



# H1 2022 Results

Wednesday July 27, 2022

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Revenue organic growth and Operating Margin before Depreciation and Amortization (OMDA) improvement are presented at constant scope and exchange rate. OMDA is presented as defined in the 2021 Universal Registration Document. All amounts are presented in € million without decimal. This may in certain circumstances lead to non-material differences between the sum of the figures and the subtotals that appear in the tables. 2022 objectives are expressed at constant scope and exchange rates and according to Group's accounting standards.

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# H1'22 Highlights

Gilles Grapinet  
*Group CEO*

# H1 2022 highlights

*Very strong first half 2022*

## H1 2022 RESULTS



**12.6% organic growth**  
(13.5% in Q2 fueled by Merchant Services)

**OMDA margin up 80 bps**

**49% OMDA conversion in FCF**

## STRATEGIC INITIATIVES



**3 MS acquisitions closed in H1 2022**  
(Axepta Italy, ANZ and Eurobank)

**TSS closing process fully on-track for H2 2022**

## COMMERCIAL DYNAMICS



**Steady acquiring volumes growth**  
(+30% in H1 2022 vs. H1 2021)

**Solid merchants count deployment**  
(c.+60k merchants since end-2021)

**Numerous large merchant wins and partnerships**

## 2022 GUIDANCE CONFIRMED



**Guidance 2022 fully confirmed**

**2024 vision and trajectory reiterated**

# H1 2022 key financial highlights

*Performance solidly on-track*



**€2,020m revenues**

12.6% organic growth



**€468m OMDA**

23.2% OMDA margin (+80 bps)



**€229m free cash-flow**

49.0% of OMDA



**€213m net income**

Group share\*  
10.5% of revenues



**€0.76 diluted EPS\***

vs. €0.59 in H1'21 (+28.8%)

\* Normalized figures adjusted for (Group share): staff reorganization, rationalization, integration & acquisition costs, equity-based compensation, customer relationships & patents amortization


# Strategic initiatives

3 acquisitions closed and TSS closing on-track

 **Axepta Italy** Closed

**Strategic partnership with a significant bank acquirer in Italy**

- c. 30,000 merchant portfolio (o.w. 60% SMBs)
- c. 200 million transactions acquired per year

 **Eurobank Merchant Acquiring** Closed

**Leading position in the Greek market in complement Cardlink**

- c. 123,000 merchant portfolio (o.w. 50% SMBs)
- c. 219 million transactions acquired per year

 **ANZ Commercial Acquiring** Closed

**Strategic commercial alliance with ANZ Bank in Australia**

- c. 80,000 merchant portfolio
- c. 2 billion transactions processed per year



**TSS disposal**

**Binding offer received from Apollo end of February 2022**

**Carve-out process fully on-track**

**Closing confirmed for H2 2022**



**Key Worldline benefits**

**Enhanced growth profile**

**Strong deleverage for strategic agility**



# Deep dive on Merchant Services dynamics

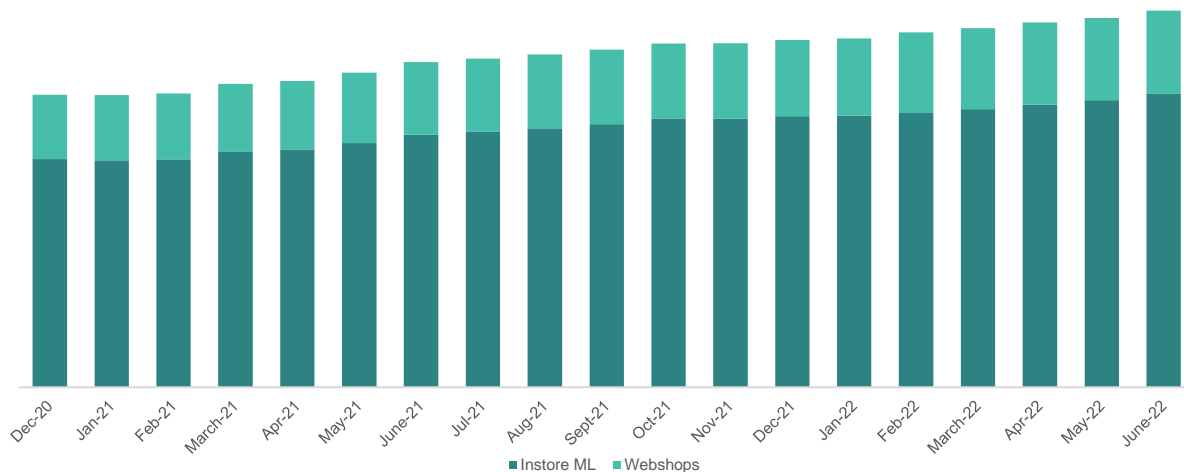
Marc-Henri Desportes  
*Group Deputy CEO*

