

- 7 juin 2016 -  
**Quels enjeux  
autour des solutions  
innovantes  
de Worldline ?**

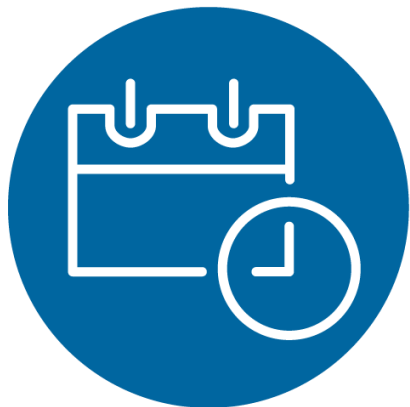
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**worldline**  
e-payment services

# Agenda



1. Worldline at a glance
2. Bank mobile wallets
3. Digital retail
4. eCommercial Acquiring
5. Connected Living

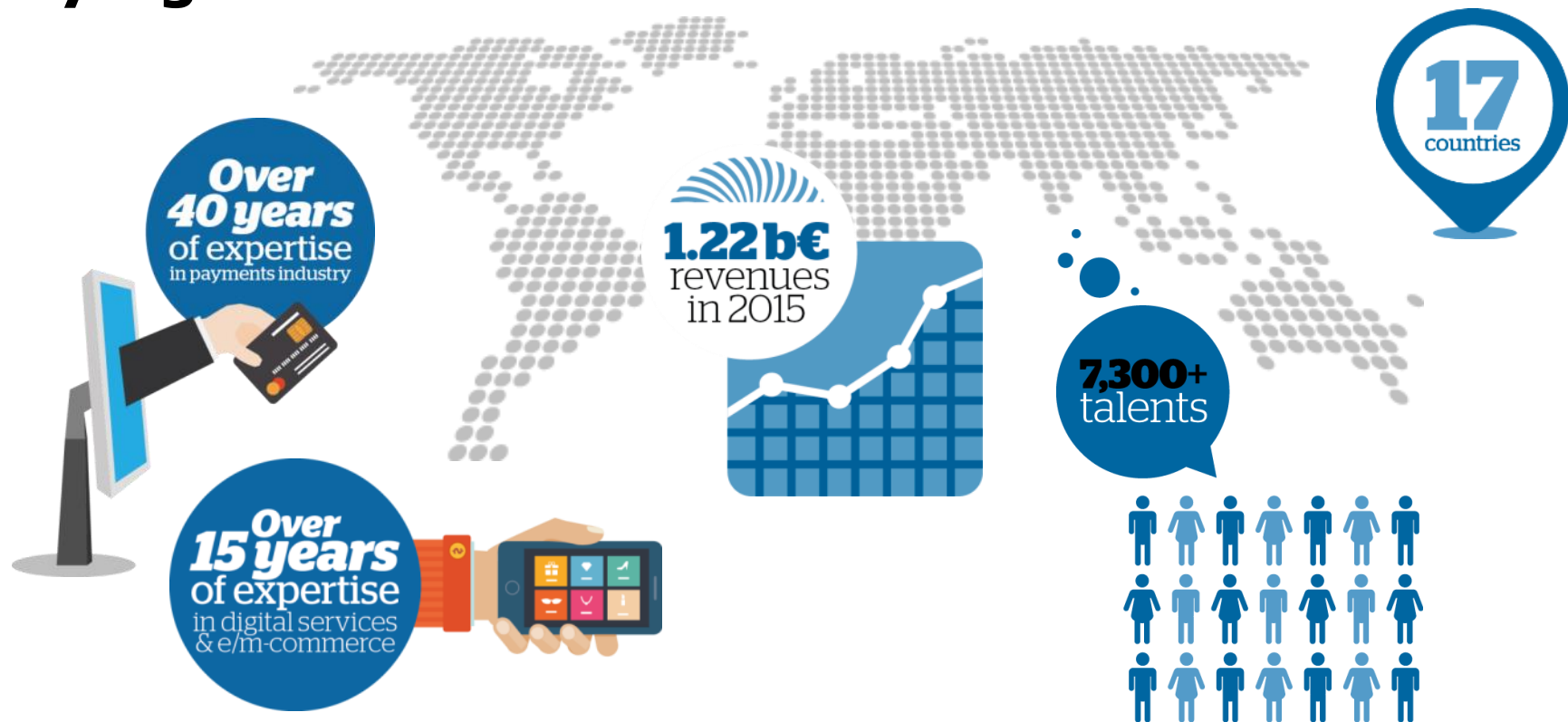


# Worldline at a glance

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# Key figures



# Three integrated Global Business Lines



## Merchant Services & Terminals

2015 Revenue: € 402m  
(+6.0%)

Leveraging the customer engagement



Commercial Acquiring



onLine Services



Private Label Cards & Loyalty services



Terminals



## Financial Processing & Software Licensing

2015 Revenue: € 414m  
(+2.8%)

Transforming cashless payments



Issuing Processing



Acquiring Processing



onLine Banking



Software Licensing



## Mobility & e-Transactional Services

2015 Revenue: € 411m  
