

# Worldline

## Q3 2017 revenue

Monday, October 23<sup>rd</sup> 2017

**worldline**  
e-payment services

●●●●● an atos company

# 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' 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 2016 Registration Document filed with the Autorité des Marchés Financiers (AMF) on April 28, 2017 under the registration number: R.17-032 and its update filed with the Autorité des Marchés Financiers (AMF) on August 3, 2017 under the registration number: D.17-0407-A01. 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.
- This document does not contain or constitute an offer of Worldline' shares for sale or an invitation or inducement to invest in Worldline' shares in France, the United States of America or any other jurisdiction.
- Revenue organic growth is presented at constant scope and exchange rates. Operating margin before amortization and depreciation (OMDA) is presented as defined in the 2016 Registration Document.
- Global Business Lines include Merchant Services (in Belgium, Czech Republic, France, Germany, India, Luxembourg, Poland, Spain, The Netherlands, Slovakia, Sweden and United Kingdom), Financial Services (in Belgium, China, Estonia, France, Germany, Latvia, Lithuania, Finland, Hong Kong, 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).

# Highlights

Third quarter 2017

...

**Gilles Grapinet**  
*CEO Worldline*



# Very solid Q3 2017 operational performance

**Strong revenue Growth at +6.3%, fully in line with the 2017 objectives**

**Robust transaction volume growth on Worldline's core platforms**

**DRWP and FDB acquisitions closed and integration activities already started**

**Closing of the acquisition of MRL Posnet confirmed in the weeks to come**

**Strong financial capacity intact**

# Reminder: reinforcement of Worldline's presence in India with the acquisition of MRL Posnet



**Complementary asset** to Worldline India



**Low cost POS management solution** adapted to the Indian market



Access to **new market segment** (small & medium banks)



Larger scale for **more competitiveness**

**18**  
**Partners banks**  
for Merchant Services

**c.100k**  
**terminals**  
under Merchant Services mngt

**New POS**  
**contract**  
for provision of low cost terminals

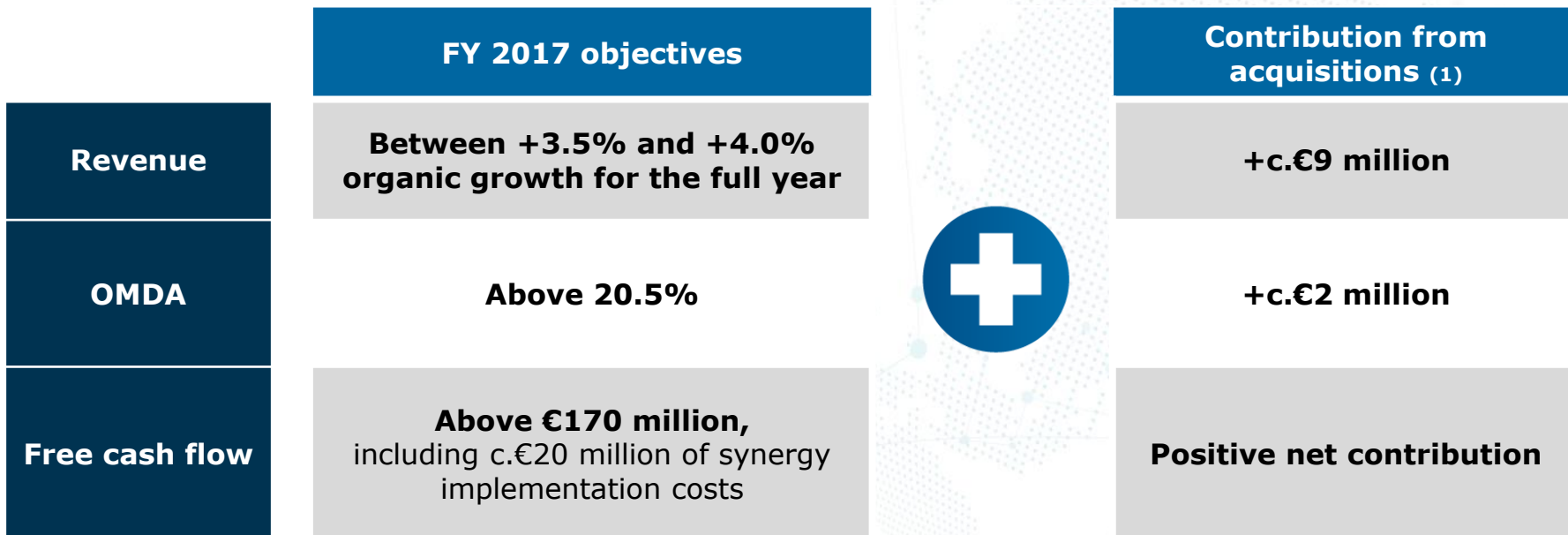
**€1.3bn**  
**Transaction Value**  
Processed (Feb 17)

- **Founded in 2008, HQed** in Chennai, India
- **Merchant services and Acquiring PaaS Solution provider**
- Proprietary next-gen low-cost terminal management platform offered via various bundles
- Strong tailwind from **demonetization in India**

**Closing expected in the days to come**

# Worldline's FY 2017 objectives fully confirmed

with the following Q4 2017 additional contribution from newly acquired companies (First Data Baltics, Digital River World Payments)



(1): First Data Baltics from Oct. 1st, 2017; DRWP from Nov. 1st, 2017

# Revenue

Third quarter 2017

...

