

2016 annual results

Tuesday, February 21 2017

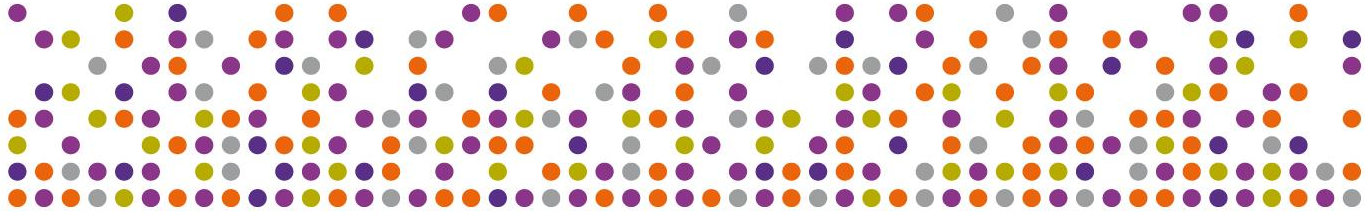


worldline
e-payment services



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 2015 Registration Document filed with the Autorité des Marchés Financiers (AMF) on April 28, 2016 under the registration number R.16-031 and its update filed on August 4, 2016 under the registration number D.16-0288-A01.
- Worldline consolidated and statutory financial statements for the year ended December 31, 2016, were approved by the Board of Directors on February 21, 2017. Audit procedures on these financial statements have been performed by the statutory auditors and their audit reports will be issued after the completion of the specific verifications required by French law and of procedures for the purposes of the Registration Document filing.
- Revenue and OMDA organic growth are presented at constant scope and exchange rates. 2017 objectives have been considered with exchange rates as of December 31, 2016.
- Global Business Lines include Merchant Services & Terminals (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

2016 annual results

Gilles Grapinet, Chief Executive Officer





A very robust year 2016

All 2016 objectives met
in the upper end of the
guidance brackets

**Strong start of the
integration and of the
synergy plans** related to
the Equens, Paysquare and
KB Smartpay

Increased visibility
positioning Worldline at the
epicenter of the payment
industry consolidation




Solid revenue growth in 2016 in Merchant Services & Terminals and Financial Services

- **Revenue: € 1,309**
+3.5% organic growth
- Excluding Radar and Vosa end of contract effects, growth of the **underlying business** well **above 8%** as expected.
- Very satisfying operational performance in **Commercial acquiring** on top of favorable price/volume mix effect.
- **Financial Services** growth close to +5% during all 2016 with an acceleration in Q4



**Growth
acceleration**
notably in MS&T
and FS

 **Worldline well positioned to accelerate growth between the 5% to 7% target of the 3 year plan, as soon as H2 2017**



Profitability improvement delivered and exceeding the plan for the year

- **OMDA: € 258.7 million**, 19.8% of revenue
+90 bp Vs 2015, exceeding the target for the year of +80 bp
- First delivery of **cost synergies within equensWorldline**
in Q4
- Significant savings from the **TEAM** transformation program
- Efficient start of the **integration of Payscale and KB
Smartpay** within Merchant Services operations



**Transformation
of the company**
and profitability
improvement

 **Very solid integration and transformation plans to support
massive productivity improvement in 2017 and beyond**



A very robust free cash flow in 2016 while absorbing significant transaction and integration costs

- **Strong free cash flow generation: € 140.4 million**
+9.3% Vs 2015
- **Solid FCF/OMDA conversion reaching 54%**, despite significant **transaction and integration costs** of **c.€10 million**
- **Net cash** position reaching **c.€ 400 million**



Exceeding FCF
generation
guidance of
€ 135-140m

 **Continued focus on improvement of FCF, while financing integration costs in 2017**

With PaySquare and KB, Worldline reinforces its Commercial Acquiring positions in Europe

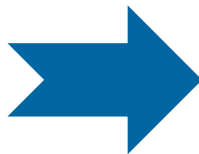
PaySquare

becomes Worldline, the European partner for merchant services

Acquisition of **PaySquare**: reinforced footprint in the **Netherlands** and direct access to **German** merchants

 **KB** | **SmartPay**

Partnership with **Komerční banka** in the **Czech Republic** to provide merchant acquiring and payment processing



**Solid Commercial Acquiring position
at the core of North/Central Europe
fast growing markets**

Combining forces with equens, equensWorldline is the leading financial processing company in Europe

EQUENS



Worldline joined forces with Equens, to strengthen its leadership in pan-European payment services.



Creation of **equensWorldline** the largest pan-European financial processor.



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



Unique portfolio covering the entire payment value chain for card, non-card & digital payments

Confirmation of Worldline position as a natural **consolidator** in the European payment industry

Technology & innovation leadership recognized by the Analysts

FORRESTER[®]

