

Presentation to investors

NOVEMBER 2019

Worldline

## **Corporate Social Responsibility within Worldline**

#### **OUR VISION**

"CSR and business performance are two faces of the same coin, of being sustainable and being able to stand the test of time. Our commitment to CSR keeps us aligned with our long-term objectives and keeps us focused on what is essential to our company and to our ecosystem. Doing these things is a powerful way to drive our company, to respond to stakeholder expectations and to confirm the net benefit we deliver in the world, today and tomorrow."



**Gilles Grapinet,** *Chairman and Chief Executive Officer* 

#### **OUR STRATEGY**

"At Worldline, our CSR and business activities are fully intertwined. In setting our Trust 2020 commitments, that aim to build long-term trust with our stakeholders, we succeeded in making CSR a transformation vehicle that mobilizes the entire company in order to implement the relevant and innovative action plans to accelerate our progress toward the objectives we have set in each strategic area."



**Sébastien Mandron,** Corporate Social Responsibility Officer

## WORLDLINE: EMPOWERING THE CASHLESS SOCIETY

c. €2.2 bn
ANNUAL REVENUE\*

**c. 11,500 EMPLOYEES** 

32 COUNTRIES



#### MERCHANT SERVICES

- Commercial Acquiring
- Omnichannel Payment Acceptance
- Payment Terminals Solutions
- Digital Retail Services

> €1.0 billion annual revenue (47%)

**400K+**Merchants in Europe



### FINANCIAL SERVICES

- Issuing Processing
- Acquiring Processing
- Account Payments
- Digital Banking



**300+** Financial Institutions



## MOBILITY & E-TRANSACTIONAL SERVICES

- · Trusted Digitization
- · eConsumer & Mobility
- e-Ticketing

€0.3 billion

annual revenue (14%)

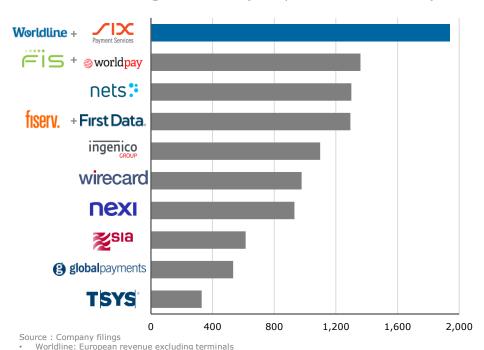
350+

Customers on various industries

<sup>\*: 2018</sup> pro forma revenue

## Worldline today: a unique pan-European payment champion, with an unrivalled industrial scale and reach

#### **PSP ranking in the EU** (European revenue in €m)



#### **European leadership at scale**

#### Leadership

#1

In the DACH region, in Benelux, in France and in the Baltics

#1

10%

Market Share in Commercial Acquiring<sup>1</sup>

#1

20%

Market Share in Financial Processing<sup>2</sup>

#3

10000

European e-com. PSP<sup>3</sup>

#### **Merchant services**

c.2.2m

Payment terminals managed worldwide c.3.4bn

Card transactions processed per year

#### **Financial services**

#### c.125m

Cards under management

**c.11** bn

Payment card transactions per year

#### c.13 bn

Non card transactions per year

#### **MeTS**

2m+

€16bn+

Connected objects

Travel ticket sold per year

Wirecard based on previous year split by geography
 Ingenico: "Transactions" revenue
 First Data: EMEA revenue: Fisery: revenue outside the USA

<sup>1</sup> Non bank acquirer in continental Europe excl. Russia – Source: BCG

<sup>2</sup> in number of transactions processed in UE - Source: ECB

<sup>3</sup> online acceptance in number of transactions – Source: Nilson Report 2017; company information and BCG analysis

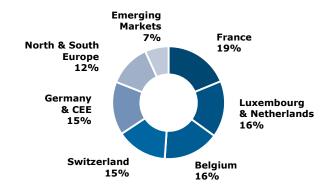


### A UNIQUELY DIVERSIFIED BUSINESS PROFILE

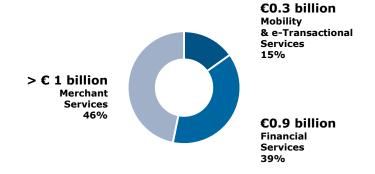




Worldline + ✓IX Payment Services = 2019e combined net revenue of C.€2.3bn







**New Business Profile (2)** 

- Based on H1 2019 Actual Financials
- Based on 2019e combined revenue

## 2018 Highlights: another very solid year with all 2018 financial objectives reached

**2018 RESULTS** 

SIX PAYMENT SERVICES
ACQUISITION
& EQUENSWORLDLINE
SYNERGIES

ROBUST COMMERCIAL ACTIVITY

Revenue: €1720m

+6.2% organic (Q4 at 7.0%)

