



beyond  
payment

Oddo - Geneva  
December 11 2009

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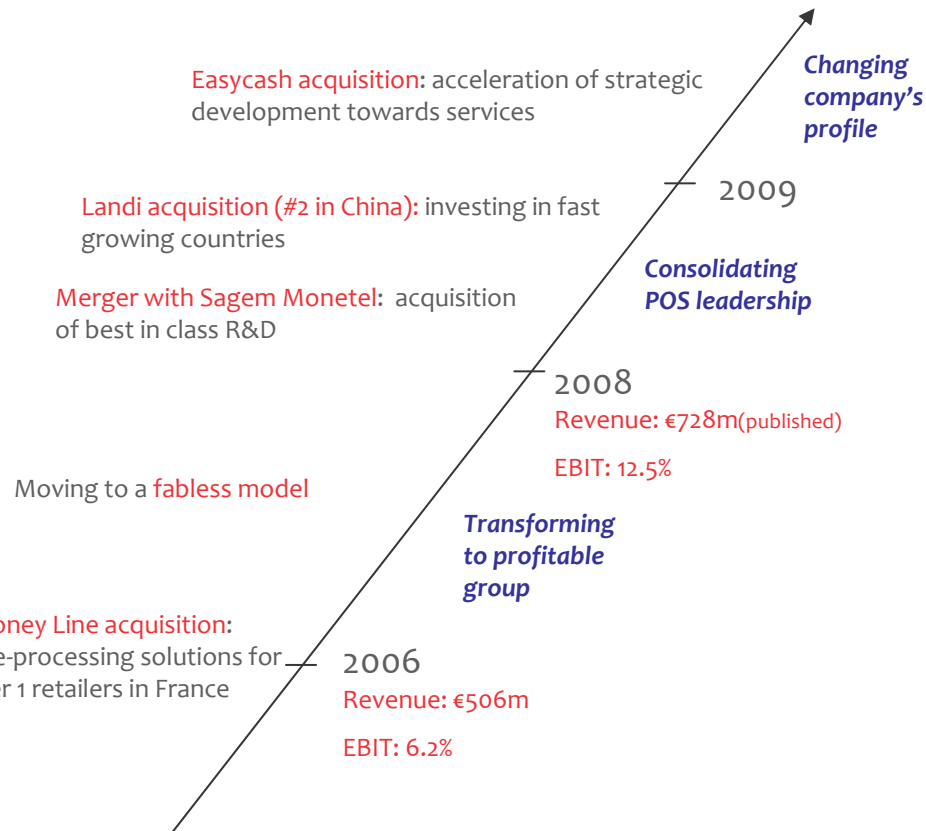
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# Ingenico at a glance

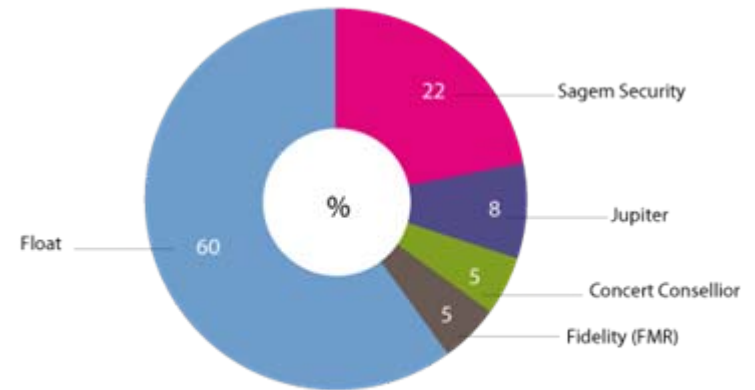


## Major recent events



## Shareholder structure \*

as of November 30 2009



## Market capitalization

as of December 9 2009

- Number of shares: 48.4 million
- Share price: €16.9
- Market capitalization: €818m

