



# Worldline

- Investor day -

October 3<sup>rd</sup> 2017 - Bezons

# 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' beliefs and expectations and should be evaluated as such. Forward-looking statements include statements that may relate to Worldline' 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 2016 Registration Document filed with the Autorité des Marchés Financiers (AMF) on April 28, 2017 under the registration number: R.17-032 and its update filed with the Autorité des Marchés Financiers (AMF) on August 3, 2017 under the registration number: D.17-0407-A01. Worldline does not undertake, and specifically disclaims, any obligation or responsibility to update or amend any of the information above except as otherwise required by law.
- This document does not contain or constitute an offer of Worldline' shares for sale or an invitation or inducement to invest in Worldline' shares in France, the United States of America or any other jurisdiction.
- Revenue organic growth is presented at constant scope and exchange rates. Operating margin before amortization and depreciation (OMDA) is presented as defined in the 2016 Registration Document.
- Global Business Lines include Merchant Services (in Belgium, Czech republic, France, Germany, India, Luxembourg, Poland, Spain, The Netherlands, Slovakia and United Kingdom), Financial Services (in Belgium, China, France, Germany, Finland, Hong Kong, India, Indonesia, Italy, Malaysia, Singapore, Spain, The Netherlands and Taiwan), and Mobility & e-Transactional Services (in Argentina, Austria, Belgium, Chile, France, Germany, Spain, and the United Kingdom).

# Agenda

08.05-08.25	...	<b>Introduction</b> <i>by Thierry Breton</i>
08.25-09.05	...	<b>2017-2019: the next milestone of Worldline pan-european leadership ambitions</b> <i>by Gilles Grapinet</i>
09.05-09.35	...	<b>Strategy Execution</b> <i>by Marc-Henri Desportes</i>
09.35-09.50	...	<b>2017-2019 financial ambition</b> <i>by Eric Heurtaux</i>
09.50-10.10	...	<b>{Questions &amp; Answers}</b>
10.10-10.30	...	<b>{Coffee Break}</b>
10.30-11.20	...	<b>Merchant Services</b> <i>by Vincent Roland and Deepak Chandnani</i>
11.20-12.10	...	<b>Financial Services</b> <i>by Michael Steinbach and Alessandro Baroni</i>
12.10-12.45	...	<b>Mobility &amp; e-Transactional Services</b> <i>by Olivier Stuckens, Niels De Schutter and James Bain</i>
12.45-14.00	...	<b>{Walking lunch &amp; Demos}</b>
14.00-16.00	...	<b>Afternoon plenary</b>

# Agenda

14.00-14.30    ...    **Innovation @ Worldline**  
*by Nicolas Kozakiewicz*

14.30-14.45    ...    **People excellence supporting company's expansion**  
*by Patrice Gry*

14.45-15.00    ...    **TEAM²**  
*by Eric Heurtaux*

15.00-15.15    ...    **Corporate Social Responsibility**  
*by Gilles Grapinet*

15.15-15.45    ...    **{Questions & Answers}**

15.45-16.00    ...    **Conclusion**  
*by Gilles Grapinet*

# Introduction

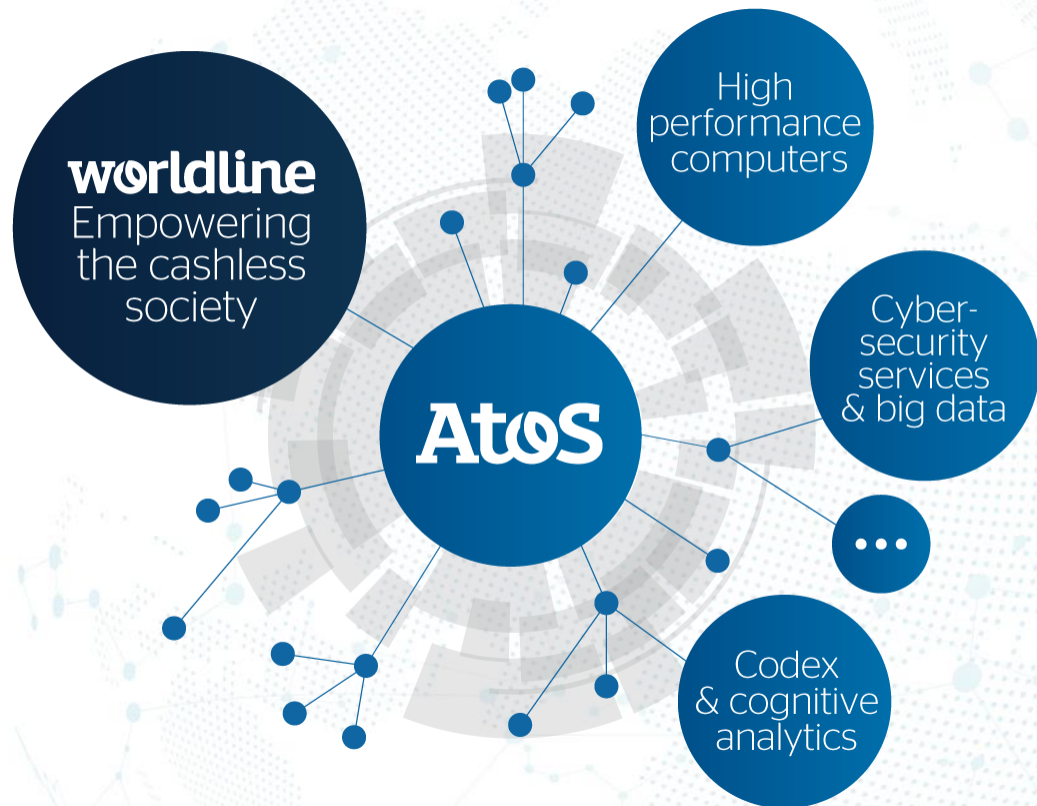
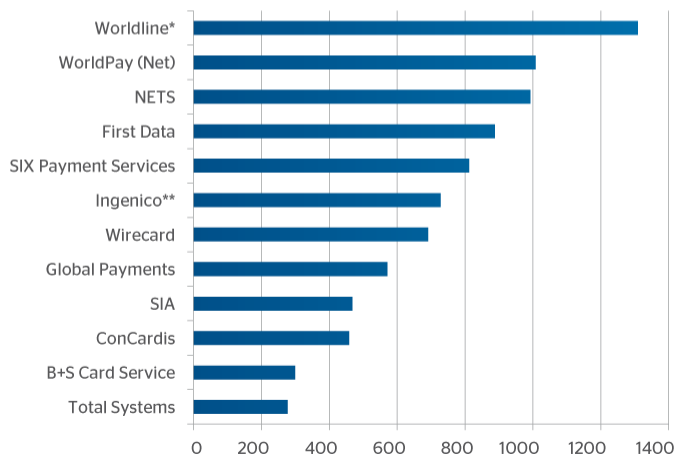
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**Thierry Breton**

*Atos Chairman and CEO,  
Worldline Chairman*

# Worldline: the front runner of Atos strategy to create leaders in Europe

**Independant PSPs 2016 revenue in the European Union**



Source: company estimate

\*: European 2016 pro forma revenue excl. payment terminal

\*\* : Global revenue from transactions

# Worldline was listed to be at the center of the consolidation of European payments

## YESTERDAY



Sligos (Credit Lyonnais /  
Banco de Santander)  
Sodinforg (BNP Paribas)  
Segin (Crédit du Nord) / Axime  
Belgian banks ( Banksys /  
Bank Card Company)  
German regional banks

**worldline**

***The European partner***  
for payment processing since 1973

## TODAY



- Solid track record since IPO
- After the merger with Equens and 4 other acquisitions, the only truly pan-European processing platform
- Strong balance sheet and significant firepower
- Clear strategy and industrial consolidation ambition

**17 European countries**  
**>250 bank clients**

## TOMORROW



**- A global European -**  
champion in e-Payments  
part of the Atos group

**worldline**  
e-payment services

# Worldline's share price performance: from €16.40 to €35.86



Source: Nasdaq / Thomson Reuters database as at September 29, 2017 | (\*) source: recent brokers' research reports

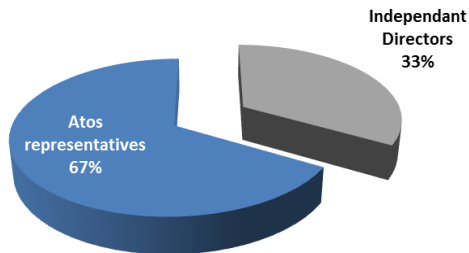
# Successful governance model fostering synergies between Atos and Worldline

**Board of Directors' structure fully compliant with the AFEP-MEDEF code**



**Management**

Composition of Worldline's Board of Directors



- Experienced and international team
- Global matrix-based organization combining global drive and local empowerment
- Proven success of the current executive governance structure of the company, with Worldline CEO being also in charge of Atos Support Functions for one-third of his time

- Worldline controlled by and integrated with Atos
- With governance principles ensuring arm-length relationships between the two groups

**Governance model fostering numerous synergies between Atos and Worldline**  
(cybersecurity, sales, cross-selling, M&A and integration expertise)

# e-Payments at the very core of Atos' digital platform

New technological breakthroughs

**ATOS' END-TO-END OFFERINGS  
PERFECTLY ANSWERING CLIENT NEEDS**

**Atos has built the perfect platform  
for IT digitization**



**Atos Digital Transformation Factory**  
→ c. 40% of 2019 revenue

## worldline

**A COMPREHENSIVE GROWTH STRATEGY**

**Robust organic development through**

- Acceleration of organic growth
- Enhanced profitability through efficiency gains
- Strong free cash flow generation

**A focus on M&A to support our strong industrial ambition in payments**

- To take advantage of the new creation of the Euro and of the SEPA;
- Enabled by a strong balance sheet;
- Backed by Atos know-how

**A unique European positioning**

- Size and scale
- Technology focus on security and next-generation payments
- Coverage of entire payment value chain

**worldline**  
e-payment services

# **2017-2019 the next milestone of Worldline pan-European leadership ambitions**

...

**Gilles Grapinet**  
*CEO Worldline*

**worldline**  
e-payment services

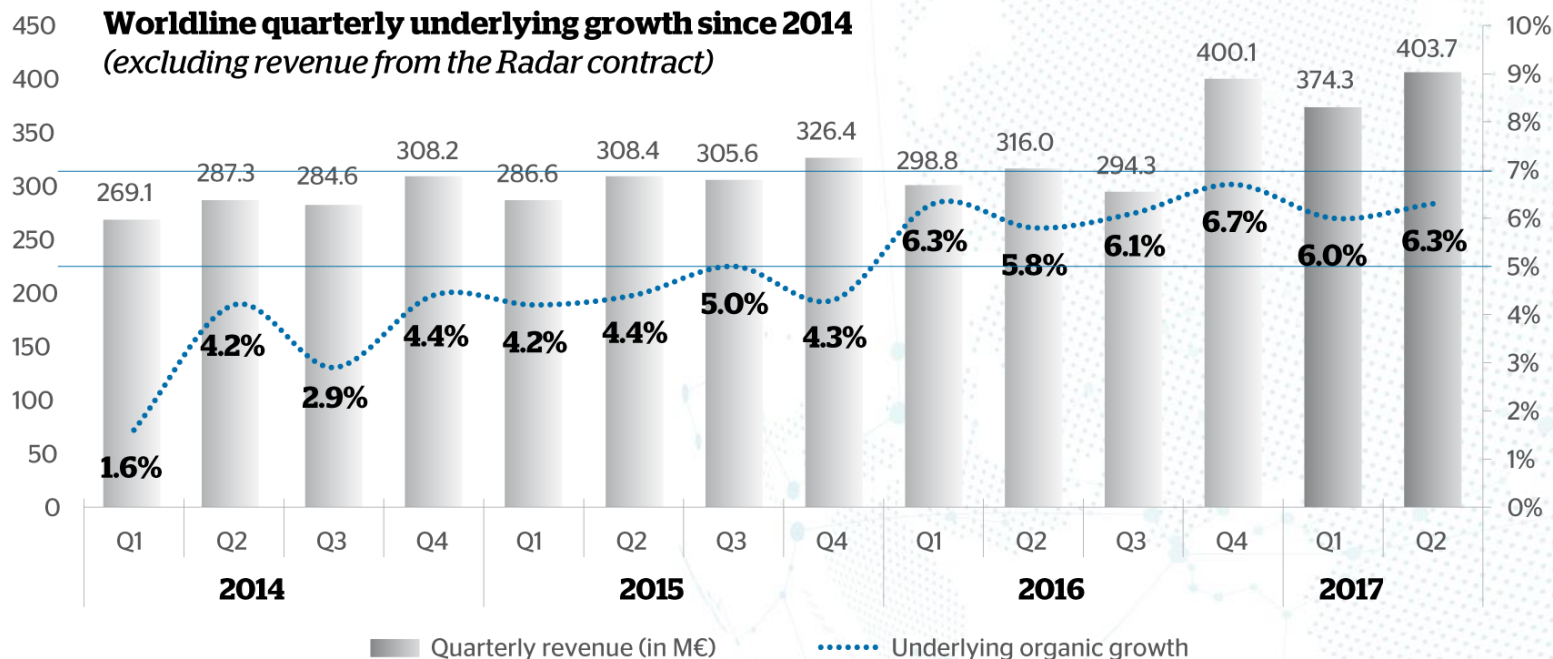
# Accelerating towards Global Payment Leadership

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- 1.** A much stronger Worldline
- 2.** An even better market potential
- 3.** A clear 2017-2019 ambition

# A much stronger Worldline

Acceleration of revenue growth, well in the 5% to 7% target bracket over the past 18 months

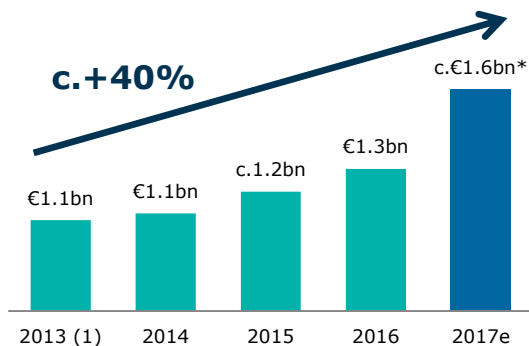


Underlying organic growth: revenue growth excluding the impact of the Radar contract termination

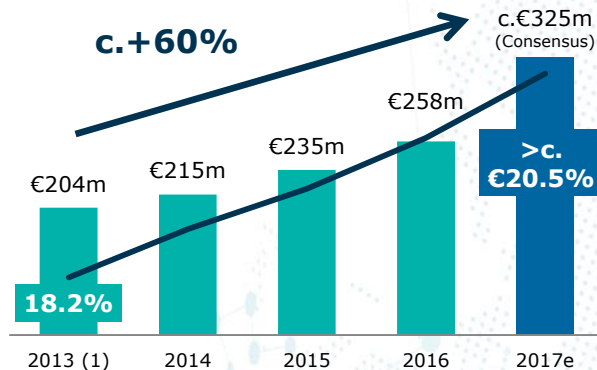
# A much stronger Worldline

Substantial improvement of Worldline's financial profile since the IPO

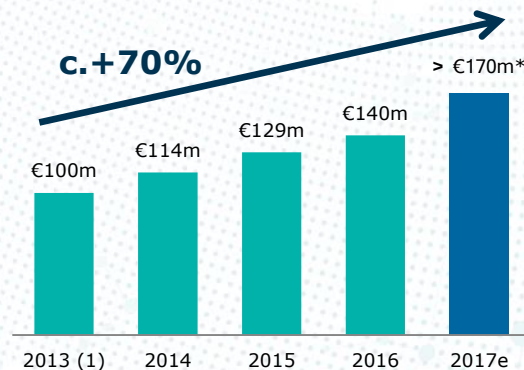
## Revenue expansion



## OMDA



## Free Cash Flow



Same number of shares: c. 132 million

Net cash position: €440m end of June 2017



***Full leverage capability kept intact***




(1): 2013 pro forma financial information published in the IPO Registration document

\* As per company full year guidance

# A much stronger Worldline

Through a first wave of M&A,  
more scale, reach and capability

New! Q3						
						
Industrial scale	✓					
Reinforcement of our portfolio						
Global online payment				✓		
New technologies	✓			✓		✓
Bank alliances for Commercial Acquiring	✓	✓	✓			✓
Strengthen our European position	✓	✓	✓	✓	✓	
Enter higher growth countries			✓		✓	✓

**c.€330m invested since IPO**

# An even better market potential

Our market is more favorable than 3 years ago...

**#1**

Cashless  
society  
is on its way

**#2**

Increased need  
of industrial  
scale to face  
payment  
market  
evolutions

**#3**

Banks will  
remain the key  
player within  
the payment  
ecosystem

**#4**

Europe is  
the place  
to be

**... and Worldline is ideally positioned to benefit from it**

# An even better market potential

The shift towards a cashless society is accelerating

- Digital transformation
- Technological maturity
- Emergence of a digital addict generation
- Strong political push

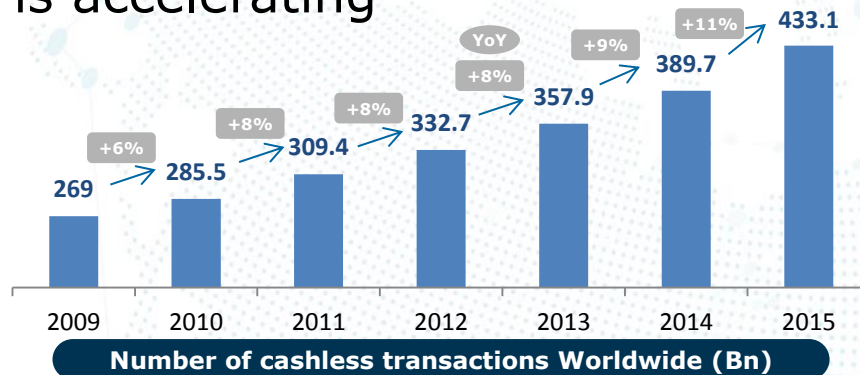


# An even better market potential

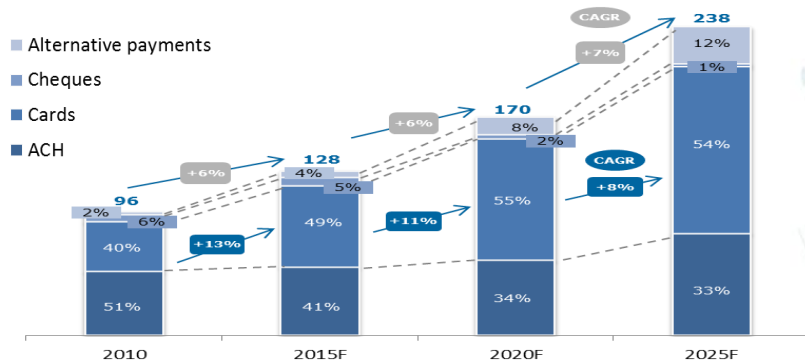
The shift towards a cashless society is accelerating

Non-cash transactions volume growth acceleration

➔ In 2022 **electronic transactions** could **surpass cash payments**



Source: Capgemini World Payment Report 2017



Source : AT Kearney Payment Market Model 2016. Europe = EU28, Norway, Russia, Switzerland and Turkey.

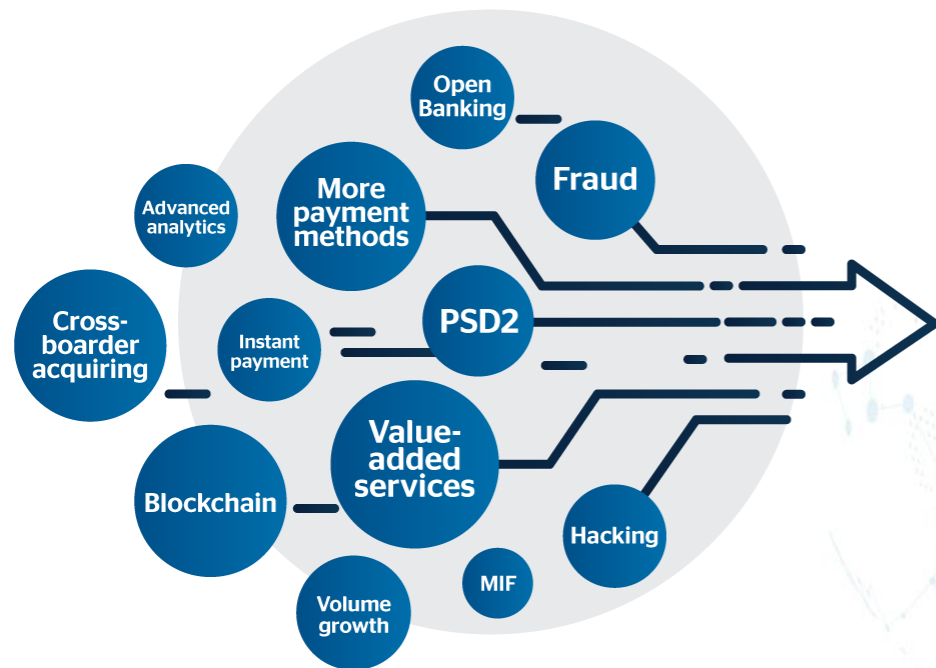
Number and mix of cashless transactions in Europe (Bn)

- In Europe, cashless transactions grow 3 to 4 times faster than GDP
- Cashless trends supporting all electronic payment types: cards, credit transfers, direct debits, alternative payments

# An even better market potential

Increased need of industrial scale to face payment market evolutions

## GROWING COMPLEXITY



## MARKET NEEDS



## WORLDLINE ANSWERS

**A continuous industrialization** to reinforce the pan-European scale

**Innovation and value-added services** delivered thanks to high-level of R&D



# An even better market potential

European banks are facing  
a very challenging “new normal”

## € SEPA



Need for European  
reach and scale

## Increasing competition



between peers  
& from FinTechs, Gafas...