# Steady growth of Worldline acquiring merchants' base

## +10% in H1'2022 reaching 1.22 million Merchants

### Worldline acquiring merchants' base

(Proforma merchant base including Axepta Italy and Handelsbanken since Dec-2020)



#### Q4 2020

1,040k

900k instore  
140k webshops

#### Q1 2021

1,070k

920k instore  
150k webshops

#### Q2 2021

1,110k

950k instore  
160k webshops

#### Q3 2021

1,145k

980k instore  
165k webshops

#### Q4 2021

1,160k

990k instore  
170k webshops

#### Q1 2022

1,185k

1,010k instore  
175k webshops

#### Q2 2022

1,220k

1,040k instore  
180k webshops

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### Very solid merchants base developments

**+60k merchants vs Dec-2021**

1.22 million as of end June-2022  
c.10k/month net add in avg. since Dec-2021

**+10% in net merchant base in H1'22**

Strong expansion in mass-market reach

**Instore merchants +9%**

**Webshops +14%**

**Fully on track to deliver  
Worldline mid-term 2022-24 objective  
to onboard c.190,000 merchants  
over the period 2022-2024**

\* Number of merchants corresponds to single merchant or to the number of stores if a single merchant owns several stores (number of merchants excludes scope effect from recently acquired companies)

**WORLDLINE**



# Q2'22 focus on MS commercial activity

*Market share gains with existing and new large clients and offering & solutions enlargement with key partnerships signed*

## MS wins & upsells with large clients

ALPIQ

IBEROSTAR  
GROUP

JD

m.y.r.a  
SELF CHECK-IN

Share.<sup>TM</sup>  
Sustainable  
Mobility  
Solutions

FS

JYSK

NITRADO  
GAME SERVERS

Ingeteam

ICELANDAIR

TUI Cruises

Milanoo  
To Be Different

GROUPE ERAM

## MS Key partnerships signed

planet

Joint offering providing full-service end-to-end integrated payment solution for hospitality, featuring omnichannel capabilities and DCC services

CASIO

Simplification of the card acceptance in Japan leveraging Casio front-end positioning on the ECR market while combining it with Vesca NSP positioning

