

# **WORLDLINE FIRST HALF 2019 RESULTS**

Wednesday, July 24 2019

FINANCIAL COMMUNICATION

**Worldline**

# Disclaimer

This document contains forward-looking statements that involve risks and uncertainties, including references, concerning the Group's expected growth and profitability in the future which may significantly impact the expected performance indicated in the forward-looking statements. These risks and uncertainties are linked to factors out of the control of the Company and not precisely estimated, such as market conditions or competitors behaviors. Any forward-looking statements made in this document are statements about Worldline's beliefs and expectations and should be evaluated as such. Forward-looking statements include statements that may relate to Worldline's plans, objectives, strategies, goals, future events, future revenues or synergies, or performance, and other information that is not historical information. 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 2018 Registration Document filed with the Autorité des Marchés Financiers (AMF) on March 21, 2019 under the filing number: D.19-0185.

The review procedures on the interim financial information have been performed by the statutory auditors. Their review report is currently being issued.

Revenue organic growth and Operating Margin before Depreciation and Amortization (OMDA) improvement are presented at constant scope and exchange rate. OMDA is presented as defined in the 2018 Registration Document. 2019 objectives have been considered with exchange rates as of December 31, 2018. All figures are presented in € million with one decimal. This may in certain circumstances lead to non-material differences between the sum of the figures and the subtotals that appear in the tables.

Global Business Lines include Merchant Services (in Argentina, Belgium, Brazil, Czech republic, France, Germany, India, Luxembourg, Malaysia, Poland, Spain, Sweden, Switzerland, The Netherlands, United Kingdom, USA), Financial Services (in Belgium, China, Estonia, Finland, France, Germany, Hong Kong, Indonesia, Italy, Latvia, Lithuania, Luxembourg, Malaysia, Singapore, Spain, Switzerland, Taiwan, The Netherlands and the United Kingdom), and Mobility & e-Transactional Services (in Argentina, Austria, Belgium, Chile, China, France, Germany, Spain, The Netherlands, and United Kingdom).

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# HIGHLIGHTS

## FIRST HALF 2019

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**Gilles Grapinet**  
*CEO Worldline*

# 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**

# A very good set of results

**€1,152.0m**

**+6.5% organic**

REVENUE

**€278.5m**

**24.2%\* +200bp**

OMDA

**€145.5m**

**+41.8%**  
vs H1 2018

FREE CASH  
FLOW\*\*

**€141.5m**

**Vs €57.2m**  
in H1 2018

NET INCOME  
GROUP  
SHARE\*\*\*

\*: including IFRS16 impact of 1.7pt

\*\* : Including a collection related to a VISA receivable for €11.5 m

\*\*\*: including fair value adjust. € 70.0 m of the contingent liability related to SPS transaction

# Exercise of the call option on equensWorldline's minority interests

**equensWorldline:** a remarkably **successful** industrial and commercial **joint-venture**

**Perfect execution** of the industrial joint business plan and synergies exceeding initial expectations

**Very successful commercial** expansion notably for large outsourcing contracts

**Accelerated development** most innovative offers: IP, PSD2, digital banking, mobile payments...

**Double digit EPS accretion** as early as 2020

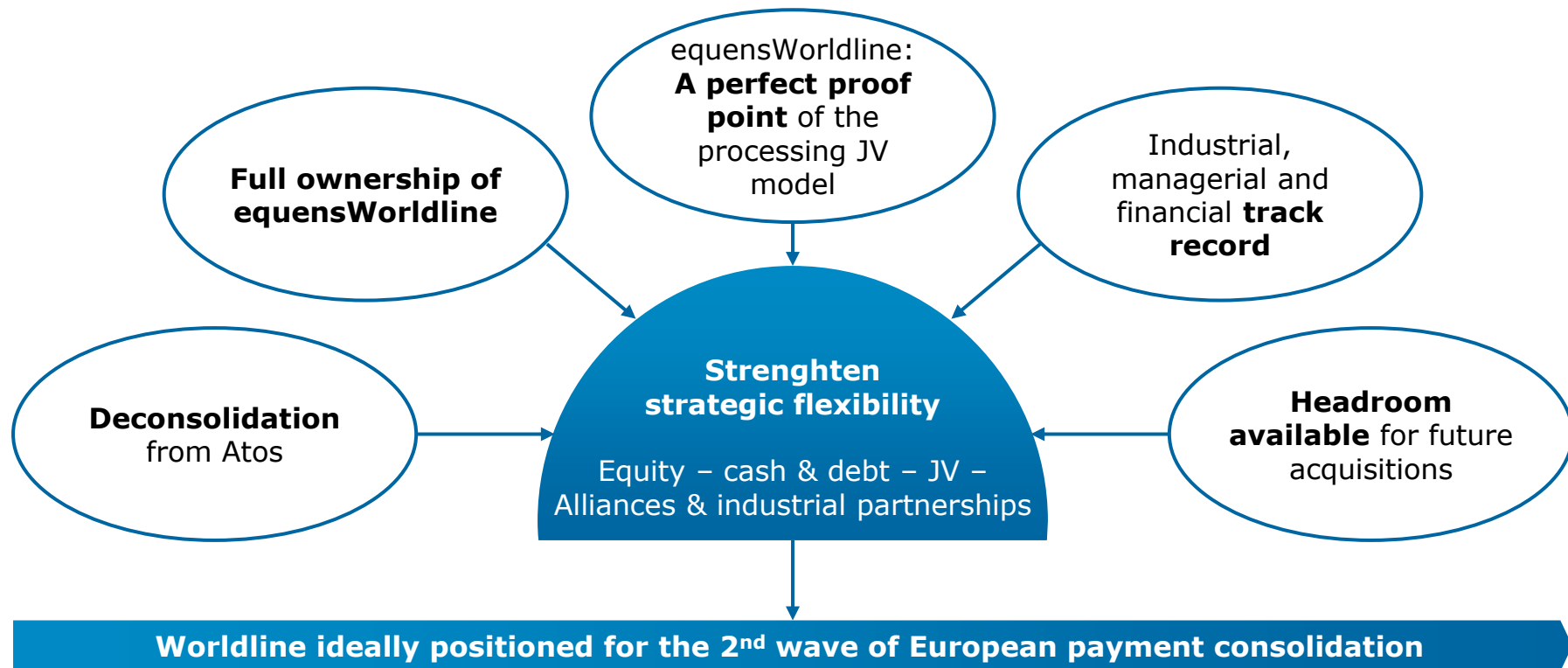
**Strong financial, operational and strategic benefits** derived from the exercise of the call

**Optimization of** equensWorldline & SPS industrial **synergy plans**

**Timely improvement of Worldline's strategic flexibility** in the context of the acceleration of the European payment consolidation

**Timely and mutually value-creative exit of the JV structure between Worldline and 5 European banks**

# More strategic flexibility than ever to pursue the European payment consolidation



# RESULTS

# FIRST HALF 2019

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**Eric Heurtaux**  
*CFO Worldline*



# Constant scope and exchange rate figures reconciliation

<i>In € million</i>	Revenue			
	H1 2018	Scope effects **	Exchange rates effects	H1 2018*
Revenue	818.6	+265.3	-1.8	1,082.1
OMDA	179.5	+41.7	-0.2	220.9
OMDA %	21.9%			20.4%