## Impacts of Digital Transformation



Strong need  
to innovate

## Challenging regulation



Basel 3, 4, PSD2, MIF,  
GDPR, Instant Payment

# An even better market potential

Banks want to - and can - stay a key actor in payments but need new partnerships



Banks remain a key trusted partner of billions of customers



They want to - and we believe they will - remain at the center of the payment ecosystem



They have started to adapt themselves by changing more and more their sourcing and alliances strategies

European banks need  
**“friendly” and intimate  
industrial partners**

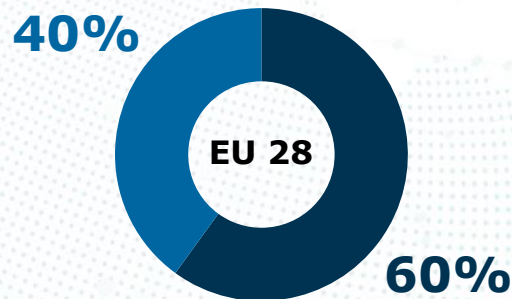


Worldline strategy:  
scale and massive  
investments in innovation,  
to **be the ideal European  
bank partner**

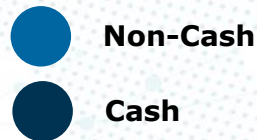
# An even better market potential

Europe is the place to be: a solid organic growth potential

- Solid macro-economic perspectives in the eurozone
- Robust organic growth potential with still a lot of cash to displace
- Accumulation of highly innovative and game changing regulations  
**SEPA, PSD2, MIF, GDPR, Instant Payment**
- Proven appetite for innovation and strong public support (early EMV adoption...)



**Volume of payment transactions**



*Source : G4S Cash Report 2016*

# An even better market potential

Europe is at the start of the consolidation process



Despite **M&A transactions** over the past years, the European market is **still extremely fragmented** in every domain of the payment value chain:

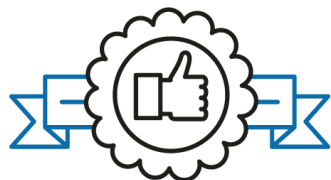
- More than 25 ACHs
- More than 50 acquirers, of which only 3 have more than 5% market share
- C.50% of the issuing and acquiring processing volumes processed by banks



We anticipate the consolidation to have reshaped entirely ***the European payment industry at the horizon of 2025***

# A clear 2017-2019 ambition

Pursuing the solid momentum created since IPO

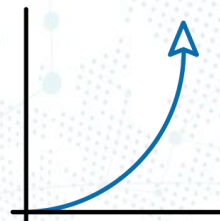


2014-2016  
**commitments  
delivered**

**Equens transaction:**  
a major merger generating  
higher than expected synergies  
running ahead of plan



**Improvement and  
expansion of  
Worldline portfolio  
of offerings**



**New 2017 acquisitions**  
will foster revenue growth  
acceleration and increase  
OMDA margin once fully  
integrated

# A clear 2017-2019 ambition

## Five strategic priorities

- 1 Accelerate our growth** by capturing:
  - > Opportunities created by regulation change and digital transformation
  - > Large outsourcing deals
  - > Cross-border acquiring deals
- 2 Fully leverage** our enhanced **operational scale** and our **recent acquisitions**
- 3 Be a premium brand** for customers, employees and key talents
- 4 Be recognized** as the next generation **strategic European bank partner** in payments
- 5 Relentlessly focus on M&A** to lead the European payment industry consolidation with small, medium, large and very large transactions

# A clear 2017-2019 roadmap

All 2017-2019 objectives raised

## Initial guidance

### Revenue Organic Growth

After 3.5% to 4% for 2017,  
**5% to 7% CAGR**

### OMDA %

**+350bp to +400bp** margin  
improvement  
**in 2019 vs 2016 <sup>(1)</sup>**

### Free cash flow

**€210m to €230m in 2019**

## Upgraded guidance

After 3.5% to 4% for 2017,  
**5% to 7% for 2018** and  
**6% to 8% for 2019**

**Above 22.5% in 2019**  
**(i.e. >+400bp**  
margin improvement  
**in 2019 vs 2016 <sup>(1)</sup> )**

**€230m to €245m in 2019**

(1): 18.5% OMDA margin, 2016 Pro Forma accounts

# Strategy Execution

...

**Marc-Henri Desportes**  
*General Manager*

# Our Mission: Empowering a Cashless Society



***Expeditors  
of the cashless  
society***

Simpler  
& Safer

All «ways»

Lower costs  
Less hurdles



***Backed  
by regulations***

PSD2

SEPA Inst.

ICH cap



***Generates expectations from  
payment companies in our markets***

Effortless / Very Secure

All payment means  
including Instant Payments

Omnichannel /  
Omni-Payments

Scale Processing



***And in less  
mature markets  
where growth  
potential  
is great***

New  
«high-growth»  
Geographies

# PSD2 regulation supports a deeper trend of “Open Banking”

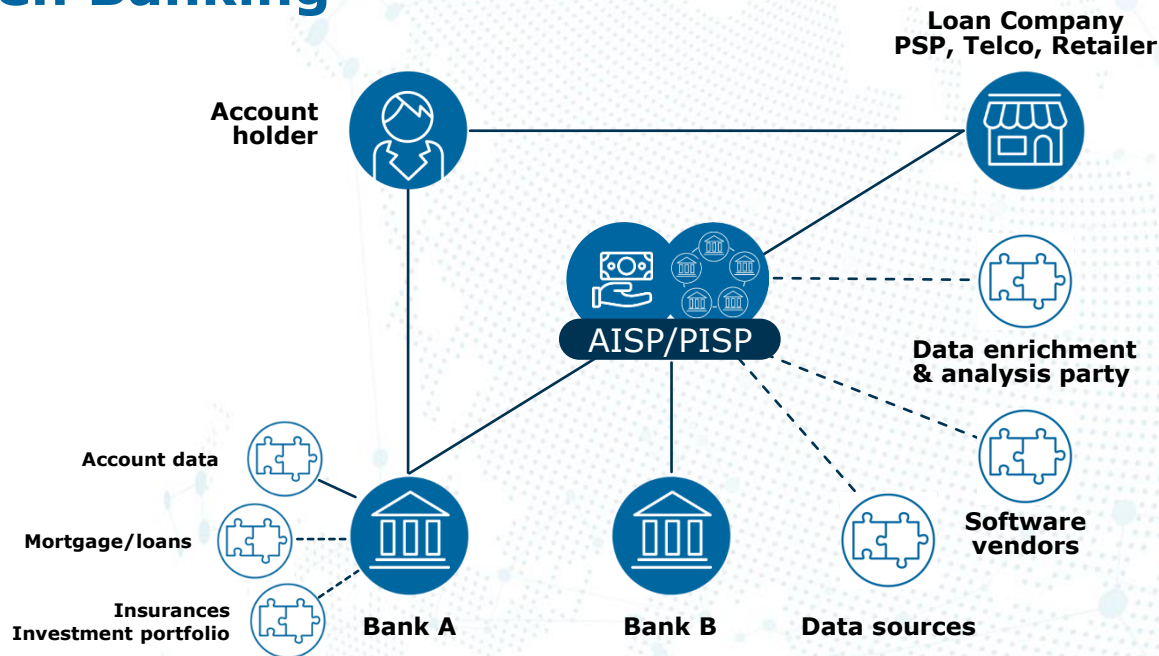
**Banks must allow access to accounts**

by registered third parties

**Third Parties can initiate payments**

/access accounts but are more tightly regulated

**Strong authentication is required**



Choice possible between basic compliance  
**and disruptive open banking strategy**

# SEPA instant payment resonates with mobile and remote payment trend

## A booster for innovation

**Launch  
of SCT**  
in Nov. 2017

**10 seconds**  
**€15,000**  
**SEPA**



**Pay in-store**

Customer scans a QR code generated by the terminal or through NFC tap on the PISP app



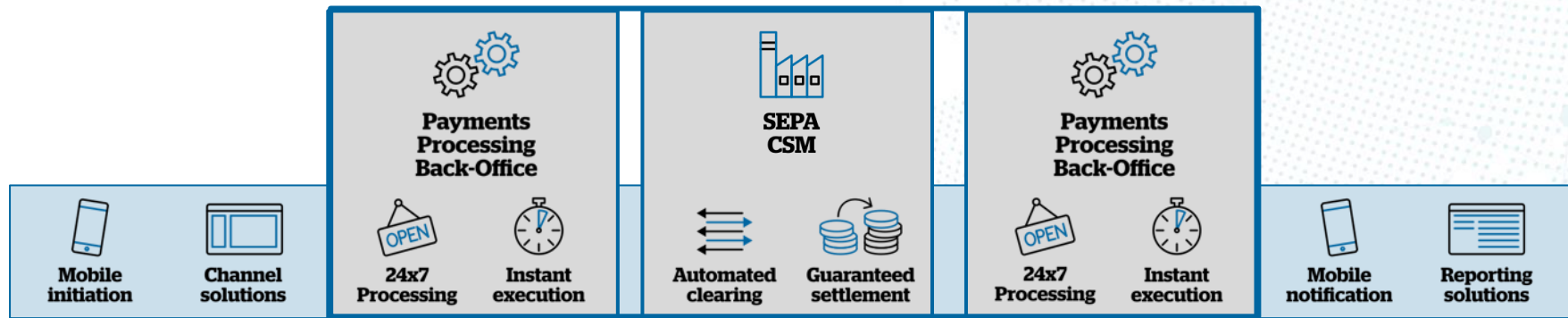
**M-Pay**

Proxy lookup service to switch from mobile phone number to account bank number



**E-Pay**

Open Banking to manage access to account by third parties



**Example end-to-end instant payment**

# Our strategy: 6 key dimensions for differentiation and leverage

1. Scalable own **assets**, fueled by our R&D
2. Multiple **sales channels** including **bank partnerships**
3. Competitive advantage through relentless **efficiency efforts and scale**
4. Continuously upgrade our **quality and security** levels
5. Investing in **people's** expertise and excellence
6. **M&A** execution as a booster for strategy execution

# 1. Scalable own assets, fueled by our R&D

Now combined Worldline (former WIPE)  
and Equens products roadmaps  
**> 100,000 man-days/year**

.....

Covering the **core payment value chain**  
with in-house solutions allowing:

- **Scalability** and Maximum volume **leverage**
- Maximum **flexibility**
- Best **time-to-market**

.....

Constantly upgraded through:

- Customer projects
- **R&D Master Tracks**

**Buy or Partners** maintained for:

- non core payment modules
- B2C or very business specific activities



- **APIGEE** to boost our “open platform” approach towards **Fintechs**

# 1. Scalable own assets, fueled by our R&D

## Our Technological Assets: comprehensive and recognized

### Wallet .....

**100,000**  
Active  
merchants

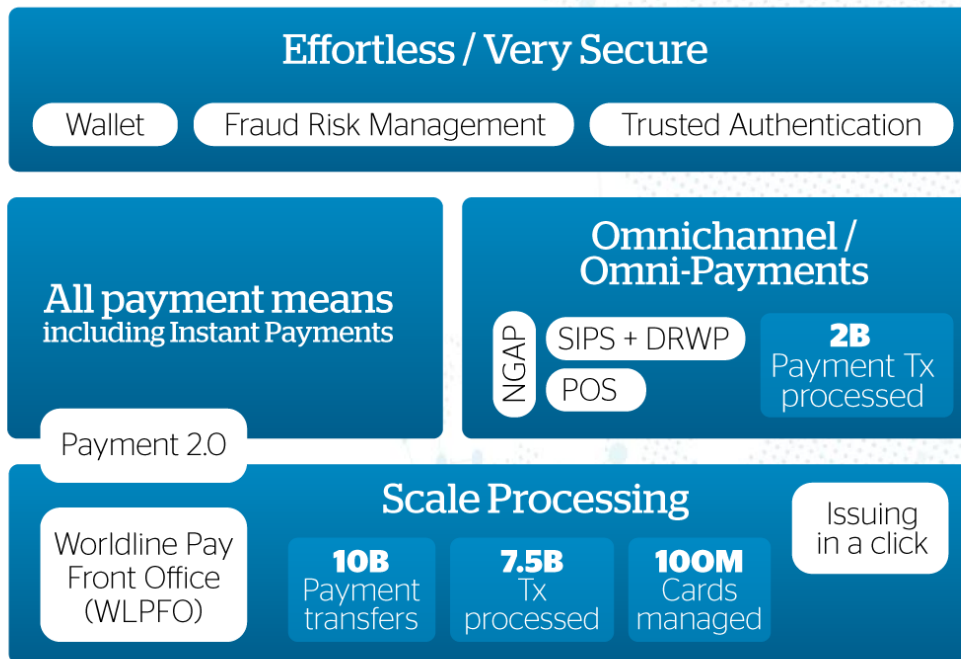
**300,000**  
Active wallet  
customers

**20+** Banks connected

Worldline assessed & ranked as  
**Market Leader**  
by Ovum

### Payment 2.0 .....

Worldline awarded  
**In-Vehicle Payment PoC**  
at MPE



### Trusted Authentication .....

**5.5 M**  
Enroled  
users

**3M**  
Authent.  
/month

Worldline awarded for  
**WL Trusted interactions  
& WL Authentication  
Process Management**  
at Banque  
& Innovation 2017

### Commerce Payment Provider .....

Worldline ranked as  
**Strong Performer**  
by Forrester

# 1. Scalable own assets, fueled by our R&D

## Our R&D Master Tracks



### **Authentication**

Biometry,  
fingerprinting...



### **Security**

Cryptographic tools,  
Secure Elements...



### **Blockchain**

Financial market  
and other markets...



### **User Experience / Physical to Digital bridge**

Beacons, geolocation,  
Digital Signage, Video  
Processing...



### **Data Analytics, Machine Intelligence**

Fraud Detection,  
Time series...



### **Personal Assistant**

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



### **New means of Payment**

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

## 2. Multiple sales channels including bank partnerships

200 Atos Account Executives incentivized  
Bi-Monthly top management cross-selling board



SIEMENS



### Cross-selling through ATOS



Partnering  
with Banks



Boosting our  
own salesforce  
in new  
geographies



Combining payment assets in custom/  
MeTS large deals



### 3. Competitive advantage through relentless efficiency efforts and scale

#### Continuous improvement



2014-2017 - 161M€ savings achieved

##### Main drivers



- Contract profitability
- Sales effectiveness
- IT efficiency
- Offshoring/Delaying/Infrastructure and operations
- Streamlining/Procurement/Real Estate



2017-2019 target-150M€ savings

##### Continuation of previous actions



- First time right
- Make or buy
- Objective Zero Incident
- Robotics & Automation

#### Benefits from larger scale

##### equensWorldline integration tracks

Reminder - Jointly prepared BP  
Fully organized Day1 with 16 integration tracks  
9 businesses - 7 supports



Aligning Equens IT, operations, overheads, and associated costs to our standards



Remove business and support overlaps



Converge technical platforms



Cross-sell

**OMDA impact from 20 to 25 M€ in 2017  
with 2018 moving from 40 to above 45M€**

## 4. Continuously upgrade our quality and security levels

- **Operational excellence culture**, based on selected best practices grown in a 100,000 people IT outsourcing leader  
*Zero Incident program // Peer reviews // Risk-based robustness plans*
- **Efficient and State-of-the-Art Security**  
*Mixing payment security experts and Atos cybersecurity Firepower*
- **Resilient and scalable infrastructures**  
*The right mix of redundancy and virtualization*
- Recently acquired infrastructures **quickly aligned** on our historical standards
- Subject to **constant external challenge** (certifications, ratings, Customer Satisfaction Surveys) with **continuous improvements** (grades)

Overall customer satisfaction grew  
**from 7 in 2014 to 8 in 2016**

Service availability of our acquiring platform reaching  
**99.999%**



New security requirements such as GDPR  
**are more opportunities than challenges**

**worldline**  
e-payment services

## 5. Investing in people's expertise and excellence

***Need for Business  
and Technology  
excellence***



Talents  
& Experts

- We promote our **long term industrial and FinTech projects as the most attractive**
- We **invest in Experts and in their Development**
- We develop a company culture of **strong sense of belonging**
- We have grown a know how of **integrating newcomers** (from recruitment and M&A)

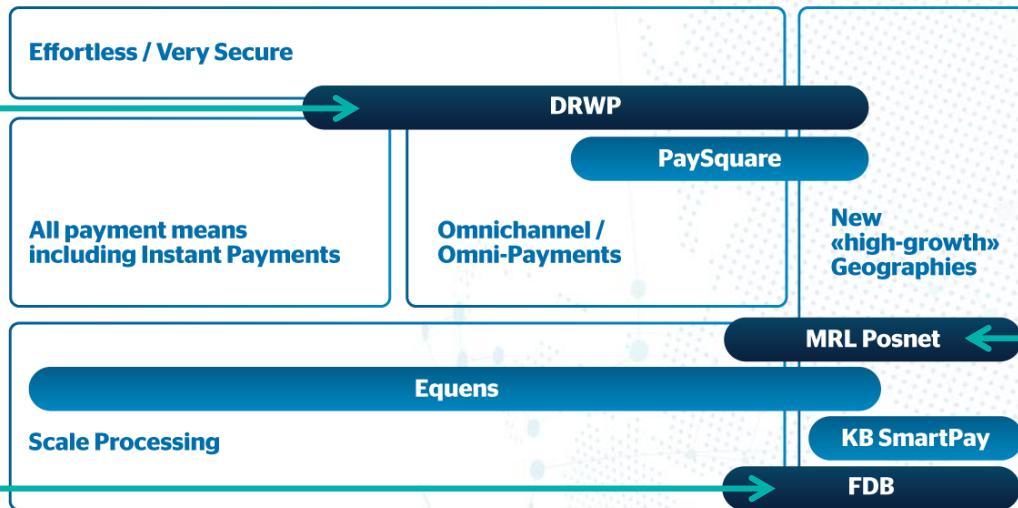
## 6. M&A execution as a booster for strategy execution

### Latest M&A deals complete asset portfolio

Completes our online capabilities with

- Global reach
- Collecting solution

- Brings new market for our platforms
- And price efficient expert workforce to address the Nordics



Completes our high growth Indian operations with

- New customers
- New market segment
- Innovative low cost terminals and terminals management system

## 6. M&A execution as a booster for strategy execution

Building on proven Atos and Worldline know-how



Worldline business team involved  
*all along the process for a seamless transition to execution*

# 2017-2019 Financial Ambition

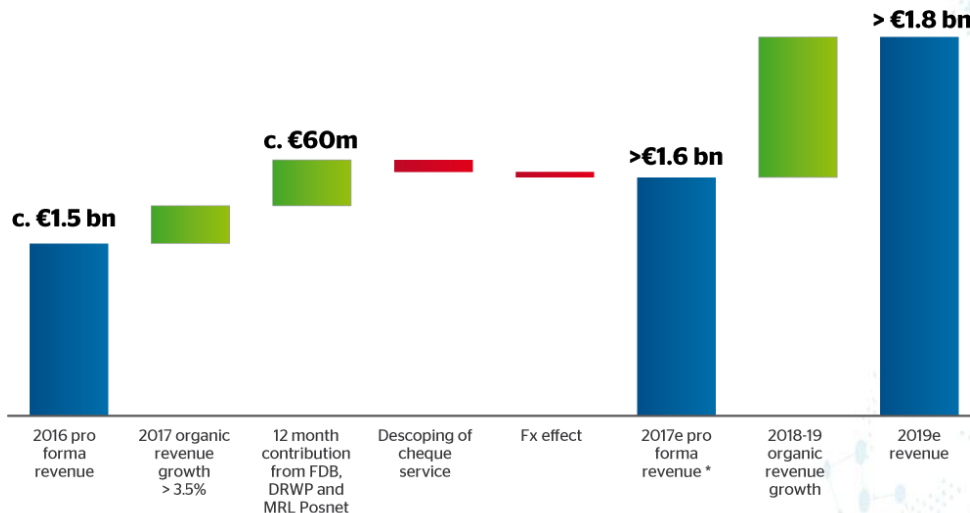
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**Eric Heurtaux**  
*Chief Financial Officer*

# Recent acquisitions' financial profile

	Estimated 12 months revenue	Impact on Group 2017-19 growth profile	Impact on Group 2017-19 profitability profile	
Digital River World Payments	< €60m	+	+	<b>c.€220m</b> invested  <b>Acquisition multiple</b> (blended) slightly below Worldline's current trading multiple:  <b>11.4x</b> 2017 <sup>e</sup> EBITDA
FDB		=	+	
MRL Posnet		+	+	
		<i>Acceleration of the Group's growth profile</i>	<i>Accretion on the group's profitability</i>	

# 2017-2019 revenue bridge



**Worldline's 2017 - 2019 upgraded objective:**  
After 3.5% to 4% for 2017, **5% to 7% for 2018**  
and **6% to 8% for 2019**

\*: 2017 estimated revenue including 12 months of contribution from FDB, DRWP and MRL Posnet

## 2017-19 GROWTH DRIVERS

**Innovative offerings:** PSD2, Instant Payments...

### Merchant Services: above group average

- Transaction volume growth
- **Synergies from** DRWP and MRL Posnet
- Structural growth of the **Indian market**
- Increased **geographical diversification**

