



# Worldline

Presentation to Investors  
November 2015





# Disclaimer

- This document contains further forward-looking statements that involve risks and uncertainties concerning the Group's expected growth and profitability in the future. Actual events or results may differ from those described in this document due to a number of risks and uncertainties that are described within the 2014 Registration Document filed with the Autorité des Marchés Financiers (AMF) on April 27, 2015 under the registration number: R.15-021 and its update filed on August 6, 2015 under the registration number D.15-0292-A01
- Global Business Lines include Merchant Services & Terminals (in Belgium, France, Germany, India, Luxembourg, Spain, The Netherlands and United Kingdom), Financial Processing & Software Licensing (in Belgium, China, France, Germany, Hong Kong, India, Indonesia, Malaysia, Singapore, Spain, Taiwan and The Netherlands), and Mobility & e-Transactional Services (in Argentina, Austria, Belgium, Chile, France, Germany, Spain, and the United Kingdom).
- This presentation does not contain or constitute an offer of Worldline's shares for sale or an invitation or inducement to invest in Worldline's shares in France, the United States of America or any other jurisdiction.



# Worldline ID card



Financial communication

**worldline**  
e-payment services



# We are



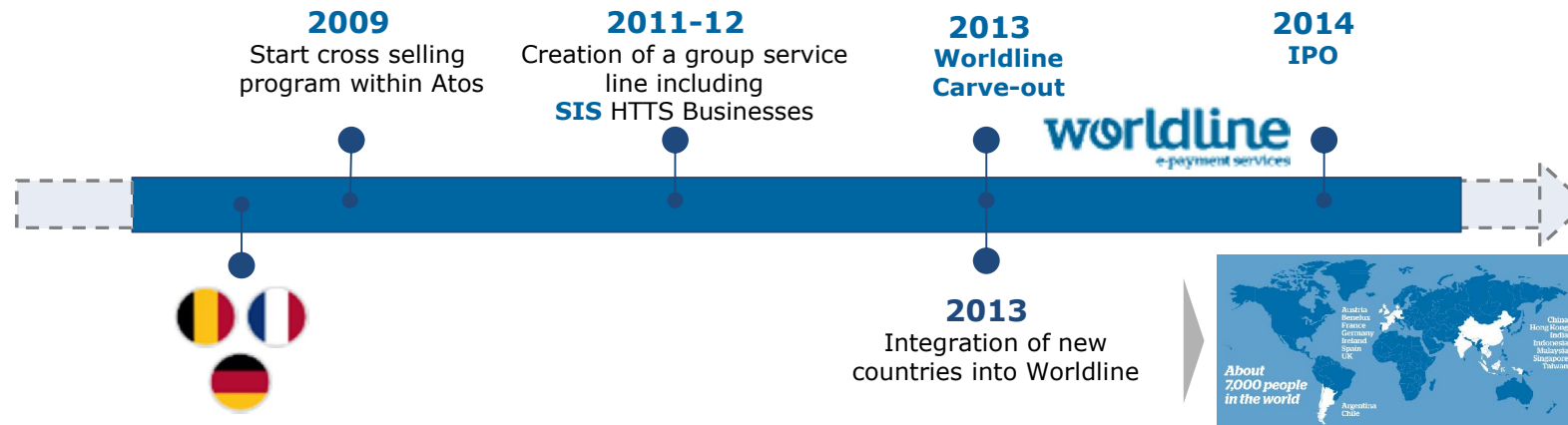
A **payment service company**, which **builds and operates** real-time transactional **payment systems** to allow **merchants, banks, governments and other organizations**:



- to issue, accept and settle **payment means** in various forms and;
- to manage **all types of digital transactions** with their customers beyond payments, such as orders, clearing and settlements, claims, prepaid tickets, loyalty rewards and coupons.

# Group Snapshot

Worldline at a glance - 40 years of expertise in payment systems



## WORLDLINE IS A PROVIDER OF E-PAYMENT PROCESSING AND DIGITAL B2B2C SERVICES

40 years of payment systems expertise

- **17 countries** of direct presence, **7,200 staff** in EU, Asia and LATAM
- 2014 results:
  - **€ 1,149 billion revenue** (Worldline standalone)
  - **€ 215 million OMDA**
- **Listed** with a **Market Cap of €2.8B** (as of September 2, 2015)