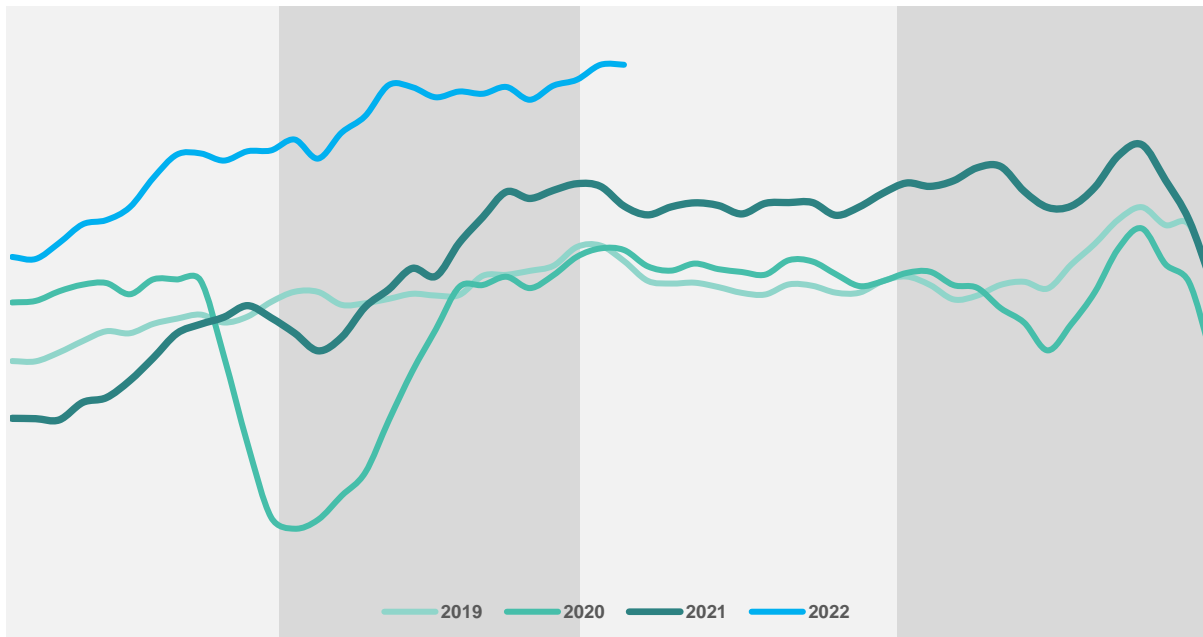
SoftPos

mobile Tap & Pay payment solution on mobile devices, Android smartphones and tablets, expanding value proposition to micro merchants in Belgium

# Steady acquiring MSV growth in H1 2022

Double-digit growth vs. H1'19

ACQUIRING MSV (€M)\*  
(acquiring instore and online)



## Worldline outperformance in core geographies

### Worldline own acquiring MSV H1'22

€147bn

+30% vs H1'21

+28% vs. H1'19

### Transaction volumes fueled by both instore and online

Instore MSV +30% vs 2021

Online MSV +31% vs 2021

**Beginning of Q3'22  
still in a solid trajectory driven  
by instore and online**

\* Rolling 3-week average transaction volumes in euro millions on acquiring activities



**H1'22**

# **Financial performance**




**Grégory Lambertie**

*Group CFO*

# H1 2022 financial performance

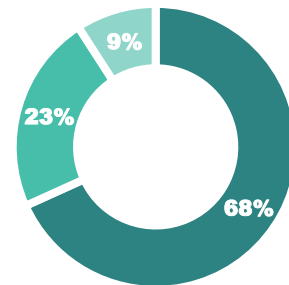
## Global business lines revenue overview

### H1 2022 Group Revenue

(in €m)		H1 2022	H1 2021*	Organic Growth
Merchant services		1,378	1,180	+16.8%
Financial services		458	445	+2.8%
MeTS		184	168	+9.4%
<b>Worldline</b>		<b>2,020</b>	<b>1,794</b>	<b>+12.6%</b>