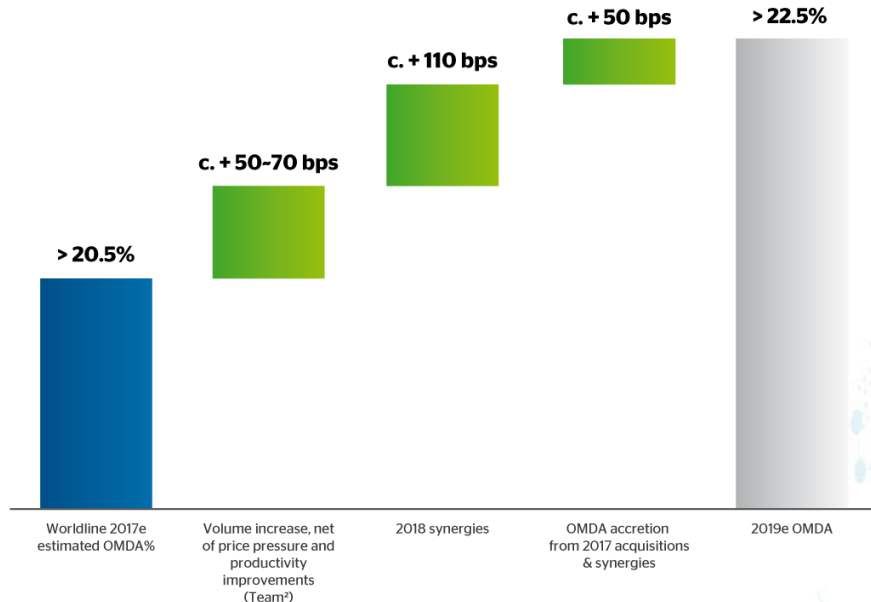
### Financial Services: a bit below group average

- Structural **volume growth**
- **Cross selling** opportunities

### Mobility & e-Transactional Services: within group average

- Very dynamic market trends
- Growth supported by **strong pipeline**

# 2017-2019 OMDA bridge



**From 22.0% ~22.5% to above 22.5% in 2019**

## OMDA IMPROVEMENT DRIVERS

### TEAM²

#### Merchant Services

- **Synergies** starting in 2017 with **PaySquare** and **KB Smartpay**
- **Scale effect** on platforms operated by equensWorldline
- Positive revenue mix effect with **Worldline India** and **DRWP** profitability exceeding MS average

#### Financial Services

- equensWorldline: Higher **OMDA run-rate synergies expected**: c.€25m in 2017 and **c.€45m in 2018**
- Strong **scale effect** on platforms
- **FDB's higher profitability**

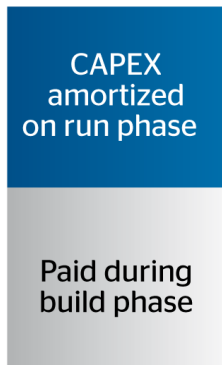
#### Mobility & e-Transactional Services

- Gradual benefit from **increased volumes** on maturing platforms

# Mobility & e-Transactional Services pay per use platform model

Build and run or a risk sharing approach

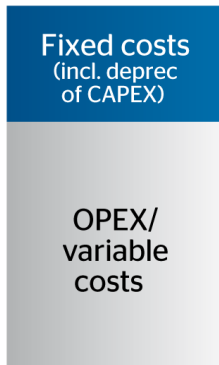
## Contract cost - build



### Build phase

- Limited revenue (pay as you go model)
- Part of the platform cost is capitalized

## Contract cost - run

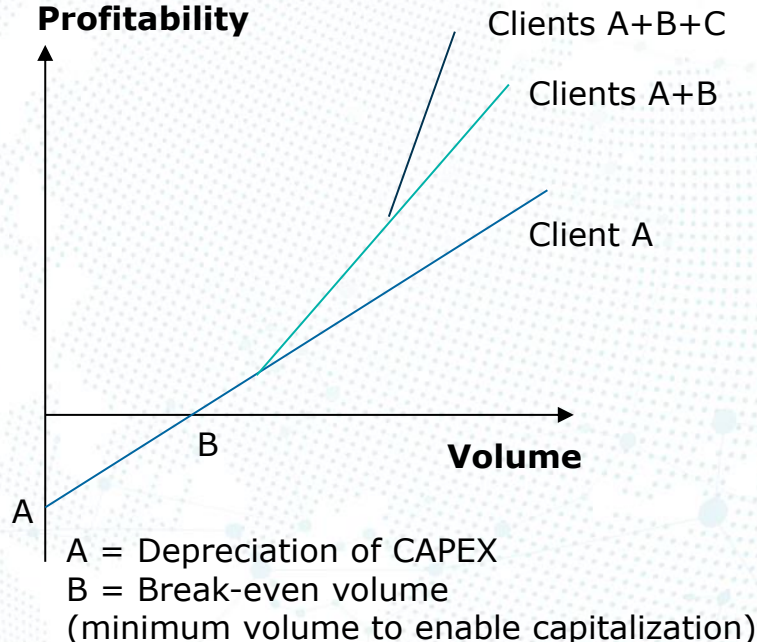


### Run phase

Revenue based on volumes

- The higher the volume, the higher the profitability
- More clients on the platform further accelerate profitability

## Platform Profitability



# Financial Services platform combination model

## Platform A

- volume A
- total operating cost A



## Platform B

- volume B
- total operating cost B

## Consolidation on Platform A

- volume A+B
- total operating cost  
= total operating cost A  
+ 20% total operating cost B

BUT investment of 1 to 2 times  
total operating cost B

- Savings of 80% platform B operating costs
- Payback between 1.25 and 2.5 years

# Continuous discipline on cash flow

## CAPEX

**2017**  
**Between 6% and 7%**  
of revenue

**2018**  
**Circa 6%**  
of revenue

**From 2019 onwards**  
**Between 5% and 6%**  
of revenue

## CHANGE IN WORKING CAPITAL

- **Slight positive contribution from 2018 onwards**, in particular alignment of acquired scope on Worldline best practice

## EXCEPTIONAL ITEMS AND TRANSFORMATION COSTS

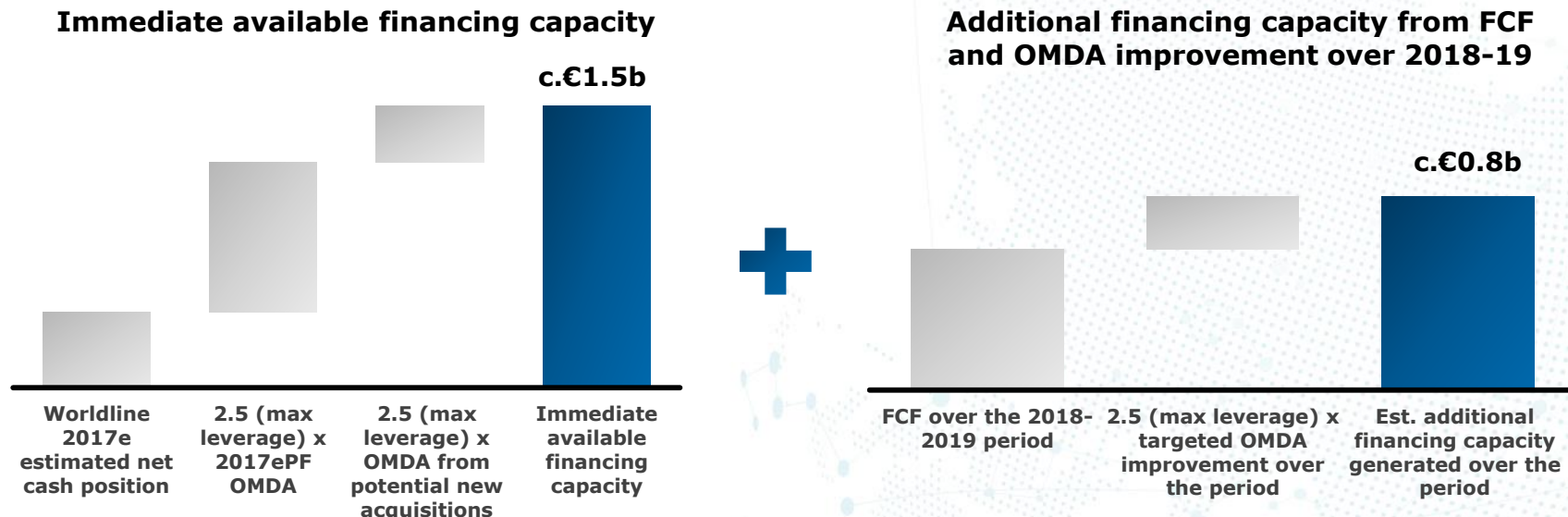
- **equensWorldline transformation costs:** c.€10-15m in 2018 and c.€5-10m in 2019
- **Limited transformation** costs to be expected from the integration of **FDB, DRWP** and **MRL Posnet**

## TAX RATE

- Ambition to improve slightly current tax rate levels over the period, targeting a **ETR (P&L expense) of c.25%**

# Financing of acquisitions: Confirmation of financial policy

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



**Estimated M&A firepower** of up to c.€ 2 billion without capital increase

# All 2017-2019 objectives raised

## Revenue Organic Growth

After 3.5% to 4% for 2017,  
**5% to 7% for 2018 and 6% to 8% for 2019**

## OMDA %

**Above 22.5% in 2019**  
**(i.e. >+400bp margin improvement in 2019 vs 2016 <sup>(1)</sup> )**

## Free cash flow

**€230m to €245m in 2019**

(1): 18.5% OMDA margin, 2016 Pro Forma accounts

# Energizing commerce with advanced payment services

...

**Vincent Roland**  
*Managing Director  
for Merchant Services*



# Merchant Services

Energizing commerce with advanced payment services



## Merchant Payment Services

Commercial Acquiring

Omnichannel Payment  
Acceptance

Terminal services



## Merchant Digital Services

Digital Retail

Private Label Cards  
& Loyalty Services

**€ 439.6 million**  
2016 Annual Revenue

**€ 99.3 million**  
OMDA

**+200,000**  
merchants in Europe

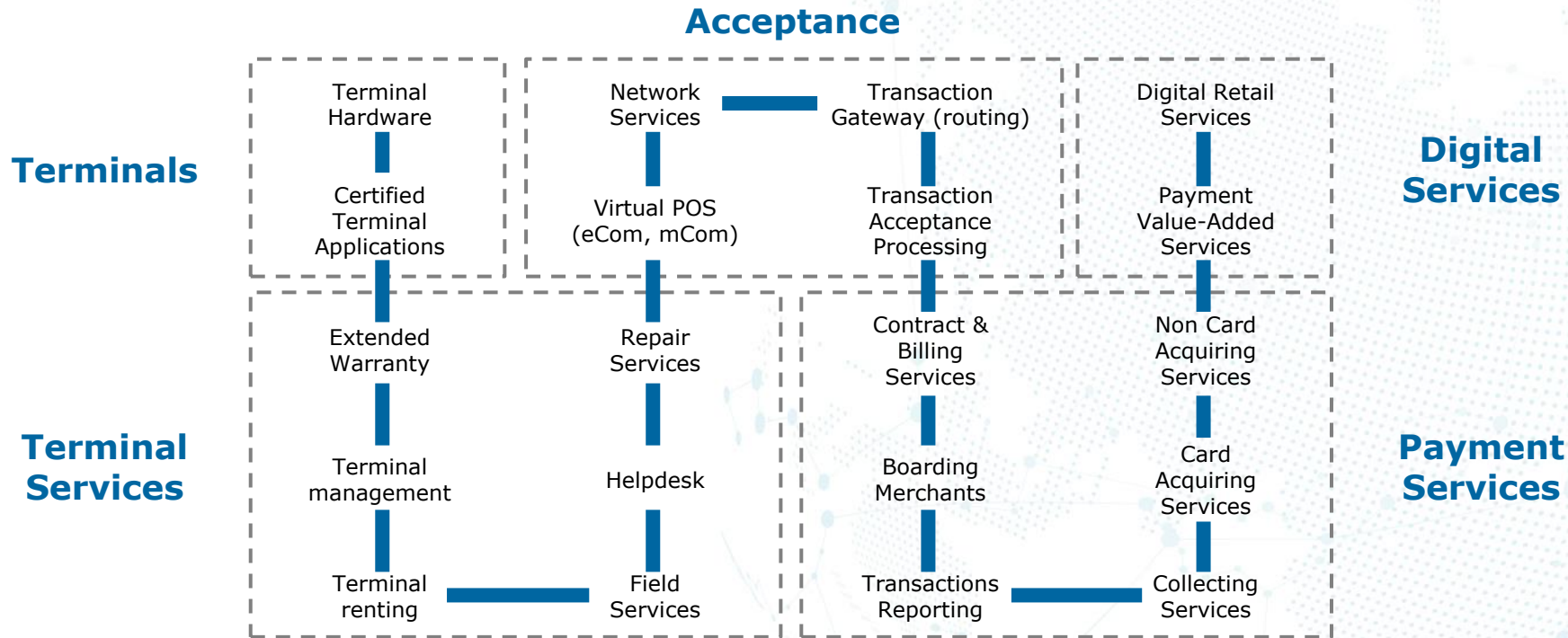
**c. 1.2 million**  
terminals  
managed worldwide

Processing  
**c. 2 billion**  
payment transactions  
per year

**c. € 94 billion**  
total transaction  
processing volume  
per year (excl. ATM)

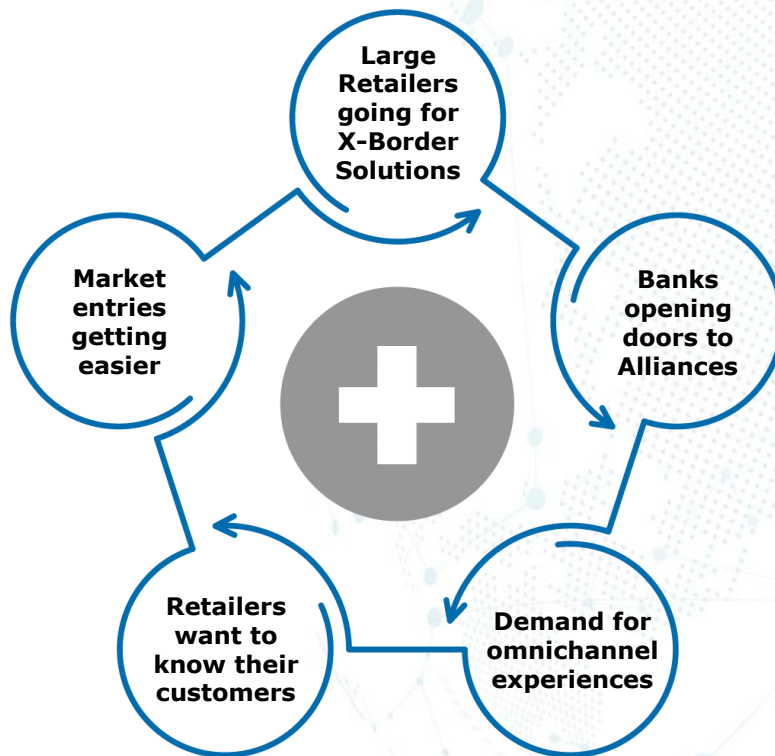
# Worldline's Merchant Services – Value Chain

Richest offering to meet Retailers' and Bank Acquirers' specific needs



# Growing in a changing world

Several forces continue to drive changes in our Merchant Services markets



## Reference partner for merchants through strong differentiators

- **Offer Largest portfolio** of products and services to enable our merchants to grow their business

- **Leverage the scale and capabilities** of equensWorldline one of the largest Financial Processor in the world

- **A cross-border organisation** to drive productization, QoS, expansion and efficiency

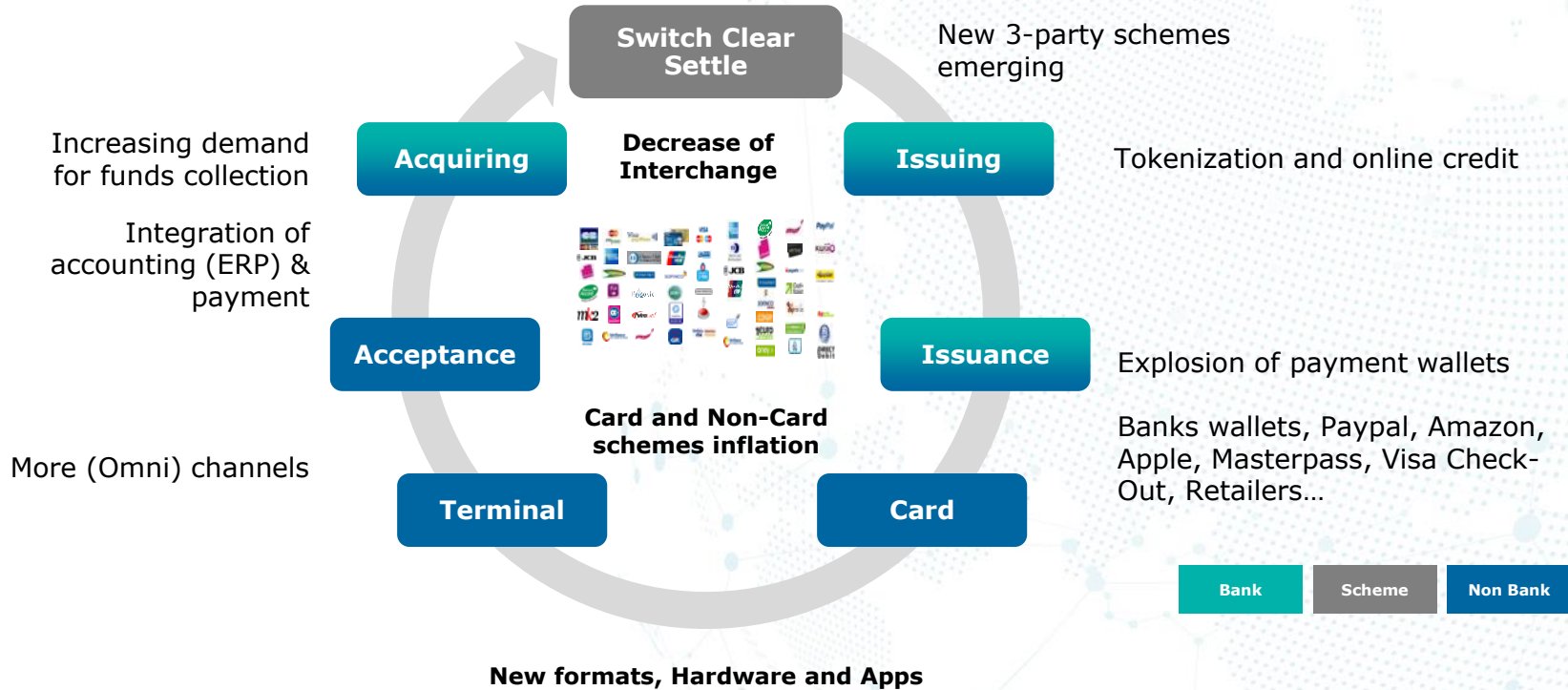
- **Lead in central European and Indian markets,** growing direct and indirect sales channels to serve all Tiers merchants and banks

- **Accelerate international expansion** to serve global customers and build on other Worldline established market positions



# In an industry transforming at high speed

Complexity creates business opportunities for Worldline



# Merchant Services' growth plan

## 4 key tracks



# Organic growth in established geographies

Good balance of revenues and costs optimization strategies

- ▶ **Increase** direct and indirect sales channels
- ▶ **Build** long-term relationships with Key Customers
- ▶ **Boost** terminal activity for merchants and outlets
- ▶ **Create** new revenues from added -value services
- ▶ **Retain** profitable merchants
- ▶ **Simplify** and accelerate merchant boarding process
- ▶ **Minimize** interchange and scheme costs
- ▶ **Reduce** deployment costs of POS devices
- ▶ **Lower** processing costs
- ▶ **Improve** effectiveness of services processes
- ▶ **Reduce** risks

# Selling more by automating the Customer Journey

Worldline significantly investing in new Boarding Tools



# Next Generation Acceptance Platform

The first « Truly X-border & Omnichannel » Acceptance platform

## POS



PCI P2PE



Offline capabilities+  
Terminal "agnostic"



Local payment  
means



Less certification



Global  
standards  
(Nexo)



Vertical sector  
support

## Omnichannel



Omnichannel  
customer interactions



Multi-acquirers &  
dynamic switching



Tokenization



Analytics &  
business intelligence



Fraud protection



Extranet, reporting  
& dashboard



Support



Collecting

## E-Commerce



Payment channels



Payment  
modalities



European/Global  
local payment means



Local currencies  
& languages



Shopping cart  
plugins



Vertical sector  
support

























Collecting

# Merchants want to increase consumer spending

Digital Retail services to upgrade the payment experience

## Shopper Marketing Taxonomy

	Displays & In-Store Advertising	Deals	Relationship Marketing	Social Media	Search	Thematic content	Apps
	↓	↓	↓	↓	↓	↓	↓
Platforms	Off-Shelf Display/ Advertising	FSI/Circular	Direct Mail 	Branded Communities	Sponsored Results	Blogs	Price Comparison
	On-Shelf Display/ Advertising 	Rebates 	Newsletters 	Product Reviews	Product/price Comparison	Microsites 	Store Locator 
	Packaging/ Merchandising	In-Store Coupon 	Access to Offers/ Events/Samples 	User-Generated Content	Mobile Search 	Retailer Sitelettes	Barcode Scanners
	In-Store Sampling	Coupons at Checkout 	Personalized E-Mail 	Social Shopping	Product Availability	Short-Form Video	Shopping List
Vehicles	In-Store Events 	Printable E-Coupons 	Text Messages / Sms 	Word-of-Mouth Marketing	Virtual Display	Digital Magazines	Shopping/ Purchase 
	In-Store Video	E-Circulars	Personalized Storefront	Micro Sponsorships		2-D Barecodes/ QR Codes 	Product Research
	Digital Kiosk/ Interactive Display 	Direct-to-Card Coupons 		Social Gaming		Interactive TV/Apps 	Product Availability 
	Handheld Scanners/ Smart Carts	Mobile/Location Based Deals 				Augmented Reality 	

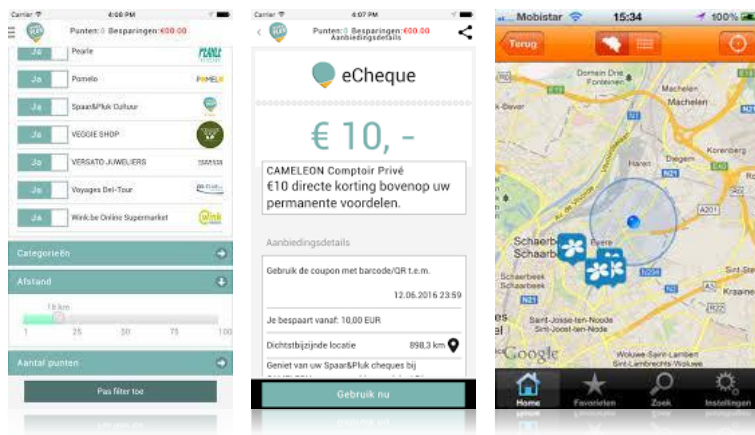
Source Industry Interviews: Booz & Company analysis

 Already offered by Worldline

**worldline**  
e-payment services

# Merchant Wallet as a service

An “Uber Like” experience for any merchant



- A **one-touch** payment
- An enhanced **shopper experience** across all channels
- Without any compromise on the security level

Other Value added Services



Pay your services in the station

Pay your services outside of the station

Increase value for Merchant

Verticalisation of offering

Increase Merchant engagement

Value client data

Drive additional service revenues

# Terminals Services for Merchants

A Secure Digital "Point Of Interaction" between merchant and consumer



## Next generation Android-based terminals



VALINA  
Unattended



NEW  
Countertop



Customer Survey  
Advertising  
Coupons  
Loyalty  
Customer  
Business apps

### Business benefits

- *New services* for merchants
- *More customer intimacy*
- *New interactions*

Increase value  
for Merchant

Verticalisation  
of offering

Increase Merchant  
engagement

Value  
client data

Drive additional  
service revenues

# PSD2 - Account information and payment initiation services

Offering secured account-based payments



**Enabling merchants  
to accept credit transfer  
as payment**

**A quick and simple  
implementation** of credit  
transfer with same service level



**Secured payments  
with no compromise  
on user experience**

**A payment guarantee** for  
merchants, better **risk-based  
assessment** to reduce fraud  
rates, and **efficient dispute  
management**.