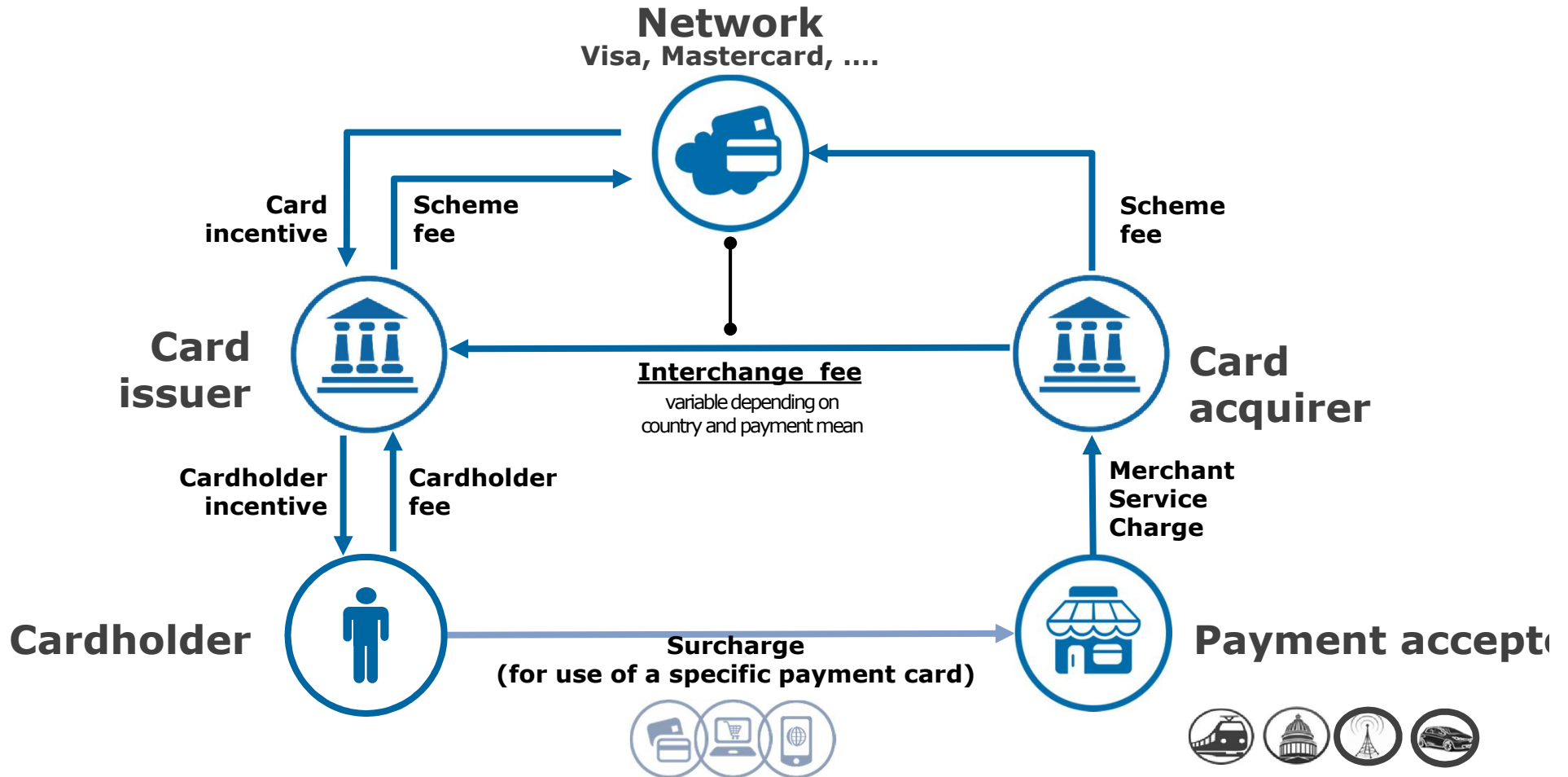
Financial communication







# Typical Industry payment four-party card chain



Source : ECB

# Worldline business is organized in three Global Business Lines



## Merchant Services & Terminals

2014 Revenue  
**€ 374 m (+2.0%)**

**Leveraging the customer engagement**



Commercial Acquiring



OnLine Services



Private Label Cards & Loyalty services



Terminals



## Financial Processing & Software Licensing

2014 Revenue:  
**€ 396 m (+1.4%)**

**Transforming cashless payments**



Issuing Processing



Acquiring Processing



onLine Banking



Software Licensing



## Mobility & e-Transactional Services

2014 Revenue:  
**€ 380 m (+5.1%)**

**Enabling strategic digital transformation**



e-Consumer & Mobility



e-Ticketing



e-Government

**2014 OMDA (\*) margin**

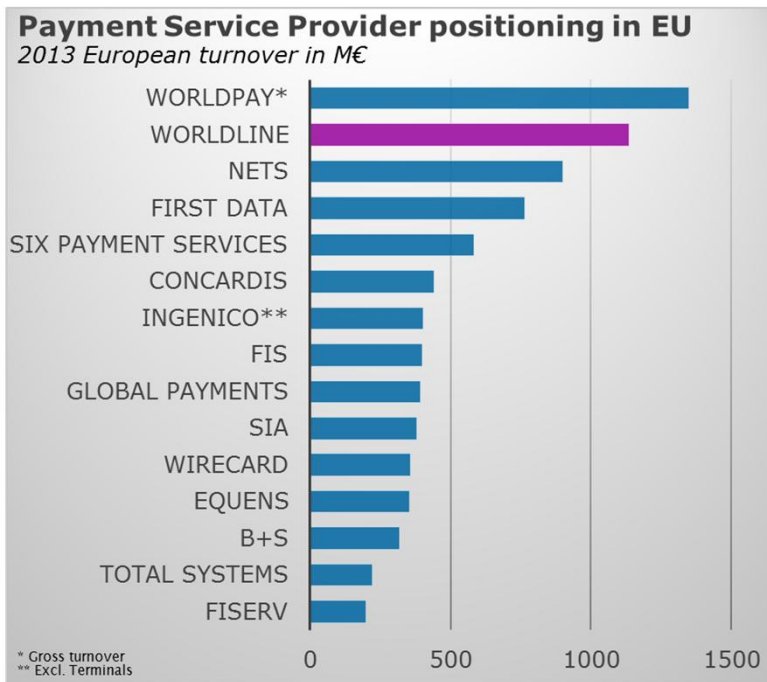
