

Q1 2017: Performance in line with expectations 2017 objectives confirmed

- Revenue: 594 million euros
 - o +5% on a like-for-like basis¹
 - o +11% on a like-for-like basis¹ excluding the US (impacted by unfavorable comparison basis)
- Excellent performance in Europe and Africa and in Asia-Pacific
- Continued positive momentum for ePayments activity
- New operational organization now in place. Going forward Group will report on two business lines: Banks & Acquirers and Retail
- Q1 revenue on new reporting lines:
 - o Banks & Acquirers: 351 million euros (+6%)
 - o Retail: 243 million euros (+3%)
- Confirmed objectives for 2017 :
 - o Organic growth of around 7%
 - o EBITDA Margin² slightly above that of 2016 (20.6%)

Ingenico Group (Euronext: FR0000125346 - ING) today announces its results for the first quarter of 2017.

Philippe Lazare, CEO of Ingenico Group, commented "This year has begun with a similar picture to the second half of last year, showing strong performances in Europe and Asia Pacific balancing weaker performances in Latin America and North America. ePayments has had a more normalised quarter, following an unusually strong second half last year, although we are comfortable that this division will continue to meet its medium term targets.

Our new customer-centric organisation, which comprises two operating segments across the Group, is now in place to better address their needs. In our Banks and Acquirers business unit, the new structure will allow for better coordination between our central R&D function and our local organisations and will allow our customers to differentiate themselves through our innovative solutions. In our Retail business unit we will be coordinated in supporting our customers as they continue to migrate to digital platforms, while promoting the benefits of our omnichannel offer across the globe.

We are performing in line with our expectations and we look forward to the future with confidence."

¹ At constant perimeter and exchange rates

² EBITDA is a non-accounting concept representing operating profit before depreciation, amortisation and provisions, [and disregarding shares distributed to employees and social funds]

Revenue for Q1 '17

	1st Quarter 2017	1st Quarter 2016 pro forma*	1st Quarter 2016 reported	% Change	
	M€	M€	M€	comparable ¹	reported
Retail	243	235	235	3%	3%
Banks & Acquirers	351	321	317	6%	11%
Total	594	556	552	5%	8%
ePayments	127	111	111	12%	14%
Europe & Africa	209	193	193	8%	8%
APAC & Middle East	162	134	129	23%	26%
Latin America	44	45	45	-17%	-2%
North America	52	74	74	-33%	-30%
Total	594	556	552	5%	8%

* including the acquisition of Nera during the full year 2016

During the first quarter of 2017, the Group achieved a revenue of 594 million euros, an increase of 8% on reported numbers, reflecting a positive increase of 9 million euros. Revenue increased to 411 million euros for Payment Terminals and 183 million euros for Payment Services.

On a comparable basis¹, the revenue was 5% over the first quarter of 2016, with an increase of 2% for Terminals, and an increase of 13% for Payment Services.

Within new organizational framework, the Retail Business Unit reported a revenue of 243 million euros, an increase of 3% on reported figures, and including a positive foreign exchange effect of 1 million euros. On a comparable basis, the increase in revenue was 3%, driven by the strong performances of ePayments and India, but balanced by strong comparatives due to the replacement cycles that occurred in the United States and in Europe in 2016.

The Banks and Acquirers Business Unit posted revenue of 351 million euros, an increase of 11% on reported figures and including a positive foreign exchange effect of 8 million euros. On a comparable basis revenue increased by 6%, boosted by first equipment cycles in Asia and Latin America and despite difficult market conditions in Brazil and in the United-States.

Regional performance during the quarter compared to Q1 '16 at constant scope and exchange rates was as follows:

- **ePayments (+12%)**: Following a particularly dynamic second half of 2016, the ePayments division posted a growth performance in line with its strategic plan, despite volatility seen in certain major accounts. The stability of its platforms, the significant improvement in client satisfaction indicators (Net Promoter Score) and low churn rates have confirmed the underlying quality of Ingenio's solution. In general, investments continued during the quarter (fraud prevention, evolution of the API Connect, new marketplace solution and real-time conversion rates piloting) to allow the Group to accelerate its growth for the long-term and to improve its margins in line with its medium term objectives.

- **Europe-Africa (+8%)**: Payment Terminals registered a good performance in most countries in the region despite strong prior year comparatives.