\* Shareholder structure based on company information & broker estimates



# Leader on POS market thanks to key market differentiators

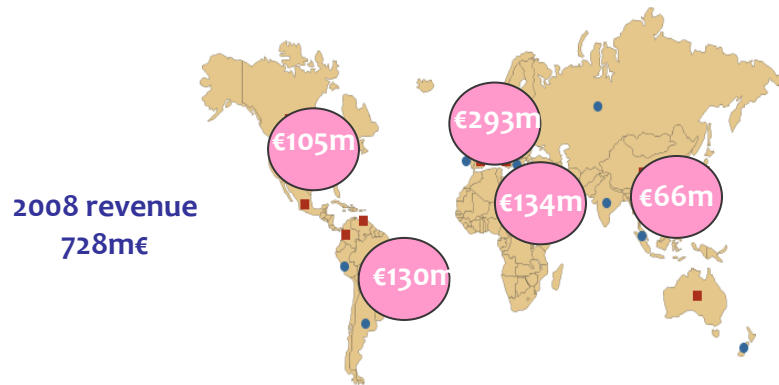


- Leader with **15million POS** and **39%<sup>(\*)</sup> market share** in a highly concentrated market
  - Top 3 representing market share of 89% (Verifone: 34%, Hypercom: 16%, and local players)

-**Local** in 125 countries

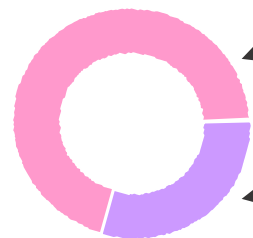
-**Direct** distribution model

-Revenue generated by emerging markets **>40%** of total revenue



-**Fab-less model.** Optimized supply chain

-**Serving banks & retailers**



Acquirors & retail banks: to indirectly address merchants

Tier 1&2 retailers

(\*) Estimated market share based on 2008 published revenue



# Innovation driving POS technological advance



## Innovation driving technology leadership

- R&D spending: ~8%
  - Making the right investment
    - A single platform (Telium)
    - Security
    - Design to cost
- Less repair costs

Less components

Increased reliability

Lighter weight

Greater speed of transaction

Less production costs
- Contactless/wireless embodied in all terminals
  - Design for services: colour screen, larger screen
  - New “beyond payment” terminals

## Technological advance on POS terminals

- Comprehensive & rationalized range of POS terminals



- “Beyond payment terminals”:
  - Combining payment & business applications
  - Increasing revenue at merchant’s POS



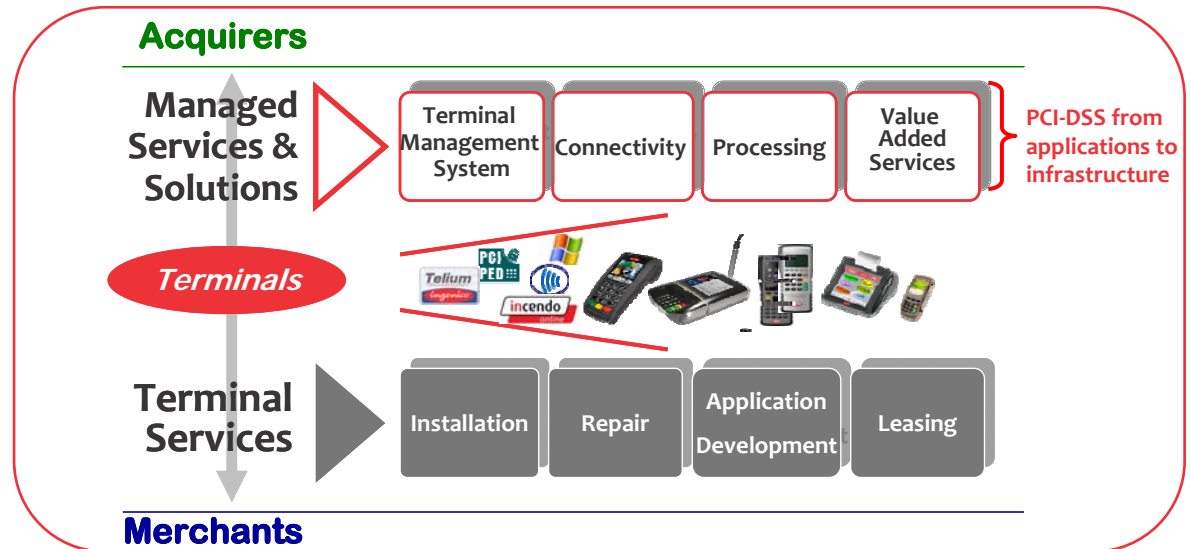
# Evolving from POS provider to the transaction services value chain



