

# Presentation to Investors

- November 2016 -

ID Card

3 year plan 2017 - 2019

Q3 2016 revenue





# Disclaimer

- This document contains further forward-looking statements that involve risks and uncertainties concerning the Group's expected growth and profitability in the future. Actual events or results may differ from those described in this document due to a number of risks and uncertainties that are described within the Registration Document filed with the Autorité des Marchés Financiers (AMF) on April 28, 2016 under the registration number: R.16-031 and its update filed on August 4, 2016 under the registration number D.16-0288-A01.
- Revenue and OMDA organic growth are presented at constant scope and exchange rates. 2016 objectives have been considered with exchange rates as of December 31, 2015.
- 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



**worldline**  
e-payment services

# Our story

## 1st historical contract

for the processing of card-based banking of the Carte Bleue Group

## Integration of Banksys & Bank Card Company (BCC) in Belgium

Becomes European leader in payments services, in anticipation of European issues related to SEPA  
*+ Belgium*

## Acquisition of Venture Infotek

Entry into fast growing Indian payment market. Keeps progressing to establish itself in Asia-Pacific  
*+ India, China, Hong Kong, Indonesia, Malaysia, Singapore & Taiwan*

## Initial Public Offering

On June 27, 2014, Worldline went public on the Euronext Paris regulated market (Compartment A)

## Birth of equensWorldline Acquisition of Paysquare and KB Smartpay

Worldline announced the creation of equensWorldline acquisition of PaySquare and a major alliance with Komerční banka for commercial acquiring services & solutions



1973

2004

2006

2009

2010

2013

2014

2015

2016

## Creation of Atos Worldline

Merger of the activities of Atos Origin Group in payment services and e-services. Confirms leadership in critical transactional services. Major footprint in France & Germany

## Launch of HTTS development strategy

Business model extended to Spain, UK and Asia

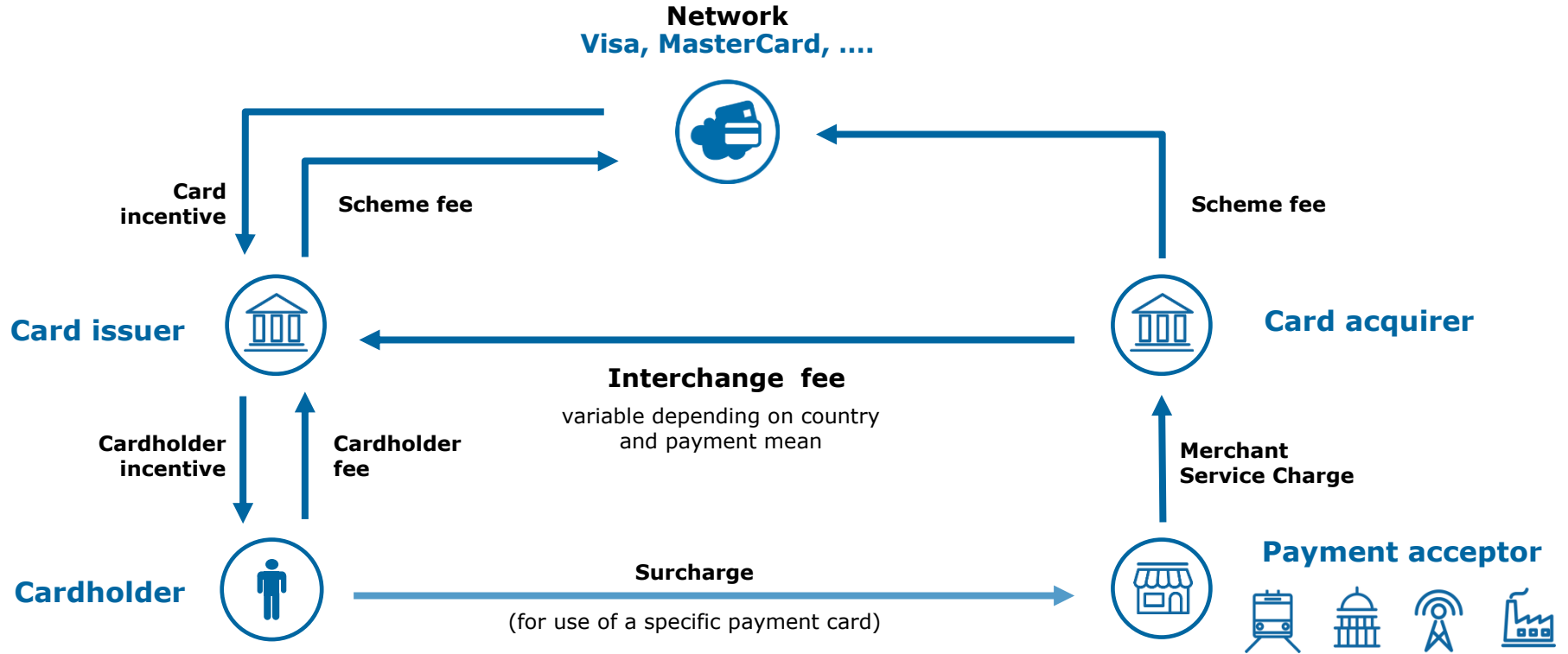
## Birth of Worldline

On July 1st, 2013, Atos announced the carve-out of all its payment and transactional services activities into a unique entity, called Worldline  
*+ Ireland, Spain, UK, Argentina & Chile*

## Equens transaction project

On November 3, 2015, signing of a Memorandum of Understanding between Worldline and Equens

