



# H1 2023 Results

Wednesday July 26, 2023

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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**

## STRATEGIC INITIATIVES



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

**Closing of Banco Desio acquisition**

## 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**

## 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



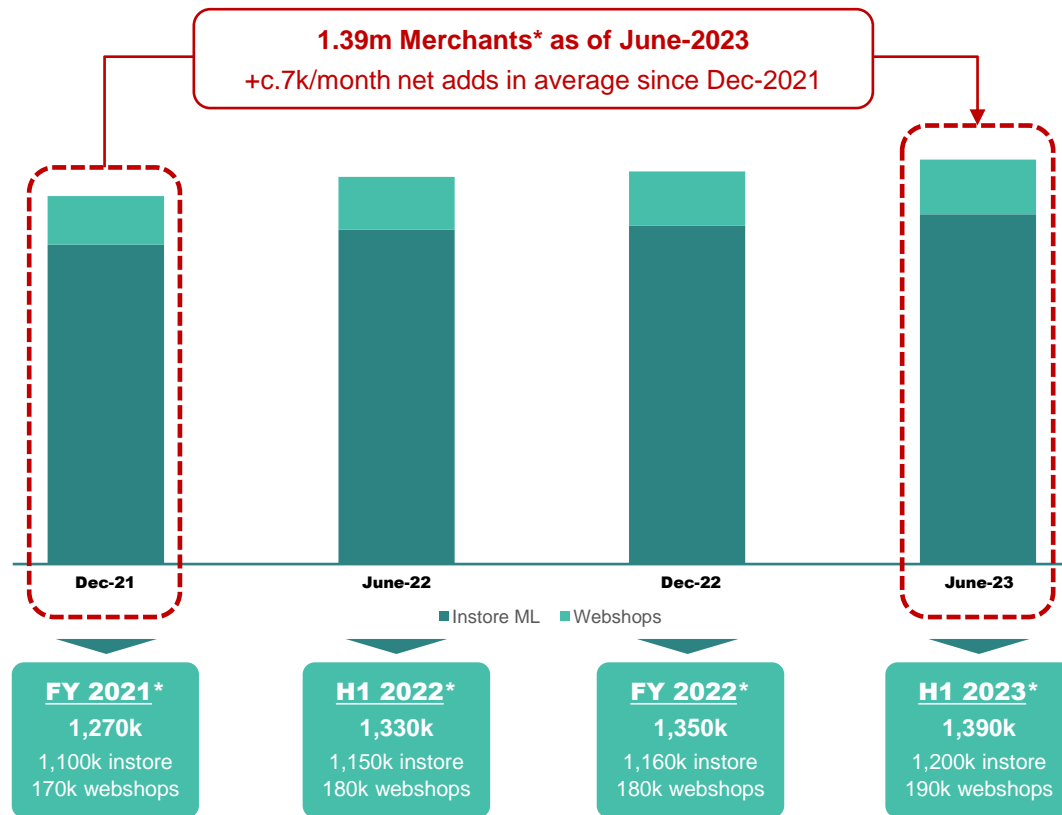


# Merchant Services dynamics & innovations

Marc-Henri Desportes  
*Group Deputy CEO*

# Solid dynamic in Worldline acquiring merchants' base

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



## 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



areas 



AmazingTalker



home bargains

campingVISION  
Votre partenaire stratégique de vente en Europe



ANA 

## MS Key partnerships signed



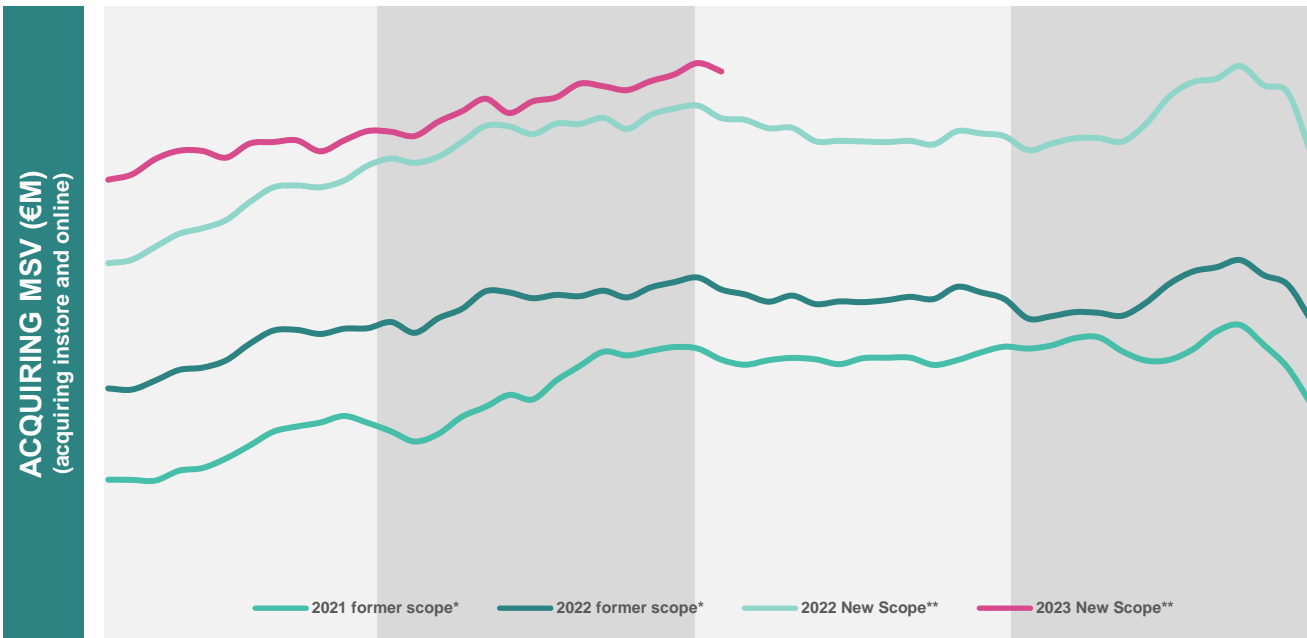
Plug-in payment solution  
embedded into VTEX enterprise  
digital commerce platform  
enhancing authorisation and  
conversion rates