\*At constant scope and June 2019 YTD average exchange rates

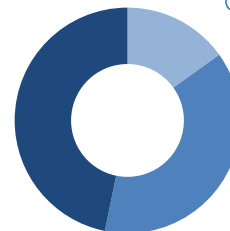
\*\* At December 2018 YTD average exchange rates

# H1 2019 Financial performance overview

In € million

	Revenue		
	H1 2019	H1 2018*	% Organic Growth
Merchant Services	535.2	509.8	+5.0%
Financial Services	444.3	420.5	+5.7%
Mobility & e-Transac.Serv.	172.6	151.8	+13.7%
<b>Worldline</b>	<b>1,152.0</b>	<b>1,082.1</b>	<b>+6.5%</b>

46%  
Merchant  
Services



15%  
Mobility  
& e-Transactional  
Services



39%  
Financial Services

In € million

	OMDA				
	H1 2019 after IFRS 16 impact	IFRS 16 impact	H1 2019 before IFRS 16 impact	H1 2018*	Organic var.
Merchant Services	119.8	9.3	110.5	86.1	24.4
Financial Services	144.6	7.7	136.9	126.7	10.1
Mobility & e-Transac.Serv.	24.9	3.2	21.7	16.5	5.2
Corporate Costs	-10.7		-10.7	-8.4	-2.4
<b>Worldline</b>	<b>278.5</b>	<b>20.1</b>	<b>258.4</b>	<b>220.9</b>	<b>37.4</b>

	OMDA %				
	H1 2019 after IFRS 16 impact	IFRS 16 impact	H1 2019 before IFRS 16 impact	H1 2018*	Organic var.
Merchant Services	22.4%	+1.7 pt	20.6%	16.9%	+3.8 pt
Financial Services	32.5%	+1.7 pt	30.8%	30.1%	+0.7 pt
Mobility & e-Transac.Serv.	14.4%	+1.8 pt	12.6%	10.9%	+1.7 pt
Corporate Costs	-0.9%		-0.9%	-0.8%	-0.2 pt
<b>Worldline</b>	<b>24.2%</b>	<b>+1.7 pt</b>	<b>22.4%</b>	<b>20.4%</b>	<b>+2.0 pt</b>

\* At constant scope and June 2019 YTD average exchange rates

# MERCHANT SERVICES



Merchant Services					
<i>In € million</i>	H1 2019 post IFRS 16	IFRS 16 impact	H1 2019 before IFRS 16	H1 2018*	% Organic growth
Revenue	535.2		535.2	509.8	+5.0%
OMDA	119.8	9.3	110.5	86.1	
% OMDA	22.4%	+1.7 pt	20.6%	16.9%	+3.8 pt

## REVENUE: +5.0%

H1 2019 organic growth above +8.5% excluding terminals

- Double digit growth in **Commercial Acquiring** sustained by solid volumes, both in turnover processed and number of transactions
- Double digit growth **Online & Omni-channel Payment Acceptance**
- **Merchant Digital Services** impacted by less digital kiosks sold
- European market for **Payment Terminals** remained soft

## OMDA: +380 bps

- Good business trends in Commercial Acquiring and Omni-channel Acceptance
- **First synergy effects** from the combination of SIX Payment Services with the former Worldline scope
- Impacts of **transversal productivity improvement actions** (TEAM<sup>2</sup> program)

# FINANCIAL SERVICES



In € million

	H1 2019 post IFRS 16	IFRS 16 impact	H1 2019 before IFRS 16	H1 2018*	% Organic growth
Revenue	444.3		444.3	420.5	+5.7%
OMDA	144.6	7.7	136.9	126.7	
% OMDA	32.5%	+1.7 pt	30.8%	30.1%	+0.7 pt

## REVENUE: +5.7%

- **Issuing Processing** supported by good volume growth, increase of 3D-secure & strong authentication volumes and software license revenue
- **Account payments**: good volumes of SEPA payment transaction, volume growth on the iDeal scheme, ramp-up of large outsourcing contracts
- **Digital Banking** : good business trends, in particular related to PSD2
- Lower **Acquiring Processing** revenue

## OMDA: +70 bps

- **Strong recurring business trends** in all divisions
- **Further efficiency gains** from equensWorldline and SIX Payment Services synergy programs
- Impacts of **TEAM<sup>2</sup>** program

# MOBILITY & E-TRANSACTIONAL SERVICES



Mobility & e-Transactional Services					
<i>In € million</i>	H1 2019 post IFRS 16	IFRS 16 impact	H1 2019 before IFRS 16	H1 2018*	% Organic growth
Revenue	172.6		172.6	151.8	<b>+13.7%</b>
OMDA	24.9	3.2	21.7	16.5	
% OMDA	14.4%	+1.8 pt	12.6%	10.9%	<b>+1.7 pt</b>

## REVENUE: +13.7%

All three divisions recorded double digit organic growth rates:

- **e-Ticketing** strongest contributor, supported by:
  - Development of Tap2Use contracts and ramp up of the new Paris region e-ticketing contract
  - Good activity in the UK and in Latin America
- Growth in **E-Consumer & Mobility** thanks to continuous increase of Contact contracts and good traction of the track & trace business.
- Good transaction volumes and project activity in **Trusted Digitization** notably on services related tobacco tracing for excise collection

## OMDA: +170 bps

- Recently won contracts delivering strong business growth in all divisions
- Productivity improvement with the **increased scalability of the platforms and solutions.**
- Impacts of TEAM<sup>2</sup> actions.

