CAPITAL MARKETS DAY 2025

Thursday, 6th November 2025

Payments to grow your world

David Daly: So now we have the time for a good Q&A. Just a quick reminder how it works. If you're here in the room, some of you already raising your hands, raise your hand. We'll get a mic to you. If you're online below where the webstream is, you should have a box where you can enter into the chat your questions, and then they will come to me and I can read them out on stage. Just in the interests of fairness and trying to get around as many of you as possible, I would ask that you please limit yourself to two questions. And also, when asking your question, if you could just start by introducing yourself and letting us know which company you represent. And so then I think we should kick off. Perhaps we can begin with the gentleman who already has the mic in his hand halfway at the back there.

Animeoto (ODBI Shift): Hello? Hello. Let's see if it works. Yes, you can hear me well.

David Daly: Yeah. We can hear.

Animeoto: Animeoto from ODBI Shift. Thank you for this presentation. This road map. So two questions. First, a significant part of your incremental North Star contribution is based on the convergence of your platforms. What makes you confident to succeed in? It seems very complex considering that job was not done before at Worldline.

And my second question; you don't speak about Crédit Agricole in France and your joint venture. Maybe we can have an update on it. And what level of contribution do you expect from this joint venture for your roadmap in the next five years? Thank you very much.

Pierre-Antoine Vacheron: Okay. So I think I kept a few on the one.

Srikanth Seshadri: No, I'll leave it.

Pierre-Antoine Vacheron: Okay. So on the platform convergence, I would say the paradox is that a lot of the preparation has been done over the recent years. I mean, the fact that we have those target platforms that have been identified on which we have reinvested in terms of functionality to make sure that they were meeting the needs of the market is something which is an asset now for us. The second element is that, as you've seen this year, there is an increasing momentum in terms of termination of non-target platforms. And what we see in our in our backlog to some extent, if I may say so, is that a lot will happen again in 2026, because we are ready for most of what has to be done in 2026. And so we know that ‘26, ‘27, ‘28, we will have done, and based on what has been done, we have good level of comfort. And then ‘29, ‘30 will be more the financial services convergence, because the commitment we have with the banks drives us to ‘29, 2030 because obviously the banks it's more it's more complex. So nothing is granted. But I think that where we stand today, we are quite clear and quite robust in the assumptions for ‘26. And we are we've been gathering the commitments of customers, especially the enterprise customers typically between the Legacy pltform on e-commerce in France towards, towards GoPay. And on the acquiring, we know what we will do in terms of convergence in ‘26, especially starting with the Italian market.

So that's on convergence. And convergence is not rocket science. You just need to have the right features available for the local markets because that's the way it works, and then to take your customers sometimes by the hand when it's a large merchants, or sometimes it's just a different APIs on which they need to integrate so that they move to your acceptance platform. So once we are mature enough, and which is the case, once your scope is stable, which is the case, you can deliver easier.

The second question, Credit Agricole. So I mean here again the situation was a bit stuck at the beginning of this year, to be honest. Since then, we've been moving quite well. So now GoPay is distributed within the Credit Agricole branches, thanks to CAWL. We are starting probably in Q3 this year, the distribution of in-store solutions to small merchants. And we are expecting hopefully by the end of the year the license from the local regulator, the ACPR, to start acquiring out of CAWL. Is it meaningful in ‘26? The answer is clearly not. It will be even negative in terms of cash flow generation. So it will be a ramp up that will be progressive in the years ‘27 and more ‘28, ‘29. So do not over-speculate on the magnitude of impact of CAWL. But the partnership is doing well.

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Havid Ray (CIC Market Solutions): Hello? Yes. Is that on? I don't know if I'm on my side. Could I? Yeah. Thank you. This is Havid Ray from CIC Market Solution. Thanks again for the presentations, very energetic and we hope best wish of success, basically, in those challenges. Coming to my two questions. The first one is back to convergence because a big part of the savings is linked to that. So obviously we will scrutinise that pretty strongly. What in your view are the biggest challenge there to do this convergence, and why the banks and the financial services will make so much time to transfer? What are the constraints on their side that prevent you to accelerate the convergence? Because as you said, it's not rocket science. So that's my first question.

