Press Release

Paris, 12th February 2019

2018 full year results

Challenging year with 2% organic growth and €488m EBITDA
In line with January 22th, 2019 communication
Improved revenue trajectory in the second half 2018 with 6% organic growth
2019 EBITDA above €550m with a FCF conversion at c. 50%
Launch of Fit for Growth transformation plan

2018 operating & financial performance

- Revenues of €2,643 million, up 2% on an organic basis[1] and 5% on a reported basis
- EBITDA[2]: €488 million, representing a margin of 18.4%
- 49% FCF[3] to EBITDA conversion rate, highlighting the strong cash generation
- Group net profit attributable to shareholders of €188 million
- Proposed dividend of €1.10 representing a 36% pay out

Launch of Fit for Growth transformation plan:

- Banks & Acquirers revival through an industrial and commercial redesign
- Accelerate Retail growth profile with strategic initiatives and a new operating model
- Global transformation plan aiming at improving operational efficiencies and streamlining G&A
- Net savings of €35 million and investments of €15 million

2019 financial objectives

- Organic growth between 4% and 6%
- EBITDA above €550m
- c. 50% of FCF/EBITDA conversion

Ingenico Group (Euronext: FR0000125346 - ING), the global leader in seamless payment, today announced its 2018 full-year results.

Nicolas Huss, Chief Executive Officer of Ingenico Group, commented: ***"As the new CEO, I am very proud of leading Ingenico, which enjoys leading technologies and positions in integrated payment solutions. 2018 has however been a challenging year. I have now assessed key issues faced in 2018 and set up a new seasoned and international management team to drive the company repositioning. The Group is already in motion to deliver a 2019 EBITDA above €550 million.***
Retail performance will be sustained by ongoing deployment of our direct access to merchant's strategy, and strategic growth initiatives. B&A performance has been affected by adverse market conditions and lack of execution in mature countries in 2018. B&A is thus being repositioned and optimized to benefit from ongoing opportunities such as recovery in Emerging Countries or deployment of Android. Ingenico management team will also be very focused on executing the Fit for Growth transformation plan, together with renewed attention on cash-flow generation.
We are looking forward to detailing our new strategic plan during a Capital Markets Day on April 24th".

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[1] *On a like-for-like basis*
[2] *EBITDA is not an accounting term; it is a financial metric defined here as profit from ordinary activities before depreciation, amortization and provisions, and before share-based compensations.*
[3] *59% conversion rate of Free cash flow before non-recurring items (acquisitions and restructuring costs) to EBITDA*

Key figures

(in millions of euros)	2018	2017*	Year-on-Year Difference
Revenue	2,643	2,505	+2%[1]
Adjusted gross profit	1,048	1,066	-2%
As a % of revenue	*39.6%*	*42.5%*	*-2.9 pts*
Adjusted operating expenses	(560)	(540)	+4%
As a % of revenue	*-21.2%*	*-21.6%*	*-0.4 pts*
EBITDA	488	526	-7%
As a % of revenue	*18.4%*	*21.0%*	*-2.6 pts*
Profit from ordinary activities, adjusted (EBIT)	416	453	-8%
As a % of revenue	*15.7%*	*18.1%*	*-2.4 pts*
Operating income	278	371	-25%
Net profit	189	257	-26%
Net profit attributable to Group shareholders	188	253	-26%
Adjusted free cash flow[4]	285	269	+6%
Free cash flow	238	239	-0%
Net debt	1,518	1,471	+3%
Net debt-to-EBITDA ratio	3.1x	2.8x	
Equity attributable to Group shareholders	1,845	1,832	+1%

** 2017 reported, restated from IFRS 15 impact*

2018 full-year performance

In 2018, revenue totalled €2,643 million, representing a 2% increase on a comparable basis, with an acceleration in the second semester while organic growth reached 6%. On a reported basis revenue was 5% higher than 2017 and was including a negative foreign exchange impact of €110 million.

Over the year, **Banks & Acquirers** posted a revenue of €1,305 million, a decrease of 4% on comparable basis, but returning to a slight organic growth of 2% in the second semester. On a reported basis the activity decreased by 8% and was including a negative foreign exchange impact of €62 million.

The **Retail** Business Unit reported a revenue of €1,339 million, showing an increase of 8% over the period on comparable basis, with a strong organic growth acceleration in the second semester reaching double digit. On a reported basis, revenue increased by 22% during the year and was including a negative foreign exchange impact of €48 million.

