

Ingenico Group 2021: Strategic plan & financial objectives

Our ambition: becoming the most proactive and trusted payment partner

Accelerate Retail profitable growth and restore B&A competitive edge
Focus on client centricity to capture value along the entire payment chain
Execute a global transformation through the implementation of the Fit for Growth plan
Simplify our organization to gain agility and efficiency

Improve Ingenico growth and margin profile creating value for all stakeholders

Organic CAGR 2018 to 2021 above 6%
EBITDA* of c. €700 million in 2021
€100 million of EBITDA impact in 2021 derived from Fit for Growth plan execution
45-50% of FCF/EBITDA conversion*
Above 35% pay-out ratio

Ingenico Group (Euronext: FR0000125346 - ING), the global leader in seamless payment, is presenting its 2021 objectives during a Capital Market Day held in Paris.

Nicolas Huss, Chief Executive Officer of Ingenico Group, commented: ***“I am very excited today to present Ingenico’s new strategy and financial ambition for 2021. Over the past decade, through several transformational acquisitions, we have repositioned Ingenico Group across the entire payment value chain, from a pure payment terminal leader to a full payment services leading provider. Our goal now is to fully leverage and optimize Ingenico’s asset portfolio through the execution of our Fit for Growth global transformation plan bringing the Group to the next level. We are embarking on this journey with a new leadership team focused on making Ingenico the most proactive and trusted partner of the payment ecosystem. The expansion of the Group offering along with a more agile and efficient organization will enable Retail to accelerate its profitable growth and B&A to restore its competitive edge. Ingenico aims at reaching an average organic growth rate above 6% over the period 2018 to 2021 and an EBITDA of c. €700 million in 2021 with a 45% to 50% free cash flow conversion. We are fully in motion to deliver Ingenico new strategy creating value for all stakeholders.”***

(*) After IFRS 16 application. The Group estimates the IFRS 16 impact on 2019 EBITDA at +c.€30m with no impact on free cash flow

The New Ingenico: bringing the Group to the next level by 2021

The payment industry has been booming over the past decades, from the first electronic cards and POS equipment, to the multiplication of payment means. While the migration from cash to electronic transactions remains a driver, specific vertical dynamics and merchant needs are new catalysts, quite as much as the technology changes themselves. Those drivers have widened the competitive landscape, attracting new players but opening new opportunities for Ingenico Group.

Led by a new leadership team, the Group aims at accelerating its growth profile while improving its profitability. By 2021, this transformation will bring Ingenico Group to the next level, generating 2/3 of its revenue and more than 50% of its EBITDA in payment services.

With a full end to end offer approach, Ingenico focuses on client centricity, selling directly to merchants and indirectly through partners. Its dedicated technology strategy, coupled with a clear focus on selected merchant and customer verticals, will bring to the market differentiated solutions.

The Group: restore flexibility and agility through the Fit for Growth plan

The Group's transformation goes hand-in-hand with a streamlining program in order to bring more flexibility and agility to Ingenico. The Fit for Growth is a holistic transformation plan encompassing 33 work streams in 6 programs: (i) Operating model, (ii) Retail acceleration, (iii) B&A Revival, (iv) Technology transformation, (v) G&A streamlining, and, (vi) Procurement optimization. Therefore, the **Fit for Growth plan is expected to generate €100 million of EBITDA impact in 2021, with €40 million in Retail and €60 million in B&A**. As part of the operating model program, the Group will reorganize its legal structure, ERP landscape and analytical structure to create by the end of 2019 two sub-groups, one for B&A and one for Retail. This new organization will enable each Business Unit to gain transparency, accountability in performance monitoring as well as increase its own business agility.

B&A: be the trusted technology partner in the new world of payment acceptance

As the POS market is transforming, through rapid technological evolution, B&A is adapting his offering to this new ecosystem. From the Android POS to its global positioning and local know-how, B&A already has all the relevant assets to seize new business opportunities. In the coming three years, the business unit will concentrate its efforts at leveraging its leadership on Tetra, accelerating the worldwide deployment of Android devices and bringing effectiveness into its organization. Therefore, B&A is expected to **grow between 0% to 2% over the next three years and to reach c. €300 million of EBITDA in 2021**, including €60 million of savings derived from the Fit for Growth plan.

Retail: be the most proactive partner in the new world of commerce

Retail is evolving in a rapidly changing environment. Over the past few years, Retail has transformed itself in one of the key payment players providing solutions directly to merchants or through partners. Thanks to strategic acquisitions, organic investments and a complete reorganization, revenues and profitability have significantly improved over the past 3 years. The business unit is now accelerating its growth profile, through 10 Fit for Growth initiatives focused at deploying the SMB repeatable operating model, strengthening Global Online vertical go to market, expanding Enterprise offering, materializing Payone synergies and proposing a unique customer experience through technology orchestration. Therefore, Retail is expected to **reach 11% to 12% organic growth in 2021 and to reach an EBITDA of c. €400 million at this time**, including €40 million of savings derived from the Fit for Growth plan.

Ingenico Group 2021 plan

Ingenico Group has set itself the following 2021 financial objectives (after IFRS 16 application):

- **Revenue:** The group expects to achieve an organic CAGR 2018-2021 **above 6%**.
- **EBITDA:** The group targets an **EBITDA of c. €700 million in 2021**, including €100 million of savings derived from the Fit for Growth plan.
- **Free cash-flow:** The group has the ambition to reach a **free cash-flow conversion rate of 45-50%**.
- **Pay-out ratio: above 35%**

Video Webcast & Conference Call

The mid-term strategic plan and the 2021 financial objectives will be discussed in a video webcast and a Group telephone conference call to be held on 24th April 2019 at 9.00am Paris time (8.00am UK time). **The presentation will be available and the video webcast will be accessible at www.ingenico.com/finance**. The call will be accessible by dialling one of the following numbers: +33 (0) 1 70 37 71 66 (from France), +1 646 843 4608 (from the US) and +44 20 3003 2666 (from other countries) with the conference password: Ingenico.

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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Contacts / Ingenico Group

Investors

Laurent Marie
VP Investor Relations &
Financial Communication
laurent.marie@ingenico.com
(T) / (+33) (0)1 58 01 92 98

Investors

Kévin Woringer
Investor Relations Manager
kevin.woringer@ingenico.com
(T) / (+33) (0)1 58 01 85 09

Communication

Hélène Carlander
PR Officer
helene.carlander@ingenico.com
(T) / (+33) (0)1 58 01 83 17

Upcoming events

Annual General Meeting: June 11th, 2019
2019 half year results: July 23rd, 2019