press release

Worldline

First quarter 2019 revenue
Fully in line with the objectives set for the year

Revenue: € 560 million
Up +42.6% at constant exchange rates
Up +6.2% organically at constant scope and exchange rates

All 2019 objectives confirmed

Bezons, April 24th, 2019 – Worldline [Euronext: WLN], European leader in the payments and transactional services industry, today announces its revenue for the first quarter of 2019.

Revenue was **€ 559.6 million**, representing an organic growth of **+6.2%** at constant scope and exchange rates compared to the first quarter of 2018. All three Global Business Lines contributed to revenue growth.

Gilles Grapinet, Worldline CEO, said:

"Worldline reports today a +6.2% organic revenue growth for the first quarter of 2019, fully in line with the objectives set for the year and with very positive business evolutions in most of its business lines. I am particularly pleased by the strong dynamic of the commercial acquiring business in all our countries, in particular for online transactions, and by many business units posting double digit growth rates this quarter, both in Financial Services and Mobility & e-Transactional Services.

Regarding the ongoing transformative merger with SIX Payment Services, I am very happy to see the fast progress of the integration program as well as of the good start of the execution of the synergy plan, which are strongly benefiting from the very detailed preparatory work done by both teams before closing.

At a time of very fast transformation of the European and global payment industry, consolidation appears to be more than ever one of the hottest ongoing topics in the payment ecosystem. It is why the new strategic freedom offered to Worldline by Atos' decision to deconsolidate Worldline is absolutely timely and justifies that European consolidation stays more than ever a strong focus of our Company for the quarters to come."

For the analysis of the Group's performance, revenue for the first quarter of 2019 is compared with the first quarter 2018 at constant scope and exchange rates, presented in Appendix. Performance for the first quarter 2019, on a like-for-like basis compared with Q1 2018, was as follows:

Q1 2019 revenue performance by Global Business Lines

	Revenue		
In € million	**Q1 2019**	**Q1 2018***	**% Growth**
Merchant Services	261.8	250.8	+4.4%
Financial Services	213.2	202.4	+5.3%
Mobility & e-Transactional Services	84.6	73.8	+14.6%
Worldline	**559.6**	**527.1**	**+6.2%**

** At constant scope and March 2019 YTD average exchange rates*

Merchant Services revenue for the quarter reached **€ 261.8 million**, improving by €+11.0 million or **+4.4%** organically compared to Q1 last year.

- ***Merchant Payment Services*** grew mid-single digit, supported by:
  - A high single digit growth in Commercial Acquiring in continental Europe thanks to higher volumes and better sales mix in Belgium, Austria, the Netherlands and to the success of the various specialized market offerings. Also, positive price and volume effects were recorded in faster growing markets such as the Czech Republic, Germany, Poland and the Baltics;
  - A continuous volume growth in India;
  - A solid double digit growth in online acquiring transaction volumes.

  These good performances were nevertheless partly offset by a decrease of Payment Terminal revenue.

- ***Merchant Digital Services*** was nearly stable, with good volumes increase in Iberia and Benelux in Digital retail, offset by lower sales of digital kiosks in the UK.

Merchant Services Q1 organic growth remained strong, with good business trends in Commercial Acquiring and omni-channel payment acceptance, and exceeded +7.5% excluding payment terminals.

Revenues in **Financial Services** reached **€ 213.2 million**, improving organically by €+10.8 million or **+5.3%:**

- Revenue in the ***Issuing processing*** division grew high single digit, driven by the continuous increase of strong authentications transactions and a good project activity. The former SIX Payment Services entities also contributed to this growth.

- Revenue in ***Account Payments*** grew double-digit compared to Q1 last year, benefitting from good SEPA payment transaction volumes in Germany, Italy and the Netherlands, from a continued strong volume growth on the Dutch iDeal scheme, from PSD2 and Instant payments contracts and from the ramp-up of the Commerzbank contract.

- ***Digital Banking*** revenue strongly grew as well, with very solid double digit growth thanks to higher revenue in France, Belgium and Central Europe.

Growth was nonetheless partly mitigated by lower ***Acquiring processing*** revenue, due to a high comparison basis in Q1 last year, where a particularly high project activity was recorded.

Mobility & e-Transactional Services revenue reached **€ 84.6 million**, improving organically by €+10.8 million or **+14.6%** compared to last year, with all three business lines posting solid double digit growth rates this quarter:

- The strongest contributor to growth was ***e-Consumer & Mobility***, mainly thanks to the continuous increase of Contact contracts and to one large contract renewal for a major service provider.