(+4.4%)

Enabling strategic digital transformation



Connected living



e-Ticketing



e-Government

### 2015 OMDA (\*) margin

19.4%

26.0%

16.6%

(\*): Operating Margin before Depreciation and Amortization

# Innovation @Worldline

## Operation teams

Global activity directed towards the **improvement of existing products and processes**

**#Incremental**



## R&D team

Global activity directed towards the **innovation, introduction of products and processes**

**#Disruptive**



# R&D Master Tracks



## Data Analytics

Fraud Detection, Time series...



## New means of Payment

Wearables, Zero Effort Payment, P2P, Instant payment...



## User Experience / Physical to Digital bridge

Beacons, geoloc, DS, video processing...



## Authentication

Biometry, fingerprinting...



## Security

Cryptographic tools, Secure Elements...



## Blockchain

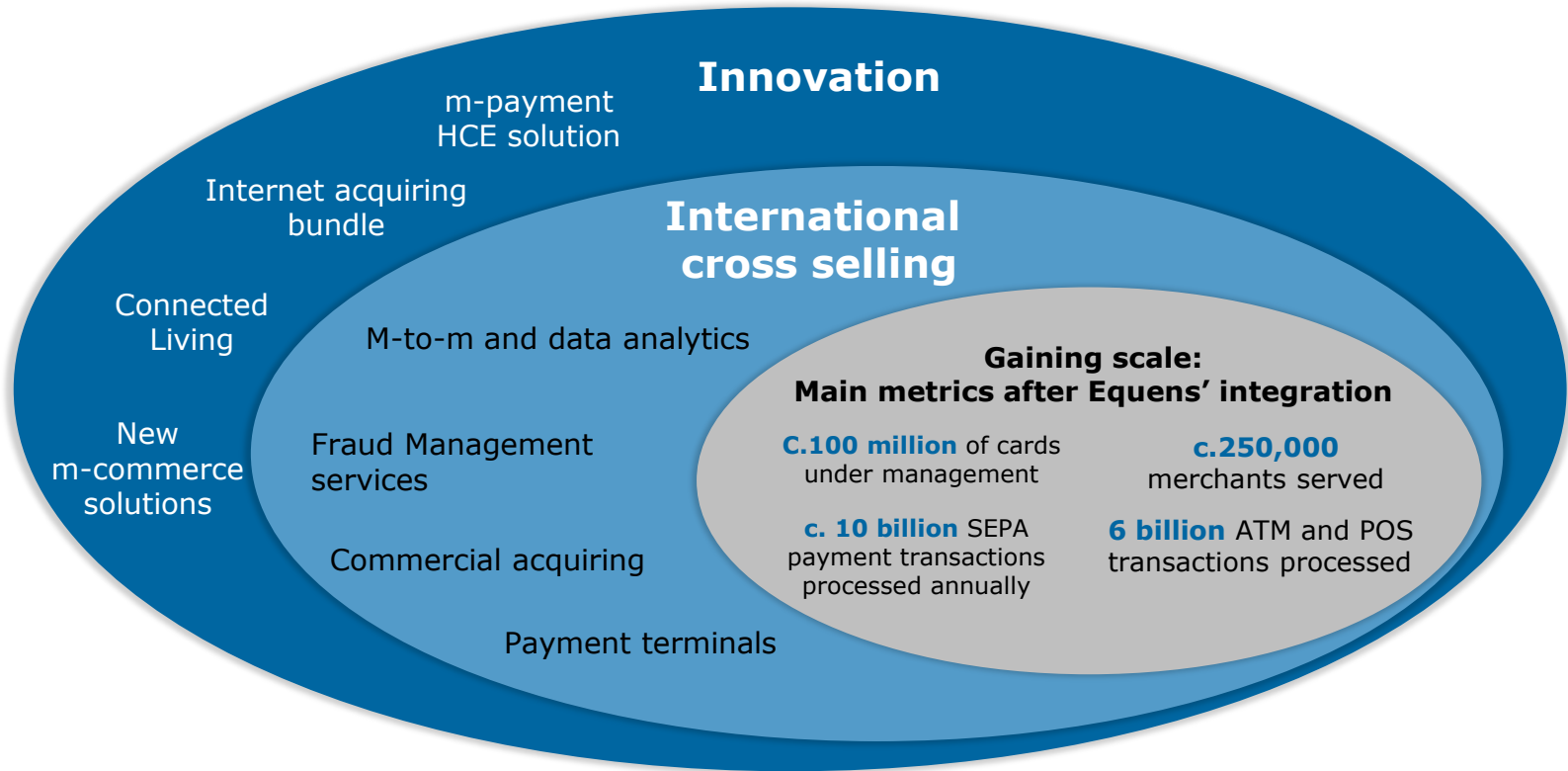
Financial market and other markets...