OMDA: €391m

22.7% (+100bp vs 2017)

Free cash flow: €207m

+ 18% vs 2017

## Strategic acquisition of SIX Payment Services (SPS)

- Step change for Worldline's commercial acquiring
- €110m OMDA run-rate synergies targeted in 2022

SPS Integration program launched immediately after closing

Successful second year of equensWorldline integration and synergy plan

Many new significant contracts, including:





- Many outsourcing opportunities in the commercial pipeline
- Commercial breakthrough of PSD2/ Instant Payments, Tap2Use, Contact platform, VALINA



### H1 2019 Highlights: a very solid semester



- Very good set
   of results
   perfectly in line
   with the
   objectives set for
   the year
- Very strong commercial activity:
- Numerous new contracts signed in all 3 divisions
- Good progression of very large outsourcing opportunities

- Finalization of Equens' acquisition
- Exercise of the call option on equensWorldline at €1,070m
- Financing of the transaction secured
- Transaction strongly accretive to EPS
- Completion expected during H2 2019

- Fast progress of the integration and synergy plan with SIX Payment Services
- Many strategic, commercial and industrial benefits already visible

### Key strategic axis of the 3 year roadmap

SCALE & REACH	Fully leverage Worldline Pan-European competitive advantage	\ /
LARGE DEALS EXPERTISE	Maintain commercial focus on large outsourcing deals and new bank alliances	\
FOCUS ON ONLINE	Grow above market Worldline <b>online and omni-channel payments,</b> leveraging One Commerce Hub and digital banking	\ /
INNOVATION & INVESTMENT	Ensure successful market breakthrough with latest differentiating offers	\ /
INTEGRATION KNOW-HOW	Enable <b>fastest</b> possible <b>delivery</b> of SIX Payment Services and equensWorldline <b>synergy plans</b>	\ /
M&A TRACK RECORD	More than ever, maintain an <b>absolute priority</b> and focus on the next wave of <b>European payment consolidation opportunities</b>	\ /

Make Worldline the n°1 payment industry employer brand through talent & expert attraction and developments policies and Tier 1 CSR achievements



### **2019-21** ambition

Previous

2017-19

- 3 year plan -

2019-21

- 3 year plan -

REVENUE

After H1 2017 at a slight positive growth **5% to 7% CAGR** 



**7% to 8% CAGR** over the 2018-2021 period

OMDA

+350bp to +400bp margin improvement in 2019 vs 2016 pro forma of c.18.5%



+400 to 500 bp\*
margin improvement in 2021
vs 2018 proforma

FREE CASH FLOW

€210m to €230m in 2019, i.e. over +50% increase vs 2016



€370m to €410m in 2021, i.e. between +75% and +95% increase vs 2018

\*: excluding impacts from IFRS16 adoption

### **2019 objectives**

6% to 8% organic growth **REVENUE OMDA** Between 24.8% and 25.8%\* FREE Between €275 million and €290 million CASH including synergy implementation costs **FLOW** 



<sup>\*:</sup> Corresponding to an initial guidance of 23% to 24% pre IFRS 16 impact estimated at c.+180 basis points on OMDA.

## Worldline corporate and CSR governance (1/2)

### Shareholding structure

#### **As at November 12, 2019:**

• SIX Group AG: 22% (Taking into account 9.1m shares loaned to Credit Suisse)

representing 20% of voting rights

Atos: 17%, representing 26% of voting rights

Employees' ESPP & management: 1%
 Other: 60%\*

### **Board of Directors**

- Board to consist of 13 members, of which 3 Atos appointees, 2 SIX Group appointees, the Chairman & CEO, 6 independent directors, 1 employee representative.
- 1 censor (1 SIX Group representative)
- Consistent with recommendations of AFEP-MEDEF code
- Directors appointed for 3 years
- After completion of Atos' transactions dated October 30<sup>th</sup>, 2019, and as per the provisions of the Shareholder Agreement, the Board composition should be adjusted by transforming one director designated by Atos into a censor position.

