

# 2015

ingenico  
GROUP

THE YEAR IN REVIEW



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A successful transformation;  
**new ambitions**


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Ingenico Group,  
global leader in  
seamless payment



Secured,  
innovative and  
seamless solutions  
across all channels:  
in-store, online  
and mobile



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pursuing the ambition to generate inclusive and transparent growth based on ever more innovative and reliable payment solutions





# INTERVIEW WITH PHILIPPE LAZARE, CHAIRMAN & CEO

## How would you summarise Ingenico Group's performance in 2015?

2015 marks - one year ahead of schedule - the achievement of the medium-term objectives that we had defined and communicated in 2013: we achieved a turnover very close to 2.2 billion euros, with an EBITDA margin just above 23%. The Payment Terminals business represents 70% of turnover, and Payment Services makes up 30%.

A sign of the Group's dynamism, all regions and business activities contributed to its growth: in Asia, South America and in the Europe & Africa region, the continued equipping of emerging countries with terminals, along with the expansion of NFC technologies were strong growth drivers. Indeed 83% of Telium terminals delivered in 2015 have this NFC technology for reading contactless cards. An additional major factor, the migration to the EMV standard in the United States was and remains a significant lever for growth. The United States thus became the Group's leading market, just ahead of China. In the realm of payment services, the general dynamic of e-commerce, the development of in-store payment services and our first commercial successes with cross-channel solutions contributed to our growth.

We are now reaping the rewards of the strategic decisions we made several years ago: I'm thinking particularly of Landi's acquisition in 2008, which today allows us to be number one in China, the investments we have made in the United States from 2010 onwards, the development of our presence in payment services in general and e-commerce in particular, and finally innovations that make us stand out in our long-standing sector of activity - terminals, with the Telium Tetra range that is allowing us to consolidate our global leadership.

“ We are now reaping the rewards of the strategic decisions we made several years ago. ”

### How would you assess Ingenico Group's development in Payment Services?

Let's start with online payment: our offering in this field results from the acquisition of the companies Ogone and GlobalCollect. In early 2015, we merged the two under the banner of our new ePayments division. We combined their complementary know-how and are now able to provide a complete offering for all online merchants, tailored to their size and needs. This ranges from the platform managing local transactions to the comprehensive online payment services solution including, among others, collecting and currency management. These comprehensive solutions are particularly well tailored to the needs of large e-merchants trading internationally.

“ In 2015, we rolled out our first cross-channel solutions in Europe. ”

In 2015, we also rolled out our first cross-channel solutions in Europe. At the same time, our in-store payment service platforms saw strong commercial growth.

Finally, we put in place a global organisation, Technology & Platforms, gathering together all of our skills in terms of developing and operating our transactional platforms. This organisation strongly contributed to the continuous improvement of our operational processes, cost reductions and productivity gains.

The technological, organisational and commercial ingredients are therefore in place to continue our expansion in payment services.

### What are your main projects for 2016?

We are pursuing our growth agenda and will continue to strengthen what makes us unique: our ability to provide our clients with payment acceptance solutions across all channels. In 2016, we will be relying on several levers:

Telium Tetra, our new range of terminals and related services, will begin to be rolled out on the ground. This unique new offering combines new-generation terminals, payment applications, business applications for merchants available on our marketplace, and a new terminal estate management solution.

Two products are coming to enrich our online payment solutions offering: Ingenico Connect allows merchants to easily integrate their payment page into their e-commerce site and customise it; Elevate provides them with business analysis and reporting tools. We will also finish upgrading our ePayments platforms.

With regard to this business activity, in January we finalised Ogone and GlobalCollect's integration with the launch of our commercial brand, Ingenico ePayments.

And of course, 2016 will also see the accelerated roll-out of cross-channel solutions among large retailers, especially in Europe.

“ Our ambition for 2020: to be the global leader in omnichannel payment acceptance solutions. ”

### You presented your strategic plan for 2020 in March. How do you see the Group developing over the coming years?

Our ambition for 2020 is clear: to be the global leader in omni-channel payment acceptance solutions, achieve a turnover of four billion euros based on organic double-digit growth and tactical acquisitions, and generate an EBITDA margin of 22-23%.

To reach these targets, we will be relying on four strategic avenues: we will increase our global leadership in in-store payment services and terminals; we will continue to develop our already strong positions in e-commerce; we will be the benchmark player for the convergence towards omni-channel payment solutions; and, as is our habit, our ability to innovate will allow us to keep one step ahead of market trends.

This plan is both ambitious and realistic. To see it through, we know that we can rely on our determination, the skills and commitment of our teams worldwide, our financial solidity, and our ability to be the only partner for merchants that is able to seamlessly and securely implement an omni-channel payment offering on an international scale.

# Governance

## The Board of Directors

Highly involved, independent, balanced in its composition, the Board of Directors has the task of identifying the strategic plans, overseeing and monitoring their implementation, and ensuring that they are properly managed. It bases its decisions on the recommendations made by its three specialist committees made up primarily of independent directors. During the 2015 financial year, the board of directors met eight times on the invitation of its Chairman with an average attendance rate of 93.7% for all of the directors at these sessions.

In 2015, the Board of Directors reviewed its composition in terms of parity and independence and is now approaching best practices. The work carried out by its members in 2015 particularly focused on the issue of OCEANE bonds maturing in 2022 for a nominal amount of 500 million euros, which took place in June 2015, as well as preparing the strategic plan for 2016-2020.

