BENEFITS

- Capture growth in emerging markets



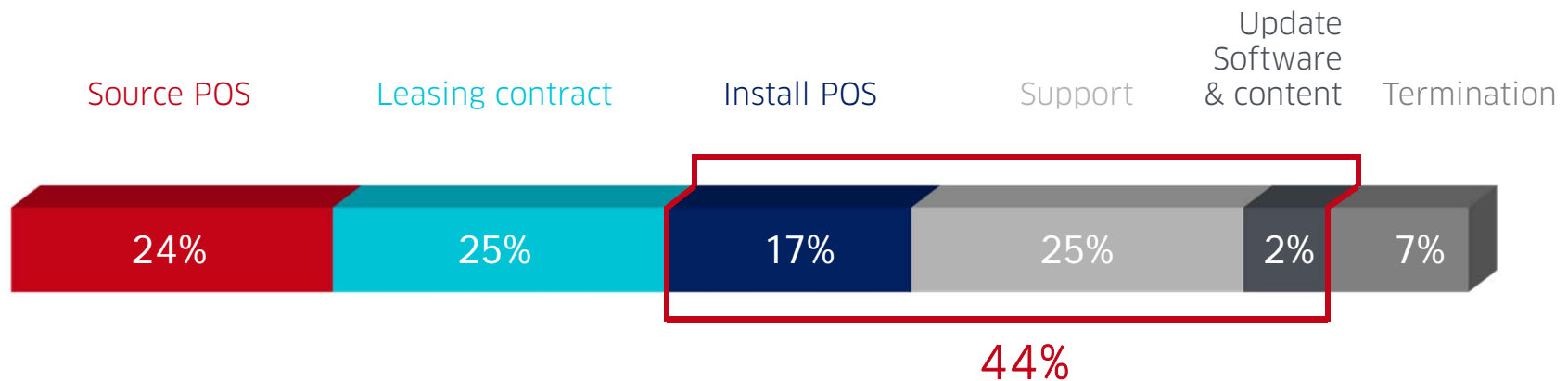
○ TARGET CUSTOMERS

- Acquirers

Increase  
installed base

Reduce payment operations related costs /  
Reducing Total Cost of Ownership (TCO)

○ BREAKDOWN\* OF A TERMINAL'S TCO OVER 5 YEARS



**TERMINAL PRICE ACCOUNTS FOR ONLY 24% OF TCO**  
**44% OF TCO IS RELATED TO THE MANAGEMENT OF INSTALLED TERMINALS**

\* Data based on European market.

Increase  
installed base

Reduce payment operations related costs /  
Reduce TCO with Terminal Estate Manager

## CLIENT BENEFITS

- Address the bulk of cost on the value chain
- Reduce TCO
- Improve revenues through greater terminal operational availability

## INGENICO BENEFITS

- Drive terminals sales up
- Protect terminal ASP
- Generate additional recurring revenues
- Increase customer stickiness

MANAGE

MONITOR

MAINTAIN

## TARGET CUSTOMERS

- Acquirers
- Retailers



Increase  
installed base

Expand payment acceptance on new touchpoints /  
Self service offer leveraging contactless expansion

### CLIENT BENEFITS

- Increase consumer engagement
- Reduce logistics costs

### INGENICO BENEFITS

- Drive terminals sales up
- Generate recurring revenues

TRANSPORT

VENDING

PARKING

PETROL



### TARGET CUSTOMERS

- Verticals: transport, vending, parking, petrol

10% OF THE 30M KIOSKS WORLDWIDE ACCEPT CARDS



Increase  
installed base

Expand payment acceptance on new touchpoints /  
Payment acceptance in tablets and connected screens

## ○ CLIENT BENEFITS

- Increase revenues
- Increase consumer engagement

## ○ INGENICO BENEFITS

- Generate additional payment acceptance revenues beyond the current installed base
- Increase customer stickiness

## USE CASES

Retail stores  
& malls

Queue busting  
in retail

Interactive  
advertising

Mobile sales  
representatives

## ○ TARGET CUSTOMERS

- Retailers

Generate  
Additional  
revenues

Provide easy combination between payment & services /  
Leverage the unique value proposition of Tetra offering

## ○ CLIENT BENEFITS

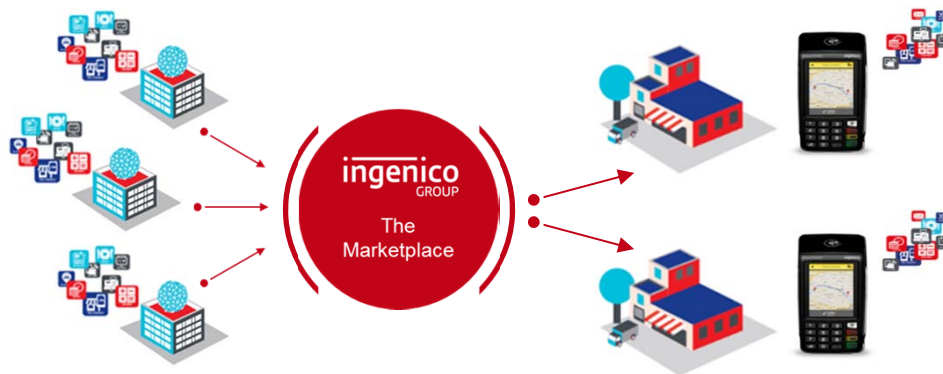
- All-in-one Tetra terminal
- The shortest path to a world of business applications
- Additional revenues