In Banks and Acquirers Business Unit, the Group benefitted from investments made in preceding years in Eastern Europe where new regulations favourable towards electronic payments have been put in place. Thanks to its leadership position in mature markets, Ingenico Group is continuing to benefit from the replacement cycle of PCI v1 terminals, notably in all the Nordic countries. Alongside this, Payment Services, that are now part of the Retail Business Unit, performed solidly during the quarter. Making use of its significant installed base in Western Europe, Ingenico Group increased its recurring revenues deriving from processing instore transactions. Managed volumes grew double digit on these combined platforms.

- **Latin America (-17%):** The large majority of this region's operations come under the Banks and Acquirers Business Unit. As expected, performance continues to be impacted by unfavorable macroeconomic conditions in Brazil. However, Ingenico Group registered strong growth in the other countries in the region and most specifically in Colombia and Peru where an important contract was won with one of the main acquirers in the country. Telium Tetra deployment is in progress, in particular in Brazil and Mexico.

- **Asia Pacific and Middle East (+23%):** Thanks to its footprint across the region, the Group has been able to capture the opportunities driven by the introduction of regulations that support the growth of electronic payments in this region.

In Banks and Acquirers segment, Ingenico Group benefited from the demonetization process in India and has shipped since November 2016 more than 500,000 terminals. In Australia, Ingenico Group has witnessed strong momentum from the introduction of Telium Tetra terminals. In China, as expected, the growth is slowing down as the market is maturing but Landi consolidated its position with successful sales of more than 250,000 aPOS during the quarter.

In Turkey, which is part of the Retail Business Unit, the Group continues to benefit from the migration to terminals with fiscal memories.

- **North America (-33%):** As expected, performance in this region continues to be impacted by higher prior year comparatives.

The US retail operation has increased its share of large customers: their individual decision to replace or not has consequently a bigger impact on the volatility of volumes, which are more difficult to predict. Nevertheless, thanks to the quality of its support and the range of its offers, Ingenico Group was able to capture opportunities, notably with major retailers such as Jenny Craig, and in new verticals such as unattended and healthcare.

In Banks and Acquirers Business Unit, the Group has been impacted by the relaxation of the deadline for EMV migration in the United States and pursued the development of its mobile payment terminals that are connected to tablets. In Canada, the performance was solid, notably thanks to replacements in the installed base of certain acquirers.

Outlook


Following a first quarter which was in line with its expectations, the Group confirms its 2017 full year objectives for a revenue growth of around 7% (at constant scope and exchange rates) and its EBITDA margin slightly increasing compared to 2016 (20.6%).

Conference Call

The first quarter 2017 revenue will be discussed on a Group telephone conference call which will be held on the 26th April 2017 at 6pm Paris Time (5pm UK, and 12.00PM US). The call will be accessible by dialing one of the following numbers: +33 (0)1 70 99 32 08 (from France), +1 646 851 2407 (from the US) and +44 (0)20 7162 0077 (from other countries) with the conference ID of: 961711. A presentation will be available at www.ingenico.com/finance

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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

Conference call on Q1'17 revenue: April 26 2017 at 6pm (Paris)
Annual Meeting of Shareholders: May 10 2017
H1 2017 results: July 26 2017

APPENDICES

Following the evolution of its activities and in order to support its position as world leader in omnichannel payments, Ingenico Group has put in place a new organization that is focused on clients. The Group's reporting is structured around two business units: Banks and Acquirers (B&A) and Retail.

To facilitate the reading of the Group's performance as of January 1, 2017, 2016 revenues are restated below, including, from January 1, 2016, the acquisition of Nera, which was completed on August 31, 2016 ("pro forma 2016").

Pro Forma Divisional Revenue

(Integrating the Nera acquisition as of January 1st, 2016)

In Millions of euros	Q1 2016 PF	Q2 2016 PF	Q3 2016 PF	Q4 2016 PF	2016 PF
Retail	235	257	251	267	1,010
Banks & Acquirers	321	329	323	340	1,313
Total	556	586	574	607	2,323
ePayments	111	119	126	133	488
Europe & Africa	193	215	224	215	846
APAC & Middle East	134	138	118	151	541
Latin America	45	41	44	42	172
North America	74	74	62	66	276
Total	556	586	574	607	2,323

Reported 2016 Revenue as shown under the new Group Organisation

(Integrating the Nera acquisition in the fourth quarter of 2016)

In Millions of euros	Q1 2016 PF	Q2 2016 PF	Q3 2016 PF	Q4 2016 PF	2016 PF
Retail	235	257	251	267	1,010
Banks & Acquirers	317	324	319	342	1,302
Total	552	581	570	609	2,312