**As of the end of 2015, the Board of Directors is made up of the following eight members:**

- Philippe Lazare - Chairman and CEO
- Jean-Louis Constanza\*
- Diaa Elyaacoubi\*
- Colette Lewiner\*
- Xavier Moreno\*
- Florence Parly\*
- Thibault Poutrel
- Elie Vannier\*
- William Nahum - advisor

\* Independent director

## The Executive Committee

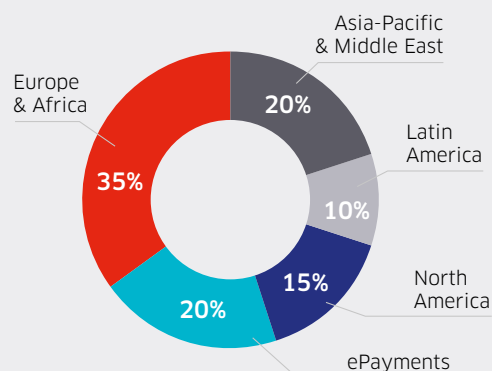
The Executive Committee's task is to implement the strategy as defined by the Board of Directors and to ensure close cooperation between local operational departments and the Group's functional divisions.

**The eleven members of the Executive Committee are:**

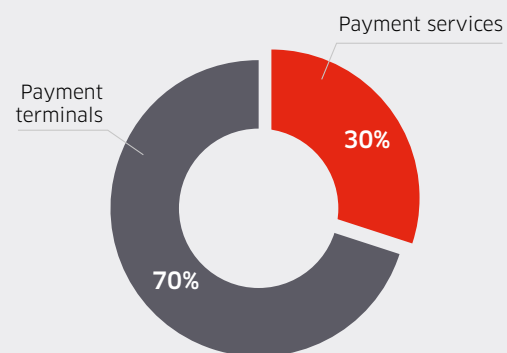
- Philippe Lazare, Chairman and CEO
- Jose Luis Arias, EVP Latin America
- Jacques Behr, EVP Europe & Africa
- Oscar Bello, EVP North America
- Martine Birot, EVP Human Resources & Communications
- Thierry Denis, CEO Advisor
- Jacques Guérin, EVP Smart Terminals & Mobile Solutions
- Patrice Le Marre, EVP Asia-Pacific & Middle East
- Michel Léger, EVP Innovation
- Nathalie Lomon, EVP Finance & Business Performance
- Pierre-Antoine Vacheron, EVP ePayments

# > Key figures

> Revenue by region



> Revenue by activity



“ In 2015, the Group demonstrated excellent operational and financial performance allowing it to achieve its medium-term objectives one year ahead of schedule. ”



Nathalie Lomon,  
EVP Finance  
& Business Performance

€2,197m  
2015 REVENUE

€230m  
NET PROFIT

€508m  
EBITDA

€285m  
FREE CASH FLOW

View all of our  
key figures at  
[ingenico.com/finance/keyfigures](http://ingenico.com/finance/keyfigures)

# > The Ingenico Group share

Our objective is to maintain an open and informed dialogue with institutional investors, individual shareholders and analysts. The support and loyalty of private and institutional shareholders are essential assets for Ingenico Group's long-term development.

The relationship the Group enjoys with its shareholders is based on mutual respect, open dialogue and regular contact.

The Group regularly holds conference calls and investor meetings during the publication of its financial statements. Ingenico Group takes part in a growing number of conferences in the technology and payment sectors as well as roadshows, especially in Europe and North America.

In total, with 14 investor conferences, a dozen roadshows, three trade fairs and 330 meetings in person or by telephone, the Group met over 470 financial institutions and 720 investors in 2015.

## Capital distribution

On 31 December 2015, Allianz Global Investors held 6% of the Group's capital, ahead of BPI France Participations with 5.5% and Jupiter with 4.5%. The other institutional and individual shareholders represent 84% of the capital.

## The Ingenico Group share

- ISIN Code: FR 0000 125346
- Shares listed on: Euronext Paris (compartment A)
- Mnemonic: ING (Paris)
- Eligible for the PEA
- Eligible for the SRD

Since August 2015, the Ingenico Group share has formed part of the CAC Next 20 index. It is also included in the Stoxx Europe 600, SBF 120, MSCI Small Caps EAFE and MSCI Small Caps Europe indexes.

## Market capitalisation

On 31 March 2016, the market capitalisation of Ingenico Group was 6.157 billion euros, with a Company's share capital of 60,990,600.

€1,30

DIVIDEND PROPOSED  
AT THE AGM ON  
29 APRIL 2016

+30%

2015 DIVIDEND  
INCREASE

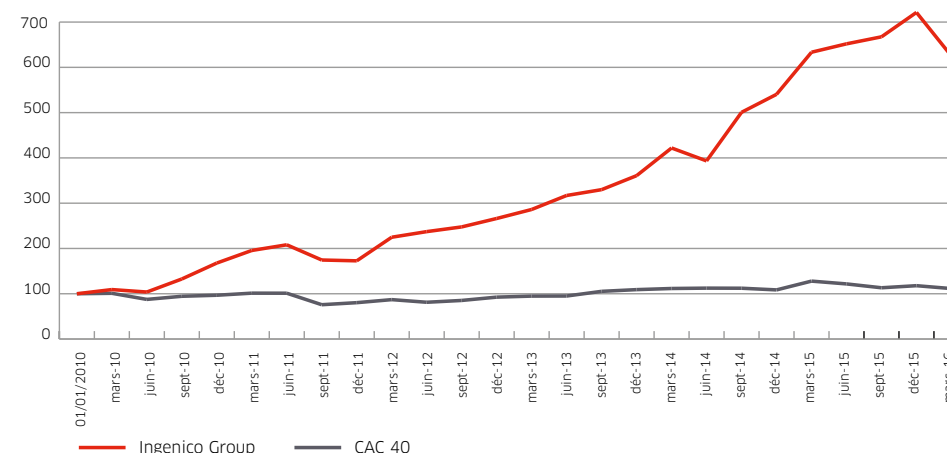
35%

DISTRIBUTION  
RATE

36%

AVERAGE ANNUAL  
RETURN SINCE 2009

## > The Ingenico Group's share performance since January 1, 2010



## Enhanced financial communication tools

In the finance section of our website, you will find all of our financial and extra-financial information, such as a shareholding calculator, the consensus updated before and after each publication, and the Group's key figures in Excel format.

