

Very solid third quarter 2019 revenue

Revenue: € 589 million

Up + 43.7% at constant currency
Up +7.1% organically

**Strong performance in all Business Lines
Acceleration in Merchant Services**

SIX Payment Services' integration fully on plan

Successful closing of equensWorldline's minority buy-back

All 2019 objectives confirmed

Bezons, October 23rd, 2019 – Worldline [Euronext: WLN], European leader in the payments and transactional services industry, today announced its revenue for the third quarter of 2019.

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Gilles Grapinet, Worldline CEO said:

"This third quarter of 2019 has been particularly active for Worldline and I am very proud of the achievements of the company and the excellent work of the teams during the past three months.

Organic revenue growth reached a very solid +7.1% in Q3 2019, fully in line with the anticipated growth profile for the year and notably supported by a very good performance of Merchant services further materializing the revenue synergies with SIX Payment Services.

We have also closed swiftly and faster than initially contemplated the acquisition of the minority interests in equensWorldline end of September at very favorable financing conditions, which allows us to confirm the double digit accretion expected on our earnings per share as soon as 2020.

This minority buy-back, combined with Atos's distribution of Worldline shares earlier this year, strengthens Worldline's strategic flexibility and enables us to stay more than ever fully focused in executing our vision for the European payment consolidation."

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- **Merchant Digital Services**, which is the smallest business unit of the Business Line, decreased mainly due to less projects and volumes in Digital retail as well as less revenue on digital ticketing kiosks in the United Kingdom.

Over the first nine months of 2019, Merchant Services' revenue was € 819.0 million, up +6.0% organically.

Financial Services

Revenue in **Financial Services** reached **€ 225.6 million**, improving organically by €+13.0 million or +6.1%. All four divisions contributed to this growth.

- **Account Payments** grew double digit, benefitting from good SEPA payment transaction volumes in Germany, Italy and the Netherlands and also from the continuous volume growth on the Dutch iDeal scheme. In addition the business division benefited from the ongoing project activity for Commerzbank;
- The **Digital Banking** division also contributed strongly to the performance of the Global Business Line, posting a double digit growth;
- Revenue in **Issuing Processing** grew, driven by the level of cards transactions in Europe and the continuous increase of strong authentications and ACS transactions.
- **Acquiring Processing** resumed growth in a context of high comparison basis thanks to volume growth and project revenue.

Over the first nine months of 2019, revenue for Financial Services was € 669.8 million, up +5.8% organically.

Mobility & e-Transactional Services

Mobility & e-Transactional Services reached €79.9 million in the quarter, improving organically by €+5.1 million or +6.8% compared to last year:

- **Trusted Digitization** revenue grew double digit, thanks to good volumes and project activity, notably in Western Europe.
- **e-Ticketing** grew double digit as well. Growth was supported by the development of Tap2Use contracts in continental Europe. Latin America also contributed to the good performance of the division.
- **E-Consumer & Mobility** activities decreased organically, notably due to less project activity this quarter.

Over the first nine months of 2019, revenue for Mobility & e-Transactional Services was € 252.5 million, **+11.4%** compared with the similar period last year.

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Third quarter 2019 commercial activity and key achievements

Merchant Services

Thanks to a good growth momentum across all core services, number of transactions continued to progress during the third quarter, with strong double digit volume growth both in store and online. In particular, the double digit performance in e-Commerce acceptance was fuelled by the signature of numerous new customers in Europe this quarter.

In addition, after the successful deployment Worldline's unattended payment terminal VALINA for bike sharing infrastructures, new large orders were received from operators of shared mobility solutions and smart city related activities. With the doubling of the number of units in operation only twelve months after the start of the commercial campaign, Worldline confirms the quality of the VALINA value proposition for the unattended commerce market.

Q3 order entry also include significant contract extensions or renewals, such as with Multipharma, a large pharmacy chain store, for which additional eCommerce services were added to the existing in store acquiring contract illustrating Worldline efficient cross-selling and the successful development of omni-channel systems for our customers.

In terms of product innovation:

- Worldline successfully made its acquiring and e-commerce platforms compliant with the new 3D Secure 2.0 standard, with live transactions already performed for European retailers allowing them to prepare their readiness well ahead of the regulatory deadline ;
- WeChat Pay was launched in Switzerland during the third quarter; and
- With the introduction of UnionPay and Alipay acceptance in the duty free stores at Budapest Airport, Worldline enhances its positioning in the European travel retail market by catering for the needs of the growing number of Chinese travelers across Europe.

Financial Services

Commercial activity during the third quarter was marked by several contract renewals, notably with LBBW for SEPA payments until 2025 in Germany and with a large financial institution in Central Europe.

