

# STRATEGIC PARTNERSHIP BETWEEN WORLDLINE AND SIX CONSOLIDATING EUROPEAN PAYMENTS

**Worldline to acquire  
SIX Payment Services**

-

**SIX to become a major  
shareholder of Worldline**

- May 15, 2018 -

**SIX**

**Worldline**

# Disclaimer

- This communication 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.
- This communication contains combined data (including synergies) which are estimates based on current assumptions of separation of SIX Payment Services and which remain subject to the effective completion of SIX Payment Services' carve-out and to the completion of the proposed transaction between Worldline and SIX Group AG. It also contains forward-looking statements that involve risks and uncertainties, including references, concerning Worldline's expected growth and profitability in the future which may significantly impact the expected performance indicated in the forward-looking statements. These risks and uncertainties are linked to factors out of the control of Worldline and not precisely estimated, such as market conditions, competitors behaviors or actual completion of the proposed transaction between Worldline and SIX Group AG. Any forward-looking statements made in this document are statements about Worldline' beliefs and expectations and should be evaluated as such. Forward-looking statements include statements that may relate to Worldline' plans, objectives, strategies, goals, future events, future revenues or synergies, or performance, and other information that is not historical information. 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 2017 Registration Document filed with the Autorité des Marchés Financiers (AMF) on March 21, 2018 under the filing number: D.18-0163 and that will be described in the documents to be made available to regulatory authorities such as the AMF in the context of the proposed transaction between Worldline and SIX Group AG. Worldline does not undertake, and specifically disclaims, any obligation or responsibility to update or amend any of the information above except as otherwise required by law. There can be no assurance that the proposed transaction between Worldline and SIX Group AG will be consummated or that the anticipated benefits will be realised. The proposed transaction is subject to various regulatory approvals and the fulfilment of certain conditions, and there can be no assurance that any such approvals will be obtained and/or such conditions will be met.

# Disclaimer

- This document includes supplemental financial measures that are not clearly defined under IFRS and that are or may be non-GAAP financial measures. These supplemental financial measures should not be viewed in isolation or as alternatives to measures of Worldline's net assets and financial position or results of operations as presented in accordance with IFRS in its consolidated financial statements. Other companies that report or describe similarly titled supplemental financial measures may calculate them differently. Revenue organic growth is presented at constant scope and exchange rates. 2018 objectives have been considered with exchange rates as of December 31, 2017.
- Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

## Additional information

- In connection with the proposed transaction, Worldline intends to file with the AMF an information document in connection with the listing of its shares to be issued in exchange for the contribution by SIX Group AG of the SIX Payment Services business. INVESTORS ARE URGED TO CAREFULLY READ ALL RELEVANT DOCUMENTS FILED WITH THE AMF, INCLUDING THE INFORMATION DOCUMENT WHEN IT BECOMES AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION. Investors may obtain free of charge a copy of the information document as well as other documents filed with the AMF (when they become available) on the AMF's website at [www.amf-france.org](http://www.amf-france.org). Those documents, when filed, may also be obtained free of charge on Worldline's website at <https://worldline.com>.

# **TRANSACTION HIGHLIGHTS**

**Worldline**

# WORLDLINE WAS LISTED TO BE AT THE CENTER OF THE CONSOLIDATION OF EUROPEAN PAYMENTS

TODAY



A COMPREHENSIVE  
GROWTH STRATEGY



WORLDLINE  
& SPS TOGETHER

- Solid track record since IPO
- After the merger with Equens and 6 other acquisitions, the only truly pan-European processing platform
- Strong balance sheet and significant firepower
- Clear strategy and industrial consolidation ambition

## Robust organic development through

- Acceleration of organic growth
- Enhanced profitability through efficiency gains
- Strong free cash flow generation

## A focus on M&A to support our strong industrial ambition in payments

- To take advantage of the new creation of the Euro and of the SEPA;
- Enabled by a strong balance sheet;
- Backed by Atos know-how

## A unique European positioning

- Size and scale
- Technology focus on security and next-generation payments
- Coverage of entire payment value chain

**20 European countries**  
**>300 bank clients**



***The European partner***  
for payment processing since 1973

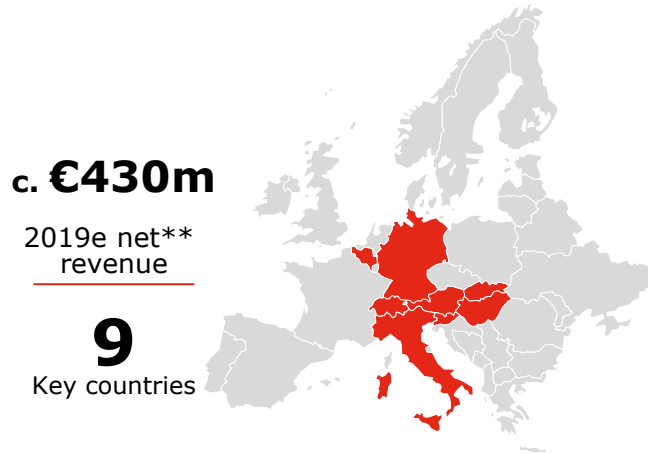
***- A global European -***  
champion in e-Payments  
part of the Atos group