# Typical Industry payment four-party card chain



# Three integrated Global Business Lines (2015 data)



## Merchant Services & Terminals

2015 Revenue: € 402m  
(+6.0%)

Leveraging the customer engagement



Commercial Acquiring



onLine Services



Private Label Cards & Loyalty services



Terminals



## Financial Processing & Software Licensing

2015 Revenue: € 414m  
(+2.8%)

Transforming cashless payments



Issuing Processing



Acquiring Processing



onLine Banking



Software Licensing



## Mobility & e-Transactional Services

2015 Revenue: € 411m  
(+4.4%)

Enabling strategic digital transformation



Connected living



e-Ticketing



e-Government

2015 OMDA (\*) margin

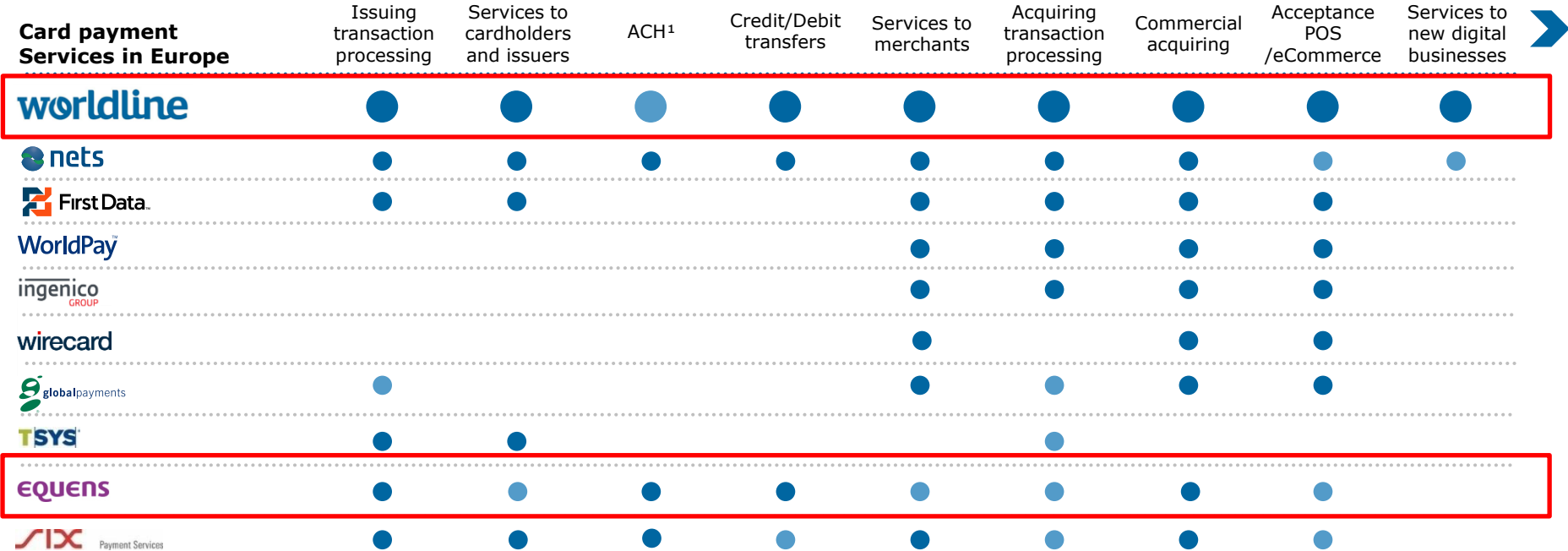
19.4%

26.0%

16.6%

(\*): Operating Margin before Depreciation and Amortization

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



Source: Best estimates from the company based on available public information - <sup>1</sup> Automated Clearing House.

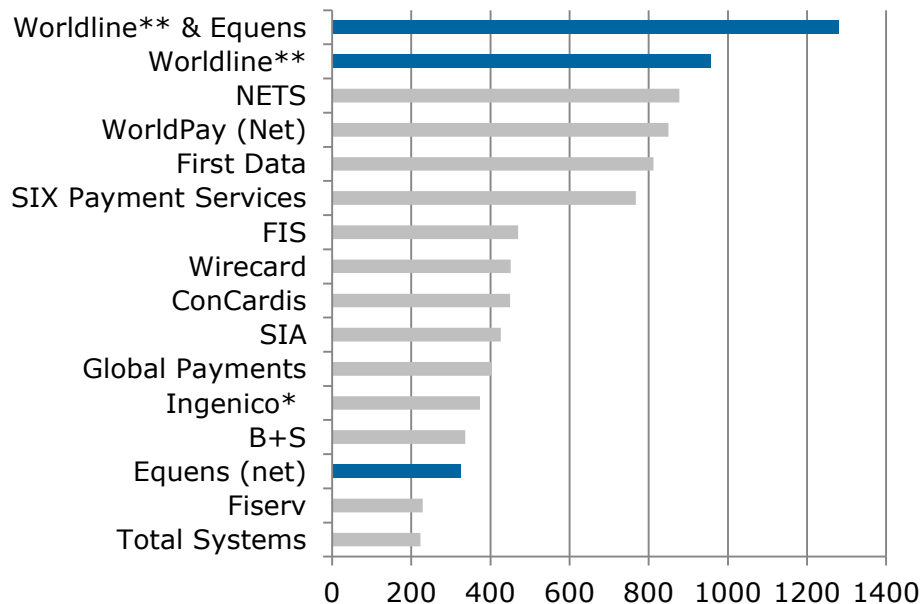
● Core offering    ● Non-core offering

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



# Equens transaction: building an industrial Pan-European champion in payment services

## Payment service providers ranking in European Union 2014 European turnover, in € million



**Industrial leader in  
5 major European countries**

**Large economies of scale  
and very significant  
synergies to be implemented**

**Stronger innovation  
& R&D capabilities**

**Worldline ambition supported  
by 5 new key European  
Financial institutions**

Source: company estimate \*: excluding payment terminal revenue; \*\*: European turnover excl. payment terminal revenue

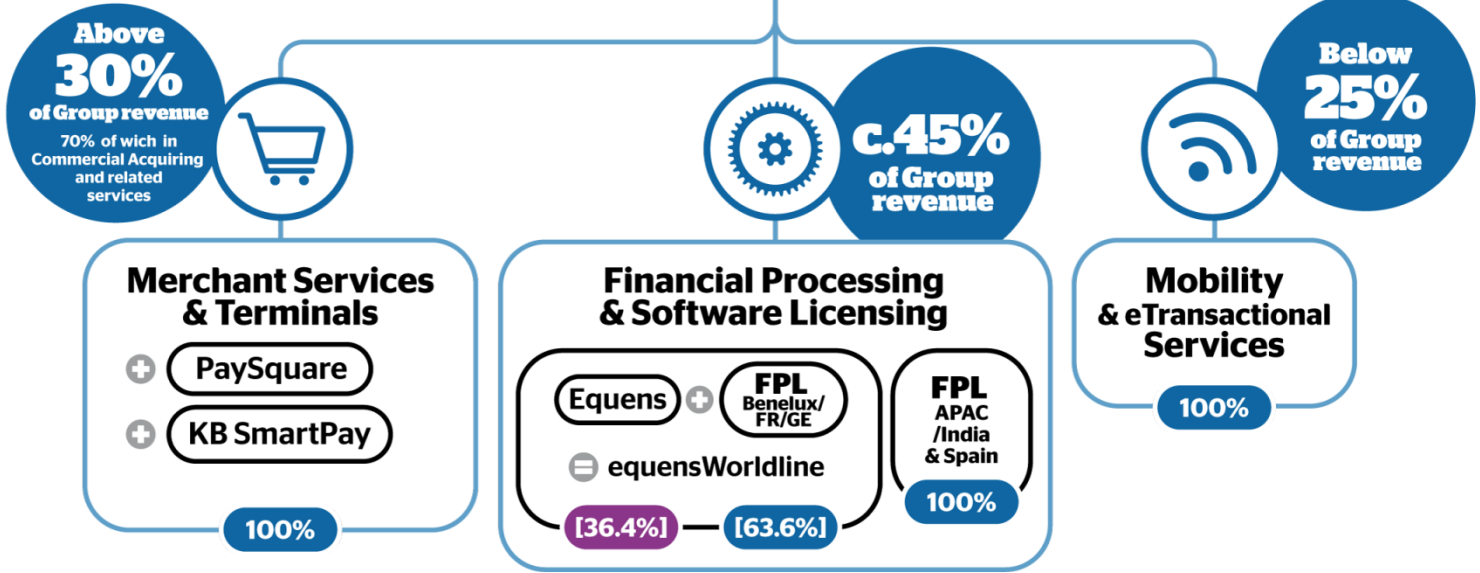
Source: Company estimates \*: excluding payment terminal revenue \*\*: European turnover excluding payment terminal revenue



