

First half 2016 results

Robust H1 2016, in line with the strong momentum confirmed since the second half of 2015

Revenue: € 615 million, up +6.0% organically
OMDA: € 117 million, 19.1% of revenue and up +80 bp
Free cash flow: € 71 million, +10.9%
Net income¹: € 92 million, +89.1%
Normalized net income²: € 62.0 million, +11.7%

Very good commercial activity on the new business during the first half of 2016

Integration of Equens planned before the end of the summer

All 2016 objectives confirmed with guidance for revenue growth raised

Bezons, July 26th, 2016 – Worldline [Euronext: WLN], European leader in the payments and transactional services industry, today announced its 2016 first half results.

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Gilles Grapinet, Worldline CEO said: "Worldline announces today a very robust set of results for the first half of 2016, confirming the positive and accelerated trends reported since H2 2015. The group is well on track to reach its objectives for the full year and anticipates now a revenue growth above 3% for the year. I was particularly pleased of the very positive H1 commercial activity regarding new business. In parallel, since its announcement, important milestones have been reached towards the closing of the Equens transaction that is anticipated before the end of the summer, with in particular significant progresses made during the last weeks in the discussions with the central banks. The transaction project with Equens illustrates perfectly the ongoing consolidation happening in the European payment industry, which stays one of the highest priorities of the strategic agenda of the Company."

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2016 first half key figures

For the analysis of the Group's performance, revenue and operating margin before depreciation and amortization (OMDA) for the first semester of 2016 are compared with H1 2015 revenue and OMDA at constant scope and exchange rates. Worldline's first-half performance, on a like-for-like basis compared with last year, was as follows:

¹ Including a gain on the sale of the Visa Europe share for €51.2 million

² The normalized net income excludes unusual and infrequent items (net of tax).

H1 2016 key figures

In € million

	H1 2016	H1 2015	% Growth
Revenue*	614.8	579.8	+6.0%
Operating Margin before Depreciation & Amortization* % of revenue	117.2 19.1%	105.7 18.2%	+10.9% +0.8 pt
Net income Group share % of revenue	92.1 15.0%	48.7 8.4%	+89.1% +6.6 pt
Normalized net income Group share** % of revenue	62.0 10.1%	55.5 9.6%	+11.7% +0.5 pt
Free cash flow	71.2	64.2	+10.9%
Net cash	434.9	264.5	+170.4

* H1 2015 at constant scope and June YTD 2016 average exchange rates

** The normalized net income excludes unusual and infrequent items (net of tax)

First half 2016 **revenue** amounted to **€ 614.8 million**, up **+6.0%** organically.

The Group improved its **OMDA** by **+80 basis points** to **€ 117.2 million** or **19.1%** of revenue, fully in line with the circa +80 basis points improvement target set for the full year.

Net income Group share includes the profit from the disposal of the Visa share and stood at **€ 92.1 million**, **+89.1%** compared with the same period last year. **Normalized net income**³ stood at **€ 62.0 million** and progressed by **+11.7%**.

First half 2016 **free cash flow** was **€ 71.2million**, representing a **+10.9%** increase compared to H1 2015.

Net cash reached **€ 434.9 million**, increasing by **€+170.4 million** compared with the net cash position as at June 30, 2015.



Performance per Global Business Lines

In € million	Revenue			OMDA		% OMDA	
	H1 2016	H1 2015*	% Growth	H1 2016	H1 2015*	H1 2016	H1 2015*
Merchant Services & Terminals	210.1	192.0	+9.4%	45.1	34.0	21.5%	17.7%
Financial Processing & Software Licensing	208.1	198.9	+4.6%	50.8	48.3	24.4%	24.3%
Mobility & e-Transactional Services	196.6	188.8	+4.1%	30.9	32.7	15.7%	17.3%
Corporate Costs				-9.6	-9.3	-1.6%	-1.6%
Worldline	614.8	579.8	+6.0%	117.2	105.7	19.1%	18.2%

* At constant scope and June YTD 2016 average exchange rates

³ The normalized net income excludes unusual and infrequent items (net of tax).

