

Worldline 2018 results: All objectives reached

Revenue: €1,720 million, up +6.2% organically
Acceleration in H2 as planned and Q4 2018 at +7.0%

OMDA: €391 million, 22.7% of revenue, up +100bp with the
successful contribution of equensWorldline synergy plan

Free cash flow: € 207 million, up +18%

Fast start of the Six Payment Services integration and synergy programs

Robust commercial activity throughout the year

2019 objectives:

A further strong improvement in revenue growth, profitability and cash generation

Bezons, February 20, 2019 – Further to the 2018 non audited results already announced on January 30, 2019 and to the 2019-2021 new 3-year plan presented the same day as part of the Atos Investor Day, Worldline [Euronext: WLN] today announces its 2018 results.

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Gilles Grapinet, Worldline CEO declared: *"The year 2018 has been really remarkable for Worldline. First, we have the pleasure to publish today 2018 results which are fully in line with all our initial objectives thanks, in particular to the efficient execution of the integration at equensWorldline. I am also very satisfied by the numerous commercial successes in our 3 Global Business Lines recorded last year, which are clearly paving the way for the future acceleration of our Company.*

Of course, I am particularly proud that on November 30, 2018 we could close the strategic acquisition of SIX Payment services, which is a transformative step for our Group. Not only, thanks to our efficient pre-closing methodologies, have we immediately initiated our integration and synergy plans, but more importantly, we have already started to see concrete market impacts of this major transaction in terms of customer engagements, competitive advantages and new opportunities of strategic discussions. More than ever, Worldline starts its new 3 year plan with an ideal positioning to further reinforce its leadership and to take advantage of the next wave of the payment industry consolidation in Europe."

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2018 key figures

Organic evolution of revenue and OMDA

The 2018 results of the Group include the performance of SIX Payment Services from December 1st 2018. Taking this change of scope into consideration, revenue and operating margin before depreciation and amortization (OMDA) for 2018 are compared with 2017 revenue and OMDA at constant scope and exchange rates and restated from IFRS 15, which are presented in the appendix.

<i>In € million</i>	Key figures		
	FY 2018	FY 2017*	% Growth
Revenue	1,720.2	1,619.3	+6.2%
Operating Margin before Depreciation & Amortization	391.1	351.8	+11.2%
<i>% of revenue</i>	<i>22.7%</i>	<i>21.7%</i>	<i>+100 bp</i>

* at constant scope and December 2018 YTD average exchange rates and restated from IFRS 15

At constant scope and exchange rates, Worldline revenue stood at **€ 1,720.2 million** representing an organic growth of **+6.2%** compared with 2017. Revenue growth accelerated as planned during the year, with +6.7% in H2 2018 (+7.0% in the fourth quarter of the year), with a good month of December for the former SIX Payment Services, in line with its acquisition business plan on all financial KPIs.

The Group's **OMDA** improved by **+100bp**, reaching **€ 391.1 million** or 22.7% of sales, in the upper end of the objective bracket set for the year of between 22% and 23%.

Merchant services

In € million	Merchant Services		
	FY 2018	FY 2017*	% Growth
Revenue	624.3	600.3	+4.0%
OMDA	132.3	124.9	
% OMDA	21.2%	20.8%	+0.4 pt

* At constant scope and December 2018 YTD average exchange rates and restated from IFRS 15

Revenue

Merchant Services revenue reached **€ 624.3 million** in 2018, improving organically by **+4.0%**:

Growth in **Merchant Payment Services** was primarily fueled by *Commercial Acquiring* services, thanks notably to:

- A strong revenue growth in Continental Europe, triggered by a positive product mix evolution in Belgium as well as positive developments in all other European countries ;
- A double digit growth in India; and
- A positive contribution of Six Payment Services for the month of December, in line with its acquisition business plan.

