Bringing trust to an increasingly connected digital world

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Basis of preparation

Segment information
The Mobile segment reports on businesses associated with mobile cellular technologies including Machine-to-Machine, mobile secure elements (SIM, embedded secure element) and mobile Platform & Services. The Payment & Identity segment reports on businesses associated with secure personal interactions including Payment, Government Programs and Enterprise. The SafeNet acquisition is part of the Enterprise business.
In addition to this segment information the Company also reports revenues of Mobile and Payment & Identity by type of activity: Embedded software & Products (E&P) and Platforms & Services (P&S).

Adjusted income statement and profit from operations (PFO)
PFO is a non-GAAP measure defined as IFRS operating profit adjusted for (i) the amortization and depreciation of intangibles resulting from acquisitions, (ii) restructuring and acquisition-related expenses, (iii) all equity-based compensation charges and associated costs; and (iv) fair value adjustments upon business acquisitions.
In the adjusted income statement, Operating Expenses are defined as the sum of Research and Engineering, Sales and Marketing, General and Administrative expenses, and Other income (expense) net.
Return on capital employed (ROCE) is defined as after-tax PFO divided by capital employed.

Currency exchange rates
In this presentation, revenue variations are at constant exchange rates, and all other figures are at historical exchange rates, except where otherwise noted.
As the global leader in digital security, Gemalto brings trust to an increasingly connected world.

Gemalto delivers easy to use technologies and services to businesses and governments, authenticating identities and protecting data so they stay safe and enable services in personal devices, connected objects, the cloud and in between.
Successful diversification and structural transformation

2006
€1,698m

2014
€2,465m

2015
€3,122m

Charts not to scale
Market Trends of Government Programs

Gemalto has more than 100 references: over 30 electronic passport programs, more than 40 national ID initiatives, 20 citizen and voter registration programs, numerous driver's license, health and social schemes

Penetration rate of eDocuments

- Total number of documents in circulation
- Penetration of eDocuments (ePassports, eID, eDL and eHealthcare)

2016: 2.2bn
2020: 3.6bn
25% → 34%

Source: ABI research, Gemalto
Gemalto, a trusted experience partner, with over 3,000 financial institutions and issuing over 2 billion payment cards.

Market Trends of Payment business

Smart Payment Cards penetration in the banked population

- Total number of Payment Cards in circulation
- Penetration of Smart Payment Cards

- 2016: 6.3bn, 54%
- 2020: 9.1bn, 70%

Smart Payment Card Issuances (millions)

Source: IHS Technology, ABI, Gemalto
Market trends of Enterprise business lines we address

Breachlevelindex.com: Over 5 billion data records lost or stolen since 2013
95% of breaches were not encrypted

Broadest support for big data encryption

Ezio Mobile authentication with more than 40 bank references

Expand Software Monetization solution to intelligent devices

Key Management Infrastructure

Low teens CAGR

High single digit CAGR

Total Number of Online Banking Users

Mid single digit CAGR

Source: ID, Juniper, Frost and Sullivan
Market trends of the Internet of Things (IoT)

Gemalto provides a one-stop IoT security solution with reliable connectivity, security and an agile monetization framework

Source: Gemalto, GSMA Forecast
We leverage on **two unique assets**

**Our technology**

Unmatched combination of security and scalability

**Our market neutrality**

Our customers want to preserve a direct relationship with their billions of end-users
Gemalto

Enabling trust in the digital world

- World Leader in Digital Security
- Markets in Strong Development
- Unique Technology Portfolio
- Blue Chip Customers
- Large Free Float and Robust Financials
- A Business Model with Strong Leverage on Growth