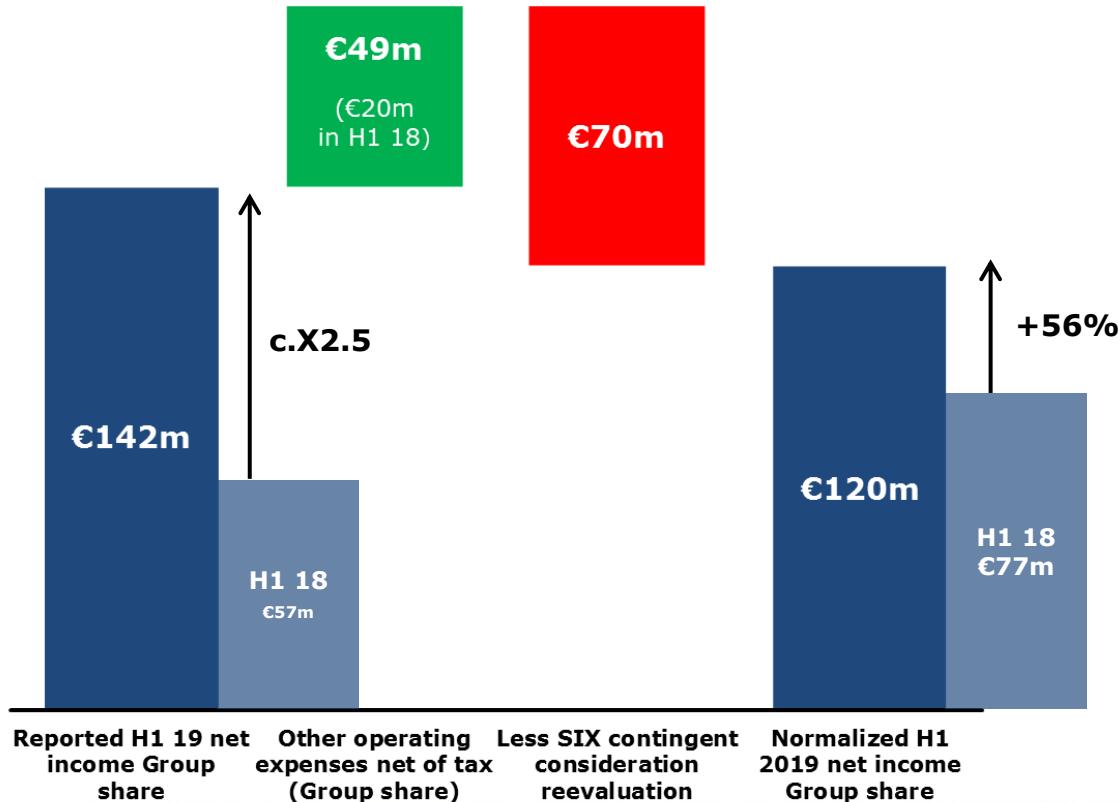
# Statutory income Statement

(In € million)	6 months ended 30 June 2019	6 months ended 30 June 2018
<b>OMDA</b>	<b>278.5</b>	<b>179.4</b>
<b>Operating margin</b>	<b>196.9</b>	<b>129.5</b>
Staff reorganization	(1.3)	(2.0)
Rationalization and associated costs	(1.9)	(2.5)
Integration and acquisition costs	(17.3)	(13.4)
Equity based compensation	(9.3)	(6.9)
Customer relationships and patents amortization	(37.0)	(8.2)
Other items	(4.3)	(1.1)
<b>Operating income</b>	<b>125.8</b>	<b>95.3</b>
Net financial income	82.9	2.2
Tax charge	(49.5)	(24.2)
Non-controlling interests	(17.7)	(16.1)
<b>Net income Group share</b>	<b>141.5</b>	<b>57.2</b>

## Key Observations

- **Staff reorganization, rationalization & associated costs:** mainly restructuring cost in recently acquired companies and administrative back office transformation
- **Integration and acquisition costs:** increase due to SIX Payment services integration costs.
- **Increase in amortization of intangible assets mainly** due to the SPS customer relationship amortization
- **Financial income** includes the H1 2019 fair value adjustments of:
  - The contingent liability to SIX (€70m) and
  - Visa shares (€17m)
- **H1 2019 effective tax** rate was 23.7% (24.8% FY 2018)

# Very strong increase of net income



- **SPS acquisition** slightly **accretive** on diluted EPS (+2.3%) **as soon as H1 2019**

# Cash flow statement

(In € million)	6 months ended 30 June 2019	6 months ended 30 June 2018
<b>Operating Margin before Depreciation and Amortization (OMDA)</b>	<b>278.5</b>	<b>179.4</b>
Capital expenditures	(46.9)	(45.8)
Lease expenditure (Lease under IFRS16)	(18.5)	-
Change in working capital requirement	(30.4)	12.1
<b>Cash from operation</b>	<b>182.7</b>	<b>145.7</b>
Taxes paid	(19.6)	(26.6)
Net cost of financial debt paid	(0.6)	(0.6)
Reorganization in other operating income	(2.5)	(2.1)
Rationalization & associated costs in other operating income	(1.9)	(2.5)
Integration and acquisition costs	(17.6)	(10.1)
Net Long term financial investments	11.0	(0.6)
Other changes (*)	(6.1)	(0.6)
<b>Free Cash Flow</b>	<b>145.5</b>	<b>102.6</b>
Net material acquisitions	(21.0)	(3.1)
Contingent liability at fair value	70.0	-
Capital increase	8.0	6.2
Dividends paid	0.7	-
<b>Change in net cash/(debt)</b>	<b>203.2</b>	<b>105.7</b>
Opening net (debt)/cash	(35.0)	309.1
Foreign exchange rate fluctuation on net cash/(debt)	0.4	(0.7)
Excl. of former Fin.lease (post IFRS16 effect)	3.2	
<b>Closing net cash</b>	<b>171.7</b>	<b>414.1</b>

## Key Observations

- **Free cash flow up +42%**
- **Capex remain stable thanks to capex synergies** with SIX Payment Services. Investment in proprietary software was c.€20m (stable)
- **Change in working capital** reflects a longer DSO in H1 2019
- **Integration and acquisition costs** are related for a large part to the acquisition of **SIX Payment Services**
- **Net long term investments** includes a collection related to Visa receivable for € 11.5 million
- **Net material acquisition correspond** mainly to net cash effect adjustments related to SPS acquisition.



# Summarized balance sheet

(In € million)	As at June 30, 2019	As at December 31, 2018
<b>ASSETS</b>		
Goodwill	3,091.3	3,013.0
Intangible assets	1,068.5	1,094.6
Tangible assets	142.0	146.0
Right-of-use	206.5	-
Non-current financial assets	92.1	112.0
Deferred tax assets	79.7	51.5
<b>Total non-current assets</b>	<b>4,680.1</b>	<b>4,417.2</b>
Assets linked to intermediation activities	<b>1,669.0</b>	<b>1,151.4</b>
<b>Total other current assets</b>	<b>1,025.2</b>	<b>789.5</b>
<b>Total assets</b>	<b>7,374.4</b>	<b>6,358.1</b>

(In € million)	As at June 30, 2019	As at December 31, 2018
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Total shareholders' equity</b>	<b>4,028.9</b>	<b>3,808.2</b>
Provisions for pensions and similar benefits	150.2	125.5
Non-current provisions	27.7	17.4
Borrowings	0.0	120.3
Deferred tax liabilities	230.1	191.7
Non-current lease liabilities	170.7	-
Other non-current liabilities	2.3	0.0
<b>Total non-current liabilities</b>	<b>581.0</b>	<b>455.0</b>
Liabilities linked to intermediation activities	<b>1,669.0</b>	<b>1,151.4</b>
<b>Total other current liabilities</b>	<b>1,095.5</b>	<b>943.5</b>
<b>Total liabilities and shareholders' equity</b>	<b>7,374.4</b>	<b>6,358.1</b>

## Key Observations

- Change in **goodwill** mostly due to adjustment in fair value of SPS assets and liabilities acquired and exchange rate fluctuations
- **IFRS 16 right of use liability** valued at €205.0 million
- **Reclassification of the SIX contingent consideration** from borrowing (€118m last year) to current liability (for €48m)

# Efficient management during H1 of Atos distribution of Worldline shares consolidating the shareholder base

- 1.** As a consequence of the Atos distribution of 2 Worldline shares for every 5 Atos shares owned on May 7<sup>th</sup> 2019, **Worldline free float doubled**
- 2.** Intense investor relation activities supported by 3 selected advisory banks and comprehensive roadshow program over 2 weeks: **c.160 investors met in May 2019 in 8 different cities**  
Post distribution, **renewed shareholder base with reinforced diversity:**
  - **Better** institutional shareholders **repartition** (FR:36%; US:24%; UK 15%, RoW 15%)
  - **Lower shareholder's concentration**
  - Quantitative and index investors slightly below French benchmarks
  - **SRI investor ownership** significantly **above** French **benchmarks**
- 4.** **Increased liquidity** of the stock: Post distribution from Atos and technical exit of CAC40, **average trading volume** of c.€75 million or c.1.2 million shares exchanged daily (**c.x2** vs January-April average)

