

First quarter 2018 revenue

Very good start of the year

Revenue: € 394.1 million
Up +5.8% organically at constant scope and exchange rates
Up +9.6.% at constant exchange rates

Very strong commercial activity with significant progress in payment outsourcing opportunities for European banks

All 2018 objectives confirmed

Bezons, April 24th, 2018 – Worldline [Euronext: WLN], European leader in the payments and transactional services industry, today announces its revenue for the first quarter of 2018.

Revenue was **€ 394.1 million**, representing an organic growth of **+5.8%** at constant scope and exchange rates compared to the first quarter of 2017. All three Global Business Lines contributed to the revenue growth.



Gilles Grapinet, Worldline CEO, said:

"Today, Worldline is pleased to announce a very good start of the year with 5.8% organic revenue growth over the same period last year, well in line with its confirmed objectives for 2018. I am particularly pleased to see our revenue growth evenly distributed across all three global business lines. During the first quarter, the Group has also continued the strong commercial momentum created during H2 2017, where we have seen significant progress in payment outsourcing opportunities for European banks. In parallel, the Group is remaining very active on various M&A opportunities related to its major strategic priority to become the leading European payment industry consolidator."



For the analysis of the Group's performance, revenue for the first quarter of 2018 is compared with the first quarter 2017 at constant scope and exchange rates, presented in Appendix. Performance for the first quarter 2018, on a like-for-like basis compared with Q1 2017, was as follows:



Q1 2018 revenue performance by Global Business Lines

In € million	Revenue		
	Q1 2018	Q1 2017*	% Organic Growth
Merchant Services	138.1	130.0	+6.3%
Financial Services	178.4	168.8	+5.7%
Mobility & e-Transactional Services	77.6	73.8	+5.1%
Worldline	394.1	372.7	+5.8%

* At constant scope and March 2018 YTD average exchange rates

Merchant Services revenue for the quarter reached **€ 138.1 million**, an improvement of €+8.1 million or **+6.3%** organically compared to Q1 last year. Both divisions contributed to the increased revenue:

- Growth in **Merchant Payment Services** was primarily fueled by *Commercial Acquiring* services, thanks notably to:
 - A strong revenue growth in Continental Europe, triggered by higher volumes on international card transactions in Belgium, double digit growth in the number of transactions at PaySquare and KB SmartPay, as well as the success of Worldline tiered priced packaged offers, which combine acquiring and in most cases terminal services, and which grew by more than 30% compared with Q1 last year; and
 - A solid double digit growth in India, fueled by an increase of more than +20% in the number of payment terminals managed compared with T1 2017.

As anticipated *Payment Terminal Services* slowed down, as the new product range is at the start of its ramp-up.
- **Merchant Digital Services** grew as well, thanks to *Private Label Cards & Loyalty Services* in Spain (consumer credit services), in the United-Kingdom (digital ticketing kiosks for the transport industry), and in France (new customers).

Financial Services first quarter revenue stood at **€ 178.4 million**, an organic increase of €+9.6 million or **+5.7%** compared to Q1 2017. All four business divisions contributed to this growth:

- **Acquiring Processing** grew thanks to high project activities and to strong authorization volumes, notably in France and in Germany. Worldline Baltics also contributed to growth;
- **Account payments** benefitted from good SEPA payment transaction volumes, strong volume growth on transactions on the Dutch iDeal scheme as well as new project ramp-ups on Instant Payments;
- Growth in **Digital Banking** was fueled by new projects in France in e-Brokerage;
- **Issuing Processing** enjoyed a satisfactory level of card transactions in Europe and a continuous increase in e-Payment *Strong Authentication* services. Increased payment software license and maintenance revenue was also recorded in Asia-Pacific.

Mobility & e-Transactional Services revenue reached **€ 77.6 million**, an organic improvement of €+3.8 million or **+5.1%** compared to last year, with a contrasted evolution between business lines:

- **Trusted Digitization** grew double digit, benefiting from a strong momentum with French government agencies following the good order entry recorded in 2017 (notably, projects for the French SAMU (secured real-time medical emergency contact management system) and with the Ministry of Justice for the secured real-time monitoring of connected e-bracelets). In addition, business was strong 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
- Despite good business growth in Latin America, revenue in **e-Ticketing** decreased, impacted by lower project revenue in the United-Kingdom compared with Q1 2017.



Q1 2018 commercial highlights

Merchant Services

The success of Worldline commercial acquiring packaged offers was confirmed in Belgium and Luxemburg during the past quarter and close to 11,000 merchants have now subscribed for these all-inclusive tiered priced commercial acquiring contracts.

