

# Second Quarter 2017 Earnings Call

August 2, 2017

Empowering  
the Financial World 

# Agenda

TOPIC	SPEAKER
<b>Business Summary</b>	<b>Gary Norcross,</b> <i>President and CEO</i>
<b>Financial Summary</b>	<b>Woody Woodall,</b> <i>Chief Financial Officer</i>

# Disclosures

## Forward-Looking Statements

Our discussions today, including this presentation and any comments made by management, contain “forward-looking statements” within the meaning of the U.S. federal securities laws. Any statements that refer to future events or circumstances, including our future strategies or results, or that are not historical facts, are forward-looking statements. Actual results could differ materially from those projected in forward-looking statements due to a variety of factors, including the risks and uncertainties set forth in our earnings press release dated August 2, 2017, our annual report on Form 10-K for 2016 and our other filings with the SEC. We undertake no obligation to update or revise any forward-looking statements. Please see the Appendix for additional details on forward-looking statements.

## Non-GAAP Measures

This presentation will reference certain non-GAAP financial information. For a description and reconciliation of non-GAAP measures presented in this document, please see the Appendix attached to this presentation or visit the Investor Relations section of the FIS website at [www.fisglobal.com](http://www.fisglobal.com).



# Business Summary

**Gary Norcross**

President and CEO

# Strategic Accomplishments

- **CONSISTENT** execution
- **ENHANCING** and **FOCUSING** asset portfolio
- Global footprint creates **OPPORTUNITY**
- **POSITIONED** for continued long-term growth

# Second Quarter Highlights

- **\$2.3 BILLION** adjusted revenue
- **\$1.02** adjusted EPS
- **CONFIDENCE** in outlook

# Second Quarter Business Update

- **Integrated Financial Solutions (IFS)**
  - Broad-based solution growth
  - Consistent growth in corporate and digital solutions
  - Small business solution growth continues
  
- **Global Financial Solutions (GFS)**
  - Growth in international payments
  - Another strong quarter from derivatives utility
  - Expanding client relationships

# Strategic Growth Levers

- **EXECUTE** on differentiating capabilities
- **CAPITALIZE** on global scale
- **ATTRACTIVE** capital allocation principles





# Financial Summary

**Woody Woodall**  
Chief Financial Officer

# Consolidated Results

Second Quarter (Q2) and Six Months (YTD) 2017 (\$ millions)

<b>METRICS</b>	<b>Q2 2017</b>	<b>Y-o-Y vs Q2 2016</b>
<b>Adj. Revenue</b>	<b>\$ 2,343</b>	<b>2.3% Organic<sup>(1)</sup></b>
<b>Adj. EBITDA</b>	<b>\$ 746</b>	<b>7.2%</b>
<b>Adj. EBITDA Margin</b>	<b>31.8%</b>	<b>240 bps</b>
<b>Adj. EPS</b>	<b>\$ 1.02</b>	<b>13.3%</b>
<b>METRICS</b>	<b>YTD 2017</b>	<b>Y-o-Y vs YTD 2016</b>
<b>Adj. Revenue</b>	<b>\$ 4,601</b>	<b>2.0% Organic<sup>(1)</sup></b>
<b>Adj. EBITDA</b>	<b>\$ 1,428</b>	<b>7.1%</b>
<b>Adj. EBITDA Margin</b>	<b>31.0%</b>	<b>220 bps</b>
<b>Adj. EPS</b>	<b>\$ 1.88</b>	<b>11.2%</b>

# Integrated Financial Solutions

Second Quarter (Q2) and Six Months (YTD) 2017 (\$ millions)

<b>METRICS</b>	<b>Q2 2017</b>	<b>Y-o-Y vs Q2 2016</b>
Revenue	\$ 1,181	2.6% Organic <sup>(1)</sup>
Adj. EBITDA	\$ 469	4.8%
<i>Adj. EBITDA Margin</i>	39.7%	90 bps
<b>METRICS</b>	<b>YTD 2017</b>	<b>Y-o-Y vs YTD 2016</b>
Revenue	\$ 2,310	2.1% Organic <sup>(1)</sup>
Adj. EBITDA	\$ 911	4.6%
<i>Adj. EBITDA Margin</i>	39.5%	100 bps