# Exercise of the call option on equensWorldline's minority interests

## equens Worldline business profile

### The backbone of the processing business of Worldline

- As the operator and originator of most of Worldline's processing business in Europe, equensWorldline is the **core engine of Worldline's processing business**
- Leadership position in Europe, with est. 20% market share

equensWorldline has been a **key contributor to the growth** of Worldline

equensWorldline experienced an excellent level of order entry in 2018 and H1 2019 with transforming deals like the one with Commerzbank;

The company enjoys a **very strong pipeline of new commercial opportunities (c.€1.7bn)** as of June 2019

## Key transaction terms

Call option exercise price of **€1,070 m** for the **36.4% stake**  
(EV/2019e OMDA **multiple significantly below Worldline's** current trading multiple)

**Consideration** to be paid **entirely in cash**

# Exercise of the call option on equensWorldline's minority interests

## Transaction financing

**Payment** of the **entire consideration secured** through a **bridge financing** provided by a pool of banks, to be **refinanced** through **debt capital market**, in a view to:

- Optimize Worldline financing conditions
- Maintain a large financing flexibility for future strategic transactions

**Double digit EPS accretion expected** in **2020**

**Pro forma leverage<sup>1</sup>** remaining below **1.3 x 2019 estimated OMDA**, well below mid-term guidance of 2.5x

Fast deleverage and estimated **firepower of more than €2.0 bn by the end 2021**

## Transaction timing

**Closing expected in Q4 2019**, subject to:

- Social process in Worldline and equensWorldline
- Regulatory approvals in the Netherlands

<sup>1</sup> Assuming SIX contingent liability stable at € 48 million

# COMMERCIAL & OPERATIONAL PERFORMANCE FIRST HALF 2019

.....  
**Marc-Henri Desportes**  
*Deputy CEO Worldline*

# Integration of SIX Payment Services progressing very well, starting slightly ahead of plan

Quality and cultural fit of teams enable very fast and good progresses, slightly ahead of plan  
All integration tracks currently above target for 2019 in terms of synergies

## Enhance IT efficiencies

- Project portfolio and roadmap **de-duplicated**
- **Nearshore/Offshore initiatives** started and pooling of resources on key domains effective

## Optimize G&A

- **Joint management teams** defined at Day 1
- **Support functions vertically integrated**
- **Migration projects for IT** support systems started

## Extract value from largest EU platform

- **Migration program ongoing** – first transaction on target platform executed

## Optimize sales and customer support

- **Sales teams consolidated** – joint sale force addressing specific verticals is in place
- **Combination of field services** proving short term results

## Revenue Synergies

- **Cross-sell of Saferpay** e-commerce solution in Benelux ahead of plan
- **2 major SPS banking customers** have already bought Worldline Financial Services products

**77% of people synergies planned for 2019 done or secured at the end of H1, with very high level of staff reallocation**

Integration managed with customer satisfaction fully matching Worldline benchmark



# FOCUS ON MERCHANT SERVICES

## Key Q2 2019 signings & major achievements

### Worldline's Pan-european reach in Commercial acquiring further supporting growth

- Full e-commerce acquiring and acceptance contract with **Samsonite** (repair activity + e-stores) in 15 European countries
- Large acquiring contract renewed and extended with **a major retailer** operating in rails stations and airports, consisting in acquiring, DCC services and payment terminal provisioning in 4 large European countries

### Further demonstration of Worldline differentiating online acceptance and collecting solutions in Latin America

- A significant contract was signed with **Paypal** facilitating online payment processing in Brazil
- Acquiring and acceptance services in Brazil and in Europe for an **online Brazilian printing company**

### New successes in omni channel solutions

- End to end service (including payment terminals, acquiring, online PSP) for **Krëfel**, a large Belgium appliance retailer
- Another mobile payment **wallet** sold to a **large Belgium petrol retailer**

### New contracts & main renewals for WL online payment gateway



**Solid double digit growth in number of transactions acquired in continental Europe**  
(in-store: +17%; e-commerce: +27%)



# FOCUS ON FINANCIAL SERVICES

## Key Q2 2019 signings & major achievements

### Large outsourcing opportunities

- **Good progress reached** with some European Tier 1 banks on large outsourcing opportunities

### Main contract wins

- **Contract extension for Commerzbank** for PSD2 compliance;
- New **ATM transaction processing** management contract in the Baltics;
- 3-year **extension** of a processing **contract** with one of **equensWorldline key clients**

### Award received



Category Ovum Payment Innovation  
**"Best Open banking Solution Provider"**

### Strong market appetite for **PSD2** related offerings

- **25 banks in seven European countries have reached the first milestone for PSD2 compliance on time**, via the PSD2 compliance solution and services from equensWorldline.
- **Trusted Authentication** solution **adds PSD 2 compliant fingerprint and faceID** security options
- Five German banks have already subscribed to **Worldline's Authentication-Process-Management (APM)** service subscribed
- Numerous European banks, including banks in Luxembourg, Finland and Germany, have now signed for Worldline's **PSD2 fraud reporting solution**.

Strong growth of **issuing processing** transactions in H1 (**c.+10%**)  
Number of **secured transaction supported by PSD2** agenda growing **c.+28%**





# FOCUS ON MOBILITY & E-TRANSACTIONAL SERVICES

## Key Q2 2019 signings & major achievements

### New wins in e-Ticketing demonstrating the relevance of WLTap2use and @Station solutions

- **Tap2Use** selected by a **new city in France** allowing travellers to use their contactless payment cards as tickets.
- **@Station** sold to 3 UK rail franchises allowing station staff to sell mobile tickets
- **Development with Trapeze of a Bluetooth based hands-free payment solution** that allows passengers using public transport to pay for their ticket by automatically detecting their entire journey using Bluetooth.

### WL Customer engagement platform **Contact** continues to attract interest from major financial institutions




- **WL Contact selected by a major Belgium bank**, for a multi-channel solution including artificial intelligence, semantic analysis and biometry
- **Successful ramp up** of previously signed large Contact contracts
- Contract extension with a **French mutual insurance company**

### Key partnerships

- "Best Partner" award from **Nuance Communications Inc.**, the leader in conversational Artificial Intelligence (AI) innovations, for the year 2018 in France.
- Worldline and Nuance have been collaborating closely to provide innovative omnichannel contact solutions in SaaS mode

# Worldline & equensWorldline: major enabler of new & innovative payment methods across Europe

## Major acquirer in Europe for **QR code based** payment methods

- One of the earliest & most important acquirer partner for Alipay in Europe with acceptance in over 20 European countries and online (UEFA.com) 
- Successful pilot with WeChatPay launched in June 2019 
- Main acquirer of Swiss wallet Twint 

## Main processor of **alternative account based** payment methods in Europe



Worldline  
TPP license

## Major provider of **open Payment solution** in Europe





- A first in France: the contactless payment card became a ticket in Dijon's trams 

## Biggest **cross-border acquirer** in Europe for **Union Pay** and **JCB** by transactions volume providing acceptance in over 30 European countries