And the second question is more regarding to the cash and where does the cash sit. So in the new pro format model, so if we exclude your divestment, so I guess you have 1.1 billion cash if I'm correct. In that, how much will sit at the holding level? How much will sit at the subsidiary level and how much do you keep to – you need to keep as a subsidiary level? And should we expect that level kept for working capital and subsidy level to be reduced as you converge towards lower number of platforms? Thank you.

Pierre-Antoine Vacheron: Okay. So maybe I will go quickly on the first question focusing on financial institutions. So I mean – and I've known that from the inside when I was at BPCE. I mean, typically if you take a card-issuing solutions, you need to embed this solution into your core banking, you need to embed your solutions into the mobile app and the digital journey of the bank. So it's it touches many fronts of the banks as such. And you know the IT of the bank, I mean it's a bit traditional, so it takes some time. They have issues in terms of priority as anyone and so on and so forth. And so – and that's also my experience. I mean, migrating from one platform to another platform, it's some kind of two-year journey.

Srikanth Seshadri: On the cash, what we presented over the Q3 was €500 million in subsidies, which was not part of the cash pool. And what I did say during the Q3 is we were taking actions to reduce that number down. And we'll continue to work on that number. And I expect that to normalize around 300 million to work for our subsidiaries working cap needs and centralise as much as possible, either through dividend upstreaming or through putting them into the cash pool.

And your second question was on the level of minimum cash we need. I said during as well, during the Q3 call, that it could be anywhere between €600-€750 million. I would still keep that range until we have stabilised on our business in terms of cash flow generation. We have headroom in order to keep that. And again, I'm two months into the role. I need to understand better our entire volatility. And then that's something that we will continue to optimize. But for now I'll keep that.

David Daly: To the gentleman. Just, yes, midway back. Thank you.

Mohammed Moawalla (Goldman Sachs): Thank you. It's Mohammed Moawalla from Goldman Sachs. I have two questions and one clarification. Firstly, thank you for the presentation. Again, back on the platform convergence, you're obviously – it's a pretty ambitious plan to kind of streamline. In the payment industry, many have kind of tried. And we've seen very few – at least I have no recollection of a truly successful kind of convergence and transformation plan. So kind of why does it work? And one of the other things I've seen is your CapEx suggests it's going to be broadly kind of similar over the period, whereas others like Worldpay, I think Nexi kind of called out, at least in medium term step up in that CapEx, which obviously then drives down maintenance CapEx over time. So why would that be the case and why you wouldn't need to perhaps spend more on CapEx?

Second question is on – obviously, SMB is a large chunk of the business. We've seen the kind of concept of platforms really take off in the North America market. It's starting to come to Europe. So it's not just competing against the likes of a SumUp, but you see Shopify, Adyen, Stripe pushing down. Again from a kind of competitive differentiation standpoint, what are you doing to stand up against that competition? And then my clarification was on the cash restructuring charge, Srikanth, is that roughly about 90 million cash cost to generate the 210 of synergies, or is it more in line with the cost savings?

Srikanth Seshadri: Should I take the first one? So to generate the 210, the plan is costing us €205 million. We had only the first two blocks that was put. But it was it's going to cost us 205 to generate 210. And the 210 as well, we had a figure of 620 million, which will be the full return over the period moment, Mohammed. And you had another question on the –

Mohammed Moawalla: No, that was the question.

Pierre-Antoine Vacheron: Okay. So on the convergence again, I mean, it is just a question of discipline on that front. And I mean, the opportunity that we have to some extent is that we are such low level of expectations in terms of growth and cost reduction in the very short term that we afford, and we can afford what those who are still in a very high level of guidance cannot afford. I mean, I've been in this industry for a long period of time. I mean, doing, I mean executing convergence, that works. I've done some when I was at BPC. We've done some at Worldline. Candice has done some in their previous role. Again, there is no magic. It's just the fact that when you do that, it's an effort. It's a cash out and you need to make that happen. But again, the good thing and the good news in where we stand today is that a significant part of the effort has already – is already behind us. Just to give you an example. Between the Ogun, Legacy and the GoPay platform – so that's more or less the same the same product, I mean, we just have a remaining book of one third of the portfolio of Ogun to migrate to the to the target GoPay. And that will take one quarter, and if I'm correct in 2026. So that's the answer. I mean, the proof will be in the pudding, but that's basically the answer.