**Global Commerce
Payment Provider**



Ovum
TMT intelligence | informa

**White-label mobile
wallet solutions
delivery**



NelsonHall
Success through insight

**Retail Banking
–
Payment
category**

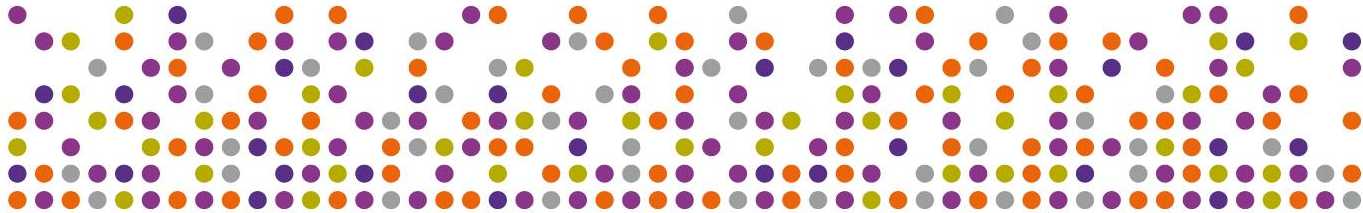


mpe | Merchant
Payments
Ecosystem

**MERCHANT
PAYMENTS
ECOSYSTEM
2017**



Wide portfolio of IP owned assets sustained by a
strong innovation and investment roadmap



Financial Performance

2016 annual results

Eric Heurtaux, Chief Financial Officer



Constant scope and exchange rate figures reconciliation

<i>In € million</i>	FY 2015				FY 2016	
	FY 2015	Scope effects	Exchange rates effects	FY 2015*	FY 2016 actuals	Var.
Revenue	1,227.0	76.1	-37.9	1,265.2	1,309.2	+3.5%
OMDA	235.3	10.7	-7.3	238.7	258.7	+8.4%
% OMDA	19.2%			18.9%	19.8%	+90bp

* At constant scope and 2016 average exchange rates

- **Scope effects** mainly correspond to Equens, Paysquare and KB Smartpay revenue and OMDA for the fourth quarter of 2015, for a like-for-like comparison with 2016.
- **Exchange rates effects** reflect mostly the appreciation of the Euro versus the British Pound and the Argentinian Peso.

2016 Financial performance overview

In € million

Merchant Services & Terminals
Financial Services
Mobility & e-Transactional Services
Corporate Costs
Worldline

Revenue		
FY 2016	FY 2015*	% Growth
439.6	409.5	+7.3%
500.0	476.8	+4.9%
369.6	378.9	-2.5%
1,309.2	1,265.2	+3.5%

OMDA		OMDA %	
FY 2016	FY 2015*	FY 2016	FY 2015*
99.3	78.6	22.6%	19.2%
130.6	116.8	26.1%	24.5%
51.5	61.8	13.9%	16.3%
-22.6	-18.5	-1.7%	-1.5%
258.7	238.7	19.8%	18.9%

* At constant scope and 2016 exchange rates



Merchant Services & Terminals

- Double digit growth in *Commercial Acquiring* in Europe and in India
- Consistent growth in *Payment Terminals* supported by international expansion



Financial Services

- Increased run revenue mainly in Europe and in India in *Acquiring processing*
- Growth in *Issuing processing* driven by volumes on core processing and Authentication/Fraud services



Mobility & e-Transactional Services

- Reported growth affected as planned by the termination of the VOSA contract from the end of Q3 2015 and of the RADAR contract mid-June 2016;
- Above +15% revenue growth excluding VOSA and RADAR

Revenue Growth:
+3.5% reported
+8.4% underlying⁽¹⁾

OMDA
+90bp OMDA
 improvement
 exceeding the target
 set for the year

(1): excluding the impacts of the VOSA and RADAR contract terminations

Merchant Services & Terminals



In € million

Revenue
OMDA
% OMDA

Merchant Services & Terminals

FY 2016	FY 2015*	% Growth
439.6	409.5	+7.3%
99.3	78.6	
22.6%	19.2%	+3.4 pt

* At constant scope and 2016 average exchange rates

Reported revenue : +7.3%

- Double digit growth in *Commercial Acquiring* driven by higher transaction volumes, strong operational performance and positive price/volume mix effects in Benelux and by the good dynamism of the Group's business in India.
- Consistent growth of *Payment Terminals* thanks to commercial successes in the Netherlands and with resellers on international markets.

OMDA: 22.6%

- Volume growth and positive price/volume mix effect in *Commercial Acquiring* in Belgium;
- Good dynamism of the *Commercial Acquiring* business in India thanks to the strong terminal base growth and to value added services;
- Margin recovery in the Merchant Network in the UK and productivity gain in Iberia in *Private Label Cards*.

Financial Services



In € million

Revenue
OMDA
% OMDA

Financial Services		
FY 2016	FY 2015*	% Growth
500.0	476.8	+4.9%
130.6	116.8	
26.1%	24.5%	+1.6 pt

* At constant scope and 2016 average exchange rates

Reported revenue : +4.9%

- Increased run revenue mainly in Europe and in India in *Acquiring processing* activities.
- Growth in *Issuing processing* driven by Authentication and Fraud services, as well as by good volume growth on core card issuing activities.
- *Digital banking* benefited from new contract signed with NS&I (UK).
- *ACH & Payments*: solid volume growth of SEPA transactions, in particular on the iDEAL platform, offset by less project activity compared with 2015.

OMDA: 26.1%

- Operating leverage on additional volumes in Issuing and Acquiring processing.
- First benefits from the cost synergy plan with Equens.