[ingenico.com/finance](http://ingenico.com/finance)



# PROFILE

## Ingenico Group completes its transformation and sets itself new ambitions

In recent years, the Ingenico Group has undergone a radical transformation, adapting to constant developments in commerce. In 2015, we took an additional step forward as part of this transformation: we reinvented our terminal offering, providing our clients with in-store solutions that, in addition to secure payment, include high added-value services both for merchants and their customers. The Group now boasts a comprehensive offering, which ranges from terminals to online and cross-channel payment services. The Ingenico ePayments brand, launched in January 2016, reinforces our presence and demonstrates our strengthened ambitions in the global online payment market. Thus, we differentiate ourselves as the leading player in omni-channel payment solutions.

# ingenico

GROUP



The reinvented Ingenico Group, building on its technological expertise and demanding security requirements, is now working to support the changing world of commerce through solutions that bring together payments from all sales channels – in store, online and via mobile.



# A COMPREHENSIVE SERVICE OFFERING, TAILORED TO EACH SALES CHANNEL

Today, Ingenico Group offers its clients an end-to-end high added-value service offering that goes far beyond secure payment solutions. Based on our recognised leadership in payment terminals, this service offering spans the entire value chain of transactions across all channels.

Ingenico Group has become a key partner that can meet the needs of all kinds and sizes of businesses on an international scale. Our comprehensive, innovative range of solutions and services now allows us to support our clients in developing cross-channel and cross-border payment.

# Telium Tetra, a comprehensive and complete range

New-generation terminals that, for the first time, combine secure payment services, business applications and estate management services

Telium Tetra reached a key milestone in 2015 with the finalisation of its four complementary offerings: payment terminals, payment applications, Estate Manager and marketplace. The first client projects conducted in 2015 confirmed the market interest in this unprecedented offering, paving the way for Telium Tetra's accelerated deployment in all of the Group's regions from 2016.

## A mature, high-performance Marketplace

2015 confirmed the maturity of the marketplace for business web applications, with a portfolio of some 70 applications available at year end. From direct marketing, loyalty programmes, and surveys, to inventory management, clients have the option of integrating the applications of their choice into their payment terminal to strengthen ties with consumers. After the successful launch of the first pilots in 2015, 2016 will be devoted to rolling out the first terminals featuring functional apps and enriching the partner ecosystem.

## The Estate Manager: an enriched estate management solution

The Group has added to its terminal estate management offering with a new solution providing an array of advanced features and a redesigned, user-friendly interface inspired by web experience best practices. New services - including advanced connectivity, security services with steering of mass roll-out campaigns, remote estate maintenance and terminal life cycle management - available from a real management tool, ensure proactive and preventive estate management, thereby limiting operating costs.



# A unique cross-channel solution in Europe

Ingenico Group's solution centralises payment flows generated in-store and online on a single interface for a smoother customer experience

Our new cross-channel payment service offering now delivers features such as using your bank card to collect in-store your purchases made online, refunding a transaction initially made in-store without the customer being present, and analysing consumers omnichannel path to purchase.

Successfully rolled out in 2015 among major distribution players, this payment acceptance solution emerged from the combination of the Axis (in-store payment) and Ingenico ePayments solutions. It allows merchants to improve their customer knowledge - whether they are in-store and/or web buyers - using a single, secure database, and enjoy new value-added services, while consumers are guaranteed a seamless payment experience, whatever the purchase channel.

## Several retailers already use our cross-channel payment solution

They now have access to a web interface centralising e-commerce and in-store payment transactions. By means of tokens (non-sensitive data shared with the merchant and linked with the payment card), these merchants can improve their customer knowledge, analyse their purchasing behaviour and provide them with personalised offers that meet their needs.

## First nexo certification for centralised payment

Ingenico Group has been the first to obtain the nexo certification (OSCAR OIS v3.2) for its centralised management solution for card payments. The Group offers large-scale merchants and organised retail a solution that conforms to the latest nexo European standards, confirming Ingenico Group's leadership in multi-country payment acceptance solutions. A pilot for Carrefour, rolled out over the course of 2015, has demonstrated its reliability and ideal suitability to the needs of international distributors.

# A seamless global online payment offering

Buyers' behaviour has profoundly changed with the advent of e-commerce. Mobile commerce has established itself as a key sales channel and is set to continue to grow at a steady pace. Meanwhile, cross-border transactions are developing even more rapidly, driven by e-merchants' desire for international expansion. At the same time, merchants must look to converge their physical and virtual points of sale.

## An end-to-end offering

To meet all of these issues facing merchants, Ingenico Group provides a scalable online payment offering ranging from transaction platforms and local payment fraud prevention to an end-to-end online payment solution including value-added services such as collection for a third party, cross-border transactions and foreign currency management.

Moreover, Ingenico Group's offering includes new tools to help e-merchants expand their business. Elevate provides dashboards, benchmarks and an intrinsic analysis of their business. Merchants can, therefore, quickly and easily identify trends and make related marketing decisions. Ingenico Connect facilitates payment integration to e-commerce websites, maximising the sales conversion rate.