**Offering  
value-added services  
for end-users**

Merchants can enrich their offer  
with **additional services**, such  
as insurance, credit lines, support  
in case of chargeback request,  
etc.

PSD2 as  
a service

Solid commercial pipe  
lead by large retailers

“Direct to Merchant”  
or “White Label” business models

Opportunity for  
instant payments

Drive future  
service revenues

# DRWP acquisition – A truly Global PSP

To strengthen our omnichannel acceptance strategy

## Differentiators for Online Merchants

- Single Scalable Solution
- Flexible Processing Models
- Local Market Knowledge
- Service to All Major Card Schemes
- True GLOBAL Experts
- Speed-To-Market
- Robust Acquiring For Emerging Markets
- Fraud Management from ACI ReD Shield

## Direct processing partners

AMER	EMEA	APAC
rede	barclaycard	nab
cielo	bambora	CC Avenue
BSA Bancomer	worldline	KG Inicis
EBANX	BNP PARIBAS	TEC
CHASE Paymentech	nets	FirstData
FirstData	worldpay	bnz
BANORTE	Elavon	
d-local	FirstData	

## Card network capabilities



### Alternative payment capabilities



175 supported currencies,  
\$22B processed transaction volume

### Sample of value-added services



DEEP EXPERTISE



GLOBAL REACH



DRIVE GROWTH

120 employees  
200 countries transacting  
€37m gross revenue 2016

**worldline**  
e-payment services

# Accelerating our ambitions & creating more value

## Leveraging combined assets



- **Global customers base** to cross-sell Worldline products
- **Collecting and Remittance capabilities** to enrich Worldline acquiring portfolio
- **Robust platform** to accelerate the development of Worldline Next-Gen Acceptance Platform
- **E-payment Product offering** to cross-sell to Atos and Worldline Global customers



Leverage Worldline and Atos salesforce to push this newly acquired functionalities to our premium brand



### worldline

- **Local customers base** to cross-sell the DRWP solutions
- **Tier1 and Tier2 multi-channel customer base** to enrich current offering
- **Pan-European acquiring** (V/MC/JCB/CUP/Diners) to be promoted at DRWP merchants
- **Value-added services** (tokenization, digital services, marketplaces, ...) to cross-sell to DRWP customers



Integrate complementary platforms into one roadmap

# Zoom on India



**Deepak Chandnani**

*CEO of Worldline,  
South Asia and Middle East*

# India - A big & young country

## With a high rate of technology adoption

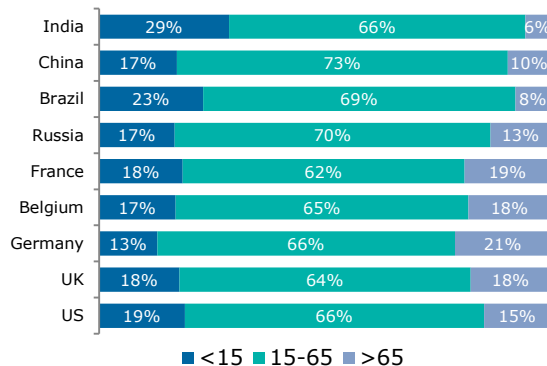
**1.3 bn** people,  
**377 mn** under 15 years of age

**26%** internet & smartphone penetration  
up from 2% ten years ago

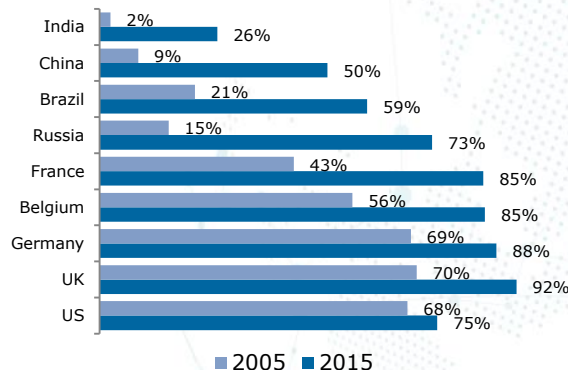
**79%** mobile penetration  
up from 8% ten years ago  
1 bn+ mobile connections

Over c.**70%** of consumer payment transactions still in cash, compared to **20-25%** in developed economies

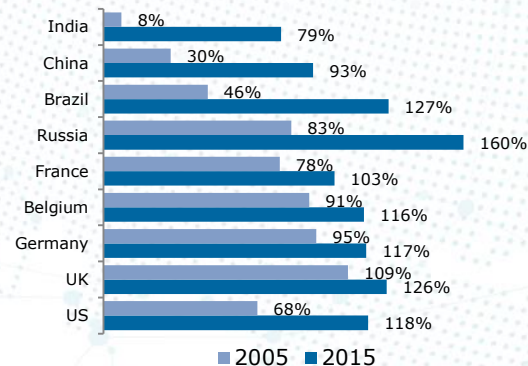
Age distribution of population (2015)



Internet Penetration



Mobile Penetration



Source: World Bank, BCG-Google

# Worldline: Largest Acquiring Processor in India

## Acquiring

- Partner to 13 of 16 public sector acquiring banks in India
- Partner to 11 of 17 private banks

## Issuance

- Processor for 12 banks in India including private, public sector and co-operative banks; issuance processor for partners in the rest of South Asia
- Issuance and loyalty management partner to three of four major fuel retailers in India
- Issuance and private label card management partner to Edenred and Sodexo, two of the largest international food & corporate service companies

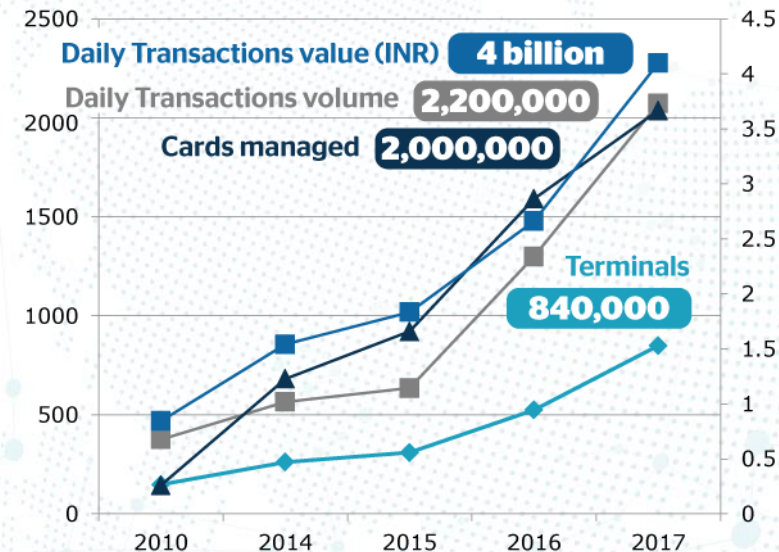
## Value Added Services & Others

- Dynamic currency conversion provider to leading hotel chains including Accor, Marriott, Taj
- EMI solution provider to multiple issuing and acquiring banks and major OEMs including Samsung and LG

**~30%** Worldline market share in physical acquiring

**385K+** EDC additions by Worldline in 10 months since demonetisation (Aug'17)

## Worldline Portfolio Growth



# Changes in payments industry going forward

Industry in consolidation phase – muted growth after spurt

## Demonetization

- Notification on 8th November 2016, notes representing 86% of the currency in circulation demonetized
- Electronic payments saw an immediate and sustained spike

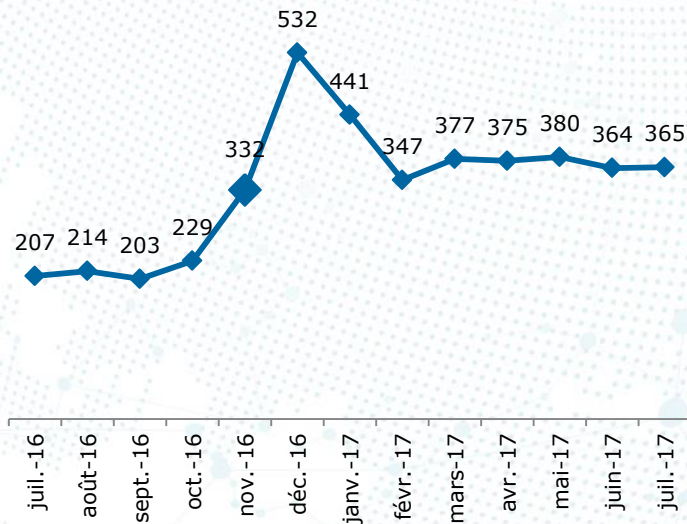
## Post Demonetization

- Immediate growth in transactions and terminals
- 1.3 mn terminals added in 9 months after demonetization, total 2.8 mn terminals (Jul'17)

## Going Forward

- India attracting large, global, non-traditional players (Google, Samsung)
- Two forks in development:
  - **Urban:** Frictionless, UX driven cutting edge payment solutions
  - **Rural:** Govt. continuing to push industry towards inclusion – growth in low-cost devices, QR acceptance; plans on Aadhaar/biometric authenticated payments

CC/DC monthly txns at POS (mn)



Source: Reserve Bank of India

# Priorities for India

## Acquiring

### Maintain Leadership in POS acquiring

- Enhanced delivery through investment in technology

### Participate in govt. initiatives

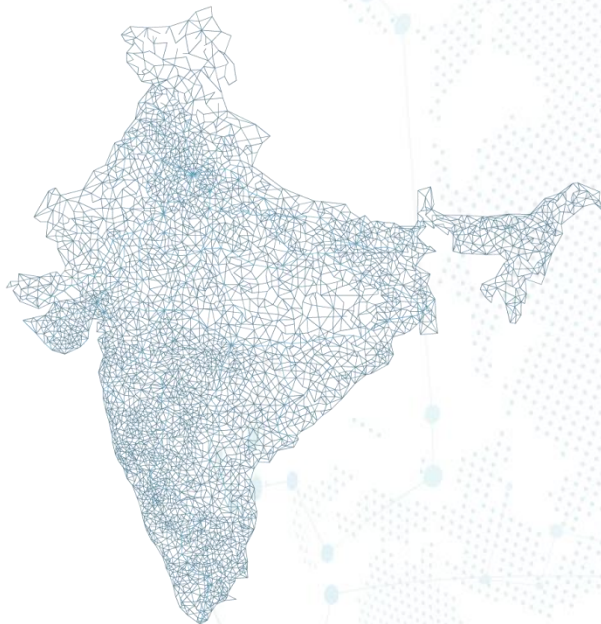
- WL live with newly launched initiatives (BharatQR); development underway for others (UPI, Aadhaar)

### Bring special solutions to market

- Fraud & risk mgmt. services being extended to more banks
- Electronic toll collection: Govt. planning to rollout to 300+ toll plazas

### Internet & Mobile focus

- Segment specific approach for profitable, sustainable segments (govt, education)



## Value Added Services & Others

Continuously **Upgrade technology for scalability, innovation**

- Thin client being rolled out: terminal independent acquiring architecture to reduce service cost and enable key features
- Omni channel Integrated applications

### Product Focus

- Enhance/Add to features of existing products
- Import WL global solutions; continue local innovation

# MRL POSNet / Target Snapshot

- **Founded in 2008, HQed** in Chennai in India
- MRL Posnet is a **Merchant services and Acquiring PaaS Solution provider**
- Proprietary next-gen low-cost terminal management platform offered via various bundles
  1. **"Merchant services"** = End-to-end acquiring services for merchants + merchant support + underwriting risk
  2. **"MRL Pay"** = Terminal management platform for banks and aggregators
- Strong tailwind from **demonetization in India**
- **141 FTEs**

**c.100k**  
*terminals*

under Merchant Services mngt

**New POS**  
*contract*

for provision of  
low cost terminals

**18**

*Partners banks*  
for Merchant Services

**~83m**  
*transactions*  
processed  
(Q1 18 annualized)

**€1.3bn**  
*Transaction Value*  
Processed (Feb 17)

# MRL POSNet / Strategic Rationale



Opportunity to leverage and reinforce Worldline strong development on Indian market with a complementary asset



Gain access to low cost terminals and terminal management solution adapted to Indian market evolution and developed by a high skills technical team



Gain access to new market segment (Small and Medium Banks)



Opportunity to lower Worldline India cost base and gain further scale on our local processing platform

# Build “Go-To-Market Alliances” with banks

Growing demand to join forces in products, innovation and sales

“Aggressive competition and increasing commercial efforts needed to retain and win”

“Acquiring has become scale business for both commercial and technical operations”

“International scheme fees increase requiring scale”

“Increasing demand for value-added services requires investments and new technological/commercial skills”

“Interchange regulations leading to revenue shift from issuing to acquiring”

“PSD2 gives PSP access to guaranteed payments”

“Game changers: Instant Payments and real-time”

“Large merchants want to have complete «one-stop shopping»”

# Bank alliances to create value for partners

## Concrete examples

### Combining our assets to propose unique bank-branded offering:

Worldline allows customer value maximization, value differentiators creation, scale achievement while leveraging partners' respective strengths



**Referral  
distribution**



COMMERZBANK



**Resells** Worldline terminals  
and acquiring services



**White-  
labeling**



Resells under bank name.  
Focus on **pricing  
and simplifying offer**



**Commercial  
alliance/JV**



KB



Belfius

Resells under bank name.  
Focus on **joint sales forces  
and innovation**

# Key points

## 1 A much stronger Merchant Services business

- + c.€100m revenue acquired since 2016 (Paysquare, KB, DRWP, MRL Posnet)
- New developed and acquired assets (NGAP, Merchant wallet, DRWP, MRL Posnet)
- Renewed management with more global organization

## 2 Numerous growth levers for the next three years

- Much better exposure to higher growth countries for MS: Germany, CEE, India
- Revenue synergies out of our acquired businesses
- New offers and products ready to go to market
- Many strategic discussions with numerous Banks across Europe

**Merchant Services ambition is to be a structural driver for Worldline growth**

# Capturing the opportunities from the changes in the payments world

...

**Michael Steinbach**  
*Managing Director  
for Financial Services  
& CEO equensWorldline*

**worldline**  
e-payment services



# Financial Services

Connecting payers and payees via any type of electronic transaction



**Issuing  
Processing**



**Acquiring  
Processing**



**Account  
Payments**



**Digital  
banking**

**€ 689 million**  
Revenue Pro forma\*

**€ 151 million**  
OMDA Pro forma\*

**250+**  
Banking clients

**c. 10 billion**  
Payment Transfers  
processed per year

**c. 7.5 billion**  
POS and ATM transactions  
processed per year

**c. 100 million**  
Cards under  
management

\* 2016 pro forma accounts

# Key points

- 1 Fundamental payment market changes create **new outsourcing opportunities**
- 2 Financial Services **uniquely positioned** to grow in Europe and beyond
- 3 **Ahead of plan** in building the largest and most efficient industrial processor
- 4 Great **momentum** for current business and innovative **digital transformation** services

Strong revenue and profit growth: towards 30% OMDA in coming years

# Market changes

Key industry drivers result  
in multiple business opportunities  
for outsourcing and licensing

# Fundamental change in payments market

Shifting from mature local to competitive international markets



*changing customer*  
**Behavior**



*new services and business models from*  
**non-Bank entrants**



*avalanches of new*  
**Regulation**



*constant waves of innovative*  
**Technologies**

- Continuous launch of new payment experiences for consumers
  - **Standardization** of underlying **processing** infrastructures
- 
- Digital **transformation from regional to global** payment processing **markets**

# New outsourcing opportunities emerging

Driven by pressure at financial institutions to reduce cost and capex

- **Non-differentiating** payment infrastructures of banks still require **substantial cost and capex**
- Adapting existing infrastructures/organizations to **new market needs** is a **challenge**
- Creating **new** outsourcing (especially in Europe) and software licensing **opportunities** (APAC)

- 
- Financial Services **sales pipeline is filled** with multiple new outsourcing opportunities

“Working with a single provider that covers the entire payments value chain enables us to reduce costs and complexity significantly”

Quote from Degussa Bank (March 2017)

Sales pipeline also includes key opportunities for payments outsourcing at some tier-1 banks across Europe

# **Uniquely positioned to grow**

Our scale, scope, cost structure  
and geographic reach  
give us a strong competitive position

# We are in the proximity of our key clients

Strong relationships with many tier-1 banks, often spanning decades of service

## Europe

Belgium  
Estonia  
Finland  
France  
Germany  
Italy  
Latvia  
Lithuania  
Luxembourg  
Spain  
The Netherlands  
United Kingdom



## Rest of world

China  
Hong Kong  
India  
Indonesia  
Malaysia  
Singapore  
Taiwan



# The biggest payments processor in Europe

Leveraging its scale to create a superior cost structure

**Payment service provider ranking in EU  
2016 European turnover**  
(in € million)



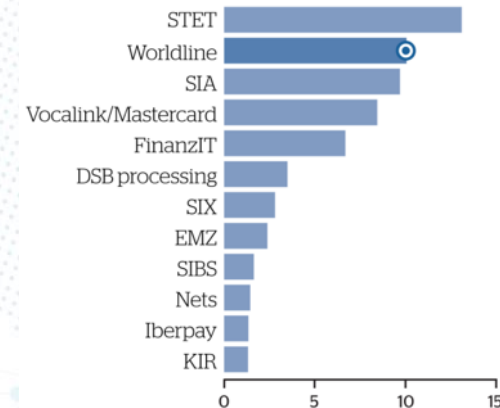
\* European turnover excluding payment terminal revenue  
Source: Worldline analysis

**Top European card acquiring  
processing players**  
2016 (in billion POS transactions)



Source: RBR, BIS, McKinsey payments practice, Press

**Top European payments  
processing players**  
2015\* (in billion ACH transactions)



\* Includes cards transactions (not separable in statistics)  
Source: RBR, BIS, McKinsey payments practice, Press

# We have a complete service portfolio

Full value chain coverage for cards, account payments and digital banking

## Equens Merger adds Account Payments to core

## Good complementarity

Payment Service Processing in EU	Issuing transaction processing	Services to cardholders and issuers	CSM	Credit/Debit transfers	Services to merchants	Acquiring transaction processing	Commercial acquiring	Acceptance POS e-commerce	Services to new digital businesses
Worldline	●	●	●	●	●	●	●	●	●
NETS	●	●	●	●	●	●	●	●	●
First Data	●	●			●	●	●	●	
WorldPay					●		●	●	
Ingenico					●	●	●	●	
Wirecard	●				●	●	●	●	
Global Payments	●				●	●	●	●	
TSYS	●	●				●			
SIA	●	●	●	●		●		●	●
SIX Payment Services	●	●	●	●	●	●	●	●	

● Core offering    ● Non-core offering

Source: Worldline analysis

### Examples:

- Instant Payments contracts with 3 major banks (NL): Worldline's iDEAL processing for these banks gave us a USP
- Mobile (P2P) solution for Rabobank which uses iDEAL infrastructure of Worldline
- Mobile (NFC) solution to be launched for German Postbank