Mobility & e-Transactional Services



In € million

Revenue
OMDA
% OMDA

Mobility & e-Transactional Services

FY 2016	FY 2015*	% Growth
369.6	378.9	-2.5%
51.5	61.8	
13.9%	16.3%	-2.4 pt

* At constant scope and 2016 average exchange rates

Reported revenue: -2.5%

Underlying growth excl. Vosa and Radar: > 15%

- Very strong momentum in the three divisions:
 - *e-Consumer & Mobility*: new contracts; projects ramp-up (France, Germany)
 - *e-Ticketing*: increased project delivery with railways companies in the UK and higher activity in Latin America
 - *e-Government Collection*: increased volume in LATAM; more projects in Europe
- Reported growth affected as planned by the termination of the VOSA contract from the end of Q3 2015 and of the RADAR contract mid-June 2016.

OMDA: 13.9%

- **OMDA** impacted by the end of two mature contracts (RADAR & VOSA), which were partly substituted by new business consisting of project activities and ramping-up volumes with a lower profitability.

Income statement

<i>In € million</i>	2016	2015*
OMDA	258.7	235.3
Operating Margin	196.6	177.9
Staff reorganization	-4.5	-6.6
Rationalization and associated costs	-4.5	-6.2
Integration & acquisition costs	-9.9	-7.2
Customer relationships amortization (PPA)	-6.1	-3.5
Others	38.4	-6.3
Operating income	210.0	148.1
Net financial expenses	-5.9	-5.9
Income tax expenses	-53.7	-38.8
Non controlling interests and associates	-6.2	-
Net income Group Share	144.2	103.4

*: 2015 adjusted to reflect change in presentation of cost of equity based compensation

Key Observations

- **Staff reorganization** reflects the adaptation of the organization.
- **Rationalization expenses** include costs relating to the TEAM program.
- **Integration & associated costs** include costs related to the Equens and Paysquare transaction and post-acquisition integration costs.
- **Other items** consist mainly in the gain on Visa share disposal for € 51.2m and IFRS2 expense for € -6.8m;
- **Adjusted EPS** (diluted) reaches €0.98 (+7.7%)

Cash flow statement

<i>(In € million)</i>	2016	2015
Operating Margin before Depreciation and Amortization (OMDA)	258.7	235.3
Capital expenditures	(85.3)	(67.0)
Change in working capital requirement	37.3	11.9
Cash from operation	210.7	180.2
Taxes paid	(39.1)	(29.9)
Net cost of financial debt paid	(0.6)	(1.4)
Reorganization in other operating income (OOI)	(5.2)	(6.5)
Rationalization & associated costs in OOI	(4.1)	(6.2)
Integration and acquisition costs	(9.9)	(1.1)
Net long term financial investments	(1.3)	(1.9)
Other changes	(10.1)	(4.8)
Free Cash Flow	140.4	128.5
Net material (acquisitions)/disposals	(111.0)	-
Capital increase/(decrease)	7.5	-
Proceed from the disposal of the Visa Share	35.6	-
Purchase of shares	-	(2.4)
Change in net cash/(debt)	72.5	126.1
Foreign exchange rate fluctuation on net cash/(debt)	3.0	(5.9)
Opening net cash/(debt)	323.3	203.1
Closing net cash/(debt)	398.9	323.3

Key Observations

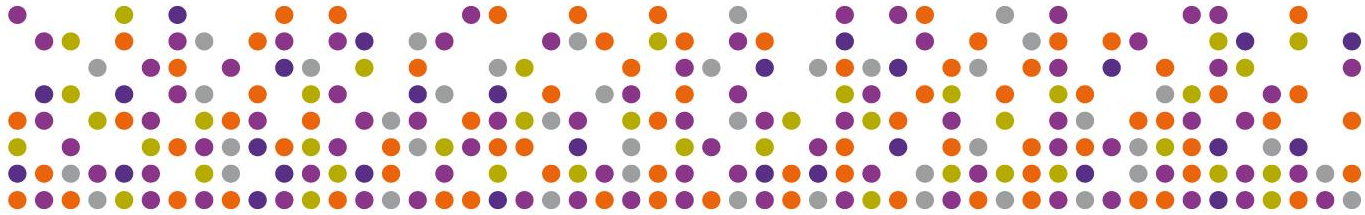
- **Free cash flow** increased by +9.3% in 2016 (**FCF/OMDA** conversion of **54.3%**)
- **Capex** includes investment on proprietary software platform for €45.4 million.
- **Change in WCR** reflects the impact of a longer DPO (+ 7 days)
- **Net material acquisitions** corresponds to the cash paid for Paysquare and KB Smartpay
- **Cash impact of VISA share disposal** amounted to €35.6 in H1 2016
- **Net cash** end of December 2016: c.€ 400 million

Simplified balance sheet

<i>In EUR million</i>	December 31, 2016	December 31, 2015
Goodwill	766.4	380.1
Intangible assets	312.1	123.7
Tangible assets	103.8	66.2
Net non-current financial assets	27.8	56.4
Net deferred tax assets	-	37.8
Net non-current assets	1,210.1	664.2
Working capital requirement	-153.1	-109.2
Total equity	1,292.0	788.7
Pension provision	131.6	79.5
Provisions	30.4	10.1
Net deferred tax liability	1.9	-
Net cash	398.9	323.3

Key Observations

- Increase in **Goodwill** reflects the acquisition of
 - Equens and Paysquare for €365.6m
 - KB Smartpay for € 21.8m
- **Intangible assets** increase includes recognition of acquisition related customer relationships for € 97.6m
- Decrease in **non-current financial assets** is due to the sale of the share in Visa Europe. Remaining balance corresponds mainly to the valuation of **Visa Inc. preferred shares**.