## Personal Assistant

RT Analytics, remote & embedded processing, User interaction, Privacy...

# Reminder of Worldline's growth strategy



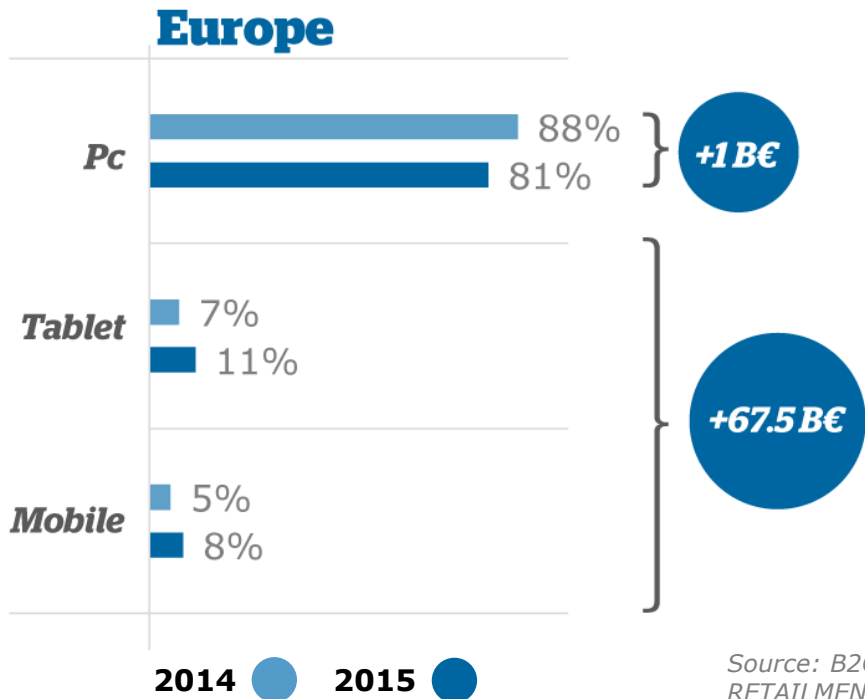




# Bank Mobile wallets

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# Mobile commerce (tablet + mobile) is cannibalizing e-commerce (PC), and generating the growth in volume



**E-Commerce transaction by usage in %, early 2014 compared with early 2015**

Source: B2C Ecommerce Report 2014 Etude Centre for Retail Research, RETAILMENOT, January 2015 - Chiffres clés, FEVAD, 2014

# Issuer Wallet: Worldline Wallet Platform at a glance



## One Platform many use cases

- Adaptable to bank specific-needs
- PCI-certified
- BPO hosting in Europe
- Highly scalable
- Value Added Services

## Key figures

- Live since 2013
- More than 1 million active users (July 2015)
- More than 10k registered merchants

