

Solid H1 2021 results

Revenue: € 2,272 million, +0.1% organically

Strong recovery in Q2 with +10.1% organically

OMDA: € 531 million, 23.4% of revenue

+130 bps on a comparable basis with fast execution of Ingenico integration plan leading to more than 50% normalized EPS improvement

Free cash flow: € 268 million

OMDA conversion rate at 50%

Worldline to acquire Handelsbanken card acquiring activities

Strategic opportunity to expand Worldline's Merchant Services activities in one of the wealthiest part of Europe

Full execution of the strategic roadmap

Expansion of Merchant Services activities in South of Europe

with the acquisition projects of Cardlink and Axepta Italy

Continuous progress in TSS strategic review in the successful development of recurring activities

2021 objectives confirmed

Bezons, July 27, 2021 – Worldline [Euronext: WLN], leader in the payments industry, today announces its H1 2021 results.

Gilles Grapinet, Worldline's Chairman and CEO said: *"I am very satisfied by the solid performance delivered by Worldline in the first half despite the third wave of Covid-19 that affected our main markets. Indeed, in addition to effective management of our operations and our cost base, our expectations of a strong recovery in volumes from the end of the first quarter have been fully confirmed. The strong momentum recorded in the second quarter should continue throughout the rest of the year, supporting the growth trend of all our different businesses."*

All along the first semester, we made significant progress with the Ingenico integration, confirming the 66 million euros of synergies expected for 2021. It is a key pillar of the profitability improvement of c. 200 basis points this year, on top of the Group operating leverage derived from growth acceleration and efficiency programs.

As importantly, I am pleased to report that we have also made very significant progress on our strategic roadmap. First, an intensive work has been performed on the strategic review of Worldline's payment terminal business enabling to reach significant steps towards its completion expected in 2021. Secondly, we had remarkable successes in our M&A activities with three meaningful acquisitions in the semester; Cardlink in Greece, Axepta Italy, and, announced today, Handelsbanken Card Acquiring, bringing remarkable positions in the South of Europe and in the Nordics. This expansion reinforces the uniqueness of Worldline Merchant Services scale and reach in the European acquiring and acceptance market.

I am very proud of the growing recognition of our company as a preferred partner for banks looking to divest their payment activities and to sign long-term partnerships with us. It has allowed us since the closing of Ingenico to expand the size of our merchant services division by circa 15%. More than ever, Worldline is confirming its position as the reference European consolidator in our industry."

Worldline to acquire Handelsbanken Card Acquiring activities in the Nordic countries

Worldline today announces the signing of a bidding agreement for the acquisition of 100% of Handelsbanken Card acquiring activities in the Nordic countries (Sweden, Norway, Finland and Denmark).

Handelsbanken is a meaningful card acquirer in the Nordic region with above 550 million transactions acquired per year representing a payment volume of c. € 20 billion. The company also serves over 20,000 merchants.

Generating c. € 35 million in annual revenue and with an OMDA percentage above 30%, Handelsbanken Card Acquiring is a well-recognized and regarded payment player in the Nordics with:

- A pan-Nordic addressable market presence;
- A high-quality diversified merchant portfolio, and;
- A long-term merchant relationship with Handelsbanken, one of the leading banks in the region to leverage the existing offering and accelerate the growth profile.

The expansion of Merchant Services activities in Northern Europe represents a significant development in the Group's consolidation strategy in Europe. Driven by digital and eCommerce payment expansion and backed by a solid macroeconomic environment as well as a strong long-term growth potential, the Nordic market is highly attractive and provides strong growth opportunities for Worldline. It represents a rare opportunity to scale-up its platforms and roll-out its innovative solutions in very close partnership with such a leading institution as Handelsbanken.

The key financial impacts of the newly acquired entity on Worldline are the following:

- Additional annual revenue of c. € 35 million at closing with expected double-digit organic growth CAGR over the next 4 years through synergies;
- OMDA margin above 30% expected at closing with upside potential fuelled by operating leverage and expected synergies of c. € 10 million by 2025;
- Estimated cash-out of c. € 195 million at closing based on an c.15x EV/OMDA multiple, and;
- Closing expected by year end 2021, subjected to satisfaction of customary condition precedent.