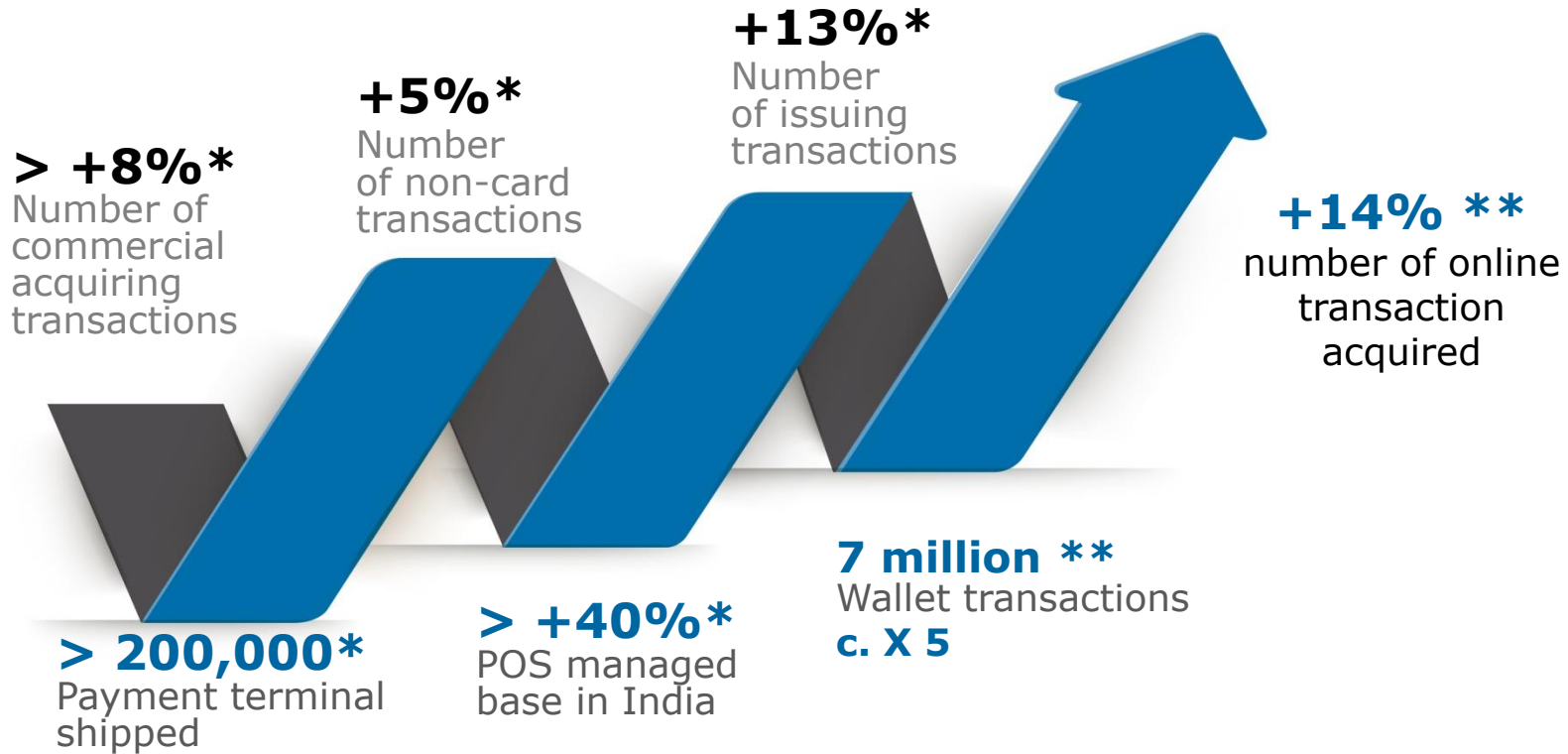
commercial & operational **performance** 2016 annual results

Marc-Henri Desportes, General Manager



worldline
e-payment services

Fast increase in payment volumes on all platforms in 2016



Strategic priorities for our GBLs



1. Deliver the **industrial and commercial synergies** with **equensWorldline**
2. **Take further advantage of our European leadership**
3. Leverage **PSD2 momentum**



1. Leverage integration of **KB SmartPay & PaySquare**
2. Grow with **Digital retail products** in Western Europe
3. **Support India and other emerging geographies growth**



1. **Focus on IoT and e-Platforms** trends to position further on IoPT potential
2. Main market focus on **Transport**

FOCUS ON PRODUCTS

- Core Processing suite (WLPay)
- Instant Payment (Equens)
- Trusted authentication
- OLW

- e-acquiring
- online PSP
- Wallets
- Terminals
- Digital retail platform

- M2M « Connected living enabler »
- Tap2use
- WL Contact

Danske Bank

eastwest

支付宝
ALIPAY

BOB
BANK OF BHUTAN LTD.

