First semester 2017 Roadshow

- First semester 2017 results
- Gemalto to acquire 3M’s Identity Management Business
- Introduction to Embedded SIM and On Demand Connectivity

Gemalto Investor Relations
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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 Platforms & Services. The Payment & Identity segment reports on businesses associated with secure personal interactions including Payment, Government Programs and Enterprise. The acquisition of 3M's Identity Management business in May 2017 is part of the Government Programs 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 impairment 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.

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.

Net debt and net cash
Net debt is a non IFRS measure defined as total borrowings net of cash and cash equivalents. Net cash is a non IFRS measure defined as cash and cash equivalents net of total borrowings.
Overview
First semester 2017 Highlights

- Revenue of €1.4 billion, lower by (8%) at constant exchange rates and (7%) at historical exchange rates
- Government Programs and Machine-to-Machine acceleration in the second quarter after a slow start
- Acquisition of 3M’s Identity Management Business well received by customers
- Profit from operations at €93 million, with €50 million of free cash flow
- €425 million goodwill impairment charge as a result of deteriorated prospects for the removable SIM market
<table>
<thead>
<tr>
<th>Key figures from H1 2017 financial results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
</tr>
<tr>
<td>Gross profit</td>
</tr>
<tr>
<td>Operating expenses</td>
</tr>
<tr>
<td>Profit from operations</td>
</tr>
<tr>
<td>Earnings per share</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Extracts from the adjusted income statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>at historical rates</td>
</tr>
<tr>
<td>Gross margin</td>
</tr>
<tr>
<td>OpEx ratio</td>
</tr>
<tr>
<td>PFO margin</td>
</tr>
</tbody>
</table>
Financial results
## Reconciliation from Adjusted financial information to IFRS

<table>
<thead>
<tr>
<th>€ in millions</th>
<th>Adjusted financial information</th>
<th>Fair value adjustment upon acquisitions</th>
<th>Amortization and impairment of intangible assets</th>
<th>Equity based compensation</th>
<th>Restructuring and acquisitions related expenses</th>
<th>IFRS financial information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>H1 2017</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>1,393</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,393</td>
</tr>
<tr>
<td>Profit from operations</td>
<td>93</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IFRS operating profit</td>
<td>(1)</td>
<td>(468)</td>
<td>(20)</td>
<td>(37)</td>
<td></td>
<td>(433)</td>
</tr>
<tr>
<td><strong>H1 2016</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>1,495</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,495</td>
</tr>
<tr>
<td>Profit from operations</td>
<td>172</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>108</td>
</tr>
<tr>
<td>IFRS operating profit</td>
<td>(2)</td>
<td>(29)</td>
<td>(19)</td>
<td>(14)</td>
<td></td>
<td>108</td>
</tr>
</tbody>
</table>
## Key items of the cash flow statement

<table>
<thead>
<tr>
<th>€ in millions</th>
<th>First Semester 2017</th>
<th>First Semester 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash generated by operating activities before changes in working capital</strong></td>
<td>121</td>
<td>177</td>
</tr>
<tr>
<td>Net change in working capital</td>
<td>(1)</td>
<td>(43)</td>
</tr>
<tr>
<td>Cash used in restructuring actions and acquisition related expenses</td>
<td>(23)</td>
<td>(16)</td>
</tr>
<tr>
<td>Time de-correlated hedging effect / (Prepaid derivatives)</td>
<td>21</td>
<td>22</td>
</tr>
<tr>
<td><strong>Net cash generated by operating activities</strong></td>
<td>118</td>
<td>139</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>(68)</td>
<td>(75)</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td>50</td>
<td>64</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>(761)</td>
<td>(3)</td>
</tr>
<tr>
<td>Dividend paid to Gemalto shareholders</td>
<td>(45)</td>
<td>(42)</td>
</tr>
<tr>
<td>Net proceed (repayment) from/of financing instruments and others</td>
<td>334</td>
<td>(22)</td>
</tr>
<tr>
<td><strong>Net (debt) / cash, end of period</strong></td>
<td>(838)</td>
<td>(334)</td>
</tr>
</tbody>
</table>
Gemalto financial structure as of June 30th 2017

- No financial covenants in any of the documentations
- €600m of undrawn committed bilateral facilities
- FY 2017 Net debt/adj. EBITDA ratio expected to be between 1.5 and 2.0 taking into account the newly acquired Identity Management Business
First semester revenue composition

