

**FY 2013**

**Earning Results**

February 19th, 2014



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payment

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# Agenda FY 2013

- 1. Review of Activities** **Philippe Lazare – Chairman & CEO**
- 2. Financial Results** **Patrice Durand – EVP Finance & Operations**
- 3. 2014 Outlook** **Philippe Lazare – Chairman & CEO**

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# Review of activities FY 2013



# 2013: Very good performance

## ● Very strong revenue growth

- Revenue: €1.371 bn
- Reported growth: +14%
- Like-for-like growth: +14%

## ● EBITDA: 20.3% of revenue

## ● Net income group share: €114m, +18%

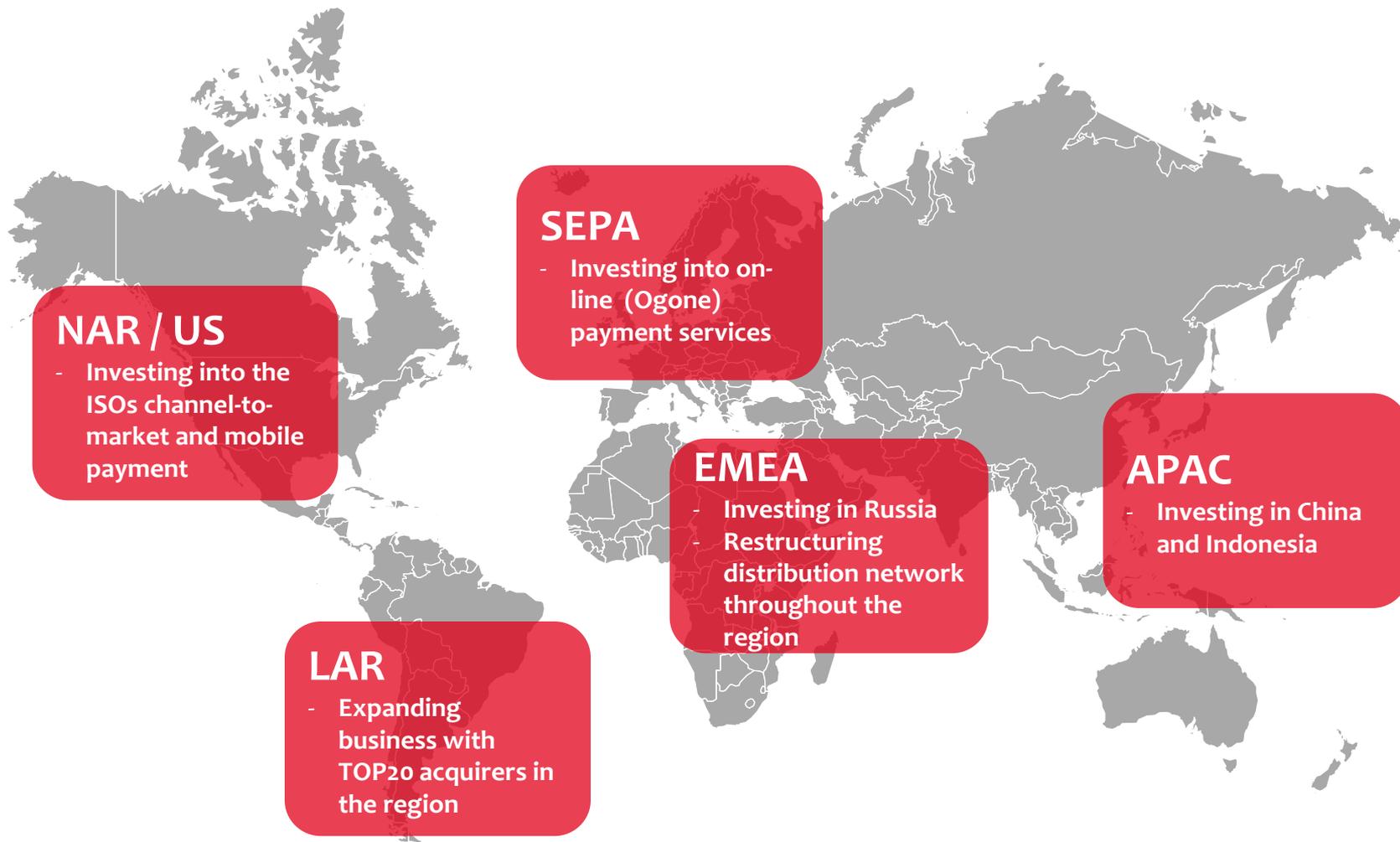
## ● Free Cash Flow improvement: €177m, +42%