## A global business and brand

Accepting over 150 payment methods, working in partnership with 230 banks and acquirers, and covering 170 countries, Ingenico Group is a truly global player in online payment services that connects consumers and e-merchants, whether small local players or major international merchants. This was made possible by bringing together Ogone and GlobalCollect, companies purchased in 2013 and 2014 respectively. In January 2016, Ingenico Group launched its new brand Ingenico ePayments, representing the culmination of GlobalCollect and Ogone's integration process and illustrating its ambitions in the online payment market. It symbolises the global presence of the Group's online payment offering and its ability to help online merchants in their daily management and efforts to optimise their conversion rate and conquer new markets.

800+ EMPLOYEES WORLDWIDE	15 SITES WORLDWIDE	65000 CLIENTS
150+ PAYMENT METHODS	150+ DIFFERENT CURRENCIES	225 INDUSTRIAL PARTNERS
170 COUNTRIES	230 ACQUIRING PARTNERS	59 BILLION EURO IN TRANSACTIONS



# INNOVATION TO ADVANCE NEW USES

In terms of payment, innovations are driven by changes in consumer behaviour and technology. Today's consumers are increasingly connected. Payment must keep in step with their habits and allow them to make their purchase at any time regardless of the sales channel. Contactless payment is now a reality and is becoming more and more widely available. In the future, payments will be made from connected objects, smartphones, tablets and even advertising screens. In 2015, Ingenico Group widely confirmed its technological lead in this field, enabling customer paths to purchase with unprecedented innovations.

# Ingenico Labs, spearheading the payments of tomorrow

Ingenico Group created Ingenico Labs in March 2015. Its mission: increasing the Group's drive for innovation by combining its expertise with that of its key partners in order to invent and prepare the concepts of tomorrow. In 2015, Ingenico Labs demonstrated its ability to integrate contactless payment into connected objects through a number of unprecedented initiatives.

## Multi-payment in connected screens

In partnership with Think&Go, the leader in connected screens, Ingenico Labs rolled out the first connected screen integrating contactless multi-payment in BNP Paribas' 2Opéra Paris agency. Integrating payment into connected advertising screens is a unique opportunity to create new interaction points between merchants and their customers. This pilot solution also paves the way for new sales opportunities and new consumer pathways such as reserving a product on screen and paying the remainder when collecting it in store.

## Contactless payment comes to tablets

In 2015, Ingenico Group stepped up the pace of integrating secure contactless payment into tablets, in collaboration with two partners: Panasonic and Aava Mobile. These innovations follow on from the strategic partnership signed between Ingenico Group and Intel. Both featuring Intel technology, these tablets meet the expectations of merchants looking for all-in-one mobile tools to facilitate payment from anywhere in the store. They are robust, light and

capable of integrating point-of-sale management features (CRM, stock management, etc.). Combining the advantages of mobile computing and secure contactless payment in a single tool, these connected tablets will optimise the purchasing experience for the consumer, offering a fast, reliable service.

Thanks to a connected screen, customers of BNP Paribas' 2Opéra agency may choose to make a donation to various partner charities of the bank. 📺



# Ingenico ePayments strengthens its offering

Ingenico ePayments, the division dedicated to online and mobile commerce, developed new features on its platforms in 2015. These innovations particularly meet the issues faced by e-merchants in two areas: performance analysis and optimised mobile payment.

## A more in-depth data analysis solution

With the new version of its fraud management and performance analysis tool, Elevate, Ingenico ePayments now offers the best market solutions in terms of data analysis. This decision-making solution allows merchants to see their customers' profiles and payment data in order to analyse their business performance in all geographical areas. The new features include a comprehensive comparative analysis tool and new dashboards to quickly and easily identify market trends. Through this optimised offering, Ingenico ePayments provides merchants with state-of-the-art resources to optimise their online business.

## New tools for online and mobile payment

The growth of mobile commerce is already exceeding that of traditional e-commerce, and consumers' experience on mobile devices is on the point of becoming a significant factor for success for e-merchants. With this in mind, the ePayments teams have developed a turnkey offering by the name of Ingenico Connect, allowing e-merchants to rapidly set up and customise their payment page. This solution makes it easier to integrate features and improve the payment page's ergonomics. Use by the end consumer on a computer, smartphone or tablet is therefore optimised. This best-in-class solution consequently helps to achieve a better online customer conversion rate.



# A first hackathon to invent the commerce of tomorrow

48 hours to invent the commerce of tomorrow: this was the challenge set for the 80 participants in the first Ingenico hackathon held in Paris in November 2015.

80 developers and creatives had 48 hours to come up with HTML5 applications allowing merchants to offer their customers value-added services on their payment terminal, capitalising on the innovative features offered by Ingenico's new Telium Tetra range. Out of 23 projects completed and presented to the jury, four winning teams were chosen and awarded a €4,000 prize each. Marketing campaigns, customer loyalty, recruitment, couponing, cross-selling, stock management: developers and creatives were able to give free rein to their imagination to create applications designed to enrich merchants' service offering.

## 23 completed projects, four finalists and one winner!

The four finalists then joined the fast-track incubator with a view to fine-tuning their project. The aim? To complete their applications and present them at the Ingenico stand at the Cartes 2015 show. After three days' suspense and over 300 votes from visitors, the staff geolocation application Louise ultimately won the «Ingenico Innovation» top prize. Its concept enables merchants and restaurant owners to

quickly find extra staff available if need be. Its added bonus? Its multifunctionality, allowing the merchant to send their request, contract and obtain the signature of the temporary employee.