Adjusted gross profit

In 2018, adjusted gross profit reached €1,048 million, down 2% compared to €1,066 million in 2017, and representing 39.6% of revenues.

Operating expenses contained throughout the year

In 2018, adjusted operating costs were €560 million, representing 21.2% of revenue, compared to €540 million in 2017 when adjusted operating costs represented 21.6% of revenue.

The short term savings plan launched in July 2018 delivered €15 million in the second half of this year.

[4] *Free cash flow before non-recurring items (acquisitions and restructuring costs)*

18.4% of EBITDA margin

EBITDA was €488 million against €526 million in 2017, representing an EBITDA margin of 18.4%, down 1.9 points compared to the 2017 pro forma figures and 2.6 points compared to 2017 on a reported basis.

The **Banks & Acquirers** EBITDA stood at €277 million, down from €371 million last year. It represented a 21.2% EBITDA margin, down 4.8 points compared to the 26% pro forma EBITDA margin of 2017, significantly impacted by the negative geographical mix.

The **Retail** EBITDA came in at €210 million, up 18% versus last year. The margin this year represented 15.7%, up 1.9 points compared to the 2017 pro forma EBITDA, driven by the repositioning of the business unit carried out over the past two years.

EBIT and operating income

EBIT margin represented 15.7% of revenue and reached €416 million, compared to €453 million in 2017.

The other income and expenses reached €-48 million compared to €-30 million in 2017. The increase is mainly due to reorganization and M&A related costs. The operating income also includes price purchase allocation costs that represented €90 million in 2018 compared to €52 million in 2017 (see exhibit 4).

After taking into account the other income & expenses and price purchase allocation above described, operating income was €278 million (10.5% of revenue), against €371 million in 2017 (14.8% of revenue).

Net profit attributable to shareholders

The financial results account for €-38 million compared to €-27 million in 2017. Income tax were reduced to €52 million in 2018 from €86 million in 2017. This improvement is mainly explained by the US tax reform and a more favourable change in the country mix. Those changes led to an effective tax rate for the Group of 21.5%, against 25.0% in 2017.
In 2018, Group net profit attributable to shareholders came in at €188 million, against €253 million in 2017.

A strong cash generation despite increase of non-recurring expenses

The adjusted free cash flow[4] was up 6% in 2018 at €285 million, i.e. a conversion rate of 59%. The group's operations, post other income and expenses, generated a free cash flow of €238 million, i.e. an FCF/EBITDA conversion ratio of 49%. The capital expenditures increased as expected to €117 million against €88 million in 2017.

The Group's net debt increased slightly to €1,518 million against €1,471 million one year ago. This was mainly due to the purchase of the 20% stake in Ingenico Holdings Asia Limited, that of Airlink and €87 million of Ingenico's shares buyback. The ratio of net debt to EBITDA is up to 3.1x from 2.8x at the end of 2017, but down from the first half of 2018 that landed at 3.6x.

Proposed dividend of €1.10 per share

In line with the Group's dividend policy, a proposal to distribute a dividend of €1.10 per share will be presented to the Annual General Meeting of shareholders on 11th June 2019, representing a distribution rate of 36%. This dividend will be payable in cash or shares, according to the holder's preference.

Performance in the fourth quarter of 2018

	FY 2018			Q4 2018		
	€m	% Change		€m	% Change	
		Comparable[1]	Reported		Comparable[1]	Reported
Retail	**1,339**	**8%**	**22%**	**364**	**9%**	**12%**
SMBs	393	16%	125%	105	20%	46%
Global Online	521	9%	6%	141	8%	7%
Enterprise	424	2%	-2%	118	0%	-3%
Banks & Acquirers	**1,305**	**-4%**	**-8%**	**364**	**1%**	**-1%**
EMEA	495	-16%	-18%	125	-21%	-21%
Latin America	199	36%	17%	69	61%	43%
North America	163	-9%	-13%	44	-13%	-12%
Asia-Pacific	447	-4%	-2%	126	12%	13%
TOTAL	**2,643**	**2%**	**5%**	**727**	**5%**	**5%**

In the fourth quarter of 2018, Ingenico Group reported a revenue of €727 million, up 5% on a comparable basis compared to the fourth quarter 2017. On a reported basis, revenue increased by 5% including a negative foreign exchange impact of €17 million.