## Strategic goals

- Offer solutions around POS terminals
- Increase recurring revenue through a **per transaction** payment type of business model
- Leverage on the growth of payment transactions: **+11% p.a.** in Top10 non-cash markets Source POS: Frost & Sullivan

- Providing global & cross border solutions around POS through “one stop offer» based on international PCI-DSS platform



- Leveraging on pre-processing solution endorsed by more than 150 retailers in France
- First commercial successes validating strategy towards services



**Developping recurring revenue based on long term relationship**

# Accelerating strategic development towards services through easycash acquisition



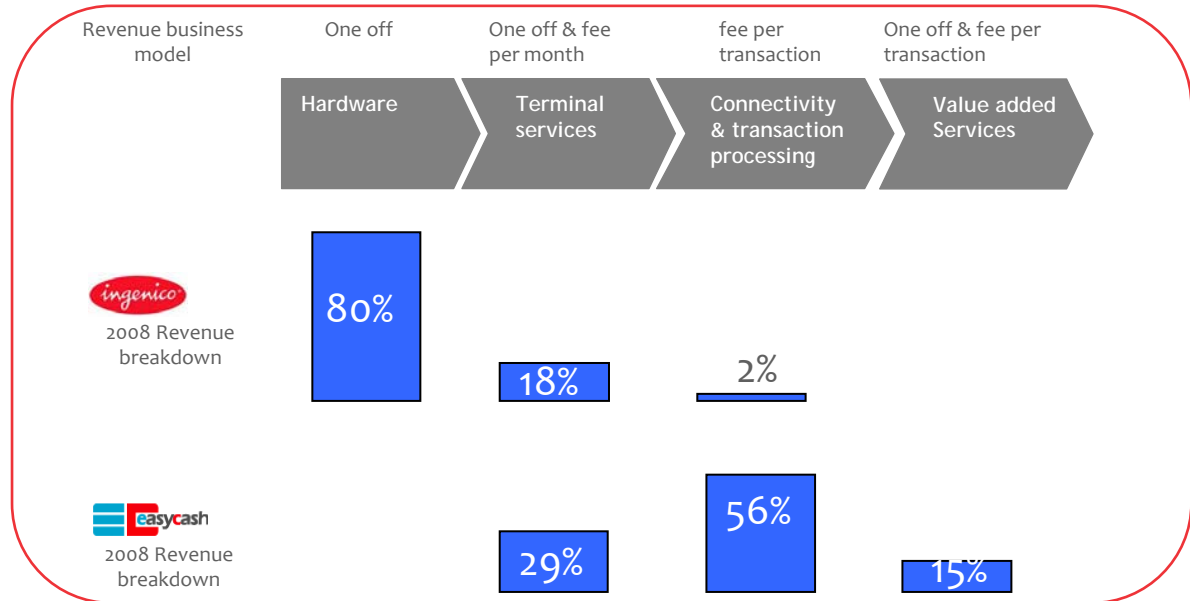
## A leading player in payment services in Germany

- 2009 revenue: ~€100m (German GAAP). EBITDA>20%
- Covering the value chain: from POS services to Value Added Services
- 275k POS terminals installed
- #1 in loyalty solutions (ex: Staples, Douglas)
- Customers: 8/ 10 Tier 1 retailers in Germany, Tier 2 & 3 merchants

## On a promising market

- Germany: late in the migration towards electronic payment
- Ongoing substitution of cash usage and increasing card acceptance

## Complementary activity scope



- Enterprise Value: €290m
- Expected to be accretive on EPS/share in 2010 (before PPA)
- Synergies potential on revenue and infrastructure