Merchant Services & Terminals

Merchant Services & Terminals			
In € million	H1 2016	H1 2015*	% Growth
Revenue	210.1	192.0	+9.4%
OMDA	45.1	34.0	
% OMDA	21.5%	17.7%	+3.8 pt

* At constant scope and June YTD 2016 average exchange rates

Revenue for **Merchant Services & Terminals** grew by **+9.4%** at constant scope and exchange rates compared with the first semester of **2015** and reached **€ 210.1 million**. The growth mainly came from *Commercial Acquiring*, driven by higher volumes and positive price / volume mix on transactions on both BCMC⁴ and International brand schemes and from *Payment Terminals* thanks to a good momentum in International Sales as well as in the Netherlands. Growth in *Private Label Cards & Loyalty Services* resulted mainly from increase in Digital Self Service Kiosks sales in the UK, while less project activity was recorded in *Online services*.

Merchant Services & Terminals OMDA was up by **+380 basis points** year-on-year and reached **€ 45.1 million** or **21.5%** of revenue. Key reasons for this increase were:

- In *Commercial Acquiring*: volume growth and positive price / volume mix in both BCMC and International brands schemes;
- In *Private Label Card*: margin recovery in the *Merchant Network* in the UK and productivity gain in Iberia.

Financial Processing & Software Licensing

Financial Processing & Software Licensing			
In € million	H1 2016	H1 2015*	% Growth
Revenue	208.1	198.9	+4.6%
OMDA	50.8	48.3	
% OMDA	24.4%	24.3%	+0.1 pt

* At constant scope and June YTD 2016 average exchange rates

Revenue in **Financial Processing & Software Licensing** reached **€ 208.1 million**, up **+4.6%** organically. Performance was mainly driven by *Acquiring Processing* thanks to solid volume growth in France and in India. *Issuing Processing* benefitted from a strong activity in Authentication services and volume growth in core issuing processing business. *Payment Software Licensing* grew with good license sales in Europe and increased licensing activity in APAC. Despite higher volumes notably in OBeP⁵, revenue in *Online Banking Services* was stable due to an unfavourable 2015 comparison basis.

⁴ Bancontact Mistercash : Belgium local debit scheme

⁵ Online Banking Electronic Payment

Financial Processing & Software Licensing kept a satisfactory OMDA level of **24.4%** in H1 2016 **at € 50.8 million (+10 basis points)** compared to H1 2015) benefitting from growth in *Payment Software Licensing* and volume increase for *Acquiring* and *Issuing Processing business* divisions, thereby successfully absorbing specific investments made to reinforce infrastructure security and robustness as well as customary price concessions granted end of 2015 in the context of renewal of some large and long-term processing contracts.

Mobility & e-Transactional Services

Mobility & e-Transactional Services			
In € million	H1 2016	H1 2015*	% Growth
Revenue	196.6	188.8	+4.1%
OMDA	30.9	32.7	
% OMDA	15.7%	17.3%	-1.6 pt

* At constant scope and June YTD 2016 average exchange rates

Mobility & e-Transactional Services ("MeTS") revenue was **€ 196.6 million**, up **+4.1%** compared with H1 2015, despite the impact of the termination of the VOSA contract in the UK public sector, which occurred at the end of Q3 2015 and for which a revenue of € 17.8 million (at current exchange rates) was recorded in H1 2015. Excluding the VOSA contract, the growth of MeTS would have been +14.9% in H1 2016. This performance could be achieved thanks to:

- Strong sales recorded in *e-Government Collection* in France, Austria and Argentina; and
- A double digit growth in *e-Consumer & Mobility*, particularly in *Contact & Consumer Cloud* in France and in *Connected Living* in France and in Germany.

Mobility & e-Transactional Services OMDA reached **€ 30.9 million** or **15.7%** of revenue, decreasing by **-160 basis points**. The profitability of the Global Business Line was temporarily impacted, as revenue from a mature contract in the UK was substituted by new business consisting of project activities and ramping-up volumes.



Commercial activity and key achievements of the first semester

Commercial activity was very good during the first six months of year, particularly in terms of new customers gained and new solutions sold to existing customers. Main achievements per Global Business Lines are presented thereafter.

Merchant Services & Terminals

In *Commercial acquiring*, Worldline announced a specific pricing grid for low value transactions (from 1 to 5 euros) on the local Belgium debit scheme BCMC, in order to further foster the card payment penetration and increase future transaction volumes.

