

Q1 2016: A quarter of strong growth Strategic acquisition in Japan

- **Revenue of €552 million, representing organic growth¹ of 15%**
- **Growth across all regions and operational progress in the ePayments division**
- **Strategic acquisition in Japan**
- **Specified objectives for 2016:**
 - **Organic growth¹ above or equal to 10%**
 - **EBITDA margin² of c. 21%**

Ingenico Group (Euronext: FR0000125346 - ING) announced today its revenue for the first quarter of 2016.

Philippe Lazare, the Chairman and Chief Executive Officer of Ingenico Group, commented: *“Our performance in the first quarter highlights our Group’s ability to sustain a high growth rate. The figures are up in all of our Regions. Our multi-local footprint continues to give us the competitive edge in Payment Terminals. At the same time, our ePayments division is making rapid operational progress, as demonstrated by an increasing transaction flow from strategic customers. The division can therefore look forward to a return to double-digit growth in the second half of the year.*

In addition, we have just carried out two acquisitions. Think&Go NFC has brought us greater opportunity for expansion in the field of connected objects and the means to strengthen our omni-channel offering. And, now, Lyudia will enable Ingenico Group to build up a solid presence in Japan and capture the market growth driven by EMV migration, which is expected to begin in 2017. Both acquisitions are an indication of how swiftly we are implementing our Strategic Plan 2020.

On the basis of these promising developments, we can provide more specific objectives for 2016. We expect revenue organic growth to exceed or equal 10% and EBITDA margin to be around 21%.”

¹ On a like-for-like basis at constant exchange rates.

² EBITDA is not an accounting term; it is a financial metric defined here as profit from ordinary activities before depreciation, amortization and provisions, and before expenses for shares distributed to employees and officers.

Subsequent events

Strategic acquisition in Japan

The Group announced today the acquisition of 70% of Lyudia, Japanese expert in software development and already distributing Ingenico terminals in Japan. BroadBand Tower Inc will keep 30% of Lyudia capital. This strategic move will enable Ingenico Group to gain strong market shares in a high-barrier-entry-market.

Acquisition of Think&Go NFC

On April 11, 2016, Ingenico Group announced the acquisition of Think&Go NFC, a start-up provider of connected screens. Think&Go NFC and Ingenico Group designed the first connected screens incorporating contactless payment technology, with the result that digital advertising displays are turned into points-of-sale.

Revenue in Q1'16

	Q1 2016	Q1 2015	% change	
	€m	€m	Comparable ¹	Reported
Europe-Africa	193	168	17%	15%
APAC & Middle East	129	99	36%	30%
Latin America	45	55	2%	(18%)
North America	74	63	17%	17%
ePayments	111	113	(1%)	(2%)
Total	552	498	15%	11%

In the first quarter of 2016, revenue totaled €552 million, representing an 11% increase on a reported basis, including a negative foreign exchange impact of €20 million. Total revenue included €388 million generated by the Terminals business and €164 million generated by Payment Services activities.

On a comparable basis¹, revenue growth was 15% higher than in the first quarter of 2015, a result that included a 21% increase in Terminals and a 3% increase in Payment Services.

The outstanding performance in the Terminals business was driven by rapid growth in the US and Chinese markets and by particularly strong business in Europe during the quarter. Moreover, as anticipated, Ingenico Group's performance in Payment Services reflected a significant decrease in volumes from a customer's collecting business, during the third quarter of 2015. Without that event, Payment Services would have shown 9% growth.

Performance for the quarter by geography, on a like-for-like basis and at constant exchange rates, compared with Q1 2015, was as follows:

- **Europe-Africa (up 17%):** Growth was solid across the entire Region, but with a favorable basis of comparison with 2015 and exceptionally high order levels in mature markets. In those markets, the Group has maintained its leadership, thanks to a range of products and services that respond perfectly to customer needs. Business was particularly vigorous in the United Kingdom and the Nordic countries, where the bulk of an equipment replacement cycle was under way in early 2016. In Greece, Ingenico Group has continued to benefit from the recently introduced legal limit on cash withdrawals and has significantly increased its share of the large-scale retail market. In Russia, the Group has become the leader and revenue doubled once again after major contracts were won, most notably with Sberbank in late 2015.

In-store payment services revenue has likewise continued to benefit from strong dynamism driven by its increasing brand awareness, services range and commercial organization. Most specifically, Ingenico Group has continued to register solid growth among large retailers in Western Europe with its centralized solution for managing transaction flows (Axis).