## ○ INGENICO BENEFITS

- Protect terminal ASP
- Drive sales up on the whole Ingenico Group range
- Generate additional revenues

## ○ TARGET CUSTOMERS

- Retailers
- Acquirers



Generate  
Additional  
revenues

Provide easy combination between payment & services / Provide cross-channel services

## CLIENT BENEFITS

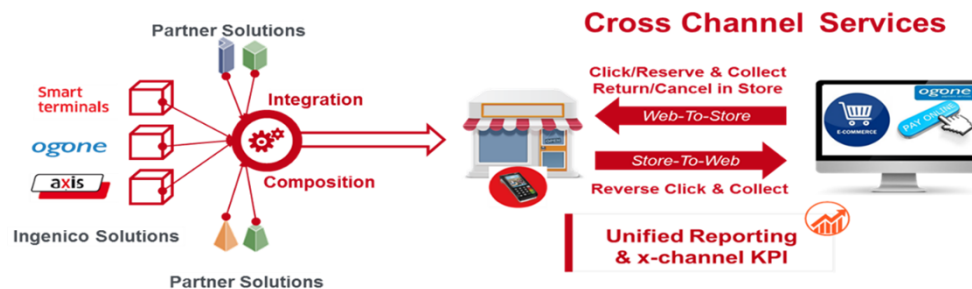
- Increase consumer engagement by providing new services (click & collect, refund by web, etc) and same brand experience whatever the channel
- Increase sales through better knowledge of consumer behavior

## INGENICO BENEFITS

- Generate additional revenues
- Foster terminal and e-payment solutions sales

## TARGET CUSTOMERS

- Retailers



Generate  
Additional  
revenues

Reduce complexity /  
Provide easy integration at the point of sale with iPOS

## CLIENT BENEFITS

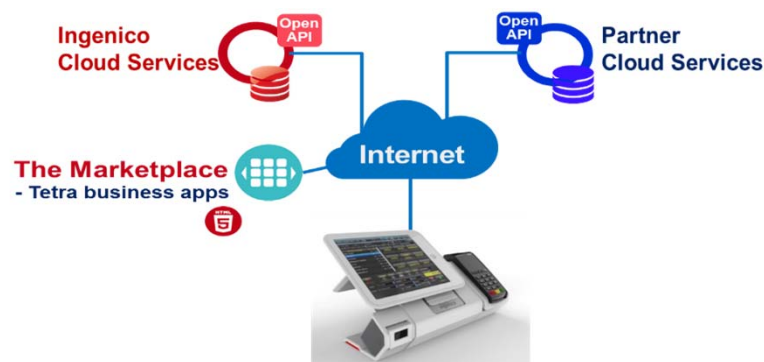
- Easy integration of connected devices
- Easy combination between data and services
- Increase consumer engagement by providing superior shopping experience

## INGENICO BENEFITS

- Upsell to already equipped Ingenico merchants
- Higher value proposition to replace competitor terminals
- Additional revenues through Apps and APIs

## TARGET CUSTOMERS

- Acquirers and ISOs



Integration Services - March 2016

Generate  
Additional  
revenues

Reduce complexity /  
Help acquirers provide reporting services and analytics  
to their merchants with the Merchant Service Hub

## CLIENT BENEFITS

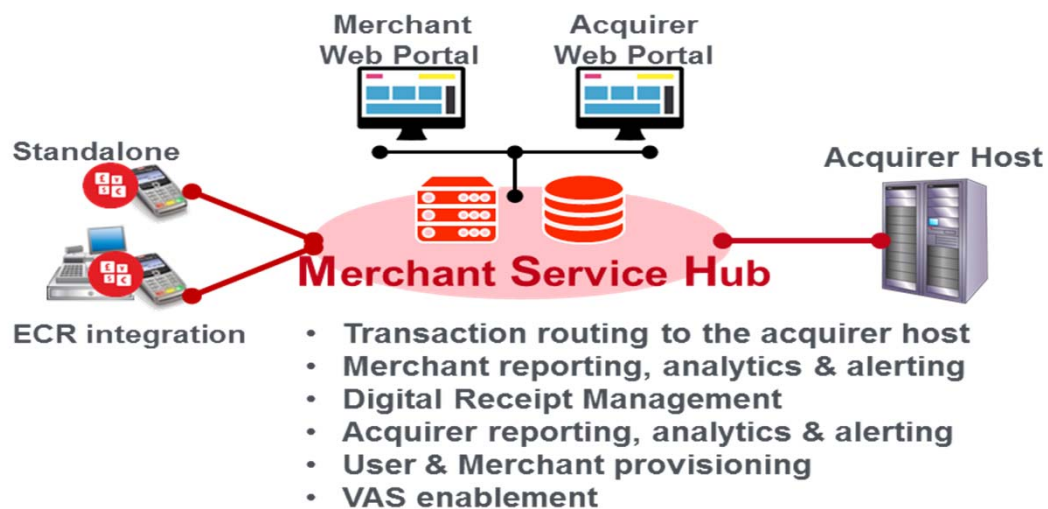
- Facilitate deployment of services to merchants
- Optimize merchant management
- Increase merchant stickiness

