

results first half 2014

FINANCIAL COMMUNICATION

28 July 2014



Disclaimer

- This document contains further forward-looking statements that involve risks and uncertainties concerning the Group's expected growth and profitability in the future. Actual events or results may differ from those described in this document due to a number of risks and uncertainties that are described within the Registration Document filed with the Autorité des Marches Financiers (AMF) on May 6, 2014 under the registration number: I.14-027.
- Global Business Lines include Merchant Services & Terminals (in Belgium, France, Germany, India, Luxembourg, Spain, The Netherlands and United Kingdom), Financial Processing & Software Licensing (in Belgium, China, France, Germany, Hong Kong, India, Indonesia, Malaysia, Singapore, Spain, Taiwan and The Netherlands), and Mobility & e-Transactional Services (in Argentina, Austria, Belgium, Chile, France, Germany, Spain, and United Kingdom).
- Revenue organic growth is presented at constant scope and exchange rates.
- This presentation does not contain or constitute an offer of Worldline's shares for sale or an invitation or inducement to invest in Worldline's shares in France, the United States of America or any other jurisdiction.



Highlights

Gilles Grapinet, CEO



Key figures

€556.4m

+2.2% organic

Revenue

€57.4m

Free cash flow

17.8%

€99.1m

OMDA (*)

€145.9m(**)

Net cash

(*): Operating Margin before Depreciation & Amortization.

(**): Including €248.5m of IPO net proceeds received on July 1, 2014



Successful IPO of Worldline

Completed according to the initial planning

Introduction price at € 16.40 per share

Final size of the offering € 639 million*

Market cap. of c.€ 2.16 billion

Worldline raised
€ 255
million

€ 384
million*
of shares sold
by Atos SE



Key achievements in H1 2014

Alliances and partnerships

- Following KBC last year, commercial acquiring alliance with a large bank in Benelux
- Acceptance of JCB and China Union Pay Cards
- Integration of PAY.ON's Payment Gateway to extend the reach of Worldline acceptance
- Support of Yapital in mPOS in Germany
- Worldline and HERE (Nokia former Navteq) join forces in connected machines

Products and offerings

- Payment terminals: new product range fully ready; new distribution agreements in place in Germany and the Middle-East
- Wallets: after Paylib last year, win of a major wallet implementation for a consortium of Banks in Benelux
- First successful go live in Asia with Worldline Loyalty (Hong Leong Bank) in Malaysia

Innovation and awards

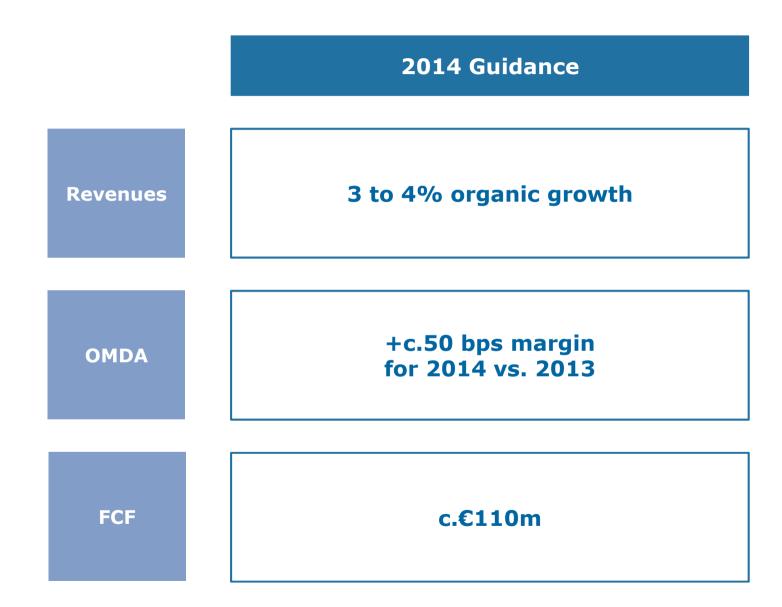
- HCE Award: the HCE (m-payment) proof of concept won "Security award" at Pay forum France in March 2014
- Worldline wins connected objects award 2014 for its Connected Home solution in June 2014







