Full year 2015 roadshow

- Full year 2015 earnings
- Enterprise Security
- 2014-2017 multi-year development plan summary
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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 Platform & Services. The Payment & Identity segment reports on businesses associated with secure personal interactions including Payment, Government Programs and Enterprise. The SafeNet acquisition is part of the Enterprise 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).

SafeNet acquisition and related pro forma figures
Following the acquisition of SafeNet and for a better understanding of the year-on-year evolution of the business, the Company presents the 2014 Gemalto segment and activity pro forma figures as if SafeNet had been consolidated for the full year 2014 period and year-on-year variations between these 2014 pro forma figures and 2015 figures as if SafeNet had been consolidated starting from January 1, 2015. The difference between 2015 actual figures and 2015 pro forma figures corresponds to the SafeNet contribution from January 1st, 2015 to January 7th, 2015, the actual transaction closing date. SafeNet’s pro forma figures used in this document were translated into Euro using monthly currency conversion rates. Variations of pro forma revenue figures are at constant exchange rates and exclude the impact of our hedging program on currencies variation for 2014 and 2015.
Overall pro forma growth includes the 2015 organic growth coming from SafeNet activities. This metric aims at giving a fair view of the operational performance of the Company, including the ensuing synergies generated by the acquisition.

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 depreciation 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.
Return on capital employed (ROCE) is defined as after-tax PFO divided by capital employed.

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.
Full year 2015 Highlights

- Full year revenue of €3.1 billion, up +16%, and profit from operations up +10%, at €423 million
- Revenue in Payment & Identity at €1.8 billion, represents 58% of the total sales
- Platforms & Services revenue reaches €898 million, up +70%
- Free cash flow generation accelerated over the year, with €233 million in the second semester

Extracts from the adjusted income statement, revenue variations at constant exchange rate.
Successful diversification and structural transformation

2006
€1,698m

2014
€2,465m

2015
€3,122m

March 2016

Charts not to scale

Gemalto full year results 2015 roadshow

March 2016
Financial results
### Key figures from FY 2015 financial results

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>€3,122m</td>
<td>+16%</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>€1,216m</td>
<td>+28%</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td>(€793m)</td>
<td>+39%</td>
</tr>
<tr>
<td><strong>Profit from operations</strong></td>
<td>€423m</td>
<td>+10%</td>
</tr>
<tr>
<td><strong>Earnings per share</strong></td>
<td>€3.45</td>
<td>(5%)</td>
</tr>
</tbody>
</table>

*Extracts from the adjusted income statement*

- **at historical rates** +27%
- **Gross margin** +33bp
- **OpEx ratio** (231bp)
- **PFO margin** (198bp)
FY 2015 revenue composition and variation details

Main segment revenues

- **+16% yoy proforma**
  - Government
  - Enterprise
  - Payment

(10%) yoy

- 58% of total revenue
- 41% of total revenue

Currency variation effect

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>Addition of SafeNet</th>
<th>Pro forma growth</th>
<th>Hedge effect</th>
<th>Currency variation effect</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>€2,465m</td>
<td>€3,122m</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Pro forma figures include Safenet revenue for the full year of 2014 and 2015

March 2016
Adjusted income statement and IFRS

### Adjusted income statement

<table>
<thead>
<tr>
<th>€ in millions</th>
<th>All operations</th>
<th>Fair value adjustment upon acquisitions</th>
<th>Amortization of intangible assets</th>
<th>Equity based compensation</th>
<th>Restructuring and acquisitions related expenses</th>
<th>IFRS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FY 2015</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>3,122</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3,122</td>
</tr>
<tr>
<td>Profit from operations</td>
<td>423</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IFRS operating profit</td>
<td></td>
<td>(71)</td>
<td>(61)</td>
<td>(39)</td>
<td>(49)</td>
<td>203</td>
</tr>
<tr>
<td><strong>FY 2014</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>2,465</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2,465</td>
</tr>
<tr>
<td>Profit from operations</td>
<td>383</td>
<td></td>
<td></td>
<td>(27)</td>
<td>(55)</td>
<td>270</td>
</tr>
<tr>
<td>IFRS operating profit</td>
<td></td>
<td>-</td>
<td>(27)</td>
<td>(55)</td>
<td>(30)</td>
<td></td>
</tr>
</tbody>
</table>
## Key items of the cash flow statement

