

Worldline

First half 2016 results

Tuesday, July 26 2016

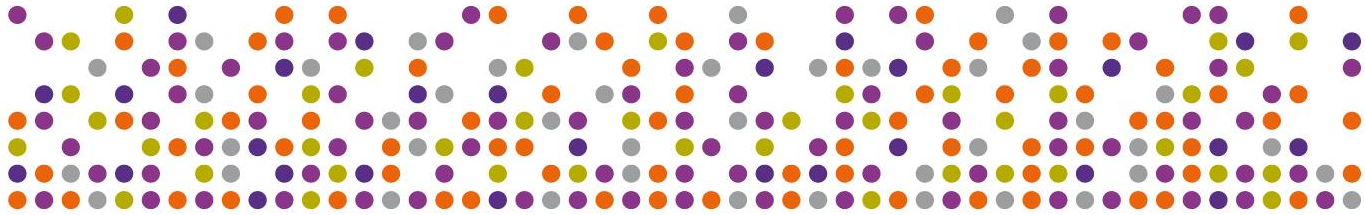


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e-payment services



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, 2016 under the registration number: R.16-031.
- 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. 2016 objectives have been considered with exchange rates as of December 31, 2015.
- Global Business Lines include Merchant Services & Terminals (in Belgium, France, Germany, India, Luxembourg, Spain, The Netherlands and the United Kingdom), Financial Processing & Software Licensing (in Belgium, China, France, Germany, Hong Kong, India, Indonesia, Malaysia, Singapore, Spain, Taiwan and The Netherlands), 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 2016

Gilles Grapinet, Chief Executive Officer



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H1 2016 key messages

Robust H1 2016,
in line with the
strong momentum
confirmed since H2
2015

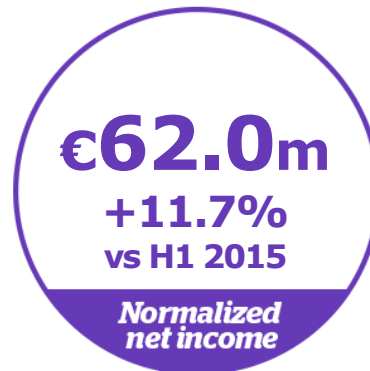
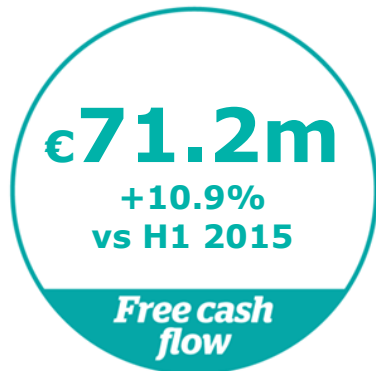
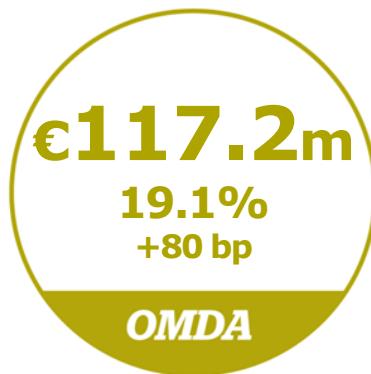
Excluding Radar and
Vosa end of contract
effects, **growth of
the underlying
business > 9% for
two quarters in a
row**

**Very good
commercial
activity** on the new
business during the
semester, with order
entry much stronger
than 2015

**Closing of the
transaction
between
Worldline and
Equens** planned
before the end of
the summer



H1 2016 key figures





FY 2016 objectives confirmed and raised for revenue

Excluding any contribution from Equens, Paysquare and KB

Revenue

Above 3% organic growth*

OMDA

c. +80 bp vs. 2015

**Free
Cash Flow**

€ 135 million to € 140 million

Including the exceptional cash-out linked to the Equens transaction costs (c.€12m)

*: Taking into consideration the impact of the termination of the "Radar" contract at the end of H1 2016