## INGENICO BENEFITS

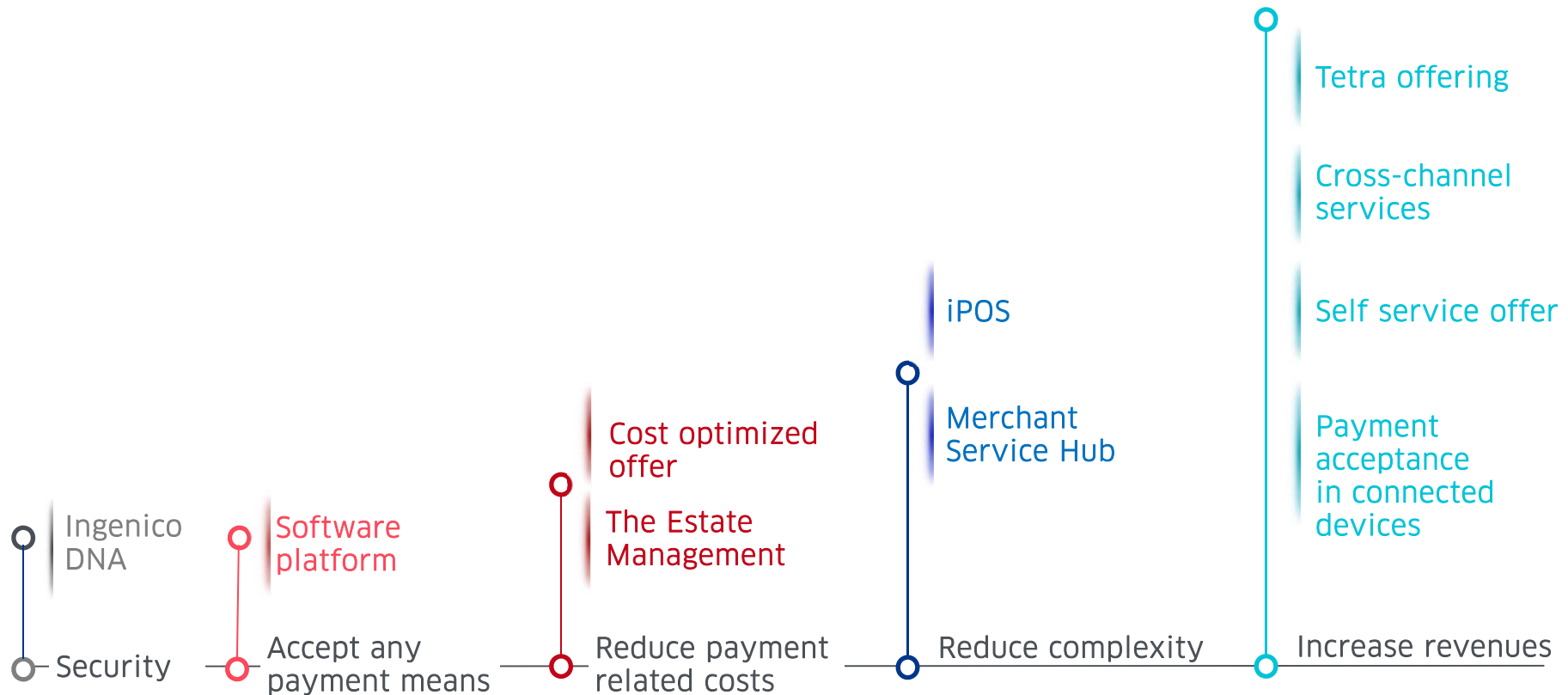
- Foster terminals sales
- Generate additional revenues
- Increase customer stickiness