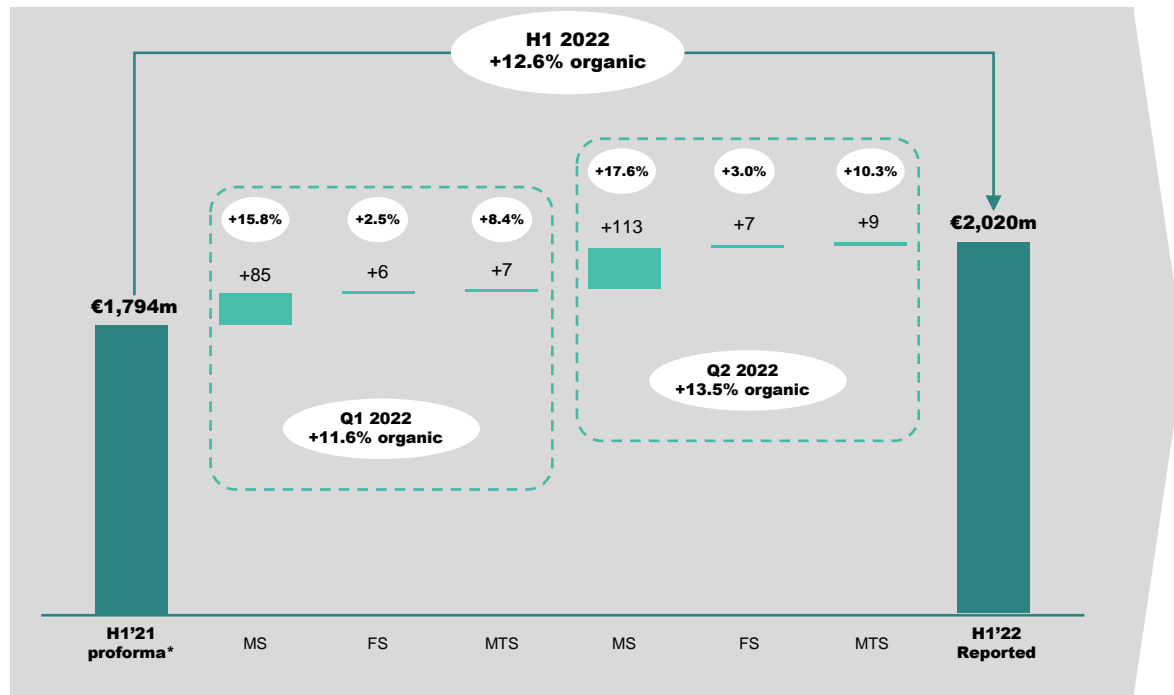
\* H1 2021 revenue at constant scope and exchange rates

### H1 2022 Group Revenue / GBL



# H1 2022 revenue building blocks

## Steady growth in Merchant Services



\* H1 2021 revenue at constant scope and exchange rates

**Focus on Q2 2022 dynamics**

**Q2 2022 organic growth of 13.2%**

**Strong 17.6% growth in Merchant Services** fueled by a steady growth in commercial acquiring across all geographies and customer segments




**Financial Services up 3.0%**, with several commercial developments offsetting the negative impact of historical contract renewals as expected

**10.3% growth in Mobility & e-Transactional Services** supported by a strong project activity and increased transactional revenue in transportation vertical

# H1 2022 financial performance

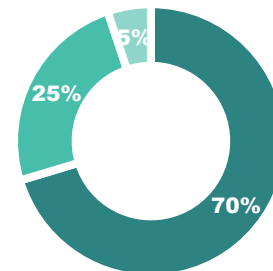
## Global business lines OMDA overview

### H1 2022 Group OMDA

(in €m)	H1 2022	H1 2021*	H1'22 margin	vs. H1'21 margin
Merchant services 	352	264	25.5%	+310 bps
Financial services 	123	129	26.8%	(220) Bps
MeTS 	26	25	13.9%	(90) bps
Corporate	(32)	(18)	(1.6%)	(60) bps
<b>Worldline</b>	<b>468</b>	<b>401</b>	<b>23.2%</b>	<b>+80 bps</b>