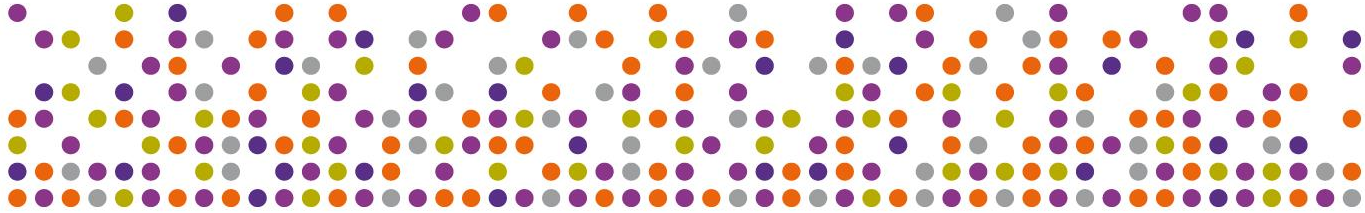
Strong focus on M&A activities

- **Significant pipeline** of further opportunities progressing in various geographies.
- **Pan-European consolidation** trends benefitting from supporting regulatory and business changes.

EQUENS **PaySquare**

 **KB** | **SmartPay**

- Closing of the two transactions in progress.



Results

first half 2016

Bruno Vaffier, Chief Financial Officer



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Constant scope and exchange rate figures reconciliation

<i>In € million</i>	H1 2015			H1 2016	
	H1 2015 statutory	Exchange rates effect	H1 2015*	H1 2016 actuals	Var.
Revenue	595.0	-15.2	579.8	614.8	+6.0%
OMDA	108.7	-3.1	105.7	117.2	+10.9%
OMDA%	18.3%		18.2%	19.1%	+0.8 pt

* At constant scope and June 2016 YTD average exchange rates

H1 2016 Financial performance overview

In € million	Revenue			OMDA		OMDA %	
	H1 2016	H1 2015*	% Growth	H1 2016	H1 2015*	H1 2016	H1 2015*
Merchant Services & Terminals	210.1	192.0	+9.4%	45.1	34.0	21.5%	17.7%
Financial Processing & Software Licensing	208.1	198.9	+4.6%	50.8	48.3	24.4%	24.3%
Mobility & e-Transactional Services	196.6	188.8	+4.1%	30.9	32.7	15.7%	17.3%
Corporate Costs				-9.6	-9.3	-1.6%	-1.6%
Worldline	614.8	579.8	+6.0%	117.2	105.7	19.1%	18.2%

* At constant scope and June YTD 2016 average exchange rates

Merchant Services & Terminals



- Strong acceleration in Commercial Acquiring;
- Growth in Payment Terminals supported by international expansion.

Financial Processing & Software Licensing



- Solid volume growth in France and India in *Acquiring Processing*;
- *Issuing Processing*: strong activity in Authentication services and volume growth on core issuing processing services.