**21.6 %**

**25.2 %**

**13.7 %**

(\*): Operating Margin before Depreciation and Amortization

# Worldline is a leading player in Europe with expanding emerging markets footprint



Source: Natixis December 2014 estimates

**#1**  
Issuing Processor  
in Germany

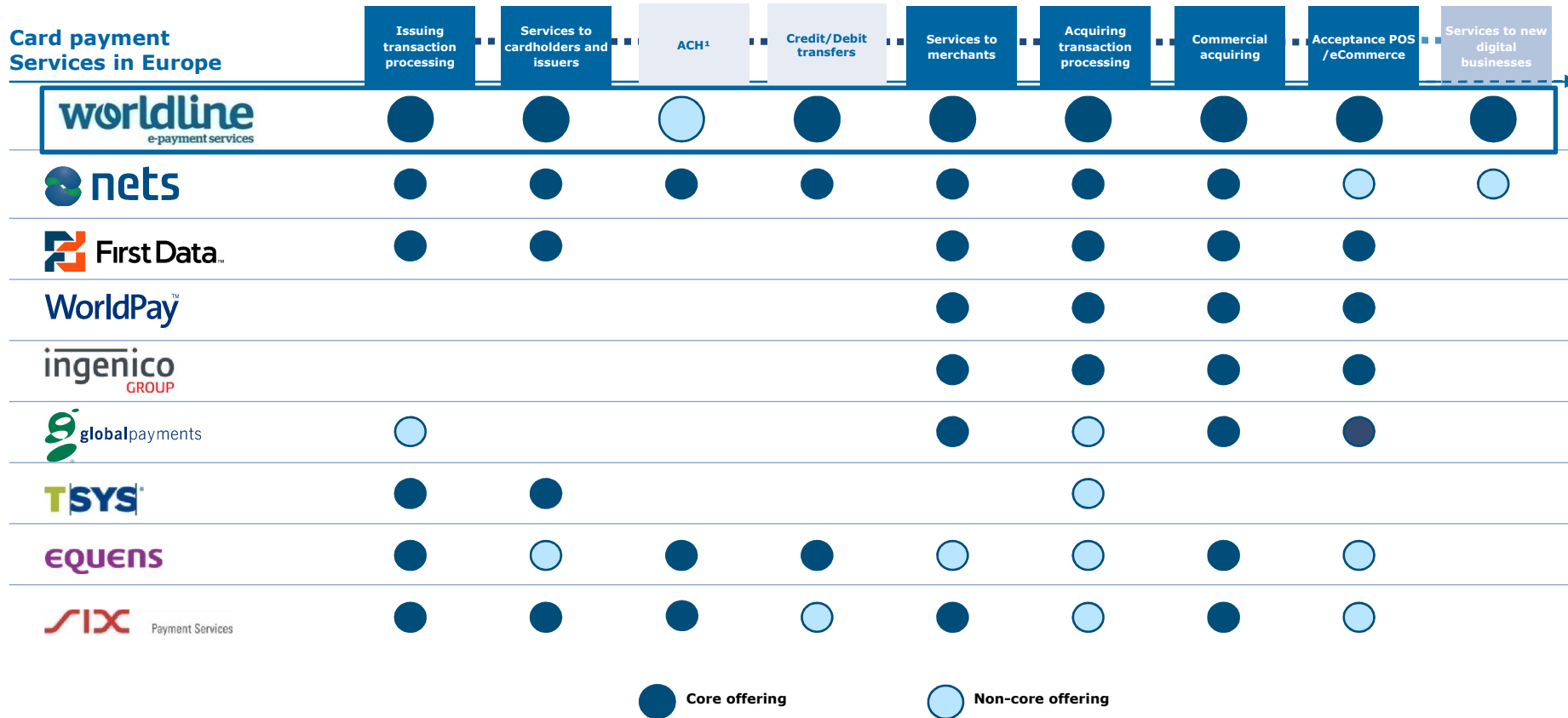
**#1**  
Commercial Acquirer  
in Belgium

## Why scale matters:

- Price competitiveness
- Innovation
- Outsourcing opportunities
- Barriers to entry
- Increased operating leverage
- Positioned for consolidation opportunities



# Worldline has a comprehensive positioning across the extended payments value chain



**Comprehensive European presence across core payments value chain plus capability of serving new digital businesses**

Source: Best estimates from the company based on available public information

<sup>1</sup> Automated Clearing House.