# We support various deployment models

Fit to all client sourcing strategies ranging from software licensing to BPO



Using our  
payments assets



Using our  
payments expertise

Intellectual Property  
in payments solutions

Processing and storage in  
payment certified data centers

Use our application expertise  
in client environment

Full use of payment  
experts and knowledge



Software  
Licensing



Hosting  
Services



Application  
Management



Business Process  
Outsourcing

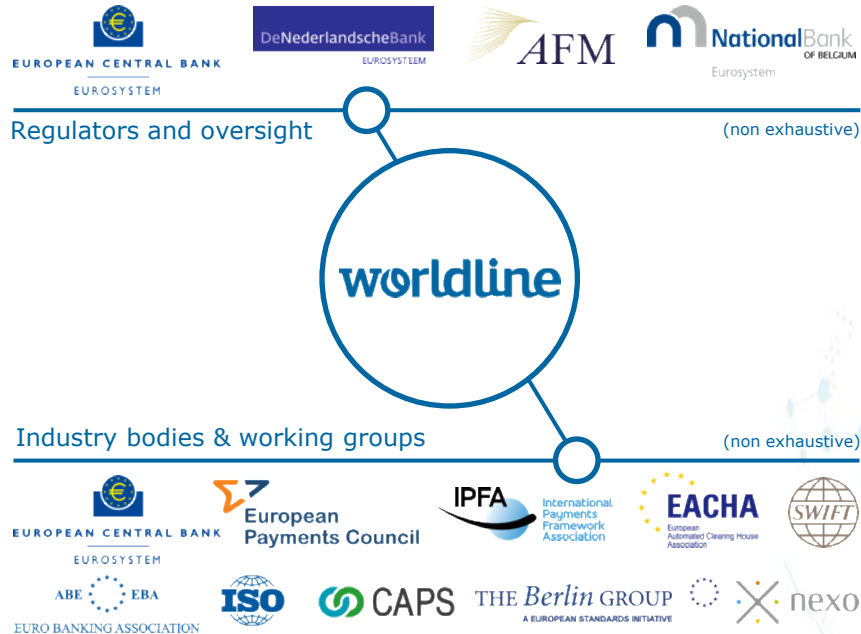
**Flexible deployment**

**Tailored engagement**

Deployment model Software Licensing offered by Worldline only, while both Worldline and former Equens have extensive experience in the other deployment models

# We are shaping the payments ecosystem

Merger with Equens boosted relations to payments bodies



**Influential** participant **shaping** the **payment ecosystem** on local and global level, such as

- ECB and EPC work groups (e.g. ERPB, TIPS)
- Standardization bodies (e.g. SWIFT, ISO, IPFA)

**Strong relations** with lead supervisor **Dutch central bank** (coming from supervising our critical infrastructures)

# **Industrial plan**

Building the leading  
and most innovative  
payment processor  
in Europe (and beyond)

# Vision behind our industrial plan:

Building the leading and most innovative payment processor in Europe

## Key goals of industrial plan...

**Enhance profitability** and competitiveness

**Gain scale** in core processing (drive consolidation in payments)

**Expand** geographic **footprint** (in Europe and beyond)

Delivering **new and innovative** payment **services**

## ...good progress made



Synergy plan equensWorldline progressing well



Several (confidential) outsourcing deals currently being negotiated



Acquisition of FD Baltics (more opportunities in pipeline)



Open Banking, Instant Payments and Digital Identity

# Synergy achievement is progressing well

55% of 2018 synergy target to be realized by the end of 2017

- Execution of synergies progressing **faster than** originally **planned**
- Out of total synergy target of €45m (end 2018) already **55% to be realized by end 2017**
- Host **infrastructure** for cards processing fully refreshed and **re-insourced** in H1 2017
- Number of **subcontractors** reduced from 8.8% to 6.3% of direct workforce
- **Top-25 supplier contracts** have been reviewed and renegotiated

# Baltic acquisition perfectly fits in industrial plan

Expansion to Baltics combined with deeper relations to Nordic banks

## Nordic expansion strategy boosted by FD Baltics acquisition

### Expanding our geographic presence

- #1 in Latvia
- #1 in Lithuania
- #2 in Estonia

### ... while deepening current relations with Nordic banks

Major FD Baltics clients include SEB, DNB, Danske Bank, Nordea

### ... and contributing to our financial performance

- Strong OMDA margins (materially above Worldline's)
- Synergy potential around:
  - Cross-sell Worldline's innovative product portfolio
  - Converge platform roadmaps
  - Leveraging cost competitive payment expert pool

# **Market solutions**

Shaping and creating  
the platform economy  
of banking and payments



**Alessandro Baroni**

*equens Worldline Chief Market Officer*

**worldline**  
e-payment services

# Unique positioning in pan-European processing

Allowing Worldline FS to support banks capturing new market opportunities



**Open  
Banking**



**Instant  
Payments**



**Digital  
Identity**

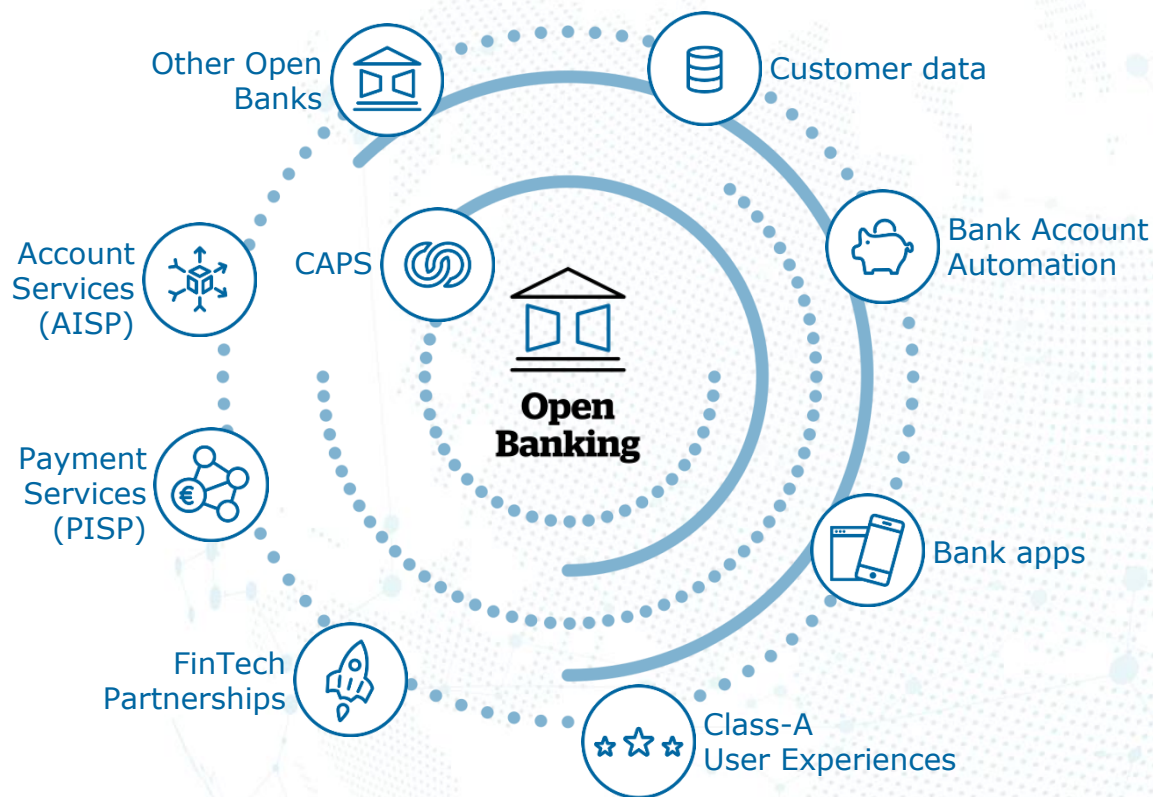
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Shaping and creating the platform economy of banking and payments

## Open Banking

PSD2 is, in essence,  
about innovation

Opportunity to give  
the bank account a  
whole new central  
position in future  
services



PSD2: Payment Services Directive-2, AISP: Account Information Service Provider, PISP: Payment Initiation Service Provider, CAPS: Convenient Access to Payment Services

# Expert partner in the new financial landscape

Allowing banks and third-party providers to reap the benefits

Strong portfolio of services covering the whole value chain (banks, merchants, FinTechs, etc.)...

- |  |  |
|--|--|
|  XS2A Bank Services                |  Trusted Authentication   |
|  XS2A Third Party Services         |  API Services             |
|  CAPS Services                     |  Digital Banking Platform |
|  Authentication Process Management |  |

...and sales activities well underway

- 100 client engagements, 43 concrete leads
- Strategic partnerships with Apigee and Fidor

XS2A: Access to Accounts, CAPS: Convenient Access to Payment Services, API: Application Programming Interface

## Instant Payments

We believe instant payments are going to **revolutionize** the way Europeans pay

Challenging  
incumbent  
payment means



# We offer a seamless transition

Instant payments services integrated in our mass payments platforms



Our key differentiators allow for a seamless transition from batch to instant

- Resulting from earlier started strategic program Payments 2.0
- Experience in 24/7 high-performance infrastructure (cards)
- Single platform processing batch and instant payments

# Infrastructure is in place, testing in progress

Three major Dutch banks selected equensWorldline as their provider

## equensWorldline signs up three Dutch banks for Instant Payments projects

04 September 2017 | 3886 views | 0 

Source: equensWorldline

**Bezons, Worldline [Euronext:WLN], European leader in the payments and transactional services industry announces that its subsidiary, equensWorldline SE, was selected by three major banks in the Netherlands as their infrastructure provider for Instant Payments.**

Source: Finextra, 4 September 2017

“Instant Payments are the future in payments and ING wants to offer a superior solution to its customers.

We selected equensWorldline because of their positive track record and flexibility in supporting the Dutch market.”

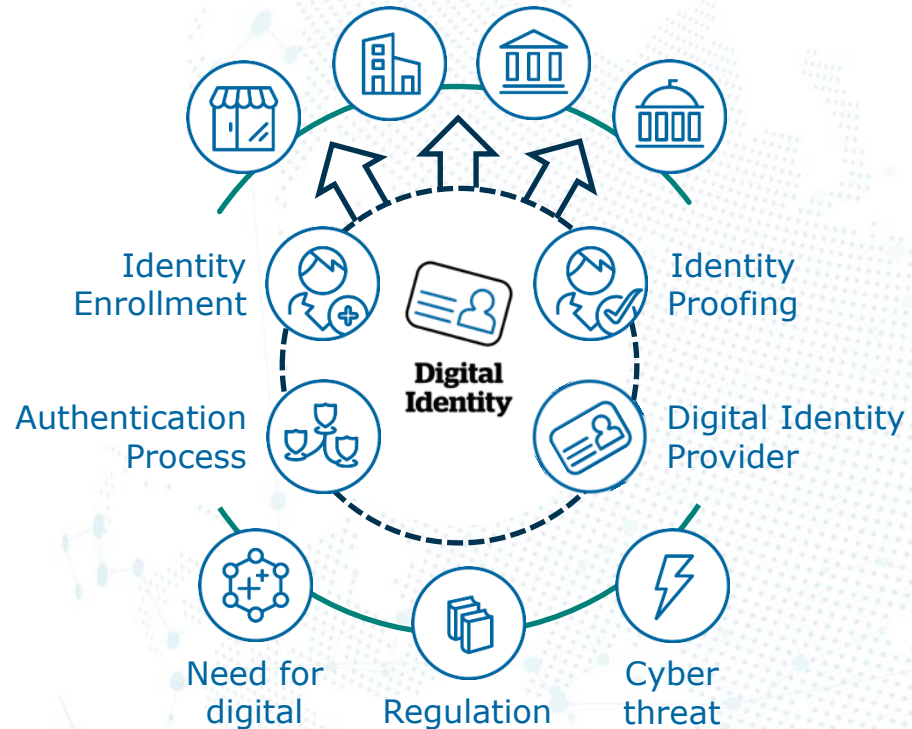
Quote from ING (Sept 2017)

## Digital Identity

Accelerating demand for digital services

Digital services depend on strong seamless authentication and cybersecurity

Growth further fuelled by various legislations and regulations



# Partner in the growing digital identity market

Liberating parties from the complexity of the e-identification process

A suite of key e-identity solutions fulfilling the need for assurance...



e-Identity



Access Control Server



Authentication Process Management



Trusted Authentication



Digital signature



Digital archiving

...and a good foundation for commercial success

- Not starting from scratch: already available services are combined with emerging services
- Proven track record on e-Identity: e.g. iDIN and Dutch Tax agency
- Several client projects throughout Europe in the pipeline

# From Good to Great

## What makes us good?

---

- Leading payment processor
- Complete and competitive service portfolio

## What makes us great?

---

- Creating differentiating solutions by combining our existing with new and innovative services
- Example: trusted authentication is a service re-used in several market solutions, including open banking, digital identity and digital banking

## Market benefits

---



Cost efficient services



Fast time to market

# In summary

..... an atos company

**worldline**  
e-payment services

# Key points

- 1 Fundamental payment market changes create **new outsourcing opportunities**
- 2 Financial Services **uniquely positioned** to grow in Europe and beyond
- 3 **Ahead of plan** in building the largest and most efficient industrial processor
- 4 Great **momentum** for current business and innovative **digital transformation** services

Strong revenue and profit growth: towards 30% OMDA in coming years

# Bringing payment and regulation expertise to new markets

...

**Olivier Stuckens**

*Managing Director for  
Mobility & e-Transactional Services*

**worldline**  
e-payment services



# Mobility & e-Transactional Services

Bringing payment and regulation expertise to new markets



**Trusted  
Digitization**



**eConsumer  
& Mobility**



**e-Ticketing**

**€ 369.6 million**  
2016 Annual Revenue

**€ 51.5 million**  
OMDA

Serving **c. 350**  
customers on  
various industries

**2 million +**  
connected objects  
in **130 +** countries

**25 million +**  
contactless smart cards  
issued for urban transport

# Bringing payment and regulation expertise to new markets

1

## Worldline core capabilities

- Capture in **real-time high volume** transactions
- Authenticate and **secure**
- Process **business critical** bi-directional transactions
- **Archive** (fraud management, regulation)

2

## Customer needs

- From **Paper to Digital**
- Customer **Engagement** digital revolution
- **Secure** business critical transactions
- **Comply** with regulations

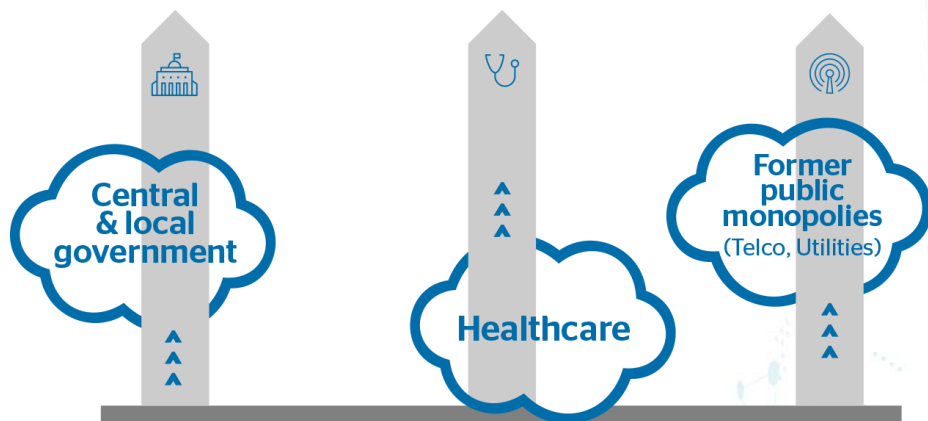
3

## Our main business development focuses

- Paperless secured systems demand
- IoT and Payment
- Digital Ticketing

# Focus 1: Trusted Digitization for regulated sectors

## Highly regulated markets embracing digital transformation



 Massive move to paperless and digital



**9 billion euros**

of EU farmers subsidies managed in France



Medication billing program in Argentina

**140 million** transactions per year



Legal archiving of **50+ million** secured documents and e-contracts

Omni-channel Contact solution used by

**30,000** agents



# Focus 1: Trusted Digitization for regulated sectors

Beyond payment authentication

## Worldline Trusted Digitization

*Digital* Identity



Identify  
Authenticate

*Digital* Signature



Consent  
Integrity Origin

*Digital* preservation



Preserve  
the legal value

## Worldline Secured Cloud Contact Center



## 2017-2019 growth plan

- 1** Leverage our expertise in critical systems **to gain new projects** (e.g. SAMU)
- 2** Expand existing offers to **new geographies** (e.g. Nordics)
- 3** Target **Financial Sector** benefiting from equensWorldline footprint
- 4** Innovate with new value propositions like **Payment IVR, Chatbots & AI** and **Blockchain**



# Focus 1: Trusted Digitization for regulated sectors

## eIDAS regulatory factor

**eiDAS** aim: creating an internal market for **regulated** electronic identification, authentication and trust services in the EU.



### Worldline

- To become **Trust Service Provider** at the European level,
- Ideally positioned to capture the **growing demand for paperless secured systems**, such as the ones already operated:

INDIGO

PROTYS.fr



dccle



Worldline addresses e-ID schemes with **millions of users** and **billions of authentication transactions**, addressing a major challenge for regulated businesses (eIDAS)

**worldline**  
e-payment services

## Focus 2

# Internet of Payment Things supporting Digital Transformation



**Niels De Schutter**

*Director of Business Division  
Connected Living & Mobility*

# Focus 2: Internet of Payment Things supporting Digital Transformation

**Extensive business experience and vertical expertise in IoT:**

## WL Connected Vehicles



*Large European OEM*



## WL Connected Home

B/S/H/ **gorenje**



## WL Industrial IoT

**SIEMENS** **Dräger**

More than **2 million** connected objects in over **130** countries

Analyst recognition for Worldline IoT platforms as part of


**Atos**  
Codex



Integration of connectivity with payment leveraging Worldline Market leadership for Wallet Solutions


**> 15 years** experience in connecting industrial devices

## Focus 2: Internet of Payment Things supporting Digital Transformation: Worldline In-Vehicle Payment




**RENAULT**

**1<sup>st</sup> IVP in 2012**  
**Over 1M**  
**connected cars**



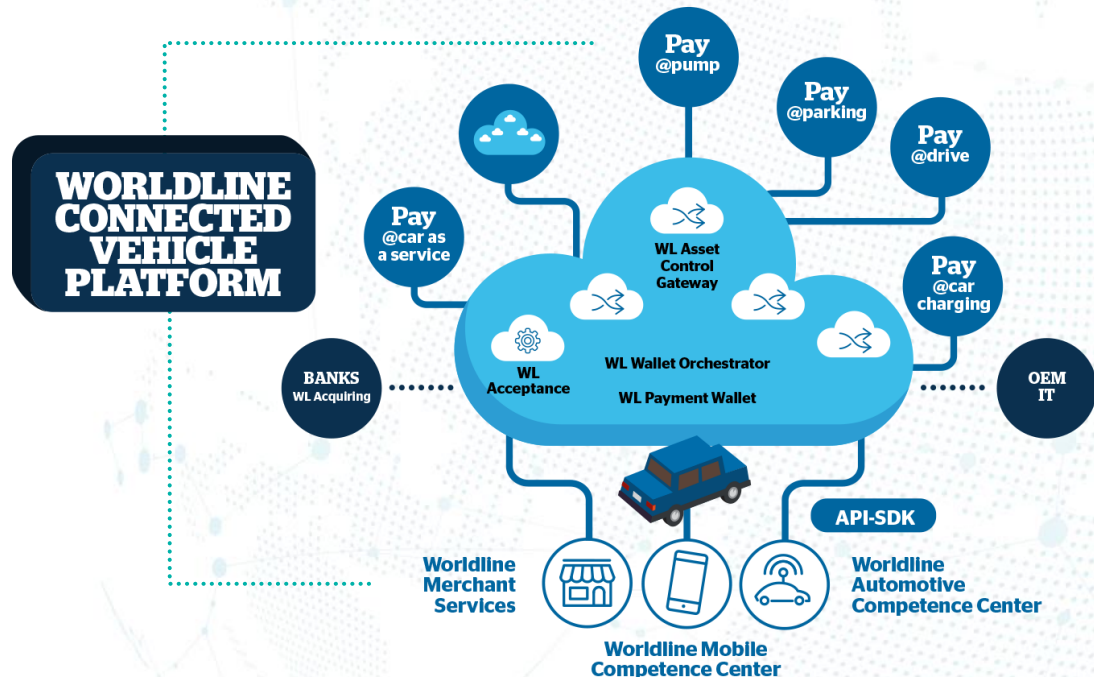
**MPE AWARDS 2017**

**Award winning solution**



**Pay@pump**

In 2030, **30%** of automotive revenues will come from services  
- McKinsey -



# Focus 2: Internet of Payment Things supporting Digital

Worldline 2017-2019 growth plan to capture IoT market opportunities

## MANUFACTURING

- 1**
- Grow **volumes** on existing platforms
  - Win new business thanks to convincing credentials and
  - focus on After-Sales transformation with **Industrial IoT**.