The **Retail** Business Unit continued to grow in the fourth quarter with revenue reaching €364 million, up 9% on a comparable basis. On a reported basis, revenue increased by 12%, impacted by a negative foreign exchange impact of €6 million. Compared with Q4'17, the various activities performed as follows on a like-for-like basis:

- **SMB (up 20%)**: The division has delivered a very strong performance even accelerating in the second semester through a continued expansion of the merchant base as well as an increase in transactions with acquiring volumes growing by more than 30% during the quarter. In particular, the performance of SMB in Germany accelerated significantly over the quarter while gaining new clients and retaining its existing client base. The performance of this business will be recognized in the newly created Payone division in 2019.

- **Global Online (up 8%[5])**: The quarterly performance was in line with our expectations, benefiting from the boarding of new clients during the past quarters. Moreover, the division benefited from the continued momentum around some specific commercial events such as Single Day or Black Friday. The activity remained very strong in India, growing over 20%. During the quarter, the division announced a new global device fingerprinting solution and a new ACH solution (direct debit solution) in the US, and launched a new full service solution in Russia. New customers were signed over the quarter in the gaming sector (Kiwi Games) and the Online Travel Agency sector (Trip A Deal, eDreams).

- **Enterprise (0%)**: The Q4'18 activity was in line with our expectations. The strong performance of our Western European instore gateway, i.e. Axis offsets the expected decline of our German OLV business. The hardware business performed well during the quarter, with a normative performance in Europe despite some macroeconomic headwinds which continue to impact the Turkish terminal activity. The rest of the activity remained driven by a very strong dynamic in North America, benefiting from renewal from large US retailers.

[5] *Up 11% adjusted from the IFRS 15 impact in Q4'17. Global Online is up 8% organically on reported figures.*

The **Banks & Acquirers** Business Unit has stabilized over the last quarter with a revenue increase of 1% in a comparable basis. On a reported basis revenue reaching €364 million, down 1% and negatively impacted by €11 million of foreign exchange. Compared to Q4'17, the various regions performed as follows on a like-for-like basis:

- **Europe, Middle-East & Africa** (down 21%): The division has carried on experiencing operational challenges in Q4'18 as well as a high comparable basis since Iran revenue in Q4'17 were representing €15 million of revenue, explaining half of the decline quarter on quarter. The region has experienced a slow down the decision process of some of our major clients in the Nordics and in the United Kingdom as well as a lack of execution in some mature countries. Nevertheless, the sequential performance of the division has stabilized on a quarterly basis.

- **Asia-Pacific** (up 12%): The quarterly performance was in line with the third quarter's activity. In Asia, all markets expanded significantly apart from Thailand as the terminalization process ended as expected. Japan has delivered a strong quarterly growth as Ingenico Group capitalizes on its certified products and the ongoing EMV migration. India is now completely back on positive trend after the strong 2017 comparison basis, China outperformed expectations in Q4'18 with robust demand for APOS products in the last weeks of the year and Indonesia demonstrated its ability to maintain its leadership with the largest acquirers. The dynamic in Australia has been driven by the ongoing Telium Tetra deployment which will be a driver for 2019 as well.

- **Latin America** (up 61%): As expected, the division performed very strongly in Brazil in Q4'18, even accelerating from the Q3'18 performance year-on-year. Ingenico Group has massively increased its market share by partnering with most of the local acquirers selling its comprehensive range of products, including Android terminals such as the APOS. Moreover, the Group has developed, together with some of the largest acquirers, a Direct Sales model in which Ingenico Group sells the POS directly on behalf of the acquirer. Mexico remains a very promising market where Ingenico Group continued to grow during the quarter. The Group has benefited from the certification of Telium Tetra as well as the development of the hardware services in the country. The operations remained particularly strong in Colombia, Peru and Chile.

- **North America** (down 13%): The B&A performance in North America was largely impacted by a base effect due to two significant orders placed in Q4'17. Moreover, the activity has been impacted by the lower than expected contribution of EMV renewals in the United States which was slowed down by a longer certification process. In 2019 the Group expects to benefit from the Telium Tetra deployment to US-based clients and from different EMV renewal projects in the second half of the year. B&A in Canada experienced a very strong quarter driven by the deployment of Telium Tetra.

2019 overview

Launch of Fit for Growth transformation plan

2019 will be a year of transformation as the Group will be focused on three main structural projects through the Fit for Growth plan. This plan encompasses the following streams:

1) Reposition B&A through a commercial redesign (client readiness, performance culture, brand leverage) and an industrial reorganization (product range simplification, Android development and R&D optimization);
2) Accelerate Retail through Strategic Initiatives (SMB repeatable model expansion, Global Online verticalization, Asia and Latin America acceleration and expand our advanced acquiring offering) and a new operating model (customer centric, end to end engagement model);
3) Improve operational efficiency and streamline G&A through a leaner and more agile organization, the optimization of the Procurement & IT and the consolidation of Data centers.