Consorsbank!
by BNP PARIBAS

Cdiscount
VOUS ÊTES PLUS RICHE QUE VOUS NE LE CROYEZ

SEPHORA

Maeda
LE SAUVÉ-MÉDICAL CONNECTÉ

Virgin trains

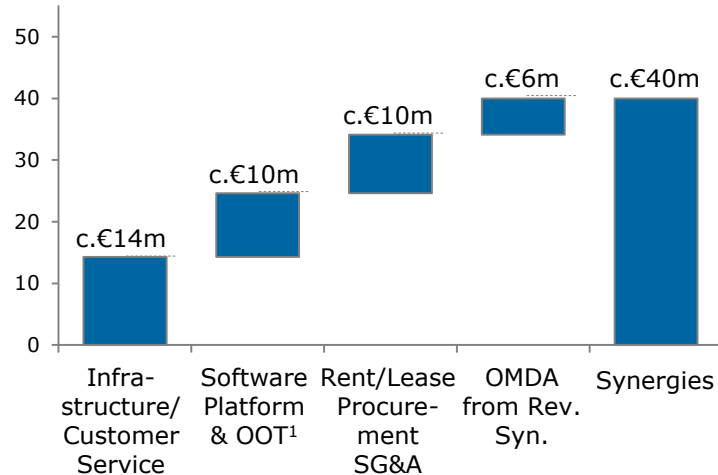
gorenje

equensWorldline synergy plan engaged and delivered in 2016

IMPACT OF SYNERGIES

Reminder : 2018 targets

OMDA run-rate impact in €m



COMMENTS

- Thanks to Day 1 readiness of organisation and synergy tracks, plan was over-delivered in 2016
 - higher synergies
 - lower implementation costs
- Confidence to deliver 2017 and 2018 targets increased also linked to over-performance of “well known / controlled levers” :
 - purchasing
 - Real Estate
 - G&A
 - IT optimisation

1. OOT = Other operational topics



Opportunities from PSD2/ Instant payments will benefit **Worldline's business**

REGULATORY CHANGE

Banks must allow access to Payment account
to registered Third Party

Third Parties can initiate payments
/access accounts
but are more tightly regulated

Strong authentication is required

MARKET IMPACT

Reactive: Banks need to create short term interface to legacy
...
Proactive: Banks develop their own third party services

Biggest merchant need their **own internal solution**
...
Smaller players and existing clients will use **white label solutions**

Banks and Fintech need to **upgrade their systems**

WORLDLINE CAPABILITIES

Digital banking as a service
Instant Payment solutions

Instant Payment Solution
PSP

Trusted Authentication solutions

Demonetization in India bringing a new growth momentum



On 8th November 2016, Prime Minister Narendra Modi announced that all Rs. 500 (EUR 6.7) and Rs. 1000 (EUR 13.3) notes would be invalid past midnight

Massive Terminal Roll-out
from 1 to 3m in a few months



Existing base of > 800m cards



Development of new e-money initiatives:

- UPI
- India QR code

SHORT TERM

Development
of POS installed
base

Surge in
transactions

New project
requests

MEDIUM TERM

**INDIA IS A
GROWING
FAST...
AND
BECOMING
A LAB OF
CASHLESS
SOCIETY
SOLUTIONS**

The new Worldline

- **Reinforced management team**
 - 2 new industry-recognized senior managers for
 - Merchant Services & Terminals
 - Financial Services

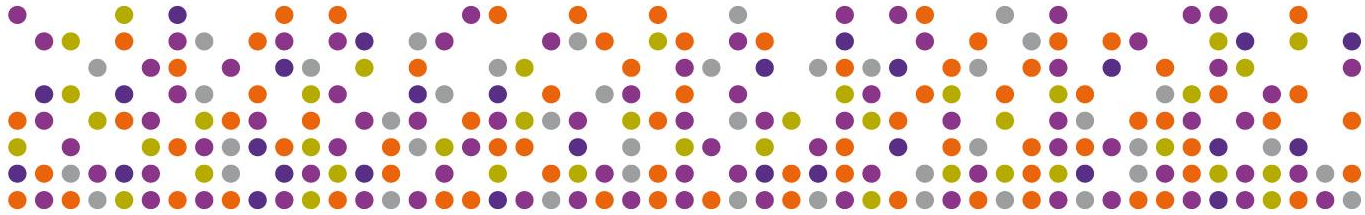


Vincent Roland
*Managing Director
Merchant Services*



Michael Steinbach
*equensWorldline
CEO*

-
- **Successful** and **fast** start of the **integration and synergy plan** of equensWorldline
 - **Perfect positioning** on new payment landscape through scale, platforms, products and geographic reach



conclusion

2016 annual results

Gilles Grapinet, Chief Executive Officer





2016 Key take aways



Very robust 2016 numbers,
in the upper end of all the guidance brackets



Strong underlying growth performance of c.8% for the full year, with Merchant Services above +7%, Financial Services at c.+5%



Successful and fast start of the integration and synergy plan of equensWorldline, Paysquare and KB Smartpay



A new momentum for a transformed Worldline in 2017 and beyond, securing the 2019 ambitions

After the successful start of the integration
of Equens, PaySquare and KB...