This strong acceleration of *Commercial Acquiring* was nonetheless partly offset by the anticipated slowdown of *Payment Terminal Services* in 2018. Indeed, despite the successful commercial start of the newly launched unattended payment terminal VALINA, the volumes of payment terminals sold in 2018 did not reach the high level of 2017. In 2018, the growth of Merchant Services without *Payment Terminal* would have been above +7%.

Merchant Digital Services grew as well, thanks mainly to *Digital Retail* project revenue in the United Kingdom and to Private Label Cards in Spain, partly offset by lower sales of digital ticketing kiosks in the United Kingdom.

OMDA

Merchant Services' OMDA reached **€ 132.3 million** at the end of December or **21.2% of revenue**, increasing organically by €+7.5 million (**+40 basis points** compared with 2017), reflecting:

- The top line performance;
- The contributive effect of MRL Posnet and former Digital River World Payments integration; and
- The impacts of transversal productivity improvement actions.

Financial Services

In € million	Financial Services		
	FY 2018	FY 2017*	% Growth
Revenue	777.0	722.3	+7.6%
OMDA	237.1	209.9	
% OMDA	30.5%	29.1%	+1.5 pt

* At constant scope and December 2018 YTD average exchange rates and restated from IFRS 15

Revenue

Accounting for 45% of total revenue, **Financial Services** revenue reached **€ 777.0 million**, improving organically by **€+54.7 million** or **+7.6%** compared to 2017. All four business divisions contributed to that growth.

- **Account payments** benefitted from good SEPA payment transaction volumes, strong volume growth on transactions on the Dutch iDeal scheme as well as from a significant project activity for Instant Payments and SWIFT payments. This division also benefited from the recognition of software license revenue linked to a large outsourcing contract;
- **Acquiring Processing** grew thanks to high project activity as well as to strong growth in authorization volumes, notably in France, Southern Europe and Germany;
- Growth in **Digital Banking** was fueled by new projects in France in e-Brokerage and in digital banking platforms related to Access to Accounts (PSD2);
- **Issuing Processing** enjoyed a continuous increase in e-Payment strong authentication services and e-Wallet transactions. Worldline Baltics also contributed to growth beyond its acquisition business plan.

OMDA

Financial Services reached an **OMDA** of **€ 237.1 million (30.5% of revenue)** representing an organic increase of **+150 basis points** or €+27.2 million, compared to 2017. This performance was driven by savings in the cost base resulting from the fast implementation, notably in H1 2018, of the synergy plan that started with the integration of equensWorldline and by good business trends in all four business lines, supported by software license revenues and the specific revenue linked to contract renegotiations.

Mobility & e-Transactional Services

In € million	Mobility & e-Transactional Services		
	FY 2018	FY 2017*	% Growth
Revenue	319.0	296.7	+7.5%
OMDA	38.8	39.7	
% OMDA	12.2%	13.4%	-1.2 pt

* At constant scope and December 2018 YTD average exchange rates and restated from IFRS 15

Revenue

Representing 19% of total revenue, **Mobility & e-Transactional Services** revenue reached **€ 319.0 million**, increasing by **+7.5%** organically or **€+22.2 million** compared to last year:

- Growth was driven by **Trusted Digitization**, which grew double digit, benefiting from a strong momentum with French government agencies following the good order entry recorded in 2017. In addition, business was robust in Latin America, both in healthcare transactional services and in tax collection services;
- Growth in **e-Consumer & Mobility** was fueled notably by Connected Living activities in Germany and in Iberia and the implementation of Contact platforms in France; and
- Despite good business growth in Latin America and the ramp-up of Tap-2-Use projects in France based on the new Open Payment technologies, revenue in **e-Ticketing** decreased, impacted by lower project revenue in the United Kingdom.

OMDA

Mobility & e-Transactional Services OMDA reached **€ 38.7 million** or **12.1% of revenue**, decreasing by €-0.9 million or **-120 basis points**. During the first semester, the OMDA of the Global Business Line was indeed impacted by the investment phase linked to numerous recently won contracts. To cope with the challenges of fast resource ramp-up, a strong productivity improvement plan has been launched mid-year and as a result OMDA percentage improved sequentially by **+380 basis points** in H2 compared with H1 2018.