The Fit for Growth plan is expected to deliver €35 million net savings in 2019 while €15 million will be invested to seize future growth opportunities.

2019 objectives

- **Revenue**: the group expect expects to achieve an organic growth of its revenue **between 4% and 6%** with B&A revenue flat compared to last year and Retail growing at double digit organic growth.
- **EBITDA**: The group targets an **EBITDA above €550 million**. This target factors in:
  1) c. €45 million derived from the contribution of BS Payone and Paymark;
  2) savings of €35 million and investments of €15 million related to the Fit For Growth plan;
  3) a negative impact from currencies of c. €5 million.

  The group expects the Retail EBITDA above €270 million, and the B&A EBITDA at c. €280 million.
- **Free cash-flow**: the group has the ambition to reach a **free cash-flow conversion rate of c. 50%.**

Conference Call

The 2018 full-year financial results will be discussed in a Group telephone conference call to be held on 12th February 2018 at 6.00pm Paris time (5.00pm UK time). A presentation will be available at www.ingenico.com/finance. The call will be accessible by dialling one of the following numbers: +33 (0) 1 72 72 74 03 (from France), +1 646 722 4916 (from the US) and +44 20 7194 3759 (from other countries) with the conference ID: **31784581#**.

This press release contains forward-looking statements. The trends and objectives given in this release are based on data, assumptions and estimates considered reasonable by Ingenico Group. These data, assumptions and estimates may change or be amended as a result of uncertainties connected in particular to the performance of Ingenico Group and its subsidiaries. These forward-looking statements in no case constitute a guarantee of future performance, and involve risks and uncertainties. Actual performance may differ materially from that expressed or suggested in the forward-looking statements. Ingenico Group therefore makes no firm commitment on the realization of the growth objectives shown in this release. Ingenico Group and its subsidiaries, as well as their executives, representatives, employees and respective advisors, undertake no obligation to update or revise any forward-looking statements contained in this release, whether as a result of new information, future developments or otherwise. This release shall not constitute an offer to sell or the solicitation of an offer to buy or subscribe for securities or financial instruments.

About Ingenico Group

Ingenico Group (Euronext: FR0000125346 – ING) is the global leader in seamless payment, providing smart, trusted and secure solutions to empower commerce across all channels, in-store, online and mobile. With the world's largest payment acceptance network, we deliver secure payment solutions with a local, national and international scope. We are the trusted world-class partner for financial institutions and retailers, from small merchants to several of the world's best known global brands. Our solutions enable merchants to simplify payment and deliver their brand promise.

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Upcoming events

First quarter 2019 revenues: 23rd April 2019 (post market)
Capital Markets Day: 24th April 2019

EXHIBIT 1

Basis for preparing the 2018 financial statements

The 2018 consolidated and statutory financial statements have been approved by the Board of Directors on 12th February 2019. The audit procedures on the consolidated and statutory financial statements are concluded. The audit reports will be issued when the corporate governance report has been audited.

The consolidated financial statements have been drawn up in accordance with International Financial Reporting Standards (IFRS). In order to provide meaningful comparable information, these data have been presented on an adjusted basis, i.e. restated to reflect the depreciation and amortization expenses arising on the acquisition of new entities. Pursuant to IFRS3R, the purchase price for new entities is allocated to the identifiable assets acquired and subsequently amortized over specified periods.

The main financial data for 2018 has been analyzed on an adjusted basis, i.e. before purchase price allocation (PPA). Please see Exhibit 4.

The adjusted gross margin and the adjusted operational expenses disclosed exclude the depreciation and amortization, provisions, expenses for the share distributed to employees and officers and purchase price allocation ("PPA"). – Please see Exhibit 4.

EBITDA is not an accounting term; it is a financial metric defined here as profit from ordinary activities before depreciation, amortization and provisions, and before expenses for shares distributed to employees and officers. The reconciliation of adjusted profit from ordinary operations to EBITDA is available in Exhibit 4.

EBIT (Earnings Before Interest and Taxes) is equal to profit from ordinary activities, adjusted for amortization of the purchase price for newly acquired entities allocated to the identifiable assets acquired.

