

## **Q3 revenue in line with full year objectives**

**Revenue: € 573 million; -2.7% organically**

**Strong improvement compared to Q2, as planned**

**Very successful friendly offer for Ingenico**

**88.6% of Ingenico shares and 99.6% of OCEANEs tendered**

**Day-one readiness integration program fully in place**

**Launch of the payment terminals business strategic review**

## **Worldline's objectives fully confirmed for FY 2020**

### **Combined set of 2020 objectives taking into account Ingenico contribution, fully consistent with previous objectives**

**Bezons, October 29, 2020** – Worldline [Euronext: WLN], European leader in the payments industry, today announces its revenue for the third quarter of 2020.

**Gilles Grapinet, Worldline's Chairman and CEO**, said:

*"Worldline publishes today its revenue for the third quarter, well in line with our expectations. The significant improvement of the revenue evolution during the third quarter reflects, in particular, a strong dynamic of domestic payments in all our key countries, supported by an accelerated penetration of cashless payments, and a still strong dynamic of e-commerce.*

*Beyond the current business activity, our main achievement over the last months was to bring to a successful closing, yesterday, our strategic and friendly acquisition of Ingenico. I would like to warmly thank the teams of the two groups for their exemplary cooperation which led to this outcome, in line with our overall transaction timeline. I am very pleased with the extremely high contribution rate to the tender offer of 89%, which demonstrates the massive support of Ingenico's shareholders for our project and the recognized industrial relevance of this combination. We are delighted to now count Ingenico's shareholders among our shareholders.*

*Worldline is more than ever ready to keep playing a central role in the ongoing consolidation of payments in Europe and beyond, and, as planned, we are launching the strategic review for the payment terminals business unit..*

*After the detailed preparation work performed by the teams since the announcement of the transaction, we are today ready to operate as a single company and to immediately implement the integration and synergy programs.*

*With the accelerated trend towards digital payments related to the pandemic and the significantly enhanced competitive repositioning of the new Group, we are fully confident in the company's very strong organic growth potential for 2021 and beyond."*

## Q3 revenue performance per Global Business Line

In € million	Revenue		
	Q3 2020	Q3 2019*	Organic change
Merchant Services	270.4	283.8	-4.7%
Financial Services	224.1	225.1	-0.4%
Mobility & e-Transactional Services	78.2	79.8	-2.0%
<b>Worldline</b>	<b>572.7</b>	<b>588.8</b>	<b>-2.7%</b>

\* at constant scope and exchange rates

During the **third quarter of 2020**, Worldline's **revenue** reached **€ 572.7 million**, with revenue trend strongly improving compared to the second quarter, as social distancing, confinement and store lock-down measures were progressively eased from mid-May in our key markets. Consequently, and as expected, organic revenue decline for the third quarter was limited to **-2.7%**, representing a strong improvement over the **-13.1%** revenue decline recorded in Q2.

Revenue for the **first nine months of 2020** reached **€ 1,662.0 million**. Since the start of the year, the activity of the Group was impacted by the COVID-19 related measures and their impact on the European economies, notably between March and June. Nonetheless, thanks to the resilience of Worldline's diversified business model, revenue decline since the start of the year has been limited to **-4.7%**.

### Merchant Services

Merchant Services' **revenue** for the third quarter of 2020 recovered from the low point reached during the second quarter (-21.5%) and reached **€ 270.4 million**, limiting its organic decline to **-4.7%** or €-13.4 million compared to same period last year.

Indeed, over the summer, transaction volumes continued to steadily recover, along with the progressive easing of the COVID-19 related measures, the reopening of the European economies and the higher domestic spent of European citizens during the summer season. As a result, the number of commercial acquiring transactions in Continental Europe increased by +13% during the quarter, with strong growth as showing early as July. Transaction volumes were supported by the wider card penetration, notably for domestic contactless payments, and by much stronger e-commerce transactions (+48%).

Nevertheless, in the quasi absence of international sport, business or cultural events, and as international, and in particular inter-continental travel, remained severely affected by restrictions, cross-border transactions on international credit cards and related value-added services (such as Dynamic Currency Conversion) remained significantly lower than during the same period last year. In addition, Worldline's Merchant Services business remains affected in India, where store lock-down has been extended until October 31<sup>st</sup>, 2020. As a consequence, revenue in **Commercial Acquiring** and **Payment Acceptance** altogether decreased mid-single digit organically.