## ● Proposed dividend of €0.80 per share, +14%

## ● FY14 Guidance:

- Like-for-like growth  $\geq$  10%
- EBITDA margin  $\geq$  21%

# We have a multilocal presence as a result of strategic initiatives



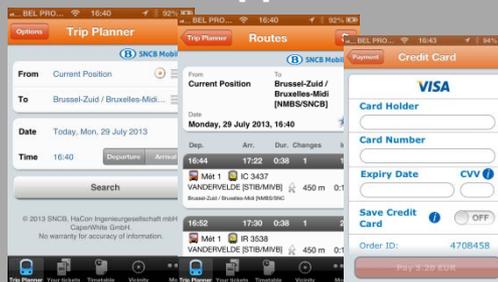
# We have the right and innovative products and services, driving growth

- A unique platform for services (Telium): NFC, multimedia as a standard
- Open to all payment means (international schemes, close-loop, NFC, wallets, QR code, etc.)
- Tailored to new regulations (ex: ECRPOS in Turkey)
- Driving transformational experience for consumers:

Mobility in store  
(iSMP...)



Consumers' payment  
apps



iBeacon – compliant  
solutions



# We have a complete offer to provide payment solutions, whatever the channel

- **More than 250k merchants connected to Ingenico's platforms**
- **Managing 3.5 bn transactions**
- **Mobile payment platform available in 8 countries**
- **In Europe, >300M transactions for Christmas shopping, whatever the channel**

IN-STORE



+13%\*

ON-LINE



+37%\*

MOBILE

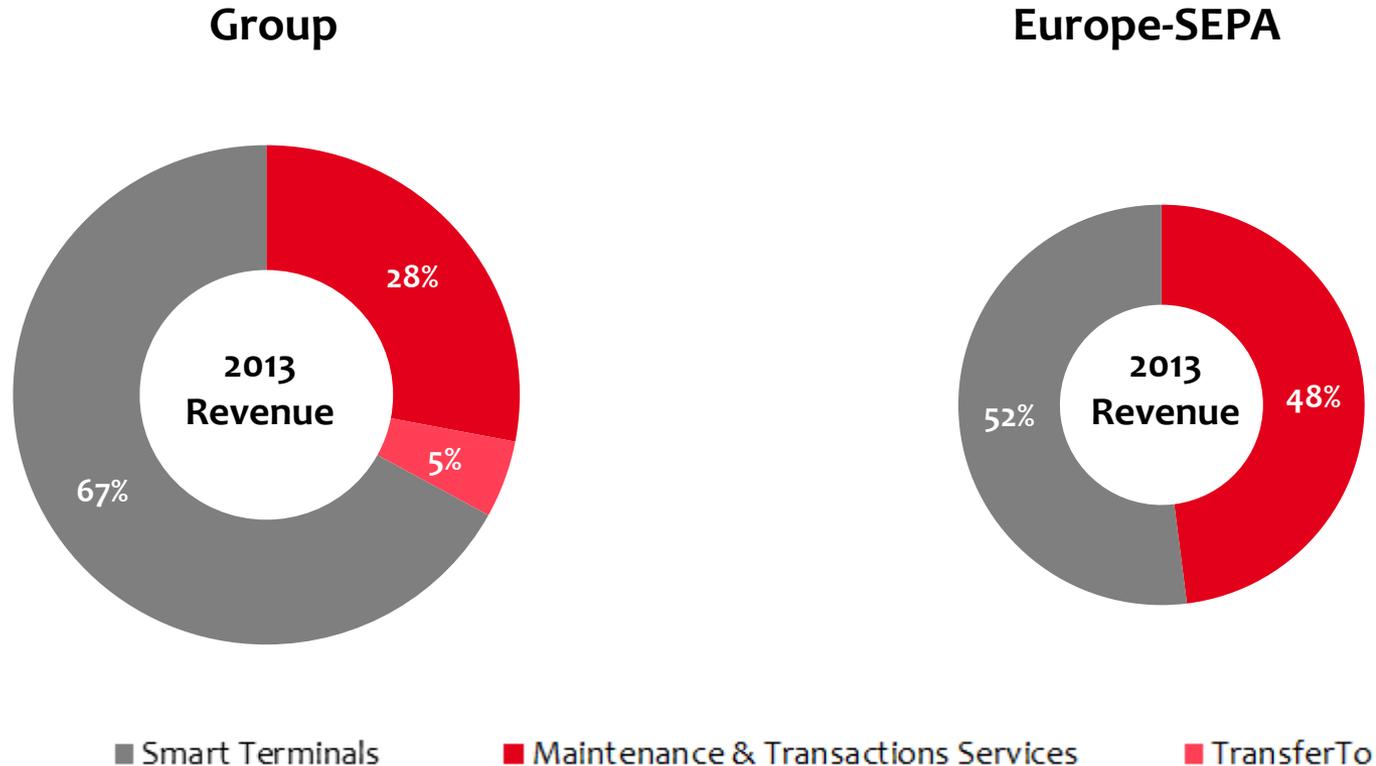


+50%\*

- **Increased request for cross border solutions**
  - ❑ **Ogone Xmas shopping online : 25% in Belgium up to 50% in Germany**
  - ❑ **SEPA pilots with key European retailers**