<table>
<thead>
<tr>
<th>€ in millions</th>
<th>Full Year 2015</th>
<th>Full Year 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash generated by operating activities before changes in working capital</strong></td>
<td>443</td>
<td>394</td>
</tr>
<tr>
<td>Net change in working capital</td>
<td>65</td>
<td>(81)</td>
</tr>
<tr>
<td>Cash used in restructuring actions and acquisition related expenses</td>
<td>(29)</td>
<td>(20)</td>
</tr>
<tr>
<td>Prepaid derivative for currency protection program</td>
<td>(124)</td>
<td>0</td>
</tr>
<tr>
<td><strong>Net cash generated by operating activities</strong></td>
<td>355</td>
<td>294</td>
</tr>
<tr>
<td>Capital expenditure and acquisition of intangibles</td>
<td>(185)</td>
<td>(125)</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>(897)</td>
<td>(84)</td>
</tr>
<tr>
<td>Dividend paid to Gemalto shareholders</td>
<td>(37)</td>
<td>(33)</td>
</tr>
<tr>
<td>Net proceeds from financing activities</td>
<td>117</td>
<td>555</td>
</tr>
<tr>
<td><strong>Net cash (debt), at end of the period</strong></td>
<td>(335)</td>
<td>493</td>
</tr>
</tbody>
</table>
Segment information
## Payment & Identity – key financial information

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>€1,818m</td>
<td>+45%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>€698m</td>
<td>+81%</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>38.4%</td>
<td>+506bp</td>
</tr>
<tr>
<td>Profit from operations</td>
<td>€239m</td>
<td>+68%</td>
</tr>
<tr>
<td>PFO Margin</td>
<td>13.1%</td>
<td>+87bp</td>
</tr>
</tbody>
</table>

- **Embedded software & Products sales** were up by +18% at €1,168 million. Platforms & Services sales more than doubled, at €650 million.
- **The Payment business** grew by +23% year-on-year in 2015:
  - The Americas posted the largest growth, with revenue almost doubling on strong sales of EMV payment cards and rapid expansion of issuance services in the United States.
- **Revenue from the Enterprise business** came in at €425 million in 2015:
  - The alignment of authentication portfolios between the Identity Access Management business and SafeNet is on track.
  - The Enterprise business revenue mix in authentication and data encryption is moving towards a higher proportion of software and services, as a result on a pro forma basis, this evolution led to a gross margin increase of +2 percentage points in Enterprise compared to 2014.
- **Government Programs** revenue came in at €391 million, up +24% year-on-year:
  - Double digit organic revenue growth in 2015 was supplemented by €45 million from Trüb.
  - Sales expansion came from delivery commencements of previously won projects and addition of Trüb; project backlog continued to expand with solid win rate.
- Payment & Identity’s gross margin improved to 38%, up +5.1 percentage points and PFO came in at €239 million, up +68% from the €142 million recorded in 2014.
Mobile – key financial information

<table>
<thead>
<tr>
<th></th>
<th>2015 FY</th>
<th>2014 FY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>€1,279m</td>
<td>€1,290m</td>
</tr>
<tr>
<td>(10%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Profit</td>
<td>€495m</td>
<td>€550m</td>
</tr>
<tr>
<td>(10%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Margin</td>
<td>38.7%</td>
<td>42.7%</td>
</tr>
<tr>
<td>(398bp)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit from operations</td>
<td>€172m</td>
<td>€237m</td>
</tr>
<tr>
<td>(27%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PFO Margin</td>
<td>13.5%</td>
<td>18.4%</td>
</tr>
<tr>
<td>(489bp)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Mobile revenue reduced by (1%) at historical exchange rates and by (10%) at constant exchange rates
  - The SIM business decreased by (17%) in 2015. This evolution was essentially related to the lower contribution to revenue of SIMs and Mobile Platforms & Services sales in the US, coupled with lower demand in Latin America and Asia in the second semester

