



Worldline

First half 2017 results

Tuesday, July 25 2017



worldline
e-payment services



Disclaimer

- This document contains further forward-looking statements that involve risks and uncertainties concerning the Group's expected growth and profitability in the future. Actual events or results may differ from those described in this document due to a number of risks and uncertainties that are described within the Registration Document filed with the Autorité des Marchés Financiers (AMF) on April 28, 2017 under the registration number: R.17-032.
- The review procedures on the interim financial information have been performed by the statutory auditors. Their review report is currently being issued.
- Revenue and OMDA organic growth are presented at constant scope and exchange rates. 2017 objectives have been considered with June 2017 YTD average exchange rates.
- Global Business Lines include Merchant Services (in Belgium, Czech republic, France, Germany, India, Luxembourg, Poland, Spain, The Netherlands, Slovakia and United Kingdom), Financial Services (in Belgium, China, France, Germany, Finland, Hong Kong, India, Indonesia, Italy, Malaysia, Singapore, Spain, The Netherlands and Taiwan), and Mobility & e-Transactional Services (in Argentina, Austria, Belgium, Chile, France, Germany, Spain, and the United Kingdom).
- This presentation does not contain or constitute an offer of Worldline's shares for sale or an invitation or inducement to invest in Worldline's shares in France, the United States of America or any other jurisdiction.



highlights

first half 2017

Gilles Grapinet, Chief Executive Officer



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H1 2017 Key facts

Financial

Revenue

€ 778.1m +1.7% organic
Underlying ⁽¹⁾ organic growth: +6.1%

OMDA

€ 153.5m 19.7% of revenue,
+170bp vs H1 2016

Free cash flow

€ 88.0m +25.7% vs H1 2016

Normalized
net income:

€71.9m
+16.0% vs H1
2016

M&A

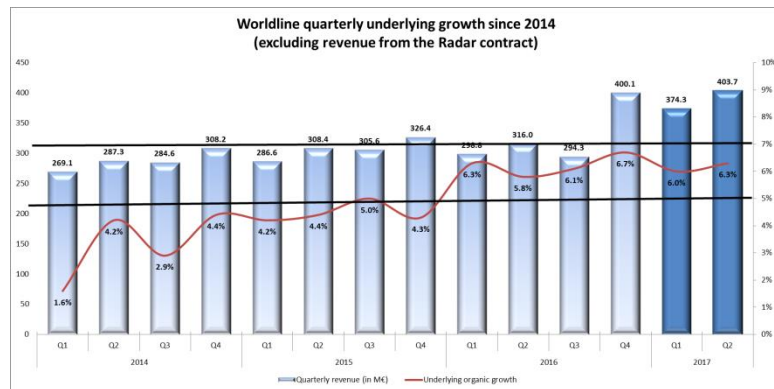
Digital River World Payments : Major **enhancement of Worldline's** online payments platform for **Tier 1 global merchants**

New acquisition: The leading payment processor in the Baltics

Minority investment in African mobile payment acceptance startup InTouch jointly with Total

(1): excluding the impact of the RADAR contract termination

Strong H1 performance on yearly guidance



Solid underlying growth performance

OMDA margin improving by +170bp vs H1 2016 pro forma



equensWorldline integration ahead of plans

FCF reaching € 88 million



c.7% ahead of mid-year target

All 2017 full year objectives raised

Initial guidance

Upgraded guidance

Revenue

c.+3.5% organic growth for the full year, with H2 2017 between +5% to 7%



Between +3.5% and +4% organic growth for the full year

OMDA

Between 20.0% and 20.5%



Above 20.5%

Free cash flow

Between € 160 million and € 170 million, including c.€20 million of synergy implementation costs



Above 170 million, including c.€20 million of synergy implementation costs



Results

first half 2017

Eric Heurtaux, Chief Financial Officer



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Technical reconciliations

Constant scope and exchange rate figures reconciliation

	H1 2016				H1 2017	
In € million	H1 2016	Scope effects	Exchange rates effects	H1 2016*	H1 2017 actuals	Var.
Revenue	614.8	156.8	-6.5	765.1	778.1	+1.7%
OMDA	117.2	21.8	-0.9	138.1	153.5	+11.2%
% OMDA	19.1%			18.1%	19.7%	+170bp

* At constant scope and June 2017 YTD average exchange rates

- **Scope effects** mainly correspond to Equens, Paysquare and KB Smartpay revenue and OMDA for the first semester of 2016, for a like-for-like comparison with H1 2017.
- The **disposal of the Cheque processing** activity (« **Cheque Service**») will impact the consolidation scope from H2 2017, with an estimated impact on the Group revenue for c.€-9 million.
- **Exchange rates effects** reflect mostly the appreciation of the Euro versus the British Pound.