- **Latin America (up 2%):** Ingenico Group has continued to grow in the region, despite Brazil's highly unfavorable macroeconomic situation. In Mexico, where the Group's strategy of targeting major retailers is producing results, revenue rose sharply. Another noteworthy development in the quarter was a resumption of sales in Argentina, helped by the government's economic liberalization moves.

- **Asia-Pacific and the Middle East (up 36%):** Ingenico Group has continued to record high growth in this geographic area. In China, the Group has confirmed its market leadership, quarter after quarter. However, in the first quarter of 2016, the seasonal nature of its business worked to the Group's advantage thanks to large orders placed in late 2015. Business has also remained buoyant across the other markets in Asia. Ingenico Group has continued to expand in Southeast Asia. In India, the market for the Group's offers still shows high growth, driven by government initiatives to digitize the country's economy. In Turkey, Ingenico Group has almost tripled its sales, capturing growth from deployment of fiscal memory payment terminals.

- **North America (up 17%):** In the first quarter, the Group recorded high growth in the United States (up 27%), as EMV migration accelerated in the medium-to-small merchant segment and while Ingenico Group kept on winning over key retailers. Sales of EMV-compatible mPOS terminals were also quite strong. Those developments in part reflected the first chargebacks that merchants who had not yet made the changeover to EMV technology have to bear. At the same time, Ingenico Group has made further operational progress with the aim of gaining market share in the United States through a strategic focus on sectors such as healthcare and hospitality.

- **ePayments (down 1%):** Performance was further affected by a decrease in transaction volumes from one of the division's major customers during the third quarter of 2015. A key change in the quarter was a pick-up in transaction flows from strategic customers, compared to the end of 2015. IngenicoConnect, the Group's new integration and payment page mobile-optimized solution, has been fully deployed on the cross-border platform. In addition, Ingenico Group was chosen by BNP Paribas to enrich its online payment solutions and thereby help the bank's customers accelerate their international growth. The operational progress achieved in these different areas should bring about a return to double-digit growth for the ePayments division in the second half of 2016.

Outlook

In the first quarter, Ingenico Group continued to record strong growth, and the business trend for the coming months is well oriented. Management can confidently reaffirm its objectives for double-digit growth in the United States. Growth will also remain strong in Asia, particularly in China, where revenue growth will also be in double digits. In Latin America, the Group's business should hold steady during the year, with growth in new markets offsetting the slowdown in Brazil. Revenue growth in Europe should return to a more normal level, but will remain strong. Lastly, the ePayments division can be expected to return to double-digit growth in the second half of the year, thanks to operational progress initiated in late 2015.

On the basis of these promising developments, Ingenico Group can provide more specific revenue objective, and now targets organic growth exceeding or equal to 10%.

The Group is also maintaining its EBITDA objective at around 21%, reflecting a stepped-up drive to develop and bring to market its latest offers, particularly in ePayments.

Conference call

A conference call to discuss Ingenico Group's Q1 2016 revenue will be held on April 26, 2016 at 6.00 p.m., Paris time. Dial-in number: 01 70 99 32 08 (French domestic), +1 334 323 6201 (for the United States) and +44 20 7162 0077 (international) with the conference code: 958250. The presentation will also be available on www.ingenico.com/finance.

This press release contains forwardlooking 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 with the performance of Ingenico Group and its subsidiaries. These statements are by their nature subject to risks and uncertainties as described in the Ingenico Group registration document ("document de référence"). 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 forwardlooking 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 forwardlooking statements contained in this release, whether as a result of new information, future developments or otherwise.

About Ingenico Group

Ingenico Group (Euronext: FR0000125346 - ING) is the global leader in seamless payment, providing smart, trusted and secure solutions to empower commerce across all channels, in-store, online and mobile. With the world's largest payment acceptance network, we deliver secure payment solutions with a local, national and international scope. We are the trusted world-class partner for financial institutions and retailers, from small merchants to several of the world's best known global brands. Our solutions enable merchants to simplify payment and deliver their brand promise.

Learn more at www.ingenico.com  twitter.com/ingenico

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Upcoming events

Q1 2016 revenue conference call: April 26, 2016 at 6 p.m., Paris time
Annual Meeting of Shareholders: April 29, 2016
H1 2016 results: July 26, 2016