Main segment revenues

- **Government**: (8%) yoy
- **Enterprise**: (10%) yoy
- **Payment**:
  - M2M
  - Mobile P&S
  - Mobile E&P

63% of total revenue

Activity revenues

- Platforms & Services: €453m
- Embedded software & Products: €937m

33% of total revenue

67% of total revenue
Payment & Identity – key financial information

- Embedded software & Products were €532 million and Platforms & Services €343 million, lower by (8%) and (6%) respectively

- Payment business revenue lower by (19%) year-on-year
  - Sales in Americas down by (37%) versus +33% a year ago, due to on-going normalization of US EMV card inventory levels coupled with soft market in Latin America
  - Gemalto is regrouping its Mobile Financial Services offers with its eBanking offers to better address opportunities of European Payment Service Directive 2

- Enterprise business revenue at €217 million
  - Data Encryption business line up 6%.
  - Authentication and Software Monetization fall due to shift to cloud and software services subscription model

- Government Programs revenue at €243 million, up +11%
  - Embedded software & Products up +15%
  - Recently acquired Identity Management Business contribution in Q2 was €22 million and more than offset decrease in organic Government P&S that had grown +30% in H1 2016

- Gross margin at 38%
## Mobile – key financial information

<table>
<thead>
<tr>
<th>Category</th>
<th>2017 H1 (€m)</th>
<th>2016 H1 (€m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>516</td>
<td>557</td>
</tr>
<tr>
<td>(10%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Profit</td>
<td>168</td>
<td>212</td>
</tr>
<tr>
<td>(21%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Margin</td>
<td>32.6%</td>
<td>38.1%</td>
</tr>
<tr>
<td>(5.5ppt)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit from operations</td>
<td>16</td>
<td>59</td>
</tr>
<tr>
<td>(72%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PFO Margin</td>
<td>3.2%</td>
<td>10.6%</td>
</tr>
<tr>
<td>(7.4ppt)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **SIM business down (17%) to €239 million**
  - Lower market share in more competitive landscape and mobile network operators continue to shift investments from removable SIMs to focus on next generation connectivity
  - Soft demand in regions affected by stricter subscription registration processes
  - Machine-to-Machine up +15% in Q2, up +7% in H1 2017 at €166 million
  - New design wins will support further business acceleration in H2
  - Mobile Platforms & Services revenue lower by (12%) at €111 million
  - Sales decline mainly due to lower activity in Mobile Financial Services
  - Excluding Mobile Financial Services, Mobile Subscriber Services business line grew +2%
  - Significant progress with On-Demand-Connectivity project wins in both machine-to-machine and consumer markets with Microsoft, Lenovo Connect, AT&T and Telefónica
- **Gross margin down to 32.6% due to operating leverage not being fully realized**
Moving forward
Key trends for H2 2017

- Removable SIM business continues to decline at double digit rates and the mobile ecosystem takes time to prepare for next generation connectivity
- Slow normalization of US EMV market demand and soft payment market in Latin America
- Integrate the newly acquired Identity Management Business
- Increasing demand for data protection while software monetization and authentication move towards a cloud model
- Continuing expansion of the Internet of Things
Outlook for 2017

Looking ahead, compared with the same period of last year, the second quarter double digit revenue decreases in Payment in Americas and the SIM business are anticipated to continue for the second semester. These reductions should be offset by the expected revenue acceleration in Enterprise, Machine-to-Machine and Government Programs including the acquired Identity Management Business, leading to stable Company revenue for the second semester year-on-year.

Taking into account these revenue trends, the operating leverage of Payment and SIM businesses will not be realized as expected. The effect of the transition plan announced in April will start contributing materially towards the end of the year. Gemalto estimates its 2017 second semester profit from operations to be between €200 million and €230 million, leading to an expected full year profit from operations between €293 million and €323 million.
Our US customers continue to adjust their views on the normalized EMV market based on the latest feedback from their partner programs.