Presentation of assets and liabilities related to intermediation activities

(In € million)	30 June 2017	31 Dec. 2016 (*)
ASSETS		
Total non-current assets	1,301.1	1,255.4
Trade accounts and notes receivables	290.8	294.9
Assets linked to intermediation activities	148.2	249.6
Other	146.4	136.0
Cash and cash equivalents	481.0	374.0
Total current assets	1,066.4	1,054.5
Total assets	2,367.5	2,309.9

(In € million)	30 June 2017	31 Dec. 2016 (*)
LIABILITIES AND SHAREHOLDERS' EQUITY		
Total shareholders' equity	1,358.5	1,292.0
Total non-current liabilities	188.2	189.5
Trade accounts and notes payables	259.2	223.7
Liabilities linked to intermediation activities	148.2	249.6
Other current liabilities	413.4	355.2
Total current liabilities	820.8	828.5
Total liabilities and shareholders' equity	2,367.5	2,309.9

(*): effect on December 31, 2016 net cash: €-51.2m; effect on H1 2016 FCF €-1.2m

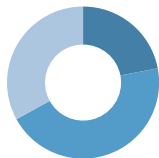
H1 2017 Financial performance overview

In € million

	Revenue			OMDA		OMDA %	
	H1 2017	H1 2016*	% Growth	H1 2017	H1 2016*	H1 2017	H1 2016*
Merchant Services	260.8	247.8	+5.2%	53.3	51.8	20.4%	20.9%
Financial Services	345.1	326.6	+5.7%	88.9	65.2	25.8%	20.0%
Mobility & e-Transactional Services	172.2	190.6	-9.7%	22.7	29.8	13.2%	15.6%
Corporate Costs				-11.3	-8.7	-1.5%	-1.1%
Worldline	778.1	765.1	+1.7%	153.5	138.1	19.7%	18.1%

* At constant scope and June 2017 YTD average exchange rates

34%
Merchant Services



22%
Mobility & e-Transactional Services



44%
Financial Services

Organic revenue growth:

+1.7% reported
+6.1% underlying⁽¹⁾

+170bp OMDA
improvement
in line with the full
year target

(1): excluding the impact of the RADAR contract termination

Merchant Services



In € million

Revenue

OMDA

% OMDA

* At constant scope and June 2017 YTD average exchange rates

Merchant Services

H1 2017	H1 2016*	% Growth
260.8	247.8	+5.2%
53.3	51.8	
20.4%	20.9%	-50 bp

Revenue: +5.2%

- **Confirmation of the strong momentum in India** following the Demonetization Act
- **Good transaction volume growth in Commercial Acquiring** in Continental Europe, with a **less favorable price mix** than in H1 2016
- Double digit growth for new company in scope (**Paysquare** and **KB SmartPay**)
- Good activity in *Merchant Digital Services* due to **higher kiosks sales** and **project revenues** with **transportation companies** in the UK

OMDA: €+1.5m, -50 bp

- **OMDA rate** impacted by the pursuit of the price impact of the 2016 interchange decrease in Commercial Acquiring

Financial Services



In € million

Revenue

OMDA

% OMDA

* At constant scope and June 2017 YTD average exchange rates

Financial Services

H1 2017	H1 2016*	% Growth
345.1	326.6	+5.7%
88.9	65.2	
25.8%	20.0%	+580 bp

Revenue: +5.7%

- Growth in Issuing and Acquiring Processing supported by **good volume growth combined with high project activity**
- Activity in *Account Payments* supported by **higher SEPA transactions** in the Netherlands and in Germany
- *Digital banking* growth sustained by **project activities** in France
- Confirmation of very satisfactory trends related to the new payment regulations, particularly in **Strong Authentication and fraud management** services

OMDA: €+23.7m, +580 bp

- Improvement of OMDA thanks to **volume growth** and to significant cost base savings from the **accelerated execution** of the equensWorldline **synergy plan**

Mobility & e-Transactional Services



In € million

Revenue

OMDA

% OMDA

* At constant scope and June 2017 YTD average exchange rates

Mobility & e-Transactional Services

H1 2017	H1 2016*	% Growth
172.2	190.6	-9.7%
22.7	29.8	
13.2%	15.6%	-240 bp

Revenue: -9.7%

- **Reported growth affected for the last semester** by the termination of the **RADAR** contract mid-June 2016.
- **MeTS growth excluding this effect was c.+9%**
- **Very strong momentum in the three divisions:**
 - *e-Consumer & Mobility*: Good project activity in France and in Germany
 - *e-Ticketing*: higher fare collection revenues in Latin America
 - *Trusted Digitization*: increased activity in LATAM; more projects in France

OMDA: -240 bp

- Margin improvement in the UK and in Latin America
- **OMDA** impacted by the end of a mature contract (RADAR), which was partly substituted by new business consisting of project activities and ramping-up volumes with a lower profitability at start.

Income statement

(In € million)	6 months ended 30 June 2017	6 months ended 30 June 2016
OMDA	153.5	117.2
Operating margin	113.7	91.5
Staff reorganization	(4.2)	(2.8)
Rationalization and associated costs	(1.2)	(2.0)
Integration and acquisition costs	(7.4)	(2.8)
Equity based compensation	(3.0)	(3.4)
Customer relationships and patents amortization	(6.9)	(1.7)
Other items	(5.4)	49.0
Operating income	85.6	127.8
Net financial income/(expenses)	(4.3)	(3.9)
Tax charge	(20.4)	(31.8)
Non-controlling interests and associates	(10.1)	-
Net income – Group share	50.8	92.1