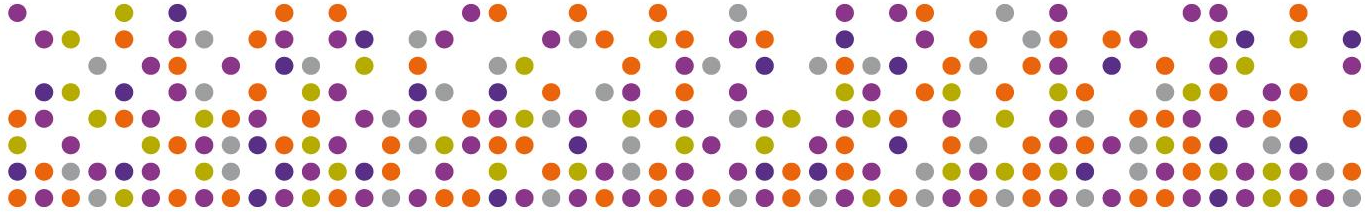
# The new Worldline Group

**worldline**  
e-payment services

**>€1.5bn**  
revenue



 Worldline ownership  
 Equens shareholders ownership



# Worldline's 3-year plan

Gilles Grapinet, Chief Executive Officer



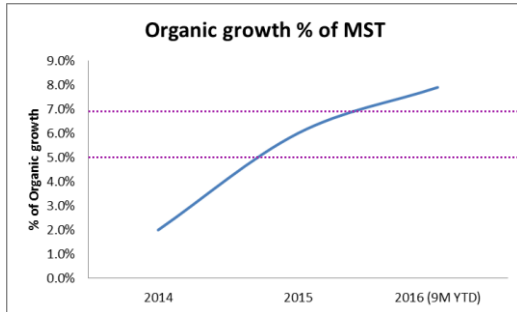
**worldline**  
e-payment services

# Organic growth acceleration since the 2014 IPO<sup>(1)</sup>



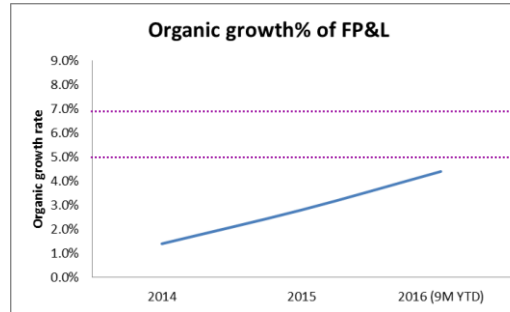
## Merchant Services & Terminals

From 2.0% in 2014 to 7.9% in 2016 (9M YTD)



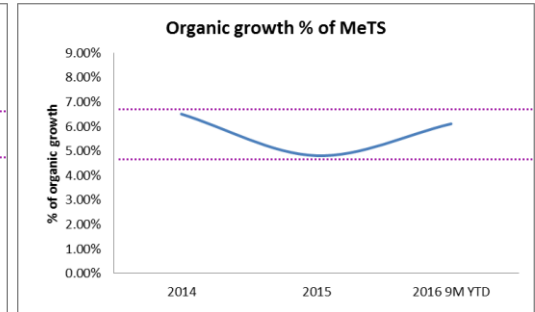
## Financial Processing & Software Licensing

From 1.4% in 2014 to 4.4% in 2016 (9M YTD)



## Mobility & e-Transactionnal Services

Constant 5% to 6+% performance, excluding French Radar contribution<sup>(2)</sup>

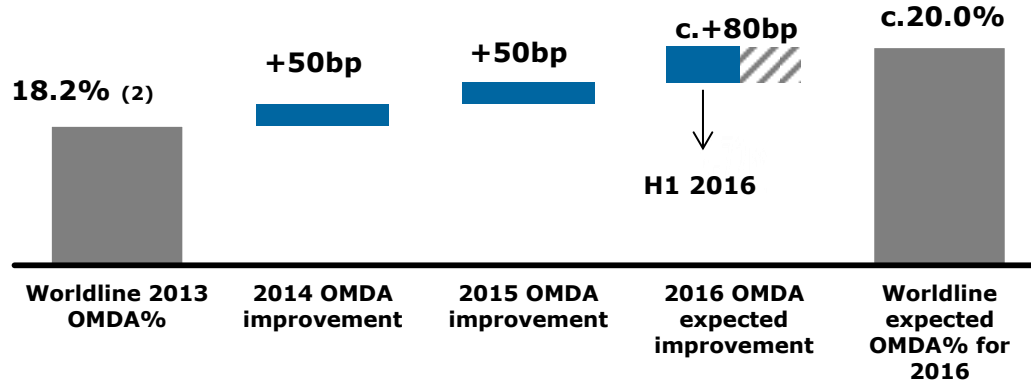


Worldline growth pattern in line and supporting the **5% to 7% ambition**

(1): Before the contribution of newly acquired companies Equens, Paysquare and KB Smartpay  
(2): MeTS growth performance pro forma the termination of the French Radar Contract