## A strong driver for innovation / Recognition of the Telium Tetra offering

Entirely in line with Ingenico Group's innovation strategy, this first hackathon confirmed the pertinence of the Telium Tetra offering through the full-scale tests performed on the applications developed by third parties. As a result, new hackathons will be organised regionally to help enrich the Marketplace's partner ecosystem.

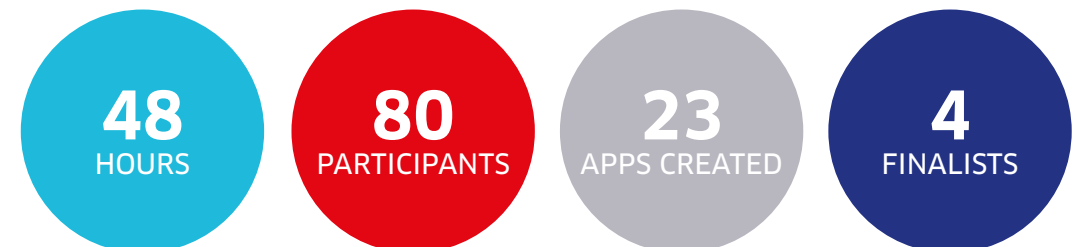


After three days' demonstration at the Cartes 2015 show in Paris, the application "Louise" ultimately won Ingenico's first hackathon thanks to visitors' votes.



Michel Léger,  
EVP Innovation  
and a member of the Hackathon jury

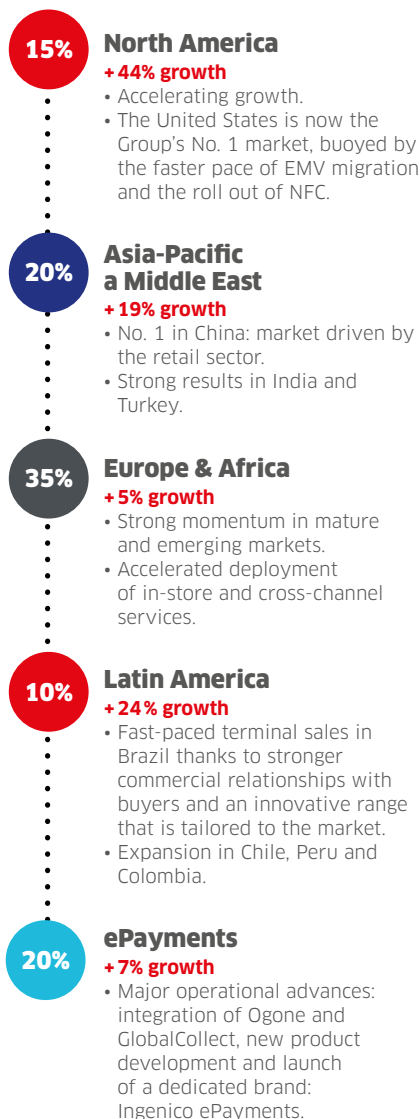
“ The quality of the applications and the business models presented by the participants were of a professional level. In particular, this project has demonstrated that it is fast and simple to develop an HTML5 business application on our Telium Tetra platform. ”





# INGENICO GROUP IN THE WORLD IN 2015

With a commercial presence in over 170 countries, Ingenico Group owes its success to its international reach and its ability to propose to its customers a wide range of solutions and services tailored to their regions.





# NORTH AMERICA

In 2015, Ingenico Group continued its rise in North America, recording growth of 44%

With 81% growth in 2015, the United States has become the Group's leading market, ahead of China. In 2015, they benefited from businesses' accelerated migration to EMV technology. Ingenico Group is well positioned to take advantage of the rise of EMV across all client segments. Following the lead of major retailers, medium- and small-sized players are now seeing the need to purchase EMV equipment. In 2015, the region landed significant new customers including Crate & Barrel, Batteries Plus Bulbs, Sam Ash Music, Staples, Stage Stores, Men's Wearhouse, Cabela's and Schnucks. Many of Ingenico Group's existing top-tier retail customers also purchased add-on products and services from the company throughout the year, thus contributing to its substantial growth within the retail segment.

Over the course of the year, Ingenico Group also gained significant traction within the hotel and lodging sectors. As an example, Ingenico Group deployed its iSC Touch 480 EMV touchscreen terminals across all G6 Hospitality hotel chains, including the iconic brands Motel 6 and Studio 6.

A pioneer in the field of NFC/contactless-enabled terminals, Ingenico Group North America also accelerated the deployment of contactless solutions in the region for small and midsize businesses, and represented 83% of Telium terminal shipments in 2015. This growth was largely driven by the demand for NFC/contactless-enabled terminals due to the introduction of new NFC-based mobile payment options in the U.S., including Apple Pay and Android Pay.

Also notable in 2015, is the region's rapid growth and adoption of its point-to-point encryption (P2PE) solution On-Guard. Of the four PCI-validated P2PE offerings available in the U.S. today, three are powered by Ingenico Group's On-Guard. In 2015, adoption of Ingenico Group's On-Guard grew by 10x as U.S. merchants upgraded their systems for EMV and concurrently implemented additional security measures to help fortify their payment acceptance infrastructures.



65%

**EMV terminal penetration rate:** out of 55 major retailer brands, 65% have updated less than half of their terminals or not updated their terminals in any of their stores<sup>1</sup>.

37%

As of end 2015, only 37% of U.S. card-accepting merchants were EMV-ready<sup>2</sup>.