- Growth in ***e-Ticketing*** was supported by the start of the new "Smart Navigo" (Île-de-France Transport Pass) program, and by transactional and project revenue related to implementations of the open payments "Tap2use" solution in various French cities. Latin America also contributed to growth.

- Lastly, ***Trusted Digitization*** benefitted from a strong momentum with various French government agencies and the ramp-up of contracts aiming at securing traceability and payments of excises for tobacco products, in the context of the European Tobacco Products Directive.

Q1 2019 commercial highlights

Merchant Services

Commercial Acquiring was very dynamic during the first quarter, with number of transactions acquired growing double digit globally, supported by fast volume growth in Central & Eastern Europe and in India.

Leveraging Worldline Online Payment Acceptance solution, a new e-commerce Pan-European commercial acquiring contract was signed with **American Express Global Business Travel**, one of the largest global B2B travel agents. Worldline was awarded that service in 16 European countries as well as in Hong Kong, for a 3-year period.

Market appetite for the newly launched unattended payment terminal **VALINA** was confirmed by a large contract signed with the Swedish company **Speed Services** to equip photo booths, lockers, vending and ticketing machines in various Nordic countries.

Lastly, revenue synergies with SIX Payment services materialize fast, with in particular a **payment collecting** solution developed with Citibank for **Shell** in Germany.

In terms of new products and services:

- Worldline new counter-based payment terminal **YUMI** was successfully presented in January. This new payment device brings together physical and online commerce and is customizable to the retailer's brand. Thanks to its ability to rotate 360° YUMI' 7-inch full touch screen faces customers, providing an intuitively designed omni-channel point of interaction.
- Early April, Worldline announced the introduction of a **dedicated payment solution for online marketplaces**. Online marketplace account are growing at tremendous speed, accounting for 40 per cent of the total e-commerce market, with Forrester predicting the segment to grow to 66 per cent of business-to-consumer online retail spending by 2022. The solution supports the marketplaces' specific positioning by ensuring smooth payment processes between all parties in the ecosystem.

Financial Services

Beyond the renewal of several large outsourcing contracts during the first quarter, sales synergies with SIX Payment Services enabled the signature of a large contract for on-line payment dual factor authentication with a **large organization in the DACH region** (Austria, Germany, Switzerland). A fraud management solution was also sold to one of the largest **Nordic banks**.

Regarding PSD2, Worldline already delivers to more than 17 European banks the fraud report requested by the PSD2. Several new PSD2-TPP contracts were also signed enabling these Third Party Providers to develop Account Information Services and Payment Initiation Services.

Mobility & e-Transactional Services

In ***e-Ticketing***, following an exceptional year in 2018, with the launch of Open Payment in Dijon and the signature of Ile-de-France Smart Navigo project, Worldline has confirmed its successes by winning **two new contracts**, the first one to build the mobility pass for a city in France combining public transport, car sharing and biking, and the second one to build a new Open Payment service on shuttle buses connecting airports with the city center. Also, Worldline extended 3 automated fare collection contracts with two provinces in Argentina and one city in Chile.

In ***e-Consumer and Mobility***, Worldline has renewed in France a contract and won a new one for the provision of mailboxes services for major service providers.

Regarding ***Trusted Digitization*** solutions:

- **Worldline has been selected by 4 governments in the frame of the European Tobacco Directive** to provide the software solution that will generate and issue unique identification codes (UID) applied on any tobacco consumer packaging to be tracked and traced, enabling thus the correct collection and payment of excises and taxes;
- In addition, Worldline has renewed its contracts for the **issuing processing of 2 of the main German health insurances cards**.

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Backlog & commercial outlook

Backlog at the end of March 2019 was **€ 3.4 billion**.

On the commercial side, **the outlook is very solid.**

- In 2019, **Merchant Services** is expected to benefit from the strong momentum of the acquiring business, enhanced by its new leadership position as a consequence of the SIX Payment Services acquisition. It will also leverage the success of its e-payment collecting and acceptance solutions for global e-merchants, of its Pan-European acquiring service and of the launch of the new omni-channel payment platform One Commerce Hub. Payment terminals sales should benefit from the YUMI and VALINA new products.
- In **Financial Services,** Worldline anticipates another year of robust commercial development thanks to its strong pipeline of large card and non-card payment processing outsourcing opportunities and to Instant Payment & API management platforms, in the context of the Instant Payment and PSD2 regulation implementations.
- Lastly, for **Mobility & e-Transactional Services**, Worldline anticipates the continued deployment of its Open Payment technologies for e-Ticketing as well as new implementations of its Contact platform for banks and industrial companies.