# On track to deliver the 2017 IPO objectives for OMDA improvement and free cash flow <sup>(1)</sup>

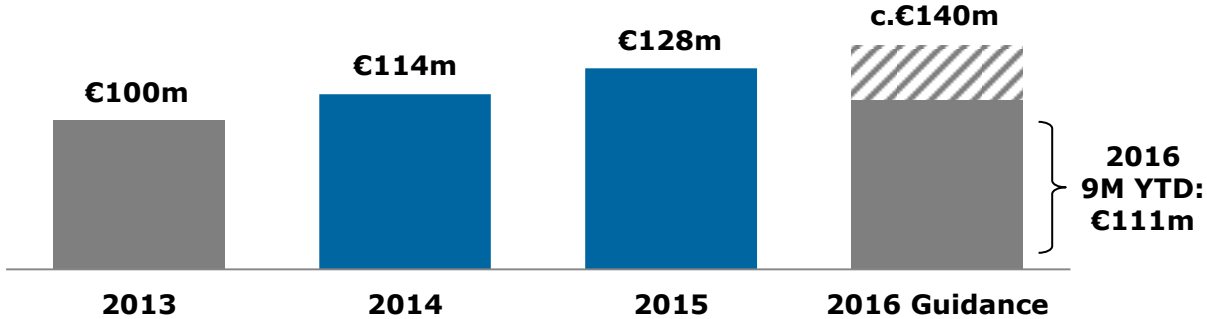
**Steady OMDA improvement**



**Reminder:**

**IPO 2017 objective c.+250bp**

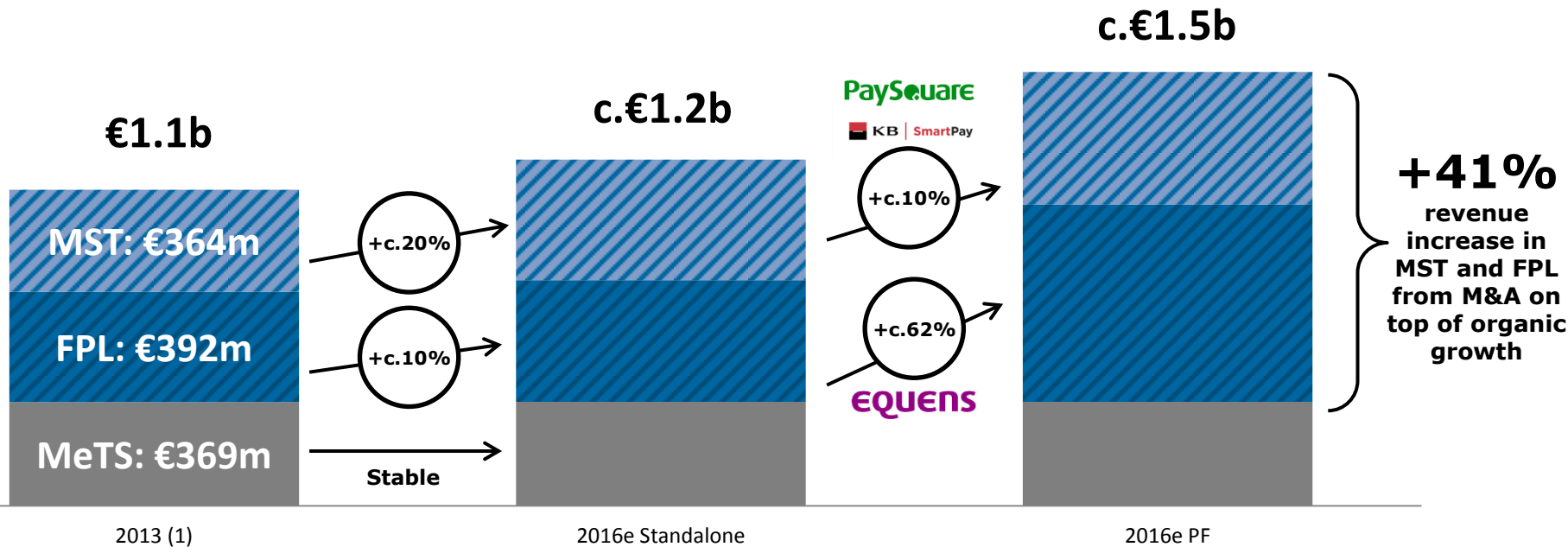
**Regular Increase of Free cash Flow**



**IPO 2017 objective c.€180m**

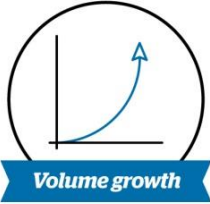
(1): Before the contribution of newly acquired companies  
 (2): 2013 pro forma financial information published in the IPO Registration document

# +41% revenue increase in Merchant Services and Financial Processing from M&A since 2013





Regulation



Volume growth

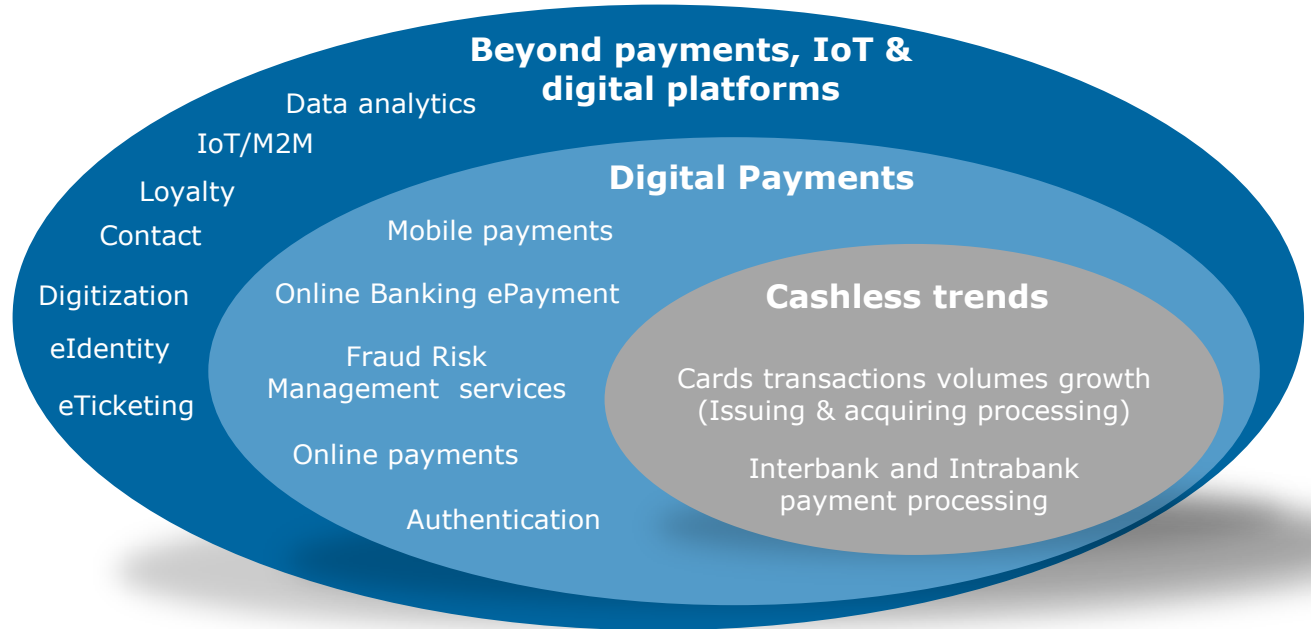


Innovation



New banking strategies

# Worldline benefits from the strong positive momentum of the European payment market





# 4 Key Strategic Axis 2017-2019

Worldline key strengths		Strategic Axis
Size & scope	<ul style="list-style-type: none"> <li>• Largest PSP in Europe</li> <li>• Leader in key markets</li> <li>• Unique pan-European reach</li> </ul>	<u>Financial Processing</u> <ul style="list-style-type: none"> <li>• Deliver the massive <b>industrial synergies</b> with <b>equensWorldline</b></li> <li>• <b>Take further advantage of our European leadership</b> in Financial Processing services</li> </ul>
Portfolio	<ul style="list-style-type: none"> <li>• Widest payment <b>value chain coverage</b></li> <li>• <b>Technology DNA</b> and <b>track-record</b> on next-gen platforms</li> <li>• Strong and <b>diversified customer base</b></li> </ul>	<u>Merchant Services</u> <b>Expand strongly</b> our Pan-European platform <b>for Omni-commerce Merchant Services</b>
European DNA	<ul style="list-style-type: none"> <li>• European payment <b>industry intimacy</b></li> <li>• <b>Attractive financial profile</b></li> </ul>	<u>Mobility &amp; e-Transaction</u> <ul style="list-style-type: none"> <li>• <b>Focus</b> on <b>IoT</b> and <b>e-Platforms</b> trends leveraging MeTS &amp; Payments</li> </ul>
		<ul style="list-style-type: none"> <li>• Accelerate <b>European payments industry consolidation</b></li> </ul>



# 2017-2019 objectives

## Revenue Organic Growth

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

## OMDA %

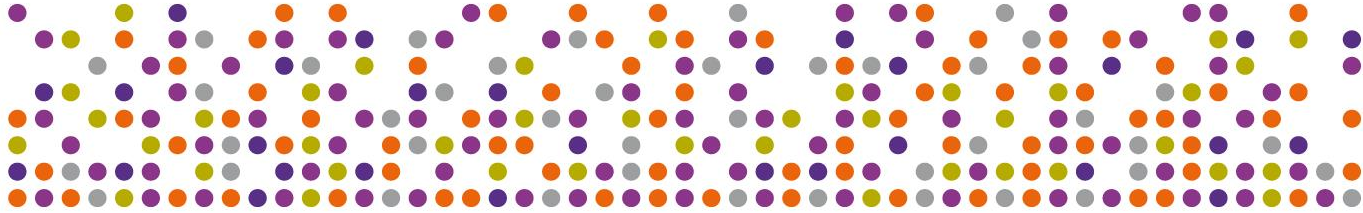
**+350bp to +400bp** margin improvement  
in **2019 vs 2016** <sup>(1)</sup>

## Free cash flow

**€210m to €230m** in **2019**, representing **over +50% increase**  
compared with **2016 objective**

(1): c.18.5% OMDA margin, 2016 Pro Forma best estimate, before finalization of pro forma methodology review





