

Third quarter 2018 roadshow



Gemalto Investor Relations

Overview

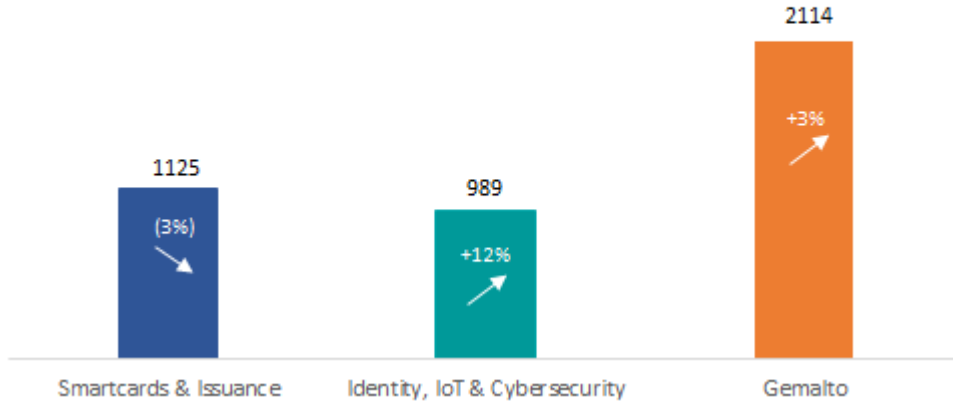
Third quarter 2018 highlights

- 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



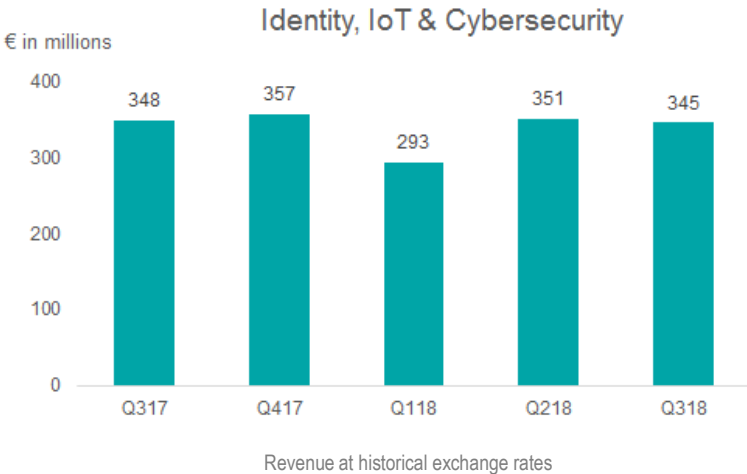
YTD 17



Segment information

Identity, IoT & Cybersecurity – key financial information

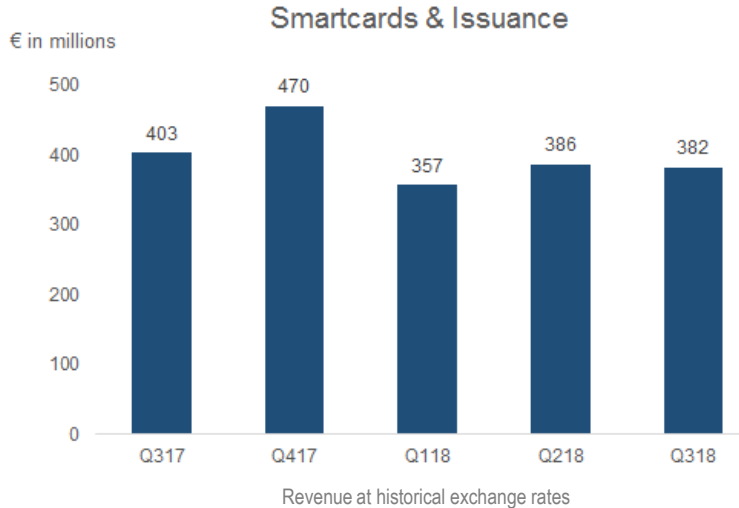
Revenue | **€345m**
(1%) | (2017 Q3: €348m)



- **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

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

Additional Information

Gemalto Next-generation Digital Security



Digital privacy enabled

Governments business: Reinforce leadership in Biometrics and Civil Identity

Offers



ID Documents & Solutions



ID Verification & Commercial Biometrics



Market drivers

Secure documents market penetration up in response to:

- Need to improve citizen services while reducing costs & fraud
- Need to address Road Safety concerns on a worldwide basis

Secure ID documents¹ represents 29% of all secure documents in 2017 with a CAGR of +10%

Rapid growth in biometric ID solutions driven by:

- More international travelers and airports
- United Nations goal of “Legal Identity for All” by 2030, with Citizens biometric enrolment
- Increased need for Identity Verification and Proofing (eKYC)

Ambition



ID Documents & Solutions

- Remain undisputed #1 in secure documents
- Take a leading position on Digital ID
- Grow Road Safety in the US & in developing countries with new business models



ID Verification & Commercial Biometrics

- Consolidate #1 position in Border management
- Grow faster than market with inclusive ID solutions
- Take a position in Commercial Biometrics

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



Example:



Use cases:

- eCall
- Entertainment
- Telematics
- Maintenance

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

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

Focus our efforts on verticals which value our expertise

Automotive

Site Security

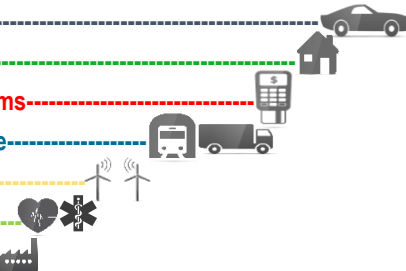
Payment Systems

Track and Trace

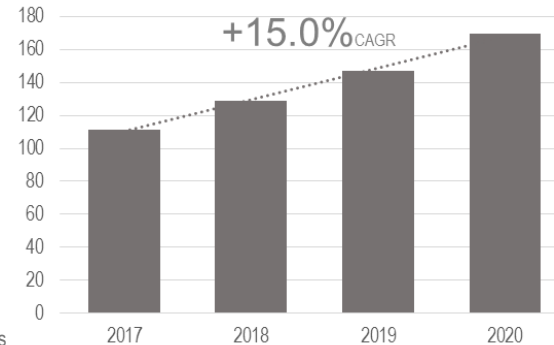
Metering

eHealth

Maintenance

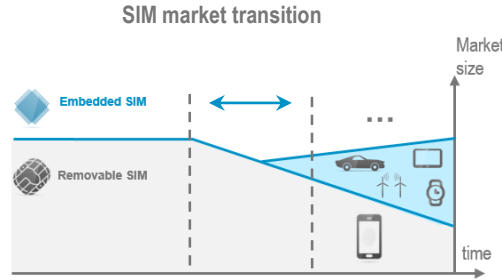


M2M cellular module new connections



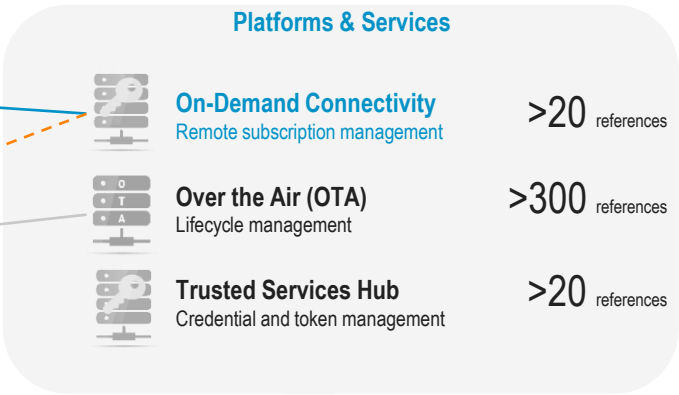
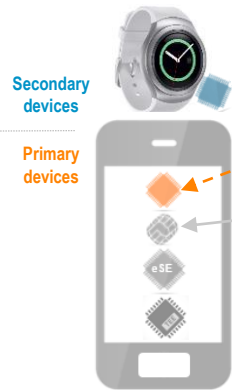
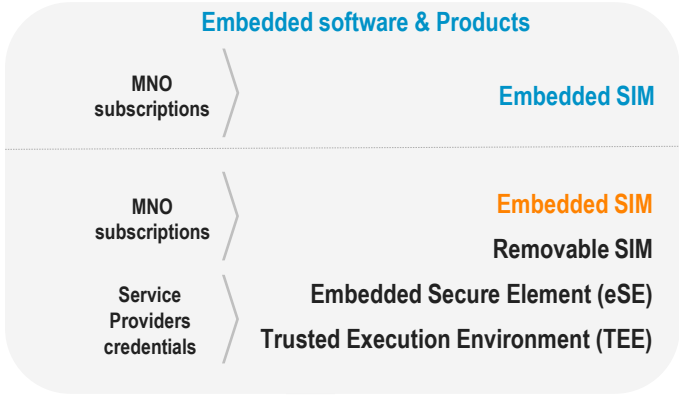
While SIM market evolves, the need to authenticate remains

