Press Release

Paris, 22nd April 2020

First quarter 2020

Resilient Q1'20
despite the first Covid-19 impacts

Revenue of €658 million, up 4% on a comparable basis[1]

Retail growth at 7% impacted by Covid-19 from mid-March 2020

B&A performance stable despite early Covid-19 impact in Asia, benefiting from its global footprint

Launch of a strong & holistic action plan to mitigate revenue impacts and preserve profitability and cash – in full motion as early as Q2

2020 outlook updated after Covid-19 impact

Mid to high single digit organic decline in FY'20 based on several recovery scenarios

New Covid-19 action plan already in full execution to preserve profitability and cash on top of Fit for Growth program (Total of €135m EBITDA impact in 2020)

FY'20 EBITDA in percentage of net revenue above 21% (20.9% in FY'19)

Above 50% Free Cash-Flow conversion rate maintained

No dividend payment proposal at the AGM of 11th June, 2020

Ingenico Group (Euronext: FR0000125346 - ING), the global leader in seamless payments, today announced its revenue for the first quarter 2020.

Nicolas Huss, Chief Executive Officer of Ingenico Group, commented: ***"In the context of the Covid-19 crisis, the Group posted a truly resilient performance in the first quarter, achieving 4 % organic growth. We actually performed above expectations until mid-March when we felt the impact of the spread of Covid-19 triggering store closures, travel halts and confinements. Based on our current analysis of the Covid-19 situation, we expect our second quarter to be down around 20%.***
In the light of this unprecedented health crisis, our first responsibility was to protect the health of our employees whilst continuing to operate the business and support our clients 24/7. But this crisis is economic in nature too and we therefore launched, as early as March, a strong and holistic action plan to quickly adapt our cost structure, to protect profitability and cash throughout the year, without hampering our long-term growth profile and rebound capacity. Finally, all Fit for Growth initiatives are being executed and our teams are fully mobilized to overcome the current situation. Our long-term growth drivers remain intact and I am convinced that we should come out of the current crisis even stronger, for the benefit of all our stakeholders."

[1] *On a like-for-like basis and at constant rate on net revenues*

Key figures

	Q1 2019 Reported*	Q1 2019 Pro forma**	Q1 2020		
			€m	% Change	
	€m	€m		Comparable[1]	Reported
Retail	**324**	**319**	**341**	**7%**	**5%**
SMBs	57	57	60	6%	6%
Global Online	85	85	91	7%	8%
Enterprise	91	87	93	8%	2%
Payone	91	91	97	6%	6%
B&A	**318**	**319**	**318**	**1%**	**0%**
EMEA	110	111	110	-1%	1%
Latin America	65	57	48	-6%	-26%
North America	31	37	56	49%	80%
Asia-Pacific	112	115	103	-9%	-8%
TOTAL	**642**	**638**	**658**	**4%**	**3%**

** 2019 Q1 net revenue reported includes Mexico in Latin America while reported in North America in 2019 PF figures*
*** 2019 Q1 PF net revenue figures are restated from the divestment of Healthcare France activities and Mexico remapping*

First quarter 2020 performance

In the first quarter of 2020, revenue totalled €658 million, representing a 4% increase on a comparable basis. On a reported basis revenue was 3% higher than in the first quarter of 2019 and included a negative foreign exchange impact of €4 million and the impact of the divestment of Healthcare France activities.

The **Retail** Business Unit reported a revenue of €341 million, showing an increase of 7% over the quarter on a comparable basis. On a reported basis, revenue increased by 5% during this first quarter and included a neutral foreign exchange impact and the impact of the divestment of Healthcare France activities. Compared with Q1'19, the various activities performed as follows on a like-for-like basis:

- **SMB (up 6%)**: The first quarter performance was above our expectations for the first two months of the quarter but performance was then impacted in March by the effect of the lockdowns in the Nordic countries and in the Benelux region along with the slowdown of acquiring volumes. In that context, SMB continued to deliver a steady onboarding rate of merchants on its platform with more than 4,000 new customers per month, fuelled by online solutions to subsidise softer instore activity. During the first quarter, SMB launched a new merchant solution – Pay by Link – which is an online payment solution fitting for delivery and click and collect offering. Bambora Connect, the all-in one instore offering tailored for ISVs is continuing to gain traction and will ramp-up in the second part of 2020. Our advanced acquiring solution performed well during the quarter with transaction value up 10%, but impacted by the slowdown in March that is expected to continue in Q2.