1 - (source: CardHub's 2016 EMV Adoption Survey)

2 - (source: TSG January 2016 EMV Adoption Survey)

# ASIA-PACIFIC & MIDDLE EAST

**In 2015, the Group confirmed its leadership in all of the markets in the region. This good performance is based on the Group's operational efficiency and its ability to handle vast cultural diversity and technological complexities.**

## Growth markets

With over four billion inhabitants, a booming urban middle class and a strong economic dynamism, the Asia-Pacific and Middle East Region offers considerable potential for growth in the payment terminals market. The region, which consists of over 50 countries, is characterised by major disparities, in terms of the pace of growth, the maturity of payment systems, and cultural and technological diversity. Whether banking systems, payment schemes, regulations, or electronic payment penetration, the Group must grasp the specific features of each country to ensure its development in this region.

## Reinforced market share

In this context, the Group is continuing to shape and reinforce its commercial network to capture growth in the different markets. In 2015, Ingenico Group consolidated its market share in existing countries and expanded its presence to new countries. In China, the Group cemented its leadership through its local subsidiary Landi, whose terminal sales reached record levels. In India and Indonesia, business continued at a particularly high pace. At the same time, the Group pursued its development in more emerging market countries such as Vietnam, the Philippines, Thailand and Laos. In Turkey, the Group is well positioned to capture the growth generated by the new regulatory requirement that decrees the use of electronic payment equipment for fiscal traceability. In Australia, the year was marked by winning a new client, the country's third-largest bank, which is renewing all of its 2G terminals.



**In 2015, the Asia-Pacific & Middle East zone confirmed its leadership in all of the markets in the region.**

# EUROPE & AFRICA

**In Europe and Africa, Ingenico Group has confirmed its leadership in the terminals market, boosted by new regulations and the accelerated pace of contactless payment adoption in the area.**

In the retail sector, the Group continued to develop innovative in-store and online payment services in Western Europe, allowing it to implement strategic commercial projects. In September 2015, Ingenico Group began to roll out its cross-channel solution for several brands, paving the way for the deployment of a cross-channel offering that is unique on the European market. The Group also strengthened its position among large retailers who are increasingly looking for a single supplier capable of supporting them in developing both cross-channel and international payment, in line with the latest standards and European directives (SEPA).

In the United Kingdom, the Group renewed all of its framework agreements with the leading acquirers and concluded new contracts with major retail players, allowing it to continue to reinforce its number one position in the country. The roll-out of its centralised transaction management solution Axis picked up speed in the retail sector in Europe with the signature of major contracts and a highly promising outlook for 2016.

In Germany, the Group confirmed its presence in all segments. The terminals market benefited from a replacement cycle linked to new regulations, while there was sustained growth in in-store processing and acquiring services due to the acquisition of new clients and the organic growth of the electronic payment market.

In Russia, the Group confirmed an excellent dynamic, gaining market share particularly by reinforcing its partnership with Sberbank, the country's main acquirer.

In Africa, the Group continued to implement its financial inclusion strategy, notably by providing support for local banks in developing simple banking operations in the most remote villages. In 2015, Ingenico Group rolled out 30,000 terminals in Kenya and 5,000 in the rest of East Africa for branchless banking activities. The Group also deployed its terminals for microfinance activities in Malawi, Nigeria, the Democratic Republic of Congo, Tanzania, Uganda and Zambia.



In 2015, the group also stepped up the pace of the roll-out of its automatic vending solutions, especially in the transport, car park and motor fuel distribution sectors.

# LATIN AMERICA

**In 2015, Ingenico Group achieved sustained growth in Latin America. This success reflected the roll-out acceleration of the EMV, NFC and mPOS payment solutions and the strong relationships established with the Group's local customers over the past decades.**

The rollout of GPRS, 3G, Wi-Fi and Bluetooth technologies throughout the region supported the deployment of wireless payment devices, such as Ingenico Group's iWL 280. It was one of the regional bestsellers due to its design usability, reliability and wide connectivity range, making it particularly well positioned to meet merchant requirements.

Brazil remained the key driver of growth in the region, confirming the Group's position as the only player on the market able to provide solutions to all acquirers. Ingenico Group consolidated its presence in the mobile market, with a strong expansion of its mPOS segment for micro-merchants, the micro economy being strengthened by the current economic crisis.

In Mexico, the Group has continued to roll out a complete solution including Software and Terminal management to the main retailers of the country.

Throughout the rest of the continent, the Group achieved significant growth in key markets such as Peru, Chile and Central America. This was driven by the continued deployment of Telium2 terminals. Elsewhere, the Group continued to expand its footprint, particularly in Ecuador.

Ingenico Group took part in the 2015 Cards Payment & Identification tradeshow, dedicated to electronic and card payments, digital identification and signature. Held in April 2015 in Sao Paolo, the event dedicated to the cards and electronic payment, identification and digital signature sectors in Latin America, brought together nearly 130 brand exhibitors and more than 7,000 visitors from all over the world. The show spotlighted a series of new technologies and trends in the digital identification, biometrics, contactless solutions, customer loyalty, POS, RFID, mobile-payment, ePayment and benefit cards sectors.



Ingenico Group at the 2015 Cards & Identification trade fair in Sao Paulo, the industry's most important trade fair in Latin America.





# ePayments

One year after the merger between the companies Ogone and GlobalCollect, Ingenico Group's ePayments division has continued to roll out its online payment solutions to retailers and to renew its offering and solutions. The year was marked by the gradual implementation of a single organisation and accelerated synergies in terms of both business and products.

