H1 2023 Results

Wednesday July 26, 2023

Digital Payments
for a Trusted World

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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 2022 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. 2023 objectives are expressed at constant scope and exchange rates and according to Group's accounting standards.

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H1’23 Highlights

Gilles Grapinet

Group CEO

H1 2023 highlights

Good start of the year in line with our full year guidance

H1 2023 RESULTS

9.3% organic growth
(9.4% in Q2 fueled by Merchant Services)

OMDA margin up 80 bps

44.7% OMDA conversion in FCF

COMMERCIAL DYNAMICS

Acquiring volumes up c.10% in H1'23

Merchants count deployment in line with FY trajectory
(c.+40k merchants since end-2022)

Numerous large merchant wins and partnerships

STRATEGIC INITIATIVES

Exclusive discussions with Crédit Agricole
Objective to create a major player in the French payment market

Closing of Banco Desio acquisition

GOOD START OF 2023

Guidance 2023 confirmed

2024 trajectory reiterated

H1 2023 key financial highlights

Full execution of our 2023 trajectory

€2,242m revenues
9.3% organic growth

€519m OMDA
23.1% OMDA margin (+80 bps)

€232m free cash-flow
44.7% of OMDA

€243m net income
Group share*
10.8% of revenues

€0.84 diluted EPS*
vs. €0.76 in H1'22 (+10.5%)

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

Strategic initiatives
Geographical expansion and reinforcement of existing positions

Geographical expansion into new markets

CRÉDIT AGRICOLE

Strategic rationale

- **Powerful access to an attractive market**
  Largest payment market in Continental Europe with c.€700bn MSV
- **Flagship partnership with one of the largest European banking Group**
  One of the leading payment player in France with 12bn Tx (issuing + Acq.)
- **Strong domestic distribution network**
  39 CA regional banks and LCL, supported by 16,000 banking advisors
- **New long term growth engine**
  combining WL payment tech expertise and CA distribution network

Status update

Worldline work councils' consultation finalized and advice obtained

Antitrust filling in progress

Signing expected in Q3 2023

Closing expected in Q4 2023

Reinforcement in existing markets

Banco Desio
Merchant Acquiring

Strategic rationale

- **Very attractive Italian market**
  Cash penetration still very high (>50% of payment volumes)
- **Strong add-on to our existing Italian JV**
  c.15,000 merchants generating c.40m Tx/y or c.€2,0bn MSV
- **Long-term commercial distribution partnership**
  Leveraging Banco Desio banking network of more than 250 branches

Status update

Closing completed end-March 2023

Merchants migration ongoing and to be finalized during Q3 2023

Merchant Services dynamics & innovations

Marc-Henri Desportes

Group Deputy CEO

Solid dynamic in Worldline acquiring merchants' base

+c.40k new merchants onboarded since beginning of 2023

1.39m Merchants* as of June-2023
+c.7k/month net adds in average since Dec-2021

FY 2021*	**H1 2022***	**FY 2022***	**H1 2023***
1,270k	**1,330k**	**1,350k**	**1,390k**
1,100k instore	1,150k instore	1,160k instore	1,200k instore
170k webshops	180k webshops	180k webshops	190k webshops

Unmatched access to the European retail and reinforced competitive positioning

+40k net merchants in H1'23
fully in line with our 3y plan trajectory

>120k net merchants vs Dec-2021
onboarded in WL platform

c.7k net new merchants per month in average

Strong dynamic in both instore & online

** Number of merchants corresponds to single merchant or to the number of stores if a single merchant owns several stores and is proforma including Axepta, Handelsbanken and Eurobank since December 2021 and excluding ANZ and Banco Desio still in migration process*

Q2’23 focus on MS commercial activity

Market share gains with existing and new large clients and offering & solutions enlargement with key partnerships signed

MS wins & upsells with large clients

MS Key partnerships signed

VTEX

Plug-in payment solution embedded into VTEX enterprise digital commerce platform enhancing authorisation and conversion rates

travelplanbooker.com

Integration of full cross-border acquiring and payment services suite into Travelplanbooker all-in-one planning and booking platform