Source: EMVCo

Worldwide smart payment card issuances (million units)

- **52%**
  - 2016 US EMV Chip Card adoption rate
  - Source: EMVCo

- **+5.7%**
  - 2017-2021 CAGR

Portfolio evolution

- Dual interface
- EMV card with fingerprint biometrics
- Mobile issuance
- Need for more security (Dynamic CVV)

Source: IHS Technology, EMVCo, Gemalto
Integrating biometrics into Gemalto’s end to end offer

Source: ABI research, Gemalto H1 2017 results

Fingerprint recognition Biometrics market for Government (bn US$)

Source: Market and Market, Gemalto H1 2017 results
While SIM market evolves, the need to authenticate remains

Prepare for the next generation of devices

More competitive landscape as MNOs push out upgrade of removable SIM to focus on next generation connectivity

Bringing technical expertise to both device manufacturers and mobile network operators

- **Embedded software & Products**
  - MNO subscriptions
  - Removable SIM
  - Service Providers credentials
  - Embedded SIM
  - Embedded Secure Element (eSE)
  - Trusted Execution Environment (TEE)

- **Platforms & Services**
  - On-Demand Connectivity
    - Remote subscription management
    - >20 references
  - Over the Air (OTA)
    - Lifecycle management
    - >300 references
  - Trusted Services Hub
    - Credential and token management
    - >20 references
Gemalto’s end-to-end offer for the Internet of Things (IoT)

**Embedded software & Products**

**Wireless Modules**
To bring the connectivity feature  
(World first VoLTE, Cat1)

**Machine Identification Modules**
/ Embedded SIM  
To authenticate on Mobile Network

**Embedded Secure Element (eSE)**
To authenticate and secure connection with  
Service Providers

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**Platforms & Services**

**On-Demand Connectivity**
Remote subscription management

**SensorLogic Platform**
Transform big data into smarter data for business actions

**Consulting Services**
Expertise in security architecture

**Trusted Services Hub**
Credential and token management

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**Use cases:**
- eCall
- Entertainment
- Telematics
- Maintenance

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Investments in innovation continue to drive business expansion across sectors and regions

Focus our efforts on verticals which value our expertise

- Automotive
- Site Security
- Payment Systems
- Track and Trace
- Metering
- eHealth
- Maintenance

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**M2M cellular module new connections**

Source: GSMA Forecasts
Market trends of Enterprise business lines we address

**DATA PROTECTION**
- Data Encryption
- Crypto Management & Keys Protection

**AUTHENTICATION**
- Authentication Management
- Hardware & Software Authenticators

**SOFTWARE MONETIZATION**
- Licensing & Entitlement Management
- Software Security & Protection

Continue to expand technology partnerships

Moving towards software and services

Reinforce Investment

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**Broadest support for big data encryption**

- Low teens CAGR

**Ezio Mobile with more than 40 bank references**
- High single digit CAGR

**Expand Software Monetization solution to intelligent devices**
- Mid single digit CAGR

Source: IDC, Juniper, Frost and Sullivan
Data records compromised in 2016

www.breachlevelindex.com

RECORDS BREACHED IN THE YEAR 2016

1,378,509,261

- >7.0bn data records exposed since 2013
- >95% of involved data was not encrypted

- Identity theft attacks accounted for more than half (59%) of all the data breaches

NUMBER OF BREACH INCIDENTS BY INDUSTRY OVER TIME

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare</td>
<td>345</td>
<td>448</td>
<td>445</td>
<td>493</td>
</tr>
<tr>
<td>Government</td>
<td>154</td>
<td>290</td>
<td>297</td>
<td>269</td>
</tr>
<tr>
<td>Other Industries</td>
<td>262</td>
<td>275</td>
<td>321</td>
<td>226</td>
</tr>
<tr>
<td>Retail</td>
<td>98</td>
<td>195</td>
<td>239</td>
<td>215</td>
</tr>
<tr>
<td>Financial Services</td>
<td>165</td>
<td>212</td>
<td>276</td>
<td>214</td>
</tr>
<tr>
<td>Technology</td>
<td>112</td>
<td>139</td>
<td>122</td>
<td>189</td>
</tr>
<tr>
<td>Education</td>
<td>35</td>
<td>174</td>
<td>165</td>
<td>157</td>
</tr>
<tr>
<td>Hospitality</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>26</td>
</tr>
</tbody>
</table>

Source: BREACHLEVELINDEX.COM

EVERY DAY
3,776,738

EVERY HOUR
157,364

EVERY MINUTE
2,623

EVERY SECOND
44
2014 – 2017
Multi-year development plan summary

Full document can be downloaded from www.gemalto.com/investors
Gemalto brings trust to 5 global markets