**Eric Heurtaux**  
*CFO Worldline*

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e-payment services



# Technical reconciliations

## Constant scope and exchange rate figures reconciliation

In € million	Revenue		
	Q3 2017	Q3 2016	Change
Statutory revenue	385.6	294.3	+31.0%
Exchange rates effect		- 4.3	
<b>Revenue at constant exchange rates</b>	<b>385.6</b>	<b>290.0</b>	<b>+33.0%</b>
Scope effect		72.9	
Exchange rates effect on acquired/disposed scope		-	
<b>Revenue at constant scope and exchange rates</b>	<b>385.6</b>	<b>362.9</b>	<b>+6.3%</b>

- **Exchange rates effects** reflect mostly the appreciation of the Euro versus the British Pound and the Argentinian Peso.
- For a like-for-like comparison with Q3 2017, **scope effects** mainly correspond to :
  - the addition of **Equens, PaySquare and KB SmartPay** revenue for Q3 2016, and
  - the deduction of Q3 2016 revenue **of the Cheque processing** business (« **Cheque Service** »).

## IFRS 15: « revenue from contracts with customers »

Expected impacts from the adoption of IFRS 15 on the 2017 financial statements:

Est. Impact of IFRS 15 adoption	2017
Estimated revenue	c. -2.5%
Estimated OMDA rate	c.+50 bp
No impact on OMDA and Free Cash Flow amounts	-

- IFRS 15 is applicable from January 1, 2018
- Final restatements on FY 2017 financial statements linked to the adoption of IFRS 15 will be published together with the FY 2017 result publication.

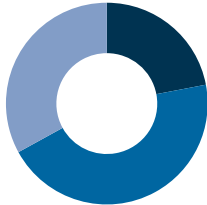


# Q3 2017 Revenue performance by Global Business Line

<i>In € million</i>	Revenue Q3			
	Q3 2017	Q3 2016*	Var.	Organic Growth
Merchant Services	128.5	121.7	+6.8	+5.6%
Financial Services	171.0	159.5	+11.5	+7.2%
Mobility & e-Transactional Services	86.2	81.8	+4.4	+5.4%
<b>Worldline</b>	<b>385.6</b>	<b>362.9</b>	<b>+22.7</b>	<b>+6.3%</b>

\* At September 2017 constant scope and YTD average exchange rates

**33%**  
Merchant  
Services



**22%**  
Mobility  
& e-Transactional  
Services



**45%**  
Financial Services

Revenue growth  
at constant  
exchange rates:

**+33.0%**

# Q3 2017 Revenue performance by Global Business Line



+5.6%\*

## Merchant Services

- **Growth in Merchant Payment Services**, thanks to strong sustained momentum in India and positive business trends in continental Europe
- **Merchant Digital Services close to stability** due to less projects in the quarter



+7.2%\*

## Financial Services

**Growth in all 4 business lines, fueled by high project activities:**

- Issuing Processing: **increased card transaction volume and more authentication services** (ACS, 3DSecure)
- **Good volumes combined with high project activity** in Acquiring Processing
- Good project activity in Digital Banking in France and in the UK
- Accounts Payments supported by **increased volumes** on the **iDeal** scheme as well as from the new **Payments 2.0** platform



+5.4%\*

## Mobility & e-Transactional Services

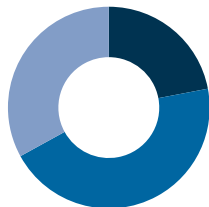
- **Very strong momentum in :**
  - *Trusted Digitization*: increased business in France thanks to contracts signed in H1; higher healthcare transactional services and tax collection activities in Latin America
  - *e-Consumer & Mobility*: Contract ramp-ups and good project activity, mainly in France and in Germany
- *E-Ticketing* temporary affected by less projects delivered in the UK for rail companies.

# September 2017 YTD revenue per GBL

<i>In € million</i>	Revenue 9 months			
	Sep YTD 2017	Sep YTD 2016*	Var.	Organic Growth
Merchant Services	389.3	369.5	+19.8	+5.4%
Financial Services	516.1	486.1	+30.0	+6.2%
Mobility & e-Transactional Services	258.3	272.4	-14.1	-5.2%
<b>Worldline</b>	<b>1,163.7</b>	<b>1,128.0</b>	<b>+35.7</b>	<b>+3.2%</b>

\* At September 2017 constant scope and YTD average exchange rates

**34%**  
Merchant  
Services



**22%**  
Mobility  
& e-Transactional  
Services



**44%**  
Financial Services

Revenue growth  
at constant  
exchange rates:

**+29.6%**

# September YTD 2017 Revenue performance by GBL



**+5.4%\***

## Merchant Services

- Strong momentum in **India** following the Demonetization Act
- **Good transactional volume growth** in Commercial Acquiring
- Good activity in *Merchant Digital Services* thanks to **digital kiosks** in the UK & **Private Label Cards** in Spain



**+6.2%\***

## Financial Services

### Growth in all 4 business lines, fueled by high project activities:

- Growth in Issuing and Acquiring Processing supported by **good volume growth combined with high project activity**
- Activity in *Account Payments* supported by **higher SEPA transactions** in the Netherlands and in Germany
- *Digital Banking* growth sustained by **project activities** in France and in the UK
- *Account Payments* growth fueled by volume increase on the iDeal platform
- Confirmation of very satisfactory trends related to new payment regulations, particularly in **Strong Authentication and Fraud Management** services



**-5.2%\***

## Mobility & e-Transactional Services

- **Very strong momentum in the three divisions:**
  - *e-Consumer & Mobility*: Good project activity in France and in Germany
  - *e-Ticketing*: higher fare collection revenues in Latin America
  - *Trusted Digitization*: increased business in Latin America; more projects in France
- **Reminder:** H1 2017 was the last semester where the reported growth of MeTS was impacted by the negative comparison effect arising from the termination of the RADAR contract. **Excluding this effect, the 9M YTD growth rate of MeTS was c.+8%**