- ~2 bn € transactions processed in 2018 for UP



## Supporting **innovative Wallet and NFC based** payments

- Providing major European banks with token services to enable Apple Pay and Google Pay  
- Processor of innovative Merchant Wallet solutions 
- Innovative range of all-in-one Payment terminals for re-enchanted customer interactions 

# CONCLUSION

## FIRST HALF 2019

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**Gilles Grapinet**  
*CEO Worldline*

# Very strong start of the 2019-2021 3 year plan

## Very good organic developments

- **Demonstrated benefits of our enhanced leadership positions** in Merchant Services and Financial Services
- **Visible impacts of the SIX payment services integration**, starting ahead of the plan
- Very **satisfying commercial** activity, notably in equensWorldline
- **All 3 business lines well in motion towards the expected acceleration throughout the year** with solid double digit performances in most of our business units

## A perfect positioning for further consolidation

- **Reinforced strategic flexibility** obtained after Atos' distribution
- **Renewed and strengthen shareholder base** thanks to a careful and successful management of the flowback post-distribution
- **Perfect timing of the exercise of the call** on equensWorldline minority shareholders

# All 2019 objectives confirmed

**REVENUE**

**6% to 8% organic growth**

**OMDA**

**Between 24.8% and 25.8%\***

**FREE  
CASH  
FLOW**

**Between €275 million and €290 million**  
including synergy implementation costs

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

# PRESENTATION TO INVESTORS

ID CARD

FINANCIAL COMMUNICATION

Worldline

# 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

**€0.9 billion**  
annual revenue (39%)

**320+**  
Financial Institutions



## MOBILITY & E-TRANSACTIONAL SERVICES

- Trusted Digitization
- eConsumer & Mobility
- e-Ticketing

**€0.3 billion**  
annual revenue (14%)

**350+**  
Customers on  
various industries



\*: 2018 pro forma revenue



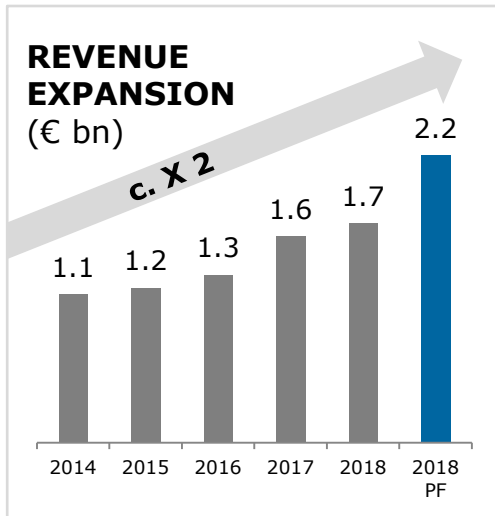
**A best-in-class execution since IPO  
consolidating and strengthening  
Worldline leadership in Europe**

FINANCIAL COMMUNICATION

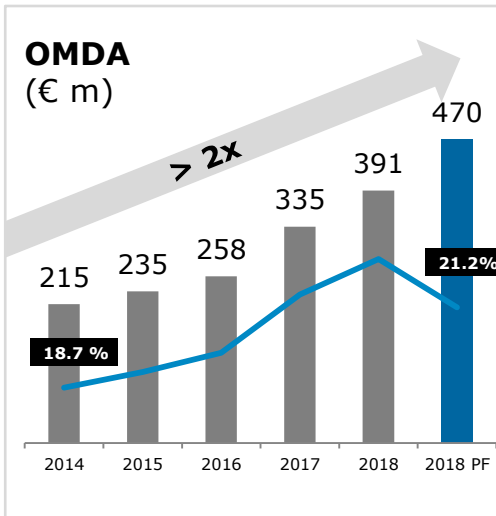
**Worldline**



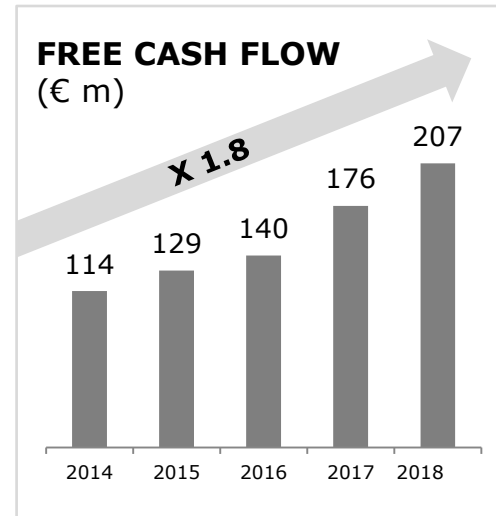
# Powerful transformation of Worldline's financial profile since IPO thanks to the combination of organic growth and M&A



