

H1 2020

RESULTS

THURSDAY JULY 23, 2020

DISCLAIMER

This document contains forward-looking statements that involve risks and uncertainties, including references, concerning the Group'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 the Company and not precisely estimated, such as market conditions or competitors' behaviors. Any forward-looking statements made in this document are statements about Worldline's beliefs and expectations and should be evaluated as such. Forward-looking statements include statements that may relate to Worldline's 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 2019 Universal Registration Document filed with the Autorité des Marchés Financiers (AMF) on April 29, 2020 under the filing number: D.20-0411.

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 2019 Universal Registration Document. 2020 objectives have been considered with exchange rates as of March 31, 2020. All figures are presented in € million with one 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.

2020 objectives are expressed at constant exchange rates. They rely also on the absence of change in scope and of significant change in accounting standards. These objectives have been built on a comparable basis versus historical financial information, and according to Group's accounting standards.

Global Business Lines include Merchant Services (in Argentina, Belgium, Brazil, Czech republic, France, Germany, India, Luxembourg, Malaysia, Poland, Spain, Sweden, Switzerland, The Netherlands, United Kingdom, USA), Financial Services (in Belgium, China, Estonia, Finland, France, Germany, Hong Kong, Indonesia, Italy, Latvia, Lithuania, Luxembourg, Malaysia, Singapore, Spain, Switzerland, Taiwan, The Netherlands and the United Kingdom), and Mobility & e-Transactional Services (in Argentina, Austria, Belgium, Chile, China, France, Germany, Spain, The Netherlands, and United Kingdom).

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HIGHLIGHTS

FIRST HALF 2020

GILLES GRAPINET
Chairman & CEO

RESILIENT FIRST HALF 2020 RESULTS

IMPROVING MOMENTUM IN LINE WITH FULL YEAR TRAJECTORY

Satisfying set of financial figures in the COVID-19 context:

- Results fully in line with the objectives set for the year
- Improving momentum in the second part of Q2
- Illustrating the first positive impacts of COVID-19 related changes of payment habits

Strong commercial activity despite COVID-19 situation:

- New major outsourcing contract signed with **UniCredit**
- Renewal on time of key payment processing contracts
- Reinforced mid-term commercial perspectives

Continued execution of the strategy:

- Strategic benefits of the **SIX Payment Services** acquisition: signings with tier one retail brands
- Further progress towards closing of the **Ingenico** acquisition
- Online capabilities reinforced with **GoPay** acquisition in Eastern Europe
- Strategic dialogues and monitoring of future opportunities maintained

ALL 2020 OBJECTIVES CONFIRMED

Worldline

SATISFYING SET OF FINANCIAL FIGURES

REVENUE

€ **1,089** m

-5.7% organic

OMDA

€ **246** m

22.6% -170bps

FREE CASH FLOW

€ **132** m

53.6% of OMDA

NET INCOME GROUP SHARE

€ **53** m

NORMALIZED* NET INCOME GROUP SHARE

€ **115** m

** Adjusted for (Group share): staff reorganization, rationalization, integration & acquisition costs, equity based compensation, and customer relationships & patents amortization*