## Key features

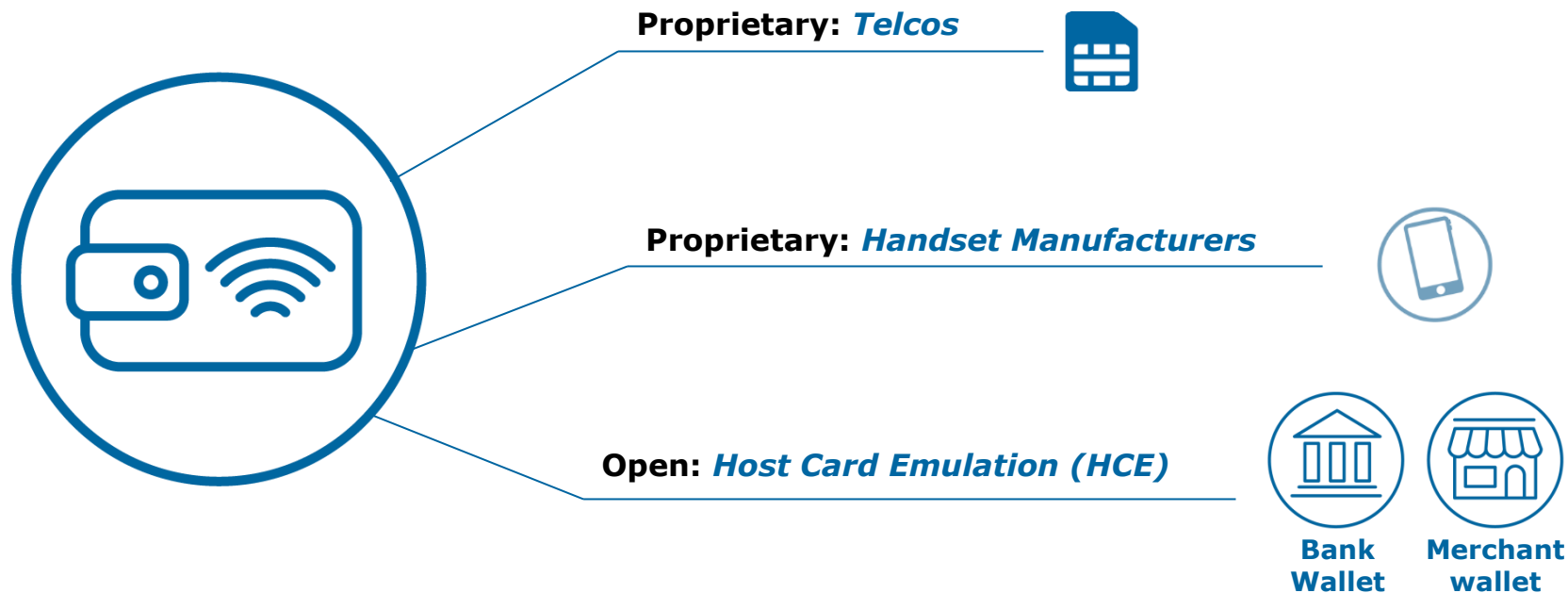
- Customizable enrolment and authentication Strategy
- Tokenization
- Online Banking Interfaces