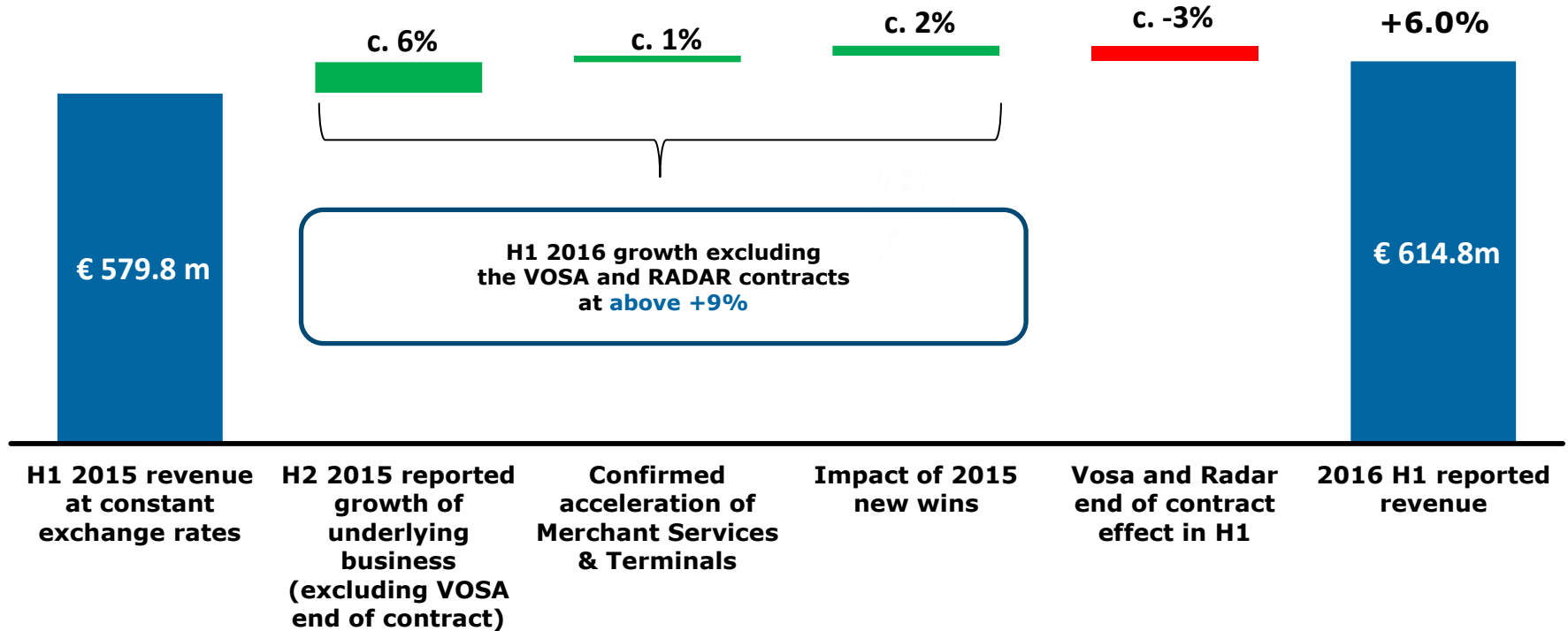
Mobility & e-Transactional Services



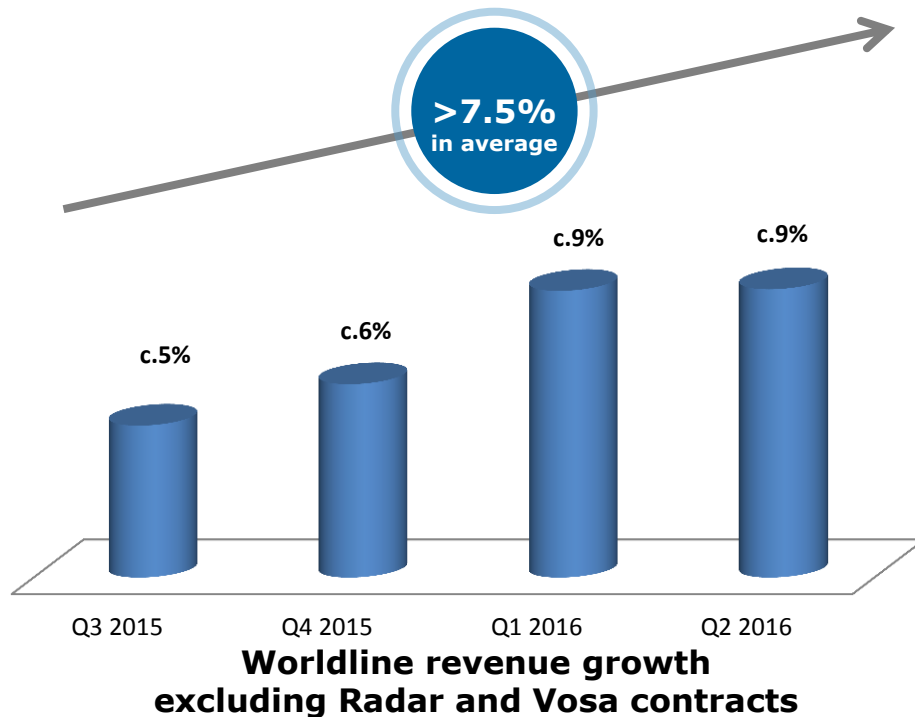
- MeTS growth excluding VOSA at c.15%
- Very strong momentum in *Contact* and in *Connected Living* offers;
- Reported growth affected as planned by the termination of the VOSA contract from the end of Q3 2015 and of the RADAR contract in June 2016

+80bp OMDA
improvement
in line with the
full year target

H1 2016 revenue growth analysis, in line with full year guidance



Strong acceleration of the underlying revenue growth (excluding the VOSA and RADAR contracts) since Q3 2015



Merchant Services & Terminals



Merchant Services & Terminals

In € million

	H1 2016	H1 2015*	% Growth
Revenue	210.1	192.0	+9.4%
OMDA	45.1	34.0	
OMDA%	21.5%	17.7%	+3.8pt

* At constant scope and June YTD 2016 average exchange rates

Revenue: +9.4%

- **Strong growth in Commercial Acquiring**, driven by higher volumes and positive price / volume mix in both BCMC and International brands.
- **Payment Terminals** benefitting from a good momentum in International Sales as well as in the Netherlands.

