

# Worldline

## Q3 2015 revenue

Tuesday, November 3<sup>rd</sup>, 2015



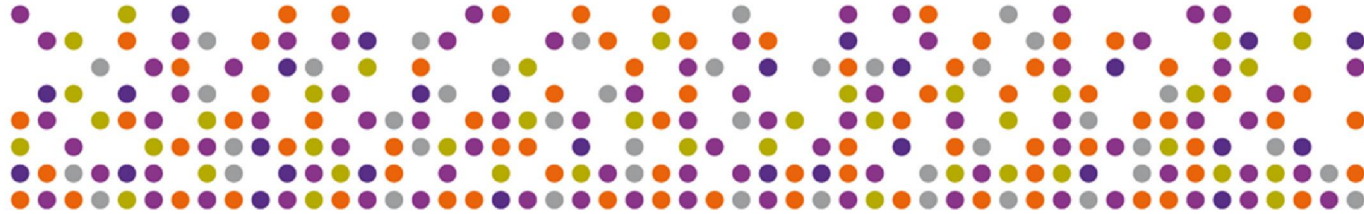
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e-payment services



# 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 2014 Registration Document filed with the Autorité des Marchés Financiers (AMF) on April 27, 2015 under the registration number R.15-021 and its update filed on August 6, 2015 under the registration number D. 15-0292-A01.
- Global Business Lines include Merchant Services & Terminals (in Belgium, France, Germany, India, Luxembourg, Spain, The Netherlands and 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

## third quarter 2015

Gilles Grapinet, Chief Executive Officer

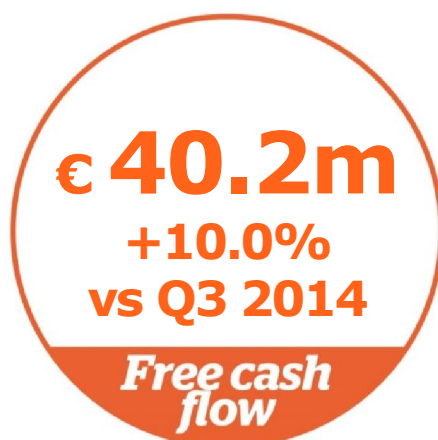


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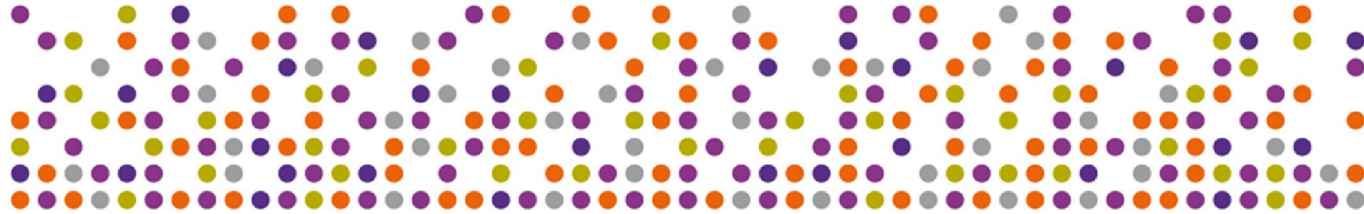
## Q3 2015 key figures





## 2015 Objectives confirmed

<b>Revenue</b>	<b>4% to 5% organic growth</b>
<b>OMDA</b>	<b>+c.50 bp vs. 2014</b>
<b>Free Cash Flow</b>	<b>€ 120m to € 125m</b>



# revenue

## third quarter 2015

Bruno Vaffier, Chief Financial Officer



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# Constant scope and exchange rate figures reconciliation

In € million	Scope and FX effects			Performance Summary	
	Q3 2014 statutory	Exchange rates effect	Q3 2014*	Q3 2015 actuals	Organic change
Merchant Services & Terminals	90.7	1.3	92.0	98.6	7.2%
Financial Processing & Software Licensing	99.0	1.4	100.4	103.5	3.0%
Mobility & e-Transactional Services	94.8	3.7	98.5	103.5	5.0%
<b>Worldline revenue</b>	<b>284.6</b>	<b>6.5</b>	<b>291.0</b>	<b>305.6</b>	<b>5.0%</b>

\* At September 2015 constant scope and average exchange rates

Merchant Services & Terminals  
**32%**



Mobility & e-Transactional Services  
**34%**

Financial Processing & Software Licensing  
**34%**

## Q3 2015 revenue per Global Business Line

<i>In € million</i>	Revenue Q3		
	Q3 2015	Q3 2014*	% Growth
Merchant Services & Terminals	98.6	92.0	+7.2%
Financial Processing & Software Licensing	103.5	100.4	+3.0%
Mobility & e-Transactional Services	103.5	98.5	+5.0%
<b>Worldline</b>	<b>305.6</b>	<b>291.0</b>	<b>+5.0%</b>

\* At September 2015 constant scope and average exchange rates



### Merchant Services & Terminals

- Acceleration of the growth in *Commercial Acquiring* and *Payment Terminals* activities, notably through successful internationalization;
- *Online Services* growing thanks to new projects in e-Commerce services;



### Financial Processing & Software Licensing

- Confirmed strong dynamic of *Online Banking Services*, notably in the Netherlands and in France;
- Expansion of *Payment Software Licensing* activities thanks to significant deals won in Asia;
- Acceleration of growth compared to H1 2015 in *Acquiring Processing* and *Issuing Processing* activities



### Mobility & e-Transactional Services

- Growth driven by *e-Consumer & Mobility* thanks to projects starting and contracts ramping up;
- Robust activity in *e-Government collection* in Latin America, Germany and France due to ramp-up of new contracts and good volumes;
- *e-Ticketing* activities stable during the quarter.



# September 2015 YTD revenue per Global Business Line

In € million	Revenue 9 months		
	Sep YTD 2015	Sep YTD 2014*	% Growth
Merchant Services & Terminals	292.1	276.9	+5.5%
Financial Processing & Software Licensing	304.0	297.6	+2.1%
Mobility & e-Transactional Services	304.5	287.9	+5.8%
<b>Worldline</b>	<b>900.6</b>	<b>862.4</b>	<b>+4.4%</b>

\* At September 2015 constant scope and average exchange rates



## Merchant Services & Terminals

- Constant acceleration of the growth of the division over the first 9 months of 2015 driven by *Payment Terminal* and *Commercial Acquiring*,
- Good volumes compensated on other activities.



## Financial Processing & Software Licensing

- Growth driven by *Online Banking Services* and *Payment Software Licensing*;
- *Acquiring processing* and *Issuing Processing* stable over the first 9 months of 2015, thanks to progressive revenue acceleration along the year.