# A Tier 1 diversified client base

High quality customer portfolio, low client concentration



**Merchant Services  
and Terminals**

*Over 86,000 Merchants contracts  
Over 45,000 e-Merchants managed*



**Financial Processing and  
Software Licensing**

*200+ banks and financial institutions*



**Mobility and  
e-Transactional Services**

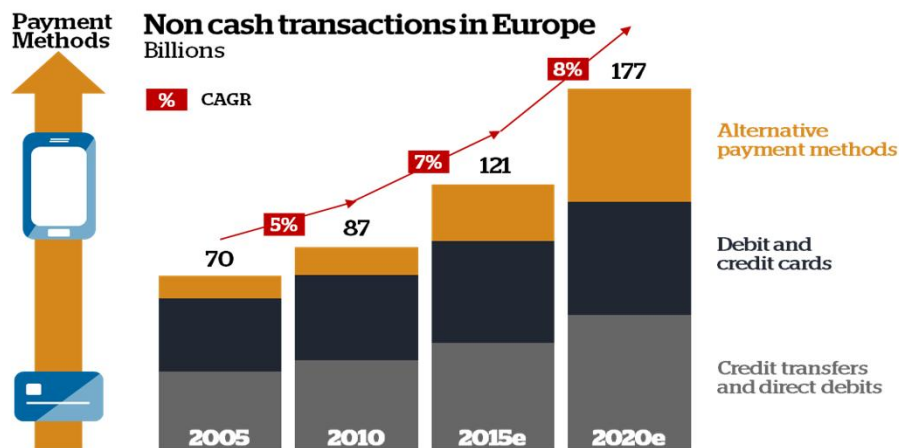
*150+ customers*



# Worldline's environment positively impacted by changes in regulations and digital transformation

## PAYMENT MARKET VOLUME GROWTH

- ▶ Ubiquitous penetration of electronic payments through **mobility** and **Internet of Things**
- ▶ Growing **3x faster** than total consumer spending



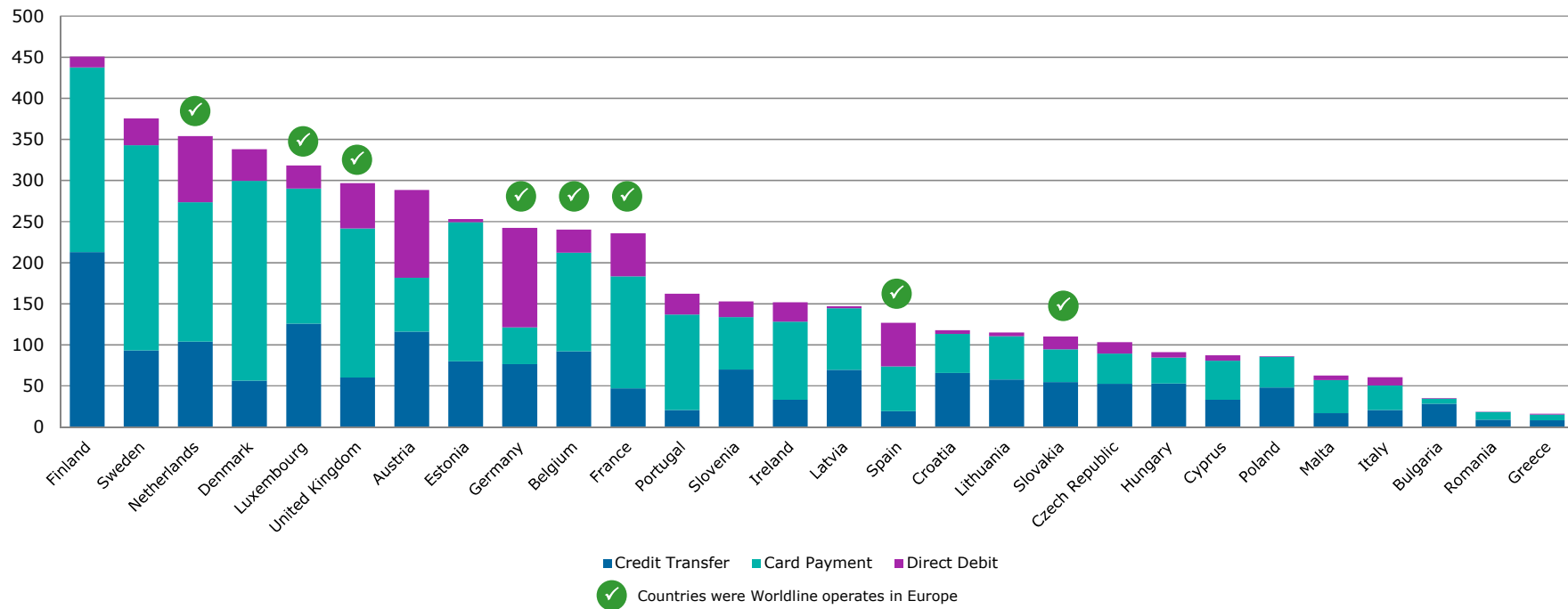
Source: A.T. Kearney European payment market model – June 2013

## IMPACT OF THE CHANGE IN EUROPEAN REGULATIONS

- MIF** Cap on interchange fee
- PSD2** Harmonization, consumer protection & rights, obligations for payment providers
- SEPA** Open, common standards, industrialization and innovation
- EMVco** EMVCo tokenisation: framework for better security