\*Growth in number of transactions managed in December 2013 on Ingenico's platforms in Europe

# We have started to diversify the business model towards payment services



# Ogone integration is well on track

- **Ogone growth in 2013: +32%**
- **Demonstrated its capability to manage strong growth...**
  - ❑ +15k merchants connected to Ogone's platform
  - ❑ UK revenue x3
- **... while working on group synergies**
  - ❑ Ogone and easycash platforms connected 2 months after the acquisition
  - ❑ 95% of easycash customers on Ogone's platform
  - ❑ 2 multi-channel deals signed
  - ❑ Increased upselling opportunities, leveraging on Ogone, easycash and Ingenico's customer bases
  - ❑ White-label solutions: positive discussions with acquirers leveraging on Ingenico's network
  - ❑ mPOS solution launched in the Netherlands combining: Ogone, easycash, ROAM and Ingenico

# We are a trusted partner of global brands

**Ingenico is the Partner of choice of global brands (financial institutions, retailers... ) as well as new entrants, to open network with acquirers and payment schemes.**

## Latest initiatives beyond traditional use cases



mPayment in France



On-line & in-store solutions



Multi countries on-line solutions



White-labelled mPayment for small merchants, in 3 countries in Europe



Global mPayment partnership



In store contactless solutions



mPayment pilot solutions managing customer interaction for contractors



Increased consumer touch points

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# Financial Results FY 2013



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# Basis of presentation for FY 2013 financials

## ● For a better understanding of the Group's performance

- ❑ Operating performance and income statements in this presentation are prepared on an adjusted basis, i.e. exclude the impact of PPA amortization (IFRS<sub>3</sub>)
- ❑ Foreign exchange gains and losses (including hedging) are reported in the income statement depending on their nature
- ❑ 2012 financial data include ROAM Data contribution starting February 2012
- ❑ 2013 financial data include Ogone contribution starting January 2013 and exclude TransferTo as of December 1st

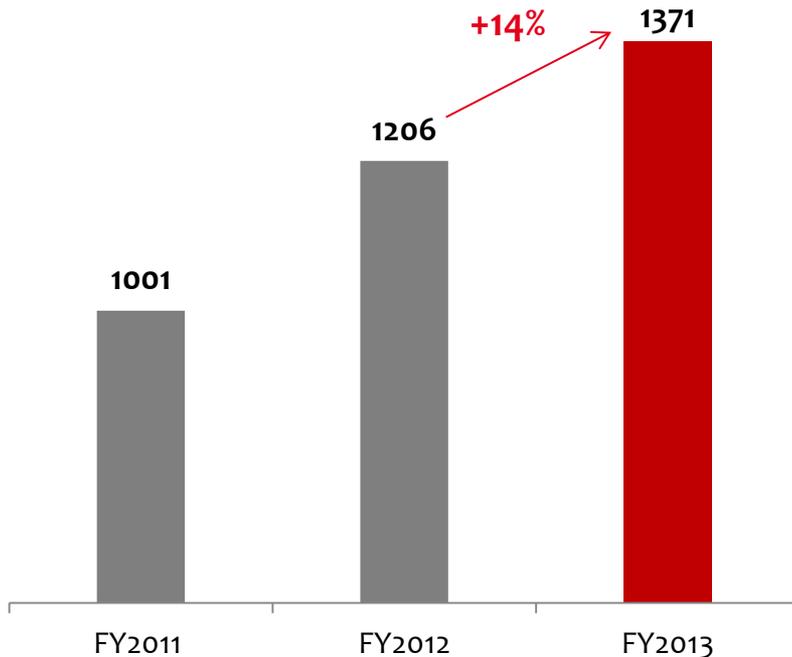
# Outstanding performance

In M€	FY 2013	FY 2012	Changes vs. FY 2012
Revenue	1371	1 206	+14%*
Gross Profit	600	513	+17%
<i>In % of revenue</i>	43.8%	42.5%	+ 130 bpts
EBITDA	279	223	+25%
<i>In % of revenue</i>	20.3%	18.5%	+ 180 bpts
EBIT	239	190	+26%
<i>In % of revenue</i>	17.4%	15.7%	+ 170 bpts
Net profit, attributable to shareholders	114	97	+18%