# Commercial & operational performance

Third quarter 2017

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**Marc-Henri Desportes**  
*General Manager Worldline*

# Robust transaction volume growth during Q3 2017

**+12%**  
Number  
of issuing  
transactions

**+13%**  
SEPA mandates  
managed

**+8%**  
Number of  
non-card  
transactions



**> x2**  
Acquiring transactions  
processed  
in India

Wallet transactions  
**c. X 3.5**

# Q3 2017 signatures

Confirming the quality of Worldline's product roadmap



## Merchant Services

### Key achievements and business update

- Key contract in India renewed with **Axis bank**
- Extension of the contract with **Trinity Purchasing** to the Nordics
- **Online payment acceptance** solution sold to a leading global customer
- Significant renewals in Private Label cards & Loyalty Services in Spain and in France
- Fast commercial successes of the newly launched unattended payment terminal, **VALINA**



## Financial Services

### Key achievements and business update

- **New Issuing Processing contract** with a Belgium bank
- **HCE based mobile payment** solution sold to a Finish bank
- iOS mobile banking services sold to a leading French bank
- First significant contract won with a major financial institution for **PSD2 implementation & related services**
- Awards received for **Worldline's Authentication Process Management** (part of the PSD2 suite of solutions)



## Mobility & e-Transactional Services

### Key achievements and business update

- Build of a new highly secured real time and mutualized solution for **SAMU** (French medical emergency call center)
- Renewal of a **secured Cloud Contact Center** contract with a major French e-retailer
- Renewal of the contract for the **French personal medical highly secured record**
- Contract renewal for the operation of a **Digitized Tax Verification** for the Swiss industry and authorities

# Update on PSD2 regulation implementation

Significant progresses observed all across Europe

## **Due date reminder: January 13, 2018**

- PSD2 regulation already transposed in the French and British domestic laws; and
- Progressing in Germany, Italy and the Netherlands.

## **8 out of 13 available standards already finalized:**

- 5 out of the 7 technical guidelines already available in their finalized version
- 3 out of the 6 RTS published in their finalized version

**Antitrust commission confirming unannounced inspections concerning online access to bank account information by competing service providers**

**Commercial discussions intensifying in parallel to progress towards finalization of the detailed regulatory framework**



# Conclusion

Third quarter 2017

...

**Gilles Grapinet**  
*CEO Worldline*

# Key take aways



**Strong Q3 2017 revenue growth, in line with Company's confirmed full-year objectives**



**Immediate start of the integration activities at Digital River World Payments and First Data Baltics** as per Worldline's and Atos' proven Day-1 Readiness methodology



**Thanks to its intact financial capacity, Worldline** will keep playing a **pivotal role** in the **consolidation of the payment industry** as part of the 2017-19 strategic plan

# **Q&A session**

# **Q3 2017 revenue**

Monday, October 23<sup>rd</sup> 2017

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# Presentation to investors

ID Card & 2017-2019  
3 year plan

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# ID Card

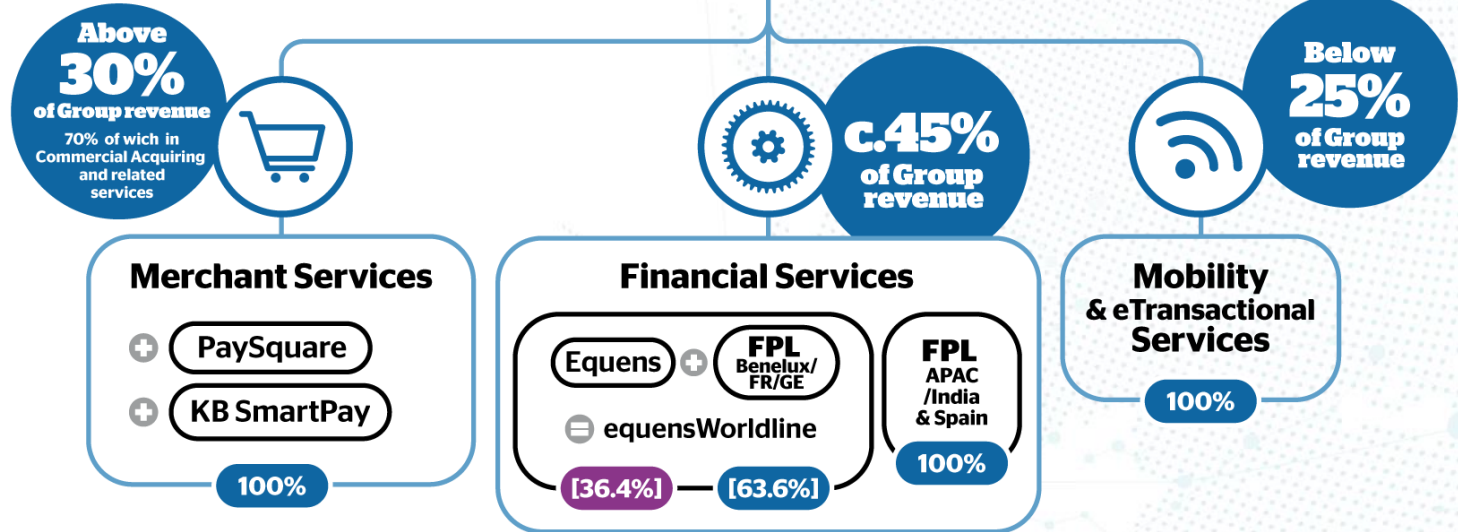
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# The new Worldline Group (data based on 2016 pro forma revenue)