OUR TRANSFORMATIVE COMBINATION WITH INGENICO

FULLY ON TRACK TO CREATE A NEW LEADING GLOBAL PAYMENT SERVICE PROVIDER

#1

**MERCHANT
ACQUIRER
IN CONTINENTAL
EUROPE**

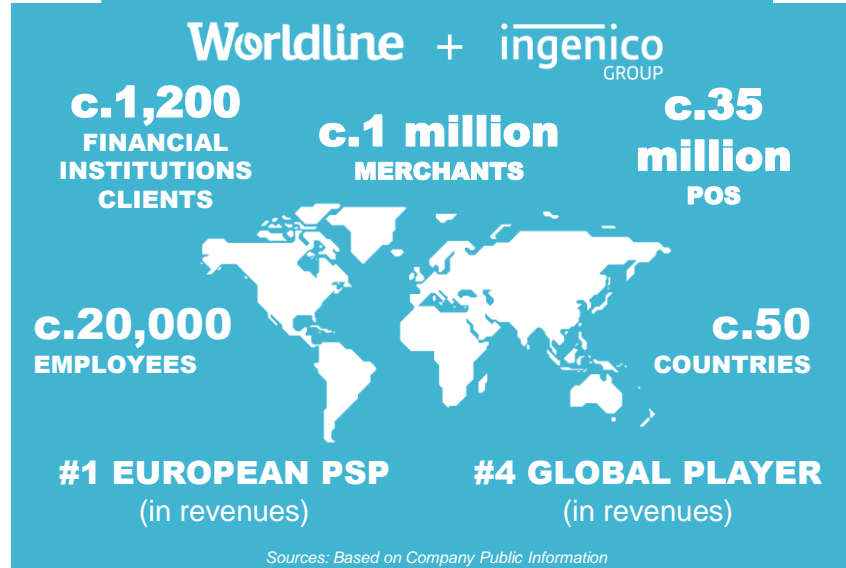
#1

**EUROPEAN
PAYMENT
PROCESSOR**

#3

**EUROPEAN PROVIDER
OF E- & M- PAYMENT
SOLUTIONS**

LEADERSHIP AND SCALE



c.€ 300 bn

**PURCHASE VOLUME
ACQUIRED**

c. 5.6 bn

**NUMBER OF
ACQUIRING
TRANSACTIONS**

c. 2.5 bn

**NUMBER OF ONLINE
TRANSACTION
PROCESSED**

€ 250 m EXPECTED RUN RATE SYNERGIES BY 2024

Worldline

FURTHER PROGRESS

TOWARDS THE CLOSING OF INGENICO ACQUISITION

Tender preparation process

- **Outstanding support** (99.6%) of Worldline shareholders for the required issuance of new shares
- **Draft offer document filed** with the AMF on July 8
- All required **regulatory clearances** pursuant to banking/financial and foreign investment regulations **obtained**
- **EC merger control clearance** expected for the second half of **September**
- **Social process** for the acquisition **completed**



Secured financing



Pre-integration activities started in compliance with applicable antitrust rules



Imminent opening of the tender offer expected



Closing likely to take place end of September or in the first half of October

FINANCIAL PERFORMANCE

FIRST HALF 2020

ERIC HEURTAUX

CFO, Worldline

CONSTANT SCOPE AND EXCHANGE RATES FIGURES RECONCILIATION

<i>In € million</i>	H1 2019	Exchange rates effect	H1 2019*
Revenue	1,152.0	3.5	1,155.5
OMDA	278.5	2.8	281.3
OMDA %	24.2%		24.3%

* at constant scope and exchange rates

Exchange rate effects correspond mainly to the appreciation of the Swiss Franc partly offset by the depreciation of the Argentinian Peso.

H1 2020 FINANCIAL PERFORMANCE OVERVIEW

In € million	Revenue			OMDA			OMDA %			
	H1 2020	H1 2019*	Change	H1 2020	H1 2019*	Change	H1 2020	H1 2019*	Change	
Merchant Services	483.6	541.9	-10.8%	103.3	122.4	-15.6%	21.4%	22.6%	-120 bps	
Financial Services	442.7	446.0	-0.7%	130.9	145.6	-10.1%	29.6%	32.7%	-310 bps	
Mobility & e-Transactional Services	163.0	167.6	-2.8%	23.0	24.0	-4.2%	14.1%	14.3%	-20 bps	
Corporate costs	-	10.9	-	10.9	-	10.7	+2.2%	-1.0%	-0.9%	-10 bps
Worldline	1,089.2	1,155.5	-5.7%	246.3	281.3	-12.5%	22.6%	24.3%	-170 bps	

* at constant scope and exchange rates

- **Organic decline limited to -5.7%**, with improving momentum at the end of Q2 and fully in line with FY guidance underlying scenario
- As anticipated, resilience of **Mobility & e-Transactional Services and Financial Services** with slightly decreasing / quasi-stable revenue
- Impact on **Group's profitability** partly mitigated by strong actions taken to adapt the cost base, while 50%+ of the **cost contingency plan** is expected to benefit H2 2020

MERCHANT SERVICES



<i>In € million</i>	H1 2020	H1 2019*	Change
Revenue	483.6	541.9	-10.8%
OMDA	103.3	122.4	
OMDA %	21.4%	22.6%	-120 bps

** at constant scope and exchange rates*

REVENUE: -10.8%

- After a good start of the year, **strong decrease in Commercial Acquiring** due to lock-down of non-essential retail and 3-month confinement
- Most recent trends to be noted in this very particular context:
 - **Fast recovery of domestic payment transactions** volumes in Worldline's main markets during June, reaching pre-Covid levels or above
 - **Very good online payments activity, save for** tourism/travel and hospitality
 - **Credit card volumes** and added-value services such as **DCC** remaining **low** albeit **recovering slowly and steadily**
- **Resilience in payment terminal** business with higher demand for portable units and new products