Revenue in **Merchant Digital Services** decreased as well, due to fewer volumes on *Private Label Card* programs in the UK in particular for cinema and hospitality chains.

Lastly, **Payment Terminals'** revenue remained quasi stable during the quarter, thanks to good sales of newly launched products (the VALINA for unattended commerce and the new generation YUMI payment terminal), in a context of accelerated trends for unmanned retail and merchant digitization.

Over the first nine months of 2020, Merchant Services' revenue was € 754.0 million, decreasing organically by -8.7% or €-71.7 million.

## Financial Services

Financial Services' revenue continued to show resilience and was nearly stable over the period, reaching €224.1 million, declining organically by -0.4% or €-1.0 million only. As in the first semester, performance of each division differs.

Notably, on the one hand:

- **Account Payments** remained almost unaffected by the COVID-19 situation, as the division's revenue grew high single digit, supported by increased volumes and ramp-up of contracts.
- As a result of changes in consumer behavior triggered by COVID-19, authentication volumes related to e-commerce payment transactions strongly increased. Higher transaction volumes were also processed on our e-brokerage platforms. Consequently, a strong double digit growth was recorded in **Digital Services**.

While on the other hand, revenue linked to card based payment processing activities (**Issuing Processing** and **Acquiring Processing** altogether), while recovering from the Q2 lowest point, decreased by a mid-single digit, as the Q3 transaction volume growth could not offset completely lower project activity and discretionary spending from banks.

Over the first nine months of 2020, Financial Services' revenue was € 666.8 million, decreasing organically by -0.6% or €-4.3 million.

## Mobility & e-Transactional Services

Revenue in Mobility & e-Transactional Services reached € 78.2 million, decreasing organically by €-1.6 million or -2.0% compared to the same period last year, with contrasted evolution between each of the three divisions as well.

Revenue in **e-Consumer & Mobility** grew strongly at a double digit percentage rate, thanks to existing and new Contact contracts in France, Belgium and Italy for secured omni-channel consumer interaction solutions, as well as to digital health solutions, notably in Germany.

This strong performance could not completely offset the revenue decline in **Trusted Digitization**, due to a lower project activity as some contracts are reaching the run phase, as well as in **e-Ticketing**, which remains severely impacted by the current health situation in the United Kingdom and in Latin America, with fewer rail ticketing volumes and a less projects.

Over the first nine months of 2020, Mobility & e-Transactional Services revenue was € 241.2 million, decreasing organically by -2.5% or €-6.3 million.

## Very large success of the friendly tender offer on Ingenico securities

### Results of the initial tender offer and closing of the acquisition

As a reminder, Worldline's friendly tender offer on Ingenico was launched on July 30, 2020 and closed on October 15<sup>th</sup>, 2020. This offer was largely successful, with 88.64% of Ingenico shares tendered (representing at least 83.20% of the voting rights) and 99.57% of Ingenico OCEANEs tendered.

The settlement-delivery of the shares happened on October 28<sup>th</sup>, 2020, therefore enabling the full accounting consolidation of Ingenico with Worldline from November 1<sup>st</sup>, 2020.

### Reopening of the tender offer until November 4<sup>th</sup>, 2020

In order to allow Ingenico's shareholders and OCEANEs holders who did not bring their securities to the initial offer to do so under unchanged conditions, the offer has been reopened from October 22 until November 4, 2020 (inclusive).

## Completion of Ingenico pre-integration work enabling immediate implementation of the *Day-one readiness* program and the go-live of the new combined organization

Thanks to Worldline's *Day-one readiness* proven methodology, and the full mobilization of teams on both sides on preliminary activities to prepare integration, the Group is now ready to operate as a single company as soon as November 2<sup>nd</sup>, enabling the timely implementation of the detailed integration and synergy plans.

## Launch of the payment terminals business strategic review

As already communicated on February 3<sup>rd</sup>, 2020, the Group is now launching the strategic review of its payment terminal business, now renamed as Terminal Solution & Services (TSS).