# SIX PAYMENT SERVICES (SPS)

one of the largest payment service providers  
in Europe and the DACH\* payment champion

## MERCHANT SERVICES

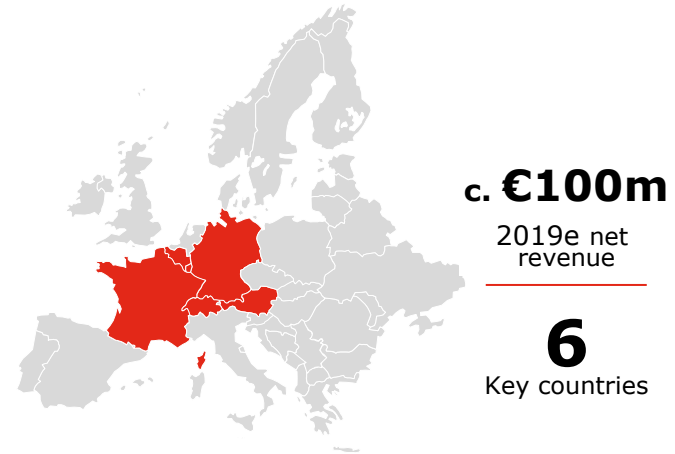


**c. € 530m**  
2019e net\*\* revenue

**c. € 20%** OMDA

number of staff  
**c. 1,600**

## FINANCIAL SERVICES



\*: Germany, Austria, Switzerland  
\*\*: net of bank interchange fees  
1 EUR = 1.194 CHF

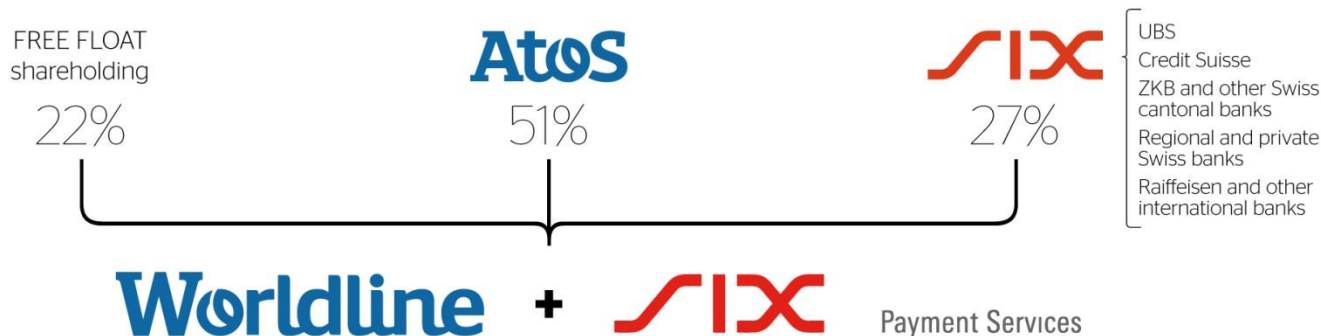
# KEY FEATURES OF THE TRANSACTION

- 1** Worldline to acquire SIX Payment Services (SPS), one of the largest payment service providers in Europe and the DACH region payment champion.
- 2** A fundamental transformation of Worldline's activity leading to a size increase of c.+30%.
- 3** Transaction based on an enterprise value of € 2,303 million\* (CHF 2,750 million) consisting in 49.1 million newly issued Worldline shares and a cash consideration of € 283 million\* (CHF 338 million).
- 4** Very significant synergies leading to an accretive transaction on EPS\*\* as soon as 2019
- 5** Closing to be completed in Q4 2018 and consolidation expected from of January 1, 2019
- 6** Thanks to the transaction structure, Worldline preserves a strong balance sheet enabling to remain an active player in the European payment consolidation.

\*: 1 EUR = 1.194 CHF

\*\* : Earnings per share, after synergy implementation costs and before PPA amortization

# WORLDLINE SHAREHOLDING STRUCTURE & GOVERNANCE POST TRANSACTION



- 49.1 million of new shares + € 283 million in cash against SIX Payments Services contribution into Worldline
- Worldline Board of Directors enlarged from 9 members to 12 members and 1 censor, of which:
  - 2 new Board Members and 1 censor proposed by SIX Group; and
  - 1 new independent Director
- Corporate governance adapted with SIX representatives in each committee



# **STRATEGIC RATIONALE**

**Worldline**

# WORLDLINE TO ACQUIRE SIX PAYMENT SERVICES TO CREATE A PAN-EUROPEAN PAYMENT POWERHOUSE

The scope of the transaction covers:

- 1
  - Merchant services (81% of 2019e net revenue): all SPS Merchant Services activities;
  - Financial Services (19% of 2019e net revenue): all Financial Services activities outside of Switzerland and in Switzerland through SIX.

- 2

The +30% size increase of the Worldline Group thanks to the combination with SIX Payment services comes from c.+65% in Merchant Services and c.+12% in Financial Services.