2014 objectives





H1 2014 Financial Performance

Bruno Vaffier, CFO



Constant scope and exchange rate figures reconciliation

| Registration Document | | | | |
|-----------------------|--|--|--|--|
| « Proforma Accounts » | | | | |
| | | | | |
| | | | | |

| in € million | H1 2013 combined | Scope effect | Proforma effects | Exchange rates effect | H1 2013 PF CS | H1 2014 actuals | Change vs last year |
|--------------|---------------------|-----------------|---------------------|-----------------------------|------------------|--------------------|---------------------------|
| Revenue | 556.3 | -4.9 | | -7.2 | 544.2 | 556.4 | 2.2% |
| OMDA | 96.0 | 0.1 | 0.1 | -1.2 | 95.0 | 99.1 | |
| OMDA% | 17.3% | | | | 17.5% | 17.8% | +30 bp |

 After elimination of Worldline intercompany transactions with Atos of € 21.2 in H1 2014, Atos will report a revenue contribution for Worldline of € 535.2 million, up +0.2%

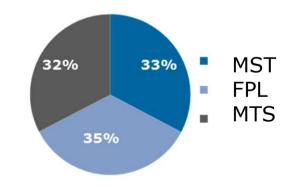


Performance per GBL

| | Revenue | | OMDA | | OMDA % | | |
|---|---------|----------|----------|---------|----------|---------|----------|
| In € million | H1 2014 | H1 2013* | % Growth | H1 2014 | H1 2013* | H1 2014 | H1 2013* |
| Merchant Services and Terminals | 182.0 | 180.1 | 1.0% | 38.2 | 36.2 | 21.0% | 20.1% |
| Financial Processing and Software Licensing | 193.0 | 185.1 | 4.3% | 45.7 | 39.0 | 23.7% | 21.1% |
| Mobility and e-Transactional Services | 181.4 | 179.0 | 1.4% | 22.5 | 28.4 | 12.4% | 15.9% |
| Corporate costs | | | | -7.3 | -8.5 | | |
| Total Group | 556.4 | 544.2 | 2.2% | 99.1 | 95.0 | 17.8% | 17.5% |

^{*} Proforma at constant scope and exchange rates

- Merchant Services and Terminals (MST): growing despite a temporary slow down in terminal sales
- Financial Processing and Software Licensing (FPL): strong growth driven notably by on line banking services
- Mobility and e-Transactional Services (MTS): improvement thanks to e-ticketing activities and sales cooperation activities with the rest of Atos group.
- OMDA overall improved by 30bp, in line with the full year 50bp improvement target





Merchant Services & Terminals

| Merchant Services and Terminals | H1 2014 | H1 2013* | Change |
|---------------------------------|---------|----------|--------|
| Revenue | 182.0 | 180.1 | 1.0% |
| OMDA | 38.2 | 36.2 | |
| OMDA% | 21.0% | 20.1% | +90 bp |

^{*} Proforma at constant scope and exchange rates

Key facts

- Continuous positive trends in Commercial Acquiring, Online Services and Private Label Cards & Loyalty Services, which grew between 4% to 6% each.
- Temporary slowdown in terminal sales, which started picking up at the end of Q2 as the new product range was launched and network of resellers is developing.
- Improvement of OMDA by 90 basis points, driven by transaction volume growth and the overall effect of the Team efficiency plan.





Financial Processing & Software Licensing

| Financial Processing and Software Licensing | H1 2014 | H1 2013* | Change |
|---|---------|----------|---------|
| Revenue | 193.0 | 185.1 | 4.3% |
| OMDA | 45.7 | 39.0 | |
| OMDA% | 23.7% | 21.1% | +260 bp |

^{*} Proforma at constant scope and exchange rates

Key facts

- Main growth driver was Online Banking, with fast growing volume on new offers like in Sepa transfers.
- Growth in Issuing processing benefiting from overall volume growth and higher level of upsell and add-ons projects
- Positive developments in Asia with existing clients
- Favorable evolution of revenue mix and efficiency measures led the OMDA improvement of +260 bp





Mobility & e-Transactional Services

| Mobility and e-Transactional Services | H1 2014 | H1 2013* | Change |
|---------------------------------------|---------|----------|---------|
| Revenue | 181.4 | 179.0 | 1.4% |
| OMDA | 22.5 | 28.4 | |
| OMDA% | 12.4% | 15.9% | -350 bp |

^{*} Proforma at constant scope and exchange rates

Key facts

- Continued growth in e-Ticketing, thanks to satisfactory trends in transport solutions in the UK and Automatic Fare Collection in Latin America.
- Robust refranchising activity in the UK driving intense commercial activity.
- Increased sales synergy with Atos materializing on additional revenue.
- As anticipated OMDA reached 12.4% of revenue after H2 2013 at 12.9%.