Prepare for the next generation of devices



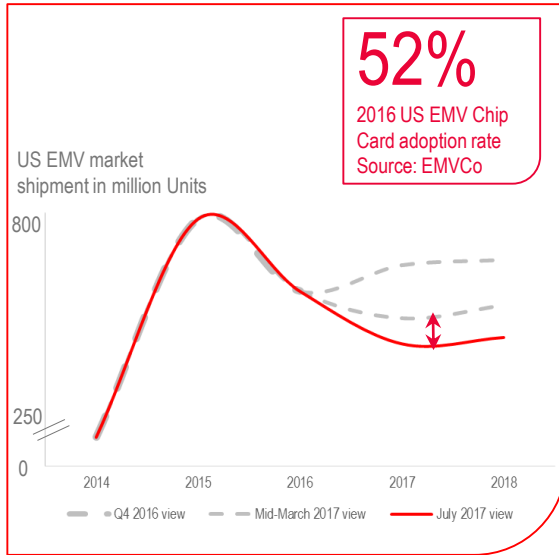
More competitive landscape as MNOs push out upgrade of removable SIM to focus on next generation connectivity

Bringing technical expertise to both device manufacturers and mobile network operators

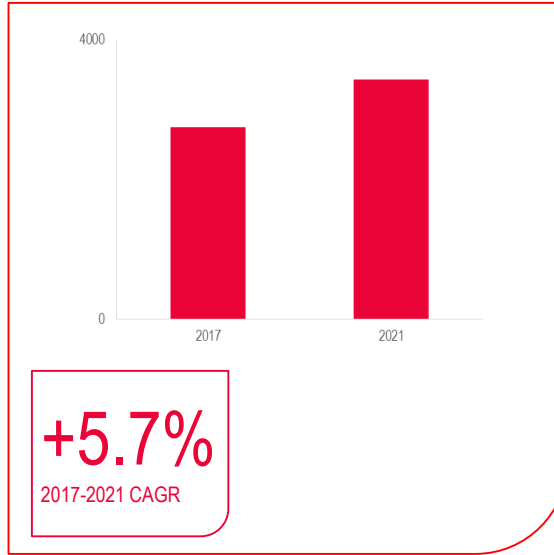


Dynamics of EMV market

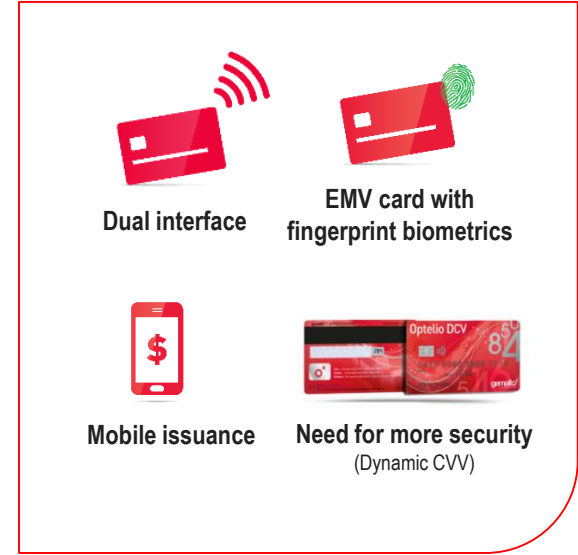
Our US customers continue to adjust their views on the normalized EMV market based on the latest feedback from their partner programs



Worldwide smart payment card issuances (million units)



Portfolio evolution



Gemalto

Enabling trust in the digital world