- Machine-to-Machine business continued to grow rapidly, by +18% year-on-year
  - Due to the expanding global demand of connected devices and embedded secure elements for the Internet of Things (IoT)

- Further important milestones reached in Mobile Platforms & Services in H2
  - Gemalto announced a partnership to accelerate the deployment of Samsung Pay
  - Gemalto recently provided the solution to Samsung Electronics for the launch of their latest Gear S2 smartwatch, allowing users to securely connect to their cellular network of choice

- Overall gross margin for the Mobile segment was 39% in 2015
  - PFO came in at €172 million, i.e. a 13.5% profit margin from operations
Breakdown of the incremental gross profit

Charts not to scale

March 2016

Gemalto full year results 2015 roadshow

€1216m

€952m

Percentage of incremental gross profit increase

Enterprise 85%

Payment & Identity 33%

Mobile (21%)

Patents & Others

2015

Year-on-Year growth +28%
Moving forward
Key market trends for 2016

- Continuing expansion in the Internet of Things
- First trials of GSMA compliant eSIMs and related services
- Solid demand for Government Programs
- Deployment of EMV continues in the US with portfolio expansion
- Soft market environment in Asia and Latin America
- Sustained demand for data protection, software monetization and cybersecurity solutions
Expected gross margin improvement, as in previous plans

- Build foundations
- Prove offer value and expand skills
- Enable trust

Charts not to scale
Gross margin improvement plan

2015 Company Gross Margin

Payment & Identity
- Enterprise
  - Portfolio integration
- Government Programs
  - Scale effect
  - Optimizing the US EMV operations

Mobile
- Mobile E&P
  - Adapt resources to market evolution
- M2M
  - Scale effect
- Mobile P&S
  - Redeployment of resources

+1.5% Outlook
39%

Charts not to scale
For 2016, with the positive trends in Enterprise, Government Programs, Machine-to-Machine and the US EMV ramp-up effort completed, Gemalto expects to generate a +1.5 percentage point gross margin increase, accelerating its profit from operation expansion towards its 2017 objectives.
On track to achieve Platforms & Services revenue of €1B in 2017

Building on a unique asset

As a service or in-premise solutions

Common Core Technologies
- Authentication
- Data Protection
- Key Management
- Secure Issuance

FY €460m
FY €502m
FY €898m

2013 2014 2015

Mobile M2M Payment Government Enterprise
Government Programs back to strong growth

Backlog is at record high from solid win rate in a growing market

Sealys Secure Documents
- Travel
- Identity
- Traffic
- Healthcare

Coesys Solutions
- Enrolment
- Issuance
- Verification
- Border

Penetration of ePassports
- 2014: 0.5bn, 40%
- 2020: 0.8bn, 57%
- 2014: 1.3bn, 17%
- 2020: 3.1bn, 32%

Penetration of eID, eDL and eHealthcare

Sources: ABI research, ICAO, Gemalto - Government-issued digital identities in electronic documents

March 2016

Updated Installed base

Installed base at the 2013 announcement of Gemalto multi year development plan

Updated Installed base

Government Programs revenue

+14% CAGR

Charts not to scale
We have revised up our anticipations for the US EMV market

**Market demand above plans**
Cumulative number of chip-enabled card issued

- New market forecast / Estimated actuals
- Anticipations in 2014
  - >250m
    - >150m
- >575m
  - >500m+

