

## Strategic partnership between Worldline and SIX consolidating European payments

### Worldline to acquire SIX Payment Services

- **SIX to become a 27% shareholder of Worldline, with Atos retaining a majority stake of 51% in Worldline**
- **Major strategic transformation for Worldline materially strengthening its European leadership position with:**
  - **c. +30% Group revenue increase;**
  - **c. +65% increase in merchant services business attaining over € 1 billion annual revenue**
  - **New n°1 payment market positions in Switzerland, Austria, Luxembourg and a major reinforcement in Germany**
- **Transaction mostly paid in shares with a cash component of € 0.28 billion valuing SIX Payment Services at an enterprise value of € 2.30 billion (CHF 2.75 billion)**
- **Strong value creation expected: c. € 110 million run-rate combination synergies by 2022, with c. 50% delivered by 2020**
- **Notwithstanding the very strong share component in the consideration mix, the transaction is expected to be accretive to EPS as of 2019**
- **Closing expected end of Q4 2018, consolidation as of January 1, 2019**

**Bezons, May 15, 2018** - Worldline, [Euronext: WLN] European leader in the payments and transactional services industry and SIX, announce today that they have signed an agreement to enter into a strategic partnership where Worldline would acquire SIX Payment Services, the payment services division of SIX, for a consideration of € 2,303 million (CHF 2,750 million).

#### About SIX Payment Services

SIX Payment Services (SPS) is the payment services division of SIX delivering at scale, both commercial acquiring and financial processing services. SPS, historical leader in its home market in Switzerland, has also successfully executed numerous cross-border acquisitions in the past, with in particular Paylife in Austria in 2013, Cetrel in Luxembourg in 2014 and in 2017 a subsidiary of VÖB-ZVD in Germany and Aduno, its competitor in Switzerland.

SIX Payment Services, with c. € 530 million 2019 estimated net revenue, c. 1,600 staff and 6 countries of significant direct presence, is the clear leader of the DACH<sup>1</sup> region, with n°1 commercial acquiring market positions in Switzerland, Austria and Luxembourg and a sizeable presence in Germany.

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<sup>1</sup> Germany, Austria and Switzerland

Note: all numbers in the Press Release converted at 1 EUR = 1.194 CHF

With 81 % of its turnover in merchant services (c. € 430 million), SIX Payment Services is one of the largest and most successful non-bank commercial acquirers in Continental Europe, servicing c. 210.000 merchants both off-line and on-line. It also has a significant scale in Financial Services, delivering c. € 100 million revenue from financial processing services to c. 180 banks and financial institutions, in particular to the Swiss banking community.

**SIX strategy and decision**

In November of last year, SIX as part of its strategic redirection announced that the cards business (merchant acceptance & acquiring and international card processing) will be carved-out with the aim to enter a strategic partnership. The European payments industry is consolidating, and large players with a broad product and geographic offering are gaining a competitive edge. As one of the leading companies in European payments today, SIX Payment Services is partnering with Worldline to create the leading and largest European payments provider. The respective markets of both partners complement each other very well. New technologies can be jointly and efficiently developed and implemented from a position of strength.

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**Romeo Lacher, Chairman of the Board of Directors of SIX said:**

*"In an environment that has recently excelled above all through consolidation, we are actively shaping this development so that going forward we can continue to be the central provider of payment services in the financial market infrastructure sector for our customers in the future. We are very happy that in Worldline we have found a well-known and strong international partner who will work with us to advance and further develop the payment business. This strategic partnership makes us Europe's leading and largest provider in one go. In the future, in addition to the existing SIX Payment Services offering, our customers will also benefit from Worldline's innovative solutions along the entire value chain of cashless payment transactions".*

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**Thierry Breton, Atos Chairman and Chief Executive Officer, Worldline Chairman, said:**

*"The strategic agreement announced today between Worldline and SIX is of fundamental importance in the European payment industry. I am very honored that Worldline has been selected by SIX, after a very competitive process, as the right partner to join forces with their leading payment business.*

*More than ever, Worldline thanks to its strong industrial culture and track-record since its 2014 IPO and its privileged access to the leading Atos technologies, confirms its perfect positioning and its unique ability to be the perfect long-term payment partner for the European financial industry in these times of deep regulatory and digital transformations of the sector.*

*I am very happy to welcome in the coming months SIX within the Worldline shareholding and governance and to pursue together our common ambition to create massive value through the future strategic developments of our Company and achieve our common vision towards a cashless society."*

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## A major transformational transaction for Worldline

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**Gilles Grapinet, Worldline CEO,** said:

*"For Worldline, reinforced by the talents of our future managers and colleagues from Six Payment Services, this formidable industrial merger is a major strategic step forward.*