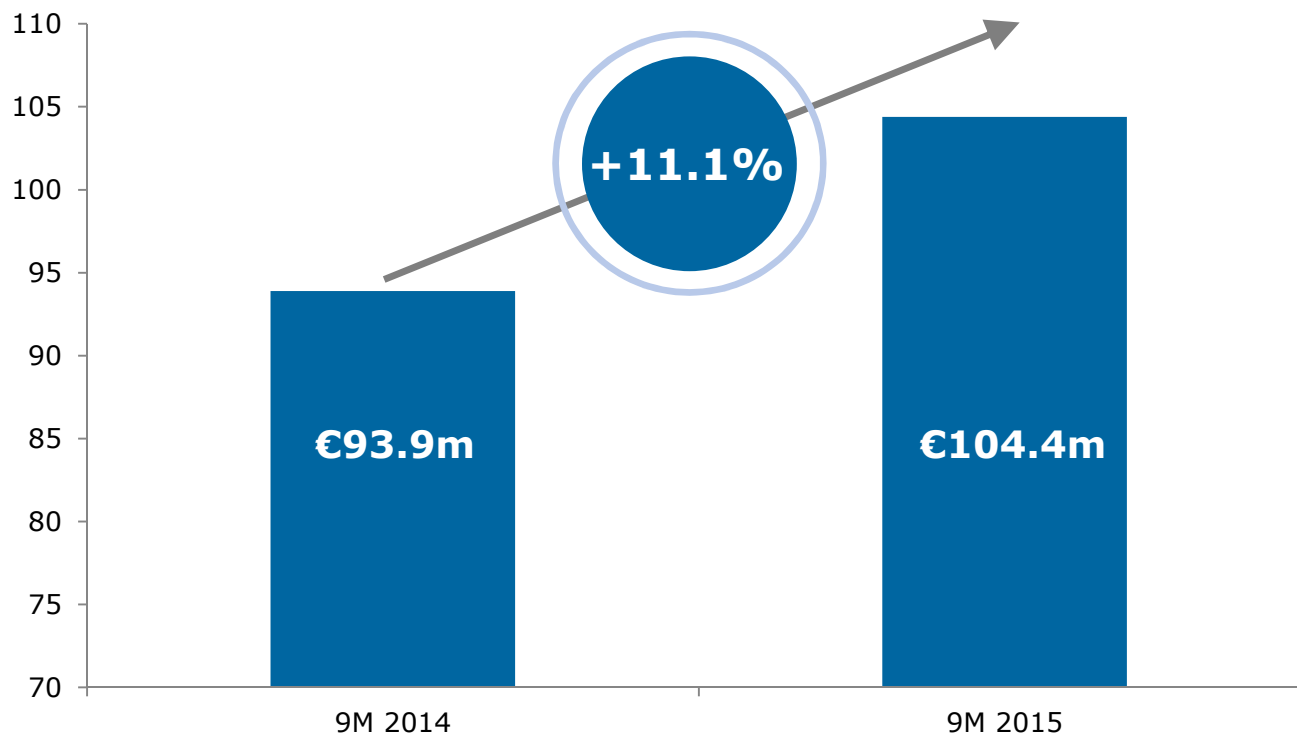


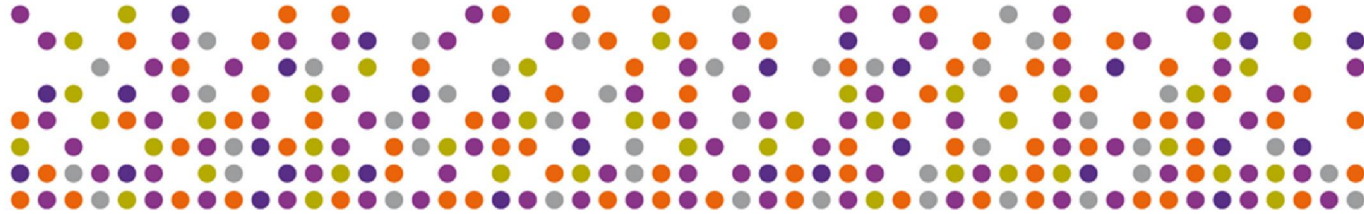
## Mobility & e-Transactional Services

- Strong growth in *e-Consumer & Mobility* thanks to positive trends in Connected Living activities in continental Europe;
- Expansion of *e-Ticketing* activities due to volume increase and good performance in Latin America;
- *e-Government collection* positively orientated with new contracts and positive price and volume effects.



## 9M 2015 Free cash flow growth, in € million





**commercial & operational**  
**performance**  
**third quarter 2015**

Marc-Henri Desportes, General Manager



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## Award and industry recognition

Worldline ranked by Ovum as **one of the 5 world leaders in Card Management Services.**

- ✓ **Recognition of the technological advance and functional richness** of the Group's applications, through notably the **WIPE** program.

**Worldline innovation** in Online banking Services recognized at the "**Bank & innovation**" forum, with a prize received for the "**Digital Assistant**" solution

- ✓ **Contextual marketing** banking application, enabling, between other use cases, an immediate response to consumer loan requests



### Ovum

Ovum Decision Matrix

Selecting a Card Management System Platform, 2015-16

"...all of Worldline's CMS platforms benefit from the vendor's **highly flexible deployment model**, which is **the most extensive and flexible** of any platform surveyed in this report."

- "As a platform, **Worldline Pay** has the capability to expand much more broadly as a global solution and as such stands out today as **a Market leader in the CMS space**. For these reasons, Worldline Pay **should be strongly considered for shortlisting as part of any CMS vendor-selection exercise.**"
- "**Cardlink II** offers a high degree of functionality and a very well-established regional presence, meaning that Cardlink II is a market challenger and **should be considered for shortlisting as part of any vendor-selection exercise, particularly for firms based in Asia-Pacific.**"



# Business Highlights



## Merchant Services & Terminals

### Key achievements And business update

- Good **volume growth in Commercial Acquiring** and merchant acceptance
- **Strong growth in Payment Terminals** and confirmed breakthrough in Germany with a new client signed
- **Flytoget**  
New Client (Norway)  
Transit fare system based on NFC payment cards
- **Select City Group**  
New client (India)  
Pre-paid and loyalty solution



## Financial Processing & Software Licensing

### Key achievements And business update

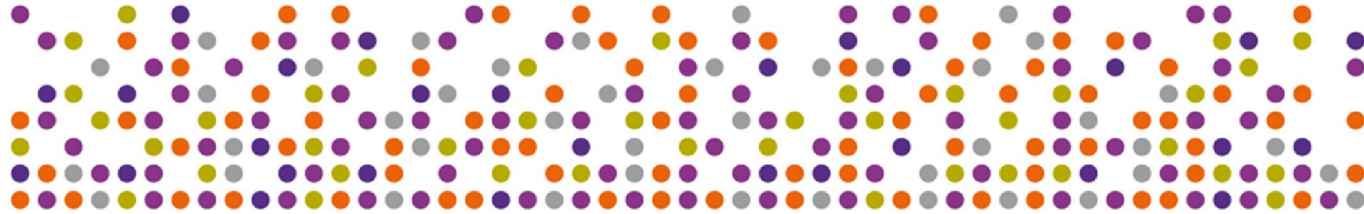
- **Panin Bank**  
(Indonesia)  
Fraud management solution
- **East-West bank**  
(Philippines)  
3-D secure solution
- **Luxemburg banks**  
3-D secure Solution
- **Two French banks**  
Mobile Acceptance solution
- **Czech bank**  
HCE based mobile-payment solution for MasterCard