## Board committees

- Audit Committee
  - 6 members, out of which 4 independent directors
  - Chaired by an independent director

- Compensation/Nomination Com:
  - 5 members, out of which 3 independent directors

- Investment Committee: 4 members, incl. 1 independent director
- Strategy & Innovation Committee: 5 members, incl. 1 independent director
- Balance of independent directors in the committees in line with recommendations of the French AFEP-MEDEF Code

<sup>\*</sup>including 5.9% of the share capital held by Capital Group of companies, as per its declaration dated July 26, 2019

## Worldline corporate and CSR governance (2/2)

#### Management

- Chairman & CEO: Gilles GRAPINET
- Strong Management team with long experience in the industry
- Key decisions subject to Board prior approval (+ in certain instances, audit committee opinion)

#### CSR Governance

- Quarterly CSR management review : Gilles GRAPINET + Management Committee members
- · Quarterly Environmental board: CSR officer, Environmental managers, Head of Atos Environment
- CSR committee on weekly basis: All CSR members

### New Board of Directors composition perfectly reflecting the new shareholding structure as at November 14, 2019

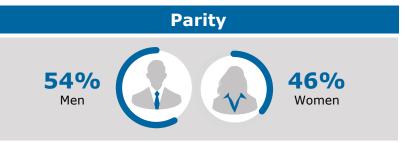


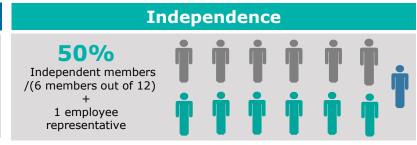


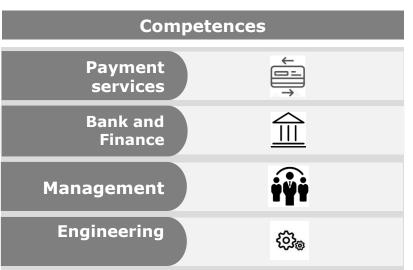


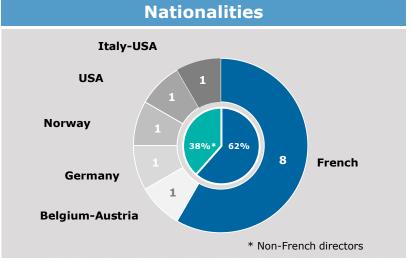
### A well-balanced governance structure

as at November 14, 2019









## Adapting corporate governance and preparing for the full standalone status

## Adapting the corporate governance

- Increase from 4 to 6 independent board members (out of 13)
- Reduction from 5 to 3 of Atos appointed board members
- Worldline CEO full time dedicated to Worldline



#### **Improving corporate structures**

- Disentanglement from Atos IT systems and mutualized support functions
- Fast termination of service agreements
- Strengthened corporate teams and internal IT systems

## Designing our future cooperation with Atos: the Atos & Worldline Alliance

- Comprehensive industrial, technological and commercial alliance
- HR Mobility programs
- Mutually beneficial arm-length cooperation
- Joint-governance

Internal and external communication activities with all stakeholders

## Taking advantage of the stand-alone status: 3 new strategic levers for a rejuvenated M&A potential

Distribution by
Atos of 23.5% of
Worldline's shares
and further celldown of c.10%.

Deconsolidation
of Worldline from
Atos Group

Renewed **ability to welcome new banking communities** in Worldline through further capital increase

**Standalone computation** of Worldline's net debt to EBITDA **financial leverage** ratio

Significant **improvement** of Worldline's share **liquidity** 

## Reload firepower to proceed with new M&A in the background of next consolidation wave

## Worldline

Largest EU
countries still
to participate
in Payment
industry Consolidation

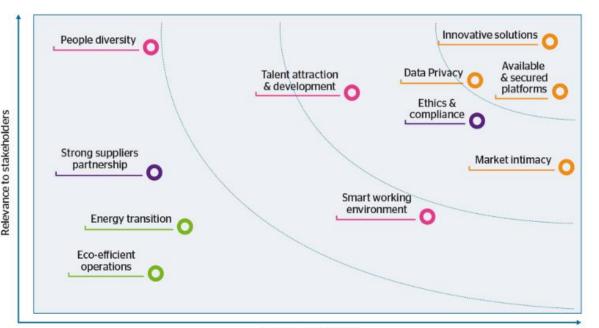
France, Spain, Italy, Sweden, Portugal, ...