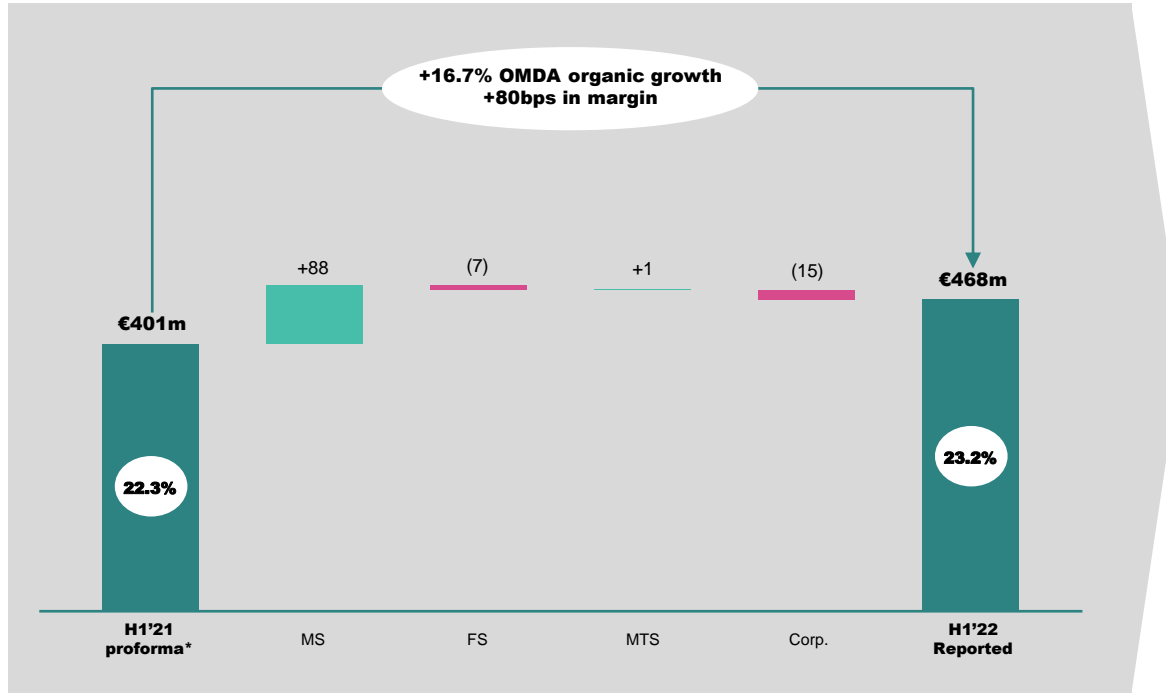
\* H1 2021 OMDA at constant scope and exchange rates

### H1 2022 Group OMDA / GBL



# H1 2022 OMDA building blocks

OMDA expansion driven by organic growth acceleration and synergies



\* H1 2021 OMDA at constant scope and exchange rates

**Drivers of margin expansion**

- OMDA up 16.7% to €468m
- Margin up 80bps to 23.2%

**Global OMDA generation phasing fully in line with growth patterns**

- MS accelerated growth in H1 delivering strong OMDA** on the back of operating leverage and synergies
- FS OMDA contribution impacted in H1** by the effect of contract renewals that would fade-away in Q4'22
- MTS OMDA generation** slowed by inflation effects on the cost base despite productivity improvement
- Corporate costs increase** related to the implementation of the targeted organization related to Ingenico integration as expected

**Ingenico and SPS synergies fully on-track**

# Income statement – continued operations

In €M	H1'22	H1'21*
OMDA	468	382
Operating Margin	346	258
Other operating income and expenses	(228)	(177)
<i>o.w. integration and acquisition costs</i>	(72)	(50)
<i>o.w. Customer relationships and patents amortization</i>	(110)	(92)
Operating income	118	81
Net finance costs	(41)	(13)
Income tax expense	(18)	(17)
Non-controlling interests & share of associates	(5)	2
<b>Net Income – Group share**</b>	<b>53</b>	<b>53</b>
Net income from discontinued operations	(95)	49
<b>Net Income – Group share</b>	<b>(42)</b>	<b>102</b>
<b>Normalized Net income – Group share**</b>	<b>213</b>	<b>169</b>
<b>Normalized diluted EPS (€)**</b>	<b>0.76</b>	<b>0.59</b>

\* H1 2021 restated from IFRS 5 application

\*\* On continued operations

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## HIGHLIGHTS

- **Operating income mainly impacted by Ingenico acquisition** and Acepta and ANZ post acquisition and integration:
  - €72m of integration and acquisition costs
  - €110m Customer relationships and patents amortization
- **Net finance cost increase** related to:
  - H1'22: €17m negative impact from FX and hyperinflation
  - H1'21: €13m positive impact from the profit recognition from the fair value on Visa shares
- **23.4% annualized effective tax rate** vs 24.4% in H1'21
- Non-controlling interests **mainly related to the participation in Payone**
- **Consolidated net income group share** impacted by a negative contribution from TSS
- **€213m Normalized net income** group share
- **Normalized diluted EPS up 29% to €0.76 p.s.**