Indeed, in order to accelerate the transformation of this Global Business Line from a "Hardware + Service" to "Software-as-a-Service" business model, a review of the strategic alternatives available to TSS will be undertaken to secure the long term development perspectives for the business, in the best interest of its customers, employees and shareholders.

Worldline intends to have completed this strategic review in 2021.

## New Group profile

Following the closing of the Ingenico acquisition, Worldline is now the world's number four player in payment services with more than 20,000 employees across approximately 50 countries. The new combined group offers best-in-class payment services to nearly 1 million merchants and 1,200 financial institutions, with estimated pro forma revenue reaching c. € 5.3 billion in 2019, of which c. € 2.5 billion generated in merchant payment and transaction-related services.

Since the announcement, the transaction has been particularly well received by the customers and the key partners of the combined Group, highlighting its very compelling industrial and business rationale.

## Commercial activity and key achievements of the third quarter

### Merchant Services

The crisis triggered by the current COVID-19 situation has prompted many merchants in the world to accelerate their digitization plans.

In particular, in order to increase efficiency, retailers are implementing unified and standardized payment systems across their various European operations. In this respect:

- Worldline is accompanying **C&A** in the roll-out of its standardized cash register solution, with expansion of our existing acquiring services to 4 additional countries (Poland, Czech Republic, Croatia & Italy); and
- Worldline will implement a standardized-till connection in 4 European countries for the fashion company **BRAX**. The solution includes the deployment of new generation payment terminals as well as payment acquisition services.

Also, Worldline was able to accompany many of its hospitality customers in their accelerated transformation plans:

- A partnership has been signed with **NextGuest**, a worldwide leader in personalized and automated guest communication and CRM for the hospitality industry, to apply PSD2 compliant secured e-payments to automated guest communications;
- Another partnership was signed with **Bookassist**, a leading provider of booking and web design for hotels, in order to help hotels achieve more direct bookings through their own website, using Worldline's payment technologies;
- Worldline's Saferpay online acceptance gateway has been integrated with **HotelNetSolution**, a provider of one-page booking and digitization products for the hospitality industry;
- Worldline will deliver acquiring services to **Wamos Benelux**, an online travel agency; and
- Worldline's unattended payment terminal VALINA has been chosen by **Myra**, a check-in/out kiosk manufacturer for the European hospitality industry.

Significant commercial progress was also made in online and omni-channel solutions:

- Worldline signed a partnership with **iPayLinks**, a leading online payment gateway, to propose Visa and MasterCard acquiring services to iPayLink's existing and new merchants across Europe;
- A partnership was signed with a UK based payment gateway in order to deploy Worldline's Visa, MasterCard and Diners online acquiring solution to all restaurants across Europe of a **global fast-food chain**; and
- Worldline's business relationship with **MUSIC STORE**, one of the largest specialty stores for musical instruments, has been expanded from the existing e-commerce solution to in-store payment acceptance and acquiring.

Lastly, regarding automated and unmanned operations:

- Worldline payment solutions, based in particular on the unattended payment terminal VALINA, were successfully sold to a growing number of customers, in particular to parking operators such as **Qpark** or **Cegeka**;
- A partnership was also signed with **Antenor**, a large Belgium automated solution operator for parking, carwash, and hospitality self-check in/out; and
- A new contact was also signed with a leader in access solutions for parkings, events and ski resorts, for unattended payment terminals and Pan-European acquiring services over 7 countries;
- Lastly, the VALINA payment terminal was successfully sold for the first time in North America.

## Financial Services

After the large contract signed with **BPCE** through **Brinks** earlier this year, Worldline signed a new contract with a group of four Belgian banks in order to process their ATM acquiring transactions, further consolidating the Group's position on the ATM transaction management market, which is rapidly consolidating and for which numerous outsourcing opportunities in Europe are under discussion.

Also, based on the success of their partnership, **PSA Payment Services Austria** and Worldline have extended their existing contract for five years. PSA is responsible for the Bankomat® system on behalf the Austrian banks, managing approximately 10 million Bankomat® cards and a network of 7,350 Bankomaten® ATMs. In 2019, one billion transactions were processed by Worldline under the previous agreement, which has now been extended until 2025.