*Together, we will benefit from reinforced industrial scale, numerous synergies and complementarities that will boost our development, our profitability and that will at the same time, enlarge significantly our offerings to our customers, strongly benefit to our shareholders while opening new professional development opportunities for our all our employees.*

*Through this merger, our Company with its intact financial firepower and its unrivalled size in our continent, will be better positioned than ever to continue its strategic endeavor to build, in the heart of Europe, a new global leader of the payment industry."*

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## Transaction benefits for Worldline

The merger of SIX Payment Services within Worldline would allow major enhancement to the business profile and positions of the combined group as follows:

- c. +30 % Group revenue increase and staff increase of +1.600 (+17 %);
- c. +65% increase in the Merchant Services business attaining over € 1 billion annual revenue and a n°1 position in continental Europe;
- major rebalancing of Worldline European geographic presence thanks to the acquisition of many new leading positions in the DACH region;
- c. +12% increase in the Financial Services business, which will reach c. € 900 million revenue, further reinforcing its existing n°1 position;
- a new 10 year commercial relationship, through and with SIX, to deliver financial processing services to the Swiss banking ecosystem, long term oriented quality of services and best-in-class innovation.

In Merchant Services, the acquisition of SIX Payment Services would be a clear quantum leap allowing Worldline to establish itself as the n°1 non-bank acquiring platform in Continental Europe, through the following transformational impacts:

- New n°1 market positions in Switzerland, Austria, Luxembourg and major reinforcement in Germany, complementing the existing strong position of Worldline in Belgium, the Netherlands, France and Germany ;
- Many new leading specialized solutions and offers coming from SIX Payment Services (Travel, Hotels, restaurants, DCC<sup>2</sup>, ...) would complement the strong innovative portfolio of Worldline (online gateways, mobile payments, Payment terminals, ...) ;
- Massive benefits for the merchant customers base of both companies, thanks to an unparalleled Merchant Services offering across physical and online payments, vertical segments, pan-European geographic reach, and capabilities;
- Unique positioning as the most attractive bank partner for successful alliances in payment acceptance and commercial acquiring.

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<sup>2</sup> Dynamic Currency Conversion

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With revenues reaching an estimated c. € 2.3 billion in 2019, the combined entity would have reinforced its existing n°1 position within the European payments landscape, reaching c. 10% European market share in Merchant Acquiring and c. 20% in Financial Services. Through this size increase, the enhanced company profile and all the expected market impacts, the merger would also widely benefit to the managers and employees of both companies, allowing them to get access to numerous and more diversified positions as well as new exciting professional challenges.

### Key transaction financial terms

- Worldline to acquire SIX Payment Services from SIX for a consideration of € 2,303 million (CHF 2,750 million) composed of:
  - 49.1 million of new Worldline shares to be issued, representing 27% of the share capital; and
  - € 283 million (CHF 338 million) in cash, subject to customary net debt and working capital adjustments.

After the completion of the transaction, Atos would own 51% of Worldline shares and SIX would become the second largest shareholder of the Company.

The transaction implied EV/ 2019e OMDA multiple is estimated at 17.5x post 2019 synergies, and at 11.0x multiple post run-rate synergies.

- The agreement also includes a mechanism to potentially compensate SIX up to € 139 million (CHF 166 million) in Q2 2020 depending on Worldline value creation by then.
- In addition, Worldline purchases from SIX specific identified assets (the deferred payment related to the Visa Europe Share<sup>3</sup> and specific tax losses carried forward in Luxemburg) for a total amount of € 46 million (CHF 55 million).
- The transaction comprises a 10-year commercial contract with SIX to deliver a wide range of processing services to the Swiss banking community. In that context, Worldline has undertaken in a related transaction to become a 20% shareholder in TWINT (the Swiss next-generation bank owned mobile and P2P payment scheme and solution) for a € 25 million (CHF 30 million) investment, alongside SIX and other banking actors.
- Transaction costs are estimated to € 15~20 million.

### Synergy plan

A **detailed industrial program** would be implemented with the objective to reach c. € 110 million additional OMDA in 2022, of which c. 25% will be achieved in 2019 and c. 50% in 2020. The synergy plan is mainly based on **cost rationalization** notably in IT infrastructure, G&A expense, procurement and real estate, optimization of sales and customer support as well as **revenue expansion** through complementary and highly innovative offerings, both in merchant services and financial services.

The cost to implement the synergies is estimated at € 110 million.

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<sup>3</sup> Visa Class C convertible preferred stock

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## Impact of the transaction on Worldline

### Revenue growth rate

The current SIX Payment Services revenue growth profile is consistent with Worldline's and therefore would contribute to secure Worldline's 2019 revenue growth rate objective.

Thanks to the rebalancing of the combined group revenue towards Merchant Services, the transaction should contribute in the next 3 year plan (2020-2022) to an acceleration of Worldline's revenue growth thanks to the new business mix.