# Non-cash payment growth penetration potential in Europe

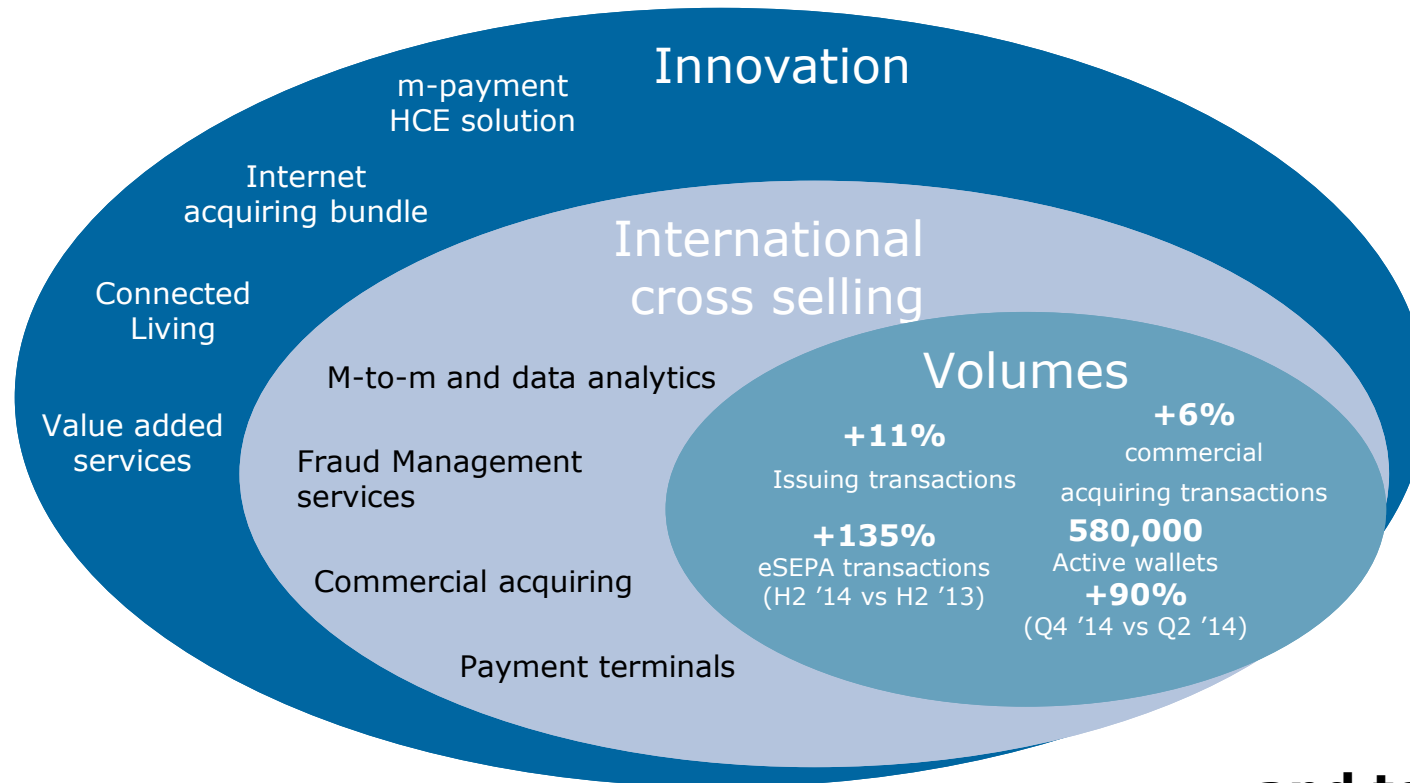
Number of Non cash Payment Transactions per Capita in Europe (2013)



Source : ECB Payment statistics – data as of 24 August 2014  
 Note: Green checks indicate countries where Worldline is currently present



# 2014 supported by volume growth, innovation and international cross-selling



**... and to further accelerate in 2015 and beyond**



# Worldline strategy to take advantage of regulatory and digital changes

## Banks (FPL)

- Capture new **outsourcing** opportunities
- **Upsell** with new innovative products on existing customers (strong authentication, payment data analytics,...)
- Consolidate the leadership in **new payment means** (Mobile payment, Wallet, SEPA)



TEAM PROGRAM

M&A  
Alliances with  
Banks

Strong investments  
in processing  
platforms (WIPE)  
and Innovative  
products

worldline



## Merchants (MST)

- Capture new **commercial acquiring alliances** with Banks
- Expand **international commercial acquiring**
- Develop **end-to-end digital retail offers**
- Reinforce Worldline's offering in **on-line and mobile payment for merchants**



## Government, Transportation, Manufacturing (MeTS)

- **Focus on Mobility & Big Data** to face the digital transformation trends
- Increase focus around **end-to-end vertical digital businesses** (transport, manufacturers, ...)
- Differentiate with **real-time m-to-m, data analytics, security & privacy** expertise

# 2014 financial highlights

Key P&L items	2014	2013*
In € million		
<b>Revenue</b>	<b>1149.3</b>	<b>1135.1</b>
<i>Growth %**</i>	<i>2.8%</i>	<i>4.1%</i>
<b>OMDA</b>	<b>215.1</b>	<b>203.2</b>
<i>As % of sales</i>	<i>18.7%</i>	<i>17.9%***</i>
<b>OM (Operating Margin)</b>	<b>170.3</b>	<b>164.0</b>
<i>As % of revenue</i>	<i>14.8%</i>	<i>14.4%</i>
<b>Profit before tax</b>	<b>143.2</b>	<b>156.5</b>
<i>As % of revenue</i>	<i>12.5%</i>	<i>13.8%</i>
<b>Net income</b>	<b>100.4</b>	<b>118.5</b>
<i>As % of revenue</i>	<i>8.7%</i>	<i>10.4%</i>
Cash flow	2014	2013*
In € million		
<b>Free cash flow</b>	<b>114.4</b>	<b>121.0</b>
<i>As % of revenue</i>	<i>10.0%</i>	<i>10.7%</i>

\*: statutory combined accounts

\*\* : Proforma at constant scope and exchange rates

\*\*\* : 18.2% on a pro forma basis

## Key Observations

- OMDA% in line with mid-term guidance
- Top line growth accelerating along 2014
- FCF progressing by 14% excluding one-off items