Key Observations

- **Staff reorganization** include mostly restructuring from Equens and Paysquare.
- **Integration & associated costs** correspond mainly to costs related to the execution of the Equens and Paysquare integration
- **Other items** in H1 2016 consisted primarily in the gain on Visa share disposal for € 51.2m
- **H1 2017 effective tax** rate was 25.1% (vs 26.3% in FY 2016)
- **Normalized EPS** (diluted) reaches €0.54 (+15.4%)

** : The normalized net income excludes unusual and infrequent items (net of tax).

Cash flow statement

(In € million)

	6 months ended 30 June 2017	6 months ended 30 June 2016
Operating Margin before Depreciation and Amortization (OMDA)	153.5	117.2
Capital expenditures	(50.6)	(40.8)
Change in working capital requirement	24.1	23.4
Cash from operation	127.0	99.8
Taxes paid	(16.6)	(17.6)
Net cost of financial debt paid	(0.4)	(0.1)
Reorganization in other operating income	(3.5)	(3.5)
Rationalization & associated costs in other operating income	(1.0)	(1.8)
Integration and acquisition costs	(7.0)	(0.7)
Net financial investments	(0.6)	(0.9)
Other changes	(9.8)	(5.3)
Free Cash Flow	88.0	70.0
Net material (acquisitions)/disposals	0.7	-
Capital increase/(decrease)	5.5	4.0
Proceed from the disposal of the Visa Share	-	35.6
Change in net cash/(debt)	94.2	109.6
Foreign exchange rate fluctuation on net cash/(debt)	(1.8)	0.8
Opening net cash*	347.7	276.0
Closing net cash	440.1	386.4

Key Observations

- **Free cash flow** increased by +25.7% in H1 2017
- **Capex** includes investment on proprietary software platform for €18.1m and POS terminals in India for c.€10m.
- Positive **Change in WCR** reflecting the same seasonality as in H1 2016
- **Reorganization, integration and acquisition costs** mostly linked to Equens, Paysquare and KB Smartpay

(*) Opening net cash positions adjusted to reflect change in presentation disclosed in Note "Accounting rules and policies"

Simplified balance sheet

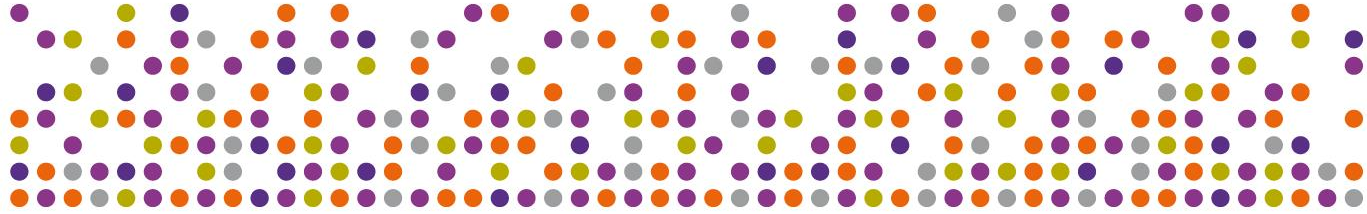
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(*)31 December 2016 adjusted to reflect change in presentation disclosed in Note "Accounting rules and policies"

Key Observations

- Increase in **Goodwill** and decrease in **Intangible assets** reflects the **adjustment of the value of assets and liabilities acquired** (Equens, Paysquare and KB SmartPay)
- Decrease in **provision for pension** is due to the **freeze the pensionable pay in the UK** (Railways Pension Scheme), triggering a reduction of the obligation of c. € 7 m
- December 2016 **net cash position** was adjusted by €-51.2m to reflect the presentation of assets and liabilities related to intermediation activities.