- 3

Major rebalancing of Worldline European geographic presence, thanks to the acquisition of many new leading positions in the DACH region.

- 4

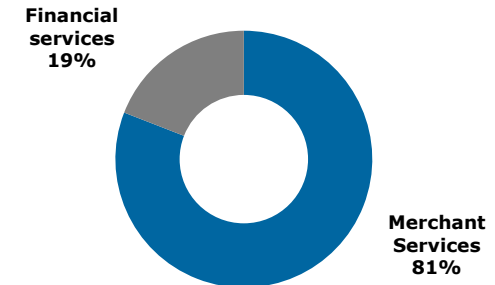
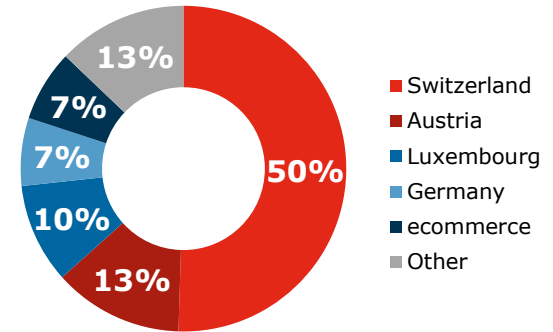
A quantum leap allowing establishing Worldline as the n°1 non-bank acquiring platform in Continental Europe.

- 5

Through additional scale, massive value creation opportunity with total estimated annual run-rate OMDA synergies of €110 million.

# SIX PAYMENT SERVICES (SPS): ONE OF THE LARGEST PAYMENT SERVICE PROVIDERS IN EUROPE AND THE DACH PAYMENT CHAMPION

- Historical leader in its home market in Switzerland
- Successful business which has grown through organic and inorganic developments
- In particular, recent acceleration in H2 2017 with two very recent additions in H2 2017 in Germany (VOB) and in Switzerland (Aduno)

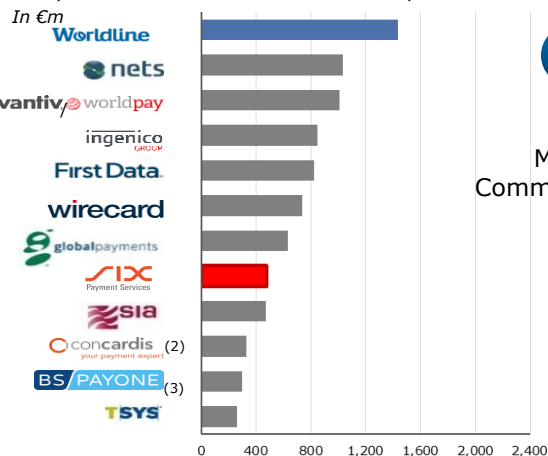


- N°1 commercial acquiring market positions in Switzerland, Austria and Luxembourg. Significant presence in Germany.
- Very experienced and international management team lead by Marc Schluep, SPS CEO

# A TRANSACTION THAT REDEFINES THE EUROPEAN PAYMENT INDUSTRY

**Worldline + SIX  
= The Undisputed  
Pan-European Leader**

Independent PSPs Net Revenue in Europe<sup>(1)</sup>



**#1**  
**10%**

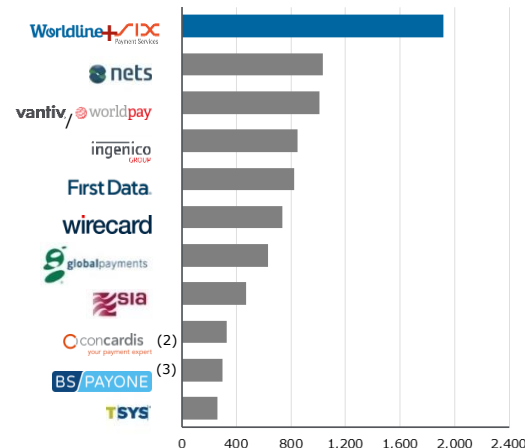
Market Share in Commercial Acquiring (3)

**#1**  
**20%**

Market Share in Financial Processing (4)

**#3**

European e-com. PSP (5)