\*+14%: growth rate at constant FX & scope

# Over-performing top line growth

Revenue (in M€)



● Year-on year: + 14%

□ Ogone: 55M€

□ Negative FX impact: -52M€

● Like-for-like: +14%

● Double digit growth on all business segments

□ +14%: Growth from Terminals\* business

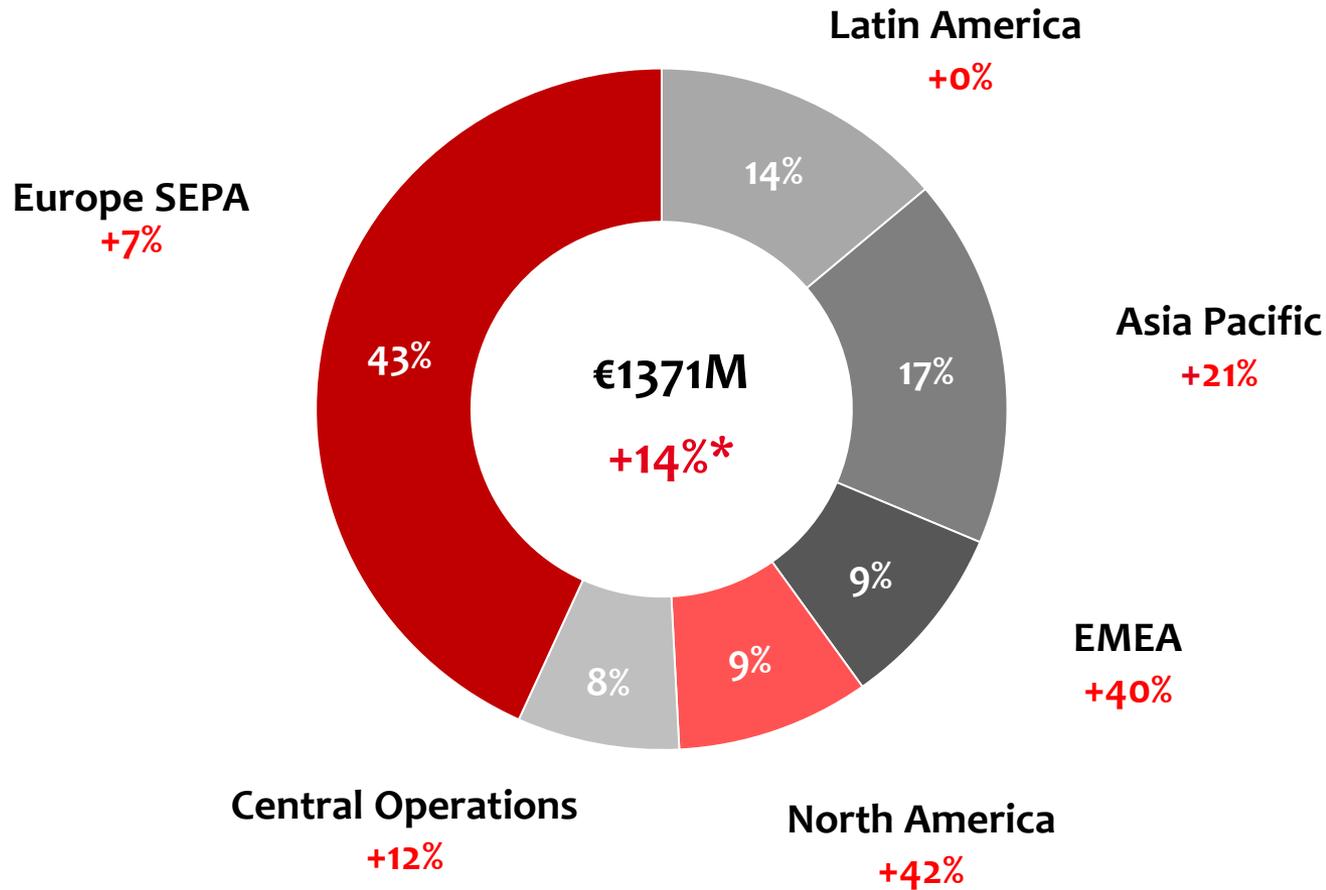
□ +13%\*\*: Accelerated growth from Transactions with Ogone

● Leveraging geographically differentiated strategy

\* Revenue generated from hardware, servicing & maintenance

\*\*Growth rate at constant FX including Ogone contribution in 2012 and excluding TransferTo disposed on December 1, 2013