## Services



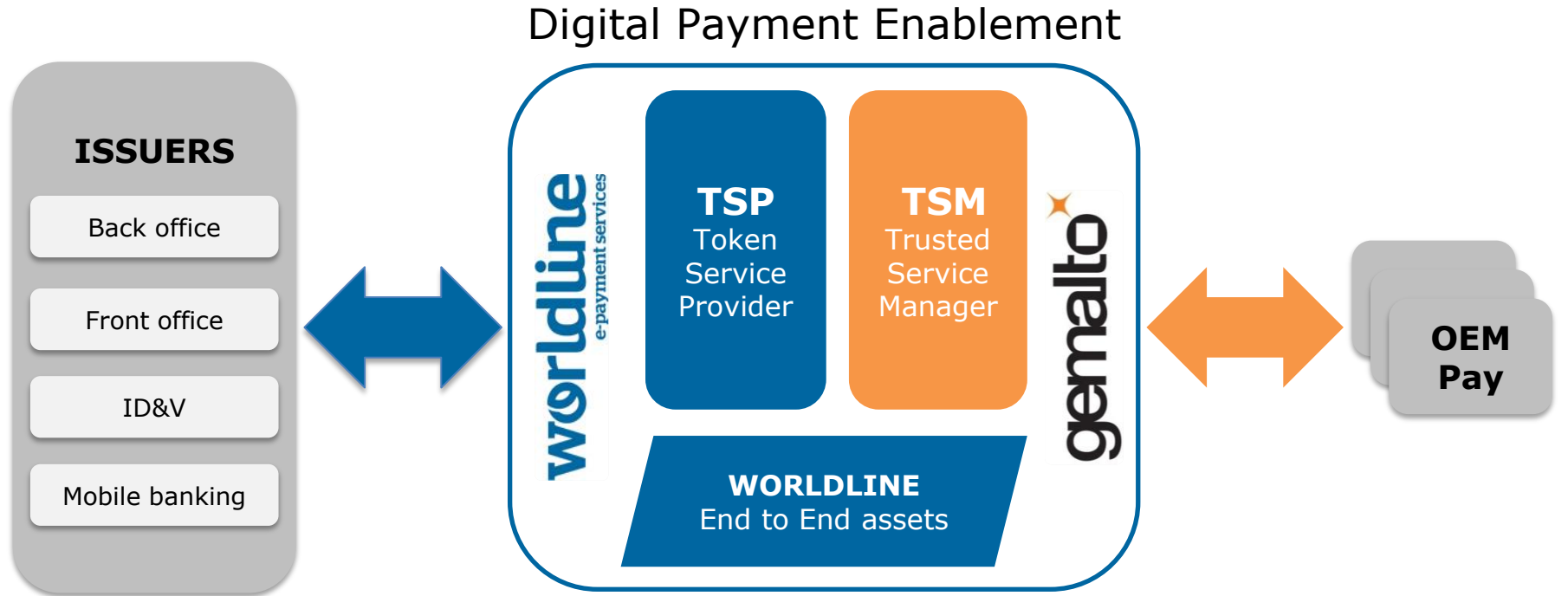
# The digital payment challenge

## One need, many implementation strategies



# Digital Payment Enablement

## Main components



# Digital Payment Enablement

## Why a Gemalto & Worldline partnership (April 2016) ?

- **Strongly recognized by the market**
  - Worldline is a strong & independent processor partner for banks
  - Gemalto is a strong secure element player
- **Complementary assets**
  - Worldline processes bank systems
  - Gemalto deals with the OEMs
- **Ready for the market**
  - Existing assets
  - Preparing the future now





## Wallets: a compulsory step to grab the benefits of instant payment emergence

- **Instant ACH solutions** for credit transfers and direct debits pushed by regulators and banks
- **A new way of paying** on top of card solutions (Visa, Mastercard)
- **Bank wallet is the fastest way** to bring it to the consumer pocket
- Banks' **strong interest for this new solution is fostering** the **wallet demand**.

# Trusted Authentication: A key module behind the bank wallet





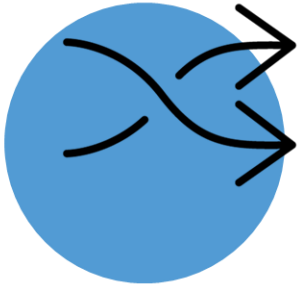


# Digital Retail

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# Payments at the heart of the retail experience



*A seamless integration of payments into the shopping journey enables a*  
**cross-channel experience**



*Payment convenience leads to*  
**a higher conversion rate**

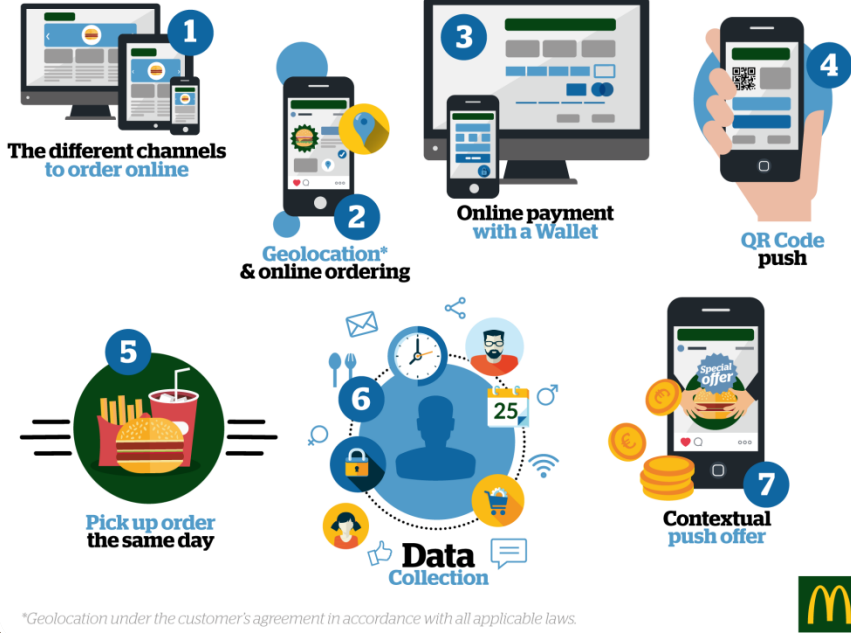


*Payment data are sensitive and need to be*  
**secured**



*Payments are rich in valuable information to be leveraged for a*  
**personalized experience**

# McDonald's France customer journey



## Sephora Flash digital customer journey



1 In the store, access directly to **3,500+ stocked items**



2 On screens access to **14,000+ items** addable to digital basket on a NFC card



3 **Pay** for both baskets **in-store**



4 **Pick up or receive** your order

SEPHORA



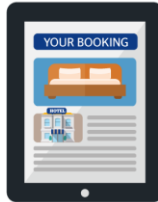
## Accor Hotels one-click booking



Booking  
on the application



Strong & convenient  
mobile authentication  
**with the wallet**



The customer receives  
**a recap of his booking**



# Hiding Payments in a great buying experience is a huge source of value

- It means making **payments** seamless, instant and effortless
- It allows to leverage **customer data** to improve loyalty
- It enables to **bridge the digital divide** for a consistent cross-channel experience