## TARGET CUSTOMERS

- Acquirers



# Ingenico Group: the most complete offer to address challenges facing merchants and acquirers





Investor Day  
Q&A



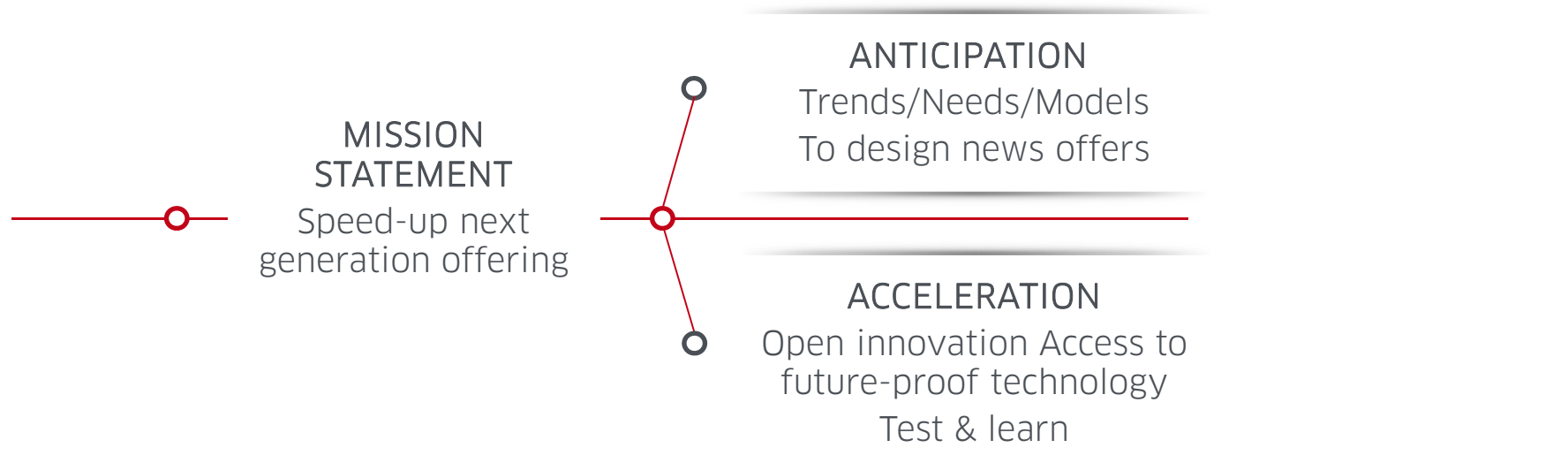
# Creating the next-generation value proposition



Michel Léger,  
EVP Innovation



# Ingenico LABS / create new value propositions



Multiple skills,  
global reach



Marketing, Technology,  
Advanced research,  
Global sales



Worldwide  
Across all business lines

**CONSUMERS // OPEN INNOVATION // AGILITY**

# New trends shaping Ingenico Group's future

## SOCIAL TRENDS

- 1 Internet of Things & new connectivity technologies
- 2 Sharing economy is the future economy
- 3 No more tolerance for friction; immediate service
- 4 Data for new services

## NEW TRENDS FOR PAYMENT ECOSYSTEM

- Contactless, Mobile wallet, Wallet aggregator
- Integrated payment on general-purpose devices
- "Appification"
- New form of authentication
- Data analytics
- Data sharing platform

# Client case

Go to market

2016

## Tap & Go

Bring contactless payment acceptance in all devices



2016

## Tap & Pay

Increase conversion and security on mobile commerce



2016

## Data Encryption

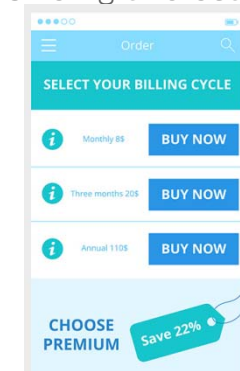
Driving best-in-class security solution for consumers and retailers