Bank-friendly strategy & recognized track-record

of value-creative and optimized M&A transactions for Banking communities

Rejuvenated
Strategic flexibility
to adapt to each
specific situation

Equity – cash & debt – JV – Alliances & industrial partnerships



# Worldline has performed a detailed CSR materiality analysis

Strategic and economic impact for the Group

#### Impacts on Worldline

- Building clients' trust with fully available and secure platforms
   Reinforcing value for clients through sustainable and innovative solutions
- Being a responsible employer by revealing our employees' potential
- Endorsing our business ethic within our value chain
- Leveraging the eco-efficiency of our data-centers and offices

## Worldline CSR commitments through five objectives



- Building clients' trust with fully available & secured platforms
- Reinforcing value for clients through sustainable & innovative solutions
- Being a responsible employer by revealing our employees' potential
- 4 Endorsing our business ethic within our value chain
- Leveraging the eco-efficiency of our data-centers and offices

### **Worldline 2020 CSR Commitments**

						TRUST
CSR CHALLENGE	INDICATOR	2015	2016	2017	2018	2020
	% of alignment with the Service Level Agreements (SLA) on service availability	-	95,54%	95.49%	95.82%	100%
BUILDING CLIENT'S TRUST WITH FULLY AVAILABLE	% of alignment with the Service Level Agreements (SLA) on response time	-	98,52%	98.58%	97.95%	100%
AND SECURED PLATFORMS	% of incident responses compliant with Worldline security policy	-	97%	98.67%	98.74%	100%
	% of CADP performed on all processing activities	-	-	-	97%	100%
REINFORCING VALUE FOR CLIENTS THROUGH SUSTAINABLE &	Revenue generated through sustainable solutions that contribute to societal and environmental progress in $\ensuremath{Em}$	575	586	770	816	725
INNOVATIVE SOLUTIONS	Overall Customer Satisfaction (OCS) score	7,26	7,67	8.1	8.1	8
	Number of employer brand study citations	0	1	3	3	5
BEING A RESPONSIBLE	% of employees satisfied with the trainings provided by Worldline	-	86%	88.4%	87.75%	90%
EMPLOYER BY REVEALING OUR EMPLOYEES POTENTIAL	$\%$ employee satisfaction as measured by the Trust Index of the Great Place to Work $\! \! \! \! \! \! \! \! \! \! \! \! \! \! \! \! \! \! \!$	50%	57%	58%	59%	60%
	Gap between the $\%$ of females in management positions and the $\%$ of females in the overall workforce		7.5%	7.5%	7.3%	0
ENDORSING	Level obtained in the EcoVadis supply chain assessment	Silver	Gold	Gold	Gold	Gold
OUR BUSINESS ETHICS WITHIN OUR VALUE CHAIN	% of suppliers evaluated by EcoVadis with a score below 40 having an action plan to solve critical findings identified	-	100%	100%	89%	100%
LEVERAGING	% of CO2 emissions offset from data centers, buildings and travel	32%	31%	83%	100%	100%
THE ECO EFFICIENCY OF OUR DATA CENTERS AND OFFICES	% of CO2 emissions offset from payment terminals Life Cycle Assessment (LCA)	0%	100%	100%	100%	100%



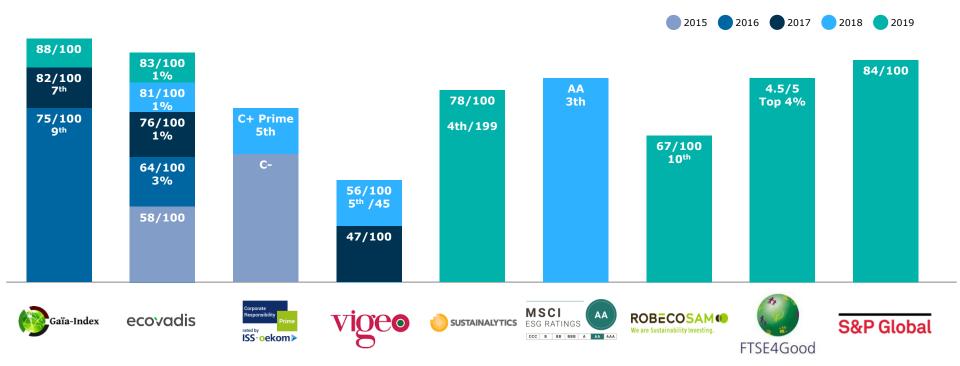
## A complete and transparent CSR reporting at the heart of Worldline business (1/2)