Estimated consequences of the planned change of the ownership structure of Worldline

Context

It is reminded that on January 30, 2019, Atos, Worldline parent company, announced the distribution in kind of around 23.5% of the share capital of Worldline to its shareholders (subject to Atos shareholders' approval during Atos Annual General Meeting planned on April 30, 2019). Consequently, Atos would retain around 27.3% of Worldline's share capital and Worldline will therefore no longer be part of the Atos group.

Strategic benefits for Worldline

As previously communicated, this planned change of the ownership structure of the Company would increase Worldline's strategic flexibility, a very positive development for Worldline allowing the Group to reaffirm its successful strategy and confirm its ability to act as a key player in the consolidation of the European payment market. The contemplated project would also lead to a greater free float and increased visibility of Worldline stock, providing investors with an enhanced opportunity to invest in Worldline. The governance of Worldline will be adapted accordingly with a reduced representation of Atos and an increased representation of independent Board members at the Board of Directors. Additionally, as of February 1, 2019, the Worldline CEO no longer holds any functions within Atos group and now carries out 100% of his activity within Worldline.

Group reorganization, set-up of the Atos-Worldline alliance and financial impact of the separation from Atos

From an operational point of view, in light of Atos and Worldline group's willingness to maintain a strong industrial and commercial partnership to preserve mutually beneficial cooperation, Worldline and Atos have planned to enter into an agreement covering four main domains: sales, research and development (R&D), human resources, and procurement. The set-up of this alliance, which will facilitate Worldline's transition from the status of controlled subsidiary of Atos to independent company is on track.

Worldline intends to terminate in a short timeframe the various service agreements put in place with Atos since the IPO of the company, covering notably areas such as:

- Internal IT management, infrastructure and solution;
- Shared services notably for human resources, finance, M&A, and communication.

After the necessary disentanglement work from the Atos IT systems and mutualized support functions expertise, these **service agreements** will be **replaced** by reinforced **Worldline corporate teams and internal IT systems**, as anticipated and **already included in the 2019-2021 3-year trajectory.**

2019 Objectives

The group confirms its 2019 objectives as published in the January 30, 2019 press release:

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%**[1].

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.

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

Worldline

Appendix: Reconciliation of Q1 2018 reported revenue with Q1 2018 revenue at constant scope and exchange rates

For the analysis of the Group's performance, revenue for Q1 2019 is compared with Q1 2018 revenue at constant scope and foreign exchange rates.

Reconciliation between the Q1 2018 reported revenue and the Q1 2018 revenue at constant scope and foreign exchange rates is presented below (per Global Business Lines):

	Revenue			
In € million	**Q1 2018**	**Scope effects****	**Exchange rates effects**	**Q1 2018***
Merchant Services	138.1	+111.4	+1.3	250.8
Financial Services	178.4	+23.3	+0.7	202.4
Mobility & e-Transactional Services	77.6		-3.8	73.8
Worldline	**394.1**	**+134.7**	**-1.7**	**527.1**

** At constant scope and March 2019 YTD average exchange rates*
*** At December 2018 YTD average exchange rates*

- Scope effects correspond to the addition of SIX Payment Services revenue for Q1 2018.
- Exchange rate effects correspond mainly to the depreciation of the Argentinian Peso partly compensated by the appreciation of the Swiss Franc.

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Conference call

Worldline's CEO Gilles Grapinet, along with Deputy CEO Marc-Henri Desportes, and Chief Financial Officer Eric Heurtaux will comment on the Group first quarter 2019 revenue, on Wednesday, April 24, 2019 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/g6goxxrt

- by telephone with the dial-in:

United Kingdom (Local):	+44 (0) 844 571 8892
France, Paris (Local):	+33 (0)1 76 70 07 94
Germany, Frankfurt (Local):	+49 (0)69 2443 7351
United States, New York (Local):	+1-631-510-7495
Standard international:	+44 (0) 2071 928000

Confirmation Code: **7745877**

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

Forthcoming event

April 30, 2019 Annual General Meeting

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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 2018 Registration Document filed with the Autorité des Marchés Financiers (AMF) on March 21, 2019 under the filling number: D.19-0185.

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 2018 Registration Document.

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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