**Mobile Communication**
- 800 mobile carriers
  - World #1 with 95% of the world’s top 100 MNOs as clients

**Machine-to-Machine**
- 10,000+ industrials and distributors
  - A world leader for cellular connectivity technology

**Electronic payment**
- 12,000+ financial institutions
  - World #1 for card-based and mobile payment

**eGovernment**
- 193 governments
  - World #1 with more than 80 eDocument references from Gemalto

**Enterprise security**
- 200,000+ large companies and system integrators
  - A world leader for user authentication from Gartner’s Magic quadrant

*Addressed with similar core technologies creating internal synergies*

Sources: GSMA, Gemalto, FDIC.gov, European Central Bank, United Nations, US Census Bureau, Eurostat SBS

¹ Electronic payment cards and Trusted Service Management contract coverage for EMV mobile payment

Gemalto first semester 2017 roadshow
These markets still have large penetration potential

Products: Average replacement cycle: **2 years**

Services: Typical contract duration: **3-5 years**

Source: GSMA, EMVCo, National Gold Card Foundation, Nilson Report, ABI Research, Gartner, Ericsson, Gemalto
2006 – 2009
Build foundations
- Establish clear leadership in historical smart card markets
- Reallocate resources to develop data management and to serve adjacent sectors
10% profit margin reached ahead of plan

2010 – 2013
Prove offer value and Expand skills
- Extend Platforms & Services through organic growth and targeted acquisitions
- Reinforce leadership in securing transactions, identities and access rights
€300m profit from operations reached ahead of plan

2014 – 2017
Enable trust
- Become the trusted services management provider of choice for the digital world
- Develop a mix of platforms & services offers supported by the secure products and software clients
New objectives announced
One of our differentiators is our unique position on the two end-points of the trust chain
the Client

World’s #1

Embedded software & Products
protecting unique digital identities that represent people on global digital networks against theft and misuse

the Back-end

World’s #1

Platforms & Services
giving people strong digital identities and checking them when they access connected services
We also leverage two other unique assets
Our technology

Trust is founded on reliable identities

Our technology to secure digital identities and access services has proven to be an

Unmatched combination of security, scalability and cost efficiency

Our market neutrality

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

To make their interactions trusted, our approach is clear

We operate behind the scenes and under the hood
We will continue to follow a clear policy for allocation of cash flows
With a similar pattern

Each of the three allocations of generated cash flow is significant

- Operating cash flow generated by 2017
- Capital expenditure
- Bolt-on acquisitions
- Dividend, share buy-back

Cash available in 2012

Chart not to scale
Allocations to capital expenditures

Property, plant, equipment

~2.5% of sales

- An increasing share of tangible capex investments go to datacenters (we rent the facilities space but have to comply with specific certifications)
- Focus on leveraging our existing global footprint

Capitalized R&D and intangibles

~2.5% of sales

- We have to capitalize some R&D as per IFRS
- Most of the increase observed in the last plan relates to the acquisition of Cinterion and the ongoing M2M activity
We will continue to do bolt-on acquisitions

We typically evaluate two types of bolt-on acquisitions

**Technology**
Innovative new technologies and adjacent technology bricks that complement our existing portfolio

**Market reach**
Gain better access to customers or enter attractive new markets
We will continue our cash return to shareholders

Annual dividend: stable or growing

Share buy-back complement
December 9, 2016

Gemalto to acquire 3M’s Identity Management Business

Transaction includes 3M Cogent Inc., Document Reader and Secure Materials Businesses
Strategic Rationale

- Integrating 3M’s Identity Management Business, Gemalto takes a leading position in biometric identification

- Uniquely positioned to accelerate its offerings in public services and expand the use of trusted identities in the commercial realm

  - **Public services:** End-to-end offer to manage the enrolment, identification of individuals, flow of passengers and border control

  - **Commercial services:** As online and mobile transactions grow, new forms of multi-factor authentication and identification are needed to complement physical ID documents.
3M’s Identity Management Business offers end-to-end Identity Management solutions to enable identity verification and authentication.

Proven **biometrics matching algorithms** (finger, face, iris, etc.)

At the forefront of innovation with the latest **multi-modal biometric solutions**

3M’s Identity Management business is headquartered in the United States with approximately 450 employees worldwide.

Businesses include 3M Cogent Inc., Document Reader and Secure Materials.

Trusted partner to governments and law enforcement agencies for 30+ years.