# Free cash-flow

In €M	H1'22	H1'21*
OMDA	468	382
Lease obligations	(31)	(37)
Working capital change	86	34
Capex	(140)	(84)
Integration and transaction costs	(72)	(46)
Reorganization, rationalization & associated costs	(12)	(10)
Interest paid	(12)	(13)
Tax Paid	(38)	(56)
Others	(20)	(28)
<b>Free Cash-Flow</b>	<b>229</b>	<b>143</b>
<i>OMDA conversion rate (%)</i>	<i>49.0%</i>	<i>37.3%</i>

\* H1 2021 restated from IFRS 5 application

## HIGHLIGHTS

- **Increase in OMDA** contribution
- **Capex representing 6.9% of revenue** vs. 5.0% in H1'21 and in the 5% to 7% target
- **Positive €86m change in Working Capital** that will be normalized in H2 2022
- **Integration costs mainly related to Ingenico acquisition** and post acquisition costs on other recent acquisitions
- **€229m Free cash-Flow**
- **OMDA conversion rate of 49.0%** in line of the expected FY'22 pattern

# Net debt evolution

In €M	H1'22	H1'21*
Net debt / (cash) as of January 1 <sup>st</sup>	2,923	3,211
Free Cash-flow	229	143
Acquisition net of disposals	(780)	(2)
Capital increase	11	23
Amortization of interests on convertible bonds	(6)	(6)
Others <i>o.w. impact of TSS accounted in discontinued operations</i>	12 (6)	114 122
Change in net debt	533	(272)
Net debt / (cash) as of June 30 <sup>th**</sup>	3,456	2,939

\* H1 2021 restated from IFRS 5 application

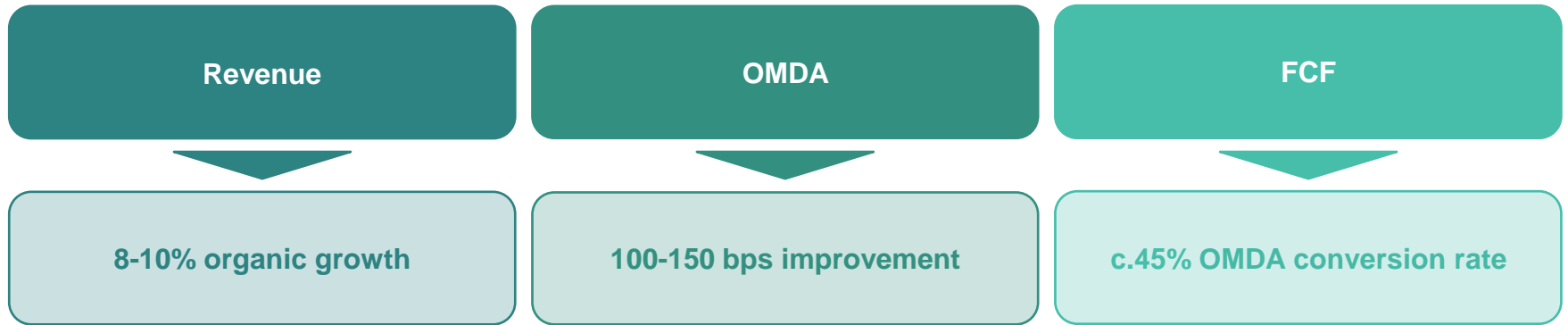
\*\* Includes TSS net cash position

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## HIGHLIGHTS

- **€229m positive impact from free cash-flow**
- **€780m impact mainly from acquisitions closed in H1'22** with Axepta Italy, ANZ Card Acquiring and Eurobank
- Others amounting **€12m of which €-6m related to TSS**
- **€3.46bn of net debt as of end H1'22** in line with the Group deleverage trajectory to reach a theoretical leverage below 2.0x as of December 2022 including cash-out from acquisitions and upfront cash-in from TSS to be received in H2'22 at closing (EV and bridge EV to equity)

# FY 2022 guidance confirmed



## The bottom of our guidance factors:

- Localized and temporary Covid constraints
- Limited recovery of intercontinental travel
- Limited delays on POS supply related to still ongoing components shortages
- Russian online activities impacted by sanctions policies along the year 2022