## Mobility & e-Transactional Services

### Key achievements And business update

- **Automated traffic offence processing**
  - **Spain:** Renewal confirmed
  - **Other EU country:** New win in a new country
  - **France:** Not selected for the renewal of Radar contract; Decision will be appealed by Worldline
- **Significant** pipe of large new opportunities for 2016 and 2017
- **Agence de Services et de Paiements**(France): Renewal
- **Caisse Nationale d'Assurance Maladie** (France): Renewal



# conclusion

## third quarter 2015

Gilles Grapinet, Chief Executive Officer



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## Key take aways



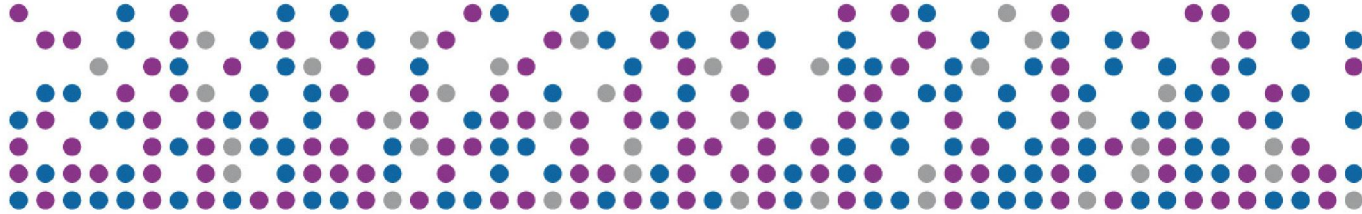
**Q3 2015 revenue and cash generation, fully in line with 2015 ambition**



**Good momentum in international cross selling and innovative offerings**



**Continued focus to take full advantage of structural changes and consolidation trends of the European payment industry**



***Worldline intends to join  
forces with Equens***  
to strengthen its  
pan-European leadership  
in payment services



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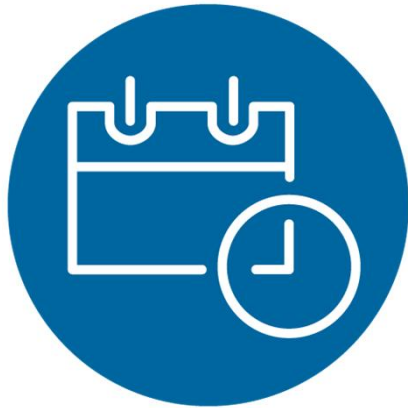




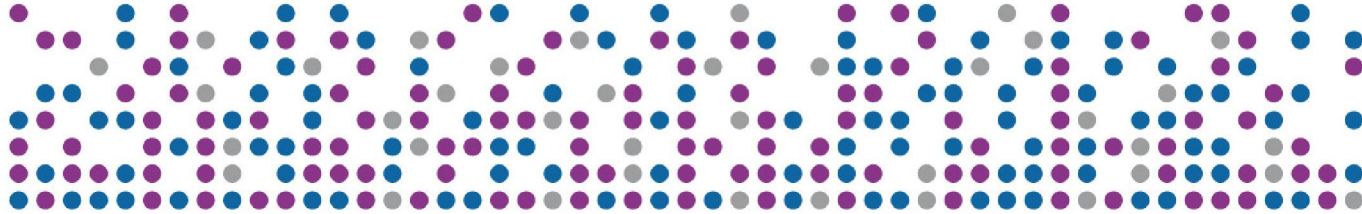
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# Agenda



- 1. Executive Summary**
- 2. Business benefits & industrial ambition**
- 3. Transaction structure & value creation**
- 4. Key deal takeaways**
- 5. Q&A**



***Executive summary***  
**Gilles Grapinet**  
*Chief Executive Officer*



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## The project: a major transaction between Worldline and Equens, structured in two components



### Contemplated merger of financial processing activities

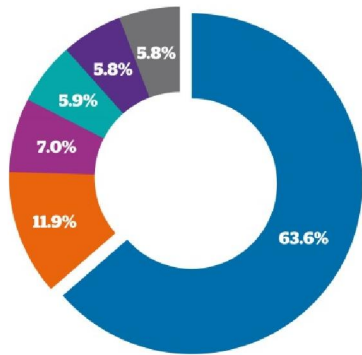
- A new “**Equens Worldline Company**” combining Worldline Financial Processing and Equens, owned 63.6% by Worldline company and 36.4% by Equens’ shareholders
- Revenue increase by c. **+65%** for Worldline Financial Processing
- Commitment to renew commercial contracts with Equens shareholders for a 5-year period at closing
- Integration in Worldline processes and policies

### Contemplated acquisition of Equens’ commercial acquiring activities in cash

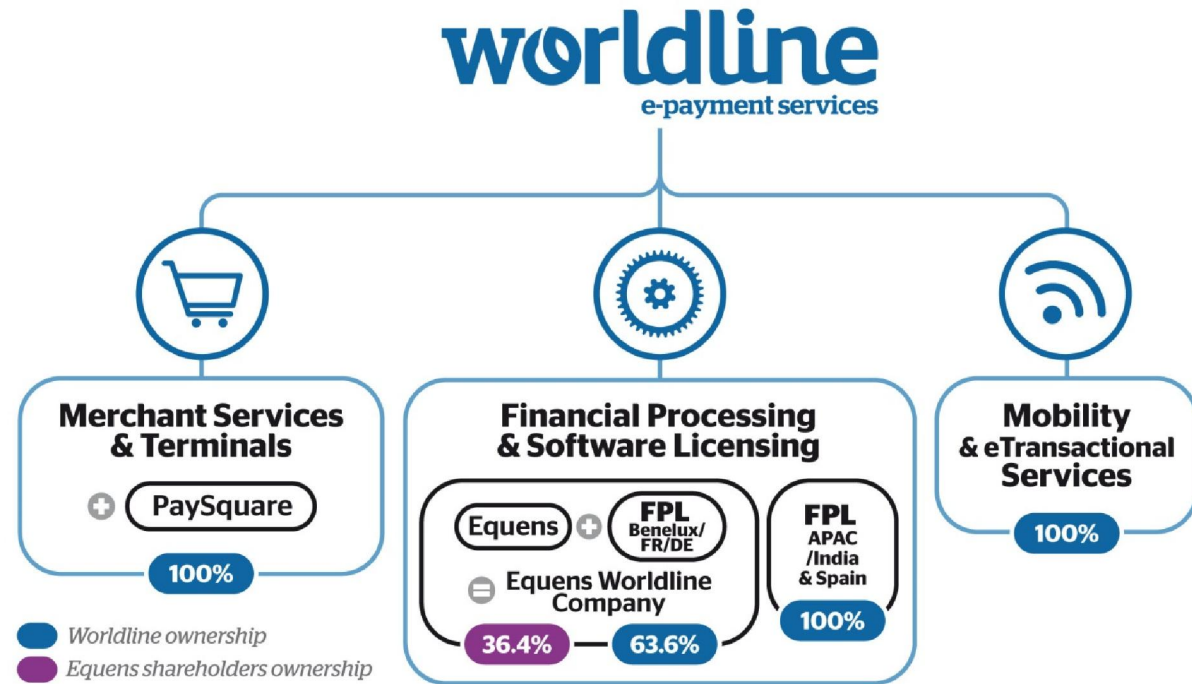
- Acquisition of 100% of **PaySquare** (fully owned by Equens) in cash for € 72 million (c.12.5 x OMDA 2015e)
- Operations to be integrated in Merchant Services & Terminals
- Revenue increase by c. **+25%** for Worldline “Commercial Acquiring”