More globally, the COVID-19 crisis accelerated the e-commerce and digital trends:

- As a result, Worldline's Trusted Authentication transactions more than doubled in September 2020, compared with September 2019.
- PSD2 account-based transactions (access to accounts information) processed on Worldline's platforms increased sharply, from less than 200,000 in September 2019 to close to 5 million in September 2020.

## Mobility & e-Transactional Services

As part of its 2025 strategic plan, **INSEE** (the French National Institute of Statistics and Economic Studies) wished to improve access to information for all audiences and chose Worldline's highly secured and multi-channel WL Contact SaaS customer engagement platform, under a 5-year contract.

Also, through Horizon 2020 Framework Program, the **European Commission** has awarded two new research and innovation projects to consortiums lead by Worldline, with the objective to address new challenges in the media sector and take advantage of the most innovative technologies, including blockchain:

- A first project is aimed at securing media content through a traceability solution based on blockchain technologies;
- A second one to create a collaborative secured platform to enable live video. Blockchain technology will permit to deliver a decentralized live stream to individual paying subscribers.

Lastly, Worldline signed a strategic cooperation with **Unwire**, a Danish Fintech and Mobility as a Service company, to accelerate innovative digital payment technology in transportation. The partnership will broaden Worldline's Mobility as a Service (MaaS) capabilities across the UK and Ireland as well as the rest of Europe and will enable an easier access and use of public transport through streamlined payment systems.

## Backlog

**Backlog** remained high and almos stable at **€ 3.9 billion**.

## Combined set of 2020 objectives

Following the completion of the acquisition of Ingenico and its consolidation from November 1<sup>st</sup>, 2020, today, Worldline issues a combined set of 2020 objectives, including the 2-month financial contribution of Ingenico, **fully consistent with previously communicated objectives.**

This combined set of objectives is based on the macro-economic hypothesis outlined during Worldline's Q1 2020 revenue publication, and in particular for the second semester, on the following trends:

- Very gradual lift of government constraints with:
  - A general retail re-opening and increase of domestic payment flows allowing a progressive business recovery;
  - Very limited international travel, tourism and related businesses
  - Postponement of all key conventions and events (sporting, corporate, festivals, concerts & leisure, etc.) to 2021

For the fourth quarter of 2020, in particular to take into consideration the recent evolution of the COVID-19 evolution, the Group's objectives are based on the following:

- Stronger government targeted restrictions but no full lock-down of non-essential retail in our key acquiring countries until year end, and
- Ingenico's business performance within its full year guidance.

On this basis, the **Group confirms it expects a full year 2020 financial performance broadly in line with 2019**, as follows:

### Revenue

The Group expects its 2020 full year revenue to be flat or decreasing by a low single-digit compared with 2019 at constant scope and foreign exchange rates.

### OMDA

The Group expects a 2020 full year OMDA percentage at constant scope and foreign exchange rates around 25%, circa the same percentage than 2019.

### Free cash flow

The Group targets circa the same cash conversion percentage (free cash flow divided by OMDA) than in 2019<sup>1</sup>.

*These objectives are expressed at constant scope and exchange rates. They rely also on the absence of change in scope and of significant change in accounting standards.*

*These objectives have been built on a comparable basis versus historical financial information, and according to Group's accounting standards.*

<sup>1</sup> Excluding Ingenico transaction acquisition costs estimated at c. € 50 million.



## Appendices

### Revenue for the first nine months of 2019

In € million	Revenue		
	9M 2020	9M 2019*	Organic change
Merchant Services	754.0	825.7	-8.7%
Financial Services	666.8	671.1	-0.6%
Mobility & e-Transactional Services	241.2	247.5	-2.5%
<b>Worldline</b>	<b>1,662.0</b>	<b>1,744.3</b>	<b>-4.7%</b>

\* at constant scope and exchange rates

### Reconciliation of Q3 2019 statutory revenue with Q3 2019 revenue at constant scope and exchange rates

For the analysis of the Group's performance, revenue for the third quarter of 2020 is compared to revenue for the third quarter of 2019 at constant scope and foreign exchange rates. Reconciliation between the Q3 2019 reported revenue and the Q3 2019 revenue at constant scope and foreign exchange rates is presented below (per Global Business Lines):