# 2019 Business development ambitions

Marc-Henri Desportes, General Manager





# Payment Market continues to experience solid volume growth and outsourcing forces

## e-payment trends

- **Consistent growth in card payments volume in Western Europe as well as in CEE/Asia**
- Technological pressure and **diversification of payment means** (e.g. instant payments)
- **PSD 2 disruption** in Europe

### For merchants

- Solutions with **European reach**
- **Omni-channel**
- **Technological** innovations
- **Payment means diversity**

### For banks

- Banks payments in a **squeeze**: rising compliance costs and price pressure
- **Strategic dilemma around PSD2**
- Expected increase of **divestments / partnerships**
- Will to **focus on digital strategy** and **differentiating** offers / solutions

# equensWorldline : result of joining forces

## Industry's largest transaction processing company in Europe



**3,000+**  
Talents



Office locations in  
**8 European Countries**



**250+**  
Banking clients

**c. 100 million**



Cards under management

**c. 10 billion**



Payment transfers processed per year

**c. 7.5 billion**

POS and ATM transactions processed per year



- **equensWorldline** under the leadership of Michael Steinbach (former Equens CEO), **leveraging the biggest scale** in Europe
- **Atos and Worldline integration know-how** to drive synergies execution
- Scale and mix **best fit to answer banks outsourcing dilemma**
- **Worldline innovation focus** to be leveraged on a wider base



# Equens integration started

## New company equensWorldline live since October 1<sup>st</sup>, 2016

**New organization** is in place and operational as of Day 1

**16** integration streams

- **9** business streams
- **7** efficiency streams

**Fully operational as of Day-1**  
in continuation of pre-closing works



Very detailed **roadmap**



**Immediate launch of execution** by equensWorldline management with the full support of the Worldline Group



**Leveraging** Worldline and Atos group proven integration **methodologies**



**Full confirmation of the synergy targets**

# eQuensWorldline synergy plan confirming targets with visibility of further upsides

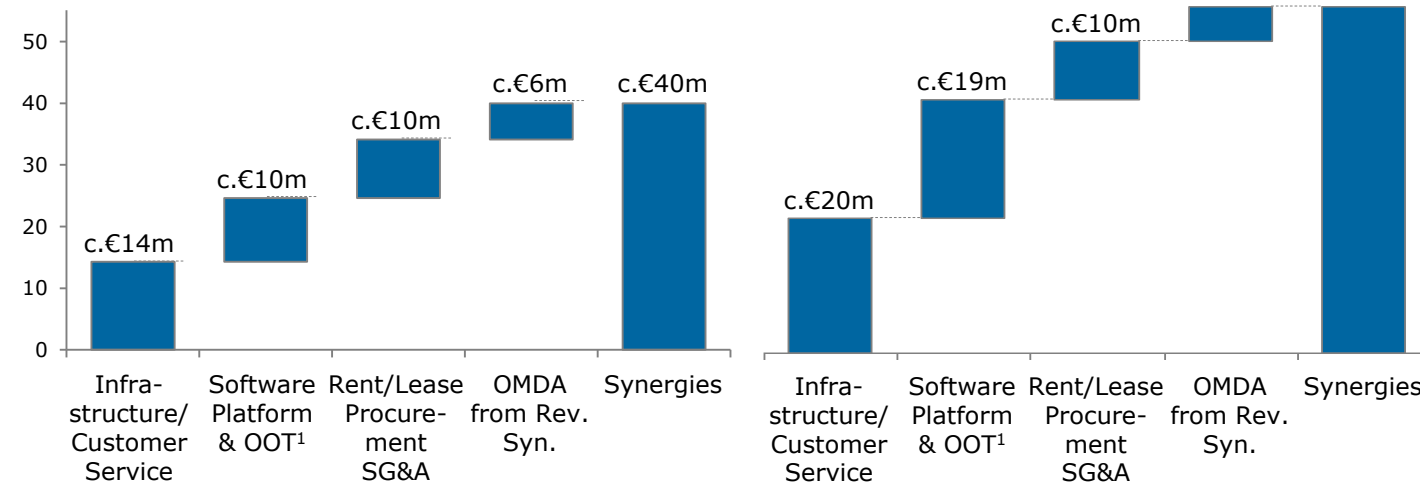
## Impact of synergies

## Comments

2018

Outlook 2021 (for information)

OMDA run-rate impact in €m



- **€40m of OMDA** savings expected in 2018
- Synergy **implementation costs** estimated at c. € 40m from 2016 to 2018
- **Additional run-rate synergies** expected until 2021, in **total c.€ 55m p.a**

1. OOT = Other operational topics

**All integration streams in place with a clear roadmap confirming synergy targets both for 2017-2018 and for further upsides** linked to application greater convergence



# Synergy ambitions fully confirmed around the following core topics

## Infrastructure and cust. service

- **Data center** consolidation and migration
- Consolidation of **application landscape**, in Front Office and Back Office

## Other operational topics

- Worldline **off-shoring** practices
- **Middle management optimization**
- Apply Worldline **delivery methods / ratios**

## Rent & Lease, Procurement, G&A

- **G&A : Mutualization** of **support functions** and **back-offices**;
- **Fast scale effects** through purchasing and logistics

## Revenue synergies

- Leveraging product **portfolio complementarity**
- **Cross-selling** revenues with existing clients
- Worldline's **sales' methodology & processes**

# Worldline: the European partner for merchant services

## Products

- **Wider portfolio** of products and services
- Unmatched capability to **serve specific needs of major brands**

## Operations

- **Leverage the capabilities** of the biggest European Financial Processor

## Organization

- New organization headed by Vincent Roland, with **global operations** to drive international expansion

## International go-to-market

- **New enlarged footprint for *acquiring*** in the North/Centre of Europe
- Focus on **international expansion**



**Absolute ambition to become the market leader in Merchant Services**



# Strong focus in Mobility & e-Transactional Services to take advantage of robust market trends

## Strong momentum of business fundamentals in 3 verticals and 1 transversal :

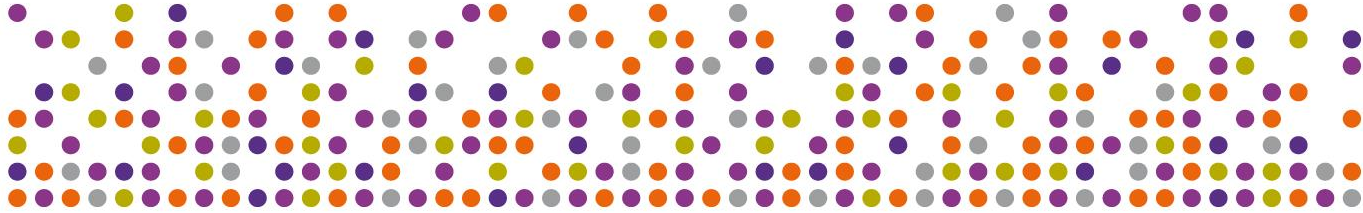
- **Manufacturing & Insurance: Connected Living, Analytics & Payment**
- **Transport & Public: e-Ticketing, Analytics & Payment; seamless transport payment**
- **Public & Health: Trusted Digitization**
- **Worldline Contact**, omni-channel solution in the cloud (multi sectors)

Leverage **global footprint** to pursue **international roll-out** of key offerings (e.g. Connected Living)

Take advantage of the **continuously expanding Atos customer base**

Supporting customer strategic business transformation powered by **connectivity** and **new digital services**