# Transaction structure

Equens Worldline Company shareholding



- Worldline
- DZ BANK
- ABN AMRO Bank
- ING
- RABOBANK
- ICBPI



# Equens Group overview (2015 unaudited pro forma figures)

c.  
**€ 266m**  
Revenue\*\*

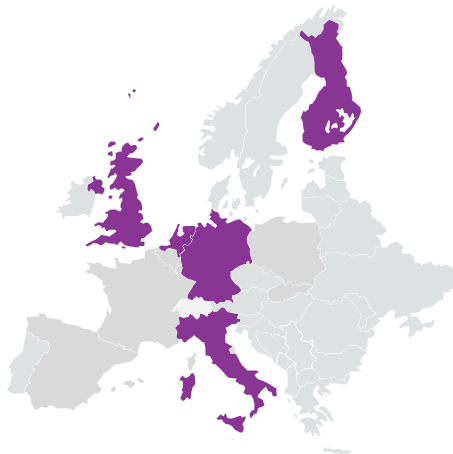
## EQUENS

Excl. PaySquare

c.  
**€ 31m**  
OMDA\*\*

**5**  
countries

c.  
**1,200**  
employees



c. **€ 305m** revenue\*

c. **€ 37m** OMDA\*\*

**6** countries

c. **1,300** employees

## PaySquare

Commercial Acquiring  
subsidiary of

**EQUENS**



c.  
**€ 75m**  
gross  
revenue

c.  
**€ 39m**  
net  
revenue

c.  
**€ 6m**  
OMDA

**4**  
countries

c.  
**100**  
employees

- **1,300** highly recognized experts in payments
- **A strong and experienced management team**
- **Recognized skills in mass and SEPA payments**

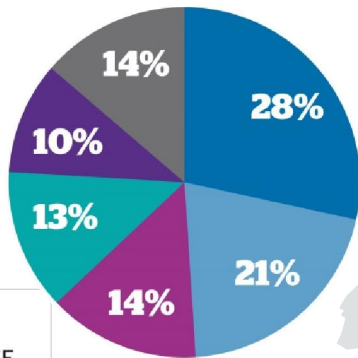
\*net of interchange fees and adjusted for renewed contract terms with key Equens' shareholders

\*\* adjusted for renewed contract terms with key Equens' shareholders

## Creating a unique pan-European platform with a diversified revenue base

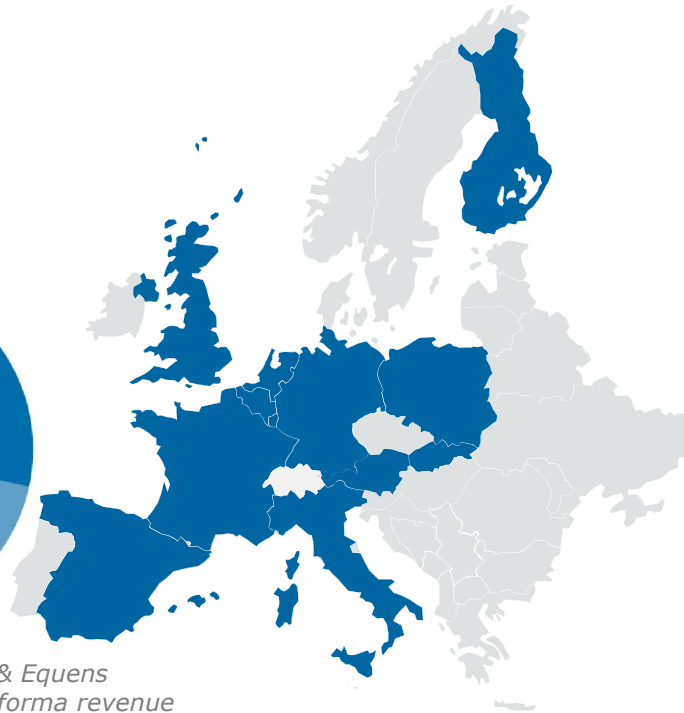
c. 8,600  
Experts  
worldwide

> € 1.5 bn  
2015e  
revenue



● France  
● Belgium  
● Germany / CEE  
● Netherlands  
● UK  
● Rest of the world

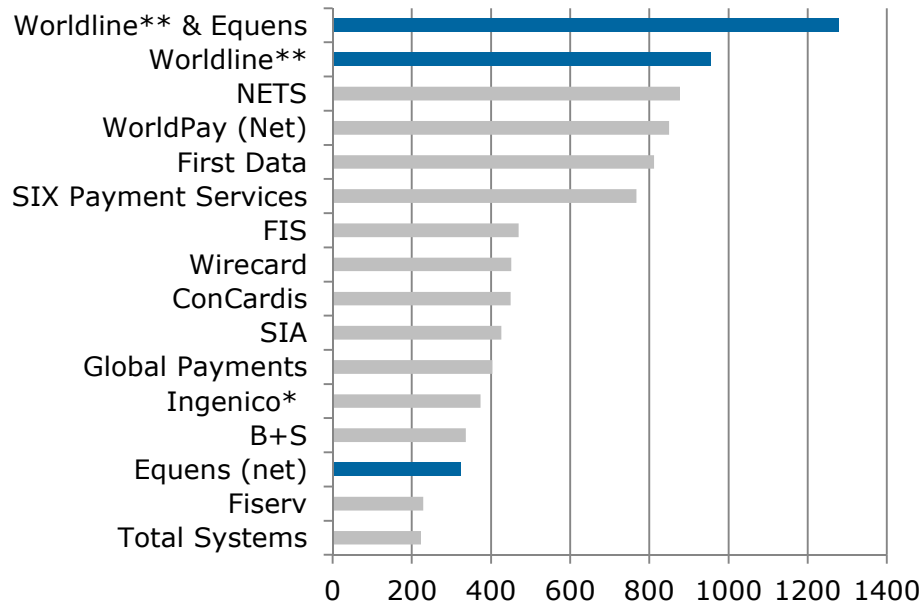
Based on Worldline & Equens  
combined 2014 pro forma revenue



- **C.100 million** of cards under management
- **c. 10 billion** SEPA payment transactions processed annually
- **6 billion** ATM and POS transactions processed
- **c.250,000** merchants served
- **c.1.5 billion** payment transactions acquired p.a.