**Worldline** + **SIX** Payment Services

= 2019e combined revenue of **c.€2.3bn**

1 EUR = 1.194 CHF

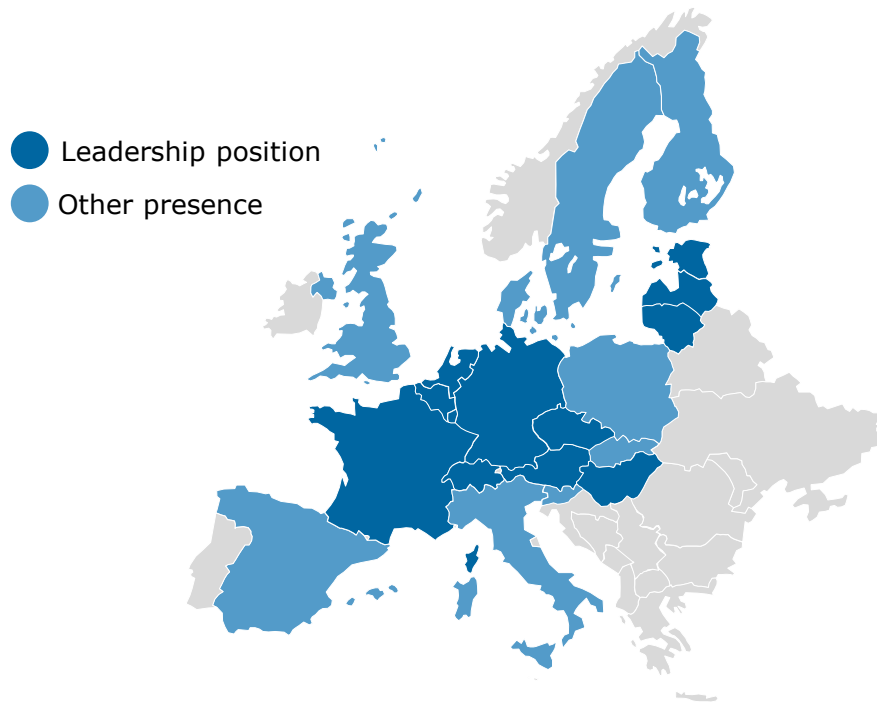
(1) Latest available (converted at respective current FX rate).  
(2) Worldline's estimates. (3) Figures from B+S Card Service only.  
(3) in continental Europe excl. Russia – source: BCG

(4) in number of transactions processed in UE – source: ECB  
(5) online acceptance in number of transactions –  
source: Nilson Report 2017; company information and BCG analysis

**Worldline**

# UNIQUE GEOGRAPHIC FOOTPRINT

With leadership positions in all the key continental European countries



## Market leader positions in:

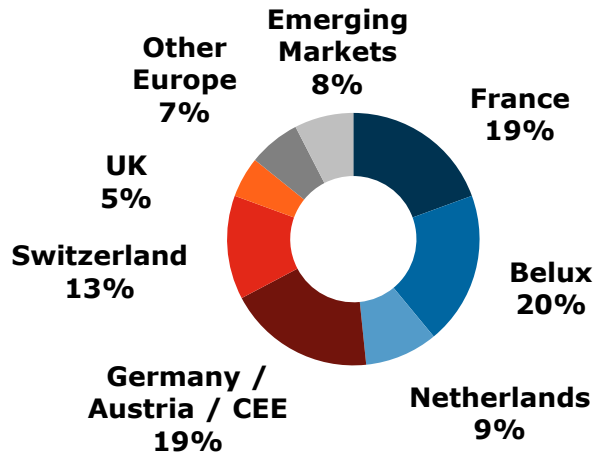
- Austria
- Baltics
- Belgium
- Czech Republic
- France
- Germany
- Luxemburg
- Switzerland
- The Netherlands

- **Perfect geographic match**
- **Only player truly able to deliver a continental platform**

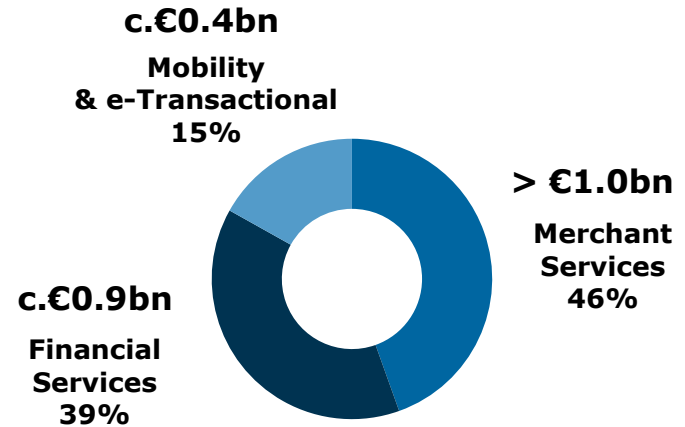
# A UNIQUELY DIVERSIFIED BUSINESS PROFILE