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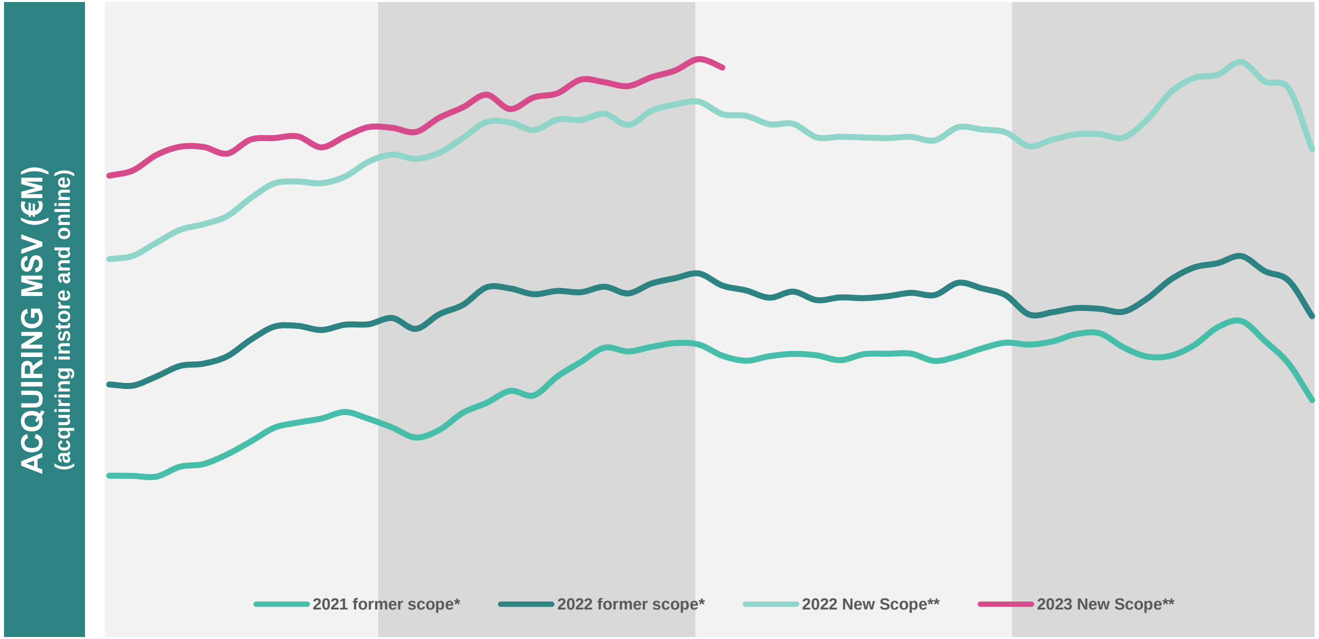
Acquiring MSV growth in H1 2023

Solid growth on a more normalized basis



Strong MSV growth in H1'23

Worldline own acquiring MSV H1'23

€220bn

+c.10% vs 2022

Transaction volumes fueled by both instore and online

Instore MSV +7% vs 2022

Online MSV +15% vs 2022

Beginning of Q3'23 still in a solid trajectory driven by instore and online

NB: Rolling 3-week average transaction volumes in euro millions on acquiring activities
(*) Former scope: Excluding ANZ, Axepta and Eurobank
(**) New scope: Including ANZ, Axepta and Eurobank

Focus on innovations driven by A.I.

Solutions already in motion and evaluation of possible Gen-A.I. use cases at scale

A.I. already in motion in WL offerings

Fraud management tools
improving authorization rates

Security and strong authentication
enriching reliability & user experience

Churn predictivity
allowing improvement of retention rates

Targeting
increasing efficiency in new merchant wins

A.I. already developed at scale in WL offerings improving performance of our solutions

Innovation in the heart of our roadmap

Gen A.I. opening new fields of growth & efficiency

Merchants onboarding
accelerated KYC through added automation

VAS
Real-time evolutive data centric dashboard

Coding and SW developments
accelerated go-to-market solutions

Customer services
Increased UX and clients' satisfaction

Gen A.I. under assessment with several POC to determine potential use cases at scale