## FINANCIAL SERVICES (INSURANCE, LEASERS)

- 2** **Connected Vehicles** offering

## SMART HOME STAKEHOLDERS

- 3**
- **Connected Home** offering
  - Leveraging **public cloud partnerships**

## LEVERAGE

- 4**
- **Atos' sales force** and benefit from **Atos Codex** integration
  - **Partnerships**, with key players in **focus verticals** (e.g. Siemens, Continental, Here)

## BUSINESS REINVENTION

**Evolution towards new CUSTOMER centric, SERVICE oriented business models**  
(e.g. pay-per-use, pay-how-you-drive)

**70%**

of value enabled  
by IoT coming from B2B  
*McKinsey*

**91M** homes in Europe  
& North America will be  
smart by 2020  
*Berg Insights*

Industrial IoT market will grow  
at a CAGR of **21%**, reaching  
**\$123,8 Billion** in 2021  
*IndustryARC*

Usage-Based Insurance  
Market to reach **\$123b**  
globally by 2022  
*Allied*

# **Focus 3**

## Digital Ticketing



**James Bain**  
*Director of Business  
Division e-ticketing*

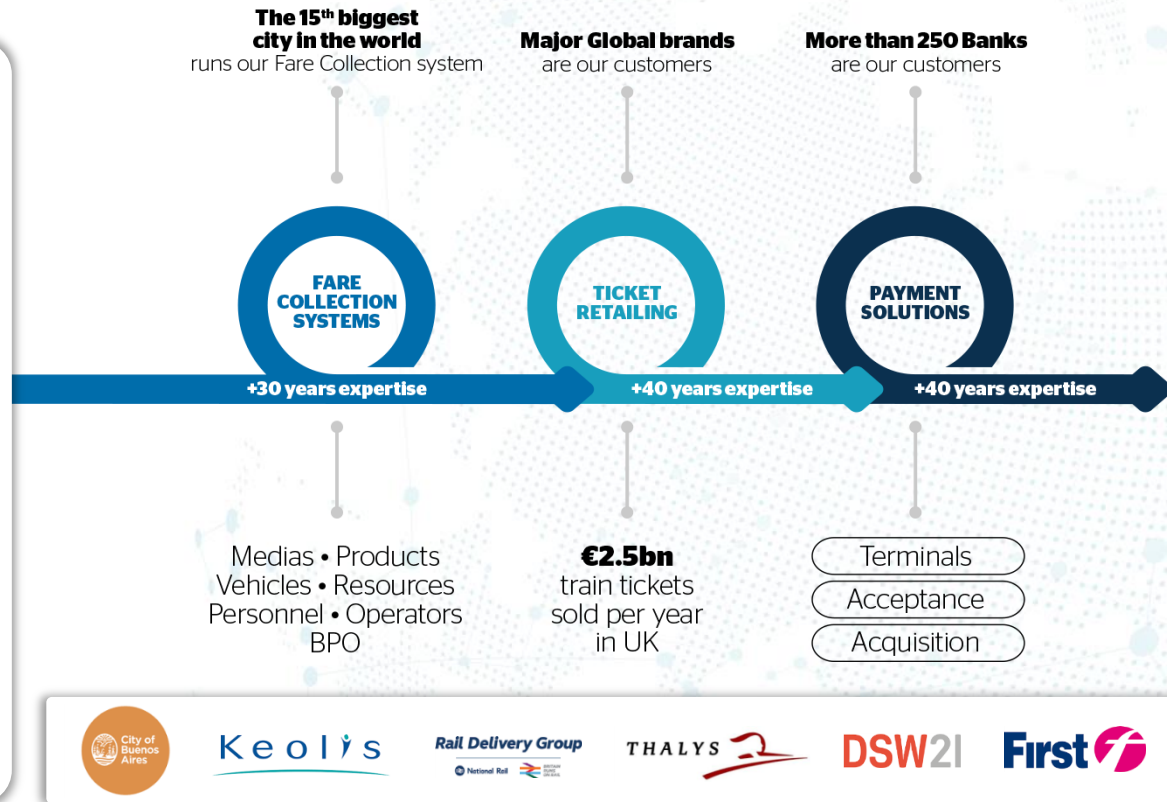
## Focus 3: Digital Ticketing

**Key provider** to Transport companies for:

- Ticketing,
- e-commerce,
- revenue settlement
- open payment solutions

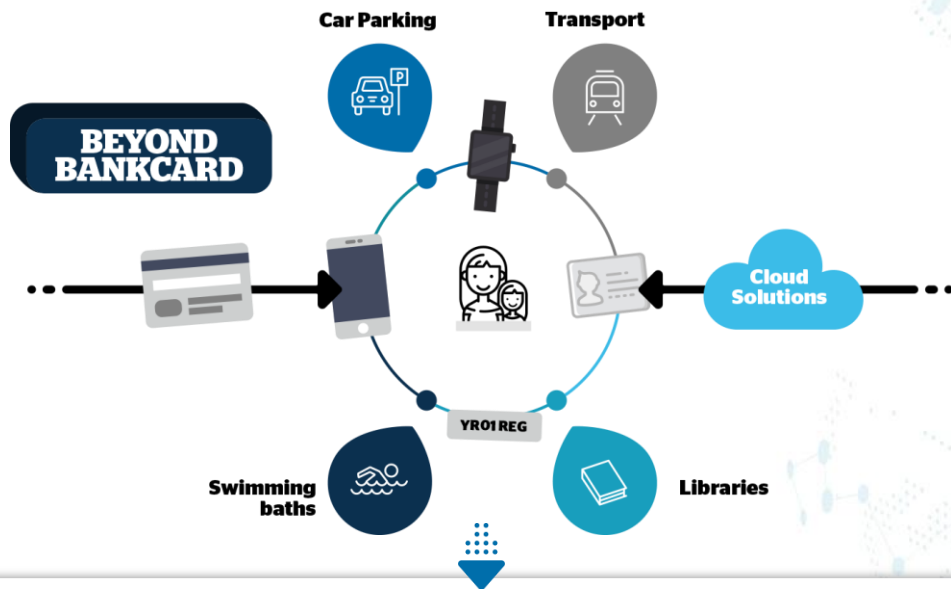
Worldline **payment backbone** and **transportation regulation expertise** provides market **differentiator**

- **+40 years** Transport Market experience
- **+€16bn** of travel tickets currently sold p/a



## Focus 3: Digital Ticketing

### The Digital Convergence in eTicketing



### Digital Ticketing market

to grow at a CAGR of 19.7% during the forecast period 2017–2023 to aggregate

**\$14.19b by 2023**

*Infoholic Research*

### Major market trends

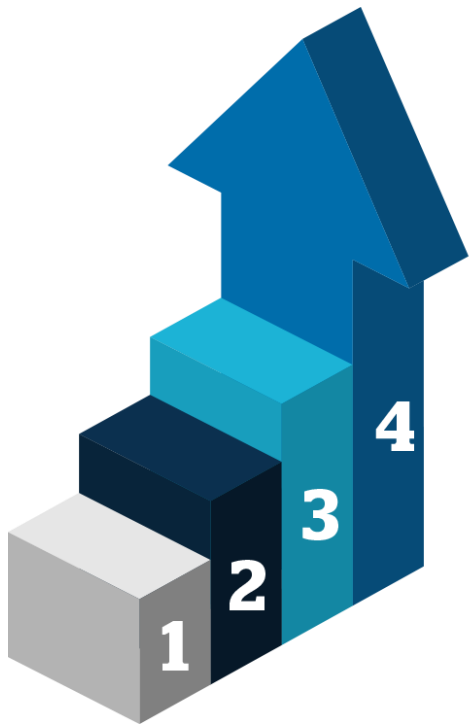
- **Digital Convergence** of ticketing and payments.
- **Combination** of ticketing and **contextual data**
- **AI and mobile** integration
- **Multi-modal** passenger transport.

### Key investment areas providing foundation for growth:

- Tap2Use open payment,
- Automated Fare Collection
- Mobility solutions integrated with Worldline payment backbone

## Focus 3: Digital Ticketing

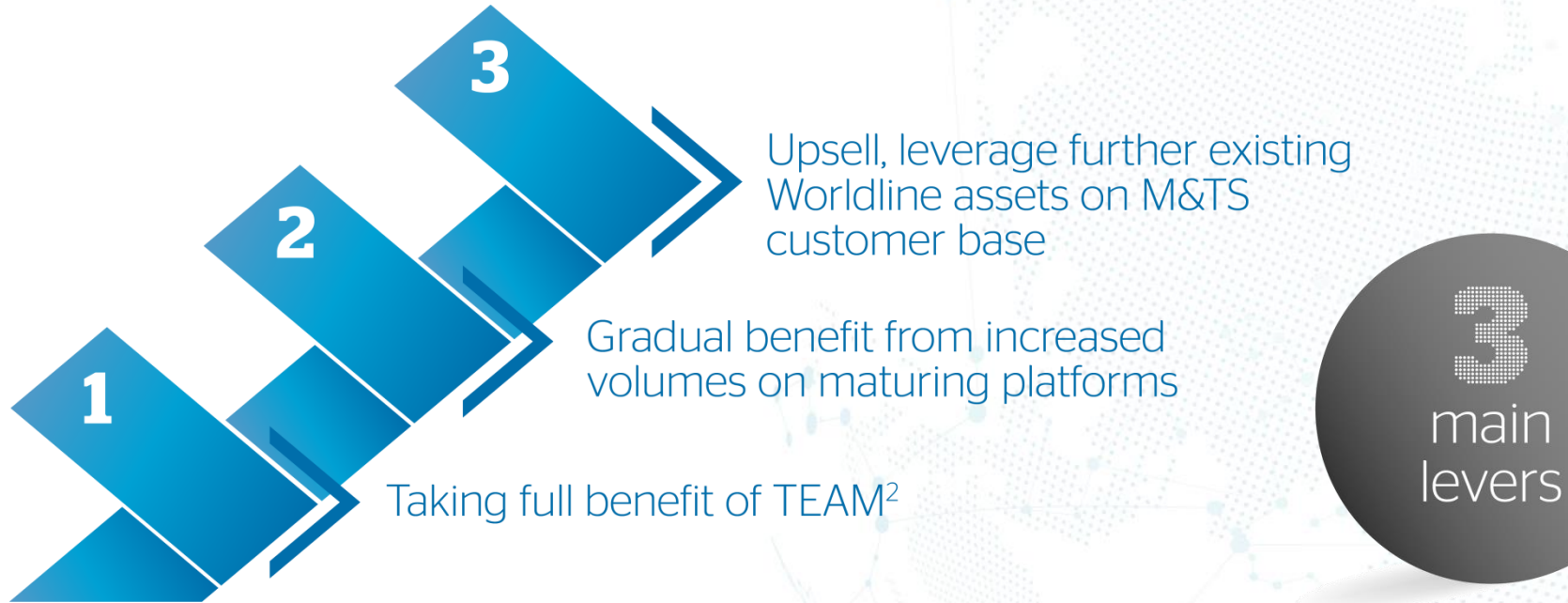
2017-2019 growth plan



- **Secure large deals** as we have with Dortmund region, ambition is ~€400m TCV in coming three years
- **Global expansion** through current customers including **global transport operators** and taking advantage of market dynamics
- **Partnership sales** generation through strategic partners including payment schemes
- **Integration** of Worldline products to create multi-modal offerings including end to end journey payment and settlement across all operators

# Profitability

M&TS is targeting mid-teens OMDA%, improving over the period



# Key points

- 1 Innovate on use cases and technologies core to the convergence of the historical payment markets and selected highly regulated sectors
- 2 Strong momentum of business fundamentals on our 3 main focuses
- 3 Leverage further global footprint to pursue international roll-out
- 4 Take advantage of the continuously growing digital volumes on our platforms

# **Innovation @Worldline**

...

**Nicolas Kozakiewicz**  
*Head of Research & Development  
and Innovation*

# Innovating @Worldline

## Operation teams

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

**#Incremental**



## R&D team

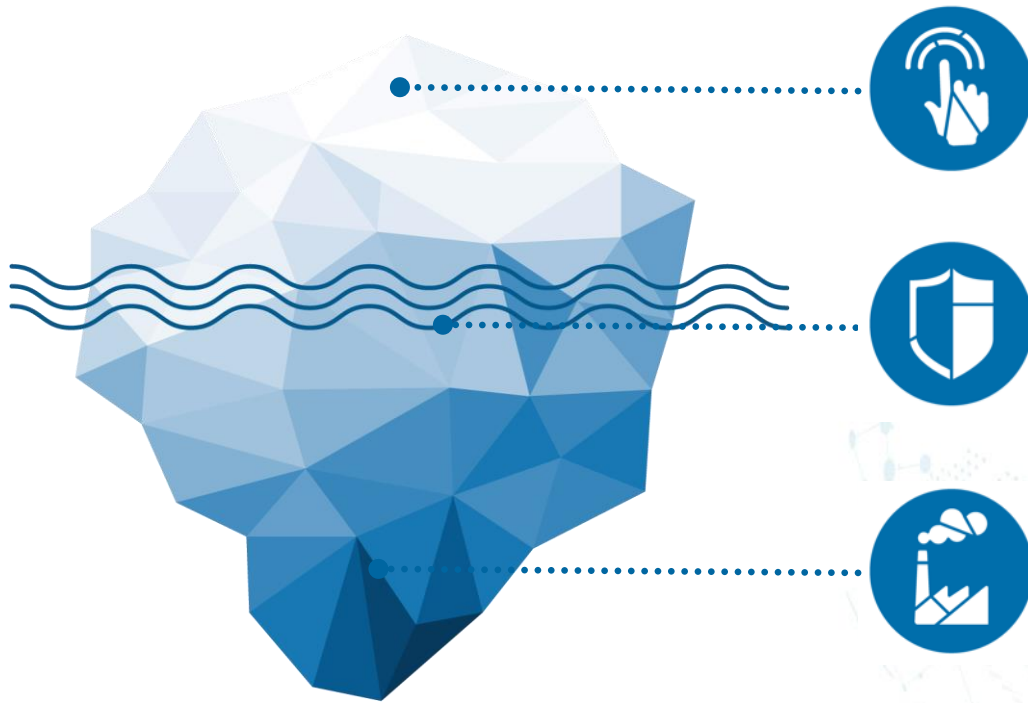
Global activity directed towards the **innovation, introduction of products and processes**

**#Disruptive**



# Focus R&D

3 axis of focus



The most visible part:

**The User eXperience**

*To master new usages*



The Worldline DNA:

**Trusted Services**

*To secure transactions*



The heart of Worldline services:

**High Processing & Volumes**

*To make the most of Data*

# R&D Master Tracks



## **Authentication**

Biometry,  
fingerprinting...



## **Security**

Cryptographic tools,  
Secure Elements...



## **Blockchain**

Financial market  
and other markets...



## **User Experience / Physical to Digital bridge**

Beacons, geolocation,  
Digital Signage, Video  
Processing...



## **Data Analytics, Machine Intelligence**

Fraud Detection,  
Time series...



## **Personal Assistant**

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



## **New means of Payment**

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

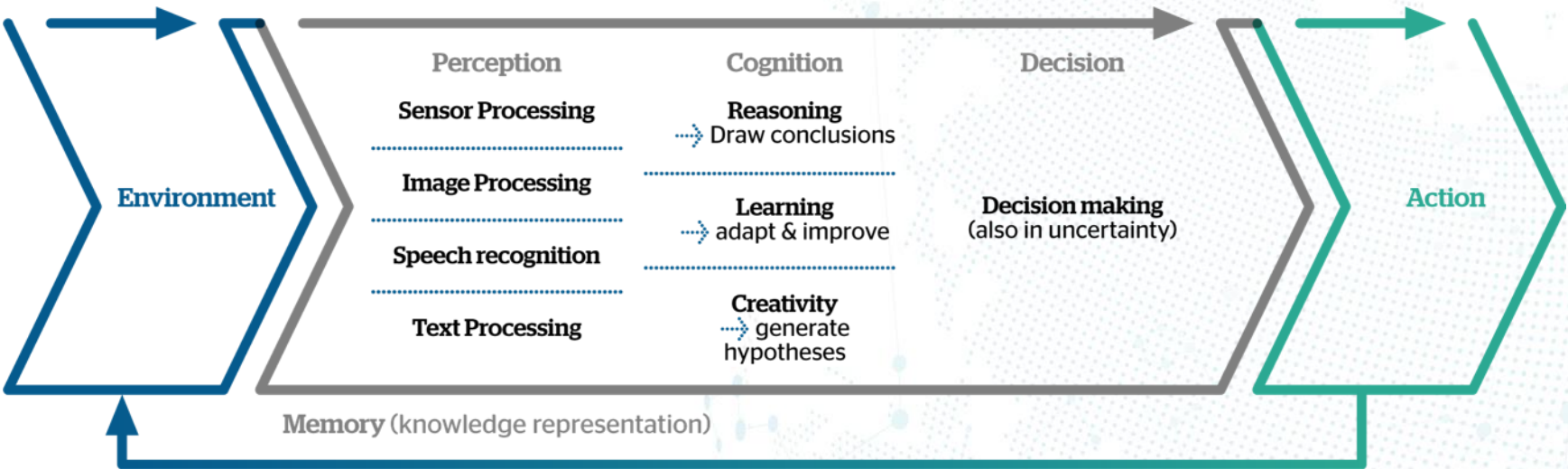
# Leveraging industrial and university partnerships



UMR • CNRS • 5516 • ST-ETIENNE

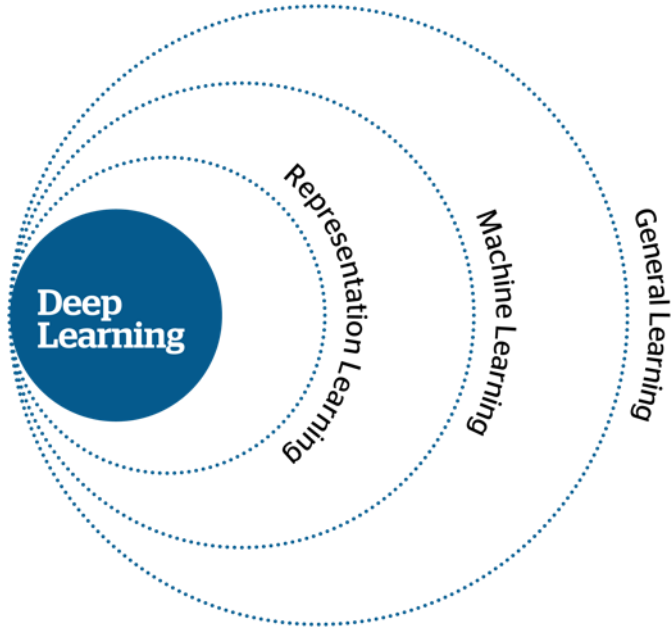


# Artificial Intelligence



# From Perception to Decision

Deep learning, the magic tool!





The background of the slide is a dark blue gradient. Overlaid on this is a large, faint, light blue graphic of a globe. The globe is composed of a network of dots connected by thin lines, representing a global network or data flow. The dots are more densely packed in some areas, creating a textured effect.

# Let's *Zoom* on Authentication

# Biometrics authentication

**Definition:** The automatic identification or verification of living individuals by using their physiological and behavioral characteristics

Classification		Innovation
 <b>Physiologic</b> Digital fingerprint, Iris, Face Vein, DNA	 <b>Behavior</b> Voice, gait, swipe...	<b>Mix</b> biometrics (Multimodal authentication) to <b>increase accuracy</b> to <b>Industrial level</b> ,
<b>Active</b> Requires a voluntary action from user	<b>Passive</b> Doesn't require a voluntary action from user	



# Let's *Zoom* on Blockchain



Blockchain is the  
new multi-market  
***trust-aceable protocol*** for  
End 2 End Digital Services

# Word of CAUTION

**Blockchain**  
may not be  
what you think it is...

“All about  
*crypto-currencies*  
All about  
*crime* and *hacking*”

It's a very **powerful protocol**  
that **alleviates problems**  
and **enables services**.