# eCommercial Acquiring

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# PSP VS Acquirer: different roles



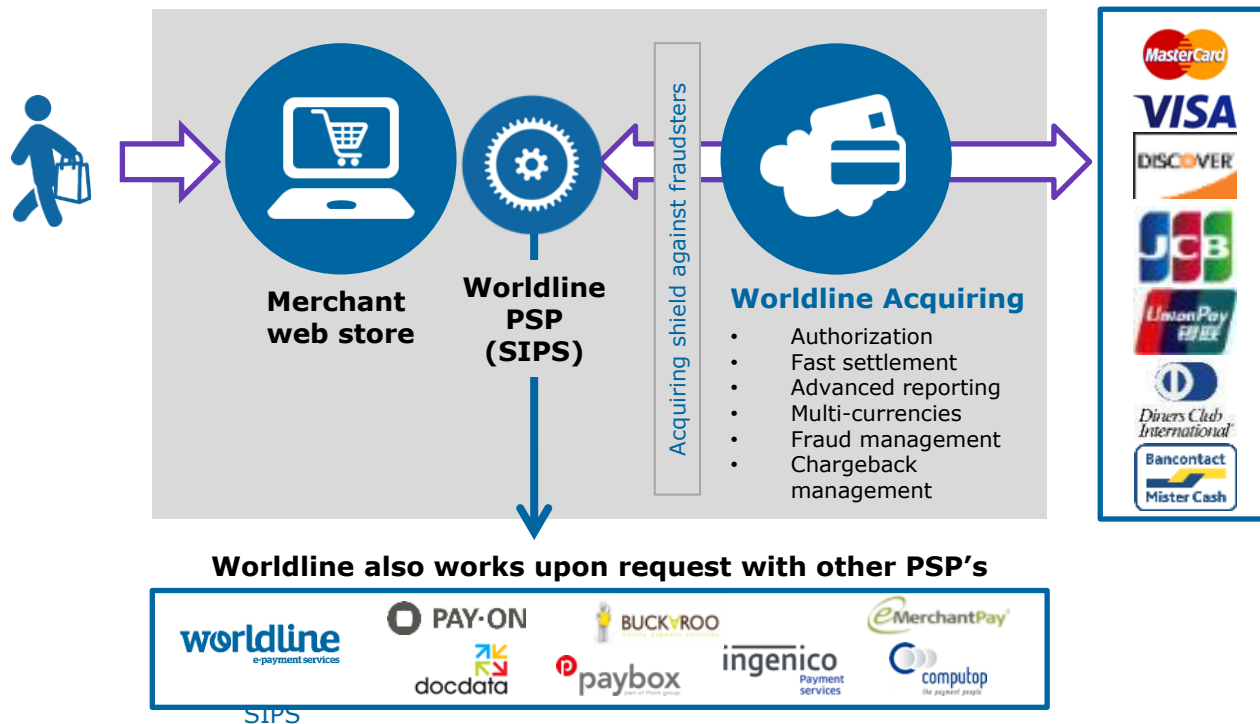
- Collects card details via a paypage
- Allows authentication by the cardholder (CVC code and/or 3-D Secure)
- Performs a number of operations (validate, cancel, refund, duplicate etc.)
- Can ensure PCI compliancy
- and more (reporting, anti-fraud, ...)



- Routes the authorization request to issuer
- Ensures clearing & settlement
- Manages possible disputes / chargebacks
- Provides reporting
- Complies with scheme rules (imposed by VISA, MasterCard, BCMC)



# Product: Our Service Today



# Product: Five development streams



## Short-Term Revenue Growth

Be attractive for new payment intermediaries



## Completeness Value Proposition

Bundle our assets and meet new market demands



## Verticals

Invest in automation to better manage our risks and accelerate growth



## Localisation

Invest in localisation



## Grow Cross-Border

Make our offer attractive for cross-border commerce in Europe

# All our clients have taken a moment to analyze our proposal and estimate the result on their bottom line



E-commerce and call center reservations

- **10 countries**
- **Multi-currency settlement**
- **Mail orders/ Telephone orders**



E-acquiring reservations with high trx amount

- **Fraud expertise & charge back management**
- **Global reservations via multi-channel acquiring**



Largest European operator of leisure parks

- **e-Acquiring & Sips**
- **10 countries**



VIDEOSTRIPE



Video On Demand players (BE, NL, ES, PL)

- **Acquiring services & Sips**
- **Recurring payments**
- **Supporting new business models for online services via recurring payments**