### Profitability

Worldline's 2019 OMDA objective of "Above 23%" would be maintained thanks to SIX Payment Services profitability associated with the fast implementation of the synergies. The c. € 110 million of OMDA run rate synergies identified in 2022 (out of which c. 25% expected as soon as 2019 and c. 50% expected in 2020) should lead to a significant margin upside in the medium term.

### Free cash flow

The cash generation ratio of SIX Payment Services is estimated to be in line with Worldline's cash conversion ratio (Free Cash Flow / OMDA ratio).

### Value creation

Notwithstanding the very strong share component in the consideration mix, a strong value creation is anticipated thanks to the generation of the synergies. As such the transaction is expected:

- To be slightly accretive to EPS<sup>4</sup> in 2019;
- To reach high single digit EPS<sup>4</sup> accretion in 2020;
- To reach double digit EPS<sup>4</sup> accretion in 2021.

### Financial flexibility

This transaction would result in a total estimated cash out of c. € 374 million, financed by available cash. Post-closing, the Group anticipates a net cash position at c. € 150 million at the end of 2018.

### Governance

The Corporate governance of Worldline would be adapted in order to take into account the partnership with SIX and the common objectives for the combined Group. Worldline's Board of Directors will be enlarged to 12 Board Members and one censor, out of which two Board members and one censor to be designated by SIX and one new independent Director.

In addition, SIX would be represented by one or two representatives in each of the Board of Directors committees (Audit, Nomination & Remuneration, Investment, and a newly created Strategic & Innovation Committee).

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<sup>4</sup> Earnings Per Share, after synergy implementation costs and before PPA amortization

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### **Timing of the transaction**

The transaction is expected to close during the fourth quarter of 2018, after the finalization of the carve out of SIX Payment Services from SIX Group and a Worldline Extraordinary General Meeting that will approve the issuance of new Worldline shares in exchange for the contribution of SIX Payment Services to Worldline.

Atos fully supports the transaction and has committed to vote all of the Worldline shares it currently holds in favor of the share issuance and the contribution at the Worldline Extraordinary General Meeting.

The transaction is also subject to work councils' information and European companies work council consultation processes in Worldline and Atos European companies work council, as well as customary antitrust and regulatory approvals.

Consolidation in Worldline's financial statements is expected as from January 1, 2019.

### **For more information**

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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 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, Financial Services including equensWorldline. Worldline employs more than 9,400 people worldwide, with estimated revenue of c. 1.6 billion euros on a yearly basis. Worldline is an Atos company. [worldline.com](http://worldline.com)

**Disclaimer**

This communication 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.

This communication contains combined data (including synergies) which are estimates based on current assumptions of separation of SIX Payment Services and which remain subject to the effective completion of SIX Payment Services' carve-out and to the completion of the proposed transaction between Worldline and SIX Group AG. It also contains forward-looking statements that involve risks and uncertainties, including references, concerning Worldline'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 Worldline and not precisely estimated, such as market conditions, competitors behaviors or actual completion of the proposed transaction between Worldline and SIX Group AG. Any forward-looking statements made in this document are statements about Worldline' beliefs and expectations and should be evaluated as such. Forward-looking statements include statements that may relate to Worldline' 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 that will be described in the documents to be made available to regulatory authorities such as the AMF in the context of the proposed transaction between Worldline and SIX Group AG. Worldline does not undertake, and specifically disclaims, any obligation or responsibility to update or amend any of the information above except as otherwise required by law. There can be no assurance that the proposed transaction between Worldline and SIX Group AG will be consummated or that the anticipated benefits will be realised. The proposed transaction is subject to various regulatory approvals and the fulfilment of certain conditions, and there can be no assurance that any such approvals will be obtained and/or such conditions will be met.

This document includes supplemental financial measures that are not clearly defined under IFRS and that are or may be non-GAAP financial measures. These supplemental financial measures should not be viewed in isolation or as alternatives to measures of Worldline's net assets and financial position or results of operations as presented in accordance with IFRS in its consolidated financial statements. Other companies that report or describe similarly titled supplemental financial measures may calculate them differently. Revenue organic growth is presented at constant scope and exchange rates. 2018 objectives have been considered with exchange rates as of December 31, 2017.

Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

**Additional information**

In connection with the proposed transaction, Worldline intends to file with the AMF an information document in connection with the listing of its shares to be issued in exchange for the contribution by SIX Group AG of the SIX Payment Services business. Investors are urged to carefully read all relevant documents filed with the AMF, including the information document when it becomes available, because they will contain important information about the proposed transaction. Investors may obtain free of charge a copy of the information document as well as other documents filed with the AMF (when they become available) on the AMF's website at [www.amf-france.org](http://www.amf-france.org). Those documents, when filed, may also be obtained free of charge on Worldline's website at <https://worldline.com>.