>€1.5bn  
revenue

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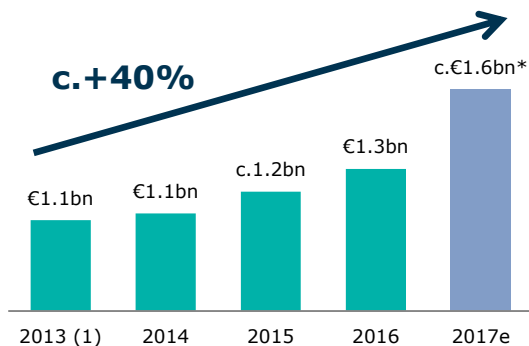


Worldline ownership

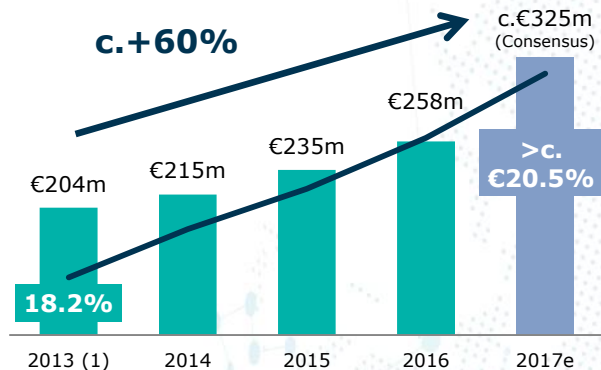
Equens shareholders ownership

# Substantial improvement of Worldline's financial profile since the IPO

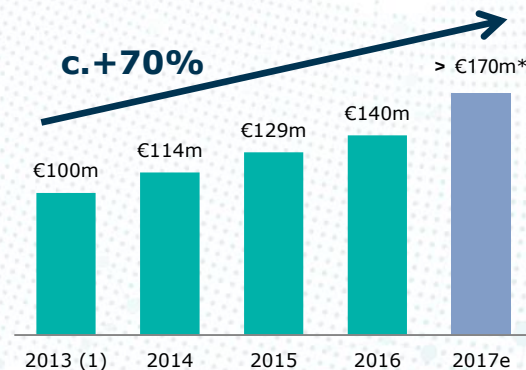
## Revenue expansion



## OMDA



## Free Cash Flow



Same number of shares: c. 132 million

Net cash position: €440m end of June 2017



***Full leverage capability kept intact***

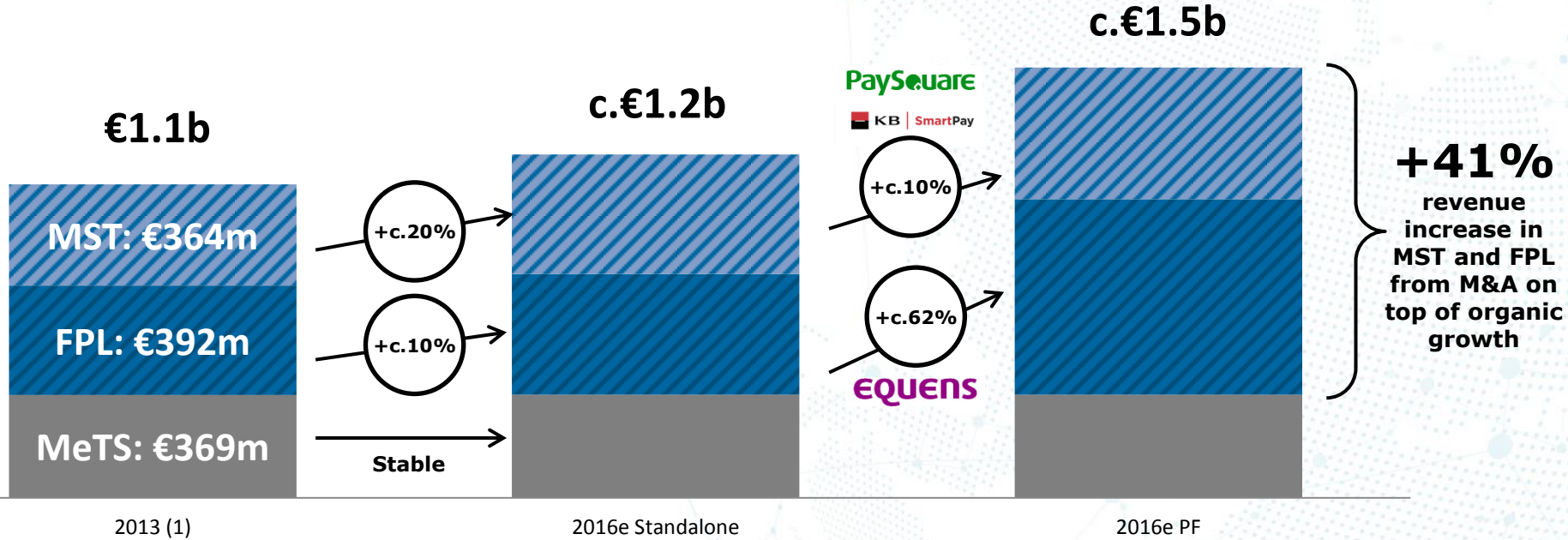


(1): 2013 pro forma financial information published in the IPO Registration document