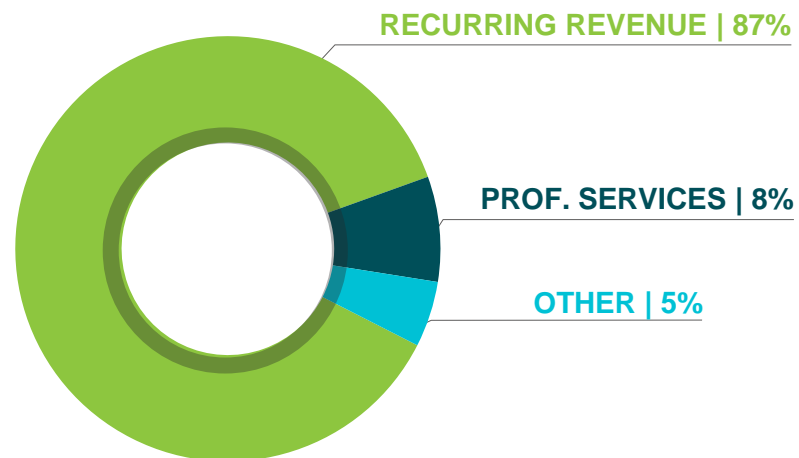
# Integrated Financial Solutions

## Revenue Contribution

(\$ millions)

	Second Quarter	ORGANIC GROWTH
Banking and Wealth	\$ 515	2.5%
Payments	464	1.1%
Corporate and Digital	202	6.1%
<b>Total Integrated Financial Solutions<sup>(1)</sup></b>	<b>\$ 1,181</b>	<b>2.6%</b>

## Revenue Composition – Q2



## Organic Revenue Drivers

### BANKING AND WEALTH

- Final quarter of people-based project comparable

### PAYMENTS

- Difficult EMV comparables

### CORPORATE AND DIGITAL

- Small business solution user and volume growth
- Consistent growth in digital solutions

# Global Financial Solutions

Second Quarter (Q2) and Six Months (YTD) 2017 (\$ millions)

<b>METRICS</b>	<b>Q2 2017</b>	<b>Y-o-Y vs Q2 2016</b>
Revenue	\$ 1,076	3.9% Organic <sup>(1)</sup>
Adj. EBITDA	\$ 331	15.5%
Adj. EBITDA Margin	30.8%	340 bps
<b>METRICS</b>	<b>YTD 2017</b>	<b>Y-o-Y vs YTD 2016</b>
Revenue	\$ 2,095	3.5% Organic <sup>(1)</sup>
Adj. EBITDA	\$ 614	14.2%
Adj. EBITDA Margin	29.3%	290 bps



(1) Organic revenue growth adjusts for FX translation and M&A activity, for a detailed definition see Appendix.

For a description of non-GAAP measures and a reconciliation of GAAP to non-GAAP measures, see Appendix.

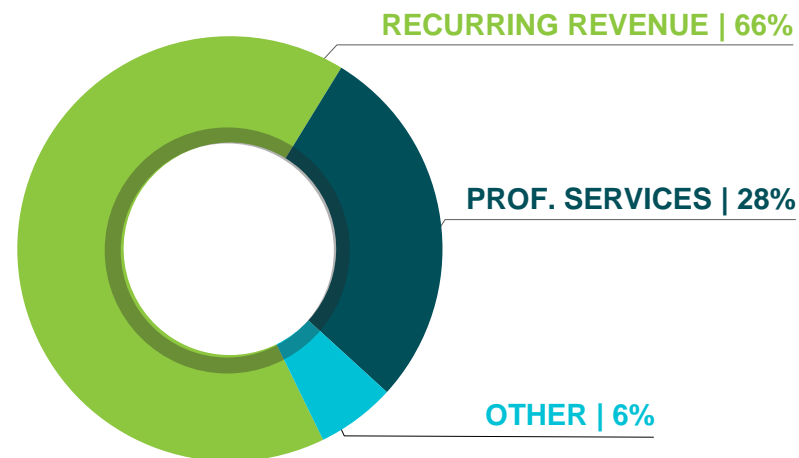
# Global Financial Solutions

## Revenue Contribution

(\$ millions)

	Second Quarter	ORGANIC GROWTH
Institutional and Wholesale	\$ 513	1.4%
Banking and Payments	414	6.2%
Consulting	149	6.7%
<b>Total Global Financial Solutions<sup>(1)</sup></b>	<b>\$ 1,076</b>	<b>3.9%</b>