First half 2021 key figures

For the analysis of the Group's performance, revenue and Operating Margin before Depreciation and Amortization (OMDA) for the first semester 2021 are compared to H1 2020 revenue and OMDA at constant scope and exchange rates. Worldline's first half 2021 key figures are as follows:

In € million	H1 2021 key figures		
	H1 2021	H1 2020	Change
Revenue*	2,272	2,270	+0.1%
OMDA*	531	501	
% of revenue	23.4%	22.1%	+130 bps
Net income Group share	102	53	
% of revenue	4.5%	2.3%	
Normalized net income Group share**	276	115	
% of revenue	12.1%	5.1%	
Free cash flow (FCF)	268	132	
OMDA to FCF conversion rate***	50.3%	53.5%	
Closing net debt	2,939	515	

* H1 2020 at constant scope and exchange rates

** adjusted for (Group share): staff reorganization, rationalization, integration & acquisition costs, equity-based compensation, and customer relationships & patents amortization

*** H1 2020 cash conversion calculated on H1 2020 published OMDA of €246m

**** revised

As planned, the level of activity was very contrasted over the semester with a strong recovery of transaction volumes in Q2 2021 leading to a +10.1% revenue organic growth in the quarter, notably led by the strong rebound of Merchant Services activities with the reopening of economies. It follows a level of activity impacted by Covid-19 related measures and their effects on the European economies in Q1. As a result, Worldline's **revenue** reached **€ 2,272 million** during the **first half of 2021, +0.1% organically**.

The Group's **Operating Margin before Depreciation and Amortization (OMDA)** in **H1 2021** reached **€ 531 million** or **23.4% of revenue** representing an increase of **+130 basis points** compared to H1 2020 at constant scope and exchange rates. The performance was fully in line with the 2021 objective to reach a circa 200 basis points improvement reflects the contrasted revenue evolution over the course of the semester as well as the ongoing integration of Ingenico and associated synergies (€66m planned in 2021), in addition to the 3rd year of the SPS synergy plan (€27m planned in 2021). Over the semester, the Group continued executing its ongoing transformation plans while investing in strategic projects to support future growth and notably the one expected in H2 2021.

Net income Group share stood at **€ 102 million**, representing **4.5% of revenue**. **Normalized net income Group share** (excluding unusual and infrequent items, Group share, net of tax) stood at **€ 276 million** or **12.1% of revenue**.

Free cash flow in H1 2021 was **€ 268 million**, representing a 50.3% cash conversion of OMDA (free cash flow divided by OMDA), in line with the objective of the year to reach a circa 50% OMDA conversion rate into free cash flow.

Group **net debt** at the end of the semester amounted to **€ 2,939 million** compared to € 3,211 million at the end of 2020, mainly thanks to the free cash flow generated over the period.

Focus on Q2 2021 revenue performance

Q2 2021 revenue performance per Global Business Line which is as follows:

<i>In € million</i>	Q2 2021	Q2 2020*	Organic change
Merchant Services	567	478	+18.6%
Terminals, Solutions & Services	313	308	+1.6%
Financial Services	226	218	+3.9%
Mobility & e-Transactional Services	86	79	+9.4%
Worldline	1,192	1,082	+10.1%

* at constant scope and exchange rates

Merchant Services

Merchant Services' level of activity strongly accelerated in Q2 2021 compared to Q1 2021, fueled by transaction volumes recovery related to the reopening of economies. This resulted in revenue of **€ 567 million**, up **+18.6%** organically, with all division contributing to this performance:

- *Commercial acquiring*: strong recovery, benefiting from a solid ramp-up over Q2 with a strong growth in almost all geographies and customer segments driven by acceleration in transaction volumes;
- *Payment acceptance*: steady performance driven by SMB (small and medium businesses) and large retailers recovering with the easing of restrictions and online still growing double-digit fueled by non-Travel verticals;
- *Digital services*: double-digit growth with a good dynamic in our key countries such as Belgium and Switzerland related to retailers' activities.

Commercial activity in Merchant Services was very dynamic in Q2 2021 as the Global Business Line continued to support merchants in the acceleration of their digitization. It notably materialized when the largest European direct distributor of frozen foods and ice cream, Bofrost*, chose Worldline to implement a user-friendly payment solution for the company direct sales channel, representing c.130 distribution drivers in Switzerland. Worldline will also ensure the deployment of a payment gateway and acquiring offering (Credit card processing for online ordering) for RezPlus, a Canadian online food ordering platform.

Over the quarter, Merchant Services continued to reinforce and enhance its offering portfolio, notably through the development of several partnerships such as with the International Air Transport Association (IATA) for which all of Worldline's payment capabilities and services being made available through the IATA Financial Gateway (IFG); with Microsoft to futureproof online businesses against fraud by integrating Dynamics 365 Fraud Protection into Worldline's digital commerce payments suite; and fintechs such as A3BC (Anything Anywhere Anytime Biometric Connection), to combine their patented solution (2FA and biometric protection) with Worldline Authentication.