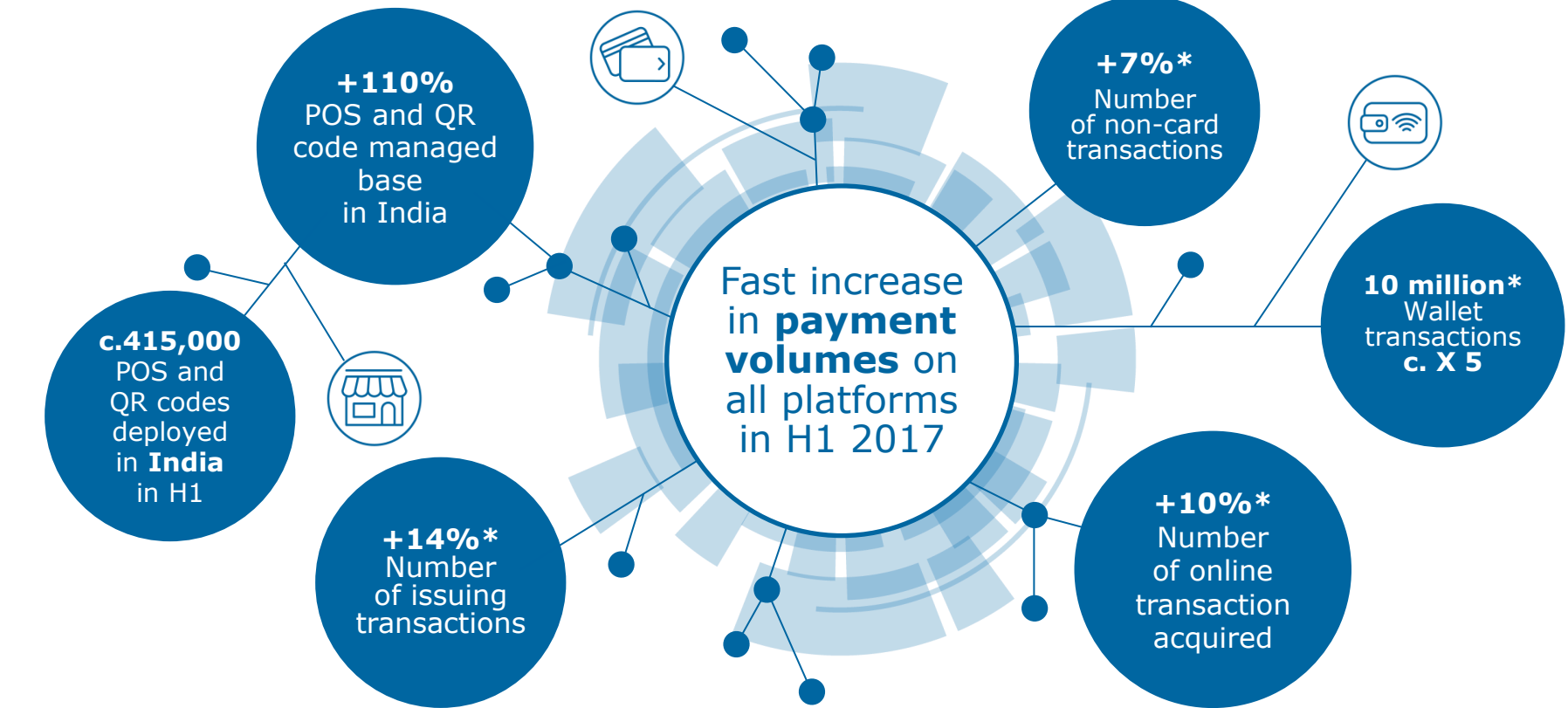


commercial & operational performance

Marc-Henri Desportes, General Manager



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**: on the new Worldline scope, actuals compared with 6 month pro forma (incl Equens, Paysquare and KB SmartPay)*

Q2 2017 commercial activity



Merchant Services

Key achievements And business update

- Provision of digital retail kiosks to **Arriva Rail London**
- Acceptance and e-commerce solution across 16 countries sold to **Trinity Purchasing**
- **Partnership with AcceptEasy**, market leader for consumer remittances in Western Europe, to offer a multichannel e-billing solution including payment processing (**online acceptance and acquiring services**)



Financial Services

Key achievements And business update

- **Renewal** of several strategic long-term contracts in Benelux
- **Large pipeline of PSD2-related opportunities** for end-to-end scalable offerings
- **HCE Mobile Payment:** Rollout for for Belfius Bank and signature with a Nordic bank
- Support of the European Central Bank (**ECB**) initiative to develop settlement of instant payments ("**TIPS**")
- Agreement with **Visa** to become a VISA Issuer and Token Requestor Service Provider (TSP).



Mobility & e-Transactional Services

Key achievements And business update

- Worldline's **Contact** platform sold a **Dutch insurer in the UK** and to a **large French bank**
- Worldline Mobile Ticketing Service, **@Station** sold to UK's largest rail franchise, **Govia Thameslink Railway**
- Contract signed with the **French Ministry of Justice** to design and run the future highly secured information system that will be used to manage **prisoners' bracelets**

Partnership with Apigee to develop open platforms



Integration tracks ahead of plan sustain margin improvement

Main H1 highlights

Infrastructure and cust. service

- **Consolidation** of project portfolio by closing duplicate projects mainly in Front Office
- Network integration and service harmonization ahead of schedule and supporting over-achievement

Rent & Lease, Procurement, G&A

- **Mutualization** of **support functions** like HRM and Finance:
 - better cash management
 - efficient people redeployment and subcontractor reduction
- **Fast scale effects** through real estate and purchasing



Higher OMDA impact expected
in 2017 from synergies
(from c.€ 20m to c.€25m)

InTouch investment and Cheque Service Divestment

Rebalancing Worldline portfolio towards future growth

 InTouch Growth of e-money in Africa	Company overview	Business Position
	• InTouch is a Fintech based in Senegal and created in 2014 by Omar Cissé, a local entrepreneur • Provides the « Guichet Unique » solution, which includes the following services: – Aggregator of payment schemes i.e. primarily an acceptance service for local merchants of African mobile payments – Reseller 'as Paypoint': bill payment, account refilling, air time purchasing, insurance subscription, money transfer, savings, loans	• Already deployed in more than 170 Total gas stations, and 600 independent points of sale • Manages more than 30,000 transactions per day • Worldline provides payment expertise and the secure and industrial hosting infrastructure • Total will deploy the "Guichet Unique" solution in its African gas station network • Total and Worldline will fund as minority investors the first roll-out phase for 8 countries, with a potential to expand it to additional 30
 Cheque Service Legacy payment method in Europe	Company overview	
	• Cheque Service is providing fraud and security services for merchants accepting checks in France • Revenues was less than €20 million euros in 2016 • It faces checks double digit volume decline and has minimal profitability • A management buy-out has been agreed and transaction was closed on July 1st	

Digital River World Payment as a perfect complement to Worldline online positioning