# 2019 Financial ambition

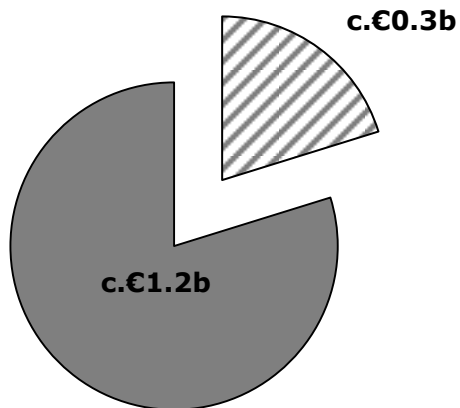
Eric Heurtaux, Chief Financial Officer <sup>(1)</sup>



# 2016 Best estimate pro forma revenue and OMDA

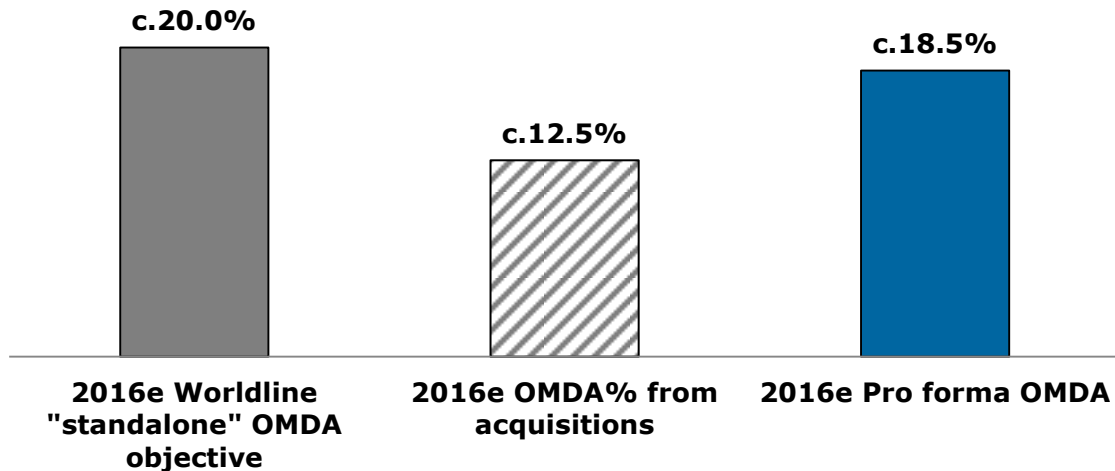
(1)

## Worldline 2016 best estimate pro forma revenue



- ▣ 2016e revenue from acquisitions
- 2016e Worldline "standalone" revenue

## Worldline 2016 best estimate pro forma OMDA%



**c.€40m of run-rate synergies on OMDA expected in 2018 with Equens, of which 50% in 2017**



# Main 2017 – 2019 revenue growth drivers

## Trends

### MST

- **Fast volume growth** in electronic payment conversion
- **Geographic expansion** in higher growth geographical areas (Germany, CEE)
- Omni-channel product portfolio

### FPL

- **Structural volume growth**
- **Growing demand** for innovation and payment security
- **Cross selling opportunities** between Equens and Worldline

### MeTS

- Booming market for **secured digital transactions**
- **Highly secured solutions** for IoT and connected objects

## Revenue

- Thanks to Paysquare and KB Smartpay, increased **geographical diversification**
- **Mid- to high- single digit** growth rate

- **Equens accelerating** to reach Worldline's FPL average growth rate
- **Close to mid-single digit** growth rate

- Current growth supported by strong pipeline
- Overall MeTS growth rate **within average of the Group** over the period

**Worldline's 2017 - 2019 objective: Between 5% and 7% CAGR (1)**

# Main 2017 – 2019 OMDA improvement drivers

	Trends	OMDA
MST	<ul style="list-style-type: none"><li>• <b>Acquisitions</b> to gradually reach rest of MST profitability thanks to <b>synergies starting in 2017</b></li></ul>	<ul style="list-style-type: none"><li>• <b>Low twenties</b> OMDA%</li></ul>
FPL	<ul style="list-style-type: none"><li>• equensWorldline: <b>c.€40m OMDA run-rate synergies in 2018</b>, of which 50% in 2017</li><li>• Synergy <b>implementation costs</b> estimated at c. € 40 million from 2016 to 2018</li></ul>	<ul style="list-style-type: none"><li>• From <b>low twenties in 2016e</b></li><li>• To <b>high twenties in 2019e</b></li></ul>
MeTS	<ul style="list-style-type: none"><li>• Gradual benefit from <b>increased volumes</b> on maturing platforms</li></ul>	<ul style="list-style-type: none"><li>• <b>Mid-teens OMDA%</b>, improving over the period</li></ul>

**+350bp to +400bp OMDA margin in 2019 vs 2016 (1)**



# Free cash flow main assumptions

## Capex

- **6% and 7%** of revenue **in 2017**
- **5% to 6%** of revenue **from 2018**

## Change in working capital

- Assumption: slight contribution

## Reminder : Q4 2016 to H2 2018 equensWorldline transformation costs

- To generate the c.€40 million of run-rate OMDA synergies, est. **c.€40 million transformation costs** from Q4 2016 to end of 2018 at the latest

## Tax rate

- Ambition to improve slightly current tax rate levels over the period

**€210m**  
to **€230m**  
in **2019,**

representing  
**over +50%**  
**increase**  
**compared**  
with **2016**  
**objectives**

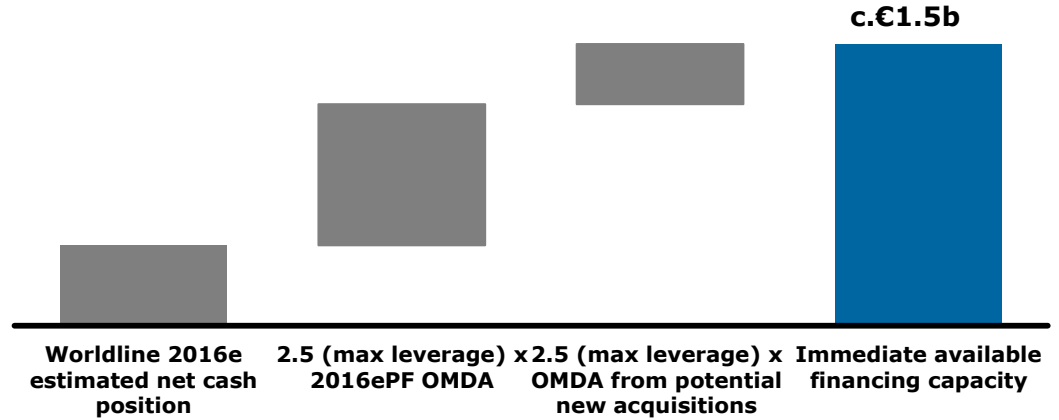
# Financing of acquisitions

## Acquisitions

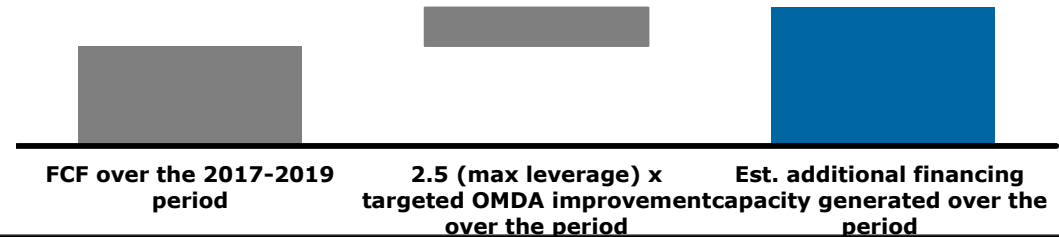
Confirmation of **financial policy**: Mid-term leverage target of **1.5x to 2.5x net debt/EBITDA**