On SMB under the control of Joachim, I would say that – I mean, for sure, we are taking the wave of DICs the platforms that you are referring to. As you can see, we are not starting from nowhere. It's already 20% of our go-to-market in SMB. What we have today is the multi-local presence, which is in a fragmented market like Europe, which is a real, real asset. And if you take the European market, the ISVs are much less strong than in the US or in the UK because it's such a tiny market each time where you need to invest on the local specificities of the local market, including in terms of VAT, well-working payment methods and so on, so forth, that the ISVs that are successful in most of European markets are local, domestic ISVs. And this is where we have edge as compared to Adyen or Mollie because of this very detailed footprint. Then what we miss today, what we were missing is this Worldline for Platform solution that Mollie has, that Adyen has, and that we have through OPP and in which Worldline invested a few years ago that we now have – and where we have made the bridge between EMV solutions so payment terminals and/or GoPay when it – to accommodate this type of products. And we did sign in the last two months, I think, three distributors, three ISVs which like our solution as well as they would have liked to one of Mollie. And so once we are at par with this solution, then remains the multi-local footprint, which is our USV.

David Daly: Yes. You sir, at the front.

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Fred Willard (Bank of America): Hi, Fred Willard, Bank of America. Two questions, please. First of all, if we can come back on the capital increase. So you mentioned strategic flexibility, stronger financial position backing from reference shareholders. But if we can be a bit more precise on the rationale of raising half a billion with shares at all-time lows, considering a high cash position, high liquidity, upcoming proceeds from asset sales. So can you share a bit with us what you want to do precisely with that cash?

And secondly coming back on the June saga, if you can update us on any review of your orchestration platform, any further thoughts on potential areas that you might reconsider, any legal processes going on? Thank you.

Srikanth Seshadri: Thanks for the question. One of the key areas that we wanted to also say, as we mentioned, was to reinforce our capital structure. You've seen our secondary bonds trading percentages, which have been extremely high. And we are also on an S&P with a BB with a negative outlook after having been downgraded two notches over the summer. And our 2026 cash flow was not looking good neither. So with having that peace of mind to fund the transformation plan and to stop the negative spiral in terms of our rating, because one of our key vectors to grow as well is financial services like we have said, we want to be seen as – and we've seen that we are systemic in the payment system, we need to have a rating which commensurate with the responsibility we have in that regard. So this was the first step for us to shore up our balance sheet, make sure that we have a capital structure which is stronger, and then progressively we can start stabilising our rating with the cash flow generation in the future and gives us a bit of runway for 2026, without which I think we would have continued with our downward spiral. And we wanted to short circuit that.

Pierre-Antoine Vacheron: Okay. So on your second question. So obviously this media campaign has been – I mean, a real destabilisation for the company in terms of brand. And that's the reason why quite quickly, I think, it was day three of the of the crisis we decided to do external assessments on our risk framework and the way it is implemented. That was Oliver Wyman. And second, on the portfolio of merchants. The outcome of that, I mean, we've been quite clear, I think last week or ten days ago, the framework is fine. It's in line with the benchmarks. The rules are defined, the processes are defined. We are on the benchmark. What remains is the standardisation among our various regulated entities, which is extremely important to ensure the robustness of the way we control our controls, if I may say so. And so that's one topic, which is to make sure that we centralise more the way the policy of the group is implemented, is enforced in the various regulated entities so that when we do the controls, it can be industrialised and it's not a handy type of control.