Q4 2018 commercial activity

Merchant Services

Beyond good volumes and overall good level of merchant signings both for Worldline and former SIX Payment Services, major contracts signed in Q4 include the renewal of a large private label card contract in Spain, the sale of new generation digital ticketing kiosks to Premier Inn in the UK and further orders received for the VALINA unattended payment terminal.

Also, the success of Worldline's Online Payment Acceptance solution "WOPA" was further confirmed with several new contracts being signed:

- A five-year contract has been signed with Intrum AB, a leading credit management service company. Worldline will become Intrum's sole provider for debit card acceptance and acquiring, replacing 12 local acquirers in various European countries.
- Worldline will also provide LeadTech, an internet based service provider, a full gateway and acquiring solution for 3 years.

Financial Services

In Financial Services, a card fraud risk management solution was signed with a new bank client in Finland. In addition, various large processing contracts were renewed, notably in Belgium and in France.

In terms of online payment processing, Worldline's 3-D secure solution was successfully sold for the first time in the Netherlands.

Lastly, over the course of 2018, in the context of the implementation of the PSD2, Worldline's Access to Account Services was sold to more than 20 clients in 6 major countries (Belgium, Germany, France, Luxemburg, the Netherlands, and the United Kingdom).

Mobility & e-Transactional Services

Towards the end of 2018, Worldline in a consortium with Conduent was selected by Île-de-France Mobilités for the new Paris region public transport ticketing system. Worldline and Conduent will build and then operate the central system of the new Greater Paris transport pass "Smart Navigo", which is the largest ticketing transformation project in France.

Regarding Trusted Digitization, Worldline will build and run the new public procurement marketplace for the public agency dealing with procurements for the entire Paris "Ile-de-France" Region.

In Consumer & e-Mobility, Worldline signed a new contract for the deployment of anti-tampering devices in tobacco factories, in the framework of the implementation of the European Tobacco Products Directive (TPD).

**Net financial expense, tax charge and net income**

Net financial expense amounted to € 20.4 million in 2018 compared to € 8.1 million in 2017. It is mainly composed of the € 18.1 million expense linked to the fair value adjustment of the contingent liability linked to the acquisition of SIX Payment Services described below, as well as pension financial costs of € 1.9 million.

The **tax charge** at the end of December 2018 was € 45.3 million corresponding to an annualized Effective Tax Rate (ETR) of 24.4% (24.9% in 2017).

The **non-controlling interests** at the end of December 2018 were € 38.9 million compared to € 27.9 million in 2017 and represent 36.4% of the net result of equensWorldline.

As the result of the items above, **net income group share** was **€ 100.5 million**.

**Net income, normalized net income and earnings per share****For information: accounting treatment of the contingent liability corresponding to the potential compensation to be paid to SIX Group AG by Worldline as part of the acquisition of SPS**

As a reminder and in the context of the acquisition of SIX Payment Services, Worldline and SIX Group AG have agreed that a contingent additional consideration of a maximum amount of CHF166 million (c.€ 147 million as of December 31, 2018) may have to be paid in cash by Worldline to SIX Group AG in Q2 2020:

- The compensation is payable if Worldline share price in March 2020¹ is below €50.17;
- No compensation is due if this share price exceeds €53.00;
- If this share price is between €50.17 and €53.00, Worldline shall pay to SIX Group AG an amount calculated on a linear basis (from CHF 166 million to zero).

This contingent liability has been booked as a financial liability and:

- Has been valued at € 99.5 million at acquisition date (November 30, 2018);
- Has been included in the calculation of the total consideration transferred for the acquisition of SIX Payment Services;
- And is re-evaluated at fair value at each closing date through profit and loss statement.