Company overview

- DRWP is the **online payment arm of Digital River group** (ecommerce). 120 employees worldwide and c.50 IT subcontractors in India .
- Core team in **Sweden**, with Global sales in the **US and the UK**
- **Gross Revenue** is c. 37 million euros in 2016

Business Position

- **Business mix** evolved from technical payment acceptance to End to End payment service over the last years
- **Numerous global ecommerce Tier1 clients** in four verticals : Travel, Direct Sales, Digital Goods, Retail.
- Large geographical footprint support international payment schemes and currencies **across 175 countries**
- Wide range of local payment brands and methods, and more than **40 acquiring bank connections**

- **Combining** with Worldline's assets, in particular **omnichannel solutions**, with DRWP's deep **expertise, global reach** and **collecting** capabilities will create a **distinctive set of solutions and distribution**

- To be boosted by DRWP's access to the **Tier1 client portfolio** of Worldline and Atos



- **Five-year commercial agreement** upon closing with **Digital River**
- Worldline will obtain its **first operational positions in Sweden, the U.S. and Brazil**

First Data Baltics acquisition will grow Worldline's geographical footprint in Northern Europe

Company overview

- FDB is the **leading financial processor in the Baltics**
- **Revenue** of c.€ 23 million in 2016
- **EBITDA** margin materially above Worldline's EBITDA.
- FDB currently employs **c.200 employees** in the three Baltics countries (Estonia, Latvia, Lithuania) and is headquartered in Riga

Business Position

- **Interbank (cards):** clearing & switching card transactions with value-added services
- **Issuing: Issuing processing + VAS**
- **ATM:** ATM management (partly direct ownership)
- **Acquiring:** processing incl. e-commerce
- **POS:** lease and maintenance POS

- **Grow the Baltic business** through the combination of FDB local market relations with Worldline's extended financial processing product portfolio of innovative services
- **Accelerate Worldline's own expansion in the Nordic region**, through the leverage of FDB recent and successful penetration beyond the Baltics, with its cost-competitive platform.
- **Derive cost synergies** through platforms and operation combination



Swedbank





conclusion

first half 2017

Gilles Grapinet, Chief Executive Officer



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2017 Key take aways



Solid H1 2017 numbers, allowing to **raise the full year guidance** on:

- Organic growth
- Profitability
- Free cash flow



Very satisfying **integration process** in equensWorldline **showing the strength of our integration know-how**, which will be deployed to fully leverage the benefits of the newly announced acquisitions

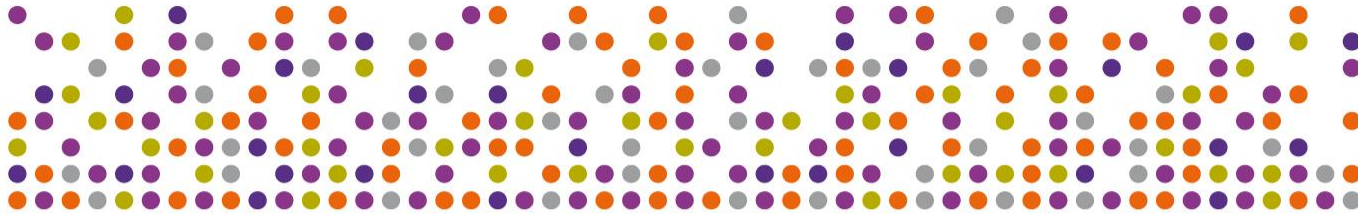


Worldline stays fully mobilized to realize further transactions by year-end in the context of the acceleration of consolidation activities in the payment industry, notably in Europe



Investor Day

planned October 3, 2017



Presentation to Investors

**2017-2019
3 year plan**



The new Worldline Group

worldline
e-payment services

>€1.5bn
revenue

Above 30%
of Group revenue
70% of which in
Commercial Acquiring
and related
services



**Merchant Services
& Terminals**



PaySquare



KB SmartPay

100%



c.45%
of Group
revenue

**Financial Processing
& Software Licensing**

Equens



FPL
Benelux/
FR/GE

= equensWorldline

[36.4%]

[63.6%]

FPL
APAC
/India
& Spain

100%



Below 25%
of Group
revenue

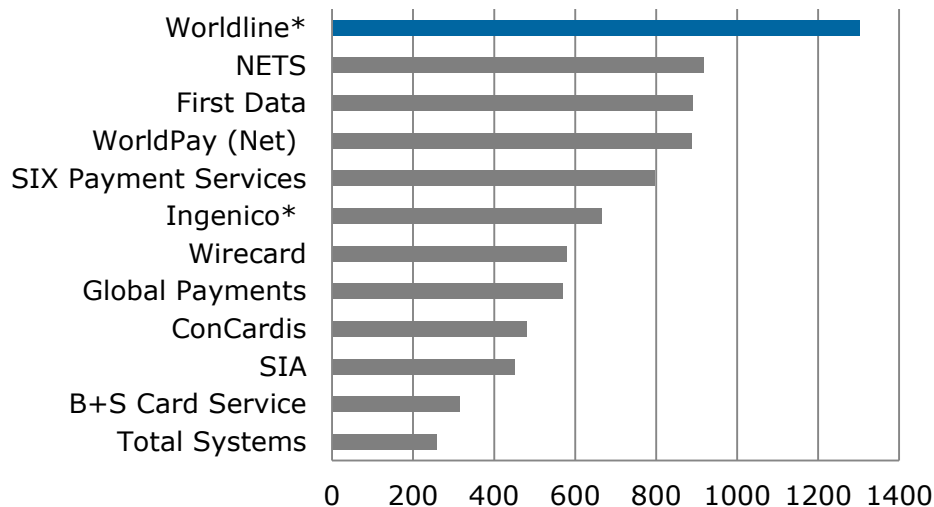
**Mobility
& eTransactional
Services**

100%

 Worldline
ownership
 Equens
shareholders
ownership

Equens transaction: building an industrial Pan-European champion in payment services