Income statement

| In EUR million | H1 2014 | H1 2013 |
|---|---------|---------|
| OMDA | 99.1 | 96.0 |
| Operating Margin | 80.0 | 78.3 |
| Staff reorganization | -1.6 | -1.2 |
| Rationalization and associated costs | -3.1 | -0.4 |
| Integration & acquisition costs | | -0.1 |
| Customer relationships amortization (PPA) | -1.7 | -1.8 |
| Others | -3.6 | 18.3 |
| Operating income | 70.0 | 93.1 |
| Net financial expenses | -5.8 | -3.5 |
| Tax charge | -16.5 | -21.3 |
| Non-controlling interests and associates | -2.1 | -0.7 |
| Net income | 45.6 | 67.6 |

Key Observations

- Rationalization expenses include set-up costs of the Team program
- Others include in 2013
 the income from the sale
 of a datacentre in
 Belgium for € 19.0
 million
- Tax charge corresponds to an ETR of 25.7%



Cash flow statement

| In EUR million | H1 2014 | H1 2013 |
|---|---------|---------|
| OMDA* | 99.1 | 96.0 |
| Capital Expenditures | -31.0 | -29.7 |
| Change in working capital requirement | 22.6 | 5.5 |
| Cash from operations | 90.7 | 71.8 |
| Taxes paid | -22.1 | -15.8 |
| Net costs of financial debt paid | -2.5 | -1.9 |
| Reorganisation | -1.9 | -1.0 |
| Rationalisation & associated costs | -1.0 | -0.5 |
| Net financial investments | -0.2 | -0.2 |
| Other changes | -5.6 | 19.5 |
| Free cash flow | 57.4 | 71.8 |
| Net material (acquistions) / disposals | -11.3 | - |
| Capital increase / (decrease) | - | 2.9 |
| Dividends paids to owners of the parents | -45.1 | - |
| Change in net cash | 1.0 | 74.7 |
| Impact of foreign exchange rate fluctuation | -4.0 | 5.1 |
| Opening net cash / debt | -99.6 | -14.6 |
| Closing net cash | -102.6 | 65.2 |

Key Observations

- Capex is in line with the investment plan for the year.
- Other changes in H1
 2013 included the
 proceed from the sale
 of the datacentre in
 Belgium for € 20.7
 million.
- Net acquisition of
 €11.5 million
 corresponds to the
 last movements of the
 2013 carve out in
 China.



^{*} Operating Margin before Depreciation and Amortization

Simplified balance sheet

| In EUR million | June 30, 2014 | December 31, 2013 | June 30, 2013 |
|----------------------------------|------------------|----------------------|------------------|
| Goodwill | 370.7 | 368.9 | 373.3 |
| Intangible assets | 89.6 | 76.6 | 66.0 |
| Tangible assets | 73.0 | 77.3 | 80.1 |
| Net non-current financial assets | 4.7 | 6.9 | 6.6 |
| Net deferred tax assets | 48.3 | 43.3 | 26.6 |
| Net non-current assets | 586.3 | 573.0 | 552.6 |
| Working capital requirement (*) | 172.2 | -61.8 | -46.2 |
| Total equity | 572.4 | 335.6 | 485.7 |
| Net pension provision | 72.0 | 61.4 | 66.5 |
| Provisions | 11.5 | 14.6 | 19.4 |
| Net debt | -102.6 | -99.6 | 65.2 |

Key Observations

(*) IPO proceeds are accounted for as other current assets within working capital requirement, as cash proceeds were received on July1, 2014.



Business Highlights & innovation

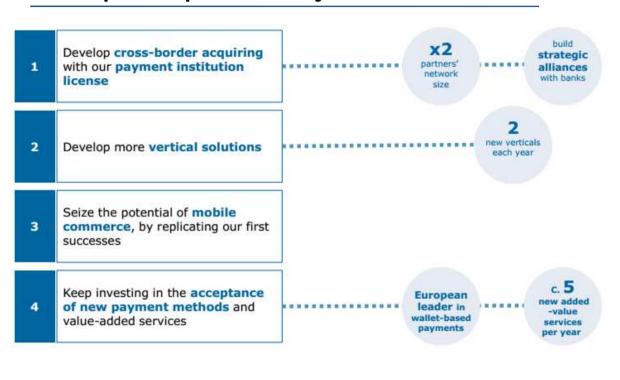
Marc-Henri Desportes, General Manager



Merchant Services & Terminals

Business Highlights

Action plan & operational objectives



Key achievements

- Alliance with a large bank in Benelux
- Restobox solution launch for Restaurants and Cafés
- > 3000 mPOS rolled-out in Benelux
- SOFORT on SIPS & Yapital support at mPOS in Germany