- In **Europe**, major contracts were won, for instance Study Group (a supplier of educational programmes for international students), Liverpool Football Club (a benchmark in the world of sport) and Bundlestars (a key player in the gaming sector). Another milestone in the region was organisational optimisation with the creation of a single commercial team for the two platforms.
- In the **Asia Pacific region**, GlobalCollect continued to make progress among tourism and travel sector clients, particularly by deploying its dedicated solutions for online prepaid reservations for major hotel chains. Ingenico ePayments also strengthened its position with airlines.
- **North America** continued its expansion to become an increasingly strategic region for the Group for online payment business. The ePayments division has notably enriched its client portfolio in the area. The division also continued its efforts to gain ground among airlines and gaming industry players.
- In **Latin America**, the division increased its operational efficiency following the integration of the Brazil and Argentina offices and started up business in Mexico, drawing on Ingenico Group's resources in this country. The GlobalCollect platform recorded remarkable performance in 2015, with twice as many transactions and the deployment of new features such as the fraud prevention services and white label capabilities. GlobalCollect rolled out its solutions for key clients such as Sky Airlines, Australis Cruises, Decameron Hotels, Casa Andina Hotels and Avianca Airlines.



To support the launch of the Ingenico ePayments brand, the Group organised workshops with GlobalCollect and Ogone teams in all of the ePayments division's offices.



# A SOCIALLY- MINDED AND RESPONSIBLE GROUP

The global leader in payment solutions, Ingenico Group must set an exemplary standard when it comes to social responsibility. In 2015, its approach got a renewed boost with the creation of a CSR post supported by a multidisciplinary team and the gradual creation of a network of ambassadors. On the strength of this reinforced organisation, Ingenico Group is well prepared to achieve its ambition of generating inclusive and transparent growth based on ever more innovative and reliable payment solutions.

# Our human capital, the pillar of our success

## Promoting team diversity

Convinced that diversity and inclusion are the guarantees of strong performance, Ingenico Group relies on global talent to support its ambitions for growth. 6,000 employees, 75 nationalities spread over 36 countries, technical, commercial and operational skills in the service of a variety of sectors and businesses: this diversity is what makes Ingenico Group a leading company capable of keeping step with the changes in tomorrow's business world.

## Integrating talent

The Group continually invests in the recruitment and both the individual and Group integration of profiles from all professional backgrounds. In 2015, we continued to strengthen our teams in order to support our growth, increasing our workforce from 5,500 to 6,000. Quite particular attention is paid to welcoming and integrating employees, as our Group is being built largely through acquisition. In this respect, to support the launch of the Ingenico ePayments brand, the Group organised workshops with GlobalCollect and Ogone teams in all of the ePayments division's offices: Singapore, Londres, Bruxelles, Hoofddorp, Buenos Aires, San Francisco. Over 600 members of staff took part in these very interactive workshops known as Global Brand Journey. The aim: laying out solid foundations for the future brand, based on an interactive and customer-focused approach as well as team engagement and empowerment.



## Developing skills in the digital age

To promote our culture of innovation, which forms the basis of our growth, we have developed new training, personal development, collaboration and communication methods. In terms of skills development, the Group acquired a new global e-learning platform in 2015. Aimed at all employees, this platform of programmes already offers over 40 different modules that cover the fundamentals of the Group, and the fields of software development, security and developing managerial skills, among others.

The year was also marked by the launch of an ambitious Digital Workplace project, which will continue in 2016. This Digital Workplace, which combines a series of Group work tools encouraging operational efficiency and innovation, while strengthening the feeling of belonging, covers several areas: managing internal communication, knowledge, projects, networks and internal communities. At the same time, the Group has bolstered its HR presence on professional social networks such as LinkedIn and Twitter.

# Our company culture, the driving force behind our growth

## A solid base of shared values

Our culture is based on four key values: the Strategy and its implementation, Speed, Size and Solidarity. Driving the actions of all of our staff day by day, these values support the Group in its on-going quest for innovation in order to offer new solutions that meet our customers' needs. They also correspond to the issues at stake for our Group in terms of remaining agile in a complex and constantly changing environment.

## Creating a motivating working environment

We strive to develop a working environment based on four themes: giving meaning, developing skills, fostering a culture founded on respect and fairness, and acknowledging results. This contributes to personal and Group commitment to achieving the Group's ambitions. An internal engagement survey "People in" was launched in June 2015. The overall rate of participation reached over 78% of the Group's employees. In particular, the survey revealed staff members' confidence in the Group's strategy, their pride in belonging to it, the customer focus and a positive view of their working conditions.

## Acting as a responsible employer

Ingenico Group is committed to improving gender equality at work for its employees worldwide. In 2015, the Group continued to implement its plan to promote equality in France. Launched in 2013, it covers recruitment, training, professional development, remuneration and work-life balance. Ingenico Group is an equal opportunity employer.


## Uniting around shared goals and recognising performance

Our management is based on aligning the goals and priorities of each business unit and activity with the issues at stake for the company. Ingenico Group ensures that these priorities are clearly in keeping with individual and Group performance, as well as the remuneration schemes, which are designed to be fair, attractive and competitive. In 2015, members of staff in France participated in a capital increase through an employee shareholder scheme.

 **+8%**  
new  
employees in  
2015

 **58 000**  
58 000 hours  
of training offered  
in 2015, i.e. 12 hours  
per employee



 **170**  
employees  
used  
telecommuting

 **78%**  
overall rate of  
participation  
in the People  
In survey



# The environment at the heart of our concerns

Ingenico Group is developing an ambitious policy to limit the ecological footprint linked to its infrastructures and business activity, along with the use of its solutions.