\* As per company full year guidance



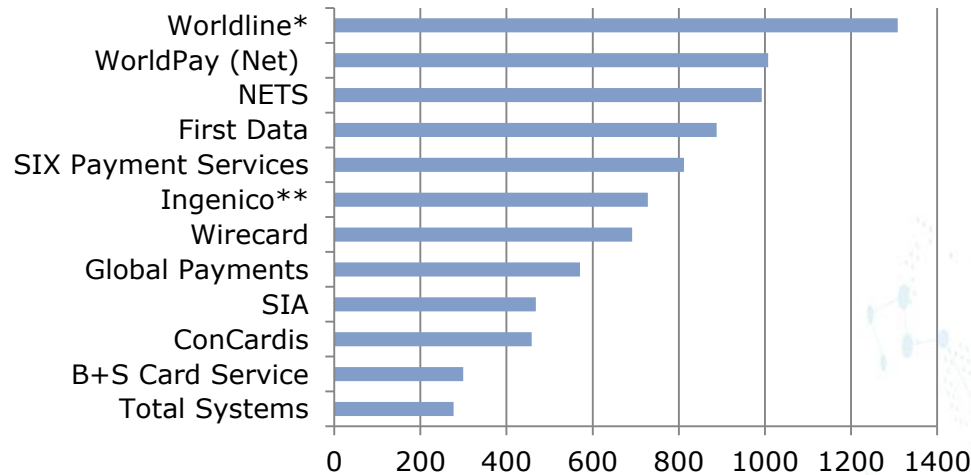
# +41% revenue increase in Merchant Services and Financial services from M&A since 2013



(1): 2013 pro forma financial information published in the IPO Registration document

# Equens transaction: building an industrial Pan-European champion in payment services

Payment service providers ranking in European Union  
2016 European turnover, in € million



Source: company estimate

\*: European 2016 pro forma revenue excl. payment terminal

\*\* : Global revenue from transactions

**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**

# Worldline was listed to be at the center of the consolidation of European payments

## YESTERDAY



Sligos (Credit Lyonnais /  
Banco de Santander)  
Sodinforg (BNP Paribas)  
Segin (Crédit du Nord) / Axime  
Belgian banks ( Banksys /  
Bank Card Company)  
German regional banks

**worldline**

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

## TODAY



- Solid track record since IPO
- After the merger with Equens and 4 other acquisitions, the only truly pan-European processing platform
- Strong balance sheet and significant firepower
- Clear strategy and industrial consolidation ambition

***17 European countries***  
**>250 bank clients**

## TOMORROW



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



# Through a first wave of M&A, more scale, reach and capability

	New! Q3 2017					
	EQUENS	PaySquare	KB   SmartPay	Digital River WORLD PAYMENTS	First Data Baltics	MRL Posnet
Industrial scale	✓					
Reinforcement of our portfolio				✓		
Global online payment				✓		
New technologies	✓			✓		✓
Bank alliances for Commercial Acquiring	✓	✓	✓			✓
Strengthen our European position	✓	✓	✓	✓	✓	
Enter higher growth countries			✓		✓	✓

**c.€330m invested since IPO**

# Vision and strategy execution

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**worldline**  
e-payment services

# Our market is more favorable than 3 years ago...

**#1**

Cashless society is on its way

**#2**

Increased need of industrial scale to face payment market evolutions

**#3**

Banks will remain the key player within the payment ecosystem

**#4**

Europe is the place to be

... and Worldline is ideally positioned to benefit from it



# 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

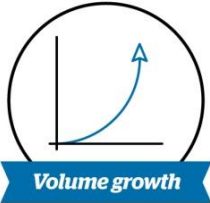
- Solutions with **European reach**
- **Omni-channel**
- **Technological** innovations
- **Payment means diversity**