- **Global Online (up 7%)**: During the first quarter, transaction volumes have steadily accelerated during the first two months with existing clients such as Electronic Arts or Valve, but the overall performance has not compensated the Covid-19 negative impact on the travel vertical (c.35% of volumes) in March. This situation will continue to weight on performance during Q2'20. On the regional side, performance was driven by a strong growth in emerging regions (APAC & LATAM), fuelled by market share gains, and by a strong traction in North America on the digital goods & services vertical. Pre-Covid-19 Global Online was growing c.15% demonstrating acceleration for the 3rd year in a row. In order to sustain this growth acceleration profile of Global Online in the mid-term, the current leadership has been reinforced with the arrival in April 2020 of Damien Perillat as Head of Global Online, former PayPal Managing Director for Western Europe.

- **Enterprise** (up 8%): Performance came in better than expected during the first quarter despite the high comparison basis in Q1'19 driven by Healthcare Germany activities. Excluding this specific effect Enterprise was up 16% on an organic basis. The division is benefiting from a strong traction on both sale of POS and transaction activities. In the latter, the transaction business continued its double-digit growth, driven by the European omnichannel instore platform (Axis), in which processed volumes continued to increase during the first two months of the quarter, but slowing down in March. This trend is likely to impact the Enterprise growth profile in Q2'20. The self-service segment remained dynamic with the deployment of full-service solutions. POS activities enjoyed a strong dynamic. North America has been a strong driver this quarter, benefiting from market share gains and new open payment solutions.

- **Payone** (up 6%): The first ten-week performance was very strong posting double digit growth but has been impacted in the second part of March (-10% in net revenues) by the lockdowns in the DACH region that will continue in Q2'20. Despite this context, the conversion of saving banks and win of new direct SMB customers off- and online to the Payone payment solution continued with more than 1,000 merchants joining the platform per month. In addition, the roll-out of the full service offering certified in 2019 is ongoing, highlighting the benefit of the saving banks partnership. To support the merchants in this period, Payone has launched #stayopen a one-stop-shop new digital offering providing an online solution to instore merchants. The DACH region secular shift towards electronic payments is still intact as demonstrate by the strong increase of card and contactless usage at shops. Overall, the current lockdowns situation will weight on Q2'20 performance.

During the quarter, **B&A** posted a revenue of €318 million, an increase of 1% on comparable basis. On a reported basis the activity is stable and included a negative foreign exchange impact of €4 million. Compared to Q1'19, the various regions performed as follows on a like-for-like basis:

- **Europe, Middle-East & Africa** (down 1%): The quarterly performance came in line with our expectations before the impact of the Covid-19 spread in Europe which has generated some distribution issues in the month of March after the lockdown in most countries. Western Europe has shown a good dynamic, mainly in France, Iberia and the DACH region, and signed the first Terminal as a Service offering during the first quarter with a major European banking partner. As expected, Eastern Europe is back to growth after the plan engaged during the second half of last year. Russia has suffered from a high comparison basis as Q1'19 had benefitted from strong commercial successes. This situation should continue to weight in the coming quarters on the overall performance. In the meantime, the APOS solution presented end 2019 drives positive marks of interest from banks and acquirers that could lead to meaningful revenue contribution by the end of 2020.

- **Asia-Pacific** (down 9%): The dynamic of the region came in line with our expectations following the strong demand experienced in Q1'19. China revenue has been stable despite the lockdown of the country during the first quarter, benefitting from end of year 2019 APOS orders to be deployed in Q1'20. South East Asia came in softer on the back of a normalization in Indonesia suffering from a high comparison basis. India has been impacted by the lockdowns implementation in the country while Australia is maintaining a good dynamic fuelled by commercial successes and banks demand.

- **Latin America** (down 6%): The performance is in line with our expectations with Brazilian market normalizing after the strong dynamic seen in 2019. Despite a high comparison basis, Ingenico Group has consolidated its market shares in the country, benefitting from a flexible production capacity to answer local acquirers demand. In addition, Columbia, Argentina and Peru is maintaining a good dynamic fuelled by the number of contracts signed and a strong pipeline of projects.

- **North America** (up 49%): Revenue from the region was strong throughout the first quarter, with Canada being back to a normative level of activity after a challenging 2019 year. US-based activities are accelerating in the first quarter benefiting from a strong demand on back of the EMV cycle renewals and some consolidation of market share. The ISV vertical was dynamic with strong project delivery and the continuous development of a partner program. The pipeline of projects remained strong in the first quarter and shall be a solid basis for a continued dynamic in Q2'20. Mexico revenue, now reported in North America region, is stabilizing at a normative level.