# Leveraging geographically differentiated strategy



\*Growth rate at constant FX & scope

# Terminals: Increased gross profit margin driven by volumes and Ingenico's strong expertise

## Terminals (Hardware, Services & Maintenance)

<i>In M€</i>	<b>FY 2013</b>	<b>FY 2013 / FY 2012</b>
Revenue	<b>1074</b>	<b>+14%*</b>
Gross Profit	<b>494</b>	<b>+13%</b>
<i>In % of revenue</i>	<b>46.0%</b>	<b>+160bps</b>

- Increased volumes
- Strong purchasing capacity
- Track record in managing supply chain

\*Growth rate at constant FX & scope

# Transactions: Positive impact from the strategic development towards online solutions

## Transactions

<i>In M€</i>	<b>FY 2013</b>	<b>FY 2013 / FY 2012</b>
<b>Revenue</b>	<b>297</b>	<b>+11%*</b>
<b>Gross Profit</b>	<b>106</b>	<b>+38%</b>
<b>In % of revenue</b>	<b>35.8%</b>	<b>+ 140bps</b>
<b>In % of revenue excluding TransferTo**</b>	<b>43.8%</b>	<b>- 50 bps</b>

● Gross profit fostered by on-line development of Ogone

\* Growth rate at constant FX & scope

\*\* TransferTo divested as of December 1st, 2013

# Operating expenses: Continuing to invest in a fast moving environment

<i>In M€</i>	FY 2012	H1 2013	H2 2013	FY 2013
Research & Development	85	45	49	94
Sales & Marketing	105	60	61	121
General & Administrative	133	69	77	146
<b>Operating expenses</b>	<b>323</b>	<b>174</b>	<b>187</b>	<b>361</b>
<i>In % of revenue</i>	26.8%	26.6%	26.2%	26.4%

- As expected, accelerating investment in H2 in focused R&D and Sales & Marketing to support strategy deployment: Telium 3, mobility and multichannel
- G&A costs under control
- 2013 PF\*\* operating expenses at 27.5% of revenue

\*Excluding PPA

\*\*Excluding the contribution of TransferTo divested on December 1, 2013

# Net result attributable to shareholders increased by 18%

In M€	FY 2013	FY 2012
<b>EBIT</b>	<b>239</b>	<b>190</b>
<i>in % of revenue</i>	<b>17.4%</b>	15.7%
Purchase Price Allocation	(30)	(26)
Other income & expenses	(21)	1
Financial result & Equity Method	(18)	(15)
<b>Income before tax</b>	<b>169</b>	<b>150</b>
Income tax	(56)	(50)
Income tax rate	33%	33%
Net Result	113	100
<b>Net Result, attributable to shareholders</b>	<b>114</b>	<b>97</b>

Impact of TransferTo divestment & Ogone acquisition

Limited increase despite Ogone acquisition of €360 millions

# Continuous focus on cash generation

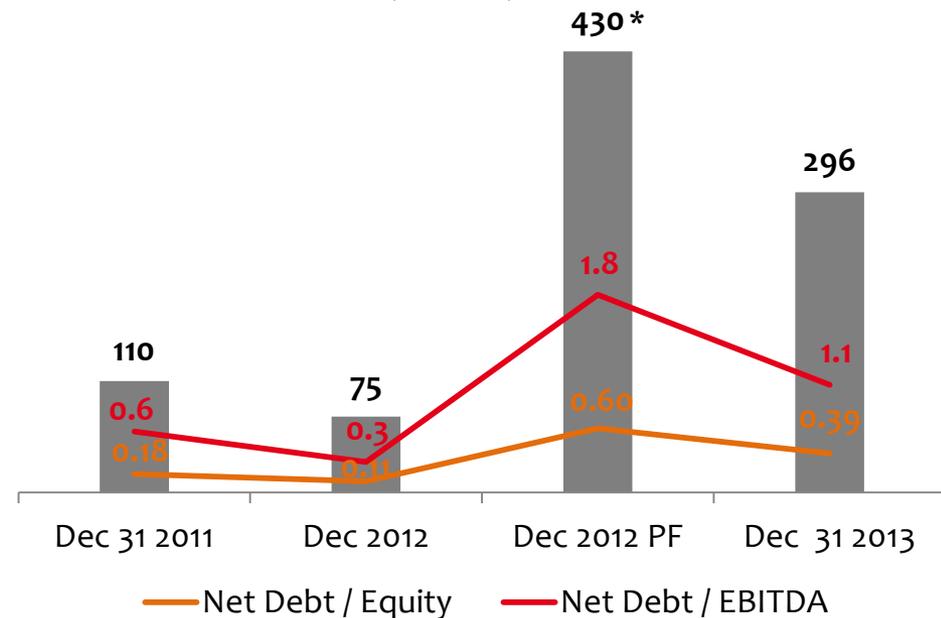
In M€	FY 2013	FY 2012
EBITDA	279	223
Working capital changes	38	3
Capex	(40)	(44)
Other income & expenses	(10)	(9)
Interests paid	(9)	(5)
Tax paid	(82)	(42)
<b>Free Cash Flow</b>	<b>177</b>	<b>125</b>