Regarding *Private Label Cards Services*, contracts were successfully renewed for Business Account Services in the UK with Cineworld and Whitbread Plc (Premier Inn), as well as for fuel card services in Spain and Belgium.

Two significant internet payment acceptance contracts were signed with French governmental bodies.

Last, early July, Worldline and the fintech start-up SnapSwap set up a partnership to support the mobile money messenger application Gloneta. Worldline will provide secure card payments services including advanced fraud management, to ensure the usage of the Gloneta application, which will provide instant cross-currency transactions based on Blockchain technology.

Financial Processing & Software Licensing

Regarding mobile payment, significant achievements include in particular :

- The certification received by Visa to run in-house its Cloud-based Payments solution, enabling issuers to provide their clients with Visa payWave on their Android mobile NFC phones with embedded HCE (Host Card Emulation) technology. In parallel, Worldline will support the deployment of that technology for 4 French banks; and
- The partnership concluded with Alipay to offer the German retail industry and its network Alipay acceptance capabilities.

The Global Business Line successfully entered the UK financial processing market with a first deal to provide digital banking platform services to a UK nationwide financial institution as the basis for their digital transformation.

Several material renewals were also signed, in particular in Belgium, in Germany and in Poland.

Mobility & e-Transactional Services

A new contract was signed with a leading French bank for the provision of the bank omni-channel Cloud Contact solution: Worldline will provide a solution in the cloud including voice, chat, email and video as well as a cutting edge semantic search service, allowing real time access to various banking services including payment services.

Regarding IoT (Internet of Things) and e-Transactional services:

- The Company has won various contracts in Germany and in Austria with Meter Data Management providers to deploy the Worldline Energy Security Suite, allowing energy companies to operate secure and legally compliant communications for smart metering and using technologies developed for electronic payment systems.
- The current B/S/H "Home Connect" program has been extended to two new strategical geographies on an enlarged scope in order to connect tens of millions of B/S/H appliances.
- The Connected Industry Solution contract with Siemens, which allows Siemens to connect more than several hundreds of thousands of machines throughout the world and remotely maintain a large variety of systems, was renewed for another 3 years (through Atos)

Last, a significant renewal was signed with a major French national public payment agency.

Backlog

At the end of June 2016, **Backlog** totaled **€1.8 billion**, stable at **1.5 years of revenue**.



Operating Income and Net Income

Depreciation and amortization was **€ 25.7 million**.

Non recurring items amounted to **€ +36.3 million** and consisted mainly of the proceeds from the sale of the Visa Europe share to Visa Inc for € 51.2 million, compensated by restructuring costs induced by the adaptation of the organization mainly in the United Kingdom, France and Spain, some rationalization expenses, costs related to the execution of the Equens and Paysquare transactions and purchase price allocation amortization.

As a result, **operating income** for the first half of the year was **€ 127.8 million** (€ 68.4 million as at June 30, 2015).

Financial result was a charge of **€ 3.9 million**, mainly due to foreign currency exchange losses and the **tax charge** represented **€ 31.8 million (effective tax rate of 25.5%)**.

As the result of the items above, **net income** was **€ 92.1 million**, increasing by **+89.1%** vs H1 2015.



Free Cash Flow and net cash

Worldline **free cash flow** totalled **€ 71.2 million** in line with the objective for the full year of between € 135 million and € 140 million and up **+10.9%** compared with H1 2015.

Net cash reached **€ 434.9 million**, increasing by **€170.4 million** compared with the net cash position as at June 30, 2015.



M&A activities

Transaction with Equens and Paysquare

Regarding the status of the transaction with the Equens Group, which was announced in November 2015, significant progresses have been made during the first half of 2016 thanks to a considerable amount of work performed by the two groups. The project received a strong support from all the stakeholders, support that has been formally expressed over the past months from clients, management teams, employees' representatives, business partners, etc.

Regarding regulatory approvals, the project received a global clearance from the anti-trust authorities in April 2016 and the closing of the transaction is now only pending the reception of the authorizations from the Belgium National Bank and the Dutch National Bank. Discussions with these regulators made significant progresses during the last weeks and closing is expected before the end of the summer of 2016.

In parallel, the two companies are actively conducting numerous work streams to further detail their joint industrial and synergy plan, as well as to prepare their future integration.