Also, significant new contracts were signed during the quarter, in particular regarding a merchant wallet solution sold to a major French appliance retailer as well as a five year contract signed with Pathé Films. In addition, Total, in collaboration with Worldline, has launched Total eWallet, a 100% digital and connected solution for customers to fill up and pay for purchases through their mobile phone in just a few clicks.

Various large commercial acquiring contracts were also renewed in India and in Belgium.

Lastly, even though it is over a year since the Demonetization Act triggered a particular and positive impact on our results, Worldline is experiencing as planned a very satisfactory growth momentum in commercial acquiring services, due to the strong merchant needs for electronic money acceptance and acquiring services.

Financial Services

Several large issuing processing contracts were renewed during the quarter, in particular with German and Dutch banks. In addition, market interest for Worldline *Issuing in 1-Click* solution (targeting banks managing small to mid-size payment card portfolios) has been confirmed with 3 new contracts signed during the period.

Regarding PSD2 related innovative offers:

- The PSD2 compliant digital banking platform and the access to accounts platform sold to a major European financial institution are now in full operation;
- Seven north European banks decided to implement the equensWorldline ASPSP-solution to help them meet the compliance deadline for access to account, leveraging "Worldline Digital Banking Platform" which received the PayFORUM Award 2018 in the category "API" (Application Programming Interface)

Last but not least, De Volksbank has chosen equensWorldline to process its instant payments transactions.

Mobility & e-Transactional Services

A major announcement was made in **e-Ticketing**: in cooperation with Dijon Métropole, Keolis, the Caisse d'Epargne de Bourgogne Franche-Comté and Visa, Worldline announced the launch of a new innovation in the field of Open Payment for public transport in Dijon, where, for the first time in France, a transport network in a large city has equipped its trams with contactless validation terminals, enabling passengers to pay for their journeys directly on board using their usual contactless bank debit card. Also, regarding the Group's **e-Ticketing** business in the United Kingdom, a mobile ticketing solution as well as a customer information system were sold to a new rail Franchise.

Several new **Trusted Digitization** programs were signed during the past quarter, in particular with the ANCV (Agence Nationale des Chèques Vacances – holiday vouchers), with whom Worldline will implement a secured digital platform to transition from paper vouchers, integrating technologies developed for Merchant Services and Financial Services.

Also, Worldline and Bureau Veritas announced the launch of Origin, a jointly developed traceability solution built on blockchain technology and offering a smart and practical way for consumers to access information on each stage of a product's journey. For the first time in the world, a traceability label will give consumers a complete end-to-end proof of a product's journey, from farm to fork. The use of blockchain makes Bureau Veritas' Origin technologically innovative and resolves key challenges that have made full food traceability elusive until now. It is first solution of its kind to leverage that technology. Projects are underway with a number of Bureau Veritas clients, and the technology is now ready to be launched to the wider market.



Backlog & commercial perspectives

Backlog at the end of March 2018 remained high at **€2.6 billion**.

On the commercial side, perspectives are extremely positive, as reflected by a further significant progression of the pipeline of commercial opportunities during the first quarter in comparison with its already all-time high level recorded end of December 2017:

- In **Merchant Services**, the successful launch of the new unattended payment terminal **VALINA** is confirmed, notably with orders received in the United Kingdom for innovative vending solutions to the food industry and for Transport for London. Also, strong commercial synergies in on-line payments are being implemented between Worldline and WOPA¹ (former Digital River World Payments) including more than 20 commercial discussions with historical Worldline clients.
- **In Financial Services**, the Group confirms the current commercial dynamism that translates into a growing and maturing pipeline of large outsourcing deals, notably for Instant Payments and ATM transaction processing and management.
- Lastly, following the successful launch of Dijon's new public transport payment system, Worldline anticipates a continued deployment of its **Open Payment** technologies for **e-Ticketing** as well as new implementations of its state of the art and highly secure Digital Consumer **Contact** platform for banks and industrial companies.

¹ Worldline Online Payment Acceptance



Corporate & social responsibility: new major achievements

As already communicated, Worldline launched in 2016 its long-term Corporate Social Responsibility (CSR) program TRUST 2020 that aims to put trust at the heart of its ecosystem and to create sustainable value for all of its stakeholders.

Worldline has already achieved almost 40% of its TRUST 2020 objectives in just two years. This included, for instance:

- Achieving its 2020 goal for customer satisfaction;
- Surpassing its TRUST 2020 target of € 725 million of revenue generated by its sustainable offers; and
- Offsetting 100% of CO2 emissions generated by its payment terminals.