- Continued control of working capital requirements
  - Strict monitoring of inventories and receivables in a context of strong business expansion
  - Increase in payables in line with activity growth
- As expected, capex remained limited
- Significant increase in tax paid

# Continued strong liquidity position & financial flexibility

In M€	FY 2013	FY 2012
<b>Net debt as of January 1</b>	<b>75</b>	<b>110</b>
Free Cash Flow	177	125
Dividend paid	(13)	(14)
Acquisitions net of disposals	(363)	(69)
Others	(22)	(7)
Change in net debt	(221)	35
<b>Net debt as of December 31</b>	<b>296</b>	<b>75</b>

## Net debt (in M€)



\*2012 Pro forma Net debt assuming the acquisition of Ogone as of Dec 31 2012

# Increasing dividend by +14% in 2013

	2013	2012
Net income, attributable to owners (in €m)	114	97
Dividend per share (in €)	0.80	0.70
Pay out Ratio	37%	

**Dividend of €0.80 per share, payable in cash or in share  
will be proposed to next Annual General Meeting**

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## 2014 Outlook

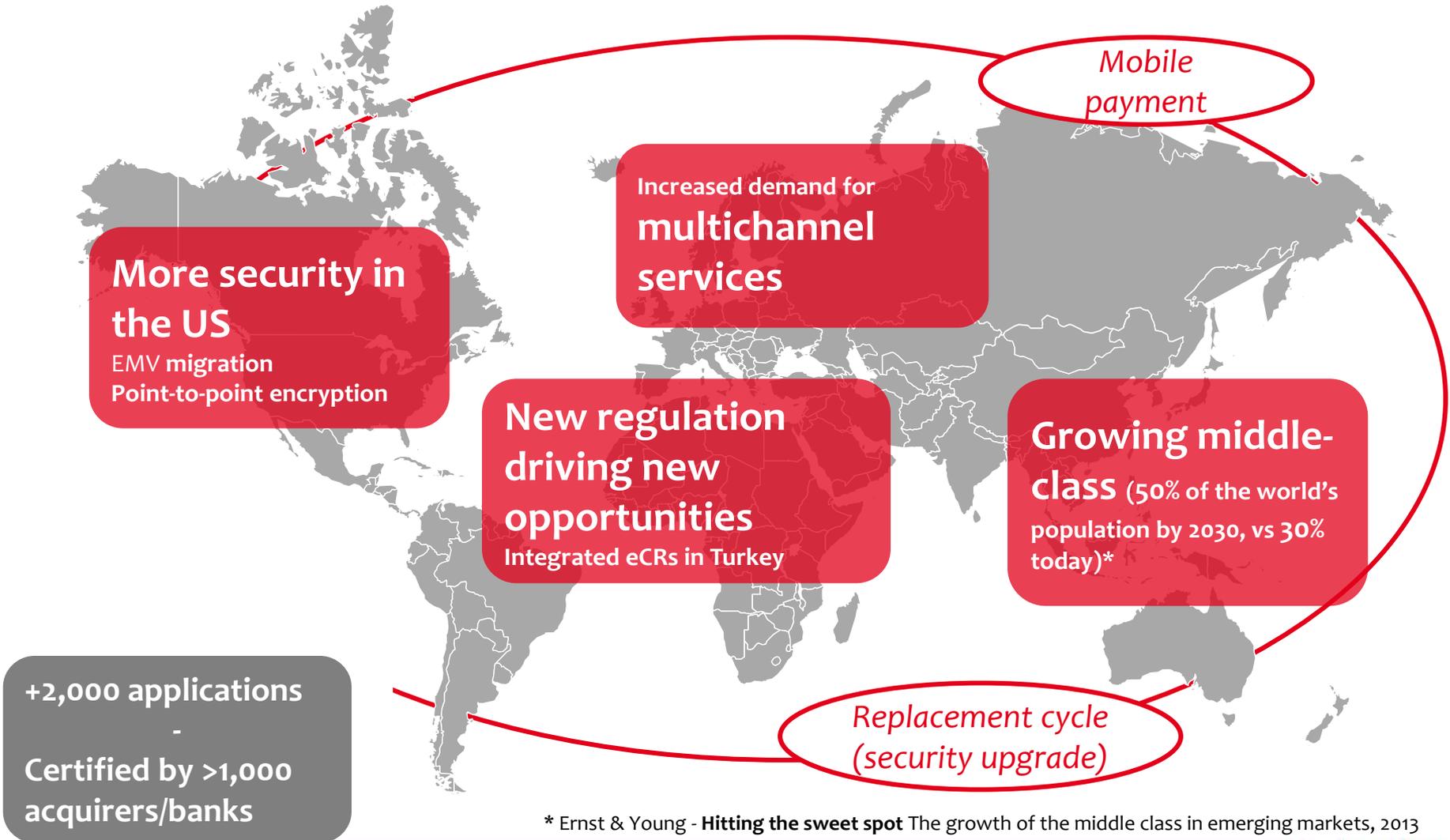


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# Focus on 2016 ambition plan

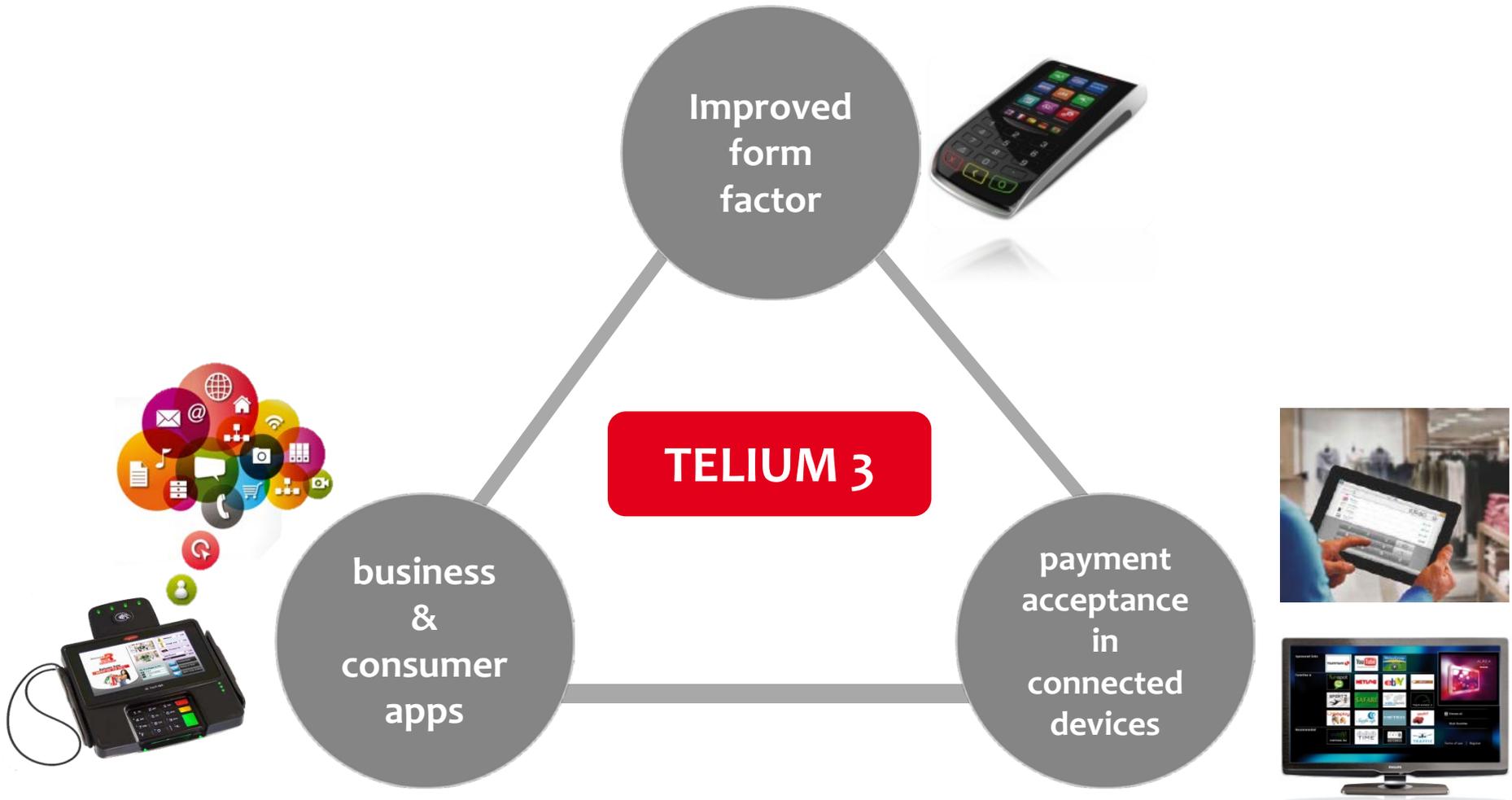
- **Positioning Ingenico as the global leader in seamless payment, whatever the channel, facilitating payment activities for merchants, directly or indirectly**
  