Additional
market
& geographic
opportunities



Unique
and comprehensive
portfolio



Powerful
synergy
and industrial plan



Increased visibility
positioning Worldline
at the epicenter
of the payment
industry consolidation



Solid
balance sheet

TOP MANAGEMENT ATTENTION FULLY REFOCUSSED
> ON THE NEW DEVELOPMENT OPPORTUNITIES <



2017 full year guidance

REVENUE

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

OMDA

Between 20.0% and 20.5%

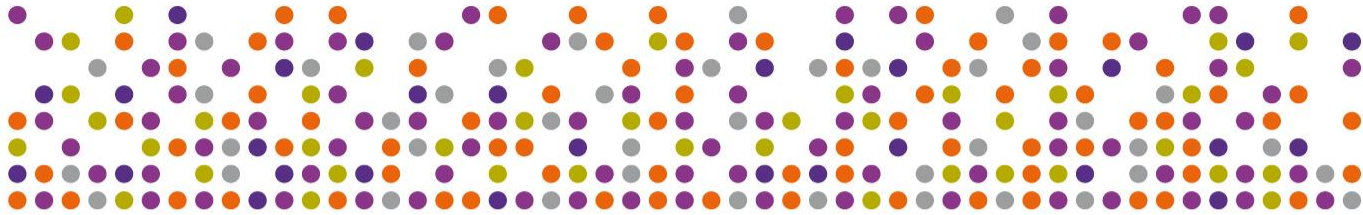
FREE CASH FLOW

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



Investor Day

planned mid year



Presentation to Investors

**2017-2019
3 year plan**