## Revenue Composition – Q2



## Organic Revenue Drivers

### INSTITUTIONAL AND WHOLESALE

- Derivatives utility tailwind
- Timing of implementation work

### BANKING AND PAYMENTS

- Retail processing growth in Asia-Pacific region
- Payments strength in Brazil

### CONSULTING

- In line with expectations

# Corporate and Other

Second Quarter (Q2) and Six Months (YTD) 2017 (\$ millions)

<b>METRICS</b>	<b>Q2 2017</b>	<b>Y-o-Y vs Q2 2016</b>
Adj. Revenue	\$ 86	(17.8)% Organic <sup>(1)</sup>
Adj. EBITDA	\$ (54)	n/a
<i>Corporate Expense</i>	\$ 75	(4.5)%
<b>METRICS</b>	<b>YTD 2017</b>	<b>Y-o-Y vs YTD 2016</b>
Adj. Revenue	\$ 196	(12.0)% Organic <sup>(1)</sup>
Adj. EBITDA	\$ (97)	n/a
<i>Corporate Expense</i>	\$ 145	(5.9)%

# Cash Flow and Capital Allocation Strategy

- **Cash flow generation**

- Free cash flow of \$275 million in Q2 2017 and \$637 million YTD

- **Maintaining a strong balance sheet**

- \$9.7 billion debt outstanding as of June 30, 2017

- **Shareholder returns**

- Dividends of \$97 million in Q2 2017 and \$192 million YTD



# Recent Transactions

- **Consulting divestiture**

- Announced May 23, 2017 and closed July 31, 2017
- Net cash proceeds of \$441 million
- FIS to retain 40 percent equity interest

- **Refinancing activities**

- Highlights value of global footprint
- Access to broader investor base and new sources of capital
- Creates positive earnings impact
  - ~\$25 million of interest expense savings for remainder of 2017
  - ~\$60 million of interest expense savings in 2018
  - ~\$400 million of total interest expense savings over next eight years

# 2017 Organic Revenue Growth Reiterated

(\$ millions)

METRICS	FY 2017 Guidance % Growth	FY 2017 Guidance \$ Range
<b>Consolidated Organic Revenue Growth</b>	<b>2% – 3%</b>	<b>\$9,100 – \$9,200</b>
IFS Organic Revenue Growth	3% – 4%	\$4,620 – \$4,670
GFS Organic Revenue Growth	4% – 5%	\$4,150 – \$4,200