OMDA: +380 bp

Significant OMDA improvement thanks to:

- Volume growth and positive price / volume mix effect in both BCMC and International brands schemes in Commercial Acquiring;
- Margin recovery in the Merchant Network in the UK and productivity gain in Iberia in Private Label Cards.

Financial Processing & Software Licensing



Financial Processing & Software Licensing

In € million

	H1 2016	H1 2015*	% Growth
Revenue	208.1	198.9	+4.6%
OMDA	50.8	48.3	
OMDA%	24.4%	24.3%	+0.1 pt

* At constant scope and June YTD 2016 average exchange rates

Revenue: +4.6%

- **Solid volume growth in *Acquiring processing*** in France and India.
- *Issuing processing* benefitting from a **strong activity in Authentication services** and volume growth in core issuing processing services.
- **Growth in *Payment Software & Licensing*** grew with good license sales in Europe and increased licensing activity in APAC.

OMDA: +10 bp

OMDA kept a satisfactory level of 24.4% more than absorbing usual price concessions and higher security investments in infrastructure, with growth in *Payment Software Licensing* and volume increase in *Acquiring* and *Issuing* business divisions.

Mobility & e-Transactional Services

Mobility & e-Transactional Services



<i>In € million</i>	H1 2016	H1 2015*	% Growth
Revenue	196.6	188.8	+4.1%
OMDA	30.9	32.7	
OMDA%	15.7%	17.3%	-1.6 pt

* At constant scope and June YTD 2016 average exchange rates

Revenue: +4.1%

- Revenue grew, despite the impact of the termination of the VOSA contract in the UK public sector (impact on the semester €-17.8m); Excluding the VOSA contract, MeTS revenue growth would have been 14.9% in H1 2016;
- Strong sales recorded **in e-Government Collection** in France, Austria and Argentina;
- Double digit growth in **e-Consumer & Mobility**, particularly in Contact & Consumer Cloud in France and in Connected Living in France and Germany.

OMDA: -160 bp

OMDA temporarily impacted, as revenue from a mature UK contract, was substituted by new business consisting of project activities and ramping-up volumes.

Income statement

(In € million)	6 months ended 6/30/2016	6 months ended 6/30/2015 (*)
Operating Margin before Depreciation and Amortization (OMDA)	117.2	108.7
Operating margin	91.5	79.4
Staff reorganization	(2.8)	(4.2)
Rationalization and associated costs	(2.0)	(3.3)
Integration and acquisition costs	(2.8)	-
Customer relationships and patents amortization	(1.7)	(1.7)
Other items	45.6	(1.8)
Operating income	127.8	68.4
Net financial income/(expenses)	(3.9)	(0.7)
Tax charge	(31.8)	(19.0)
Net income	92.1	48.7

(*) 30 June 2015 adjusted to reflect change in presentation disclosed in equity based compensation

Key Observations

- **Staff reorganization** reflects the adaptation of the organization.
- **Rationalization expenses** included costs relating to the TEAM program.
- **Integration & associated costs** include the costs related to the Equens and Paysquare acquisition.
- **Other items** consists mainly of the gain on Visa share disposal for € 51.2m and IFRS2 expense for € -3.4m;
- **Normalized net income**** at €62.0m (+11.7% vs H1 2015)