CSR CHALLENGE	ASPECTS	RELEVANT KPIS	2018	2017	2016	2015
<b>BUILDING CLIENT'S</b>		External awards success rate	0%	0%	50%	20%
TRUST	Innovative solutions	Delivered Customer Innovation Workshops	15	9	10	17
WITH FULLY AVAILABLE		Number of Worldline Innovation Network members	47	45	44	45
AND SECURED		% of PhD and PhD students at R&D department	49%	49%	45%	46%
PLATFORMS	Fully available	Number of security incidents	159	150	110	126
PETNICOPOTNICAVALUE & Secured		Services availability rate	99.97%	99.96%	99.88%	99.81%
SUSTAINABLE &		Overall Customer Satisfaction from Tactical surveys (from 0 to 9)	8.1	8.1	7.67	7.26
<b>INNOVATIVE SOLUTIONS</b>	Market intimacy	Net Promoter Score	41%	40%	29%	1%
BEING A RESPONSIBLE EMPLOYER BY REVEALING OUR EMPLOYEES POTENTIAL	Talent attraction & development  Cultural diversity	% of total employees who received a regular performance and career review Average hours of training that employees have undertaken during the year Employees stock plan Turnover % of female within the Directors Diversity perception GPTW Participation rate to the Well Being at Work	90.65% 26.32 Quali 9.40% 18.52% 84% 75%	97.4% 28.13 Quali. 8.21% 14.67% 82% 77%	94% 25.14 Quali. 8.42% 20.97% 81% 79%	97% 18.99 Quali. 9.35% 17.74% 79% 84%
	Smart Working	Great Place to Work Index Rate	59%	58%	57%	50%
		Absenteeism Rate %	2.70%	2.78%	2.50%	2.73%
		Total number of collaborative communities	1138	267	218	271

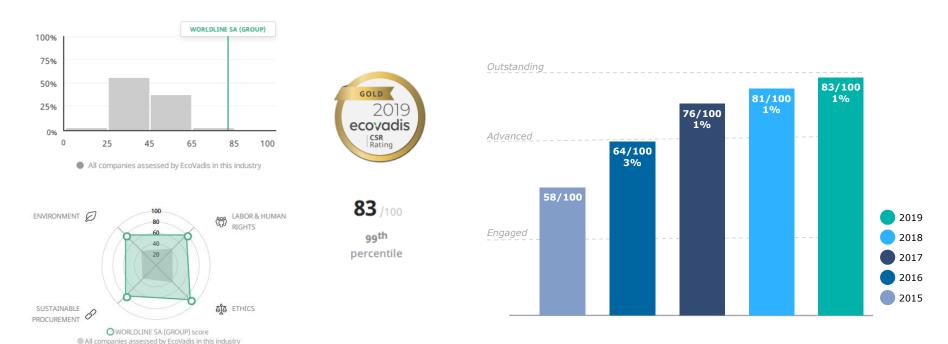
## A complete and transparent CSR reporting at the heart of Worldline business (2/2)

CSR CHALLENGE	ASPECTS	RELEVANT KPIS	2018	2017	2016	2015
ENDODGING	Ethics and	Significant fines and number of non monetary sanctions for non compliance	0	0	0	0
ENDORSING	Compliance	% of employees trained in Code of Ethics – Elearning	95%	95%	82%	71%
OUR BUSINESS		% of management employees trained in Code of Ethics – Physical	-	77%	-	68%
ETHICS WITHIN OUR VALUE	Chuana	% of new strategic suppliers evaluated by EcoVadis	38.4%	30%	26%	N.A
CHAIN	Strong Suppliers	% of total expenses assessed by EcoVadis	50.2%	49.04%	47%	N.A
CHAIN	partnership	Proportion of spending on local suppliers at significant locations of operation	86%	86%	88%	84%
		operation				
		Number of sites certified ISO 14001	9	9	9	9
LEVERAGING			9 301349	9 281972	9 265636	9 248258
LEVERAGING THE ECO EFFICIENCY	Eco officient	Number of sites certified ISO 14001	-			-
	Eco efficient	Number of sites certified ISO 14001 Energy consumption within the organization (Gj)	301349	281972	265636	248258
THE ECO EFFICIENCY	Eco efficient operations	Number of sites certified ISO 14001 Energy consumption within the organization (Gj) Energy intensity per revenue (Gj)	301349 189	281972 225	265636 239.80	248258 232.39
THE ECO EFFICIENCY OF OUR DATA		Number of sites certified ISO 14001 Energy consumption within the organization (Gj) Energy intensity per revenue (Gj) Energy intensity per employee (Gj)	301349 189 30	281972 225 37.13	265636 239.80 42.18	248258 232.39 41.17