In parallel, since the launch of its CSR strategy, 75% of Worldline main KPIs have improved, especially regarding services availability, employee satisfaction and responsible procurement.

As a result, in 2017, Worldline has been regularly recognized for its strong CSR performance, and in particular Sustainalytics has positioned the Company among the TOP 10 of its peer group.



2018 Objectives

Worldline confirms all the objectives for 2018 as stated in the February 20, 2018 press release:

Fully in line with 2019 ambition (6 to 8% organic growth, above 23% OMDA rate² and between €230 million and €245 million of free cash flow), the 2018 objectives are as follows:

Revenue: The Group expects to achieve an organic growth of its revenue, at constant scope and exchange rates, of **between 5% and 7%**.

OMDA: the Group targets an OMDA margin **between 22% and 23%**. (2)

Free cash flow: The Group has the ambition to generate a free cash flow of between **€ 200 million and € 210 million**, including circa € 20 million of synergy implementation costs.

² Calculated based on revenue recognized under IFRS15

Appendix: Reconciliation of Q1 2017 reported revenue with Q1 2017 revenue at constant scope and exchange rates

For the analysis of the Group's performance, revenue for Q1 2018 is compared with Q1 2017 revenue at constant scope and foreign exchange rates.

Reconciliation between the Q1 2017 reported revenue and the Q1 2017 revenue at constant scope and foreign exchange rates is presented below (per Global Business Lines):

<i>In € million</i>	Revenue					Q1 2017*
	Q1 2017	IFRS 15	Internal transfers	Scope effects	Exchange rates effects	
Merchant Services	122.9	-0.3	-0.5	+9.5	-1.7	130.0
Financial Services	168.3	-2.5		+3.7	-0.7	168.8
Mobility & e-Transactional Services	83.1	-6.0	+0.5		-3.8	73.8
Worldline	374.3	-8.7	0.0	+13.2	-6.1	372.7

* At constant scope and March 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 Q1 2017 revenue is -2.3%.

Internal transfers correspond to transfer and refocus of some contracts between Merchant Services and Mobility & e-Transactional Services

Scope effects correspond to:

- In Merchant Services: addition of Q1 2017 revenue of MRL Posnet and Digital River World Payments, deduction of Q1 2017 revenue from Paysquare Belgium;
- In Financial Services: addition of Q1 2017 revenue of First data Baltics and Diamis, and deduction of Q1 2017 revenue from Cheque Service.

Exchange rate effects correspond mainly to the depreciation of the Argentinian Peso and of Asian currencies (mostly the Indian Rupee) versus the Euro.

The Q1 2017 figures presented in this press release are based on the constant scope and foreign exchange rates data.



Conference call

Worldline's CEO Gilles Grapinet, along with General Manager Marc-Henri Desportes, and Chief Financial Officer Eric Heurtaux will comment on the Group first quarter 2018 revenue, on Tuesday, April 24, 2018 at 6:15 pm (CET – Paris).

You can join the **webcast** of the conference:

- on worldline.com, in the Investors section

- by smartphones or tablets through the scan of the QR code or through this link : <https://edge.media-server.com/m6/p/mpnkuq33>



- by telephone with the dial-in:

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After the conference, a replay of the webcast will be available on worldline.com, in the Investors section



Forthcoming event

May 24, 2018	Annual General Meeting
July 24, 2018	Results for the first semester 2018
October 22, 2018	Q3 2018 revenue



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About Worldline

Worldline [Euronext: WLN] is the European leader in the payments and transactional services industry. Worldline delivers new-generation services, enabling its customers to offer smooth and innovative solutions to the end consumer. Key actor for B2B2C industries, with nearly 45 years of experience, Worldline supports and contributes to the success of all businesses and administrative services in a perpetually evolving market. Worldline offers a unique and flexible business model built around a global and growing portfolio, thus enabling end-to-end support. Worldline activities are organized around three axes: Merchant Services, Mobility & e-Transactional Services and Financial Services including equensWorldline. Worldline employs more than 9,400 people worldwide, with estimated revenue of circa € 1.6 billion on a yearly basis. Worldline is an Atos company. worldline.com



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Revenue organic growth is presented at constant scope and exchange rates. 2018 objectives have been considered with exchange rates as of December 31, 2017.

Global Business Lines include Merchant Services (in Argentina, Belgium, Brazil, Czech republic, France, Germany, India, Luxembourg, Malaysia, Poland, Spain, Sweden, The Netherlands, United Kingdom, USA), Financial Services (in Belgium, China, Estonia, Finland, France, Germany, Hong Kong, Indonesia, Italy, Latvia, Lithuania, Luxembourg, Malaysia, Singapore, Spain, 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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