Due to the observed strong global equity market volatility during H2 2018 and its corresponding impact on Worldline share price in December 2018, the contingent liability has been re-evaluated to € 117.6 million as at December 31, 2018.

The corresponding fair value adjustment expense of € -18.1 million has been booked as financial expense in the profit and loss statement.

In conclusion, already c. € 118 million out of the c. € 147 million potential additional consideration has been conservatively booked in the 2018 financial statements.

¹ volume weighted average price ("VWAP") of Worldline Shares during the 20 trading days period ending on March 31, 2020 (inclusive)

The nature of expenses related to those leases will now change as IFRS 16 replaces the straight-line operating lease expense with a depreciation charge of right-of-use assets and interest expense on lease liabilities, both of which do not impact OMDA.



Integration and synergy plans

SIX Payment Services integration plan was carefully prepared during the pre-integration phase, which occurred between the signing of the transaction in May last year and its closing end of November. As a result, the teams were completely ready to start working on delivering the synergies as of Day1, with full accountability of the various work streams transferred to the new line management. Extended management team frequent and regular meetings are set up to monitor and measure the progresses, as per Worldline's proven methodology.

The Group therefore fully confirms the total of circa €110 million run rate synergies with SIX Payment Services in 2022, of which circa 25% in 2019 and circa 50% in 2020.



Human Resources

The **total headcount** was **11,474** at the end of December 2018, **compared to 9,467 at the beginning of 2018**. The increase of +21.2% (or +2007 employees) of the Group total workforce was mainly due to the acquisition of Six Payment Services, resulting in 1,340 new employees, mainly in Switzerland, Austria, Luxembourg and Germany, as well as to strong business development, in particular in India and in France.



Corporate & social responsibility: new major successes in 2018

In 2018, Worldline confirmed its leading position in sustainability and in particular:

- Moved up to the Vigeo Eiris' TOP 5 highest-rated companies in its sector; and
- Increased its EcoVadis notation (reaching 81/100), thus renewing its Gold level and its position in the TOP 1 % of all companies assessed, for its Corporate Social Responsibility (CSR) practices.

Worldline's CSR performance in 2018 reflected a new level of maturity as the company achieved significant results in its ambitious "TRUST 2020" long-term CSR program that aims to put trust at the heart of its ecosystem and to create sustainable value for all of its stakeholders. Thus, in 2018, Worldline has become the first carbon-neutral company in its sector by offsetting 100% of its CO2 emission resulting from its activities, consisting of its data centers, offices, business travels and the lifecycle of its payment terminals.

Worldline thereby demonstrates its progress dynamic and full mobilization to maintain its high performing level in CSR, while leveraging its leadership to influence positively its ecosystem and improve CSR practices on a broader level.



Dividend

During its meeting held on February 18, 2019 and considering the strategic priority given in 2019 to the development of the Company, the Board of Directors decided to propose at the next Annual General Meeting of Shareholders not to distribute any dividend on the 2018 results



2019 Objectives

Fully in line with 2021 ambition, the 2019 objectives are as follows:

Revenue

The Group expects to achieve an organic growth of its revenue, at constant scope and exchange rates, of **between 6% to 8%**.

OMDA

The Group targets an OMDA margin **between 24.8% and 25.8%**³.

Free cash flow

The Group has the ambition to generate a free cash flow of between **€ 275 million and € 290 million** including synergy implementation costs.

³ Corresponding to an initial guidance of 23% to 24% pre IFRS 16 impact estimated at c.+180 basis points on OMDA.