# Building an industrial pan-European champion in payment services

Payment service providers ranking in European Union  
2014 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 \*: excluding payment terminal revenue; \*\*: European turnover excl. payment terminal revenue





## Low execution risk and high visibility

<b>Additional c. € 1 billion backlog over the next 5 years</b>	<ul style="list-style-type: none"><li>• Commitment to renew <b>commercial contracts</b> with Equens shareholders for a 5-year period at closing</li></ul>
<b>Onboarding of a strong management team</b>	<ul style="list-style-type: none"><li>• <b>Michael Steinbach</b>, current Equens CEO, will lead the new Equens Worldline Company</li><li>• <b>Key top managers already identified</b> within both companies</li></ul>
<b>Proven integration methodology to deliver value creation</b>	<ul style="list-style-type: none"><li>• Organization and integration plan <b>ready for Day One</b></li><li>• <b>Existing efficiency plans</b> at both Equens and Worldline delivering significant margin improvement</li></ul>
<b>Atos and Worldline Strong track record in execution</b>	<ul style="list-style-type: none"><li>• Integration track record of the <b>Atos group</b></li><li>• Acquisition of bank owned <b>Banksys/BCC</b> by Worldline in 2006</li><li>• <b>Equens</b> itself is the result of a series of successful mergers and integrations</li></ul>



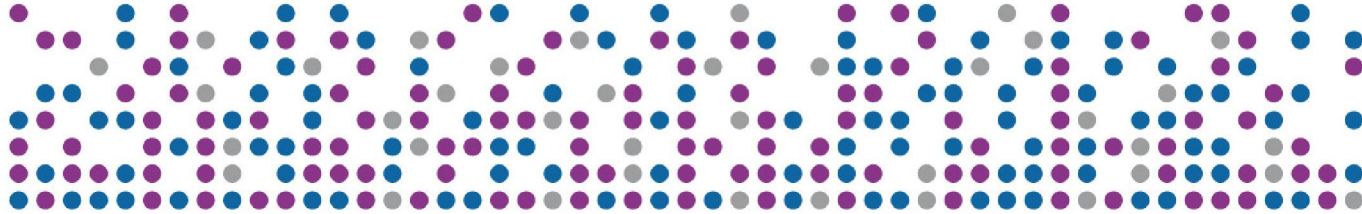
## A compelling deal rationale

### Contemplated merger of financial processing activities

- ✓ **By 2018**, generate synergies from cost optimization in infrastructure, procurement, rent & lease, other operational topics, G&A as well as revenue synergies
- ✓ **By 2020-21, additional synergies** from the roll out of the application convergence program
- ✓ **Create the undisputed pan-European leader** in Financial Processing with unrivaled reach
- ✓ **Accelerate our growth capabilities**

### Contemplated acquisition of Equens' commercial acquiring activities

- ✓ Gaining access to **new** geographies in Commercial Acquiring
- ✓ **Accelerate growth** through innovative offers' cross-selling



# ***Business benefits & industrial ambition***

Marc-Henri Desportes  
*General Manager*



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# Overview of Equens' financial processing activities

	2015e Revenue*	Business description**	Major Clients	Transaction benefits for Worldline
<b>Cards services</b>	€ 139m	<b>Full service portfolio:</b> <ul style="list-style-type: none"> <li>Acquiring processing</li> <li>Issuing processing</li> </ul>		<ul style="list-style-type: none"> <li>Volumes x2</li> <li>Gain of critical scale</li> </ul>
<b>Mass-payment, ACH and other services</b>	€ 127m	<ul style="list-style-type: none"> <li>Bank-specific back-office processing and interbank clearing (SEPA and domestic mass-payments)</li> <li>E-Document services</li> </ul>		<ul style="list-style-type: none"> <li>Brings Automated Clearing House (ACH) capabilities and a <u>full</u> and large scale portfolio of non card payment processing capabilities</li> <li>Perfect fit complementing Worldline's digital services</li> </ul>
	€266m	Equens is regulated by the Dutch National Bank		

\*: Estimated contribution to Worldline group revenue

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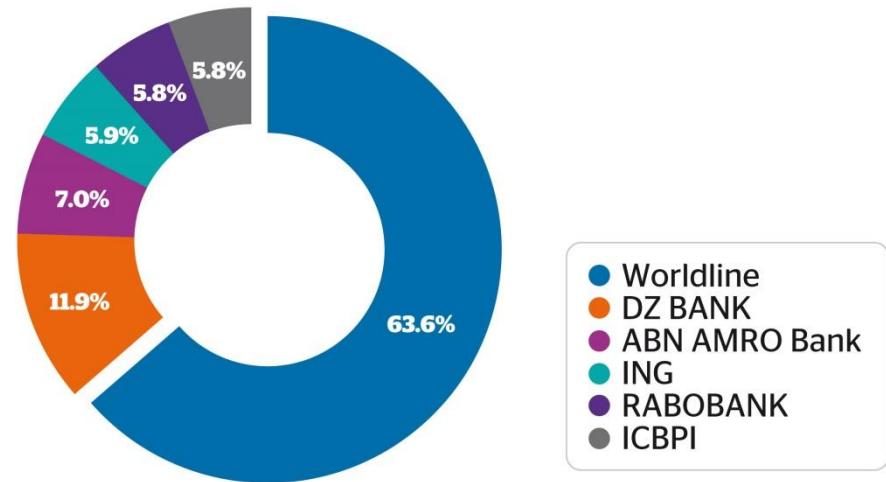
## Equens Worldline Company: A major industrial combination in Financial Processing (1/2)

**2016e revenue: c. € 700 million**

**c. 3,000 payment experts, of which:**  
30% in Germany, 26% in France, 23% in the Netherlands, 12% in Belgium, 8% in Italy, 1% in rest of the world

**Leading positions** in the Netherlands, Belgium, France, Germany and Italy

**> c. 250 banking clients**





## Equens Worldline Company

### A major industrial combination in Financial Processing (2/2)

A **strong management team** led by Equens current CEO Michael Steinbach

- TOP 5 managers already identified
- COO / Deputy CEO and CFO appointed by Worldline