Payment service providers ranking in European Union
2015 European turnover, in € million



Source: company estimate *: European turnover excl. payment terminal revenue

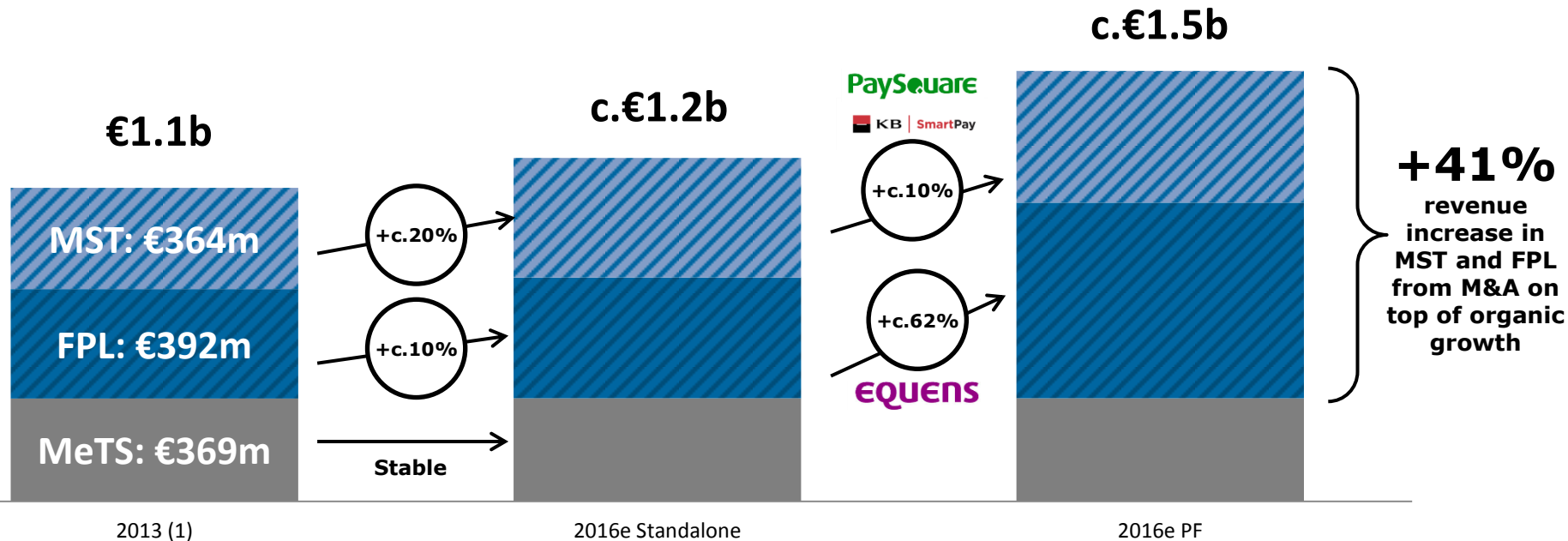
**Industrial leader in
5 major European countries**

**Large economies of scale
and very significant
synergies to be implemented**

**Stronger innovation
& R&D capabilities**

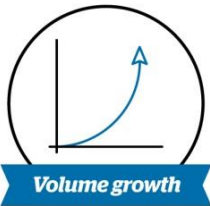
**Worldline ambition supported
by 5 new key European
Financial institutions**

+41% revenue increase in Merchant Services and Financial Processing from M&A since 2013