20 quarters of uninterrupted growth



Value accretive strategy:  
+250bps on OMDA margin since 2014

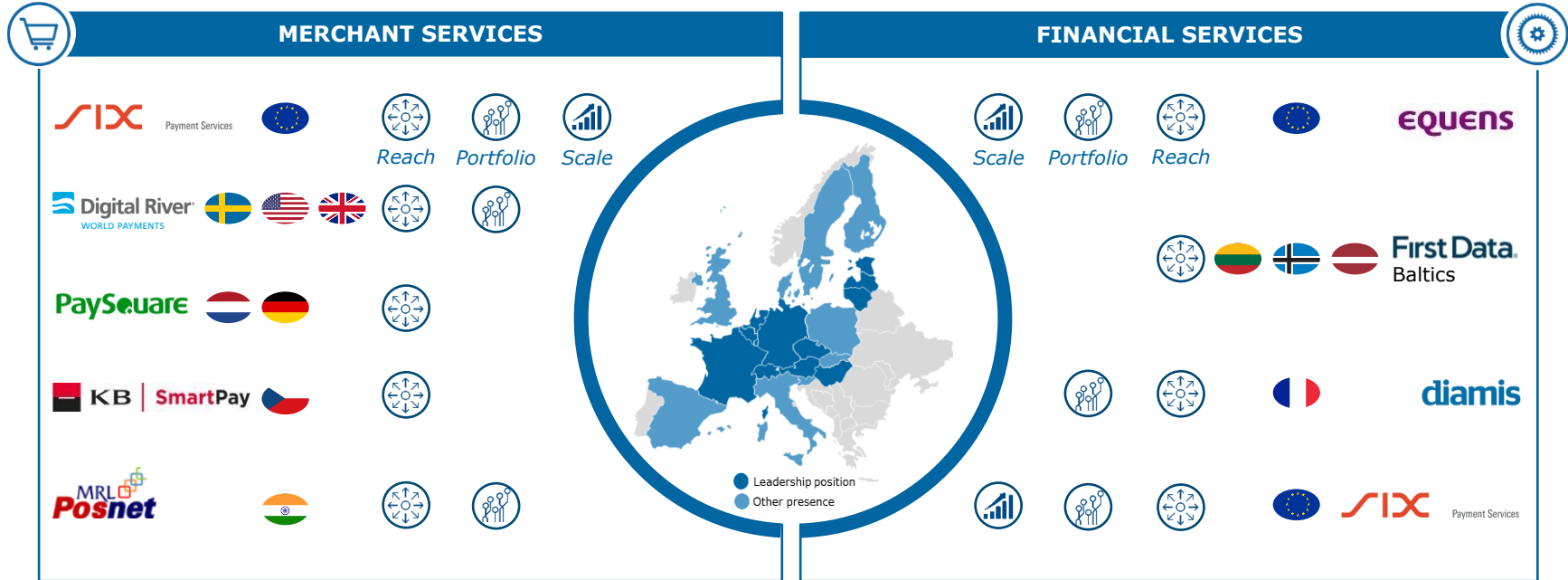


Solid and constantly growing cash flow generation

Market capitalization: c. x5

>> STRONG FINANCIAL LEVERAGE AVAILABLE >>

# Solid execution of a visionary consolidation strategy since IPO



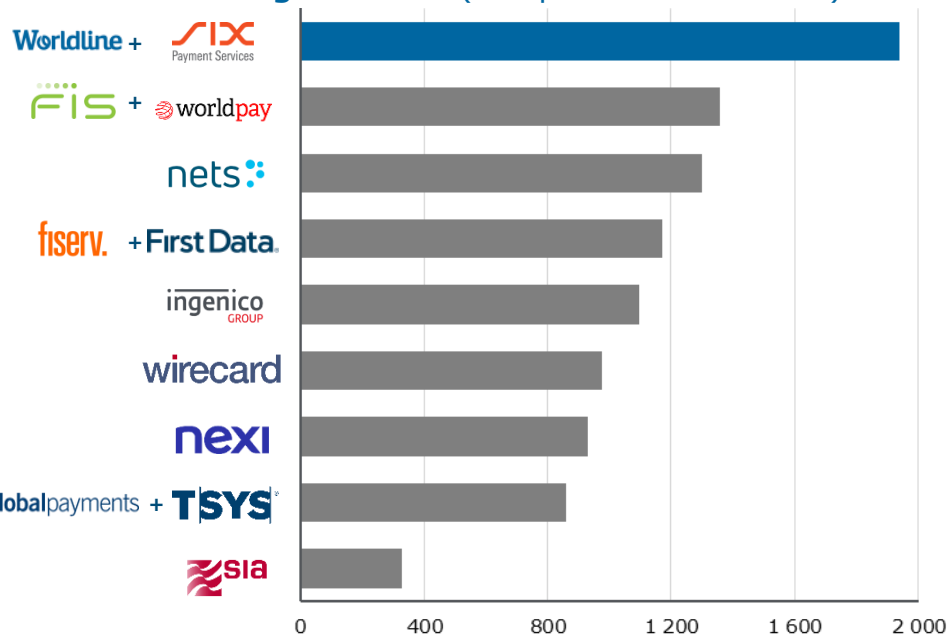
Anchored M&A strategy in Worldline DNA fueling growth, value creation and innovation

Successful integration of 8 acquisitions in a record time (3 years)

Selective approach with limited amount of cash deployed: €0.7bn

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

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



Source : Latest company filings

- Worldline: European revenue excluding terminals
- Wirecard based on previous year split by geography
- Ingenico: "Transactions" revenue
- First Data: EMEA revenue; Fiserv: revenue outside the USA

## 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**

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.13 bn**

Non card transactions per year

**c.11 bn**

Payment card transactions per year

### MeTS

**2m+**

Connected objects

**€16bn+**

Travel ticket sold per year

# Worldline is present along the entire value chain resulting in an unrivalled positioning in the payment ecosystem

Full coverage of the payment value chain

Payment Service Processing in EU	Issuing Transaction Processing	Service to Cardholders and Issuers	CSM	Credit / Debit Transfers	Services to Merchants	Acquiring Transaction Processing	Commercial Acquiring	Acceptance POS e-commerce	Services to New Digital Business
<b>Worldline</b>	●	●	●	●	●	●	●	●	●
nets	●	●	●	●	●	●	●	●	●
nexi	●	●	●	●	●	●	●	●	●
FirstData	●	●			●	●	●	●	
worldpay					●		●	●	
ingenico					●	●	●	●	
wirecard	●				●	●	●	●	
globalpayments	●				●	●	●	●	
TSYS	●	●				●			
sia	●	●	●	●		●		●	●

Source: Worldline analysis

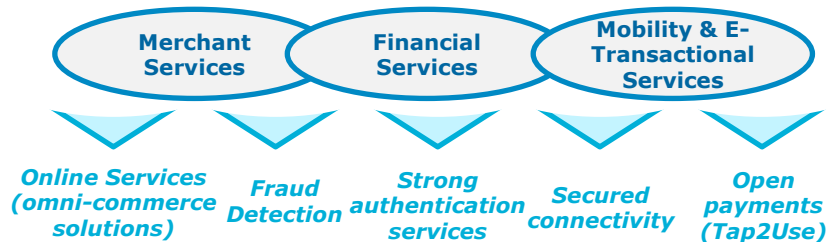
● Core Offering

● Non-core Offering

## Full Suite of Agnostic Payments Solutions for Clients



Full presence across the value chain fostering synergies and flexibility to serve both local and international markets and all categories of merchants



# A premium brand with sustainability at the core of its business model

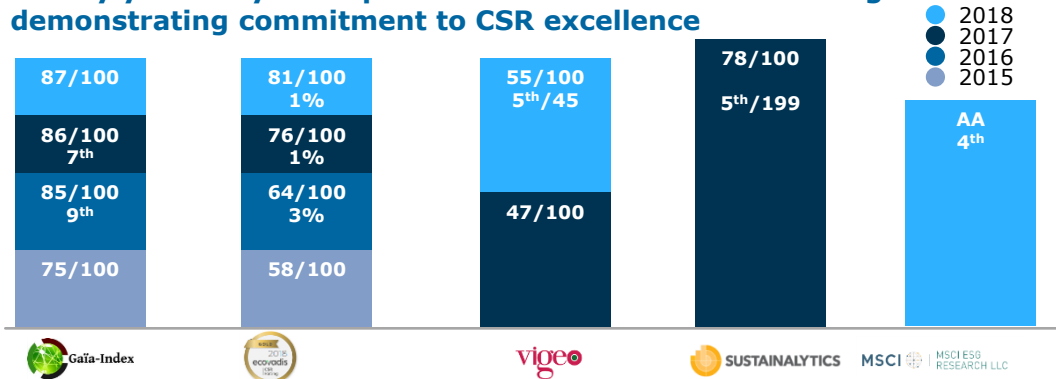


1. Building clients' trust with fully available & secured platforms
2. Reinforcing value for clients through sustainable & innovative solutions
3. Being a responsible employer by revealing our employees' potential
4. Endorsing our business ethic within our value chain
5. Leveraging the eco-efficiency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

## Worldline Contribution to the United Nations SDGs



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



Worldline in the top 1% of the most invested companies in terms of Corporate Social Responsibility (CSR) Source: ecoVadis



# A growing and resilient environment with attractive fundamentals

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# Our addressable market is structurally growing and highly resilient thanks to regulation, societal macro trends and technology

2016

**108 Bn** non cash Transactions in Europe <sup>(1)</sup>

+c. 7% CAGR in Europe

2021

**151.1 Bn** non cash Transactions in Europe <sup>(1)</sup>



## Growth of digital commerce

In 2020 **ecommerce sales** will account for **14.6%** of total retail spending <sup>(5)</sup>

Mobile commerce will reach 70 percent of digital commerce sales globally by 2022 <sup>(6)</sup>

## Increasing range of payments options

Open Payment will grow to \$ 14.19 bn by 2023 with a 19.7% CAGR <sup>(3)</sup>

Global mobile payments will exceed 65 bn in 2021 <sup>(2)</sup>

## Regulatory push towards electronic transactions (PSD2, Instant Payment...)

In 2027, **Instant Payment will account for c. 30%** of e-commerce spending <sup>(2)</sup>

## Digital Banking

77% of Europeans use their mobile devices to keep track of their finances and make everyday payments <sup>(4)</sup>

62 % of Europeans check their balance or access other services through a banking app <sup>(4)</sup>

## Secular underlying trends reinforcing the resilience profile of Worldline's business model

(1) Source: Capgemini Financial Services Analysis, 2018; ECB Statistical Data Warehouse, 2016 Figures released October 2017; BIS Red Book, 2016 figures released December 2017; Countries central bank annual reports 2017.