### 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



Regulation



Volume growth

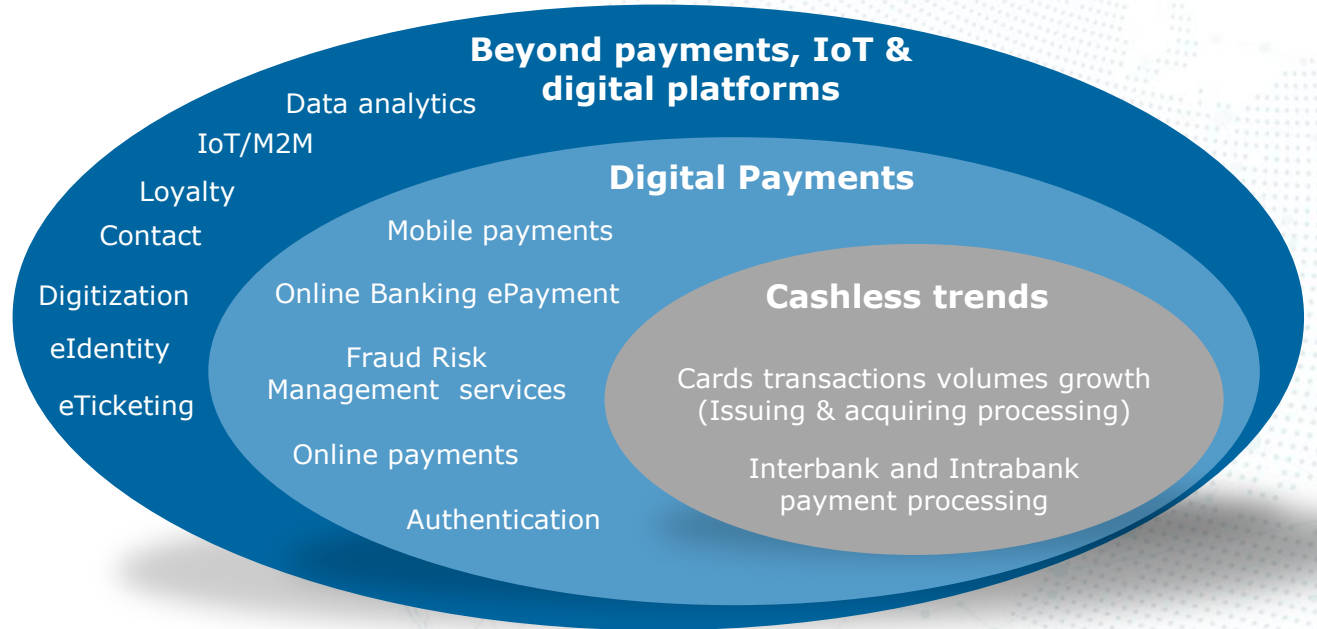


Innovation



New banking strategies

# Worldline benefits from the strong positive momentum of the European payment market



# Our strategy: 6 key dimensions for differentiation and leverage

1. Scalable own **assets**, fueled by our R&D
2. Multiple **sales channels** including **bank partnerships**
3. Competitive advantage through relentless **efficiency efforts and scale**
4. Continuously upgrade our **quality and security** levels
5. Investing in **people's** expertise and excellence
6. **M&A** execution as a booster for strategy execution



# 1. Scalable own assets, fueled by our R&D

## Our R&D Master Tracks



### Authentication

Biometry,  
fingerprinting...



### Security

Cryptographic tools,  
Secure Elements...



### Blockchain

Financial market  
and other markets...



### User Experience / Physical to Digital bridge

Beacons, geolocation,  
Digital Signage, Video  
Processing...



### Data Analytics, Machine Intelligence

Fraud Detection,  
Time series...



### Personal Assistant

RT Analytics, remote  
& embedded  
processing, User  
interaction, Privacy...



### New means of Payment

Wearables, Zero  
Effort Payment, P2P,  
Instant payment...

## 2. Multiple sales channels including bank partnerships

200 Atos Account Executives incentivized  
Bi-Monthly top management cross-selling board



SIEMENS



ING

### Cross-selling through ATOS



Partnering  
with Banks



Boosting our  
own salesforce  
in new  
geographies



Combining payment assets in custom/  
MeTS large deals



### 3. Competitive advantage through relentless efficiency efforts and scale

#### Continuous improvement



2014-2017 - 161M€ savings achieved

##### Main drivers



- Contract profitability
- Sales effectiveness
- IT efficiency
- Offshoring/Delaying/Infrastructure and operations
- Streamlining/Procurement/Real Estate



2017-2019 target-150M€ savings

##### Continuation of previous actions



- First time right
- Make or buy
- Objective Zero Incident
- Robotics & Automation

#### Benefits from larger scale

##### equensWorldline integration tracks

Reminder - Jointly prepared BP  
Fully organized Day1 with 16 integration tracks  
9 businesses - 7 supports

- Aligning Equens IT, operations, overheads, and associated costs to our standards
- Remove business and support overlaps
- Converge technical platforms
- Cross-sell

**OMDA impact from 20 to 25 M€ in 2017  
with 2018 moving from 40 to above 45M€**

## 4. Continuously upgrade our quality and security levels

- **Operational excellence culture**, based on selected best practices grown in a 100,000 people IT outsourcing leader  
*Zero Incident program // Peer reviews // Risk-based robustness plans*
- **Efficient and State-of-the-Art Security**  
*Mixing payment security experts and Atos cybersecurity Firepower*
- **Resilient and scalable infrastructures**  
*The right mix of redundancy and virtualization*
- Recently acquired infrastructures **quickly aligned** on our historical standards
- Subject to **constant external challenge** (certifications, ratings, Customer Satisfaction Surveys) with **continuous improvements** (grades)

Overall customer satisfaction grew  
**from 7 in 2014 to 8 in 2016**

Service availability of our acquiring platform reaching  
**99,999%**



New security requirements such as GDPR  
**are more opportunities than challenges**

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5.

## Investing in people's expertise and excellence

3 key differentiating HR assets supporting the company's expansion

#1

### A strong power of attraction and sense of belonging

Highly developed family spirit

Strong professionalism

#2

### A proven know-how in people's integration

Day 1 organization readiness

Seamless onboarding

Talents retention

#3

### A recognized expert network

Top notch technological competencies

Innovative mindset

Knowledge sharing

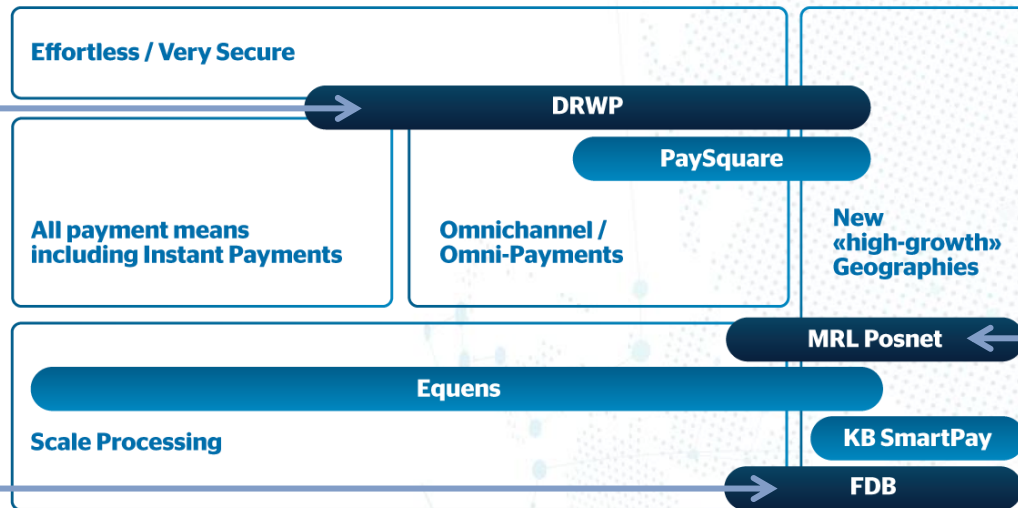
# 6. M&A execution as a booster for strategy execution

