Chairman’s statement

Breadth of markets gives us strength

Gemalto maintained good growth in 2015, both organically and through our acquisition of SafeNet. As anticipated, it has been able to accelerate its growth in the Enterprise sector by leveraging Gemalto’s global footprint. We benefited from the continuous expansion of many of our other markets too, notably the migration to EMV (chip and PIN) payment cards in the US and the proliferation of Machine-to-Machine communication and security needs for the Internet of Things. Once again, our Government business also posted very encouraging growth.

Not everything went our way, though. The closure of the US Softcard initiative came as a setback for our ambitions in mobile payment. But Gemalto’s ability to keep growing sales and profits across its businesses despite this kind of disappointment is evidence of its strength and resilience. Our strength lies in the wealth of opportunities open to us by our technology and reach. And, as our Chief Executive explains opposite, our resilience lies in the agility with which we address them.

Market strength in a world of change
We recognize the demands of growing new businesses in a fast-changing environment. Gemalto is designed and built to evolve constantly as markets, technologies and opportunities change.
In 2013 we identified ten market opportunities as the drivers for our strategy. We knew they would not all develop at the same pace, and we do not need them all to perform well to be successful. Our strategy is to address them flexibly, focusing the most resources, at any given moment, on those that offer the greatest potential for profitable growth over time.

Critical enabler for a digital world
Gemalto’s end-product is trust – a critical differentiator in an increasingly connected world. We create that trust by consistently doing two things: authenticating users and objects, and protecting our customers’ data, whether it is in the form of money or anything else they view as precious. Every current and emerging digital service relies on the security provided by these two activities, authentication and data protection. That is what opens up such a breadth of opportunity for us.

Today we have leading shares in a broad spread of markets which use and value security. We are well placed to expand into adjacent opportunities – as we showed with the SafeNet acquisition in 2015, greatly strengthening our position in data protection. And our experienced management team has consistently demonstrated its ability to exploit market opportunities effectively as they emerge, grow and evolve. That is how, in markets that are increasingly crucial to modern business and personal life, Gemalto continues to build and expand a strong, resilient platform for profitable growth.

Alex Mandl Chairman