Free cash flow is equal to EBITDA less: cash and other operating income and expenses, changes in working capital requirements, investing activities net of disposals, financial expenses net of financial income, and tax paid.

The financial net debt disclosed excludes the financing line of merchants pre-financing.

EXHIBIT 2

Following the closing of the combination of BS Payone with the Ingenico DACH assets, the reporting evolves towards greater transparency and to make it easier to read the joint-venture performance.
In parallel, the former Ogone activities recognized in Global Online and Enterprise are transferred to SMB and Bambora Pacific is now consolidated in Enterprise.

1. FORMER REPORTING ON REPORTED BASIS

In millions of euros	Q1 2018	Q2 2018	Q3 2018	Q4 2018	2018
Retail	**302**	**328**	**345**	**364**	**1,339**
SMBs	88	98	103	105	393
Global Online	119	126	136	141	521
Enterprise	95	105	106	118	424
Banks & Acquirers	**280**	**319**	**342**	**364**	**1,305**
EMEA	114	128	127	125	495
Latin America	34	38	58	69	199
North America	30	46	42	44	163
Asia-Pacific	101	107	113	126	447
TOTAL	**581**	**648**	**687**	**727**	**2,643**

2. NEW REPORTING ON A REPORTED BASIS

In millions of euros	Q1 2018	Q2 2018	Q3 2018	Q4 2018	2018
Retail	**302**	**328**	**345**	**364**	**1,339**
SMBs	70	78	82	84	314
Global Online	117	124	134	139	514
Enterprise	67	76	75	91	309
Payone	48	51	54	50	202
Banks & Acquirers	**280**	**319**	**342**	**364**	**1,305**
EMEA	114	128	127	125	495
Latin America	34	38	58	69	199
North America	30	46	42	44	163
Asia-Pacific	101	107	113	126	447
TOTAL	**581**	**648**	**687**	**727**	**2,643**

EXHIBIT 3
Income statements, balance sheet, cash flow statements

1. CONSOLIDATED INCOME STATEMENTS

(in millions of euros)	2018	2017*
REVENUE	**2,643**	**2,505**
Cost of sales	(1,649)	(1,471)
GROSS PROFIT	**995**	**1,034**
Distribution and marketing costs	(250)	(224)
Research and development expenses	(171)	(186)
Administrative expenses	(247)	(224)
PROFIT FROM ORDINARY ACTIVITIES	**326**	**401**
Other operating income	0	0
Other operating expenses	(48)	(30)
PROFIT FROM OPERATING ACTIVITIES	**278**	**371**
NET FINANCE COSTS	**(38)**	**(27)**
Share of profits in equity-accounted investees	0	(1)
PROFIT BEFORE INCOME TAX	**241**	**343**
Income tax expense	(52)	(86)
NET PROFIT	**189**	**257**
Attributable to:		
- Ingenico Group SA shareholders	188	253
- non-controlling interests	1	4
EARNINGS PER SHARE (in euros)		
Net earnings:		
- basic earnings per share	**3.05**	**4.09**
- diluted earnings per share	**2.99**	**4.00**

** restated from IFRS 15 impact*

2. CONSOLIDATED BALANCE SHEET

ASSETS

(in millions of euros)	2018	2017*
Goodwill	2,490	2,479
Other intangible assets	965	958
Property, plant and equipment	90	88
Investments in equity-accounted investees	8	8
Financial assets	23	20
Deferred tax assets	53	63
Other non-current assets	37	39
TOTAL NON-CURRENT ASSETS	**3,666**	**3,654**
Inventories	188	171
Trade and related receivables	651	557
Receivables related to intermediation activities	243	173
Other current assets	38	46
Current tax assets	36	21
Derivative financial instruments	16	8
Funds related to intermediation activities	462	461
Cash and cash equivalents	775	596
TOTAL CURRENT ASSETS	**2,409**	**2,031**
TOTAL ASSETS	**6,075**	**5,685**