## Latest M&A deals complete asset portfolio

Completes our online capabilities with

- Global reach
- Collecting solution

- Brings new market for our platforms
- And price efficient expert workforce to address the Nordics



Completes our high growth Indian operations with



- New customers
- New market segment
- Innovative low cost terminals and terminals management system

# 2017-2019 Financial ambition

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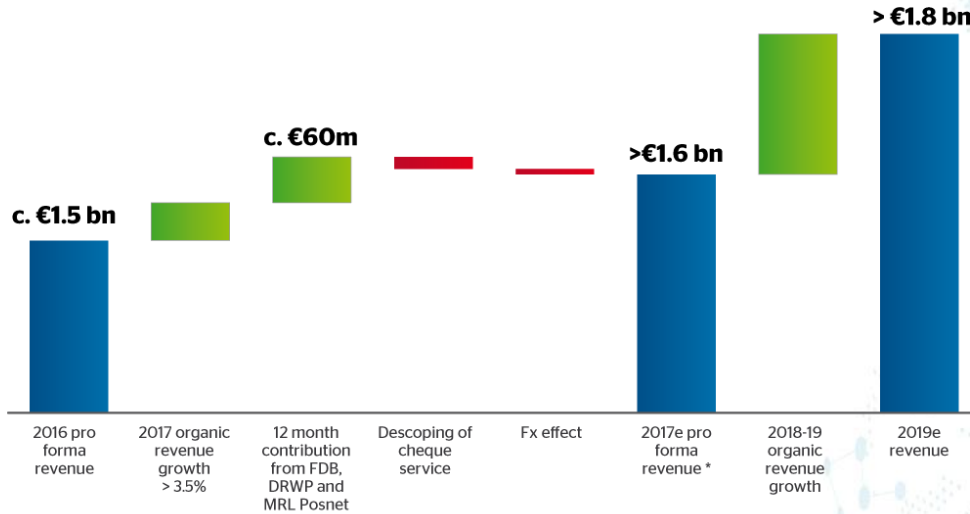
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# Recent acquisitions' financial profile

	Estimated 12 months revenue	Impact on Group 2017-19 growth profile	Impact on Group 2017-19 profitability profile	
Digital River World Payments	< €60m	+	+	<p>c.€220m invested</p> <p><b>Acquisition multiple</b> (blended) slightly below Worldline's current trading multiple:</p> <p><b>11.4x</b> 2017<sup>e</sup> EBITDA</p>
FDB		=	+	
MRL Posnet		+	+	
		<p><i>Acceleration of the Group's growth profile</i></p> 	<p><i>Accretion on the group's profitability</i></p> 	



# 2017-2019 revenue bridge



**Worldline's 2017 - 2019 upgraded objective:**  
After 3.5% to 4% for 2017, **5% to 7% for 2018**  
and **6% to 8% for 2019**

\*: 2017 estimated revenue including 12 months of contribution from FDB, DRWP and MRL Posnet

## 2017-19 GROWTH DRIVERS

**Innovative offerings:** PSD2, Instant Payments...

**Merchant Services: above group average**

- Transaction volume growth
- **Synergies from** DRWP and MRL Posnet
- Structural growth of the **Indian market**
- Increased **geographical diversification**

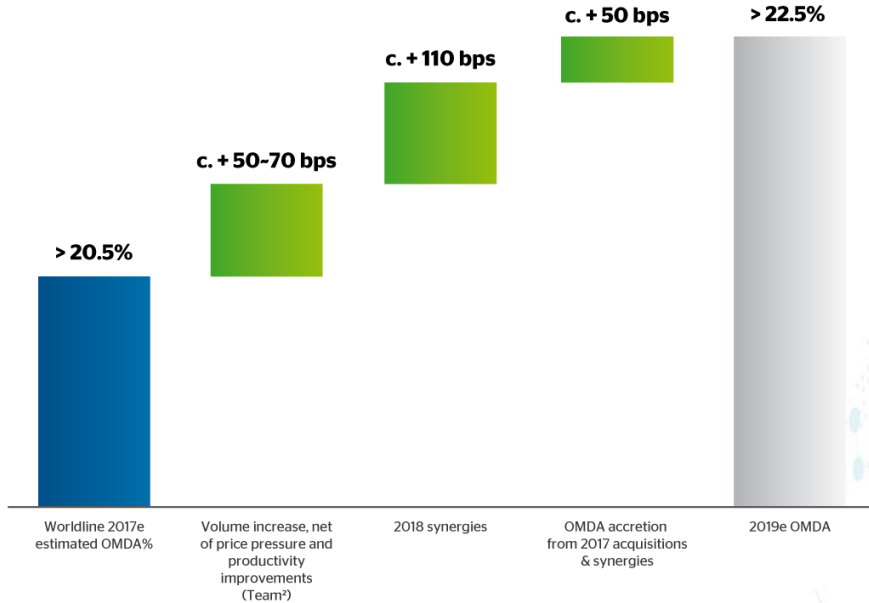
**Financial Services: a bit below group average**