with a mix rebalanced towards merchant services

**Worldline** + **SIX** Payment Services = 2019e combined net revenue of **c.€2.3bn**



**Major rebalancing of Worldline's geographies <sup>(1)</sup>**



**New Business Profile <sup>(2)</sup>**

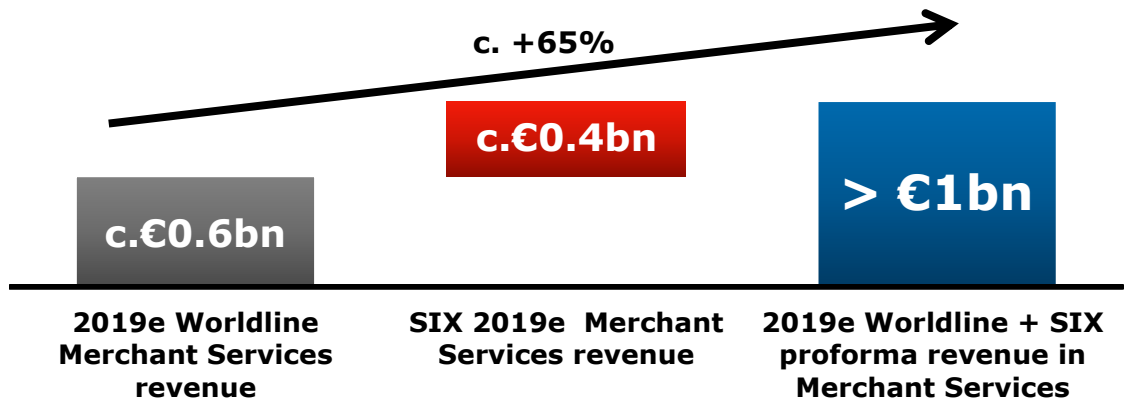
<sup>1</sup> EUR = 1.194 CHF

(1) Based on 2017A Financials.

(2) Based on 2019e combined revenue



# A QUANTUM LEAP POSITIONING WORLDLINE AS THE N°1 non-bank acquiring platform in Continental Europe



- c.+30% in Worldline revenue size
- c.+65% growth in Merchant Services
- Out of which +110% growth in Commercial Acquiring activities

**#1 position in Merchant Services in Continental Europe**

**BUSINESS BENEFITS  
OF THE COMBINATION  
INDUSTRIAL AMBITIONS**

**Worldline**

# CREATING THE UNDISPUTED EUROPEAN LEADER IN PAYMENT SERVICES

**Worldline**

**SIX** Payment Services

**Worldline + SIX** Payment Services



## Scale

c. € 94 bn Merchant Service Value (MSV)  
c. 100 m card managed  
c. 860 m e-com trx

c. CHF 95bn MSV  
c. 24 m card managed  
c. 50 m e-com trx

c. € 180 bn Merchant Service Value >120 m card managed  
>900 m e-com trx



## Reach

200,000+ merchants  
250+ financial institutions  
#1 EU Financial processor  
Leading Merchant Service provider

210,000+ merchants  
180+ financial institutions  
#1 PSP in Switzerland, Austria and Luxembourg

>410,000 merchants  
>300 financial institutions  
#1 Financial processor in Europe  
#1 non-bank Merchant Acquirer in Continental Europe



## Capabilities

>9,400 employees  
Commercial acquiring  
E-com & Omni-channel  
Global collecting  
Digital retail  
Terminal services

1,600 staff  
Mobile schemes (TWINT, Alipay)  
SMB e-com. self care

> 11,000 staff  
Full coverage of merchants and financial institutions needs :  
• Channels;  
• products;  
• processes; and  
pan-European reach

# An undisputed leader in Merchant Services



**#1 Merchant Services Provider in Europe**, boosting growth beyond home markets through bank alliances, partnerships and acquisitions



**Multiple complementarities between SPS and Worldline** (including benefits from experience in verticals, complementary application landscape, e-commerce portfolio) and **complementary regional leadership**



**Leverage the top 3 e-commerce and omni-channel PSP position in Europe** to grow combining global acceptance, collecting and omni-channel capabilities and **leverage the full scale benefits from a solid acquiring back-office**



**Achieve superior merchants win rate and retention** and create value with the most complete Products & Services portfolio in market



**Be first with one unified European largest scale acquiring** system, meeting global merchants needs at superior margins



**The strongest global Merchant Services organization**, uniquely positioned to meet the local (e.g. domestic schemes, services proximity, banks products) and global (e.g. multi-countries, centralized services & payments) needs

# STRONG DEVELOPMENT PERSPECTIVES OF COMMERCIAL ACQUIRING IN GERMANY


- Leverage **SPS, VÖB, and Worldline** to win market share over current market leaders
- With a **full acceptance to acquiring** integrated service offer, **differentiating** on the market
- In a market boosted by **the fast card/ e-payment catch-up** versus cash payments
- Explore **opportunities to create new bank alliances**
- Objective to become #3 in the market with a market share above 15% by 2022