To steer its environmental policy and make it an integral part of a continuous improvement approach, Ingenico Group has an environmental management system based on ISO 14001 international standard, whose certification was renewed in 2015 according to the ISO 14001: 2015 frame of reference.


Each year, the Group updates its Greenhouse Gas (GHG) emissions assessment (GES). The results revealed that the two objectives set for 2015 had been exceeded.


The CDP, an independent organisation holding the leading carbon database in the world intended for international investors in search of sustainable placements, rewarded Ingenico Group's proactive carbon policy by awarding it a score of 97B in 2015, which places it among the leaders.

These results are the fruit of initiatives deployed for several years in many fields: business travel, energy consumption in the Group's offices, transport of goods, product eco-design or electronic waste recycling.

In terms of transport for example, the Group prioritises transport by boat and strives to consolidate loads for international links. It also completely neutralised GHG emissions generated by the domestic transport of its products in Brazil and Mexico in 2015 through a carbon compensation programme.

Whenever possible, the Group ensures that it occupies high energy performance buildings or draws on renewable energies. By way of example, all of the energy consumed by the Ratingen site in Germany is entirely produced using renewable energy.

**-22%**   
Global carbon footprint  
per terminal installed  
(2011-2015)

**-55%**   
Energy consumption  
per terminal installed  
(2011-2015)



Stable energy  
consumption of  
the Group despite  
an increase in staff  
and operations in 2015



**29%**  
of goods  
transported  
by boat in 2015

## Ingenico Group's societal commitment focuses on three main areas:



Secure payment solutions respecting data protection



A responsible supply chain management



Innovation and partnerships towards transparency and financial inclusion



## A duty to set an exemplary standard for our stakeholders

Ingenico Group endeavours to conduct all of its activities according to the rules of professional ethics and with respect for human rights. This ethical commitment was strengthened in 2015 with its signature of the United Nations Global Compact.

The Group pays particular attention to managing its terminal supply chain. This is a crucial issue at stake because the production of all of its terminals is outsourced, apart from one site in China. Its two first-tier suppliers responsible for assembling the terminals have signed the Electronic Industry Citizenship Coalition (EICC) charter. Beyond this, the Group places strict controls on the assembly sites and has dedicated employees on these main sites in Brazil, Malaysia and Vietnam. They are tasked with supervising the assembly lines on a daily basis and ensuring that operations are carried out in compliance with the rules set by the Group. Ingenico Group pays the same attention to its second-tier suppliers in charge of producing its components. In 2015, the Group reinforced its existing provisions by rolling out a CSR contract, enriching its supplier evaluation questionnaire and continuing to conduct audits.

In 2015, the Group also concentrated its efforts on improving its approach to protecting personal data. This was reflected in the deployment of a Group policy applicable to all entities, in addition to existing local policies.

Another key aspect in the Group's social commitment is its contribution to the development of the surrounding communities in the areas where it is based, through corporate sponsorship actions, fundraising activities, support for communities with specific needs or local organisations, initiatives linked to education or innovation, etc. For example, the Group has turned to a socially inclusive business that employs 90% disabled people to handle the office waste sorting at its Paris site.

In terms of support for education, Ingenico Group has put in place many partnerships with schools and universities, including a particularly fruitful bilateral collaboration with the Polytechnic University of Milan's Management School in Italy.

# 2015:

## a new year of CSR actions

Focus on the CSR highlights



Network France  
WE SUPPORT

### > UNITED NATIONS GLOBAL COMPACT

Ingenico Group's commitment in favour of Sustainable Development is reflected in its participation to the UN Global Compact, a worldwide initiative relying on ten founding principles in the areas of Human Rights, Labour, Environment and Anti-Corruption. This demonstrates its determination to strengthen its actions in favour of sustainable development.

### > CONTRIBUTING TO COP 21'S JOINT INITIATIVE

Within the framework of the 21st United Nations Climate Change Conference, the Group wished to contribute to this group dynamic by supporting the Business Proposals for COP 21 action. Ingenico Group was also involved in one of the actions suggested by the We Mean Business coalition to combat climate change. Its aim was to unite companies and communicate about actions taken by the private sector with regard to climate change.



### > CARBON COMPENSATION WITH THE GOODPLANET FOUNDATION

In 2015, Ingenico Group joined forces with Yann Arthus-Bertrand's GoodPlanet Foundation to offset the CO2 emissions generated by participants' air travel to two key events: the Partners Forum in Budapest and the Cartes trade fair in Paris. Carbon compensation provides financial support for projects encouraging the use of environmentally friendly technologies among vulnerable populations.

### > PROMOTING FINANCIAL INCLUSION IN AFRICA

By providing electronic payment solutions available to as many people as possible, the Group is contributing to the financialisation of emerging economies. Its financial inclusion efforts in Africa were rewarded in 2015 with three «Kalahari prizes» awarded during the Mobile Money Expo event, including the prize for best financial inclusion platform. These trophies are recognition of the creativity, commitment and excellence of its mobile financial services across the African continent.



### > TECHNOLOGY TO PROMOTE FUNDRAISING

The Group continued its collaboration with Heoh and joined forces with MicroDON, whose L'Arrondi communication campaign it supported and whose solution was one of the winners at the «Nuit de l'Economie Positive» gala evening. The solutions developed offer the possibility of collecting micro-donations when making payments at client retailers and merchants. Ingenico Group also supported the Institut Curie by providing its innovative connected screen donation solution during its cancer fundraising campaign.



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# Ingenico Group

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### DIGITAL VERSION

All our news and videos from 2015 are available  
on the interactive version of the report.

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**ingenico**  
GROUP

global  
leader in  
seamless  
payment

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