Ingenico's societal engagement during the crisis

Today, all countries are facing an unprecedented health crisis, both in terms of magnitude and complexity, and with a recovery scenario that remains difficult to confirm.
In such context, the Board and the Ingenico leadership team, with the support of all Ingenico's employees, have renewed their engagement towards our society implementing several measures such as:

- Dedicated health measures for all Ingenico employees;
- The launch of online solutions with preferred prices for small and midsize instore businesses to support their activity during the lockdowns period;
- The deployment of fundraising initiatives to provide and finance essential goods (food and sanitary products) to caregivers and vulnerable people;
- A full fixed salary maintained for all Ingenico's employees who are in partial unemployment;
- A 25% reduction of compensation[2] for Nicolas Huss (CEO of Ingenico), Bernard Bourigeaud (Chairman of the Board) and all Board members, and;
- Efficient homeworking solutions for all employees, thanks to the investment made on IT in the frame of the Fit for Growth plan.

Ingenico Group has been committed for many years to promoting social responsibility across the company. With these types of measures, the Group intends to bring its own contribution and support to our society in a common effort during this unprecedented health crisis.

Updated FY'20 outlook and dividend after Covid-19 outbreak impact

Today, the macroeconomic situation is still uncertain for the second part of the year 2020. For this reason, the previous guidance provided to the market on 3rd February, 2020 is no longer valid.
In that context and based on a tight monitoring of the situation, Ingenico Group has defined major business assumptions and several recovery scenarios that have been integrated to assess the potential organic growth profile for FY'20. Our major business assumptions are based on a staged end of confinements for Europe and the United States from mid-May to June 2020, a progressive pick-up in consumption while stores re-open depending on sanitary constraints, a central scenario on travel with no recovery of international travel before end 2020 and a gradual pick-up on regional travel, and some possible short and local re-confinements in the countries in which the Group operates.

Based on these assumptions, the Group has derived the three following scenarios structured around different recovery curves, all articulated around a conservative c.20 % organic decline in Q2:

- Scenario 1: return to the pre-Covid-19 4% to 6% organic growth guidance in Q4'20 leading to a mid-single digit organic decline in FY'20;
- Scenario 2: return to the pre-Covid-19 4% to 6% organic growth guidance in December 2020 leading to a mid to high single digit organic decline in FY'20;
- Scenario 3: return to the pre-Covid-19 4% to 6% organic growth guidance in Q1'21 leading to a high single digit organic decline in FY'20.

In this context, Ingenico Group has sized and activated in early March a strong and holistic action plan aimed at adapting its cost structure, protecting profitability and preserving cash. This sizing was decided upon the basis of the most conservative scenario (Scenario 3). Consequently, on top of the Fit for Growth plan that will deliver €35 million EBITDA impact in 2020, this C19 action plan implemented during Q1'20 will deliver €100 million added EBITDA impact in 2020. The combination of the two plans will reduce the Group's operating expenses and other cost of sales by up to 13 %.

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[2] 25% reduction of fixed and variable remuneration for Nicolas Huss and 25% reduction of fixed remuneration for Bernard Bourigeaud during the unemployment period. 25% reduction of Board members remunerations for Bernard Bourigeaud and all Board members for the full year 2020.

The Covid-19 action plan is already fully in execution and is focused on a holistic approach of the Group cost structure:

- Labor cost: full hiring freeze including replacements, use of partial unemployment measures in 6 countries (France, Belgium, UK, Norway, Austria and Taiwan). Critical positions are to be approved by the Group CEO only,
- Travel: full travel freeze,
- External services: 30% reduction in sub-contractor services, all spending above €5K to be approved by the Group CFO and strong reduction in discretionary spending,
- Capex: tight allocation of capital preserving Fit for Growth projects for 2021 business growth.

In that context, Ingenico Group revises its FY'20 guidance as follows:

- **Net revenue:** a mid to high single digit organic decline (was formerly 4- 6 % organic growth)
- **EBITDA:** an EBITDA margin above 21% (20.9% in FY'19) (was formerly above €650 million)
- **Free cash-flow conversion:** a FCF conversion above 50% (unchanged)
- **No dividend payment** (was formerly a pay-out ratio of 35 %)

On this last point, to be consistent with the partial unemployment measures, the Board of Directors has exceptionally decided not to propose a dividend distribution this year. This proposal will be presented to the Annual General Meeting of shareholders on 11th June, 2020.