Terminals, Solutions & Services

Terminals, Solutions & Services' revenue in Q2 2021 reached **€ 313 million**, representing an organic growth of **+1.6%** with a contrasted performance between services revenue up double digit rate while hardware sales remained impacted by the remnants of the Covid-19 pandemic. However, the division is still recording promising commercial opportunities, in Terminal as-a-Service, which should materialize in the coming periods. During the quarter, the main performance drivers of each region were:

- *EMEA*: the region was back to growth in the second quarter benefitting from a good momentum in Western Europe fuelled by the delivery of significant projects while Eastern Europe and MEA suffered from a lower level of activity;
- *APAC*: strong momentum in APAC driven by the Pacific region while SEA remains soft but with a strong pipeline of projects to be materialized in the coming quarters. China domestic market continued to decline on the back of a low investment level from banks. This trend has a low impact on profitability, China being a structural low margin market;
- *Latin America*: solid performance with Brazil delivering a strong growth and other countries fuelled by contract signed and projects' pipeline;
- *North America*: activity stabilizing sequentially after several quarters of strong growth and with Canada suffering from high comparison basis.

Terminals, Solutions & Services commercial activity was dynamic in Q2 with in particular a strong traction on the TaaS offering which materialized in the signature of eight important contracts since the closing of Ingenico acquisition, including long term contracts of three to five years representing a TCv above €100m. This led to a TaaS Annual Recurring Revenue (ARR) now above € 70 million euros. In addition, new deals were won since the beginning of the year with several major banks and acquirers. These deals are expected to be delivered in H2 2021. Finally, the Business Line recorded a significant pipeline covering the end of 2021 and 2022.

Financial Services

Financial Services' revenue in Q2 2021 reached **€ 226 million**, representing an organic growth of **+3.9%**. The business line showed a significant improvement compared to the performance recorded in the first quarter with the following performance drivers per division:

- *Issuing processing*: the level of activity significantly improved compared to the performance of the first quarter, benefitting from higher volumes resulting from reopening of the economy in most of European countries. The activity also benefited from new volumes on new contracts ramping-up;
- *Acquiring processing*: solid performance thanks to transaction volumes recovery related to the reopening of economies in most of European countries as well as the successful start of the run phase of a new contract in France;
- *Digital banking*: continued strong growth across all geographies driven in particular by higher authentication volumes related to acceleration of online transactions, coupled with a high level of project activity over the quarter;
- *Account payments*: stable revenue performance over the quarter. The division pursued its strong development with significant level of project activities and increasing volumes on large contracts.

Among other commercial developments of Financial Services, Luminor Bank, the third largest financial services provider in the Baltics awarded Worldline with a five-year agreement under which Worldline will unify and upgrade Luminor's current ATM network. Partnering with Worldline will allow Luminor to offer a more customer-friendly and newer ATM network for its customers. Worldline will start transferring Luminor's ATMs in Lithuania to their network in June and will complete the switchover by September across the Baltics. Worldline will also start upgrading and replacing the oldest ATMs in August.

Furthermore, the pipeline of commercial opportunities in Financial Services significantly reinforced over the semester, in both quality and value, with a higher proportion of new businesses versus renewal and the qualification of several large outsourcing deals.

Mobility & e-Transactional Services

Mobility & e-Transactional Services' revenue in Q2 2021 reached **€ 86 million**, representing strong growth of **+9.4%** organically. By divisions, main highlights are:

- *e-Ticketing*: very strong growth driven by the robust pick-up in the transportation sector in the Group key countries in Europe as well as higher fare collection in Latin America, coupled with several development projects in the UK, France, and Germany;
- *Trusted digitization*: steady double-digit growth, driven by new projects and improving volumes in France, higher volumes on Tax collection in Latin America, and more project activity on e-archiving solutions in Germany;
- *e-Consumer & Mobility*: modest organic growth as a result of a strong performance in Connected Living fuelled by volumes growth coupled with non-reproducible project activity on eHealth cryptographic solutions.

In *e-Ticketing*, Worldline was awarded a further five-year contract with a large UK train operator to deliver a seamless integration of systems and data flows for 'on-the-day' operational control for running trains, mitigating any disruption and providing real-time train crew visibility and crew management through a mobile application.

In the *Trusted Digitization* space, the French administration for employment and professional training (*DGEFP - Délégation Générale à l'Emploi et à la Formation Professionnelle*) renewed Worldline services for four additional years to operate a service that permit to promote the employment of young people, confirming Worldline strong knowledge and assets for the public sector.

