

First quarter 2019

A strong start to the year

Revenue of €753 million, up 12% on a comparable basis¹

Retail accelerated to 11 % vs. 8 % in fourth quarter 2018

B&A growth reached 12 % boosted by major market share gain in Brazil

All other B&A regions in line with expectations

2019 organic growth guidance raised to c. 6 % (vs. 4 % to 6 %)

EBITDA & Free Cash Flow objectives confirmed

Ingenico Group (Euronext: FR0000125346 - ING), the global leader in seamless payment, today announced its revenue for the first quarter 2019.

Nicolas Huss, Chief Executive Officer of Ingenico Group, commented: ***“The first quarter performance is strong and a great start to 2019. The Group performance was fuelled by an acceleration of Retail reaching 11 % and by an outstanding 12 % growth of B&A, boosted by a major market share gain in Brazil against competition, while the B&A operations in mature markets (EMEA, North America) were fully in line with expectations. The performance in Brazil exemplifies the B&A revival program that we launched in November 2018, and which is a key component of the Fit for Growth transformation that started two months ago. The team is fully mobilized to optimize the shift of the B&A business mix towards the emerging markets. To even further accelerate the revival of B&A, I am glad to welcome Matthieu Destot, as the new leader of this Business unit. Matthieu is great addition to the team and is already focused at reinforcing the profitable growth profile of B&A. The Retail team, led by Johan Tjärnberg, delivered a strong performance in Q1. Payone teams are now fully part of Ingenico and integration is progressing well. The three Business Lines posted organic growth ranging from 11 % in Global Online, benefiting from recent customer wins, to 15 % in SMB embodying the quality of our Retail offer to Merchants and 20 % in Enterprise, boosted by a strong performance of our Healthcare vertical, of our Axis platform and early shipments in North America. This Q1 performance enables us to raise our 2019 organic growth to the upper end of the initial guidance.”***

¹ On a like-for-like basis and at constant rate

Key figures

	Q1 2018 Reported	Q1 2018 Pro forma*	Q1 2019		
			€m	% Change	
	€m	€m		€m	Comparable ¹
Retail	302	389	435	11%	44%
SMBs	70	70	79	15%	13%
Global Online	117	117	133	11%	14%
Enterprise	67	76	91	20%	37%
Payone	48	125	131	4%	175%
B&A	280	280	318	12%	14%
EMEA	114	114	110	-6%	-4%
Latin America	34	34	65	99%	92%
North America	30	30	31	-4%	2%
Asia-Pacific	101	101	112	8%	11%
TOTAL	581	669	753	12%	29%

* 2018 PF figures including acquisitions made during the year at 100%

First quarter 2019 performance

In the first quarter of 2019, revenue totalled €753 million, representing a 12% increase on a comparable basis. On a reported basis revenue was 29% higher than in the first quarter of 2018 and included a positive foreign exchange impact of €6 million as well as a positive contribution from the newly consolidated BS Payone and Paymark.

The **Retail** Business Unit reported a revenue of €435 million, showing an increase of 11% over the quarter on a comparable basis. On a reported basis, revenue increased by 44% during this first quarter and included a positive foreign exchange impact of €2 million and the positive contribution of BS Payone and Paymark. Compared with Q1'18, the various activities performed as follows on a like-for-like basis:

- **SMB (up 15%):** The Business Line performed well this quarter, in line with our expectations. As a reminder, the division no longer recognizes the German assets that are now part of the Payone JV. This performance has been driven by the continuous increase of the merchant base, growing by more than 4,000 new clients per month, as well as the continued performance of the SMB online full-service offering. The acquiring volumes are still growing strongly even if the pace is decelerating compared to last year after rebalancing our risk portfolio. Restated following these changes, volumes were growing at a similar pace to last year.
- **Global Online (up 11%):** The quarterly performance is fully in line with our expectations. The main drivers this quarter are derived from emerging countries where the growth trajectory is accelerating as in Latin America or in India where organic growth was over 30% during the quarter. The deployment of new products and services is on track and participates the growth of the Business Line, such as the recent launch of the Global Online Russian capabilities. The division has started this quarter to leverage the ramp up of clients wins that occurred over the past 12 months. The Business Line has continued to gain new clients during the quarter such as Radial in the United States of America, Intcomex in Latin America or fly365 in Asia.

- **Enterprise (up 20%):** The Business Line experienced a very strong quarter driven by both the transaction activities and the sale of POS. As a reminder, with the exception of the healthcare activity, all the German assets are now recognized under the Payone JV. The targeted healthcare vertical in Germany has grown significantly this quarter, benefiting from a local equipment incentive which started in Q2'18. In North America, the Business Line had a strong quarter after a market share win of a large US retailer. On the transaction side, Axis, our omnichannel retail platform, continues to show a double-digit growth, benefiting from a recurring business model with processed volumes ramping up. In the meantime, our Turkish activities are accelerating benefiting from our local POS footprint and the ramp up of volumes processed by our fiscal gateway, both are creating a more recurring revenue profile. In the Pacific region, the integration of Paymark is on track with our plan and is adding scale to our transaction activities
- **Payone (up 4%):** The performance was in line with our expectations. The integration of all the assets into the newly created entity is on track and is already delivering positive outputs. Nevertheless, the Business Line growth profile is not yet at its cruising speed, expected to be reached in 2020. Moreover, the first months of common activity show that both partners are working closely together. The JV is very well perceived by clients, both on the large enterprise segment and by the German saving banks. An important milestone has already been reached by luring some saving banks away from one of the main local competitors over to the JV. While the integration progresses, growth trajectory of the JV shall accelerate throughout the year.