**Market share progress above plans**
Steady progression towards average global market share in electronic payment cards

**Source:** The Payments Security Task Force (PST), ABI, Gemalto

**Notes:**
- Commonly observed lifespan for EMV cards: 2-3 year
- Payment cards in circulation >1.2bn
- Charts not to scale
Gemalto’s "Connect & Protect" offering for the IoT

Embedded software & Products

- Machine Identification Modules
- Wireless Modules

Platforms & Services

- Security Consulting
- On-Demand Connectivity
- Application Platform

Principal markets served currently

- Monitoring
- Portable devices
- Automotive
- Fleet management
- Metering
- Others
SIM revenue trend over the last 5 years

Quarterly SIM revenue at constant exchange rates, excluding embedded Secure Elements

- 2010: (1%)
- 2011: +2%
- 2012: +2%
- 2013: +2%
- 2014: +1%
- 2015: LTM CAGR since 2010

Last twelve month CAGR stable +/- a few percent since 2010

No major anticipated change in macro trend

Sources: Gemalto

SIM at 45% of total Gemalto sales

Diversification in Gemalto's sources of revenue

SIM at 20-25% of total Gemalto sales

Softcard service closing

(~3%)

March 2016
SIMs and secure subscription management are changing, to protect a broader market.

**Machine to Machine**

GSMA embedded SIM and remote subscription
Published in Oct 2014

**Product of the Year Award**

On Demand Connectivity
2015 IoT Evolution

**Consumer Devices**

GSMA high level architecture endorsed in July 2015
Detail specifications by the industry targeted end 2015

**World First**

Demonstration of the latest GSMA architecture (July 2015) - MWC Shanghai

Charts not to scale
Software and data stacks in secure elements are diverse

User data

Issuer data and applications

Industry applications

Operating system

Secure hardware

billions

thousands

tens

- General purpose multitenant
- Multitenant
- Specific

Gemalto full year results 2015 roadshow
March 2016
The Trusted Service Hub interconnects and manages diverse sensitive software and data

Supports token-based credential management

- Banks
- Transit
- Enterprises
- eSE, SE
- TEE, HCE apps

- On site, from Gemalto or not
- Serviced by Gemalto
- To join, serviced by Gemalto or not

thousands \(\rightarrow\)

tens \(\rightarrow\)
hundreds \(\leftarrow\)
Enterprise Security
SafeNet, the Company

SafeNet is trusted by 25,000 customers and partners in 100 countries, including blue-chip organizations.

- Protecting over 80% of the world’s intra-bank fund transfers
- Root of trust through 86,000 digital key managers protecting 750 million keys
- Protecting most high-value software with 100 million license keys

Gemalto full year results 2015 roadshow
March 2016
Digital services always rely on a two-sided trust chain

Security at the CORE

World #1

World #1

Encryption of “data at rest” and “data in motion” within the network for exposure to authorized users only

Reliable authentication to validate users and their access requests and to initiate a secure channel
SafeNet’s portfolio

<table>
<thead>
<tr>
<th>Data Protection</th>
<th>Software Monetization</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Encryption &amp; Crypto Management</strong></td>
<td><strong>Licensing and Entitlement Management</strong></td>
</tr>
<tr>
<td>World leader</td>
<td>Award winning</td>
</tr>
<tr>
<td>Recognized market leader</td>
<td></td>
</tr>
</tbody>
</table>

*March 2016 Gemalto full year results 2015 roadshow*
Data records lost or stolen in 2015

Government sector accounted for 43% of compromised data records, up 476% from 2014 due to several very large data breaches in the United States and Turkey, and 16% of all data breaches.
Addressing the risks requires a new mindset

1. Get ready for the Breach
   Perimeter security is important but no longer enough

2. Protect What Matters, Where It Matters
   Data is the new perimeter

3. Secure the Breach
   Attach security to the data and applications. Insider threat is greater than ever

Breaches will happen – we must prepare!