The second topic that remains is that in terms of industrialisation of our processes for the KYC, for DODD, for transaction management, we are not industrialised enough, which is a bit linked to the first point, this excessive decentralisation of our setup. And that's why a significant part of the plan is linked exactly to that. Say, okay, now we do that centrally, we will do that out of our GCC in Poland where we can industrialise. And that's all the plan presented by Candice. So what does it mean ultimately is that first we have some remediation to be done because we still have some stocks of ongoing due diligence which are not up to date. And that's a cost that we will face still in 2026. As Srikanth said, there is CapEx in the plan to have this industrialised solution ready. But the good news behind that, if I may say so, is that even if we are not fully standardised when we do the audit of our merchant portfolio, would it be the high risk portfolio or the overall portfolio, which is what accuracy has done in the meantime. The conclusion was very clear on the fact that there was no – and you always have some merchants which are not in line with your rules or your risk appetite, but they have confirmed that it was extremely marginal in all our regulated entities. So the picture is very clear for us, and I hope it is now for you. And as we said, I mean – and I'm coming from a bank, Madalena is coming from the banking system, Joe is also I mean, very senior and experienced in this in that topic. I mean, there is no compromise on that front for us. And that's why we are putting all that money in '26 to fix that once and for all.

Then there is the question of what are the implications of all this media story for you with the regulators, with the legal proceedings and so on and so forth. So obviously, we've been welcoming many regulators in various entities who wanted to understand what happened, if they had missed something, and so on, so forth, with special focus, I would say, on the Belgian one. So we will see what comes out of that. We are obviously cooperating with them as much as we can, but the important information is that we don't have significant issues in terms of high-risk merchants in our portfolio. And then there are some legal proceedings that as you know, some have been announced, naturally initiated in Belgium, some are making progress in Germany. And that was in the news yesterday. We'll face that. I mean we are quite clear on where we are today. And then we will manage as much as we can.

David Daly: I'm going to take one of the questions from online, and then we'll have a couple from the room before we wrap up. So online, someone has asked, where do your cost savings come from? Is it people costs, IT spend, lower external spend or other areas?

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Srikanth Seshadri: So again, from the from the North Star, where we are talking about GCC, it is of course, a kind of concentration or reducing the fragmentation. And it provides us an optimal way to leverage a lower cost of execution in the way of working and through automation. So there is a people cost which is a factor. And on the top line as well, we've talked about the business mix where we want to rebalance and that starts protecting our contract margin, that provides us – and the scheme fee optimisation as well we've talked about. And that has two vectors. There's a part in the organic portion that I presented. And of course as Candice was talking about, there is a 20% of the 200 which is in the revenue management in terms of growth. So we are attacking both the top line profitability as well as our cost base structure in order to optimise. And of course, subcontractors is part of our cost structure, and that should automatically be a reduction as a result of our plan.

David Daly: Now the sorry, did you want to add?

Pierre-Antoine Vacheron: Yeah, maybe just to add to be to be very clear. So obviously that means reduction of headcount, especially in Western Europe. The way we see it, considering the staged approach that we have for this plan, is that it will be cost reduction – a headcount reduction of something like 6-7% per year in Western Europe, which is something that is, I would say, quite much easier to manage because we have the natural churn, the natural turnover of our headcount. We have reskilling opportunities that creates some potential to re-employ people or to change their roles. So we are to some extent – and that's also, as I said, a way that we have to reduce the restructuring costs and to make that much more acceptable by the organisation. So it's not that we do that slowly because we are – we don't want to face the situation. It's more that the way we have designed the plan, as a consequence, will help us to manage this evolution of headcount in a more smooth manner.

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David Daly: I think looking at the time, we'll probably have to just have one final question from the room. But you, sir, you've been waiting very patiently. So yes, please go ahead.

Justin Forsyth (UBS): Awesome. Thank you very much. This is Justin Forsyth from UBS speaking. Thank you for the presentation and the day. A couple of questions on my end here, if you don't mind. So first, I wanted to talk a little bit about, Srikanth, the plan for next year. So again we've got a few different components in there. I think the low single digit growth in revenues, we've got EBITDA declining. I wanted to focus on two other components to get to the free cash flow, which is the restructuring really. So maybe you could just talk about – 40 million, I think cash out next year. Can you just talk about one, the components of restructuring in cash that you're going to be spending next year? What is it that you're actually spending on? And by historical standards and the context of other companies, it seems like, honestly, quite a low amount of restructuring. I know you have more phasing, and that's what I wanted to understand as well, is I think you mentioned in response to another question, 205, overall, I believe I saw on the slides the 90 that was mentioned by the prior analyst. Can you just help us understand what the delta is there?