Estimated **M&A firepower** of up to **c.€1.5b to €2.0b+** (1)

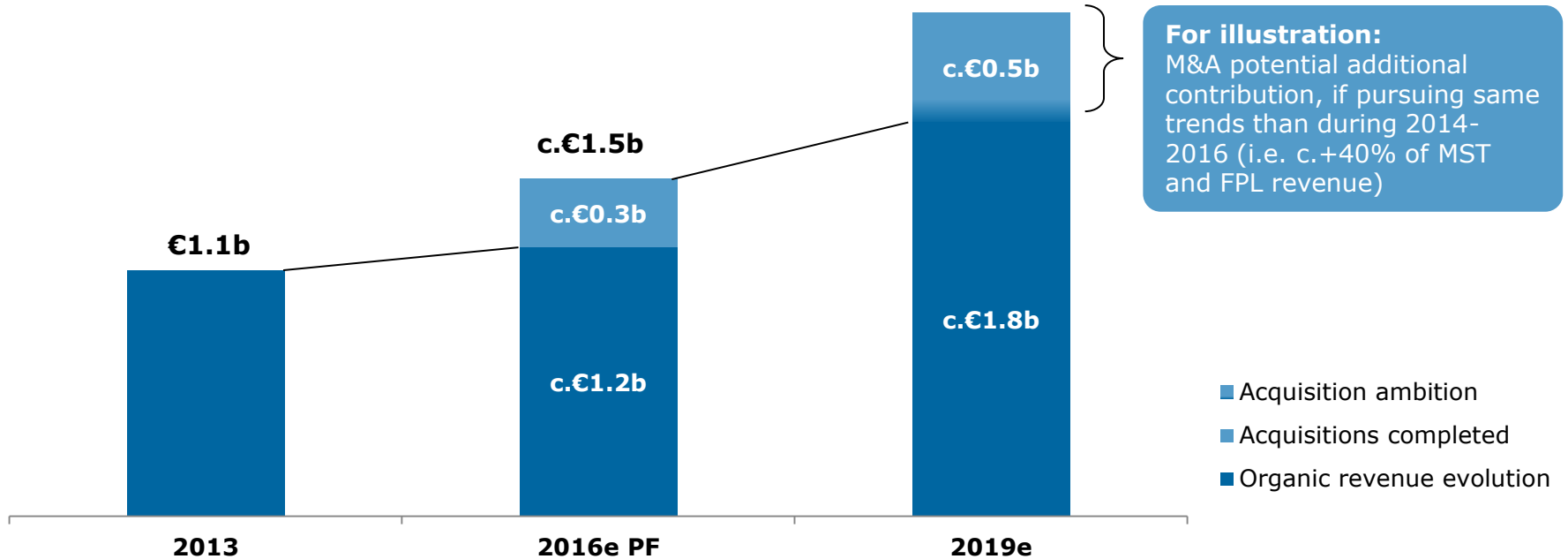
### Immediate available financing capacity



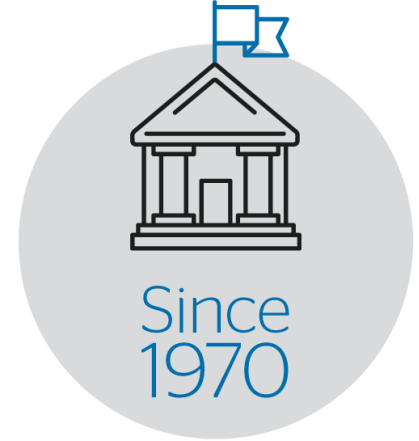
### Additional financing capacity from targeted OMDA improvement and FCF over the period



# A strong M&A ambition over 2017- 2019



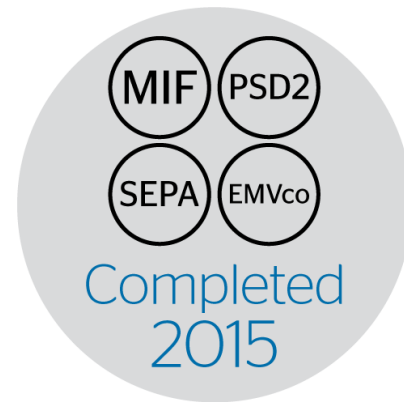
# Single currency and harmonized regulation drove the US consolidation in payments



Annual revenue between \$2b and \$10b



# The European payment industry consolidation journey is just starting...

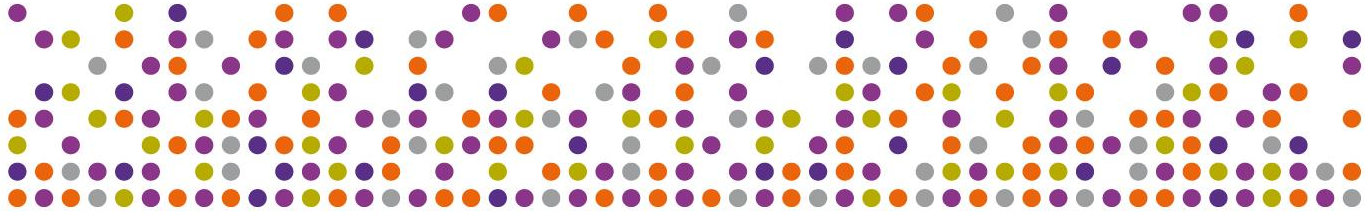


Still 40+ payment processors  
between €50m to €400m of revenue

... while Worldline is one of the very few European recognized natural consolidators



**Worldline with Equens-Worldline Company**  
the European Payment Market Consolidator



# highlights

## third quarter 2016

Gilles Grapinet, Chief Executive Officer





## Q3 2016 key figures

**€ 294.3m**

+0.2% organic

*Revenue*

**€ 1.7bn**

1.4 years  
of revenue

*Backlog*

**€ 40.1m**

*Free cash  
flow*



# Q3 2016 key messages

**Q3** growth performance and cash generation **fully in line with full year objectives**

**A stronger worldline** after the successful closing of the acquisitions of Equens, KB and Paysquare

**Day-One readiness** secured during Q3 for **immediate execution of integration and synergy plans**

# Q3 2016 revenue per GBL

In € million	Revenue Q3			
	Q3 2016	Q3 2015*	Var.	% Growth
Merchant Services & Terminals	101.6	96.7	+4.9	+5.0%
Financial Processing & Software Licensing	107.6	103.1	+4.5	+4.4%
Mobility & e-Transactional Services	85.1	93.9	-8.8	-9.3%
<b>Worldline</b>	<b>294.3</b>	<b>293.7</b>	<b>+0.6</b>	<b>+0.2%</b>

\* At Septembre 2016 constant scope and average exchange rates



## Merchant Services & Terminals

- Consistent growth in *Payment Terminals* supported by international expansion;
- Solid volume increase in *Commercial Acquiring*, with a less favorable price mix than in H1.



## Financial Processing & Software Licensing

- Good volume growth in France and in India in *Acquiring Processing*;
- *Issuing Processing*: strong activity in Authentication services and volume growth on core issuing processing services.