Est. 6%  
Market share  
In 2019

Est. #4  
Acquirer



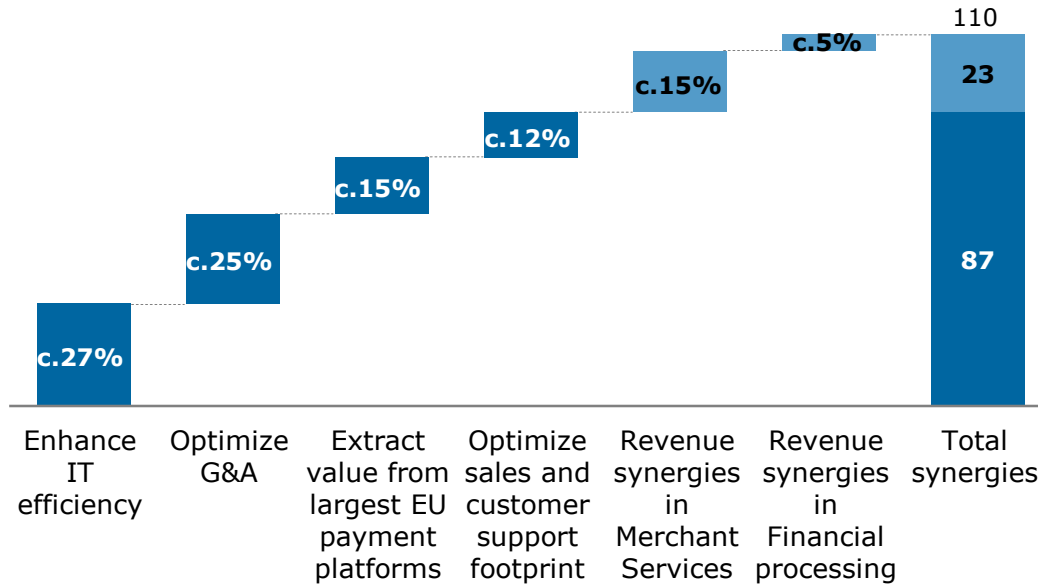
# REINFORCING WORLDLINE'S EUROPEAN LEADERSHIP IN FINANCIAL SERVICES

-  **Win new outsourcing deals**, unlocking new geographies
-  **Leverage an undisputed complete portfolio** in issuing processing
-  Formation of **highly complementary scheme-licensing solutions** and overall large number of **cross-selling opportunities**
-  **Share development efforts** on common investment topics
-  **Create a successful partnership** with SIX Group to serve Swiss Banks well on the long term



# A STRONG AND SECURE SYNERGY PLAN

## OMDA in €m



**c.€ 110 million OMDA savings**  
in 2022

- c.25% delivered in 2019
- c.50% in 2020

**Synergy implementation costs**  
**estimated at c.€ 110 million**,  
on top of pre-closing costs of  
€15-20 million

**Execution secured by**  
**alignment on synergy nature**  
**and level**

**c.5% of combined**  
**cost base**

# ROBUST EXECUTION METHODOLOGY

## Relying on 5 Key Principles



**1** **Structured joint governance** involving managers from both sides in decision-making and delivery



**2** Project organization **mirroring new entity organization** with clear and non overlapping objectives



**3** **Mixed teams on the ground** with business and project staff, backed by experienced integration partners



**4** **Strong manager accountability** through alignment of scorecards with management top and bottom-line objectives



**5** **Rigorous process with active monitoring of target execution** & transversal support maximizing anticipation

**COLLABORATIVE APPROACH  
INVOLVING MANAGERS FROM  
BOTH SIDES  
IN BUSINESS PLAN  
PREPARATION & EXECUTION**

**TIGHT MANAGEMENT CULTURE  
MITIGATING EXECUTION RISK**

**STRONG AND MOTIVATING  
LONG-TERM INCENTIVE  
EQUITY-BASED PLAN**

**ANNOUNCED EQUENS  
SYNERGIES OVERPERFORMED**

**Prepare as of signing, ready at closing**

**Worldline**

# CREATING A LONG STANDING PARTNERSHIP

with SIX Group and the Swiss Banking Community

**Long-term  
partner for the  
Swiss banking  
industry**

- A **governance supporting the strategic alliance** and designed to fully support the Swiss banking community priorities and strategic agenda in payments
- **Servicing** the **whole** Swiss banking community through and with SIX via a 10 year long-term contract
- Becoming a **new strategic shareholder of TWINT** (Next-Gen Bank owned Mobile and P2P payment scheme and solution) and committed to support operationally a faster scale up
- **Secondary Switzerland listing envisaged**

# **TRANSACTION FINANCIALS & VALUE CREATION**

**Worldline**

# KEY TRANSACTION TERMS & VALUE CREATION

## Consideration & Structure

- Total consideration of € **2,303m**
  - 49.1m of new Worldline shares representing **27% of share capital**
  - **€ 283m in cash**
- Implied estimated **2019 OMDA multiple of c.17.5x post synergies**
- Implied estimated **2019 OMDA multiple c.11.0x post run rate synergies**
- Agreement also includes a mechanism to potentially compensate SIX up to € 139m in Q2 2020 depending on Worldline value creation by then.

## Additional items

- **€ 46m** paid for specific identified assets (deferred payment related to the Visa Europe Share and tax losses carried forward in Luxemburg)

## Partnership

- Transaction comprises **10 year contract with SIX** to deliver services for the **Swiss market**
- Worldline undertaking to become **20% shareholder in TWINT (€ 25m investment)**