**H1'22**

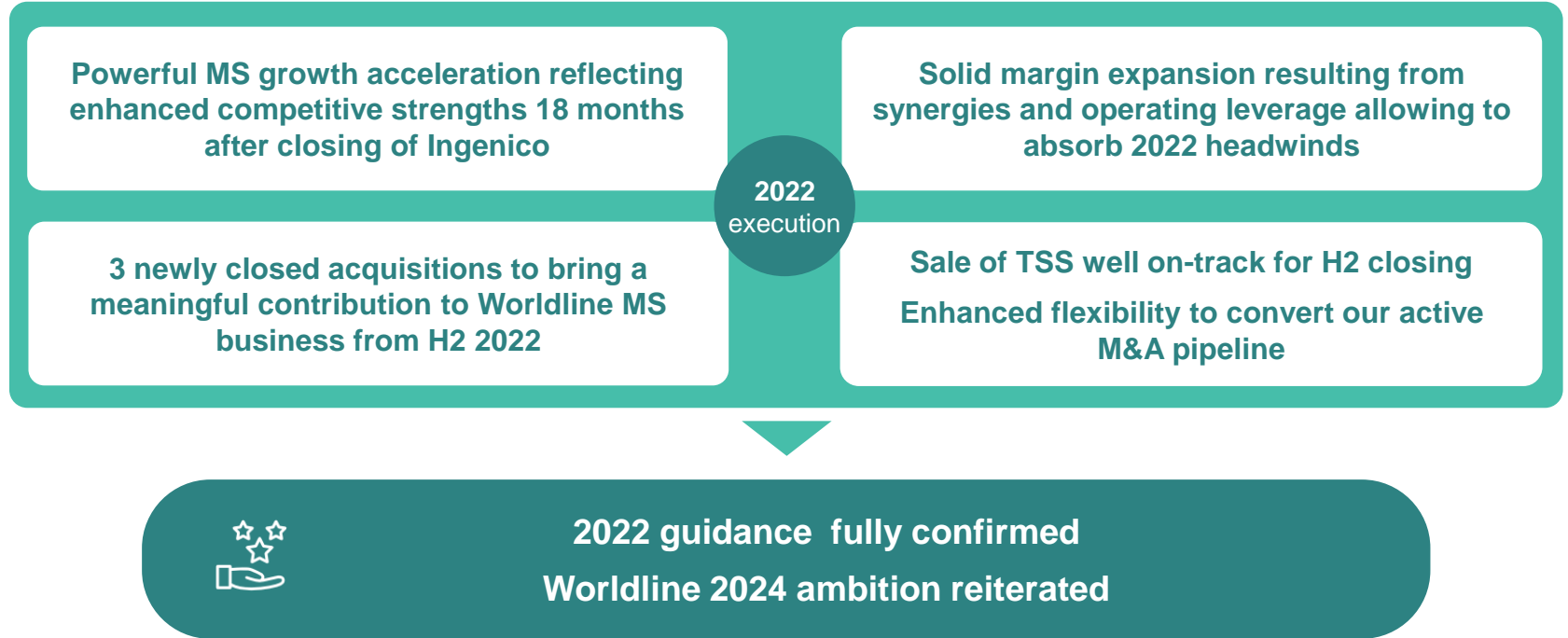
# **Key take-aways**

**Gilles Grapinet**

*Group CEO*

# Key take-aways

*Worldline powerful competitive positioning delivering a very solid performance*





# Q&A



# Appendices

# Merchant Services – H1 2022 highlights



€1,378m  
Revenues

+16.8%  
Organic growth

€352m  
OMDA

25.5%  
OMDA margin (+310 bps)

## H1'22 REVENUE: €1,378M WITH A 16.8% ORGANIC GROWTH

- **Solid performance led by the acceleration of organic growth in the second quarter (+17.6% organically in Q2'22)**
- **Focus on Q2'22 major trends:**
  - **Commercial Acquiring:** Strong double-digit growth trending towards 30% with almost all geographies and customer segments contributing, in particular SMBs and large retailers, and a strong performance from DCC products and the positive impacts from strong holiday period boosting the Travel & hospitality verticals
  - **Payment Acceptance:** Mid-single organic growth with a strong performance of Global Sales & Vertical and SMBs. While benefitting from a significant recovery of travel related verticals, digital commerce still faced to the impact of the stop of Russian activities
  - **Digital Services:** High-single digit growth led by a strong recovery in Germany compensating as anticipated some limited delays in POS supply during the quarter

