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Third quarter 2018 revenue

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Basis of preparation

Segment information

The Identity, IoT & Cybersecurity segment comprises businesses associated with homeland security for governments (“Governments”), IoT connectivity for industrial applications (“IoT”) and cybersecurity for enterprises (“Cybersecurity”).

The Smartcards & Issuance segment comprises businesses mainly associated with removable SIM cards (“SIM”), payment cards (“Payment”) and their issuance services. The segment includes as well businesses associated to the digital transformation of smart cards (“Digital”) such as digital payment, digital banking, remote subscription management, embedded SIM/MIM and embedded secure elements. Patents business is also included in this segment.

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.

All figures presented in this presentation are unaudited.

Philippe Vallée - CEO

Overview

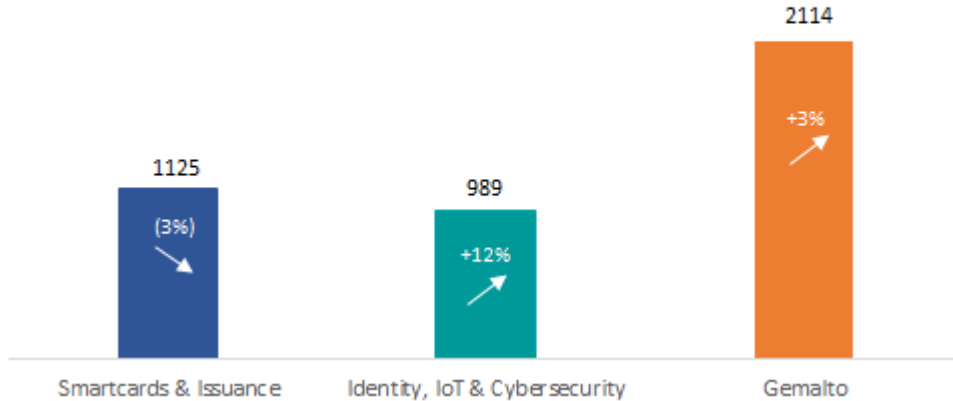
Third quarter 2018 highlights

- Third quarter revenue at €727 million, (3%) lower at constant exchange rates
- Identity, IoT & Cybersecurity segment revenue (1%) lower at €345 million. The segment revenue is up +12% year-to-date at constant exchange rates and strong deliveries are expected in the fourth quarter
- Smartcards & Issuance trends unchanged. Digital transformation at play
- 2018 full year outlook confirmed

Revenue variations at constant exchange rates except where otherwise noted

Year to date 2018 revenue

YTD18 Revenue (€ in millions, variation at constant exchange rates)