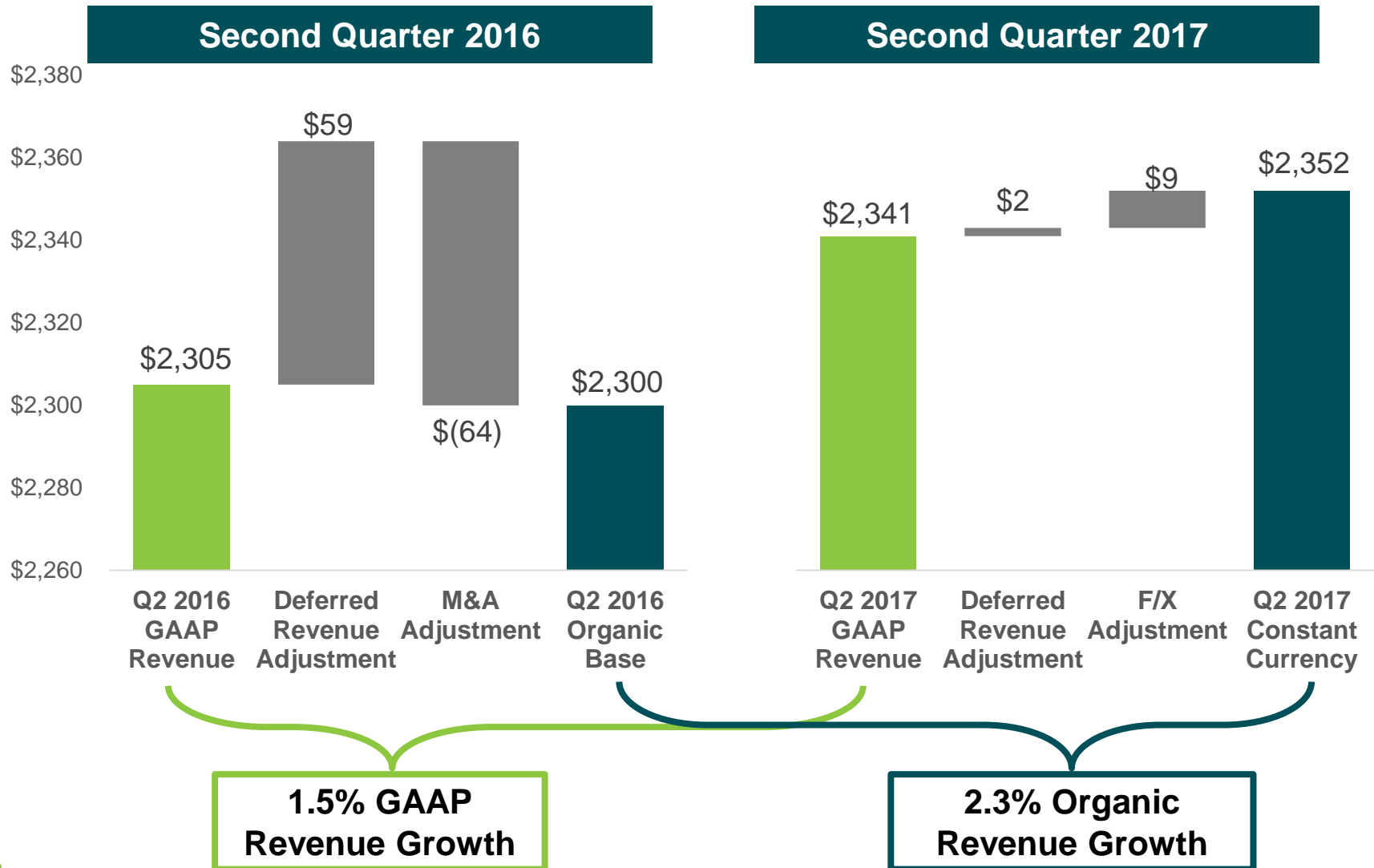
*Reflects impact of divestitures*

# 2017 Adjusted EPS Guidance Increased

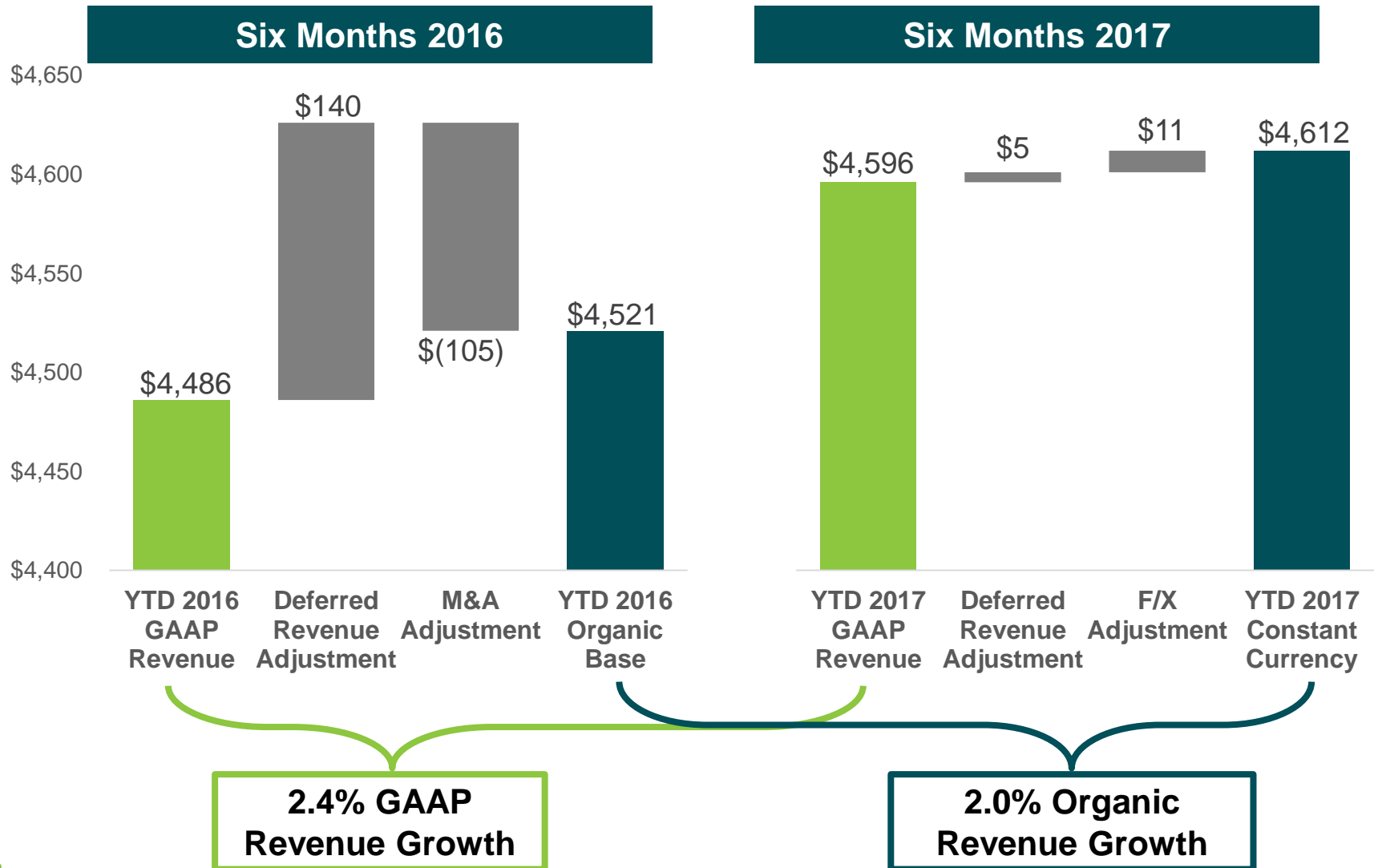
<b>METRICS</b>	<b>FY 2017 Guidance</b>
<b>Original Adjusted EPS Guidance</b>	<b>\$4.15 – \$4.30</b>
<i>Net impact of divestitures</i>	<i>\$(0.10)</i>
<i>Impact of debt refinance</i>	<i>\$0.05</i>
<i>Year-to-date results, outlook and tax rate</i>	<i>\$0.07 – \$0.12</i>
<b>Net Impact to FY 2017 Adjusted EPS</b>	<b>+\$0.07 / +\$0.02</b>
<b>Updated Adjusted EPS Guidance</b> <i>Y-o-Y Growth</i>	<b>\$4.22 – \$4.32</b> <b>+10% – 13%</b>

# APPENDIX

# Consolidated Q2 GAAP to Organic Growth Bridge



# Consolidated YTD GAAP to Organic Growth Bridge



# Forward-Looking Statements

This presentation and today's webcast contain "forward-looking statements" within the meaning of the U.S. federal securities laws. Statements that are not historical facts, including statements about anticipated financial outcomes, including any earnings guidance of the Company, business and market conditions, outlook, foreign currency exchange rates, expected dividends and share repurchases, the Company's sales pipeline and anticipated profitability and growth, as well as other statements about our expectations, beliefs, intentions, or strategies regarding the future, are forward-looking statements. These statements relate to future events and our future results, and involve a number of risks and uncertainties. Forward-looking statements are based on management's beliefs, as well as assumptions made by, and information currently available to, management. Any statements that refer to beliefs, expectations, projections or other characterizations of future events or circumstances and other statements that are not historical facts are forward-looking statements.

Actual results, performance or achievement could differ materially from those contained in these forward-looking statements. The risks and uncertainties that forward-looking statements are subject to include, without limitation:

- the risk that acquired businesses will not be integrated successfully, or that the integration will be more costly or more time-consuming and complex than anticipated;
- the risk that cost savings and other synergies anticipated to be realized from acquisitions may not be fully realized or may take longer to realize than expected;
- the risk of doing business internationally;
- changes in general economic, business and political conditions, including the possibility of intensified international hostilities, acts of terrorism, changes in either or both the United States and international lending, capital and financial markets, and currency fluctuations;
- the effect of legislative initiatives or proposals, statutory changes, governmental or other applicable regulations and/or changes in industry requirements, including privacy regulations;
- the risks of reduction in revenue from the elimination of existing and potential customers due to consolidation in, or new laws or regulations affecting, the banking, retail and financial services industries or due to financial failures or other setbacks suffered by firms in those industries;
- changes in the growth rates of the markets for our solutions;
- failures to adapt our solutions to changes in technology or in the marketplace;