**A large potential of synergies in infrastructure, applications:**

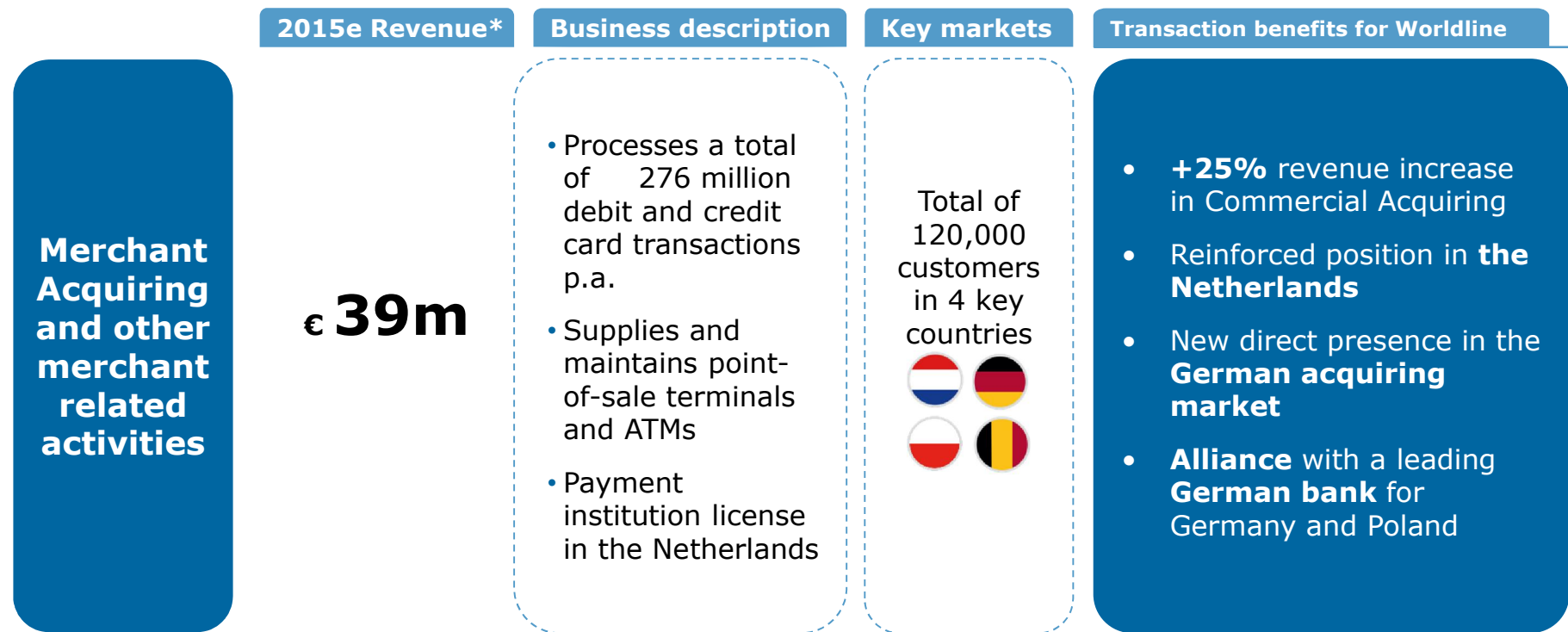
=> leveraging the strong portfolio of IP-owned payment software of Worldline

**Expected additional growth coming from innovative services:**

- At the center of the ACH convergence with the European Clearing Cooperative and instant payment initiatives (Payment 2.0)
- Leader in m-payment solutions for banks with 20+ banks connected

**Capability to win large new processing contracts out of existing non-card payment relations**, as illustrated by a recent win (end 2013) in Finland with Op-Pohjola

# Overview of Equens' Merchant Acquiring activities



\*: Estimated contribution to Worldline group revenue

A combination of assets and expertise to generate synergies

## EQUENS

- **Considerable processing scale** with significant number of transactions
- A comprehensive transformation plan initiated

- Excellent position in **non-card payment and ACH** capability
- **Complementary geographies**
- Access to a **new client base** through non-card payment services

**Cost Synergies in:**  
Infrastructure, rent, procurement, operations, G&A etc.

**Revenue Synergies**  
through  
Cross-selling

## worldline

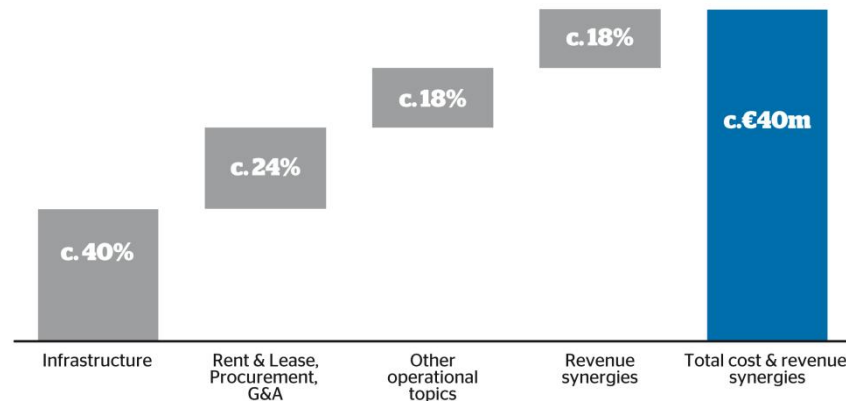
- Leadership in card processing leveraging **WIPE** platform and **proprietary software**
- Experienced in delivering **cost optimization (TEAM)**
- Strong industrialization and **offshore** capabilities

- **Complementary geographies**
- Strong track record in **innovative services** (wallets, card analytics)



## Synergy plan (1/2): Strong and secured short term benefits

### Impact of cost and revenue synergies on 2018e OMDA



- **c. € 40 million OMDA savings** expected **from 2018**, c. **50%** of which as soon as **in 2017**
- Synergy **implementation costs** estimated at c. € 40 million from 2016 to 2018

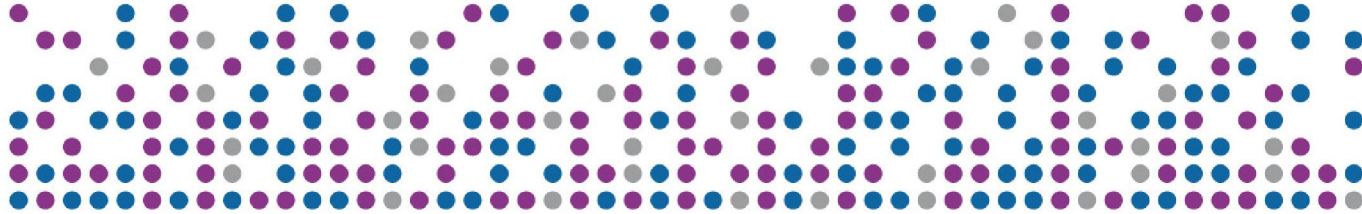
Based on a joint plan for execution as of closing



## Synergy plan (2/2):

**Additional cost saving opportunities through a 5 year application platforms convergence roadmap**

- Application platform convergence program targeting the **progressive replacement** of many applications **by Worldline IP-owned solutions, to be phased with client migration decision**
- Build of a **state-of-the-art and cost efficient processing platform**
- Program target to deliver progressively up to **c. € 15 million p.a. of additional run-rate savings by 2021 relaying the first phase of the synergy plans**
- Program expensed implementation costs** expected to be in the range of c. **€ 25 million over 5 years**