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

# Acquiring MSV growth in H1 2023

*Solid growth on a more normalized basis*



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

**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**

# 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



## 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

**Innovation  
in the heart  
of our roadmap**

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

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



**H1'23**

# **Financial performance**




**Grégory Lambertie**

*Group CFO*

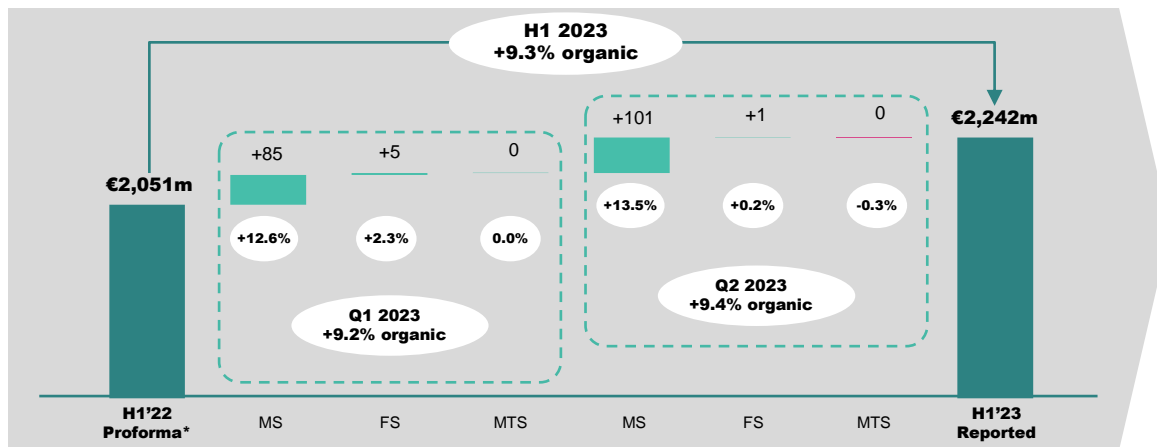
# H1 2023 financial performance

## 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%
<b>Worldline</b>	<b>2,242</b>	<b>2,051</b>	<b>+9.3%</b>

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



Digital Payments  
for a Trusted World

\* 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

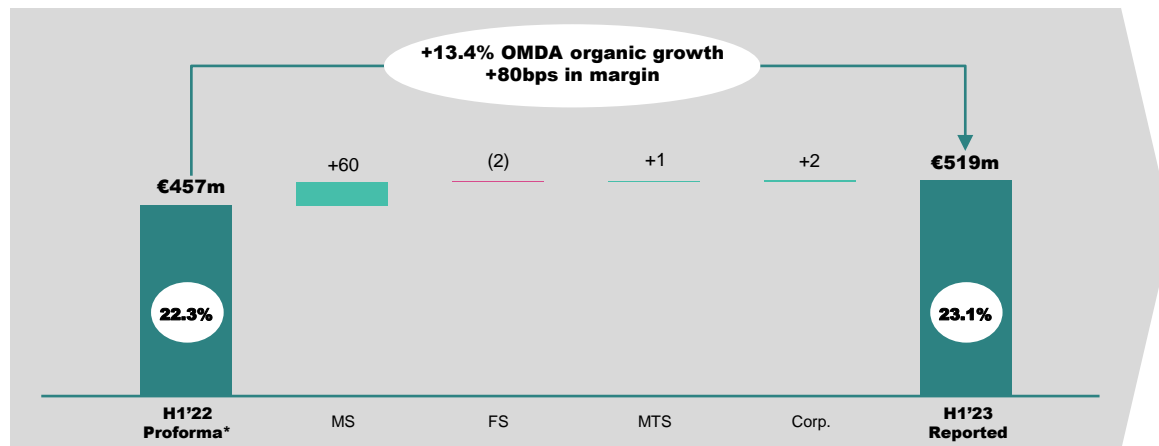
**WORLDLINE** 

# H1 2023 financial performance

## Global business lines OMDA overview and building blocks

### H1 2023 Group OMDA

(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
<b>Worldline</b>	<b>519</b>	<b>457</b>	<b>23.1%</b>	<b>+80 bps</b>



Digital Payments  
for a Trusted World

\* 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

**WORLDLINE** 

# Income statement

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

\* H1'22 reported

\*\* Normalized net income Group share on continued operations

Digital Payments  
for a Trusted World

## 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)
<b>Free Cash-Flow</b>	<b>232</b>	<b>230</b>
<i>OMDA conversion rate (%)</i>	<i>44.7%</i>	<i>49.0%</i>

\* 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 1 <sup>st</sup>	(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
<i>o.w. impact of TSS accounted in discontinued operations</i>	-	(6)
Reduction / (Increase) in net debt	361	(533)
(Net debt) / cash as of June 30 <sup>th</sup>	(1,837)	(3,456)
<i>LTM Net Debt / OMDA</i>	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





**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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