# Forward-Looking Statements

- internal or external security breaches of our systems, including those relating to unauthorized access, theft, corruption or loss of personal information and computer viruses and other malware affecting our software or platforms, and the reactions of customers, card associations, government regulators and others to any such events;
- the risk that implementation of software (including software updates) for customers or at customer locations may result in the corruption or loss of data or customer information, interruption of business operations, exposure to liability claims or loss of customers;
- the reaction of current and potential customers to communications from us or regulators regarding information security, risk management, internal audit or other matters;
- competitive pressures on pricing related to the decreasing number of community banks in the U.S., the development of new disruptive technologies competing with one or more of our solutions, increasing presence of international competitors in the U.S. market and the entry into the market by global banks and global companies with respect to certain competitive solutions, each of which may have the impact of unbundling individual solutions from a comprehensive suite of solutions we provide to many of our customers;
- the failure to innovate in order to keep up with new emerging technologies could impact our solutions including the ability to attract new, or retain existing, customers;
- an operational or natural disaster at one of our major operations centers; and
- other risks detailed under “Risk Factors” and other sections of our Annual Report on Form 10-K for the fiscal year ended December 31, 2016 and other filings with the SEC.

Other unknown or unpredictable factors also could have a material adverse effect on our business, financial condition, results of operations and prospects. Accordingly, readers should not place undue reliance on these forward-looking statements. These forward-looking statements are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict. Except as required by applicable law or regulation, we do not undertake (and expressly disclaim) any obligation and do not intend to publicly update or review any of these forward-looking statements, whether as a result of new information, future events or otherwise.



# Non-GAAP Financial Information and Reconciliation

Generally Accepted Accounting Principles (GAAP) is the term used to refer to the standard framework of guidelines for financial accounting. GAAP includes the standards, conventions, and rules accountants follow in recording and summarizing transactions and in the preparation of financial statements. In addition to reporting financial results in accordance with GAAP, we have provided certain non-GAAP financial measures.

These non-GAAP measures include adjusted revenue, EBITDA, adjusted EBITDA, adjusted EBITDA margin, constant currency revenue, organic revenue growth, adjusted net earnings from continuing operations (including per share amounts), adjusted cash flow from operations, and free cash flow. These non-GAAP measures may be used in this release and/or in the attached supplemental financial information.

We believe these non-GAAP measures help investors better understand the underlying fundamentals of our business. As further described below, the non-GAAP revenue and earnings measures presented eliminate items management believes are not indicative of FIS's core operating performance. The "constant currency" and "organic revenue" measures adjust for the effects of exchange rate fluctuations, while organic revenue also adjusts for acquisitions and divestitures, giving investors further insight into our core performance. Finally, the non-GAAP cash flow measures provide further information about the ability of our business to generate cash. For these reasons, management also uses these non-GAAP measures in its assessment and management of FIS's performance.

Any non-GAAP measures should be considered in context with the GAAP financial presentation and should not be considered in isolation or as a substitute for GAAP measures. Further, FIS' non-GAAP measures may be calculated differently from similarly titled measures of other companies. Reconciliations of these non-GAAP measures to related GAAP measures, including footnotes describing the specific adjustments, are provided in the attached schedules and in the Investor Relations section of the FIS web site, [www.fisglobal.com](http://www.fisglobal.com).

# Non-GAAP Financial Information and Reconciliation

Adjusted revenue consists of reported revenue, increased to reverse the purchase accounting deferred revenue adjustment made upon the acquisition of SunGard. The deferred revenue adjustment represents revenue that would have been recognized in the normal course of business by SunGard under GAAP but was not recognized due to GAAP purchase accounting adjustments. The deferred revenue adjustment in purchase accounting was made entirely in the Corporate and Other segment; reported GAAP results for the IFS and GFS segments are not affected by this adjustment and, therefore, no adjusted revenue is presented for these segments.

EBITDA reflects earnings from continuing operations before interest, taxes, depreciation and amortization.