## Mobility & e-Transactional Services

- Double digit revenue growth excluding VOSA and RADAR, solidly in line with previous quarters;
- Very strong momentum in the three divisions *e-Consumer & Mobility*, *e-Ticketing* and *e-Government Collection*;
- Reported growth affected as planned by the termination of the VOSA contract from the end of Q3 2015 and of the RADAR contract mid-June 2016.

# September 2016 YTD revenue per GBL

In € million	Revenue 9 months			
	Sep YTD 2016	Sep YTD 2015*	Var.	% Growth
Merchant Services & Terminals	311.7	288.8	+22.9	+7.9%
Financial Processing & Software Licensing	315.7	302.0	+13.7	+4.5%
Mobility & e-Transactional Services	281.8	282.8	-1.0	-0.4%
<b>Worldline</b>	<b>909.1</b>	<b>873.5</b>	<b>+35.6</b>	<b>+4.1%</b>

\* At Septembre 2016 constant scope and average exchange rates



## Merchant Services & Terminals

- Strong revenue growth contribution from *Commercial Acquiring*, driven by steady volume growth and positive price/volume mix in particular during the first half;
- Successful international expansion of *Payment Terminals*, pursuing solid growth since the start of the year.



## Financial Processing & Software Licensing

- All four divisions contributing to the revenue growth of the first 9 months of the year;
- Good volume growth in France and in India in *Acquiring Processing*;
- *Issuing Processing*: strong activity in payment security related services (Trusted Authentication, ACS, etc.) and volume growth on core issuing processing services.

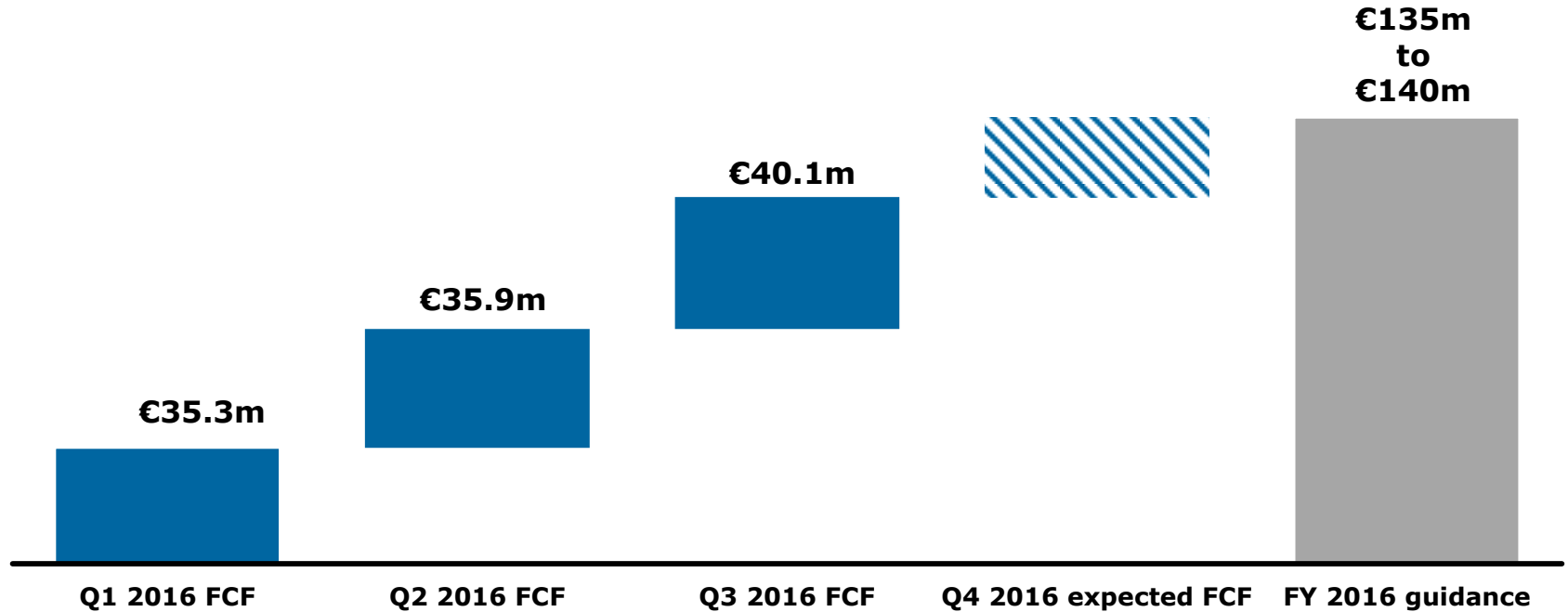


## Mobility & e-Transactional Services

- Reported growth affected as planned by the termination of the VOSA contract from the end of Q3 2015 and of the RADAR contract mid-June 2016;
- Except for these two contracts, strong business development in *e-Government collections*;
- Double digit growth in *e-Ticketing* and in *e-Consumer & Mobility*.



# Free Cash flow well in line with the objectives for the full year





# Q3 2016 signatures

## Confirming the quality of Worldline's product roadmap



### Merchant Services & Terminals

#### Key achievements And business update

- **Pan-European e-acquiring contract with Pizza Hut**
- **Transit fare mobile payment system** for a large french municipality
- **Worldline Store acceptance** solution chosen by **Franprix Leader Price**
- Launch of an internet payment offer based **on Sips for SMEs in the UK**



### Financial Processing & Software Licensing

#### Key achievements And business update

- **International expansion of Worldline's authentication solution** to leading French, German, Danish and Philippine banks
- Worldline's **Payment Modulator** chosen by **Union Bank of India**
- **Launch of "Issuing in a click"** targeting small to mid-sized issuers



### Mobility & e-Transactional Services

#### Key achievements And business update

- **Cross-channel convergence "Contact" solution** sold to a large French health insurer
- **Usage base insurance program "Pay-How-You-Drive"** signed with a **large German car manufacturer**
- Trusted Digitization sold to **GIP Renater** in France (**nationwide secured personal document access platform** for mid and high school students)



## Worldline's FY 2016 objectives fully confirmed with the following Q4 2016 additional contribution from newly acquired companies:

### Revenue

Above +3% on the standalone scope

c. €80 million from acquired businesses

### OMDA %

c.+80 bp vs FY 2015 on the standalone scope

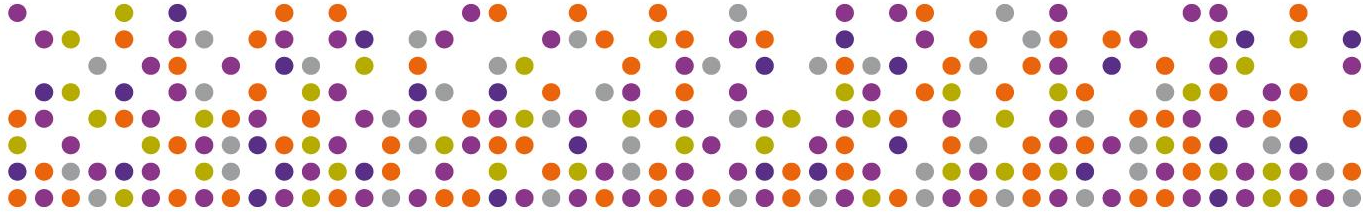
c. €10 million from acquired businesses

### Free cash flow

Between € 135 million to € 140 million on the standalone scope \*

Positive net contribution from acquired businesses

\* Including the exceptional cash-out linked to the Equens transaction costs (c.€12m)



# Thank you

For more information, please contact:

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**worldline**  
e-payment services