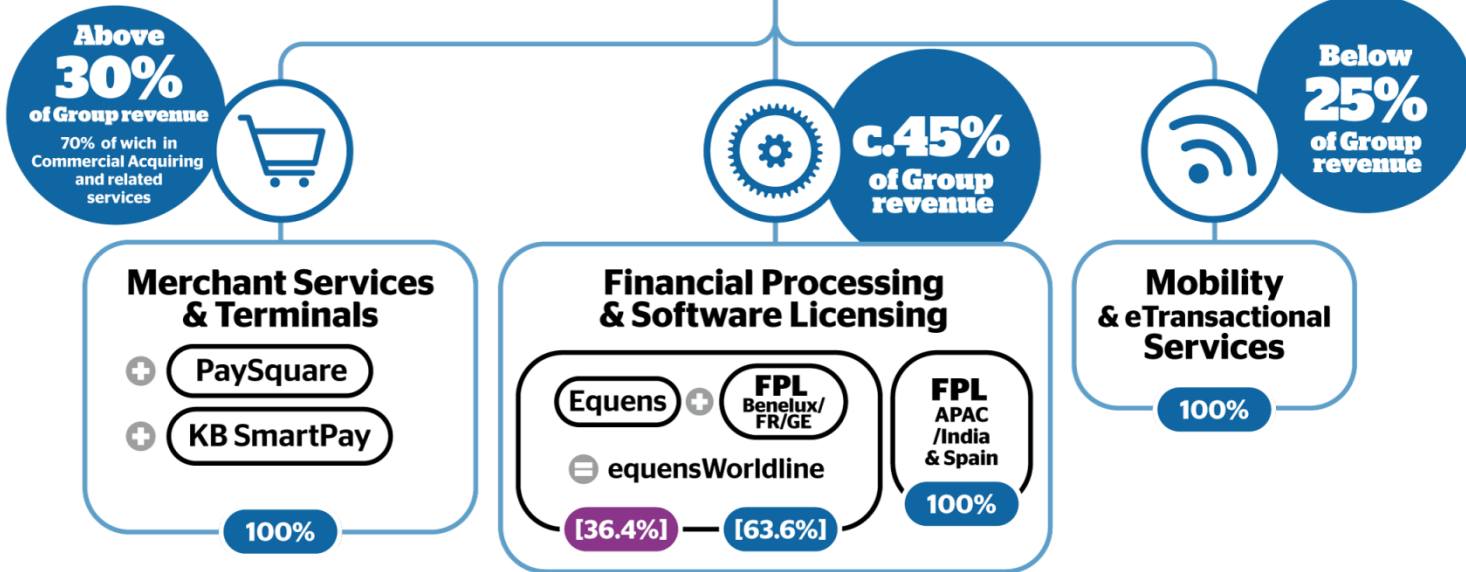


worldline
e-payment services

The new Worldline Group

worldline
e-payment services

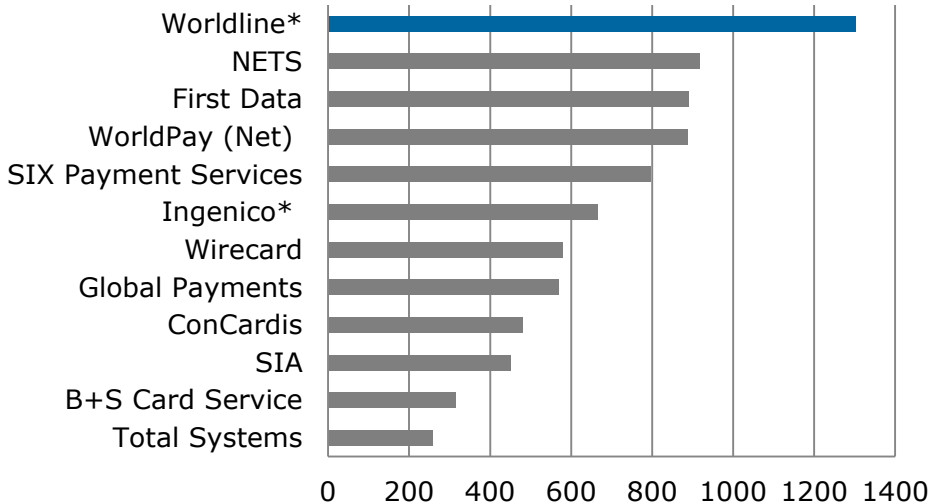
>€1.5bn
revenue



 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



**Industrial leader in
5 major European countries**

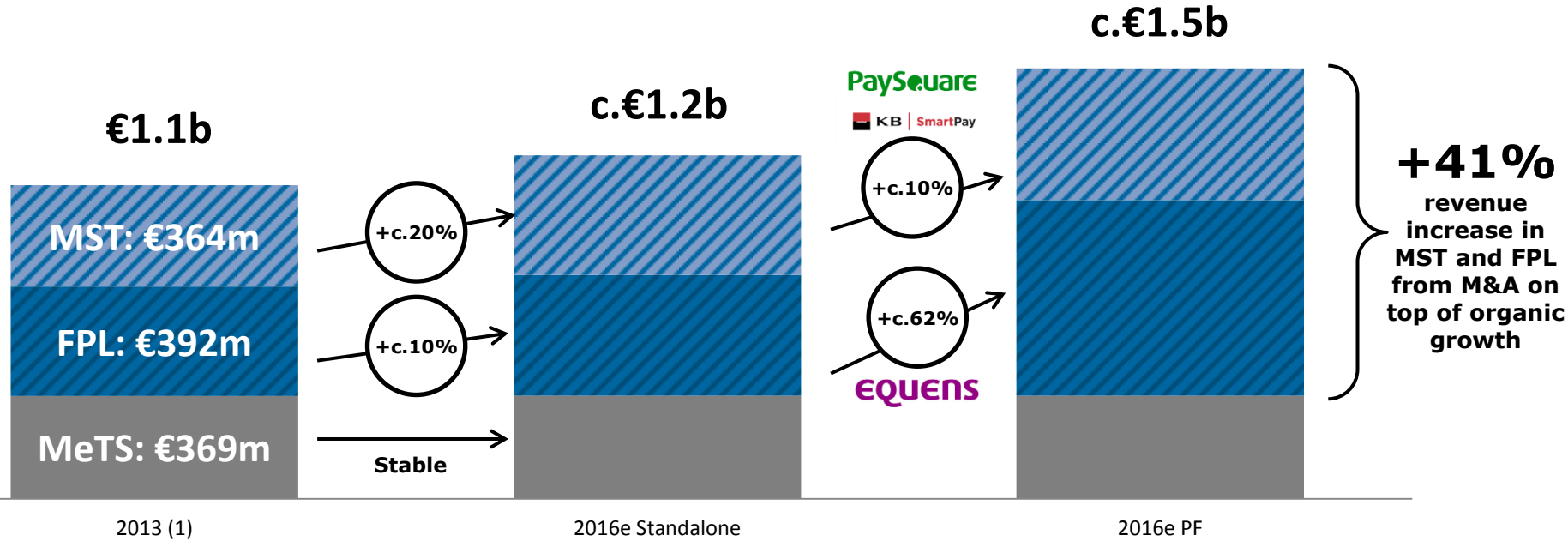
**Large economies of scale
and very significant
synergies to be implemented**

**Stronger innovation
& R&D capabilities**

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

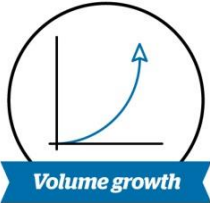
Source: company estimate *: European turnover excl. payment terminal revenue