2017

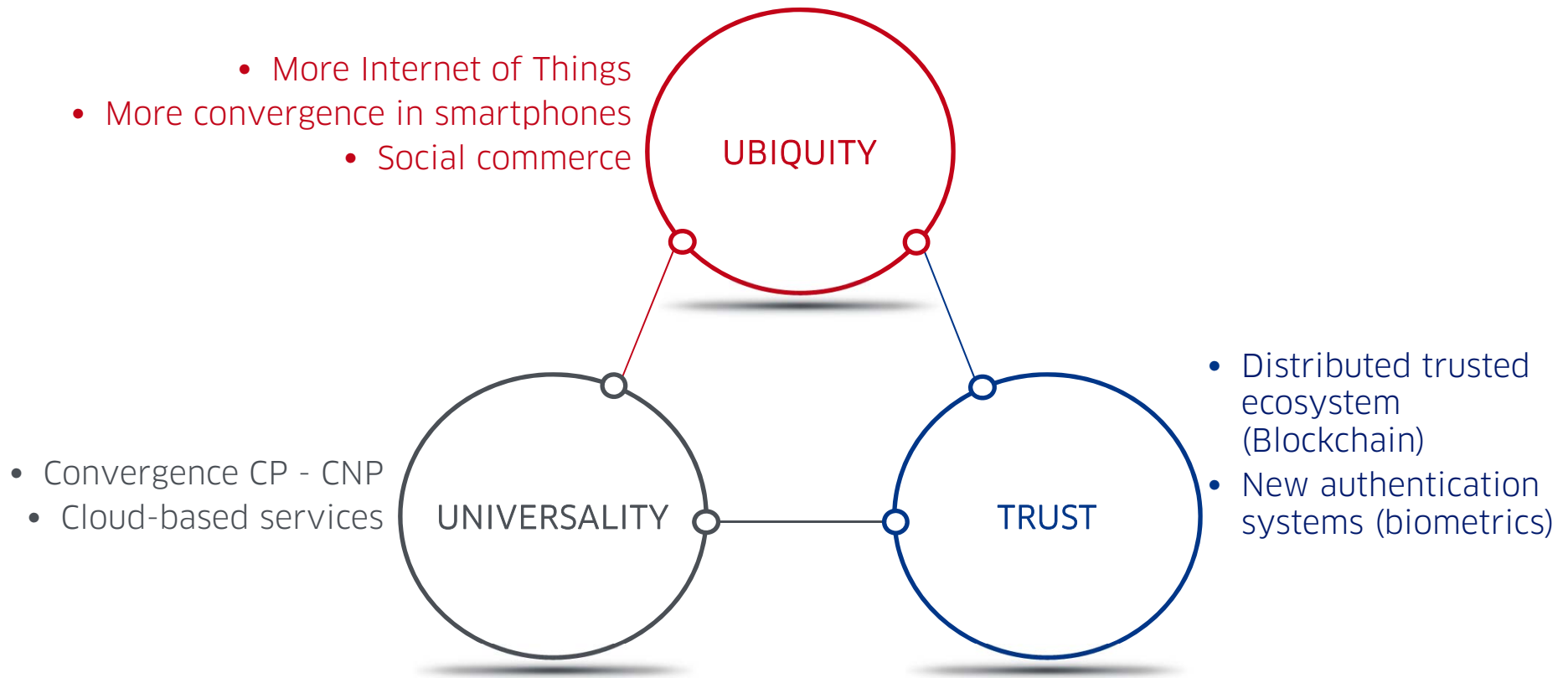
## Buy Button

Social commerce will be the place where millennials will start browsing and searching



Under NDA

## What's next?





# Rolling out the strategy worldwide



MODERATOR

Adrian Dearnell



Rolling out the  
strategy worldwide  
**Europe & Africa**



Jacques Behr,  
EVP Europe & Africa



David Jimenez,  
Chief Revenue Officer-ePayments

## Where we are today



	2015 Market*	Ingenico Group (2015)
Terminal	14M installed base	50-55% share of shipments
ePayments	~\$700bn total ecom flows	~8% of flows
In-store gateways		~3.5bn volume of transactions

### Key strengths

- #1 terminal provider in Europe
- Strong local presence: 1,800 employees
- Wide payment acceptance coverage
- Most extensive online footprint
- Omni-channel & cross-border

\*excluding mPOS

# Where we want to go / from 2015 to 2020

## ○ TERMINALS

### Protect market share & leverage our installed base in mature countries

- New products: Tetra, Marketplace Estate Manager, iPOS, connected devices
- New verticals: vending, parking, hospitality

### Expand presence in emerging countries

- Increasing footprint in Eastern Europe
- Direct presence in new countries (Africa)

## ○ IN-STORE PAYMENT

### Organized retail

- Omni-channel: target tier 1 and 2 merchants, upsell to German customers, develop new functionalities
- Cross-border to mid to large international retailers

### Expand among small merchants

- Monetize client portfolio by leveraging new products and solutions
- Roll-out dedicated solutions

## ○ ePAYMENTS

### Leverage FSP offering

### Focus on omni-channel solutions

### Improve legitimacy with pure plays

### Geographic expansion

- Focus on Germany and UK
- Expansion in emerging Europe



# Ambition



Monetize largest  
payment  
acceptance  
network

Innovation  
as a  
differentiating  
growth driver



Rolling out the  
strategy worldwide  
**Latin America**



José Luis Arias,  
EVP Latin America



David Jimenez,  
Chief Revenue Officer-ePayments

## Where we are today



	2015 Market*	Ingenico Group (2015)
Terminal	7.5M installed base	50-55% share of shipments
ePayments	\$63bn total ecom flows	1% of flows

### Key strengths

- #1 terminal provider in most countries including Brazil, #2 in Mexico
- Local production to meet market demand
- Strong and historical partnership with major acquirers
- Combination of online gateway and full service
- Strong local presence with 450 employees (including subcontractors)

\* excluding mPOS

# Where we want to go / from 2015 to 2020

## ○ TERMINALS

### Protect and leverage our installed base

- Tetra & marketplace
- Adaptation to local market requirements (e.g. connectivity options)
- Estate Manager

### Develop market share

- Retail - via direct or indirect approach (partnerships with retail automation leaders)
- Parking, vending, and other unattended segments
- CarCaan and Argentina