Transaction with KOMERCNI BANKA (KB).

As part of its expansion strategy in Merchant Services and Commercial Acquiring, Worldline has announced in February 2016 an agreement with KOMERCNI BANKA (KB), subsidiary of the Société Générale group and one of the leading banks in the Czech Republic, to further develop product and services for the Czech merchants.

The legal documentation of this deal has now been signed and the regulatory approval from the Czech National Bank is in progress.

The Group expects this transaction to close during the end of Q3 2016.



2016 Objectives

Taking into consideration the termination of the automated traffic offence management system contract in France (the "Radar" contract) that occurred at the beginning of June 2016, the Group confirms all the objectives for 2016 and raises its guidance on revenue growth.

These objectives below do not include any contribution from Equens, PaySquare and KB and will be updated after the closing of these transactions to take into consideration their contributions after closing.

Revenue

The Group expects to achieve organic growth of its revenue, at constant scope and exchange rates, of **above +3%**.

OMDA

The Group has the objective to increase the OMDA margin by circa **+80 basis points** compared to 2015.

Free cash flow

The Group has the ambition to generate free cash flow of **between € 135 million and € 140 million**, including the exceptional cash-out linked to the acquisition costs (c. € 12 million) related to Equens.

Appendix: Statutory to constant scope and exchange rates reconciliation

In € million	Revenue			
	H1 2015 statutory	Exchange rates effect	H1 2015*	H1 2016
Merchant Services & Terminals	193.5	-1.4	192.0	210.1
Financial Processing & Software Licensing	200.5	-1.6	198.9	208.1
Mobility & e-Transactional Services	201.0	-12.2	188.8	196.6
Worldline	595.0	-15.2	579.8	614.8

* At constant scope and June YTD 2016 average exchange rates

In € million	H1 2015 statutory	Exchange rates effect	H1 2015*	H1 2016
France	203.5		203.5	222.9
Benelux	172.9		172.9	192.7
Germany, Central and Eastern Europe	62.0		62.0	65.8
UK	84.1	-4.8	79.3	64.7
Latin America and Iberia	40.1	-8.6	31.5	35.0
Asia	32.5	-1.8	30.7	33.7
Worldline	595.0	-15.2	579.8	614.8

* At constant scope and June YTD 2016 average exchange rates

In € million	OMDA			
	H1 2015 statutory	Exchange rates effect	H1 2015*	H1 2016
Merchant Services & Terminals	33.9		34.0	45.1
Financial Processing & Software Licensing	48.7	-0.4	48.3	50.8
Mobility & e-Transactional Services	35.4	-2.7	32.7	30.9
Corporate Costs	-9.3		-9.3	-9.6
Worldline	108.7	-3.1	105.7	117.2

* At constant scope and June YTD 2016 average exchange rates

Exchange rate effects reflect mostly the appreciation of the Euro versus the Argentinian Peso and the British Pound. Please note that there was no change in scope compared with last year.

The 2015 figures presented in this document are based on the constant foreign exchange rates data.



Conference call

Worldline's CEO Gilles Grapinet, along with General Manager Marc-Henri Desportes, and Chief Financial Officer Bruno Vaffier will comment on the Group results for the first half of 2016 on Tuesday, July 26, 2016 at 7:30pm (CET- Paris).

You can join the webcast of the conference:

- at worldline.com, in the Investors section
- by smartphones or tablets through the scan of :
Webcast direct link
- by telephone with the dial-in:



Dial-in:

France	+33 1 70 48 01 66
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After the conference, a replay of the webcast will be available at worldline.com, in the Investors section.



Forthcoming event

October 19, 2016 Q3 2016 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 over 40 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 & Terminals, Mobility & e-Transactional Services, Financial Processing & Software Licensing. Worldline employs more than 7,300 people worldwide and generated 1.22 billion euros revenues in 2015. Worldline is an Atos company. worldline.com



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 Registration Document filed with the Autorité des Marchés Financiers (AMF) on April 28, 2016 under the registration number: R.16-031.

The review procedures on the interim financial information have been performed by the statutory auditors. Their review report is currently being issued.

Revenue and OMDA organic growth are presented at constant scope and exchange rates. 2016 objectives have been considered with exchange rates as of December 31, 2015.

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 press release 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.



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