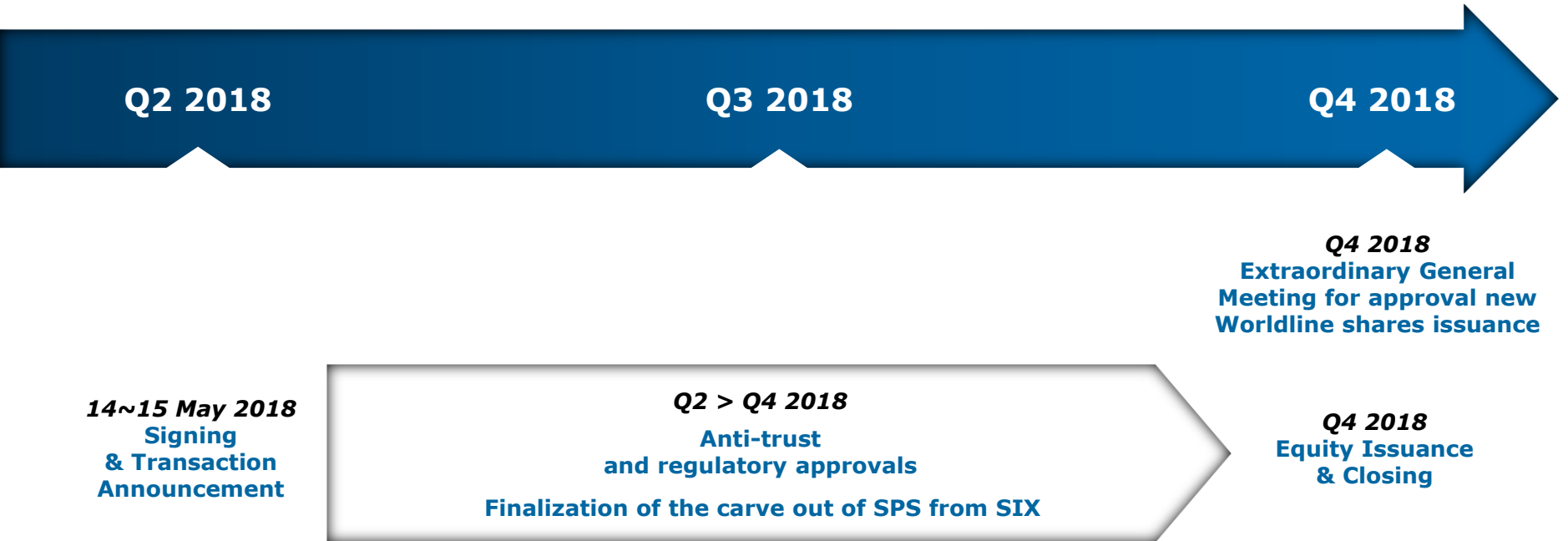
## Financial Impact

- Highly value creative with **run-rate synergies of €110m**
- **Slightly positive to earnings in 2019** and **highly accretive from 2020 onwards** (post synergy implementation costs and pre-PPA amortization)
- **Intact financial firepower estimated at €2bn end of 2019**
- Est. **net cash position of c.€150m at end of 2018** (subject to additional acquisitions in 2018)

## Timing

- Closing to be completed **in Q4 2018**
- Consolidation expected from **January 1, 2019**

# CONTEMPLATED TIMELINE





# IMPACT ON WORLDLINE FINANCIAL PROFILE

## Impact on revenue growth

- Current **growth consistent with Worldline's** profile
- **Rebalancing towards Merchant Services** contributing to the revenue growth acceleration thanks to the new business mix

## Impact on OMDA

- **Worldline 2019 OMDA% guidance of above 23% maintained** thanks to SPS profitability associated with fast implementation of synergies
- **Significant margin upside** with run-rate synergies of c.€110m at OMDA level in 2022, out of which c.25% in 2019 and c.50% in 2020
- **Synergies implementation costs** amounting to **€110m**

## Impact on Free Cash Flow

- **SPS cash generation estimated in line with Worldline's cash conversion ratio** (FCF/OMDA ratio)
- **Capex** expected to remain between **5 - 6%** of revenue

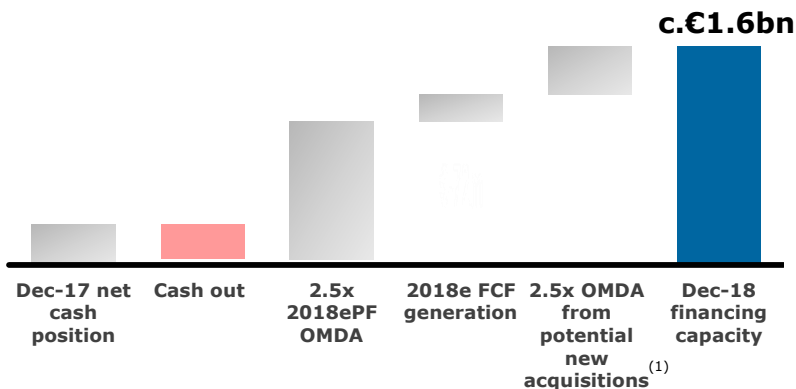
## Impact on EPS

- Transaction expected to be **slightly accretive in 2019**
- High single digit EPS accretion expected in 2020
- **Double digit EPS accretion expected from 2021** onwards (post synergy implementation costs and pre-PPA amortization)