MOVE FROM BREACH PREVENTION TO BREACH ACCEPTANCE

http://securethebreach.com/
SafeNet Data Encryption Solutions

The world’s most comprehensive portfolio of solutions for encrypting data at rest in physical, cloud, or virtual datacenters, as well as, in transit from trusted location to another.

Offers the industry’s most expansive ecosystem of integrations for encrypting data within third party environments.
SafeNet offers the world’s most certified and widely deployed portfolio of crypto management solutions for securing and managing encryption keys and also executing cryptographic functions such as code signing.
SafeNet Enterprise Authentication

Enterprise Endpoints

SafeNet’s Authentication Portfolio

SafeNet’s Authentication Ecosystem

VPNs     VDI     SaaS Apps     Web-mail     Web Apps     ERP     IAM
The SafeNet Enterprise Authentication Advantage

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Why SafeNet leads?

1. **Breadth of Portfolio**
The only security vendor to offer and end-to-end offering for protecting the entire data lifecycle.

2. **Expansive Ecosystem**
The industry’s largest ecosystem of technology integrations for enabling encryption, key management, and strong authentication for 3rd party applications and technologies.

3. **Certifications and Recognized Leadership**
SafeNet has more FIPS 140-2 and Common Criteria certifications than any vendor, giving peace of mind to our customers.

4. **Proven Execution**
Proven track record of protecting critical data and transactions – trillions of dollars in bank transfers, stored streaming videos, and from M1 tanks to Air Force One.
2014 – 2017
Multi-year development plan summary

Full document can be downloaded from www.gemalto.com/investors
Increasing value of dematerialized exchanges calls for trust

The roots of trust lie in the integrity and the confidentiality of exchanges.

Trust can be enabled through a reliable identification process and cryptography securing network assets.
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 payment¹

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
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
We have been transforming our business since the creation of Gemalto
2006 – 2009
**Build foundations**
- Establish clear leadership in historical smart card markets
- Reallocate resources to develop data management and to serve adjacent sectors

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

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

10% profit margin reached ahead of plan
€300m profit from operations reached ahead of plan
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
And we released a new multi-year development plan in September 2013
Our two new objectives, for 2017

over

660 million

in profit from operations

Upgraded from €600m in March 2015 following the acquisition of SafeNet

1 billion

in revenue from Platforms & Services
We expect to continue to grow from diversified engines.
Expected 2013-2017 revenue CAGR per activity and business

High single-digit

Mid teens

Mid single-digit

Low twenties

Embedded software & Products

Platforms & Services

Mobile

Mobile Communication
Machine-to-Machine

Payment & Identity
Electronic payment
eGovernment
Enterprise security
made up of 10 opportunities that are already addressable
Five
in Embedded software & Products

Expected 2013-2017 revenue CAGR and expected contribution to the total revenue growth

Mid single-digit
2013–2017 revenue CAGR

SIM, other secure clients
M2M
Payment cards
Online access clients
eGov documents

~50% of total Gemalto growth

Chart not to scale
Five in Platforms & Services

2012

Core services

Trust infrastructure

Payment Platforms & Services

Online access services

eGov Platforms & Services

Low twenties

2013–2017 revenue CAGR

2017

~50% of total Gemalto growth

Expected 2013-2017 revenue CAGR and expected contribution to the total revenue growth

Chart not to scale

Gemalto full year results 2015 roadshow

March 2016
We will continue to follow a clear policy for allocation of cash flows.
With a similar pattern

Operating cash flow
generated by 2017

Capital expenditure

Bolt-on acquisitions

Dividend, share buy-back

Cash available
in 2012

Each of the three allocations of generated cash flow is significant
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.

Purchased acquisitions
We will continue our cash return to shareholders

Annual dividend: stable or growing

Share buy-back complement
Gemalto

Enabling trust in the digital world

- World Leader in Digital Security
- Markets in Strong Development
- Unique Technology Portfolio
- Blue Chip Customers
- Large Free Float and Robust Financials
- A Business Model with Strong Leverage on Growth