Gaining traction on easycash expertise and know-how to change company's profile



# Ingenico value proposition post easycash acquisition



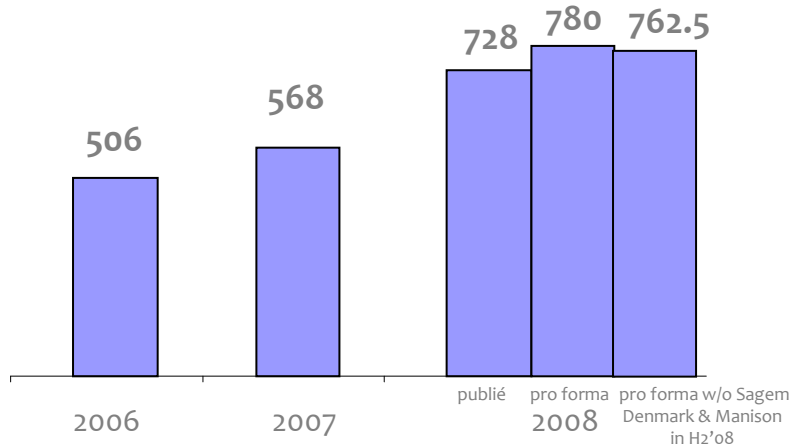
- Differentiating hardware
  - Design to cost
  - Design for services
- A “one stop shop” solution for payment around POS
  - POS hardware
  - TMS
  - Connectivity
  - Transaction pre-processing
  - Vertical solutions, VAS
- Cross-border solutions
  - More than 1,000 payment applications
- Global solutions for payment & “beyond payment” solutions
  - Fully integrated infrastructure to support both
- Security offered as a service to simplify and optimize merchants’ costs for compliance



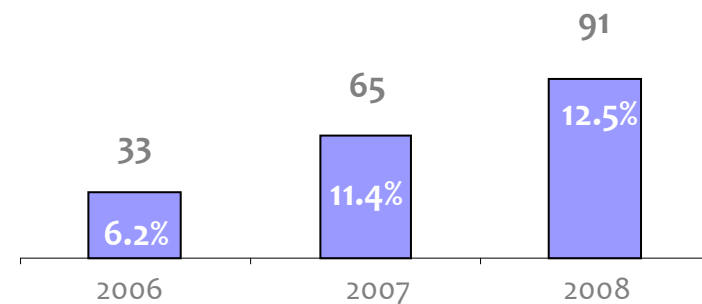
# Demonstrated ability expand revenue and profitability



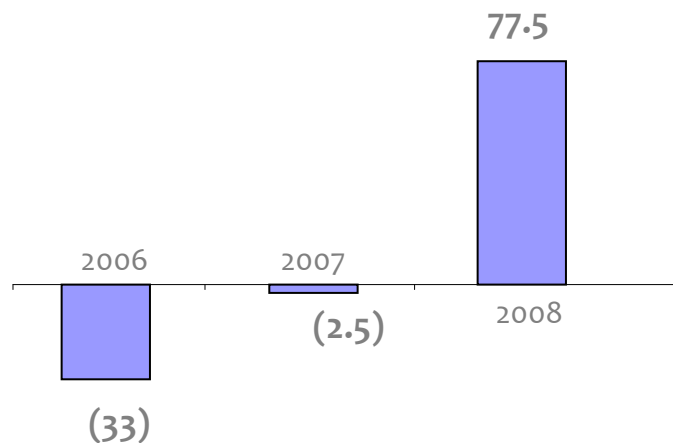
Revenue (in m€)



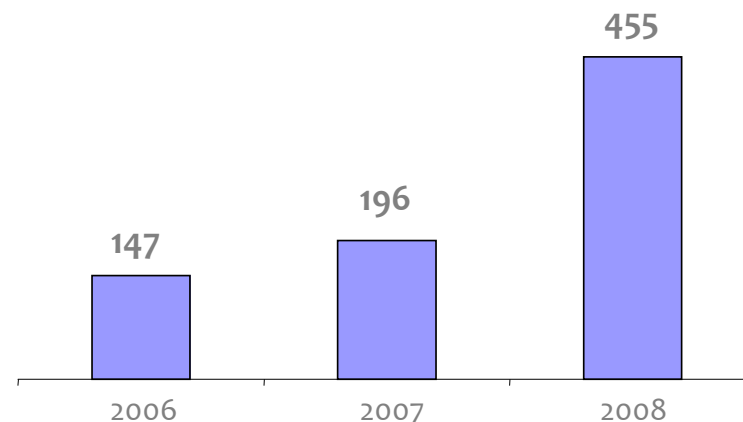
Operating Margin<sup>(\*)</sup> (in m€)