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

Cash flow statement

(In € million)	6 months ended 6/30/2016	6 months ended 6/30/2015
Operating Margin before Depreciation and Amortization (OMDA)	117.2	108.7
Capital expenditures	(40.8)	(32.8)
Change in working capital requirement	24.6	10.7
Cash from operation (CFO)	101.0	86.6
Taxes paid	(17.6)	(14.5)
Net cost of financial debt paid	(0.1)	(0.4)
Reorganization in other operating income	(3.5)	(4.1)
Rationalization & associated costs in othr op. inc.	(1.8)	(2.4)
Integration and acquisition costs	(0.7)	-
Net financial investments	(0.9)	(1.2)
Other changes	(5.3)	0.2
Free Cash Flow	71.2	64.2
Capital increase	4.0	-
Proceed from the disposal of the Visa Share	35.6	-
Change in net cash/(debt)	110.8	64.2
Foreign exchange rate fluctuation on net cash / (debt)	0.8	(2.8)
Opening net cash	323.3	203.1
Closing net cash	434.9	264.5

Key Observations

- **Free cash flow** increased by 10.9% in H1 2016.
- **Capex** in line with the multi-year plan.
- **Cash impact of VISA share disposal** amounted to €35.6 in H1 2016
- **Net cash** end of June 2016: €434.9m.

Simplified balance sheet

(In € million)	6 months ended 30 June 2016	6 months ended 30 June 2015	12 months ended 31 Dec. 2015
Goodwill	374.9	381.5	380.1
Intangible assets	130.7	116.5	123.7
Tangible assets	68.9	67.0	66.2
Non-current financial assets	23.8	11.4	56.4
Net deferred tax assets	26.9	43.8	37.8
Total non-current assets (net)	625.2	620.2	664.2
Net working capital requirement	(133.7)	(97.0)	(109.2)
Total shareholders' equity	821.9	690.9	788.7
Provisions for pensions	97.3	83.1	79.5
Provisions	7.2	13.7	10.1
Net cash / (debt)	434.9	264.5	323.3

Key Observations

- **Goodwill** mainly derives from the acquisition of Banksys/BCC
- **Non-current financial assets** includes VISA preferred share and differed consideration (€15.4m).
- Increase in **pension provision** is caused by lower discount rates.



Very limited exposure to the UK and to the Brexit situation

UK revenue represents currently **c. 10% of sales** and is mainly recurring.

UK business composed primarily of **local delivery around a core of local solutions:**

Natural hedge of the vast majority the cost base, revenue in GBP having corresponding costs in GBP and Indian Rupee (and revenue in Euros having costs in Euros)

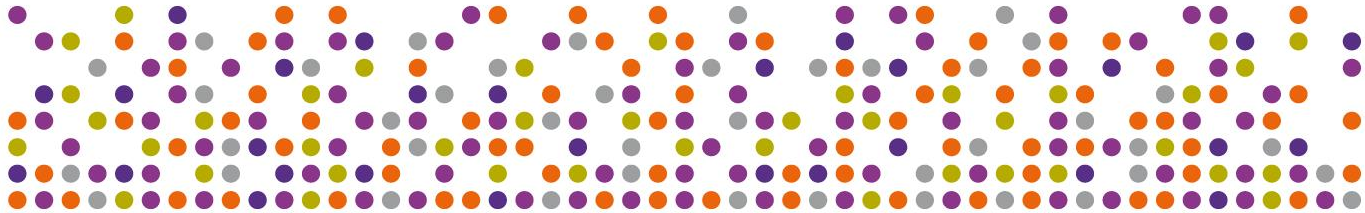
No business dependency on UK or UE regulatory approvals

MS&T

(mainly Private label cards, Digital self-service kiosks and Loyalty programs)

MeTS

(exclusively eTicketing)



commercial & operational performance

Marc-Henri Desportes, General Manager



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H1 2016 perfectly reflecting the growth model of Worldline

Innovation

International development and cross-selling

Business fundamentals

- Number of commercial acquiring transactions: **+7%**
- Number of SIPS transactions: **+16%***
- Increase in eSEPA transactions: **+14%***
- Increase in Issuing Processing transactions: **+10%***
- Commercial acquiring: supporting and promoting **low value card payment** in Belgium.

- **Expansion of FP&L activities in the UK with a nationwide financial institution** for which Worldline will provide digital banking platform services
- **B/S/H – Geographical footprint and contract extension** until December 2021 (through Atos)
- Renewal of the issuing processing for the **Polish subsidiary of a major European bank**
- Growth of **commercial acquiring** outside Belgium: c. **+40%**

- Number of payment **transactions through wallets > X 5**
- **Partnership with SnapSwap** to support the mobile money messenger application **Gloneta**.
- **Implementation of Alipay** acceptance for the German retail industry.
- Worldline **end-to-end Visa-certified** to run in-house its Cloud-based Payments solution, which will be deployed with 4 French banks.