Adjusted EBITDA excludes certain costs and other transactions which management deems non-operational in nature, the removal of which improves comparability of operating results across reporting periods. This measure is reported to the chief operating decision maker for purposes of making decisions about allocating resources to the segments and assessing their performance. For this reason, Adjusted EBITDA, as it relates to our segments, is presented in conformity with Accounting Standards Codification 280, Segment Reporting, and is excluded from the definition of non-GAAP financial measures under the Securities and Exchange Commission's Regulation G and Item 10(e) of Regulation S-K.

Adjusted EBITDA margin reflects adjusted EBITDA divided by adjusted revenue.

Constant currency revenue represents (i) adjusted revenue in respect of the consolidated results and the corporate and other segment and (ii) reported revenue in respect of the IFS and GFS segments, in each case excluding the impact of fluctuations in foreign currency exchange rates in the current period.

Organic revenue growth is constant currency revenue, as defined above, for the current period compared to an adjusted revenue base for the prior period which is further adjusted to exclude the impact of any acquisitions and divestitures by FIS during the applicable reporting period.

# Non-GAAP Financial Information and Reconciliation

Adjusted net earnings from continuing operations excludes the impact of certain costs and other transactions which management deems non-operational in nature, the removal of which improves comparability of operating results across reporting periods. It also excludes the impact of acquisition-related purchase accounting amortization, which is recurring.

Adjusted net earnings per diluted share, or Adjusted EPS, reflects adjusted net earnings from continuing operations divided by weighted average diluted shares outstanding.

Adjusted cash flow from operations reflects GAAP cash flow from operations as adjusted for the net change in settlement assets and obligations, and excludes certain transactions that are closely associated with non-operating activities or are otherwise non-operational in nature and not indicative of future operating cash flows.

Free cash flow reflects adjusted cash flow from operations less capital expenditures. Free cash flow does not represent our residual cash flow available for discretionary expenditures, since we have mandatory debt service requirements and other non-discretionary expenditures that are not deducted from the measure.

# Organic Revenue Growth Calculation

Second Quarter (Q1) 2017 (\$ millions)

Three months ended June 30, 2017

	Integrated Financial Solutions	Global Financial Solutions	Corporate and Other	Consolidated
Processing and services revenue	\$ 1,181	\$ 1,076	\$ 84	\$ 2,341
Non-GAAP adjustments:				
Acquisition deferred revenue adjustment	-	-	2	2
Adjusted processing and services revenue	\$ 1,181	\$ 1,076	\$ 86	\$ 2,343
Currency translation adjustment	1	8	-	9
Constant currency (A)	\$ 1,182	\$ 1,084	\$ 86	\$ 2,352

Three months ended June 30, 2016

	Integrated Financial Solutions	Global Financial Solutions	Corporate and Other	Consolidated
Processing and services revenue	\$ 1,152	\$ 1,048	\$ 105	\$ 2,305
Non-GAAP adjustments:				
Acquisition deferred revenue adjustment	-	-	59	59
Adjusted processing and services revenue	\$ 1,152	\$ 1,048	\$ 164	\$ 2,364
M&A adjustment	-	(4)	(60)	(64)
Adjusted base (B)	\$ 1,152	\$ 1,044	\$ 104	\$ 2,300
<b>Organic revenue growth A / B</b>	<b>2.6%</b>	<b>3.9%</b>	<b>(17.8)%</b>	<b>2.3%</b>



# Organic Revenue Growth Calculation

Six Months (YTD) 2017 (\$ millions)

	Six months ended June 30, 2017			
	Integrated Financial Solutions	Global Financial Solutions	Corporate and Other	Consolidated
Processing and services revenue	\$ 2,310	\$ 2,095	\$ 191	\$ 4,596
Non-GAAP adjustments:				
Acquisition deferred revenue adjustment	-	-	5	5
Adjusted processing and services revenue	\$ 2,310	\$ 2,095	\$ 196	\$ 4,601
Currency translation adjustment	2	8	1	11
Constant currency (A)	\$ 2,312	\$ 2,103	\$ 197	\$ 4,612