(2) Source: Instant Payment and post PSD2 landscape, Ovum Ovum Mobile Payments Forecast 2014-2021.

(3) Source: Infoholic

(4) Source: "Annual Digital Payments Study" (Visa, 2017)

(5) Source: eMarketer 2016

(6) Source: McKinsey - Global payments 2018

# The European Payment market in need of a lead consolidator with Worldline's solid track record, financial flexibility and ambition

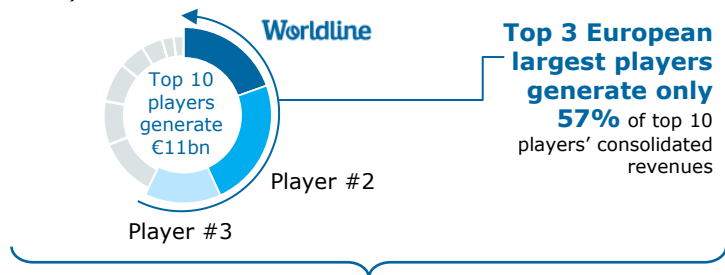
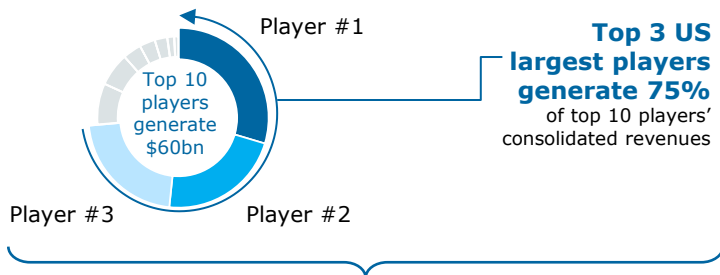
Consolidation has mostly taken place in the US

VS

Europe is initiating the 2nd consolidation wave

**Top 10 US Payment players** (Ranking based on 2017 revenues)

**Top 10 European Payment players** (Ranking based on 2017 total revenues)



- ✓ Single currency and harmonised regulation drove the US consolidation in Payments
- ✓ Recent M&A transactions led to the emergence of 3 mega players with \$10-15bn revenue

- ✓ Euro adoption, along with PSD2, MIF, SEPA, and EMVco regulations have created favourable conditions for market consolidation
- ✓ Largest European economies now expected to be strongly involved in the second wave of consolidation

**Worldline's ambition, more than ever, is to lead the next wave of consolidation of the European payment market**

- ✓ Pursuing the external growth strategy implemented since IPO
- ✓ Focus on Merchant services and Financial services opportunities in Europe
- ✓ Leveraging European intimacy, rejuvenated strategic flexibility and availability of numerous opportunities





**New 2019-2021 roadmap:**  
***“More of the same but stronger”***

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**Worldline**

# Key strategic axis of the 3 year roadmap:

## Accelerating the company based on demonstrated track record

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

# Adapting corporate governance and preparing for the full standalone status

## Adapting the corporate governance

- Increase from 4 to 6 independent board members (out of 12)
- 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 projected stand-alone status: 3 new strategic levers for a rejuvenated M&A potential

Proposed  
distribution by  
Atos of 23.5% of  
Worldline's shares

and

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

# 2019-21 ambition

Previous  
**2017-19**  
- 3 year plan -

New  
**2019-21**  
- 3 year plan -

## REVENUE

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



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

## OMDA

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



**+400 to 500 bp\***  
Organic 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

## REVENUE

**6% to 8% organic growth**

## OMDA

**Between 24.8% and 25.8%\***

## FREE CASH FLOW

**Between €275 million and €290 million**  
including synergy implementation costs

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



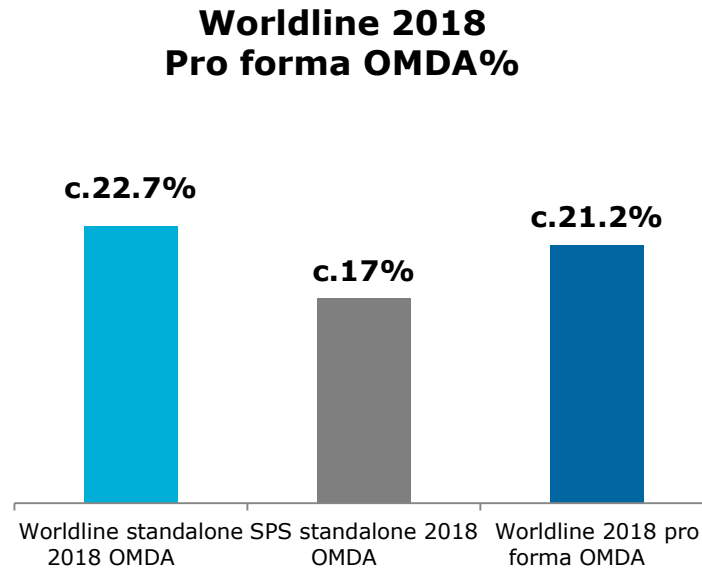
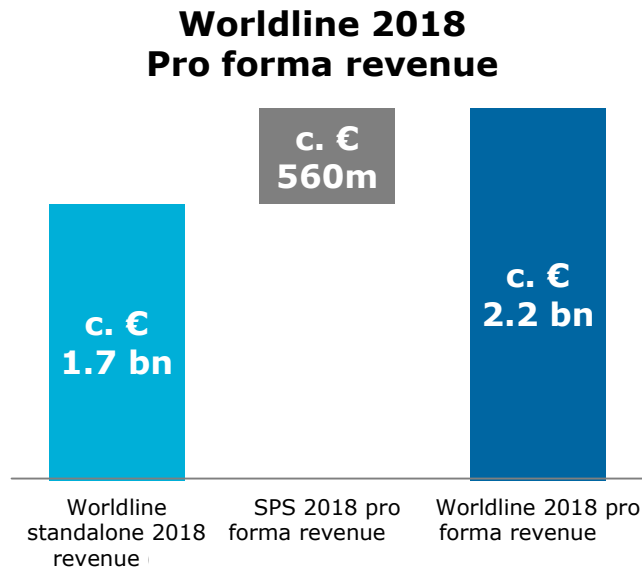
# 2019-2021 3 year Financial Ambition