Experienced technical and business leadership team.
## 3M’s Identity Management Business Lines

<table>
<thead>
<tr>
<th>BIOMETRICS</th>
<th>DOCUMENT READERS</th>
<th>SECURE MATERIALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full spectrum of biometric solutions with a focus in law enforcement, border control and civil identification</td>
<td>End-to-end suite of solutions to capture and authenticate various types of civil IDs and documents</td>
<td>High security documents and components, related proprietary software that are difficult to forge/counterfeit</td>
</tr>
<tr>
<td>▪ Large scale identification system</td>
<td>▪ Kiosk and desktop readers</td>
<td>▪ Passport and cards laminates</td>
</tr>
<tr>
<td>▪ Biometric algorithms: finger, face, iris matching</td>
<td>▪ Document authentication software</td>
<td>▪ Security features for cards and passports</td>
</tr>
<tr>
<td>▪ Biometric scanners and mobile devices</td>
<td>▪ Swipe readers / full page readers</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>61% of sales</th>
<th>13% of sales</th>
<th>26% of sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>3M’s Identity Management Business Lines</td>
<td>26% of sales</td>
<td>26% of sales</td>
</tr>
</tbody>
</table>
Example of Biometric Identification

**DATA CAPTURE**
- Images are captured with specialized scanners, cameras, or other equipment
- Data is provided to a centralized database, stored locally or discarded after feature extraction

**FEATURE EXTRACTION**
- Biometric features are extracted from the captured images
- Stored in proprietary or standardized templates in verification or identification systems

**COMPARISON & MATCHING**
- New records are searched and compared against databases
- Biometric images are matched using proprietary algorithms with unparalleled speed and accuracy

**STATS OF A DEPLOYED CLIENT SOLUTION**
- 200 million records in database
- 6 second watch list response time
- 200,000 search transactions daily
- 99.7% accuracy
Gemalto and 3M’s Identity Management are complementary

Building on a unique asset

Gemalto Common Core Technologies

- Authentication
- Data Protection
- Key Management
- Secure Issuance

Biometric Identification

Authenticating and Identifying individuals in a fast and reliable way through the use of unique biological characteristics will enable consumers to have seamless access to services
Integration with Gemalto and reporting

- 3M’s Identity Management business will join Gemalto’s Government Programs business
- Similar long term contract profiles

60% to 65% of 3M’s Identity Management business revenue will be reported as Platforms & Services.

Government Programs business would have represented around 18% of 2015 Company revenue on a pro forma basis.

Increasing by +2 percentage points the contribution of the Platforms & Services activity in 2015 Company revenue on a pro forma basis.

≈18%

3M’s Identity Management business
Impact on the Company financials

- Accretive to adjusted EPS upon completion
- In 2017, contribution to financials expected to be limited to the second semester
- As part of our long term strategy and the development of this core technology across all our businesses,
  - The acquired business revenue is expected to grow at a +10% CAGR
  - With EBITDA margins above 20% by 2020
Transaction details

- Entered into agreements to acquire 3M’s Identity Management Business
- Enterprise value of $850 million
- Subject to anti-trust, government approvals and employee consultation where necessary
- Deal expected to close in the first half of 2017
Gemalto’s strong financial structure is preserved

- The US$850 million will be provided by cash and existing long term credit facilities

- **As of 2017**, assuming transaction closes
  - Net debt/adj. EBITDA ratio < 1.5
  - Under current market conditions, incremental interest cost < €10 million per annum
  - Strong liquidity profile maintained

- **Through 2017**: Unchanged financial policies
  - On average, capex below 5% of sales
Takeaways

- Gemalto takes a leading position in biometric identification
- Perfect fit of complementary technologies, adding biometric identification to Gemalto core technology to develop across all its businesses
- Solid financial structure maintained
- In 2016, the Identity Management Business generated US$202 million in revenue and an estimated US$53 million in profit from operations
- Acquisition closed on May 1st 2017
Turning Things On
Introduction to Embedded SIM and On-Demand Connectivity

February 27, 2017 Mobile World Congress
Trust in the digital world starts with a reliable identification

End-users → ...present their digital ID... → to the service provider

Once the service provider is sure who is accessing it, exchanges can begin.
### Software and data stacks in secure elements

<table>
<thead>
<tr>
<th>End-user identities</th>
<th>Service Provider profile and applications</th>
<th>Industry applications</th>
<th>Operating system</th>
</tr>
</thead>
<tbody>
<tr>
<td>Billions</td>
<td>Thousands</td>
<td>Tens</td>
<td></td>
</tr>
</tbody>
</table>