Ingenico Group's long-term growth drivers remain intact and we are convinced that the Group should come out of the current crisis even stronger with the engagement of all of the teams serving our clients for the benefit of all of our stakeholders.

Audio Webcast & Conference Call

The first quarter 2020 revenue will be discussed in an audio webcast and a Group telephone conference call to be held on 22nd April 2020 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 70 37 71 66 (from France), +1 212 999 6659 (from the US) and +44 20 3003 2666 (from other countries) with the conference password: **Ingenico 2020**.

About Ingenico Group

Ingenico Group (Euronext: FR0000125346 – ING) is shaping the future of payments for sustainable and inclusive growth. As a global leader in seamless payments, we provide merchants with smart, trusted and secure solutions to empower commerce across all channels and enable simplification of payments and deliver customer promises. We are the trusted and proactive world-class partner for financial institutions and retailers, from small merchants to the world's best-known global brands. We have a global footprint with more than 8,000 employees, 90 nationalities and a commercial presence in 170 countries. Our international community of payment experts anticipates the evolutions of commerce and consumer lifestyles to provide our clients with leading-edge complete solutions wherever they are needed.
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For more experts' views, visit our blog.

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Upcoming events
Annual General Meeting: 11th June 2020

EXHIBIT 1
GROSS AND NET REVENUE

Following the achievement of the Group operating model redesign, the reporting has been adjusted as follow:

- *Restatement of Healthcare France contribution after the disposal of the entity end 2019*
- *Mexico revenue recognition in North America versus Latin America previously following a change in management responsibility*

In parallel, as announced and to provide a greater transparency and to make it easier to read the performance, revenue are now reported on a net basis (excluding interchange fees).

1. FORMER REPORTING ON REPORTED BASIS (GROSS REVENUE)

In Millions of euros	Q1 2019	Q2 2019	Q3 2019	Q4 2019	2019
Retail	435	471	501	512	1,919
SMBs	79	85	90	89	343
Global Online	133	141	152	155	582
Enterprise	91	104	101	116	412
Payone	131	142	158	152	582
Banks & Acquirers	318	387	379	367	1,451
EMEA	110	130	116	118	473
Latin America	65	78	96	85	325
North America	31	42	56	60	189
APAC	112	136	111	104	463
TOTAL	753	858	880	879	3,370

2. NEW REPORTING ON A PRO FORMA BASIS (GROSS REVENUE)

In Millions of euros	Q1 2019 PF	Q2 2019 PF	Q3 2019 PF	Q4 2019 PF	2019 PF
Retail	430	464	500	512	1,906
SMBs	79	85	90	89	343
Global Online	133	141	152	155	582
Enterprise	87	96	99	116	399
Payone	131	142	158	152	582
Banks & Acquirers	319	389	376	365	1,449
EMEA	111	132	117	119	479
Latin America	57	72	83	81	293
North America	37	46	62	57	201
APAC	115	140	114	108	477
TOTAL	749	853	875	878	3,355

3. FORMER REPORTING ON REPORTED BASIS (NET REVENUE)

In Millions of euros	Q1 2019	Q2 2019	Q3 2019	Q4 2019	2019
Retail	324	351	376	394	1,444
SMBs	57	60	64	66	246
Global Online	85	90	99	101	374
Enterprise	91	104	101	116	412
Payone	91	98	112	111	412
Banks & Acquirers	318	387	379	367	1,451
EMEA	110	130	116	118	473
Latin America	65	78	96	85	325
North America	31	42	56	60	189
APAC	112	136	111	104	463
TOTAL	642	738	755	761	2,895

4. NEW REPORTING ON A PRO FORMA BASIS (NET REVENUE)

In Millions of euros	Q1 2019 PF	Q2 2019 PF	Q3 2019 PF	Q4 2019 PF	2019 PF
Retail	319	344	374	394	1,431
SMBs	57	60	64	66	246
Global Online	85	90	99	101	375
Enterprise	87	96	99	116	399
Payone	91	98	112	111	412
Banks & Acquirers	319	389	376	365	1,449
EMEA	111	132	117	119	479
Latin America	57	72	83	81	293
North America	37	46	62	57	201
APAC	115	140	114	108	477
TOTAL	638	733	750	760	2,881