In Mobility & e-Transactional Services, Worldline has also continued to roll-out its next-generation Cloud-based solution "Contact", now supporting customer communications for over 100 European banks, handling more than 190,000 bank cards, and taking around 215,000 calls every month at the Worldline service center.

H1 2021 OMDA performance per Global Business Line

H1 2021 OMDA performance per Global Business Line was as follows:

In € million	OMDA			OMDA %		
	H1 2021	H1 2020*	Organic change	H1 2021	H1 2020*	Organic change
Merchant Services	248	219	+13.1%	22.9%	21.0%	+190 bps
Terminals, Solutions & Services	149	157	-5.1%	25.7%	25.0%	+70 bps
Financial Services	127	130	-2.0%	28.8%	29.6%	-80 bps
Mobility & e-Transactional Services	25	23	+8.7%	14.8%	14.2%	+60 bps
Corporate costs	-17	-28	-36.7%	-0.8%	-1.2%	+40 bps
Worldline	531	501	+6.0%	23.4%	22.1%	+130 bps

* at constant scope and exchange rates

Merchant Services

Merchant Services' OMDA in H1 2021 amounted to **€ 248 million, 22.9% of revenue**, representing an improvement of **+190 basis points**. Despite the severe impact of Covid-19 on Q1 revenue, the Global Business Line was able to strongly improve its profitability thanks to the growth acceleration in Q2, the materialization of the first synergies from the integration of Ingenico, and incremental synergies resulting from the third year of the SIX Payment Services integration program, as well as cost control actions implemented early during the year and the impacts of transversal productivity continuous improvement actions.

Terminals, Solutions & Services

Terminals, Solutions & Services delivered a solid improvement of **+70 basis points** of its OMDA margin, reaching **25.7% of revenue** and **€ 149 million**. This improvement was partly driven by a positive product mix as well as transformation and cost savings plan initiated in 2020.

Financial Services

Financial Services' remained the most profitable Global Business Line of the Group in H1 2021 and continued to significantly improve its cost base while making investments in key transformation projects to maintain structural profitability improvements. As a result, OMDA margin reached **€ 127 million**, representing **28.8% of revenue**.

Mobility & e-Transactional Services

Mobility & e-Transactional Services' OMDA reached **€ 25 million**, representing **14.8% of revenue**. The Business Line benefited from the positive business trend in e-Ticketing, mainly in the UK and LatAm market fuelled by transaction recovery post-Covid. It has been able to leverage the scalability of product investments plans and a tight costs management to improve its profitability by **+60 basis points** overall.

Corporate costs

Corporate costs decreased significantly as a result of ongoing action plans at corporate level as well as the effect of the first synergies delivered on the Ingenico integration.

Progress of the integration of Ingenico

The integration process of Ingenico is on track and Worldline fully confirms the € 66 million in synergies expected for 2021. All workstreams are progressing as planned with notably the ongoing merger of headquarters ongoing to be achieved in Q4 2021, and numerous other real estate convergence programs launched together with the successful deployment of an internal mobility program, enabling reskilling of staff to new positions.

The transformation of support and back-office function is also reaching significant steps with the harmonization of key internal IT processes and systems as well as the definition of the new CRM solution to foster efficiency of the end-to-end sale process, for an implementation in 2022. The launch of payment platform harmonization programs have been initiated; notably on the infrastructure layer (datacenter consolidation program, network unification) and towards the convergence of acquiring and acceptance platforms.

Payment terminals business strategic review on-track with initial schedule

An intensive work has been performed in the strategic review of Worldline's payment terminal business - Terminals, Solutions & Services (TSS) - and continuous progresses have been achieved. This review is well on track and Worldline intends to have completed it in 2021.

2021 objectives fully confirmed

After the materialization of the scenario expected by the Group in H1 2021, Worldline confirms its underlying hypothesis for H2 2021, as follows:

- Ease of domestic restrictions with end of lockdowns for non-essential merchants, end of curfews and borders' restrictions;
- Intra-European travels fully allowed and progressive return to normal level of travel flows;
- No significant intercontinental travel.

These assumptions should lead to circa double-digit organic growth in H2 2021.

Based on H2 2021 revenue trend scenario described above, the Group confirms its 2021 objectives as follows:

- **Revenue organic growth:** At least mid-single digit
- **OMDA margin:** c. +200 basis points improvement vs. proforma 2020 OMDA margin of 23.9%
- **Free cash flow:** c. 50% OMDA conversion rate

Investor Day

Worldline is pleased to announce the presentation of its new 3-year plan at its Investor Day to be held in Paris on October 27th, 2021. All details will be provided in the months to come.