	Six months ended June 30, 2016			
	Integrated Financial Solutions	Global Financial Solutions	Corporate and Other	Consolidated
Processing and services revenue	\$ 2,264	\$ 2,038	\$ 184	\$ 4,486
Non-GAAP adjustments:				
Acquisition deferred revenue adjustment	-	-	140	140
Adjusted processing and services revenue	\$ 2,264	\$ 2,038	\$ 324	\$ 4,626
M&A adjustment	-	(5)	(100)	(105)
Adjusted base (B)	\$ 2,264	\$ 2,033	\$ 224	\$ 4,521
<b>Organic revenue growth A / B</b>	<b>2.1%</b>	<b>3.5%</b>	<b>(12.0)%</b>	<b>2.0%</b>



# Reconciliation of GAAP to Non-GAAP Financials

(\$ millions, Except per Share Data, Unaudited)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2017	2016	2017	2016
Net earnings from continuing operations attributable to FIS	\$ 132	\$ 120	\$ 270	\$ 175
Provision for income taxes	132	66	211	97
Interest expense, net	91	93	183	186
Other, net	4	4	(46)	9
Operating income, as reported	\$ 359	\$ 283	\$ 618	\$ 467
FIS depreciation and amortization from continuing operations, excluding purchase accounting amortization	163	144	320	283
FIS non-GAAP adjustments:				
Purchase accounting amortization	183	147	366	301
Acquisition, integration and severance	39	63	119	142
Acquisition deferred revenue adjustment	2	59	5	140
Adjusted EBITDA	\$ 746	\$ 696	\$ 1,428	\$ 1,333

# Reconciliation of GAAP to Non-GAAP Financials

(\$ millions, Except per Share Data, Unaudited)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2017	2016	2017	2016
Earnings from continuing operations before income taxes	\$ 272	\$ 189	\$ 495	\$ 279
Provision for income taxes	132	66	211	97
Net earnings attributable to noncontrolling interest	(8)	(3)	(14)	(7)
Net earnings from continuing operations attributable to FIS	\$ 132	\$ 120	\$ 270	\$ 175
FIS non-GAAP adjustments:				
Purchase accounting amortization	183	147	366	301
Acquisition, integration and severance	39	63	119	142
Acquisition deferred revenue adjustment	2	59	5	140
Gain on sale of business	(3)	-	(88)	-
Debt financing activities	4	-	29	-
Provision for income taxes on a non-GAAP adjustments	(15)	(94)	(73)	(204)
Total non-GAAP adjustments	\$ 210	\$ 175	\$ 358	\$ 379
Adjusted net earnings (loss) from continuing operations, net of tax	\$ 342	\$ 295	\$ 628	\$ 554
Net earnings per share - diluted from continuing operations attributable to FIS common stockholders	\$ 0.40	\$ 0.36	\$ 0.81	\$ 0.53
FIS non-GAAP adjustments:				
Purchase accounting amortization	0.55	0.45	1.10	0.92
Acquisition, integration and severance	0.12	0.19	0.36	0.43
Acquisition deferred revenue adjustment	0.01	0.18	0.01	0.43
Gain on sale of business	(0.01)	-	(0.26)	-
Debt financing activities	0.01	-	0.09	-
Provision for income taxes on a non-GAAP adjustments	(0.04)	(0.29)	(0.22)	(0.62)
Adjusted net earnings (loss) per share - diluted from continuing operations attributable to FIS common stockholders	\$ 1.02	\$ 0.90	\$ 1.88	\$ 1.69
Weighted average shares outstanding-diluted	334	329	334	328

# Reconciliation of GAAP to Non-GAAP Financials

(\$ millions, Except per Share Data, Unaudited)

	Three months ended June 30, 2017	Six months ended June 30, 2017
Net cash provided by operating activities	\$ 74	\$ 528
Non-GAAP adjustments:		
Acquisition, integration and severance payments	46	62
Tax payments on divestitures	312	312
Debt financing activities	2	13
Settlement activity	(17)	19
Adjusted cash flows from operations	\$ 417	\$ 934
Capital expenditures	(142)	(297)
Free cash flow	\$ 275	\$ 637

	Three months ended June 30, 2016	Six months ended June 30, 2016
Net cash provided by operating activities	\$ 435	\$ 820
Non-GAAP adjustments:		
Capco acquisition related payments	-	20
Acquisition, integration and severance payments	26	84
Settlement activity	(22)	(2)
Adjusted cash flows from operations	\$ 439	\$ 922
Capital expenditures	(148)	(293)
Free cash flow	\$ 291	\$ 629