*: comparison on 12 month rolling

Q2 key deals



Merchant Services & Terminals

Key achievements And business update

- **New contract in e-Acceptance** to enable online payments of the stickers (vignettes) to promote non-polluting vehicles.
- New contract with a **major French public pension plan** in e-Acceptance
- **Large renewals in Private label cards in the UK** with Cineworld and Whitbread (Premier Inn)
- **2 significant renewals for fuel card programs** in Spain and in France



Financial Processing & Software Licensing

Key achievements And business update

- **Belgium Bank** : Issuing processing renewal (3 years)
- **German online bank**: Issuing processing renewal (3 years)
- **Major German co-operative bank group**: Issuing processing renewal (7 years)
- **Malaysian bank**: Evolution from a licensing contract to a managed card services (5 years)



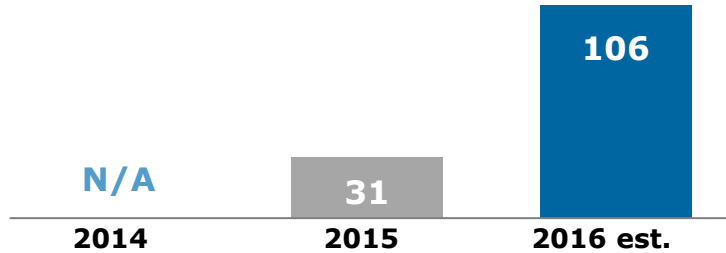
Mobility & e-Transactional Services

Key achievements And business update

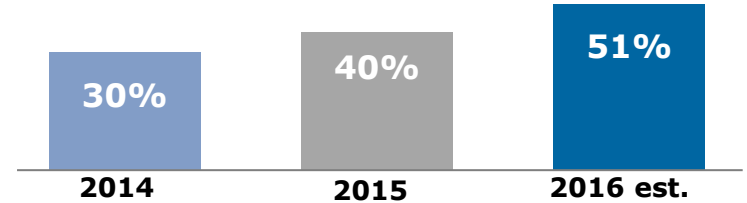
- **Major French national public payment agency**: renewal
- **Large French bank « Contact Program »** (8 years) Contract for the provision of the bank omni-channel Cloud Contact solution.
- **Worldline' Energy Security Suite (various contracts)**: providing energy companies secure and legally compliant communications for smart metering ecosystems.
- **Siemens Connected Industry solution**, renewal (3 years, through Atos)

Team program delivering as planned

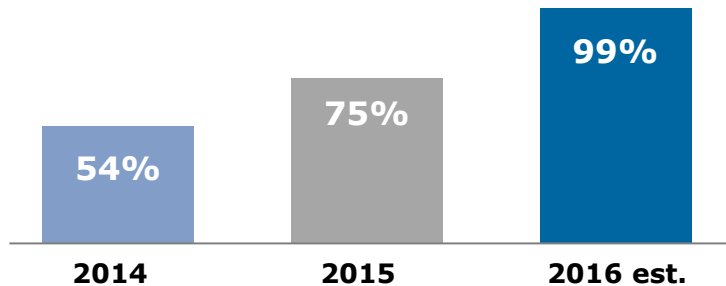
Number of business account plans reviewed



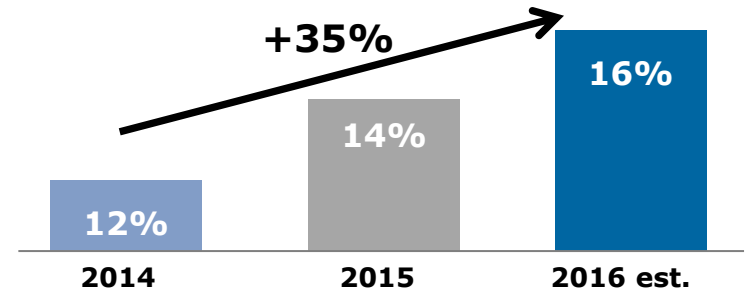
Contract coverage review for project margin improvement (% of yearly revenue)