### Increase level of service with hardware and field services

## ○ IN-STORE PAYMENT

### Develop gateway solutions to cater for the needs of large and medium retail

- On a market by market basis

### Leverage omni-channel

## ○ ePAYMENTS

### Local connections and ability to address diverse merchant segments and needs

- Local connections and ability to address diverse merchant segments and needs

### Enhance solutions suite for travel and retail

### Enter new verticals

- Digital downloads, subscription billing, pure players

### Develop full service in the region

# Ambition



## BRAZIL & MEXICO

Continuous  
operational  
excellence  
& Tetra upsell

## OTHER COUNTRIES

Capture the growth  
of fast-growing  
markets in  
terminal  
& epayments



Rolling out the  
strategy worldwide  
North America



Oscar Bello,  
EVP North America



David Jimenez,  
Chief Revenue Officer-ePayments

## Where we are today



	2015 Market*	Ingenico Group (2015)
<b>Terminal</b>	12M installed base	30-35% share of shipments
<i>Including US</i>	<i>11M installed base</i>	<i>30% share of shipments</i>
<b>ePayments</b>	\$572bn total ecom flows	1% of flows

### Key strengths

- Best EMV product and service portfolio
- Strong position in US retail
- Market leadership in Canada (75% market share)
- Strong local presence: 440 employees
- Growing ePayments presence
- Comprehensive mobility offering

\* excluding mPOS

# Where we want to go / from 2015 to 2020

## ○ TERMINALS

### Become a leader in the US on the back of EMV migration

- Semi-integrated solutions for Tier 2 and 3 merchants
- EMV mPOS for micro-merchants
- Pay-at-table offering for restaurants
- New verticals: Healthcare, unattended
- More services: Field services, point to point encryption, terminals management

### Protect market shares & leverage our installed base in Canada

- New products: Tetra, Estate Manager, iPOS, connected devices
- New verticals: vending, healthcare unattended

## ○ IN-STORE PAYMENT

### Develop omni-channel position

- Expand in-store gateway offering to mid/large-size retailers
- Selective vertical approach
- Leverage our existing offline and online customer relationships

## ○ ePAYMENTS

### Increase positioning for cross-border

### Capitalize on new trends

- Marketplace
- Dedicated solutions for social commerce (buy buttons, peer 2 peer etc.)

### Leverage omni-channel



# Ambition



Become a leader  
on both sides  
of our business  
(terminals and  
online cross-  
border)

Omni-channel  
as differentiating  
model



# Rolling out the strategy worldwide APAC



Patrice Le Marre,  
EVP Asia Pacific &  
Middle East



David Jimenez,  
Chief Revenue Officer-ePayments

## Where we are today



	2015 Market*	Ingenico Group (2015)
Terminal	37M installed base	30-35% share of shipments
ePayments	\$935bn total ecom flows/year	<1% of flows

### Key strengths

- Market leadership in terminals in the region
- Comprehensive payment acceptance offering
- Strong local presence: 2,500 employees
- Strong and historical partnerships with major acquirers
- Growing ePayments presence

\* excluding mPOS

## Where we want to go / from 2015 to 2020

### ○ TERMINALS

#### Expand in countries with low POS penetration

- Doubling installed base in China
- Further penetrate India and South East Asia (SEA), selective direct approach

#### Benefit from local migration and new regulations

- Japan / EMV
- Turkey / fiscal memory
- India / tax incentives

#### Monetize leading installed base positions

- New products and services: Tetra, Estate Manager etc.

### ○ IN-STORE PAYMENT

#### Deliver solutions beyond terminals

- Centralized transaction management in Australia and mature SEA
- Online to Offline (O2O): cloud-based gateway for non bankcard transactions in face-to-face environments (wallets@POS, bill payments, remittance, etc.)

### ○ ePAYMENTS

#### Focus on full-service model

- Enhance FSP offering by adding new partners and connections
- Leverage on cross-border opportunities between APAC and Europe

#### Develop local gateway in specific markets

- Develop gateway network in SEA to localize payments
- Expand existing services in India
- Provide white label services in Australia and New Zealand

# Ambition



Leverage  
our leading  
position to continue  
capturing terminals  
growth

Leverage  
regional leadership  
to capture  
eCommerce growth  
and develop  
omni-channel