And Pierre-Antoine, a question for you. You used to run Ingenico e-payments. Obviously, that's still part of the business as it exists today. I mean, maybe you could talk a little bit about what you came back to. I mean, has it changed at all? Has it improved? Have there been innovations? And what is the competitiveness of that solution set within the market, whether it's Global Collect? I mean, you talked about upgrading the API. It seems from afar that these solutions are some of the solutions which are losing share in the market. So maybe you could just articulate your prospects for that business going forward and how it's changed since your time at back from 2017, 2018?

Srikanth Seshadri: Right. So the 200 million we're talking about as restructuring costs is related to the North Star 2030 plan. And therefore that relates to those four pillars we talked about. When you look at the 2025, where we had €250 million of restructuring, out of that, we had something like €90 million related to the Power24. And while that dies down to something like €10 million in 2026, we still have a substantial amount of restructuring costs which are already engaged, and we'll continue to have a base level of restructuring costs or, let's say, integration costs, which is based on our IT systems for finance applications or we had some regulatory costs in terms of the investigations we've been doing it in Germany for the last couple of years. So there are costs on top for 2026. We are still looking at a 170, 180 million of restructuring, rationalisation and integration costs, that's weighing down. So while the while the Power24 80 million goes down, what I was mentioning was that 35 million of that is being taken up by the North Star 2030. We do have other rationalisation and integration costs already engaged, which we'll need to have as a cash out, but progressively, that starts to reduce and we start going in around an 80 million run rate, 50-60 million coming from the North Star and 2030 on top. So that's really – and then we finally come down to a 20 million at the end. So that's a gradual reduction. It's not like we go from 250 to 40 tomorrow and then 20 day after. I just wanted to clarify that.

Justin Forsyth: Thanks. And the one other part of the question I meant to ask you and just slip my mind at the minute was the RCF. I mean, you've got, what, a billion in capacity. Why is that undrawn? Like if you have such potential challenges and liquidity, like, why not draw on the RCF at potentially a lower cost to your shareholders?

Srikanth Seshadri: There is no there is no covenants on the RCF. Again, it's not so much about – I think by just drawing on the RCF is not going to help us reduce the leverage of the company. It's going to provide us liquidity but not leverage. For us, the issue is leverage as to – if you see how the bond market is dealing with it, it's not normal. And it's not just a liquidity concern, I would think.

Pierre-Antoine Vacheron: Yeah. So on your question. You have good memory. I think the two main evolutions of Global Collect as compared to my first time, if I may say so, they did invest a lot on the platform. So the new API, the new portal, the new back office that were the projects that we have to be more competitive on this market. And they've done it. So they did – they executed my dream, if I may say so. And the second thing they've done well has been to focus on the segments on which they wanted to compete and to narrow down the dispersion in terms of geographies, in terms of teams that were a bit everywhere. So typically they managed to – and that's one of the platforms or two of the platforms that we have shut down this year, which were two platforms in Latin America. And they managed to repatriate most of the customers to Global Collect, which means that we have – we are reducing the cost because we don't need to have the guys to run those platforms. So I think that's the point today. They are quite competitive on those verticals on which they are, and the challenge now for the team, because we are also quite strict on the risk appetite that we have there because it's heavy merchants in terms of risk. So the challenge for them is to find ways and means to grow with a risk appetite which is defined.

David Daly: So I think we need to wrap up this Q&A session there. But I don't know, Pierre-Antoine, if you want to say a few final closing remarks.

Pierre-Antoine Vacheron: No, no, I think that's it. I think that we could have a many more questions. So we have a call with the analysts in the afternoon if I'm correct. So that will be the opportunity to answer more questions for the investors who are in the room. And then obviously we have to manage the business, but we will be at the same time on some roadshows with Srikanth in the coming days and weeks and starting with Barcelona on the 11th and the 12th of December.

Srikanth Seshadri: November.

Pierre-Antoine Vacheron: November. So I don't want to make any advertisement for that conference versus the other brokers, but so we and we are available obviously for calls as needed. So thanks a lot.

Srikanth Seshadri: Thank you very much.