

Worldline signs a strategic partnership with BNL in merchant acquiring in Italy

- **Creation of a joint venture with BNL banking group through the acquisition of 80% of Axepta Italy based on a € 220 million enterprise value**
- **Commercial partnership aiming to leverage BNL's banking network in order to distribute Worldline's payment products and services to customers of the bank.**
- **Strategic opportunity to expand Worldline's Merchant Services activities in the very promising Italian market**
- **Axepta in Italy, a significant bank acquirer in the country, has strong positions with:**
 - **c. 200 million acquiring transactions per year from c. 220,000 POS**
 - **c. 30,000 merchants portfolio with more than 60% being SMBs**
- **High growth and synergies potential, by combining Axepta Italy existing presence with Worldline' scale and best in class offerings**

Bezons, July 1st, 2021 – Worldline [Euronext: WLN], a global leader in the payments industry, today announced the signing of a binding agreement for the acquisition of 80% of Axepta Italy, the merchant acquiring entity of BNL banking group in Italy.

Gilles Grapinet, Worldline's Chairman and CEO, said: *"The partnership with BNL through the acquisition of 80% of Axepta Italy is a further significant development in our Group consolidation strategy in Europe, extending our Merchant Services activities towards the South of Europe. Thanks to this transaction, we indeed benefit from a direct access to an existing merchants' portfolio in the fast-growing Italian market, driven by the steady ongoing adoption of electronic payments. This transaction offers attractive growth opportunities for Worldline in the coming years and a strong footprint to further expand our Merchant Services activities in Italy."*

We are extremely happy to welcome soon more than 100 new Worldline's colleagues, managers, and payment experts and to work hand in hand with BNL to further jointly accelerate the development of the business of our joint venture in Italy.

As the European leader in payments, we keep executing our strategic roadmap with a focus on value-creative consolidation opportunities to enhance Worldline scale, reach and direct presence in a growing number of countries in close partnership with leading local banks."

Marco Tarantola, BNL's Deputy General Manager, said: *"Through this partnership, BNL aims to pursue its specialization's journey in payment solutions initiated during the last years with Axepta, after having acquired in 2016 100% of the JV, BNL positivity created in the past with another player. The Worldline's footprint as well as its expertise ensures a high standard of service level, quality and performance of its payment solutions. This will allow us to propose to our customers a broad range of products, services and payment solutions, permanently in evolution thanks to innovation and new technologies' best use."*

Italy: one of the most attractive payment markets in Europe

Italy is a highly attractive and strategic market for Worldline. The country is the third largest euro economies in Europe with a cash penetration that remains high with cash accounted for close to 78% of total payment volume in 2020.

The Italian payment market shows attractive growth opportunities driven by the shift from cash to card and electronic payment adoption, supported by a solid acceptance network and one of the highest POS density per habitants in Europe as well as recent initiatives to push payment card usage and strong growth for e-Commerce, in particular during the peak of Covid-19. Transactions acquired are well balanced by card type (Credit cards, PagoBancomat, and Debit & Prepaid).

As an additional very compelling characteristic, Luxury and Retail market is one of the most important sectors of the Italian economy and a key pillar of its economic growth. In addition, with close to 100 million tourists per year, Italy is one of the most visited countries in Europe and in the world. This represents a very attractive feature of the Italian payment market offering numerous additional growth opportunities in a post-Covid context by leveraging the very rich Worldline portfolio of Luxury & Retail and Travel & Hospitality solutions.

Acquisition of Axepta Italy, the merchant acquiring entity of BNL in Italy and a significant stand-alone bank acquirer in Italy based on a long-term commercial partnership

Founded in 2006, Axepta Italy is the merchant acquiring entity of BNL in Italy and one of the large bank-owned acquirers in the country. It acquires c. 200 million acquiring transactions per year (c. 5% market share in MSV) from a c. 220,000 POS acceptance network.

Lead by Stefano Calderano, the Axepta CEO, and an experienced management team committed to continue, Axepta employs more than 100 employees. It provides international payment solutions for all channels (online, mobile or in-store payment solutions) and serves c. 30,000 merchants of which more than 60% being SMBs and close to 30% being large corporates. Overall, Axepta Italy merchant's portfolio is highly diversified and presents a very low attrition rate.

As part of the transaction, Worldline will enter in a long-term commercial partnership with BNL aiming to leverage its strong banking network as a key commercial channel in order to distribute Worldline's and Axepta Italy best-in-class payment product and services.

In the continuity of Worldline's existing partnerships with more than 17 banks and banking federations (regrouping c. 100 adherents) in Italy, such a strategic alliance is another proof point of Worldline's bank-friendly Merchant Services expertise, aiming at strong value creation for partnering financial institutions. The joint venture is designed to be an open vehicle for welcoming existing partners and other Italian banks willing to benefit from delivery and servicing excellence, combined with scale and competitive cost structure.

Strategic rationale

In the rapidly changing industry, driven by the customers' adoption of numerous and innovative payment methods, Axepta Italy and the partnership with BNL are the ideal cornerstone to accelerate Worldline's go-to-market in the country by deploying the Group's payment offering and value-added services capabilities in order to provide the best-in-class customer proposition and user experience across all segments in Italy.

This partnership represents an opportunity for Worldline to strongly expand its Merchant Services activities in this attractive European market with an existing and high-quality merchants' portfolio, while generating significant growth opportunities fueled by increasing card penetration and online capabilities, allowing the entity to grow revenue at a double-digit rate in the coming years. This accelerated growth rate will be delivered through, in particular, the roll-out of Worldline SMB offerings, the expansion of its local acquiring capabilities to provide a comprehensive European footprint for large international and national customers, and the deployment of strong e-commerce and omnichannel solutions.

Furthermore, a robust integration and development program will be implemented at closing to further improve profitability rate through operating leverage and costs efficiency.

Impacts of the transaction on Worldline

The key financial impacts of the transaction on Worldline are the following:

- Additional annual revenue of c. € 50 million at closing with expected double-digit organic growth CAGR over the next 4 years;
- OMDA margin of mid-to-high teens expected at closing, aiming to catch-up with Worldline's Merchant Services profitability, fueled by operating leverage and expected cost and revenue synergies of c. € 15 million by 2025;
- Estimated cash-out of c. € 180 million at closing (for 80% ownership), preserving Worldline's financial flexibility;
- BNL to retain a 20% ownership in Axepta Italy, and;
- Closing expected end of 2021 or beginning 2022, subjected to satisfaction of customary condition precedent.

Forthcoming events

- July 27, 2021 H1 2021 results
- October 19, 2021 Q3 2021 revenue

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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

Worldline's corporate sense of 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. We make them environmentally friendly, widely accessible and support social transformation.

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