# Other growth drivers in Commercial Acquiring



DCC



Mobile payment  
acceptance



PoS Advertising



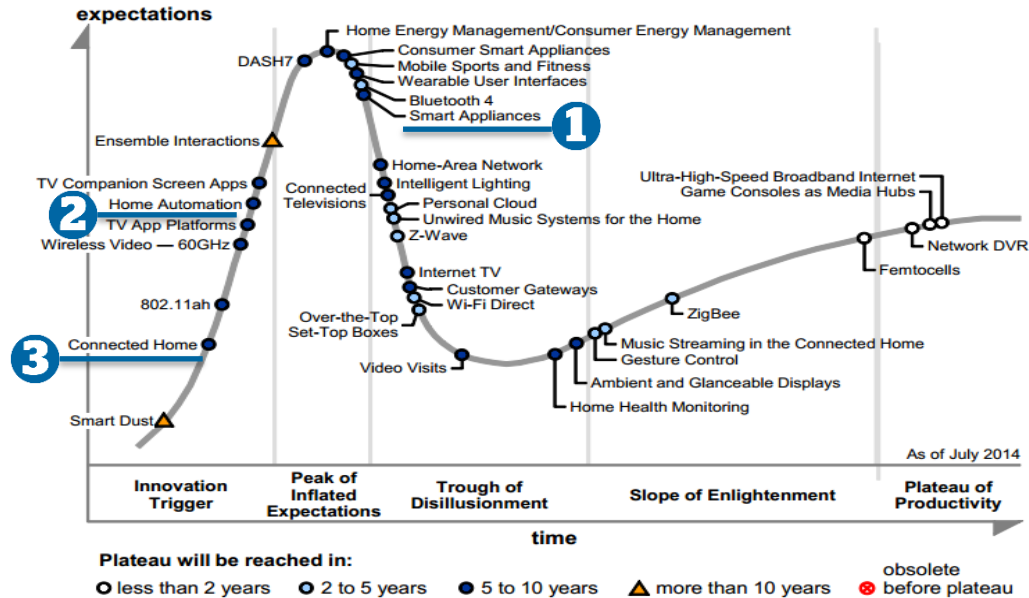
**Connected  
Living**

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# The Gartner view The Connected Home Hype Cycle 2014

Figure 1. Hype Cycle for Connected Homes, 2014



Source: Gartner (July 2014)

## 1 Smart Appliances

- Connect to a network, controlled remotely by the owner via app
- **Benefit Rating: Moderate**
- **Maturity: Emerging**

## 2 Home Automation

- In-home digital devices (PCs, smartphones, entertainment systems, thermostats, lighting and security systems, and appliances) connected by a home-area network (HAN)
- **Benefit Rating: High**
- **Maturity: Emerging**

## 3 Connected Home

- Interconnection of multiple devices, services and apps,
- Providing a connected experience
- Integrated into customer's life
- **Benefit Rating: High**
- **Maturity: Emerging**

# Home Connect architecture represents an entire IoTS platform

## 1 - Requirements

- Remote Monitoring
- Remote Control
- Customer service
- Energy services
- Digital Manual  
incl. hints and tricks
- Recipes
- Sales related (shop etc.)
- ...

## 2 - Home Connect App



Smart devices

## 3 - Appliances\*

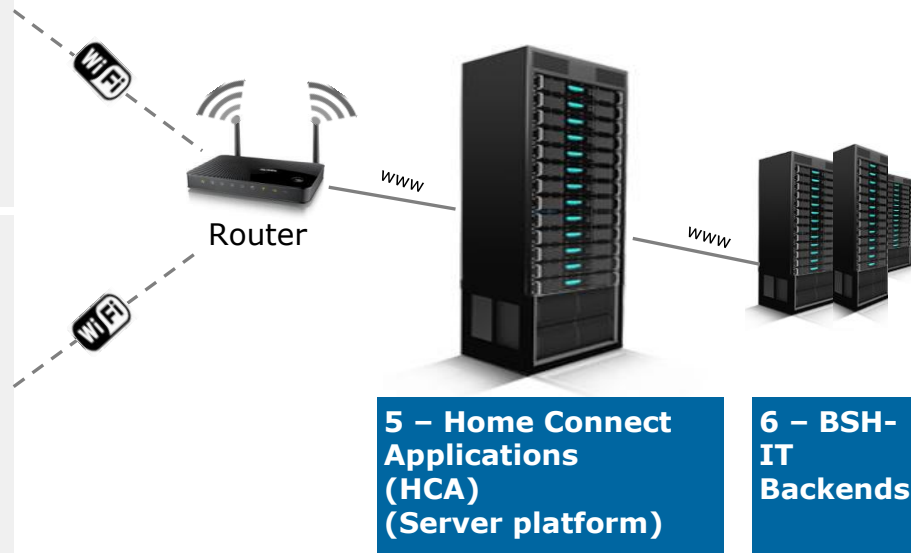
- Oven
- Dishwasher
- Fridge-freezer
- Washing machine
- Tumble dryer