Appendices

H1 2021 revenue by Global Business Line

<i>In € million</i>	H1 2021	H1 2020*	Organic change
Merchant Services	1,083	1,044	+3.8%
Terminals, Solutions & Services	579	627	-7.6%
Financial Services	442	438	+0.8%
Mobility & e-Transactional Services	168	161	+4.3%
Worldline	2,272	2,270	+0.1%

* at constant scope and exchange rates

Reconciliation of H1 2020 statutory revenue and OMDA with H1 2020 revenue and OMDA at constant scope and exchange rates

For the analysis of the Group's performance, revenue and Operating Margin before Depreciation and Amortization (OMDA) for H1 2020 are compared with H1 2020 revenue and OMDA at constant scope and exchange rates. Reconciliation between the H1 2020 reported revenue and OMDA and the H1 2020 revenue and OMDA at constant scope and foreign exchange rates is presented below (per Global Business Lines):

<i>In € million</i>	Revenue			
	H1 2020	Scope effects**	Exchange rates effect	H1 2020*
Merchant Services	483.6	+569.7	-9.4	1,043.9
Terminals, Solutions & Services	0.0	+657.1	-30.5	626.6
Financial Services	442.7	-2.5	-1.8	438.4
Mobility & e-Transactional Services	163.0	-	-1.6	161.3
Worldline	1,089.2	+1,224.4	-43.4	2,270.2

<i>In € million</i>	OMDA			
	H1 2020	Scope effects**	Exchange rates effect	H1 2020*
Merchant Services	103.3	+117.8	-2.1	219.0
Terminals, Solutions & Services	0.0	+162.0	-5.0	157.0
Financial Services	130.9	-	-1.0	130.0
Mobility & e-Transactional Services	23.0	-	-	22.9
Corporate costs	-10.9	-16.7	-	-27.6
Worldline	246.3	+263.1	-8.2	501.2

* at constant scope and June 2021 YTD average exchange rates

** at June 2020 YTD average exchange rates

Scope effects are related to the consolidation of Ingenico, and to a lesser extent of GoPay. Exchanges rates effect is due to the Euro appreciation versus most of international currencies.

Conference call

The Management of Worldline invites you to an international conference call on the Group first semester revenue, on Tuesday, July 27, 2021 at 8:00 am (CEST – Paris).

You can join the webcast of the conference:

- on worldline.com, in the Investors section
- through this link : <https://edge.media-server.com/mmc/p/7ojw7wqy>
- by telephone with the dial-in:

United Kingdom (Local):	+44 (0) 8444 819 752
France (Local):	+33 (0)1 70 70 07 81
Germany (Local):	+49 (0)69 2222 2625
United States, New York (Local):	+1-646-741-3167
Standard international:	+44 (0)20 7192 8338

Confirmation Code: **8934748**

After the conference, a replay of the webcast will be available on worldline.com, in the Investors section.

Forthcoming events

- October 26, 2021 Q3 2021 revenue
- October 27, 2021 Investor day

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About Worldline

Worldline [Euronext: WLN] is the European leader in the payments and transactional services industry and #4 player worldwide. With its global reach and its commitment to innovation, Worldline is the technology partner of choice for merchants, banks and third-party acquirers as well as public transport operators, government agencies and industrial companies in all sectors. Powered by over 20,000 employees in more than 50 countries, Worldline provides its clients with sustainable, trusted and secure solutions across the payment value chain, fostering their business growth wherever they are. Services offered by Worldline in the areas of Merchant Services; Terminals, Solutions & Services; Financial Services and Mobility & e-Transactional Services include domestic and cross-border commercial acquiring, both in-store and online, highly-secure payment transaction processing, a broad portfolio of payment terminals as well as e-ticketing and digital services in the industrial environment. In 2020 Worldline generated a proforma revenue of 4.8 billion euros. [worldline.com](https://www.worldline.com)

Worldline's corporate purpose ("raison d'être") is to design and operate leading digital payment and transactional solutions that enable sustainable economic growth and reinforce trust and security in our societies. Worldline makes them environmentally friendly, widely accessible, and supports social transformation.

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Revenue organic growth and Operating Margin before Depreciation and Amortization (OMDA) improvement are presented at constant scope and exchange rate. OMDA is presented as defined in the 2019 Universal Registration Document. All amounts are presented in € million without decimal. This may in certain circumstances lead to non-material differences between the sum of the figures and the subtotals that appear in the tables. 2021 objectives are expressed at constant scope and exchange rates and according to Group's accounting standards.

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