Investor Day  
Q&A

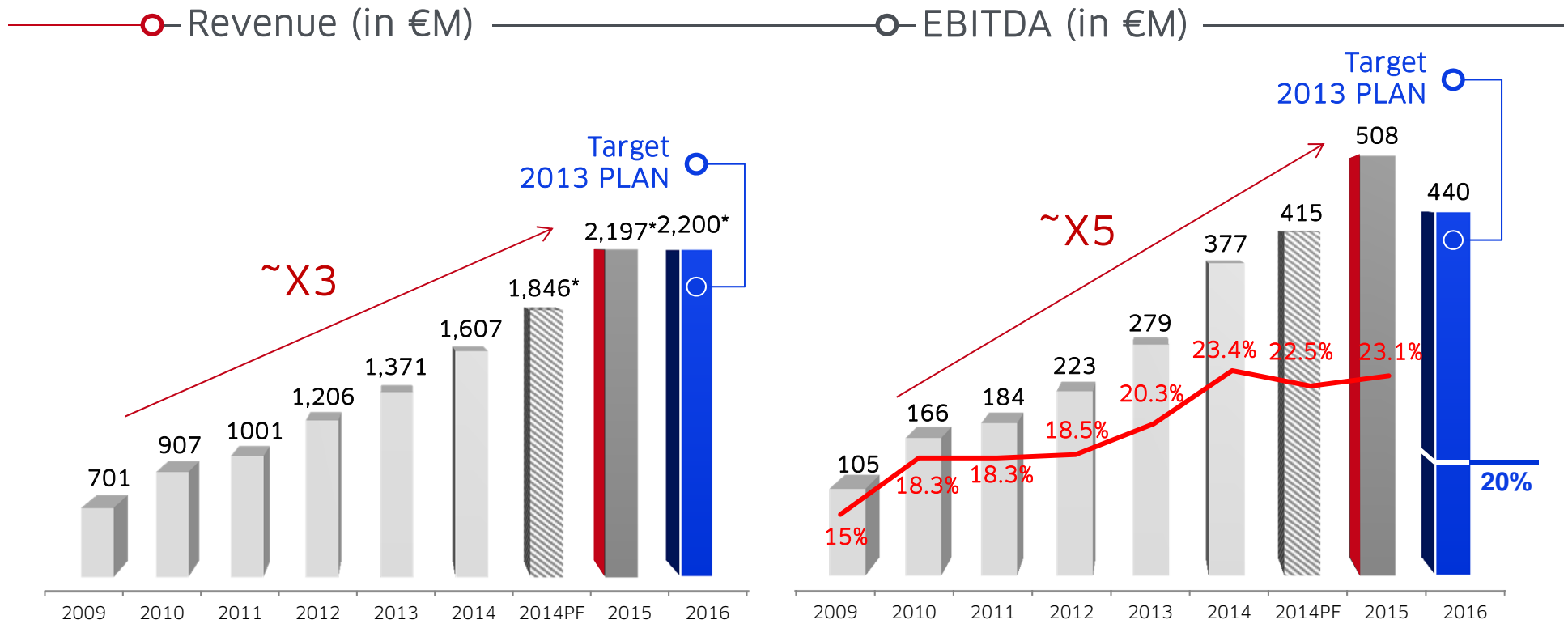


# Finance



Nathalie Lomon,  
CFO

Proven track record  
2016 targets reached a year ahead of schedule

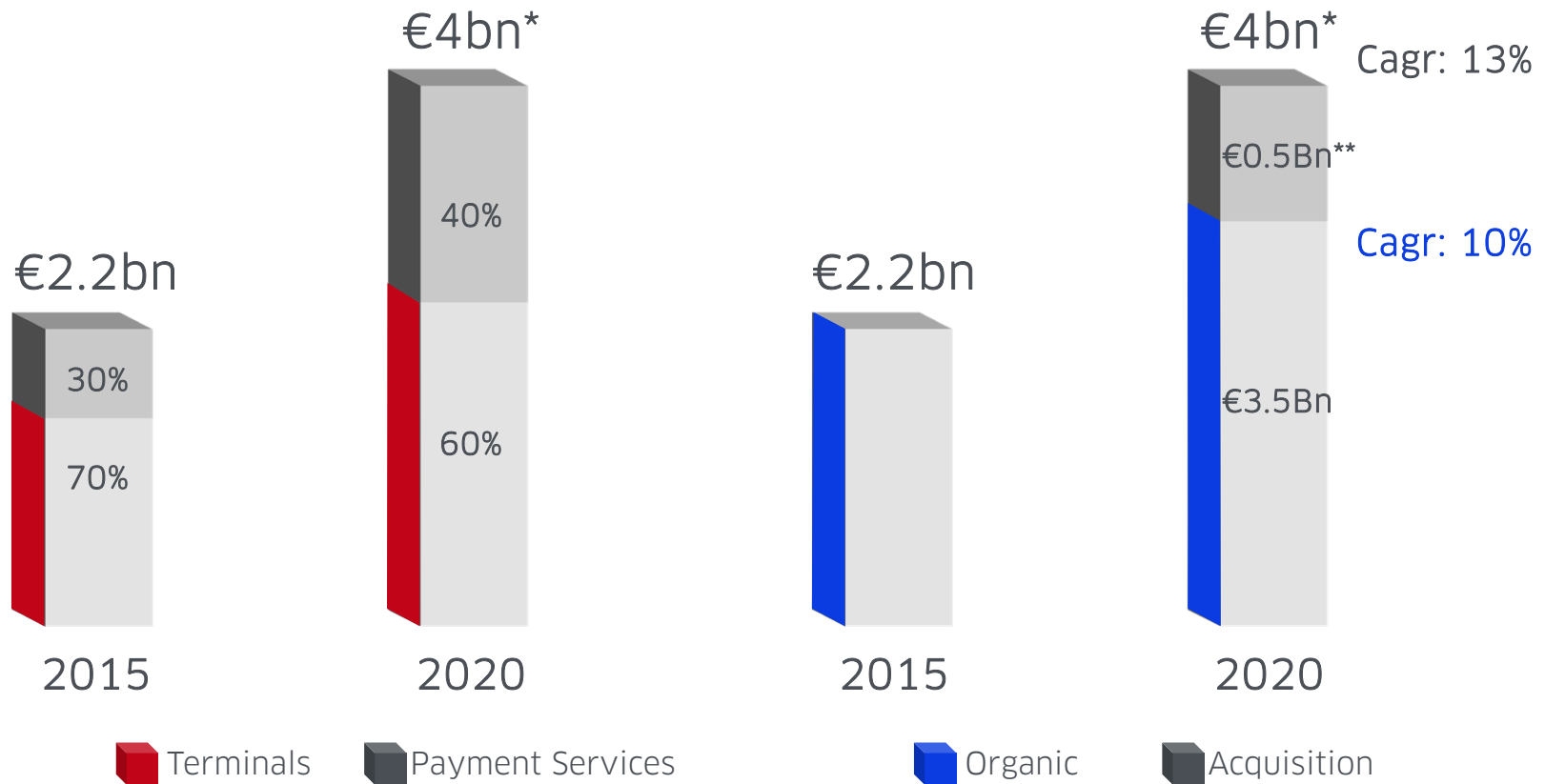


**2016 TARGET FCF/EBITDA >45% OVER DELIVERED**

\* 2014PF includes the contribution of GlobalCollect as of January 1st, 2014



## 2020 Revenue objectives



\* At 2015 exchange rate and including targeted acquisitions

\*\* Acquired sales

# Growth Drivers / terminal business overperforming the market

## MARKET TRENDS

- E&A**
- Emerging countries: First equipment cycle
  - Mature countries: 4-5 year replacement cycle



MID- SINGLE-DIGIT

- LAR**
- 3-year replacement cycle in Brazil
  - First equipment cycle in most countries



HIGH-SINGLE-DIGIT

- NAR**
- EMV migration for US small merchants



LOW-DOUBLE-DIGIT

- APAC**
- Growing equipment rate
  - Local migrations



DOUBLE-DIGIT

**2015-2020 INGENICO GROUP OBJECTIVE:  
HIGH-SINGLE-DIGIT GROWTH**

## Growth Drivers / payment services activities

### ○ IN-STORE KEY DRIVERS

- Expansion in organized retail
- Market share gains among small merchants
- Launch gateway services on targeted markets
- Omni-channel

### ○ ONLINE KEY DRIVERS

- Geographical expansion
- Leverage FSP
- Leverage omni-channel
- Target new segments and verticals
- Cross-border
- Local gateway development

**2015-2020 INGENICO GROUP OBJECTIVE:  
MID-TEEN GROWTH**

## Gross margin / by business

		2015	2015-2020 TRENDS