Lean coverage



Off-shore ratio





Update on Equens & KB transactions

Marc-Henri Desportes, General Manager



Progressing on Equens and KB integration readiness

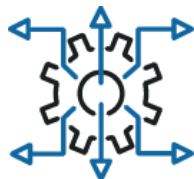
Anticipated value creation confirmed

EQUENS PaySquare

KB | SmartPay



Revised and updated joint business plan validated



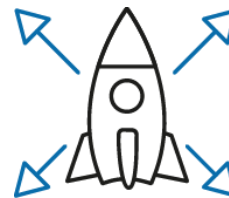
Integration process resulting in full **"Day-One readiness"**



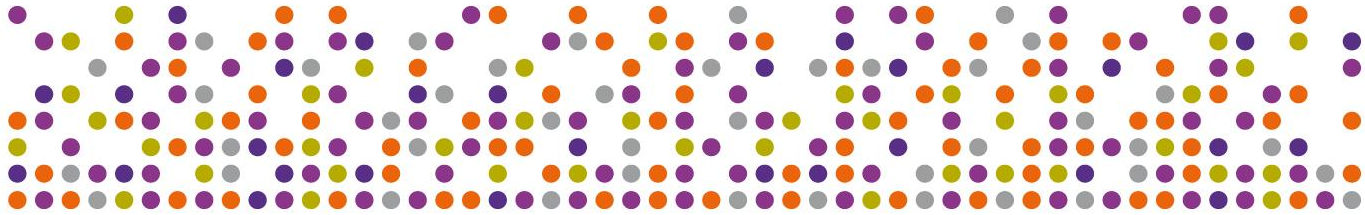
Amount of identified **synergies confirmed**



Regulatory approval in progress from Czech National Bank



Closing expected end of Q3



conclusion

first half 2016

Gilles Grapinet, Chief Executive Officer



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Key take aways



Robust H1 2016, in line with the strong momentum confirmed over the past quarters and the objectives set for the year



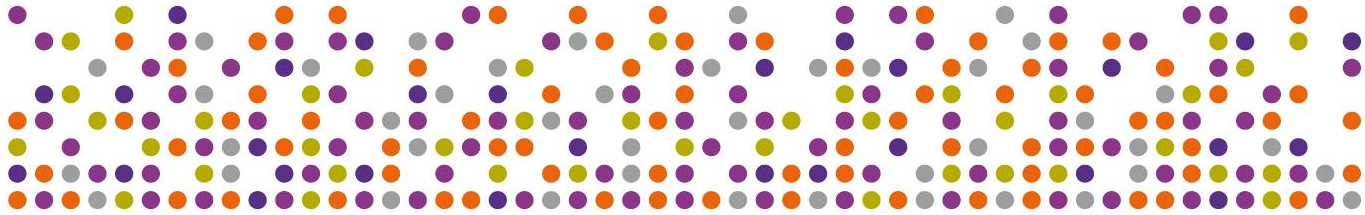
Equens' integration carefully prepared and transaction finalization planned before the end of the summer



Continued focus to take further advantage of structural changes and consolidation opportunities of the European payment industry



Acceleration of the underlying growth since the end of H1 2015, fully **confirming Worldline growth potential to be in the high end of the 5-7% target bracket** in the medium term

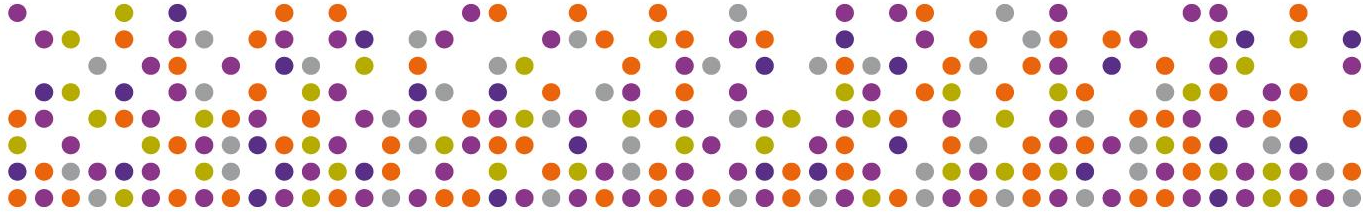


Q&A session

First semester 2016



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Thank you

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