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# Worldline + SIX Payment Services 2018 pro forma revenue and OMDA






# Main 2019 – 2021 revenue growth drivers

	TRENDS	REVENUE
 MS	<ul style="list-style-type: none"><li>• Improved geographical mix</li><li>• Favorable product mix (more online, less terminals)</li><li>• Strong trends in commercial acquiring and launch of new generation of payment terminals</li><li>• Top-line synergies with SPS</li></ul>	<ul style="list-style-type: none"><li>• <b>High single digit</b> growth rate</li></ul>
 FS	<ul style="list-style-type: none"><li>• Strong pipeline of large and medium size opportunities</li><li>• Leadership position advantage in Europe</li><li>• Recurring project activity driven by regulation and spot-on offering</li></ul>	<ul style="list-style-type: none"><li>• <b>Above 5%</b> growth rate</li></ul>
 MeTS	<ul style="list-style-type: none"><li>• Solid pipeline of opportunities</li><li>• Ramp-up of volumes on existing platforms</li><li>• Internationalization of key offerings</li></ul>	<ul style="list-style-type: none"><li>• MeTS average growth rate in line with <b>the Group</b> over the period</li></ul>

**Worldline's 2019 - 2021 objective: Between 7% and 8% revenue CAGR**

# Main 2019 – 2021 OMDA improvement drivers

	TRENDS	REVENUE
 <b>MS</b>	<ul style="list-style-type: none"> <li>• Scale effect</li> <li>• Expansion in online payments</li> </ul>	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">TEAM<sup>2</sup> efficiency program</p>
 <b>FS</b>	<ul style="list-style-type: none"> <li>• Operating leverage</li> <li>• equensWorldline: <b>€15m phase2 synergies</b></li> </ul>	
 <b>MeTS</b>	<ul style="list-style-type: none"> <li>• Focus on most profitable offerings with large scale</li> <li>• Optimization of delivery models</li> <li>• Gradual benefit from <b>increased volumes</b> on maturing platforms</li> </ul>	
		<ul style="list-style-type: none"> <li>• From <b>low twenties in 2018 PF</b></li> <li>• To <b>high twenties in 2021</b></li> </ul>
		<ul style="list-style-type: none"> <li>• From <b>high twenties in 2018 PF</b></li> <li>• To <b>low thirties in 2021</b></li> </ul>
		<ul style="list-style-type: none"> <li>• <b>c.12% in 2018 PF</b></li> <li>• <b>Progressing over the period and targeting 15%- 17% in 2021</b></li> </ul>

**+400bp to +500bp OMDA margin improvement in 2021 vs 2018 PF**

# Free cash flow main assumptions

## Capex

**Between 5% to 6%** of revenue **over the period**

## Acquisition costs and synergy implementation costs

Yearly synergy implementation costs in line with incremental OMDA synergy benefit

## Change in working capital

Assumption: slight contribution

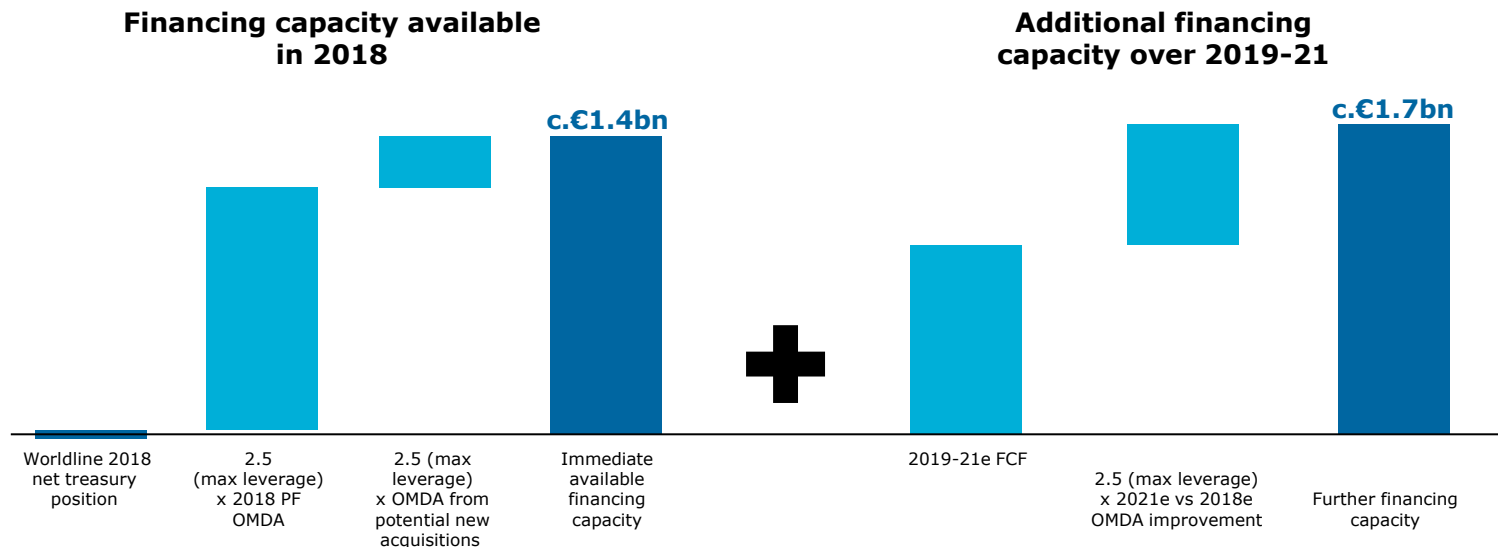
## Tax rate

Tax rate based on ETR at 24%

**€370m to €410m in 2021,**  
representing **between 75% and +95% increase compared with 2018**

# Cash and Profitability: the way to continue to grow

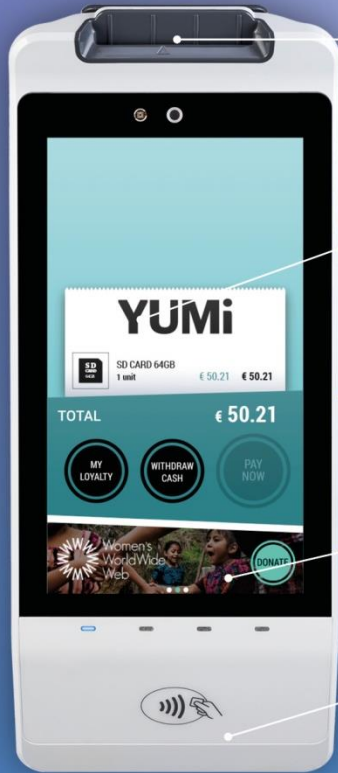
Mid-term leverage target of 1.5x to 2.5x net debt/OMDA



Note: (1) Max leverage

**Estimated M&A firepower of circa €1.4bn in 2018**  
without capital increase, exceeding €3 bn by the end of 2021

# Our latest terminal: YUMi



- **Multifunctional 360° rotation** to fit a wide range of use cases
- **A single, customer-facing touch screen** for customer-merchant interactions
- **Sleek, robust and ergonomic design** shaped for comfortable handling and interactions
- **Openness to approved third-party Android-based apps**
- **A separate landing zone for NFC - no interference** with screen



reddot award 2019  
winner industrial design

# THANK YOU

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