During the quarter, **B&A** posted a revenue of €318 million, an increase of 12% on comparable basis. On a reported basis the activity increased by 14% and included a positive foreign exchange impact of €4 million. Compared to Q1'18, the various regions performed as follows on a like-for-like basis:

- **Europe, Middle-East & Africa (down 6%):** The dynamic was in line with our expectation this quarter. The mature countries are slightly declining while the emerging parts of the market are ramping up. Restated from the Iran business we decided to phase out from in Q2'18 the performance is stable. In parallel, we have benefited from commercial successes in Russia and CIS countries, Middle-East/Africa and an improving dynamic in Eastern Europe (Greece) are fuelling the pipeline of projects over the next quarters. We have received the first signs of interest from clients in Russia regarding the APOS, our Android terminal range. Western Europe is still impacted by the consolidation even if this impact is beginning to fade.
- **Asia-Pacific (up 8%):** The quarterly performance came in slightly above our expectation following a stronger demand in China from the large Chinese banks, third-party processors and a lower price erosion than expected due to APOS shipments accounted for a greater share of the overall business. South East Asia is progressing well with Indonesia benefiting from a strong demand in APOS while Thailand remains challenging as expected. India continues to grow, though benefiting from a low comparison basis. In the meantime, Japan keeps on ramping up in the eve of the EMV migration. Australia, as a mature market, remained stable this quarter.
- **Latin America (up 99%):** The whole region remained very dynamic this quarter driven mostly by Brazil but benefiting as well from good traction in Mexico, Peru, Colombia or Chile. Ingenico Group took advantage of a dynamic Brazilian market in which we invested in production capacity. Our Direct Sales model is a clear differentiator and continue to be deployed within new acquirers. The Group has therefore won significant market share against competition over the quarter. However, even if the Group is benefiting from a very strong momentum, we remain cautious due to the historically volatile Brazilian market.

- **North America (down 4%):** The region has been impacted this quarter by the Canadian activities following a strong performance during the previous semester. The Canadian trajectory will keep on contracting throughout the first semester before benefiting from a more positive momentum driven by the consumption of POS inventories from existing clients as well as the finalization of the Tetra certifications with main customers ensuring higher deliveries. Ingenico US activities were stable throughout the quarter with the EMV renewal cycle still feeding the pipeline of projects for the second part of the year. The verticalization of our go to market continues as more than 150 ISVs certifications were ongoing at the end of the quarter. The team scored a major commercial win on the unattended sector with Red box.

2019 objectives

- **Revenue:** The Group raises its 2019 expectations to achieve an **organic growth of c. 6%** compared to the 4% to 6% initial range. B&A revenue is expected to grow by c. 2% (vs. flat initially) compared to last year and Retail to achieve a double-digit organic growth.
- **EBITDA** (before application of IFRS 16): The Group targets an **EBITDA above 550 million**. This target factors in c. €45 million derived from the contribution of BS Payone and Paymark and net savings of €20 million related to the Fit for Growth plan. The group expects the Retail EBITDA above €270 million and the B&A EBITDA at c. €280 million
- **Free cash-flow:** The Group's ambition is to reach a **free cash-flow conversion rate of c. 50%** (before application of IFRS 16).
- The Group estimates the impact of **IFRS 16 to increase EBITDA by c. €30 million**, with **no impact on Free cash-flow, thus reducing the conversion rate to c. 47%**

Audio Webcast & Conference Call

The first quarter 2019 revenue will be discussed in an audio webcast and a Group telephone conference call to be held on 23rd April 2019 at 6.00pm Paris time (5.00pm 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 72 72 74 03 (from France), +1 646 722 4916 (from the US) and +44 20 7194 3759 (from other countries) with the conference ID: **10709919#**.

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 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.

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Upcoming events

Capital Market Day: 24th April 2019
Annual General Meeting: 11th June 2019
2019 half-year results: 23rd July 2019

EXHIBIT 1

Following the closing of the combination of BS Payone with the Ingenico DACH assets, the reporting evolves towards greater transparency and making it easier to read the joint-venture performance. In parallel, the former Ogone activities recognized in Global Online and Enterprise are transferred to SMB and Bambora Pacific is now consolidated in Enterprise.

1. FORMER REPORTING ON A REPORTED BASIS

In millions of euros	Q1 2018	Q2 2018	Q3 2018	Q4 2018	2018
Retail	302	328	345	364	1 339
SMBs	88	98	103	105	393
Global Online	119	126	136	141	521
Enterprise	95	105	106	118	424
B&A	280	319	342	364	1 305
EMEA	114	128	127	125	495
Latin America	34	38	58	69	199
North America	30	46	42	44	163
APAC	101	107	113	126	447
TOTAL	581	648	687	727	2 643

2. NEW REPORTING ON A REPORTED BASIS

In millions of euros	Q1 2018	Q2 2018	Q3 2018	Q4 2018	2018
Retail	302	328	345	364	1 339
SMBs	70	78	82	84	314
Global Online	117	124	134	139	514
Enterprise	67	76	75	91	309
Payone	48	51	54	50	202
B&A	280	319	342	364	1 305
EMEA	114	128	127	125	495
Latin America	34	38	58	69	199
North America	30	46	42	44	163
APAC	101	107	113	126	447
TOTAL	581	648	687	727	2 643

3. NEW REPORTING ON A PRO FORMA BASIS

In millions of euros	Q1 2018 PF	Q2 2018 PF	Q3 2018 PF	Q4 2018 PF	2018 PF
Retail	389	425	447	466	1 728
SMBs	70	78	82	84	314
Global Online	117	124	134	139	514
Enterprise	76	86	84	101	348
Payone	125	137	147	142	551
B&A	280	319	342	364	1 305
EMEA	114	128	127	125	495
Latin America	34	38	58	69	199
North America	30	46	42	44	163
APAC	101	107	113	126	447
TOTAL	669	744	789	830	3 032