H1'23
Financial performance

Grégory Lambertie

Group CFO

Digital Payments
for a Trusted World

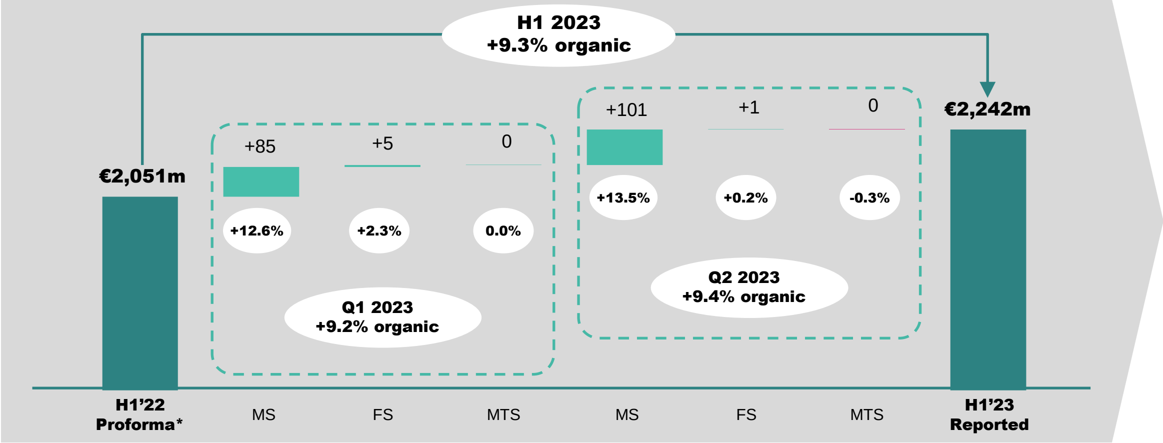
H1 2023 financial performance

Global business lines revenue overview and building blocks

H1 2023 Group Revenue

(in €m)	H1 2023	H1 2022*	Organic Growth
Merchant services	1,607	1,421	+13.1%
Financial services	464	458	+1.2%
MeTS	171	171	-0.2%
Worldline	**2,242**	**2,051**	**+9.3%**

** At constant scope and June 2023 YTD average exchange rates*



** H1 2022 revenue at constant scope and exchange rates*

H1 2023 dynamics

9.3% organic growth in H1'23
of which 9.4% in Q2'23

Merchant Services up 13.1% supported by a solid 13.5% organic growth in Q2 fueled by all segments (commercial acquiring and acceptance solutions) while our Digital Commerce activities show a robust performance being no more impacted by the stop of Russian activities in 2022

Financial Services up 1.2%
in line with expectations with a soft Q2 benefitting from a good dynamic in transaction volumes while pipeline conversion lengthens due to longer sales cycle despite a high quality of opportunities

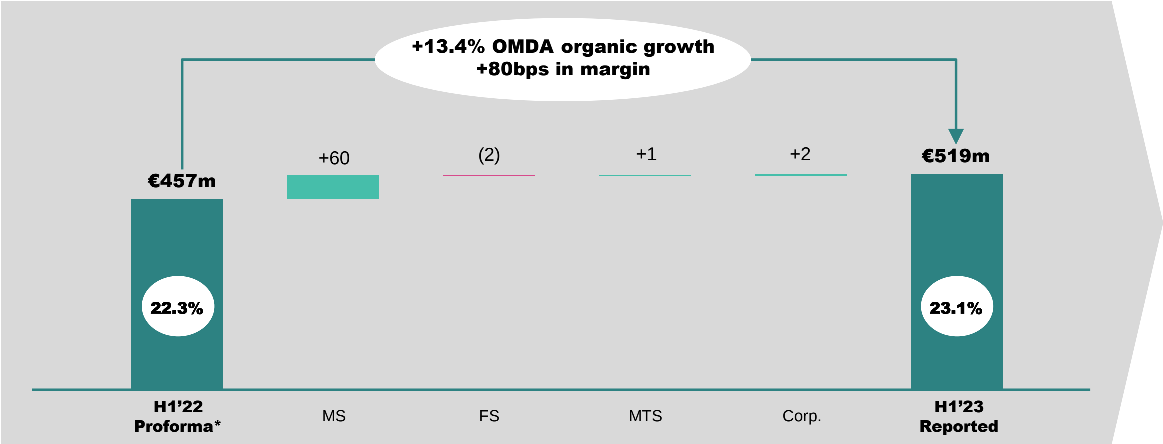
Mobility & e-Transactional Services stable
as in Q1 with a solid underlying growth fueled by a dynamic commercial activity and good volumes while the re-insourcing of a telco contract in France continues to weight on the overall performance in Q2

H1 2023 financial performance

Global business lines OMDA overview and building blocks

H1 2023 Group Revenue

(in €m)	H1 2023	H1 2022*	H1'23 margin	Vs. H1'22
Merchant services	399	339	24.8%	+100 bps
Financial services	127	129	27.4%	(70) bps
MeTS	22	22	13.1%	+50 bps
Corporate	(30)	(32)	(1.3%)	+30 bps
Worldline	**519**	**457**	**23.1%**	**+80 bps**



** H1 2022 OMDA at constant scope and exchange rates*

H1 2023 dynamics

OMDA up 13.4% to €518m

Margin up 80bps to 23.1%

Global OMDA generation phasing fully in line with the full-year trajectory

MS accelerated growth in H1 delivering solid OMDA expansion on the back of operating leverage and synergies compensating cost headwinds

FS OMDA contribution impacted in H1 by the soft revenue growth in an inflationary environment impacting the costs base