Net cash (in m€)



Shareholders' Equity (in m€)



\*Pro-forma growth, including Sagem Monetel in 2008, at constant exchange rates

(\*) Adjusted figures, before Price Purchase Allocation from Planet, Sagem-Monetel and Landi



# 2009: Demonstrating business model resilience in a difficult environment



- **H1'09 performance demonstrating operating margin resilience**
  - Improved gross margin despite revenue decrease of 10%: leveraging on synergies with Sagem Monetel on terminals
  - Opex under control: First benefit from cost savings plan
  - Preserved cash: Net cash of €90.9m
  
- **Q3'09 revenue in line with expectations**
  - +5% sequential revenue growth<sup>1</sup> / Year-on-year stable revenue<sup>2</sup>
  - Commercial & product launch: on track
  
- **2009 Revenue: 682-697m€ (at constant FX)** – YTD09 negative FX impact of €15.9m
  
- **2009 Adjusted EBIT margin maintained between 11% and 12%,<sup>3</sup> confirming margin resilience**

1) Growth based on Q2'09 revenue excluding contribution of Sagem Denmark and Manison Finland disposed on June 30 09

2) Growth based on Q3'08 revenue excluding contribution of Sagem Denmark and Manison Finland

3) Operating profit from ordinary activities, before Purchase Price Allocation

# Future growth on core business driven by market trends



- **Continued increase of volume for non-cash transactions**
  - +11%: average growth of non cash transaction<sup>(\*)</sup>
  - Increased use of cards/ Decline in check usage
- **Use of cards as the strongest driver**
  - Continued increase in developed countries
  - Acceleration in emerging countries

## Drivers for mature countries

- **Security: terminal is a key element in the end to end security**
- **Regulation changes (PCI/EMV/SEPA)**
- **Technology : Wireless, mobility**
- **New usage**
  - Retail customers: increased productivity at lane
  - Increased revenue at POS

## Drivers for emerging countries

- **Urbanization & increased usage of financial services**
- **Governments pushing for tax collection**
- **Technology/new usage**
  - Increased demand for biometry terminals

# Investing in future growth: mobile payment

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## • Stake in Roam Data in November



- US based Mobile Application Service Provider (MASP)
- Delivering **business & payment applications via PCI DSS service platform on any mobile phones**
- Targeting **un-tapped market** of mobile professionals & micro merchants to delivery drivers, installers or direct sellers (such as Avon,...)

## • Minority stake in Transfer To in July



- **High-growth PSP** providing airtime-transfer through mobile
- Cross-border cross-network business model

## • Target : **position Ingenico in the digital payment world** where mobile will increasingly become a key instrument and channel to market

# Medium term operating leverage thanks to business model evolution

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Revenue

Gross Margin

OPEX

New POS generation

-Bill of materials ↓  
-Production costs (Telium) ↓

New “beyond payment”  
products



Higher gross margin per unit

<25% of revenue

Higher proportion of  
revenue generated by  
services



Proportion of higher  
margin services

**EBIT expansion**

# Ingenico: strong fundamentals



## Focused strategy

- Leader in POS market
- Expanding POS product range
- Leveraging on POS leadership to move up the value chain in the transaction services value chain

## Proven track record

- In acquiring and retaining Tier1&2 retailers and retail banks/acquirers
- In fast, efficient and smooth integrations (ex: Sagem Monetel)
- In achieving key financial milestones

## Short term growth potential

- Contribution of emerging economies
- Largest and innovative portfolio of products
- New “beyond payment” products and services
- easycash acquisition

## Financial strength

- Strong balance sheet
- Strong liquidity position (net cash of €90.9M end of June 09)
- Medium term operating leverage