YTD 18



YTD 17

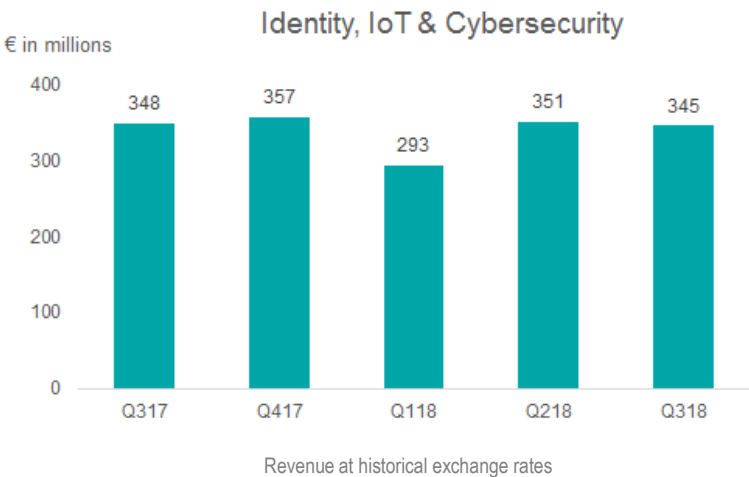


Virginie Duperat-Vergne - CFO

Segment information

Identity, IoT & Cybersecurity – key financial information

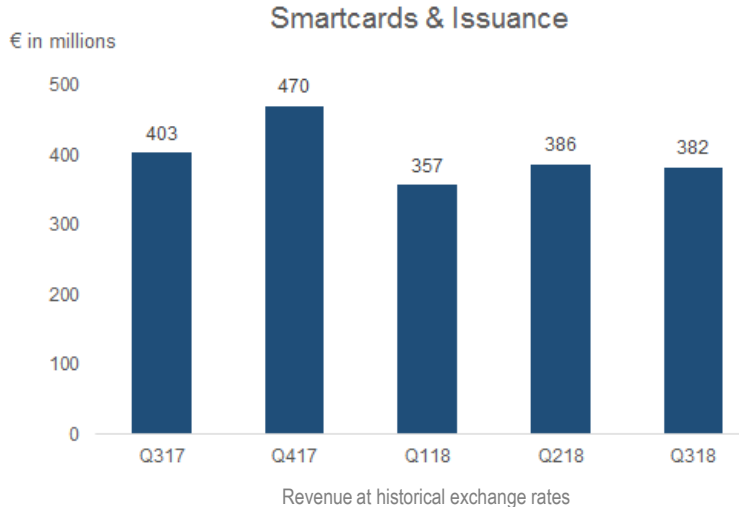
Revenue | **€345m**
(1%) | (2017 Q3: €348m)



- **Governments:** slight decline
 - E-documents programs roll out in the US and Latam in the fourth quarter
 - First deliveries of UK passport in the fourth quarter
 - Driving license solution win with the State of Georgia in the US
- **Cybersecurity:** slightly down
 - Encryption program deployments in Europe and the US in the fourth quarter
 - Authentication and Software monetization solid performance
 - SafeNet Virtual KeySecure launch
- **IoT:** very strong growth
 - Strong deliveries in Europe and Asia
 - Key industrial sectors: Automotive, Health, Payment and Metering
 - Offer: strong fit with highly challenging requirements of IoT

Smartcards & Issuance – key financial information

Revenue | **€382m**
(4%) | (2017 Q3: €403m)



- **Payment** business up
 - US first EMV renewal campaigns
 - Strong payment cards deployment across other regions
- **SIM** trend unchanged
 - Continued market erosion
 - Full effect of the exit of a specific low-end market
- Low profit margin opportunities both in SIM and Payment businesses were dismissed in some Asian countries
- **Digital**: solid growth
 - Large deployments in Europe of authentication solutions for banks
 - New generation of iPhones introducing eSIM driving activations

Philippe Vallée - CEO

Moving forward

Enterprise business: Delivering security the way customers want

Offers

Identity & Data Protection

ENCRYPTION & DATA PROTECTION



- Data-at-rest and Data-in-motion encryption
- Key management
- HSM

IDENTITY & ACCESS MANAGEMENT



- Access management
- Multi-factor authentication
- PKI credential management

Market drivers



Cloud



Enterprise Data



Compliance

- Data breaches and regulations
- Cloud adoption, need for hybrid (on premise & Cloud) solutions
- Device proliferation
- Emerging IoT use cases



Ambition



Data Protection

- Secure our leading position in Encryption and Data Protection
- Take leadership in Data Protection on Demand



Identity

- Become a leading player in Enterprise Identity and Access Management as a Service

Focus for the fourth 2018



Identity, IoT & Cybersecurity

- Execute large Governments' programs deliveries
- Cybersecurity: Deliver encryption programs. Leverage GDPR
- Pursued expansion of IoT in a variety of industrial sectors

Smartcards & Issuance

- Continuous focus on cost optimization and selective sales strategy based on profitability
- Keep momentum in authentication for banks in Europe
- ODC leverage new generation of iPhones with eSIM

2018 Outlook confirmed

Double digit revenue growth expected in the Identity, IoT & Cybersecurity segment

Stable PFO margin expected in the Smartcards & Issuance segment

Mid to High single digit growth in profit from operations expected at Gemalto level

Calendar

- The **full year 2018 earnings** will be reported on **Thursday February 14, 2019**, before the opening of Euronext Amsterdam.

Gemalto

Enabling trust in the digital world