## Steady year-on-year improvement of Worldline CSR ratings demonstrating commitment to CSR excellence



## An IT leadership with EcoVadis assessment: Worldline obtained a 83/100 score in 2019



## Worldline ranked in the TOP 10 companies for its CSR performance (MSCI, Sustainalytics)







#### LARGEST 10 INDUSTRY PEERS (SOFTWARE & SERVICES)

	EMISSIONS	DEVELOPMENT	PRIVACY & DATA SECURITY	GOVERNANCE	TREND	AND
SAP SE	•••	••••	•••	••	AAA	$\leftrightarrow$
MICROSOFT CORPORATION	•••	•••	••••	****	AAA	$\leftrightarrow$
INTERNATIONAL BUSINESS MACHINES CORPORATION	•••	•••	••••	••	AA	$\leftrightarrow$
WORLDLINE S.A.	•••	••••	••••	••	AA	$\leftrightarrow$
VISA INC.	•••	****	••	••••	Α	1
ALPHABET INC.	•••	••••	•••	•	Α	$\leftrightarrow$
MASTERCARD INCORPORATED.	•••	•••	•••	****	A	<b>↑</b>
ORACLE CORPORATION	•••	•••	••••	•	Α	$\leftrightarrow$
TENCENT HOLDINGS LIMITED	•••	****	••	••	ввв	$\leftrightarrow$
FACEBOOK, INC.	•••	••		•••	ВВ	4
ALIBABA GROUP HOLDING LIMITED	••	****		•	В	$\leftrightarrow$

QUARTILE KEY:

• Bottom Quartile

\*\*\*\* Top Quartile

RATING TREND KEY: 

← maintain ↑ upgrade ↑↑ two or more notch upgrade ↓ downgrade ↓ two or more notch downgrade







_	Top 5 Companies	Score
1.	Wipro Limited	92
2.	Tech Mahindra Limited	84
3.	Atea ASA	78
4.	Worldline SA	78
5.	Tieto Corp	76

Peers (Market cap \$13-\$14bn)	Score
Worldline SA	78
Symantec Corporation	73
GoDaddy Inc	48
Paycom Software Inc	45
SS&C Technologies Holdings, Inc.	43

## How Worldline aims to reduce everyday its carbon footprint?

Reduce energy consumption through ISO 14001 sites certification & Invest in low consumption technologies for offices and data centers

**Design Eco-efficient payment terminals** 

Move to renewable electricity

Offset 100% of the remaining CO2 emissions including travels





In 2019, Worldline became THE first carbon neutral company in the payment industry!

### Worldline key ESG commitments for software & services markets

#### **CYBER SECURITY**

- Maintain a high level of Security certification ISO 27001 across the organization
- Strengthen services related to our Center of Security operations
- Continue to keep Incident resolution above 95% in alignment with security policy
- Train 100% of our employees on a yearly basis regarding PCI

#### **DATA PRIVACY**

- Perform 100% of CADP on all processing activities
- Train 100% of our employees on a yearly basis regarding security and data protection
- Ensure privacy based on European standards via Atos Binding Corporate Rules.
- Our services and solutions foresee privacy from the very beginning and as a standard as we address data protection already during design and as a default.

#### **HUMAN CAPITAL**

- Propose to all employees individual development plan
- Ensure proposed trainings fully match employees request
- Rebalance Gender Equity for all managing positions
- Meet new employees expectations for Wellbeing@work program

#### **ENERGY EFFICIENCY**

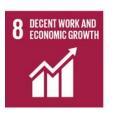
- Certify ISO 14001 all Data Centers and sites above 500 people
- Reduce our carbon intensity each year by 2% in alignment with Atos target to reduce by 10% by 2020
- Oouble the part of renewable energy in our electricity consumption
- Offset all CO2 emissions from our activities (Data Center, offices and travel) and CO2 emissions for terminals lifecycle by 2020

## Worldline Contribution to the United Nations Sustainable Development Goals

#### **EXTERNAL**

Products & services











#### **INTERNAL**

Programs & policies













## Worldline commits to the climate action and signs the French Business Climate Pledge

Worldline, alongside 98 other major French companies, has made a firm commitment to fight against climate change, by signing the French Business Climate Pledge.





## 

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Worldline

## Worldline, technological partner of the Under the Pole expedition





Worldline supports the polar **expedition Under The Pole** as a technology partner to facilitate and secure the production of multimedia content.

## **Our sustainability timeline**