Appliances

## 4 - \*including Com'Module

A new eService environment generating a need for manufacturers to have integrated billing and payment solutions both for consumers or SMEs



5 - Home Connect Applications (HCA) (Server platform)

6 - BSH-IT Backends

# Mastering technical complexity – to make it as simple as possible for the consumer



First solution worldwide that allows for more than one brand of household appliances to be controlled through one app.



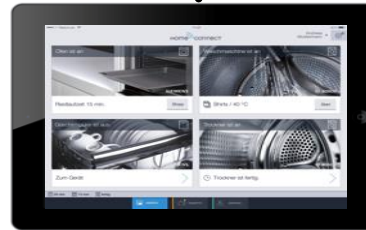
# Step-by-step Home Connect will offer an exhaustive remote access to home appliances and additional services



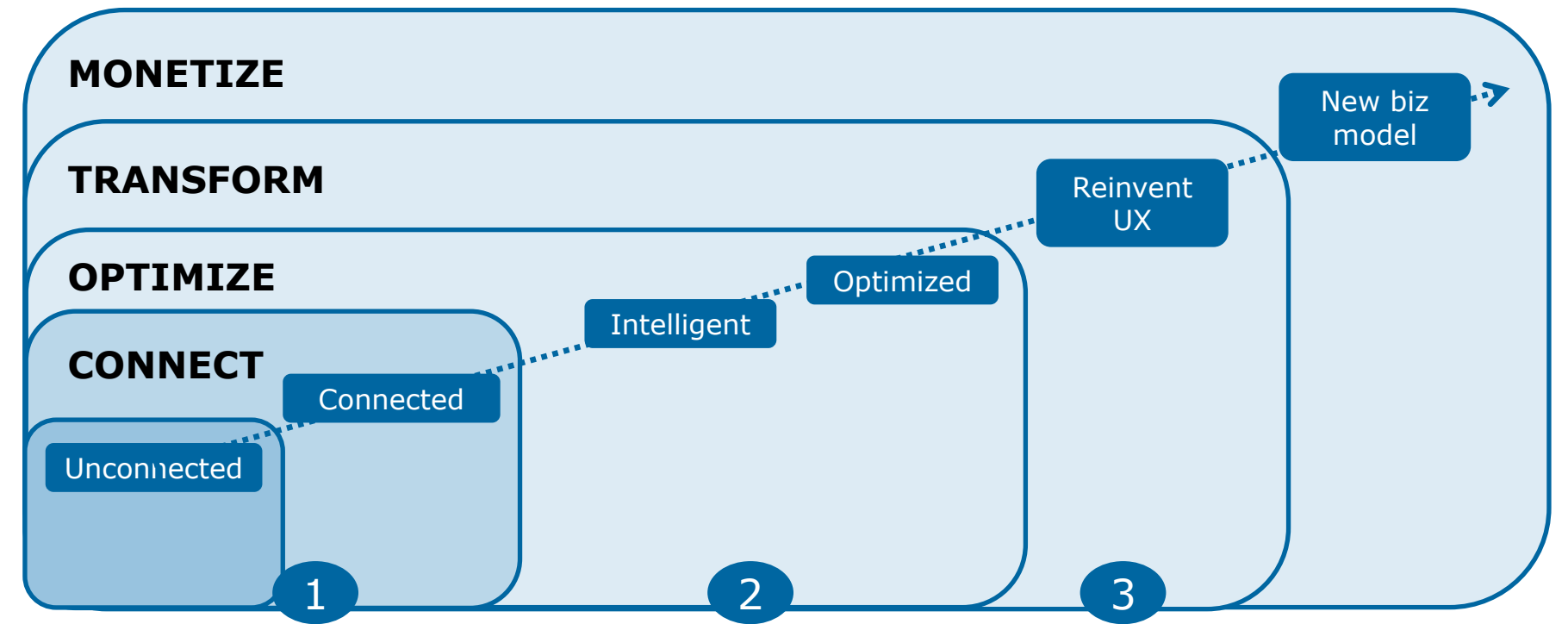
HC App  
Detail  
pages



## Real HC App Overview



# Connected living: 4 levels of Digital Transformation through IoT





# Q&A session

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# Thank you

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