GROSS PROFIT	Terminals	47.5%	<ul style="list-style-type: none"> <li>• New products (Tetra/Unimars) and industrial efficiencies partially balancing mix negative impact</li> </ul>
	Payment Services	36.9%	<ul style="list-style-type: none"> <li>• In-store services:               <ul style="list-style-type: none"> <li>• Continuous optimization</li> <li>• Activities expansion</li> </ul> </li> <li>• Online services:               <ul style="list-style-type: none"> <li>• Platforms upgrade in 2016-2017</li> <li>• Volume effects in 2018</li> </ul> </li> </ul>

## OPEX / major trends

		2015	2015-2020 TRENDS
OPEX	R&D	7%	<ul style="list-style-type: none"><li>• Investment peak in 2016</li><li>• Normalized budget after 2017</li></ul>
	S&M	8%	<ul style="list-style-type: none"><li>• Maintaining operational excellence (&lt;8%)</li></ul>
	G&A	10%	<ul style="list-style-type: none"><li>• Continuous optimization</li></ul>

**2020 EBITDA MARGIN 22%-23%**

## Cash Conversion Objectives



## Use of cash

### TARGETED ACQUISITIONS ON A REGULAR BASIS

- Fast growing markets
- Transaction related  
(2/3 of acquisitions targeted)
- Targeted (Consolidation of  
channels in hardware)

### DIVIDEND POLICY CONFIRMED

Payout ratio **35%**

A SHAREHOLDER FRIENDLY  
GROWTH STORY

## 2020 ambition plan / a growth story

Revenue objective

**>€4bn\***

Double-digit  
organic growth

EBITDA margin

**22-23%**

FCF/Ebitda  
conversion ratio

**45%**

Pay-out ratio

**35%**

\* At 2015 exchange rate and including targeted acquisitions





Investor Day  
Q&A



# Investor Day Conclusion

• — •  
ingenico  
GROUP