## Other comments

- 2013 accounts based on audited historical financials of Atos' subsidiaries (now part of Worldline)
- OMDA to EBITDA adjustments consist in subtraction of:
  - Costs associated with restructuring and rationalization
  - Costs related to carve-out or integration of acquisitions
  - Gains on disposals
  - Set up costs related to TEAM project



## 2015 and mid term guidance

	2015 GUIDANCE	MEDIUM-TERM OBJECTIVES
Revenue	4 to 5% organic growth	5 to 7% 2014-2017 organic revenue CAGR Sales growth to progressively increase over the period
OMDA	+c.50 bp vs. 2014	+c.250 bps margin for 2017 vs. 2013
FCF	€120m to €125m	c.€180m by 2017



# **Worldline strategy** **in Digital Retail**

Accelerate your digital transformation



Financial communication

**worldline**  
e-payment services



## Key challenges faced by the retail industry:

41% of shoppers are highly likely to leave a store because of unhelpful staff\*\*\*.  
What about **retaining all these customers?**

Stores have 3 times less product items than e-commerce.  
How about **multiplying by 3 the product offer in store?**

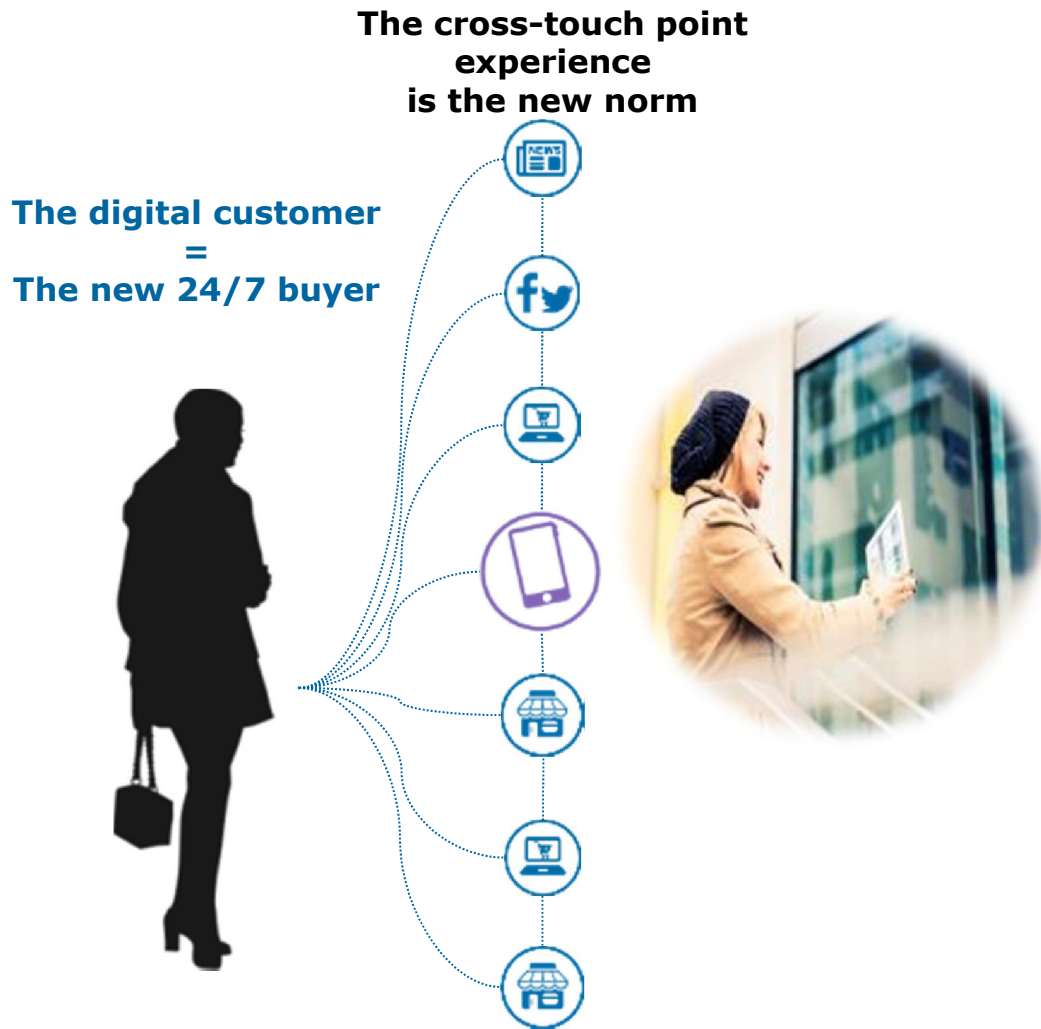
75% of shoppers who enjoy a 'great' in-store experience are likely to return\*\*  
Why not **bringing 75% of shoppers back to the stores?**

68% of lost sales could be recaptured if the store is able to order the item and have it delivered to the customer's home\*. What about **capturing 68% of lost sales?**

Sources: \* Motorola solutions, \*\* Verde Group Survey \*\*\*Pierhouse UK



# Consumers are demanding on new experience



Consumers, **always connected**, want **ultra-personalized** and **simple** interactions with the brand, at the very moment he needs it