# Word of CAUTION

**Words are not always what they seem...**

Bitcoin (and Blockchain) are prone to using words that are embedding more expectations than they actually mean:

- Ledgers do NOT always bear Account Numbers
- Miners do NOT always dig to unearth new Gold
- Consensus does NOT always mean a majority
- Oracle does NOT always mean giving advices

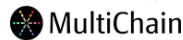


**WARNING**

# One size never fitted all... BC abides to that rule



Flavors



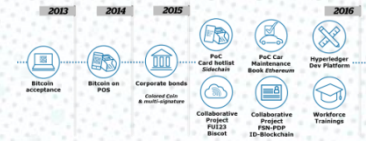
Offers

# Blockchain all over

**Transports**  
*Financial Services*  
**Music**  
*Energy*  
**Internet of Things**

*Logistics*  
**Governance & Voting**  
*Healthcare*  
**Insurance**  
*Media*

Blockchain  
**Workforce**



Ledger

PAYMIUM

Bloomen



MultiChain

ID  
BLOCKCHAIN

worldline  
e-payment services

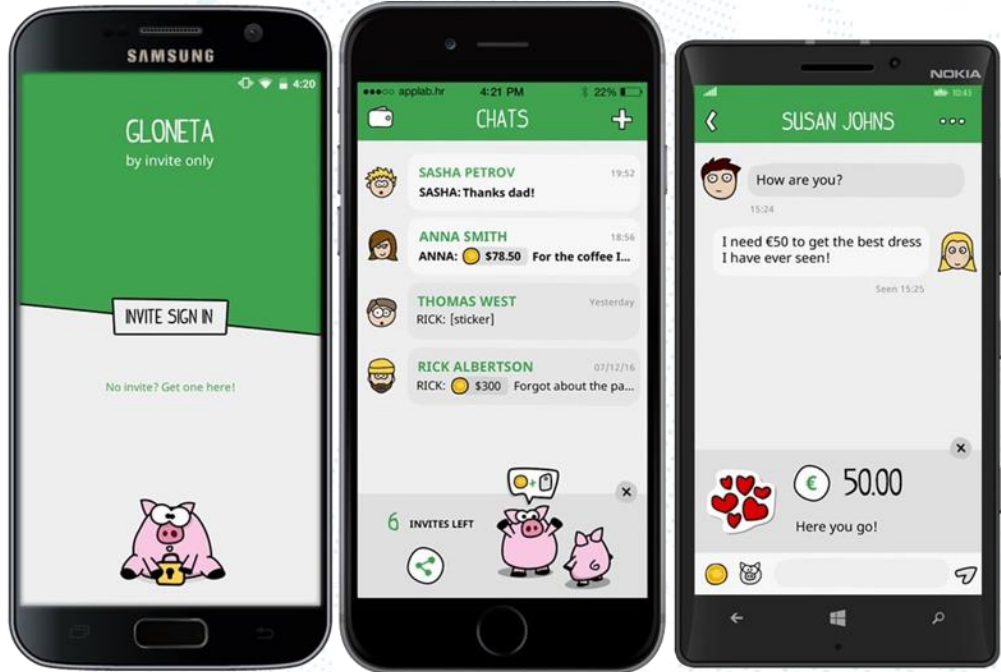
# Wallet *Payment* app



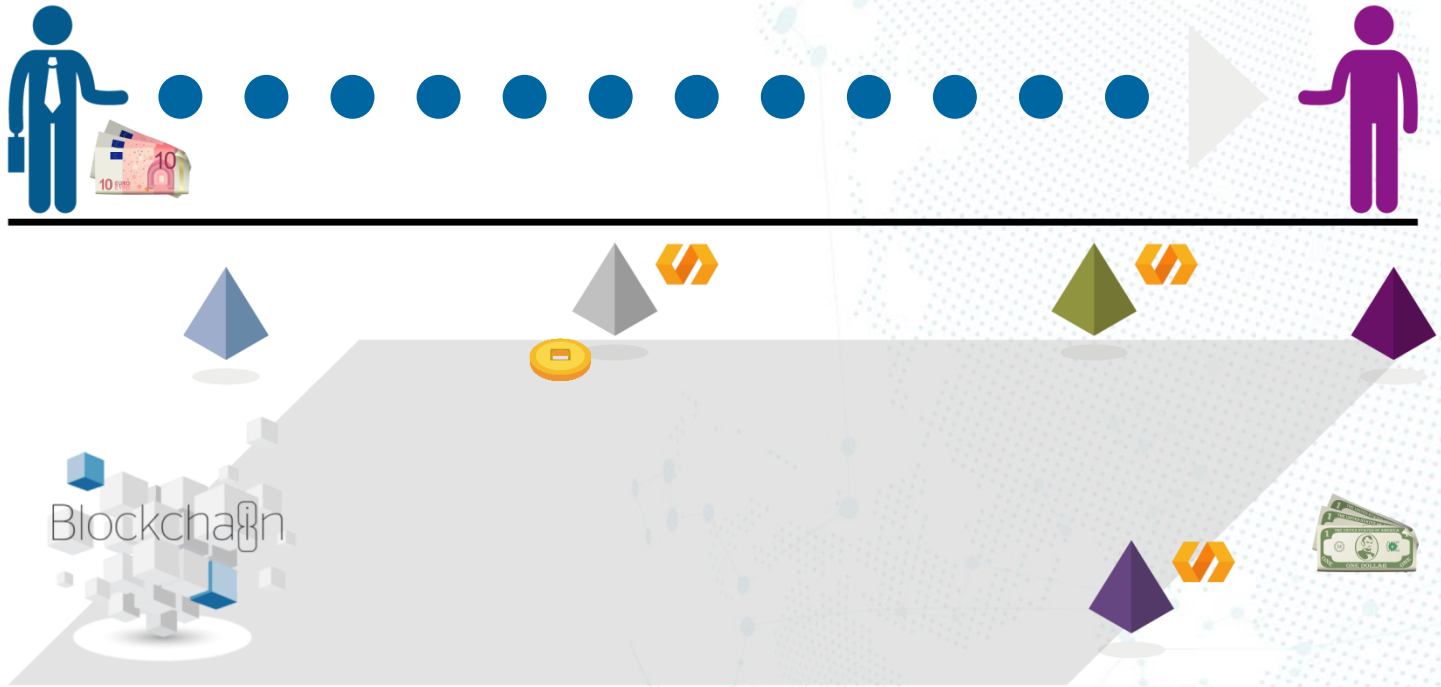
SNAPSWAP

# Transaction Processing Requirements

- Instant transactions
- Fiat currencies
- Scalability to 00'M users
- Currency exchange on the fly
- Rules and Limits
- KYC considerations
- Risk management Solution



# Snap Swap use-case



The background is a dark blue gradient with a faint, stylized globe. Overlaid on the globe is a network of light blue lines and dots, suggesting a digital or healthcare theme.

# **eHealth** *Use Case*


# Link authentication to real time information



The background of the slide is a dark blue gradient. Overlaid on this is a large, faint, light blue graphic of a globe. The globe is composed of a network of dots connected by lines, representing a global network or data flow. The dots are of varying sizes and are distributed across the surface of the globe. The lines are thin and connect the dots in a way that suggests a complex, interconnected system.

# Let's *Zoom* on User Experience

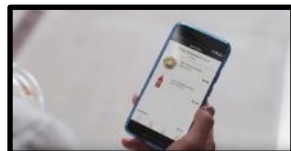
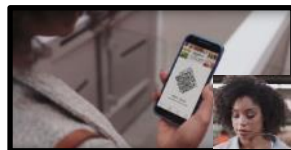
# After the Retail Digital Transformation



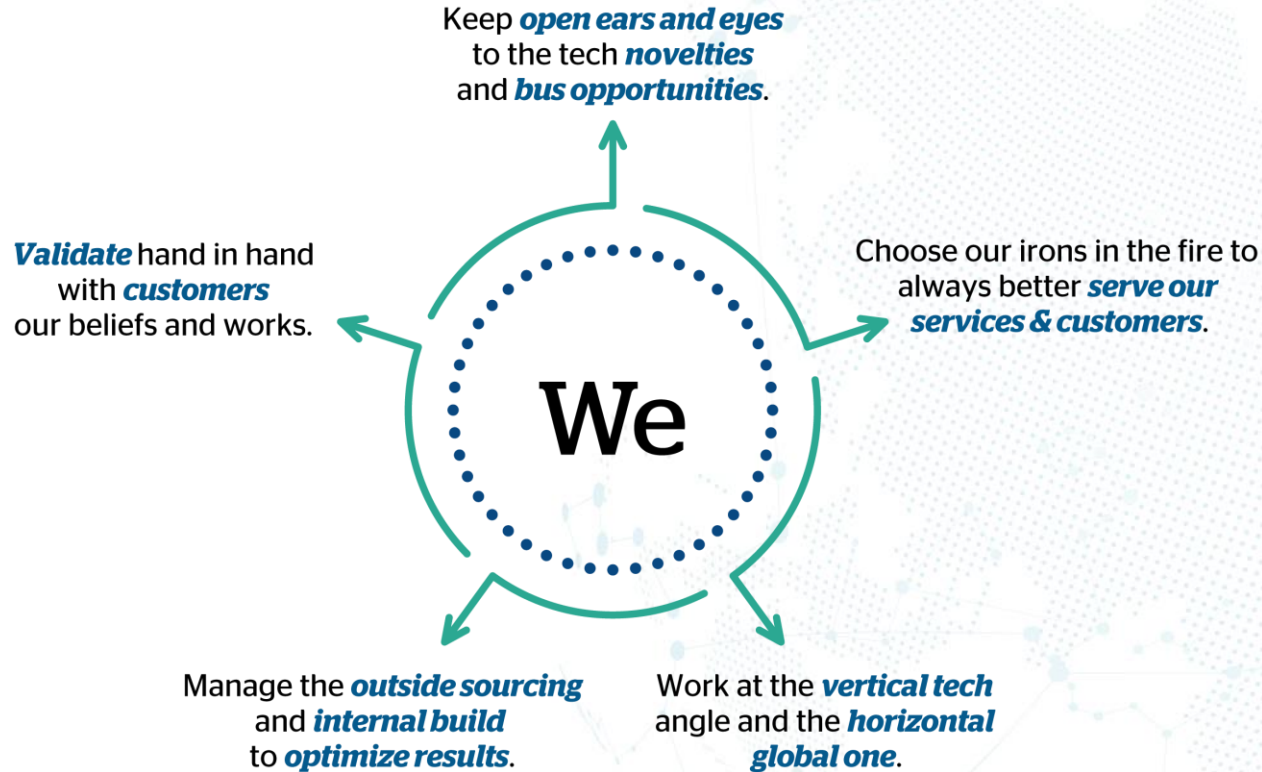
**ON/OFF**  
**LINE**



Where  
does ***Future***  
**of Retail** go



# To conclude

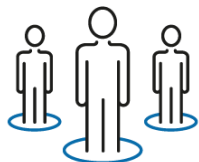


# People excellence supporting the company's expansion

...

**Patrice Gry**  
*Head of Human Resources*

# People excellence at the heart of everything we do



**8,800+**  
Worldliners  
**80%** of newcomers  
are graduates digital natives



**4,000**  
engineers



**1,500**  
innovators

- ☆☆☆ **12 years** of Average Seniority
- ☆☆☆ **500** apprentices & long-term trainees
- ☆☆☆ **650** young Worldliners/year
- ☆☆☆ **800** newcomers/year
- ☆☆☆ **23%** Share plan participation
- ☆☆☆ **92%** French Happy Trainees rating
- ☆☆☆ **5%** attrition rate

**> 2,500** /year  
dedicated & unique  
payment certifications



# 3 key differentiating HR assets supporting the company's expansion

#1

## A strong power of attraction and sense of belonging

Highly developed family spirit

Strong professionalism

#2

## A proven know-how in people's integration

Day 1 organization readiness

Seamless onboarding

Talents retention

#3

## A recognized expert network

Top notch technological competencies

Innovative mindset

Knowledge sharing

# A strong power of attraction and sense of belonging



**A 45 year  
history**  
of innovation  
deeply rooted  
***in our people DNA***



**A unique range  
of professions  
thanks to our**  
presence along all  
the payment value chain



***“Build your career,  
grow with us”***

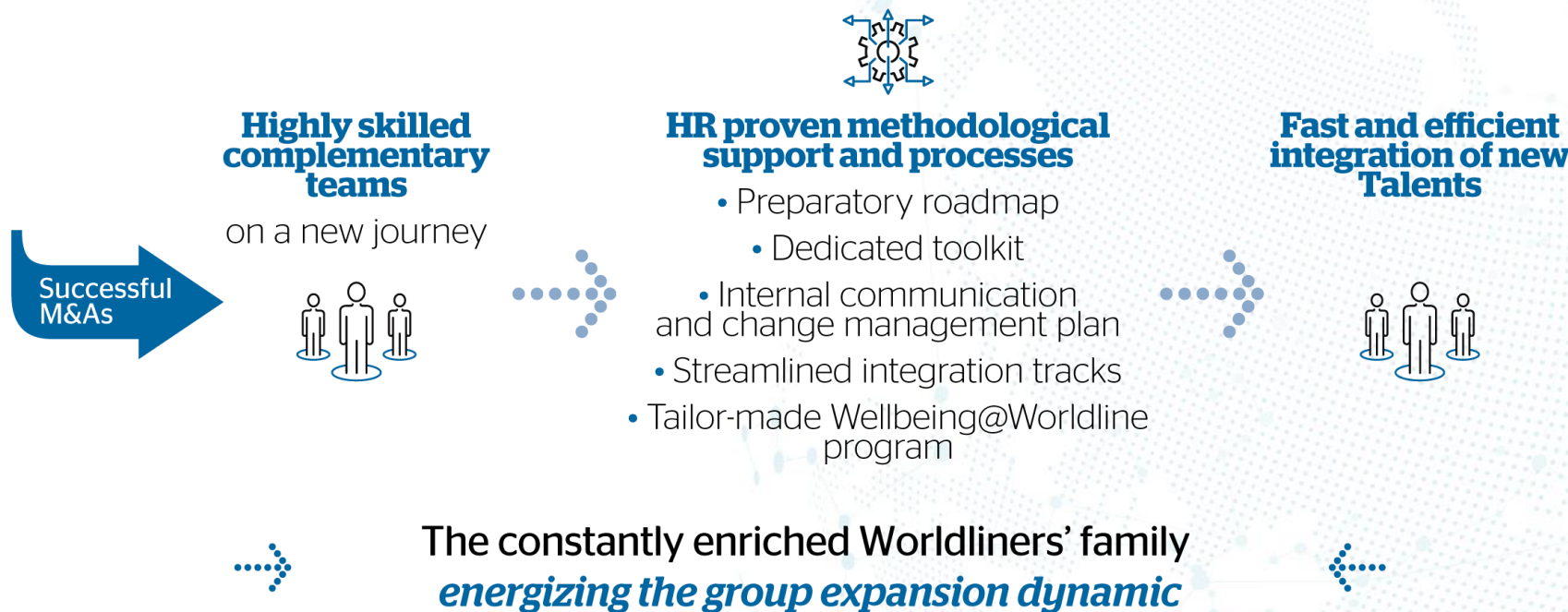
Internal first!



***Attracting and retaining the best talents***



# A proven know-how in people's integration



# The Worldline expert community

Allowing business development, innovation and design of differentiating solutions



## Organization

- Structured community
  - 8 expertise domains
    - 4 expertise levels
  - Led by Worldline CTO
- Animated by a dedicated Management committee
  - Fostering networking and exchange



## Experts

- Selected, identified, trained
- From R&D, operations or business
- Representing Worldline
- Dedicated career path

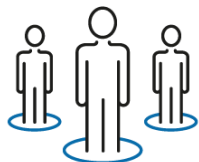


## Events & awards

- Bi-Yearly Experts Day
- International TechForum
  - Internal innovation contests
- Yearly awards ceremonies

❖ *Experts and Talents at the core of the incentive policy* ❖

# People excellence at the heart of everything we do



**8,800+**  
Worldliners  
**80%** of newcomers  
are graduates digital natives



**4,000**  
engineers



**1,500**  
innovators

- ☆☆☆ **12 years** of Average Seniority
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**> 2,500** /year  
dedicated & unique  
payment certifications



# TEAM<sup>2</sup>

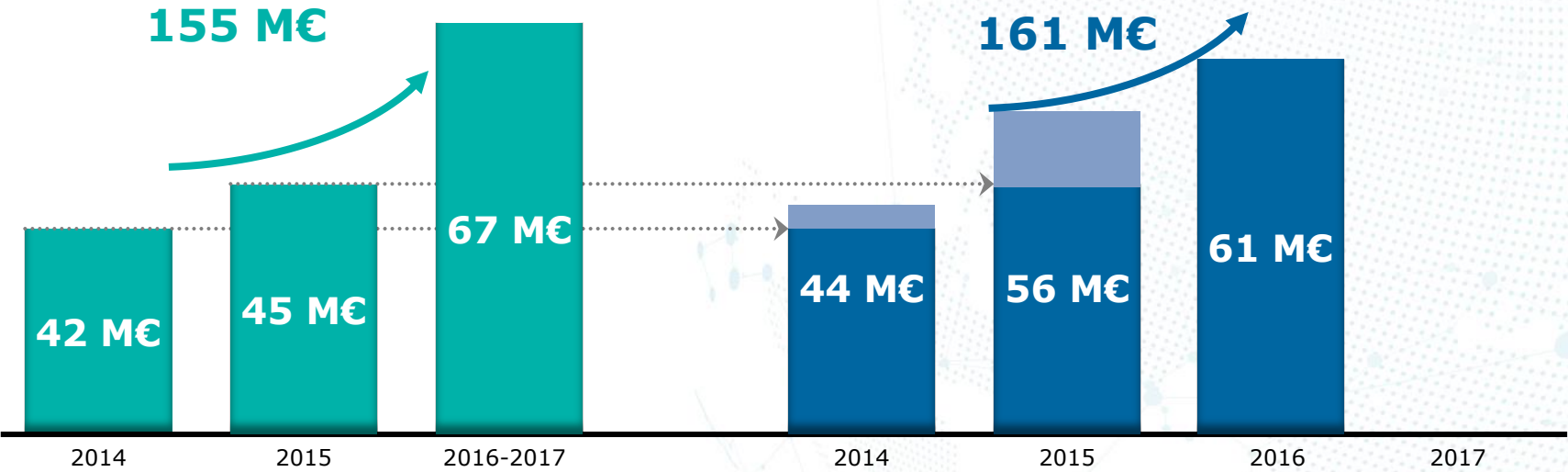
...

**Eric Heurtaux**  
*Chief Financial Officer*

# TEAM program delivered 1 year ahead of plan...

**155 M€** cost base improvement committed over 4 years

**44 M€** captured in 2014,  
**56 M€** in 2015,  
2016 ending at **61 M€**,  
for a **161 M€** total in only 3 years



## ... and supported a deep dive transformation of the company with concrete achievements

1. A convergent and more industrial operating model across the group
2. A more flexible approach of internal and external resources
3. A profitability and continuous cost base enhancement mindset is now part of the teams priorities
4. Support functions were progressively integrated

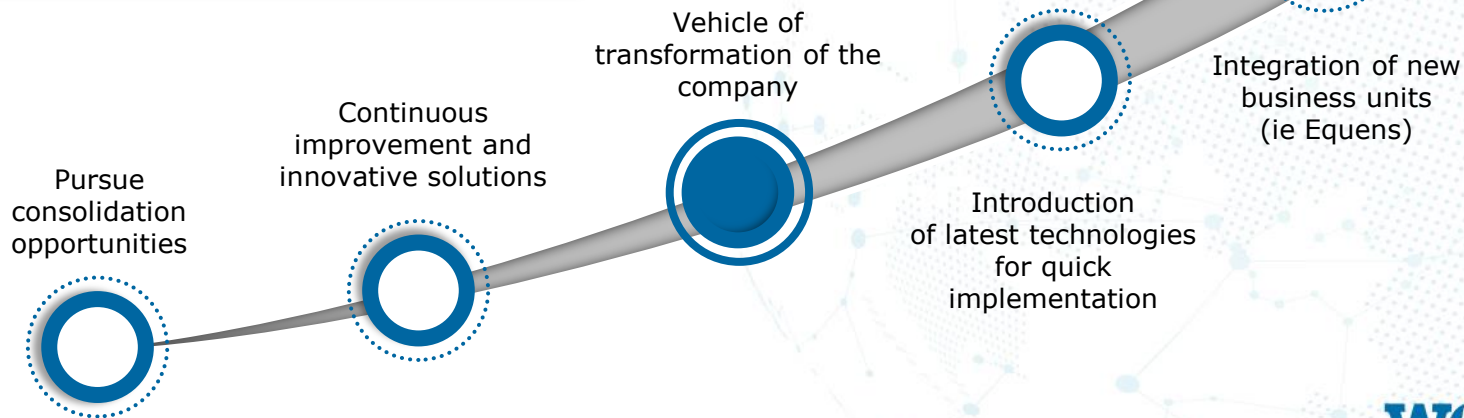
► **161M€** *cost base improvement delivered over 3 years*

# Clear execution path to deliver sustainable profitable growth



Extracting full value from  
our industrial size and scope  
and driving cost efficiencies

**Secure profitable  
long-term growth**



# TEAM<sup>2</sup>: to drive additional €150m net OMDA in 2019

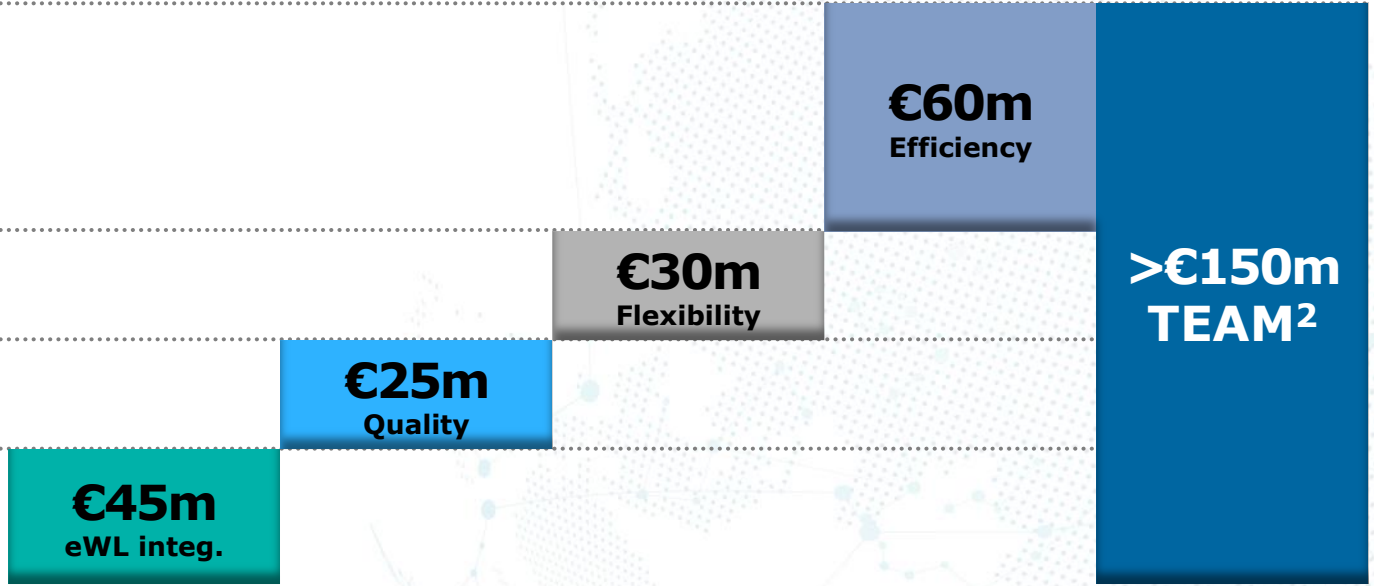
improving cost base while boosting operational excellence

- Continuous cost improvement
- Contract and product profitability
- Make or buy infrastructures

- Workforce management 3.0
- Robotics & automation

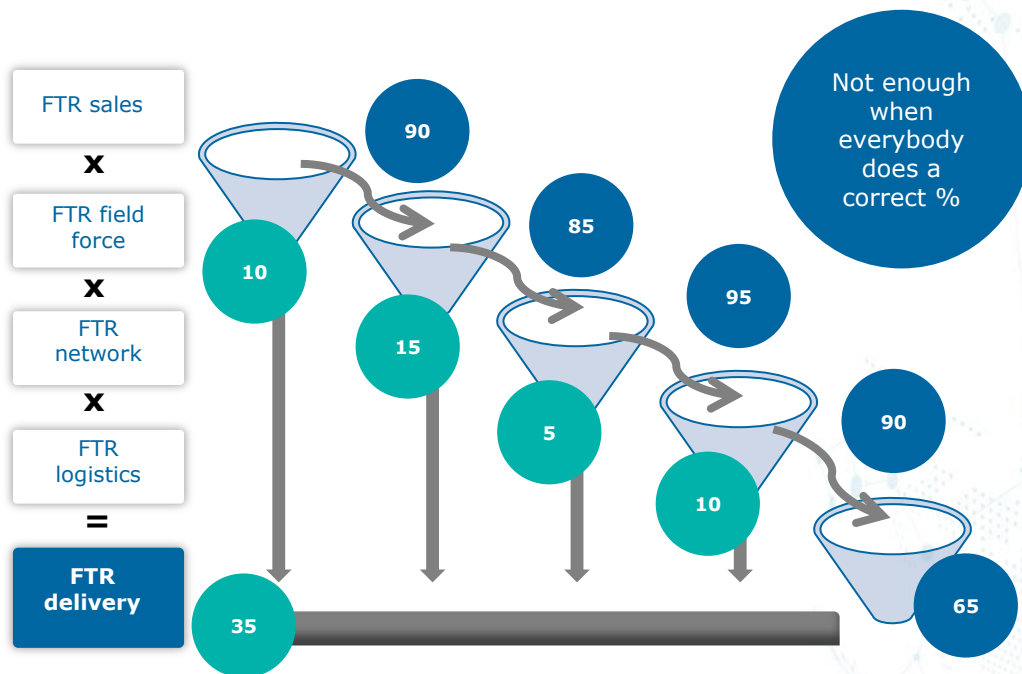
- 1<sup>st</sup> time right development
- Objective zero incident

- Roll-out of IT tooling
- Streamlining of the org.