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





Regulation



Volume growth

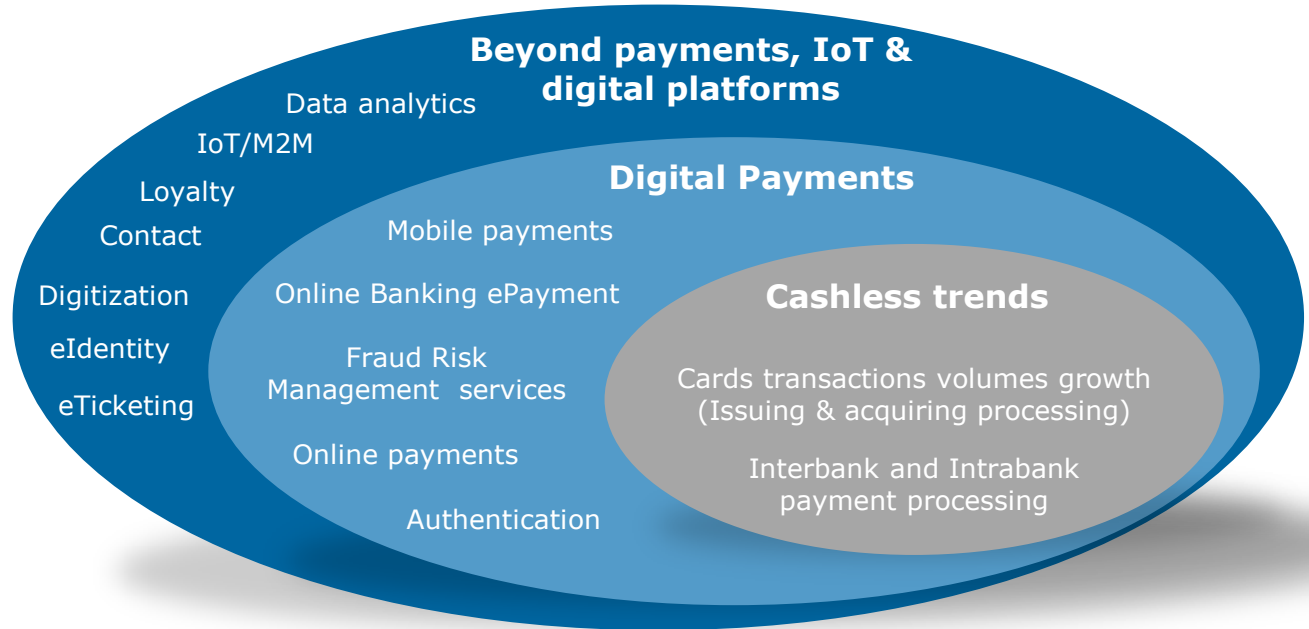


Innovation



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	<ul style="list-style-type: none"> • Largest PSP in Europe • Leader in key markets • Unique pan-European reach 	<u>Financial Processing</u> <ul style="list-style-type: none"> • Deliver the massive industrial synergies with equensWorldline • Take further advantage of our European leadership in Financial Processing services
Portfolio	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • European payment industry intimacy • Attractive financial profile 	<u>Mobility & e-Transaction</u> <ul style="list-style-type: none"> • Focus on IoT and e-Platforms trends leveraging MeTS & Payments
		<ul style="list-style-type: none"> • Accelerate European payments industry consolidation



2017-2019 objectives

Revenue Organic Growth

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

OMDA %

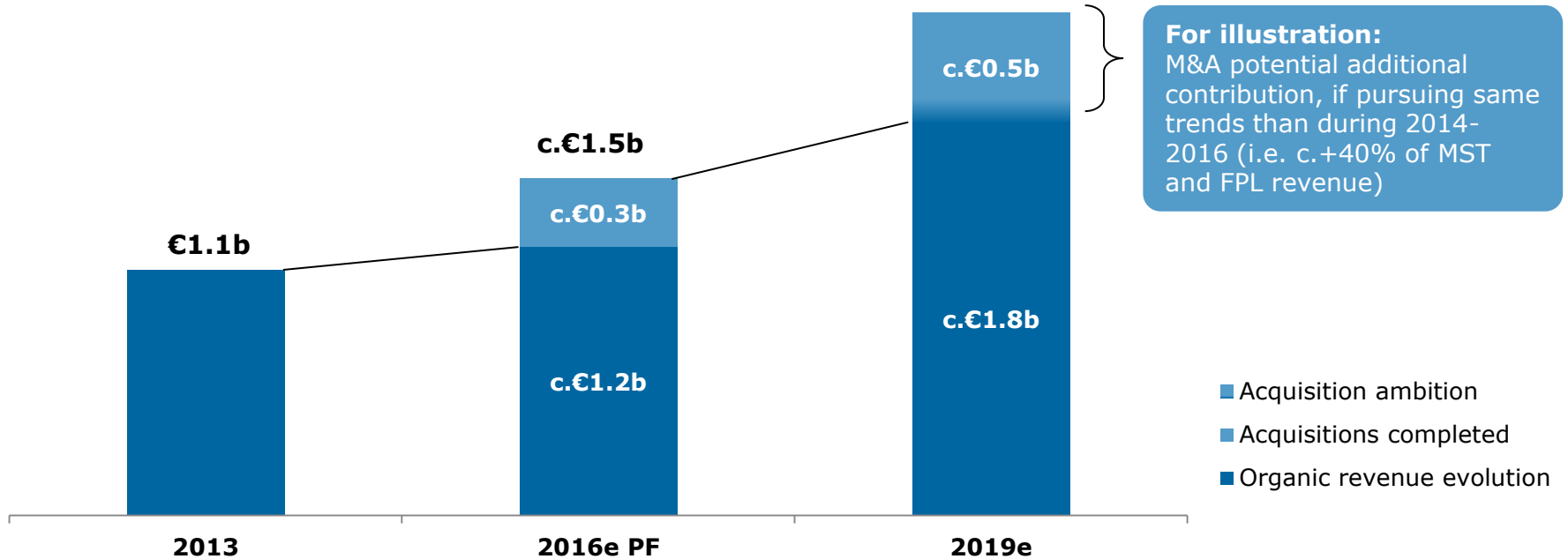
+350bp to +400bp margin improvement
in **2019 vs 2016** ⁽¹⁾

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...

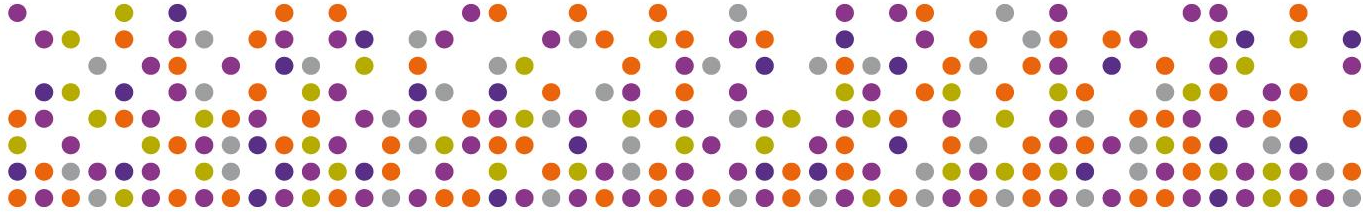


Still 40+ payment processors
between €50m to €400m of revenue

... 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 +33134 34 90 66 | M+ 33 6 28 51 45 96

david.pierre-kahn@worldline.com



worldline
e-payment services