In parallel, significant progress were made on large commercial engagements in continental Europe during this quarter reinforcing confidence to sign these new contracts in the coming months.

Also, in the context of the implementation of PSD2, Worldline Digital Banking platform enabled our clients to achieve the access to account compliancy.

Furthermore, several differentiating services have been launched, including the browser-based version of WL Trusted Authentication. This service is targeting for example the very promising market segment of B2B payment and typically all small businesses performing payments from their business computer.

Mobility & e-Transactional Services (MeTS)

Several significant contracts were signed, renewed or extended this quarter in the MeTS division.

In particular, in e-Ticketing, Île-de-France Mobilités has launched with Worldline's assistance a ticketless smartphone solution for the Navigo transportation pass as part of its ambitious Smart Navigo modernization program. Also, the contract with Thalys International for on board ticketing devices has been extended. Regarding Trusted Digitization, Worldline has signed several new contracts in Latin America to digitize and validate medical prescriptions for an health insurance payment organization. Lastly, Worldline has extended its contract with a French Telecommunication operator for the provision of WL Contact, Worldline's secured omni-channel customer engagement solution.

2019 e-Payments Challenge

In September, Worldline organized its second e-Payments International Hackathon challenge, as part of its Open Innovation strategy initiated few years ago. That event, for which more than 100 companies applied, confirmed once again Worldline's strong and growing ties with the European start-up and fintech ecosystem.

25 fintech candidates were selected for the final phase of the competition, where they took the challenge to co-invent solutions on 15 payment and business opportunities proposed by 11 of Worldline most prominent global clients. All these innovative solutions had to combine Fintech expertise and Worldline's portfolio of innovative offerings through open APIs.

14 Fintechs were finally distinguished in various verticals for their winning solutions and the international jury selected two ultimate Grand Prix winners: One Visage for its biometric digital identity solution and CloudAsset notably for its digital gateway solution to propose a seamless customer onboarding journey.

During the event, Worldline announced the launch of its e-Payments Booster Program to support Start-ups and Fintechs with a quick and easy on-boarding process backed by local Worldline support thanks to a portfolio of APIs enabling a fast integration with their own technological solution. By plugging into Worldline's e-Payments Booster Program, start-ups can fully focus on developing their business idea while relying on Worldline industrial platforms and Pan-European reach for their payment, benefiting from minimal set-up efforts, access to a wide range of payments methods and adequate pricing in-line with the challenges of an emerging business.

Backlog

Backlog remained high at **€ 3.6 billion**.

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Completion of the acquisition of the 36.4% minority stake in equensWorldline

The acquisition of the 36.4% minority stake in equensWorldline has been finalized on September 30, 2019, ahead of the timing initially contemplated thanks to an efficient management of the closing process and trust established with regulators over time.

As a reminder, Worldline exercised on July 24, 2019 its call option on the 36.4% minority stake in equensWorldline, representing the final step of the Equens acquisition initiated in 2016 and allowing full ownership of equensWorldline, the leading European payment transaction processor.

The call exercise price was circa €1,070 million for the remaining 36.4% stake. It implied an acquisition multiple¹ significantly below Worldline's current trading multiple.

The transaction has been supported by a newly issued BBB/stable investment grade rating received from Standard & Poor's and has been financed by:

- A 7-year € 600 million convertible bond issued on July 25, 2019 (60% conversion premium, zero coupon and yield to maturity of -0.96%); and
- A 5-year € 500 million bond issued on September 11, 2019 (0.25% coupon; 0.35% yield, BBB rating from Standard & Poor's).

Thanks to the very attractive terms of these two bond issuances, the overall financing of the acquisition has a negative cost for Worldline, and allows to fully confirm the double digit accretion expected on the earnings per share as soon as 2020.

¹ Enterprise value / 2019 estimated OMDA

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2019 Objectives fully confirmed

The group confirms its 2019 objectives as published in the January 30, 2019 press release:

Revenue

The Group expects to achieve an organic growth of its revenue, at constant scope and exchange rates, of **between 6% to 8%**.

OMDA

The Group targets an OMDA margin **between 24.8% and 25.8%**².

Free cash flow

The Group has the ambition to generate a free cash flow of between **€ 275 million and € 290 million** including synergy implementation costs.

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Appendix:

Revenue for the first nine months of 2019

<i>In € million</i>	Revenue		
	Sep YTD 2019	Sep YTD 2018*	% Organic Growth
Merchant Services	819.0	772.6	+6.0%
Financial Services	669.8	633.1	+5.8%
Mobility & e-Transactional Services	252.5	226.6	+11.4%
Worldline	1,741.3	1,632.3	+6.7%

* At constant scope and Sept 2019 YTD average exchange rates

² Corresponding to an initial guidance of 23% to 24% pre IFRS 16 impact estimated at c.+180 basis points on OMDA.