Regulation



Volume growth

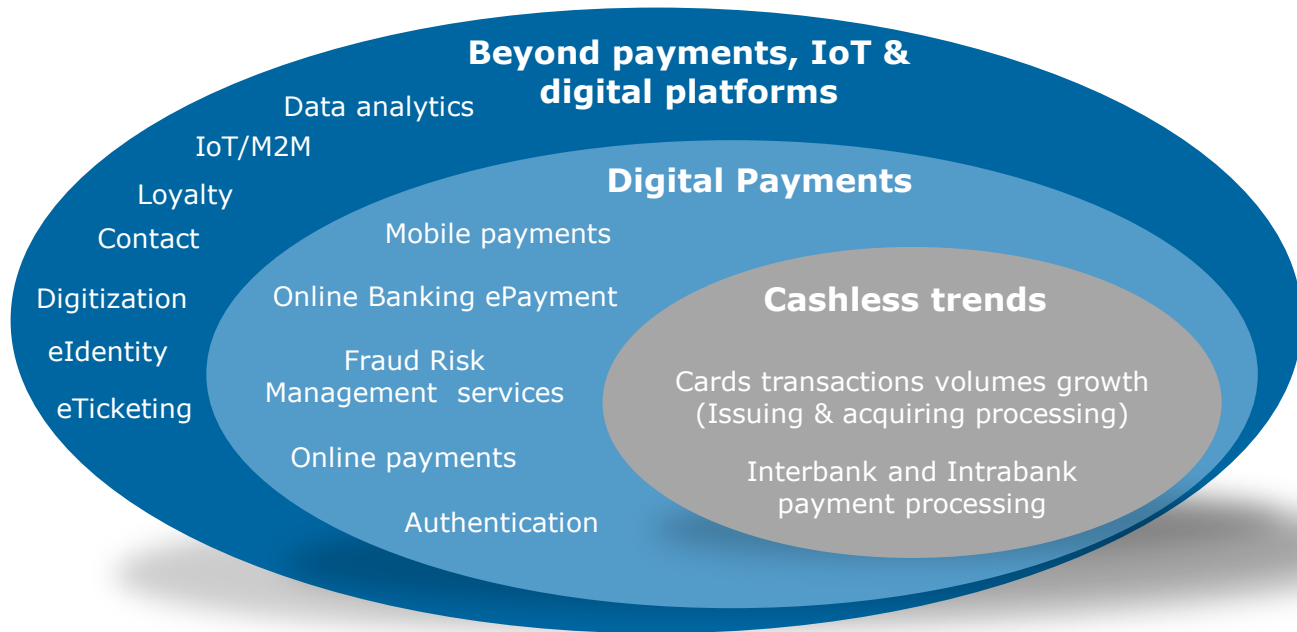


Innovation



New banking strategies

Worldline benefits from the strong positive momentum of the European payment market





Payment Market continues to experience solid volume growth and outsourcing forces

e-payment trends

- **Consistent growth in card payments volume in Western Europe as well as in CEE/Asia**
- Technological pressure and **diversification of payment means** (e.g. instant payments)
- **PSD 2 disruption** in Europe

For merchants

- Solutions with **European reach**
- **Omni-channel**
- **Technological** innovations
- **Payment means diversity**

For banks

- Banks payments in a **squeeze**: rising compliance costs and price pressure
- **Strategic dilemma around PSD2**
- Expected increase of **divestments / partnerships**
- Will to **focus on digital strategy** and **differentiating** offers / solutions

equensWorldline : result of joining forces

Industry's largest transaction processing company in Europe



3,000+
Talents



Office locations in
8 European Countries



250+
Banking clients

c.100 million



Cards under management

c.10 billion

Payment transfers processed per year

c.7.5 billion

POS and ATM transactions
processed per year



- **equensWorldline** under the leadership of Michael Steinbach (former Equens CEO), **leveraging the biggest scale** in Europe
- **Atos and Worldline integration know-how** to drive synergies execution
- Scale and mix **best fit to answer banks outsourcing dilemma**
- **Worldline innovation focus** to be leveraged on a wider base

Worldline: the European partner for merchant services

Products

- **Wider portfolio** of products and services
- Unmatched capability to **serve specific needs of major brands**

Operations

- **Leverage the capabilities** of the biggest European Financial Processor

Organization

- New organization headed by Vincent Roland, with **global operations** to drive international expansion

International go-to-market

- **New enlarged footprint for *acquiring*** in the North/Centre of Europe
- Focus on **international expansion**



Absolute ambition to become the market leader in Merchant Services



Strong focus in Mobility & e-Transactional Services to take advantage of robust market trends

Strong momentum of business fundamentals in 3 verticals and 1 transversal :

- **Manufacturing & Insurance:** Connected Living, Analytics & Payment
- **Transport & Public:** e-Ticketing, Analytics & Payment; seamless transport payment
- **Public & Health:** Trusted Digitization
- **Worldline Contact**, omni-channel solution in the cloud (multi sectors)

Leverage global footprint to pursue international roll-out of key offerings (e.g. Connected Living)

Take advantage of the continuously expanding Atos customer base

Supporting customer strategic business transformation powered by connectivity and new digital services

4 Key Strategic Axis 2017-2019

Worldline key strengths		Strategic Axis
Size & scope	• Largest PSP in Europe • Leader in key markets • Unique pan-European reach	<u>Financial Processing</u> • Deliver the massive industrial synergies with equensWorldline • Take further advantage of our European leadership in Financial Processing services
	• Widest payment value chain coverage • Technology DNA and track-record on next-gen platforms • Strong and diversified customer base	<u>Merchant Services</u> Expand strongly our Pan-European platform for Omni-commerce Merchant Services
European DNA	• European payment industry intimacy • Attractive financial profile	<u>Mobility & e-Transaction</u> • Focus on IoT and e-Platforms trends leveraging MeTS & Payments
		• Accelerate European payments industry consolidation