They are **switching** really fast, even faster on **a digital channel**

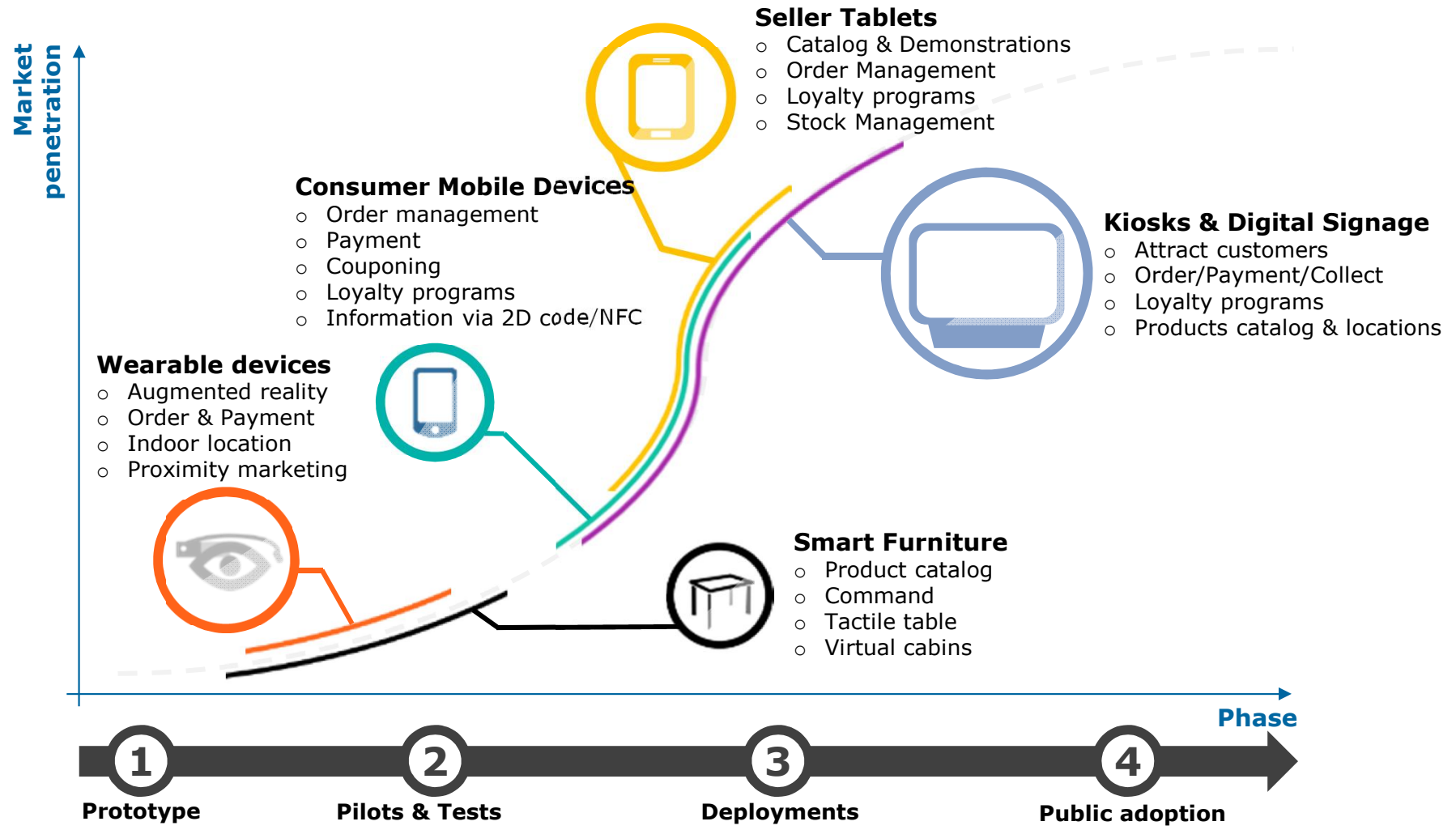


**Stores are a key asset** for retailers but are facing increasing **show rooming behaviors**



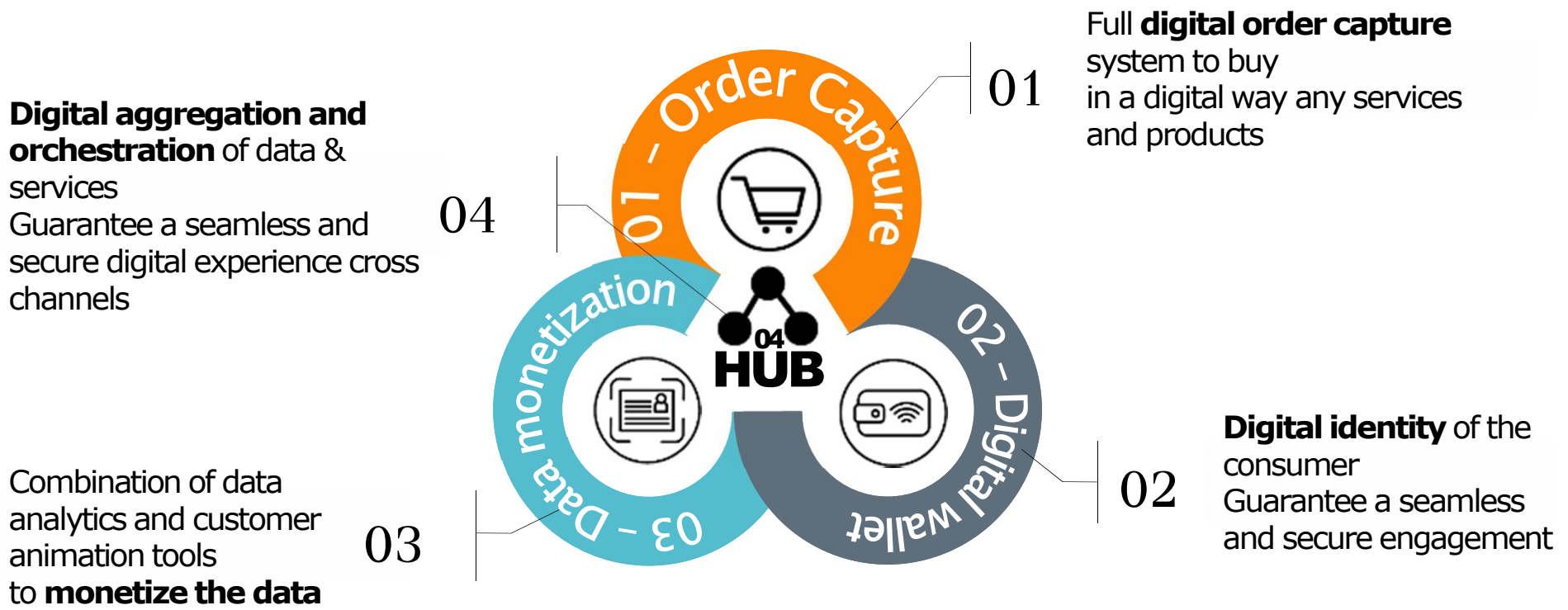
Consumers are utilizing **multiple devices** to extend their shopping experience and influence purchase decisions, **creating a nonlinear path to purchase** that today's marketers need to understand and embrace.

# The technology has changed and is becoming mature/mainstream



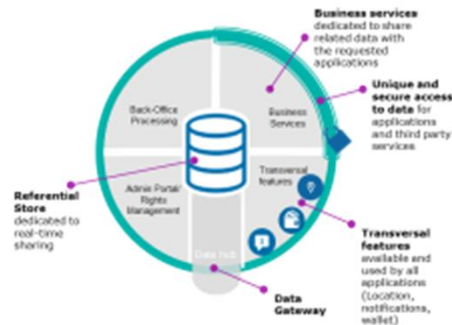


# Behind the scene, four enablers are required for these new digital retail services



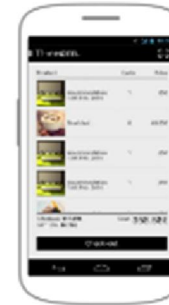
# The key components of our offering in Digital Retail - A modular approach

## Digital Platform



- **Omni-commerce core**
- **Referential store** dedicated to share information and data **in real-time** across all applications
- **Contextual services**

## Merchant Wallet



- **Leading European Wallet solution provider** with 7M of active wallets
- **True wallet** (not just a card container) **with a strong authentication** with scoring **enabling a true one-click ordering**

## CRM & BI



- **Gather/consolidate consumer data** with current context and 3rd party data
- Suggest **relevant offers and digital content**
- **Possible integration** into existing Apps