- Structural **volume growth**
- **Cross selling** opportunities

**Mobility & e-Transactional Services: within group average**

- Very dynamic market trends
- Growth supported by **strong pipeline**

# 2017-2019 OMDA bridge



From 22.0% ~22.5% to above 22.5% in 2019

## OMDA IMPROVEMENT DRIVERS

### TEAM<sup>2</sup>

#### Merchant Services

- **Synergies** starting in 2017 with **PaySquare** and **KB Smartpay**
- **Scale effect** on platforms operated by equensWorldline
- Positive revenue mix effect with **Worldline India** and **DRWP** profitability exceeding MS average

#### Financial Services

- equensWorldline: Higher **OMDA run-rate synergies expected**: c.€25m in 2017 and **c.€45m in 2018**
- Strong **scale effect** on platforms
- **FDB's higher profitability**

#### Mobility & e-Transactional Services

- Gradual benefit from **increased volumes** on maturing platforms

# Continuous discipline on cash flow

## CAPEX

**2017**  
**Between 6% and 7%**  
of revenue

**2018**  
**Circa 6%**  
of revenue

**From 2019 onwards**  
**Between 5% and 6%**  
of revenue

## CHANGE IN WORKING CAPITAL

- **Slight positive contribution from 2018 onwards**, in particular alignment of acquired scope on Worldline best practice

## EXCEPTIONAL ITEMS AND TRANSFORMATION COSTS

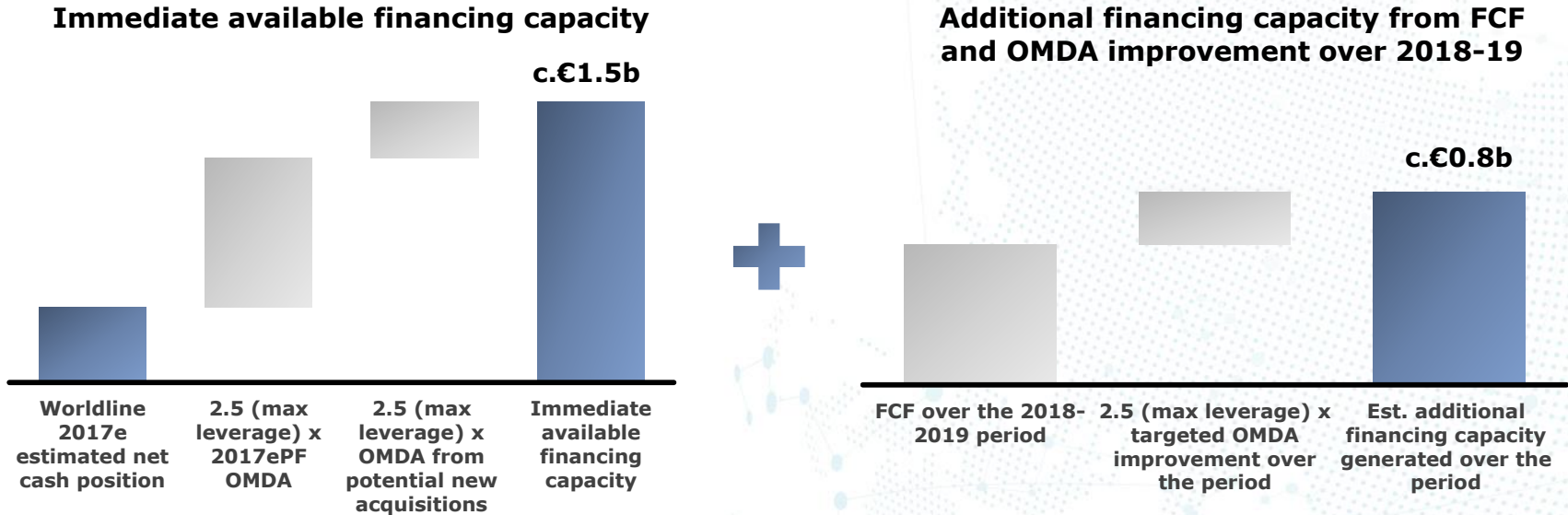
- **equensWorldline transformation costs:** c.€10-15m in 2018 and c.€5-10m in 2019
- **Limited transformation** costs to be expected from the integration of **FDB, DRWP** and **MRL Posnet**

## TAX RATE

- Ambition to improve slightly current tax rate levels over the period, targeting a **ETR (P&L expense) of c.25%**

# Financing of acquisitions: Confirmation of financial policy

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



Estimated **M&A firepower** of up to c.€ 2 billion without capital increase



# Strategic priorities

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# A clear 2017-2019 ambition

## Five strategic priorities

- 1 Accelerate our growth** by capturing:
  - > Opportunities created by regulation change and digital transformation
  - > Large outsourcing deals
  - > Cross-boarder acquiring deals
- 2 Fully leverage** our enhanced **operational scale** and our **recent acquisitions**
- 3 Be a premium brand** for customers, employees and key talents
- 4 Be recognized** as the next generation **strategic European bank partner** in payments
- 5 Relentlessly focus on M&A** to lead the European payment industry consolidation with small, medium, large and very large transactions

# 2017-2019 objectives

## Revenue Organic Growth

After 3.5% to 4% for 2017,  
**5% to 7% for 2018 and 6% to 8% for 2019**

## OMDA %

**Above 22.5% in 2019**  
(i.e. **>+400bp** margin improvement **in 2019 vs 2016** <sup>(1)</sup> )

## Free cash flow

**€230m to €245m in 2019**

(1): 18.5% OMDA margin, 2016 Pro Forma accounts

# Thank you

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