OMDA: -120 bps

COVID-19 impact mitigated through:

- Specific and operational cost control actions
- Incremental synergies from SIX Payment Services
- Transversal productivity improvement actions

FINANCIAL SERVICES



<i>In € million</i>	H1 2020	H1 2019*	Change
Revenue	442.7	446.0	-0.7%
OMDA	130.9	145.6	
OMDA %	29.6%	32.7%	-310 bps

* at constant scope and exchange rates

STABLE REVENUE

Resilience to the extraordinary COVID-19 context thanks to recurring payment flows, newly signed large outsourcing contracts, and ongoing projects with banks and financial institutions

- **Account Payments** quasi not affected by COVID-19 (solid double-digit growth), fueled by:
 - Higher account-based payment transactions (+6%)
 - Ramp-up of large contracts
- **Digital Services** grew double-digit thanks to increase in strong authentication transactions in e-commerce and higher volumes on Worldline's e-brokerage platform
- High single-digit revenue decrease in **card-based payments** with lower transaction volumes, less cash withdrawal, and less projects

OMDA: -310 bps

- Most impacted Business Line due to the highest proportion of fixed costs and significant investments for the ramp-up phase of large contracts
- Strong measures on cost base and workforce management mitigating these effects

MOBILITY & E-TRANSACTIONAL SERVICES



<i>In € million</i>	H1 2020	H1 2019*	Change
Revenue	163.0	167.6	-2.8%
OMDA	23.0	24.0	
OMDA %	14.1%	14.3%	-20 bps

* at constant scope and exchange rates

REVENUE SLIGHTLY DOWN

Revenue slightly down with contrasted evolution between each of the 3 divisions:

- **e-Consumer & Mobility** resilient notably thanks to WL Contact platform
- Overall stable activity with government in **Trusted Digitization**
- Double-digit decline in **e-Ticketing** due to the quasi complete stop of public transport networks and associated ticketing volumes in the UK and LATAM

OMDA: -20 bps

Stable profitability despite negative business trends in e-Ticketing thanks to:

- COVID-19 cost contingency plan addressing fixed and variable costs
- Portfolio concentration on core scalable offers
- Productivity improvements reached through tighter workforce management

INCOME STATEMENT

In € million

	H1 2020	H1 2019	COMMENTS
OMDA	246.3	278.5	
Operating margin	165.3	196.9	
Staff reorganization	-1.5	-1.3	
Rationalization and associated costs	-0.4	-1.9	
Integration and acquisition costs	-31.9	-17.3	
Equity based compensation & associated costs	-12.2	-9.3	
Customer relationships and patents amortization	-36.6	-37.0	
Other items	-0.8	-4.3	
Operating income	81.8	125.8	
Net financial income/(expenses)	-12.5	82.9	
Tax charge	-16.4	-49.5	
Non-controlling interests and associates	0.0	-17.7	
Net income Group share	53.0	141.5	
Normalized net income Group share	114.7	120.2	

- **Integration & acquisition costs:** correspond mainly to SPS post-acquisition and integration costs, and costs for the planned Ingenico acquisition
- **Customer relationships & patents:** mainly linked to the acquisition of SPS
- **H1 2019 net financial income** included two non recurring items: fair value adjustment of a contingent consideration to SIX Group for € 70 million and of Visa Preferred shares for € 17 million
- **H1 2020 net financial expenses** include interests on bonds issued in 2019 for € 6 million
- **Effective Tax rate** stable at 23.6%
- **In H1 2019**, non-controlling interests consisted in the 36.4% minority shareholding in equensWorldline

* Normalized net Income is adjusted for (Group share): staff reorganization, rationalization, integration & acquisition costs, equity based compensation, and customer relationships & patents amortization

CASH FLOW STATEMENT

In € million

	H1 2020	H1 2019
OMDA	246.3	278.5
Capital expenditures	-64.8	-46.9
Lease expenditures (Lease under IFRS16)	-19.5	-18.5
Change in working capital requirement	27.5	-30.4
Cash from operation	189.4	182.7
Taxes paid	-14.1	-19.6
Net cost of financial debt paid	-2.0	-0.6
Reorganization, rationalization & associated costs in other operating income	-2.6	-4.4
Integration and acquisition costs	-22.9	-17.6
Net Long term financial investments	-2.1	11.0
Other changes*	-14.0	-6.1
Free cash flow	131.7	145.5
Net material acquisitions	49.3	-21.0
Contingent liability at fair value	0.0	70.0
Capital increase	3.3	8.0
Share buy-back	-3.1	0.0
Dividends paid	0.0	0.7
Change in net cash/(debt)	181.1	203.2
Opening net cash/(debt)	-641.3	-35.0
Foreign exchange rate fluctuation on net cash/(debt)	-8.9	0.4
Excl. Of former Finance lease (Post IFRS 16 effect)	0.0	3.2
Closing net cash/(debt)	-469.1	171.7