- **Positioned on a structurally secular growth, we have 3 key focus/assets to drive continued growth**
  - **Multi local**
  - **Innovation**
  - **Comprehensive offer**

# Continue to leverage our multi-local differentiated strategy



\* Ernst & Young - **Hitting the sweet spot** The growth of the middle class in emerging markets, 2013

# Innovation driving growth. Telium 3, our next generation platform



# A comprehensive offer to work with our customers and partners

## New consumers habits

Mobility, Internet, social medias



## Increased payment touch points

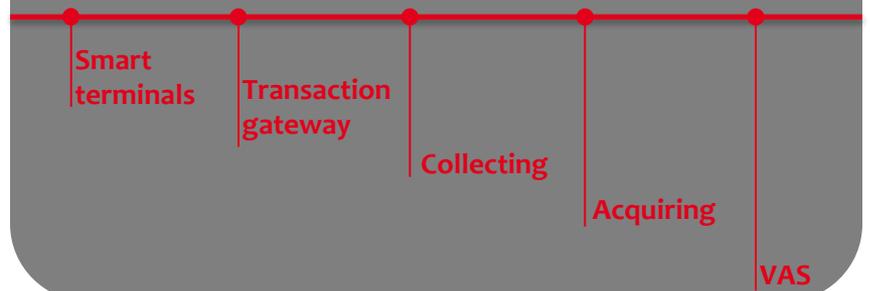


Mobile, multi-lane, kiosk, desk, etc

## Introduction of tablets/smartphones combined with mPOS for merchants



## Multichannel strategy across the full payment value chain



## 2014 targets: Continued profitable growth

- **Early 2014, business activity seems to be holding up well and should continue to grow in most markets**
- **Like-for-like growth  $\geq 10\%^*$**
- **EBITDA margin  $\geq 21\%$**

\* At constant exchange rate and based on FY13 pro forma revenue at €1.301bn (excluding TransferTo disposed on December 1, 2013)

# Ingenico, a strong platform for the future

- **A truly global player, with strong scale effect**
- **Positioned all across the value chain from payment terminals to services, including e-commerce and mobile**
- **Market leader in hardware: >20 million POS installed, accepting more than 250 payment means and connected to more than 1,000 acquirers/banks**
- **Managing 3.5bn payment transactions**
- **A well-balanced presence in mature and emerging markets**
- **A large and diversified customer base**
- **A proven track record in executing strategy and generating profitable growth**

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## Appendix



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# 2013 Pro Forma, excluding TransferTo for the full year

In M€	FY 2013 Pro forma	FY 2013 Reported
<b>Revenue</b>	<b>1301</b>	<b>1371</b>
<b>Adjusted Gross Profit</b>	<b>593</b>	<b>600</b>
<i>In % of revenue</i>	<b>45.6%</b>	<b>43.8%</b>
<b>Adjusted OPEX</b>	<b>(358)</b>	<b>(361)</b>
<i>In % of revenue</i>	<b>27.5%</b>	<b>26.4%</b>
<b>EBITDA</b>	<b>276</b>	<b>279</b>
<i>In % of revenue</i>	<b>21.2%</b>	<b>20.3%</b>
<b>Adjusted EBIT</b>	<b>235</b>	<b>239</b>
<i>In % of revenue</i>	<b>18.1%</b>	<b>17.4%</b>

To ensure continuity in reporting and facilitate the assessment of Ingenico's performance, key financial figures for FY13 are presented to reflect the disposal of TransferTo occurred on Decembre 1st 2013

# PPA

## Purchase Price Allocation at Year End and amortization

By Acquisition	Net Book value 31/12/2013	Amortization				
		2013	2014	2015	2016	2017
easycash	39	(8)	(8)	(7)	(4)	(4)
Sagem Monetel	16	(8)	(4)	(4)	(4)	(4)
XIRING	11	(2)	(2)	(2)	(2)	(1)
Ogone	45	(7)	(7)	(7)	(7)	(7)
Others	18	(5)	(4)	(4)	(1)	(1)
<b>Total</b>	<b>129</b>	<b>(30)</b>	<b>(25)</b>	<b>(24)</b>	<b>(18)</b>	<b>(17)</b>