Reconciliation of Q3 2018 statutory revenue to Q3 2018 revenue at constant scope and exchange rates

For the analysis of the Group's performance, revenue for Q3 2019 is compared with Q3 2018 revenue at constant scope and foreign exchange rates. Reconciliation between the Q3 2018 reported revenue and the Q3 2018 revenue at constant scope and foreign exchange rates are presented below (per Global Business Lines):

In € million	Revenue					
	Q3 2018	Exchange rates effects	Q3 2018 at constant currency	Reclassification in Pro forma	Scope effects**	Q3 2018*
Merchant Services	142.4	+3.4	145.8	+0.1	+116.9	262.8
Financial Services	188.5	+0.8	189.3	-0.1	+23.4	212.6
Mobility & e-Transactional Services	79.8	-5.0	74.8			74.8
Worldline	410.7	-0.8	409.9	0.0	140.2	550.2

* At constant scope and Sept 2019 YTD average exchange rates

** At December 2018 YTD average exchange rates

- Reclassification in pro forma refers to the reclassification of some SPS contracts between Financial Services and Merchant Services.
- Scope effects correspond to the addition of SIX Payment Services revenue for the third quarter of 2018.
- Exchange rate effects correspond mainly to the depreciation of the Argentinian Peso partly compensated by the appreciation of the Swiss Franc.

Reconciliation of September 2018 year-to-date statutory revenue to 2018 year-to-date revenue at constant scope and exchange rates

In € million	Revenue					
	Sep YTD 2018	Exchange rates effects	Sep YTD 2018	Reclassification in Pro forma	Scope effects**	Sep YTD 2018*
Merchant Services	429.8	+7.8	437.7	+0.3	+334.7	772.6
Financial Services	560.2	+2.3	562.5	-0.3	+70.8	633.1
Mobility & e-Transactional Services	239.4	-12.8	226.6			226.6
Worldline	1,229.3	-2.6	1,226.7	0.0	405.5	1,632.3

* At constant scope and Sept 2019 YTD average exchange rates, restated for IFRS 15

** At December 2018 YTD average exchange rates

The 2018 figures presented in this document are based on the constant scope and foreign exchange rates data.

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Conference call

Worldline's CEO Gilles Grapinet, along with Deputy CEO Marc-Henri Desportes and Chief Financial Officer Eric Heurtaux, will comment on the Group revenue for the third quarter of 2019 on Wednesday, October 23, 2019 at 6:15pm (CET- Paris).

You can join the **webcast** of the conference:

- at worldline.com, in the Investors section
- with smartphones or tablets through this link : <https://edge.media-server.com/mmc/p/nnmwqxhe> or through the scan of the QR code



- by telephone with the dial-in:

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Germany	+49 (0)69 2443 7351
United Kingdom	+44 (0) 844 571 8892
United States of America	+1-631-510-7495

Code: 6475436

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

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Forthcoming events

February 18, 2020	Full year 2019 results
April 22, 2020	First quarter 2020 revenue
May 14, 2020	Shareholder's Annual General Meeting

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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 2018 Registration Document. 2019 objectives have been considered with exchange rates as of December 31, 2018. All figures are presented in € million with one 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.

Global Business Lines include Merchant Services (in Argentina, Belgium, Brazil, Czech republic, France, Germany, India, Luxembourg, Malaysia, Poland, Spain, Sweden, Switzerland, The Netherlands, United Kingdom, USA), Financial Services (in Belgium, China, Estonia, Finland, France, Germany, Hong Kong, Indonesia, Italy, Latvia, Lithuania, Luxembourg, Malaysia, Singapore, Spain, Switzerland, Taiwan, The Netherlands and the United Kingdom), and Mobility & e-Transactional Services (in Argentina, Austria, Belgium, Chile, China, France, Germany, Spain, The Netherlands, and United Kingdom).

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About Worldline

Worldline [Euronext: WLN] is the European leader in the payment and transactional services industry. With innovation at the core of its DNA, Worldline's core offerings include Pan-European and domestic Commercial Acquiring for physical or online businesses, secured payment transaction processing for banks and financial institutions, as well as transactional services in e-Ticketing and for local and central public agencies. Thanks to a presence in 30+ countries, Worldline is the payment partner of choice for merchants, banks, public transport operators, government agencies and industrial companies, delivering cutting-edge digital services. Worldline's activities are organized around three axes: Merchant Services, Financial Services including equensWorldline and Mobility & e-Transactional Services. Worldline employs circa 11,000 people worldwide, with 2018 pro forma revenue of circa 2.2 billion euros. worldline.com



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