* include other operating income and expense with cash impact (excluding reorganization, rationalization and associated costs, integration costs and acquisition costs), and other financial items with cash impact, net long term financial investments excluding acquisitions and disposals

COMMENTS

- **Capex at 5.9% of sales** within the 5% to 6% expected recurring range
- Normalization of **Working Capital requirement in June 2020** following a high level end of December 2019
- **Integration and acquisition costs** are mainly related to the SPS acquisition
- **Net material acquisitions** include a price adjustment linked to the SPS acquisitions for € 50 million

SUMMARIZED BALANCE SHEET

<i>In € million</i>	June 30, 2020	December 31, 2021
Goodwill	3,124.5	3,114.5
Intangible assets	1,023.7	1,047.1
Tangible assets	143.4	143.9
Right-of-use	207.9	202.1
Non-current financial assets	91.9	102.1
Deferred tax assets	33.3	26.5
Total non-current assets	4,624.8	4,636.2
Assets linked to intermediation activities	921.6	1,053.4
Cash and cash equivalents	1,692.4	500.5
Total other current assets	587.0	685.8
TOTAL ASSETS	7,825.7	6,875.9
Total shareholder's equity	3,278.8	3,221.1
Provisions for pensions and similar benefits	169.1	159.9
Non-current provisions	25.6	37.8
Borrowings	2,051.4	1,054.2
Deferred tax liabilities	209.2	206.5
Non-current lease liabilities	173.3	169.4
Total non-current liabilities	2,628.6	1,627.7
Liabilities linked to intermediation activities	921.6	1,053.4
Total other current liabilities	996.7	973.7
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	7,825.7	6,875.9

COMMENTS

Borrowings include:

- Bonds (€ 500 million) and convertible bonds (OCEANEs: € 600 million) issued in 2019 for the acquisition of the minority interests in equensWorldline
- A € 1 billion bond issued for the pre-financing of the planned Ingenico acquisition in June 2020, (associated proceeds booked in **cash and cash equivalent**)

FINANCIAL UPDATE ON INGENICO ACQUISITION

FINANCING

- Transaction supported by the **BBB (stable) investment grade rating** confirmed by S&P
- Financed by:
 - A **bridge financing** signed by a pool of 8 banks for an amount **up to € 1.6 billion**, available for a duration of up to 2 years
 - The issuance on June 23rd of **fixed rate senior unsecured notes** for a total value of **€ 1 billion**, in 2 tranches:
 - A € 500 million tranche maturing in 3 years with a 0.500% coupon and a 0.528% yield
 - A € 500 million tranche maturing in 7 years with a 0.875% coupon and a 0.980% yield

TRANSACTION COSTS

- Transaction costs estimated at circa € 50 million
 - Very reasonable as a percentage of the total transaction value
 - Limited thanks to good cooperation between teams and timely management of the tender process

ALL 2020 OBJECTIVES CONFIRMED

CURRENT MARKET TRENDS IN LINE WITH FY BASE SCENARIO

Based on the hypothesis outlined during the Q1 2020 revenue publication, the Group confirms that 2020 financial performance is expected broadly in line with 2019 as described below:

2020		2019 (Reminder)
ORGANIC REVENUE GROWTH	Flat to low single digit decrease	€ 2,382m
OMDA	Around 25%, circa the same percentage than 2019	25.3%
FREE CASH FLOW	Circa same cash conversion percentage than 2019*	47.8%

* excluding Ingenico transaction costs

COMMERCIAL
& OPERATIONAL PERFORMANCE
FIRST HALF 2020

MARC-HENRI DESPORTES
Deputy CEO

OVERALL BUSINESS MOMENTUM

TRENDS IN THE POST COVID-19 WORLD



Transactions levels evolving steadily upwards

since crisis peak with domestic debit rising again vs. 2019



Contactless shift:

Sustainable positive consequences of COVID



E-commerce significantly up

in most verticals with new merchants converting to e-Commerce



In this context, clients attention to efficient digital payment solutions was maintained

resulting in a sustained sales activity



Worldline teams succeeded in limiting costs while maintaining services,

launching new sales campaigns to support new needs

Pursuit of Worldline's integration and transformation roadmap during the COVID-19 crisis