**End-user identities**

- Billions

**Service Provider profile and applications**

- Thousands

**Industry applications**

- Tens

**Operating system**

- General purpose multitenant
- Multitenant
- Specific

**Secure hardware**
Leveraging cellular networks, Turning Things On

People

Machines

Consumer Additional Devices

Cumulative Cellular Connections

2006 2.7bn

2016 7.9bn

2020 >9.5bn

Source: GSMA Forecasts, Gemalto

People

Machines

Consumer Additional Devices

5% CAGR

11% CAGR

15% Incremental Machine-to-Machine Connections

2016 7.9bn

Source: GSMA Forecasts, Gemalto
Evolution of connected devices

SIM form factor evolves…

...the need to authenticate remains
Evolution of the specifications and availability of devices

- **People**
- **Machines**
- **Consumer Secondary Devices**
- **All Consumer Devices**

**GSMA Specifications**
- Embedded SIM & Remote subscription management

2014
- Machine-to-Machine (M2M)

Early 2016
- Consumer secondary devices

Nov 2016
- Consumer all devices

**Devices in the Market**
- **Beginning**
  - e.g. Automotive
- **Limited**
  - e.g. Wearables
- **Under design**
Software and data stacks in embedded SIM

- **End-user identities**
- **Mobile Network Operator profile and applications**
- **Industry applications**
  - 2G
  - 3G
  - 4G
  - voip
- **Operating system**
  - **General Purpose**
  - **Multitenant**
  - **Specific**

**Secure hardware**

**Millions**

**Mobile Network Operators**
- Removable SIM
- On-Demand Connectivity
  - Remote subscription management

**Consumer Devices**
- Embedded SIM

**Machine-to-Machine**
- Embedded SIM
Software Modules for On Demand Connectivity (ODC)

End-user identities

Mobile Network Operator profile and applications

Industry applications

Operating system

General Purpose
Multitenant
Specific

Secure hardware

billions

On-Demand Connectivity
Remote subscription management

Mobile Network Operators

Profile Generation
Profile Delivery

Routing Service

Discovery Service

1

2

3

Consumer Devices
Embedded SIM

Device Agent

Machine-to-Machine
Embedded SIM

Operating system

General Purpose
Multitenant
Specific

Secure hardware
Business Models for Embedded SIM and ODC

Billions
- End-user identities
- Mobile Network Operator profile and applications
- Industry applications
  - 2G
  - 3G
  - 4G
  - nb/g
  - ...
- Operating system
  - General Purpose
  - Multitenant
  - Specific
- Secure hardware

Business Models

Hosted/Managed Services
- On-Demand Connectivity
  - Remote subscription management
- Consumer Devices
  - Embedded SIM
- Machine-to-Machine
  - Embedded SIM

On-Premise
- Software stacks only
  - Per installation
- Software stacks & Secure Hardware
  - Per installation

Mobile Network Operators

Business Models

Hosted/Managed Services
- Event Fee
- Annual Subscriber/Device Fee

On-Premise
- Licenses
- Software Maintenance
Ecosystem support and accreditation

A **scalable** solution to support the expected increase of volume with a clear vision on solution **cloud readiness**.

- **eSIMs, Modules**
  - eSIM
  - Any Form Factor
    - 2FF/3FF/4FF...
    - soldered and industrial modules (MFF2)

- **Devices**
  - Gemalto device testing support
  - OEMs LPA development support

- **Software Services**
  - ODC Full Suite
    - Data Analytics
  - OS life cycle Mgt
  - After Sales Toolkit
  - QoE/ QoS
  - Instant Activation

- **Partners**
  - IoT Platforms
    - Cisco (Jasper)
    - Ericsson
    - Huawei
  - MNO Alliances
    - GMA
    - Bridge Alliance

**Standardization** — **Full End-to-end Security** — **Accreditation**
Take Away

• SIM form factor has evolved over the years and will continue to evolve

• Functions and principles are unchanged with the need to authenticate the users to access the cellular network

• On Demand Connectivity will trigger new use cases in the Internet of Things providing opportunities in different verticals

• Machine-to-Machine is the first industry to adopt the eSIM and remote provisioning as the Machine just start to get connected

• The consumer market is following based on the recent GSMA architecture we expect the market to migrate progressively
Gemalto
Enabling trust in the digital world