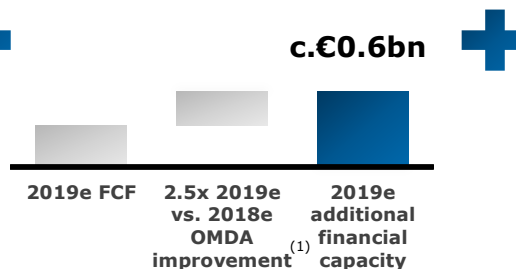
# TRANSACTION STRUCTURE PRESERVES FIREPOWER

*Mid-term leverage target of 1.5x to 2.5x net debt/EBITDA*

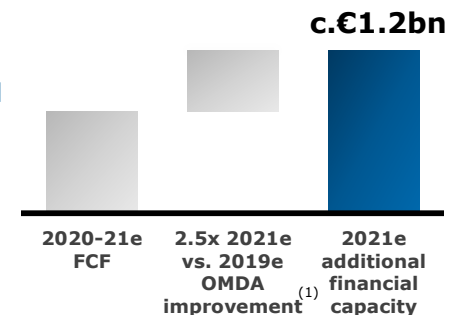
**Financing capacity available at the end of 2018**



**Additional financing capacity over 2019**



**Additional financing capacity over 2020-21**



Estimated **M&A firepower** of more than €2bn by the end of 2019 without capital increase to **further consolidate** the European payment market

Note: (1) Max leverage

# **CONCLUSION & KEY DEAL TAKEAWAY**

**Worldline**

# COMBINATION OF WORLDFLINE AND SPS: Redefining the European Payments Industry

## THE PAN-EUROPEAN PAYMENTS POWERHOUSE WITH UNRIVALLED SCALE AND SPAN

- The industry-defining leader with **unique scale**, benefitting from **massive cost advantage** and **innovation superiority**
- **Intact firepower** to play a prominent role in the **upcoming regional consolidation**
- Perfect geographic match with complementary **#1 positions in France and BeNeLux** and **leadership in the DACH region**

## ESTABLISHING THE REFERENCE PARTNER FOR MERCHANTS AND BANKS, WITH COMPETITIVE EDGE

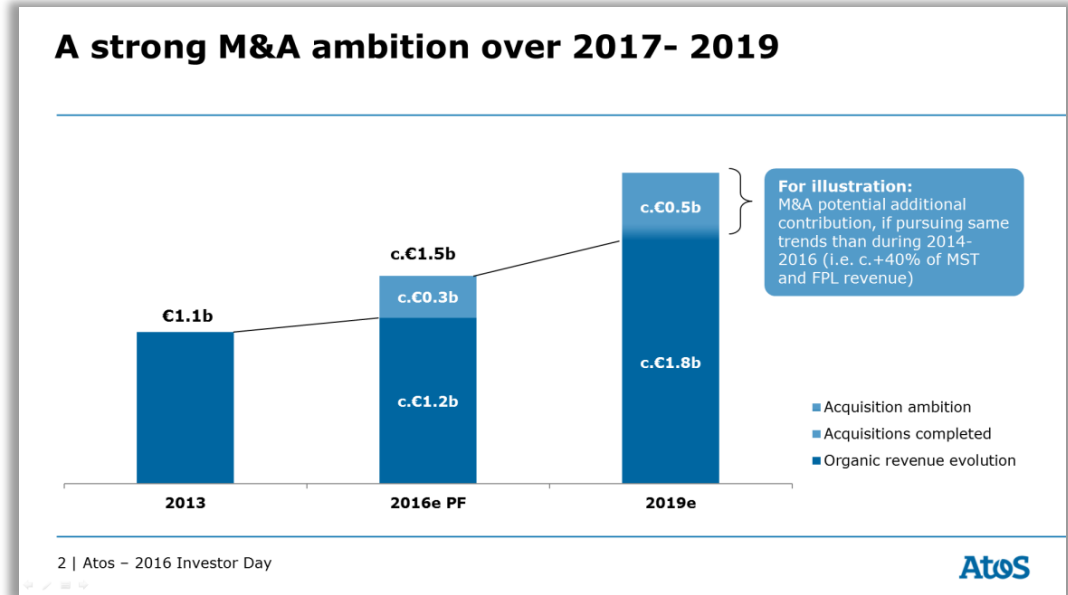
- **Unparalleled Merchant Services offering across segments**, geographic reach and capabilities
- Unlock **further growth opportunities in Financial Services** from enhanced scale
- **Cost efficiency** backed by the highest scope in processing and IT, **supporting competitiveness**

## DELIVERING EXCEPTIONAL LONG-TERM VALUE TO STAKEHOLDERS

- **Shared industrial vision** supported by clear and ambitious development plans
- **Significant synergy potential** thanks to complementarities and costs savings

# 3-YEAR PLAN INORGANIC GROWTH AMBITION ALREADY ACHIEVED

- **Reminder** of the ambition presented **as part of Worldline 3-year plan**
- With the SIX Payment Services transaction, **M&A ambition ahead of plan...**
- ...while maintaining **the acquisition firepower for further developments**





# Q&A

SIX

Worldline



# 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\*](mailto:david.pierre-kahn@worldline.com)

SIX

Worldline