# ***Transaction structure & value creation***

**Bruno Vaffier**  
*Chief Financial Officer*



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## Key transaction terms

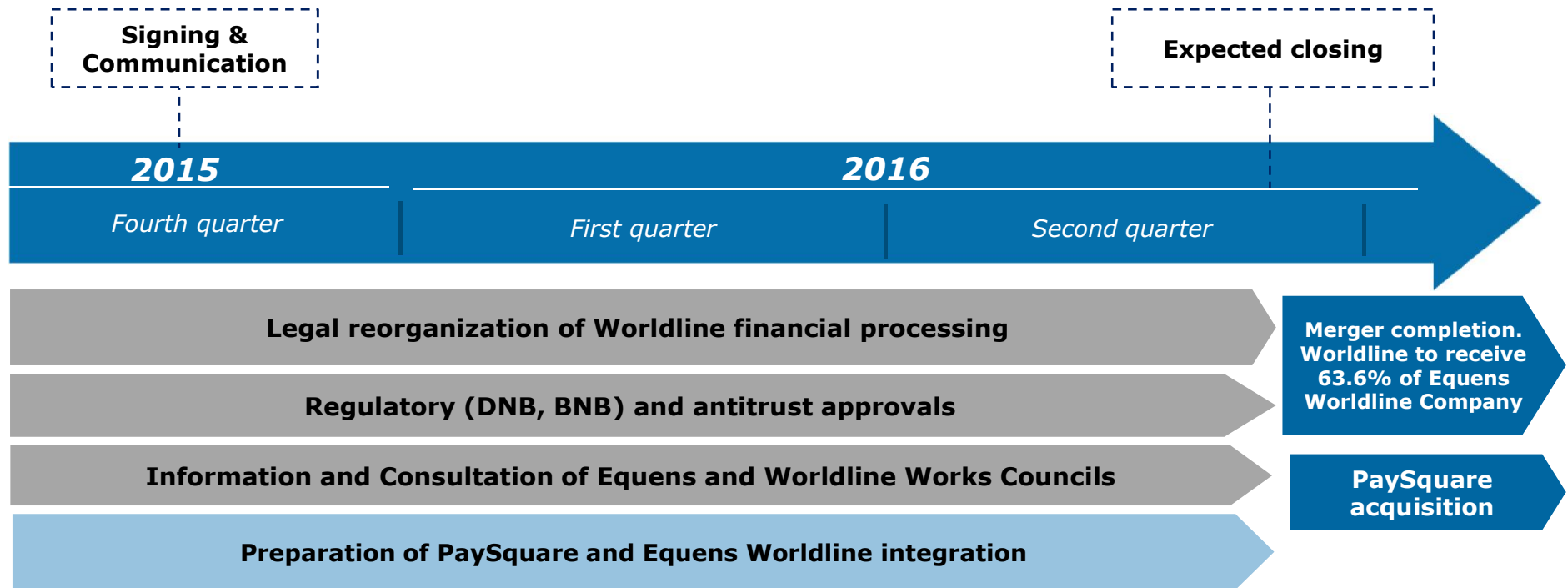
### Valuation terms

- Equens and Worldline financial processing assets valued at **comparable 2016 OMDA multiples** with a control premium around 15%
- **PaySquare** valued at c.12.5 x 2015e OMDA and fully paid with available cash for € 72 million
- Usual reps & warranties and post-closing adjustment mechanisms

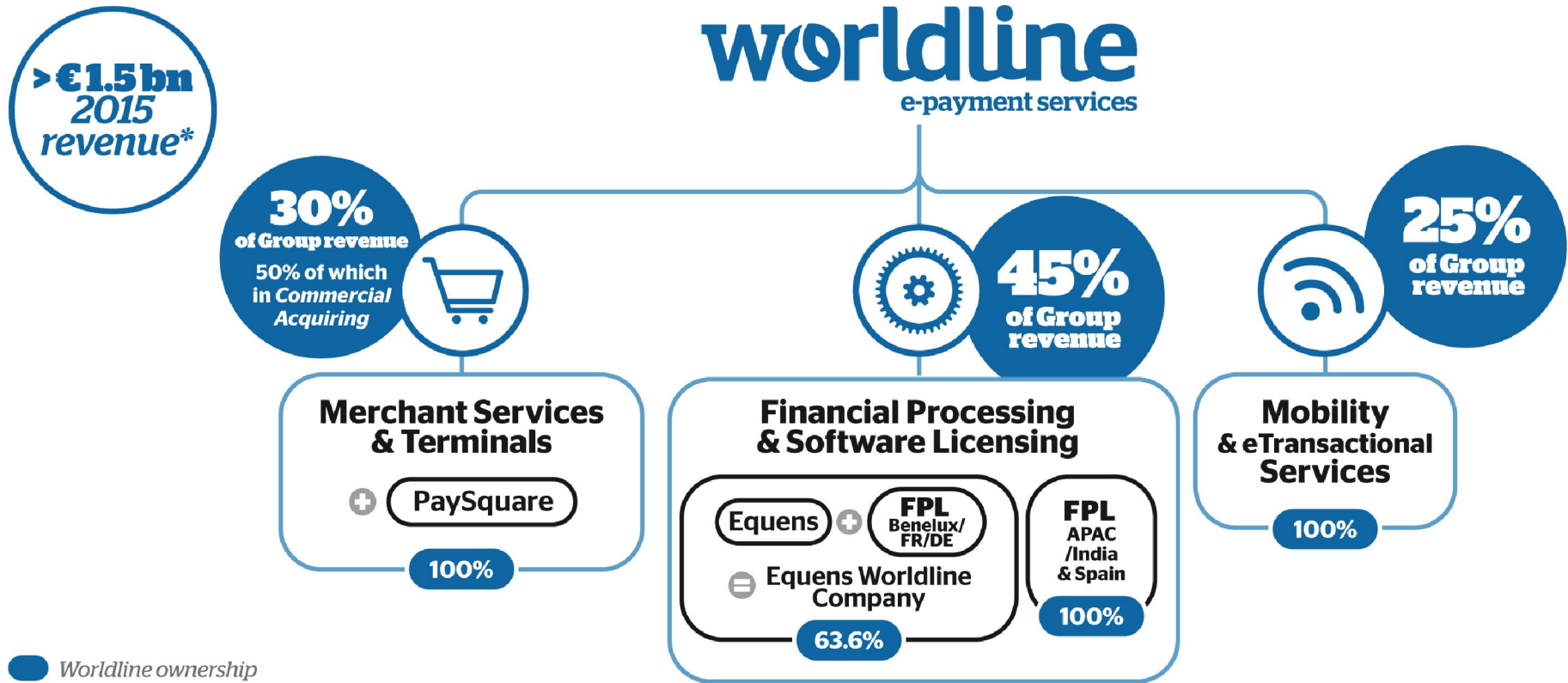
### Liquidity mechanism

- Yearly exit windows for minority shareholders with Worldline benefiting from **pre-emptive rights**
- **Call option for Worldline from 2019 (and/or 2021)** to buy remaining shares **in cash or in Worldline shares** at the sole discretion of Worldline
- Exit valuation principle **based on EBITDA multiples ensuring** alignment of interests of all shareholders on synergy achievement