2017-2019 objectives

Revenue Organic Growth

After H1 2017 at a slight positive growth, **5% to 7% CAGR**

OMDA %

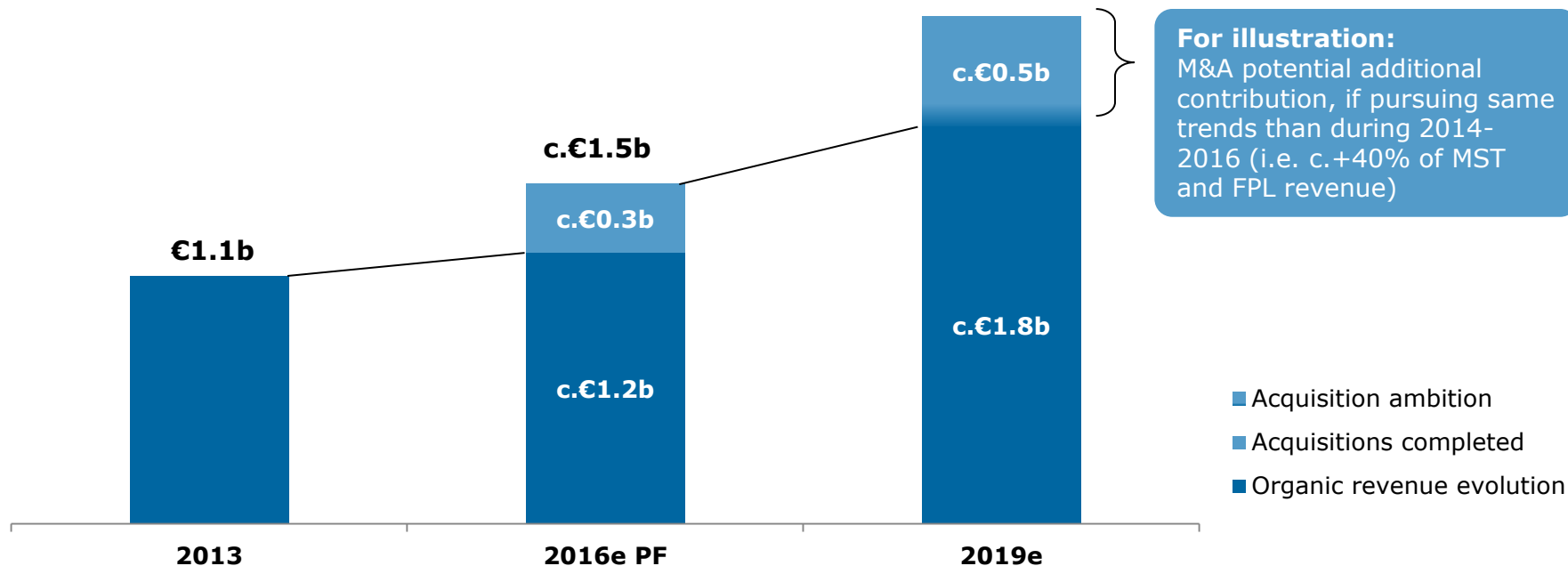
+350bp to +400bp margin improvement
in 2019 vs 2016 ⁽¹⁾

Free cash flow

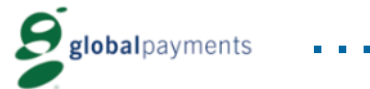
€210m to €230m in 2019, representing **over +50% increase**
compared with **2016 objective**

(1): c.18.5% OMDA margin, 2016 Pro Forma best estimate, before finalization of pro forma methodology review

A strong M&A ambition over 2017- 2019



Single currency and harmonized regulation drove the US consolidation in payments



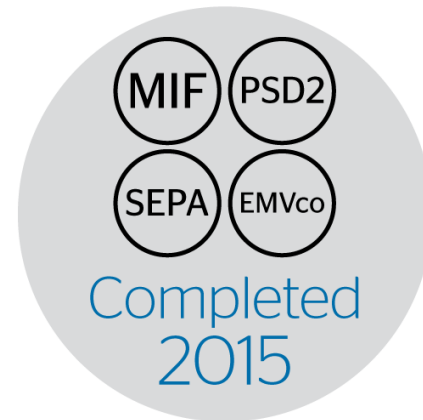
Annual revenue between \$2b and \$10b

The European payment industry consolidation journey is just starting...

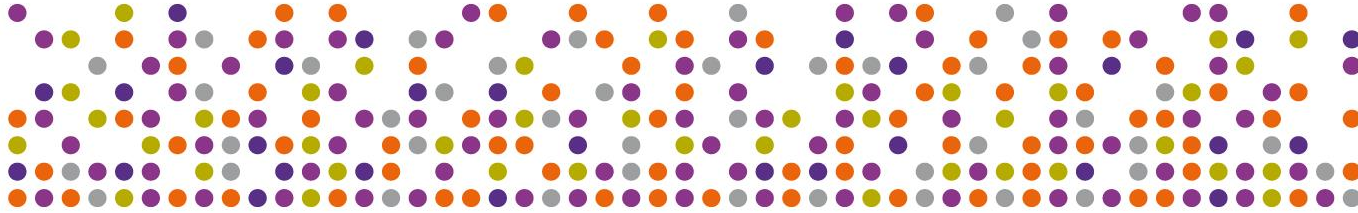


Still 40+ payment processors
between €50m to €400m of revenue

... while Worldline is one of the very few European recognized natural consolidators



Worldline with Equens-Worldline Company
the European Payment Market Consolidator



Thank you

For more information, please contact:

David Pierre-Kahn, *Head of Investor Relations*

T +33 1 34 34 90 66 | M+ 33 6 28 51 45 96

david.pierre-kahn@worldline.com



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