## Connected Store Services



- **Full customer engagement with omni-channel services allowing transactions** ( Promotional wall, Virtual Shop...)
- **Fully on-line services management**

## Mobile Seller solutions



- **mSeller software**
- **mPOS secure PinPad and related Apps**
- **Bundle mPOS/Acceptance/Acquiring**
- **Fraud management**

## Acceptance and commercial acquiring



- **On line acceptance**
- **Cross-canal** payment acceptance
- **End-to-end acquiring services**
- **Unified reporting** including all channels and devices
- **Statistics, analytics** per channel





# Examples of true concrete digital transformation supported by Worldline

**McDonald's**

## Digital Platform

... to know better the McDo's customers



## Unattended Retail kiosks

... to improve the customer service



**Barcelona  
Mobile Ready  
Experience**

## Interactive Signage

... to attract the customer and sell more



## Digital Store

... to reduce the size of the store by three



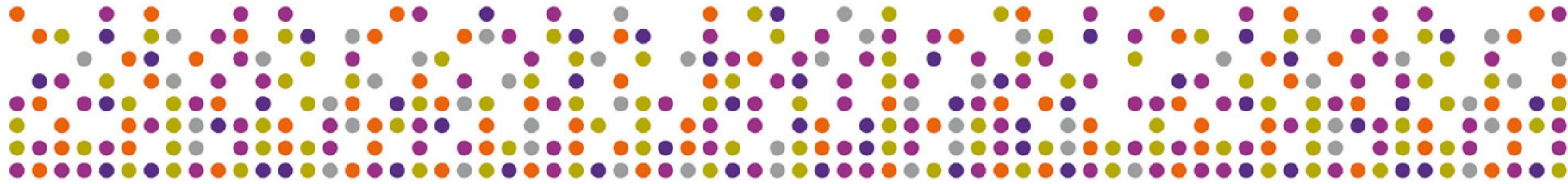
**Large  
cosmetic  
company**

**adidas**



**Financial communication**





# Thank you

For more information, please contact:

**David Pierre-Kahn**  
*Head of Investor Relations*

T +33 1 34 34 90 66

M+ 33 6 28 51 45 96

[david.pierre-kahn@worldline.com](mailto:david.pierre-kahn@worldline.com)



Financial communication

**worldline**  
e-payment services