Market highlights

- Confirmed appetite of banks for alliances
- Decrease in Interchange through EC or local regulator decisions
- eCommerce keeps growing doubledigit

| wins | Large Bank |
|----------|---|
| Selected | Commercial Acquiring Alliance Benelux |

<u>Large loyalty</u> <u>scheme</u>

CRM & Loyalty France

Retail drive

Omnicommerce renewal France Large retailer's bank

e-m Payment acceptance
France

John Lewis

e-m Payment acceptance



Financial Processing & Licensing

Business Highlights

Action plan & operational objectives



Key achievements

- WIPE program is established and further projects are moving into production
- Central Wallet platform is now active for 20 bankswith over 300,000 active users
- Pilots of Hosted Card Emulation (HCE)in Europe
- Investments in state-of-the-art fraud management solution and card-linked offers

Market highlights

- SEPA migration is a transforming achievment (95% done end of may)
- Online payment method iDEAL has reached a new milestone (13M transactions per month)
- Strong growth in wallet initiatives with many new projects announced/planned
- Trend to suppliers' consolidation for international banking groups confirming

| wins | <u>Large Bank</u> |
|----------|---|
| Selected | Issuing renewal - new dev Belgium |

VW Bank

Germany

Issuing renewal

(230 000 Cards)

Chèque Déieuner

Prepaid issuing France & Portugal French banks

Acquiring renewal France

PT Bank **Bumiputera**

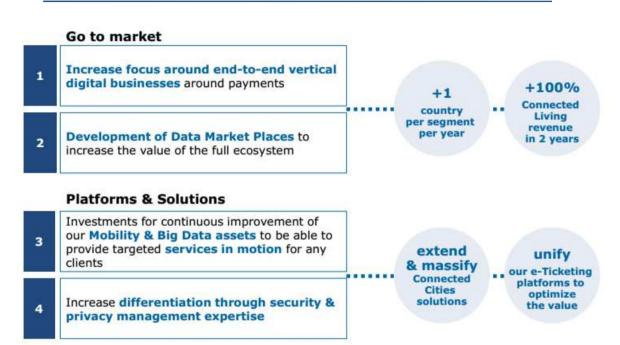
Licensing Indonesia



Mobility & e-Transactional Services

Business Highlights

Action plan & operational objectives



Key achievements

- Sales synergy with Atos driving new business on Worldline Connected Living platform
- Integrale, new product for UK transport industry is now live
- Partnership with Here in Connected Vehicle
- Strong activity of our omni-channel customer services in France and start of rollout in two new countries (Belgium and UK)

Market highlights

- Confirmation of numerous opportunities in Connected Living
- Dynamic eTicketing with growing trends for card payment as transportation fare

| wins | DSCR | Rail industry | Rail industry | e-Megalis BZH | Argentina Health ecosystem |
|----------|---|----------------------------------|-----------------------------|----------------------------------|---------------------------------------|
| Selected | e-Government/ telcos renewal France | eTicketing new Business UK | eTicketing renewal UK | eGovernment/ Digitization France | eGovernment/ e-Health Argentina |



Innovation

Wallet/Future of payment

- Designed Hosted Card Emulation payment solution, compliant with Visa and MC, won award at Payforum 2014 in Paris, patent submitted
- Prototypes for Bluetooth Low Energy (beacons) payment, fingerprint and voice mobile authentication
- Investigations on face recognition mobile authentication

Data analytics

Launched research program with partners to :

- Enhance scalability and dynamic features of fraud management solutions
- Strengthen our Card-Linked Offers solution with strong personalization capabilities
- Innovate on CRM through predictive analysis of customer purchase behaviour

2 patents submitted

- Connected Kitchen
- HCE-based payment solution Several other patents in preparation



Conclusion

Gilles Grapinet, CEO



Worldline vision of change in the payment industry

Payment regulations

- SEPA adoption (Aug-14)
- Visa Europe/EU settlement on cross border interchange fees (Feb-14)
- PSD2 draft proposal (Jul-13)

Changing banking landscape

- Basel 3 implementation in the EU (Jan-14, "CDR 4 package")
- European Banking Union: ECB as supervisor of 120+ "significant" European banks (Nov-14)
- European Comprehensive Assessment:
 EU-wide stress tests under the
 supervisory of ECB and EBA from Q3 14



Digitization/Mobile/ Connectivity revolution

- Cross-channel convergence
- Explosion of the number of connected devices
- Reinvestment cycle



Key takeaways







Management team