Appendices

Statutory to constant scope and exchange rates reconciliation

Revenue						
<i>In € million</i>	FY 2017	IFRS 15	Internal transfers	Scope effects	Exchange rates effects	FY 2017*
Merchant Services	535.5	-0.7	-1.8	+75.9	-8.6	600.3
Financial Services	708.3	-9.2		+23.9	-0.7	722.3
Mobility & e-Transactional Services	350.0	-31.7	+1.8		-23.4	296.7
Worldline	1,593.9	-41.5	0.0	99.8	-32.8	1,619.3

* At constant scope and December 2018 YTD average exchange rates and restated from IFRS 15

OMDA						
<i>In € million</i>	FY 2017	IFRS 15	Internal transfers	Scope effects	Exchange rates effects	FY 2017*
Merchant Services	112.3		-0.3	+16.0	-3.1	124.9
Financial Services	202.1			+8.0	-0.3	209.9
Mobility & e-Transactional Services	43.6		+0.3		-4.2	39.7
Corporate costs	-22.6					-22.6
Worldline	335.4	0.0	+0.0	+24.0	-7.6	351.8

* At constant scope and December 2018 YTD average exchange rates

- IFRS 15 accounting standard "Revenue from contracts with customers" is applicable from January 1, 2018 onwards and its impact on the FY 2017 revenue is -2.6%
- Internal transfers correspond to transfer and refocus of some contracts between Merchant Services and Mobility & e-Transactional Services.
- Scope effects on revenue and OMDA correspond to:
 - In Merchant Services:
 - Addition for SIX Payment Services (1 month), MRL Posnet and Digital River World Payments (10 months); and
 - Deduction for Paysquare Belgium (3 months).
 - In Financial Services:
 - Addition for SIX Payment Services (1 month), First Data Baltics (9 months) and Diamis (12 months); and
 - Deduction for Chèques Services (6 months).
- Exchange rate effects correspond mainly to the depreciation of the Argentinian Peso and of Asian currencies.

The 2017 figures for revenue and OMDA presented in this press release are based on constant scope and foreign exchange rates (restated from IFRS 15) data.

Q4 2018 revenue performance by Global Business Line

<i>In € million</i>	Revenue		
	Q4 2018	Q4 2017*	% Growth
Merchant Services & Terminals	194.5	188.9	+3.0%
Financial Services	216.8	200.4	+8.2%
Mobility & e-Transactional Services	79.6	69.4	+14.7%
Worldline	490.9	458.7	+7.0%

* At constant scope and December 2018 YTD average exchange rates and restated from IFRS 15



Forthcoming events

April 24, 2019 First quarter 2019 revenue
 April 30, 2019 Annual General Meeting of Shareholders



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About Worldline

Worldline [Euronext: WLN] is the European leader in the payment and transactional services industry. With innovation at the core of its DNA, Worldline core offerings include Pan-European and domestic Commercial Acquiring for physical or online businesses, secured payment transaction processing for banks and financial institutions, as well as transactional services in e-Ticketing and for local and central public agencies.

Thanks to a presence in 30+ countries, Worldline is the payment partner of choice for merchants, banks, public transport operators, government agencies and industrial companies, delivering cutting-edge digital services.

Worldline activities are organized around three axes: Merchant Services, Financial Services including equensWorldline and Mobility & e-Transactional Services. Worldline employs circa 11,500 people worldwide, with estimated pro forma revenue of circa 2.3 billion euros on a yearly basis. Worldline is an Atos company. worldline.com



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 2017 Registration Document filed with the Autorité des Marchés Financiers (AMF) on March 21, 2018 under the filing number: D.18-0163, and its update filed with the AMF on August 1, 2018 under the registration number: D.18-0163-A01.

Worldline's consolidated financial statements for the year ended December 31, 2018 were approved by the Board of Directors on February 18, 2019. Audit procedures have been performed and the auditors' reports are being issued.

Revenue organic growth and Operating Margin before Depreciation and Amortization (OMDA) improvement are presented at constant scope and exchange rates, and restated for the impacts of IFRS 15. OMDA is presented as defined in the 2017 Registration Document. Starting January 1st, 2018, dividends paid to non-controlling interests are not anymore a Free Cash Flow item but reported in line 'Dividends paid'.

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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