UPDATE ON TRANSACTION VOLUMES

	Q1 2020*	Q2 2020*	Of which June 2020*
ACCOUNT PAYMENTS	+8%	+5%	+9%
ACS, TRUSTED AUTH, WALLET TRANSACTIONS	+40%	+44%	+50%
NUMBER OF ISSUING TRANSACTIONS	+8%	-8%	+3%
COMMERCIAL ACQUIRING TRANSACTIONS	+8%	-3%	+5%

Of which:

- Debit card +9%
- Credit card -14%

* Compared with the same period last year

SUCCESSFUL Q2 COMMERCIAL ACTIVITY



- Framework agreement
- Worldline to provide commercial acquiring and value-added services for a large number of brands in several European countries

A designer brand

- Secured remote order and payment system
- Stores located in seven European countries.



- Launch of “Soft POS” in India
- New solution enabling smartphone to be used as POS devices
- This new offer addresses the increasing need of small businesses, especially in the COVID-19 context, for an easy to implement card payment solution



- Renewal of Volksbank’s iDEAL contract with PSD2 TPP service extension, enabling the bank to offer Payment Initiation Services (PIS) and Account Information Services (AIS) to its customers











- Another commercial success for “WL Contact” platform
- Secured real-time customer interactions solution

Sales activity for large customer engagement keeping its pace



MAJOR BUSINESS AND TECH TRENDS REINFORCED DURING THE CRISIS

CLEAR ACCELERATION OF THE MARKET NEEDS IN TERMS OF

-  Contactless & Cashless by default
-  E-commerce
-  Digital, the new normal!
-  Unattended services
-  Business resilience
-  Open payment booming
-  Data explosion
-  More than ever, enhanced trust and data security

WORLDLINE PROACTIVITY BASED ON READY-TO-USE & INNOVATIVE SOLUTIONS

- ✓ Pay by Link
- ✓ WL Order Picking
- ✓ Scan & Pay
- ✓ WL One Commerce Hub
- ✓ Unattended and mobile terminals
- ✓ WL Digital Banking (Trusted Interactions, Chatbot)
- ✓ Trusted Authentication
- ✓ WL Industrial IoT
- ✓ WL Tap2Use
- ✓ WL eSignature

COVID-19 COST CONTINGENCY PLAN AND 2020 MARGIN TRAJECTORY



Materialization of temporary actions as per plan

- Project reprioritization
- Subco reduction
- Restricted hours and holidays concentration
- Supplier renegotiations
- Logistics, travels, other discretionary spent



Monitoring of business related variable costs

Including management's variable pay



Significant part of the plan to impact positively H2

- Pay rise postponement
- Hiring freeze
- Holidays

INGENICO PRE-INTEGRATION PROCESS

IMPLEMENTATION OF THE *DAY-1 READINESS* APPROACH



INGENICO PRE-INTEGRATION WORK PROGRESSED IN A VERY GOOD COLLABORATIVE SPIRIT

- ✓ **33 streams launched** with exploratory “Know each other” phases performed.
- ✓ **1st draft of Day1 organization** produced and dedicated social approval process engaged
 - Re-design of Merchant Services Global Business Line organizational blueprint
- ✓ All streams are **now refining their detailed synergies implementation plans**
- ✓ **High level of complementarities** (market positions, technical platforms, skills & expertise) **confirmed and leading to exciting growth potential perspectives:**
 - Strong online positioning with Ingenico gateways and Worldline e-acquiring know-how
 - Market presence in in the DACH region where transition to e-payments is boosted by COVID-19
 - Global expansion supported by Ingenico’s global presences

CONCLUSION
FIRST HALF 2020

GILLES GRAPINET
Chairman & CEO

KEY TAKEAWAYS

1



Materialization as anticipated of the progressive business recovery since de-confinement:

- Confirmed trajectory for the full year 2020

2



“Post-COVID-19 world” expected to bring new business opportunities:

- Cashless transition acceleration
- Favorable environment for bank’s payment outsourcing and/or divestment

3



Worldline & Ingenico: a much stronger group in a post-COVID-19 world, with European leadership and global ambition



BETTER POSITIONED THAN EVER TO PLAY A CENTRAL ROLE IN THE NEXT WAVE OF PAYMENT INDUSTRY CONSOLIDATION

Worldline

Q&A

FIRST HALF 2020

THANK YOU

**FOR MORE INFORMATION,
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