Chairman’s statement

Aligning leadership, plans and expertise

“The diversity of our offers allows us to balance out our challenges with our successes.”

Alex Mandl
Chairman

The Gemalto Board attaches particular importance to ensuring the quality of the Company’s leadership, strategic planning, and business growth (both organic and non-organic). In 2016 we saw major developments in all three areas.

In August, Olivier Plou retired from his role as CEO – having led the Company since it was formed in 2006 and built a strong platform for continued growth. Profound thanks are due to him for his passion, vision, superior execution and leadership; and we are glad to have access to his experience through his continuing Board membership as a non-executive Director.

Since its inception, Gemalto has maintained a robust succession planning process. Having reviewed both internal and external options, we were pleased to ensure continuity of leadership by appointing Philippe Vallée – formerly COO – to the CEO role. There is great advantage in being able to appoint someone who already has deep understanding of the business, and Philippe’s insight and experience will be crucial in staying ahead and serving our customers well in a fast-changing environment.

Defining – and meeting – our goals

The delivery of our current strategic development plan reflects the pace of change in our markets while the diversity of our offers allows us to balance out our challenges with our successes. As a result, we are on track to achieve many of the ambitions we set for ourselves. In particular, the anticipated “dematerialization” of our offer – with the focus shifting from manufactured products to platforms and services – has progressed even faster than we targeted.

In 2016 we began preparing our next multi-year strategic development plan. Understanding and reading the markets is crucial, so that we can anticipate what our customers’ needs will be and build our services around them. In our business, a lot can happen in the next four years, so flexibility and agility are key. We must plan not only to address anticipated demands, but also to respond quickly and effectively to those we cannot yet foresee.

Growing our expertise

M&A activity plays a part in this rapid-response strategy. In this environment it would be impossible to build all the capabilities we require organically: markets and technologies change too quickly. As gaps or opportunities emerge, we aim to move swiftly and incisively to build the necessary capability or capacity through acquisition. We did this in 2016 by entering into agreements to purchase 3M’s Identity Management business. We have built significant expertise through strategic acquisitions, and remain alert to opportunities that will help us serve customers more completely and effectively.

Together, these developments give the Board continued confidence that Gemalto will have the right leadership, planning and capabilities to satisfy both customer and investor expectations in the years ahead.

Alex Mandl
Chairman