MTS OMDA generation slowed by inflation effects on the cost base despite productivity improvement

Corporate costs decrease reflecting costs mitigation measures implemented since 2022

Ingenico synergies fully on-track

Income statement

In €M	H1'23	H1'22*
OMDA	518	468
Depreciations & Amortizations	(153)	(122)
Other operating income and expenses	(245)	(228)
o.w. integration and acquisition costs	*(70)*	*(72)*
o.w. Customer relationships and patents amortization	*(133)*	*(110)*
Operating income	120	118
Net finance costs	(15)	(41)
Income tax expense	(25)	(18)
Non-controlling interests & share of associates	1	(5)
Net Income – Group share**	81	53
Net income from discontinued operations	-	(95)
Net Income – Group share	81	(42)
Normalized Net income – Group share**	243	213
Normalized diluted EPS (€)	0.84	0.76

** H1'22 reported*
*** Normalized net income Group share on continued operations*

HIGHLIGHTS

- **Operating income mainly impacted by acquisition and post acquisition**, and integration of new scope acquired:
  - €70m of integration and acquisition costs
  - €133m Customer relationships and patents amortization
- **Net finance cost decreased** related to:
  - H1'22: €17m negative impact from FX and hyperinflation
  - H1'23: €11m positive one-off impact from the debt redemption executed and €7m positive effect from treasury optimization
- **23.5% annualized effective tax rate** stable vs 23.4% in H1'22
- Non-controlling interests **mainly related to the participation in Payone,** but offset by negative contribution of newly acquired scope impacted by integration costs
- **€243m Normalized net income** group share
- **Normalized diluted EPS up 11% to €0.84 p.s.**

Free cash-flow

In €M	H1'23	H1'22*
OMDA	519	468
Lease obligations	(47)	(31)
Working capital change	77	86
Capex	(176)	(140)
Integration and transaction costs	(77)	(72)
Reorganization, rationalization & associated costs	(18)	(11)
Interest paid	8	(12)
Tax Paid	(51)	(38)
Others	(3)	(20)
Free Cash-Flow	232	230
OMDA conversion rate (%)	*44.7%*	*49.0%*

** H1 2022 reported*

HIGHLIGHTS

- **Increase in OMDA** contribution
- **Capex representing 7.8% of revenue** vs. 6.9% in H1'22 and in line with expected full-year trajectory of 7% target
- **Positive €77m change in Working Capital** that should be more normalized in H2 2023
- **Integration costs mainly related to Ingenico past acquisition** and post acquisition costs on other recent acquisitions
- **€51m tax paid** related to payments concerning H1'23 but as well some payments related to past accounting exercises (tax payment adjustments)
- **€232m Free cash-Flow**
- **OMDA conversion rate of 44.7%** in line of the expected FY'23 pattern

Net debt evolution

In €M	H1'23	H1'22*
(Net debt) / cash as of January 1st	(2,202)	(2,923)
Free Cash-flow	232	229
Acquisition net of disposals	143	(780)
Capital increase	2	11
Amortization of interests on convertible bonds	(6)	(6)
Others	(10)	12
o.w. impact of TSS accounted in discontinued operations	-	*(6)*
Reduction / (Increase) in net debt	361	(533)
(Net debt) / cash as of June 30th	(1,837)	(3,456)
LTM Net Debt / OMDA	*1.6x*	*3.4x*

** H1 2022 reported*

HIGHLIGHTS

- **€232m positive impact from free cash-flow**
- **€143m positive impact from the remaining cash-in from TSS disposal** received in January 2023, net of acquisitions of Banco Desio Card acquiring and OPP
- **€1.84bn of net debt as of end H1'23** in line with the Group deleverage trajectory
- **LTM Net Debt /OMDA of 1.6x** vs. 3.4x LTM as of end June 2022

FY 2023 guidance

Revenue	OMDA	FCF
8% to 10% organic growth	Above 100 bps improvement	46% - 48% OMDA conversion rate

The full-year 2023 guidance is based
on unchanged macro-economic situation

H1'23
Key take-aways

Gilles Grapinet

Group CEO

Key take-aways

Good start of the year in line with our 2023 guidance

Very solid MS growth fuelled by market share gains and commercial dynamics reflecting enhanced competitive strengths from Ingenico integration

Margin expansion as per plan resulting from synergies and operating leverage allowing to absorb inflation

H1 2023 execution

Strategic initiatives developing in line with expected roadmap with key milestones reached in the creation of the Crédit Agricole strategic partnership

Strong financial flexibility to pursue the payment market consolidation

FY 2023 guidance confirmed

Q&A

Thank you

For more information,
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