# Contemplated timeline



# New Worldline Group profile



Worldline ownership

\* 2015 unaudited pro forma figure, net of interchange fees and adjusted for renewed contract terms with key Equens shareholders




## Two synergy streams on two different time horizons:

### By 2018, infrastructure, procurement, rent & lease, other operational topics, G&A and revenue synergies:

- A **robust optimization plan on infrastructure** leading to an annual run-rate target of **c. € 40 million** in 2018, half of which as soon as 2017
- Related implementation costs of c. € 40 million over 2016-2018

### By 2020-21, application convergence program:

- Target of **c. € 15 million** run-rate cost savings in 2021
- Long-term revenue synergies not factored
- Potential cumulated expensed implementation costs up to c. € 25 million, amount and timing to be synchronized with each key Equens clients migration phasing



## Impacts on Revenue, OMDA and EPS





Closing expected in Q2 2016

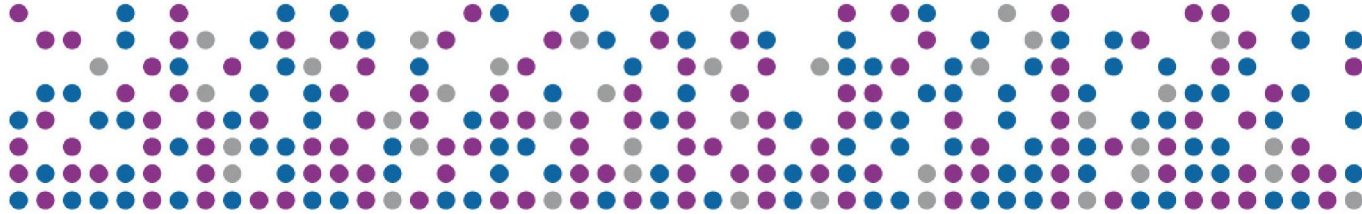
<b>Impact on revenue growth</b>	<ul style="list-style-type: none"><li>• <b>Neutral on FPL short-term</b> growth profile, <b>positive in the medium term</b> through revenue synergies</li></ul>
<b>Impact on OMDA</b>	<ul style="list-style-type: none"><li>• <b>Pro forma 2016 OMDA</b> generation of Equens Worldline Company of around € <b>120</b> million, in addition to € 20 million of intragroup recharges</li><li>• Full benefit of the <b>c. € 40 million run-rate synergies in 2018</b> progressively compounded by application convergence synergies</li></ul>
<b>Impact on EPS</b>	<ul style="list-style-type: none"><li>• Transaction <b>accretive to EPS post implementation costs and PPA in 2018</b></li><li>• <b>Accretive to adjusted EPS in 2017</b> (before implementation costs), double digit from 2018 onwards</li><li>• <b>Up to 20% EPS accretion in case of buy-out</b> of minority shareholders in cash</li></ul>





## Balance sheet impacts

-  **PaySquare acquisition cash out of € 72 million**
-  **Transaction and reorganization costs of c. € 12 million**
-  **Liabilities** (pensions in particular) in Equens Worldline at closing **to be fully funded**
-  Transaction structure leading to **increased financial flexibility**



***Key deal takeaways***  
**Gilles Grapinet**  
*Chief Executive Officer*

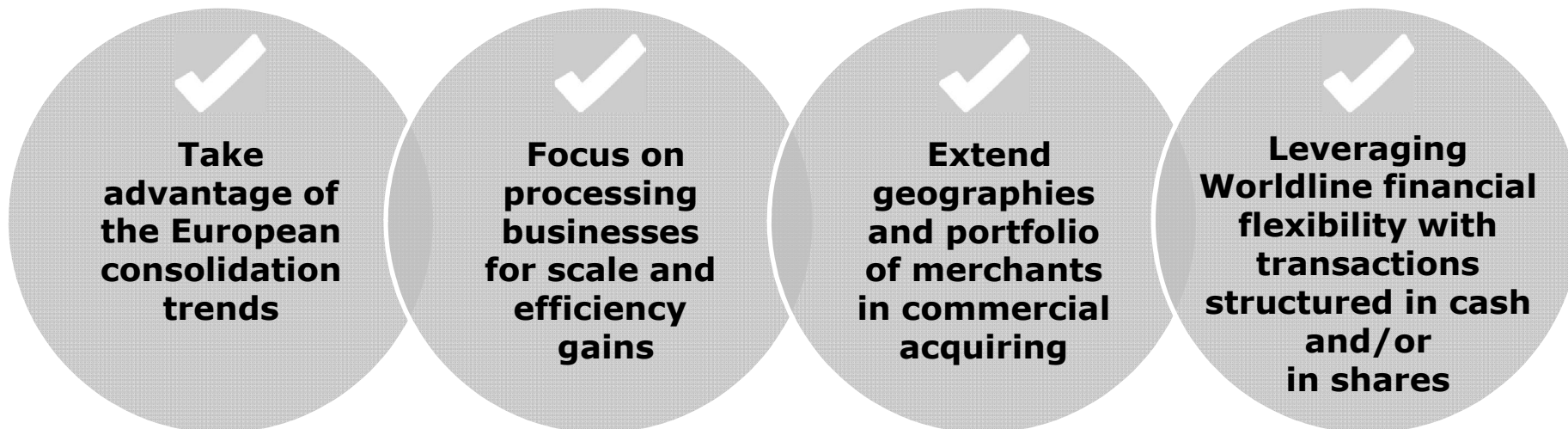


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**worldline**  
e-payment services



## **A transaction in line with Worldline's strategy stated at the IPO**





## Key deal takeaways



**Creation of Equens Worldline Company**, the largest pan-European financial processor with unique geographical reach and innovation capabilities, targeting 2016 revenue of € 700 million and OMDA of € 120 million



Significant **step-up** for Worldline **Commercial Acquiring** (+25% revenue increase)



**Industrial combination** with considerable **synergies** generation...



... **secured by** a strong **partnership, alignment of interest** and a **significant backlog** including 5-year contracts with key clients



**Worldline keeps intact its strong balance sheet**



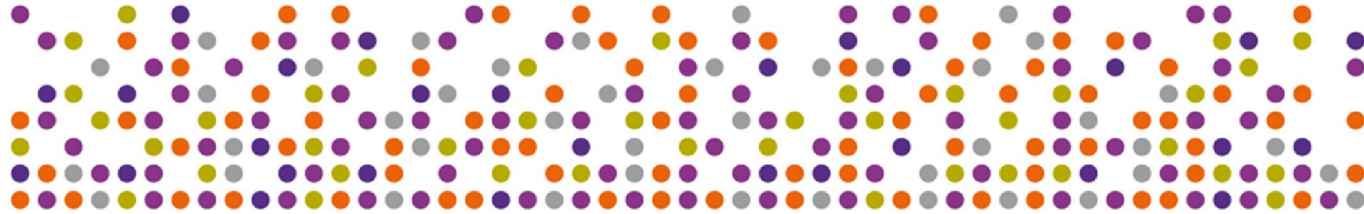
# Q&A session

## third quarter 2015



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# Thank you

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