## H1'22 OMDA: €352M WITH A 25.5% MARGIN (+310 bps)

- **Acceleration of revenue growth** generating a strong operating leverage
- **Execution of synergies** (Ingenico and SIX Payment Services)
- **Transversal productivity improvement** actions

## COMMERCIAL ACTIVITY: Q2 2022 ACHIEVEMENTS

- **Numerous wins** for both Commercial Acquiring and Payment Acceptance, **in-store and online**, with among others:

GRUPE ERAM



ALPIQ



TUI Cruises



# Financial Services – H1 2022 highlights



€458m  
Revenues

+2.8%  
Organic growth

€123m  
OMDA

26.8%  
OMDA margin (-220 bps)

## H1'22 REVENUE: €458M WITH A 2.8% ORGANIC GROWTH

- **Q2 performance (+3.0%) in line with the expected full year trajectory with good volumes and commercial developments offsetting the temporarily effect of large historical Equens contract renewals**
- **Focus on Q2'22 major trends:**
  - **Card-based payment processing & acquiring:** slight organic decline vs Q2'21 affected by the impact of large contract renewals partially offset by improved volume trends, mainly in Germany, Belgium and the Netherlands
  - **Digital Banking:** Mid-single organic growth led by higher authentications volumes related to ecommerce transactions due to enforcement of the PSD2 regulation compensating for lower iDeal volumes in the Netherlands
  - **Account Payments:** Double-digit growth fueled by a high level of activity of large contracts in Germany in both volumes and projects
  - Overall **significant pipeline of new projects**

## OMDA: €123M WITH A 26.8% MARGIN (-220 bps)

- **OMDA impacted by the effect of the price decrease conceded by the Group for the successful synchronous renewals of historical large contracts of Equens and to a lesser extent the temporary impact of inflation on the costs base**
- Strong measures taken in terms of **cost base monitoring and workforce management** allowing Financial Services to **partially mitigate** these adverse impacts

## COMMERCIAL ACTIVITY: Q2 2022 ACHIEVEMENTS



5-years renewal for the management of ACS service, enabling bank to manage #3DSecure processes and cardholders' authentication for online payments



Back Office processing for handling Instant payments, SEPA Batch payments and Multi Currency payments

# Mobility & e-Transactional Services – H1 2022 highlights



€184m  
Revenues

+9.4%  
Organic growth

€26m  
OMDA

13.9%  
OMDA margin (-90 bps)

## REVENUE: €184M WITH A 9.4% ORGANIC GROWTH

- **Solid performance led by the acceleration of organic growth in the second quarter (+10.3% organically in Q2'22)**
- **Focus on Q2'22 major trends:**
  - **Trusted Digitization:** Double-digit growth with several new projects and improved volumes in France, as well as higher volumes in Tax collection and digital healthcare in Latin America. The division also benefited from more support and project activity on eHealth solutions in Germany and increased activity in Spain
  - **e-Ticketing:** Double-digit growth led higher transportation volumes and fare collection in the UK and as well as in Latin America were the activity also benefited from ticket tariff increases
  - **e-Consumer & Mobility:** Growth supported in particular by the ramp-up of newly signed Contact contracts and the sale of solutions for connected vehicles

## OMDA: €26M WITH A 13.9% MARGIN (-90 bps)

- **OMDA impacted by the overall cost inflation more than offsetting the productivity improvement** especially in France and in Germany thanks to the scalability of our products investment's plans
- **Cost optimization plan** addressing both fixed and variable costs

## COMMERCIAL ACTIVITY: Q2 2022 ACHIEVEMENTS

GTR

Multi-year contract with the UK largest railway operator for the continued support of their booking office and on-board ticket issuing systems

sesam-vitale

Multi-year contract to replace the existing card centric system by a mobile application which will gradually replace the physical health card

# Thank you

For more information,  
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