In € million	Revenue			
	Q3 2019	Scope effects**	Exchange rates effect	Q3 2019*
Merchant Services	283.8	+0.5	-0.5	283.8
Financial Services	225.6	0.0	-0.4	225.1
Mobility & e-Transactional Services	79.9	0.0	-0.1	79.8
<b>Worldline</b>	<b>589.3</b>	<b>+0.5</b>	<b>-1.0</b>	<b>588.8</b>

\* at constant scope and exchange rates

\*\* at December 2019 YTD average exchange rates

Over Q3, the Swiss Franc appreciation compared to Q3 2019 was offset by the depreciation of the Indian Rupee versus the Euro, as well as, into a lesser extent, of Asian currencies.

Scope effects are fully related to the consolidation of GoPay from September 1<sup>st</sup>, 2020

### Reconciliation of September 2019 year-to-date statutory revenue with 2019 year-to-date revenue at constant scope and exchange rates

In € million	Revenue			
	9M 2019	Scope effects**	Exchange rates effect	9M 2019*
Merchant Services	819.0	+0.5	+6.3	825.7
Financial Services	669.8	0.0	+1.3	671.1
Mobility & e-Transactional Services	252.5	0.0	-5.0	247.5
<b>Worldline</b>	<b>1,741.3</b>	<b>+0.5</b>	<b>2.5</b>	<b>1,744.3</b>

\* at constant scope and exchange rates

\*\* at December 2019 YTD average exchange rates



Since the start of the year, positive exchange rate effects mostly derive from the appreciation of the Swiss Franc against the Euro, partly mitigated by the depreciation of the Indian Rupee and of Latin American currencies, as well as, into a lesser extent, of Asian currencies.

Scope effects are fully related to the consolidation of GoPay from September 1<sup>st</sup>, 2020

The 2019 figures presented in this document are based on the constant scope and foreign exchange rates data.

## Conference call

The Management of Worldline invites you to an international conference call on the Group third quarter revenue, on Thursday, October 29, 2020 at 8:00 am (CET – Paris).

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

- on [worldline.com](https://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/mmc/p/v7kuqigy>



- by telephone with the dial-in:

United Kingdom (Local):	+44 (0) 844 481 9752
France (Local):	+33 (0)1 70 70 07 81
Germany (Local):	+49 (0)69 22 22 26 25
United States, New York (Local):	+1-646-741-3167

Confirmation Code: **6856974**

After the conference, a replay of the webcast will be available on [worldline.com](https://worldline.com), in the Investors section.

## Forthcoming events

- February 24, 2021      FY 2020 results
- April 21, 2021        Q1 2021 revenue
- May 20, 2021         Annual General Shareholders' Meeting
- July 27, 2021         H1 2021 results
- October 19, 2021     Q3 2021 revenue

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## About Worldline

Worldline [Euronext: WLN] is the European leader in the payments and transactional services industry and #4 player worldwide. With its global reach and its commitment to innovation, Worldline is the technology partner of choice for merchants, banks and third party acquirers as well as public transport operators, government agencies and industrial companies in all sectors. Powered by over 20,000 employees in more than 50 countries, Worldline provides its clients with sustainable, trusted and secure solutions across the payment value chain, fostering their business growth wherever they are. Services offered by Worldline in the areas of Merchant Services, Terminal Services & Solutions, Financial Services and Mobility & e-Transactional Services include domestic and cross-border commercial acquiring, both in-store and online, highly-secure payment transaction processing, a broad portfolio of payment terminals as well as e-ticketing and digital services in the industrial environment. In 2019 Worldline generated a pro forma revenue of 5.3 billion euros in 2019. [worldline.com](http://worldline.com)

Worldline's corporate purpose ("raison d'être") is to design and operate leading digital payment and transactional solutions that enable sustainable economic growth and reinforce trust and security in our societies. Worldline makes them environmentally friendly, widely accessible, and supports social transformation.

## 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 2019 Universal Registration Document filed with the Autorité des marchés financiers (AMF) on April 29, 2020 under the filing number: D.20-0411 and its Amendment filed with the AMF on August 6, 2020 under the filing number: D.20-0411-A01.

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 2019 Universal Registration Document. 2020 objectives have been considered with exchange rates as of March 31, 2020. All figures are presented in € million with one 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.

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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