# TEAM<sup>2</sup> First Time Right

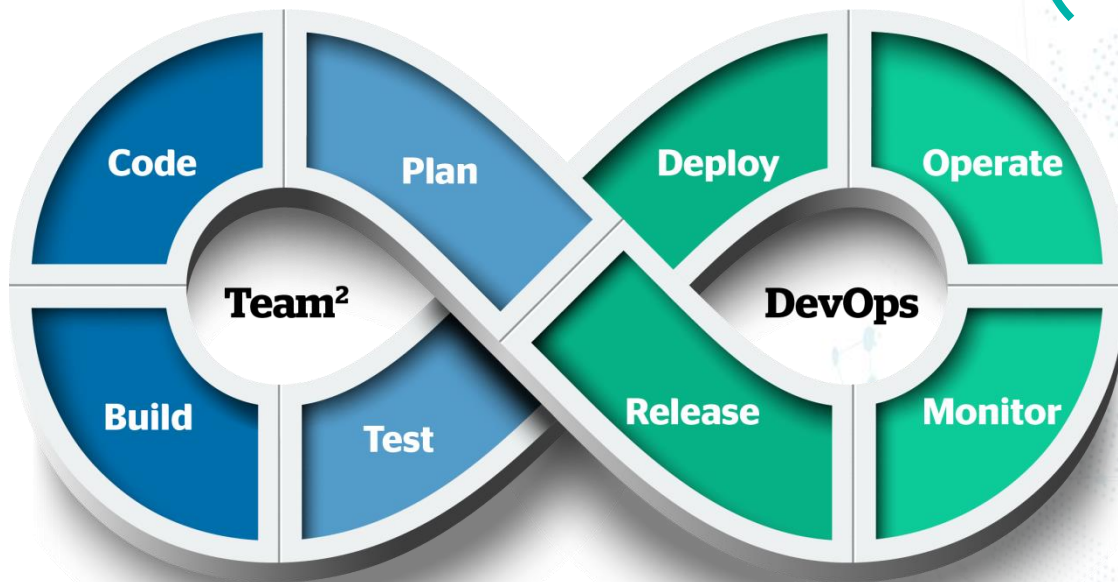
What is it?



- **Deliver for products to market faster**, in an increasingly competitive and disrupted market **with improved quality**
- Involve **every part of the business**: Product owners, Development and Ops Teams, and Project Delivery
- Develop our employees marketable skills to improve effectiveness with work and **enjoy their work**

# TEAM<sup>2</sup> First Time Right

What are the levers?



Because

**We don't automate**

**Test automation**

**We don't have time**

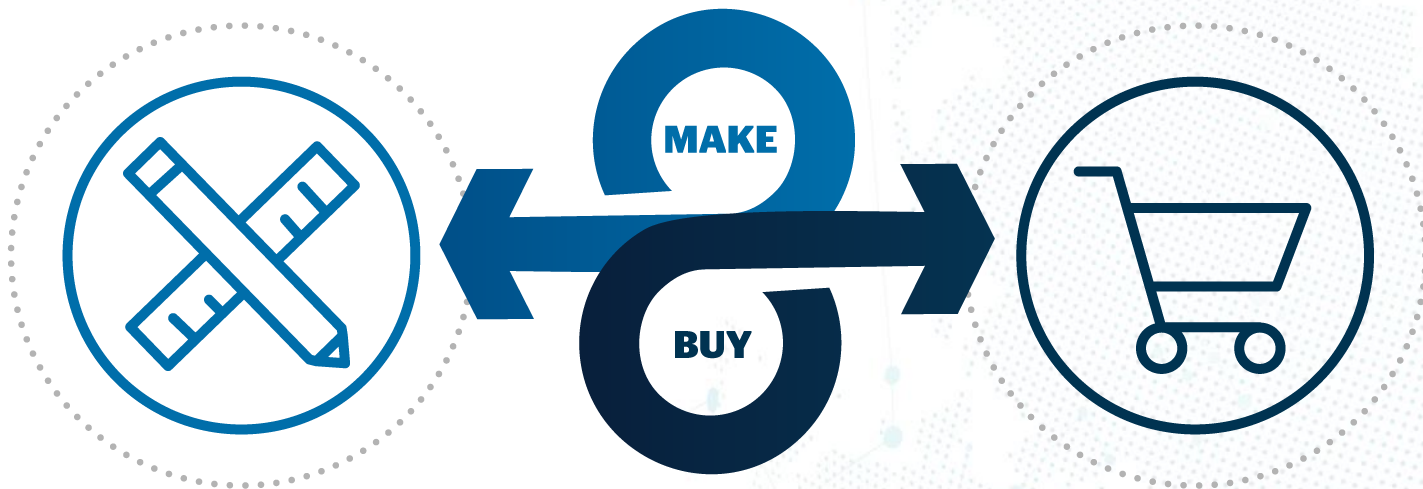
Because

## Framework

1. Agile Development
2. DevOps Approach
3. Test Automation
4. Tooling
5. Training & Accreditation
6. Governance

# TEAM<sup>2</sup> Make or Buy

Taking the best from the best



## **MAKE,**

when we are the best positioned  
to deliver tailor made  
solution toward client needs

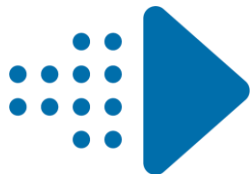
## **BUY**

to get the best  
from the market offers,  
do not reinvent the wheel

# TEAM<sup>2</sup> Make or Buy

Toward a Cloud-based infrastructure

## Virtual Managed Infrastructure



### Worldline Private Clouds Core Business Enabler

- Payment-ready
- Security
- Resilient



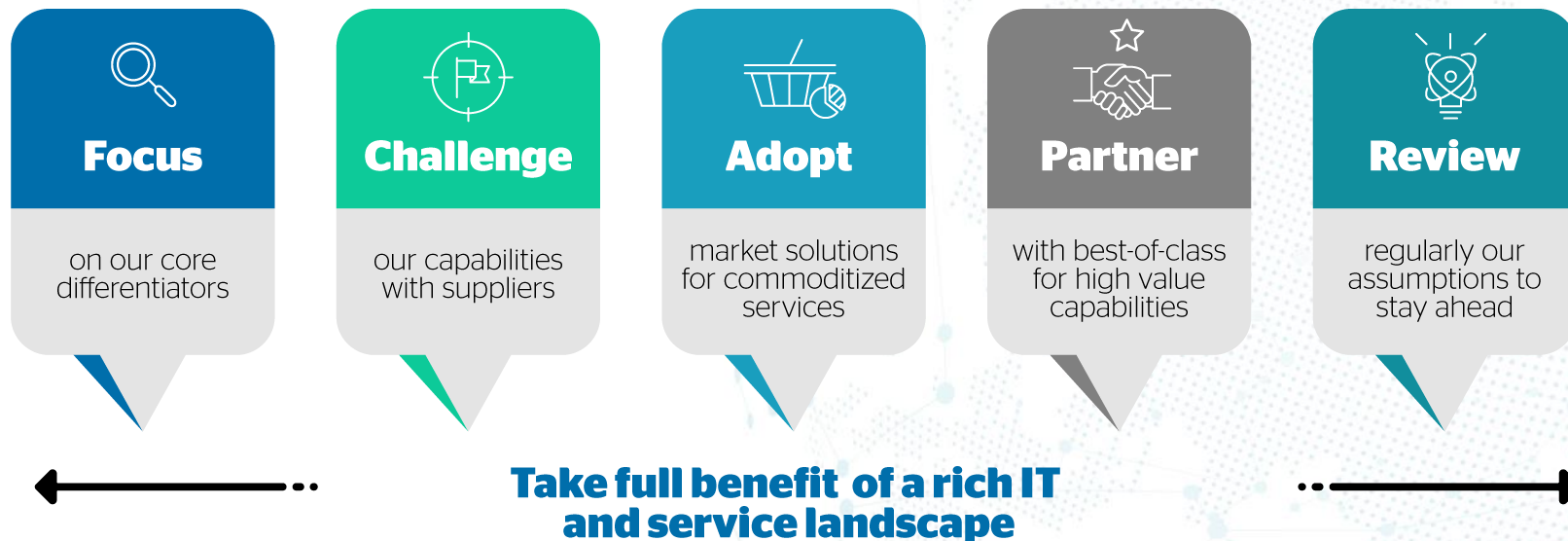
### Public Cloud

- Elasticity
- Hybrid architectures

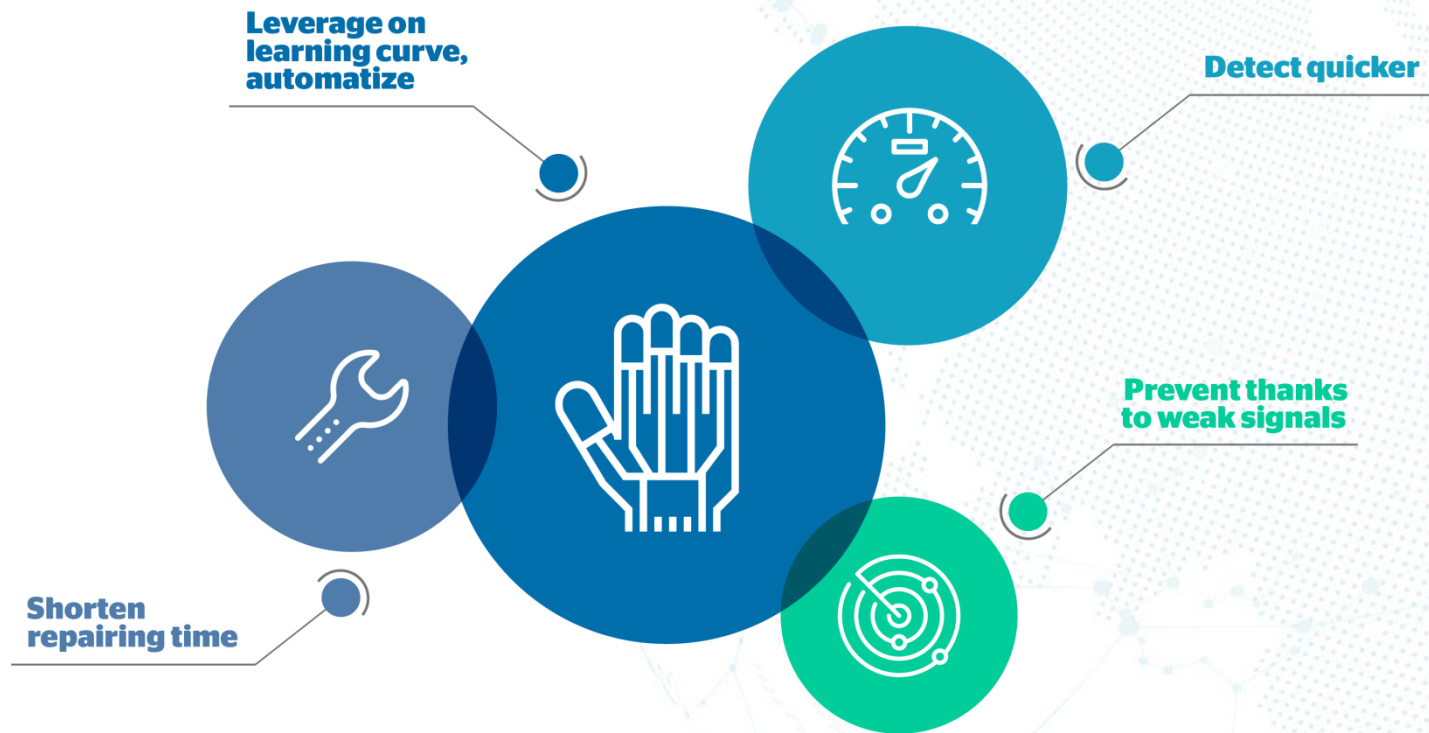


# TEAM<sup>2</sup> Make or Buy

Benefiting from IT and service marketplace



# TEAM<sup>2</sup> Objective Zero Incident in a nutshell



# TEAM<sup>2</sup> Robotics & Automation

## NON-INVASIVE TECHNOLOGY

RPA works with existing systems, allowing leveraging of IT investments.



## LOW RISK

No BIG BANG.  
Small, agile steps that allow control and adaptability.

## FAST PAY BACK

On average, a RPA project has a payback of less than 1 year.



## SCALABILITY

Right-sizing a RPA solution is easy. Add or reduce with a few clicks.



## 30%-70% potential saving



## ACCURACY

Reliability. Continuity.  
Compliance.  
The robot is never tired.

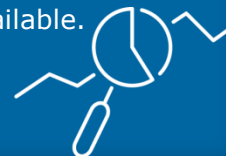


## EMPLOYEE SATISFACTION

With RPA employees can focus on more interesting value-add tasks.

## ANALYTICS

With RPA a wealth of performance data comes available.



# TEAM<sup>2</sup> Robotics & Automation

## Implementing Robotics and Automation securing Operational Excellence

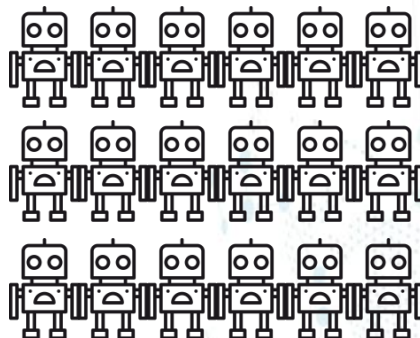
**2017**

Proof of Concept



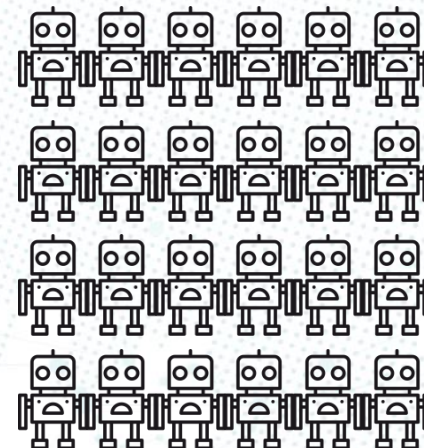
**2018**

Roll-out



**2019**

Full Industrialization





# Corporate Social Responsibility

...

**Gilles Grapinet**  
*CEO Worldline*

**worldline**  
e-payment services



## Worldline has performed a detailed CSR materiality analysis

Strategic and economic impact for the Group

# Worldline CSR commitment 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**



**Endorsing our business ethic within our value chain**



**Leveraging the eco-efficiency of our data-centers and offices**

**14**  
**quantified, audited and monitored**  
objectives within our Trust 2020 program

# Worldline Contribution to the United Nations Sustainable Development Goals

## EXTERNAL

### Products & services



## INTERNAL

### Programs & policies

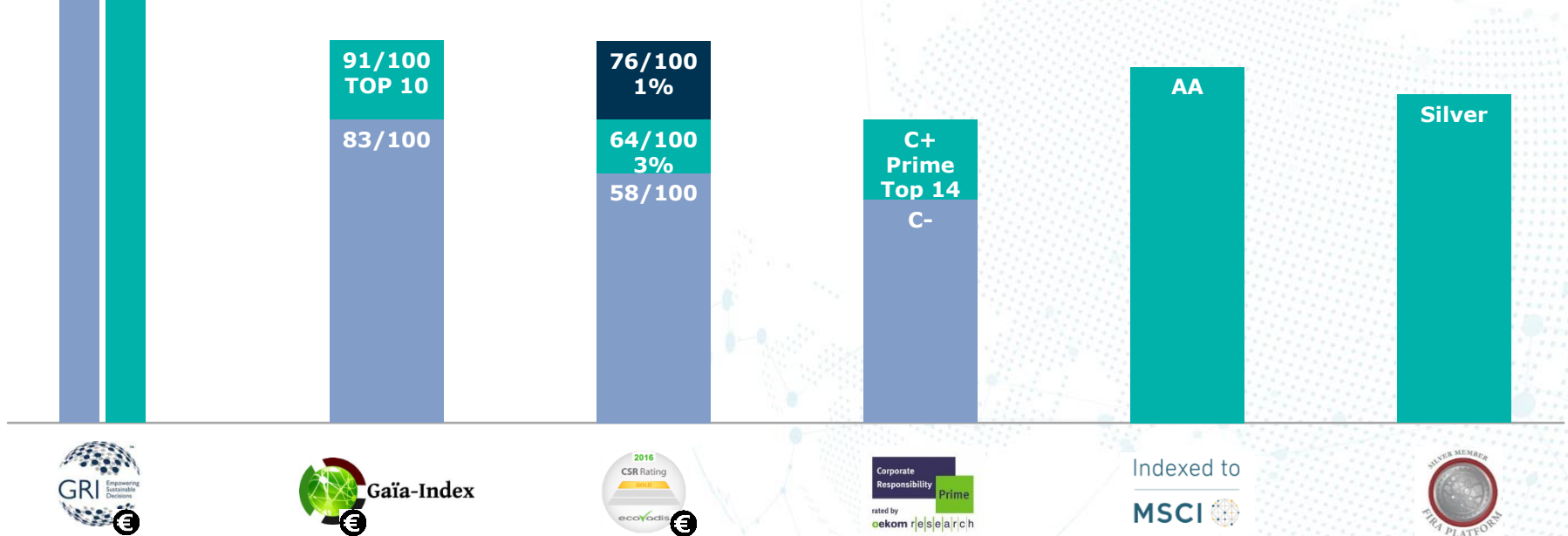


# Worldline on the way to CSR excellence

The Worldline board of directors has set external performance conditions for LTIPs entirely based on audited CSR performances

● 2015 ● 2016 ● 2017

## Comprehensive



# MSCI rated Worldline in the Top companies

Indexed to  
**MSCI** 

## LARGEST 10 INDUSTRY PEERS (SOFTWARE & SERVICES)

	CARBON EMISSIONS	HUMAN CAPITAL DEVELOPMENT	PRIVACY & DATA SECURITY	CORPORATE GOVERNANCE	RATING AND TREND
SAP SE	...	....	...	....	AAA ↔
MICROSOFT CORPORATION	...	..	....	....	AAA ↑
Worldline SA	...	...	....	...	AA ↔
INTERNATIONAL BUSINESS MACHINES CORPORATION	...	...	....	.	A ↔
ORACLE CORPORATION	...	....	...	.	A ↔
ALPHABET INC.	...	....	...	.	A ↑
VISA INC.	...	..	.	...	BBB ↑
MASTERCARD INCORPORATED	..	....	.	..	BBB ↔
Tencent Holdings Limited	.	....	.	...	BB ↔
FACEBOOK	...	..	.	..	BB ↑
Alibaba Group Holding Limited	..	....	.	.	B ↔

**QUARTILE KEY:** . Bottom Quartile .... Top Quartile

**RATING TREND KEY:** ↔ maintain ↑ upgrade ↑↑ two or more notch upgrade ↓ downgrade ↓↓ two or more notch downgrade



# Worldline

- Investor day -

October 3<sup>rd</sup> 2017 - Bezons