EQUITY AND LIABILITIES

(in millions of euros)	2018	2017*
Share capital	63	62
Share premium account	867	818
Other reserves	990	973
Translation differences	(75)	(22)
Equity for the period attributable to Ingenico Group SA shareholders	**1,845**	**1,832**
Non-controlling interests	6	**11**
TOTAL EQUITY	**1,850**	**1,842**
Non-current borrowings and long-term debt	1 864	1,549
Provisions for retirement and benefit obligations	21	25
Other long-term provisions	23	24
Deferred tax liabilities	204	227
Other non-current liabilities	59	67
TOTAL NON-CURRENT LIABILITIES	**2,171**	**1,892**
Short-term loans and borrowings	466	553
Other short-term provisions	16	19
Trade and related payables	626	511
Payables related to intermediation activities	665	598
Other current liabilities	252	243
Current tax liabilities	27	24
Derivative financial instruments	2	3
TOTAL CURRENT LIABILITIES	**2,054**	**1,951**
TOTAL LIABILITIES	**4,225**	**3,843**
TOTAL EQUITY AND LIABILITIES	**6,075**	**5,685**

** restated from IFRS 15 impact*

3. CONSOLIDATED CASH FLOW STATEMENTS

(in millions of euros)	2018	2017*
ProFit For the period	189	257
Adjustments for:		
- Share of profit of equity-accounted investees	(0)	1
- Income tax expense/(income)	52	86
- Depreciation, amortization and provisions	162	111
- Change in fair value	(1)	3
- (Gains)/losses on disposal of assets	0	0
- Net interest costs/(revenue)	35	23
- Share-based payment expense	0	13
Interest paid	(24)	(16)
Income tax paid	(90)	(97)
Cash flows from operating activities before change in net working capital	**323**	**382**
Inventories	(22)	(10)
Trade and other receivables	(94)	(73)
Trade payables and other payables	137	19
Change in net working capital	**22**	**(63)**
Change in net working capital coming from intermediation activities	(6)	21
NET CASH FLOWS FROM OPERATING ACTIVITIES	**339**	**340**
Acquisition of fixed assets	(117)	(88)
Proceeds from sale of tangible and intangible fixed assets	1	1
Acquisition of subsidiaries, net of cash acquired	(36)	(1,257)
Disposal of subsidiaries, net of cash disposed of		
Loans and advances granted and other financial assets	(3)	(4)
Loan repayments received	6	8
Dividend received	0	6
Interest received	7	7
CASH FLOWS FROM INVESTING ACTIVITIES	**(143)**	**(1,327)**
Proceeds from share capital issues		2
Purchase/sale of treasury shares	(87)	0
Issuance of borrowings	304	919
Proceeds from loans and borrowings	(95)	(275)
Repayment of loans and borrowings	(93)	9
Change in the Group's ownership interests in controlled entities	4	(21)
Changes in other financial liabilities	(0)	(1)
Effect of financial derivative instruments	(1)	--
Dividends paid to shareholders	(55)	(40)
Taxes on financing activities	4	(2)
NET CASH FLOWS FROM FINANCING ACTIVITIES	**19**	**591**
Effect of exchange rate fluctuations	(3)	(18)
CHANGE IN CASH AND CASH EQUIVALENTS	**174**	**(415)**
Net cash and cash equivalents at beginning of the year	589	1,003
Net cash and cash equivalents at year end	763	589

	2018	2017*
CASH AND CASH EQUIVALENT		
Short-term investments and short-term deposits (only for the portion considered as cash equivalents)	103	90
Cash	672	506
Bank overdrafts	(12)	(7)
TOTAL NET CASH AND CASH EQUIVALENTS	**763**	**589**

** restated from IFRS 15 impact*

EXHIBIT 4

Impact of purchase price allocation ("PPA")

(in millions of euros)	2018 adjusted	Other D&A	2018 excl. PPA	PPA Impact	2018 incl. PPA
Gross profit	1,048	(21)	1,027	(32)	995
Operating expenses	(560)	(51)	(611)	(58)	(668)
EBITDA/Profit from ordinary activities	488	(71)	416	(90)	326

Reconciliation of profit from ordinary activities to EBITDA

EBITDA represents profit from ordinary activities, restated to include the following:

- Provisions for impairment of tangible and intangible assets, net of reversals (including impairment of goodwill or other intangible assets with indefinite lives, but not provisions for impairment of inventories, trade and related receivables and other current assets), and provisions for risks and charges (both current and non-current) on the liability side of the balance sheet, net of reversals.
- Expenses related to the restatement of finance lease obligations on consolidation.
- Expenses recognized in connection with the award of stock options, free shares or any other payments to be accounted for using IFRS 2, share-based compensation.

Reconciliation:

(in millions of euros)	2018	2017
Profit from ordinary activities	326	402
Allocated assets amortization (PPA)	90	52
EBIT	416	453
Other D&A and changes in provisions	71	60
Share-based compensation	0	13
EBITDA	488	526